

April 25, 2019

NOMURA HOLDINGS, INC.
Financial Summary – Year ended March 31, 2019

We are pleased to report the following consolidated financial summary based on the consolidated financial information under U.S. GAAP for the year ended March 31, 2019.

For further information, please contact:
Junko Tago
Executive Director,
Head of Investor Relations,
Nomura Holdings, Inc.
2-2 Otemachi 2-chome, Chiyoda-ku
Tokyo 100-8130, Japan
TEL: +81 (3) 5255-1000

Financial Summary For the Year Ended March 31, 2019 (U.S. GAAP)

Date: April 25, 2019
 Company name (code number): **Nomura Holdings, Inc. (8604)**
 Stock exchange listings: (In Japan) Tokyo, Nagoya
 (Overseas) New York, Singapore
 Representative: Koji Nagai
 President and Group CEO, Nomura Holdings, Inc.
 For inquiries: Junko Tago
 Executive Director, Head of Investor Relations, Nomura Holdings, Inc.
 Tel: (Country Code 81) 3-5255-1000
 URL: <https://www.nomura.com>

1. Consolidated Operating Results

(1) Operating Results

(Rounded to nearest million)
 (Millions of yen, except per share data)

For the year ended March 31

| | 2018 | | 2019 | |
|---|-----------|---------------------------------|-----------|---------------------------------|
| | | % Change from March 31, 2017 | | % Change from March 31, 2018 |
| Total revenue | 1,972,158 | 15.0% | 1,835,118 | (6.9%) |
| Net revenue | 1,496,969 | 6.7% | 1,116,770 | (25.4%) |
| Income (loss) before income taxes | 328,158 | 1.7% | (37,701) | —% |
| Net income (loss) attributable to Nomura Holdings, Inc. (“NHI”) shareholders | 219,343 | (8.5%) | (100,442) | —% |
| Comprehensive income (loss) | 125,686 | (40.1%) | (63,655) | —% |
| 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) | |
| Return on shareholders’ equity | 7.9% | | (3.7%) | |
| Income before income taxes to total assets | 0.8% | | (0.1%) | |
| Income before income taxes divided by total revenue | 16.6% | | (2.1%) | |
| Equity in earnings of affiliates | 34,516 | | 32,014 | |

Note: Return on shareholders’ equity is a ratio of Net income attributable to NHI shareholders to Total NHI shareholders’ equity.

(2) Financial Position

(Millions of yen, except per share data)

At March 31

| | 2018 | 2019 |
|---|------------|------------|
| Total assets | 40,343,947 | 40,969,439 |
| Total equity | 2,799,824 | 2,680,793 |
| Total NHI shareholders’ equity | 2,749,320 | 2,631,061 |
| Total NHI shareholders’ equity as a percentage of total assets | 6.8% | 6.4% |
| Total NHI shareholders’ equity per share (Yen) | 810.31 | 794.69 |

(3) Cash Flows

(Millions of yen)

| | For the year ended March 31 | |
|--|-----------------------------|-----------|
| | 2018 | 2019 |
| Net cash used in operating activities | (445,690) | (361,165) |
| Net cash used in investing activities | (56,172) | (112,503) |
| Net cash provided by financing activities | 373,168 | 761,191 |
| Cash, cash equivalents, restricted cash and restricted cash equivalents at end of the year | 2,354,868 | 2,687,132 |

2. Cash Dividends

(Yen amounts, except total annual dividends)

| | For the year ended March 31 | |
|--|-----------------------------|---------|
| | 2018 | 2019 |
| Dividends per share | | |
| Dividends record dates | | |
| At June 30 | — | — |
| At September 30 | 9.00 | 3.00 |
| At December 31 | — | — |
| At March 31 | 11.00 | 3.00 |
| For the year | 20.00 | 6.00 |
| Total annual dividends (Millions of yen) | 68,704 | 20,082 |
| Consolidated payout ratio | 31.7% | (20.1%) |
| Consolidated dividends as a percentage of shareholders' equity per share | 2.5% | 0.7% |

3. Earnings Forecasts for the year ending March 31, 2020

Nomura provides investment, financing and related services in the capital markets on a global basis. In the global capital markets there exist uncertainties due to, but not limited to, economic and market conditions. Nomura, therefore, does not present earnings and dividends forecasts.

Notes

(1) Changes in significant subsidiaries during the period: None

(Changes in Specified Subsidiaries accompanying changes in scope of consolidation.)

(2) Changes in accounting policies

a) Changes in accounting policies due to amendments to the accounting standards : Yes

b) Changes in accounting policies due to other than a) : Yes

(3) Number of shares issued (common stock)

| | At March 31 | |
|---|---------------|---------------|
| | 2018 | 2019 |
| Number of shares outstanding (including treasury stock) | 3,643,562,601 | 3,493,562,601 |
| Number of treasury stock | 250,625,115 | 182,761,802 |

| | For the year ended March 31 | |
|--------------------------------------|-----------------------------|---------------|
| | 2018 | 2019 |
| Average number of shares outstanding | 3,474,593,441 | 3,359,564,840 |

*This financial summary is not subject to certified public accountant's or audit firm's audits

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1. Overview of Consolidated Operating Results

(1) Overview of Consolidated Operating Results

Operating Results

U.S. GAAP

| | Billions of yen | | % Change |
|--|-----------------------|-----------------------|-----------|
| | For the year ended | | (B-A)/(A) |
| | March 31, 2018 (A) | March 31, 2019 (B) | |
| Net revenue | 1,497.0 | 1,116.8 | (25.4) |
| Non-interest expenses | 1,168.8 | 1,154.5 | (1.2) |
| Income (loss) before income taxes | 328.2 | (37.7) | — |
| Income tax expense | 103.9 | 57.0 | (45.1) |
| Net income (loss) | 224.3 | (94.7) | — |
| Less: Net income (loss) attributable to noncontrolling interests | 4.9 | 5.7 | 15.8 |
| Net income (loss) attributable to NHI shareholders | 219.3 | (100.4) | — |
| Return on shareholders' equity * | 7.9% | (3.7%) | — |

* Return on shareholders' equity is a ratio of Net income (loss) attributable to NHI shareholders to Total NHI shareholders' equity.

