

NOMURA ASSET MANAGEMENT

Nomura Asset Management Co., Ltd.
Financial Summary (Unconsolidated)
For The Year Ended March 31, 2009
(Unaudited)

Nomura Asset Management Co., Ltd.

Unconsolidated Balance Sheet Information (Unaudited)

(Millions of Yen)

	March 31, 2009	March 31, 2008	Increase (Decrease)
Assets			
Current assets	50,549	61,020	(10,470)
Cash and cash equivalents	560	2,855	(2,295)
Money held in trust	34,551	32,058	2,492
Securities	3,400	6,300	(2,900)
Short-term loan receivable from a parent	592	1,526	(934)
Accrued investment trust management fees	7,489	13,910	(6,421)
Accrued revenue	1,629	2,030	(400)
Income tax receivables	498	—	498
Deferred tax assets	879	1,137	(257)
Other current assets	952	1,208	(255)
Allowance for doubtful accounts	(4)	(7)	3
Fixed assets	43,110	56,253	(13,143)
Tangible fixed assets	2,183	1,972	210
Intangible fixed assets	12,407	8,857	3,550
Investments and other	28,519	45,424	(16,904)
Investment securities	10,693	27,606	(16,913)
Investment in subsidiaries and affiliates	15,743	15,739	3
Long-term guarantee deposits	39	34	4
Deferred tax assets	1,256	1,567	(311)
Other investments	786	476	310
Allowance for doubtful accounts	(0)	(0)	(0)
Total assets	93,659	117,274	(23,614)

(Millions of Yen)

	March 31, 2009	March 31, 2008	Increase (Decrease)
Liabilities			
Current liabilities	<u>23,790</u>	<u>24,794</u>	<u>(1,003)</u>
Short-term borrowings	12,000	—	12,000
Investment trust distribution of income payable	5	5	0
Investment trust redemptions payable	82	105	(22)
Accrued commission payable	3,275	6,115	(2,840)
Other accounts payable	2,387	6,622	(4,235)
Accrued expenses	4,849	8,363	(3,514)
Accrued income taxes	4	1,591	(1,587)
Accrued bonuses	1,080	1,730	(650)
Other current liabilities	106	259	(153)
Long-term liabilities	<u>5,724</u>	<u>5,890</u>	<u>(165)</u>
Reserve for retirement benefits	4,620	5,359	(739)
Reserve for loss on distribution of income and redemption after expiration	462	467	(5)
Other long-term liabilities	642	64	578
Total liabilities	29,515	30,685	(1,169)
Shareholder's equity	<u>61,810</u>	<u>81,714</u>	<u>(19,904)</u>
Common stock	17,180	17,180	—
Capital reserve	11,729	11,729	—
Additional paid-in capital	11,729	11,729	—
Earned surplus	32,900	52,804	(19,904)
Earned surplus reserve	685	685	—
Other Earned surplus	32,215	52,119	(19,904)
General reserve	24,606	35,606	(11,000)
Earned surplus brought forward	7,608	16,512	(8,904)
Valuation and translation adjustments	2,333	4,874	(2,541)
Net unrealized gain on investments	2,084	5,124	(3,040)
Deferred gains or loss on hedges	249	(250)	499
Total net assets	64,143	86,589	(22,445)
Total liabilities and net assets	93,659	117,274	(23,614)

Nomura Asset Management Co., Ltd.

Unconsolidated Income Statement Information (Unaudited)

(Millions of Yen)

	Year Ended March 31, 2009 (A)	Year Ended March 31, 2008 (B)	Comparison A/B (%)
Operating revenue	92,537	135,408	68.3
Investment trust management fees	84,195	124,893	67.4
Investment advisory fees	8,315	10,506	79.1
Other operating revenue	27	8	322.2
Operating expenses	65,272	95,938	68.0
Commissions	39,122	57,704	67.8
Research	21,176	32,108	66.0
Other operating expenses	4,974	6,125	81.2
General and administrative expenses	22,452	22,949	97.8
Compensation and benefits	11,778	12,573	93.7
Occupancy	1,559	1,687	92.4
Depreciation of fixed assets	3,288	2,543	129.3
Other general and administrative expenses	5,826	6,145	94.8
Operating income	4,812	16,519	29.1
Non-operating income	9,322	4,384	212.6
Non-operating expenses	1,671	647	258.1
Ordinary income	12,463	20,256	61.5
Special profits	1,387	1,734	80.0
Special losses	2,001	589	339.5
Income before income taxes	11,849	21,400	55.4
Income taxes - current	2,893	9,211	31.4
Income taxes - deferred	2,334	50	4,667.3
Net income	6,621	12,139	54.5

Nomura Asset Management Co., Ltd.
Unconsolidated Statements of Shareholder's Equity (Unaudited)
For The Year Ended March 31, 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 31,2008	17,180	11,729	11,729	685	35,606	16,512	52,804	81,714
Reversal of general reserve					(11,000)	11,000	—	—
Cash dividends						(26,526)	(26,526)	(26,526)
Net profit						6,621	6,621	6,621
Other-net								
Change in the term	—	—	—	—	(11,000)	(8,904)	(19,904)	(19,904)
Balance at March 31,2009	17,180	11,729	11,729	685	24,606	7,608	32,900	61,810

(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 31,2008	5,124	(250)	4,874	86,589
Reversal of general reserve				—
Cash dividends				(26,526)
Net profit				6,621
Other-net	(3,040)	499	(2,541)	(2,541)
Change in the term	(3,040)	499	(2,541)	(22,445)
Balance at March 31,2009	2,084	249	2,333	64,143

