

# **Creditor Presentation**

## **First quarter, year ending March 2015**

Nomura Holdings, Inc.

August 2014

## Presentation

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# Executive Summary

## Group highlights

- Solid net revenue from three business segments as Retail and Asset Management posted higher revenues QoQ and Wholesale revenues remained resilient
  - Group net revenue declined QoQ on a loss of Y7.1bn from changes to own and counterparty credit spreads and following prior quarter realized gain of Y17.9bn from share sales<sup>1</sup>
- Net income and income before income taxes both declined QoQ impacted by cost factors specific to 1Q (FCR<sup>2</sup> related expenses of Y18bn)
  - Net revenue: Y370.8bn(\$3.7bn) (-5% QoQ; -14% YoY)
  - Income before income taxes: Y51.7bn(\$0.5bn) (-42% QoQ; -54% YoY)
  - Net income<sup>3</sup>: Y19.9bn(\$0.2bn) (-68% QoQ; -70% YoY)
  - ROE<sup>4</sup>: 3.2% (FY13/14 4Q: 9.8%; FY13/14 1Q: 11.3%)
  - EPS<sup>5</sup>: Y5.26 (FY13/14 4Q: Y16.02; FY13/14 1Q: Y17.24)

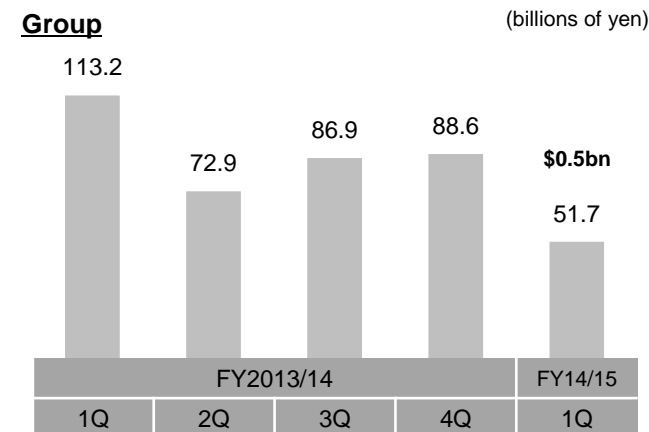
## Three business segment highlights

- Net revenue: Y319.1bn (+1% QoQ); Income before income taxes: Y45.6bn (-26% QoQ)
  - Retail and Asset Management both reported stronger net revenue and income before income taxes
  - Despite a resilient quarter in Global Markets, Wholesale income before income taxes declined due to the impact of FCR<sup>2</sup> related expenses specific to 1Q
- Retail
  - ✓ Sales of stocks slowed due to lower market volumes, while investment trusts rebounded
  - ✓ Efforts to transform business model led to an increase in client assets
- Asset Management
  - ✓ Net revenues remained strong, reflecting growth in assets under management and dividend income
  - ✓ ING Securities Investment & Trust (Taiwan) became a consolidated subsidiary from 1Q and contributed to earnings
- Wholesale
  - ✓ Global Markets delivered solid net revenues despite lower volatility and subdued market volumes
  - ✓ Income before income taxes driven down by FCR<sup>2</sup> related expenses

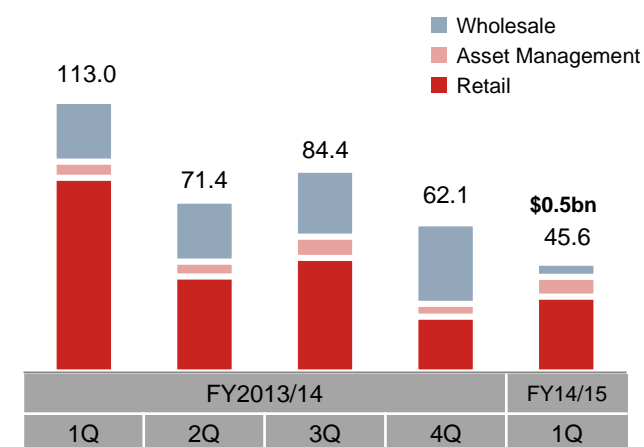
## Balance Sheet Summary

Total assets	Y43.9trn (\$434bn)	Level 3 assets (net) <sup>7</sup>	Y0.4trn (\$3.9bn)
Shareholders' equity	Y2.5trn (\$24.7bn)	Liquidity portfolio	Y5.6trn (\$55bn)
Gross leverage	17.8x	Tier 1 ratio, Tier 1 common ratio <sup>8</sup>	13.0%
Net leverage <sup>6</sup>	11.3x		

## Income before income taxes



## The three business segments



(1)Fortress Investment Group LLC. (2)All new deferred awards granted in May 2013 and 2014 include "Full Career Retirement" provisions which permit the recipients of the awards to continue to vest in the awards upon voluntary termination if certain criteria based on corporate title and length of service within Nomura are met. (3)Net income attributable to Nomura Holdings shareholders. (4)Calculated using annualized net income for each period. (5)Diluted net income attributable to Nomura Holdings shareholders per share. (6)Net leverage: Total assets minus securities purchased under agreements to resell and securities borrowed, divided by Nomura Holdings shareholders' equity. (7)Preliminary (8)Tier 1 common ratio is defined as Tier 1 capital minus minority interest divided by risk-weighted assets.

# Overview of Results

## Quarter Result

(billions of YEN) (billions of USD)	FY2013/14 4Q	FY2014/15 1Q	QoQ	FY2013/14 1Q	YoY
<b>Net revenue</b>	<b>389.9</b>	<b>370.8</b> <b>\$3.7</b>	-5%	431.3	-14%
Retail	97.9	106.9 \$1.1	+9%	166.3	-36%
Asset Management	20.5	23.3 \$0.2	+14%	20.2	+16%
Wholesale	198.5	188.9 \$1.9	-5%	194.6	-3%
Segment total	316.8	319.1 \$3.2	+1%	381.1	-16%
Other	80.8	48.3 \$0.5	-40%	43.0	+12%
Unrealized gain (loss) on investments in equity securities held for operating purposes	-7.7	3.5 \$0.03	-	7.2	-51%
<b>Non-interest expenses</b>	<b>301.4</b>	<b>319.2</b> <b>\$3.2</b>	+6%	318.1	+0.3%
<b>Income before income taxes</b>	<b>88.6</b>	<b>51.7</b> <b>\$0.5</b>	-42%	113.2	-54%
Retail	23.3	31.6 \$0.3	+36%	81.1	-61%
Asset Management	5.3	8.3 \$0.1	+56%	6.7	+24%
Wholesale	33.5	5.7 \$0.1	-83%	25.2	-77%
Segment total	62.1	45.6 \$0.5	-26%	113.0	-60%
Other	34.2	2.6 \$0.03	-93%	-7.0	-
Unrealized gain (loss) on investments in equity securities held for operating purposes	-7.7	3.5 \$0.04	-	7.2	-51%
<b>Net income<sup>1</sup></b>	<b>61.3</b>	<b>19.9</b> <b>\$0.2</b>	-68%	65.9	-70%

## Key Figures

### Retail

- Net revenue: Y106.9bn (+9% QoQ; -36% YoY)
- Income before income taxes: Y31.6bn (+36% QoQ; -61% YoY)

### Asset Management

- Net revenue: Y23.3bn (+14% QoQ; +16% YoY)
- Income before income taxes: Y8.3bn (+56% QoQ; +24% YoY)

### Wholesale

- Net revenue: Y188.9bn (-5% QoQ; -3% YoY)
- Income before income taxes: Y5.7bn (-83% QoQ; -77% YoY)

### Additional information:

- 1) Loss from changes to own and counterparty credit spreads (Y7.1bn/\$70mn)
- 2) Full career retirement (FCR)<sup>2</sup> related expenses (Y18bn/\$178mn)
- 3) Booked realized gain in 4Q on sale of shares in Fortress Investment Group LLC (Y17.9bn/\$177mn)

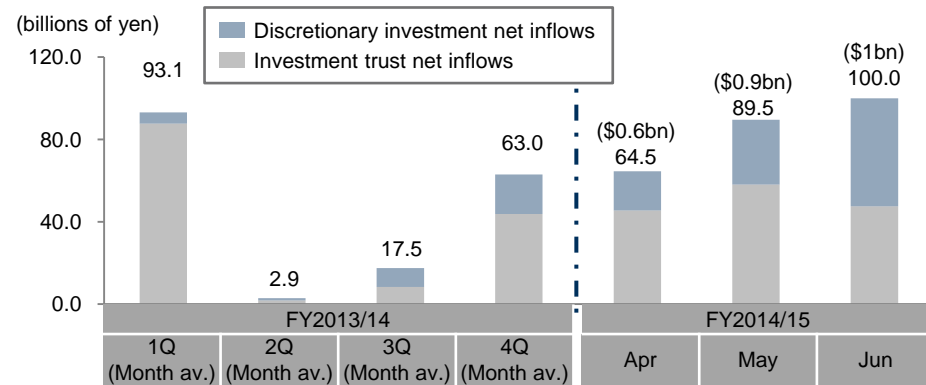
(1) Net income attributable to Nomura Holdings shareholders. (2) All new deferred awards granted in May 2013 and 2014 include "Full Career Retirement" provisions which permit the recipients of the awards to continue to vest in the awards upon voluntary termination if certain criteria based on corporate title and length of service within Nomura are met.

