

NOMURA HOLDINGS INC
Form 6-K
May 01, 2006
Table of Contents

FORM 6-K

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

Commission File Number: 1-15270

For the month of May 2006.

NOMURA HOLDINGS, INC.

(Translation of registrant's name into English)

9-1, Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Japan

(Address of principal executive offices)

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

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.

Yes No

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

Table of Contents

Information furnished on this form:

EXHIBIT

Exhibit Number

1. [Consolidated Results of Operations(US GAAP) Fourth quarter, year ended March 2006]

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: May 1, 2006

By: /s/ Tetsu Ozaki

Tetsu Ozaki
Senior Managing Director

Table of Contents

Consolidated Results of Operations
(US GAAP)
Fourth quarter, year ended March 2006
Nomura Holdings, Inc.
April 2006

Table of Contents

2
1.
This
document
is
produced
by
Nomura
Holdings,
Inc.

("Nomura").
Copyright
2006
Nomura
Holdings,
Inc.
All
rights
reserved.
2.
Nothing
in
this
document
shall
be
considered
as
an
offer
to
sell
or
solicitation
of
an
offer
to
buy
any
security,
commodity
or
other
instrument,
including
securities
issued
by
Nomura
or
any
affiliate
thereof.
Offers
to
sell,
sales,
solicitations
to

buy,
or
purchases
of
any
securities
issued
by
Nomura
or
any
affiliate
thereof
may
only
be
made
or
entered
into
pursuant
to
appropriate
offering
materials
or
a
prospectus
prepared
and
distributed
according
to
the
laws,
regulations,
rules
and
market
practices
of
the
jurisdictions
in
which
such
offers
or
sales
may

be
made.
3.
No
part
of
this
document
shall
be
reproduced,
stored
in
a
retrieval
system
or
transmitted
in
any
form
or
by
any
means,
electronic,
mechanical,
photocopying,
recording
or
otherwise,
without
the
prior
written
permission
of
Nomura.
4.
The
information
and
opinions
contained
in
this
document
have
been
obtained

from
sources
believed
to
be
reliable,
but
no
representations
or
warranty,
express
or
implied,
are
made
that
such
information
is
accurate
or
complete
and
no
responsibility
or
liability
can
be
accepted
by
Nomura
for
errors
or
omissions
or
for
any
losses
arising
from
the
use
of
this
information.
5.
This

document
contains
statements
that
may
constitute,
and
from
time
to
time
our
management
may
make
"forward-
looking
statements"
within
the
meaning
of
the
safe
harbor
provisions
of
The
Private
Securities
Litigation
Reform
Act
of
1995.
Any
such
statements
must
be
read
in
the
context
of
the
offering
materials
pursuant
to

which
any
securities
may
be
offered
or
sold
in
the
United
States.
These
forward-looking
statements
are
not
historical
facts
but
instead
represent
only
our
belief
regarding
future
events,
many
of
which,
by
their
nature,
are
inherently
uncertain
and
outside
our
control.
Important
factors
that
could
cause
actual
results
to
differ

from
those
in
specific
forward-looking
statements
include,
without
limitation,
economic
and
market
conditions,
political
events
and
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

3
FY2006.3 Financial Highlights (p.4)
FY2006.3 Business Segment Highlights (p.5)
Fourth Quarter Financial Highlights (p.6)
Fourth Quarter Business Segment Highlights
(p.7)
Domestic Retail (p.8)
Global Markets (p.9)

Global Investment Banking (p.10)
Global Merchant Banking (p.11)
Asset Management (p.12)
Non-interest Expenses (p.13)
Presentation
Outline
Net Income and ROE (p.15)
Consolidated Income (p.16)
Main Revenue Items (p.18)
Adjustment of Consolidated Results and Segment Results (p.19)
Income by Segment (p.20)
Segment Other
Income before Income Taxes (p.22)
Consolidated Balance Sheet (p.23)
Effect of Consolidation/Deconsolidation of Certain Private Equity Investee Companies (p.24)
Domestic Retail Related Data (p.25)
Global Merchant Banking Related Data (p.29)
Asset Management Related Data (p.30)
Fourth Quarter Achievements (p.33)
League Tables (p.34)
Market Share Data (p.35)
VaR (p.36)
Number of Employees (p.37)
Appendix

Table of Contents

4
1,145.7
799.2
0
200
400
600
800
1,000
1,200
(billions of yen)

FY2006.3 Financial Highlights

Net Revenue

Income before Income Taxes

Net revenue for

FY2006.3 was 1,145.7 billion yen (+43% YoY), income before income taxes was 545.0 billion yen (+2.7x

YoY), and net income was 304.3 billion yen (+3.2x YoY). ROE for FY2006.3 rose to 15.5%. Net income a record high.*

*Japanese GAAP used up until fiscal year ended March 1999.

Note: In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, income before income taxes of Millennium Retailing

Inc.

(one

of

Nomura

Principal

Finance s

private

equity

investee

companies,

and

whose

operations

became

treated

as

discontinued

during

the

third

quarter

)

are

separately

reported

as

income

from discontinued operations. Net revenue and non-interest expenses of such discontinued operations are not shown independently of continuing and discontinued operations

discontinued operations not included in continuing and discontinued operations

Net Income/ROE

+43%

2.7x

3.2x

FY2005.3

FY2006.3

FY2005.3

FY2006.3

FY2005.3

FY2006.3

204.8

545.0

0

100

200

300

400

500

600

(billions of yen)

94.7

304.3

15.5%

5.2%

0

50

100

150

200

250

300

350

0%

5%

10%

15%

20%

25%

Net Income (left)

ROE (right)

(billions of yen)

Table of Contents

5
81.2
197.2
60.2
157.7
51.5
55.4

20.6
29.2
-3.0
10.0
-30.5
10.1
187.6
452.0
-100
0
100
200
300
400
500

(billions of yen)

FY2006.3 Business Segment Highlights

Net Revenue

Income before Income Taxes

Net revenue from all business segments was 1,059.8 billion yen (+49% YoY), income before income taxes was 452.0 billion yen

All
business
segments
achieved
significant
YoY
increases

in
both
revenue
and
income
before
income
taxes.

FY2005.3

FY2006.3

FY2005.3

FY2006.3

Domestic Retail

Higher stock brokerage commissions and commissions for distribution of investment trusts

Global Markets

Increased client order flow and trading revenue

Global Investment Banking

Strong equity underwriting and M&A-related business

Global Merchant Banking

Sale of share of Millennium Retailing and other investee companies

Asset Management

Increase in assets under management, primarily from
funds offering frequent distributions and emerging
market
stock funds

Appendix:

Income by segment P20

Segment Other

Income

before Income Taxes: P22

Other

Asset Management

Global Merchant Banking

Global Investment Banking

Global Markets

Domestic Retail

304.4

446.5

243.1

371.1

75.4

99.7

7.3

68.2

49.0

65.8

8.4

29.8

1,059.8

709.0

0

200

400

600

800

1,000

1,200

(billions of yen)

+49%

2.4x

Table of Contents

6
209.6
187.1
117.6
67.0
30.7
0
50

100
150
200
250

(billions of yen)

Fourth Quarter Financial Highlights

Net Revenue

Net Income/ROE (Annualized)

Income before Income Taxes

Note: During the third quarter, Nomura Principal Finance Co., Ltd., a wholly-owned subsidiary of Nomura Holdings, reached a

Millennium

Retailing

and

part

of

its

stake

in

Wanbishi

Archives

during

January

2006.

As

a

result,

realized

gains

in

conjunction

with

these

transactions

are

included

in

fourth

quarter consolidated results.

Note: In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets , net revenue attr

operations

became

treated

as

discontinued

during

the

third

quarter)

is

reported

net
of
non-interest
expenses
in
income
before
income
taxes
retroactively
to
the
first
quarter
of
the
current
fiscal
year.
Income
before
income
taxes
and
net
income
attributable
to
Millennium
Retailing
are
shown
separately
in
the
Consolidated
income
Statement,
but
shown
as
totals
of
continuing
and
discontinued
operations
in
the
above

charts.

continuing and discontinued operations

discontinued operations not included

continuing and discontinued operations

Appendix:

Consolidated income: P16 (FY)

P17 (quarterly)

Main revenue items: P18

FY2005.3

4Q

1Q

2Q

3Q

4Q

FY2006.3

* Annualized

Net revenue for the fourth quarter was 325.7 billion yen (-9% QoQ, +39% YoY). Income before income taxes rose to 209.6

billion

yen

(+12

QoQ,

+3.1x

YoY)

as

a

result

of

gains

on

the

sale

of

Millennium

Retailing,

etc.

