

NOMURA HOLDINGS INC

Form 6-K

October 28, 2004

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FORM 6-K

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

Commission File Number: 1-15270

Supplement for the month of October 2004.

NOMURA HOLDINGS, INC.

(Translation of registrant's name into English)

9-1, Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Japan

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(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.

Yes No

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

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Information furnished on this form:

EXHIBIT

Exhibit Number

1. [Financial Highlights Six months ended September 2004]
2. [Notice of Change in the Number of Shares Constituting One Unit]
3. [Nomura Announces Interim Dividend for Fiscal Year Ending March 31, 2005]

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SIGNATURES

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

NOMURA HOLDINGS, INC.

Date: October 28, 2004

By: /s/ HIROSHI TANAKA

Hiroshi Tanaka
Senior Managing Director

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October 28, 2004

Financial Highlights Six months ended September 2004

We are pleased to report the following consolidated financial highlights based on consolidated financial information under US GAAP for the six months ended September 2004.

For further information, please contact:

Shinji Iwai
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Investor Relations Department
Nomura Group Headquarters
Nomura Securities Co., Ltd.
9-1 Nihonbashi 1-chome, Chuo-ku
Tokyo 103-8011, Japan
TEL: +813-3211-1811

Table of Contents**Financial Summary For the Six Months Ended September 30, 2004**

Date: October 28, 2004

Company name (code number): **Nomura Holdings, Inc. (8604)**

Head office: 1-9-1, Nihonbashi, Chuo-ku, Tokyo 103-8011, Japan

Stock exchange listings: (In Japan) Tokyo, Osaka, Nagoya
(Overseas) New York, Amsterdam, Singapore

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

For inquiries: Shinji Iwai
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) Operating Results

| | For the six months ended September 30 | | For the year ended March 31 |
|---|---------------------------------------|---------------|-----------------------------|
| | 2004 | 2003 | 2004 |
| (Yen amounts in millions, except per share data) | | | |
| Total revenue | ¥ 540,170 | ¥ 573,378 | ¥ 1,099,546 |
| Change from the six months ended September 30, 2003 | (5.8)% | | |
| Net revenue | ¥ 370,769 | ¥ 414,774 | ¥ 803,103 |
| Change from the six months ended September 30, 2003 | (10.6)% | | |
| Income before income taxes | ¥ 88,673 | ¥ 159,251 | ¥ 282,676 |
| Change from the six months ended September 30, 2003 | (44.3)% | | |
| Net income | ¥ 44,048 | ¥ 86,686 | ¥ 172,329 |
| Change from the six months ended September 30, 2003 | (49.2)% | | |
| Basic net income per share | ¥ 22.69 | ¥ 44.71 | ¥ 88.82 |
| Diluted net income per share | ¥ 22.68 | ¥ 44.71 | ¥ 88.82 |
| Return on shareholders' equity (ROE) | 4.9% | 10.4% | 10.1% |
| Equity in earnings of affiliates | ¥ 3,764 | ¥ 2,341 | ¥ 9,479 |
| Average number of shares outstanding | 1,941,476,091 | 1,938,752,238 | 1,940,116,416 |
| Difference in recognition method with latest fiscal year: | none | | |

* ROE for the six months ended September 30, 2004 and 2003 are calculated as follows:

$$\text{Net income} \times 2$$

$$(\text{Shareholders' equity at the beginning of period} + \text{Shareholders' equity at the end of period}) / 2$$

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(2) Financial Position

| | At September 30 | | At March 31 |
|--|-----------------|---------------|---------------|
| | 2004 | 2003 | 2004 |
| (Yen amounts in millions, except per share data) | | | |
| Total assets | ¥ 32,566,870 | ¥ 27,238,887 | ¥ 29,752,966 |
| Shareholders' equity | ¥ 1,829,788 | ¥ 1,705,548 | ¥ 1,785,688 |
| Shareholders' equity as a percentage of total assets | 5.6% | 6.3% | 6.0% |
| Book value per share | ¥ 942.50 | ¥ 878.34 | ¥ 919.67 |
| Number of shares outstanding | 1,941,421,223 | 1,941,782,171 | 1,941,656,029 |

(3) Scope of consolidation and equity method application

Number of consolidated subsidiaries and variable interest entities: 139

Number of affiliated companies, which were accounted for by the equity method: 15

(4) Movement in the scope of consolidation and equity method application for this period

| | | |
|-------------------------------------|--------------|-------------|
| Number of consolidation | Inclusion 13 | Exclusion 7 |
| Number of equity method application | Inclusion 3 | Exclusion 1 |

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

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NOMURA HOLDINGS, INC.

FINANCIAL HIGHLIGHTS

(UNAUDITED)

| | For the six months ended/ as of | | <u>% Change</u> | Translation into U.S. dollars | |
|---|---------------------------------|-------------------------------|-----------------|-------------------------------------|-----------------------|
| | <u>September 30, 2003 (A)</u> | <u>September 30, 2004 (B)</u> | | <u>September 30, 2004</u> | <u>March 31, 2004</u> |
| (Yen and dollar amounts in millions, except per share data) | | | | | |
| <u>FOR THE PERIOD ENDED</u> | | | | | |
| | | | % | | |
| Total revenue | ¥ 573,378 | ¥ 540,170 | (5.8) | \$ 4,902 | ¥ 1,099,546 |
| Net revenue | 414,774 | 370,769 | (10.6) | 3,365 | 803,103 |
| Non-interest expenses | 255,523 | 282,096 | 10.4 | 2,560 | 520,427 |
| Income before income taxes | 159,251 | 88,673 | (44.3) | 805 | 282,676 |
| Net income | 86,686 | 44,048 | (49.2) | 400 | 172,329 |
| Per share data : | | | | | |
| Basic- | | | | | |
| Net income | 44.71 | 22.69 | (49.3) | 0.21 | 88.82 |
| Diluted- | | | | | |
| Net income | 44.71 | 22.68 | (49.3) | 0.21 | 88.82 |
| Cash dividends | 7.50 | 10.00 | 33.3 | 0.09 | 15.00 |
| Return on equity (ROE): | 10.4%* | 4.9%* | | | 10.1% |
| <u>AT PERIOD-END</u> | | | | | |
| Total assets | ¥ 27,238,887 | ¥ 32,566,870 | | \$ 295,525 | ¥ 29,752,966 |
| Shareholders' equity | 1,705,548 | 1,829,788 | | 16,604 | 1,785,688 |
| Per share data : | | | | | |
| Shareholders' equity | 878.34 | 942.50 | | 8.55 | 919.67 |

* ROE for the six months ended September 30, 2004 and 2003 are calculated as follows:

$$\frac{\text{Net income} \times 2}{\text{Shareholders' equity at the beginning of period} + \text{Shareholders' equity at the end of period}} / 2$$

(Shareholders' equity at the beginning of period + Shareholders' equity at the end of period) / 2

Table of Contents**Results of Operations****Financial Overview**

The following table provides selected consolidated income statement information for the six months ended September 30, 2003 and 2004.

| | Millions of yen | |
|----------------------------|--------------------------|--------------------|
| | For the six months ended | |
| | September 30, 2003 | September 30, 2004 |
| Non-interest revenue | ¥ 355,498 | ¥ 321,130 |
| Net interest revenue | 59,276 | 49,639 |
| Net revenue | 414,774 | 370,769 |
| Non-interest expenses | 255,523 | 282,096 |
| Income before income taxes | 159,251 | 88,673 |
| Income tax expense | 72,565 | 44,625 |
| Net income | ¥ 86,686 | ¥ 44,048 |
| Return on equity (ROE) | 10.4% | 4.9% |

Nomura Holdings, Inc. and its consolidated entities (Nomura) reported net revenue of ¥ 370.8 billion for the six months ended September 30, 2004, a decrease of 11% from the same period in the prior year. Non-interest expenses were ¥ 282.1 billion for the six months ended September 30, 2004, an increase of 10% from the same period in the prior year.

Income before income taxes was ¥ 88.7 billion for the six months ended September 30, 2004, a decrease of 44% from the same period in the prior year. Net income was ¥ 44.0 billion for the six months ended September 30, 2004, a decrease of 49% from the same period in the prior year.

Total assets were ¥ 32.6 trillion at September 30, 2004, an increase of ¥ 2.8 trillion from March 31, 2004 and total shareholders' equity increased by ¥ 44.1 billion from March 31, 2004 to ¥ 1.8 trillion at September 30, 2004. Nomura's return on equity was 4.9% for the six months ended September 30, 2004.

Business Segments

Operating Results of Domestic Retail

| | Millions of yen | |
|----------------------------|--------------------------|--------------------|
| | For the six months ended | |
| | September 30, 2003 | September 30, 2004 |
| Non-interest revenue | ¥ 149,787 | ¥ 150,401 |
| Net interest revenue | 775 | 1,330 |
| Net revenue | 150,562 | 151,731 |
| Non-interest expenses | 111,117 | 108,214 |
| Income before income taxes | ¥ 39,445 | ¥ 43,517 |

Domestic Retail has further strengthened its capabilities to provide investment consultation services in order to respond to customers' investment needs by offering stocks, investment trusts, foreign currency bonds, Japanese government bonds for individuals, and a variety of other financial products. Net revenue increased by 1% from ¥ 150,562 million for the six months ended September 30, 2003 to ¥ 151,731 million for the six months ended September 30, 2004. Non-interest expenses decreased by 3% from ¥ 111,117 million for the six months ended September 30, 2003 to ¥ 108,214 million for the six months ended September 30, 2004. As a result, income before income taxes increased by 10% from ¥ 39,445 million for the six months ended September 30, 2003 to ¥ 43,517 million for the six months ended September 30, 2004.

Table of Contents*Operating Results of Global Wholesale*

| | Millions of yen | |
|----------------------------|--------------------------|--------------------|
| | For the six months ended | |
| | September 30, 2003 | September 30, 2004 |
| Non-interest revenue | ¥ 163,829 | ¥ 108,610 |
| Net interest revenue | 45,279 | 44,305 |
| Net revenue | 209,108 | 152,915 |
| Non-interest expenses | 113,756 | 110,262 |
| Income before income taxes | ¥ 95,352 | ¥ 42,653 |

Global Wholesale has made an effort to manage its business portfolio based on global customers' order-flow. Net revenue decreased by 27% from ¥ 209,108 million for the six months ended September 30, 2003 to ¥ 152,915 million for the six months ended September 30, 2004, due primarily to a decrease in net gain on trading relating to bonds. Non-interest expenses decreased by 3% from ¥ 113,756 million for the six months ended September 30, 2003 to ¥ 110,262 million for the six months ended September 30, 2004. As a result, income before income taxes decreased by 55% from ¥ 95,352 million for the six months ended September 30, 2003 to ¥ 42,653 million for the six months ended September 30, 2004. In April 2004, the Global Wholesale segment was reorganized in order to enhance specialty services and strengthen our global structure. It now consists of three business lines: Global Markets, which is composed of Fixed Income and Equity, Investment Banking, and Merchant Banking.

Global Markets

Net revenue decreased by 31% from ¥ 169,710 million for the six months ended September 30, 2003 to ¥ 116,685 million for the six months ended September 30, 2004, due primarily to a decrease in net gain on trading relating to bonds. Non-interest expenses decreased by 0.4% from ¥ 83,039 million for the six months ended September 30, 2003 to ¥ 82,688 million for the six months ended September 30, 2004. As a result, income before income taxes decreased by 61% from ¥ 86,671 million for the six months ended September 30, 2003 to ¥ 33,997 million for the six months ended September 30, 2004.

Investment Banking

Net revenue increased by 7% from ¥ 33,476 million for the six months ended September 30, 2003 to ¥ 35,819 million for the six months ended September 30, 2004, partly due to a revitalization in equity capital markets. Non-interest expenses decreased by 13% from ¥ 25,544 million for the six months ended September 30, 2003 to ¥ 22,140 million for the six months ended September 30, 2004, due primarily to restructuring of business operations. As a result, income before income taxes increased by 72% from ¥ 7,932 million for the six months ended September 30, 2003 to ¥ 13,679 million for the six months ended September 30, 2004.

Merchant Banking

Net revenue decreased by 93% from ¥ 5,922 million for the six months ended September 30, 2003 to ¥ 411 million for the six months ended September 30, 2004, because funding costs have been charged for its assets in Europe, although there were exit transactions for this period. Non-interest expenses increased by 5% from ¥ 5,173 million for the six months ended September 30, 2003 to ¥ 5,434 million for the six months ended September 30, 2004. As a result, income before income taxes was ¥ 749 million for the six months ended September 30, 2003 and loss before income taxes was ¥ 5,023 million for the six months ended September 30, 2004.

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

| | Millions of yen | |
|----------------------------|--------------------------|--------------------|
| | For the six months ended | |
| | September 30, 2003 | September 30, 2004 |
| Non-interest revenue | ¥ 15,231 | ¥ 19,888 |
| Net interest revenue | 1,071 | 779 |
| Net revenue | 16,302 | 20,667 |
| Non-interest expenses | 18,709 | 17,704 |
| Income before income taxes | ¥ (2,407) | ¥ 2,963 |

Net revenue increased by 27% from ¥ 16,302 million for the six months ended September 30, 2003 to ¥ 20,667 million for the six months ended September 30, 2004, due primarily to an increase in asset management and portfolio service fees reflecting the rise in the net assets of stock investment trusts. Non-interest expenses decreased by 5% from ¥ 18,709 million for the six months ended September 30, 2003 to ¥ 17,704 million for the six months ended September 30, 2004. As a result, loss before income taxes was ¥ 2,407 million for the six months ended September 30, 2003 and income before income taxes was ¥ 2,963 million for the six months ended September 30, 2004.

Other Operating Results

Other operating results include gain (loss) on investment securities, equity in earnings (losses) of affiliates and other financial adjustments. Please refer to Note 7 to the consolidated financial information for a reconciliation of segment results to income statement information. Loss before income taxes was ¥ 5,861 million for the six months ended September 30, 2003 and income before income taxes was ¥ 23 million for the six months ended September 30, 2004.

Financial Position

Total assets at September 30, 2004 were ¥32.6 trillion, up ¥2.8 trillion, compared with March 31, 2004, reflecting an increase in trading-related assets. Total liabilities at September 30, 2004 were ¥30.7 trillion, up ¥2.8 trillion, compared with March 31, 2004, reflecting an increase in trading-related liabilities. Trading-related balances (assets/liabilities) include trading assets and private equity investments, collateralized agreements, trading liabilities, collateralized financing and receivables/payables arising from unsettled trades (included in receivables or payables).

