

NOMURA HOLDINGS INC
Form 6-K
April 28, 2008
Table of Contents

FORM 6-K

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

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

the Securities Exchange Act of 1934

Commission File Number: 1-15270

Supplement for the month of April 2008.

NOMURA HOLDINGS, INC.

(Translation of registrant's name into English)

9-1, Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Japan

(Address of principal executive offices)

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

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- .

Table of Contents

Information furnished on this form:

EXHIBIT

Exhibit Number

1. Financial Highlights Year ended March 2008

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NOMURA HOLDINGS, INC.

Date: April 28, 2008

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

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

Date: April 25, 2008

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

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

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

1. Consolidated Operating Results

(1) Operating Results

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

(2) Financial Position

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

(3) Cash flows

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

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

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

2. Cash dividends

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

Note:

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

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

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

Table of Contents**4. Other**

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

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

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

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

a) Changes in accounting principles : Yes

b) Other changes : None

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

(3) Number of shares issued (common stock)

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

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

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

Parent Company Only Operating Results (Japanese GAAP)

(1) Operating Results

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

(2) Financial Position

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

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

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

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

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

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

Total of business segments

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

In business segment totals, which exclude unrealized gains (losses) on investments in equity securities held for operating purposes, net revenue for the year ended March 31, 2008, decreased 20.8% from the prior year to 837.4 billion yen. Non-interest expenses increased 25.2% year-on-year to 851.8 billion yen, and loss before income taxes was 14.4 billion yen. Nomura engages in private equity investing through its Global Merchant Banking division. Nomura's US GAAP consolidated financial information for the fiscal year ended March 31, 2007, includes the effect of consolidation/deconsolidation of certain private equity investee companies¹. Please refer to page 25 for an explanation of the differences between US GAAP and business segment values.

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

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Companies for the year ended March 31, 2008.

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

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

In Domestic Retail, income before income taxes decreased 24.0% from the previous year to 122.3 billion yen. The overall market slump triggered by turmoil in the global financial markets led to a drop off in stock subscriptions and purchases as well as weaker sales of investment trusts during the second half of the year, resulting in a decline in brokerage commissions and commissions for distribution of investment trusts. Distribution of newly-launched investment trusts remained robust, especially for bond investment trusts. Sales of structured bonds declined as a result of the rapid rise of the yen, leading to lower sales credit. However, sales of foreign currency bonds were strong in the second half of the year. Although Domestic Client Assets¹ declined by 13 trillion yen from the prior year to 72.2 trillion yen due to the impact of the downturn in the stock market, our client base steadily expanded with net asset inflow of 4.9 trillion yen and an increase of 213 thousand accounts with balance to a total of 4.165 million accounts.

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

Global Investment Banking income before income taxes was 22.8 billion yen, a 48.7% decline from the prior year. While the M&A-related business remained strong and we maintained our high market share, revenue decreased due to a marked decline in overall transaction value in the equity finance market. In equity financing, we acted as lead manager on major deals for Sony Financial Holdings and Yamada Denki, and ranked number one in the Global Equity and Equity-related (Japan) league table² for the seventh straight year in fiscal 2007.

In M&A, we acted as financial advisor on All Nippon Airways' sale of its hotel business and the tender offer by Japan Tobacco for Katokichi. We topped the fiscal 2007 Any Japanese Involvement Financial Advisor M&A league table³. Internationally, we were global coordinator on Russia's largest-ever IPO for PIK Group, a major Russian residential property developer.

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

³ Source: Thomson Financial

Table of Contents

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

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

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

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

Table of Contents

Financial Position

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

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

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

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

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

Total of business segments

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

In business segment totals, which exclude unrealized gains (losses) on investments in equity securities held for operating purposes, net revenue for the three months ended March 31, 2008, decreased 84.7% from the third quarter and 86.4% from the same period last year to 38.5 billion yen. Non-interest expenses increased 10.0% from the prior quarter and 8.6% year-on-year to 219.8 billion yen, and loss before income taxes was 181.4 billion yen. Nomura engages in private equity investing through its Global Merchant Banking division. Nomura's US GAAP consolidated financial information for the fiscal year ended March 31, 2007, includes the effect of consolidation/deconsolidation of certain private equity investee companies⁴. Please refer to page 36 for an explanation of the di