

NOMURA HOLDINGS INC
Form 6-K
January 31, 2019
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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 January 2019

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. Financial Summary Nine months ended December 31, 2018

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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: January 31, 2019

By: /s/ Hajime Ikeda
Hajime Ikeda
Senior Managing Director

Table of Contents**Financial Summary For the Nine Months Ended December 31, 2018 (U.S. GAAP)**

Date: January 31, 2019
Company name (code number): **Nomura Holdings, Inc. (8604)**
Stock exchange listings: (In Japan) Tokyo, Nagoya
(Overseas) New York, Singapore
Representative: Koji Nagai
President and Group CEO, Nomura Holdings, Inc.
For inquiries: Junko Tago
Executive Director, Head of Investor Relations, Nomura Holdings, Inc.
Tel: (Country Code 81) 3-5255-1000
URL: <https://www.nomura.com>

1. Consolidated Operating Results

(1) Operating Results

(Rounded to nearest million)
(Millions of yen, except per share data)

| | For the nine months ended December 31 | | | |
|--|---------------------------------------|---------------------------------------|--------|---------|
| | 2017 | 2018 | | |
| | % Change from December 31, 2016 | % Change from December 31, 2017 | | |
| Total revenue | 1,460,944 | 1,336,766 | 13.4% | (8.5%) |
| Net revenue | 1,118,932 | 815,516 | 6.1% | (27.1%) |
| Income (loss) before income taxes | 281,235 | (62,054) | 16.9% | % |
| Net income (loss) attributable to Nomura Holdings, Inc. (NHI) shareholders | 196,668 | (101,286) | 10.3% | % |
| Comprehensive income (loss) | 181,189 | (38,635) | (4.7%) | % |
| Basic-Net income (loss) attributable to NHI shareholders per share (Yen) | 56.20 | (30.01) | | |
| Diluted-Net income (loss) attributable to NHI shareholders per share (Yen) | 55.12 | (30.03) | | |
| Return on shareholders equity-annualized | 9.3% | (5.0%) | | |

Note: Return on shareholders equity is a ratio of Net income (loss) attributable to NHI shareholders to Total NHI shareholders equity.

(2) Financial Position

(Millions of yen, except per share data)

| | At March 31 | At December 31 |
|---|--------------|----------------|
| | 2018 | 2018 |
| | Total assets | 40,343,947 |
| Total equity | 2,799,824 | 2,706,011 |
| Total NHI shareholders equity | 2,749,320 | 2,662,943 |
| Total NHI shareholders equity as a percentage of total assets | 6.8% | 5.9% |
| Total NHI shareholders equity per share (Yen) | 810.31 | 805.07 |

Table of Contents**2. Cash Dividends**

| | (Yen amounts) | | |
|------------------------|-----------------------------|------|-------------|
| | For the year ended March 31 | | |
| | 2018 | 2019 | 2019 (Plan) |
| Dividends per share | | | |
| Dividends record dates | | | |
| At June 30 | | | |
| At September 30 | 9.00 | 3.00 | |
| At December 31 | | | |
| At March 31 | 11.00 | | Unconfirmed |
| For the year | 20.00 | | Unconfirmed |

Note: Fiscal year 2019 Q4 dividend forecasts are not presented per reasons stated in 3. Earnings Forecasts for the year ending March 31, 2019.

3. Earnings Forecasts for the year ending March 31, 2019

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

Notes

(1) Changes in significant subsidiaries during the period: None

(Changes in Specified Subsidiaries accompanying changes in scope of consolidation)

(2) Adoption of the simplified and particular accounting treatments: None

(3) Changes in accounting policies

a) Changes in accounting policies due to amendments to the accounting standards: Yes

b) Changes in accounting policies due to other than a): Yes

(4) Number of shares issued (common stock)

| | At March 31 2018 | At December 31 2018 |
|---|---------------------|------------------------|
| Number of shares outstanding (including treasury stock) | 3,643,562,601 | 3,493,562,601 |
| Number of treasury stock | 250,625,115 | 185,850,141 |

| | For the nine months ended December 31 | |
|---|---------------------------------------|---------------|
| | 2017 | 2018 |
| Average number of shares outstanding (year-to-date) | 3,499,513,649 | 3,374,581,279 |

*This financial summary is not subject to certified public accountant's or audit firm's quarterly review.

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Table of Contents**1. Qualitative Information of the Quarterly Consolidated Results****(1) Consolidated Operating Results****U.S. GAAP**

| | Billions of yen For the nine months ended | | % Change (B-A)/(A) |
|---|--|--------------------------|-----------------------|
| | December 31, 2017 (A) | December 31, 2018 (B) | |
| | Net revenue | 1,118.9 | 815.5 |
| Non-interest expenses | 837.7 | 877.6 | 4.8 |
| Income (loss) before income taxes | 281.2 | (62.1) | |
| Income tax expense | 79.8 | 36.3 | (54.5) |
| Net income (loss) | 201.4 | (98.4) | |
| Less: Net income attributable to noncontrolling interests | 4.8 | 2.9 | (39.3) |
| Net income (loss) attributable to NHI shareholders | 196.7 | (101.3) | |
| Return on shareholders' equity-annualized | 9.3% | (5.0%) | |

Note: Return on shareholders' equity is a ratio of Net income (loss) attributable to NHI shareholders to Total NHI shareholders' equity.