Nomura Holdings, Inc. and its consolidated entities ("Nomura") reported net revenue of 1,116.8 billion yen for the fiscal year ended March 31, 2019, a decrease of 25.4% from the previous year. Non-interest expenses decreased by 1.2% from the previous year to 1,154.5 billion yen. Loss before income taxes was 37.7 billion yen and Net loss attributable to NHI shareholders was 100.4 billion yen for the fiscal year ended March 31, 2019. Non-interest expenses for the fiscal year ended March 31, 2019 included a loss of 81.4 billion yen from the goodwill impairment attributable to Wholesale.

Segment Information

| | Billions of yen | | % Change |
|-----------------------------------|-----------------------|-----------------------|-----------|
| | For the year ended | | (B-A)/(A) |
| | March 31, 2018 (A) | March 31, 2019 (B) | |
| Net revenue | 1,495.1 | 1,124.0 | (24.8) |
| Non-interest expenses | 1,168.8 | 1,154.5 | (1.2) |
| Income (loss) before income taxes | 326.3 | (30.5) | — |

In business segment totals, which exclude unrealized gain (loss) on investments in equity securities held for operating purposes, net revenue for the fiscal year ended March 31, 2019 was 1,124.0 billion yen, a decrease of 24.8% from the previous year. Non-interest expenses decreased by 1.2% from the previous year to 1,154.5 billion yen. Loss before income taxes was 30.5 billion yen for the fiscal year ended March 31, 2019. Please refer to page 13 for further details of the differences between U.S. GAAP and business segment amounts.

<Business Segment Results>

Operating Results of Retail

| | Billions of yen | | % Change |
|-----------------------------------|-----------------------|-----------------------|-----------|
| | For the year ended | | (B-A)/(A) |
| | March 31, 2018 (A) | March 31, 2019 (B) | |
| Net revenue | 412.9 | 339.5 | (17.8) |
| Non-interest expenses | 309.8 | 290.0 | (6.4) |
| Income (loss) before income taxes | 103.1 | 49.5 | (52.0) |

Net revenue decreased by 17.8% from the previous year to 339.5 billion yen, primarily due to decreasing commissions from distribution of investment trusts and brokerage. Non-interest expenses decreased by 6.4% to 290.0 billion yen. As a result, income before income taxes decreased by 52.0% to 49.5 billion yen.

Operating Results of Asset Management

| | Billions of yen | | % Change |
|-----------------------------------|-----------------------|-----------------------|-----------|
| | For the year ended | | (B-A)/(A) |
| | March 31, 2018 (A) | March 31, 2019 (B) | |
| Net revenue | 127.3 | 97.8 | (23.2) |
| Non-interest expenses | 61.2 | 63.7 | 4.1 |
| Income (loss) before income taxes | 66.2 | 34.2 | (48.3) |

Net revenue decreased by 23.2% from the previous year to 97.8 billion yen. Non-interest expenses increased by 4.1% to 63.7 billion yen. As a result, income before income taxes decreased by 48.3% to 34.2 billion yen. Assets under management were 51.4 trillion yen as of March 31, 2019.

Operating Results of Wholesale

| | Billions of yen | | % Change |
|-----------------------------------|-----------------------|-----------------------|-----------|
| | For the year ended | | (B-A)/(A) |
| | March 31, 2018 (A) | March 31, 2019 (B) | |
| Net revenue | 715.3 | 555.4 | (22.4) |
| Non-interest expenses | 614.7 | 666.8 | 8.5 |
| Income (loss) before income taxes | 100.6 | (111.4) | — |

Net revenue decreased by 22.4% from the previous year to 555.4 billion yen. Non-interest expenses increased by 8.5% to 666.8 billion yen due to a loss of 81.0 billion yen from the goodwill impairment attributable to Wholesale. As a result, loss before income taxes was 111.4 billion yen.

Other Operating Results

| | Billions of yen | | % Change |
|-----------------------------------|-----------------------|-----------------------|-----------|
| | For the year ended | | (B-A)/(A) |
| | March 31, 2018 (A) | March 31, 2019 (B) | |
| Net revenue | 239.5 | 131.3 | (45.2) |
| Non-interest expenses | 183.1 | 134.0 | (26.8) |
| Income (loss) before income taxes | 56.4 | (2.8) | — |

Net revenue was 131.3 billion yen and loss before income taxes was 2.8 billion yen.

(2) Overview of Consolidated Financial Position

Total assets as of March 31, 2019, were 40,969.4 billion yen, an increase of 625.5 billion yen compared to March 31, 2018, mainly due to the increase in *Securities purchased under agreements to resell*. Total liabilities as of March 31, 2019 were 38,288.6 billion yen, an increase of 744.5 billion yen compared to March 31, 2018, mainly due to the increase in *Long-term borrowings*. Total equity as of March 31, 2019 was 2,680.8 billion yen, a decrease of 119.0 billion yen compared to March 31, 2018. During the year ended March 31, 2019, Nomura cancelled 150,000,000 shares of its own shares.

