

Independent Auditor's Report

The Board of Directors
Nomura Securities Co., Ltd.

Opinion

We have audited the accompanying non-consolidated financial statements of Nomura Securities Co., Ltd. (the Company), which comprise the non-consolidated balance sheets as at March 31, 2021 and 2022, and the non-consolidated statements of income, changes in net assets, and cash flows for the years then ended, and notes to the non-consolidated financial statements and the related supplementary schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as at March 31, 2021 and 2022, and its non-consolidated financial performance and its non-consolidated cash flows for the years then ended in accordance with accounting principles described in "Methods for preparation of non-consolidated financial statements" of the notes to the non-consolidated financial statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in a disclosure document that contains audited financial statements but does not include the financial statements and our auditor's report thereon.

We have concluded that the other information did not exist. Accordingly, we have not performed any work related to other information.

Responsibilities of Management and the Audit and Supervisory Committee for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles described in "Methods for preparation of non-consolidated financial statements" of the notes to the non-consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles described in "Methods for preparation of non-consolidated financial statements" of the notes to the non-consolidated financial statements, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the non-consolidated financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles described in "Methods for preparation of non-consolidated financial statements" of the notes to the non-consolidated financial statements.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Basis of Accounting

Without modifying our opinion, we draw attention to the description in “Methods for preparation of non-consolidated financial statements” of the notes to the non-consolidated financial statements, which describes the basis of accounting. The non-consolidated financial statements are prepared for the purpose of providing information to bondholders and potential purchasers of guaranteed notes issued by subsidiaries of Nomura Holdings, Inc. and guaranteed on a joint and several basis by Nomura Holdings, Inc. and the Company. As a result, the non-consolidated financial statements may not be suitable for another purpose.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

June 24, 2022

/s/ Hiroki Matsumura

Hiroki Matsumura
Designated Engagement Partner
Certified Public Accountant

/s/ Hisashi Yuhara

Hisashi Yuhara
Designated Engagement Partner
Certified Public Accountant

/s/ Kenjiro Tsumura

Kenjiro Tsumura
Designated Engagement Partner
Certified Public Accountant

/s/ Toshiro Kuwata

Toshiro Kuwata
Designated Engagement Partner
Certified Public Accountant

**Non-Consolidated Financial Statements of
Nomura Securities Co., Ltd.
Year ended March 31, 2022**

(prepared in accordance with Japanese GAAP)

Non-Consolidated Financial Statements and Other Information

Non-Consolidated Balance Sheets

(Millions of yen)

	March 31, 2021	March 31, 2022
Account	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	1,030,792	1,113,060
Deposits with exchanges and other segregated cash	16,946	20,046
Trading assets:	3,311,190	3,407,102
Trading securities	2,607,790	2,397,367
Derivative contracts	703,399	1,009,735
Net receivables arising from unsettled securities transactions	52,082	29,093
Margin account assets:	260,905	220,596
Loans to customers in margin transactions	237,777	217,225
Cash collateral to securities finance companies	23,127	3,371
Loans with securities as collateral:	5,689,854	6,048,405
Cash collateral for securities borrowed	2,516,802	2,822,827
Loans in gensaki transactions	3,173,053	3,225,578
Receivables from customers and others	4,674	3,556
Short-term guarantee deposits	1,199,506	1,388,558
Short-term loans receivable	403,448	451,779
Other current assets	45,121	94,099
Total Current assets	12,014,518	12,776,293
Fixed assets		
Tangible fixed assets	6,230	4,927
Intangible fixed assets	191	174
Investments and others:	100,824	49,563
Investment securities	27,812	11,919
Deferred tax assets	67,810	32,887
Prepaid pension cost	1,834	2,003
Other investments	4,328	3,632
Allowance for doubtful accounts	(960)	(879)
Total Fixed assets	107,245	54,664
Total assets	12,121,762	12,830,957

(Millions of yen)

	March 31, 2021	March 31, 2022
Account	Amount	Amount
(Liabilities)		
Current liabilities		
Trading liabilities:	1,903,629	2,088,310
Trading securities	1,386,216	1,475,860
Derivative contracts	517,413	612,450
Margin account liabilities:	40,761	41,863
Borrowings from securities finance companies	2,074	1,556
Customer margin sale proceeds	38,687	40,307
Borrowings with securities as collateral:	5,782,409	6,143,141
Cash collateral for securities loaned	864,725	927,161
Borrowings in gensaki transactions	4,917,684	5,215,979
Payables to customers and others	871,879	869,709
Guarantee deposits received	421,602	746,710
Short-term borrowings	412,600	385,600
Short-term borrowings from affiliates	41,100	104,000
Short-term bonds payable	371,500	35,000
Accrued income taxes	14,804	—
Accounts payable	63,489	9,537
Accrued bonuses for employees	45,679	40,529
Other current liabilities	48,451	64,993
Total Current liabilities	10,017,903	10,529,391
Long-term liabilities		
Bonds payable	4,700	4,700
Long-term borrowings	967,550	1,064,350
Long-term borrowings from affiliates	350,000	470,000
Reserve for retirement benefits	38,702	41,441
Asset retirement obligations	11,268	11,002
Other long-term liabilities	65,000	65,000
Total Long-term liabilities	1,437,220	1,656,493
Statutory reserves		
Reserve for financial instruments transactions liabilities	23,751	26,205
Total Statutory reserves	23,751	26,205
Total liabilities	11,478,874	12,212,089

(Millions of yen)

	March 31, 2021	March 31, 2022
Account	Amount	Amount
(Net Assets)		
Shareholder's equity		
Common stock	10,000	10,000
Capital reserves		
Additional paid-in capital	529,579	529,579
Other capital reserves	8,528	8,528
Total Capital reserves	538,107	538,107
Retained earnings		
Other retained earnings		
Retained earnings carried forward	85,617	68,159
Total Retained earnings	85,617	68,159
Total Shareholder's equity	633,724	616,266
Valuation and translation adjustments		
Net unrealized gain on investments	9,164	2,602
Total Valuation and translation adjustments	9,164	2,602
Total net assets	642,888	618,868
Total liabilities and net assets	12,121,762	12,830,957

Non-Consolidated Statements of Income

(Millions of yen)

	For the year ended March 31,2021	For the year ended March 31,2022
Account	Amount	Amount
Operating revenue		
Commissions	407,788	380,998
Net gains on trading	165,788	128,101
Interest and dividend income	74,279	70,978
Total Operating revenue	647,856	580,076
Interest expenses	70,227	65,786
Net operating revenue	577,629	514,290
Selling, general and administrative expenses		
Transaction-related expenses	95,730	94,809
Compensation and benefits	185,835	173,231
Rental and maintenance	38,173	33,926
Data processing and office supplies	121,887	127,968
Depreciation and amortization	1,613	1,391
Taxes, other than income taxes	8,036	4,526
Other	4,033	3,779
Total Selling, general and administrative expenses	455,307	439,631
Operating income	122,322	74,660
Non-operating income	204	393
Non-operating expenses	439	263
Ordinary income	122,087	74,790
Special profits		
Gains due to exemption from payments of share-based compensation	2,056	2,442
Gain on sales of investment securities	—	4,020
Total Special profits	2,056	6,462
Special losses		
Provision of reserve for financial instruments transactions liabilities	1,904	2,454
Total Special losses	1,904	2,454
Income before income taxes	122,239	78,797
Income taxes-current	64,143	(22,498)
Income taxes-deferred	(27,522)	33,753
Net income	85,617	67,542

Non-Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2021

(Millions of yen)