Nomura Holdings, Inc. and its consolidated entities (collectively, "Nomura") reported net revenue of 815.5 billion yen for the nine months ended December 31, 2018, a decrease of 27.1% from the same period in the prior year. Non-interest expenses increased by 4.8% from the same period in the prior year to 877.6 billion yen due to a loss of 81.4 billion yen from the goodwill impairment attributable to Wholesale as a result of the assessment of the goodwill as of December 31, 2018. Loss before income taxes was 62.1 billion yen and net loss attributable to NHI shareholders was 101.3 billion yen for the nine months ended December 31, 2018.

Segment Information

| | Billions of yen For the nine months ended | | % Change (B-A)/(A) |
|-----------------------------------|--|--------------------------|-----------------------|
| | December 31, 2017 (A) | December 31, 2018 (B) | |
| | Net revenue | 1,112.0 | 824.5 |
| Non-interest expenses | 837.7 | 877.6 | 4.8 |
| Income (loss) before income taxes | 274.3 | (53.0) | |

In the above segment information totals, which exclude unrealized gain (loss) on investments in equity securities held for operating purposes, net revenue for the nine months ended December 31, 2018 was 824.5 billion yen, a decrease of 25.9% from the same period in the prior year. Non-interest expenses increased by 4.8% from the same period in the prior year to 877.6 billion yen. Loss before income taxes was 53.0 billion yen for the nine months ended December 31, 2018. Please refer to page 10 for further details of the differences between U.S. GAAP and business segment amounts.

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<Business Segment Results>

Operating Results of Retail

| | Billions of yen For the nine months ended | | % Change (B-A)/(A) |
|-----------------------------------|---|--------------------------|---------------------------|
| | December 31, | | |
| | 2017 (A) | December 31, 2018 (B) | |
| Net revenue | 314.8 | 265.3 | (15.7) |
| Non-interest expenses | 233.0 | 219.1 | (6.0) |
| Income (loss) before income taxes | 81.7 | 46.2 | (43.5) |

Net revenue decreased by 15.7% from the same period in the prior year to 265.3 billion yen, primarily due to decreasing commissions from brokerage. Non-interest expense decreased by 6.0% to 219.1 billion yen. As a result, income before income taxes decreased by 43.5% to 46.2 billion yen.

Operating Results of Asset Management

| | Billions of yen For the nine months ended | | % Change (B-A)/(A) |
|-----------------------------------|---|--------------------------|---------------------------|
| | December 31, | | |
| | 2017 (A) | December 31, 2018 (B) | |
| Net revenue | 100.0 | 66.9 | (33.1) |
| Non-interest expenses | 45.1 | 47.2 | 4.5 |
| Income (loss) before income taxes | 54.9 | 19.8 | (64.0) |

Net revenue decreased by 33.1% from the same period in the prior year to 66.9 billion yen. Non-interest expense increased by 4.5% to 47.2 billion yen. As a result, income before income taxes decreased by 64.0% to 19.8 billion yen. Assets under management were 48.3 trillion yen as of December 31, 2018.

Operating Results of Wholesale

| | Billions of yen For the nine months ended | | % Change (B-A)/(A) |
|-----------------------------------|---|--------------------------|---------------------------|
| | December 31, | | |
| | 2017 (A) | December 31, 2018 (B) | |
| Net revenue | 503.9 | 413.1 | (18.0) |
| Non-interest expenses | 447.5 | 511.5 | 14.3 |
| Income (loss) before income taxes | 56.4 | (98.4) | |

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Net revenue decreased by 18.0% from the same period in the prior year to 413.1 billion yen. Non-interest expense increased by 14.3% to 511.5 billion yen due to a loss of 81.0 billion yen from the goodwill impairment attributable to Wholesale. As a result, loss before income taxes was 98.4 billion yen.

Table of Contents**Other Operating Results**

| | Billions of yen For the nine months ended | | % Change (B-A)/(A) |
|-----------------------------------|---|--------------------------|---------------------------|
| | December 31, 2017 (A) | December 31, 2018 (B) | |
| Net revenue | 193.3 | 79.1 | (59.1) |
| Non-interest expenses | 112.0 | 99.7 | (11.0) |
| Income (loss) before income taxes | 81.4 | (20.6) | |

Net revenue was 79.1 billion yen. Loss before income taxes was 20.6 billion yen.