Net

income

was

128.6 billion yen (+21% QoQ, +5.0x YoY). ROE* for the fourth quarter was a high 25.4%.

FY2005.3

4Q

1Q

2Q

3Q

4Q

FY2006.3

FY2005.3

4Q

1Q

2Q
3Q
4Q
FY2006.3
272.6
359.8
325.7
187.5
234.5
0
100
200
300
400
(billions of yen)
25.5
8.3
60.9
106.5
128.6
25.4%
1.8%
5.5%
13.1%
22.1%
0
20
40
60
80
100
120
140
0%
5%
10%
15%
20%
25%
30%
Net Income (left)
ROE (annualized, right)
(billions of yen)

Table of Contents

7

Revenue from all business segments was 282.2 billion yen (-27% QoQ, +40% YoY), and income before income taxes was 101.2 billion yen (-56% QoQ, +86% YoY).

Achieved high level of revenue and income before income taxes based on continued strong business performance, although both revenue and income before income taxes declined quarter-on-quarter as unrealized gains in conjunction with agreements reached to sell shares in Millennium Retailing and Wanbishi

Archives contributed to third quarter

business segment results.

Fourth Quarter Business Segment Highlights

Net Revenue

Appendix:

Income by segment P21

Segment Other

Income

before Income Taxes: P22

FY2005.3

4Q

1Q

2Q

3Q

4Q

FY2006.3

FY2005.3

4Q

1Q

2Q

3Q

4Q

FY2006.3

Income before Income Taxes

Other

Asset Management

Global Merchant Banking

Global Investment Banking

Global Markets

Domestic Retail

79.6

84.8

101.4

136.7

123.6

69.8

49.8

77.7

115.2

128.4

19.4

20.5

35.3

31.1

6.9

80.1

-15.5

18.1

18.4

12.8

-3.3

10.4
12.0
14.0
15.4
-3.9
1.0
-2.1
10.2
13.4
282.2
171.4
201.3
386.4
219.8
0
100
200
300
400
(billions of yen)
19.6
30.3
41.4
74.1
51.4
-0.7
31.5
60.9
66.0
9.1
23.3
17.0
7.7
4.7
77.6
-21.0
6.2
5.7
-9.9
13.3
2.2
6.0
-5.9
1.7
4.0
4.7
-10.3
6.1
7.6
-17.9

81.5
231.8
37.4
54.6
101.2
0
50
100
150
200
250
(billions of yen)

Table of Contents

8
FY2005.3
4Q
1Q
2Q
3Q
4Q

Commissions

104.1

155.2

174.0

269.4

55%

45.6

45.2

61.0

85.5

77.7

-9%

70%

(Retail stock brokerage commissions)

48.2

92.1

103.0

153.6

49%

27.3

20.8

34.6

53.9

44.2

-18%

62%

Sales credit

95.7

97.8

73.7

109.0

48%

20.2

27.5

24.7

32.3

24.5

-24%

21%

Fees from investment banking

15.0

26.1

24.5

26.4

8%

5.7

3.4

6.1

8.0

8.9

11%
57%
Investment trust administration fees and other
32.0
21.8
26.1
34.4
32%
6.8
7.1
8.1
9.1
10.1
12%
48%
Net interest revenue
2.4
4.9
6.1
7.4
21%
1.3
1.7
1.5
1.9
2.3
25%
86%
Net revenue
249.3
305.8
304.4
446.5
47%
79.6
84.8
101.4
136.7
123.6
-10%
55%
Non-interest expenses
213.6
226.2
223.2
249.3
12%
60.0
54.5
60.0

62.6
72.2
15%
20%
Income before income taxes
35.7
79.5
81.2
197.2
143%
19.6
30.3
41.4
74.1
51.4
-31%
162%
YoY
QoQ
FY2003.3
FY2004.3
FY2005.3
FY2006.3
FY2006.3
YoY
41.4
74.1
51.4
30.3
19.6
123.6
79.6
84.8
101.4
136.7
0
50
100
150
(billions of yen
35.7
79.5
81.2
197.2
249.3
305.8
304.4
0
100
200

300
400
500
Net interest revenue
Investment trust administration
fees and other
Fees from investment banking
Sales credit
Commissions
Income before income taxes
446.5

(billions of yen)

Domestic Retail

Net revenue of 123.6 billion yen (-10% QoQ, +55% YoY), income before income taxes of 51.4 billion yen (-31%

QoQ,

+2.6x

YoY).

Domestic

Client

Assets*

increased

by

1.1

trillion

yen

during

the

quarter

to

80.5

trillion yen.

Stock brokerage commissions fell 18% QoQ

to 44.2 billion yen, as a result of a drop in equity agency transaction value.

Commissions for distribution of investment trusts** were 28.6 billion yen, a record for the fourth consecutive quarter***, due sales of funds offering frequent distributions and emerging market equity funds.

Net Revenue and Income before Income Taxes

Appendix:

Retail foreign currency

bond sales, commissions

for investment trusts

distribution, domestic

distribution volume of

investment trusts, etc: P25

*Domestic Client Assets:

P26

Domestic Client Assets

net asset inflow: P27

Number of accounts: P28

New investment trusts:

P33

Full Year

Quarter

**Nomura Securities

***Since the fiscal year ended

March 2002

Table of Contents

9

Global Markets

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

Note: Figures up to FY2004.3

are the total of Fixed Income and Equity and differ slightly in composition.

Net revenue rose to 128.4 billion yen (+12% QoQ, +84% YoY), while income before income taxes increased to 66.0 billion yen (+8% QoQ, +4.9x YoY)

Fixed Income net revenue rose 15% QoQ to 62.0 billion yen as a result of continued robust derivative trading and contributions from the asset finance business.

Equity net revenue grew 7% QoQ to 57.2 billion yen as a result of contributions from block trades and trading in equity derivatives.

Appendix:

Fourth Quarter

Achievements: P33

Market share data: P35

Value at Risk: 36

Full Year

Quarter

Net Revenue and Income before Income Taxes

FY2005.3

4Q

1Q

2Q

3Q

4Q

Fixed Income

154.0

174.0

119.8

173.8

45%

38.3

21.3

36.5

54.1

62.0

15%

62%

Equity

82.0

110.2

90.2

168.5

87%

20.9

23.6

34.4

53.3

57.2

7%

174%

Other

0.0

0.0

33.1

28.8

-13%

10.6

4.8

6.9

7.8

9.3

18%

-13%

Net revenue

236.0

284.1

243.1

371.1

53%

69.8

49.8

77.7

115.2

128.4

12%

84%

Non-interest expenses

142.4

163.3

182.9

213.4

17%

56.4

50.5

46.2

54.3

62.4

15%

11%

Income before income taxes

93.6

120.8

60.2

157.7

162%

13.3

-0.7

31.5

60.9

66.0

8%
395%
YoY
QoQ
FY2005.3
FY2006.3
FY2006.3
YoY
FY2003.3
FY2004.3
236.0
284.1
243.1
93.6
120.8
60.2
157.7
371.1
0
50
100
150
200
250
300
350
400
Other
Equity
Fixed Income
Income before
income taxes
(billions of yen)
66.0
60.9
31.5
-0.7
13.3
128.4
115.2
77.7
49.8
69.8
0
20
40
60
80
100
120

140
160
180
200
(billions of yen)

Table of Contents

10

Global Investment Banking

Net revenue of 31.1 billion yen (-12% QoQ, +61% YoY), income before income taxes of 17.0 billion yen (-27% QoQ, +2.8x YoY).

Equity-related underwriting increased 93% to 5.55 billion dollars*, as we served as lead manager for large public offerings such as those from Mitsui & Co. and All Nippon Airways.

