

NOMURA HOLDINGS INC

Form 6-K

June 01, 2004

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FORM 6-K

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

Commission File Number: 1-15270

For the month of June 2004.

NOMURA HOLDINGS, INC.

(Translation of registrant's name into English)

9-1, Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Japan

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(Address of principal executive offices)

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

Form 20-F Form 40-F

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

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

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

Yes No

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

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Information furnished on this form:

EXHIBIT

Exhibit Number

1. [(English Translation) Notice of Convocation of the Ordinary General Meeting of Shareholders]
2. [(English Translation) Nomura Group Report for the Fiscal Year Ended March 31, 2004]

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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: June 1, 2004

By: /s/ HIROSHI TANAKA

Hiroshi Tanaka
Senior Managing Director

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[English Translation]

May 31, 2004

To: Shareholders

Nobuyuki Koga
President and Chief Executive Officer
Nomura Holdings, Inc.
1-9-1 Nihonbashi, Chuo-ku, Tokyo, JAPAN

Notice of Convocation of the Ordinary General Meeting of Shareholders

Dear Shareholder:

I would like to take this opportunity to thank you, our shareholder, for your support to Nomura Holdings, Inc. (the Company).

You are hereby notified that the 100th Ordinary General Meeting of Shareholders will be held as follows. You are respectfully requested to attend the meeting. Please kindly submit the enclosed proxy card to the reception at the meeting.

In the event that you are unable to attend the meeting, you may exercise your voting rights via correspondence or internet. Please review the reference documents below, indicate your approval or disapproval of the proposals on the agenda on the enclosed proxy card and, after affixing your seal impression thereon, return the card to the Company or exercise your voting rights through the website specified by the Company (<http://www.evotep.jp>). (Japanese only)

Description

1. Date and Time: 10:00 a.m. on Friday, June 25, 2004
2. Place: Nomura International Center (*Takanawa Kenshu Center*)
2-12-21 Takanawa, Minato-ku, Tokyo, JAPAN

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3. Agenda for the Meeting:

Matters to be Reported:

1. Report on the 100th Fiscal Year Business Report (April 1, 2003 to March 31, 2004), Balance Sheet (as of March 31, 2004) and Statement of Income.
2. Report on the Appropriation of Retained Earnings for the 100th Fiscal Year and its Reason, etc.

Matters to be Resolved:

1. Amendments to the Articles of Incorporation (as described in the attached Reference Material Regarding the Exercise of Voting Rights).
2. Issuance of Stock Acquisition Rights as Stock Options (as described in the attached Reference Material Regarding the Exercise of Voting Rights).
3. Election of Eleven Directors.

Note:

Proceedings of the General Meeting of Shareholders can be seen on the following website on the same day and on the personal computers at all domestic branches of Nomura Securities Co., Ltd on the date of the meeting.

(Japanese version) <http://www.nomura.com/jp/>

(English version) <http://www.nomura.com/>

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Attachments to Notice of Convocation of 100th Ordinary General Meeting of Shareholders

Business Report for the Year Ended March 31, 2004 (April 1, 2003 - March 31, 2004)

I. Business Activities of Holding Company

1. Progress and Achievement of Business Activities

Adoption of Committee System

With the approval of the Ordinary General Meeting of Shareholders held on June 26, 2003, the Company has adopted the Committee System. Under the Committee System, the management oversight functions were separated from the business operation functions, delegating many of the powers to execute business activities from directors to executive officers. Simultaneously three committees were established, the Nomination Committee, the Audit Committee, and the Compensation Committee. Outside directors make up the majority of each Committee. The Company is conducting integrated management activities with more speed and transparency under the new management structure.

Business Purpose of Holding Company

The main business purpose of the Company is to hold shares of domestic and overseas companies which engage in securities and securities-related businesses and manage their business activities. The Company and its subsidiaries in Japan and overseas such as Nomura Securities Co., Ltd. constitute the Nomura Group and pursue integrated business operations under the unified strategic focus of the Nomura Group.

Management Policy and Structure of Business Operations

The Nomura Group's vision is to firmly establish its status as a globally competitive Japanese financial institution. The Japanese securities market is expected to grow rapidly. In this environment, the Company will seek to realize its vision by strengthening its base in the domestic securities businesses and by consolidating the Nomura Group's comprehensive capabilities domestically and overseas.

The Company intends to maintain an average consolidated ROE of 10 to 15% over the medium- to long-term as a management target to increase shareholders' value.

In executing its business strategy, the Company focuses on business lines, which are linked globally, rather than individual legal entities. Nomura Group's business lines are comprised of Domestic Retail, Global Wholesale and Asset Management. Global Wholesale consists of four

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businesses: Fixed Income, Equity, Investment Banking and Merchant Banking.

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The Nomura Group is establishing a competitive structure of business operations by delegating the powers to execute business activities to each division as adequate and enhancing the professional skills of each of these business lines, while strengthening linkages among these business lines.

Business Line:

Subsidiary Company Management

The Company manages its subsidiaries in line with the Nomura Group strategy. The Nomura Group, with its core businesses of the securities and closely related businesses, aims to achieve its management objectives by concentrating management resources in these areas and building multi-faceted and substantive business portfolios.

A specific example of a business measure we took this year has been strengthening our service structure oriented toward individual investors, who primarily consist of employment income earners. We launched the Hotto-Direct Department to meet the needs of such asset builders by providing Internet and telephone services, a continuation of Nomura Fundnet Securities' investment trust sales business. We have also merged Nomura Fundnet's defined pension contribution telephone services with Nomura DC Planning and Nomura Human Capital Solutions to create Nomura Pension Support and Services. Nomura DC Planning had previously provided administrative service for defined pension contribution plans, and Nomura Human Capital Solutions had previously provided pension-related and other consulting services. Thus, we have consolidated our pension-related functions under one company.

Nomura Institute of Capital Markets Research was established to provide neutral advice for the sound development of Japan's financial and capital markets, as well as policy suggestions (operation commenced on April 1, 2004). We will also respond to changes in the China market more effectively by making the consulting company joint venture Nomura-CITIC International Economic Consultants Co., Ltd., a wholly-owned subsidiary with the new name Nomura Corporate Advisory (China) Co., Ltd., which now has stronger relations with the Nomura Group.

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Corporate Governance Structure

The Company is actively strengthening its corporate governance measures, most notably with the adoption last year of the Committee System. All the thirteen domestic subsidiaries have adopted this system. With this change, the group management has become more uniform, and a more functional administrative structure has been put in place. The Company has endeavored to strengthen its management oversight functions and increase transparency.

Under the Committee System, the Audit Committee mainly comprised of outside directors handles the core audit function. In this way, the Company is striving to strengthen and improve its internal control system in order to enhance the effectiveness of the Audit Committee.

Specifically, audit functions conducted by the Audit Committee are supplemented by non-executive but full-time two directors (Audit Mission Directors) who are familiar with Nomura Group business and its organization. Internal audit results are reported not only to the President & Chief Executive Officer but also to the Audit Committee and Audit Mission Directors. The Office of Audit Committee falls under the Audit Committee, and its purpose is to assist the Audit Committee members and Audit Mission Directors.

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The Nomura Group has established the Internal Controls Committee in order to monitor the Group's overall internal controls. The six members are comprised of four executive officers including the President & Chief Executive Officer as well as an outside director and an Audit Mission Director.

In these ways, the Company has established a structure to promote more effective monitoring by the Audit Committee and strives to strengthen the corporate governance.

2. Results of Operations

Major sources of the Company's revenues as a holding company include revenue from property and equipment leasing, rent, royalties on the Company's trademark and dividend income from subsidiaries, such as Nomura Securities Co., Ltd.

Operating revenue for the fiscal year ended March 2004 increased 32.7 billion yen to 135.3 billion yen, helped by dividend income from subsidiaries of 29.4 billion yen. Other than this, property and equipment revenue amounted to 63.0 billion yen, rent revenue amounted to 29.9 billion yen, and royalty on trademark amounted to 6.9 billion yen.

Operating expense for the fiscal year ended March 2004 was 95.8 billion yen.

