

NOMURA HOLDINGS INC
Form 6-K
February 06, 2014
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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

For the month of February 2014

NOMURA HOLDINGS, INC.

(Translation of registrant's name into English)

9-1, Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Japan

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

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

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Information furnished on this form:

EXHIBIT

Exhibit Number

1. Supplement for Financial Highlights - Nine months ended December 31, 2013

The registrant hereby incorporates Exhibit 1 to this report on Form 6-K by reference in the prospectus that is part of the Registration Statement on Form F-3 (Registration No. 333-191250) of the registrant and Nomura America Finance, LLC, filed with the Securities and Exchange Commission on September 19, 2013.

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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.

Date: February 6, 2014

By: /s/ Eiji Miura
Eiji Miura
Senior Managing Director

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Presentation of Financial and Other Information

As used in this Form 6-K, references to Nomura are to Nomura Holdings, Inc. and its consolidated entities. References to NHI are to Nomura Holdings, Inc.

Unless otherwise stated, references in this Form 6-K to yen are to Japanese yen. Amounts shown in this Form 6-K have been rounded to the nearest indicated digit unless otherwise specified. In tables and paragraphs with rounded figures, sums may not add up due to rounding.

Except as otherwise indicated, all financial information with respect to Nomura presented in this Form 6-K is presented on an unaudited consolidated basis in accordance with U.S. generally accepted accounting principles.

Supplement for Financial Highlights Nine months ended December 31, 2013

Nomura reported net revenue of 1,167.1 billion yen, income before income taxes of 273.0 billion yen, and net income attributable to NHI shareholders of 152.3 billion yen for the nine months ended December 31, 2013. Basic-Net income attributable to NHI shareholders per share was 41.09 yen and Diluted-Net income attributable to NHI shareholders per share was 39.83 yen. Annualized return on shareholders' equity was 8.5%.

i.) Financial Position

As of December 31, 2013, Nomura's total capital ratio was 14.0% and its Tier 1 capital ratio² was 12.0%. Nomura had total assets of 43.6 trillion yen, an increase of 5.7 trillion yen compared to March 31, 2013, primarily due to increase in Trading assets, Securities purchased under agreements to resell, and Securities borrowed. Total liabilities as of December 31, 2013 were 41.1 trillion yen, an increase of 5.5 trillion yen compared to March 31, 2013, primarily due to increases in Securities sold under agreements to repurchase, Trading liabilities, and Payables to other than customers. Total equity as of December 31, 2013 was 2,528.5 billion yen, an increase of 209.5 billion yen compared to March 31, 2013. Leverage ratio as of December 31, 2013 was 17.5 times and net leverage ratio³ was 10.9 times.

¹ Annualized return on shareholders' equity is a ratio of net income (loss) attributable to NHI shareholders to total NHI shareholders' equity multiplied by four thirds.

² These ratios represent preliminary estimates as of the date of this supplement release and may be revised in Nomura's Quarterly Securities Report on Form 6-K for the period ended December 31, 2013.

NHI has been assigned as *saishu shitei oyagaisha* (a Final Designated Parent Company) who must calculate the consolidated capital adequacy ratio according to the Notice of the Establishment of Standards for Determining Whether the Adequacy of Equity Capital of a Final Designated Parent Company and its Subsidiary Corporations, etc. is Appropriate Compared to the Assets Held by the Final Designated Parent Company and its Subsidiary Corporations, etc. (2010 FSA Regulatory Notice No.130; Capital Adequacy Notice on Final Designated Parent Company hereinafter) in April 2011. Nomura calculates Basel III-based consolidated regulatory capital adequacy ratio in accordance with the Capital Adequacy Notice on Final Designated Parent Company.

³ Net leverage ratio is a non-GAAP financial measure that Nomura considers to be a useful measure that Nomura and investors use to assess financial position. Net leverage ratio equals total assets less securities purchased under agreements to resell and securities borrowed divided by total NHI shareholders' equity.