# Retail

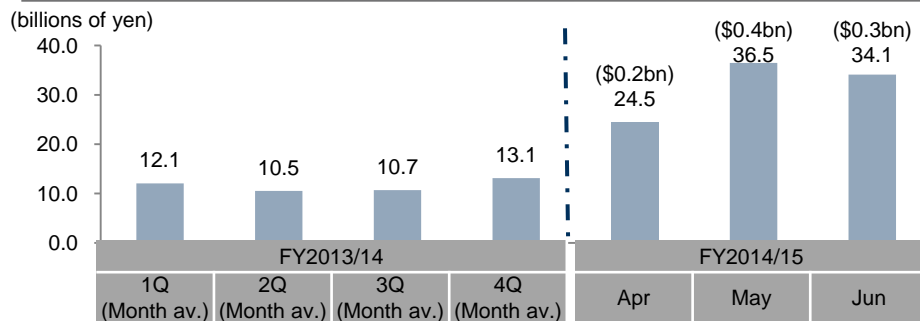
## Net revenue and income before income taxes

(billions of yen)	FY2013/14				FY14/15	QoQ	YoY
	1Q	2Q	3Q	4Q	1Q		
Net revenue	166.3	119.7	128.0	97.9	<b>106.9</b> <b>\$1.1</b>	+9%	-36%
Non-interest expenses	85.2	79.8	80.3	74.6	<b>75.3</b> <b>\$0.7</b>	+1%	-12%
Income before income taxes	81.1	40.0	47.7	23.3	<b>31.6</b> <b>\$0.3</b>	+36%	-61%

## Higher net inflows: Investment trusts<sup>1</sup>, discretionary investment<sup>1</sup>



## Significant growth in sales of insurance products<sup>2</sup>

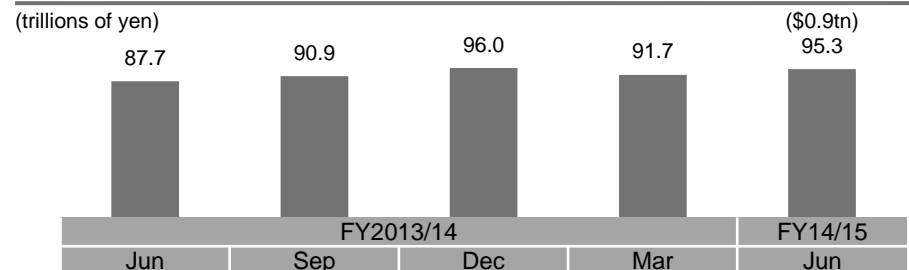


## Key points

- Net revenue and income before income taxes both up QoQ; Sales of stocks slowed due to lower market volumes, while investment trusts rebounded
- Efforts to transform business model led to an increase in client assets
  - Investment trust and discretionary investment net inflows, both sources of recurring revenue, increased QoQ while net inflows of cash and securities<sup>3</sup> turned significantly positive
  - Market gains helped drive Retail client assets to second highest level ever
- Client franchise
  - Retail client assets: Y95.3trn (Y91.7trn)
  - Accounts with balance: 5.19m (5.14m)
  - NISA accounts applications: 1.35m (1.29m)
  - Net inflows of cash and securities<sup>3</sup>: Y472.9bn (-Y365.8bn)
- Recurring revenue: Y14bn (Y13.4bn)
- Investment trust net inflows<sup>1</sup>: Y151bn (Y131.3bn)
- Discretionary investment net inflows<sup>1</sup>: Y103bn (Y57.6bn)
- Other sales
  - IPOs, public offerings<sup>4</sup>: Y148.1bn (Y227bn)
  - Retail bonds<sup>2</sup>: Y658.2bn (Y660.4bn)
  - Insurance products<sup>2</sup>: Y95.1bn (Y39.3bn)
- Total sales<sup>2</sup> declined 12% QoQ
  - Stocks: -40% QoQ, Investment trusts: +60%, QoQ Bonds: Flat QoQ

\*Figures in brackets are last quarter or as at end of March.

## Retail client assets

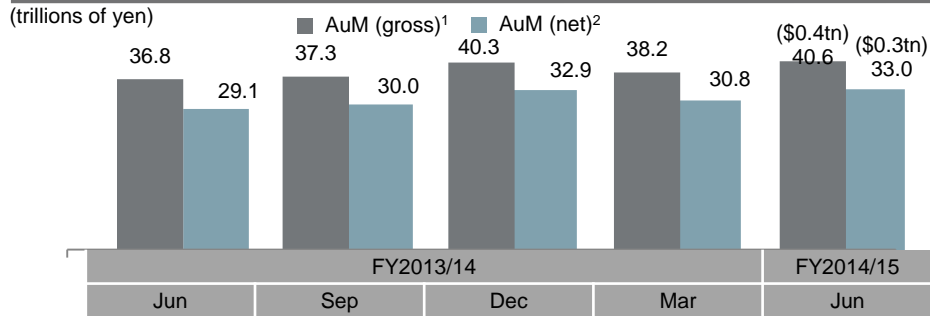


# Asset Management

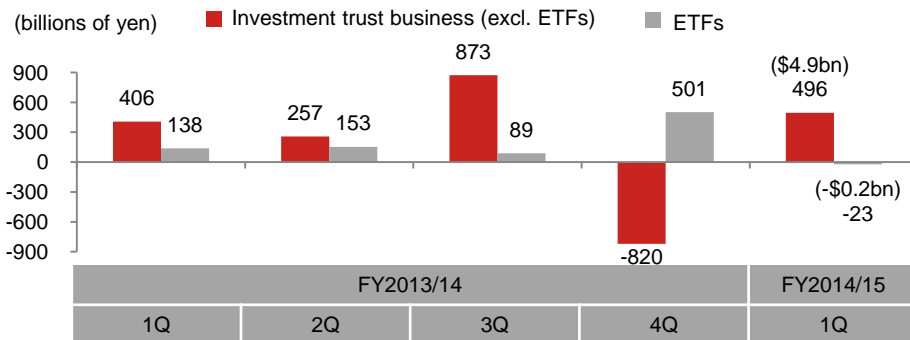
## Net revenue and income before income taxes

(billions of yen)	FY2013/14				FY14/15	QoQ	YoY
	1Q	2Q	3Q	4Q	1Q		
Net revenue	20.2	18.6	21.2	20.5	23.3 \$0.2	+14%	+16%
Non-interest expenses	13.5	12.5	12.3	15.1	15.1 \$0.2	-1%	+12%
Income before income taxes	6.7	6.2	8.9	5.3	8.3 \$0.1	+56%	+24%

## Assets under management



## Investment trust business flow of funds<sup>3</sup>



## Key points

- Strongest revenues since quarter ended Sep 2007 driven by expansion in assets under management and dividend income
- ING Securities Investment & Trust (Taiwan) became a consolidated subsidiary from 1Q and contributed to earnings
- Strong income before income taxes despite FCR<sup>4</sup> related expenses