(2) Consolidated Financial Position

Total assets as of December 31, 2018 were 45,113.0 billion yen, an increase of 4,769.1 billion yen compared to March 31, 2018, mainly due to the increase in *Securities purchased under agreements to resell*. Total liabilities as of December 31, 2018 were 42,407.0 billion yen, an increase of 4,862.9 billion yen compared to March 31, 2018, mainly due to the increase in *Securities sold under agreements to repurchase*. Total equity as of December 31, 2018 was 2,706.0 billion yen, a decrease of 93.8 billion yen compared to March 31, 2018. During the nine months ended December 31, 2018, Nomura cancelled 150,000,000 shares of its own shares.

(3) Consolidated Earnings Forecasts

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

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2. Notes to the Summary Information

(1) Changes in Accounting Policies

Revenue recognition

On April 1, 2018, Nomura adopted Accounting Standards Update 2014-09 *Revenue from Contracts with Customers* and replaced existing revenue recognition guidance with a new prescriptive model. As a result of this adoption based on the modified retrospective application, the beginning balance of *Retained earnings* has been adjusted.

Changes of offsetting of derivatives

Nomura collects and remits cash margin between its clients and central clearing houses in its execution and clearing services of exchange-traded derivative transactions. Cash margin collected from clients and remitted to central clearing houses was reflected on Nomura's consolidated balance sheets. However, with effect from April 1, 2018, revisiting nature of the transactions, Nomura has revised its accounting policy for when such balances are recognized on Nomura's consolidated group balance sheet and as a result, certain cash margin amounts held on behalf of clients as well as an equivalent amount reflecting the obligation to return such amounts to clients are no longer recognized on the balance sheet if certain criteria are met. Nomura has restated previously reported amounts of *Receivables from other than customers* decreased by 237.0 billion yen and *Payables to other than customers* decreased by 237.0 billion yen, respectively, to conform to the current presentation.

Daily variation margin for certain derivative transactions traded in Japan was reflected on Nomura's consolidated balance sheets. However, from April 1, 2018, Nomura changed its accounting policy as a result of amendment of the rules of a specific central clearing house and daily variation margin is now off-balanced. Nomura has restated previously report amounts of *Trading assets* decreased by 4.9 billion yen, *Receivables from other than customers* decreased by 5.5 billion yen and *Trading liabilities* decreased by 10.4 billion yen respectively to conform to the current presentation.

3. Quarterly Consolidated Financial Statements

The quarterly consolidated financial information herein has been prepared in accordance with Nomura's accounting policies which are disclosed in the notes to the consolidated financial statements of Nomura Holdings, Inc.'s Annual Securities Report (the annual report filed in Japan on June 25, 2018) and Form 20-F (the annual report filed with the U.S. Securities and Exchange Commission on June 25, 2018) for the year ended March 31, 2018.

Table of Contents**(1) Consolidated Balance Sheets**

| | Millions of yen | | |
|--|-------------------|----------------------|-------------------------|
| | March 31, 2018 | December 31, 2018 | Increase/ (Decrease) |
| ASSETS | | | |
| Cash and cash deposits: | | | |
| Cash and cash equivalents | 2,354,639 | 2,438,649 | 84,010 |
| Time deposits | 315,445 | 347,166 | 31,721 |
| Deposits with stock exchanges and other segregated cash | 288,962 | 294,663 | 5,701 |
| Total cash and cash deposits | 2,959,046 | 3,080,478 | 121,432 |
| Loans and receivables: | | | |
| Loans receivable | 2,462,503 | 2,373,851 | (88,652) |
| Receivables from customers | 442,343 | 408,918 | (33,425) |
| Receivables from other than customers | 973,867 | 1,093,348 | 119,481 |
| Allowance for doubtful accounts | (3,514) | (3,941) | (427) |
| Total loans and receivables | 3,875,199 | 3,872,176 | (3,023) |
| Collateralized agreements: | | | |
| Securities purchased under agreements to resell | 9,853,898 | 14,549,228 | 4,695,330 |
| Securities borrowed | 6,383,845 | 4,073,886 | (2,309,959) |
| Total collateralized agreements | 16,237,743 | 18,623,114 | 2,385,371 |
| Trading assets and private equity investments: | | | |
| Trading assets* | 14,962,690 | 17,520,795 | 2,558,105 |
| Private equity investments | 17,466 | 15,754 | (1,712) |
| Total trading assets and private equity investments | 14,980,156 | 17,536,549 | 2,556,393 |
| Other assets: | | | |
| Office buildings, land, equipment and facilities | | | |
| (net of accumulated depreciation and amortization of ¥397,834 million as of March 31, 2018 and ¥425,398 million as of December 31, 2018) | | | |
| | 338,984 | 321,930 | (17,054) |
| Non-trading debt securities* | 485,891 | 457,534 | (28,357) |
| Investments in equity securities* | 150,760 | 135,624 | (15,136) |
| Investments in and advances to affiliated companies* | 408,034 | 416,424 | 8,390 |
| Other | 908,134 | 669,194 | (238,940) |
| Total other assets | 2,291,803 | 2,000,706 | (291,097) |
| Total assets | 40,343,947 | 45,113,023 | 4,769,076 |

