NOMURA HOLDINGS INC
Form 6-K
November 27, 2009
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FORM 6-K

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

Commission File Number: 1-15270

Supplement for the month of November 2009.

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): ______

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

Yes ______ No __X__

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

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Information furnished on this form:

EXHIBIT

Exhibit Number

1. (English Translation) Quarterly Securities Report Pursuant to the Financial Instruments and Exchange Act for the Six Months Ended September 30, 2009

2. 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: November 27, 2009

By: /s/ Shinichiro Watanabe
Shinichiro Watanabe
Senior Corporate Managing Director

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Quarterly Securities Report Pursuant to the Financial Instruments and Exchange Act for the Six Months Ended September 30, 2009

Items included in the Quarterly Securities Report

Note: Translations for the underlined items are attached to this form as below.

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Part I Corporate Information

Item 1. Information on the Company and Its Subsidiaries and Affiliates

1. Selected Consolidated Financial Data

		Six months ended September 30, 2008	Six months ended September 30, 2009	Three months ended September 30, 2008	Three months ended September 30, 2009	Year ended March 31, 2009
Revenue	(Mil yen)	515,608	719,065	257,732	355,470	664,511
Net revenue	(Mil yen)	263,152	598,384	128,065	300,025	312,627
Income (loss) before income taxes(5)	(Mil yen)	(153,734)	58,713	(69,391)	27,292	(780,265)
Net income (loss) attributable to Nomura Holdings, Inc. (NHI)(6)	(Mil yen)	(149,464)	39,135	(72,872)	27,715	(708,192)
Total equity(5)	(Mil yen)			1,822,985	1,627,040	1,551,546
Total assets	(Mil yen)			24,758,108	27,661,398	24,837,848
Shareholders equity per share(2)	(Yen)			948.34	580.96	590.99
Net income (loss) attributable to NHI common shareholders per share basic	(Yen)	(78.32)	14.70	(38.18)	10.22	(364.69)
Net income (loss) attributable to NHI common shareholders per share diluted	(Yen)	(78.42)	13.38	(38.23)	8.87	(366.16)
Total NHI shareholders equity as a percentage of total assets	(%)			7.3	5.8	6.2
Cash flows from operating activities	(Mil yen)	(403,286)	(608,289)			(712,629)
Cash flows from investing activities	(Mil yen)	(59,187)	(114,381)			(98,905)
Cash flows from financing activities	(Mil yen)	379,886	610,624			999,760
Cash and cash equivalents at end of the period	(Mil yen)			430,925	508,434	613,566
Number of employees				18,971	25,917	25,626

(Notes)

(1) The selected consolidated financial data are stated in accordance with the generally accepted accounting principles in the United States of America.

(2) *Shareholders equity per share* is calculated with *Total NHI shareholders equity*.

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

(4) The selected stand alone financial data are not prepared because the consolidated financial statements have been prepared.

(5) In accordance with the updated guidance for accounting and reporting of noncontrolling interests in financial statements, included in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, *Consolidation* (ASC 810), (updated noncontrolling interests guidance), the consolidated balance sheets and consolidated statements of operations as of and for the six and three months ended September 30, 2008 and year ended March 31, 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:

	Six months ended September 30, 2008	Three months ended September 30, 2008	Year ended March 31, 2009
Income (loss) before income taxes (Mil yen)	(153,605)	(69,341)	(779,046)
Total equity (Mil yen)		1,810,137	1,539,396

(6) *Net income (loss) attributable to NHI* was previously reported as *Net income (loss)*.

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2. Business Overview

There was no significant change for the business of Nomura Holdings, Inc. (Company) and its 314 consolidated subsidiaries and variable interest entities (collectively referred to as Nomura , we , our , or us) for the three months ended September 30, 2009. There are 16 affiliated companies which were accounted for by the equity method at September 30, 2009.

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Item 2. Operating and Financial Review

1. Risk Factors

Significant changes in our Risk Factors which was described on the annual securities report are stated below.

The discussion below contains future matters that are based on the assessments made as of the date of submission of this report (November 13, 2009), unless noted separately.

(1) Expansion and enhancement of our operations in the United States

We now also plan to seek expansion and enhancement of our operations in the United States, in particular to strengthen our cross-border businesses such as sales or distribution in Europe or Asia of securities or other products originated in the United States and vice versa. We may face significant challenges in carrying out such plans, and there can be no assurance that we will derive sufficient benefits to cover associated costs.

(2) Capital adequacy measures of the Basel Committee on Banking Supervision

We currently calculate and disclose our consolidated capital adequacy ratio pursuant to the FSA s capital adequacy rules applicable to bank holding companies with international operations. In July 2009, the Basel Committee on Banking Supervision, or the Basel Committee, approved a basic package of measures designed to strengthen its rules for capital adequacy measures, commonly referred to as Basel II, upon which the above-mentioned FSA s capital adequacy rules are based. Although specific rules implementing such measures designed to strengthen Basel II as well as the FSA s rules implementing such measures in Japan are yet to be issued, as a result of the implementation of those new measures, our capital adequacy ratio may decrease or we may be required to liquidate assets or raise additional capital in a manner that could adversely increase our funding costs or could otherwise adversely affect our operating or financing activities or the interests of our shareholders.

2. Significant Contracts

Not applicable.

3. Operating, Financial and Cash Flows Analysis

(1) Operating Results

Nomura reported net revenue of ¥ 300 billion, non-interest expenses of ¥ 272.7 billion, income before income taxes of ¥ 27.3 billion, and net income attributable to NHI of ¥ 27.7 billion for the three months ended September 30, 2009.

Nomura adopted the updated noncontrolling interests guidance effective from the year ending March 31, 2010. Accordingly, *Income (loss) before income taxes* is presented not subtracting *Net income (loss) attributable to noncontrolling interests*, and the breakdown of Net income (loss) is presented separately as *Net income (loss) attributable to noncontrolling interests* and *Net income (loss) attributable to NHI*.

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The breakdown of Net revenue and Non-interest expenses on the consolidated statements of operations are as follows.

