

# Consolidated Results of Operations

## **Third quarter, year ending March 2020**

(US GAAP)

Nomura Holdings, Inc.

January 2020

## Presentation

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## Financial Supplement

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# Executive summary (1/2)

## FY2019/20 1Q – 3Q highlights

- **Three segment income before income taxes of Y150.7bn representing substantial rebound from pretax loss last year**
  - Wholesale profitability has improved significantly
    - Fixed Income net revenue increased 57% compared to the same period last year as US interest rates dropped and credit spreads tightened
    - Wholesale expenses declined YoY as a result of the realignment of our business portfolio and absence of goodwill impairment charge booked in FY2018/19 3Q
  - An improvement in gain/loss from American Century Investments lifted Asset Management income before income taxes
- **Segment “Other” pretax results improved significantly as one-off expenses<sup>4</sup> booked in the same period last year were no longer present and we booked a realized gain from the sale of Nomura Research Institute shares**

	FY2018/19 1Q-3Q	FY2019/20 1Q-3Q	YoY	Income (loss) before income taxes: Business segment results	FY2018/19 1Q-3Q	FY2019/20 1Q-3Q	YoY
Net revenue	Y815.5bn	Y1,050.4bn	29%	Retail	Y46.2bn	Y31.0bn	-33%
Income (loss) before Income taxes	-Y62.1bn	Y273.0bn	-	Asset Management	Y19.8bn	Y37.5bn	90%
Net income (loss) <sup>1</sup>	-Y101.3bn	Y251.5bn	-	Wholesale	-Y98.4bn	Y82.1bn	-
EPS <sup>2</sup>	-Y30.03	Y75.65	-	Subtotal	-Y32.4bn	Y150.7bn	-
ROE <sup>3</sup>	-	12.6%	-	Other	-Y20.6bn	Y127.1bn	-
				Unrealized gain/loss on investments in equity securities held for operating purposes	-Y9bn	-Y4.8bn	-
				Income (loss) before income taxes	-Y62.1bn	Y273.0bn	-

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  
 4. Expenses related to settlement with US DoJ over legacy transactions (-Y19.8bn), recognition of FX translation adjustment due to progress in winding up subsidiary in Middle East & Africa (-Y7.0bn)



# Overview of results

## Highlights

(billions of yen, except EPS and ROE)

	FY2019/20 3Q	QoQ	YoY	FY2019/20 1-3Q	YoY
Net revenue	335.0	-13%	29%	1,050.4	29%
Non-interest expenses	265.3	4%	-21%	777.4	-11%
Income before income taxes	69.7	-46%	-	273.0	-
Net income <sup>1</sup>	57.1	-59%	-	251.5	-
EPS <sup>2</sup>	¥17.63	-57%	-	¥75.65	-
ROE <sup>3</sup>	8.4%			12.6%	

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.

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

(billions of yen)

	FY2019/20 3Q	QoQ	YoY	FY2019/20 1-3Q	YoY
Net revenue					
Retail	90.0	17%	4%	247.6	-7%
Asset Management	25.4	-1%	57%	85.6	28%
Wholesale	186.5	19%	45%	502.7	22%
Subtotal	302.0	16%	31%	835.9	12%
Other*	35.7	-71%	-9%	219.3	177%
Unrealized gain (loss) on investments in equity securities held for operating purposes	-2.7	-	-	-4.8	-
Net revenue	335.0	-13%	29%	1,050.4	29%
Income (loss) before income taxes					
Retail	17.6	3.4x	26%	31.0	-33%
Asset Management	9.3	-7%	16.6x	37.5	90%
Wholesale	43.2	128%	-	82.1	-
Subtotal	70.2	105%	-	150.7	-
Other*	2.2	-98%	-85%	127.1	-
Unrealized gain (loss) on investments in equity securities held for operating purposes	-2.7	-	-	-4.8	-
Income (loss) before income taxes	69.7	-46%	-	273.0	-

\*Additional information on "Other" (3Q)

■ Gain related to economic hedging (Y2.3bn)

■ Gain on changes to own and counterparty credit spread relating to Derivatives (Y0.7bn)

## Net revenue and income before income taxes

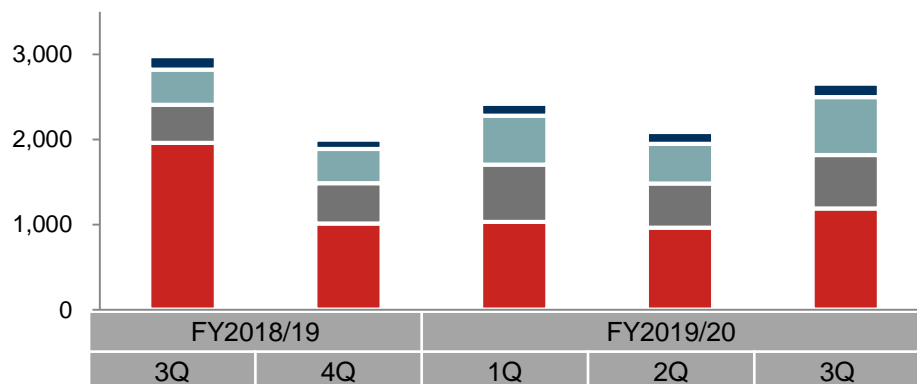
(billions of yen)

	FY2018/19		FY2019/20			QoQ	YoY
	3Q	4Q	1Q	2Q	3Q		
Net revenue	86.8	74.2	80.6	76.9	<b>90.0</b>	17%	4%
Non-interest expenses	72.7	70.9	72.5	71.6	<b>72.4</b>	1%	-0.5%
Income before income taxes	14.0	3.3	8.1	5.3	<b>17.6</b>	3.4x	26%

Total sales<sup>3</sup>

(billions of yen)

■ Stocks ■ Bonds ■ Investment trusts ■ Discretionary investments, Insurance products



1. Includes Junior NISA. 2. Cash and securities inflows minus outflows, excluding regional financial institutions.  
3. Retail channels only. 4. Retail channels, Net & Call, Hotto Direct.

## Key points

- Net revenue: Y90bn (+17% QoQ; +4% YoY)
- Income before income taxes: Y17.6bn (3.4x QoQ; +26% YoY)
- Both net revenue and income before income taxes increased QoQ
  - Investor sentiment improved on the back of favorable market conditions; all products reported stronger sales, notably investment trusts and stocks
  - One-off costs related to branch office integration declined, while bonus provisions increased in line with pay for performance
- Client franchise
 

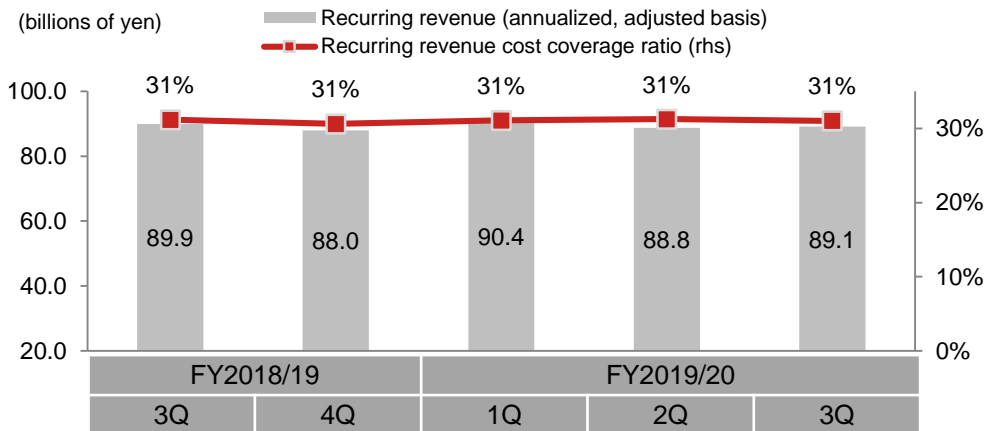
	<b>Dec / 3Q</b>	<b>Sep / 2Q</b>
- Retail client assets	Y122.3trn	Y114.8trn
- Accounts with balance	5.33m	5.33m
- NISA accounts opened (accumulated) <sup>1</sup>	1.73m	1.72m
- Net inflows of cash and securities <sup>2</sup>	Y256.4bn	-Y5.6bn

Total sales<sup>3</sup> increased 27% QoQ

- Stocks: +23% QoQ
  - Secondary sales of Japan stocks increased, while foreign stocks remained flat
  - Subscriptions for primary stocks declined<sup>4</sup> (Y50.3bn; -17% QoQ)
- Investment trusts: +47% QoQ
  - Inflows into global stock funds focused on corporate growth and income gain
- Bonds: Y630bn; +21% QoQ
  - Increase in sales of JGBs for individuals and foreign bonds, particularly primary issuances
- Discretionary investments and insurance sales increased 12% QoQ

