

NOMURA HOLDINGS INC
Form 6-K
January 30, 2003
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U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

**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 January 2003.

Total number of pages: 58.

The exhibit index is located on page 2.

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 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 Yes 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. [Financial Highlights-Nine months ended December 2002]
2. [Consolidated Results of Operations (US GAAP) Third quarter, fiscal year ended March 2003]

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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.

By:

/s/ MASANORI ITATANI

Masanori Itatani
Director

Date: January 30, 2003

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January 30, 2003

Financial Highlights Nine months ended December 2002

We are pleased to report the following consolidated financial highlights based on consolidated financial information under US GAAP for the nine months ended December 2002.

For further information, please contact:

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The following unaudited consolidated financial information is not intended to comply with Regulation S-X and therefore should not be construed to include all information required for interim financial information under Regulation S-X.

Table of Contents**NOMURA HOLDINGS, INC.****FINANCIAL HIGHLIGHTS
(UNAUDITED)**

| | | | <u>% Change</u> | <u>Translation into U.S. dollars</u> | |
|---|---|----------------------------------|--------------------|--|--------------------------------------|
| | <u>For the nine months ended/ as of</u> | | | | <u>For the year ended/ as of</u> |
| | <u>December 31, 2001 (A)</u> | <u>December 31, 2002 (B)</u> | <u>(B) vs. (A)</u> | <u>December 31, 2002</u> | <u>March 31, 2002</u> |
| (yen and dollar amounts in millions, except per share data) | | | | | |
| FOR THE PERIOD ENDED | | | | | |
| | | | % | | |
| Total revenue | ¥ 1,138,395 | ¥ 634,390 | (44.3) | \$ 5,342 | ¥ 1,825,399 |
| Net revenue | 717,093 | 415,562 | (42.0) | 3,499 | 1,321,351 |
| Non-interest expenses | 821,549 | 355,935 | (56.7) | 2,997 | 1,148,379 |
| Income (loss) before income taxes | (104,456) | 59,627 | | 502 | 172,972 |
| Income (loss) before cumulative effect of accounting change | (75,909) | 36,242 | | 305 | 168,046 |
| Cumulative effect of accounting change | | 109,799 | | 925 | |
| Net income (loss) | (75,909) | 146,041 | | 1,230 | 168,046 |
| Per share data : | | | | | |
| Basic | | | | | |
| Income (loss) before cumulative effect of accounting change | (38.66) | 18.47 | | 0.16 | 85.57 |
| Cumulative effect of accounting change | | 55.95 | | 0.47 | |
| Net income (loss) | (38.66) | 74.42 | | 0.63 | 85.57 |
| Diluted | | | | | |
| Income (loss) before cumulative effect of accounting change | (38.66) | 18.47 | | 0.16 | 85.32 |
| Cumulative effect of accounting change | | 55.95 | | 0.47 | |
| Net income (loss) | (38.66) | 74.42 | | 0.63 | 85.32 |
| Cash dividends | | | | | 15.00 |
| Return on equity (ROE): | (7.2)%* | 9.5%* | | | 11.1% |
| AT PERIOD-END | | | | | |
| Total Assets | ¥ 18,679,743 | ¥ 19,451,687 | | \$ 163,804 | ¥ 17,758,273 |
| Shareholders equity | 1,376,430 | 1,723,821 | | 14,517 | 1,604,929 |
| Per share data : | | | | | |
| Shareholders equity | 700.18 | 885.77 | | 7.46 | 816.48 |

* ROE for the interim period is calculated as below;
(Income before cumulative effect of accounting change x (4/3) + Cumulative effect of accounting change)

(Shareholders equity at the beginning of period + Shareholders equity at the end of period) / 2

Table of Contents**Results of Operations****Financial Overview**

The following table provides selected consolidated income statement information for the nine months ended December 31, 2001 and 2002.

| | Millions of yen | |
|---|----------------------------|-------------------|
| | For the nine months ended, | |
| | December 31, 2001 | December 31, 2002 |
| Non-interest revenue | ¥ 718,645 | ¥ 320,287 |
| Net interest revenue | (1,552) | 95,275 |
| Net revenue | 717,093 | 415,562 |
| Non-interest expenses | 821,549 | 355,935 |
| Income (loss) before income taxes | (104,456) | 59,627 |
| Income tax expense (benefit) | (28,547) | 23,385 |
| Cumulative effect of accounting change ⁽¹⁾ | | 109,799 |
| Net income (loss) | ¥ (75,909) | ¥ 146,041 |
| Annualized return on equity (ROE) | (7.2%) | 9.5% |

(Note 1) Cumulative effect of accounting change represents writing off the remaining unamortized negative goodwill associated with the acquisition of Nomura Asset Management Co., Ltd.

Nomura Holdings, Inc. and its consolidated subsidiaries (Nomura) reported a net revenue of ¥ 416 billion for the nine months ended December 31, 2002, a decrease of ¥ 301 billion or 42% from ¥ 717 billion for the nine months ended December 31, 2001. Non-interest expenses were ¥ 356 billion for the nine months ended December 31, 2002, a decrease of ¥ 466 billion or 57% over the same period in the prior year.

The decline in net revenues and non-interest related expenses is due to the fact that the results of operations for the nine months ended December 31, 2001 include the consolidated results of Principal Finance Group (PFG) entities, which were contributed to a limited partnership on March 27, 2002 in exchange for a limited partnership interest and, accordingly are not consolidated with our results of operations for the nine months ended December 31, 2002. PFG accounted for ¥ 339 billion of net revenues and ¥ 343 billion of non-interest related expenses for the nine months ended December 31, 2001.

Income before income taxes and net income were ¥ 60 billion and ¥ 146 billion, respectively, for the nine months ended December 31, 2002. This compares to a loss before income taxes and a net loss of ¥ 104 billion and ¥ 76 billion respectively for the same period in the prior year.

Total assets were approximately ¥ 19.5 trillion at December 31, 2002, an increase of approximately ¥ 1.7 trillion from March 31, 2002 and total shareholders' equity increased by ¥ 118.9 billion from March 31, 2002 to approximately ¥ 1.7 trillion at December 31, 2002. Nomura's return on equity was 9.5% for the nine months ended December 31, 2002 on an annualized basis.

Business Segments**Operating Results of Domestic Retail**

| | Millions of yen | |
|--|----------------------------|-------------------|
| | For the nine months ended, | |
| | December 31, 2001 | December 31, 2002 |

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| | | | | |
|----------------------------|---|---------|---|---------|
| Non-interest revenue | ¥ | 168,983 | ¥ | 191,938 |
| Net interest revenue | | 2,412 | | 2,119 |
| | | <hr/> | | <hr/> |
| Net revenue | | 171,395 | | 194,057 |
| Non-interest expenses | | 157,330 | | 159,609 |
| | | <hr/> | | <hr/> |
| Income before income taxes | ¥ | 14,065 | ¥ | 34,448 |
| | | <hr/> | | <hr/> |

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Domestic Retail has furthermore strengthened its capabilities to provide personalized investment consultation services with customers in order to meet their various investment needs in the current low interest rate environment. Net revenue increased by 13% from ¥171,395 million for the nine months ended December 31, 2001 to ¥194,057 million for the nine months ended December 31, 2002, mainly due to an increase in selling commissions from foreign currency bonds and medium term notes. Non-interest expenses increased by 1% from ¥157,330 million for the nine months ended December 31, 2001 to ¥159,609 million for the nine months ended December 31, 2002. As a result, Income before income taxes increased by 145% from ¥14,065 million for the nine months ended December 31, 2001 to ¥34,448 million for the nine months ended December 31, 2002.

