

NOMURA HOLDINGS INC

Form 6-K

July 26, 2006

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 July 2006.

NOMURA HOLDINGS, INC.

(Translation of registrant's name into English)

9-1, Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Japan

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

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

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

Yes No

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

Table of Contents

Information furnished on this form:

EXHIBIT

Exhibit Number

1. Financial Highlights Three months ended June 2006
2. Nomura Reports First Quarter Financial Results

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: July 26, 2006

By: /s/ Tetsu Ozaki

Tetsu Ozaki
Senior Managing Director

Table of Contents**Financial Summary For the Three Months Ended June 30, 2006**

Date: July 26, 2006

Company name (code number): **Nomura Holdings, Inc. (8604)**

Head office: 1-9-1, Nihonbashi, Chuo-ku, Tokyo 103-8011, Japan

Stock exchange listings: (In Japan) Tokyo, Osaka, Nagoya
(Overseas) New York, Singapore

Representative: Nobuyuki Koga
President and Chief Executive Officer, Nomura Holdings, Inc.

For inquiries: Tomoyuki Funabiki
Managing Director, Investor Relations Department, Nomura Group
Headquarters, Nomura Securities Co., Ltd.
Tel: (Country Code 81) 3-3211-1811
URL(<http://www.nomura.com>)

(1) Operating Results

| | For the three months ended June 30 | | For the year ended March 31 |
|---|---------------------------------------|---------|-----------------------------------|
| | 2006 | 2005 | 2006 |
| (Yen amounts in millions, except per share data) | | | |
| Total revenue | 401,730 | 319,634 | 1,792,840 |
| Change from the three months ended June 30, 2005 | 25.7% | | |
| Net revenue | 205,934 | 187,533 | 1,145,650 |
| Change from the three months ended June 30, 2005 | 9.8% | | |
| Income from continuing operations before income taxes | 33,404 | 29,098 | 445,600 |
| Change from the three months ended June 30, 2005 | 14.8% | | |
| Income from discontinued operations before income taxes | | 1,606 | 99,413 |
| Change from the three months ended June 30, 2005 | | | |
| Net income | 20,138 | 8,321 | 304,328 |
| Change from the three months ended June 30, 2005 | 142.0% | | |
| Basic net income per share | 10.52 | 4.30 | 159.02 |
| Diluted net income per share | 10.50 | 4.30 | 158.78 |
| Return on shareholders' equity (ROE) | 3.9 | 1.8 | 15.5 |

Note:

1. The results of discontinued operations have been removed from the results of continuing operations.
2. Net income is comprised of Income from continuing operations and Gain on discontinued operation.

(2) Financial Position

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| | At June 30 | | At March 31 |
|--|---|------------|-------------|
| | 2006 | 2005 | 2006 |
| | (Yen amounts in millions, except per share data) | | |
| Total assets | 31,552,939 | 34,163,926 | 35,026,035 |
| Shareholders' equity | 2,076,754 | 1,843,315 | 2,063,327 |
| Shareholders' equity as a percentage of total assets | 6.6 | 5.4 | 5.9 |
| Shareholders' equity per share | 1,089.69 | 961.94 | 1,083.19 |

(3) Adoption of simple method in recognition method: None

(4) Difference in recognition method with latest fiscal year: Yes

(5) Scope of consolidation and equity method application

Number of consolidated subsidiaries and variable interest entities: 193

Number of affiliated companies, which were accounted for by the equity method: 13

(6) Movement in the scope of consolidation and equity method application for this period

| | | |
|-------------------------------------|--------------|-------------|
| Number of consolidation | Inclusion 16 | Exclusion 2 |
| Number of equity method application | Inclusion 0 | Exclusion 1 |

(7) Cash Dividends

June 30, 2006 8.0 Yen per share for the three months ended June 30, 2006
 Note: Payment date September 1, 2006

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

Table of Contents**Financial Summary for the Three Months Ended June 30, 2006****Results of Operations****US GAAP Figures**

| | Billions of yen | | % Change | Billions of yen | | % Change |
|---|---|----------------------------------|---------------|----------------------------------|--------------|----------|
| | For the three months ended | | (%) | For the three months ended | | (%) |
| | March 31, 2006 | | | June 30, 2005 | | |
| | June 30, 2006 (2006.4.1 ~ 2006.6.30) (A) | (2006.1.1 ~ 2006.3.31) (B) | (A-B)/(B) | (2005.4.1 ~ 2005.6.30) (C) | (A-C)/(C) | |
| Net revenue | 205.9 | 325.7 | (36.8) | 187.5 | 9.8 | |
| Non-interest expenses | 172.5 | 198.7 | (13.2) | 158.4 | 8.9 | |
| Income from continuing operations before income taxes | 33.4 | 127.0 | (73.7) | 29.1 | 14.8 | |
| Income from discontinued operations before income taxes | | 82.6 | | 1.6 | | |
| Income before income taxes | 33.4 | 209.6 | (84.1) | 30.7 | 8.8 | |
| Income from continuing operations | 20.1 | 82.8 | (75.7) | 9.1 | 120.5 | |
| Gain on discontinued operations | | 45.9 | | (0.8) | | |
| Net income | 20.1 | 128.6 | (84.3) | 8.3 | 142.0 | |
| Return on equity (ROE) | 3.9% | 25.4% | | 1.8% | | |

* In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, income before income taxes and net income from the operations of Millennium Retailing Inc. (one of Nomura Principal Finance's private equity investee companies, and whose operations were treated as discontinued during the third quarter of the fiscal year ended March 31, 2006, in conjunction with the agreement reached in the third quarter by Nomura Principal Finance to sell its stake in Millennium Retailing Inc.) are separately reported as income from discontinued operations retroactively to the first quarter of the fiscal year ended March 31, 2006. Net revenue and non-interest expenses of such discontinued operations are not shown independently.

Nomura Holdings, Inc. and its consolidated entities (Nomura) reported net revenue of 205.9 billion yen for the three months ended June 30, 2006, a 36.8% decline from the previous quarter and 9.8% increase compared to the prior-year first quarter. Non-interest expenses decreased 13.2% from the previous quarter and increased 8.9% compared to the prior-year first quarter to 172.5 billion yen. Income before income taxes (total of continuing operations and discontinued operations) of 33.4 billion yen was down 84.1% from the previous quarter and up 8.8%

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compared to the prior-year first quarter, while net income (total of continuing operations and discontinued operations) declined 84.3% from the previous quarter and increased 142% compared to the prior-year first quarter to 20.1 billion yen. ROE for the quarter was 3.9%.

Total of business segments

| | Billions of yen | | % Change | Billions of yen | | % Change |
|-----------------------------------|--|---|---------------|--|-----|-------------|
| | For the three months ended | | (%) | For the three months ended | | (%) |
| | June 30, 2006 (2006.4.1 ~ 2006.6.30) | March 31, 2006 (2006.1.1 ~ 2006.3.31) | (A-B)/(B) | June 30, 2005 (2005.4.1 ~ 2005.6.30) | (C) | (A-C)/(C) |
| | (A) | (B) | | (C) | | |
| Net revenue | 209.8 | 282.2 | (25.7) | 171.4 | | 22.4 |
| Non-interest expenses | 155.3 | 180.9 | (14.2) | 134.0 | | 15.9 |
| Income before income taxes | 54.4 | 101.2 | (46.2) | 37.4 | | 45.5 |

Nomura engages in private equity investing through its Global Merchant Banking division. Nomura's US GAAP consolidated financial information includes the effect of consolidation/deconsolidation of certain private equity investee companies. Business segment totals exclude these effects as well as gain (loss) on investments in equity securities held for relationship purposes.

Net revenue of business segments for the three months ended June 30, 2006, was 209.8 billion yen, a 25.7% decline from the prior quarter and 22.4% increase compared to the same period last year. Non-interest expenses decreased 14.2% from the previous quarter and increased 15.9% compared to the prior-year first quarter to 155.3 billion yen. Income before income taxes decreased 46.2% from the previous quarter and increased 45.5% compared to the prior-year first quarter to 54.4 billion yen. Please refer to Page 21 for an explanation of the differences between US GAAP and business segment values.

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

| | Billions of yen | | % Change | Billions of yen | | % Change |
|-----------------------------------|---|--|---------------|---|-------------|----------|
| | For the three months ended | | (%) | For the three months ended | | (%) |
| | June 30, 2006 (2006.4.1 ~ 2006.6.30) | March 31, 2006 (2006.1.1 ~ 2006.3.31) | (A-B)/(B) | June 30, 2005 (2005.4.1 ~ 2005.6.30) | (A-C)/(C) | |
| | (A) | (B) | (A-B)/(B) | (C) | (A-C)/(C) | |
| Domestic Retail | 42.5 | 51.4 | (17.2) | 30.3 | 40.4 | |
| Global Markets | 14.3 | 66.0 | (78.3) | (0.7) | | |
| Global Investment Banking | 5.6 | 17.0 | (67.2) | 2.2 | 156.8 | |
| Global Merchant Banking | 9.8 | (21.0) | | (5.9) | | |
| Asset Management | 5.2 | 5.7 | (8.9) | 4.0 | 31.8 | |
| Sub Total | 77.5 | 119.1 | (35.0) | 29.9 | 159.4 | |
| Other | (23.0) | (17.9) | | 7.6 | | |
| Income before income taxes | 54.4 | 101.2 | (46.2) | 37.4 | 45.5 | |

* In January 2006, certain functions of Other business were integrated to Asset Management. Certain reclassifications of previously reported amounts have been made to conform to the current presentation.

Domestic Retail income before income taxes declined 17.2% from the previous quarter and increased 40.4% compared to the prior-year first quarter to 42.5 billion yen. In Global Markets, income before income taxes of 14.3 billion yen was down 78.3% from the previous quarter and grew by 15.1 billion yen compared to first quarter of last year. Global Investment Banking income before income taxes declined 67.2% from the previous quarter and increased 156.8% compared to the prior-year first quarter to 5.6 billion yen. In Global Merchant Banking, income before income taxes grew by 30.8 billion yen from the previous quarter and by 15.7 billion yen compared to the prior-year first quarter to 9.8 billion yen. Asset Management income before income taxes fell 8.9% from the previous quarter and increased 31.8% compared to the prior-year first quarter to 5.2 billion yen.

Other loss before income taxes was 23 billion yen. Total income before income taxes for all business segments was 54.4 billion yen, down 46.2% from the prior quarter and up 45.5% from the prior-year first quarter.

Financial Position

Total assets at June 30, 2006 were 31.6 trillion yen, a decrease of 3.5 trillion yen compared to March 31, 2006, reflecting a decrease in collateralized agreements. Total liabilities at June 30, 2006 were 29.5 trillion yen, a decrease of 3.5 trillion yen compared to March 31, 2006, due to a decrease in collateralized financing. Total shareholders' equity at June 30, 2006 was 2,077 billion yen, an increase of 13 billion yen compared to March 31, 2006.

