

NOMURA HOLDINGS INC  
Form 6-K  
April 26, 2007  
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 April 2007.

## 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.

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.

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Yes \_\_\_\_\_ No X

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. Nomura Reports Fourth Quarter, Full Year Financial Results
2. Financial Highlights Year ended March 2007
3. Nomura Announces Year-end Dividend for Fiscal Year Ended March 31, 2007
4. Nomura Announces Target Dividend for Fiscal Year Ending March 31, 2008

**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: April 26, 2007

By: /s/ Toshio Hirota  
Toshio Hirota  
Executive Managing Director

## Table of Contents

### News Release

#### **Nomura Reports Fourth Quarter, Full Year Financial Results**

**Tokyo, April 26, 2007** Nomura Holdings, Inc. today reported consolidated financial results for the fourth quarter and fiscal year ended March 31, 2007.

For the full-year period, net revenue was 1.0911 trillion yen (US \$9.3 billion)<sup>1</sup>, a decrease of 4.8% compared to the previous fiscal year. Income before income taxes declined 41.0% year-on-year to 321.8 billion yen (US \$2.7 billion), while net income declined 42.2% to 175.8 billion yen (US \$1.5 billion). As a result, ROE for the year was 8.3%.

Our strategically-important investment trust business achieved steady results throughout the year, said Nobuyuki Koga, Nomura President and CEO. Last year also highlighted issues that need to be addressed in our market-related business globally. We will continue to make strategic investments and fully utilize Nomura Group's expertise and capital to tackle outstanding issues and achieve further growth.

#### **Full-year business and financial highlights**

**Domestic Retail:** Investment trust business remained strong; Domestic Client Assets totaled 85.2 trillion yen at end of March; Added 25 new branch offices (including offices currently being prepared for opening)

**Global Markets:** Acquired Instinet to augment order execution services for institutional investors; Instinet launched Chi-X trading platform in Europe in April 2007.

**Global Investment Banking:** Ranked number one in FY2006 Equity and Equity-related (Japan) league table<sup>2</sup>, sixth consecutive year in top position.

**Global Merchant Banking:** Actively invested and exited with such transactions as investment in Skylark and partial sale of stake in Tungaloy.

**Asset Management:** Assets under management in the My Story Profit Distribution-type Fund (B Course) increased significantly to over 1.5 trillion yen as of the end of March 2007; Total assets under management increased by 3.9 trillion yen from the prior year to 27 trillion yen.

**Other:** Launched Joinvest Securities in May 2006; IPO of Nomura Real Estate Holdings in October 2006; Strategic investment in US alternative asset manager Fortress Investment Group in December.

---

<sup>1</sup> US dollar amounts are included solely for the convenience of the reader and have been translated at the rate of 117.56 yen = 1 US dollar, the noon buying rate in New York for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on March 31, 2007. This translation should not be construed to imply that the yen amounts actually represent, or have been or could be converted into, equivalent amounts in US dollars.

<sup>2</sup> Source: Thomson Financial

## **Table of Contents**

### **Full-year business segment results**

Total net revenue from business segments declined 0.2% from the prior year to 1.0577 trillion yen (US \$9.0 billion), while income before income taxes decreased 16.5% to 377.3 billion yen (US \$3.2 billion).

#### **Domestic Retail**

Although a decline in equity agency transaction value led to a drop in stock brokerage commissions compared to last year, commissions for distribution of investment trusts and investment trust administration fees and other increased. As a result, revenue remained strong in Domestic Retail at roughly the same level as last year. An increase in non-interest expenses due to investment in opening new branch offices, hiring additional financial advisors, and expanding call centers led to an 18.4% year-on-year decline in income before income taxes to 160.9 billion yen. Domestic Client Assets<sup>3</sup> increased by 4.7 trillion yen from the prior year to 85.2 trillion yen.

#### **Global Markets**

Trading was weak during the first half of the year due to changes in the interest rate and currency market environments. Although revenue from interest rate and currency-linked structured bond order flow and equity derivatives was strong during the second half of the year, income before income taxes declined 62.7% year-on-year to 58.8 billion yen due to a downturn in the US subprime loan market.

#### **Global Investment Banking**

In Global Investment Banking, income before income taxes declined 13.8% from the prior year to 44.4 billion yen. During the year Nomura acted as lead manager in a number of large transactions such as sales of shares held by the Banks Shareholdings Purchase Corporation, a public offering by Aeon, a domestic convertible bond issue by Sharp, and a Euroyen convertible bond issue by Toray Industries, leading to an increase in equity underwriting fees. In the solutions businesses, Nomura worked on a large MPO for Sojitz, and in M&A acted as financial advisor on the management integration of Daimaru and Matsuzakaya Holdings, and the capital and business alliance between Aeon and Daiei. Internationally, Nomura acted as joint bookrunner on a global offering by Infosys Technologies.

---

<sup>3</sup> Sum of assets under custody in Domestic Retail (including regional financial institutions) and the Financial Management Division.

## **Table of Contents**

### **Global Merchant Banking**

Global Merchant Banking income before income taxes declined 4.7% from the prior year to 52.8 billion yen. Nomura invested in the tender offers for Skylark and Tsubaki Nakashima, and booked realized and unrealized gains from the sale of a part of its stake in Tungaloy and the sale of a stake in a Terra Firm investee company.

### **Asset Management**

In Asset Management, income before income taxes jumped 76.8% year-on-year to 36.5 billion yen. Assets under management in Asset Management totaled 27 trillion yen as of March 31, 2007, an increase of 3.9 trillion yen compared to the prior year. This increase comes as Nomura expanded its product lineup with new products such as the Asia Attractive Dividend Fund and Nomura All-In-One Fund, adding to existing funds offering frequent distribution such as the My Story Profit Distribution-type Fund. Nomura also focused on further diversifying its sales channels beyond Nomura Securities to include Japan Post, megabanks, and regional financial institutions. Assets in funds for bank customers increased by 962 billion yen from last year to 1.75 trillion yen. The Nomura 6 Assets Diversified Fund distributed through Japan Post had assets of 425.1 billion yen as of the end of March, representing a market share of 60.1% of funds sold through Japan Post.

## Table of Contents

### Fourth quarter results

Net revenue for the fourth quarter was 311.3 billion yen (US \$ 2.6 billion), a decline of 3.6% quarter-on-quarter and 4.4% year-on-year. Income before income taxes declined 37.1% quarter-on-quarter and 60.3% year-on-year to 83.2 billion yen (US \$708 million). Net income during the quarter decreased 58.2% quarter-on-quarter and 74.3% year-on-year to 33.1 billion yen (US \$282 million). As a result, fourth quarter ROE was 6.0%.

### Fourth quarter business and financial highlights

**Domestic Retail:** Commissions for distribution of investment trusts<sup>4</sup> of 39.1 billion yen, a record high since the start of quarterly reporting.

**Global Markets:** Set up urban revitalization private fund; strengthened operations in real estate finance.

**Global Investment Banking:** Completed large deals such as offerings of shares in Honda Motor and Nintendo, and a Euroyen convertible bond issue; Acted as financial advisor on management integration of Daimaru and Matsuzakaya Holdings.

**Global Merchant Banking:** Tender offer for Tsubaki Nakashima.

**Asset Management:** Nomura Asset Management product chosen by Japan Post for distribution as new target fund.

### Fourth quarter business segment results

#### **Domestic Retail**

Net revenue was 124.1 billion yen, an increase of 7.1% quarter-on-quarter, and roughly flat year-on-year. However, income before income taxes declined 7.6% from the prior quarter and 15.8% year-on-year to 43.3 billion yen due to an increase in non-interest expenses from investing in personnel and technology systems. Domestic Client Assets stood at 85.2 trillion yen as of March 31, 2007, an increase of 3.7 trillion yen compared to the end of the previous quarter. The number of client accounts with an outstanding balance was 3,953,000, an increase of 53,000 accounts from the end of December.

Commissions for distribution of investment trusts increased 16% from the prior quarter to 39.1 billion yen, a record level for the second straight quarter as sales of funds offering frequent distributions and newly-launched funds remained strong. Retail stock brokerage commissions increased 28.1% from the third quarter to 28.9 billion yen, supported by an increase in equity agency transaction value.

---

<sup>4</sup> Nomura Securities

## **Table of Contents**

### **Global Markets**

Global Markets net revenue increased 21.2% quarter-on-quarter and declined 26.4% year-on-year to 94.6 billion yen. Income before income taxes decreased 0.8% quarter-on-quarter and 63.7% year-on-year to 23.9 billion yen. In Fixed Income, although order flow for interest rate and currency-linked structured bonds was firm, net revenue declined 58% from the prior quarter to 21.8 billion yen due to the impact of the deterioration in the US subprime loan market. In Equity, net revenue increased 186% quarter-on-quarter to 66.6 billion yen on the back of a rebound in trading revenue from MPO transactions and equity derivatives. In addition, Instinet was consolidated in February and results are reflected in Equity.

### **Global Investment Banking**

In Global Investment Banking, net revenue totaled 26.6 billion yen, a 10.4% quarter-on-quarter increase, and 14.6% year-on-year decline. Income before income taxes increased 6.5% quarter-on-quarter to 11.6 billion yen, a decrease of 31.5% year-on-year. During the year Nomura acted as lead manager in a number of large deals including offerings of shares in Honda Motor and Nintendo by the Banks Shareholdings Purchase Corporation, and a Euroyen convertible bond issue by Toray Industries. Nomura also ranked number one in the Equity and Equity-related (Japan) league table<sup>5</sup> for fiscal 2006, the sixth straight year in the top position.

In M&A, Nomura acted as financial advisor in such deals as the management integration of Daimaru and Matsuzakaya Holdings, the capital and business alliance between Marubeni, Aeon, and Daiei, and the merger of Mitsubishi Pharma and Tanabe Seiyaku.

### **Global Merchant Banking**

Global Merchant Banking net revenue was minus 900 million yen as there were no major exits during the fourth quarter. Income before income taxes was minus 5.2 billion yen. In terms of new investments, Nomura made an equity investment of around 30 billion yen in the tender offer for Tsubaki Nakashima via a special purpose vehicle.

---

<sup>5</sup> Source: Thomson Financial

## **Table of Contents**

### **Asset Management**

Asset Management net revenue was 24.1 billion yen, a 1.9% quarter-on-quarter decline and a rise of 30.5% year-on-year. Income before income taxes decreased 34.2% quarter-on-quarter due to expenses related to the consolidation of offices at the headquarters during the quarter, but increased 39.6% from the prior year to 8 billion yen. Assets under management reached a record 27 trillion yen as of the end of March, up 1.4 trillion yen from the end of December 2006. The increase is the result of continued strong sales of investment trusts, in particular funds offering frequent distributions sold through Nomura Securities, banks, and Japan Post. Further, a Nomura Asset Management product was chosen by Japan Post for distribution as a target fund.

### **Other**

Other income before income taxes was minus 500 million yen. The US alternative asset manager Fortress Investment Group, in which we announced an investment in December 2006 and was listed on the New York Stock Exchange in February 2007, is accounted for under the equity method according to US GAAP.

Ends

**For further information please contact:**

<b>Name</b>	<b>Company</b>	<b>Telephone</b>
Kimiharu Suzuki	Nomura Holdings, Inc.	81-3-3278-0591
	Group Corporate Communications Dept.	

