

NOMURA HOLDINGS INC
Form 6-K
October 31, 2003
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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 2003.

Total number of pages: 40.

The exhibit index is located on page 2.

NOMURA HOLDINGS, INC.

(Translation of registrant's name into English)

9-1, Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Japan

(Address of principal executive offices)

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

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Form 20-F

Form 40-F

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

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

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

Yes

No

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

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Information furnished on this form:

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SIGNATURES

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

NOMURA HOLDINGS, INC.

By: /s/ MASANORI ITATANI

Masanori Itatani

Senior Managing Director

Date: October 31, 2003

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Consolidated Results of Operations

(US GAAP)

Second quarter, fiscal year ending March 2004

Nomura Holdings, Inc.

October 2003

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Outline of the Presentation

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n **Review of Businesses**

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Ø Domestic Retail

Ø Global Wholesale

Ø Asset Management

Ø Non-interest Expenses

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results to differ from those in specific forward-looking statements include, without limitation, economic and market conditions, political events and investor sentiments, liquidity of secondary markets, level and volatility of interest rates, currency exchange rates, security valuations, competitive conditions and size, and the number and timing of transactions.

6. The consolidated financial information in this document is unaudited.

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Second quarter ending March 31, 2004 (2003.4 - 2003.9)

| | | |
|--|--|-------------------------|
| Semi Annual Results (Billions of yen) | Ø Net revenue | 414.8 (up 46%*) |
| | Ø Non-interest expenses | 255.5 (up 5%*) |
| | Ø Income before income taxes | 159.3 (up 292%*) |
| | Ø Income before cumulative effect of accounting change | 86.7 (up 308%*) |
| | Ø Net income | 86.7 (down 34%*) |
| | Ø Total assets | 27,238.9 (up 6,069.4**) |
| | Ø Total shareholders' equity | 1,705.5 (up 63.2**) |
| | Ø Leverage | 16.0 times (12.9) |
| | Ø ROE | 10.4% (annualized) |
| Second Quarter (Billions of yen) | Ø Net revenue | 214.7 (up 53%*) |
| | Ø Non-interest expenses | 126.7 (up 7%*) |
| | Ø Income before income taxes | 88.0 (up 295%*) |
| | Ø Net income | 47.6 (up 260%*) |
| | Ø ROE | 11.2% (annualized) |

* YOY

** Compared with corresponding items as of March 31, 2003

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Review of Businesses

- n **Segment Information (P8)**

- n **Domestic Retail (P9-11)**

- n **Global Wholesale (P12-15)**

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Segment Information

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Domestic Retail (1)*

Points

n Commissions (40.5 billion yen, up 58%)

ü Stock Brokerage Commissions** (26.2 billion yen, up 157%)

Ø Individual Equity Agency Transaction Value*** (monthly average) 9.1 trillion yen, up 111%

Ø Equity Holding Accounts: 1.323 million (end of Sept.) (of which stock holding accounts: 53%)

Ø IT Share

No. of order: 46% (FY03.3 Q2: 38%)

Transaction value: 21% (FY03.3 Q2: 14%)

ü Commissions for Investment Trusts Distribution and Redemption **** (10.1 billion yen, up 50%)

Ø Stock Investment Trusts Commission 4.9 billion yen, up 181%

Ø Foreign Investment Trusts Commission 2.5 billion yen, up 214%

ü Insurance

Ø Outstanding Value of Variable Annuity Insurance Contracts Sept. total: 216.8 billion yen (up 19% since end of June)

ü Distribution of JGBs for Individual Investors

4th Issue 350.8 billion yen

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(Issue amount: 942.9 billion yen, Nomura's share: 37%)

n Sales Credit (21.7 billion yen, up 22%)

n Investment Trusts Administration Fee and Other (5.4billion yen, down 30%)

n Fees from Investment Banking (6.7billion yen, up 41%)

* All percentages are year-on-year comparisons unless otherwise stated

** Domestic Retail

*** Three major exchanges = Tokyo, Osaka, Nagoya

**** Nomura Securities

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Domestic Retail (2)

Stock Brokerage Commissions / Foreign Currency Bond Distribution to Retail Investors / Revenue Breakdown (approx. figs.)

