

# **NOMURA ASSET MANAGEMENT**

**Nomura Asset Management Co., Ltd.**  
**Financial Summary (Unconsolidated)**  
**For The Six Months Ended September 30, 2013**  
**(Unaudited)**

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

**Unconsolidated Balance Sheet Information (Unaudited)**

(Millions of Yen)

	September 30, 2013	March 31, 2013	Increase (Decrease)	September 30, 2012
<b>Assets</b>				
Current assets	67,488	70,582	(3,094)	62,630
Cash and cash equivalents	212	333	(121)	215
Money held in trust	40,345	51,061	(10,716)	46,496
Securities	9,300	4,500	4,800	2,400
Short-term loan receivable	-	-	-	81
Accrued investment trust management fees	9,996	8,651	1,344	7,671
Accrued revenue	5,897	4,224	1,673	4,383
Deferred tax assets	1,221	1,504	(283)	827
Other current assets	523	313	209	560
Allowance for doubtful accounts	(7)	(6)	(1)	(6)
Fixed assets	34,520	31,373	3,147	30,582
Tangible fixed assets	1,503	1,470	32	1,518
Intangible fixed assets	8,073	8,458	(384)	8,817
Investments and other	24,943	21,443	3,499	20,246
Investment securities	12,512	9,061	3,450	4,849
Investment in subsidiaries and affiliates	12,092	12,092	-	15,009
Prepaid pension cost	13	-	13	-
Deferred tax assets	-	-	-	124
Other investments	324	289	35	263
Allowance for doubtful accounts	-	(0)	0	-
<b>Total assets</b>	<b>102,009</b>	<b>101,956</b>	<b>52</b>	<b>93,213</b>

(Millions of Yen)

	September 30, 2013	March 31, 2013	Increase (Decrease)	September 30, 2012
<b>Liabilities</b>				
<b>Current liabilities</b>	<u>16,201</u>	<u>22,436</u>	<u>(6,235)</u>	<u>19,228</u>
Short-term borrowings	-	5,000	(5,000)	7,500
Investment trust distribution of income payable	2	3	(0)	4
Investment trust redemptions payable	40	42	(2)	49
Accrued commission payable	4,303	3,764	538	3,323
Other accounts payable	1,997	2,671	(674)	907
Accrued expenses	6,705	6,979	(273)	5,572
Accrued income taxes	1,055	763	291	424
Accrued bonuses	1,989	3,109	(1,120)	1,346
Other current liabilities	108	102	5	99
<b>Long-term liabilities</b>	<u>3,628</u>	<u>2,948</u>	<u>680</u>	<u>2,128</u>
Reserve for retirement benefits	-	813	(813)	1,636
Reserve for loss on distribution of income and redemption after expiration	504	495	9	492
Deferred tax liabilities	3,124	1,640	1,484	-
<b>Total liabilities</b>	<b>19,830</b>	<b>25,385</b>	<b>(5,554)</b>	<b>21,356</b>
<b>Shareholder's equity</b>	<u>75,436</u>	<u>71,942</u>	<u>3,494</u>	<u>69,834</u>
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>	<b>46,526</b>	<b>43,032</b>	<b>3,494</b>	<b>40,924</b>
Earned surplus reserve	685	685	-	685
Other Earned surplus	45,841	42,347	3,494	40,239
General reserve	24,606	24,606	-	24,606
Earned surplus brought forward	21,235	17,740	3,494	15,633
<b>Valuation and translation adjustments</b>	<u>6,741</u>	<u>4,628</u>	<u>2,113</u>	<u>2,022</u>
Net unrealized gain on investments	6,809	4,659	2,150	1,985
Deferred gains or loss on hedges	(67)	(30)	(36)	36
<b>Total net assets</b>	<b>82,178</b>	<b>76,570</b>	<b>5,607</b>	<b>71,857</b>
<b>Total liabilities and net assets</b>	<b>102,009</b>	<b>101,956</b>	<b>52</b>	<b>93,213</b>

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

**Unconsolidated Income Statement Information (Unaudited)**

(Millions of Yen)

	Six Months Ended September 30, 2013 (A)	Six Months Ended September 30, 2012 (B)	Comparison (A)/(B) (%)	Year Ended March 31, 2013
Operating revenue	55,636	43,436	128.1	91,747
Investment trust management fees	43,970	35,300	124.6	74,067
Investment advisory fees	11,575	8,055	143.7	17,516
Other operating revenue	90	81	110.9	163
Operating expenses	34,466	28,040	122.9	58,810
Commissions	22,457	18,135	123.8	37,925
Research	9,742	7,937	122.7	16,591
Other operating expenses	2,266	1,967	115.2	4,293
General and administrative expenses	12,258	11,543	106.2	23,589
Operating income	8,912	3,852	231.3	9,347
Non-operating income	2,738	2,327	117.7	4,396
Non-operating expenses	839	52	1,597.5	145
Ordinary income	10,811	6,127	176.4	13,598
Special profits	152	152	100.1	230
Special losses	5	87	6.8	3,105
Income before income taxes	10,958	6,192	177.0	10,723
Income taxes - current	2,918	963	302.9	3,765
Income taxes - deferred	579	825	70.1	446
Net income	7,460	4,403	169.4	6,510

**Nomura Asset Management Co., Ltd.**  
**Unconsolidated Statements of Shareholder's Equity (Unaudited)**  
**For Interim ended September 30, 2013**

(Millions of Yen)

