

NOMURA HOLDINGS INC
Form 6-K
May 15, 2008
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FORM 6-K

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

Commission File Number: 1-15270

Supplement for the month of May 2008.

NOMURA HOLDINGS, INC.

(Translation of registrant's name into English)

9-1, Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Japan

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

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

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

Yes No

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

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Information furnished on this form:

EXHIBIT

**Exhibit
Number**

1. (English Translation) Amendment to Interim Report Pursuant to the Financial Instruments and Exchange Act for The Six Months Ended September 30, 2007

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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: May 15, 2008

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

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1. Grounds for Amendment to the Interim Report

This submission is due to the new accounting standard which the company decided to apply after submission of Interim Report Pursuant to the Financial Instruments and Exchange Act for The Six Months Ended September 30, 2007 and which requires retrospective application to the previous interim periods.

The American Institute of Certified Public Accountants (AICPA) issued Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies (SOP 07-1) in June 2007. SOP 07-1 addresses whether the accounting principles of the Audit and Accounting Guide for Investment Companies should be applied to an entity by clarifying the definition of an investment company, and whether those accounting principles should be retained by a parent company in consolidation or by an investor in the application of the equity method of accounting. All investments made by investment companies within the scope of the guide are carried at fair value, with changes in fair value recognized through earnings.

Despite that SOP 07-1 was aimed to be effective for fiscal years beginning on or after December 15, 2007, the Financial Accounting Standards Board (FASB) issued Staff Position No. SOP 07-1-1, Effective Date of AICPA Statement of Position 07-1 (FSP SOP 07-1-1), which indefinitely deferred SOP 07-1. However, FSP SOP 07-1-1 permits continuous application of SOP 07-1 for entities that early adopted SOP 07-1.

Nomura decided early adoption of SOP 07-1 on December 14, 2007 and designated certain entities, including Nomura Principal Finance Co., Ltd. and Terra Firma Capital Partners I as investment companies. As our adoption of SOP 07-1 was made in other than the first interim period of the year of change, the change is reported by retrospective application to the previous interim periods of the year pursuant to SOP 07-1. And the adjusted amount due to the initial adoption was recorded in the retained earnings as of the beginning of the year.

In addition, the financial statements after retrospective application has been audited by Ernst & Young ShinNihon in accordance with semiannual auditing standards applied in Japan and the Semiannual Audit Report of Independent Auditors is attached to this report.

2. Amendment item

PART I Corporate Information

Item 1. Information on the Company and Its Subsidiaries and Affiliates

1. Selected Financial Data*

2. Business Overview*

4. Employees

Item 2. Operating and Financial Review

1. Operating Results*

Item 5. Financial Information

1. Consolidated Financial Statements and Other*

* Translations are attached to this form.

3. Amendment detail

Amendment details are shown as underlined parts.

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1. Selected Financial Data

(1) Selected consolidated financial data

<Before retrospective application>

		Six months ended September 30, 2005	Six months ended September 30, 2006	Six months ended September 30, 2007	Year ended March 31, 2006	Year ended March 31, 2007
Revenue	(Mil yen)	734,471	870,944	<u>1,147,160</u>	1,792,840	2,049,101
Net revenue	(Mil yen)	460,150	456,912	<u>600,937</u>	1,145,650	1,091,101
Income before income taxes	(Mil yen)	141,368	106,491	<u>96,374</u>	445,600	321,758
Net income	(Mil yen)	69,202	63,665	<u>66,226</u>	304,328	175,828
Shareholders' equity	(Mil yen)	1,869,148	2,125,028	<u>2,233,928</u>	2,063,327	2,185,919
Total assets	(Mil yen)	36,069,965	32,682,845	<u>29,333,718</u>	35,026,035	35,873,374
Shareholders' equity per share	(Yen)	981.51	1,114.88	<u>1,170.31</u>	1,083.19	1,146.23
Net income per share - basic	(Yen)	36.01	33.41	<u>34.70</u>	159.02	92.25
Net income per share - diluted	(Yen)	35.95	33.33	<u>34.59</u>	158.78	92.00
Shareholders' equity as a percentage of total assets	(%)	5.2	6.5	<u>7.6</u>	5.9	6.1
Cash flows from operating activities	(Mil yen)	(377,425)	(1,389,799)	<u>(666,068)</u>	(565,214)	(1,627,156)
Cash flows from investing activities	(Mil yen)	(1,111)	(144,285)	<u>(145,438)</u>	(4,678)	(533,813)
Cash flows from financing activities	(Mil yen)	558,055	868,178	<u>1,072,523</u>	829,219	1,568,703
Cash and cash equivalents at end of the period	(Mil yen)	768,303	330,804	<u>660,404</u>	991,961	410,028
Number of staffs		15,086	16,029	17,916	14,932	16,854
[Average number of temporary staffs, excluded from above]		[3,396]	[3,588]	[4,447]	[3,498]	[3,766]

(Notes) (Omitted)

- 9 In addition to the numbers presented above, the number of staffs in investee companies of private equity investments that were consolidated as subsidiaries on the consolidated financial statements as of September 30, 2007 was 6,227 and the average number of temporary staffs in those investee companies was 1,728.