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Domestic Retail (3)

Client Assets / Net Asset Accumulation (excluding financials)

* Including CBs and warrants

** Includes variable annuity insurance

Net asset accumulation: Gap between inflow and outflow of assets

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Global Wholesale (1) Fixed Income

Points

n Foreign Currency Bond Public Offering to Retail Investors

ü National Australia Bank: 77.2 billion yen (A\$)

ü Eksportfinans ASA: 59.4 billion yen (CAN\$)

ü Toyota Motor Credit: 45.5 billion yen (US\$)

n Large-scale Foreign Currency Bonds Underwriting

ü KfW: US\$ 3 billion

ü Rentenbank: US\$ 1 billion

n Securitized Products

ü KAL Japan ABS 1: 27 billion yen

ü Akihabara office building development: 57.0 billion yen

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Global Wholesale (2) Equity

Points

n Market Environment

ü Equity Agency Transaction Value* (monthly average) 45.4 trillion yen, up 55% YOY

n Block Trades

ü Active block and basket trading

n Net Gain on Equity Trading (Nomura Securities)

* Three major exchanges: Tokyo, Osaka, Nagoya

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Global Wholesale (3) Investment Banking

Points

n IPO, PO*

ü IPO Market: 313.5 billion yen, up 152% YOY
Nomura: 41.9 billion yen, up 332% YOY

ü PO Market: 266.1 billion yen, up 12% YOY
Nomura: 217.8 billion yen, up 99% YOY

Ø Major Issues:

Chiba Bank (13.4 billion yen)

NRI (47.2 billion yen)

Matsushita Electric Works (44.7 billion yen)

Nomura Holdings (55.7 billion yen)

ü Euroyen CB

Ø Major Issue: CSK (23.0 billion yen)

n Asset Finance

ü TOKYU REIT (51.7 billion yen)

ü Akihabara office building development (57.0 billion yen)

n M&A, Advisory Business

ü Bosch Automotive Systems Corp. = Toyota Machine Works

ü KS Biomedix = Xenova Group plc

ü Joint venture between Matsushita Electric Industrial and Minebea

(M&A Ranking)**

ü Rank: No. 9 No. of deals: 80

ü Value: US\$ 6.6 billion Market share: 10%

Sources: * Nomura Securities, 2004.3 2Q pricing day base
 ** Thomson Financial, Announced Mergers and Acquisitions:

Any Japanese involvement. League table based on rank value. (Jan. 2003 - Sep. 2003)

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Global Wholesale (4) Merchant Banking

Points

n New Deals

ü NPF granted first refusal right to newly issued shares of Huis Ten Bosch

n Exposure to Merchant Banking Business

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Asset Management (1)

Points

n New Funds

ü Really Excellent Stock Fund Initial sales: 39.7 billion yen

ü Nomura Australian Bond Fund Initial sales: 28.0 billion yen

n Assets Under Management of NCRAM

ü Sept. 30, 2003 US\$ 5.8 billion yen (up 53% YOY)

n Assets Under Management of Main Foreign Currency Bond Funds

* Primarily invests in US dollar denominated bonds (government bonds, ABS, corporate bonds)

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Asset Management (2)

Source: The Investment Trusts Association, Japan

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Non-Interest Expenses* (1)

Points

n Compensation and Benefits
67.7 billion yen, up 17%

ü A special charge for NAM's withdrawal from the Japan Securities Dealers Employees' Pension Fund (2.8 billion yen)

n Information Processing and Communications
19.5 billion yen, up 1%

n Business and Development Expenses
5.4 billion yen, down 30%

n Other Expenses (of which special losses)
16.0 billion yen, up 17% (0.2 billion yen)

n Fixed Cost Coverage Ratio

ü FY04.3 2Q 30%

Asset management related fees
Fixed-type expenses

19.1 billion yen
63.5 billion yen

Asset management related fees: Asset management fee, custodial services fee, and fee from coupon payments Fixed-type expenses: Fixed salary, guaranteed bonus, depreciation, real estate related expenses and others

* All percentages are year-on-year comparisons unless otherwise stated

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Non-Interest Expenses (2)

n **Compensation and Benefits**

- ü **Fixed-type expenses: 36.1 billion yen, up 2.2%**
- ü **Variable-type expenses: 28.8 billion yen, up 28.6%**

* Excludes expenses related to PFG entities (70.4 bil. yen for FY02.3)
For 2Q FY02.3 and 2Q FY04.3, the special charges for withdrawal from the multi-employer pension plan were 18.9 bil. yen and 2.8 billion yen respectively

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Number of Employees (P36)

Table of Contents**Revenue and Income by Business Segment (Quarterly Base)**

Units: millions of yen

Domestic Retail

| | FY02.3 | | | | FY03.3 | | | | FY04.3 | |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Non-interest revenue | 60,953 | 50,806 | 57,224 | 57,172 | 66,436 | 56,136 | 69,366 | 54,999 | 74,573 | 75,214 |
| Net-interest revenue | 1,076 | 467 | 870 | 537 | 599 | 605 | 915 | 194 | 397 | 378 |
| Net revenue | 62,029 | 51,274 | 58,091 | 57,710 | 67,035 | 56,742 | 70,280 | 55,193 | 74,970 | 75,592 |
| Non-interest expenses | 51,678 | 55,533 | 50,120 | 51,291 | 53,137 | 55,294 | 51,180 | 53,951 | 54,201 | 56,916 |
| Income before income taxes | 10,351 | -4,259 | 7,974 | 6,418 | 13,899 | 1,449 | 19,100 | 1,241 | 20,769 | 18,673 |

