

NOMURA ASSET MANAGEMENT

**Nomura Asset Management Co., Ltd.
Financial Summary (Unconsolidated)
For The Year Ended March 31, 2007**

Nomura Asset Management Co., Ltd.

Unconsolidated Balance Sheet Information

(Millions of Yen)

| | March 31, 2007 | March 31, 2006 | Increase/(Decrease) |
|---|----------------|----------------|---------------------|
| Assets | | | |
| Current assets | 58,221 | 81,050 | (22,828) |
| Cash and cash equivalents | 23,242 | 22,038 | 1,203 |
| Money held in trust | 2,105 | - | 2,105 |
| Short-term loan receivable | 14,000 | 45,000 | (31,000) |
| Cash deposited for investment trust redemption and distribution of income | 73 | 1,519 | (1,445) |
| Accrued investment trust management fees | 14,048 | 8,454 | 5,594 |
| Accrued revenue | 2,261 | 2,737 | (475) |
| Deferred tax assets | 1,352 | 1,129 | 222 |
| Other current assets | 1,152 | 199 | 952 |
| Allowance for doubtful accounts | (15) | (27) | 12 |
| Fixed assets | 69,436 | 72,661 | (3,225) |
| Tangible fixed assets | 1,743 | 1,148 | 594 |
| Intangible fixed assets | 7,642 | 6,548 | 1,094 |
| Investments and other | 60,050 | 64,965 | (4,915) |
| Investment securities | 44,125 | 48,811 | (4,686) |
| Investment in subsidiaries and affiliates | 15,405 | 15,156 | 249 |
| Long-term guarantee deposits | 30 | 25 | 4 |
| Other investments | 489 | 969 | (479) |
| Allowance for doubtful accounts | (0) | (0) | (0) |
| Total assets | 127,657 | 153,712 | (26,054) |

(Millions of Yen)

| | March 31, 2007 | March 31, 2006 | Increase/(Decrease) |
|---|----------------|----------------|---------------------|
| Liabilities | | | |
| Current liabilities | 27,279 | 16,781 | 10,498 |
| Investment trust distribution of income payable | 85 | 1,508 | (1,423) |
| Investment trust redemptions payable | 261 | 739 | (477) |
| Accrued commission payable | 6,040 | 3,730 | 2,310 |
| Other accounts payable | 7,944 | 2,894 | 5,050 |
| Accrued expenses | 8,486 | 4,484 | 4,001 |
| Accrued income taxes | 2,640 | 2,121 | 519 |
| Accrued bonuses | 1,650 | 1,230 | 420 |
| Other current liabilities | 170 | 71 | 98 |
| Long-term liabilities | 7,528 | 12,648 | (5,120) |
| Reserve for retirement benefits | 5,034 | 5,548 | (514) |
| Deferred tax liabilities | 2,434 | 7,029 | (4,594) |
| Other long-term liabilities | 59 | 71 | (12) |
| Total liabilities | 34,808 | 29,430 | 5,378 |
| Total shareholder's equity | 82,451 | | |
| Common stock | 17,180 | - | - |
| Capital reserve | 11,729 | - | - |
| Additional paid-in capital | 11,729 | - | - |
| Earned surplus | 53,541 | - | - |
| Earned surplus reserve | 685 | - | - |
| Other Earned surplus | 52,856 | - | - |
| General reserve | 35,606 | - | - |
| Earned surplus brought forward | 17,249 | - | - |
| Valuation and translation adjustments | 10,397 | | |
| Net unrealized gain on investments | 11,008 | - | - |
| Deferred gains or loss on hedges | (610) | - | - |
| Total net assets | 92,849 | - | - |
| Total liabilities and net assets | 127,657 | - | - |

| | March 31, 2007 | March 31, 2006 | Increase/(Decrease) |
|--|----------------|----------------|---------------------|
| Shareholder's equity | | | |
| Common stock | - | 17,180 | - |
| Capital reserve | - | 11,729 | - |
| Additional paid-in capital | - | 11,729 | - |
| Earned surplus | - | 77,936 | - |
| Earned surplus reserve | - | 685 | - |
| General reserve | - | 63,606 | - |
| Unappropriated retained earnings | - | 13,644 | - |
| Net unrealized gain on investments | - | 17,435 | - |
| Total shareholder's equity | - | 124,282 | - |
| Total liabilities and shareholder's equity | - | 153,712 | - |

Nomura Asset Management Co.,Ltd.

