

NOMURA HOLDINGS INC
Form 6-K
November 09, 2011
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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 November 2011

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)

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 No.

1. Supplement for Financial Highlights Six months ended September 30, 2011

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 9, 2011

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

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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, 2011

Nomura reported net revenue of 632.0 billion yen, loss before income taxes of 10.3 billion yen, and net loss attributable to NHI shareholders of 28.3 billion yen for the six months ended September 30, 2011. Basic and diluted-net loss attributable to NHI shareholders per share were both 7.81 yen. Annualized return on shareholders' equity was negative 2.7%.

i.) Financial position

As of September 30, 2011, Nomura's total capital ratio¹ was 19.6% and its Tier 1 capital ratio² was 15.8%. Nomura had total assets of 36.9 trillion yen, an increase of 242.7 billion yen compared to March 31, 2011, due primarily to increases in Office buildings, land, equipment and facilities, Trading assets, and etc. Total liabilities as of September 30, 2011 were 34.6 trillion yen, an increase of 19.9 billion yen compared to March 31, 2011, due primarily to increases in Other liabilities, Long-term borrowings, and etc. Total equity as of September 30, 2011 was 2.3 trillion yen, an increase of 222.7 billion yen compared to March 31, 2011, due primarily to increase in Noncontrolling interests. Leverage ratio as of September 30, 2011 was 18.1 times and adjusted leverage ratio³ was 11.0 times.

¹ Annualized return on shareholders' equity is a ratio of net income (loss) attributable to NHI shareholders to total NHI shareholders' equity multiplied by two.

² These ratios represent preliminary estimates as of the date of this supplement release and may be revised in Nomura's Quarterly Securities Report on Form 6-K for the period ended September 30, 2011.

Nomura has been assigned as *saishu shitei oyagaisha* (an Ultimate Designated Parent Company) who must calculate consolidated regulatory capital adequacy ratio according to the Criteria for judging the appropriateness of capital adequacy status of Ultimate Designated Parent Company and its affiliates in the context of their own asset holdings, etc. (the Upstream Consolidated Regulatory Capital Notice) in April 2011. Since then Nomura calculates Basel II based consolidated regulatory capital adequacy ratio in accordance with the Upstream Consolidated Regulatory Capital Notice. Total capital ratio and Tier 1 capital ratio are non-GAAP financial measures that Nomura considers to be useful measures that Nomura and investors use to assess financial position.

³ Adjusted leverage ratio is a non-GAAP financial measure that Nomura considers to be a useful measure that Nomura and investors use to assess financial position. Adjusted leverage ratio equals total assets less securities purchased under agreements to resell and securities borrowed divided by total NHI shareholders' equity.

Table of Contents**ii.) Expenses**

Non-interest expenses for the six months increased by 26.6% from the same period in the prior fiscal year to 642.2 billion yen.

iii.) Capital and Other Balance Sheet Metrics

As of September 30, 2011, total NHI shareholders' equity was 2.3 trillion yen, which represented an increase of 222.7 billion yen compared to March 31, 2011.

Level 3 assets (net)⁴ were approximately 0.7 trillion yen as of September 30, 2011.

iv.) Value at Risk

Value at risk⁵ as of September 30, 2011 was 5.2 billion yen, which represents a 17.5% decrease compared to March 31, 2011.

v.) Cash Dividends

	2011	For the year ended March 31 2012 (Yen amounts)	2012 (Plan)
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 provides investment, financing and related services in the capital markets on a global basis. In the global capital markets there exist uncertainties due to, but not limited to, economic and market conditions. Nomura, therefore, does not present earnings forecasts. Fiscal year 2012 Q4 dividend amount is not presented for the reasons stated above. Nomura plans to forgo dividend distribution for Q3 of fiscal year 2012.

vi.) Number of employees

As of September 30, 2011, Nomura had 35,697 employees globally (Japan: 22,183, Europe: 4,492, Americas: 2,537, Asia-Pacific (includes Powai office in India: 6,485)).

