

# Consolidated Results of Operations

## **First quarter, year ending March 2017**

(US GAAP)

Nomura Holdings, Inc.

July 2016

## Presentation

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# Executive summary

## FY2016/17 1Q highlights

### ■ Income before income taxes and net income both up strongly QoQ

- Net revenue: Y338.5bn; Income before income taxes: Y62.8bn; Net income<sup>1</sup>: Y46.8bn; ROE<sup>2</sup>: 7.0%; EPS<sup>3</sup>: Y12.71
- Income before income taxes from international businesses of Y16.9bn driven by significant lowering of breakeven point

### ■ Three segment income before income taxes of Y67.5bn

#### - Solid results driven by Wholesale as client activity and trading conditions improved

#### Retail

- Revenues were weak as choppy market conditions prompted retail investors to remain on the sidelines
- Focused on enhancing dialog with clients; Improved net inflows into discretionary investments and investment trusts

#### Asset Management

- Significantly stronger revenues QoQ from dividend income and realized gains from potential liquidation of overseas entity
- Income before income taxes at highest level since FY2007/08 2Q

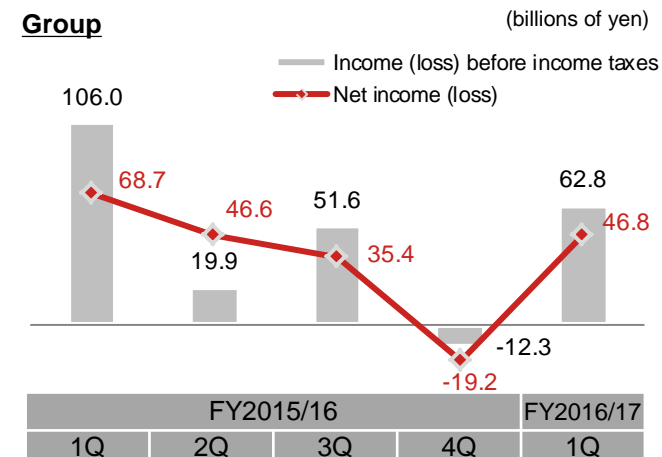
#### Wholesale

- Strong revenue growth QoQ as Fixed Income revenues increased across all regions and products
- Cost reduction initiatives also contributed to marked improvement in income before income taxes

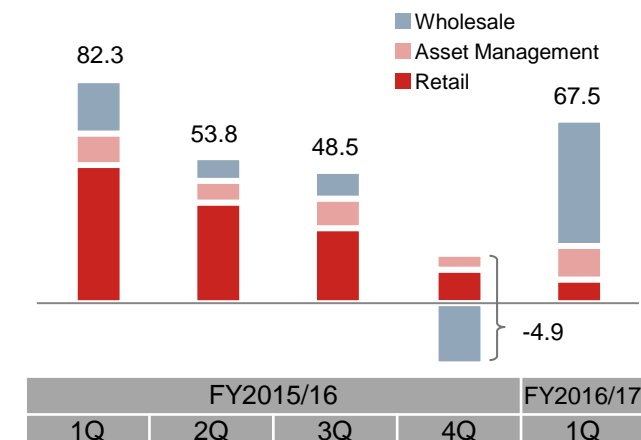
### ■ Shareholder returns

- Launch of share buyback program to deliver shares upon the exercise of stock options and to raise capital efficiency and ensure a flexible capital management policy
  - ✓ Total shares: Upper limit of 100 million shares (2.6 percent of outstanding shares)
  - ✓ Total value: Upper limit of Y45bn
  - ✓ Period: From August 15, 2016, to January 27, 2017  
(However, excluding from October 28, 2016, to November 11, 2016)

## Income (loss) before income taxes and net income (loss)<sup>1</sup>



## Three segment income (loss) before income taxes



(1) Net income (loss) attributable to Nomura Holdings shareholders.  
 (2) Calculated using annualized net income attributable to Nomura Holdings shareholders for each period.  
 (3) Diluted net income attributable to Nomura Holdings shareholders per share.

# Overview of results

## Highlights

(billions of yen, except EPS and ROE)

	FY2016/17 1Q	FY2015/16 4Q	QoQ	FY2015/16 1Q	YoY
<b>Net revenue</b>	338.5	280.1	+21%	424.0	-20%
<b>Non-interest expenses</b>	275.7	292.5	-6%	318.0	-13%
<b>Income (loss) before income taxes</b>	62.8	-12.3	-	106.0	-41%
<b>Net income (loss)<sup>1</sup></b>	46.8	-19.2	-	68.7	-32%
<b>EPS<sup>2</sup></b>	Y12.71	-Y5.33	-	Y18.65	-32%
<b>ROE<sup>3</sup></b>	7.0%	-		10.0%	

(1) Net income (loss) attributable to Nomura Holdings shareholders.

(2) Diluted net income (loss) attributable to Nomura Holdings shareholders per share.

(3) Calculated using annualized net income attributable to Nomura Holdings shareholders for each period.

# Business segment results

## Net revenue and income (loss) before income taxes

(billions of yen)		FY2016/17 1Q	FY2015/16 4Q	QoQ	FY2015/16 1Q	YoY
Net revenue	Retail	83.8	85.0	-1%	130.7	-36%
	Asset Management	25.9	20.3	+28%	26.9	-4%
	Wholesale	190.9	136.2	+40%	205.2	-7%
	Subtotal	300.6	241.5	+24%	362.8	-17%
	Other *	48.4	62.1	-22%	52.2	-7%
	Unrealized gain (loss) on investments in equity securities held for operating purposes	-10.5	-23.5	-	9.0	-
Net revenue		338.5	280.1	+21%	424.0	-20%
Income (loss) before income taxes	Retail	8.7	12.2	-29%	50.9	-83%
	Asset Management	12.2	5.8	+112%	11.7	+4%
	Wholesale	46.6	-22.8	-	19.7	+137%
	Subtotal	67.5	-4.9	-	82.3	-18%
	Other *	5.8	16.1	-64%	14.7	-61%
	Unrealized gain (loss) on investments in equity securities held for operating purposes	-10.5	-23.5	-	9.0	-
Income (loss) before income taxes		62.8	-12.3	-	106.0	-41%

\*Additional information on "Other" (1Q) ■ Loss on changes to own and counterparty credit spread relating to Derivatives (Y4.8bn)<sup>1</sup>

(1) Unrealized changes in the fair value of financial liabilities elected for the fair value option attributable to instrument-specific credit risk ("own credit adjustments") are presented separately in other comprehensive income rather than through earnings from the first quarter, year ending March 2017.

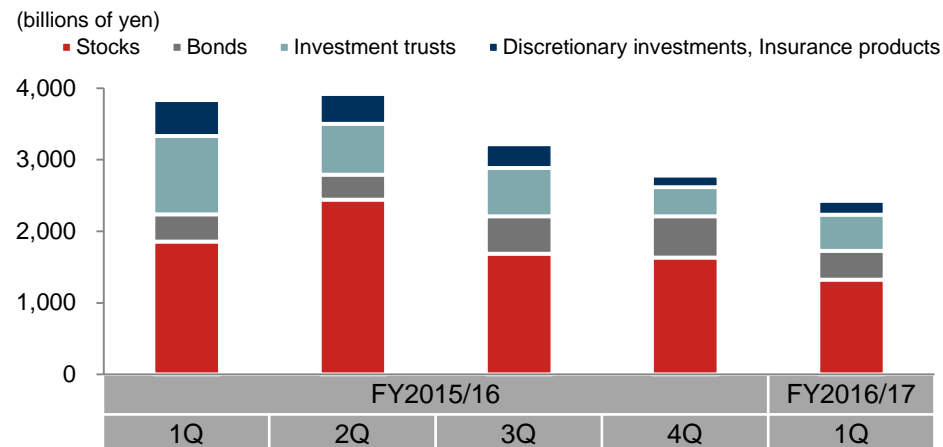
# Retail

## Net revenue and income before income taxes

(billions of yen)

	FY2015/16				FY2016 /17	QoQ	YoY
	1Q	2Q	3Q	4Q	1Q		
Net revenue	130.7	115.7	104.3	85.0	<b>83.8</b>	-1%	-36%
Non-interest expenses	79.8	78.9	76.5	72.9	<b>75.1</b>	+3%	-6%
Income before income taxes	50.9	36.7	27.8	12.2	<b>8.7</b>	-29%	-83%

## Total sales<sup>3</sup>



## Key points

- Net revenue: Y83.8bn (-1% QoQ; -36% YoY)
- Income before income taxes: Y8.7bn (-29% QoQ; -83% YoY)
- Revenues remained soft
  - Choppy market conditions prompted investors to remain on the sidelines
  - Investment trusts and discretionary investments up QoQ, but sales of stocks declines
- Client franchise
 

	<u>Jun / 1Q</u>	<u>Mar / 4Q</u>
- Retail client assets	Y95.3trn	Y100.6trn
- Accounts with balance	5.39m	5.39m
- NISA account applications <sup>1</sup>	1.69m	1.67m
- Net inflows of cash and securities <sup>2</sup>	-Y243.1bn	-Y43.0bn

## Total sales<sup>3</sup> declined 13% QoQ

- Stocks: -19% QoQ
  - Contributions from domestic secondary stock sales and primary deals slowed (primary stock subscriptions<sup>4</sup>: Y33.1bn, -56% QoQ)
- Investment trusts: +24% QoQ
  - Inflows into products investing in REITs and global bonds
- Bonds: Y403.6bn, -30% QoQ
  - Contributions from primary deals declined
  - Ongoing demand for JGBs for individuals under negative rate environment
- Discretionary investment and insurance sales up 19% QoQ

(1) Includes Junior NISA.

