

NOMURA HOLDINGS INC
Form 6-K
October 26, 2006
Table of Contents

FORM 6-K

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

Commission File Number: 1-15270

Supplement for the month of October 2006.

NOMURA HOLDINGS, INC.

(Translation of registrant's name into English)

9-1, Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Japan

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____.

Table of Contents

Information furnished on this form:

EXHIBIT

Exhibit Number

1. Consolidated Results of Operations (US GAAP), Second quarter, year ending March 2007

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NOMURA HOLDINGS, INC.

Date: October 26, 2006

By: /s/ TETSU OZAKI
Tetsu Ozaki
Senior Managing Director

Table of Contents

Consolidated Results of Operations
(US GAAP)
Second quarter, year ending March 2007
Nomura Holdings, Inc.
October 2006

Table of Contents

2

1.

This document is produced by Nomura Holdings, Inc. ("Nomura"). Copyright 2006 Nomura Holdings, Inc. All rights reserved.

2.

Nothing

in

this

document

shall

be

considered

as

an

offer

to
sell
or
solicitation
of
an
offer
to
buy
any
security,
commodity
or
other
instrument,
including
securities
issued
by
Nomura
or
any
affiliate
thereof.
Offers
to
sell,
sales,
solicitations
to
buy,
or
purchases
of
any
securities
issued
by
Nomura
or
any
affiliate
thereof
may
only
be
made
or
entered
into

pursuant
to
appropriate
offering
materials
or
a
prospectus
prepared
and
distributed
according
to
the
laws,
regulations,
rules
and
market
practices
of
the
jurisdictions
in
which
such
offers
or
sales
may
be
made.

3.
No
part
of
this
document
shall
be
reproduced,
stored
in
a
retrieval
system
or
transmitted
in
any

form
or
by
any
means,
electronic,
mechanical,
photocopying,
recording
or
otherwise,
without
the
prior
written
permission
of
Nomura.
4.
The
information
and
opinions
contained
in
this
document
have
been
obtained
from
sources
believed
to
be
reliable,
but
no
representations
or
warranty,
express
or
implied,
are
made
that
such
information
is

accurate
or
complete
and
no
responsibility
or
liability
can
be
accepted
by
Nomura
for
errors
or
omissions
or
for
any
losses
arising
from
the
use
of
this
information.

5.

This document contains statements that may constitute, and from time to time our management may make "forward-looking statements"

within
the
meaning
of
the
safe
harbor
provisions
of

The
Private
Securities
Litigation
Reform
Act
of
1995.

Any
such statements

must be read in the context of the offering materials pursuant to which any securities may be offered or sold in the United States.

These forward-looking statements

are not historical facts but instead represent

only our belief regarding future events, many of which,

by their nature, are inherently uncertain and outside our control.

Important factors that could cause actual results to differ from those

in specific forward-looking statements include, without limitation, economic and market conditions, political events and investment liquidity of secondary markets, level and volatility of

interest
rates,
currency
exchange
rates,
security
valuations,
competitive
conditions
and
size, and the number and timing of transactions.
6.

The consolidated financial information in this document is unaudited.

Table of Contents

3
Financial Highlights (p.4)
Business Segment Highlights (p.5)
Domestic Retail (p.6)
Global Markets (p.7)
Global Investment Banking (p.8)
Global Merchant Banking (p.9)
Asset Management (p.10)

Non-interest Expenses
(Business segment total) (p.11)
Presentation
Outline
Net Income and ROE (p.13)
Consolidated Income (p.14)
Main Revenue Items (p.16)
Adjustment of Consolidated Results and Segment Results (p.18)
Difference Between Segment Totals and Consolidated Results (p.20)
Income by Segment (p.21)
Segment Other
Income before Income Taxes (p.23)
Consolidated Balance Sheet (p.24)
Effect of Consolidation/Deconsolidation of Certain Private Equity
Investee Companies (p.25)
Domestic Retail Related Data (p.26)
Global Merchant Banking Related Data (p.30)
Asset Management Related Data (p.31)
Second Quarter Achievements (p.34)
League Tables (p.35)
Market Share Data (p.36)
Value at Risk (p.37)
Number of Employees (p.38)
Appendix

Table of Contents

4
106.5
20.1
43.5
60.9
128.6

22.1%
13.1%
25.4%
3.9%
8.3%
0
20
40
60
80
100
120
140
0%
5%
10%
15%
20%
25%
30%

Second Quarter Financial Highlights

Net Revenue

Net Income/ROE (Annualized)

Income before Income Taxes**

Appendix:

Consolidated income

(Quarterly): P15

Adjustment of Consolidated

Results and Segment

Results (Quarterly): P19

* Annualized

Net Income (left)

ROE (annualized, right)

**Income before income taxes for the year ended March 31, 2006, is the total for continuing and discontinued operations.

Note:

In

accordance

with

SFAS

No.

144

Accounting

for

the

Impairment

or

Disposal

of

Long-Lived

Assets,

net
revenue
and
non-interest
expenses
from
the
operations
of
Millennium
Retailing

Inc. (one of Nomura Principal Finance's private equity investee companies, and whose operations were treated as discontinued in conjunction with the agreement reached in the third quarter by Nomura Principal Finance to sell its stake in Millennium Retailing Inc.)

Income from discontinued operations

before income taxes

Income before income taxes

2Q

3Q

4Q

1Q

2Q

FY2006.3

FY2007.3

2Q

3Q

4Q

1Q

2Q

FY2006.3

FY2007.3

2Q

3Q

4Q

1Q

2Q

FY2006.3

FY2007.3

(billions of yen)

(billions of yen)

(billions

of yen)

Net revenue for the second quarter was 251.0 billion yen (+22% QoQ, -8% YoY). Income before income taxes was 73.1 billion yen (x2.2 QoQ, -38% YoY). Net income was 43.5 billion yen (x2.2 QoQ, -29% YoY). ROE* for the second quarter was 8.3%.

Effects of consolidation / deconsolidation of certain private equity investee companies

Unrealized gain (loss) on investments in equity securities held for relationship purposes

Business Segment results

255.7

-20.6
-62.9
0.1
209.8
282.2
386.4
219.8
36.3
2.8
-4.8
31.3
16.8
21.6
40.7
251.0
205.9
325.7
272.6
0
100
200
300
400
500
359.8
81.5
231.8
101.2
9.9
82.6
31.3
36.3
2.8
-20.6
-90.8
23.0
-0.4
97.7
54.4
5.3
-4.8
-0.5
-19.8
209.6
187.1
117.6
73.1
33.4
0
100

200
300

Table of Contents

5
Second Quarter Business Segment Highlights
Net Revenue
Appendix:
Income by segment (Quarterly):
P22
Segment Other
Income

before Income Taxes: P23
Income before Income Taxes
Other
Asset Management
Global Merchant Banking
Global Investment Banking
Global Markets
Domestic Retail

2Q
3Q
4Q
1Q
2Q
FY2006.3
FY2007.3
2Q
3Q
4Q
1Q
2Q
FY2006.3
FY2007.3

(billions of yen)
(billions
of yen)

Despite
a
loss
before
income
taxes
in
Global
Markets
due
to
a

30%
QoQ
decline
in
revenue,
Global
Investment

Banking, Global Merchant Banking, and Asset Management all saw an expansion in revenue and net revenue was 255.7 billion yen (+22% QoQ, +16% YoY). Income before income taxes for the quarter was 97.7 billion yen (+79% QoQ, +20% YoY).

101.4
136.7
123.6

105.6
94.5
77.7
115.2
128.4
68.9
48.5
31.1
18.8
29.7
-15.5
12.1
44.5
17.6
23.9
35.3
20.5
6.9
80.1
18.4
18.1
15.4
1.0
-2.1
-3.9
-13.3
14.6
282.2
209.8
219.8
386.4
255.7
0
100
200
300
400
41.4
74.1
51.4
42.5
28.2
60.9
66.0
14.3
-3.6
17.0
5.6
16.3
-21.0

9.8
41.5
5.2
11.1
-17.9
31.5
23.3
9.1
4.7
77.6
4.7
6.2
5.7
-23.0
-9.9
-10.3
4.3
101.2
54.4
231.8
81.5
97.7
0
50
100
150
200
250

Table of Contents

6
Domestic Retail
Net Revenue and Income before Income Taxes
Appendix:
Retail stock brokerage
commissions, commissions for
investment trusts distribution,

domestic distribution volume of
investment trusts, retail foreign
currency bond sales,
etc: P26

Domestic Client Assets: P27

Domestic Client Assets Net Asset

Inflow: P28

Number of Accounts: P29

Second Quarter

Achievements:P34

*Nomura Securities (See p.26)

(billions of yen)

(billions

of yen)

Net revenue of 94.5 billion yen (-11% QoQ, -7% YoY), income before income taxes of 28.2 billion yen (-34%
QoQ, -32% YoY). Domestic Client Assets increased by 1 trillion yen during the quarter to 77.7 trillion yen.

An overall decline in individual investor equity transaction value led to a 33% decline in stock brokerage commissions to 18.8

Although commissions for distribution of investment trusts* declined 15% to 23.9 billion yen, demand for investment trusts re
customer needs continued to diversify and commissions were in line with last fiscal year.

