

# Consolidated Results of Operations

## **Third quarter, year ending March 2017**

(US GAAP)

Nomura Holdings, Inc.

January 2017

## Presentation

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# Executive summary

## Highlights

### FY2016/17 1Q – 3Q

- **Income before income taxes: Y240.5bn (+35% YoY); Net income<sup>1</sup>: Y178.4bn (+18%); ROE<sup>2</sup>: 8.6%; EPS<sup>3</sup>: Y48.76**
  - Wholesale key driver as Fixed Income revenues increased and expenses declined on the back of cost reductions
  - All international regions profitable with international business booking Y71.4bn in income before income taxes

### FY2016/17 3Q

- **Income before income taxes: Y95.9bn (+17% QoQ); Net income<sup>1</sup>: Y70.3bn (+15%); ROE<sup>2</sup>: 10.3%; EPS<sup>3</sup>: Y19.44**
  - All business divisions reported stronger net revenue and income before income taxes QoQ with Group income before income taxes at highest level in six quarters
  - International business profitable for third straight quarter; Group effective tax rate of 26%

### ■ Three segment income before income taxes of Y87.4bn (+43% QoQ)

#### Retail

- Investor sentiment improved on stock market rally and yen depreciation; Sales of stocks, bonds, and investment trusts rebounded strongly after bottoming in 1Q

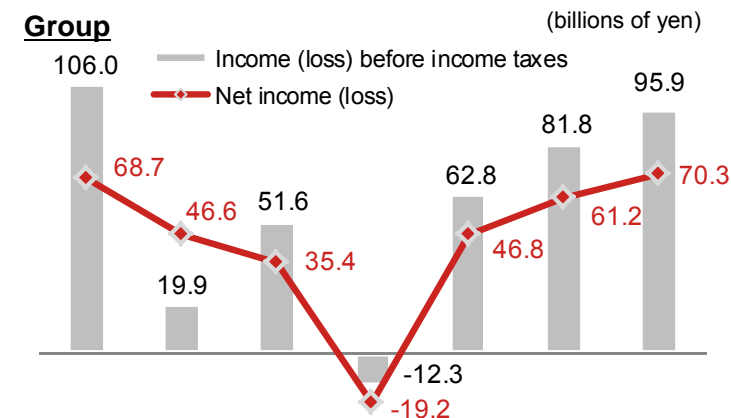
#### Asset Management

- Assets under management at record high on inflows and market factors
- Income before income taxes at highest level since year ended March 2002 driven by gains related to American Century Investments and dividend income

#### Wholesale

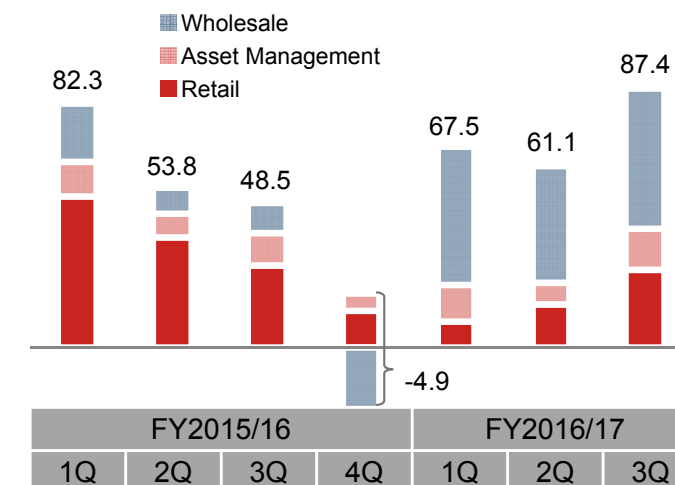
- Americas and AEJ booked stronger revenues by capitalizing on revenue opportunities from higher client activity
- Fixed Income revenues up on robust FX and resilient Rates businesses

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



FY2015/16				FY2016/17		
1Q	2Q	3Q	4Q	1Q	2Q	3Q

### Three segment income (loss) before income taxes



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

## Highlights

(billions of yen, except EPS and ROE)

	FY2016/17 3Q	QoQ	YoY	FY2016/17 1-3Q	YoY
<b>Net revenue</b>	368.6	+6%	+4%	1,054.1	-6%
<b>Non-interest expenses</b>	272.7	+3%	-10%	813.6	-13%
<b>Income before income taxes</b>	95.9	+17%	+86%	240.5	+35%
<b>Net income<sup>1</sup></b>	70.3	+15%	+99%	178.4	+18%
<b>EPS<sup>2</sup></b>	Y19.44	+17%	+102%	Y48.76	+19%
<b>ROE<sup>3</sup></b>	10.3%			8.6%	

1. Net income 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.

# Business segment results

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

		FY2016/17 3Q	QoQ	YoY	FY2016/17 1-3Q	YoY
Net revenue	Retail	101.3	+18%	-3%	271.3	-23%
	Asset Management	28.9	+36%	+14%	76.1	+1%
	Wholesale	197.3	+10%	+6%	568.1	-3%
	Subtotal	327.5	+14%	+4%	915.5	-9%
	Other*	28.7	-45%	-17%	129.2	+26%
	Unrealized gain (loss) on investments in equity securities held for operating purposes	12.4	+64%	+163%	9.5	3.3x
Net revenue		368.6	+6%	+4%	1,054.1	-6%
Income (loss) before income taxes	Retail	25.9	+80%	-7%	49.0	-58%
	Asset Management	14.0	+88%	+30%	33.7	+9%
	Wholesale	47.4	+21%	4.8x	133.3	3.5x
	Subtotal	87.4	+43%	+80%	216.0	+17%
	Other *	-3.8	-	-	15.0	-
	Unrealized gain (loss) on investments in equity securities held for operating purposes	12.4	+64%	+163%	9.5	3.3x
Income (loss) before income taxes		95.9	+17%	+86%	240.5	+35%

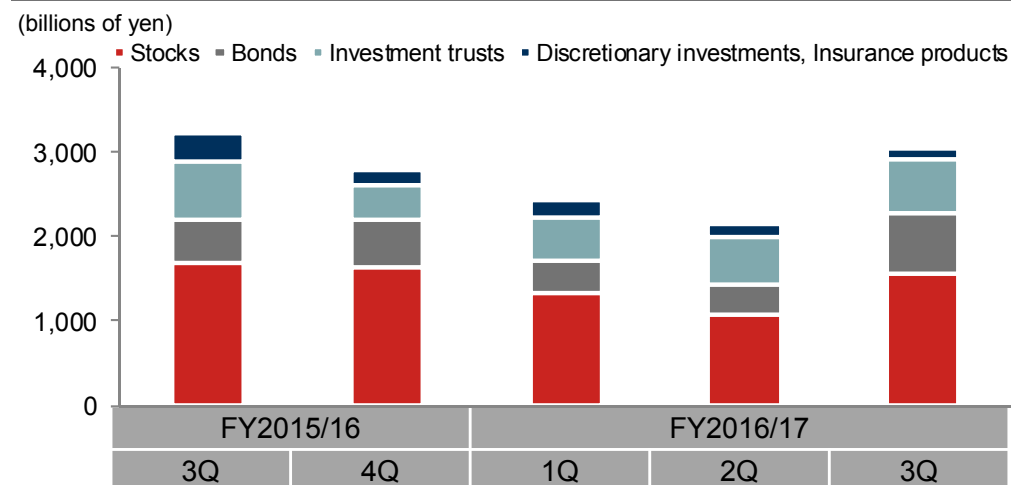
\*Additional information on "Other" (3Q) ■ Loss on changes to own and counterparty credit spread relating to Derivatives (¥4.8bn)<sup>1</sup>

1. Unrealized changes in the fair value of financial liabilities elected for the fair value option attributable to instrument-specific credit risk ("own credit adjustments") are presented separately in other comprehensive income rather than through earnings from the first quarter, year ending March 2017.

## Net revenue and income before income taxes

(billions of yen)

	FY2015/16		FY2016/17			QoQ	YoY
	3Q	4Q	1Q	2Q	3Q		
Net revenue	104.3	85.0	83.8	86.2	<b>101.3</b>	+18%	-3%
Non-interest expenses	76.5	72.9	75.1	71.8	<b>75.4</b>	+5%	-1%
Income before income taxes	27.8	12.2	8.7	14.4	<b>25.9</b>	+80%	-7%

Total sales<sup>3</sup>

## Key points

- Net revenue: Y101.3bn (+18% QoQ; -3% YoY)
- Income before income taxes: Y25.9bn (+80% QoQ; -7% YoY)
- Net revenue and income before income taxes both higher QoQ
  - Investor sentiment improved on stock market rally and yen depreciation
  - Strong rebound in sales of stocks, bonds, and investment trusts
- Client franchise
 

	Dec / 3Q	Sep / 2Q
- Retail client assets	Y108.0trn	Y99.1trn
- Accounts with balance	5.38m	5.38m
- NISA account applications <sup>1</sup>	1.73m	1.71m
- Net inflows of cash and securities <sup>2</sup>	-Y338.3bn	Y319bn

Total sales<sup>3</sup> increased 42% QoQ

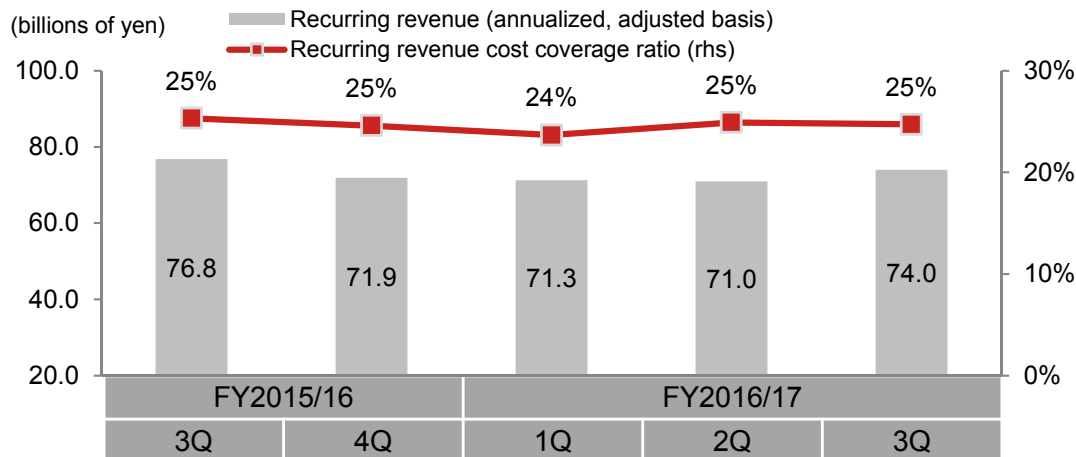
- Stocks: +44% QoQ
  - Strong rebound in Japan secondary market sales
  - Contributions from foreign stock sales and primary deals (Primary stock subscriptions<sup>4</sup>: Y165.9bn; +44% QoQ)
- Investment trusts: +11% QoQ
  - Inflows into US-related investment trusts (high yield bonds, stocks, REITs) and Indian stock funds
- Bond sales of Y729.9bn, up 109% QoQ
  - Sales of JGBs for individual investors (Y277.5bn) at highest level in 3 years
  - Robust sales of foreign bonds driven by primary deals
- Discretionary investment and insurance sales down 9% QoQ

1. Includes Junior NISA.  
3. Retail channels only.

2. Cash and securities inflows minus outflows, excluding regional financial institutions.  
4. Retail channels, Net & Call, and Hotto Direct.