<After retrospective application>

		Six months ended September 30, 2005	Six months ended September 30, 2006	Six months ended September 30, 2007	Year ended March 31, 2006	Year ended March 31, 2007
Revenue	(Mil yen)	734,471	870,944	<u>1,067,371</u>	1,792,840	2,049,101
Net revenue	(Mil yen)	460,150	456,912	<u>521,502</u>	1,145,650	1,091,101
Income before income taxes	(Mil yen)	141,368	106,491	<u>89,352</u>	445,600	321,758
Net income	(Mil yen)	69,202	63,665	<u>64,231</u>	304,328	175,828
Shareholders' equity	(Mil yen)	1,869,148	2,125,028	<u>2,232,556</u>	2,063,327	2,185,919
Total assets	(Mil yen)	36,069,965	32,682,845	<u>29,171,303</u>	35,026,035	35,873,374
Shareholders' equity per share	(Yen)	981.51	1,114.88	<u>1,169.59</u>	1,083.19	1,146.23

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Net income per share basic	(Yen)	36.01	33.41	<u>33.66</u>	159.02	92.25
Net income per share diluted	(Yen)	35.95	33.33	<u>33.55</u>	158.78	92.00
Shareholders' equity as a percentage of total assets	(%)	5.2	6.5	<u>7.7</u>	5.9	6.1
Cash flows from operating activities	(Mil yen)	(377,425)	(1,389,799)	<u>(600,257)</u>	(565,214)	(1,627,156)
Cash flows from investing activities	(Mil yen)	(1,111)	(144,285)	<u>(167,574)</u>	(4,678)	(533,813)
Cash flows from financing activities	(Mil yen)	558,055	868,178	<u>1,029,181</u>	829,219	1,568,703
Cash and cash equivalents at end of the period	(Mil yen)	768,303	330,804	<u>622,310</u>	991,961	410,028
Number of staffs		15,086	16,029	17,916	14,932	16,854
[Average number of temporary staffs, excluded from above]		[3,396]	[3,588]	[4,447]	[3,498]	[3,766]

(Notes) (Omitted)

9 (Deleted)

10 With the application of Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies, all investments made by investment companies within the scope of the guide are carried at fair value, with changes in fair value recognized through earnings for the six month ended September 30, 2007.

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2. Business Overview

<Before retrospective application>

There was no significant change for the business of Nomura Holdings, Inc. and its 338 consolidated subsidiaries and variable interest entities for the six months ended September 30, 2007. There are 45 affiliated companies which were accounted for by the equity method at September 30, 2007.

<After retrospective application>

There was no significant change for the business of Nomura Holdings, Inc. and its 285 consolidated subsidiaries and variable interest entities for the six months ended September 30, 2007. There are 20 affiliated companies which were accounted for by the equity method at September 30, 2007.

Item 2. Operating and Financial Review

1. Operating Results

(1) Summary

<Before retrospective application>

Nomura Holdings, Inc. and its consolidated subsidiaries (Nomura) reported net revenue of ¥600.9 billion for the six months ended September 30, 2007, an increase of 32% from the same period in the prior year. Non-interest expenses were ¥504.6 billion for the six months ended September 30, 2007, an increase of 44% from the same period in the prior year. As a result, income before income taxes was ¥96.4 billion for the six months ended September 30, 2007, a decrease of 10% from the same period in the prior year and net income for the six months ended September 30, 2007 was ¥66.2 billion, an increase of 4% from the same period in the prior year.

Cash and cash equivalents at September 30, 2007 increased by ¥250.4 billion compared with March 31, 2007 (an decrease of ¥661.2 billion for the same period in the prior year). Net cash used in operating activities was ¥666.1 billion (net cash used in operating activities for the same period in the prior year was ¥1,389.8 billion), mainly due to an increase in Securities purchased under agreements to resell, net of securities sold under agreements to repurchase, and an increase in Securities borrowed, net of securities loaned. Net cash used in investing activities was ¥145.4 billion (net cash used in investing activities for the same period in the prior year was ¥144.3 billion) mainly due to Payments for purchase of office buildings, land, equipment and facilities, Increase in loans receivables at banks and Increase in non-trading debt securities. Net cash provided by financing activities was ¥1,072.5 billion (net cash provided by financing activities for the same period in the prior year was ¥868.2 billion) mainly due to an increase in borrowings.

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The breakdown of Net revenue and Non-interest expenses on the consolidated income statements are as follows.