Cash and cash equivalents at September 30, 2004 decreased by ¥187.8 billion compared with March 31, 2004. Net cash used in operating activities was ¥367.3 billion, mainly due to an increase in net trading-related balances (net of assets and liabilities). Net cash used in investing activities was ¥58.4 billion mainly because of the purchase of affiliated companies equity. Net cash provided by financing activities was ¥224.0

billion mainly due to an increase in borrowings.

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NOMURA HOLDINGS, INC.

CONSOLIDATED INCOME STATEMENT INFORMATION

(UNAUDITED)

| | Millions of yen | | % Change | Translation into millions of U.S. dollars | Millions of Yen |
|---|---------------------------|---------------------------|---------------|---|--------------------|
| | September 30, 2003 (A) | September 30, 2004 (B) | (B-A)/(A) | September 30, 2004 | March 31, 2004 |
| For the six months ended | | | | | |
| Revenue: | | | | | |
| Commissions | ¥ 89,719 | ¥ 115,118 | 28.3% | \$ 1,045 | ¥ 210,216 |
| Fees from investment banking | 34,358 | 47,773 | 39.0 | 434 | 86,994 |
| Asset management and portfolio service fees | 30,757 | 38,030 | 23.6 | 345 | 66,193 |
| Net gain on trading | 147,529 | 76,640 | (48.1) | 695 | 229,042 |
| Gain (Loss) on private equity investments | 6,598 | (1,599) | | (15) | 13,138 |
| Interest and dividends | 217,880 | 219,040 | 0.5 | 1,988 | 396,870 |
| Gain (Loss) on investments in equity securities | 31,769 | (1,353) | | (12) | 55,888 |
| Other | 14,768 | 46,521 | 215.0 | 422 | 41,205 |
| Total revenue | 573,378 | 540,170 | (5.8) | 4,902 | 1,099,546 |
| Interest expense | 158,604 | 169,401 | 6.8 | 1,537 | 296,443 |
| Net revenue | 414,774 | 370,769 | (10.6) | 3,365 | 803,103 |
| Non-interest expenses : | | | | | |
| Compensation and benefits | 133,589 | 130,149 | (2.6) | 1,181 | 259,336 |
| Commissions and floor brokerage | 9,529 | 12,911 | 35.5 | 117 | 19,169 |
| Information processing and communications | 38,410 | 39,417 | 2.6 | 358 | 80,031 |
| Occupancy and related depreciation | 26,825 | 26,260 | (2.1) | 238 | 54,221 |
| Business development expenses | 10,411 | 13,196 | 26.8 | 120 | 23,100 |
| Other | 36,759 | 60,163 | 63.7 | 546 | 84,570 |
| | 255,523 | 282,096 | 10.4 | 2,560 | 520,427 |
| Income before income taxes | 159,251 | 88,673 | (44.3) | 805 | 282,676 |
| Income tax expense(benefit): | | | | | |
| Current | 65,511 | 48,292 | (26.3) | 438 | 108,434 |
| Deferred | 7,054 | (3,667) | | (33) | 1,913 |
| | 72,565 | 44,625 | (38.5) | 405 | 110,347 |
| Net income | ¥ 86,686 | ¥ 44,048 | (49.2) | \$ 400 | ¥ 172,329 |

| | Yen | | % Change | Translation into | |
|----------------------------|---------|---------|----------|------------------|---------|
| | | | | U.S. dollars | Yen |
| Per share of common stock: | | | | | |
| Basic- | | | | | |
| Net income | ¥ 44.71 | ¥ 22.69 | (49.3) | \$ 0.21 | ¥ 88.82 |
| Diluted- | | | | | |
| Net income | ¥ 44.71 | ¥ 22.68 | (49.3) | \$ 0.21 | ¥ 88.82 |

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NOMURA HOLDINGS, INC.

CONSOLIDATED BALANCE SHEET INFORMATION

(UNAUDITED)

| | Millions of yen | | | Translation into millions of |
|--|--------------------------|-------------------|--------------------------|---------------------------------------|
| | September 30, 2003 | March 31, 2004 | September 30, 2004 | U.S. dollars September 30, 2004 |
| ASSETS | | | | |
| Cash and cash deposits: | | | | |
| Cash and cash equivalents | ¥ 654,158 | ¥ 637,372 | ¥ 449,598 | \$ 4,080 |
| Time deposits | 313,608 | 248,737 | 276,262 | 2,507 |
| Deposits with stock exchanges and other segregated cash | 63,605 | 44,528 | 38,421 | 348 |
| | <u>1,031,371</u> | <u>930,637</u> | <u>764,281</u> | <u>6,935</u> |
| Loans and receivables: | | | | |
| Loans receivable | 423,216 | 543,894 | 552,186 | 5,011 |
| Receivables from customers | 42,192 | 10,744 | 19,262 | 175 |
| Receivables from other than customers | 915,154 | 464,776 | 473,050 | 4,292 |
| Allowance for doubtful accounts | (6,789) | (5,778) | (3,831) | (35) |
| | <u>1,373,773</u> | <u>1,013,636</u> | <u>1,040,667</u> | <u>9,443</u> |
| Collateralized agreements: | | | | |
| Securities purchased under agreements to resell | 4,221,030 | 5,701,646 | 7,411,732 | 67,257 |
| Securities borrowed | 7,778,130 | 7,180,106 | 6,678,398 | 60,603 |
| | <u>11,999,160</u> | <u>12,881,752</u> | <u>14,090,130</u> | <u>127,860</u> |
| Trading assets and private equity investments (include securities pledged as collateral of ¥5,020,151 million at September 30, 2003, ¥5,229,300 million at March 31, 2004, and ¥6,876,678 million (\$62,402 million) at September 30, 2004, respectively): | | | | |
| Securities inventory | 10,987,122 | 13,066,963 | 14,690,911 | 133,312 |
| Derivative contracts | 526,306 | 479,659 | 463,301 | 4,204 |
| Private equity investments | 277,294 | 291,774 | 301,381 | 2,735 |
| | <u>11,790,722</u> | <u>13,838,396</u> | <u>15,455,593</u> | <u>140,251</u> |
| Other assets: | | | | |
| Office buildings, land, equipment and facilities (net of accumulated depreciation and amortization of ¥173,713 million at September 30, 2003, ¥182,449 million at March 31, 2004 and ¥187,506 million (\$1,702 million) at September 30, 2004, respectively) | 180,891 | 200,700 | 278,809 | 2,530 |
| Lease deposits | 71,964 | 64,764 | 42,801 | 389 |

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| | | | | |
|---|---------------------|---------------------|---------------------|-------------------|
| Non-trading debt securities (include securities pledged as collateral of ¥nil at September 30, 2003, ¥3,340 million at March 31, 2004, and ¥2,217 million (\$20 million) at September 30, 2004) | 201,716 | 206,236 | 218,895 | 1,986 |
| Investments in equity securities | 150,465 | 169,459 | 161,077 | 1,462 |
| Investments in and advances to affiliated companies | 203,507 | 207,668 | 249,752 | 2,266 |
| Deferred tax assets | 99,283 | 105,901 | 109,786 | 996 |
| Other assets | 136,035 | 133,817 | 155,079 | 1,407 |
| | <u>1,043,861</u> | <u>1,088,545</u> | <u>1,216,199</u> | <u>11,036</u> |
| Total assets | <u>¥ 27,238,887</u> | <u>¥ 29,752,966</u> | <u>¥ 32,566,870</u> | <u>\$ 295,525</u> |

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NOMURA HOLDINGS, INC.

CONSOLIDATED BALANCE SHEET INFORMATION

(UNAUDITED)

| | Millions of yen | | | Translation into millions of |
|--|--------------------------|-------------------|--------------------------|---------------------------------------|
| | September 30, 2003 | March 31, 2004 | September 30, 2004 | U.S. dollars September 30, 2004 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | | |
| Short-term borrowings | ¥ 355,857 | ¥ 437,124 | ¥ 430,024 | \$ 3,902 |
| Payables and deposits: | | | | |
| Payables to customers | 207,540 | 266,646 | 214,206 | 1,944 |
| Payables to other than customers | 415,765 | 861,747 | 755,383 | 6,855 |
| Time and other deposits received | 301,516 | 255,703 | 261,731 | 2,375 |
| | <u>924,821</u> | <u>1,384,096</u> | <u>1,231,320</u> | <u>11,174</u> |
| Collateralized financing: | | | | |
| Securities sold under agreements to repurchase | 8,161,227 | 9,622,727 | 11,553,427 | 104,841 |
| Securities loaned | 5,534,591 | 5,157,814 | 5,234,081 | 47,496 |
| Other secured borrowings | 977,418 | 2,587,217 | 2,567,341 | 23,297 |
| | <u>14,673,236</u> | <u>17,367,758</u> | <u>19,354,849</u> | <u>175,634</u> |
| Trading liabilities: | | | | |
| Securities sold but not yet purchased | 6,427,291 | 5,559,598 | 6,201,379 | 56,274 |
| Derivative contracts | 530,011 | 417,368 | 440,120 | 3,994 |
| | <u>6,957,302</u> | <u>5,976,966</u> | <u>6,641,499</u> | <u>60,268</u> |
| Other liabilities: | | | | |
| Accrued income taxes | 58,269 | 93,538 | 23,679 | 215 |
| Accrued pension and severance costs | 87,157 | 86,439 | 86,845 | 788 |
| Other | 239,811 | 235,888 | 252,632 | 2,292 |
| | <u>385,237</u> | <u>415,865</u> | <u>363,156</u> | <u>3,295</u> |
| Long-term borrowings | <u>2,236,886</u> | <u>2,385,469</u> | <u>2,716,234</u> | <u>24,648</u> |
| Total liabilities | <u>25,533,339</u> | <u>27,967,278</u> | <u>30,737,082</u> | <u>278,921</u> |
| Commitments and contingencies (See Note 3) | | | | |

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Shareholders' equity:

| | | | | |
|--|--------------|--------------|--------------|------------|
| Common stock | | | | |
| Authorized - 6,000,000,000 shares | | | | |
| Issued - 1,965,919,860 shares at September 30, 2003, March 31, 2004, and September 30, 2004 | 182,800 | 182,800 | 182,800 | 1,659 |
| Additional paid-in capital | 153,491 | 154,063 | 154,938 | 1,406 |
| Retained earnings | 1,479,150 | 1,550,231 | 1,574,865 | 14,291 |
| Accumulated other comprehensive (loss) income | | | | |
| Minimum pension liability adjustment | (39,735) | (34,221) | (32,869) | (298) |
| Cumulative translation adjustments | (37,588) | (34,380) | (16,451) | (150) |
| | (77,323) | (68,601) | (49,320) | (448) |
| | 1,738,118 | 1,818,493 | 1,863,283 | 16,908 |
| Less-Common stock held in treasury, at cost - 24,137,689 shares, 24,263,831 shares, and 24,498,637 shares at September 30, 2003, March 31, 2004 and September 30, 2004, respectively | (32,570) | (32,805) | (33,495) | (304) |
| Total shareholders' equity | 1,705,548 | 1,785,688 | 1,829,788 | 16,604 |
| Total liabilities and shareholders' equity | ¥ 27,238,887 | ¥ 29,752,966 | ¥ 32,566,870 | \$ 295,525 |

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NOMURA HOLDINGS, INC.

CONSOLIDATED INFORMATION OF CASH FLOWS

(UNAUDITED)

| | Millions of yen | | Translation into millions of U.S. dollars | | Millions of Yen |
|--|--------------------------|--------------------|--|--|-----------------------|
| | For the six months ended | | | | For the Year ended |
| | September 30, 2003 | September 30, 2004 | September 30, 2004 | | March 31, 2004 |
| Cash flows from operating activities: | | | | | |
| Net income | ¥ 86,686 | ¥ 44,048 | \$ 400 | | ¥ 172,329 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | | | | |
| Depreciation and amortization | 16,752 | 18,273 | 166 | | 33,706 |
| (Gain) loss on investments in equity securities | (31,769) | 1,353 | 12 | | (55,888) |
| Deferred income tax expense (benefit) | 7,054 | (3,667) | (33) | | 1,913 |
| Changes in operating assets and liabilities : | | | | | |
| Time deposits | 102,670 | (16,613) | (151) | | 174,331 |
| Deposits with stock exchanges and other segregated cash | (25,858) | 8,250 | 75 | | (7,485) |
| Trading assets and private equity investments | (2,774,195) | (1,349,960) | (12,250) | | (4,808,112) |
| Trading liabilities | 3,200,188 | 552,076 | 5,010 | | 2,152,243 |
| Securities purchased under agreements to resell, net of securities sold under agreements to repurchase | 1,286,407 | 102,164 | 927 | | 1,297,514 |
| Securities borrowed, net of securities loaned | (1,827,488) | 585,938 | 5,317 | | (1,576,454) |
| Other secured borrowings | 137,720 | (19,876) | (181) | | 1,747,519 |
| Loans and receivables, net of allowance | (281,936) | 22,994 | 209 | | 135,821 |
| Payables and deposits received | 127,899 | (213,293) | (1,936) | | 592,779 |
| Accrued income taxes, net | 53,650 | (74,732) | (678) | | 80,273 |
| Other, net | 29,243 | (24,264) | (220) | | (18,864) |
| Net cash provided by (used in) operating activities | 107,023 | (367,309) | (3,333) | | (78,375) |
| Cash flows from investing activities: | | | | | |
| Payments for purchases of office buildings, land, equipment and facilities | (15,610) | (17,546) | (159) | | (39,303) |
| Proceeds from sales of office buildings, land, equipment and facilities | 921 | 616 | 6 | | 1,341 |
| Payments for purchases of investments in equity securities | (19) | (78) | (1) | | (61) |
| Proceeds from sales of investments in equity securities | 19,407 | 6,992 | 63 | | 24,309 |

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| | | | | |
|--|-----------|-----------|----------|-----------|
| Decrease (increase) in non-trading debt securities, net | 68,633 | (12,029) | (109) | 61,705 |
| Decrease (increase) in other investments and other assets, net | 21,944 | (36,324) | (330) | (2,520) |
| Net cash provided by (used in) investing activities | 95,276 | (58,369) | (530) | 45,471 |
| Cash flows from financing activities: | | | | |
| Increase in long-term borrowings | 354,375 | 379,876 | 3,447 | 712,675 |
| Decrease in long-term borrowings | (350,624) | (124,435) | (1,129) | (551,897) |
| (Decrease) increase in short-term borrowings, net | (3,700) | (16,798) | (152) | 76,982 |
| Proceeds from sales of common stock | 7,995 | 65 | 0 | 8,027 |
| Payments for repurchases of common stock | (3,824) | (170) | (2) | (4,084) |
| Payments for cash dividends | (29,117) | (14,568) | (132) | (43,686) |
| Net cash (used in) provided by financing activities | (24,895) | 223,970 | 2,032 | 198,017 |
| Effect of exchange rate changes on cash and cash equivalents | (14,483) | 13,934 | 127 | (18,978) |
| Net increase (decrease) in cash and cash equivalents | 162,921 | (187,774) | (1,704) | 146,135 |
| Cash and cash equivalents at beginning of the period | 491,237 | 637,372 | 5,784 | 491,237 |
| Cash and cash equivalents at end of the period | ¥ 654,158 | ¥ 449,598 | \$ 4,080 | ¥ 637,372 |

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NOMURA HOLDINGS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(UNAUDITED)

1. Summary of Accounting policies:

Description of business

Nomura Holdings, Inc. (the Company) and its broker-dealer, banking and other financial services subsidiaries provide investment, financing and related services to individual, institutional and government customers on a global basis. The Company and other entities in which it has a controlling financial interest are collectively referred to as Nomura.

