

NOMURA ASSET MANAGEMENT

**Nomura Asset Management Co., Ltd.
Financial Summary (Unconsolidated)
For The Year Ended March 31, 2005**

Nomura Asset Management Co., Ltd.

Unconsolidated Balance Sheet Information

(Millions of Yen)

	March 31, 2005	March 31, 2004	Increase/(Decrease)
Assets			
Current assets	75,337	95,129	(19,792)
Cash in banks	12,886	82,903	(70,017)
Short term loan receivable	42,000	-	42,000
Cash deposited for investment trust redemption and distribution of income	11,024	2,354	8,670
Accrued investment trust management fees	5,945	5,441	504
Accrued revenue	2,565	2,410	154
Income taxes receivable	-	581	(581)
Deferred tax assets	586	232	353
Other current assets	353	1,208	(854)
Allowance for doubtful accounts	(25)	(3)	(21)
Fixed assets	61,841	99,255	(37,413)
Tangible fixed assets	937	884	53
Intangible assets	5,075	3,544	1,531
Investments and other	55,828	94,825	(38,997)
Investment securities	37,079	59,348	(22,268)
Investment in subsidiaries and affiliates	15,259	15,739	(480)
Long-term loans receivable from a subsidiary	-	16,400	(16,400)
Long-term guarantee deposits	2,549	2,638	(88)
Other investments	939	708	231
Allowance for doubtful accounts	(0)	(8)	8
Total assets	137,178	194,384	(57,205)

(Millions of Yen)

	March 31, 2005	March 31, 2004	Increase/(Decrease)
Liabilities			
Current liabilities	21,870	10,532	11,338
Investment trust distribution of income payable	2,009	2,252	(243)
Investment trust redemptions payable	10,014	1,126	8,887
Accrued commission payable	2,579	2,430	149
Other accounts payable	1,157	165	991
Accrued expenses	4,710	3,703	1,006
Accrued income taxes	494	25	469
Accrued bonuses	830	730	100
Other current liabilities	74	97	(23)
Long-term liabilities	8,132	10,575	(2,443)
Reserve for retirement benefits	5,317	5,021	259
Deferred tax liabilities	2,757	5,504	(2,746)
Other long-term liabilities	57	49	7
Total liabilities	30,002	21,107	8,894
Shareholder's equity			
Common stock	17,180	17,180	-
Capital reserve	11,729	11,729	-
Additional paid-in capital	11,729	11,729	-
Earned surplus	67,018	129,211	(62,192)
Earned surplus reserve	685	685	-
General reserve	63,606	130,106	(66,500)
Unappropriated retained earnings (deficit)	2,726	(1,580)	4,307
Net income (loss)	2,191	(1,896)	4,088
Net unrealized gain on investments	11,247	15,155	(3,907)
Total shareholder's equity	107,175	173,276	(66,100)
Total liabilities and shareholder's equity	137,178	194,384	(57,205)

Nomura Asset Management Co.,Ltd.

Unconsolidated Income Statement Information

(Millions of Yen)

	Year Ended March 31, 2005 (A)	Year Ended March 31, 2004 (B)	Comparison (A-B)/B (%)
Operating revenue	43,607	36,844	118.4
Investment trust management fees	35,239	30,404	115.9
Investment advisory fees	8,367	6,439	129.9
Other operating revenue	1	0	129.7
Operating expenses	26,717	22,711	117.6
Commissions	15,473	13,756	112.5
Research	7,831	5,630	139.1
Other operating expenses	3,412	3,324	102.6
General and administrative expenses	13,774	14,155	97.3
Compensation and benefits	7,757	8,040	96.5
Occupancy	1,645	1,708	96.3
Depreciation of fixed assets	1,367	1,404	97.4
Other general and administrative expenses	3,004	3,002	100.1
Operating income (loss)	3,115	(22)	-
Non-operating income	1,521	2,059	73.9
Non-operating expenses	156	66	236.9
Ordinary income	4,480	1,971	227.3
Special profits	468	1,384	33.9
Special losses	1,753	3,032	57.8
Income before income taxes	3,196	322	989.5
Income taxes - current	1,390	962	144.5
Income taxes - deferred	(385)	1,257	-
Net income (loss)	2,191	(1,896)	-
Unappropriated retained earnings brought forward	535	316	169.4
Unappropriated retained earnings (deficit)	2,726	(1,580)	-

Notes to Unconsolidated Financial Statements

The unconsolidated financial statements of Nomura Asset Management Co., Ltd. (“the Company”) were prepared in accordance with “Regulations Concerning the Terminology, Forms and Preparation Methods of Financial Statements” (Ministry of Finance Ordinance No. 59, 1963) and “Regulations for enforcement of the Law Concerning Investment Trust and Investment Corporations” (Cabinet Office Ordinance, No. 129, 2000), collectively Japanese GAAP.

