

NOMURA HOLDINGS INC  
Form 6-K  
January 31, 2007  
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## **FORM 6-K**

### **U.S. SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

**Commission File Number: 1-15270**

Supplement for the month of January 2007.

## **NOMURA HOLDINGS, INC.**

(Translation of registrant's name into English)

**9-1, Nihonbashi 1-chome**

**Chuo-ku, Tokyo 103-8645**

**Japan**

(Address of principal executive offices)

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

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Form 20-F  Form 40-F

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

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

Yes  No

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

---

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Information furnished on this form:

**EXHIBIT**

Exhibit Number

1. Consolidated Results of Operations (US GAAP), Third quarter, year ending March 2007

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NOMURA HOLDINGS, INC.

Date: January 30, 2007

By: /s/ TETSU OZAKI  
Tetsu Ozaki  
Senior Managing Director

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Consolidated Results of Operations  
(US GAAP)  
Third quarter, year ending March 2007  
Nomura Holdings, Inc.  
January 2007

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appropriate  
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according  
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laws,  
regulations,  
rules  
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jurisdictions  
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may  
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"forward-looking  
statements"  
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securities  
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States.  
These  
forward-looking  
statements  
are  
not  
historical  
facts  
but  
instead

represent  
only  
our  
belief  
regarding  
future  
events,  
many  
of  
which,  
by  
their  
nature,  
are  
inherently  
uncertain  
and  
outside  
our  
control.  
Important  
factors  
that  
could  
cause  
actual  
results  
to  
differ  
from  
those  
in  
specific  
forward-looking  
statements  
include,  
without  
limitation,  
economic  
and  
market  
conditions,  
political  
events  
and  
investor  
sentiments,  
liquidity  
of  
secondary

markets,  
level  
and  
volatility  
of  
interest  
rates,  
currency  
exchange  
rates,  
security  
valuations,  
competitive  
conditions  
and  
size,  
and  
the  
number  
and  
timing  
of  
transactions.

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unaudited.

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Third Quarter Results Key Points  
\*Nomura Securities (P24)  
\*\*Thomson Financial  
Third quarter ROE (annualized) recovered to 14.6%, and cumulative ROE for 1Q-3Q now stands at 8.9%.  
Commissions for distribution of investment trusts\* totaled 33.7 billion yen, exceeding last year's 4Q and setting a record high since we began quarterly reporting under US GAAP in the fiscal year ended March 2002.



In the Asset Management division, assets under management increased to 25.6 trillion yen, while net revenue and income before income taxes both marked record highs since we began quarterly reporting.

Our equity and equity-related bookrunner

Japan deal value\*\* totaled USD 7.3 billion in 3Q, a record

high

since

we

began

quarterly

reporting.

We

retained

the

top

spot

in

the

Equity

and

Equity-related league table\*\* (Japan) for CY 2006, the fourth consecutive year on top.

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5  
128.6  
43.5  
79.1  
20.1  
106.5

14.6%  
8.3%  
3.9%  
22.1%  
25.4%  
0  
20  
40  
60  
80  
100  
120  
140  
0%  
5%  
10%  
15%  
20%  
25%  
30%

Third Quarter Financial Highlights

Net Revenue

Net Income/ROE (Annualized)

Income before Income Taxes\*\*

Appendix :

Consolidated Income (Quarterly): P16

Adjustment of Consolidated Results  
and Segment Results: Income before

Income Taxes (Quarterly): P20

\*Annualized

\*\*Income

before

income

taxes

for

the

year

ended

March

31,

2006,

is

the

total

for

continuing

and

discontinued

operations.

Note:

In  
accordance  
with  
SFAS  
No.  
144  
Accounting  
for  
the  
Impairment  
or  
Disposal  
of  
Long-Lived  
Assets,  
net  
revenue  
and  
non-interest  
expenses  
from  
the  
operations  
of  
Millennium  
Retailing  
Inc.  
(one  
of  
Nomura  
Principal  
Finance s  
private  
equity  
investee  
companies,  
and  
whose  
operations  
were  
treated  
as  
discontinued  
during  
the  
third  
quarter  
of  
the  
fiscal

year  
ended  
March  
31,  
2006,  
in  
conjunction  
with  
the  
agreement  
reached  
in  
the  
third  
quarter  
by  
Nomura  
Principal  
Finance  
to  
sell  
its  
stake  
in  
Millennium  
Retailing  
Inc.)  
are  
not  
shown  
independently.  
Income from discontinued operations  
before income taxes  
Income before income taxes  
(billions of yen)  
(billions of yen)  
(billions of yen)  
Effects of consolidation / deconsolidation of certain private  
equity investee companies  
Unrealized gain (loss) on investments in equity securities held  
for relationship purposes  
Business Segment results  
3Q  
4Q  
1Q  
2Q  
3Q  
FY2006.3  
FY2007.3  
3Q

4Q  
 1Q  
 2Q  
 3Q  
 FY2006.3  
 FY2007.3  
 3Q  
 4Q  
 1Q  
 2Q  
 3Q  
 FY2006.3  
 FY2007.3

Net revenue for the third quarter was 322.9 billion yen (+28.7% QoQ, -10.2% YoY). Income before income taxes was 132.1 billion yen (+80.8% QoQ, -29.4% YoY). Net income was 79.1 billion yen (+81.7% QoQ, -25.7% YoY). ROE\* for the third quarter was 14.6%.

Net Income (lhs)

ROE (annualized, rhs)

308.7  
 40.7  
 27.4  
 386.4  
 282.2  
 209.8  
 255.7  
 -4.8  
 36.3  
 -13.1  
 -20.6  
 2.8  
 16.8  
 -62.9  
 0.1  
 325.7  
 205.9  
 251.0  
 322.9  
 0  
 100  
 200  
 300  
 400  
 500  
 359.8  
 231.8  
 101.2  
 54.4  
 82.6  
 36.3  
 2.8

-20.6  
-4.8  
-13.1  
-90.8  
23.0  
-19.8  
143.9  
97.7  
9.9  
-0.4  
1.3  
33.4  
209.6  
187.1  
132.1  
73.1  
0  
100  
200  
300

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Third Quarter Business Segment Highlights  
Net Revenue  
Appendix :  
Adjustment of Consolidated Results  
and Segment Results: Income before  
Income Taxes (Quarterly): P20  
Segment Other