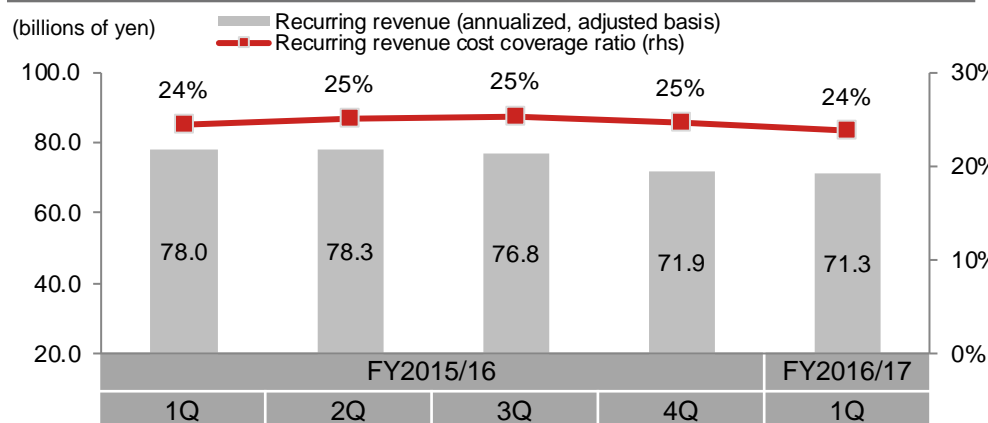
(2) Cash and securities inflows minus outflows, excluding regional financial institutions.

(3) Retail channel only.

(4) Retail channels, Net & Call, and Hotto Direct.

# Retail: Continued focus on providing consulting services

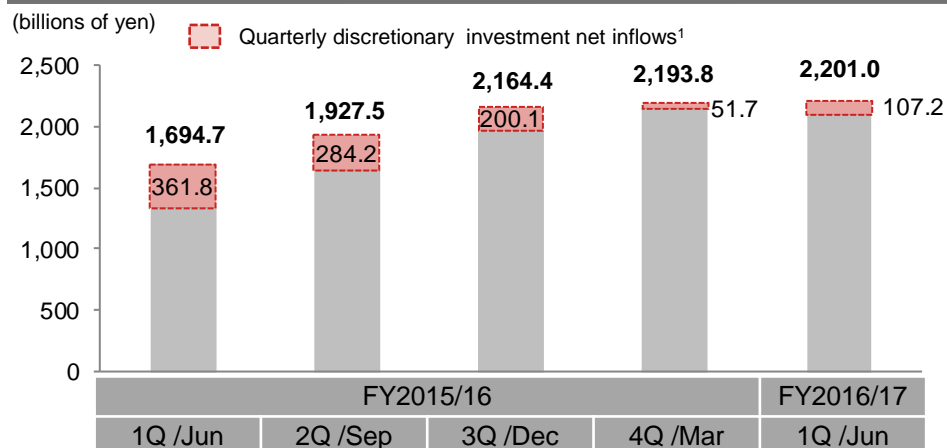
## Recurring revenue



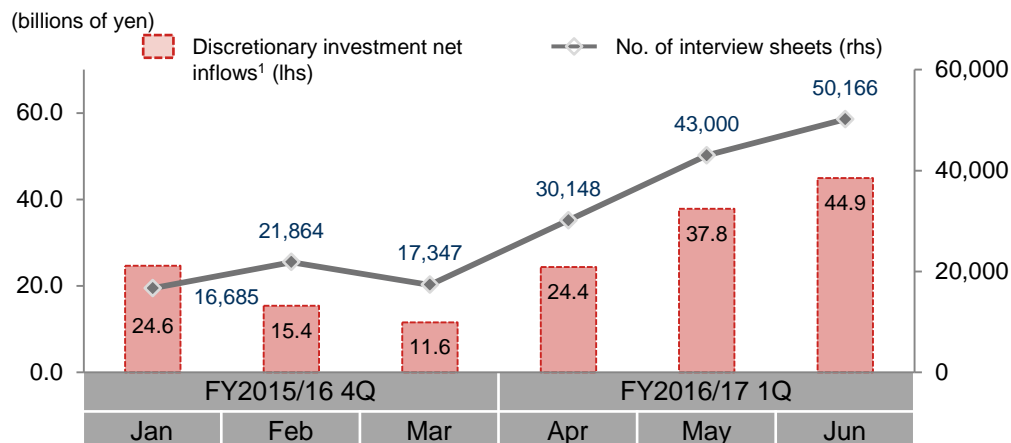
- Annualized recurring revenue of Y71.3bn
  - Proactive dialog and discussions on discretionary investments with clients
  - Although AuM of investment trusts declined due to market factors, booked steady net inflows into discretionary investments and investment trusts, maintaining recurring revenue at same level as last quarter

	Jun / 1Q	Mar / 4Q
Recurring revenue	Y17.8bn	Y17.9bn
Discretionary investment net inflows <sup>1</sup>	Y107.2bn	Y51.7bn
Investment trust net inflows <sup>1</sup>	Y51.3bn	Y8.7bn
Sales of insurance products <sup>2</sup>	Y50.7bn	Y72.3bn

## Discretionary investment assets under management



## Proactive dialog with clients, discretionary investment net inflows improved



(1) Retail channels, Japan Wealth Management Group.

(2) Retail channels only.

# Asset Management

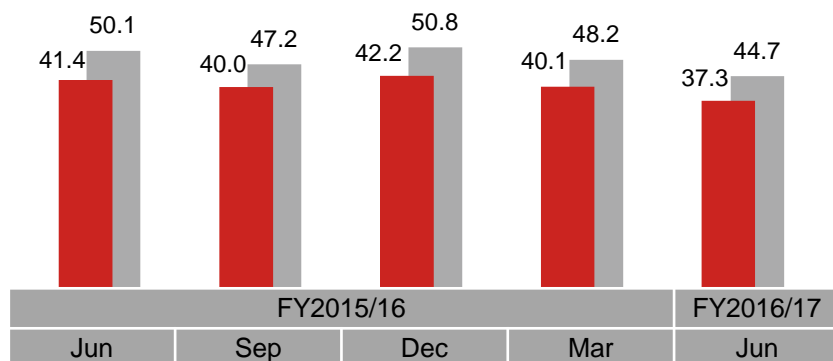
## Net revenue and income before income taxes

(billions of yen)

	FY2015/16				FY2016/17	QoQ	YoY
	1Q	2Q	3Q	4Q	1Q		
Net revenue	26.9	22.9	25.3	20.3	<b>25.9</b>	+28%	-4%
Non-interest expenses	15.2	14.4	14.6	14.5	<b>13.7</b>	-6%	-10%
Income before income taxes	11.7	8.4	10.7	5.8	<b>12.2</b>	+112%	+4%

## Assets under management

(trillions of yen) ■ AuM (net)<sup>1</sup> ■ AuM (gross)<sup>2</sup>



(1) Net after deducting duplications from assets under management (gross) of Nomura Asset Management, Nomura Funds Research and Technologies, Nomura Corporate Research and Asset Management and Nomura Private Equity Capital. (2) Assets under management (gross) of above four companies. Historical AuM (gross) figures have been reclassified in line with a revised calculation method introduced in the third quarter of the fiscal year ended March 2016. Nomura Asset Management took over the institutional investor advisory business and the retail related business of Nomura Funds Research and Technologies on July 1, 2015, and October 1, 2015, respectively, as well as all of the operations of Nomura Private Equity Capital on December 1, 2015.

(3) Nomura CRF (Cash Reserve Fund)

(4) Free Financial Fund

## Key points

- Net revenue: Y25.9bn (+28% QoQ; -4% YoY)
- Income before income taxes: Y12.2bn (+112% QoQ; +4% YoY)
  - Significantly stronger revenues QoQ from dividend income and realized gains from potential liquidation of overseas entity
  - Expenses also declined and income before income taxes was at highest level since FY2007/08 2Q

### Investment trust business

- Outflows from money market funds in view of redemptions of CRF<sup>3</sup> and FFF<sup>4</sup>, but continued inflows into privately placed funds for regional financial institutions and investment trusts for discretionary investments

#### 1Q inflows

- Nomura US High Yield Bond Fund Y30.9bn
- Nomura International Bond Index (For Nomura Investment Discretionary Account): Y24.0bn
- Robo Japan: Y12.3bn

### Investment advisory and international businesses

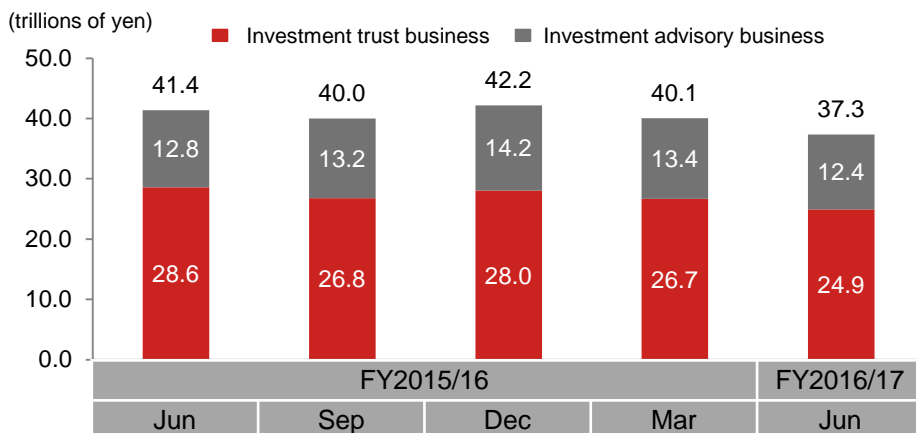
- Japan reported outflows due to factors including a decline in funds managed for public pension funds
- Internationally, Japan equity products reported outflows, but US high yield products continued to book inflows
- NCRAM<sup>5</sup> won mandate to manage US retail mutual fund managed by Northern Trust Investments; Second non-Nomura mutual fund in the US that NCRAM has been appointed to manage