For The Year Ended March 31, 2008

(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 31,2007	17,180	11,729	11,729	685	35,606	17,249	53,541	82,451
Cash dividends						(12,876)	(12,876)	(12,876)
Net profit						12,139	12,139	12,139
Other-net								
Change in the term	—	—	—	—	—	(737)	(737)	(737)
Balance at March 31,2008	17,180	11,729	11,729	685	35,606	16,512	52,804	81,714

(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 31,2007	11,008	(610)	10,397	92,849
Cash dividends				(12,876)
Net profit				12,139
Other-net	(5,883)	360	(5,522)	(5,522)
Change in the term	(5,883)	360	(5,522)	(6,259)
Balance at March 31,2008	5,124	(250)	4,874	86,589

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 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(excluding Lease 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(excluding Lease Assets)

Intangible assets are amortized primarily over their estimated useful lives on the straight-line method.

(3) Depreciation/Amortization of lease assets

Lease assets under financial lease transactions that do not transfer ownership, contracted after April 1 2008 are depreciated / amortized over the lease term on the straight-line method, based on the assumption that the residual value is equal to zero.

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 employee 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

Financing leases under which the ownership of properties is not transferred to the lessee and their lease has already started before the 1st of April in 2008 are accounted for as operating leases.

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.
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.

Significant Change of Accounting Policies

(Accounting treatment of Lease transactions)

Effective for the current fiscal year, the Company has adopted “the Accounting Standard for Lease Transactions (Statement No.13) and “the Guidance on Accounting Standard for Lease Transactions (Guidance No.16)”(released on the 30TH of March in 2007 by Accounting Standards Board of Japan).

By adopting these accounting standards, financing leases under which the ownership is not transferred to the lessee and which starts from 1st of April in 2008 are capitalized and depreciated or amortized by the straight line method over their lease term with no residual value.

Financing leases under which the ownership is not transferred to the lessee and which have already started before 1st of April in 2008 are accounted for as operating leases according to Section 79 in “the Guidance”.

The impact of this adoption on financial positions are none and on operating income, ordinary income, and income before income taxes are minor.

Notes to Balance Sheet Information

1. Accumulated Depreciation on Tangible Fixed Assets

	Year Ended March 31, 2009	(Millions of yen) Year Ended March 31, 2008
	1,260	736

Notes to Income Statement Information

1. Special Profits consist of the following:

	Year Ended March 31, 2009	(Millions of yen) Year Ended March 31, 2008
Gain on sales of investment securities and other	1,085	1,421
Receipt of stock option income	299	312
Gain on purchase of lease assets	2	—

Notes to Income Statement Information

2. Special Losses consist of the following:

	Year Ended March 31, 2009	Year Ended March 31, 2008
Loss on sales of investment securities and other	1,471	80
Loss on valuation of investment securities and other	5	23
Transfer to reserve for loss on distribution of income and redemption after expiration	—	429
Loss on disposal of fixed assets	405	56
Loss on revision of retirement benefit plan	118	—

(Millions of yen)

Supplementary Information

1. Net Assets of Investment Trusts

(Billions of yen)

	March 31, 2009	March 31, 2008	Increase (Decrease)
Unit Type	134	53	80
Open Type	6,371	9,789	(3,418)
Stock Investment Trusts - Public	6,505	9,842	(3,337)
Bond Investment Trusts	1,005	1,116	(110)
Money Management Fund	882	967	(85)
Others	2,949	3,252	(303)
Bond Investment Trusts - Public	4,837	5,336	(499)
Unit Type	1,613	1,995	(381)
Open Type	—	—	—
Private Investment Trusts	1,613	1,995	(381)
Total	12,956	17,174	(4,218)

2. Assets under Investment Management and Advisory Contracts

(Billions of yen)

	March 31, 2009	March 31, 2008	Increase (Decrease)
Domestic - General	118	181	(63)
Domestic - Pension	4,191	4,467	(275)
Overseas	1,683	2,429	(745)
Total	5,994	7,078	(1,084)

Quarterly Income Statement Information

(Millions of yen)

	1st quarter From April 1, 2008 To June 30, 2008	2nd quarter From July 1, 2008 To September 30, 2008	3rd quarter From October 1, 2008 To December 31, 2008	4th quarter From January 1, 2009 To March 31, 2009	For the year From April 1, 2008 To March 31, 2009
Operating revenue	29,517	27,695	19,015	16,308	92,537
Investment trust management fees	27,218	25,288	17,182	14,505	84,195
Investment advisory fees	2,296	2,401	1,824	1,793	8,315
Other operating revenue	2	6	8	9	27
Operating expenses	20,837	19,287	13,593	11,554	65,272
Commissions	12,786	11,779	7,949	6,606	39,122
Research	6,857	6,259	4,295	3,762	21,176
Other operating expenses	1,193	1,248	1,348	1,184	4,974
General and administrative expenses	5,328	5,967	5,363	5,792	22,452
Operating income	3,351	2,440	58	(1,038)	4,812
Non-operating income	1,676	3,666	3,850	128	9,322
Non-operating expenses	565	413	821	(129)	1,671
Ordinary income	4,462	5,693	3,087	(779)	12,463
Special profits	994	123	128	142	1,387
Special losses	270	394	875	461	2,001
Income before income taxes	5,186	5,422	2,339	(1,098)	11,849
Income taxes - current	1,014	2,675	(25)	(771)	2,893
Income taxes - deferred	680	(673)	636	1,691	2,334
Net income	3,491	3,421	1,727	(2,019)	6,621