* Including securities pledged as collateral

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| | Millions of yen | | |
|---|---|----------------------|-------------------------|
| | March 31, 2018 | December 31, 2018 | Increase/ (Decrease) |
| LIABILITIES AND EQUITY | | | |
| Short-term borrowings | 743,497 | 808,262 | 64,765 |
| Payables and deposits: | | | |
| Payables to customers | 1,176,773 | 1,180,941 | 4,168 |
| Payables to other than customers | 1,239,540 | 1,257,743 | 18,203 |
| Deposits received at banks | 1,151,342 | 1,276,438 | 125,096 |
| Total payables and deposits | 3,567,655 | 3,715,122 | 147,467 |
| Collateralized financing: | | | |
| Securities sold under agreements to repurchase | 14,759,010 | 19,982,480 | 5,223,470 |
| Securities loaned | 1,524,363 | 1,295,494 | (228,869) |
| Other secured borrowings | 413,621 | 432,460 | 18,839 |
| Total collateralized financing | 16,696,994 | 21,710,434 | 5,013,440 |
| Trading liabilities | 8,202,936 | 7,691,892 | (511,044) |
| Other liabilities | 950,534 | 738,472 | (212,062) |
| Long-term borrowings | 7,382,507 | 7,742,830 | 360,323 |
| Total liabilities | 37,544,123 | 42,407,012 | 4,862,889 |
| Equity | | | |
| NHI shareholders' equity: | | | |
| Common stock | | | |
| Authorized | - 6,000,000,000 shares | | |
| Issued | - 3,643,562,601 shares as of March 31, 2018 and 3,493,562,601 shares as of December 31, 2018 | | |
| Outstanding | - 3,392,937,486 shares as of March 31, 2018 and 3,307,712,460 shares as of December 31, 2018 | | |
| | 594,493 | 594,493 | |
| Additional paid-in capital | 675,280 | 683,525 | 8,245 |
| Retained earnings | 1,696,890 | 1,496,085 | (200,805) |
| Accumulated other comprehensive income (loss) | (59,356) | (350) | 59,006 |
| Total NHI shareholders' equity before treasury stock | 2,907,307 | 2,773,753 | (133,554) |
| Common stock held in treasury, at cost - 250,625,115 shares as of March 31, 2018 and 185,850,141 shares as of December 31, 2018 | (157,987) | (110,810) | 47,177 |
| Total NHI shareholders' equity | 2,749,320 | 2,662,943 | (86,377) |
| Noncontrolling interests | 50,504 | 43,068 | (7,436) |
| Total equity | 2,799,824 | 2,706,011 | (93,813) |
| Total liabilities and equity | 40,343,947 | 45,113,023 | 4,769,076 |

Table of Contents**(2) Consolidated Statements of Income**

| | Millions of yen For the nine months ended December | | % Change (B-A)/(A) |
|--|--|-------------------------|-----------------------|
| | 31, 2017(A) | December 31, 2018(B) | |
| Revenue: | | | |
| Commissions | 277,947 | 226,954 | (18.3) |
| Fees from investment banking | 79,079 | 76,207 | (3.6) |
| Asset management and portfolio service fees | 183,322 | 186,312 | 1.6 |
| Net gain on trading | 296,583 | 244,586 | (17.5) |
| Gain (loss) on private equity investments | (2,352) | 1,335 | |
| Interest and dividends | 437,449 | 572,835 | 30.9 |
| Gain (loss) on investments in equity securities | 7,654 | (8,864) | |
| Other | 181,262 | 37,401 | (79.4) |
| Total revenue | 1,460,944 | 1,336,766 | (8.5) |
| Interest expense | 342,012 | 521,250 | 52.4 |
| Net revenue | 1,118,932 | 815,516 | (27.1) |
| Non-interest expenses: | | | |
| Compensation and benefits | 389,656 | 372,428 | (4.4) |
| Commissions and floor brokerage | 74,269 | 64,335 | (13.4) |
| Information processing and communications | 140,881 | 123,232 | (12.5) |
| Occupancy and related depreciation | 51,070 | 48,692 | (4.7) |
| Business development expenses | 26,033 | 27,354 | 5.1 |
| Other | 155,788 | 241,529 | 55.0 |
| Total non-interest expenses | 837,697 | 877,570 | 4.8 |
| Income (loss) before income taxes | 281,235 | (62,054) | |
| Income tax expense | 79,788 | 36,331 | (54.5) |
| Net income (loss) | 201,447 | (98,385) | |
| Less: Net income attributable to noncontrolling interests | 4,779 | 2,901 | (39.3) |
| Net income (loss) attributable to NHI shareholders | 196,668 | (101,286) | |
| Per share of common stock: | | | |
| | Yen | | % Change |
| Basic- | | | |
| Net income (loss) attributable to NHI shareholders per share | 56.20 | (30.01) | |
| Diluted- | | | |
| Net income (loss) attributable to NHI shareholders per share | 55.12 | (30.03) | |

