

# Consolidated Results of Operations

## **Second quarter, year ending March 2020**

(US GAAP)

Nomura Holdings, Inc.

October 2019

## Presentation

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# Executive summary (1)

## FY2019/20 1H highlights

- **Income before income taxes: Y203.3bn; Net income<sup>1</sup>: Y194.4bn; EPS<sup>2</sup>: Y57.66; ROE<sup>3</sup>: 14.6%**
- **Three segment income before income taxes increased 65% YoY**
  - Improved profitability in Wholesale
    - Fixed Income revenues increased as we captured business opportunities as US interest rates dropped
    - Realignment of business portfolio led to improved earnings consistency and a lower cost base
  - Asset Management booked stronger income before income taxes driven by an improvement in gain/loss from American Century Investments
- **Segment "Other" pretax results also improved significantly as one-off expenses<sup>4</sup> booked in the same period last year were no longer present and we booked a realized gain (Y73.3bn) from the sale of Nomura Research Institute shares**
- **Half-year dividend per share: Y15**

	FY2019/20 1H	FY2018/19 1H	YoY		FY2019/20 1H	FY2018/19 1H	YoY	
Net revenue	Y715.4bn	Y554.9bn	29%	Income (loss) before income taxes: Segment information	Retail	Y13.4bn	Y32.1bn	-58%
Income (loss) before income taxes	Y203.3bn	Y14.1bn	14.4x		Asset Management	Y28.2bn	Y19.2bn	47%
Net income (loss) <sup>1</sup>	Y194.4bn	-Y6bn	-		Wholesale	Y38.9bn	-Y2.5bn	-
EPS <sup>2</sup>	Y57.66	-Y1.78	-		Three segment total	Y80.5bn	Y48.8bn	65%
ROE <sup>3</sup>	14.6%	-	-		Other	Y124.9bn	-Y35.7bn <sup>4</sup>	-
					Unrealized gain (loss) on investments in equity securities held for operating purposes	-Y2.1bn	Y0.9bn	-
				Income (loss) before income taxes	Y203.3bn	Y14.1bn	14.4x	

1. Net income (loss) attributable to Nomura Holdings shareholders 2. Diluted net income (loss) attributable to Nomura Holdings shareholders per share.  
 3. Calculated using annualized net income attributable to Nomura Holdings shareholders for each period.  
 4. Expenses related to settlement with US DoJ over legacy transactions (Y19.8bn), recognition of FX translation adjustment due to progress in winding up subsidiary in Middle East & North Africa (-Y7bn)

# Executive summary (2)

## FY2019/20 2Q highlights

- **Net revenue: Y383.4bn (+15% QoQ); Income before income taxes: Y128.5bn (+72% QoQ)**
  - Segment "Other" revenues increased significantly; Contribution from sale of Nomura Research Institute shares (Y73.3bn)
  - International business delivered second straight quarter of pretax profit driven by realignment of business portfolio
- **Three segment income before income taxes of Y34.2bn (-26% QoQ)**

### Retail

- Total sales declined on the back of weaker investor sentiment and review of Retail sales structure

### Asset Management

- Business remained solid: Thirteenth straight quarter of inflows; AuM at second highest level ever
- Income before income taxes declined QoQ due to lower gain/loss from American Century Investments

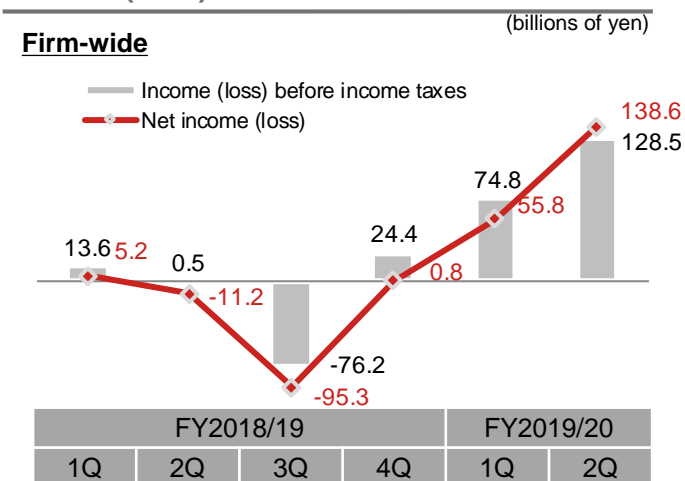
### Wholesale

- Revenues remained solid in spite of seasonal factors: Fixed Income revenues declined QoQ from strong previous quarter, while Equities revenues increased driven by Japan and Americas
- DCM performance remained resilient amid lower Investment Banking global fee pools

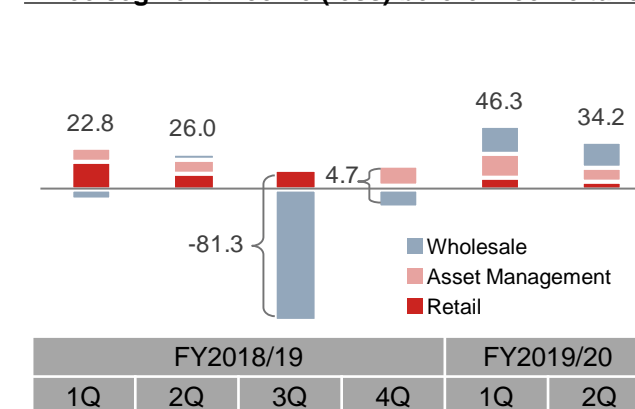
- **Net income<sup>1</sup>: Y138.6bn (+148% QoQ); EPS<sup>2</sup>: Y41.23; ROE<sup>3</sup>: 20.6%**

- As a result of the sale of Nomura Research Institute shares, tax expense declined by approximately Y27bn due mainly to applying deemed dividend rules and reversing deferred tax liabilities booked in past years

## Income (loss) before income taxes and net income (loss)<sup>1</sup>



## Three segment income (loss) before income taxes



1. Net income (loss) attributable to Nomura Holdings shareholders 2. Diluted net income attributable to Nomura Holdings shareholders per share.  
3. Calculated using annualized net income attributable to Nomura Holdings shareholders for each period.

# Overview of results

## Highlights

(billions of yen, except EPS and ROE)

	FY2019/20 2Q	QoQ	YoY	FY2019/20 1H	YoY
Net revenue	383.4	15%	36%	715.4	29%
Non-interest expenses	254.9	-1%	-10%	512.1	-5%
Income before income taxes	128.5	72%	275.1x	203.3	14.4x
Net income <sup>1</sup>	138.6	148%	-	194.4	-
EPS <sup>2</sup>	Y41.23	150%	-	Y57.66	-
ROE <sup>3</sup>	20.6%			14.6%	

1. Net income attributable to Nomura Holdings shareholders.
2. Diluted net income (loss) attributable to Nomura Holdings shareholders per share.
3. Calculated using annualized net income attributable to Nomura Holdings shareholders for each period.

## Net revenue and income (loss) before income taxes

	FY2019/20 2Q	QoQ	YoY	FY2019/20 1H	YoY
Net revenue					
Retail	76.9	-5%	-10%	157.5	-12%
Asset Management	25.7	-26%	4%	60.2	19%
Wholesale	156.7	-2%	6%	316.2	11%
Subtotal	259.3	-6%	0.5%	533.9	4%
Other*	123.3	105%	4.7x	183.6	4.6x
Unrealized gain (loss) on investments in equity securities held for operating purposes	0.8	-	-	-2.1	-
Net revenue	383.4	15%	36%	715.4	29%
Income (loss) before income taxes					
Retail	5.3	-35%	-57%	13.4	-58%
Asset Management	10.0	-45%	13%	28.2	47%
Wholesale	18.9	-5%	3.8x	38.9	-
Subtotal	34.2	-26%	31%	80.5	65%
Other*	93.4	197%	-	124.9	-
Unrealized gain (loss) on investments in equity securities held for operating purposes	0.8	-	-	-2.1	-
Income (loss) before income taxes	128.5	72%	275.1x	203.3	14.4x

\*Additional information on "Other" (2Q)

- Gain from sale of Nomura Research Institute shares (Y73.3bn)
- Gain related to economic hedging (Y7bn)
- Loss on changes to own and counterparty credit spread relating to Derivatives (Y0.8bn)

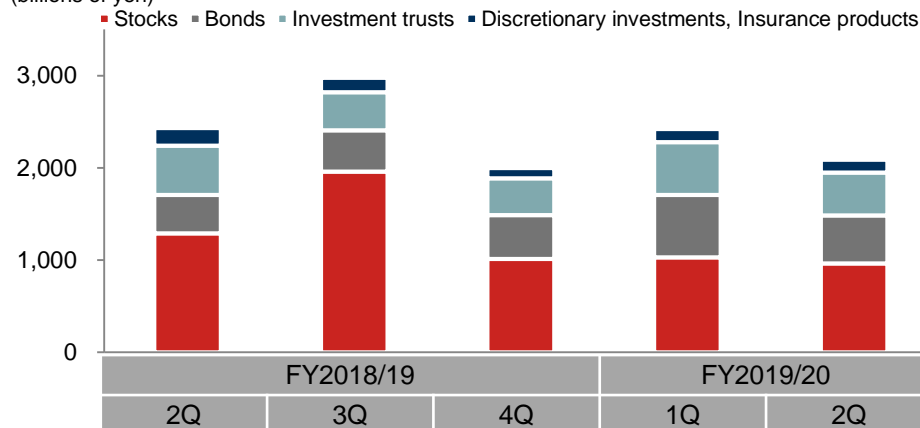
## Net revenue and income before income taxes

(billions of yen)

	FY2018/19			FY2019/20		QoQ	YoY
	2Q	3Q	4Q	1Q	2Q		
Net revenue	85.7	86.8	74.2	80.6	<b>76.9</b>	-5%	-10%
Non-interest expenses	73.5	72.7	70.9	72.5	<b>71.6</b>	-1%	-3%
Income before income taxes	12.2	14.0	3.3	8.1	<b>5.3</b>	-35%	-57%

Total sales<sup>3</sup>

(billions of yen)



1. Includes Junior NISA.

2. Cash and securities inflows minus outflows, excluding regional financial institutions

3. Retail channels only.

4. Retail channels, Net &amp; Call, and HottoDirect.

## Key points

- Net revenue: Y76.9bn (-5% QoQ; -10% YoY)
- Income before income taxes: Y5.3bn (-35% QoQ; -57% YoY)
- Net revenue and income before income taxes both declined QoQ
  - Factors such as US-China trade friction dampened investor sentiment and combined with Nomura-specific factors such the review of our sales structure leading to a decline in total sales QoQ
  - Lower expenses QoQ: Decline in one-off expenses related to Retail branch office integration and lower bonus provisions in line with pay for performance