(5) Nomura Corporate Research and Asset Management

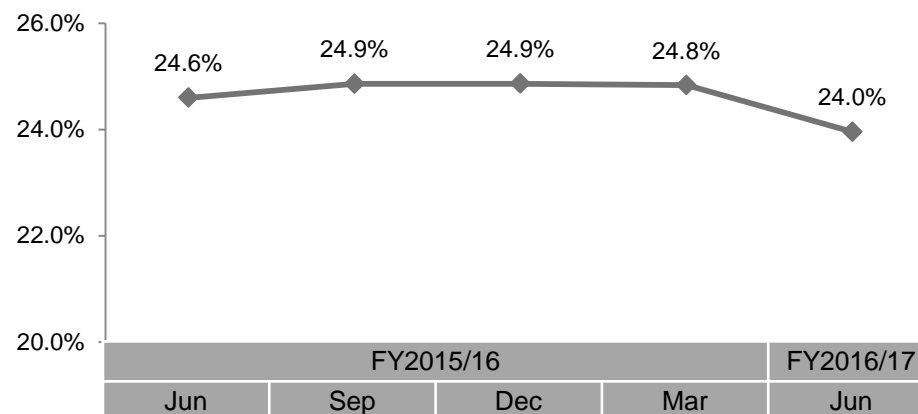


# Asset Management: Expanding business platform

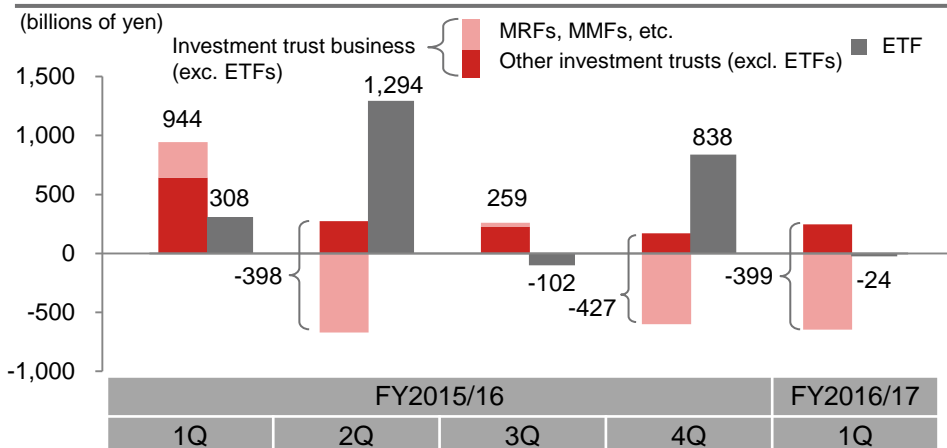
## Assets under management (net)<sup>1</sup> by business



## Nomura Asset Management public investment trust market share<sup>2</sup>



## Inflows into investment trust business<sup>3</sup>



## Acquired stakes in American Century Investments

- Acquired approximately 41% economic interest (10.1% voting interest) in American Century Investments on May 19, 2016
- Established ACI-NAM Business Opportunities Committee with Nomura Asset Management and ACI CEOs serving as Co-Chairman to find opportunities for business growth
- Several working groups have been set up under the Committee to map out detailed strategies



(1) Net after deducting duplications from assets under management (gross) of Nomura Asset Management, Nomura Funds Research and Technologies, Nomura Corporate Research and Asset Management and Nomura Private Equity Capital.

(2) Source: The Investment Trusts Association, Japan. (3) Based on net assets under management

# Wholesale

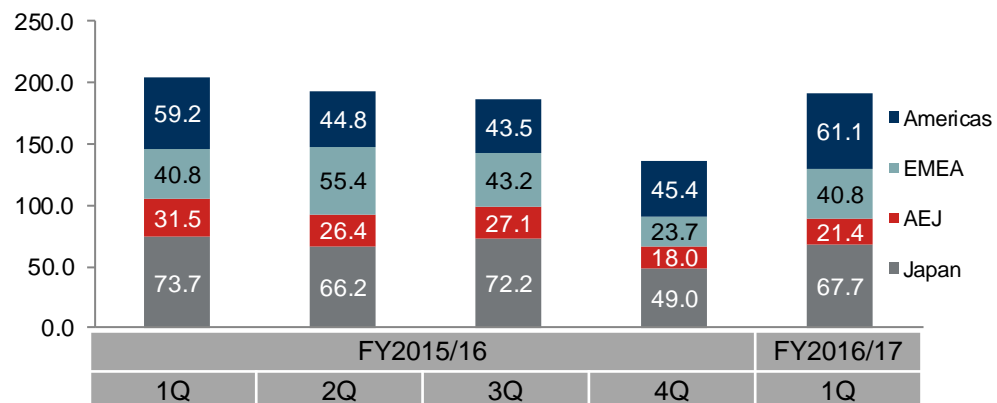
## Net revenue and income (loss) before income taxes

(billions of yen)

	FY2015/16				FY2016 /17	QoQ	YoY
	1Q	2Q	3Q	4Q	1Q		
Global Markets	176.2	158.7	157.2	108.3	<b>170.5</b>	+57%	-3%
Investment Banking	29.0	34.2	28.8	27.9	<b>20.4</b>	-27%	-30%
Net revenue	205.2	192.9	186.0	136.2	<b>190.9</b>	+40%	-7%
Non-interest expenses	185.5	184.3	176.0	159.0	<b>144.3</b>	-9%	-22%
Income (loss) before income taxes	19.7	8.6	9.9	-22.8	<b>46.6</b>	-	+137%

## Net revenue by region

(billions of yen)



## Key points

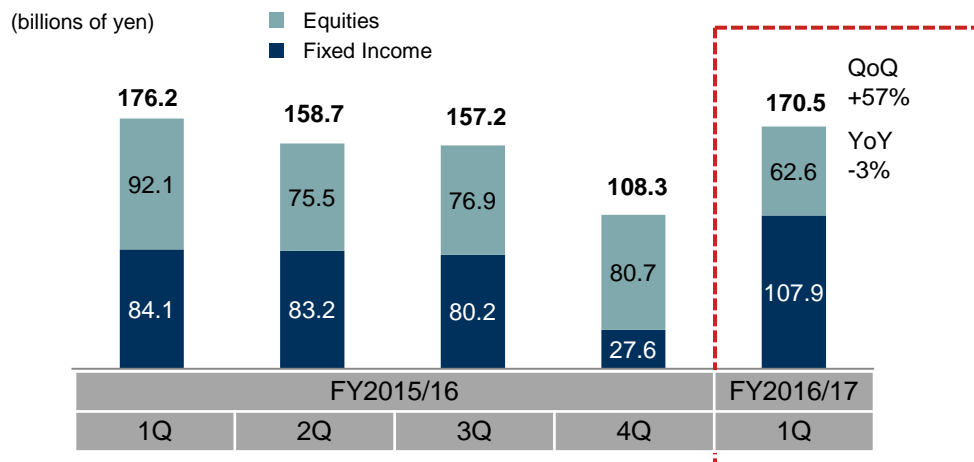
- Net revenue: Y190.9bn (+40% QoQ; -7% YoY)
- Income before income taxes: Y46.6bn (+137% YoY)
- Revenues up significantly QoQ
  - Fixed Income revenues grew across all regions and products on the back of an uptick in client activity and improved trading conditions
- Cost reduction initiatives also contributed to marked improvement in income before income taxes

### Net revenue by region (QoQ; YoY)

- Japan: Y67.7bn (+38%, -8%)
  - Solid performance in Fixed Income driven by Rates and Credit
  - Investment Banking revenues declined due to market turmoil and seasonal factors
- Americas: Y61.1bn (+34%; +3%)
  - Fixed Income revenues grew strongly driven by Rates; Equities revenues declined due to non-recurrence of gain booked from sale of equity stake last quarter
  - Market conditions settled down and Spread Products performance improved
- EMEA: Y40.8bn (+72%; Unchanged)
  - Fixed Income performance up driven by Rates
- AEJ: Y21.4bn (+19%; -32%)
  - Improved performance in Credit and Emerging Market

# Wholesale: Global Markets

## Net revenue



## Key points

### Global Markets

- Net revenue: Y170.5bn (+57% QoQ; -3% YoY)
  - A solid quarter with strong performance in Fixed Income across all regions, offsetting slowdown in Equities

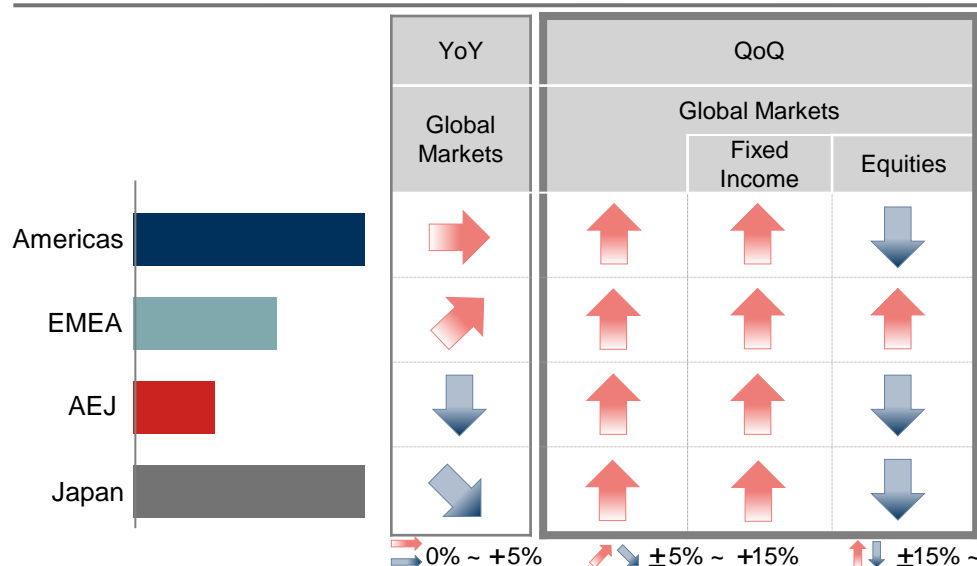
### Fixed Income

- Net revenue: Y107.9bn (3.9x QoQ; +28% YoY)
  - Strong performance in Rates from increased client flows and market opportunities
  - Improved performance in Credit and Securitized Products from favorable macro environment and gradual return in client activity

### Equities

- Net revenue: Y62.6bn (-22% QoQ; -32% YoY)
  - Revenues declined as last quarter included a realized gain from sale of Chi-X shares, client activity slowed QoQ, and appreciation of yen

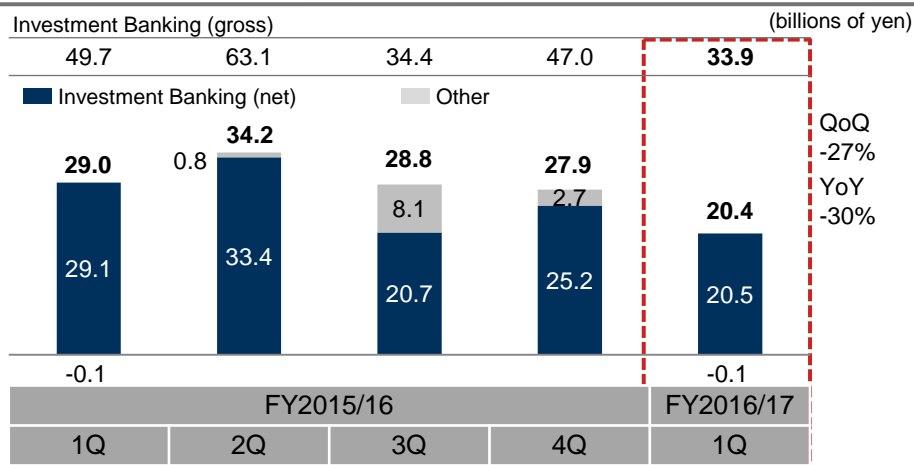
## FY2016/17 1Q net revenue by region



- Americas: Fixed Income saw strong performance in Rates and improvement in Spread Products; Equities revenues declined mainly due to non-recurrence of one-off gains in previous quarter
- EMEA: Fixed Income saw improved results in Rates; Equities reported an uptick in revenues despite a review of the business during the quarter
- AEJ: Improved performance across all Fixed Income products, while Equities revenues declined due to slower client activity
- Japan: Turnaround in Rates and Credit was the main driver of robust Fixed Income; Equities reported softer revenues QoQ on the back of a decline in markets and client activity

