

# Creditor Presentation

Second Quarter, Fiscal Year Ending March 2013

**NOMURA**

Nomura Holdings, Inc.

October 2012

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Unless otherwise stated, conversion of Yen figures to U.S. Dollars has been calculated at the exchange rate of USD 1 = JPY 77.92, i.e. FRB noon rate as of September 28<sup>th</sup> 2012

## Financial Highlights

- Revenue and income both up QoQ; Profitable for fourth straight quarter
  - Net revenue: Y401.7bn (\$5.16bn) (+9% QoQ; +33% YoY)
  - Income before income taxes: Y35.4bn (\$455mn) (+80% QoQ)
  - Net income<sup>1</sup>: Y2.8bn (\$36mn) (+49% QoQ)
  
- Business segment income before income taxes of Y15.7bn (+74% QoQ); All business divisions profitable on pretax basis

## Balance Sheet Management

- Healthy balance sheet
  - Highly liquid, healthy balance sheet: 77% of assets are highly liquid trading related assets
  - Conservative Risk Profile
- Substantial Liquidity: Liquidity portfolio \$68bn at September 2012, 15% of total assets
- Conservative funding profile: Nearly 80% of unsecured funding is comprised of long-term debt. Funding sources and debt maturities are diversified
- Robust financial position: Tier 1 ratio at 15.1%, Tier 1 common ratio at 13.1% under Basel 2.5

(1) Net income attributable to Nomura Holdings shareholders

# Overview of Results

## Quarter

(JPY bn) (USD bn)	FYE2012			FYE2013		QoQ	YoY
	2Q	3Q	4Q	1Q	2Q		
Net revenue	301.6	404.9	499.0	369.3	<b>401.7</b> <b>\$5.16</b>	+9%	+33%
Retail	84.0	79.7	92.4	82.7	<b>80.8</b> <b>\$1.04</b>	-2%	-4%
Asset Management	16.0	15.3	15.7	16.4	<b>15.4</b> <b>\$0.20</b>	-6%	-3%
Wholesale <sup>1</sup>	81.6	175.1	158.4	121.9	<b>137.1</b> <b>\$1.76</b>	+12%	+68%
3 Segments Total	181.5	270.1	266.5	221.0	<b>233.3</b> <b>\$2.99</b>	+6%	+29%
Other <sup>1,2</sup>	122.4	137.3	222.6	154.6	<b>156.0</b> <b>\$2.00</b>	+1%	+27%
Unrealized gain (loss) on investment in equity securities <sup>3</sup>	-2.4	-2.5	9.9	-6.3	<b>12.4</b> <b>\$0.16</b>	-	-
Non-interest expenses	346.2	370.5	438.2	349.6	<b>366.3</b> <b>\$4.70</b>	+5%	+6%
Income (loss) before income taxes	-44.6	34.5	60.8	19.7	<b>35.4</b> <b>\$0.45</b>	+80%	-
3 Segments Total	-55.2	51.4	36.3	9.0	<b>15.7</b> <b>\$0.20</b>	+74%	-
Other <sup>1,2</sup>	12.9	-14.5	14.6	17.0	<b>7.3</b> <b>\$0.09</b>	-57%	-43%
Unrealized gain (loss) on investment in equity securities <sup>3</sup>	-2.4	-2.5	9.9	-6.3	<b>12.4</b> <b>\$0.16</b>	-	-
Net income (loss) <sup>4</sup>	-46.1	17.8	22.1	1.9	<b>2.8</b> <b>\$0.04</b>	+49%	-

(1) Due to a reorganization in April 2012, reported amounts for Wholesale and Other have been reclassified

(2) "Other" includes entities consolidated as a result of converting Nomura Land and Building into a subsidiary. FYE2013 2Q also includes own-credit and counterparty credit spread valuation adjustment of Y2.5bn

(3) Unrealized gain (loss) on investment in equity securities held for operating purpose

(4) Net income (loss) attributable to Nomura Holdings shareholders

## Key Points

### ■ Retail

- Net revenue Y80.8bn (-2% QoQ)
- Income before income taxes Y11.0bn (-10% QoQ)
  - ✓ Contributed to firm-wide earnings; Robust sales of investment trusts, but slowdown in bond sales due to low interest rate environment

### ■ Asset Management

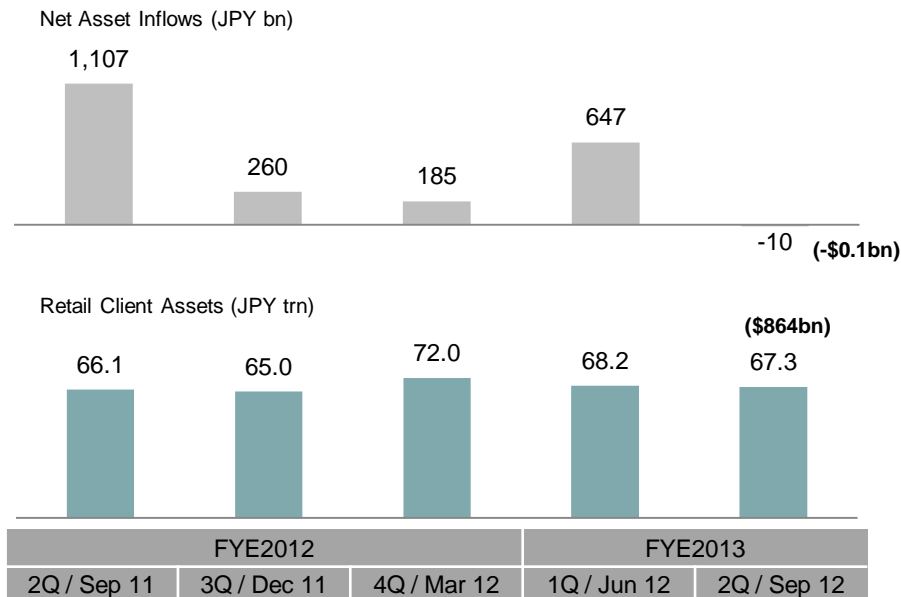
- Net revenue Y15.4bn (-6% QoQ)
- Income before income taxes Y4.6bn (-15% QoQ)
  - ✓ Maintained disciplined cost control, continued to deliver stable earnings; Revenues and income down QoQ due to absence of dividend revenues booked last quarter

### ■ Wholesale

- Net revenue Y137.1bn (+12% QoQ)
- Income before income taxes Y0.2bn
  - ✓ Revenues increased in Americas, EMEA, and Japan; Fixed Income main revenue driver
  - ✓ Implemented measures to improve profitability centered on Equities and Investment Banking
    - Focus on areas where we have a competitive advantage
    - Commenced additional \$1bn cost reduction program; Booked one-off charge of approx. Y6.0bn related to headcount reduction

## Net Revenue and Income Before Income Taxes

(JPY bn) (USD bn)	FYE2012			FYE2013		QoQ	YoY
	2Q	3Q	4Q	1Q	2Q		
Net revenue	84.0	79.7	92.4	82.7	<b>80.8</b> <b>\$1.04</b>	-2%	-4%
Non-interest expenses	73.3	69.6	72.1	70.5	<b>69.8</b> <b>\$0.90</b>	-1%	-5%
Income before income taxes	10.7	10.1	20.3	12.2	<b>11.0</b> <b>\$0.14</b>	-10%	+2%