# Retail: Rebound in recurring revenue, steady growth in NISA

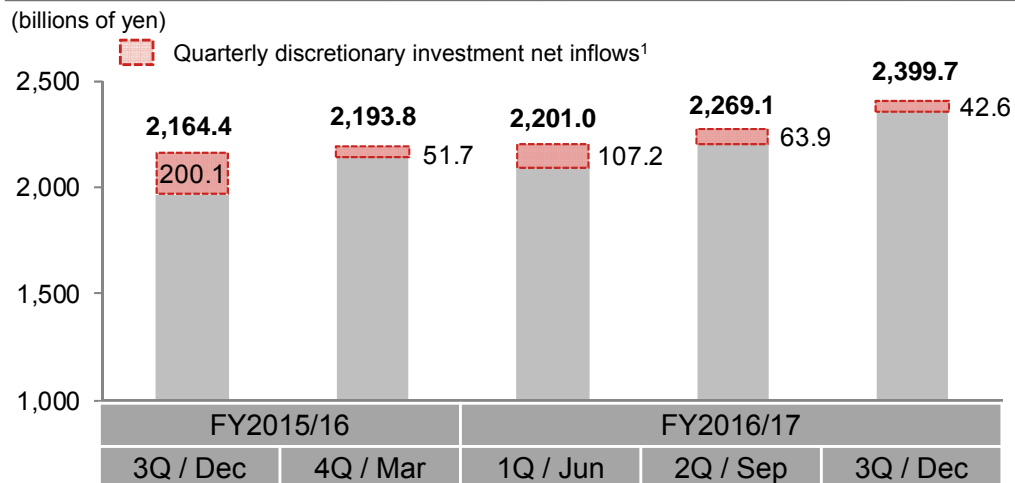
## Recurring revenue



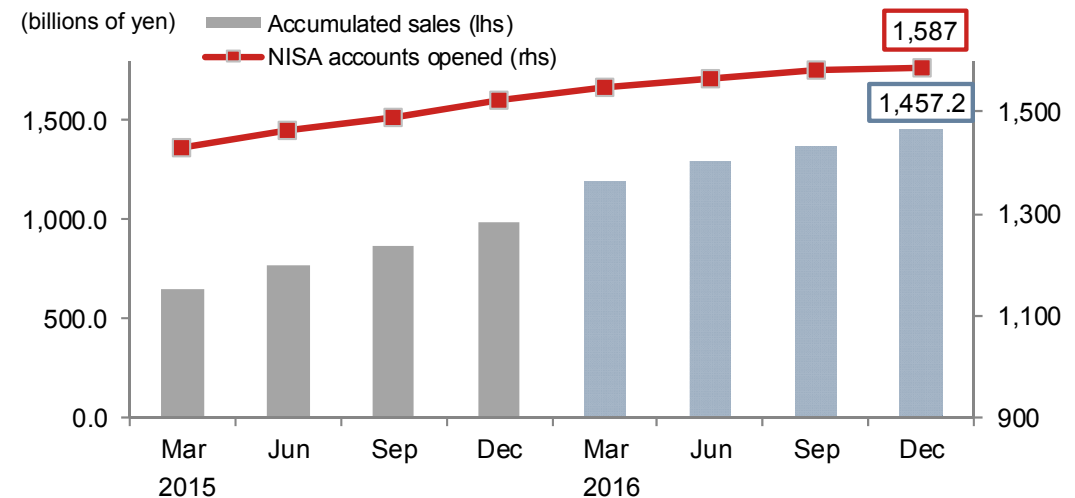
■ Annualized recurring revenue of ¥74bn  
 - Although investment trust redemptions increased due to sharp market rebound, discretionary investment net inflows and market factors helped drive investment trust and discretionary investment assets under management higher

	Dec / 3Q	Sep / 2Q
■ Recurring revenue	¥18.7bn	¥17.9bn
- Discretionary investment net inflows <sup>1</sup>	¥42.6bn	¥63.9bn
- Investment trust net inflows <sup>1</sup>	-¥104.5bn	¥8.8bn
■ Sales of insurance products <sup>2</sup>	¥37.8bn	¥38.8bn

## Discretionary investment assets under management



## NISA account openings and accumulated sales



1. Retail channels, Japan Wealth Management Group.  
 2. Retail channels.

# Asset Management

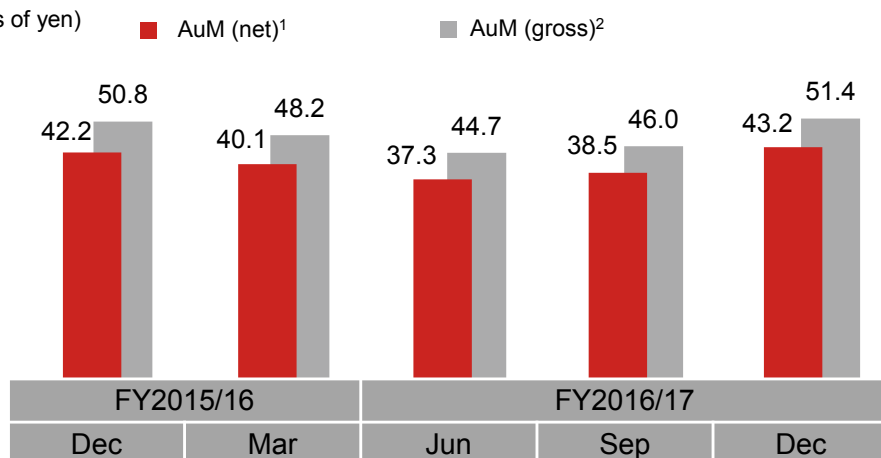
## Net revenue and income before income taxes

(billions of yen)

	FY2015/16		FY2016/17			QoQ	YoY
	3Q	4Q	1Q	2Q	3Q		
Net revenue	25.3	20.3	25.9	21.3	<b>28.9</b>	+36%	+14%
Non-interest expenses	14.6	14.5	13.7	13.8	<b>14.9</b>	+8%	+2%
Income before income taxes	10.7	5.8	12.2	7.4	<b>14.0</b>	+88%	+30%

## Assets under management

(trillions of yen)



1. Net after deducting duplications from assets under management (gross) of Nomura Asset Management, Nomura Funds Research and Technologies and Nomura Corporate Research and Asset Management.  
 2. Assets under management (gross) of above three companies.

## Key points

- Net revenue: Y28.9bn (+36% QoQ; +14% YoY)
- Income before income taxes: Y14bn (+88% QoQ; +30% YoY)
- AuM reached record high on inflows into investment trusts and investment advisory business as well as market factors
- Strongest quarterly income before income taxes since year ended March 2002, driven by higher asset management fees, gains related to American Century Investments, and dividend income

### Investment trust business

- Solid inflows into ETFs and privately placed funds for regional financial institutions

### Top 3 publicly offered stock funds (excl. ETFs) by inflows in 3Q

- U.S. Value Strategy Fund: Y52.4bn
- Nomura India Investment Fund: Y41.7bn
- Nomura PIMCO World Income Strategy Fund: Y29.1bn

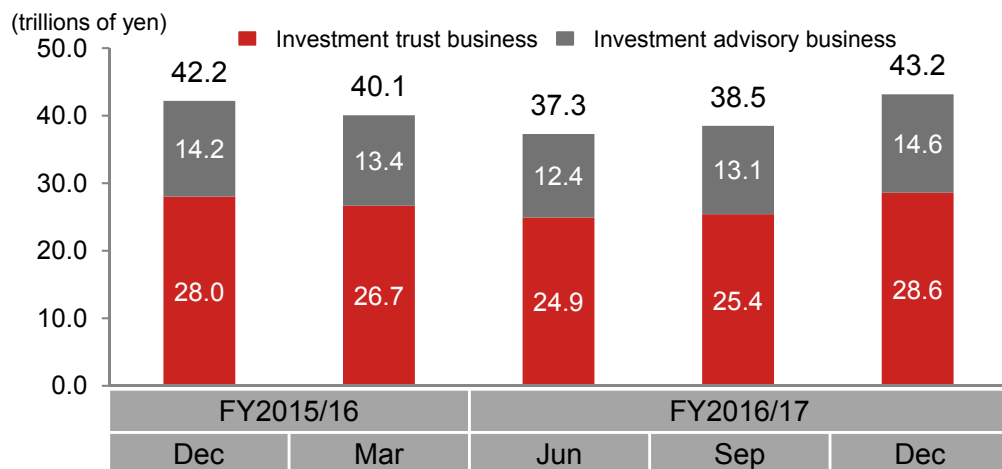
### Investment advisory and international business

- Japan reported continued inflows from public and private pension funds
- International business booked inflows driven by good performance of high yield products and won mandates in Australia and China in addition to Latin America

