

NOMURA HOLDINGS INC  
Form 6-K  
April 28, 2008  
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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 April 2008.**

## **NOMURA HOLDINGS, INC.**

**(Translation of registrant's name into English)**

**9-1, Nihonbashi 1-chome**

**Chuo-ku, Tokyo 103-8645**

**Japan**

**(Address of principal executive offices)**

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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 Year ended March 2008

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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: April 28, 2008

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

**Table of Contents****Financial Summary For the Year Ended March 31, 2008 (US GAAP)**

Date: April 25, 2008

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

Representative: Kenichi Watanabe  
 President and Chief Executive Officer, Nomura Holdings, Inc.

For inquiries: Tomoyuki Funabiki  
 Managing Director, Investor Relations Department, Nomura Holdings, Inc.  
 Tel: (Country Code 81) 3-5255-1000  
 URL <http://www.nomura.com>

**1. Consolidated Operating Results**

## (1) Operating Results

|   | For the year ended March 31                      |           |
|---|--|-----------|
|   | 2008   | 2007      |
|   | (Yen amounts in millions, except per share data) |           |
|   | % Change from                                    |           |
|   | March 31, 2007                                   |           |
| Total revenue                                       | 1,593,722  | 2,049,101 |
| Net revenue   | 787,257  | 1,091,101 |
| Income (loss) before income taxes                   | (64,588)   | 321,758   |
| Net income (loss)                                   | (67,847)   | 175,828   |
| Basic net income (loss) per share                   | (35.55)  | 92.25     |
| Diluted net income (loss) per share                 | (35.57)  | 92.00     |
| Net income to shareholders' equity (ROE)            | (3.3)%   | 8.3%      |
| Income before income taxes to total assets (ROA)    | (0.2)%   | 0.9%      |
| Income before income taxes divided by total revenue | (4.1)%   | 15.7%     |
| Equity in earnings of affiliates                    | 10,416   | 53,367    |

## (2) Financial Position

|  | At March 31                                      |            |
|--|--|------------|
|  | 2008   | 2007       |
|  | (Yen amounts in millions, except per share data) |            |
| Total assets   | 26,298,798                                       | 35,873,374 |
| Shareholders' equity                                 | 1,988,124  | 2,185,919  |
| Shareholders' equity as a percentage of total assets | 7.6%   | 6.1%       |
| Shareholders' equity per share                       | 1,042.60   | 1,146.23   |

## (3) Cash flows

|                                       | For the year ended March 31 |             |
|---------------------------------------|-----------------------------|-------------|
|                                       | 2008                        | 2007        |
|                                       | (Yen amounts in millions)   |             |
| Net cash used in operating activities | (647,906)                   | (1,627,156) |
| Net cash used in investing activities | (102,019)                   | (533,813)   |

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|  |         |           |
|--|---------|-----------|
| Net cash provided by financing activities  | 942,879 | 1,568,703 |
| Cash and cash equivalents at end of period | 507,236 | 410,028   |

**2. Cash dividends**

|  | For the year ended March 31                  |        |             |
|--|--|--------|-------------|
|  | 2007   | 2008   | 2009 (Plan) |
|  | (Yen amounts, except Total annual dividends) |        |             |
| Target dividends per share <sup>See note 1</sup>                         |  |        |             |
| dividends record dates   |  |        |             |
| At June 30   | 8.00   | 8.50   | 8.50        |
| At September 30  | 8.00   | 8.50   | 8.50        |
| At December 31   | 8.00   | 8.50   | 8.50        |
| At March 31  | 8.00   | 8.50   | 8.50        |
| Additional payout based on the level of profit <sup>See note 2</sup>     |  |        |             |
| At March 31  | 12.00  |        | Unconfirmed |
| Total at March 31  | 20.00  | 8.50   | Unconfirmed |
| For the year   | 44.00  | 34.00  | 34.00       |
| Total annual dividends (Yen amounts in millions)                         | 83,939                                       | 64,921 |             |
| Consolidated payout ratio  | 47.7%  |        |             |
| Consolidated dividends as a percentage of shareholders' equity per share | 3.9%   | 3.1%   |             |

Note:

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

**3. Earnings forecasts for the year ending March 31, 2009**

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

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

(1) Significant changes to consolidated subsidiaries during the period : None

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

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

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

a) Changes in accounting principles : Yes

b) Other changes : None

Note: Please refer to page 23 Note 1. Summary of accounting policies for details.

(3) Number of shares issued (common stock)

|   | At March 31   |               |
|---|---------------|---------------|
|   | 2008          | 2007          |
| Number of shares outstanding (including treasury stock) | 1,965,919,860 | 1,965,919,860 |
| Treasury stock  | 57,886,944    | 57,730,371    |
| Note:   |               |               |

1. Treasury stock represents the number of share owned by Parent Company.

2. Please refer to page 24 Note 2. Per share data for the number of shares used in basic net income per share calculation.

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

(1) Operating Results

|                                    | For the year ended March 31                      |                |         |
|------------------------------------|--|----------------|---------|
|                                    | 2008   | 2007           |         |
|                                    | (Yen amounts in millions, except per share data) |                |         |
|                                    |  | % Change from  |         |
|                                    |  | March 31, 2007 |         |
| Operating revenue                  | 419,649  | 23.1%          | 340,886 |
| Operating income                   | 244,380  | 19.0%          | 205,358 |
| Ordinary income                    | 246,231  | 18.8%          | 207,221 |
| Net profit                         | 53,985   | (65.9)%        | 158,235 |
| Net profit per share               | 28.27  |                | 82.97   |
| Fully diluted net profit per share | 28.07  |                | 82.59   |

(2) Financial Position

|  | At March 31 |      |
|--|-------------|------|
|  | 2008        | 2007 |



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|  | (Yen amounts in millions, except per share data) |           |
|--|--|-----------|
| Total assets                                     | 4,449,810  | 4,438,039 |
| Total net assets                                 | 1,423,661  | 1,475,328 |
| Total net assets as a percentage of total assets | 31.7%  | 33.2%     |
| Total net assets per share                       | 740.17   | 772.51    |
| Shareholders equity                              | 1,412,260  | 1,474,104 |

**Table of Contents****Financial Summary for the Fiscal Year Ended March 31, 2008****Results of Operations****US GAAP Figures**

|  | Billions of yen<br>For the year ended             |   | % Change<br>(%) |
|--|---|---|-----------------|
|  | March 31, 2008<br>(2007.4.1~<br>2008.3.31)<br>(A) | March 31, 2007<br>(2006.4.1~<br>2007.3.31)<br>(B) |                 |
| Net revenue                              | 787.3   | 1,091.1   | (27.8)          |
| Non-interest expenses                    | 851.8   | 769.3   | 10.7            |
| <b>Income (loss) before income taxes</b> | <b>(64.6)</b>                                     | <b>321.8</b>                                      |                 |
| Income tax expense                       | 3.3   | 145.9   | (97.8)          |
| <b>Net income (loss)</b>                 | <b>(67.8)</b>                                     | <b>175.8</b>                                      |                 |
| <b>Return on equity (ROE)</b>            | <b>(3.3)%</b>                                     | <b>8.3%</b>                                       |                 |

Nomura Holdings, Inc. and its consolidated entities ( Nomura ) reported net revenue of 787.3 billion yen for the fiscal year ended March 31, 2008, a decrease of 27.8% from the previous year, and non-interest expenses of 851.8 billion yen, a 10.7% year-on-year increase. Loss before income taxes was 64.6 billion yen, while net loss was 67.8 billion yen. As a result, ROE for the full year was minus 3.3%.

**Total of business segments**

|  | Billions of yen<br>For the year ended             |   | % Change<br>(%) |
|--|---|---|-----------------|
|  | March 31, 2008<br>(2007.4.1~<br>2008.3.31)<br>(A) | March 31, 2007<br>(2006.4.1~<br>2007.3.31)<br>(B) |                 |
| Net revenue                              | 837.4   | 1,057.7   | (20.8)          |
| Non-interest expenses                    | 851.8   | 680.5   | 25.2            |
| <b>Income (loss) before income taxes</b> | <b>(14.4)</b>                                     | <b>377.3</b>                                      |                 |

In business segment totals, which exclude unrealized gains (losses) on investments in equity securities held for operating purposes, net revenue for the year ended March 31, 2008, decreased 20.8% from the prior year to 837.4 billion yen. Non-interest expenses increased 25.2% year-on-year to 851.8 billion yen, and loss before income taxes was 14.4 billion yen. Nomura engages in private equity investing through its Global Merchant Banking division. Nomura's US GAAP consolidated financial information for the fiscal year ended March 31, 2007, includes the effect of consolidation/deconsolidation of certain private equity investee companies<sup>1</sup>. Please refer to page 25 for an explanation of the differences between US GAAP and business segment values.

<sup>1</sup> The above amounts reflect retrospective application of Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment

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Companies for the year ended March 31, 2008.

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

|  | Billions of yen<br>For the year ended             |   | % Change<br>(%)<br>(A-B)/(B) |
|--|---|---|------------------------------|
|  | March 31, 2008<br>(2007.4.1-<br>2008.3.31)<br>(A) | March 31, 2007<br>(2006.4.1-<br>2007.3.31)<br>(B) |                              |
| Domestic Retail                          | 122.3   | 160.9   | (24.0)                       |
| Global Markets                           | (226.2)   | 58.8  |                              |
| Global Investment Banking                | 22.8  | 44.4  | (48.7)                       |
| Global Merchant Banking                  | 53.3  | 52.8  | 1.0                          |
| Asset Management                         | 31.0  | 36.5  | (15.0)                       |
| Sub Total                                | 3.2   | 353.3   | (99.1)                       |
| Other                                    | (17.6)  | 23.9  |                              |
| <b>Income (loss) before income taxes</b> | <b>(14.4)</b>                                     | <b>377.3</b>                                      |                              |

In Domestic Retail, income before income taxes decreased 24.0% from the previous year to 122.3 billion yen. The overall market slump triggered by turmoil in the global financial markets led to a drop off in stock subscriptions and purchases as well as weaker sales of investment trusts during the second half of the year, resulting in a decline in brokerage commissions and commissions for distribution of investment trusts. Distribution of newly-launched investment trusts remained robust, especially for bond investment trusts. Sales of structured bonds declined as a result of the rapid rise of the yen, leading to lower sales credit. However, sales of foreign currency bonds were strong in the second half of the year. Although Domestic Client Assets<sup>1</sup> declined by 13 trillion yen from the prior year to 72.2 trillion yen due to the impact of the downturn in the stock market, our client base steadily expanded with net asset inflow of 4.9 trillion yen and an increase of 213 thousand accounts with balance to a total of 4.165 million accounts.

In Global Markets, loss before income taxes was 226.2 billion yen. The environment in Fixed Income remained harsh as a global credit crunch sparked by subprime problems hit and the yen appreciated sharply. Amid this environment, Fixed Income revenue declined as a result of significantly increased provisions made for transactions with monoline insurers, a realized loss booked on our exit from the US RMBS-related business, and a realized and unrealized loss in the US CMBS-related business. In Equity, although trading revenue from MPOs and credit derivatives declined, revenue increased as Instinet, which was acquired in February 2007, contributed to revenue, order flow for non-Japanese equities expanded, and trading of listed equities contributed to revenue. Meanwhile, expenses increased due to the acquisition of Instinet.

Global Investment Banking income before income taxes was 22.8 billion yen, a 48.7% decline from the prior year. While the M&A-related business remained strong and we maintained our high market share, revenue decreased due to a marked decline in overall transaction value in the equity finance market. In equity financing, we acted as lead manager on major deals for Sony Financial Holdings and Yamada Denki, and ranked number one in the Global Equity and Equity-related (Japan) league table<sup>2</sup> for the seventh straight year in fiscal 2007.

In M&A, we acted as financial advisor on All Nippon Airways' sale of its hotel business and the tender offer by Japan Tobacco for Katokichi. We topped the fiscal 2007 Any Japanese Involvement Financial Advisor M&A league table<sup>3</sup>. Internationally, we were global coordinator on Russia's largest-ever IPO for PIK Group, a major Russian residential property developer.

<sup>2</sup> Domestic Client Assets refers to the sum of assets under custody in the Domestic Retail segment (including regional financial institutions) and the Financial Management Division.

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



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Global Merchant Banking income before income taxes increased 1.0% year-on-year to 53.3 billion yen. We booked realized and unrealized gains on the sale of Deutsche Annington and valuation at fair value of Annington in the UK, both investee companies of Terra Firma, as well as on the sale of our stake in Nomura Principal Finance investee companies Sliontec and Wanbishi Archives.

Asset Management income before income taxes declined 15.0% from the prior year to 31 billion yen. Firm sales of newly-launched funds, such as the Nomura New Global High Interest Rate Currencies Fund, and existing balanced funds, such as the My Story Profit Distribution-type Course B Fund, as well as new mandates in the domestic and overseas investment advisory business, helped boost assets under management. However, deteriorating market conditions due to the slump in stock prices and appreciation of the yen led to a 1.2 trillion yen decline in the outstanding balance of assets under management from the prior year to 25.8 trillion yen.

Although asset management fees increased, unrealized losses were booked on pilot funds and seed money for new product development and revenue was flat compared to the prior year, which included realized gains booked on sales of affiliated companies. Compensation and benefits were up due to increased headcount and information technology expenses increased due to new investment.

Loss before income taxes in Other was 17.6 billion yen. Total loss before income taxes for all business segments was 14.4 billion yen.

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**Financial Position**

Total assets as of March 31, 2008, were 26.3 trillion yen, a decrease of 9.6 trillion yen compared to March 31, 2007, reflecting primarily a decrease in Collateralized agreements and Trading assets. Total liabilities as of March 31, 2008, were 24.3 trillion yen, a decrease of 9.4 trillion yen compared to March 31, 2007, mainly due to a decrease in Collateralized financing. Total shareholders' equity at March 31, 2008, was 2.0 trillion yen, a decrease of 198 billion yen compared to March 31, 2007, mainly due to a decrease in Retained earnings.

Cash and cash equivalents as of March 31, 2008, increased by 97 billion yen compared to March 31, 2007. During the fiscal year ended on March 31, 2008, Net cash used in operating activities amounted to 648 billion yen mainly due to an increase in Securities purchased under agreements to resell net of securities sold under agreements to repurchase, an increase in Securities borrowed net of securities loaned, and an increase in Loans and receivables net of allowance. Net cash used in investing activities during the period was 102 billion yen, mainly due to Payments for purchase of office buildings, land, equipment and facilities. Net cash provided by financing activities during the period was 943 billion yen mainly due to an increase in long term and short term borrowings.

**Table of Contents****Financial Summary for the Three Months Ended March 31, 2008****Results of Operations****US GAAP Figures**

|   | Billions of yen<br>For the three months ended     |  | % Change<br>(%) | Billions of yen<br>For the three months ended     |        | % Change<br>(%) |
|---|---|--|-----------------|---|--------|-----------------|
|   | March 31, 2008<br>(2008.1.1~<br>2008.3.31)<br>(A) | December 31, 2007<br>(2007.10.1~<br>2007.12.31)<br>(B) |                 | March 31, 2007<br>(2007.1.1~<br>2007.3.31)<br>(C) |        |                 |
| Net revenue                               | 21.5  | 244.3  | (91.2)          | 311.3   | (93.1) |                 |
| Non-interest expenses                     | 219.8   | 199.9  | 10.0            | 228.1   | (3.6)  |                 |
| <b>Income (loss) before income taxes</b>  | <b>(198.3)</b>                                    | <b>44.4</b>  |                 | <b>83.2</b>                                       |        |                 |
| Income tax expense                        | (44.5)  | 22.6   |                 | 50.1  |        |                 |
| <b>Net income (loss)</b>                  | <b>(153.9)</b>                                    | <b>21.8</b>  |                 | <b>33.1</b>                                       |        |                 |
| <b>Return on equity (ROE, annualized)</b> | <b>(29.2)%</b>                                    | <b>3.9%</b>  |                 | <b>6.0%</b>                                       |        |                 |

Nomura reported net revenue of 21.5 billion yen for the three months ended March 31, 2008, a 91.2% decrease from the previous quarter and a 93.1% decline compared to the prior-year fourth quarter. Non-interest expenses increased 10.0% from the previous quarter and decreased 3.6% compared to the same period last year, to 219.8 billion yen. Loss before income taxes was 198.3 billion yen, while net loss was 153.9 billion yen. As a result, ROE for the fourth quarter was minus 29.2%.

