NOMURA HOLDINGS INC
Form 6-K
July 27, 2012
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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 July 2012

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 __X__ 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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On June 27, 2012, Nomura Holdings, Inc. filed its Annual Securities Report for the year ended March 31, 2012 with the Director of the Kanto Local Finance Bureau of the Ministry of Finance pursuant to the Financial Instruments and Exchange Act.

Information furnished on this form:

EXHIBITS

Exhibit Number

1. English translation of certain items disclosed in the Annual Securities Report pursuant to the Financial Instruments and Exchange Act for the fiscal year ended March 31, 2012.

2. English translation of Management s Report on Internal Control Over Financial Reporting and Confirmation Letter.

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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: July 27, 2012	By: /s/ Eiji Miura Eiji Miura Senior Managing Director

EXHIBIT 1

Annual Securities Report Pursuant to the Financial Instruments and Exchange Act for the Fiscal Year Ended March 31, 2012

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Translation for the underlined items is attached to this form as below.

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PART I Corporate Information

Item 1. Information on Company and Its Subsidiaries and Affiliates

1. Selected Financial Data.

(1) Selected consolidated financial data for the latest five fiscal years.

Year ended March 31	**2008**	**2009**	**2010**	**2011**	**2012**
Total revenue (Mil yen)	1,593,722	664,511	1,356,751	1,385,492	1,851,760
Net revenue (Mil yen)	787,257	312,627	1,150,822	1,130,698	1,535,859
Income (loss) before income taxes (Mil yen)	(64,910)	(780,265)	105,247	93,255	84,957
Net income (loss) attributable to Nomura Holdings, Inc. (NHI) shareholders (Mil yen)	(67,847)	(708,192)	67,798	28,661	11,583
Comprehensive income (loss) attributable to NHI shareholders (Mil yen)	(145,571)	(755,518)	77,103	8,097	(3,870)
Total equity (Mil yen)	2,001,102	1,551,546	2,133,014	2,091,636	2,389,137
Total assets (Mil yen)	25,236,054	24,837,848	32,230,428	36,692,990	35,697,312
Shareholders equity per share (Yen)	1,042.60	590.99	579.70	578.40	575.20
Net income (loss) attributable to NHI common shareholders per share basic (Yen)	(35.55)	(364.69)	21.68	7.90	3.18
Net income (loss) attributable to NHI common shareholders per share diluted (Yen)	(35.57)	(366.16)	21.59	7.86	3.14
Total NHI shareholders equity as a percentage of total assets (%)	7.9	6.2	6.6	5.7	5.9
Return on shareholders equity (%)	(3.25)	(40.15)	3.70	1.36	0.55
Price/earnings ratio (times)			31.78	55.06	115.09
Cash flows from operating activities (Mil yen)	(647,906)	(712,629)	(1,500,770)	(235,090)	290,863
Cash flows from investing activities (Mil yen)	(102,019)	(98,905)	(269,643)	(423,214)	9,942
Cash flows from financing activities (Mil yen)	942,879	999,760	2,176,530	1,284,243	(844,311)
Cash and cash equivalents at end of the year (Mil yen)	507,236	613,566	1,020,647	1,620,340	1,070,520
Number of staffs	18,026	25,626	26,374	26,871	34,395
[Average number of temporary staffs, excluded from above]	[4,576]	[4,997]	[4,728]	[4,199]	[7,313]

1 The selected financial data of Nomura Holdings, Inc. and its consolidated subsidiaries (Nomura) were stated in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP).

2 *Shareholders equity per share, Total NHI shareholders equity as a percentage of total assets, Return on shareholders equity* are calculated with Total NHI shareholders equity.

3 Due to the retroactive application of Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 210-20 *Balance Sheet Offsetting* (ASC 210-20), we have reclassified the Total assets and Total NHI shareholders equity as a percentage of total assets for the year ended March 31, 2008. The amounts previously reported are as follows:

Year ended March 31	**2008**
Total assets (Mil yen)	26,298,798
Total NHI shareholders equity as a percentage of total assets (%)	7.6

4 Price/earnings ratio (times) is not stated for the years ended March 31, 2008 and 2009 due to net loss.

5 The consumption tax and local consumption tax on taxable transaction are accounted for based on the tax exclusion method.

6 Certain contract employees are included in Number of staffs.

7 In accordance with the updated guidance for accounting and reporting of noncontrolling interests in financial statements, included in ASC 810, *Consolidation* (ASC 810), (updated noncontrolling interests guidance), the consolidated balance sheets and consolidated statements of operations as of and for the years ended March 31, 2008 and 2009 have been reclassified. Such reclassification has been made in *Income (loss) before income taxes* and *Total equity*. The amounts previously reported are as follows:

Year ended March 31	**2008**	**2009**
Income (loss) before income taxes (Mil yen)	(64,588)	(779,046)
Total equity (Mil yen)	1,988,124	1,539,396

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(2) Selected stand alone financial data for the latest five fiscal years