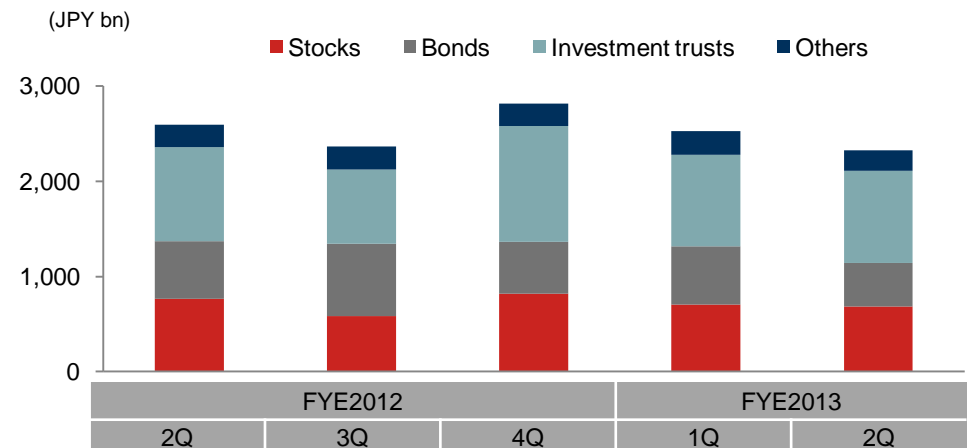
Net Asset Inflows<sup>1</sup> and Retail Client Assets

(1) Net asset inflow = Asset inflows – Asset outflows

## Key Points

- Lower revenues and income: Retail investor risk appetite remained subdued as market conditions showed no improvement from last quarter's sharp decline
  - Bond sales slowed due to lower interest rate environment
  - Investment trust sales were resilient, underpinned by product offering matched to client needs and continued focus on providing consulting-based services
- Client franchise
  - Retail client assets Y67.3tn
  - Accounts with balance 5m
  - Net asset inflows -Y10.3bn

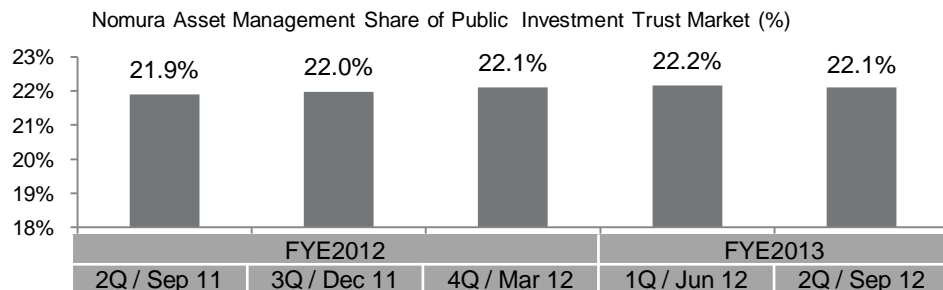
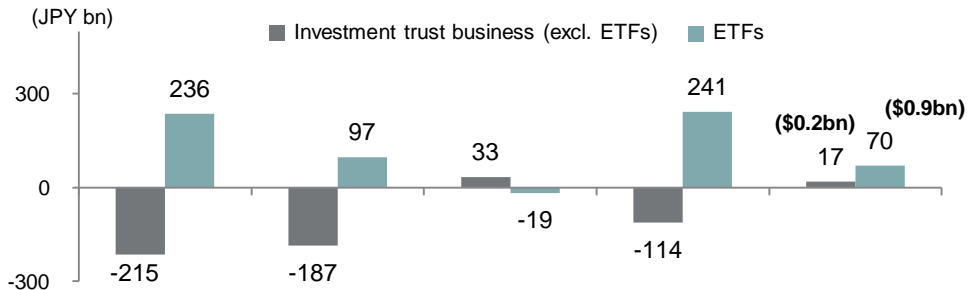
## Total Sales



## Net Revenue and Income Before Income Taxes

(JPY bn) (USD bn)	FYE2012			FYE2013		QoQ	YoY
	2Q	3Q	4Q	1Q	2Q		
Net revenue	16.0	15.3	15.7	16.4	<b>15.4</b> <b>\$0.20</b>	-6%	-3%
Non-interest expenses	11.2	11.1	11.6	11.0	<b>10.9</b> <b>\$0.14</b>	-2%	-3%
Income before income taxes	4.7	4.2	4.1	5.4	<b>4.6</b> <b>\$0.06</b>	-15%	-3%

## Flows of Funds<sup>1</sup> and Nomura Asset Management Share of Public Investment Trust Market<sup>2</sup>



## Key Points

- Revenue and income down QoQ due to absence of dividend revenues booked last quarter
- Maintained disciplined cost control to deliver stable earnings

### Investment trust business for individual clients

- Nomura Securities sales channel
    - Continued fund inflows driven by diverse product offering matched to client needs and sales support
  - Bank sales channel
    - Nomura Emerging Bond Open Course A assets under management continued to increase along with the number of distributors
- 2Q fund inflows
- Nomura US High Yield Bond Fund: Y125.0bn
  - Nomura Japan Stock Fund (Australian Dollar Investment Type) 1208: Y120.1bn
  - Nomura Australian Bond Open Premium: Y29.7bn
  - Nomura Emerging Sovereign Yen Investment Type 1208: Y27.0bn
- AuM at end of Sep: Y136.5bn (+10%QoQ)

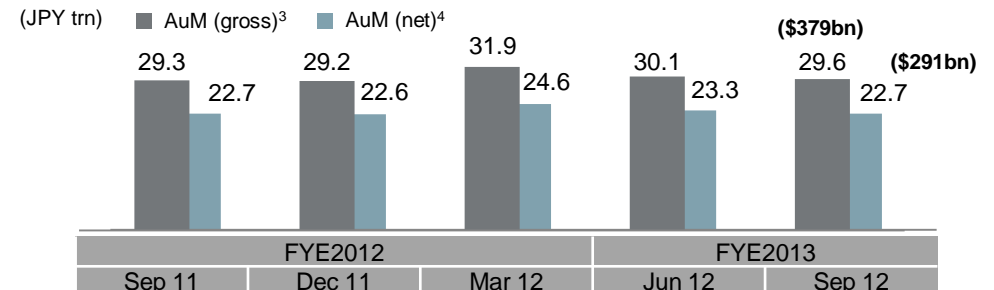
### Investment advisory business for institutional clients

- Although we reported outflows from pension funds in Japan, internationally we saw stable inflows in high yield bonds and Asian and Japanese equities from existing clients

### Expanding operations in Asia

- Received additional QFII investment quota (total quota increased from \$200m to \$350m)
- Further strengthened lineup of China A share related products