Global Wholesale

| | FY02.3 | | | | FY03.3 | | | | FY04.3 | |
|----------------------------|--------|--------|--------|---------|--------|--------|--------|--------|--------|---------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Non-interest revenue | 62,483 | 65,845 | 57,803 | 199,298 | 73,321 | 24,324 | 40,124 | 58,906 | 68,977 | 94,852 |
| Net-interest revenue | 7,816 | 7,734 | 14,725 | 24,230 | 16,541 | 30,970 | 30,571 | 23,712 | 25,177 | 20,102 |
| Net revenue | 70,299 | 73,580 | 72,528 | 223,528 | 89,861 | 55,294 | 70,695 | 82,619 | 94,154 | 114,954 |
| Non-interest expenses | 48,046 | 48,932 | 49,482 | 102,197 | 53,387 | 46,320 | 48,946 | 58,784 | 56,356 | 57,400 |
| Income before income taxes | 22,253 | 24,648 | 23,046 | 121,331 | 36,474 | 8,974 | 21,749 | 23,835 | 37,798 | 57,554 |

Asset Management

| | FY02.3 | | | | FY03.3 | | | | FY04.3 | |
|----------------------------|--------|--------|--------|--------|--------|--------|-------|-------|--------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Non-interest revenue | 12,779 | 10,401 | 12,037 | 11,623 | 9,850 | 10,288 | 7,290 | 7,400 | 7,598 | 7,633 |
| Net-interest revenue | 516 | 87 | 50 | -286 | -55 | 23 | 1,762 | 502 | 682 | 389 |
| Net revenue | 13,295 | 10,488 | 12,087 | 11,338 | 9,795 | 10,311 | 9,052 | 7,902 | 8,280 | 8,022 |
| Non-interest expenses | 8,383 | 8,331 | 9,423 | 10,894 | 8,682 | 8,995 | 8,021 | 8,167 | 8,192 | 10,517 |
| Income before income taxes | 4,912 | 2,156 | 2,665 | 442 | 1,113 | 1,316 | 1,031 | -265 | 88 | -2,495 |

Table of Contents**Global Wholesale**

(Revenue and Income by Business Line, Quarterly Base)

Units: millions of yen

Fixed Income

| | FY02.3 | | | | FY03.3 | | | | FY04.3 | |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Net revenue | 20,727 | 23,175 | 19,549 | 27,302 | 43,887 | 32,476 | 41,550 | 36,052 | 62,261 | 48,118 |
| Non-interest expenses | 15,450 | 16,768 | 15,648 | 18,873 | 18,944 | 16,334 | 17,605 | 23,877 | 25,093 | 22,273 |
| Income before income taxes | 5,277 | 6,407 | 3,900 | 8,430 | 24,943 | 16,142 | 23,946 | 12,176 | 37,168 | 25,845 |

Equity

| | FY02.3 | | | | FY03.3 | | | | FY04.3 | |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Net revenue | 27,976 | 35,882 | 25,595 | 35,623 | 30,416 | 12,353 | 17,872 | 21,384 | 20,381 | 38,950 |
| Non-interest expenses | 16,054 | 15,813 | 17,336 | 17,272 | 18,340 | 14,329 | 16,026 | 16,980 | 16,470 | 19,202 |
| Income before income taxes | 11,922 | 20,069 | 8,259 | 18,351 | 12,076 | -1,977 | 1,846 | 4,404 | 3,911 | 19,748 |

Investment Banking

| | FY02.3 | | | | FY03.3 | | | | FY04.3 | |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Net revenue | 21,597 | 14,522 | 32,272 | 19,958 | 16,830 | 16,453 | 14,801 | 21,041 | 12,908 | 20,568 |
| Non-interest expenses | 16,542 | 16,350 | 10,371 | 14,143 | 13,850 | 13,636 | 13,081 | 15,807 | 12,086 | 13,468 |
| Income before income taxes | 5,055 | -1,827 | 21,902 | 5,815 | 2,980 | 2,817 | 1,720 | 5,234 | 822 | 7,100 |

Merchant Banking*

| | FY02.3 | | | | FY03.3 | | | | FY04.3 | |
|----------------------------|--------|----|---------|---------|--------|--------|--------|-------|--------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Net revenue | | | -4,888 | 140,644 | -1,272 | -5,989 | -3,528 | 4,142 | -1,396 | 7,318 |
| Non-interest expenses | | | 6,127 | 51,909 | 2,253 | 2,019 | 2,233 | 2,122 | 2,707 | 2,455 |
| Income before income taxes | | | -11,015 | 88,735 | -3,525 | -8,009 | -5,762 | 2,021 | -4,103 | 4,863 |