Income (Loss)  
before Income Taxes: P21  
Income before Income Taxes  
Other  
Asset Management  
Global Merchant Banking  
Global Investment Banking  
Global Markets  
Domestic Retail  
(billions of yen)  
(billions of yen)  
3Q  
4Q  
1Q  
2Q  
3Q  
FY2006.3  
FY2007.3  
3Q  
4Q  
1Q  
2Q  
3Q  
FY2006.3  
FY2007.3  
With  
a  
significant  
quarter-on-quarter  
recovery  
in  
net  
revenue  
in  
Domestic  
Retail  
and  
Global  
Markets,  
net  
revenue  
from  
business  
segments  
was  
308.7  
billion  
yen  
(+20.7%  
QoQ,

-20.1%  
YoY),  
and  
income  
before  
income  
taxes  
was  
143.9  
billion  
yen  
(+47.3%  
QoQ,  
-37.9%  
YoY).  
In  
the  
Other  
segment,  
we  
reported  
approximately  
34.0  
billion  
yen  
in  
revenue  
related  
to  
the  
IPO  
of  
Nomura  
Real  
Estate  
Holdings.  
74.1  
51.4  
42.5  
28.2  
46.9  
66.0  
14.3  
-3.6  
24.1  
5.6  
16.3  
10.9  
9.8  
41.5

6.7  
11.1  
12.2  
-23.0  
60.9  
17.0  
23.3  
77.6  
-21.0  
6.2  
5.7  
5.2  
4.3  
-10.3  
-17.9  
43.1  
54.4  
97.7  
101.2  
231.8  
143.9  
0  
50  
100  
150  
200  
250  
136.7  
123.6  
105.6  
94.5  
115.9  
115.2  
128.4  
68.9  
48.5  
78.1  
18.8  
29.7  
24.1  
12.1  
44.5  
9.2  
23.9  
24.5  
31.1  
35.3  
80.1  
-15.5  
17.6

18.4  
18.1  
-3.9  
1.0  
-13.3  
14.6  
56.8  
209.8  
255.7  
386.4  
282.2  
308.7  
0  
100  
200  
300  
400

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7  
Domestic Retail  
Net Revenue and Income before Income Taxes  
Appendix:  
Retail stock brokerage  
commissions, commissions for  
distribution of investment trusts,

domestic distribution volume of  
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Third Quarter Achievements:P32  
\*Nomura Securities ( P24)  
(billions of yen)  
(billions of yen)  
Net  
revenue  
of  
115.9  
billion  
yen  
(+22.6%  
QoQ,  
-15.2%  
YoY).  
Income  
before  
income  
taxes  
of  
46.9  
billion  
yen  
(+66.4%  
QoQ,  
-36.7%  
YoY).  
Domestic  
Client  
Assets  
increased  
by  
3.8  
trillion  
yen  
to  
81.5  
trillion  
yen.  
Commissions  
for  
distribution  
of

investment  
trusts\*  
grew  
40.9%  
QoQ  
to  
33.7  
billion  
yen,  
reflecting  
the  
strong  
sales  
of  
existing  
investment  
trusts  
offering  
frequent  
distributions  
as  
well  
as  
newly-launched  
products.  
The  
steady  
growth  
of  
assets  
in  
stock  
investment  
trusts  
pushed  
investment  
trust  
administration  
fees  
to  
12.1  
billion  
yen,  
the  
eighth  
consecutive  
quarterly  
increase.  
Retail  
stock

brokerage  
commissions  
increased  
19.8%  
QoQ  
to  
22.6  
billion  
yen.

Record high commissions for distribution of investment trusts\* since FY March 2002

Full Year

Full Year

Quarter

Quarter

3Q

4Q

1Q

2Q

3Q

Commissions

104.1

155.2

174.0

269.4

85.5

77.7

63.0

50.8

63.6

25.2%

-25.5%

Sales credit

95.7

97.8

73.7

109.0

32.3

24.5

23.8

20.1

26.7

32.8%

-17.2%

Fees from investment banking

15.0

26.1

24.5

26.4

8.0

8.9



3.5  
6.5  
8.9  
35.8%  
10.1%  
Investment  
trust  
administration  
fees  
and  
other  
32.0  
21.8  
26.1  
34.4  
9.1  
10.1  
10.6  
11.3  
12.1  
7.1%  
33.8%  
Net interest revenue  
2.4  
4.9  
6.1  
7.4  
1.9  
2.3  
4.7  
5.7  
4.5  
-20.5%  
141.7%  
Net revenue  
249.3  
305.8  
304.4  
446.5  
136.7  
123.6  
105.6  
94.5  
115.9  
22.6%  
-15.2%  
Non-interest expenses  
213.6  
226.2  
223.2

249.3  
62.6  
72.2  
63.1  
66.3  
69.0  
4.0%  
10.2%  
Income before income taxes  
35.7  
79.5  
81.2  
197.2  
74.1  
51.4  
42.5  
28.2  
46.9  
66.4%  
-36.7%  
FY2005.3  
FY2006.3  
FY2003.3  
FY2004.3  
YoY  
QoQ  
FY2006.3  
FY2007.3  
74.1  
51.4  
46.9  
28.2  
42.5  
94.5  
105.6  
123.6  
136.7  
115.9  
0  
50  
100  
150  
304.4  
305.8  
249.3  
197.2  
81.2  
79.5  
35.7  
0

100
200
300
400
500
Net interest revenue
Investment trust administration
fees and other
Fees from investment banking
Sales credit
Commissions
Income before income taxes
446.5

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Net Revenue and Income before Income Taxes

Notes 1: In April 2004, Fixed Income, Equity and certain functions of Investment Banking were consolidated to create Global

2: Figures up to FY2004.3 are the total of Fixed Income and Equity and differ slightly in composition.

(billions of yen)

(billions of yen)

Net  
revenue

was

78.1

billion

yen

(+61.0%

QoQ,

-32.2%

YoY).

Income

before

income

taxes

was

24.1

billion

yen

(+27.7

billion

yen

QoQ,

-60.4%

YoY).