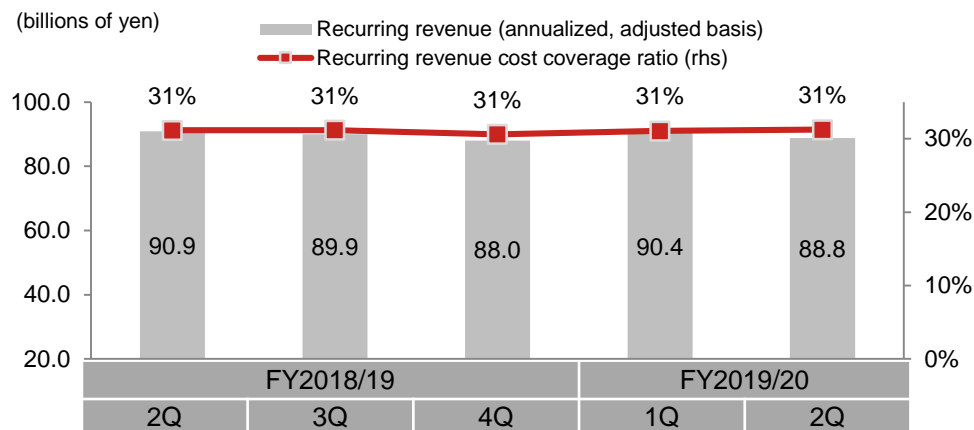
	Sep/2Q	Jun/1Q
■ Client franchise		
- Retail client assets	Y114.8trn	Y113.1trn
- Accounts with balance	5.33m	5.33m
- NISA accounts opened (accumulated) <sup>1</sup>	1.72m	1.71m
- Net inflows of cash and securities <sup>2</sup>	-Y5.6bn	-Y120.6bn

Total sales<sup>3</sup> declined 14% QoQ

- Stocks: -7% QoQ
  - Sales of secondary stocks slowed; Foreign stocks roughly unchanged but Japan stock sales lower
  - Increase in subscriptions for primary stocks<sup>4</sup> (Y60.8bn; +16% QoQ)
- Investment trusts: -19% QoQ
  - Decline from last quarter which included sales of primary funds, but booked inflows primarily into global stock funds
- Bonds: Y520.5bn; -23%QoQ
  - Domestic bond sales declined due mainly to JGBs for individuals and primary issuances
  - Slower sales of US dollar denominated secondary foreign bonds due to decline in US interest rates

# Retail: Solid growth in SMA AuM

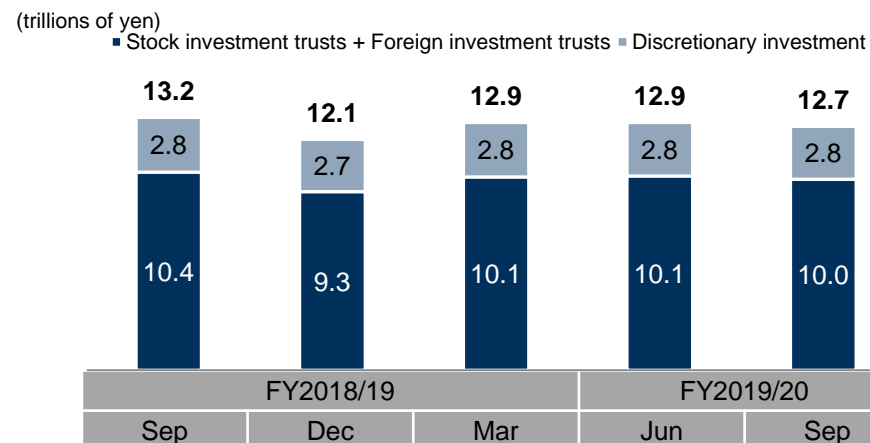
## Recurring revenue



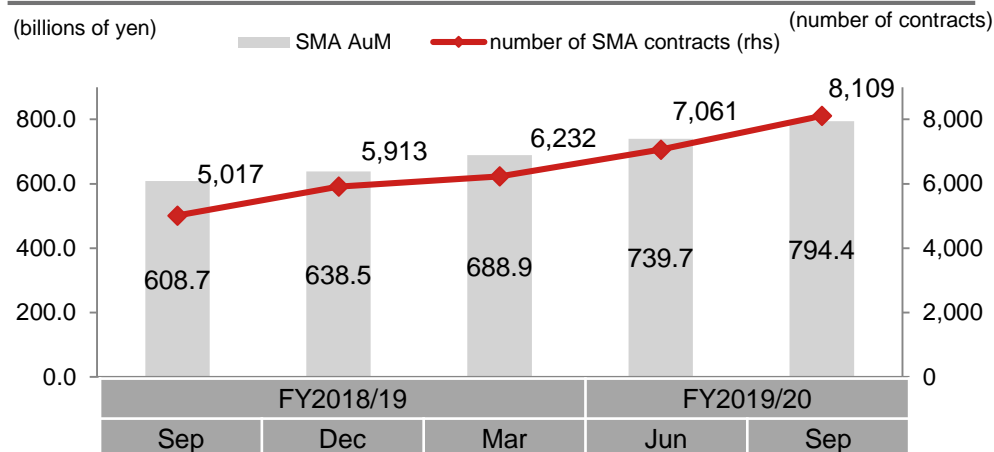
- Annualized recurring revenue of Y88.8bn
  - Fee-based assets declined due to redemptions of investment trusts and fund wrap
  - SMA<sup>3</sup> AuM continued to grow mainly in wrap trusts that tap into demand for estate planning

	Sep/2Q	Jun/1Q
Recurring revenue	Y22.4bn	Y22.5bn
- Investment trust net inflows <sup>1</sup>	-Y32.5bn	-Y29.7bn
- Discretionary investment net inflows <sup>1</sup>	-Y58.7bn	-Y40.5bn
Sales of insurance products <sup>2</sup>	Y55.6bn	Y54.7bn
Inflows of cash and securities <sup>2</sup>	Y820.1bn	Y1,054.9bn

## Investment trust and discretionary investment AuM



## SMA<sup>3</sup> AuM and number of contracts



1. Retail channels and Japan Wealth Management Group.

2. Retail channels only.

3. Separately managed account, a discretionary investment service



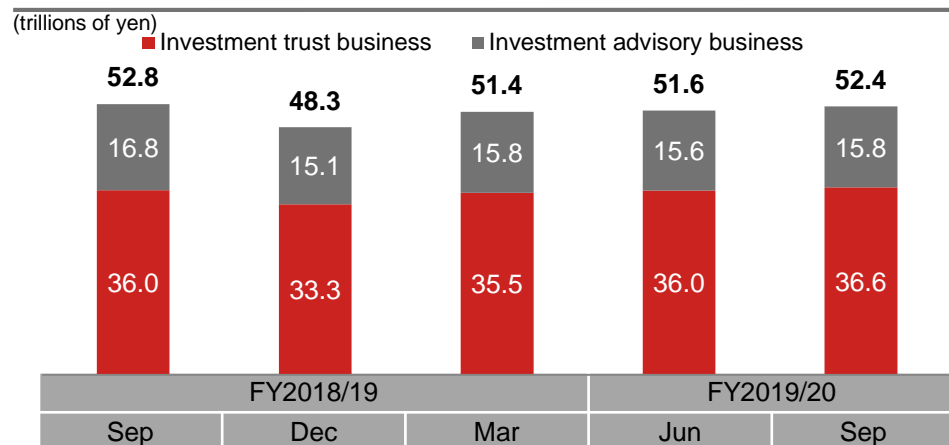
# Asset Management

## Net income and income before income taxes<sup>1</sup>

(billions of yen)

	FY2018/19			FY2019/20		QoQ	YoY
	2Q	3Q	4Q	1Q	2Q		
Revenue (excl. ACI-related gain/loss)	26.1	24.5	26.0	25.8	<b>25.0</b>	-3%	-4%
ACI-related gain/loss	-1.5	-8.3	4.9	8.7	<b>0.7</b>	-92%	-
Net revenue	24.7	16.2	30.9	34.5	<b>25.7</b>	-26%	4%
Non-interest expenses	15.8	15.6	16.5	16.4	<b>15.6</b>	-4%	-1%
Income before income taxes	8.9	0.6	14.4	18.1	<b>10.0</b>	-45%	13%

## Assets under management (net)<sup>2</sup>



## Key points

- Net revenue: Y25.7bn (-26% QoQ; +4% YoY)
- Income before income taxes: Y10bn (-45% QoQ; +13% YoY)
  - Lower contribution from gain/loss related to American Century Investments (ACI) led to net revenue decline QoQ, but asset management fees remained solid
  - Inflows for thirteenth straight quarter and AuM at second highest level ever

### Investment trust business

- Continued inflows into ETFs, and AuM at highest level ever (Sep: Y17.8trn; market share<sup>3</sup>: 45%)
- Funds distributed through bank channels and for defined contribution pension plans reported ongoing inflows
- Outflows from some products such as foreign bond funds for discretionary investment accounts

### Investment advisory and international businesses

- In Japan, won a new mandate and booked inflows in Japan stock product from a public pension plan; Outflows from private pension plans
- Internationally, we won new large mandates in EMEA, while AEJ booked outflows from some public institutions

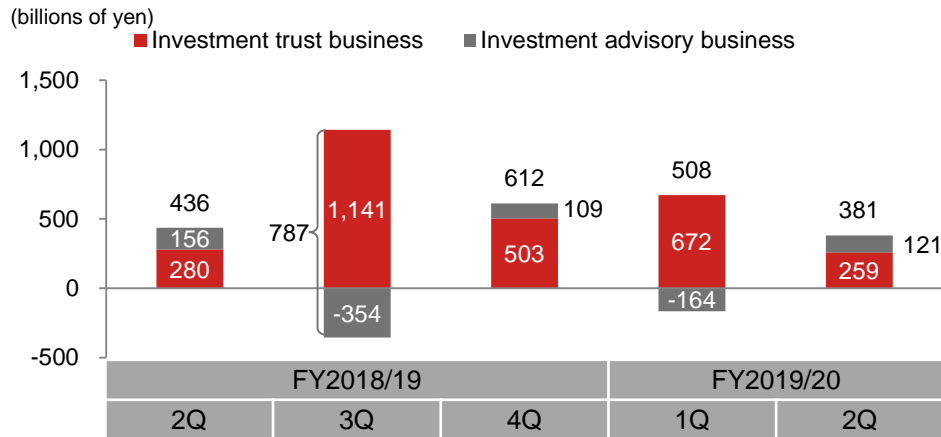
1. This table presents a reconciliation of net revenues (other than ACI-related gain/loss) and ACI-related gain/loss, which are non-GAAP measures prepared on a management accounting basis, to net revenue for the Asset Management segment. ACI-related gain/loss includes fair value adjustments of our investment in, funding cost equivalent for our investment in and dividends from ACI.