	Three months ended September 30, 2008 (Mil Yen)	Three months ended September 30, 2009 (Mil Yen)
Commissions	¥ 84,886	¥ 95,438
Brokerage commissions	53,840	49,091
Commissions for distribution of investment trust	24,173	41,325
Other	6,873	5,022
Fees from investment banking	10,026	15,580
Underwriting and distribution	3,385	10,603
M&A / financial advisory fees	6,218	4,902
Other	423	75
Asset management and portfolio service fees	42,411	34,016
Asset management fees	38,358	30,634
Other	4,053	3,382
Net gain (loss) on trading	(21,015)	148,487
Merchant banking	(457)	1,116
Equity trading	1,717	53,614
Fixed income and other trading	(22,275)	93,757
Gain on private equity investments	23,167	2,033
Net interest	(2,674)	(1,884)
Loss on investments in equity securities	(9,804)	(2,308)
Other	1,068	8,663
Net revenue	¥ 128,065	¥ 300,025

	Three months ended September 30, 2008 (Mil Yen)	Three months ended September 30, 2009 (Mil Yen)
Compensation and benefits	¥ 80,098	¥ 146,633
Commissions and floor brokerage	20,343	21,706
Information processing and communications	34,632	43,924
Occupancy and related depreciation	17,180	22,598
Business development expenses	7,919	6,380
Other[(1)]	37,284	31,492
Non-interest expenses	¥ 197,456	¥ 272,733

(1) *Net income (loss) attributable to noncontrolling interests* is excluded from *Non-interest expenses- Other* in accordance with the updated noncontrolling interests guidance from the year ending March 31, 2010. Certain reclassifications of previously reported amounts have been made to conform to the current year presentation.

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Business Segment Information

Results by business segment are noted below. Reconciliations of *Net revenue* and *Income (loss) before income taxes* on segment results of operations and the consolidated statements of operations are set forth in Item 5. Financial Information, 1. Consolidated Financial Statements, Note 13. *Segment and geographic information.*

Net revenue

	Three months ended September 30, 2008 (Mil Yen)	Three months ended September 30, 2009 (Mil Yen)
Retail	¥ 74,455	¥ 93,150
Global Markets	(6,538)	174,499
Investment Banking	5,247	20,945
Merchant Banking	20,500	3,860
Asset Management	14,711	16,467
Other (Inc. elimination)	27,992	(7,056)
Total	¥ 136,367	¥ 301,865

Non-interest expenses[1]

	Three months ended September 30, 2008 (Mil Yen)	Three months ended September 30, 2009 (Mil Yen)
Retail	¥ 69,137	¥ 66,796
Global Markets	80,150	127,845
Investment Banking	13,970	30,659
Merchant Banking	5,853	2,606
Asset Management	13,916	11,994
Other (Inc. elimination)	14,430	32,833
Total	¥ 197,456	¥ 272,733

Income (loss) before income taxes[1]

	Three months ended September 30, 2008 (Mil Yen)	Three months ended September 30, 2009 (Mil Yen)
Retail	¥ 5,318	¥ 26,354
Global Markets	(86,688)	46,654
Investment Banking	(8,723)	(9,714)
Merchant Banking	14,647	1,254
Asset Management	795	4,473
Other (Inc. elimination)	13,562	(39,889)
Total	¥ (61,089)	¥ 29,132

(1) *Non-interest expenses* and *Income (loss) before income taxes* are calculated in accordance with the updated noncontrolling interests guidance from the year ending March 31, 2010. Certain reclassifications of previously reported amounts have been made to conform to the current year presentation.

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Retail

Net revenue was ¥ 93.2 billion and income before income taxes was ¥ 26.4 billion for the three months ended September 30, 2009. Nomura continued to provide consulting-based services to retail clients and as a result once again recorded monthly purchases of over ¥ 1 trillion balanced across stocks, bonds, and investment trusts. In the investment trust market, Nomura sells ¥ 400 to ¥ 500 billion each month. Retail client assets increased to ¥ 68.9 trillion on the back of continued growth in the company s client platform.

Global Markets

Net revenue was ¥ 174.5 billion and income before income taxes was ¥ 46.7 billion for the three months ended September 30, 2009. Complementing the Japan franchise, Nomura s client base and flow businesses in Europe and Asia have grown. Nomura took the number one position on the London Stock Exchange for the three months to September and on Eurex for equity index options in the same three-month period. Trading volume in Asian markets also increased substantially. In Global Fixed Income, Nomura continued to improve its organizational structure to provide world-class products and services. In the half of the year, it was number one in JGB closing bid rankings and also regained its Primary Dealership in the US.

Investment Banking

Net revenue was ¥ 20.9 billion and loss before income taxes was ¥ 9.7 billion for the three months ended September 30, 2009. In Japan, Nomura was involved in a number of financing transactions by domestic companies and maintained a certain amount of market share in underwriting. Internationally, Nomura s deal pipeline continues to gain traction and Nomura is proceeding to provide balance sheet management solutions to corporate clients.

Merchant Banking

Net revenue was ¥ 3.9 billion and income before income taxes was ¥ 1.3 billion for the three months ended September 30, 2009. Merchant Banking returned to profit for the first time in four quarters due mainly to the sale of its stake in Kawamura Electric and the gain from the increase in valuation of bio-pharma venture investee companies.

Asset Management

Net revenue was ¥ 16.5 billion and income before income taxes was ¥ 4.5 billion for the three months ended September 30, 2009. Robust sales of investment trusts led to an increase in assets under management to ¥ 22.9 trillion at the end of September 30, 2009.

Other Operating Results

Other operating results include net gain on trading related to economic hedging transactions, realized loss on investments in equity securities, equity in earnings of affiliates, corporate items, and other financial adjustments. Other operating results for the three months ended September 30, 2009 include the losses from changes in the fair value of the financial liabilities, for which the fair value option was elected, attributable to the change in its creditworthiness, of ¥15.1 billion, the positive impact of its own creditworthiness on derivative liabilities, which resulted in gain of ¥4.1 billion and the gains from changes in counterparty credit spread of ¥4.5 billion. Accordingly, in net revenue was negative ¥7.1 billion and loss before income taxes was ¥ 39.9 billion for the three months ended September 30, 2009.

Geographic Information

Please refer to Item 5. Financial Information, 1. Consolidated Financial Statements, Note 13. *Segment and geographic information* for net revenue and income (loss) before income taxes by geographic region.

Cash Flow Information

Please refer to (5) Liquidity and Capital Resource.

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(2) Assets and Liabilities Associated with Investment and Financial Services Business

1) Exposure to Certain Financial Instruments and Counterparties

Challenging market conditions continue to impact numerous products including securitization products and leveraged finance which Nomura has certain exposure to. Nomura also has exposures to Special Purpose Entities (SPEs) and monoline insurers in the normal course of business.