Net

revenue

from

Fixed

Income

climbed

176.8%

QoQ

to

51.8

billion

yen

due

to

a

recovery

in

order

flow

for

interest

rate

and  
currency-linked  
structured  
bonds.  
Equity  
net  
revenue  
decreased  
3.1%  
QoQ  
to  
23.3  
billion  
yen,  
reflecting  
weak  
trading  
revenue  
from  
MPO  
transactions  
and  
block  
trades.  
Fixed income revenue recovered significantly  
Quarter  
Quarter  
Full Year  
Full Year  
3Q  
4Q  
1Q  
2Q  
3Q  
Fixed Income  
154.0  
174.0  
119.8  
173.8  
54.1  
62.0  
30.8  
18.7  
51.8  
176.8%  
-4.1%  
Equity  
82.0  
110.2  
90.2

168.5  
53.3  
57.2  
34.0  
24.0  
23.3  
-3.1%  
-56.3%  
Other  
0.0  
0.0  
33.1  
28.8  
7.8  
9.3  
4.1  
5.7  
3.0  
-48.1%  
-62.1%  
Net revenue  
236.0  
284.1  
243.1  
371.1  
115.2  
128.4  
68.9  
48.5  
78.1  
61.0%  
-32.2%  
Non-interest expenses  
142.4  
163.3  
182.9  
213.4  
54.3  
62.4  
54.6  
52.1  
53.9  
3.6%  
-0.6%  
Income before income taxes  
93.6  
120.8  
60.2  
157.7  
60.9

66.0  
14.3  
-3.6  
24.1  
-  
-60.4%  
YoY  
QoQ  
FY2005.3  
FY2006.3  
FY2007.3  
FY2006.3  
FY2003.3  
FY2004.3  
93.6  
120.8  
60.2  
157.7  
236.0  
284.1  
243.1  
371.1  
0  
50  
100  
150  
200  
250  
300  
350  
400  
Other  
Equity  
Fixed Income  
Income before  
income taxes  
24.1  
-3.6  
14.3  
66.0  
60.9  
78.1  
48.5  
68.9  
128.4  
115.2  
0  
20  
40  
60



80  
100  
120  
140  
160

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9  
3Q  
4Q  
1Q  
2Q  
3Q  
Net revenue  
69.1

70.9  
75.4  
99.7  
35.3  
31.1  
18.8  
29.7  
24.1  
-18.9%  
-31.7%  
Non-interest expenses  
56.4  
53.7  
46.2  
48.1  
12.0  
14.2  
13.2  
13.4  
13.2  
-1.9%  
9.6%  
Income before income taxes  
12.8  
17.2  
29.2  
51.5  
23.3  
17.0  
5.6  
16.3  
10.9  
-32.9%  
-53.1%  
YoY  
QoQ  
FY2005.3  
FY2006.3  
FY2007.3  
FY2006.3  
FY2003.3  
FY2004.3  
99.7  
75.4  
70.9  
69.1  
51.5  
29.2  
17.2  
12.8

0  
20  
40  
60  
80  
100  
120  
Net revenue  
Income before  
income taxes

24.1  
29.7  
18.8  
31.1  
35.3  
10.9  
16.3  
5.6  
17.0  
23.3

0  
10  
20  
30  
40

Global Investment Banking

Appendix:

Third Quarter

Achievements: P32

League Tables: P33

Market Share Data: P34

Net Revenue and Income before Income Taxes

Note:

In April 2004, Fixed Income, Equity and certain functions of Investment Banking were consolidated to create Global Markets.  
(billions of yen)

\* Since we began USGAAP quarterly  
reporting in the fiscal year ended  
March 2002.

\*\*

Thomson Financial

Net

revenue

of

24.1

billion

yen

(-18.9%

QoQ,

-31.7%

YoY),

Income  
before  
income  
taxes  
of  
10.9  
billion  
yen  
(-32.9%  
QoQ,  
-53.1%  
YoY).

In  
equity-related  
underwriting,  
we  
acted  
as  
lead  
manager  
for  
such  
large  
deals  
as  
the  
public  
offerings  
from  
Aeon  
and  
Toyota  
Motor,  
and  
a  
CB  
issue  
from  
Sharp.  
We  
ranked  
number  
one  
in  
the  
Equity  
and  
Equity-Related  
(Japan)  
league

table\*\*  
for  
CY  
2006,  
marking  
the  
fourth  
consecutive  
year  
in  
the  
top  
spot.  
In  
M&A,  
we  
acted  
as  
financial  
advisor  
on  
the  
consolidation  
of  
Sumitomo  
Corporation's  
lease  
businesses  
(TOB  
for  
Sumisho  
Lease),  
and  
the  
Toshiba  
Ceramics  
MBO.  
In  
overseas  
deals,  
we  
acted  
as  
joint  
bookrunner  
for  
Infosys  
Technologies  
global  
offering,

and  
the  
IPO  
for  
Sistema-Hals,  
a  
major  
Russian  
real  
estate  
company.  
Bookrunner  
deal value a record USD 7.3 billion\*  
(billions of yen)  
Full Year  
Full Year  
Quarter  
Quarter

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10  
Global Merchant Banking  
Appendix:  
Effect of consolidation /  
deconsolidation of certain  
PE investee companies  
(Non-interest Expenses) :  
P23  
Business exposure: P28



Net Revenue and Income before Income Taxes

(billions of yen)

(billions  
of yen)

Net  
revenue  
of

9.2  
billion

yen  
(-79.2%

QoQ,  
-88.5%

YoY),  
income

before  
income

taxes  
of

6.7  
billion

yen  
(-83.9%

QoQ,  
-91.4%

YoY).  
Booked

gains  
and

losses  
including

the  
impact

from Terra  
Firmas

sale  
of

a  
partial

stake  
in

an  
investee

company.  
Steady progress in exits

Quarter  
Quarter

Full Year  
Full Year

3Q

4Q  
1Q  
2Q  
3Q  
Net revenue  
-6.6  
10.7  
7.3  
68.2  
80.1  
-15.5  
12.1  
44.5  
9.2  
-79.2%  
-88.5%  
Non-interest expenses  
8.6  
10.2  
10.4  
12.8  
2.5  
5.5  
2.3  
3.1  
2.6  
-16.4%  
1.8%  
Income before income taxes  
-15.3  
0.5  
-3.0  
55.4  
77.6  
-21.0  
9.8  
41.5  
6.7  
-83.9%  
-91.4%  
FY2007.3  
FY2003.3  
FY2004.3  
FY2006.3  
FY2005.3  
FY2006.3  
QoQ  
YoY  
-6.6  
10.7

7.3  
68.2  
-15.3  
0.5  
-3.0  
55.4  
0  
30  
60  
90  
Net revenue  
Income before  
income taxes  
80.1  
-15.5  
12.1  
44.5  
9.2  
6.7  
9.8  
-21.0  
77.6  
41.5  
0  
30  
60  
90

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11  
Asset Management  
Appendix:  
Assets Under  
Management: P29,30  
Asset Management  
Related Data: P31  
Net Revenue and Income before Income Taxes

Note: In January 2006, certain functions of Other business were integrated into Asset Management. Certain reclassifications of to the current presentation.