**Total of business segments**

|  | Billions of yen<br>For the three months ended     |  | % Change<br>(%) | Billions of yen<br>For the three months ended     |        | % Change<br>(%) |
|--|---|--|-----------------|---|--------|-----------------|
|  | March 31, 2008<br>(2008.1.1~<br>2008.3.31)<br>(A) | December 31, 2007<br>(2007.10.1~<br>2007.12.31)<br>(B) |                 | March 31, 2007<br>(2007.1.1~<br>2007.3.31)<br>(C) |        |                 |
| Net revenue                              | 38.5  | 251.4  | (84.7)          | 283.6   | (86.4) |                 |
| Non-interest expenses                    | 219.8   | 199.9  | 10.0            | 202.3   | 8.6    |                 |
| <b>Income (loss) before income taxes</b> | <b>(181.4)</b>                                    | <b>51.5</b>  |                 | <b>81.2</b>                                       |        |                 |

In business segment totals, which exclude unrealized gains (losses) on investments in equity securities held for operating purposes, net revenue for the three months ended March 31, 2008, decreased 84.7% from the third quarter and 86.4% from the same period last year to 38.5 billion yen. Non-interest expenses increased 10.0% from the prior quarter and 8.6% year-on-year to 219.8 billion yen, and loss before income taxes was 181.4 billion yen. Nomura engages in private equity investing through its Global Merchant Banking division. Nomura's US GAAP consolidated financial information for the fiscal year ended March 31, 2007, includes the effect of consolidation/deconsolidation of certain private equity investee companies<sup>4</sup>. Please refer to page 36 for an explanation of the differences between US GAAP and business segment values.



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The above amounts reflect retrospective application of Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies for the year ended March 31, 2008.

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

|  | Billions of yen<br>For the three months ended     |  | % Change<br>(%) | Billions of yen<br>For the three months ended     |           | % Change<br>(%) |
|--|---|--|-----------------|---|-----------|-----------------|
|  | March 31, 2008<br>(2008.1.1~<br>2008.3.31)<br>(A) | December 31, 2007<br>(2007.10.1~<br>2007.12.31)<br>(B) |                 | March 31, 2007<br>(2007.1.1~<br>2007.3.31)<br>(C) | (A-C)/(C) |                 |
| Domestic Retail                          | 11.1  | 28.5   | (61.2)          | 43.3  | (74.5)    |                 |
| Global Markets                           | (208.9)   | 24.4   |                 | 23.9  |           |                 |
| Global Investment Banking                | 0.2   | 5.7  | (95.9)          | 11.6  | (98.0)    |                 |
| Global Merchant Banking                  | 20.1  | (12.3)   |                 | (5.2)   |           |                 |
| Asset Management                         | 2.5   | 8.6  | (71.2)          | 8.0   | (68.9)    |                 |
| Sub Total                                | (175.1)   | 54.9   |                 | 81.7  |           |                 |
| Other                                    | (6.3)   | (3.4)  |                 | (0.5)   |           |                 |
| <b>Income (loss) before income taxes</b> | <b>(181.4)</b>                                    | <b>51.5</b>  |                 | <b>81.2</b>                                       |           |                 |

Fourth quarter income (loss) before income taxes was 11.1 billion yen in Domestic Retail, down 61.2% from the third quarter and 74.5% lower than the same period last year; minus 208.9 billion yen in Global Markets; 235 million yen in Global Investment Banking, down 95.9% from the third quarter and 98.0% from the same period last year; 20.1 billion yen in Global Merchant Banking; and 2.5 billion yen in Asset Management, down 71.2% from the third quarter and 68.9% from the same period last year.

Loss before income taxes in Other was 6.3 billion yen. Total loss before income taxes for all business segments was 181.4 billion yen.

**Table of Contents****Business Segment Results for the Three Months Ended March 31, 2008****Operating Results of Domestic Retail**

|  | Billions of yen<br>For the three months ended     |  | % Change<br>(%) |
|--|---|--|-----------------|
|  | March 31, 2008<br>(2008.1.1~<br>2008.3.31)<br>(A) | December 31, 2007<br>(2007.10.1~<br>2007.12.31)<br>(B) |                 |
| Net revenue                              | 78.5  | 98.4   | (20.2)          |
| Non-interest expenses                    | 67.5  | 69.9   | (3.5)           |
| <b>Income (loss) before income taxes</b> | <b>11.1</b>                                       | <b>28.5</b>  | <b>(61.2)</b>   |

Net revenue decreased 20.2% from the previous quarter to 78.5 billion yen. Non-interest expenses decreased 3.5% to 67.5 billion yen. Income before income taxes was 11.1 billion yen, down 61.2% compared to the prior quarter.

Domestic Client Assets<sup>5</sup> declined by 9.1 trillion yen from the end of December to 72.2 trillion yen due to the downturn in the stock market. However, net asset inflow remained steady at 700 billion yen, while the number of accounts with balance increased to 4.165 million.

Turmoil in the global financial markets led to slower sales of investment trusts and structured bonds, causing commissions for distribution of investment trusts, investment trust administration fees and other, and sales credit to decline. Moreover, stock brokerage commissions fell due to an overall market decline in equity transaction value from individual investors.

**Operating Results of Global Markets**

|  | Billions of yen<br>For the three months ended     |  | % Change<br>(%) |
|--|---|--|-----------------|
|  | March 31, 2008<br>(2008.1.1~<br>2008.3.31)<br>(A) | December 31, 2007<br>(2007.10.1~<br>2007.12.31)<br>(B) |                 |
| Net revenue                              | (133.3)   | 103.2  |                 |
| Non-interest expenses                    | 75.6  | 78.8   | (4.0)           |
| <b>Income (loss) before income taxes</b> | <b>(208.9)</b>                                    | <b>24.4</b>  |                 |

Net revenue was minus 133.3 billion yen. Non-interest expenses decreased 4.0% to 75.6 billion yen. Loss before income taxes was 208.9 billion yen.

Fixed Income booked a significant loss in the fourth quarter due to increased credit provisions for transactions with monoline insurers and unrealized losses in the US CMBS-related business as a result of the dislocation in the credit markets.

In Equity, despite strong revenue at Instinet, net revenue declined due primarily to weak trading on the back of the slump in the stock market.

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

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

|  | Billions of yen            |                            | % Change<br>(%) |
|--|----------------------------|----------------------------|-----------------|
|  | For the three months ended |                            |                 |
|  | March 31, 2008             | December 31, 2007          |                 |
|  | (2008.1.1~<br>2008.3.31)   | (2007.10.1~<br>2007.12.31) |                 |
|  | (A)                        | (B)                        | (A-B)/(B)       |
| Net revenue                              | 14.8                       | 20.8                       | (28.7)          |
| Non-interest expenses                    | 14.6                       | 15.0                       | (3.1)           |
| <b>Income (loss) before income taxes</b> | <b>0.2</b>                 | <b>5.7</b>                 | <b>(95.9)</b>   |

Net revenue decreased 28.7% from the previous quarter to 14.8 billion yen. Non-interest expenses declined 3.1% to 14.6 billion yen, while income before income taxes declined 95.9% to 235 million yen.

The slump in the domestic stock market continued during the fourth quarter and the overall market for equity finance declined further. In spite of this, we acted as lead manager on a number of major deals including a recapitalization convertible bond issued for recapitalization by Yamada Denki and the IPO of Seven Bank. As such, we retained our high market share and topped the Global Equity and Equity-related (Japan) league table<sup>6</sup> for fiscal 2007 fourth quarter.

In M&A, we were financial advisor on the tender offer by Fujifilm Holdings for Toyama Chemical and topped the fiscal 2007 fourth quarter Any Japanese Involvement Financial Advisor M&A league table<sup>6</sup>.

**Operating Results of Global Merchant Banking**

|  | Billions of yen            |                            | % Change<br>(%) |
|--|----------------------------|----------------------------|-----------------|
|  | For the three months ended |                            |                 |
|  | March 31, 2008             | December 31, 2007          |                 |
|  | (2008.1.1~<br>2008.3.31)   | (2007.10.1~<br>2007.12.31) |                 |
|  | (A)                        | (B)                        | (A-B)/(B)       |
| Net revenue                              | 23.1                       | (10.2)                     |                 |
| Non-interest expenses                    | 3.0                        | 2.1                        | 40.7            |
| <b>Income (loss) before income taxes</b> | <b>20.1</b>                | <b>(12.3)</b>              |                 |

Net revenue was 23.1 billion yen, primarily due to an unrealized gain on the valuation at fair value of Terra Firma investee company Annington. Non-interest expenses increased by 40.7% from the previous quarter to 3 billion yen. Income before income taxes was 20.1 billion yen.

<sup>6</sup> Source: Thomson Financial

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

|  | Billions of yen            |                            | % Change<br>(%) |
|--|----------------------------|----------------------------|-----------------|
|  | For the three months ended |                            |                 |
|  | March 31, 2008             | December 31, 2007          |                 |
|  | (2008.1.1~<br>2008.3.31)   | (2007.10.1~<br>2007.12.31) |                 |
|  | (A)                        | (B)                        | (A-B)/(B)       |
| Net revenue                              | 17.3                       | 23.2                       | (25.3)          |
| Non-interest expenses                    | 14.8                       | 14.6                       | 1.7             |
| <b>Income (loss) before income taxes</b> | <b>2.5</b>                 | <b>8.6</b>                 | <b>(71.2)</b>   |

Net revenue decreased 25.3% from the previous quarter to 17.3 billion yen, non-interest expenses increased 1.7% to 14.8 billion yen, and income before income taxes decreased 71.2% to 2.5 billion yen.

The concerns over global credit markets, the downturn in the stock market, and the sharp appreciation of the yen compounded to push sales of investment trusts down to a low level. As a result, the outstanding balance of assets under management declined by 3.9 trillion yen from the end of December to 25.8 trillion yen. In addition, unrealized losses were booked on pilot funds and seed money used in the development of new products.

**Other Operating Results**

|  | Billions of yen            |                            | % Change<br>(%) |
|--|----------------------------|----------------------------|-----------------|
|  | For the three months ended |                            |                 |
|  | March 31, 2008             | December 31, 2007          |                 |
|  | (2008.1.1~<br>2008.3.31)   | (2007.10.1~<br>2007.12.31) |                 |
|  | (A)                        | (B)                        | (A-B)/(B)       |
| Net revenue                              | 38.0                       | 15.9                       | 138.4           |
| Non-interest expenses                    | 44.3                       | 19.4                       | 128.9           |
| <b>Income (loss) before income taxes</b> | <b>(6.3)</b>               | <b>(3.4)</b>               |                 |

Net revenue in Other increased 138.4% from the prior quarter to 38.0 billion yen. Loss before income taxes was 6.3 billion yen.

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

|   | Billions of yen<br>For the three months ended     |  | % Change<br>(%)<br>(A-B)/(B) |
|---|---|--|------------------------------|
|   | March 31, 2008<br>(2008.1.1~<br>2008.3.31)<br>(A) | December 31, 2007<br>(2007.10.1~<br>2007.12.31)<br>(B) |                              |
| Compensation and benefits                 | 78.4  | 93.4   | (16.0)                       |
| Commissions and floor brokerage           | 24.5  | 20.4   | 20.3                         |
| Information processing and communications | 37.2  | 33.9   | 9.9                          |
| Occupancy and related depreciation        | 19.5  | 14.3   | 37.0                         |
| Business development expenses             | 10.0  | 9.5  | 5.8                          |
| Other                                     | 50.1  | 28.5   | 75.7                         |
| <b>Non-Interest Expenses</b>              | <b>219.8</b>                                      | <b>199.9</b>   | <b>10.0</b>                  |

Business segment non-interest expenses increased 10.0% from the previous quarter to 219.8 billion yen.

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

#### *Capital Management Policy*

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

#### *Dividend*

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

#### *Stock Repurchase*

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

The annual dividend for the current fiscal year is 34 yen per share, in line with Nomura's capital management policy.

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



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**Organizational Structure**

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

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

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Nomura Holdings, Inc.

**Domestic Subsidiaries**

Nomura Securities Co., Ltd.

Nomura Asset Management Co., Ltd.

The Nomura Trust & Banking Co., Ltd.

Nomura Babcock & Brown Co., Ltd.

Nomura Capital Investment Co., Ltd.

Nomura Investor Relations Co., Ltd.

Nomura Principal Finance Co., Ltd.

Nomura Funds Research and Technologies Co., Ltd.

Nomura Pension Support & Service Co., Ltd.

Nomura Research & Advisory Co., Ltd.

Nomura Business Services Co., Ltd.

Nomura Facilities, Inc.

Nomura Institute of Capital Markets Research

Joinvest Securities Co., Ltd.

Nomura Healthcare Co., Ltd.

Private Equity Funds Research and Investments Co., Ltd.

**Overseas Subsidiaries**

Nomura Holding America Inc.

Nomura Securities International, Inc.

Nomura Corporate Research and Asset Management Inc.

Nomura Derivative Products, Inc.

Nomura Global Financial Products, Inc.

Nomura America Mortgage Finance, LLC

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

Nomura Funding Facility Corporation Limited

Nomura Global Funding plc

Nomura Europe Finance N.V.

Nomura Principal Investment plc

Nomura Capital Markets plc

NHI Acquisition Holding Inc.

Instinet Incorporated

Nomura Asia Holding N.V.

Nomura International (Hong Kong) Limited

Nomura Singapore Limited

Nomura 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**

#### **Fundamental Management Policy**

Nomura Group is committed to a management vision of firmly establishing itself as a globally competitive financial services group. We have also set a management target of maintaining an average consolidated return on equity (ROE) of 10% to 15% on a consolidated basis over the medium to long term.

In pursuing this vision, we put our clients first and contribute to the creation of an affluent society based on investment by listening closely to the needs of our clients and delivering superior investment services and high value added solutions via the financial and capital markets. We aim to go beyond the boundaries of the traditional securities business to take the lead in expanding into new business areas, and thereby construct new growth models, diversify our sources of earnings, and achieve a profit structure resilient to changes in the market environment. In addition, we will promote compliance with applicable laws, regulations and ensure proper corporate behavior.

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

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

#### **Management Challenges and Strategies**

The outlook of the global economy is becoming increasingly clouded due to an adjustment in the U.S. housing market. That said, the Asian economy remains robust on the whole. Credit tightening triggered by subprime issues has compounded with this economic environment, causing continued instability in the global financial and capital markets, and the business environment is expected to remain unfavorable.

In this environment, we aim to realize our management vision and continue growing by thoroughly understanding client trends and needs, anticipating risks, and developing new business. To do so, we will implement the following initiatives to address the current challenges we face.

In Domestic Retail, we will enhance collaboration between branch offices, online services and call centers to create a seamless service network and provide customers with the most suitable products and services. We aim to continue being a trusted partner for our clients by promptly providing products and services that meet their individual needs.

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Global Market will be the product supply hub for Nomura Group and provide high value-added products and solutions by enhancing product development expertise in areas such as derivatives and by making full use of Instinet's global trading infrastructure. In the fixed income business, we will rebuild our global structure in order to strengthen our business with global clients. In the equity business, we aim to establish ourselves as a bulge bracket firm in the pan-Asian equity brokerage business, while maintaining our dominance in the Japanese market.

In Global Investment Banking, we will expand our M&A advisory and corporate financing businesses by providing high value-added solutions in line with each client's individual needs. We aim to expand our presence globally as the competitive investment bank in Asia, while expanding our business based on the Japanese market. In other words, our aim is to establish ourselves as the representative investment bank of Asia and to be recognized as the investment bank that provides the best services in Asia.

In Global Merchant Banking, we aim at further growth as one of the largest private equity firms in Japan by improving the enterprise value of companies we invest in. In Asia and Europe, we intend to maximize the value of our investments by pursuing operations suitable to the distinct characteristics of each region and utilizing the resources of the Group.

In Asset Management, we aim to further enhance our investment capabilities globally and increase competitiveness especially in Japan and Asia. In Japan, we intend to be recognized increasingly by individual investors and institutional investors and to raise our brand value through the diversification of the investment opportunities we can offer and the expansion of our sales channels. Internationally, we will increase assets under management by meeting the needs for investment in Japan and Asia.

In addressing the challenges and implementing the strategies outlined above, we will bring together the collective strengths of our domestic and international operations to expand and develop financial and capital markets, while also increasing profitability across Nomura Group to realize our management vision and maximize shareholder value.