Operating Results of Global Wholesale

| | Millions of yen | |
|----------------------------|----------------------------|-------------------|
| | For the nine months ended, | |
| | December 31, 2001 | December 31, 2002 |
| Non-interest revenue | ¥ 186,132 | ¥ 137,769 |
| Net interest revenue | 30,275 | 78,081 |
| Net revenue | 216,407 | 215,850 |
| Non-interest expenses | 146,460 | 148,652 |
| Income before income taxes | ¥ 69,947 | ¥ 67,198 |

Under continued adverse business circumstances such as the stagnant Japanese equity markets Global Wholesale has made an effort to manage its business portfolio based on global customers' order-flow and Fixed Income increased net gain on trading. Net revenue decreased by only 0.3% from ¥216,407 million for the nine months ended December 31, 2001 to ¥215,850 million for the nine months ended December 31, 2002. Non-interest expenses increased by 1% from ¥146,460 million for the nine months ended December 31, 2001 to ¥148,652 for the nine months ended December 31, 2002. As a result, Income before income taxes decreased by 4% from ¥69,947 million for the nine months ended December 31, 2001 to ¥67,198 million for the nine months ended December 31, 2002.

Fixed Income

Net revenue increased by 86% from ¥63,451 million for the nine months ended December 31, 2001 to ¥117,913 million for the nine months ended December 31, 2002, mainly due to an increase in net gain on bond trading relating to medium term notes and foreign currency bonds. Non-interest expenses increased by 10% from ¥47,866 million for the nine months ended December 31, 2001 to ¥52,882 million for the nine months ended December 31, 2002. As a result, Income before income taxes increased by 317% from ¥15,585 million for the nine months ended December 31, 2001 to ¥65,031 million for the nine months ended December 31, 2002.

Equity

Net revenue decreased by 32% from ¥89,453 million for the nine months ended December 31, 2001 to ¥60,642 million for the nine months ended December 31, 2002, mainly due to a decrease in customers' order-flow such as block trading resulting from the stagnant Japanese equity markets. Non-interest expenses decreased by 1% from ¥49,204 million for the nine months ended December 31, 2001 to ¥48,696 million for the nine months ended December 31, 2002. Income before income taxes decreased by 70% from ¥40,249 million for the nine months ended December 31, 2001 to ¥11,946 million for the nine months ended December 31, 2002.

Investment Banking and Merchant Banking

Net revenue decreased by 41% from ¥63,503 million for the nine months ended December 31, 2001 to ¥37,295 million for the nine months ended December 31, 2002. Non-interest expenses decreased by 5% from ¥49,390 million for the nine months ended December 31, 2001 to ¥47,074 million for the nine months ended December 31, 2002. As a result, Income before income taxes was ¥14,113 million for the nine months ended December 31, 2001 and Loss before income taxes was ¥9,779 million for the nine months ended December 31, 2002.

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Net revenue for Investment Banking decreased by 30% from ¥68,391 million for the nine months ended December 31, 2001 to ¥48,085 million for the nine months ended December 31, 2002, partly due to a decrease in order-flow relating to Japanese equity markets such as stagnant IPO volume in capital markets. Non-interest expenses for Investment Banking decreased by 6% from ¥43,263 million for the nine months ended December 31, 2001 to ¥40,568 million for the nine months ended December 31, 2002. As a result, Income before income taxes for Investment banking activities decreased by 70% from ¥25,128 million for the nine months ended December 31, 2001 to ¥7,517 million for the nine months ended December 31, 2002.

Net revenue for Merchant Banking changed by 121% from (¥4,888) million for the nine months ended December 31, 2001 to (¥10,790) million for the nine months ended December 31, 2002, because there were no exit transactions in Merchant Banking for this period and funding costs have been charged for its assets. Non-interest expenses for Merchant Banking increased by 6% from ¥6,127 million for the nine months ended December 31, 2001 to ¥6,506 million for the nine months ended December 31, 2002. As a result, loss before income taxes for Merchant Banking increased by 57% from ¥11,015 million for the nine months ended December 31, 2001 to ¥17,296 million for the nine months ended December 31, 2002.

Operating Results of Asset Management

| | Millions of yen | |
|----------------------------|----------------------------|-------------------|
| | For the nine months ended, | |
| | December 31, 2001 | December 31, 2002 |
| Non-interest revenue | ¥ 35,217 | ¥ 27,428 |
| Net interest revenue | 653 | 1,730 |
| Net revenue | 35,870 | 29,158 |
| Non-interest expenses | 26,137 | 25,699 |
| Income before income taxes | ¥ 9,733 | ¥ 3,459 |

Net revenue decreased by 19% from ¥35,870 million for the nine months ended December 31, 2001 to ¥29,158 million for the nine months ended December 31, 2002, due to a decrease in asset management fees associated with changes in product characteristics of Nomura Bond Fund and a decrease in the outstanding balance of bond investment trusts. Non-interest expenses decreased by 2% from ¥26,137 million for the nine months ended December 31, 2001 to ¥25,699 million for the nine months ended December 31, 2002. As a result, Income before income taxes decreased by 64% from ¥9,733 million for the nine months ended December 31, 2001 to ¥3,459 million for the nine months ended December 31, 2002.

Other Operating Results

Other operating results include gains (loss) on investment securities, equity in earnings (losses) of affiliates and other financial adjustments. Please refer to Note 4 to the consolidated financial information for a reconciliation of segment results to income statement information. Loss before income taxes in Other decreased from ¥118,160 million for the nine months ended December 31, 2001 to ¥7,728 million for the nine months ended December 31, 2002. The main reason for the decrease was that an impairment loss of ¥92,441 million was recorded for an affiliated company was for the nine months ended December 31, 2001.

We introduced certain methodologies to allocate Headquarters expenses to our three business segments effective April 1, 2002. We created global Headquarters accounts and allocate its expenses to business segments according to benefits received by each business segment. The improvement was made to better allocate the expenses based on benefits received by each segment, and it also included allocation of headquarters expenses which previously were not allocated to segments. Had we not applied the current allocation methodologies for the nine months ended December 31, 2002, income before income taxes for Domestic Retail, Global Wholesale and Asset Management would have been ¥39,714 million, ¥73,733 million and ¥3,989 million, respectively.

