

NOMURA ASSET MANAGEMENT

Nomura Asset Management Co., Ltd.

Financial Summary (Unconsolidated)

For The Six Months Ended September 30, 2007

Nomura Asset Management Co., Ltd.

Unconsolidated Balance Sheet Information (Unaudited)

(Millions of Yen)

	September 30, 2007	March 31, 2007	Increase (Decrease)	September 30, 2006
Assets				
Current assets	<u>54,189</u>	<u>58,221</u>	<u>(4,031)</u>	<u>48,972</u>
Cash and cash equivalents	14,051	23,242	(9,191)	12,794
Money held in trust	11,878	2,105	9,772	-
Short-term loan receivable from a parent	3,000	14,000	(11,000)	14,000
Cash deposited for investment trust redemption and distribution of income	280	73	206	2,620
Accrued investment trust management fees	18,259	14,048	4,211	9,670
Accrued revenue	2,973	2,261	711	3,160
Deferred tax assets	1,254	1,352	(98)	1,088
Other current assets	2,504	1,152	1,352	5,650
Allowance for doubtful accounts	(12)	(15)	3	(13)
Fixed assets	<u>62,984</u>	<u>69,436</u>	<u>(6,451)</u>	<u>66,531</u>
Tangible fixed assets	1,694	1,743	(49)	1,114
Intangible fixed assets	7,921	7,642	279	6,506
Investments and other	53,368	60,050	(6,682)	58,911
Investment securities	37,458	44,125	(6,666)	43,517
Investment in subsidiaries and affiliates	15,405	15,405	-	14,931
Long-term guarantee deposits	34	30	4	28
Other investments	468	489	(20)	433
Allowance for doubtful accounts	(0)	(0)	0	(0)
Total assets	117,173	127,657	(10,483)	115,503

(Millions of Yen)

	September 30, 2007	March 31, 2007	Increase (Decrease)	September 30, 2006
Liabilities				
Current liabilities	<u>26,333</u>	<u>27,279</u>	<u>(946)</u>	<u>19,147</u>
Investment trust distribution of income payable	286	85	201	2,636
Investment trust redemptions payable	172	261	(89)	405
Accrued commission payable	7,910	6,040	1,869	4,213
Other accounts payable	4,569	7,944	(3,374)	4,125
Accrued expenses	9,635	8,486	1,148	4,376
Accrued income taxes	1,618	2,640	(1,022)	1,797
Accrued bonuses	1,970	1,650	320	1,480
Other current liabilities	170	170	0	113
Long-term liabilities	<u>6,396</u>	<u>7,528</u>	<u>(1,132)</u>	<u>9,665</u>
Reserve for retirement benefits	5,194	5,034	160	5,357
Reserve for loss on distribution of income and redemption after expiration	454	-	454	-
Deferred tax liabilities	599	2,434	(1,835)	4,261
Other long-term liabilities	148	59	88	46
Total liabilities	32,729	34,808	(2,078)	28,812
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	47,657	53,541	(5,883)	44,502
Earned surplus reserve	685	685	-	685
Other Earned surplus	46,972	52,856	(5,883)	43,817
General reserve	35,606	35,606	-	35,606
Earned surplus brought forward	11,365	17,249	(5,883)	8,211
Valuation and translation adjustments				
Net unrealized gain on investments	8,412	11,008	(2,596)	13,659
Deferred gains or loss on hedges	(536)	(610)	74	(381)
Total net assets	84,443	92,849	(8,405)	86,690
Total liabilities and net assets	117,173	127,657	(10,483)	115,503

Nomura Asset Management Co.,Ltd.

Unconsolidated Income Statement Information (Unaudited)

(Millions of Yen)

	Six Months Ended September 30, 2007 (A)	Six Months Ended September 30, 2006 (B)	Comparison (A-B)/B (%)	Year Ended March 31, 2007
Operating revenue	70,812	40,375	175.4	94,482
Investment trust management fees	65,201	34,318	190.0	82,515
Investment advisory fees	5,608	6,054	92.6	11,959
Other operating revenue	3	3	98.3	7
Operating expenses	49,631	25,767	192.6	62,756
Commissions	29,848	15,448	193.2	37,426
Research	16,919	7,909	213.9	19,783
Other operating expenses	2,863	2,409	118.9	5,546
General and administrative expenses	11,194	8,732	128.2	18,347
Operating income	9,986	5,876	170.0	13,378
Non-operating income	2,003	1,637	122.3	2,632
Non-operating expenses	263	49	527.9	267
Ordinary income	11,726	7,463	157.1	15,743
Special profits	404	5,423	7.5	12,884
Special losses	534	263	203.1	1,830
Income before income taxes	11,596	12,624	91.9	26,797
Income taxes - current	4,588	4,690	97.8	9,913
Income taxes - deferred	15	162	9.3	73
Net income	6,993	7,772	90.0	16,810