	Shareholder's equity						
	Common stock	Capital reserves			Retained earnings		Total shareholder's equity
		Additional paid-in capital	Other capital reserve	Total capital reserve	Other retained earnings	Total Retained earnings	
					Retained earnings carried forward		
Balance at beginning of year	10,000	529,579	55,951	585,530	52,577	52,577	648,107
Change of items during the year							
Dividend			(47,423)	(47,423)	(52,577)	(52,577)	(100,000)
Net income					85,617	85,617	85,617
Net changes in items other than shareholder's equity							
Total changes in the year	—	—	(47,423)	(47,423)	33,040	33,040	(14,383)
Balance at end of year	10,000	529,579	8,528	538,107	85,617	85,617	633,724

	Valuation and translation adjustments		Total net assets
	Net unrealized gain on investments	Total valuation and translation adjustments	
Balance at beginning of year	4,795	4,795	652,902
Change of items during the year			
Dividend			(100,000)
Net income			85,617
Net changes in items other than shareholder's equity	4,369	4,369	4,369
Total changes in the year	4,369	4,369	(10,014)
Balance at end of year	9,164	9,164	642,888

For the year ended March 31, 2022

(Millions of yen)

	Shareholder's equity						
	Common stock	Capital reserves			Retained earnings		Total shareholder's equity
		Additional paid-in capital	Other capital reserve	Total capital reserve	Other retained earnings	Total Retained earnings	
					Retained earnings carried forward		
Balance at beginning of year	10,000	529,579	8,528	538,107	85,617	85,617	633,724
Change of items during the year							
Dividend					(85,000)	(85,000)	(85,000)
Net income					67,542	67,542	67,542
Net changes in items other than shareholder's equity							
Total changes in the year	—	—	—	—	(17,458)	(17,458)	(17,458)
Balance at end of year	10,000	529,579	8,528	538,107	68,159	68,159	616,266

	Valuation and translation adjustments		Total net assets
	Net unrealized gain on investments	Total valuation and translation adjustments	
Balance at beginning of year	9,164	9,164	642,888
Change of items during the year			
Dividend			(85,000)
Net income			67,542
Net changes in items other than shareholder's equity	(6,562)	(6,562)	(6,562)
Total changes in the year	(6,562)	(6,562)	(24,020)
Balance at end of year	2,602	2,602	618,868

Non-Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended March 31, 2021	For the year ended March 31, 2022
Account	Amount	Amount
Cash flows from operating activities		
Income before income taxes	122,239	78,797
Depreciation expenses	1,613	1,391
Interest and dividend income	(49,830)	(51,973)
Interest expenses	18,971	15,964
Gain on sales of investment securities	—	(4,020)
(Increases)/decreases in assets		
Loans and other receivables, net of allowance for doubtful accounts	929,174	(212,181)
Margin account assets	(91,963)	40,309
Loans with securities as collateral	(31,491)	(358,550)
Trading assets	(11,048)	(95,913)
Other assets	(9,893)	(52,078)
Increases/(decreases) in liabilities		
Advances received and other payables	1,256	322,937
Margin account liabilities	1,038	1,102
Borrowings with securities as collateral	190,483	360,732
Trading liabilities	(593,252)	184,681
Other liabilities	38,622	(32,177)
Sub-total	515,918	199,020
Interest and dividends received	61,517	52,501
Interest paid	(29,223)	(15,565)
Net (payment)/refund of income taxes	(19,988)	1,660
Net cash provided by operating activities	528,225	237,616
Cash flows from investing activities		
Payments for purchases of fixed assets	(85)	(94)
Proceeds from sales of investment securities	—	14,520
Other	110	109
Net cash provided by investing activities	25	14,535
Cash flows from financing activities		
Increase/(decrease) in short-term borrowings and others, net	(1,227,745)	(295,200)
Increase in long-term borrowings	685,000	1,048,850
Decrease in long-term borrowings	(248,700)	(837,450)
Payment of dividend	(100,000)	(85,000)
Net cash (used in)/provided by financing activities	(891,445)	(168,800)
Effect of changes in exchange rate on cash and cash equivalents	390	(1,083)
Net (decrease)/increase in cash and cash equivalents	(362,805)	82,268
Cash and cash equivalents at beginning of year	1,393,598	1,030,792
Cash and cash equivalents at end of year	1,030,792	1,113,060

(Methods for preparation of non-consolidated financial statements)

The accompanying non-consolidated financial statements have been prepared by Nomura Securities Co., Ltd. (the "Company") for the purpose of providing information to bondholders and potential purchasers of guaranteed notes issued by overseas subsidiaries of Nomura Holdings, Inc. and guaranteed by Nomura Holdings, Inc. and the Company.

The accompanying non-consolidated financial statements have been prepared by the Company in accordance with accounting principles generally accepted in Japan. In terms of the presentation and disclosure, the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statements of changes in net assets, the notes to the non-consolidated financial statements and the related supplementary schedules have been prepared based on "Regulation on Accounting of Companies" (Ministry of Justice Order No. 13, 2006), "Cabinet Office Ordinance on Financial Instruments Business, etc." (Cabinet Office Ordinance No. 52, 2007) and the "Uniform Accounting Standards of Securities Related Business Companies" (Self-Regulation of the Japan Securities Dealers Association, 1974), and have been presented for the fiscal years ended March 31, 2021 and March 31, 2022 for comparative presentation purpose, and the non-consolidated statements of cash flows (including the significant accounting policies and the other notes) and changes in accounting policies and presentation have been prepared based on "Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc." (Ordinance of the Ministry of Finance No. 59, 1963).

All amounts are rounded to the nearest million.

The significant accounting policies and the other notes selected by the Company for preparation of the non-consolidated financial statements are as follows.

(Significant Accounting Policies)

1. Basis and methods of valuation for securities and derivative contracts

(1) Trading securities and derivative contracts

Securities and derivative contracts and other financial instruments are accounted for at fair value based on the mark-to-market method.

In the course of financial instruments business, the Company trades and underwrites securities and derivative contracts and other financial instruments on its own account. As a result, the Company holds securities positions which are recorded as trading assets and liabilities.

(2) Non-trading securities and derivative contracts

Securities and derivative contracts and other financial instruments are accounted for at fair value based on the mark-to-market method.

The difference between the cost using the moving average method or amortized cost and market value less deferred taxes is recorded as Net unrealized gain on investments in the net assets on the non-consolidated balance sheet.

2. Depreciation and amortization

(1) Depreciation of tangible fixed assets

Tangible fixed assets are depreciated primarily by the declining balance method, except for buildings (excluding equipment of the buildings) acquired after March 31, 1998 and equipment of the buildings and structures acquired after March 31, 2016 which are depreciated on the straight-line method.

(2) Amortization of intangible fixed assets and investments and others

Intangible fixed assets and investments and others are amortized primarily over their estimated useful lives by the straight-line method.

3. Accounting standards for provisions and reserves

(1) Allowance for doubtful accounts

To provide for loan losses, provisions are recorded for doubtful accounts based on an estimate of the uncollectible amount calculated using the historical default rate for performing loans or a reasonable estimate based on the financial condition of individual borrowers for specific loans classified as doubtful receivables.

(2) Accrued bonuses for employees

To provide for employee bonus payments, an estimated accrual is recorded in accordance with the prescribed calculation method.

(3) Reserve for retirement benefits

To provide for retirement benefits for employees, reserve for retirement benefits is recorded based on the expected retirement benefit obligations and pension assets at the end of the current fiscal year, and the cost incurred for the current fiscal year is charged to income.

In computing retirement benefit obligations and service cost, the Company has adopted the benefit formula basis as the method of attributing expected retirement benefits to accounting periods up to the end of the current fiscal year.

The actuarial difference and prior service cost arising on the defined benefit pension plan are amortized from the fiscal year in which they arise by the straight-line method over the average remaining service period (11 to 16 years) of employees at the point of their occurrence.

The actuarial difference and prior service cost arising on lump-sum retirement benefits are expensed in the fiscal year in which they arise.

