

Nomura Reports Fourth Quarter and Full Year Financial Results

- Full-year net income at second highest level since reporting under US GAAP started in FY2001/02
- Retail reported recurring revenue growth as business model transformation continued
- Asset Management booked record AuM and strongest pretax income since March 2002
- Wholesale pretax income strongest in seven years, with international regions delivering four straight quarters of profitability
- Full-year EPS of 65.65 yen and ROE of 8.7%

Tokyo, April 27, 2017—Nomura Holdings, Inc. today announced its consolidated financial results for the fourth quarter and full year ended March 2017.

For the full year period, net revenue was 1,403.2 billion yen (US\$12.6 billion)¹, representing an increase of 1 percent year on year. Income before income taxes jumped 95 percent from the prior year to 322.8 billion yen (US\$2.9 billion) and net income attributable to Nomura Holdings shareholders increased by 82 percent to 239.6 billion yen (US\$2.2 billion). Earnings per share for the year was 65.65 yen and return on equity was 8.7 percent.

Net revenue in the fourth quarter was 349.1 billion yen (US\$3.1 billion), decreasing 5 percent quarter on quarter and increasing 25 percent year on year. Income before income taxes was 82.3 billion yen (US\$738.8 million) and net income attributable to Nomura Holdings shareholders was 61.3 billion yen (US\$549.9 million).

“The profitability of our Wholesale business improved substantially over the past year with all international regions profitable on a full year basis. Group net revenue and pretax income both increased year on year and net income was at the second highest level since we started reporting under US GAAP in 2001,” said Nomura Group CEO Koji Nagai.

“Retail continued to transform its business model and client assets in discretionary investments grew steadily. Asset Management booked ongoing inflows and assets under management climbed to a record high. Pretax income was the strongest in fifteen years. Wholesale pretax income was at a seven year high as the cost base dropped and Fixed Income revenues grew driven by a strong performance in the Rates business.

“As we enter our new fiscal year, we remain focused on transforming our business and reinforcing our position as Asia’s global investment bank.”

¹ US dollar amounts are included solely for the convenience of the reader and have been translated at the rate of 111.41 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, 2017. 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.

Fourth Quarter Divisional Performance

Retail

	FY2016/17 Q4	QoQ	YoY
Net revenue	Y103.2bn	+2%	+21%
Income before income taxes	Y25.8bn	-1%	+112%

Retail reported net revenue of 103.2 billion yen, up 2 percent quarter on quarter and 21 percent year on year. Income before income taxes declined by 1 percent from last quarter but jumped 112 percent compared to the same quarter last year to 25.8 billion yen.

Revenues improved as an increase in sales of investment trusts and bonds offset a slower quarter in stock sales. Thematic investment trusts such as AI-related stock funds and JGBs were particularly popular among individual investors, pushing sales of investment trusts up 14 percent and sales of bonds up 38 percent compared to the previous quarter.

The division continued to book net inflows into discretionary investments, demonstrating the progress Nomura has made in its business model transformation. Annualized recurring revenue grew to 78.6 billion yen, a marked increase from last quarter and the same period last year.

Asset Management

	FY2016/17 Q4	QoQ	YoY
Net revenue	Y23.3bn	-19%	+15%
Income before income taxes	Y8.7bn	-38%	+50%

Asset Management booked net revenue of 23.3 billion yen, down 19 percent quarter on quarter and up 15 percent year on year. Income before income taxes declined 38 percent from the previous quarter but increased 50 percent compared to the same period last year to 8.7 billion yen.

Despite the quarterly decline, which was largely attributable to dividend income and American Century Investments (ACI) related gains booked last quarter, the investment trust business remained strong, recording ongoing inflows into ETFs and privately placed funds for regional financial institutions.

For the full year, inflows and market gains drove net assets under management to a record high of 44.4 trillion yen. Income before income taxes was at its highest level since the fiscal year ended March 2002.

Wholesale

	FY2016/17 Q4	QoQ	YoY
Net revenue	Y171.2bn	-13%	+26%
Income before income taxes	Y28.1bn	-41%	-

Wholesale reported net revenue of 171.2 billion yen, down 13 percent quarter on quarter and up by 26 percent year on year.

In Global Markets, Fixed Income slowed from the previous quarter due to a decline in client activity and volatility, but increased 3.1 times from a year ago. While Emerging Markets and G10 FX slowed from a strong third quarter, Credit revenues were robust on improved market conditions and the Rates business remained solid. Equities revenues increased 2 percent sequentially as performance in the derivatives business improved, but declined 29 percent from the same period a year ago.

Investment Banking reported a quarter on quarter gain in net revenue, with international revenues up both quarter on quarter and year on year driven by strong performance in the Americas and EMEA. Nomura continued to demonstrate its capability in cross-border, multi-product transactions, having completed a number of high-profile M&A and related financing deals.

For the fiscal year ended March 2017, Wholesale income before incomes taxes was 161billion yen, 10 times higher than a year ago and the best performance in seven years. Total costs declined by 18 percent while revenue increased 3 percent, leading to a significant improvement in profitability.

Financial position

Nomura maintains a robust financial position and a healthy balance sheet. As of the end of March, Nomura's common equity Tier 1 capital ratio was 18.2 percent and its Tier 1 capital ratio was 19.2 percent under Basel III. Nomura had total assets of 42.9 trillion yen and shareholders' equity of 2.8 trillion yen. Gross leverage was 15.4 times and net leverage was 8.6 times. All figures are on a preliminary basis.

Shareholder returns

Nomura today declared a year-end dividend of 11 yen per share to shareholders of record as of March 31, 2017. The dividend will be paid on June 1, 2017. Accordingly, the annual dividend for the year ended March 2017 will total 20 yen per share. Nomura also approved a resolution to set up a share buyback program with an upper limit of 100 million shares of Nomura Holdings common stock (2.6 percent of outstanding shares) or 80 billion yen of the aggregate amount of the repurchase price.

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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 three business divisions: Retail, Asset 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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