* The 3rd quarter figure for FY02.3 is the accumulated total from April through December 2002

Table of Contents**Domestic Retail Related Data**

| Domestic Retail (Billions of yen) | FY02.3 | | | | FY03.3 | | | | FY04.3 | |
|---|---------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Net interest revenue | 1.1 | 0.5 | 0.9 | 0.6 | 0.6 | 0.8 | 0.7 | 0.2 | 1.2 | 1.2 |
| Sales credit | 13.1 | 12.3 | 18.8 | 17.3 | 20.5 | 17.8 | 32.2 | 25.2 | 40.4 | 21.7 |
| Investment trust administration fees and other | 14.9 | 13.2 | 12.6 | 12.4 | 12.3 | 7.7 | 6.9 | 5.2 | 4.8 | 5.4 |
| Fees from investment banking | 2.9 | 5.3 | 2.7 | 3.1 | 1.8 | 4.8 | 3.7 | 4.8 | 2.9 | 6.7 |
| Commissions | 30.1 | 20.0 | 23.1 | 24.3 | 31.9 | 25.7 | 26.8 | 19.8 | 25.7 | 40.5 |
| Stock brokerage commissions (Domestic Retail) | 20.5 | 12.9 | 14.4 | 13.9 | 16.8 | 10.2 | 13.5 | 7.7 | 12.1 | 26.2 |
| (Billions of yen) | | | | | | | | | | |
| Commissions for investment trusts distribution and redemption* | 8.1 | 4.9 | 7.0 | 8.1 | 12.8 | 6.7 | 7.7 | 7.7 | 9.6 | 10.1 |
| Bond investment trusts commission | 1.5 | 2.0 | 3.0 | 4.2 | 5.5 | 4.2 | 4.0 | 3.2 | 2.2 | 2.6 |
| Stock investment trusts commission | 6.1 | 2.6 | 3.3 | 3.4 | 6.0 | 1.8 | 1.3 | 2.6 | 2.6 | 4.9 |
| Foreign investment trusts commission** | 0.5 | 0.3 | 0.7 | 0.5 | 1.3 | 0.8 | 2.5 | 1.9 | 4.8 | 2.5 |
| (Trillions of yen) | | | | | | | | | | |
| Domestic distribution volume of investment trusts | 6.2 | 7.0 | 5.4 | 3.8 | 3.3 | 2.5 | 3.5 | 2.6 | 3.2 | 3.5 |
| Bond investment trusts | 5.4 | 6.4 | 4.8 | 3.6 | 2.4 | 1.8 | 2.7 | 1.7 | 2.0 | 2.6 |
| Stock investment trusts | 0.5 | 0.3 | 0.3 | 0.3 | 0.5 | 0.3 | 0.2 | 0.3 | 0.3 | 0.4 |
| Foreign investment trusts | 0.3 | 0.3 | 0.3 | 0.0 | 0.5 | 0.4 | 0.6 | 0.5 | 0.8 | 0.5 |
| | 2001.6 | 2001.9 | 2001.12 | 2002.3 | 2002.6 | 2002.9 | 2002.12 | 2003.3 | 2003.6 | 2003.9 |
| (Billions of yen) | | | | | | | | | | |
| Outstanding value of bond investment trusts* | 5,854 | 6,215 | 6,225 | 6,092 | 5,291 | 4,785 | 4,282 | 3,883 | 3,612 | 3,302 |
| | 2001.6 | 2001.9 | 2001.12 | 2002.3 | 2002.6 | 2002.9 | 2002.12 | 2003.3 | 2003.6 | 2003.9 |
| (Billions of yen) | | | | | | | | | | |
| Outstanding value of variable annuity | | | 1.8 | 7.7 | 28.1 | 105.3 | 149.3 | 166.6 | 182.8 | 216.8 |

* Nomura Securities

** Commission during the initial and subsequent offering periods

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Major Differences (Segment / Income Statement) (FY04.3 six months)

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Revenue (1)

(Commissions)

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Revenue (2)

(Fees from Investment Banking)

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Revenue (3)

(Asset Management and Portfolio Service Fees)

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Revenue (4)

(Net Gain on Trading / Net Interest Revenue*)

* Excluding net interest revenue from PFG entities

** Net gain on private equity investment (232.5 bil. yen) is excluded from FY ended March 31, 2002 due to a change in structure of PFG business. However, this figure includes the gain on sales of PFG assets (116.3 bil. yen).

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(Non-interest Expenses*)

* Excludes expense related to PFG entities (484.4 bil. yen for FY02.3)

Items: Compensation and benefits, information processing and communications, occupancy and related depreciation, PFG entities cost of goods sold, expenses associated with rental income, other.

