

NOMURA HOLDINGS INC  
Form 6-K  
November 08, 2010  
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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 November 2010.**

## **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   X   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):

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Information furnished on this form:

**EXHIBIT**

**Exhibit Number**

1. Supplement for Financial Highlights Six months ended September 30, 2010

The registrant hereby incorporates Exhibit 1 to this report on Form 6-K by reference in the prospectus that is part of Registration Statement on Form F-3 (Registration No. 333-169682) of the registrant and Nomura America Finance, LLC, filed with the Securities and Exchange Commission on September 30, 2010.

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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: November 8, 2010

By: /s/ Shinji Iwai  
Shinji Iwai  
Senior Managing Director

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**Exhibit 1**

**Presentation of Financial and Other Information**

As used in this Form 6-K, references to Nomura or NHI are to Nomura Holdings, Inc. and its consolidated entities.

Unless otherwise stated, references in this Form 6-K to yen are to Japanese yen. Amounts shown in this Form 6-K have been rounded to the nearest indicated digit unless otherwise specified. In tables and paragraphs with rounded figures, sums may not add up due to rounding.

Except as otherwise indicated, all financial information with respect to Nomura presented in this Form 6-K is presented on an unaudited consolidated basis in accordance with accounting principles generally accepted in the United States, or U.S. GAAP.

**Supplement for Financial Highlights Six months ended September 30, 2010**

Nomura reported net revenue of 535.4 billion yen, income before income taxes of 28.1 billion yen, and net income attributable to NHI shareholders of 3.4 billion yen for the six months ended September 30, 2010. Diluted-net income attributable to NHI shareholders per share was 0.92 yen. Annualized return on shareholders' equity was 0.3%.

**i.) Financial position**

As of the end of September 30, 2010, Nomura's total capital ratio was 22.7 % and its Tier 1 capital ratio was 16.5 %. Nomura had total assets of 34.3 trillion yen, an increase of 2.1 trillion yen compared to March 31, 2010, reflecting primarily the increase in Securities purchased under agreements to resell and Trading assets. Total liabilities as of September 30, 2010 were 32.2 trillion yen, an increase of 2.1 trillion yen compared to March 31, 2010, mainly due to increase in Securities sold under agreement to repurchase and Long-term borrowings. Total equity as of September 30, 2010 was 2.1 trillion yen, a decrease of 72.3 billion yen compared to March 31, 2010. Leverage ratio as of September 30, 2010 was 16.7 times and adjusted leverage ratio was 9.8 times<sup>2</sup>.

<sup>1</sup> Return on shareholders' equity is a ratio of Net income attributable to NHI shareholders to Total NHI shareholders' equity.

<sup>2</sup> Adjusted leverage ratio equals total assets less securities purchased under agreements to resell and securities borrowed transactions divided by total NHI shareholder's equity.

**Table of Contents****ii.) Expenses**

Non-interest expenses for the six months were 507.4 billion yen, a decline of 6.0% compared to the same period in the prior fiscal year. The main factors driving the decrease are compensation benefits which decreased 12.6%, compared to the same period in the prior year partly offset by increases in business development expenses and information processing and communication expenses.

**iii.) Capital and Other Balance Sheet**

As of September 30, 2010, total NHI shareholders' equity was 2.1 trillion yen, which represented a decrease of 75.3 billion yen compared to March 31, 2010.

Level 3 assets (net)<sup>3</sup> were approximately 0.9 trillion yen as of September 30, 2010.

**iv.) Cash Dividends**

The following table sets forth Cash Dividends for the six months ended September 30, 2010.

|                        | <b>For the year ended March 31</b> |             |                    |
|------------------------|------------------------------------|-------------|--------------------|
|                        | <b>2010</b>                        | <b>2011</b> | <b>2011 (Plan)</b> |
|                        | <b>(Yen amounts)</b>               |             |                    |
| Dividends per share    |                                    |             |                    |
| dividends record dates |                                    |             |                    |
| At June 30             |                                    |             |                    |
| At September 30        | 4.00                               | 4.00        |                    |
| At December 31         |                                    |             |                    |
| At March 31            | 4.00                               |             | Unconfirmed        |
| For the year           | 8.00                               |             | Unconfirmed        |

Nomura plans to forgo dividend distribution for the third quarter of fiscal year 2011. For the fourth quarter, dividends are not disclosed, as Nomura does not disclose earning forecasts.

**v.) Number of employees**

As of September 30, 2010 Nomura has 27,429 employees globally (Japan: 15,401, Europe: 4,471, Americas: 2,186, Asia (excluding Japan) and Oceania: 5,371).

<sup>3</sup> This amount represents a preliminary estimate as of the date of this supplement release and may be revised in Nomura's Report on Form 6-K for the period ended September 30, 2010.