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

|   | Millions of yen<br>For the year ended |                       | % Change<br>(A-B)/(B) |
|---|---------------------------------------|-----------------------|-----------------------|
|   | March 31, 2008<br>(A)                 | March 31, 2007<br>(B) |                       |
| <b>Revenue:</b>                                 |                                       |                       |                       |
| Commissions                                     | 404,659                               | 337,458               | 19.9                  |
| Fees from investment banking                    | 85,096                                | 99,276                | (14.3)                |
| Asset management and portfolio service fees     | 189,712                               | 145,977               | 30.0                  |
| Net gain on trading                             | 61,720                                | 290,008               | (78.7)                |
| Gain on private equity investments              | 76,505                                | 47,590                | 60.8                  |
| Interest and dividends                          | 796,540                               | 981,344               | (18.8)                |
| (Loss) gain on investments in equity securities | (48,695)                              | (20,103)              |                       |
| Private equity entities product sales           |                                       | 100,126               |                       |
| Other   | 28,185                                | 67,425                | (58.2)                |
| <b>Total revenue</b>                            | <b>1,593,722</b>                      | <b>2,049,101</b>      | <b>(22.2)</b>         |
| Interest expense                                | 806,465                               | 958,000               | (15.8)                |
| <b>Net revenue</b>                              | <b>787,257</b>                        | <b>1,091,101</b>      | <b>(27.8)</b>         |
| <b>Non-interest expenses :</b>                  |                                       |                       |                       |
| Compensation and benefits                       | 366,805                               | 345,936               | 6.0                   |
| Commissions and floor brokerage                 | 90,192                                | 50,812                | 77.5                  |
| Information processing and communications       | 135,004                               | 109,987               | 22.7                  |
| Occupancy and related depreciation              | 64,841                                | 61,279                | 5.8                   |
| Business development expenses                   | 38,135                                | 38,106                | 0.1                   |
| Private equity entities cost of goods sold      |                                       | 57,184                |                       |
| Other   | 156,868                               | 106,039               | 47.9                  |
|   | 851,845                               | 769,343               | 10.7                  |
| Income (loss) before income taxes               | (64,588)                              | 321,758               |                       |
| Income tax expense                              | 3,259                                 | 145,930               | (97.8)                |
| <b>Net income (loss)</b>                        | <b>(67,847)</b>                       | <b>175,828</b>        |                       |
| <b>Per share of common stock:</b>               |                                       |                       |                       |
|   | <b>Yen</b>                            |                       | <b>% Change</b>       |
| <b>Basic-</b>                                   |                                       |                       |                       |
| Net income (loss)                               | (35.55)                               | 92.25                 |                       |
| <b>Diluted-</b>                                 |                                       |                       |                       |
| Net income (loss)                               | (35.57)                               | 92.00                 |                       |

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

|  | March 31,<br>2008 | Millions of yen<br>March 31,<br>2007 | Increase/(Decrease) |
|--|-------------------|--------------------------------------|---------------------|
| <b>ASSETS</b>  |                   |                                      |                     |
| Cash and cash deposits:  |                   |                                      |                     |
| Cash and cash equivalents  | 507,236           | 410,028                              | 97,208              |
| Time deposits  | 758,130           | 546,682                              | 211,448             |
| Deposits with stock exchanges and other segregated cash  | 168,701           | 97,302                               | 71,399              |
|  | 1,434,067         | 1,054,012                            | 380,055             |
| Loans and receivables:   |                   |                                      |                     |
| Loans receivable   | 784,262           | 935,711                              | (151,449)           |
| Receivables from customers   | 43,623            | 47,518                               | (3,895)             |
| Receivables from other than customers  | 1,045,541         | 637,209                              | 408,332             |
| Allowance for doubtful accounts  | (1,399)           | (2,027)                              | 628                 |
|  | 1,872,027         | 1,618,411                            | 253,616             |
| Collateralized agreements:   |                   |                                      |                     |
| Securities purchased under agreements to resell  | 3,233,200         | 8,061,805                            | (4,828,605)         |
| Securities borrowed  | 7,158,167         | 9,776,422                            | (2,618,255)         |
|  | 10,391,367        | 17,838,227                           | (7,446,860)         |
| Trading assets and private equity investments*:  |                   |                                      |                     |
| Trading assets   | 10,325,760        | 12,830,826                           | (2,505,066)         |
| Private equity investments   | 330,745           | 347,394                              | (16,649)            |
|  | 10,656,505        | 13,178,220                           | (2,521,715)         |
| Other assets:  |                   |                                      |                     |
| Office buildings, land, equipment and facilities (net of accumulated depreciation and amortization of ¥260,910 million at March 31, 2008 and ¥249,592 million at March 31, 2007, respectively) | 389,151           | 422,290                              | (33,139)            |
| Non-trading debt securities*   | 246,108           | 255,934                              | (9,826)             |
| Investments in equity securities*  | 139,330           | 195,238                              | (55,908)            |
| Investments in and advances to affiliated companies*   | 361,334           | 441,536                              | (80,202)            |
| Other  | 808,909           | 869,506                              | (60,597)            |
|  | 1,944,832         | 2,184,504                            | (239,672)           |
| Total assets   | 26,298,798        | 35,873,374                           | (9,574,576)         |

\* Including securities pledged as collateral





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

|   | <b>March 31,<br/>2008</b> | <b>Millions of yen<br/>March 31,<br/>2007</b> | <b>Increase/(Decrease)</b> |
|---|---------------------------|---|----------------------------|
| <b>LIABILITIES AND SHAREHOLDERS EQUITY</b>  |                           |   |                            |
| Short-term borrowings   | 1,426,266                 | 1,093,529                                     | 332,737                    |
| Payables and deposits:  |                           |   |                            |
| Payables to customers   | 396,629                   | 304,462                                       | 92,167                     |
| Payables to other than customers  | 569,294                   | 623,143                                       | (53,849)                   |
| Deposits received at banks  | 362,775                   | 418,250                                       | (55,475)                   |
|   | 1,328,698                 | 1,345,855                                     | (17,157)                   |
| Collateralized financing:   |                           |   |                            |
| Securities sold under agreements to repurchase  | 4,298,872                 | 11,874,697                                    | (7,575,825)                |
| Securities loaned   | 3,753,730                 | 7,334,086                                     | (3,580,356)                |
| Other secured borrowings  | 2,488,129                 | 1,390,473                                     | 1,097,656                  |
|   | 10,540,731                | 20,599,256                                    | (10,058,525)               |
| Trading liabilities   | 5,154,369                 | 4,800,403                                     | 353,966                    |
| Other liabilities   | 636,184                   | 845,522                                       | (209,338)                  |
| Long-term borrowings  | 5,224,426                 | 5,002,890                                     | 221,536                    |
| Total liabilities   | 24,310,674                | 33,687,455                                    | (9,376,781)                |
| Shareholders' equity:   |                           |   |                            |
| Common stock  |                           |   |                            |
| Authorized - 6,000,000,000 shares   |                           |   |                            |
| Issued - 1,965,919,860 shares at March 31, 2008 and March 31, 2007, respectively  |                           |   |                            |
| Outstanding - 1,906,885,059 shares at March 31, 2008 and 1,907,049,871 shares at March 31, 2007   | 182,800                   | 182,800                                       |                            |
| Additional paid-in capital  | 177,227                   | 165,496                                       | 11,731                     |
| Retained earnings   | 1,779,783                 | 1,910,978                                     | (131,195)                  |
| Accumulated other comprehensive income  | (71,111)                  | 6,613   | (77,724)                   |
|   | 2,068,699                 | 2,265,887                                     | (197,188)                  |
| Common stock held in treasury, at cost -<br>59,034,801 shares and 58,869,989 shares at March 31, 2008 and March 31, 2007,<br>respectively | (80,575)                  | (79,968)                                      | (607)                      |
| Total shareholders' equity  | 1,988,124                 | 2,185,919                                     | (197,795)                  |
| Total liabilities and shareholders' equity  | 26,298,798                | 35,873,374                                    | (9,574,576)                |



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

|  | <b>Millions of yen</b>    |                  |
|--|---------------------------|------------------|
|  | <b>For the year ended</b> |                  |
|  | <b>March 31,</b>          | <b>March 31,</b> |
|  | <b>2008</b>               | <b>2007</b>      |
| <b>Common stock</b>                                    |                           |                  |
| Balance at beginning of year                           | 182,800                   | 182,800          |
| Balance at end of year                                 | 182,800                   | 182,800          |
| <b>Additional paid-in capital</b>                      |                           |                  |
| Balance at beginning of year                           | 165,496                   | 159,527          |
| Loss on sales of treasury stock                        | (1,458)                   | (556)            |
| Issuance of common stock options                       | 13,189                    | 6,525            |
| Balance at end of year                                 | 177,227                   | 165,496          |
| <b>Retained earnings</b>                               |                           |                  |
| Balance at beginning of year                           | 1,910,978                 | 1,819,037        |
| Net income   | (67,847)                  | 175,828          |
| Cash dividends   | (64,883)                  | (83,887)         |
| Adjustments to initially apply FIN 48                  | 1,266                     |                  |
| Adjustments to initially apply EITF 06-2               | (1,119)                   |                  |
| Adjustments to initially apply SOP 07-1                | 2,049                     |                  |
| Loss on sales of treasury stock                        | (661)                     |                  |
| Balance at end of year                                 | 1,779,783                 | 1,910,978        |
| <b>Accumulated other comprehensive income</b>          |                           |                  |
| <b>Cumulative translation adjustments</b>              |                           |                  |
| Balance at beginning of year                           | 36,889                    | (1,129)          |
| Net change during the year                             | (65,305)                  | 38,018           |
| Balance at end of year                                 | (28,416)                  | 36,889           |
| <b>Defined benefit pension plans</b>                   |                           |                  |
| Balance at beginning of year                           | (30,276)                  | (14,096)         |
| Pension liability adjustment                           | (12,419)                  | (387)            |
| Adjustments to initially apply SFAS 158 <sup>(1)</sup> |                           | (15,793)         |
| Balance at end of year                                 | (42,695)                  | (30,276)         |
| Balance at end of year                                 | (71,111)                  | 6,613            |
| <b>Common stock held in treasury</b>                   |                           |                  |
| Balance at beginning of year                           | (79,968)                  | (82,812)         |
| Repurchases of common stock                            | (3,525)                   | (204)            |
| Sale of common stock                                   | 85                        | 25               |

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|                                    |           |           |
|------------------------------------|-----------|-----------|
| Common stock issued to employees   | 2,862     | 2,910     |
| Other net change in treasury stock | (29)      | 113       |
| Balance at end of year             | (80,575)  | (79,968)  |
| Total shareholders' equity         |           |           |
| Balance at end of year             | 1,988,124 | 2,185,919 |

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

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

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

|  | <b>Millions of yen</b>    |                  |
|--|---------------------------|------------------|
|  | <b>For the year ended</b> |                  |
|  | <b>March 31,</b>          | <b>March 31,</b> |
|  | <b>2008</b>               | <b>2007</b>      |
| <b>Cash flows from operating activities:</b>   |                           |                  |
| Net (loss) income  | (67,847)                  | 175,828          |
| Adjustments to reconcile net (loss) income to net cash used in operating activities:                   |                           |                  |
| Depreciation and amortization  | 63,463                    | 50,432           |
| Loss on investments in equity securities   | 48,695                    | 20,103           |
| Changes in operating assets and liabilities:   |                           |                  |
| Time deposits  | (314,240)                 | 24,395           |
| Deposits with stock exchanges and other segregated cash  | (82,817)                  | (30,186)         |
| Trading assets and private equity investments  | 1,790,764                 | 1,039,123        |
| Trading liabilities  | 841,065                   | (1,986,980)      |
| Securities purchased under agreements to resell, net of securities sold under agreements to repurchase | (2,562,836)               | 1,243,337        |
| Securities borrowed, net of securities loaned  | (1,036,076)               | (177,234)        |
| Other secured borrowings   | 1,097,679                 | (1,612,879)      |
| Loans and receivables, net of allowance  | (599,995)                 | 95,843           |
| Payables   | 347,224                   | (154,665)        |
| Other, net   | (172,985)                 | (314,273)        |
| Net used in operating activities   | (647,906)                 | (1,627,156)      |
| <b>Cash flows from investing activities:</b>   |                           |                  |
| Payments for purchases of office buildings, land, equipment and facilities                             | (126,285)                 | (101,784)        |
| Proceeds from sales of office buildings, land, equipment and facilities                                | 15,621                    | 634              |
| Payments for purchases of investments in equity securities   | (615)                     | (9,284)          |
| Proceeds from sales of investments in equity securities  | 7,887                     | 25,109           |
| Decrease (increase) in loans receivable at banks, net  | 14,042                    | (73,611)         |
| Decrease (increase) in non-trading debt securities, net  | 2,665                     | (37,861)         |
| Other, net   | (15,334)                  | (337,016)        |
| Net cash used in investing activities  | (102,019)                 | (533,813)        |
| <b>Cash flows from financing activities:</b>   |                           |                  |
| Increase in long-term borrowings   | 2,425,393                 | 2,736,688        |
| Decrease in long-term borrowings   | (1,722,644)               | (1,451,500)      |
| Increase in short-term borrowings, net   | 386,048                   | 377,788          |
| (Decrease) increase in deposits received at banks, net   | (57,756)                  | 17,947           |
| Proceeds from sales of common stock  | 828                       | 2,379            |
| Payments for repurchases of common stock   | (3,525)                   | (204)            |
| Payments for cash dividends  | (86,866)                  | (114,395)        |
| Proceeds from issuances of stock by a subsidiary   | 1,401                     |                  |
| Net cash provided by financing activities  | 942,879                   | 1,568,703        |
| Effect of initial adoption of SOP 07-1 on cash and cash equivalents                                    | (38,427)                  |                  |
| Effect of exchange rate changes on cash and cash equivalents   | (57,319)                  | 10,333           |

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|  |         |           |
|--|---------|-----------|
| Net increase (decrease) in cash and cash equivalents | 97,208  | (581,933) |
| Cash and cash equivalents at beginning of the period | 410,028 | 991,961   |
| Cash and cash equivalents at end of the period       | 507,236 | 410,028   |

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**NOMURA HOLDINGS, INC.**

**NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION**

**(UNAUDITED)**

**1. Summary of accounting policies:**

**Basis of presentation**

The consolidated financial information herein has been prepared in accordance with Nomura's accounting policies which are disclosed in the notes of Nomura Holdings, Inc.'s Annual Securities Report (the annual report filed in Japan on June 28, 2007) and Form 20-F (the annual report filed with the U.S. Securities and Exchange Commission on July 12, 2007) for the year ended March 31, 2007.

Presentations of significant changes in accounting principles are as follows:

**Accounting for uncertainty in income taxes**

Nomura adopted Financial Accounting Standards Board (FASB) Interpretation No.48, Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109 on April 1, 2007. In accordance with this standard, the adjusted amount due to the initial adoption was recorded in the retained earnings.

**Accounting for sabbatical leave and other similar benefits**

Nomura adopted FASB Emerging Issues Task Force (EITF) Issue No.06-2, Accounting for Sabbatical Leave and Other Similar Benefits Pursuant to FASB Statement No.43 on April 1, 2007. In accordance with this standard, the adjusted amount due to the initial adoption was recorded in the retained earnings.

**Accounting for Investment companies**

Nomura early adopted Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies (SOP 07-1) issued by the AICPA in June 2007. SOP 07-1 addresses whether the accounting principles of the Audit and Accounting Guide for Investment Companies should be applied to an entity by clarifying the definition of an investment company, and whether those accounting principles should be retained by a parent company in consolidation or by an investor in the application of the equity method of accounting. All investments made by investment companies within the scope of the guide are carried at fair value, with changes in fair value recognized through earnings. SOP 07-1 also addresses if adoption of the SOP was made in other than the first interim period of the year of change, the change is reported by retrospective application to the previous interim periods of the year. Therefore Nomura adopted the SOP as of April 1, 2007 and the adjusted amount due to the initial adoption was recorded in the retained earnings as of the beginning of the year.

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**2. Per share data**

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

|   |               |
|---|---------------|
| Number of shares outstanding (March 31, 2008) | 1,906,885,059 |
|---|---------------|

Net income (loss) per share is calculated based on the following number of shares.

|   |               |
|---|---------------|
| Average number of shares outstanding (March 31, 2008) | 1,908,399,176 |
|---|---------------|



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

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

**(1) Net revenue**

|  | Millions of yen<br>For the year ended<br>March |                       | % Change<br>(A-B)/(B) |
|--|--|-----------------------|-----------------------|
|  | 31,<br>2008 (A)                                | March 31,<br>2007 (B) |                       |
| Business segment information:  |  |                       |                       |
| Domestic Retail  | 402,018  | 440,118               | (8.7)                 |
| Global Markets   | 95,597   | 290,028               | (67.0)                |
| Global Investment Banking  | 83,109   | 99,187                | (16.2)                |
| Global Merchant Banking  | 64,793   | 64,969                | (0.3)                 |
| Asset Management   | 90,641   | 90,106                | 0.6                   |
| Sub Total  | 736,158  | 984,408               | (25.2)                |
| Other  | 101,268  | 73,338                | 38.1                  |
| Net revenue  | 837,426  | 1,057,746             | (20.8)                |
| Reconciliation items:  |  |                       |                       |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | (50,169)                                       | (38,232)              |                       |
| Effect of consolidation/deconsolidation of certain private equity investee companies   |  | 71,587                |                       |
| Net revenue  | 787,257  | 1,091,101             | (27.8)                |

**(2) Non-interest expenses**

|  |         |         |       |
|--|---------|---------|-------|
| Business segment information:  |         |         |       |
| Domestic Retail  | 279,702 | 279,253 | 0.2   |
| Global Markets   | 321,794 | 231,222 | 39.2  |
| Global Investment Banking  | 60,336  | 54,783  | 10.1  |
| Global Merchant Banking  | 11,473  | 12,153  | (5.6) |
| Asset Management   | 59,652  | 53,649  | 11.2  |
| Sub Total  | 732,957 | 631,060 | 16.1  |
| Other  | 118,888 | 49,397  | 140.7 |
| Non-interest expenses  | 851,845 | 680,457 | 25.2  |
| Reconciliation items:  |         |         |       |
| Unrealized gain (loss) on investments in equity securities held for operating purposes |         |         |       |
| Effect of consolidation/deconsolidation of certain private equity investee companies   |         | 88,886  |       |
| Non-interest expenses  | 851,845 | 769,343 | 10.7  |

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

|  |                 |                |               |
|--|-----------------|----------------|---------------|
| <b>Business segment information:</b>   |                 |                |               |
| Domestic Retail  | 122,316         | 160,865        | (24.0)        |
| Global Markets   | (226,197)       | 58,806         |               |
| Global Investment Banking  | 22,773          | 44,404         | (48.7)        |
| Global Merchant Banking  | 53,320          | 52,816         | 1.0           |
| Asset Management   | 30,989          | 36,457         | (15.0)        |
| <b>Sub Total</b>   | <b>3,201</b>    | <b>353,348</b> | <b>(99.1)</b> |
| Other *  | (17,620)        | 23,941         |               |
| <b>Income (loss) before income taxes</b>   | <b>(14,419)</b> | <b>377,289</b> |               |
| <b>Reconciliation items:</b>   |                 |                |               |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | (50,169)        | (38,232)       |               |
| Effect of consolidation/deconsolidation of certain private equity investee companies   |                 | (17,299)       |               |
| <b>Income (loss) before income taxes</b>   | <b>(64,588)</b> | <b>321,758</b> |               |

**\* Major components**

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

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

|   | Millions of yen                             |                       | % Change<br>(A-B)/(B) |
|---|---|-----------------------|-----------------------|
|   | For the year ended<br>March 31,<br>2008 (A) | March 31,<br>2007 (B) |                       |
| Net gain/loss on trading related to economic hedging transactions             | (9,740)                                     | (38,383)              |                       |
| Realized gain on investments in equity securities held for operating purposes | 1,474                                       | 18,129                | (91.9)                |
| Equity in earnings of affiliates  | 4,743                                       | 53,169                | (91.1)                |
| Corporate items   | (13,424)                                    | (11,111)              |                       |
| Others  | (673)                                       | 2,137                 |                       |
| <b>Total</b>  | <b>(17,620)</b>                             | <b>23,941</b>         |                       |

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**4. Other:**

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

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**Supplemental Consolidated Financial Information**

**(Unaudited)**

This supplemental information (unaudited) contains the following items, where After Retrospective Application information are amounts which reflect retrospective application of Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies ( SOP 07-1 ) and Before Retrospective Application information are amounts which were reported previously without application of SOP 07-1.