Table of Contents**Client Assets (Trillions of yen)****Nomura Securities**

| | <u>Jun. 01</u> | <u>Sep. 01</u> | <u>Dec. 01</u> | <u>Mar. 02</u> | <u>Jun. 02</u> | <u>Sep. 02</u> | <u>Dec. 02</u> | <u>Mar. 03</u> | <u>Jun. 03</u> | <u>Sep. 03</u> |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Equities | 28.9 | 24.9 | 24.8 | 25.1 | 24.9 | 23.6 | 22.3 | 21.6 | 24.8 | 28.7 |
| Bonds | 12.3 | 12.8 | 13.3 | 13.7 | 14.9 | 15.4 | 15.4 | 16.8 | 17.9 | 18.4 |
| Stock investment trusts | 3.2 | 2.6 | 2.7 | 2.7 | 2.7 | 2.5 | 2.4 | 2.4 | 2.6 | 2.8 |
| Bond investment trusts | 12.1 | 11.1 | 9.7 | 9.3 | 8.2 | 7.4 | 6.9 | 6.5 | 6.3 | 6.2 |
| Overseas mutual funds | 0.9 | 0.8 | 0.9 | 0.9 | 1.0 | 1.0 | 1.1 | 1.2 | 1.3 | 1.4 |
| Other | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 |
| Total | 57.5 | 52.3 | 51.4 | 51.8 | 51.8 | 50.0 | 48.2 | 48.5 | 53.0 | 57.7 |

Client Assets (Domestic Retail, excluding financials)

| | <u>Jun. 01</u> | <u>Sep. 01</u> | <u>Dec. 01</u> | <u>Mar. 02</u> | <u>Jun. 02</u> | <u>Sep. 02</u> | <u>Dec. 02</u> | <u>Mar. 03</u> | <u>Jun.03</u> | <u>Sep.03</u> |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
| Equities | 13.5 | 10.9 | 11.2 | 11.1 | 11.4 | 10.6 | 9.9 | 9.5 | 11.1 | 12.8 |
| Foreign Bonds | 1.6 | 1.8 | 2.2 | 2.5 | 2.6 | 2.8 | 3.2 | 3.4 | 3.9 | 3.7 |
| Domestic bonds | 3.9 | 4.1 | 4.1 | 4.2 | 4.7 | 4.9 | 5.0 | 5.0 | 5.1 | 5.3 |
| Stock investment trusts | 2.7 | 2.1 | 2.2 | 2.4 | 2.4 | 2.2 | 2.1 | 2.0 | 2.2 | 2.4 |
| Bond investment trusts | 10.0 | 9.3 | 8.8 | 8.4 | 7.9 | 6.7 | 6.3 | 5.9 | 5.7 | 5.6 |
| Overseas mutual funds | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.9 | 0.9 | 1.0 | 1.1 | 1.2 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 |
| Total | 32.2 | 28.4 | 29.0 | 28.9 | 29.3 | 28.2 | 27.6 | 27.1 | 29.3 | 31.3 |

Table of Contents**Number of Accounts****Nomura Home Trade (online trading accounts)**

| | (Thousands of accounts) | | | | | | | | | |
|--|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | <u>Jun.01</u> | <u>Sep.01</u> | <u>Dec.01</u> | <u>Mar.02</u> | <u>Jun.02</u> | <u>Sep.02</u> | <u>Dec.02</u> | <u>Mar.03</u> | <u>Jun.03</u> | <u>Sep.03</u> |
| | 686 | 778 | 860 | 936 | 1,005 | 1,079 | 1,114 | 1,141 | 1,168 | 1,215 |

IT Share

| | FY02.3 | | | | FY03.3 | | | | FY04.3 | |
|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | <u>1Q</u> | <u>2Q</u> | <u>3Q</u> | <u>4Q</u> | <u>1Q</u> | <u>2Q</u> | <u>3Q</u> | <u>4Q</u> | <u>1Q</u> | <u>2Q</u> |
| No. of order | 38% | 36% | 37% | 39% | 39% | 38% | 33% | 42% | 45% | 46% |
| Transaction value | 18% | 17% | 13% | 17% | 17% | 14% | 9% | 17% | 21% | 21% |

Nomura Cash Management Service

| | (Thousands of accounts) | | | | | | | | | |
|--|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | <u>Jun.01</u> | <u>Sep.01</u> | <u>Dec.01</u> | <u>Mar.02</u> | <u>Jun.02</u> | <u>Sep.02</u> | <u>Dec.02</u> | <u>Mar.03</u> | <u>Jun.03</u> | <u>Sep.03</u> |
| | 2,539 | 2,686 | 2,805 | 2,899 | 2,965 | 3,029 | 3,079 | 3,112 | 3,145 | 3,195 |