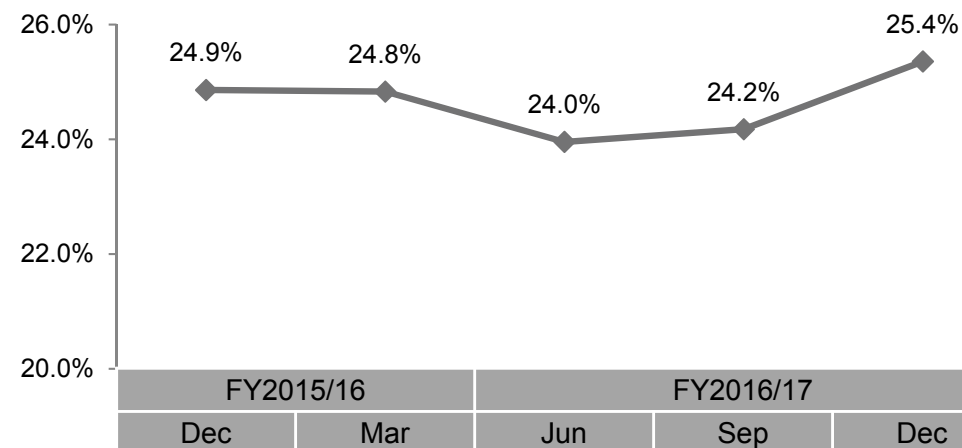


# Asset Management: Solid business performance and traction in ACI partnership

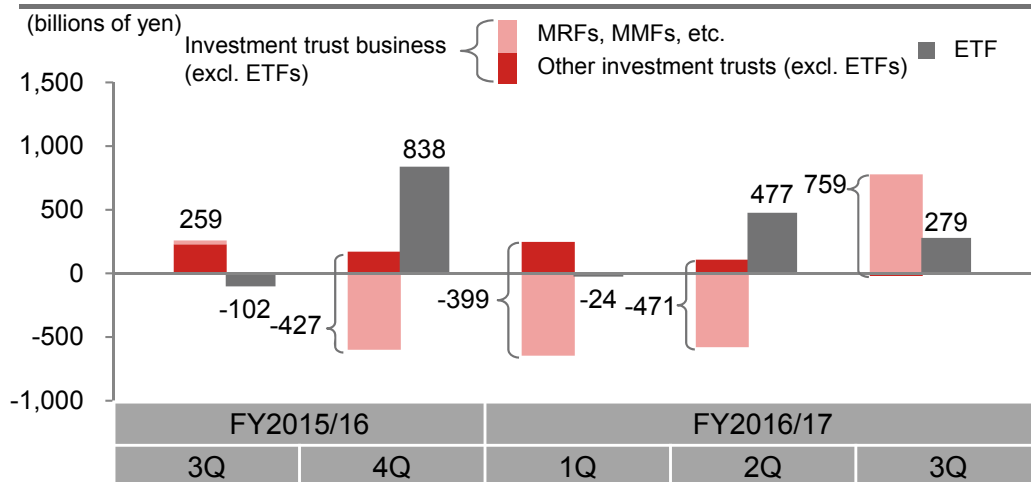
## Assets under management (net)<sup>1</sup> by business



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



## Inflows into investment trust business<sup>3</sup>



## Partnership with ACI

- In November 2016, launched U.S. Value Strategy Fund managed by ACI for retail investors in Japan
- Made proposals to Japanese institutional investors for several ACI products; A pension fund started using a global stock product managed by ACI
- Set up sales collaboration in Europe and Asia and started promoting ACI products

1. Net after deducting duplications from assets under management (gross) of Nomura Asset Management, Nomura Funds Research and Technologies and Nomura Corporate Research and Asset Management.

2. Source: The Investment Trusts Association, Japan. 3. Based on net assets under management.

# Wholesale

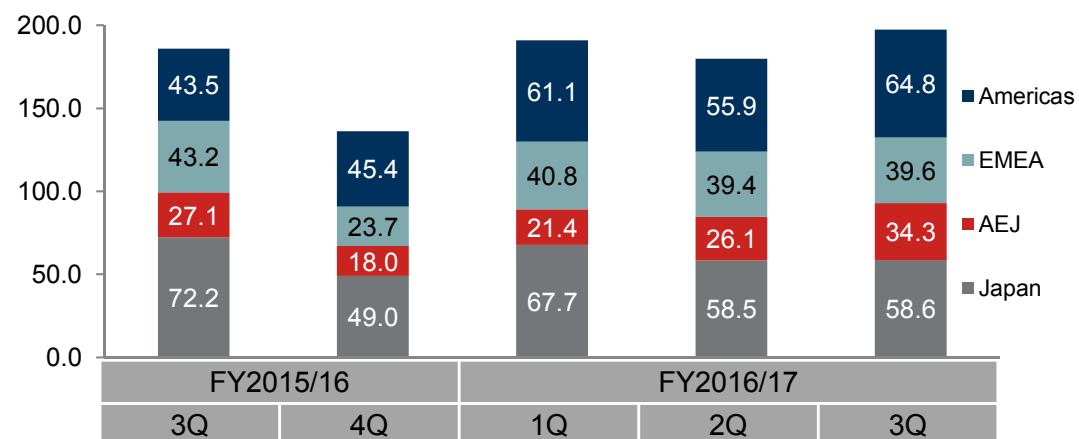
## Net revenue and income (loss) before income taxes

(billions of yen)

	FY2015/16		FY2016/17			QoQ	YoY
	3Q	4Q	1Q	2Q	3Q		
Global Markets	157.2	108.3	170.5	156.1	<b>173.0</b>	+11%	+10%
Investment Banking	28.8	27.9	20.4	23.8	<b>24.2</b>	+2%	-16%
Net revenue	186.0	136.2	190.9	179.9	<b>197.3</b>	+10%	+6%
Non-interest expenses	176.0	159.0	144.3	140.6	<b>149.9</b>	+7%	-15%
Income (loss) before income taxes	9.9	-22.8	46.6	39.3	<b>47.4</b>	+21%	4.8x

## Net revenue by region

(billions of yen)



## Key points

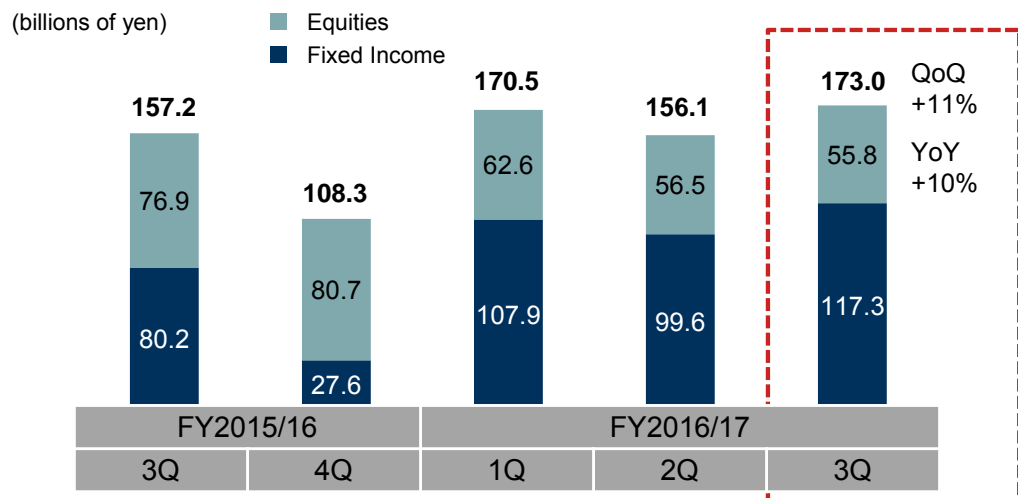
- Net revenue: Y197.3bn (+10% QoQ; +6% YoY)
- Income before income taxes: Y47.4bn (+21% QoQ; 4.8x YoY)
- Net revenue and income before income taxes both up QoQ
  - Americas and AEJ booked stronger revenues by capitalizing on revenue opportunities from higher client activity
  - Fixed Income revenues up on robust FX and resilient Rates businesses
  - Continued to stringently control costs, although bonus provisions reflect pay for performance

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

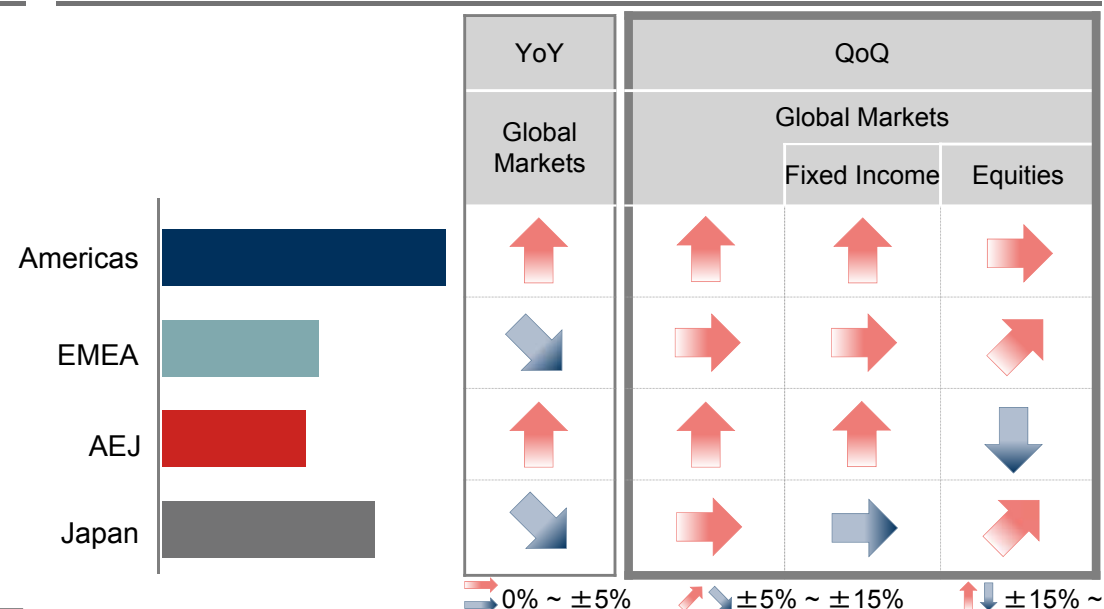
- Americas: Y64.8bn (+16%; +49%)
  - Global Markets reported higher revenues driven by Rates, FX and Execution Services
- Japan: Y58.6bn (+0.2%; -19%)
  - In Global Markets, FX and Equities businesses offset slowdown in Credit
  - Investment Banking reported a decline in ECM revenues due to lower market value of new deal issuance
- EMEA: Y39.6bn (+1%; -8%)
  - Revenues flat QoQ, supported by pick up in Emerging Markets Rates and FX
- AEJ: Y34.3bn (+31%; +27%)
  - Solid performance in Emerging Markets Rates and FX by capturing client flows and directional opportunities
  - Investment Banking booked stronger revenues on contributions from high-profile M&A and other businesses

# Wholesale: Global Markets

## Net revenue



## FY2016/17 3Q net revenue by region



## Key points

### Global Markets

- Net revenue: Y173bn (+11% QoQ; +10% YoY)
  - Another solid quarter, driven by continued momentum in Fixed Income businesses

### Fixed Income

- Net revenue: Y117.3bn (+18% QoQ; +46% YoY)
  - Strong performance in Rates and FX particularly in Emerging Markets from robust client activity