Securitization Products

Nomura s exposure to securitization products mainly consists of Commercial Mortgage-Backed Securities (CMBS), Residential Mortgage-Backed Securities (RMBS), and commercial real estate-backed securities. Nomura holds these securitization products in connection with securitization, financing, trading and other activities. The following table provides a summary of Nomura s exposure to securitization products by geographic location of the underlying collateral as of September 30, 2009.

	Millions of yen September 30, 2009				
	Japan	**Asia**	**Europe**	**America**	**Total**
Commercial mortgage-backed securities (CMBS)[3]	¥ 8,456	¥	¥ 1,294	¥ 28,053	¥ 37,803
Residential mortgage-backed securities (RMBS)[4]	6,138		13,585	78,258	97,981
Commercial real estate-backed securities	32,506				32,506
Other securitization products	37,665	2,537	9,120	4,927	54,249
Total	¥ 84,765	¥ 2,537	¥ 23,999	¥ 111,238	¥ 222,539

(1) The balances shown exclude those for which Nomura transferred financial assets to securitization vehicles where such transfers were accounted for as secured financing rather than sale under ASC 860 *Transfers and Servicing* (ASC 860) (formerly Statement of Financial Accounting Standards No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*), and in which Nomura has no continuing economic exposure.

(2) Nomura has ¥31,286 million exposure, as whole loans (including commitments,) to U.S. CMBS-related business as at September 30, 2009.

(3) The balance excludes Government National Mortgage Association.

(4) The balance excludes mortgage pass-through securities and U.S. government agency-issued collateralized mortgage obligations.

The following table provides Nomura s exposure to CMBS by geographical region and external credit rating of the underlying collateral as of September 30, 2009.

	Millions of yen September 30, 2009							
	AAA	**AA**	**A**	**BBB**	**BB**	**Not rated**	**GSE[1]**	**Total**
Japan	¥ 2,292	¥ 2,767	¥ 98	¥ 186	¥ 9	¥ 3,104	¥	¥ 8,456
Europe	817			62	369	46		1,294
America	13,929	3,539	5,222	2,593	2,607	24	139	28,053
Total	¥ 17,038	¥ 6,306	¥ 5,320	¥ 2,841	¥ 2,985	¥ 3,174	¥ 139	¥ 37,803

(1) GSE refers to Government Sponsored Enterprises.
(2) Rating based on the lowest rating given by Standard & Poor s, Moody s Investors Service, Fitch Ratings Ltd., Japan Credit Rating Agency, Ltd., or Rating and Investment Information, Inc. as of September 30, 2009.

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Leveraged Finance

Nomura provides loans to clients in connection with leveraged buy-outs and leveraged buy-ins. As this type of finance is usually provided through a commitment, Nomura has both funded and unfunded exposures on these transactions.

The following table provides Nomura s exposure to leveraged finance by geographic location of the target company as of September 30, 2009.

	Millions of yen September 30, 2009		
	Funded	**Unfunded**	**Total**
Japan	¥ 9,255	¥ 1,895	¥ 11,150
Europe	73,082	5,213	78,295
Total	¥ 82,337	¥ 7,108	¥ 89,445

Special Purpose Entities

In the normal course of business, Nomura is involved with numerous types of SPEs which may take the form of a corporation, partnership, fund, trust or other legal vehicle which are designed to fulfill a limited, specific purpose by its sponsor. Nomura both creates or sponsors these entities and also enters into arrangements with entities created or sponsored by others. Such entities generally meet the definition of a Variable Interest Entity (VIE) under ASC 810 (formerly FASB Interpretation No. 46 (revised December 2003), *Consolidation of Variable Interest Entities*) or meet the definition of a Qualifying Special Purpose Entity (QSPE) and other SPEs than QSPEs in which Nomura has continuing involvement.

Nomura s involvement with these entities includes structuring, underwriting, as well as, subject to prevailing market conditions distributing and selling debt instruments and beneficial interests issued by these entities. In the normal course of securitization and equity derivative activities business, Nomura also acts as transferor of financial assets to, and underwriter, distributor and seller of repackaged financial instruments issued by these entities. Nomura retains, purchases and sells variable interests in Special Purpose Entities (SPEs) in connection with our market-making, investing and structuring activities. Nomura s other types of involvement with SPEs include guarantee agreements and derivative contracts.

For further discussion on Nomura s involvement with VIEs, see Item 5. Financial Information, 1. Consolidated Financial Statements, Note 6. *Securitization and Variable Interest Entities (VIEs)*

The following table provides Nomura s exposures from consolidated VIEs, unconsolidated significant VIEs, and unconsolidated sponsored VIEs of which Nomura is a sponsor that holds a variable interest in VIE as of September 30, 2009. Nomura considers maximum exposures to loss to be limited to the amounts presented below, which are reflected in the consolidated balance sheet or the footnote discussing commitments and guarantees. Maximum exposure to loss does not reflect Nomura s estimate of the actual losses that could result from adverse changes, nor does it reflect the economic hedges Nomura enters into to reduce its exposure.

	Billions of yen September 30, 2009		
	Exposures from consolidated VIEs	**Exposures to unconsolidated significant and sponsored VIEs(2)**	**Total**
Trading assets:			
Equities	¥ 273	¥ 55	¥ 328
Debt securities	149	20	169
Mortgage and mortgage-backed securities	75	75	150
Investment trust funds and other	1	2	3
Derivatives(1)	11	12	23
Private Equity	4		4

Office buildings, land, equipment and facilities	51		51
Others	64	77	141

(1) The amounts present current balance sheet carrying value of derivatives. Notional amount for exposure from consolidated VIEs is ¥ 96 billion and notional for exposure to unconsolidated significant VIEs and sponsored VIEs (using the VIEs total assets as the maximum amount) is ¥50 billion.

(2) We held ¥22 billion of commitments to extend credit, standby letters of credit and other guarantees to unconsolidated significant VIEs and sponsored VIEs as of September 30, 2009.

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Exposure to monoline Insurers (financial guarantors)

The following table provides Nomura s gross exposure, counter party risk reserves and other adjustments, net exposure, and CDS protection to monoline insurers (financial guarantors) by credit rating of structured credit trading business of Global Markets in Europe. The table does not include the fully reserved or hedged exposures.