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NOMURA HOLDINGS, INC.
CONSOLIDATED INCOME STATEMENT INFORMATION
(UNAUDITED)

| | Millions of yen | % Change | Translation into millions of U.S. dollars | Millions of yen | |
|--|---------------------------|--------------------------|--|-----------------------|------------------|
| | For the nine months ended | | | For the year ended | |
| | December 31, 2001 (A) | December 31, 2002 (B) | (B) vs. (A) | December 31, 2002 | |
| | | | | March 31, 2002 | |
| Revenue: | | | | | |
| Commissions | ¥ 105,155 | ¥ 115,079 | 9.4 % | \$ 969 | ¥ 140,001 |
| Fees from investment banking | 56,661 | 50,850 | (10.3) | 428 | 75,255 |
| Asset management and portfolio service fees | 83,099 | 63,636 | (23.4) | 536 | 109,985 |
| Net gain on trading | 130,683 | 114,489 | (12.4) | 964 | 162,228 |
| Interest and dividends | 419,750 | 314,103 | (25.2) | 2,645 | 500,541 |
| Loss on investments in equity securities | (56,528) | (32,331) | | (272) | (55,860) |
| Gain from changes in equity of an affiliated company | 3,504 | | | | 3,504 |
| PFG entities product sales | 221,927 | | | | 294,931 |
| PFG entities rental income | 120,919 | | | | 177,053 |
| Gain on sales of PFG entities | | | | | 116,324 |
| Gain (loss) on private equity investments | | (4,883) | | (41) | 232,472 |
| Other | 53,225 | 13,447 | (74.7) | 113 | 68,965 |
| Total revenue | 1,138,395 | 634,390 | (44.3) | 5,342 | 1,825,399 |
| Interest expense | 421,302 | 218,828 | (48.1) | 1,843 | 504,048 |
| Net revenue | 717,093 | 415,562 | (42.0) | 3,499 | 1,321,351 |
| Non-interest expenses: | | | | | |
| Compensation and benefits | 251,708 | 180,755 | (28.2) | 1,522 | 379,540 |
| Commissions and floor brokerage | 15,409 | 13,594 | (11.8) | 114 | 20,962 |
| Information processing and communications | 62,869 | 56,210 | (10.6) | 473 | 87,252 |
| Occupancy and related depreciation | 52,308 | 43,218 | (17.4) | 364 | 73,787 |
| Business development expenses | 19,373 | 18,500 | (4.5) | 156 | 26,652 |
| PFG entities cost of goods sold | 153,527 | | | | 200,871 |
| PFG entities expenses associated with rental income | 70,167 | | | | 111,529 |
| Other | 196,188 | 43,658 | (77.7) | 368 | 247,786 |
| | 821,549 | 355,935 | (56.7) | 2,997 | 1,148,379 |
| Income(loss) before income taxes | (104,456) | 59,627 | | 502 | 172,972 |
| Income tax expense(benefit): | | | | | |
| Current | 42,948 | 15,929 | (62.9) | 134 | 61,898 |
| Deferred | (71,495) | 7,456 | | 63 | (56,972) |
| | (28,547) | 23,385 | | 197 | 4,926 |

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| | | | | |
|--|------------|-----------|----------|-----------|
| Income(loss) before cumulative effect of accounting change | (75,909) | 36,242 | 305 | 168,046 |
| Cumulative effect of accounting change | | 109,799 | 925 | |
| Net income(loss) | ¥ (75,909) | ¥ 146,041 | \$ 1,230 | ¥ 168,046 |

Per share of common stock:

| | Yen | | % Change | Translation into U.S. dollars | Yen |
|--|-----------|---------|----------|-------------------------------|---------|
| | | | | | |
| Basic | | | % | | |
| Income(loss) before cumulative effect of accounting change | ¥ (38.66) | ¥ 18.47 | | \$ 0.16 | ¥ 85.57 |
| Cumulative effect of accounting change | | 55.95 | | 0.47 | |
| Net income(loss) | ¥ (38.66) | ¥ 74.42 | | \$ 0.63 | ¥ 85.57 |
| Diluted | | | | | |
| Income(loss) before cumulative effect of accounting change | ¥ (38.66) | ¥ 18.47 | | \$ 0.16 | ¥ 85.32 |
| Cumulative effect of accounting change | | 55.95 | | 0.47 | |
| Net income(loss) | ¥ (38.66) | ¥ 74.42 | | \$ 0.63 | ¥ 85.32 |

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(UNAUDITED)**

| | Millions of yen | | | Translation into millions of U.S. dollars |
|--|-------------------|-------------------|-------------------|--|
| | December 31, 2001 | March 31, 2002 | December 31, 2002 | December 31, 2002 |
| ASSETS | | | | |
| Cash and cash deposits: | | | | |
| Cash and cash equivalents | ¥ 871,387 | ¥ 356,635 | ¥ 568,644 | \$ 4,789 |
| Time deposits | 150,342 | 381,038 | 277,207 | 2,334 |
| Deposits with stock exchanges and other segregated cash | 94,038 | 38,061 | 34,849 | 294 |
| | <u>1,115,767</u> | <u>775,734</u> | <u>880,700</u> | <u>7,417</u> |
| Loans and receivables: | | | | |
| Loans receivable from customers | 219,771 | 221,455 | 320,431 | 2,698 |
| Loans receivable from other than customers | 230,695 | 451,662 | 221,061 | 1,862 |
| Receivables from customers | 57,817 | 21,191 | 24,674 | 208 |
| Receivables from other than customers | 329,523 | 370,116 | 344,042 | 2,897 |
| Receivables under resale agreements and securities borrowed transactions | 7,055,611 | 6,680,001 | 7,613,379 | 64,113 |
| Securities pledged as collateral | 2,971,665 | 2,964,276 | 3,400,186 | 28,633 |
| Allowance for doubtful accounts | (15,134) | (18,410) | (16,593) | (140) |
| | <u>10,849,948</u> | <u>10,690,291</u> | <u>11,907,180</u> | <u>100,271</u> |
| Trading assets and private equity investments: | | | | |
| Securities inventory | 3,566,398 | 4,302,217 | 4,688,918 | 39,486 |
| Derivative contracts | 352,413 | 293,266 | 496,836 | 4,184 |
| Private equity investments | | 281,774 | 276,970 | 2,332 |
| | <u>3,918,811</u> | <u>4,877,257</u> | <u>5,462,724</u> | <u>46,002</u> |
| Other: | | | | |
| Office buildings, land, equipment and facilities (net of accumulated depreciation and amortization of ¥218,485 million at December 31, 2001, ¥221,113 million at March 31, 2002, and ¥176,389 million (\$ 1,485 million) at December 31, 2002, respectively) | 169,685 | 170,762 | 182,135 | 1,534 |
| PFG entities land, buildings, equipment and furniture and fixtures (net of accumulated depreciation and amortization of ¥103,670 million at December 31, 2001) | 1,125,912 | | | |
| Lease deposits | 81,893 | 74,591 | 75,775 | 638 |
| Non-trading debt securities | 299,720 | 426,400 | 298,684 | 2,515 |
| Investments in equity securities | 193,932 | 192,377 | 142,793 | 1,202 |
| Investments in and advances to affiliated companies | 262,443 | 257,089 | 246,052 | 2,072 |
| Deferred tax assets | 37,422 | 132,808 | 104,707 | 882 |
| Other assets | 624,210 | 160,964 | 150,937 | 1,271 |

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| | | | | |
|--------------|---------------------|---------------------|---------------------|-------------------|
| | <u>2,795,217</u> | <u>1,414,991</u> | <u>1,201,083</u> | <u>10,114</u> |
| Total assets | <u>¥ 18,679,743</u> | <u>¥ 17,758,273</u> | <u>¥ 19,451,687</u> | <u>\$ 163,804</u> |