If the balance of pension assets at the end of the current fiscal year exceeds the balance of retirement benefit obligations after deducting the actuarial difference and prior service cost, net pension assets are reported within Investments and others-Prepaid pension cost.

(4) Reserve for financial instruments transaction liabilities

To provide for the potential losses arising from operational failures in securities transactions, a reserve is calculated and recorded in accordance with the provisions of Article 46-5 of the Financial Instruments and Exchange Act and Article 175 of the Cabinet Office Ordinance on Financial Instruments Business, etc.

4. Revenue Recognition

The revenues recognized from contracts with customers are below.

(Brokerage)

The brokerage commissions are recognized in revenues when a trading is executed on behalf of customers based on a contract. The performance obligations are satisfied on the trade dates and the revenues are recognized at a point in time.

(Underwriting and distribution of securities)

The commissions for underwriting, secondary offering and solicitation for selling are recognized in revenues upon completion of the underlying transaction. These performance obligations are satisfied on the determination date of the condition for underwriting and the determination date of the condition or the day of sales for selling.

(Public offerings and Secondary distribution, and Private placements)

The commissions for Public offerings and Secondary distribution, and Private placements are recognized in revenues at a point in time when the underlying transaction is complete. The performance obligations are satisfied at the time of receiving the application.

(Other)

The agent fees for the customer's investment trust are recognized in revenues when the performance obligations are satisfied over the term of contract and its fees is recognized on a straight-line basis. The success fees in the financial advisory services are recognized upon fulfilling the condition in the contract that are deemed not to result in material reversals, as they are variable.

5. Translation of assets and liabilities denominated in foreign currencies

Financial assets and liabilities denominated in foreign currencies are translated into Japanese yen using spot exchange rates as of the balance sheet date. Gains and losses resulting from translation are reflected in the statement of income.

6. Statements of cash flows

Cash and cash equivalents in the statements of cash flows consist of cash on hand and demand deposits.

7. Accounting for consumption taxes and local consumption taxes

Transactions subject to national and local consumption taxes are recorded at amounts exclusive of consumption tax.

8. Application of Consolidated Tax Return System

The Company applies the consolidated tax return system.

With regard the company to the items for which the individual tax return filing method was reviewed in accordance with the

transition to the Group Tax Sharing System established under the “Act to partially revise the Income Tax Act and Others” (Act No. 8 of 2020) and the transition to the Group Tax Sharing System, in accordance with the treatment in Paragraph 3 of the “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (Practical Solution No. 39 March 31, 2020), the provisions in Paragraph 44 of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28 February 16, 2018) are not applied and the amounts of deferred tax assets and deferred tax liabilities are in accordance with the provisions of the tax law before amendment.

9. Offsetting of financial assets and liabilities

Financial assets and liabilities are presented on a net basis in order to specifically present the effect of credit risk reduction if the criteria are met as defined in the Japanese Institute of Certified Public Accountants (JICPA), Accounting Practice Committee Statement No.14 “Practical Guidelines on Accounting Standards for Financial Instruments”.

(1) Offsetting of derivative contracts

Derivative contracts such as interest rate swaps with the same counterparties with which the Company has legally enforceable master netting agreements are presented in the financial statements on a net basis.

(2) Offsetting of Repo transactions

Repo transactions that meet specific criteria such as the same counterparty and the same settlement date are presented on a net basis.

(Notes to the Changes in Accounting Policies)

Adoption of Accounting Standard for Fair Value Measurement

The Company adopted “Accounting Standard for Fair Value Measurement” (Accounting Standards Board of Japan Statement No.30 issued on July 4, 2019) from the beginning of the current fiscal year. In addition, the company applied the accounting policies prospectively in accordance with the transitional accounting treatment prescribed in Paragraph 19 of “Accounting Standard for Fair Value Measurement”. There was no impact on the financial statement.

(Notes to the Accounting Estimates)

Estimates, by their nature, are based on underlying assumptions which require management judgment and depend on the extent of available information. Actual results in future periods may differ from current estimates, which could have a material impact on the financial statements. Items which were recorded on the financial statements as accounting estimates and may have material impact on the financial statements for the next fiscal year are as follows;

- Fair value of financial instruments refers to the value that is reasonably calculated if the market price is not available
See Notes to Financial Instruments

(Notes to Non-Consolidated Balance Sheets)

1. Balances due from and to affiliates

(Millions of yen)

	March 31, 2021	March 31, 2022
Short-term monetary receivables	97,732	100,636
Short-term monetary payables	109,806	237,296
Long-term monetary payables	350,000	470,000

2. Accumulated depreciation on tangible fixed assets

(Millions of yen)

	March 31, 2021	March 31, 2022
Total	2,040	3,039

3. Assets pledged as collateral

(Millions of yen)

	March 31, 2021	March 31, 2022
(1) Assets pledged as collateral		
Trading assets	465,778	468,715
(2) Liabilities secured by the collateral		
Short-term borrowings	356,700	375,100
Long-term borrowings	75,500	75,500
Borrowings from securities finance companies	2,074	1,556
Total	434,274	452,156

In addition to the above, the Company pledged securities borrowed and securities received as collateral in the amounts of 35,873 million yen for the fiscal year ended March 31, 2021 and 20,071 million yen for the fiscal year ended March 31, 2022.

4. Securities deposited or received

(1) Fair value of the securities deposited / received in securities financing transactions, securities lending / borrowing transactions, margin transactions or as substitutes for guarantee deposits (except as mentioned in 3. above)

(Millions of yen)

	March 31, 2021	March 31, 2022
Total fair value of securities deposited	7,036,639	7,495,730
Which mainly include:		
Securities sold in gensaki transactions	4,949,267	5,370,227
Securities loaned in lending transactions	1,678,256	1,568,116
Total fair value of securities received	7,963,698	8,709,865
Which mainly include:		
Securities purchased in gensaki transactions	3,158,219	3,198,616
Securities borrowed in lending transactions	4,204,034	4,981,431
Collateral for derivative transactions	214,306	322,883

(2) In addition, the Company entrusts securities in the amount of 935,734 million yen for the fiscal year ended March 31, 2021 and 991,216 million yen for the fiscal year ended March 31, 2022 as segregated trust money of customers.

5. Subordinated bonds and borrowings

(Millions of yen)

	March 31, 2021	March 31, 2022
Long-term borrowings from affiliates	350,000	470,000

6. Financial guarantees (Note1)

(Millions of yen)

Guaranteed parties	Guaranteed items	March 31, 2021	March 31, 2022
Nomura International Funding Pte. Ltd.	Medium term notes	145,022	211,062
Nomura International plc (Note2)	Stock Lending	54,457	41,264
Nomura International plc (Note2)	Derivative transactions etc.	18,010	41,126
Nomura Securities International Inc. (Note2)	Repurchase transactions etc.	348	15,950
Nomura Global Financial Products Inc. (Note2)	Derivative transactions etc.	17,079	9,193
Nomura Europe Finance N.V. (Note2)	Medium term notes	10,600	7,750
Other (Note2)		11,936	16,567

Notes

1. In accordance with Practical Guideline No. 61 of the Audit and Assurance Practice Committee of the JICPA, contracts which are financial guarantees in substance are included above.
2. Includes joint and several guarantee together with Nomura Holdings, Inc.