Michiyori Fujiwara

**Notes to editors:**

### **Nomura Group**

Nomura is a global financial services group dedicated to providing a broad range of financial services for individual, institutional, corporate and government clients. The Group offers a diverse line of competitive products and value-added financial and advisory solutions through its global headquarters in Tokyo, over 150 branches in Japan, and an international network in 30 countries; with regional headquarters in Hong Kong, London, and New York. The Group's business activities include investment consultation and brokerage services for retail investors in Japan, and, on a global basis, brokerage services, securities underwriting, investment banking advisory services, merchant banking, and asset management. For further information about Nomura please visit our website at [www.nomura.com](http://www.nomura.com).

**Table of Contents**

Fiscal year ended March 31, 2007 (1)

**US GAAP Figures**

	(Billions of yen)		% change
	For the year ended		
	March 31, 2007 (2006.4.1 ~ 2007.3.31)	March 31, 2006 (2005.4.1 ~ 2006.3.31)	
	(B)	(A)	(B-A)/(A)
Net revenue	1,091.1	1,145.7	(4.8)
Non-interest expenses	769.3	700.1	9.9
Income from continuing operations before income taxes	321.8	445.6	(27.8)
Income from discontinued operations before income taxes		99.4	
<b>Income before income taxes</b>	<b>321.8</b>	<b>545.0</b>	<b>(41.0)</b>
Income from continuing operations	175.8	256.6	(31.5)
Gain on discontinued operation		47.7	
<b>Net income</b>	<b>175.8</b>	<b>304.3</b>	<b>(42.2)</b>
<b>Return on equity (ROE)</b>	<b>8.3%</b>	<b>15.5%</b>	

\* In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, income before income taxes and net income from the operations of Millennium Retailing Inc. (one of Nomura Principal Finance's private equity investee companies, and whose operations were treated as discontinued during the third quarter of the fiscal year ended March 31, 2006, in conjunction with the agreement reached in the third quarter by Nomura Principal Finance to sell its stake in Millennium Retailing Inc.) are separately reported as income from discontinued operations retroactively to the first quarter of the fiscal year ended March 31, 2006. Net revenue and non-interest expenses of such discontinued operations are not shown independently.

**Total of business segments**

	(Billions of yen)		% change
	For the year ended		
	March 31, 2007 (2006.4.1 ~ 2007.3.31)	March 31, 2006 (2005.4.1 ~ 2006.3.31)	
	(B)	(A)	(B-A)/(A)
Net revenue	1,057.7	1,059.8	(0.2)
Non-interest expense	680.5	607.8	12.0
<b>Income before income taxes</b>	<b>377.3</b>	<b>452.0</b>	<b>(16.5)</b>

**Table of Contents****Fiscal year ended March 31, 2007 (2)****(1) Net revenue**

	(Billions of yen) For the year ended		% change
	March 31, 2007 (2006.4.1 ~ 2007.3.31)	March 31, 2006 (2005.4.1 ~ 2006.3.31)	
	(B)	(A)	(B-A)/(A)
Business segment information:			
Domestic Retail	440.1	446.5	(1.4)
Global Markets	290.0	371.1	(21.8)
Global Investment Banking	99.2	99.7	(0.5)
Global Merchant Banking	65.0	68.2	(4.8)
Asset Management	90.1	65.8	36.8
Sub Total	984.4	1,051.4	(6.4)
Other	73.3	8.4	772.8
<b>Net revenue</b>	<b>1,057.7</b>	<b>1,059.8</b>	<b>(0.2)</b>
Reconciliation items:			
Unrealized gain (loss) on investments in equity securities held for relationship purposes	(38.2)	59.3	
Effect of consolidation/deconsolidation of certain private equity investee companies	71.6	26.5	169.8
<b>Consolidated net revenue</b>	<b>1,091.1</b>	<b>1,145.7</b>	<b>(4.8)</b>

**(2) Non-interest expenses**

Business segment information:			
Domestic Retail	279.3	249.3	12.0
Global Markets	231.2	213.4	8.4
Global Investment Banking	54.8	48.1	13.8
Global Merchant Banking	12.2	12.8	(5.1)
Asset Management	53.6	45.2	18.6
Sub Total	631.1	568.9	10.9
Other	49.4	38.9	26.9
<b>Non-interest expense</b>	<b>680.5</b>	<b>607.8</b>	<b>12.0</b>
Reconciliation items:			
Unrealized gain (loss) on investments in equity securities held for relationship purposes			
Effect of consolidation/deconsolidation of certain private equity investee companies	88.9	92.2	(3.6)
<b>Consolidated non-interest expenses</b>	<b>769.3</b>	<b>700.1</b>	<b>9.9</b>

**(3) Income (loss) before income taxes**

Business segment information:			
Domestic Retail	160.9	197.2	(18.4)
Global Markets	58.8	157.7	(62.7)
Global Investment Banking	44.4	51.5	(13.8)
Global Merchant Banking	52.8	55.4	(4.7)
Asset Management	36.5	20.6	76.8
Sub Total	353.3	482.5	(26.8)
Other	23.9	(30.5)	
<b>Income before income taxes</b>	<b>377.3</b>	<b>452.0</b>	<b>(16.5)</b>
Reconciliation items:			
Unrealized gain (loss) on investments in equity securities held for relationship purposes	(38.2)	59.3	
Effect of consolidation/deconsolidation of certain private equity investee companies	(17.3)	(65.7)	
Income from continuing operations before income taxes	321.8	445.6	(27.8)
Income from discontinued operations before income taxes		99.4	
<b>Income before income taxes (Total of continuing operations and discontinued operation)</b>	<b>321.8</b>	<b>545.0</b>	<b>(41.0)</b>

**\* The major components**

Transactions between operating segments are recorded within segment results on commercial terms and conditions and are eliminated in Other .

The following table presents the major components of income/(loss) before income taxes in Other

	(Billions of yen) For the year ended		% change (B-A)/(A)
	March 31, 2007 (2006.4.1 ~ 2007.3.31)	March 31, 2006 (2005.4.1 ~ 2006.3.31)	
	(B)	(A)	(B-A)/(A)
Net gain/loss on trading related to economic hedging transactions	(38.4)	(64.8)	
Realized gain on investments in equity securities held for relationship purposes	18.1	8.4	116.3
Equity in earnings of affiliates	53.2	27.8	91.0
Corporate items	(11.1)	(7.4)	
Others	2.1	5.4	(60.8)
<b>Total</b>	<b>23.9</b>	<b>(30.5)</b>	

**Table of Contents****Fourth quarter of fiscal year ended March 31, 2007 (1)****US GAAP Figures**

	(Billions of yen)		% change	(Billions of yen)	
	March 31, 2007 (2007.1.1 ~ 2007.3.31)	December 31, 2006 (2006.10.1 ~ 2006.12.31)		March 31, 2006 (2006.1.1 ~ 2006.3.31)	% change
	(B)	(A)	(B-A)/(A)	(C)	(B-C)/(C)
Net revenue	311.3	322.9	(3.6)	325.7	(4.4)
Non-interest expense	228.1	190.8	19.6	198.7	14.8
Income from continuing operations before income taxes	83.2	132.1	(37.1)	127.0	(34.5)
Income from discontinued operations before income taxes				82.6	
<b>Income before income taxes</b>	<b>83.2</b>	<b>132.1</b>	<b>(37.1)</b>	<b>209.6</b>	<b>(60.3)</b>
Income from continuing operations	33.1	79.1	(58.2)	82.8	(60.0)
Gain on discontinued operation				45.9	
<b>Net income</b>	<b>33.1</b>	<b>79.1</b>	<b>(58.2)</b>	<b>128.6</b>	<b>(74.3)</b>
<b>Return on equity (ROE)</b>	<b>6.0%</b>	<b>14.6%</b>		<b>25.4%</b>	

\* In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, income before income taxes and net income from the operations of Millennium Retailing Inc. (one of Nomura Principal Finance's private equity investee companies, and whose operations were treated as discontinued during the third quarter of the fiscal year ended March 31, 2006, in conjunction with the agreement reached in the third quarter by Nomura Principal Finance to sell its stake in Millennium Retailing Inc.) are separately reported as income from discontinued operations retroactively to the first quarter of the fiscal year ended March 31, 2006. Net revenue and non-interest expenses of such discontinued operations are not shown independently.

**Total of business segments**

	(Billions of yen)		% change	(Billions of yen)	
	March 31, 2007 (2007.1.1 ~ 2007.3.31)	December 31, 2006 (2006.10.1 ~ 2006.12.31)		March 31, 2006 (2006.1.1 ~ 2006.3.31)	% change
	(B)	(A)	(B-A)/(A)	(C)	(B-C)/(C)
Net revenue	283.6	308.7	(8.1)	282.2	0.5
Non-interest expense	202.3	164.8	22.8	180.9	11.8
<b>Income before income taxes</b>	<b>81.2</b>	<b>143.9</b>	<b>(43.5)</b>	<b>101.2</b>	<b>(19.8)</b>

**Table of Contents****Fourth quarter of fiscal year ended March 31, 2007 (2)****(1) Net revenue**

	(Billions of yen)		% change	(Billions of yen)	% change
	March 31, 2007 (2007.1.1 ~ 2007.3.31)	December 31, 2006 (2006.10.1 ~ 2006.12.31)		March 31, 2006 (2006.1.1 ~ 2006.3.31)	
	(B)	(A)	(B-A)/(A)	(C)	(B-C)/(C)
<b>Business segment information:</b>					
Domestic Retail	124.1	115.9	7.1	123.6	0.4
Global Markets	94.6	78.1	21.2	128.4	(26.4)
Global Investment Banking	26.6	24.1	10.4	31.1	(14.6)
Global Merchant Banking	(0.9)	9.2		(15.5)	
Asset Management	24.1	24.5	(1.9)	18.4	30.5
Sub Total	268.4	251.8	6.6	286.1	(6.2)
Other	15.2	56.8	(73.3)	(3.9)	
<b>Net revenue</b>	<b>283.6</b>	<b>308.7</b>	<b>(8.1)</b>	<b>282.2</b>	<b>0.5</b>
<b>Reconciliation items:</b>					
Unrealized gain (loss) on investments in equity securities held for relationship purposes	0.3	(13.1)		2.8	(88.3)
Effect of consolidation/deconsolidation of certain private equity investee companies	27.4	27.4	0.0	40.7	(32.8)
<b>Consolidated net revenue</b>	<b>311.3</b>	<b>322.9</b>	<b>(3.6)</b>	<b>325.7</b>	<b>(4.4)</b>

**(2) Non-interest expenses**

<b>Business segment information:</b>					
Domestic Retail	80.8	69.0	17.1	72.2	12.0
Global Markets	70.6	53.9	31.0	62.4	13.2
Global Investment Banking	15.0	13.2	13.7	14.2	5.7
Global Merchant Banking	4.2	2.6	64.9	5.5	(23.6)
Asset Management	16.1	12.4	29.8	12.7	26.5
Sub Total	186.7	151.0	23.6	167.0	11.8
Other	15.6	13.7	13.9	14.0	11.8
<b>Non-interest expense</b>	<b>202.3</b>	<b>164.8</b>	<b>22.8</b>	<b>180.9</b>	<b>11.8</b>
<b>Reconciliation items:</b>					
Unrealized gain (loss) on investments in equity securities held for relationship purposes					
Effect of consolidation/deconsolidation of certain private equity investee companies	25.8	26.0	(1.0)	17.8	45.0
<b>Consolidated non-interest expenses</b>	<b>228.1</b>	<b>190.8</b>	<b>19.6</b>	<b>198.7</b>	<b>14.8</b>

**(3) Income (loss) before income taxes**

Business segment information:					
Domestic Retail	43.3	46.9	(7.6)	51.4	(15.8)
Global Markets	23.9	24.1	(0.8)	66.0	(63.7)
Global Investment Banking	11.6	10.9	6.5	17.0	(31.5)
Global Merchant Banking	(5.2)	6.7		(21.0)	
Asset Management	8.0	12.2	(34.2)	5.7	39.6
Sub Total	81.7	100.8	(18.9)	119.1	(31.4)
Other	(0.5)	43.1		(17.9)	
<b>Income before income taxes</b>	<b>81.2</b>	<b>143.9</b>	<b>(43.5)</b>	<b>101.2</b>	<b>(19.8)</b>
Reconciliation items:					
Unrealized gain (loss) on investments in equity securities held for relationship purposes	0.3	(13.1)		2.8	(88.3)
Effect of consolidation/deconsolidation of certain private equity investee companies	1.6	1.3	20.4	23.0	(93.1)
Income from continuing operations before income taxes	83.2	132.1	(37.1)	127.0	(34.5)
Income from discontinued operations before income taxes				82.6	
<b>Income before income taxes (Total of continuing operations and discontinued operation)</b>	<b>83.2</b>	<b>132.1</b>	<b>(37.1)</b>	<b>209.6</b>	<b>(60.3)</b>

**\* The major components**

Transactions between operating segments are recorded within segment results on commercial terms and conditions and are eliminated in Other .