\*\*As of December 31, 2006

(billions of yen)

(billions of yen)

Net

revenue

of

24.5

billion

yen

(+2.9%

QoQ,

+35.8%

YoY).

Income

before

income

taxes

of

12.2

billion

yen

(+9.9%

QoQ,

+94.7%

YoY).

Total

assets

under

management

increased

by

2.6

trillion

yen

to

25.6

trillion

yen\*\*.

In

addition

to

the

growth

in

profits

resulting

from

the

increase  
in  
assets  
under  
management,  
both  
calendar  
year-end  
performance  
fees  
and  
unrealized  
gains  
from  
seed  
money  
for  
new  
product  
development  
were  
booked.  
Sales  
of  
My  
Story  
Profit  
Distribution-type  
Fund  
and  
other  
investment  
trusts  
offering  
frequent  
distributions,  
as  
well  
as  
newly-launched  
investment  
trusts  
such  
as  
the  
Asia  
Attractive  
Dividend  
Stock  
Fund

were  
strong.  
Net  
assets  
in  
funds  
for  
bank  
customers

up  
385.6  
billion  
yen  
QoQ

to  
1.5  
trillion  
yen\*\*,  
while  
net

assets  
in  
Nomura  
Global  
6  
Assets  
Diversified

Fund  
distributed  
through  
Japan  
Post

rose  
102.1  
billion  
yen  
QoQ

to  
349.0  
billion  
yen\*\*.

Record high net revenue and income before income taxes\*

\* Since we began US GAAP quarterly  
reporting in the fiscal year ended March  
2002.

Full Year  
Full Year  
Quarter  
Quarter  
3Q

4Q
1Q
2Q
3Q
Net revenue
40.4
40.3
49.0
65.8
18.1
18.4
17.6
23.9
24.5
2.9%
35.8%
Non-interest expenses
36.3
39.8
39.0
45.2
11.8
12.7
12.4
12.8
12.4
-3.2%
4.7%
Income before income taxes
4.0
0.5
10.0
20.6
6.2
5.7
5.2
11.1
12.2
9.9%
94.7%
YoY
QoQ
FY2007.3
FY2006.3
FY2005.3
FY2006.3
FY2003.3



FY2004.3

65.8

49.0

40.3

40.4

20.6

4.0

0.5

10.0

0

20

40

60

80

Net revenue

Income before income

taxes

24.5

23.9

17.6

18.4

18.1

6.2

5.7

5.2

11.1

12.2

0

5

10

15

20

25

30

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12  
Non-interest Expenses (Business Segment Total)  
Note:  
All  
non-interest  
expense  
figures

shown  
on  
this  
slide  
exclude  
the  
effects  
of  
consolidation/deconsolidation  
of  
certain  
private  
equity  
investee  
companies.

See  
P23  
for  
more  
details.

Compensation and Benefits

Appendix:

Effect of Consolidation /  
Deconsolidation of Certain PE

Investee Companies(Non-  
interest Expenses): P23

Number of Employees: P36

(billions of yen)

(billions of yen)

Non-interest

expenses

(business

segment

total)

of

164.8

billion

yen

(+4.3%

QoQ,

+6.6%

YoY)

Compensation

and

benefits

increased

10%

QoQ

to

82.8

billion  
yen  
with  
the  
growth  
in  
earnings.

3Q  
4Q  
1Q  
2Q  
3Q  
FY2004.3  
FY2005.3  
FY2006.3  
FY2007.3  
FY2006.3

114.4  
113.6  
150.5  
142.4  
151.1  
160.7  
264.7  
311.3  
256.9  
0  
50  
100  
150  
200  
250  
300  
350  
(billions of yen)  
43.5  
46.2  
37.7  
33.4  
40.9  
41.0  
41.5  
41.7  
41.9  
41.9  
75.2  
79.5  
87.7  
84.5  
82.8

Fixed-type compensation and benefits

Variable-type compensation and  
benefits

1

Full Year

Quarter

3Q

4Q

1Q

2Q

3Q

Compensation and benefits

256.9

264.7

311.3

84.5

87.7

79.5

75.2

82.8

10.0%

-2.0%

Commissions and floor brokerage

18.9

22.1

31.4

8.1

9.3

9.8

10.1

11.8

16.2%

45.8%

Information

processing

and

communications

79.9

80.9

89.1

20.8

27.3

23.0

27.3

27.2

-0.6%

30.8%

Occupancy and related depreciation

53.7

50.8

50.8  
12.4  
14.3  
13.4  
12.9  
13.5  
5.3%  
9.5%  
Business development expenses  
22.8  
26.2  
30.6  
7.0  
9.6  
7.2  
9.2  
8.4  
-8.2%  
19.9%  
Other  
72.4  
76.6  
94.7  
21.8  
32.8  
22.4  
23.3  
21.1  
-9.4%  
-3.3%  
Total  
504.0  
521.4  
607.8  
154.5  
180.9  
155.3  
158.0  
164.8  
4.3%  
6.6%  
YoY  
QoQ  
FY2004.3  
FY2005.3  
FY2006.3  
FY2006.3  
FY2007.3  
504.0  
607.8

521.4  
0  
100  
300  
400  
500  
600  
700  
Other  
Business development  
expenses  
Occupancy and related  
depreciation  
Information processing  
and communications  
Commissions and floor  
brokerage  
Compensation and  
benefits  
158.0  
155.3  
180.9  
154.5  
164.8  
50  
100  
150  
200  
250  
0  
200

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Appendix



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14  
FY2007.3  
1-3Q  
Net income (lhs)  
168.0  
119.9  
172.3  
94.7  
304.3  
142.7  
ROE (rhs)

11.1%  
 7.4%  
 10.1%  
 5.2%  
 15.5%  
 8.9%  
 \*  
 Net income per basic share (yen)  
 85.6  
 61.3  
 88.8  
 48.8  
 159.0  
 74.9  
 Shareholders' equity per share (yen)  
 816.5  
 846.4  
 919.7  
 962.5  
 1,083.2  
 1,159.2  
 \* Annualized  
 FY2006.3  
 FY2005.3  
 FY2002.3  
 FY2003.3  
 FY2004.3  
 0%  
 5%  
 10%  
 15%  
 20%  
 304.3  
 94.7  
 172.3  
 119.9  
 168.0  
 11.1%  
 10.1%  
 15.5%  
 7.4%  
 5.2%  
 0  
 100  
 200  
 300  
 400  
 Net income (lhs)  
 ROE (rhs)  
 Net Income and ROE