Table of Contents**Business Segment Results for the Three Months Ended June 30, 2006****Operating Results of Domestic Retail**

| | Billions of yen | | % Change |
|-----------------------------------|---|--|---------------|
| | For the three months ended | | (%) |
| | June 30, 2006 (2006.4.1 ~ 2006.6.30) (A) | March 31, 2006 (2006.1.1 ~ 2006.3.31) (B) | (A-B)/(B) |
| Net revenue | 105.6 | 123.6 | (14.5) |
| Non-interest expenses | 63.1 | 72.2 | (12.6) |
| Income before income taxes | 42.5 | 51.4 | (17.2) |

Net revenue decreased 14.5% from the previous quarter to 105.6 billion yen. Non-interest expenses were down 12.6% to 63.1 billion yen. Income before income taxes was 42.5 billion yen, down 17.2% compared to the prior quarter.

Stock brokerage commissions declined due to a drop in equity transaction values resulting from a correction in the domestic stock market. On the other hand, commissions for distribution of investment trusts remained high, reflecting the delivery of products matched to the diversifying needs of our customers such as funds offering frequent distributions and absolute return funds.

Although net asset inflow for the first quarter increased, Domestic Client Assets* declined by 3.8 trillion yen compared to the end of the previous quarter to 76.7 trillion yen, mainly due to the slump in the stock market.

* 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.

Operating Results of Global Markets

| | Billions of yen | % Change |
|--|----------------------------|----------|
| | For the three months ended | (%) |

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| | June 30, 2006 (2006.4.1 ~ 2006.6.30) | March 31, 2006 (2006.1.1 ~ 2006.3.31) | |
|-----------------------------------|--|---|---------------|
| | (A) | (B) | (A-B)/(B) |
| Net revenue | 68.9 | 128.4 | (46.4) |
| Non-interest expenses | 54.6 | 62.4 | (12.6) |
| Income before income taxes | 14.3 | 66.0 | (78.3) |

Net revenue decreased 46.4% from the previous quarter to 68.9 billion yen. Non-interest expenses fell 12.6% to 54.6 billion yen. Income before income taxes declined 78.3% to 14.3 billion yen.

In Fixed Income, revenue from the asset finance business eased off from the revenue-generating previous quarter, and trading revenue declined due to slower sales of foreign currency bonds and structured bonds. In Equity, order flow from block trades declined and trading revenue fell due to the stock market decline.

Table of Contents**Operating Results of Global Investment Banking**

| | Billions of yen | | % Change |
|-----------------------------------|--|---|---------------|
| | For the three months ended | | (%) |
| | June 30, 2006 (2006.4.1 ~ 2006.6.30) | March 31, 2006 (2006.1.1 ~ 2006.3.31) | (A-B)/(B) |
| | (A) | (B) | |
| Net revenue | 18.8 | 31.1 | (39.6) |
| Non-interest expenses | 13.2 | 14.2 | (6.5) |
| Income before income taxes | 5.6 | 17.0 | (67.2) |

Net revenue decreased 39.6% from the previous quarter to 18.8 billion yen. Non-interest expenses decreased 6.5% to 13.2 billion yen, while income before income taxes fell 67.2% to 5.6 billion yen.

The overall value of equity financing in the market dropped due to seasonal factors. In equity underwriting, we acted as lead manager for such deals as the offering of Mitsubishi UFJ Financial Group shares by The Resolution and Collection Corporation. We topped the Equity and Equity-Related (Japan) league table* for the six months to June 2006. In our solution business, MPO results for the first quarter totaled eight deals and 342.2 billion yen, including a 300 billion yen deal for Sojitz. In M&A, we acted as financial advisor on such deals as the sale of Wakodo by Sankyo to Asahi Breweries, and the deal to turn Kirin Beverages into a wholly-owned subsidiary of Kirin Brewery.

* Source: Thomson Financial

Operating Results of Global Merchant Banking

| | Billions of yen | | % Change |
|-----------------------|---|--|-----------|
| | For the three months ended | | (%) |
| | June 30, 2006 (2006.4.1~ 2006.6.30) | March 31, 2006 (2006.1.1~ 2006.3.31) | (A-B)/(B) |
| | (A) | (B) | |
| Net revenue | 12.1 | (15.5) | |
| Non-interest expenses | 2.3 | 5.5 | (57.8) |

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| | | |
|-----------------------------------|------------|---------------|
| Income before income taxes | 9.8 | (21.0) |
|-----------------------------------|------------|---------------|

Net revenue increased by 27.6 billion yen compared to the previous quarter to 12.1 billion yen, while non-interest expenses decreased 57.8% to 2.3 billion yen. Income before income taxes grew by 30.8 billion yen from the previous quarter to 9.8 billion yen.

During the quarter, gains from the sale of part of Nomura Principal Finance s (NPF) stake in Resort Solution and unrealized gains/losses from investee companies were booked in addition to realized and unrealized gains from the partial sale of Terra Firma investee companies and unrealized gains/losses on private equity investments in Europe.

In terms of new investments, NPF conducted a tender offer for Skylark, a major restaurant chain in Japan, via a special purpose vehicle in which it holds the majority stake.

¹ Source: Thomson Financial

Table of Contents**Operating Results of Asset Management**

| | Billions of yen | | % Change |
|-----------------------------------|--|---|--------------|
| | For the three months ended | | (%) |
| | June 30, 2006 (2006.4.1 ~ 2006.6.30) | March 31, 2006 (2006.1.1 ~ 2006.3.31) | |
| | (A) | (B) | (A-B)/(B) |
| Net revenue | 17.6 | 18.4 | (4.4) |
| Non-interest expenses | 12.4 | 12.7 | (2.3) |
| Income before income taxes | 5.2 | 5.7 | (8.9) |

* In January 2006, certain functions of Other business were integrated to Asset Management. Certain reclassifications of previously reported amounts have been made to conform to the current presentation.

Net revenue decreased 4.4% from the previous quarter to 17.6 billion yen, while non-interest expenses declined 2.3% to 12.4 billion yen. Income before income taxes fell 8.9% to 5.2 billion yen.

Distribution of funds offering frequent distributions such as the My Story Profit Distribution-type Fund and newly-launched funds such as absolute return funds and regional index funds was robust during the quarter. However, total assets under management in Asset Management as of the end of June declined by 150 billion yen from the end of March to 23 trillion yen due to the stock market decline.

Funds for bank customers and the Nomura Global 6 Assets Diversified Fund distributed by Japan Post saw steady increases in net assets.

Other Operating Results

| | Billions of yen | | % Change |
|--|--|---|-----------|
| | For the three months ended | | (%) |
| | June 30, 2006 (2006.4.1 ~ 2006.6.30) | March 31, 2006 (2006.1.1 ~ 2006.3.31) | |
| | (A) | (B) | (A-B)/(B) |

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| | | | |
|---|-------------------|-------------------|-------------------|
| Net revenue | (13.3) | (3.9) | |
| Non-interest expenses | 9.7 | 14.0 | (30.5) |
| | <u> </u> | <u> </u> | <u> </u> |
| Income(loss) before income taxes | (23.0) | (17.9) | |
| | <u> </u> | <u> </u> | <u> </u> |

Loss before income taxes was 23.0 billion yen for the three months ended June 30, 2006, mainly due to losses such as net gain/loss on trading related to economic hedging transactions. (Please refer to Page 17 for details.)

Table of Contents**Non-interest Expenses (Segment Total)**

| | Billions of yen | | % Change |
|---|--|---|---------------|
| | For the three months ended | | (%) |
| | June 30, 2006 (2006.4.1 ~ 2006.6.30) | March 31, 2006 (2006.1.1 ~ 2006.3.31) | |
| | (A) | (B) | (A-B)/(B) |
| Compensation and benefits | 79.5 | 87.7 | (9.3) |
| Commissions and floor brokerage | 9.8 | 9.3 | 5.4 |
| Information processing and communications | 23.0 | 27.3 | (15.9) |
| Occupancy and related depreciation | 13.4 | 14.3 | (6.0) |
| Business development expenses | 7.2 | 9.6 | (24.8) |
| Other | 22.4 | 32.8 | (31.6) |
| Non-Interest Expenses | 155.3 | 180.9 | (14.2) |

Business segment non-interest expenses decreased 14.2% from the previous quarter to 155.3 billion yen. Compensation and benefits expenses decreased 9.3% from the previous quarter to 79.5 billion yen and information processing and communications expenses decreased 15.9% compared to the previous quarter to 23 billion yen.

Table of Contents

NOMURA HOLDINGS, INC.

CONSOLIDATED INCOME STATEMENT INFORMATION

(UNAUDITED)

| | Millions of yen | | % Change | Millions of yen |
|--|----------------------------|----------------|--------------|------------------|
| | For the three months ended | | | For the year |
| | June 30, | June 30, | (A-B)/(B) | March 31, |
| | 2006 (A) | 2005 (B) | | 2006 |
| Revenue: | | | | |
| Commissions | 79,579 | 55,152 | 44.3 | 356,325 |
| Fees from investment banking | 14,351 | 14,719 | (2.5) | 108,819 |
| Asset management and portfolio service fees | 29,732 | 19,942 | 49.1 | 102,667 |
| Net gain on trading | 55,770 | 70,802 | (21.2) | 304,223 |
| Gain (loss) on private equity investments | 9,784 | (2,490) | | 12,328 |
| Interest and dividends | 207,860 | 132,914 | 56.4 | 693,813 |
| (Loss) gain on investments in equity securities | (20,509) | (2,825) | | 67,702 |
| Private equity entities product sales | 20,985 | 24,520 | (14.4) | 88,210 |
| Other | 4,178 | 6,900 | (39.4) | 58,753 |
| Total revenue | 401,730 | 319,634 | 25.7 | 1,792,840 |
| Interest expense | 195,796 | 132,101 | 48.2 | 647,190 |
| Net revenue | 205,934 | 187,533 | 9.8 | 1,145,650 |
| Non-interest expenses : | | | | |
| Compensation and benefits | 82,768 | 72,612 | 14.0 | 325,431 |
| Commissions and floor brokerage | 10,255 | 5,915 | 73.4 | 32,931 |
| Information processing and communications | 23,167 | 20,621 | 12.3 | 89,600 |
| Occupancy and related depreciation | 14,442 | 12,518 | 15.4 | 55,049 |
| Business development expenses | 7,848 | 6,766 | 16.0 | 32,790 |
| Private equity entities cost of goods sold | 11,365 | 14,999 | (24.2) | 48,802 |
| Other | 22,685 | 25,004 | (9.3) | 115,447 |
| | 172,530 | 158,435 | 8.9 | 700,050 |
| Income from continuing operations before income taxes | 33,404 | 29,098 | 14.8 | 445,600 |
| Income tax expense | 13,266 | 19,966 | (33.6) | 188,972 |
| Income from continuing operations | 20,138 | 9,132 | 120.5 | 256,628 |
| Discontinued operations | | | | |
| Income from discontinued operations before income taxes (including gain on disposal of ¥74,852 million in the year ended March 31, 2006) | | 1,606 | | 99,413 |

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| | | | | |
|--|--------|------------|-----------------|------------|
| Income tax expense | | 2,417 | | 51,713 |
| (Loss) gain on discontinued operations | | (811) | | 47,700 |
| Net income | 20,138 | 8,321 | 142.0 | 304,328 |
| | | Yen | % Change | Yen |
| Per share of common stock: | | | | |
| Basic- | | | | |
| Income from continuing operations | 10.52 | 4.72 | 122.9 | 134.10 |
| (Loss) gain on discontinued operations | | (0.42) | | 24.92 |
| Net income | 10.52 | 4.30 | 144.7 | 159.02 |
| Diluted- | | | | |
| Income from continuing operations | 10.50 | 4.72 | 122.5 | 133.89 |
| (Loss) gain on discontinued operations | | (0.42) | | 24.89 |
| Net income | 10.50 | 4.30 | 144.2 | 158.78 |

Note: Reclassifications -

In accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, income from discontinued operations are separately reported.