(3) Overview of Cash Flows

Cash, cash equivalents, restricted cash and restricted cash equivalents as of March 31, 2019, increased by 332.3 billion yen compared to March 31, 2018. Cash flows from operating activities for the year ended March 31, 2019 were outflows of 361.2 billion yen due mainly to the increase in *Securities purchased under agreements to resell, net of securities sold under agreements to repurchase*. Cash flows from investing activities for the year ended March 31, 2019 were outflows of 112.5 billion yen due mainly to *Payments for purchases of office buildings, land, equipment and facilities*. Cash flows from financing activities for the year ended March 31, 2019 were inflows of 761.2 billion yen due primarily to the increase in *long-term borrowings*.

2. Considerations in the selection of accounting standards

Nomura currently adopts U.S. generally accepted accounting principles. Depending on factors such as trends by other companies and the impact of International Financial Reporting Standards (“IFRS”) on Nomura’s businesses, Nomura may consider in adopting IFRS in the future.

3. Consolidated Financial Statements

The consolidated financial information herein has been prepared in accordance with Nomura’s accounting policies which are disclosed in the notes to the consolidated financial statements of Nomura Holdings, Inc.’s Annual Securities Report (the annual report filed in Japan on June 25, 2018) and Form 20-F (the annual report filed with the U.S. Securities and Exchange Commission on June 25, 2018) for the year ended March 31, 2018.

(1) Consolidated Balance Sheets

| | Millions of yen | | |
|---|--------------------------|--------------------------|-------------------------|
| | March 31, 2018 | March 31, 2019 | Increase/ (Decrease) |
| ASSETS | | | |
| Cash and cash deposits: | | | |
| Cash and cash equivalents | 2,354,639 | 2,686,659 | 332,020 |
| Time deposits | 315,445 | 289,753 | (25,692) |
| Deposits with stock exchanges and other segregated cash | 288,962 | 285,457 | (3,505) |
| Total cash and cash deposits | <u>2,959,046</u> | <u>3,261,869</u> | <u>302,823</u> |
| Loans and receivables: | | | |
| Loans receivable | 2,462,503 | 2,544,218 | 81,715 |
| Receivables from customers | 442,343 | 449,706 | 7,363 |
| Receivables from other than customers | 973,867 | 892,283 | (81,584) |
| Allowance for doubtful accounts | (3,514) | (4,169) | (655) |
| Total loans and receivables | <u>3,875,199</u> | <u>3,882,038</u> | <u>6,839</u> |
| Collateralized agreements: | | | |
| Securities purchased under agreements to resell | 9,853,898 | 13,194,543 | 3,340,645 |
| Securities borrowed | 6,383,845 | 4,112,416 | (2,271,429) |
| Total collateralized agreements | <u>16,237,743</u> | <u>17,306,959</u> | <u>1,069,216</u> |
| Trading assets and private equity investments: | | | |
| Trading assets* | 14,962,690 | 14,355,712 | (606,978) |
| Private equity investments* | 17,466 | 30,077 | 12,611 |
| Total trading assets and private equity investments | <u>14,980,156</u> | <u>14,385,789</u> | <u>(594,367)</u> |
| Other assets: | | | |
| Office buildings, land, equipment and facilities (net of accumulated depreciation and amortization of ¥ 397,834 million as of March 31, 2018 and ¥ 416,052 million as of March 31, 2019) | 338,984 | 349,365 | 10,381 |
| Non-trading debt securities* | 485,891 | 460,661 | (25,230) |
| Investments in equity securities* | 150,760 | 138,447 | (12,313) |
| Investments in and advances to affiliated companies* | 408,034 | 436,220 | 28,186 |
| Other | 908,134 | 748,091 | (160,043) |
| Total other assets | <u>2,291,803</u> | <u>2,132,784</u> | <u>(159,019)</u> |
| Total assets | <u><u>40,343,947</u></u> | <u><u>40,969,439</u></u> | <u><u>625,492</u></u> |

*Including securities pledged as collateral

| | Millions of yen | | |
|--|-------------------|-------------------|-------------------------|
| | March 31, 2018 | March 31, 2019 | Increase/ (Decrease) |
| LIABILITIES AND EQUITY | | | |
| Short-term borrowings | 743,497 | 841,758 | 98,261 |
| Payables and deposits: | | | |
| Payables to customers | 1,176,773 | 1,229,083 | 52,310 |
| Payables to other than customers | 1,239,540 | 1,146,336 | (93,204) |
| Deposits received at banks | 1,151,342 | 1,392,619 | 241,277 |
| Total payables and deposits | <u>3,567,655</u> | <u>3,768,038</u> | <u>200,383</u> |
| Collateralized financing: | | | |
| Securities sold under agreements to repurchase | 14,759,010 | 15,036,503 | 277,493 |
| Securities loaned | 1,524,363 | 1,229,595 | (294,768) |
| Other secured borrowings | 413,621 | 418,305 | 4,684 |
| Total collateralized financing | <u>16,696,994</u> | <u>16,684,403</u> | <u>(12,591)</u> |
| Trading liabilities | 8,202,936 | 8,219,811 | 16,875 |
| Other liabilities | 950,534 | 858,867 | (91,667) |
| Long-term borrowings | <u>7,382,507</u> | <u>7,915,769</u> | <u>533,262</u> |
| Total liabilities | <u>37,544,123</u> | <u>38,288,646</u> | <u>744,523</u> |
| Equity | | | |
| NHI shareholders' equity: | | | |
| Common stock | | | |
| Authorized - 6,000,000,000 shares | | | |
| Issued - 3,643,562,601 shares as of March 31, 2018 and 3,493,562,601 shares as of March 31, 2019 | | | |
| Outstanding - 3,392,937,486 shares as of March 31, 2018 and 3,310,800,799 shares as of March 31, 2019 | 594,493 | 594,493 | — |
| Additional paid-in capital | 675,280 | 687,761 | 12,481 |
| Retained earnings | 1,696,890 | 1,486,825 | (210,065) |
| Accumulated other comprehensive income (loss) | (59,356) | (29,050) | 30,306 |
| Total NHI shareholders' equity before treasury stock | <u>2,907,307</u> | <u>2,740,029</u> | <u>(167,278)</u> |
| Common stock held in treasury, at cost- | | | |
| 250,625,115 shares as of March 31, 2018 and 182,761,802 shares as of March 31, 2019 | (157,987) | (108,968) | 49,019 |
| Total NHI shareholders' equity | <u>2,749,320</u> | <u>2,631,061</u> | <u>(118,259)</u> |
| Noncontrolling interests | 50,504 | 49,732 | (772) |
| Total equity | <u>2,799,824</u> | <u>2,680,793</u> | <u>(119,031)</u> |
| Total liabilities and equity | <u>40,343,947</u> | <u>40,969,439</u> | <u>625,492</u> |

