

# **NOMURA ASSET MANAGEMENT**

**Nomura Asset Management Co., Ltd.**  
**Financial Summary (Unconsolidated)**  
**For The Year Ended March 31, 2012**  
**(Unaudited)**

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

**Unconsolidated Balance Sheet Information (Unaudited)**

(Millions of Yen)

	March 31, 2012	March 31, 2011	Increase (Decrease)
Assets			
Current assets	66,535	57,430	9,105
Cash and cash equivalents	240	538	(298)
Money held in trust	50,326	39,575	10,751
Securities	1,800	1,400	400
Short-term loan receivable from a parent	153	166	(13)
Accrued investment trust management fees	8,149	10,032	(1,883)
Accrued revenue	4,200	3,761	439
Deferred tax assets	1,402	1,736	(333)
Other current assets	268	225	43
Allowance for doubtful accounts	(6)	(6)	0
Fixed assets	32,937	44,903	(11,966)
Tangible fixed assets	1,677	1,823	(145)
Intangible fixed assets	9,754	10,649	(895)
Investments and other	21,505	32,430	(10,925)
Investment securities	6,691	8,648	(1,957)
Investment in subsidiaries and affiliates	14,429	22,609	(8,179)
Long-term guarantee deposits	57	64	(7)
Deferred tax assets	-	582	(582)
Other investments	327	525	(198)
Allowance for doubtful accounts	(0)	(0)	0
Total assets	99,472	102,333	(2,861)

(Millions of Yen)

	March 31, 2012	March 31, 2011	Increase (Decrease)
Liabilities			
Current liabilities	25,310	26,818	(1,507)
Short-term borrowings	8,500	8,000	500
Investment trust distribution of income payable	4	4	(0)
Investment trust redemptions payable	50	79	(28)
Accrued commission payable	3,610	4,517	(907)
Other accounts payable	2,610	3,043	(432)
Accrued expenses	6,760	7,373	(613)
Accrued income taxes	856	800	55
Accrued bonuses	2,816	2,900	(84)
Other current liabilities	100	97	2
Long-term liabilities	2,934	4,611	(1,677)
Reserve for retirement benefits	2,437	4,064	(1,627)
Reserve for loss on distribution of income and redemption after expiration	489	481	8
Deferred tax liabilities	7	-	7
Other long-term liabilities	-	65	(65)
Total liabilities	28,244	31,429	(3,185)
Shareholder's equity	68,521	68,279	242
Common stock	17,180	17,180	-
Capital reserve	11,729	11,729	-
Additional paid-in capital	11,729	11,729	-
Earned surplus	39,611	39,369	242
Earned surplus reserve	685	685	-
Other Earned surplus	38,926	38,684	242
General reserve	24,606	24,606	-
Earned surplus brought forward	14,320	14,077	242
Valuation and translation adjustments	2,705	2,624	81
Net unrealized gain on investments	2,693	2,694	(0)
Deferred gains or loss on hedges	12	(69)	82
Total net assets	71,227	70,903	324
Total liabilities and net assets	99,472	102,333	(2,861)

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

**Unconsolidated Income Statement Information (Unaudited)**

(Millions of Yen)

	Year Ended March 31, 2012 (A)	Year Ended March 31, 2011 (B)	Comparison A/B (%)
Operating revenue	96,325	94,539	101.9
Investment trust management fees	78,412	81,230	96.5
Investment advisory fees	17,784	13,165	135.1
Other operating revenue	129	143	90.3
Operating expenses	64,393	64,980	99.1
Commissions	40,671	39,741	102.3
Research	19,308	20,709	93.2
Other operating expenses	4,413	4,529	97.4
General and administrative expenses	23,381	24,176	96.7
Compensation and benefits	12,348	12,923	95.6
Occupancy	1,309	1,452	90.2
Depreciation of fixed assets	4,354	4,575	95.2
Other general and administrative expenses	5,368	5,226	102.7
Operating income	8,550	5,382	158.9
Non-operating income	4,924	6,391	77.0
Non-operating expenses	104	98	106.2
Ordinary income	13,370	11,676	114.5
Special profits	214	593	36.1
Special losses	221	591	37.4
Income before income taxes	13,363	11,677	114.4
Income taxes - current	3,625	3,759	96.4
Income taxes - deferred	1,228	108	1,135.7
Net income	8,509	7,810	109.0

