

NOMURA HOLDINGS INC

Form 6-K

October 28, 2004

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 October 2004.

NOMURA HOLDINGS, INC.

(Translation of registrant's name into English)

9-1, Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Japan

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(Address of principal executive offices)

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

Form 20-F Form 40-F

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

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

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

Yes No

If 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 Six months ended September 2004]
2. [Notice of Change in the Number of Shares Constituting One Unit]
3. [Nomura Announces Interim Dividend for Fiscal Year Ending March 31, 2005]

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: October 28, 2004

By: /s/ HIROSHI TANAKA

Hiroshi Tanaka
Senior Managing Director

Table of Contents

October 28, 2004

Financial Highlights Six months ended September 2004

We are pleased to report the following consolidated financial highlights based on consolidated financial information under US GAAP for the six months ended September 2004.

For further information, please contact:

Shinji Iwai
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Investor Relations Department
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Nomura Securities Co., Ltd.
9-1 Nihonbashi 1-chome, Chuo-ku
Tokyo 103-8011, Japan
TEL: +813-3211-1811

Table of Contents**Financial Summary For the Six Months Ended September 30, 2004**

Date: October 28, 2004

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, Amsterdam, Singapore

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

For inquiries: Shinji Iwai
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 six months ended September 30		For the year ended March 31
	2004	2003	2004
(Yen amounts in millions, except per share data)			
Total revenue	¥ 540,170	¥ 573,378	¥ 1,099,546
Change from the six months ended September 30, 2003	(5.8)%		
Net revenue	¥ 370,769	¥ 414,774	¥ 803,103
Change from the six months ended September 30, 2003	(10.6)%		
Income before income taxes	¥ 88,673	¥ 159,251	¥ 282,676
Change from the six months ended September 30, 2003	(44.3)%		
Net income	¥ 44,048	¥ 86,686	¥ 172,329
Change from the six months ended September 30, 2003	(49.2)%		
Basic net income per share	¥ 22.69	¥ 44.71	¥ 88.82
Diluted net income per share	¥ 22.68	¥ 44.71	¥ 88.82
Return on shareholders' equity (ROE)	4.9%	10.4%	10.1%
Equity in earnings of affiliates	¥ 3,764	¥ 2,341	¥ 9,479
Average number of shares outstanding	1,941,476,091	1,938,752,238	1,940,116,416
Difference in recognition method with latest fiscal year:	none		

* ROE for the six months ended September 30, 2004 and 2003 are calculated as follows:

$$\text{Net income} \times 2$$

$$(\text{Shareholders' equity at the beginning of period} + \text{Shareholders' equity at the end of period}) / 2$$

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(2) Financial Position

	At September 30		At March 31
	2004	2003	2004
	(Yen amounts in millions, except per share data)		
Total assets	¥ 32,566,870	¥ 27,238,887	¥ 29,752,966
Shareholders' equity	¥ 1,829,788	¥ 1,705,548	¥ 1,785,688
Shareholders' equity as a percentage of total assets	5.6%	6.3%	6.0%
Book value per share	¥ 942.50	¥ 878.34	¥ 919.67
Number of shares outstanding	1,941,421,223	1,941,782,171	1,941,656,029

(3) Scope of consolidation and equity method application

Number of consolidated subsidiaries and variable interest entities: 139

Number of affiliated companies, which were accounted for by the equity method: 15

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

Number of consolidation	Inclusion 13	Exclusion 7
Number of equity method application	Inclusion 3	Exclusion 1

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

NOMURA HOLDINGS, INC.

FINANCIAL HIGHLIGHTS

(UNAUDITED)

	For the six months ended/ as of		<u>% Change</u>	Translation into U.S. dollars		For the year ended/ as of
	<u>September 30,</u> <u>2003 (A)</u>	<u>September 30,</u> <u>2004 (B)</u>		<u>September 30,</u> <u>2004</u>	<u>March 31,</u> <u>2004</u>	
(Yen and dollar amounts in millions, except per share data)						
<u>FOR THE PERIOD ENDED</u>						
			%			
Total revenue	¥ 573,378	¥ 540,170	(5.8)	\$ 4,902	¥ 1,099,546	
Net revenue	414,774	370,769	(10.6)	3,365	803,103	
Non-interest expenses	255,523	282,096	10.4	2,560	520,427	
Income before income taxes	159,251	88,673	(44.3)	805	282,676	
Net income	86,686	44,048	(49.2)	400	172,329	
Per share data :						
Basic-						
Net income	44.71	22.69	(49.3)	0.21	88.82	
Diluted-						
Net income	44.71	22.68	(49.3)	0.21	88.82	
Cash dividends	7.50	10.00	33.3	0.09	15.00	
Return on equity (ROE):	10.4%*	4.9%*				10.1%
<u>AT PERIOD-END</u>						
Total assets	¥ 27,238,887	¥ 32,566,870		\$ 295,525	¥ 29,752,966	
Shareholders' equity	1,705,548	1,829,788		16,604	1,785,688	
Per share data :						
Shareholders' equity	878.34	942.50		8.55	919.67	

* ROE for the six months ended September 30, 2004 and 2003 are calculated as follows:

$$\frac{\text{Net income} \times 2}{\text{Shareholders' equity at the beginning of period} + \text{Shareholders' equity at the end of period}} / 2$$

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

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

The following table provides selected consolidated income statement information for the six months ended September 30, 2003 and 2004.

	Millions of yen	
	For the six months ended	
	September 30, 2003	September 30, 2004
Non-interest revenue	¥ 355,498	¥ 321,130
Net interest revenue	59,276	49,639
Net revenue	414,774	370,769
Non-interest expenses	255,523	282,096
Income before income taxes	159,251	88,673
Income tax expense	72,565	44,625
Net income	¥ 86,686	¥ 44,048
Return on equity (ROE)	10.4%	4.9%

Nomura Holdings, Inc. and its consolidated entities (Nomura) reported net revenue of ¥ 370.8 billion for the six months ended September 30, 2004, a decrease of 11% from the same period in the prior year. Non-interest expenses were ¥ 282.1 billion for the six months ended September 30, 2004, an increase of 10% from the same period in the prior year.