Basis of presentation

The consolidated financial information includes the accounts of the Company and other entities in which it has a controlling financial interest. Because the usual condition for a controlling financial interest in an entity is ownership of a majority of the voting interest, the Company consolidates its wholly-owned and majority-owned subsidiaries. In accordance with Financial Accounting Standards Board (FASB) Interpretation No. 46, Consolidation of Variable Interest Entities (FIN 46) and the revised Interpretation, the Company also consolidates any variable interest entities for which Nomura is the primary beneficiary. Investments in entities in which Nomura has significant influence over operating and financial decisions (generally defined as 20 to 50 percent of voting interest) are accounted for using the equity method of accounting and are reported in Investments in and advances to affiliated companies. Investments in which Nomura has neither control nor significant influence are carried at fair value.

The accounting and financial reporting policies of the Company conform to accounting principles generally accepted in the United States (U.S. GAAP) as applicable to broker-dealers.

The Company's principal subsidiaries include Nomura Securities Co., Ltd., Nomura Securities International, Inc. and Nomura International plc.

All material intercompany transactions and balances have been eliminated in consolidation.

Certain reclassifications of previously reported amounts have been made to conform to the current year presentation (see also Reclassifications of previously reported amounts, described below).

Reclassifications of previously reported amounts

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Consolidated information of cash flows: Effective with the second quarter ended September 30, 2004, changes in Other secured borrowings which previously included in Cash flows from financing activities are included in Cash flows from operating activities. Such amounts previously reported have been reclassified to conform to the current year presentation.

Use of estimates

In presenting the consolidated financial information, management makes estimates regarding certain financial instrument and investment valuations, the outcome of litigation, the recovery of the carrying value of goodwill, the allowance for loan losses, the realization of deferred tax assets and other matters that affect the reported amounts of assets and liabilities as well as the disclosure in the financial statements. Estimates, by their nature, are based on judgment and available information. Therefore, actual results may differ from estimates, which could have a material impact on the consolidated financial statements and, it is possible that such adjustments could occur in the near term.

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Fair value of financial instruments

Fair value of financial instruments is based on quoted market prices, broker or dealer quotations or an estimation by management of the amounts expected to be realized upon settlement under current market conditions. Fair value of exchange-traded securities and certain exchange-traded derivative contracts are generally based on quoted market prices or broker/dealer quotations. Where quoted market prices or broker/dealer quotations are not available, prices for similar instruments or valuation pricing models are considered in the determination of fair value. Valuation pricing models consider time value, volatility and other statistical measurements for the relevant instruments or for instruments with similar characteristics. These models also incorporate adjustments relating to the administrative costs of servicing future cash flow and market liquidity adjustments. These adjustments are fundamental components of the fair value calculation process.

Trading assets and trading liabilities, including derivative contracts, are recorded at fair value, and unrealized gains and losses are reflected in trading revenues. Fair values are based on quoted market prices or broker/dealer quotations where possible. If quoted market prices or broker/dealer quotations are not available or if the liquidation of Nomura's positions would reasonably be expected to impact quoted market prices, fair value is determined based on valuation pricing models that take into consideration time value and volatility factors underlying the financial instrument.

Valuation pricing models and their underlying assumptions impact the amount and timing of unrealized gains and losses recognized, and the use of different valuation pricing models or underlying assumptions could produce different financial results. Changes in the fixed income, equity, foreign exchange and commodity markets will impact Nomura's estimates of fair value in the future, potentially affecting trading revenues. To the extent financial contracts have extended maturity dates, Nomura's estimates of fair value may involve greater subjectivity due to the lack of transparent market data available upon which to base underlying modeling assumptions.

Private equity investments

Private equity investments primarily are carried at fair value. Corresponding changes in the fair value of these investments are included in Gain (loss) on private equity investments. The determination of fair value is significant to Nomura's financial condition and results of operations and requires management to make judgments based on complex factors. As the underlying investments generally are in non-publicly listed companies, there are no externally quoted market prices available. In estimating fair value, Nomura estimates the price that would be obtained between a willing buyer and a willing seller dealing at arm's length. Valuations are typically based on projected future cash flows to be generated from the underlying investment, discounted at a weighted average cost of capital. The cost of capital is estimated, where possible, by reference to quoted comparables with a similar risk profile. Cash flows are derived from bottom up, detailed projections prepared by management of each respective investment.

Transfers of financial assets

Nomura accounts for the transfer of financial assets in accordance with Statement of Financial Accounting Standards (SFAS) No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities (SFAS 140). This statement requires that Nomura account for the transfer of a financial asset, as a sale when Nomura relinquishes control over the asset. SFAS 140 deems control to be relinquished when the following conditions are met: (a) the assets have been isolated from the transferor (even in bankruptcy or other receivership), (b) the transferee has the right to pledge or exchange the assets received and (c) the transferor has not maintained effective control over the transferred assets.

In connection with its securitization activities, Nomura utilizes special purpose entities, or SPEs to securitize commercial and residential mortgage loans, government and corporate bonds and other types of financial assets. Nomura's involvement with SPEs includes structuring SPEs and acting as an administrator of SPEs and underwriting, distributing and selling debt instruments and beneficial interests issued by SPEs to investors. Nomura derecognizes financial assets transferred in securitizations provided that Nomura has relinquished control over such assets. Nomura may obtain an interest in the financial assets, including residual interests in the SPEs subject to prevailing market conditions. Any such interests are accounted for at fair value and included in Securities inventory within Nomura's consolidated balance sheets, with the change in fair value included in revenues.

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Foreign currency translation

The financial statements of the Company's subsidiaries outside Japan are measured using their functional currency. All assets and liabilities of foreign subsidiaries are translated into Japanese yen at exchange rates in effect at the balance sheet date; all revenue and expenses are translated at the average exchange rates for the respective years and the resulting translation adjustments are accumulated and reported as Cumulative translation adjustments in shareholders' equity.

Foreign currency assets and liabilities are translated at exchange rates in effect at the balance sheet date and the resulting translation gains or losses are currently credited or charged to income.

Fee revenue

Commissions charged for executing brokerage transactions are accrued on a trade date basis and are included in current period earnings. Fees from investment banking include securities underwriting fees and other corporate financing services fees. Underwriting fees are recorded when services for underwriting are completed. All other fees are recognized when related services are performed. Asset management fees are accrued as earned.

Trading assets and trading liabilities

Trading assets and trading liabilities, including contractual commitments arising pursuant to derivative transactions, are recorded on the consolidated balance sheets on a trade date basis at fair value with the related gains and losses recorded in Net gain on trading in the consolidated income statements.

Collateralized agreements and collateralized financing

Repurchase and reverse repurchase transactions (Repo transactions) principally involve the buying or selling of Government and Government agency securities under agreements with customers to resell or repurchase these securities to or from those customers. Nomura takes possession of securities purchased under agreements to resell while providing collateral to counterparties to collateralize securities sold under agreements to repurchase. Nomura monitors the value of the underlying securities on a daily basis relative to the related receivables and payables, including accrued interest, and requests or returns additional collateral when deemed appropriate. Repo transactions are accounted for as collateralized securities financing transactions and are recorded on the consolidated balance sheets at the amount at which the securities will be repurchased or resold, as appropriate.

Repo transactions are presented on the accompanying consolidated balance sheets net-by-counterparty, where net presentation is consistent with Financial Accounting Standards Board Interpretation (FIN) No. 41, Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements.

Securities borrowed and securities loaned are accounted for as financing transactions. Securities borrowed and securities loaned that are cash collateralized are recorded on the accompanying consolidated balance sheets at the amount of cash collateral advanced or received. Securities borrowed transactions generally require Nomura to provide the counterparty with collateral in the form of cash or other securities. For securities loaned transactions, Nomura generally receives collateral in the form of cash or other securities. Nomura monitors the market value of the securities borrowed or loaned and requires additional cash or securities, as necessary, to ensure that such transactions are adequately collateralized.

Historically, Nomura engaged in Gensaki transactions which originated in the Japanese financial markets. Gensaki transactions involved the selling of commercial paper, certificates of deposit, Japanese government bonds and various other debt securities to an institution wishing to make a short-term investment, with Nomura agreeing to reacquire them from the institution on a specified date at a specified price. The repurchase price reflects the current interest rates in the money markets and any interest derived from the securities. There are no margin requirements for Gensaki transactions nor is there any right of security substitution. As such, Gensaki transactions are recorded as sales in the consolidated financial statements and the related securities and obligations to repurchase such Gensaki securities are not reflected in the accompanying consolidated balance sheets.

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New Gensaki transactions (Gensaki Repo transactions) started in the Japanese financial markets in 2001. Gensaki Repo transactions contain margin requirements, rights of security substitution, or restrictions on the customer's right to sell or repledge the transferred securities. Accordingly, Gensaki Repo transactions are accounted for as collateralized financing transactions and are recorded on the consolidated balance sheets at the amount that the securities will be repurchased or resold, as repurchase and reverse repurchase transactions.

Other secured borrowings, which consist primarily of secured borrowings from financial institutions in the inter-bank money market, are recorded at contractual amounts.

Secured loans to financial institutions in the inter-bank money market are included in the consolidated balance sheets in *Loans receivable*.

On the consolidated balance sheet, all Nomura-owned securities pledged to counterparties where the counterparty has the right to sell or repledge the securities, including Gensaki Repo transactions, are shown as Securities pledged as collateral in accordance with SFAS 140.

Derivatives

Trading

Nomura uses a variety of derivative financial instruments, including futures, forwards, swaps and options, in its trading activities and in the management of its interest rate, market price and currency exposures.

Those derivative financial instruments used in trading activities are valued at market or estimated fair value with the related gains and losses recorded in Net gain on trading. Unrealized gains and losses arising from Nomura's dealings in over-the-counter derivative financial instruments are presented in the accompanying consolidated balance sheets on a net-by-counterparty basis where net presentation is consistent with FIN No. 39, Offsetting of Amounts Related to Certain Contracts.

Non-trading

In addition to its trading activities, Nomura, as an end user, uses derivative financial instruments to manage its interest rate and currency exposures or to modify the interest rate characteristics of certain non-trading assets and liabilities.

These derivative financial instruments are linked to specific assets or specific liabilities and are designated as hedges as they are effective in reducing the risk associated with the exposure being hedged, and they are highly correlated with changes in the market or fair value of the underlying hedged item, both at inception and throughout the life of the hedge contract. Nomura applies fair value hedge accounting to these hedging transactions, and the relating unrealized profit and losses are recognized together with those of the hedged assets and liabilities as interest revenue or expenses.

Derivatives that do not meet these criteria are carried at market or fair value and with changes in value included currently in earnings.

Allowance for loan losses

Loans receivable consist primarily of margin transaction loans related to broker dealers (margin transaction loans), loans receivable in connection with banking/financing activities (banking/financing activities loans) and loans receivable from financial institutions in the inter-bank money market used for short-term financing (inter-bank money market loans).

Allowances for loan losses on margin transactions loans and inter-bank money market loans are provided for based primarily on historical loss experience.

Allowances for loan losses on banking/financing activities loans reflect management s best estimate of probable losses. The evaluation includes an assessment of the ability of borrowers to pay by considering various factors such as changes in the nature of the loan, volume of the loan, deterioration of pledged collateral, delinquencies and the current financial situation of the borrower.

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Office buildings, land, equipment and facilities

Office buildings, land, equipment and facilities, which consist mainly of computer installations and software, are stated at cost, net of accumulated depreciation and amortization, except for land, which is stated at cost. Significant renewals and additions are capitalized at cost. Maintenance, repairs and minor renewals are charged currently to income.

Depreciation is generally computed by the declining-balance method and at rates based on estimated useful lives of each asset according to general class, type of construction and use. Amortization is generally computed by the straight-line method over the estimated useful lives.

Long-lived assets

In August 2001, the FASB released SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. SFAS No. 144 provides guidance on the financial accounting and reporting for the impairment or disposal of long-lived assets.

As required by SFAS No. 144, long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the estimated future undiscounted cash flow is less than the carrying amount of the assets, a loss would be recognized to the extent the carrying value exceeded its fair value.

Investments in equity securities and non-trading debt securities

Nomura's investments in equity securities consist of marketable and non-marketable equity securities that have been acquired for Nomura's operating purposes and other than operating purposes. For Nomura's operating purposes, Nomura holds such investments for the long-term in order to promote existing and potential business relationships. In doing so, Nomura is following customary business practices in Japan which, through cross-shareholdings, provide a way for companies to manage their shareholder relationships. Such investments consist mainly of equity securities of various financial institutions such as Japanese commercial banks, regional banks and insurance companies. Nomura also holds equity securities such as stock exchange memberships for other than operating purposes. In accordance with U.S. GAAP for broker-dealers, investments in equity securities for Nomura's operating purposes and other than operating purposes are recorded at fair value and unrealized gains and losses are recognized currently in income.

Investments in equity securities for Nomura's operating purposes are recorded as Investments in equity securities in the consolidated balance sheets, and investments in equity securities for other than operating purposes are included in the consolidated balance sheets in Other assets Other.

Non-trading debt securities are recorded at market or fair value together with the related hedges and the related gains and losses are recorded in Revenue Other in the consolidated income statements.