# Retail: Delivering services tailored to client needs

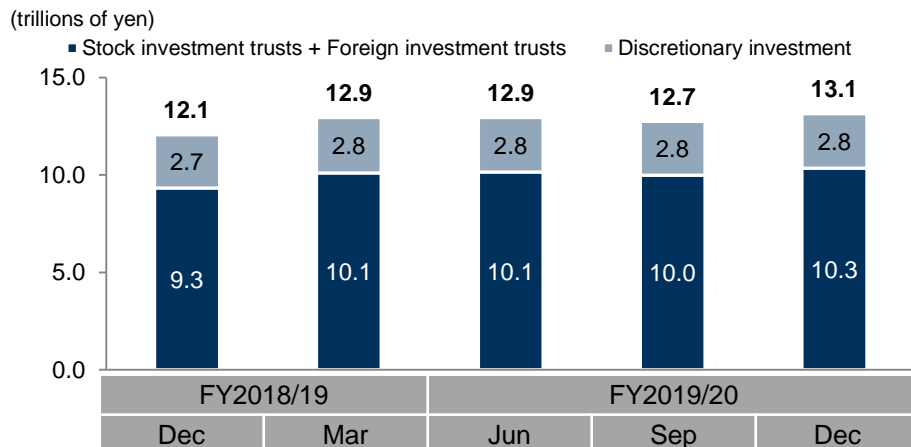
## Recurring revenue



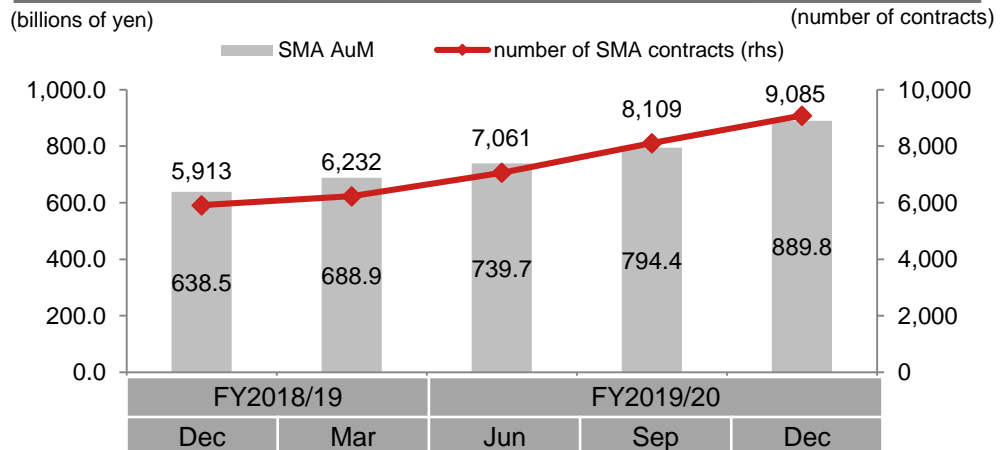
- Annualized recurring revenue remained roughly unchanged QoQ as fee-based client assets grew due to market factors offsetting a net decline of investment trusts and discretionary investments
  - Investment trusts: Although sales increased, redemptions also increased as investors locked in profits and due to year-end factors
  - Discretionary investments: Fund wrap products reported net redemptions, but SMA<sup>3</sup> AuM continued to grow

	Dec / 3Q	Sep / 2Q
■ Recurring revenue	Y22.5bn	Y22.4bn
- Investment trusts net inflows <sup>1</sup>	-Y110.5bn	-Y32.5bn
- Discretionary investments net inflows <sup>1</sup>	-Y61.8bn	-Y58.7bn
■ Sales of insurance products <sup>2</sup>	Y64.8bn	Y55.6bn
■ Inflows of cash and securities <sup>2</sup>	Y935.5bn	Y820.1bn

## Investment trust and discretionary investment AuM



## SMA<sup>3</sup> AuM and number of contracts



1. Retail channels and Japan Wealth Management Group.  
 2. Retail channels only.  
 3. Separately managed account, a discretionary investment service.



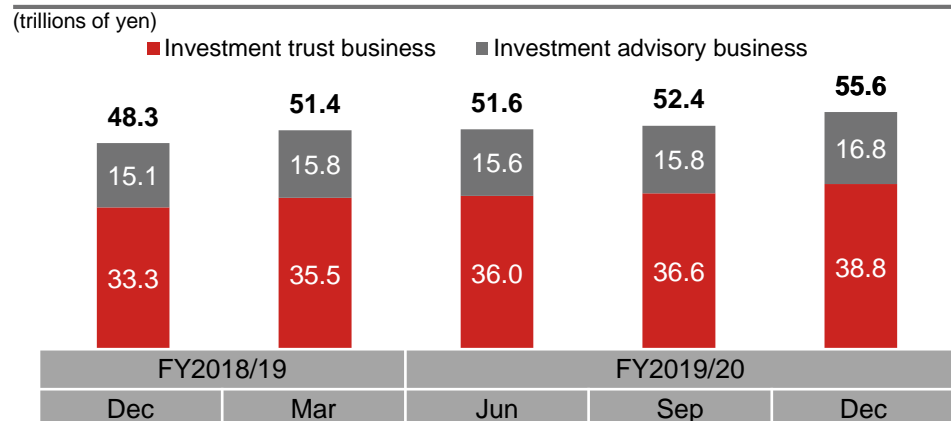
# Asset Management

## Net revenue and income before income taxes<sup>1</sup>

(billions of yen)

	FY2018/19		FY2019/20			QoQ	YoY
	3Q	4Q	1Q	2Q	3Q		
Revenue (excl. ACI-related gain/loss)	24.5	26.0	25.8	25.0	<b>26.0</b>	4%	6%
ACI-related gain/loss	-8.3	4.9	8.7	0.7	<b>-0.6</b>	-	-
Net revenue	16.2	30.9	34.5	25.7	<b>25.4</b>	-1%	57%
Non-interest expenses	15.6	16.5	16.4	15.6	<b>16.1</b>	3%	3%
Income before income taxes	0.6	14.4	18.1	10.0	<b>9.3</b>	-7%	16.6x

## Assets under management (net)<sup>2</sup>



## Key points

- Net revenue: Y25.4bn (-1% QoQ; +57% YoY)
- Income before income taxes: Y9.3bn (-7% QoQ; 16.6x YoY)
  - Fourteenth straight quarter of inflows combined with market factors to lift AuM above Y55trn for first time ever
  - AuM growth lifted asset management fees QoQ

### Investment trust business

- Continued inflows into ETFs drove AuM to record high (Dec: Y19.3trn; Market share<sup>3</sup>: 45%)
- Funds for defined contribution pension plans reported further inflows
- Emerging market and Japan stock funds reported outflows as investors locked in profits

### Investment advisory and international businesses

- In Japan, we won a new mandate to manage foreign stocks and an increase in passive management of foreign bonds from public pension funds, and we also won new mandates from private pension funds for foreign stocks
- Internationally, we won new mandates for global high yield, but also booked outflows from US high yield and Japan stock funds

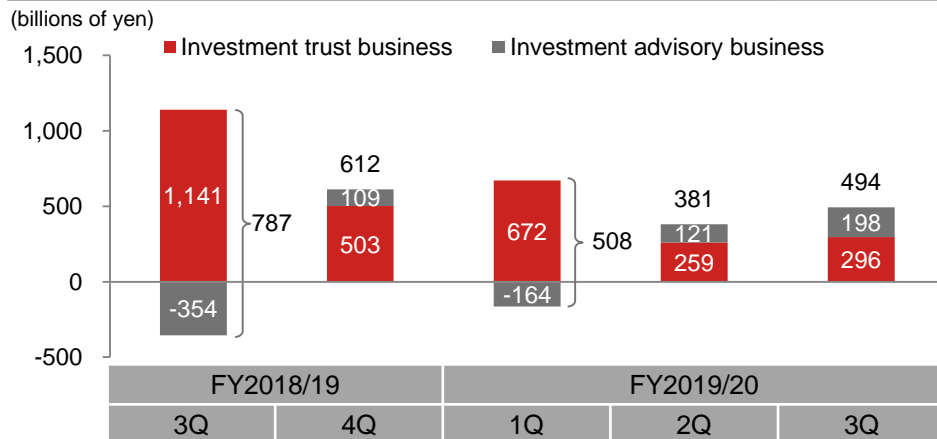
1. This table presents a reconciliation of net revenues (other than ACI-related gain/loss) and ACI-related gain/loss, which are non-GAAP measures prepared on a management accounting basis, to net revenue for the Asset Management segment. ACI-related gain/loss includes fair value adjustments of our investment in, funding cost equivalent for our investment in and dividends from ACI.

2. Net after deducting duplications from assets under management (gross) of Nomura Asset Management, Nomura Corporate Research and Asset Management, and Wealth Square

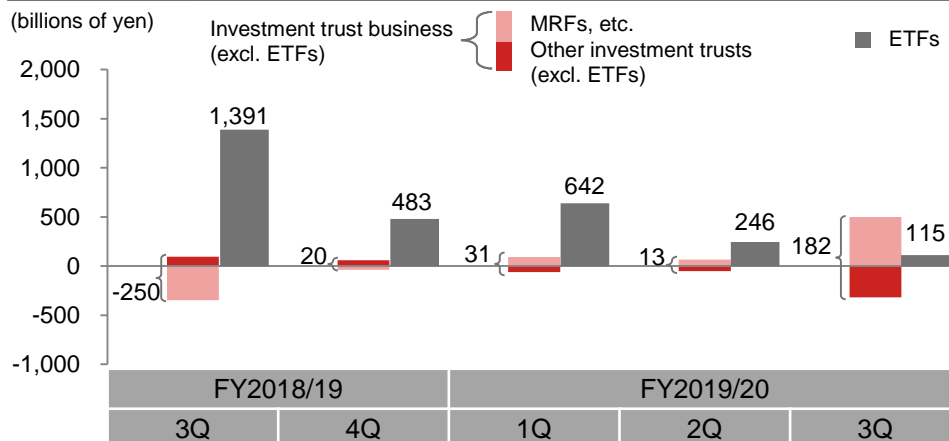
3. Source: The Investment Trusts Association, Japan.