## Assets Under Management

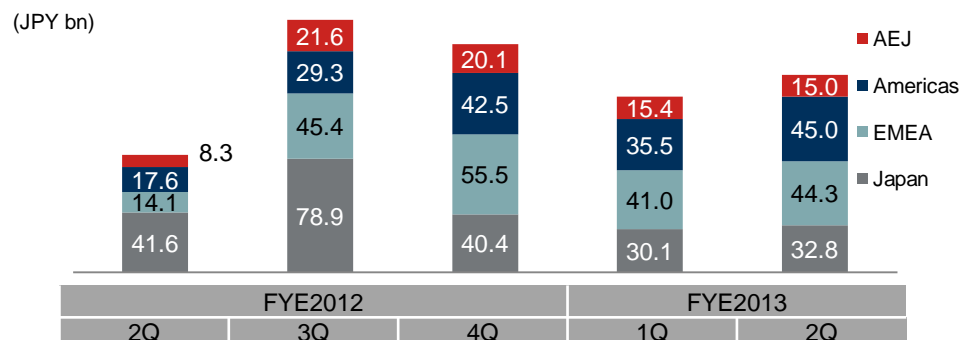


(1) Based on assets under management (net) (2) Source: The Investment Trusts Association, Japan  
 (3) Total assets under management for Nomura Asset Management, Nomura Funds Research and Technologies, Nomura Corporate Research and Asset Management, Nomura Private Equity Capital, and Nomura Funds Research and Technologies America (4) Net after deducting duplications from assets under management (gross)

## Net Revenue and Income (Loss) Before Income Taxes<sup>1</sup>

(JPY bn) (USD bn)	FYE2012			FYE2013		QoQ	YoY
	2Q	3Q	4Q	1Q	2Q		
Net revenue	81.6	175.1	158.4	121.9	<b>137.1</b> <b>\$1.76</b>	+12%	+68%
Fixed Income	41.4	76.4	87.0	71.5	<b>88.6</b> <b>\$1.14</b>	+24%	+114%
Equity	33.4	39.6	51.6	37.1	<b>32.1</b> <b>\$0.41</b>	-14%	-4%
Investment Banking (net)	11.6	23.6	21.2	15.1	<b>15.8</b> <b>\$0.20</b>	+5%	+36%
Other	-4.8	35.5	-1.4	-1.8	<b>0.6</b> <b>\$0.01</b>	-	-
Investment Banking	6.8	59.1	19.8	13.3	<b>16.4</b> <b>\$0.21</b>	+24%	+141%
Non-interest expenses	152.2	138.1	146.5	130.4	<b>136.9</b> <b>\$1.76</b>	+5%	-10%
Income (loss) before income taxes	-70.7	37.1	11.9	-8.6	<b>0.2</b> <b>\$0.00</b>	-	-
Investment Banking (gross)	23.8	45.1	40.5	32.2	<b>33.3</b> <b>\$0.43</b>	+4%	+40%

## Net Revenue by Region<sup>1</sup>



## Key Points

- Revenues increased QoQ in Americas, EMEA, and Japan
- Fixed Income was main driver of revenues, underpinning return to profit for Wholesale
- Started taking steps to improve profitability – “Fit for the Future”
  - Equities: Revised business model
  - Investment Banking: Refocused international operations on sectors and products where we have a competitive advantage
  - Implementing additional cost reductions of \$1bn; Booked one-off charge of approx. Y6.0bn

### Fixed Income

- Strongest quarter in last nine quarters driven by all products and regions
- Well diversified product mix
  - Rates: Consistent client flows complemented by prudent position management during significant macro events in EMEA and US
  - Credit: Steady performance with rebound in AEJ and Americas, and strong demand for structured products in Japan
  - FX: Uptick in G10, slightly weaker performance in EM currencies
  - Securitized Product: Strongest quarter since 2009, rise in client flows being one of the key drivers

### Equities

- Client revenue
  - Market turnover continued to decline globally, down 11% QoQ
  - Primary deals in AEJ and EMEA contributed to revenues
- Trading revenue
  - Liquidity and volatility declined in major markets, affecting our Derivatives business in each region
- Reorganization of global Equities business
  - Migrating execution services in AEJ<sup>2</sup>, EMEA, and Americas to Instinet (due to be completed in March 2013)
  - Reorganization centered on Derivatives business being consolidated into Investor and Corporate Solutions

### Investment Banking

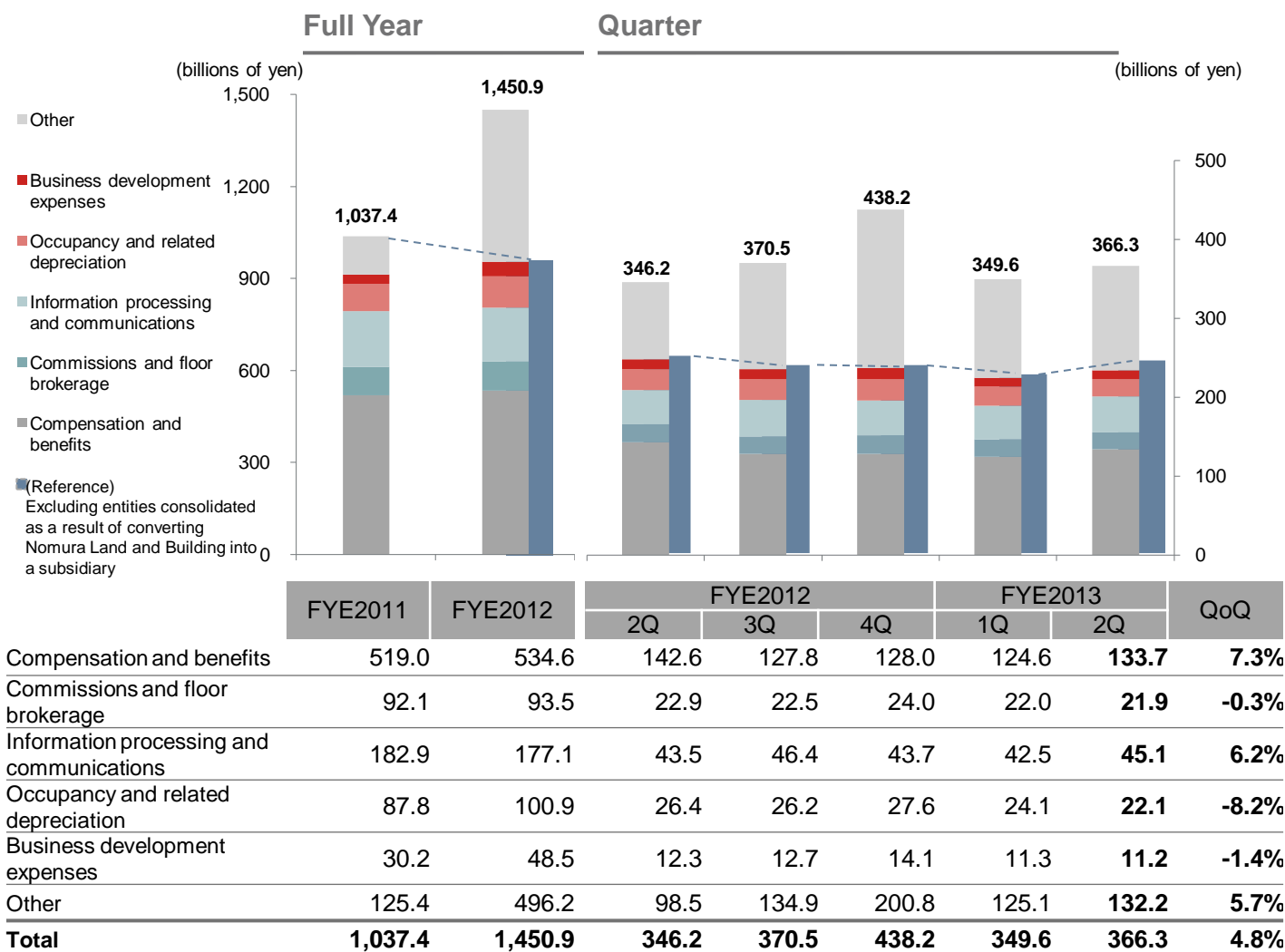
- Gross revenue of Y33.3bn, up 40% YoY
- ECM revenues increased, mainly in Japan and EMEA
- M&A business remains firm, particularly in Asia-related cross-border deals
  - Involved in large-scale reorganizations of Japanese companies and cross-border deals (#1 in Japan-related M&A league table<sup>3</sup>)
  - In natural resources sector, supported Chinese company’s acquisition of European company
  - Executed multi-product deals combining M&A, financing, and hedging in Japan and internationally
- Continued strong momentum in financing transactions for European financial institutions and financial sponsors-related business