Revenue down but steady asset inflow on way to target of 100tn yen

Full Year

Full Year

Quarter

Quarter

2Q

3Q

4Q

1Q

2Q

Commissions

104.1

155.2

174.0

269.4

61.0

85.5

77.7

63.0

50.8

-19%

-17%

Sales credit

95.7

97.8

73.7

109.0

24.7

32.3

24.5

23.8

20.1
-16%
-19%
Fees from investment banking
15.0
26.1
24.5
26.4
6.1
8.0
8.9
3.5
6.5
89%
8%
Investment trust administration fees and other
32.0
21.8
26.1
34.4
8.1
9.1
10.1
10.6
11.3
7%
40%
Net interest revenue
2.4
4.9
6.1
7.4
1.5
1.9
2.3
4.7
5.7
21%
281%
Net revenue
249.3
305.8
304.4
446.5
101.4
136.7
123.6
105.6
94.5
-11%

-7%
Non-interest expenses
213.6
226.2
223.2
249.3
60.0
62.6
72.2
63.1
66.3
5%
11%
Income before income taxes
35.7
79.5
81.2
197.2
41.4
74.1
51.4
42.5
28.2
-34%
-32%
FY2005.3
FY2006.3
FY2003.3
FY2004.3
FY2006.3
FY2007.3
YoY
QoQ
51.4
42.5
28.2
74.1
41.4
94.5
101.4
136.7
123.6
105.6
0
50
100
150
304.4
305.8
249.3

197.2

81.2

79.5

35.7

0

100

200

300

400

500

Net interest revenue

Investment trust administration

fees and other

Fees from investment banking

Sales credit

Commissions

Income before income taxes

446.5

Table of Contents

7
Global Markets
Appendix:
Second Quarter
Achievements: P34
Market Share Data: P36
Value at Risk
(consolidated) : P37
Net Revenue and Income before Income Taxes

Note
1:
In
April
2004,
Fixed
Income,
Equity
and
certain
functions
of
Investment
Banking
were
consolidated
to
create
Global
Markets.

Note
2:
Figures
up
to
FY2004.3
are
the
total
of
Fixed
Income
and
Equity
and
differ
slightly
in
composition.
(billions of yen)
(billions
of yen)

Net revenue was 48.5 billion yen (-30% QoQ, -38% YoY). Income before income taxes of -3.6 billion yen.
Net
revenue
from
Fixed
Income
declined
39%

QoQ

to

18.7

billion

yen

due

to

a

drop

off

in

JGB

and

derivative

trading

as

a

result

of

turmoil

in

the

bond

market stemming from a revision to Japan's consumer price index, and changes in the interest rate and foreign exchange market.

Equity

net

revenue

decreased

29%

QoQ

to

24.0

billion

yen,

reflecting

a

continued

slump

in

block

trades

and

a

decline

in

trading

revenue

due

to

reduced stock market volatility.

Trading revenue declined due to market factors

Quarter

Quarter

Full Year

Full Year

2Q

3Q

4Q

1Q

2Q

Fixed Income

154.0

174.0

119.8

173.8

36.5

54.1

62.0

30.8

18.7

-39%

-49%

Equity

82.0

110.2

90.2

168.5

34.4

53.3

57.2

34.0

24.0

-29%

-30%

Other

0.0

0.0

33.1

28.8

6.9

7.8

9.3

4.1

5.7

38%

-17%

Net revenue

236.0

284.1

243.1

371.1
77.7
115.2
128.4
68.9
48.5
-30%
-38%
Non-interest expenses
142.4
163.3
182.9
213.4
46.2
54.3
62.4
54.6
52.1
-5%
13%
Income before income taxes
93.6
120.8
60.2
157.7
31.5
60.9
66.0
14.3
-3.6
-
-
YoY
QoQ
FY2005.3
FY2006.3
FY2007.3
FY2006.3
FY2003.3
FY2004.3
93.6
120.8
60.2
157.7
236.0
284.1
243.1
371.1
0
50

100
150
200
250
300
350
400
Other
Equity
Fixed Income
Income before
income taxes
-3.6
14.3
66.0
60.9
31.5
48.5
68.9
128.4
115.2
77.7
0
20
40
60
80
100
120
140
160

Table of Contents

8
2Q
3Q
4Q
1Q
2Q
Net revenue
69.1
70.9

75.4
99.7
20.5
35.3
31.1
18.8
29.7
58%
45%
Non-interest expenses
56.4
53.7
46.2
48.1
11.3
12.0
14.2
13.2
13.4
1%
18%
Income before income taxes
12.8
17.2
29.2
51.5
9.1
23.3
17.0
5.6
16.3
192%
78%
YoY
QoQ
FY2005.3
FY2006.3
FY2007.3
FY2006.3
FY2003.3
FY2004.3
99.7
75.4
70.9
69.1
51.5
29.2
17.2
12.8
0

20
40
60
80
100
120
Net revenue
Income before
income taxes

20.5
35.3
31.1
18.8
29.7
9.1
23.3
17.0
5.6
16.3
0
10
20
30
40

Global Investment Banking

Appendix:

Second Quarter

Achievements: P34

League Tables: P35

Market Share Data: P36

Net Revenue and Income before Income Taxes

Note

:

In

April

2004,

Fixed

Income,

Equity

and

certain

functions

of

Investment

Banking

were

consolidated

to

create

Global

Markets.

(billions of yen)

(billions

of yen)

Net revenue of 29.7 billion yen (+58% QoQ, +45% YoY), income before income taxes of 16.3 billion yen (x2.9 QoQ, +78% YoY).

In

equity-related

underwriting,

we

acted

as

lead

manager

for

such

deals

as

the

public

offerings

by

Elpida

Memory

and

Matsushita

Electric

Industrial,

and IPOs

of Nomura Real Estate Holdings and MID REIT. We ranked number one in the Equity and Equity-Related (Japan) league table for the nine months to September 30, 2006.

In M&A, we acted as financial advisor on such deals as the tender offer by Oji Paper for Hokuetsu Paper Mills and Marubeni shares from the Industrial Revitalization Corporation of Japan.

*Thomson Financial

Equity underwriting up on strong demand for funding

Full Year

Full Year

Quarter

Quarter

Table of Contents

9
Global Merchant Banking
Appendix:
Effect of consolidation /
deconsolidation of certain
PE investee companies :
P25
Business exposure: P30
Net Revenue and Income before Income Taxes

(billions of yen)

(billions

of yen)

Net revenue of 44.5 billion yen (x3.7 QoQ, x6.5 YoY), income before income taxes of 41.5 billion yen (x4.2 QoQ, x8.9 YoY).

Booked realized / unrealized gains as a result of the partial sale of Tungaloy, a Nomura Principal Finance investee company.

Booked unrealized

gains and losses on Terra Firma investee companies.

In new investments, NPF invested 53 billion yen as a general partner in an investment partnership for a management buyout of

underwrote 25 billion of a capital increase by Mitsui Life Insurance.

Solid performance and increase in new investments

Quarter

Quarter

Full Year

Full Year

2Q

3Q

4Q

1Q

2Q

Net revenue

-6.6

10.7

7.3

68.2

6.9

80.1

-15.5

12.1

44.5

267%

548%

Non-interest expenses

8.6

10.2

10.4

12.8

2.2

2.5

5.5

2.3

3.1

31%

39%

Income before income taxes

-15.3

0.5

-3.0

55.4

4.7

77.6
-21.0
9.8
41.5
323%
786%
FY2007.3
FY2003.3
FY2004.3
FY2005.3
FY2006.3
FY2006.3
QoQ
YoY
-6.6
10.7
7.3
68.2
-15.3
0.5
-3.0
55.4
0
30
60
90
Net revenue
Income before
income taxes
6.9
80.1
-15.5
12.1
44.5
41.5
-21.0
77.6
4.7
9.8
0
30
60
90

Table of Contents

10
2Q
3Q
4Q
1Q
2Q
Net revenue
40.4
40.3

49.0
65.8
15.4
18.1
18.4
17.6
23.9
35%
55%
Non-interest expenses
36.3
39.8
39.0
45.2
10.7
11.8
12.7
12.4
12.8
3%
20%
Income before income taxes
4.0
0.5
10.0
20.6
4.7
6.2
5.7
5.2
11.1
112%
136%
FY2005.3
FY2006.3
FY2003.3
FY2004.3
YoY
QoQ
FY2007.3
FY2006.3
65.8
49.0
40.3
40.4
20.6
4.0
0.5
10.0
0

20
40
60
80

Net revenue
Income before income
taxes

15.4
18.1
18.4
17.6
23.9
11.1
5.2
4.7
6.2
5.7
0
5
10
15
20
25
30

Asset Management

Appendix:

Assets Under

Management: P31,32

Asset Management

related data: P33

Net Revenue and Income before Income Taxes

Note:

In

January

2006,

certain

functions

of

Other

business

were

integrated

into

Asset

Management.

Certain

reclassifications

of

previously

reported

amounts
have
been
made
to
conform
to
the
current
presentation.