1Q, 2Q and 3Q Cumulative Results Summary of Difference between amounts After Retrospective Application and amounts Before Retrospective Application

1Q, 2Q and 3Q Cumulative Results ( After Retrospective Application and Before Retrospective Application )

- Consolidated Income Statement

- Consolidated Balance Sheets

- Consolidated Statements of Changes in shareholder s Equity

- Consolidated Cash Flows

- Business Segment

Quarterly Results ( After Retrospective Application )

- Consolidated Income Statement

- Business Segment

Commissions/fees received and Net gain on trading ( After Retrospective Application )

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

|                                    | in Yen millions, except per share data                  |  |  |
|------------------------------------|---|--|--|
|                                    | As of or For<br>the three months ended<br>June 30, 2007 | As of or For<br>the six months ended<br>September 30, 2007 | As of or For<br>the nine months ended<br>December 31, 2007 |
| <b>Net income:</b>                 |   |  |  |
| As previously reported             | 76,742  | 66,226   | 88,872   |
| Adjustment                         | (804)   | (1,995)  | (2,866)  |
| As adjusted                        | 75,938  | 64,231   | 86,006   |
| <b>Total assets:</b>               |   |  |  |
| As previously reported             | 37,368,364  | 29,333,718   | 26,106,403   |
| Adjustment                         | (118,309)   | (162,415)  | (164,675)  |
| As adjusted                        | 37,250,055  | 29,171,303   | 25,941,728   |
| <b>Shareholder's equity:</b>       |   |  |  |
| As previously reported             | 2,284,350   | 2,233,928  | 2,234,581  |
| Adjustment                         | (547)   | (1,372)  | (1,581)  |
| As adjusted                        | 2,283,803   | 2,232,556  | 2,233,000  |
| <b>Basic earnings per share:</b>   |   |  |  |
| As previously reported             | 40.22   | 34.70  | 46.57  |
| Adjustment                         | (0.42)  | (1.04)   | (1.51)   |
| Revised basic earnings per share   | 39.80   | 33.66  | 45.06  |
| <b>Diluted earnings per share:</b> |   |  |  |
| As previously reported             | 40.09   | 34.59  | 46.42  |
| Adjustment                         | (0.42)  | (1.04)   | (1.50)   |
| Revised basic earnings per share   | 39.67   | 33.55  | 44.92  |

The above table sets forth difference between After Retrospective Application amounts which reflect retrospective application of Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies ( SOP 07-1 ) and Before Retrospective Application amounts which were reported previously without application of SOP 07-1.



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|                                     |       |         |       |       |         |   |
|-------------------------------------|-------|---------|-------|-------|---------|---|
| Income                              | 39.80 | 33.66   | 45.06 | 40.22 | 34.70   | 4 |
| Adjusted Income                     | 39.67 | 33.55   | 44.92 | 40.09 | 34.59   | 4 |
| Income to shareholders equity (ROE) | 13.6  | (%) 5.8 | 5.2   | 13.7  | (%) 6.0 |   |

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

The following table contains After Retrospective Application information which are amounts reflecting retrospective application of Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies ( SOP 07-1 ) and Before Retrospective Application information which were amounts reported previously without application of SOP 07-1.

|   | After Retrospective Application |                       |                      | Before Retrospective Application |                       |                      |
|---|---------------------------------|-----------------------|----------------------|----------------------------------|-----------------------|----------------------|
|   | June 30,<br>2007                | September 30,<br>2007 | December 31,<br>2007 | June 30,<br>2007                 | September 30,<br>2007 | December 31,<br>2007 |
| <b>ASSETS</b>   |                                 |                       |                      |                                  |                       |                      |
| Cash and cash deposits:   |                                 |                       |                      |                                  |                       |                      |
| Cash and cash equivalents   | 389,787                         | 622,310               | 628,182              | 429,774                          | 660,404               | 662,633              |
| Time deposits   | 505,411                         | 945,879               | 702,402              | 515,757                          | 955,859               | 706,982              |
| Deposits with stock exchanges and other segregated cash   | 135,119                         | 147,505               | 120,711              | 135,119                          | 147,505               | 120,711              |
|   | 1,030,317                       | 1,715,694             | 1,451,295            | 1,080,650                        | 1,763,768             | 1,490,326            |
| Loans and receivables:  |                                 |                       |                      |                                  |                       |                      |
| Loans receivable  | 1,261,531                       | 964,092               | 902,962              | 1,261,701                        | 964,214               | 903,084              |
| Receivables from customers  | 39,040                          | 34,354                | 38,233               | 39,040                           | 34,354                | 38,233               |
| Receivables from other than customers   | 737,389                         | 1,232,553             | 917,802              | 770,737                          | 1,262,415             | 950,818              |
| Allowance for doubtful accounts   | (1,752)                         | (1,217)               | (1,632)              | (2,269)                          | (1,526)               | (1,933)              |
|   | 2,036,208                       | 2,229,782             | 1,857,365            | 2,069,209                        | 2,259,457             | 1,890,202            |
| Collateralized agreements:  |                                 |                       |                      |                                  |                       |                      |
| Securities purchased under agreements to resell   | 8,049,668                       | 3,517,842             | 2,934,054            | 8,049,668                        | 3,517,842             | 2,934,054            |
| Securities borrowed   | 10,898,493                      | 7,886,590             | 5,659,339            | 10,898,493                       | 7,886,590             | 5,659,339            |
|   | 18,948,161                      | 11,404,432            | 8,593,393            | 18,948,161                       | 11,404,432            | 8,593,393            |
| Trading assets and private equity investments*:   |                                 |                       |                      |                                  |                       |                      |
| Trading assets  | 12,311,017                      | 11,329,299            | 11,625,383           | 12,321,297                       | 11,338,576            | 11,634,860           |
| Private equity investments  | 563,504                         | 372,539               | 372,771              | 357,948                          | 239,843               | 239,624              |
|   | 12,874,521                      | 11,701,838            | 11,998,154           | 12,679,245                       | 11,578,419            | 11,874,484           |
| Other assets:   |                                 |                       |                      |                                  |                       |                      |
| Office buildings, land, equipment and facilities (net of accumulated depreciation and amortization of 238,809 million and 249,074 million at June 30, 2007, 245,977 million and 255,979 million at September 30, 2007 and 257,929 million and 268,370 million at December 31, 2007, | 355,943                         | 382,457               | 386,697              | 430,795                          | 449,209               | 456,596              |



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respectively)

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Non-trading debt securities*                         | 287,411    | 283,640    | 257,747    | 288,297    | 288,765    | 262,849    |
| Investments in equity securities*                    | 191,915    | 162,280    | 159,581    | 191,915    | 162,280    | 159,581    |
| Investments in and advances to affiliated companies* | 393,323    | 393,390    | 390,237    | 449,577    | 438,610    | 436,004    |
| Other  | 1,132,256  | 897,790    | 847,259    | 1,230,515  | 988,778    | 942,968    |
|  | 2,360,848  | 2,119,557  | 2,041,521  | 2,591,099  | 2,327,642  | 2,257,998  |
| Total assets   | 37,250,055 | 29,171,303 | 25,941,728 | 37,368,364 | 29,333,718 | 26,106,403 |

\* Including securities pledged as collateral

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

|  | After Retrospective Application<br>Millions of yen |                       |                      | Before Retrospective Application<br>Millions of yen |                       |                      |
|--|--|-----------------------|----------------------|---|-----------------------|----------------------|
|  | June 30,<br>2007                                   | September 30,<br>2007 | December 31,<br>2007 | June 30,<br>2007                                    | September 30,<br>2007 | December 31,<br>2007 |
| <b>LIABILITIES AND SHAREHOLDERS EQUITY</b>   |  |                       |                      |   |                       |                      |
| Short-term borrowings  | 1,362,834  | 1,337,925             | 1,259,790            | 1,370,874   | 1,346,591             | 1,268,476            |
| Payables and deposits:   |  |                       |                      |   |                       |                      |
| Payables to customers  | 353,765  | 333,375               | 300,847              | 353,963   | 333,445               | 300,928              |
| Payables to other than customers   | 549,497  | 430,468               | 603,105              | 565,861   | 448,544               | 620,332              |
| Deposits received at banks   | 465,165  | 496,792               | 438,543              | 463,615   | 495,770               | 437,522              |
|  | 1,368,427  | 1,260,635             | 1,342,495            | 1,383,439   | 1,277,759             | 1,358,782            |
| Collateralized financing:  |  |                       |                      |   |                       |                      |
| Securities sold under agreements to repurchase   | 12,105,010   | 5,619,336             | 4,632,093            | 12,105,010  | 5,619,336             | 4,632,093            |
| Securities loaned  | 5,589,077  | 4,236,458             | 3,101,114            | 5,589,077   | 4,236,458             | 3,101,114            |
| Other secured borrowings   | 1,103,900  | 2,342,188             | 1,746,309            | 1,103,900   | 2,342,188             | 1,746,309            |
|  | 18,797,987   | 12,197,982            | 9,479,516            | 18,797,987  | 12,197,982            | 9,479,516            |
| Trading liabilities  | 6,984,916  | 5,559,848             | 5,006,307            | 6,984,916   | 5,559,848             | 5,006,307            |
| Other liabilities  | 1,117,197  | 831,951               | 751,265              | 1,190,306   | 900,760               | 814,832              |
| Long-term borrowings   | 5,334,891  | 5,750,406             | 5,869,355            | 5,356,492   | 5,816,850             | 5,943,909            |
| Total liabilities  | 34,966,252   | 26,938,747            | 23,708,728           | 35,084,014  | 27,099,790            | 23,871,822           |
| Shareholders' equity:  |  |                       |                      |   |                       |                      |
| Common stock   |  |                       |                      |   |                       |                      |
| Authorized* 6,000,000,000 shares   |  |                       |                      |   |                       |                      |
| Issued* 1,965,919,860 shares at June 30, 2007, September 30, 2007, and December 31, 2007 respectively  |  |                       |                      |   |                       |                      |
| Outstanding* 1,908,390,828 shares at June 30, 2007, 1,908,831,093 shares at September 30, 2007 and 1,909,085,123 shares at December 31, 2007                               | 182,800  | 182,800               | 182,800              | 182,800   | 182,800               | 182,800              |
| Additional paid-in capital   | 166,891  | 170,267               | 173,828              | 166,891   | 170,267               | 173,828              |
| Retained earnings  | 1,972,854  | 1,944,616             | 1,949,920            | 1,972,728   | 1,944,562             | 1,950,737            |
| Accumulated other comprehensive income   | 39,445   | 12,485                | 3,731                | 40,118  | 13,911                | 4,495                |
|  | 2,361,990  | 2,310,168             | 2,310,279            | 2,362,537   | 2,311,540             | 2,311,860            |
| Common stock held in treasury, at cost* 57,529,032 shares, 57,088,767 shares and 56,834,737 shares at June 30, 2007, September 30, 2007 and December 31, 2007 respectively | (78,187)   | (77,612)              | (77,279)             | (78,187)  | (77,612)              | (77,279)             |

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|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Total shareholders' equity                           | 2,283,803  | 2,232,556  | 2,233,000  | 2,284,350  | 2,233,928  | 2,234,581  |
| Total liabilities and shareholders' equity           | 37,250,055 | 29,171,303 | 25,941,728 | 37,368,364 | 29,333,718 | 26,106,403 |
|  |            | (%)        |            |            | (%)        |            |
| Shareholders' equity as a percentage of total assets | 6.1        | 7.7        | 8.6        | 6.1        | 7.6        | 8.6        |
|  |            | <b>Yen</b> |            |            | <b>Yen</b> |            |
| Shareholders' equity per share                       | 1,196.72   | 1,169.59   | 1,169.67   | 1,197.00   | 1,170.31   | 1,170.50   |

\* The quantities of the shares after retrospective application were equal to those before retrospective application respectively.

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

The following table contains After Retrospective Application information which are amounts reflecting retrospective application of Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies ( SOP 07-1 ) and Before Retrospective Application information which were amounts reported previously without application of SOP 07-1.

|   | After Retrospective Application<br>Millions of yen |  |  | Before Retrospective Application<br>Millions of yen |  |  |
|---|--|--|--|---|--|--|
|   | For the three months                               |  |  | For the three months                                |  |  |
|   | ended<br>June 30,<br>2007                          | For the six months<br>ended<br>September 30,<br>2007 | For the nine months<br>ended<br>December 31,<br>2007 | ended<br>June 30,<br>2007                           | For the six months<br>ended<br>September 30,<br>2007 | For the nine months<br>ended<br>December 31,<br>2007 |
| <b>Common stock</b>                           |  |  |  |   |  |  |
| Balance at beginning of year                  | 182,800  | 182,800  | 182,800  | 182,800   | 182,800  | 182,800  |
| Balance at end of period                      | 182,800  | 182,800  | 182,800  | 182,800   | 182,800  | 182,800  |
| <b>Additional paid-in capital</b>             |  |  |  |   |  |  |
| Balance at beginning of year                  | 165,496  | 165,496  | 165,496  | 165,496   | 165,496  | 165,496  |
| Adjustments on sales of treasury stock        | (1,458)  | (1,458)  | (1,458)  | (1,458)   | (1,458)  | (1,458)  |
| Balance of common stock options               | 2,853  | 6,229  | 9,790  | 2,853   | 6,229  | 9,790  |
| Balance at end of period                      | 166,891  | 170,267  | 173,828  | 166,891   | 170,267  | 173,828  |
| <b>Retained earnings</b>                      |  |  |  |   |  |  |
| Balance at beginning of year                  | 1,910,978  | 1,910,978  | 1,910,978  | 1,910,978   | 1,910,978  | 1,910,978  |
| Net income                                    | 75,938   | 64,231   | 86,006   | 76,742  | 66,226   | 88,800   |
| Dividends                                     | (16,221)   | (32,418)   | (48,674)   | (16,221)  | (32,418)   | (48,674)   |
| Adjustments to initially apply FIN 48         | 1,266  | 1,266  | 1,266  | 1,266   | 1,266  | 1,266  |
| Adjustments to initially apply EITF 06-2      | (1,119)  | (1,119)  | (1,119)  |   | (1,119)  | (1,119)  |
| Adjustments to initially apply SOP 07-1       | 2,049  | 2,049  | 2,049  |   |  |  |
| Adjustments on sales of treasury stock        | (37)   | (371)  | (586)  | (37)  | (371)  | (586)  |
| Balance at end of period                      | 1,972,854  | 1,944,616  | 1,949,920  | 1,972,728   | 1,944,562  | 1,950,700  |
| <b>Accumulated other comprehensive income</b> |  |  |  |   |  |  |
| <b>Cumulative translation adjustments</b>     |  |  |  |   |  |  |
| Balance at beginning of year                  | 36,889   | 36,889   | 36,889   | 36,889  | 36,889   | 36,889   |
| Change during the year                        | 32,985   | 5,472  | (3,541)  | 33,658  | 6,898  | (2,771)  |
| Balance at end of period                      | 69,874   | 42,361   | 33,348   | 70,547  | 43,787   | 34,118   |
| <b>Defined benefit pension plans</b>          |  |  |  |   |  |  |
| Balance at beginning of year                  | (30,276)   | (30,276)   | (30,276)   | (30,276)  | (30,276)   | (30,276)   |
| Actuarial liability adjustment                | (153)  | 400  | 659  | (153)   | 400  | 659  |
| Balance at end of period                      | (30,429)   | (29,876)   | (29,617)   | (30,429)  | (29,876)   | (29,617)   |