Table of Contents

NOMURA HOLDINGS, INC.

CONSOLIDATED BALANCE SHEET INFORMATION

(UNAUDITED)

| | Millions of yen | | |
|--|-------------------|-------------------|-------------------|
| | June 30, 2006 | March 31, 2006 | June 30, 2005 |
| ASSETS | | | |
| Cash and cash deposits: | | | |
| Cash and cash equivalents | 436,101 | 991,961 | 711,717 |
| Time deposits | 477,997 | 518,111 | 359,992 |
| Deposits with stock exchanges and other segregated cash | 67,397 | 45,564 | 60,082 |
| | <u>981,495</u> | <u>1,555,636</u> | <u>1,131,791</u> |
| Loans and receivables: | | | |
| Loans receivable | 679,770 | 682,824 | 415,047 |
| Receivables from customers | 39,922 | 26,810 | 11,980 |
| Receivables from other than customers | 663,309 | 656,925 | 482,943 |
| Allowance for doubtful accounts | (2,923) | (2,878) | (3,007) |
| | <u>1,380,078</u> | <u>1,363,681</u> | <u>906,963</u> |
| Collateralized agreements: | | | |
| Securities purchased under agreements to resell | 7,631,140 | 8,278,834 | 8,613,140 |
| Securities borrowed | 6,850,531 | 8,748,973 | 6,677,167 |
| | <u>14,481,671</u> | <u>17,027,807</u> | <u>15,290,307</u> |
| Trading assets and private equity investments (including securities pledged as collateral): | | | |
| Securities inventory | 12,231,990 | 12,739,805 | 13,794,381 |
| Derivative contracts | 725,172 | 592,360 | 470,420 |
| Private equity investments | 287,535 | 365,276 | 330,705 |
| | <u>13,244,697</u> | <u>13,697,441</u> | <u>14,595,506</u> |
| Other assets: | | | |
| Office buildings, land, equipment and facilities (net of accumulated depreciation and amortization of ¥214,376 million at June 30, 2006, ¥211,521 million at March 31, 2006 and ¥196,090 million at June 30, 2005, respectively) | 330,834 | 330,964 | 296,200 |
| Lease deposits | 46,029 | 47,582 | 47,315 |
| Non-trading debt securities (including securities pledged as collateral) | 260,158 | 220,593 | 276,386 |
| Investments in equity securities | 210,714 | 219,486 | 159,625 |
| Investments in and advances to affiliated companies | 225,235 | 223,912 | 233,022 |
| Deferred tax assets | 135,200 | 145,024 | 112,507 |
| Assets of discontinued operations | | | 930,133 |
| Other | 256,828 | 193,909 | 184,171 |
| | <u>1,464,998</u> | <u>1,381,470</u> | <u>2,239,359</u> |

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| | | | |
|--------------|------------|------------|------------|
| Total assets | 31,552,939 | 35,026,035 | 34,163,926 |
|--------------|------------|------------|------------|

Note: Reclassifications -

In accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, assets and liabilities of discontinued operations in the previous year have been reclassified.

Table of Contents

NOMURA HOLDINGS, INC.

CONSOLIDATED BALANCE SHEET INFORMATION

(UNAUDITED)

| | Millions of yen | | |
|--|-------------------|-------------------|-------------------|
| | June 30, 2006 | March 31, 2006 | June 30, 2005 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | |
| Short-term borrowings | 1,474,783 | 691,759 | 497,901 |
| Payables and deposits: | | | |
| Payables to customers | 302,538 | 247,511 | 239,393 |
| Payables to other than customers | 884,259 | 619,271 | 788,254 |
| Time and other deposits received | 349,996 | 372,949 | 335,784 |
| | <u>1,536,793</u> | <u>1,239,731</u> | <u>1,363,431</u> |
| Collateralized financing: | | | |
| Securities sold under agreements to repurchase | 10,694,380 | 10,773,589 | 13,006,286 |
| Securities loaned | 5,099,776 | 6,486,798 | 4,268,462 |
| Other secured borrowings | 516,051 | 3,002,625 | 3,582,264 |
| | <u>16,310,207</u> | <u>20,263,012</u> | <u>20,857,012</u> |
| Trading liabilities: | | | |
| Securities sold but not yet purchased | 5,066,946 | 5,880,919 | 4,831,655 |
| Derivative contracts | 652,175 | 646,708 | 527,649 |
| | <u>5,719,121</u> | <u>6,527,627</u> | <u>5,359,304</u> |
| Other liabilities: | | | |
| Accrued income taxes | 15,827 | 188,770 | 21,367 |
| Accrued pension and severance costs | 65,163 | 65,041 | 78,316 |
| Liabilities of discontinued operations | | | 880,294 |
| Other | 390,001 | 388,169 | 295,240 |
| | <u>470,991</u> | <u>641,980</u> | <u>1,275,217</u> |
| Long-term borrowings | <u>3,964,290</u> | <u>3,598,599</u> | <u>2,967,746</u> |
| Total liabilities | <u>29,476,185</u> | <u>32,962,708</u> | <u>32,320,611</u> |
| Commitments and contingencies (See Note 2) | | | |
| Shareholders' equity: | | | |
| Common stock | | | |
| Authorized - 6,000,000,000 shares | 182,800 | 182,800 | 182,800 |

Issued - 1,965,919,860 shares at June 30, 2006,

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March 31, 2006, and June 30, 2005

| | | | |
|---|------------|------------|------------|
| Additional paid-in capital | 160,694 | 159,527 | 156,759 |
| Retained earnings | 1,823,928 | 1,819,037 | 1,614,457 |
| Accumulated other comprehensive (loss) income | | | |
| Minimum pension liability adjustment | (14,026) | (14,096) | (24,093) |
| Cumulative translation adjustments | 4,896 | (1,129) | (19,038) |
| | (9,130) | (15,225) | (43,131) |
| | 2,158,292 | 2,146,139 | 1,910,885 |
| Less-Common stock held in treasury, at cost - 60,097,536 shares, 61,055,664 shares, and 49,669,784 shares at June 30, 2006, at March 31, 2006 and June 30, 2005, respectively | (81,538) | (82,812) | (67,570) |
| Total shareholders' equity | 2,076,754 | 2,063,327 | 1,843,315 |
| Total liabilities and shareholders' equity | 31,552,939 | 35,026,035 | 34,163,926 |

Note: Reclassifications -

In accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, assets and liabilities of discontinued operations in the previous year have been reclassified.

Table of Contents

NOMURA HOLDINGS, INC.

CONSOLIDATED INFORMATION OF CASH FLOWS

(UNAUDITED)

| | Millions of yen | | |
|--|----------------------------|---------------|--------------------|
| | For the three months ended | | For the year ended |
| | June 30, 2006 | June 30, 2005 | March 31, 2006 |
| Cash flows from operating activities from continuing operations: | | | |
| Income from continuing operations | 20,138 | 9,132 | 256,628 |
| Adjustments to reconcile income from continuing operations to net cash (used in) provided by operating activities from continuing operations | | | |
| Depreciation and amortization | 12,135 | 10,403 | 42,812 |
| Loss (gain) on investments in equity securities | 20,509 | 2,825 | (67,702) |
| Changes in operating assets and liabilities: | | | |
| Time deposits | 47,941 | 56,486 | (81,193) |
| Deposits with stock exchanges and other segregated cash | (21,644) | (17,086) | (440) |
| Trading assets and private equity investments | 485,249 | 1,067,030 | 2,302,636 |
| Trading liabilities | (843,647) | 20,757 | 1,084,026 |
| Securities purchased under agreements to resell, net of securities sold under agreements to repurchase | 596,750 | (1,059,640) | (3,107,197) |
| Securities borrowed, net of securities loaned | 526,758 | (866,866) | (761,584) |
| Other secured borrowings | (2,484,996) | 163,073 | (416,566) |
| Loans and receivables, net of allowance | 21,931 | 311,942 | (75,773) |
| Payables and deposits received | 303,505 | 402,555 | 157,956 |
| Other, net | (268,258) | (35,154) | 100,070 |
| Net cash (used in) provided by operating activities from continuing operations | (1,583,629) | 65,457 | (566,327) |
| Cash flows from investing activities from continuing operations: | | | |
| Payments for purchases of office buildings, land, equipment and facilities | (12,445) | (7,499) | (83,983) |
| Proceeds from sales of office buildings, land, equipment and facilities | 65 | 3,179 | 1,557 |
| Payments for purchases of investments in equity securities | (24) | | (2,126) |
| Proceeds from sales of investments in equity securities | 203 | 9,629 | 10,523 |
| (Increase) decrease in non-trading debt securities, net | (40,395) | 1,499 | 56,824 |
| Other, net | (1,654) | (5,394) | 44,644 |
| Net cash (used in) provided by investing activities from continuing operations | (54,250) | 1,414 | 27,439 |
| Cash flows from financing activities from continuing operations: | | | |
| Increase in long-term borrowings | 486,299 | 306,070 | 1,656,317 |
| Decrease in long-term borrowings | (118,548) | (171,674) | (943,086) |
| Increase (decrease) in short-term borrowings, net | 782,262 | (21,348) | 175,910 |
| Proceeds from sales of common stock | 858 | 6 | 871 |
| Payments for repurchases of common stock | (34) | (33,849) | (49,507) |
| Payments for cash dividends | (68,620) | (19,422) | (42,290) |
| Net cash provided by financing activities from continuing operations | 1,082,217 | 59,783 | 798,215 |

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| | | | |
|--|-----------|---------|---------|
| Effect of exchange rate changes on cash and cash equivalents | (198) | (52) | 16,419 |
| Discontinued operations, net | | | 131,100 |
| Net (decrease) increase in cash and cash equivalents | (555,860) | 126,602 | 406,846 |
| Cash and cash equivalents at beginning of the period | 991,961 | 585,115 | 585,115 |
| Cash and cash equivalents at end of the period | 436,101 | 711,717 | 991,961 |

Note: Reclassifications -

Cash flows from discontinued operations have been removed from cash flows from continuing operations.

Table of Contents

NOMURA HOLDINGS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(UNAUDITED)

1. Accounting policies:

The consolidated financial information herein has been prepared in accordance with Nomura's accounting policies which are disclosed in the footnotes of Nomura Holdings, Inc.'s Annual Securities Report (the Annual Report filed with the Director of the Kanto Local Finance Bureau of the Ministry of Finance in Japan) and Form 20-F (the Annual Report filed with the U.S. Securities and Exchange Commission) for the year ended March 31, 2006.

Nomura early adopted SFAS No. 155, Accounting for Certain Hybrid Financial Instruments in this period.

2. Credit and investment commitments and guarantees:

Commitments

In connection with its banking/financing activities, Nomura has provided to counterparties through subsidiaries, commitments to extend credit, which generally have a fixed expiration date. In connection with its investment banking activities, Nomura has entered into agreements with customers under which Nomura has committed to underwrite notes that may be issued by the customers. The outstanding commitments under these agreements are included in commitments to extend credit.