Table of Contents**(3) Consolidated Statements of Comprehensive Income**

| | Millions of yen For the nine months ended December | | % Change (B-A)/(A) |
|---|--|-------------------------|-----------------------|
| | 31, 2017(A) | December 31, 2018(B) | |
| Net income (loss) | 201,447 | (98,385) | |
| Other comprehensive income (loss): | | | |
| Cumulative translation adjustments: | | | |
| Cumulative translation adjustments | (29,831) | 35,040 | |
| Deferred income taxes | 13,335 | (1,702) | |
| Total | (16,496) | 33,338 | |
| Defined benefit pension plans: | | | |
| Pension liability adjustment | 1,124 | 2,039 | 81.4 |
| Deferred income taxes | (336) | (995) | |
| Total | 788 | 1,044 | 32.5 |
| Non-trading securities: | | | |
| Net unrealized gain on non-trading securities | 2,165 | | (100.0) |
| Deferred income taxes | (539) | | |
| Total | 1,626 | | (100.0) |
| Own Credit Adjustments: | | | |
| Own Credit Adjustments: | (7,197) | 31,350 | |
| Deferred income taxes | 1,021 | (5,982) | |
| Total | (6,176) | 25,368 | |
| Total other comprehensive income (loss) | (20,258) | 59,750 | |
| Comprehensive income | 181,189 | (38,635) | |
| Less: Comprehensive income attributable to noncontrolling interests | 6,067 | 3,645 | (39.9) |
| Comprehensive income attributable to NHI shareholders | 175,122 | (42,280) | |

(4) Note with respect to the Assumption as a Going Concern

Not applicable.

Table of Contents**(5) 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, 2017 (A) | December 31, 2018 (B) | (B-A)/(A) |
| Net revenue | | | |
| Business segment information: | | | |
| Retail | 314,754 | 265,325 | (15.7) |
| Asset Management | 100,018 | 66,948 | (33.1) |
| Wholesale | 503,927 | 413,148 | (18.0) |
| Subtotal | 918,699 | 745,421 | (18.9) |
| Other | 193,340 | 79,117 | (59.1) |
| Net revenue | 1,112,039 | 824,538 | (25.9) |
| Reconciliation items: | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | 6,893 | (9,022) | |
| Net revenue | 1,118,932 | 815,516 | (27.1) |
| Non-interest expenses | | | |
| Business segment information: | | | |
| Retail | 233,028 | 219,136 | (6.0) |
| Asset Management | 45,148 | 47,191 | 4.5 |
| Wholesale | 447,545 | 511,532 | 14.3 |
| Subtotal | 725,721 | 777,859 | 7.2 |
| Other | 111,976 | 99,711 | (11.0) |
| Non-interest expenses | 837,697 | 877,570 | 4.8 |
| Reconciliation items: | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | | | |
| Non-interest expenses | 837,697 | 877,570 | 4.8 |
| Income (loss) before income taxes | | | |
| Business segment information: | | | |
| Retail | 81,726 | 46,189 | (43.5) |
| Asset Management | 54,870 | 19,757 | (64.0) |
| Wholesale | 56,382 | (98,384) | |
| Subtotal | 192,978 | (32,438) | |
| Other* | 81,364 | (20,594) | |
| Income (loss) before income taxes | 274,342 | (53,032) | |

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Reconciliation items:

| | | |
|--|---------|----------|
| Unrealized gain (loss) on investments in equity securities held for operating purposes | 6,893 | (9,022) |
| Income (loss) before income taxes | 281,235 | (62,054) |

* 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 |
|--|---------------------------|-----------------------|-----------|
| | For the nine months ended | | |
| | December 31, 2017 (A) | December 31, 2018 (B) | (B-A)/(A) |
| Net gain (loss) related to economic hedging transactions | (8,115) | (4,754) | |
| Realized gain (loss) on investments in equity securities held for operating purposes | 761 | 158 | (79.2) |
| Equity in earnings of affiliates | 23,231 | 16,599 | (28.5) |
| Corporate items | (1,635) | (25,570) | |
| Other | 67,122 | (7,027) | |
| Total | 81,364 | (20,594) | |

Table of Contents**(6) Significant Changes in Equity**

Not applicable. For further details of the changes, please refer below.

| | Millions of yen For the nine months ended December 31, 2018 |
|---|--|
| Common stock | |
| Balance at beginning of year | 594,493 |
| Balance at end of period | 594,493 |
| Additional paid-in capital | |
| Balance at beginning of year | 675,280 |
| Stock-based compensation awards | 8,245 |
| Balance at end of period | 683,525 |
| Retained earnings | |
| Balance at beginning of year | 1,696,890 |
| Cumulative effect of change in accounting principle (1) | 1,564 |
| Net income (loss) attributable to NHI shareholders | (101,286) |
| Cash dividends | (10,173) |
| Gain (loss) on sales of treasury stock | (994) |
| Cancellation of treasury stock | (89,916) |
| Balance at end of period | 1,496,085 |
| Accumulated other comprehensive income (loss) | |
| Cumulative translation adjustments | |
| Balance at beginning of year | (15,596) |
| Net change during the period | 32,594 |
| Balance at end of period | 16,998 |
| Defined benefit pension plans | |
| Balance at beginning of year | (47,837) |
| Pension liability adjustment | 1,044 |
| Balance at end of period | (46,793) |
| Own credit adjustments | |
| Balance at beginning of year | 4,077 |
| Own credit adjustments | 25,368 |
| Balance at end of period | 29,445 |
| Balance at end of period | (350) |
| Common stock held in treasury | |
| Balance at beginning of year | (157,987) |
| Repurchases of common stock | (51,711) |
| Sale of common stock | 0 |

