

NOMURA ASSET MANAGEMENT

Nomura Asset Management Co., Ltd.
Financial Summary (Non-consolidated)
For The Six Months Ended September 30, 2005

Nomura Asset Management Co., Ltd.

Unconsolidated Balance Sheet Information (Unaudited)

(Millions of Yen)

	September 30, 2005	March 31, 2005	Increase (Decrease)	September 30, 2004
Assets				
Current assets	68,952	75,337	(6,384)	65,124
Deposits	9,658	12,886	(3,227)	11,837
Short-term loan receivable from a parent	45,000	42,000	3,000	25,000
Cash deposited for investment trust redemption and distribution of income	2,993	11,024	(8,030)	19,030
Accrued investment trust management fees	7,004	5,945	1,058	5,294
Accrued revenue	3,313	2,565	747	3,169
Deferred tax assets	600	586	14	442
Other current assets	409	353	56	366
Allowance for doubtful accounts	(27)	(25)	(2)	(16)
Fixed assets	67,119	61,841	5,278	75,585
Tangible fixed assets	1,094	937	157	851
Intangible assets	6,075	5,075	1,000	3,532
Investments and other	59,948	55,828	4,120	71,202
Investment securities	44,021	37,079	6,941	35,489
Investment in subsidiaries and affiliates	15,156	15,259	(103)	15,739
Long-term loans receivable from a subsidiary	-	-	-	16,400
Other investments	771	3,488	(2,717)	3,581
Allowance for doubtful accounts	(0)	(0)	0	(8)
Total assets	136,072	137,178	(1,106)	140,710

(Millions of Yen)

	September 30, 2005	March 31, 2005	Increase (Decrease)	September 30, 2004
Liabilities				
Current liabilities	<u>14,304</u>	<u>21,870</u>	<u>(7,565)</u>	<u>27,589</u>
Investment trust distribution of income payable	2,997	2,009	988	19,014
Investment trust redemptions payable	915	10,014	(9,099)	1,072
Accrued commission payable	3,124	2,579	545	2,323
Other accounts payable	953	1,157	(203)	750
Accrued expenses	4,777	4,710	67	3,403
Accrued income taxes	653	494	158	171
Accrued bonuses	800	830	(30)	730
Other current liabilities	82	74	7	123
Long-term liabilities	<u>9,665</u>	<u>8,132</u>	<u>1,533</u>	<u>7,811</u>
Reserve for retirement benefits	5,411	5,317	93	5,203
Deferred tax liabilities	4,153	2,757	1,396	2,446
Other long-term liabilities	100	57	42	162
Total liabilities	23,970	30,002	(6,032)	35,401
Shareholder's equity				
Common stock	17,180	17,180	-	17,180
Capital reserve	11,729	11,729	-	11,729
Additional paid-in capital	11,729	11,729	-	11,729
Earned surplus	70,009	67,018	2,990	66,495
Earned surplus reserve	685	685	-	685
General reserve	63,606	63,606	-	63,606
Unappropriated retained earnings	5,717	2,726	2,990	2,203
Net unrealized gain on investments	13,182	11,247	1,935	9,903
Total shareholder's equity	112,102	107,175	4,926	105,309
Total liabilities and shareholder's equity	136,072	137,178	(1,106)	140,710

Nomura Asset Management Co., Ltd.

Unconsolidated Income Statement Information (Unaudited)

(Millions of Yen)