⁴ This amount represents a preliminary estimate as of the date of this supplement release and may be revised in Nomura's Quarterly Securities Report on Form 6-K for the period ended September 30, 2011.

Level 3 assets (net) is a non-GAAP financial measure that Nomura considers to be a useful measure that Nomura and investors use to assess financial position. The level 3 assets (net) equals level 3 assets after netting off derivative assets and liabilities.

⁵ Value at risk is defined at 99% confidence level (2.33 standard deviations). Time horizon for outstanding portfolio is one day. Inter-product price fluctuations are considered.

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vii.) Others

(1) Changes in Significant Subsidiaries during the Period

In May 2011, Nomura increased its stake in Nomura Land and Building Co., Ltd. (NLB) by acquiring additional NLB shares and thereby made it a subsidiary. As a result, Nomura Real Estate Holdings, Inc., a subsidiary of NLB, became a Specified Subsidiary of Nomura. Due to this business combination with NLB, income before income taxes for the three months ended June 30, 2011 increased by 24.3 billion yen. In addition, through share exchange in July 2011, NLB became a wholly owned subsidiary of Nomura.

(2) Changes in Accounting Policies

Not applicable.

Further, during the three months ended June 30, 2011, an insurance company became a subsidiary of Nomura (insurance subsidiary). Nomura measures the non-trading securities that are held by the insurance subsidiary at fair value, with changes in fair value recognized through other comprehensive income (loss) after tax effects are adjusted.

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Six months ended September 30, 2011 - Business Highlights

Net revenue was 632.0 billion yen, an increase of 18.0% from the same period of the prior fiscal year. Non-interest expenses were 642.2 billion yen, an increase of 26.6% compared to the same period of the prior fiscal year. Loss before income taxes was 10.3 billion yen.

Net revenue in Retail was 178.2 billion yen, a decrease of 10.3% from the same period of the prior fiscal year. The primary factor for the decrease in net revenue was decreasing commissions for distribution of investment trusts and brokerage commissions.

Net revenue in Asset Management was 34.8 billion yen, an increase of 8.9% compared to the same period of the prior fiscal year. Assets under management as of September 30, 2011 were 22.7 trillion yen, a decrease of 2.0 trillion yen from 24.7 trillion yen as of March 31, 2011.

Net revenue in Wholesale was 220.6 billion yen, a decrease of 18.9% compared to the same period of the prior fiscal year. The primary factor for the decrease in net revenue was a decrease in net gain on trading.

Nomura maintained Tier 1 capital ratio⁶ of 15.8% as of September 30, 2011.

⁶ This ratio represents a preliminary estimate as of the date of this supplement release and may be revised in Nomura's Quarterly Securities Report on Form 6-K for the period ended September 30, 2011.

Nomura has been assigned as *saishu shitei oyagaisha* (an Ultimate Designated Parent Company) who must calculate consolidated regulatory capital adequacy ratio according to the Criteria for judging the appropriateness of capital adequacy status of Ultimate Designated Parent Company and its affiliates in the context of their own asset holdings, etc. (the Upstream Consolidated Regulatory Capital Notice) in April 2011. Since then Nomura calculates Basel II based consolidated regulatory capital adequacy ratio in accordance with the Upstream Consolidated Regulatory Capital Notice. Tier 1 capital ratio is a non-GAAP financial measure that Nomura considers to be a useful measure that Nomura and investors use to assess financial position.

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

Net revenue in Retail for the six months ended September 30, 2011 was 178.2 billion yen, a 10.3% decrease from the same period of the prior fiscal year. The primary factor for the decrease in net revenue was decreasing commissions for distribution of investment trusts and brokerage commissions. Non-interest expenses increased by 5.2% to 145.4 billion yen. As a result, income before income taxes decreased by 45.9% to 32.7 billion yen.