	Six months ended September 30, 2006 (Mil Yen)	Six months ended September 30, 2007 (Mil Yen)
Commissions	145,642	<u>219,849</u>
Brokerage commissions	77,153	128,824
Commissions for distribution of investment trust	48,972	73,395
Other	19,517	<u>17,630</u>
Fees from investment banking	41,252	46,066
Underwriting and distribution	29,511	20,903
M&A / financial advisory fees	11,538	23,878
Other	203	1,285
Asset management and portfolio service fees	65,208	98,221
Asset management fees	57,937	89,054
Other	7,271	9,167
Net gain on trading	103,312	<u>107,215</u>
Merchant banking	(2,198)	<u>1,044</u>
Equity trading	44,408	79,885
Fixed income and other trading	61,102	26,286
(Loss) gain on private equity investments	37,295	<u>63,652</u>
Net interest	26,139	<u>(5,492)</u>
Gain (loss) on investments in equity securities	(20,553)	(24,756)
Private equity entities product sales	42,705	<u>70,827</u>
Other	15,912	<u>25,355</u>
Net revenue	456,912	<u>600,937</u>

	Six months ended September 30, 2006 (Mil Yen)	Six months ended September 30, 2007 (Mil Yen)
Compensation and benefits	161,828	<u>203,223</u>
Commissions and floor brokerage	20,590	<u>46,351</u>
Information processing and communications	50,601	<u>64,204</u>
Occupancy and related depreciation	28,185	33,879
Business development expenses	17,658	<u>20,061</u>
Private equity entities cost of goods sold	23,208	<u>44,118</u>
Other	48,351	<u>92,727</u>
Non-interest expenses	350,421	<u>504,563</u>

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<After retrospective application>

Nomura Holdings, Inc. and its consolidated subsidiaries (Nomura) reported net revenue of ¥521.5 billion for the six months ended September 30, 2007, an increase of 14% from the same period in the prior year. Non-interest expenses were ¥432.2 billion for the six months ended September 30, 2007, an increase of 23% from the same period in the prior year. As a result, income before income taxes was ¥89.4 billion for the six months ended September 30, 2007, a decrease of 16% from the same period in the prior year and net income for the six months ended September 30, 2007 was ¥64.2 billion, an increase of 1% from the same period in the prior year.

Cash and cash equivalents at September 30, 2007 increased by ¥212.3 billion compared with March 31, 2007 (an decrease of ¥661.2 billion for the same period in the prior year). Net cash used in operating activities was ¥600.3 billion (net cash used in operating activities for the same period in the prior year was ¥1,389.8 billion), mainly due to an increase in Securities purchased under agreements to resell, net of securities sold under agreements to repurchase, and an increase in Securities borrowed, net of securities loaned. Net cash used in investing activities was ¥167.6 billion (net cash used in investing activities for the same period in the prior year was ¥144.3 billion) mainly due to Payments for purchase of office buildings, land, equipment and facilities, Increase in loans receivables at banks and Increase in non-trading debt securities. Net cash provided by financing activities was ¥1,029.2 billion (net cash provided by financing activities for the same period in the prior year was ¥868.2 billion) mainly due to an increase in borrowings.

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The breakdown of Net revenue and Non-interest expenses on the consolidated income statements are as follows.

	Six months ended September 30, 2006 (Mil Yen)	Six months ended September 30, 2007 (Mil Yen)
Commissions	145,642	<u>219,836</u>
Brokerage commissions	77,153	128,824
Commissions for distribution of investment trust	48,972	73,395
Other	19,517	<u>17,617</u>
Fees from investment banking	41,252	46,066
Underwriting and distribution	29,511	20,903
M&A / financial advisory fees	11,538	23,878
Other	203	1,285
Asset management and portfolio service fees	65,208	98,221
Asset management fees	57,937	89,054
Other	7,271	9,167
Net gain on trading	103,312	<u>108,436</u>
Merchant banking	(2,198)	<u>2,265</u>
Equity trading	44,408	79,885
Fixed income and other trading	61,102	26,286
(Loss) gain on private equity investments	37,295	<u>52,933</u>
Net interest	26,139	<u>(5,174)</u>
Gain (loss) on investments in equity securities	(20,553)	(24,756)
Private equity entities product sales	42,705	-
Other	15,912	<u>25,940</u>
Net revenue	456,912	<u>521,502</u>

	Six months ended September 30, 2006 (Mil Yen)	Six months ended September 30, 2007 (Mil Yen)
Compensation and benefits	161,828	<u>195,023</u>
Commissions and floor brokerage	20,590	<u>45,263</u>
Information processing and communications	50,601	<u>63,907</u>
Occupancy and related depreciation	28,185	<u>31,048</u>
Business development expenses	17,658	<u>18,677</u>
Private equity entities cost of goods sold	23,208	-
Other	48,351	<u>78,232</u>
Non-interest expenses	350,421	<u>432,150</u>