Nomura has commitments to invest in interests in various partnerships and other entities, primarily in connection with its merchant banking activities, and also has commitments to provide financing for investments related to these partnerships. The outstanding commitments under these agreements are included in commitments to invest in partnerships.

These commitments were as follows:

| | <u>Millions of yen</u> | |
|--|--------------------------------|---------------------------------|
| | <u>June 30,</u> <u>2006</u> | <u>March 31,</u> <u>2006</u> |
| Commitments to extend credit and to invest in partnerships | 286,532 | 328,662 |

Table of Contents**Guarantees**

Nomura enters into, in the normal course of its subsidiaries' banking/financing activities, various guarantee arrangements with counterparties in the form of standby letters of credit and other guarantees, which generally have a fixed expiration date. In addition, Nomura enters into certain derivative contracts that meet the accounting definition of a guarantee under FIN No. 45. Contractual amounts of these guarantees, other than derivative contracts, for which the fair values are recorded on the consolidated balance sheets at fair value were as follows:

| | Millions of yen | |
|--|-----------------|----------------|
| | June 30, 2006 | March 31, 2006 |
| Standby letters of credit and other guarantees | 6,843 | 6,993 |

3. Comprehensive income:

| | Millions of yen | | |
|--|----------------------------|---------------|--------------------|
| | For the three months ended | | For the year ended |
| | June 30, 2006 | June 30, 2005 | March 31, 2006 |
| Net income | 20,138 | 8,321 | 304,328 |
| Other comprehensive income (loss), net of tax: | | | |
| Change in cumulative translation adjustments | 6,025 | (955) | 16,954 |
| Minimum pension liability adjustment during the period | 70 | 553 | 10,549 |
| Total other comprehensive income (loss), net of tax | 6,095 | (402) | 27,503 |
| Comprehensive income | 26,233 | 7,919 | 331,831 |

Table of Contents**4. Segment Information-Operating segment:**

The following table shows business segment information and reconciliation items to the consolidated income statement information.

| | Millions of yen | | % Change | Millions of yen |
|---|----------------------------|----------------------|-----------|--------------------|
| | For the three months ended | | | For the year ended |
| | June 30, 2006 (A) | June 30, 2005 (B) | (A-B)/(B) | March 31, 2006 |
| (1) Net revenue | | | | |
| Business segment information: | | | | |
| Domestic Retail | 105,609 | 84,812 | 24.5 | 446,535 |
| Global Markets | 68,899 | 49,759 | 38.5 | 371,108 |
| Global Investment Banking | 18,808 | 12,785 | 47.1 | 99,666 |
| Global Merchant Banking | 12,123 | (3,267) | | 68,244 |
| Asset Management | 17,636 | 13,968 | 26.3 | 65,843 |
| Sub Total | 223,075 | 158,057 | 41.1 | 1,051,396 |
| Other | (13,301) | 13,382 | | 8,403 |
| Net revenue | 209,774 | 171,439 | 22.4 | 1,059,799 |
| Reconciliation items: | | | | |
| Unrealized gain (loss) on investments in equity securities held for relationship purposes | (20,649) | (10,993) | | 59,320 |
| Effect of consolidation/deconsolidation of certain private equity investee companies | 16,809 | 27,087 | (37.9) | 26,531 |
| Consolidated net revenue | 205,934 | 187,533 | 9.8 | 1,145,650 |
| (2) Non-interest expense | | | | |
| Business segment information: | | | | |
| Domestic Retail | 63,070 | 54,507 | 15.7 | 249,330 |
| Global Markets | 54,573 | 50,486 | 8.1 | 213,387 |
| Global Investment Banking | 13,237 | 10,616 | 24.7 | 48,127 |
| Global Merchant Banking | 2,326 | 2,588 | (10.1) | 12,809 |
| Asset Management | 12,413 | 10,006 | 24.1 | 45,220 |
| Sub Total | 145,619 | 128,203 | 13.6 | 568,873 |
| Other | 9,706 | 5,820 | 66.8 | 38,934 |
| Non-interest expense | 155,325 | 134,023 | 15.9 | 607,807 |
| Reconciliation items: | | | | |
| Unrealized gain (loss) on investments in equity securities held for relationship purposes | | | | |
| Effect of consolidation/deconsolidation of certain private equity investee companies | 17,205 | 24,412 | (29.5) | 92,243 |

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| | | | | |
|---|----------|----------|-------|----------|
| Consolidated non-interest expenses | 172,530 | 158,435 | 8.9 | 700,050 |
| (3) Income (loss) before income taxes | | | | |
| Business segment information: | | | | |
| Domestic Retail | 42,539 | 30,305 | 40.4 | 197,205 |
| Global Markets | 14,326 | (727) | | 157,721 |
| Global Investment Banking | 5,571 | 2,169 | 156.8 | 51,539 |
| Global Merchant Banking | 9,797 | (5,855) | | 55,435 |
| Asset Management | 5,223 | 3,962 | 31.8 | 20,623 |
| Sub Total | 77,456 | 29,854 | 159.4 | 482,523 |
| Other * | (23,007) | 7,562 | | (30,531) |
| Income before income taxes | 54,449 | 37,416 | 45.5 | 451,992 |
| Reconciliation items: | | | | |
| Unrealized gain (loss) on investments in equity securities held for relationship purposes | (20,649) | (10,993) | | 59,320 |
| Effect of consolidation/deconsolidation of certain private equity investee companies | (396) | 2,675 | | (65,712) |
| Income from continuing operations before income taxes | 33,404 | 29,098 | 14.8 | 445,600 |
| Income from discontinued operations before income taxes | | 1,606 | | 99,413 |
| Income before income taxes (Total of continuing operations and discontinued operation) | 33,404 | 30,704 | 8.8 | 545,013 |

* **The major components**

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

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

| | Millions of yen | | % Change | Millions of yen |
|--|----------------------------|-------------------|-----------|--------------------|
| | For the three months ended | | | For the year ended |
| | June 30, 2006 (A) | June 30, 2005 (B) | (A-B)/(B) | March 31, 2006 |
| Net gain/loss on trading related to economic hedging transactions | (11,382) | (2,788) | | (64,761) |
| Realized gain on investments in equity securities held for relationship purposes | 140 | 8,168 | (98.3) | 8,382 |
| Equity in earnings of affiliates | 3,309 | 2,749 | 20.4 | 27,842 |
| Corporate items | (7,163) | 503 | | (7,443) |
| Others | (7,911) | (1,070) | | 5,449 |
| Total | (23,007) | 7,562 | | (30,531) |

Table of Contents

Supplemental Consolidated Financial Information

(Unaudited)

This supplemental information (Unaudited) contains the following items.

Quarterly Results - Consolidated Income Statement

Quarterly Results - Business Segment

Commissions/fees received and Net gain on trading

Consolidated Income Statement Information

Business segment information

Reconciliation items of the business segment information to the consolidated income statement information

Table of Contents

NOMURA HOLDINGS, INC.

CONSOLIDATED INCOME STATEMENT INFORMATION

(UNAUDITED)

| | Millions of yen | | | | | % Change (B-A)/(A) |
|--|----------------------------|-----------------------|----------------------|----------------------|---------------------|-----------------------|
| | For the three months ended | | | | | |
| | June 30, 2005 | September 30, 2005 | December 31, 2005 | March 31, 2006(A) | June 30, 2006(B) | |
| Revenue: | | | | | | |
| Commissions | 55,152 | 77,498 | 106,187 | 117,488 | 79,579 | (32.3) |
| Fees from investment banking | 14,719 | 24,068 | 28,569 | 41,463 | 14,351 | (65.4) |
| Asset management and portfolio service fees | 19,942 | 24,949 | 25,589 | 32,187 | 29,732 | (7.6) |
| Net gain on trading | 70,802 | 43,847 | 90,578 | 98,996 | 55,770 | (43.7) |
| (Loss) gain on private equity investments | (2,490) | 2,247 | 7,615 | 4,956 | 9,784 | 97.4 |
| Interest and dividends | 132,914 | 183,334 | 216,162 | 161,403 | 207,860 | 28.8 |
| (Loss) gain on investments in equity securities | (2,825) | 31,199 | 36,249 | 3,079 | (20,509) | |
| Private equity entities product sales | 24,520 | 21,960 | 23,916 | 17,814 | 20,985 | 17.8 |
| Other | 6,900 | 5,735 | 19,115 | 27,003 | 4,178 | (84.5) |
| Total revenue | 319,634 | 414,837 | 553,980 | 504,389 | 401,730 | (20.4) |
| Interest expense | 132,101 | 142,220 | 194,200 | 178,669 | 195,796 | 9.6 |
| Net revenue | 187,533 | 272,617 | 359,780 | 325,720 | 205,934 | (36.8) |
| Non-interest expenses: | | | | | | |
| Compensation and benefits | 72,612 | 73,792 | 87,876 | 91,151 | 82,768 | (9.2) |
| Commissions and floor brokerage | 5,915 | 8,881 | 8,472 | 9,663 | 10,255 | 6.1 |
| Information processing and communications | 20,621 | 20,624 | 20,952 | 27,403 | 23,167 | (15.5) |
| Occupancy and related depreciation | 12,518 | 13,971 | 13,396 | 15,164 | 14,442 | (4.8) |
| Business development expenses | 6,766 | 8,167 | 7,622 | 10,235 | 7,848 | (23.3) |
| Private equity entities cost of goods sold | 14,999 | 13,009 | 13,712 | 7,082 | 11,365 | 60.5 |
| Other | 25,004 | 21,903 | 30,505 | 38,035 | 22,685 | (40.4) |
| | 158,435 | 160,347 | 182,535 | 198,733 | 172,530 | (13.2) |
| Income from continuing operations before income taxes | 29,098 | 112,270 | 177,245 | 126,987 | 33,404 | (73.7) |
| Income tax expense | 19,966 | 51,600 | 73,201 | 44,205 | 13,266 | (70.0) |
| Income from continuing operations | 9,132 | 60,670 | 104,044 | 82,782 | 20,138 | (75.7) |
| Discontinued operations | | | | | | |
| Income from discontinued operations before income taxes | 1,606 | 5,339 | 9,863 | 82,605 | | |
| Income tax expense | 2,417 | 5,128 | 7,415 | 36,753 | | |
| (Loss) gain on discontinued operations | (811) | 211 | 2,448 | 45,852 | | |

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| | | | | | | |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Net income | 8,321 | 60,881 | 106,492 | 128,634 | 20,138 | (84.3) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | | | Yen | | | % Change |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Per share of common stock: | | | | | | |
| Basic- | | | | | | |
| Net income | 4.30 | 31.89 | 55.92 | 67.54 | 10.52 | (84.4) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Diluted- | | | | | | |
| Net income | 4.30 | 31.83 | 55.80 | 67.42 | 10.50 | (84.4) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Note: Reclassifications -

In accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, income from discontinued operations are separately reported.

