

ORIX CORP  
Form SC 13G/A  
February 10, 2012

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13G  
Under the Securities Exchange Act of 1934

(Amendment No. 1)\*

ORIX Corporation  
(Name of Issuer)

Common Stock  
(Title of Class of Securities)

686330101  
(CUSIP Number)

December 31, 2011  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

: Rule 13d-1(b)

: Rule 13d-1(c)

: Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No.  
686330101

1 NAME OF REPORTING PERSON

Mitsubishi UFJ Financial Group, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

5 SOLE VOTING POWER

NUMBER OF 5,180,149

SHARES 6 SHARED VOTING POWER

BENEFICIALLY OWNED BY EACH

-0-

REPORTING 7 SOLE DISPOSITIVE POWER

PERSON WITH 5,180,149

8 SHARED DISPOSITIVE POWER

-0-

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,180,149

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES   
(See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

4.8%

12 TYPE OF REPORTING PERSON (See Instructions)

FI



CUSIP No.  
686330101

1 NAME OF REPORTING PERSON

Mitsubishi UFJ Trust and Banking Corporation

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

5 SOLE VOTING POWER

NUMBER OF 3,975,521

SHARES 6 SHARED VOTING POWER

BENEFICIALLY OWNED BY EACH

REPORTING 7 SOLE DISPOSITIVE POWER

PERSON WITH 3,975,521

8 SHARED DISPOSITIVE POWER

-0-

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,975,521

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES   
(See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

3.7%

12 TYPE OF REPORTING PERSON (See Instructions)

FI



CUSIP No.  
686330101

1 NAME OF REPORTING PERSON

Mitsubishi UFJ Securities Holdings Co., Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

5 SOLE VOTING POWER

NUMBER OF 423,278

SHARES 6 SHARED VOTING POWER  
BENEFICIALLY OWNED BY

EACH -0-

REPORTING 7 SOLE DISPOSITIVE POWER  
PERSON

WITH 423,278

8 SHARED DISPOSITIVE POWER

-0-

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

423,278

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES   
(See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.4%

12 TYPE OF REPORTING PERSON (See Instructions)

FI



CUSIP No.  
686330101

1 NAME OF REPORTING PERSON

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

5 SOLE VOTING POWER

NUMBER OF 104,442

SHARES 6 SHARED VOTING POWER

BENEFICIALLY OWNED BY EACH

-0-

REPORTING 7 SOLE DISPOSITIVE POWER

PERSON WITH 104,442

8 SHARED DISPOSITIVE POWER

-0-

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

104,442

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES   
(See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.1%

12 TYPE OF REPORTING PERSON (See Instructions)

FI





CUSIP No.  
686330101

1 NAME OF REPORTING PERSON

Mitsubishi UFJ Securities International plc

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

London, United Kingdom

5 SOLE VOTING POWER

NUMBER OF 318,836

SHARES 6 SHARED VOTING POWER

BENEFICIALLY OWNED BY  
EACH

-0-

REPORTING 7 SOLE DISPOSITIVE POWER

PERSON WITH 318,836

8 SHARED DISPOSITIVE POWER

-0-

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

318,836

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES   
(See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.3%

12 TYPE OF REPORTING PERSON (See Instructions)

FI



CUSIP No.  
686330101

1 NAME OF REPORTING PERSON

Mitsubishi UFJ Asset Management Co., Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

5 SOLE VOTING POWER

NUMBER OF 590,870

SHARES 6 SHARED VOTING POWER

BENEFICIALLY OWNED BY EACH

-0-

REPORTING 7 SOLE DISPOSITIVE POWER

PERSON WITH 590,870

8 SHARED DISPOSITIVE POWER

-0-

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

590,870

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES   
(See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.5%

12 TYPE OF REPORTING PERSON (See Instructions)

FI



CUSIP No.  
686330101

1 NAME OF REPORTING PERSON

Mitsubishi UFJ Asset Management (UK) Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

London, United Kingdom

5 SOLE VOTING POWER

NUMBER OF 26,900

SHARES 6 SHARED VOTING POWER

BENEFICIALLY OWNED BY -0-

EACH 7 SOLE DISPOSITIVE POWER

REPORTING PERSON WITH 26,900

8 SHARED DISPOSITIVE POWER

-0-

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

26,900

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES   
(See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.0%

12 TYPE OF REPORTING PERSON (See Instructions)

FI



CUSIP No.  
686330101

1 NAME OF REPORTING PERSON

MU Investments Co., Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

5 SOLE VOTING POWER

NUMBER OF 171,470

SHARES 6 SHARED VOTING POWER

BENEFICIALLY OWNED BY  
EACH

-0-

REPORTING 7 SOLE DISPOSITIVE POWER

PERSON WITH 171,470

8 SHARED DISPOSITIVE POWER

-0-

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

171,470

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES   
(See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.2%

12 TYPE OF REPORTING PERSON (See Instructions)

FI





CUSIP No.  
686330101

1 NAME OF REPORTING PERSON

kabu.com Securities Co., Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

5 SOLE VOTING POWER

NUMBER OF 13,650

SHARES 6 SHARED VOTING POWER

BENEFICIALLY OWNED BY  
EACH

-0-

REPORTING 7 SOLE DISPOSITIVE POWER

PERSON WITH 13,650

8 SHARED DISPOSITIVE POWER

-0-

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

13,650

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES   
(See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.0%

12 TYPE OF REPORTING PERSON (See Instructions)

FI



CUSIP No.  
686330101

1 NAME OF REPORTING PERSON

KOKUSAI Asset Management Co., Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

5 SOLE VOTING POWER

NUMBER OF 5,360

SHARES 6 SHARED VOTING POWER

BENEFICIALLY OWNED BY -0-

EACH 7 SOLE DISPOSITIVE POWER

REPORTING PERSON 5,360

8 SHARED DISPOSITIVE POWER

-0-

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,360

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES   
(See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.0%

12 TYPE OF REPORTING PERSON (See Instructions)

FI



CUSIP No.  
686330101

ITEM 1

- (a) Name of Issuer

ORIX Corporation

- (b) Address of Issuer's Principal Executive Offices

1-23 Shiba 4-chome, Minato-ku, Tokyo 108-0014, Japan

ITEM 2

- (a) Names of Persons Filing

Mitsubishi UFJ Financial Group, Inc. ("MUFG")

Mitsubishi UFJ Trust and Banking Corporation ("MUTB")

Mitsubishi UFJ Securities Holdings Co., Ltd. ("MUSHD")

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("MUMSS")

Mitsubishi UFJ Securities International plc ("MUSI")

Mitsubishi UFJ Asset Management Co., Ltd. ("MUAM")

Mitsubishi UFJ Asset Management (UK) Ltd. ("MUAMUK")

MU Investments Co., Ltd. ("MUI")

kabu.com Securities Co., Ltd. ("KC")

KOKUSAI Asset Management Co., Ltd. ("KAM")

- (b) Address of Principal Business Office or, if none, Residence

MUFG:  
7-1 Marunouchi 2-chome, Chiyoda-ku  
Tokyo 100-8330, Japan

MUTB:  
4-5 Marunouchi 1-chome, Chiyoda-ku  
Tokyo 100-8212, Japan

MUSHD:

5-2 Marunouchi 2-chome, Chiyoda-ku  
Tokyo 100-0005, Japan

MUMSS:

5-2 Marunouchi 2-chome, Chiyoda-ku  
Tokyo 100-0005, Japan

MUSI:

Ropemaker Place, 25 Ropemaker Street  
London EC2Y 9AJ, United Kingdom

CUSIP No.  
686330101

MUAM:  
4-5 Marunouchi 1-chome, Chiyoda-ku  
Tokyo 100-8212, Japan

MUAMUK:  
Ropemaker Place, 25 Ropemaker Street  
London EC2Y 9AN, United Kingdom

MUI:  
2-15 Nihonbashi Muromachi 3-chome, Chuo-ku  
Tokyo 103-0022, Japan

KC:  
3-2 Otemachi 1-chome, Chiyoda-ku  
Tokyo 100-0004, Japan

KAM:  
1-1 Marunouchi 3-chome, Chiyoda-ku  
Tokyo 100-0005, Japan

(c) Citizenship

Not applicable.

(d) Title of Class of Securities

Common Stock

(e) CUSIP Number

686330101

ITEM If this statement is filed pursuant to §§ 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:  
3

MUFG: (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);

(b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);

(c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);

(d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);



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- (e)  An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);

CUSIP No.  
686330101

- (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J);
- (k)  Group, in accordance with § 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution: Parent holding company

- MUTB: (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e)  An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J);

(k)  Group, in accordance with § 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution: Bank

MUSHD: (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);  
]

(b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);  
]

(c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);  
]

(d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);  
]

(e)  An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);

CUSIP No.  
686330101

- (f)  An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  [ü] A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J);
- (k)  Group, in accordance with § 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution: Broker-dealer

- MUMSS:(a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e)  An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);

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- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  [ii] A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J);
- (k)  Group, in accordance with § 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution: Broker-dealer

MUSI: (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);

(b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);

(c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);

CUSIP No.  
686330101

- |     |     |   |
|-----|-----|---|
| (d) | [ ] | Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);  |
| (e) | [ ] | An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);  |
| (f) | [ ] | An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);   |
| (g) | [ ] | A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);   |
| (h) | [ ] | A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);   |
| (i) | [ ] | A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3); |
| (j) | [ü] | A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J);   |
| (k) | [ ] | Group, in accordance with § 240.13d-1(b)(1)(ii)(K).   |

If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution: Broker-dealer, Bank

MUAM:(a)[ Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);  
]  
¥

192,590 \$ 1,796

**Guarantees**

Nomura enters into, in the normal course of its subsidiaries' banking/financing activities, various guarantee arrangements with counterparties in the form of standby letters of credit and other guarantees, which generally have a fixed expiration date. In addition, Nomura enters into certain derivative contracts that meet the accounting definition of a guarantee under FIN No. 45, 'Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others'. Contractual amounts of these guarantees, other than derivative contract, for which the fair values are recorded on the consolidated balance sheets at fair value, were as follows:

Millions of yen

Translation into  
millions of

U.S. dollars

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	<u>March 31,</u> <u>2004</u>	<u>March 31,</u> <u>2005</u>	<u>March 31,</u> <u>2005</u>
Standby letters of credit and other guarantees	¥ 29,424	¥ 7,919	\$ 74

**Table of Contents****5. Comprehensive income:**

	Millions of yen		Translation into millions of
			U.S. dollars
	For the year ended		
	March 31, 2004	March 31, 2005	March 31, 2005
Net income	¥ 172,329	¥ 94,732	\$ 884
Other comprehensive (loss) income, net of tax:			
Change in cumulative translation adjustments	(12,051)	16,297	152
Minimum pension liability adjustment during the period	7,337	9,576	89
Total other comprehensive (loss) income, net of tax	(4,714)	25,873	241
Comprehensive income	¥ 167,615	¥ 120,605	\$ 1,125



**Table of Contents****6. Changes in additional paid-in capital and retained earnings:**

	Millions of yen		Translation into millions of
	March 31, 2004	March 31, 2005	U.S. dollars
<b>For the year ended</b>			
<b>March 31,</b>			
<b>2005</b>			
<b>Additional paid-in capital</b>			
Balance at beginning of period	¥ 151,328	¥ 154,063	\$ 1,437
Gain on sales of treasury stock	1,807	14	0
Issuance of common stock options	928	1,870	17
<b>Balance at end of period</b>	<b>¥ 154,063</b>	<b>¥ 155,947</b>	<b>\$ 1,454</b>
<b>Retained earnings</b>			
Balance at beginning of period	¥ 1,407,028	¥ 1,550,231	\$ 14,458
Net income	172,329	94,732	884
Dividends	(29,126)	(38,827)	(362)
<b>Balance at end of period</b>	<b>¥ 1,550,231</b>	<b>¥ 1,606,136</b>	<b>\$ 14,980</b>

**7. Segment Information-Operating segment:**

Business segments results are shown in the following table.

