

NOMURA ASSET MANAGEMENT

Nomura Asset Management Co., Ltd.
Financial Summary (Non-consolidated)
For The Six Months Ended September 30, 2004

Nomura Asset Management Co., Ltd.

Unconsolidated Balance Sheet Information (Unaudited)

(Millions of Yen)

	September 30, 2004	March 31, 2004	Increase/(Decrease)	September 30, 2003
Assets				
Current assets	65,124	95,129	(30,004)	55,813
Cash and deposits	11,837	82,903	(71,065)	30,496
Short-term loan receivable from a parent	25,000	-	25,000	-
Cash deposited for investment trust redemption and distribution of income	19,030	2,354	16,676	13,724
Accrued investment trust management fees	5,294	5,441	(146)	4,254
Deferred tax assets	442	232	210	377
Other current assets	3,535	4,199	(664)	6,963
Allowance for doubtful accounts	(16)	(3)	(12)	(3)
Fixed assets	75,585	99,255	(23,670)	144,842
Tangible fixed assets	851	884	(33)	1,392
Intangible assets	3,532	3,544	(12)	3,543
Investments and other	71,202	94,825	(23,623)	139,906
Investment securities	35,489	59,348	(23,858)	103,585
Investment in subsidiaries and affiliates	15,739	15,739	-	15,598
Long-term loans receivable from a subsidiary	16,400	16,400	-	17,400
Long-term guarantee deposit	2,630	2,638	(7)	2,637
Other investments	950	708	242	693
Allowance for doubtful accounts	(8)	(8)	0	(8)
Total assets	140,710	194,384	(53,673)	200,656

(Millions of Yen)

	September 30, 2004	March 31, 2004	Increase/(Decrease)	September 30, 2003
Liabilities				
Current liabilities	<u>27,589</u>	<u>10,532</u>	<u>17,057</u>	<u>20,797</u>
Investment trust distribution of income payable	19,014	2,252	16,762	13,664
Investment trust redemptions payable	1,072	1,126	(54)	1,225
Accrued commission payable	2,323	2,430	(106)	1,935
Accrued income taxes	171	25	146	541
Accrued bonuses	730	730	-	600
Other current liabilities	4,277	3,967	311	2,830
Long-term liabilities	<u>7,811</u>	<u>10,575</u>	<u>(2,764)</u>	<u>8,959</u>
Reserve for retirement benefits	5,203	5,021	181	4,938
Deferred tax liabilities	2,446	5,504	(3,058)	3,935
Other long-term liabilities	162	49	112	85
Total liabilities	35,401	21,107	14,293	29,757
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	66,495	129,211	(62,715)	128,934
Earned surplus reserve	685	685	-	685
General reserve	63,606	130,106	(66,500)	130,106
Unappropriated retained earnings (deficit)	2,203	(1,580)	3,784	(1,857)
Net unrealized gain on investments	9,903	15,155	(5,251)	13,054
Total shareholder's equity	105,309	173,276	(67,966)	170,899
Total liabilities and shareholder's equity	140,710	194,384	(53,673)	200,656

Nomura Asset Management Co., Ltd.

Unconsolidated Income Statement Information (Unaudited)

(Millions of Yen)

	Six Months Ended September 30, 2004 (A)	Six Months Ended September 30, 2003 (B)	Comparison (A-B)/B (%)	Year Ended March 31, 2004
Operating revenue	21,632	17,248	25.4	36,844
Investment trust management fees	17,555	14,184	23.8	30,404
Investment advisory fees	4,075	3,063	33.1	6,439
Other operating revenue	0	0	-	0
Operating expenses	13,120	10,591	23.9	22,711
Commissions	7,757	6,525	18.9	13,756
Other operating expenses	5,363	4,066	31.9	8,954
General and administrative expenses	6,834	7,108	(3.9)	14,155
Operating income (loss)	1,678	(452)	-	(22)
Non-operating income	1,063	1,330	(20.1)	2,059
Non-operating expenses	40	53	(23.7)	66
Ordinary income	2,701	825	227.3	1,971
Special profits	323	878	(63.1)	1,384
Special losses	333	1,970	(83.1)	3,032
Income (loss) before income taxes	2,691	(266)	-	322
Income taxes - current	643	534	20.4	962
Income taxes - deferred	380	1,372	(72.3)	1,257
Net income (loss)	1,668	(2,173)	-	(1,896)
Unappropriated retained earnings brought forward	535	316	69.4	316
Unappropriated retained earnings (deficit)	2,203	(1,857)	-	(1,580)