(1) Due to a reorganization in April 2012, reported amounts for Wholesale and Other have been reclassified

(2) Excluding Japanese, Korean, and Taiwanese equities (3) Source: Thomson Reuters (Jan – Sep)



# Non-Interest Expenses

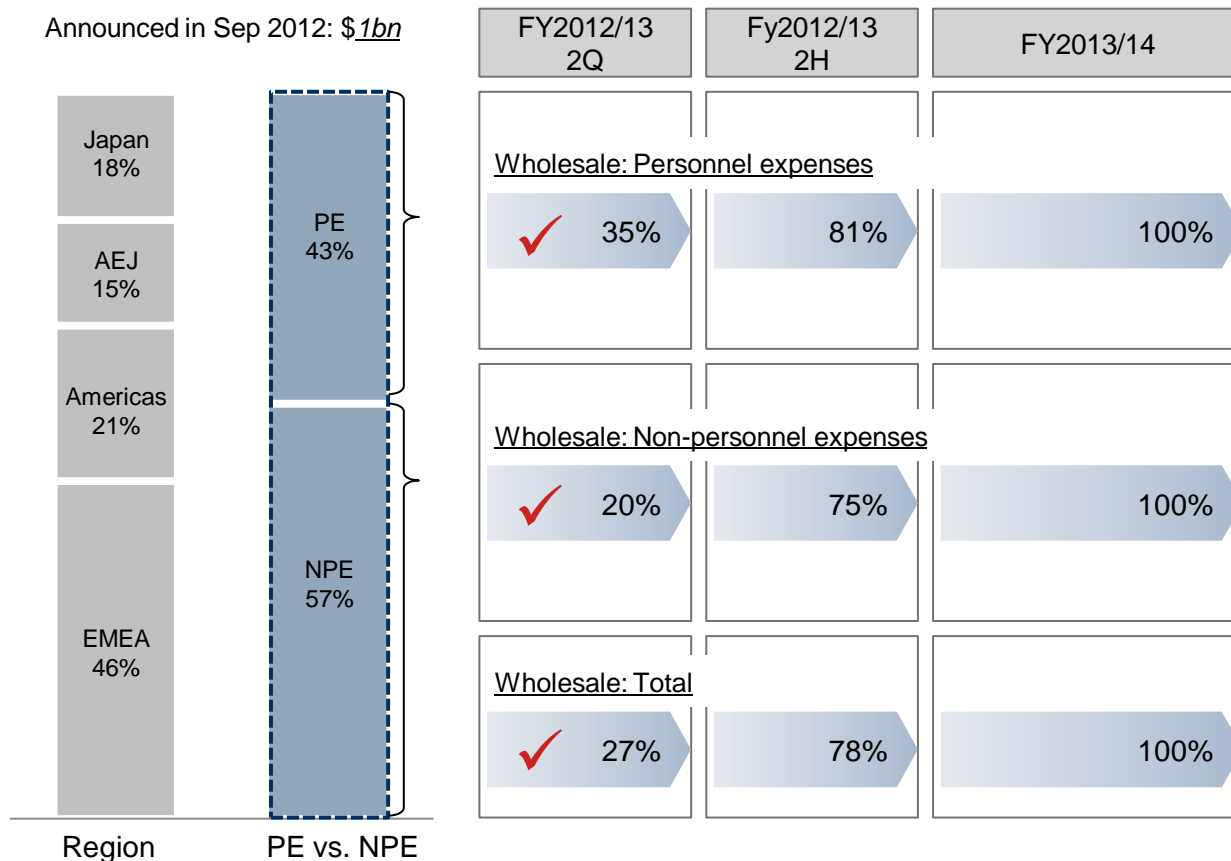


## Key Points

- Non-interest expenses: Y366.3bn (+5% QoQ)
- Major contributing factors
  - Wholesale commenced \$1bn cost reductions, booked one-off charge of Y6.7bn under compensation and benefits
  - Booked goodwill impairment charge of Y8.3bn in Other
- Expenses were in line with prior quarter after stripping out one-off charge

# Progress of Cost Reduction Program: Fit for the Future

## Timeline of \$1bn Cost Reduction Program



## Progress

- Commenced additional \$1bn cost reduction program in Sep 2012
  - Significant reduction in cost base: Lower break-even point
  - Focused on Wholesale division (primarily Equities, Investment Banking, Corporate)
  - Aim to complete by March 2014
- Personnel expenses (43% of total)
  - Communication started in mid September
  - Booked one-off charge of Y6.7bn in 2Q related to headcount reduction
  - Postponing replacement of leavers, curbing new hires
  - Business efficiencies (platform integration, improved productivity)
- Non-personnel expenses (57% of total)
  - Controlling IT system expenses through business efficiencies
  - Costs down due to headcount reduction
  - Aiming for 75% reduction by March 2013

(1) Regional and PE vs. NPE breakdowns for \$1bn cost reduction have been adjusted from the figures announced on September 6.

## Balance Sheet Composition

### ■ Highly Liquid, Healthy Balance Sheet

- 77% of assets are highly liquid trading and related assets that are marked to market, and matched to trading and related liabilities through repos, etc. (regionally and by currency)
- Other assets are funded by equity and long-term debt, ensuring structural stability

### ■ Conservative Risk Profile

- Peripheral Europe net country exposure of \$3.19bn (increased by \$977m from June 2012)
- Net Level 3 assets<sup>2</sup> continued to be moderate, 32% of Tier 1 capital as of September 2012

## Liquidity Portfolio<sup>3</sup>

### ■ Substantial Liquidity Portfolio

- \$68bn, 15% of total assets
- Maintain a high quality liquidity portfolio surplus without the need for additional unsecured funding over a certain period

Balance Sheet  
(September 2012)



## Funding Profile

### ■ Conservative Funding Profile

- Approx. 80% of unsecured funding<sup>4</sup> is long-term debt
- Unsecured funding sources are diversified across products, investor types and maturities

## Financial Position

### ■ Robust Financial Position

- Tier 1 ratio at 15.1%, and Tier 1 common ratio<sup>5</sup> at 13.1% under Basel 2.5
- Leverage remains at prudent levels, with gross leverage at 16.9x and net leverage<sup>6</sup> at 10.6x

(1) Trading assets and related: Reverse repo, securities, derivatives, etc. Trading liabilities and related: Repo, securities loaned, derivatives liabilities, etc. (2) Preliminary

(3) Definition differs from financial disclosures reflecting Liquidity Management's view. Cash and cash deposits portion of liquidity portfolio excludes segregated client funds.