Income before income taxes was ¥ 88.7 billion for the six months ended September 30, 2004, a decrease of 44% from the same period in the prior year. Net income was ¥ 44.0 billion for the six months ended September 30, 2004, a decrease of 49% from the same period in the prior year.

Total assets were ¥ 32.6 trillion at September 30, 2004, an increase of ¥ 2.8 trillion from March 31, 2004 and total shareholders' equity increased by ¥ 44.1 billion from March 31, 2004 to ¥ 1.8 trillion at September 30, 2004. Nomura's return on equity was 4.9% for the six months ended September 30, 2004.

Business Segments

Operating Results of Domestic Retail

	Millions of yen	
	For the six months ended	
	September 30, 2003	September 30, 2004
Non-interest revenue	¥ 149,787	¥ 150,401
Net interest revenue	775	1,330
Net revenue	150,562	151,731
Non-interest expenses	111,117	108,214
Income before income taxes	¥ 39,445	¥ 43,517

Domestic Retail has further strengthened its capabilities to provide investment consultation services in order to respond to customers' investment needs by offering stocks, investment trusts, foreign currency bonds, Japanese government bonds for individuals, and a variety of other financial products. Net revenue increased by 1% from ¥ 150,562 million for the six months ended September 30, 2003 to ¥ 151,731 million for the six months ended September 30, 2004. Non-interest expenses decreased by 3% from ¥ 111,117 million for the six months ended September 30, 2003 to ¥ 108,214 million for the six months ended September 30, 2004. As a result, income before income taxes increased by 10% from ¥ 39,445 million for the six months ended September 30, 2003 to ¥ 43,517 million for the six months ended September 30, 2004.

Table of Contents*Operating Results of Global Wholesale*

	Millions of yen	
	For the six months ended	
	September 30, 2003	September 30, 2004
Non-interest revenue	¥ 163,829	¥ 108,610
Net interest revenue	45,279	44,305
Net revenue	209,108	152,915
Non-interest expenses	113,756	110,262
Income before income taxes	¥ 95,352	¥ 42,653

Global Wholesale has made an effort to manage its business portfolio based on global customers' order-flow. Net revenue decreased by 27% from ¥ 209,108 million for the six months ended September 30, 2003 to ¥ 152,915 million for the six months ended September 30, 2004, due primarily to a decrease in net gain on trading relating to bonds. Non-interest expenses decreased by 3% from ¥ 113,756 million for the six months ended September 30, 2003 to ¥ 110,262 million for the six months ended September 30, 2004. As a result, income before income taxes decreased by 55% from ¥ 95,352 million for the six months ended September 30, 2003 to ¥ 42,653 million for the six months ended September 30, 2004. In April 2004, the Global Wholesale segment was reorganized in order to enhance specialty services and strengthen our global structure. It now consists of three business lines: Global Markets, which is composed of Fixed Income and Equity, Investment Banking, and Merchant Banking.

Global Markets

Net revenue decreased by 31% from ¥ 169,710 million for the six months ended September 30, 2003 to ¥ 116,685 million for the six months ended September 30, 2004, due primarily to a decrease in net gain on trading relating to bonds. Non-interest expenses decreased by 0.4% from ¥ 83,039 million for the six months ended September 30, 2003 to ¥ 82,688 million for the six months ended September 30, 2004. As a result, income before income taxes decreased by 61% from ¥ 86,671 million for the six months ended September 30, 2003 to ¥ 33,997 million for the six months ended September 30, 2004.

Investment Banking

Net revenue increased by 7% from ¥ 33,476 million for the six months ended September 30, 2003 to ¥ 35,819 million for the six months ended September 30, 2004, partly due to a revitalization in equity capital markets. Non-interest expenses decreased by 13% from ¥ 25,544 million for the six months ended September 30, 2003 to ¥ 22,140 million for the six months ended September 30, 2004, due primarily to restructuring of business operations. As a result, income before income taxes increased by 72% from ¥ 7,932 million for the six months ended September 30, 2003 to ¥ 13,679 million for the six months ended September 30, 2004.

Merchant Banking

Net revenue decreased by 93% from ¥ 5,922 million for the six months ended September 30, 2003 to ¥ 411 million for the six months ended September 30, 2004, because funding costs have been charged for its assets in Europe, although there were exit transactions for this period. Non-interest expenses increased by 5% from ¥ 5,173 million for the six months ended September 30, 2003 to ¥ 5,434 million for the six months ended September 30, 2004. As a result, income before income taxes was ¥ 749 million for the six months ended September 30, 2003 and loss before income taxes was ¥ 5,023 million for the six months ended September 30, 2004.

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

	Millions of yen	
	For the six months ended	
	September 30, 2003	September 30, 2004
Non-interest revenue	¥ 15,231	¥ 19,888
Net interest revenue	1,071	779
Net revenue	16,302	20,667
Non-interest expenses	18,709	17,704
Income before income taxes	¥ (2,407)	¥ 2,963

Net revenue increased by 27% from ¥ 16,302 million for the six months ended September 30, 2003 to ¥ 20,667 million for the six months ended September 30, 2004, due primarily to an increase in asset management and portfolio service fees reflecting the rise in the net assets of stock investment trusts. Non-interest expenses decreased by 5% from ¥ 18,709 million for the six months ended September 30, 2003 to ¥ 17,704 million for the six months ended September 30, 2004. As a result, loss before income taxes was ¥ 2,407 million for the six months ended September 30, 2003 and income before income taxes was ¥ 2,963 million for the six months ended September 30, 2004.