*As of September 2006

(billions of yen)

(billions of yen)

Net revenue of 23.9 billion yen (+35% QoQ, +55% YoY). Income before income taxes of 11.1 billion yen (x2.1 QoQ, x2.4 YoY). Total assets under management of 23 trillion yen*.

Steady growth in sales of funds offering frequent distributions such as My Story Profit Distribution-type Fund and newly launched Nomura-All-In-One Fund.

Assets
under
management
in
funds
for
bank
customers
up
426.5
billion
yen
QoQ
to
1.3
trillion
yen*.

Net
assets
in
Nomura
Global
6

Assets
Diversified
Fund
distributed
through
Japan
Post
rose
79.7
billion

yen

QoQ

to

247.0

billion

yen.*

Booked gain on sale of stake in group company.

Distribution of investment trusts growing in various channels

Full Year

Full Year

Quarter

Quarter

Table of Contents

11
Non-interest Expenses (Business Segment Total)
Note:
All
non-interest
expense
figures
shown

on
this
slide
exclude
the
effects
of
consolidation/deconsolidation
of
certain
private
equity
investee
companies.

See
P18,
P19
and
P25
for
more
details.

Compensation and Benefits

Appendix:

Effect of Consolidation /

Deconsolidation of Certain PE

Investee Companies: P25

Number of Employees: P38

Non-interest expenses (business segment total) of 158.0 billion yen (+2% QoQ, +14% YoY)

Compensation

and

benefits

decreased

5%

QoQ

to

75.2

billion

yen.

Information

processing

and

communications

increased

19%

QoQ

to

27.3

billion

yen.

(billions of yen)

(billions

of yen)

Quarter

Quarter

Full Year

2Q

3Q

4Q

1Q

2Q

FY2005.3

FY2006.3

FY2007.3

FY2006.3

FY2004.3

114.4

113.6

150.5

142.4

151.1

160.7

264.7

311.3

256.9

0

50

100

150

200

250

300

350

(billions of yen)

30.3

43.5

46.2

37.7

33.4

39.7

41.0

41.5

41.9

41.7

79.5

87.7

84.5

70.0

75.2

Fixed-type compensation and benefits

Variable-type compensation and
benefits

1
2Q
3Q
4Q
1Q
2Q

Compensation and benefits

256.9
264.7
311.3
70.0
84.5
87.7
79.5
75.2
-5%
8%

Commissions and floor brokerage

18.9
22.1
31.4
8.6
8.1
9.3
9.8
10.1
3%
18%

Information processing and communications

79.9
80.9
89.1
20.5
20.8
27.3
23.0
27.3
19%
33%

Occupancy and related depreciation

53.7
50.8
50.8
12.8
12.4
14.3
13.4
12.9

-4%
0%
Business development expenses
22.8
26.2
30.6
7.7
7.0
9.6
7.2
9.2
27%
19%
Other
72.4
76.6
94.7
18.7
21.8
32.8
22.4
23.3
4%
25%
Total
504.0
521.4
607.8
138.3
154.5
180.9
155.3
158.0
2%
14%
YoY
QoQ
FY2004.3
FY2005.3
FY2006.3
FY2007.3
FY2006.3
504.0
607.8
521.4
0
100
200
300
400

500
600
700
Other
Business development expenses
Occupancy and related depreciation
Information processing and communications
Commissions and floor brokerage
Compensation and benefits
138.3
154.5
180.9
155.3
158.0
0
50
100
150
200
250

Table of Contents

Appendix

Table of Contents

13
FY2007.3
1H
Net income (lhs)
168.0
119.9
172.3
94.7
304.3
63.7
ROE (rhs)

11.1%
 7.4%
 10.1%
 5.2%
 15.5%
 6.1%
 *
 Net income per basic share (yen)
 85.6
 61.3
 88.8
 48.8
 159.0
 33.4
 Shareholders' equity per share (yen)
 816.5
 846.4
 919.7
 962.5
 1,083.2
 1,114.9
 * Annualized
 FY2006.3
 FY2005.3
 FY2002.3
 FY2003.3
 FY2004.3
 0%
 5%
 10%
 15%
 20%
 304.3
 94.7
 172.3
 119.9
 168.0
 11.1%
 10.1%
 15.5%
 7.4%
 5.2%
 0
 100
 200
 300
 400
 Net income (lhs)
 ROE (rhs)
 Net Income and ROE

(billions of yen)

6.1%

63.7

Full Year

Half Year

Table of Contents

14
Consolidated Income (Annually)
(billions of yen)
*FY2002.3
includes
3.5
billion
yen
for
equity
in

earnings
(losses)
of
affiliates,
294.9
billion
yen
in
product
sales
(PFG
investee
company),
177.1
billion
yen
in
revenue
from
rental
business
(PFG
investee
company),
and
116.3
billion
yen
gain
from
sale
of
PFG
investee
company.

Note:

In
accordance
with
SFAS
No.
144

Accounting
for
the
Impairment
or
Disposal
of
Long-Lived

Assets,
net
revenue
and
non-interest
expenses
from
operations
that
were
treated
as
discontinued
during
the
fiscal
year
ended
March
31,
2006,
are
separately
reported
as
income
from
discontinued
operations
retroactively
to
the
first
quarter
of
the
fiscal
year
ended
March
31,
2006.
Half Year
Full Year
FY2005.3
FY2006.3
1H
1H
Commissions
140.0

141.6
210.2
222.0
356.3
132.7
145.6
10%
Fees from investment banking
75.3
81.8
87.0
92.3
108.8
38.8
41.3
6%
Asset management and portfolio service fees
110.0
79.3
66.2
78.5
102.7
44.9
65.2
45%
Net gain on trading
162.2
172.3
229.0
201.7
304.2
114.6
103.3
-10%
Gain (loss) on private equity investments
232.5
-14.4
13.1
7.7
12.3
-0.2
37.3
-
Interest and dividends
500.5
368.7
343.3
401.4
693.8
316.2

440.2
39%
Gain (loss) on investments in equity securities
-55.9
-41.3
55.9
15.3
67.7
28.4
-20.6
-
Private equity entities product sales
-
6.2
17.6
75.1
88.2
46.5
42.7
-8%
Other*
660.8
13.4
23.6
32.3
58.8
12.6
15.9
26%
1,825.4
807.7
1,045.9
1,126.2
1,792.8
734.5
870.9
19%
504.0
241.4
242.8
327.0
647.2
274.3
414.0
51%
1,321.4
566.3
803.1
799.2
1,145.7

460.2
456.9
-1%
1,148.4
518.9
520.4
594.4
700.1
318.8
350.4
10%
173.0
47.4
282.7
204.8
445.6
141.4
106.5
-25%
-
-
-
-
99.4
6.9
-
-
Income before income taxes
173.0
47.4
282.7
204.8
545.0
148.3
106.5
-28%
168.0
119.9
172.3
94.7
256.6
69.8
63.7
-9%
-
-
-
-
47.7
-0.6

-
-
Net income
168.0
119.9
172.3
94.7
304.3
69.2
63.7
-8%
Net income from discontinued operations
Net income from continuing operations
Revenue
FY2002.3
FY2003.3
Non-interest expenses
Income from continuing operations before income taxes
FY2006.3
Income from discontinued operations before income taxes
Total revenue
Net revenue
YoY
Interest expense
FY2005.3
FY2004.3

Table of Contents

15
Consolidated Income (Quarterly)
(billions of yen)
Note:
In
accordance
with
SFAS
No.
144
Accounting
for

the
Impairment
or
Disposal
of
Long-Lived
Assets,
net
revenue
and
non-interest
expenses
from
operations
that
were
treated
as
discontinued
during
the
fiscal
year
ended
March
31,
2006,
are
separately
reported
as
income
from
discontinued
operations
retroactively
to
the
first
quarter
of
the
fiscal
year
ended
March
31,
2006.
1Q
2Q

3Q	
4Q	
1Q	
2Q	
3Q	
4Q	
1Q	
2Q	
Commissions	
69.5	
45.6	
46.3	
60.6	
55.2	
77.5	
106.2	
117.5	
79.6	
66.1	
-17%	
-15%	
Fees from investment banking	
15.4	
32.3	
18.4	
26.1	
14.7	
24.1	
28.6	
41.5	
14.4	
26.9	
87%	
12%	
Asset management and portfolio service fees	
18.2	
19.8	
19.3	
21.1	
19.9	
24.9	
25.6	
32.2	
29.7	
35.5	
19%	
42%	
Net gain on trading	
53.6	
23.1	

54.7
70.3
70.8
43.8
90.6
99.0
55.8
47.5
-15%
8%
Gain (loss) on private equity investments
0.5
-2.1
-2.2
11.5
-2.5
2.2
7.6
5.0
9.8
27.5
181%
1124%
Interest and dividends
81.9
101.1
122.0
96.4
132.9
183.3
216.2
161.4
207.9
232.3
12%
27%
Gain (loss) on investments in equity securities
10.3
-11.6
7.8
8.9
-2.8
31.2
36.2
3.1
-20.5
-0.0
-
-
Private equity entities product sales