	Millions of yen				
	Domestic Retail	Global Wholesale	Asset Management	Other (Inc. elimination)	Total
<b>Year ended March 31, 2004</b>					
Non-interest revenue	¥ 304,035	¥ 290,845	¥ 34,300	¥ (83)	¥ 629,097
Net interest revenue	1,722	74,891	1,657	22,156	100,426
<b>Net revenue</b>	<b>305,757</b>	<b>365,736</b>	<b>35,957</b>	<b>22,073</b>	<b>729,523</b>
Non-interest expenses	226,213	227,227	37,004	13,574	504,018
<b>Income (loss) before income taxes</b>	<b>¥ 79,544</b>	<b>¥ 138,509</b>	<b>¥ (1,047)</b>	<b>¥ 8,499</b>	<b>¥ 225,505</b>
<b>Year ended March 31, 2005</b>					

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Non-interest revenue	¥ 301,464	¥ 264,848	¥ 42,239	¥ 26,064	¥ 634,615
Net interest revenue	2,903	61,022	1,283	9,159	74,367
Net revenue	304,367	325,870	43,522	35,223	708,982
Non-interest expenses	223,200	239,502	36,086	22,612	521,400
Income before income taxes	¥ 81,167	¥ 86,368	¥ 7,436	¥ 12,611	¥ 187,582

Change (%)

Income (loss) before income taxes					
Year ended March 31, 2005 vs. 2004	2.0	(37.6)		48.4	(16.8)

Translation into millions of U.S. dollars

Year ended March 31, 2005					
Non-interest revenue	\$ 2,812	\$ 2,470	\$ 394	\$ 243	\$ 5,919
Net interest revenue	27	569	12	86	694
Net revenue	2,839	3,039	406	329	6,613
Non-interest expenses	2,082	2,233	337	211	4,863
Income before income taxes	\$ 757	\$ 806	\$ 69	\$ 118	\$ 1,750

**Table of Contents**

Transactions between operating segments are recorded within segment results on commercial terms and conditions and are eliminated in the Other column.

The following table presents the major components of income/ (loss) before income taxes in the Other column

	Millions of yen		Translation into millions of
			U.S. dollars
For the year ended			
	March 31, 2004	March 31, 2005	March 31, 2005
Loss on undesignated hedging instruments included in Net gain on trading	¥ (12,544)	¥ (8,650)	\$ (81)
Gain on investment securities	1,590	7,777	73
Equity in earnings of affiliates	8,514	7,271	68
Corporate items	(10,666)	4,519	42
Others	21,605	1,694	16
<b>Total</b>	<b>¥ 8,499</b>	<b>¥ 12,611</b>	<b>\$ 118</b>

The table below presents a reconciliation of the combined segment information included in the table on the previous page to reported net revenue and income before income taxes in the consolidated income statement information.

	Millions of yen		Translation into millions of
			U.S. dollars
For the year ended			
	March 31, 2004	March 31, 2005	March 31, 2005
Net revenue	¥ 729,523	¥ 708,982	\$ 6,612
Unrealized gain on investments in equity securities held for relationship purposes	54,729	8,364	78
Effect of consolidation/deconsolidation of certain private equity investee companies	18,851	81,844	764
<b>Consolidated net revenue</b>	<b>¥ 803,103</b>	<b>¥ 799,190</b>	<b>\$ 7,454</b>

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Non-interest expenses	¥ 504,018	¥ 521,400	\$ 4,862
Unrealized gain on investments in equity securities held for relationship purposes			
Effect of consolidation/deconsolidation of certain private equity investee companies	16,409	72,955	682
	<u>¥ 520,427</u>	<u>¥ 594,355</u>	<u>\$ 5,544</u>
Consolidated non-interest expenses			
Income before income taxes	¥ 225,505	¥ 187,582	\$ 1,750
Unrealized gain on investments in equity securities held for relationship purposes	54,729	8,364	78
Effect of consolidation/deconsolidation of certain private equity investee companies	2,442	8,889	82
	<u>¥ 282,676</u>	<u>¥ 204,835</u>	<u>\$ 1,910</u>
Consolidated income before income taxes			

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**8. Other**

Information on lease and derivative transactions will be disclosed in EDINET. Other notes to the consolidated financial information will be disclosed when those are available.

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NOMURA HOLDINGS, INC.  
 SUPPLEMENTARY INFORMATION  
 (UNAUDITED)

Commissions/fees received and Net gain on trading consist of the following:

Commissions/fees received

	Millions of yen		% Change	Translation into millions of U.S. dollars
	For the year ended			
	March 31, 2004 (A)	March 31, 2005 (B)	(B-A)/(A)	March 31, 2005
Commissions	¥ 210,216	¥ 221,963	5.6	\$ 2,070
Brokerage Commissions	149,667	156,198	4.4	1,457
Commissions for Distribution of Investment Trust	37,345	41,660	11.6	389
Fees from Investment Banking	86,994	92,322	6.1	861
Underwriting and Distribution	71,091	69,553	(2.2)	649
M&A / Financial Advisory Fees	15,772	22,639	43.5	211
Asset Management and Portfolio Service Fees	66,193	78,452	18.5	732
Asset Management Fees	56,268	67,183	19.4	627
Total	¥ 363,403	¥ 392,737	8.1	\$ 3,663

Net gain on trading

	Millions of yen		% Change	Translation into millions of U.S. dollars
	For the year ended			
	March 31, 2004 (A)	March 31, 2005 (B)	(B-A)/(A)	March 31, 2005 (B)

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				<b>2005</b>
Merchant Banking	¥ 1,548	¥ 4,013	159.2	\$ 38
Equity Trading	75,232	76,815	2.1	716
Fixed Income and Other Trading	152,262	120,858	(20.6)	1,127
<b>Total</b>	<b>¥ 229,042</b>	<b>¥ 201,686</b>	<b>(11.9)</b>	<b>\$ 1,881</b>

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## NOMURA HOLDINGS, INC.

## CONSOLIDATED INCOME STATEMENT INFORMATION

(UNAUDITED)

Millions of yen

For the three months ended

	June 30, 2003	September 30, 2003	December 31, 2003	March 31, 2004	June 30, 2004	September 30, 2004	December 31, 2004	March 31, 2005
<b>Revenue:</b>								
Commissions	¥ 33,752	¥ 55,967	¥ 57,590	¥ 62,907	¥ 69,533	¥ 45,585	¥ 46,275	¥ 60,570
Fees from investment banking	14,498	19,860	24,408	28,228	15,434	32,339	18,412	26,137
Asset management and portfolio service fees	13,735	17,022	16,792	18,644	18,185	19,845	19,287	21,135
Net gain on trading	80,432	67,097	33,800	47,713	53,567	23,073	54,709	70,337
(Loss) gain on private equity investments	(669)	7,267	(2,105)	8,645	498	(2,097)	(2,165)	11,508
Interest and dividends	101,646	89,944	66,574	85,096	81,891	101,102	122,035	96,351
Gain (loss) on investments in equity securities	16,168	15,601	2,788	21,331	10,271	(11,624)	7,752	8,915
Private equity entities product sales	2,682	1,267	2,678	11,012	17,368	15,858	20,250	21,585
Other	5,348	5,471	3,167	9,580	8,548	4,747	7,206	11,815
<b>Total revenue</b>	<b>267,592</b>	<b>279,496</b>	<b>205,692</b>	<b>293,156</b>	<b>275,295</b>	<b>228,828</b>	<b>293,761</b>	<b>328,353</b>
Interest expense	67,505	64,809	55,461	55,058	61,367	71,987	99,873	93,820
<b>Net revenue</b>	<b>200,087</b>	<b>214,687</b>	<b>150,231</b>	<b>238,098</b>	<b>213,928</b>	<b>156,841</b>	<b>193,888</b>	<b>234,533</b>
<b>Non-interest expenses:</b>								
Compensation and benefits	65,903	67,686	61,823	63,924	65,943	64,206	67,441	77,398
Commissions and floor brokerage	4,904	4,625	3,482	6,158	6,409	6,502	4,068	6,931
Information processing and communications	18,890	19,520	19,155	22,466	19,281	20,136	20,404	21,587
Occupancy and related depreciation	13,319	13,506	12,929	14,467	13,274	12,986	13,152	14,122
Business development expenses	4,983	5,428	5,495	7,194	5,429	7,767	6,824	8,194
Private equity entities cost of goods sold	2,064	1,123	1,938	6,728	11,171	9,921	11,501	12,088
Other	18,724	14,848	15,478	23,667	19,955	19,116	21,306	27,243
	128,787	126,736	120,300	144,604	141,462	140,634	144,696	167,563
<b>Income before income taxes</b>	<b>71,300</b>	<b>87,951</b>	<b>29,931</b>	<b>93,494</b>	<b>72,466</b>	<b>16,207</b>	<b>49,192</b>	<b>66,970</b>
<b>Income tax expense (benefit):</b>								
Current	27,093	38,418	15,265	27,658	26,001	22,291	10,939	45,162
Deferred	5,159	1,895	(1,065)	(4,076)	5,633	(9,300)	13,112	(3,735)



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	32,252	40,313	14,200	23,582	31,634	12,991	24,051	41,427
Net income	¥ 39,048	¥ 47,638	¥ 15,731	¥ 69,912	¥ 40,832	¥ 3,216	¥ 25,141	¥ 25,543

Yen

Per share of common stock:

Basic-								
Net income	¥ 20.14	¥ 24.58	¥ 8.10	¥ 36.01	¥ 21.03	¥ 1.66	¥ 12.95	¥ 13.16

Diluted-								
Net income	¥ 20.14	¥ 24.58	¥ 8.10	¥ 36.01	¥ 21.03	¥ 1.66	¥ 12.94	¥ 13.15

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### **Organizational Structure**

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

Nomura Holdings, Inc.

#### **Domestic Subsidiaries**

Nomura Securities Co., Ltd.  
Nomura Asset Management Co., Ltd.  
The Nomura Trust & Banking Co., Ltd.  
Nomura Babcock & Brown Co., Ltd.  
Nomura Capital Investment Co., Ltd.  
Nomura Investor Relations Co., Ltd.  
Nomura Principal Finance Co., Ltd.  
Nomura Funds Research and Technologies Co., Ltd.  
Nomura Pension Support & Service Co., Ltd.  
Nomura Research & Advisory Co., Ltd.  
Nomura Business Services Co., Ltd.  
Nomura Facilities, Inc.  
Nomura Institute of Capital Markets Research

#### **Overseas Subsidiaries**

Nomura Holding America Inc.  
Nomura Securities International, Inc.  
Nomura Corporate Research and Asset Management Inc.  
Nomura Asset Capital Corporation  
The Capital Company of America, LLC  
Nomura Derivative Products, Inc.  
Nomura Global Financial Products, Inc.  
Nomura Securities (Bermuda) Ltd.  
  