Other Operating Results

Other operating results include gain (loss) on investment securities, equity in earnings (losses) of affiliates and other financial adjustments. Please refer to Note 7 to the consolidated financial information for a reconciliation of segment results to income statement information. Loss before income taxes was ¥ 5,861 million for the six months ended September 30, 2003 and income before income taxes was ¥ 23 million for the six months ended September 30, 2004.

Financial Position

Total assets at September 30, 2004 were ¥32.6 trillion, up ¥2.8 trillion, compared with March 31, 2004, reflecting an increase in trading-related assets. Total liabilities at September 30, 2004 were ¥30.7 trillion, up ¥2.8 trillion, compared with March 31, 2004, reflecting an increase in trading-related liabilities. Trading-related balances (assets/liabilities) include trading assets and private equity investments, collateralized agreements, trading liabilities, collateralized financing and receivables/payables arising from unsettled trades (included in receivables or payables).

Cash and cash equivalents at September 30, 2004 decreased by ¥187.8 billion compared with March 31, 2004. Net cash used in operating activities was ¥367.3 billion, mainly due to an increase in net trading-related balances (net of assets and liabilities). Net cash used in investing activities was ¥58.4 billion mainly because of the purchase of affiliated companies equity. Net cash provided by financing activities was ¥224.0

billion mainly due to an increase in borrowings.

Table of Contents

NOMURA HOLDINGS, INC.

CONSOLIDATED INCOME STATEMENT INFORMATION

(UNAUDITED)

	Millions of yen		% Change	Translation into millions of U.S. dollars	Millions of Yen
	September 30, 2003 (A)	September 30, 2004 (B)	(B-A)/(A)	September 30, 2004	March 31, 2004
For the six months ended					
Revenue:					
Commissions	¥ 89,719	¥ 115,118	28.3%	\$ 1,045	¥ 210,216
Fees from investment banking	34,358	47,773	39.0	434	86,994
Asset management and portfolio service fees	30,757	38,030	23.6	345	66,193
Net gain on trading	147,529	76,640	(48.1)	695	229,042
Gain (Loss) on private equity investments	6,598	(1,599)		(15)	13,138
Interest and dividends	217,880	219,040	0.5	1,988	396,870
Gain (Loss) on investments in equity securities	31,769	(1,353)		(12)	55,888
Other	14,768	46,521	215.0	422	41,205
Total revenue	573,378	540,170	(5.8)	4,902	1,099,546
Interest expense	158,604	169,401	6.8	1,537	296,443
Net revenue	414,774	370,769	(10.6)	3,365	803,103
Non-interest expenses :					
Compensation and benefits	133,589	130,149	(2.6)	1,181	259,336
Commissions and floor brokerage	9,529	12,911	35.5	117	19,169
Information processing and communications	38,410	39,417	2.6	358	80,031
Occupancy and related depreciation	26,825	26,260	(2.1)	238	54,221
Business development expenses	10,411	13,196	26.8	120	23,100
Other	36,759	60,163	63.7	546	84,570
	255,523	282,096	10.4	2,560	520,427
Income before income taxes	159,251	88,673	(44.3)	805	282,676
Income tax expense(benefit):					
Current	65,511	48,292	(26.3)	438	108,434
Deferred	7,054	(3,667)		(33)	1,913
	72,565	44,625	(38.5)	405	110,347
Net income	¥ 86,686	¥ 44,048	(49.2)	\$ 400	¥ 172,329

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	Yen		% Change	Translation into	
				U.S. dollars	Yen
Per share of common stock:					
Basic-					
Net income	¥ 44.71	¥ 22.69	(49.3)	\$ 0.21	¥ 88.82
Diluted-					
Net income	¥ 44.71	¥ 22.68	(49.3)	\$ 0.21	¥ 88.82

Table of Contents

NOMURA HOLDINGS, INC.

CONSOLIDATED BALANCE SHEET INFORMATION

(UNAUDITED)

	Millions of yen			Translation into millions of
	September 30, 2003	March 31, 2004	September 30, 2004	U.S. dollars September 30, 2004
ASSETS				
Cash and cash deposits:				
Cash and cash equivalents	¥ 654,158	¥ 637,372	¥ 449,598	\$ 4,080
Time deposits	313,608	248,737	276,262	2,507
Deposits with stock exchanges and other segregated cash	63,605	44,528	38,421	348
	<u>1,031,371</u>	<u>930,637</u>	<u>764,281</u>	<u>6,935</u>
Loans and receivables:				
Loans receivable	423,216	543,894	552,186	5,011
Receivables from customers	42,192	10,744	19,262	175
Receivables from other than customers	915,154	464,776	473,050	4,292
Allowance for doubtful accounts	(6,789)	(5,778)	(3,831)	(35)
	<u>1,373,773</u>	<u>1,013,636</u>	<u>1,040,667</u>	<u>9,443</u>
Collateralized agreements:				
Securities purchased under agreements to resell	4,221,030	5,701,646	7,411,732	67,257
Securities borrowed	7,778,130	7,180,106	6,678,398	60,603
	<u>11,999,160</u>	<u>12,881,752</u>	<u>14,090,130</u>	<u>127,860</u>
Trading assets and private equity investments (include securities pledged as collateral of ¥5,020,151 million at September 30, 2003, ¥5,229,300 million at March 31, 2004, and ¥6,876,678 million (\$62,402 million) at September 30, 2004, respectively):				
Securities inventory	10,987,122	13,066,963	14,690,911	133,312
Derivative contracts	526,306	479,659	463,301	4,204
Private equity investments	277,294	291,774	301,381	2,735
	<u>11,790,722</u>	<u>13,838,396</u>	<u>15,455,593</u>	<u>140,251</u>
Other assets:				
Office buildings, land, equipment and facilities (net of accumulated depreciation and amortization of ¥173,713 million at September 30, 2003, ¥182,449 million at March 31, 2004 and ¥187,506 million (\$1,702 million) at September 30, 2004, respectively)	180,891	200,700	278,809	2,530
Lease deposits	71,964	64,764	42,801	389