(2) Consolidated Statements of Income

| | Millions of yen | | % Change |
|--|----------------------|----------------------|-----------|
| | For the year ended | | (B-A)/(A) |
| | March 31, 2018(A) | March 31, 2019(B) | |
| Revenue: | | | |
| Commissions | 373,313 | 293,069 | (21.5) |
| Fees from investment banking | 101,663 | 101,521 | (0.1) |
| Asset management and portfolio service fees | 245,616 | 245,519 | 0.0 |
| Net gain on trading | 442,885 | 342,964 | (22.6) |
| Gain (loss) on private equity investments | (869) | 1,007 | — |
| Interest and dividends | 585,675 | 776,964 | 32.7 |
| Gain (loss) on investments in equity securities | 2,683 | (6,983) | — |
| Other | 221,192 | 81,057 | (63.4) |
| Total revenue | 1,972,158 | 1,835,118 | (6.9) |
| Interest expense | 475,189 | 718,348 | 51.2 |
| Net revenue | 1,496,969 | 1,116,770 | (25.4) |
| Non-interest expenses: | | | |
| Compensation and benefits | 530,641 | 497,065 | (6.3) |
| Commissions and floor brokerage | 99,868 | 82,637 | (17.3) |
| Information processing and communications | 184,781 | 166,865 | (9.7) |
| Occupancy and related depreciation | 67,895 | 64,940 | (4.4) |
| Business development expenses | 36,762 | 36,915 | 0.4 |
| Other | 248,864 | 306,049 | 23.0 |
| Total non-interest expenses | 1,168,811 | 1,154,471 | (1.2) |
| Income (loss) before income taxes | 328,158 | (37,701) | — |
| Income tax expense | 103,866 | 57,010 | (45.1) |
| Net income (loss) | 224,292 | (94,711) | — |
| Less: Net income attributable to noncontrolling interests | 4,949 | 5,731 | 15.8 |
| Net income (loss) attributable to NHI shareholders | 219,343 | (100,442) | — |
| Per share of common stock: | | | |
| | Yen | | % Change |
| Basic- | | | |
| Net income (loss) attributable to NHI shareholders per share | 63.13 | (29.90) | — |
| Diluted- | | | |
| Net income (loss) attributable to NHI shareholders per share | 61.88 | (29.92) | — |

(3) Consolidated Statements of Comprehensive Income

| | Millions of yen | | % Change |
|--|----------------------|----------------------|-----------|
| | For the year ended | | (B-A)/(A) |
| | March 31, 2018(A) | March 31, 2019(B) | |
| Net income (loss) | 224,292 | (94,711) | — |
| Other comprehensive income (loss): | | | |
| Change in cumulative translation adjustments: | | | |
| Change in cumulative translation adjustments | (77,067) | 36,031 | — |
| Deferred income taxes | 14,263 | (1,852) | — |
| Total | (62,804) | 34,179 | — |
| Defined benefit pension plans: | | | |
| Pension liability adjustments | (10,124) | (23,431) | — |
| Deferred income taxes | 3,307 | 161 | (95.1) |
| Total | (6,817) | (23,270) | — |
| Non-trading securities: | | | |
| Net unrealized gain (loss) on non-trading securities | (38,717) | — | — |
| Deferred income taxes | 12,216 | — | (100.0) |
| Total | (26,501) | — | — |
| Own credit adjustments: | | | |
| Own credit adjustments | (2,867) | 25,135 | — |
| Deferred income taxes | 383 | (4,988) | — |
| Total | (2,484) | 20,147 | — |
| Total other comprehensive income (loss) | (98,606) | 31,056 | — |
| Comprehensive income (loss) | 125,686 | (63,655) | — |
| Less: Comprehensive income (loss) attributable to noncontrolling interests | (649) | 6,481 | — |
| Comprehensive income (loss) attributable to NHI shareholders | 126,335 | (70,136) | — |