Table of Contents**NOMURA HOLDINGS, INC.****CONSOLIDATED BALANCE SHEET INFORMATION
(UNAUDITED)**

| | Millions of yen | | | Translation into millions of U.S. dollars |
|---|----------------------|-------------------|----------------------|---|
| | December 31, 2001 | March 31, 2002 | December 31, 2002 | December 31, 2002 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Payables, borrowings and deposits: | | | | |
| Payables to customers | ¥ 660,265 | ¥ 729,907 | ¥ 418,349 | \$ 3,523 |
| Payables to other than customers | 300,409 | 182,760 | 307,247 | 2,587 |
| Payables under repurchase agreements and securities loaned transactions | 8,910,696 | 8,245,492 | 9,954,502 | 83,827 |
| Short-term borrowings | 1,093,538 | 1,689,504 | 1,267,750 | 10,676 |
| Time and other deposits received | 294,469 | 338,925 | 248,646 | 2,094 |
| | <u>11,259,377</u> | <u>11,186,588</u> | <u>12,196,494</u> | <u>102,707</u> |
| Trading liabilities: | | | | |
| Securities sold but not yet purchased | 2,354,901 | 2,387,847 | 2,869,497 | 24,164 |
| Derivative contracts | 395,029 | 305,899 | 454,732 | 3,829 |
| | <u>2,749,930</u> | <u>2,693,746</u> | <u>3,324,229</u> | <u>27,993</u> |
| Other liabilities: | | | | |
| Accrued income taxes | 36,565 | 50,920 | 19,607 | 165 |
| Accrued pension and severance costs | 42,976 | 56,109 | 55,876 | 471 |
| Other | 418,021 | 411,127 | 228,612 | 1,925 |
| | <u>497,562</u> | <u>518,156</u> | <u>304,095</u> | <u>2,561</u> |
| Long-term borrowings | 1,437,792 | 1,754,854 | 1,903,048 | 16,026 |
| Non-recourse PFG entities loans and bonds | 1,358,652 | | | |
| Total liabilities | <u>17,303,313</u> | <u>16,153,344</u> | <u>17,727,866</u> | <u>149,287</u> |
| Commitments and contingencies (See note 3) | | | | |
| Shareholders' equity: | | | | |
| Common stock | | | | |
| Issued 1,965,919,860 shares, 1,965,919,860 shares, and 1,965,919,860 shares at December 31, 2001, March 31, 2002, and December 31, 2002, respectively | 182,800 | 182,800 | 182,800 | 1,539 |
| Additional paid-in capital | 150,979 | 150,979 | 151,197 | 1,273 |
| Retained earnings | 1,101,750 | 1,316,221 | 1,462,261 | 12,314 |
| Accumulated other comprehensive income | | | | |

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| | | | | |
|---|---------------------|---------------------|---------------------|-------------------|
| Minimum pension liability adjustment | (17,667) | (24,972) | (23,362) | (197) |
| Cumulative translation adjustments | (41,272) | (19,685) | (22,151) | (186) |
| | <u>(58,939)</u> | <u>(44,657)</u> | <u>(45,513)</u> | <u>(383)</u> |
| | 1,376,590 | 1,605,343 | 1,750,745 | 14,743 |
| Less Common stock held in treasury, at cost 93,131 shares, 246,075 shares, 19,803,406 shares at December 31, 2001, March 31, 2002 and December 31, 2002, respectively | (160) | (414) | (26,924) | (226) |
| Total shareholders equity | <u>1,376,430</u> | <u>1,604,929</u> | <u>1,723,821</u> | <u>14,517</u> |
| Total liabilities and shareholders equity | <u>¥ 18,679,743</u> | <u>¥ 17,758,273</u> | <u>¥ 19,451,687</u> | <u>\$ 163,804</u> |

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(UNAUDITED)**

| | Millions of yen | Translation into millions of U.S. dollars | Millions of yen |
|---|---|---|---|
| | For the nine months ended December 31, 2002 | For the nine months ended December 31, 2002 | For the Year ended March 31, 2002 |
| Cash flows from operating activities: | | | |
| Net income | ¥ 146,041 | \$ 1,230 | ¥ 168,046 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | | |
| Cumulative effect of accounting change | (109,799) | (925) | |
| Depreciation and amortization | 23,150 | 195 | 70,042 |
| Loss on investments in equity securities | 32,331 | 272 | 55,860 |
| Gain on sales of PFG entities | | | (116,324) |
| Loss (gain) on private equity investments | 4,883 | 41 | (232,472) |
| Deferred income tax expense (benefit) | 7,456 | 63 | (56,972) |
| Changes in operating assets and liabilities: | | | |
| Time deposits | 104,200 | 877 | (97,592) |
| Deposits with stock exchanges and other segregated cash | 548 | 5 | 10,695 |
| Trading assets and private equity investments | (683,497) | (5,755) | (854,907) |
| Trading liabilities | 665,569 | 5,605 | (264,355) |
| Receivables under resale agreements and securities borrowed transactions | (1,312,665) | (11,054) | (379,434) |
| Payables under repurchase agreements and securities loaned transactions | 2,226,603 | 18,750 | 363,754 |
| Loans and other receivables, net of allowance | (380,221) | (3,202) | (107,129) |
| Time and other deposits received and other payables | (293,170) | (2,469) | 3,326 |
| Accrued income taxes, net | (36,097) | (304) | 6,058 |
| Other, net | (29,159) | (245) | 128,020 |
| Net cash provided by (used in) operating activities | 366,173 | 3,084 | (1,303,384) |
| Cash flows from investing activities: | | | |
| Payments for purchases of office buildings, land, equipment and facilities | (31,607) | (266) | (92,168) |
| Proceeds from sales of office buildings, land, equipment and facilities | 462 | 4 | 25,762 |
| Payments for purchases of investments in equity securities | (1,102) | (9) | (3,017) |
| Proceeds from sales of investments in equity securities | 25,112 | 211 | 36,621 |
| Business combinations, net of cash acquired | | | (258,987) |
| Cash contributed to private equity investments | | | (95,720) |
| Proceeds from sales of PFG entities | | | 129,469 |
| Decrease in non-trading debt securities, net | 121,125 | 1,020 | 178,869 |
| Decrease in other investments and other assets, net | 15,164 | 128 | 26,989 |
| Net cash provided by (used in) investing activities | 129,154 | 1,088 | (52,182) |
| Cash flows from financing activities: | | | |
| Increase in long-term borrowings | 555,016 | 4,674 | 1,499,309 |
| Decrease in long-term borrowings | (244,023) | (2,055) | (966,131) |
| (Decrease) increase in short-term borrowings, net | (529,458) | (4,459) | 696,681 |
| Payments for repurchases of common stock | (26,510) | (223) | |
| Payments for cash dividends | (29,485) | (248) | (34,352) |
| Net cash (used in) provided by financing activities | (274,460) | (2,311) | 1,195,507 |
| Effect of exchange rate changes on cash and cash equivalents | (8,858) | (75) | 13,018 |

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| | | | |
|--|-----------|----------|-----------|
| Net increase (decrease) in cash and cash equivalents | 212,009 | 1,786 | (147,041) |
| Cash and cash equivalents at beginning of the period | 356,635 | 3,003 | 503,676 |
| Cash and cash equivalents at end of the period | ¥ 568,644 | \$ 4,789 | ¥ 356,635 |

Table of Contents**NOMURA HOLDINGS, INC.****NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)****1. Accounting policies:**

The consolidated financial information herein has basically been prepared in accordance with Nomura's accounting policies which are disclosed in the footnotes of Nomura Holdings, Inc.'s Form 20-F (the Annual Report filed with the U.S. Securities and Exchange Commission) for the year ended March 31, 2002. Critical changes in accounting methods are as follows.

Change in Method of Accounting for Stock Options:

Effective April 1, 2002 Nomura changed its method of accounting for stock-based compensation plans. Nomura has adopted the fair-value-based method of accounting for company stock options. The effect of this change in accounting was to increase compensation and benefits expense and decrease income before income taxes by ¥218 million (\$2 million) for the nine-months ended December 30, 2002.