As a result, ordinary income after non-operating income and non-operating expenses increased 28.7 billion yen to 39.4 billion yen.

5.7 billion yen, mainly in gains on sales of investment securities, was recorded as special profits. 5.0 billion yen, mainly in losses on sales of investment securities, was recorded as special losses.

As a result of the foregoing, income before income taxes amounted to 40.1 billion yen and net income after income taxes amounted to 33.3 billion yen, compared to a net loss of 12.8 billion yen for the fiscal year ended March 2003. Net income increased as operating revenue increased and mark-down on investment securities decreased.

3. Asset, Liability and Capital

The Company, as a holding company, holds equity securities in and loans receivable from subsidiaries, tangible or intangible fixed assets relating to office accommodation and systems utilized by subsidiaries and investment securities and other assets.

Total assets at the end of March 2004 was 2,469.7 billion yen (348.6 billion yen increase from the end of March 2003), primarily due to an increase in the loan to Nomura Securities Co., Ltd. Total liabilities was 1,102.7 billion yen (323.6 billion yen increase from the end of March 2003), as borrowings from Nomura Europe Finance N.V. increased and bonds were issued. As a result total shareholders' equity was 1,367.0

billion yen (24.9 billion yen increase from the end of March 2003).

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4. Capital Expenditures and Financing

Capital expenditures were made with a focus on investing in systems related to the securities businesses of Nomura Securities Co., Ltd. aiming to support business promotion of each of the business lines. Specifically, investments were made on: company-wide intra-network and renewed computer devices to cope with growing data flow; new Hotto Direct which offers telephone services during the weekday evenings and on weekends in addition to the regular office hours of Nomura Securities Co., Ltd., improvement of certain functions and services of Nomura Home Trade, the on-line trading service, and system enhancements for the trading system in the wholesale business area.

With respect to financing, the Company has tried to improve the efficiency of the group's corporate finance structure, including overseas offices, and to promote operational efficiencies in funding by utilizing funds amongst the Nomura Group companies efficiently. Following this policy, the Company issued 70.0 billion yen of bonds in March 2004 and borrowed long-term funds amounting to 40.0 billion yen from financial institutions to secure stable long-term operating capital.

5. Current Challenges

While Japan's economy and securities markets are recovering steadily, the Nomura Group is facing a more competitive environment than ever before. In this environment, the Nomura Group will analyze the markets and customers, deal with diverse customer needs promptly and flexibly, and expand its field to global markets so that the Nomura Group can provide creative solutions to customers both at home and abroad and maximize our opportunities.

With regards to Domestic Retail, the Nomura Group will provide various high-quality financial services based on the specific needs of each customer and expand client assets. In addition, the Nomura Group will continue its efforts to stimulate the securities markets that are becoming more important for the revitalization of Japan by investor education programs and so forth.

Regarding Global Wholesale, as the financial results of Japanese companies recover, the Nomura Group will flexibly respond to changes in customer and market needs such as financing business, globally increasing M&A business and continuously expanding our corporate rehabilitation business. In April 2004, the Nomura Group reorganized Global Wholesale segment. It now consists of three business lines: Global Markets which is composed of Fixed Income and Equity, Investment Banking, and Merchant Banking in order to enhance specialty services and strengthen its global structure.

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In Asset Management, the Nomura Group continues to enhance performance by continuing to offer a variety of investment opportunities, and increasing assets under management by maintaining a strong sales support system and delivering new products to meet customer needs. In regards to the defined contribution pension plan business, the Nomura Group will enhance its offering of integrated services ranging from consulting for plan implementation and investment education to supply of products.

The Nomura Group is committed to strengthening its base in the securities businesses and increasing its own corporate value utilizing its combined strengths and making quick decisions in challenging the above subjects, as well as actively contributing to the development of the Japanese economy and the securities market.

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6. Results of Operations and Assets

(in billions of yen except per share data in yen)

Category	Year				
	2000 (4/1/99 3/31/00)	2001 (4/1/00 3/31/01)	2002 (4/1/01 3/31/02)	2003 (4/1/02 3/31/03)	2004 (4/1/03 3/31/04)
Operating revenue	624.6	575.8	269.1	102.6	135.3
Commissions	443.1	299.7	110.5		
Net gain on trading	145.6	232.2	88.0		
Property and equipment revenue			30.1	60.9	63.0
Rent revenue			15.7	30.7	29.9
Royalty on trademark			2.6	5.1	6.9
Dividend from subsidiaries and affiliated companies					29.4
Ordinary income	303.3	244.1	68.1	10.7	39.4
Net income (loss)	144.1	131.5	(37.2)	(12.8)	33.3
Net income (loss) per share	73.44	67.01	(18.94)	(6.70)	17.19
Total Assets	11,718.4	12,204.9	2,023.9	2,121.1	2,469.7
Net Assets (Shareholders' Equity)	1,367.3	1,526.6	1,441.6	1,342.0	1,367.0

Note 1 : On October 1, 2001, the corporate separation date, the Company implemented corporate separation and the Company became a holding company. The results from April 1, 1999 to March 31, 2001 shown in the above table were the Company's securities business activities and the results for the fiscal year ended March 2002 include the revenue related to the securities businesses until the corporation separation date, which is, in effect one-half year of results.

Note 2 : This Business Report has been prepared in accordance with the revised Enforcement Regulations of Commercial Code pursuant to the provisions of Paragraph 2, Article 3 of the Supplement of the ministry ordinance regarding the Partial Amendments, to the Enforcement Regulations of Commercial Code (Ministry of Justice Ordinance, February 28, 2003, No.7).

Note 3 : Net income (loss) per share is calculated based on the average number of shares outstanding during the fiscal years up through the fiscal year ended March 31, 2001. From the year ended March 31, 2002, it is calculated by using the average number of shares outstanding less the average number of shares held as treasury stock by the Company. The Company adopted Accounting Standard for Earning per Share (the Accounting Standards Board of Japan (the ASBJ), Financial Accounting Standard No. 2, September 25, 2002) and Implementation Guidance for Accounting Standard for Earning per Share (the ASBJ, Financial Accounting Standards Implementation Guidance No. 4, September 25, 2002) in the fiscal year ended March 31, 2003. Net loss per share for the fiscal year ended March 31, 2003 calculated under the previous method is 6.54 yen.

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The fiscal year ended March 2000 (from April 1, 1999 to March 31, 2000)

During the fiscal year ended March 2000, the international capital markets were basically stable due in large part to the continued economic growth of the United States and recovering Asian economies. In Japan, the stock market rose steadily throughout the fiscal year ended March 2000 as expectations of a recovery from the country's recession relieved investors' anxieties. The government's pursuit of a zero interest rate policy and other government programs intended to stimulate the economy has generated increased confidence in the country's fiscal outlook. Since the summer of 1999, the performance of Japan's stock market has closely correlated with the market activities in the United States, primarily because of the rise in the value of technology related stocks. The market has shown a clear tendency to be polarized into two groups, technology shares and non-technology shares. In contrast, the bond market in Japan became temporarily sluggish due to supply and demand imbalance concerns. Generally, bond prices moved within a box range because of government policies to control long-term interest rates, such as maintaining a near zero interest rate environment and diversifying the maturities of government bonds. Under such circumstances, the Company endeavored to offer high quality advice, information and services and posted ordinary income of 303.3 billion yen.

The fiscal year ended March 2001 (from April 1, 2000 to March 31, 2001)

During the fiscal year ended March 2001, there was a modest recovery in the Japanese economy from the beginning of the fiscal year to the autumn of 2000 triggered by expanded capital investment, however, further stagnation occurred afterwards, reflecting slowdowns in the U.S. and Asian economies, as well as a slowdown in IT-related demands and investment. Japan's stock markets continued their sluggish performance since the beginning of the fiscal year, however, the Nikkei Stock Average rallied slightly toward the end of March 2001, as prospects improved for Japan's fundamental restructuring to solve its bad loan problems. The bond markets declined temporarily caused by the lifting of the zero-interest rate policy in August 2000, but recovered steadily afterwards. From February to March 2001, due to the reduction of the official discount rate to 0.25%, the bond futures market rallied and achieved an all-time high. Regarding trading activities, the Company built an organization which provided the most efficient order execution services in the country. The Company's customer-based business was unified on a global basis, and the unification led to higher order matching opportunities, especially with orders from overseas customers. As a result of the foregoing, the Company's ordinary income amounted to 244.1 billion yen.