2. Net after deducting duplications from assets under management (gross) of Nomura Asset Management, Nomura Corporate Research and Asset Management, and Wealth Square.

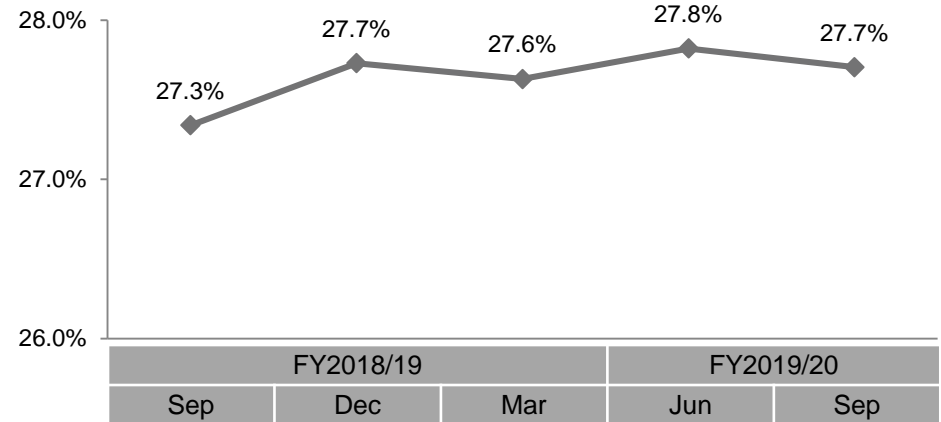
3. Source: The Investment Trusts Association, Japan.

# Asset Management: AuM continued to grow through collaboration with ACI

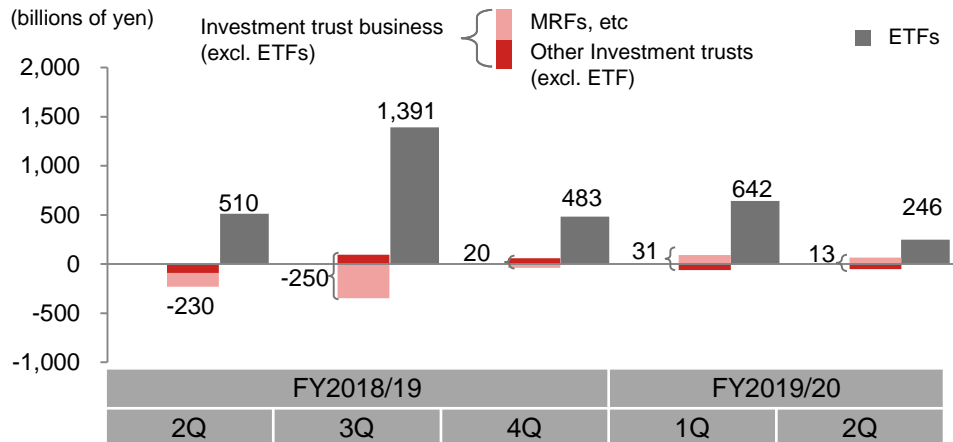
## Flow of funds<sup>1</sup>



## Nomura Asset Management public investment market share<sup>2</sup>

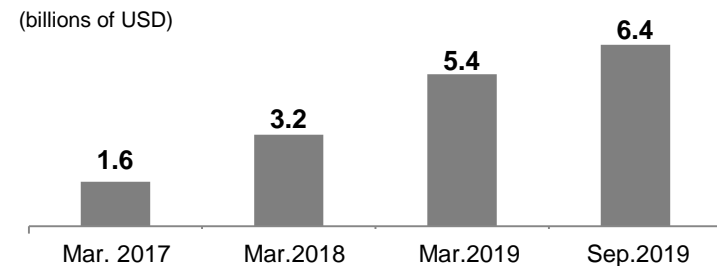


## Flow of funds in investment trust business<sup>1</sup>



## Growth in AuM through collaboration with ACI

- AuM through collaboration with ACI grown to \$6.4bn
- Integrate ACI's UCITS<sup>3</sup> funds into Nomura's UCITS platform for further strategic collaboration
- Mutual provision of products to meet increasingly diverse needs of clients



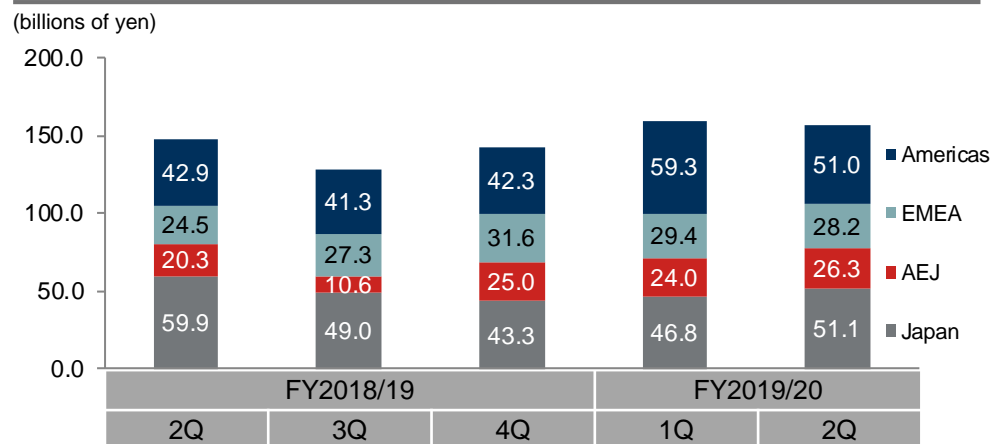
1. Based on assets under management (net).  
 2. Source: The Investment Trusts Association, Japan.  
 3. UCITS: Funds complying with UCITS (Undertakings for Collective Investment in Transferable Securities) Directive by European Commission

## Net revenue and income (loss) before income taxes<sup>1</sup>

(billions of yen)

	FY2018/19			FY19/20		QoQ	YoY
	2Q	3Q	4Q	1Q	2Q		
Global Markets	123.8	103.5	113.6	135.7	<b>132.8</b>	-2%	7%
Investment Banking	23.9	24.7	28.6	23.7	<b>23.9</b>	1%	0.1%
Net revenue	147.7	128.2	142.2	159.5	<b>156.7</b>	-2%	6%
Non-interest expenses	142.7	224.1	155.3	139.5	<b>137.8</b>	-1%	-3%
Income (loss) before income taxes	4.9	-95.9	-13.0	20.0	<b>18.9</b>	-5%	3.8x

## Net revenue by region



## Key points

- Net revenue: Y156.7bn (-2% QoQ; +6% YoY)
- Income before income taxes: Y18.9bn (-5% QoQ; 3.8x YoY)
- Continued to deliver solid revenue performance
  - Fixed Income revenues declined QoQ from strong previous quarter, while Equities revenues were driven higher by Japan and the Americas
  - DCM had a resilient quarter amid declining global fee pools in Investment Banking

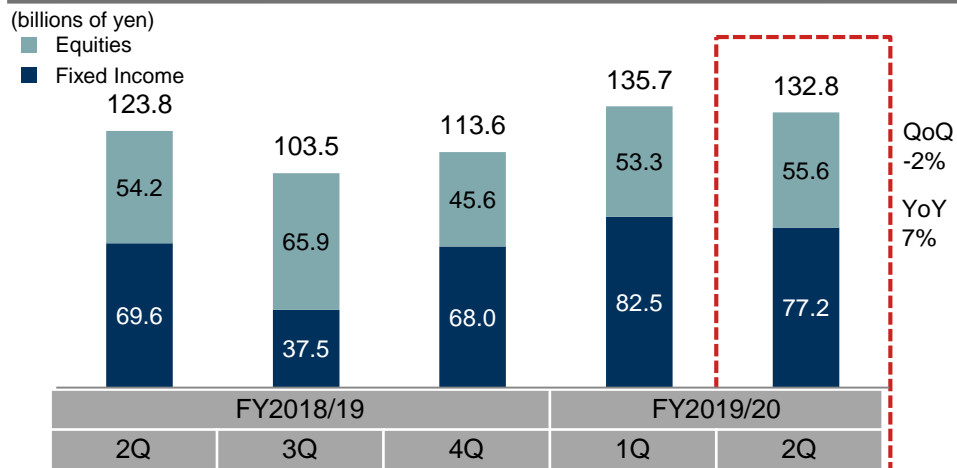
### Net revenue by region (QoQ; YoY)

- Japan: Y51.1bn (+9%; -15%)
  - Continued momentum from last quarter with both Global Markets and Investment Banking reporting stronger revenues QoQ
- Americas: Y51.0bn (-14%; +19%)
  - Revenues declined from strong previous quarter, but in Fixed Income Rates remained solid and in Equities Derivatives and cash both reported stronger revenues
- EMEA: Y28.2bn (-4%; +15%)
  - Although Fixed Income revenues declined QoQ, Rates had a good quarter driven by European government bonds
- AEJ: Y26.3bn (+10%; +30%)
  - Strongest revenues in six quarters as FX/EM drove strong results in Fixed Income

1. This table shows net revenue for Wholesale using adjusted figures for Global Markets and Investment Banking based on management accounting not applicable to US GAAP.