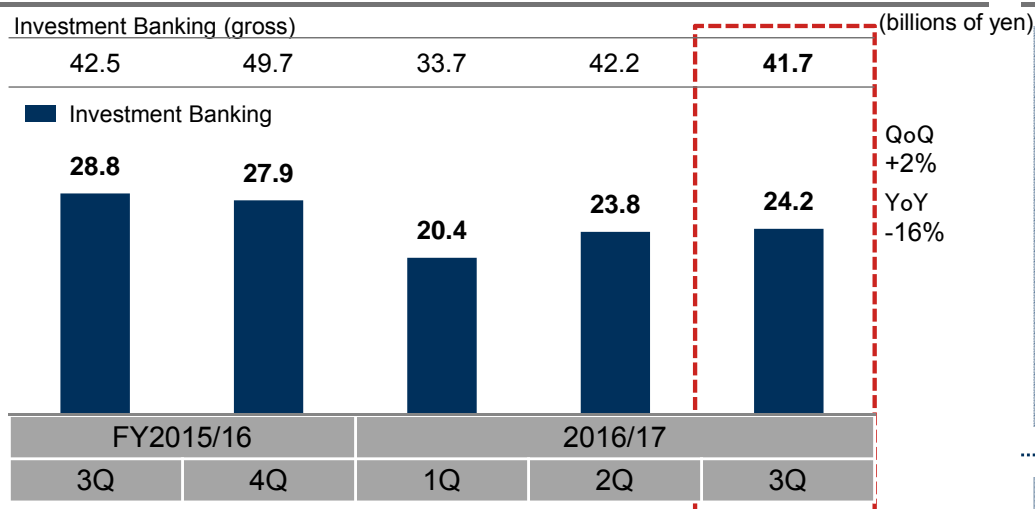
### Equities

- Net revenue: Y55.8bn (-1% QoQ; -28% YoY)
  - Revenues roughly unchanged QoQ as Cash Equities rebounded on the back of higher market volumes in Japan and the Americas, offsetting a slowdown in Derivatives

- Americas: Fixed Income remained strong, particularly in Rates & FX, while Equities was stable QoQ despite slowdown in Derivatives
- EMEA: Fixed Income revenues driven by rebound in Emerging Markets Rates & FX, while G10 Rates normalized from strong previous quarter
- AEJ: In Fixed Income, Emerging Markets Rates & FX booked significantly higher revenues, while Equities slowed QoQ due to lower market volumes
- Japan: In Fixed Income, slowdown in Credit partially offset by robust performance in FX, while in Equities Cash and Prime Services booked stronger revenues QoQ

# Wholesale: Investment Banking

## Net revenue<sup>1</sup>



## Key points

- Net revenue: Y24.2bn (+2% QoQ; -16% YoY)
- Investment Banking (gross) revenue of Y41.7bn
  - Revenues flat QoQ as revenue diversification across businesses and regions offset lower market value of deals in Japan ECM
  - Japan: Revenues declined QoQ on weaker quarter in ECM
    - ✓ Retained top spot on Japan ECM league table (market share: 31.0%)<sup>2</sup>
    - ✓ Solid performance in DCM; Tapped into funding demand among international issuers to take #1 spot on Samurai bond league table (market share: 20.4%)<sup>2</sup>
  - International: Revenues up QoQ and YoY on resilient performance in Americas and AEJ
    - ✓ Won several cross-border and other high-profile M&A mandates
    - ✓ Leveraged Finance revenues grew on acquisition finance related to M&A

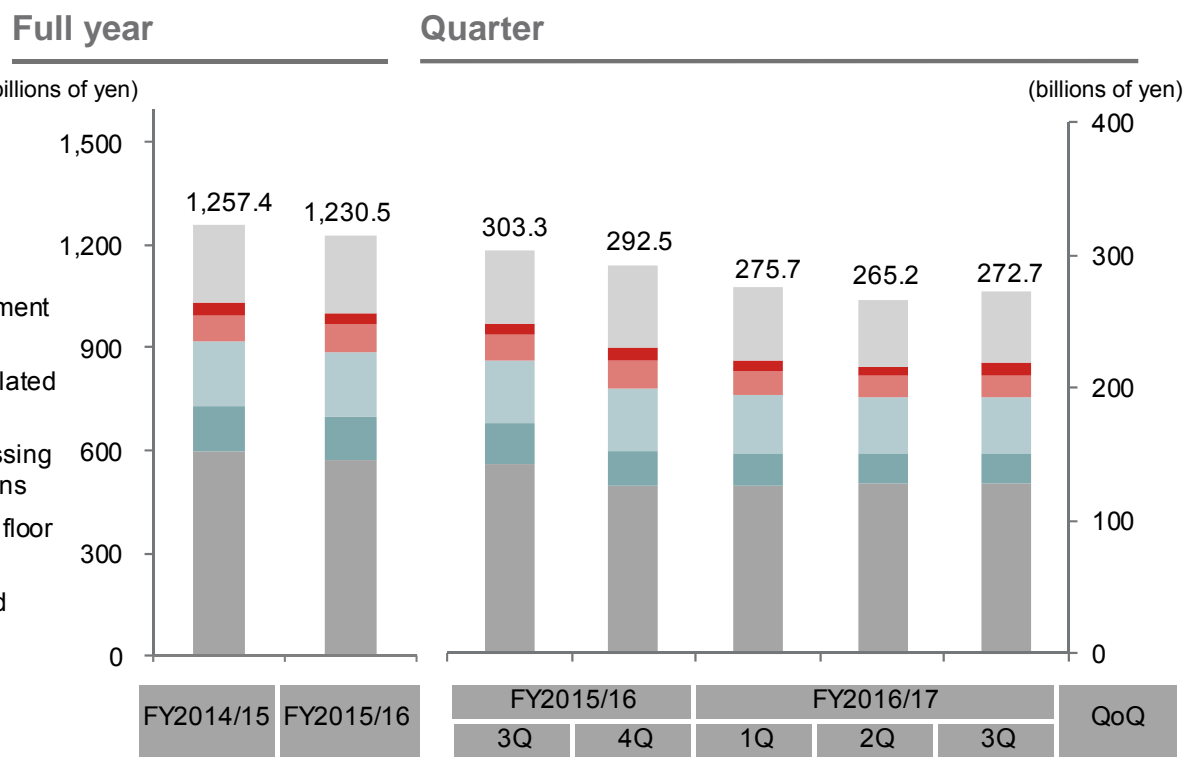
## 3Q high-profile mandates

Cross-border deals

Category	Mandates
M&A / ALF	<ul style="list-style-type: none"> <li>■ Momentum continued with cross-border and multi-product mandates</li> <li><b>Grifols</b> acquisition of NAT Blood Screening Business of Hologic / Financing (M&amp;A \$1.9bn, ALF \$1.7bn)</li> <li><b>Heineken</b> acquisition of Punch Taverns (£1.8bn)</li> <li>Sale of partial stake in <b>Promasidor</b> to Ajinomoto (\$532m)</li> <li><b>Kansai Paint</b> acquisition of 100% stake in Helios Group (€565m)</li> <li><b>Kronos</b> (Hellman &amp; Friedman, Blackstone, etc. portfolio companies) refinancing (\$3.3bn)</li> <li>Acquisition finance for <b>Oberthur Technologies</b> (Advent International subsidiary) on acquisition of Morpho (€2.4bn)</li> </ul>
	<ul style="list-style-type: none"> <li>■ Large IPOs in Japan</li> <li><b>Kyushu Railway Company</b> Global IPO (Y416bn)</li> <li><b>Keyence</b> PO (Y128bn)</li> <li><b>Acushnet Holdings</b> IPO (\$378m)</li> </ul>
	<ul style="list-style-type: none"> <li>■ Executed several large DCM mandates for financial institutions and SSAs<sup>3</sup> such as capital enhancements and foreign currency fundraising</li> <li><b>CITIC</b> Samurai bond (Y100bn)</li> <li><b>China Great Wall Asset Management</b> USD denominated bond (\$1.5bn)</li> <li><b>Federal Republic of Austria</b> Benchmark bond (€5.0bn)</li> <li><b>CNP Assurances</b> Tier 3 bond (€1.0bn)</li> </ul>

1. Past figures for Investment Banking and Investment Banking (gross) have been reclassified from FY2016/17 2Q in line with revised disclosure method. FY2015/16 3Q includes realized gain from private equity investment (Mitsui Life Insurance).  
 2. Source: Thomson Reuters (Jan – Dec 2016)      3. Sovereigns, Supranationals, Agencies

# Non-interest expenses



	FY2014/15	FY2015/16	FY2015/16		FY2016/17			QoQ
			3Q	4Q	1Q	2Q	3Q	
Compensation and benefits	596.6	574.2	141.8	126.8	125.9	128.0	<b>127.6</b>	<b>-0.3%</b>
Commissions and floor brokerage	130.0	123.9	31.1	25.9	24.2	22.9	<b>23.0</b>	<b>0.5%</b>
Information processing and communications	192.3	189.9	46.8	46.9	44.2	41.6	<b>42.2</b>	<b>1.3%</b>
Occupancy and related depreciation	76.1	78.4	19.6	20.9	18.2	16.8	<b>16.9</b>	<b>0.5%</b>
Business development expenses	35.2	35.9	9.3	9.8	8.3	6.9	<b>8.8</b>	<b>28.6%</b>
Other	227.2	228.2	54.6	62.2	54.8	49.1	<b>54.2</b>	<b>10.5%</b>
<b>Total</b>	<b>1,257.4</b>	<b>1,230.5</b>	<b>303.3</b>	<b>292.5</b>	<b>275.7</b>	<b>265.2</b>	<b>272.7</b>	<b>2.8%</b>

## Key points

- Non-interest expenses: Y272.7bn (+3% QoQ; -10% YoY)
- Total expenses up 3% QoQ due to slight rise in non-personnel expenses
  - Compensation and benefits (-0.3% QoQ)
    - ✓ Continued to control costs but made bonus provisions in line with pay for performance
  - Business development expenses (+29% QoQ)
    - ✓ Increased costs in Retail for marketing campaign for JGBs for individual investors