Income taxes

In accordance with SFAS No. 109, *Accounting for Income Taxes*, deferred tax assets and liabilities are recorded for the expected future tax consequences of tax loss carryforwards and temporary differences between the carrying amounts and the tax bases of the assets and liabilities based upon enacted tax laws and rates. Nomura recognizes deferred tax assets to the extent it believes that it is more likely than not that a benefit will be realized. A valuation allowance is provided for tax benefits available to Nomura that are not deemed more likely than not to be realized.

Stock-based compensation

Effective April 1, 2002, Nomura adopted the fair value recognition provisions of SFAS No. 123, *Accounting for Stock-Based Compensation* and applied the modified prospective method under the provisions of SFAS No. 148, *Accounting for Stock-Based Compensation Transition and Disclosure*. SFAS No. 123 requires that compensation cost for all stock awards be calculated and recognized over the service period, generally equal to the vesting period. The compensation cost is determined using option pricing models intended to estimate the fair value of the awards at the grant date.

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Earnings per share

In accordance with SFAS No. 128, Earnings per Share, the computation of basic earnings per share is based on the average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilutive effect of warrants and stock acquisition rights.

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and demand deposits with banks.

Goodwill, intangible assets and negative goodwill

In June 2001, the FASB issued SFAS No. 141, Business Combinations and SFAS No. 142, Goodwill and Other Intangible Assets. SFAS No. 142 no longer permits the amortization of goodwill and intangible assets with indefinite lives. Instead these assets must be reviewed annually, or more frequently in certain circumstance, for impairment. Intangible assets that have determinable lives will continue to be amortized over their useful lives and reviewed for impairment.

Goodwill is recognized as the excess of acquisition cost over the fair value of net assets acquired. Goodwill, upon adoption of SFAS No. 142, is not amortized. Nomura periodically assesses the recoverability of goodwill by comparing the fair value of the businesses to which goodwill relates to the carrying amount of the businesses including goodwill. If such assessment indicates that the fair value is less than the related carrying amount, a goodwill impairment determination is made.

New Accounting Pronouncements

In June 2004, the Emerging Issue Task Force (EITF) reached a consensus on EITF Issue 02-14 (EITF 02-14), Whether the Equity Method of Accounting Applies When an Investor Does Not Have an Investment in Voting Stock of an Investee but Exercises Significant Influence through Other Means. The consensus reached indicates that in situations where an investor has the ability to exercise significant influence over the investee, an investor should apply the equity method of accounting only when it has either common stock or in-substance common stock of a corporation. The consensus would be effective for reporting periods beginning after September 15, 2004. Nomura is currently assessing the potential impact of EITF 02-14 on the consolidated financial statements.

In July 2004, EITF reached a consensus on EITF Issue No. 04-8 (EITF 04-8), The Effect of Contingently Convertible Debt on Diluted Earnings per Share. The consensus reached indicates that contingently convertible debt instruments (Co-Cos) should be included in diluted earnings per share computations regardless of whether the market price trigger or other contingent features have been met. This will be effective for reporting periods ending after December 15, 2004 and will require restatement of prior period earnings per share amounts. Nomura currently does not have Co-Cos outstanding.

2. U.S. dollar amounts:

The U.S. dollar amounts are included solely for the convenience of the reader and have been translated at the rate of ¥110.20 = US\$1, the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on September 30, 2004. 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 U.S. dollars.

Table of Contents**3. Credit and investment commitments and guarantees:****Commitments**

In connection with its banking/financing activities, Nomura has provided to counterparties through subsidiaries, commitments to extend credit, which generally have a fixed expiration date. In connection with its investment banking activities, Nomura has entered into agreements with customers under which Nomura has committed to underwrite notes that may be issued by the customers. The outstanding commitments under these agreements are included in commitments to extend credit.

Nomura has commitments to invest in various partnerships, primarily in connection with its merchant banking activities, and also has commitments to provide financing for investments related to these partnerships. The outstanding commitments under these agreements are included in commitments to invest in partnerships.

Contractual amounts of these commitments were as follows:

| | Translation into millions of | | |
|--|---------------------------------|-----------------------|-------------------|
| | Millions of yen | U.S. dollars | Millions of yen |
| | September 30, 2004 | September 30, 2004 | March 31, 2004 |
| Commitments to extend credit and to invest in partnerships | ¥ 153,158 | \$ 1,390 | ¥ 160,089 |

Guarantees

Nomura enters into, in the normal course of its subsidiaries' banking/financing activities, various guarantee arrangements with counterparties in the form of standby letters of credit and other guarantees, which generally have a fixed expiration date. In addition, Nomura enters into certain derivative contracts that meet the accounting definition of a guarantee under FIN No. 45. Contractual amounts of these guarantees, other than derivative contracts, for which the fair values are recorded on the consolidated balance sheets at fair value, were as follows:

| | Translation into millions of | | |
|--|---------------------------------|--------------------------|-------------------|
| | Millions of yen | U.S. dollars | Millions of yen |
| | September 30, 2004 | September 30, 2004 | March 31, 2004 |

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| | | | | | | |
|--|---|-------|----|----|---|--------|
| Standby letters of credit and other guarantees | ¥ | 7,280 | \$ | 66 | ¥ | 29,424 |
|--|---|-------|----|----|---|--------|

Table of Contents**4. Private equity investments:**

Nomura operates a private equity business through a wholly owned subsidiary, Nomura Principal Finance Co., Ltd. (NPF). As of September 30, 2004, NPF has agreements to acquire new shares to be issued in Millenium Retailing, Inc. (MR), a significant private equity investee. NPF acquired ¥20 billion of new shares issued by MR in July 2004, and will acquire an additional ¥30 billion around the end of January 2005, giving NPF a majority stake.

5. Change in additional paid-in capital and retained earnings:

| | Millions of yen | | Translation into millions of | |
|-----------------------------------|--------------------------|-----------------------|---------------------------------|--------------------|
| | September 30, 2003 | September 30, 2004 | U.S. dollars | Millions of yen |
| | For the six months ended | | | For the year ended |
| | September 30, 2003 | September 30, 2004 | September 30, 2004 | March 31, 2004 |
| Additional paid-in capital | | | | |
| Balance at beginning of period | ¥ 151,328 | ¥ 154,063 | \$ 1,398 | ¥ 151,328 |
| Gain on sales of treasury stock | 1,800 | 10 | 0 | 1,807 |
| Issuance of common stock options | 363 | 865 | 8 | 928 |
| Balance at end of period | ¥ 153,491 | ¥ 154,938 | \$ 1,406 | ¥ 154,063 |
| Retained earnings | | | | |
| Balance at beginning of period | ¥ 1,407,028 | ¥ 1,550,231 | \$ 14,067 | ¥ 1,407,028 |
| Net income | 86,686 | 44,048 | 400 | 172,329 |
| Dividends | (14,564) | (19,414) | (176) | (29,126) |
| Balance at end of period | ¥ 1,479,150 | ¥ 1,574,865 | \$ 14,291 | ¥ 1,550,231 |

6. Comprehensive income:

| | Millions of yen | | Translation into millions of | |
|--|--------------------------|-----------------------|---------------------------------|--------------------|
| | September 30, 2003 | September 30, 2004 | U.S. dollars | Millions of yen |
| | For the six months ended | | | For the year ended |
| | September 30, 2003 | September 30, 2004 | September 30, 2004 | March 31, 2004 |
| | | | | |

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| | | | | |
|--|----------|----------|--------|-----------|
| Net income | ¥ 86,686 | ¥ 44,048 | \$ 400 | ¥ 172,329 |
| Other comprehensive (loss) income, net of tax: | | | | |
| Change in cumulative translation adjustments | (15,259) | 17,929 | 163 | (12,051) |
| Minimum pension liability adjustment during the period | 1,823 | 1,352 | 12 | 7,337 |
| Total other comprehensive (loss) income, net of tax | (13,436) | 19,281 | 175 | (4,714) |
| Comprehensive income | ¥ 73,250 | ¥ 63,329 | \$ 575 | ¥ 167,615 |

Table of Contents**7. Segment Information-Operating segment:**

Business segments results are shown in the following table:

| | Millions of yen | | | | |
|--|-----------------|-----------|------------|--------------------|-----------|
| | Domestic | Global | Asset | Other | Total |
| | Retail | Wholesale | Management | (Inc. elimination) | |
| Six months ended September 30, 2003 | | | | | |
| Non-interest revenue | ¥ 149,787 | ¥ 163,829 | ¥ 15,231 | ¥ (10,637) | ¥ 318,210 |
| Net interest revenue | 775 | 45,279 | 1,071 | 12,151 | 59,276 |
| Net revenue | 150,562 | 209,108 | 16,302 | 1,514 | 377,486 |
| Non-interest expenses | 111,117 | 113,756 | 18,709 | 7,375 | 250,957 |
| Income (loss) before income taxes | ¥ 39,445 | ¥ 95,352 | ¥ (2,407) | ¥ (5,861) | ¥ 126,529 |
| Six months ended September 30, 2004 | | | | | |
| Non-interest revenue | ¥ 150,401 | ¥ 108,610 | ¥ 19,888 | ¥ 11,739 | ¥ 290,638 |
| Net interest revenue | 1,330 | 44,305 | 779 | 3,226 | 49,640 |
| Net revenue | 151,731 | 152,915 | 20,667 | 14,965 | 340,278 |
| Non-interest expenses | 108,214 | 110,262 | 17,704 | 14,942 | 251,122 |
| Income (loss) before income taxes | ¥ 43,517 | ¥ 42,653 | ¥ 2,963 | ¥ 23 | ¥ 89,156 |
| Change (%) | | | | | |
| Income (loss) before income taxes | | | | | |
| Six months ended September 30, 2004 vs. 2003 | 10.3 | (55.3) | | | (29.5) |
| Translation into millions of U.S. dollars | | | | | |
| Six months ended September 30, 2004 | | | | | |
| Non-interest revenue | \$ 1,365 | \$ 986 | \$ 180 | \$ 107 | \$ 2,638 |
| Net interest revenue | 12 | 402 | 7 | 29 | 450 |
| Net revenue | 1,377 | 1,388 | 187 | 136 | 3,088 |
| Non-interest expenses | 982 | 1,001 | 160 | 136 | 2,279 |
| Income (loss) before income taxes | \$ 395 | \$ 387 | \$ 27 | \$ 0 | \$ 809 |
| Millions of yen | | | | | |

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| Year ended March 31, 2004 | | | | | |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Non-interest revenue | ¥ 304,035 | ¥ 290,845 | ¥ 34,300 | ¥ (83) | ¥ 629,097 |
| Net interest revenue | 1,722 | 74,891 | 1,657 | 22,156 | 100,426 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net revenue | 305,757 | 365,736 | 35,957 | 22,073 | 729,523 |
| Non-interest expenses | 226,213 | 227,227 | 37,004 | 13,574 | 504,018 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Income (loss) before income taxes | ¥ 79,544 | ¥ 138,509 | ¥ (1,047) | ¥ 8,499 | ¥ 225,505 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

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

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

| | Millions of yen | | Translation into millions of | |
|--|--------------------------|--------------------|------------------------------|-----------------|
| | | | U.S. dollars | Millions of yen |
| | For the six months ended | | For the year ended | |
| | September 30, 2003 | September 30, 2004 | September 30, 2004 | March 31, 2004 |
| Loss on undesignated hedging instruments included in Net gain on trading | ¥ (11,680) | ¥ (7,669) | \$ (70) | ¥ (12,544) |
| (Loss) gain on investment securities | (556) | 5,589 | 51 | 1,590 |
| Equity in income of affiliates | 2,394 | 2,933 | 27 | 8,514 |
| Corporate items | (8,461) | (1,860) | (17) | (10,666) |
| Others | 12,442 | 1,030 | 9 | 21,605 |
| Total | ¥ (5,861) | ¥ 23 | \$ 0 | ¥ 8,499 |

The table below presents a reconciliation of the combined segment information included in the table on the previous page to reported net revenue and income before income taxes in the consolidated income statement information.

| | Millions of yen | | Translation into millions of | |
|---|--------------------------|--------------------|------------------------------|------------------|
| | | | U.S. dollars | Millions of yen |
| | For the six months ended | | For the year ended | |
| | September 30, 2003 | September 30, 2004 | September 30, 2004 | March 31, 2004 |
| Net revenue | ¥ 377,486 | ¥ 340,278 | \$ 3,088 | ¥ 729,523 |
| Unrealized gain (loss) on investments in equity securities held for relationship purposes | 33,039 | (5,557) | (50) | 54,729 |
| Effect of consolidation/deconsolidation of certain private equity investee companies | 4,249 | 36,048 | 327 | 18,851 |
| Consolidated net revenue | ¥ 414,774 | ¥ 370,769 | \$ 3,365 | ¥ 803,103 |

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| | | | | |
|---|-----------|----------|--------|-----------|
| Income before income taxes | ¥ 126,529 | ¥ 89,156 | \$ 809 | ¥ 225,505 |
| Unrealized gain (loss) on investments in equity securities held for relationship purposes | 33,039 | (5,557) | (50) | 54,729 |
| Effect of consolidation/deconsolidation of certain private equity investee companies | (317) | 5,074 | 46 | 2,442 |
| Consolidated income before income taxes | ¥ 159,251 | ¥ 88,673 | \$ 805 | ¥ 282,676 |

8. Other:

Other notes to the consolidated financial information will be disclosed when those are available.