(4) Definition differs from financial disclosures reflecting Liquidity Management's view (5) Tier 1 common ratio is defined as Tier 1 capital minus minority interest divided by risk-weighted assets.

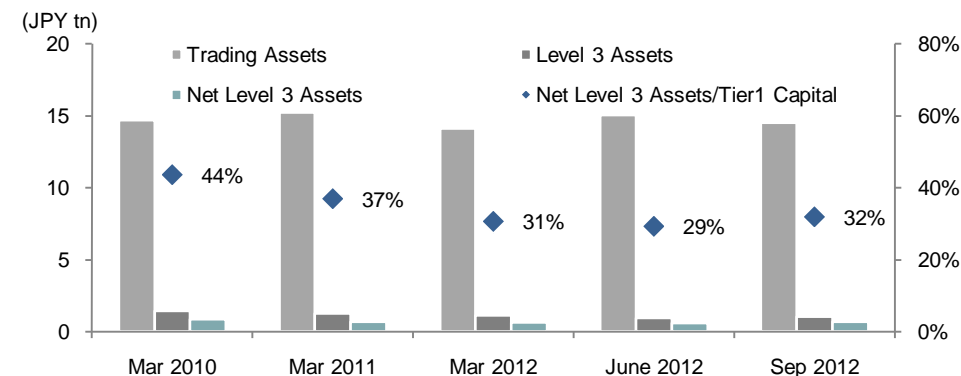
(6) Net leverage: Total assets minus securities purchased under agreements to resell and securities borrowed, divided by Nomura Holdings shareholders' equity

# Exposure to European Peripheral Countries, Level 3 Assets

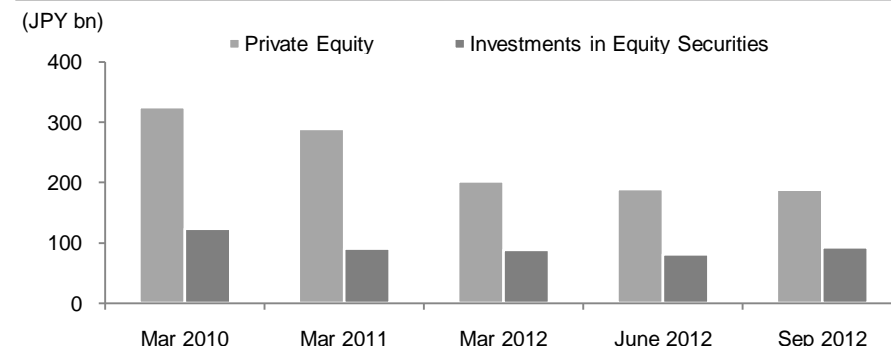
## GIIPS Country Exposure (preliminary, as of September 30, 2012)

	Net inventory <sup>1</sup>			Net counterparty			Net exposure total	Change from June 2012
	Total	Of which, exposure matures within 6 months	Of which, exposure matures after 6 months	Total	Counter party <sup>2</sup>	Of which, reserve / hedges		
<b>Greece</b>	54	7	47	41	107	-66	95	23
<b>Ireland</b>	393	441	-47	28	31	-3	421	194
<b>Italy</b>	1,031	-61	1,092	170	574	-405	1,201	113
<b>Portugal</b>	-7	34	-41	-7	161	-169	-14	99
<b>Spain</b>	1,255	567	688	229	357	-128	1,484	549
European peripheral countries – Total	2,727	988	1,739	460	1,230	-770	3,186	977

## Level 3 Assets<sup>3</sup> and Net Level 3 Assets / Tier 1 Capital



## Private Equity Investments / Investments in Equity Securities



- Peripheral European net country exposure of \$3.19bn as of the end of September (increased by \$977mn from June total of \$2.21bn. Sovereign inventory increased, primarily for Spain and Ireland). Inventory is all trading assets marked to market.
- Net Level 3 assets remain moderate, 32% of Tier 1 capital as of September 2012. Private equity investments and investments in equity securities position remain moderate

(1) Inventory, both long and short positions  
 (2) Net counterparty exposure (i.e. repurchase transactions, securities lending and OTC derivatives) less collateral.  
 (3) Preliminary

## Firm-Wide Liquidity Management

- **Liquidity Stress Test ~ Quantify Liquidity Risk Tolerance**

- The firm carries out its liquidity stress test daily in order to maintain adequate liquidity to withstand hypothetical stress cash outflows under a market-wide stress and an additional idiosyncratic stress without accessing unsecured funding

- **Major Assumptions on Potential Outflows**

- No access to additional / refinancing unsecured funding
- Widening haircuts on outstanding repo funding
- Collateralization of clearing banks and depositories
- Drawdowns on loan commitments
- Loss of liquidity from market losses on inventory
- Potential cash outflow in the event of credit rating downgrades

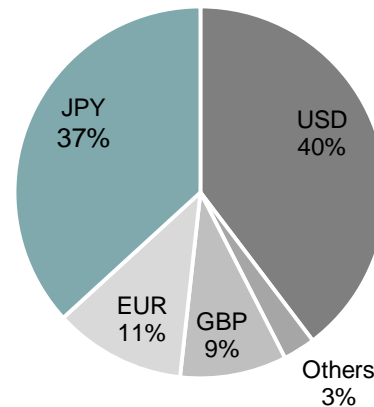
- **Portfolio Assets**

- Liquidity portfolio managed using reverse repos mainly in Japan/US/German/UK government bonds and cash and cash equivalents
- No GIIPS Exposures in the Liquidity Portfolio

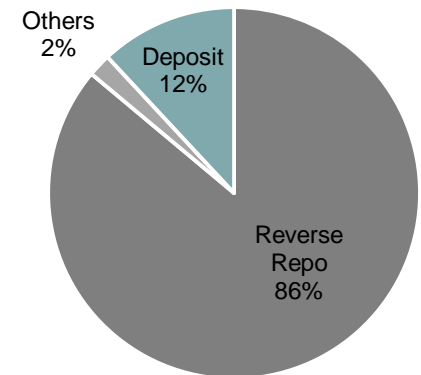
## Liquidity Portfolio<sup>1</sup>: \$68bn, 15% of Total Assets