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Non-trading debt securities (include securities pledged as collateral of ¥nil at September 30, 2003, ¥3,340 million at March 31, 2004, and ¥2,217 million (\$20 million) at September 30, 2004)	201,716	206,236	218,895	1,986
Investments in equity securities	150,465	169,459	161,077	1,462
Investments in and advances to affiliated companies	203,507	207,668	249,752	2,266
Deferred tax assets	99,283	105,901	109,786	996
Other assets	136,035	133,817	155,079	1,407
	<u>1,043,861</u>	<u>1,088,545</u>	<u>1,216,199</u>	<u>11,036</u>
Total assets	<u>¥ 27,238,887</u>	<u>¥ 29,752,966</u>	<u>¥ 32,566,870</u>	<u>\$ 295,525</u>

Table of Contents

NOMURA HOLDINGS, INC.

CONSOLIDATED BALANCE SHEET INFORMATION

(UNAUDITED)

	Millions of yen			Translation into millions of
	September 30, 2003	March 31, 2004	September 30, 2004	U.S. dollars September 30, 2004
LIABILITIES AND SHAREHOLDERS EQUITY				
Short-term borrowings	¥ 355,857	¥ 437,124	¥ 430,024	\$ 3,902
Payables and deposits:				
Payables to customers	207,540	266,646	214,206	1,944
Payables to other than customers	415,765	861,747	755,383	6,855
Time and other deposits received	301,516	255,703	261,731	2,375
	<u>924,821</u>	<u>1,384,096</u>	<u>1,231,320</u>	<u>11,174</u>
Collateralized financing:				
Securities sold under agreements to repurchase	8,161,227	9,622,727	11,553,427	104,841
Securities loaned	5,534,591	5,157,814	5,234,081	47,496
Other secured borrowings	977,418	2,587,217	2,567,341	23,297
	<u>14,673,236</u>	<u>17,367,758</u>	<u>19,354,849</u>	<u>175,634</u>
Trading liabilities:				
Securities sold but not yet purchased	6,427,291	5,559,598	6,201,379	56,274
Derivative contracts	530,011	417,368	440,120	3,994
	<u>6,957,302</u>	<u>5,976,966</u>	<u>6,641,499</u>	<u>60,268</u>
Other liabilities:				
Accrued income taxes	58,269	93,538	23,679	215
Accrued pension and severance costs	87,157	86,439	86,845	788
Other	239,811	235,888	252,632	2,292
	<u>385,237</u>	<u>415,865</u>	<u>363,156</u>	<u>3,295</u>
Long-term borrowings	<u>2,236,886</u>	<u>2,385,469</u>	<u>2,716,234</u>	<u>24,648</u>
Total liabilities	<u>25,533,339</u>	<u>27,967,278</u>	<u>30,737,082</u>	<u>278,921</u>
Commitments and contingencies (See Note 3)				

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Shareholders' equity:

Common stock				
Authorized - 6,000,000,000 shares				
Issued - 1,965,919,860 shares at September 30, 2003, March 31, 2004, and September 30, 2004	182,800	182,800	182,800	1,659
Additional paid-in capital	153,491	154,063	154,938	1,406
Retained earnings	1,479,150	1,550,231	1,574,865	14,291
Accumulated other comprehensive (loss) income				
Minimum pension liability adjustment	(39,735)	(34,221)	(32,869)	(298)
Cumulative translation adjustments	(37,588)	(34,380)	(16,451)	(150)
	(77,323)	(68,601)	(49,320)	(448)
	1,738,118	1,818,493	1,863,283	16,908
Less-Common stock held in treasury, at cost - 24,137,689 shares, 24,263,831 shares, and 24,498,637 shares at September 30, 2003, March 31, 2004 and September 30, 2004, respectively	(32,570)	(32,805)	(33,495)	(304)
Total shareholders' equity	1,705,548	1,785,688	1,829,788	16,604
Total liabilities and shareholders' equity	¥ 27,238,887	¥ 29,752,966	¥ 32,566,870	\$ 295,525

Table of Contents

NOMURA HOLDINGS, INC.

CONSOLIDATED INFORMATION OF CASH FLOWS

(UNAUDITED)

	Millions of yen		Translation into millions of U.S. dollars		Millions of Yen
	For the six months ended				For the Year ended
	September 30, 2003	September 30, 2004	September 30, 2004		March 31, 2004
Cash flows from operating activities:					
Net income	¥ 86,686	¥ 44,048	\$ 400		¥ 172,329
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Depreciation and amortization	16,752	18,273	166		33,706
(Gain) loss on investments in equity securities	(31,769)	1,353	12		(55,888)
Deferred income tax expense (benefit)	7,054	(3,667)	(33)		1,913
Changes in operating assets and liabilities :					
Time deposits	102,670	(16,613)	(151)		174,331
Deposits with stock exchanges and other segregated cash	(25,858)	8,250	75		(7,485)
Trading assets and private equity investments	(2,774,195)	(1,349,960)	(12,250)		(4,808,112)
Trading liabilities	3,200,188	552,076	5,010		2,152,243
Securities purchased under agreements to resell, net of securities sold under agreements to repurchase	1,286,407	102,164	927		1,297,514
Securities borrowed, net of securities loaned	(1,827,488)	585,938	5,317		(1,576,454)
Other secured borrowings	137,720	(19,876)	(181)		1,747,519
Loans and receivables, net of allowance	(281,936)	22,994	209		135,821
Payables and deposits received	127,899	(213,293)	(1,936)		592,779
Accrued income taxes, net	53,650	(74,732)	(678)		80,273
Other, net	29,243	(24,264)	(220)		(18,864)
Net cash provided by (used in) operating activities	107,023	(367,309)	(3,333)		(78,375)
Cash flows from investing activities:					
Payments for purchases of office buildings, land, equipment and facilities	(15,610)	(17,546)	(159)		(39,303)
Proceeds from sales of office buildings, land, equipment and facilities	921	616	6		1,341
Payments for purchases of investments in equity securities	(19)	(78)	(1)		(61)
Proceeds from sales of investments in equity securities	19,407	6,992	63		24,309