(billions of yen)

8.9%

142.7

Full Year

1Q-3Q

**Table of Contents**

15  
Consolidated Income (Annually)  
(billions of yen)  
\*FY2002.3  
includes  
3.5  
billion  
yen  
for  
equity  
in

earnings  
(losses)  
of  
affiliates,  
294.9  
billion  
yen  
in  
product  
sales  
(PFG  
investee  
company),  
177.1  
billion  
yen  
in  
revenue  
from  
rental  
business  
(PFG  
investee  
company),  
and  
116.3  
billion  
yen  
gain  
from  
sale  
of  
PFG  
investee  
company.

Note:

In  
accordance  
with  
SFAS  
No.  
144

Accounting  
for  
the  
Impairment  
or  
Disposal  
of  
Long-Lived

Assets,  
net  
revenue  
and  
non-interest  
expenses  
from  
operations  
that  
were  
treated  
as  
discontinued  
during  
the  
fiscal  
year  
ended  
March  
31,  
2006,  
are  
separately  
reported  
as  
income  
from  
discontinued  
operations.

Full Year

1Q-3Q

FY2006.3

FY2007.3

1-3Q

1-3Q

Commissions

140.0

141.6

210.2

222.0

356.3

238.8

229.8

-3.8%

Fees from investment banking

75.3

81.8

87.0

92.3

108.8

67.4  
 73.6  
 9.2%  
 Asset management and portfolio service fees  
 110.0  
 79.3  
 66.2  
 78.5  
 102.7  
 70.5  
 101.9  
 44.6%  
 Net gain on trading  
 162.2  
 172.3  
 229.0  
 201.7  
 304.2  
 205.2  
 192.5  
 -6.2%  
 Gain (loss) on private equity investments  
 232.5  
 -14.4  
 13.1  
 7.7  
 12.3  
 7.4  
 47.5  
 544.6%  
 Interest and dividends  
 500.5  
 368.7  
 343.3  
 401.4  
 693.8  
 532.4  
 703.1  
 32.1%  
 Gain (loss) on investments in equity securities  
 -55.9  
 -41.3  
 55.9  
 15.3  
 67.7  
 64.6  
 -20.7  
 -  
 Private equity entities product sales  
 -

6.2  
17.6  
75.1  
88.2  
70.4  
71.5  
1.5%  
Other\*  
660.8  
13.4  
23.6  
32.3  
58.8  
31.8  
61.3  
93.0%  
1,825.4  
807.7  
1,045.9  
1,126.2  
1,792.8  
1,288.5  
1,460.5  
13.4%  
504.0  
241.4  
242.8  
327.0  
647.2  
468.5  
680.7  
45.3%  
1,321.4  
566.3  
803.1  
799.2  
1,145.7  
819.9  
779.8  
-4.9%  
1,148.4  
518.9  
520.4  
594.4  
700.1  
501.3  
541.2  
8.0%  
173.0  
47.4



282.7
204.8
445.6
318.6
238.6
-25.1%
-
-
-
-
99.4
16.8
-
-
Income before income taxes
173.0
47.4
282.7
204.8
545.0
335.4
238.6
-28.9%
168.0
119.9
172.3
94.7
256.6
173.8
142.7
-17.9%
-
-
-
-
47.7
1.8
-
-
Net income
168.0
119.9
172.3
94.7
304.3
175.7
142.7
-18.8%
Net income from discontinued operations
Net income from continuing operations

Revenue

FY2002.3

FY2003.3

Non-interest expenses

Income from continuing operations before income taxes

FY2006.3

Income from discontinued operations before income taxes

Total revenue

Net revenue

YoY

Interest expense

FY2005.3

FY2004.3

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16  
Consolidated Income (Quarterly)  
(billions of yen)  
Note:  
In  
accordance  
with  
SFAS  
No.  
144  
Accounting  
for

the  
Impairment  
or  
Disposal  
of  
Long-Lived  
Assets,  
net  
revenue  
and  
non-interest  
expenses  
from  
operations  
that  
were  
treated  
as  
discontinued  
during  
the  
fiscal  
year  
ended  
March  
31,  
2006,  
are  
separately  
reported  
as  
income  
from  
discontinued  
operations  
retroactively  
to  
the  
first  
quarter  
of  
the  
fiscal  
year  
ended  
March  
31,  
2006.  
1Q  
2Q

3Q	
4Q	
1Q	
2Q	
3Q	
Commissions	
55.2	
77.5	
106.2	
117.5	
79.6	
66.1	
84.2	
27.4%	
-20.7%	
Fees from investment banking	
14.7	
24.1	
28.6	
41.5	
14.4	
26.9	
32.3	
20.1%	
13.1%	
Asset management and portfolio service fees	
19.9	
24.9	
25.6	
32.2	
29.7	
35.5	
36.7	
3.5%	
43.5%	
Net gain on trading	
70.8	
43.8	
90.6	
99.0	
55.8	
47.5	
89.2	
87.5%	
-1.6%	
Gain (loss) on private equity investments	
-2.5	
2.2	
7.6	
5.0	

9.8  
27.5  
10.2  
-62.8%  
34.3%  
Interest and dividends  
132.9  
183.3  
216.2  
161.4  
207.9  
232.3  
262.9  
13.2%  
21.6%  
Gain (loss) on investments in equity securities  
-2.8  
31.2  
36.2  
3.1  
-20.5  
-0.0  
-0.2  
-  
-  
Private equity entities product sales  
24.5  
22.0  
23.9  
17.8  
21.0  
21.7  
28.8  
32.5%  
20.3%  
Other  
6.9  
5.7  
19.1  
27.0  
4.2  
11.7  
45.4  
286.7%  
137.4%  
319.6  
414.8  
554.0  
504.4  
401.7

469.2  
589.5  
25.6%  
6.4%  
132.1  
142.2  
194.2  
178.7  
195.8  
218.2  
266.6  
22.2%  
37.3%  
187.5  
272.6  
359.8  
325.7  
205.9  
251.0  
322.9  
28.7%  
-10.2%  
158.4  
160.3  
182.5  
198.7  
172.5  
177.9  
190.8  
7.3%  
4.5%  
29.1  
112.3  
177.2  
127.0  
33.4  
73.1  
132.1  
80.8%  
-25.5%  
1.6  
5.3  
9.9  
82.6  
-  
-  
-  
-  
-  
Income before income taxes