### Breakdown (September 2012)

by Currency



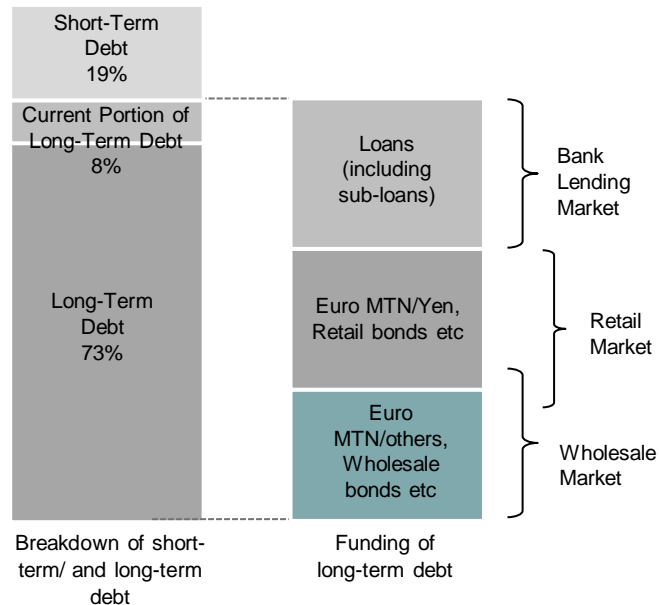
by Instrument



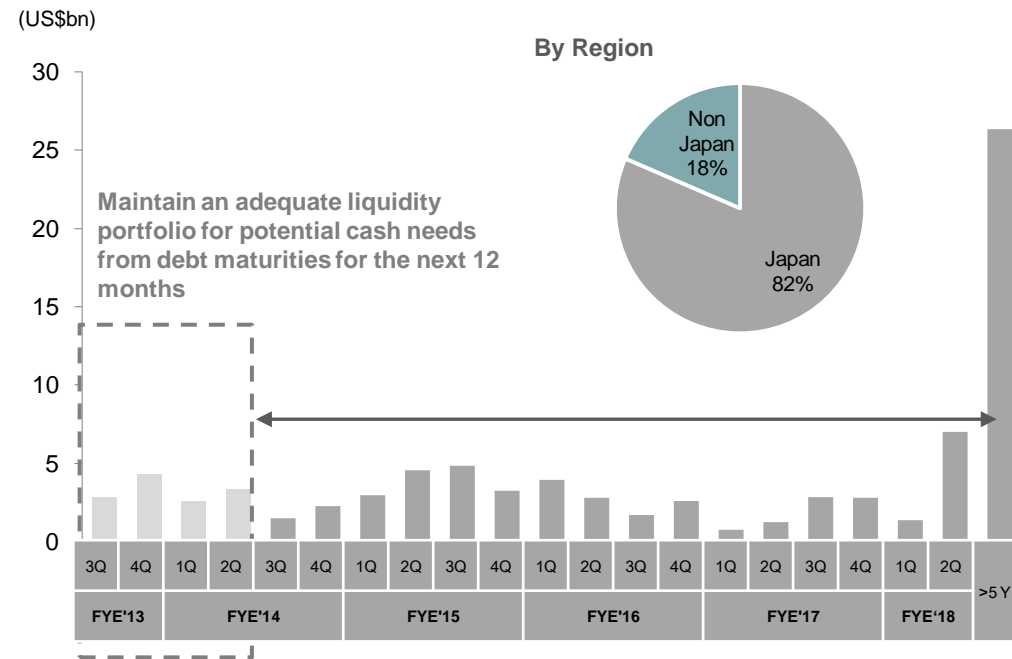
(1) Definition differs from financial disclosures reflecting Liquidity Management's view. Cash and cash deposits portion of liquidity portfolio excludes segregated client funds.

## Unsecured Funding<sup>1</sup>:

Nearly 80% Long-Term Debt; Diversified Funding Sources



## Long-Term Debt Profile<sup>2</sup>



### Conservative Funding Profile

- Approximately 80% of unsecured funding is comprised of long-term debt. Maturities of long-term debt are staggered. The weighted average life of the firm's long-term debt <sup>2,3</sup> is over 6 years.
- Funding sources diversified across wholesale capital markets, retail capital markets and bank loans almost evenly
- Issued senior unsecured bonds of Y57.3bn during the 1<sup>st</sup> quarter

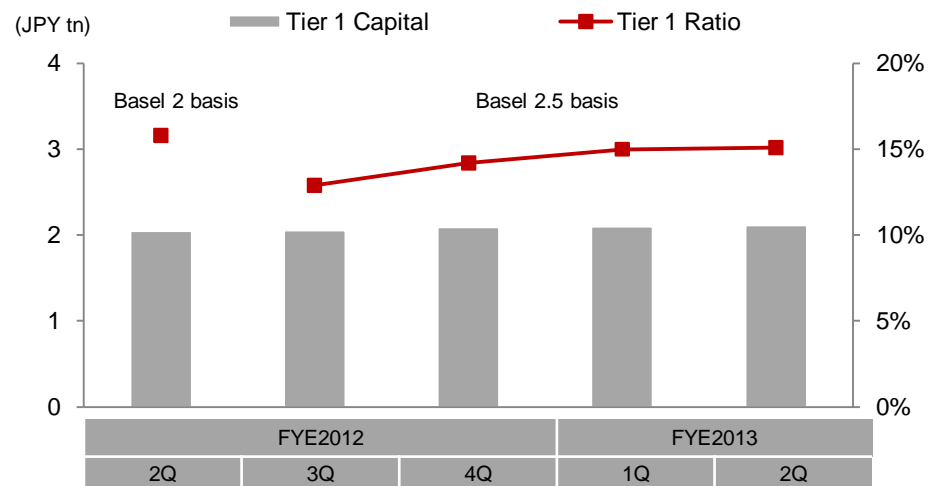
(1) Definition differs from financial disclosures reflecting Liquidity Management's view.  
 (2) Redemption schedule is individually estimated by considering the probability of redemption under certain stressed scenarios.  
 (3) Excludes current portion of long-term debt

## Balance Sheet-Related Indicators and Capital Ratios

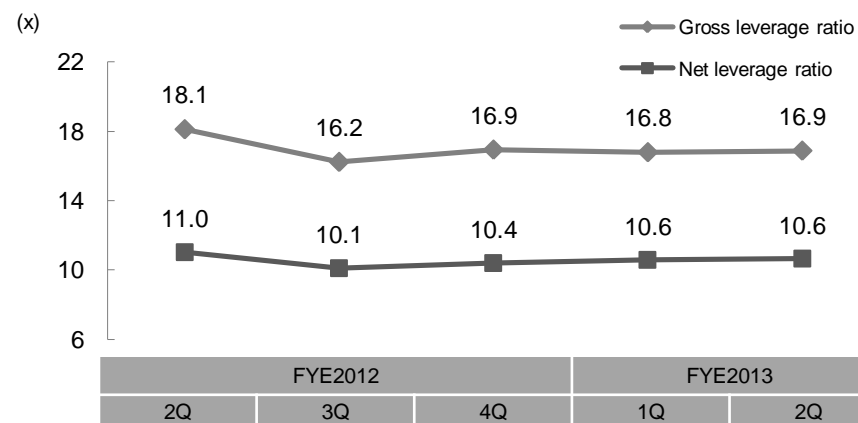
	(Jun 2012)	(Sep 2012)
■ <b>Total assets</b>	Y35.3tn	Y35.4tn
■ <b>Shareholders' equity</b>	Y2.1tn	Y2.1tn (\$26.9bn)
■ <b>Gross leverage</b>	16.8x	16.9x
■ <b>Net leverage<sup>1</sup></b>	10.6x	10.6x