The following table presents the major components of income/(loss) before income taxes in Other

	(Billions of yen)		% change	(Billions of yen)		% change
	March 31, 2007 (2007.1.1 ~ 2007.3.31)	December 31, 2006 (2006.10.1 ~ 2006.12.31)		March 31, 2006 (2006.1.1 ~ 2006.3.31)		
	(B)	(A)	(B-A)/(A)	(C)	(B-C)/(C)	
Net gain/loss on trading related to economic hedging transactions	(1.1)	(11.9)		(36.0)		
Realized gain (loss) on investments in equity securities held for relationship purposes	0.3	13.0	(97.9)	0.3	(6.7)	
Equity in earnings of affiliates	4.7	39.0	(87.8)	13.9	(65.8)	
Corporate items	(1.8)	(5.9)		(0.6)		
Others	(2.6)	8.9		4.5		
<b>Total</b>	<b>(0.5)</b>	<b>43.1</b>		<b>(17.9)</b>		

**Table of Contents**

1. *This document is produced by Nomura Holdings, Inc. ("Nomura"). Copyright 2007 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 investor sentiments, 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****Financial Summary For the Year Ended March 31, 2007 (US GAAP)**

Date: April 26, 2007

Company name (code number): **Nomura Holdings, Inc. (8604)**  
 Stock exchange listings: (In Japan) Tokyo, Osaka, Nagoya  
 (Overseas) New York, Singapore

Representative: Nobuyuki Koga  
 President and Chief Executive Officer, Nomura Holdings, Inc.

For inquiries: Tomoyuki Funabiki  
 Managing Director, Investor Relations Department, Nomura Group  
 Headquarters, Nomura Securities Co., Ltd.  
 Tel: (Country Code 81) 3-3211-1811  
 URL <http://www.nomura.com>

**1. Consolidated Operating Results**

## (1) Operating Results

	For the year ended March 31	
	2007	2006
	(Yen amounts in millions, except per share data)	
	% Change from March 31, 2006	
Total revenue	2,049,101	1,792,840
Net revenue	1,091,101	1,145,650
Income from continuing operations before income taxes	321,758	445,600
Income from discontinued operations before income taxes		99,413
Net income	175,828	304,328
Basic net income per share	92.25	159.02
Diluted net income per share	92.00	158.78
Net income to shareholders equity (ROE)	8.3%	15.5%
Income before income taxes to total assets (ROA)	0.9%	1.3%
Income before income taxes divided by total revenue	15.7%	24.9%
Equity in earnings of affiliates	53,367	29,595

Note: In calculating income before income taxes to total assets (ROA) and income before income taxes divided by total revenue, income from continuing operations before income taxes is used.

## (2) Financial Position

	At March 31	
	2007	2006
	(Yen amounts in millions, except per share data)	
Total assets	35,873,374	35,026,035
Shareholders equity	2,185,919	2,063,327
Shareholders equity as a percentage of total assets	6.1%	5.9%
Shareholders equity per share	1,146.23	1,083.19

## (3) Cash flows

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

	For the year ended March 31	
	2007	2006
	(Yen amounts in millions)	
Net cash used in operating activities from continuing operations	(1,627,156)	(565,214)
Net cash used in investing activities from continuing operations	(533,813)	(4,678)
Net cash provided by financing activities from continuing operations	1,568,703	829,219
Cash and cash equivalents at end of period	410,028	991,961

Note: During the year ended March 31, 2007, Nomura began reporting cash flows from loans receivable at banks as investing activities which were in prior years classified as operating activities and cash flows from deposits received at banks as financing activities which were in prior years classified as operating activities. All prior year amounts have been reclassified to conform to the current year presentation.

**2. Cash dividends**

	For the year ended March 31		
	2006	2007	2008 (Plan)
Target dividends per share <sup>See note 1</sup>			
dividends record dates			
At June 30		8.00	8.50
At September 30	12.00	8.00	8.50
At December 31		8.00	8.50
At March 31	12.00	8.00	8.50
Additional payout based on the level of profit <sup>See note 2</sup>			
At March 31	24.00	12.00	Unconfirmed
Total at March 31	36.00	20.00	Unconfirmed
For the year	48.00	44.00	34.00
Total annual dividends (Yen amounts in millions)	91,487	83,939	
Consolidated payout ratio	30.2%	47.7%	
Consolidated dividends as a percentage of shareholders' equity per share	4.7%	3.9%	

Note:

1. Target dividends are minimum level of cash dividends.
2. When Nomura achieves a sufficient level of profit, additional dividend will be added to its annual target dividends per share taking into consideration the consolidated payout ratio of over 30%.

**3. Earnings forecasts for the year ending March 31, 2008**

Nomura provides investment, financing and related services in the capital markets on a global basis. In the global capital markets there exist uncertainties due to, but not limited to, economic and market conditions. Nomura, therefore, does not present earnings forecasts.

**Table of Contents****4. Other**

(1) Significant changes to consolidated subsidiaries during the period : Yes

Number of consolidation Inclusion                    1                    (Company name: NHI Acquisition Holding Inc. )

Note: Please refer to page 14 Organizational Structure for details.

(2) Changes in accounting basis, procedure and presentation for the consolidated financial statements

The items described in Significant changes for presenting the consolidated financial statements .

a) Changes in accounting principles : Yes

b) Other changes : None

Note: Please refer to page 25 Note 1. Summary of accounting policies for details.

(3) Number of shares issued (common stock )

	At March 31	
	2007	2006
Number of shares outstanding (including treasury stock)	1,965,919,860	1,965,919,860
Treasury stock	57,730,371	59,822,266

Note: Treasury stock represents the number of share owned by Parent Company

Please refer to page 25 Note 2. Per share data for the number of shares used in basic net income per share calculation.

**Parent Company Only Operating Results (Japanese GAAP)**

(1) Operating Results

	For the year ended March 31		
	2007	2006	
	(Yen amounts in millions, except per share data)		
	% Change from March 31, 2006		
Operating revenue	340,886	54.5%	220,699
Operating income	205,358	66.9%	123,050
Ordinary income	207,221	57.8%	131,282
Net profit	158,235	785.1%	17,878
Net profit per share	82.97		9.34
Fully diluted net profit per share	82.59		9.32

(2) Financial Position

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

	At March 31	
	2007	2006
	(Yen amounts in millions, except per share data)	
Total assets	4,438,039	3,627,776
Total net assets	1,475,328	1,446,649
Total net assets as a percentage of total assets	33.2%	39.9%
Total net assets per share	772.51	758.96

**Table of Contents****Financial Summary for the Fiscal Year Ended March 31, 2007****Results of Operations****US GAAP Figures**

	Billions of yen For the year ended		% Change (%)
	March 31, 2007 (2006.4.1~ 2007.3.31)	March 31, 2006 (2005.4.1~ 2006.3.31)	
	(A)	(B)	(A-B)/(B)
Net revenue	1,091.1	1,145.7	(4.8)
Non-interest expenses	769.3	700.1	9.9
Income from continuing operations before income taxes	321.8	445.6	(27.8)
Income from discontinued operations before income taxes		99.4	
<b>Income before income taxes</b>	<b>321.8</b>	<b>545.0</b>	<b>(41.0)</b>
Income from continuing operations	175.8	256.6	(31.5)
Gain on discontinued operations		47.7	
<b>Net income</b>	<b>175.8</b>	<b>304.3</b>	<b>(42.2)</b>
<b>Return on equity (ROE)</b>	<b>8.3%</b>	<b>15.5%</b>	

\* In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, income before income taxes and net income from the operations of Millennium Retailing Inc. (one of Nomura Principal Finance's private equity investee companies, and whose operations became treated as discontinued for the year ended March 31, 2006) are separately reported as income from discontinued operations. Net revenue and non-interest expenses of such discontinued operations are not shown independently.

Nomura Holdings, Inc. and its consolidated entities (Nomura) reported net revenue of 1,091.1 billion yen for the fiscal year ended March 31, 2007, a decrease of 4.8% from the previous year, and non-interest expenses of 769.3 billion yen, a 9.9% year-on-year increase. Income before income taxes (total of continuing operations and discontinued operations) decreased 41.0% to 321.8 billion yen, while net income (total of continuing operations and discontinued operations) decreased 42.2% to 175.8 billion yen. As a result, ROE for the current year was 8.3%.

**Total of business segments**

	Billions of yen For the year ended		% Change (%)
	March 31, 2007 (2006.4.1~ 2007.3.31)	March 31, 2006 (2005.4.1~ 2006.3.31)	
	(A)	(B)	(A-B)/(B)
Net revenue	1,057.7	1,059.8	(0.2)
Non-interest expenses	680.5	607.8	12.0

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

<b>Income before income taxes</b>	<b>377.3</b>	<b>452.0</b>	<b>(16.5)</b>
-----------------------------------	--------------	--------------	---------------

Nomura engages in private equity investing through its Global Merchant Banking division. Nomura's US GAAP consolidated financial information includes the effect of consolidation/deconsolidation of certain private equity investee companies. Business segment totals exclude these effects as well as gain (loss) on investments in equity securities held for relationship purposes.

Net revenue of business segments for the fiscal year ended March 31, 2007, decreased 0.2% from the prior year to 1,057.7 billion yen. Non-interest expenses increased 12.0% year-on-year to 680.5 billion yen, and income before income taxes fell 16.5% year-on-year to 377.3 billion yen. Please refer to page 34 for an explanation of the differences between US GAAP and business segment values.

**Table of Contents****Income (loss) before income taxes by business segment**

	Billions of yen For the year ended		% Change (%)
	March 31, 2007 (2006.4.1~ 2007.3.31)	March 31, 2006 (2005.4.1~ 2006.3.31)	
	(A)	(B)	(A-B)/(B)
Domestic Retail	160.9	197.2	(18.4)
Global Markets	58.8	157.7	(62.7)
Global Investment Banking	44.4	51.5	(13.8)
Global Merchant Banking	52.8	55.4	(4.7)
Asset Management	36.5	20.6	76.8
Sub Total	353.3	482.5	(26.8)
Other	23.9	(30.5)	
<b>Income before income taxes</b>	<b>377.3</b>	<b>452.0</b>	<b>(16.5)</b>

\* In January 2006, certain functions of Other businesses were integrated to Asset Management. Certain reclassifications of previously reported amounts have been made to conform to the current presentation.