Equity Holding Accounts

| | (Thousands of accounts) | | | | | | | | | |
|--|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | <u>Jun.01</u> | <u>Sep.01</u> | <u>Dec.01</u> | <u>Mar.02</u> | <u>Jun.02</u> | <u>Sep.02</u> | <u>Dec.02</u> | <u>Mar.03</u> | <u>Jun.03</u> | <u>Sep.03</u> |
| | 1,135 | 1,163 | 1,187 | 1,204 | 1,246 | 1,274 | 1,285 | 1,302 | 1,308 | 1,323 |

New Accounts (individual, monthly average)

| | (Thousands of accounts) | | | | | | | | | |
|--|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | FY02.3 | | | | FY03.3 | | | | FY04.3 | |
| | <u>1Q</u> | <u>2Q</u> | <u>3Q</u> | <u>4Q</u> | <u>1Q</u> | <u>2Q</u> | <u>3Q</u> | <u>4Q</u> | <u>1Q</u> | <u>2Q</u> |
| | 22 | 25 | 21 | 21 | 20 | 22 | 20 | 16 | 16 | 21 |

Table of Contents**Secondary Market Share Data**

Market units: trillions of yen

Individual Equity Agency Transactions Share (monthly average)

| | FY02.3 | | | | FY03.3 | | | | FY04.3 | |
|----------------|--------|-----|-----|-----|--------|-----|-----|-----|--------|-----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Market | 4.9 | 3.3 | 3.9 | 4.0 | 5.2 | 3.9 | 5.2 | 3.1 | 5.0 | 9.1 |
| Nomura's share | 16% | 16% | 16% | 13% | 20% | 16% | 17% | 8% | 8% | 10% |

Off-floor/Off-exchange Equity Trading Share

| | FY02.3 | | | | FY03.3 | | | | FY04.3 | |
|------------------|--------|-----|-----|-----|--------|-----|-----|-----|--------|-----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Off-floor market | 5.3 | 4.5 | 4.4 | 5.1 | 4.1 | 4.1 | 2.7 | 3.2 | 3.5 | 4.9 |
| Off-exchange | 8.2 | 8.2 | 8.3 | 7.7 | 9.6 | 8.7 | 8.7 | 6.3 | 8.1 | 9.1 |
| Nomura's share | 19% | 19% | 18% | 19% | 24% | 18% | 21% | 15% | 15% | 16% |

JGB Auction Share

| | FY02.3 | | | | FY03.3 | | | | FY04.3 | |
|----------------|--------|------|------|------|--------|------|------|------|--------|------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Market | 13.8 | 13.4 | 14.6 | 14.3 | 16.8 | 18.2 | 15.7 | 17.3 | 18.4 | 18.7 |
| Nomura's share | 12% | 20% | 13% | 14% | 20% | 18% | 10% | 12% | 14% | 17% |

Secondary Bond Trading

| | FY02.3 | | | | FY03.3 | | | | FY04.3 | |
|----------------|--------|-----|-----|-----|--------|-----|-----|-----|--------|-----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Market | 271 | 221 | 227 | 247 | 296 | 299 | 261 | 273 | 321 | 326 |
| Nomura's share | 15% | 17% | 14% | 14% | 13% | 16% | 13% | 14% | 18% | 16% |

Table of Contents**Primary Market Share Data (Value Base)****Straight Bonds ***

| | FY02.3 | | | | FY03.3 | | | | | |
|----------------|---------------|---------------|----------------|------------------|---------------|---------------|----------------|------------------|------------------|------------------|
| | <u>01.4 6</u> | <u>01.4 9</u> | <u>01.4 12</u> | <u>01.4 02.3</u> | <u>02.4 6</u> | <u>02.4 9</u> | <u>02.4 12</u> | <u>02.4 03.3</u> | <u>03.4 03.6</u> | <u>03.4 03.9</u> |
| Nomura s share | 19% | 19% | 19% | 21% | 20% | 22% | 22% | 23% | 22% | 23% |

Euro-Yen Bonds **

| | FY02.3 | | | | FY03.3 | | | | | |
|--------------|---------------|---------------|----------------|------------------|---------------|---------------|----------------|------------------|------------------|------------------|
| | <u>01.4 6</u> | <u>01.4 9</u> | <u>01.4 12</u> | <u>01.4 02.3</u> | <u>02.4 6</u> | <u>02.4 9</u> | <u>02.4 12</u> | <u>02.4 03.3</u> | <u>03.4 03.6</u> | <u>03.4 03.9</u> |
| Nomura share | 27% | 23% | 22% | 28% | 35% | 24% | 20% | 21% | 37% | 40% |

Samurai Bonds **

| | FY02.3 | | | | FY03.3 | | | | | |
|--------------|---------------|---------------|----------------|------------------|---------------|---------------|----------------|------------------|------------------|------------------|
| | <u>01.4 6</u> | <u>01.4 9</u> | <u>01.4 12</u> | <u>01.4 02.3</u> | <u>02.4 6</u> | <u>02.4 9</u> | <u>02.4 12</u> | <u>02.4 03.3</u> | <u>03.4 03.6</u> | <u>03.4 03.9</u> |
| Nomura share | 30% | 39% | 36% | 38% | 4% | 4% | 10% | 14% | 19% | 21% |

