

# **NOMURA ASSET MANAGEMENT**

**Nomura Asset Management Co., Ltd.  
Financial Summary (Unconsolidated)  
For The Year Ended March 31, 2023  
(Unaudited)**

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

**Unconsolidated Balance Sheet Information (Unaudited)**

(Millions of Yen)

	March 31, 2022	March 31, 2023	Increase (Decrease)
Assets			
Current assets	101,417	101,486	69
Cash and cash equivalents	2,006	1,865	(140)
Money held in trust	35,894	42,108	6,213
Short-term investment securities	29,300	21,900	(7,400)
Accrued investment trust management fees	27,176	26,116	(1,059)
Accrued investment advisory fees	4,002	3,780	(222)
Short-term loans receivable	1,835	1,001	(834)
Income taxes refund receivable	-	2,083	2,083
Other	1,217	2,645	1,428
Allowance for doubtful receivables	(15)	(15)	0
Fixed assets	23,023	23,235	212
Tangible fixed assets	1,744	1,335	(409)
Intangible fixed assets	5,210	5,563	352
Investments and other assets	16,067	16,336	268
Investment securities	2,201	1,793	(408)
Investment in subsidiaries and affiliates	9,214	10,025	811
Long-term guarantee deposits	443	520	77
Prepaid pension cost	1,297	1,553	255
Deferred tax assets	2,784	2,340	(443)
Other	126	102	(23)
Total assets	124,440	124,722	281

(Millions of Yen)

	March 31, 2022	March 31, 2023	Increase (Decrease)
Liabilities			
Current liabilities	33,127	32,414	(712)
Distributions of income payable	0	0	0
Redemptions payable	17	57	39
Commissions payable	8,357	8,409	52
Accounts payable to affiliated company	8,149	8,911	761
Other accounts payable	1,089	500	(589)
Accrued expenses	9,512	9,682	169
Accrued income taxes	1,319	1,024	(295)
Allowance for bonuses	4,416	3,635	(781)
Other	263	193	(70)
Long-term liabilities	4,905	4,659	(246)
Allowance for retirement benefits	3,194	2,940	(253)
Reserve for loss on distribution of income and redemption after statute of limitation	588	595	7
Asset retirement obligations	1,123	1,123	-
Total liabilities	38,033	37,074	(959)
Shareholder's equity	86,232	87,419	1,186
Common stock	17,180	17,180	-
Capital surplus	13,729	13,729	-
Additional paid-in capital	11,729	11,729	-
Other capital surplus	2,000	2,000	-
Earned surplus	55,322	56,509	1,186
Earned surplus reserve	685	685	-
Other earned surplus	54,637	55,823	1,186
General reserve	24,606	24,606	-
Unappropriated retained earnings	30,030	31,217	1,186
Valuation and translation adjustments	174	229	54
Valuation differences on available-for-sale securities	174	229	54
Total net assets	86,407	87,648	1,240
Total liabilities and net assets	124,440	124,722	281

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

**Unconsolidated Income Statement Information (Unaudited)**

(Millions of Yen)

	Year Ended March 31, 2022 (A)	Year Ended March 31, 2023 (B)	Comparison (B)/(A) (%)
Operating revenues	133,935	132,021	98.6
Investment trust management fees	115,733	113,491	98.1
Investment advisory fees	17,671	18,198	103.0
Other operating revenues	530	331	62.5
Operating expenses	71,021	73,587	103.6
Commissions	39,087	38,684	99.0
Research	26,650	29,050	109.0
Other operating expenses	5,282	5,853	110.8
General and administrative expenses	29,556	29,669	100.4
Operating income	33,357	28,763	86.2
Non-operating revenues	4,809	8,377	174.2
Non-operating expenses	1,689	1,755	103.9
Ordinary income	36,477	35,385	97.0
Extraordinary gains	230	57	24.9
Extraordinary losses	1,158	69	6.0
Income before income taxes	35,549	35,374	99.5
Income taxes – current	10,474	8,890	84.9
Income taxes - deferred	171	419	244.9
Net income	24,904	26,064	104.7

## For The Year Ended March 31, 2022

(Millions of Yen)

	Shareholder's equity								
	Common stock	Capital surplus			Earned surplus				Total Shareholder's equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Earned surplus reserve	Other earned surplus		Total Earned surplus	
						General reserve	Unappropriated retained earnings		
Balance at beginning of fiscal year	17,180	11,729	2,000	13,729	685	24,606	31,395	56,686	87,596
Changes in items during the year:									
Dividends of surplus							(26,268)	(26,268)	(26,268)
Net income							24,904	24,904	24,904
Net changes in items other than shareholder's equity									
Total changes in items during the year	-	-	-	-	-	-	(1,364)	(1,364)	(1,364)
Balance at end of fiscal 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
	Valuation differences on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of fiscal year	57	57	87,654
Changes in items during the year:			
Dividends of surplus			(26,268)
Net income			24,904
Net changes in items other than shareholder's equity	116	116	116
Total changes in items during the year	116	116	(1,247)
Balance at end of fiscal year	174	174	86,407