(4) Consolidated Statements of Changes in Equity

| | Millions of yen | |
|---|--------------------|------------------|
| | For the year ended | |
| | March 31, 2018 | March 31, 2019 |
| Common stock | | |
| Balance at beginning of year | 594,493 | 594,493 |
| Balance at end of year | <u>594,493</u> | <u>594,493</u> |
| Additional paid-in capital | | |
| Balance at beginning of year | 681,329 | 675,280 |
| Issuance and exercise of common stock options | (5,465) | 12,481 |
| Changes in ownership interests in subsidiaries | (584) | — |
| Balance at end of year | <u>675,280</u> | <u>687,761</u> |
| Retained earnings | | |
| Balance at beginning of year | 1,663,234 | 1,696,890 |
| Cumulative effect of change in accounting principle (1) | — | 1,564 |
| Net income (loss) attributable to NHI shareholders | 219,343 | (100,442) |
| Cash dividends | (68,703) | (20,080) |
| Gain (loss) on sales of treasury stock | (5,043) | (1,191) |
| Cancellation of treasury stock | (111,941) | (89,916) |
| Balance at end of year | <u>1,696,890</u> | <u>1,486,825</u> |
| Accumulated other comprehensive income (loss) | | |
| Cumulative translation adjustments | | |
| Balance at beginning of year | 47,767 | (15,596) |
| Net change during the year | (63,363) | 33,429 |
| Balance at end of year | <u>(15,596)</u> | <u>17,833</u> |
| Defined benefit pension plans | | |
| Balance at beginning of year | (41,020) | (47,837) |
| Pension liability adjustments | (6,817) | (23,270) |
| Balance at end of year | <u>(47,837)</u> | <u>(71,107)</u> |
| Non-trading securities | | |
| Balance at beginning of year | 20,344 | — |
| Net unrealized gain (loss) on non-trading securities | (20,344) | — |
| Balance at end of year | <u>—</u> | <u>—</u> |
| Own credit adjustments | | |
| Balance at beginning of year | 6,561 | 4,077 |
| Own credit adjustments | (2,484) | 20,147 |
| Balance at end of year | <u>4,077</u> | <u>24,224</u> |
| Balance at end of year | <u>(59,356)</u> | <u>(29,050)</u> |
| Common stock held in treasury | | |
| Balance at beginning of year | (182,792) | (157,987) |
| Repurchases of common stock | (109,096) | (51,714) |
| Sales of common stock | 0 | 0 |
| Common stock issued to employees | 21,398 | 10,817 |
| Cancellation of common stock | 111,941 | 89,916 |
| Other net change in treasury stock | 562 | — |
| Balance at end of year | <u>(157,987)</u> | <u>(108,968)</u> |
| Total NHI shareholders' equity | | |
| Balance at end of year | <u>2,749,320</u> | <u>2,631,061</u> |
| Noncontrolling interests | | |
| Balance at beginning of year | 53,875 | 50,504 |
| Net change during the year | (3,371) | (772) |
| Balance at end of year | <u>50,504</u> | <u>49,732</u> |
| Total equity | | |
| Balance at end of year | <u>2,799,824</u> | <u>2,680,793</u> |

(1) In relation to Cumulative effect of change in accounting principle, please refer to section “(7) Changes in Accounting Policies.”

(5) Consolidated Statements of Cash Flows

| | Millions of yen | |
|---|--------------------|------------------|
| | For the year ended | |
| | March 31, 2018 | March 31, 2019 |
| Cash flows from operating activities: | | |
| Net income (loss) | 224,292 | (94,711) |
| Adjustments to reconcile net income (loss) to Net cash used in operating activities : | | |
| Depreciation and amortization | 71,579 | 57,924 |
| Impairment of goodwill | — | 81,372 |
| (Gain) loss on investments in equity securities | (2,683) | 6,983 |
| Changes in operating assets and liabilities: | | |
| Time deposits | (100,642) | 21,832 |
| Deposits with stock exchanges and other segregated cash (2) | (72,069) | 13,752 |
| Trading assets and private equity investments (1) | (239,331) | 925,384 |
| Trading liabilities (1) | 227,302 | (143,141) |
| Securities purchased under agreements to resell, net of securities sold under agreements to repurchase | (453,239) | (3,274,866) |
| Securities borrowed, net of securities loaned | 763,297 | 1,987,331 |
| Other secured borrowings | 79,121 | 1,198 |
| Loans and receivables, net of allowance for doubtful accounts (1) | (1,006,580) | 157,599 |
| Payables (1) | 209,460 | (63,683) |
| Bonus accrual | (2,957) | (46,602) |
| Other, net | (143,240) | 8,463 |
| Net cash used in operating activities (2) | <u>(445,690)</u> | <u>(361,165)</u> |
| Cash flows from investing activities: | | |
| Payments for purchases of office buildings, land, equipment and facilities | (285,161) | (319,090) |
| Proceeds from sales of office buildings, land, equipment and facilities | 224,220 | 262,908 |
| Payments for purchases of investments in equity securities | (61) | — |
| Proceeds from sales of investments in equity securities | 932 | 519 |
| Increase in loans receivable at banks, net | (105,387) | (74,048) |
| Decrease in non-trading debt securities, net | 80,634 | 29,452 |
| Other, net | 28,651 | (12,244) |
| Net cash used in investing activities | <u>(56,172)</u> | <u>(112,503)</u> |
| Cash flows from financing activities: | | |
| Increase in long-term borrowings | 2,314,609 | 2,142,212 |
| Decrease in long-term borrowings | (1,964,657) | (1,625,516) |
| Increase in short-term borrowings, net | 215,001 | 85,900 |
| Increase (decrease) in deposits received at banks, net | (13,254) | 257,471 |
| Proceeds from sales of common stock held in treasury | 764 | 313 |
| Payments for repurchases of common stock in treasury | (109,096) | (51,714) |
| Payments for cash dividends | (70,199) | (47,475) |
| Net cash provided by financing activities | <u>373,168</u> | <u>761,191</u> |
| Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents (2) | (53,504) | 44,741 |
| Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents (2) | (182,198) | 332,264 |
| Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of the year (2) | 2,537,066 | 2,354,868 |
| Cash, cash equivalents, restricted cash and restricted cash equivalents at end of the year (2) | <u>2,354,868</u> | <u>2,687,132</u> |

(1) Due to changes in accounting policy which Nomura adopted on April 1, 2018, certain reclassifications of amounts previously reported amounts have been made to conform to the current year presentation. See (7) *Changes in Accounting Policies* for further details.