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The fiscal year ended March 2002 (from April 1, 2001 to March 31, 2002)

On October 1, 2001, the corporate separation date, the Company implemented corporate separation and the operation of the securities and other related businesses was succeeded by Nomura Securities Co., Ltd., the Company's wholly-owned subsidiary and the Company became a holding company. Operating revenue for the fiscal year ended March 2002 amounted to 269.1 billion yen. From this operating revenue, commissions amounted to 110.5 billion yen and net gain on trading amounted to 88.0 billion yen as revenues related to the securities businesses before corporation separation. Property and equipment revenue amounted to 30.1 billion yen, rent revenue amounted to 15.7 billion yen, and royalty on trademark amounted to 2.6 billion yen as revenues earned from subsidiaries, such as Nomura Securities Co., Ltd. after corporate separation. Operating expenses for the fiscal year ended March 2002 was 209.7 billion yen. As a result, ordinary income amounted to 68.1 billion yen, but net loss was 37.2 billion yen after accounting for non-operating and other items, mainly losses on the devaluation of investment securities due to decline in the stock market.

The fiscal year ended March 2003 (from April 1, 2002 to March 31, 2003)

Operating revenue for the fiscal year ended March 2003 amounted to 102.6 billion yen. Out of this operating revenue, property and equipment revenue amounted to 60.9 billion yen, rent revenue amounted to 30.7 billion yen, and royalty on trademark amounted to 5.1 billion yen.

Operating expense for the fiscal year ended March 2003 was 92.5 billion yen.

As a result, operating income was 10.0 billion yen and ordinary income amounted to 10.7 billion yen after non-operating income and non-operating expenses.

16.4 billion yen in gains on sales of investment securities was recorded as special profits. Special losses totaled 44.7 billion yen, including 33.4 billion yen in losses on the devaluation of investment securities due to the decline in the stock market.

As a result of the foregoing, loss before income taxes amounted to 17.5 billion yen and net loss was 12.8 billion yen after income taxes

The fiscal year ended March 2004 (from April 1, 2003 to March 31, 2004)

Please see 1. Progress and Achievement of Business Activities and 2. Results of Operations above.

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II. Business Combinations (as of March 31, 2004)

1. Progress and Achievement of the Nomura Group's Business Activities (Consolidated financial information under US GAAP)

(1) Summary

Japan's economy continued to improve throughout the year, driven by strong international markets in particular China's and domestic capital expenditure. Deflationary pressures on prices of goods and land values seem to be easing as well. The stock market has shown signs of recovery backed by strong economic recovery and corporate earnings, and the TOPIX was at a two-and-a-half-year high as of the end of March 2004. Currently, digital consumer products, China's growing economy, and Japan's emergence from deflationary trends, among other themes, have been the focus of attention in the stock market. Furthermore, from a demand and supply standpoint, foreign investors were a major driver in the period as net buyers to the tune of more than 10 trillion yen. The debt market, on the other hand, saw the yield on the benchmark 10-year JGB fall to 0.4% due to concerns over deflation at home and overseas. It subsequently rebounded and were back up to 1.2-1.6% from fall 2003 through the end of March 2004.

As a result of the foregoing, Nomura Holdings, Inc. and its consolidated entities (Nomura) reported net revenue of 803.1 billion yen for the year ended March 31, 2004, an increase of 42% from the prior year. Non-interest expenses were 520.4 billion yen for the year ended March 31, 2004, an increase of 0.3% from the prior year.

Income before income taxes was 282.7 billion yen for the year ended March 31, 2004, up 496.2% from the prior year. Net income was 172.3 billion yen for the year ended March 31, 2004, 43.7% above the prior year.

Total assets were 29.8 trillion yen at March 31, 2004, an increase of 8.6 trillion yen from March 31, 2003 and total shareholders' equity increased by 143.4 billion yen from March 31, 2003 to 1,785.7 billion yen at March 31, 2004. Nomura's return on equity was 10.1% for the year ended March 31, 2004.

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(2) Business Segments

a. Operating Results of Domestic Retail

	Millions of yen	
	Year ended March 31,	
	2003	2004
Non-interest revenue	¥ 246,938	¥ 304,035
Net interest revenue	2,313	1,722
Net revenue	249,251	305,757
Non-interest expenses	213,562	226,213
Income before income taxes	¥ 35,689	¥ 79,544

Domestic Retail has further strengthened its capabilities to provide personalized investment consultation services with customers in order to meet their various investment needs in the current low interest rate environment. Net revenue increased by 23% from 249,251 million yen for the year ended March 31, 2003 to 305,757 million yen for the year ended March 31, 2004. Non-interest expenses increased by 6% from 213,562 million yen for the year ended March 31, 2003 to 226,213 million yen for the year ended March 31, 2004. As a result, Income before income taxes increased by 123% from 35,689 million yen for the year ended March 31, 2003 to 79,544 million yen for the year ended March 31, 2004.

b. Operating Results of Global Wholesale

	Millions of yen	
	Year ended March 31,	
	2003	2004
Non-interest revenue	¥ 196,675	¥ 290,845
Net interest revenue	101,794	74,891
Net revenue	298,469	365,736
Non-interest expenses	207,436	227,227
Income before income taxes	¥ 91,033	¥ 138,509

Global Wholesale has made an effort to manage its business portfolio based on order-flow from global customers and trading in Fixed Income and Equity securities. Net revenue increased by 23% from 298,469 million yen for the year ended March 31, 2003 to 365,736 million yen for the year ended March 31, 2004. Non-interest expenses increased by 10% from 207,436 million yen for the year ended March 31, 2003 to 227,227

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million yen for the year ended March 31, 2004. As a result, Income before income taxes increased by 52% from 91,033 million yen for the year ended March 31, 2003 to 138,509 million yen for the year ended March 31, 2004.

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Fixed Income

Net revenue increased by 13% from 153,966 million yen for the year ended March 31, 2003 to 173,994 million yen for the year ended March 31, 2004, mainly due to an increase in net gain on trading relating to foreign currency bonds. Non-interest expenses increased by 20% from 76,759 million yen for the year ended March 31, 2003 to 91,810 million yen for the year ended March 31, 2004. As a result, Income before income taxes increased by 6% from 77,207 million yen for the year ended March 31, 2003 to 82,184 million yen for the year ended March 31, 2004.

Equity

Net revenue increased by 34% from 82,025 million yen for the year ended March 31, 2003 to 110,153 million yen for the year ended March 31, 2004, mainly due to an increase in customers' order-flow from block trading activities. Non-interest expenses increased by 9% from 65,675 million yen for the year ended March 31, 2003 to 71,494 million yen for the year ended March 31, 2004. As a result, Income before income taxes increased by 136% from 16,350 million yen for the year ended March 31, 2003 to 38,659 million yen for the year ended March 31, 2004.

Investment Banking

Net revenue for Investment Banking increased by 3% from 69,125 million yen for the year ended March 31, 2003 to 70,869 million yen for the year ended March 31, 2004, partly due to a revitalization in the equity capital markets. Non-interest expenses for Investment Banking decreased by 5% from 56,374 million yen for the year ended March 31, 2003 to 53,703 million yen for the year ended March 31, 2004. As a result, Income before income taxes increased by 35% from 12,751 million yen for the year ended March 31, 2003 to 17,166 million yen for the year ended March 31, 2004.

Merchant Banking

Net loss for Merchant Banking was 6,647 million yen for the year ended March 31, 2003 and Net revenue for Merchant Banking was 10,720 million yen for the year ended March 31, 2004, mainly due to realizing gains on the sale of Merchant Banking transactions and a rise in the fair value of investments. Non-interest expenses for Merchant Banking increased by 18% from 8,628 million yen for the year ended March 31, 2003 to 10,220 million yen for the year ended March 31, 2004. As a result, Loss before income taxes was 15,275 million yen for the year ended March 31, 2003 and Income before income taxes was 500 million yen for the year ended March 31, 2004.

