

# **NOMURA ASSET MANAGEMENT**

**Nomura Asset Management Co., Ltd.**  
**Financial Summary (Unconsolidated)**  
**For The Year Ended March 31, 2010**  
**(Unaudited)**

**Nomura Asset Management Co., Ltd.**

**Unconsolidated Balance Sheet Information (Unaudited)**

(Millions of Yen)

	March 31, 2010	March 31, 2009	Increase (Decrease)
Assets			
Current assets	58,457	50,549	7,907
Cash and cash equivalents	520	560	(40)
Money held in trust	38,530	34,551	3,979
Securities	5,100	3,400	1,700
Short-term loan receivable from a parent	126	592	(466)
Accrued investment trust management fees	9,756	7,489	2,267
Accrued revenue	2,645	1,629	1,015
Income tax receivables	—	498	(498)
Deferred tax assets	1,513	879	634
Other current assets	270	952	(682)
Allowance for doubtful accounts	(6)	(4)	(1)
Fixed assets	42,557	43,110	(552)
Tangible fixed assets	1,729	2,183	(453)
Intangible fixed assets	11,839	12,407	(568)
Investments and other	28,988	28,519	468
Investment securities	11,614	10,693	920
Investment in subsidiaries and affiliates	16,099	15,743	356
Long-term guarantee deposits	66	39	26
Deferred tax assets	490	1,256	(765)
Other investments	717	786	(69)
Allowance for doubtful accounts	(0)	(0)	0
Total assets	101,014	93,659	7,355

(Millions of Yen)

	March 31, 2010	March 31, 2009	Increase (Decrease)
Liabilities			
Current liabilities	28,305	23,790	4,514
Short-term borrowings	11,000	12,000	(1,000)
Investment trust distribution of income payable	4	5	(1)
Investment trust redemptions payable	61	82	(20)
Accrued commission payable	4,226	3,275	950
Other accounts payable	1,925	2,387	(461)
Accrued expenses	7,594	4,849	2,745
Accrued income taxes	849	4	844
Accrued bonuses	2,538	1,080	1,458
Other current liabilities	105	106	(1)
Long-term liabilities	5,403	5,724	(321)
Reserve for retirement benefits	4,576	4,620	(44)
Reserve for loss on distribution of income and redemption after expiration	475	462	13
Other long-term liabilities	351	642	(290)
Total liabilities	33,708	29,515	4,192
Shareholder's equity	64,079	61,810	2,264
Common stock	17,180	17,180	—
Capital reserve	11,729	11,729	—
Additional paid-in capital	11,729	11,729	—
Earned surplus	35,164	32,900	2,264
Earned surplus reserve	685	685	—
Other Earned surplus	34,479	32,215	2,264
General reserve	24,606	24,606	—
Earned surplus brought forward	9,872	7,608	2,264
Valuation and translation adjustments	3,231	2,333	898
Net unrealized gain on investments	3,056	2,084	971
Deferred gains or loss on hedges	175	249	(73)
Total net assets	67,306	64,143	3,162
Total liabilities and net assets	101,014	93,659	7,355

## Nomura Asset Management Co., Ltd.

### Unconsolidated Income Statement Information (Unaudited)

(Millions of Yen)

	Year Ended March 31, 2010 (A)	Year Ended March 31, 2009 (B)	Comparison A/B (%)
Operating revenue	86,927	92,537	93.9
Investment trust management fees	76,293	84,195	90.6
Investment advisory fees	10,576	8,315	127.2
Other operating revenue	57	27	213.2
Operating expenses	60,740	65,272	93.1
Commissions	35,199	39,122	90.0
Research	20,998	21,176	99.2
Other operating expenses	4,542	4,974	91.3
General and administrative expenses	24,471	22,452	109.0
Compensation and benefits	12,902	11,778	109.6
Occupancy	1,464	1,559	93.9
Depreciation of fixed assets	4,630	3,288	140.8
Other general and administrative expenses	5,474	5,826	106.4
Operating income	1,715	4,812	35.6
Non-operating income	6,424	9,322	68.9
Non-operating expenses	189	1,671	11.3
Ordinary income	7,950	12,463	63.8
Special profits	299	1,387	21.6
Special losses	210	2,001	10.5
Income before income taxes	8,039	11,849	67.8
Income taxes - current	2,662	2,893	92.0
Income taxes - deferred	(492)	2,334	—
Net income	5,869	6,621	88.6