In Domestic Retail, income before income taxes decreased 18.4% from last year to 160.9 billion yen.

Although a decline in equity agency transaction value led to a drop in stock brokerage commissions compared to last year, robust sales of existing funds offering frequent distributions and newly established investment trusts resulted in an increase in commissions for distribution of investment trusts and investment trust administration fees and other. As such, revenue remained strong around the same level as last year. However, in view of our growing client base and further expansion of the pool of investors in Japan, we increased our headcount, opened new branches, expanded our call centers, and built up our IT infrastructure. These investments led to an increase in non-interest expenses.

In Global Markets, income before income taxes declined 62.7% from the prior year to 58.8 billion yen. In spite of a rebound in order flow for interest rate and currency-linked structured bonds during the second half of the year, Fixed Income saw a decline in revenue as a result of weak trading due to changes in the interest rate and currency market environments. In Equity, although MPO transactions and equity derivative trading turned up during the fourth quarter, trading revenue declined as equity market volatility remained low until the third quarter.

In Global Investment Banking, income before income taxes decreased by 13.8% compared to the previous year to 44.4 billion yen. Revenue was strong around the same level as last year as equity underwriting increased markedly during the year, M&A related businesses remained firm, and business in Europe expanded following a strategic build up. However, income before income taxes declined as a result of higher expenses due mainly to an increase in headcount in our international operations. In equity underwriting we acted as lead manager on large transactions for Mitsubishi UFJ Financial Group, Toyota Motor, Aeon, Sharp, and Nomura Real Estate Holdings. We ranked number one in the Japan Equity and Equity-related league table<sup>1</sup> for the sixth straight fiscal year. In our solutions business, we conducted an MPO for Sojitz and in M&A we acted as financial advisor on the MBO of Skylark and management integration of Daimaru and Matsuzakaya Holdings. In international deals, we acted as joint bookrunner for the IPO of Sistema Hals, a leading Russian property development company, and global offering by Infosys Technologies, a major Indian IT company.

In Global Merchant Banking, income before income taxes declined 4.7% compared to the previous year to 52.8 billion yen. During the year, we invested in Skylark and Mitsui Life Insurance while also actively exiting from other investments. This resulted in a continued high level of revenue. We booked realized and unrealized gains from the sale of a part of our stake in Tungaloy, a Nomura Principal Finance

<sup>1</sup> Source: Thomson Financial

**Table of Contents**

investee company, and the partial sale of Terra Firma investee companies.

In Asset Management, income before income taxes increased 76.8% from the prior year to 36.5 billion yen, up for the third consecutive year. As investment trusts become increasingly popular in Japan, assets under management in publicly offered investment trusts reached a record level. Sales of existing funds such as the My Story Profit Distribution-type Fund remained strong, while newly launched funds such as the Asia Attractive Dividend Stock Fund and Nomura All-In-One Fund also sold well. The expansion of our investment trust business is the result of expanding our product lineup to meet the increasingly diverse asset management needs of our customers and diversifying our sales channels by strengthening our approach to Nomura Securities, Japan Post, and banks and trust banks nationwide. Our investment advisory business also performed strongly driven mainly by demand from outside Japan. As a result, assets under management totaled 27 trillion yen as of March 31, 2007, an increase of 3.9 trillion yen from March 2006. In addition, we booked a gain on the sale of our stake in a joint venture during the second quarter of the year ended March 31, 2007.

Other income before income taxes was 23.9 billion yen. Total income before income taxes for all business segments decreased 16.5% from the prior year to 377.3 billion yen.

Further, Nomura Real Estate Holdings (NREH), a subsidiary of Nomura Land and Building (NLB) which is in turn an equity method affiliate of Nomura, completed an initial public offering and listed on the Tokyo Stock Exchange during the fiscal year ended March 31, 2007. NLB recognized a gain on the partial sale of its stake in NREH and a gain on the increase of its remaining share. This effect was booked by Nomura from NLB under the equity method.

**Table of Contents**

**Financial Position**

Total assets as of March 31, 2007, were 35.9 trillion yen, an increase of 0.8 trillion yen compared to March 31, 2006, reflecting an increase in loans and receivables, collateralized agreements, and other assets. Total liabilities as of March 31, 2007, were 33.7 trillion yen, an increase of 0.7 trillion yen compared to March 31, 2006, due to an increase in collateralized financing and borrowings. Total shareholders' equity at March 31, 2007, was 2.2 trillion yen, an increase of 0.1 trillion yen compared to March 31, 2006, due to an increase in retained earnings.

Cash and cash equivalents as of March 31, 2007, decreased by 581.9 billion yen compared to March 31, 2006. Net cash used in operating activities amounted to 1,627.2 billion yen due to an increase of trading-related balances (net of trading related assets and liabilities). Trading-related balances consist of trading assets and private equity investments, collateralized agreements, trading liabilities, collateralized financing and receivables and payables arising from unsettled trades (included in receivables or payables). Net cash used in investing activities was 533.8 billion yen, due to the purchase of office buildings, land, equipment and facilities, and an increase of other investments (included business acquisition, investment in affiliated companies). Net cash provided by financing activities was 1,568.7 billion yen as a result of an increase in borrowings.

**Table of Contents****Financial Summary for the Three Months Ended March 31, 2007****Results of Operations****US GAAP Figures**

	Billions of yen For the three months ended		% Change (%)	Billions of yen For the three months ended March 31, 2006		% Change (%)
	March 31, 2007 (2007.1.1 2007.3.31)	December 31, 2006 (2006.10.1~ 2006.12.31)		(2006.1.1~ 2006.3.31)		
	(A)	(B)	(A-B)/(B)	(C)	(A-C)/(C)	
Net revenue	311.3	322.9	(3.6)	325.7	(4.4)	
Non-interest expenses	228.1	190.8	19.6	198.7	14.8	
Income from continuing operations before income taxes	83.2	132.1	(37.1)	127.0	(34.5)	
Income from discontinued operations before income taxes				82.6		
<b>Income before income taxes</b>	<b>83.2</b>	<b>132.1</b>	<b>(37.1)</b>	<b>209.6</b>	<b>(60.3)</b>	
Income from continuing operations	33.1	79.1	(58.2)	82.8	(60.0)	
Gain on discontinued operations				45.9		
<b>Net income</b>	<b>33.1</b>	<b>79.1</b>	<b>(58.2)</b>	<b>128.6</b>	<b>(74.3)</b>	
<b>Return on equity (ROE, annualized)</b>	<b>6.0%</b>	<b>14.6%</b>		<b>25.4%</b>		

\* In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, income before income taxes and net income from the operations of Millennium Retailing Inc. (one of Nomura Principal Finance's private equity investee companies, and whose operations were treated as discontinued for the year ended March 31, 2006, in conjunction with the agreement reached in the third quarter by Nomura Principal Finance to sell its stake in Millennium Retailing Inc.) are separately reported as income from discontinued operations retroactively to the first quarter of the fiscal year ended March 31, 2006. Net revenue and non-interest expenses of such discontinued operations are not shown independently.

Nomura reported net revenue of 311.3 billion yen for the three months ended March 31, 2007, a 3.6% decrease from the previous quarter and a 4.4% decline compared to the prior-year fourth quarter. Non-interest expenses increased 19.6% from the previous quarter and increased 14.8% compared to the prior-year fourth quarter to 228.1 billion yen. Income before income taxes (total of continuing operations and discontinued operations) of 83.2 billion yen was down 37.1% from the previous quarter and 60.3% compared to the fourth quarter last year, while net income (total of continuing operations and discontinued operations) decreased 58.2% from the previous quarter and 74.3% compared to the prior-year fourth quarter to 33.1 billion yen. ROE for the quarter was 6.0%.

## Total of business segments

	Billions of yen For the three months ended		% Change (%)	Billions of yen For the three months ended March 31, 2006		% Change (%)
	March 31, 2007 (2007.1.1~ 2007.3.31)	December 31, 2006 (2006.10.1~ 2006.12.31)		(2006.1.1~ 2006.3.31)		
	(A)	(B)	(A-B)/(B)	(C)	(A-C)/(C)	
Net revenue	283.6	308.7	(8.1)	282.2	0.5	
Non-interest expenses	202.3	164.8	22.8	180.9	11.8	
<b>Income before income taxes</b>	<b>81.2</b>	<b>143.9</b>	<b>(43.5)</b>	<b>101.2</b>	<b>(19.8)</b>	

Nomura engages in private equity investing through its Global Merchant Banking division. Nomura's US GAAP consolidated financial information includes the effect of consolidation/deconsolidation of certain private equity investee companies. Business segment totals exclude these effects as well as gain (loss) on investments in equity securities held for relationship purposes.

Net revenue of business segments for the three months ended March 31, 2007, was 283.6 billion yen, a 8.1% decrease from the prior quarter and 0.5% increase compared to the same period last year. Non-interest expenses increased 22.8% from the previous quarter and increased 11.8% compared to the prior-year fourth quarter to 202.3 billion yen. Income before income taxes decreased 43.5% from the previous quarter and 19.8% compared to the prior-year fourth quarter to 81.2 billion yen. Please refer to page 34 for an explanation of the differences between US GAAP and business segment values.

**Table of Contents****Income (loss) before income taxes by business segments**

	Billions of yen For the three months ended		% Change (%)	Billions of yen For the three months ended March 31, 2006		% Change (%)
	March 31, 2007 (2007.1.1~ 2007.3.31)	December 31, 2006 (2006.10.1~ 2006.12.31)		(2006.1.1~ 2006.3.31)		
	(A)	(B)	(A-B)/(B)	(C)	(A-C)/(C)	
Domestic Retail	43.3	46.9	(7.6)	51.4	(15.8)	
Global Markets	23.9	24.1	(0.8)	66.0	(63.7)	
Global Investment Banking	11.6	10.9	6.5	17.0	(31.5)	
Global Merchant Banking	(5.2)	6.7		(21.0)		
Asset Management	8.0	12.2	(34.2)	5.7	39.6	
Sub Total	81.7	100.8	(18.9)	119.1	(31.4)	
Other	(0.5)	43.1		(17.9)		
<b>Income before income taxes</b>	<b>81.2</b>	<b>143.9</b>	<b>(43.5)</b>	<b>101.2</b>	<b>(19.8)</b>	

\* In January 2006, certain functions of Other business were integrated to Asset Management. Certain reclassifications of previously reported amounts have been made to conform to the current presentation.

Fourth quarter income before income taxes was 43.3 billion yen for Domestic Retail, down 7.6% from the third quarter and 15.8% from the same period last year; 23.9 billion yen from Global Markets, down 0.8% from the third quarter and 63.7% from the same period last year; 11.6 billion yen from Global Investment Banking, up 6.5% from the third quarter and down 31.5% compared to last year; minus 5.2 billion yen from Global Merchant Banking; and 8 billion yen from Asset Management, down 34.2% from the third quarter and up 39.6% from the same period last year.

Other income before income taxes was minus 0.5 billion yen. Total income before income taxes for all business segments was 81.2 billion yen, down 43.5% from the prior quarter and 19.8% from the prior-year fourth quarter.

