

NOMURA ASSET MANAGEMENT

Nomura Asset Management Co., Ltd.
Financial Summary (Unconsolidated)
For The Six Months Ended September 30, 2012
(Unaudited)

Nomura Asset Management Co., Ltd.

Unconsolidated Balance Sheet Information (Unaudited)

(Millions of Yen)

	September 30, 2012	March 31, 2012	Increase (Decrease)	September 30, 2011
Assets				
Current assets	62,630	66,535	(3,904)	56,049
Cash and cash equivalents	215	240	(24)	498
Money held in trust	46,496	50,326	(3,829)	39,466
Securities	2,400	1,800	600	1,600
Short-term loan receivable	81	153	(72)	168
Accrued investment trust management fees	7,671	8,149	(477)	8,212
Accrued revenue	4,383	4,200	182	4,942
Deferred tax assets	827	1,402	(574)	853
Other current assets	560	268	292	313
Allowance for doubtful accounts	(6)	(6)	0	(6)
Fixed assets	30,582	32,937	(2,354)	34,127
Tangible fixed assets	1,518	1,677	(158)	1,687
Intangible fixed assets	8,817	9,754	(937)	10,049
Investments and other	20,246	21,505	(1,259)	22,390
Investment securities	4,849	6,691	(1,841)	6,685
Investment in subsidiaries and affiliates	15,009	14,429	579	14,424
Deferred tax assets	124	-	124	886
Other investments	263	384	(121)	393
Allowance for doubtful accounts	-	(0)	0	(0)
Total assets	93,213	99,472	(6,259)	90,176

(Millions of Yen)

	September 30, 2012	March 31, 2012	Increase (Decrease)	September 30, 2011
Liabilities				
Current liabilities	19,228	25,310	(6,082)	19,431
Short-term borrowings	7,500	8,500	(1,000)	5,000
Investment trust distribution of income payable	4	4	(0)	4
Investment trust redemptions payable	49	50	(1)	53
Accrued commission payable	3,323	3,610	(286)	3,570
Other accounts payable	907	2,610	(1,703)	1,323
Accrued expenses	5,572	6,760	(1,187)	7,194
Accrued income taxes	424	856	(431)	723
Accrued bonuses	1,346	2,816	(1,469)	1,463
Other current liabilities	99	100	(1)	99
Long-term liabilities	2,128	2,934	(806)	3,747
Reserve for retirement benefits	1,636	2,437	(801)	3,251
Reserve for loss on distribution of income and redemption after expiration	492	489	3	491
Deferred tax liabilities	-	7	(7)	-
Other long-term liabilities	-	-	-	5
Total liabilities	21,356	28,244	(6,888)	23,179
Shareholder's equity	69,834	68,521	1,312	65,310
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	40,924	39,611	1,312	36,400
Earned surplus reserve	685	685	-	685
Other Earned surplus	40,239	38,926	1,312	35,715
General reserve	24,606	24,606	-	24,606
Earned surplus brought forward	15,633	14,320	1,312	11,108
Valuation and translation adjustments	2,022	2,705	(683)	1,686
Net unrealized gain on investments	1,985	2,693	(708)	1,568
Deferred gains or loss on hedges	36	12	24	117
Total net assets	71,857	71,227	629	66,996
Total liabilities and net assets	93,213	99,472	(6,259)	90,176

Nomura Asset Management Co., Ltd.

Unconsolidated Income Statement Information (Unaudited)

(Millions of Yen)

	Six Months Ended September 30, 2012 (A)	Six Months Ended September 30, 2011 (B)	Comparison (A)/(B) (%)	Year Ended March 31, 2012
Operating revenue	43,436	51,131	85.0	96,325
Investment trust management fees	35,300	41,975	84.1	78,412
Investment advisory fees	8,055	9,087	88.6	17,784
Other operating revenue	81	67	119.5	129
Operating expenses	28,040	34,356	81.6	64,393
Commissions	18,135	21,876	82.9	40,671
Research	7,937	10,328	76.8	19,308
Other operating expenses	1,967	2,150	91.5	4,413
General and administrative expenses	11,543	11,623	99.3	23,381
Operating income	3,852	5,151	74.8	8,550
Non-operating income	2,327	3,261	71.4	4,924
Non-operating expenses	52	333	15.7	104
Ordinary income	6,127	8,079	75.8	13,370
Special profits	152	123	123.5	214
Special losses	87	69	126.6	221
Income before income taxes	6,192	8,133	76.1	13,363
Income taxes - current	963	1,605	60.0	3,625
Income taxes - deferred	825	1,229	67.1	1,228
Net income	4,403	5,298	83.1	8,509

Nomura Asset Management Co., Ltd.
Unconsolidated Statements of Shareholder's Equity (Unaudited)
For Interim ended September 30, 2012