# Wholesale: Investment Banking

## Net revenue



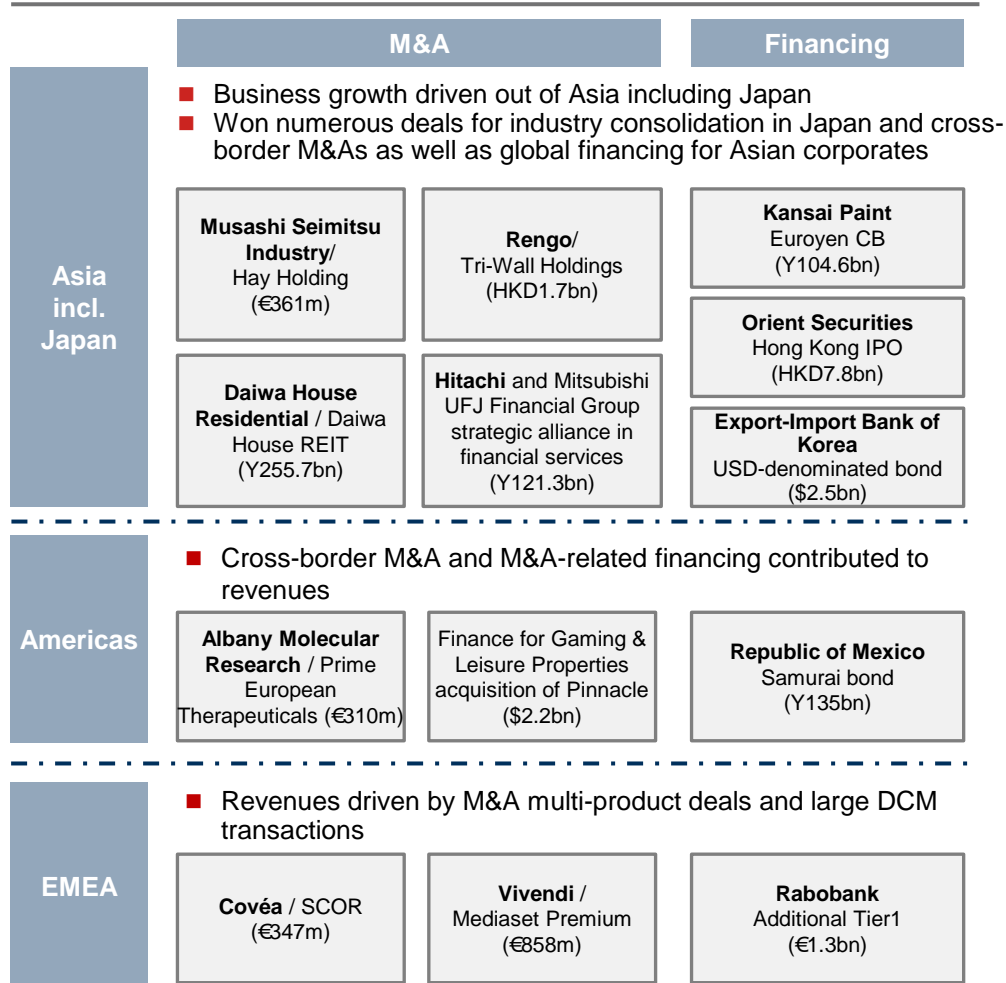
## Key points

- Net revenue: Y20.4bn (-27% QoQ; -30% YoY)
- Investment Banking (gross) revenue of Y33.9bn
  - Revenues down both QoQ and YoY due to decline in ECM transactions and yen appreciation
  - Solid revenues from M&A driven by completed deals
  - Japan: Market turmoil and seasonal factors led to slower ECM revenues
    - ✓ Revenues driven by industry consolidation and cross-border M&A deals
    - ✓ Retained top position in Japan ECM league table by capturing financing needs of corporates (market share: 38.9%)<sup>1</sup>
  - International: Revenues up QoQ driven by improvement in Americas
    - ✓ Conducted strategic review of EMEA and Americas businesses to focus on competitive strengths
    - ✓ Executed multi-product M&A deals and supported a number of large bond issuances by financial institutions and SSAs<sup>2</sup>

(1) Source: Thomson Reuters, Jan - Jun 2016.

(2) Sovereigns, Supranationals and Agencies.

## Focusing on areas of competitive strength

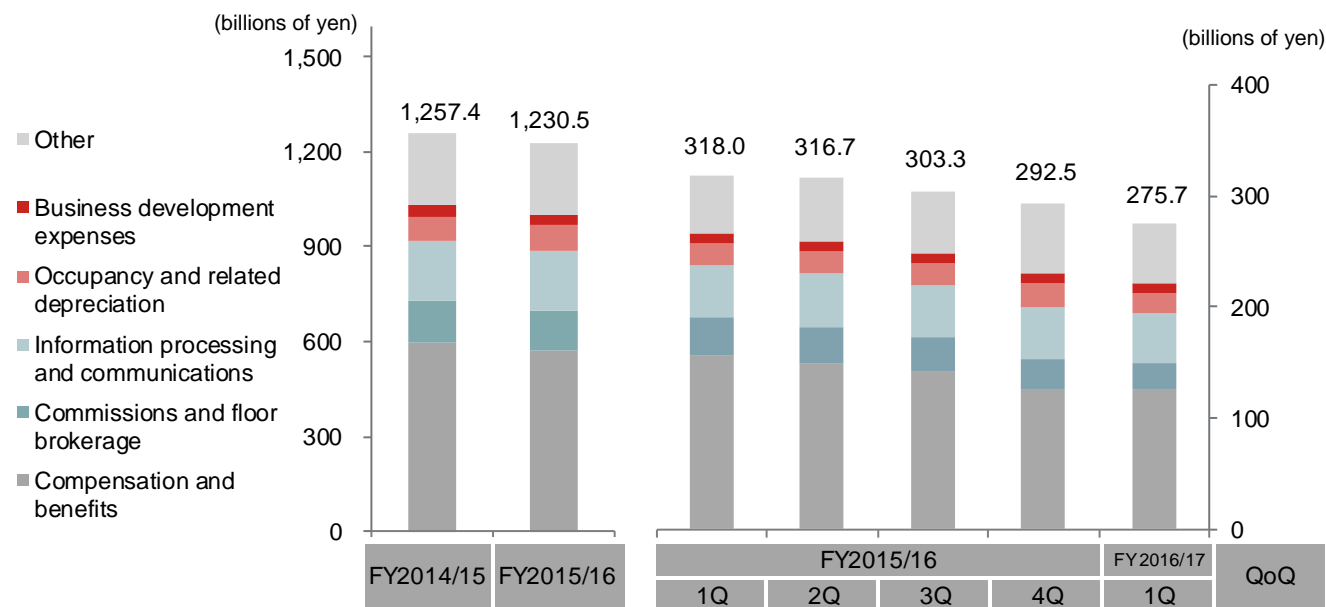


# Non-interest expenses

## Full year

## Quarter

## Key points



	FY2014/15	FY2015/16	FY2015/16				FY2016/17	QoQ
			1Q	2Q	3Q	4Q	1Q	
Compensation and benefits	596.6	574.2	155.9	149.7	141.8	126.8	<b>125.9</b>	<b>-0.6%</b>
Commissions and floor brokerage	130.0	123.9	34.2	32.6	31.1	25.9	<b>24.2</b>	<b>-6.6%</b>
Information processing and communications	192.3	189.9	47.9	48.2	46.8	46.9	<b>44.2</b>	<b>-5.7%</b>
Occupancy and related depreciation	76.1	78.4	18.7	19.2	19.6	20.9	<b>18.2</b>	<b>-12.8%</b>
Business development expenses	35.2	35.9	8.3	8.5	9.3	9.8	<b>8.3</b>	<b>-15.2%</b>
Other	227.2	228.2	52.9	58.5	54.6	62.2	<b>54.8</b>	<b>-11.9%</b>
<b>Total</b>	<b>1,257.4</b>	<b>1,230.5</b>	<b>318.0</b>	<b>316.7</b>	<b>303.3</b>	<b>292.5</b>	<b>275.7</b>	<b>-5.7%</b>

- Non-interest expenses: Y275.7bn (-6% QoQ; -13% YoY)
- Group expenses down QoQ due to yen appreciation and lower non-personnel expenses
  - Non-personnel expenses (-10% QoQ)
    - ✓ Controlled business development expenses and occupancy and related depreciation
- Marked decline in Group expenses YoY
  - Personnel expenses (-19% YoY)
    - ✓ Decline due to currency exchange, cost reductions in international operations, focus on pay for performance
  - Non-personnel expenses (-8% YoY)
    - ✓ Decline in trading volumes led to lower commissions and floor brokerage