Nomura Europe Holdings plc  
Nomura International plc  
Nomura Bank International plc  
Banque Nomura France  
Nomura Bank (Luxembourg) S.A.  
Nomura Bank (Deutschland) GmbH  
Nomura Bank (Switzerland) Ltd.  
Nomura Italia S.I.M. p.A.  
  
Nomura Funding Facility Corporation Limited  
Nomura Global Funding plc  
Nomura Europe Finance N.V.  
Nomura Principal Investment plc  
  
Nomura Asia Holding N.V.  
Nomura Investment Banking (Middle East) B.S.C. (Closed)  
Nomura International (Hong Kong) Limited  
Nomura Singapore Limited  
Nomura Advisory Services (Malaysia) Sdn. Bhd.  
Nomura Australia Limited  
PT Nomura Indonesia

#### **Affiliates**

Nomura Research Institute, Ltd.  
JAFCO Co., Ltd.  
Nomura Land and Building Co., Ltd.  
Capital Nomura Securities Public Company Limited

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### **Risk Factors**

You should carefully consider the risks described below before making an investment decision. If any of the risks described below actually occurs, our business, financial condition or results of operations could be adversely affected. In that event, the trading prices of our shares could decline, and you may lose all or part of your investment. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.

#### **Market fluctuations could harm our businesses**

Our businesses are materially affected by conditions in the financial markets and economic conditions in Japan and elsewhere around the world. Market downturns can occur not only as a result of purely economic factors, but also as a result of war, act of terrorism, natural disasters or other similar events. A sustained market downturn can adversely affect our business and can result in substantial losses. Even in the absence of a prolonged market downturn, we may incur substantial losses due to market volatility.

#### *Our brokerage and asset management revenues may decline*

A market downturn could result in a decline in the revenues we receive from commissions because of a decline in the volume of brokered securities transactions that we execute for our customers. Also, in most cases, we charge fees for managing our clients' portfolios that are based on the value of their portfolios. A market downturn that reduces the value of our clients' portfolios, increases the amount of withdrawals or reduces the amount of new investments in these portfolios would reduce the revenue we receive from our asset management businesses.

#### *Our investment banking revenues may decline*

Unfavorable financial or economic conditions would likely reduce the number and size of transactions for which we provide securities underwriting, financial advisory and other investment banking services. Our investment banking revenues, which include fees from these services, are directly related to the number and size of the transactions in which we participate and would therefore decrease if there is a sustained market downturn.

#### *We may incur significant losses from our trading and investment activities*

We maintain large trading and investment positions in the fixed income and equity markets, both for our own account and for the purpose of facilitating our customers' trades. Our positions consist of various types of asset, including financial derivatives transactions in the interest rate, credit, equity, currency, commodity, real estate and other markets. Market fluctuations can adversely affect the value of these assets. To the extent that we own assets, or have long positions, a market downturn could result in losses if the value of these long positions decreases. Furthermore, to the extent that we have sold assets we do not own, or have short positions, a market upturn could expose us to potentially unlimited losses as we attempt to cover our short positions by acquiring assets in a rising market. We utilize various hedging techniques to mitigate these position risks. We can incur losses if the markets move in a way we have not anticipated, as a result of specific events such as the

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terrorist attack on September 11, 2001 or the Russian economic crisis in 1998. Also, we face losses if the level of market volatility differs from our expectation, which may occur particularly in the emerging markets. In addition, we commit capital to take relatively large position for underwriting or warehousing assets to facilitate certain capital market transactions. We may incur significant losses from these activities.

*Holding large and concentrated positions of securities and other assets may expose us to large losses*

Concentration of risk can expose us to large losses in our businesses such as market-making, block trading, underwriting and acquiring newly-issued convertible bonds through third-party allotment. We have committed substantial amounts of capital to these businesses. This often requires us to take large positions in the securities of a particular issuer or issuers in a particular industry, country or region. For example, we previously held a large inventory for commercial mortgage-backed securities in our U.S. operations, the value of which seriously deteriorated after bond investors took flight from these investments in August 1998.

*Extended market decline can reduce liquidity and lead to material losses*

Extended market decline can reduce the level of market activity. If we cannot properly close out our associated positions, in particular over-the-counter derivatives, we may incur substantial losses due to the difficulty of monitoring prices in a less liquid market.

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### *Our hedging strategies may not prevent losses*

We use a variety of instruments and strategies to hedge our exposure to various types of risk. If our hedging strategies are not effective, we may incur losses. We base many of our hedging strategies on historical trading patterns and correlations. For example, if we hold a long position in an asset, we may hedge this position by taking a short position in an asset where the short position has, historically, moved in a direction that would offset a change in value in the long position. However, historical trading patterns and correlations may not continue, and these hedging strategies may not be fully effective in mitigating our risk exposure in all market environments or against all types of risk.

### *Our risk management policies and procedures may not be fully effective in managing market risk*

Our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our methods of managing risk are based upon observed historical market behavior. This historical market behavior may not continue in future periods. As a result, we may suffer losses by being unable to predict future risk exposures that could be significantly greater than the historical measures indicate. Other risk management methods that we use also rely on our evaluation of information regarding markets, clients or other matters, which information is publicly available or otherwise accessible by us. This information may not be accurate, complete, up-to-date or properly evaluated, in which case we may be unable to properly assess our risks.

### *Market risk may increase the other risks that we face*

In addition to the potentially adverse effects on our businesses described above, market risk could exacerbate other risks that we face. For example, the risks associated with new products through financial engineering/innovation may be increased by market risk. Also, if we incur substantial trading losses, our need for liquidity could rise sharply while our access to cash may be impaired. Furthermore, if there is a market downturn, our customers and counterparties could incur substantial losses of their own, thereby weakening their financial condition and, as a result, increasing our credit risk exposure to them. Our liquidity risk and credit risk are described below.

### **Liquidity risk could impair our ability to fund operations and jeopardize our financial condition**

Liquidity, or having ready access to cash, is essential to our businesses. In addition to maintaining a readily available cash position, we seek to enhance our liquidity through repurchase and securities lending transactions, access to long-term debt, diversification of our short-term funding sources such as commercial paper, and by holding a portfolio of highly liquid assets. We bear the risk that we may lose liquidity under certain circumstances, including the following:

### *We may be unable to access the debt capital markets*

We depend on continuous access to the debt capital markets to finance our day-to-day operations. An inability to raise money in the long-term or short-term debt markets, or to engage in repurchase agreements and securities lending, could have a substantial negative effect on our liquidity. For example, lenders could refuse to extend the credit necessary for us to conduct our business because of their assessment of our long-term or

short-term financial prospects:

if we incur large trading losses,

if the level of our business activity decreases due to a market downturn, or

if regulatory authorities take significant action against us.

Our ability to borrow in the debt markets also could be impaired by factors that are not specific to us, such as a severe disruption of the financial markets or negative views about the prospects for the investment banking, securities or financial services industries generally. For example, in 1998 and 1999, as a result of concerns regarding asset quality and the failure of several large Japanese financial institutions, some international lenders charged an additional risk premium to Japanese financial institutions for short-term borrowings in the interbank market and restricted the availability of credit they were willing to extend. As concern about banks and other financial institutions in Japan continues, this additional risk premium, commonly known as "Japan premium", may be imposed again.

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*In particular, we may be unable to access the short-term debt markets*

We depend primarily on the issuance of commercial paper and short-term bank loans as a principal source of unsecured short-term funding of our operations. Our liquidity depends largely on our ability to refinance these borrowings on a continuous basis. Investors who hold our outstanding commercial paper and other short-term debt instruments have no obligation to purchase new instruments when the outstanding instruments mature. We may be unable to obtain short-term financing from banks to make up any shortfall.

*We may be unable to sell assets*

If we are unable to borrow in the debt capital markets or if our cash balances decline significantly, we will need to liquidate our assets or take other actions in order to meet our maturing liabilities. In volatile or uncertain market environments, overall market liquidity may decline. In a time of reduced market liquidity, we may be unable to sell some of our assets, which could adversely affect our liquidity, or we may have to sell assets at depressed prices, which could adversely affect our results of operations and financial conditions. Our ability to sell our assets may be impaired by other market participants seeking to sell similar assets into the market at the same time. For example, after the Russian economic crisis in 1998, the liquidity of some of our assets, including Russian bonds and other assets, such as commercial mortgage-backed securities, was significantly reduced by simultaneous attempts by us and other market participants to sell similar assets.

*Lowering of our credit ratings could increase our borrowing costs*

Our borrowing costs and our access to the debt capital markets depend significantly on our credit ratings. Rating agencies may reduce or withdraw their ratings or place us on credit watch with negative implications. A reduction in our credit ratings, or being placed on credit watch with negative implications, could increase our borrowing costs and limit our access to the capital markets. This, in turn, could reduce our earnings and adversely affect our liquidity. For example, in 1998, after a series of credit rating downgrades, we experienced an increase in borrowing costs and reduced access to short-term funding sources particularly in connection with our operations in Europe and the United States.

### **Event risk may cause losses in our trading and investment assets as well as market and liquidity risk**

Event risk refers to potential losses in value we may suffer through unpredictable events that cause large unexpected market price moves. These include not only the events such as the terrorist attack on September 11, 2001 and the Russian economic crisis in 1998 that resulted in losses to our business but also the following types of events that could cause losses on our trading and investment assets:

sudden and significant changes in credit ratings with regard to our trading and investment assets by rating agencies that have significant presence and influence on the market,

sudden changes in trading, tax, accounting and other related rules which may make our trading strategy obsolete or less competitive,  
or



the failure of corporate actions such as M&A with respect to our trading and investment assets.

**Losses caused by financial or other problems of third parties may expose us to credit risk**

Our counterparties are from time to time indebted to us as a result of transactions or contracts, including loans, commitments to lend, other contingent liabilities, and derivatives transactions such as swaps and options.

We may incur material losses when our counterparties default on their obligations to us due to bankruptcy, deterioration in their creditworthiness, lack of liquidity, operational failure, an economic or political event, or other reasons. This risk may arise from:

holding securities of third parties,

entering into swap or other derivative contracts under which counterparties have obligations to make payments to us,

executing securities, futures, currency or derivative trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries, or

extending credit to our clients through bridge or margin loans or other arrangements.

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Problems related to third party credit risk may include the following:

*Defaults by a large financial institution could adversely affect the financial markets generally and us specifically*

The commercial soundness of many financial institutions is closely interrelated as a result of credit, trading, clearing or other relationships among the institutions. As a result, concern about, or a default by, one institution could lead to significant liquidity problems or losses in, or defaults by, other institutions. This may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which we interact on a daily basis. Actual defaults, increases in perceived default risk and other similar events could arise in the future and could have an adverse effect on the financial markets and on us. We may suffer financially if major Japanese financial institutions fail or experience severe liquidity or solvency problems.

*There can be no assurance as to the accuracy of the information about, or the sufficiency of the collateral we use in managing, our credit risk*

We regularly review our credit exposure to specific customers or counterparties and to specific countries and regions that we believe may present credit concerns. Default risk, however, may arise from events or circumstances that are difficult to detect, such as fraud. We may also fail to receive full information with respect to the risks of a counterparty. In addition, in cases where we have extended credit against collateral, we may find that we have insufficient value in the collateral. For example, if sudden declines in market values reduce the value of our collateral, we may become undersecured.

*Our customers and counterparties may be unable to perform their obligations to us as a result of economic or political conditions*

Country, regional and political risks are components of credit risk, as well as market risk. Economic or political pressures in a country or region, including those arising from local market disruptions or currency crises, may adversely affect the ability of clients or counterparties located in that country or region to obtain credit or foreign exchange, and therefore to perform their obligations owed to us.