(2) In accordance with Accounting Standards Update 2016-18 “*Restricted Cash*” which Nomura adopted on April 1, 2018, certain reclassification of amounts previously reported as cash, cash equivalents, restricted cash and restricted cash equivalents for the year ended March 31, 2018 have been made to conform to the current year presentation.

(6) Note with respect to the Assumption as a Going Concern

Not applicable.

(7) Changes in Accounting Policies

Revenue recognition

On April 1, 2018, Nomura adopted Accounting Standards Update 2014-09 “Revenue from Contracts with Customers” and replaced existing revenue recognition guidance with a new prescriptive model. As a result of this adoption based on the modified retrospective application, the beginning balance of *Retained earnings* has been adjusted.

Changes of offsetting of derivatives

Nomura collects and remits cash margin between its clients and central clearing houses in its execution and clearing services of exchange-traded derivative transactions. Cash margin collected from clients and remitted to central clearing houses was reflected on Nomura’s consolidated balance sheets. However, with effect from April 1, 2018, revisiting nature of the transactions, Nomura has revised its accounting policy for when such balances are recognized on Nomura’s consolidated group balance sheet and as a result, certain cash margin amounts held on behalf of clients as well as an equivalent amount reflecting the obligation to return such amounts to clients are no longer recognized on the balance sheet if certain criteria are met. Nomura has restated previously reported amounts of *Receivables from other than customers* decreased by 237.0 billion yen and *Payables to other than customers* decreased by 237.0 billion yen, respectively, to conform to the current presentation.

Daily variation margin for certain derivative transactions traded in Japan was reflected on Nomura’s consolidated balance sheets. However, from April 1, 2018, Nomura changed its accounting policy as a result of amendment of the rules of a specific central clearing house and daily variation margin is now off-balanced. Nomura has restated previously report amounts of *Trading assets* decreased by 4.9 billion yen, *Receivables from other than customers* decreased by 5.5 billion yen and *Trading liabilities* decreased by 10.4 billion yen respectively to conform to the current presentation.

Restricted Cash

On April 1, 2018, Nomura adopted Accounting Standards Update 2016-18 “Restricted Cash” As a result, restricted cash and restricted cash equivalents are now presented together with cash and cash equivalents in the consolidated statements of cash flows. Certain previously reported amounts in the statements of cash flows are reclassified in conformity with this change.

(8) Notes to the Consolidated Financial Statements

Segment Information – Operating Segment

The following table shows business segment information and reconciliation items to the consolidated statements of income.

| | Millions of yen | | % Change |
|--|-----------------------|-----------------------|-----------|
| | For the year ended | | (B-A)/(A) |
| | March 31, 2018 (A) | March 31, 2019 (B) | |
| Net revenue | | | |
| Business segment information: | | | |
| Retail | 412,908 | 339,480 | (17.8) |
| Asset Management | 127,337 | 97,845 | (23.2) |
| Wholesale | 715,333 | 555,388 | (22.4) |
| Subtotal | 1,255,578 | 992,713 | (20.9) |
| Other | 239,493 | 131,261 | (45.2) |
| Net revenue | 1,495,071 | 1,123,974 | (24.8) |
| Reconciliation items: | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | 1,898 | (7,204) | — |
| Net revenue | 1,496,969 | 1,116,770 | (25.4) |
| Non-interest expenses | | | |
| Business segment information: | | | |
| Retail | 309,771 | 289,990 | (6.4) |
| Asset Management | 61,167 | 63,660 | 4.1 |
| Wholesale | 614,745 | 666,787 | 8.5 |
| Subtotal | 985,683 | 1,020,437 | 3.5 |
| Other | 183,128 | 134,034 | (26.8) |
| Non-interest expenses | 1,168,811 | 1,154,471 | (1.2) |
| Reconciliation items: | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | — | — | — |
| Non-interest expenses | 1,168,811 | 1,154,471 | (1.2) |
| Income (loss) before income taxes | | | |
| Business segment information: | | | |
| Retail | 103,137 | 49,490 | (52.0) |
| Asset Management | 66,170 | 34,185 | (48.3) |
| Wholesale | 100,588 | (111,399) | — |
| Subtotal | 269,895 | (27,724) | — |
| Other * | 56,365 | (2,773) | — |
| Income (loss) before income taxes | 326,260 | (30,497) | — |
| Reconciliation items: | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | 1,898 | (7,204) | — |
| Income (loss) before income taxes | 328,158 | (37,701) | — |

*Major components

Transactions between operating segments are recorded within segment results on commercial terms and conditions, and are eliminated in “Other”.

The following table presents the major components of income (loss) before income taxes in “Other”.

| | Millions of yen | | % Change |
|--|-----------------------|-----------------------|-----------|
| | For the year ended | | (B-A)/(A) |
| | March 31, 2018 (A) | March 31, 2019 (B) | |
| Net gain (loss) related to economic hedging transactions | (6,461) | 1,800 | — |
| Realized gain (loss) on investments in equity securities held for operating purposes | 785 | 221 | (71.8) |
| Equity in earnings of affiliates | 34,248 | 32,532 | (5.0) |
| Corporate items | (41,884) | (35,996) | — |
| Other | 69,677 | (1,330) | — |
| Total | 56,365 | (2,773) | — |

Per share data

Shareholders' equity per share is calculated based on the following number of shares.

| | |
|---|---------------|
| Number of shares outstanding as of March 31, 2019 | 3,310,800,799 |
|---|---------------|

Net income attributable to NHI shareholders per share calculated based on the following number of shares.

| | |
|--|---------------|
| Average number of shares outstanding for the year ended March 31, 2019 | 3,359,564,840 |
|--|---------------|

Significant Subsequent Events

Not applicable.