Notes to Unconsolidated Financial Statements

The financial Information of Nomura Asset Management Co., Ltd. (“the Company”) for the six months ended September 30, 2004 were 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 “Regulations for enforcement of the Law Concerning Investment Trust and Investment Corporations” (Cabinet Office Ordinance, No. 129, 2000), collectively Japanese GAAP.

Significant Accounting Policies

1. Basis and Methods 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 taxes 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. 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.
3. 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, an accrual is recorded at an estimate of the amounts 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. Leasing Transactions
Lease contracts for which the title of the leased property has not transferred are accounted for as operating lease transactions.
5. 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.
6. Accounting for Consumption Taxes
National and local consumption taxes are accounted for based on the tax exclusion method.
7. Consolidated Tax Return System
The company applies consolidated tax return system.

Notes to Balance Sheet Information

1. Accumulated Depreciation on Tangible Fixed Assets

	September 30, 2004	March 31, 2004	(Millions of yen) September 30, 2003
	389	359	323

2. Treatment of Consumption Taxes

Amounts of consumption taxes, prepaid and payable on a net base, are immaterial and thus included in "Other Current Liabilities".

Notes to Income Statement Information

1. Special Profits consist of the following:

	Six Months Ended September 30, 2004	Six Months Ended September 30, 2003	(Millions of yen) Year Ended March 31, 2004
Gain on sales of investment securities	323	878	1,384

2. Special Losses consist of the following:

	Six Months Ended September 30, 2004	Six Months Ended September 30, 2003	(Millions of yen) Year Ended March 31, 2004
Loss on sales of investment securities	293	1,895	1,992
Loss on devaluation of telephone rights	39	-	-
Loss on devaluation of investment securities and other	0	74	376
Provision for reserve for multi-employer pension plan	-	-	472
Loss on disposal of software	-	-	191

Supplementary Information

1. Net Assets of Investment Trusts

(Billions of yen)

	September 30, 2004	March 31, 2004	Increase/(Decrease)
Unit Type	57	149	(92)
Open Type	4,058	4,334	(276)
Stock Investment Trusts - Public	4,115	4,484	(369)
Bond Investment Trusts	2,176	2,640	(464)
Money Management Fund	1,028	1,112	(84)
Others	2,500	2,592	(92)
Bond Investment Trusts - Public	5,705	6,345	(640)
Unit Type	568	389	179
Open Type	39	39	-
Private Investment Trusts	607	428	179
Total	10,427	11,257	(830)

2. Assets under Investment Management and Advisory Contracts

(Billions of yen)

	September 30, 2004	March 31, 2004	Increase/(Decrease)
Domestic - General	255	266	(10)
Domestic - Pension	2,777	2,763	14
Overseas	1,631	1,393	238
Total	4,664	4,423	241

Quarterly Income Statement Information

(Millions of Yen)

	1st quarter From April 1, 2004 To June 30, 2004	2nd quarter From July 1, 2004 To September 30, 2004	Six Months Ended From April 1, 2004 To September 30, 2004
Operating revenue	10,746	10,886	21,632
Investment trust management fees	8,802	8,753	17,555
Investment advisory fees	1,943	2,132	4,075
Other operating revenue	0	0	0
Operating expenses	6,368	6,752	13,120
Commissions	3,887	3,869	7,757
Other operating expenses	2,480	2,882	5,363
General and administrative expenses	3,433	3,400	6,834
Operating income (loss)	945	732	1,678
Non-operating income	866	196	1,063
Non-operating expenses	5	34	40
Ordinary income	1,806	894	2,701
Special profits	71	252	323
Special losses	249	83	333
Income (loss) before income taxes	1,628	1,063	2,691
Income taxes - current	341	302	643
Income taxes - deferred	329	50	380
Net income (loss)	957	710	1,668