(Notes to Non-Consolidated Statements of Income)

Transactions with affiliates

(Millions of yen)

	For the year ended March 31, 2021	For the year ended March 31, 2022
Operating revenue	8,476	10,226
Interest expenses and Selling, general and administrative expenses	176,591	168,883
Non operating transactions	135	—

(Notes to Non-Consolidated Statements of Changes in Net Assets)

For the year ended March 31, 2021

1. Shares outstanding

(Shares)

Type of shares	Beginning of current year	Increase	Decrease	End of current year
Common stock (Shares)	201,410	—	—	201,410

2. Treasury stock

Not applicable

3. Stock acquisition rights

Not applicable

4. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividend value (Millions of yen)	Dividend per share (yen)	Record date	Effective date
Board of directors May 8, 2020	Common stock	100,000	496,500	March 31, 2020	June 08, 2020

(2) Dividends with a record date in the year ended March 31, 2021 and with an effective date after March 31, 2021

Resolution	Type of shares	Total dividend value (Millions of yen)	Dividend per share (yen)	Record date	Effective date
Board of directors April 27, 2021	Common stock	85,000	422,025	March 31, 2021	June 04, 2021

For the year ended March 31, 2022

1. Shares outstanding

(Shares)

Type of shares	Beginning of current year	Increase	Decrease	End of current year
Common stock (Shares)	201,410	—	—	201,410

2. Treasury stock

Not applicable

3. Stock acquisition rights

Not applicable

4. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividend value (Millions of yen)	Dividend per share (yen)	Record date	Effective date
Board of directors April 27, 2021	Common stock	85,000	422,025	March 31, 2021	June 04, 2021

(2) Dividends with a record date in the year ended March 31, 2022 and with an effective date after March 31, 2022

Resolution	Type of shares	Total dividend value (Millions of yen)	Dividend per share (yen)	Record date	Effective date
Board of directors April 26, 2022	Common stock	67,472	335,000	March 31, 2022	June 01, 2022

(Notes to Non-Consolidated Statements of Cash Flows)

1. Reconciliation of cash and cash equivalents to the amount disclosed on the balance sheets is as follows:

(Millions of yen)

	For the year ended March 31, 2021	For the year ended March 31, 2022
Cash and deposits (on the balance sheets)	1,030,792	1,113,060
Cash and cash equivalents	1,030,792	1,113,060

2. Material non-cash transactions

For the year ended March 31, 2021

Not applicable

For the year ended March 31, 2022

Not applicable

(Notes to Deferred Tax Accounting)

1. Breakdown of deferred tax assets and liabilities by major items

(Millions of yen)

	March 31, 2021	March 31, 2022
Deferred tax assets:		
Accrued bonuses for employees	15,274	13,804
Securities and derivatives	45,524	19,323
Reserve for retirement benefits	11,998	12,847
Reserve for financial instruments transactions liabilities	7,363	8,124
Accrued enterprise tax	3,169	—
Losses on devaluation of fixed assets	1,227	1,220
Asset retirement obligations	3,493	3,411
Net operating loss for local tax	—	5,153
Others	2,260	1,549
Subtotal deferred tax assets	90,307	65,430
Valuation allowance	(18,610)	(11,039)
Total deferred tax assets	71,697	54,391
Deferred tax liabilities:		
Securities and derivatives	—	(16,643)
Asset retirement cost	(1,917)	(1,515)
Others	(1,970)	(3,345)
Total deferred tax liabilities	(3,887)	(21,504)
Net deferred tax assets	67,810	32,887

(Notes to Fixed Assets as lease Transactions)

Some electric machine and cars are operated as finance lease exempt from passage of title in addition to fixed assets on balance sheet.

(Notes to Financial Instruments)

1. Detailed information on financial instruments

(1) Approach to financial instruments

Principal business of the parent company of the Company (Nomura Holdings, Inc.) and its affiliates are securities businesses including investment and financial services businesses. The Company provides a wide range of services to customers in both financing and fund management through its world-wide operating offices covering major financial and capital markets including Japan. In order to operate these businesses, the Company is engaged in trading activities for securities and derivative transactions in principle to provide various products and transactions to meet customer needs. Risk management for trading positions arising from these business activities is extremely important. In addition to risk management within the trading units, the Company is focusing on risk management conducted on a global basis through the risk management unit which is independent from the trading units. The Company engages in derivative transactions not only to develop products to meet various customer needs, but also to hedge and adjust exposures that arise in the course of trading activities. The Company manages and controls securities trading and derivatives transactions as a whole.

(2) Detail and risk of financial instruments

The Company's trading positions arise from transactions to meet customer needs, market-making transactions to enhance the function of the market, and dealing activities for its own account.

In the normal course of conducting transactions on exchanges, the Company holds positions in listed equities, bonds with stock acquisition rights, stock index futures and options, bond futures and other exchange traded instruments. The Company's futures and options traded in exchanges are primarily held as hedges or for arbitrage purposes in relation to other trading securities of the Company.

Over-the-counter traded positions of the Company include bonds, warrants, options on bonds, equity derivatives, lending and borrowing securities as well as gensaki-transactions. In addition, the Company also holds positions in Forex, currency futures and utilizes interest rate and currency swap transactions in conjunction with customer needs to hedge or convert their currency and interest rate risk, or to hedge the position of other trading securities.

The principal risks arising from trading activities include market risk, credit risk (issuer risk and/or counterparty risk) and liquidity risk, which may significantly affect the financial position of the Company.

(3) Risk management for financial instruments

(i) Market risk management

The value of the trading position (fair value) would change along with the market volatility of securities, interest rate, and foreign exchange. The Company considers those changes in value as the market risk. The trading position of the Company arises mainly as a result of the customer transactions, and in order to avoid the risk of a decrease in value of the trading position due to market volatility, appropriate hedge transactions are executed. To select the most appropriate hedging instruments at the point, not only cash securities, but derivative transactions are also included for consideration. Accordingly, as for the trading portfolio that includes hedging instruments, position management is performed in accordance with rules, such as calculating the market risk by making assessment of the fair value on a daily basis. The trading portfolio is managed by each unit, by instrument or by purpose of transaction, and the risk management unit, which is independent from the trading units, checks the valuation on a global and daily basis, and then reports the risk exposure to related directors. The rules regarding market risk management are determined by the Group Risk Management Committee of Nomura Holdings, Inc.

(ii) Credit risk management (Issuer Risk and Counterparty Risk)

The issuer risk and counterparty risk is defined as the risk of the issuer or counterparty not performing their obligations when the Company holds securities or receivables due from the counterparty. The risk typically arises when the issuer or the counterparty defaults.

Issuer risk of securities is reflected in the fair value, and assessed daily. Although loss arising from a change in value by downgrading of the issuer's credit rating, or the probability of the issuer's default may be remote, a significant loss is expected once it occurs, and the Company recognizes that it is significant in its risk management. Both the trading units and the risk management unit carefully monitor these securities held by determining the probability of downgrading of the issuer's credit rating and default of issuer as well as the possible loss given such events.

The market trading, among the derivative trading is settled in the exchange market daily, and for the trading on behalf of customers, the Company collects sufficient margin so that the Company considers that its counterparty risk is insignificant. On the other hand, the counterparty risk which corresponds to credit risk may arise for derivative transactions outside of the exchange market. The risk management unit of the Company monitors this risk by establishing the credit line based on the counterparty creditworthiness. The counterparty risk is managed based on the sum of the credit exposure equivalent to the amount obtained by the mark-to-market valuation of the derivative transactions and the potential credit exposure through the end of the contract term, and the effort to reduce the credit risk exposure is made by obtaining collateral as needed. In addition, the Company puts on its effort to establish a master agreement for derivative transactions.