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c. Operating Results of Asset Management

	Millions of yen	
	Year ended March 31,	
	2003	2004
Non-interest revenue	¥ 34,828	¥ 34,300
Net interest revenue	2,232	1,657
Net revenue	37,060	35,957
Non-interest expenses	33,866	37,004
Income (loss) before income taxes	¥ 3,194	¥ (1,047)

Net revenue decreased by 3% from 37,060 million yen for the year ended March 31, 2003 to 35,957 million yen for the year ended March 31, 2004, mainly due to a decrease in asset management and portfolio service fees resulting from declines in the outstanding balances of bond investment trusts. Non-interest expenses increased by 9% from 33,866 million yen for the year ended March 31, 2003 to 37,004 million yen for the year ended March 31, 2004, mainly due to a special withdrawal charge paid to the Japan Securities Dealers Employees Pension Fund by Nomura Asset Management Co., Ltd. As a result, Income before income taxes was 3,194 million yen for the year ended March 31, 2003 and loss before income taxes was 1,047 million yen for the year ended March 31, 2004.

d. Other Operating Results

Other operating results include gains (losses) on investment securities, equity in earnings (losses) of affiliates and other financial adjustments. Loss before income taxes was 40,705 million yen for the year ended March 31, 2003 and Income before income taxes was 8,499 million yen for the year ended March 31, 2004.

(3) Financial Position

Total assets at March 31, 2004 were 29.8 trillion yen, an increase of 8.6 trillion yen from March 31, 2003, reflecting an increase in trading-related assets*. Total liabilities at March 31, 2004 were 28.0 trillion yen, an increase of 8.4 trillion yen from March 31, 2003, reflecting an increase in trading-related liabilities*.

* Trading-related balances (assets/liabilities) include trading assets and private equity investments, receivables under resale agreements and securities borrowed transactions, securities pledged as collateral, trading liabilities, payables under repurchase agreements and securities loaned transactions.

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2. Status of Major Subsidiaries

<u>Name of Company</u>	<u>Location</u>	<u>Capital (in millions)</u>	<u>Company s Percentage of Voting Right</u>	<u>Type of Business</u>
Nomura Securities Co., Ltd.	Tokyo, Japan	¥ 10,000	100%	Securities
The Nomura Trust & Banking Co., Ltd.	Tokyo, Japan	¥ 30,000	100%	Banking & Trust
Nomura Asset Management Co., Ltd.	Tokyo, Japan	¥ 17,180	100%	Investment Trust Management & Investment Advice
Nomura Pension Support & Service Co., Ltd.	Tokyo, Japan	¥ 5,600	100%	Defined Contribution Pension Administration
Nomura Principal Finance Co., Ltd.	Tokyo, Japan	¥ 8,935	100%	Investment & Financial
Nomura Babcock and Brown Co., Ltd.	Tokyo, Japan	¥ 1,000	100%	Leasing
Nomura Capital Investment Co., Ltd.	Tokyo, Japan	¥ 1,000	100%	Financial
Nomura Investor Relations Co., Ltd.	Tokyo, Japan	¥ 400	100%	Consulting
Nomura Research & Advisory Co., Ltd.	Tokyo, Japan	¥ 400	100%	Venture Capital Partnerships Management & Administration
Nomura Business Services Co., Ltd.	Tokyo, Japan	¥ 300	100%	Office Work Service
Nomura Holding America Inc.	New York, U.S.	US\$ 2,816.88	100%	Holding Company
Nomura Securities International, Inc.	New York, U.S.	US\$ 750	100%*	Securities
Nomura Asset Capital Corporation	New York, U.S.	US\$ 630.2	100%*	Mortgage
The Capital Company of America, LLC	New York, U.S.	US\$ 935.19	100%*	Mortgage
Nomura Securities (Bermuda) Ltd.	Pembroke, Bermuda	US\$ 202.09	100%*	Securities
Nomura Derivative Products Inc.	New York, U.S.	US\$ 300	100%*	Financial
Nomura Europe Holdings plc	London, U.K.	¥ 164,921	100%	Holding Company
Nomura International plc	London, U.K.	£ 668.62	100%*	Securities
Nomura Bank International plc	London, U.K.	£ 170	100%*	Financial
Nomura Bank (Switzerland) Ltd.	Zurich, Switzerland	S 120	100%*	Securities/Financial
Nomura Bank (Deutschland) GmbH	Frankfurt, Germany	Euro 74.14	100%*	Securities/Financial
Banque Nomura France	Paris, France	Euro 22.88	100%*	Securities/Financial
Nomura Global Funding plc	London, U.K.	¥ 22,119	100%	Financial
Nomura Europe Finance N.V.	Amsterdam, The Netherlands	Euro 56.53	100%*	Financial

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<u>Name of Company</u>	<u>Location</u>	<u>Capital</u> (in millions)	<u>Company s</u> <u>Percentage</u> <u>of</u> <u>Voting</u> <u>Right</u>	<u>Type of Business</u>
Nomura Principal Investment plc	London, U.K.	£ 401.82	100%	Investment Company
Nomura Asia Holding N.V.	Amsterdam, The Netherlands	¥ 45,922	100%	Holding Company
Nomura International (Hong Kong) Limited	Hong Kong	¥ 23,998	100%*	Securities
Nomura Singapore Limited	Singapore, Singapore	S\$ 103	100%*	Securities/Financial
Nomura Investment Banking (Middle East) E.C.	Manama, Bahrain	US\$ 25	100%*	Securities/Financial

Note 1: Capital is stated in the functional currency of each subsidiary. Percentages with * in the Company s Percentage of Voting Right column include voting rights from indirect holding shares.

Note 2: The total number of subsidiaries as of March 31, 2004 was 467, mainly as a result of an increase of subsidiaries of Nomura Principal Finance Co., Ltd. Of these subsidiaries, 335 subsidiaries principally from Nomura Babcock and Brown Co., Ltd.(NBB) which operate in the leasing business primarily as anonymous associations, were precluded from the scope of consolidation, mainly because NBB did not benefit from or was not liable for the assets owned and profits and losses generated by these associations. The total number of consolidated subsidiaries and variable interest entities was 133 as of March 31, 2004. The total number of affiliates being applied the equity method of accounting was 13 as of March 31, 2004.

Note 3: The Nomura Fundnet Securities Co., Ltd. implemented corporate separation, transferred its securities business to Nomura Securities Co., Ltd. and changed its name to Nomura Pension Support & Service Co., Ltd. in December 2003. Nomura Pension Support & Service Co., Ltd. merged with Nomura DC Planning Co., Ltd. and Nomura Human Capital Solutions Co., Ltd. to consolidate Nomura s pension-related services in January 2004.

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3. Condensed Consolidated Financial Information (U.S. GAAP)

(1) Condensed Consolidated Income Statement Information

(Millions of yen)

	For the year ended	For the year ended
	March 31, 2003	March 31, 2004
	<u> </u>	<u> </u>
Revenue:		
Commissions	141,640	210,216
Fees from investment banking	81,847	86,994
Asset management and portfolio service fees	79,290	66,193
Net gain on trading	172,308	229,042
Interest and dividends	401,924	396,870
(Loss) gain on investments in equity securities	(41,288)	55,888
(Loss) gain on private equity investments	(14,391)	13,138
Other	19,589	41,205
	<u> </u>	<u> </u>
Total revenue	840,919	1,099,546
	<u> </u>	<u> </u>
Interest expense	274,645	296,443
	<u> </u>	<u> </u>
Net revenue	566,274	803,103
	<u> </u>	<u> </u>
Non-interest expenses	518,865	520,427
	<u> </u>	<u> </u>
Income before income taxes	47,409	282,676
	<u> </u>	<u> </u>
Income tax expense	37,295	110,347
	<u> </u>	<u> </u>
Income before cumulative effect of accounting change	10,114	172,329
	<u> </u>	<u> </u>
Cumulative effect of accounting change	109,799	
	<u> </u>	<u> </u>
Net income	119,913	172,329
	<u> </u>	<u> </u>
(Per share data)		(Yen)
	For the year ended	For the year ended
	March 31, 2003	March 31, 2004
	<u> </u>	<u> </u>
Diluted net income per share	61.26	88.82