30.7  
 117.6  
 187.1  
 209.6  
 33.4  
 73.1  
 132.1  
 80.8%  
 -29.4%  
 9.1  
 60.7  
 104.0  
 82.8  
 20.1  
 43.5  
 79.1  
 81.7%  
 -24.0%  
 -0.8  
 0.2  
 2.4  
 45.9  
 -  
 -  
 -  
 -  
 -  
 Net income  
 8.3  
 60.9  
 106.5  
 128.6  
 20.1  
 43.5  
 79.1  
 81.7%  
 -25.7%  
 Net income from continuing operations  
 Net income from discontinued operations  
 Net revenue  
 Non-interest expenses  
 Income from continuing operations before income taxes  
 Income from discontinued operations before income taxes  
 YoY  
 Revenue  
 Total revenue  
 Interest expense  
 FY2007.3  
 FY2006.3  
 QoQ



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17  
Main Revenue Items (Annually)  
(billions of yen)  
\*Includes net interest revenue  
Full Year  
1Q-3Q  
Commissions  
Fees from  
Investment

Banking	
Asset Management	
and Portfolio	
Service Fees	
Net Gain on	
Trading*	
FY2006.3	
FY2007.3	
1-3Q	
1-3Q	
Stock brokerage commissions (Domestic Retail)	
48.2	
92.1	
103.0	
153.6	
109.3	
69.4	
-36.5%	
Stock brokerage commissions (Other)	
29.3	
45.4	
40.2	
79.5	
38.9	
43.1	
10.8%	
Other brokerage commissions	
7.6	
12.2	
13.0	
14.3	
11.0	
6.6	
-39.8%	
Commissions for distribution of investment trusts	
30.5	
37.3	
41.7	
85.1	
59.5	
81.9	
37.7%	
Other	
26.0	
23.2	
24.1	
23.8	
20.1	
28.8	
43.0%	

Total

141.6

210.2

222.0

356.3

238.8

229.8

-3.8%

Equity underwriting commissions

24.6

44.7

49.1

57.3

35.2

41.8

Management plans to increase its marketing in order to generate more revenues and to reduce certain other operating expenses

34

---

### Discontinued Operations

On July 8, 2013, the Company entered into an Equity Transfer Agreement to sell its interest in Hefei Huirun Energy & Techno

The gain on disposal of Hefei Huirun was as following:

Accordingly, the Company has accounted for Hefei Huirun as a discontinued operation. The consolidated financial statements

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

#### Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles (“GAAP”) requires

### Cash and Cash equivalents

The Company maintains cash with financial institutions in the People's Republic of China ("PRC") which are not insured or covered by the FDIC.

Cash and cash equivalents includes cash in hand and cash in time deposits, certificates of deposits and all highly liquid debt instruments.

### Restricted cash

Restricted cash is related to deposits required by bank for banker's acceptance notes and loans. The balance of total restricted cash is as follows:

### Accounts Receivable

We have a policy of reserving for uncollectible accounts based on our best estimate of the amount of probable credit losses in our accounts receivable.

We determine whether an allowance for doubtful accounts is required by evaluating specific accounts where information indicates that they may be uncollectible.

Direct write-offs are taken in the period when we have exhausted our efforts to collect overdue and unpaid receivables or other assets.

### Inventories

Inventories are valued at the lower of cost or net realizable value with cost determined on the weighted-average method. Work in process is valued at cost.

### Property, machinery and mining assets

Property and equipment are recorded at cost. Once placed in service, depreciation is provided in amounts sufficient to amortize the cost over their useful lives.

Maintenance, repairs and minor renewals are charged to expense when incurred. Replacements and major renewals are capitalized.

Expenditures for new facilities or equipment and expenditures that extend the useful lives of existing facilities or equipment are capitalized.

Mineral exploration costs are expensed according to the term of the license granted to the Company by the PRC. Extraction rights

Impairment of long-lived assets

Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable

Investments

The Company accounts for non-marketable investments (including investment in Joint Venture) using the equity method of accounting

The Company accounts for non-marketable investment using the cost method of accounting if the Company has an ownership interest

Convertible Instruments

We evaluate and account for conversion options embedded in convertible instruments in accordance with ASC 815 "Derivatives and Hedging"

We account for convertible instruments (when we have determined that the embedded conversion options should not be bifurcated)

### Stock-Based Compensation

We recognize compensation expense for stock-based compensation in accordance with ASC Topic 718. For employee stock-b

### Deferred income taxes

We use the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, "Income Taxes." Un

ASC Topic 740.10.30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statement

### Currency translation

Since the Company operates in the PRC, the Company's functional currency is the RMB. Revenue and expense accounts are t

### Fair value of financial instruments

We have adopted the provisions of ASC Topic 820, "Fair Value Measurements and Disclosures", which defines fair value as u

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and other assets and liabilities, is determined based on the fair value of the underlying assets and liabilities.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in an orderly market transaction between market participants at the measurement date.

Level 1 – quoted prices in active markets for identical assets or liabilities.

Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 – inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

We have no financing assets or liabilities measured at fair value on a recurring basis.

#### Segment reporting

The Company is using “management approach” model for segment reporting. The management approach model is based on the management’s view of the organization.

#### Revenue recognition

Revenue is recognized at the date of shipment to customers when a formal arrangement exists, the price is fixed or determinable, and collectability is reasonably assured.

#### Research and development

Research and development expenditures are charged to operations as incurred, net with any government grant for specific research and development activities.

#### Advertising expense

Advertising and promotional costs are expensed as incurred.

#### Comprehensive income

Comprehensive income is defined to include all changes in equity except those resulting from investments by shareholders and distributions to shareholders.