17.4
15.9
20.2
21.6
24.5
22.0
23.9
17.8
21.0
21.7
4%
-1%
Other
8.5
4.7
7.2
11.8
6.9
5.7
19.1
27.0
4.2
11.7
181%
105%
275.3
228.8
293.8
328.4
319.6
414.8
554.0
504.4
401.7
469.2
17%
13%
61.4
72.0
99.9
93.8
132.1
142.2
194.2
178.7
195.8
218.2
11%
53%
213.9

156.8
193.9
234.5
187.5
272.6
359.8
325.7
205.9
251.0
22%
-8%
141.5
140.6
144.7
167.6
158.4
160.3
182.5
198.7
172.5
177.9
3%
11%
72.5
16.2
49.2
67.0
29.1
112.3
177.2
127.0
33.4
73.1
119%
-35%
-
-
-
-
1.6
5.3
9.9
82.6
-
-
-
-
Income before income taxes
72.5
16.2

49.2
67.0
30.7
117.6
187.1
209.6
33.4
73.1
119%
-38%
40.8
3.2
25.1
25.5
9.1
60.7
104.0
82.8
20.1
43.5
116%
-28%
-
-
-
-
-0.8
0.2
2.4
45.9
-
-
-
-
Net income
40.8
3.2
25.1
25.5
8.3
60.9
106.5
128.6
20.1
43.5
116%
-29%
FY2005.3
FY2006.3
QoQ

YoY

Revenue

Total revenue

Interest expense

FY2007.3

Net income from continuing operations

Net income from discontinued operations

Net revenue

Non-interest expenses

Income from continuing operations before income taxes

Income from discontinued operations before income taxes

Table of Contents

16
Main Revenue Items (Annually)
(billions of yen)
*Includes net interest revenue
FY2006.3
FY2007.3
1H
1H
Stock brokerage commissions (Domestic Retail)

48.2
92.1
103.0
153.6
55.4
46.8
-16%
Stock brokerage commissions (Other)
29.3
45.4
40.2
79.5
22.1
25.6
16%
Other brokerage commissions
7.6
12.2
13.0
14.3
5.0
4.7
-6%
Commissions for distribution of investment trusts
30.5
37.3
41.7
85.1
37.1
49.0
32%
Other
26.0
23.2
24.1
23.8
13.0
19.5
50%
Total
141.6
210.2
222.0
356.3
132.7
145.6
10%
Equity underwriting commissions
24.6
44.7

49.1
57.3
17.3
22.4
30%
Bond underwriting commissions
37.0
26.4
20.5
21.2
8.3
7.1
-15%
M&A/Financial advisory fees
16.8
15.8
22.6
30.3
13.1
11.5
-12%
Other
3.4
0.1
0.1
0.1
0.0
0.2
410%
Total
81.8
87.0
92.3
108.8
38.8
41.3
6%
Asset management fees
60.2
44.2
51.1
68.5
29.5
45.6
54%
Administration fees
10.0
12.1
16.1
20.6

9.3
12.3
32%
Custodial fees
9.1
9.9
11.3
13.6
6.0
7.3
21%
Total
79.3
66.2
78.5
102.7
44.9
65.2
45%
Bonds and other
133.6
152.3
120.9
150.9
56.1
61.1
9%
Equity
35.9
75.2
76.8
148.1
54.3
44.4
-18%
Gain on merchant banking trading
2.8
1.5
4.0
5.2
4.2
-2.2
-
Net interest revenue
127.3
100.4
74.3
46.6
41.9
26.1

-38%

Total

299.6

329.4

276.0

350.8

156.6

129.5

-17%

FY2003.3

FY2004.3

FY2005.3

FY2006.3

YoY

Half Year

Full Year

Commissions

Fees from

Investment

Banking

Asset Management

and Portfolio

Service Fees

Net Gain on

Trading*

Table of Contents

17
Main Revenue Items (Quarterly)
(billions of yen)
*Includes net interest revenue
Commissions
Fees from
Investment Banking
Asset Management
and Portfolio Service

Fees	
Net Gain on	
Trading*	
1Q	
2Q	
3Q	
4Q	
1Q	
2Q	
Stock brokerage commissions (Domestic Retail)	
20.8	
34.6	
53.9	
44.2	
28.0	
18.8	
-33%	
-46%	
Stock brokerage commissions (Other)	
8.0	
14.2	
16.7	
40.6	
13.8	
11.8	
-14%	
-17%	
Other brokerage commissions	
2.8	
2.2	
6.0	
3.3	
2.7	
1.9	
-29%	
-10%	
Commissions for distribution of investment trusts	
17.5	
19.6	
22.4	
25.6	
25.8	
23.1	
-11%	
18%	
Other	
6.1	
6.9	
7.2	
3.7	

9.2
10.3
13%
50%
Total
55.2
77.5
106.2
117.5
79.6
66.1
-17%
-15%
Equity underwriting commissions
4.9
12.4
17.9
22.1
6.3
16.2
158%
30%
Bond underwriting commissions
3.6
4.7
4.2
8.6
2.9
4.2
46%
-11%
M&A/Financial advisory fees
6.2
6.9
6.4
10.8
5.2
6.4
23%
-8%
Other
0.1
0.0
0.1
0.0
0.0
0.2
735%
-
Total

14.7
24.1
28.6
41.5
14.4
26.9
87%
12%
Asset management fees
13.5
16.1
17.8
21.1
21.7
23.9
10%
49%
Administration fees
3.4
5.9
4.2
7.1
4.5
7.8
74%
32%
Custodial fees
3.1
2.9
3.6
4.0
3.6
3.7
5%
26%
Total
19.9
24.9
25.6
32.2
29.7
35.5
19%
42%
Bonds and other
31.7
24.4
58.4
36.4
26.7

34.4
29%
41%
Equity
38.9
15.4
32.8
61.0
31.7
12.7
-60%
-18%
Gain on merchant banking trading
0.2
4.0
-0.6
1.6
-2.6
0.4
-
-89%
Net interest revenue
0.8
41.1
22.0
-17.3
12.1
14.1
17%
-66%
Total
71.6
85.0
112.5
81.7
67.8
61.6
-9%
-27%
FY2007.3
YoY
QoQ
FY2006.3

Table of Contents

18
Adjustment of Consolidated Results and Segment Results (Annually)
(billions of yen)
Note:
In
accordance
with
SFAS
No.

144

Accounting
for
the
Impairment
or
Disposal
of
Long-Lived
Assets,
net
revenue
and
non-interest
expenses
from
operations
that
were
treated
as
discontinued
during
the
fiscal
year
ended
March
31,
2006,
are
separately
reported
as
income
from
discontinued
operations
retroactively
to
the
first
quarter
of
the
fiscal
year
ended
March
31,

2006.

Segment results

Unrealized gain (loss)

on investments in

equity securities held

for relationship

purposes

Effects of

consolidation /

deconsolidation of

certain private equity

investee

companies

US GAAP

Full Year

Half Year

FY2006.3

FY2007.3

1H

1H

Net revenue

602.8

729.5

709.0

1,059.8

391.2

465.5

19%

Non-interest expenses

513.5

504.0

521.4

607.8

272.3

313.4

15%

Income before income taxes

89.2

225.5

187.6

452.0

118.9

152.1

28%

Net revenue

-43.0

54.7

8.4

59.3

20.3

-25.5
 -
 Non-interest expenses
 -
 -
 -
 -
 -
 -
 -
 Income before income taxes
 -43.0
 54.7
 8.4
 59.3
 20.3
 -25.5
 -
 Net revenue
 6.5
 18.9
 81.8
 26.5
 48.6
 16.9
 -65%
 Non-interest expenses
 5.3
 16.4
 73.0
 92.2
 46.5
 37.1
 -20%
 Income before income taxes
 1.2
 2.4
 8.9
 -65.7
 2.2
 -20.2
 -
 Net revenue
 566.3
 803.1
 799.2
 1,145.7
 460.2
 456.9
 -1%

Non-interest expenses

518.9

520.4

594.4

700.1

318.8

350.4

10%

Income from continuing operations

before income taxes

47.4

282.7

204.8

445.6

141.4

106.5

-25%

Income from discontinued
operations before income taxes

-

-

-

99.4

6.9

-

-

Income before income taxes

47.4

282.7

204.8

545.0

148.3

106.5

-28%

FY2003.3

FY2006.3

YoY

FY2005.3

FY2004.3

Table of Contents

19	Adjustment of Consolidated Results and Segment Results (Quarterly) (billions of yen)
Note:	
In	
accordance	
with	
SFAS	
No.	
144	

Accounting
for
the
Impairment
or
Disposal
of
Long-Lived
Assets,
net
revenue
and
non-interest
expenses
from
operations
that
were
treated
as
discontinued
during
the
fiscal
year
ended
March
31,
2006,
are
separately
reported
as
income
from
discontinued
operations
retroactively
to
the
first
quarter
of
the
fiscal
year
ended
March
31,
2006.