(iii) Funding and liquidity risk management

The Company defines liquidity risk as the risk of loss arising from difficulty in securing the necessary funding or from a significantly higher cost of funding than normal levels due to deterioration of the Nomura Group's creditworthiness or deterioration in market conditions. This risk could arise from Nomura-specific or market-wide events such as inability to access the secured or unsecured debt markets, a deterioration in credit ratings of Nomura Group, a failure to manage unplanned changes in funding requirements, a failure to liquidate assets quickly and with minimum loss in value, or changes in regulatory capital restrictions which may prevent the free flow of funds between different group entities. Liquidity risk management policy is based on liquidity risk appetite formulated by the Executive Management Board of Nomura Holdings, Inc., which integrally conducts risk management for Nomura Group. Nomura Group's liquidity risk management, under market-wide stress and in addition, under Nomura-specific stress, seeks to ensure enough continuous liquidity to meet all funding requirements and unsecured debt obligations across one year and 30-day periods, respectively, without raising funds through unsecured funding or through the liquidation of assets. In addition, the Company is required to comply with the liquidity coverage ratio and net stable funding ratio regulated by the Financial Services Agency (criteria that indicate soundness of liquidity in the management of the highest designated parent company and its subsidiaries, etc. established as criteria by which the highest designated parent company is to judge the soundness of management of the highest designated parent company and its subsidiaries, etc. in accordance with the provision of Article 57-17 (1) of the Financial Instruments and Exchange Act.)

The Company has in place a number of liquidity risk management frameworks that enable the Company to achieve its primary liquidity objective. These frameworks include (1) Securing Residual Cash, (2) Appropriate Funding and Diversification of Funding Sources and Maturities Commensurate with the Composition of Assets, (3) Management of Credit Lines to the Company by Financial Institutions, and (4) Contingency Funding Plan.

(4) Supplementary description of fair value of financial instruments

In the calculation of the value, as assumptions that require management judgment or available information are applied, if different assumptions or information are adopted, the value might be different. In addition, contract amount relating to derivative transactions discussed in "2. Fair value of financial instruments" does not represent the market risk related to derivative transactions.

(5) Quantitative information on market risks

Financial Instruments held for trading purposes

The Company applies Value at Risk (VaR) to measure market risks of “Trading assets and Trading liabilities”, “Loans with securities as collateral” and “Borrowings with securities as collateral”.

VaR is a statistical measure of the potential loss due to market movements over a given time horizon within a certain confidence level. The Company calculates VaR of trading positions using a 95% confidence level * and a holding period of one day. The Company’s model is designed to take into account the following market risks: stock prices, interest rates, foreign exchange rates, as well as their volatilities and correlations. The historical market data for the calculation of volatilities and correlations are heavily weighted in most recent data.

The Company uses a number of assumptions and approximations to calculate the VaR for measuring the market risks of its trading position. The Company believes the assumptions, the approximations, and the combination of both are reasonable. However, materially different VaR would be produced if assumptions and approximations are different.

* Nomura has decided to change the confidence level for disclosed one-day VaR from 99% to 95%, effective from this fiscal year end, March 2022, as the 95th percentile measure is better to reflection of the characteristics of trading portfolio for the firm.

For the year ended March 31, 2021

(i) Assumptions of VaR

- Confidence level: one-tailed 99%
- Holding period: one day
- Consideration of correlations among different financial instruments’ volatilities

(ii) Actual VaR

(Hundred millions of yen)

	March 31, 2021
Stock Price	17
Interest Rate	6
Foreign Exchange Rate	4
Subtotal	27
Dispersion effects	(9)
Value at Risk (VaR)	18

(Hundred millions of yen)

	From April 1, 2020 to March 31, 2021		
	Maximum	Minimum	Average
Value at Risk (VaR)	34	16	24

For the year ended March 31, 2022

(i) Assumptions of VaR

- Confidence level: one-tailed 95%
- Holding period: one day
- Consideration of correlations among different financial instruments' volatilities

(ii) Actual VaR

(Hundred millions of yen)

	March 31, 2022
Stock Price	4
Interest Rate	3
Foreign Exchange Rate	3
Subtotal	10
Dispersion effects	(4)
Value at Risk (VaR)	6

(Hundred millions of yen)

	From April 1, 2021 to March 31, 2022		
	Maximum	Minimum	Average
Value at Risk (VaR)	11	5	7

The Company performs back-testing to assess the accuracy of its VaR model by comparing the trading portfolio's VaR with the actual profits and losses in accordance with the regulations. The Company counts the number of times when the portfolio experiences a loss greater than the VaR to monitor whether the number is less than a prescribed threshold. In the case that the number exceeds the threshold, the Company refines its VaR methodology.

Financial Instruments held for non-trading purposes

The disclosure is omitted since the risk factors of the major market risks have no material impacts on the fair values recorded on the balance sheets.

2. Fair value of financial instruments

Carrying value, fair value and these differences are as follows:

As of the year ended March 31, 2021

(Millions of yen)

	Carrying value	Fair value	Difference
(1) Cash and deposits	1,030,792	1,030,792	—
(2) Deposits with exchanges and other segregated cash	16,946	16,946	—
(3) Trading assets:	3,311,190	3,311,190	—
Trading securities	2,607,790	2,607,790	—
Derivative contracts	703,399	703,399	—
(4) Net receivables arising from unsettled securities transactions	52,082	52,082	—
(5) Margin account assets:	260,905	260,905	—
Loans to customers in margin transactions	237,777	237,777	—
Cash collateral to securities finance companies	23,127	23,127	—
(6) Loans with securities as collateral:	5,689,854	5,689,854	—
Cash collateral for securities borrowed	2,516,802	2,516,802	—
Loans in gensaki transactions	3,173,053	3,173,053	—
(7) Receivables from customers and others	4,674	4,674	—
(8) Short-term guarantee deposits	1,199,506	1,199,506	—
(9) Short-term loans receivable	403,448	403,448	—
(10) Investment securities	27,812	27,812	—
Total assets	11,997,209	11,997,209	—
(1) Trading liabilities:	1,903,629	1,903,629	—
Trading securities	1,386,216	1,386,216	—
Derivative contracts	517,413	517,413	—
(2) Margin account liabilities:	40,761	40,761	—
Borrowings from securities finance companies	2,074	2,074	—
Customer margin sale proceeds	38,687	38,687	—
(3) Borrowings with securities as collateral:	5,782,409	5,782,409	—
Cash collateral for securities loaned	864,725	864,725	—
Borrowings in gensaki transactions	4,917,684	4,917,684	—
(4) Payables to customers and others	871,879	871,879	—
(5) Guarantee deposits received	421,602	421,602	—
(6) Short-term borrowings	412,600	412,600	—
(7) Short-term borrowings from affiliates	41,100	41,100	—
(8) Short-term bonds payable	371,500	371,500	—
(9) Accounts payable	63,489	63,489	—
(10) Bonds payable	4,700	4,700	—
(11) Long-term borrowings	967,550	967,550	—
(12) Long-term borrowings from affiliates	350,000	341,998	(8,002)
Total liabilities	11,231,218	11,223,216	(8,002)

Assets

(1) Cash and deposits

The fair value of deposits without maturity is based on the carrying value, as the fair value approximates the carrying value.

Deposit with maturity is not applicable as of March 31, 2021.

(2) Deposits with exchanges and other segregated cash

The fair value of deposits with exchanges and other segregated cash is based on the carrying value, as they are settled in a short period and the fair value approximates the carrying value.

(3) Trading assets

Fair value of securities held for trading purposes is generally based on market price, transaction price among brokers with a reasonable level of objectivity or the price determined by referring to similar financial instruments for which variables are directly observable. Prices for illiquid securities held for trading purposes are determined by using best estimate of fair value made by the management.

Derivative transactions are comprised of both listed derivatives and over-the-counter derivatives. Fair values of the listed derivatives are determined by market prices in general. Over-the-counter derivatives are measured by using the valuation model.