Table of Contents

NOMURA HOLDINGS, INC.
 SUPPLEMENTARY INFORMATION
 (UNAUDITED)

Business Segment Information - Quarterly Results

The following table shows quarterly business segment information and reconciliation items to the consolidated income statement.

| | Millions of yen | | | | | % Change (B-A)/(A) |
|---|----------------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
| | For the three months ended | | | | | |
| | June 30, 2005 | September 30, 2005 | December 31, 2005 | March 31, 2006 (A) | June 30, 2006 (B) | |
| (1) Net revenue | | | | | | |
| Business segment information: | | | | | | |
| Domestic Retail | 84,812 | 101,434 | 136,732 | 123,557 | 105,609 | (14.5) |
| Global Markets | 49,759 | 77,740 | 115,175 | 128,434 | 68,899 | (46.4) |
| Global Investment Banking | 12,785 | 20,453 | 35,286 | 31,142 | 18,808 | (39.6) |
| Global Merchant Banking | (3,267) | 6,875 | 80,112 | (15,476) | 12,123 | |
| Asset Management | 13,968 | 15,363 | 18,072 | 18,440 | 17,636 | (4.4) |
| Sub Total | 158,057 | 221,865 | 385,377 | 286,097 | 223,075 | (22.0) |
| Other | 13,382 | (2,066) | 992 | (3,905) | (13,301) | |
| Net revenue | 171,439 | 219,799 | 386,369 | 282,192 | 209,774 | (25.7) |
| Reconciliation items: | | | | | | |
| Unrealized gain (loss) on investments in equity securities held for relationship purposes | (10,993) | 31,266 | 36,266 | 2,781 | (20,649) | |
| Effect of consolidation/deconsolidation of certain private equity investee companies | 27,087 | 21,552 | (62,855) | 40,747 | 16,809 | (58.7) |
| Consolidated net revenue | 187,533 | 272,617 | 359,780 | 325,720 | 205,934 | (36.8) |
| (2) Non-interest expense | | | | | | |
| Business segment information: | | | | | | |
| Domestic Retail | 54,507 | 60,012 | 62,645 | 72,166 | 63,070 | (12.6) |
| Global Markets | 50,486 | 46,219 | 54,253 | 62,429 | 54,573 | (12.6) |
| Global Investment Banking | 10,616 | 11,336 | 12,014 | 14,161 | 13,237 | (6.5) |
| Global Merchant Banking | 2,588 | 2,194 | 2,510 | 5,517 | 2,326 | (57.8) |

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| | | | | | | |
|---|----------|---------|----------|----------|----------|--------|
| Asset Management | 10,006 | 10,683 | 11,825 | 12,706 | 12,413 | (2.3) |
| Sub Total | 128,203 | 130,444 | 143,247 | 166,979 | 145,619 | (12.8) |
| Other | 5,820 | 7,849 | 11,297 | 13,968 | 9,706 | (30.5) |
| Non-interest expense | 134,023 | 138,293 | 154,544 | 180,947 | 155,325 | (14.2) |
| Reconciliation items: | | | | | | |
| Unrealized gain (loss) on investments in equity securities held for relationship purposes | | | | | | |
| Effect of consolidation/deconsolidation of certain private equity investee companies | 24,412 | 22,054 | 27,991 | 17,786 | 17,205 | (3.3) |
| Consolidated non-interest expenses | 158,435 | 160,347 | 182,535 | 198,733 | 172,530 | (13.2) |
| (3) Income (loss) before income taxes | | | | | | |
| Business segment information: | | | | | | |
| Domestic Retail | 30,305 | 41,422 | 74,087 | 51,391 | 42,539 | (17.2) |
| Global Markets | (727) | 31,521 | 60,922 | 66,005 | 14,326 | (78.3) |
| Global Investment Banking | 2,169 | 9,117 | 23,272 | 16,981 | 5,571 | (67.2) |
| Global Merchant Banking | (5,855) | 4,681 | 77,602 | (20,993) | 9,797 | |
| Asset Management | 3,962 | 4,680 | 6,247 | 5,734 | 5,223 | (8.9) |
| Sub Total | 29,854 | 91,421 | 242,130 | 119,118 | 77,456 | (35.0) |
| Other * | 7,562 | (9,915) | (10,305) | (17,873) | (23,007) | |
| Income before income taxes | 37,416 | 81,506 | 231,825 | 101,245 | 54,449 | (46.2) |
| Reconciliation items: | | | | | | |
| Unrealized gain (loss) on investments in equity securities held for relationship purposes | (10,993) | 31,266 | 36,266 | 2,781 | (20,649) | |
| Effect of consolidation/deconsolidation of certain private equity investee companies | 2,675 | (502) | (90,846) | 22,961 | (396) | |
| Income from continuing operations before income taxes | 29,098 | 112,270 | 177,245 | 126,987 | 33,404 | (73.7) |
| Income from discontinued operations before income taxes | 1,606 | 5,339 | 9,863 | 82,605 | | |
| Income before income taxes (Total of continuing operations and discontinued operation) | 30,704 | 117,609 | 187,108 | 209,592 | 33,404 | (84.1) |

* **The major components**

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

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

| Millions of yen | |
|----------------------------|----------|
| For the three months ended | % Change |
| | |

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| | <u>June 30,</u> <u>2005</u> | <u>September 30,</u> <u>2005</u> | <u>December 31,</u> <u>2005</u> | <u>March 31,</u> <u>2006 (A)</u> | <u>June 30,</u> <u>2006 (B)</u> | <u>(B-A)/(A)</u> |
|---|--------------------------------|-------------------------------------|------------------------------------|-------------------------------------|------------------------------------|------------------|
| Net gain/loss on trading related to economic hedging transactions | (2,788) | (8,463) | (17,555) | (35,955) | (11,382) | |
| Realized gain (loss) on investments in equity securities held for relationship purposes | 8,168 | (67) | (17) | 298 | 140 | (53.0) |
| Equity in earnings of affiliates | 2,749 | 2,939 | 8,296 | 13,858 | 3,309 | (76.1) |
| Corporate items | 503 | (3,715) | (3,612) | (619) | (7,163) | |
| Others | (1,070) | (609) | 2,583 | 4,545 | (7,911) | |
| Total | 7,562 | (9,915) | (10,305) | (17,873) | (23,007) | |

Table of Contents

NOMURA HOLDINGS, INC.
 SUPPLEMENTARY INFORMATION
 (UNAUDITED)

Commissions/fees received and Net gain on trading consists of the following:

Commissions/fees received

| | Millions of yen | | | | | % Change (B-A)/(A) | % Change (B-C)/(C) |
|--|----------------------------|---------------|--------------|-----------|----------|-----------------------|-----------------------|
| | For the three months ended | | | | | | |
| | June 30, | September 30, | December 31, | March 31, | June 30, | | |
| | 2005(C) | 2005 | 2005 | 2006(A) | 2006(B) | | |
| Commissions | 55,152 | 77,498 | 106,187 | 117,488 | 79,579 | (32.3) | 44.3 |
| Brokerage Commissions | 31,581 | 50,975 | 76,630 | 88,222 | 44,554 | (49.5) | 41.1 |
| Commissions for Distribution of Investment Trust | 17,465 | 19,645 | 22,401 | 25,564 | 25,850 | 1.1 | 48.0 |
| Fees from Investment Banking | 14,719 | 24,068 | 28,569 | 41,463 | 14,351 | (65.4) | (2.5) |
| Underwriting and Distribution | 8,548 | 17,096 | 22,110 | 30,673 | 9,151 | (70.2) | 7.1 |
| M&A /Financial Advisory Fees | 6,154 | 6,949 | 6,389 | 10,760 | 5,178 | (51.9) | (15.9) |
| Asset Management and Portfolio Service Fees | 19,942 | 24,949 | 25,589 | 32,187 | 29,732 | (7.6) | 49.1 |
| Asset Management Fees | 16,885 | 22,009 | 21,999 | 28,213 | 26,179 | (7.2) | 55.0 |
| Total | 89,813 | 126,515 | 160,345 | 191,138 | 123,662 | (35.3) | 37.7 |
| Net gain on trading | | | | | | | |
| Merchant Banking | 189 | 4,033 | (580) | 1,604 | (2,643) | | |
| Equity Trading | 38,901 | 15,393 | 32,764 | 61,015 | 31,724 | (48.0) | (18.4) |
| Fixed Income and Other Trading | 31,712 | 24,421 | 58,394 | 36,377 | 26,689 | (26.6) | (15.8) |
| Total | 70,802 | 43,847 | 90,578 | 98,996 | 55,770 | (43.7) | (21.2) |

Table of Contents**Consolidated Income Statement Information :****US GAAP Figures**

| | Millions of yen | | | | | % Change (B-A)/(A) | % Change (B-C)/(C) |
|---|----------------------------|----------------|----------------|----------------|----------------|-----------------------|-----------------------|
| | For the three months ended | | | | | | |
| | June 30, | September 30, | December 31, | March 31, | June 30, | | |
| | 2005(C) | 2005 | 2005 | 2006(A) | 2006(B) | | |
| Revenue: | | | | | | | |
| Commissions | 55,152 | 77,498 | 106,187 | 117,488 | 79,579 | (32.3) | 44.3 |
| Fees from investment banking | 14,719 | 24,068 | 28,569 | 41,463 | 14,351 | (65.4) | (2.5) |
| Asset management and portfolio service fees | 19,942 | 24,949 | 25,589 | 32,187 | 29,732 | (7.6) | 49.1 |
| Net gain on trading | 70,802 | 43,847 | 90,578 | 98,996 | 55,770 | (43.7) | (21.2) |
| Gain (loss) on private equity investments | (2,490) | 2,247 | 7,615 | 4,956 | 9,784 | 97.4 | |
| Interest and dividends | 132,914 | 183,334 | 216,162 | 161,403 | 207,860 | 28.8 | 56.4 |
| Gain (loss) on investments in equity securities | (2,825) | 31,199 | 36,249 | 3,079 | (20,509) | | |
| Private equity entities product sales | 24,520 | 21,960 | 23,916 | 17,814 | 20,985 | 17.8 | (14.4) |
| Other | 6,900 | 5,735 | 19,115 | 27,003 | 4,178 | (84.5) | (39.4) |
| Total revenue | 319,634 | 414,837 | 553,980 | 504,389 | 401,730 | (20.4) | 25.7 |
| Interest expense | 132,101 | 142,220 | 194,200 | 178,669 | 195,796 | 9.6 | 48.2 |
| Net revenue | 187,533 | 272,617 | 359,780 | 325,720 | 205,934 | (36.8) | 9.8 |
| Non-interest expenses: | | | | | | | |
| Compensation and benefits | 72,612 | 73,792 | 87,876 | 91,151 | 82,768 | (9.2) | 14.0 |
| Commissions and floor brokerage | 5,915 | 8,881 | 8,472 | 9,663 | 10,255 | 6.1 | 73.4 |
| Information processing and communications | 20,621 | 20,624 | 20,952 | 27,403 | 23,167 | (15.5) | 12.3 |
| Occupancy and related depreciation | 12,518 | 13,971 | 13,396 | 15,164 | 14,442 | (4.8) | 15.4 |
| Business development expenses | 6,766 | 8,167 | 7,622 | 10,235 | 7,848 | (23.3) | 16.0 |
| Private equity entities cost of goods sold | 14,999 | 13,009 | 13,712 | 7,082 | 11,365 | 60.5 | (24.2) |
| Other | 25,004 | 21,903 | 30,505 | 38,035 | 22,685 | (40.4) | (9.3) |
| | 158,435 | 160,347 | 182,535 | 198,733 | 172,530 | (13.2) | 8.9 |
| Income from continuing operations before income taxes | 29,098 | 112,270 | 177,245 | 126,987 | 33,404 | (73.7) | 14.8 |
| Income from discontinued operations before income taxes | 1,606 | 5,339 | 9,863 | 82,605 | | | |
| Income before income taxes (Total of continuing operations and discontinued operation) | 30,704 | 117,609 | 187,108 | 209,592 | 33,404 | (84.1) | 8.8 |