**Nomura Asset Management Co., Ltd.**  
**Unconsolidated Statements of Shareholder's Equity (Unaudited)**  
**For The Year Ended March 31, 2010**

(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 31,2009	17,180	11,729	11,729	685	24,606	7,608	32,900	61,810
Cash dividends						(3,605)	(3,605)	(3,605)
Net profit						5,869	5,869	5,869
Other-net								
Change in the term	—	—	—	—	—	2,264	2,264	2,264
Balance at March 31,2010	17,180	11,729	11,729	685	24,606	9,872	35,164	64,074

(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 31,2009	2,084	249	2,333	64,143
Cash dividends				(3,605)
Net profit				5,869
Other-net	971	(73)	898	898
Change in the term	971	(73)	898	3,162
Balance at March 31,2010	3,056	175	3,231	67,306

## 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

## **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  
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  
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.

**Notes to Balance Sheet Information**

1. Accumulated Depreciation on Tangible Fixed Assets

	(Millions of yen)	
	Year Ended	Year Ended
	<u>March 31, 2010</u>	<u>March 31, 2009</u>
	2,017	1,260

**Notes to Income Statement Information**

1. Special Profits consist of the following:

	(Millions of yen)	
	Year Ended	Year Ended
	<u>March 31, 2010</u>	<u>March 31, 2009</u>
Gain on sales of investment securities and other	72	1,085
Receipt of stock option income	226	299
Gain on purchase of lease assets	—	2

**Notes to Income Statement Information**

2. Special Losses consist of the following:

	(Millions of yen)	
	Year Ended	Year Ended
	<u>March 31, 2010</u>	<u>March 31, 2009</u>
Loss on sales of investment securities	60	1,471
Loss on valuation of investment securities and other	70	5
Loss on disposal of fixed assets	16	405
Loss on revision of retirement benefit plan	—	118
Cancellation money of system use contract	63	—



## Supplementary Information

### 1. Net Assets of Investment Trusts

(Billions of yen)

	March 31, 2010	March 31, 2009	Increase (Decrease)
Unit Type	188	134	54
Open Type	7,931	6,371	1,560
Stock Investment Trusts - Public	8,119	6,505	1,614
Bond Investment Trusts	931	1,005	(73)
Money Management Fund	791	882	(90)
Others	3,072	2,949	123
Bond Investment Trusts - Public	4,795	4,837	(41)
Unit Type	1,746	1,613	133
Open Type	—	—	—
Private Investment Trusts	1,746	1,613	133
Total	14,662	12,956	1,706

### 2. Assets under Investment Management and Advisory Contracts

(Billions of yen)

	March 31, 2010	March 31, 2009	Increase (Decrease)
Domestic - General	171	118	52
Domestic - Pension	4,516	4,191	324
Overseas	2,634	1,683	950
Total	7,322	5,994	1,327

## Quarterly Income Statement Information

(Millions of yen)

	1st quarter From April 1, 2009 To June 30, 2009	2nd quarter From July 1, 2009 To September 30, 2009	3rd quarter From October 1, 2009 To December 31, 2009	4th quarter From January 1, 2010 To March 31, 2010	For the year From April 1, 2009 To March 31, 2010
Operating revenue	19,088	22,296	23,473	22,067	86,927
Investment trust management fees	17,068	19,781	20,459	18,984	76,293
Investment advisory fees	2,005	2,498	3,006	3,065	10,576
Other operating revenue	15	17	7	17	57
Operating expenses	13,287	15,588	16,491	15,373	60,740
Commissions	7,874	9,209	9,440	8,676	35,199
Research	4,169	5,317	5,967	5,542	20,998
Other operating expenses	1,243	1,061	1,083	1,154	4,542
General and administrative expenses	5,730	6,145	5,869	6,726	24,471
Operating income	71	562	1,113	(32)	1,715
Non-operating income	1,718	2,340	1,484	881	6,424
Non-operating expenses	46	87	19	35	189
Ordinary income	1,743	2,815	2,577	813	7,950
Special profits	140	55	48	55	299
Special losses	0	35	37	137	210
Income before income taxes	1,883	2,835	2,588	731	8,039
Income taxes - current	(223)	1,113	784	988	2,662
Income taxes - deferred	574	(463)	(50)	(553)	(492)
Net income	1,532	2,185	1,854	297	5,869