Loss per share

Basic losses per share are computed by dividing losses available to common shareholders by the weighted-average number of o

**NOTE 3. INVENTORIES**

The inventories consist of the following:

The Company recorded inventory markdown allowances of \$0 and \$438,337 for the years ended December 31, 2014 and 2013

**NOTE 4. PROPERTY, MACHINERY AND MINING ASSETS, NET**

A summary of property and equipment and the estimated lives used in the computation of depreciation and amortization is as f

Depreciation and amortization expenses for the years ended December 31, 2014 and 2013 were \$690,411 and \$876,150 respec

During the year ended December 31, 2014, the Company recorded \$2,441,724 impairment loss on buildings and machinery an



NOTE 5. EQUITY METHOD INVESTMENT IN JOINT VENTURE

On November 9, 2009, Sichuan Apollo Solar Science & Technology Co. Ltd. (“Sichuan Apollo”), a wholly-owned foreign sub

Under the terms of the agreement, Benghu and the Agency own an aggregate of 65% of the JV and Sichuan Apollo owns the r

As of December 31, 2012, all parties has finished the total capital contribution of RMB142,800,000 (approximately \$22.7 mill

Summarized financial information for our investment in JV assuming a 100% ownership interest is as follows:

NOTE 6. NON-MARKETABLE SECURITIES

On March 12, 2009, the Company entered into an agreement to invest RMB300,000 (equivalent to \$43,900 at date of signing),

In September 2010, the Company entered into an agreement to invest RMB50,000 (equivalent to \$7,472 at date of signing), wi

NOTE 7. PREPAID EXPENSES AND OTHER SUNDRY CURRENT ASSETS

NOTE 8. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities are listed as below:

NOTE 9. SHORT-TERM LOAN

The short-term loans for 2014 and 2013 include the following:

NOTE 10. RELATED PARTIES TRANSACTIONS

The amounts due to (from) related parties are as follows:

Xinju is a related party partially owned by the second largest shareholder of Apollo, Renyi Hou. All the above loans are non-

During the year ended December 31, 2013, the Company reclassified RMB 20 million(\$3,723,108) which was contributed in 2

NOTE 11. CONVERTIBLE LOAN

On October 31, 2012, the Company entered into a Loan Agreement with Golden Bridge Education Inc., pursuant to which the

On March 28, 2013, the Company entered into another loan Agreement with Golden Bridge Education Inc., pursuant to which

Both loans were subordinated to the bank loan and are a senior loan to all other liabilities. The Company paid \$490,000 during

The Company evaluated the conversion option of these loans and determined that they do not contain an embedded derivative

NOTE 12. STOCK INCENTIVE PLAN

The Company adopted the Apollo Solar Energy, Inc. Stock Incentive Plan pursuant to which the Company may issue up to 6,6

The exercise price of Incentive Stock Options cannot be less than the fair market value of the Common Stock on the date of gra

During the year ended December 31, 2010, the Company issued 2,000,000 options to three employees.

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options. The Company recogniz

The key assumptions for the Black-Scholes valuation method include the expected life of the option, stock price volatility, a ris

A summary of options under the Stock Incentive Plan as of December 31, 2014 and 2013, and changes during the years then ending is as follows:

A summary of the status of non-vested options is as follows:

No options were exercised during the years ended December 31, 2014 and 2013.

**NOTE 13. COMMON STOCK**

During April 2013, the Company issued 1,010,000 shares of common stock incentive to employees at a price of approximately \$10.00 per share.

**NOTE 14. TAXES**

Corporation income tax

The Company is incorporated in the United States of America and is subject to United States federal taxation. No provisions for deferred tax assets have been recorded.

The Company's Chinese subsidiaries are governed by the Income Tax Law of the PRC concerning the privately run and foreign-invested enterprises.

Based on management's present assessment, the Company has determined that it is more likely than not a deferred tax asset will be realized.





The Company has net operating loss carry-forwards in China and United States of approximately \$11,000,000 and \$7,300,000.

The comparison of income tax expense at the U.S. statutory rate of 35% in 2014 and 2013, to the Company's effective tax is as

The tax effects of temporary differences that give rise to the Company's net deferred tax asset as of December 31, 2014 and 20

Value added tax ("VAT")

Enterprises or individuals who sell commodities, engage in repair and maintenance or import or export goods in the PRC are s

NOTE 15. PRC STATUTORY RESERVES

In accordance with the PRC Companies Law, the Company is required to transfer 10% of its profit after tax, as determined in a

NOTE 16. BUSINESS SEGMENTS

The following tables summarize key financial information by segment from continuing operations.

For the year ended December 31, 2014:

For the year ended December 31, 2013:

NOTE 17. CONCENTRATIONS

Our principal customers are manufacturers of thin-film solar cells, cell modules, and solar electronic products. We also serve a

During the year ended December 31, 2014, three customers in China accounted for 21%, 13% and 11% of total sales, respectively.

During the year ended December 31, 2013, three customers accounted for 12%, 27% and 31% of the total sales. As of December 31, 2013,

NOTE 18. COMMITMENT AND CONTINGENCIES

Dispute with Renyi Hou

Between 2007 and 2010, a period during which Renyi Hou was CEO of the Company, Sichuan Xinju Mineral Resources Deve

Dispute with Sichuan Xinju

On the same day that Sichuan Apollo filed a criminal complaint against Renyi Hou, as described above, Sichuan Xinju filed a

NOTE 19. VULNERABILITY DUE TO OPERATIONS IN PRC

The Company's operations may be adversely affected by significant political, economic and social uncertainties in the PRC. A

Substantially all of the Company's businesses are transacted in RMB, which is not freely convertible. The Peoples Bank of CH

Since the Company has its primary operations in the PRC, the majority of its revenues will be settled in RMB, not USD. Due to

The Company's business depends on maintaining licenses of its current products from the Chinese government. Failure to obt

In September 2006, the PRC changed the laws regarding transfer of equity in PRC companies in exchange for equity in non-PRC companies.

NOTE 20. SUBSEQUENT EVENTS

On May 8, 2015 the Registrant's Board of Directors approved an investment contract dated March 1, 2015 and a make-good agreement.

The agreements provide that Mr. He and Mrs. Yu will sell to the Registrant certain technology related to an environmentally-friendly technology.

In March 2015, the Company issued 450,000 shares of common stock to the board of directors for compensation.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL STATEMENTS

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

As required by Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act, our management has carried out an evaluation of the effectiveness of our disclosure controls and procedures.

Management conducted its evaluation of disclosure controls and procedures under the supervision of our Chief Executive Officer.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined as a process designed by or for the company's management and other personnel, and effected by the company's management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and events that are recorded in the financial statements;
- Provide reasonable assurance that transactions are recorded as required by generally accepted accounting principles, and that our receipts and expenditures are supported by appropriate documentation and are recorded in the financial statements in accordance with GAAP, and that our receipts and expenditures are properly classified and recorded in the financial statements; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, disposition of, or destruction of assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of internal control over financial reporting to future periods are subject to the risk that the control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in the *Internal Control over Financial Reporting* issued by the Committee of Sponsoring Organizations of the Treadwell Commission (COSO) in 2004.

