

NOMURA ASSET MANAGEMENT

Nomura Asset Management Co., Ltd.
Financial Summary (Unconsolidated)
For The Six Months Ended September 30, 2009
(Unaudited)

Nomura Asset Management Co., Ltd.

Unconsolidated Balance Sheet Information (Unaudited)

(Millions of Yen)

	September 30, 2009	March 31, 2009	Increase (Decrease)	September 30, 2008
Assets				
Current assets	58,755	50,549	8,205	68,135
Cash and cash equivalents	561	560	1	1,540
Money held in trust	39,406	34,551	4,855	41,940
Securities	3,200	3,400	(200)	5,600
Short-term loan receivable	519	592	(73)	1,678
Accrued investment trust management fees	10,926	7,489	3,436	12,038
Accrued revenue	3,015	1,629	1,385	2,788
Income tax receivables	-	498	(498)	—
Deferred tax assets	893	879	14	1,042
Other current assets	239	952	(713)	1,514
Allowance for doubtful accounts	(6)	(4)	(2)	(7)
Fixed assets	43,620	43,110	510	50,137
Tangible fixed assets	2,136	2,183	(46)	2,148
Intangible fixed assets	12,282	12,407	(125)	10,920
Investments and other	29,202	28,519	682	37,068
Investment securities	12,526	10,693	1,832	19,041
Investment in subsidiaries and affiliates	15,739	15,743	(3)	15,739
Deferred tax assets	220	1,256	(1,035)	1,432
Other investments	716	826	(110)	855
Allowance for doubtful accounts	(0)	(0)	0	(0)
Total assets	102,375	93,659	8,716	118,272

(Millions of Yen)

	September 30, 2009	March 31, 2009	Increase (Decrease)	September 30, 2008
Liabilities				
Current liabilities	<u>31,409</u>	<u>23,790</u>	<u>7,618</u>	<u>44,521</u>
Short-term borrowings from affiliates	17,000	12,000	5,000	26,000
Investment trust distribution of income payable	4	5	(1)	5
Investment trust redemptions payable	79	82	(3)	92
Accrued commission payable	4,823	3,275	1,548	5,204
Other accounts payable	946	2,387	(1,440)	2,665
Accrued expenses	6,468	4,849	1,619	7,239
Lease obligation	—	—	—	99
Accrued income taxes	578	4	573	1,649
Accrued bonuses	1,371	1,080	291	1,410
Other current liabilities	137	106	30	156
Long-term liabilities	<u>5,399</u>	<u>5,724</u>	<u>(325)</u>	<u>6,452</u>
Lease obligation	—	—	—	388
Reserve for retirement benefits	4,603	4,620	(17)	5,574
Reserve for loss on distribution of income and redemption after expiration	463	462	1	468
Other long-term liabilities	332	642	(309)	21
Total liabilities	36,808	29,515	7,292	50,974
Shareholder's equity	<u>61,922</u>	<u>61,810</u>	<u>112</u>	<u>62,101</u>
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	33,012	32,900	112	33,191
Earned surplus reserve	685	685	—	685
Other Earned surplus	32,327	32,215	112	32,506
General reserve	24,606	24,606	—	24,606
Earned surplus brought forward	7,721	7,608	112	7,899
Valuation and translation adjustments	<u>3,644</u>	<u>2,333</u>	<u>1,310</u>	<u>5,197</u>
Net unrealized gain on investments	3,516	2,084	1,432	5,358
Deferred gains or loss on hedges	127	249	(121)	(161)
Total net assets	65,567	64,143	1,423	67,298
Total liabilities and net assets	102,375	93,659	8,716	118,272

Nomura Asset Management Co., Ltd.

Unconsolidated Income Statement Information (Unaudited)

(Millions of Yen)

	Six Months Ended September 30, 2009 (A)	Six Months Ended September 30, 2008 (B)	Comparison (A)/(B) (%)	Year Ended March 31, 2009
Operating revenue	41,385	57,213	72.3	92,537
Investment trust management fees	36,849	52,507	70.2	84,195
Investment advisory fees	4,504	4,697	95.9	8,315
Other operating revenue	32	8	378.1	27
Operating expenses	28,875	40,124	72.0	65,272
Commissions	17,083	24,565	69.5	39,122
Research	9,487	13,117	72.3	21,176
Other operating expenses	2,304	2,441	94.4	4,974
General and administrative expenses	11,875	11,296	105.1	22,452
Operating income	634	5,791	11.0	4,812
Non-operating income	4,058	5,343	76.0	9,322
Non-operating expenses	133	979	13.7	1,671
Ordinary income	4,559	10,155	44.9	12,463
Special profits	195	1,117	17.5	1,387
Special losses	35	664	5.4	2,001
Income before income taxes	4,719	10,608	44.5	11,849
Income taxes - current	890	3,689	24.1	2,893
Income taxes - deferred	110	6	1730.9	2,334
Net income	3,718	6,913	53.8	6,621

Nomura Asset Management Co., Ltd.
Unconsolidated Statements of Shareholder's Equity (Unaudited)
For Interim ended September 30, 2009

(Millions of Yen)