**Table of Contents****Business Segment Results for the Three Months Ended March 31, 2007****Operating Results of Domestic Retail**

	Billions of yen For the three months ended		% Change (%)
	March 31, 2007		
	(2007.1.1~ 2007.3.31)	December 31, 2006 (2006.10.1~ 2006.12.31)	
	(A)	(B)	(A-B)/(B)
Net revenue	124.1	115.9	7.1
Non-interest expenses	80.8	69.0	17.1
<b>Income before income taxes</b>	<b>43.3</b>	<b>46.9</b>	<b>(7.6)</b>

Net revenue increased 7.1% from the previous quarter to 124.1 billion yen. Non-interest expenses increased 17.1% to 80.8 billion yen. Income before income taxes was 43.3 billion yen, down 7.6% compared to the prior quarter.

For the second consecutive quarter, commissions for distribution of investment trusts were a record high since we began reporting earnings on a quarterly basis under US GAAP in the fiscal year ended March 2002, while investment trust administration fees and other also increased. This was the result of strong sales of existing investment trusts offering frequent distributions as well as newly launched funds. Retail stock brokerage commissions also increased, supported by an increase in equity agency transaction value.

Domestic Client Assets<sup>2</sup> totaled 85.2 trillion yen as of March 31, 2007, a 3.7 trillion yen increase from the end of December 2006.

**Operating Results of Global Markets**

	Billions of yen For the three months ended		% Change (%)
	March 31, 2007		
	(2007.1.1~ 2007.3.31)	December 31, 2006 (2006.10.1~ 2006.12.31)	
	(A)	(B)	(A-B)/(B)
Net revenue	94.6	78.1	21.2
Non-interest expenses	70.6	53.9	31.0
<b>Income before income taxes</b>	<b>23.9</b>	<b>24.1</b>	<b>(0.8)</b>

Net revenue increased 21.2% from the previous quarter to 94.6 billion yen. Non-interest expenses rose 31.0% to 70.6 billion yen. Income before income taxes edged down 0.8% from the third quarter to 23.9 billion yen.

In Fixed Income, although order flow for interest rate and currency-linked structured bonds was firm, net revenue declined due to the impact of the deterioration in the US subprime loan market. In Equity, net revenue increased on the back of a rebound in trading revenue from MPO transactions and equity derivatives.

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Domestic Client Assets refers to the sum of assets under custody in the Domestic Retail segment (including regional financial institutions) and the Financial Management Division.

**Table of Contents****Operating Results of Global Investment Banking**

	Billions of yen		% Change (%)
	For the three months ended		
	March 31, 2007 (2007.1.1~ 2007.3.31)	December 31, 2006 (2006.10.1~ 2006.12.31)	
	(A)	(B)	(A-B)/(B)
Net revenue	26.6	24.1	10.4
Non-interest expenses	15.0	13.2	13.7
<b>Income before income taxes</b>	<b>11.6</b>	<b>10.9</b>	<b>6.5</b>

Net revenue increased 10.4% from the previous quarter to 26.6 billion yen. Non-interest expenses increased 13.7% to 15 billion yen, while income before income taxes increased 6.5% to 11.6 billion yen.

In Equity Finance, we acted as lead manager in a number of large deals including the offerings of shares in Honda Motor and Nintendo by the Banks Shareholdings Purchase Corporation, and the Euroyen convertible bond issue by Toray Industries. We ranked number one in the Equity and Equity-related (Japan) league table<sup>3</sup> for fiscal 2006, the sixth straight fiscal year we have retained the top position.

In M&A, we acted as financial advisor in such deals as the management integration of Daimaru and Matsuzakaya Holdings, the capital and business alliance between Marubeni, Aeon, and Daiei, and the merger of Mitsubishi Pharma and Tanabe Seiyaku.

**Operating Results of Global Merchant Banking**

	Billions of yen		% Change (%)
	For the three months ended		
	March 31, 2007 (2007.1.1~ 2007.3.31)	December 31, 2006 (2006.10.1~ 2006.12.31)	
	(A)	(B)	(A-B)/(B)
Net revenue	(0.9)	9.2	
Non-interest expenses	4.2	2.6	64.9
<b>Income before income taxes</b>	<b>(5.2)</b>	<b>6.7</b>	

Net revenue was minus 0.9 billion yen. Non-interest expenses increased 64.9% to 4.2 billion yen. Income before income taxes was minus 5.2 billion yen. The drop in revenue is due to the fact that there were no major exits during the fourth quarter.

In terms of new investments, we made an equity investment in the tender offer for Tsubaki Nakashima via a special purpose vehicle, and acquired a stake in Kawamura Electric.

<sup>3</sup> Source: Thomson Financial

**Table of Contents****Operating Results of Asset Management**

	Billions of yen		% Change (%)
	For the three months ended		
	March 31, 2007 (2007.1.1~ 2007.3.31)	December 31, 2006 (2006.10.1~ 2006.12.31)	
	(A)	(B)	(A-B)/(B)
Net revenue	24.1	24.5	(1.9)
Non-interest expenses	16.1	12.4	29.8
<b>Income before income taxes</b>	<b>8.0</b>	<b>12.2</b>	<b>(34.2)</b>

Net revenue decreased 1.9% from the previous quarter to 24.1 billion yen, while non-interest expenses increased 29.8% to 16.1 billion yen. Income before income taxes declined 34.2% to 8 billion yen.

The gradual expansion of assets under management led to an increase in asset management fees. However, net revenue declined from the prior quarter as performance fees booked at the end of the calendar year were not present this quarter and the unrealized gain on seed money used to develop new products decreased due to the global drop in stock prices that occurred during the quarter. Non-interest expenses increased due to expenses related to the consolidation of offices at the headquarters during the quarter, also leading to the decline in income before income taxes.

Robust sales of investment trusts through Nomura Securities, banks and trust banks nationwide, and Japan Post and strong inflow of new funds offset a drop in asset prices to ensure a high level of revenue was maintained. In addition, a Nomura Asset Management product was chosen by Japan Post for distribution as its new target fund.

**Other Operating Results**

	Billions of yen		% Change (%)
	For the three months ended		
	March 31, 2007 (2007.1.1~ 2007.3.31)	December 31, 2006 (2006.10.1~ 2006.12.31)	
	(A)	(B)	(A-B)/(B)
Net revenue	15.2	56.8	(73.3)
Non-interest expenses	15.6	13.7	13.9
<b>Income (loss) before income taxes</b>	<b>(0.5)</b>	<b>43.1</b>	

Income before income taxes was 15.2 billion yen, down 73.3% from the third quarter because of profit booked from the IPO of Nomura Real Estate Holdings in the prior quarter. Income before income taxes was minus 0.5 billion yen.

The US alternative asset manager Fortress Investment Group, in which we announced an investment in December 2006 and was listed on the New York Stock Exchange in February 2007, is accounted for under the equity method according to US GAAP.

(Please refer to page 30 for details.)

**Table of Contents****Non-interest Expenses (Segment Total)**

	Billions of yen		% Change (%)
	For the three months ended		
	March 31, 2007 (2007.1.1~ 2007.3.31)	December 31, 2006 (2006.10.1~ 2006.12.31)	
	(A)	(B)	(A-B)/(B)
Compensation and benefits	93.5	82.8	13.0
Commissions and floor brokerage	18.1	11.8	53.8
Information processing and communications	32.0	27.2	17.7
Occupancy and related depreciation	17.6	13.5	29.7
Business development expenses	10.4	8.4	23.6
Other	30.8	21.1	45.8
<b>Non-Interest Expenses</b>	<b>202.3</b>	<b>164.8</b>	<b>22.8</b>

Business segment non-interest expenses increased 22.8% from the previous quarter to 202.3 billion yen. Compensation and benefits rose 13.0% to 93.5 billion yen. Information processing and communications increased 17.7% from the prior quarter to 32 billion yen due to an increase in IT investment in Japan.

## **Table of Contents**

### **Nomura's Capital Management**

#### *Capital Management Policy*

Nomura seeks to enhance shareholder value by capturing business opportunities as they develop. To achieve this goal, Nomura maintains sufficient capital to support its business. Nomura reviews its sufficiency of capital as appropriate, taking into consideration economic risks inherent in its businesses, regulatory requirements, and maintenance of a sufficient debt rating for a global financial institution.

#### *Dividend*

In regard to cash dividends, Nomura first decides target dividend amounts, minimum level of cash dividend, taking into account the firm's dividend-on-equity ratio (DOE) of about 3%. When Nomura achieves a sufficient level of profit, it will decide the amount of the year-end cash dividend taking into consideration a pay-out ratio of over 30%. Nomura seeks to ensure sustainable growth of its target dividend in the medium to long term. As for retained profits, Nomura intends to invest in business areas where high profitability and growth may reasonably be expected, including development and expansion of infrastructure, to maximize value for shareholders.

#### *Stock Repurchase*

Nomura repurchases shares when it recognizes the need to set out flexible financial strategies that allow the Board to respond quickly to changes in the business environment. When Nomura decides to set up a share buyback program, the firm will announce the decision soon after it is made and purchase the shares following internal guidelines.

The annual dividend for the current fiscal year is 44 yen per share, in line with Nomura's capital management policy.

Nomura provides investment, financing and services in the capital markets on a global basis. In the global capital markets there exist uncertainties due to, but not limited to, economic and market conditions. Nomura, therefore, does not present earnings forecasts and dividend forecasts.

**Table of Contents**

**Organizational Structure**

Nomura Holdings, Inc. and its consolidated subsidiaries, with a core of broker-dealer business, provide a wide range of investment, financing and related services to customers on a global basis. The services we provide include trading, underwriting, and offering securities, asset management services, and others.

The movement of the Company's certain significant subsidiary with the change in its scope of consolidation for the year ended March 31, 2007 is as follows.

(New)

Name	Location	Capital	Nature of business	Ownership of voting rights
NHI Acquisition Holding Inc.	New York, U.S.A.	Mil USD 200	Holding company in the U.S.A. holding the shares of Instinet Incorporated	100%

Instinet Incorporated is a global agency-broker providing institutional investors with agency electronic trading. Nomura acquired Instinet Incorporated at a price of approximately USD 1.2 billion in February 2007.

The following table lists Nomura Holdings, Inc. and its significant subsidiaries, affiliates or equity-method investments.

**Table of Contents**

Nomura Holdings, Inc.

**Domestic Subsidiaries**

Nomura Securities Co., Ltd.

Nomura Asset Management Co., Ltd.

The Nomura Trust & Banking Co., Ltd.

Nomura Babcock & Brown Co., Ltd.

Nomura Capital Investment Co., Ltd.

Nomura Investor Relations Co., Ltd.

Nomura Principal Finance Co., Ltd.

Nomura Funds Research and Technologies Co., Ltd.

Nomura Pension Support & Service Co., Ltd.

Nomura Research & Advisory Co., Ltd.

Nomura Business Services Co., Ltd.

Nomura Facilities, Inc.

Nomura Institute of Capital Markets Research

Joinvest Securities Co., Ltd.

**Overseas Subsidiaries**

Nomura Holding America Inc.

Nomura Securities International, Inc.

Nomura Corporate Research and Asset Management Inc.

Nomura Asset Capital Corporation

The Capital Company of America, LLC

Nomura Derivative Products, Inc.

Nomura Global Financial Products, Inc.

Nomura Securities (Bermuda) Ltd.

Nomura Europe Holdings plc

Nomura International plc

Nomura Bank International plc

Banque Nomura France

Nomura Bank (Luxembourg) S.A.