In

overseas
deals,
we
served
as
joint
global
coordinator
for
Lotte
Shopping s
3.7
billion
dollar
global
IPO.
Capital
solutions
business
handled
Fuji
Photo
Film s
JPY200
billion
euroyen
privately-placed
CB
(HPO
II).
Ranked
number
one
in
FY2006.3
league
tables**
for
equity
and
equity-related,
M&A,
global
and
euroyen
bonds,
and
Japanese straight bonds.
Note: In April 2004, Fixed
Income, Equity and certain

functions of Investment
Banking were consolidated
to create Global Markets.

Appendix:

Fourth Quarter

Achievements: P33

**League Tables: P34

Market Share Data: P35

Net Revenue and Income before Income Taxes

Full Year

Quarter

Quarter

*Thomson Financial

FY2005.3

4Q

1Q

2Q

3Q

4Q

Net revenue

69.1

70.9

75.4

99.7

32%

19.4

12.8

20.5

35.3

31.1

-12%

61%

Non-interest expenses

56.4

53.7

46.2

48.1

4%

13.4

10.6

11.3

12.0

14.2

18%

6%

Income before income taxes

12.8

17.2

29.2

51.5

76%
6.0
2.2
9.1
23.3
17.0
-27%
182%
YoY
QoQ
FY2005.3
FY2006.3
FY2006.3
YoY
FY2003.3
FY2004.3
99.7
75.4
70.9
69.1
51.5
29.2
17.2
12.8
0
20
40
60
80
100
120
Net revenue
Income before
income taxes
(billions of yen)
19.4
12.8
20.5
35.3
31.1
6.0
2.2
9.1
23.3
17.0
0
10
20
30
40

(billions of yen

Table of Contents

11
Global Merchant Banking
Net revenue of -15.5 billion yen and income before income taxes of -21.0 billion yen
Both
net
revenue
and
income

before
income
taxes
fell
as
a
result
of
the
posting
of
unrealized
losses
from
the
fair
value
assessment of investee
companies.
Nomura
Principal
Finance
(NPF)
sold
shares
of
Resort
Solution
(formerly
Misawa
Resort).
Appendix:
Effect of consolidation /
deconsolidation of certain
PE investee
companies :
P24
Business exposure: P29
Net Revenue and Income before Income Taxes
Full Year
Quarter
FY2005.3
4Q
1Q
2Q
3Q
4Q
Net revenue
-6.6
10.7

7.3
68.2
830%
10.4
-3.3
6.9
80.1
-15.5
-
-
Non-interest expenses
8.6
10.2
10.4
12.8
24%
2.7
2.6
2.2
2.5
5.5
120%
102%
Income before income taxes
-15.3
0.5
-3.0
55.4
-
7.7
-5.9
4.7
77.6
-21.0
-
-
YoY
QoQ
FY2005.3
FY2006.3
YoY
FY2006.3
FY2003.3
FY2004.3
-6.6
10.7
7.3
68.2
-15.3
0.5

-3.0
55.4
-30
0
30
60
90
Net revenue
Income before
income taxes
(billions of yen)
-15.5
80.1
6.9
-3.3
10.4
4.7
7.7
-5.9
77.6
-21.0
-30
0
30
60
90
(billions of yen)

Table of Contents

12
Asset Management
Net revenue of 18.4 billion yen (+2% QoQ, +54% YoY), while income before income taxes was 5.7 billion yen (-8%QoQ, +3.3x YoY). Total assets under management rose 0.8 trillion yen from the end of the previous quarter to 23.3 trillion yen.
Robust
sales
of

existing
funds
offering
frequent
distributions
(My
Story
Profit
Distribution-type
Fund:
net
assets
up
169.2
billion
yen
QoQ
to
460.5
billion
yen
as
of
3/31/2006)
and
newly
launched
funds
(Nomura
Fund
Masters
Global
Emerging
Markets
Stock:
net
assets
of
185.0
billion
yen
as
of
3/31/2006)
contributed
to an increase in assets under management.
Assets
under
management
in

funds
for
bank
customers
up
185.3
billion
yen
QoQ
to
517.9
billion
yen,
and
Nomura
Small
Cap
Stock
Open
for
Mizuho
Bank

customers launched in January.

Nomura Global 6 Assets Diversified Fund distributed through Japan Post with net assets of 90.1billion yen as of 3/31/2006.

Appendix:

Assets under

management: P30,31

Investment Trusts: P32

Net Revenue and Income before Income Taxes

Full Year

Quarter

Note: In January 2006, certain functions of Other business were integrated into Asset Management. Certain reclassifications of
been made to conform to the current presentation.

FY2005.3

4Q

1Q

2Q

3Q

4Q

Net revenue

40.4

40.3

49.0

65.8

34%

12.0

14.0

15.4

18.1

18.4

2%
54%
Non-interest expenses
36.3
39.8
39.0
45.2
16%
10.2
10.0
10.7
11.8
12.7
7%
24%
Income before income taxes
4.0
0.5
10.0
20.6
106%
1.7
4.0
4.7
6.2
5.7
-8%
229%
YoY
YoY
QoQ
FY2005.3
FY2006.3
FY2006.3
FY2003.3
FY2004.3
65.8
49.0
40.3
40.4
20.6
4.0
0.5
10.0
0
10
20
30
40
50

60
70
Net revenue
Income before income
taxes
(billions of yen)
12.0
14.0
15.4
18.1
18.4
5.7
6.2
1.7
4.0
4.7
0
5
10
15
20
(billions of yen)

Table of Contents

13
FY2005.3
4Q
1Q
2Q
3Q
4Q
FY2006.3
FY2006.3

FY2005.3

FY2004.3

114.4

113.7

150.5

142.4

151.1

160.7

264.7

311.3

256.9

0

50

100

150

200

250

300

350

(billions of yen)

34.6

30.6

30.3

43.5

46.2

39.2

38.6

39.7

41.5

41.0

84.5

70.0

69.1

73.9

87.7

Fixed-type compensation and benefits

Variable-type compensation and

benefits

1

Non-interest Expenses (Business Segment Total)

Note:

All

non-interest

expense

figures

shown

on

this

slide

exclude

the
effects
of
consolidation/deconsolidation
of certain private equity investee companies. See P19 and P24 for more details.

Compensation and Benefits
Non-interest expenses (business segment total) of 180.9 billion yen (+17% QoQ, +23% YoY)
Information processing and communications increased 32% QoQ
to 27.3 billion yen as a result of increased domestic
IT investment.
Compensation and benefits rose 4% QoQ
to 87.7 billion yen.

Full Year
Quarter

Appendix:
Effect of consolidation /
deconsolidation of certain PE
investee
companies: P24
Number of employees: P37
FY2005.3
4Q
1Q
2Q
3Q
4Q

Compensation and benefits
256.9
264.7
311.3
18%
73.9
69.1
70.0
84.5
87.7
4%
19%

Commissions and floor brokerage
18.9
22.1
31.4
42%
6.5
5.5
8.6
8.1
9.3
16%
43%

Information processing and communications

79.9
80.9
89.1
10%
21.4
20.5
20.5
20.8
27.3
32%
28%

Occupancy and related depreciation

53.7
50.8
50.8
0%
13.1
11.3
12.8
12.4
14.3
15%
9%

Business development expenses

22.8
26.2
30.6
17%
7.5
6.3
7.7
7.0
9.6
37%
28%

Other

72.4
76.6
94.7
24%
24.4
21.4
18.7
21.8
32.8
50%
34%

Total
504.0

521.4
607.8
17%
146.8
134.0
138.3
154.5
180.9
17%
23%
YoY
QoQ
FY2004.3
FY2005.3
FY2006.3
FY2006.3
YoY
504.0
607.8
521.4
0
100
200
300
400
500
600
700
Other
Business development
expenses
Occupancy and related
depreciation
Information processing
and communications
Commissions and floor
brokerage
Compensation and
benefits
(billions of yen)
146.8
134.0
138.3
154.5
180.9
0
50
100
150
200

(billions of yen

Table of Contents

14
Appendix

Table of Contents

15
Net income (lhs)
168.0
119.9
172.3
94.7
304.3
ROE (rhs)
11.1%

7.4%
10.1%
5.2%
15.5%
Net income per basic share (yen)
85.6
61.3
88.8
48.8
159.0
Shareholders' equity per share (yen)
816.5
846.4
919.7
962.5
1083.2
FY2006.3
FY2005.3
FY2002.3
FY2003.3
FY2004.3
304.3
94.7
172.3
119.9
168.0
11.1%
10.1%
15.5%
7.4%
5.2%
0
50
100
150
200
250
300
350
0%
5%
10%
15%
20%
Net income (lhs)
ROE (rhs)
Net Income and ROE
Full Year
(billions of yen)

Table of Contents

16

Consolidated Income

(billions of yen)

Note: In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, income before income taxes of Millennium Retailing Inc.