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Decrease (increase) in non-trading debt securities, net	68,633	(12,029)	(109)	61,705
Decrease (increase) in other investments and other assets, net	21,944	(36,324)	(330)	(2,520)
Net cash provided by (used in) investing activities	95,276	(58,369)	(530)	45,471
Cash flows from financing activities:				
Increase in long-term borrowings	354,375	379,876	3,447	712,675
Decrease in long-term borrowings	(350,624)	(124,435)	(1,129)	(551,897)
(Decrease) increase in short-term borrowings, net	(3,700)	(16,798)	(152)	76,982
Proceeds from sales of common stock	7,995	65	0	8,027
Payments for repurchases of common stock	(3,824)	(170)	(2)	(4,084)
Payments for cash dividends	(29,117)	(14,568)	(132)	(43,686)
Net cash (used in) provided by financing activities	(24,895)	223,970	2,032	198,017
Effect of exchange rate changes on cash and cash equivalents	(14,483)	13,934	127	(18,978)
Net increase (decrease) in cash and cash equivalents	162,921	(187,774)	(1,704)	146,135
Cash and cash equivalents at beginning of the period	491,237	637,372	5,784	491,237
Cash and cash equivalents at end of the period	¥ 654,158	¥ 449,598	\$ 4,080	¥ 637,372

Table of Contents

NOMURA HOLDINGS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(UNAUDITED)

1. Summary of Accounting policies:

Description of business

Nomura Holdings, Inc. (the Company) and its broker-dealer, banking and other financial services subsidiaries provide investment, financing and related services to individual, institutional and government customers on a global basis. The Company and other entities in which it has a controlling financial interest are collectively referred to as Nomura.

Basis of presentation

The consolidated financial information includes the accounts of the Company and other entities in which it has a controlling financial interest. Because the usual condition for a controlling financial interest in an entity is ownership of a majority of the voting interest, the Company consolidates its wholly-owned and majority-owned subsidiaries. In accordance with Financial Accounting Standards Board (FASB) Interpretation No. 46, Consolidation of Variable Interest Entities (FIN 46) and the revised Interpretation, the Company also consolidates any variable interest entities for which Nomura is the primary beneficiary. Investments in entities in which Nomura has significant influence over operating and financial decisions (generally defined as 20 to 50 percent of voting interest) are accounted for using the equity method of accounting and are reported in Investments in and advances to affiliated companies. Investments in which Nomura has neither control nor significant influence are carried at fair value.

The accounting and financial reporting policies of the Company conform to accounting principles generally accepted in the United States (U.S. GAAP) as applicable to broker-dealers.

The Company's principal subsidiaries include Nomura Securities Co., Ltd., Nomura Securities International, Inc. and Nomura International plc.

All material intercompany transactions and balances have been eliminated in consolidation.

Certain reclassifications of previously reported amounts have been made to conform to the current year presentation (see also Reclassifications of previously reported amounts, described below).

Reclassifications of previously reported amounts

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Consolidated information of cash flows: Effective with the second quarter ended September 30, 2004, changes in Other secured borrowings which previously included in Cash flows from financing activities are included in Cash flows from operating activities. Such amounts previously reported have been reclassified to conform to the current year presentation.

Use of estimates

In presenting the consolidated financial information, management makes estimates regarding certain financial instrument and investment valuations, the outcome of litigation, the recovery of the carrying value of goodwill, the allowance for loan losses, the realization of deferred tax assets and other matters that affect the reported amounts of assets and liabilities as well as the disclosure in the financial statements. Estimates, by their nature, are based on judgment and available information. Therefore, actual results may differ from estimates, which could have a material impact on the consolidated financial statements and, it is possible that such adjustments could occur in the near term.

Table of Contents

Fair value of financial instruments

Fair value of financial instruments is based on quoted market prices, broker or dealer quotations or an estimation by management of the amounts expected to be realized upon settlement under current market conditions. Fair value of exchange-traded securities and certain exchange-traded derivative contracts are generally based on quoted market prices or broker/dealer quotations. Where quoted market prices or broker/dealer quotations are not available, prices for similar instruments or valuation pricing models are considered in the determination of fair value. Valuation pricing models consider time value, volatility and other statistical measurements for the relevant instruments or for instruments with similar characteristics. These models also incorporate adjustments relating to the administrative costs of servicing future cash flow and market liquidity adjustments. These adjustments are fundamental components of the fair value calculation process.

Trading assets and trading liabilities, including derivative contracts, are recorded at fair value, and unrealized gains and losses are reflected in trading revenues. Fair values are based on quoted market prices or broker/dealer quotations where possible. If quoted market prices or broker/dealer quotations are not available or if the liquidation of Nomura's positions would reasonably be expected to impact quoted market prices, fair value is determined based on valuation pricing models that take into consideration time value and volatility factors underlying the financial instrument.

Valuation pricing models and their underlying assumptions impact the amount and timing of unrealized gains and losses recognized, and the use of different valuation pricing models or underlying assumptions could produce different financial results. Changes in the fixed income, equity, foreign exchange and commodity markets will impact Nomura's estimates of fair value in the future, potentially affecting trading revenues. To the extent financial contracts have extended maturity dates, Nomura's estimates of fair value may involve greater subjectivity due to the lack of transparent market data available upon which to base underlying modeling assumptions.