Cumulative Effect of Accounting Change:

In June 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets (SFAS No. 142). SFAS No. 142 no longer permits the amortization of goodwill and intangible assets with indefinite lives. Instead these assets must be reviewed annually, or more frequently in certain circumstance, for impairment. Intangible assets that have determinable lives will continue to be amortized over their useful lives and reviewed for impairment. In addition, negative goodwill that arises in a business combination must be written off immediately. Nomura adopted SFAS No. 142 effective April 1, 2002, which resulted in writing off negative goodwill arising from a previous business combination of ¥109,799 million (\$925 million), net of taxes.

2. U.S. dollar amounts:

The U.S. dollar amounts are included solely for convenience and have been translated at the rate of ¥118.75 = US\$1, the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on December 31, 2002. This translation should not be construed to imply that the yen amounts actually represent, or have been or could be converted into, equivalent amounts in U.S. dollars.

3. Credit commitments and contingencies:

In the normal course of Nomura Holding, Inc.'s subsidiaries' banking and financing activities, the subsidiaries enter into contractual commitments to extend credit, standby letters of credit, underwriting commitments and issuance of financial guarantees, which generally have a fixed expiration date.

Contractual amounts of these commitments at December 31, 2002 and March 31, 2002 were as follows:

| | Millions of yen | Translation into millions of U.S. dollars | Millions of yen |
|---|-------------------|--|-----------------|
| | December 31, 2002 | December 31, 2002 | March 31, 2002 |
| Commitments to extend credit and note issuance facility | ¥ 134,138 | \$ 1,130 | ¥ 138,599 |
| Standby letters of credit and financial guarantees | 46,742 | 394 | 25,721 |

Table of Contents**NOMURA HOLDINGS, INC.****NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (Continued)**
(UNAUDITED)**4. Segment Information-Operating segment:**

Business segments results for the nine months ended December 31, 2001, 2002, and for the year ended March 31, 2002, are shown in the following table.

| | Millions of yen | | | | |
|--|--------------------|---------------------|---------------------|-----------------------------|------------|
| | Domestic Retail | Global Wholesale | Asset Management | Other (Inc. elimination) | Total |
| Nine months ended December 31, 2001 | | | | | |
| Non-interest revenue | ¥ 168,983 | ¥ 186,132 | ¥ 35,217 | ¥ 12,250 | ¥ 402,582 |
| Net interest revenue | 2,412 | 30,275 | 653 | 18,552 | 51,892 |
| Net revenue | 171,395 | 216,407 | 35,870 | 30,802 | 454,474 |
| Non-interest expenses | 157,330 | 146,460 | 26,137 | 148,962 | 478,889 |
| Income (loss) before income taxes | ¥ 14,065 | ¥ 69,947 | ¥ 9,733 | ¥ (118,160) | ¥ (24,415) |
| Nine months ended December 31, 2002 | | | | | |
| Non-interest revenue | ¥ 191,938 | ¥ 137,769 | ¥ 27,428 | ¥ (206) | ¥ 356,929 |
| Net interest revenue | 2,119 | 78,081 | 1,730 | 13,345 | 95,275 |
| Net revenue | 194,057 | 215,850 | 29,158 | 13,139 | 452,204 |
| Non-interest expenses | 159,609 | 148,652 | 25,699 | 20,867 | 354,827 |
| Income (loss) before income taxes | ¥ 34,448 | ¥ 67,198 | ¥ 3,459 | ¥ (7,728) | ¥ 97,377 |
| Change (%) | | | | | |
| Income (loss) before income taxes | | | | | |
| Nine months ended December, 2002 vs. 2001 | 144.9 | (3.9) | (64.5) | | |
| Translation into millions of U.S. dollars | | | | | |
| Nine months ended December 31, 2002 | | | | | |
| Non-interest revenue | \$ 1,616 | \$ 1,160 | \$ 231 | (\$ 1) | \$ 3,006 |
| Net interest revenue | 18 | 658 | 14 | 112 | 802 |
| Net revenue | 1,634 | 1,818 | 245 | 111 | 3,808 |
| Non-interest expenses | 1,344 | 1,252 | 216 | 176 | 2,988 |
| Income (loss) before income taxes | \$ 290 | \$ 566 | \$ 29 | (\$ 65) | \$ 820 |
| Millions of yen | | | | | |
| For the year ended March 31, 2002 | | | | | |
| Non-interest revenue | ¥ 226,156 | ¥ 385,430 | ¥ 46,840 | ¥ 11,171 | ¥ 669,597 |

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| | | | | | |
|-----------------------------------|----------|-----------|----------|-------------|----------|
| Net interest revenue | 2,949 | 54,505 | 367 | 14,422 | 72,243 |
| Net revenue | 229,105 | 439,935 | 47,207 | 25,593 | 741,840 |
| Non-interest expenses | 208,621 | 248,657 | 37,031 | 168,990 | 663,299 |
| Income (loss) before income taxes | ¥ 20,484 | ¥ 191,278 | ¥ 10,176 | ¥ (143,397) | ¥ 78,541 |

Table of Contents**NOMURA HOLDINGS, INC.****NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (Continued)
(UNAUDITED)**

Transactions between operating segments are recorded within segment results on commercial terms and conditions and are eliminated in the Other column.

The following table presents the major components of income/ (loss) before income taxes in Other

| | Millions of yen | | Translation into millions of U.S. dollars | Millions of yen |
|--|---------------------------|----------------------|---|-----------------------|
| | For the nine months ended | | | For the year ended |
| | December 31, 2001 | December 31, 2002 | December 31, 2002 | March 31, 2002 |
| Gain on not designated hedging instruments | ¥ 27,359 | ¥ 293 | \$ 2 | ¥ 31,435 |
| (Loss)/gain on investment securities | (4,721) | 5,227 | 44 | 218 |
| Equity in losses of affiliates | (9,953) | (93) | (1) | (9,551) |
| Corporate items | (24,993) | (1,126) | (9) | (41,730) |
| Amortization of goodwill and negative goodwill | 9,889 | | | 13,316 |
| Impairment loss on investment in an affiliated company | (92,441) | | | (92,441) |
| Multi-employer pension plan | (18,720) | | | (18,720) |
| Profit from changes in equity of an affiliated company | 3,504 | | | 3,504 |
| Others | (8,084) | (12,029) | (101) | (29,428) |
| Total | ¥ (118,160) | ¥ (7,728) | \$ (65) | ¥ (143,397) |

The table below presents reconciliation of the combined segment information included in the table on previous page to reported net revenue and income before income taxes in the consolidated income statement information.

| | Millions of yen | | Translation into millions of U.S. dollars | Millions of yen |
|---|---------------------------|----------------------|--|-----------------------|
| | For the nine months ended | | | For the year ended |
| | December 31, 2001 | December 31, 2002 | December 31, 2002 | March 31, 2002 |
| Net revenue | ¥ 454,474 | ¥ 452,204 | \$ 3,808 | ¥ 741,840 |
| Unrealized loss on investments in equity securities held for relationship purpose | (56,271) | (38,735) | (326) | (60,177) |
| Effect of consolidation/deconsolidation of the PFG entities and other private equity investee companies | 318,890 | 2,093 | 17 | 639,688 |
| Consolidated net revenue | ¥ 717,093 | ¥ 415,562 | \$ 3,499 | ¥ 1,321,351 |

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| | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| Income before income taxes | ¥ (24,415) | ¥ 97,377 | \$ 820 | ¥ 78,541 |
| Unrealized loss on investments in equity securities held for relationship purpose | (56,271) | (38,735) | (326) | (60,177) |
| Effect of consolidation/deconsolidation of the PFG entities and other private equity investee companies | (23,770) | 985 | 8 | 154,608 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Consolidated income (loss) before income taxes | ¥ (104,456) | ¥ 59,627 | \$ 502 | ¥ 172,972 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

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NOMURA HOLDINGS, INC.
SUPPLEMENTARY INFORMATION
(UNAUDITED)

Commissions received and Net gain on trading consist of the following.