Year ended March 31,	**2008**	**2009**	**2010**	**2011**	**2012**
Operating revenue (Mil yen)	419,649	340,071	220,873	219,875	270,521
Ordinary income (Mil yen)	246,231	127,181	29,121	11,690	52,526
Net income (loss) (Mil yen)	53,985	(393,712)	12,083	(15,094)	32,879
Common stock (Mil yen)	182,800	321,765	594,493	594,493	594,493
Number of issued shares (1,000 shares)	1,965,920	2,661,093	3,719,133	3,719,133	3,822,563
Shareholders equity (Mil yen)	1,423,661	1,244,082	1,806,307	1,764,894	1,841,400
Total assets (Mil yen)	4,449,810	3,681,507	4,566,078	5,278,581	5,438,184
Shareholders equity per share (Yen)	740.17	466.99	485.62	481.23	488.38
Dividend per share (Yen)	34.00	25.50	8.00	8.00	6.00
The first quarter	8.50	8.50			
The second quarter	8.50	8.50	4.00	4.00	4.00
The third quarter	8.50	8.50			
The end of a term (the fourth quarter)	8.50		4.00	4.00	2.00
Net income (loss) per share (Yen)	28.27	(202.62)	3.86	(4.16)	9.02
Net income per share diluted (Yen)	28.07		3.83		8.93
Shareholders equity as a percentage of total assets (%)	31.7	33.1	39.0	32.8	32.9
Return on shareholders equity (%)	3.74	(29.95)	0.81	(0.86)	1.87
Price/earnings ratio (times)	52.71		178.36		40.59
Payout ratio (%)	120.27		213.61		66.89
Dividend on shareholders equity (%)	4.60	4.00	1.45	1.66	1.23
Number of staffs	52	52	50	65	162
[Average number of temporary staffs, excluded from above]	[ ]	[ ]	[ ]	[ ]	[ ]

1 The consumption tax and local consumption tax on taxable transactions are accounted for based on the tax exclusion method.

2 Nomura Holdings, Inc. (hereinafter the Company) paid quarterly dividend payments in the years ended March 31, 2008 and 2009.

3 No dividend per share information is provided at the end of term (the fourth quarter) of the year ended March 31, 2009, as there was no dividend.

4 Number of staffs represents staffs who work at the Company.

5 No net income per share diluted information was provided, as there was net loss per share, although there are dilutive shares for the years ended March 31, 2009 and 2011.

6 No payout ratio or dividend on shareholder s equity information was provided due to the net loss for the years ended March 31, 2009 and 2011.

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3. Business Overview.

The Company and its 763 consolidated subsidiaries and variable interest entities primarily operate investment and financial services business focusing on securities business as their core business. Nomura provides wide-ranging services to customers for both of financing and investment through the operations in Japan and other major financial capital markets in the world. Such services include securities trading and brokerage, underwriting and distribution, arrangement of public offering and secondary distribution, arrangement of private placement, principal investment, asset management and other broker-dealer and financial business. There are also 18 companies accounted for under the equity method as at March 31, 2012.

The reporting of the business operations and results of the Company and its consolidated subsidiaries are based on business segments referred in Note 23 *Segment and geographic information* in our consolidated financial statements included in this Annual Securities Report. During the year ended March 31, 2012 in the business segment, the number of consolidated subsidiaries increased mainly in Other . This is due to Nomura Land and Building Co., Ltd. (NLB) becoming a subsidiary. As a result, Nomura Real Estate Holdings, Inc., a subsidiary of NLB, became a Specified Subsidiary of Nomura. Please refer to the table below in the organizational structure listing the main companies by business segments.

Organizational Structure

The following table lists Nomura Holdings, Inc. and its significant subsidiaries and affiliates by business segments.

Nomura Holdings, Inc.

Retail Division

(Domestic)

Nomura Securities Co., Ltd. and others

Asset Management Division

(Domestic)

Nomura Asset Management Co., Ltd. and others

Wholesale Division

(Domestic)

Nomura Securities Co., Ltd. and others

(Overseas)

Nomura Holding America Inc.

Nomura Securities International, Inc.

Nomura America Mortgage Finance, LLC

Instinet, Inc.

Nomura Europe Holdings plc

Nomura International plc

Nomura Bank International plc

Nomura Principal Investment plc

Nomura Capital Markets plc

Nomura Asia Holding N.V.

Nomura International (Hong Kong) Limited

Nomura Singapore Limited and others

Others

(Domestic)

The Nomura Trust and Banking Co., Ltd.

Nomura Facilities, Inc.

Nomura Land and Building Co., Ltd.

Nomura Real Estate Holdings, Inc.

Nomura Research Institute, Ltd.*

JAFCO Co., Ltd.*

*Affiliates

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Item 2. Operating and Financial Review

1. Operating Results.

You should read the following discussion of our operating and financial review together with Item 1 1. Selected Financial Data and Item 5 1. Consolidated Financial Statements and Other included in this Annual Securities Report. The discussions and analyses contain forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements.