### **Operational risk may disrupt our businesses, result in regulatory action against us or limit our growth**

We face the following types of operational risk, and if such risk materializes, we could suffer financial losses, disruption in our business, litigation from relevant parties, regulatory intervention or reputational damage:

suffering damages due to failure to settle securities transactions,

suffering damages due to failure by officers or employees to perform proper administrative activities prescribed in regular procedures,

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suffering damages due to suspension or malfunction of systems, most of which are developed and maintained by our affiliate, Nomura Research Institute, Ltd.,

suffering damages as a result of the destruction of our facilities or systems due to large-scale disasters or criminal actions, or

suffering damages as a result of the restriction of our business operation or investment activities due to social confusion from political reasons.

### **Our business is subject to substantial legal and regulatory risk, to regulatory changes and reputation risk**

Substantial legal liability or a significant regulatory action against us could have a material financial effect or cause reputational harm to us, which in turn could seriously damage our business prospects. Also, material changes in regulations applicable to us or to our market could adversely affect our business.

#### *Our exposure to legal liability is significant*

We face significant legal risks in our businesses. These risks include liability under securities or other laws for materially false or misleading statements made in connection with securities underwriting and offering transactions, potential liability for advice we provide in corporate transactions, disputes over the terms and conditions of complex trading arrangements or the validity of contracts for transactions with us and legal claims concerning our merchant banking business. During a prolonged market downturn, we would expect claims against us to increase. We may also face significant litigation. The cost of defending such litigation may be substantial and our involvement in litigation may damage our reputation. In addition, even legal transactions might be subject to social criticism according to the particulars or situations of such transactions. These risks may be difficult to assess or quantify and their existence and magnitude may remain unknown for substantial periods of time.

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### *Extensive regulation of our businesses limits our activities and may subject us to significant penalties*

The financial services industry is subject to extensive regulation. We are subject to regulation by governmental and self-regulatory organizations in Japan and in virtually all other jurisdictions in which we operate. These regulations are designed to ensure the integrity of the financial markets and to protect customers and other third parties who deal with us. These regulations are not designed to protect our shareholders and often limit our activities, through net capital, customer protection and market conduct requirements. We face the risk that regulatory authorities may intervene in our businesses through extended investigation and surveillance activity, adoption of costly or restrictive new regulations or judicial or administrative proceedings that may result in substantial penalties. We could be fined, prohibited from engaging in some of our business activities, or be subject to the temporary or long-term suspension or revocation of our legal authorization to conduct business. Our reputation could also suffer from the adverse publicity that any administrative or judicial sanction against us may create. As a result of such sanction, we may lose business opportunities for a period of time, even after the sanction is lifted, if and to the extent that our customers, especially public institutions, decide not to engage us for their financial transactions.

### *Material changes in regulations applicable to us or to our market could adversely affect our business*

If regulations that apply to our businesses are introduced, modified or removed, we could be adversely affected directly or through resulting changes in market conditions. For example, in September 2002, the Financial Services Agency of Japan abolished restrictions on sharing common office space between banks and their affiliated securities companies. Also, in accordance with the amendments to the Securities and Exchange Law effective from December 1, 2004, banks and certain other financial institutions became able to act as agents of securities companies in the securities brokerage business and therefore increasing competition. Furthermore, we may face additional regulations on trading or other activities that may lead to a reduction of the market liquidity, trading volume or market participants. Such regulatory action may damage the Japanese markets as our main revenue source.

### **Misconduct by an employee, Director or Executive Officer could harm us and is difficult to detect and deter**

We face the risk that misconduct by an employee, Director or Executive Officer could occur. Misconduct by an employee, Director or Executive Officer could bind us to transactions that exceed authorized limits or present unacceptable risks, or hide from us unauthorized or unsuccessful activities, which, in either case, may result in unknown and unmanaged risks or losses. Misconduct by an employee, Director or Executive Officer could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions, legal liability and serious reputational or financial damage to us. We may not always be able to deter misconduct by an employee, Director or Executive Officer and the precautions we take to prevent and detect misconduct may not be effective in all cases.

### **Our reputation may be damaged due to leakage of personal information**

In Japan, the Personal Information Protection Act took full effect on April 1, 2005. A company handling personal information has been imposed various obligations regarding acquisition, use or management of personal information. Recently, there have been a series of reports that huge personal information was leaked from companies. In these cases, some of such companies have heavily lost social trust. We own large database of our customers and use such database for the purpose of providing services for our customers. Under these circumstances in Japan, information management of personal information has become more important to us.

**The financial services industry is intensely competitive and rapidly consolidating**

The businesses we are in are intensely competitive, and we expect them to remain so. We compete on the basis of a number of factors, including transaction execution, our products and services, innovation, reputation and price. In recent years, we have experienced intense price competition in brokerage, underwriting and other businesses. There has also been increased competition in terms of delivery of value-added services to customers, such as corporate advisory services.

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*Competition with on-line brokers and non-Japanese firms in Japan is increasing*

Since the late 1990s, the financial services sector in Japan has been deregulated. Banks and other types of financial institutions can compete with us to a greater degree than they could before deregulation in the areas of financing and investment trusts. Moreover, since the full deregulation of stock brokerage commission rates in October 1999, competition in the domestic brokerage market has intensified. A number of securities companies in Japan, especially small and medium-sized firms, including those that specialize in on-line securities brokerage, are offering securities brokerage services at low commission rates. In response to commission deregulation, we also restructured our stock brokerage commissions to offer lower commissions depending on the trading amount and the type of customer account. We may continue to experience pricing pressures in the future.

*Competition with non-Japanese firms in the Japanese market is increasing*

Competition from non-Japanese firms has also increased through their presence in Japan, especially in the areas of securities underwriting and corporate advisory services.

*Increased global consolidation in the financial services industry means increased competition for us*

In recent years, there has been substantial consolidation and convergence among companies in the financial services industry. In particular, a number of large commercial banks, insurance companies and other broad-based financial services firms have established or acquired broker-dealers or have merged with other financial institutions in Japan and overseas. Many of these firms have the ability to offer a wide range of products, including loans, deposit-taking, insurance, brokerage, asset management and investment banking services. This diversity of services offered may enhance their competitive position. They also have the ability to supplement their investment banking and securities business with commercial banking, insurance and other financial services revenues in an effort to gain market share. We may lose our market share as these large, consolidated firms expand their business.

*Our ability to expand internationally will depend on our ability to compete successfully with financial institutions in international markets*

We believe that significant challenges and opportunities will arise for us outside of Japan. In order to take advantage of these opportunities, we will have to compete successfully with financial institutions based in important non-Japanese markets, including the United States, Europe and Asia. Some of these financial institutions are larger, better capitalized and have a stronger local presence and a longer operating history in these markets.

**We may not be able to realize gains we expect on our private equity investments**

We hold substantial private equity investments in Europe. These investments are in the residential real estate, consumer finance, retail and service sectors. We hold these investments at fair value, which is typically based on projected future cash flows, discounted at a weighted average cost of capital. Projected future cash flows will reflect the business drivers specific to each investment, which in turn will be affected by

market conditions, thus any deterioration in the market conditions of these sectors in Europe could have a material impact on our future financial statements. This is especially the case if market conditions deteriorate in the European residential real estate sector, given the overall weighting of risk to this sector. Furthermore, given their large size and illiquid nature, the general partner of the fund controlling these investments may not be able to realize the value of the underlying investments at a level, at the time or in a way the general partner may wish. Inability to dispose of the underlying investments could have a material impact on our future financial statements.

Also, we have a growing private equity business in Japan. As the size of this business increases, any deterioration in market conditions and/or our inability to dispose of our private equity investments in Japan at a level, at the time or in a way we may wish, could give rise to material losses which could have a material impact on our future financial statements.

**We may not be able to dispose of our operating investments at the time or with the speed we would like**

We hold substantial amounts of operating investments, which refer to investments in equity securities of companies not affiliated with us which we hold on a long-term basis in order to promote existing and potential business relationships. A substantial portion of these investments consists of equity securities of public companies in Japan. Under U.S. GAAP, depending on market conditions, we may record significant unrealized gains or losses on our operating investments, which would have a substantial impact on our income statement. Depending on the conditions of the Japanese equity markets, we may not be able to dispose of these equity securities when we would like to do so or as quickly as we may wish.

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**Our investments in publicly-traded shares of affiliates accounted for under the equity method in our consolidated financial statements may decline significantly over a period of time and result in our incurring an impairment loss**

We have equity investments in affiliates accounted for under the equity method in our consolidated financial statements whose shares are publicly traded. Under U.S. GAAP, if there is a decline in the fair value, i.e., the market price, of the shares we hold in such affiliates over a period of time, and we determine, based on the guidance of Accounting Principles Board Opinion No. 18, The Equity Method of Accounting for Investments in Common Stock, that the decline is other than temporary, then we must record an impairment loss for the applicable fiscal period.

**We may face an outflow of customers' assets due to losses of cash reserve funds or bonds we offered**

We offer many types of product to meet various needs of our customers with different risk profiles. Cash reserve funds, such as money management funds and money reserve funds, and Long-term Bond Investment Trusts ( Nomura Bond Fund ) are categorized as low-risk products. Such cash reserve funds may fall below par value as a result of defaults on bonds contained in the portfolio. In addition, bonds that we offer may default or experience delays in their obligation to pay interest and/or principal. Such losses in the products we offer may result in the loss of customer confidence and lead to an outflow of customer assets from our custody.



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**Corporate Goals and Principles**

**Management Policy and Structure of Business Operations**

The vision of Nomura Group (the Company) is to solidify its position as a globally competitive Japanese financial institution.

Japan's financial market evolution has resulted in more internationalization and deregulation. The Company's management objective is to capture the securities business from a broader perspective, continue strengthening and expanding our domestic operations whilst, simultaneously, utilizing Nomura Group's comprehensive capabilities around the world to grow our business on a global scale.

One of the management's goal is to maintain an average consolidated ROE of 10 to 15% over the medium to long run.

Rather than running each of its companies on an individual basis, the Company has an integrated approach to managing its business. In order to accelerate our business on a global scale, from 1st April 2005, the Company has undertaken certain reorganizations in its business lines. Nomura Group's Global Wholesale has been segmented to Global Markets, Global Investment Banking, Global Merchant Banking, which combined with Domestic Retail and Asset Management will consist of five business lines.

In addition, within Global Markets, together with Global Fixed Income and Global Equity, we have established Asset Finance as a new business line.

The Company has established these business lines to meet client requirements, with the objective to expand and strengthen our operations both at home and abroad. In order to achieve this, the Company has delegated appropriate executive authority to each of the respective business lines, with the aim to increase Nomura Group's competitive position through the continuation of establishing a solid platform via linkages between the lines and enhancement of professional skills within each line.

**Business Line**

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### **Dividend Policy**

When determining the amount of any cash dividend, the Company will first consider the maintenance of capital sufficient to capture business opportunities as they may develop. The Company will then decide the target dividend amounts, taking into account the firm's dividend-on-equity ratio (DOE). Lastly, when the Company achieves a sufficient level of profit, it will decide the amount of the cash dividend taking into consideration the pay-out ratio. As for retained profits, the Company intends to invest in business areas where high profitability and growth may reasonably be expected, including development and expansion of infrastructure, to maximize value for shareholders.