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|                                    |           |           |           |           |           |           |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Balance at end of period           | 39,445    | 12,485    | 3,731     | 40,118    | 13,911    | 4,445     |
| Common stock held in treasury      |           |           |           |           |           |           |
| Balance at beginning of year       | (79,968)  | (79,968)  | (79,968)  | (79,968)  | (79,968)  | (79,968)  |
| Purchases of common stock          | (56)      | (102)     | (135)     | (56)      | (102)     | (135)     |
| Issuance of common stock           | 12        | 42        | 52        | 12        | 42        | 52        |
| Common stock issued to employees   | 1,825     | 2,415     | 2,770     | 1,825     | 2,415     | 2,770     |
| Other net change in treasury stock | 0         | 1         | 2         | 0         | 1         | 1         |
| Balance at end of period           | (78,187)  | (77,612)  | (77,279)  | (78,187)  | (77,612)  | (77,279)  |
| Total shareholders' equity         |           |           |           |           |           |           |
| Balance at end of period           | 2,283,803 | 2,232,556 | 2,233,000 | 2,284,350 | 2,233,928 | 2,234,500 |

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

The following table contains After Retrospective Application information which are amounts reflecting retrospective application of Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies ( SOP 07-1 ) and Before Retrospective Application information which were amounts reported previously without application of SOP 07-1.

|   | After Retrospective Application |                          |                           | Before Retrospective Application |                          |                           |
|---|---------------------------------|--------------------------|---------------------------|----------------------------------|--------------------------|---------------------------|
|   | For the three months ended      | For the six months ended | For the nine months ended | For the three months ended       | For the six months ended | For the nine months ended |
|   | June 30, 2007                   | September 30, 2007       | December 31, 2007         | June 30, 2007                    | September 30, 2007       | December 31, 2007         |
| <b>Cash flows from operating activities:</b>                                  |                                 |                          |                           |                                  |                          |                           |
| Net income  | 75,938                          | 64,231                   | 86,006                    | 76,742                           | 66,226                   | 88,872                    |
| Adjustments to reconcile net income to net cash used in operating activities: |                                 |                          |                           |                                  |                          |                           |
| Depreciation and amortization   | 14,884                          | 30,201                   | 46,236                    | 15,736                           | 31,757                   | 48,646                    |
| Loss on investments in equity securities                                      | 540                             | 24,756                   | 31,733                    | 540                              | 24,756                   | 31,733                    |
| Changes in operating assets and liabilities:                                  |                                 |                          |                           |                                  |                          |                           |
| Time deposits   | 58,970                          | (411,300)                | (166,450)                 | 56,896                           | (413,006)                | (162,758)                 |
| Deposits with stock exchanges and other segregated cash                       | (33,962)                        | (52,101)                 | (25,243)                  | (33,833)                         | (51,972)                 | (25,114)                  |
| Trading assets and private equity investments                                 | 980,250                         | 1,694,369                | 1,268,649                 | 956,769                          | 1,599,032                | 1,173,563                 |
| Trading liabilities   | 1,986,414                       | 751,368                  | 257,224                   | 1,986,414                        | 751,368                  | 257,224                   |
| Securities purchased under  | 70,803                          | (1,707,073)              | (2,076,667)               | 70,803                           | (1,707,073)              | (2,076,667)               |

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|   |             |             |           |             |             |           |
|---|-------------|-------------|-----------|-------------|-------------|-----------|
| agreements to resell, net of securities sold under agreements to repurchase |             |             |           |             |             |           |
| Securities borrowed, net of securities loaned                               | (2,799,993) | (1,204,864) | (143,578) | (2,799,993) | (1,204,864) | (143,578) |
| Other secured borrowings  | (286,606)   | 951,733     | 355,862   | (286,606)   | 951,733     | 355,862   |
| Loans and receivables, net of allowance                                     | (279,993)   | (590,025)   | (290,416) | (279,154)   | (589,575)   | (290,461) |
| Payables  | (93,509)    | (124,305)   | 25,627    | (93,713)    | (121,164)   | 26,142    |
| Other, net  | (154,991)   | (27,247)    | 107,648   | (135,951)   | (3,286)     | 132,155   |
| Net cash used in operating activities                                       | (461,255)   | (600,257)   | (523,369) | (465,350)   | (666,068)   | (584,381) |

**Cash flows from investing activities:**

|  |          |          |           |          |          |           |
|--|----------|----------|-----------|----------|----------|-----------|
| Payments for purchases of office buildings, land, equipment and facilities | (20,502) | (74,855) | (100,825) | (22,804) | (79,933) | (109,147) |
| Proceeds from sales of office buildings, land, equipment and facilities    | 1,117    | 1,171    | 3,672     | 1,189    | 6,420    | 8,525     |
| Payments for purchases of investments in equity securities                 | (500)    | (641)    | (674)     | (500)    | (641)    | (674)     |
| Proceeds from sales of investments in equity securities                    | 3,596    | 4,565    | 4,715     | 3,596    | 4,565    | 4,715     |
| Decrease (increase) in loans receivable at banks, net                      | (37,608) | (54,010) | 7,885     | (37,608) | (54,010) | 7,885     |
| Increase in non-trading debt securities, net                               | (32,602) | (30,324) | (5,720)   | (31,428) | (33,476) | (8,849)   |
| Other, net   | (5,093)  | (13,480) | (11,978)  | 8,448    | 11,637   | 9,324     |

|                                       |          |           |           |          |           |          |
|---------------------------------------|----------|-----------|-----------|----------|-----------|----------|
| Net cash used in investing activities | (91,592) | (167,574) | (102,925) | (79,107) | (145,438) | (88,221) |
|---------------------------------------|----------|-----------|-----------|----------|-----------|----------|

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|   |           |           |             |           |           |             |
|---|-----------|-----------|-------------|-----------|-----------|-------------|
| <b>Cash flows from financing activities:</b>                        |           |           |             |           |           |             |
| Increase in long-term borrowings                                    | 801,569   | 1,564,604 | 1,963,633   | 801,569   | 1,611,754 | 2,011,083   |
| Decrease in long-term borrowings                                    | (494,329) | (802,663) | (1,180,687) | (495,901) | (805,668) | (1,184,771) |
| Increase in short-term borrowings, net                              | 253,900   | 248,642   | 173,178     | 250,192   | 248,861   | 173,166     |
| Increase in deposits received at banks, net                         | 35,451    | 72,467    | 9,970       | 33,901    | 71,445    | 8,948       |
| Proceeds from sales of common stock                                 | 342       | 628       | 778         | 342       | 628       | 778         |
| Payments for repurchases of common stock                            | (56)      | (102)     | (135)       | (56)      | (102)     | (135)       |
| Payments for cash dividends   | (38,164)  | (54,395)  | (70,629)    | (38,164)  | (54,395)  | (70,629)    |
| Proceeds from issuances of stock by a subsidiary                    |           |           | 975         |           |           | 975         |
| Net cash financing activities                                       | 558,713   | 1,029,181 | 897,083     | 551,883   | 1,072,523 | 939,415     |
| Effect of initial adoption of SOP 07-1 on cash and cash equivalents | (38,427)  | (38,427)  | (38,427)    |           |           |             |
| Effect of exchange rate changes on cash and cash equivalents        | 12,320    | (10,641)  | (14,208)    | 12,320    | (10,641)  | (14,208)    |
| Net increase (decrease) in cash and cash equivalents                | (20,241)  | 212,282   | 218,154     | 19,746    | 250,376   | 252,605     |
| Cash and cash equivalents at beginning of the period                | 410,028   | 410,028   | 410,028     | 410,028   | 410,028   | 410,028     |
| Cash and cash equivalents at end of the period                      | 389,787   | 622,310   | 628,182     | 429,774   | 660,404   | 662,633     |





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

The following table contains After Retrospective Application information which are amounts reflecting retrospective application of Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies ( SOP 07-1 ) and Before Retrospective Application information which were amounts reported previously without application of SOP 07-1.

**Business Segment Information 1Q, 2Q and 3Q Cumulative Results**

|  | After Retrospective Application<br>Millions of yen |                                |                               | Before Retrospective Application<br>Millions of yen |                                |                               |
|--|--|--------------------------------|-------------------------------|---|--------------------------------|-------------------------------|
|  | For the three months                               | For the six months             | For the nine months           | For the three months                                | For the six months             | For the nine months           |
|  | ended<br>June 30,<br>2007                          | ended<br>September 30,<br>2007 | ended<br>December 31,<br>2007 | ended<br>June 30,<br>2007                           | ended<br>September 30,<br>2007 | ended<br>December 31,<br>2007 |
| <b>(1) Net revenue</b>   |  |                                |                               |   |                                |                               |
| Business segment information:  |  |                                |                               |   |                                |                               |
| Domestic Retail  | 121,840  | 225,100                        | 323,508                       | 121,840   | 225,100                        | 323,508                       |
| Global Markets   | 108,909  | 125,672                        | 228,900                       | 108,909   | 125,672                        | 228,900                       |
| Global Investment Banking  | 36,740   | 47,552                         | 68,309                        | 36,740  | 47,552                         | 68,309                        |
| Global Merchant Banking  | 43,407   | 51,865                         | 41,675                        | 43,407  | 51,865                         | 41,675                        |
| Asset Management   | 26,407   | 50,093                         | 73,308                        | 26,407  | 50,093                         | 73,308                        |
| Sub Total  | 337,303  | 500,282                        | 735,700                       | 337,303   | 500,282                        | 735,700                       |
| Other  | 10,146   | 47,302                         | 63,250                        | 15,429  | 52,416                         | 68,364                        |
| Net revenue  | 347,449  | 547,584                        | 798,950                       | 352,732   | 552,698                        | 804,064                       |
| Reconciliation items:  |  |                                |                               |   |                                |                               |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | (2,647)  | (26,082)                       | (33,195)                      | (2,647)   | (26,082)                       | (33,195)                      |
| Effect of consolidation/deconsolidation of certain private equity investee companies   |  |                                |                               | 30,652  | 74,321                         | 106,162                       |
| Net revenue  | 344,802  | 521,502                        | 765,755                       | 380,737   | 600,937                        | 877,031                       |
| <b>(2) Non-interest expenses</b>   |  |                                |                               |   |                                |                               |
| Business segment information:  |  |                                |                               |   |                                |                               |
| Domestic Retail  | 71,285   | 142,339                        | 212,246                       | 71,285  | 142,339                        | 212,246                       |
| Global Markets   | 82,866   | 167,319                        | 246,149                       | 82,866  | 167,319                        | 246,149                       |
| Global Investment Banking  | 16,003   | 30,736                         | 45,771                        | 16,003  | 30,736                         | 45,771                        |
| Global Merchant Banking  | 3,306  | 6,337                          | 8,471                         | 3,306   | 6,337                          | 8,471                         |
| Asset Management   | 14,208   | 30,213                         | 44,806                        | 14,208  | 30,213                         | 44,806                        |

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|                       |         |         |         |         |         |         |
|-----------------------|---------|---------|---------|---------|---------|---------|
| Sub Total             | 187,668 | 376,944 | 557,443 | 187,668 | 376,944 | 557,443 |
| Other                 | 17,194  | 55,206  | 74,570  | 17,194  | 55,206  | 74,559  |
| Non-interest expenses | 204,862 | 432,150 | 632,013 | 204,862 | 432,150 | 632,002 |

Reconciliation items:

|  |  |  |  |        |        |         |
|--|--|--|--|--------|--------|---------|
| Unrealized gain (loss) on investments in equity securities held for operating purposes |  |  |  |        |        |         |
| Effect of consolidation/deconsolidation of certain private equity investee companies   |  |  |  | 33,041 | 72,413 | 102,572 |

|                       |         |         |         |         |         |         |
|-----------------------|---------|---------|---------|---------|---------|---------|
| Non-interest expenses | 204,862 | 432,150 | 632,013 | 237,903 | 504,563 | 734,574 |
|-----------------------|---------|---------|---------|---------|---------|---------|

**(3) Income before income taxes**

Business segment information:

|                           |        |          |          |        |          |          |
|---------------------------|--------|----------|----------|--------|----------|----------|
| Domestic Retail           | 50,555 | 82,761   | 111,262  | 50,555 | 82,761   | 111,262  |
| Global Markets            | 26,043 | (41,647) | (17,249) | 26,043 | (41,647) | (17,249) |
| Global Investment Banking | 20,737 | 16,816   | 22,538   | 20,737 | 16,816   | 22,538   |
| Global Merchant Banking   | 40,101 | 45,528   | 33,204   | 40,101 | 45,528   | 33,204   |
| Asset Management          | 12,199 | 19,880   | 28,502   | 12,199 | 19,880   | 28,502   |

|           |         |         |          |         |         |         |
|-----------|---------|---------|----------|---------|---------|---------|
| Sub Total | 149,635 | 123,338 | 178,257  | 149,635 | 123,338 | 178,257 |
| Other *   | (7,048) | (7,904) | (11,320) | (1,765) | (2,790) | (6,195) |

|                            |         |         |         |         |         |         |
|----------------------------|---------|---------|---------|---------|---------|---------|
| Income before income taxes | 142,587 | 115,434 | 166,937 | 147,870 | 120,548 | 172,062 |
|----------------------------|---------|---------|---------|---------|---------|---------|

Reconciliation items:

|  |         |          |          |         |          |          |
|--|---------|----------|----------|---------|----------|----------|
| Unrealized gain (loss) on investments in equity securities held for operating purposes | (2,647) | (26,082) | (33,195) | (2,647) | (26,082) | (33,195) |
| Effect of consolidation/deconsolidation of certain private equity investee companies   |         |          |          | (2,389) | 1,908    | 3,590    |

|                            |         |        |         |         |        |         |
|----------------------------|---------|--------|---------|---------|--------|---------|
| Income before income taxes | 139,940 | 89,352 | 133,742 | 142,834 | 96,374 | 142,457 |
|----------------------------|---------|--------|---------|---------|--------|---------|

**\* Major components**

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

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

After Retrospective Application  
Millions of yen

Before Retrospective Application  
Millions of yen

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|   | For the three months      | For the nine months                                  |                               | For the three months      | For the nine months                                  |                               |
|---|---------------------------|--|-------------------------------|---------------------------|--|-------------------------------|
|   | ended<br>June 30,<br>2007 | For the six months<br>ended<br>September 30,<br>2007 | ended<br>December 31,<br>2007 | ended<br>June 30,<br>2007 | For the six months<br>ended<br>September 30,<br>2007 | ended<br>December 31,<br>2007 |
| Net gain/loss on trading related to economic hedging transactions             | (14,425)                  | (11,617)   | (11,253)                      | (14,425)                  | (11,617)   | (11,253)                      |
| Realized gain on investments in equity securities held for operating purposes | 2,107                     | 1,326  | 1,461                         | 2,107                     | 1,326  | 1,461                         |
| Equity in earnings of affiliates  | 5,105                     | 7,684  | 2,437                         | 5,105                     | 7,684  | 2,437                         |
| Corporate items   | (9,687)                   | (21,939)   | (33,689)                      | (9,687)                   | (21,939)   | (33,689)                      |
| Others  | 9,852                     | 16,642   | 29,724                        | 15,135                    | 21,756   | 34,849                        |
| Total   | (7,048)                   | (7,904)  | (11,320)                      | (1,765)                   | (2,790)  | (6,195)                       |