Table of Contents**Business segment information :****Total of business segments**

| | Millions of yen | | | | | % Change | % Change |
|--|----------------------------|---------------|--------------|-----------|----------|----------|----------|
| | For the three months ended | | | | | | |
| | June 30, | September 30, | December 31, | March 31, | June 30, | | |
| | 2005 (C) | 2005 | 2005 | 2006 (A) | 2006 (B) | | |
| Revenue: | | | | | | | |
| Commissions | 55,152 | 77,498 | 106,187 | 117,488 | 79,579 | (32.3) | 44.3 |
| Fees from investment banking | 14,719 | 24,068 | 28,569 | 41,463 | 14,351 | (65.4) | (2.5) |
| Asset management and portfolio service fees | 19,942 | 24,949 | 25,589 | 32,187 | 29,732 | (7.6) | 49.1 |
| Net gain on trading | 70,802 | 43,847 | 90,578 | 98,996 | 55,770 | (43.7) | (21.2) |
| Gain (loss) on private equity investments | (2,490) | 2,408 | 96,445 | (16,710) | 15,059 | | |
| Interest and dividends | 132,850 | 183,389 | 216,107 | 161,363 | 207,837 | 28.8 | 56.4 |
| Gain (loss) on investments in equity securities | 8,168 | (67) | (17) | 298 | 140 | (53.0) | (98.3) |
| Private equity entities product sales | | | | | | | |
| Other | 4,371 | 5,827 | 16,947 | 25,671 | 2,996 | (88.3) | (31.5) |
| Total revenue | 303,514 | 361,919 | 580,405 | 460,756 | 405,464 | (12.0) | 33.6 |
| Interest expense | 132,075 | 142,120 | 194,036 | 178,564 | 195,690 | 9.6 | 48.2 |
| Net revenue | 171,439 | 219,799 | 386,369 | 282,192 | 209,774 | (25.7) | 22.4 |
| Non-interest expenses: | | | | | | | |
| Compensation and benefits | 69,148 | 69,985 | 84,477 | 87,654 | 79,461 | (9.3) | 14.9 |
| Commissions and floor brokerage | 5,478 | 8,561 | 8,063 | 9,312 | 9,819 | 5.4 | 79.2 |
| Information processing and communications | 20,454 | 20,508 | 20,779 | 27,345 | 23,005 | (15.9) | 12.5 |
| Occupancy and related depreciation | 11,270 | 12,847 | 12,368 | 14,268 | 13,409 | (6.0) | 19.0 |
| Business development expenses | 6,255 | 7,708 | 7,036 | 9,612 | 7,225 | (24.8) | 15.5 |
| Private equity entities cost of goods sold | | | | | | | |
| Other | 21,418 | 18,684 | 21,821 | 32,756 | 22,406 | (31.6) | 4.6 |
| | 134,023 | 138,293 | 154,544 | 180,947 | 155,325 | (14.2) | 15.9 |
| Income from continuing operations before income taxes | 37,416 | 81,506 | 231,825 | 101,245 | 54,449 | (46.2) | 45.5 |
| Income from discontinued operations before income taxes | | | | | | | |
| Income before income taxes (Total of continuing operations and discontinued operation) | 37,416 | 81,506 | 231,825 | 101,245 | 54,449 | (46.2) | 45.5 |

Table of Contents**Reconciliation items of the business segment information to the consolidated income statement information :****Effect of consolidation/deconsolidation of private equity investee companies and unrealized loss/gain on investments in equity securities held for relationship purposes**

| | Millions of yen | | | | | % Change (B-A)/(A) | % Change (B-C)/(C) |
|--|----------------------------|---------------|-----------------|----------------|-----------------|-----------------------|-----------------------|
| | For the three months ended | | | | | | |
| | June 30, | September 30, | December 31, | March 31, | June 30, | | |
| | 2005 (C) | 2005 | 2005 | 2006 (A) | 2006 (B) | | |
| Revenue: | | | | | | | |
| Commissions | | | | | | | |
| Fees from investment banking | | | | | | | |
| Asset management and portfolio service fees | | | | | | | |
| Net gain on trading | | | | | | | |
| Gain (loss) on private equity investments | | (161) | (88,830) | 21,666 | (5,275) | | |
| Interest and dividends | 64 | (55) | 55 | 40 | 23 | (42.5) | (64.1) |
| Gain (loss) on investments in equity securities | (10,993) | 31,266 | 36,266 | 2,781 | (20,649) | | |
| Private equity entities product sales | 24,520 | 21,960 | 23,916 | 17,814 | 20,985 | 17.8 | (14.4) |
| Other | 2,529 | (92) | 2,168 | 1,332 | 1,182 | (11.3) | (53.3) |
| Total revenue | 16,120 | 52,918 | (26,425) | 43,633 | (3,734) | | |
| Interest expense | 26 | 100 | 164 | 105 | 106 | 1.0 | 307.7 |
| Net revenue | 16,094 | 52,818 | (26,589) | 43,528 | (3,840) | | |
| Non-interest expenses: | | | | | | | |
| Compensation and benefits | 3,464 | 3,807 | 3,399 | 3,497 | 3,307 | (5.4) | (4.5) |
| Commissions and floor brokerage | 437 | 320 | 409 | 351 | 436 | 24.2 | (0.2) |
| Information processing and communications | 167 | 116 | 173 | 58 | 162 | 179.3 | (3.0) |
| Occupancy and related depreciation | 1,248 | 1,124 | 1,028 | 896 | 1,033 | 15.3 | (17.2) |
| Business development expenses | 511 | 459 | 586 | 623 | 623 | 0.0 | 21.9 |
| Private equity entities cost of goods sold | 14,999 | 13,009 | 13,712 | 7,082 | 11,365 | 60.5 | (24.2) |
| Other | 3,586 | 3,219 | 8,684 | 5,279 | 279 | (94.7) | (92.2) |
| | 24,412 | 22,054 | 27,991 | 17,786 | 17,205 | (3.3) | (29.5) |
| Income from continuing operations before income taxes | (8,318) | 30,764 | (54,580) | 25,742 | (21,045) | | |
| Income from discontinued operations before income taxes | 1,606 | 5,339 | 9,863 | 82,605 | | | |
| Income before income taxes (Total of continuing operations and discontinued operations) | (6,712) | 36,103 | (44,717) | 108,347 | (21,045) | | |

Table of Contents

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

*The amounts are rounded to the nearest million.

Table of Contents**NOMURA HOLDINGS, INC. (PARENT COMPANY ONLY)****INCOME STATEMENT INFORMATION**

| | Millions of yen | | |
|--|----------------------|------------------|-------------------|
| | For the three months | | For the year |
| | ended | | ended |
| | June 30, 2006 | June 30, 2005 | March 31, 2006 |
| Operating revenue | 210,983 | 123,689 | 220,699 |
| Operating expenses | 26,187 | 22,765 | 97,648 |
| Operating income | 184,796 | 100,923 | 123,050 |
| Non-operating income | 1,372 | 1,561 | 8,401 |
| Non-operating expenses | 244 | 82 | 169 |
| Ordinary income | 185,924 | 102,403 | 131,282 |
| Special profits | 142 | 8,174 | 8,987 |
| Special losses | 22 | | 124,313 |
| Income before income taxes | 186,043 | 110,577 | 15,956 |
| Income taxes - current | 2,174 | 4,223 | 12,681 |
| Income taxes - deferred | 1,274 | 1,975 | (14,603) |
| Net income | 182,595 | 104,379 | 17,878 |
| Unappropriated retained earnings brought forward | | 48,121 | 48,121 |
| Interim dividend | | | 22,868 |
| Unappropriated retained earnings | | 152,499 | 43,131 |

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

Millions of yen

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| | <u>June 30, 2006</u> | <u>June 30, 2005</u> | <u>March 31, 2006</u> |
|---|----------------------|----------------------|-----------------------|
| Assets | | | |
| Current Assets | 1,992,512 | 1,494,745 | 1,831,963 |
| Fixed Assets | 1,821,184 | 1,835,608 | 1,795,813 |
| Total Assets | <u>3,813,696</u> | <u>3,330,353</u> | <u>3,627,776</u> |
| Liabilities | | | |
| Current Liabilities | 1,755,967 | 1,181,458 | 1,574,943 |
| Long-term Liabilities | 510,668 | 618,445 | 606,185 |
| Total Liabilities | <u>2,266,635</u> | <u>1,799,903</u> | <u>2,181,128</u> |
| Shareholders' Equity | | | |
| Total Shareholders' Equity | | 1,530,451 | 1,446,649 |
| Total Liabilities and Shareholders' Equity | | <u>3,330,353</u> | <u>3,627,776</u> |
| Net Assets | | | |
| Total Net Assets | 1,547,061 | | |
| Total Liabilities and Net Assets | <u>3,813,696</u> | | |

Table of Contents**NOMURA SECURITIES CO., LTD.****INCOME STATEMENT INFORMATION**

| | Millions of yen | | | | |
|--|----------------------------|----------|--------------|-----------|----------------|
| | For the three months ended | | | For the | |
| | June 30, | June 30, | Comparison | March 31, | Comparison |
| | 2006 (A) | 2005 (B) | (A-B)/(B)(%) | 2006 (C) | (A*4-C)/(C)(%) |
| Operating revenue | 164,748 | 151,412 | 8.8 | 842,612 | (21.8) |
| Commissions | 93,501 | 70,069 | 33.4 | 460,695 | (18.8) |
| Net gain on trading | 38,521 | 57,546 | (33.1) | 283,124 | (45.6) |
| Net gain on other inventories | 5 | 3 | 93.4 | 12 | 68.9 |
| Interest and dividend income | 32,720 | 23,794 | 37.5 | 98,781 | 32.5 |
| Interest expenses | 21,984 | 20,997 | 4.7 | 69,179 | 27.1 |
| Net operating revenue | 142,764 | 130,415 | 9.5 | 773,433 | (26.2) |
| Selling, general and administrative expenses | 94,917 | 84,071 | 12.9 | 387,303 | (2.0) |
| Operating income | 47,847 | 46,343 | 3.2 | 386,130 | (50.4) |
| Non-operating income | 198 | 475 | (58.4) | 2,040 | (61.2) |
| Non-operating expenses | 445 | 382 | 16.5 | 2,017 | (11.7) |
| Ordinary income | 47,599 | 46,437 | 2.5 | 386,153 | (50.7) |
| Special profits | 37 | 12 | 207.8 | | |
| Special losses | 279 | 255 | 9.5 | 1,444 | (22.6) |
| Income before income taxes | 47,357 | 46,194 | 2.5 | 384,709 | (50.8) |
| Income taxes - current | 2,772 | 18,386 | (84.9) | 191,783 | (94.2) |
| Income taxes - deferred | 16,172 | 219 | 7,277.8 | (39,102) | |
| Net income | 28,414 | 27,589 | 3.0 | 232,028 | (51.0) |
| Unappropriated retained earnings brought forward | | 64,095 | | 64,095 | |
| Unappropriated retained earnings | | 91,683 | | 296,123 | |

NOMURA SECURITIES CO., LTD.