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NOMURA HOLDINGS, INC.
 SUPPLEMENTARY INFORMATION
 (UNAUDITED)

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

Commissions/fees received

| | Millions of yen | | % Change | Translation into millions of | |
|--|--------------------------|------------------------|-----------|------------------------------|--------------------|
| | | | | U.S. dollars | Millions of yen |
| | For the six months ended | | | | For the year ended |
| | September 30, 2003 (A) | September 30, 2004 (B) | (B-A)/(A) | September 30, 2004 | March 31, 2004 |
| Commissions | ¥ 89,719 | ¥ 115,118 | 28.3 | \$ 1,045 | ¥ 210,216 |
| Brokerage Commissions | 64,258 | 84,169 | 31.0 | 764 | 149,667 |
| Commissions for Distribution of Investment Trust | 15,341 | 19,457 | 26.8 | 177 | 37,345 |
| Fees from Investment Banking | 34,358 | 47,773 | 39.0 | 434 | 86,994 |
| Underwriting and Distribution | 27,865 | 37,004 | 32.8 | 336 | 71,091 |
| M&A / Financial Advisory Fees | 6,424 | 10,752 | 67.4 | 98 | 15,772 |
| Asset Management and Portfolio Service Fees | 30,757 | 38,030 | 23.6 | 345 | 66,193 |
| Asset Management Fees | 25,759 | 32,569 | 26.4 | 296 | 56,268 |
| Total | ¥ 154,834 | ¥ 200,921 | 29.8 | \$ 1,824 | ¥ 363,403 |

Net gain on trading

| | Millions of yen | | % Change | Translation into millions of | |
|--|-----------------|--|----------|------------------------------|-----------------|
| | | | | U.S. dollars | Millions of yen |
| | | | | | |

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| | For the six months ended | | | For the year ended | |
|--------------------------------|---------------------------|---------------------------|---------------|--------------------------|-------------------|
| | September 30, 2003 (A) | September 30, 2004 (B) | (B-A)/(A) | September 30, 2004 | March 31, 2004 |
| Merchant Banking | ¥ 1,155 | ¥ 3,247 | 181.1 | \$ 29 | ¥ 1,548 |
| Equity Trading | 52,866 | 28,324 | (46.4) | 257 | 75,232 |
| Fixed Income and Other Trading | 93,508 | 45,069 | (51.8) | 409 | 152,262 |
| Total | ¥ 147,529 | ¥ 76,640 | (48.1) | \$ 695 | ¥ 229,042 |

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NOMURA HOLDINGS, INC.

CONSOLIDATED INCOME STATEMENT INFORMATION

(UNAUDITED)

| | Millions of yen | | | | | |
|---|----------------------------|-----------------------|----------------------|-------------------|------------------|-----------------------|
| | For the three months ended | | | | | |
| | June 30, 2003 | September 30, 2003 | December 31, 2003 | March 31, 2004 | June 30, 2004 | September 30, 2004 |
| Revenue: | | | | | | |
| Commissions | ¥ 33,752 | ¥ 55,967 | ¥ 57,590 | ¥ 62,907 | ¥ 69,533 | ¥ 45,585 |
| Fees from investment banking | 14,498 | 19,860 | 24,408 | 28,228 | 15,434 | 32,339 |
| Asset management and portfolio service fees | 13,735 | 17,022 | 16,792 | 18,644 | 18,185 | 19,845 |
| Net gain on trading | 80,432 | 67,097 | 33,800 | 47,713 | 53,567 | 23,073 |
| (Loss) gain on private equity investments | (669) | 7,267 | (2,105) | 8,645 | 498 | (2,097) |
| Interest and dividends | 113,844 | 104,036 | 78,333 | 100,657 | 99,192 | 119,848 |
| Gain (loss) on investments in equity securities | 16,168 | 15,601 | 2,788 | 21,331 | 10,271 | (11,624) |
| Other | 8,030 | 6,738 | 5,845 | 20,592 | 25,916 | 20,605 |
| Total revenue | 279,790 | 293,588 | 217,451 | 308,717 | 292,596 | 247,574 |
| Interest expense | 79,703 | 78,901 | 67,220 | 70,619 | 78,668 | 90,733 |
| Net revenue | 200,087 | 214,687 | 150,231 | 238,098 | 213,928 | 156,841 |
| Non-interest expenses: | | | | | | |
| Compensation and benefits | 65,903 | 67,686 | 61,823 | 63,924 | 65,943 | 64,206 |
| Commissions and floor brokerage | 4,904 | 4,625 | 3,482 | 6,158 | 6,409 | 6,502 |
| Information processing and communications | 18,890 | 19,520 | 19,155 | 22,466 | 19,281 | 20,136 |
| Occupancy and related depreciation | 13,319 | 13,506 | 12,929 | 14,467 | 13,274 | 12,986 |
| Business development expenses | 4,983 | 5,428 | 5,495 | 7,194 | 5,429 | 7,767 |
| Other | 20,788 | 15,971 | 17,416 | 30,395 | 31,126 | 29,037 |
| | 128,787 | 126,736 | 120,300 | 144,604 | 141,462 | 140,634 |
| Income before income taxes | 71,300 | 87,951 | 29,931 | 93,494 | 72,466 | 16,207 |
| Income tax expense (benefit): | | | | | | |
| Current | 27,093 | 38,418 | 15,265 | 27,658 | 26,001 | 22,291 |
| Deferred | 5,159 | 1,895 | (1,065) | (4,076) | 5,633 | (9,300) |
| | 32,252 | 40,313 | 14,200 | 23,582 | 31,634 | 12,991 |
| Net income | ¥ 39,048 | ¥ 47,638 | ¥ 15,731 | ¥ 69,912 | ¥ 40,832 | ¥ 3,216 |

Yen

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| Per share of common stock: | | | | | | | | | | | | |
|----------------------------|---|-------------------|---|-------------------|---|-------------------|---|-------------------|---|-------------------|---|-------------------|
| Basic- | | | | | | | | | | | | |
| Net income | ¥ | 20.14 | ¥ | 24.58 | ¥ | 8.10 | ¥ | 36.01 | ¥ | 21.03 | ¥ | 1.66 |
| | | <u> </u> | | <u> </u> | | <u> </u> | | <u> </u> | | <u> </u> | | <u> </u> |
| Diluted- | | | | | | | | | | | | |
| Net income | ¥ | 20.14 | ¥ | 24.58 | ¥ | 8.10 | ¥ | 36.01 | ¥ | 21.03 | ¥ | 1.66 |
| | | <u> </u> | | <u> </u> | | <u> </u> | | <u> </u> | | <u> </u> | | <u> </u> |

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Organizational Structure

The following table lists Nomura Holdings, Inc. and its significant subsidiaries and affiliates.

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 Satellite Communications Co., Ltd.

Nomura Facilities, Inc.

Nomura Institute of Capital Markets Research

Overseas Subsidiaries

Nomura Holding America Inc.

Nomura Securities International, Inc.

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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

Nomura Asia Holding N.V.

Nomura Investment Banking (Middle East) E.C.

Nomura International (Hong Kong) Limited

Nomura Singapore Limited

Nomura Advisory Services (Malaysia) Sdn. Bhd.

Nomura Australia Limited

PT Nomura Indonesia

Affiliates

Nomura Research Institute, Ltd.

JAFCO Co., Ltd.

Nomura Land and Building Co., Ltd.

Capital Nomura Securities Public Company Limited

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Corporate Goals and Principles

Management Policy and Structure of Business Operations

The vision of the Nomura Group (the Company) is to strengthen its position as a globally competitive Japanese financial services group. The Company will seek to realize this vision by continuing to strengthen its core securities and securities related businesses, and by building a solid, diversified business portfolio.

The Company believes its core securities business offers growth potential. The Company intends to expand its customer base through its competitive strengths in product distribution and proactive efforts to broaden participation in the securities markets.

The Company intends to maintain an average consolidated return on equity of 10 to 15% over the medium- to long-term.

The Company has an integrated global approach to managing its business. Nomura Group's business segments include Domestic Retail, Global Wholesale and Asset Management. Within Global Wholesale there are three businesses: Global Markets, Investment Banking, and Merchant Banking. Global Markets includes Fixed Income and Equity.

The Company delegates appropriate executive authority to each of the respective business lines. The Company's competitive position is enhanced by the professional skills of personnel within each of these business lines and an the Company's integrated approach to delivering the Nomura Group's comprehensive capabilities to the market.

Dividend Policy

When determining the amount of any cash dividend, the Company will first consider the maintenance of capital sufficient to capture business opportunities as they may develop. The Company will then decide the target dividend amounts, taking into account the firm's dividend-on-equity ratio (DOE). Lastly, when the Company achieves a sufficient level of profit, it will decide the amount of the cash dividend taking into consideration the pay-out ratio. As for retained profits, the Company 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.

Reduction of the Size of Trading Units

At the Board of Directors meeting held on October 28, 2004, it was decided to change the trading unit of the Company's stock from 1,000 shares to 100 shares. Plans call for this change to be implemented on January 4, 2005.

Current Challenges

Japan's economy and securities markets are recovering steadily, due to the fact that the real economic growth rate has increased in five consecutive quarters ended June 30, 2004. Trading volumes remain at a high level in the First Section of the Tokyo Stock Exchange. There seems to be progress in the reconstruction of the economy through resolution of the nonperforming loan problem. In this environment, the Company will actively build a solid business foundation by enhancing the capacities of new product development and origination, demonstrating the importance of risk diversification to market participants, and making effective use of its global business lines.

With regards to Domestic Retail, the Company will strengthen expanding its capabilities with a focus on meeting customer needs and expanding its customer base. The Company seeks to expand its distribution channels with the recent changes in regulations. In addition, the Company will continue its efforts to broaden individual investors' participation in the securities markets by supporting capital market lectures at colleges and universities and investor education programs in local communities.

Regarding Global Wholesale, as the financial results of Japanese companies gradually recover, the number of companies seeking the Company's services is on the rise. In order to respond to these companies, the Company will flexibly provide high value-added solutions such as M&A business solutions for corporate reorganization and equity financing for investment in plant and equipment. The Group will also enhance capacities of product distribution and trading activities through promoting a globalization strategy and try to establish new business area.

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With regards to Asset Management, the Company continues to enhance performance by offering value-added management services that address customer needs. The Company's goal is increase assets under management by developing innovative products and providing prompt service that is valued by customers. In addition, the Company continues to enhance marketing functions for various types of sales channels. The Company is also focused on developing its defined contribution pension plan business.

The Nomura Group is committed to coping with the changes in society and the market, strengthening its base in an expanding securities business, and to increasing the Group's corporate value.

Basic concept of corporate governance, and the status of its implementation

(Basic concept of corporate governance)

The Company in conjunction with the domestic companies of the Nomura Group has adopted the Committee System since June 2003.

Under the Committee System, management oversight functions are separated from business operation functions and many of the powers to execute business activities are delegated to executive officers. The Company can make quicker management decisions on a consolidated basis. Under this corporate governance structure, the Company has maintained three committees: a Nomination Committee, an Audit Committee and a Compensation Committee, each of which has a majority of outside directors, aimed at strengthening management oversight and further improving transparency.

The Company has adopted procedures under which the Audit Committee shall discuss and approve proposals by the Chief Financial Officer regarding fees for the Company's independent accountant and the type of services to be provided.

(The status of corporate governance policy implementation)

1) The status of corporate governance regarding management decision-making, implementation and oversight, etc. in administrative organization

(1) The Committee System or the Statutory Auditor System

As described above, the Company has adopted the Committee System since June 2003.

(2) Appointment of outside directors

Board of Directors of the Company is comprised of eleven directors including four outside directors as defined under the Commercial Code of Japan.

(3) Overview of the committees

(i) Nomination Committee

The Nomination Committee is authorized to determine the particulars of proposals concerning the election and dismissal of directors to be submitted to a general meeting of shareholders. This committee's current members are Junichi Ujiie (Chairman of the Board), Masaharu Shibata (outside director) and Hideaki Kubori (outside director). Junichi Ujiie is the Chairman of this committee.

(ii) Audit Committee

The Audit Committee is authorized to audit the execution by directors and executive officers of their duties and determine the particulars of proposals concerning the election and dismissal of the independent auditor to be submitted to a general meeting of shareholders. This committee's current members are Haruo Tsuji (outside director), Koji Tajika (outside director) and Fumihide Nomura (non-executive director). Haruo Tsuji is the Chairman of this committee. All of the members are independent under the standards set forth in the Sarbanes-Oxley Act and Koji Tajika satisfies the requirements of audit committee financial expert under the Sarbanes-Oxley Act.

(iii) Compensation Committee

The Compensation Committee is authorized to determine the particulars of the compensation for each director and executive officer. This committee's current members are Junichi Ujiie (Chairman of the Board), Masaharu Shibata (outside director) and Hideaki Kubori (outside director). Junichi Ujiie is the Chairman of this committee.

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(4) Allocation of full-time staff for the outside directors

Secretariat and Office of Audit Committee assist directors, including the outside directors, in execution of their operations.

(5) Framework for operational execution

Thirty-one executive officers determine the matters delegated by resolutions of the Board of Directors and execute the business of the Company. Important matters of those delegated to executive officers are determined by the Board of Executive Officers or the Executive Management Board, each of which comprises the executive officers. The Board of Executive Officers composed of all thirty-one executive officers is authorized to determine the annual business plan and budget and the allocation of the management resources of the Nomura Group. The Executive Management Board consisting of ten executive officers including all representative executive officers is authorized to determine important matters concerning the management of the Nomura Group.

(6) Internal control and procedures

The Audit Committee is composed entirely of non-executive part-time directors and has central responsibilities for management audit functions. In order to facilitate audit functions, the following measures have been undertaken:

1. Two non-executive but full-time directors (Audit Mission Directors) who are familiar with the business and organization of the Nomura Group, are assigned by the Board of Directors. They thus supplement the audit conducted by the Audit Committee, maintain the merits of the previous statutory audit system. The duty of an Audit Mission Director is to conduct operational supervision including daily inspections and investigations, such as attending important committee meetings.
2. The Nomura Group has established an Internal Audit Division that is independent from other business and business support lines. The Head of Internal Audit supervises internal audit operations of the Company and its subsidiaries. The Internal Audit Division is directed by the Internal Controls Committee, members of which include a director belonging to the Audit Committee and an Audit Mission Director. Further, internal audit results are reported not only to the executive management but also to the Audit Committee and Audit Mission Directors.

(7) Attorneys, accountants and other third parties

Outside attorneys provide, as necessary, advice in regard to important matters related to operations, finance, compliance and others. Ernst & Young Shin Nihon (member firm in Japan of Ernst Young), the Company's independent accountant, makes substantive recommendations, as appropriate, on internal control and procedures over financial reporting in relation to audits of the Company's financial statements.

2) Summary of personal, capital, dealing and other conflicts of interest between the Company and its outside directors.

None.

3) Implementation to expand company corporate governance in the recent year

The Company provides a forum for its outside directors where they discuss its corporate governance practices or procedures. Such forum was held three times this year. The Chairman of the Board of Directors participated in two of the three forums.

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Unconsolidated Financial Information of Major Consolidated Entities

(UNAUDITED)

The unconsolidated financial information, prepared under Japanese GAAP, is presented for the following entities;

Nomura Holdings, Inc. Financial Information (Parent Company Only)

Nomura Securities Co., Ltd. Financial Information

* The amounts presented for September 30, 2004 are rounded whereas the amounts for March 31, 2004 and September 30, 2003 are truncated.