Level 3 assets (net) is net basis after netting off derivative assets and liabilities.

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**Six Months ended September 30, 2010 Business Highlights**

Net revenue was 535.4 billion yen, a decrease of 10.5% compared to the same period in the prior fiscal year. Non-interest expenses were 507.4 billion yen. Income before income taxes was 28.1 billion yen, a 52.2% decrease compared to the same period in the prior year.

Net revenue in Retail was 198.7 billion yen, a 5.4% increase from the same period in the prior year. There was a net decrease in retail client assets by 7.3% during the six months of this fiscal year compared with the balance as of March 31, 2010, owing due primarily to a decrease in the balance of equity securities, partly reflecting a decline in domestic equity market indices.

Net revenue in Asset Management was 37.4 billion yen, a 6.6% increase compared to the same period in the prior year. Asset under management as of September 30, 2010 was 23.3 trillion yen, a decrease of 0.1 trillion yen from 23.4 trillion yen as of March 31, 2010.

Net revenue in Wholesale was 272.0 billion yen, a decrease of 33.8% compared to the same period of the prior year. Persistent Euro-zone market turbulence led to subdued investor activities market-wide. However, as Nomura maintained its focus on supplying liquidity to clients, client franchise continued to trend upwards.

Nomura maintained a healthy capital, with a Tier 1 capital ratio<sup>4</sup> of 16.5% and Tier 1 common ratio<sup>5</sup> of 16.4% as of September 30, 2010.

<sup>4,5</sup> These ratios represent a preliminary estimates as of the date of this supplement release and may be revised in Nomura's Report on Form 6-K for the period ended September 30, 2010.

Beginning from the end of March 2009, Nomura elected to calculate the consolidated capital adequacy ratios according to the Criteria for bank holding companies to judge whether their capital adequacy status is appropriate in light of their own and their subsidiaries' asset holdings, etc. under Article 52-25 of the Banking Act, instead of calculating these ratios in accordance with the guideline applicable to financial conglomerates.

Tier 1 common ratio is defined as Tier 1 capital minus hybrid capital and minority interests divided by risk-weighted assets.

**Table of Contents****Business Segment Information****Retail**

Net revenue in Retail for the six months ended September 30, 2010 was 198.7 billion yen, a 5.4% increase from the same period in the prior year. The primary factor for the increase in net revenue was increasing distribution commissions of investment trusts. Non-interest expenses increased 2.9% to 138.2 billion yen. As a result, income before income taxes increased 11.6% to 60.5 billion yen.

Retail client assets as of September 30, 2010 were 68.1 trillion yen, comprised of 34.4 trillion yen in equities, 5.6 trillion yen in foreign currency bonds, 13.1 trillion yen in domestic bonds, 7.5 trillion yen in stock investment trusts, 3.9 trillion yen in bond investment trusts, 1.5 trillion yen in overseas mutual funds, and 2.2 trillion yen in other<sup>6</sup> assets.

**Operating Results of Retail**

|                                   | Billions of yen<br>For the six months ended<br>September 30, |                           | % Change<br>(A-B)/(B) |
|-----------------------------------|--------------------------------------------------------------|---------------------------|-----------------------|
|                                   | 2010<br>(A)                                                  | September 30,<br>2009 (B) |                       |
| Net revenue                       | 198.7                                                        | 188.5                     | 5.4                   |
| Non-interest expenses             | 138.2                                                        | 134.3                     | 2.9                   |
| Income (loss) before income taxes | 60.5                                                         | 54.2                      | 11.6                  |

**Asset Management**

Net revenue increased 6.6% from the same period in the prior year to 37.4 billion yen. Non-interest expenses increased 7.0% to 27.3 billion yen. As a result, income before income taxes increased 5.4% to 10.1 billion yen. Asset under management was 23.3 trillion yen as of September 30, 2010, decreased by 0.1 trillion from March 31, 2010.

In investment advisory, mandates from institutional investors outside Japan increased steadily. In addition, Nomura Asset Management's share of public investment trust market in Japan as of September 30, 2010 was 21.2%<sup>7</sup>.

**Operating Results of Asset Management**

|                                   | Billions of yen<br>For the six months ended<br>September 30, |                           | % Change<br>(A-B)/(B) |
|-----------------------------------|--------------------------------------------------------------|---------------------------|-----------------------|
|                                   | 2010<br>(A)                                                  | September 30,<br>2009 (B) |                       |
| Net revenue                       | 37.4                                                         | 35.1                      | 6.6                   |
| Non-interest expenses             | 27.3                                                         | 25.5                      | 7.0                   |
| Income (loss) before income taxes | 10.1                                                         | 9.6                       | 5.4                   |



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<sup>6</sup> Includes annuity insurance.