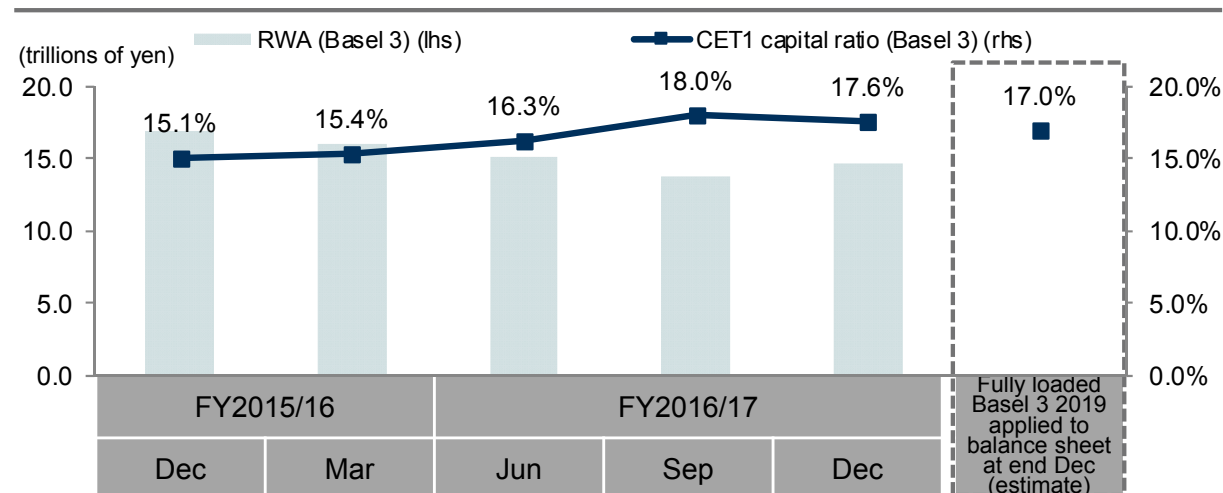
# Robust financial position

## Balance sheet related indicators and capital ratios

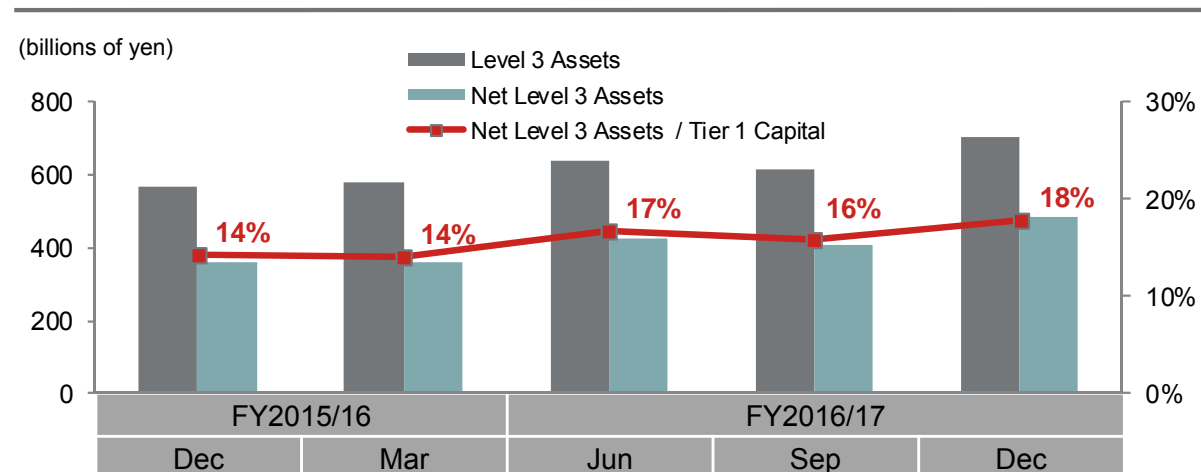
	Mar 2016	Sep 2016	Dec 2016
■ Total assets	Y41.1trn	Y43.0trn	Y43.1trn
■ Shareholders' equity	Y2.7trn	Y2.6trn	Y2.8trn
■ Gross leverage	15.2x	16.3x	15.3x
Net leverage <sup>1</sup>	9.6x	9.8x	8.9x
■ Level 3 assets <sup>2</sup> (net)	Y0.4trn	Y0.4trn	Y0.5trn
■ Liquidity portfolio	Y5.9trn	Y4.9trn	Y5.4trn

(billions of yen)	Mar 2016	Sep 2016	Dec 2016 <sup>2</sup>
Basel 3 basis			
Tier 1 capital	2,578	2,567	2,714
Tier 2 capital	323	306	128
Total capital	2,901	2,873	2,842
RWA <sup>3</sup>	15,971	13,706	14,627
Tier 1 capital ratio	16.1%	18.7%	18.5%
CET 1 capital ratio <sup>4</sup>	15.4%	18.0%	17.6%
Consolidated capital adequacy ratio	18.1%	20.9%	19.4%
Consolidated leverage ratio <sup>5</sup>	4.28%	4.39%	4.47%
HQLA <sup>6</sup>	Y6.2trn	Y5.2trn	Y4.8trn
LCR <sup>6</sup>	175.8%	181.3%	178.6%

## RWA<sup>3</sup> and CET 1 capital ratio<sup>4</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. Dec 2016 is preliminary.  
 3. Credit risk assets are calculated using the internal model method. 4. CET 1 capital ratio is defined as Tier 1 capital minus Additional Tier 1 capital divided by risk-weighted assets.  
 5. Tier 1 capital divided by exposure (sum of on-balance sheet exposures and off-balance sheet items). 6. Monthly average for each quarter.

# Funding and liquidity

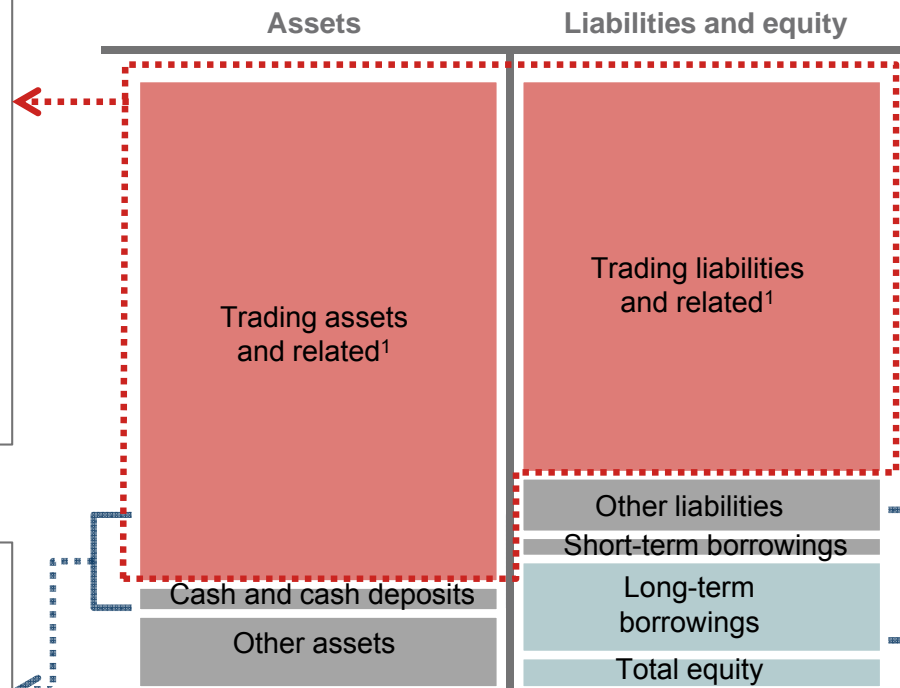
## Balance sheet structure

- Highly liquid, healthy balance sheet structure
  - 79% 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>

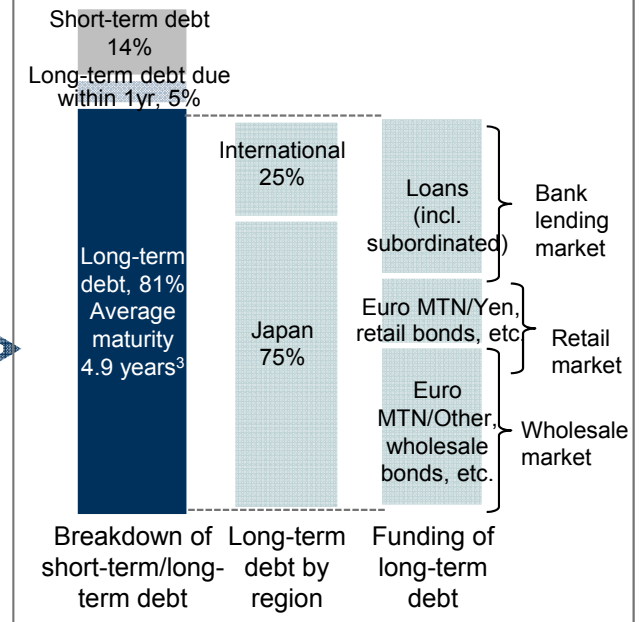
- Liquidity portfolio:
  - Y5.4trn, or 12% of total assets
  - Maintain a high quality liquidity portfolio surplus without the need for additional unsecured funding over a certain period

Balance sheet  
(As of December 2016)



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

- Approx. 80% 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

(billions of yen)	Mar 31, 2016	Dec 31, 2016	Increase (Decrease)		Mar 31, 2016	Dec 31, 2016	Increase (Decrease)
<b>Assets</b>				<b>Liabilities</b>			
Total cash and cash deposits	3,899	<b>3,097</b>	-801	Short-term borrowings	663	<b>621</b>	-42
Total loans and receivables	2,970	<b>2,883</b>	-87	Total payables and deposits	4,249	<b>4,000</b>	-249
Total collateralized agreements	15,078	<b>17,972</b>	2,895	Total collateralized financing	16,606	<b>17,987</b>	1,381
Total trading assets <sup>1</sup> and private equity investments	16,410	<b>16,167</b>	-243	Trading liabilities	7,499	<b>8,713</b>	1,213
Total other assets	2,734	<b>2,933</b>	198	Other liabilities	1,201	<b>1,284</b>	83
				Long-term borrowings	8,130	<b>7,580</b>	-550
<b>Total assets</b>	<b>41,090</b>	<b>43,052</b>	<b>1,962</b>	Total liabilities	38,347	<b>40,184</b>	1,837
				<b>Equity</b>			
				Total NHI shareholders' equity	2,700	<b>2,807</b>	107
				Noncontrolling interest	43	<b>61</b>	18
				<b>Total liabilities and equity</b>	<b>41,090</b>	<b>43,052</b>	<b>1,962</b>

1. Including securities pledged as collateral.

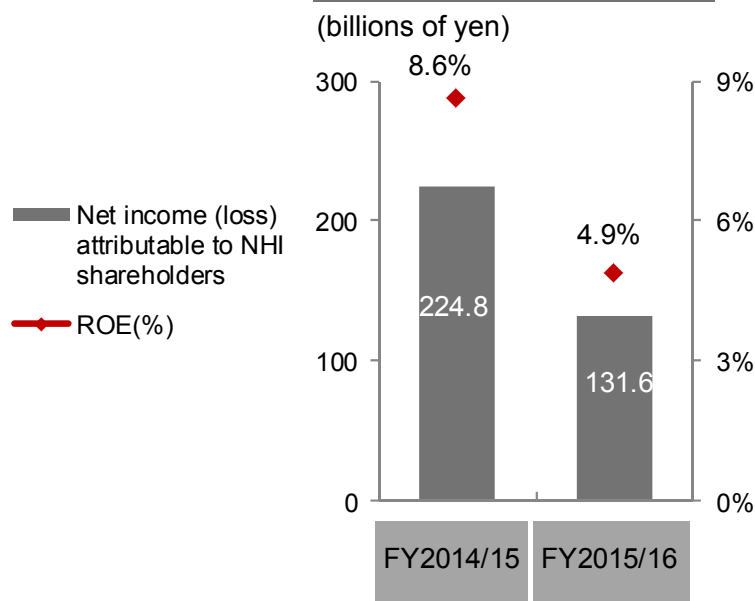
# Value at risk

- Definition
  - 99% confidence level
  - 1-day time horizon for outstanding portfolio
  - Inter-product price fluctuations considered
- From April 1, 2016, to December 31, 2016 (billions of yen)
  - Maximum: 6.7
  - Minimum: 3.4
  - Average: 4.6