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| | |
|---------------------------------------|-----------|
| Common stock issued to employees | 8,972 |
| Cancellation of common stock | 89,916 |
| Balance at end of period | (110,810) |
| Total NHI shareholders' equity | |
| Balance at end of period | 2,662,943 |
| Noncontrolling interests | |
| Balance at beginning of year | 50,504 |
| Net change during the period | (7,436) |
| Balance at end of period | 43,068 |
| Total equity | |
| Balance at end of period | 2,706,011 |

(1) *In relation to Cumulative effect of change in accounting principle, please refer to section 2. Notes to the Summary Information (1) Changes in Accounting Policies.*

Table of Contents**(7) Significant Subsequent Events**

a) Investment in an Affiliated Company

On January 16, 2019, Nomura paid 9.8 billion yen to LINE Securities Preparatory Corporation, whose trade name will change to LINE Securities Corporation (LINE Securities) before its operations commence, as a result of undertaking new shares that LINE Securities resolved to issue on January 8, 2019. Following the capital increase, LINE Securities has total capital and capital reserve of 20 billion yen. Nomura owns 49% of LINE Securities. From the fourth quarter of the fiscal year ending March 31, 2019, LINE Securities will be an equity-method affiliate of Nomura.

b) Tender Offer for Shares in Orion Breweries, Ltd.

On January 23, 2019, Nomura Capital Partners Co., Ltd. (NCAP), a wholly owned subsidiary of Nomura Holdings, Inc. , resolved at a board of directors meeting to implement a tender offer for shares of common stock in Orion Breweries, Ltd. (Orion) The tender offer will be conducted through Ocean Holdings Co., Ltd., (Ocean) which Nomura Capital Partners 1 Investment Limited Partnership, which NCAP represents as a general partner, holds 51% of ownership.

After completion of the tender offer of common stock in Orion, investment in Ocean will be carried at fair value and change in fair value will be recognized through the consolidated statements of income in accordance with Accounting Standard Codification 946 *Financial Services Investment Companies*.

Overview of the Tender Offer

| | | |
|----------------------------------|--|----------------|
| Target Company | Orion Breweries, Ltd. | |
| Type of shares | Common shares | |
| Tender Offer period | From Thursday, January 24, 2019 to Friday, March 22, 2019 (40 business days) | |
| Tender Offer price | JPY 79,200 per common share | |
| Number of shares to be purchased | Number of shares to be purchased: | 658,504 shares |
| | Minimum number of shares to be purchased: | 418,504 shares |
| | Maximum number of shares to be purchased: | |
| Tender Offer agent | Nomura Securities Co., Ltd. | |
| Settlement date | Friday, March 29, 2019 | |

Table of Contents**4. Supplementary Information****(1) Consolidated Statements of Income Quarterly Comparatives**