	Millions of U.S. dollars September 30, 2009				
Monoline insurers by credit rating[1]	**Notional**[2]	**Gross Exposure**[3]	**Counterparty Risk Reserves and Other Adjustments**	**Net Exposure**	**CDS Protection**[4]
AA	$ 211	$ 63	$ 7	$ 56	$ 47
Non-investment grade	$ 8,297	$ 3,125	$ 2,659	$ 466	$ 48
Total	$ 8,508	$ 3,188	$ 2,666	$ 522	$ 95

(1) Rating based on the lower of either Standard & Poor s or Moody s Investors Service as of September 30, 2009.

(2) The gross notional value of the credit derivative contract. There is no exposure related to U.S. RMBS as reference assets.

(3) Gross exposure represents the estimated fair value prior to Counterparty Risk Reserves and Other Adjustments.

(4) Notional less estimated fair value of CDS protection acquired against the monoline insurers.

In addition to the above derivatives exposure, Nomura also had $173 million of debt securities, such as utility bonds, at September 30, 2009, guaranteed by monoline insurers. The estimated fair value of the wrap included in the carrying value of these debt securities is not significant.

2) Fair Value of Financial Instruments

The majority of Nomura s financial assets and financial liabilities are carried at fair value on a recurring basis. Financial assets which are carried at fair value on a recurring basis are reported in the consolidated balance sheets within *Trading assets and private equity investments, Loans and receivables* and *Other assets.* Financial liabilities which are carried at fair value on a recurring basis are reported within *Trading liabilities, Short-term borrowings, Payables and deposits, Long-term borrowings* and *Other liabilities.* These financial instruments include the investments to which investment company accounting is applied under ASC 946 *Financial Services Investment Companies* (formerly AICPA Statement of Position 07-1, *Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies*), and the financial assets and financial liabilities for which the fair value option is elected under ASC 825 *Financial Instruments* (formerly SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities including an amendment of FASB Statement No. 115*) or ASC 815 *Derivatives and Hedging* (formerly SFAS No. 155, *Accounting for Certain hybrid Financial Instruments, an amendment of FASB statements No. 133 and 140*).

In accordance with ASC 820 *Fair Value Measurements and Disclosures* (formerly SFAS No. 157, *Fair Value Measurements*), all financial instruments measured at fair value have been categorized into a three-level hierarchy based on the transparency of inputs used to establish fair value.

Fair value hierarchy

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilities that Nomura has the ability to access at the measurement date are classified as Level 1.

Level 2:

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, are classified as Level 2. If the asset or liability has a specified (contractual or redemption) term, a Level 2 input must be observable for substantially the full term (contractual life) of the asset or liability.

Level 3:

Financial assets and financial liabilities whose values are based on unobservable inputs in markets are classified as Level 3. Unobservable inputs are based on the reporting entity s own assumptions that other market participants would consider (including assumptions about risk) under the best information available in the circumstances. Financial instruments are classified as Level 3, if such unobservable inputs in markets have more than insignificant impact on fair value measurement of an instrument.

Financial instruments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement of the instruments. In case that a derivative is valued with using a combination of Level 1, 2 and 3 inputs, it would be classified as Level 3, where the Level 3 inputs are significant in its measurement.

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The following table presents information about Nomura s assets and liabilities measured at fair value on a recurring basis as of September 30, 2009 within the fair value hierarchy.

	Billions of yen September 30, 2009				
	Level 1	**Level 2**	**Level 3**	**Counterparty and Cash Collateral Netting[1]**	**Balance as of September 30, 2009**
Assets:					
Trading assets and private equity investments					
Equities[2]	¥ 662	¥ 824	¥ 234	¥	¥ 1,720
Private equity[2]	2	0	319		321
Japanese government bonds	2,856				2,856
Japanese agency and municipal securities	129	1	0		130
Foreign government, agency and municipal securities	3,130	638	35		3,803
Bank and corporate debt securities and loans for trading purpose	109	896	189		1,194
Commercial mortgage-backed securities (CMBS)		25	71		96
Residential mortgage-backed securities (RMBS)	0	299	10		309
Mortgage and other mortgage backed securities		0	189		189
Collateralized debt obligation (CDO)		17	28		45
Investment trust funds and other	16	26	10		52
Derivatives	1,217	12,604	790	(11,887)	2,724
Sub Total	¥ 8,121	¥ 15,330	¥ 1,875	¥ (11,887)	¥ 13,439
Loans and receivables[3]	0	330	3		333
Other assets	457	59	42		558
Total	¥ 8,578	¥ 15,719	¥ 1,920	¥ (11,887)	¥ 14,330
Liabilities:					
Trading liabilities					
Equities	¥ 1,017	¥ 151	¥ 0	¥	¥ 1,168
Japanese government bonds	1,631				1,631
Foreign government, agency and municipal securities	1,904	263			2,167
Bank and corporate debt securities		109	1		110
Residential mortgage-backed securities (RMBS)		17			17
Mortgage and other mortgage backed securities		2			2
Investment trust funds and other	0				0
Derivatives	1,485	12,328	653	(11,751)	2,715
Sub Total	¥ 6,037	¥ 12,870	¥ 654	¥ (11,751)	¥ 7,810
Short-term borrowings[4][5]	28	84	6		118
Payables and deposits[6]		0	(1)		(1)
Long-term borrowings[4][5][7]	42	876	(25)		893
Other liabilities	132	18	0		150
Total	¥ 6,239	¥ 13,848	¥ 634	¥ (11,751)	¥ 8,970

(1) Represents the amount netted under counterparty netting of derivative assets and liabilities as well as cash collateral netting against net derivatives in accordance with ASC 210-20 *Offsetting* (ASC 210-20) (formerly FASB Interpretation No. 39, *Offsetting of Amounts Related to Certain Contracts* and formerly FSP No. FIN 39-1, *Amendment of FASB Interpretation No. 39*).

(2) Includes equity investments that would have been accounted for under the equity method had Nomura not chosen to apply the fair value option under ASC 825 (formerly SFAS No. 159 *The Fair Value Option for Financial Assets and Financial Liabilities*).

(3) Includes loans and receivables for which Nomura elected the fair value option under ASC 825.

(4) Includes structured notes for which Nomura elected the fair value option under either ASC 815 *Derivatives and Hedging* (ASC 815) (formerly SFAS No. 155 *Accounting for Certain Hybrid Financial Instruments an amendment of FASB Statements No. 133 and 140*) or ASC 825.