Unconsolidated Income Statement Information

(Millions of Yen)

| | Year Ended March 31, 2007 (A) | Year Ended March 31, 2006 (B) | Comparison (A-B)/B (%) |
|---|-------------------------------------|-------------------------------------|---------------------------|
| Operating revenue | 94,482 | 58,869 | 160.5 |
| Investment trust management fees | 82,515 | 48,368 | 170.6 |
| Investment advisory fees | 11,959 | 10,492 | 114.0 |
| Other operating revenue | 7 | 7 | 89.7 |
| Operating expenses | 62,756 | 36,919 | 170.0 |
| Commissions | 37,426 | 21,383 | 175.0 |
| Research | 19,783 | 10,870 | 182.0 |
| Other operating expenses | 5,546 | 4,664 | 118.9 |
| General and administrative expenses | 18,347 | 15,233 | 120.4 |
| Compensation and benefits | 10,545 | 8,967 | 117.6 |
| Occupancy | 1,821 | 1,538 | 118.4 |
| Depreciation of fixed assets | 1,915 | 1,492 | 128.4 |
| Other general and administrative expenses | 4,065 | 3,234 | 125.7 |
| Operating income | 13,378 | 6,716 | 199.2 |
| Non-operating income | 2,632 | 1,936 | 135.9 |
| Non-operating expenses | 267 | 69 | 385.9 |
| Ordinary income | 15,743 | 8,584 | 183.4 |
| Special profits | 12,884 | 6,820 | 188.9 |
| Special losses | 1,830 | 448 | 407.9 |
| Income before income taxes | 26,797 | 14,956 | 179.2 |
| Income taxes - current | 9,913 | 4,610 | 215.0 |
| Income taxes - deferred | 73 | (571) | - |
| Net income | 16,810 | 10,917 | 154.0 |

Notes to Unconsolidated Financial Statements

The unconsolidated financial statements of Nomura Asset Management Co., Ltd. (“the Company”) were prepared in accordance with “Regulations Concerning the Terminology, Forms and Preparation Methods of Financial Statements” (Ministry of Finance Ordinance No. 59, 1963) 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

(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. Basis and Methods of Valuation for Financial Derivatives

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. 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.

5. 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.

6. 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.

7. Leasing Transactions

Lease contracts for which the title of the leased property has not transferred are accounted for as operating lease transactions.

8. 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 investment securities are realized.

9. Accounting for Consumption Taxes

National and local consumption taxes are accounted for based on the tax exclusion method.

10. Consolidated Tax Return System

The company applies consolidated tax return system.

Change in Accounting Principle

From September 30, 2005, the Company adopted Statement of Opinion, "Accounting for Impairment of Fixed Assets" issued by the Business Accounting Council in August 2002 and Guidance No.6 "Guidance for Accounting Standard for Impairment of Fixed Assets" issued by the Accounting Standards Board of Japan ("ASB") in October 2003. This adoption had no effect on the income statement for the year ended March 31, 2006.

Notes to Balance Sheet Information

1. Accumulated Depreciation on Tangible Fixed Assets

| | (Millions of yen) | |
|--|-------------------|----------------|
| | March 31, 2007 | March 31, 2006 |
| | 481 | 530 |

Notes to Income Statement Information

1. Special Profits consist of the following:

| | (Millions of yen) | |
|--|-------------------|----------------|
| | Year Ended | Year Ended |
| | March 31, 2007 | March 31, 2006 |
| Gain on sales of investment securities and other | 7,863 | 606 |
| Gain on sales of an affiliate | 4,893 | - |
| Dividend from subsidiaries | - | 6,169 |
| Gain on liquidation of a subsidiary | - | 44 |
| Receipt of stock option income | 127 | - |