	(JPYbn)	(JPYbn)	(USDbn)
Preliminary, Basel 2.5 basis	<b>Jun 30</b>	<b>Sep 30</b>	<b>Sep 30</b>
<b>Tier 1</b>	2,097	2,115	\$27.1
<b>Tier 2</b>	320	319	\$4.1
<b>Tier 3</b>	212	215	\$2.8
<b>Total capital</b>	2,429	2,422	\$31.1
<b>RWA</b>	13,942	13,998	\$179.7
<b>Tier 1 ratio</b>	15.0%	15.1%	15.1%
<b>Tier 1 common ratio<sup>3</sup></b>	13.0%	13.1%	13.1%
<b>Total capital ratio</b>	17.4%	17.2%	17.2%

## Tier 1 Capital, Tier 1 Capital Ratio<sup>2</sup>



## Leverage Ratio<sup>1</sup>



(1) Net leverage: Total assets minus securities purchased under agreements to resell and securities borrowed, divided by Nomura Holdings shareholders' equity.

(2) Basel 2.5 basis from the end of Dec 2011

(3) Tier 1 common ratio is defined as Tier 1 capital minus minority interest divided by risk-weighted assets.

## **Appendix**



# Consolidated Balance Sheet

# NOMURA

	Millions of yen		
	March 31, 2012	September 30, 2012	Increase/(Decrease)
<b>ASSETS</b>			
Cash and cash deposits:			
Cash and cash equivalents	1,070,520	716,712	(353,808)
Time deposits	653,462	403,955	(249,507)
Deposits with stock exchanges and other segregated cash	229,695	189,739	(39,956)
Total cash and cash deposits	<u>1,953,677</u>	<u>1,310,406</u>	<u>(643,271)</u>
Loans and receivables:			
Loans receivable	1,293,372	1,227,849	(65,523)
Receivables from customers	58,310	101,868	43,558
Receivables from other than customers	864,629	1,476,183	611,554
Allowance for doubtful accounts	(4,888)	(4,134)	754
Total loans and receivables	<u>2,211,423</u>	<u>2,801,766</u>	<u>590,343</u>
Collateralized agreements:			
Securities purchased under agreements to resell	7,662,748	7,865,429	202,681
Securities borrowed	6,079,898	5,203,968	(875,930)
Total collateralized agreements	<u>13,742,646</u>	<u>13,069,397</u>	<u>(673,249)</u>
Trading assets and private equity investments:			
Trading assets*	13,921,639	14,334,345	412,706
Private equity investments	201,955	187,980	(13,975)
Total trading assets and private equity investments	<u>14,123,594</u>	<u>14,522,325</u>	<u>398,731</u>
Other assets:			
Office buildings, land, equipment and facilities (net of accumulated depreciation and amortization of ¥355,804 million as of March 31, 2012 and ¥369,255 million as of September 30, 2012)	1,045,950	1,067,634	21,684
Non-trading debt securities*	862,758	820,033	(42,725)
Investments in equity securities*	88,187	93,062	4,875
Investments in and advances to affiliated companies*	193,954	198,073	4,119
Other	1,475,123	1,511,626	36,503
Total other assets	<u>3,665,972</u>	<u>3,690,428</u>	<u>24,456</u>
Total assets	<u>35,697,312</u>	<u>35,394,322</u>	<u>(302,990)</u>

\*Including securities pledged as collateral

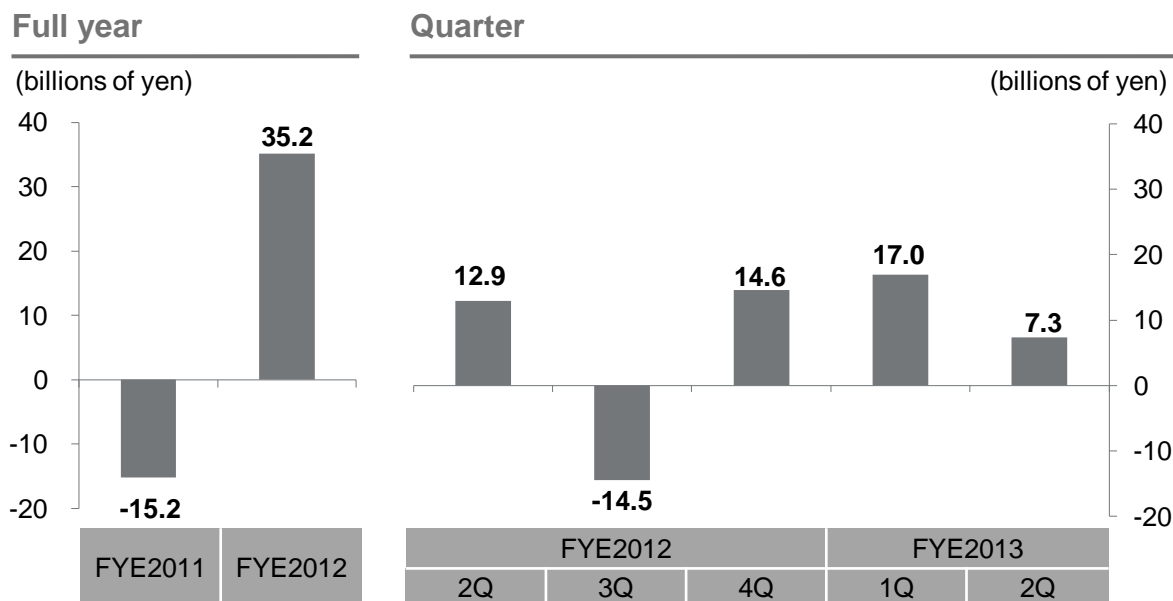
	Millions of yen		
	March 31, 2012	September 30, 2012	Increase/(Decrease)
<b>LIABILITIES AND EQUITY</b>			
Short-term borrowings	1,185,613	866,417	(319,196)
Payables and deposits:			
Payables to customers	764,857	829,305	64,448
Payables to other than customers	767,860	312,111	(455,749)
Deposits received at banks	904,653	920,734	16,081
Total payables and deposits	<u>2,437,370</u>	<u>2,062,150</u>	<u>(375,220)</u>
Collateralized financing:			
Securities sold under agreements to repurchase	9,928,293	10,998,258	1,069,965
Securities loaned	1,700,029	2,129,328	429,299
Other secured borrowings	890,952	811,050	(79,902)
Total collateralized financing	<u>12,519,274</u>	<u>13,938,636</u>	<u>1,419,362</u>
Trading liabilities	7,495,177	6,804,079	(691,098)
Other liabilities	1,165,901	1,249,083	83,182
Long-term borrowings	8,504,840	8,086,510	(418,330)
Total liabilities	<u>33,308,175</u>	<u>33,006,875</u>	<u>(301,300)</u>
Equity			
NHI shareholders' equity:			
Common stock			
Authorized - 6,000,000,000 shares			
Issued - 3,822,562,601 shares as of March 31, 2012 and 3,822,562,601 shares as of September 30, 2012			
Outstanding - 3,663,483,895 shares as of March 31, 2012 and 3,694,938,473 shares as of September 30, 2012	594,493	594,493	-
Additional paid-in capital	698,771	690,135	(8,636)
Retained earnings	1,058,945	1,056,255	(2,690)
Accumulated other comprehensive income (loss)	(145,149)	(163,862)	(18,713)
Total NHI shareholders' equity before treasury stock	<u>2,207,060</u>	<u>2,177,021</u>	<u>(30,039)</u>
Common stock held in treasury, at cost - 159,078,706 shares as of March 31, 2012 and 127,624,128 shares as of September 30, 2012	(99,819)	(80,414)	19,405
Total NHI shareholders' equity	<u>2,107,241</u>	<u>2,096,607</u>	<u>(10,634)</u>
Noncontrolling interests	281,896	290,840	8,944
Total equity	<u>2,389,137</u>	<u>2,387,447</u>	<u>(1,690)</u>
Total liabilities and equity	<u>35,697,312</u>	<u>35,394,322</u>	<u>(302,990)</u>