Business Environment

Japan

During the year ended March 31, 2012, the Japanese economy rebounded swiftly from the effects of the East Japan Earthquake, which caused disruption to operations and distribution networks particularly in the manufacturing industry. As a whole, however, the economy remained directionless, with the initial recovery later slowing as a result of delays in formulating post-quake reconstruction plans, the strengthening of the yen against the backdrop of the European sovereign debt crisis, and the widespread flooding in Thailand. Toward the end of the fiscal year, signs of a pickup in the economy emerged, including growth in automobile production, as reconstruction demand began to increase and the impact of the Thai floods eased. Within this environment, Japan s real gross domestic product (GDP) in the fiscal year ended March 31, 2012 showed the first contraction in two years, being slightly below 0% year on year, after having risen 3.2% in the prior fiscal year. With the Japanese economy having avoided a recession, meanwhile, the employment environment on the whole continued to stage a moderate recovery.

With regard to corporate earnings, Japanese companies sales weakened in the fiscal year ended March 31, 2012 amid the disruptions to operations and distribution networks mainly in the manufacturing industry due to the East Japan Earthquake that occurred towards the end of the prior fiscal year, the strong yen, and the Thai floods. Some companies undertook restructuring measures to cope with these events, leading to a reduction in profits in the fiscal year ended March 31, 2012 particularly in the manufacturing industry. We estimate that recurring profits at major companies (Russell/Nomura Large Cap Index) declined by around 15% in the fiscal year ended March 31, 2012. Excluding weakness in the utilities sector, the nonmanufacturing sector performed solidly on the whole and provided support to corporate earnings.

In the stock market, major share price indices declined at first in the fiscal year ended March 31, 2012, then subsequently regained the levels of the prior fiscal year. Stocks rallied after sharp falls following the East Japan Earthquake in March 2011, but later trended downward again owing to the European sovereign debt crisis and the negative effects of the yen appreciation that resulted. Further into the fiscal year, stocks rebounded again as concerns over the European crisis eased and the strong yen corrected. The Tokyo Stock Price Index (TOPIX), after peaking in July 2011, declined through November 2011, then rose through March 2012. The TOPIX had fallen from 978.81 points at the end of March 2010 to 869.38 points at the end of March 2011, a decline of 11.2% over the fiscal year, then declined to 854.35 points at the end of March 2012, a further fall of 1.7%. The Nikkei Stock Average rose over the fiscal year as a whole, by 3.4%, from ¥9,755.10 at the end of March 2011 to ¥10,083.56 at the end of March 2012.

Yields on newly issued 10-year Japanese government bonds were at the 1.3% level in early April 2011, partly owing to concerns that Japan s sovereign debt would expand in line with post-quake reconstruction demand, but fell to the 0.9% level in November 2011 against a backdrop of share price declines. Although stocks later rallied, yields traded in a narrow range near the 1.0% mark and as of the end of March 2012 were around 0.98%. Despite concerns over Japan s expanding sovereign debt, interest rates stayed low amid expectations of further monetary easing by the Bank of Japan and other factors.

On the foreign exchange markets, the yen was influenced by changes in market expectations toward overseas policy, including concerns about the European sovereign debt crisis. At the end of March 2011, the yen was trading at the ¥83 level against the U.S. dollar and the ¥117 level against the euro. The U.S. dollar weakened against the yen from July 2011 as the view spread that reignited concerns over sovereign debt in Europe would adversely affect the U.S. and global economies and the yen was at the ¥75 level versus the U.S. dollar at the end of October 2011. The yen later corrected as the Japanese Ministry of Finance conducted yen-selling intervention and the market volatility stemming from Europe eased. At the end of March 2012, the yen was at the ¥83 level versus the U.S. dollar. Against the euro, the yen appreciated amid renewed concerns about Greece s sovereign debt and fears about how the European economy would be impacted by contagion to other countries, and in the wake of monetary easing by the European Central Bank (ECB). However, the yen later corrected against the euro as concerns over expanding sovereign debt eased, and the yen moved from the ¥97 level in January 2012 to about ¥111 at the end of March 2012.

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Overseas

The economies of the leading industrialized nations showed slightly different pictures for the year ended March 31, 2012. The U.S. economy was supported by quantitative monetary easing, but the European economy deteriorated as a result of a credit crunch owing to the effects of the sovereign debt crisis, and fiscal austerity measures to address debt problems. In international commodity markets, prices lacked direction as investors took a risk-averse stance and emerging economies slowed. While curbing rising real estate prices remains a challenge, China ended a phase of monetary tightening as its economy slowed. In emerging markets, several countries implemented monetary easing to stimulate their economies.

U.S. real GDP grew by 3.0% year-on-year in 2010 but growth decelerated to 1.7% in 2011. Corporate earnings nonetheless improved in the second half of 2011 with support from policy measures, and growth picked up slightly on an upturn in the capex and employment environments. With the real estate market slow to recover, however, monetary policy tools continued to underpin the economy.

