

Nomura Reports Second Quarter Financial Results

- Three segment pretax income of ¥31.2bn, up 69% QoQ, on improvement in Investment Management investment gain/loss
- Retail recurring revenue higher QoQ, although flow revenues slowed as investors remained on sidelines; Recurring revenue cost coverage ratio at 51% on successful cost controls
- Strong QoQ rebound in Investment Management performance driven by inflows into investment trust and investment advisory businesses; Alternative AuM topped ¥1.2trn
- Wholesale performance stronger QoQ, underpinned by robust Fixed Income performance driven by Macro Products and higher Investment Banking revenues
- First-half ROE of 1.2% and dividend of 5 yen per share

Tokyo, November 2, 2022—Nomura Holdings, Inc. today announced its consolidated financial results for the second quarter and first half of the fiscal year ending March 31, 2023.

Net revenue in the second quarter was 318.0 billion yen (US\$2.2 billion)¹, up 6 percent quarter on quarter and down 0.3 percent year on year. Income before income taxes jumped 2.7 times from last quarter and increased 70 percent compared to the second quarter last year to 31.5 billion yen (US\$218 million). Net income attributable to Nomura Holdings shareholders was 16.8 billion yen (US\$116 million), up 9.9 times quarter on quarter and 5.2 times year on year.

For the six months to September, Nomura reported net revenue of 617.0 billion yen (US\$4.3 billion), down 8 percent from the same period last year. Income before income taxes decreased 55 percent to 43.2 billion yen (US\$299 million), and net income attributable to Nomura Holdings shareholders was 18.5 billion yen (US\$128 million), down 64 percent.

“First-half pretax income from our three core businesses was 49.7 billion yen,” said Kentaro Okuda, Nomura President and Group CEO.

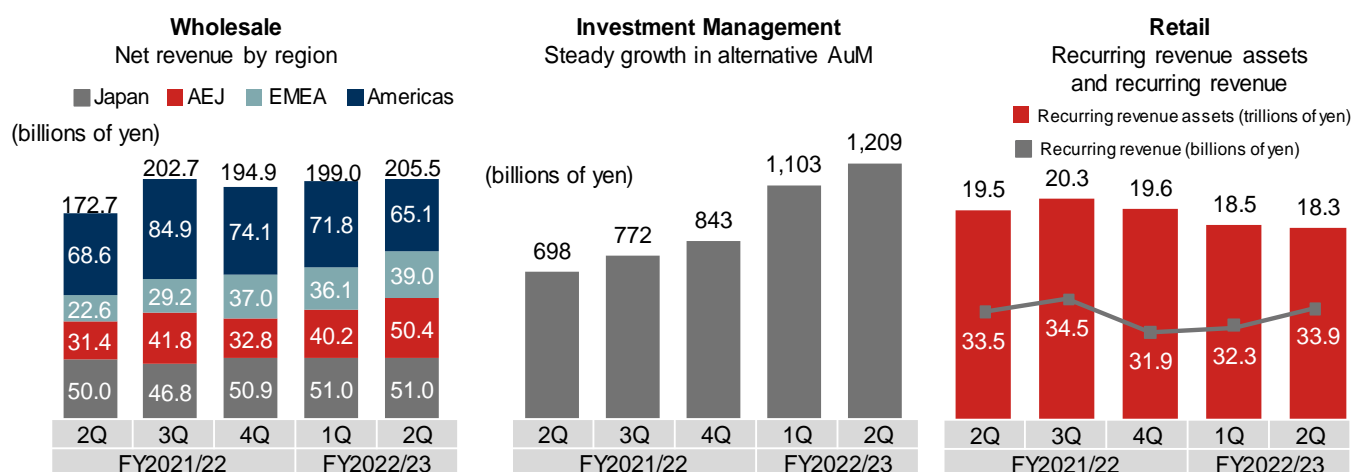
“Our Wholesale business reported higher revenues from the previous year. In Global Markets, Fixed Income delivered stronger revenues amid market volatility. In Investment Banking, revenues from our Advisory business grew from the previous year on the back of multiple cross-border mandates and sustainability-related deals, offsetting a slowdown primarily in our ECM business.

“Investment Management booked solid business revenue mainly underpinned by continued inflows into the investment trust business. Strategic business initiatives in our private business showed continued momentum, helping lift alternative assets under management to over 1.2 trillion yen.

“In Retail, while flow revenues slowed as investors stayed in wait and see mode, recurring revenue continued to grow. Our recurring revenue cost coverage ratio reached a record 51 percent, reflecting successful efforts to control costs.

“Amid the ongoing market uncertainty, we remain committed to meeting the diversified needs of our clients and delivering sustainable growth.”

¹ US dollar amounts are included solely for the convenience of the reader and have been translated at the rate of 144.71 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 September 30, 2022. 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.



Divisional Performance

Retail

(billions of yen)	FY2022/23 Q2	QoQ	YoY
Net revenue	72.5	2%	-15%
Income (loss) before income taxes	5.5	12%	-68%

Retail reported net revenue of 72.5 billion yen, increasing 2 percent quarter on quarter and down 15 percent from the same period last year. Income before income taxes was 5.5 billion yen, up 12 percent quarter on quarter and down 68 percent year on year.

Retail recurring revenue remained resilient as efforts to grow client assets gained traction, offsetting a slowdown in flow revenue as investors stayed on the sidelines amid ongoing market uncertainty. Reflecting successful efforts to control costs, recurring revenue cost coverage ratio increased to 51 percent.

Investment Management

(billions of yen)	FY2022/23 Q2	QoQ	YoY
Net revenue	26.2	3.5x	-24%
Income (loss) before income taxes	5.6	-	-63%

Investment Management net revenue was 26.2 billion yen, 3.5 times higher quarter on quarter but down 24 percent year on year. Income before income taxes was 5.6 billion yen, down 63 percent from the previous year.

While Investment Management investment gain/loss was negatively impacted in the first half, business revenue increased from the previous year.

In the second quarter, asset management fees remained roughly the same quarter on quarter, driven by inflows into both the investment trust and investment advisory businesses. Alternative assets under management exceeded 1.2 trillion yen. Second quarter investment gain/loss improved, contributing to a marked quarter on quarter rebound in division net revenue and income before income taxes.

Wholesale

(billions of yen)	FY2022/23 Q2	QoQ	YoY
Net revenue	205.5	3%	19%
Income (loss) before income taxes	20.2	-20%	-19%

Wholesale booked net revenue of 205.5 billion yen, higher by 3 percent quarter on quarter and 19 percent year on year. Income before income taxes was 20.2 billion yen, decreasing 20 percent from last quarter and 19 percent from the previous year.

In the first half, Fixed Income delivered a strong performance mainly driven by Macro Products (Rates, FX/EM), while the loss booked last year in relation to transactions with a US client was no longer present.

In the second quarter, growth in Fixed Income and Investment Banking revenues, combined with tailwinds from yen depreciation, contributed to stronger Wholesale revenues compared to the prior quarter.

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Nomura

Nomura is a global financial services group with an integrated network spanning over 30 countries and regions. By connecting markets East & West, Nomura services the needs of individuals, institutions, corporates and governments through its three business divisions: Retail, Investment Management, and Wholesale (Global Markets and Investment 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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6. The consolidated financial information in this document is unaudited.