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Business Segment Information

<Before retrospective application>

(Omitted)

Net revenue

	Six months ended September 30, 2006 (Mil Yen)	Six months ended September 30, 2007 (Mil Yen)
Domestic Retail	200,127	225,100
Global Markets	117,374	125,672
Global Investment Banking	48,496	47,552
Global Merchant Banking	56,664	51,865
Asset Management	41,490	50,093
Other (Inc. elimination)	1,348	<u>52,416</u>
Total	465,499	<u>552,698</u>

(Omitted)

Income (loss) before income taxes

	Six months ended September 30, 2006 (Mil Yen)	Six months ended September 30, 2007 (Mil Yen)
Domestic Retail	70,710	82,761
Global Markets	10,726	(41,647)
Global Investment Banking	21,843	16,816
Global Merchant Banking	51,280	45,528
Asset Management	16,290	19,880
Other (Inc. elimination)	(18,708)	<u>(2,790)</u>
Total	152,141	<u>120,548</u>

(Omitted)

Other Operating Results

Other operating results include gain (loss) on investment securities, equity in earnings (losses) of affiliates and other financial adjustments. Loss before income taxes for Other was ¥18,708 million for the six months ended September 30, 2006 and ¥2,790 million for the six months ended September 30, 2007.

(Omitted)

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<After retrospective application>

(Omitted)

Net revenue

	Six months ended September 30, 2006 (Mil Yen)	Six months ended September 30, 2007 (Mil Yen)
Domestic Retail	200,127	225,100
Global Markets	117,374	125,672
Global Investment Banking	48,496	47,552
Global Merchant Banking	56,664	51,865
Asset Management	41,490	50,093
Other (Inc. elimination)	1,348	<u>47,302</u>
Total	465,499	<u>547,584</u>

(Omitted)

Income (loss) before income taxes

	Six months ended September 30, 2006 (Mil Yen)	Six months ended September 30, 2007 (Mil Yen)
Domestic Retail	70,710	82,761
Global Markets	10,726	(41,647)
Global Investment Banking	21,843	16,816
Global Merchant Banking	51,280	45,528
Asset Management	16,290	19,880
Other (Inc. elimination)	(18,708)	<u>(7,904)</u>
Total	152,141	<u>115,434</u>

(Omitted)

Other Operating Results

Other operating results include gain (loss) on investment securities, equity in earnings (losses) of affiliates and other financial adjustments. Loss before income taxes for Other was ¥18,708 million for the six months ended September 30, 2006 and ¥7,904 million for the six months ended September 30, 2007.

(Omitted)

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(2) Trading Activities

Assets and liabilities for trading purposes

The balances of assets and liabilities for trading purposes at September 30, 2006 and 2007 are as follows.

<Before retrospective application>

	September 30, 2006 (Mil Yen)	September 30, 2007 (Mil Yen)
Trading assets and Private equity investments	12,817,424	11,578,419
Trading assets	12,482,177	11,338,576
Equity securities and convertible bonds	3,170,997	2,632,139
Government and government agency bonds	4,979,243	4,264,199
Bank and corporate debt securities	1,806,848	1,794,573
Commercial paper and certificates of deposit	205,698	265,737
Mortgage and mortgage-backed securities	1,335,354	1,024,767
Beneficiary certificates and other	223,018	195,656
Derivative contracts	761,019	1,161,505
Foreign exchange forwards	81,078	76,506
Forward rate agreements and other over the counter forwards	14,261	40,676
Swap agreements	350,850	628,489
Options securities purchased	129,029	190,433
Options other than securities options purchased	185,801	225,401
Private equity investments	335,247	239,843
Trading liabilities	4,179,129	5,559,848
Equity securities and convertible bonds	431,677	726,763
Government and government agency bonds	2,642,812	3,488,253
Bank and corporate debt securities	198,619	132,237
Beneficial certificates and other	63	5
Derivative contracts	905,958	1,212,590
Foreign exchange forwards	49,953	47,489
FRA and other OTC forwards	13,513	33,238
Swap agreements	470,911	615,031
Options securities written	232,671	301,456
Options other than securities options written	138,910	215,376

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<After retrospective application>