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Financial Summary For the Six Months Ended September 30, 2004

(Unconsolidated)

Date: October 28, 2004

Company name (code number): Nomura Holdings, Inc. (8604)
URL (<http://www.nomura.com/>)

Head office: 1-9-1, Nihonbashi, Chuo-ku, Tokyo 103-8011, Japan

Stock exchange listings: (In Japan) Tokyo, Osaka, Nagoya
(Overseas) New York, Amsterdam, Singapore

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

For inquiries: Shinji Iwai
Managing Director, Investor Relations Department,
Nomura Group Headquarters, Nomura Securities Co., Ltd.
Tel: (Country Code 81) 3-3211-1811

Number of shares in unit share system: 1,000 shares

Date of interim dividend payment: December 1, 2004

(1) Operating Results

(Million yen except percentages)

| | Operating | | Operating | | Ordinary | |
|-------------------------------------|-----------|------------------------|-----------|------------------------|----------|------------------------|
| | Revenue | (Comparison) | Income | (Comparison) | Income | (Comparison) |
| Six Months Ended September 30, 2004 | 214,995 | (222.4)% ^{*3} | 169,952 | (724.8)% ^{*3} | 171,105 | (686.6)% ^{*3} |
| Six Months Ended September 30, 2003 | 66,694 | | 20,605 | | 21,751 | |
| Year Ended March 31, 2004 | 135,341 | | 39,446 | | 39,448 | |

| | Net Profit | | Net Profit | |
|-------------------------------------|------------|------------------------|-----------------|--|
| | Profit | (Comparison) | per share (Yen) | |
| Six Months Ended September 30, 2004 | 171,055 | (790.5)% ^{*3} | 88.06 | |
| Six Months Ended September 30, 2003 | 19,207 | | 9.90 | |
| Year Ended March 31, 2004 | 33,374 | | 17.19 | |

Notes: 1. Average number of shares issued and outstanding during

Six months ended September 30, 2004: 1,942,378,559
Six months ended September 30, 2003: 1,939,507,639

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The year ended March 31, 2004: 1,940,871,819

2. Change in accounting method: None

3. Comparison shows increase from the six months ended September 30, 2003.

(2) Dividend

| | Dividend Per Share | |
|---------------------------|--------------------|--------|
| | Interim | Annual |
| | Yen | Yen |
| Six months ended: | | |
| September 30, 2004 | 10.00 | |
| September 30, 2003 | 7.50 | |
| Year ended March 31, 2004 | | 15.00 |

(3) Financial Position

(in millions of yen except per share data and percentages)

| | Total Assets | Shareholders Equity | Shareholders Equity/ Total Liabilities and Shareholders Equity (%) | Shareholders Equity Per Share (Yen) |
|--------------------|--------------|---------------------|--|---|
| September 30, 2004 | 2,969,025 | 1,519,731 | 51.2 | 782.42 |
| September 30, 2003 | 2,321,921 | 1,355,565 | 58.4 | 697.83 |
| March 31, 2004 | 2,469,719 | 1,367,005 | 55.4 | 703.76 |

| | | |
|---|---------------------|---------------|
| 1. Number of shares issued and outstanding at | September 30, 2004: | 1,942,348,200 |
| | September 30, 2003: | 1,942,537,572 |
| | March 31, 2004: | 1,942,411,447 |
| 2. Number of treasury stock issued and outstanding at | September 30, 2004: | 23,571,660 |
| | September 30, 2003: | 23,382,288 |
| | March 31, 2004: | 23,508,413 |

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Nomura Holdings, Inc.

Unconsolidated Balance Sheet Information

(Unaudited)

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Table of Contents**Nomura Holdings, Inc.****Unconsolidated Balance Sheet Information**

(Millions of yen)

| | September 30, 2004 | March 31, 2004 | Increase/ (Decrease) | September 30, 2003 |
|--|-----------------------|-------------------|-------------------------|-----------------------|
| ASSETS | | | | |
| Current Assets | 1,110,293 | 792,874 | 317,418 | 842,903 |
| Cash and time deposits | 5,992 | 1,973 | 4,018 | 4,815 |
| Short-term loans receivable | 1,058,260 | 708,516 | 349,744 | 772,846 |
| Deferred tax assets | 2,991 | 1,957 | 1,033 | 8,924 |
| Other current assets | 43,051 | 80,428 | (37,377) | 56,320 |
| Allowance for doubtful accounts | (2) | (1) | (0) | (3) |
| Fixed Assets | 1,858,732 | 1,676,844 | 181,886 | 1,479,018 |
| Tangible fixed assets | 39,120 | 40,512 | (1,392) | 40,739 |
| Intangible assets | 64,559 | 68,861 | (4,303) | 66,545 |
| Investments and others | 1,755,053 | 1,567,470 | 187,582 | 1,371,732 |
| Investment securities | 164,282 | 170,928 | (6,646) | 144,724 |
| Investments in subsidiaries and affiliates (at cost) | 1,166,514 | 1,106,513 | 60,000 | 1,107,838 |
| Long-term loans receivable | 306,712 | 173,178 | 133,534 | 31 |
| Long-term guarantee deposits | 51,505 | 51,718 | (213) | 54,145 |
| Deferred tax assets | 40,889 | 41,313 | (424) | 45,372 |
| Other investments | 25,184 | 23,852 | 1,331 | 19,655 |
| Allowance for doubtful accounts | (34) | (34) | 0 | (34) |
| TOTAL ASSETS | 2,969,025 | 2,469,719 | 499,305 | 2,321,921 |
| LIABILITIES | | | | |
| Current liabilities | 766,904 | 469,835 | 297,068 | 445,827 |
| Short-term borrowings | 691,000 | 276,000 | 415,000 | 202,000 |
| Bond with maturity of less than one year | | 2,631 | (2,631) | 2,631 |
| Payables to customers and others | 63,553 | 107,838 | (44,285) | 189,792 |
| Accrued income taxes | 1 | 63,304 | (63,304) | 32,090 |
| Other current liabilities | 12,351 | 20,061 | (7,710) | 19,313 |
| Long-term liabilities | 682,390 | 632,878 | 49,511 | 520,528 |
| Bonds payable | 240,000 | 190,000 | 50,000 | 120,000 |
| Long-term borrowings | 439,500 | 439,500 | | 399,500 |
| Other long-term liabilities | 2,890 | 3,378 | (488) | 1,028 |

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| | | | | |
|--|------------------|------------------|----------------|------------------|
| TOTAL LIABILITIES | <u>1,449,294</u> | <u>1,102,713</u> | <u>346,580</u> | <u>966,356</u> |
| <i>SHAREHOLDERS EQUITY</i> | | | | |
| Common stock | 182,800 | 182,799 | | 182,799 |
| Capital reserves | 114,322 | 114,311 | 10 | 114,303 |
| Additional paid-in capital | 112,504 | 112,504 | | 112,504 |
| Other capital reserves | 1,817 | 1,807 | 10 | 1,799 |
| Earned surplus | 1,211,795 | 1,055,308 | 156,486 | 1,055,710 |
| Earned surplus reserve | 81,858 | 81,858 | | 81,858 |
| Voluntary reserve | 950,033 | 950,038 | (5) | 950,038 |
| Unappropriated retained earnings | 179,904 | 23,412 | 156,491 | 23,814 |
| Net unrealized gain on investments | 42,203 | 45,859 | (3,655) | 33,788 |
| Treasury stock | (31,389) | (31,273) | (115) | (31,037) |
| TOTAL SHAREHOLDERS EQUITY | <u>1,519,731</u> | <u>1,367,005</u> | <u>152,725</u> | <u>1,355,565</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | <u>2,969,025</u> | <u>2,469,719</u> | <u>499,305</u> | <u>2,321,921</u> |

Table of Contents**Nomura Holdings, Inc.****Unconsolidated Income Statement Information****(Unaudited)**

(Millions of yen)

| | Six Months Ended September 30, 2004 (A) | Six Months Ended September 30, 2003 (B) | Comparison (A-B)/(B) | Fiscal Year Ended March 31, 2004 |
|---|--|--|---------------------------------|---|
| | | | % | |
| Operating revenue | 214,995 | 66,694 | 222.4 | 135,341 |
| Property and equipment fee revenue | 26,934 | 29,456 | (8.6) | 63,006 |
| Rent revenue | 14,657 | 14,793 | (0.9) | 29,971 |
| Royalty on trademark | 7,737 | 2,926 | 164.4 | 6,998 |
| Dividend from subsidiaries and affiliates | 162,153 | 16,420 | 887.5 | 29,533 |
| Others | 3,513 | 3,097 | 13.4 | 5,831 |
| Operating expenses | 45,043 | 46,089 | (2.3) | 95,895 |
| Compensation and benefits | 586 | 332 | 76.2 | 1,650 |
| Rental and maintenance | 15,173 | 15,956 | (4.9) | 34,302 |
| Data processing and office supplies | 9,731 | 10,352 | (6.0) | 20,567 |
| Depreciation and amortization | 13,904 | 12,999 | 7.0 | 26,480 |
| Others | 3,087 | 4,274 | (27.8) | 8,417 |
| Interest expenses | 2,562 | 2,174 | 17.8 | 4,476 |
| Operating income | 169,952 | 20,605 | 724.8 | 39,446 |
| Non-operating income | 1,863 | 1,285 | 44.9 | 2,644 |
| Non-operating expenses | 710 | 139 | 409.0 | 2,642 |
| Ordinary income | 171,105 | 21,751 | 686.6 | 39,448 |
| Special profits | 5,693 | 3,033 | 87.7 | 5,773 |
| Special losses | 1,554 | 3,187 | (51.3) | 5,067 |
| Profit before income taxes | 175,244 | 21,597 | 711.4 | 40,155 |
| Income taxes - current | 2,257 | (848) | | 1,859 |
| Income taxes - deferred | 1,932 | 3,238 | (40.4) | 4,920 |

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| | | | | |
|--|---------|--------|-------|--------|
| Net profit | 171,055 | 19,207 | 790.5 | 33,374 |
| Unappropriated retained earnings brought forward | 8,849 | 4,606 | 92.1 | 4,606 |
| Interim dividend | | | | 14,569 |
| Unappropriated retained earnings | 179,904 | 23,814 | 655.4 | 23,412 |

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Notes to Financial Information

The financial information for the six months ended September 30, 2004 were prepared under Japanese GAAP in accordance with Regulations Concerning the Terminology, Forms and Preparation Methods of Semi-Annual Financial Statements (Ministry of Finance Ordinance No. 38, 1977).

Significant Accounting Policies

1. Basis and Methods of Valuation for Financial Instruments

(1) Other securities

a. Securities with market value

Recorded at market value.

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

b. Securities with no market value

Recorded at cost using the moving average method or amortized cost.

(2) Stocks of subsidiaries and affiliates

Recorded at cost using the moving average method.

2. Depreciation and Amortization

(1) Depreciation of tangible fixed assets

Tangible fixed assets are depreciated primarily on the declining balance method. However buildings (except leasehold improvements) acquired after March 31, 1998 are depreciated on the straight-line method.

(2) Amortization of intangible assets, investments and others

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

3. Provisions

To provide for bad loans, the Company made provisions for doubtful accounts based on an estimate of the uncollectible amount calculated using historical loss ratios or a reasonable estimate based on financial condition of individual borrowers.

4. Translation of Accounts Denominated in Foreign Currencies

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

5. Leasing Transactions

Financing leases other than those for which the ownership of the leased property are deemed as transfers to the lessee are accounted for primarily as ordinary rental transactions.

6. Hedging Activities

Mark-to-market profits and losses on hedging instruments are deferred as assets or liabilities until the profits or losses on the underlying hedged securities are realized. Certain eligible foreign currencies denominated monetary items are translated at forward exchange rates and the difference is depreciated over the remaining period.

7. Accounting for Consumption Taxes

Consumption taxes are accounted for based on the tax exclusion method.

8. Application of Consolidated Tax Return System

The Company applies the consolidated tax return system.

Table of Contents**Notes to Unconsolidated Balance Sheet Information**

1. Financial Guarantees

| | (Millions of yen) | | |
|----------------------------------|---------------------------|-----------------------|---------------------------|
| | <u>September 30, 2004</u> | <u>March 31, 2004</u> | <u>September 30, 2003</u> |
| Financial guarantees outstanding | 1,791,935 | 1,599,086 | 1,533,362 |

* In accordance with Report No. 61 of the Audit Committee of the Japanese Institute of Certified Public Accountants, contracts which are financial guarantees in substance are included above.

2. Accumulated Depreciation on Tangible Fixed Assets

| | (Millions of yen) | | |
|--|---------------------------|-----------------------|---------------------------|
| | <u>September 30, 2004</u> | <u>March 31, 2004</u> | <u>September 30, 2003</u> |
| | 66,413 | 64,439 | 65,368 |

3. Stocks of Subsidiaries and Affiliates with Market Values

| | (Millions of yen) | | |
|---------------------------|-------------------|---------------------|-------------------|
| | <u>Book value</u> | <u>Market Value</u> | <u>Difference</u> |
| Investments in affiliates | 45,785 | 81,504 | 35,718 |

Notes to Unconsolidated Income Statement Information

- Property and equipment fee revenue is revenue from the leasing of furniture and fixtures, and software to subsidiaries, including Nomura Securities Co., Ltd.
- Rent revenue is revenue from the leasing of properties to subsidiaries, including Nomura Securities Co., Ltd.
- Royalty on trademark is fee or patent revenue received on our trademark from Nomura Securities Co., Ltd.
- Others (Operating revenue) includes fees from securities lending and interest received on loans from subsidiaries, including Nomura Securities Co., Ltd.

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5. Special profits and losses consist of the following:

(Millions of yen)

| | Six Months Ended | Six Months Ended | Year Ended |
|--|---------------------------|---------------------------|-----------------------|
| | September 30, 2004 | September 30, 2003 | March 31, 2004 |
| Special profits | | | |
| Gain on sales of investment securities | 5,497 | 2,357 | 5,095 |
| Reversal of allowance for doubtful accounts | 0 | 675 | 678 |
| Gain on redemption of warrants | 195 | | |
| Special losses | | | |
| Loss on sales of investment securities | 1 | 1,666 | 1,926 |
| Loss on devaluation of investment securities | 1,553 | 1,521 | 1,721 |
| Loss on devaluation of investments in affiliates | | | 1,419 |

Notes on Other Information

Information on lease transactions will be disclosed on EDINET.