# Wholesale: Global Markets

## Net revenue



### Key points

- Net revenue: Y132.8bn (-2% QoQ; +7% YoY)
  - Fixed Income slowed from the strong previous quarter, while Equities revenues increased

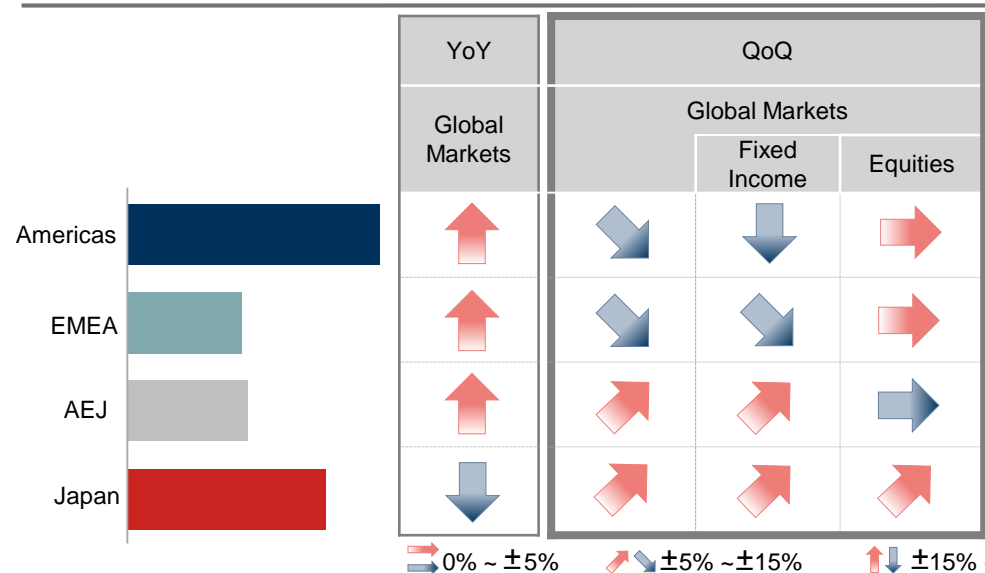
#### Fixed Income

- Net revenue: Y77.2bn (-6% QoQ; +11% YoY)
  - Despite declining QoQ, revenues from Rates continued to drive Fixed Income revenues; Captured business opportunities as US interest trended down, solid performance in Agency Mortgages, etc., stronger revenues in European government bond business
  - FX/EM booked higher revenues mainly driven by AEJ

#### Equities

- Net revenue: Y55.6bn (+4% QoQ; +3% YoY)
  - Heightened volatility amid market uncertainty led to an uptick in client activity and stronger revenues in Derivatives; Americas Cash business improved

## FY2019/20 2Q net revenue by region

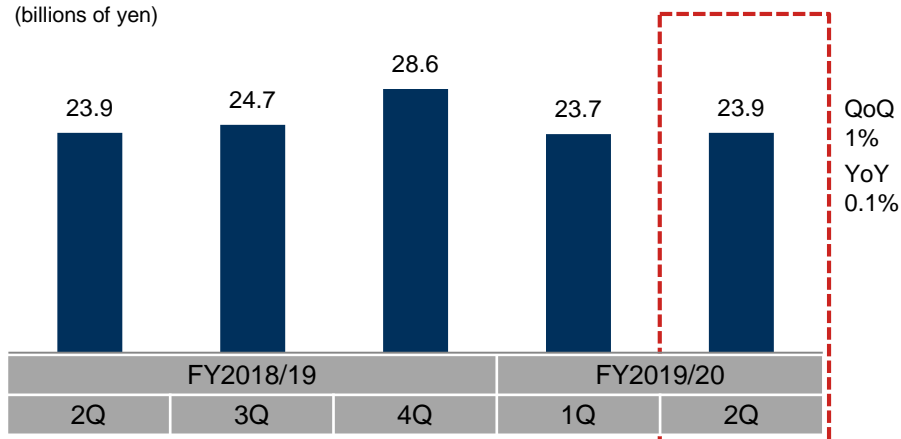


- Americas: While Fixed Income revenues declined QoQ, Rates business remained as the key revenue driver; Cash Equities improved and Derivatives booked stronger revenues
- EMEA: Although Fixed Income revenues slowed QoQ, Rates business remained solid mainly driven by European government bonds
- AEJ: Fixed income saw strong revenue growth in FX/EM while Credit remained solid
- Japan: In Fixed Income, Credit had a solid quarter and Rates and FX/EM improved; Equities reported an uptick in Derivatives revenues

# Wholesale: Investment Banking

## Net revenue

(billions of yen)



## Key points

- Net revenue: Y23.9bn (+1% QoQ; +0.1% YoY)
  - Revenues remained mostly flat QoQ despite declining global fee pools as we delivered products and services matched to client needs

### Japan

- Robust performance in DCM: Won multiple DCM mandates, successfully capturing issuer needs amidst a low interest rate environment
- M&A related Solutions business contributed to revenues
- Achieved 1<sup>st</sup> place rankings in Japan ECM, Japan DCM, and Japan-related M&A league tables<sup>1</sup>

### International

- ALF slowed QoQ in EMEA and the Americas
- Solutions business delivered stronger revenues, and M&A had a solid quarter in EMEA and the Americas

Cross-border deals

## Mandated on multiple high-profile and cross-border deals

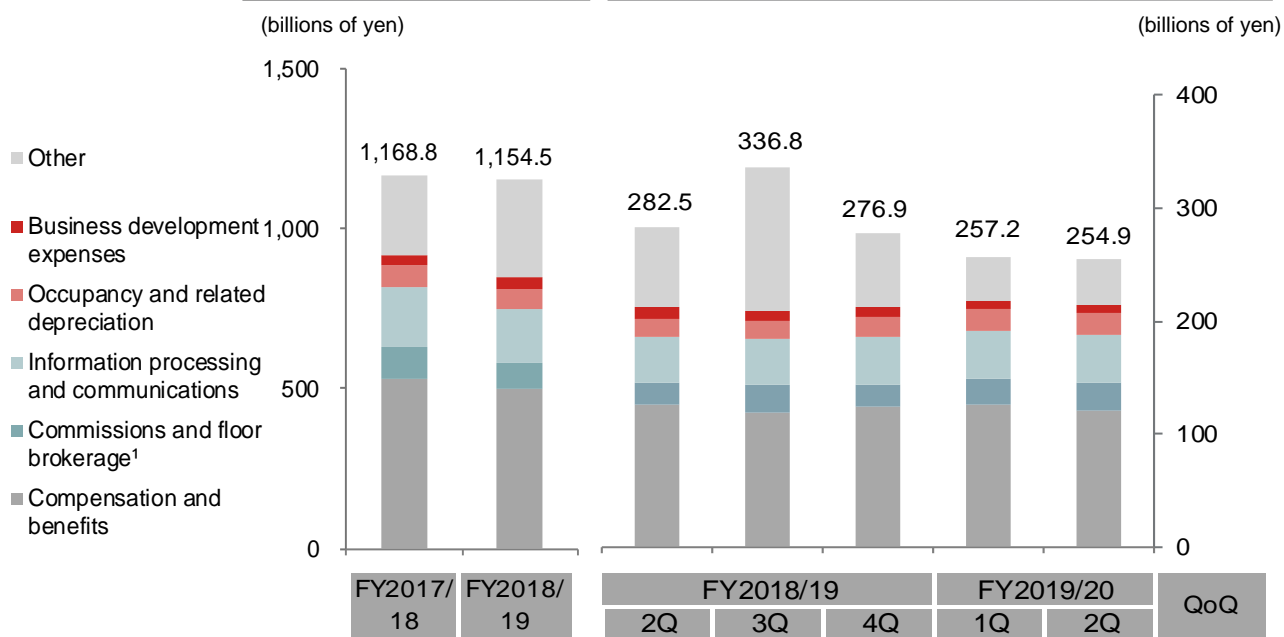
M&A	Financing (ECM/DC M/ALF)
<p>TDR Capital (UK)'s (<b>Stonegate</b>) acquisition of Ei Group (UK) (M&amp;A: £3.3bn/ALF: £2.7bn)</p> <p><b>Worldline's</b> (France) acquisition of outstanding minority stake in equensWordline (Netherlands) (M&amp;A: €1.1bn)</p> <p><b>Toyota Motor's</b> acquisition of stakes in (1) Subaru Corp and (2) Suzuki Motor Corp ((1) M&amp;A: Y70bn / (2) M&amp;A: Y96.1bn)</p> <p><b>Tikehau Capital</b> (France) and T&amp;D Holdings' business and capital alliance (Undisclosed)</p>	<p>Recruit Holdings Global PO (Y374.1bn)</p> <p>Shinsei Bank Global PO (Y63.3bn)</p> <p>Softbank Group Retail / Wholesale bond (Y400bn / Y100bn)</p> <p>Daiwa House Industry Subordinated bond (Y150bn)</p> <p>KfW (Germany) Global USD denominated bond (\$3.0bn)</p> <p>Republic of the Philippines Samurai bond (Y92bn)</p> <p>Finance for <b>Goldman Sachs'</b> (US) acquisition of MyEyeDr (US) (\$1.6bn)</p> <p>GVC Holdings (UK) Refinancing (€1.0bn)</p>

1. Source: Refinitiv, Apr.-Sep. 2019, DCM is for corporate bonds

# Non-interest expenses

## Full year

## Quarter



## Key points

- Non-interest expenses: Y254.9bn (-1% QoQ)
  - Compensation and benefits (-4% QoQ)
    - ✓ Declined as a result of cost reductions, etc.
  - Commissions and floor brokerage (+4% QoQ)
    - ✓ Increased in line with trading volumes
  - Occupancy and related depreciation (-4% QoQ)
    - ✓ Lower one-off costs related to domestic branch office integration (1Q Y2.6bn; 2Q Y1.7bn)

1. On April 1, 2018, Nomura adopted Accounting Standards Update 2014-09 "Revenue from Contracts with Customers" and revenues and expenses related to certain Execution Services transactions are now shown as net value rather than gross value