The Federal Reserve Board (FRB) sought to shift to a neutral policy stance, but again provided support to the U.S. economy and declared its intent to continue with easing. The FRB held the federal funds rate at 0 0.25%, effectively maintaining a zero interest rate policy, and in June 2011 it temporarily halted an operation in which it had been increasing the supply of funds by purchasing U.S. Treasuries on the bond market. However, as fears about the European sovereign debt crisis again destabilized financial markets, raising concerns about the adverse effects on the real economy, the FRB announced in August 2011 that it would maintain its near zero interest rate policy through the first half of 2013, and continued to reassure markets thereafter with further suggestions that monetary easing would be sustained. US stock markets declined on the resurfacing of the European sovereign debt crisis but subsequently rallied after the FRB said it would continue with monetary easing and concerns over European sovereign debt subsided. The Dow Jones Industrial Average stood at 12,319.73 at the end of March 2011 then fell below 11,000 in August 2011 before rallying to 13,212.04 at the end of March 2012. The yield on 10-year U.S. Treasuries was around 3.5% in March 2011, fell to around 1.7% in September 2011 amid stock market declines and expectations of ongoing FRB easing, then moved to around the 2.0% mark by March 2012.

In Europe, Eurozone real GDP growth slowed from 1.9% year-on-year in 2010 to 1.5% in 2011, but the overall economic situation worsened as a credit crunch took hold due to the effects of the sovereign debt crisis and as governments adopted austerity measures to address their debt problems. While the ECB s monetary easing and three-year loans to provide cash funding to financial institutions have mitigated the negative impact on the economy, concerns over sovereign risk have yet to be eliminated and remain a destabilizing factor for markets. European stock markets fell on growing market concerns but subsequently rallied, with the result that the benchmark German stock index (DAX) declined by about 1% during the year ended March 31, 2012.

The slowdown in Asia ex-Japan economies became more pronounced in 2011 even as inflationary concerns eased to some extent. Real GDP growth in China in 2011 was 9.2%, versus 10.3% in 2010. Growth in domestic demand centering on investment has been driving the Chinese economy, but investment in real estate weakened in the second half of 2011 as a result of monetary tightening, and exports also decelerated due to the worsening economic situation in Europe. With signs of more settled growth in consumer prices starting to emerge, Chinese authorities may shift the focus of monetary policy while continuing to curb the rise in real estate prices. The key question is whether the government can follow a path of sustainable economic management that achieves a balance between economic growth and inflation curbs.

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Executive Summary

In the fiscal year ended March 31, 2012, the global economic recovery trend weakened in association with multiple factors, including international financial market turmoil stemming from sovereign debt problems in Europe, weak consumption in industrialized nations, concerns about an economic slowdown in China and other emerging countries, political instability in the Middle East, as well as rising crude oil prices. There was a dramatic increase in economic uncertainty, and on a global basis accelerated risk-adverse sentiment towards risk assets like stocks. Meanwhile, the Japanese economy lost speed as the East Japan Earthquake caused a decline in exports due to disruptions in product supply networks, the rapid and significant appreciation of the yen, which hit the 75 yen per dollar range at one point, along with the impact of the flooding in Thailand. Since the end of last year, there has been a bit of a recovery in economic sentiment attributable to momentary easing concerns about the European debt problem, an improvement in U.S. economic indicators, the emergence of restoration-related demand and a recovery in automobile production, but recurring profits by key listed companies (excluding financial institutions) are expected to have declined roughly 20 percent versus the previous fiscal year. The TOPIX began the fiscal year at 862 points. After temporarily rising, the index then fell to 706 points in November. The TOPIX recovered to close the fiscal year at 854 points. With the market decline and uncertainty about future prospects for share prices, there was a large downturn in the amount of funds raised by Japanese companies in the capital markets, both in Japan and overseas. Throughout the year there was a low level of investor activity in financial and securities markets. Meanwhile, as evidenced by Basel III (new capital requirement regulations for financial institutions) and the Dodd-Frank Act in the U.S., regulations on and oversight of financial institutions continues to become more stringent on a global basis. Amid this environment, in order to quickly adapt to the difficult business environment, Nomura Group decided to implement a $1.2 billion cost reduction program, and worked to improve cost efficiencies by making the scale of business operations in Europe more appropriate, and reviewing the regional allocation of resources. Based on its client-focused strategy, the Retail Division promoted investment consultation services and diversified its product offering, while the Asset Management Division worked to increase assets under management on a global basis and enhance investment performance. The Wholesale Division implemented the narrow and deep strategy focused on business areas where we can deliver added value to our clients, cooperation among business units was enhanced, revenues from client-flow businesses were increased, and products and solutions offered were diversified. As a result of these efforts, we succeeded in posting an overall profit for the third consecutive fiscal year while executing a cost-cutting program without substantial downscale of business platforms. We posted net revenue of ¥1,535.9 billion for the fiscal year ended March 31, 2012, a 36% increase from the previous fiscal year. Non-interest expenses increased 40% versus the previous fiscal year to ¥1,450.9 billion, income before income taxes was ¥85.0 billion, and net income attributable to the shareholders of NHI was ¥11.6 billion. Consequently, ROE for the full fiscal year was 0.6%.