Commissions received

| | Millions of yen | | % Change | Translation into millions of U.S. dollars | Millions of yen |
|--|---------------------------|-----------------------|-------------|---|--------------------|
| | For the nine months ended | | | | For the year ended |
| | December 31, 2001 (A) | December 31, 2002 (B) | (B) vs. (A) | December 31, 2002 | March 31, 2002 |
| Commissions | ¥ 105,155 | ¥ 115,079 | 9.4 | \$ 969 | ¥ 140,001 |
| Brokerage Commissions | 74,770 | 69,875 | (6.5) | 588 | 97,505 |
| Commissions for Distribution of Investment Trust | 19,013 | 24,382 | 28.2 | 205 | 26,728 |
| Fees from Investment Banking | 56,661 | 50,850 | (10.3) | 428 | 75,255 |
| Underwriting and Distribution | 46,439 | 38,230 | (17.7) | 322 | 61,010 |
| M&A / Financial Advisory Fees | 9,516 | 10,731 | 12.8 | 90 | 13,383 |
| Asset Management and Portfolio Service Fees | 83,099 | 63,636 | (23.4) | 536 | 109,985 |
| Asset Management Fee | 75,728 | 56,691 | (25.1) | 477 | 100,142 |
| Total | ¥ 244,915 | ¥ 229,565 | (6.3) | \$ 1,933 | ¥ 325,241 |

Net gain on trading

| | Millions of yen | | % Change | Translation into millions of U.S. dollars | Millions of yen |
|--------------------------------|---------------------------|-----------------------|-------------|---|--------------------|
| | For the nine months ended | | | | For the year ended |
| | December 31, 2001 (A) | December 31, 2002 (B) | (B) vs. (A) | December 31, 2002 | March 31, 2002 |
| Merchant Banking | ¥ (5,060) | ¥ (1,301) | | \$ (11) | ¥ (6,828) |
| Equity Trading | 78,719 | 14,730 | (81.3) | 124 | 113,036 |
| Fixed Income and Other Trading | 57,024 | 101,060 | 77.2 | 851 | 56,020 |
| Total | ¥ 130,683 | ¥ 114,489 | (12.4) | \$ 964 | ¥ 162,228 |

Table of Contents**NOMURA HOLDINGS, INC.****CONSOLIDATED INCOME STATEMENT INFORMATION
(UNAUDITED)**

Millions of yen

| | For the three months ended | | | | | | |
|--|----------------------------|-----------------------|----------------------|-------------------|------------------|-----------------------|----------------------|
| | June 30, 2001 | September 30, 2001 | December 31, 2001 | March 31, 2002 | June 30, 2002 | September 30, 2002 | December 31, 2002 |
| Revenue: | | | | | | | |
| Commissions | ¥ 39,597 | ¥ 30,971 | ¥ 34,587 | ¥ 34,846 | ¥ 46,091 | ¥ 34,685 | ¥ 34,303 |
| Fees from investment banking | 14,122 | 22,907 | 19,632 | 18,594 | 15,632 | 18,281 | 16,937 |
| Asset management and portfolio service fees | 29,639 | 27,765 | 25,695 | 26,886 | 24,190 | 21,905 | 17,541 |
| Net gain on trading | 72,780 | 10,124 | 47,779 | 31,545 | 36,964 | 29,185 | 48,340 |
| Interest and dividends | 182,491 | 129,854 | 107,405 | 80,791 | 91,065 | 115,848 | 107,190 |
| (Loss) profit on investments in equity securities | (1,423) | (41,735) | (13,370) | 668 | (3,325) | (7,094) | (21,912) |
| Profit from changes in equity of an affiliated company | | | 3,504 | | | | |
| PFG entities product sales | 86,528 | 67,565 | 67,834 | 73,004 | | | |
| PFG entities rental income | 28,210 | 36,643 | 56,066 | 56,134 | | | |
| Gain on sales of PFG entities | | | | 116,324 | | | |
| Gain on private equity investments | | | | 232,472 | 3,037 | (5,929) | (1,991) |
| Other | 18,422 | 19,925 | 14,878 | 15,740 | 3,317 | 6,401 | 3,729 |
| Total revenue | 470,366 | 304,019 | 364,010 | 687,004 | 216,971 | 213,282 | 204,137 |
| Interest expense | 180,203 | 133,342 | 107,757 | 82,746 | 74,305 | 72,533 | 71,990 |
| Net revenue | 290,163 | 170,677 | 256,253 | 604,258 | 142,666 | 140,749 | 132,147 |
| Non-interest expenses: | | | | | | | |
| Compensation and benefits | 80,091 | 96,844 | 74,773 | 127,832 | 63,595 | 57,688 | 59,472 |
| Commissions and floor brokerage | 4,891 | 5,270 | 5,248 | 5,553 | 4,477 | 5,553 | 3,564 |
| Information processing and communications | 19,825 | 20,501 | 22,543 | 24,383 | 18,176 | 19,233 | 18,801 |
| Occupancy and related depreciation | 20,671 | 15,859 | 15,778 | 21,479 | 14,563 | 14,537 | 14,118 |
| Business development expenses | 6,029 | 7,921 | 5,423 | 7,279 | 5,895 | 7,782 | 4,823 |
| PFG entities cost of goods sold | 61,387 | 45,648 | 46,492 | 47,344 | | | |
| PFG entities expenses associated with rental income | 15,040 | 18,244 | 36,883 | 41,362 | | | |
| Other | 29,358 | 135,329 | 31,501 | 51,598 | 17,589 | 13,690 | 12,379 |
| | 237,292 | 345,616 | 238,641 | 326,830 | 124,295 | 118,483 | 113,157 |
| Income(loss) before income taxes | 52,871 | (174,939) | 17,612 | 277,428 | 18,371 | 22,266 | 18,990 |
| Income tax expense(benefit): | | | | | | | |
| Current | 15,224 | 10,168 | 17,556 | 18,950 | 15,100 | (1,256) | 2,085 |

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| | | | | | | | |
|--|-----------------|--------------------|----------------|------------------|------------------|-----------------|-----------------|
| Deferred | 11,505 | (81,114) | (1,886) | 14,523 | (4,775) | 10,297 | 1,934 |
| | <u>26,729</u> | <u>(70,946)</u> | <u>15,670</u> | <u>33,473</u> | <u>10,325</u> | <u>9,041</u> | <u>4,019</u> |
| Income(loss) before cumulative effect of accounting change | 26,142 | (103,993) | 1,942 | 243,955 | 8,046 | 13,225 | 14,971 |
| Cumulative effect of accounting change | | | | | 109,799 | | |
| Net income(loss) | <u>¥ 26,142</u> | <u>¥ (103,993)</u> | <u>¥ 1,942</u> | <u>¥ 243,955</u> | <u>¥ 117,845</u> | <u>¥ 13,225</u> | <u>¥ 14,971</u> |
| | Yen | | | | | | |