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

|   | Millions of yen  |                       |                      |                            |                  |                       |                         |                      | % Change<br>(B-A)/(A) |
|---|------------------|-----------------------|----------------------|----------------------------|------------------|-----------------------|-------------------------|----------------------|-----------------------|
|   | June 30,<br>2006 | September 30,<br>2006 | December 31,<br>2006 | For the three months ended |                  |                       | December 31,<br>2007(A) | March 31,<br>2008(B) |                       |
|   | June 30,<br>2007 | September 30,<br>2007 | December 31,<br>2007 | March 31,<br>2007          | June 30,<br>2007 | September 30,<br>2007 | December 31,<br>2007(A) | March 31,<br>2008(B) |                       |
| <b>Revenue:</b>                                 |                  |                       |                      |                            |                  |                       |                         |                      |                       |
| Commissions                                     | 79,579           | 66,063                | 84,190               | 107,626                    | 112,953          | 106,883               | 103,434                 | 81,389               | (21.3)                |
| Fees from investment banking                    | 14,351           | 26,901                | 32,317               | 25,707                     | 29,890           | 16,176                | 20,340                  | 18,690               | (8.1)                 |
| Asset management and portfolio service fees     | 29,732           | 35,476                | 36,730               | 44,039                     | 47,311           | 50,910                | 47,636                  | 43,855               | (7.9)                 |
| Net gain on trading                             | 55,770           | 47,542                | 89,152               | 97,544                     | 99,767           | 8,669                 | 65,090                  | (111,806)            |                       |
| Gain on private equity investments              | 9,784            | 27,511                | 10,224               | 71                         | 46,159           | 6,774                 | (2,987)                 | 26,559               |                       |
| Interest and dividends                          | 207,860          | 232,311               | 262,928              | 278,245                    | 294,783          | 245,912               | 177,280                 | 78,565               | (55.7)                |
| (Loss) gain on investments in equity securities | (20,509)         | (44)                  | (154)                | 604                        | (540)            | (24,216)              | (6,977)                 | (16,962)             |                       |
| Private equity entities product sales           | 20,985           | 21,720                | 28,778               | 28,643                     |                  |                       |                         |                      |                       |
| Other   | 4,178            | 11,734                | 45,371               | 6,142                      | 16,309           | 9,631                 | (3,444)                 | 5,689                |                       |
| <b>Total revenue</b>                            | <b>401,730</b>   | <b>469,214</b>        | <b>589,536</b>       | <b>588,621</b>             | <b>646,632</b>   | <b>420,739</b>        | <b>400,372</b>          | <b>125,979</b>       | <b>(68.5)</b>         |
| Interest expense                                | 195,796          | 218,236               | 266,625              | 277,343                    | 301,830          | 244,039               | 156,119                 | 104,477              | (33.1)                |
| <b>Net revenue</b>                              | <b>205,934</b>   | <b>250,978</b>        | <b>322,911</b>       | <b>311,278</b>             | <b>344,802</b>   | <b>176,700</b>        | <b>244,253</b>          | <b>21,502</b>        | <b>(91.2)</b>         |
| <b>Non-interest expenses:</b>                   |                  |                       |                      |                            |                  |                       |                         |                      |                       |
| Compensation and benefits                       | 82,768           | 79,060                | 86,679               | 97,429                     | 100,653          | 94,370                | 93,361                  | 78,421               | (16.0)                |
| Commissions and floor brokerage                 | 10,255           | 10,335                | 12,004               | 18,218                     | 22,684           | 22,579                | 20,395                  | 24,534               | 20.3                  |
| Information processing and communications       | 23,167           | 27,434                | 27,296               | 32,090                     | 29,188           | 34,719                | 33,869                  | 37,228               | 9.9                   |
| Occupancy and related depreciation              | 14,442           | 13,743                | 14,596               | 18,498                     | 15,917           | 15,131                | 14,258                  | 19,535               | 37.0                  |
| Business development expenses                   | 7,848            | 9,810                 | 9,234                | 11,214                     | 8,811            | 9,866                 | 9,455                   | 10,003               | 5.8                   |
| Private equity entities cost of goods sold      | 11,365           | 11,843                | 17,417               | 16,559                     |                  |                       |                         |                      |                       |
| Other   | 22,685           | 25,666                | 23,577               | 34,111                     | 27,609           | 50,623                | 28,525                  | 50,111               | 75.7                  |

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|                                   |         |         |         |         |         |          |         |           |      |
|-----------------------------------|---------|---------|---------|---------|---------|----------|---------|-----------|------|
|                                   | 172,530 | 177,891 | 190,803 | 228,119 | 204,862 | 227,288  | 199,863 | 219,832   | 10.0 |
| Income (loss) before income taxes | 33,404  | 73,087  | 132,108 | 83,159  | 139,940 | (50,588) | 44,390  | (198,330) |      |
| Income tax expense                | 13,266  | 29,560  | 53,031  | 50,073  | 64,002  | (38,881) | 22,615  | (44,477)  |      |
| Net income (loss)                 | 20,138  | 43,527  | 79,077  | 33,086  | 75,938  | (11,707) | 21,775  | (153,853) |      |

|                            | Yen   |       |       |       |       |        |       |         | % Change |
|----------------------------|-------|-------|-------|-------|-------|--------|-------|---------|----------|
| Per share of common stock: |       |       |       |       |       |        |       |         |          |
| Basic-                     |       |       |       |       |       |        |       |         |          |
| Net income (loss)          | 10.52 | 22.84 | 41.48 | 17.35 | 39.80 | (6.13) | 11.41 | (80.62) |          |
| Diluted-                   |       |       |       |       |       |        |       |         |          |
| Net income (loss)          | 10.50 | 22.78 | 41.38 | 17.31 | 39.67 | (6.14) | 11.37 | (80.68) |          |

Note: Reclassifications -

The above amounts reflect retrospective application of Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies for the year ended March 31, 2008.

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

**Business Segment Information - Quarterly Results**

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

|  | Millions of yen  |                       |                      |                            |                  |                       |                          |                       | % Change<br>(B-A)/(A) |
|--|------------------|-----------------------|----------------------|----------------------------|------------------|-----------------------|--------------------------|-----------------------|-----------------------|
|  | June 30,<br>2006 | September 30,<br>2006 | December 31,<br>2006 | For the three months ended |                  |                       | December 31,<br>2007 (A) | March 31,<br>2008 (B) |                       |
|  | June 30,<br>2006 | September 30,<br>2006 | December 31,<br>2006 | March 31,<br>2007          | June 30,<br>2007 | September 30,<br>2007 | December 31,<br>2007 (A) | March 31,<br>2008 (B) | (B-A)/(A)             |
| <b>(1) Net revenue</b>   |                  |                       |                      |                            |                  |                       |                          |                       |                       |
| Business segment information:  |                  |                       |                      |                            |                  |                       |                          |                       |                       |
| Domestic Retail  | 105,609          | 94,518                | 115,882              | 124,109                    | 121,840          | 103,260               | 98,408                   | 78,510                | (20.2)                |
| Global Markets   | 68,899           | 48,475                | 78,068               | 94,586                     | 108,909          | 16,763                | 103,228                  | (133,303)             |                       |
| Global Investment Banking  | 18,808           | 29,688                | 24,088               | 26,603                     | 36,740           | 10,812                | 20,757                   | 14,800                | (28.7)                |
| Global Merchant Banking  | 12,123           | 44,541                | 9,249                | (944)                      | 43,407           | 8,458                 | (10,190)                 | 23,118                |                       |
| Asset Management   | 17,636           | 23,854                | 24,543               | 24,073                     | 26,407           | 23,686                | 23,215                   | 17,333                | (25.3)                |
| Sub Total  | 223,075          | 241,076               | 251,830              | 268,427                    | 337,303          | 162,979               | 235,418                  | 458                   | (99.8)                |
| Other  | (13,301)         | 14,649                | 56,830               | 15,160                     | 10,146           | 37,156                | 15,948                   | 38,018                | 138.4                 |
| Net revenue  | 209,774          | 255,725               | 308,660              | 283,587                    | 347,449          | 200,135               | 251,366                  | 38,476                | (84.7)                |
| Reconciliation items:  |                  |                       |                      |                            |                  |                       |                          |                       |                       |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | (20,649)         | (4,802)               | (13,107)             | 326                        | (2,647)          | (23,435)              | (7,113)                  | (16,974)              |                       |
| Effect of consolidation/deconsolidation of certain private equity investee companies   | 16,809           | 55                    | 27,358               | 27,365                     |                  |                       |                          |                       |                       |
| Net revenue  | 205,934          | 250,978               | 322,911              | 311,278                    | 344,802          | 176,700               | 244,253                  | 21,502                | (91.2)                |
| <b>(2) Non-interest expenses</b>   |                  |                       |                      |                            |                  |                       |                          |                       |                       |
| Business segment information:  |                  |                       |                      |                            |                  |                       |                          |                       |                       |
| Domestic Retail  | 63,070           | 66,347                | 69,012               | 80,824                     | 71,285           | 71,054                | 69,907                   | 67,456                | (3.5)                 |
| Global Markets   | 54,573           | 52,075                | 53,928               | 70,646                     | 82,866           | 84,453                | 78,830                   | 75,645                | (4.0)                 |
| Global Investment Banking  | 13,237           | 13,416                | 13,164               | 14,966                     | 16,003           | 14,733                | 15,035                   | 14,565                | (3.1)                 |
| Global Merchant Banking  | 2,326            | 3,058                 | 2,555                | 4,214                      | 3,306            | 3,031                 | 2,134                    | 3,002                 | 40.7                  |
| Asset Management   | 12,413           | 12,787                | 12,382               | 16,067                     | 14,208           | 16,005                | 14,593                   | 14,846                | 1.7                   |
| Sub Total  | 145,619          | 147,683               | 151,041              | 186,717                    | 187,668          | 189,276               | 180,499                  | 175,514               | (2.8)                 |
| Other  | 9,706            | 10,350                | 13,720               | 15,621                     | 17,194           | 38,012                | 19,364                   | 44,318                | 128.9                 |
| Non-interest expenses  | 155,325          | 158,033               | 164,761              | 202,338                    | 204,862          | 227,288               | 199,863                  | 219,832               | 10.0                  |

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Reconciliation items:

|  |         |         |         |         |         |         |         |         |      |
|--|---------|---------|---------|---------|---------|---------|---------|---------|------|
| Unrealized gain (loss) on investments in equity securities held for operating purposes |         |         |         |         |         |         |         |         |      |
| Effect of consolidation/deconsolidation of certain private equity investee companies   | 17,205  | 19,858  | 26,042  | 25,781  |         |         |         |         |      |
| Non-interest expenses  | 172,530 | 177,891 | 190,803 | 228,119 | 204,862 | 227,288 | 199,863 | 219,832 | 10.0 |

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

Business segment information:

|                           |          |         |         |         |         |          |          |           |        |
|---------------------------|----------|---------|---------|---------|---------|----------|----------|-----------|--------|
| Domestic Retail           | 42,539   | 28,171  | 46,870  | 43,285  | 50,555  | 32,206   | 28,501   | 11,054    | (61.2) |
| Global Markets            | 14,326   | (3,600) | 24,140  | 23,940  | 26,043  | (67,690) | 24,398   | (208,948) |        |
| Global Investment Banking | 5,571    | 16,272  | 10,924  | 11,637  | 20,737  | (3,921)  | 5,722    | 235       | (95.9) |
| Global Merchant Banking   | 9,797    | 41,483  | 6,694   | (5,158) | 40,101  | 5,427    | (12,324) | 20,116    |        |
| Asset Management          | 5,223    | 11,067  | 12,161  | 8,006   | 12,199  | 7,681    | 8,622    | 2,487     | (71.2) |
| Sub Total                 | 77,456   | 93,393  | 100,789 | 81,710  | 149,635 | (26,297) | 54,919   | (175,056) |        |
| Other *                   | (23,007) | 4,299   | 43,110  | (461)   | (7,048) | (856)    | (3,416)  | (6,300)   |        |

|                                   |        |        |         |        |         |          |        |           |  |
|-----------------------------------|--------|--------|---------|--------|---------|----------|--------|-----------|--|
| Income (loss) before income taxes | 54,449 | 97,692 | 143,899 | 81,249 | 142,587 | (27,153) | 51,503 | (181,356) |  |
|-----------------------------------|--------|--------|---------|--------|---------|----------|--------|-----------|--|

Reconciliation items:

|  |          |          |          |       |         |          |         |          |  |
|--|----------|----------|----------|-------|---------|----------|---------|----------|--|
| Unrealized gain (loss) on investments in equity securities held for operating purposes | (20,649) | (4,802)  | (13,107) | 326   | (2,647) | (23,435) | (7,113) | (16,974) |  |
| Effect of consolidation/deconsolidation of certain private equity investee companies   | (396)    | (19,803) | 1,316    | 1,584 |         |          |         |          |  |

|                                   |        |        |         |        |         |          |        |           |  |
|-----------------------------------|--------|--------|---------|--------|---------|----------|--------|-----------|--|
| Income (loss) before income taxes | 33,404 | 73,087 | 132,108 | 83,159 | 139,940 | (50,588) | 44,390 | (198,330) |  |
|-----------------------------------|--------|--------|---------|--------|---------|----------|--------|-----------|--|

**\* Major components**

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

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

|                                     | Millions of yen |                    |                   |                            |                    |       |                       |                    | % Change<br>(B-A)/(A) |
|-------------------------------------|-----------------|--------------------|-------------------|----------------------------|--------------------|-------|-----------------------|--------------------|-----------------------|
|                                     | June 30, 2006   | September 30, 2006 | December 31, 2006 | For the three months ended |                    |       | December 31, 2007 (A) | March 31, 2008 (B) |                       |
|                                     |                 |                    | March 31, 2007    | June 30, 2007              | September 30, 2007 |       |                       |                    |                       |
| Net gain/loss on trading related to | (11,382)        | (14,036)           | (11,865)          | (1,100)                    | (14,425)           | 2,808 | 364                   | 1,513              | 315.7                 |



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|  |          |       |         |         |         |          |          |          |        |
|--|----------|-------|---------|---------|---------|----------|----------|----------|--------|
| economic hedging transactions  |          |       |         |         |         |          |          |          |        |
| Realized gain (loss) on investments in equity securities held for operating purposes | 140      | 4,758 | 12,953  | 278     | 2,107   | (781)    | 135      | 13       | (90.4) |
| Equity in earnings of affiliates   | 3,309    | 6,136 | 38,983  | 4,741   | 5,105   | 2,579    | (5,247)  | 2,306    |        |
| Corporate items  | (7,163)  | 3,707 | (5,900) | (1,755) | (9,687) | (12,252) | (11,750) | 20,265   |        |
| Others   | (7,911)  | 3,734 | 8,939   | (2,625) | 9,852   | 6,790    | 13,082   | (30,397) |        |
| Total  | (23,007) | 4,299 | 43,110  | (461)   | (7,048) | (856)    | (3,416)  | (6,300)  |        |

Note: Reclassifications -

The above amounts reflect retrospective application of Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies for the year ended March 31, 2008.

**Table of Contents****NOMURA HOLDINGS, INC.****SUPPLEMENTARY INFORMATION****(UNAUDITED)****Commissions/fees received and Net gain on trading consists of the following:**

Commissions/fees received

|                                   | Millions of yen            |                       |                      |                   |                    |                       |                         |                      | % Change<br>(B-A)/(A) | Millions of yen      |          | % Change<br>(D-C) |
|-----------------------------------|----------------------------|-----------------------|----------------------|-------------------|--------------------|-----------------------|-------------------------|----------------------|-----------------------|----------------------|----------|-------------------|
|                                   | For the three months ended |                       |                      |                   | For the year ended |                       |                         |                      |                       |                      |          |                   |
|                                   | June 30,<br>2006           | September 30,<br>2006 | December 31,<br>2006 | March 31,<br>2007 | June 30,<br>2007   | September 30,<br>2007 | December 31,<br>2007(A) | March 31,<br>2008(B) | March 31,<br>2007(C)  | March 31,<br>2008(D) |          |                   |
| Commissions                       | 79,579                     | 66,063                | 84,190               | 107,626           | 112,953            | 106,883               | 103,434                 | 81,389               | (21.3)                | 337,458              | 404,659  |                   |
| Average<br>commissions            | 44,554                     | 32,599                | 41,951               | 59,259            | 64,169             | 64,655                | 65,471                  | 56,730               | (13.4)                | 178,363              | 251,025  |                   |
| Production<br>investment          | 25,850                     | 23,122                | 32,960               | 38,519            | 39,172             | 34,223                | 30,600                  | 17,247               | (43.6)                | 120,451              | 121,242  |                   |
| From<br>investment<br>g           | 14,351                     | 26,901                | 32,317               | 25,707            | 29,890             | 16,176                | 20,340                  | 18,690               | (8.1)                 | 99,276               | 85,096   |                   |
| Writing                           |                            |                       |                      |                   |                    |                       |                         |                      |                       |                      |          |                   |
| Production<br>/                   | 9,151                      | 20,360                | 26,123               | 16,254            | 10,469             | 10,434                | 14,219                  | 10,524               | (26.0)                | 71,888               | 45,646   |                   |
| Special<br>atory Fees             | 5,178                      | 6,360                 | 6,084                | 9,082             | 18,187             | 5,691                 | 5,747                   | 8,192                | 42.5                  | 26,704               | 37,817   |                   |
| Management<br>Portfolio<br>e Fees | 29,732                     | 35,476                | 36,730               | 44,039            | 47,311             | 50,910                | 47,636                  | 43,855               | (7.9)                 | 145,977              | 189,712  |                   |
| Management                        | 26,179                     | 31,758                | 32,842               | 39,470            | 42,904             | 46,150                | 43,358                  | 39,552               | (8.8)                 | 130,249              | 171,964  |                   |
|                                   | 123,662                    | 128,440               | 153,237              | 177,372           | 190,154            | 173,969               | 171,410                 | 143,934              | (16.0)                | 582,711              | 679,467  |                   |
| Gain on<br>g                      |                            |                       |                      |                   |                    |                       |                         |                      |                       |                      |          |                   |
| Grant<br>ng                       | (2,643)                    | 445                   | 197                  | (458)             | 255                | 2,010                 | (5,149)                 | (2,085)              |                       | (2,459)              | (4,969)  |                   |
| /                                 | 31,724                     | 12,684                | 28,919               | 64,268            | 51,696             | 28,189                | 25,574                  | 31,496               | 23.2                  | 137,595              | 136,955  |                   |
| Income<br>ther<br>g               | 26,689                     | 34,413                | 60,036               | 33,734            | 47,816             | (21,530)              | 44,665                  | (141,217)            |                       | 154,872              | (70,266) |                   |

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|        |        |        |        |        |       |        |           |         |        |
|--------|--------|--------|--------|--------|-------|--------|-----------|---------|--------|
| 55,770 | 47,542 | 89,152 | 97,544 | 99,767 | 8,669 | 65,090 | (111,806) | 290,008 | 61,720 |
|--------|--------|--------|--------|--------|-------|--------|-----------|---------|--------|

Note: Reclassifications -

The above amounts reflect retrospective application of Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies for the year ended March 31, 2008.