Private equity investments

Private equity investments primarily are carried at fair value. Corresponding changes in the fair value of these investments are included in Gain (loss) on private equity investments. The determination of fair value is significant to Nomura's financial condition and results of operations and requires management to make judgments based on complex factors. As the underlying investments generally are in non-publicly listed companies, there are no externally quoted market prices available. In estimating fair value, Nomura estimates the price that would be obtained between a willing buyer and a willing seller dealing at arm's length. Valuations are typically based on projected future cash flows to be generated from the underlying investment, discounted at a weighted average cost of capital. The cost of capital is estimated, where possible, by reference to quoted comparables with a similar risk profile. Cash flows are derived from bottom up, detailed projections prepared by management of each respective investment.

Transfers of financial assets

Nomura accounts for the transfer of financial assets in accordance with Statement of Financial Accounting Standards (SFAS) No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities (SFAS 140). This statement requires that Nomura account for the transfer of a financial asset, as a sale when Nomura relinquishes control over the asset. SFAS 140 deems control to be relinquished when the following conditions are met: (a) the assets have been isolated from the transferor (even in bankruptcy or other receivership), (b) the transferee has the right to pledge or exchange the assets received and (c) the transferor has not maintained effective control over the transferred assets.

In connection with its securitization activities, Nomura utilizes special purpose entities, or SPEs to securitize commercial and residential mortgage loans, government and corporate bonds and other types of financial assets. Nomura's involvement with SPEs includes structuring SPEs and acting as an administrator of SPEs and underwriting, distributing and selling debt instruments and beneficial interests issued by SPEs to investors. Nomura derecognizes financial assets transferred in securitizations provided that Nomura has relinquished control over such assets. Nomura may obtain an interest in the financial assets, including residual interests in the SPEs subject to prevailing market conditions. Any such interests are accounted for at fair value and included in Securities inventory within Nomura's consolidated balance sheets, with the change in fair value included in revenues.

Table of Contents

Foreign currency translation

The financial statements of the Company's subsidiaries outside Japan are measured using their functional currency. All assets and liabilities of foreign subsidiaries are translated into Japanese yen at exchange rates in effect at the balance sheet date; all revenue and expenses are translated at the average exchange rates for the respective years and the resulting translation adjustments are accumulated and reported as Cumulative translation adjustments in shareholders' equity.

Foreign currency assets and liabilities are translated at exchange rates in effect at the balance sheet date and the resulting translation gains or losses are currently credited or charged to income.

Fee revenue

Commissions charged for executing brokerage transactions are accrued on a trade date basis and are included in current period earnings. Fees from investment banking include securities underwriting fees and other corporate financing services fees. Underwriting fees are recorded when services for underwriting are completed. All other fees are recognized when related services are performed. Asset management fees are accrued as earned.

Trading assets and trading liabilities

Trading assets and trading liabilities, including contractual commitments arising pursuant to derivative transactions, are recorded on the consolidated balance sheets on a trade date basis at fair value with the related gains and losses recorded in Net gain on trading in the consolidated income statements.

Collateralized agreements and collateralized financing

Repurchase and reverse repurchase transactions (Repo transactions) principally involve the buying or selling of Government and Government agency securities under agreements with customers to resell or repurchase these securities to or from those customers. Nomura takes possession of securities purchased under agreements to resell while providing collateral to counterparties to collateralize securities sold under agreements to repurchase. Nomura monitors the value of the underlying securities on a daily basis relative to the related receivables and payables, including accrued interest, and requests or returns additional collateral when deemed appropriate. Repo transactions are accounted for as collateralized securities financing transactions and are recorded on the consolidated balance sheets at the amount at which the securities will be repurchased or resold, as appropriate.

Repo transactions are presented on the accompanying consolidated balance sheets net-by-counterparty, where net presentation is consistent with Financial Accounting Standards Board Interpretation (FIN) No. 41, Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements.

Securities borrowed and securities loaned are accounted for as financing transactions. Securities borrowed and securities loaned that are cash collateralized are recorded on the accompanying consolidated balance sheets at the amount of cash collateral advanced or received. Securities borrowed transactions generally require Nomura to provide the counterparty with collateral in the form of cash or other securities. For securities loaned transactions, Nomura generally receives collateral in the form of cash or other securities. Nomura monitors the market value of the securities borrowed or loaned and requires additional cash or securities, as necessary, to ensure that such transactions are adequately collateralized.

Historically, Nomura engaged in Gensaki transactions which originated in the Japanese financial markets. Gensaki transactions involved the selling of commercial paper, certificates of deposit, Japanese government bonds and various other debt securities to an institution wishing to make a short-term investment, with Nomura agreeing to reacquire them from the institution on a specified date at a specified price. The repurchase price reflects the current interest rates in the money markets and any interest derived from the securities. There are no margin requirements for Gensaki transactions nor is there any right of security substitution. As such, Gensaki transactions are recorded as sales in the consolidated financial statements and the related securities and obligations to repurchase such Gensaki securities are not reflected in the accompanying consolidated balance sheets.

Table of Contents

New Gensaki transactions (Gensaki Repo transactions) started in the Japanese financial markets in 2001. Gensaki Repo transactions contain margin requirements, rights of security substitution, or restrictions on the customer's right to sell or repledge the transferred securities. Accordingly, Gensaki Repo transactions are accounted for as collateralized financing transactions and are recorded on the consolidated balance sheets at the amount that the securities will be repurchased or resold, as repurchase and reverse repurchase transactions.

Other secured borrowings, which consist primarily of secured borrowings from financial institutions in the inter-bank money market, are recorded at contractual amounts.

Secured loans to financial institutions in the inter-bank money market are included in the consolidated balance sheets in *Loans receivable*.

On the consolidated balance sheet, all Nomura-owned securities pledged to counterparties where the counterparty has the right to sell or repledge the securities, including Gensaki Repo transactions, are shown as Securities pledged as collateral in accordance with SFAS 140.

