

**NOMURA ASSET MANAGEMENT**

**Nomura Asset Management Co., Ltd.**  
**Financial Summary (Unconsolidated)**  
**For The Six Months Ended September 30, 2010**  
**(Unaudited)**

**Nomura Asset Management Co., Ltd.**

**Unconsolidated Balance Sheet Information (Unaudited)**

(Millions of Yen)

	September 30, 2010	March 31, 2010	Increase (Decrease)	September 30, 2009
Assets				
Current assets	57,681	58,457	(776)	58,755
Cash and cash equivalents	1,452	520	932	561
Money held in trust	38,874	38,530	343	39,406
Securities	2,300	5,100	(2,800)	3,200
Short-term loan receivable	186	126	60	519
Accrued investment trust management fees	10,177	9,756	420	10,926
Accrued revenue	3,318	2,645	672	3,015
Deferred tax assets	1,118	1,513	(394)	893
Other current assets	260	270	(10)	239
Allowance for doubtful accounts	(6)	(6)	(0)	(6)
Fixed assets	38,740	42,557	(3,817)	43,620
Tangible fixed assets	1,609	1,729	(120)	2,136
Intangible fixed assets	11,109	11,839	(730)	12,282
Investments and other	26,021	28,988	(2,966)	29,202
Investment securities	8,177	11,614	(3,436)	12,526
Investment in subsidiaries and affiliates	16,099	16,099	-	15,739
Deferred tax assets	937	490	446	220
Other investments	807	783	23	716
Allowance for doubtful accounts	(0)	(0)	0	(0)
Total assets	96,421	101,014	(4,593)	102,375

(Millions of Yen)

	September 30, 2010	March 31, 2010	Increase (Decrease)	September 30, 2009
<b>Liabilities</b>				
<b>Current liabilities</b>	<u>25,839</u>	<u>28,305</u>	<u>(2,465)</u>	<u>31,409</u>
Short-term borrowings from affiliates	10,000	11,000	(1,000)	17,000
Investment trust distribution of income payable	4	4	0	4
Investment trust redemptions payable	60	61	(1)	79
Accrued commission payable	4,495	4,226	269	4,823
Other accounts payable	1,878	1,925	(47)	946
Accrued expenses	7,118	7,594	(476)	6,468
Accrued income taxes	669	849	(179)	578
Accrued bonuses	1,518	2,538	(1,019)	1,371
Other current liabilities	93	105	(11)	137
<b>Long-term liabilities</b>	<u>5,025</u>	<u>5,403</u>	<u>(377)</u>	<u>5,399</u>
Reserve for retirement benefits	4,520	4,576	(55)	4,603
Reserve for loss on distribution of income and redemption after expiration	482	475	7	463
Other long-term liabilities	22	351	(328)	332
<b>Total liabilities</b>	<b>30,865</b>	<b>33,708</b>	<b>(2,843)</b>	<b>36,808</b>
<b>Shareholder's equity</b>	<u>63,157</u>	<u>64,074</u>	<u>(917)</u>	<u>61,922</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
<b>Earned surplus</b>	<b>34,247</b>	<b>35,164</b>	<b>(917)</b>	<b>33,012</b>
Earned surplus reserve	685	685	-	685
Other Earned surplus	33,561	34,479	(917)	32,327
General reserve	24,606	24,606	-	24,606
Earned surplus brought forward	8,955	9,872	(917)	7,721
<b>Valuation and translation adjustments</b>	<u>2,399</u>	<u>3,231</u>	<u>(832)</u>	<u>3,644</u>
Net unrealized gain on investments	2,415	3,056	(640)	3,516
Deferred gains or loss on hedges	(16)	175	(192)	127
<b>Total net assets</b>	<b>65,556</b>	<b>67,306</b>	<b>(1,749)</b>	<b>65,567</b>
<b>Total liabilities and net assets</b>	<b>96,421</b>	<b>101,014</b>	<b>(4,593)</b>	<b>102,375</b>

**Nomura Asset Management Co., Ltd.**

**Unconsolidated Income Statement Information (Unaudited)**

(Millions of Yen)

	Six Months Ended September 30, 2010 (A)	Six Months Ended September 30, 2009 (B)	Comparison (A)/(B) (%)	Year Ended March 31, 2010
Operating revenue	45,075	41,385	108.9	86,927
Investment trust management fees	39,377	36,849	106.9	76,293
Investment advisory fees	5,636	4,504	125.1	10,576
Other operating revenue	61	32	188.4	57
Operating expenses	31,385	28,875	108.7	60,740
Commissions	18,603	17,083	108.9	35,199
Research	10,459	9,487	110.2	20,998
Other operating expenses	2,321	2,304	100.7	4,542
General and administrative expenses	12,045	11,875	101.4	24,471
Operating income	1,645	634	259.3	1,715
Non-operating income	3,121	4,058	76.9	6,424
Non-operating expenses	48	133	36.6	189
Ordinary income	4,718	4,559	103.5	7,950
Special profits	513	195	263.0	299
Special losses	155	35	434.2	210
Income before income taxes	5,077	4,719	107.6	8,039
Income taxes - current	1,862	890	209.2	2,662
Income taxes - deferred	527	110	475.6	(492)
Net income	2,687	3,718	72.3	5,869