# Asset Management: Expanding bank distribution channel

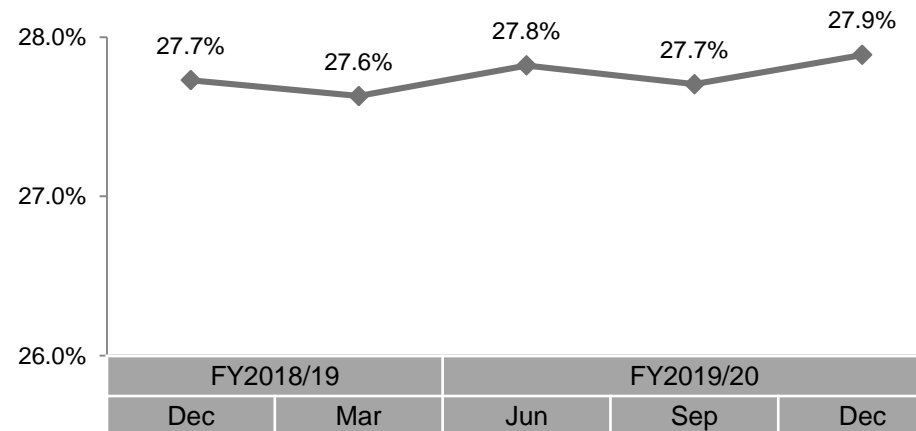
## Flow of funds<sup>1</sup>



## Flow of funds in investment trust business<sup>1</sup>

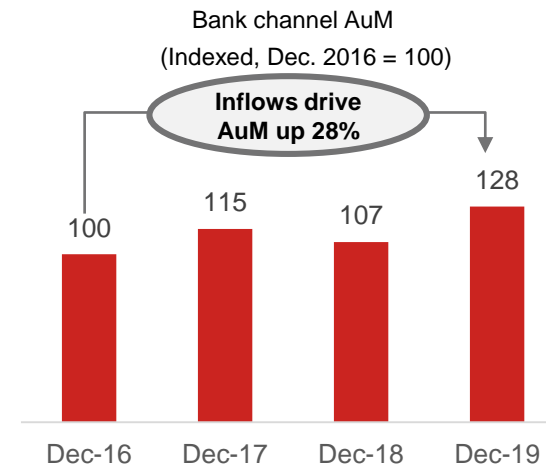


## Nomura Asset Management public investment trust market share<sup>2</sup>



## Expansion of bank distribution channel

- Focus on developing bank channel as we expand investment trust distribution channels to drive business growth
- Recent growth in distributors of absolute return funds and higher sales of balanced funds have lifted bank channel AuM
- Continue to focus on expanding investment trust distribution network



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

# Wholesale

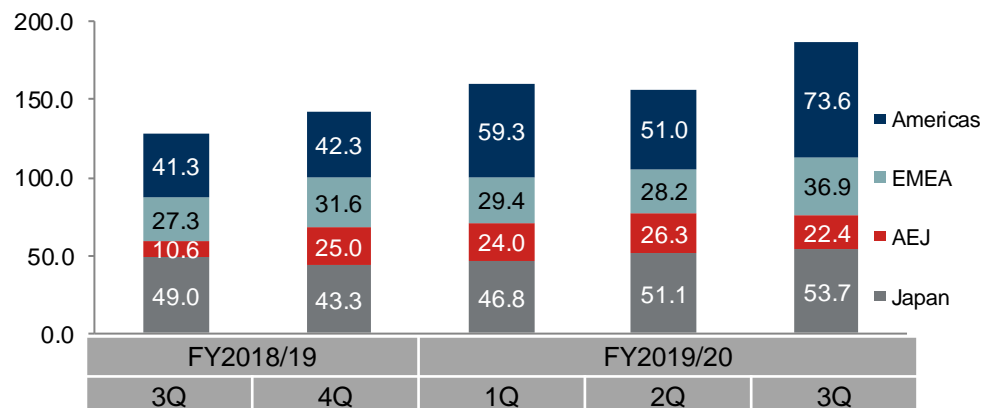
## Net revenue and income (loss) before income taxes<sup>1</sup>

(billions of yen)

	FY2018/19		FY2019/20			QoQ	YoY
	3Q	4Q	1Q	2Q	3Q		
Global Markets	103.5	113.6	135.7	132.8	<b>160.1</b>	21%	55%
Investment Banking	24.7	28.6	23.7	23.9	<b>26.4</b>	11%	7%
Net revenue	128.2	142.2	159.5	156.7	<b>186.5</b>	19%	45%
Non-interest expenses	224.1	155.3	139.5	137.8	<b>143.3</b>	4%	-36%
Income (loss) before income taxes	-95.9	-13.0	20.0	18.9	<b>43.2</b>	128%	-

## Net revenue by region

(billions of yen)



## Key points

- Net revenue: Y186.5bn (+19% QoQ; +45% YoY)
- Income before income taxes: Y43.2bn (+128% QoQ)
- All business lines reported higher revenues QoQ
  - Fixed Income had best quarter in three years driven by strong performance in Americas and EMEA
  - Equities net revenue grew QoQ, mainly in Americas
  - In Investment Banking, Leveraged Finance performance improved
- Stringent cost control led to significant increase in income before income taxes

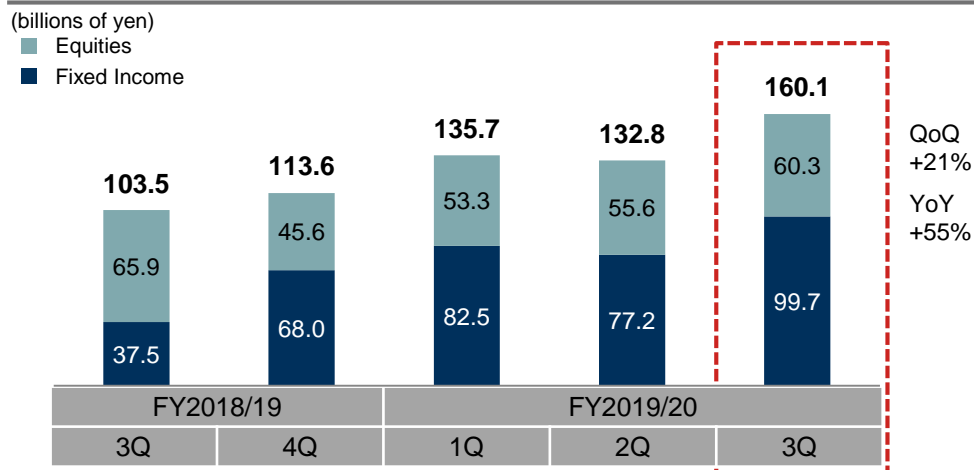
### Net revenue by region (QoQ; YoY)

- Americas: Y73.6bn (+44%; +78%)
  - Global Markets had a robust quarter driven by Rates and Equity Derivatives; Investment Banking revenues also improved
- Japan: Y53.7bn (+5%; +10%)
  - Fixed Income revenues driven higher by Rates and Credit; Equities also had a solid quarter
  - Investment Banking revenues declined as fee pool contracted
- EMEA: Y36.9bn (+31%; +35%)
  - Fixed Income revenue growth driven by Rates
- AEJ: Y22.4bn (-15%; +111%)
  - In Fixed Income, FX/EM normalized from a strong prior quarter while Credit performance remained robust

1. This table shows net revenue for Wholesale using adjusted figures for Global Markets and Investment Banking based on management accounting not applicable to US GAAP.

# Wholesale: Global Markets

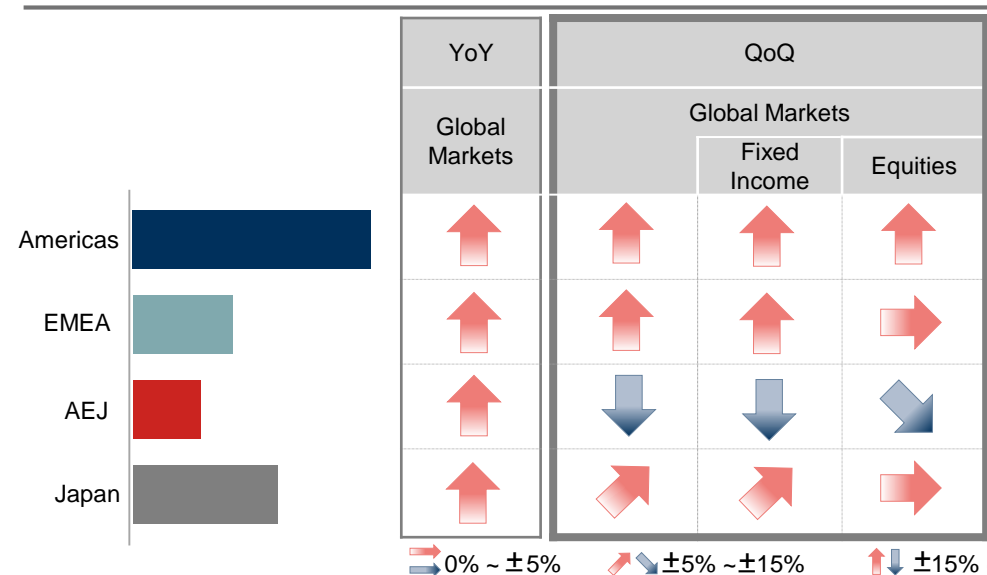
## Net revenue



## Key points

- Net revenue: Y160.1bn (+21% QoQ; +55% YoY)
  - Fixed Income had best quarter in three years and Equities reported stronger revenues QoQ
- Fixed Income
  - Net revenue: Y99.7bn (+29% QoQ; +166% YoY)
    - Captured market opportunities to deliver strong growth in Rates products including Agency Mortgages
    - Spread Products had a solid quarter as credit spreads tightened on the back of improved investor sentiment
- Equities
  - Net revenue: Y60.3bn (+9% QoQ; -8% YoY)
    - Revenues grew QoQ as Americas business, particularly Derivatives, offset a moderate slowdown in Cash Equities; Japan also performed well

## FY2019/20 3Q net revenue by region

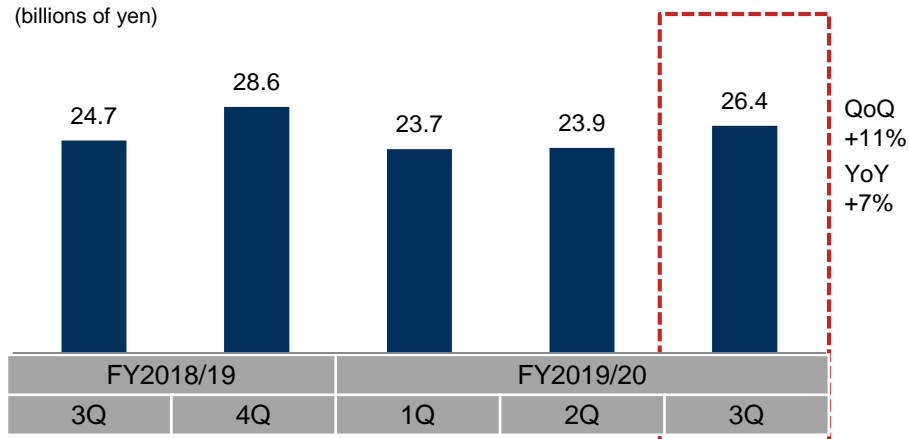


- Americas: Fixed Income revenues increased significantly QoQ and YoY driven by robust performance in Agency Mortgages and other Rates businesses as well as Securitized Products; Equities revenues were driven by Derivatives
- EMEA: Fixed Income had a strong quarter overall, driven by Rates and with solid performance from Credit and contributions from the structured business
- AEJ: In Fixed Income, FX/EM revenues normalized compared to a very strong prior quarter, while Credit performance was robust
- Japan: In Fixed Income, Rates picked up and Credit had a solid quarter; Equities revenues increased on an uptick in client activity such as block trades and portfolio rebalancing