Derivatives

Trading

Nomura uses a variety of derivative financial instruments, including futures, forwards, swaps and options, in its trading activities and in the management of its interest rate, market price and currency exposures.

Those derivative financial instruments used in trading activities are valued at market or estimated fair value with the related gains and losses recorded in Net gain on trading. Unrealized gains and losses arising from Nomura's dealings in over-the-counter derivative financial instruments are presented in the accompanying consolidated balance sheets on a net-by-counterparty basis where net presentation is consistent with FIN No. 39, Offsetting of Amounts Related to Certain Contracts.

Non-trading

In addition to its trading activities, Nomura, as an end user, uses derivative financial instruments to manage its interest rate and currency exposures or to modify the interest rate characteristics of certain non-trading assets and liabilities.

These derivative financial instruments are linked to specific assets or specific liabilities and are designated as hedges as they are effective in reducing the risk associated with the exposure being hedged, and they are highly correlated with changes in the market or fair value of the underlying hedged item, both at inception and throughout the life of the hedge contract. Nomura applies fair value hedge accounting to these hedging transactions, and the relating unrealized profit and losses are recognized together with those of the hedged assets and liabilities as interest revenue or expenses.

Derivatives that do not meet these criteria are carried at market or fair value and with changes in value included currently in earnings.

Allowance for loan losses

Loans receivable consist primarily of margin transaction loans related to broker dealers (margin transaction loans), loans receivable in connection with banking/financing activities (banking/financing activities loans) and loans receivable from financial institutions in the inter-bank money market used for short-term financing (inter-bank money market loans).

Allowances for loan losses on margin transactions loans and inter-bank money market loans are provided for based primarily on historical loss experience.

Allowances for loan losses on banking/financing activities loans reflect management s best estimate of probable losses. The evaluation includes an assessment of the ability of borrowers to pay by considering various factors such as changes in the nature of the loan, volume of the loan, deterioration of pledged collateral, delinquencies and the current financial situation of the borrower.

Table of Contents

Office buildings, land, equipment and facilities

Office buildings, land, equipment and facilities, which consist mainly of computer installations and software, are stated at cost, net of accumulated depreciation and amortization, except for land, which is stated at cost. Significant renewals and additions are capitalized at cost. Maintenance, repairs and minor renewals are charged currently to income.

Depreciation is generally computed by the declining-balance method and at rates based on estimated useful lives of each asset according to general class, type of construction and use. Amortization is generally computed by the straight-line method over the estimated useful lives.

Long-lived assets

In August 2001, the FASB released SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. SFAS No. 144 provides guidance on the financial accounting and reporting for the impairment or disposal of long-lived assets.

As required by SFAS No. 144, long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the estimated future undiscounted cash flow is less than the carrying amount of the assets, a loss would be recognized to the extent the carrying value exceeded its fair value.

Investments in equity securities and non-trading debt securities

Nomura's investments in equity securities consist of marketable and non-marketable equity securities that have been acquired for Nomura's operating purposes and other than operating purposes. For Nomura's operating purposes, Nomura holds such investments for the long-term in order to promote existing and potential business relationships. In doing so, Nomura is following customary business practices in Japan which, through cross-shareholdings, provide a way for companies to manage their shareholder relationships. Such investments consist mainly of equity securities of various financial institutions such as Japanese commercial banks, regional banks and insurance companies. Nomura also holds equity securities such as stock exchange memberships for other than operating purposes. In accordance with U.S. GAAP for broker-dealers, investments in equity securities for Nomura's operating purposes and other than operating purposes are recorded at fair value and unrealized gains and losses are recognized currently in income.

Investments in equity securities for Nomura's operating purposes are recorded as Investments in equity securities in the consolidated balance sheets, and investments in equity securities for other than operating purposes are included in the consolidated balance sheets in Other assets - Other.

Non-trading debt securities are recorded at market or fair value together with the related hedges and the related gains and losses are recorded in Revenue - Other in the consolidated income statements.

Income taxes

In accordance with SFAS No. 109, *Accounting for Income Taxes*, deferred tax assets and liabilities are recorded for the expected future tax consequences of tax loss carryforwards and temporary differences between the carrying amounts and the tax bases of the assets and liabilities based upon enacted tax laws and rates. Nomura recognizes deferred tax assets to the extent it believes that it is more likely than not that a benefit will be realized. A valuation allowance is provided for tax benefits available to Nomura that are not deemed more likely than not to be realized.

Stock-based compensation

Effective April 1, 2002, Nomura adopted the fair value recognition provisions of SFAS No. 123, *Accounting for Stock-Based Compensation* and applied the modified prospective method under the provisions of SFAS No. 148, *Accounting for Stock-Based Compensation Transition and Disclosure*. SFAS No. 123 requires that compensation cost for all stock awards be calculated and recognized over the service period, generally equal to the vesting period. The compensation cost is determined using option pricing models intended to estimate the fair value of the awards at the grant date.

Table of Contents

Earnings per share

In accordance with SFAS No. 128, Earnings per Share, the computation of basic earnings per share is based on the average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilutive effect of warrants and stock acquisition rights.

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and demand deposits with banks.

Goodwill, intangible assets and negative goodwill

In June 2001, the FASB issued SFAS No. 141, Business Combinations and SFAS No. 142, Goodwill and Other Intangible Assets. SFAS No. 142 no longer permits the amortization of goodwill and intangible assets with indefinite lives. Instead these assets must be reviewed annually, or more frequently in certain circumstance, for impairment. Intangible assets that have determinable lives will continue to be amortized over their useful lives and reviewed for impairment.

Goodwill is recognized as the excess of acquisition cost over the fair value of net assets acquired. Goodwill, upon adoption of SFAS No. 142, is not amortized. Nomura periodically assesses the recoverability of goodwill by comparing the fair value of the businesses to which goodwill relates to the carrying amount of the businesses including goodwill. If such assessment indicates that the fair value is less than the related carrying amount, a goodwill impairment determination is made.