(9) Other Financial Information

Consolidated Statements of Income – Quarterly Comparatives

| | Millions of yen | | | | | | | | % Change (B-A)/(A) |
|--|----------------------------|-----------------------|----------------------|-------------------|------------------|-----------------------|-------------------------|----------------------|-----------------------|
| | For the three months ended | | | | | | | | |
| | June 30, 2017 | September 30, 2017 | December 31, 2017 | March 31, 2018 | June 30, 2018 | September 30, 2018 | December 31, 2018(A) | March 31, 2019(B) | |
| Revenue: | | | | | | | | | |
| Commissions | 90,968 | 85,324 | 101,655 | 95,366 | 79,456 | 74,783 | 72,715 | 66,115 | (9.1) |
| Fees from investment banking | 22,707 | 27,083 | 29,289 | 22,584 | 23,959 | 19,119 | 33,129 | 25,314 | (23.6) |
| Asset management and portfolio service fees | 58,343 | 61,212 | 63,767 | 62,294 | 62,981 | 62,740 | 60,591 | 59,207 | (2.3) |
| Net gain on trading | 120,467 | 88,391 | 87,725 | 146,302 | 71,887 | 75,752 | 96,947 | 98,378 | 1.5 |
| Gain (loss) on private equity investments | 359 | (330) | (2,381) | 1,483 | 553 | 321 | 461 | (328) | — |
| Interest and dividends | 134,392 | 141,612 | 161,445 | 148,226 | 169,590 | 188,703 | 214,542 | 204,129 | (4.9) |
| Gain (loss) on investments in equity securities | 62 | 3,060 | 4,532 | (4,971) | 2,092 | (1,104) | (9,852) | 1,881 | — |
| Other | 40,628 | 56,037 | 84,597 | 39,930 | 20,467 | 28,067 | (11,133) | 43,656 | — |
| Total revenue | 467,926 | 462,389 | 530,629 | 511,214 | 430,985 | 448,381 | 457,400 | 498,352 | 9.0 |
| Interest expense | 107,103 | 110,896 | 124,013 | 133,177 | 158,988 | 165,459 | 196,803 | 197,098 | 0.1 |
| Net revenue | 360,823 | 351,493 | 406,616 | 378,037 | 271,997 | 282,922 | 260,597 | 301,254 | 15.6 |
| Non-interest expenses: | | | | | | | | | |
| Compensation and benefits | 136,249 | 122,035 | 131,372 | 140,985 | 127,700 | 125,800 | 118,928 | 124,637 | 4.8 |
| Commissions and floor brokerage | 23,775 | 25,242 | 25,252 | 25,599 | 20,935 | 19,579 | 23,821 | 18,302 | (23.2) |
| Information processing and communications | 44,569 | 47,263 | 49,049 | 43,900 | 40,961 | 40,515 | 41,756 | 43,633 | 4.5 |
| Occupancy and related depreciation | 17,056 | 17,209 | 16,805 | 16,825 | 16,376 | 16,464 | 15,852 | 16,248 | 2.5 |
| Business development expenses | 8,409 | 7,823 | 9,801 | 10,729 | 8,896 | 9,337 | 9,121 | 9,561 | 4.8 |
| Other | 53,322 | 48,882 | 53,584 | 93,076 | 43,486 | 70,760 | 127,283 | 64,520 | (49.3) |
| Total non-interest expenses | 283,380 | 268,454 | 285,863 | 331,114 | 258,354 | 282,455 | 336,761 | 276,901 | (17.8) |
| Income (loss) before income taxes | 77,443 | 83,039 | 120,753 | 46,923 | 13,643 | 467 | (76,164) | 24,353 | — |
| Income tax expense | 19,405 | 29,423 | 30,960 | 24,078 | 6,930 | 9,703 | 19,698 | 20,679 | 5.0 |
| Net income (loss) | 58,038 | 53,616 | 89,793 | 22,845 | 6,713 | (9,236) | (95,862) | 3,674 | — |
| Less: Net income (loss) attributable to noncontrolling interests | 1,182 | 1,766 | 1,831 | 170 | 1,490 | 1,997 | (586) | 2,830 | — |
| Net income (loss) attributable to NHI shareholders | 56,856 | 51,850 | 87,962 | 22,675 | 5,223 | (11,233) | (95,276) | 844 | — |
| Per share of common stock: | | | | | | | | | |
| | Yen | | | | | | | | % Change |
| Basic- | | | | | | | | | |
| Net income (loss) attributable to NHI shareholders per share | 16.07 | 14.70 | 25.55 | 6.68 | 1.54 | (3.31) | (28.52) | 0.25 | — |
| Diluted- | | | | | | | | | |
| Net income (loss) attributable to NHI shareholders per share | 15.77 | 14.45 | 25.12 | 6.56 | 1.50 | (3.32) | (28.52) | 0.23 | — |

Business Segment Information – Quarterly Comparatives

The following table shows quarterly business segment information and reconciliation items to the consolidated statements of income.