(one

of

Nomura

Principal

Finance s

private

equity

investee
 companies,
 and
 whose
 operations
 became
 treated
 as
 discontinued
 during
 the
 third
 quarter
)
 are
 separately
 reported
 as
 income
 from
 discontinued

operations. Net revenue and non-interest expenses of such discontinued operations are not shown independently.

* FY2002.3 includes 3.5 billion yen for equity in earnings (losses) of affiliates, 294.9 billion yen in product sales (PFG investee business (PFG investee company), and 116.3 billion yen gain from sale of PFG investee company.

Commissions

140.0

141.6

210.2

222.0

356.3

61%

Fees from investment banking

75.3

81.8

87.0

92.3

108.8

18%

Asset management and portfolio service fees

110.0

79.3

66.2

78.5

102.7

31%

Net gain on trading

162.2

172.3

229.0

201.7
304.2
51%
Gain (loss) on private equity investments
232.5
-14.4
13.1
7.7
12.3
59%
Interest and dividends
500.5
368.7
343.3
401.4
693.8
73%
Gain (loss) on investments in equity securities
-55.9
-41.3
55.9
15.3
67.7
342%
Private equity entities product sales
-
6.2
17.6
75.1
88.2
18%
Other*
660.8
13.4
23.6
32.3
58.8
82%
1,825.4
807.7
1,045.9
1,126.2
1,792.8
59%
504.0
241.4
242.8
327.0
647.2
98%

1,321.4
566.3
803.1
799.2
1,145.6
43%
1,148.4
518.9
520.4
594.4
700.1
18%
173.0
47.4
282.7
204.8
445.6
118%
-
-
-
-
99.4
-
Income before income taxes
173.0
47.4
282.7
204.8
545.0
166%
168.0
119.9
172.3
94.7
256.6
171%
-
-
-
-
47.7
-
Net income
168.0
119.9
172.3
94.7
304.3
221%

Total revenue
Net revenue
YoY
Interest expense
FY2005.3
FY2004.3
FY2006.3
Income from discontinued operations before income taxes
Net income from continuing operations
Net income from discontinued operations
Revenue
FY2002.3
FY2003.3
Non-interest expenses
Income from continuing operations before income taxes

Table of Contents

17

Consolidated Income (Quarterly)
(billions of yen)

Note: In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, income before income taxes of Millennium Retailing Inc.

(one
of
Nomura
Principal
Finance s
private

equity
investee
companies,
and
whose
operations
became
treated
as
discontinued
during
the
third
quarter
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
current
fiscal
year. Net revenue and non-interest expenses of such discontinued operations are not shown independently.

1Q

2Q

3Q

4Q

1Q

2Q

3Q

4Q

Commissions

69.5

45.6

46.3

60.6

55.2

77.5

106.2

117.5

11%

94%

Fees from investment banking

15.4

32.3

18.4

26.1

14.7

24.1

28.6

41.5

45%

59%

Asset management and portfolio service fees

18.2

19.8

19.3

21.1

19.9

24.9

25.6

32.2

26%

52%

Net gain on trading

53.6

23.1

54.7

70.3

70.8
43.8
90.6
99.0
9%
41%
Gain (loss) on private equity investments
0.5
-2.1
-2.2
11.5
-2.5
2.2
7.6
5.0
-35%
-57%
Interest and dividends
81.9
101.1
122.0
96.4
132.9
183.3
216.2
161.4
-25%
68%
Gain (loss) on investments in equity securities
10.3
-11.6
7.8
8.9
-2.8
31.2
36.2
3.1
-92%
-65%
Private equity entities product sales
17.4
15.9
20.2
21.6
24.5
22.0
23.9
17.8
-26%
-17%

Other
8.5
4.7
7.2
11.8
6.9
5.7
19.1
27.0
41%
129%
275.3
228.8
293.8
328.4
319.6
414.8
554.0
504.4
-9%
54%
61.4
72.0
99.9
93.8
132.1
142.2
194.2
178.7
-8%
90%
213.9
156.8
193.9
234.5
187.5
272.6
359.8
325.7
-9%
39%
141.5
140.6
144.7
167.6
158.4
160.3
182.5
198.7
9%

19%
72.5
16.2
49.2
67.0
29.1
112.3
177.2
127.0
-28%
90%
-
-
-
-
1.6
5.3
9.9
82.6
738%
-
Income before income taxes
72.5
16.2
49.2
67.0
30.7
117.6
187.1
209.6
12%
213%
40.8
3.2
25.1
25.5
9.1
60.7
104.0
82.8
-20%
224%
-
-
-
-
-0.8
0.2
2.4
45.9

1773%

-

Net income

40.8

3.2

25.1

25.5

8.3

60.9

106.5

128.6

21%

404%

Net income from discontinued operations

Revenue

Non-interest expenses

Income from continuing operations before income taxes

FY2006.3

Income from discontinued operations before income taxes

Net income from continuing operations

YoY

Total revenue

Net revenue

QoQ

Interest expense

FY2005.3

Table of Contents

18
Main Revenue Items
Commissions
Fees from
Investment
Banking
Asset
Management
and Portfolio
Service Fees

Net Gain on
Trading*

Full Year

Quarter

(billions of yen)

*Includes net interest revenue

1Q

2Q

3Q

4Q

Stock brokerage commissions (Domestic Retail)

48.2

92.1

103.0

153.6

49%

20.8

34.6

53.9

44.2

-18%

Stock brokerage commissions (Other)

29.3

45.4

40.2

79.5

98%

8.0

14.2

16.7

40.6

143%

Other brokerage commissions

7.6

12.2

13.0

14.3

10%

2.8

2.2

6.0

3.3

-45%

Commissions for distribution of investment trusts

30.5

37.3

41.7

85.1

104%

17.5

19.6	
22.4	
25.6	
14%	
Other	
26.0	
23.2	
24.1	
23.8	
-1%	
6.1	
6.9	
7.2	
3.7	
-48%	
Total	
141.6	
210.2	
222.0	
356.3	
61%	
55.2	
77.5	
106.2	
117.5	
11%	
Equity underwriting commissions	
24.6	
44.7	
49.1	
57.3	
17%	
4.9	
12.4	
17.9	
22.1	
24%	
Bond underwriting commissions	
37.0	
26.4	
20.5	
21.2	
3%	
3.6	
4.7	
4.2	
8.6	
102%	
M&A/Financial advisory fees	
16.8	

15.8
22.6
30.3
34%
6.2
6.9
6.4
10.8
68%
Other
3.4
0.1
0.1
0.1
2%
0.1
0.0
0.1
0.0
-58%
Total
81.8
87.0
92.3
108.8
18%
14.7
24.1
28.6
41.5
45%
Asset management fees
60.2
44.2
51.1
68.5
34%
13.5
16.1
17.8
21.1
18%
Administration fees
10.0
12.1
16.1
20.6
28%
3.4
5.9

4.2
7.1
70%
Custodial fees
9.1
9.9
11.3
13.6
20%
3.1
2.9
3.6
4.0
11%
Total
79.3
66.2
78.5
102.7
31%
19.9
24.9
25.6
32.2
26%
Bonds and other
133.6
152.3
120.9
150.9
25%
31.7
24.4
58.4
36.4
-38%
Equity
35.9
75.2
76.8
148.1
93%
38.9
15.4
32.8
61.0
86%
Gain on merchant banking trading
2.8
1.5

4.0
5.2
31%
0.2
4.0
-0.6
1.6
-
Net interest revenue
127.3
100.4
74.3
46.6
-37%
0.8
41.1
22.0
-17.4
-
Total
299.6
329.4
276.0
350.8
27%
71.6
85.0
112.5
81.6
-27%
QoQ
FY2003.3
FY2004.3
FY2005.3
FY2006.3
FY2006.3
YoY

