NOMURA HOLDINGS INC
Form 6-K
February 28, 2012
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

For the month of February 2012

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):

Table of Contents

Information furnished on this form:

EXHIBITS

Exhibit Number

1. (English Translation) Quarterly Securities Report Pursuant to the Financial Instruments and Exchange Act for the Nine Months Ended December 31, 2011

2. (English Translation) Confirmation Letter

3. Ratio of Earnings to Fixed Charges and Computation Thereof for the Nine Months Ended December 31, 2011

The registrant hereby incorporates Exhibits 1, 2 and 3 to this report on Form 6-K by reference (i) in the prospectus that is part of the 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 and (ii) in the prospectus that is part of the Registration Statement on Form F-3, as amended (Registration No. 333-165049) of the registrant, filed with the Securities and Exchange Commission on February 24, 2010.

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: February 28, 2012	By: /s/ Shinji Iwai Shinji Iwai Senior Managing Director

Table of Contents

Exhibit 1

Quarterly Securities Report Pursuant to the Financial Instruments and Exchange Act for the Nine Months Ended December 31, 2011

Items included in the Quarterly Securities Report

Note: Translations for the underlined items are attached to this form as below.

Table of Contents

Part I Corporate Information

Item 1. Information on the Company

1. Selected Financial Data

		Nine months ended December 31, 2010	Nine months ended December 31, 2011	Three months ended December 31, 2010	Three months ended December 31, 2011	Year ended March 31, 2011
Revenue	(Mil yen)	1,020,468	1,286,358	386,034	481,501	1,385,492
Net revenue	(Mil yen)	831,314	1,036,891	295,867	404,937	1,130,698
Income before income taxes	(Mil yen)	55,842	24,199	27,774	34,473	93,255
Net income (loss) attributable to Nomura Holdings, Inc. (NHI) shareholders	(Mil yen)	16,762	(10,499)	13,389	17,822	28,661
Comprehensive income (loss) attributable to NHI shareholders	(Mil yen)	(23,319)	(50,941)	4,947	14,568	8,097
Total equity	(Mil yen)	2,078,088	2,347,610			2,091,636
Total assets	(Mil yen)	33,300,907	33,494,863			36,692,990
Net income (loss) attributable to NHI shareholders per share basic	(Yen)	4.61	(2.89)	3.72	4.87	7.90
Net income (loss) attributable to NHI shareholders per share diluted	(Yen)	4.59	(2.89)	3.70	4.84	7.86
Total NHI shareholders equity as a percentage of total assets	(%)	6.2	6.2			5.7
Cash flows from operating activities	(Mil yen)	(473,460)	(296,651)			(235,090)
Cash flows from investing activities	(Mil yen)	(367,461)	51,473			(423,214)
Cash flows from financing activities	(Mil yen)	898,293	(340,050)			1,284,243
Cash and cash equivalents at end of the period	(Mil yen)	1,043,487	1,014,576			1,620,340

1 The selected consolidated financial data are stated in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

2 *Total NHI shareholders equity as a percentage of total assets* is calculated using the U.S. GAAP based *Total NHI shareholders equity*.

3 Taxable transactions do not include consumption taxes and local consumption taxes.

4 As the quarterly consolidated financial statements have been prepared, selected financial data on NHI are not disclosed.

2. Business Overview

There was no significant change for the business of Nomura Holdings, Inc. (the Company) and its 813 consolidated subsidiaries (collectively referred to as Nomura , we , our , or us) for the nine months ended December 31, 2011. The number of consolidated subsidiaries increased mainly in Other as shown in the business segment information, because during this period Nomura Land and Building Co., Ltd. (NLB) became a subsidiary. As a result, Nomura Real Estate Holdings, Inc., a subsidiary of NLB, became a Specified Subsidiary of Nomura.

There were 19 affiliated companies which were accounted for by the equity method as of December 31, 2011.

1

Table of Contents

Item 2. Operating and Financial Review

1. Risk Factors

Significant changes in our Risk Factors which were described on the annual securities report are stated below. The titles below correspond to the titles of Part I Corporate Information Item 2. Operating and Financial Review 3. Risk Factors in the annual securities report.

The discussion below contains future matters that are based on the assessments made as of the date of submission of this report (February 14, 2012), unless noted separately.

Our business may be materially affected by financial markets and economic conditions and market fluctuations in Japan and elsewhere around the world

Over recent years, continuous disruptions have lead to an acute downturn in the markets and economic conditions in Japan and elsewhere around the world. In 2008 and through to early 2009, the financial services industry, global securities markets and real economies, especially in developed countries, were materially and adversely affected by a world-wide market crisis and dislocation. While the world economy grew in 2010 due to stimuli from expansive monetary and fiscal policies, in 2011 the manifestation of financial problems in the U.S. and the worsening of financial, economic and structural issues in the peripheral countries of the Eurozone, including Greece, have adversely influenced major global financial markets. Global markets also face new challenges, for example political instability in certain regions such as the Middle East, and the economic outlook in the medium to long term remains uncertain.

