

NOMURA ASSET MANAGEMENT

Nomura Asset Management Co., Ltd.
Financial Summary (Unconsolidated)
For The Year Ended March 31, 2011
(Unaudited)

Nomura Asset Management Co., Ltd.

Unconsolidated Balance Sheet Information (Unaudited)

(Millions of Yen)

	March 31, 2011	March 31, 2010	Increase (Decrease)
Assets			
Current assets	57,430	58,457	(1,026)
Cash and cash equivalents	538	520	18
Money held in trust	39,575	38,530	1,044
Securities	1,400	5,100	(3,700)
Short-term loan receivable from a parent	166	126	40
Accrued investment trust management fees	10,032	9,756	275
Accrued revenue	3,761	2,645	1,116
Deferred tax assets	1,736	1,513	222
Other current assets	225	270	(45)
Allowance for doubtful accounts	(6)	(6)	(0)
Fixed assets	44,903	42,557	2,345
Tangible fixed assets	1,823	1,729	93
Intangible fixed assets	10,649	11,839	(1,189)
Investments and other	32,430	28,988	3,442
Investment securities	8,648	11,614	(2,966)
Investment in subsidiaries and affiliates	22,609	16,099	6,509
Long-term guarantee deposits	64	66	(1)
Deferred tax assets	582	490	91
Other investments	525	717	(191)
Allowance for doubtful accounts	(0)	(0)	0
Total assets	102,333	101,014	1,318

(Millions of Yen)

	March 31, 2011	March 31, 2010	Increase (Decrease)
Liabilities			
Current liabilities	26,818	28,305	(1,487)
Short-term borrowings	8,000	11,000	(3,000)
Investment trust distribution of income payable	4	4	0
Investment trust redemptions payable	79	61	17
Accrued commission payable	4,517	4,226	291
Other accounts payable	3,043	1,925	1,118
Accrued expenses	7,373	7,594	(221)
Accrued income taxes	800	849	(49)
Accrued bonuses	2,900	2,538	362
Other current liabilities	97	105	(7)
Long-term liabilities	4,611	5,403	(791)
Reserve for retirement benefits	4,064	4,576	(511)
Reserve for loss on distribution of income and redemption after expiration	481	475	6
Other long-term liabilities	65	351	(285)
Total liabilities	31,429	33,708	(2,278)
Shareholder's equity	68,279	64,074	4,204
Common stock	17,180	17,180	-
Capital reserve	11,729	11,729	-
Additional paid-in capital	11,729	11,729	-
Earned surplus	39,369	35,164	4,204
Earned surplus reserve	685	685	-
Other Earned surplus	38,684	34,479	4,204
General reserve	24,606	24,606	-
Earned surplus brought forward	14,077	9,872	4,204
Valuation and translation adjustments	2,624	3,231	(607)
Net unrealized gain on investments	2,694	3,056	(361)
Deferred gains or loss on hedges	(69)	175	(245)
Total net assets	70,903	67,306	3,597
Total liabilities and net assets	102,333	101,014	1,318

Nomura Asset Management Co., Ltd.

Unconsolidated Income Statement Information (Unaudited)

(Millions of Yen)

	Year Ended March 31, 2011 (A)	Year Ended March 31, 2010 (B)	Comparison A/B (%)
Operating revenue	94,539	86,927	108.8
Investment trust management fees	81,230	76,293	106.5
Investment advisory fees	13,165	10,576	124.5
Other operating revenue	143	57	247.3
Operating expenses	64,980	60,740	107.0
Commissions	39,741	35,199	112.9
Research	20,709	20,998	98.6
Other operating expenses	4,529	4,542	99.7
General and administrative expenses	24,176	24,471	98.8
Compensation and benefits	12,923	12,902	100.2
Occupancy	1,452	1,464	99.2
Depreciation of fixed assets	4,575	4,630	98.8
Other general and administrative expenses	5,226	5,474	95.5
Operating income	5,382	1,715	313.8
Non-operating income	6,391	6,424	99.5
Non-operating expenses	98	189	51.8
Ordinary income	11,676	7,950	146.9
Special profits	593	299	198.1
Special losses	591	210	280.9
Income before income taxes	11,677	8,039	145.3
Income taxes - current	3,759	2,662	141.2
Income taxes - deferred	108	(492)	-
Net income	7,810	5,869	133.1