Nomura Bank (Deutschland) GmbH

Nomura Bank (Switzerland) Ltd.

Nomura Italia S.I.M. p.A.

Nomura Funding Facility Corporation Limited

Nomura Global Funding plc

Nomura Europe Finance N.V.

Nomura Principal Investment plc

NHI Acquisition Holding Inc.

Instinet Incorporated

Nomura Asia Holding N.V.

Nomura Investment Banking (Middle East) B.S.C. (Closed)

Nomura International (Hong Kong) Limited

Nomura Singapore Limited

Nomura Malaysia Sdn. Bhd.

Nomura Australia Limited

PT Nomura Indonesia

**Affiliates/ equity-method investments**

Nomura Research Institute, Ltd. JAFCO Co., Ltd.

Nomura Land and Building Co., Ltd.

Capital Nomura Securities Public Company Limited

Fortress Investment Group LLC

## **Table of Contents**

### **Corporate Goals and Principles**

#### **Management Policy**

The vision of Nomura Group (Nomura Holdings, Inc. and its consolidated domestic and foreign subsidiaries, excluding its private investee companies) is to be a globally competitive Japanese financial services group. We have set a management target of achieving an average consolidated ROE of between 10% and 15% over the medium to long term.

In order to achieve this vision, our basic principle is to put our clients' interests first and to contribute towards the creation of an affluent society, with an emphasis on investment. We will pay close attention to our clients' needs to provide them with high-value-added solutions and superior service for all forms of investment. We will expand our business portfolio beyond the bounds of the traditional securities business to branch out into new areas of business, and we aim to diversify our sources of revenue to achieve a strong earnings platform capable of withstanding changing market environments. Moreover, we will promote compliance with applicable laws, rules and regulations and ensure proper corporate behavior.

#### **Structure of Business Operations**

In executing our business strategy, Nomura Group focuses on globally-linked business divisions, rather than individual legal entities. Nomura Group's business divisions are comprised of Domestic Retail, Global Markets, Global Investment Banking, Global Merchant Banking and Asset Management. We will strive to achieve a higher level of specialization in each division, advance and grow our business in each respective area, and by enhancing collaboration between business divisions, we will maximize the collective strength of Nomura Group.

#### **Current Challenges**

##### *Current business environment*

The Japanese economy is expanding moderately as private demand, especially in the corporate sector, continues to maintain an upward trend and corporate performance continues to show strong momentum.

As the global economy continues to expand on the back of regional growth, the US economy remains in a downtrend as a result of an ongoing adjustment in the housing market. However, expectations for a soft landing of the US economy are increasing as private consumption remains firm and US interest rates remain stable.

In this economic environment, Japanese companies are pursuing growth. Strong capital investment activity, investment in mergers and acquisitions, and corporate finance to support these corporate actions are increasing.

Regarding personal financial assets, backed by changes in the social structure as a result of the retirement of baby boomers and further deregulation, the ongoing shift from savings to investment has continued to accelerate, even after the lifting the zero interest rate policy in July 2006.

## **Table of Contents**

Expansion of investments for growth by companies and acceleration of the shift from savings to investment of domestic financial assets are two major trends in the domestic financial and capital markets. We believe that our efforts to carry out our duties as a financial services company are becoming increasingly important, and at the same time business opportunities are expanding for us.

There are three major trends in the structural changes of the global financial system.

First, private equity funds and hedge funds are increasing their presence as a supplier of risk money. Traditionally, commercial banks played a dominant role in credit creation. Recently, however, these funds have become key players in the credit creation process. Moreover, providing these funds with high leveraged finance by using financial technologies has become a fundamental business for investment banks and universal banks.

Second, the securitization of balance-sheet assets of financial institutions is increasing. Commercial banks in Europe and the US are concentrating more on increasing the securitization of balance-sheet assets, rather than pursuing scale. As a result, business related to the securitization of assets and credit derivatives to transfer credit risks are gaining momentum. The development of derivatives in recent years is a result of increasing securitization of balance-sheet assets of financial institutions.

Third, the rise of emerging markets. In particular, significant economic development in Asia has attracted the interest of global investors and corporate managers, and the increase of investment flow in Asia is triggering significant changes in the global financial system.

These changes in the domestic and global environment are important opportunities for us to expand our businesses and we will continue to focus on the needs of our clients to see this through.

### *Challenges and Strategy*

Nomura Group, aligned with its management vision to deliver superior services and solutions for all forms of investment, aims to grow by expanding its businesses as a group.

In order to aim for further growth, we will continue to focus on the needs of our clients to expand our business, take a unique approach to our international operations and expand into new areas of business.

### *Growth of business based on focusing on the needs of our clients*

To expand the business of Nomura Group, we believe that it is important to focus on understanding and addressing the needs of our clients to create business. We aim to maintain our growth by working as a group and by developing such client-oriented business globally.

## **Table of Contents**

The strategies of each business division are as follows:

In Domestic Retail, we aim to shift personal financial assets away from bank savings to the securities markets, expanding and strengthening our client base. For that purpose, we will promptly offer products and services that meet our clients' needs by expanding client access channels, which include branch offices, call services and online services. We will also continue our efforts to provide education to investors in order to expand the overall investor universe towards the securities market.

In Global Markets, we provide high value-added products and solutions, through the application of financial techniques such as securitization and derivatives, and provide liquidity to financial instruments such as interest rates, foreign exchange, credit, equity and real estate related products.

In Global Investment Banking, we will expand our M&A advisory and corporate financing businesses by providing high value-added solutions in line with each client's individual needs. We will also use our domestic and international networks to build up a solid presence in Asia and further expand our global operations.

In Global Merchant Banking, we work closely with other business divisions in the group to maximize the value of our investments by improving the enterprise value of companies we invest in.

In Asset Management, we will continue to maintain a structure which can continuously add value by concentrating our operations, enhancing research capabilities and improving our analysis. We also aim to increase assets under management by diversifying the investment opportunities we can offer and expanding our sales channels. In the defined contribution pension plan business, we will increase Nomura Group's client base by offering integrated services that run from consulting for plan implementation to offering individual products.

### *Unique strategic approach to international operations*

In international operations, we will continue to implement different business strategies that reflect the different characteristics of each region. In Europe, we will concentrate on strengthening the development and supply of high value-added products and in the US we will continue to move forward with our strategy to focus on our core competencies. In Asia, a region with significant business potential, we will use our financial technology and global distribution network and implement different business strategies that reflect the different characteristics of each country in Asia.

**Table of Contents**

*Development of new areas of business*

Nomura Group will continue to expand into new areas of business. In the fiscal year ended March 31, 2007, we have gained an electronic trading platform within Nomura Group with the completion of the acquisition of Instinet. We will use M&A as an option to expand our business, if we can be confident about the synergy and effectiveness to provide business that is focused on the needs of our clients.

Also, in the fiscal year ended March 31, 2007, we expanded into other new areas of business, such as with the commencement of an online securities business in Joinvest Securities and the commencement of a loan business in Nomura Capital Investment. We aim to expand Nomura Group's business and intend to build on this momentum.

In addressing the above challenges and strategy, we will bring together the collective strengths of our domestic and international operations to expand and develop Japan's financial and capital markets, while also increasing profitability across Nomura Group to achieve our management targets and maximize shareholder value.

**Table of Contents****NOMURA HOLDINGS, INC.****CONSOLIDATED INCOME STATEMENT INFORMATION****(UNAUDITED)**

	Millions of yen		% Change (A-B)/(B)
	March 31, 2007 (A)	March 31, 2006 (B)	
<b>Revenue:</b>			
Commissions	337,458	356,325	(5.3)
Fees from investment banking	99,276	108,819	(8.8)
Asset management and portfolio service fees	145,977	102,667	42.2
Net gain on trading	290,008	304,223	(4.7)
Gain on private equity investments	47,590	12,328	286.0
Interest and dividends	981,344	693,813	41.4
(Loss) gain on investments in equity securities	(20,103)	67,702	
Private equity entities product sales	100,126	88,210	13.5
Other	67,425	58,753	14.8
<b>Total revenue</b>	<b>2,049,101</b>	<b>1,792,840</b>	<b>14.3</b>
Interest expense	958,000	647,190	48.0
<b>Net revenue</b>	<b>1,091,101</b>	<b>1,145,650</b>	<b>(4.8)</b>
<b>Non-interest expenses :</b>			
Compensation and benefits	345,936	325,431	6.3
Commissions and floor brokerage	50,812	32,931	54.3
Information processing and communications	109,987	89,600	22.8
Occupancy and related depreciation	61,279	55,049	11.3
Business development expenses	38,106	32,790	16.2
Private equity entities cost of goods sold	57,184	48,802	17.2
Other	106,039	115,447	(8.1)
	769,343	700,050	9.9
Income from continuing operations before income taxes	321,758	445,600	(27.8)
Income tax expense	145,930	188,972	(22.8)
<b>Income from continuing operations</b>	<b>175,828</b>	<b>256,628</b>	<b>(31.5)</b>
<b>Discontinued operations</b>			
Income from discontinued operations before income taxes (including gain on disposal of ¥ 74,852 million in the year ended March 31, 2006)		99,413	
Income tax expense		51,713	
<b>Gain on discontinued operations</b>		<b>47,700</b>	
<b>Net income</b>	<b>175,828</b>	<b>304,328</b>	<b>(42.2)</b>
	<b>Yen</b>		<b>% Change</b>

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

### Per share of common stock:

#### Basic-

Income from continuing operations	92.25	134.10	(31.2)
Gain on discontinued operations		24.92	

Net income	92.25	159.02	(42.0)
------------	-------	--------	--------

#### Diluted-

Income from continuing operations	92.00	133.89	(31.3)
Gain on discontinued operations		24.89	

Net income	92.00	158.78	(42.1)
------------	-------	--------	--------

#### Note:

In accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, income from discontinued operations are separately reported.

**Table of Contents**

**NOMURA HOLDINGS, INC.**  
**CONSOLIDATED BALANCE SHEET INFORMATION**  
**(UNAUDITED)**

	Millions of yen	
	March 31, 2007	March 31, 2006
<b>ASSETS</b>		
Cash and cash deposits:		
Cash and cash equivalents	410,028	991,961
Time deposits	546,682	518,111
Deposits with stock exchanges and other segregated cash	97,302	45,564
	1,054,012	1,555,636
Loans and receivables:		
Loans receivable	935,711	682,824
Receivables from customers	47,518	26,810
Receivables from other than customers	637,209	656,925
Allowance for doubtful accounts	(2,027)	(2,878)
	1,618,411	1,363,681
Collateralized agreements:		
Securities purchased under agreements to resell	8,061,805	8,278,834
Securities borrowed	9,776,422	8,748,973
	17,838,227	17,027,807
Trading assets and private equity investments*:		
Trading assets	12,830,826	13,332,165
Private equity investments	347,394	365,276
	13,178,220	13,697,441
Other assets:		
Office buildings, land, equipment and facilities (net of accumulated depreciation and amortization of ¥249,592 million at March 31, 2007 and ¥211,521 million at March 31, 2006, respectively)	422,290	330,964
Non-trading debt securities*	255,934	220,593
Investments in equity securities*	195,238	219,486
Investments in and advances to affiliated companies*	441,536	223,912
Other	869,506	386,515
	2,184,504	1,381,470
Total assets	35,873,374	35,026,035

\* Including securities pledged as collateral  
Note: Reclassifications -

Certain prior year amounts have been reclassified to conform to the current year presentation.