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(2) Condensed Consolidated Balance Sheet Information

(Millions of yen)

	March 31, 2003	March 31, 2004
	<u> </u>	<u> </u>
Assets		
Cash and cash deposits	955,509	930,637
Loans and receivables	13,100,242	19,128,028
Trading assets and private equity investments	5,926,700	8,609,096
Other assets	1,186,995	1,085,205
	<u> </u>	<u> </u>
Total assets	21,169,446	29,752,966
	<u> </u>	<u> </u>
Liabilities and shareholders' equity		
Short-term borrowings	1,183,535	3,024,341
Payables and deposits	11,773,794	16,164,637
Trading liabilities	3,888,720	5,976,966
Long-term borrowings	2,269,370	2,385,469
Other liabilities	411,699	415,865
	<u> </u>	<u> </u>
Total liabilities	19,527,118	27,967,278
	<u> </u>	<u> </u>
Total shareholders' equity	1,642,328	1,785,688
	<u> </u>	<u> </u>
Total liabilities and shareholders' equity	21,169,446	29,752,966
	<u> </u>	<u> </u>

(Per share data)

(Yen)

	March 31, 2003	March 31, 2004
	<u> </u>	<u> </u>
Book value per share	846.40	919.67

Note 1: The Company listed its American Depositary Shares (ADS) on the New York Stock Exchange in December 2001 and the consolidated financial information has been prepared in accordance with the accounting principles which are required in order to issue ADS, i.e., the accounting principles generally accepted in the United States of America.

Note 2: Certain reclassifications of previously reported amounts have been made to conform to the current year presentation.

Table of ContentsIII. Overview of the Company (as of March 31, 2004)1. Major Business Activities

The Company engages in controlling and managing the business activities of its subsidiaries by holding equity in subsidiaries which provide investment and financial services in their core securities businesses.

2. Offices

Head office : 9-1 Nihonbashi 1-chome, Chuo-ku, Tokyo

3. Common Stocks

(1) Total Number of Authorized Shares:	6,000,000,000
(2) Total Number of Issued Shares:	1,965,919,860
(3) Number of Shareholders:	196,734
(4) Major Shareholders (Top 10)	

<u>Names of Shareholders</u>	<u>Number of Shares</u>		<u>Amount of Investment in the Shareholder</u>	
	<u>Owned and Percentage of Voting Right</u>			
	<u>(in thousand shares)</u>	<u>(%)</u>	<u>(in thousand shares)</u>	<u>(%)</u>
Japan Trustee Services Bank, Ltd. (Trust Account)	132,111	6.84		
The Master Trust Bank of Japan, Ltd. (Trust Account)	105,484	5.46		
State Street Bank and Trust Company	96,112	4.98		
The Chase Manhattan Bank N.A. London	63,175	3.27		
Depository Nominees Inc.	42,565	2.20		
The Chase Manhattan Bank N.A. London S.L. Omnibus Account	31,290	1.62		
The Chase Manhattan Bank 385036	30,147	1.56		
Nippon Life Insurance Company	24,818	1.28		
Mellon Bank Treaty Clients Omnibus	23,893	1.23		
Investors Bank West Treaty	22,267	1.15		

Note: The Company has 23,508 thousand shares of treasury stock as of March 31, 2004 which is not included in the Major Shareholders list above.

Table of Contents4. Acquisition, disposal and holding of treasury stock

(1) Acquisition

Common stock	3,393,341 shares
Total acquisition amount	4,083,872 thousand yen

(2) Disposal

Common stock	4,685,867 shares
Total disposal amount	6,220,126 thousand yen

(3) Balance at end of year

Common stock	23,508,413 shares
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5. Employees

Type of Employee		Number of Employees (Comparison with previous term)	Average Age (years / months)	Average Number of Years of Employment (years / months)
	Professional	26 (+5)	44 / 8	1 / 0
	Clerical	4 (+2)	42 / 10	1 / 1
	Contract Staff	1 (-)	32 / 8	0 / 6
	Total	31 (+7)	44 / 1	1 / 0

Table of Contents6. Major Lenders

<u>Lender</u>	<u>Type of Loan</u>	<u>Loan Amount</u> (Millions of yen)	Number and Voting Right Percentage of Company's Shares, which the Lender Owns	
			(in thousand shares)	(%)
Sumitomo Mitsui Banking Corporation	Long-term loan	70,000		
The Bank of Tokyo-Mitsubishi, Limited	Long-term loan	70,000		
UFJ Bank Limited	Long-term loan	55,000		
Mizuho Corporate Bank, Ltd.	Long-term loan	50,000		
Resona Bank Ltd.	Long-term loan	30,000		
UFJ Trust Bank Limited	Long-term loan	15,000	2	0.00
The Norinchukin Bank	Long-term loan	20,000	1,650	0.08
The Dai-ichi Mutual Life Insurance Company	Long-term loan	60,000	13,184	0.68
Nippon Life Insurance Company	Long-term loan	30,000	24,818	1.28
Meiji Yasuda Life Insurance Company	Long-term loan	23,000		
Nomura Europe Finance N.V.	Short-term loan	275,000		

Table of Contents7. Directors and Executive Officers

The Company adopted the Committee System on June 26, 2003.

(1) Directors

<u>Position</u>	<u>Name</u>	<u>Responsibilities</u>
Chairman of the Board	Junichi Ujiie	
Director	Nobuyuki Koga	
Director	Hiroshi Toda	
Director	Kazutoshi Inano	
Director	Takashi Fujita	Audit Mission Director
Director	Shozo Kumano	Audit Mission Director
Director	Masaharu Shibata	Chairman & CEO of NGK Insulators, Ltd.
Director	Hideaki Kubori	Chairman of Hibiya Park Law Offices
Director	Haruo Tsuji	Corporate Advisor of Sharp Corporation
Director	Fumihide Nomura	President of Nomura Shokusan Co., Ltd.
Director	Koji Tajika	Certified Public Accountant

Note 1: Among the directors, Masaharu Shibata, Hideaki Kubori, Haruo Tsuji, and Koji Tajika are the outside directors, as prescribed by Article 188 Paragraph 2 item 7-2 of the Commercial Code of Japan.

Note 2: The Committee System of the Company is as follows:

Nomination Committee Chairman	Junichi Ujiie Masaharu Shibata Hideaki Kubori
Audit Committee Chairman	Haruo Tsuji Fumihide Nomura Koji Tajika
Compensation Committee Chairman	Junichi Ujiie Masaharu Shibata Hideaki Kubori

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(2) Executive Officers

<u>Position</u>	<u>Name</u>	<u>Responsibilities</u>
Senior Managing Director	Junichi Ujiie	
President and Chief Executive Officer (Representative Executive Officer)	Nobuyuki Koga	Chief Executive Officer
Deputy President and Chief Operating Officer (Representative Executive Officer)	Hiroshi Toda	Chief Operating Officer
Deputy President and Co-Chief Operating Officer (Representative Executive Officer)	Kazutoshi Inano	Co-Chief Operating Officer and Head of Asset Management
Senior Managing Director	Takashi Tsutsui	
Senior Managing Director	Takashi Yanagiya	Head of Domestic Retail
Senior Managing Director	Kenichi Watanabe	Head of Global Risk Management, IR and IT & Operations
Senior Managing Director	Takumi Shibata	Head of Global Wholesale
Senior Managing Director	Hiromi Yamaji	Regional Management of Europe Region
Senior Managing Director	Manabu Matsumoto	
Senior Managing Director	Yoshifumi Kawabata	Head of Global Merchant Banking
Senior Managing Director	Shogo Sakaguchi	
Senior Managing Director	Masanori Itatani	Head of Global Corporate Communications (In charge of General Affairs Dept. and Secretariat)
Senior Managing Director	Yoshimitsu Oura	
Senior Managing Director	Yusuke Yamada	
Senior Managing Director	Hitoshi Tada	
Senior Managing Director	Kenichi Fukuhara	Head of Global Research
Senior Managing Director	Yasuo Agemura	Head of Global Fixed Income
Senior Managing Director	Hideyuki Takahashi	Regional Management of Americas Region
Senior Managing Director	Hiroshi Tanaka	Head of Global Equity
Senior Managing Director	Noriyuki Ushiyama	Head of Global Investment Banking
Senior Managing Director	Noriyasu Yoshizawa	Regional Management of Asia & Oceania Region
Senior Managing Director	Yasuo Yoshihara	(In charge of Ethics & Discipline Dept.)