Retail client assets as of September 30, 2011 were 66.1 trillion yen, comprised of 32.6 trillion yen in equities, 5.7 trillion yen in foreign currency bonds, 13.1 trillion yen in domestic bonds, 7.0 trillion yen in stock investment trusts, 4.2 trillion yen in bond investment trusts, 1.4 trillion yen in overseas mutual funds, and 2.1 trillion yen in other⁷ assets.

Operating Results of Retail

	Billions of yen For the six months ended		% Change (A-B)/(B)
	September 30, 2011 (A)	September 30, 2010 (B)	
Net revenue	178.2	198.7	(10.3)
Non-interest expenses	145.4	138.2	5.2
Income (loss) before income taxes	32.7	60.5	(45.9)

Asset Management

Net revenue increased by 8.9% from the same period of the prior fiscal year to 34.8 billion yen. Non-interest expenses decreased by 4.9% to 22.6 billion yen. As a result, income before income taxes increased by 48.9% to 12.2 billion yen. Assets under management were 22.7 trillion yen as of September 30, 2011, decreased by 2.0 trillion yen from March 31, 2011.

In addition, Nomura Asset Management's share of public investment trust market in Japan as of September 30, 2011 was 21.9%⁹. Market share in Japan for public stock investment trusts was 17%^{8,9}, while market share for public bond investment trusts was 43%^{8,9}.

Operating Results of Asset Management

	Billions of yen For the six months ended		% Change (A-B)/(B)
	September 30, 2011 (A)	September 30, 2010 (B)	
Net revenue	34.8	32.0	8.9
Non-interest expenses	22.6	23.8	(4.9)
Income (loss) before income taxes	12.2	8.2	48.9

Note: Nomura Bank (Luxembourg) S.A. in Asset Management was integrated to Other business in April 2011.
Certain reclassifications of previously reported amounts have been made to conform to the current presentation.

- ⁷ Includes annuity insurance.
- ⁸ Nomura Asset Management Co., Ltd. only.
- ⁹ Source: The Investment Trusts Association, Japan.

Table of Contents**Wholesale**

Net revenue decreased by 18.9% from the same period of the prior fiscal year to 220.6 billion yen. Non-interest expenses increased by 1.0% to 308.5 billion yen. As a result, loss before income taxes was 88.0 billion yen.

Operating Results of Wholesale

	Billions of yen For the six months ended		% Change (A-B)/(B)
	September 30, 2011 (A)	September 30, 2010 (B)	
Net revenue	220.6	272.0	(18.9)
Non-interest expenses	308.5	305.5	1.0
Income (loss) before income taxes	(88.0)	(33.5)	

Within Wholesale, Global Markets net revenue decreased by 15.8% from the same period of the prior fiscal year to 202.7 billion yen. Non-interest expenses decreased by 0.2% to 245.6 billion yen. As a result, loss before income taxes was 42.9 billion yen. In Investment Banking, net revenue decreased by 42.8% to 17.9 billion yen from the same period of the prior fiscal year and non-interest expenses increased by 5.8% to 62.9 billion yen, resulting in loss before income taxes of 45.1 billion yen.

Other Operating Results

Net revenue was 202.1 billion yen. Income before income taxes was 36.4 billion yen.

Other Operating Results

	Billions of yen For the six months ended		% Change (A-B)/(B)
	September 30, 2011 (A)	September 30, 2010 (B)	
Net revenue	202.1	48.3	318.1
Non-interest expenses	165.7	39.9	315.4
Income (loss) before income taxes	36.4	8.5	330.9

