

NOMURA ASSET MANAGEMENT

Nomura Asset Management Co., Ltd.
Financial Summary (Unconsolidated)
For The Year Ended March 31, 2015
(Unaudited)

Nomura Asset Management Co., Ltd.

Unconsolidated Balance Sheet Information (Unaudited)

(Millions of Yen)

	March 31, 2015	March 31, 2014	Increase (Decrease)
Assets			
Current assets	97,486	83,026	14,459
Cash and cash equivalents	411	247	163
Money held in trust	56,824	51,758	5,065
Securities	17,100	11,800	5,300
Accrued investment trust management fees	12,679	10,741	1,938
Accrued revenue	7,436	5,999	1,436
Deferred tax assets	2,594	2,010	583
Other current assets	449	477	(27)
Allowance for doubtful accounts	(9)	(8)	(1)
Fixed assets	33,417	31,810	1,606
Tangible fixed assets	1,322	1,508	(185)
Intangible fixed assets	7,254	8,249	(994)
Investments and other	24,840	22,052	2,787
Investment securities	11,593	11,747	(154)
Investment in subsidiaries and affiliates	10,149	9,609	539
Long-term guarantee deposits	49	50	(1)
Prepaid pension cost	2,776	347	2,429
Other investments	270	296	(25)
Allowance for doubtful accounts	(0)	(0)	0
Total assets	130,903	114,837	16,066

(Millions of Yen)

	March 31, 2015	March 31, 2014	Increase (Decrease)
Liabilities			
Current liabilities	<u>30,182</u>	<u>24,191</u>	<u>5,990</u>
Investment trust distribution of income payable	1	2	(0)
Investment trust redemptions payable	32	33	(0)
Accrued commission payable	4,883	4,493	389
Other accounts payable	6,684	5,191	1,493
Accrued expenses	10,221	8,420	1,801
Accrued income taxes	1,961	1,960	1
Accrued bonuses	4,558	3,984	573
Allowance for foreign tax payments	1,721	-	1,721
Other current liabilities	118	106	11
Long-term liabilities	<u>3,735</u>	<u>3,716</u>	<u>19</u>
Reserve for retirement benefits	2,467	-	2,467
Reserve for loss on distribution of income and redemption after expiration	521	505	16
Deferred tax liabilities	747	3,211	(2,463)
Total liabilities	33,918	27,907	6,010
Shareholder's equity	<u>90,092</u>	<u>80,249</u>	<u>9,842</u>
Common stock	17,180	17,180	-
Capital reserve	11,729	11,729	-
Additional paid-in capital	11,729	11,729	-
Earned surplus	61,182	51,339	9,842
Earned surplus reserve	685	685	-
Other Earned surplus	60,497	50,654	9,842
General reserve	24,606	24,606	-
Earned surplus brought forward	35,890	26,048	9,842
Valuation and translation adjustments	6,893	6,679	213
Net unrealized gain on investments	6,893	6,679	213
Total net assets	96,985	86,929	10,055
Total liabilities and net assets	130,903	114,837	16,066

Nomura Asset Management Co., Ltd.

Unconsolidated Income Statement Information (Unaudited)

(Millions of Yen)

	Year Ended March 31, 2015 (A)	Year Ended March 31, 2014 (B)	Comparison A/B (%)
Operating revenue	127,847	112,036	114.1
Investment trust management fees	96,159	87,258	110.2
Investment advisory fees	31,466	24,589	128.0
Other operating revenue	221	188	117.6
Operating expenses	80,648	69,656	115.8
Commissions	47,060	44,194	106.5
Research	28,326	20,794	136.2
Other operating expenses	5,260	4,667	112.7
General and administrative expenses	24,643	24,460	100.7
Compensation and benefits	14,080	13,885	101.4
Occupancy	1,218	1,212	100.5
Depreciation of fixed assets	3,120	3,518	88.7
Other general and administrative expenses	6,224	5,844	106.5
Operating income	22,555	17,919	125.9
Non-operating income	4,756	4,400	108.1
Non-operating expenses	166	169	98.6
Ordinary income	27,146	22,151	122.5
Special profits	936	203	459.9
Special losses	2,169	2,562	84.7
Income before income taxes	25,913	19,792	130.9
Income taxes - current	8,433	7,608	110.8
Income taxes - deferred	(2,488)	(90)	2,758.5
Net income	19,967	12,273	162.7

Nomura Asset Management Co., Ltd.
Unconsolidated Statements of Shareholder's Equity (Unaudited)
For The Year Ended March 31, 2015

(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	26,048	51,339	80,249
Cumulative effects of changes in accounting policies						(81)	(81)	(81)
Restated balance	17,180	11,729	11,729	685	24,606	25,966	51,258	80,168
Cash dividends						(10,043)	(10,043)	(10,043)
Net profit						19,967	19,967	19,967
Other-net								
Change in the term	-	-	-	-	-	9,923	9,923	9,923
Balance at end of year	17,180	11,729	11,729	685	24,606	35,890	61,182	90,092