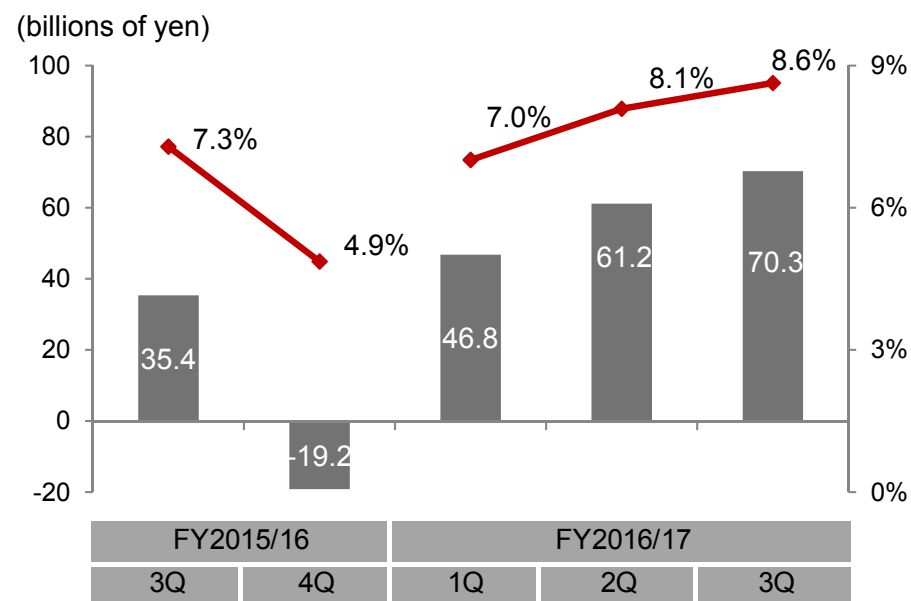
(billions of yen)	FY2014/15	FY2015/16	FY2015/16		FY2016/17		
	Mar	Mar	Dec	Mar	Jun	Sep	Dec
Equity	1.0	0.9	1.7	0.9	0.7	0.9	<b>1.4</b>
Interest rate	4.2	3.8	4.9	3.8	4.1	3.2	<b>2.9</b>
Foreign exchange	1.1	0.8	2.0	0.8	2.5	1.7	<b>3.7</b>
Sub-total	6.2	5.5	8.5	5.5	7.3	5.8	<b>8.0</b>
Diversification benefit	-1.6	-2.0	-2.8	-2.0	-2.9	-1.9	<b>-3.1</b>
<b>VaR</b>	4.6	3.5	5.7	3.5	4.4	3.9	<b>4.9</b>

# Consolidated financial highlights

## Full year



## Quarter



Net revenue	1,604.2	1,395.7
Income (loss) before income taxes	346.8	165.2
Net income (loss) attributable to Nomura Holdings, Inc. ("NHI") shareholders	224.8	131.6
Total NHI shareholders' equity	2,707.8	2,700.2
ROE (%) <sup>1</sup>	8.6%	4.9%
Basic-Net income (loss) attributable to NHI shareholders per share (yen)	61.66	36.53
Diluted-Net income (loss) attributable to NHI shareholders per share (yen)	60.03	35.52
Total NHI shareholders' equity per share (yen)	752.40	748.32

FY2015/16		FY2016/17		
3Q	4Q	1Q	2Q	3Q
354.9	280.1	338.5	347.0	<b>368.6</b>
51.6	-12.3	62.8	81.8	<b>95.9</b>
35.4	-19.2	46.8	61.2	<b>70.3</b>
2,804.7	2,700.2	2,642.3	2,639.4	<b>2,807.2</b>
7.3%	4.9%	7.0%	8.1%	<b>8.6%</b>
9.83	-5.31	13.00	17.10	<b>19.89</b>
9.61	-5.33	12.71	16.68	<b>19.44</b>
777.74	748.32	736.47	742.39	<b>796.79</b>

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

# Consolidated income

(billions of yen)	Full year		Quarter					
	FY2014/15	FY2015/16	FY2015/16		FY2016/17			
			3Q	4Q	1Q	2Q	3Q	
Revenue								
Commissions	453.4	432.0	102.3	87.8	76.3	74.6	<b>86.3</b>	
Fees from investment banking	95.1	118.3	20.0	29.0	17.3	23.4	<b>23.7</b>	
Asset management and portfolio service fees	203.4	229.0	57.8	53.1	52.6	52.1	<b>55.1</b>	
Net gain on trading	531.3	354.0	105.2	61.5	140.1	118.8	<b>108.4</b>	
Gain on private equity investments	5.5	13.8	8.7	3.3	0.0	-0.4	<b>0.6</b>	
Interest and dividends	436.8	440.1	107.9	106.9	106.6	108.9	<b>117.4</b>	
Gain (loss) on investments in equity securities	29.4	-20.5	4.7	-23.5	-10.0	7.7	<b>12.9</b>	
Other	175.7	156.5	27.9	44.1	35.5	41.1	<b>39.5</b>	
Total revenue	1,930.6	1,723.1	434.5	362.2	418.4	426.1	<b>443.9</b>	
Interest expense	326.4	327.4	79.6	82.1	79.9	79.1	<b>75.2</b>	
Net revenue	1,604.2	1,395.7	354.9	280.1	338.5	347.0	<b>368.6</b>	
Non-interest expenses	1,257.4	1,230.5	303.3	292.5	275.7	265.2	<b>272.7</b>	
Income (loss) before income taxes	346.8	165.2	51.6	-12.3	62.8	81.8	<b>95.9</b>	
Net income (loss) attributable to NHI shareholders	224.8	131.6	35.4	-19.2	46.8	61.2	<b>70.3</b>	

## Main revenue items

(billions of yen)	Full year		Quarter					
	FY2014/15	FY2015/16	FY2015/16		FY2016/17			
			3Q	4Q	1Q	2Q	3Q	
Commissions	Stock brokerage commissions	252.8	275.0	63.7	61.3	48.4	47.0	<b>57.5</b>
	Other brokerage commissions	19.6	23.3	5.4	5.8	4.3	3.4	<b>4.3</b>
	Commissions for distribution of investment trusts	134.3	89.5	20.8	12.4	15.8	17.6	<b>19.1</b>
	Other	46.8	44.2	12.4	8.3	7.7	6.6	<b>5.4</b>
	<b>Total</b>	<b>453.4</b>	<b>432.0</b>	<b>102.3</b>	<b>87.8</b>	<b>76.3</b>	<b>74.6</b>	<b>86.3</b>
Fees from investment banking	Equity underwriting and distribution	28.8	56.7	10.3	8.2	2.8	6.9	<b>5.8</b>
	Bond underwriting and distribution	20.4	12.9	1.8	3.3	2.9	3.2	<b>4.2</b>
	M&A / Financial advisory fees	24.6	33.1	6.5	11.3	9.4	9.6	<b>9.6</b>
	Other	21.2	15.6	1.4	6.2	2.2	3.6	<b>4.1</b>
	<b>Total</b>	<b>95.1</b>	<b>118.3</b>	<b>20.0</b>	<b>29.0</b>	<b>17.3</b>	<b>23.4</b>	<b>23.7</b>
Asset management and portfolio service fees	Asset management fees	151.8	164.4	41.2	36.9	36.2	35.5	<b>38.0</b>
	Administration fees	32.6	45.7	11.9	11.7	11.9	12.3	<b>12.8</b>
	Custodial fees	19.0	19.0	4.7	4.4	4.5	4.3	<b>4.3</b>
	<b>Total</b>	<b>203.4</b>	<b>229.0</b>	<b>57.8</b>	<b>53.1</b>	<b>52.6</b>	<b>52.1</b>	<b>55.1</b>

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

**NOMURA**

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

(billions of yen)	Full year		Quarter				
	FY2014/15	FY2015/16	FY2015/16		FY2016/17		
			3Q	4Q	1Q	2Q	3Q
Retail	161.8	127.6	27.8	12.2	8.7	14.4	<b>25.9</b>
Asset Management	32.1	36.7	10.7	5.8	12.2	7.4	<b>14.0</b>
Wholesale	82.2	15.4	9.9	-22.8	46.6	39.3	<b>47.4</b>
Three business segments total	276.1	179.7	48.5	-4.9	67.5	61.1	<b>87.4</b>
Other	46.0	6.1	-1.6	16.1	5.8	13.1	<b>-3.8</b>
Segments total	322.1	185.8	46.9	11.2	73.3	74.2	<b>83.5</b>
Unrealized gain (loss) on investments in equity securities held for operating purposes	24.7	-20.7	4.7	-23.5	-10.5	7.6	<b>12.4</b>
Income (loss) before income taxes	346.8	165.2	51.6	-12.3	62.8	81.8	<b>95.9</b>

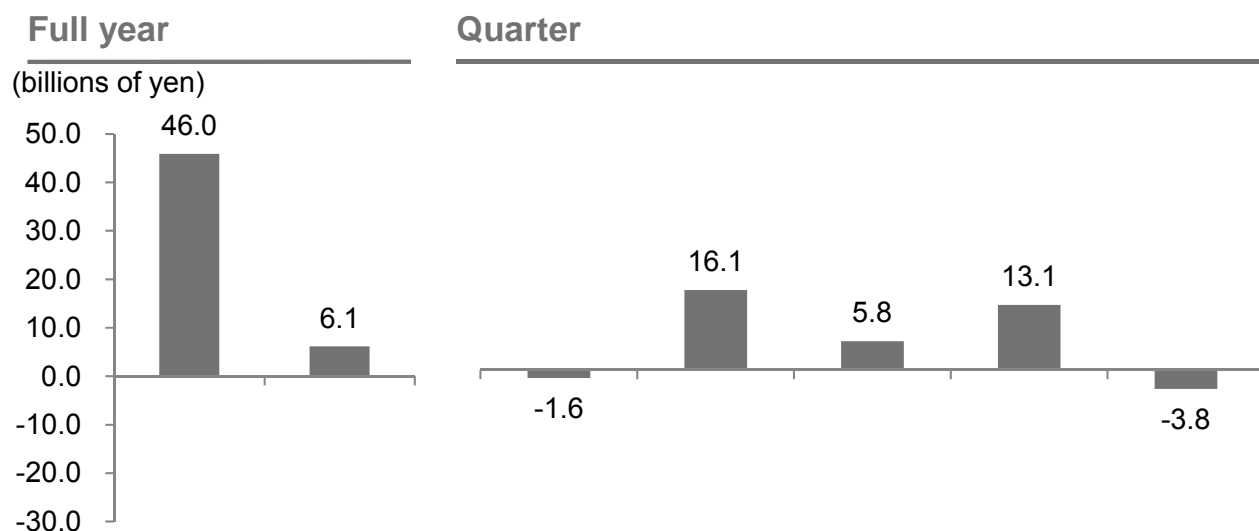
## Geographic information: Income (loss) before income taxes<sup>1</sup>