(5) Includes embedded derivatives bifurcated in accordance with ASC 815 (formerly SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*) from the structured notes issued. If unrealized gain is greater than unrealized loss, borrowings are reduced by the excess amount.

(6) Includes embedded derivatives bifurcated in accordance with ASC 815 from the deposits received at banks. If unrealized gain is greater than unrealized loss, deposits are reduced by the excess amount.

(7) Includes liabilities by secured financing transactions that are accounted for as financing rather than sales in accordance with ASC 860. Nomura elected the fair value option under ASC 825 for those liabilities.

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The following table presents the proportion of the net Level 3 financial assets, which is the net of Level 3 assets and derivative liabilities, against the net total financial assets measured at fair value (after net of derivative assets and liabilities).

	Billions of yen September 30, 2009
Level 3 Financial Assets	¥ 1,920
Deduct: Level 3 Derivatives (Liabilities)	(653)
Net Level 3 Financial Assets (After netting derivative assets and liabilities)	¥ 1,267
Total Financial Assets measured at Fair Value	¥ 26,217
Deduct: Derivatives (Liabilities)	(14,466)
Net Total Financial Assets measured at Fair Value (After netting derivative assets and liabilities)	¥ 11,751
The proportion of the net Level 3 financial assets in the net total financial assets carried at fair value after netting of derivative assets and liabilities	11%

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(3) Trading Activities

Assets and liabilities for trading purposes

Please refer to Item 5. Financial Information, 1. Consolidated Financial Statements, Note 3. *Fair value of financial instruments* and Note 4. *Derivative instruments and hedging activities* about the balances of assets and liabilities for trading purposes.

Risk management of trading activity

Nomura adopts Value at Risk (VaR) for measurement of market risk arising from trading activity.

1) Assumptions on VaR

2.33 standard deviations 99% confidence level

Holding period: One day

Consideration of correlation of price movement among the products

2) Records of VaR

	September 30, 2009 (Bil Yen)	March 31, 2009 (Bil Yen)
Equity	¥ 2.7	¥ 3.8
Interest rate	3.4	6.7
Foreign exchange	10.9	8.7
Sub-total	17.0	19.2
Diversification benefit	(5.2)	(7.5)
Value at Risk (VaR)	¥ 11.8	¥ 11.7

	Three months ended September 30, 2009		
	Maximum (Bil Yen)	Minimum (Bil Yen)	Average (Bil Yen)
Value at Risk (VaR)	¥ 14.3	¥ 11.2	¥ 12.5

(4) Qualitative Disclosures about Market Risk

1) Risk Management

Our group business activities are inherently subject to various risks. Managing those risks is the most important responsibility of management to secure fiscal health as well as to contribute to the maintenance and expansion of corporate value. Our risk management framework and governance structure is intended to provide comprehensive controls, monitoring and reporting.

We established Structure for Ensuring Appropriate Business , at the Board of Directors, and within this, established the Structure for Regulations and others regarding Management of Risk Loss . In accordance with these structures, we are constantly seeking to upgrade the risk management expertise and we are trying to strengthen and promote the risk management.

2) Global Risk Management Structure

Governance

We have financial management resources and risk management units (Controller s Department, Group Finance Department, Group Treasury Department and Group Risk Management Department) headquartered in Tokyo which are independent from business divisions and responsible for appropriate financial resources allocation and risk management.

Within these units, the Group Risk Management Department assists the Chief Risk Officer (CRO) with implementing the risk management framework and supervising risks. Supervision includes establishing an enterprise-wide risk management framework, ensuring its adoption by the entire group, monitoring the appropriateness of risk management, and measuring and analyzing the risks of the entire group. In particular, Group Risk Management Department establishes and enhances all of our risk management policies and rules, gathers necessary information for risk management and implements risk management policies for our global operations. Group Risk Management Department reports ongoing risk status and the results of their analysis to senior management. These processes are audited regularly by Internal Audit.

We have established a Group Integrated Risk Management Committee (GIRMC) under the Board of Directors and Executive Management Board (EMB). The GIRMC considers significant risk matters including Basel II regulated risk items, matters related to Nomura s debt structure & capital policy, and implementation and updating of important policies and procedures related to risk management. Further, we have established the Global Risk Management Committee under the GIRMC for the management of important positions, market risk, credit risk, risk concentration and strategic risk within Nomura.

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Definition and Types of Risk Managed

Risk is defined as the possibility of capital impairment due to losses in the business, and the possibility that business operations do not generate an assumed output or cannot reach an expected level or cannot meet a planned goal due to the deterioration of quality (efficiency and/or effectiveness). We classify risks as Portfolio risk (risk of losses arising from fluctuations and declines in the value of portfolio) and Non-portfolio risk. Portfolio risk consists of Market Risk, Credit Risk and Private Equity Risk and other risks. Non-portfolio risk consists of Operational Risk and Business Risk. Further, Portfolio risk is classified into trading risk and non-trading risk.

In addition to managing each risk, we calculate economic capital for each risk.

Risk Control

Dynamic management of risk is performed within each regional front office business. These units are best placed to respond rapidly and flexibly to changing market conditions and the needs of the business in each region. Risk taken and managed in this way is consistent with limits and guidelines which provide a framework for economic capital allocation. This framework consists of higher level economic capital guidelines, links to lower level limits on value-at risk (VaR) and other measures appropriate to individual business lines. We set economic capital guidelines for core business units within a business division. We also set limits designed to restrict trading activities to prescribed mandates. The financial management resources and risk management units set and monitor the limits such as risk control limit, credit line, country limit, regulatory capital limit and unsecured funding limit (UF limit). The Risk Management unit reports ongoing risk status to senior management.

(5) Liquidity and Capital Resource

Liquidity

Overviews

Liquidity is of critical importance to us and other firms in the financial services sector. We define liquidity risk as the potential inability to meet financial obligations as they become due. This risk could arise from an inability to access the secured or unsecured debt markets, a deterioration in our credit ratings, a failure to manage unplanned changes in funding requirements, a failure to liquidate assets quickly and with minimal loss in value, or changes in regulatory capital restrictions which may prevent the free flow of funds between different group entities. Liquidity risk could be due both to Nomura-specific and market wide events. Our primary liquidity objective is to ensure continuous liquidity across market cycles and periods of stress, and to ensure that all funding requirements and unsecured debt obligations that fall due within one year can be met without additional unsecured funding or forced liquidation of trading assets.