**Nomura Asset Management Co., Ltd.**  
**Unconsolidated Statements of Shareholder's Equity (Unaudited)**  
**For Interim ended September 30, 2010**

(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 31,2010	17,180	11,729	11,729	685	24,606	9,872	35,164	64,074
Cash dividends						(3,605)	(3,605)	(3,605)
Net profit						2,687	2,687	2,687
Other-net								
Change in the term	-	-	-	-	-	(917)	(917)	(917)
Balance at September 30,2010	17,180	11,729	11,729	685	24,606	8,955	34,247	63,157

(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 31,2010	3,056	175	3,231	67,306
Cash dividends				(3,605)
Net profit				2,687
Other-net	(640)	(192)	(832)	(832)
Change in the term	(640)	(192)	(832)	(1,749)
Balance at September 30,2010	2,415	(16)	2,399	65,556

**For Interim ended September 30, 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 31,2009	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 The Year Ended March 31, 2010

(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 31,2009	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						5,869	5,869	5,869
Other-net								
Change in the term	-	-	-	-	-	2,264	2,264	2,264
Balance at March 31,2010	17,180	11,729	11,729	685	24,606	9,872	35,164	64,074

(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				5,869
Other-net	971	(73)	898	898
Change in the term	971	(73)	898	3,162
Balance at March 31,2010	3,056	175	3,231	67,306

## **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 “net assets” 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. Certain eligible foreign currencies denominated monetary items are translated at forward exchange rates and the differences are amortized over the remaining period.
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, 2010	March 31, 2010	(Millions of yen) September 30, 2009
	2,221	2,017	1,614

### **Notes to Income Statement Information**

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

	Six Months Ended September 30, 2010	Six Months Ended September 30, 2009	(Millions of yen) Year Ended March 31, 2010
Gain on sales of investment securities and other	419	72	72
Receipt of stock option income	94	122	226

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

	Six Months Ended September 30, 2010	Six Months Ended September 30, 2009	(Millions of yen) Year Ended March 31, 2010
Loss on sales of investment securities	149	23	60
Loss on devaluation of investment securities and other	6	0	70
Loss on disposal of fixed assets	-	12	16
Cancellation money of system use contract	-	-	63

## Supplementary Information

### 1. Net Assets of Investment Trusts

(Billions of yen)

	September 30, 2010	March 31, 2010	Increase (Decrease)
Unit Type	219	188	31
Open Type	8,479	7,931	548
Stock Investment Trusts - Public	8,699	8,119	579
Bond Investment Trusts	898	931	(33)
Money Management Fund	758	791	(32)
Others	2,906	3,072	(166)
Bond Investment Trusts - Public	4,563	4,795	(232)
Stock Investment Trusts	1,572	1,746	(173)
Bond Investment Trusts	-	-	-
Private Investment Trusts	1,572	1,746	(173)
Total	14,835	14,662	173

### 2. Assets under Investment Management and Advisory Contracts

(Billions of yen)

	September 30, 2010	March 31, 2010	Increase (Decrease)
Domestic - General	139	171	(31)
Domestic - Pension	4,348	4,516	(168)
Overseas	3,742	2,634	1,108
Total	8,230	7,322	908

## Quarterly Income Statement Information

(Millions of Yen)

	1st quarter From April 1, 2010 To June 30, 2010	2nd quarter From July 1, 2010 To September 30, 2010	Six Months Ended From April 1, 2010 To September 30, 2010
Operating revenue	22,553	22,522	45,075
Investment trust management fees	19,748	19,629	39,377
Investment advisory fees	2,774	2,862	5,636
Other operating revenue	31	30	61
Operating expenses	15,770	15,614	31,385
Commissions	9,147	9,456	18,603
Research	5,406	5,052	10,459
Other operating expenses	1,216	1,105	2,321
General and administrative expenses	5,942	6,102	12,045
Operating income (loss)	840	804	1,645
Non-operating income	1,817	1,304	3,121
Non-operating expenses	23	25	48
Ordinary income	2,634	2,083	4,718
Special profits	51	462	513
Special losses	0	155	155
Income (loss) before income taxes	2,686	2,390	5,077
Income taxes - current	533	1,329	1,862
Income taxes - deferred	992	(465)	527
Net income (loss)	1,161	1,526	2,687