Table of Contents**ii.) Expenses**

Non-interest expenses for the nine months ended December 31, 2013 decreased by 18.1% from the same period in the prior year to 894.1 billion yen.

iii.) Capital and Other Balance Sheet Metrics

As of December 31, 2013, total NHI shareholders' equity was 2,492.5 billion yen, which represented an increase of 198.1 billion yen compared to March 31, 2013.

Level 3 assets (net)⁴ were approximately 0.4 trillion yen as of December 31, 2013.

iv.) Value at Risk

Value at risk⁵ as of December 31, 2013 was 8.6 billion yen, which represents a 68.6% increase compared to March 31, 2013.

v.) Cash Dividends

| | For the year ended March 31 | | |
|------------------------|-----------------------------|------|-------------|
| | 2013 | 2014 | 2014 (Plan) |
| | (Yen amounts) | | |
| Dividends per share | | | |
| Dividends record dates | | | |
| At June 30 | | | |
| At September 30 | 2.00 | 8.00 | |
| At December 31 | | | |
| At March 31 | 6.00 | | Unconfirmed |
| For the year | 8.00 | | Unconfirmed |

vi.) Number of Employees

As of December 31, 2013, Nomura had 27,832 employees globally (Japan: 16,226, Europe: 3,456, Americas: 2,248, Asia-Pacific (including Powai office in India): 5,902).

⁴ This amount represents a preliminary estimate as of the date of this supplement release and may be revised in Nomura's Quarterly Securities Report on Form 6-K for the period ended December 31, 2013.

Level 3 assets (net) is a non-GAAP financial measure that Nomura considers to be a useful measure that Nomura and investors use to assess financial position. The level 3 assets (net) equals level 3 assets after netting off derivative assets and liabilities.

⁵ Value at risk is defined at 99% confidence level. The time horizon for our outstanding portfolio is 1 day. Inter-product price fluctuations are considered.

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Nine months ended December 31, 2013 Business Highlights

Net revenue was 1,167.1 billion yen, an increase of 0.6% from the same period in the prior year. Non-interest expenses were 894.1 billion yen, a decrease of 18.1% compared to the same period in the prior year. Income before income taxes was 273.0 billion yen.

The increase in net revenue was primarily due to the increase in net revenue in Retail, Asset Management and Wholesale from the same period in the prior year (as discussed in more detail below), while this does not include net revenue attributable to Nomura Real Estate Holdings Inc. ceasing to be a consolidated subsidiary as of March 31, 2013.

Net revenue in Retail was 414.0 billion yen, an increase of 59.8% from the same period in the prior year.

Net revenue in Asset Management was 60.0 billion yen, an increase of 18.5% compared to the same period in the prior year. Assets under management as of December 31, 2013 was 32.9 trillion yen, an increase of 5.0 trillion yen from 27.9 trillion yen as of March 31, 2013.

Net revenue in Wholesale was 566.6 billion yen, an increase of 26.5% compared to the same period in the prior year.

Nomura maintained Tier 1 capital ratio⁶ of 12.0% as of December 31, 2013.

⁶ This ratio represents preliminary estimate as of the date of this supplement release and may be revised in Nomura's Quarterly Securities Report on Form 6-K for the period ended December 31, 2013. NHI has been assigned as a Final Designated Parent Company who must calculate the consolidated capital adequacy ratio according to the Capital Adequacy Notice on Final Designated Parent Company in April 2011. Nomura calculates Basel III-based consolidated regulatory capital adequacy ratio in accordance with the Capital Adequacy Notice on Final Designated Parent Company.

Table of Contents**Business Segment Information****Retail**

Net revenue for the nine months ended December 31, 2013 was 414.0 billion yen, a 59.8% increase from the same period in the prior year primarily due to increased sales performance of equities and investment trusts as a result of active equity markets. Non-interest expenses increased by 13.7% to 245.3 billion yen. As a result, income before income taxes increased by 288.7% to 168.7 billion yen.