### **Reduction of the Size of Trading Units**

At the Board of Directors meeting held on October 28, 2004, it was decided to change the trading unit of the Company's stock from 1,000 shares to 100 shares. This change was implemented on January 4, 2005.

### **Current Challenges**

The business environment which the Company is facing, continues to change at a rapid pace on the back of further structural adjustments in the domestic money flows as well as deregulation taking place within the economy.

In this environment, the Company will continue to analyze markets, viewing the securities business from a wider perspective, accelerate its global operations to meet the diverse requirements of our customers on a prompt, flexible basis, with the ultimate objective in providing the best service for various types of investment advice.

In Domestic Retail, the Company will aim to expand and strengthen its customer base and assets under management, through a more extensive approach in ensuring that we are able to meet their diversifying requirements. In addition, the Company will continue its efforts in areas such as investor education programs, in order to expand the investor universe, leading to further activity in the financial markets.

In Global Markets, through the advancement of professional skills in Global Fixed Income, Global Equity Asset Finance, as well as close coordination with Domestic Retail, Global Investment Banking, the Company will aim to solidify a strong platform in providing solutions to meet the diversifying requirements of our customers.

In Global Investment Banking, the Company aims to promptly provide high value added solutions, such as Balance Sheet Operations enhancing shareholder value, M&A ideas on a global scale to Japanese corporations who are now in a position of excess cash, having experienced a recovery in earnings, after intensive restructurings.

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In Global Merchant Banking, the Company will commit its own capital towards investment projects (invest towards companies) expanding its business. Through cross coordination between business lines, Nomura Group will undertake to increase the value of its investments with the aim to maximize its return.

In Asset Management, the Company continues to enhance performance by continuing to offer a variety of investment opportunities, and increasing assets under management, through maintaining a strong sales support system and delivering products which is best suited to customer requirements. On defined contribution pension plan business, in line with the anticipated regulations, through enhancing the offering of integrated services ranging from consulting for plan implementation and investment education to supply products, the Company aims to further broaden its customer base.

Nomura Group will aim to fully utilize its combined strengths on an expedient basis, continuing its efforts in the development of the Japanese economy and expansion of its financial market, whilst expanding our client horizon and strengthen our earnings base, to enhance shareholder value.

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### **Basic concept of corporate governance, and the status of its implementation**

(Basic concept of corporate governance)

The Company in conjunction with the domestic companies of the Nomura Group has adopted the Committee System since June 2003.

Under the Committee System, management oversight functions are separated from business operation functions and many of the powers to execute business activities are delegated to executive officers. The Company can make quicker management decisions on a consolidated basis. Under this corporate governance structure, the Company has maintained three committees: a Nomination Committee, an Audit Committee and a Compensation Committee, each of which has a majority of outside directors, aimed at strengthening management oversight and further improving transparency.

The Company has maintained Code of Ethics of Nomura Group concerning the basic principles of corporate governance and social responsibilities to guide all directors, officers and employees of the Nomura Group.

The Company has adopted procedures under which the Audit Committee shall discuss and approve proposals by the Chief Financial Officer regarding fees for the Company's independent accountant and the type of services to be provided.

(The status of corporate governance policy implementation)

1) The status of corporate governance regarding management decision-making, implementation and oversight, etc. in administrative organization

(1) The Committee System or the Statutory Auditor System

As described above, the Company has adopted the Committee System since June 2003.

(2) Appointment of outside directors

Board of Directors of the Company is comprised of eleven directors including four outside directors as defined under the Commercial Code of Japan.

(3) Overview of the committees

(i) Nomination Committee

The Nomination Committee is authorized to determine the particulars of proposals concerning the election and dismissal of directors to be submitted to a general meeting of shareholders. This committee's current members are Junichi Ujiie (Chairman of the Board), Masaharu Shibata (outside director) and Hideaki Kubori (outside director). Junichi Ujiie is the Chairman of this committee. The Nomination Committee met two times during the year ended March 31, 2005.

(ii) Audit Committee

The Audit Committee is authorized to audit the execution by directors and executive officers of their duties and determine the particulars of proposals concerning the election and dismissal of the independent auditor to be submitted to a general meeting of shareholders. This committee's current members are Haruo Tsuji (outside director), Koji Tajika (outside director) and Fumihide Nomura (non-executive director). Haruo Tsuji is the Chairman of this committee. All of the members are independent under the standards set forth in the Sarbanes-Oxley Act and Koji Tajika satisfies the requirements of audit committee financial expert under the Sarbanes-Oxley Act. The Audit Committee met 22 times during the year ended March 31, 2005.

(iii) Compensation Committee

The Compensation Committee is authorized to determine the particulars of the compensation for each director and executive officer. This committee's current members are Junichi Ujiie (Chairman of the Board), Masaharu Shibata (outside director) and Hideaki Kubori (outside director). Junichi Ujiie is the Chairman of this committee. The Nomination Committee met 4 times during the year ended March 31, 2005.

(4) Allocation of full-time staff for the outside directors

Secretariat and Office of Audit Committee assist directors, including the outside directors, in execution of their operations.

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(5) Framework for operational execution

Thirty-two executive officers determine the matters delegated by resolutions of the Board of Directors and execute the business of the Company. Important matters of those delegated to executive officers are determined by the Board of Executive Officers, the Executive Management Board or the Commitment Committee, each of which comprises the executive officers. The Board of Executive Officers composed of all thirty-two executive officers is authorized to determine the annual business plan and budget and the allocation of the management resources of the Nomura Group. The Executive Management Board consisting of ten executive officers including all representative executive officers is authorized to determine important matters concerning the management of the Nomura Group. The Commitment Committee is chaired by an executive officer appointed by the President & Chief Executive Officer and composed of six executive officers appointed by the chair of the Commitment Committee. The Commitment Committee is authorized to determine or discuss important matters regarding less liquid positions of the Nomura Group.

The Internal Controls Committee is authorized to determine basic matters concerning establishment of internal control and procedures relating to the business management structure of the Nomura Group. The Internal Controls Committee is consisted of four executive officers including the President & Chief Executive Officer and two non-executive directors, the Chairman of the Audit Committee and an Audit Mission Director.

(6) Internal control / Internal audit, audit by Audit Committee and financial audit

The Audit Committee is composed entirely of non-executive part-time directors and has central responsibilities for management audit functions under the Board of Directors. In order to facilitate audit functions, the following measures have been undertaken:

1. Two non-executive but full-time directors (Audit Mission Directors) who are familiar with the business and organization of the Nomura Group, are assigned by the Board of Directors. They thus supplement the audit conducted by the Audit Committee, maintain the merits of the previous statutory audit system. The duty of an Audit Mission Director is to conduct operational supervision including daily inspections and investigations, such as attending important committee meetings.
2. The Nomura Group has established an Internal Audit Division that is independent from other business and business support lines. The Head of Internal Audit supervises internal audit operations of the Company and its subsidiaries. The Internal Audit Division is directed by the Internal Controls Committee, members of which include a director belonging to the Audit Committee and an Audit Mission Director. Further, internal audit results are reported not only to the executive management but also to the Audit Committee and Audit Mission Directors.

The Company appoints Ernst & Young ShinNihon as independent auditors. The Company strives to ensure proper account processing and transparent management for financial reporting under the review of the independent auditors. In addition, the Audit Committee hears the report and explanation from the independent auditors and examines the financial statements (including the consolidated financial statements) and supplementary schedules.

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(7) Risk Management Structure

The Company has an independent global risk management unit headquartered in Tokyo to support risk management which takes place at each level of Nomura's business. The global risk management unit also monitors and manages market, credit, event and market liquidity risks with regard to Nomura's trading and investment portfolios on a worldwide basis.

Nomura's Executive Management Board is responsible for establishing global risk policies, and monitoring and managing the various risks that the Company faces in the business activities.

Nomura's Board of Executive Officers and Executive Management Board also determine Nomura's strategic direction and allocate resources and capital to each of Nomura's businesses. The Executive Management Board reviews Nomura's business plans, budgets and risk-adjusted performance to ensure proper diversification of risks and revenues. The Board of Executive Officers is made up of all of Nomura's Executive Officers. The Executive Management Board is made up of Representative Executive Officers and some of Nomura's Executive Officers appointed by Nomura's Board of Directors. Nomura's President and Chief Executive Officer is the Chairman of both of the organizations.

In addition to the above structure, the Commitment Committee was set up in order to control risks relating to the less liquid asset investments etc. Nomura's Commitment Committee is made up of the Executive Officers assigned by the Chairman of the Committee, while such Chairman is appointed by the President and Chief Executive Officer.

Nomura's global risk management headquartered in Tokyo provides risk information to the Executive Management Board and quantifies risk for each of Nomura's businesses.

The Company has made a significant commitment to the development and continuous enhancement of an appropriate risk management system and procedures. This system enables the Company to produce various analyses of global-based exposure to counterparties under the unified obligor identification, as well as to calculate risk amounts, including Value-at-Risk amounts, based upon Nomura's position and sensitivity data sets provided from Nomura's regional risk management. The system, which senior management, global risk manager and regional risk managers access, integrates global market data, counterparty, position, exposure and other risk information worldwide. This enables the Company to achieve more efficient risk monitoring and more effective risk control.

2) Summary of personal, capital, dealing and other conflicts of interest between the Company, its outside directors and outside auditors

None

3) Implementation to expand company corporate governance in the recent year

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The Company provides a forum for its outside directors where they discuss its corporate governance practices or procedures such as functions of the Board of Directors. Such forum was held three times during the year ended March 31, 2005.

For the purpose of disclosure of corporate information, the Disclosure Committee met eight times during the year ended March 31, 2005 to discuss matters relating to the annual securities report (yuka-shoken-hokokusho) and Form 20-F (annual report to be filed with the U.S. Securities and Exchange Commission). Also, the Disclosure Committee makes arrangements for documentation and evaluation of effectiveness of the Company's internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act that will apply to the Company from the year ended March 31, 2007.

### **Parent Company**

None



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**Unconsolidated Financial Information of Major Consolidated Entities**

**(UNAUDITED)**

**The unconsolidated financial information, prepared under Japanese GAAP, is presented for the following entities;**

**-Nomura Holdings, Inc. Financial Information (Parent Company Only)**

**-Nomura Securities Co., Ltd. Financial Information**

\* The amounts presented for March 31, 2005 are rounded whereas the amounts for March 31, 2004 are truncated.