2. Special Losses consist of the following:

| | (Millions of yen) | |
|--|-------------------|----------------|
| | Year Ended | Year Ended |
| | March 31, 2007 | March 31, 2006 |
| Loss on sales of investment securities and other | 113 | 104 |
| Loss on devaluation of investment securities and other | - | 103 |
| Loss on disposal of fixed assets | 601 | 241 |
| Office relocation expense | 1,115 | - |

Supplementary Information

1. Net Assets of Investment Trusts

(Billions of yen)

| | March 31, 2007 | March 31, 2006 | Increase/(Decrease) |
|----------------------------------|----------------|----------------|---------------------|
| Unit Type | 84 | 11 | 73 |
| Open Type | 10,731 | 6,861 | 3,870 |
| Stock Investment Trusts - Public | 10,816 | 6,873 | 3,943 |
| Bond Investment Trusts | 1,248 | 1,504 | (255) |
| Money Management Fund | 882 | 853 | 29 |
| Others | 3,657 | 3,266 | 390 |
| Bond Investment Trusts - Public | 5,788 | 5,623 | 164 |
| Unit Type | 2,191 | 1,455 | 736 |
| Open Type | - | 17 | (17) |
| Private Investment Trusts | 2,191 | 1,472 | 719 |
| Total | 18,796 | 13,969 | 4,827 |

2. Assets under Investment Management and Advisory Contracts

(Billions of yen)

| | March 31, 2007 | March 31, 2006 | Increase/(Decrease) |
|--------------------|----------------|----------------|---------------------|
| Domestic - General | 237 | 281 | (43) |
| Domestic - Pension | 3,506 | 3,687 | (180) |
| Overseas | 3,370 | 3,038 | 332 |
| Total | 7,115 | 7,006 | 108 |

Quarterly Statements of Operations

(Millions of yen)

| | 1st quarter From April 1, 2006 To June 30, 2006 | 2nd quarter From July 1, 2006 To September 30, 2006 | 3rd quarter From October 1, 2006 To December 31, 2006 | 4th quarter From January 1, 2007 To March 31, 2007 | For the year From April 1, 2007 To March 31, 2007 |
|-------------------------------------|---|---|---|--|---|
| Operating revenue | 19,238 | 21,137 | 24,746 | 29,360 | 94,482 |
| Investment trust management fees | 16,209 | 18,108 | 21,741 | 26,456 | 82,515 |
| Investment advisory fees | 3,027 | 3,026 | 3,002 | 2,902 | 11,959 |
| Other operating revenue | 1 | 1 | 1 | 1 | 7 |
| Operating expenses | 11,881 | 13,885 | 16,602 | 20,386 | 62,756 |
| Commissions | 7,201 | 8,246 | 9,893 | 12,084 | 37,426 |
| Other operating expenses | 4,680 | 5,638 | 6,709 | 8,302 | 25,330 |
| General and administrative expenses | 4,297 | 4,435 | 4,137 | 5,477 | 18,347 |
| Operating income | 3,058 | 2,817 | 4,006 | 3,496 | 13,378 |
| Non-operating income | 1,460 | 177 | 754 | 239 | 2,632 |
| Non-operating expenses | 27 | 22 | 67 | 150 | 267 |
| Ordinary income | 4,491 | 2,972 | 4,693 | 3,585 | 15,743 |
| Special profits | 15 | 5,408 | 6,953 | 508 | 12,884 |
| Special losses | 75 | 187 | 214 | 1,352 | 1,830 |
| Income before income taxes | 4,430 | 8,193 | 11,432 | 2,740 | 26,797 |
| Income taxes - current | 800 | 3,890 | 4,210 | 1,013 | 9,913 |
| Income taxes - deferred | 743 | (580) | 268 | (356) | 73 |
| Net income | 2,887 | 4,884 | 6,954 | 2,084 | 16,810 |