

# **NOMURA ASSET MANAGEMENT**

**Nomura Asset Management Co., Ltd.**  
**Financial Summary (Unconsolidated)**  
**For The Six Months Ended September 30, 2011**  
**(Unaudited)**

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

**Unconsolidated Balance Sheet Information (Unaudited)**

(Millions of Yen)

	September 30, 2011	March 31, 2011	Increase (Decrease)	September 30, 2010
Assets				
Current assets	56,049	57,430	(1,380)	57,681
Cash and cash equivalents	498	538	(40)	1,452
Money held in trust	39,466	39,575	(108)	38,874
Securities	1,600	1,400	200	2,300
Short-term loan receivable	168	166	1	186
Accrued investment trust management fees	8,212	10,032	(1,819)	10,177
Accrued revenue	4,942	3,761	1,181	3,318
Deferred tax assets	853	1,736	(882)	1,118
Other current assets	313	225	88	260
Allowance for doubtful accounts	(6)	(6)	0	(6)
Fixed assets	34,127	44,903	(10,776)	38,740
Tangible fixed assets	1,687	1,823	(135)	1,609
Intangible fixed assets	10,049	10,649	(600)	11,109
Investments and other	22,390	32,430	(10,040)	26,021
Investment securities	6,685	8,648	(1,963)	8,177
Investment in subsidiaries and affiliates	14,424	22,609	(8,184)	16,099
Deferred tax assets	886	582	304	937
Other investments	393	590	(196)	807
Allowance for doubtful accounts	(0)	(0)	0	(0)
Total assets	90,176	102,333	(12,157)	96,421

(Millions of Yen)

	September 30, 2011	March 31, 2011	Increase (Decrease)	September 30, 2010
<b>Liabilities</b>				
<b>Current liabilities</b>	19,431	26,818	(7,386)	25,839
Short-term borrowings from affiliates	5,000	8,000	(3,000)	10,000
Investment trust distribution of income payable	4	4	(0)	4
Investment trust redemptions payable	53	79	(26)	60
Accrued commission payable	3,570	4,517	(946)	4,495
Other accounts payable	1,323	3,043	(1,720)	1,878
Accrued expenses	7,194	7,373	(179)	7,118
Accrued income taxes	723	800	(77)	669
Accrued bonuses	1,463	2,900	(1,437)	1,518
Other current liabilities	99	97	1	93
<b>Long-term liabilities</b>	3,747	4,611	(863)	5,025
Reserve for retirement benefits	3,251	4,064	(813)	4,520
Reserve for loss on distribution of income and redemption after expiration	491	481	10	482
Other long-term liabilities	5	65	(60)	22
<b>Total liabilities</b>	23,179	31,429	(8,250)	30,865
<b>Shareholder's equity</b>	65,310	68,279	(2,968)	63,157
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
<b>Earned surplus</b>	36,400	39,369	(2,968)	34,247
Earned surplus reserve	685	685	-	685
Other Earned surplus	35,715	38,684	(2,968)	33,561
General reserve	24,606	24,606	-	24,606
Earned surplus brought forward	11,108	14,077	(2,968)	8,955
<b>Valuation and translation adjustments</b>	1,686	2,624	(938)	2,399
Net unrealized gain on investments	1,568	2,694	(1,125)	2,415
Deferred gains or loss on hedges	117	(69)	187	(16)
<b>Total net assets</b>	66,996	70,903	(3,906)	65,556
<b>Total liabilities and net assets</b>	90,176	102,333	(12,157)	96,421

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

**Unconsolidated Income Statement Information (Unaudited)**

(Millions of Yen)

	Six Months Ended September 30, 2011 (A)	Six Months Ended September 30, 2010 (B)	Comparison (A)/(B) (%)	Year Ended March 31, 2011
Operating revenue	51,131	45,075	113.4	94,539
Investment trust management fees	41,975	39,377	106.6	81,230
Investment advisory fees	9,087	5,636	161.2	13,165
Other operating revenue	67	61	110.0	143
Operating expenses	34,356	31,385	109.5	64,980
Commissions	21,876	18,603	117.6	39,741
Research	10,328	10,459	98.7	20,709
Other operating expenses	2,150	2,321	92.6	4,529
General and administrative expenses	11,623	12,045	96.5	24,176
Operating income	5,151	1,645	313.0	5,382
Non-operating income	3,261	3,121	104.5	6,391
Non-operating expenses	333	48	683.1	98
Ordinary income	8,079	4,718	171.2	11,676
Special profits	123	513	24.0	593
Special losses	69	155	44.5	591
Income before income taxes	8,133	5,077	160.2	11,677
Income taxes - current	1,605	1,862	86.2	3,759
Income taxes - deferred	1,229	527	233.3	108
Net income	5,298	2,687	197.1	7,810