In Retail, net revenue for the year ended March 31, 2012 decreased by 11% from the previous year to ¥350.3 billion, due primarily to decreasing commissions for distribution of investment trusts and brokerage commissions. Non-interest expenses decreased by 1% to ¥287.1 billion. As a result, income before income taxes decreased by 38% to ¥63.1 billion. The Retail Division focused on providing clients investment consultation services to accommodate client needs. To accommodate increasing client needs, we opened four new branch offices, and enhanced non-face-to-face services provided by Nomura Net & Call, which started last October. Investment consultation services resulted in balanced business growth, centered on equities, bonds, investment trusts and insurance products. There was a ¥2.4 trillion net inflow in retail client assets during the fiscal year. Total retail client assets increased to ¥72.0 trillion from ¥70.6 trillion at the end of the previous fiscal year. The number of client accounts increased by 49,000 to end the fiscal year at 4.985 million accounts, indicating steady growth in the business base.

In Asset Management, net revenue for the year ended March 31, 2012 decreased by 1% from the previous year to ¥65.8 billion. Non-interest expenses decreased by 3% to ¥45.3 billion. As a result, income before income taxes increased by 2% to ¥20.5 billion. Despite the challenging investment environment, in the investment trust business there was an inflow into funds representing a wide range of investment assets, including overseas bonds and Japanese equities. Furthermore, funds launched this fiscal year employing investment strategies matching the investment environment contributed to the increase in assets under management. In the investment advisory business, there was a steady increase in mandates from institutional investors, including domestic pension funds, overseas, mainly Asian and European pension funds and sovereign wealth funds. As a result, due to the inflow of funds into a diverse range of investment products, including actively managed funds, assets under management were ¥24.6 trillion as of March 31, 2012.

In Wholesale, net revenue for the year ended March 31, 2012 decreased by 12% from the previous year to ¥555.9 billion. Our performance was challenged in the first half of the fiscal year, due to revenue decrease of international business caused by a decrease in client trading volumes stemming from the financial market turmoil related to the European sovereign debt crisis. Although in the second half of the fiscal year we posted revenue growth, with private equity trades in the third quarter and revenue recovery in EMEA and Americas regions in the fourth quarter, result of the first half was not covered and net revenue for the fiscal year decreased from the previous year. The cost reduction program of $1.2 billion announced in July and November of last year is progressing on schedule and non-interest expenses decreased by 5% to ¥593.5 billion. As a result, loss before income taxes dropped to ¥37.6 billion.

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Results of Operations

Overview

The following table provides selected consolidated statements of income information for the years indicated.

	Millions of yen, except percentages Year ended March 31		
	2010	2011	2012
Non-interest revenues:			
Commissions	¥ 395,083	¥ 405,463	¥ 347,135
Fees from investment banking	121,254	107,005	59,638
Asset management and portfolio service fees	132,249	143,939	144,251
Net gain on trading	417,424	336,503	272,557
Gain on private equity investments	11,906	19,292	25,098
Gain (loss) on investments in equity securities	6,042	(16,677)	4,005
Other	37,483	43,864	563,186
Total Non-interest revenues	1,121,441	1,039,389	1,415,870
Net interest revenue	29,381	91,309	119,989
Net revenue	1,150,822	1,130,698	1,535,859
Non-interest expenses	1,045,575	1,037,443	1,450,902
Income before income taxes	105,247	93,255	84,957
Income tax expense	37,161	61,330	58,903
Net income	¥ 68,086	¥ 31,925	¥ 26,054
Less: Net income attributable to noncontrolling interests	288	3,264	14,471
Net income attributable to NHI shareholders	¥ 67,798	¥ 28,661	¥ 11,583
Return on equity	3.7%	1.4%	0.6%

Net revenue increased by 36% from ¥1,130,698 million for the year ended March 31, 2011 to ¥1,535,859 million for the year ended March 31, 2012. Commissions decreased by 14%, due primarily to a decrease in commissions for the distribution of investment trusts, reflecting the turmoil in the global financial markets which was mainly caused by the European sovereign debt crisis. Fees from investment banking decreased by 44%, due primarily to a decrease in transaction volume in equity finance for Japanese companies. Net gain on trading was ¥272,557 million for the year ended March 31, 2012, due primarily to downturn in financial markets mainly caused by the European sovereign debt crisis. Gain on private equity investments was ¥25,098 million for the year ended March 31, 2012 due primarily to realized gains on equity securities of certain investee companies. Other was ¥563,186 million for the year ended March 31, 2012, due primarily to the conversion of Nomura Land and Building Co., Ltd into a subsidiary of Nomura Holdings, Inc.