# Wholesale: Investment Banking

## Net revenue

(billions of yen)



## Key points

- Net revenue: Y26.4bn (+11% QoQ; +7% YoY)
- Revenues increased both QoQ and YoY as international business offset a decline in Japan revenues due to fee pool contraction

### Japan

- Weaker ECM revenues due to lack of major transactions
- DCM performance slowed compared to strong previous quarter, but we continued to win mandates by accurately tapping into issuer demand amid low rate environment
- Ranked #1 on Japan ECM and Japan-related M&A league tables<sup>1</sup>

### International

- Stronger revenues QoQ driven by Americas and EMEA ALF and Solutions businesses

Cross-border deals

## Mandated on multiple high-profile and cross-border deals

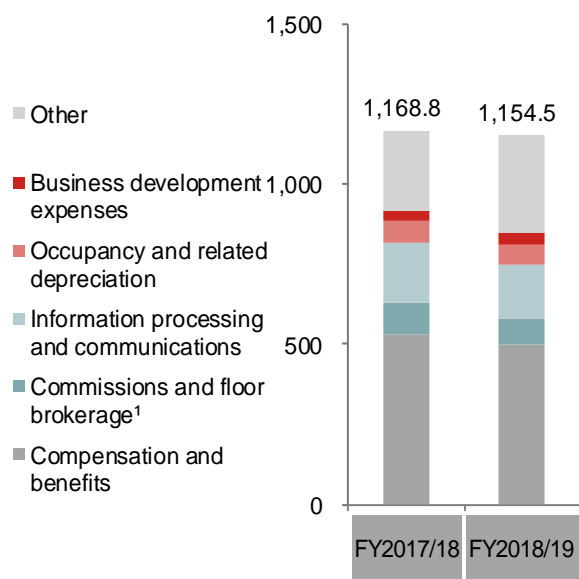
M&A	Financing (ECM/DCM/ALF)
<p><b>Lupin's (India) sale of Kyowa Pharmaceutical Industry to Unison Capital</b> (JPY57.4bn)</p> <p><b>Honda Motor's</b> (i) acquisition of stakes in Showa, Keihin and Nissan Kogyo and (ii) their subsequent merger with Hitachi Automotive Systems ((i) Total: JPY180.9bn / (ii) Undisclosed)</p>	<p>QMS Media's (Australia) sale to <b>Quadrant Private Equity</b> (Australia) (AUD574m)</p> <p><b>STADA Arzneimittel's</b> (Germany) acquisition of portfolio in Russia-CIS from Takeda Pharmaceutical &amp; Acquisition Financing (M&amp;A: \$660m / ALF: €860m)</p>
<p>Add-on financing for <b>Applied Systems'</b> (US) acquisition of Indio Technologies (US) (\$210m)</p> <p><b>Osaka Gas</b> Subordinated Bond Offering (JPY100bn)</p> <p><b>Toyota Motor Credit Corporation</b> Uridashi Bond Offering (AUD392m / USD426m)</p> <p><b>ROHM</b> Euro-Yen CB (JPY42.0bn)</p>	<p>LBO financing for <b>CVC's</b> (UK) acquisition of Ontic Engineering &amp; Manufacturing (US) (\$725m)</p> <p><b>PT Uni-Charm Indonesia</b> IPO (\$89m)</p> <p><b>Banque Federative du Credit Mutuel</b> (France) Samurai Bond (JPY130bn)</p> <p>Finance for <b>Groupe Bruxelles Lambert's</b> (Belgium) acquisition of Webhelp (France) (EUR1.4bn)</p>

1. Source: Refinitiv, Apr. – Dec. 2019

# Non-interest expenses

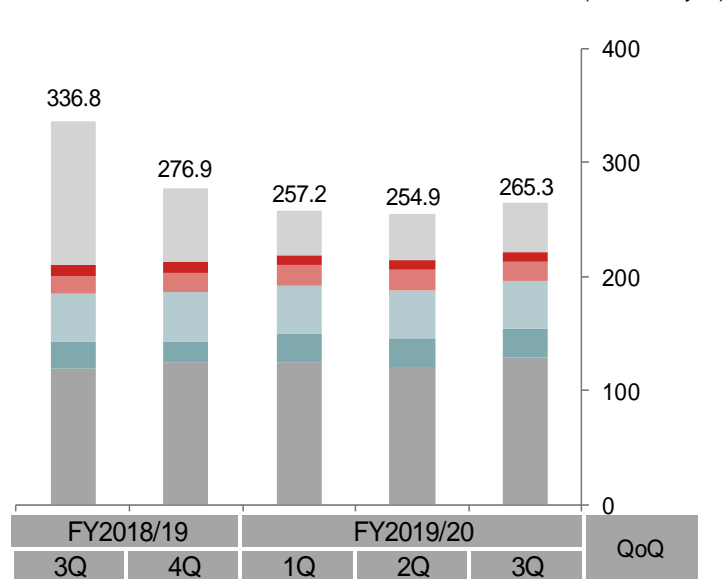
## Full year

(billions of yen)



## Quarter

(billions of yen)



## Key points

- Non-interest expenses: Y265.3bn (+4% QoQ)
- Compensation and benefits (+7% QoQ)
  - ✓ Higher bonus provisions in line with pay for performance
- Occupancy and related depreciation (-11% QoQ)
  - ✓ Lower one-off costs related to domestic branch office integration (2Q Y1.7bn)
- Other (+9% QoQ)
  - ✓ Booked charge on decommissioning of IT systems in international network

Category	FY2017/18	FY2018/19	FY2018/19 3Q	FY2018/19 4Q	FY2019/20 1Q	FY2019/20 2Q	FY2019/20 3Q	QoQ
Compensation and benefits	530.6	497.1	118.9	124.6	125.1	120.4	129.0	7.1%
Commissions and floor brokerage <sup>1</sup>	99.9	82.6	23.8	18.3	24.6	25.4	24.6	-3.5%
Information processing and communications	184.8	166.9	41.8	43.6	41.8	42.4	42.8	1.1%
Occupancy and related depreciation	67.9	64.9	15.9	16.2	19.1	18.4	16.3	-11.4%
Business development expenses	36.8	36.9	9.1	9.6	7.8	7.9	8.5	7.6%
Other	248.9	306.0	127.3	64.5	38.8	40.4	44.1	9.2%
<b>Total</b>	<b>1,168.8</b>	<b>1,154.5</b>	<b>336.8</b>	<b>276.9</b>	<b>257.2</b>	<b>254.9</b>	<b>265.3</b>	<b>4.1%</b>

1. On April 1, 2018, Nomura adopted Accounting Standards Update 2014-09 "Revenue from Contracts with Customers" and revenues and expenses related to certain Execution Services transactions are now shown as net value rather than gross value

# Robust financial position

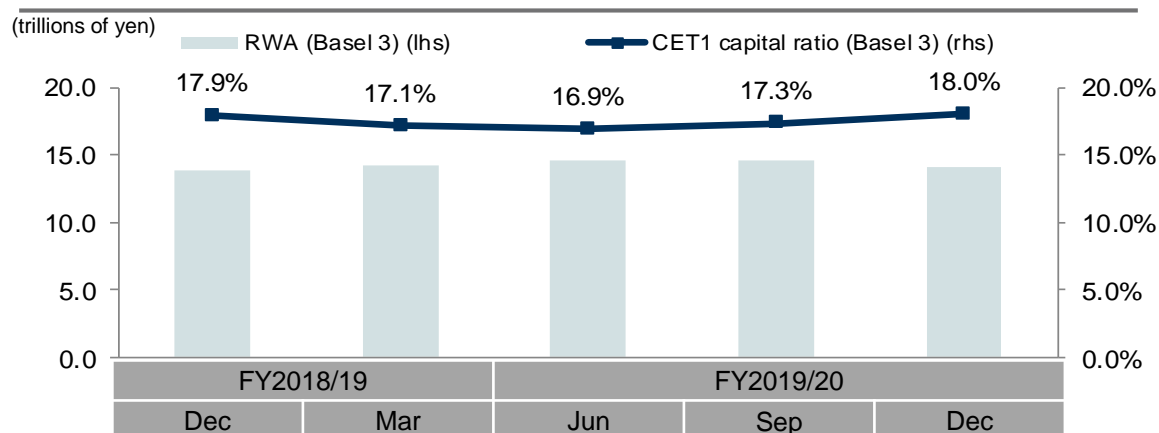
## Balance sheet related indicators and capital ratios

	Mar 2019	Sep 2019	Dec 2019
■ Total assets	Y41.0trn	Y45.7trn	Y46.2trn
■ Shareholders' equity	Y2.6trn	Y2.7trn	Y2.7trn
■ Gross leverage	15.6x	16.9x	17.1x
Net leverage <sup>1</sup>	9.0x	10.1x	9.9x
■ Level 3 assets <sup>2</sup> (net)	Y0.6trn	Y0.6trn	Y0.7trn
■ Liquidity portfolio	Y4.9trn	Y4.5trn	Y5.3trn

