

NOMURA ASSET MANAGEMENT

Nomura Asset Management Co., Ltd.
Financial Summary (Unconsolidated)
For The Year Ended March 31, 2022
(Unaudited)

Nomura Asset Management Co., Ltd.

Unconsolidated Balance Sheet Information (Unaudited)

(Millions of Yen)

	March 31, 2021	March 31, 2022	Increase (Decrease)
Assets			
Current assets	100,496	101,417	920
Cash and cash equivalents	4,281	2,006	(2,275)
Money held in trust	35,912	35,894	(18)
Securities	30,400	29,300	(1,100)
Accrued investment trust management fees	24,499	27,176	2,677
Accrued investment advisory fees	4,347	4,002	(345)
Short-term loans	-	1,835	1,835
Other current assets	1,069	1,217	147
Allowance for doubtful accounts	(14)	(15)	(1)
Fixed assets	24,583	23,023	(1,560)
Tangible fixed assets	2,666	1,744	(921)
Intangible fixed assets	5,429	5,210	(218)
Investments and other	16,487	16,067	(419)
Investment securities	1,767	2,201	433
Investment in subsidiaries and affiliates	9,942	9,214	(727)
Long-term guarantee deposits	330	443	112
Prepaid pension cost	1,301	1,297	(3)
Deferred tax assets	3,008	2,784	(223)
Other investments	137	126	(11)
Total assets	125,080	124,440	(640)

(Millions of Yen)

	March 31, 2021	March 31, 2022	Increase (Decrease)
Liabilities			
Current liabilities	32,175	33,127	952
Investment trust distribution of income payable	0	0	0
Investment trust redemptions payable	8	17	9
Accrued commission payable	7,256	8,357	1,100
Accounts payable to subsidiaries and affiliates	8,671	8,149	(521)
Other accounts payable	1,011	1,089	78
Accrued expenses	9,171	9,512	341
Accrued income taxes	2,113	1,319	(794)
Accrued bonuses	3,795	4,416	620
Other current liabilities	146	263	117
Long-term liabilities	5,250	4,905	(345)
Reserve for retirement benefits	3,299	3,194	(105)
Reserve for loss on distribution of income and redemption after expiration	580	588	8
Asset retirement obligations	1,371	1,123	(247)
Total liabilities	37,425	38,033	607
Shareholder's equity	87,596	86,232	(1,364)
Common stock	17,180	17,180	-
Capital reserve	13,729	13,729	-
Additional paid-in capital	11,729	11,729	-
Other capital surplus	2,000	2,000	-
Earned surplus	56,686	55,322	(1,364)
Earned surplus reserve	685	685	-
Other Earned surplus	56,001	54,637	(1,364)
General reserve	24,606	24,606	-
Earned surplus brought forward	31,395	30,030	(1,364)
Valuation and translation adjustments	57	174	116
Net unrealized gain on investments	57	174	116
Total net assets	87,654	86,407	(1,247)
Total liabilities and net assets	125,080	124,440	(640)

Nomura Asset Management Co., Ltd.

Unconsolidated Income Statement Information (Unaudited)

(Millions of Yen)

	Year Ended March 31, 2021 (A)	Year Ended March 31, 2022 (B)	Comparison (B)/(A) (%)
Operating revenue	123,367	133,935	108.6
Investment trust management fees	106,355	115,733	108.8
Investment advisory fees	16,583	17,671	106.6
Other operating revenue	428	530	123.9
Operating expenses	65,760	71,021	108.0
Commissions	34,739	39,087	112.5
Research	24,506	26,650	108.7
Other operating expenses	6,514	5,282	81.1
General and administrative expenses	28,063	29,556	105.3
Operating income	29,542	33,357	112.9
Non-operating income	6,687	4,809	71.9
Non-operating expenses	72	1,689	2,334.6
Ordinary income	36,157	36,477	100.9
Special profits	2,197	230	10.5
Special losses	1,129	1,158	102.5
Income before income taxes	37,225	35,549	95.5
Income taxes - current	11,239	10,474	93.2
Income taxes - deferred	(290)	171	(58.9)
Net income	26,276	24,904	94.8

For The Year Ended March 31, 2021

(Millions of Yen)

	Shareholder's equity								
	Common stock	Capital reserve			Earned surplus				Total Shareholder's equity
		Additional paid-in capital	Other capital surplus	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	2,000	13,729	685	24,606	29,069	54,360	85,270
Dividends of surplus							(23,950)	(23,950)	(23,950)
Net income							26,276	26,276	26,276
Other-net									
Change in the term	-	-	-	-	-	-	2,326	2,326	2,326
Balance at end of year	17,180	11,729	2,000	13,729	685	24,606	31,395	56,686	87,596

(Millions of Yen)

	Valuation and translation adjustments		Total net assets
	Net unrealized gain on investments	Total Valuation and translation adjustments	
Balance at beginning of year	10	10	85,281
Dividends of surplus			(23,950)
Net income			26,276
Other-net	46	46	46
Change in the term	46	46	2,372
Balance at end of year	57	57	87,654

For The Year Ended March 31, 2022

(Millions of Yen)

	Shareholder's equity								
	Common stock	Capital reserve			Earned surplus				Total Shareholder's equity
		Additional paid-in capital	Other capital surplus	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	2,000	13,729	685	24,606	31,395	56,686	87,596
Dividends of surplus							(26,268)	(26,268)	(26,268)
Net income							24,904	24,904	24,904
Other-net									
Change in the term	-	-	-	-	-	-	(1,364)	(1,364)	(1,364)
Balance at end of year	17,180	11,729	2,000	13,729	685	24,606	30,030	55,322	86,232