| | Millions of yen | | | | | | | | % Change (B-A)/(A) |
|--|----------------------------|-----------------------|----------------------|-------------------|------------------|-----------------------|-------------------------|----------------------|-----------------------|
| | For the three months ended | | | | | | | | |
| | June 30, 2017 | September 30, 2017 | December 31, 2017 | March 31, 2018 | June 30, 2018 | September 30, 2018 | December 31, 2018(A) | March 31, 2019(B) | |
| Net revenue | | | | | | | | | |
| Business segment information: | | | | | | | | | |
| Retail | 101,684 | 101,786 | 111,284 | 98,154 | 92,833 | 85,710 | 86,782 | 74,155 | (14.6) |
| Asset Management | 28,097 | 35,418 | 36,503 | 27,319 | 26,089 | 24,681 | 16,178 | 30,897 | 91.0 |
| Wholesale | 179,316 | 158,963 | 165,648 | 211,406 | 137,290 | 147,660 | 128,198 | 142,240 | 11.0 |
| Subtotal | 309,097 | 296,167 | 313,435 | 336,879 | 256,212 | 258,051 | 231,158 | 247,292 | 7.0 |
| Other | 51,707 | 52,610 | 89,023 | 46,153 | 13,738 | 25,982 | 39,397 | 52,144 | 32.4 |
| Net revenue | 360,804 | 348,777 | 402,458 | 383,032 | 269,950 | 284,033 | 270,555 | 299,436 | 10.7 |
| Reconciliation items: | | | | | | | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | 19 | 2,716 | 4,158 | (4,995) | 2,047 | (1,111) | (9,958) | 1,818 | — |
| Net revenue | 360,823 | 351,493 | 406,616 | 378,037 | 271,997 | 282,922 | 260,597 | 301,254 | 15.6 |
| Non-interest expenses | | | | | | | | | |
| Business segment information: | | | | | | | | | |
| Retail | 76,792 | 76,239 | 79,997 | 76,743 | 72,909 | 73,494 | 72,733 | 70,854 | (2.6) |
| Asset Management | 14,527 | 14,950 | 15,671 | 16,019 | 15,806 | 15,768 | 15,617 | 16,469 | 5.5 |
| Wholesale | 153,963 | 141,980 | 151,602 | 167,200 | 144,714 | 142,745 | 224,073 | 155,255 | (30.7) |
| Subtotal | 245,282 | 233,169 | 247,270 | 259,962 | 233,429 | 232,007 | 312,423 | 242,578 | (22.4) |
| Other | 38,098 | 35,285 | 38,593 | 71,152 | 24,925 | 50,448 | 24,338 | 34,323 | 41.0 |
| Non-interest expenses | 283,380 | 268,454 | 285,863 | 331,114 | 258,354 | 282,455 | 336,761 | 276,901 | (17.8) |
| Reconciliation items: | | | | | | | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | — | — | — | — | — | — | — | — | — |
| Non-interest expenses | 283,380 | 268,454 | 285,863 | 331,114 | 258,354 | 282,455 | 336,761 | 276,901 | (17.8) |
| Income (loss) before income taxes | | | | | | | | | |
| Business segment information: | | | | | | | | | |
| Retail | 24,892 | 25,547 | 31,287 | 21,411 | 19,924 | 12,216 | 14,049 | 3,301 | (76.5) |
| Asset Management | 13,570 | 20,468 | 20,832 | 11,300 | 10,283 | 8,913 | 561 | 14,428 | — |
| Wholesale | 25,353 | 16,983 | 14,046 | 44,206 | (7,424) | 4,915 | (95,875) | (13,015) | — |
| Subtotal | 63,815 | 62,998 | 66,165 | 76,917 | 22,783 | 26,044 | (81,265) | 4,714 | — |
| Other * | 13,609 | 17,325 | 50,430 | (24,999) | (11,187) | (24,466) | 15,059 | 17,821 | 18.3 |
| Income (loss) before income taxes | 77,424 | 80,323 | 116,595 | 51,918 | 11,596 | 1,578 | (66,206) | 22,535 | — |
| Reconciliation items: | | | | | | | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | 19 | 2,716 | 4,158 | (4,995) | 2,047 | (1,111) | (9,958) | 1,818 | — |
| Income (loss) before income taxes | 77,443 | 83,039 | 120,753 | 46,923 | 13,643 | 467 | (76,164) | 24,353 | — |

* Major components

Transactions between operating segments are recorded within segment results on commercial terms and conditions, and are eliminated in “Other”.

The following table presents the major components of income (loss) before income taxes in “Other”.

| | Millions of yen | | | | | | | | % Change (B-A)/(A) |
|--|----------------------------|-----------------------|----------------------|-------------------|------------------|-----------------------|-------------------------|----------------------|-----------------------|
| | For the three months ended | | | | | | | | |
| | June 30, 2017 | September 30, 2017 | December 31, 2017 | March 31, 2018 | June 30, 2018 | September 30, 2018 | December 31, 2018(A) | March 31, 2019(B) | |
| Net gain (loss) related to economic hedging transactions | (654) | 558 | (8,019) | 1,654 | (13,807) | (16,018) | 25,071 | 6,554 | (73.9) |
| Realized gain (loss) on investments in equity securities held for operating purposes | 43 | 344 | 374 | 24 | 45 | 7 | 106 | 63 | (40.6) |
| Equity in earnings of affiliates | 7,022 | 8,408 | 7,801 | 11,017 | 6,619 | 8,536 | 1,444 | 15,933 | — |
| Corporate items | 154 | 1,597 | (3,386) | (40,249) | (2,482) | (23,719) | 631 | (10,426) | — |
| Other | 7,044 | 6,418 | 53,660 | 2,555 | (1,562) | 6,728 | (12,193) | 5,697 | — |
| Total | 13,609 | 17,325 | 50,430 | (24,999) | (11,187) | (24,466) | 15,059 | 17,821 | 18.3 |

4. Other Information

Financial information for Nomura Securities Co., Ltd. can be found on the following URL.

https://www.nomuraholdings.com/company/group/nsc/pdf/2019_4q.pdf