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<u>Position</u>	<u>Name</u>	<u>Responsibilities</u>
Senior Managing Director	Akira Maruyama	Chief Financial Officer, Head of Global Treasury and Controller (In charge of Tax Management Dept.)
Senior Managing Director	Kamezo Nakai	
Senior Managing Director	Akio Nakaniwa	
Senior Managing Director	Takahide Mizuno	

Note 1: Junichi Ujiie, Nobuyuki Koga, Hiroshi Toda, and Kazutoshi Inano are serving concurrently as directors.

Note 2: Kenichi Fukuhara and Akio Nakaniwa, who were Senior Managing Directors, resigned on March 31, 2004.

Note 3: Changes in executive officers on and after April 1, 2004 are as follows.

Newly named executive officers, effective April 1, 2004: Atsushi Yoshikawa, Akihiko Nakamura, Akihito Watanabe, Tetsu Ozaki, Shigesuke Kashiwagi, Yugo Ishida

Note 4: Changes with posts of executive officers on and after April 1, 2004 are as follows.
(as of April 1, 2004)

Takashi Yanagiya	Head of Global Wholesale
Kenichi Watanabe	Head of Domestic Retail
Takumi Shibata	Head of Corporate
Masanori Itatani	Head of Internal Audit
Yasuo Agemura	Head of Global Markets
Hiroshi Tanaka	Head of Global Corporate Communications (In charge of General Affairs Dept. and Secretariat)
Yasuo Yoshihara	(In charge of Ethics & Discipline Dept. and Managing Director of Ethics & Discipline Dept.)
Akira Maruyama	Chief Financial Officer, Head of Global Risk Management, Treasury, Controller and IR (In charge of Tax Management Dept.)
Akihiko Nakamura	Head of Global IT & Operations
Akihito Watanabe	Head of Global Research
Tetsu Ozaki	Head of Global Equity
Shigesuke Kashiwagi	Head of Global Fixed Income
Yugo Ishida	Co-Regional Management of Europe Region

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8. Stock Acquisition Rights

Stock acquisition rights currently issued

- (1) Subscription warrants pursuant to the provisions of Paragraph 1, Article 280-19 of the Commercial Code of Japan (before revision)

Subscription warrant Bond with Subscription Warrant No.1

Subscription rights outstanding	2,625 million yen
Type of share	Common stock
Issue price of stock	2,305 yen

- (2) Stock acquisition rights pursuant to the provisions of Article 280-20 and 280-21 of the Commercial Code of Japan

Stock Acquisition Rights No. 1

Number of stock acquisition rights	2,210
Type of share and number of shares	Common stock / 2,210,000 shares
Issue price of stock	1,807 yen

Stock Acquisition Rights No. 2

Number of stock acquisition rights	2,242
Type of share and number of shares	Common stock / 2, 242,000 shares
Issue price of stock	1, 631 yen

Details of stock acquisition rights issued with especially favorable terms to persons other than shareholders during the year ended March 31, 2004

Stock Acquisition Rights No. 2

- (1) Number of the stock acquisition rights issued

2, 252 (1,000 shares per stock acquisition right)

(2) Type and number of shares under stock acquisition rights

Common stock / 2,252,000 shares

(3) Issue price of stock acquisition right

0 yen

(4) Amount to be paid upon exercising the stock acquisition right

1, 631,000 yen

(5) Exercise period of stock acquisition rights

From July 1, 2005 to June 30, 2010

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(6) Conditions to exercise stock acquisition rights

1. Not to be partial exercise of one stock acquisition right
2. For a person to whom stock acquisition rights have been given (the Optionee), to satisfy all of the following conditions
 - i) The Optionee maintains position as a director, executive officer or employee of the Company or a company, a majority of whose outstanding shares or interests (only limited to those with voting rights) are held directly or indirectly by the Company (hereinafter collectively referred to as the Company's Subsidiary), during the time between the grant of the stock acquisition rights and the exercise. The Optionee is deemed to maintain such a position as a director, executive officer or employee of the Company or the Company's Subsidiary in cases the Optionee loses such a position by either of the following situations:
 - a) Regarding the Optionee as a director or executive officer of the Company or the Company's Subsidiary: retirement from office on account of the expiration of the Optionee's term of office or other similar reasons; or
 - b) Regarding the Optionee as an employee of the Company or the Company's Subsidiary: retirement due to the attainment of the retirement age, transfer by order of the Company or the Company's Subsidiary, retirement mainly due to sickness or injuries arising out of duty, discharge for a compelling business reason, or other similar reasons.
 - ii) The Optionee, at the time of exercising the stock acquisition rights, does not fall within either of the following:
 - a) The Company or the Company's Subsidiary determines in accordance with their Employment Regulations to dismiss the Optionee by suggestion or disciplinary procedures; or
 - b) Any other reason similar to a).
 - iii) Regarding the successors of the Optionee, the Optionee must have satisfied both the conditions of 2. i) and ii) above immediately prior to the occurrence of succession.

(7) Cancellation events and conditions of stock acquisition rights

In the event that the Company has acquired stock acquisition rights, the Company may, at any time, cancel the stock acquisition rights without any compensation.

(8) Details of favorable terms

Stock acquisition rights have been allotted in gratis to the directors, senior managing directors, and employees of the Company and its subsidiaries. The fair value of the stock acquisition right is 0.51 million yen per right.

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(9) Name of persons who received allotments and the number of stock acquisition rights

1) Directors of the Company

<u>Name</u>	<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Name</u>	<u>Number</u>
Takashi Fujita	10	Hideaki Kubori	10	Koji Tajika	10
Shozo Kumano	10	Haruo Tsuji	10		
Masaharu Shibata	10	Fumihide Nomura	10		
				Total 7	70

2) Executive Officers of the Company

<u>Name</u>	<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Name</u>	<u>Number</u>
Junichi Ujiie	60	Manabu Matsumoto	20	Hideyuki Takahashi	15
Nobuyuki Koga	80	Yoshifumi Kawabata	20	Hiroshi Tanaka	15
Hiroshi Toda	40	Shogo Sakaguchi	20	Noriyuki Ushiyama	15
Kazutoshi Inano	40	Masanori Itatani	20	Noriyasu Yoshizawa	15
Takashi Tsutsui	30	Yoshimitsu Oura	20	Yasuo Yoshihara	15
Takashi Yanagiya	30	Yusuke Yamada	20	Akira Maruyama	15
Kenichi Watanabe	30	Hitoshi Tada	20	Kamezo Nakai	15
Takumi Shibata	30	Kenichi Fukuhara	15	Akio Nakaniwa	15
Hiromi Yamaji	20	Yasuo Agemura	15	Takahide Mizuno	15
				Total 27	665

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3) Certain Employees and Others (Top 19)

<u>Company</u>	<u>Name</u>	<u>Number</u>	<u>Company</u>	<u>Name</u>	<u>Number</u>
Nomura Asset Management Co., Ltd.	Toshio Ando	20	Nomura Securities Co., Ltd.	Masanori Nishimatsu	15
Nomura Securities Co., Ltd.	Kenichi Yunoki	15	Nomura Securities Co., Ltd.	Toshio Hirota	15
Nomura Securities Co., Ltd.	Atsushi Yoshikawa	15	Nomura Securities Co., Ltd.	Koji Nagai	15
Nomura Securities Co., Ltd.	Nobuto Nakahari	15	The Nomura Trust & Banking Co., Ltd.	Nobuyuki Shigemune	15
Nomura Securities Co., Ltd.	Akihiko Nakamura	15	Nomura Investor Relations Co., Ltd.	Akira Tsuda	15
Nomura Securities Co., Ltd.	Yuki Takahashi	15	Nomura Investor Relations Co., Ltd.	Masaharu Koike	15
Nomura Securities Co., Ltd.	Kazuo Okizaki	15	Nomura Business Services Co., Ltd.	Yasuo Kawamoto	15
Nomura Securities Co., Ltd.	Isao Shirai	15	The Nomura Fundnet Securities Co., Ltd	Osamu Muramatsu	15
Nomura Securities Co., Ltd.	Kenichi Shinbashi	15	Nomura Funds Research and Technologies Co., Ltd.	Yusaku Sakaguchi	15
Nomura Securities Co., Ltd.	Shigeyuki Kurokawa	15			
				Total 19	290