Nomura Asset Management Co., Ltd.
Unconsolidated Statements of Shareholder's Equity (Unaudited)
For The Year Ended March 31, 2011

(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 31,2010	17,180	11,729	11,729	685	24,606	9,872	35,164	64,074
Cash dividends						(3,605)	(3,605)	(3,605)
Net profit						7,810	7,810	7,810
Other-net								
Change in the term	-	-	-	-	-	4,204	4,204	4,204
Balance at March 31,2011	17,180	11,729	11,729	685	24,606	14,077	39,369	68,279

(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 31,2010	3,056	175	3,231	67,306
Cash dividends				(3,605)
Net profit				7,810
Other-net	(361)	(245)	(607)	(607)
Change in the term	(361)	(245)	(607)	3,597
Balance at March 31,2011	2,694	(69)	2,624	70,903

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

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. Certain eligible foreign currencies denominated monetary items are translated at forward exchange rates and the differences are amortized over the remaining period.

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

	Year Ended March 31, 2011	(Millions of yen) Year Ended March 31, 2010
	<u>2,311</u>	<u>2,017</u>

Notes to Income Statement Information

1. Special Profits consist of the following:

	Year Ended March 31, 2011	(Millions of yen) Year Ended March 31, 2010
Gain on sales of investment securities and other	419	72
Receipt of stock option income	173	226

Notes to Income Statement Information

2. Special Losses consist of the following:

	Year Ended March 31, 2011	(Millions of yen) Year Ended March 31, 2010
Loss on sales of investment securities	149	60
Loss on valuation of investment securities and other	10	70
Loss on disposal of fixed assets	412	16
Cancellation money of system use contract	20	63

Supplementary Information

1. Net Assets of Investment Trusts

(Billions of yen)

	March 31, 2011	March 31, 2010	Increase (Decrease)
Unit Type	219	188	31
Open Type	9,202	7,931	1,270
Stock Investment Trusts - Public	9,422	8,119	1,302
Bond Investment Trusts	867	931	(64)
Money Management Fund	740	791	(51)
Others	3,190	3,072	117
Bond Investment Trusts - Public	4,797	4,795	1
Unit Type	1,703	1,746	(43)
Open Type	-	-	-
Private Investment Trusts	1,703	1,746	(43)
Total	15,922	14,662	1,260

2. Assets under Investment Management and Advisory Contracts

(Billions of yen)

	March 31, 2011	March 31, 2010	Increase (Decrease)
Domestic - General	131	171	(39)
Domestic - Pension	4,316	4,516	(199)
Overseas	5,291	2,634	2,656
Total	9,739	7,322	2,417

Quarterly Income Statement Information

(Millions of yen)

	1st quarter From April 1, 2010 To June 30, 2010	2nd quarter From July 1, 2010 To September 30, 2010	3rd quarter From October 1, 2010 To December 31, 2010	4th quarter From January 1, 2011 To March 31, 2011	For the year From April 1, 2010 To March 31, 2011
Operating revenue	22,553	22,522	24,060	25,402	94,539
Investment trust management fees	19,748	19,629	20,800	21,052	81,230
Investment advisory fees	2,774	2,862	3,219	4,310	13,165
Other operating revenue	31	30	41	39	143
Operating expenses	15,770	15,614	16,447	17,147	64,980
Commissions	9,147	9,456	10,389	10,748	39,741
Research	5,406	5,052	5,040	5,209	20,709
Other operating expenses	1,216	1,105	1,017	1,190	4,529
General and administrative expenses	5,942	6,102	6,041	6,090	24,176
Operating income	840	804	1,571	2,164	5,382
Non-operating income	1,817	1,304	3,037	232	6,391
Non-operating expenses	23	25	28	21	98
Ordinary income	2,634	2,083	4,581	2,376	11,676
Special profits	51	462	39	39	593
Special losses	0	155	-	436	591
Income before income taxes	2,686	2,390	4,620	1,979	11,677
Income taxes - current	533	1,329	911	986	3,759
Income taxes - deferred	992	(465)	(172)	(246)	108
Net income	1,161	1,526	3,881	1,240	7,810