1Q
2Q
3Q
4Q
1Q
2Q
Net revenue
171.4
219.8
386.4
282.2
209.8
255.7
22%
16%
Non-interest expenses
134.0
138.3
154.5
180.9
155.3
158.0
2%
14%
Income before income taxes
37.4
81.5
231.8
101.2
54.4
97.7
79%
20%
Net revenue
-11.0
31.3
36.3
2.8
-20.6
-4.8
-
-
Non-interest expenses
-
-
-
-
-
-
-

-
Income before income taxes
-11.0
31.3
36.3
2.8
-20.6
-4.8
-
-
Net revenue
27.1
21.6
-62.9
40.7
16.8
0.1
-100%
-100%
Non-interest expenses
24.4
22.1
28.0
17.8
17.2
19.9
15%
-10%
Income before income taxes
2.7
-0.5
-90.8
23.0
-0.4
-19.8
-
-
Net revenue
187.5
272.6
359.8
325.7
205.9
251.0
22%
-8%
Non-interest expenses
158.4
160.3
182.5

198.7
 172.5
 177.9
 3%
 11%
 Income from continuing operations
 before income taxes
 29.1
 112.3
 177.2
 127.0
 33.4
 73.1
 119%
 -35%
 Income from discontinued
 operations before income taxes
 1.6
 5.3
 9.9
 82.6
 -
 -
 -
 -
 Income before income taxes
 30.7
 117.6
 187.1
 209.6
 33.4
 73.1
 119%
 -38%
 FY2006.3
 YoY
 QoQ
 FY2007.3
 Segment results
 Unrealized gain (loss) on
 investments in equity
 securities held for
 relationship purposes
 Effects of consolidation /
 deconsolidation of
 certain private equity
 investee
 companies
 US GAAP

Table of Contents

20
Difference Between Segment Totals and Consolidated Results
Segment total
income before
income taxes
97.7 billion yen
Segment total
income before
income taxes
97.7 billion yen

Gain (loss) on investments
in equity securities held
for relationship purposes

-

4.8 billion yen

Effect of consolidation/
deconsolidation of certain
private equity investee companies

-

19.8 billion yen

Because Tungaloy is a
consolidated subsidiary,
unrealized gains are not
included in second quarter
consolidated results.

Unrealized gain (loss) from
Tungaloy stake will be reflected
in consolidated results when
Tungaloy is no longer a
consolidated subsidiary or
accounted for under the equity
method.

*See p. 18, 19 for effect of consolidation/deconsolidation of
certain private equity investee companies

Realized gains from
partial sale of Tungaloy
stake and unrealized
gain from remains of
stake included in second
quarter segment total
income before income
taxes.

Difference between segment total and consolidated
income before income taxes

Consolidated
income before
income taxes

73.1 billion yen

Table of Contents

21

Income by Segment (Annually)

Notes:

In April 2005, Global Wholesale was reorganized into Global Markets, Global Investment Banking and Global Merchant Bank

In April 2004, Fixed Income, Equity and certain functions of Investment Banking were consolidated to create Global Markets

Global Markets figures up to FY2004.3 are the total of Fixed Income and Equity and differ slightly in composition from those

In January 2006, certain functions of Other business were integrated into Asset Management. Certain reclassifications of previous periods are shown in parentheses

(billions of yen)
FY2006.3

FY2007.3

1H

1H

Net revenue

229.1

249.3

305.8

304.4

446.5

186.2

200.1

7%

Non-interest expenses

208.6

213.6

226.2

223.2

249.3

114.5

129.4

13%

Income before income taxes

20.5

35.7

79.5

81.2

197.2

71.7

70.7

-1%

Net revenue

215.8

236.0

284.1

243.1

371.1

127.5

117.4

-8%

Non-interest expenses

133.2

142.4

163.3

182.9

213.4

96.7

106.6

10%

Income before income taxes

82.6

93.6
120.8
60.2
157.7
30.8
10.7
-65%
Net revenue
88.3
69.1
70.9
75.4
99.7
33.2
48.5
46%
Non-interest expenses
57.4
56.4
53.7
46.2
48.1
22.0
26.7
21%
Income before income taxes
30.9
12.8
17.2
29.2
51.5
11.3
21.8
94%
Net revenue
135.8
-6.6
10.7
7.3
68.2
3.6
56.7
1471%
Non-interest expenses
58.0
8.6
10.2
10.4
12.8
4.8

5.4
 13%
 Income before income taxes
 77.7
 -15.3
 0.5
 -3.0
 55.4
 -1.2
 51.3
 -
 Net revenue
 51.5
 40.4
 40.3
 49.0
 65.8
 29.3
 41.5
 41%
 Non-interest expenses
 39.5
 36.3
 39.8
 39.0
 45.2
 20.7
 25.2
 22%
 Income before income taxes
 12.0
 4.0
 0.5
 10.0
 20.6
 8.6
 16.3
 88%
 Net revenue
 720.6
 588.1
 711.8
 679.2
 1,051.4
 379.9
 464.2
 22%
 Non-interest expenses
 496.8
 457.3

493.2
 501.7
 568.9
 258.6
 293.3
 13%
 Income before income taxes
 223.8
 130.8
 218.5
 177.5
 482.5
 121.3
 170.8
 41%
 Net revenue
 21.3
 14.7
 17.8
 29.8
 8.4
 11.3
 1.3
 -88%
 Non-interest expenses
 166.5
 56.2
 10.8
 19.7
 38.9
 13.7
 20.1
 47%
 Income before income taxes
 -145.2
 -41.6
 7.0
 10.1
 -30.5
 -2.4
 -18.7
 -
 Net revenue
 741.8
 602.8
 729.5
 709.0
 1,059.8
 391.2
 465.5

19%
Non-interest expenses
663.3
513.5
504.0
521.4
607.8
272.3
313.4
15%
Income before income taxes
78.5
89.2
225.5
187.6
452.0
118.9
152.1
28%
YoY
FY2002.3
FY2003.3
FY2004.3
FY2005.3
FY2006.3
Domestic Retail
Global Markets
Global Investment
Banking
Asset
Management
5 Business
Segment Total
Other
Segment Total
Full Year
Half Year
Global Merchant
Banking

Table of Contents

22

Income by Segment (Quarterly)

Notes:

In April 2005, Global Wholesale was reorganized into Global Markets, Global Investment Banking and Global Merchant Bank

In January 2006, certain functions of Other business were integrated into Asset Management. Certain reclassifications of previ

1Q

2Q

3Q

4Q

1Q

2Q	
3Q	
4Q	
1Q	
2Q	
Net revenue	
87.0	
64.8	
73.0	
79.6	
84.8	
101.4	
136.7	
123.6	
105.6	
94.5	
-11%	
-7%	
Non-interest expenses	
53.3	
54.9	
55.0	
60.0	
54.5	
60.0	
62.6	
72.2	
63.1	
66.3	
5%	
11%	
Income before income taxes	
33.7	
9.8	
18.0	
19.6	
30.3	
41.4	
74.1	
51.4	
42.5	
28.2	
-34%	
-32%	
Net revenue	
71.8	
44.9	
56.6	
69.8	
49.8	

77.7
115.2
128.4
68.9
48.5
-30%
-38%
Non-interest expenses
41.2
41.5
43.8
56.4
50.5
46.2
54.3
62.4
54.6
52.1
-5%
13%
Income before income taxes
30.6
3.4
12.8
13.3
-0.7
31.5
60.9
66.0
14.3
-3.6
-
-
Net revenue
12.9
22.9
20.2
19.4
12.8
20.5
35.3
31.1
18.8
29.7
58%
45%
Non-interest expenses
10.7
11.5
10.7

13.4
10.6
11.3
12.0
14.2
13.2
13.4
1%
18%
Income before income taxes
2.3
11.4
9.5
6.0
2.2
9.1
23.3
17.0
5.6
16.3
192%
78%
Net revenue
2.8
-2.3
-3.5
10.4
-3.3
6.9
80.1
-15.5
12.1
44.5
267%
548%
Non-interest expenses
3.0
2.4
2.2
2.7
2.6
2.2
2.5
5.5
2.3
3.1
31%
39%
Income before income taxes
-0.2

-4.8
-5.7
7.7
-5.9
4.7
77.6
-21.0
9.8
41.5
323%
786%
Net revenue
11.0
12.3
13.8
12.0
14.0
15.4
18.1
18.4
17.6
23.9
35%
55%
Non-interest expenses
9.6
9.5
9.7
10.2
10.0
10.7
11.8
12.7
12.4
12.8
3%
20%
Income before income taxes
1.4
2.8
4.1
1.7
4.0
4.7
6.2
5.7
5.2
11.1
112%
136%

Net revenue

185.4

142.5

160.2

191.1

158.1

221.9

385.4

286.1

223.1

241.1

8%

9%

Non-interest expenses

117.7

119.9

121.4

142.7

128.2

130.4

143.2

167.0

145.6

147.7

1%

13%

Income before income taxes

67.7

22.6

38.8

48.4

29.9

91.4

242.1

119.1

77.5

93.4

21%

2%

Net revenue

-1.2

13.6

7.2

10.2

13.4

-2.1

1.0

-3.9

-13.3

14.6

-
-
Non-interest expenses
7.0
6.5
2.1
4.1
5.8
7.8
11.3
14.0
9.7
10.4
7%
32%
Income before income taxes
-8.2
7.0
5.1
6.1
7.6
-9.9
-10.3
-17.9
-23.0
4.3
-
-
Net revenue
184.2
156.0
167.4
201.3
171.4
219.8
386.4
282.2
209.8
255.7
22%
16%
Non-interest expenses
124.7
126.4
123.5
146.8
134.0
138.3
154.5
180.9