(Millions of Yen)

	Valuation and translation adjustments		Total net assets
	Net unrealized gain on investments	Total Valuation and translation adjustments	
Balance at beginning of year	57	57	87,654
Dividends of surplus			(26,268)
Net income			24,904
Other-net	116	116	116
Change in the term	116	116	(1,247)
Balance at end of year	174	174	86,407

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 Money held in trust
Recorded at fair value
3. Basis and Method of Valuation for Derivatives
Recorded at fair value
4. Translation of foreign currency assets and liabilities
Assets and Liabilities of the company are translated into Japanese yen at the exchange rate prevailing at the balance sheet dates.
5. Depreciation/Amortization Method of Fixed Assets
 - (1) Depreciation of tangible fixed assets
Tangible fixed assets are depreciated by the declining-balance method, except for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and both facilities attached to buildings and structures acquired on or after April 1, 2016, which are depreciated by the straight-line method.
 - (2) Amortization of intangible assets
Intangible assets are amortized primarily over their estimated useful lives on the straight-line method.
6. 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
Allowance for retirement benefits is provided for future payments of retirement benefits to employees at an estimated amount based on the retirement benefit obligation and the fair value of the pension plan assets.
The benefit formula method is used for attributing the estimated future payments to the amount of allowance for retirement benefits in this fiscal year.
Any actuarial differences arising from the tax-qualified pension plan are amortized from the following fiscal year when the differences arose by the straight-line method over a period within the average remaining years of service of the eligible employees, while those arising from the lump-sum payment plan are fully expensed in the following fiscal year when the differences arose. Prior service costs arising from the lump-sum payment plan and tax-qualified pension plan are amortized by the straight-line method over a period within the average remaining years of service of the eligible employees from the fiscal year when they were incurred.

(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.

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.

Changes in Accounting Policies

1. Application of Accounting Standard for Revenue Recognition etc.

The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020) etc. from the beginning of the period for the year ended March 31, 2022 and has recognized revenue in an amount expected to be earned in exchange for goods or services at the time when controls of the promised goods or services are transferred to customers.

As for non-operating income from system-related service and as a gross amount, previously recognized as a net amount after deducted system-related expenses.

As for the application of Accounting standards for Revenue recognition etc., in accordance with transitional treatment stipulated in the proviso of Paragraph 84 of “Accounting Standard for revenue recognition”, the cumulative effects by the retroactive application of the new accounting policy previous to the beginning of the period for the year ended March 31, 2022 are adjusted to “Retained earnings” of the beginning of the period for the year ended March 31, 2022.

The effect on financial statements during the reporting period is insignificant.

2. Application of Accounting Standard for Fair Value Measurement etc.

The Company has applied “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019) etc. from the beginning of the period for the year ended March 31, 2022.

As for the application of Accounting standards for Fair Value Measurement etc., in accordance with transitional treatment stipulated in Item 19 of “Accounting Standards for Fair Value Measurement” and Item 44-2 of “Accounting Standard for Financial Instruments,” (ASBJ Statement No.10, July 4, 2019) the Company has applied new accounting policies since the beginning of the period for the year ended March 31, 2022. This has no effect on the financial statements.

Supplementary Information

1. Net Assets of Investment Trusts

(Billions of yen)

	March 31, 2021	March 31, 2022	Increase (Decrease)
Unit Type	47	34	(12)
Open Type	35,864	37,611	1,746
Stock Investment Trusts - Public	35,912	37,646	1,733
Bond Investment Trusts	342	320	(22)
Money Reserve Fund	6,189	5,973	(216)
Others	0	0	0
Bond Investment Trusts - Public	6,532	6,293	(238)
Stock Investment Trusts	2,556	2,493	(63)
Bond Investment Trusts	1,621	1,451	(169)
Private Investment Trusts	4,178	3,945	(233)
Total	46,623	47,885	1,261

2. Assets under Investment Management and Advisory Contracts

(Billions of yen)

	March 31, 2021	March 31, 2022	Increase (Decrease)
Domestic - General	314	372	57
Domestic - Pension	8,398	9,071	673
Overseas	3,736	3,845	108
Total	12,449	13,288	839

Quarterly Income Statement Information

(Millions of yen)

	1st quarter From April 1, 2021 To June 30, 2021	2nd quarter From July 1, 2021 To September 30, 2021	3rd quarter From October 1, 2021 To December 31, 2021	4th quarter From January 1, 2022 To March 31, 2022	For the year From April 1, 2021 To March 31, 2022
Operating revenue	32,071	33,475	34,438	33,949	133,935
Investment trust management fees	27,883	29,165	30,025	28,658	115,733
Investment advisory fees	4,084	4,194	4,293	5,099	17,671
Other operating revenue	104	115	120	190	530
Operating expenses	16,917	17,673	18,496	17,933	71,021
Commissions	9,366	9,899	10,174	9,648	39,087
Research	6,329	6,553	6,956	6,812	26,650
Other operating expenses	1,221	1,221	1,366	1,472	5,282
General and administrative expenses	7,345	7,244	7,204	7,762	29,556
Operating income	7,808	8,557	8,737	8,253	33,357
Non-operating income	2,110	2,026	379	293	4,809
Non-operating expenses	23	239	536	891	1,689
Ordinary income	9,896	10,344	8,580	7,655	36,477
Special profits	19	29	15	165	230
Special losses	-	507	0	650	1,158
Income before income taxes	9,916	9,866	8,595	7,170	35,549
Income taxes - current	1,558	3,036	3,082	2,797	10,474
Income taxes - deferred	1,568	(519)	(125)	(752)	171
Net income	6,789	7,349	5,639	5,125	24,904