Table of Contents

19
Adjustment of Consolidated Results and Segment Results
(billions of yen)
Full Year
Quarter
US GAAP
Unrealized gain (loss) on
investments in equity
securities held for
relationship purposes
Effects of consolidation /
deconsolidation of certain

private equity investee
companies

Segment results

Note: In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, income from the operations during

the current period are separately reported as income from discontinued operations, and such amounts of the previous year were

1Q

2Q

3Q

4Q

Net revenue

602.8

729.5

709.0

1,059.8

49%

171.4

219.8

386.4

282.2

-27%

Non-interest expenses

513.5

504.0

521.4

607.8

17%

134.0

138.3

154.5

180.9

17%

Income before income taxes

89.2

225.5

187.6

452.0

141%

37.4

81.5

231.8

101.2

-56%

Net revenue

-43.0

54.7

8.4

59.3

609%

-11.0

31.3
 36.3
 2.8
 -92%
 Non-interest expenses
 -
 -
 -
 -
 -
 -
 -
 -
 -
 Income before income taxes
 -43.0
 54.7
 8.4
 59.3
 609%
 -11.0
 31.3
 36.3
 2.8
 -92%
 Net revenue
 6.5
 18.9
 81.8
 26.5
 -68%
 27.1
 21.6
 -62.9
 40.7
 -
 Non-interest expenses
 5.3
 16.4
 73.0
 92.2
 26%
 24.4
 22.1
 28.0
 17.8
 -36%
 Income before income taxes
 1.2

2.4
 8.9
 -65.7
 -
 2.7
 -0.5
 -90.8
 23.0
 -
 Net revenue
 566.3
 803.1
 799.2
 1,145.7
 43%
 187.5
 272.6
 359.8
 325.7
 -9%
 Non-interest expenses
 518.9
 520.4
 594.4
 700.1
 18%
 158.4
 160.3
 182.5
 198.7
 9%
 Income from continuing operations
 before income taxes
 47.4
 282.7
 204.8
 445.6
 118%
 29.1
 112.3
 177.2
 127.0
 -28%
 Income from discontinued
 operations before income taxes
 -
 -
 -
 99.4
 -

1.6
5.3
9.9
82.6
738%
Income before income taxes
47.4
282.7
204.8
545.0
166%
30.7
117.6
187.1
209.6
12%
YoY
QoQ
FY2005.3
FY2004.3
FY2003.3
FY2006.3
FY2006.3

Table of Contents

20

Income by Segment

Note:

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

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

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

In January 2006, certain functions of Other business were integrated into Asset Management. Certain reclassifications of previous periods are reflected in the current presentation.

Domestic Retail

Global Investment

Banking
 Global Merchant
 Banking
 Asset
 Management
 5 Segment Total
 Other
 Segment Total
 Global Markets
 (billions of yen)
 Net revenue
 229.1
 249.3
 305.8
 304.4
 446.5
 47%
 Non-interest expenses
 208.6
 213.6
 226.2
 223.2
 249.3
 12%
 Income before income taxes
 20.5
 35.7
 79.5
 81.2
 197.2
 143%
 Net revenue
 215.8
 236.0
 284.1
 243.1
 371.1
 53%
 Non-interest expenses
 133.2
 142.4
 163.3
 182.9
 213.4
 17%
 Income before income taxes
 82.6
 93.6
 120.8
 60.2

157.7
162%
Net revenue
88.3
69.1
70.9
75.4
99.7
32%
Non-interest expenses
57.4
56.4
53.7
46.2
48.1
4%
Income before income taxes
30.9
12.8
17.2
29.2
51.5
76%
Net revenue
135.8
-6.6
10.7
7.3
68.2
830%
Non-interest expenses
58.0
8.6
10.2
10.4
12.8
24%
Income before income taxes
77.7
-15.3
0.5
-3.0
55.4
-
Net revenue
51.5
40.4
40.3
49.0
65.8

34%
Non-interest expenses
39.5
36.3
39.8
39.0
45.2
16%
Income before income taxes
12.0
4.0
0.5
10.0
20.6
106%
Net revenue
720.6
588.1
711.8
679.2
1,051.4
55%
Non-interest expenses
496.8
457.3
493.2
501.7
568.9
13%
Income before income taxes
223.8
130.8
218.5
177.5
482.5
172%
Net revenue
21.3
14.7
17.8
29.8
8.4
-72%
Non-interest expenses
166.5
56.2
10.8
19.7
38.9
98%

Income before income taxes

-145.2

-41.6

7.0

10.1

-30.5

-

Net revenue

741.8

602.8

729.5

709.0

1,059.8

49%

Non-interest expenses

663.3

513.5

504.0

521.4

607.8

17%

Income before income taxes

78.5

89.2

225.5

187.6

452.0

141%

YoY

FY2002.3

FY2003.3

FY2004.3

FY2005.3

FY2006.3

Table of Contents

21
(billions of yen)
1Q
2Q
3Q
4Q
1Q
2Q
3Q
4Q

Net revenue

87.0
64.8
73.0
79.6
84.8
101.4
136.7
123.6
-10%
55%

Non-interest expenses

53.3
54.9
55.0
60.0
54.5
60.0
62.6
72.2
15%
20%

Income before income taxes

33.7
9.8
18.0
19.6
30.3
41.4
74.1
51.4
-31%
162%

Net revenue

71.8
44.9
56.6
69.8
49.8
77.7
115.2
128.4
12%
84%

Non-interest expenses

41.2
41.5
43.8
56.4
50.5

46.2
54.3
62.4
15%
11%
Income before income taxes
30.6
3.4
12.8
13.3
-0.7
31.5
60.9
66.0
8%
395%
Net revenue
12.9
22.9
20.2
19.4
12.8
20.5
35.3
31.1
-12%
61%
Non-interest expenses
10.7
11.5
10.7
13.4
10.6
11.3
12.0
14.2
18%
6%
Income before income taxes
2.3
11.4
9.5
6.0
2.2
9.1
23.3
17.0
-27%
182%
Net revenue

2.8
-2.3
-3.5
10.4
-3.3
6.9
80.1
-15.5
-
-
Non-interest expenses
3.0
2.4
2.2
2.7
2.6
2.2
2.5
5.5
120%
102%
Income before income taxes
-0.2
-4.8
-5.7
7.7
-5.9
4.7
77.6
-21.0
-
-
Net revenue
11.0
12.3
13.8
12.0
14.0
15.4
18.1
18.4
2%
54%
Non-interest expenses
9.6
9.5
9.7
10.2
10.0
10.7

11.8
12.7
7%
24%
Income before income taxes
1.4
2.8
4.1
1.7
4.0
4.7
6.2
5.7
-8%
229%
Net revenue
185.4
142.5
160.2
191.1
158.1
221.9
385.4
286.1
-26%
50%
Non-interest expenses
117.7
119.9
121.4
142.7
128.2
130.4
143.2
167.0
17%
17%
Income before income taxes
67.7
22.6
38.8
48.4
29.9
91.4
242.1
119.1
-51%
146%
Net revenue
-1.2

13.6
7.2
10.2
13.4
-2.1
1.0
-3.9
-
-
Non-interest expenses
7.0
6.5
2.1
4.1
5.8
7.8
11.3
14.0
24%
244%
Income before income taxes
-8.2
7.0
5.1
6.1
7.6
-9.9
-10.3
-17.9
-
-
Net revenue
184.2
156.0
167.4
201.3
171.4
219.8
386.4
282.2
-27%
40%
Non-interest expenses
124.7
126.4
123.5
146.8
134.0
138.3
154.5

180.9

17%

23%

Income before income taxes

59.5

29.6

43.9

54.6

37.4

81.5

231.8

101.2

-56%

86%

QoQ

FY2005.3

YoY

FY2006.3

Income by Segment (Quarterly)

Domestic Retail

Global Investment

Banking

Global Merchant

Banking

Asset

Management

5 Segment Total

Other

Segment Total

Global Markets

Note:

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

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

In January 2006, certain functions of Other business were integrated into Asset Management. Certain reclassifications of previous periods are reflected in the current presentation.