Significant Accounting Policies

1. Basis and Methods of Valuation for Securities

(1) Stocks of subsidiaries and affiliates Recorded at cost using the moving average method

(2) Other Securities:

(i) with market value

Recorded at market value

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

(ii) without market value

Recorded at cost using the moving average method

2. Depreciation/Amortization Method of Fixed Assets

(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. Provisions

(1) Allowance for doubtful accounts

To provide mainly for loan losses, the Company made provisions for doubtful accounts based on an estimate of the maximum uncollectible amount calculated using its historical loss ratio or a reasonable estimate based on financial condition of individual borrowers.

(2) Accrued bonuses

To provide for employee bonus payments, an accrual is recorded at an estimate of the amounts to be paid as future bonuses to employees.

(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.

4. Leasing Transactions

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

5. 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 investment securities are realized.

6. Accounting for Consumption Taxes

National and local consumption taxes are accounted for based on the tax exclusion method.

7. Consolidated Tax Return System

The company applies consolidated tax return system.

Notes to Balance Sheet Information

1. Accumulated Depreciation on Tangible Fixed Assets

	(Millions of yen)
<u>March 31, 2005</u>	<u>March 31, 2004</u>
407	359

Notes to Income Statement Information

1. Special Profits consist of the following:

	(Millions of yen)
<u>Year Ended March 31, 2005</u>	<u>Year Ended March 31, 2004</u>
Gain on sales of investment securities	1,384

2. Special Losses consist of the following:

	(Millions of yen)
<u>Year Ended March 31, 2005</u>	<u>Year Ended March 31, 2004</u>
Loss on sales of investment securities	1,992
Loss on devaluation of investment securities and other	376
Loss on sale of a subsidiary	-
Loss on devaluation of telephone rights	-
Loss on devaluation of furniture and fixtures	472
Loss on disposal of software	191

Supplementary Information

1. Net Assets of Investment Trusts

(Billions of yen)

	March 31, 2005	March 31, 2004	Increase/(Decrease)
Unit Type	77	149	(72)
Open Type	4,330	4,334	(4)
Stock Investment Trusts - Public	4,407	4,484	(77)
Bond Investment Trusts	1,895	2,640	(744)
Money Management Fund	971	1,112	(140)
Others	2,778	2,592	185
Bond Investment Trusts - Public	5,645	6,345	(700)
Unit Type	756	389	367
Open Type	32	39	(6)
Private Investment Trusts	789	428	361
Total	10,842	11,257	(415)

2. Assets under Investment Management and Advisory Contracts

(Billions of yen)

	March 31, 2005	March 31, 2004	Increase/(Decrease)
Domestic - General	273	266	6
Domestic - Pension	2,882	2,763	118
Overseas	1,981	1,393	587
Total	5,136	4,423	713

Quarterly Statements of Operations

(Millions of yen)

	1st quarter From April 1, 2004 To June 30, 2004	2nd quarter From July 1, 2004 To September 30, 2004	3rd quarter From October 1, 2004 To December 31, 2004	4th quarter From January 1, 2005 To March 31, 2005	For the year From April 1, 2004 To March 31, 2005
Operating revenue	10,746	10,886	10,776	11,197	43,607
Investment trust management fees	8,802	8,753	8,679	9,003	35,239
Investment advisory fees	1,943	2,132	2,097	2,193	8,367
Other operating revenue	0	0	-	0	1
Operating expenses	6,368	6,752	6,575	7,021	26,717
Commissions	3,887	3,869	3,818	3,897	15,473
Other operating expenses	2,480	2,882	2,756	3,123	11,243
General and administrative expenses	3,433	3,400	3,401	3,539	13,774
Operating income	945	732	800	636	3,115
Non-operating income	866	196	319	138	1,521
Non-operating expenses	5	34	72	45	156
Ordinary income	1,806	894	1,049	730	4,480
Special profits	71	252	132	12	468
Special losses	249	83	480	940	1,753
Income (loss) before income taxes	1,628	1,063	701	(197)	3,196
Income taxes - current	341	302	347	400	1,390
Income taxes - deferred	329	50	(69)	(696)	(385)
Net income	957	710	424	98	2,191