	September 30, 2006 (Mil Yen)	September 30, 2007 (Mil Yen)
Trading assets and Private equity investments	12,817,424	<u>11,701,838</u>
Trading assets	12,482,177	<u>11,329,299</u>
Equity securities and convertible bonds	3,170,997	<u>2,622,862</u>
Government and government agency bonds	4,979,243	4,264,199
Bank and corporate debt securities	1,806,848	1,794,573
Commercial paper and certificates of deposit	205,698	265,737
Mortgage and mortgage-backed securities	1,335,354	1,024,767
Beneficiary certificates and other	223,018	195,656
Derivative contracts	761,019	1,161,505
Foreign exchange forwards	81,078	76,506
Forward rate agreements and other over the counter forwards	14,261	40,676
Swap agreements	350,850	628,489
Options securities purchased	129,029	190,433
Options other than securities options purchased	185,801	225,401
Private equity investments	335,247	<u>372,539</u>
Trading liabilities	4,179,129	5,559,848
Equity securities and convertible bonds	431,677	726,763
Government and government agency bonds	2,642,812	3,488,253
Bank and corporate debt securities	198,619	132,237
Beneficial certificates and other	63	5
Derivative contracts	905,958	1,212,590
Foreign exchange forwards	49,953	47,489
FRA and other OTC forwards	13,513	33,238
Swap agreements	470,911	615,031
Options securities written	232,671	301,456
Options other than securities options written	138,910	215,376

Table of Contents**Item 5. Financial Information**

1. Consolidated Financial Statements and Other

(1) Consolidated Financial Statements

1) Consolidated Balance Sheets

<Before retrospective application>

	Notes	September 30, 2006 Millions of yen (%)	September 30, 2007 Millions of yen (%)	March 31, 2007 Millions of yen (%)	
ASSETS					
Cash and cash deposits:					
Cash and cash equivalents		330,804	<u>660,404</u>	410,028	
Time deposits		587,254	<u>955,859</u>	546,682	
Deposits with stock exchanges and other segregated cash		55,542	147,505	97,302	
		973,600	3.0 <u>1,763,768</u>	<u>6.0</u> 1,054,012	3.0
Loans and receivables:					
Loans receivable		1,049,570	<u>964,214</u>	935,711	
Receivables from customers		37,627	34,354	47,518	
Receivables from other than customers		1,245,984	<u>1,262,415</u>	637,209	
Allowance for doubtful accounts		(3,464)	<u>(1,526)</u>	(2,027)	
		2,329,717	7.1 <u>2,259,457</u>	<u>7.7</u> 1,618,411	4.5
Collateralized agreements:					
Securities purchased under agreements to resell		7,885,086	3,517,842	8,061,805	
Securities borrowed		7,124,886	7,886,590	9,776,422	
		15,009,972	45.9 11,404,432	<u>38.9</u> 17,838,227	49.7
Trading assets and private equity investments (including securities pledged as collateral of ¥5,428,545 million at September 30, 2006, ¥3,372,945 million at September 30, 2007 and ¥5,719,748 million at March 31, 2007, respectively):					
Trading assets	*3	12,482,177	<u>11,338,576</u>	12,830,826	
Private equity investments		335,247	<u>239,843</u>	347,394	
		12,817,424	39.2 <u>11,578,419</u>	<u>39.5</u> 13,178,220	36.7
Other assets:					
Office buildings, land, equipment and facilities (net of accumulated depreciation and amortization of ¥227,886 million at September 30, 2006, <u>¥255,979</u> million at September 30, 2007 and ¥249,592 million at March 31, 2007, respectively)		353,160	<u>449,209</u>	422,290	
Non-trading debt securities		229,379	<u>288,765</u>	255,934	
Investments in equity securities		207,650	162,280	195,238	
Investments in and advances to affiliated companies (including securities pledged as collateral of ¥7,502 million at September 30, 2006,		295,955	<u>438,610</u>	441,536	

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¥3,508 million at September 30, 2007 and ¥7,451 million at March 31, 2007, respectively)

Other	*5	465,988		<u>988,778</u>		869,506	
		1,552,132	4.8	<u>2,327,642</u>	<u>7.9</u>	2,184,504	6.1
Total assets		32,682,845	100.0	<u>29,333,718</u>	100.0	35,873,374	100.0