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Financial Summary For the Six Months Ended September 30, 2004

Date: October 28, 2004

Company name: Nomura Securities Co., Ltd.
(URL <http://www.nomura.co.jp/>)

Head office: 1-9-1, Nihonbashi, Chuo-ku, Tokyo 103-8011, Japan

Representative: Nobuyuki Koga
President, Nomura Securities Co., Ltd.

For inquiries: Shinji Iwai
Managing Director, Investor Relations Department,
Nomura Group Headquarters, Nomura Securities Co., Ltd.
Tel: (Country Code 81) 3-3211-1811

(1) Operating Results

(Millions of yen except percentages)

| | <u>Operating</u> <u>Revenue</u> | <u>(Comparison)</u> | <u>Net</u> <u>Operating</u> <u>Revenue</u> | <u>(Comparison)</u> | <u>Operating</u> <u>Income</u> | <u>(Comparison)</u> |
|-------------------------------------|------------------------------------|---------------------|--|---------------------|-----------------------------------|---------------------|
| Six Months Ended September 30, 2004 | 291,531 | (-9.1)%* | 259,684 | (-12.7)%* | 94,953 | (-30.3)%* |
| Six Months Ended September 30, 2003 | 320,797 | | 297,377 | | 136,192 | |
| Year Ended March 31, 2004 | 598,772 | | 547,765 | | 219,561 | |

| | <u>Ordinary</u> <u>Income</u> | <u>(Comparison)</u> | <u>Net</u> <u>Income</u> | <u>(Comparison)</u> |
|-------------------------------------|----------------------------------|---------------------|-----------------------------|---------------------|
| Six Months Ended September 30, 2004 | 96,309 | (-29.4)%* | 55,082 | (-27.5)%* |
| Six Months Ended September 30, 2003 | 136,444 | | 75,987 | |
| Year Ended March 31, 2004 | 219,410 | | 122,063 | |

Note: Comparison shows increase/decrease from the six months ended September 30, 2003.

(2) Financial Position

(Millions of yen except percentages)

| | <u>Total Assets</u> | <u>Shareholder s Equity</u> | <u>Shareholder s Equity/ Total Liabilities and Shareholder s Equity (%)</u> | <u>Capital Adequacy Ratio (%)</u> |
|--------------------|-------------------------|-----------------------------|---|---|
| September 30, 2004 | 13,736,651 | 713,917 | 5.2 | 235.2 |
| September 30, 2003 | 14,397,082 | 708,329 | 4.9 | 240.0 |
| March 31, 2004 | 15,628,170 | 754,504 | 4.8 | 230.2 |

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Nomura Securities Co., Ltd.

Unconsolidated Balance Sheet Information

(Unaudited)

(Millions of yen)

| | <u>September 30, 2004</u> | <u>March 31, 2004</u> | <u>Increase/(Decrease)</u> | <u>September 30, 2003</u> |
|---|---------------------------|-----------------------|----------------------------|---------------------------|
| ASSETS | | | | |
| Current Assets | 13,674,242 | 15,559,847 | (1,885,605) | 14,330,895 |
| Cash and time deposits | 208,525 | 300,111 | (91,586) | 350,860 |
| Deposits with exchanges and other segregated cash | 760 | 760 | | 760 |
| Trading assets: | 7,703,061 | 8,777,900 | (1,074,838) | 7,295,683 |
| Trading securities | 7,431,551 | 7,851,049 | (419,498) | 6,333,396 |
| Derivative contracts | 271,510 | 926,850 | (655,340) | 962,286 |
| Net receivables arising from pre-settlement date trades | | | | 399,965 |
| Margin account assets: | 245,831 | 301,425 | (55,594) | 215,619 |
| Loans to customers in margin transactions | 192,996 | 149,113 | 43,881 | 100,465 |
| Cash collateral to securities finance companies | 52,836 | 152,311 | (99,476) | 115,153 |
| Loans with securities as collateral: | 5,257,439 | 5,785,461 | (528,022) | 5,855,731 |
| Cash collateral for securities borrowed | 4,626,015 | 5,051,538 | (425,523) | 5,447,383 |
| Loans in gensaki transactions | 631,424 | 733,923 | (102,499) | 408,348 |
| Receivables from customers and others | 1,684 | 2,720 | (1,037) | 1,765 |
| Short-term guarantee deposits | 66,137 | 101,960 | (35,823) | 63,227 |
| Short-term loans receivable | 133,516 | 189,889 | (56,373) | 94,076 |
| Deferred tax assets | 20,385 | 26,235 | (5,850) | 22,413 |
| Other current assets | 36,939 | 73,736 | (36,797) | 30,916 |
| Allowance for doubtful accounts | (36) | (354) | 318 | (124) |
| Fixed Assets | 62,409 | 68,323 | (5,913) | 66,187 |
| Tangible fixed assets | 816 | 159 | 656 | 174 |
| Intangible assets | 2,869 | 1,542 | 1,326 | 1,534 |
| Investments and others | 58,724 | 66,621 | (7,896) | 64,477 |
| Investment securities | 195 | 45 | 150 | 45 |
| Deferred tax assets | 35,321 | 33,675 | 1,645 | 29,947 |
| Other investments | 23,964 | 33,634 | (9,670) | 35,796 |
| Allowance for doubtful accounts | (756) | (733) | (21) | (1,311) |
| TOTAL ASSETS | 13,736,651 | 15,628,170 | (1,891,519) | 14,397,082 |

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(Millions of yen)

| | <u>September 30, 2004</u> | <u>March 31, 2004</u> | <u>Increase/(Decrease)</u> | <u>September 30, 2003</u> |
|--|---------------------------|-----------------------|----------------------------|---------------------------|
| LIABILITIES | | | | |
| Current Liabilities | 12,436,932 | 14,389,341 | (1,952,408) | 13,246,920 |
| Trading liabilities: | 3,000,431 | 4,462,680 | (1,462,249) | 4,741,215 |
| Trading securities | 2,853,760 | 3,549,976 | (696,216) | 3,866,874 |
| Derivative contracts | 146,670 | 912,703 | (766,032) | 874,340 |
| Net payables arising from pre-settlement date trades | 305,959 | 421,117 | (115,158) | |
| Margin account liabilities: | 29,218 | 29,153 | 64 | 21,627 |
| Borrowings from securities finance companies | 8,041 | 7,317 | 724 | 3,318 |
| Customer margin sale proceeds | 21,176 | 21,835 | (659) | 18,309 |
| Borrowings with securities as collateral: | 5,003,689 | 5,322,006 | (318,318) | 6,098,266 |
| Cash collateral for securities loaned | 2,689,735 | 3,229,044 | (539,309) | 4,042,325 |
| Borrowings in gensaki transactions | 2,313,954 | 2,092,962 | 220,991 | 2,055,941 |
| Payables to customers and others | 184,373 | 184,998 | (625) | 164,297 |
| Guarantee deposits received | 73,016 | 171,613 | (98,597) | 75,886 |
| Short-term borrowings | 3,360,250 | 3,260,750 | 99,500 | 1,772,350 |
| Commercial paper | 215,000 | 221,000 | (6,000) | 251,000 |
| Short-term bonds payable | 69,500 | 62,000 | 7,500 | |
| Bond due within one year | 100,000 | 100,000 | | |
| Accrued income taxes | 11,627 | 24,620 | (12,994) | 19,827 |
| Other current liabilities | 83,872 | 129,401 | (45,529) | 102,448 |
| Long-term Liabilities | 584,301 | 483,066 | 101,234 | 441,207 |
| Bonds payable | 258,200 | 258,200 | | 358,200 |
| Long-term borrowings | 260,000 | 160,000 | 100,000 | 10,000 |
| Reserve for retirement benefits | 51,379 | 48,685 | 2,693 | 46,151 |
| Other long-term liabilities | 14,723 | 16,180 | (1,458) | 26,856 |
| Statutory Reserves | 1,500 | 1,258 | 241 | 625 |
| Reserve for securities transactions | 1,500 | 1,258 | 241 | 625 |
| TOTAL LIABILITIES | 13,022,734 | 14,873,666 | (1,850,932) | 13,688,753 |
| SHAREHOLDER S EQUITY | | | | |
| Common stock | 10,000 | 10,000 | | 10,000 |
| Capital reserves | 529,579 | 529,578 | | 529,479 |
| Additional paid-in capital | 529,579 | 529,578 | | 529,479 |
| Earned surplus | 174,338 | 214,925 | (40,587) | 168,850 |
| Voluntary reserve | 63,000 | 63,000 | | 63,000 |
| Unappropriated retained earnings | 111,338 | 151,925 | (40,587) | 105,850 |
| TOTAL SHAREHOLDER S EQUITY | 713,917 | 754,504 | (40,587) | 708,329 |
| TOTAL LIABILITIES AND SHAREHOLDER S EQUITY | 13,736,651 | 15,628,170 | (1,891,519) | 14,397,082 |

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Nomura Securities Co., Ltd.

Unconsolidated Income Statement Information

(Unaudited)

(Millions of yen except percentages)

| | Six Months Ended September 30, 2004 (A) | Six Months Ended September 30, 2003 (B) | Comparison (A-B)/(B)(%) | Year Ended March 31, 2004 |
|--|--|--|----------------------------|------------------------------|
| Operating revenue | 291,531 | 320,797 | (9.1) | 598,772 |
| Commissions | 154,745 | 117,058 | 32.2 | 279,936 |
| Net gain on trading | 98,284 | 171,133 | (42.6) | 263,274 |
| Net gain on other inventories | 2 | 6 | (75.8) | 11 |
| Interest and dividend income | 38,500 | 32,599 | 18.1 | 55,550 |
| Interest expenses | 31,848 | 23,419 | 36.0 | 51,007 |
| Net operating revenue | 259,684 | 297,377 | (12.7) | 547,765 |
| Selling, general and administrative expenses | 164,730 | 161,185 | 2.2 | 328,203 |
| Transaction-related expenses | 33,100 | 26,736 | 23.8 | 57,982 |
| Compensation and benefits | 68,222 | 71,201 | (4.2) | 139,116 |
| Rental and maintenance | 21,230 | 21,206 | 0.1 | 43,108 |
| Data processing and office supplies | 37,311 | 37,457 | (0.4) | 78,939 |
| Others | 4,868 | 4,583 | 6.2 | 9,056 |
| Operating income | 94,953 | 136,192 | (30.3) | 219,561 |
| Non-operating income | 2,035 | 920 | 121.2 | 1,470 |
| Non-operating expenses | 680 | 668 | 1.7 | 1,621 |
| Ordinary income | 96,309 | 136,444 | (29.4) | 219,410 |
| Special profits | 293 | 327 | (10.5) | |
| Special losses | 1,087 | | | 407 |
| Income before income taxes | 95,515 | 136,771 | (30.2) | 219,003 |
| Income taxes - current | 36,227 | 59,535 | (39.1) | 103,241 |
| Income taxes - deferred | 4,206 | 1,248 | 236.8 | (6,301) |
| Net income | 55,082 | 75,987 | (27.5) | 122,063 |
| | 56,256 | 29,862 | 88.4 | 29,862 |

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| | | | | |
|--|----------------|----------------|------------|----------------|
| Unappropriated retained earnings brought forward | | | | |
| Unappropriated retained earnings | <u>111,338</u> | <u>105,850</u> | <u>5.2</u> | <u>151,925</u> |

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Notes to Financial Information

The financial information for the six months ended September 30, 2004 were prepared in accordance with the Cabinet Office Ordinance Regarding Securities Companies (Prime Minister's Office Ordinance and the Ministry of Finance Ordinance, No. 32, 1998) and the Uniform Accounting Standards of Securities Companies (Japan Securities Dealers Association, 1974) based on Regulations Concerning the Terminology, Forms and Preparation Methods of Semi-Annual Financial Statements (Ministry of Finance Ordinance No. 38, 1977), collectively Japanese GAAP.

Significant Accounting Policies

1. Basis and Methods of Valuation for Financial Instruments

(1) For trading purposes

Securities, derivative contracts, and other financial instruments classified as trading assets and liabilities are accounted for at fair value based on the mark-to-market method.

(2) For non-trading purposes

Securities with no market price are recorded at cost using the moving average method.

2. Depreciation and Amortization

(1) Depreciation of tangible fixed assets

Tangible fixed assets are depreciated primarily on the declining balance method. However buildings (except leasehold improvements) acquired after March 31, 1998 are depreciated on the straight-line method.

(2) Amortization of intangible assets, investments and others

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

3. Provisions

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(1) Allowance for doubtful accounts

To provide for loan losses, Nomura Securities Co., Ltd. (Nomura Securities) made provisions for doubtful accounts based on an estimate of the uncollectible amount calculated using historical loss ratios or a reasonable estimate based on financial condition of individual borrowers.

(2) Accrued bonuses

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

(3) Reserve for retirement benefits

To provide for the payment of lump-sum retirement benefits and funding of the qualified retirement pension plan in the future, the estimated future obligations less the estimated fair value of pension assets is recorded as a reserve for employee retirement benefits.

4. Translation of Accounts Denominated in Foreign Currencies

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

5. Leasing Transactions

Lease contracts for which the title of the leased property has not been transferred are accounted for as operating lease transactions.

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6. Hedging Activities

Mark-to-market profits and losses on hedging instruments are deferred as assets or liabilities until the profits or losses on the underlying hedged securities are realized.

7. Accounting for Consumption Taxes

Consumption taxes are accounted for based on the tax exclusion method.

8. Application of Consolidated Tax Return System

Nomura Securities applies the consolidated tax return system.

9. Netting Derivative Transactions

The amount of swap transactions with counterparties who have concluded a legally effective master netting agreement are presented on netted basis. The netted amount is 681,509 million Yen. Derivative transactions of both assets and liabilities have decreased by the same amount.

Table of Contents**Notes to Balance Sheet Information**

1. Financial Guarantees

(Millions of yen)

| | <u>September 30, 2004</u> | <u>March 31, 2004</u> | <u>September 30, 2003</u> |
|----------------------------------|---------------------------|-----------------------|---------------------------|
| Financial guarantees outstanding | 1,216,508 | 1,033,386 | 971,259 |

* In accordance with Report No. 61 of the Audit Committee of the Japanese Institute of Certified Public Accountants, contracts which are financial guarantees in substance are included above.