### Investment trust business

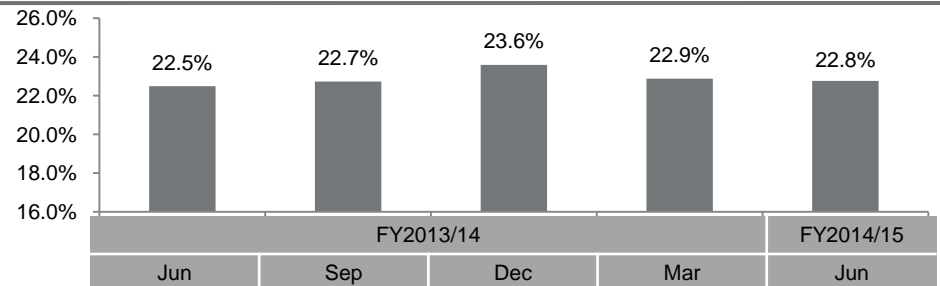
- Inflows into global high dividend stock and high yield bond funds
 

Q1 inflows	
- Nomura DB High Dividend Infrastructure Stock Fund	Y315bn
- Europe High Yield Bond Fund	Y38.5bn
- Nomura Global High Dividend Stock Premium	Y28.9bn
- Increased sales of privately placed funds for regional financial institutions
- AuM in Fund Wrap and SMA funds increased 41% QoQ

### Investment advisory business

- Continued international inflows, but fund outflows in Japan
  - Inflows primarily into Japan stock and high yield bond products via UCITS<sup>5</sup> funds; AuM in UCITS funds increased 17% QoQ

## Nomura Asset Management public investment trust market share<sup>6</sup>



(1) Total assets under management for Nomura Asset Management, Nomura Funds Research and Technologies, Nomura Corporate Research and Asset Management, and Nomura Private Equity Capital. (2) Net after deducting duplications from assets under management (gross). (3) Based on assets under management (net). (4) All new deferred awards granted in May 2013 and 2014 include "Full Career Retirement" provisions which permit the recipients of the awards to continue to vest in the awards upon voluntary termination if certain criteria based on corporate title and length of service within Nomura are met. (5) Undertakings for Collective Investment in Transferable Securities (UCITS) is the main European framework covering collective investment schemes investing in transferable securities. (6) Source: The Investment Trusts Association, Japan.

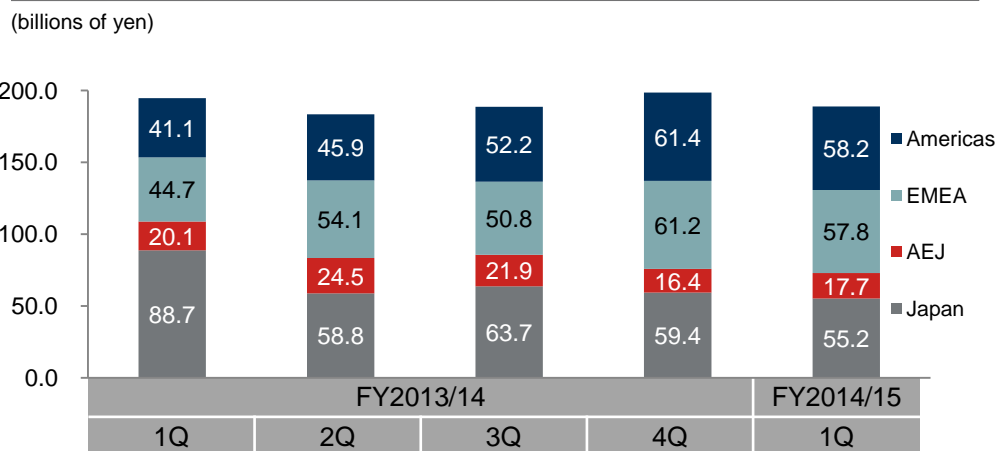
# Wholesale

## Net revenue and income before income taxes

(billions of yen)

	FY2013/14				FY14/15	QoQ	YoY
	1Q	2Q	3Q	4Q	1Q		
Global Markets	165.3	159.6	158.0	166.8	<b>166.6</b> <b>\$1.6</b>	-0.1%	+1%
Investment Banking	29.3	23.8	30.7	31.7	<b>22.3</b> <b>\$0.2</b>	-30%	-24%
Net revenue	194.6	183.3	188.7	198.5	<b>188.9</b> <b>\$1.9</b>	-5%	-3%
Non-interest expenses	169.4	158.1	160.9	165.0	<b>183.1</b> <b>\$1.8</b>	+11%	+8%
Income before income taxes	25.2	25.3	27.8	33.5	<b>5.7</b> <b>\$0.06</b>	-83%	-77%

## Net revenue by region



## Key points

- Resilient revenues
  - Revenues remained strong roughly in line with previous quarter as Global Markets capitalized on revenue opportunities amid challenging market conditions
  - Investment Banking revenues down from strong prior quarter
- Income before income taxes pushed down QoQ due to increase in costs specifically related to 1Q
  - Deferred awards granted to recipients who meet certain requirements were booked as FCR<sup>1</sup> related expenses

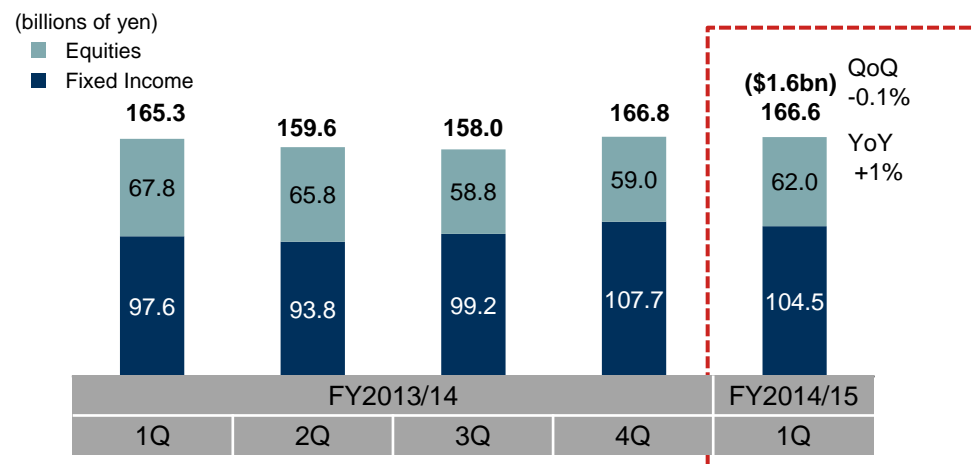
### Regional performance (net revenue; QoQ)

- Americas (Y58.2bn; -5%)
  - Largest contributor to Wholesale revenues for the second consecutive quarter, as client franchise continued to expand, although revenues declined slightly from strong previous quarter
- EMEA (Y57.8bn; -6%)
  - Rates and Cash Equities businesses impacted by subdued market volumes
  - Investment Banking won multiple financing mandates from financial institutions
- Japan (Y55.2bn; -7%)
  - Equities trading revenues remained resilient while client revenues slowed due to lower volumes
  - Investment Banking revenues declined due to limited number of high-profile ECM transactions
- AEJ (Y17.7bn; +8%)
  - Fixed Income revenues improved, but client activity was subdued as a result of uncertainty over the Chinese economy and other factors

(1) All new deferred awards granted in May 2013 and 2014 include "Full Career Retirement" provisions which permit the recipients of the awards to continue to vest in the awards upon voluntary termination if certain criteria based on corporate title and length of service within Nomura are met.