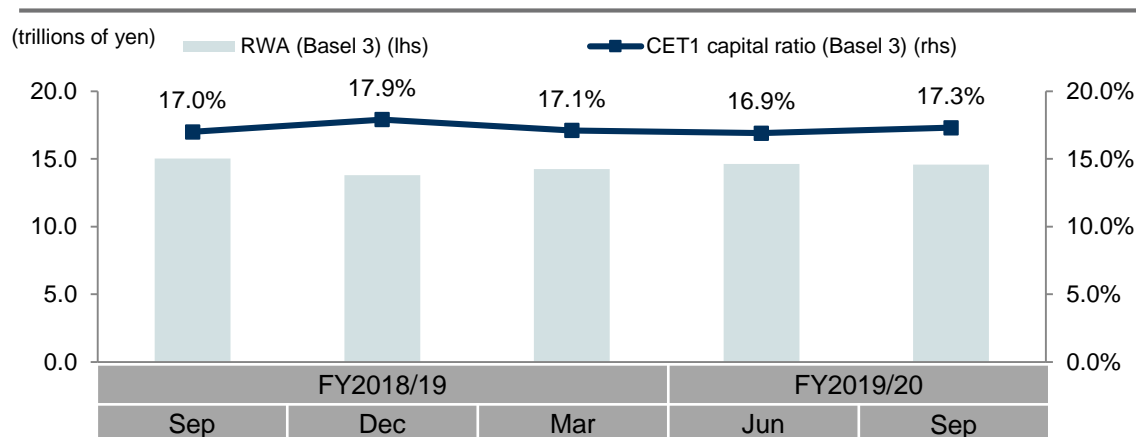
# Robust financial position

## Balance sheet related indicators and capital ratios

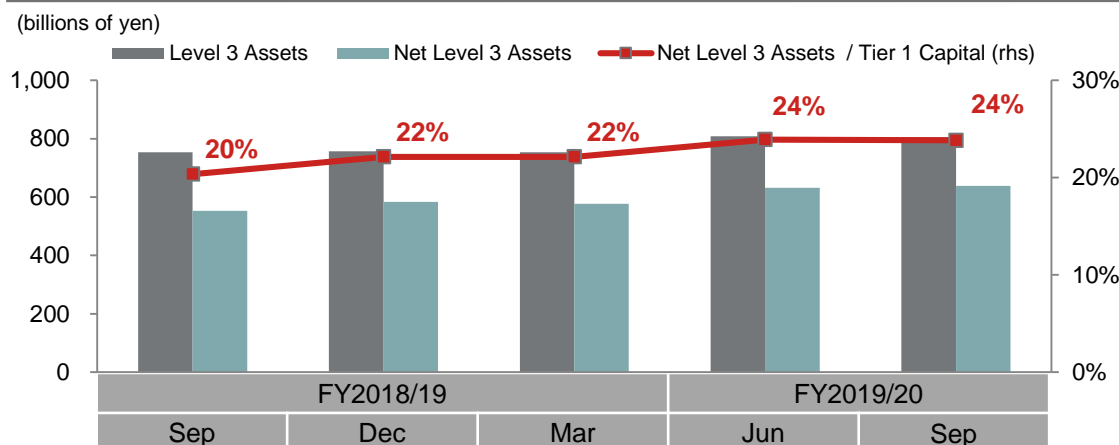
	Mar 2019	Jun 2019	Sep 2019
Total assets	Y41.0trn	Y42.5trn	Y45.7trn
Shareholders' equity	Y2.6trn	Y2.7trn	Y2.7trn
Gross leverage	15.6x	16.0x	16.9x
Net leverage <sup>1</sup>	9.0x	10.0x	10.1x
Level 3 assets <sup>2</sup> (net)	Y0.6trn	Y0.6trn	Y0.6trn
Liquidity portfolio	Y4.9trn	Y4.8trn	Y4.5trn

(billions of yen)	Mar 2019	Jun 2019	Sep 2019 <sup>2</sup>
Basel 3 basis			
Tier 1 capital	2,606	2,644	2,689
Tier 2 capital	46	46	46
Total capital	2,652	2,690	2,735
RWA	14,252	14,626	14,575
Tier 1 capital ratio	18.2%	18.0%	18.4%
CET 1 capital ratio <sup>3</sup>	17.1%	16.9%	17.3%
Consolidated capital adequacy ratio	18.6%	18.3%	18.7%
Consolidated leverage ratio <sup>4</sup>	5.03%	5.06%	4.92%
HQLA <sup>5</sup>	Y4.3trn	Y4.2trn	Y4.0trn
LCR <sup>5</sup>	198.4%	188.4%	194.4%

## RWA and CET 1 capital ratio<sup>3</sup>



## Level 3 assets<sup>2</sup> and Net Level 3 assets/Tier 1 capital



1. Net leverage: Total assets minus securities purchased under agreements to resell and securities borrowed, divided by Nomura Holdings shareholders' equity.  
 2. September 2019 is preliminary.  
 3. CET 1 capital ratio is defined as Tier 1 capital minus Additional Tier 1 capital divided by risk-weighted assets.  
 4. Tier 1 capital divided by exposure (sum of on-balance sheet exposures and off-balance sheet items).  
 5. Daily average for each quarter.

# Funding and liquidity

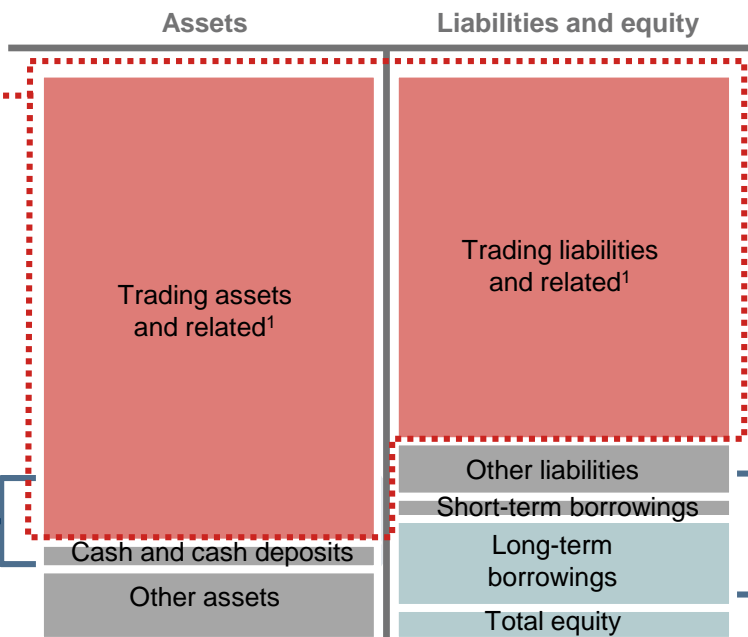
**Balance sheet  
(As of September 2019)**

## Balance sheet structure

- Highly liquid, healthy balance sheet structure
  - 78% of assets are highly liquid trading and related assets that are marked-to-market and matched to trading and related liabilities through repos etc. (regionally and by currency)
  - Other assets are funded by equity and long-term debt, ensuring structural stability

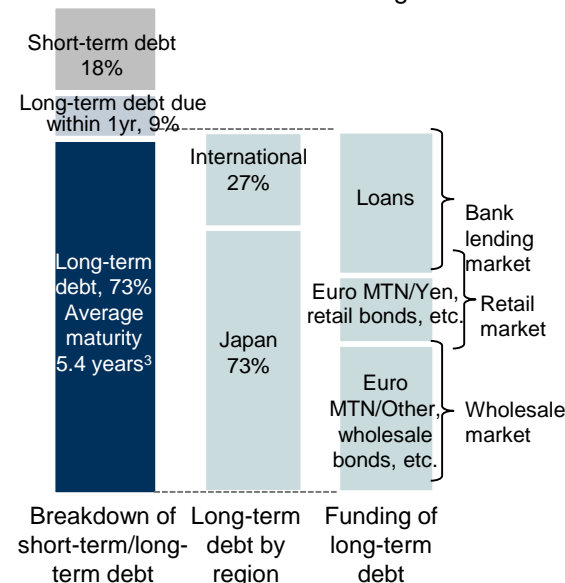
## Liquidity portfolio<sup>2</sup>

- Liquidity portfolio:
  - Y4.5trn, or 10% of total assets
  - Maintain a high quality liquidity portfolio surplus without the need for additional unsecured funding over a certain period



## Unsecured funding<sup>2</sup>

- Slightly more than 70% of unsecured funding is long-term debt
- Diversified sources of funding



1. Trading assets and related: Reverse repo, securities, derivatives, etc. Trading liabilities and related: Repo, securities loaned, derivatives, etc.  
 2. Definition differs from financial disclosures reflecting Liquidity Management's view. Cash and cash deposits portion of liquidity portfolio excludes funds on deposit at exchanges and segregated client funds.  
 3. Excludes long-term debt due within one year. Redemption schedule is individually estimated by considering the probability of redemption under certain stressed scenarios.



## **Financial Supplement**

# Consolidated balance sheet

## Consolidated balance sheet

(billions of yen)	Mar 31, 2019	Sep 30, 2019	Increase (Decrease)		Mar 31, 2019	Sep 30, 2019	Increase (Decrease)
<b>Assets</b>				<b>Liabilities</b>			
Total cash and cash deposits	3,262	<b>3,380</b>	118	Short-term borrowings	842	<b>950</b>	108
Total loans and receivables	3,882	<b>4,155</b>	273	Total payables and deposits	3,768	<b>3,757</b>	-11
Total collateralized agreements	17,307	<b>18,238</b>	931	Total collateralized financing	16,684	<b>20,483</b>	3,799
Total trading assets <sup>1</sup> and private equity investments	14,386	<b>17,608</b>	3,222	Trading liabilities□	8,220	<b>8,768</b>	548
Total other assets	2,133	<b>2,296</b>	163	Other liabilities	859	<b>1,016</b>	157
<b>Total assets</b>	<b>40,969</b>	<b>45,677</b>	<b>4,708</b>	Long-term borrowings	7,916	<b>7,915</b>	-1
				Total liabilities	38,289	<b>42,889</b>	4,600
				<b>Equity</b>			
				Total NHI shareholders' equity	2,631	<b>2,708</b>	77
				Noncontrolling interest	50	<b>80</b>	31
				<b>Total liabilities and equity</b>	<b>40,969</b>	<b>45,677</b>	<b>4,708</b>

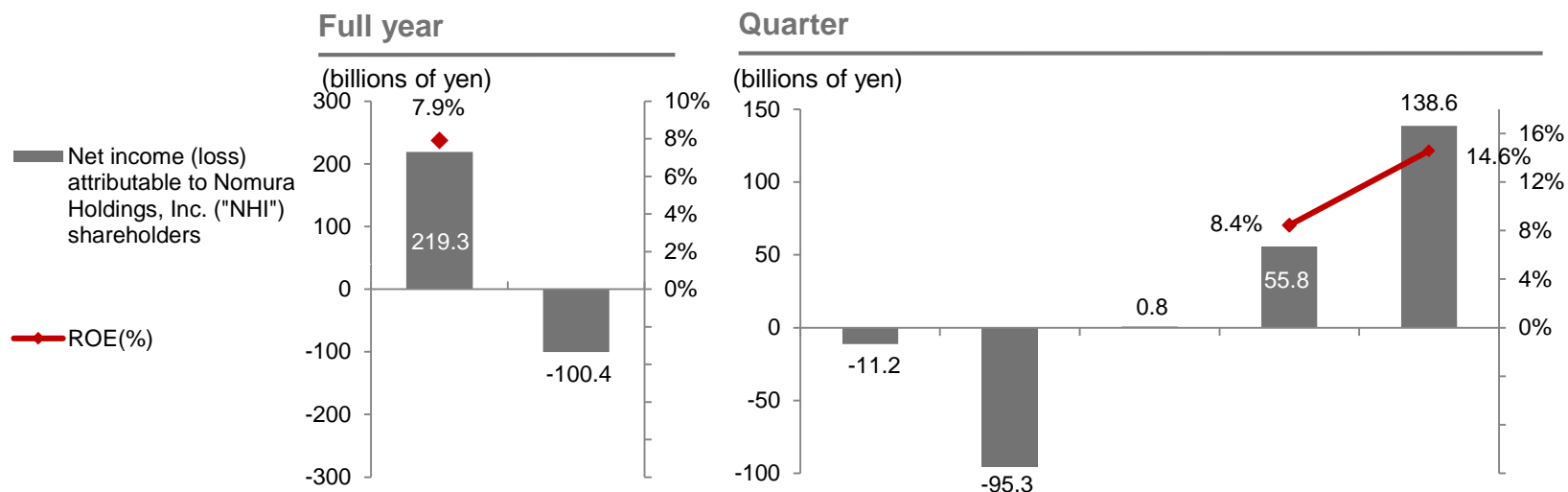
1. Including securities pledged as collateral.