Table of Contents

22
Segment Other
Income before Income Taxes
Full Year
Quarter
(billions of yen)
1Q
2Q
3Q
4Q
"Other" income before income taxes
-41.6
7.0
10.1
-30.5
7.6
-9.9
-10.3
-17.9
Net gain/loss on trading related to economic hedging transactions
-6.2
-12.8

-9.7
-64.8
-2.8
-8.5
-17.6
-36.0
Loss/gain on investment securities
1.7
1.2
6.9
8.4
8.2
-0.1
0.0
0.3
Equity in losses/earnings of affiliates
-3.8
8.5
7.3
27.8
2.7
2.9
8.3
13.9
Corporate items
-9.4
-10.7
4.5
-7.4
0.5
-3.7
-3.6
-0.6
Other
-23.9
20.7
1.0
5.5
-1.1
-0.6
2.6
4.5
FY2006.3
FY2006.3
FY2003.3
FY2004.3
FY2005.3
Note:
Other
for

the
FY2003.3
period
includes
21.2
billion
yen
of
impairment
loss
on
investment
of
affiliates.

Table of Contents

23

Consolidated Balance Sheet

Note: In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets , assets and liabilities

operations during the current period have been reclassified.

(billions of yen)

Mar. 31, 2005

Mar. 31, 2006

Mar. 31, 2005

Mar. 31, 2006

Cash and cash deposits

1,047

	1,556
Short-term borrowings	
	521
	692
Payables and deposits	
	964
	1,240
Loans and receivables	
	1,221
	1,364
Collateralized financing	
	21,666
	20,263
Trading liabilities	
	5,332
	6,528
Collateralized agreements	
	14,389
	17,028
Other liabilities	
	1,310
	642
Liabilities of discontinued operations	
	881
	-
	15,601
	13,847
Long-term borrowings	
	2,828
	3,748
Other assets	
	2,231
	1,381
Total liabilities	
	32,620
	33,113
Assets from discontinued operations	
	932
	-
Shareholders' equity	
Total shareholders' equity	
	1,868
	2,063
Total assets	
	34,489
	35,176
Total liabilities and shareholders' equity	
	34,489

35,176

Assets

Liabilities

Trading assets and private equity
investments

Table of Contents

24
Effect of Consolidation/Deconsolidation of Certain Private
Equity Investee Companies
Non-interest Expenses
(billions of yen)
Full Year
Quarter
1Q
2Q

3Q
4Q
Compensation and benefits
259.3
275.0
325.4
72.6
73.8
87.9
91.2
Fixed-type compensation and benefits
144.3
159.6
170.4
41.4
42.1
43.2
43.8
Segment total
142.4
151.1
160.7
38.6
39.7
41.0
41.5
Private equity investee companies
1.9
8.5
9.7
2.8
2.4
2.2
2.3
Variable-type compensation and benefit
115.0
115.4
155.0
31.2
31.7
44.7
47.4
Segment total
114.4
113.6
150.5
30.6
30.3
43.5
46.2

Private equity investee companies

0.6

1.8

4.5

0.6

1.4

1.2

1.2

Commissions and floor brokerage

19.2

23.9

32.9

5.9

8.9

8.5

9.7

Segment total

18.9

22.1

31.4

5.5

8.6

8.1

9.3

Private equity investee companies

0.3

1.8

1.5

0.4

0.3

0.4

0.4

Information processing and communications

80.0

81.4

89.6

20.6

20.6

21.0

27.4

Segment total

79.9

80.9

89.1

20.5

20.5

20.8

27.3

Private equity investee companies

0.1

0.5
0.5
0.2
0.1
0.2
0.1
Occupancy and related depreciation
54.2
53.5
55.0
12.5
14.0
13.4
15.2
Segment total
53.7
50.8
50.8
11.3
12.8
12.4
14.3
Private equity investee companies
0.5
2.7
4.3
1.2
1.1
1.0
0.9
Business development expenses
23.1
28.2
32.8
6.8
8.2
7.6
10.2
Segment total
22.8
26.2
30.6
6.3
7.7
7.0
9.6
Private equity investee companies
0.3
2.0
2.2

0.5
0.5
0.6
0.6
Other
73.3
87.6
115.4
25.0
21.9
30.5
38.0
Segment total
72.4
76.6
94.7
21.4
18.7
21.8
32.8
Private equity investee companies
0.9
11.0
20.8
3.6
3.2
8.7
5.3
Private equity entities cost of goods sold
11.9
44.7
48.8
15.0
13.0
13.7
7.1
Total non-interest expenses
520.4
594.4
700.0
158.4
160.3
182.5
198.7
Segment total
504.0
521.4
607.8
134.0
138.3

154.5

180.9

Private equity investee companies

16.4

73.0

92.2

24.4

22.1

28.0

17.8

FY2004.3

FY2005.3

FY2006.3

FY2006.3

Note: In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, income before income taxes

Millennium Retailing

Inc.

(one

of

Nomura

Principal

Finance s

private

equity

investee

companies,

and

whose

operations

became

treated

as

discontinued

during

the

third

quarter

)

are

separately

reported

as

income

from discontinued operations. Net revenue and non-interest expenses of such discontinued operations are not shown independently.

Table of Contents

25

*Nomura Securities

Domestic Retail Related Data (1)

Full Year

Quarter

1Q

2Q

3Q

4Q

Retail foreign currency bond sales (billions of yen)

2,284.7

1,990.0

1,154.4

1,119.2

304.8

340.7

268.6
205.1
Commissions for investment trusts distribution (billions of yen)*
34.9
46.9
49.9
95.9
19.5
20.9
26.8
28.6
Bond investment trusts commission
16.9
11.1
6.4
3.5
1.1
0.8
0.7
0.8
Stock investment trusts commission
11.6
21.5
31.6
74.2
14.8
16.9
19.1
23.4
Foreign investment trusts commission
6.4
14.2
11.9
18.2
3.7
3.2
7.0
4.4
Domestic distribution volume of investment trusts (trillions of yen)
11.9
13.7
14.2
20.5
3.9
4.7
6.3
5.7
Bond investment trusts
8.6
10.1

10.4
14.3
2.6
3.4
4.4
3.9
Stock investment trusts
1.3
1.6
2.3
4.5
0.9
1.0
1.2
1.4
Foreign investment trusts
2.1
2.1
1.4
1.7
0.4
0.3
0.6
0.4
Other (billions of yen)
Outstanding value of variable annuity insurance policies
166.6
261.6
446.4
654.4
504.3
550.4
609.8
654.4
Sales of JGBs for individual investors
101.3
1,271.6
1,290.6
747.8
206.4
179.6
186.4
175.4
FY2006.3
FY2004.3
FY2005.3
Domestic Retail
FY2003.3
FY2006.3

Table of Contents

26

Domestic Retail Related Data (2)

Domestic Client Assets*

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

Domestic Client Assets

*

**Includes CBs and warrants

***Includes variable annuity insurance

Mar. 31, 2003

Mar. 31, 2004

Mar. 31, 2005

Jun. 30, 2005

Sep. 30, 2005

Dec. 31, 2005

Mar. 31, 2006

Equities

17.1

28.9

33.5

34.4

40.0

48.6

49.3

Foreign currency bonds

3.7

4.0

4.0

3.9

3.9

3.8

3.6

Domestic bonds**

8.5

10.0

11.8

12.0

12.5

12.8

13.1

Stock investment trusts

2.2

3.0

3.3

3.6

4.1

4.8

5.3

Bond investment trusts

6.5

5.5

4.9

4.6

4.7

4.8

4.5

Overseas mutual funds

1.1	
1.6	
1.9	
2.0	
2.1	
2.3	
2.3	
Other***	
1.6	
1.7	
1.9	
2.1	
2.1	
2.2	
2.3	
Total	
40.6	
54.8	
61.2	
62.6	
69.4	
79.4	
80.5	
40.6	
54.8	
61.2	
62.6	
69.4	
79.4	
80.5	
0	
10	
20	
30	
40	
50	
60	
70	
80	
90	
Other***	
Overseas mutual funds	
Bond investment trusts	
Stock investment trusts	
Domestic bonds**	
Foreign currency bonds	

Equities
(trillions of yen)

Table of Contents

27

Domestic Retail Related Data (3)

Domestic Client Assets* Net Asset Inflow

Quarter

*Domestic Client Assets excluding portion from regional financial institutions

Note: Net Asset Inflow = Asset Inflow

Asset Outflow

Full Year

Domestic Client Assets* Net Asset Inflow

1Q

2Q

3Q
4Q
FY2006.3
FY2006.3
FY2003.3
FY2004.3
FY2005.3
1,787.7
3,391.2
6,748.5
4,581.5
0
2,000
4,000
6,000
8,000
(billions of yen)
1,191.0
1,065.3
1,461.7
863.5
0
500
1,000
1,500
2,000
(billions of yen)

