

## Nomura Reports Fourth Quarter and Full Year Financial Results

- Firmwide performance improved QoQ, but Group results impacted by goodwill impairment charge and one-offs
- Wholesale and Retail business momentum slowed amid market uncertainties
- Asset Management booked 11th straight quarter of inflows, helping push AuM higher QoQ
- Global Markets and Investment Banking revenues stronger QoQ

**Tokyo, April 25, 2019**—Nomura Holdings, Inc. today announced its consolidated financial results for the fourth quarter and full year ended March 2019.

For the full year period, net revenue was 1,116.8 billion yen (US\$10.1 billion)<sup>1</sup>, representing a decrease of 25 percent year on year. Loss before income taxes was 37.7 billion yen (US\$341 million) and net loss attributable to Nomura Holdings shareholders was 100.4 billion yen (US\$907 million). Diluted net loss attributable to Nomura Holdings shareholders per share was 29.92 yen.

Net revenue in the fourth quarter was 301.3 billion yen (US\$2.7 billion), increasing 16 percent quarter on quarter and decreasing 20 percent year on year. Income before income taxes was 24.4 billion yen (US\$220 million) and net income attributable to Nomura Holdings shareholders was 800 million yen (US\$8 million). Diluted net income attributable to Nomura Holdings shareholders per share was 0.23 yen.

“We faced a challenging environment during the past fiscal year. Our Retail and Wholesale performance slowed as ongoing market uncertainty caused clients to remain on the sidelines. We also booked a goodwill impairment charge in Wholesale and one-off charges including legal expenses related to legacy transactions. As a result, we reported an overall loss for the full year,” said Nomura President and Group CEO Koji Nagai.

“We are working to rebuild our business platform. We have overhauled our business and regional matrix management structure, streamlined our corporate functions, and simplified our operating model for more agile decision making. In Wholesale, we are reducing low-growth, low-profit businesses, turning our focus to markets and businesses that provide higher growth opportunities. To respond to the changing needs and behavior of our Retail clients, we will reassign sales staff and review our branch office strategy. We will also continue to reduce firmwide costs to lower our breakeven point.

“Our commitment to building a robust operating platform capable of delivering consistent growth under any environment remains unchanged. We will accelerate initiatives to

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<sup>1</sup> US dollar amounts are included solely for the convenience of the reader and have been translated at the rate of 110.68 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 March 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.

transform our business platform as we continue to place our clients at the heart of everything we do.”

## Fourth Quarter Divisional Performance

### Retail

(billions of yen)	FY2018/19 Q4	QoQ	YoY
<b>Net revenue</b>	74.2	-15%	-24%
<b>Income before income taxes</b>	3.3	-77%	-85%

Retail reported fourth quarter net revenue of 74.2 billion yen, down 15 percent quarter on quarter and 24 percent year on year. Income before income taxes decreased 77 percent from last quarter and 85 percent compared to the same quarter last year to 3.3 billion yen.

Total sales were sluggish driven by lower market volumes as clients continued to take a wait-and-see approach. Income before income taxes slowed quarter on quarter as cost reductions were not enough to offset the decline in revenue.

### Asset Management

(billions of yen)	FY2018/19 Q4	QoQ	YoY
<b>Net revenue</b>	30.9	+91%	+13%
<b>Income before income taxes</b>	14.4	25.7x	+28%

Asset Management fourth quarter net revenue was 30.9 billion yen, up 91 percent quarter on quarter and 13 percent year on year. Income before income taxes was significantly higher than the previous quarter and increased 28 percent compared to the same period last year to 14.4 billion yen.

Gain/loss related to American Century Investments improved, contributing to higher pretax income and net revenue quarter on quarter.

Market factors and continued inflows drove an improvement in assets under management from the last quarter.

### Wholesale

(billions of yen)	FY2018/19 Q4	QoQ	YoY
<b>Net revenue</b>	142.2	+11%	-33%
<b>Income before income taxes</b>	-13.0	-	-

Wholesale reported net revenue of 142.2 billion yen, up 11 percent quarter on quarter but down 33 percent year on year. Loss before income taxes was 13.0 billion yen.

Compared to the previous quarter, Global Markets net revenue increased due to an improvement in Fixed Income, and Investment Banking reported stronger revenues in both Japan and internationally.

Wholesale booked a loss before income taxes due in part to one-off expenses related to the revision of the business portfolio.

### **Financial position**

Nomura maintains a robust financial position and a healthy balance sheet. As of the end of March 2019, Nomura's Tier 1 capital ratio was 18.2 percent and its common equity Tier 1 capital ratio was 17.1 percent under Basel III. Nomura had total assets of 41.0 trillion yen and shareholders' equity of 2.6 trillion yen. All figures are on a preliminary basis.

### **Shareholder returns**

Nomura today declared a year-end dividend of 3 yen per share to shareholders of record as of March 31, 2019. The dividend will be paid on June 3, 2019. Accordingly, the annual dividend for the year ended March 2019 will total 6 yen per share.

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### **For further information please contact:**

<b>Name</b>	<b>Company</b>	<b>Telephone</b>
Kenji Yamashita	Nomura Holdings, Inc. Group Corporate Communications Dept.	81-3-3278-0591

### **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/](http://www.nomura.com/)

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