**Nomura Asset Management Co., Ltd.**  
**Unconsolidated Statements of Shareholder's Equity (Unaudited)**  
**For Interim ended September 30, 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 beginning of year	17,180	11,729	11,729	685	24,606	14,077	39,369	68,279
Dividend from surplus						(8,267)	(8,267)	(8,267)
Net profit						5,298	5,298	5,298
Other-net								
Change in the term	—	—	—	—	—	(2,968)	(2,968)	(2,968)
Balance at end of period	17,180	11,729	11,729	685	24,606	11,108	36,400	65,310

(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 beginning of year	2,694	(69)	2,624	70,903
Dividend from surplus				(8,267)
Net profit				5,298
Other-net	(1,125)	187	(938)	(938)
Change in the term	(1,125)	187	(938)	(3,906)
Balance at end of period	1,568	117	1,686	66,996

**For Interim ended September 30, 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 beginning of year	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						2,687	2,687	2,687
Other-net								
Change in the term	—	—	—	—	—	(917)	(917)	(917)
Balance at end of period	17,180	11,729	11,729	685	24,606	8,955	34,247	63,157

(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 beginning of year	3,056	175	3,231	67,306
Cash dividends				(3,605)
Net profit				2,687
Other-net	(640)	(192)	(832)	(832)
Change in the term	(640)	(192)	(832)	(1,749)
Balance at end of period	2,415	(16)	2,399	65,556

## 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 beginning of year	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 end of year	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 beginning of year	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 end of year	2,694	(69)	2,624	70,903

## **Notes to Unconsolidated Financial Statements**

### **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 “net assets” 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

Financial lease transactions that do not transfer ownership, contracted before April 1, 2008 are accounted as ordinary rental transactions.

7. Hedging Activities

Mark-to-market gain or loss on hedging instruments is deferred as an asset or a liability until the corresponding loss or gain on the underlying hedged items is realized.

Regarding hedged short-term loans in foreign currencies, the Company allocates gain or loss on hedging instruments for the contract terms of the foreign exchange forward contracts.

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

	September 30, 2011	March 31, 2011	(Millions of yen) September 30, 2010
	2,541	2,311	2,221

**Notes to Income Statement Information**

1. Special Profits consist of the following:

	Six Months Ended September 30, 2011	Six Months Ended September 30, 2010	(Millions of yen) Year Ended March 31, 2011
Gain on sales of investment securities and other	34	419	419
Receipt of stock option income	88	94	173

2. Special Losses consist of the following:

	Six Months Ended September 30, 2011	Six Months Ended September 30, 2010	(Millions of yen) Year Ended March 31, 2011
Loss on sales of investment securities	26	149	149
Loss on devaluation of investment securities and other	0	6	10
Loss on disposal of fixed assets	42	-	412
Cancellation money of system use contract	-	-	20

## Supplementary Information

### 1. Net Assets of Investment Trusts

(Billions of yen)

	September 30, 2011	March 31, 2011	Increase (Decrease)
Unit Type	243	219	23
Open Type	7,903	9,202	(1,299)
Stock Investment Trusts - Public	8,146	9,422	(1,275)
Bond Investment Trusts	834	867	(33)
Money Management Fund	735	740	(4)
Others	2,982	3,190	(207)
Bond Investment Trusts - Public	4,552	4,797	(244)
Stock Investment Trusts	1,502	1,703	(200)
Bond Investment Trusts	-	-	-
Private Investment Trusts	1,502	1,703	(200)
Total	14,201	15,922	(1,721)

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

(Billions of yen)

	September 30, 2011	March 31, 2011	Increase (Decrease)
Domestic - General	146	131	14
Domestic - Pension	4,540	4,316	223
Overseas	4,506	5,291	(784)
Total	9,193	9,739	(546)

## Quarterly Income Statement Information

(Millions of Yen)

	1st quarter From April 1, 2011 To June 30, 2011	2nd quarter From July 1, 2011 To September 30, 2011	Six Months Ended From April 1, 2011 To September 30, 2011
Operating revenue	26,326	24,804	51,131
Investment trust management fees	21,686	20,288	41,975
Investment advisory fees	4,606	4,481	9,087
Other operating revenue	33	34	67
Operating expenses	17,710	16,646	34,356
Commissions	11,273	10,603	21,876
Research	5,371	4,957	10,328
Other operating expenses	1,065	1,085	2,150
General and administrative expenses	5,784	5,839	11,623
Operating income (loss)	2,832	2,319	5,151
Non-operating income	1,905	1,356	3,261
Non-operating expenses	26	307	333
Ordinary income	4,710	3,368	8,079
Special profits	78	45	123
Special losses	30	38	69
Income (loss) before income taxes	4,758	3,374	8,133
Income taxes - current	586	1,019	1,605
Income taxes - deferred	1,435	(205)	1,229
Net income (loss)	2,736	2,561	5,298