**Table of Contents**

**NOMURA HOLDINGS, INC.**  
**CONSOLIDATED BALANCE SHEET INFORMATION**  
**(UNAUDITED)**

	Millions of yen	
	March 31, 2007	March 31, 2006
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
Short-term borrowings	1,093,529	691,759
Payables and deposits:		
Payables to customers	304,462	247,511
Payables to other than customers	623,143	619,271
Deposits received at banks	418,250	372,949
	1,345,855	1,239,731
Collateralized financing:		
Securities sold under agreements to repurchase	11,874,697	10,773,589
Securities loaned	7,334,086	6,486,798
Other secured borrowings	1,390,473	3,002,625
	20,599,256	20,263,012
Trading liabilities	4,800,403	6,527,627
Other liabilities	845,522	641,980
Long-term borrowings	5,002,890	3,598,599
Total liabilities	33,687,455	32,962,708
Shareholders' equity:		
Common stock		
Authorized - 6,000,000,000 shares		
Issued - 1,965,919,860 shares at March 31, 2007 and March 31, 2006		
Outstanding - 1,907,049,871 shares at March 31, 2007 and 1,904,864,196 shares at March 31, 2006	182,800	182,800
Additional paid-in capital	165,496	159,527
Retained earnings	1,910,978	1,819,037
Accumulated other comprehensive (loss) income	6,613	(15,225)
	2,265,887	2,146,139
Common stock held in treasury, at cost - 58,869,989 shares and 61,055,664 shares at March 31, 2007 and March 31, 2006, respectively	(79,968)	(82,812)
Total shareholders' equity	2,185,919	2,063,327
Total liabilities and shareholders' equity	35,873,374	35,026,035

Note: Reclassifications -

Certain prior year amounts have been reclassified to conform to the current year presentation.



**Table of Contents****NOMURA HOLDINGS, INC.****CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY****(UNAUDITED)**

	<b>Millions of yen</b>	
	<b>For the year ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2007</b>	<b>2006</b>
<b>Common stock</b>		
Balance at beginning of year	182,800	182,800
Balance at end of year	182,800	182,800
<b>Additional paid-in capital</b>		
Balance at beginning of year	159,527	155,947
Gain (loss) on sales of treasury stock	(556)	192
Issuance of common stock options	6,525	3,388
Balance at end of year	165,496	159,527
<b>Retained earnings</b>		
Balance at beginning of year	1,819,037	1,606,136
Net income	175,828	304,328
Cash dividends	(83,887)	(91,427)
Balance at end of year	1,910,978	1,819,037
<b>Accumulated other comprehensive income Cumulative translation adjustments</b>		
Balance at beginning of year	(1,129)	(18,083)
Net change during the year	38,018	16,954
Balance at end of year	36,889	(1,129)
<b>Defined benefit pension plans</b>		
Balance at beginning of year	(14,096)	(24,645)
Minimum pension liability adjustment	(387)	10,549
Adjustments to initially apply SFAS 158 <sup>(1)</sup>	(15,793)	
Balance at end of year	(30,276)	(14,096)
<b>Common stock held in treasury</b>		
Balance at beginning of year	(82,812)	(33,726)
Repurchases of common stock	(204)	(49,507)
Sale of common stock (including common stock issued to employees)	2,935	679
Other net change in treasury stock	113	(258)
Balance at end of year	(79,968)	(82,812)
<b>Total shareholders equity</b>		
Balance at end of year	2,185,919	2,063,327

---

(1) For the initial year of application, the adjustments are not reflected on the consolidated comprehensive income.

**Table of Contents****NOMURA HOLDINGS, INC.****CONSOLIDATED INFORMATION OF CASH FLOWS****(UNAUDITED)**

	Millions of yen For the year ended	
	March 31, 2007	March 31, 2006
<b>Cash flows from operating activities from continuing operations:</b>		
Income from continuing operations	175,828	256,628
Adjustments to reconcile income from continuing operations to net cash (used in) provided by operating activities from continuing operations		
Depreciation and amortization	50,432	42,812
Loss (gain) on investments in equity securities	20,103	(67,702)
Changes in operating assets and liabilities:		
Time deposits	24,395	(81,193)
Deposits with stock exchanges and other segregated cash	(30,186)	(440)
Trading assets and private equity investments	1,039,123	2,302,636
Trading liabilities	(1,986,980)	1,084,026
Securities purchased under agreements to resell, net of securities sold under agreements to repurchase	1,243,337	(3,107,197)
Securities borrowed, net of securities loaned	(177,234)	(761,584)
Other secured borrowings	(1,612,879)	(416,566)
Loans and receivables, net of allowance	95,843	(43,656)
Payables	(154,665)	126,952
Other, net	(314,273)	100,070
Net cash used in operating activities from continuing operations	(1,627,156)	(565,214)
<b>Cash flows from investing activities from continuing operations:</b>		
Payments for purchases of office buildings, land, equipment and facilities	(101,784)	(83,983)
Proceeds from sales of office buildings, land, equipment and facilities	634	1,557
Payments for purchases of investments in equity securities	(9,284)	(2,126)
Proceeds from sales of investments in equity securities	25,109	10,523
Loans receivable at banks, net	(73,611)	(32,117)
(Increase) decrease in non-trading debt securities, net	(37,861)	56,824
Other, net	(337,016)	44,644
Net cash (used in) provided by investing activities from continuing operations	(533,813)	(4,678)
<b>Cash flows from financing activities from continuing operations:</b>		
Increase in long-term borrowings	2,736,688	1,656,317
Decrease in long-term borrowings	(1,451,500)	(943,086)
Increase in short-term borrowings, net	377,788	175,910
Deposits received at banks, net	17,947	31,004
Proceeds from sales of common stock	2,379	871
Payments for repurchases of common stock	(204)	(49,507)
Payments for cash dividends	(114,395)	(42,290)
Net cash provided by financing activities from continuing operations	1,568,703	829,219
Effect of exchange rate changes on cash and cash equivalents	10,333	16,419
Discontinued operations, net		131,100

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Net (decrease) increase in cash and cash equivalents	(581,933)	406,846
Cash and cash equivalents at beginning of the period	991,961	585,115
Cash and cash equivalents at end of the period	410,028	991,961

Note: Reclassifications -

During the year ended March 31, 2007, Nomura began reporting cash flows from loans receivable at banks as investing activities which were in prior years classified as operating activities and cash flows from deposits received at banks as financing activities which were in prior years classified as operating activities. All prior year amounts have been reclassified to conform to the current year presentation.

**Table of Contents**

**NOMURA HOLDINGS, INC.**

**NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION**

**(UNAUDITED)**

**1. Summary of accounting policies:**

**Basis of presentation**

The consolidated financial information herein has been prepared in accordance with Nomura's accounting policies which are disclosed in the footnotes of Nomura Holdings, Inc.'s Annual Securities Report (the annual report filed in Japan on June 29, 2006) and Form 20-F (the annual report filed with the U.S. Securities and Exchange Commission on June 29, 2006) for the year ended March 31, 2006.

Presentations of significant changes in accounting principles are as follows:

**Accounting for certain hybrid financial instruments**

On April 1, 2006, Nomura early adopted, primarily on a prospective basis, SFAS 155, Accounting for certain Hybrid Financial Instruments. In accordance with this standard, certain hybrid financial instruments that contain embedded derivatives are accounted for at fair value, with the change recorded in current earnings.

**Accounting for defined benefit pension plans**

On March 31, 2007, Nomura adopted SFAS No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106 and 132-R (SFAS 158). In accordance with this standard, the funded status of the defined benefit postretirement plans, measured as the difference between the fair value of the plan assets and the benefit obligation, is recognized in the statement of financial condition.

**2. Per share data**

Shareholders' equity per share is calculated based on the following number of shares.

Number of shares outstanding (March 31, 2007)	1,907,049,871
Net income per share is calculated based on the following number of shares.	

Average number of shares outstanding (March 31, 2007)	1,906,011,723
---	---------------

**Table of Contents****3. Segment Information-Operating segment:**

The following table shows business segment information and reconciliation items to the consolidated income statement information.

**(1) Net revenue**

	Millions of yen For the year ended		% Change (A-B)/(B)
	March 31, 2007 (A)	March 31, 2006 (B)	
Business segment information:			
Domestic Retail	440,118	446,535	(1.4)
Global Markets	290,028	371,108	(21.8)
Global Investment Banking	99,187	99,666	(0.5)
Global Merchant Banking	64,969	68,244	(4.8)
Asset Management	90,106	65,843	36.8
Sub Total	984,408	1,051,396	(6.4)
Other	73,338	8,403	772.8
Net revenue	1,057,746	1,059,799	(0.2)
Reconciliation items:			
Unrealized gain (loss) on investments in equity securities held for relationship purposes	(38,232)	59,320	
Effect of consolidation/deconsolidation of certain private equity investee companies	71,587	26,531	169.8
Consolidated net revenue	1,091,101	1,145,650	(4.8)

**(2) Non-interest expense**

Business segment information:			
Domestic Retail	279,253	249,330	12.0
Global Markets	231,222	213,387	8.4
Global Investment Banking	54,783	48,127	13.8
Global Merchant Banking	12,153	12,809	(5.1)
Asset Management	53,649	45,220	18.6
Sub Total	631,060	568,873	10.9
Other	49,397	38,934	26.9
Non-interest expense	680,457	607,807	12.0
Reconciliation items:			
Unrealized gain (loss) on investments in equity securities held for relationship purposes			
Effect of consolidation/deconsolidation of certain private equity investee companies	88,886	92,243	(3.6)
Consolidated non-interest expenses	769,343	700,050	9.9

**(3) Income (loss) before income taxes**

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

<b>Business segment information:</b>			
Domestic Retail	160,865	197,205	(18.4)
Global Markets	58,806	157,721	(62.7)
Global Investment Banking	44,404	51,539	(13.8)
Global Merchant Banking	52,816	55,435	(4.7)
Asset Management	36,457	20,623	76.8
<b>Sub Total</b>	<b>353,348</b>	<b>482,523</b>	<b>(26.8)</b>
Other *	23,941	(30,531)	
<b>Income before income taxes</b>	<b>377,289</b>	<b>451,992</b>	<b>(16.5)</b>
<b>Reconciliation items:</b>			
Unrealized gain (loss) on investments in equity securities held for relationship purposes	(38,232)	59,320	
Effect of consolidation/deconsolidation of certain private equity investee companies	(17,299)	(65,712)	
<b>Income from continuing operations before income taxes</b>	<b>321,758</b>	<b>445,600</b>	<b>(27.8)</b>
Income from discontinued operations before income taxes		99,413	
<b>Income before income taxes (Total of continuing operations and discontinued operation)</b>	<b>321,758</b>	<b>545,013</b>	<b>(41.0)</b>

**\* The major components**

Transactions between operating segments are recorded within segment results on commercial terms and conditions and are eliminated in Other.

The following table presents the major components of income/(loss) before income taxes in Other.

	Millions of yen		% Change (A-B)/(B)
	March 31, 2007 (A)	For the year ended March 31, 2006 (B)	
Net gain/loss on trading related to economic hedging transactions	(38,383)	(64,761)	
Realized gain on investments in equity securities held for relationship purposes	18,129	8,382	116.3
Equity in earnings of affiliates	53,169	27,842	91.0
Corporate items	(11,111)	(7,443)	
Others	2,137	5,449	(60.8)
<b>Total</b>	<b>23,941</b>	<b>(30,531)</b>	

**Table of Contents**

**4. Other:**

The consolidated financial information herein does not include all footnotes required under US GAAP.