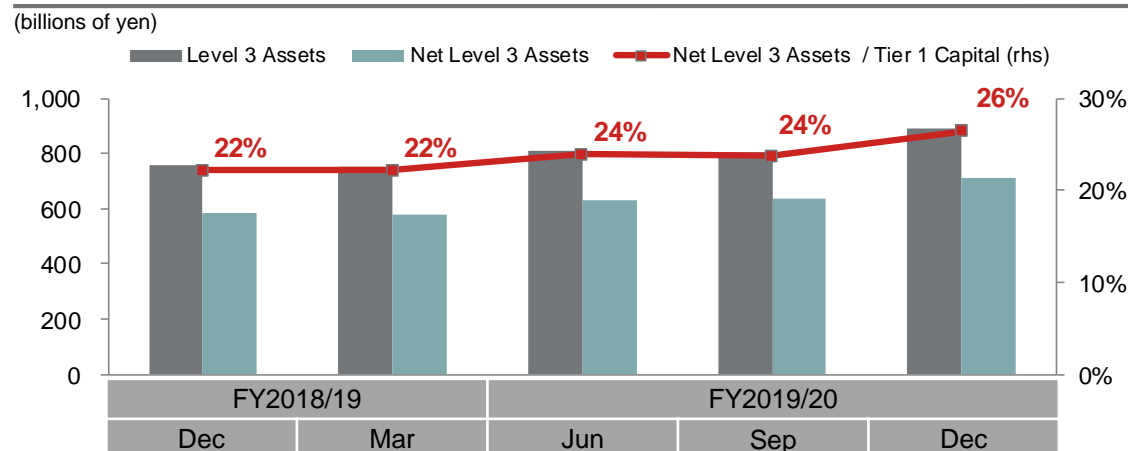
(billions of yen)	Mar 2019	Sep 2019	Dec 2019 <sup>2</sup>
Basel 3 basis			
Tier 1 capital	2,606	2,691	2,697
Tier 2 capital	46	46	46
Total capital	2,652	2,737	2,743
RWA	14,252	14,577	14,040
Tier 1 capital ratio	18.2%	18.4%	19.2%
CET 1 capital ratio <sup>3</sup>	17.1%	17.3%	18.0%
Consolidated capital adequacy ratio	18.6%	18.7%	19.5%
Consolidated leverage ratio <sup>4</sup>	5.03%	4.90%	4.78%
HQLA <sup>5</sup>	Y4.3trn	Y4.0trn	Y4.1trn
LCR <sup>5</sup>	198.4%	194.4%	192.3%

1. Net leverage: Total assets minus securities purchased under agreements to resell and securities borrowed, divided by Nomura Holdings shareholders' equity.  
 2. December 2019 is preliminary.  
 3. CET 1 capital ratio is defined as Tier 1 capital minus Additional Tier 1 capital divided by risk-weighted assets.  
 4. Tier 1 capital divided by exposure (sum of on-balance sheet exposures and off-balance sheet items).  
 5. Daily average for each quarter.

## RWA and CET 1 capital ratio<sup>3</sup>



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



# Funding and liquidity

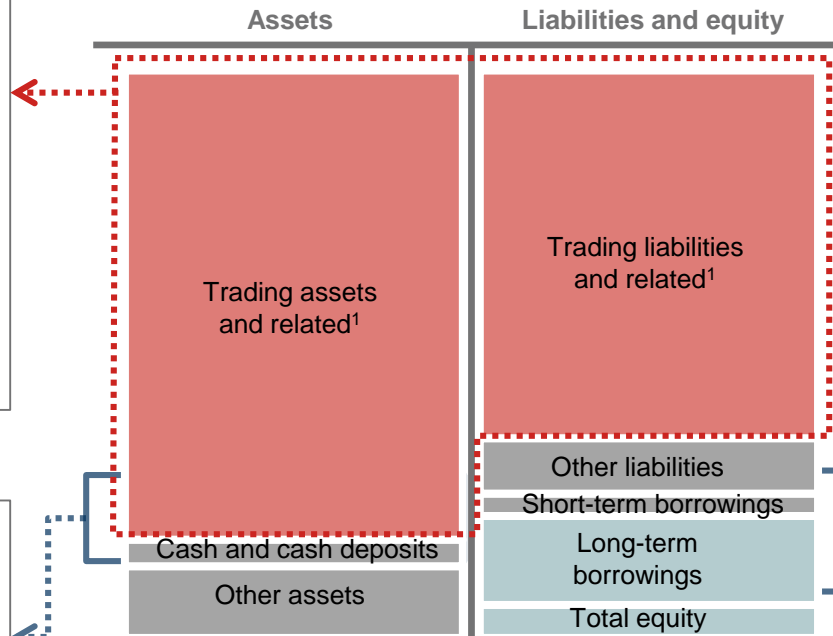
**Balance sheet**  
(As of December 2019)

## Balance sheet structure

- Highly liquid, healthy balance sheet structure
  - 78% 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

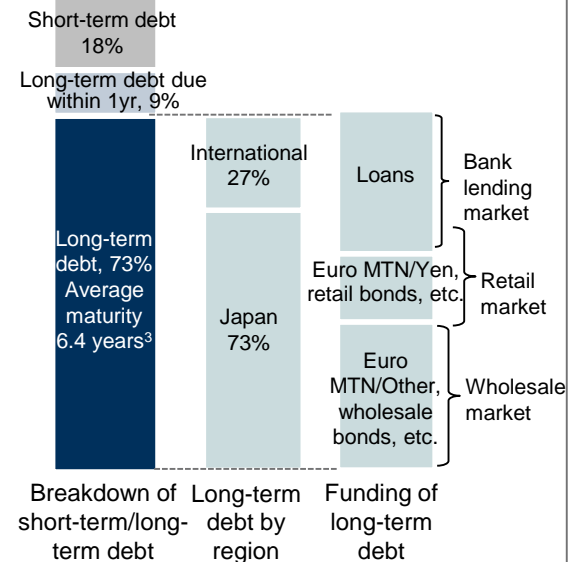
## Liquidity portfolio<sup>2</sup>

- Liquidity portfolio:
  - Y5.3trn, or 11% 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>

- Slightly more than 70% 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

## Consolidated balance sheet

(billions of yen)	Mar 31, 2019	Dec 31, 2019	Increase (Decrease)		Mar 31, 2019	Dec 31, 2019	Increase (Decrease)
<b>Assets</b>				<b>Liabilities</b>			
Total cash and cash deposits	3,262	<b>3,736</b>	474	Short-term borrowings	842	<b>1,068</b>	226
Total loans and receivables	3,882	<b>3,857</b>	-25	Total payables and deposits	3,768	<b>3,704</b>	-64
Total collateralized agreements	17,307	<b>19,555</b>	2,248	Total collateralized financing	16,684	<b>20,971</b>	4,286
Total trading assets and private equity investments <sup>1</sup>	14,386	<b>16,712</b>	2,326	Trading liabilities	8,220	<b>8,626</b>	406
Total other assets <sup>1</sup>	2,133	<b>2,383</b>	250	Other liabilities	859	<b>1,173</b>	314
<b>Total assets</b>	<b>40,969</b>	<b>46,242</b>	<b>5,273</b>	Long-term borrowings	7,916	<b>7,911</b>	-5
				Total liabilities	38,289	<b>43,453</b>	5,164
				<b>Equity</b>			
				Total NHI shareholders' equity	2,631	<b>2,701</b>	70
				Noncontrolling interest	50	<b>88</b>	39
				<b>Total liabilities and equity</b>	<b>40,969</b>	<b>46,242</b>	<b>5,273</b>

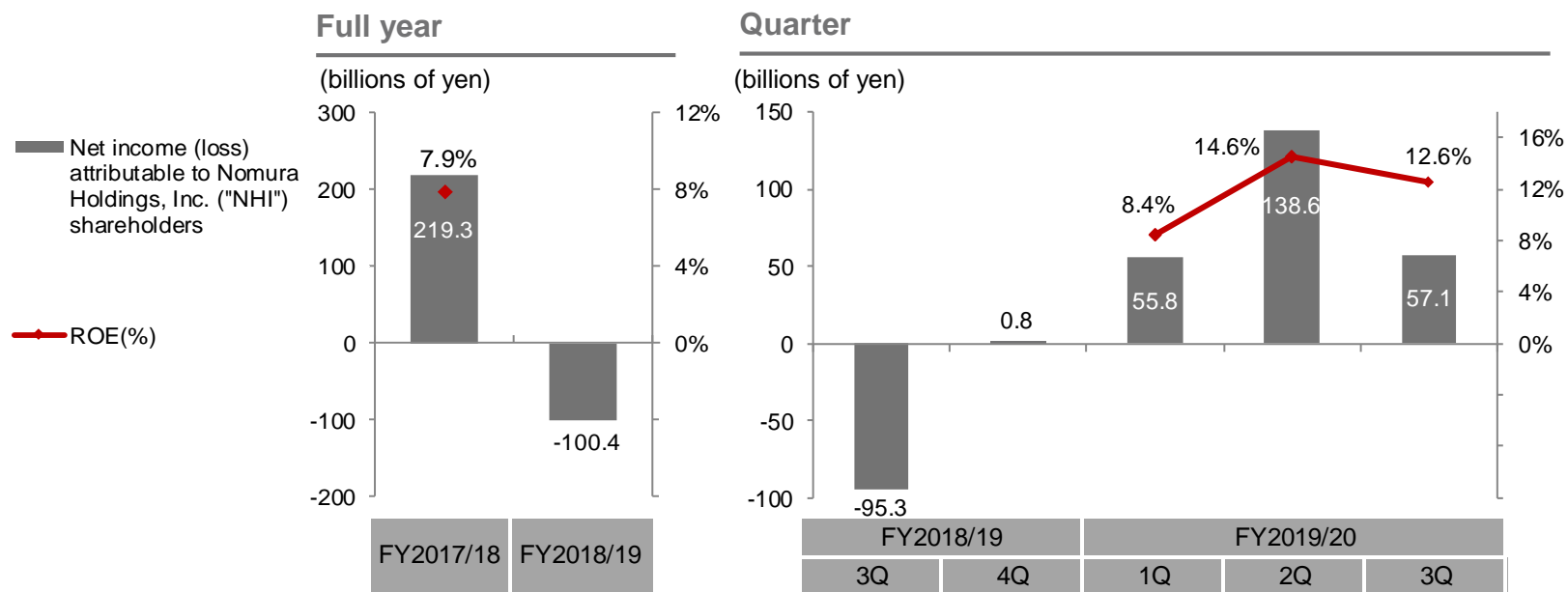
1. Including securities pledged as collateral.