2. Accumulated Depreciation on Tangible Fixed Assets

(Millions of yen)

| | <u>September 30, 2004</u> | <u>March 31, 2004</u> | <u>September 30, 2003</u> |
|--|---------------------------|-----------------------|---------------------------|
| | 399 | 360 | 342 |

3. Subordinated Borrowings, Bonds, and Notes

(Millions of yen)

| | <u>September 30, 2004</u> | <u>March 31, 2004</u> | <u>September 30, 2003</u> |
|-----------------------|---------------------------|-----------------------|---------------------------|
| Short-term borrowings | | | 120,000 |
| Long-term borrowings | 260,000 | 160,000 | 10,000 |
| Bonds payable | 60,000 | 60,000 | 60,000 |

Notes to Income Statement Information

1. Breakdown of Special Profits

(Millions of yen)

| | <u>Six Months Ended</u> <u>September 30, 2004</u> | <u>Six Months Ended</u> <u>September 30, 2003</u> | <u>Year Ended</u> <u>March 31, 2004</u> |
|---|--|--|--|
| Special profits | | | |
| Reversal of reserve for securities transactions | | 226 | |
| Reversal of allowance for doubtful accounts | 293 | 101 | |

2. Breakdown of Special Losses

(Millions of yen)

| | <u>Six Months Ended</u> <u>September 30, 2004</u> | <u>Six Months Ended</u> <u>September 30, 2003</u> | <u>Year Ended</u> <u>March 31, 2004</u> |
|-------------------------------------|--|--|--|
| Special losses | | | |
| Loss on devaluation of fixed assets | 845 | | |
| Reserve for securities transactions | 241 | | 407 |

Table of Contents**NOMURA SECURITIES CO., LTD.****SUPPLEMENTARY INFORMATION****(UNAUDITED)**

1. Commission Revenues

(1) Breakdown by Category

(Millions of yen except percentages)

| | Six Months Ended | | Comparison (A-B)/(B)(%) | Year Ended March 31, 2004 |
|--|-----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|
| | September 30, 2004 (A) | September 30, 2003 (B) | | |
| Brokerage commissions | 72,880 | 55,431 | 31.5% | 129,377 |
| <i>(Stocks)</i> | 67,755 | 50,114 | 35.2 | 118,033 |
| Underwriting commissions | 21,980 | 14,215 | 54.6 | 41,300 |
| <i>(Stocks)</i> | 19,508 | 11,961 | 63.1 | 36,752 |
| <i>(Bonds)</i> | 2,472 | 2,253 | 9.7 | 4,547 |
| Distribution commissions | 23,089 | 17,032 | 35.6 | 43,668 |
| <i>(Investment trust certificates)</i> | 19,351 | 15,251 | 26.9 | 37,169 |
| Other commissions | 36,796 | 30,379 | 21.1 | 65,589 |
| <i>(Investment trust certificates)</i> | 14,544 | 11,209 | 29.8 | 24,202 |
| Total | 154,745 | 117,058 | 32.2 | 279,936 |

(2) Breakdown by Product

(Millions of yen except percentages)

| | Six Months Ended | | Comparison (A-B)/(B)(%) | Year Ended March 31, 2004 |
|--|-----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|
| | September 30, 2004 (A) | September 30, 2003 (B) | | |

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| | | | | |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| Stocks | 89,357 | 63,026 | 41.8% | 158,206 |
| Bonds | 9,623 | 9,641 | (0.2) | 21,401 |
| Investment trust certificates | 38,540 | 31,146 | 23.7 | 71,636 |
| Others | 17,226 | 13,244 | 30.1 | 28,691 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total | 154,745 | 117,058 | 32.2 | 279,936 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

2. Net Gain on Trading

(Millions of yen except percentages)

| | Six Months Ended | | Comparison (A-B)/(B)(%) | Year Ended March 31, 2004 |
|-----------------|---------------------------|---------------------------|----------------------------|------------------------------|
| | September 30, 2004 (A) | September 30, 2003 (B) | | |
| Stocks | 32,641 | 49,967 | (34.7)% | 80,757 |
| Bonds and forex | 65,643 | 121,165 | (45.8) | 182,517 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total | 98,284 | 171,133 | (42.6) | 263,274 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Table of Contents**NOMURA SECURITIES CO., LTD.****SUPPLEMENTARY INFORMATION****(UNAUDITED)**

3. Stock Trading (excluding futures transactions)

(Millions of shares or yen except per share data and percentages)

| | Six Months Ended | | | | Comparison | | Year Ended | |
|---|---------------------|------------|---------------------|------------|---------------------|--------|---------------------|------------|
| | September 30, | | September 30, | | (A-B)/(B)(%) | | March 31, 2004 | |
| | 2004 (A) | | 2003 (B) | | | | | |
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| Total | 30,902 | 30,048,771 | 31,109 | 24,471,100 | (0.7)% | 22.8% | 62,667 | 52,236,699 |
| (<i>Brokerage</i>) | 21,707 | 19,988,347 | 20,854 | 14,956,155 | 4.1 | 33.6 | 44,469 | 33,801,841 |
| (<i>Proprietary Trading</i>) | 9,196 | 10,060,424 | 10,255 | 9,514,945 | (10.3) | 5.7 | 18,198 | 18,434,857 |
| Brokerage / Total | 70.2% | 66.5% | 67.0% | 61.1% | | | 71.0% | 64.7% |
| TSE Share | 6.5% | 7.0% | 6.7% | 7.2% | | | 6.7% | 7.1% |
| Brokerage Commission per share (yen) | | 3.10 | | 2.37 | | | | 2.62 |

4. Underwriting, Subscription, and Distribution

(Millions of shares or yen except percentages)

| | Six Months Ended | | | |
|--|------------------|---------------|--------------|----------------|
| | September 30, | September 30, | Comparison | Year Ended |
| | 2004 (A) | 2003 (B) | (A-B)/(B)(%) | March 31, 2004 |
| Underwriting | | | | |
| Stocks (number of shares) | 119 | 152 | (22.0)% | 652 |
| (yen amount) | 466,381 | 231,565 | 101.4 | 775,448 |
| Bonds (face value) | 4,167,898 | 3,166,887 | 31.6 | 7,388,910 |
| Investment trust certificates (yen amount) | | | | |
| Commercial paper and others (face value) | 283,600 | 260,100 | 9.0 | 504,200 |

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| Subscription and Distribution* | | | | |
|--|-----------|-----------|-------|------------|
| Stocks (number of shares) | 468 | 180 | 159.0 | 1,014 |
| (yen amount) | 508,630 | 254,977 | 99.5 | 865,546 |
| Bonds (face value) | 1,309,318 | 832,504 | 57.3 | 2,185,971 |
| Investment trust certificates (yen amount) | 7,062,322 | 6,568,828 | 7.5 | 13,661,810 |
| Commercial paper and others (face value) | 281,400 | 260,100 | 8.2 | 504,200 |

* Includes secondary offerings and private placements.

5. Capital Adequacy Ratio

(Millions of yen except percentages)

| | September 30, 2004 | September 30, 2003 | March 31, 2004 |
|-----------------------------------|--------------------|--------------------|----------------|
| Tier I (A) | 713,917 | 708,329 | 658,834 |
| Tier II | | | |
| Statutory reserves | 1,500 | 625 | 1,258 |
| Allowance for doubtful accounts | 35 | 124 | 354 |
| Subordinated debt | 319,800 | 190,000 | 219,400 |
| Total (B) | 321,335 | 190,749 | 221,013 |
| Illiquid Asset (C) | 200,853 | 92,243 | 82,343 |
| Net Capital (A) + (B) - (C) = (D) | 834,399 | 806,835 | 797,504 |
| Risk | | | |
| Market risk | 134,140 | 126,009 | 136,981 |
| Counterparty risk | 127,407 | 120,251 | 114,652 |
| Basic risk | 93,137 | 89,892 | 94,702 |
| Total (E) | 354,685 | 336,153 | 346,336 |
| Capital Adequacy Ratio (D)/(E) | 235.2% | 240.0% | 230.2% |

Table of ContentsNomura Securities Co., Ltd. Quarterly Income Statement Information

(Millions of yen)

| | For the Quarter from April 1, 2003 to June 30, 2003 | For the Quarter from July 1, 2003 to September 30, 2003 | For the Quarter from October 1, 2003 to December 31, 2003 | For the Quarter from January 1, 2004 to March 31, 2004 | For the Quarter from April 1, 2004 to June 30, 2004 | For the Quarter from July 1, 2004 to September 30, 2004 |
|--|---|---|---|--|---|---|
| Operating revenue | 151,204 | 169,592 | 127,053 | 150,921 | 162,977 | 128,554 |
| Commissions | 42,204 | 74,854 | 77,550 | 85,326 | 82,401 | 72,344 |
| Net gain on trading | 91,926 | 79,207 | 37,774 | 54,367 | 62,286 | 35,999 |
| Net gain on other inventories | 3 | 2 | 2 | 2 | 1 | 1 |
| Interest and dividend income | 17,070 | 15,528 | 11,725 | 11,225 | 18,289 | 20,211 |
| Interest expenses | 14,467 | 8,952 | 16,748 | 10,839 | 21,057 | 10,791 |
| Net operating revenue | 136,736 | 160,640 | 110,305 | 140,082 | 141,920 | 117,763 |
| Selling, general and administrative expenses | 78,026 | 83,158 | 80,049 | 86,968 | 80,723 | 84,008 |
| Transaction-related expenses | 11,626 | 15,109 | 14,196 | 17,048 | 15,084 | 18,015 |
| Compensation and benefits | 35,497 | 35,704 | 33,933 | 33,981 | 35,249 | 32,974 |
| Rental and maintenance | 10,633 | 10,572 | 10,705 | 11,196 | 10,407 | 10,822 |
| Data processing and office supplies | 18,134 | 19,323 | 19,488 | 21,992 | 17,853 | 19,459 |
| Other | 2,134 | 2,448 | 1,724 | 2,748 | 2,130 | 2,738 |
| Operating income | 58,709 | 77,482 | 30,256 | 53,113 | 61,198 | 33,756 |
| Non-operating income | 482 | 438 | 262 | 287 | 1,647 | 389 |
| Non-operating expenses | 506 | 161 | 648 | 304 | 256 | 424 |
| Ordinary income | 58,685 | 77,758 | 29,870 | 53,096 | 62,588 | 33,721 |
| Special profits | 97 | 229 | (242) | (85) | 130 | 163 |
| Special losses | 153 | (153) | 64 | 342 | | 1,087 |
| Income before income taxes | 58,629 | 78,142 | 29,563 | 52,668 | 62,719 | 32,797 |

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| | | | | | | |
|-------------------------|--------|---------|---------|---------|--------|---------|
| Income taxes - current | 23,009 | 36,526 | 13,026 | 30,680 | 20,143 | 16,084 |
| Income taxes - deferred | 2,477 | (1,228) | (1,274) | (6,275) | 7,537 | (3,331) |
| Net income | 33,142 | 42,844 | 17,812 | 28,263 | 35,039 | 20,043 |

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Tokyo, October 28, 2004

Notice of Change in the Number of Shares Constituting One Unit

Nomura Holdings, Inc. (the Company) announced today that its Board of Directors approved to change the number of shares constituting one unit of the Company's stock.

1. Reason for change

The Company has decided to change the number of shares constituting one unit to make it convenient for more individual investors to trade the Company's shares, further increase liquidity and expand the number of shareholders.

2. Contents of change

The number of shares constituting one unit will be changed from 1,000 to 100 shares.

3. Effective date

Tuesday, January 4, 2005

Note:

On January 4, 2005, the number of shares constituting one unit on the Tokyo Stock Exchange, Osaka Stock Exchange and Nagoya Stock Exchange will be changed from 1,000 to 100 shares.

Ends

For further information please contact:

| <u>Name</u> | <u>Company</u> | <u>Telephone</u> |
|------------------|---|------------------|
| Masafumi Yoshino | Corporate Communications Dept., Nomura Group Headquarters | +81-3-3278-0591 |
| Tsukasa Noda | Corporate Communications Dept., Nomura Group Headquarters | +81-3-3278-0591 |

Notes to editors:

The Nomura Group

Nomura Group, with its core businesses of the securities and related businesses, is dedicated to providing a broad range of financial services for individual, institutional, corporate and government customers. We offer a diverse line of competitive products and value-added financial and advisory services through the 131 domestic branch offices of Nomura Securities Co., Ltd. and our overseas network that combines offices in 28 countries. Our business activities include investment consultation services for domestic retail investors, securities brokerage services, securities underwriting for domestic and foreign governments and corporations, mergers and acquisition and financial advisory services, merchant banking, and asset management for investment trusts and pension funds.

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Tokyo, October 28, 2004

Nomura Announces Interim Dividend for Fiscal Year Ending March 31, 2005

Nomura Holdings, Inc. (the Company) announced today that the interim dividend per share payable to the Company's recorded shareholders as of September 30, 2004, is as follows:

| | |
|------------------|--|
| | <u>Fiscal Year Ending March 31, 2005</u> |
| Interim Dividend | Japanese Yen (JPY) 10.00 per share (ordinary dividend) |
| Payment Date | December 1, 2004 |

Dividends for the fiscal year ended March 31, 2004, and target dividend amounts for the fiscal year ending March 31, 2005, are shown below for reference.

| Fiscal Year ended | <u>Interim Dividend</u> | <u>Year-end Dividend</u> | <u>Annual Dividend</u> |
|---------------------------|--------------------------------|---------------------------------|-------------------------------|
| March 31, 2004 | | | |
| Dividend | JPY7.50 | JPY7.50 | JPY15.00 |
| Fiscal Year ending | <u>Interim Target</u> | <u>Year-end Target</u> | <u>Annual Target</u> |
| March 31, 2005 | | | |
| Target Dividend | <u>Dividend Amount</u> | <u>Dividend Amount</u> | <u>Dividend Amount</u> |
| Amount | JPY10.00 | JPY10.00 | JPY20.00 |

Notes:-

- (1) All dividends are ordinary dividends.
- (2) The Company's Board of Directors will determine the payment and the amount of the year-end dividend for the Fiscal Year ending March 31, 2005, at a meeting of the Board of Directors expected to be held in May 2005.

For further information please contact:

| | | |
|-------------|----------------|------------------|
| Name | Company | Telephone |
|-------------|----------------|------------------|

| | |
|------------------|---|
| Masafumi Yoshino | Corporate Communications Dept., Nomura Group Headquarters |
| Tsukasa Noda | Corporate Communications Dept., Nomura Group Headquarters |

| |
|-----------------|
| +81-3-3278-0591 |
| +81-3-3278-0591 |

Notes to editors:

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