# Robust financial position

## Balance sheet related indicators and capital ratios

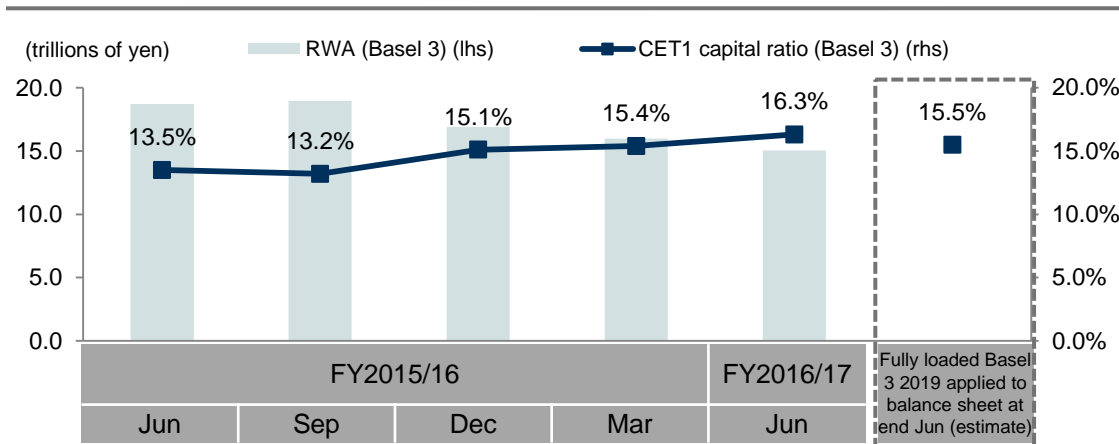
	Mar 2016	Jun 2016
■ Total assets	Y41.1trn	Y42.9trn
■ Shareholders' equity	Y2.7trn	Y2.6trn
■ Gross leverage	15.2x	16.2x
Net leverage <sup>1</sup>	9.6x	9.8x
■ Level 3 assets <sup>2</sup> (net)	Y0.4trn	Y0.4trn
■ Liquidity portfolio	Y5.9trn	Y5.5trn

(billions of yen)

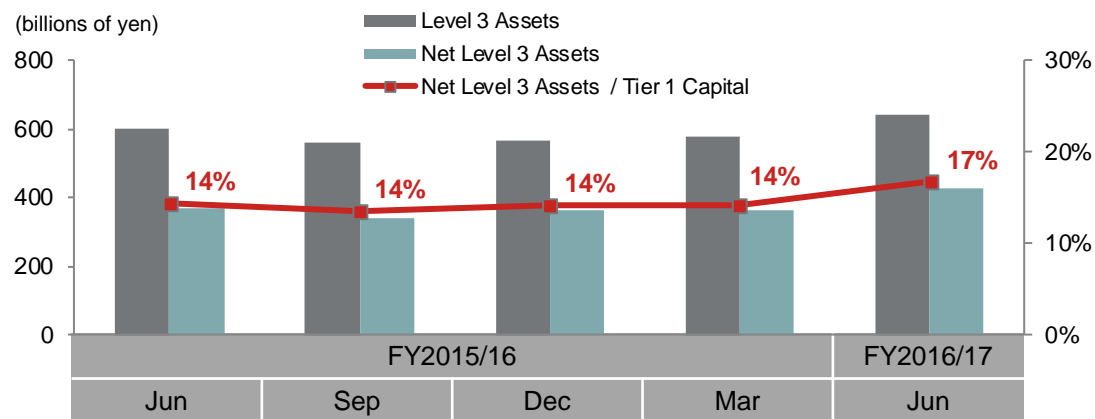
Basel 3 basis	Mar 2016	Jun 2016 <sup>2</sup>
Tier 1 capital	2,578	2,556
Tier 2 capital	323	315
Total capital	2,901	2,871
RWA <sup>3</sup>	15,971	15,043
Tier 1 capital ratio	16.1%	16.9%
CET 1 capital ratio <sup>4</sup>	15.4%	16.3%
Consolidated capital adequacy ratio	18.1%	19.0%
Consolidated leverage ratio <sup>5</sup>	4.28%	4.28%
HQLA <sup>6</sup>	Y6.2trn	Y5.8trn
LCR <sup>6</sup>	175.8%	190.8%

(1) Net leverage: Total assets minus securities purchased under agreements to resell and securities borrowed, divided by Nomura Holdings shareholders' equity. (2) June 2016 is preliminary.  
 (3) Credit risk assets are calculated using the internal model method. (4) CET 1 capital ratio is defined as Tier 1 capital minus minority interest divided by risk-weighted assets.  
 (5) Tier 1 capital divided by exposure (sum of on-balance sheet exposures and off-balance sheet items). (6) Monthly average for each quarter.

## Risk weighted assets<sup>3</sup> and CET 1 capital ratio<sup>4</sup>



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



# Funding and liquidity

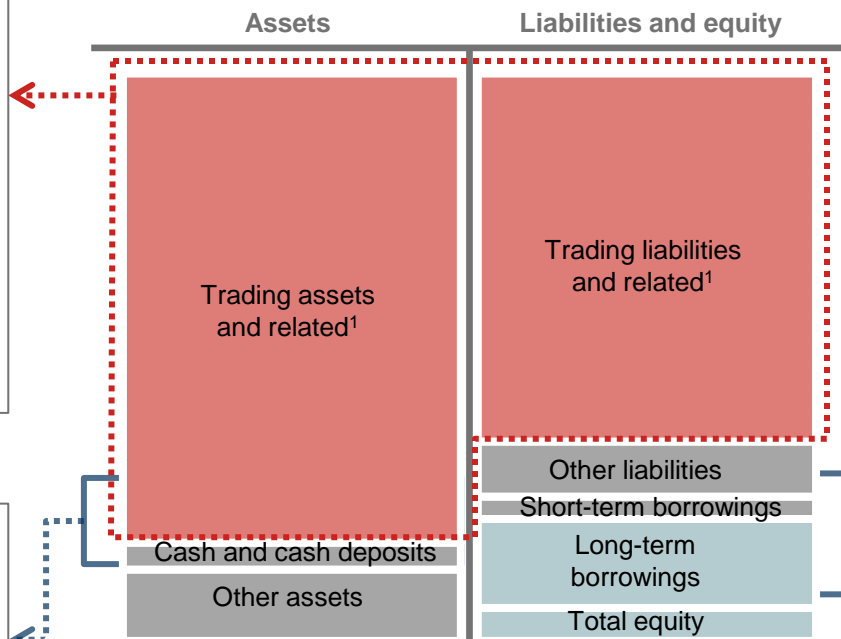
**Balance sheet  
(As of June 2016)**

## Balance sheet structure

- Highly liquid, healthy balance sheet structure
  - 80% 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

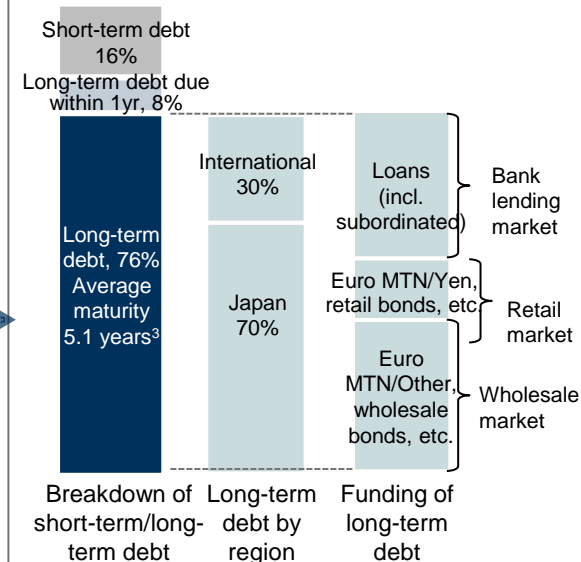
## Liquidity portfolio<sup>2</sup>

- Liquidity portfolio:
  - Y5.5trn, or 13% of total assets
  - Maintain a high quality liquidity portfolio surplus without the need for additional unsecured funding over a certain period



## Unsecured funding<sup>2</sup>

- Approx. 80% of unsecured funding is long-term debt
- Diversified sources of funding



(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) Excludes long-term debt due within one year. Redemption schedule is individually estimated by considering the probability of redemption under certain stressed scenarios.

# Financial Supplement



# Consolidated balance sheet

(billions of yen)	Mar 31, 2016	Jun 30, 2016	Increase (Decrease)		Mar 31, 2016	Jun 30, 2016	Increase (Decrease)
<b>Assets</b>				<b>Liabilities</b>			
Total cash and cash deposits	3,899	<b>2,363</b>	-1,536	Short-term borrowings	663	<b>723</b>	60
				Total payables and deposits	4,249	<b>3,555</b>	-694
Total loans and receivables	2,970	<b>3,180</b>	210	Total collateralized financing	16,606	<b>19,516</b>	2,911
				Trading liabilities	7,499	<b>7,529</b>	29
Total collateralized agreements	15,078	<b>16,951</b>	1,873	Other liabilities	1,201	<b>1,137</b>	-63
				Long-term borrowings	8,130	<b>7,759</b>	-370
Total trading assets <sup>1</sup> and private equity investments	16,410	<b>17,547</b>	1,137	Total liabilities	38,347	<b>40,219</b>	1,872
Total other assets	2,734	<b>2,879</b>	144	<b>Equity</b>			
				Total NHI shareholders' equity	2,700	<b>2,642</b>	-58
<b>Total assets</b>	41,090	<b>42,918</b>	1,828	Noncontrolling interest	43	<b>57</b>	14
				<b>Total liabilities and equity</b>	41,090	<b>42,918</b>	1,828

(1) Including securities pledged as collateral.