155.3
158.0
2%
14%
Income before income taxes
59.5
29.6
43.9
54.6
37.4
81.5
231.8
101.2
54.4
97.7
79%
20%
QoQ
FY2005.3
YoY
FY2006.3
FY2007.3
(billions of yen)
Domestic Retail
Global Markets
Global Investment
Banking
Global Merchant
Banking
Asset Management
5 Business
Segment Total
Other
Segment Total

Table of Contents

23
1Q
2Q
3Q
4Q
1Q
2Q
-41.6
7.0
10.1
-30.5
7.6
-9.9
-10.3
-17.9
-23.0
4.3
-6.2
-12.8
-9.7
-64.8
-2.8
-8.5
-17.6
-36.0
-11.4
-14.0
1.7
1.2
6.9
8.4
8.2
-0.1
0.0
0.3
0.1
4.8
-3.8
8.5
7.3
27.8
2.7
2.9
8.3
13.9
3.3
6.1
-9.4
-10.7
4.5

-7.4
0.5
-3.7
-3.6
-0.6
-7.2
3.7
-23.9
20.7
1.0
5.5
-1.1
-0.6
2.6
4.5
-7.9
3.7

Corporate items

Others

"Other" income before income taxes

Net gain/loss on trading related to
economic hedging transactions

Realized Loss/gain on investment in
equity securities held for relationship
purposes

Equity in losses/earnings of affiliates

FY2007.3

FY2006.3

FY2006.3

FY2003.3

FY2004.3

FY2005.3

Segment Other

Income before Income Taxes

(billions of yen)

Note:

Other

for

the

FY2003.3

period

includes

21.2

billion

yen

of

impairment

loss

on

investment

of
affiliates.
Full Year
Quarter

Table of Contents

24
Consolidated Balance Sheet
(billions of yen)
Mar. 31, 2006
Sep. 30, 2006
Mar. 31, 2006
Sep. 30, 2006
Cash and cash deposits
1,556
974
Short-term borrowings
692

829
Payables and deposits
1,240
1,189
Loans and receivables
1,364
2,330
Collateralized financing
20,263
19,432
Trading liabilities
6,528
4,179
Collateralized agreements
17,028
15,010
Other liabilities
642
494
Long-term borrowings
3,599
4,434
13,697
12,817
Total liabilities
32,963
30,558
Other assets
1,381
1,552
Shareholders' equity
Total shareholders' equity
2,063
2,125
Total assets
35,026
32,683
Total liabilities and shareholders' equity
35,026
32,683
Assets
Liabilities
Trading assets and private equity
investments

Table of Contents

25
Effect of Consolidation/Deconsolidation of Certain Private
Equity Investee Companies
(billions of yen)
Non-interest Expenses
Note:
In
accordance

with
SFAS
No.
144
Accounting
for
the
Impairment
or
Disposal
of
Long-Lived
Assets,
net
revenue
and
non-interest
expenses
from
operations
that
were
treated
as
discontinued
during
the
fiscal
year
ended
March
31,
2006,
are
separately
reported
as
income
from
discontinued
operations
retroactively
to
the
first
quarter
of
the
fiscal
year

ended
March
31,
2006.
2Q
3Q
4Q
1Q
2Q
Compensation and benefits
259.3
275.0
325.4
73.8
87.9
91.2
82.8
79.1
Fixed-type compensation and benefits
144.3
159.6
170.4
42.1
43.2
43.8
43.8
44.3
Segment total
142.4
151.1
160.7
39.7
41.0
41.5
41.7
41.9
Private equity investee companies
1.9
8.5
9.7
2.4
2.2
2.3
2.1
2.4
Variable-type compensation and benefits
115.0
115.4
155.0
31.7

44.7	
47.4	
39.0	
34.8	
Segment total	
114.4	
113.6	
150.5	
30.3	
43.5	
46.2	
37.7	
33.4	
Private equity investee companies	
0.6	
1.8	
4.5	
1.4	
1.2	
1.2	
1.2	
1.4	
Commissions and floor brokerage	
19.2	
23.9	
32.9	
8.9	
8.5	
9.7	
10.3	
10.3	
Segment total	
18.9	
22.1	
31.4	
8.6	
8.1	
9.3	
9.8	
10.1	
Private equity investee companies	
0.3	
1.8	
1.5	
0.3	
0.4	
0.4	
0.4	
0.2	
Information processing and communications	

80.0
81.4
89.6
20.6
21.0
27.4
23.2
27.4
Segment total
79.9
80.9
89.1
20.5
20.8
27.3
23.0
27.3
Private equity investee companies
0.1
0.5
0.5
0.1
0.2
0.1
0.2
0.1
Occupancy and related depreciation
54.2
53.5
55.0
14.0
13.4
15.2
14.4
13.7
Segment total
53.7
50.8
50.8
12.8
12.4
14.3
13.4
12.9
Private equity investee companies
0.5
2.7
4.3
1.1
1.0

0.9
1.0
0.9
Business development expenses
23.1
28.2
32.8
8.2
7.6
10.2
7.8
9.8
Segment total
22.8
26.2
30.6
7.7
7.0
9.6
7.2
9.2
Private equity investee companies
0.3
2.0
2.2
0.5
0.6
0.6
0.6
0.6
Other
73.3
87.6
115.4
21.9
30.5
38.0
22.7
25.7
Segment total
72.4
76.6
94.7
18.7
21.8
32.8
22.4
23.3
Private equity investee companies
0.9

11.0
20.8
3.2
8.7
5.3
0.3
2.4
Private equity entities cost of goods sold
11.9
44.7
48.8
13.0
13.7
7.1
11.4
11.8
Total non-interest expenses
520.4
594.4
700.0
160.3
182.5
198.7
172.5
177.9
Segment total
504.0
521.4
607.8
138.3
154.5
180.9
155.3
158.0
Private equity investee companies
16.4
73.0
92.2
22.1
28.0
17.8
17.2
19.9
FY2007.3
FY2004.3
FY2005.3
FY2006.3
FY2006.3
Full Year
Quarter

Table of Contents

26

* Nomura Securities

Domestic Retail Related Data (1)

(billions of yen)

Quarter

Full Year

1Q

2Q

3Q

4Q

1Q

2Q

Retail stock brokerage commissions (billions of yen)

48.2
92.1
103.0
153.6
20.8
34.6
53.9
44.2
28.0
18.8
Commissions for investment trusts distribution* (billions of yen)
34.9
46.9
49.9
95.9
19.5
20.9
26.8
28.6
28.0
23.9
Bond investment trusts commission
16.9
11.1
6.4
3.5
1.1
0.8
0.7
0.8
0.6
0.7
Stock investment trusts commission
11.6
21.5
31.6
74.2
14.8
16.9
19.1
23.4
23.2
22.1
Foreign investment trusts commission
6.4
14.2
11.9
18.2
3.7
3.2

7.0
4.4
4.2
1.1
Domestic distribution volume of investment trusts (trillions of yen)
11.9
13.7
14.2
20.5
3.9
4.7
6.3
5.7
5.0
4.7
Bond investment trusts
8.6
10.1
10.4
14.3
2.6
3.4
4.4
3.9
3.3
3.0
Stock investment trusts
1.3
1.6
2.3
4.5
0.9
1.0
1.2
1.4
1.3
1.4
Foreign investment trusts
2.1
2.1
1.4
1.7
0.4
0.3
0.6
0.4
0.3
0.2
Other (billions of yen)
Outstanding value of annuity insurance policies (end of the period)

166.6

261.6

446.4

683.3

504.3

562.7

632.8

683.3

791.0

861.1

Sales of JGBs

for individual investors (transaction base)

101.3

1,271.6

1,290.6

747.8

206.4

179.6

186.4

175.4

189.0

187.3

Retail foreign currency bond sales

2,284.7

1,990.0

1,154.4

1,119.2

304.8

340.7

268.6

205.1

166.4

195.9

FY2007.3

FY2006.3

FY2004.3

FY2005.3

FY2003.3

FY2006.3

Table of Contents

27

Domestic Retail Related Data (2)

Domestic Client Assets*

*Domestic Client Assets = Total of client assets in custody in Domestic Retail (including regional financial institutions) and Financial Management Division.