# Value at risk

- Definition
  - 99% confidence level
  - 1-day time horizon for outstanding portfolio
  - Inter-product price fluctuations considered
- From April 1, 2019, to December 31, 2019 (billions of yen)
  - Maximum: 6.9
  - Minimum: 3.6
  - Average: 5.4

(billions of yen)	FY2017/18	FY2018/19	FY2018/19		FY2019/20		
	Mar	Mar	Dec	Mar	Jun	Sep	Dec
Equity	1.2	1.1	1.1	1.1	1.2	1.8	<b>1.4</b>
Interest rate	3.1	2.8	3.5	2.8	3.1	4.0	<b>4.8</b>
Foreign exchange	3.2	1.9	1.7	1.9	3.2	3.2	<b>2.5</b>
Sub-total	7.5	5.8	6.3	5.8	7.5	8.9	<b>8.7</b>
Diversification benefit	-1.1	-1.3	-1.4	-1.3	-1.5	-4.3	<b>-2.3</b>
<b>VaR</b>	6.4	4.5	4.9	4.5	6.0	4.6	<b>6.3</b>

# Consolidated financial highlights



Net revenue	1,497.0	1,116.8
Income (loss) before income taxes	328.2	-37.7
Net income (loss) attributable to Nomura Holdings, Inc. ("NHI") shareholders	219.3	-100.4
Total NHI shareholders' equity	2,749.3	2,631.1
ROE (%) <sup>1</sup>	7.9%	-
Basic-Net income (loss) attributable to NHI shareholders per share (yen)	63.13	-29.90
Diluted-Net income (loss) attributable to NHI shareholders per share (yen)	61.88	-29.92
Total NHI shareholders' equity per share (yen)	810.31	794.69

Item	FY2018/19		FY2019/20		
	3Q	4Q	1Q	2Q	3Q
Net revenue	260.6	301.3	332.0	383.4	<b>335.0</b>
Income (loss) before income taxes	-76.2	24.4	74.8	128.5	<b>69.7</b>
Net income (loss) attributable to Nomura Holdings, Inc. ("NHI") shareholders	-95.3	0.8	55.8	138.6	<b>57.1</b>
Total NHI shareholders' equity	2,662.9	2,631.1	2,662.7	2,707.9	<b>2,701.2</b>
ROE (%)	-	-	8.4%	14.6%	<b>12.6%</b>
Basic-Net income (loss) attributable to NHI shareholders per share (yen)	-28.52	0.25	16.83	42.11	<b>18.07</b>
Diluted-Net income (loss) attributable to NHI shareholders per share (yen)	-28.52	0.23	16.48	41.23	<b>17.63</b>
Total NHI shareholders' equity per share (yen)	805.07	794.69	800.87	837.87	<b>873.68</b>

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

# Consolidated income

(billions of yen)	Full year		Quarter					
	FY2017/18	FY2018/19	FY2018/19		FY2019/20			
			3Q	4Q	1Q	2Q	3Q	
Revenue								
Commissions <sup>1</sup>	373.3	293.1	72.7	66.1	68.2	65.3	<b>79.3</b>	
Fees from investment banking	101.7	101.5	33.1	25.3	27.3	22.3	<b>26.8</b>	
Asset management and portfolio service fees	245.6	245.5	60.6	59.2	60.0	59.9	<b>61.0</b>	
Net gain on trading	442.9	343.0	96.9	98.4	112.8	105.6	<b>109.3</b>	
Gain (loss) on private equity investments	-0.9	1.0	0.5	-0.3	0.8	1.0	<b>1.5</b>	
Interest and dividends	585.7	777.0	214.5	204.1	199.5	215.9	<b>203.1</b>	
Gain (loss) on investments in equity securities	2.7	-7.0	-9.9	1.9	-2.8	2.1	<b>2.2</b>	
Other	221.2	81.1	-11.1	43.7	45.7	101.9	<b>14.3</b>	
Total revenue	1,972.2	1,835.1	457.4	498.4	511.4	573.9	<b>497.5</b>	
Interest expense	475.2	718.3	196.8	197.1	179.4	190.5	<b>162.5</b>	
Net revenue	1,497.0	1,116.8	260.6	301.3	332.0	383.4	<b>335.0</b>	
Non-interest expenses <sup>1</sup>	1,168.8	1,154.5	336.8	276.9	257.2	254.9	<b>265.3</b>	
Income (loss) before income taxes	328.2	-37.7	-76.2	24.4	74.8	128.5	<b>69.7</b>	
Net income (loss) attributable to NHI shareholders	219.3	-100.4	-95.3	0.8	55.8	138.6	<b>57.1</b>	

1. On April 1, 2018, Nomura adopted Accounting Standards Update 2014-09 "Revenue from Contracts with Customers" and revenues and expenses related to certain Execution Services transactions are now shown as net value rather than gross value.

## Main revenue items

(billions of yen)	Full year		Quarter					
	FY2017/18	FY2018/19	FY2018/19		FY2019/20			
			3Q	4Q	1Q	2Q	3Q	
Commissions	Stock brokerage commissions <sup>1</sup>	243.8	192.0	50.5	43.9	42.6	42.5	<b>48.1</b>
	Other brokerage commissions	17.0	14.4	4.3	2.5	2.7	2.8	<b>3.0</b>
	Commissions for distribution of investment trusts	85.7	56.6	11.5	11.7	16.4	12.6	<b>19.0</b>
	Other	26.9	30.0	6.4	8.0	6.4	7.4	<b>9.2</b>
	<b>Total</b>	<b>373.3</b>	<b>293.1</b>	<b>72.7</b>	<b>66.1</b>	<b>68.2</b>	<b>65.3</b>	<b>79.3</b>
Fees from investment banking	Equity underwriting and distribution	23.2	30.0	14.7	3.6	3.1	4.9	<b>4.1</b>
	Bond underwriting and distribution	16.3	22.7	6.6	5.3	6.8	6.6	<b>6.1</b>
	M&A / Financial advisory fees	39.3	33.2	7.3	13.0	10.6	7.1	<b>11.9</b>
	Other	22.9	15.5	4.5	3.4	6.9	3.8	<b>4.8</b>
	<b>Total</b>	<b>101.7</b>	<b>101.5</b>	<b>33.1</b>	<b>25.3</b>	<b>27.3</b>	<b>22.3</b>	<b>26.8</b>
Asset management and portfolio service fees	Asset management fees	170.4	168.7	41.5	40.2	40.3	40.0	<b>40.7</b>
	Administration fees	57.9	61.0	15.2	15.2	15.7	16.0	<b>16.3</b>
	Custodial fees	17.3	15.8	3.9	3.9	4.0	4.0	<b>4.1</b>
	<b>Total</b>	<b>245.6</b>	<b>245.5</b>	<b>60.6</b>	<b>59.2</b>	<b>60.0</b>	<b>59.9</b>	<b>61.0</b>

1. On April 1, 2018, Nomura adopted Accounting Standards Update 2014-09 "Revenue from Contracts with Customers" and revenues and expenses related to certain Execution Services transactions are now shown as net value rather than gross value.

# 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				
	FY2017/18	FY2018/19	FY2018/19		FY2019/20		
			3Q	4Q	1Q	2Q	3Q
Retail	103.1	49.5	14.0	3.3	8.1	5.3	<b>17.6</b>
Asset Management <sup>1</sup>	66.2	34.2	0.6	14.4	18.1	10.0	<b>9.3</b>
Wholesale	100.6	-111.4	-95.9	-13.0	20.0	18.9	<b>43.2</b>
Three business segments total	269.9	-27.7	-81.3	4.7	46.3	34.2	<b>70.2</b>
Other <sup>1</sup>	56.4	-2.8	15.1	17.8	31.5	93.4	<b>2.2</b>
Segments total	326.3	-30.5	-66.2	22.5	77.7	127.7	<b>72.4</b>
Unrealized gain (loss) on investments in equity securities held for operating purposes	1.9	-7.2	-10.0	1.8	-2.9	0.8	<b>-2.7</b>
Income (loss) before income taxes	328.2	-37.7	-76.2	24.4	74.8	128.5	<b>69.7</b>

## Geographic information: Income (loss) before income taxes<sup>2</sup>

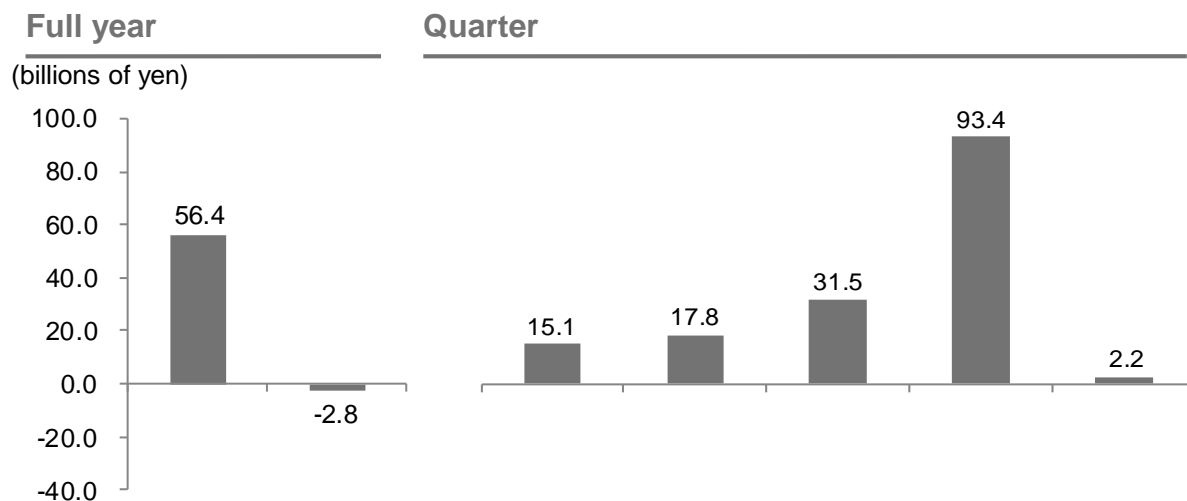
(billions of yen)	Full year		Quarter				
	FY2017/18	FY2018/19	FY2018/19		FY2019/20		
			3Q	4Q	1Q	2Q	3Q
Americas	-8.8	-114.1	-87.1	-3.7	14.3	1.1	<b>16.4</b>
Europe	-14.7	-56.9	-14.5	-25.5	4.5	-1.5	<b>2.3</b>
Asia and Oceania	22.8	5.0	-3.9	8.7	11.6	10.5	<b>1.0</b>
Subtotal	-0.7	-165.9	-105.5	-20.5	30.4	10.2	<b>19.7</b>
Japan	328.8	128.2	29.4	44.9	44.4	118.3	<b>50.0</b>
Income (loss) before income taxes	328.2	-37.7	-76.2	24.4	74.8	128.5	<b>69.7</b>