# Wholesale: Global Markets and Investment Banking

## Global Markets: Net revenue



### Key points

#### Global Markets

- Net revenue: Y166.6bn (-0.1% QoQ; +1% YoY)
  - Resilient revenues despite low volatility and subdued market volumes
  - Continued growth of client franchise in EMEA and Americas contributing to stable revenues

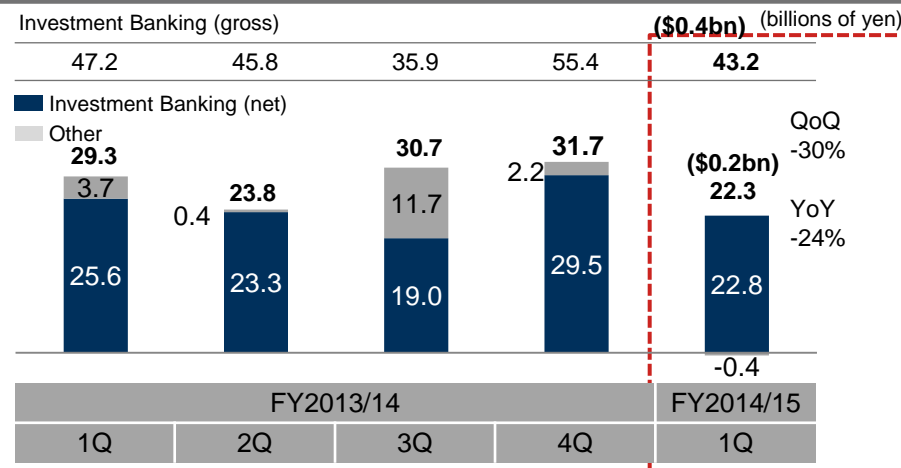
#### Fixed Income

- Net revenue: Y104.5bn (-3% QoQ; +7% YoY)
  - Solid revenues in Credit and Securitized Products offsetting a slowdown in Rates

#### Equities

- Net revenue: Y62.0bn (+5% QoQ; -9% YoY)
  - Revenues increased with steady Cash and improvement in Derivatives despite low market volumes

## Investment Banking: Net revenue



### Key points

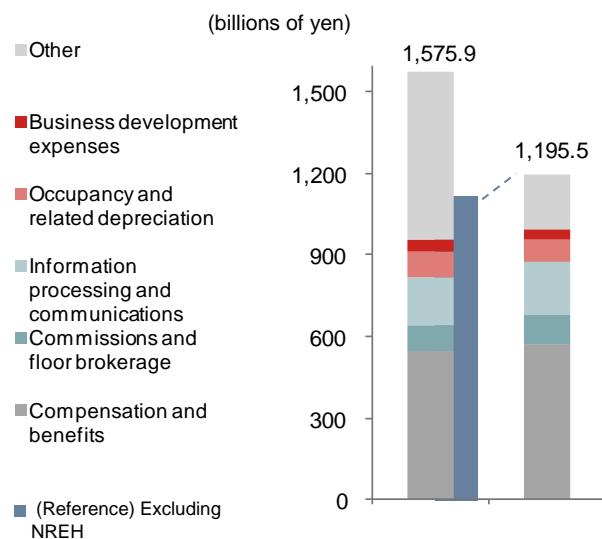
- Net revenue: Y22.3bn (-30% QoQ; -24% YoY)
- Investment Banking (gross) revenue of Y43.2bn
  - Japan: Continued to drive global revenues despite slowdown QoQ due to limited number of high-profile ECM transactions
    - Maintained high market share (ECM 34.5%; DCM 26.2%) and #1 spot in Japan-related ECM/DCM league tables<sup>1</sup> by accurately meeting financing needs of Japanese corporates
  - International: Slowdown from a strong previous quarter; Revenues driven by key sectors with all regions reporting higher revenues YoY
    - Sponsors<sup>2</sup> and EMEA FIG businesses contributed to revenues
    - Continued to build track record in ECM with total transaction value of executed deals tripling YoY<sup>3</sup>



# Non-interest Expenses

## Full year

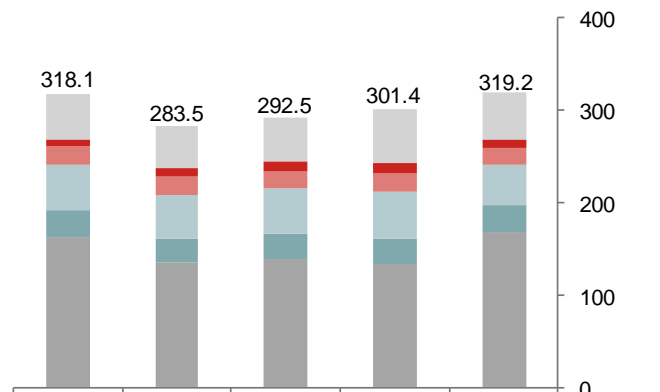
## Quarter



	FY2012/13	FY2013/14
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Compensation and benefits	547.6	570.1
Commissions and floor brokerage	91.4	111.8
Information processing and communications	179.9	192.2
Occupancy and related depreciation	91.5	80.1
Business development expenses	49.0	38.5
Other	616.5	202.8
<b>Total</b>	<b>1,575.9</b>	<b>1,195.5</b>

(billions of yen)



	FY2013/14				FY2014/15	QoQ
	1Q	2Q	3Q	4Q	1Q	
Compensation and benefits	163.2	135.4	138.8	132.6	<b>168.8</b>	<b>27.2%</b>
Commissions and floor brokerage	29.0	26.1	28.0	28.7	<b>27.6</b>	<b>-3.9%</b>
Information processing and communications	48.2	46.2	47.8	49.9	<b>44.9</b>	<b>-10.1%</b>
Occupancy and related depreciation	19.8	20.8	19.0	20.5	<b>18.6</b>	<b>-9.6%</b>
Business development expenses	7.9	9.5	11.0	10.1	<b>7.9</b>	<b>-21.7%</b>
Other	50.0	45.4	47.9	59.4	<b>51.4</b>	<b>-13.5%</b>
<b>Total</b>	<b>318.1</b>	<b>283.5</b>	<b>292.5</b>	<b>301.4</b>	<b>319.2</b>	<b>5.9%</b>

## Key points

- Non-interest expenses: Y319.2bn (+6% QoQ)
  - Compensation and benefits (+27% QoQ)
    - ✓ Higher bonus provisions in line with performance
    - ✓ Booked Y18bn in FCR<sup>1</sup> related expenses for recipients of deferred compensation who met certain conditions
  - Information processing and communications (-10% QoQ)
    - ✓ Continued efforts to reduce costs
    - ✓ Equivalent decline of data center depreciation costs booked last quarter
  - Business development expenses (-22% QoQ)
    - ✓ Decline in NISA related expenses and costs for cash-back campaign for JGBs for individuals
  - Other (-13% QoQ)
    - ✓ Booked one-off expenses last quarter (asset revaluation, decommissioning of IT systems)

(1) All new deferred awards granted in May 2013 and 2014 include "Full Career Retirement" provisions which permit the recipients of the awards to continue to vest in the awards upon voluntary termination if certain criteria based on corporate title and length of service within Nomura are met.

# Robust Financial Position

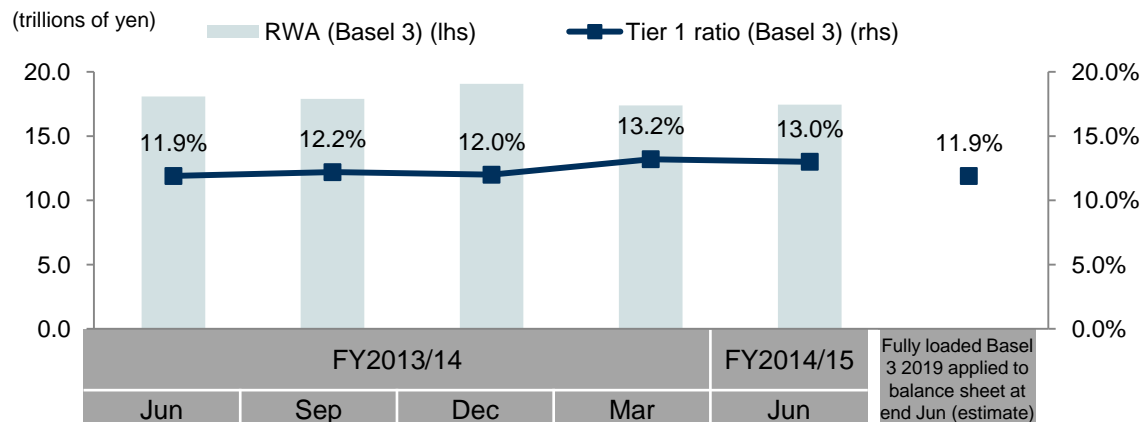
## Balance sheet related indicators and capital ratios

(As of June 2014)