(billions of yen)	Full year		Quarter				
	FY2014/15	FY2015/16	FY2015/16		FY2016/17		
			3Q	4Q	1Q	2Q	3Q
Americas	-27.6	-32.0	-12.3	2.4	15.2	6.9	<b>17.4</b>
Europe	-23.5	-67.4	-5.7	-16.8	-4.4	7.9	<b>2.1</b>
Asia and Oceania	34.6	19.8	-2.0	-2.2	6.1	8.3	<b>11.9</b>
Subtotal	-16.4	-79.6	-19.9	-16.6	16.9	23.2	<b>31.4</b>
Japan	363.2	244.8	71.6	4.3	45.9	58.6	<b>64.6</b>
Income (loss) before income taxes	346.8	165.2	51.6	-12.3	62.8	81.8	<b>95.9</b>

1. Geographic information is based on U.S. GAAP. (Figures are preliminary for the three months ended December 31, 2016). 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		FY2015/16		FY2016/17		
	FY2014/15	FY2015/16	3Q	4Q	1Q	2Q	3Q
Net gain (loss) related to economic hedging transactions	15.1	6.4	-0.6	8.5	12.0	-4.1	<b>-15.9</b>
Realized gain on investments in equity securities held for operating purposes	4.7	0.2	0.0	0.0	0.6	0.1	<b>0.4</b>
Equity in earnings of affiliates	42.2	32.7	4.8	5.1	1.1	10.9	<b>11.0</b>
Corporate items	-20.1	-52.3	-3.2	-5.2	-4.3	-5.3	<b>-0.8</b>
Others	4.0	19.2	-2.6	7.7	-3.5	11.5	<b>1.5</b>
<b>Income (loss) before income taxes</b>	<b>46.0</b>	<b>6.1</b>	<b>-1.6</b>	<b>16.1</b>	<b>5.8</b>	<b>13.1</b>	<b>-3.8</b>

## Retail related data (1)

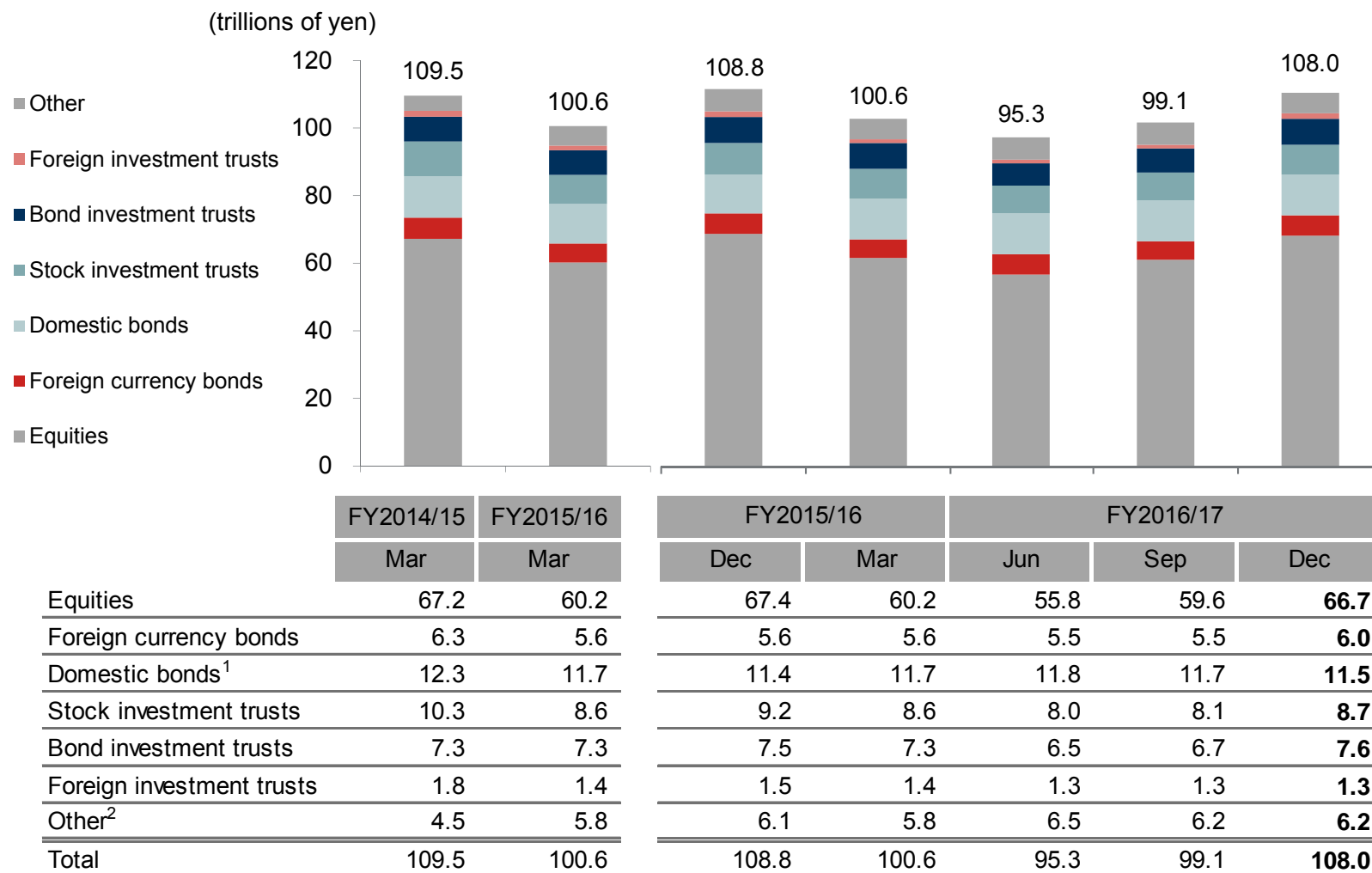
(billions of yen)	Full year		Quarter					QoQ	YoY
	FY2014/15	FY2015/16	FY2015/16		FY2016/17				
			3Q	4Q	1Q	2Q	3Q		
Commissions	258.9	220.3	51.8	38.9	38.4	38.9	<b>47.1</b>	<b>21.0%</b>	<b>-9.1%</b>
Of which, brokerage commission	81.8	78.9	18.0	14.4	13.1	12.4	<b>19.8</b>	<b>59.8%</b>	<b>9.7%</b>
Of which, commissions for distribution of investment trusts	134.9	93.6	22.0	14.3	17.6	20.0	<b>21.1</b>	<b>5.5%</b>	<b>-4.1%</b>
Sales credit	106.4	86.4	23.2	17.5	18.6	19.9	<b>23.0</b>	<b>15.4%</b>	<b>-0.9%</b>
Fees from investment banking and other	32.5	35.9	6.1	7.0	4.3	5.9	<b>8.4</b>	<b>41.8%</b>	<b>38.0%</b>
Investment trust administration fees and other	71.9	85.3	21.4	20.0	19.9	20.0	<b>20.6</b>	<b>3.2%</b>	<b>-3.9%</b>
Net interest revenue	6.9	7.8	1.8	1.7	2.6	1.5	<b>2.3</b>	<b>54.5%</b>	<b>27.5%</b>
Net revenue	476.5	435.6	104.3	85.0	83.8	86.2	<b>101.3</b>	<b>17.6%</b>	<b>-2.8%</b>
Non-interest expenses	314.7	308.0	76.5	72.9	75.1	71.8	<b>75.4</b>	<b>5.1%</b>	<b>-1.4%</b>
Income before income taxes	161.8	127.6	27.8	12.2	8.7	14.4	<b>25.9</b>	<b>80.1%</b>	<b>-6.8%</b>
Domestic distribution volume of investment trusts <sup>1</sup>	9,478.5	5,644.9	1,485.8	776.4	761.8	794.2	<b>908.2</b>	<b>14.4%</b>	<b>-38.9%</b>
Bond investment trusts	3,110.2	1,094.0	266.8	146.2	0.2	0.0	<b>0.0</b>	<b>-90.0%</b>	<b>-100.0%</b>
Stock investment trusts	5,445.1	3,656.3	842.0	513.2	640.5	686.9	<b>801.6</b>	<b>16.7%</b>	<b>-4.8%</b>
Foreign investment trusts	923.1	894.6	377.0	117.0	121.0	107.3	<b>106.5</b>	<b>-0.7%</b>	<b>-71.7%</b>
Other									
Accumulated value of annuity insurance policies	2,401.7	2,806.4	2,742.7	2,806.4	2,850.0	2,881.7	<b>2,912.7</b>	<b>1.1%</b>	<b>6.2%</b>
Sales of JGBs for individual investors (transaction base)	380.6	425.9	76.9	234.8	173.6	76.1	<b>277.5</b>	<b>3.6x</b>	<b>3.6x</b>
Retail foreign currency bond sales	1,255.7	1,205.0	398.5	295.4	185.2	244.7	<b>407.7</b>	<b>66.6%</b>	<b>2.3%</b>

1. Excluding Net & Call and Hotto Direct.



## Retail related data (2)

### Retail client assets



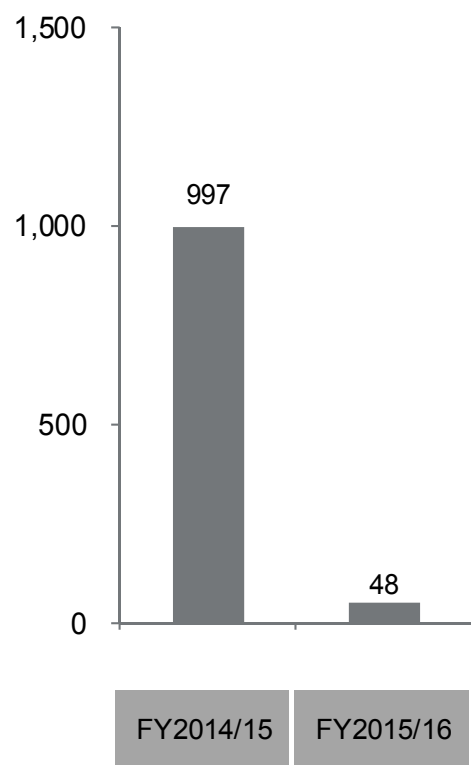
1. Including CBs and warrants.  
 2. Including annuity insurance.