1. From FY2018/19 1Q, Nomura Funds Research and Technologies has been moved from Asset Management to segment Other.

2. Geographic information is based on U.S. GAAP. (Figures are preliminary for the three months ended December 31, 2019). 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		FY2018/19		FY2019/20		
	FY2017/18	FY2018/19	3Q	4Q	1Q	2Q	3Q
Net gain (loss) related to economic hedging transactions	-6.5	1.8	25.1	6.6	12.8	7.0	<b>2.3</b>
Realized gain (loss) on investments in equity securities held for operating purposes	0.8	0.2	0.1	0.1	0.1	1.3	<b>4.9</b>
Equity in earnings of affiliates	34.2	32.5	1.4	15.9	8.3	8.0	<b>4.8</b>
Corporate items	-41.9	-36.0	0.6	-10.4	1.4	-4.6	<b>-9.1</b>
Others	69.7	-1.3	-12.2	5.7	8.9	81.8	<b>-0.8</b>
<b>Income (loss) before income taxes</b>	<b>56.4</b>	<b>-2.8</b>	<b>15.1</b>	<b>17.8</b>	<b>31.5</b>	<b>93.4</b>	<b>2.2</b>



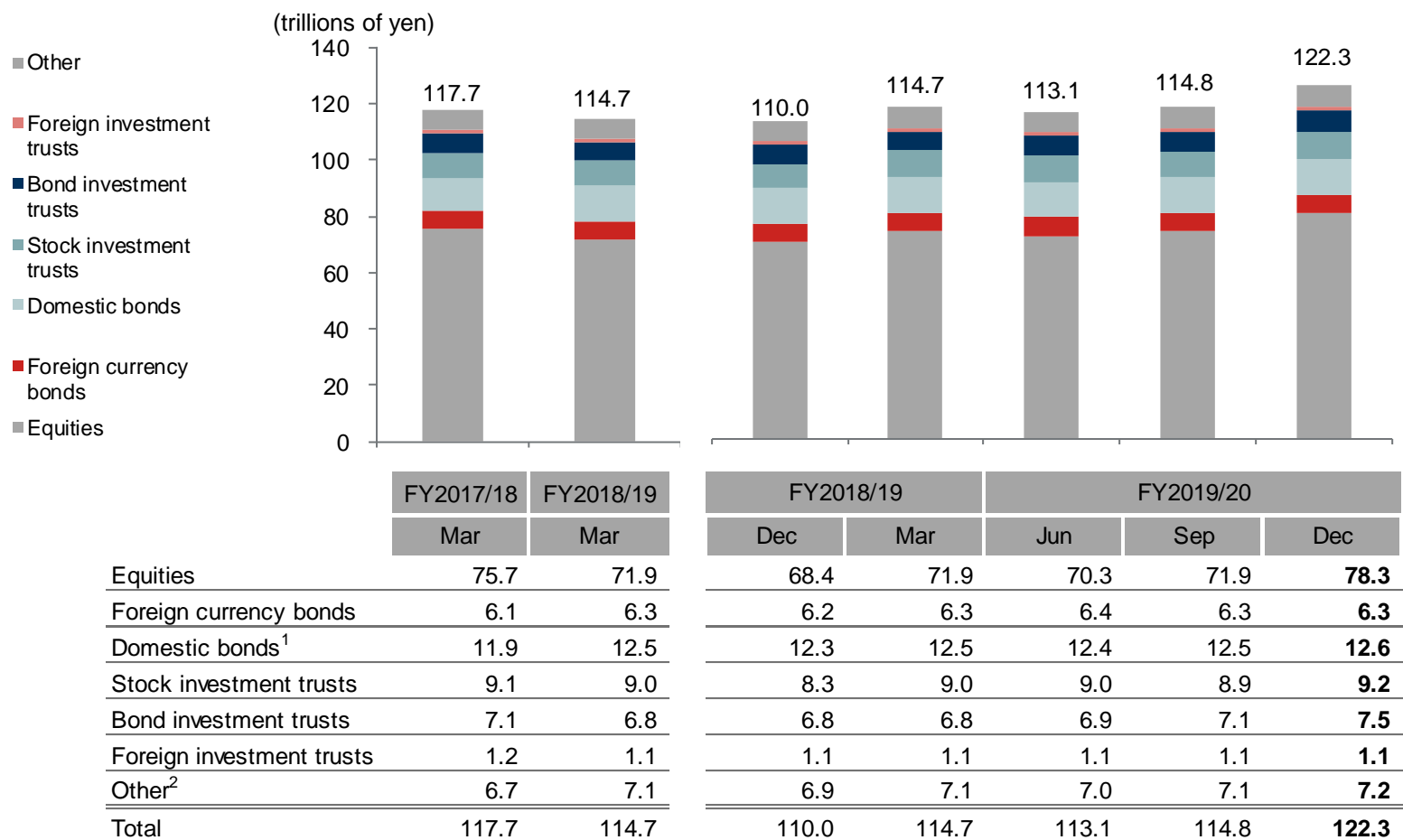
# Retail related data (1)

(billions of yen)	Full year		Quarter					QoQ	YoY
	FY2017/18	FY2018/19	FY2018/19		FY2019/20				
			3Q	4Q	1Q	2Q	3Q		
Commissions	192.7	142.8	34.1	31.0	34.5	31.2	<b>42.2</b>	<b>35.5%</b>	<b>23.7%</b>
Of which, stock brokerage commission	82.2	60.2	15.8	12.2	12.5	12.6	<b>17.0</b>	<b>35.1%</b>	<b>7.7%</b>
Of which, commissions for distribution of investment trusts	87.1	57.9	11.7	12.1	16.5	12.6	<b>19.2</b>	<b>51.7%</b>	<b>64.3%</b>
Sales credit	91.5	55.8	10.9	10.5	14.9	12.7	<b>16.7</b>	<b>31.7%</b>	<b>52.3%</b>
Fees from investment banking and other	26.0	34.0	14.3	6.7	5.6	6.0	<b>5.5</b>	<b>-9.1%</b>	<b>-61.8%</b>
Investment trust administration fees and other	93.6	95.4	23.6	23.4	23.4	23.4	<b>23.2</b>	<b>-0.9%</b>	<b>-2.0%</b>
Net interest revenue	9.2	11.5	3.8	2.6	2.3	3.7	<b>2.6</b>	<b>-31.2%</b>	<b>-32.5%</b>
Net revenue	412.9	339.5	86.8	74.2	80.6	76.9	<b>90.0</b>	<b>17.1%</b>	<b>3.8%</b>
Non-interest expenses	309.8	290.0	72.7	70.9	72.5	71.6	<b>72.4</b>	<b>1.1%</b>	<b>-0.5%</b>
Income before income taxes	103.1	49.5	14.0	3.3	8.1	5.3	<b>17.6</b>	<b>3.4x</b>	<b>25.6%</b>
Domestic distribution volume of investment trusts <sup>1</sup>	3,610.5	2,423.7	527.5	499.8	741.5	566.7	<b>790.9</b>	<b>39.6%</b>	<b>49.9%</b>
Stock investment trusts	3,198.6	2,130.8	451.7	426.4	618.8	493.5	<b>694.8</b>	<b>40.8%</b>	<b>53.8%</b>
Foreign investment trusts	411.9	292.9	75.8	73.4	122.7	73.2	<b>96.1</b>	<b>31.3%</b>	<b>26.8%</b>
Other									
Accumulated value of annuity insurance policies	3,094.5	3,260.7	3,225.1	3,260.7	3,308.7	3,356.7	<b>3,415.4</b>	<b>1.7%</b>	<b>5.9%</b>
Sales of JGBs for individual investors (transaction base)	628.1	1,022.8	237.6	266.6	296.7	236.4	<b>315.9</b>	<b>33.6%</b>	<b>33.0%</b>
Retail foreign currency bond sales	1,249.9	848.9	193.1	210.1	222.0	195.4	<b>266.5</b>	<b>36.3%</b>	<b>38.0%</b>

1. Excluding former Net & Call. Former Net & Call included from FY2017/18 4Q.

## Retail related data (2)

### Retail client assets



1. Including CBs and warrants.

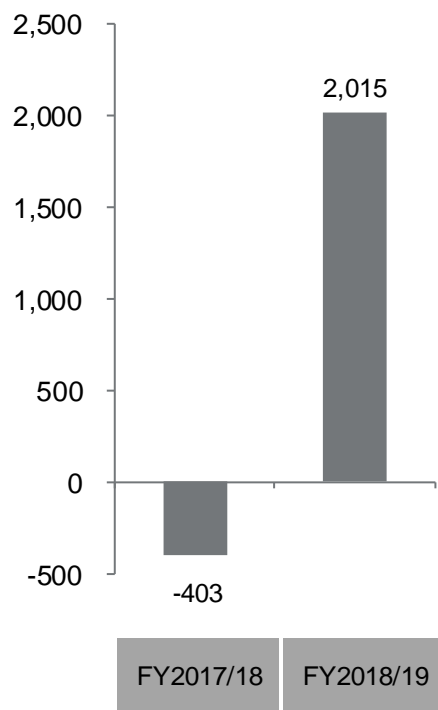
2. Including annuity insurance.