**Table of Contents**

**Supplemental Consolidated Financial Information**

**(Unaudited)**

This supplemental information (Unaudited) contains the following items.

Quarterly Results - Consolidated Income Statement

Quarterly Results - Business Segment

Commissions/fees received and Net gain on trading

Consolidated Income Statement Information

Business segment information

Reconciliation items of the business segment information to the consolidated income statement information

**Table of Contents****NOMURA HOLDINGS, INC.****CONSOLIDATED INCOME STATEMENT INFORMATION****(UNAUDITED)**

	Millions of yen								% Change (B-A)/(A)
	For the three months ended								
	June 30, 2005	September 30, 2005	December 31, 2005	March 31, 2006	June 30, 2006	September 30, 2006	December 31, 2006(A)	March 31, 2007(B)	
<b>Revenue:</b>									
Commissions	55,152	77,498	106,187	117,488	79,579	66,063	84,190	107,626	27.8
Fees from investment banking	14,719	24,068	28,569	41,463	14,351	26,901	32,317	25,707	(20.5)
Asset management and portfolio service fees	19,942	24,949	25,589	32,187	29,732	35,476	36,730	44,039	19.9
Net gain on trading	70,802	43,847	90,578	98,996	55,770	47,542	89,152	97,544	9.4
(Loss) gain on private equity investments	(2,490)	2,247	7,615	4,956	9,784	27,511	10,224	71	(99.3)
Interest and dividends	132,914	183,334	216,162	161,403	207,860	232,311	262,928	278,245	5.8
(Loss) gain on investments in equity securities	(2,825)	31,199	36,249	3,079	(20,509)	(44)	(154)	604	
Private equity entities product sales	24,520	21,960	23,916	17,814	20,985	21,720	28,778	28,643	(0.5)
Other	6,900	5,735	19,115	27,003	4,178	11,734	45,371	6,142	(86.5)
<b>Total revenue</b>	<b>319,634</b>	<b>414,837</b>	<b>553,980</b>	<b>504,389</b>	<b>401,730</b>	<b>469,214</b>	<b>589,536</b>	<b>588,621</b>	<b>(0.2)</b>
Interest expense	132,101	142,220	194,200	178,669	195,796	218,236	266,625	277,343	4.0
<b>Net revenue</b>	<b>187,533</b>	<b>272,617</b>	<b>359,780</b>	<b>325,720</b>	<b>205,934</b>	<b>250,978</b>	<b>322,911</b>	<b>311,278</b>	<b>(3.6)</b>
<b>Non-interest expenses:</b>									
Compensation and benefits	72,612	73,792	87,876	91,151	82,768	79,060	86,679	97,429	12.4
Commissions and floor brokerage	5,915	8,881	8,472	9,663	10,255	10,335	12,004	18,218	51.8
Information processing and communications	20,621	20,624	20,952	27,403	23,167	27,434	27,296	32,090	17.6
Occupancy and related depreciation	12,518	13,971	13,396	15,164	14,442	13,743	14,596	18,498	26.7
Business development expenses	6,766	8,167	7,622	10,235	7,848	9,810	9,234	11,214	21.4
Private equity entities cost of goods sold	14,999	13,009	13,712	7,082	11,365	11,843	17,417	16,559	(4.9)
Other	25,004	21,903	30,505	38,035	22,685	25,666	23,577	34,111	44.7
	158,435	160,347	182,535	198,733	172,530	177,891	190,803	228,119	19.6
<b>Income from continuing operations before income taxes</b>	<b>29,098</b>	<b>112,270</b>	<b>177,245</b>	<b>126,987</b>	<b>33,404</b>	<b>73,087</b>	<b>132,108</b>	<b>83,159</b>	<b>(37.1)</b>
Income tax expense	19,966	51,600	73,201	44,205	13,266	29,560	53,031	50,073	(5.6)

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Income from continuing operations	9,132	60,670	104,044	82,782	20,138	43,527	79,077	33,086	(58.2)
Discontinued operations									
Income from discontinued operations before income taxes	1,606	5,339	9,863	82,605					
Income tax expense	2,417	5,128	7,415	36,753					
(Loss) gain on discontinued operations	(811)	211	2,448	45,852					
Net income	8,321	60,881	106,492	128,634	20,138	43,527	79,077	33,086	(58.2)

	Yen								% Change
Per share of common stock:									
Basic-									
Net income	4.30	31.89	55.92	67.54	10.52	22.84	41.48	17.35	(58.2)
Diluted-									
Net income	4.30	31.83	55.80	67.42	10.50	22.78	41.38	17.31	(58.2)

Note: Reclassifications-

In accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, income from discontinued operations are separately reported.

**Table of Contents****NOMURA HOLDINGS, INC.****SUPPLEMENTARY INFORMATION****(UNAUDITED)****Business Segment Information - Quarterly Results**

The following table shows quarterly business segment information and reconciliation items to the consolidated income statement.

	Millions of yen								% Change (B-A)/(A)
	June 30, 2005	September 30, 2005	December 31, 2005	For the three months ended			December 31, 2006 (A)	March 31, 2007 (B)	
				March 31, 2006	June 30, 2006	September 30, 2006			
<b>(1) Net revenue</b>									
Business segment information:									
Domestic Retail	84,812	101,434	136,732	123,557	105,609	94,518	115,882	124,109	7.1
Global Markets	49,759	77,740	115,175	128,434	68,899	48,475	78,068	94,586	21.2
Global Investment Banking	12,785	20,453	35,286	31,142	18,808	29,688	24,088	26,603	10.4
Global Merchant Banking	(3,267)	6,875	80,112	(15,476)	12,123	44,541	9,249	(944)	
Asset Management	13,968	15,363	18,072	18,440	17,636	23,854	24,543	24,073	(1.9)
Sub Total	158,057	221,865	385,377	286,097	223,075	241,076	251,830	268,427	6.6
Other	13,382	(2,066)	992	(3,905)	(13,301)	14,649	56,830	15,160	(73.3)
Net revenue	171,439	219,799	386,369	282,192	209,774	255,725	308,660	283,587	(8.1)
Reconciliation items:									
Unrealized gain (loss) on investments in equity securities held for relationship purposes	(10,993)	31,266	36,266	2,781	(20,649)	(4,802)	(13,107)	326	
Effect of consolidation/deconsolidation of certain private equity investee companies	27,087	21,552	(62,855)	40,747	16,809	55	27,358	27,365	0.0
Consolidated net revenue	187,533	272,617	359,780	325,720	205,934	250,978	322,911	311,278	(3.6)
<b>(2) Non-interest expense</b>									
Business segment information:									
Domestic Retail	54,507	60,012	62,645	72,166	63,070	66,347	69,012	80,824	17.1
Global Markets	50,486	46,219	54,253	62,429	54,573	52,075	53,928	70,646	31.0
Global Investment Banking	10,616	11,336	12,014	14,161	13,237	13,416	13,164	14,966	13.7
Global Merchant Banking	2,588	2,194	2,510	5,517	2,326	3,058	2,555	4,214	64.9
Asset Management	10,006	10,683	11,825	12,706	12,413	12,787	12,382	16,067	29.8
Sub Total	128,203	130,444	143,247	166,979	145,619	147,683	151,041	186,717	23.6
Other	5,820	7,849	11,297	13,968	9,706	10,350	13,720	15,621	13.9
Non-interest expense	134,023	138,293	154,544	180,947	155,325	158,033	164,761	202,338	22.8

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Reconciliation items:

Unrealized gain (loss) on investments in equity securities held for relationship purposes									
Effect of consolidation/deconsolidation of certain private equity investee companies	24,412	22,054	27,991	17,786	17,205	19,858	26,042	25,781	(1.0)

Consolidated non-interest expenses	158,435	160,347	182,535	198,733	172,530	177,891	190,803	228,119	19.6
------------------------------------	---------	---------	---------	---------	---------	---------	---------	---------	------

**(3) Income (loss) before income taxes**

Business segment information:

Domestic Retail	30,305	41,422	74,087	51,391	42,539	28,171	46,870	43,285	(7.6)
Global Markets	(727)	31,521	60,922	66,005	14,326	(3,600)	24,140	23,940	(0.8)
Global Investment Banking	2,169	9,117	23,272	16,981	5,571	16,272	10,924	11,637	6.5
Global Merchant Banking	(5,855)	4,681	77,602	(20,993)	9,797	41,483	6,694	(5,158)	
Asset Management	3,962	4,680	6,247	5,734	5,223	11,067	12,161	8,006	(34.2)
Sub Total	29,854	91,421	242,130	119,118	77,456	93,393	100,789	81,710	(18.9)
Other *	7,562	(9,915)	(10,305)	(17,873)	(23,007)	4,299	43,110	(461)	

Income before income taxes	37,416	81,506	231,825	101,245	54,449	97,692	143,899	81,249	(43.5)
----------------------------	--------	--------	---------	---------	--------	--------	---------	--------	--------

Reconciliation items:

Unrealized gain (loss) on investments in equity securities held for relationship purposes	(10,993)	31,266	36,266	2,781	(20,649)	(4,802)	(13,107)	326	
Effect of consolidation/deconsolidation of certain private equity investee companies	2,675	(502)	(90,846)	22,961	(396)	(19,803)	1,316	1,584	20.4

Income from continuing operations before income taxes	29,098	112,270	177,245	126,987	33,404	73,087	132,108	83,159	(37.1)
---	--------	---------	---------	---------	--------	--------	---------	--------	--------

Income from discontinued operations before income taxes	1,606	5,339	9,863	82,605					
---	-------	-------	-------	--------	--	--	--	--	--

Income before income taxes (Total of continuing operations and discontinued operation)	30,704	117,609	187,108	209,592	33,404	73,087	132,108	83,159	(37.1)
--	--------	---------	---------	---------	--------	--------	---------	--------	--------

\* **The major components**

Transactions between operating segments are recorded within segment results on commercial terms and conditions and are eliminated in Other.

The following table presents the major components of income/(loss) before income taxes in Other .

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

	Millions of yen								% Change (B-A)/(A)
	For the three months ended								
	June 30, 2005	September 30, 2005	December 31, 2005	March 31, 2006	June 30, 2006	September 30, 2006	December 31, 2006 (A)	March 31, 2007 (B)	
Net gain/loss on trading related to economic hedging transactions	(2,788)	(8,463)	(17,555)	(35,955)	(11,382)	(14,036)	(11,865)	(1,100)	
Realized gain (loss) on investments in equity securities held for relationship purposes	8,168	(67)	(17)	298	140	4,758	12,953	278	(97.9)
Equity in earnings of affiliates	2,749	2,939	8,296	13,858	3,309	6,136	38,983	4,741	(87.8)
Corporate items	503	(3,715)	(3,612)	(619)	(7,163)	3,707	(5,900)	(1,755)	
Others	(1,070)	(609)	2,583	4,545	(7,911)	3,734	8,939	(2,625)	
Total	7,562	(9,915)	(10,305)	(17,873)	(23,007)	4,299	43,110	(461)	

**Table of Contents**

**NOMURA HOLDINGS, INC.**  
**SUPPLEMENTARY INFORMATION**  
**(UNAUDITED)**

**Commissions/fees received and Net gain on trading consists of the following:**

Commissions/fees received

	Millions of yen	% Change	Millions of yen	% Change
	For the three months ended		For the year ended	
&nbsp;				