Per share of common stock:

| | | | | | | | |
|--|----------------|------------------|---------------|-----------------|----------------|---------------|---------------|
| Basic | | | | | | | |
| Income(loss) before cumulative effect of accounting change | ¥ 13.32 | ¥ (52.98) | ¥ 0.99 | ¥ 124.10 | ¥ 4.09 | ¥ 6.73 | ¥ 7.65 |
| Cumulative effect of accounting change | | | | | 55.86 | | |
| Net income(loss) | <u>¥ 13.32</u> | <u>¥ (52.98)</u> | <u>¥ 0.99</u> | <u>¥ 124.10</u> | <u>¥ 59.95</u> | <u>¥ 6.73</u> | <u>¥ 7.65</u> |
| Diluted | | | | | | | |
| Income(loss) before cumulative effect of accounting change | ¥ 13.30 | ¥ (52.98) | ¥ 0.99 | ¥ 123.72 | ¥ 4.09 | ¥ 6.73 | ¥ 7.65 |
| Cumulative effect of accounting change | | | | | 55.86 | | |
| Net income(loss) | <u>¥ 13.30</u> | <u>¥ (52.98)</u> | <u>¥ 0.99</u> | <u>¥ 123.72</u> | <u>¥ 59.95</u> | <u>¥ 6.73</u> | <u>¥ 7.65</u> |

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**Unconsolidated Financial Information of Major Consolidated Entities
(UNAUDITED)**

The unconsolidated financial information, prepared under Japanese GAAP, is presented for the following entities;

Nomura Holdings, Inc. Financial Information (Parent Company Only)

Nomura Securities Co., Ltd. Financial Information

Nomura Asset Management Co., Ltd. Financial Information

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NOMURA HOLDINGS, INC. (PARENT COMPANY ONLY)
INCOME STATEMENT INFORMATION
(UNAUDITED)

| | For the nine months ended December 31, 2002 | For the year ended March 31, 2002 |
|--|--|--|
| Operating revenue | 75,391 | 269,122 |
| Operating expenses | 67,922 | 209,786 |
| Operating income | 7,468 | 59,336 |
| Non-operating income | 3,057 | 12,643 |
| Non-operating expenses | 711 | 3,793 |
| Ordinary income | 9,814 | 68,186 |
| Special profits | 15,616 | 35,282 |
| Special losses | 9,105 | 162,750 |
| Income (loss) before income taxes | 16,325 | (59,282) |
| Income taxes current | (33,039) | 390 |
| Income taxes deferred | 38,479 | (22,459) |
| Net income (loss) | 10,886 | (37,212) |
| Unappropriated retained earnings brought forward | 6,855 | 23,931 |
| Unappropriated retained earnings (accumulated deficit) | 17,741 | (13,280) |

Note: On October 1, 2001, the corporate separation date, Nomura Holdings, Inc. (the Company) implemented corporate separation and the operation of the securities and other related businesses was succeeded by Nomura Securities Co., Ltd., the Company's wholly-owned subsidiary and the Company became a holding company. The results for the year ended March 2002 include the revenue related to the securities businesses when the Company was engaged in securities business activities (from April 1, 2001 to September 30, 2001).

NOMURA HOLDINGS, INC. (PARENT COMPANY ONLY)
BALANCE SHEET INFORMATION
(UNAUDITED)

| | Millions of yen | |
|---------------------|--------------------------|-----------------------|
| | December 31, 2002 | March 31, 2002 |
| Assets: | | |
| Current Assets | 471,036 | 475,668 |
| Fixed Assets | 1,537,624 | 1,548,240 |
| Total Assets | 2,008,660 | 2,023,909 |
| Liabilities: | | |
| Current Liabilities | 171,577 | 277,158 |

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| | | |
|--|-----------|-----------|
| Long-term Liabilities | 462,671 | 305,116 |
| Total Liabilities | 634,249 | 582,274 |
| Total Shareholders' Equity | 1,374,411 | 1,441,634 |
| Total Liabilities and Shareholders' Equity | 2,008,660 | 2,023,909 |

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NOMURA SECURITIES CO., LTD.
INCOME STATEMENT INFORMATION
(UNAUDITED)

| | Millions of yen | |
|--|---|---|
| | For the nine months ended December 31, 2002 | For the year ended March 31, 2002 |
| Operating revenue | 356,161 | 223,529 |
| Commissions | 160,402 | 106,962 |
| Net gain on trading | 150,702 | 100,002 |
| Net gain on other inventories | 7 | 11 |
| Interest and dividend income | 45,048 | 16,552 |
| Interest expenses | 25,423 | 8,377 |
| Net operating revenue | 330,737 | 215,151 |
| Selling, general and administrative expenses | 233,686 | 154,747 |
| Operating income | 97,051 | 60,404 |
| Non-operating income | 1,176 | 1,354 |
| Non-operating expenses | 1,046 | 786 |
| Ordinary income | 97,181 | 60,972 |
| Special profits | 272 | 1,680 |
| Special losses | 217 | |
| Income before income taxes | 97,236 | 62,653 |
| Income taxes current | 43,891 | 29,974 |
| Income taxes deferred | (5,058) | (5,671) |
| Net income | 58,403 | 38,351 |
| Unappropriated retained earnings brought forward | 20,351 | |
| Unappropriated retained earnings | 78,754 | 38,351 |

NOMURA SECURITIES CO., LTD. BALANCE SHEET INFORMATION
(UNAUDITED)

| | Millions of yen | |
|--|-------------------|----------------|
| | December 31, 2002 | March 31, 2002 |

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| ASSETS | | |
|---|------------------|------------------|
| Current Assets: | 8,087,149 | 7,947,203 |
| Trading Assets | 4,573,790 | 4,196,718 |
| Loans with securities as collateral | 2,958,086 | 2,825,204 |
| Other | 555,272 | 925,279 |
| Fixed Assets | 69,963 | 63,073 |
| Total Assets | 8,157,112 | 8,010,276 |
| LIABILITIES | | |
| Current Liabilities: | 6,974,060 | 6,839,245 |
| Trading liabilities | 2,466,072 | 1,691,817 |
| Borrowings with securities as collateral | 2,769,787 | 2,741,798 |
| Other | 1,738,199 | 2,405,629 |
| Long-term Liabilities | 546,138 | 597,260 |
| Statutory Reserves | 680 | 463 |
| Total Liabilities | 7,520,879 | 7,436,969 |
| Total Shareholder s Equity | 636,233 | 573,307 |
| Total Liabilities and Shareholder s Equity | 8,157,112 | 8,010,276 |

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NOMURA SECURITIES CO., LTD.
SUPPLEMENTARY INFORMATION
(UNAUDITED)

Please note that the results for the year ended March 31, 2002 show in effect six months results as Nomura Securities Co., Ltd. started its securities business on October 1, 2001.