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Financial Summary For the Year Ended March 31, 2005

Date: April 28, 2005  
 Company name (code number): Nomura Holdings, Inc. (8604)  
 URL(<http://www.nomura.com/jp>)  
 Head office: 1-9-1, Nihonbashi, Chuo-ku, Tokyo 103-8011, Japan  
 Stock exchange listings: (In Japan) Tokyo, Osaka, Nagoya  
 (Overseas) New York, Amsterdam, Singapore  
 Representative: Nobuyuki Koga  
 President and Chief Executive Officer, Nomura Holdings, Inc.  
 For inquiries: Shinji Iwai  
 Managing Director, Investor Relations Department  
 Nomura Group Headquarters, Nomura Securities Co., Ltd.  
 Tel: (Country Code 81) 3-3211-1811  
 Number of shares in unit share system: 100 shares

**(1) Operating Results**

(in millions of yen except per share data and percentages)

Year Ended	<u>Operating Revenue</u>	<u>(Comparison)</u>	<u>Operating Income</u>	<u>(Comparison)</u>	<u>Ordinary Income</u>	<u>(Comparison)</u>
Year Ended						
March 31, 2005	269,600	(99.2)%	177,898	(351.0)%	179,408	(354.8)%
Year Ended						
March 31, 2004	135,341		39,446		39,448	
Year Ended	<u>Net Profit</u>	<u>(Comparison)</u>	<u>Net Profit per share (Yen)</u>	<u>Fully Diluted Net Profit per share (Yen)</u>	<u>Return on Shareholders Equity</u>	
Year Ended						
March 31, 2005	148,113	(343.8)%	76.26	76.21	10.4	
Year Ended						
March 31, 2004	33,374		17.19	17.19	2.5	
Average number of shares issued and outstanding during	the year ended March 31, 2005:		1,942,315,257			
	the year ended March 31, 2004:		1,940,871,819			

**(2) Dividend**

Annual Dividend Per Share

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<u>Year Ended:</u>	<u>Interim</u>		<u>Year-end</u>	<u>Total</u>	<u>Payout</u>	<u>Dividend/</u>
	<u>Yen</u>	<u>Yen</u>	<u>Yen</u>	<u>Dividend</u>	<u>Ratio</u>	<u>Shareholders</u>
				(Millions of yen)	%	Equity
March 31, 2005	20.00	10.00	10.00	38,845	26.2	2.6
March 31, 2004	15.00	7.50	7.50	29,137	87.3	2.1

**(3) Financial Position**

(in millions of yen except per share data and percentages)

	<u>Total Assets</u>	<u>Shareholders</u>	<u>Equity</u>	<u>Shareholders Equity/</u>		<u>Shareholders</u>
				<u>Total Liabilities and</u>	<u>Equity (%)</u>	<u>Equity</u>
				<u>Shareholders</u>	<u>Equity (%)</u>	<u>Per Share (Yen)</u>
Year Ended March 31, 2005	3,010,792	1,485,538			49.3	764.88
Year Ended March 31, 2004	2,469,719	1,367,005			55.4	703.76

1. Number of shares issued and outstanding at	March 31, 2005:	1,942,188,866
	March 31, 2004:	1,942,411,447
2. Number of treasury stock issued and outstanding at	March 31, 2005:	23,730,994
	March 31, 2004:	23,508,413

**Table of Contents****Nomura Holdings, Inc.****Unconsolidated Balance Sheet Information****(Unaudited)**

(Millions of yen)

	<u>March 31, 2005</u>	<u>March 31, 2004</u>	<u>Increase/(Decrease)</u>
<b>ASSETS</b>			
<b>Current Assets</b>	1,185,775	792,874	392,901
Cash and time deposits	7,395	1,973	5,422
Short-term loans receivable	1,090,526	708,516	382,010
Deferred tax assets	4,581	1,957	2,623
Other current assets	83,275	80,428	2,847
Allowance for doubtful accounts	(2)	(1)	(1)
<b>Fixed Assets</b>	1,825,017	1,676,844	148,172
Tangible fixed assets	38,152	40,512	(2,360)
Buildings	14,535	14,406	129
Furniture & fixtures	14,778	17,266	(2,489)
Land	8,839	8,839	
Intangible assets	65,916	68,861	(2,946)
Software	65,915	68,860	(2,946)
Others	1	0	
Investments and others	1,720,949	1,567,470	153,478
Investment securities	191,217	170,928	20,289
Investments in subsidiaries and affiliates (at cost)	1,134,697	1,106,513	28,183
Long-term loans receivable	280,950	173,147	107,802
Long-term guarantee deposits	50,312	51,718	(1,406)
Deferred tax assets	46,998	41,313	5,684
Other investments	16,807	23,882	(7,075)
Allowance for doubtful accounts	(33)	(34)	2
<b>TOTAL ASSETS</b>	3,010,792	2,469,719	541,073

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(Millions of yen)

	<u>March 31, 2005</u>	<u>March 31, 2004</u>	<u>Increase/(Decrease)</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>	906,931	469,835	437,095
Short-term borrowings	745,500	276,000	469,500
Bond with maturity of less than one year	60,000	2,631	57,369
Payables to customers and others	75,780	107,838	(32,058)
Accrued income taxes	4,024	63,304	(59,281)
Other current liabilities	21,627	20,061	1,565
<b>Long-term liabilities</b>	618,323	632,878	(14,555)
Bonds payable	180,000	190,000	(10,000)
Long-term borrowings	436,000	439,500	(3,500)
Other long-term liabilities	2,323	3,378	(1,055)
<b>TOTAL LIABILITIES</b>	<u>1,525,254</u>	<u>1,102,713</u>	<u>422,540</u>
<b>SHAREHOLDERS EQUITY</b>			
Common stock	182,800	182,799	
Capital reserves	114,326	114,311	14
Additional paid-in capital	112,504	112,504	
Other capital reserves	1,821	1,807	14
Premium over acquisition cost of Treasury stock sold	1,821	1,807	14
Earned surplus	1,169,430	1,055,308	114,121
Earned surplus reserve	81,858	81,858	
Voluntary reserve	950,033	950,038	(5)
Reserve for specified fixed assets	33	38	(5)
General reserve	950,000	950,000	
Unappropriated retained earnings (accumulated deficit)	137,538	23,412	114,126
Net unrealized gain on investments	50,603	45,859	4,744
Treasury stock	(31,620)	(31,273)	(346)
<b>TOTAL SHAREHOLDERS EQUITY</b>	<u>1,485,538</u>	<u>1,367,005</u>	<u>118,532</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<u>3,010,792</u>	<u>2,469,719</u>	<u>541,073</u>

**Table of Contents****Nomura Holdings, Inc.****Unconsolidated Income Statement Information****(Unaudited)**

(Millions of yen)

	Fiscal Year Ended March 31, 2005 (A)	Fiscal Year Ended March 31, 2004 (B)	Comparison (A-B)/(B)
<b>Operating revenue</b>	269,600	135,341	99.2%
Property and equipment fee revenue	55,787	63,006	(11.5)
Rent revenue	29,511	29,971	(1.5)
Royalty on trademark	14,880	6,998	112.6
Dividend from subsidiaries and affiliated companies	162,389	29,533	449.8
Others	7,032	5,831	20.6
<b>Operating expenses</b>	91,702	95,895	(4.4)
Compensation and benefits	1,687	1,650	2.2
Rental and maintenance	31,061	34,302	(9.4)
Data processing and office supplies	20,117	20,567	(2.2)
Depreciation and amortization	27,762	26,480	4.8
Others	5,926	8,417	(29.6)
Interest expenses	5,149	4,476	15.0
<b>Operating income</b>	177,898	39,446	351.0
Non-operating income	3,632	2,644	37.3
Non-operating expenses	2,122	2,642	(19.7)
<b>Ordinary income</b>	179,408	39,448	354.8
Special profits	10,218	5,773	77.0
Special losses	49,661	5,067	880.1
<b>Profit (loss) before income taxes</b>	139,965	40,155	248.6
Income taxes - current	3,455	1,859	85.8
Income taxes - deferred	(11,603)	4,920	
<b>Net profit (loss)</b>	148,113	33,374	343.8
Unappropriated retained earnings brought forward	8,849	4,606	

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Interim dividend	19,423	14,569
Unappropriated retained earnings (accumulated deficit)	137,538	23,412

**Table of Contents****Appropriation of Unconsolidated Retained Earnings**

	(Millions of yen)	
	Year ended	Year ended
	March 31, 2005 (Proposal)	March 31, 2004
	<u>                    </u>	<u>                    </u>
Unappropriated retained earnings (accumulated deficit)	137,538	23,412
Reversal of voluntary reserves	4	5
Reversal of reserve for specified fixed assets	4	5
	<u>                    </u>	<u>                    </u>
<b>Total</b>	<b>137,542</b>	<b>23,417</b>
	<u>                    </u>	<u>                    </u>
Appropriation:		
Cash dividends*	19,422	14,568
General reserve	70,000	
	<u>                    </u>	<u>                    </u>
<b>Total</b>	<b>89,422</b>	<b>14,568</b>
	<u>                    </u>	<u>                    </u>
Unappropriated retained earnings to be carried forward	48,121	8,849
	<u>                    </u>	<u>                    </u>

\* 7.5 yen per share for the year ended March 31, 2004

10 yen per share for the year ended March 31, 2005 (Proposal)

The Company paid interim dividend of 14,569 million Yen (7.5 Yen per share) for the six month ended September 30, 2003, and paid interim dividend of 19,423 million Yen (10 Yen per share) for the six month ended September 30, 2004.



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**Notes to Financial Statements**

The financial statements for the fiscal year ended March 31, 2005 were prepared under Japanese GAAP in accordance with Regulations Concerning the Terminology, Forms and Preparation Methods of Financial Statements (Ministry of Finance Ordinance No. 59, 1963).

**Significant Accounting Policies**

1. Basis and Methods of Valuation for Financial Instruments

(1) Other securities

a. Securities with market value

Recorded at market value.

The difference between the cost using the moving average method or amortized cost and market value less deferred taxes is recorded as Net unrealized gain on investments in shareholders equity on the balance sheet.

b. Securities with no market value

Recorded at cost using the moving average method or amortized cost.

(2) Stocks of subsidiaries and affiliates

Recorded at cost using the moving average method.

2. Depreciation and Amortization

(1) Depreciation of tangible fixed assets

Tangible fixed assets are depreciated primarily on the declining balance method. However buildings (except leasehold improvements) acquired after March 31, 1998 are depreciated on the straight-line method.

(2) Amortization of intangible assets, investments and others

Intangible assets, investments and others are amortized over their estimated useful lives primarily on the straight-line method.

3. Provisions

To provide for bad loans, the Company made provisions for doubtful accounts based on an estimate of the uncollectible amount calculated using historical loss ratios or a reasonable estimate based on financial condition of individual borrowers.

4. Translation of Accounts Denominated in Foreign Currencies

Financial assets and liabilities denominated in foreign currencies are translated into Japanese yen using exchange rates as of the balance sheet date. Gains and losses resulting from translation are reflected in the statement of income.

5. Leasing Transactions

Financing leases other than those for which the ownership of the leased property are deemed as transfers to the lessee are accounted for primarily as ordinary rental transactions.

6. Hedging Activities

Mark-to-market profits and losses on hedging instruments are deferred as assets or liabilities until the profits or losses on the underlying hedged securities are realized. Certain eligible foreign currencies denominated monetary items are translated at forward exchange rates and the difference is depreciated over the remaining period.

7. Accounting for Consumption Taxes

Consumption taxes are accounted for based on the tax exclusion method.

8. Application of Consolidated Tax Return System

The Company applies the consolidated tax return system.

**Table of Contents****Notes to Unconsolidated Balance Sheet Information**

## 1. Financial Guarantees

(Millions of yen)

	<u>March 31, 2005</u>	<u>March 31, 2004</u>
Financial guarantees outstanding	1,761,453	1,599,086

\* In accordance with Report No. 61 of the Audit Committee of the Japanese Institute of Certified Public Accountants, contracts which are financial guarantees in substance are included above.