**Nomura Asset Management Co., Ltd.**  
**Unconsolidated Statements of Shareholder's Equity (Unaudited)**  
**For The Year Ended March 31, 2012**

(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						8,509	8,509	8,509
Other-net								
Change in the term	-	-	-	-	-	242	242	242
Balance at end of year	17,180	11,729	11,729	685	24,606	14,320	39,611	68,521

(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				8,509
Other-net	(0)	82	81	81
Change in the term	(0)	82	81	324
Balance at end of year	2,693	12	2,705	71,227

## For The Year Ended March 31, 2011

(Millions of Yen)

	Shareholder's equity							
	Common stock	Capital reserve		Earned surplus reserve	Earned surplus			Total Shareholder's equity
		Additional paid-in capital	Total capital 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

## **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 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

	(Millions of yen)	
	Year Ended	Year Ended
	<u>March 31, 2012</u>	<u>March 31, 2011</u>
	2,780	2,311

**Notes to Income Statement Information**

1. Special Profits consist of the following:

	(Millions of yen)	
	Year Ended	Year Ended
	<u>March 31, 2012</u>	<u>March 31, 2011</u>
Gain on sales of investment securities and other	36	419
Receipt of stock option income	177	173

**Notes to Income Statement Information**

2. Special Losses consist of the following:

	(Millions of yen)	
	Year Ended	Year Ended
	<u>March 31, 2012</u>	<u>March 31, 2011</u>
Loss on sales of investment securities	136	149
Loss on valuation of investment securities and other	1	10
Loss on disposal of fixed assets	82	412
Cancellation money of system use contract	-	20



## Supplementary Information

### 1. Net Assets of Investment Trusts

(Billions of yen)

	March 31, 2012	March 31, 2011	Increase (Decrease)
Unit Type	185	219	(34)
Open Type	8,778	9,202	(424)
Stock Investment Trusts - Public	8,963	9,422	(458)
Bond Investment Trusts	799	867	(67)
Money Management Fund	732	740	(7)
Others	3,250	3,190	60
Bond Investment Trusts - Public	4,783	4,797	(14)
Unit Type	1,521	1,703	(181)
Open Type	-	-	-
Private Investment Trusts	1,521	1,703	(181)
Total	15,268	15,922	(654)

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

(Billions of yen)

	March 31, 2012	March 31, 2011	Increase (Decrease)
Domestic - General	153	131	21
Domestic - Pension	4,787	4,316	470
Overseas	5,061	5,291	(229)
Total	10,002	9,739	262

## 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	3rd quarter From October 1, 2011 To December 31, 2011	4th quarter From January 1, 2012 To March 31, 2012	For the year From April 1, 2011 To March 31, 2012
Operating revenue	26,326	24,804	22,176	23,018	96,325
Investment trust management fees	21,686	20,288	17,985	18,451	78,412
Investment advisory fees	4,606	4,481	4,160	4,536	17,784
Other operating revenue	33	34	30	30	129
Operating expenses	17,710	16,646	14,913	15,124	64,393
Commissions	11,273	10,603	9,284	9,510	40,671
Research	5,371	4,957	4,470	4,509	19,308
Other operating expenses	1,065	1,085	1,159	1,103	4,413
General and administrative expenses	5,784	5,839	5,769	5,988	23,381
Operating income	2,832	2,319	1,492	1,906	8,550
Non-operating income	1,905	1,356	1,220	441	4,924
Non-operating expenses	26	307	(266)	36	104
Ordinary income	4,710	3,368	2,980	2,311	13,370
Special profits	78	45	43	47	214
Special losses	30	38	70	81	221
Income before income taxes	4,758	3,374	2,952	2,277	13,363
Income taxes - current	586	1,019	871	1,149	3,625
Income taxes - deferred	1,435	(205)	299	(300)	1,228
Net income	2,736	2,561	1,781	1,429	8,509