# Value at risk

- Definition
  - 99% confidence level
  - 1-day time horizon for outstanding portfolio
  - Inter-product price fluctuations considered
- From April 1, 2019, to September 30, 2019 (billions of yen)
  - Maximum: 6.9
  - Minimum: 3.6
  - Average: 5.0

(billions of yen)	FY2017/18	FY2018/19	FY2018/19			FY2019/20	
	Mar	Mar	Sep	Dec	Mar	Jun	Sep
Equity	1.2	1.1	2.1	1.1	1.1	1.2	<b>1.8</b>
Interest rate	3.1	2.8	2.9	3.5	2.8	3.1	<b>4.0</b>
Foreign exchange	3.2	1.9	2.2	1.7	1.9	3.2	<b>3.2</b>
Sub-total	7.5	5.8	7.2	6.3	5.8	7.5	<b>8.9</b>
Diversification benefit	-1.1	-1.3	-2.7	-1.4	-1.3	-1.5	<b>-4.3</b>
<b>VaR</b>	6.4	4.5	4.5	4.9	4.5	6.0	<b>4.6</b>

# Consolidated financial highlights



	FY2017/18	FY2018/19
Net revenue	1,497.0	1,116.8
Income (loss) before income taxes	328.2	-37.7
Net income (loss) attributable to Nomura Holdings, Inc. ("NHI") shareholders	219.3	-100.4
Total NHI shareholders' equity	2,749.3	2,631.1
ROE (%) <sup>1</sup>	7.9%	-
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
Total NHI shareholders' equity per share (yen)	810.31	794.69

	FY2018/19			FY2019/20	
	2Q	3Q	4Q	1Q	2Q
Net revenue	282.9	260.6	301.3	332.0	<b>383.4</b>
Income (loss) before income taxes	0.5	-76.2	24.4	74.8	<b>128.5</b>
Net income (loss) attributable to NHI shareholders	-11.2	-95.3	0.8	55.8	<b>138.6</b>
Total NHI shareholders' equity	2,800.8	2,662.9	2,631.1	2,662.7	<b>2,707.9</b>
ROE (%)	-	-	-	8.4%	<b>14.6%</b>
Basic-Net income (loss) attributable to NHI shareholders per share (yen)	-3.31	-28.52	0.25	16.83	<b>42.11</b>
Diluted-Net income (loss) attributable to NHI shareholders per share (yen)	-3.32	-28.52	0.23	16.48	<b>41.23</b>
Total NHI shareholders' equity per share (yen)	828.02	805.07	794.69	800.87	<b>837.87</b>

1. Quarterly ROE is calculated using annualized year-to-date net income.

# Consolidated income

(billions of yen)	Full year		Quarter				
	FY2017/18	FY2018/19	FY2018/19			FY2019/20	
			2Q	3Q	4Q	1Q	2Q
Revenue							
Commissions <sup>1</sup>	373.3	293.1	74.8	72.7	66.1	68.2	<b>65.3</b>
Fees from investment banking	101.7	101.5	19.1	33.1	25.3	27.3	<b>22.3</b>
Asset management and portfolio service fees	245.6	245.5	62.7	60.6	59.2	60.0	<b>59.9</b>
Net gain on trading	442.9	343.0	75.8	96.9	98.4	112.8	<b>105.6</b>
Gain (loss) on private equity investments	-0.9	1.0	0.3	0.5	-0.3	0.8	<b>1.0</b>
Interest and dividends	585.7	777.0	188.7	214.5	204.1	199.5	<b>215.9</b>
Gain (loss) on investments in equity securities	2.7	-7.0	-1.1	-9.9	1.9	-2.8	<b>2.1</b>
Other	221.2	81.1	28.1	-11.1	43.7	45.7	<b>101.9</b>
<b>Total revenue</b>	<b>1,972.2</b>	<b>1,835.1</b>	<b>448.4</b>	<b>457.4</b>	<b>498.4</b>	<b>511.4</b>	<b>573.9</b>
Interest expense	475.2	718.3	165.5	196.8	197.1	179.4	<b>190.5</b>
Net revenue	1,497.0	1,116.8	282.9	260.6	301.3	332.0	<b>383.4</b>
Non-interest expenses <sup>1</sup>	1,168.8	1,154.5	282.5	336.8	276.9	257.2	<b>254.9</b>
Income (loss) before income taxes	328.2	-37.7	0.5	-76.2	24.4	74.8	<b>128.5</b>
Net income (loss) attributable to NHI shareholders	219.3	-100.4	-11.2	-95.3	0.8	55.8	<b>138.6</b>

1. On April 1, 2018, Nomura adopted Accounting Standards Update 2014-09 "Revenue from Contracts with Customers" and revenues and expenses related to certain Execution Services transactions are now shown as net value rather than gross value.

## Main revenue items

(billions of yen)	Full year		Quarter					
	FY2017/18	FY2018/19	FY2018/19			FY2019/20		
			2Q	3Q	4Q	1Q	2Q	
Commissions	Stock brokerage commissions <sup>1</sup>	243.8	192.0	47.4	50.5	43.9	42.6	<b>42.5</b>
	Other brokerage commissions	17.0	14.4	3.4	4.3	2.5	2.7	<b>2.8</b>
	Commissions for distribution of investment trusts	85.7	56.6	15.6	11.5	11.7	16.4	<b>12.6</b>
	Other	26.9	30.0	8.4	6.4	8.0	6.4	<b>7.4</b>
	<b>Total</b>	<b>373.3</b>	<b>293.1</b>	<b>74.8</b>	<b>72.7</b>	<b>66.1</b>	<b>68.2</b>	<b>65.3</b>
Fees from investment banking	Equity underwriting and distribution	23.2	30.0	5.9	14.7	3.6	3.1	<b>4.9</b>
	Bond underwriting and distribution	16.3	22.7	4.6	6.6	5.3	6.8	<b>6.6</b>
	M&A / Financial advisory fees	39.3	33.2	5.6	7.3	13.0	10.6	<b>7.1</b>
	Other	22.9	15.5	3.0	4.5	3.4	6.9	<b>3.8</b>
	<b>Total</b>	<b>101.7</b>	<b>101.5</b>	<b>19.1</b>	<b>33.1</b>	<b>25.3</b>	<b>27.3</b>	<b>22.3</b>
Asset management and portfolio service fees	Asset management fees	170.4	168.7	43.4	41.5	40.2	40.3	<b>40.0</b>
	Administration fees	57.9	61.0	15.3	15.2	15.2	15.7	<b>16.0</b>
	Custodial fees	17.3	15.8	4.0	3.9	3.9	4.0	<b>4.0</b>
	<b>Total</b>	<b>245.6</b>	<b>245.5</b>	<b>62.7</b>	<b>60.6</b>	<b>59.2</b>	<b>60.0</b>	<b>59.9</b>

1. On April 1, 2018, Nomura adopted Accounting Standards Update 2014-09 "Revenue from Contracts with Customers" and revenues and expenses related to certain Execution Services transactions are now shown as net value rather than gross value.

# Consolidated results: Income (loss) before income taxes by segment and region

## Adjustment of consolidated results and segment results: Income (loss) before income taxes

(billions of yen)	Full year		Quarter				
	FY2017/18	FY2018/19	FY2018/19			FY2019/20	
			2Q	3Q	4Q	1Q	2Q
Retail	103.1	49.5	12.2	14.0	3.3	8.1	<b>5.3</b>
Asset Management <sup>1</sup>	66.2	34.2	8.9	0.6	14.4	18.1	<b>10.0</b>
Wholesale	100.6	-111.4	4.9	-95.9	-13.0	20.0	<b>18.9</b>
Three business segments total	269.9	-27.7	26.0	-81.3	4.7	46.3	<b>34.2</b>
Other <sup>1</sup>	56.4	-2.8	-24.5	15.1	17.8	31.5	<b>93.4</b>
Segments total	326.3	-30.5	1.6	-66.2	22.5	77.7	<b>127.7</b>
Unrealized gain (loss) on investments in equity securities held for operating purposes	1.9	-7.2	-1.1	-10.0	1.8	-2.9	<b>0.8</b>
Income (loss) before income taxes	328.2	-37.7	0.5	-76.2	24.4	74.8	<b>128.5</b>

## Geographic information: Income (loss) before income taxes<sup>2</sup>

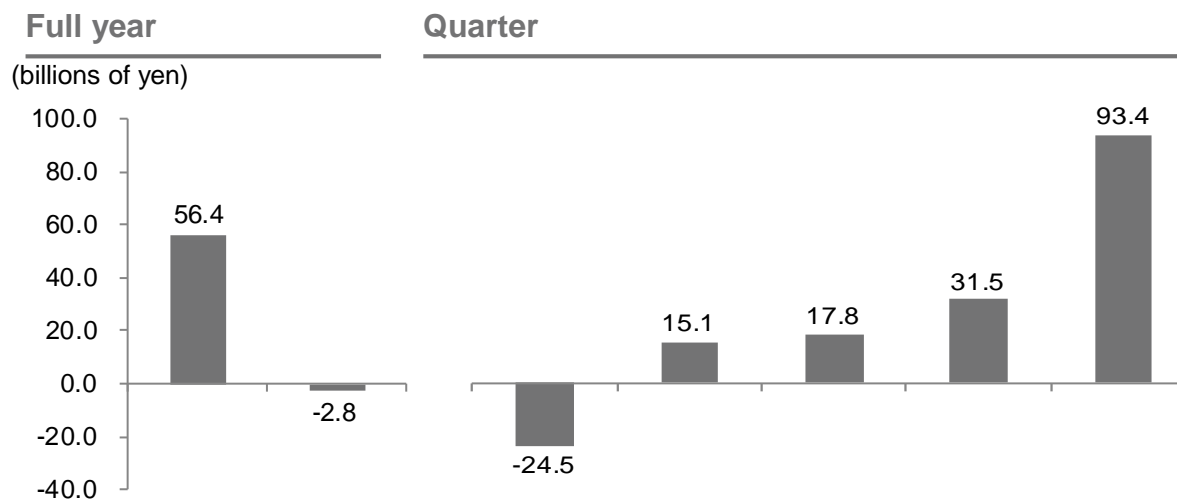
(billions of yen)	Full year		Quarter				
	FY2017/18	FY2018/19	FY2018/19			FY2019/20	
			2Q	3Q	4Q	1Q	2Q
Americas	-8.8	-114.1	-21.6	-87.1	-3.7	14.3	<b>1.1</b>
Europe	-14.7	-56.9	-11.6	-14.5	-25.5	4.5	<b>-1.5</b>
Asia and Oceania	22.8	5.0	1.0	-3.9	8.7	11.6	<b>10.5</b>
Subtotal	-0.7	-165.9	-32.2	-105.5	-20.5	30.4	<b>10.2</b>
Japan	328.8	128.2	32.6	29.4	44.9	44.4	<b>118.3</b>
Income (loss) before income taxes	328.2	-37.7	0.5	-76.2	24.4	74.8	<b>128.5</b>

1. From FY2018/19 1Q, Nomura Funds Research and Technologies has been moved from Asset Management to segment Other.

2. Geographic information is based on U.S. GAAP. (Figures are preliminary for the three months ended September 30, 2019). Nomura's revenues and expenses are allocated based on the country of domicile of the legal entity providing the service. This information is not used for business management purposes.