BALANCE SHEET INFORMATION

| | Millions of yen | | |
|---|-------------------|-------------------|-------------------|
| | June 30, 2006 | June 30, 2005 | March 31, 2006 |
| Assets | | | |
| Current Assets: | 12,169,873 | 13,386,445 | 15,346,728 |
| Trading Assets | 5,454,380 | 7,608,498 | 5,982,953 |
| Loans with securities as collateral | 6,023,554 | 4,978,491 | 8,039,423 |
| Other | 691,940 | 799,457 | 1,324,351 |
| Fixed Assets | 63,053 | 76,940 | 101,026 |
| Total Assets | 12,232,926 | 13,463,385 | 15,447,754 |
| Liabilities and Shareholder's Equity | | | |
| Liabilities | | | |
| Current Liabilities: | 10,769,849 | 12,212,187 | 13,943,748 |
| Trading liabilities | 3,032,638 | 2,792,704 | 3,653,958 |
| Borrowings with securities as collateral | 4,401,697 | 3,980,762 | 5,043,715 |
| Other | 3,335,514 | 5,438,721 | 5,246,075 |
| Long-term Liabilities | 620,763 | 554,680 | 602,199 |
| Statutory Reserves | 3,384 | 2,256 | 3,105 |
| Total Liabilities | 11,393,995 | 12,769,123 | 14,549,052 |
| Total Shareholder's Equity | | 694,262 | 898,702 |
| Total Liabilities and Shareholder's Equity | | 13,463,385 | 15,447,754 |
| Net Assets | 838,931 | | |
| Total Liabilities and Net Assets | 12,232,926 | | |

Table of Contents**NOMURA SECURITIES CO., LTD.****SUPPLEMENTARY INFORMATION**

1. Commission Revenues

(1) Breakdown by Category

(Millions of yen except percentages)

| | Three Months Ended | | Comparison (A-B)/(B)(%) | Year Ended March 31, 2006 (C) |
|---------------------------------|--------------------|-------------------|----------------------------|----------------------------------|
| | June 30, 2006 (A) | June 30, 2005 (B) | | |
| Brokerage commissions | 37,414 | 27,774 | 34.7% | 219,431 |
| [Stocks] | [34,882] | [25,467] | [37.0] | [205,702] |
| Underwriting commissions | 5,573 | 4,643 | 20.0 | 50,373 |
| [Stocks] | [4,956] | [3,499] | [41.6] | [45,672] |
| [Bonds] | [617] | [1,144] | [(46.1)] | [4,699] |
| Distribution commissions | 26,737 | 18,783 | 42.4 | 89,943 |
| [Investment trust certificates] | [25,815] | [17,424] | [48.2] | [84,921] |
| Other commissions | 23,778 | 18,869 | 26.0 | 100,948 |
| [Investment trust certificates] | [10,211] | [7,026] | [45.3] | [38,825] |
| Total | 93,501 | 70,069 | 33.4 | 460,695 |

(2) Breakdown by Product

(Millions of yen except percentages)

| | Three Months Ended | | Comparison (A-B)/(B)(%) | Year Ended March 31, 2006 (C) |
|-------------------------------|--------------------|-------------------|----------------------------|----------------------------------|
| | June 30, 2006 (A) | June 30, 2005 (B) | | |
| Stocks | 40,682 | 29,561 | 37.6% | 256,566 |
| Bonds | 2,538 | 3,787 | (33.0) | 15,587 |
| Investment trust certificates | 38,462 | 26,654 | 44.3 | 135,381 |
| Others | 11,819 | 10,067 | 17.4 | 53,160 |
| Total | 93,501 | 70,069 | 33.4 | 460,695 |

2. Net Gain/Loss on Trading

(Millions of yen except percentages)

| | Three Months Ended | | Comparison (A-B)/(B)(%) | Year Ended March 31, 2006 (C) |
|-----------------|--------------------|-------------------|----------------------------|----------------------------------|
| | June 30, 2006 (A) | June 30, 2005 (B) | | |
| Stocks | 20,108 | 20,136 | (0.1)% | 124,560 |
| Bonds and forex | 18,413 | 37,410 | (50.8) | 158,564 |
| Total | 38,521 | 57,546 | (33.1) | 283,124 |

Table of Contents**NOMURA SECURITIES CO., LTD.****SUPPLEMENTARY INFORMATION**

3. Stock Trading (excluding futures transactions)

(Millions of shares or yen except per share data and percentages)

| | Three Months Ended | | | | Comparison | | Year Ended | |
|---|---------------------|------------|---------------------|------------|---------------------|--------|---------------------|------------|
| | June 30, 2006 (A) | | June 30, 2005 (B) | | (A-B)/(B)(%) | | March 31, 2006 (C) | |
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| Total | 17,896 | 27,683,651 | 14,128 | 14,759,577 | 26.7% | 87.6% | 79,786 | 99,032,825 |
| [Brokerage] | 11,118 | 17,026,314 | 9,158 | 9,063,031 | 21.4 | 87.9 | 52,982 | 62,640,790 |
| [Proprietary Trading] | 6,778 | 10,657,337 | 4,970 | 5,696,545 | 36.4 | 87.1 | 26,804 | 36,392,035 |
| Brokerage / Total | 62.1% | 61.5% | 64.8% | 61.4% | | | 66.4% | 63.3% |
| TSE Share | 6.4% | 7.1% | 5.8% | 7.0% | | | 6.0% | 7.3% |
| Brokerage Commission per share (yen) | | 3.11 | | 2.76 | | | | 3.86 |

4. Underwriting, Subscription, and Distribution

(Millions of shares or yen except percentages)

| | Three Months Ended | | | Comparison (A-B)/ (B)(%) | Year Ended March 31, 2006 (C) |
|---------------------------|----------------------|----------------------|--------|--------------------------------|-------------------------------------|
| | June 30, 2006 (A) | June 30, 2005 (B) | | | |
| | Underwriting | | | | |
| Stocks (number of shares) | 28 | 19 | 48.9% | 420 | |
| (yen amount) | 259,456 | 73,622 | 252.4 | 1,122,472 | |
| Bonds (face value) | 1,379,246 | 2,309,733 | (40.3) | 8,740,809 | |

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| | | | | |
|--|-----------|-----------|---------|------------|
| Investment trust certificates (yen amount) | | | | |
| Commercial paper and others (face value) | | 30,400 | (100.0) | 86,100 |
| Subscription and Distribution* | | | | |
| Stocks (number of shares) | 31 | 274 | (88.6) | 1,112 |
| (yen amount) | 280,625 | 105,059 | 167.1 | 1,393,866 |
| Bonds (face value) | 885,914 | 877,453 | 1.0 | 3,393,022 |
| Investment trust certificates (yen amount) | 4,963,785 | 3,886,138 | 27.7 | 20,506,780 |
| Commercial paper and others (face value) | | 5,400 | (100.0) | 57,400 |

* Includes secondary offerings and private placements.

5. Capital Adequacy Ratio

(Millions of yen except percentages)

| | | <u>June 30, 2006</u> | <u>June 30, 2005</u> | <u>March 31, 2006</u> |
|-------------------------------|---------------------------------------|----------------------|----------------------|-----------------------|
| Tier I | (A) | 836,480 | 694,262 | 808,067 |
| Tier II | | | | |
| | Valuation and translation adjustments | 2,450 | | |
| | Statutory reserves | 3,384 | 2,256 | 3,104 |
| | Allowance for doubtful accounts | 22 | 18 | 26 |
| | Subordinated debt | 310,000 | 319,500 | 310,000 |
| | Total | (B) 315,857 | 321,774 | 313,130 |
| Illiquid Asset | (C) | 154,561 | 236,784 | 177,390 |
| Net Capital (A) + (B) - (C) = | (D) | 997,776 | 779,253 | 943,807 |
| Risk | | | | |
| | Market risk | 58,321 | 57,843 | 78,687 |
| | Counterparty risk | 210,548 | 143,721 | 203,853 |
| | Basic risk | 106,700 | 93,312 | 102,528 |
| | Total | (E) 375,571 | 294,877 | 385,069 |
| Capital Adequacy Ratio | (D)/(E)(%) | 265.6% | 264.2% | 245.1% |

Table of Contents

News Release

Nomura Reports First Quarter Financial Results

Tokyo, July 26, 2006 Nomura Holdings, Inc. today reported consolidated financial results for the first quarter of the fiscal year ending March 31, 2007.

Net revenue for the first quarter was 205.9 billion yen (US\$1.8 billion)¹, a 37% decline from the previous quarter and 10% year-on-year increase. Income before income taxes of 33.4 billion yen (US\$292 million) was down 84% quarter-on-quarter and up 9% compared to the prior-year period. Net income declined 84% quarter-on-quarter and increased 2.4 times year-on-year to 20.1 billion yen (US\$176 million). ROE for the first quarter was 3.9%.

The first quarter dividend will be 8 yen per share, in line with the target dividend previously announced. Payment of the dividend is planned for September 1, 2006.

The first quarter proved tough overall compared to the previous quarter. However, we continue to make steady progress with our strategy to expand into new areas of growth, said Nobuyuki Koga, Nomura President and CEO.

First quarter highlights

Domestic Retail: Continued expansion with strong growth in investment trusts and variable annuities, spurred on by the ongoing shift from savings to investment; Net asset inflow reached 2 trillion yen for the first time since the third quarter of the fiscal year ended March 2005.

Global Markets: Strengthened the functions of Nomura Capital Investment by actively expanding loan-related business; Held Reevaluate Japan seminars in major markets.

Global Investment Banking: Ranked number one in Equity and Equity-related league table (Japan-related)² for six months to June.

Global Merchant Banking: Investment and exit cycle gained traction with new investments and sale of investment assets.

Asset Management: Net assets in funds for bank customers and Nomura Global 6 Assets Diversified Fund distributed by Japan Post grew steadily.

Joinvest Securities: Progressing smoothly since start of business in May.

¹ US dollar amounts are included solely for the convenience of the reader and have been translated at the rate of 114.51 yen = 1 US dollar, the noon buying rate in New York for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on June 30, 2006. 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 US dollars.

² Source: Thomson Financial

-more-

Table of Contents

First quarter business segment results

Total net revenue from business segments for the first quarter was 209.8 billion yen (US\$1.8 billion), a 26% decline compared to the previous quarter and 22% year-on-year increase. Income before income taxes from business segments was 54.4 billion yen (US\$475 million), down 46% quarter-on-quarter and up 46% from the year-ago quarter.

Domestic Retail

Net revenue in Domestic Retail was 105.6 billion yen, a sequential decrease of 15% and year-on-year rise of 25%. Income before income taxes declined 17% quarter-on-quarter and increased 40% year-on-year to 42.5 billion yen. Although distribution of investment trusts matched to customer needs was robust during the first quarter, the quarter-on-quarter declines come as equity transaction values dropped on the back of a correction in the domestic stock market.

While net asset inflow for the quarter was strong at approximately 2 trillion yen, Domestic Client Assets as of June 30, 2006, declined by 3.8 trillion yen compared to the end of March to 76.7 trillion yen, mainly due to the decline in the stock market.