| | Millions of yen For the three months ended | | | | | | % Change (B-A)/(A) | Millions of yen For the year ended March 31, 2018 | |
|---|---|--------------------------|-------------------------|----------------------|------------------|-----------------------------|-----------------------|---|----------------------------|
| | June 30, 2017 | September 30, 2017 | December 31, 2017 | March 31, 2018 | June 30, 2018 | September 30, 2018(A) | | | December 31, 2018(B) |
| Revenue: | | | | | | | | | |
| Commissions | 90,968 | 85,324 | 101,655 | 95,366 | 79,456 | 74,783 | 72,715 | (2.8) | 373,313 |
| Fees from investment banking | 22,707 | 27,083 | 29,289 | 22,584 | 23,959 | 19,119 | 33,129 | 73.3 | 101,663 |
| Asset management and portfolio service fees | 58,343 | 61,212 | 63,767 | 62,294 | 62,981 | 62,740 | 60,591 | (3.4) | 245,616 |
| Net gain on trading | 120,467 | 88,391 | 87,725 | 146,302 | 71,887 | 75,752 | 96,947 | 28.0 | 442,885 |
| Gain (loss) on private equity investments | 359 | (330) | (2,381) | 1,483 | 553 | 321 | 461 | 43.6 | (869) |
| Interest and dividends | 134,392 | 141,612 | 161,445 | 148,226 | 169,590 | 188,703 | 214,542 | 13.7 | 585,675 |
| Gain (loss) on investments in equity securities | 62 | 3,060 | 4,532 | (4,971) | 2,092 | (1,104) | (9,852) | | 2,683 |
| Other | 40,628 | 56,037 | 84,597 | 39,930 | 20,467 | 28,067 | (11,133) | | 221,192 |
| Total revenue | 467,926 | 462,389 | 530,629 | 511,214 | 430,985 | 448,381 | 457,400 | 2.0 | 1,972,158 |
| Interest expense | 107,103 | 110,896 | 124,013 | 133,177 | 158,988 | 165,459 | 196,803 | 18.9 | 475,189 |
| Net revenue | 360,823 | 351,493 | 406,616 | 378,037 | 271,997 | 282,922 | 260,597 | (7.9) | 1,496,969 |
| Non-interest expenses: | | | | | | | | | |
| Compensation and benefits | 136,249 | 122,035 | 131,372 | 140,985 | 127,700 | 125,800 | 118,928 | (5.5) | 530,641 |
| Commissions and floor brokerage | 23,775 | 25,242 | 25,252 | 25,599 | 20,935 | 19,579 | 23,821 | 21.7 | 99,868 |
| Information processing and communications | 44,569 | 47,263 | 49,049 | 43,900 | 40,961 | 40,515 | 41,756 | 3.1 | 184,781 |
| Occupancy and related depreciation | 17,056 | 17,209 | 16,805 | 16,825 | 16,376 | 16,464 | 15,852 | (3.7) | 67,895 |
| Business development expenses | 8,409 | 7,823 | 9,801 | 10,729 | 8,896 | 9,337 | 9,121 | (2.3) | 36,762 |
| Other | 53,322 | 48,882 | 53,584 | 93,076 | 43,486 | 70,760 | 127,283 | 79.9 | 248,864 |
| Total non-interest expenses | 283,380 | 268,454 | 285,863 | 331,114 | 258,354 | 282,455 | 336,761 | 19.2 | 1,168,811 |
| Income (loss) before income taxes | 77,443 | 83,039 | 120,753 | 46,923 | 13,643 | 467 | (76,164) | | 328,158 |
| Income tax expense | 19,405 | 29,423 | 30,960 | 24,078 | 6,930 | 9,703 | 19,698 | 103.0 | 103,866 |
| Net income (loss) | 58,038 | 53,616 | 89,793 | 22,845 | 6,713 | (9,236) | (95,862) | | 224,292 |
| Less: Net income (loss) attributable to noncontrolling interests | 1,182 | 1,766 | 1,831 | 170 | 1,490 | 1,997 | (586) | | 4,949 |
| Net income (loss) attributable to NHI shareholders | 56,856 | 51,850 | 87,962 | 22,675 | 5,223 | (11,233) | (95,276) | | 219,343 |

| | Yen | | % Change | | Yen |
|----------------------------|-----|--|----------|--|-----|
| Per share of common stock: | | | | | |
| Basic- | | | | | |

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| | | | | | | | | |
|--|-------|-------|-------|------|------|--------|---------|-------|
| Net income (loss) attributable to NHI shareholders per share | 16.07 | 14.70 | 25.55 | 6.68 | 1.54 | (3.31) | (28.52) | 63.13 |
| Diluted- | | | | | | | | |
| Net income (loss) attributable to NHI shareholders per share | 15.77 | 14.45 | 25.12 | 6.56 | 1.50 | (3.32) | (28.52) | 61.88 |

Table of Contents**(2) Business Segment Information Quarterly Comparatives**

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

| | Millions of yen | | | | | | | % Change (B-A)/(A) | Millions of yen For the year ended March 31, 2018 |
|--|----------------------------|--------------------------|-------------------------|----------------------|------------------|-----------------------------|----------------------------|-----------------------|---|
| | For the three months ended | | | | | | | | |
| | June 30, 2017 | September 30, 2017 | December 31, 2017 | March 31, 2018 | June 30, 2018 | September 30, 2018(A) | December 31, 2018(B) | | |
| Net revenue | | | | | | | | | |
| Business segment information: | | | | | | | | | |
| Retail | 101,684 | 101,786 | 111,284 | 98,154 | 92,833 | 85,710 | 86,782 | 1.3 | 412,908 |
| Asset Management | 28,097 | 35,418 | 36,503 | 27,319 | 26,089 | 24,681 | 16,178 | (34.5) | 127,337 |
| Wholesale | 179,316 | 158,963 | 165,648 | 211,406 | 137,290 | 147,660 | 128,198 | (13.2) | 715,333 |
| Subtotal | 309,097 | 296,167 | 313,435 | 336,879 | 256,212 | 258,051 | 231,158 | (10.4) | 1,255,578 |
| Other | 51,707 | 52,610 | 89,023 | 46,153 | 13,738 | 25,982 | 39,397 | 51.6 | 239,493 |
| Net revenue | 360,804 | 348,777 | 402,458 | 383,032 | 269,950 | 284,033 | 270,555 | (4.7) | 1,495,071 |
| Reconciliation items: | | | | | | | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | 19 | 2,716 | 4,158 | (4,995) | 2,047 | (1,111) | (9,958) | | 1,898 |
| Net revenue | 360,823 | 351,493 | 406,616 | 378,037 | 271,997 | 282,922 | 260,597 | (7.9) | 1,496,969 |
| Non-interest expenses | | | | | | | | | |
| Business segment information: | | | | | | | | | |
| Retail | 76,792 | 76,239 | 79,997 | 76,743 | 72,909 | 73,494 | 72,733 | (1.0) | 309,771 |
| Asset Management | 14,527 | 14,950 | 15,671 | 16,019 | 15,806 | 15,768 | 15,617 | (1.0) | 61,167 |
| Wholesale | 153,963 | 141,980 | 151,602 | 167,200 | 144,714 | 142,745 | 224,073 | 57.0 | 614,745 |
| Subtotal | 245,282 | 233,169 | 247,270 | 259,962 | 233,429 | 232,007 | 312,423 | 34.7 | 985,683 |
| Other | 38,098 | 35,285 | 38,593 | 71,152 | 24,925 | 50,448 | 24,338 | (51.8) | 183,128 |
| Non-interest expenses | 283,380 | 268,454 | 285,863 | 331,114 | 258,354 | 282,455 | 336,761 | 19.2 | 1,168,811 |
| Reconciliation items: | | | | | | | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | | | | | | | | | |
| Non-interest expenses | 283,380 | 268,454 | 285,863 | 331,114 | 258,354 | 282,455 | 336,761 | 19.2 | 1,168,811 |
| Income (loss) before income taxes | | | | | | | | | |