# Segment “Other”

## Income (loss) before income taxes



	Full year		Quarter			Quarter	
	FY2017/18	FY2018/19	FY2018/19	FY2018/19	FY2018/19	FY2019/20	FY2019/20
			2Q	3Q	4Q	1Q	2Q
Net gain (loss) related to economic hedging transactions	-6.5	1.8	-16.0	25.1	6.6	12.8	<b>7.0</b>
Realized gain (loss) on investments in equity securities held for operating purposes	0.8	0.2	0.0	0.1	0.1	0.1	<b>1.3</b>
Equity in earnings of affiliates	34.2	32.5	8.5	1.4	15.9	8.3	<b>8.0</b>
Corporate items	-41.9	-36.0	-23.7	0.6	-10.4	1.4	<b>-4.6</b>
Others	69.7	-1.3	6.7	-12.2	5.7	8.9	<b>81.8</b>
<b>Income (loss) before income taxes</b>	<b>56.4</b>	<b>-2.8</b>	<b>-24.5</b>	<b>15.1</b>	<b>17.8</b>	<b>31.5</b>	<b>93.4</b>



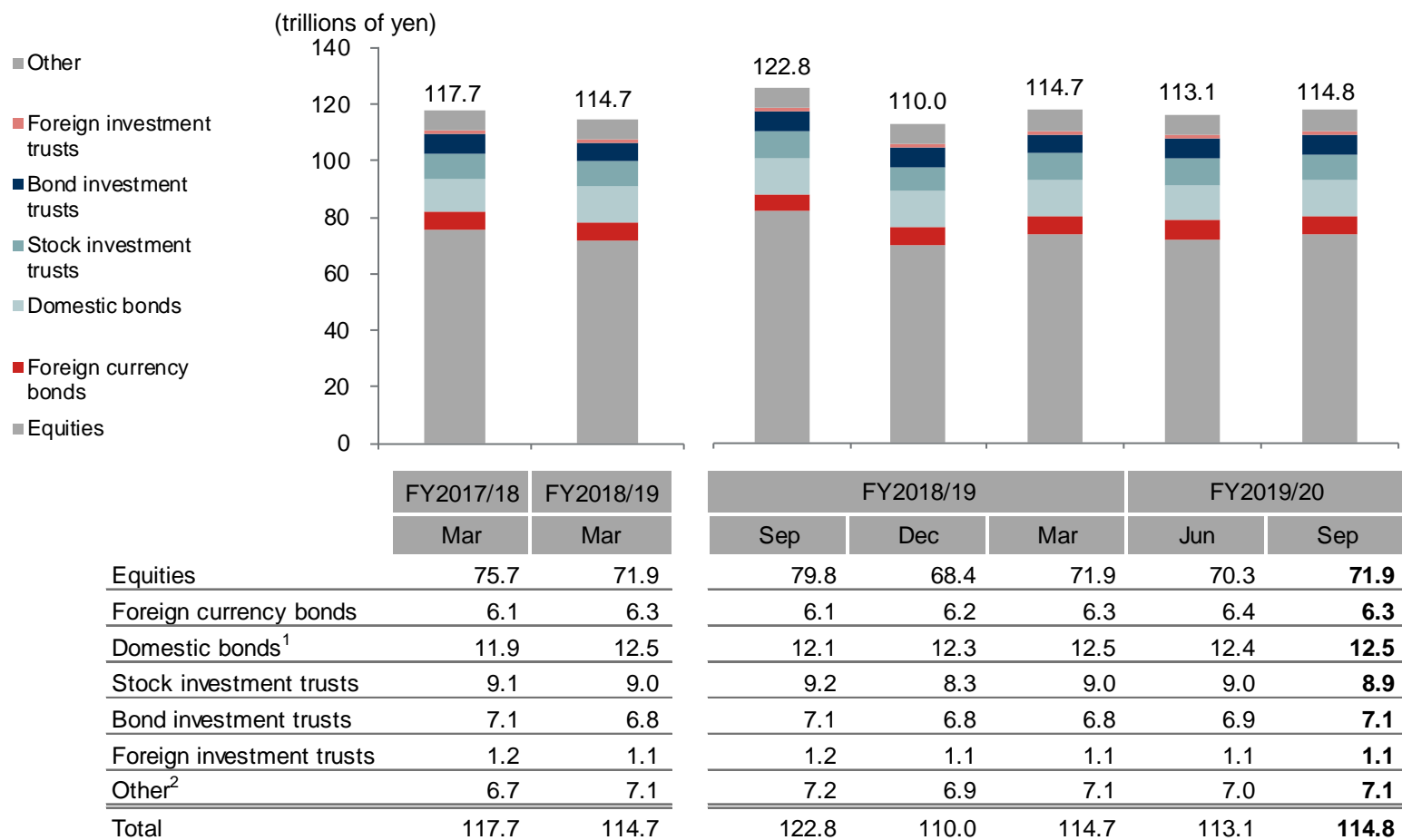
# Retail related data (1)

(billions of yen)	Full year		Quarter					QoQ	YoY
	FY2017/18	FY2018/19	FY2018/19			FY2019/20			
			2Q	3Q	4Q	1Q	2Q		
Commissions	192.7	142.8	36.8	34.1	31.0	34.5	<b>31.2</b>	<b>-9.6%</b>	<b>-15.4%</b>
Of which, stock brokerage commission	82.2	60.2	15.3	15.8	12.2	12.5	<b>12.6</b>	<b>1.0%</b>	<b>-17.5%</b>
Of which, commissions for distribution of investment trusts	87.1	57.9	15.6	11.7	12.1	16.5	<b>12.6</b>	<b>-23.6%</b>	<b>-19.3%</b>
Sales credit	91.5	55.8	15.5	10.9	10.5	14.9	<b>12.7</b>	<b>-15.0%</b>	<b>-18.1%</b>
Fees from investment banking and other	26.0	34.0	7.0	14.3	6.7	5.6	<b>6.0</b>	<b>7.1%</b>	<b>-14.3%</b>
Investment trust administration fees and other	93.6	95.4	24.0	23.6	23.4	23.4	<b>23.4</b>	<b>-0.2%</b>	<b>-2.6%</b>
Net interest revenue	9.2	11.5	2.4	3.8	2.6	2.3	<b>3.7</b>	<b>61.9%</b>	<b>52.8%</b>
Net revenue	412.9	339.5	85.7	86.8	74.2	80.6	<b>76.9</b>	<b>-4.7%</b>	<b>-10.3%</b>
Non-interest expenses	309.8	290.0	73.5	72.7	70.9	72.5	<b>71.6</b>	<b>-1.2%</b>	<b>-2.5%</b>
Income before income taxes	103.1	49.5	12.2	14.0	3.3	8.1	<b>5.3</b>	<b>-35.2%</b>	<b>-56.9%</b>
Domestic distribution volume of investment trusts <sup>1</sup>	3,610.5	2,423.7	648.8	527.5	499.8	741.5	<b>566.7</b>	<b>-23.6%</b>	<b>-12.7%</b>
Bond investment trusts	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>	-	-
Stock investment trusts	3,198.6	2,130.8	583.6	451.7	426.4	618.8	<b>493.5</b>	<b>-20.3%</b>	<b>-15.4%</b>
Foreign investment trusts	411.9	292.9	65.2	75.8	73.4	122.7	<b>73.2</b>	<b>-40.4%</b>	<b>12.2%</b>
Other									
Accumulated value of annuity insurance policies	3,094.5	3,260.7	3,178.2	3,225.1	3,260.7	3,308.7	<b>3,356.7</b>	<b>1.4%</b>	<b>5.6%</b>
Sales of JGBs for individual investors (transaction base)	628.1	1,022.8	206.5	237.6	266.6	296.7	<b>236.4</b>	<b>-20.3%</b>	<b>14.5%</b>
Retail foreign currency bond sales	1,249.9	848.9	211.0	193.1	210.1	222.0	<b>195.4</b>	<b>-12.0%</b>	<b>-7.4%</b>

1. Excluding former Net & Call. Former Net & Call included from FY2017/18 4Q.

## Retail related data (2)

### Retail client assets



1. Including CBs and warrants.

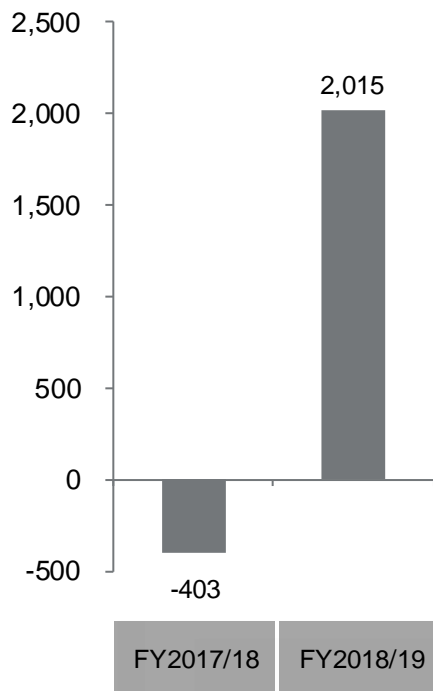
2. Including annuity insurance.