Global Markets

Global Markets net revenue decreased 46% quarter-on-quarter and increased 38% compared to the prior-year period to 68.9 billion yen. Income before income taxes of 14.3 billion yen was down 78% from the previous quarter and grew by 15.1 billion yen compared to first quarter of last year. The main factors behind the declines from the previous quarter include: In Fixed Income, softer revenue from the asset finance business and reduced trading revenue due to a decline in sales of foreign currency bonds and structured bonds; and in Equity, a decline in order flow from block trades and lower trading revenue due to the stock market decline.

While Global Markets revenue declined overall compared to the previous quarter, operations continue to grow as the securitization business in the Americas steadily expands and the equity derivative business led by Europe starts showing results through going global and strengthening product supply capabilities.

-more-

Table of Contents

Global Investment Banking

In Global Investment Banking, net revenue totaled 18.8 billion yen, a sequential decline of 40% and year-on-year rise of 47%. Income before income taxes declined 67% quarter-on-quarter and increased by 2.6 times year-on-year to 5.6 billion yen. The quarter-on-quarter declines come as the overall value of equity financing in the market dropped due to seasonal factors.

In equity underwriting, Nomura acted as lead manager on such deals as the offering of Mitsubishi UFJ Financial Group shares by The Resolution and Collection Corporation, topping the Equity and Equity-Related (Japan) league table² for the six months to June 2006. In the solution business, MPO results for the first quarter totaled eight deals and 342.2 billion yen, including a 300 billion yen deal for Sojitz. In M&A, Nomura acted as financial advisor on such deals as the sale of Wakodo by Sankyo to Asahi Breweries, and the deal to turn Kirin Beverages into a wholly-owned subsidiary of Kirin Brewery.

Global Merchant Banking

Global Merchant Banking net revenue totaled 12.1 billion yen and income before income taxes was 9.8 billion yen, due mainly to realized and unrealized gains from the partial sale of Terra Firma investee companies. In addition, gains from the sale of part of Nomura Principal Finance's (NPF) stake in Resort Solution to Mitsui Fudosan and unrealized gains/losses from investee companies were also booked during the quarter.

In terms of new investments, NPF conducted a tender offer for Skylark, a major restaurant chain in Japan, via a special purpose vehicle in which it holds the majority stake. As recently announced, a 94% stake in Skylark was acquired through the tender offer.

Asset Management

Asset Management net revenue declined 4% quarter-on-quarter and increased 26% year-on-year to 17.6 billion yen. Income before income taxes decreased 9% from the previous quarter and increased 32% year-on-year to 5.2 billion yen.

Funds offering frequent distributions such as the My Story Profit Distribution-type Fund continued to expand during the quarter along with newly-lunched funds. As of the end of June, total assets under management in Asset Management declined by 150 billion yen from the end of March 2006 to 23 trillion yen due to the stock market decline.

-more-

Table of Contents

Assets under management in funds for bank customers totaled 890.5 billion yen at the end of June, up 89.7 billion yen from the end of March. Assets in the Nomura Global 6 Assets Diversified Fund distributed by Japan Post totaled 166.4 billion yen, representing a 76.4 billion yen increase and 73% market share of funds distributed by Japan Post.

Ends

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Notes to editors:

The Nomura Group

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-more-

Table of Contents

First quarter of fiscal year ending March 31, 2007 (1)

US GAAP Figures

| | (Billions of yen) | | % change | (Billions of yen) | | % change |
|---|---|--|---------------|---|--------------|----------|
| | June 30, 2006 (2006.4.1~ 2006.6.30) | March 31, 2006 (2006.1.1~ 2006.3.31) | (B-A)/(A) | June 30, 2005 (2005.4.1~ 2005.6.30) | (B-C)/(C) | |
| | (B) | (A) | (B-A)/(A) | (C) | (B-C)/(C) | |
| Net revenue | 205.9 | 325.7 | (36.8) | 187.5 | 9.8 | |
| Non-interest expense | 172.5 | 198.7 | (13.2) | 158.4 | 8.9 | |
| Income from continuing operations before income taxes | 33.4 | 127.0 | (73.7) | 29.1 | 14.8 | |
| Income from discontinued operations before income taxes | | 82.6 | | 1.6 | | |
| Income before income taxes | 33.4 | 209.6 | (84.1) | 30.7 | 8.8 | |
| Income from continuing operations | 20.1 | 82.8 | (75.7) | 9.1 | 120.5 | |
| Gain on discontinued operation | | 45.9 | | (0.8) | | |
| Net income | 20.1 | 128.6 | (84.3) | 8.3 | 142.0 | |
| Return on equity (ROE) | 3.9% | 25.4% | | 1.8% | | |

* In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, income before income taxes and net income from the operations of Millennium Retailing Inc. (one of Nomura Principal Finance's private equity investee companies, and whose operations were treated as discontinued during the third quarter of the fiscal year ended March 31, 2006, in conjunction with the agreement reached in the third quarter by Nomura Principal Finance to sell its stake in Millennium Retailing Inc.) are separately reported as income from discontinued operations retroactively to the first quarter of the fiscal year ended March 31, 2006. Net revenue and non-interest expenses of such discontinued operations are not shown independently.

Total of business segments

| | (Billions of yen) | | % change | (Billions of yen) | | % change |
|--|-----------------------------|------------------------------|-----------|-----------------------------|-----------|----------|
| | June 30, 2006 (2006.4.1~ | March 31, 2006 (2006.1.1~ | (B-A)/(A) | June 30, 2005 (2005.4.1~ | (B-C)/(C) | |

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| | 2006.6.30) (B) | 2006.3.31) (A) | _____ | 2005.6.30) (C) | _____ |
|-----------------------------------|-------------------|-------------------|---------------|-------------------|-------------|
| Net revenue | 209.8 | 282.2 | (25.7) | 171.4 | 22.4 |
| Non-interest expense | 155.3 | 180.9 | (14.2) | 134.0 | 15.9 |
| Income before income taxes | 54.4 | 101.2 | (46.2) | 37.4 | 45.5 |

Table of Contents**First quarter of fiscal year ending March 31, 2007 (2)**

| (1) Net revenue | (Billions of yen) | | % change | (Billions of yen) | | % change |
|--|--|---|---------------|--|-------------|----------|
| | June 30, 2006 (2006.4.1~ 2006.6.30) (B) | March 31, 2006 (2006.1.1~ 2006.3.31) (A) | (B-A)/(A) | June 30, 2005 (2005.4.1~ 2005.6.30) (C) | (B-C)/(C) | |
| Business segment information: | | | | | | |
| Domestic Retail | 105.6 | 123.6 | (14.5) | 84.8 | 24.5 | |
| Global Markets | 68.9 | 128.4 | (46.4) | 49.8 | 38.5 | |
| Global Investment Banking | 18.8 | 31.1 | (39.6) | 12.8 | 47.1 | |
| Global Merchant Banking | 12.1 | (15.5) | | (3.3) | | |
| Asset Management | 17.6 | 18.4 | (4.4) | 14.0 | 26.3 | |
| Sub Total | 223.1 | 286.1 | (22.0) | 158.1 | 41.1 | |
| Other | (13.3) | (3.9) | | 13.4 | | |
| Net revenue | 209.8 | 282.2 | (25.7) | 171.4 | 22.4 | |
| Reconciliation items: | | | | | | |
| Unrealized gain (loss) on investments in equity securities held for relationship purpose | (20.6) | 2.8 | | (11.0) | | |
| Effect of consolidation/deconsolidation of certain private equity investee companies | 16.8 | 40.7 | (58.7) | 27.1 | (37.9) | |
| Consolidated net revenue | 205.9 | 325.7 | (36.8) | 187.5 | 9.8 | |
| (2) Non-interest expenses | | | | | | |
| Business segment information: | | | | | | |
| Domestic Retail | 63.1 | 72.2 | (12.6) | 54.5 | 15.7 | |
| Global Markets | 54.6 | 62.4 | (12.6) | 50.5 | 8.1 | |
| Global Investment Banking | 13.2 | 14.2 | (6.5) | 10.6 | 24.7 | |
| Global Merchant Banking | 2.3 | 5.5 | (57.8) | 2.6 | (10.1) | |
| Asset Management | 12.4 | 12.7 | (2.3) | 10.0 | 24.1 | |
| Sub Total | 145.6 | 167.0 | (12.8) | 128.2 | 13.6 | |
| Other | 9.7 | 14.0 | (30.5) | 5.8 | 66.8 | |
| Non-interest expense | 155.3 | 180.9 | (14.2) | 134.0 | 15.9 | |
| Reconciliation items: | | | | | | |
| Unrealized gain (loss) on investments in equity securities held for relationship purpose | | | | | | |
| Effect of consolidation/deconsolidation of certain private equity investee companies | 17.2 | 17.8 | (3.3) | 24.4 | (29.5) | |
| Consolidated non-interest expenses | 172.5 | 198.7 | (13.2) | 158.4 | 8.9 | |

| (3) Income (loss) before income taxes | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Business segment information: | | | | | |
| Domestic Retail | 42.5 | 51.4 | (17.2) | 30.3 | 40.4 |
| Global Markets | 14.3 | 66.0 | (78.3) | (0.7) | |
| Global Investment Banking | 5.6 | 17.0 | (67.2) | 2.2 | 156.8 |
| Global Merchant Banking | 9.8 | (21.0) | | (5.9) | |
| Asset Management | 5.2 | 5.7 | (8.9) | 4.0 | 31.8 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Sub Total | 77.5 | 119.1 | (35.0) | 29.9 | 159.4 |
| Other | (23.0) | (17.9) | | 7.6 | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Income before income taxes | 54.4 | 101.2 | (46.2) | 37.4 | 45.5 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Reconciliation items: | | | | | |
| Unrealized gain (loss) on investments in equity securities held for relationship purpose | (20.6) | 2.8 | | (11.0) | |
| Effect of consolidation/deconsolidation of certain private equity investee companies | (0.4) | 23.0 | | 2.7 | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Income from continuing operations before income taxes | 33.4 | 127.0 | (73.7) | 29.1 | 14.8 |
| Income from discontinued operations before income taxes | | 82.6 | | 1.6 | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Income before income taxes (Total of continuing operations and discontinued operation) | 33.4 | 209.6 | (84.1) | 30.7 | 8.8 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

* Transaction between operating segments are recorded within segment results on commercial terms and conditions and are eliminated in Other .

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

| | (Billions of yen) | | % change | (Billions of yen) | % change |
|--|--|---|-------------------|--|-------------------|
| | June 30, 2006 (2006.4.1~ 2006.6.30) (B) | March 31, 2006 (2006.1.1~ 2006.3.31) (A) | (B-A)/(A) | June 30, 2005 (2005.4.1~ 2005.6.30) (C) | (B-C)/(C) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net gain/loss on trading related to economic hedging transactions | (11.4) | (36.0) | | (2.8) | |
| Realized gain (loss) on investments in equity securities held for relationship purpose | 0.1 | 0.3 | (53.0) | 8.2 | (98.3) |
| Equity in earnings of affiliates | 3.3 | 13.9 | (76.1) | 2.7 | 20.4 |
| Corporate items | (7.2) | (0.6) | | 0.5 | |
| Others | (7.9) | 4.5 | | (1.1) | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total | (23.0) | (17.9) | | 7.6 | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Table of Contents

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