

Nomura Securities Co., Ltd.
Unconsolidated Balance Sheets

(UNAUDITED)

	Millions of yen		
	March 31, 2019	June 30, 2019	Increase/(Decrease)
Assets			
Current assets:	10,863,575	11,232,565	368,990
Trading assets	2,799,841	3,100,136	300,295
Loans with securities as collateral	5,160,506	5,094,009	(66,497)
Other current assets	2,903,228	3,038,420	135,193
Fixed assets	51,301	51,247	(54)
Total assets	10,914,876	11,283,812	368,936
Liabilities			
Current liabilities:	9,042,105	9,632,612	590,507
Trading liabilities	1,844,738	1,870,414	25,676
Borrowings with securities as collateral	5,006,337	5,177,281	170,944
Other current liabilities	2,191,030	2,584,917	393,887
Long-term liabilities	1,199,978	1,013,378	(186,600)
Statutory reserves	21,845	21,845	—
Total liabilities	10,263,927	10,667,835	403,907
Shareholder's equity	650,948	615,977	(34,971)
Total net assets	650,948	615,977	(34,971)
Total liabilities and net assets	10,914,876	11,283,812	368,936

Nomura Securities Co., Ltd.
Unconsolidated Statements of Income

(UNAUDITED)

	Millions of yen		
	For the three months ended		% Change (A-B)/(B)
	June 30, 2018 (B)	June 30, 2019 (A)	
Operating revenue	150,385	144,117	(4.2)
Commissions	91,274	85,037	(6.8)
Net gain on trading	37,674	36,215	(3.9)
Interest and dividend income	21,437	22,865	6.7
Interest expenses	21,626	22,192	2.6
Net operating revenue	128,759	121,925	(5.3)
Selling, general and administrative expenses	115,220	113,750	(1.3)
Operating income	13,539	8,174	(39.6)
Non-operating income	37	534	—
Non-operating expenses	99	75	(24.3)
Ordinary income	13,477	8,634	(35.9)
Special profits	410	308	(25.0)
Income before income taxes	13,887	8,941	(35.6)
Income taxes - current	6,586	3,675	(44.2)
Income taxes - deferred	(2,219)	237	—
Net income	9,521	5,029	(47.2)

Nomura Securities Co., Ltd.**Unconsolidated Statements of Income - Quarterly Comparatives**

(Millions of yen)

	For the three months ended				
	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019
Operating revenue	150,385	146,323	157,269	121,078	144,117
Commissions	91,274	86,583	93,712	83,832	85,037
Net gain on trading	37,674	46,729	41,828	24,340	36,215
Interest and dividend income	21,437	13,012	21,729	12,906	22,865
Interest expenses	21,626	13,190	21,249	12,147	22,192
Net operating revenue	128,759	133,133	136,020	108,931	121,925
Selling, general and administrative expenses	115,220	117,197	115,985	110,619	113,750
Operating income(loss)	13,539	15,935	20,035	(1,688)	8,174
Non-operating income	37	118	231	207	534
Non-operating expenses	99	74	93	28	75
Ordinary income(loss)	13,477	15,979	20,173	(1,510)	8,634
Special profits	410	634	513	577	308
Income (loss) before income taxes	13,887	16,613	20,686	(933)	8,941
Income taxes - current	6,586	4,291	5,331	(3,307)	3,675
Income taxes - deferred	(2,219)	1,022	817	3,481	237
Net income(loss)	9,521	11,300	14,538	(1,107)	5,029

Nomura Securities Co., Ltd.

Supplementary Information

1. Commission Revenues

(Millions of yen, except percentages)

	For the three months ended		% Change (A-B)/(B)
	June 30, 2018 (B)	June 30, 2019 (A)	
Brokerage commissions	24,293	19,703	(18.9)
<i>(Stocks)</i>	23,320	18,825	(19.3)
Commissions for underwriting, secondary distribution and solicitation for selling and others for Professional Investors	6,901	7,154	3.7
<i>(Stocks)</i>	4,751	4,074	(14.2)
<i>(Bonds)</i>	2,151	3,080	43.2
Fees for offering, secondary distribution and solicitation for selling and others for Professional Investors	19,179	17,519	(8.7)
<i>(Investment trust certificates)</i>	17,957	16,349	(9.0)
Other commissions	40,900	40,661	(0.6)
<i>(Investment trust certificates)</i>	17,239	16,316	(5.4)
Total	91,274	85,037	(6.8)

2. Stock Trading (excluding futures transactions)

(Millions of yen, except percentages)

	For the three months ended		% Change (A-B)/(B)
	June 30, 2018 (B)	June 30, 2019 (A)	
Brokerage	64,746,193	55,005,071	(15.0)
Proprietary trading	4,595,018	4,076,091	(11.3)
Total	69,341,211	59,081,161	(14.8)

3. Capital Adequacy Ratio

(Rounded down to millions of yen, except percentages)

		March 31, 2019	June 30, 2019	Increase/(Decrease)
Tier I	(A)	610,948	615,977	5,029
Tier II	Valuation and translation adjustments	—	—	—
	Statutory reserves	21,844	21,844	—
	Allowance for doubtful accounts	—	—	—
	Subordinated debts	350,000	350,000	—
	Total (B)	371,844	371,844	—
Illiquid asset	(C)	68,152	70,324	2,171
Net capital	(A) + (B) - (C) = (D)	914,640	917,497	2,857
Risk	Market risk	64,412	104,389	39,976
	Counterparty risk	134,483	134,684	201
	Basic risk	129,899	127,166	(2,732)
	Total (E)	328,795	366,240	37,444
Capital adequacy ratio	(D)/(E)×100	278.1%	250.5%	△27.6%