**Includes CBs and warrants

***Includes variable annuity insurance

Domestic Client Assets*

Mar. 31, 2003

Mar. 31, 2004	
Mar. 31, 2005	
Mar. 31, 2006	
Jun. 30, 2006	
Sep. 30, 2006	
Equities	
17.1	
28.9	
33.5	
49.3	
45.6	
45.7	
Foreign currency bonds	
3.7	
4.0	
4.0	
3.6	
3.5	
3.5	
Domestic bonds**	
8.5	
10.0	
11.8	
13.1	
13.4	
13.6	
Stock investment trusts	
2.2	
3.0	
3.3	
5.3	
5.3	
5.8	
Bond investment trusts	
6.5	
5.5	
4.9	
4.5	
4.3	
4.3	
Overseas mutual funds	
1.1	
1.6	
1.9	
2.3	
2.2	
2.2	
Other***	
1.6	
1.7	

1.9	
2.3	
2.5	
2.4	
Total	
40.6	
54.8	
61.2	
80.5	
76.7	
77.7	
40.6	
54.8	
61.2	
80.5	
76.7	
77.7	
0	
20	
40	
60	
80	
100	
Other***	
Overseas mutual funds	
Bond investment trusts	
Stock investment trusts	
Domestic bonds**	
Foreign currency bonds	
Equities	
(trillions of yen)	

Table of Contents

28
1Q
2Q
FY2004.3
FY2005.3
FY2007.3
FY2006.3
FY2003.3
1,788
3,391
6,749

4,581

0

2,000

4,000

6,000

8,000

2,042

1,009

Domestic Retail Related Data (3)

Domestic Client Assets* Net Asset Inflow

*Domestic Client Assets excluding portion from regional financial institutions

Note: Net Asset Inflow = Asset Inflow

Asset Outflow

(billions of yen)

Domestic Client Assets Net Asset Inflow *

Full Year

Quarter

Table of Contents

29
Domestic Retail Related Data (4)
Number of Accounts*
*Total
of
Domestic
Retail
and
Financial
Management
Division
**IT
share

is
total
of
cash
stock
transaction
and
kabushiki-mini-toshi
(odd
lot
stock
investment)
(thousands of accounts)
Mar. 31, 2003
Mar. 31, 2004
Mar. 31, 2005
Mar. 31, 2006
Jun. 30, 2006
Sep. 30, 2006
Accounts with balance
3,418
3,460
3,678
3,780
3,815
3,859
Equity holding accounts
1,311
1,379
1,680
1,745
1,767
1,806
Nomura Home Trade (online trading accounts)
1,141
1,367
1,716
1,969
2,029
2,094
1Q
2Q
(thousands of accounts)
237
297
425
343
86
94
IT share**

No. of orders

41%

49%

52%

55%

54%

56%

Transaction value

14%

22%

24%

27%

28%

26%

New accounts (individual)

FY2006.3

FY2007.3

FY2003.3

FY2004.3

FY2005.3

Table of Contents

30
Global Merchant Banking Related Data
Business Exposure
Notes:
Amount
of
exposure
in
Japan

is
total
of
Nomura
Principal
Finance
(NPF),
Nomura
Financial
Partners
(NFP)
and
Nomura
Research
&
Advisory
(NR&A).
Amount
of
exposure
in
Europe
(excluding
Terra
Firma)
is
total
of
Private
Equity
Group
(PEG)
and
Nomura
Phase4
Ventures
(NPV).
(billions of yen)
Mar. 31, 2003
Mar. 31, 2004
Mar. 31, 2005
Mar. 31, 2006
Jun. 30, 2006
Sep. 30, 2006
Japan
20.1
68.9
108.4
59.9
62.7

174.7
Europe (excluding Terra Firma)
15.9
15.6
23.7
38.8
35.6
33.8
Sub Total
35.9
84.5
132.1
98.7
98.4
208.5
Terra Firma
265.7
291.2
325.5
340.4
271.4
294.9
Total
301.6
375.7
457.6
439.1
369.7
503.3
35.9
84.5
132.1
98.7
98.4
208.5
301.6
375.7
457.6
439.1
369.7
503.3
0
100
200
300
400
500
600
Terra Firma
Europe (excluding Terra Firma)

Japan

Table of Contents

31
Notes:
1.
Total
assets
under
management
of
Nomura
Asset
Management,

Nomura
Corporate
Research
and
Asset
Management,
Nomura
Funds
Research
and
Technologies,
MAINTRUST
(Germany),
and
Nomura
Funds
Research
and
Technologies
America.
Adjusted
for
asset
overlap
amongst
group
companies.
Data
till
June
30,
2006,
include
Nomura
BlackRock
Asset
Management.
2.
Nomura
Funds
Research
and
Technologies
America
data
as
of
end
of
August.

Asset Management Related Data (1)

Assets Under Management

(trillions of yen)

Mar. 31, 2003

Mar. 31, 2004

Mar. 31, 2005

Mar. 31, 2006

Jun. 30, 2006

Sep. 30, 2006

23.0

23.1

17.9

17.6

15.9

23.0

0

5

10

15

20

25

30

Total Assets Under Management

Table of Contents

32
Asset Management Related Data (2)
Assets Under Management
(trillions of yen)
Public stock investment trusts
Public bond investment trusts
Privately placed investment trusts
Domestic investment advisory
Overseas investment advisory
Mar. 31, 2003
Mar. 31, 2004
Mar. 31, 2005

Mar. 31, 2006

Jun. 30, 2006

Sep. 30, 2006

22.0

20.8

21.0

16.0

15.7

14.2

0

5

10

15

20

25

(trillions of yen)

Mar. 31, 2003

Mar. 31, 2004

Mar. 31, 2005

Mar. 31, 2006

Jun. 30, 2006

Sep. 30, 2006

10.7

11.3

10.8

14.0

14.1

14.9

Public stock investment trusts

3.2

4.5

4.4

6.9

7.3

7.7

Public bond investment trusts

7.3

6.3

5.6

5.6

5.3

5.3

Privately placed investment trusts

0.2

0.4

0.8

1.5

1.5

1.9

3.6

4.4
5.1
7.0
6.7
7.1
Domestic investment advisory
2.9
3.0
3.2
4.0
3.8
3.9
Overseas investment advisory
0.7
1.4
2.0
3.0
3.0
3.2
14.2
15.7
16.0
21.0
20.8
22.0
1Q
2Q
0.8
0.1
-0.1
1.0
0.9
0.2
Exclude ETF
0.2
-0.1
0.2
1.4
0.4
0.7
-3.1
-1.0
-0.7
-0.0
-0.3
0.0
0.1
0.1
0.3
0.5

0.1	
0.3	
-2.2	
-0.7	
-0.5	
1.5	
0.7	
0.5	
FY2007.3	
Privately placed investment trusts	
Net Asset Inflows	
Public bond investment trusts	
FY2006.3	
FY2005.3	
FY2003.3	
<Assets Under Management>	
<Investment trust Net Asset Inflows>	
Public stock investment trusts	
Investment advisory	
Total	
FY2004.3	
Investment trusts	
Nomura Asset Management Assets Under Management	

Table of Contents

33
Asset Management Related Data (3)
Investment Trusts

(trillions of yen)

Mar. 31, 2003

Mar. 31, 2004

Mar. 31, 2005

Mar. 31, 2006

Jun. 30, 2006

Sep. 30, 2006

Stock investment trusts

3.2

4.5

4.4

6.9

7.3

7.7

Bond investment trusts

7.3

6.3

5.6

5.6

5.3

5.3

Public stock investment trusts, Nomura's share (%)

19%

19%

15%

15%

16%

16%

Public bond investment trusts, Nomura's share (%)

40%

40%

42%

42%

42%

42%

Stock investment trusts

16.3

23.3

28.9

45.0

46.1

49.8

Bond investment trusts

18.1

15.8

13.5

13.5

12.7

12.5

Source: Investment Trusts Association, Japan

Market Total	
Nomura Asset Management	
(billions of yen)	
Mar. 31, 2005	
Mar. 31, 2006	
Jun. 30, 2006	
Sep. 30, 2006	
Banks	
339	
801	
891	
1,317	
Japan Post	
0	
90	
167	
247	
My Story Profit Distribution-type Fund (6 Times/Year) B	
0	
454	
651	
922	
Nomura Multi-currency Japan Stock Fund	
0	
384	
417	
464	
Global REIT Open	
18	
307	
377	
450	
Nomura Japan Stock Strategic Fund (Big Project - N)	
353	
441	
392	
383	
Nomura Global REIT Fund	
0	
225	
241	
293	
Nomura Fund Masters Global Bond B	
165	
317	
294	
281	
Nomura US High Yield Bond Income	
345	

319	
272	
258	
Nomura Japan Open	
110	
224	
234	
232	
Nomura All-In-One Fund	
0	
0	
0	
213	
Japan Attractive Dividend Stock Fund	
0	
296	
217	
207	
Domestic Public	
Investment Trust	
Market and	
Nomura Asset	
Management	
Market Share	
AUM of Products	
Supplied to Banks	
and Japan Post	
AUM in Key	
Funds	

Table of Contents

34
Second Quarter Achievements
Large International Bond Underwritings
Cassa Depositi e Prestiti:
2.0 billion euros (joint lead manager)
Loan-related
Business:

130
billion
yen
Equity
Derivatives:
Completed
20
fund
derivative
contracts
(total
amount:
175
million
euros)
Nomura Capital Investment: Loan commitment to tender offer by Oji Paper for Hokuetsu Paper Mills
Arranged finance for Yagi
Corporation MBO
Major Deals
IPO
Nomura
Real
Estate
Holdings:
164.5
billion
yen;
MID
REIT:
91.8
billion
yen;
Nippon
Accommodations
Fund:
43.7
billion
yen
PO
Elpida
Memory:
139.9
billion
yen;
Matsushita
Electric
Industrial:
96.9
billion
yen;