## Retail related data (3)

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

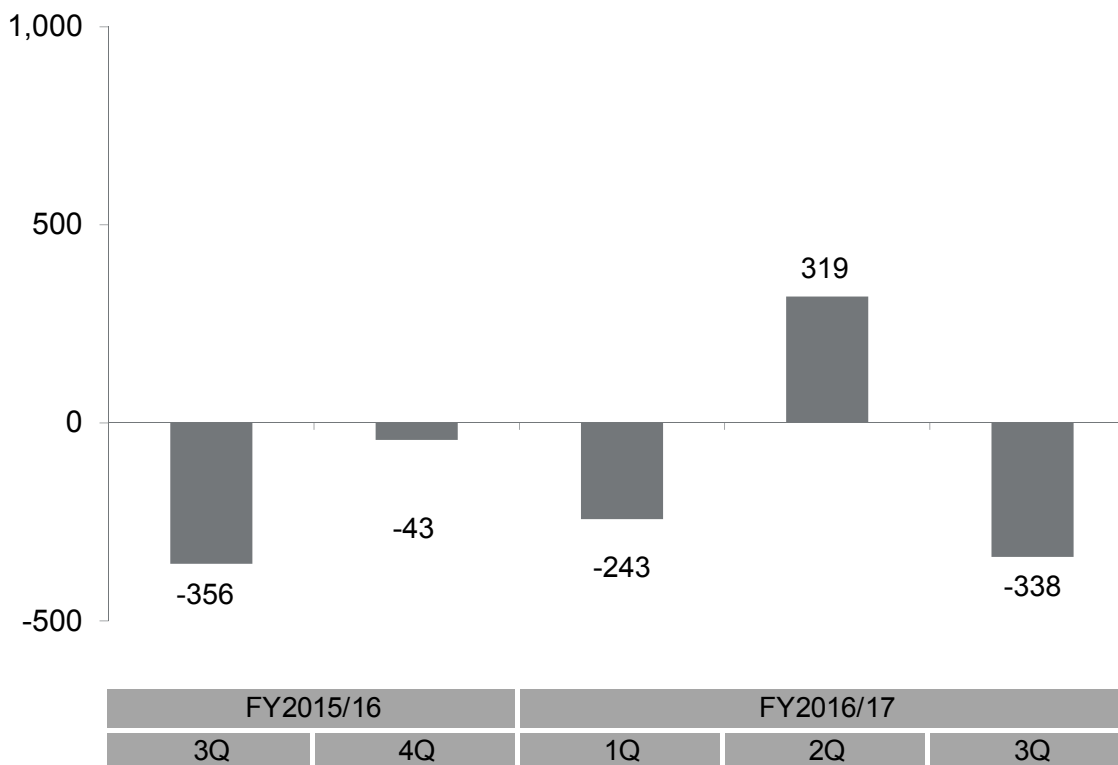
#### Full year

(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)	FY2014/15	FY2015/16	FY2015/16		FY2016/17		
	Mar	Mar	Dec	Mar	Jun	Sep	Dec
Accounts with balance	5,294	5,389	5,384	5,389	5,390	5,384	<b>5,383</b>
Equity holding accounts	2,719	2,827	2,796	2,827	2,842	2,856	<b>2,839</b>
Nomura Home Trade / Net & Call accounts	4,216	4,412	4,384	4,412	4,443	4,470	<b>4,497</b>

### New Individual accounts / IT share<sup>1</sup>

(thousands)	Full year		Quarter				
	FY2014/15	FY2015/16	FY2015/16		FY2016/17		
			3Q	4Q	1Q	2Q	3Q
New individual accounts	320	336	86	57	54	57	<b>55</b>
IT share <sup>1</sup>							
No. of orders	59%	58%	55%	59%	58%	58%	<b>56%</b>
Transaction value	37%	36%	32%	36%	35%	35%	<b>33%</b>

1. Percentage of cash stock transactions conducted via Nomura Home Trade.

## Asset Management related data (1)

(billions of yen)	Full year		Quarter					QoQ	YoY
	FY2014/15	FY2015/16	FY2015/16		FY2016/17				
			3Q	4Q	1Q	2Q	3Q		
Net revenue	92.4	95.4	25.3	20.3	25.9	21.3	<b>28.9</b>	<b>35.9%</b>	<b>14.1%</b>
Non-interest expenses	60.3	58.7	14.6	14.5	13.7	13.8	<b>14.9</b>	<b>7.8%</b>	<b>2.2%</b>
Income before income taxes	32.1	36.7	10.7	5.8	12.2	7.4	<b>14.0</b>	<b>88.2%</b>	<b>30.4%</b>

### Assets under management by company

(trillions of yen)	FY2014/15	FY2015/16	FY2015/16		FY2016/17		
	Mar	Mar	Dec	Mar	Jun	Sep	Dec
Nomura Asset Management <sup>1,2</sup>	43.3	43.5	45.9	43.5	40.3	41.5	<b>46.3</b>
Nomura Funds Research and Technologies <sup>2</sup>	3.0	3.1	3.3	3.1	2.8	2.8	<b>2.9</b>
Nomura Corporate Research and Asset Management <sup>1</sup>	1.7	1.6	1.6	1.6	1.6	1.8	<b>2.1</b>
Nomura Private Equity Capital <sup>2</sup>	0.2	-	-	-	-	-	-
Assets under management (gross) <sup>1,2,3</sup>	48.1	48.2	50.8	48.2	44.7	46.0	<b>51.4</b>
Group company overlap <sup>1,2</sup>	8.8	8.1	8.6	8.1	7.4	7.5	<b>8.2</b>
Assets under management (net) <sup>4</sup>	39.3	40.1	42.2	40.1	37.3	38.5	<b>43.2</b>

1. Historical AuM (gross) figures have been reclassified in line with a revised calculation method introduced in the third quarter of the fiscal year ended March 2016.

2. Nomura Asset Management took over the institutional investor advisory business and the retail related business of Nomura Funds Research and Technologies on July 1, 2015, and October 1, 2015, respectively, as well as all of the operations of Nomura Private Equity Capital on December 1, 2015.

3. Total assets under management for Nomura Asset Management, Nomura Funds Research and Technologies, Nomura Corporate Research and Asset Management, and Nomura Private Equity Capital.

4. 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				
	FY2014/15	FY2015/16	FY2015/16		FY2016/17		
			3Q	4Q	1Q	2Q	3Q
Investment trusts business	3,418	2,717	157	412	-423	6	<b>1,038</b>
of which ETFs	843	2,339	-102	838	-24	477	<b>279</b>
Investment advisory business	50	2,038	646	-92	-169	344	<b>95</b>
Net asset inflow	3,469	4,755	803	320	-592	349	<b>1,132</b>

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

(trillions of yen)	FY2014/15	FY2015/16	FY2015/16		FY2016/17		
	Mar	Mar	Dec	Mar	Jun	Sep	Dec
Domestic public stock investment trusts							
Market	80.3	78.6	81.7	78.6	74.1	77.1	<b>83.0</b>
Nomura Asset Management share (%)	20%	21%	21%	21%	21%	21%	<b>22%</b>
Domestic public bond investment trusts							
Market	16.7	13.9	16.0	13.9	11.9	11.7	<b>13.6</b>
Nomura Asset Management share (%)	43%	46%	43%	46%	44%	44%	<b>44%</b>
ETF							
Market	12.9	15.8	16.2	15.8	15.0	17.3	<b>20.3</b>
Nomura Asset Management share (%)	48%	48%	47%	48%	47%	45%	<b>46%</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
	FY2014/15	FY2015/16	FY2015/16		FY2016/17				
			3Q	4Q	1Q	2Q	3Q		
Net revenue	789.9	720.3	186.0	136.2	190.9	179.9	<b>197.3</b>	<b>9.7%</b>	<b>6.1%</b>
Non-interest expenses	707.7	704.9	176.0	159.0	144.3	140.6	<b>149.9</b>	<b>6.6%</b>	<b>-14.9%</b>
Income (loss) before income taxes	82.2	15.4	9.9	-22.8	46.6	39.3	<b>47.4</b>	<b>20.7%</b>	<b>4.8x</b>

## Breakdown of Wholesale revenues

(billions of yen)	Full year		Quarter					QoQ	YoY
	FY2014/15	FY2015/16	FY2015/16		FY2016/17				
			3Q	4Q	1Q	2Q	3Q		
Fixed Income <sup>1</sup>	396.9	275.2	80.2	27.6	107.9	99.6	<b>117.3</b>	<b>17.8%</b>	<b>46.2%</b>
Equities <sup>1</sup>	286.5	325.1	76.9	80.7	62.6	56.5	<b>55.8</b>	<b>-1.3%</b>	<b>-27.5%</b>
Global Markets	683.4	600.3	157.2	108.3	170.5	156.1	<b>173.0</b>	<b>10.9%</b>	<b>10.1%</b>
Investment Banking <sup>2</sup>	106.5	120.0	28.8	27.9	20.4	23.8	<b>24.2</b>	<b>1.9%</b>	<b>-15.9%</b>
Net revenue	789.9	720.3	186.0	136.2	190.9	179.9	<b>197.3</b>	<b>9.7%</b>	<b>6.1%</b>
Investment Banking (gross) <sup>2</sup>	195.6	205.7	42.5	49.7	33.7	42.2	<b>41.7</b>	<b>-1.3%</b>	<b>-2.0%</b>

1. Fixed Income and Equities figures for FY2014/15 have been reclassified following a reorganization in April 2015.  
 2. Past figures for Investment Banking and Investment Banking (gross) have been reclassified from FY2016/17 2Q in line with revised disclosure method.

## Number of employees

	FY2014/15	FY2015/16	FY2015/16		FY2016/17		
	Mar	Mar	Dec	Mar	Jun	Sep	Dec
Japan	15,973	16,083	16,282	16,083	16,792	16,543	<b>16,450</b>
Europe	3,485	3,424	3,433	3,424	3,170	3,147	<b>3,063</b>
Americas	2,449	2,503	2,501	2,503	2,481	2,297	<b>2,279</b>
Asia and Oceania <sup>1</sup>	6,765	6,855	6,853	6,855	6,769	6,667	<b>6,606</b>
<b>Total</b>	<b>28,672</b>	<b>28,865</b>	<b>29,069</b>	<b>28,865</b>	<b>29,212</b>	<b>28,654</b>	<b>28,398</b>

1. Includes Powai office in India.

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