	Shareholder's equity							Total Shareholder's equity
	Common stock	Capital reserve		Earned surplus reserve	Other Earned surplus		Total Earned surplus	
		Additional paid-in capital	Total capital reserve		General reserve	Earned surplus brought forward		
Balance at beginning of year	17,180	11,729	11,729	685	24,606	17,740	43,032	71,942
Cash dividends						(3,966)	(3,966)	(3,966)
Net profit						7,460	7,460	7,460
Other-net								
Change in the term	—	—	—	—	—	3,494	3,494	3,494
Balance at end of period	17,180	11,729	11,729	685	24,606	21,235	46,526	75,436

(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	4,659	(30)	4,628	76,570
Cash dividends				(3,966)
Net profit				7,460
Other-net	2,150	(36)	2,113	2,113
Change in the term	2,150	(36)	2,113	5,607
Balance at end of period	6,809	(67)	6,741	82,178

## For Interim ended September 30, 2012

(Millions of Yen)

	Shareholder's equity							Total Shareholder's equity
	Common stock	Capital reserve		Earned surplus reserve	Earned surplus		Total Earned surplus	
		Additional paid-in capital	Total capital reserve		General reserve	Earned surplus brought forward		
Balance at beginning of year	17,180	11,729	11,729	685	24,606	14,320	39,611	68,521
Cash dividends						(3,090)	(3,090)	(3,090)
Net profit						4,403	4,403	4,403
Other-net								
Change in the term	—	—	—	—	—	1,312	1,312	1,312
Balance at end of period	17,180	11,729	11,729	685	24,606	15,633	40,924	69,834

(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	2,693	12	2,705	71,227
Cash dividends				(3,090)
Net profit				4,403
Other-net	(708)	24	(683)	(683)
Change in the term	(708)	24	(683)	629
Balance at end of period	1,985	36	2,022	71,857

## For The Year Ended March 31, 2013

(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	14,320	39,611	68,521
Cash dividends						(3,090)	(3,090)	(3,090)
Net profit						6,510	6,510	6,510
Other-net								
Change in the term	—	—	—	—	—	3,420	3,420	3,420
Balance at end of year	17,180	11,729	11,729	685	24,606	17,740	43,032	71,942

(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	2,693	12	2,705	71,227
Cash dividends				(3,090)
Net profit				6,510
Other-net	1,965	(43)	1,922	1,922
Change in the term	1,965	(43)	1,922	5,342
Balance at end of year	4,659	(30)	4,628	76,570

## **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 or prepaid pension cost.

(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. 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.

7. Accounting for Consumption Taxes

National and local consumption taxes are accounted for based on the tax exclusion method.

8. Consolidated Tax Return System

Consolidated tax return system is applied.

**Notes to Balance Sheet Information**

1. Accumulated Depreciation on Tangible Fixed Assets

	September 30, 2013	March 31, 2013	September 30, 2012
	3,217	3,043	2,992

(Millions of yen)

**Notes to Income Statement Information**

1. Special Profits consist of the following:

	Six Months Ended September 30, 2013	Six Months Ended September 30, 2012	Year Ended March 31, 2013
Gain on sales of investment securities and other	-	59	59
Receipt of stock option income	152	85	160
Gain on sales of fixed assets	-	7	10

(Millions of yen)

2. Special Losses consist of the following:

	Six Months Ended September 30, 2013	Six Months Ended September 30, 2012	Year Ended March 31, 2013
Loss on sales of investment securities	-	60	60
Loss on devaluation of investment securities and other	2	9	9
Loss on devaluation of investments in subsidiaries and affiliates	-	-	2,916
Loss on disposal of fixed assets	3	17	118

(Millions of yen)

## Supplementary Information

### 1. Net Assets of Investment Trusts

(Billions of yen)

	September 30, 2013	March 31, 2013	Increase (Decrease)
Unit Type	197	353	(156)
Open Type	11,164	10,461	702
Stock Investment Trusts - Public	11,361	10,815	546
Bond Investment Trusts	719	745	(25)
Money Management Fund	658	668	(9)
Others	4,716	3,937	778
Bond Investment Trusts - Public	6,094	5,351	743
Stock Investment Trusts	1,551	1,640	(88)
Bond Investment Trusts	127	69	57
Private Investment Trusts	1,679	1,709	(30)
Total	19,135	17,876	1,259

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

(Billions of yen)

	September 30, 2013	March 31, 2013	Increase (Decrease)
Domestic - General	175	181	(6)
Domestic - Pension	5,372	4,546	826
Overseas	6,166	6,019	147
Total	11,714	10,747	967

## Quarterly Income Statement Information

(Millions of Yen)

	1st quarter From April 1, 2013 To June 30, 2013	2nd quarter From July 1, 2013 To September 30, 2013	Six Months Ended From April 1, 2013 To September 30, 2013
Operating revenue	28,473	27,163	55,636
Investment trust management fees	22,543	21,427	43,970
Investment advisory fees	5,888	5,687	11,575
Other operating revenue	41	48	90
Operating expenses	17,682	16,783	34,466
Commissions	11,568	10,888	22,457
Research	4,921	4,820	9,742
Other operating expenses	1,191	1,074	2,266
General and administrative expenses	6,045	6,212	12,258
Operating income (loss)	4,745	4,167	8,912
Non-operating income	1,323	1,414	2,738
Non-operating expenses	729	110	839
Ordinary income	5,339	5,471	10,811
Special profits	130	22	152
Special losses	5	-	5
Income (loss) before income taxes	5,464	5,494	10,958
Income taxes - current	771	2,147	2,918
Income taxes - deferred	1,152	(573)	579
Net income (loss)	3,540	3,920	7,460