Sanei-International:

10.3

billion

yen

CB

CSK Holdings: 35 billion yen

MPO/HPO

Bank of the Ryukyus: 17 billion yen; total of 7 deals for 36 billion yen (based on date of resolution)

M&A

Marubeni purchase of Daiei shares from the Industrial Revitalization Corporation of Japan: 69.8 billion yen

Sale of Mitsuboshi

Belting Kaseihin

to International Automotive Components Group by Mitsuboshi

Belting: Undisclosed amount

Sale

of

Sankyo

Agro

to

Mitsui

Chemicals

and

Sankyo

Lifetech s

FDI

business

to

Mitsubishi-Kagaku

Foods:

Undisclosed

amount

Sales of New Investment Trusts

Nomura All-In-One Fund (launched

July 27, 2006)

213.1 billion yen (as of September 30, 2006)

Nomura Pictet Premium Brand Fund (launched Aug. 28,2006)

77.9 billion yen (as of September 30, 2006)

Kanto-Koshin

Index Fund (launched Sep. 22, 2006)

38.0 billion yen (as of September 30, 2006)

Nomura Mid-Small Cap Discover Fund (launched Sep. 25, 2006)

52.4 billion yen (closed-end)

May

June

July

August

September

Number of Accounts

21,400

40,156

47,408

54,927

61,554

Number of Margin Trading Account

0

1,224

1,718

2,240

3,182

Monthly Transaction Value (millions of yen)

1,377

54,919

109,415

176,027

177,096

Monthly Margin Transaction Value

0

19,472

59,308

93,176

100,698

2006

Domestic

Retail

Global

Markets

Global

Investment

Banking

Joinvest

Securities

Table of Contents

35
League Tables
Source: Thomson Financial
Proceeds
(USD m)
Mkt. Share
No. of
Issues
Rank Value

(USD m)

Mkt. Share

No. of

Deals

1

Nomura

13,153.0

28.0%

80

1

Nikko

Citigroup

25,538.6

26.0%

22

2

Daiwa Securities SMBC

8,409.9

17.9%

72

2

UBS

24,241.9

24.7%

24

3

Nikko

Citigroup

7,596.3

16.2%

42

3

Goldman Sachs

24,078.9

24.5%

14

4

Goldman Sachs

6,071.5

12.9%

10

4

Mizuho Financial Group

22,881.7

23.3%

93

5

Mizuho Financial Group

3,783.6

8.0%

36
5
Deutsche Bank
19,099.0
19.4%
7
6
Merrill Lynch
2,212.0
4.7%
10
6
Daiwa Securities SMBC
18,487.3
18.8%
95
7
UBS
2,043.8
4.3%
8
7
Nomura
17,780.6
18.1%
104
8
Morgan Stanley
1,275.0
2.7%
5
8
KPMG Corporate Finance
8,120.1
8.3%
23
9
Shinko Securities
649.3
1.4%
30
9
Mitsubishi UFJ Financial Group
7,020.6
7.1%
83
10
Mitsubishi UFJ Financial Group
636.8
1.4%

25
10
Morgan Stanley
5,945.9
6.0%
18
Proceeds
(JPY m)
Mkt. Share
No. of
Issues
Proceeds
(JPY m)
Mkt. Share
No. of
Issues
1
Nikko
Citigroup
430,616.5
20.5%
36
1
Mizuho Securities
896,415.5
28.1%
45
2
Daiwa Securities SMBC
253,109.3
12.1%
13
2
Daiwa Securities SMBC
675,386.5
21.2%
38
3
Nomura
246,072.2
11.7%
15
3
Mitsubishi UFJ Securities
594,763.7
18.7%
35
4
Merrill Lynch
223,935.2

10.7%
6
4
Nomura
433,279.0
13.6%
28
5
Mizuho Financial Group
220,613.5
10.5%
10
5
Nikko
Citigroup
307,457.0
9.7%
19
6
Mitsubishi UFJ Financial Group
174,861.0
8.3%
7
6
Goldman Sachs
149,957.5
4.7%
3
7
UBS
135,281.6
6.4%
11
7
Morgan Stanley
23,331.0
0.7%
1
8
Morgan Stanley
112,130.3
5.3%
7
8
Shinko Securities
22,000.0
0.7%
2
9
Barclays Capital

64,000.0

3.1%

11

9

Lehman Brothers

20,000.0

0.6%

1

10

Deutsche Bank

52,068.5

2.5%

4

9

BNP Paribas

20,000.0

0.6%

1

Global & Euro Yen Bonds

Domestic Straight Bonds (excluding self-funding)

R

a

n

k

Bookrunner

Jan. 1, 2006 -

Sep. 30, 2006

R

a

n

k

Bookrunner

Apr. 1, 2006 -

Sep. 30, 2006

Global Equity & Equity-related (Japan)

Any Japanese Involvement Financial Advisors

Announced deals, value base

R

a

n

k

Bookrunner

Jan. 1, 2006 -

Sep. 30, 2006

R

a

n

k

Advisor

Jan. 1, 2006 -

Sep. 30, 2006

Table of Contents

36

Market Share Data

Notes: 2Q Individual Equity Agency Transactions Share is preliminary figure as of Oct. 25.

(Trillions of yen)

1Q

2Q

3Q

4Q

1Q

2Q

Individual Equity Agency Transactions Share

Market

52.0
105.9
144.7
308.3
38.8
64.3
104.3
100.9
74.2
58.7

Nomura's share

16%
10%
8%
7%
7%
7%
7%
6%
5%
4%

Off-floor/Off-exchange Equity Trading Share

Off-floor market

33.2
31.9
33.2
48.6
8.8
11.4
14.5
14.0
13.9
9.5

Off-exchange

14.1
19.3
21.1
30.5
4.9
6.6
9.3
9.7
9.6
9.8

Nomura's share

20%
16%
17%

21%
18%
19%
23%
22%
22%
18%
JGB Auction Share
Market
68.1
74.4
80.1
80.7
19.8
22.2
20.2
18.6
21.1
21.2
Nomura's share
15%
16%
18%
11%
11%
10%
9%
15%
12%
9%
Bond Secondary Trading Share
Market
1,129
1,235
1,361
1,296
365
326
292
312
355
329
Nomura's share
14%
16%
15%
13%
13%
13%
11%

13%
12%
10%
FY2007.3
1Q - 2Q
(accumulated
Global Equity and Equity-related Japan
Nomura's share
30%
30%
25%
26%
28%
Japanese IPO
Nomura's share
11%
27%
32%
20%
33%
Japanese PO
Nomura's share
50%
33%
25%
27%
33%
Convertible Bonds
Nomura's share
13%
28%
19%
34%
9%
Global and Euro Yen Bonds
Nomura's share
21%
31%
23%
23%
10%
Straight Bonds, Lead Manager (excl. self-funding)
Nomura's share
26%
19%
17%
18%
10%
Source: Thomson Financial (Value base)
FY2006.3

FY2003.3
FY2004.3
FY2005.3
FY2007.3
FY2003.3
FY2004.3
FY2006.3
FY2006.3
FY2005.3
Secondary Market
Share Data
Primary Market
Share Data
Full Year
Quarter

Table of Contents

37

Value at Risk (Consolidated)

Definition

99% confidence level

1-day time horizon for outstanding portfolio

Inter-product price fluctuations considered

From April 3, 2006 to September 29, 2006 (billions of yen)

Maximum:

9.4

Minimum:

5.8

Average:

7.3
(billions of yen)
Equity
1.5
3.3
3.0
3.9
6.0
5.4
6.0
Interest Rate
2.3
2.0
2.8
3.1
3.3
4.1
3.5
Foreign Exchange
0.2
0.5
0.7
1.0
1.4
1.5
1.3
Sub-total
4.0
5.8
6.5
8.0
10.7
11.0
10.9
Diversification Benefit
-0.9
-1.9
-2.4
-2.7
-3.7
-3.8
-3.5
VaR
3.1
3.9
4.1
5.3
7.0
7.1
7.3

End of quarter
Sep. 2005
Mar. 2003
Mar. 2004
Mar. 2005
Sep. 2006
Jun. 2006
Mar. 2006

Table of Contents

38

Number of Employees

*Excludes employees of private equity investee companies

Mar. 2003

Mar. 2004

Mar. 2005

Mar. 2006

Sep. 2006

+/- From

Mar. 2006

Japan (excluding FA, SA)*

9,258

9,148

9,190

9,354

9,927

+573

Japan (FA, SA)

1,986

1,915

1,875
1,948
2,132
+184
Europe
1,389
1,403
1,535
1,515
1,592
+77
Americas
797
866
1,026
1,073
1,021
-52
Asia/Oceania
616
655
718
778
796
+18
Total
14,046
13,987
14,344
14,668
15,468
+800

Table of Contents

39
Nomura Holdings, Inc.
www.nomura.com