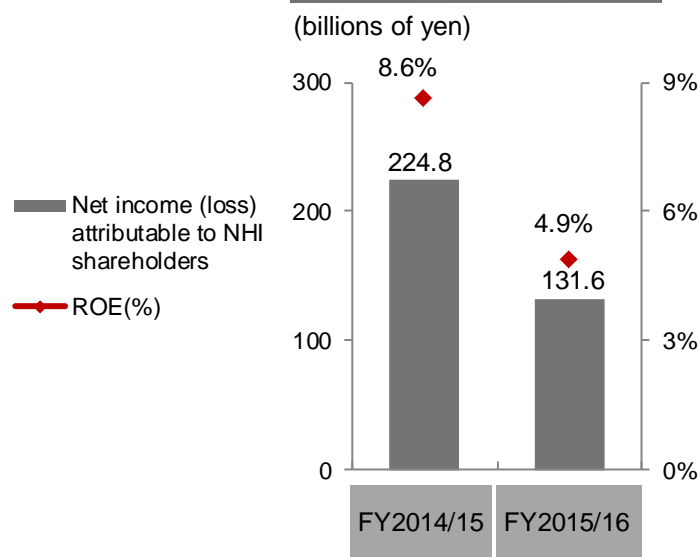
## Value at risk

- Definition
  - 99% confidence level
  - 1-day time horizon for outstanding portfolio
  - Inter-product price fluctuations considered
- From April 1, 2016, to June 30, 2016 (billions of yen)
  - Maximum: 6.7
  - Minimum: 3.4
  - Average: 5.1

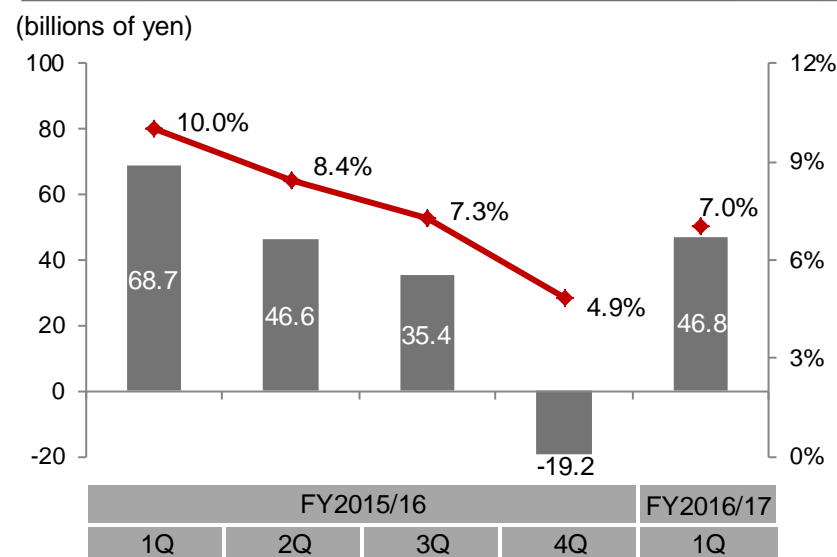
(billions of yen)	FY2014/15	FY2015/16	FY2015/16				FY2016/17
	Mar	Mar	Jun	Sep	Dec	Mar	Jun
Equity	1.0	0.9	1.3	1.5	1.7	0.9	<b>0.7</b>
Interest rate	4.2	3.8	3.9	5.2	4.9	3.8	<b>4.1</b>
Foreign exchange	1.1	0.8	1.1	1.4	2.0	0.8	<b>2.5</b>
Sub-total	6.2	5.5	6.2	8.2	8.5	5.5	<b>7.3</b>
Diversification benefit	-1.6	-2.0	-2.4	-2.8	-2.8	-2.0	<b>-2.9</b>
<b>VaR</b>	4.6	3.5	3.8	5.4	5.7	3.5	<b>4.4</b>

# Consolidated financial highlights

## Full year



## Quarter



Net revenue	1,604.2	1,395.7
Income (loss) before income taxes	346.8	165.2
Net income (loss) attributable to Nomura Holdings, Inc. ("NHI") shareholders	224.8	131.6
Total NHI shareholders' equity	2,707.8	2,700.2
ROE (%) <sup>1</sup>	8.6%	4.9%
Basic-Net income (loss) attributable to NHI shareholders per share (yen)	61.66	36.53
Diluted-Net income (loss) attributable to NHI shareholders per share (yen)	60.03	35.52
Total NHI shareholders' equity per share (yen)	752.40	748.32

FY2015/16				FY2016/17
1Q	2Q	3Q	4Q	1Q
424.0	336.6	354.9	280.1	<b>338.5</b>
106.0	19.9	51.6	-12.3	<b>62.8</b>
68.7	46.6	35.4	-19.2	<b>46.8</b>
2,783.3	2,761.7	2,804.7	2,700.2	<b>2,642.3</b>
10.0%	8.4%	7.3%	4.9%	<b>7.0%</b>
19.11	12.95	9.83	-5.31	<b>13.00</b>
18.65	12.63	9.61	-5.33	<b>12.71</b>
774.39	767.73	777.74	748.32	<b>736.47</b>

(1) Quarterly ROE is calculated using annualized year-to-date net income (loss).

# Consolidated income

(billions of yen)	Full year		Quarter				
	FY2014/15	FY2015/16	FY2015/16				FY2016/17
			1Q	2Q	3Q	4Q	1Q
Revenue							
Commissions	453.4	432.0	130.3	111.5	102.3	87.8	<b>76.3</b>
Fees from investment banking	95.1	118.3	24.5	44.9	20.0	29.0	<b>17.3</b>
Asset management and portfolio service fees	203.4	229.0	59.9	58.2	57.8	53.1	<b>52.6</b>
Net gain on trading	531.3	354.0	124.7	62.6	105.2	61.5	<b>140.1</b>
Gain on private equity investments	5.5	13.8	1.2	0.6	8.7	3.3	<b>0.0</b>
Interest and dividends	436.8	440.1	113.6	111.5	107.9	106.9	<b>106.6</b>
Gain (loss) on investments in equity securities	29.4	-20.5	9.2	-10.9	4.7	-23.5	<b>-10.0</b>
Other	175.7	156.5	44.9	39.6	27.9	44.1	<b>35.5</b>
<b>Total revenue</b>	<b>1,930.6</b>	<b>1,723.1</b>	<b>508.4</b>	<b>417.9</b>	<b>434.5</b>	<b>362.2</b>	<b>418.4</b>
Interest expense	326.4	327.4	84.4	81.3	79.6	82.1	<b>79.9</b>
<b>Net revenue</b>	<b>1,604.2</b>	<b>1,395.7</b>	<b>424.0</b>	<b>336.6</b>	<b>354.9</b>	<b>280.1</b>	<b>338.5</b>
Non-interest expenses	1,257.4	1,230.5	318.0	316.7	303.3	292.5	<b>275.7</b>
<b>Income (loss) before income taxes</b>	<b>346.8</b>	<b>165.2</b>	<b>106.0</b>	<b>19.9</b>	<b>51.6</b>	<b>-12.3</b>	<b>62.8</b>
<b>Net income (loss) attributable to NHI shareholders</b>	<b>224.8</b>	<b>131.6</b>	<b>68.7</b>	<b>46.6</b>	<b>35.4</b>	<b>-19.2</b>	<b>46.8</b>

## Main revenue items

(billions of yen)	Full year		Quarter					
	FY2014/15	FY2015/16	FY2015/16				FY2016/17	
			1Q	2Q	3Q	4Q	1Q	
Commissions	Stock brokerage commissions	252.8	275.0	78.7	71.3	63.7	61.3	<b>48.4</b>
	Other brokerage commissions	19.6	23.3	5.2	6.8	5.4	5.8	<b>4.3</b>
	Commissions for distribution of investment trusts	134.3	89.5	34.3	22.0	20.8	12.4	<b>15.8</b>
	Other	46.8	44.2	12.2	11.3	12.4	8.3	<b>7.7</b>
	<b>Total</b>	<b>453.4</b>	<b>432.0</b>	<b>130.3</b>	<b>111.5</b>	<b>102.3</b>	<b>87.8</b>	<b>76.3</b>
Fees from investment banking	Equity underwriting and distribution	28.8	56.7	7.4	30.8	10.3	8.2	<b>2.8</b>
	Bond underwriting and distribution	20.4	12.9	4.6	3.3	1.8	3.3	<b>2.9</b>
	M&A / Financial advisory fees	24.6	33.1	7.7	7.5	6.5	11.3	<b>9.4</b>
	Other	21.2	15.6	4.8	3.3	1.4	6.2	<b>2.2</b>
	<b>Total</b>	<b>95.1</b>	<b>118.3</b>	<b>24.5</b>	<b>44.9</b>	<b>20.0</b>	<b>29.0</b>	<b>17.3</b>
Asset management and portfolio service fees	Asset management fees	151.8	164.4	44.2	42.0	41.2	36.9	<b>36.2</b>
	Administration fees	32.6	45.7	10.7	11.3	11.9	11.7	<b>11.9</b>
	Custodial fees	19.0	19.0	5.0	4.8	4.7	4.4	<b>4.5</b>
	<b>Total</b>	<b>203.4</b>	<b>229.0</b>	<b>59.9</b>	<b>58.2</b>	<b>57.8</b>	<b>53.1</b>	<b>52.6</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)	Full year		Quarter				
	FY2014/15	FY2015/16	FY2015/16				FY2016/17
			1Q	2Q	3Q	4Q	1Q
Retail	161.8	127.6	50.9	36.7	27.8	12.2	<b>8.7</b>
Asset Management	32.1	36.7	11.7	8.4	10.7	5.8	<b>12.2</b>
Wholesale	82.2	15.4	19.7	8.6	9.9	-22.8	<b>46.6</b>
Three business segments total	276.1	179.7	82.3	53.8	48.5	-4.9	<b>67.5</b>
Other	46.0	6.1	14.7	-23.0	-1.6	16.1	<b>5.8</b>
Segments total	322.1	185.8	97.0	30.8	46.9	11.2	<b>73.3</b>
Unrealized gain (loss) on investments in equity securities held for operating purposes	24.7	-20.7	9.0	-10.9	4.7	-23.5	<b>-10.5</b>
Income (loss) before income taxes	346.8	165.2	106.0	19.9	51.6	-12.3	<b>62.8</b>

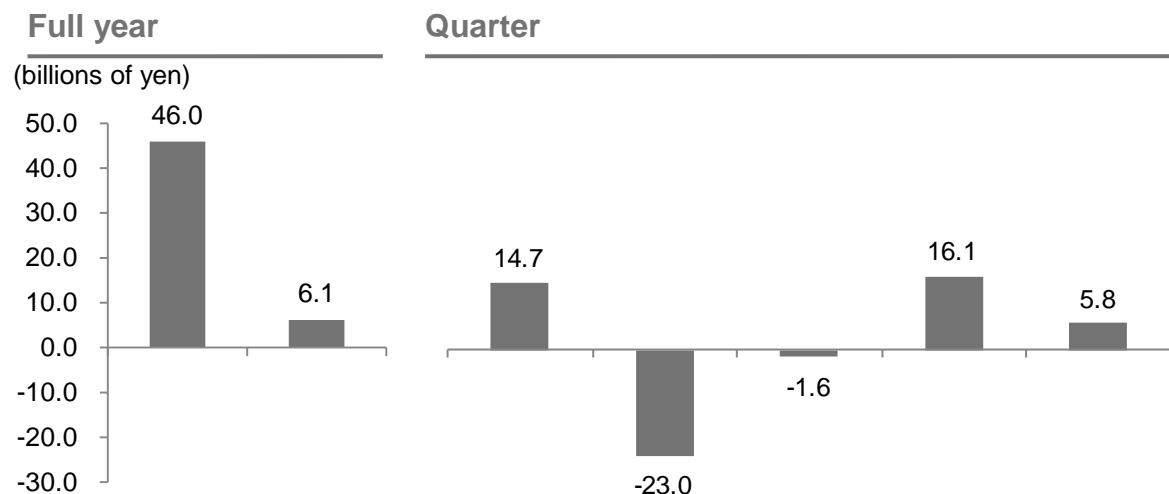
## Geographic information: Income (loss) before income taxes<sup>1</sup>