(i) Carrying Amounts of Securities Held for Trading Purposes

(Millions of yen)

Type	Assets	Liabilities
Stocks and warrants	443,079	249,901
Bonds	1,957,314	1,106,501
Beneficiary certificates and others	207,397	29,814
Valuation gains(losses) included in net gain on trading	36,262	

(ii) Contract Amounts and the Fair Values of Derivative Transactions

(Millions of yen)

Type	Assets		Liabilities	
	Contract amount	Fair value	Contract amount	Fair value
Option transactions	4,446,882	244,551	4,488,026	239,839
Forward foreign exchange contracts	11,440,996	365,103	11,818,647	376,727
Swap transactions	215,377,124	4,679,606	221,678,230	4,513,934
Futures and forward agreements	916,119	37,058	1,068,395	9,831
Derivative netting	—	(4,622,919)	—	(4,622,919)
Total	—	703,399	—	517,413

Note: 1. Fair value and the unrealized gains or losses are recorded in the balance sheets, so that valuation gains or losses are not indicated.

2. Derivative contracts such as interest rate swaps with the same counterparties with which the Company has legally enforceable master netting agreements are presented on the balance sheets on a net basis.

3. Methods of calculation of fair value are based on base price, liquidation price of exchanges, or discounted present value of estimated future cash flows.

(4) Net receivables arising from unsettled securities transaction and (5) Margin account assets

The fair value of these assets is based on the carrying value, as they are settled in a short period and the fair value approximates the carrying value.

(6) Loans with securities as collateral

Amounts of loans to counterparties related to securities lending and borrowing transactions as well as gensaki transactions are recorded. In addition, these amounts of loans are adjusted due to changes of fair value of securities received. The fair value of those loans is based on the carrying value, as they are settled in a short period and the fair value approximates the carrying value.

(7) Receivables from customers and others, (8) Short-term guarantee deposits and (9) Short-term loans receivable

The fair value of these assets is based on the carrying value, as they are settled in a short period and the fair value approximates the carrying value.

(10) Investment securities

The fair value of investment securities is based on market price.

Note: Expected amount of redemption for financial receivables after balance sheet date

(Millions of yen)

	Within one year
(1) Cash and deposits	1,030,792
(2) Deposits with exchanges and other segregated cash	16,946
(5) Margin account assets	260,905
(6) Loans with securities as collateral	5,689,854
(7) Receivables from customers and others	4,674
(8) Short-term guarantee deposits	1,199,506
(9) Short-term loans receivable	403,448
Total	8,606,125

Liabilities

(1) Trading liabilities

See Assets (3) Trading assets

(2) Margin account liabilities

The fair value of these liabilities is based on the carrying value, as they are settled in a short period and the fair value approximates the carrying value.

(3) Borrowings with securities as collateral

Amounts of borrowings from counterparties related to securities lending and borrowing transactions as well as gensaki transactions are recorded. Since these amounts of borrowings are adjusted for changes of fair value of securities deposited, and these securities are settled in a short period, the fair value approximates the carrying value. Accordingly, the carrying value is considered to be the fair value.

(4) Payables to customers and others, (5) Guarantee deposits received, (6) Short-term borrowings, (7) Short-term borrowings from affiliates, (8) Short-term bonds payable and (9) Accounts payable

The fair value of these liabilities is based on the carrying value, as they are settled in a short period and the fair value approximates the carrying value.

(10) Bonds payable, (11) Long-term borrowings and (12) Long-term borrowings from affiliates

Present value of the bonds payable, long-term borrowings and long-term borrowings from affiliates is calculated by grouping by certain periods to maturity and applying the discount rate to be assumed in the similar debts to the total amount of principal and interests of the debts. However, the variable interests debts that reflect the market interest rates in a short period is based on the carrying value, as the fair value approximates the carrying value.

Note: Expected amount of repayment of bonds and borrowings and interest-bearing liabilities

(Millions of yen)

	Within one year	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years	Over five years
(2) Margin account liabilities	40,761	—	—	—	—	—
(3) Borrowings with securities as collateral	5,782,409	—	—	—	—	—
(4) Payables to customers and others	871,879	—	—	—	—	—
(5) Guarantee deposits received	421,602	—	—	—	—	—
(6) Short-term borrowings	412,600	—	—	—	—	—
(7) Short-term borrowings from affiliates	41,100	—	—	—	—	—
(8) Short-term bonds payable	371,500	—	—	—	—	—
(9) Accounts payable	63,489	—	—	—	—	—
(10) Bonds payable	—	—	—	—	2,500	2,200
(11) Long-term borrowings	—	30,000	53,050	148,000	93,500	643,000
(12) Long-term borrowings from affiliates	—	—	170,000	—	—	180,000
Total	8,005,339	30,000	223,050	148,000	96,000	825,200

As of March 31, 2022

(Millions of yen)

	Carrying value	Fair value	Difference
(1) Cash and deposits	1,113,060	1,113,060	—
(2) Deposits with exchanges and other segregated cash	20,046	20,046	—
(3) Trading assets:	3,407,102	3,407,102	—
Trading securities	2,397,367	2,397,367	—
Derivative contracts	1,009,735	1,009,735	—
(4) Net receivables arising from unsettled securities transactions	29,093	29,093	—
(5) Margin account assets:	220,596	220,596	—
Loans to customers in margin transactions	217,225	217,225	—
Cash collateral to securities finance companies	3,371	3,371	—
(6) Loans with securities as collateral:	6,048,405	6,048,405	—
Cash collateral for securities borrowed	2,822,827	2,822,827	—
Loans in gensaki transactions	3,225,578	3,225,578	—
(7) Receivables from customers and others	3,556	3,556	—
(8) Short-term guarantee deposits	1,388,558	1,388,558	—
(9) Short-term loans receivable	451,779	451,779	—
(10) Investment securities	11,919	11,919	—
Total assets	12,694,113	12,694,113	—
(1) Trading liabilities:	2,088,310	2,088,310	—
Trading securities	1,475,860	1,475,860	—
Derivative contracts	612,450	612,450	—
(2) Margin account liabilities:	41,863	41,863	—
Borrowings from securities finance companies	1,556	1,556	—
Customer margin sale proceeds	40,307	40,307	—
(3) Borrowings with securities as collateral:	6,143,141	6,143,141	—
Cash collateral for securities loaned	927,161	927,161	—
Borrowings in gensaki transactions	5,215,979	5,215,979	—
(4) Payables to customers and others	869,709	869,709	—
(5) Guarantee deposits received	746,710	746,710	—
(6) Short-term borrowings	385,600	385,600	—
(7) Short-term borrowings from affiliates	104,000	104,000	—
(8) Short-term bonds payable	35,000	35,000	—
(9) Accounts payable	9,537	9,537	—
(10) Bonds payable	4,700	4,700	—
(11) Long-term borrowings	1,064,350	1,064,350	—
(12) Long-term borrowings from affiliates	470,000	481,889	11,889
Total liabilities	11,962,919	11,974,808	11,889

Assets

(1) Cash and deposits

The fair value of deposits without maturity is based on the carrying value, as the fair value approximates the carrying value. Deposit with maturity is not applicable as of March 31, 2022.

(2) Deposits with exchanges and other segregated cash

The fair value of deposits with exchanges and other segregated cash is based on the carrying value, as they are settled in a short period and the fair value approximates the carrying value.

(3) Trading assets

Fair value of securities held for trading purposes is generally based on market price, transaction price among brokers with a reasonable level of objectivity or the price determined by referring to similar financial instruments for which variables are directly observable. Prices for illiquid securities held for trading purposes are determined by using best estimate of fair value made by the management.

Derivative transactions are comprised of both listed derivatives and over-the-counter derivatives. Fair values of the listed derivatives are determined by market prices in general. Over-the-counter derivatives are measured by using the valuation model.