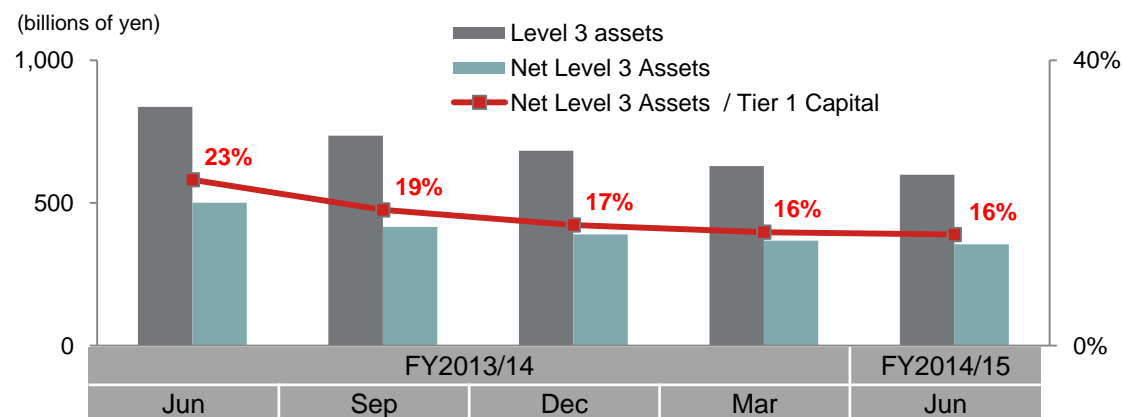
- Total assets Y43.9trn (\$434bn)
- Shareholders' equity Y2.5trn (\$24bn)
- Gross leverage 17.8x
- Net leverage<sup>1</sup> 11.3x
- Level 3 assets (net)<sup>2</sup> Y0.4trn (\$4bn)
- Liquidity portfolio Y5.6trn (\$55bn)

(billions of yen)	Mar (Basel 3 basis)	Jun <sup>2</sup> (Basel 3 basis)
Tier 1	2,314	2,280 (\$23bn)
Tier 2	402	396 (\$4bn)
Total capital	2,716	2,676
RWA <sup>3</sup>	17,426	17,485 (\$173bn)
Tier 1 ratio	13.2%	13.0%
Tier 1 common ratio <sup>4</sup>	13.2%	13.0%
Total capital ratio	15.5%	15.3%

## Risk weighted assets<sup>3</sup> and Tier 1 ratio



## Level 3 assets<sup>2</sup> and net level 3 assets/Tier 1 capital



(1) Net leverage: Total assets minus securities purchased under agreements to resell and securities borrowed, divided by Nomura Holdings shareholders' equity. (2) Preliminary (3) Credit risk assets are calculated using the internal model method. (4) Tier 1 common ratio is defined as Tier 1 capital minus minority interest divided by risk-weighted assets.

# Funding and Liquidity

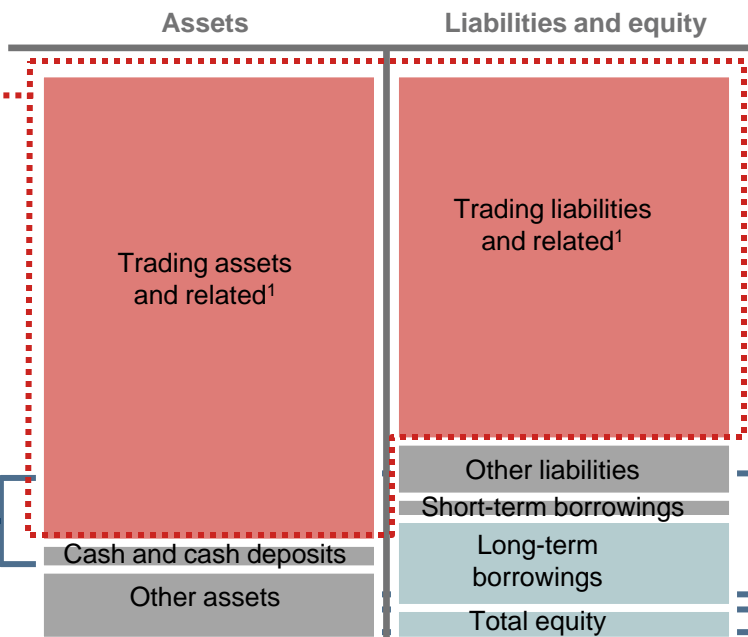
Balance sheet  
(As of Jun 2014)

## Balance sheet structure

- Highly liquid, healthy balance sheet structure
  - 83% 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

## Liquidity portfolio<sup>2</sup>

- Liquidity portfolio:
  - Y5.6trn, or 13% of total assets
  - Maintain a high quality liquidity portfolio surplus without the need for additional unsecured funding over a certain period



## Funding profile

- Conservative Funding Profile**
  - More than 80% of unsecured funding is long-term debt
  - Unsecured funding<sup>2</sup> sources are diversified across products, investor types and maturities

## Capital position

- Robust Capital Base**
  - Tier 1 ratio at 13.0%, and Tier 1 common ratio<sup>3</sup> at 13.0%

(1) Trading assets and related: Reverse repo, securities, derivatives, etc. Trading liabilities and related: Repo, securities loaned, derivatives, etc. (2) Definition differs from financial disclosures reflecting Liquidity Management's view. Cash and cash deposits portion of liquidity portfolio excludes funds on deposit at exchanges and segregated client funds. (3) Tier 1 common ratio is defined as Tier 1 capital minus minority interest divided by risk-weighted assets.

# Liquidity Portfolio

- The firm's liquidity portfolio<sup>1</sup> was approximately JPY5.6 trillion (USD55bn) as of June 30, 2014 and is measured on the basis of an established liquidity management framework
- The liquidity portfolio is primarily comprised of highly liquid G4 government bonds, is diversified across currencies, and is held across legal entities

## Liquidity management framework ~ managed through a stress testing cash outflow model

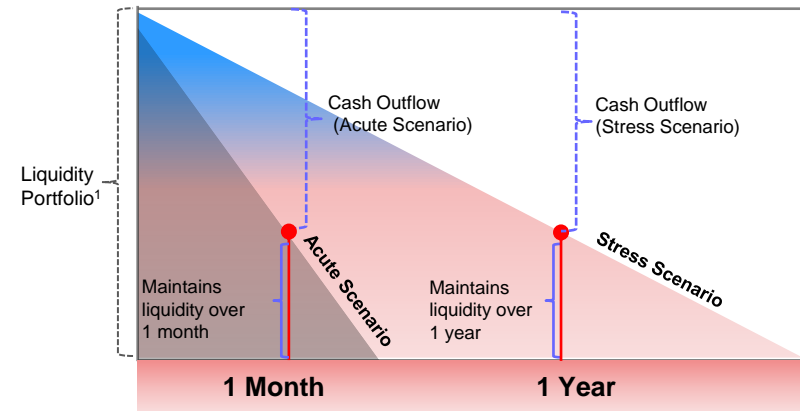
- Manage liquidity risk based on stress testing
- Aim to ensure continuous business operation without additional unsecured funding, including refinancing or asset liquidation, under two potential stress scenarios for definite period given respectively

- (1) Stress scenario: Survive 1 year under severe market-wide liquidity stress
- (2) Acute scenario: Survive 1 month under severe market-wide liquidity stress coupled with credit concerns specific to Nomura

### Major stress items

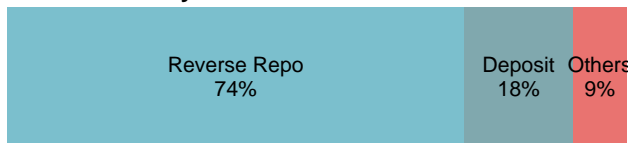
- ✓ Partial or full drawdown of off-balance sheet commitment loans
- ✓ Option adjusted maturity stressed incrementally
- ✓ Credit rating downgrade
- ✓ Loss/haircut widening on Repo
- ✓ Liquidity impact from losses
- ✓ Settlement requirements
- ✓ Cash outflow from Nomura bond repurchases