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Net revenue decreased by 2% from ¥1,150,822 million for the year ended March 31, 2010 to ¥1,130,698 million for the year ended March 31, 2011. Commissions increased by 3%, due primarily to an increase in commissions for the distribution of investment trusts. As there were a number of large equity finance transactions with Japanese clients in the previous year compared with this year, fees from investment banking decreased by 12% for the year ended March 31, 2011. Asset management and portfolio service fees increased by 9%, due primarily to an increase in assets under management mainly driven by continuing cash inflows. Net gain on trading fell to ¥336,503 million for the year ended March 31, 2011, due primarily to a decrease in equity trading. Gain on private equity investments was ¥19,292 million for the year ended March 31, 2011 due primarily to realized gains on disposal of certain investments and unrealized gains on equity securities of certain investee companies.

Net interest revenue was ¥29,381 million for the year ended March 31, 2010, ¥91,309 million for the year ended March 31, 2011 and ¥119,989 million for the year ended March 31, 2012. Net interest revenue is a function of the level and mix of total assets and liabilities, which includes trading assets and financing and lending transactions, and the level, term structure and volatility of interest rates. Net interest revenue is an integral component of trading activity. In assessing the profitability of our overall business and of our Global Markets business in particular, we view net interest revenue and non-interest revenues in aggregate. For the year ended March 31, 2012, interest revenue increased by 26% due mainly to an increase in securitized product trading in our Americas region and interest expense increased by 24% due primarily to an increase in interest expense on securities lending transactions. As a result, net interest revenue for the year ended March 31, 2012 increased by ¥28,680 million from the year ended March 31, 2011. For the year ended March 31, 2011, interest revenue increased by 47% due mainly to expansion of securitized product trading in our Americas region and interest expense increased 24% due mainly to an increase in repo transactions. As a result, net interest revenue for the year ended March 31, 2011 increased by ¥61,928 million from the year ended March 31, 2010.

In our consolidated statements of income, we include gains and losses on investments in equity securities within revenue. We recognized gains and losses on such investments in the amount of ¥6,042 million gain for the year ended March 31, 2010, ¥16,677 million loss for the year ended March 31, 2011 and ¥4,005 million gain for the year ended March 31, 2012. This line item includes both realized and unrealized gains and losses on investments in equity securities held for operating purposes. These investments refer to our investments in unaffiliated companies, which we hold on a long-term basis in order to promote existing and potential business relationships.

Non-interest expenses increased by 40% from ¥1,037,443 million for the year ended March 31, 2011 to ¥1,450,902 million for the year ended March 31, 2012. The increase in non-interest expenses was caused by an increase in other expenses by 296% from ¥125,448 million for the year ended March 31, 2011 to ¥496,227 million for the year ended March 31, 2012, due primarily to the conversion of Nomura Land and Building Co., Ltd. into a subsidiary of Nomura Holdings, Inc.

Non-interest expenses decreased by 1% from ¥1,045,575 million for the year ended March 31, 2010 to ¥1,037,443 million for the year ended March 31, 2011. The decrease in non-interest expenses was caused by the decrease in other expenses by 12% from ¥142,494 million for the year ended March 31, 2010 to ¥125,448 million for the year ended March 31, 2011, due to, among other factors, impairment losses against affiliated companies were lower for the year ended March 31, 2011. The decrease in non-interest expenses was offset by a 7% increase in commissions and floor brokerage from ¥86,129 million for the year ended March 31, 2010 to ¥92,088 million for the year ended March 31, 2011.

Income before income taxes was ¥105,247 million for the year ended March 31, 2010, ¥93,255 million for the year ended March 31, 2011 and ¥84,957 million for the year ended March 31, 2012.

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We are subject to a number of different taxes in Japan and have adopted the consolidation tax system permitted under Japanese tax law. The consolidation tax system only imposes a national tax. Since April 1, 2004, our domestic statutory tax rate has been approximately 41%. However, as a result of the revisions of domestic tax laws, the domestic statutory tax rates are approximately 38% between April 1, 2012 and March 31, 2015 and approximately 36% thereafter. Our foreign subsidiaries are subject to the income tax rates of the countries in which they operate, which are generally lower than those in Japan. Our effective tax rate in any one year is therefore dependent on our geographic mix of profits and losses and also on the specific tax treatment applicable in each location.

Income tax expense for the year ended March 31, 2012 was ¥58,903 million, representing an effective tax rate of 69.3%. The significant factor causing the difference between the effective tax rate of 69.3% and the statutory tax rate of 41% were changes in domestic tax laws which increased the effective tax rate by 45.7%, non-deductible expenses which increased the effective tax rate by 23.3% and different tax rates applicable for foreign subsidiaries which increased the effective tax rate by 14.1% for the year ended March 31, 2012. The significant factors reducing the effective tax rate were non-taxable revenue which decreased the effective tax rate by 29.7% and change in valuation allowance which decreased the effective tax rate by 22.5%.

Income tax expense for the year ended March 31, 2011 was ¥61,330 million, representing an effective tax rate of 65.8%. The significant factor causing the difference between the effective tax rate of 65.8% and the statutory tax rate of 41% were different tax rates applicable for foreign subsidiaries which increased the effective tax rate by 10.8%, taxable items to be added to financial profit and non-deductible expenses which increased the effective tax rate by 5.3% and 16.6%, respectively for the year ended March 31, 2011. The significant factor reducing the effective tax rate was non-taxable revenue which decreased the effective tax rate by 8.4%.

