

Nomura Reports Third Quarter Financial Results

- Pretax income from three core businesses substantially higher QoQ
- International business profitable for third straight quarter
- Total Retail sales up QoQ driven by stronger sales of investment trusts and stocks
- AuM in Asset Management surpassed Y55trn for the first time ever
- Wholesale revenues higher in all business lines, most notably Fixed Income

Tokyo, January 30, 2020—Nomura Holdings, Inc. today announced its consolidated financial results for the third quarter of the fiscal year ending March 31, 2020.

Net revenue for the third quarter was 335.0 billion yen (US\$3.1 billion)¹, down 13 percent quarter on quarter and up 29 percent year on year. Income before income taxes was 69.7 billion yen (US\$641 million). Net income attributable to Nomura Holdings shareholders was 57.1 billion yen (US\$525 million). Diluted net income attributable to Nomura Holdings shareholders per share was 17.63 yen.

For the nine months to December, Nomura reported net revenue of 1,050.4 billion yen (US\$9.7 billion), up 29 percent from the same period last year. Income before income taxes was 273.0 billion yen (US\$2.5 billion), and net income attributable to Nomura Holdings shareholders was 251.5 billion yen (US\$2.3 billion). Diluted net income attributable to Nomura Holdings shareholders per share was 75.65 yen.

“The easing of trade friction between the US and China and progress towards Brexit led to increased client activity this quarter. Compared to the previous quarter, we reported substantially higher pretax income from our three core businesses underpinned by solid Wholesale and Retail performance. Our international business was profitable for the third straight quarter due to our successful initiatives to realign our business portfolio and lower our cost base,” said Nomura President and Group CEO Koji Nagai.

“In Retail, sales of investment trusts and stocks drove growth in total sales amid favorable market conditions. In addition, our efforts last quarter to reassign sales staff and integrate branch offices have positively impacted our business across all client types. Asset Management booked its fourteenth consecutive quarter of inflows and this combined with market factors to push assets under management past 55 trillion yen for the first time ever. Wholesale pretax income was at its highest level in seven quarters, benefiting from stronger revenues in all business lines, most notably Fixed Income, and our continued efforts to control costs.

¹ US dollar amounts are included solely for the convenience of the reader and have been translated at the rate of 108.67 yen = 1 US dollar, the noon buying rate in New York for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on December 31, 2019. This translation should not be construed to imply that the yen amounts actually represent, or have been or could be converted into, equivalent amounts in US dollars.

“We will swiftly work to strengthen our internal control framework and enhance our corporate value in order to build a robust operating platform capable of delivering consistent growth under any environment.”

Divisional Performance

Retail

(billions of yen)	FY2019/20 Q3	QoQ	YoY
Net revenue	90.0	+17%	+4%
Income before income taxes	17.6	3.4x	+26%

Retail reported net revenue of 90.0 billion yen, up 17 percent quarter on quarter and 4 percent year on year. Income before income taxes increased 3.4 times from the previous quarter and 26 percent year on year to 17.6 billion yen.

This result reflected growth in total sales driven by stronger sales of all products, notably investment trusts and stocks, as favorable market conditions led to an improvement in investor sentiment.

Asset Management

(billions of yen)	FY2019/20 Q3	QoQ	YoY
Net revenue	25.4	-1%	+57%
Income before income taxes	9.3	-7%	16.6x

Asset Management net revenue was 25.4 billion yen, down 1 percent compared to last quarter but up 57 percent over the same period last year. Income before income taxes decreased 7 percent quarter on quarter and increased 16.6 times year on year to 9.3 billion yen.

Assets under Management climbed past 55 trillion yen for the first time ever supported by the fourteenth straight quarter of inflows and market factors.

Wholesale

(billions of yen)	FY2019/20 Q3	QoQ	YoY
Net revenue	186.5	+19%	+45%
Income before income taxes	43.2	+128%	-

Wholesale booked net revenue of 186.5 billion yen, increasing 19 percent quarter on quarter and 45 percent year on year. Income before income taxes grew 128 percent quarter on quarter to 43.2 billion yen.

In Global Markets, Fixed Income revenues increased significantly amid its strongest quarter in three years driven by robust performance in the Americas and EMEA, while contributions from the Americas underpinned higher Equities revenues compared to last quarter.

Investment Banking revenues increased quarter on quarter primarily due to an improvement in Leveraged Finance.

Financial Position

Nomura maintains a robust financial position and a healthy balance sheet. As of the end of December, Nomura had total assets of 46.2 trillion yen and shareholders' equity of 2.7 trillion yen. Nomura's Tier 1 capital ratio was 19.0 percent and CET1 capital ratio was 17.9 percent under Basel III. All figures are on a preliminary basis.

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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, 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/

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