(i) Carrying Amounts of Securities Held for Trading Purposes

(Millions of yen)

Type	Assets	Liabilities
Stocks and warrants	94,704	302,320
Bonds	2,088,566	1,172,694
Beneficiary certificates and others	214,097	846
Valuation gains(losses) included in net gain on trading	26,243	

(ii) Contract Amounts and the Fair Values of Derivative Transactions

(Millions of yen)

Type	Assets		Liabilities	
	Contract amount	Fair value	Contract amount	Fair value
Option transactions	3,985,352	181,226	4,603,514	221,669
Forward foreign exchange contracts	12,493,959	607,556	12,191,849	631,910
Swap transactions	171,980,930	4,187,581	167,643,739	3,748,651
Futures and forward agreements	979,549	39,654	804,420	16,503
Derivative netting	—	(4,006,283)	—	(4,006,283)
Total	—	1,009,735	—	612,450

Note: 1. Fair value and the unrealized gains or losses are recorded in the balance sheets, so that valuation gains or losses are not indicated.

2. Derivative contracts such as interest rate swaps with the same counterparties with which the Company has legally enforceable master netting agreements are presented on the balance sheets on a net basis.

3. Methods of calculation of fair value are based on base price, liquidation price of exchanges, or discounted present value of estimated future cash flows.

(4) Net receivables arising from unsettled securities transaction and (5) Margin account assets

The fair value of these assets is based on the carrying value, as they are settled in a short period and the fair value approximates the carrying value.

(6) Loans with securities as collateral

Amounts of loans to counterparties related to securities lending and borrowing transactions as well as gensaki transactions are recorded. In addition, these amounts of loans are adjusted due to changes of fair value of securities received. The fair value of those loans is based on the carrying value, as they are settled in a short period and the fair value approximates the carrying value.

(7) Receivables from customers and others, (8) Short-term guarantee deposits and (9) Short-term loans receivable

The fair value of these assets is based on the carrying value, as they are settled in a short period and the fair value approximates the carrying value.

(10) Investment securities

The fair value of investment securities is based on market price.

Note: Expected amount of redemption for financial receivables after balance sheet date

(Millions of yen)

	Within one year
(1) Cash and deposits	1,113,060
(2) Deposits with exchanges and other segregated cash	20,046
(5) Margin account assets	220,596
(6) Loans with securities as collateral	6,048,405
(7) Receivables from customers and others	3,556
(8) Short-term guarantee deposits	1,388,558
(9) Short-term loans receivable	451,779
Total	9,245,999

Liabilities

(1) Trading liabilities

See Assets (3) Trading assets

(2) Margin account liabilities

The fair value of these liabilities is based on the carrying value, as they are settled in a short period and the fair value approximates the carrying value.

(3) Borrowings with securities as collateral

Amounts of borrowings from counterparties related to securities lending and borrowing transactions as well as gensaki transactions are recorded. Since these amounts of borrowings are adjusted for changes of fair value of securities deposited, and these securities are settled in a short period, the fair value approximates the carrying value. Accordingly, the carrying value is considered to be the fair value.

(4) Payables to customers and others, (5) Guarantee deposits received, (6) Short-term borrowings, (7) Short-term borrowings from affiliates, (8) Short-term bonds payable and (9) Accounts payable

The fair value of these liabilities is based on the carrying value, as they are settled in a short period and the fair value approximates the carrying value.

(10) Bonds payable, (11) Long-term borrowings and (12) Long-term borrowings from affiliates

Present value of the bonds payable, long-term borrowings and long-term borrowings from affiliates is calculated by grouping by certain periods to maturity and applying the discount rate to be assumed in the similar debts to the total amount of principal and interests of the debts. However, the variable interests debts that reflect the market interest rates in a short period is based on the carrying value, as the fair value approximates the carrying value.

Note: Expected amount of repayment of bonds and borrowings and interest-bearing liabilities

(Millions of yen)

	Within one year	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years	Over five years
(2) Margin account liabilities	41,863	—	—	—	—	—
(3) Borrowings with securities as collateral	6,143,141	—	—	—	—	—
(4) Payables to customers and others	869,709	—	—	—	—	—
(5) Guarantee deposits received	746,710	—	—	—	—	—
(6) Short-term borrowings	385,600	—	—	—	—	—
(7) Short-term borrowings from affiliates	104,000	—	—	—	—	—
(8) Short-term bonds payable	35,000	—	—	—	—	—
(9) Accounts payable	9,537	—	—	—	—	—
(10) Bonds payable	—	—	—	2,500	—	2,200
(11) Long-term borrowings	—	58,050	147,500	92,500	32,900	733,400
(12) Long-term borrowings from affiliates	—	170,000	—	—	—	300,000
Total	8,335,559	228,050	147,500	95,000	32,900	1,035,600

(Notes to related Party Transactions)

(i) Parent company and major corporate shareholders

For the year ended March 31, 2021

(Millions of yen)

Classification	Name	Voting Rights (%)	Relationship	Detail of the Transaction	Transaction Amounts	Account Titles	Carrying Value
Parent company	Nomura Holdings, Inc.	100% (Directly owned)	Use of various facilities, borrowing and shared directors and executive officers.	Fee payments for use of data processing systems	89,001	Accrued expenses	16,800
				Borrowings	1,023,285	Short-term borrowings from affiliates	41,100
				Establishment of loan commitment with subordinated terms	700,000	Long-term borrowings from affiliates	350,000
				Interest payments	9,322	Accrued expenses	631
				Payments of fee for establishment of loan commitment	700	Accrued expenses	—

Terms of transactions and policy for determining terms of transactions

Regarding fee payments for use of data processing systems, terms are determined rationally considering the parent company's cost.

Regarding borrowings, the interest rates are determined rationally considering market interest rates, and no collateral is pledged.

The above transaction amounts for the establishment of loan commitment with subordinated terms are the total commitment available to the Company.

Note: Consumption tax is not included in the transaction amounts, but is included in the carrying value.

For the year ended March 31, 2022

(Millions of yen)

Classification	Name	Voting Rights (%)	Relationship	Detail of the Transaction	Transaction Amounts	Account Titles	Carrying Value
Parent company	Nomura Holdings, Inc.	100% (Directly owned)	Use of various facilities, borrowing and shared directors and executive officers.	Fee payments for use of data processing systems	91,361	Accrued expenses	18,048
				Borrowings	555,531	Short-term borrowings from affiliates	104,000
				Establishment of loan commitment with subordinated terms	700,000	Long-term borrowings from affiliates	470,000
				Interest payments	6,753	Accrued expenses	872
				Payments of fee for establishment of loan commitment	502	Accrued expenses	—

Terms of transactions and policy for determining terms of transactions

Regarding fee payments for use of data processing systems, terms are determined rationally considering the parent company's cost.

Regarding borrowings, the interest rates are determined rationally considering market interest rates, and no collateral is pledged.

The above transaction amounts for the establishment of loan commitment with subordinated terms are the total commitment available to the Company.

Note: Consumption tax is not included in the transaction amounts, but is included in the carrying value.

(ii) Subsidiaries and significant affiliates of the parent company

For the year ended March 31, 2021

(Millions of yen)

Classification	Name	Voting Rights (%)	Relationship	Detail of the Transaction	Transaction Amounts	Account Titles	Carrying Value
Subsidiary of parent company	Nomura International plc	None	Financial guarantee	Financial guarantee	72,964	—	—
				Guarantee fee income	22	Accrued income	30
Subsidiary of parent company	Nomura International Funding Pte. Ltd.	None	Financial guarantee	Financial guarantee	145,022	—	—
				Guarantee fee income	87	Accrued income	87
Subsidiary of parent company	Nomura Europe Finance N.V.	None	Financial guarantee	Financial guarantee	10,600	—	—
				Guarantee fee income	4	Accrued income	4
Subsidiary of parent company	Nomura Securities International Inc.	None	Financial guarantee	Financial guarantee	348	—	—
				Guarantee fee income	0	Accrued income	0
Subsidiary of parent company	Nomura Global Financial Products Inc.	None	Financial guarantee	Financial guarantee	17,079	—	—
				Guarantee fee income	19	Accrued income	19
Subsidiary of parent company	Nomura Financial Products & Services, Inc.	None	Financial guarantee	Financial guarantee	300	—	—
				Guarantee fee income	2	Accrued income	2
				Loans	119,231	Short-term loans to affiliates	400,000
				Interest income	408	Accrued income	3

Terms of transactions and policy for determining terms of transactions

Regarding financial guarantees, the details are listed in Notes to Non-Consolidated Balance Sheets 6. Financial guarantees. The rates of guarantee charge are determined rationally considering market rate.