(Millions of Yen)

	Valuation and translation adjustments		Total net assets
	Net unrealized gain on investments	Total Valuation and translation adjustments	
Balance at beginning of year	6,679	6,679	86,929
Cumulative effects of changes in accounting policies			(81)
Restated balance	6,679	6,679	86,847
Cash dividends			(10,043)
Net profit			19,967
Other-net	213	213	213
Change in the term	213	213	10,137
Balance at end of year	6,893	6,893	96,985

For The Year Ended March 31, 2014

(Millions of Yen)

	Shareholder's equity							
	Common stock	Capital reserve		Earned surplus reserve	Earned surplus			Total Shareholder's equity
		Additional paid-in capital	Total capital 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	17,740	43,032	71,942
Cash dividends						(3,966)	(3,966)	(3,966)
Net profit						12,273	12,273	12,273
Other-net								
Change in the term	-	-	-	-	-	8,307	8,307	8,307
Balance at end of year	17,180	11,729	11,729	685	24,606	26,048	51,339	80,249

(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	4,659	(30)	4,628	76,570
Cash dividends				(3,966)
Net profit				12,273
Other-net	2,020	30	2,051	2,051
Change in the term	2,020	30	2,051	10,358
Balance at end of year	6,679	-	6,679	86,929

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 Money In Trust
Recorded at fair value
3. 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.
4. 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.
 - (5) Allowance for foreign tax payments
To provide for potential foreign tax payments, the estimated amount to be paid in the future is recorded.
5. Accounting for Consumption Taxes
National and local consumption taxes are accounted for based on the tax exclusion method.
6. Consolidated Tax Return System
Consolidated tax return system is applied.

Notes to Balance Sheet Information

1. Accumulated Depreciation on Tangible Fixed Assets

	(Millions of yen)	
	Year Ended	Year Ended
	March 31, 2015	March 31, 2014
	3,659	3,414

Notes to Income Statement Information

1. Special Profits consist of the following:

	(Millions of yen)	
	Year Ended	Year Ended
	March 31, 2015	March 31, 2014
Gain on sales of investment securities and other	794	-
Receipt of stock option income	142	203

2. Special Losses consist of the following:

	(Millions of yen)	
	Year Ended	Year Ended
	March 31, 2015	March 31, 2014
Loss on redemption of investment securities	-	51
Loss on valuation of investment securities and other	91	2
Loss on valuation of investments in subsidiaries and affiliates	-	2,491
Loss on disposal of fixed assets	357	17
Provision of allowance for foreign tax payments	1,721	-

Supplementary Information

1. Net Assets of Investment Trusts

(Billions of yen)

	March 31, 2015	March 31, 2014	Increase (Decrease)
Unit Type	135	167	(31)
Open Type	15,929	12,029	3,899
Stock Investment Trusts - Public	16,064	12,197	3,867
Bond Investment Trusts	651	693	(42)
Money Management Fund	626	640	(13)
Others	5,921	4,805	1,116
Bond Investment Trusts - Public	7,199	6,139	1,060
Unit Type	1,999	1,601	397
Open Type	929	315	613
Private Investment Trusts	2,928	1,916	1,011
Total	26,192	20,253	5,939

2. Assets under Investment Management and Advisory Contracts

(Billions of yen)

	March 31, 2015	March 31, 2014	Increase (Decrease)
Domestic - General	222	176	45
Domestic - Pension	4,953	4,639	313
Overseas	7,264	6,420	843
Total	12,439	11,237	1,202

Quarterly Income Statement Information

(Millions of yen)

	1st quarter From April 1, 2014 To June 30, 2014	2nd quarter From July 1, 2014 To September 30, 2014	3rd quarter From October 1, 2014 To December 31, 2014	4th quarter From January 1, 2015 To March 31, 2015	For the year From April 1, 2014 To March 31, 2015
Operating revenue	29,269	31,611	33,314	33,651	127,847
Investment trust management fees	22,356	23,608	24,818	25,376	96,159
Investment advisory fees	6,864	7,948	8,439	8,213	31,466
Other operating revenue	48	54	56	61	221
Operating expenses	18,301	20,089	21,236	21,020	80,648
Commissions	11,077	11,711	12,151	12,120	47,060
Research	6,027	7,197	7,739	7,362	28,326
Other operating expenses	1,197	1,179	1,345	1,537	5,260
General and administrative expenses	6,139	6,132	6,159	6,211	24,643
Operating income	4,828	5,389	5,918	6,419	22,555
Non-operating income	2,387	491	1,571	306	4,756
Non-operating expenses	6	18	247	(106)	166
Ordinary income	7,208	5,862	7,242	6,832	27,146
Special profits	107	804	12	12	936
Special losses	189	90	0	1,889	2,169
Income before income taxes	7,127	6,577	7,254	4,954	25,913
Income taxes - current	870	2,105	2,541	2,917	8,433
Income taxes - deferred	1,410	(565)	(546)	(2,787)	(2,488)
Net income	4,846	5,037	5,259	4,825	19,967