Japanese IPO ***

| | FY02.3 | | | | FY03.3 | | | | | |
|----------------|---------------|---------------|----------------|------------------|---------------|---------------|----------------|------------------|------------------|------------------|
| | <u>01.4 6</u> | <u>01.4 9</u> | <u>01.4 12</u> | <u>01.4 02.3</u> | <u>02.4 6</u> | <u>02.4 9</u> | <u>02.4 12</u> | <u>02.4 03.3</u> | <u>03.4 03.6</u> | <u>03.4 03.9</u> |
| Nomura s share | 7% | 17% | 37% | 36% | 89% | 70% | 50% | 49% | 1% | 10% |

Japanese PO ***

| | FY02.3 | | | | FY03.3 | | | | | |
|----------------|---------------|---------------|----------------|------------------|---------------|---------------|----------------|------------------|------------------|------------------|
| | <u>01.4 6</u> | <u>01.4 9</u> | <u>01.4 12</u> | <u>01.4 02.3</u> | <u>02.4 6</u> | <u>02.4 9</u> | <u>02.4 12</u> | <u>02.4 03.3</u> | <u>03.4 03.6</u> | <u>03.4 03.9</u> |
| Nomura s share | 48% | 40% | 37% | 34% | 40% | 42% | 47% | 44% | 68% | 66% |

Sources: * ThomsonDealWatch, lead manager base
 ** Thomson Financial Securities Data, bookrunner base
 *** Nomura Securities

Table of Contents**Assets Under Management (NAM / NCRAM)****NAM (Trillions of yen)**

| | <u>Jun. 01</u> | <u>Sep. 01</u> | <u>Dec. 01</u> | <u>Mar. 02</u> | <u>Jun. 02</u> | <u>Sep. 02</u> | <u>Dec. 02</u> | <u>Mar. 03</u> | <u>Jun. 03</u> | <u>Sep. 03</u> |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Stock investment trusts | 2.7 | 2.4 | 2.9 | 3.2 | 3.6 | 3.3 | 3.3 | 3.2 | 3.5 | 4.3 |
| Bond investment trusts | 14.5 | 12.9 | 10.9 | 10.4 | 9.2 | 8.3 | 7.8 | 7.3 | 7.0 | 7.0 |
| Non-public investment trusts | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 |
| Investment advisory (domestic) | 3.5 | 3.6 | 3.7 | 3.6 | 3.3 | 3.1 | 3.0 | 2.9 | 2.9 | 2.9 |
| Investment advisory (overseas) | 1.0 | 0.8 | 0.9 | 0.9 | 0.8 | 0.8 | 0.7 | 0.7 | 0.8 | 0.9 |
| Total | 21.9 | 19.8 | 18.6 | 18.2 | 17.1 | 15.6 | 15.1 | 14.2 | 14.5 | 15.4 |

NCRAM (Billions of US\$)

| | <u>Jun. 01</u> | <u>Sep. 01</u> | <u>Dec. 01</u> | <u>Mar. 02</u> | <u>Jun. 02</u> | <u>Sep. 02</u> | <u>Dec. 02</u> | <u>Mar. 03</u> | <u>Jun. 03</u> | <u>Sep. 03</u> |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total | 2.6 | 2.5 | 2.6 | 3.1 | 3.7 | 3.8 | 4.4 | 4.7 | 5.3 | 5.8 |

Table of Contents**Value at Risk (Consolidated)**

| n | Definition | From Apr. 1 to Sept. 30 2003 | |
|---|--|------------------------------|------------------|
| ∅ | 99% confidence level | Maximum: | 5.6 billion yen |
| ∅ | 1-day time horizon for out trading portfolio | Minimum: | 1.7 billion yen |
| ∅ | Inter-product price fluctuations considered | Average: | 2.92 billion yen |

| End of Month | (Billions of yen) | | | | | | | | |
|--------------------------------|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Sep.01 | Dec.01 | Mar.02 | Jun.02 | Sep.02 | Dec.02 | Mar.03 | Jun.03 | Sep.03 |
| Equity | 2.0 | 2.8 | 2.0 | 1.8 | 1.3 | 1.3 | 1.5 | 2.1 | 2.3 |
| Interest Rate | 1.7 | 2.9 | 2.3 | 1.7 | 1.8 | 1.9 | 2.3 | 2.5 | 2.4 |
| Foreign Exchange | 0.3 | 0.2 | 0.2 | 0.4 | 0.4 | 0.3 | 0.2 | 0.3 | 0.3 |
| Sub-total | 4.0 | 6.0 | 4.5 | 3.8 | 3.5 | 3.5 | 4.0 | 4.9 | 4.9 |
| Diversification Benefit | (1.2) | (1.9) | (1.2) | (1.2) | (1.2) | (1.1) | (0.9) | (1.5) | (1.3) |
| VaR | 2.8 | 4.1 | 3.3 | 2.6 | 2.3 | 2.4 | 3.1 | 3.4 | 3.6 |