Income tax expense for the year ended March 31, 2010 was ¥37,161 million, representing an effective tax rate of 35.3%. The significant factor causing the difference between the effective tax rate of 35.3% and the statutory tax rate of 41% was due to different tax rates applicable for foreign subsidiaries which decreased the effective tax rate by 26.9%. Other significant factors causing the difference were taxable items to be added to financial profit and non-deductible expenses which increased the effective tax rate by 10.8% and 10.5%, respectively, for the year ended March 31, 2010.

Net income attributable to NHI shareholders for the year ended March 31, 2010, 2011 and 2012 was ¥67,798 million, ¥28,661 million and ¥11,583 million, respectively. Our return on equity for the year ended March 31, 2010, 2011 and 2012 was 3.7%, 1.4% and 0.6%, respectively.

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Results by Business Segment

Our operating management and management reporting are prepared based on the Retail, the Asset Management and the Wholesale Divisions and we disclose business segment information in accordance with this structure. Gain (loss) on investments in equity securities, our share of equity in the earnings (losses) of affiliates, impairment losses on long-lived assets, corporate items and other financial adjustments are included as Other operating results outside of business segments in our segment information. Unrealized gain (loss) on investments in equity securities held for operating purposes is classified as a reconciling items outside of our segment information. The following segment information should be read in conjunction with Item 4.B *Business Overview* of this Annual Securities Report and Note 23 *Segment and geographic information* to our consolidated financial statements. The reconciliation of our segment results of operations and consolidated financial statements is set forth in Note 23 *Segment and geographic information* to our consolidated financial statements.

Retail

In Retail, we receive commissions and fees from investment consultation services which we provide mainly to individual clients in Japan. Additionally, we receive operational fees from asset management companies in connection with the administration services of investment trust certificates that we distribute. We also receive agent commissions from insurance companies for the insurance products we sell as an agent.

Operating Results of Retail

	Millions of yen		
	Year ended March 31		
	2010	**2011**	**2012**
Non-interest revenues	¥ 384,816	¥ 389,404	¥ 347,385
Net interest revenue	3,456	3,029	2,873
Net revenue	388,272	392,433	350,258
Non-interest expenses	274,915	291,245	287,128
Income before income taxes	¥ 113,357	¥ 101,188	¥ 63,130

Net revenue for the year ended March 31, 2012 was ¥350,258 million, decreasing 11% from ¥392,433 million for the year ended March 31, 2011, due primarily to decreasing commissions for distribution of investment trusts and brokerage commissions.

Net revenue for the year ended March 31, 2011 was ¥392,433 million, increasing 1% from ¥388,272 million for the year ended March 31, 2010, due primarily to increasing revenues from bond related products and commissions for distribution of investment trusts.

Non-interest expenses for the year ended March 31, 2012 were ¥287,128 million, decreasing 1% from ¥291,245 million for the year ended March 31, 2011 due to primarily to a decrease in compensation and benefit.

Non-interest expenses for the year ended March 31, 2011 were ¥291,245 million, increasing 6% from ¥274,915 million for the year ended March 31, 2010, due primarily to an increase in compensation and benefits.

Income before income taxes was ¥113,357 million for the year ended March 31, 2010, ¥101,188 million for the year ended March 31, 2011, and ¥63,130 million for the year ended March 31, 2012.

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The graph below shows the revenue generated by instrument in terms of Retail non-interest revenues for the years ended March 31, 2010, 2011, and 2012.

As described above, revenue composition of investment trusts and asset management decreased from 59% for the year ended March 31, 2011 to 57% for the year ended March 31, 2012. Revenue composition of equities decreased from 22% for the year ended March 31, 2011 to 15% for the year ended March 31, 2012. Revenue composition of bonds increased from 18% for the year ended March 31, 2011 to 26% for the year ended March 31, 2012, due primarily to an increase in revenue reflecting the increase in the sales of overseas and domestic bonds. Revenue composition of insurance increased from 1% for the year ended March 31, 2011 to 2% for the year ended March 31, 2012.

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Retail Client Assets

The following graph shows amounts and details regarding the composition of retail client assets at March 31, 2010, 2011, and 2012. Retail client assets consist of clients assets held in our custody and assets relating to variable annuity insurance products.

Retail Client Assets

Retail client assets increased from ¥70.6 trillion as of March 31, 2011 to ¥72.0 trillion as of March 31, 2012, due to balanced business growth, centered on equities, bonds, investment trusts and insurance products. The balance of our clients investment trusts decreased by 3% from ¥13.9 trillion as of March 31, 2011 to ¥13.5 trillion as of March 31, 2012, reflecting net cash inflows by clients of ¥0.7 trillion and market depreciation of ¥1.1 trillion.