For the year ended March 31, 2022

(Millions of yen)

Classification	Name	Voting Rights (%)	Relationship	Detail of the Transaction	Transaction Amounts	Account Titles	Carrying Value
Subsidiary of parent company	Nomura International plc	None	Financial guarantee	Financial guarantee	82,545	—	—
				Guarantee fee income	53	Accrued income	53
Subsidiary of parent company	Nomura International Funding Pte. Ltd.	None	Financial guarantee	Financial guarantee	211,062	—	—
				Guarantee fee income	87	Accrued income	87
Subsidiary of parent company	Nomura Europe Finance N.V.	None	Financial guarantee	Financial guarantee	7,750	—	—
				Guarantee fee income	2	Accrued income	2
Subsidiary of parent company	Nomura Securities International Inc.	None	Financial guarantee	Financial guarantee	15,950	—	—
				Guarantee fee income	0	Accrued income	0
Subsidiary of parent company	Nomura Global Financial Products Inc.	None	Financial guarantee	Financial guarantee	9,193	—	—
				Guarantee fee income	14	Accrued income	15
Subsidiary of parent company	Nomura Financial Products & Services, Inc.	None	Financial guarantee	Financial guarantee	3,120	—	—
				Guarantee fee income	2	Accrued income	2
				Loans	192,154	Short-term loans to affiliates	450,000
				Interest income	1,016	Accrued income	54

Terms of transactions and policy for determining terms of transactions

Regarding financial guarantees, the details are listed in Notes to Non-Consolidated Balance Sheets 6.Financial guarantees. The rates of guarantee charge are determined rationally considering market rate.

(Note to information on Per Share Data)

	For the year ended March 31, 2021	For the year ended March 31, 2022
Net assets per share (yen)	3,191,937.74	3,072,678.67
Net income per share (yen)	425,088.64	335,345.89

(Notes to Significant Subsequent Events)

Not applicable

(Notes on Revenue Recognition)

Refer to Significant Accounting Policies, 4. Revenue Recognition

Supplemental Schedules

For the year ended March 31, 2021

1. Schedule of Fixed Asset

(Millions of yen)

Asset Classification	Beginning balance of the year	Increase during the year	Decrease during the year	Depreciation/ amortization during the year	Ending balance of the year after depreciation and amortization	Accumulated depreciation and amortization at the end of the year
Tangible fixed assets:						
Buildings	1,608	6,195	57	1,535	6,210	1,922
Furniture and fixtures	27	—	—	7	20	118
Total tangible fixed assets	1,634	6,195	57	1,542	6,230	2,040
Intangible fixed assets:						
Tenant rights	221	84	44	70	191	—
Telephone subscriptions rights and others	0	—	—	0	0	—
Total intangible fixed assets	221	84	44	70	191	—

2. Schedule of Allowance and Reserve

(Millions of yen)

Classification	Beginning balance of current fiscal year	Increase during the current fiscal year	Decrease during the current fiscal year	Ending Balance of current fiscal year
Allowance for doubtful accounts	1,135	22	197	960
Accrued bonuses for employees	38,850	45,679	38,850	45,679
Retirement benefit obligations	34,179	6,077	1,553	38,702
Reserve for financial instruments transactions liabilities	21,847	2,222	318	23,751

Note: The amount shown in “Reserve for financial instruments transactions liabilities” is calculated and recorded in accordance with the provisions of Article 46-5 of the Financial Instruments and Exchange Act and Article 175 of the Cabinet Office Ordinance on Financial Instruments Business, etc.

3. Detail of Selling, General and administrative expenses

(Millions of yen)

Classification	Account	Amount
Transaction-related expenses	Commission expenses	65,418
	Stock exchange fees	7,108
	Communications and transportation charges	15,097
	Travel expenses	1,396
	Advertising expenses	5,911
	Entertainment expenses	800
	Total	95,730
Compensation and benefit	Compensation for directors	754
	Salaries for employees	78,967
	Other compensation and salaries	28,192
	Retirement fees	2,300
	Welfare expenses	21,439
	Provision for bonuses	43,786
	Retirement benefit expenses	10,397
	Total	185,835
Rental and maintenance	Occupancy charges	33,253
	Equipment costs	4,920
	Total	38,173
Data processing and office supplies	Data processing	121,276
	Office supplies	611
	Total	121,887
Depreciation		1,613
Taxes, other than income taxes		8,036
Other	Provision for doubtful accounts	22
	Office utilities	1,372
	Training and data	1,739
	Meeting expenses and membership expenses	256
	Donations	60
	Supplies expenses	223
	Miscellaneous expenses	361
	Total	4,033
Grand Total		455,307

For the year ended March 31, 2022

1. Schedule of Fixed Asset

(Millions of yen)

Asset Classification	Beginning balance of the year	Increase during the year	Decrease during the year	Depreciation/ amortization during the year	Ending balance of the year after depreciation and amortization	Accumulated depreciation and amortization at the end of the year
Tangible fixed assets:						
Buildings	6,210	24	7	1,316	4,912	2,916
Furniture and fixtures	20	—	—	4	15	122
Total tangible fixed assets	6,230	24	7	1,321	4,927	3,039
Intangible fixed assets:						
Tenant rights	191	92	39	70	174	—
Telephone subscriptions rights and others	—	—	—	0	—	—
Total intangible fixed assets	191	92	39	70	174	—

2. Schedule of Allowance and Reserve

(Millions of yen)

Classification	Beginning balance of current fiscal year	Increase during the current fiscal year	Decrease during the current fiscal year	Ending Balance of current fiscal year
Allowance for doubtful accounts	960	21	102	879
Accrued bonuses for employees	45,679	40,529	45,679	40,529
Retirement benefit obligations	38,702	5,625	2,887	41,441
Reserve for financial instruments transactions liabilities	23,751	2,676	222	26,205

Note: The amount shown in “Reserve for financial instruments transactions liabilities” is calculated and recorded in accordance with the provisions of Article 46-5 of the Financial Instruments and Exchange Act and Article 175 of the Cabinet Office Ordinance on Financial Instruments Business, etc.

3. Detail of Selling, General and administrative expenses

(Millions of yen)

Classification	Account	Amount
Transaction-related expenses	Commission expenses	65,101
	Stock exchange fees	7,048
	Communications and transportation charges	14,675
	Travel expenses	1,727
	Advertising expenses	5,173
	Entertainment expenses	1,085
	Total	94,809
Compensation and benefit	Compensation for directors	430
	Salaries for employees	81,036
	Other compensation and salaries	25,115
	Welfare expenses	17,818
	Provision for bonuses	38,288
	Retirement benefit expenses	10,545
	Total	173,231
Rental and maintenance	Occupancy charges	30,002
	Equipment costs	3,925
	Total	33,926
Data processing and office supplies	Data processing	127,449
	Office supplies	519
	Total	127,968
Depreciation		1,391
Taxes, other than income taxes		4,526
Other	Office utilities	1,256
	Training and data	1,785
	Meeting expenses and membership expenses	238
	Donations	75
	Supplies expenses	99
	Miscellaneous expenses	326
	Total	3,779
Grand Total		439,631