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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 are rounded to the nearest million.

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

|   | March 31, 2008   | March 31, 2007   | (Millions of yen)<br>Increase/(Decrease) |
|---|------------------|------------------|--|
| <b>ASSETS</b>   |                  |                  |  |
| <b>Current Assets</b>                                       | <b>2,272,127</b> | <b>2,249,934</b> | <b>22,193</b>                            |
| Cash and time deposits                                      | 1,416            | 15,648           | (14,233)                                 |
| Certificate deposits  | 18,800           |                  | 18,800                                   |
| Money held in trust   | 78,533           | 55,371           | 23,162                                   |
| Short-term loans receivable                                 | 2,068,347        | 2,055,790        | 12,557                                   |
| Accounts receivable   | 76,783           | 95,123           | (18,340)                                 |
| Deferred tax assets   | 1,370            | 1,677            | (307)                                    |
| Other current assets  | 26,883           | 26,333           | 551                                      |
| Allowance for doubtful accounts                             | (6)              | (8)              | 2  |
| <b>Fixed Assets</b>   | <b>2,177,683</b> | <b>2,188,105</b> | <b>(10,422)</b>                          |
| Tangible fixed assets                                       | 52,216           | 54,163           | (1,948)                                  |
| Buildings   | 16,688           | 16,264           | 424                                      |
| Furniture & fixtures  | 26,688           | 29,060           | (2,372)                                  |
| Land  | 8,839            | 8,839            |  |
| Intangible assets   | 142,339          | 120,035          | 22,304                                   |
| Software  | 142,339          | 120,035          | 22,304                                   |
| Investments and others                                      | 1,983,128        | 2,013,907        | (30,779)                                 |
| Investment securities                                       | 156,267          | 218,367          | (62,100)                                 |
| Investments in subsidiaries and affiliates (at cost)        | 1,286,638        | 1,325,346        | (38,707)                                 |
| Other securities of subsidiaries and affiliates             | 26,021           | 16,426           | 9,595                                    |
| Long-term loans receivable from subsidiaries and affiliates | 309,000          | 317,400          | (8,400)                                  |
| Long-term guarantee deposits                                | 49,548           | 53,650           | (4,102)                                  |
| Deferred tax assets   | 131,793          | 68,288           | 63,504                                   |
| Other investments   | 23,893           | 14,463           | 9,430                                    |
| Allowance for doubtful accounts                             | (32)             | (32)             | 0  |
| <b>TOTAL ASSETS</b>   | <b>4,449,810</b> | <b>4,438,039</b> | <b>11,771</b>                            |

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|   | March 31, 2008   | March 31, 2007 | (Millions of yen)<br>Increase/(Decrease) |
|---|------------------|----------------|--|
| <b>LIABILITIES</b>                      |                  |                |  |
| <b>Current liabilities</b>              | <b>1,601,961</b> | 1,996,756      | (394,794)                                |
| Short-term borrowings                   | 1,446,500        | 1,873,500      | (427,000)                                |
| Bond due within one year                | 50,000           |                | 50,000                                   |
| Collaterals received                    | 57,035           | 92,920         | (35,886)                                 |
| Accrued income taxes                    | 11,296           | 171            | 11,125                                   |
| Other current liabilities               | 37,131           | 30,165         | 6,967                                    |
| <b>Long-term liabilities</b>            | <b>1,424,188</b> | 965,955        | 458,233                                  |
| Bonds payable                           | 354,930          | 279,962        | 74,968                                   |
| Long-term borrowings                    | 1,067,000        | 683,000        | 384,000                                  |
| Other long-term liabilities             | 2,257            | 2,993          | (736)                                    |
| <b>TOTAL LIABILITIES</b>                | <b>3,026,149</b> | 2,962,711      | 63,438                                   |
| <b>NET ASSETS</b>                       |                  |                |  |
| Shareholders' equity                    | 1,372,324        | 1,407,903      | (35,579)                                 |
| Common stock                            | 182,800          | 182,800        |  |
| Capital reserves                        | 112,504          | 113,962        | (1,458)                                  |
| Additional paid-in capital              | 112,504          | 112,504        |  |
| Other capital reserves                  |                  | 1,458          | (1,458)                                  |
| Earned surplus                          | 1,155,315        | 1,188,858      | (33,543)                                 |
| Earned surplus reserve                  | 81,858           | 81,858         |  |
| Other Earned surplus                    | 1,073,457        | 1,107,000      | (33,543)                                 |
| Reserve for specified fixed assets      | 16               | 19             | (3)                                      |
| General reserve                         | 994,000          | 994,000        |  |
| Earned surplus carried forward          | 79,442           | 112,981        | (33,540)                                 |
| Treasury stock                          | (78,296)         | (77,717)       | (579)                                    |
| Valuation and translation adjustments   | 39,936           | 66,201         | (26,265)                                 |
| Net unrealized gain on investments      | 34,914           | 67,013         | (32,099)                                 |
| Deferred gains or loss on hedges        | 5,023            | (812)          | 5,835                                    |
| Subscription rights to shares           | 11,401           | 1,224          | 10,177                                   |
| <b>TOTAL NET ASSETS</b>                 | <b>1,423,661</b> | 1,475,328      | (51,667)                                 |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>4,449,810</b> | 4,438,039      | 11,771                                   |

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

|  | For the year ended<br>March 31, 2008 (A) | For the year ended<br>March 31, 2007 (B) | (Millions of yen)<br>Comparison<br>(A-B)/(B) |
|--|--|--|--|
| <b>Operating revenue</b>                         | <b>419,649</b>                           | 340,886                                  | 23.1%  |
| Property and equipment fee revenue               | 103,971                                  | 86,963                                   | 19.6   |
| Rent revenue                                     | 37,890                                   | 37,005                                   | 2.4  |
| Royalty on trademark                             | 19,870                                   | 21,162                                   | (6.1)  |
| Dividend from subsidiaries and affiliates        | 228,462                                  | 178,342                                  | 28.1   |
| Others   | 29,457                                   | 17,414                                   | 69.2   |
| <b>Operating expenses</b>                        | <b>175,269</b>                           | 135,528                                  | 29.3   |
| Compensation and benefits                        | 15,039                                   | 4,656                                    | 223.0  |
| Rental and maintenance                           | 44,742                                   | 44,880                                   | (0.3)  |
| Data processing and office supplies              | 33,850                                   | 31,022                                   | 9.1  |
| Depreciation and amortization                    | 44,002                                   | 36,164                                   | 21.7   |
| Others   | 8,453                                    | 6,722                                    | 25.8   |
| Interest expenses                                | 29,183                                   | 12,083                                   | 141.5  |
| Operating income                                 | 244,380                                  | 205,358                                  | 19.0   |
| Non-operating income                             | 3,369                                    | 3,616                                    | (6.8)  |
| Non-operating expenses                           | 1,518                                    | 1,753                                    | (13.4)                                       |
| Ordinary income                                  | 246,231                                  | 207,221                                  | 18.8   |
| Special profits                                  | 7,300                                    | 16,327                                   | (55.3)                                       |
| Gain on sales of investment securities           | 7,300                                    | 16,327                                   | (55.3)                                       |
| Special losses                                   | 231,048                                  | 67,436                                   | 242.6  |
| Loss on sales of investment securities           | 1,106                                    | 83                                       |  |
| Loss on devaluation of investment securities     | 2,155                                    | 1,226                                    | 75.8   |
| Loss on devaluation of investments in affiliates | 224,565                                  | 62,805                                   | 257.6  |
| Loss on retirement of fixed assets               | 3,221                                    | 3,322                                    | (3.0)  |
| Income before income taxes                       | 22,483                                   | 156,112                                  | (85.6)                                       |
| Income taxes - current                           | 13,445                                   | 12,501                                   | 7.6  |
| Income taxes - deferred                          | (44,946)                                 | (14,623)                                 |  |
| Net Income                                       | 53,985                                   | 158,235                                  | (65.9)                                       |

**Table of Contents****Nomura Holdings, Inc.****Unconsolidated Statement of Changes in Net Assets****For the year ended March 31, 2008**

(Millions of yen)

|   | Capital reserve |                                  |                             |                             | Shareholders' equity         |  |                    | Total<br>Earned<br>surplus | Treasury<br>stock | Total<br>Shareholders<br>equity |   |
|---|-----------------|----------------------------------|-----------------------------|-----------------------------|------------------------------|--|--------------------|----------------------------|-------------------|---------------------------------|---|
|   | Common<br>stock | Additional<br>paid-in<br>capital | Other<br>capital<br>reserve | Total<br>capital<br>reserve | Earned<br>surplus<br>reserve | Reserve for<br>specified<br>fixed assets | General<br>reserve |                            |                   |                                 | Earned<br>surplus<br>carried<br>forward |
| Balance at<br>March 31,<br>2007                         | 182,800         | 112,504                          | 1,458                       | 113,962                     | 81,858                       | 19                                       | 994,000            | 112,981                    | 1,188,858         | (77,717)                        | 1,407,903                               |
| Cash<br>dividends                                       |                 |                                  |                             |                             |                              |  |                    | (86,866)                   | (86,866)          |                                 | (86,866)                                |
| Reversal of<br>reserve for<br>specified fixed<br>assets |                 |                                  |                             |                             |                              | (3)                                      |                    | 3                          |                   |                                 |   |
| Net income  |                 |                                  |                             |                             |                              |  |                    | 53,985                     | 53,985            |                                 | 53,985                                  |
| Purchases of<br>treasury stock                          |                 |                                  |                             |                             |                              |  |                    |                            |                   | (3,525)                         | (3,525)                                 |
| Disposal of<br>treasury stock                           |                 |                                  | (1,458)                     | (1,458)                     |                              |  |                    | (661)                      | (661)             | 2,947                           | 828                                     |
| Other-net   |                 |                                  |                             |                             |                              |  |                    |                            |                   |                                 |   |
| Change in the<br>term                                   |                 |                                  | (1,458)                     | (1,458)                     |                              | (3)                                      |                    | (33,540)                   | (33,543)          | (579)                           | (35,579)                                |
| Balance at<br>March 31,<br>2008                         | 182,800         | 112,504                          |                             | 112,504                     | 81,858                       | 16                                       | 994,000            | 79,442                     | 1,155,315         | (78,296)                        | 1,372,324                               |

|  | Valuation and translation adjustments       |  |   |                                     |                     |
|--|---|--|---|-------------------------------------|---------------------|
|  | Net<br>unrealized<br>gain on<br>investments | Deferred<br>gains or loss on<br>hedges | Total<br>Valuation<br>and<br>translation<br>adjustments | Subscription<br>rights to<br>shares | Total<br>net assets |
| Balance at March 31, 2007                      | 67,013                                      | (812)                                  | 66,201  | 1,224                               | 1,475,328           |
| Cash dividends                                 |   |  |   |                                     | (86,866)            |
| Reversal of reserve for specified fixed assets |   |  |   |                                     |                     |
| Net income                                     |   |  |   |                                     | 53,985              |
| Purchases of treasury stock                    |   |  |   |                                     | (3,525)             |
| Disposal of treasury stock                     |   |  |   |                                     | 828                 |
| Other-net                                      | (32,099)                                    | 5,835                                  | (26,265)  | 10,177                              | (16,088)            |
| Change in the term                             | (32,099)                                    | 5,835                                  | (26,265)  | 10,177                              | (51,667)            |
| Balance at March 31, 2008                      | 34,914                                      | 5,023                                  | 39,936  | 11,401                              | 1,423,661           |



**Table of Contents****For the year ended March 31, 2007**

(Millions of yen)

|  | Capital reserve |                            |                       |                       | Shareholders equity    |                                    |                      | Earned surplus                 |                      | Treasury stock | Total Shareholders equity |
|--|-----------------|----------------------------|-----------------------|-----------------------|------------------------|------------------------------------|----------------------|--------------------------------|----------------------|----------------|---------------------------|
|  | Common stock    | Additional paid-in capital | Other capital reserve | Total capital reserve | Earned surplus reserve | Reserve for specified fixed assets | Other Earned surplus |                                | Total Earned surplus |                |                           |
|  |                 |                            |                       |                       |                        |                                    | General reserve      | Earned surplus carried forward |                      |                |                           |
| Balance at March 31, 2006                          | 182,800         | 112,504                    | 2,014                 | 114,518               | 81,858                 | 29                                 | 1,020,000            | 43,131                         | 1,145,018            | (80,448)       | 1,361,888                 |
| Cash dividends (*)                                 |                 |                            |                       |                       |                        |                                    |                      | (68,620)                       | (68,620)             |                | (68,620)                  |
| Cash dividends                                     |                 |                            |                       |                       |                        |                                    |                      | (45,775)                       | (45,775)             |                | (45,775)                  |
| Reversal of reserve for specified fixed assets (*) |                 |                            |                       |                       |                        | (4)                                |                      | 4                              |                      |                |                           |
| Reversal of reserve for specified fixed assets     |                 |                            |                       |                       |                        | (7)                                |                      | 7                              |                      |                |                           |
| Reversal of general reserve (*)                    |                 |                            |                       |                       |                        |                                    | (26,000)             | 26,000                         |                      |                |                           |
| Net income   |                 |                            |                       |                       |                        |                                    |                      | 158,235                        | 158,235              |                | 158,235                   |
| Purchases of treasury stock                        |                 |                            |                       |                       |                        |                                    |                      |                                |                      | (204)          | (204)                     |
| Disposal of treasury stock                         |                 |                            |                       | (556)                 | (556)                  |                                    |                      |                                |                      | 2,935          | 2,379                     |
| Other-net  |                 |                            |                       |                       |                        |                                    |                      |                                |                      |                |                           |
| Change in the term                                 |                 |                            |                       | (556)                 | (556)                  | (11)                               | (26,000)             | 69,851                         | 43,840               | 2,731          | 46,015                    |
| Balance at March 31, 2007                          | 182,800         | 112,504                    | 1,458                 | 113,962               | 81,858                 | 19                                 | 994,000              | 112,981                        | 1,188,858            | (77,717)       | 1,407,903                 |

|  | Valuation and translation adjustments |                                  |                                  |                  | Total net assets |
|--|---------------------------------------|----------------------------------|----------------------------------|------------------|------------------|
|  | Net unrealized gain on investments    | Deferred gains or loss on hedges | Total Valuation and Subscription |                  |                  |
|  |                                       |                                  | translation adjustments          | rights to shares |                  |
| Balance at March 31, 2006                          | 84,761                                |                                  | 84,761                           |                  | 1,446,649        |
| Cash dividends (*)                                 |                                       |                                  |                                  |                  | (68,620)         |
| Cash dividends                                     |                                       |                                  |                                  |                  | (45,775)         |
| Reversal of reserve for specified fixed assets (*) |                                       |                                  |                                  |                  |                  |
| Reversal of reserve for specified fixed assets     |                                       |                                  |                                  |                  |                  |
| Reversal of general reserve (*)                    |                                       |                                  |                                  |                  |                  |
| Net income   |                                       |                                  |                                  |                  | 158,235          |
| Purchases of treasury stock                        |                                       |                                  |                                  |                  | (204)            |
| Disposal of treasury stock                         |                                       |                                  |                                  |                  | 2,379            |
| Other-net  | (17,748)                              | (812)                            | (18,560)                         | 1,224            | (17,336)         |
| Change in the term                                 | (17,748)                              | (812)                            | (18,560)                         | 1,224            | 28,679           |
| Balance at March 31, 2007                          | 67,013                                | (812)                            | 66,201                           | 1,224            | 1,475,328        |

(\*) Items approved in the Board of Directors held on May 2006.