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- 4) Certain Employees and Others, who received equal or more stock acquisition rights compared to the minimum amount (10 allotments: 10,000 shares) allotted to Directors and Executive Officers of the Company, except those listed on 3)

<u>Name of Subsidiary</u>	<u>Name</u>	<u>Number</u>	<u>Name of Subsidiary</u>	<u>Name</u>	<u>Number</u>
Nomura Asset Management Co., Ltd.	Yukio Suzuki	12	Nomura Securities Co., Ltd.	Shigeru Hirota	10
Nomura BlackRock Asset Management Co., Ltd.	Haruo Miyako	12	Nomura Securities Co., Ltd.	Eiichi Machida	10
Nomura Investor Relations Co., Ltd.	Keiji Inoue	12	The Nomura Trust & Banking Co., Ltd.	Makoto Sonobe	10
Nomura Securities Co., Ltd.	Yasuaki Fukui	10	Nomura Babcock & Brown Co., Ltd.	Masatake Aida	10
					Total 8
					86

- 5) Stock acquisition rights Issued to Certain Employees and Others

	<u>Number of person</u>	<u>Number of rights</u>
Employee of the Company	1	3
Directors (except Audit Committee members) and Executive Officers of the Company s Subsidiaries	41	471
Audit Committee Members of the Company s Subsidiaries	4	22
Employees of the Company s Subsidiaries	373	1,021

Note: The name of the companies are those as at the date of allotment (July 22, 2003).

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9. Matters to be Necessary for the Performance of Functions of the Audit Committee

The resolution of the Board of Directors regarding the performance of functions of the Audit Committee is as follows:

A. Matters regarding the Business Execution Structure

- (1) Executive officers shall execute their business in accordance with the management organization and allocation of business duties determined by the Board of Directors.
- (2) Decision-making for matters that are delegated to executive officers by the Board of Directors shall be determined by the following organizations or procedures:
 - (a) The Board of the Executive Officers: Allocation of capital resources in the Nomura Group;
 - (b) The Executive Management Board: Material matters regarding the Nomura Group; and
 - (c) Collective decision-making system: Matters other than (a) and (b)
- (3) Executive officers shall focus on Business Lines, Business Support Lines and other divisions to establish the appropriate organizations of the Nomura Group and effectively manage such organizations.

B. Matters regarding the Audit System

- (1) The Audit Committee shall enforce its powers prescribed by laws and regulations to audit the legality, adequacy and efficiency of the business execution by executive officers by use of the independent auditor, other accounting firms and internal staff.
- (2) In order to support audit by the Audit Committee and supervise effectively the business execution by the Board of Directors, directors appointed by the Board of Directors (hereinafter referred to as "Audit Mission Directors") shall perform the following duties in accordance with the instructions by the Audit Committee or a member of the Audit Committee designated by the Audit Committee:
 - (a) attendance at meetings of the Board of Executive Officers, the Executive Management Board, the Internal Controls Committee and any other important committees;
 - (b) hearing of report on the business execution from executive officers and employees;
 - (c) inspection and investigation of minutes of the meetings prescribed in item (a) above, documents circulated for obtaining approval and other documents relating to the business execution;

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- (d) inspection of the Company or its subsidiaries (including its consolidated subsidiaries); and
 - (e) report to the Audit Committee on matters prescribed in items from (a) to (d) above; provided, however, that the Audit Mission Directors shall not be precluded from reporting to the Board of Directors.
- (3) The Company shall staff five or more employees, including a Managing Director at the Office of Audit Committee who will be dedicated to supporting the audit.
- (4) The Audit Committee or a member of the Audit Committee designated by the Audit Committee shall evaluate employees of the Office of the Audit Committee. The Company shall obtain consent regarding the recruit, transfer or punishment of the employees of the Office of Audit Committee from the Audit Committee or a member of the Audit Committee designated by the Audit Committee.
- (5) The Audit Committee may engage attorneys, certified public accountants, consultants or other outside advisers as deemed to be necessary.

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C. Reporting System on the Business Execution

- (1) Executive officers shall report on the status of the business execution in accordance with the following items; provided, however, that they shall immediately report material matters to the Board of Directors or any other appropriate committees.
 - (a) Executive officers shall report, not less frequently than quarterly, the following items to the Board of Directors. In this case, the executive officers may delegate such reports to other executive officers:
 - i) the status of discussion at meetings of the Board of Executive Officers, the Executive Management Board and the Internal Controls Committee;
 - ii) the financial condition of the Nomura Group;
 - iii) the status of the business execution at Business Lines; and
 - iv) any other important matters regarding the business execution.
 - (b) In the event that directors and executive officers find any fact in the following items, they shall report immediately to any member of the Audit Committee or any Audit Mission Director. The Audit Mission Director shall report to any member of the Audit Committee immediately upon receiving such reports:
 - i) any legal or financial problems that may have a material impact on the business or financial conditions of the Nomura Group; and
 - ii) any order from any regulatory authority or other facts that may cause the Nomura Group to incur a great loss.
- (2) In the event that executive officers or employees are requested to report on the business execution by a member of the Audit Committee designated by the Audit Committee or any Audit Mission Director, they shall immediately report on such matters.

D. Retention and Maintenance of Information regarding the Business Execution

Executive officers shall retain the following documents (including their electronic records. The same applies hereinafter.) and the relevant materials for not shorter than ten years and maintain the access to such documents if necessary:

- (1) minutes of the General Shareholders Meetings;
- (2) minutes of the Board of Directors meetings;
- (3) minutes of the Nomination, Audit and Compensation Committees meetings;

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- (4) minutes of the Board of Executive Officers meetings;
- (5) minutes of the Executive Management Board meetings;
- (6) minutes of the Internal Controls Committees meetings;
- (7) minutes of meetings of any other committees established under a special mission directed by the President & CEO;
- (8) documents regarding requests for managerial decisions;
- (9) contracts;
- (10) accounting records, balance sheets, earning statements, business reports and their annexed specifications; and
- (11) copies of the documents submitted to the tax office and other regulatory authorities and stock exchanges.

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E. Risk Management Policy

- (1) Executive officers shall acknowledge the importance of classification, evaluation, monitoring and management of the following risks relating to the execution of the Nomura Group's business and establish the structure for control and management of such risks at each company of the Nomura Group.

(a) Market Risk

Market risk refers to the potential loss of the Company's assets resulting from changes in market prices, interest rates, currency exchange rates or other market factors.

(b) Credit Risk

Credit risk refers to the potential loss in the value of a transaction because of a counterparty or issuer failing to perform its contractual commitment when the Company has a claim to the counterparty or holds the securities issued by the issuer.

(c) Event Risk

Event risk refers to the potential loss in value that the Company may suffer through unpredictable events that cause unexpected market price moves. Event risks can be caused by changes in political or economic factors.

(d) Liquidity Risk

Liquidity risk refers to the following:

i) the potential loss that the Company may suffer through reduced access to funding resources or circumstances that would oblige the Company to finance at unusually high interest rates upon decreases of the performance of the Company and others; and

ii) the potential loss that the Company may suffer through failure to trade in a market or circumstances that would oblige the Company to trade at unusually disadvantageous prices upon market disruption and others.

(e) Operational Risk

Operational risk refers to the potential costs associated with failure to process the business properly or other errors or improper actions by officers and employees or malfunction of the system management.

(f) Legal Risk

Legal risk refers to the risk of non-compliance with applicable legal and regulatory requirements, and potential loss from the inability to recover payments due from a counterparty owing to the non-enforceability of a contract.