Table of Contents

28
Domestic Retail Related Data (4)
Number of Accounts
Mar. 31, 2003
Mar. 31, 2004
Mar. 31, 2005
Jun. 30, 2005
Sep. 30, 2005
Dec. 31, 2005
Mar. 31, 2006
Nomura Home Trade (online trading accounts)*
1,141
1,367
1,716
1,774
1,828
1,901
1,969
IT share**

No. of orders

38%

47%

50%

52%

53%

53%

56%

Transaction value

14%

22%

24%

25%

26%

27%

29%

Accounts with balance*

3,418

3,460

3,678

3,695

3,707

3,748

3,780

Equity holding accounts*

1,311

1,379

1,680

1,692

1,687

1,713

1,745

New accounts (individual)* **

237

297

425

81

80

93

90

* Total of Domestic Retail and Financial Management Division

**Total for period

(thousands of accounts)

Table of Contents

29

Global Merchant Banking Related Data

Business Exposure

Note: Amount of exposure in Japan is total of Nomura Principal Finance (NPF) and Nomura Research & Advisory (NR&A) .

Amount

of

exposure

in

Europe

(excluding

Terra

Firma)

is

total of Private Equity Group (PEG) and Nomura Phase4 Ventures (NPV).

Mar. 31, 2003

Mar. 31, 2004

Mar. 31, 2005

Jun. 30, 2005

Sep. 30, 2005

Dec. 31, 2005

Mar. 31, 2006

Japan

20.1

68.9

108.4

115.0

116.1

124.8

59.9

Europe (excluding Terra Firma)

15.9

15.6

23.7

28.7

32.0

32.0

38.8

Sub Total

35.9

84.5

132.1

143.7

148.1

156.8

98.7

Terra Firma

265.7

291.2

325.5

318.1

322.3

334.5

340.4

Total

301.6

375.7

457.6

461.8

470.4

491.3
439.1
35.9
84.5
132.1
143.7
148.1
156.8
98.7
301.6
375.7
457.6
461.8
470.4
491.3
439.1
0
100
200
300
400
500
Terra Firma
Europe (excluding Terra
Firma)
Japan
(billions of yen)

Table of Contents

30

Note: Total assets under management of Nomura Asset Management, Nomura Corporate Research and Asset Management, Nomura Asset Management, Nomura Fund Research and Technologies, MAINTRUST (Germany), and Nomura Fund Research and Technologies America, Inc. and its group companies.

Note: Nomura Fund Research and Technologies America data as of end of February.

Asset Management Related Data (1)

Assets Under Management

Total Assets under Management

Mar. 31, 2003

Mar. 31, 2004

Mar. 31, 2005

Jun. 30, 2005

Sep. 30, 2005

Dec. 31, 2005

Mar. 31, 2006

23.3

22.5

20.1

18.9

17.9

17.6

15.9

0

5

10

15

20

25

(trillions of yen)

Table of Contents

31
Asset Management Related Data (2)
Assets Under Management
Nomura Asset Management Assets under Management
(trillions of yen)
Mar. 31, 2003
Mar. 31, 2004
Mar. 31, 2005
Jun. 30, 2005
Sep. 30, 2005
Dec. 31, 2005

Mar. 31, 2006

10.7

11.3

10.8

11.4

11.9

13.4

14.0

Public stock investment trusts

3.2

4.5

4.4

5.0

5.0

6.2

6.9

Public bond investment trusts

7.3

6.3

5.6

5.4

5.8

6.0

5.6

Privately placed investment trusts

0.2

0.4

0.8

0.9

1.1

1.3

1.5

3.6

4.4

5.1

5.4

6.0

6.8

7.0

Domestic investment advisory

2.9

3.0

3.2

3.3

3.6

3.9

4.0

Overseas investment advisory

0.7

1.4

2.0
2.1
2.4
2.9
3.0
14.2
15.7
16.0
16.8
17.8
20.2
21.0
1Q
2Q
3Q
4Q
0.8
0.1
-0.1
0.5
-0.5
0.5
0.4
1.0
ETF
0.6
0.2
-0.3
0.2
-0.7
0.2
-0.1
-0.4
-3.1
-1.0
-0.7
-0.2
0.4
0.2
-0.3
-0.0
0.1
0.1
0.3
0.1
0.1
0.1
0.2
0.5
-2.2

-0.7
-0.5
0.4
-0.1
0.8
0.3
1.5
Privately placed investment trusts
Net Asset Inflows
Public stock investment trusts
Public bond investment trusts
FY2006.3
FY2005.3
FY2006.3
FY2003.3
FY2004.3
<Investment trust Net Asset Inflows>
<Assets under Management>
Investment advisory
Total
Investment trusts
Mar. 31, 2003
Mar. 31, 2004
Mar. 31, 2005
Jun. 30, 2005
Sep. 30, 2005
Dec. 31, 2005
Mar. 31, 2006
14.2
15.7
16.0
16.8
17.8
20.2
21.0
0
5
10
15
20
25
Overseas investment advisory
Domestic investment advisory
Privately placed investment trusts
Public bond investment trusts
Public stock investment trusts
(trillions of yen)

Table of Contents

32
(billions of yen)
Mar. 31, 2005

Jun. 30, 2005	
Sep. 30, 2005	
Dec. 31, 2005	
Mar. 31, 2006	
Funds for bank customers	
87	
130	
216	
333	
518	
0	
0	
0	
27	
90	
Nomura Fund Masters Global Bond	
181	
268	
315	
344	
330	
Nomura Japan Open	
77	
74	
86	
137	
175	
Nomura India Investment Fund	
0	
108	
121	
119	
167	
Japan Attractive Dividend Stock Fund	
0	
199	
233	
320	
296	
My Story Profit Distribution Type (6 Times/Year)	
0	
52	
134	
291	
461	
Nomura Global REIT Fund	
0	
0	
154	
193	

225	Nomura Multi-currency Japan Stock Fund
0	
0	
0	
264	
384	Nomura Fund Masters Global Emerging Markets Stock
0	
0	
0	
0	
185	Emerging Market Equity
	Frequent Distribution
	Frequent Distribution
	Frequent Distribution
	Frequent Distribution / Growth
	Funds for Japan Post
	Frequent Distribution
	Japanese Stock
	Emerging Market Equity
	Asset Management Related Data (3)
	Investment Trusts
	Domestic Public
	Investment Trust
	Market and
	Nomura Asset
	Management
	Market Share
	AUM in Key
	Funds
	Asset Management Division
	Nomura Asset Management
	(trillions of yen)
	Mar. 31, 2003
	Mar. 31, 2004
	Mar. 31, 2005
	Jun. 30, 2005
	Sep. 30, 2005
	Dec. 31, 2005
	Mar. 31, 2006
	Stock investment trusts
3.2	
4.5	
4.4	
5.0	
5.0	
6.2	
6.9	

Bond investment trusts

7.3

6.3

5.6

5.4

5.8

6.0

5.6

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

19%

19%

15%

16%

14%

15%

15%

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

40%

40%

42%

42%

41%

41%

42%

Stock investment trusts

16.3

23.3

28.9

32.0

34.8

40.8

45.0

Bond investment trusts

18.1

15.8

13.5

13.0

14.0

14.5

13.5

Source: Investment Trusts Association, Japan

Market Total

Nomura Asset

Management

AUM in Funds for

Bank/Post Office

Customers*

* Funds for bank customers refers to funds sold exclusively or primarily through banks.