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	Notes	September 30, 2006 Millions of yen (%)		September 30, 2007 Millions of yen (%)		March 31, 2007 Millions of yen (%)	
LIABILITIES AND SHAREHOLDERS EQUITY							
Short-term borrowings		829,315	2.5	<u>1,346,591</u>	4.6	1,093,529	3.0
Payables and deposits:							
Payables to customers		423,758		<u>333,445</u>		304,462	
Payables to other than customers		363,132		<u>448,544</u>		623,143	
Deposits received at banks		402,526		<u>495,770</u>		418,250	
		1,189,416	3.6	<u>1,277,759</u>	4.3	1,345,855	3.8
Collateralized financing:							
Securities sold under agreements to repurchase		11,861,474		5,619,336		11,874,697	
Securities loaned		6,287,138		4,236,458		7,334,086	
Other secured borrowings		1,283,263		2,342,188		1,390,473	
		19,431,875	59.5	12,197,982	<u>41.6</u>	20,599,256	57.4
Trading liabilities:	*3	4,179,129	12.8	5,559,848	<u>19.0</u>	4,800,403	13.4
Other liabilities:	*5	493,624	1.5	<u>900,760</u>	<u>3.1</u>	845,522	2.4
Long-term borrowings	*6	4,434,458	13.6	<u>5,816,850</u>	<u>19.8</u>	5,002,890	13.9
Total liabilities		30,557,817	93.5	<u>27,099,790</u>	<u>92.4</u>	33,687,455	93.9
Commitments and contingencies	*13						
Shareholders' equity:	*11						
Common stock							
No par value share; Authorized		6,000,000,000 shares					
Issued		1,965,919,860 shares at September 30, 2006, September 30, 2007 and March 31, 2007					
Outstanding							
		182,800	0.6	182,800	0.6	182,800	0.5
Additional paid-in capital		162,127	0.5	170,267	0.6	165,496	0.5
Retained earnings		1,852,207	5.7	<u>1,944,562</u>	<u>6.6</u>	1,910,978	5.3
Accumulated other comprehensive income		9,119	0.0	<u>13,911</u>	<u>0.1</u>	6,613	0.0
		2,206,253	6.8	<u>2,311,540</u>	7.9	2,265,887	6.3
Common stock held in treasury, at cost							
		(81,225)	(0.3)	(77,612)	<u>(0.3)</u>	(79,968)	(0.2)
Total shareholders' equity		2,125,028	6.5	<u>2,233,928</u>	<u>7.6</u>	2,185,919	6.1
Total liabilities and shareholders' equity		32,682,845	100.0	<u>29,333,718</u>	100.0	35,873,374	100.0

The accompanying notes are an integral part of these consolidated financial statements.

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<After retrospective application>

	Notes	September 30, 2006 Millions of yen	(%)	September 30, 2007 Millions of yen	(%)	March 31, 2007 Millions of yen	(%)
ASSETS							
Cash and cash deposits:							
Cash and cash equivalents		330,804		<u>622,310</u>		410,028	
Time deposits		587,254		<u>945,879</u>		546,682	
Deposits with stock exchanges and other segregated cash		55,542		147,505		97,302	
		973,600	3.0	<u>1,715,694</u>	<u>5.9</u>	1,054,012	3.0
Loans and receivables:							
Loans receivable		1,049,570		<u>964,092</u>		935,711	
Receivables from customers		37,627		34,354		47,518	
Receivables from other than customers		1,245,984		<u>1,232,553</u>		637,209	
Allowance for doubtful accounts		(3,464)		<u>(1,217)</u>		(2,027)	
		2,329,717	7.1	<u>2,229,782</u>	<u>7.6</u>	1,618,411	4.5
Collateralized agreements:							
Securities purchased under agreements to resell		7,885,086		3,517,842		8,061,805	
Securities borrowed		7,124,886		7,886,590		9,776,422	
		15,009,972	45.9	11,404,432	<u>39.1</u>	17,838,227	49.7
Trading assets and private equity investments (including securities pledged as collateral of ¥5,428,545 million at September 30, 2006, ¥3,372,945 million at September 30, 2007 and ¥5,719,748 million at March 31, 2007, respectively):							
Trading assets	*3	12,482,177		<u>11,329,299</u>		12,830,826	
Private equity investments		335,247		<u>372,539</u>		347,394	
		12,817,424	39.2	<u>11,701,838</u>	<u>40.1</u>	13,178,220	36.7
Other assets:							
Office buildings, land, equipment and facilities (net of accumulated depreciation and amortization of ¥227,886 million at September 30, 2006, <u>¥245,977</u> million at September 30, 2007 and ¥249,592 million at March 31, 2007, respectively)		353,160		<u>382,457</u>		422,290	
Non-trading debt securities		229,379		<u>283,640</u>		255,934	
Investments in equity securities		207,650		162,280		195,238	
Investments in and advances to affiliated companies (including securities pledged as collateral of ¥7,502 million at September 30, 2006, ¥3,508 million at September 30, 2007 and ¥7,451 million at March 31, 2007, respectively)		295,955		<u>393,390</u>		441,536	
Other	*5	465,988		<u>897,790</u>		869,506	
		1,552,132	4.8	<u>2,119,557</u>	<u>7.3</u>	2,184,504	6.1
Total assets		32,682,845	100.0	<u>29,171,303</u>	100.0	35,873,374	100.0