- (2) Executive officers shall report to the Executive Management Board the status of risk management systems at each company within the Nomura Group. The Executive Management Board shall analyze the risk management status of the entire Nomura Group based on the report and take appropriate measures to establish the most suitable risk management system for the business.

F. Compliance System

- (1) Executive officers shall strive to maintain compliance systems at each company within the Nomura Group. Executive officers shall report to any member of the Audit Committee or any Audit Mission Director, and to the Executive Management Board in the event that the executive officers find any material illegal activities or other important matters regarding compliance at a company within the Nomura Group. The Executive Management Board shall discuss such matters and, if necessary, based on the results of the discussion, recommend the company to take appropriate measures.
- (2) Executive officers shall establish a Compliance Hotline as a tool that employees can use to report questionable conduct from the view point of compliance directly to the personnel appointed by the Board of Directors (the Information Recipients).
- (3) The Board of Directors shall appoint (i) at least one non-executive director of the Company or outside lawyer; and (ii) one executive officer of the Company as Information Recipients.

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- (4) The executive officer, as an Information Recipient, shall designate personnel in each of America, Europe and Asia & Oceania Region who will receive internal reporting from the relevant employees (the Regional Information Recipients). The executive officer as an Information Recipient shall receive reports from the Regional Information Recipients on material internal reporting and the responses.
- (5) The Company shall permit anonymous submission, in writing, from employees regarding accounting or auditing matters of questionable conduct from the viewpoint of compliance.
- (6) The Information Recipients shall report to the Internal Controls Committee, not less frequently than quarterly, the status of operations of the Compliance Hotline; provided, however, that the Information Recipients or Regional Information Recipients shall immediately report to the Audit Committee on material matters that may violate laws and regulations.
- (7) The Company shall have its consolidated private investees in the Merchant Banking business (the Private Investees) establish whistle-blowing procedures. The Company shall establish an appropriate structure under which information recipients in each of the Private Investees will immediately report to the Audit Committee, through the executive officer as an Information Recipient, on material matters that may violate laws and regulations.
- (8) In the event that the Audit Committee recognizes problems in the operation of the Compliance Hotline, the Audit Committee may express its opinion and request the executive officers to take steps to improve the Compliance Hotline.

G. Internal Audit System

- (1) Executive officers shall establish an internal audit division and implement an internal audit program that will help ensure effective and adequate internal control and procedures regarding the entire business of the Nomura Group.
- (2) The Internal Controls Committee shall discuss basic matters concerning internal control and procedures at each company within the Nomura Group, the annual internal audit plan and the status of internal audit and its results.
- (3) Executive officers shall report the following items to the Internal Controls Committee:

(a) executive officers shall report on the annual internal audit plan of the Nomura Group not less frequently than annually; and

(b) executive officers shall report on the status of internal audit in the Nomura Group and its results not less frequently than quarterly.

- (4) Any member of the Audit Committee may recommend that executive officers (i) change the internal audit plan, (ii) implement additional audit procedures; (iii) establish an improvement plan regarding the annual internal audit plan, the status of internal audit and its results.

H. Audit of Financial Reports and Statements

- (1)

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The Audit Committee has the following powers regarding the appointment of an independent auditor and other accounting firms that audit financial statements (including financial statements in Form 20-F submitted to the U.S. Securities and Exchange Commission):

- (a) determining particulars of proposals concerning the election and dismissal of the independent auditor and the non-retention of the independent auditor to be submitted to a General Meeting of Shareholders; and
 - (b) determining particulars of proposals concerning the election and dismissal of other accounting firms to be submitted to the Board of Directors or the Executive Management Board.
- (2) The Audit Committee shall approve the annual audit plan of the independent auditor and other accounting firms (including key audit items and staffing).

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- (3) The Audit Committee shall audit other matters than those relating to financial reports and their annexed specifications and accounting in financial statements in accordance with laws and regulations and procedures established by the Audit Committee.
- (4) The Audit Committee shall hear the report from the independent auditor and other accounting firms on the audit reports on matters relating to financial reports and their annexed specifications and accounting in financial statements through financial reports and statements (including disagreements between executive officers and such auditor or accounting firms regarding financial reporting) and determine whether the method and result of the audit are appropriate.
- (5) The Audit Committee may request executive officers, the independent auditor or other accounting firms that audit financial statements to explain about important financial problems regarding preparing financial reports and their annexed specifications and financial statements (including matters concerning election or application of critical accounting policies and internal control and procedures regarding financial reporting).

10. Compensation Committee's Policies about Directors and Executive Officers' Compensation

The Nomura Group's vision is to establish its status firmly as a globally competitive Japanese financial institution. As a management target to indicate increase of shareholders' value, the Company intends to maintain an average consolidated ROE of 10 to 15% over the medium- to long-term.

Our fundamental policy in the Nomura Group's directors and executive officers' compensations (Executive Compensation) are,

- i) to link Executive Compensation with the achievement of strategic business objectives above and award them in a manner that further motivate them toward achievement of their respective goals and thereby maximize their performance, and
- ii) to introduce equity based compensation and enhance their long term incentives.

Executive Compensation is composed of base salary, cash bonus and stock bonus.

(1) Base Salary

Base salary for each of directors and executive officers is calculated by aggregating the following amounts.

- i) Amount reflecting his/her career
- ii) Amount reflecting his/her post and responsibilities
- iii) Amount reflecting previous year's consolidated ROE (Note)

(2) Cash Bonus

In determining cash bonus payable to each of directors or executive officers, we consider both quantitative and qualitative factors. Quantitative factors include consolidated net income, consolidated return on equity (ROE) and segment / business-line results. Qualitative factors include achievement of strategic business objectives, achievement of pre-established goals of individuals and subjective assessments of individual contribution. Aggregated cash bonus amount of directors and executive officers of Nomura Group does not exceed 3% of the consolidated net income of Nomura.

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(3) Stock Bonus

In determining the stock bonus payable to each of directors or executive officers, we consider factors not only such factors as consolidated net income or consolidated ROE but also such as proportion of cash bonus, stock bonus and base salary and costs and effects in awarding such bonus.

Note: In calculating the amount of the base salary based on previous years ROE, we refer to the table below.

Consolidated

ROE (x)	X<0%	0% ≤ X <5%	5% ≤ X ≤ 10%	10% < X ≤ 15%	15% < X
Amount	0	Y * 1/3	Y * 2/3	Standard Amount (Y)	Y * 4/3

11. Bonuses and other compensation paid to Directors, Statutory Auditors, and Executive Officers

The Company has adopted the Committee System following the resolution at the General Meeting of Shareholders held on June 26, 2003. On the same day, at the meeting of the Board of Directors after the conclusion of the General Meeting of Shareholders, executive officers were appointed. Consequently the bonuses and compensation paid to the directors, etc. are described in two periods; prior to and after the adoption of the Committee System.

(1) Compensation paid to Directors and Statutory Auditors

(Amount in Millions of yen)

	Directors		Statutory Auditors		Total		Notes
	Number	Amount	Number	Amount	Number	Amount	
Compensation based on Articles of Incorporation or resolution at the General Meeting of Shareholders	10	212	4	67	14	280	2,3
Bonuses appropriated from retained earnings	11	310			11	310	4
Retirement bonus upon resolution at the General Meeting of Shareholders			4	103	4	103	5
Total		523		170		693	

(Notes) 1. This table shows the compensation on period prior to the adoption of the Committee System.

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2. The amount falls within the compensation limit set by resolution at the General Meeting of Shareholders held on June 29, 2000.
3. Non-cash compensation of 1 million yen is included in the amount paid to Directors.
4. A Director who retired on March 31, 2003 is included in the number of Directors.
5. The amount has been accrued as an allowance in the year ended March 2002; no expense occurred in the year ended March 2004.

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(2) Compensation paid to Directors and Executive Officers

(Amount in Millions of yen)

	Directors		Executive Officers		Total	
	Number	Amount	Number	Amount	Number	Amount
Fixed amount based on resolution of Compensation Committee	7	181	27	1,212	34	1,394
Non-cash compensation based on resolution of Compensation Committee	2	0	5			