## 2. Accumulated Depreciation on Tangible Fixed Assets

(Millions of yen)

	<u>March 31, 2005</u>	<u>March 31, 2004</u>
	66,582	64,439

**Notes to Unconsolidated Income Statement Information**

- Property and equipment fee revenue is revenue from the leasing of furniture and fixtures, and software to subsidiaries, including Nomura Securities Co., Ltd.
- Rent revenue is revenue from the leasing of properties to subsidiaries, including Nomura Securities Co., Ltd.
- Royalty on trademark is fee or patent revenue received on our trademark from Nomura Securities Co., Ltd.
- Others includes fees from securities lending and interest received on loans mainly from Nomura Securities Co., Ltd.
- Special profits and losses consist of the following:

(Millions of yen)

**Year Ended**

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	<u>March 31, 2005</u>	<u>Year Ended March 31, 2004</u>
<b>Special profits</b>		
Gain on sales of investment securities	10,022	5,095
Reversal of allowance for doubtful accounts		678
Gain on redemption of warrants	195	
<b>Special losses</b>		
Loss on sales of investment securities	68	1,926
Loss on devaluation of investment securities	2,351	1,721
Loss on devaluation of investments in subsidiaries and affiliates	47,242	1,419

**Table of Contents****Notes on Securities Held**

Stocks of Subsidiaries and Affiliates with Market Values

(Millions of yen)

	March 31, 2005			March 31, 2004		
	Book Value	Market Value	Difference	Book Value	Market Value	Difference
	(mil. Yen)	(mil. Yen)	(mil. Yen)	(mil. Yen)	(mil. Yen)	(mil. Yen)
Affiliates	45,785	92,761	46,976	45,785	130,954	85,169

**Notes on Other Information**

Information on lease transactions will be disclosed on EDINET. Other notes to the financial information will be disclosed when those are available.

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## Financial Summary For the Year Ended March 31, 2005

Date: April 28, 2005  
Company name: Nomura Securities Co., Ltd.  
(URL <http://www.nomura.co.jp/>)  
Head office: 1-9-1, Nihonbashi, Chuo-ku, Tokyo 103-8011, Japan  
Representative: Nobuyuki Koga  
President, Nomura Securities Co., Ltd.  
For inquiries: Shinji Iwai  
Managing Director, Investor Relations Department  
Nomura Group Headquarters, Nomura Securities Co., Ltd.  
Tel: (Country Code 81) 3-3211-1811

**Financial Highlights for the Year Ended March 31, 2005****(1) Operating Results**

(Millions of yen except percentages)

	<u>Operating Revenue</u>	<u>(Comparison)</u>	<u>Net Operating Revenue</u>	<u>(Comparison)</u>	<u>Operating Income</u>	<u>(Comparison)</u>
Year Ended March 31, 2005	571,830	(-4.5)%	509,735	(-6.9)%	175,085	(-20.3)%
Year Ended March 31, 2004	598,772		547,765		219,561	
			<u>Ordinary Income</u>	<u>(Comparison)</u>	<u>Net Income</u>	<u>(Comparison)</u>
Year Ended March 31, 2005			177,302	(-19.2)%	103,509	(-15.2)%
Year Ended March 31, 2004			219,410		122,063	

**(2) Financial Position**

(Millions of yen except percentages)

	<u>Total Assets</u>	<u>Shareholder s Equity</u>	<u>Shareholder s Equity/ Total Liabilities and Shareholder s Equity (%)</u>	<u>Capital Adequacy Ratio (%)</u>
March 31, 2005	15,117,216	762,343	5.0	236.5
March 31, 2004	15,628,170	754,504	4.8	230.2

**Table of Contents****Nomura Securities Co., Ltd.****Unconsolidated Balance Sheet Information****(Unaudited)**

	<b>March 31, 2005</b>	<b>March 31, 2004</b>	<b>(Millions of yen)</b> <b>Increase/(Decrease)</b>
<b>ASSETS</b>			
Current Assets	15,039,850	15,559,847	(519,998)
Cash and time deposits	204,913	300,111	(95,198)
Deposits with exchanges and other segregated cash	760	760	
Trading assets:	8,173,289	8,777,900	(604,611)
Trading securities	7,916,470	7,851,049	65,420
Derivative contracts	256,819	926,850	(670,032)
Net receivables arising from pre-settlement date trades	358,985		358,985
Margin account assets:	252,854	301,425	(48,571)
Loans to customers in margin transactions	178,325	149,113	29,211
Cash collateral to securities finance companies	74,529	152,311	(77,783)
Loans with securities as collateral:	5,817,682	5,785,461	32,220
Cash collateral for securities borrowed	5,014,466	5,051,538	(37,072)
Loans in gensaki transactions	803,215	733,923	69,292
Receivables from customers and others	1,440	2,720	(1,281)
Short-term guarantee deposits	41,119	101,960	(60,841)
Short-term loans receivable	112,198	189,889	(77,692)
Deferred tax assets	44,398	26,235	18,162
Other current assets	32,244	73,736	(41,492)
Allowance for doubtful accounts	(31)	(354)	324
Fixed Assets	77,366	68,323	9,043
Tangible fixed assets	3,210	159	3,050
Intangible assets	12,462	1,542	10,920
Investments and others	61,695	66,621	(4,927)
Investment securities	195	45	150
Deferred tax assets	36,687	33,675	3,012
Other investments	25,580	33,634	(8,055)
Allowance for doubtful accounts	(767)	(733)	(33)
<b>TOTAL ASSETS</b>	<b>15,117,216</b>	<b>15,628,170</b>	<b>(510,955)</b>

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	March 31, 2005	March 31, 2004	(Millions of yen) Increase/(Decrease)
<b>LIABILITIES</b>			
Current Liabilities	13,837,984	14,389,341	(551,357)
Trading liabilities:	3,380,434	4,462,680	(1,082,246)
Trading securities	3,223,285	3,549,976	(326,692)
Derivative contracts	157,150	912,703	(755,554)
Net payables arising from pre-settlement date trades		421,117	(421,117)
Margin account liabilities:	35,379	29,153	6,226
Borrowings from securities finance companies	3,092	7,317	(4,226)
Customer margin sale proceeds	32,287	21,835	10,452
Borrowings with securities as collateral:	5,657,098	5,322,006	335,091
Cash collateral for securities loaned	3,163,099	3,229,044	(65,946)
Borrowings in gensaki transactions	2,493,999	2,092,962	401,037
Payables to customers and others	195,656	184,998	10,657
Guarantee deposits received	72,288	171,613	(99,325)
Short-term borrowings	4,121,067	3,260,750	860,317
Commercial paper	147,000	221,000	(74,000)
Short-term bonds payable	86,800	62,000	24,800
Bond due within one year		100,000	(100,000)
Accrued income taxes	14,459	24,620	(10,162)
Accrued bonuses for employees	14,700	15,200	(500)
Other current liabilities	113,103	114,201	(1,098)
Long-term Liabilities	514,888	483,066	31,822
Bonds payable	258,200	258,200	
Long-term borrowings	190,000	160,000	30,000
Reserve for retirement benefits	52,452	48,685	3,766
Other long-term liabilities	14,237	16,180	(1,944)
Statutory Reserves	2,001	1,258	742
Reserve for securities transactions	2,001	1,258	742
<b>TOTAL LIABILITIES</b>	<b>14,354,873</b>	<b>14,873,666</b>	<b>(518,793)</b>
<b>SHAREHOLDER S EQUITY</b>			
Common stock	10,000	10,000	
Capital reserves	529,579	529,578	
Additional paid-in capital	529,579	529,578	
Earned surplus	222,764	214,925	7,839
Voluntary reserve	63,000	63,000	
General Reserve	63,000	63,000	
Unappropriated retained earnings	159,764	151,925	7,839
<b>TOTAL SHAREHOLDER S EQUITY</b>	<b>762,343</b>	<b>754,504</b>	<b>7,839</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER S EQUITY</b>	<b>15,117,216</b>	<b>15,628,170</b>	<b>(510,955)</b>



**Table of Contents****Nomura Securities Co., Ltd.****Unconsolidated Income Statement Information****(Unaudited)**

(Millions of yen except percentages)

	<u>Year Ended</u> <u>March 31, 2005 (A)</u>	<u>Year Ended to</u> <u>March 31, 2004 (B)</u>	<u>Comparison</u> <u>(A-B)/(B)</u>
Operating revenue	571,830	598,772	(4.5)
Commissions	297,608	279,936	6.3
Net gain on trading	204,773	263,274	(22.2)
Net gain on other inventories	6	11	(48.4)
Interest and dividend income	69,442	55,550	25.0
Interest expenses	62,095	51,007	21.7
Net operating revenue	509,735	547,765	(6.9)
Selling, general and administrative expenses	334,650	328,203	2.0
Transaction-related expenses	67,223	57,982	15.9
Compensation and benefits	135,065	139,116	(2.9)
Rental and maintenance	43,625	43,108	1.2
Data processing and office supplies	77,689	78,939	(1.6)
Others	11,048	9,056	22.0
Operating income	175,085	219,561	(20.3)
Non-operating income	3,344	1,470	127.4
Non-operating expenses	1,127	1,621	(30.5)
Ordinary income	177,302	219,410	(19.2)
Special profits	287		
Special losses	1,630	407	300.2
Income before income taxes	175,959	219,003	(19.7)
Income taxes - current	93,624	103,241	(9.3)
Income taxes - deferred	(21,174)	(6,301)	
Net income	103,509	122,063	(15.2)

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Unappropriated retained earnings brought forward	<u>56,256</u>	<u>29,862</u>
Unappropriated retained earnings	<u>159,764</u>	<u>151,925</u>

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**Notes to Financial Statements**

The financial statements for the fiscal year ended March 31, 2005 were prepared in accordance with the Cabinet Office Ordinance Regarding Securities Companies (Prime Minister's Office Ordinance and the Ministry of Finance Ordinance, No. 32, 1998) and the amended Uniform Accounting Standards of Securities Companies (Japan Securities Dealers Association, September, 2001) based on Regulations Concerning the Terminology, Forms and Preparation Methods of Financial Statements (Ministry of Finance Ordinance No. 59, 1963), collectively Japanese GAAP.

**Significant Accounting Policies**

1. Basis and Methods of Valuation for Financial Instruments

(1) For trading purposes

Securities, derivative contracts, and other financial instruments classified as trading assets and liabilities are accounted for at fair value based on the mark-to-market method.

(2) For non-trading purposes

Securities with no market value are recorded at cost using the moving average method.

2. Depreciation and Amortization

(1) Depreciation of tangible fixed assets

Tangible fixed assets are depreciated primarily on the declining balance method, except for buildings acquired after March 31, 1998 which are depreciated on the straight-line method.

(2) Amortization of intangible assets

Intangible assets are amortized primarily over their estimated useful lives on the straight-line method.

### 3. Translation of Accounts Denominated in Foreign Currencies

Financial assets and liabilities denominated in foreign currencies are translated into Japanese yen using exchange rates as of the balance sheet date. Gains and losses resulting from translation are reflected in the statement of income.

### 4. Provisions

#### (1) Allowance for doubtful accounts

To provide for loan losses, Nomura Securities Co., Ltd. (Nomura Securities) made provisions for doubtful accounts based on an estimate of the uncollectable amount calculated using historical loss ratios or a reasonable estimate based on financial condition of individual borrowers.

#### (2) Accrued bonuses

To provide for employee bonus payments, an estimated accrual is recorded in accordance with the prescribed calculation method.

#### (3) Reserve for retirement benefits

To provide for the payment of lump-sum retirement benefits and funding the qualified retirement pension plan in the future, the estimated future obligations less the fair value of current pension assets is recorded as a reserve for employee retirement benefits.

### 5. Leasing Transactions

Lease contracts for which the title of the leased property has not been transferred are accounted for as operating lease transactions.