Changes in Internal Controls over Financial Reporting

The term “internal control over financial reporting” (defined in SEC Rule 13a-15(f)) refers to the process of a company that is

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Directors

The following sets forth our current officers and directors and information concerning their age and background:

All directors hold office until the next annual meeting of our shareholders and until their successors have been elected and qualified.

Yu Liping has been employed since 2001 as Chairman of Shanghai State Grid Equipment Co., Ltd., and since 2010 as Chairman of Shanghai State Grid Equipment Co., Ltd.

He Jiting has been employed since 2005 as President of Shanghai State Grid Equipment Co., Ltd., and since 2010 as President of Shanghai State Grid Equipment Co., Ltd.

Huakang Zhou has been employed since 1992 as Chairman of Warner Technology and Investment Corp. ("Warner Tech"), which is a wholly owned subsidiary of our company.

Cheng Liu has been a director since April 2013. From 2000 until 2010 Mr. Liu was employed as Chairman of Tianyuan Secur

He Songdong was awarded a Masters Degree in banking and financing by the University of Sussex (UK) in 2014. In 2013 he e

#### Director Independence

The board of directors has determined that Cheng Liu is an independent director as defined by the applicable rules of the NYS

#### Board Committees

The Board of Directors does not have an audit committee, nor is there an "audit committee financial expert" as defined by the a

#### Section 16(a) Beneficial Ownership Reporting Compliance

None of the officers, directors or beneficial owners of more than 10% of the Company's common stock failed to file on a time

#### Communication with Directors

Shareholders may communicate with the company's directors by transmitting correspondence by mail addressed as follows:

Corporate Secretary  
c/o Apollo Solar Energy, Inc.  
No. 485 Tengfei Third,  
Shuangliu Southwest Airport Economic Development Zone,  
Shuangliu, Chengdu  
People's Republic of China, 610207

The Corporate Secretary will, as appropriate, forward communication to the Board or to any individual director, directors or B



Code of Ethics

We have adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting

Board Leadership Structure

In accordance with our bylaws, our Board elects our officers, including our Chief Executive Officer, Chief Financial Officer, a

ITEM 11. EXECUTIVE COMPENSATION

Executive Compensation

The table below itemizes all compensation for the last three fiscal years paid to our Chief Executive Officer, Jingong Pan. The

	F
	Y
	2
	2
	2
Jingong Pan(1)	2
	2
	2

(1) Dr. Pan resigned from his position as Chief Executive Officer on April 22, 2015.

Grants of Plan-Based Awards

During 2013 the Company issued 400,000 shares of common stock to Dr. Jingong Pan, its CEO. The issuance was not made p

The following table sets forth unexercised stock options, stock that has not yet vested and equity incentive plans awards for ea

Employment Agreements

None of the members of our management has an employment agreement.

## Director Compensation

Our directors are reimbursed for reasonable out-of-pocket expenses incurred in attending meetings of the board of directors and

## Compensation Committee Interlocks and Insider Participation

None of our executive officers currently serves, or in fiscal 2014 served, as a member of the board or compensation committee

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED

### Equity Compensation Plan Information

We currently maintain one equity compensation plan that provides for the issuance of our common stock to officers and other

## Security Ownership and Certain Beneficial Owners and Managers

The following table sets forth certain information with respect to the beneficial ownership of our common stock by (i) any person

- 
- (1) Except as otherwise noted, each shareholder's address is c/o Sichuan Apollo S  
Third, Shuangliu Southwest Airport Economic Development Zone, Shuangliu, C
- (2) Except as otherwise noted, all shares are owned of record and beneficially.
- (3) Does not include 20,000,000 shares of common stock that Mrs. Yu and Mr. F  
\$1.63 million, as the transaction has not closed.
- (4) Includes 1,932,332 shares owned by Xiaojin Wang, 850,000 shares owned b  
Wang, as to which Mr. Zhou has voting and dispositional control.
- (5) Includes 404,200 shares owned by Yin Jun, 2,990,000 shares owned by Fen  
500,000 shares owned by Dong Xuesong.
- (6) Includes 4,208,000 shares owned by Mr. Hou's wife, Zhenyu Liu, 1,600,000 sh  
by Qijiu Hou and 1,200,000 shares hold by Yang Yang.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

As of December 31, 2014, the Company had a net obligation of \$243,272 due to stockholders as a result of working capital loa

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The following table sets forth the aggregate fees billed to us for the fiscal years ended December 31, 2014 and 2013, by Paritz



- (1) Audit Fees consist of fees billed for professional review of the interim consolidated financial statements of Paritz & Company, P.A. in connection with statutory audits.
- (2) Audit-Related Fees consist of fees billed for assistance or review of the Company's consolidated financial statements and audit-related services related to acquisitions by the Company.
- (3) Tax Fees consist of fees billed for professional services (domestic and international). These services include assistance with tax planning.

Our board's policy is to pre-approve all audit and permissible non-audit services provided by our independent auditors. These services are subject to the pre-approval of the board of directors.

The board has considered the role of Paritz & Company, P.A. in providing tax services to us and has concluded that such services are in the best interests of the Company.

For the fiscal years ended December 31, 2014, and 2013, the board pre-approved all services described above in the captions A through C.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

3. Exhibits: The exhibits listed in the accompanying "Index to Exhibits" are filed or incorporated by reference as part of this Form 6-K.

Exhibit No	Exhibit Title
3.1	Articles of Incorporation
3.2	Restated Articles of Incorporation
3.3	Bylaws
10.1	First Option Exclusive Acquiring
10.2	Business Operations Agreement,

10.3

10.4

10.5

10.6

14.1

21.1

31.1

31.2

32.1

99.1

57

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101 INS

101 SCH

101 CAL

101 DEF

101 LAB

101 PRE

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58

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Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Apollo Solar Energy, Inc. has duly

By:  
Name:  
Title:

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed by the following

/s/ He Jiting  
He Jiting  
Director, Chief Executive Officer

/s/ Yu Liping  
Yu Liping  
Director, Chief Financial and Accounting Officer

/s/ Zhou Huakang  
Zhou Huakang  
Director

/s/ Cheng Liu  
Cheng Liu  
Director

/s/ He Songdong  
He Songdong  
Director