<sup>7</sup> Nomura Asset Management Co., Ltd only. Source: the Investment Trust Association, Japan.

**Table of Contents****Wholesale**

As of April 1, 2010, Nomura realigned its reporting segments in relation to how it operates and manages its business by merging the Global Markets, Investment Banking, and Merchant Banking divisions into the Wholesale division.

Net revenue decreased 33.8% from the same period in the prior year to 272.0 billion yen, due primarily to decreasing net gain on trading in association with the persistent low client activities resulting mainly from financial markets turbulence in Europe in the first quarter. Non-interest expenses decreased 4.4% to 305.5 billion yen. As a result, loss before income taxes was 33.5 billion yen.

**Operating Results of Wholesale**

|                                   | Billions of yen<br>For the six months ended<br>September 30, |                           | % Change  |
|-----------------------------------|--------------------------------------------------------------|---------------------------|-----------|
|                                   | 2010<br>(A)                                                  | September 30,<br>2009 (B) | (A-B)/(B) |
| Net revenue                       | 272.0                                                        | 411.0                     | (33.8)    |
| Non-interest expenses             | 305.5                                                        | 319.6                     | (4.4)     |
| Income (loss) before income taxes | (33.5)                                                       | 91.5                      |           |

**Other Operating Results**

Other operating results include net gain (loss) on trading related to economic hedging transactions, realized gain (loss) on investments in equity securities, equity in earnings of affiliates, corporate items, and other financial adjustments. Net revenue was 42.9 billion yen while income before income tax was 6.5 billion yen.

**Other Operating Results**

|                                   | Billions of yen<br>For the six months ended<br>September 30, |                           | % Change  |
|-----------------------------------|--------------------------------------------------------------|---------------------------|-----------|
|                                   | 2010<br>(A)                                                  | September 30,<br>2009 (B) | (A-B)/(B) |
| Net revenue                       | 42.9                                                         | (44.2)                    |           |
| Non-interest expenses             | 36.4                                                         | 60.3                      | (39.7)    |
| Income (loss) before income taxes | 6.5                                                          | (104.5)                   |           |

**Table of Contents****Segment Information    Operating Segments**

|                                                                                        | Millions of yen<br>For the six months ended |                           | % Change  |
|----------------------------------------------------------------------------------------|---------------------------------------------|---------------------------|-----------|
|                                                                                        | September 30,<br>2010 (A)                   | September 30,<br>2009 (B) | (A-B)/(B) |
| <b>Net revenue</b>                                                                     |                                             |                           |           |
| Business segment information:                                                          |                                             |                           |           |
| Retail                                                                                 | 198,712                                     | 188,530                   | 5.4       |
| Asset Management                                                                       | 37,423                                      | 35,117                    | 6.6       |
| Wholesale                                                                              | 272,014                                     | 411,024                   | (33.8)    |
| Sub Total                                                                              | 508,149                                     | 634,671                   | (19.9)    |
| Other                                                                                  | 42,863                                      | (44,195)                  |           |
| Net revenue                                                                            | 551,012                                     | 590,476                   | (6.7)     |
| Reconciliation items:                                                                  |                                             |                           |           |
| Unrealized gain (loss) on investments on equity securities held for operating purposes | (15,565)                                    | 7,908                     |           |
| Net revenue                                                                            | 535,447                                     | 598,384                   | (10.5)    |
| <b>Non-interest expenses</b>                                                           |                                             |                           |           |
| Business segment information:                                                          |                                             |                           |           |
| Retail                                                                                 | 138,191                                     | 134,317                   | 2.9       |
| Asset Management                                                                       | 27,303                                      | 25,515                    | 7.0       |
| Wholesale                                                                              | 305,519                                     | 319,568                   | (4.4)     |
| Sub Total                                                                              | 471,013                                     | 479,400                   | (1.7)     |
| Other                                                                                  | 36,366                                      | 60,271                    | (39.7)    |
| Non-interest expenses                                                                  | 507,379                                     | 539,671                   | (6.0)     |
| Reconciliation items:                                                                  |                                             |                           |           |
| Unrealized gain (loss) on investments on equity securities held for operating purposes |                                             |                           |           |
| Non-interest expenses                                                                  | 507,379                                     | 539,671                   | (6.0)     |
| <b>Income (loss) before income taxes</b>                                               |                                             |                           |           |
| Business segment information:                                                          |                                             |                           |           |
| Retail                                                                                 | 60,521                                      | 54,213                    | 11.6      |
| Asset Management                                                                       | 10,120                                      | 9,602                     | 5.4       |
| Wholesale                                                                              | (33,505)                                    | 91,456                    |           |
| Sub Total                                                                              | 37,136                                      | 155,271                   | (76.1)    |
| Other*                                                                                 | 6,497                                       | (104,466)                 |           |
| Income (loss) before income taxes                                                      | 43,633                                      | 50,805                    | (14.1)    |