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	Notes	September 30, 2006 Millions of yen	(%)	September 30, 2007 Millions of yen	(%)	March 31, 2007 Millions of yen	(%)
LIABILITIES AND SHAREHOLDERS EQUITY							
Short-term borrowings		829,315	2.5	<u>1,337,925</u>	4.6	1,093,529	3.0
Payables and deposits:							
Payables to customers		423,758		<u>333,375</u>		304,462	
Payables to other than customers		363,132		<u>430,468</u>		623,143	
Deposits received at banks		402,526		<u>496,792</u>		418,250	
		1,189,416	3.6	<u>1,260,635</u>	4.3	1,345,855	3.8
Collateralized financing:							
Securities sold under agreements to repurchase		11,861,474		5,619,336		11,874,697	
Securities loaned		6,287,138		4,236,458		7,334,086	
Other secured borrowings		1,283,263		2,342,188		1,390,473	
		19,431,875	59.5	12,197,982	<u>41.8</u>	20,599,256	57.4
Trading liabilities:	*3	4,179,129	12.8	5,559,848	<u>19.0</u>	4,800,403	13.4
Other liabilities:	*5	493,624	1.5	<u>831,951</u>	<u>2.9</u>	845,522	2.4
Long-term borrowings	*6	4,434,458	13.6	<u>5,750,406</u>	<u>19.7</u>	5,002,890	13.9
Total liabilities		30,557,817	93.5	<u>26,938,747</u>	<u>92.3</u>	33,687,455	93.9
Commitments and contingencies	*13						
Shareholders' equity:	*11						
Common stock							
No par value share; Authorized		6,000,000,000 shares					
Issued		1,965,919,860 shares at September 30, 2006, September 30, 2007 and March 31, 2007					
Outstanding		1,906,067,957 shares at September 30, 2006, 1,908,831,093 shares at September 30, 2007 and 1,907,049,871 shares at March 31, 2007		182,800	0.6	182,800	0.6
				182,800	0.6	182,800	0.5
Additional paid-in capital		162,127	0.5	170,267	0.6	165,496	0.5
Retained earnings		1,852,207	5.7	<u>1,944,616</u>	<u>6.7</u>	1,910,978	5.3
Accumulated other comprehensive income		9,119	0.0	<u>12,485</u>	<u>0.0</u>	6,613	0.0
		2,206,253	6.8	<u>2,310,168</u>	7.9	2,265,887	6.3
Common stock held in treasury, at cost		59,851,903 shares at September 30, 2006, 57,088,767 shares at September 30, 2007 and 58,869,989 shares at March 31, 2007		(81,225)	(0.3)	(77,612)	<u>(0.2)</u>
						(79,968)	(0.2)
Total shareholders' equity		2,125,028	6.5	<u>2,232,556</u>	<u>7.7</u>	2,185,919	6.1
Total liabilities and shareholders' equity		32,682,845	100.0	29,171,303	100.0	35,873,374	100.0

The accompanying notes are an integral part of these consolidated financial statements.

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2) Consolidated Statements of Income

<Before retrospective application>

	Notes	Six months ended September 30, 2006		Six months ended September 30, 2007		Year ended March 31, 2007	
		Millions of yen	(%)	Millions of yen	(%)	Millions of yen	(%)
Revenue:							
Commissions		145,642		<u>219,849</u>		337,458	
Fees from investment banking		41,252		46,066		99,276	
Asset management and portfolio service fees		65,208		98,221		145,977	
Net gain on trading		103,312		<u>107,215</u>		290,008	
Gain on private equity investments		37,295		<u>63,652</u>		47,590	
Interest and dividends		440,171		<u>540,731</u>		981,344	
(Loss) gain on investments in equity securities		(20,553)		(24,756)		(20,103)	
Private equity entities product sales		42,705		<u>70,827</u>		100,126	
Other		15,912		<u>25,355</u>		67,425	
Total revenue		870,944	100.0	<u>1,147,160</u>	100.0	2,049,101	100.0
Interest expense		414,032	47.5	<u>546,223</u>	<u>47.6</u>	958,000	46.8
Net revenue		456,912	52.5	<u>600,937</u>	<u>52.4</u>	1,091,101	53.2
Non-interest expenses:							
Compensation and benefits		161,828		<u>203,223</u>		345,936	
Commissions and floor brokerage		20,590		<u>46,351</u>		50,812	
Information processing and communications		50,601		<u>64,204</u>		109,987	
Occupancy and related depreciation		28,185		<u>33,879</u>		61,279	
Business development expenses		17,658		<u>20,061</u>		38,106	
Private equity entities cost of goods sold		23,208		<u>44,118</u>		57,184	
Other		48,351		<u>92,727</u>		106,039	
		350,421	40.3	<u>504,563</u>	<u>44.0</u>	769,343	37.5
Income before income taxes		106,491	12.2	<u>96,374</u>	8.4	321,758	15.7
Income tax expense		42,826	4.9	<u>30,148</u>	<u>2.6</u>	145,930	7.1
Net income		63,665	7.3	<u>66,226</u>	<u>5.8</u>	175,828	8.6
Per share of common stock:							
	Notes	Six months ended September 30, 2006		Six months ended September 30, 2007		Year ended March 31, 2007	
	*8	Yen		Yen		Yen	
Basic							
Net income		33.41		<u>34.70</u>		92.25	
Diluted							
Net income		33.33		<u>34.59</u>		92.00	

The accompanying notes are an integral part of these consolidated financial statements.