1. Commission Revenues

| | (Millions of yen) | |
|----------------------------------|--|------------------------------|
| | Nine Months Ended December 31, 2002 | Year Ended March 31, 2002 |
| (1) Breakdown by Category | | |
| Brokerage commissions | 60,343 | 38,921 |
| (Stocks) | (55,133) | (36,551) |
| (Bonds) | (1,619) | (1,044) |
| Underwriting commissions | 17,218 | 16,587 |
| (Stocks) | (11,459) | (13,405) |
| (Bonds) | (5,758) | (3,182) |
| Distribution commissions | 25,065 | 14,221 |
| (Investment trust certificates) | (24,200) | (14,138) |
| Other commissions | 57,775 | 37,231 |
| (Investment trust certificates) | (27,738) | (25,358) |
| Total | 160,402 | 106,962 |
| (2) Breakdown by Product | | |
| Stocks | 69,785 | 51,746 |
| Bonds | 12,160 | 6,872 |
| Investment trust certificates | 55,528 | 40,822 |
| Others | 22,927 | 7,521 |
| Total | 160,402 | 106,962 |

2. Net Gain/Loss on Trading

| | (Millions of yen) | |
|-----------------|--|------------------------------|
| | Nine Months Ended December 31, 2002 | Year Ended March 31, 2002 |
| Stocks | 28,211 | 46,671 |
| Bonds and forex | 122,491 | 53,330 |
| Total | 150,702 | 100,002 |

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**NOMURA SECURITIES CO., LTD. SUPPLEMENTARY INFORMATION
(UNAUDITED)**

3. Stock Trading (excluding futures transactions)

| | (Millions of shares or yen except per share data and percentages) | | | |
|--------------------------------------|---|------------|------------------------------|------------|
| | Nine Months Ended December 31, 2002 | | Year Ended March 31, 2002 | |
| | Number of shares | Amount | Number of shares | Amount |
| Total | 33,191 | 34,918,071 | 23,044 | 24,211,514 |
| (Brokerage) | 20,125 | 19,747,982 | 13,564 | 13,099,127 |
| (Proprietary Trading) | 13,066 | 15,170,088 | 9,480 | 11,112,387 |
| Brokerage / Total | 60.6% | 56.6% | 58.9% | 54.1% |
| TSE Share | 7.9% | 9.2% | 8.2% | 8.4% |
| Brokerage Commission per share (yen) | 2.65 | 2.64 | | |

4. Underwriting, Subscription, and Distribution

| | (Millions of shares or yen) | |
|--|--|---------------------------------|
| | Nine Months Ended December 31, 2002 | Year Ended March 31, 2002 |
| Underwriting | | |
| Stocks (number of shares) | 172 | 38 |
| (yen amount) | 351,891 | 181,024 |
| Bonds (face value) | 4,646,485 | 2,837,665 |
| Investment trust certificates (yen amount) | | |
| Commercial paper and others (face value) | 515,500 | 224,400 |
| Subscription and Distribution* | | |
| Stocks (number of shares) | 1,466 | 38 |
| (yen amount) | 404,248 | 187,697 |
| Bonds (face value) | 1,473,656 | 810,655 |
| Investment trust certificates (yen amount) | 9,357,646 | 9,654,633 |
| Commercial paper and others (face value) | 515,500 | 224,400 |

* Includes secondary offerings and private placements.

5. Capital Adequacy Ratio

| | | Millions of yen except percentages | |
|---------|---------------------------------|------------------------------------|-------------------|
| | | December 31, 2002 | March 31, 2002 |
| Tier I | (A) | 636,233 | 573,308 |
| Tier II | Statutory reserves | 680 | 464 |
| | Allowance for doubtful accounts | 211 | 631 |
| | Subordinated debt | 190,000 | 187,100 |

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| | | | | |
|------------------------|-------------------|---------|-------------------|-------------------|
| | Total | (B) | 190,892 | 188,194 |
| | | | <u> </u> | <u> </u> |
| Illiquid Asset | | (C) | 78,315 | 73,395 |
| | | | <u> </u> | <u> </u> |
| Net Capital | (A) + (B)-(C) = | (D) | 748,810 | 688,107 |
| | | | <u> </u> | <u> </u> |
| Risk | Market risk | | 97,909 | 113,743 |
| | Counterparty risk | | 109,515 | 102,675 |
| | Basic risk | | 78,928 | 80,660 |
| | Total | (E) | 286,354 | 297,078 |
| | | | <u> </u> | <u> </u> |
| Capital Adequacy Ratio | | (D)/(E) | 261.4% | 231.6% |
| | | | <u> </u> | <u> </u> |

Table of Contents**NOMURA ASSET MANAGEMENT CO., LTD.****UNCONSOLIDATED INCOME STATEMENT INFORMATION
(UNAUDITED)**

| | Millions of yen | |
|--|--|--------------------------------------|
| | For the nine months ended December 31, 2002 | For the year Ended March 31, 2002 |
| Operating revenue | | |
| Investment trust management fees | 40,268 | 77,981 |
| Investment advisory fees | 5,382 | 7,339 |
| Other operating revenue | 0 | 0 |
| | <u>45,650</u> | <u>85,321</u> |
| Operating expenses | | |
| Commissions | 22,683 | 47,686 |
| Other operating expenses | 6,860 | 9,528 |
| | <u>29,543</u> | <u>57,215</u> |
| General and administrative expenses | 11,357 | 16,368 |
| Operating income | 4,749 | 11,738 |
| Non-operating income | 2,725 | 1,195 |
| Non-operating expenses | 467 | 106 |
| Ordinary income | 7,007 | 12,827 |
| Special profits | 8 | 1,430 |
| Special losses | 1,590 | 2,483 |
| Income before income taxes | 5,425 | 11,774 |
| Income taxes current | 3,917 | 2,039 |
| Income taxes deferred | (1,544) | 2,856 |
| Net income | 3,052 | 6,879 |
| Unappropriated retained earnings brought forward | 621 | 741 |
| Unappropriated retained earnings | <u>3,673</u> | <u>7,621</u> |

NOMURA ASSET MANAGEMENT CO., LTD.**UNCONSOLIDATED BALANCE SHEET INFORMATION
(UNAUDITED)**

| | Millions of yen | |
|----------------|----------------------|-------------------|
| | December 31, 2002 | March 31, 2002 |
| Assets | | |
| Current assets | 49,814 | 90,881 |

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| | | |
|--|---------|---------|
| Fixed assets | 243,997 | 276,507 |
| | <hr/> | <hr/> |
| Total assets | 293,811 | 367,389 |
| | <hr/> | <hr/> |
| Liabilities | | |
| Current liabilities | 120,463 | 183,805 |
| Long-term liabilities | 7,626 | 11,644 |
| | <hr/> | <hr/> |
| Total liabilities | 128,089 | 195,450 |
| | <hr/> | <hr/> |
| Total shareholder's equity | 165,722 | 171,938 |
| | <hr/> | <hr/> |
| Total liabilities and shareholder's equity | 293,811 | 367,389 |
| | <hr/> | <hr/> |

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NOMURA ASSET MANAGEMENT CO., LTD.
SUPPLEMENTARY INFORMATION
(UNAUDITED)

1. Net Assets of Investment Trusts

| | Billions of yen | |
|--------------------------------|-------------------|----------------|
| | December 31, 2002 | March 31, 2002 |
| Stock Investment Trusts-Public | | |
| Unit Type | 161 | 219 |
| Open Type | 3,167 | 2,979 |
| | 3,328 | 3,198 |
| Bond Investment Trusts-Public | | |
| Bond Investment Trusts | 4,465 | 6,299 |
| Money Management Fund | 1,394 | 1,785 |
| Others | 1,901 | 2,302 |
| | 7,761 | 10,387 |
| Private Investment Trusts | | |
| Stock Investment Trusts | 227 | 170 |
| Bond Investment Trusts | 9 | 10 |
| | 237 | 180 |
| Total | 11,328 | 13,767 |

2. Assets under Investment Management and Advisory Contracts

| | Billions of yen | |
|------------------|-------------------|----------------|
| | December 31, 2002 | March 31, 2002 |
| Domestic-General | 306 | 391 |
| Domestic-Pension | 2,728 | 3,180 |
| Overseas | 733 | 874 |
| Total | 3,767 | 4,446 |

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