## Retail related data (3)

### Net inflows of cash and securities<sup>1</sup>

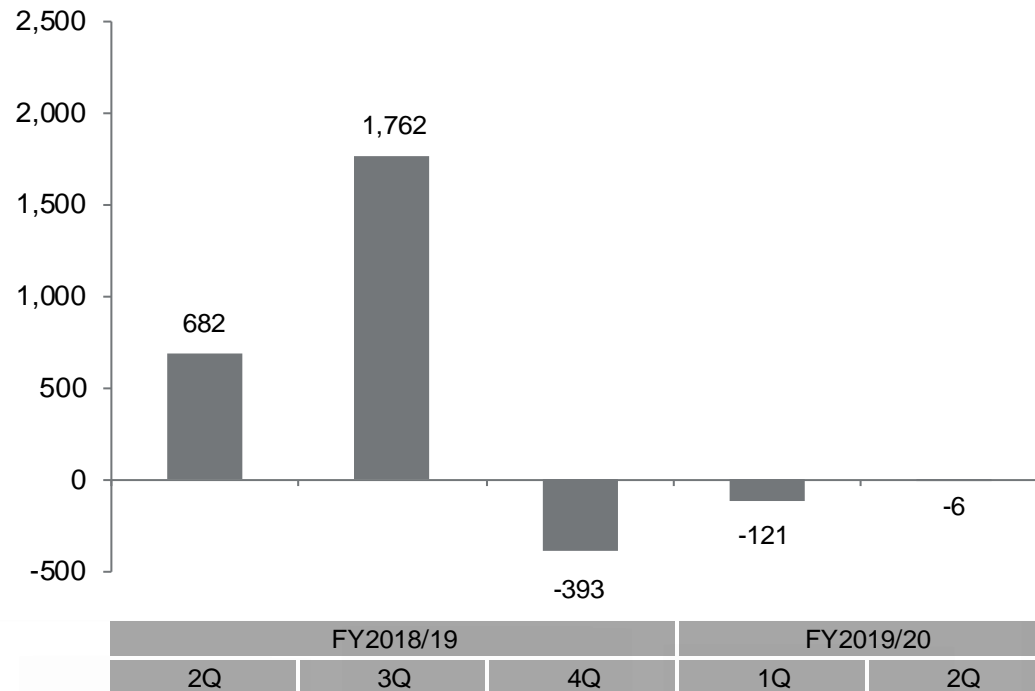
#### Full year

(billions of yen)



#### Quarter

(billions of yen)



1. Cash and securities inflows minus outflows, excluding regional financial institutions.

## Retail related data (4)

### Number of accounts

(thousands)	FY2017/18	FY2018/19	FY2018/19			FY2019/20	
	Mar	Mar	Sep	Dec	Mar	Jun	Sep
Accounts with balance	5,318	5,338	5,318	5,354	5,338	5,335	<b>5,326</b>
Equity holding accounts	2,822	2,908	2,829	2,905	2,908	2,914	<b>2,913</b>
Online service accounts <sup>1</sup>	4,387	4,569	4,470	4,526	4,569	4,601	<b>4,632</b>

### New Individual accounts / IT share<sup>2</sup>

(thousands)	Full year		Quarter				
	FY2017/18	FY2018/19	FY2018/19			FY2019/20	
			2Q	3Q	4Q	1Q	2Q
New individual accounts	231	257	65	73	60	49	<b>48</b>
IT share <sup>2</sup>							
No. of orders	67%	78%	78%	77%	80%	79%	<b>79%</b>
Transaction value	43%	53%	54%	53%	53%	53%	<b>53%</b>

1. Net & Call and Home Trade were merged in January 2018 to form Online Services which started providing new services.

2. Ratio of cash stocks traded via former Home trade. From FY2017/18 4Q, ratio of cash stocks traded via Online Services.

## Asset Management related data (1)

(billions of yen)	Full year <sup>1</sup>		Quarter <sup>1</sup>					QoQ	YoY
	FY2017/18	FY2018/19	FY2018/19			FY2019/20			
			2Q	3Q	4Q	1Q	2Q		
Revenue (excl. ACI-related gain/loss)	105.3	102.9	26.1	24.5	26.0	25.8	<b>25.0</b>	<b>-3.2%</b>	<b>-4.3%</b>
ACI-related gain/loss	22.1	-5.0	-1.5	-8.3	4.9	8.7	<b>0.7</b>	<b>-92.3%</b>	-
Net revenue	127.3	97.8	24.7	16.2	30.9	34.5	<b>25.7</b>	<b>-25.6%</b>	<b>4.0%</b>
Non-interest expenses	61.2	63.7	15.8	15.6	16.5	16.4	<b>15.6</b>	<b>-4.5%</b>	<b>-0.9%</b>
Income before income taxes	66.2	34.2	8.9	0.6	14.4	18.1	<b>10.0</b>	<b>-44.6%</b>	<b>12.7%</b>

### Assets under management by company

(trillions of yen)	FY2017/18	FY2018/19	FY2018/19			FY2019/20	
	Mar	Mar	Sep	Dec	Mar	Jun	Sep
	Nomura Asset Management	52.4	53.4	55.1	50.2	53.4	53.4
Nomura Funds Research and Technologies	2.8	-	-	-	-	-	-
Nomura Corporate Research and Asset Management	2.7	3.0	2.9	2.6	3.0	3.0	<b>3.0</b>
Assets under management (gross) <sup>2</sup>	57.8	56.4	58.0	52.9	56.4	56.4	<b>57.2</b>
Group company overlap	7.8	5.0	5.2	4.5	5.0	4.8	<b>4.7</b>
Assets under management (net) <sup>3</sup>	50.0	51.4	52.8	48.3	51.4	51.6	<b>52.4</b>

1. This table presents a reconciliation of net revenues (other than ACI-related revenue) and ACI-related revenue, which are non-GAAP measures prepared on a management accounting basis, to net revenue for the Asset Management segment. ACI-related revenue includes fair value adjustments of our investment in, funding cost equivalent for our investment in and dividends from ACI. Figures from FY2018/19 1Q onwards do not include Nomura Fund Research and Technologies.
2. Total assets under management for Nomura Asset Management, Nomura Funds Research and Technologies, Nomura Corporate Research and Asset Management, and Wealth Square. Figures from June 2018 do not include Nomura Fund Research and Technologies.
3. Net after deducting duplications from assets under management (gross).

## Asset Management related data (2)

### Asset inflows/outflows by business<sup>1</sup>

(billions of yen)	Full year		Quarter				
	FY2017/18	FY2018/19	FY2018/19			FY2019/20	
			2Q	3Q	4Q	1Q	2Q
Investment trusts business	3,131	2,187	280	1,141	503	672	<b>259</b>
of which ETFs	3,022	2,531	510	1,391	483	642	<b>246</b>
Investment advisory business	203	20	156	-354	109	-164	<b>121</b>
Total net asset inflow	3,334	2,207	436	787	612	508	<b>381</b>

### Domestic public investment trust market and Nomura Asset Management market share<sup>2</sup>

(trillions of yen)	FY2017/18	FY2018/19	FY2018/19			FY2019/20	
	Mar	Mar	Sep	Dec	Mar	Jun	Sep
Domestic public stock investment trusts							
Market	96.9	101.5	103.8	93.6	101.5	101.9	<b>104.3</b>
Nomura Asset Management share (%)	25%	26%	25%	26%	26%	26%	<b>26%</b>
Domestic public bond investment trusts							
Market	12.3	11.6	12.5	11.6	11.6	11.7	<b>11.9</b>
Nomura Asset Management share (%)	44%	45%	44%	45%	45%	44%	<b>44%</b>
ETF							
Market	32.5	37.4	37.4	33.6	37.4	38.2	<b>39.9</b>
Nomura Asset Management share (%)	46%	45%	45%	45%	45%	45%	<b>45%</b>

1. Based on assets under management (net).  
 2. Source: Investment Trusts Association, Japan.

## Wholesale related data

(billions of yen)	Full year		Quarter						QoQ	YoY
	FY2017/18	FY2018/19	FY2018/19			FY2019/20				
			2Q	3Q	4Q	1Q	2Q			
Net revenue	715.3	555.4	147.7	128.2	142.2	159.5	<b>156.7</b>	-1.7%	6.1%	
Non-interest expenses	614.7	666.8	142.7	224.1	155.3	139.5	<b>137.8</b>	-1.2%	-3.5%	
Income (loss) before income taxes	100.6	-111.4	4.9	-95.9	-13.0	20.0	<b>18.9</b>	-5.4%	3.8 x	

### Breakdown of Wholesale revenues<sup>1</sup>

(billions of yen)	Full year		Quarter						QoQ	YoY
	FY2017/18	FY2018/19	FY2018/19			FY2019/20				
			2Q	3Q	4Q	1Q	2Q			
Fixed Income	341.6	232.8	69.6	37.5	68.0	82.5	<b>77.2</b>	-6.4%	11.0%	
Equities	261.6	220.2	54.2	65.9	45.6	53.3	<b>55.6</b>	4.4%	2.5%	
Global Markets	603.2	453.0	123.8	103.5	113.6	135.7	<b>132.8</b>	-2.2%	7.3%	
Investment Banking	112.1	102.3	23.9	24.7	28.6	23.7	<b>23.9</b>	0.6%	0.1%	
Net revenue	715.3	555.4	147.7	128.2	142.2	159.5	<b>156.7</b>	-1.7%	6.1%	

1. FY2016/17 and FY2017/18 figures for Fixed Income, Equities and Investment Banking have been restated based on a reorganization in April 2018.

2. This table presents a reconciliation of the Global Markets and Investment Banking financial data, which are non-GAAP measures prepared on a management accounting basis, to net revenue for the Wholesale segment.

## Number of employees

	FY2017/18	FY2018/19	FY2018/19			FY2019/20	
	Mar	Mar	Sep	Dec	Mar	Jun	Sep
Japan	15,819	15,852	16,296	16,138	15,852	16,423	<b>16,119</b>
Europe	3,057	2,909	3,020	2,963	2,909	2,775	<b>2,734</b>
Americas	2,362	2,357	2,390	2,384	2,357	2,230	<b>2,167</b>
Asia and Oceania <sup>1</sup>	6,810	6,746	6,843	6,796	6,746	6,684	<b>6,610</b>
<b>Total</b>	<b>28,048</b>	<b>27,864</b>	<b>28,549</b>	<b>28,281</b>	<b>27,864</b>	<b>28,112</b>	<b>27,630</b>

1. Includes Powai office in India.



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