(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 beginning of year	17,180	11,729	11,729	685	24,606	14,320	39,611	68,521
Cash dividends						(3,090)	(3,090)	(3,090)
Net profit						4,403	4,403	4,403
Other-net								
Change in the term	—	—	—	—	—	1,312	1,312	1,312
Balance at end of period	17,180	11,729	11,729	685	24,606	15,633	40,924	69,834

(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 beginning of year	2,693	12	2,705	71,227
Cash dividends				(3,090)
Net profit				4,403
Other-net	(708)	24	(683)	(683)
Change in the term	(708)	24	(683)	629
Balance at end of period	1,985	36	2,022	71,857

For Interim ended September 30, 2011

(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 beginning of year	17,180	11,729	11,729	685	24,606	14,077	39,369	68,279
Dividend from surplus						(8,267)	(8,267)	(8,267)
Net profit						5,298	5,298	5,298
Other-net								
Change in the term	—	—	—	—	—	(2,968)	(2,968)	(2,968)
Balance at end of period	17,180	11,729	11,729	685	24,606	11,108	36,400	65,310

(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 beginning of year	2,694	(69)	2,624	70,903
Dividend from surplus				(8,267)
Net profit				5,298
Other-net	(1,125)	187	(938)	(938)
Change in the term	(1,125)	187	(938)	(3,906)
Balance at end of period	1,568	117	1,686	66,996

For The Year Ended March 31, 2012

(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 beginning of year	17,180	11,729	11,729	685	24,606	14,077	39,369	68,279
Dividend from surplus						(8,267)	(8,267)	(8,267)
Net profit						8,509	8,509	8,509
Other-net								
Change in the term	—	—	—	—	—	242	242	242
Balance at end of year	17,180	11,729	11,729	685	24,606	14,320	39,611	68,521

(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 beginning of year	2,694	(69)	2,624	70,903
Dividend from surplus				(8,267)
Net profit				8,509
Other-net	(0)	82	81	81
Change in the term	(0)	82	81	324
Balance at end of year	2,693	12	2,705	71,227

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 gain or loss on hedging instruments is deferred as an asset or a liability until the corresponding loss or gain on the underlying hedged items is realized.

Regarding hedged short-term loans in foreign currencies, the Company allocates gain or loss on hedging instruments for the contract terms of the foreign exchange forward contracts.

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, 2012	March 31, 2012	(Millions of yen) September 30, 2011
	2,992	2,780	2,541

Notes to Income Statement Information

1. Special Profits consist of the following:

	Six Months Ended September 30, 2012	Six Months Ended September 30, 2011	(Millions of yen) Year Ended March 31, 2012
Gain on sales of investment securities and other	59	34	36
Receipt of stock option income	85	88	177
Gain on sales of fixed assets	7	-	-

2. Special Losses consist of the following:

	Six Months Ended September 30, 2012	Six Months Ended September 30, 2011	(Millions of yen) Year Ended March 31, 2012
Loss on sales of investment securities	60	26	136
Loss on devaluation of investment securities and other	9	0	1
Loss on disposal of fixed assets	17	42	82

Supplementary Information

1. Net Assets of Investment Trusts

(Billions of yen)

	September 30, 2012	March 31, 2012	Increase (Decrease)
Unit Type	269	185	83
Open Type	8,176	8,778	(601)
Stock Investment Trusts - Public	8,445	8,963	(517)
Bond Investment Trusts	772	799	(27)
Money Management Fund	685	732	(47)
Others	3,099	3,250	(151)
Bond Investment Trusts - Public	4,557	4,783	(225)
Stock Investment Trusts	1,392	1,521	(129)
Bond Investment Trusts	27	-	27
Private Investment Trusts	1,420	1,521	(101)
Total	14,423	15,268	(845)

2. Assets under Investment Management and Advisory Contracts

(Billions of yen)

	September 30, 2012	March 31, 2012	Increase (Decrease)
Domestic - General	177	153	23
Domestic - Pension	3,853	4,787	(933)
Overseas	4,727	5,061	(333)
Total	8,758	10,002	(1,244)

Quarterly Income Statement Information

(Millions of Yen)

	1st quarter From April 1, 2012 To June 30, 2012	2nd quarter From July 1, 2012 To September 30, 2012	Six Months Ended From April 1, 2012 To September 30, 2012
Operating revenue	21,777	21,659	43,436
Investment trust management fees	17,721	17,578	35,300
Investment advisory fees	4,014	4,041	8,055
Other operating revenue	41	40	81
Operating expenses	14,114	13,925	28,040
Commissions	9,107	9,027	18,135
Research	3,994	3,942	7,937
Other operating expenses	1,012	955	1,967
General and administrative expenses	5,761	5,781	11,543
Operating income (loss)	1,900	1,951	3,852
Non-operating income	1,341	985	2,327
Non-operating expenses	172	(119)	52
Ordinary income	3,070	3,057	6,127
Special profits	44	108	152
Special losses	63	24	87
Income (loss) before income taxes	3,051	3,141	6,192
Income taxes - current	(106)	1,069	963
Income taxes - deferred	1,136	(310)	825
Net income (loss)	2,021	2,382	4,403