Retail client assets as of December 31, 2013 were 96.0 trillion yen, comprised of 56.5 trillion yen in equities, 6.4 trillion yen in foreign currency bonds, 12.7 trillion yen in domestic bonds including CBs and warrants, 9.2 trillion yen in stock investment trusts, 6.6 trillion yen in bond investment trusts, 1.7 trillion yen in overseas mutual funds, and 2.9 trillion yen in other⁷.

Operating Results of Retail

| | Billions of yen | | % Change (B-A)/(A) |
|-----------------------------------|-----------------------------|--------------------------|-----------------------|
| | For the nine months ended | | |
| | December 31, 2012 (A) | December 31, 2013 (B) | |
| Net revenue | 259.2 | 414.0 | 59.8 |
| Non-interest expenses | 215.8 | 245.3 | 13.7 |
| Income (loss) before income taxes | 43.4 | 168.7 | 288.7 |

Asset Management

Net revenue increased by 18.5% from the same period in the prior year to 60.0 billion yen primarily due to an increase in assets under management. Non-interest expenses increased by 14.5% to 38.2 billion yen. As a result, income before income taxes increased by 26.3% to 21.8 billion yen. Assets under management was 32.9 trillion yen as of December 31, 2013, an increase of 5.0 trillion yen from March 31, 2013.

In addition, Nomura Asset Management's share of public investment trust market in Japan as of December 31, 2013 was 23.6%⁹. Market share in Japan for public stock investment trusts was 19%^{8,9}, while market share for public bond investment trusts was 43%^{8,9}.

Operating Results of Asset Management

| | Billions of yen | | % Change (B-A)/(A) |
|-----------------------------------|-----------------------------|--------------------------|-----------------------|
| | For the nine months ended | | |
| | December 31, 2012 (A) | December 31, 2013 (B) | |
| Net revenue | 50.6 | 60.0 | 18.5 |
| Non-interest expenses | 33.4 | 38.2 | 14.5 |
| Income (loss) before income taxes | 17.2 | 21.8 | 26.3 |

⁷ Includes annuity insurance.

⁸ Nomura Asset Management Co., Ltd. only.

⁹ Source: The Investment Trusts Association, Japan.

Table of Contents**Wholesale**

Net revenue increased by 26.5% from the same period in the prior year to 566.6 billion yen (290.5 billion yen from Fixed Income, 192.4 billion yen from Equities, and 83.7 billion yen from Investment Banking). The primary factors for the increase in net revenue was the improved performance of equity business and an increase in the number of capital markets transactions and mark to market gain from the listing of Ashikaga Holdings Co., Ltd. Non-interest expenses increased by 18.5% to 488.3 billion yen. As a result, income before income taxes was 78.3 billion yen.

Operating Results of Wholesale

| | Billions of yen | | % Change (B-A)/(A) |
|-----------------------------------|---------------------------|--------------------------|-----------------------|
| | For the nine months ended | | |
| | December 31, 2012 (A) | December 31, 2013 (B) | |
| Net revenue | 447.9 | 566.6 | 26.5 |
| Non-interest expenses | 411.9 | 488.3 | 18.5 |
| Income (loss) before income taxes | 36.0 | 78.3 | 117.6 |

Other Operating Results

Net revenue was 108.0 billion yen. Loss before income taxes was 14.2 billion yen.

Other Operating Results

| | Billions of yen | | % Change (B-A)/(A) |
|-----------------------------------|---------------------------|--------------------------|-----------------------|
| | For the nine months ended | | |
| | December 31, 2012 (A) | December 31, 2013 (B) | |
| Net revenue | 387.3 | 108.0 | (72.1) |
| Non-interest expenses | 430.9 | 122.2 | (71.6) |
| Income (loss) before income taxes | (43.5) | (14.2) | |