Retail client assets decreased from ¥73.5 trillion as of March 31, 2010 to ¥70.6 trillion as of March 31, 2011, due to the impact of the East Japan Earthquake on the stock market. The balance of our clients investment trusts increased by 8% from ¥12.9 trillion as of March 31, 2010 to ¥13.9 trillion as of March 31, 2011, reflecting net cash inflows by clients of ¥1.4 trillion and market depreciation of ¥0.4 trillion.

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Asset Management

Our Asset Management segment is conducted principally through Nomura Asset Management Co., Ltd. (NAM). We earn portfolio management fees through the development and management of investment trusts, which are distributed by Nomura Securities Co., Ltd. (NSC), other brokers, banks, Japan Post Bank Co., Ltd. and Japan Post Network Co., Ltd. We also provide investment advisory services for pension funds and other institutional clients. Net revenues basically consist of asset management and portfolio services fees that are attributable to Asset Management.

Operating Results of Asset Management

	Millions of yen		
	Year ended March 31		
	2010	2011	2012
Non-interest revenues	¥ 60,537	¥ 62,670	¥ 63,022
Net interest revenue	1,515	3,865	2,778
Net revenue	62,052	66,535	65,800
Non-interest expenses	46,836	46,513	45,281
Income before income taxes	¥ 15,216	¥ 20,022	¥ 20,519

In April 2011, Nomura Bank (Luxembourg) S.A. in the Asset Management segment was integrated into Other . Following with this integration, certain prior period amounts have been reclassified to conform to the current period presentation.

Net revenue decreased by 1% from ¥66,535 million for the year ended March 31, 2011 to ¥65,800 million for the year ended March 31, 2012, due to the decrease in assets under management driven by the impact of weakened market conditions.

Net revenue increased by 7% from ¥62,052 million for the year ended March 31, 2010 to ¥66,535 million for the year ended March 31, 2011, due primarily to the increase in assets under management mainly driven by continuing cash inflows.

Non-interest expenses decreased by 3% from ¥46,513 million for the year ended March 31, 2011 to ¥45,281 million for the year ended March 31, 2012.

Non-interest expenses decreased by 1% from ¥46,836 million for the year ended March 31, 2010 to ¥46,513 million for the year ended March 31, 2011.

Income before income taxes was ¥15,216 million for the year ended March 31, 2010, ¥20,022 million for the year ended March 31, 2011 and ¥20,519 million for the year ended March 31, 2012.

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The following table sets forth assets under management of each principal Nomura entity within Asset Management as of the dates indicated.

	Billions of yen March 31		
	2010	2011	2012
Nomura Asset Management Co., Ltd.	¥ 23,292	¥ 27,034	¥ 26,695
Nomura Funds Research and Technologies Co., Ltd.	1,525	2,824	2,557
Nomura Corporate Research and Asset Management Inc.	1,107	1,841	1,504
Nomura Private Equity Capital Co., Ltd.	578	538	579
Nomura Asset Management Deutschland KAG mbH	220	294	299
Nomura Funds Research and Technologies America, Inc.	240	196	253
Combined total	¥ 26,962	¥ 32,727	¥ 31,887
Overlapping asset accounts among group companies	(3,518)	(8,014)	(7,324)
Total	¥ 23,444	¥ 24,713	¥ 24,563

Assets under management were ¥24.6 trillion as of March 31, 2012, a ¥1.1 trillion increase from March 31, 2010, and a ¥0.2 trillion decrease from March 31, 2011.

In our investment trust business, there was an inflow into funds representing a wide range of investment assets, including overseas bonds and Japanese equities. In the investment advisory business, there was an increase in mandates mainly from overseas clients. Investment trust assets included in assets under management by NAM were ¥15.3 trillion as of March 31, 2012, down ¥0.7 trillion, or 4%, from the previous year due to the impact of weakened market conditions, reflecting net cash inflows by clients of ¥0.2 trillion and market depreciation of ¥0.9 trillion. The balance of investment trusts such as Nomura Australian Bond Open Premium, Nomura Global Trend (Basket Currency Selection Type), Nomura Global High Dividend Stock Premium (Currency Selection Type) and Nomura Japan Brand Stock Investment Fund (Currency Selection Type) increased. The balance of investment trusts managed by NAM were ¥15.9 trillion as of March 31, 2011, up ¥1.3 trillion, or 9%, from the previous year, reflecting net cash outflows by clients of ¥1.7 trillion and market depreciation of ¥0.5 trillion.

The following table shows NAM s share, in terms of net asset value, in the Japanese asset management market as of the dates indicated.

NAM s share of the fund market in Japan.

	March 31		
	2010	2011	2012
Total of publicly offered investment trusts	20%	22%	22%
Stock investment trusts	15%	17%	17%
Bond investment trusts	43%	43%	44%

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Wholesale

Operating Results of Wholesale

	Millions of yen Year ended March 31		
	2010	**2011**	**2012**
Non-interest revenues	¥ 763,567	¥ 534,094	¥ 426,608
Net interest revenue	25,964	96,442	129,274
Net revenue	789,531	630,536	555,882
Non-interest expenses	614,349	623,819	593,465
Income (loss) before income taxes	¥ 175,182	¥ 6,717	¥ (37,583)