Nomura Asset Management Co.,Ltd.
Unconsolidated Statements of Shareholder's Equity (Unaudited)
For Interim ended September 30,2007

(Millions of Yen)

	Shareholder's equity							
	Common stock	Capital reserve		Earned surplus				Total Shareholder's equity
		Additional paid-in capital	Total capital reserve	Earned surplus reserve	Other Earned surplus		Total Earned surplus	
					General reserve	Earned surplus brought forward		
Balance at March 31,2007	17,180	11,729	11,729	685	35,606	17,249	53,541	82,451
Cash dividends						(12,876)	(12,876)	(12,876)
Net profit						6,993	6,993	6,993
Other-net								
Change in the term	-	-	-	-	-	(5,883)	(5,883)	(5,883)
Balance at September 30,2007	17,180	11,729	11,729	685	35,606	11,365	47,657	76,567

(Millions of Yen)

	Valuation and translation adjustments			Total net assets
	Net unrealized gain on investments	Deferred gains or loss on hedges	Total Valuation and translation adjustments	
Balance at March 31,2007	11,008	(610)	10,397	92,849
Cash dividends				(12,876)
Net profit				6,993
Other-net	(2,596)	74	(2,521)	(2,521)
Change in the term	(2,596)	74	(2,521)	(8,405)
Balance at September 30,2007	8,412	(536)	7,876	84,443

For Interim ended September 30,2006

(Millions of Yen)

	Shareholder's equity							
	Common stock	Capital reserve		Earned surplus				Total Shareholder's equity
		Additional paid-in capital	Total capital reserve	Earned surplus reserve	Other Earned surplus		Total Earned surplus	
					General reserve	Earned surplus brought forward		
Balance at March 31,2006	17,180	11,729	11,729	685	63,606	13,644	77,936	106,846
Reversal of general reserve					(28,000)	28,000	-	-
Cash dividends						(41,205)	(41,205)	(41,205)
Net profit						7,772	7,772	7,772
Other-net								
Change in the term	-	-	-	-	(28,000)	(5,433)	(33,433)	(33,433)
Balance at September 30,2006	17,180	11,729	11,729	685	35,606	8,211	44,502	73,412

(Millions of Yen)

	Valuation and translation adjustments			Total net assets
	Net unrealized gain on investments	Deferred gains or loss on hedges	Total Valuation and translation adjustments	
Balance at March 31,2006	17,435	-	17,435	124,282
Reversal of general reserve				-
Cash dividends				(41,205)
Net profit				7,772
Other-net	(3,776)	(381)	(4,157)	(4,157)
Change in the term	(3,776)	(381)	(4,157)	(37,591)
Balance at September 30,2006	13,659	(381)	13,278	86,690

For The Year Ended March 31, 2007

(Millions of Yen)

	Shareholder's equity							Total Shareholder's equity
	Common stock	Capital reserve		Earned surplus reserve	Other Earned surplus		Total Earned surplus	
		Additional paid-in capital	Total capital reserve		General reserve	Earned surplus brought forward		
Balance at March 31,2006	17,180	11,729	11,729	685	63,606	13,644	77,936	106,846
Reversal of general reserve					(28,000)	28,000	-	-
Cash dividends						(41,205)	(41,205)	(41,205)
Net profit						16,810	16,810	16,810
Other-net								
Change in the term	-	-	-	-	(28,000)	3,605	(24,394)	(24,394)
Balance at March 31,2007	17,180	11,729	11,729	685	35,606	17,249	53,541	82,451

(Millions of Yen)

	Valuation and translation adjustments			Total net assets
	Net unrealized gain on investments	Deferred gains or loss on hedges	Total Valuation and translation adjustments	
Balance at March 31,2006	17,435	-	17,435	124,282
Reversal of general reserve				-
Cash dividends				(41,205)
Net profit				16,810
Other-net	(6,427)	(610)	(7,038)	(7,038)
Change in the term	(6,427)	(610)	(7,038)	(31,433)
Balance at March 31,2007	11,008	(610)	10,397	92,849

Notes to Unconsolidated Financial Statements

The financial information of Nomura Asset Management Co., Ltd. (“the Company”) for the six months ended September 30, 2007 was 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 “Cabinet Office Ordinance of Financial Instruments Firms, etc” (Cabinet Office Ordinance No. 52, 2007), collectively Japanese GAAP.

Significant Accounting Policies

1. Basis and Method 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 tax 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. Basis and Method of Valuation for Derivatives

Recorded at fair value

3. Basis and Method of Valuation for Money In Trust

Recorded at fair value

4. 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.