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Number of Employees

| | Mar. 01 | Sep. 01 | Mar. 02 | Sep. 02 | Mar. 03 | Jun. 03 | Sep. 03 |
|---------------------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|----------------|
| Asia/Oceania | 486 | 476 | 468 | 462 | 616 | 622 | 646 |
| Americas | 835 | 893 | 827 | 753 | 797 | 821 | 843 |
| Europe | 1,370 | 1,449 | 1,381 | 1,352 | 1,389 | 1,439 | 1,372 |
| Japan (FA, SA) | 2,195 | 2,192 | 2,177 | 2,072 | 1,986 | 1,960 | 1,901 |
| Japan (excluding FA, SA)* | 9,507 | 9,846 | 9,697 | 9,969 | 9,258 | 9,561 | 9,435 |
| Total | 14,393 | 14,856 | 14,550 | 14,608 | 14,046 | 14,403 | 14,197 |

* Excluding NPF consolidated subsidiaries

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Tokyo, 31 October 2003

Merger of Nomura Holdings Subsidiaries in Japan

Today, Nomura Holdings, Inc. (NHI) announces that its wholly owned subsidiaries, The Nomura Fundnet Securities Co., Ltd. (NFN), Nomura DC Planning Co., Ltd. (NDCP), and Nomura Human Capital Solutions Co., Ltd. (NHCP), at their boards of directors meetings held today, determined to merge effective 5 January 2004.

1. Objective

In response to customers growing needs for pension-related services resulting from recent pension system reforms, Nomura Group established the above subsidiaries according to function and has offered services such as consultation on retirement benefit schemes and administration of defined contribution pension plans.

The aim of the merger is to create a structure able to consolidate the comprehensive capabilities of the Nomura Group to meet the increasingly diversified and sophisticated needs of its customers.

2. Merger outline

i) Date for merger: 5 January 2004

ii) Method

NDCP and NHCP will be dissolved through a buy-out leaving NFN as the surviving company.

iii) Share allotment ratio

3.5 NFN shares will be issued for 1 NDCP share and 0.2 NFN shares will be issued for 1 NHCP share. A total of 38,300 NFN common shares will be issued as a result of the merger.

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iv) Parties concerned

| | | | |
|------------------------|--|--|--|
| (1) Company name | The Nomura Fundnet Securities Co., Ltd. (*) | Nomura DC Planning Co., Ltd. | Nomura Human Capital Solutions Co., Ltd. |
| (2) Business | Administrative services for defined contribution pension plans | Administrative services for defined contribution pension plans | Projected benefit obligation (PBO) valuation support and retirement benefit restructuring consulting |
| (3) Established | 14 January 1999 | 1 August 2001 | 21 December 1998 |
| (4) Headquarters | Nihonbashi, Chuo-Ku, Tokyo | Otemachi, Chiyoda-Ku, Tokyo | Marunouchi, Chiyoda-Ku, Tokyo |
| (5) President | Osamu Muramatsu | Shin Ikeyama | Kenichi Fukuhara |
| (6) Capital | 5.6 billion yen | 490 million yen | 300 million yen |
| (7) Outstanding shares | 112,000 shares | 9,800 shares | 20,000 shares |

* Through the corporate separation effective on 12 December 2003, NFN will transfer its securities and related businesses to Nomura Securities Co., Ltd. (NSC) and NSC will assume all rights, obligations and contractual positions related to such businesses. As of the same day, NFN will mainly engage in administrative services for defined contribution pension plans and change its name to Nomura Pension Support & Service Co., Ltd.

v) Post merger

a) Company name

Nomura Pension Support & Service Co., Ltd.

b) Business

Administration and management of defined contribution pension plans, PBO valuation support and retirement benefit restructuring consulting

c) Headquarters

Nihonbashi, Chuo-Ku, Tokyo

Ends

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| James Pobjoy | Corporate Communications Dept., Nomura Group Headquarters | +81-3-3278-0591 |

Notes to editors:**The Nomura Group**

Nomura Group, with its core businesses of the securities and related businesses, is dedicated to providing a broad range of financial services for individual, institutional, corporate and government customers. We offer a diverse line of competitive products and value-added financial and advisory services through the 128 domestic branch offices of Nomura Securities Co., Ltd. and our overseas network that combines offices in 28 countries. Our business activities include investment consultation services for domestic retail investors, securities brokerage services, securities underwriting for domestic and foreign governments and corporations, mergers and acquisition and financial advisory services, merchant banking, and asset management for investment trusts and pension funds.