We have in place a number of liquidity policies designed to achieve our primary liquidity objective. These include (1) ensure appropriate funding mix such that we have sufficient long term debt to meet our cash capital needs.; (2) diversify unsecured funding sources; (3) unsecured funding management; (4) maintain liquidity portfolios of cash and highly liquid unencumbered securities that can be converted into cash in order to meet our immediate liquidity requirements; (5) maintain committed bank facilities and (6) maintenance and testing of our Contingency Funding Plan.

The Firm s Executive Management Board has the authority to make decisions concerning the group s liquidity management. The Chief Financial Officer (CFO) has operational authority and responsibility over the Nomura Group s liquidity management based on decisions made by the Executive Management Board. Reporting to the CFO, Global Treasury is responsible for monitoring and managing our liquidity in accordance with policies determined by the Executive Management Board or other decision making bodies.

1) Ensure appropriate funding mix. We seek to maintain a surplus of long term debt and equity above the cash capital requirements of our assets. This enables us to fund the firm for periods of at least one year in a stress event, without needing to raise additional unsecured funding or forcing the liquidation of trading assets. The amount of liquidity required is based on an internal model which incorporates the following requirements.

i. Our ability to finance assets using secured funding, including repurchase agreements and securities lending transactions. The cash capital requirements are calculated using conservative estimates of the assets secured borrowing power in stressed scenarios.

ii. Goodwill and identifiable intangible assets, property, equipment and other illiquid assets.

iii. Collateral requirements on derivative contracts arising as a result of a two-notch downgrade in our credit rating. In addition, other unencumbered assets held at exchanges for chaining requirements are also funded with long-term liquidity.

iv. Commitments to lend to external counterparties based on the probability of drawdown.

v. Capital or other forms of financing in our regulated subsidiaries that is in excess of their long-term cash capital requirements.

Our internal model is calculated at the group company level in order to take into account legal, regulatory and tax restrictions that may impact the transfer of liquidity among group companies.

2) Diversify unsecured funding sources. We seek to reduce refinancing risk through diversification of our funding sources. We diversify funding by product, investor and market in order to reduce our reliance on any one funding source. We benefit by distributing a significant portion of our debt through our retail and institutional sales force to a diversified global investor base.

3) Unsecured Funding Management. We manage the overall level of unsecured funding and set the internal limits on the additional amount of unsecured funding available across the Company. The availability of unsecured funding is set by the Executive Management Board, and monitored closely by Global Treasury.

4) Maintain Liquidity Portfolios. To ensure a readily available source of liquidity, we have structured our liquidity portfolio under the assumption that in certain instances, legal and regulatory requirements can restrict the flow of funds between entities in our consolidated group, and funds or securities might not freely move across the Nomura group.

We maintain a liquidity portfolio in the form of cash and highly liquid, unencumbered securities that may be sold or pledged to provide liquidity. In addition to the liquidity portfolio, we have other unencumbered assets comprising mainly unpledged trading inventory that can be used as an additional source of secured funding. The size and structure of our liquidity portfolio takes into account immediate cash requirements arising from:

i. Upcoming maturities of unsecured debt (maturities less than 1 year)

ii. Potential buybacks of our outstanding debt

iii. Loss of secured funding lines particularly for less liquid assets, over and above our cash capital estimates

iv. Normal business volatility

v. Cash and collateral outflows in the event of a stress event

5) Maintain Committed Bank Facilities. In addition to our liquidity portfolio, we maintain undrawn committed facilities with a group of globally recognized banks in order to provide contingent financing sources. We have structured the facilities to ensure that the maturity dates of these facilities are evenly distributed throughout the year in order to prevent excessive maturities of facilities in any given period. Whilst the ability to borrow under these facilities is subject to customary lending conditions and covenants, we do not believe that any of the covenant requirements will impair our ability to draw these facilities.

6) Maintenance and testing our Contingency Funding Plan (CFP). We have developed a detailed contingency funding plan. As part of the CFP, we have developed an approach for analyzing and specifying the extent of any liquidity events. This allows us to estimate the likely impact of both a Nomura-specific and market-wide crises; and specifies the immediate action to be taken to mitigate any risk. The CFP lists details of key internal and external parties to be contacted and the processes by which information is to be disseminated. The CFP has been developed at the legal entity level in order to capture specific cash requirements at the local level it assumes that the parent company does not have access to cash that may be trapped at the subsidiary level due to regulatory, legal or tax constraints. We periodically test the effectiveness of our funding plans for different Nomura specific events and market-wide events. We also have access to operations at central banks such as Bank of Japan and European Central Bank, which provide financing against various types of securities. These operations are accessed in the normal course of business and are important tools in mitigating contingent risk from market disruptions.

Cash Flow

Cash and cash equivalents balance as of September 30, 2008 and as of September 30, 2009 were ¥ 430.9 billion and ¥ 508.4 billion respectively. Cash flows from operating activities for the three months ended September 30, 2008 and September 30, 2009 increased by ¥62.3 billion and decreased by ¥ 349.2 billion respectively mainly due to a fluctuation of Net trading balances (*Net of Trading assets and Trading liabilities*). Cash flows from investing activities for the three months ended September 30, 2008 and September 30, 2009 decreased by ¥20.0 billion and decreased by ¥ 19.8 billion respectively due mainly to a fluctuation of *Bank loans*. Cash flows from financing activities for the three months ended September 30, 2008 and September 30, 2009 decreased by ¥199.1 billion and increased by ¥ 360.2 billion mainly due to a fluctuation of *Borrowings*.

Consolidated Balance Sheets and Financial Leverage

Total assets as of September 30, 2009, was ¥ 27,661.4 billion, an increase of ¥ 2,823.6 billion compared to ¥ 24,837.8 billion as of March 31, 2009, reflecting an increase in *Collateralized agreements* and *Trading assets*. Total liabilities as of September 30, 2009, were ¥ 26,034.4 billion, an increase of ¥ 2,748.1 billion compared to ¥23,286.3 billion as of March 31, 2009, this was mainly due to an increase in *Collateralized financing* and *trading liabilities*. Total NHI shareholders equity as of September 30, 2009 was ¥ 1,615.9 billion, an increase of ¥ 76.5 billion compared to ¥1,539.4 billion as of March 31, 2009, due to an increase in *Common stock* and *Retained earnings*. Our leverage ratio as of September 30, 2009 increased to 17.1 times from 16.1 times as of March 31, 2009.