	Shareholder's equity							Total Shareholder's equity
	Common stock	Capital reserve		Earned surplus			Total Earned surplus	
		Additional paid-in capital	Total capital reserve	Earned surplus reserve	Other Earned surplus			
					General reserve	Earned surplus brought forward		
Balance at March 31,2009	17,180	11,729	11,729	685	24,606	7,608	32,900	61,810
Cash dividends						(3,605)	(3,605)	(3,605)
Net profit						3,718	3,718	3,718
Other-net								
Change in the term	—	—	—	—	—	112	112	112
Balance at September 30,2009	17,180	11,729	11,729	685	24,606	7,721	33,012	61,922

(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 31,2009	2,084	249	2,333	64,143
Cash dividends				(3,605)
Net profit				3,718
Other-net	1,432	(121)	1,310	1,310
Change in the term	1,432	(121)	1,310	1,423
Balance at September 30,2009	3,516	127	3,644	65,567

For Interim ended September 30, 2008

(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 31,2008	17,180	11,729	11,729	685	35,606	16,512	52,804	81,714
Reversal of general reserve					(11,000)	11,000	—	—
Cash dividends						(26,526)	(26,526)	(26,526)
Net profit						6,913	6,913	6,913
Other-net								
Change in the term	—	—	—	—	(11,000)	(8,612)	(19,612)	(19,612)
Balance at September 30,2008	17,180	11,729	11,729	685	24,606	7,899	33,191	62,101

(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 31,2008	5,124	(250)	4,874	86,589
Reversal of general reserve				—
Cash dividends				(26,526)
Net profit				6,913
Other-net	233	88	322	322
Change in the term	233	88	322	(19,290)
Balance at September 30,2008	5,358	(161)	5,197	67,298

For The Year Ended March 31, 2009

(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 31,2008	17,180	11,729	11,729	685	35,606	16,512	52,804	81,714
Reversal of general reserve					(11,000)	11,000	—	—
Cash dividends						(26,526)	(26,526)	(26,526)
Net profit						6,621	6,621	6,621
Other-net								
Change in the term	—	—	—	—	(11,000)	(8,904)	(19,904)	(19,904)
Balance at March 31,2009	17,180	11,729	11,729	685	24,606	7,608	32,900	61,810

(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 31,2008	5,124	(250)	4,874	86,589
Reversal of general reserve				—
Cash dividends				(26,526)
Net profit				6,621
Other-net	(3,040)	499	(2,541)	(2,541)
Change in the term	(3,040)	499	(2,541)	(22,445)
Balance at March 31,2009	2,084	249	2,333	64,143

Notes to Unconsolidated Financial Statements

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 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 defined benefits 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**
Financial lease transactions that do not transfer ownership, contracted before April 1, 2008 are accounted as ordinary rental 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.

Notes to Balance Sheet Information

1. **Accumulated Depreciation on Tangible Fixed Assets**

	September 30, 2009	March 31, 2009	(Millions of yen) September 30, 2008
	1,614	1,260	951

Notes to Income Statement Information

1. **Special Profits consist of the following:**

	Six Months Ended September 30, 2009	Six Months Ended September 30, 2008	(Millions of yen) Year Ended March 31, 2009
Gain on sales of investment securities	72	964	1,085
Receipt of stock option income	122	152	299
Gain on purchase of lease assets	—	—	2

2. **Special Losses consist of the following:**

	Six Months Ended September 30, 2009	Six Months Ended September 30, 2008	(Millions of yen) Year Ended March 31, 2009
Loss on sales of investment securities	23	664	1,471
Loss on devaluation of investment securities and other	0	0	5
Loss on disposal of fixed assets	12	—	405
Loss on revision of retirement benefit plan	—	—	118

Supplementary Information

1. Net Assets of Investment Trusts

(Billions of yen)

	September 30, 2009	March 31, 2009	Increase (Decrease)
Unit Type	105	134	(28)
Open Type	8,116	6,371	1,745
Stock Investment Trusts - Public	8,222	6,505	1,717
Bond Investment Trusts	969	1,005	(36)
Money Management Fund	838	882	(44)
Others	3,057	2,949	107
Bond Investment Trusts - Public	4,864	4,837	27
Stock Investment Trusts	1,745	1,613	131
Bond Investment Trusts	—	—	—
Private Investment Trusts	1,745	1,613	131
Total	14,832	12,956	1,876

2. Assets under Investment Management and Advisory Contracts

(Billions of yen)

	September 30, 2009	March 31, 2009	Increase (Decrease)
Domestic - General	167	118	48
Domestic - Pension	4,522	4,191	330
Overseas	2,319	1,683	635
Total	7,008	5,994	1,014

Quarterly Income Statement Information

(Millions of Yen)

	1st quarter From April 1, 2009 To June 30, 2009	2nd quarter From July 1, 2009 To September 30, 2009	Six Months Ended From April 1, 2009 To September 30, 2009
Operating revenue	19,088	22,296	41,385
Investment trust management fees	17,068	19,781	36,849
Investment advisory fees	2,005	2,498	4,504
Other operating revenue	15	17	32
Operating expenses	13,287	15,588	28,875
Commissions	7,874	9,209	17,083
Research	4,169	5,317	9,487
Other operating expenses	1,243	1,061	2,304
General and administrative expenses	5,730	6,145	11,875
Operating income (loss)	71	562	634
Non-operating income	1,718	2,340	4,058
Non-operating expenses	46	87	133
Ordinary income	1,743	2,815	4,559
Special profits	140	55	195
Special losses	0	35	35
Income (loss) before income taxes	1,883	2,835	4,719
Income taxes - current	(223)	1,113	890
Income taxes - deferred	574	(463)	110
Net income (loss)	1,532	2,185	3,718