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6. Hedging Activities

Mark-to-market profits and losses on hedging instruments are deferred as assets or liabilities until the profits or losses on the underlying hedged securities are realized.

7. Accounting for Consumption Taxes

Consumption taxes are accounted for based on the tax exclusion method.

8. Application of Consolidated Tax Return System

Nomura Securities applies consolidated tax return system.

9. Netting Derivative Transactions

The amount of swap transactions with counterparties who have concluded a legally effective master netting agreement are presented on netted basis. The netted amount is 743,283 million Yen. Derivative transactions of both assets and liabilities have decreased by the same amount.

**Table of Contents****Notes to Balance Sheet Information**

## 1. Financial Guarantees

	(Millions of yen)	
	<u>March 31, 2005</u>	<u>March 31, 2004</u>
Financial guarantees outstanding	1,364,956	1,033,386

\* In accordance with Report No. 61 of the Audit Committee of the Japanese Institute of Certified Public Accountants, contracts which are financial guarantees in substance are included above.

## 2. Accumulated Depreciation on Tangible Fixed Assets

	(Millions of yen)	
	<u>March 31, 2005</u>	<u>March 31, 2004</u>
	800	360

## 3. Subordinated Borrowings, Bonds, and Notes

	(Millions of yen)	
	<u>March 31, 2005</u>	<u>March 31, 2004</u>
Short-term borrowings	70,000	
Long-term borrowings	190,000	160,000
Bonds payable	60,000	60,000

**Notes to Income Statement Information**

## 1. Breakdown of Special Profits

Year Ended	(Millions of yen)
<u>March 31, 2005</u>	<u>Year Ended March</u>

	<u>31, 2004</u>
Special profits	
Reversal of allowance for doubtful accounts	287

2. Breakdown of Special Losses

	(Millions of yen)	
	<b>Year Ended</b>	<b>Year Ended</b>
	<b>March 31, 2005</b>	<b>March 31, 2004</b>
	<u>                    </u>	<u>                    </u>
Special losses		
Reserve for securities transactions	742	407
Loss on devaluation of fixed assets	888	

**Table of Contents****Nomura Securities Co., Ltd. Quarter Income Statement Information**

(Millions of yen)

	For the Quarter from April 1, 2004 to June 30, 2004	For the Quarter from July 1, 2004 to September 30, 2004	For the Quarter from October 1, 2004 to December 31, 2004	For the Quarter from January 1, 2005 to March 31, 2005	For the Year from April 1, 2004 to March 31, 2005
Operating revenue	162,977	128,554	133,357	146,941	571,830
Commissions	82,401	72,344	63,048	79,815	297,608
Net gain on trading	62,286	35,999	53,019	53,471	204,773
Net gain on other inventories	1	1	2	3	6
Interest and dividend income	18,289	20,211	17,289	13,653	69,442
Interest expenses	21,057	10,791	16,629	13,618	62,095
Net operating revenue	141,920	117,763	116,728	133,323	509,735
Selling, general and administrative expenses	80,723	84,008	80,900	89,019	334,650
Transaction-related expenses	15,084	18,015	14,922	19,201	67,223
Compensation and benefits	35,249	32,974	33,354	33,489	135,065
Rental and maintenance	10,407	10,822	10,930	11,465	43,625
Data processing and office supplies	17,853	19,459	19,380	20,997	77,689
Other	2,130	2,738	2,314	3,867	11,048
Operating income	61,198	33,756	35,828	44,304	175,085
Non-operating income	1,647	389	361	947	3,344
Non-operating expenses	256	424	191	256	1,127
Ordinary income	62,588	33,721	35,998	44,995	177,302
Special profits	130	163	20	(26)	287
Special losses		1,087	272	271	1,630
Income before income taxes	62,719	32,797	35,746	44,698	175,959
Income taxes - current	20,143	16,084	8,732	48,665	93,624
Income taxes - deferred	7,537	(3,331)	5,750	(31,129)	(21,174)



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Net income	35,039	20,043	21,265	27,162	103,509
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**Table of Contents****Supplementary Information**

## 1. Commission Revenues

(Millions of yen except percentages)

## (1) Breakdown by Category

	Year Ended March 31, 2005 (A)	Year Ended March 31, 2004 (B)	Comparison (A-B)/(B)(%)
Brokerage commissions	133,076	129,377	2.9%
Stocks	123,339	118,033	4.5
Underwriting commissions	40,399	41,300	(2.2)
Stocks	35,973	36,752	(2.1)
Bonds	4,425	4,547	(2.7)
Distribution commissions	49,131	43,668	12.5
Investment trust certificates	41,453	37,169	11.5
Other commissions	75,001	65,589	14.3
Investment trust certificates	29,821	24,202	23.2
Total	297,608	279,936	6.3

## (2) Breakdown by Product

	Year Ended March 31, 2005 (A)	Year Ended March 31, 2004 (B)	Comparison (A-B)/(B)(%)
Stocks	162,954	158,206	3.0%
Bonds	18,679	21,401	(12.7)
Investment trust certificates	80,191	71,636	11.9
Others	35,784	28,691	24.7
Total	297,608	279,936	6.3

## 2. Net Gain/Loss on Trading

(Millions of yen except percentages)

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	Year Ended March 31, 2005 (A)	Year Ended March 31, 2004 (B)	Comparison (A-B)/(B)(%)
Stocks	70,337	80,757	(12.9)%
Bonds and forex	134,436	182,517	(26.3)
<b>Total</b>	<b>204,773</b>	<b>263,274</b>	<b>(22.2)</b>

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## 3. Stock Trading (excluding futures transaction)

(Millions of shares or yen except per share data and percentages)

	Year Ended		Year Ended		Comparison	
	March 31, 2005 (A)		March 31, 2004 (B)		(A-B)/(B)(%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total	61,049	57,892,981	62,667	52,236,699	-2.6%	10.8%
(Brokerage)	42,571	37,600,648	44,469	33,801,841	-4.3	11.2
(Proprietary Trading)	18,478	20,292,333	18,198	18,434,857	1.5	10.1
Brokerage / Total	69.7%	64.9%	71.0%	64.7%		
TSE Share	6.1%	6.8%	6.7%	7.1%		
Brokerage Commission per share (yen)		2.88		2.62		

## 4. Underwriting, Subscription, and Distribution

(Millions of shares or yen except percentages)

	Year Ended	Year Ended	Comparison
	March 31, 2005 (A)	March 31, 2004 (B)	(A-B)/(B)(%)
Underwriting			
Stocks (number of shares)	374	652	-42.7%
(yen amount)	915,220	775,448	18.0
Bonds (face value)	9,249,792	7,388,910	25.2
Investment trust certificates (yen amount)			
Commercial paper and others (face value)	469,800	504,200	-6.8
Subscription and Distribution*			
Stock (number of shares)	868	1,014	-14.5
(yen amount)	1,032,890	865,546	19.3
Bond (face value)	2,415,724	2,185,971	10.5
Investment trust certificates (yen amount)	14,155,124	13,661,810	3.6
Commercial paper and others (face value)	466,600	504,200	-7.5

\* Includes secondary offering and private placement.

## 5. Capital Adequacy Ratio

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(Millions of yen except percentages)

		<u>March 31, 2005</u>	<u>March 31, 2004</u>
Tier I	(A)	666,673	658,834
Tier II			
	Statutory reserves	2,000	1,258
	Allowance for doubtful accounts	30	354
	Subordinated debt	319,500	219,400
		<u>                    </u>	<u>                    </u>
	Total	(B) 321,531	221,013
		<u>                    </u>	<u>                    </u>
Illiquid Asset	(C)	156,371	82,343
		<u>                    </u>	<u>                    </u>
Net Capital (A)+(B)-(C)=	(D)	831,833	797,504
		<u>                    </u>	<u>                    </u>
	Market risk	125,301	136,981
Risk	Counterparty risk	133,042	114,652
	Basic risk	93,334	94,702
		<u>                    </u>	<u>                    </u>
	Total	(E) 351,678	346,336
		<u>                    </u>	<u>                    </u>
Capital Adequacy Ratio	(D)/(E)	236.5%	230.2%
		<u>                    </u>	<u>                    </u>

**Table of Contents****NOMURA HOLDINGS, INC.****Tokyo, April 28, 2005****Nomura Announces Target Dividend Amounts for Fiscal Year ending March 31, 2006**

Nomura Holdings, Inc. ( The Company ) today announced that it has increased its target dividend amounts for the fiscal year ending March 31, 2006 by 4 yen annually from target dividend amounts for the fiscal year ended March 31, 2005. The payment and the amount of the dividends shall be determined by resolution of the Company's Board of Directors.

## Target Dividend Amounts

	<b>Fiscal year ending March 31, 2006 (April 1, 2005    March 31, 2006)</b>
Interim Dividend	12 yen per share
Year-end Dividend	12 yen per share
Total	24 yen per share

*Notes:-*

- (1) All dividends are ordinary dividends.
- (2) The payment and the amount of the interim dividend shall be determined by a resolution of the Company's Board of Directors expected to be held in October 2005 and the payment and the amount of the year-end dividend shall be determined by a resolution of the Company's Board of Directors expected to be held in May 2006.

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(Reference information)

1. Dividend Policy

When determining the amount of any cash dividend, the Company will first consider the maintenance of capital sufficient to capture business opportunities as they may develop. The Company will then decide the target dividend amounts, taking into account the firm's dividend-on-equity ratio (DOE). Lastly, when the Company achieves a sufficient level of profit, it will decide the amount of the cash dividend taking into consideration the pay-out ratio. As for retained profits, the Company intends to invest in business areas where high profitability and growth may reasonably be expected, including development and expansion of infrastructure, to maximize value for shareholders.

2. Historical Dividends

Fiscal year ended March 31, 2004

	<u>Interim Dividend</u>	<u>Year-end Dividend</u>	<u>Annual Dividend</u>
Dividend Amounts	7.50 yen	7.50 yen	15.00 yen

Fiscal year ended March 31, 2005

	<u>Interim Dividend</u>	<u>Year-end Dividend</u>	<u>Annual Dividend</u>
Target Dividend Amounts	10.00 yen	10.00 yen	20.00 yen
Dividend Amounts	10.00 yen	10.00 yen (E)	20.00 yen (E)

Notes:-

- (1) All dividends are ordinary dividends.
- (2) The payment and the amount of the year-end dividend for the fiscal year ended March 31, 2005 shall be determined by a resolution of the Company's Board of Directors expected to be held in May 2005.
- (3) The Company began announcing target dividend amounts in the fiscal year ended March 31, 2005.

Ends

**For further information please contact:**

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<b>Name</b>	<b>Company</b>	<b>Telephone</b>
Masafumi Yoshino	Nomura Securities Co., Ltd	81-3-3278-0591
Shuji Sato	Corporate Communications Dept.,	
Mitch Hayes	Nomura Group Headquarters	
Larry Heiman		

### **Notes to editors:**

#### **The Nomura Group**

Nomura is a global financial services group dedicated to providing a broad range of financial services for individual, institutional, corporate and government clients. The Group offers a diverse line of competitive products and value-added financial and advisory solutions through its global headquarters in Tokyo, 133 branches in Japan, and an international network in 28 countries; with regional headquarters in Hong Kong, London, and New York. The Group's business activities include investment consultation and brokerage services for retail investors in Japan, and, on a global basis, brokerage services, securities underwriting, investment banking advisory services, merchant banking, and asset management. For further information about Nomura please visit our website at [www.nomura.com](http://www.nomura.com).