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We seek to maintain sufficient capital at all times to withstand losses due to extreme market movements. Executive Management Board is responsible for implementing and enforcing capital policies. This includes the determination of our balance sheet size and required capital levels. We continually review our equity capital base to ensure that it can support the economic risk inherent in our business. There are also regulatory requirements for minimum capital of entities that operate in regulated securities or banking businesses.

The following table provides Total NHI shareholders equity, Total assets, Adjusted total assets and Leverage ratios:

	(Billions of yen, except ratios)	
	September 30, 2009	March 31, 2009
Total NHI shareholders equity	¥ 1,615.9	¥ 1,539.4
Total assets	27,661.4	24,837.8
Adjusted total assets(1)	17,937.1	16,425.2
Leverage ratio(2)	17.1x	16.1x
Adjusted leverage ratio(3)	11.1x	10.7x

(1) Adjusted total assets represent Total assets less Securities purchased under agreements to resell and Securities borrowed transactions.
(2) Leverage ratio equals total assets divided by Total NHI shareholders equity.
(3) Adjusted leverage ratio equals adjusted total assets divided by Total NHI shareholders equity.

Consolidated Regulatory Requirements

The Financial Services Agency established the Guideline for Financial Conglomerate Supervision (hereinafter referred to as the Financial Conglomerate Guideline) in June 2005 and set out the rule on consolidated regulatory capital. We started monitoring the consolidated capital adequacy ratio of the Company according to the Financial Conglomerate Guideline from April 2005.

Beginning from the end of March, 2009, we elected to calculate the consolidated capital adequacy ratio according to the Criteria for bank holding companies to judge whether their capital adequacy status is appropriate in light of their own and their subsidiaries asset holdings, etc. under Article 52-25 of the Banking Act (Financial Services Agency Public Notice No. 20 of 2006, hereinafter referred to as the Bank Holding Companies Notice) which is allowed under Item IV-2-6 of the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. and under the guidance provided by the Financial Conglomerate Guideline.

Under the Financial Conglomerate Guideline, financial conglomerates, defined as the holding company of financial institutions and its group companies, must maintain the amount of consolidated capital not less than required capital. As we have started the calculation according to the Bank Holding Companies Notice, we convert each risk by multiplying the amount by 12.5; therefore we examine whether we abide by this requirement by confirming that the capital/risk-weighted asset ratio is higher than 8%.

As of September 30, 2009, we were in compliance with this requirement, with a ratio of total capital to risk-weighted assets of 20.8%.

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The following table presents the Company s consolidated capital adequacy ratio as of September 30, 2009:

		100 millions of yen September 30, 2009
Qualifying Capital		
Tier 1 capital	¥	14,885
Tier 2 capital		5,847
Tier 3 capital		3,022
Deductions		572
Total qualifying capital		23,182
Risk-Weighted Assets		
Credit risk-weighted assets	¥	44,214
Market risk equivalent assets		52,880
Operational risk equivalent assets		14,219
Total risk-weighted assets		111,313
Consolidated Capital Adequacy Ratios		
Consolidated capital adequacy ratio		20.8%
Tier 1 capital ratio		13.3%

(6) Current Challenges

There is no significant change in our current challenges or new challenge arose for the three months ended September 30, 2009.

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Item 4. Company Information

1. Share Capital Information

(1) Total Number of Shares

A. Number of Authorized Share Capital

Type	Authorized Share Capital (shares)
Common Stock	6,000,000,000
Class 1 preferred stock	200,000,000
Class 2 preferred stock	200,000,000
Class 3 preferred stock	200,000,000
Class 4 preferred stock	200,000,000
Total(1)	6,000,000,000

(Notes)

1 Total number is the authorized number of shares of the Company under the Articles of Incorporation.

B. Issued Shares

Type	Number of Issued Shares as of September 30, 2009	Number of Issued Shares as of November 13, 2009	Trading Markets	Details
Common Stock	2,832,914,058	3,694,478,409	Tokyo Stock Exchange(*2) Osaka Securities Exchange(*2) Nagoya Stock Exchange(*2) Singapore Stock Exchange New York Stock Exchange	1 unit is 100 shares
Total	2,832,914,058	3,694,478,409		

(Notes)

1 Shares that may have increased from exercise of stock options and convertible bonds between November 1, 2009 and as of the submission date (November 13, 2009) are not included in the number of issued shares as of November 13, 2009.

2 Listed on the First Section of each stock/securities exchange.

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(2) Stock Options

A. Stock Acquisition Right

Resolved by the 99th General Shareholders Meeting on June 26, 2003

Stock Acquisition Rights No. 2

	(As of September 30, 2009)
Number of Stock Acquisition Right	1,230(*1)
Number of Stock Acquisition Right for Treasury (out of above number)	
Type of Share under the Stock Acquisition Right	Common stock 1 unit is 100 shares
Number of Shares under the Stock Acquisition Rights	1,230,000
The Amount to be Paid upon Exercising the Stock Acquisition Right(*2)	¥1,439 per share
Exercise Period of the Stock Acquisition Right	From July 1, 2005 to June 30, 2010
Issue Price of Shares and Capital Inclusion Price if Shares are Issued upon Exercise of the Stock Acquisition Rights	Issue Price of Shares ¥1,439 Capital Inclusion Price ¥720
Conditions to Exercise of Stock Acquisition Right	1. Not to be partial exercise of one stock acquisition right. 2. For a person given Stock Acquisition Right (the Optionee) maintains position as a director, executive officer or employee of the Company or the Company s Subsidiary, during the time between the grant of the stock acquisition rights and the exercise. The Optionee is deemed to maintain such a position as a director, executive officer or employee of the Company or the Company s Subsidiary in case the Optionee loses such a position by the situations determined in terms of the options. 3. The Optionee, at the time of exercising the stock acquisition rights, does not fall within either of the following cases: a) The Company or the Company s Subsidiary determines in accordance with their Employment Regulations to dismiss the Optionee by suggestion or disciplinary procedures; or b) There is any other reason similar to a).
Restriction of Transfer of Stock Acquisition Rights	Approval of the board of directors shall be required for transfer of the stock acquisition rights.