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<After retrospective application>

	Notes	Six months ended September 30, 2006		Six months ended September 30, 2007		Year ended March 31, 2007	
		Millions of yen	(%)	Millions of yen	(%)	Millions of yen	(%)
Revenue:							
Commissions		145,642		<u>219,836</u>		337,458	
Fees from investment banking		41,252		46,066		99,276	
Asset management and portfolio service fees		65,208		98,221		145,977	
Net gain on trading		103,312		<u>108,436</u>		290,008	
Gain on private equity investments		37,295		<u>52,933</u>		47,590	
Interest and dividends		440,171		<u>540,695</u>		981,344	
(Loss) gain on investments in equity securities		(20,553)		(24,756)		(20,103)	
Private equity entities product sales		42,705		-		100,126	
Other		15,912		<u>25,940</u>		67,425	
Total revenue		870,944	100.0	<u>1,067,371</u>	100.0	2,049,101	100.0
Interest expense		414,032	47.5	<u>545,869</u>	51.1	958,000	46.8
Net revenue		456,912	52.5	<u>521,502</u>	48.9	1,091,101	53.2
Non-interest expenses:							
Compensation and benefits		161,828		<u>195,023</u>		345,936	
Commissions and floor brokerage		20,590		<u>45,263</u>		50,812	
Information processing and communications		50,601		<u>63,907</u>		109,987	
Occupancy and related depreciation		28,185		<u>31,048</u>		61,279	
Business development expenses		17,658		<u>18,677</u>		38,106	
Private equity entities cost of goods sold		23,208		-		57,184	
Other		48,351		<u>78,232</u>		106,039	
		350,421	40.3	<u>432,150</u>	40.5	769,343	37.5
Income before income taxes		106,491	12.2	<u>89,352</u>	8.4	321,758	15.7
Income tax expense		42,826	4.9	<u>25,121</u>	2.4	145,930	7.1
Net income		63,665	7.3	<u>64,231</u>	6.0	175,828	8.6

	Notes	Six months ended September 30, 2006		Six months ended September 30, 2007		Year ended March 31, 2007	
		Yen		Yen		Yen	
Per share of common stock:							
*8							
Basic							
Net income			33.41	<u>33.66</u>		92.25	
Diluted							
Net income			33.33	<u>33.55</u>		92.00	

The accompanying notes are an integral part of these consolidated financial statements.

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3) Consolidated Statements of Changes in Shareholders' Equity

<Before retrospective application>

	Six months ended September 30, 2006 Millions of yen	Six months ended September 30, 2007 Millions of yen	Year ended March 31, 2007 Millions of yen
Common Stock			
Balance at beginning of year	182,800	182,800	182,800
Balance at end of the period	182,800	182,800	182,800
Additional paid-in capital			
Balance at beginning of year	159,527	165,496	159,527
Loss on sales of treasury stock	(633)	(1,458)	(556)
Issuance of common stock options	3,233	6,229	6,525
Balance at end of the period	162,127	170,267	165,496
Retained earnings			
Balance at beginning of year	1,819,037	1,910,978	1,819,037
Net income	63,665	<u>66,226</u>	175,828
Cash dividends	(30,495)	(32,418)	(83,887)
Adjustment due to the initial adoption of FIN 48		1,266	
Adjustment due to the initial adoption of EITF 06-2		(1,119)	
Loss on sales of treasury stock		(371)	
Balance at end of the period	1,852,207	<u>1,944,562</u>	1,910,978
Accumulated other comprehensive income:			
Cumulative translation adjustments			
Balance at beginning of year	(1,129)	36,889	(1,129)
Net change during the period	24,276	<u>6,898</u>	38,018
Balance at end of the period	23,147	<u>43,787</u>	36,889
Defined benefit pension plans			
Balance at beginning of year	(14,096)	(30,276)	(14,096)
Pension liability adjustment ⁽¹⁾	68	400	(387)
Adjustment due to the initial adoption of SFAS 158 ⁽²⁾			(15,793)
Balance at end of the period	(14,028)	(29,876)	(30,276)
Balance at end of the period	9,119	<u>13,911</u>	6,613
Common stock held in treasury			
Balance at beginning of year	(82,812)	(79,968)	(82,812)
Repurchases of common stock	(81)	(102)	(204)
Sales of common stock	23	42	25
Common stock issued to employees	1,677	2,415	2,910
Other net change in treasury stock	(32)	1	113
Balance at end of the period	(81,225)	(77,612)	(79,968)

Total shareholders equity	2,125,028	<u>2,233,928</u>	2,185,919
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- (1) The amounts of Pension liability adjustment for the six months ended September 30, 2006 and for the year ended March 31, 2007 are minimum pension liability adjustment.
- (2) For the initial year of application, the adjustments are not reflected on the consolidated statements of comprehensive income.