(billions of yen)	Full year		Quarter				
	FY2014/15	FY2015/16	FY2015/16				FY2016/17
			1Q	2Q	3Q	4Q	1Q
Americas	-27.6	-32.0	-2.4	-19.8	-12.3	2.4	<b>15.2</b>
Europe	-23.5	-67.4	-9.7	-35.2	-5.7	-16.8	<b>-4.4</b>
Asia and Oceania	34.6	19.8	14.8	9.2	-2.0	-2.2	<b>6.1</b>
Subtotal	-16.4	-79.6	2.7	-45.8	-19.9	-16.6	<b>16.9</b>
Japan	363.2	244.8	103.3	65.6	71.6	4.3	<b>45.9</b>
Income (loss) before income taxes	346.8	165.2	106.0	19.9	51.6	-12.3	<b>62.8</b>

(1) Geographic information is based on U.S. GAAP. (Figures are preliminary for the three months ended June 30, 2016). 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



	FY2014/15	FY2015/16	FY2015/16				FY2016/17
			1Q	2Q	3Q	4Q	1Q
Net gain (loss) related to economic hedging transactions	15.1	6.4	-2.6	1.1	-0.6	8.5	<b>12.0</b>
Realized gain on investments in equity securities held for operating purposes	4.7	0.2	0.2	0.0	0.0	0.0	<b>0.6</b>
Equity in earnings of affiliates	42.2	32.7	13.8	9.1	4.8	5.1	<b>1.1</b>
Corporate items	-20.1	-52.3	-3.9	-40.0	-3.2	-5.2	<b>-4.3</b>
Others	4.0	19.2	7.2	6.9	-2.6	7.7	<b>-3.5</b>
<b>Income (loss) before income taxes</b>	<b>46.0</b>	<b>6.1</b>	<b>14.7</b>	<b>-23.0</b>	<b>-1.6</b>	<b>16.1</b>	<b>5.8</b>

## Retail related data (1)

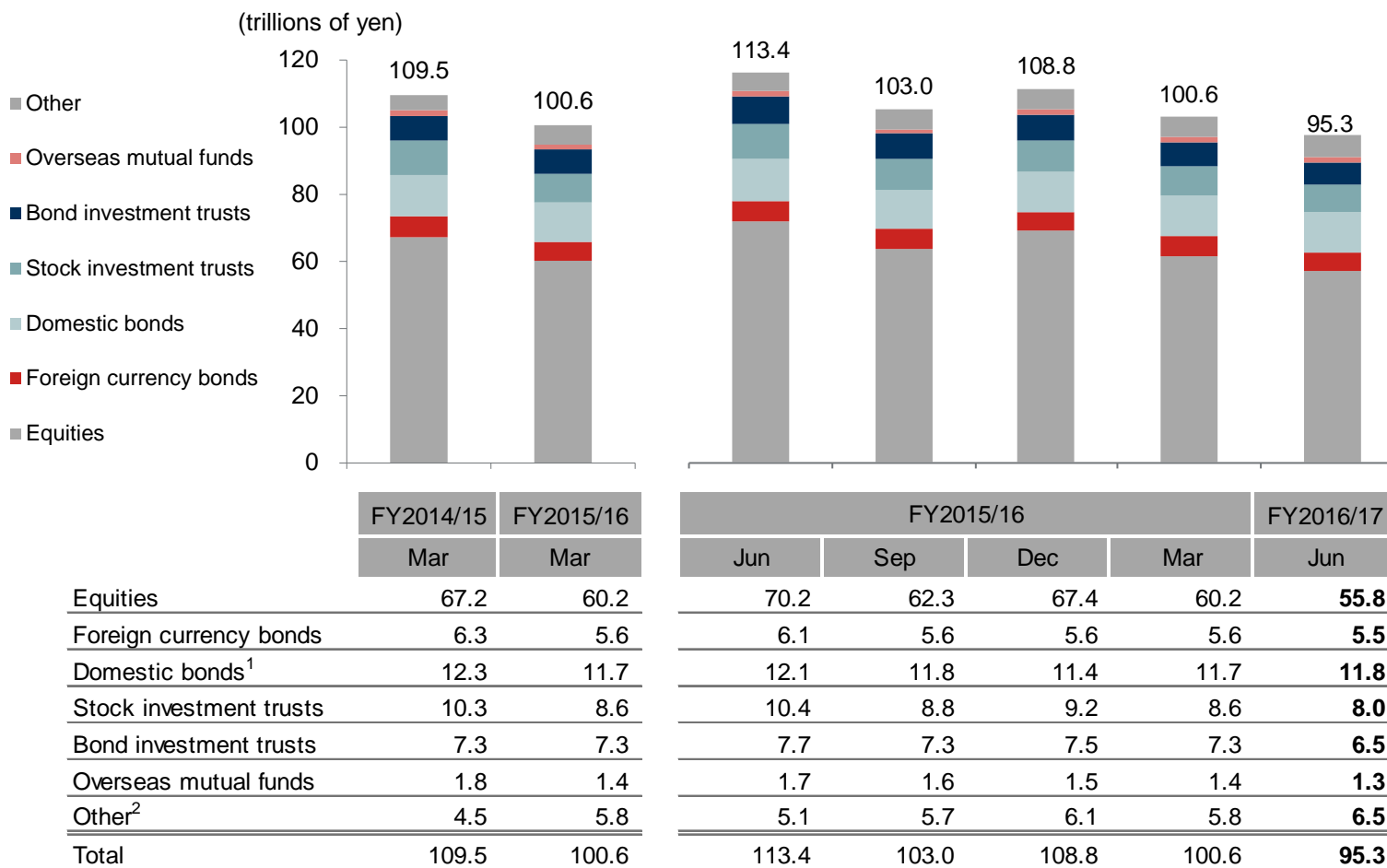
(billions of yen)	Full year		Quarter						
	FY2014/15	FY2015/16	FY2015/16				FY2016/17	QoQ	YoY
			1Q	2Q	3Q	4Q	1Q		
Commissions	258.9	220.3	73.8	55.8	51.8	38.9	<b>38.4</b>	-1.2%	<b>-48.0%</b>
Of which, brokerage commission	81.8	78.9	26.4	20.0	18.0	14.4	<b>13.1</b>	-9.1%	<b>-50.4%</b>
Of which, commissions for distribution of investment trusts	134.9	93.6	34.9	22.5	22.0	14.3	<b>17.6</b>	<b>23.3%</b>	<b>-49.6%</b>
Sales credit	106.4	86.4	26.0	19.7	23.2	17.5	<b>18.6</b>	<b>6.6%</b>	<b>-28.5%</b>
Fees from investment banking and other	32.5	35.9	6.2	16.6	6.1	7.0	<b>4.3</b>	<b>-38.2%</b>	<b>-30.8%</b>
Investment trust administration fees and other	71.9	85.3	21.9	22.0	21.4	20.0	<b>19.9</b>	-0.7%	<b>-9.1%</b>
Net interest revenue	6.9	7.8	2.8	1.5	1.8	1.7	<b>2.6</b>	<b>52.0%</b>	<b>-7.8%</b>
Net revenue	476.5	435.6	130.7	115.7	104.3	85.0	<b>83.8</b>	-1.5%	<b>-35.9%</b>
Non-interest expenses	314.7	308.0	79.8	78.9	76.5	72.9	<b>75.1</b>	<b>3.1%</b>	<b>-5.9%</b>
Income before income taxes	161.8	127.6	50.9	36.7	27.8	12.2	<b>8.7</b>	<b>-28.7%</b>	<b>-83.0%</b>
Domestic distribution volume of investment trusts <sup>1</sup>	9,478.5	5,644.9	1,975.3	1,407.3	1,485.8	776.4	<b>761.8</b>	-1.9%	<b>-61.4%</b>
Bond investment trusts	3,110.2	1,094.0	382.2	298.7	266.8	146.2	<b>0.2</b>	<b>-99.9%</b>	<b>-99.9%</b>
Stock investment trusts	5,445.1	3,656.3	1,378.9	922.2	842.0	513.2	<b>640.5</b>	<b>24.8%</b>	<b>-53.5%</b>
Foreign investment trusts	923.1	894.6	214.2	186.4	377.0	117.0	<b>121.0</b>	<b>3.4%</b>	<b>-43.5%</b>
Other									
Accumulated value of annuity insurance policies	2,401.7	2,806.4	2,531.4	2,640.5	2,742.7	2,806.4	<b>2,850.0</b>	<b>1.6%</b>	<b>12.6%</b>
Sales of JGBs for individual investors (transaction base)	380.6	425.9	53.7	60.5	76.9	234.8	<b>173.6</b>	<b>-26.1%</b>	<b>3.2x</b>
Retail foreign currency bond sales	1,255.7	1,205.0	257.9	253.2	398.5	295.4	<b>185.2</b>	<b>-37.3%</b>	<b>-28.2%</b>

(1) Excluding Net & Call and Hotta Direct.



## Retail related data (2)

### Retail client assets



(1) Including CBs and warrants.

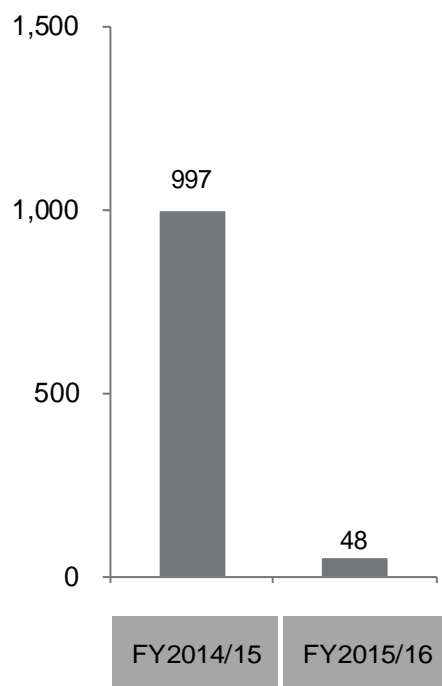
(2) Including annuity insurance.