In addition, not only purely economic factors but also future war, acts of terrorism, economic or political sanctions, pandemics, geopolitical risks and events, natural disasters or other similar events could have a material adverse effect on economic and financial market conditions. For example, with respect to our home market of Japan, the economic downturn has been prolonged and some time may be required for recovery due to the economic consequences arising from direct and indirect negative effects of the East Japan Earthquake in March 2011, including damages to nuclear power plants and resulting power shortages, and supply line disruptions. A sustained market/economic downturn can adversely affect our business and can result in substantial losses. Even in the absence of a prolonged market/economic downturn, we may incur substantial losses due to market volatility. Also, governmental fiscal and monetary policy changes in Japan and other jurisdictions where we conduct business and other business environmental changes may adversely affect our business, financial condition and results of operations.

The financial services industry is intensely competitive and rapidly consolidating

Our global business strategies may not result in the anticipated outcome due to competition with other financial services firms in international markets and the failure to realize the full benefits of management resource reallocation

We believe that there are significant opportunities in the international markets, but there is also significant competition for such opportunities. In order to take advantage of those opportunities, we will have to compete successfully with financial services firms based in important non-Japanese markets, including the U.S., Europe and Asia. Some of these financial services firms are larger in scale and better capitalized, are able to secure talented human resources and have a stronger local presence in these markets. As a means to bolster our international operations, we acquired certain Lehman operations in Europe, the Middle East and Asia in 2008 and we have been rebuilding and expanding our operations in these regions and the U.S. However, in light of an increasing sense of uncertainty associated with market conditions and the global economy from various unstable factors including the European sovereign debt crisis, many competitor financial services firms have announced plans to reduce costs. We have also begun to carry out plans to reduce costs aimed at reallocating management resources and lowering our breakeven point. Such optimization of management resource reallocation for our global businesses is critical to our global management strategy, and if we fail to realize the full benefits of these efforts our global business strategy and financial condition may be adversely affected.

Table of Contents

Our business is subject to substantial legal, regulatory and reputational risks

Tightening of regulations applicable to the financial system and financial industry could adversely affect our business, financial condition and operating results

If regulations that apply to our businesses are introduced, modified or removed, we could be adversely affected directly or through resulting changes in market conditions. For example, to improve the stability and transparency of Japan s financial system and to ensure the protection of investors, a bill to amend the FIEA was passed by the Diet, which became effective on April 1, 2011, excluding certain sections. The amendment strengthened supervision through introducing corporate group regulations, which we are subject to, such as consolidated capital adequacy regulations on financial instruments business operators the size of which exceeds specified parameters and on certain parent companies, and by requiring reports on the financial status of such companies. In addition, the Financial Services Agency (the FSA) amended the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. which became effective on April 1, 2011. Such amendment includes, among others, restrictions on the compensation systems of corporate groups of specified parent company, including Nomura Group, which are designed to reduce excessive risk taking by their executives and employees.

In addition, in response to the financial markets crisis in the autumn of 2008, various reforms to the financial regulatory framework at a national level and by international agreements, such as the agreements reached at the Group of Twenty (G-20) Summit, are undergoing to restore financial stability and to enhance financial industry s resilience against future crises. Such proposals for reform include the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) in the U.S. and various proposals to strengthen financial regulation in the European Union and the United Kingdom (U.K.). The impact of these proposals (including bank levy) on us and our industry may be significant. However, policy responses to such proposals and amendment of existing systems are still ongoing and are difficult to precisely predict at this point.

The changes in regulations on accounting standards, consolidated regulatory capital adequacy rules and liquidity ratio could also have a material adverse effect on our business, financial condition, and results of operations. For example, we currently calculate our consolidated regulatory capital adequacy ratio in accordance with the FSA s notice on Basel 2.5 based consolidated capital adequacy rules applicable to the Ultimate Designated Parent Company. As of February 2012, the FSA has published a draft amendment to the notice on capital adequacy rules in order to respond to the Basel III measures announced by the Basel Committee on Banking Supervision (the Basel Committee), and is seeking public comments. The implementation of those new measures may cause our capital adequacy ratio to decrease or may require us to liquidate assets, raise additional capital or otherwise restrict our business activities in a manner that could adversely increase our funding costs or could otherwise adversely affect our operating or financing activities or the interests of our shareholders. Further, based on Basel III, the Financial Stability Board and the Basel Committee have announced they will annually update the list of global systemically important financial institutions (G-SIFIs) identified by financial regulators and additional regulatory capital requirements imposed on those G-SIFIs. The costs and impact on us as described above may further increase if we are identified as a G-SIFI in the future.