Table of Contents

33
Fourth Quarter Achievements
Large International Bond Underwritings
European Investment Bank (EIB): 3 issues totaling approximately 1 trillion yen (joint lead manager, lead manager)
KfW:
USD 3.0 billion (joint lead manager)
Foreign Currency Bond Offerings to Retail Investors

Toyota Motor Credit:

USD 580 million

European Investment Bank:

NZD 610 million

Key Business Areas

Loan-related business: 101.5 billion yen (FY total: 470 billion yen)

Asset finance:

Cosmo Oil's service station loan securitization

Equity derivatives:

Completed 16 fund derivative contracts (total amount: 144 million euros)

Global Markets

Sales of New Investment Trusts (as of 3/31/2006)

Nomura Fund Masters Global Emerging Markets Stock (launched 1/27/2006) 185.0 billion yen

DWS Russian and Eastern European Equity Fund (launched 2/15/2006) 149.8 billion yen

Nomura High Yield Long Short Fund (launched 3/28/2006)

24.9 billion yen (closed-end)

Nomura Japan Stock Long Short Fund (launched 3/28/2006)

14.5

billion yen (closed-end)

Domestic Retail

Key Deals

IPO

TOP REIT: 80 billion yen, ITC Networks:

11.5 billion

PO

Mitsui & Co.: 213.5 billion yen, All Nippon Airways: 100.8 billion yen,

Nippon Building Fund: 86.9 billion, T&D Holdings: 38.8 billion yen

CB

Mitsui O.S.K. Lines, Ltd. (euroyen):

50 billion yen, Aichi Steel Corp (Japan): 30 billion yen,

PARK 24 (euroyen): 15 billion yen

MPO/HPO

Fuji Photo Film (HPO II): 200 billion yen, Hitachi Zosen: 30 billion yen (17 deals totaling

301.1 billion yen (based on launch date)

M&A

FA for Origin Toshu

in TOB by Aeon, Ltd.: 27.6 billion yen

FA for Daiwa House Group purchase of subsidiaries: 83.5 billion yen

Overseas

Lotte

Shopping global IPO: USD 3.7 billion

Global Investment Banking

Table of Contents

34
League Tables
Source: Thomson Financial
Proceeds
(USD m)
Mkt. Share
No. of Issues
Proceeds

(USD m)

Mkt. Share

No. of Deals

1

Nomura

14,118.0

26.0%

130

1

Nomura

40,043.7

27.0%

134

2

Daiwa Securities SMBC

10,379.7

19.1%

89

2

UBS

37,791.5

25.4%

21

3

Nikko Citigroup

7,718.7

14.2%

63

3

Nikko Citigroup

37,537.9

25.3%

27

4

Goldman Sachs

5,714.6

10.5%

9

4

Mizuho Financial Group

35,162.2

23.7%

119

5

Mizuho Financial Group

5,523.0

10.2%

40

5

Goldman Sachs

34,585.5
23.3%
44
6
UBS
3,128.4
5.8%
9
6
KPMG Corporate Finance
25,478.9
17.2%
40
7
Mitsubishi UFJ Financial Group
2,229.6
4.1%
46
7
Daiwa Securities SMBC
18,155.4
12.2%
134
8
Merrill Lynch
1,450.1
2.7%
8
8
Deutsche Bank
17,600.0
11.9%
4
9
Morgan Stanley
1,334.4
2.5%
7
9
JP Morgan
11,728.3
7.9%
17
10
Deutsche Bank
561.5
1.0%
4
10
Merrill Lynch

10,765.5
7.3%
17
Proceeds
(JPY m)
Mkt. Share
No. of Issues
Proceeds
(JPY m)
Mkt. Share
No. of Issues
1
Nomura
552,187.0
23.0%
27
1
Nomura
2,080,699
22.2%
121
2
Nikko Citigroup
513,565.1
21.3%
49
2
Daiwa Securities SMBC
1,787,484
19.1%
110
3
Deutsche Bank
216,835.9
9.0%
17
3
Mizuho Securities
1,603,745
17.1%
99
4
UBS
179,137.5
7.4%
7
4
Mitsubishi UFJ Securities
1,588,515
16.9%

82
5
Barclays Capital
166,320.0
6.9%
16
5
Nikko Citigroup
1,187,258
12.7%
73
6
Morgan Stanley
122,487.5
5.1%
5
6
Goldman Sachs
402,328
4.3%
26
7
Mitsubishi UFJ Financial Group
109,861.0
4.6%
4
7
Merrill Lynch Japan Securities
189,547
2.0%
13
8
Daiwa Securities SMBC
100,875.3
4.2%
10
8
Shinko Securities
187,482
2.0%
15
9
Mizuho Financial Group
87,869.0
3.7%
8
9
Morgan Stanley
174,105
1.9%

13

10

Merrill Lynch

73,047.0

3.0%

5

10

Credit Suisse

54,996

0.6%

8

R

a

n

k

Bookrunner

Apr. 1, 2005 - Mar. 31, 2006

R

a

n

k

R

a

n

k

Domestic Straight Bonds (excluding self-funding)

Global & Euro Yen Bonds

Bookrunner

Apr. 1, 2005 - Mar. 31, 2006

Global Equity & Equity-related (Japan)

Announced deals, value base

Bookrunner

R

a

n

k

Apr. 1, 2005 - Mar. 31, 2006

Apr. 1, 2005 - Mar. 31, 2006

Adviser

Any Japanese Involvement Financial Advisers

Table of Contents

35
Full Year
Market Share Data
Primary Market
Share Data
Secondary
Market Share
Data

Quarter

(trillions of yen)

1Q

2Q

3Q

4Q

Individual Equity Agency Transactions Share

Market

52.0

105.9

144.7

308.3

38.8

64.3

104.3

100.9

Nomura's share

16%

10%

8%

7%

7%

7%

7%

6%

Off-floor/Off-exchange Equity Trading Share

Off-floor market

33.2

31.9

33.2

48.6

8.8

11.4

14.5

13.9

Off-exchange

14.1

19.3

21.1

30.5

4.9

6.6

9.3

9.7

Nomura's share

20%

16%

17%

21%

18%

19%
23%
22%
JGB Auction Share
Market
68.1
74.4
80.1
80.7
19.8
22.2
20.2
18.6
Nomura's share
15%
16%
18%
11%
11%
10%
9%
15%
Bond Secondary Trading Share
Market
1,129
1,235
1,361
1,296
365
326
292
312
Nomura's share
14%
16%
15%
13%
13%
13%
11%
13%
Global Equity and Equity-related Japan
Nomura's share
30%
30%
25%
26%
Japanese IPO
Nomura's share
11%

27%

32%

20%

Japanese PO

Nomura's share

50%

33%

25%

27%

Convertible Bonds

Nomura's share

13%

28%

19%

34%

Global and Euro Yen Bonds

Nomura's share

21%

31%

23%

23%

Straight Bonds, Lead Manager (excl. self-funding)

Nomura's share

26%

19%

17%

18%

Source: Thomson Financial (Value base)

FY2004.3

FY2003.3

FY2004.3

FY2006.3

FY2006.3

FY2006.3

FY2005.3

FY2005.3

FY2003.3

Table of Contents

36
Value at Risk (Consolidated)
Definition
99% confidence level
1-day time horizon for outstanding portfolio
Inter-product price fluctuations considered
From April 1, 2005 to March 31, 2006
Maximum:
8.4 billion yen
Minimum:
3.8 billion yen
Average:
5.9 billion yen

(billions of yen)

Equity

1.5

3.3

3.0

4.2

3.9

4.4

6.0

Interest Rate

2.3

2.0

2.8

3.3

3.1

3.7

3.3

Foreign Exchange

0.2

0.5

0.7

1.0

1.0

1.3

1.4

Sub-total

4.0

5.8

6.5

8.5

8.0

9.4

10.7

Diversification Benefit

-0.9

-1.9

-2.4

-2.9

-2.7

-3.4

-3.7

VaR

3.1

3.9

4.1

5.5

5.3

6.0

7.0

Mar. 06

Dec. 05
End of quarter
Jun. 05
Sep. 05
Mar. 03
Mar. 04
Mar. 05

Table of Contents

37

Number of Employees

*Excludes employees of private equity investee companies

End of quarter

Mar. 2003

Mar. 2004

Mar. 2005

Jun. 2005

Sep. 2005

Dec. 2005

Mar. 2006

Japan (excluding FA, SA)*

9,258

9,148

9,190

9,604

9,508

9,395

9,354

Japan (FA, SA)

1,986

1,915
1,875
1,984
1,930
2,016
1,948
Europe
1,389
1,403
1,535
1,524
1,535
1,529
1,515
Americas
797
866
1,026
1,069
1,038
1,039
1,073
Asia/Oceania
616
655
718
746
757
769
778
Total
14,046
13,987
14,344
14,927
14,768
14,748
14,668

Table of Contents

38
Nomura Holdings, Inc.
www.nomura.com