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Business segment information:

| | | | | | | | | | |
|------------------|--------|--------|--------|----------|----------|----------|----------|--------|---------|
| Retail | 24,892 | 25,547 | 31,287 | 21,411 | 19,924 | 12,216 | 14,049 | 15.0 | 103,137 |
| Asset Management | 13,570 | 20,468 | 20,832 | 11,300 | 10,283 | 8,913 | 561 | (93.7) | 66,170 |
| Wholesale | 25,353 | 16,983 | 14,046 | 44,206 | (7,424) | 4,915 | (95,875) | | 100,588 |
| Subtotal | 63,815 | 62,998 | 66,165 | 76,917 | 22,783 | 26,044 | (81,265) | | 269,895 |
| Other* | 13,609 | 17,325 | 50,430 | (24,999) | (11,187) | (24,466) | 15,059 | | 56,365 |

| | | | | | | | | | |
|-----------------------------------|--------|--------|---------|--------|--------|-------|----------|--|---------|
| Income (loss) before income taxes | 77,424 | 80,323 | 116,595 | 51,918 | 11,596 | 1,578 | (66,206) | | 326,260 |
|-----------------------------------|--------|--------|---------|--------|--------|-------|----------|--|---------|

Reconciliation items:

| | | | | | | | | | |
|--|----|-------|-------|---------|-------|---------|---------|--|-------|
| Unrealized gain (loss) on investments in equity securities held for operating purposes | 19 | 2,716 | 4,158 | (4,995) | 2,047 | (1,111) | (9,958) | | 1,898 |
|--|----|-------|-------|---------|-------|---------|---------|--|-------|

| | | | | | | | | | |
|-----------------------------------|--------|--------|---------|--------|--------|-----|----------|--|---------|
| Income (loss) before income taxes | 77,443 | 83,039 | 120,753 | 46,923 | 13,643 | 467 | (76,164) | | 328,158 |
|-----------------------------------|--------|--------|---------|--------|--------|-----|----------|--|---------|

* 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) | Millions of yen For the year ended March 31, 2018 |
|--|----------------------------|--------------------------|-------------------------|----------------------|------------------|-----------------------------|----------------------------|-----------------------|---|
| | For the three months ended | | | | | | | | |
| | June 30, 2017 | September 30, 2017 | December 31, 2017 | March 31, 2018 | June 30, 2018 | September 30, 2018(A) | December 31, 2018(B) | | |
| Net gain (loss) related to economic hedging transactions | (654) | 558 | (8,019) | 1,654 | (13,807) | (16,018) | 25,071 | | (6,461) |
| Realized gain (loss) on investments in equity securities held for operating purposes | 43 | 344 | 374 | 24 | 45 | 7 | 106 | | 785 |
| Equity in earnings of affiliates | 7,022 | 8,408 | 7,801 | 11,017 | 6,619 | 8,536 | 1,444 | (83.1) | 34,248 |
| Corporate items | 154 | 1,597 | (3,386) | (40,249) | (2,482) | (23,719) | 631 | | (41,884) |
| Other | 7,044 | 6,418 | 53,660 | 2,555 | (1,562) | 6,728 | (12,193) | | 69,677 |
| Total | 13,609 | 17,325 | 50,430 | (24,999) | (11,187) | (24,466) | 15,059 | | 56,365 |

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(3) Other

Quarterly financial information for Nomura Securities Co., Ltd. can be found at the following URL.

https://www.nomuraholdings.com/company/group/nsc/pdf/2019_3q.pdf