2. Significant Contracts

Not applicable.

Table of Contents

3. Operating, Financial and Cash Flows Analysis

(1) Operating Results

Nomura reported net revenue of ¥1,036.9 billion, non-interest expenses of ¥1,012.7 billion, income before income taxes of ¥24.2 billion, and net loss attributable to NHI shareholders of ¥10.5 billion for the nine months ended December 31, 2011.

The breakdown of net revenue and non-interest expenses on the consolidated statements of operations are as follows:

	Millions of yen	
	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Commissions	¥ 301,639	¥ 256,689
Brokerage commissions	148,177	133,482
Commissions for distribution of investment trust	131,547	99,026
Other	21,915	24,181
Fees from investment banking	79,232	44,835
Underwriting and distribution	59,479	22,734
M&A / financial advisory fees	18,648	21,197
Other	1,105	904
Asset management and portfolio service fees	105,685	109,165
Asset management fees	94,123	95,849
Other	11,562	13,316
Net gain on trading	267,840	173,631
Gain (loss) on private equity investments	(4,295)	26,286
Net interest	63,443	93,975
Gain (loss) on investments in equity securities	(13,922)	(5,919)
Other	31,692	338,229
Net revenue	¥ 831,314	¥ 1,036,891

	Millions of yen	
	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Compensation and benefits	¥ 391,912	¥ 406,659
Commissions and floor brokerage	69,051	69,518
Information processing and communications	135,124	133,488
Occupancy and related depreciation	66,104	73,247
Business development expenses	21,368	34,391
Other	91,913	295,389
Non-interest expenses	¥ 775,472	¥ 1,012,692

Table of Contents

Business Segment Information

Results by business segment are noted below.

Reconciliations of *Net revenue* and *Income (loss) before income taxes* on segment results of operations and the consolidated statements of operations are set forth in Item 4. Financial Information, 1. Consolidated Financial Statements, Note 15. *Segment and geographic information*.

Net revenue

	Millions of yen	
	Nine months ended December 31, 2010	**Nine months ended December 31, 2011**
Retail	¥ 296,194	¥ 257,882
Asset Management[1]	49,237	50,095
Wholesale	444,188	396,727
Other (Incl. elimination)[1]	55,545	338,288
Total	¥ 845,164	¥ 1,042,992

Non-interest expenses

	Millions of yen	
	Nine months ended December 31, 2010	**Nine months ended December 31, 2011**
Retail	¥ 212,673	¥ 215,040
Asset Management[1]	35,495	33,693
Wholesale	466,908	446,839
Other (Incl. elimination)[1]	60,396	317,120
Total	¥ 775,472	¥ 1,012,692

Income (loss) before income taxes

	Millions of yen	
	Nine months ended December 31, 2010	**Nine months ended December 31, 2011**
Retail	¥ 83,521	¥ 42,842
Asset Management[1]	13,742	16,402
Wholesale	(22,720)	(50,112)
Other (Incl. elimination)[1]	(4,851)	21,168
Total	¥ 69,692	¥ 30,300

(1) Nomura Bank (Luxembourg) S.A. in the Asset Management segment was integrated into Other during the nine months ended December 31, 2011. In accordance with this integration, certain prior period amounts have been reclassified to conform to the current period presentation.

Table of Contents

Retail

We provided consulting services despite the challenging market conditions, and as a result, net revenue was ¥257.9 billion. Non-interest expenses were ¥215.0 billion and income before income taxes was ¥42.8 billion. Retail client assets were ¥65.0 trillion as of December 31, 2011, a ¥5.6 trillion decrease from March 31, 2011.

Asset Management

Net revenue was ¥50.1 billion. Non-interest expenses were ¥33.7 billion and income before income taxes was ¥16.4 billion. Assets under management were ¥22.6 trillion as of December 31, 2011, a ¥2.1 trillion decrease from March 31, 2011, due primarily to market slump resulting from uncertainty in Europe and downgrade of the U.S. credit rating.

Wholesale

Net revenue was ¥396.7 billion, due primarily to the decreases in trading revenue. Non-interest expenses were ¥446.8 billion and loss before income taxes was ¥50.1 billion.

Global Market

	Millions of yen	
	Nine months ended December 31, 2010	**Nine months ended December 31, 2011**
Net revenue	¥ 381,822	¥ 321,435
Non-interest expenses	373,846	355,885
Income (loss) before income taxes	¥ 7,976	¥ (34,450)

Despite the main revenue driven by fixed income, net revenue was ¥321.4 billion, due primarily to the challenging trading conditions whi