New Accounting Pronouncements

In June 2004, the Emerging Issue Task Force (EITF) reached a consensus on EITF Issue 02-14 (EITF 02-14), Whether the Equity Method of Accounting Applies When an Investor Does Not Have an Investment in Voting Stock of an Investee but Exercises Significant Influence through Other Means. The consensus reached indicates that in situations where an investor has the ability to exercise significant influence over the investee, an investor should apply the equity method of accounting only when it has either common stock or in-substance common stock of a corporation. The consensus would be effective for reporting periods beginning after September 15, 2004. Nomura is currently assessing the potential impact of EITF 02-14 on the consolidated financial statements.

In July 2004, EITF reached a consensus on EITF Issue No. 04-8 (EITF 04-8), The Effect of Contingently Convertible Debt on Diluted Earnings per Share. The consensus reached indicates that contingently convertible debt instruments (Co-Cos) should be included in diluted earnings per share computations regardless of whether the market price trigger or other contingent features have been met. This will be effective for reporting periods ending after December 15, 2004 and will require restatement of prior period earnings per share amounts. Nomura currently does not have Co-Cos outstanding.

2. U.S. dollar amounts:

The U.S. dollar amounts are included solely for the convenience of the reader and have been translated at the rate of ¥110.20 = US\$1, the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on September 30, 2004. This translation should not be construed to imply that the yen amounts actually represent, or have been or could be converted into, equivalent amounts in U.S. dollars.

Table of Contents**3. 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 various partnerships, 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.

Contractual amounts of these commitments were as follows:

	Translation into millions of		
	Millions of yen	U.S. dollars	Millions of yen
	September 30, 2004	September 30, 2004	March 31, 2004
Commitments to extend credit and to invest in partnerships	¥ 153,158	\$ 1,390	¥ 160,089

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:

	Translation into millions of		
	Millions of yen	U.S. dollars	Millions of yen
	September 30, 2004	September 30, 2004	March 31, 2004

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Standby letters of credit and other guarantees	¥	7,280	\$	66	¥	29,424
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Table of Contents**4. Private equity investments:**

Nomura operates a private equity business through a wholly owned subsidiary, Nomura Principal Finance Co., Ltd. (NPF). As of September 30, 2004, NPF has agreements to acquire new shares to be issued in Millenium Retailing, Inc. (MR), a significant private equity investee. NPF acquired ¥20 billion of new shares issued by MR in July 2004, and will acquire an additional ¥30 billion around the end of January 2005, giving NPF a majority stake.

5. Change in additional paid-in capital and retained earnings:

	Millions of yen		Translation into millions of	
	September 30, 2003	September 30, 2004	U.S. dollars	Millions of yen
	For the six months ended			For the year ended
	September 30, 2003	September 30, 2004	September 30, 2004	March 31, 2004
Additional paid-in capital				
Balance at beginning of period	¥ 151,328	¥ 154,063	\$ 1,398	¥ 151,328
Gain on sales of treasury stock	1,800	10	0	1,807
Issuance of common stock options	363	865	8	928
Balance at end of period	¥ 153,491	¥ 154,938	\$ 1,406	¥ 154,063
Retained earnings				
Balance at beginning of period	¥ 1,407,028	¥ 1,550,231	\$ 14,067	¥ 1,407,028
Net income	86,686	44,048	400	172,329
Dividends	(14,564)	(19,414)	(176)	(29,126)
Balance at end of period	¥ 1,479,150	¥ 1,574,865	\$ 14,291	¥ 1,550,231

6. Comprehensive income:

	Millions of yen		Translation into millions of	
	September 30, 2003	September 30, 2004	U.S. dollars	Millions of yen
	For the six months ended			For the year ended
	September 30, 2003	September 30, 2004	September 30, 2004	March 31, 2004
Comprehensive income				
Balance at beginning of period	¥ 1,407,028	¥ 1,550,231	\$ 14,067	¥ 1,407,028
Net income	86,686	44,048	400	172,329
Dividends	(14,564)	(19,414)	(176)	(29,126)
Balance at end of period	¥ 1,479,150	¥ 1,574,865	\$ 14,291	¥ 1,550,231

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Net income	¥ 86,686	¥ 44,048	\$ 400	¥ 172,329
Other comprehensive (loss) income, net of tax:				
Change in cumulative translation adjustments	(15,259)	17,929	163	(12,051)
Minimum pension liability adjustment during the period	1,823	1,352	12	7,337
Total other comprehensive (loss) income, net of tax	(13,436)	19,281	175	(4,714)
Comprehensive income	¥ 73,250	¥ 63,329	\$ 575	¥ 167,615

Table of Contents**7. Segment Information-Operating segment:**

Business segments results are shown in the following table:

	Millions of yen				
	Domestic	Global	Asset	Other	Total
	Retail	Wholesale	Management	(Inc. elimination)	
Six months ended September 30, 2003					
Non-interest revenue	¥ 149,787	¥ 163,829	¥ 15,231	¥ (10,637)	¥ 318,210
Net interest revenue	775	45,279	1,071	12,151	59,276
Net revenue	150,562	209,108	16,302	1,514	377,486
Non-interest expenses	111,117	113,756	18,709	7,375	250,957
Income (loss) before income taxes	¥ 39,445	¥ 95,352	¥ (2,407)	¥ (5,861)	¥ 126,529
Six months ended September 30, 2004					
Non-interest revenue	¥ 150,401	¥ 108,610	¥ 19,888	¥ 11,739	¥ 290,638
Net interest revenue	1,330	44,305	779	3,226	49,640
Net revenue	151,731	152,915	20,667	14,965	340,278
Non-interest expenses	108,214	110,262	17,704	14,942	251,122
Income (loss) before income taxes	¥ 43,517	¥ 42,653	¥ 2,963	¥ 23	¥ 89,156