Table of Contents**Segment Information Operating Segment (UNAUDITED)**

	Millions of yen		% Change (A-B)/(B)
	For the six months ended September 30, 2011 (A)	September 30, 2010 (B)	
Net revenue			
Business segment information:			
Retail	178,169	198,712	(10.3)
Asset Management	34,794	31,959	8.9
Wholesale	220,566	272,014	(18.9)
Subtotal	433,529	502,685	(13.8)
Other	202,064	48,327	318.1
Net revenue	635,593	551,012	15.4
Reconciliation items:			
Unrealized gain (loss) on investments in equity securities held for operating purposes	(3,639)	(15,565)	
Net revenue	631,954	535,447	18.0
Non-interest expenses			
Business segment information:			
Retail	145,426	138,191	5.2
Asset Management	22,635	23,793	(4.9)
Wholesale	308,517	305,519	1.0
Subtotal	476,578	467,503	1.9
Other	165,650	39,876	315.4
Non-interest expenses	642,228	507,379	26.6
Reconciliation items:			
Unrealized gain (loss) on investments in equity securities held for operating purposes			
Non-interest expenses	642,228	507,379	26.6
Income (loss) before income taxes			
Business segment information:			
Retail	32,743	60,521	(45.9)
Asset Management	12,159	8,166	48.9
Wholesale	(87,951)	(33,505)	
Subtotal	(43,049)	35,182	
Other *	36,414	8,451	330.9
Income (loss) before income taxes	(6,635)	43,633	
Reconciliation items:			

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Unrealized gain (loss) on investments in equity securities held for operating purposes	(3,639)	(15,565)
Income (loss) before income taxes	(10,274)	28,068

* **Major components**

Transactions between operating segments are recorded within segment results on commercial terms and conditions, and are eliminated in Other . The following table presents the major components of income (loss) before income taxes in Other .

	Millions of yen		% Change (A-B)/(B)
	For the six months ended September 30, 2011 (A)	September 30, 2010 (B)	
Net gain (loss) related to economic hedging transactions	2,716	(791)	
Realized gain (loss) on investments in equity securities held for operating purposes	498	(463)	
Equity in earnings of affiliates	5,445	2,356	131.1
Corporate items	4,341	3,026	43.5
Others	23,414	4,323	441.6
Total	36,414	8,451	330.9

Note: Certain reclassifications of previously reported amounts have been made to conform to the current period 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 and the amount of fixed charge deficiency of Nomura for the six months ended September 30, 2011, in accordance with U.S. GAAP.

	Millions of yen	
	For the six months ended	
	September 30, 2011	
Earnings:		
Pre-tax income (loss) from continuing operations before adjustment for income or loss from equity investees	¥	(12,430)
Add: Fixed charges		172,903
Distributed income of equity investees		2,255
Earnings as defined	¥	162,728
Fixed charges	¥	172,903
Ratio of earnings to fixed charges ⁽¹⁾		
Fixed charge deficiency ⁽²⁾		10,175

⁽¹⁾ For the purpose of calculating the ratio of earnings to fixed charges, earnings consist of pre-tax income (loss) before adjustment for income or loss 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.

⁽²⁾ The earnings for the six months ended September 30, 2011 were insufficient to cover fixed charges.

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The following table sets forth, on a U.S. GAAP basis, the consolidated capitalization and indebtedness of Nomura as of September 30, 2011. There has been no material change in Nomura's capitalization and indebtedness since September 30, 2011.

	Millions of yen
	As of
	September 30, 2011
Short-term borrowings	¥ 1,196,630
Long-term borrowings	8,754,189
NHI shareholders' equity:	
Common stock	
Authorized 6,000,000,000 shares at September 30, 2011	
Issued 3,822,562,601 shares at September 30, 2011	
Outstanding 3,661,224,195 shares at September 30, 2011	594,493
Additional paid-in capital	684,777
Retained earnings	1,026,367
Accumulated other comprehensive loss	(166,884)
Total NHI shareholders' equity before treasury stock	2,138,753
Common stock held in treasury, at cost 161,338,406 shares at September 30, 2011	(101,195)
Total NHI shareholders' equity	2,037,558
Noncontrolling interests	276,815
Total equity	2,314,373
Total capitalization and indebtedness	¥ 12,265,192

⁽³⁾ Nomura and its certain 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, 2011 was ¥18,091 million.

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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 Quarterly Securities Report on Form 6-K for the period ended September 30, 2011.