

FSA to Apply TLAC Requirements to Nomura

Tokyo, April 13, 2018—Nomura Holdings, Inc. today announced that, in accordance with an announcement issued by the Financial Services Agency (FSA), total loss absorbing capacity (TLAC) requirements will start to apply from March 31, 2021.

From March 31, 2021, Nomura will be required to maintain a minimum TLAC ratio of 16 percent of risk-weighted assets and a minimum 6 percent of the leverage exposure. The requirement will increase to 18 percent and 6.75 percent, respectively, from March 31, 2024.

Nomura expects to be able to satisfy current requirements by replacing a portion of existing liabilities when they become due with TLAC eligible instruments¹.

TLAC regulation is an international standard that primarily requires global systemically important banks, or G-SIBS, to have sufficient capital to absorb losses in the event of a crisis. It aims to protect financial market stability and minimize taxpayer exposure.

The FSA has decided to newly apply TLAC requirements to Nomura because of the large impact the firm has on the Japanese financial system as a major financial institution.

Under the TLAC requirements, financial institutions that hold Nomura's TLAC instruments will be subject to holding regulations. For domestic banks, this will take effect ten years from March 31, 2019. For international and domestic banks that hold products similar to TLAC instruments², holding regulations will take effect five years from March 31, 2021.

The TLAC regulation will be subject to public comment.

Please refer to the links below for further details on the TLAC regulation:

FSA: <https://www.fsa.go.jp/en/news/2018/20180413.html>

Nomura: <http://www.nomuraholdings.com/investor/summary/data/20180413.pdf>

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Nomura

Nomura is an Asia-headquartered financial services group with an integrated global network spanning over 30 countries. By connecting markets East & West, Nomura services the needs of individuals, institutions, corporates and governments through its four business divisions: Retail, Asset Management, and Wholesale (Global Markets and Investment Banking), and Merchant Banking. Founded in 1925, the firm is built on a tradition of disciplined entrepreneurship, serving clients with creative solutions and considered thought leadership. For further information about Nomura, visit www.nomura.com.

¹ Loss-absorbing liabilities as stipulated by the FSA.

² Products subject to TLAC holding regulations under Japanese law such as Nomura Holdings' outstanding bonds and loans payable.