Substituted Payment

Issue of the Stock Acquisition Right Attendant on Reorganization

(Notes)

1. 1,000 shares will be issued per one stock acquisition right.
2. In the event that the shares are split or consolidated, the Exercise Price shall be adjusted in accordance with the following formula, and any fractions less than one (1) yen shall be rounded up to the nearest yen.

$$\text{Adjusted Exercise Price} = \text{Exercise Price before Adjustment} \times \frac{1}{\text{Ratio of Split or Consolidation}}$$

In the event that the Company issues new shares or sells its treasury shares at a price less than market price (excluding for the exercise of the stock acquisition rights), the Exercise Price shall be adjusted in accordance with the following formula, and any fractions less than one (1) yen shall be rounded up to the nearest yen.

$$\begin{array}{c}\text{Adjusted}\\ \text{Exercise}\\ \text{Price}\end{array} = \begin{array}{c}\text{Exercise Price}\\ \text{before}\\ \text{Adjustment}\end{array} \times \frac{\text{Number of Outstanding Shares} + \dfrac{\text{Number of Newly Issued Shares and/or Treasury Shares Sold} \times \text{Paid-in Amount Per Share}}{\text{Market Price per Share}}}{\text{Number of (Outstanding + Newly Issued Shares and/or Treasury Shares Sold)}}$$

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Resolved by the 99th General Shareholders Meeting on June 26, 2003

Stock Acquisition Rights No. 3

	(As of September 30, 2009)
Number of Stock Acquisition Right	171(*)
Number of Stock Acquisition Right for Treasury (out of above number)	
Type of Share under the Stock Acquisition Right	Common stock 1 unit is 100 shares
Number of Shares under the Stock Acquisition Rights	171,000
The Amount to be Paid upon Exercising the Stock Acquisition Right	¥1 per share
Exercise Period of the Stock Acquisition Right	From June 5, 2006 to June 4, 2011
Issue Price of Shares and Capital Inclusion Price if Shares are Issued upon Exercise of the Stock Acquisition Rights	Issue Price of Shares ¥1 Capital Inclusion Price ¥1
Conditions to Exercise of Stock Acquisition Right	1. Not to be partial exercise of one stock acquisition right. 2. For a person given Stock Acquisition Right (the Optionee) maintains position as a director, executive officer or employee of the Company or the Company s Subsidiary, during the time between the grant of the stock acquisition rights and the commencement of the exercise period. The Optionee is deemed to maintain such a position as a director, executive officer or employee of the Company or the Company s Subsidiary in case the Optionee loses such a position by the situations determined in terms of the options. 3. The Optionee, at the commencement of the exercise period, does not fall within either of the following cases: a) The Company or the Company s Subsidiary determines in accordance with their Employment Regulations to dismiss the Optionee by suggestion or disciplinary procedures; or b) There is any other reason similar to a).
Restriction of Transfer of Stock Acquisition Rights	Approval of the board of directors shall be required for transfer of the stock acquisition rights.
Substituted Payment	
Issue of the Stock Acquisition Right Attendant on Reorganization	

(Notes)

1,000 shares will be issued per one stock acquisition right.

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Resolved by the 100th General Shareholders Meeting on June 25, 2004

Stock Acquisition Rights No. 4

	(As of September 30, 2009)
Number of Stock Acquisition Right	1,250(*1)
Number of Stock Acquisition Right for Treasury (out of above number)	
Type of Share under the Stock Acquisition Right	Common stock 1 unit is 100 shares
Number of Shares under the Stock Acquisition Rights	1,250,000
The Amount to be Paid upon Exercising the Stock Acquisition Right(*2)	¥1,429 per share
Exercise Period of the Stock Acquisition Right	From July 1, 2006 to June 30, 2011
Issue Price of Shares and Capital Inclusion Price if Shares are Issued upon Exercise of the Stock Acquisition Rights	Issue Price of Shares ¥1,429 Capital Inclusion Price ¥715
Conditions to Exercise of Stock Acquisition Right	1. Not to be partial exercise of one stock acquisition right. 2. For a person given Stock Acquisition Right (the Optionee) maintains position as a director, executive officer or employee of the Company or the Company s Subsidiary, during the time between the grant of the stock acquisition rights and the exercise. The Optionee is deemed to maintain such a position as a director, executive officer or employee of the Company or the Company s Subsidiary in case the Optionee loses such a position by the situations determined in terms of the options. 3. The Optionee, at the time of exercising the stock acquisition rights, does not fall within either of the following cases: a) The Company or the Company s Subsidiary determines in accordance with their Employment Regulations to dismiss the Optionee by suggestion or disciplinary procedures; or b) There is any other reason similar to a).
Restriction of Transfer of Stock Acquisition Rights	Approval of the board of directors shall be required for transfer of the stock acquisition rights.
Substituted Payment	
Issue of the Stock Acquisition Right Attendant on Reorganization	

(Notes)

1. 1,000 shares will be issued per one stock acquisition right.
2. In the event that the shares are split or consolidated, the Exercise Price shall be adjusted in accordance with the following formula, and any fractions less than one (1) yen shall be rounded up to the nearest yen.

$$\text{Adjusted Exercise Price} = \text{Exercise Price before Adjustment} \times \frac{1}{\text{Ratio of Split or Consolidation}}$$

In the event that the Company issues new shares or sells its treasury shares at a price less than market price (excluding for the exercise of the stock acquisition rights), the Exercise Price shall be adjusted in accordance with the following formula, and any fractions less than one (1) yen shall be rounded up to the nearest yen.

$$\text{Adjusted Exercise Price} = \text{Exercise Price before Adjustment} \times \frac{\text{Number of Outstanding Shares} + \dfrac{\text{Number of Newly Issued Shares and/or Treasury Shares Sold} \times \text{Paid-in Amount Per Share}}{\text{Market Price per Share}}}{\text{Number of (Outstanding + Newly Issued Shares and/or Treasury Shares Sold)}}$$

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Resolved by the 100th General Shareholders Meeting on June 25, 2004

Stock Acquisition Rights No. 5

	(As of September 30, 2009)
Number of Stock Acquisition Right	33(*)
Number of Stock Acquisition Right for Treasury (out of above number)	
Type of Share under the Stock Acquisition Right	Common stock 1 unit is 100 shares
Number of Shares under the Stock Acquisition Rights	33,000
The Amount to be Paid upon Exercising the Stock Acquisition Right	¥1 per share
Exercise Period of the Stock Acquisition Right	From April 26, 2007 to April 25, 2012

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