	Six Months Ended September 30, 2005 (A)	Six Months Ended September 30, 2004 (B)	Comparison (A-B)/B (%)	Year Ended March 31, 2005
Operating revenue	25,300	21,632	117.0	43,607
Investment trust management fees	20,557	17,555	117.1	35,239
Investment advisory fees	4,739	4,075	116.3	8,367
Other operating revenue	4	0	-	1
Operating expenses	15,572	13,120	118.7	26,717
Commissions	8,993	7,757	115.9	15,473
Research	4,627	3,754	123.2	7,831
Other operating expenses	1,950	1,608	118.7	3,412
General and administrative expenses	6,981	6,834	102.2	13,774
Operating income	2,746	1,678	163.7	3,115
Non-operating income	1,312	1,063	123.4	1,521
Non-operating expenses	62	40	153.6	156
Ordinary income	3,997	2,701	148.0	4,480
Special profits	387	323	119.6	468
Special losses	66	333	20.1	1,753
Income before income taxes	4,317	2,691	160.4	3,196
Income taxes - current	1,290	643	200.6	1,390
Income taxes - deferred	37	380	9.8	(385)
Net income	2,990	1,668	179.3	2,191
Unappropriated retained earnings brought forward	2,726	535	509.1	535
Unappropriated retained earnings	5,717	2,203	259.4	2,726

Notes to Unconsolidated Financial Statements

The financial information of Nomura Asset Management Co., Ltd. (“the Company”) for the six months ended September 30, 2004 were prepared in accordance with “Regulations Concerning the Terminology, Forms and Preparation Methods of Semi-Annual Financial Statements” (Ministry of Finance Ordinance No. 38, 1974) 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
Securities held are accounted for as follows:
 - (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 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

	September 30, 2005	March 31, 2005	(Millions of yen) September 30, 2004
	443	407	389

2. Treatment of Consumption Taxes

Amounts of consumption taxes, prepaid and payable on a net base, are immaterial and thus included in "Other Current Liabilities".

Notes to Income Statement Information

1. Special Profits consist of the following:

	Six Months Ended September 30, 2005	Six Months Ended September 30, 2004	(Millions of yen) Year Ended March 31, 2005
Gain on sales of investment securities and other	342	323	468

2. Special Losses consist of the following:

	Six Months Ended September 30, 2005	Six Months Ended September 30, 2004	(Millions of yen) Year Ended March 31, 2005
Loss on sales of investment securities	-	293	295
Loss on devaluation of telephone rights	-	39	40
Loss on devaluation of investment securities and other	66	0	937
Loss on sale of a subsidiary	-	-	479

Supplementary Information

1. Net Assets of Investment Trusts

(Billions of yen)

	September 30, 2005	March 31, 2005	Increase (Decrease)
Unit Type	64	77	(12)
Open Type	4,973	4,330	643
Stock Investment Trusts - Public	5,038	4,407	631
Bond Investment Trusts	1,690	1,895	(204)
Money Management Fund	914	971	(57)
Others	3,157	2,778	379
Bond Investment Trusts - Public	5,762	5,645	117
Unit Type	1,053	756	296
Open Type	30	32	(2)
Private Investment Trusts	1,083	789	294
Total	11,884	10,842	1,041

2. Assets under Investment Management and Advisory Contracts

(Billions of yen)

	September 30, 2005	March 31, 2005	Increase (Decrease)
Domestic - General	298	273	24
Domestic - Pension	3,261	2,882	379
Overseas	2,394	1,981	413
Total	5,954	5,136	817

Quarterly Income Statement Information

(Millions of Yen)

	1st quarter From April 1, 2005 To June 30, 2005	2nd quarter From July 1, 2005 To September 30, 2005	Six Months Ended From April 1, 2005 To September 30, 2005
Operating revenue	11,719	13,581	25,300
Investment trust management fees	9,483	11,073	20,557
Investment advisory fees	2,235	2,504	4,739
Other operating revenue	1	2	4
Operating expenses	7,105	8,467	15,572
Commissions	4,140	4,852	8,993
Research	2,128	2,499	4,627
Other operating expenses	835	1,115	1,950
General and administrative expenses	3,449	3,531	6,981
Operating income (loss)	1,164	1,582	2,746
Non-operating income	1,110	201	1,312
Non-operating expenses	28	33	62
Ordinary income	2,246	1,750	3,997
Special profits	367	19	387
Special losses	-	66	66
Income (loss) before income taxes	2,614	1,703	4,317
Income taxes - current	430	860	1,290
Income taxes - deferred	396	(358)	37
Net income (loss)	1,788	1,201	2,990