Table of Contents**Segment Information Operating Segment**

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

| | Millions of yen For the nine months ended | | % Change |
|--|--|--------------------------|-----------|
| | December 31, 2012 (A) | December 31, 2013 (B) | (B-A)/(A) |
| Net revenue | | | |
| Business segment information: | | | |
| Retail | 259,176 | 414,047 | 59.8 |
| Asset Management | 50,643 | 60,015 | 18.5 |
| Wholesale | 447,945 | 566,624 | 26.5 |
| Subtotal | 757,764 | 1,040,686 | 37.3 |
| Other | 387,323 | 108,047 | (72.1) |
| Net revenue | 1,145,087 | 1,148,733 | 0.3 |
| Reconciliation items: | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | 14,932 | 18,400 | 23.2 |
| Net revenue | 1,160,019 | 1,167,133 | 0.6 |
| Non-interest expenses | | | |
| Business segment information: | | | |
| Retail | 215,766 | 245,313 | 13.7 |
| Asset Management | 33,395 | 38,226 | 14.5 |
| Wholesale | 411,946 | 488,301 | 18.5 |
| Subtotal | 661,107 | 771,840 | 16.7 |
| Other | 430,864 | 122,246 | (71.6) |
| Non-interest expenses | 1,091,971 | 894,086 | (18.1) |
| Reconciliation items: | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | | | |
| Non-interest expenses | 1,091,971 | 894,086 | (18.1) |
| Income (loss) before income taxes | | | |
| Business segment information: | | | |
| Retail | 43,410 | 168,734 | 288.7 |
| Asset Management | 17,248 | 21,789 | 26.3 |
| Wholesale | 35,999 | 78,323 | 117.6 |
| Subtotal | 96,657 | 268,846 | 178.1 |
| Other* | (43,541) | (14,199) | |
| Income (loss) before income taxes | 53,116 | 254,647 | 379.4 |
| Reconciliation items: | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | 14,932 | 18,400 | 23.2 |

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| | | | |
|-----------------------------------|--------|---------|-------|
| Income (loss) before income taxes | 68,048 | 273,047 | 301.3 |
|-----------------------------------|--------|---------|-------|

*** 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 (B-A)/(A) |
|--|---|--------------------------|-----------------------|
| | For the nine months ended December 31, 2012 (A) | December 31, 2013 (B) | |
| Net gain (loss) related to economic hedging transactions | 148 | 10,856 | |
| Realized gain (loss) on investments in equity securities held for operating purposes | (165) | 1,994 | |
| Equity in earnings of affiliates | 9,168 | 22,398 | 144.3 |
| Corporate items | (15,220) | (34,999) | |
| Other | (37,472) | (14,448) | |
| Total | (43,541) | (14,199) | |

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The following table sets forth the ratio of earnings to fixed charges of Nomura for the nine months ended December 31, 2013, in accordance with U.S. GAAP.

| | Millions of yen | |
|--|----------------------------|----------------|
| | For the nine months | |
| | ended | |
| | December 31, 2013 | |
| Earnings: | | |
| Pre-tax income from continuing operations before adjustment for income or loss from equity investees | ¥ | 245,493 |
| Add: Fixed charges | | 213,938 |
| Distributed income of equity investees | | 7,591 |
| Earnings as defined | ¥ | 467,022 |
| Fixed charges | ¥ | 213,938 |
| Ratio of earnings to fixed charges ¹⁰ | | 2.2 |

¹⁰ For the purpose of calculating the ratio of earnings to fixed charges, earnings consist of pre-tax income before adjustment for income or loss from equity investees, plus (i) fixed charges and (ii) distributed income of equity investees. Fixed charges consist of interest expense. Fixed charges exclude premium and discount amortization as well as interest expense, which are included in Net gain (loss) on trading. Fixed charges also exclude interest within rent expense, which is insignificant.

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The review process of the quarterly consolidated financial statements for this period has not been completed by the independent auditors at the point of disclosing this Supplement for Financial Highlights. As a result of such review, certain of the information set forth herein could be subject to revision, possibly material, in Nomura's Quarterly Securities Report on Form 6-K for the period ended December 31, 2013.