5. 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, accrual is recorded at the estimated amount 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) Reserve for loss on distribution of income and redemption after expiration

To provide for investment trust distribution of income and investment trust redemption money recognized as revenue by prescription, the estimated amount of payments in the future is recorded, based on actual payments.

6. Leasing Transactions
Lease contracts for which the titles of leased properties have not transferred are accounted for as operating lease transactions.
7. 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.
8. Accounting for Consumption Taxes
National and local consumption taxes are accounted for based on the tax exclusion method.
9. Consolidated Tax Return System
Consolidated tax return system is applied.

Change of Depreciation Method

In accordance with the changes of tax code concerning the depreciation of fixed assets introduced in FY 2007 tax reform, these revisions is applied to fixed assets acquired after April 1, 2007 and before March 31, 2007.

The effect of these changes on Operating income, Ordinary income, and Income before income taxes is minor.

Accounting standard for Allowance for loss on investment trust dividend payments

Effective for the interim accounting period ended September 30, 2007, the Company has adopted the "Audit Treatment for Reserves of Special Taxation Measures Law, and Allowances or Reserves of Special Law (Accounting Standard Board Statement No.42)" issued by The Japanese Institute of Certified Public Accountants on April 13, 2007.

To provide for payments of investment trust distribution income and investment trust redemption money already recognized as revenue by prescription, the estimated amount of payments in the future is recorded as "Allowance for loss on investment trust dividend payments" based on actual payments.

This application resulted in the decrease of ordinary income by 25 million yen and income before income taxes by 454 million yen.

Notes to Balance Sheet Information

1. Accumulated Depreciation on Tangible Fixed Assets

	September 30, 2007	March 31, 2007	(Millions of yen) September 30, 2006
	638	481	616

Notes to Income Statement Information

1. Special Profits consist of the following:

	Six Months Ended September 30, 2007	Six Months Ended September 30, 2006	(Millions of yen) Year Ended March 31, 2007
Gain on sales of investment securities and other	269	585	7,863
Gain on sales of an affiliate	-	4,775	4,893
Receipt of stock option income	135	-	127

2. Special Losses consist of the following:

	Six Months Ended September 30, 2007	Six Months Ended September 30, 2006	(Millions of yen) Year Ended March 31, 2007
Loss on sales of investment securities and other	80	101	113
Loss on devaluation of investment securities and other	23	-	-
Transfer to reserve for loss on distribution of income and redemption after expiration	429	-	-
Loss on disposal of fixed assets	1	161	601
Office relocation expense	-	-	1,115

Supplementary Information

1. Net Assets of Investment Trusts

(Billions of yen)

	September 30, 2007	March 31, 2007	Increase (Decrease)
Unit Type	103	84	18
Open Type	12,321	10,731	1,589
Stock Investment Trusts - Public	12,424	10,816	1,607
Bond Investment Trusts	1,174	1,248	(74)
Money Management Fund	960	882	77
Others	3,672	3,657	15
Bond Investment Trusts - Public	5,806	5,788	18
Unit Type	2,348	2,191	157
Open Type	-	-	-
Private Investment Trusts	2,348	2,191	157
Total	20,579	18,796	1,782

2. Assets under Investment Management and Advisory Contracts

(Billions of yen)

	September 30, 2007	March 31, 2007	Increase (Decrease)
Domestic - General	243	237	5
Domestic - Pension	4,805	3,506	1,298
Overseas	3,291	3,370	(78)
Total	8,340	7,115	1,225

Quarterly Income Statement Information

(Millions of Yen)

	1st quarter From April 1, 2007 To June 30, 2007	2nd quarter From July 1, 2007 To September 30, 2007	Six Months Ended From April 1, 2007 To September 30, 2007
Operating revenue	34,973	35,839	70,812
Investment trust management fees	32,093	33,107	65,201
Investment advisory fees	2,878	2,729	5,608
Other operating revenue	1	1	3
Operating expenses	24,075	25,556	49,631
Commissions	14,675	15,173	29,848
Research	8,103	8,816	16,919
Other operating expenses	1,296	1,566	2,863
General and administrative expenses	5,202	5,991	11,194
Operating income (loss)	5,695	4,291	9,986
Non-operating income	1,519	483	2,003
Non-operating expenses	179	83	263
Ordinary income	7,035	4,690	11,726
Special profits	276	127	404
Special losses	23	510	534
Income (loss) before income taxes	7,288	4,307	11,596
Income taxes - current	1,862	2,726	4,588
Income taxes - deferred	775	(760)	15
Net income (loss)	4,651	2,341	6,993