### Movement of Liquidity Portfolio Under Two Stress Scenarios (Conceptualized)



## Breakdown of Liquidity Portfolio<sup>1</sup>(June 2014)

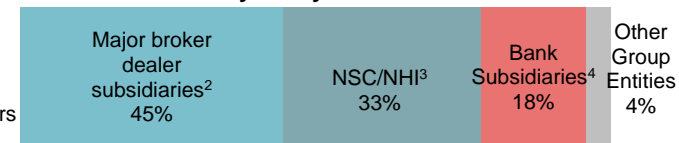
### By Instrument



### By Currency



### By Entity



Over 90% of the portfolio mainly consists of highly liquid government bonds (Japan, US, UK and Germany, etc.) and deposits

Held in major currencies, flexibly recomposed

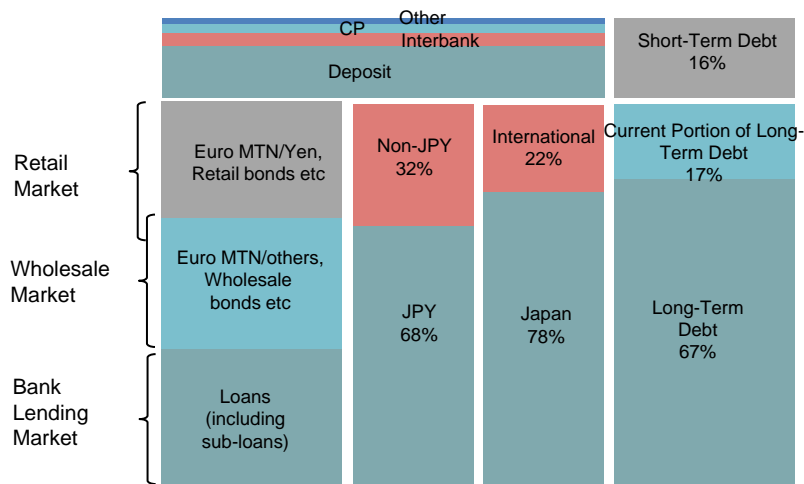
c.80% of portfolio is held at major broker dealer subsidiaries and NHI/NSC, able to spontaneously support liquidity requirement in the stress scenarios

(1) Definition differs from financial disclosures reflecting Liquidity Management's view. Cash and cash deposits portion of liquidity portfolio excludes segregated client funds. Preliminary. (2) Nomura International PLC, Nomura Securities International Inc. and others (3) NSC, a broker dealer located in Japan, holds an account with the BOJ and has a direct access to the BOJ Lombard facility through which same day funding is available for our securities pool. Liquidity surplus at NHI is lent to NSC via short-term intercompany loans, which can be unwound immediately when needed. (4) Nomura Bank International PLC, Nomura Singapore Limited, Nomura Bank (Luxembourg) S.A. and others

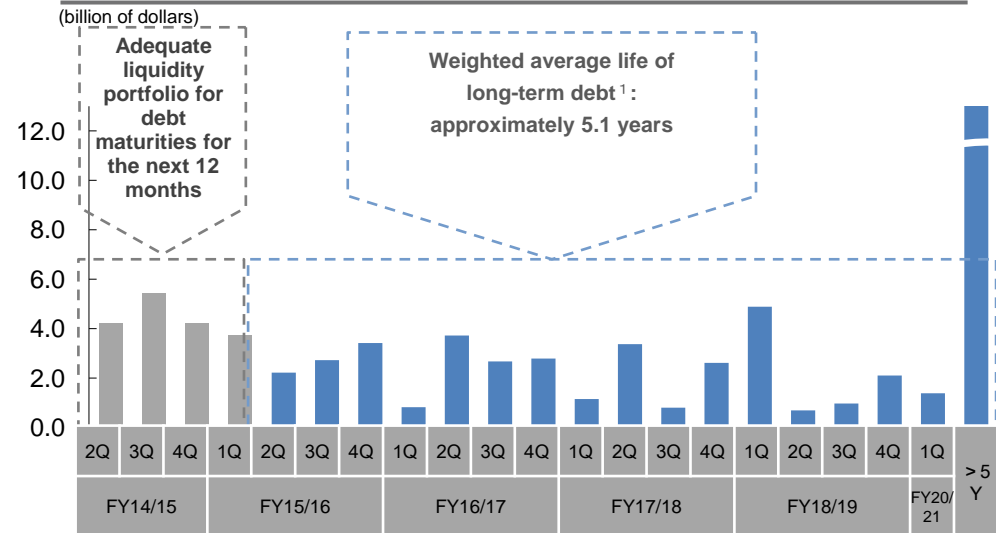
# Debt Profile

- Robust structure: More than 80% of long-term debt is comprised of unsecured funding
- Funding sources are diversified among the following three markets to mitigate refinance risk:
  - ✓ Bank Lending Market: Funding mainly from Japanese relationship banks
  - ✓ Wholesale Market: Access to the bond markets, including international markets where institutional investors are active
  - ✓ Retail Market: Funding from long-established domestic retail markets
- Manage refinancing risk: weighted average life of long-term debt<sup>1</sup> is approximately 5.1 years
- Funding of JPY/non-JPY continues to be diversified across public offerings, private offerings and bank loans, Nomura pursues a staggered maturity ladder and manages flexible sourcing suitable to the market environment and business demands

## Unsecured funding<sup>1</sup>: more than 80% of debt is long-term and funding sources are diversified (June 2014)



## Refinancing risk management; weighted average life of long-term debt<sup>2</sup> is approximately 5.1 years (June 2014)



(1) Definition differs from financial disclosures reflecting Liquidity Management's view

(2) Redemption schedule is individually estimated by considering the probability of redemption as of June 2014 under certain stressed scenarios. Excludes current portion of long-term debt

As of July 7, 2014

	Standard & Poor's	Moody's	Fitch	Rating and Investment Information	Japan Credit Rating Agency
<b>Nomura Holdings, Inc.</b>					
Long-term	BBB+	Baa3	A-	A+	AA-
Short-term	A-2	-	F1	a-1	-
Outlook	stable	Review for Upgrade	Stable	stable	stable
<b>Nomura Securities Co., Ltd.</b>					
Long-term	A-	Baa2	A-	A+	AA-
Short-term	A-2	P-2	F1	a-1	-
Outlook	stable	Review for upgrade	stable	stable	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

# Financial Supplement

# Consolidated Balance Sheet

	Millions of yen		
	March 31, 2014	June 30, 2014	Increase/(Decrease)
<b>ASSETS</b>			
Cash and cash deposits:			
Cash and cash equivalents	1,489,792	1,428,775	(61,017)
Time deposits	363,682	344,546	(19,136)
Deposits with stock exchanges and other segregated cash	335,836	340,025	4,189
Total cash and cash deposits	<u>2,189,310</u>	<u>2,113,346</u>	<u>(75,964)</u>
Loans and receivables:			
Loans receivable	1,327,875	1,334,280	6,405
Receivables from customers	64,070	63,956	(114)
Receivables from other than customers	1,181,742	1,302,431	120,689
Allowance for doubtful accounts	(3,009)	(2,856)	153
Total loans and receivables	<u>2,570,678</u>	<u>2,697,811</u>	<u>127,133</u>
Collateralized agreements:			
Securities purchased under agreements to resell	9,617,675	8,501,394	(1,116,281)
Securities borrowed	7,729,326	7,491,030	(238,296)
Total collateralized agreements	<u>17,347,001</u>	<u>15,992,424</u>	<u>(1,354,577)</u>
Trading assets and private equity investments:			
Trading assets*	18,672,318	20,449,973	1,777,655
Private equity investments	41,996	43,762	1,766
Total trading assets and private equity investments	<u>18,714,314</u>	<u>20,493,735</u>	<u>1,779,421</u>
Other assets:			
Office buildings, land, equipment and facilities (net of accumulated depreciation and amortization of ¥350,820 million as of March 31, 2014 and ¥358,825 million as of June 30, 2014)	408,917	407,982	(935)
Non-trading debt securities*	1,023,746	980,245	(43,501)
Investments in equity securities*	136,740	139,188	2,448
Investments in and advances to affiliated companies*	345,434	342,066	(3,368)
Other	784,174	764,191	(19,983)
Total other assets	<u>2,699,011</u>	<u>2,633,672</u>	<u>(65,339)</u>
<b>Total assets</b>	<u><u>43,520,314</u></u>	<u><u>43,930,988</u></u>	<u><u>410,674</u></u>