## Retail related data (3)

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

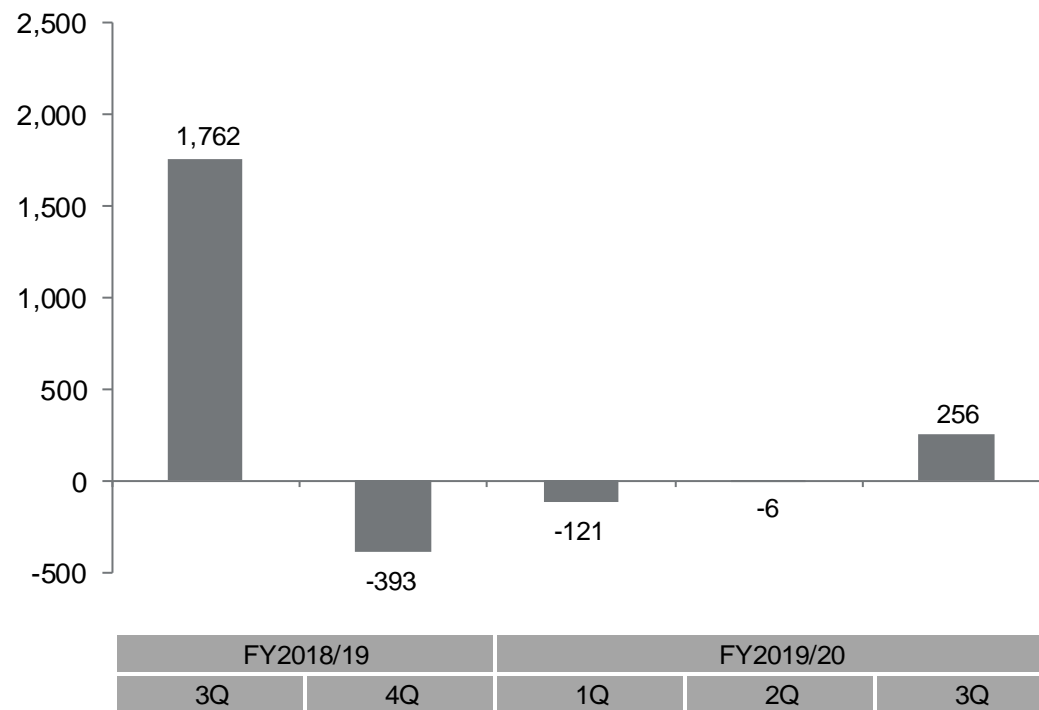
#### Full year

(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)	FY2017/18	FY2018/19	FY2018/19		FY2019/20		
	Mar	Mar	Dec	Mar	Jun	Sep	Dec
	Accounts with balance	5,318	5,338	5,354	5,338	5,335	5,326
Equity holding accounts	2,822	2,908	2,905	2,908	2,914	2,913	<b>2,897</b>
Online service accounts <sup>1</sup>	4,387	4,569	4,526	4,569	4,601	4,632	<b>4,662</b>

### New Individual accounts / IT share<sup>2</sup>

(thousands)	Full year		Quarter				
	FY2017/18	FY2018/19	FY2018/19		FY2019/20		
			3Q	4Q	1Q	2Q	3Q
New individual accounts	231	257	73	60	49	48	<b>47</b>
IT share <sup>2</sup>							
No. of orders	67%	78%	77%	80%	79%	79%	<b>78%</b>
Transaction value	43%	53%	53%	53%	53%	53%	<b>52%</b>

1. Net & Call and Home Trade were merged in January 2018 to form Online Services which started providing new services.

2. Ratio of cash stocks traded via former Home trade. From FY2017/18 4Q, ratio of cash stocks traded via Online Services.

## Asset Management related data (1)

(billions of yen)	Full year <sup>1</sup>		Quarter <sup>1</sup>					QoQ	YoY
	FY2017/18	FY2018/19	FY2018/19		FY2019/20				
			3Q	4Q	1Q	2Q	3Q		
Revenue (excl. ACI-related gain/loss)	105.3	102.9	24.5	26.0	25.8	25.0	<b>26.0</b>	<b>4.0%</b>	<b>6.3%</b>
ACI-related gain/loss	22.1	-5.0	-8.3	4.9	8.7	0.7	<b>-0.6</b>	-	-
Net revenue	127.3	97.8	16.2	30.9	34.5	25.7	<b>25.4</b>	<b>-1.1%</b>	<b>57.0%</b>
Non-interest expenses	61.2	63.7	15.6	16.5	16.4	15.6	<b>16.1</b>	<b>2.9%</b>	<b>3.0%</b>
Income before income taxes	66.2	34.2	0.6	14.4	18.1	10.0	<b>9.3</b>	<b>-7.2%</b>	<b>16.6x</b>

### Assets under management by company

(trillions of yen)	FY2017/18	FY2018/19	FY2018/19		FY2019/20		
	Mar	Mar	Dec	Mar	Jun	Sep	Dec
	Nomura Asset Management	52.4	53.4	50.2	53.4	53.4	54.1
Nomura Funds Research and Technologies	2.8	-	-	-	-	-	-
Nomura Corporate Research and Asset Management	2.7	3.0	2.6	3.0	3.0	3.0	<b>3.1</b>
Assets under management (gross) <sup>2</sup>	57.8	56.4	52.9	56.4	56.4	57.2	<b>60.4</b>
Group company overlap	7.8	5.0	4.5	5.0	4.8	4.7	<b>4.8</b>
Assets under management (net) <sup>3</sup>	50.0	51.4	48.3	51.4	51.6	52.4	<b>55.6</b>

1. This table presents a reconciliation of net revenues (other than ACI-related revenue) and ACI-related revenue, which are non-GAAP measures prepared on a management accounting basis, to net revenue for the Asset Management segment. ACI-related revenue includes fair value adjustments of our investment in, funding cost equivalent for our investment in and dividends from ACI. Figures from FY2018/19 1Q onwards do not include Nomura Fund Research and Technologies.
2. Total assets under management for Nomura Asset Management, Nomura Funds Research and Technologies, Nomura Corporate Research and Asset Management, and Wealth Square. Figures from June 2018 do not include Nomura Fund Research and Technologies.
3. 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				
	FY2017/18	FY2018/19	FY2018/19		FY2019/20		
			3Q	4Q	1Q	2Q	3Q
Investment trusts business	3,131	2,187	1,141	503	672	259	<b>296</b>
of which ETFs	3,022	2,531	1,391	483	642	246	<b>115</b>
Investment advisory business	203	20	-354	109	-164	121	<b>198</b>
Total net asset inflow	3,334	2,207	787	612	508	381	<b>494</b>

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

(trillions of yen)	FY2017/18	FY2018/19	FY2018/19		FY2019/20		
	Mar	Mar	Dec	Mar	Jun	Sep	Dec
Domestic public stock investment trusts							
Market	96.9	101.5	93.6	101.5	101.9	104.3	<b>109.9</b>
Nomura Asset Management share (%)	25%	26%	26%	26%	26%	26%	<b>26%</b>
Domestic public bond investment trusts							
Market	12.3	11.6	11.6	11.6	11.7	11.9	<b>13.3</b>
Nomura Asset Management share (%)	44%	45%	45%	45%	44%	44%	<b>44%</b>
ETF							
Market	32.5	37.4	33.6	37.4	38.2	39.9	<b>43.3</b>
Nomura Asset Management share (%)	46%	45%	45%	45%	45%	45%	<b>45%</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
	FY2017/18	FY2018/19	FY2018/19		FY2019/20				
			3Q	4Q	1Q	2Q	3Q		
Net revenue	715.3	555.4	128.2	142.2	159.5	156.7	<b>186.5</b>	<b>19.0%</b>	<b>45.5%</b>
Non-interest expenses	614.7	666.8	224.1	155.3	139.5	137.8	<b>143.3</b>	<b>4.0%</b>	<b>-36.0%</b>
Income (loss) before income taxes	100.6	-111.4	-95.9	-13.0	20.0	18.9	<b>43.2</b>	<b>128.3%</b>	-

### Breakdown of Wholesale revenues<sup>1,2</sup>

(billions of yen)	Full year		Quarter					QoQ	YoY
	FY2017/18	FY2018/19	FY2018/19		FY2019/20				
			3Q	4Q	1Q	2Q	3Q		
Fixed Income	341.6	232.8	37.5	68.0	82.5	77.2	<b>99.7</b>	<b>29.2%</b>	<b>165.6%</b>
Equities	261.6	220.2	65.9	45.6	53.3	55.6	<b>60.3</b>	<b>8.5%</b>	<b>-8.5%</b>
Global Markets	603.2	453.0	103.5	113.6	135.7	132.8	<b>160.1</b>	<b>20.5%</b>	<b>54.7%</b>
Investment Banking	112.1	102.3	24.7	28.6	23.7	23.9	<b>26.4</b>	<b>10.7%</b>	<b>6.9%</b>
Net revenue	715.3	555.4	128.2	142.2	159.5	156.7	<b>186.5</b>	<b>19.0%</b>	<b>45.5%</b>

1. FY2017/18 figures for Fixed Income, Equities and Investment Banking have been restated based on a reorganization in April 2018.

2. This table presents a reconciliation of the Global Markets and Investment Banking financial data, which are non-GAAP measures prepared on a management accounting basis, to net revenue for the Wholesale segment.

## Number of employees

	FY2017/18	FY2018/19	FY2018/19		FY2019/20		
	Mar	Mar	Dec	Mar	Jun	Sep	Dec
Japan	15,819	15,852	16,138	15,852	16,423	16,119	<b>15,952</b>
Europe	3,057	2,909	2,963	2,909	2,775	2,734	<b>2,658</b>
Americas	2,362	2,357	2,384	2,357	2,230	2,167	<b>2,116</b>
Asia and Oceania <sup>1</sup>	6,810	6,746	6,796	6,746	6,684	6,610	<b>6,449</b>
<b>Total</b>	<b>28,048</b>	<b>27,864</b>	<b>28,281</b>	<b>27,864</b>	<b>28,112</b>	<b>27,630</b>	<b>27,175</b>

1. Includes Powai office in India.



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