## Retail related data (3)

### Net inflows of cash and securities<sup>1</sup>

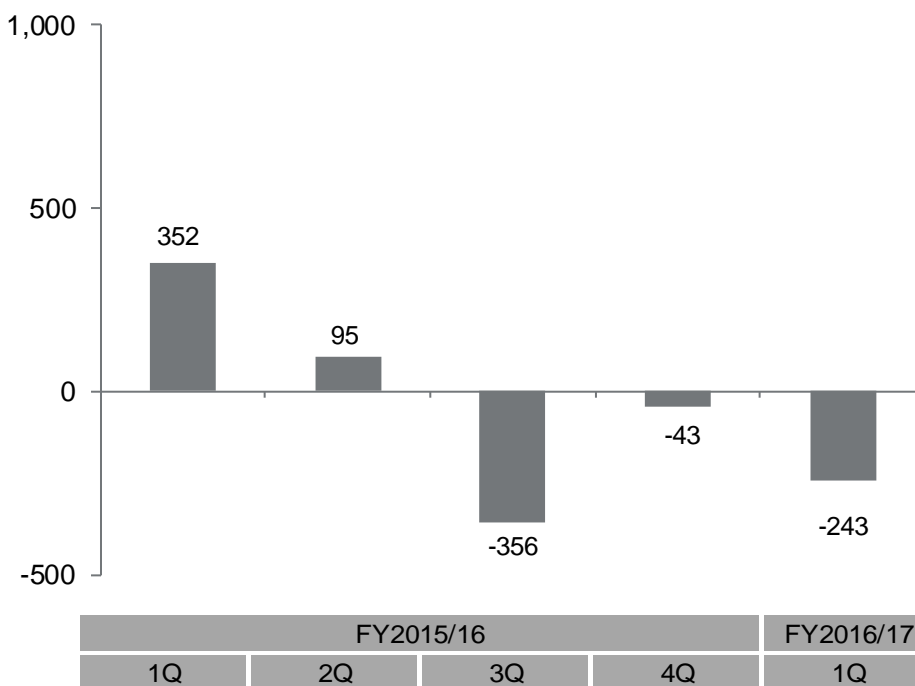
#### Full year

(billions of yen)



#### Quarter

(billions of yen)



(1) Cash and securities inflows minus outflows, excluding regional financial institutions.

## Retail related data (4)

### Number of accounts

(thousands)	FY2014/15	FY2015/16	FY2015/16				FY2016/17
	Mar	Mar	Jun	Sep	Dec	Mar	Jun
Accounts with balance	5,294	5,389	5,316	5,366	5,384	5,389	<b>5,390</b>
Equity holding accounts	2,719	2,827	2,700	2,725	2,796	2,827	<b>2,842</b>
Nomura Home Trade / Net & Call accounts	4,216	4,412	4,270	4,337	4,384	4,412	<b>4,443</b>

### New Individual accounts / IT share<sup>1</sup>

(thousands)	Full year		Quarter				
	FY2014/15	FY2015/16	FY2015/16				FY2016/17
			1Q	2Q	3Q	4Q	1Q
New individual accounts	320	336	90	103	86	57	<b>54</b>
IT share <sup>1</sup>							
No. of orders	59%	58%	59%	60%	55%	59%	<b>58%</b>
Transaction value	37%	36%	37%	40%	32%	36%	<b>35%</b>

(1) Percentage of cash stock transactions conducted via Nomura Home Trade.

## Asset Management related data (1)

(billions of yen)	Full year		Quarter						
	FY2014/15	FY2015/16	FY2015/16				FY2016/17	QoQ	YoY
			1Q	2Q	3Q	4Q	1Q		
Net revenue	92.4	95.4	26.9	22.9	25.3	20.3	<b>25.9</b>	<b>27.7%</b>	<b>-3.7%</b>
Non-interest expenses	60.3	58.7	15.2	14.4	14.6	14.5	<b>13.7</b>	<b>-5.8%</b>	<b>-9.7%</b>
Income before income taxes	32.1	36.7	11.7	8.4	10.7	5.8	<b>12.2</b>	<b>111.8%</b>	<b>4.2%</b>

## Assets under management by company

(trillions of yen)	FY2014/15	FY2015/16	FY2015/16				FY2016/17
	Mar	Mar	Jun	Sep	Dec	Mar	Jun
Nomura Asset Management <sup>1,2</sup>	43.3	43.5	45.1	43.4	45.9	43.5	<b>40.3</b>
Nomura Funds Research and Technologies <sup>2</sup>	3.0	3.1	3.1	2.1	3.3	3.1	<b>2.8</b>
Nomura Corporate Research and Asset Management <sup>1</sup>	1.7	1.6	1.7	1.5	1.6	1.6	<b>1.6</b>
Nomura Private Equity Capital <sup>2</sup>	0.2	-	0.2	0.2	-	-	-
Assets under management (gross) <sup>1,2,3</sup>	48.1	48.2	50.1	47.2	50.8	48.2	<b>44.7</b>
Group company overlap <sup>1,2</sup>	8.8	8.1	8.7	7.2	8.6	8.1	<b>7.4</b>
Assets under management (net) <sup>4</sup>	39.3	40.1	41.4	40.0	42.2	40.1	<b>37.3</b>

(1) Historical AuM (gross) figures have been reclassified in line with a revised calculation method introduced in the third quarter of the fiscal year ended March 2016.

(2) Nomura Asset Management took over the institutional investor advisory business and the retail related business of Nomura Funds Research and Technologies on July 1, 2015, and October 1, 2015, respectively, as well as all of the operations of Nomura Private Equity Capital on December 1, 2015.

(3) Total assets under management for Nomura Asset Management, Nomura Funds Research and Technologies, Nomura Corporate Research and Asset Management, and Nomura Private Equity Capital.

(4) Net after deducting duplications from assets under management (gross).

## Asset Management related data (2)

### Asset inflows/outflows by business<sup>1</sup>

(billions of yen)	Full year		Quarter				
	FY2014/15	FY2015/16	FY2015/16				FY2016/17
			1Q	2Q	3Q	4Q	1Q
Investment trusts business	3,418	2,717	1,252	896	157	412	<b>-423</b>
of which ETFs	843	2,339	308	1,294	-102	838	<b>-24</b>
Investment advisory business	50	2,038	38	1,446	646	-92	<b>-169</b>
Net asset inflow	3,469	4,755	1,290	2,342	803	320	<b>-592</b>

### Domestic public investment trust market and Nomura Asset Management market share<sup>2</sup>

(trillions of yen)	FY2014/15	FY2015/16	FY2015/16				FY2016/17
	Mar	Mar	Jun	Sep	Dec	Mar	Jun
Domestic public stock investment trusts							
Market	80.3	78.6	83.1	77.1	81.7	78.6	<b>74.1</b>
Nomura Asset Management share (%)	20%	21%	21%	21%	21%	21%	<b>21%</b>
Domestic public bond investment trusts							
Market	16.7	13.9	17.7	16.0	16.0	13.9	<b>11.9</b>
Nomura Asset Management share (%)	43%	46%	42%	43%	43%	46%	<b>44%</b>
ETF							
Market	12.9	15.8	14.5	14.5	16.2	15.8	<b>15.0</b>
Nomura Asset Management share (%)	48%	48%	47%	49%	47%	48%	<b>47%</b>

(1) Based on assets under management (net). (2) Source: Investment Trusts Association, Japan.

## Wholesale related data

(billions of yen)	Full year		Quarter					QoQ	YoY
	FY2014/15	FY2015/16	FY2015/16				FY2016/17		
			1Q	2Q	3Q	4Q	1Q		
Net revenue	789.9	720.3	205.2	192.9	186.0	136.2	<b>190.9</b>	<b>40.2%</b>	<b>-6.9%</b>
Non-interest expenses	707.7	704.9	185.5	184.3	176.0	159.0	<b>144.3</b>	<b>-9.3%</b>	<b>-22.2%</b>
Income (loss) before income taxes	82.2	15.4	19.7	8.6	9.9	-22.8	<b>46.6</b>	-	<b>137.1%</b>

## Breakdown of Wholesale revenues

(billions of yen)	Full year		Quarter					QoQ	YoY
	FY2014/15	FY2015/16	FY2015/16				FY2016/17		
			1Q	2Q	3Q	4Q	1Q		
Fixed Income <sup>1</sup>	396.9	275.2	84.1	83.2	80.2	27.6	<b>107.9</b>	<b>3.9x</b>	<b>28.3%</b>
Equities <sup>1</sup>	286.5	325.1	92.1	75.5	76.9	80.7	<b>62.6</b>	<b>-22.4%</b>	<b>-32.0%</b>
Global Markets	683.4	600.3	176.2	158.7	157.2	108.3	<b>170.5</b>	<b>57.5%</b>	<b>-3.2%</b>
Investment Banking (Net)	104.7	108.4	29.1	33.4	20.7	25.2	<b>20.5</b>	<b>-18.6%</b>	<b>-29.4%</b>
Other	1.8	11.5	-0.1	0.8	8.1	2.7	<b>-0.1</b>	-	-
Investment Banking	106.5	120.0	29.0	34.2	28.8	27.9	<b>20.4</b>	<b>-26.9%</b>	<b>-29.6%</b>
Net revenue	789.9	720.3	205.2	192.9	186.0	136.2	<b>190.9</b>	<b>40.2%</b>	<b>-6.9%</b>
Investment Banking (Gross)	193.8	194.2	49.7	63.1	34.4	47.0	<b>33.9</b>	<b>-28.0%</b>	<b>-31.9%</b>

(1) Fixed Income and Equities figures for FY2014/15 have been reclassified following a reorganization in April 2015.

## Number of employees

	FY2014/15	FY2015/16	FY2015/16				FY2016/17
	Mar	Mar	Jun	Sep	Dec	Mar	Jun
Japan	15,973	16,083	16,570	16,381	16,282	16,083	<b>16,792</b>
Europe	3,485	3,424	3,492	3,494	3,433	3,424	<b>3,170</b>
Americas	2,449	2,503	2,439	2,514	2,501	2,503	<b>2,481</b>
Asia and Oceania <sup>1</sup>	6,765	6,855	6,788	6,862	6,853	6,855	<b>6,769</b>
<b>Total</b>	<b>28,672</b>	<b>28,865</b>	<b>29,289</b>	<b>29,251</b>	<b>29,069</b>	<b>28,865</b>	<b>29,212</b>

(1) Includes Powai office in India.

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