**Table of Contents****Nomura Securities Co., Ltd.****Unconsolidated Balance Sheet Information**

|   | March 31, 2008    | March 31, 2007 | (Millions of yen)<br>Increase/(Decrease) |
|---|-------------------|----------------|--|
| <b>ASSETS</b>                                     |                   |                |  |
| Current Assets                                    | <b>13,094,317</b> | 12,570,606     | 523,712                                  |
| Cash and time deposits                            | <b>99,821</b>     | 57,301         | 42,520                                   |
| Deposits with exchanges and other segregated cash | <b>50,692</b>     | 693            | 49,999                                   |
| Trading assets:                                   | <b>6,012,280</b>  | 5,023,167      | 989,113                                  |
| Trading securities                                | <b>4,973,376</b>  | 4,603,302      | 370,074                                  |
| Derivative contracts                              | <b>1,038,904</b>  | 419,865        | 619,038                                  |
| Margin account assets:                            | <b>165,368</b>    | 359,294        | (193,927)                                |
| Loans to customers in margin transactions         | <b>143,666</b>    | 290,369        | (146,703)                                |
| Cash collateral to securities finance companies   | <b>21,701</b>     | 68,925         | (47,223)                                 |
| Loans with securities as collateral:              | <b>6,235,494</b>  | 6,903,525      | (668,031)                                |
| Cash collateral for securities borrowed           | <b>5,373,927</b>  | 5,544,509      | (170,582)                                |
| Loans in gensaki transactions                     | <b>861,568</b>    | 1,359,016      | (497,449)                                |
| Receivables from customers and others             | <b>1,319</b>      | 1,231          | 88                                       |
| Short-term guarantee deposits                     | <b>339,539</b>    | 91,028         | 248,510                                  |
| Short-term loans receivable                       | <b>37,125</b>     | 11,026         | 26,099                                   |
| Deferred tax assets                               | <b>106,066</b>    | 77,561         | 28,506                                   |
| Other current assets                              | <b>46,646</b>     | 45,826         | 820                                      |
| Allowance for doubtful accounts                   | <b>(32)</b>       | (46)           | 14                                       |
| Fixed Assets                                      | <b>77,385</b>     | 61,787         | 15,598                                   |
| Tangible fixed assets                             | <b>58</b>         | 43             | 15                                       |
| Intangible assets                                 | <b>1,672</b>      | 653            | 1,019                                    |
| Investments and others                            | <b>75,655</b>     | 61,091         | 14,564                                   |
| Investment securities                             | <b>195</b>        | 195            |  |
| Deferred tax assets                               | <b>41,262</b>     | 41,217         | 45                                       |
| Other investments                                 | <b>34,865</b>     | 20,575         | 14,290                                   |
| Allowance for doubtful accounts                   | <b>(667)</b>      | (896)          | 229                                      |
| <b>TOTAL ASSETS</b>                               | <b>13,171,702</b> | 12,632,393     | 539,310                                  |

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|  | March 31, 2008    | March 31, 2007    | (Millions of yen)<br>Increase/(Decrease) |
|--|-------------------|-------------------|--|
| <b>LIABILITIES</b>                                   |                   |                   |  |
| Current Liabilities                                  | 11,605,224        | 11,033,512        | 571,712                                  |
| Trading liabilities:                                 | 2,887,090         | 2,090,611         | 796,479                                  |
| Trading securities                                   | 2,277,593         | 1,672,676         | 604,918                                  |
| Derivative contracts                                 | 609,497           | 417,936           | 191,561                                  |
| Net payables arising from pre-settlement date trades | 8,048             | 57,469            | (49,421)                                 |
| Margin account liabilities:                          | 13,144            | 29,988            | (16,844)                                 |
| Borrowings from securities finance companies         | 2,736             | 4,385             | (1,649)                                  |
| Customer margin sale proceeds                        | 10,408            | 25,603            | (15,195)                                 |
| Borrowings with securities as collateral:            | 3,977,051         | 5,497,684         | (1,520,634)                              |
| Cash collateral for securities loaned                | 2,688,318         | 3,797,819         | (1,109,500)                              |
| Borrowings in gensaki transactions                   | 1,288,732         | 1,699,865         | (411,133)                                |
| Payables to customers and others                     | 137,213           | 187,155           | (49,942)                                 |
| Guarantee deposits received                          | 95,581            | 119,888           | (24,307)                                 |
| Short-term borrowings                                | 3,911,100         | 2,557,500         | 1,353,600                                |
| Short-term bonds payable                             | 336,500           | 266,500           | 70,000                                   |
| Bond due within one year                             | 100,000           | 60,000            | 40,000                                   |
| Accrued income taxes                                 | 12,307            | 7,690             | 4,617                                    |
| Accounts payable                                     | 61,649            | 81,724            | (20,075)                                 |
| Accrued bonuses for employees                        | 15,200            | 22,700            | (7,500)                                  |
| Other current liabilities                            | 50,341            | 54,603            | (4,262)                                  |
| Long-term Liabilities                                | 701,840           | 633,608           | 68,232                                   |
| Bonds payable  | 224,285           | 198,200           | 26,085                                   |
| Long-term borrowings                                 | 404,400           | 371,900           | 32,500                                   |
| Reserve for retirement benefits                      | 62,523            | 58,337            | 4,187                                    |
| Other long-term liabilities                          | 10,632            | 5,172             | 5,460                                    |
| Statutory Reserves                                   | 5,626             | 4,346             | 1,281                                    |
| Reserve for securities transactions                  | 5,626             | 4,346             | 1,281                                    |
| <b>TOTAL LIABILITIES</b>                             | <b>12,312,691</b> | <b>11,671,466</b> | <b>641,224</b>                           |
| <b>NET ASSETS</b>                                    |                   |                   |  |
| Shareholder's equity                                 | 857,535           | 958,769           | (101,233)                                |
| Common stock   | 10,000            | 10,000            |  |
| Capital reserves                                     | 529,579           | 529,579           |  |
| Additional paid-in capital                           | 529,579           | 529,579           |  |
| Earned surplus                                       | 317,957           | 419,190           | (101,233)                                |
| Other Earned surplus                                 | 317,957           | 419,190           | (101,233)                                |
| General reserve                                      | 63,000            | 63,000            |  |
| Earned surplus carried forward                       | 254,957           | 356,190           | (101,233)                                |
| Valuation and translation adjustments                | 1,476             | 2,157             | (681)                                    |
| Deferred gains or loss on hedges                     | 1,476             | 2,157             | (681)                                    |
| <b>TOTAL NET ASSETS</b>                              | <b>859,012</b>    | <b>960,926</b>    | <b>(101,914)</b>                         |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>              | <b>13,171,702</b> | <b>12,632,393</b> | <b>539,310</b>                           |

**Table of Contents****Nomura Securities Co., Ltd.****Unconsolidated Income Statement Information**

|  | (Millions of yen except percentages)    |   |                         |
|--|---|---|-------------------------|
|  | For the year ended<br>March 31, 2008(A) | For the year ended<br>March 31, 2007(B) | Comparison<br>(A-B)/(B) |
| Operating revenue  | 710,537                                 | 770,358                                 | (7.8)%                  |
| Commissions  | 397,399                                 | 423,247                                 | (6.1)                   |
| Net gain on trading  | 162,176                                 | 214,667                                 | (24.5)                  |
| Net gain on other inventories  | 15                                      | 12                                      | 24.9                    |
| Interest and dividend income   | 150,946                                 | 132,431                                 | 14.0                    |
| Interest expenses  | 108,272                                 | 85,940                                  | 26.0                    |
| Net operating revenue  | 602,265                                 | 684,418                                 | (12.0)                  |
| Selling, general and administrative expenses                         | 437,126                                 | 417,911                                 | 4.6                     |
| Transaction-related expenses   | 83,323                                  | 85,092                                  | (2.1)                   |
| Compensation and benefits  | 167,625                                 | 164,302                                 | 2.0                     |
| Rental and maintenance   | 49,726                                  | 48,327                                  | 2.9                     |
| Data processing and office supplies                                  | 123,378                                 | 107,275                                 | 15.0                    |
| Others   | 13,074                                  | 12,915                                  | 1.2                     |
| Operating income   | 165,138                                 | 266,507                                 | (38.0)                  |
| Non-operating income   | 1,608                                   | 2,021                                   | (20.4)                  |
| Non-operating expenses   | 2,013                                   | 1,828                                   | 10.1                    |
| Ordinary income  | 164,734                                 | 266,699                                 | (38.2)                  |
| Special profits  | 1,667                                   | 643                                     | 159.4                   |
| Gains due to the exemption from payments of share-based compensation | 1,667                                   | 643                                     | 159.4                   |
| Special losses   | 1,281                                   | 1,241                                   | 3.2                     |
| Reserve for securities transactions                                  | 1,281                                   | 1,241                                   | 3.2                     |
| Income before income taxes   | 165,120                                 | 266,101                                 | (37.9)                  |
| Income taxes - current   | 93,022                                  | 115,489                                 | (19.5)                  |
| Income taxes - deferred  | (28,078)                                | (90)                                    |                         |
| Net income   | 100,177                                 | 150,702                                 | (33.5)                  |

**Table of Contents****Nomura Securities Co., Ltd.****Quarterly Income Statement Information**

|  | (Millions of yen)   |   |   |  |                              |
|--|---|---|---|--|------------------------------|
|  | For the Quarter<br>from April 1, 2007<br>to June 30, 2007 | For the Quarter<br>from July 1, 2007<br>to September 30, 2007 | For the Quarter<br>from October 1, 2007<br>to December 31, 2007 | For the Quarter<br>from January 1, 2008<br>to March 31, 2008 | Year Ended<br>March 31, 2008 |
| Operating revenue  | 252,044   | 162,970   | 191,653   | 103,871  | 710,537                      |
| Commissions  | 122,458   | 102,927   | 97,102  | 74,912   | 397,399                      |
| Net gain on trading  | 77,896  | 26,154  | 56,224  | 1,902  | 162,176                      |
| Net gain on other inventories  | 2   | 3   | 5   | 5  | 15                           |
| Interest and dividend income   | 51,687  | 33,886  | 38,322  | 27,051   | 150,946                      |
| Interest expenses  | 34,446  | 23,196  | 28,537  | 22,093   | 108,272                      |
| Net operating revenue  | 217,598   | 139,773   | 163,116   | 81,778   | 602,265                      |
| Selling, general and administrative expenses                         | 111,461   | 108,501   | 106,904   | 110,261  | 437,126                      |
| Transaction-related expenses   | 22,627  | 21,820  | 19,899  | 18,978   | 83,323                       |
| Compensation and benefits  | 45,227  | 41,807  | 41,663  | 38,928   | 167,625                      |
| Rental and maintenance   | 12,081  | 12,435  | 12,562  | 12,648   | 49,726                       |
| Data processing and office supplies                                  | 28,040  | 29,235  | 29,956  | 36,147   | 123,378                      |
| Other  | 3,487   | 3,203   | 2,824   | 3,560  | 13,074                       |
| Operating income (loss)  | 106,137   | 31,273  | 56,212  | (28,483)   | 165,138                      |
| Non-operating income   | 500   | 310   | 306   | 492  | 1,608                        |
| Non-operating expenses   | 438   | 523   | 368   | 683  | 2,013                        |
| Ordinary income (loss)   | 106,200   | 31,059  | 56,149  | (28,674)   | 164,734                      |
| Special profits  | 265   | 453   | 478   | 471  | 1,667                        |
| Gains due to the exemption from payments of share-based compensation | 265   | 453   | 478   | 471  | 1,667                        |
| Special losses   | 316   | 326   | 321   | 318  | 1,281                        |
| Reserve for securities transactions                                  | 316   | 326   | 321   | 318  | 1,281                        |
| Income before income taxes   | 106,150   | 31,186  | 56,305  | (28,520)   | 165,120                      |
| Income taxes - current   | 36,757  | 32,481  | 13,219  | 10,565   | 93,022                       |

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|                         |        |          |        |          |          |
|-------------------------|--------|----------|--------|----------|----------|
| Income taxes - deferred | 5,981  | (21,105) | 9,317  | (22,271) | (28,078) |
| Net income (loss)       | 63,412 | 19,811   | 33,769 | (16,815) | 100,177  |

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

## 1. Commission Revenues

## (1) Breakdown by Category

(Millions of yen except percentages)

|  | Year Ended         |                    | Comparison<br>(A-B)/(B) (%) |
|--|--------------------|--------------------|-----------------------------|
|  | March 31, 2008 (A) | March 31, 2007 (B) |                             |
| Brokerage commissions                  | 115,401            | 133,648            | (13.7)%                     |
| <i>(Stocks)</i>                        | <i>109,023</i>     | <i>127,751</i>     | <i>(14.7)</i>               |
| Underwriting commissions               | 27,941             | 49,253             | (43.3)                      |
| <i>(Stocks)</i>                        | <i>24,117</i>      | <i>41,744</i>      | <i>(42.2)</i>               |
| <i>(Bonds)</i>                         | <i>3,824</i>       | <i>7,487</i>       | <i>(48.9)</i>               |
| Distribution commissions               | 122,744            | 124,040            | (1.0)                       |
| <i>(Investment trust certificates)</i> | <i>121,150</i>     | <i>120,333</i>     | <i>0.7</i>                  |
| Other commissions                      | 131,313            | 116,306            | 12.9                        |
| <i>(Investment trust certificates)</i> | <i>64,246</i>      | <i>52,374</i>      | <i>22.7</i>                 |
| Total                                  | 397,399            | 423,247            | (6.1)                       |

## (2) Breakdown by Product

(Millions of yen except percentages)

|                               | Year Ended         |                    | Comparison<br>(A-B)/(B) (%) |
|-------------------------------|--------------------|--------------------|-----------------------------|
|                               | March 31, 2008 (A) | March 31, 2007 (B) |                             |
| Stocks                        | 139,689            | 177,416            | (21.3)%                     |
| Bonds                         | 9,760              | 16,130             | (39.5)                      |
| Investment trust certificates | 189,737            | 177,789            | 6.7                         |
| Others                        | 58,213             | 51,912             | 12.1                        |
| Total                         | 397,399            | 423,247            | (6.1)                       |

## 2. Net Gain on Trading

(Millions of yen except percentages)



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|                 | Year Ended         |                    | Comparison<br>(A-B)/(B) (%) |
|-----------------|--------------------|--------------------|-----------------------------|
|                 | March 31, 2008 (A) | March 31, 2007 (B) |                             |
| Stocks          | 38,022             | 75,445             | (49.6)%                     |
| Bonds and forex | 124,154            | 139,222            | (10.8)                      |
| Total           | 162,176            | 214,667            | (24.5)                      |

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

## 3. Stock Trading (excluding futures transactions)

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

|                                      | March 31,<br>2008(A) |             | March 31,<br>2007 (B) |             | Comparison<br>(A-B)/(B) (%) |        |
|--------------------------------------|----------------------|-------------|-----------------------|-------------|-----------------------------|--------|
|                                      | Number of<br>shares  | Amount      | Number of<br>shares   | Amount      | Number of<br>shares         | Amount |
| Total                                | 74,537               | 106,650,507 | 71,790                | 105,345,875 | 3.8%                        | 1.2%   |
| <i>(Brokerage)</i>                   | 45,558               | 63,741,516  | 44,825                | 64,332,556  | 1.6                         | (0.9)  |
| <i>(Proprietary Trading)</i>         | 28,979               | 42,908,991  | 26,966                | 41,013,320  | 7.5                         | 4.6    |
| Brokerage / Total                    | 61.1%                | 59.8%       | 62.4%                 | 61.1%       |                             |        |
| TSE Share                            | 6.0%                 | 6.6%        | 6.4%                  | 7.0%        |                             |        |
| Brokerage Commission per share (yen) |                      | 2.37        |                       | 2.83        |                             |        |

## 4. Underwriting, Subscription, and Distribution

(Millions of shares or yen except percentages)  
Year Ended

|  | March 31,<br>2008 (A) | March 31,<br>2007 (B) | Comparison<br>(A-B)/(B) (%) |
|--|-----------------------|-----------------------|-----------------------------|
|  | <b>Underwriting</b>   |                       |                             |
| Stocks (number of shares)                  | 141                   | 466                   | (69.8)%                     |
| (yen amount)                               | 710,200               | 1,119,862             | (36.6)                      |
| Bonds (face value)                         | 6,995,085             | 6,509,676             | 7.5                         |
| Investment trust certificates (yen amount) |                       |                       |                             |
| Beneficial interest (face value)           | 11,800                | 132,868               | (91.1)                      |
| <b>Subscription and Distribution*</b>      |                       |                       |                             |
| Stocks (number of shares)                  | 295                   | 1,023                 | (71.2)                      |
| (yen amount)                               | 835,801               | 1,263,720             | (33.9)                      |
| Bonds (face value)                         | 3,750,872             | 3,894,257             | (3.7)                       |
| Investment trust certificates (yen amount) | 20,429,301            | 21,430,501            | (4.7)                       |
| Beneficial interest (face value)           | 3,000                 | 52,800                | (94.3)                      |

\* Includes secondary offering and private placement.

## 5. Capital Adequacy Ratio

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|                        |                                       | (Millions of yen except percentages) |                |         |
|------------------------|---------------------------------------|--------------------------------------|----------------|---------|
|                        |                                       | March 31, 2008                       | March 31, 2007 |         |
| Tier I                 |                                       | (A)                                  | 756,830        | 757,358 |
| Tier II                | Valuation and translation adjustments |                                      | 1,476          | 2,157   |
|                        | Statutory reserves                    |                                      | 5,626          | 4,345   |
|                        | Allowance for doubtful accounts       |                                      | 32             | 46      |
|                        | Subordinated debt                     |                                      | 516,085        | 310,000 |
|                        | Total                                 | (B)                                  | 523,220        | 316,549 |
| Illiquid Asset         |                                       | (C)                                  | 145,932        | 154,421 |
| Net Capital            | (A) + (B) - (C) =                     | (D)                                  | 1,134,117      | 919,486 |
| Risk                   | Market risk                           |                                      | 108,263        | 53,129  |
|                        | Counterparty risk                     |                                      | 259,810        | 253,360 |
|                        | Basic risk                            |                                      | 132,823        | 116,905 |
|                        | Total                                 | (E)                                  | 500,896        | 423,396 |
| Capital Adequacy Ratio |                                       | (D)/(E)                              | 226.4%         | 217.1%  |