\*Including securities pledged as collateral

	Millions of yen		
	March 31, 2014	June 30, 2014	Increase/(Decrease)
<b>LIABILITIES AND EQUITY</b>			
Short-term borrowings	602,131	515,447	(86,684)
Payables and deposits:			
Payables to customers	492,516	574,635	82,119
Payables to other than customers	1,230,176	1,467,718	237,542
Deposits received at banks	1,114,181	1,118,783	4,602
Total payables and deposits	<u>2,836,873</u>	<u>3,161,136</u>	<u>324,263</u>
Collateralized financing:			
Securities sold under agreements to repurchase	13,937,690	13,121,714	(815,976)
Securities loaned	2,359,809	2,541,220	181,411
Other secured borrowings	814,500	719,690	(94,810)
Total collateralized financing	<u>17,111,999</u>	<u>16,382,624</u>	<u>(729,375)</u>
Trading liabilities	11,047,285	12,047,241	999,956
Other liabilities	1,141,750	1,038,519	(103,231)
Long-term borrowings	8,227,063	8,272,347	45,284
<b>Total liabilities</b>	<u><u>40,967,101</u></u>	<u><u>41,417,314</u></u>	<u><u>450,213</u></u>
Equity			
NHI shareholders' equity:			
Common stock			
Authorized - 6,000,000,000 shares			
Issued - 3,822,562,601 shares as of March 31, 2014 and 3,822,562,601 shares as of June 30, 2014			
Outstanding - 3,717,630,462 shares as of March 31, 2014 and 3,635,890,218 shares as of June 30, 2014	594,493	594,493	-
Additional paid-in capital	683,638	681,819	(1,819)
Retained earnings	1,287,003	1,304,962	17,959
Accumulated other comprehensive income	20,636	11,549	(9,087)
Total NHI shareholders' equity before treasury stock	<u>2,585,770</u>	<u>2,592,823</u>	<u>7,053</u>
Common stock held in treasury, at cost - 104,932,139 shares as of March 31, 2014 and 186,672,383 shares as of June 30, 2014	<u>(72,090)</u>	<u>(125,169)</u>	<u>(53,079)</u>
Total NHI shareholders' equity	<u>2,513,680</u>	<u>2,467,654</u>	<u>(46,026)</u>
Noncontrolling interests	39,533	46,020	6,487
Total equity	<u>2,553,213</u>	<u>2,513,674</u>	<u>(39,539)</u>
<b>Total liabilities and equity</b>	<u><u>43,520,314</u></u>	<u><u>43,930,988</u></u>	<u><u>410,674</u></u>



# Consolidated Income

(billions of yen)	Full year		Quarter				
	FY2012/13	FY2013/14	FY2013/14				FY2014/15
			1Q	2Q	3Q	4Q	1Q
Revenue							
Commissions	359.1	474.6	157.6	105.6	121.4	89.9	<b>96.3</b>
Fees from investment banking	62.4	91.3	25.4	23.0	15.8	27.2	<b>19.8</b>
Asset management and portfolio service fees	141.0	167.2	42.4	40.7	42.1	42.1	<b>45.4</b>
Net gain on trading	368.0	476.4	128.4	110.2	108.5	129.2	<b>158.6</b>
Gain on private equity investments	8.1	11.4	0.1	0.7	11.0	-0.3	<b>-0.3</b>
Interest and dividends	394.0	416.3	115.3	98.1	102.6	100.3	<b>104.9</b>
Gain on investments in equity securities	38.7	15.2	7.9	5.0	7.5	-5.2	<b>6.3</b>
Other	708.8	179.5	28.2	45.1	38.5	67.7	<b>31.1</b>
<b>Total revenue</b>	<b>2,079.9</b>	<b>1,831.8</b>	<b>505.3</b>	<b>428.4</b>	<b>447.4</b>	<b>450.8</b>	<b>462.2</b>
Interest expense	266.3	274.8	73.9	72.0	68.0	60.8	<b>91.3</b>
<b>Net revenue</b>	<b>1,813.6</b>	<b>1,557.1</b>	<b>431.3</b>	<b>356.4</b>	<b>379.4</b>	<b>389.9</b>	<b>370.8</b>
Non-interest expenses	1,575.9	1,195.5	318.1	283.5	292.5	301.4	<b>319.2</b>
<b>Income before income taxes</b>	<b>237.7</b>	<b>361.6</b>	<b>113.2</b>	<b>72.9</b>	<b>86.9</b>	<b>88.6</b>	<b>51.7</b>
<b>Net income attributable to NHI shareholders</b>	<b>107.2</b>	<b>213.6</b>	<b>65.9</b>	<b>38.1</b>	<b>48.3</b>	<b>61.3</b>	<b>19.9</b>

# Consolidated Results: Income (loss) Before Income Taxes by Segment and Region

## Adjustment of consolidated results and segment results: Income (loss) before income taxes

(billions of yen)	FY2012/13	FY2013/14	FY2013/14				FY2014/15
			1Q	2Q	3Q	4Q	1Q
Retail	100.6	192.0	81.1	40.0	47.7	23.3	<b>31.6</b>
Asset Management	21.2	27.1	6.7	6.2	8.9	5.3	<b>8.3</b>
Wholesale	71.7	111.8	25.2	25.3	27.8	33.5	<b>5.7</b>
Three Business segments total	193.5	330.9	113.0	71.4	84.4	62.1	<b>45.6</b>
Other	6.6	20.0	-7.0	-3.5	-3.7	34.2	<b>2.6</b>
Segments total	200.0	350.9	106.1	67.9	80.7	96.2	<b>48.2</b>
Unrealized gain (loss) on investments in equity securities held for operating purposes	37.7	10.7	7.2	5.0	6.2	-7.7	<b>3.5</b>
Income before income taxes	237.7	361.6	113.2	72.9	86.9	88.6	<b>51.7</b>

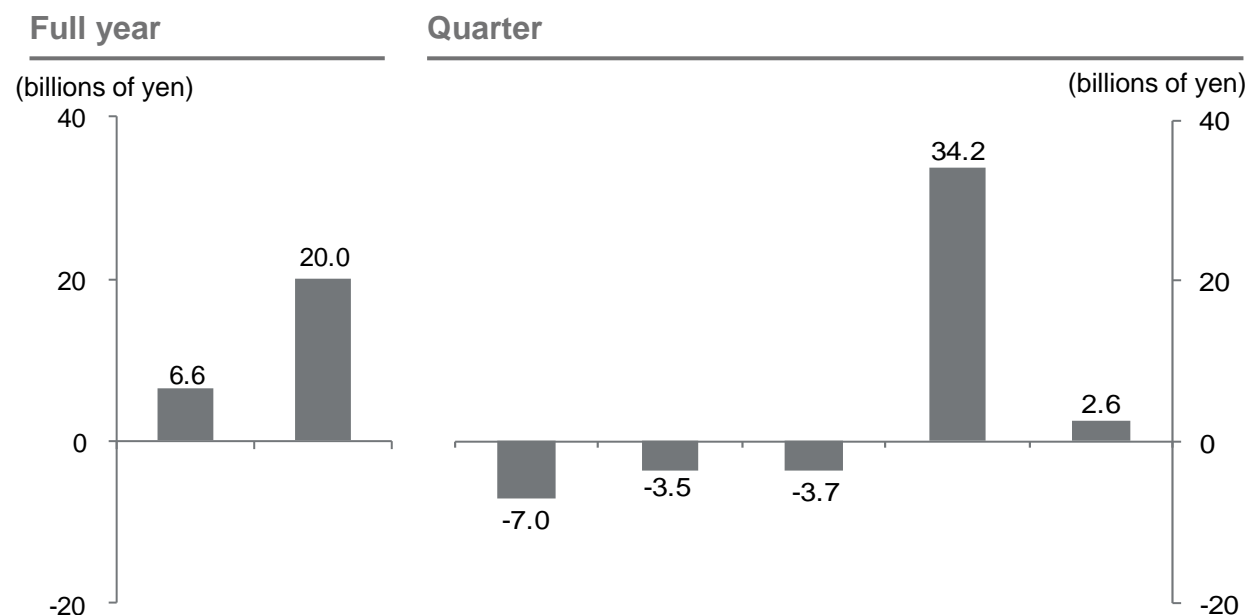
## Income (loss) before income taxes by region<sup>1</sup>

(billions of yen)	FY2012/13	FY2013/14	FY2013/14				FY2014/15
			1Q	2Q	3Q	4Q	1Q
Americas	25.7	29.5	-8.5	-1.3	8.0	31.2	<b>6.1</b>
Europe	-93.1	-48.9	-4.4	-19.6	-14.8	-10.1	<b>-22.9</b>
Asia and Oceania	-12.1	-5.2	-0.8	2.3	-1.5	-5.2	<b>-0.3</b>
Subtotal	-79.4	-24.7	-13.7	-18.7	-8.2	15.9	<b>-17.1</b>
Japan	317.2	386.3	126.9	91.6	95.1	72.6	<b>68.8</b>
Income before income taxes	237.7	361.6	113.2	72.9	86.9	88.6	<b>51.7</b>

(1) Geographic information is based on U.S. GAAP. (Figures are preliminary for the three months ended June 30, 2014.) Nomura's revenues and expenses are allocated based on the country of domicile of the legal entity providing the service. This information is not used for business management purposes.