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|                                                                                        |          |        |        |
|----------------------------------------------------------------------------------------|----------|--------|--------|
| Reconciliation items:                                                                  |          |        |        |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | (15,565) | 7,908  |        |
| Income (loss) before income taxes                                                      | 28,068   | 58,713 | (52.2) |

## \* 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<br>For the six months ended<br>September 30, |                           | % Change  |
|--------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------|-----------|
|                                                                                      | 2010<br>(A)                                                  | September 30,<br>2009 (B) | (A-B)/(B) |
| Net gain (loss) related to economic hedging transactions                             | (791)                                                        | 13,939                    |           |
| Realized gain (loss) on investments in equity securities held for operating purposes | (463)                                                        | (415)                     |           |
| Equity in earnings of affiliates                                                     | 2,356                                                        | 4,303                     | (45.2)    |
| Corporate items                                                                      | 3,026                                                        | (44,484)                  |           |
| Others                                                                               | 2,369                                                        | (77,809)                  |           |
| Total                                                                                | 6,497                                                        | (104,466)                 |           |

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

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES AND COMPUTATION THEREOF**

The following table sets forth the ratio of earnings to fixed charges of Nomura for the six months ended September 30, 2010, in accordance with U.S. GAAP.

|                                                                   | (Millions of yen)<br>For the six months ended<br>September 30, 2010 |         |
|-------------------------------------------------------------------|---------------------------------------------------------------------|---------|
| Earnings:                                                         |                                                                     |         |
| Pre-tax income before adjustment for income from equity investees | ¥                                                                   | 26,388  |
| Add: Fixed charges                                                |                                                                     | 98,987  |
| Distributed income of equity investees                            |                                                                     | 2,676   |
| Earnings as defined                                               | ¥                                                                   | 128,051 |
| Fixed charges                                                     | ¥                                                                   | 98,987  |
| Ratio of earnings to fixed charges <sup>8</sup>                   |                                                                     | 1.3     |

<sup>8</sup> For the purpose of calculating the ratio of earnings to fixed charges, earnings consist of pre-tax income before adjustment for income from equity investees, plus (i) fixed charges and (ii) distributed income of equity investees. Fixed charges consist of interest expense. Fixed charges exclude premium and discount amortization as well as interest expense, which are included in Net gain (loss) on trading. Fixed charges also exclude interest within rent expense, which is insignificant.

**Table of Contents****CAPITALIZATION AND INDEBTEDNESS**

The following table sets forth, on a U.S. GAAP basis, the consolidated capitalization and indebtedness of Nomura as of September 30, 2010. There has been no material change in Nomura's capitalization and indebtedness since September 30, 2010.

|                                                           | <b>As of<br/>September 30, 2010<br/>(Millions of yen)</b> |
|-----------------------------------------------------------|-----------------------------------------------------------|
| Short-term borrowings                                     | ¥ 1,173,310                                               |
| Long-term borrowings                                      | 7,984,932                                                 |
| NHI shareholders' equity:                                 |                                                           |
| Common stock                                              |                                                           |
| Authorized 6,000,000,000 shares                           |                                                           |
| Issued 3,719,133,241 shares                               |                                                           |
| Outstanding 3,599,477,605 shares                          | 594,493                                                   |
| Additional paid-in capital                                | 638,263                                                   |
| Retained earnings                                         | 1,058,450                                                 |
| Accumulated other comprehensive loss                      | (140,771)                                                 |
| Total NHI shareholders' equity before treasury stock      | 2,150,435                                                 |
| Common stock held in treasury, at cost 119,655,636 shares | (98,848)                                                  |
| Total NHI shareholders' equity                            | 2,051,587                                                 |
| Noncontrolling interests                                  | 9,087                                                     |
| Total equity                                              | 2,060,674                                                 |
| <b>Total capitalization and indebtedness</b>              | <b>¥ 11,218,916</b>                                       |

NHI and certain of its subsidiaries enter into various guarantee arrangements in the form of standby letters of credit and other guarantees with third parties. The amount of potential future payments under these guarantee contracts outstanding as of September 30, 2010 was ¥8,028 million. This amount represents a preliminary estimate as of the date of this supplement release and may be revised in Nomura's Report on Form 6-K for the period ended September 30, 2010.

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The review process of the quarterly consolidated financial statements for this period has not been completed by the independent auditors at the point of disclosing this Supplement for Financial Highlights. As a result of such review, certain of the information set forth herein could be subject to revision, possibly material, in Nomura's Report on Form 6-K for the period ended September 30, 2010.