# Consolidated Income

# NOMURA

(billions of yen)	Full Year		Quarter					
	FYE2011	FYE2012	FYE2012			FYE2013		
			2Q	3Q	4Q	1Q	2Q	
Revenue								
Commissions	405.5	347.1	85.9	74.0	90.4	77.4	<b>72.3</b>	
Fees from investment banking	107.0	59.6	13.8	17.2	14.8	10.4	<b>17.1</b>	
Asset management and portfolio service fees	143.9	144.3	36.7	33.4	35.1	33.8	<b>33.4</b>	
Net gain on trading	336.5	272.6	26.0	80.1	98.9	84.4	<b>88.9</b>	
Gain (loss) on private equity investments	19.3	25.1	-2.3	34.6	-1.2	-5.4	<b>0.3</b>	
Interest and dividends	346.1	435.9	107.3	103.1	92.4	103.5	<b>92.8</b>	
Gain (loss) on investments in equity securities	-16.7	4.0	-2.5	-2.8	9.9	-7.1	<b>13.0</b>	
Other	43.9	563.2	113.0	141.9	225.0	142.6	<b>143.4</b>	
Total revenue	1,385.5	1,851.8	377.8	481.5	565.4	439.6	<b>461.2</b>	
Interest expense	254.8	315.9	76.3	76.6	66.4	70.3	<b>59.5</b>	
Net revenue	1,130.7	1,535.9	301.6	404.9	499.0	369.3	<b>401.7</b>	
Non-interest expenses	1,037.4	1,450.9	346.2	370.5	438.2	349.6	<b>366.3</b>	
Income (loss) before income taxes	93.3	85.0	-44.6	34.5	60.8	19.7	<b>35.4</b>	
Net income (loss) attributable to NHI shareholders	28.7	11.6	-46.1	17.8	22.1	1.9	<b>2.8</b>	

## Income (Loss) Before Income Taxes



Net gain (loss) related to economic hedging transactions	2.3	8.4	4.2	7.7	-2.1	-1.2	<b>1.0</b>
Realized gain (loss) on investments in equity securities held for operating purposes	0.2	0.2	-0.2	-0.3	0.0	-0.7	<b>0.6</b>
Equity in earnings of affiliates	9.0	10.6	2.0	1.3	3.9	1.3	<b>3.3</b>
Corporate items <sup>1</sup>	-34.5	-32.1	-8.6	-29.0	-7.1	6.6	<b>-7.0</b>
Other <sup>1,2</sup>	7.8	48.1	15.5	5.8	19.9	11.1	<b>9.5</b>
<b>Income (loss) before income taxes</b>	<b>-15.2</b>	<b>35.2</b>	<b>12.9</b>	<b>-14.5</b>	<b>14.6</b>	<b>17.0</b>	<b>7.3</b>

(1) Due to a reorganization in April 2012, reported amounts for Wholesale and Other have been reclassified.  
 (2) Due to a reorganization in April 2011, reported amounts for Asset Management and Other have been reclassified.

- Definition
  - 99% confidence level
  - 1-day time horizon for outstanding portfolio
  - Inter-product price fluctuations considered
- From April 1, 2012 to September 28, 2012 (billions of yen)
  - Maximum: 7.2
  - Minimum: 4.3
  - Average: 5.5

(billions of yen)	Mar. 2011	Jun. 2011	Sep. 2011	Dec. 2011	Mar. 2012	Jun. 2012	Sep. 2012
Equity	1.8	1.6	1.9	1.5	1.4	1.2	<b>1.0</b>
Interest rate	4.1	4.3	4.0	5.0	6.5	5.7	<b>6.6</b>
Foreign exchange	4.5	3.8	2.8	3.5	2.5	1.7	<b>1.9</b>
Sub-total	10.4	9.7	8.8	10.0	10.4	8.6	<b>9.5</b>
Diversification benefit	-4.1	-3.7	-3.6	-3.6	-3.2	-3.2	<b>-2.3</b>
<b>VaR</b>	<b>6.3</b>	<b>6.0</b>	<b>5.2</b>	<b>6.4</b>	<b>7.2</b>	<b>5.4</b>	<b>7.1</b>

# Number of Employees

	Mar. 2011	Jun. 2011	Sep. 2011	Dec. 2011	Mar. 2012	Jun. 2012	Sep. 2012
Japan (excluding FA) <sup>1</sup>	12,829	20,263	20,105	19,882	19,598	20,197	<b>20,039</b>
Japan (FA)	2,089	2,096	2,078	2,048	2,011	2,014	<b>1,981</b>
Europe	4,353	4,436	4,492	4,143	4,014	3,975	<b>3,940</b>
Americas	2,348	2,383	2,537	2,466	2,420	2,423	<b>2,425</b>
Asia-Pacific <sup>2</sup>	5,252	6,452	6,485	6,394	6,352	6,454	<b>6,430</b>
<b>Total</b>	<b>26,871</b>	<b>35,630</b>	<b>35,697</b>	<b>34,933</b>	<b>34,395</b>	<b>35,063</b>	<b>34,815</b>

(1) Excludes employees of private equity investee companies

(2) Includes Powai office in India.

As of September 28, 2012	Standard & Poor's	Moody's <sup>1</sup>	Rating and Investment Information	Japan Credit Rating Agency
<b>Nomura Holdings, Inc.</b>				
Long-term	BBB+	Baa3	A+	AA-
Short-term	A-2	-	a-1	-
Outlook	stable	stable	negative	stable
<b>Nomura Securities Co., Ltd.</b>				
Long-term	A-	Baa2	A+	AA-
Short-term	A-2	P-2	a-1	-
Outlook	stable	stable	negative	stable
<b>The Nomura Trust &amp; Banking Co., Ltd.</b>				
Long-term	A-	-	-	AA-
Short-term	A-2	-	a-1	-
Outlook	stable	-	-	stable
<b>Nomura Bank International plc</b>				
Long-term	A-	-	-	AA-
Short-term	A-2	-	-	-
Outlook	stable	-	-	stable

(1) Moody's Investors Service is not a credit rating agency registered with Japan's Financial Services Agency under the Financial Instruments and Exchange Act.