Segment “Other”

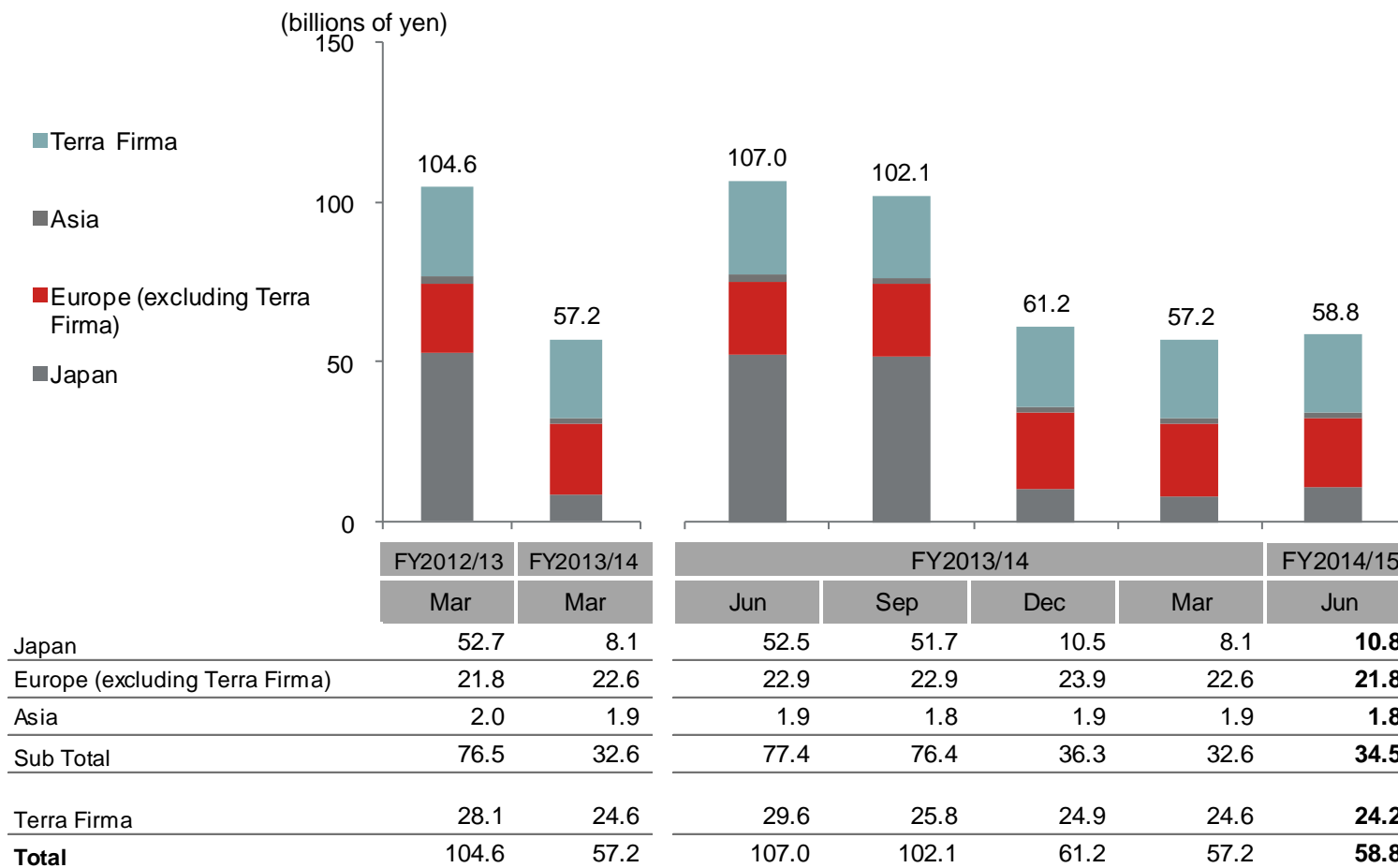
Income (loss) before income taxes



	Full year		Quarter				
	FY2012/13	FY2013/14	FY2013/14				FY2014/15
			1Q	2Q	3Q	4Q	1Q
Net gain (loss) related to economic hedging transactions	1.0	17.4	7.4	-1.7	5.2	6.5	<b>6.9</b>
Realized gain(loss) on investments in equity securities held for operating purposes	1.0	4.4	0.7	0.0	1.3	2.4	<b>2.9</b>
Equity in earnings of affiliates	14.4	28.6	5.3	8.9	8.2	6.2	<b>3.5</b>
Corporate items	17.7	-38.8	-12.3	-8.7	-14.0	-3.8	<b>-3.1</b>
Others	-27.5	8.4	-8.0	-2.0	-4.4	22.8	<b>-7.6</b>
Income (Loss) before income taxes	6.6	20.0	-7.0	-3.5	-3.7	34.2	<b>2.6</b>

# Wholesale Related Data

## Private equity related investments



# Value at Risk

- Definition
  - 99% confidence level
  - 1-day time horizon for outstanding portfolio
  - Inter-product price fluctuations considered
- From April 1, 2014 to June 30, 2014 (billions of yen)
  - Maximum: 9.3
  - Minimum: 4.7
  - Average: 6.7

(billions of yen)

	FY2012/13	FY2013/14	FY2013/14				FY2014/15
	Mar	Mar	Jun	Sep	Dec	Mar	Jun
Equity	1.3	1.3	2.6	1.9	3.6	1.3	<b>2.8</b>
Interest rate	5.0	3.9	5.4	5.1	6.6	3.9	<b>5.2</b>
Foreign exchange	1.9	2.8	1.9	1.8	2.6	2.8	<b>2.0</b>
Sub-total	8.1	8.0	9.9	8.7	12.9	8.0	<b>10.0</b>
Diversification benefit	-3.0	-2.9	-3.2	-3.2	-4.3	-2.9	<b>-0.7</b>
<b>VaR</b>	5.1	5.2	6.6	5.5	8.6	5.2	<b>9.3</b>

## Number of Employees

	FY2012/13	FY2013/14	FY2013/14				FY2014/15
	Mar	Mar	Jun	Sep	Dec	Mar	Jun
Japan (excluding FA)	14,123	14,149	14,654	14,454	14,308	14,149	<b>14,559</b>
Japan (FA)	1,907	1,888	1,911	1,923	1,918	1,888	<b>1,889</b>
Europe	3,618	3,461	3,485	3,459	3,456	3,461	<b>3,481</b>
Americas	2,271	2,281	2,240	2,243	2,248	2,281	<b>2,335</b>
Asia-Pacific <sup>1, 2</sup>	6,037	5,891	5,961	5,945	5,902	5,891	<b>6,656</b>
<b>Total</b>	<b>27,956</b>	<b>27,670</b>	<b>28,251</b>	<b>28,024</b>	<b>27,832</b>	<b>27,670</b>	<b>28,920</b>

(1) Includes Powai office in India.

(2) Number of employees at the end of June for FY2014/15 includes Capital Nomura Securities and ING Securities Investment & Trust which were consolidated from this quarter.

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