## For The Year Ended March 31, 2023

(Millions of Yen)

	Shareholder's equity								
	Common stock	Capital surplus			Earned surplus				Total Shareholder's equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Earned surplus reserve	Other earned surplus		Total Earned surplus	
						General reserve	Unappropriated retained earnings		
Balance at beginning of fiscal year	17,180	11,729	2,000	13,729	685	24,606	30,030	55,322	86,232
Changes in items during the year:									
Dividends of surplus							(24,877)	(24,877)	(24,877)
Net income							26,064	26,064	26,064
Net changes in items other than shareholder's equity									
Total changes in items during the year	-	-	-	-	-	-	1,186	1,186	1,186
Balance at end of fiscal year	17,180	11,729	2,000	13,729	685	24,606	31,217	56,509	87,419

(Millions of Yen)

	Valuation and translation adjustments		Total net assets
	Valuation differences on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of fiscal year	174	174	86,407
Changes in items during the year:			
Dividends of surplus			(24,877)
Net income			26,064
Net changes in items other than shareholder's equity	54	54	54
Total changes in items during the year	54	54	1,240
Balance at end of fiscal year	229	229	87,648

## **Significant Accounting Policies**

### 1. Basis and Method of Valuation for Securities

The basis and methods of valuation are summarized as follows:

Investments in subsidiaries and affiliates ..... at cost by the moving average method

Available-for-sale securities:

With determinable market value ..... at market value

Valuation differences are reported net of the applicable income taxes as a separate component of net assets and costs of securities sold are calculated by the moving average method.

Without determinable market value ..... at cost by the moving average method

### 2. Basis and Method of Valuation for Money held in trust

Money held in trust is measured at fair value.

### 3. Basis and Method of Valuation for Derivatives

Derivatives are measured at fair value.

### 4. Translation of foreign currency assets and liabilities

Assets and Liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate, prevailing at the balance sheet date and the effect of exchange rate changes are recorded in gain and loss.

### 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 structures attached to the buildings) acquired on or after April 1, 1998, which are depreciated by the straight-line method. Furthermore, structures attached to the buildings and facilities acquired on or after April 1, 2016 are depreciated by the straight-line method.

#### (2) Amortization of intangible assets

Intangible fixed assets are amortized by the straight-line method. Software for internal use is amortized by the straight-line method over estimated useful lives on the basis of internal use.

### 6. Allowances and Accruals

#### (1) Allowance for doubtful receivables

For specific receivables from doubtful debtors, allowance for doubtful receivables is provided by determining the likelihood of recovery of individual doubtful receivables. For receivables other than those indicated above, allowance for doubtful receivables is provided by using the historical rate of default.

#### (2) Allowance for bonuses

Allowance for bonuses is provided by estimating bonuses to be paid, based on services provided during the fiscal year.

#### (3) Allowance for retirement benefits

Allowance for retirement benefits which consists of lump-sum payment plan and tax-qualified pension plan 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 arise 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 arise. 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 are incurred.

(4) Reserve for loss on distribution of income and redemption after statute of limitation

Reserve for loss on distribution of income and redemption after statute of limitation is provided for investment trust distributions of income and investment trust redemptions recognized as revenue by prescription by estimating the amount of potential payments in the future, which is based on actual payments made in the past.

7. Revenue and Expense Recording Basis

The Company's primary source of revenue is fee income from investment management activities performing the asset management business. Fee income consists of investment trust management fees and investment advisory fees. It may include performance based fees.

(1) Investment trust management fees

Investment trust management fees are generated through investment trust agreements and are generally based on an agreed percentage of the net asset value on a daily basis, assuming that the performance obligation is satisfied based on time elapsed.

Payments of investment trust management fees are settled mainly quarterly or semi-annually.

(2) Investment advisory fees

Investment advisory fees are generated through investment advisory agreements and are generally based on agreed fee rates over the contractual period, assuming that the performance obligation is satisfied based on time elapsed.

Payments of investment trust management fees are settled mainly quarterly or semi-annually.

(3) Performance based fees

Performance based fees are earned from certain arrangements when the actual performance exceeded certain benchmarks or other contractually agreed performance metrics within specified performance measurement periods. They are only recognized at point when it is highly probable that a significant reversal of revenue will not occur in future periods.

8. Accounting for Consumption Taxes

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

### **Changes in Accounting Policies**

(Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021 (referred to as "Fair Value Accounting Standard Implementation Guidance")) from the beginning of the period for the six months ended September 30, 2022.

In accordance with the transitional treatment set forth in Article 27-2 of "Fair Value Accounting Standard Implementation Guidance", the Company has prospectively adopted the new accounting policy set forth in "Fair Value Accounting Standard Implementation Guidance".

There are no impacts on financial statements due to the application of the Implementation Guidance.

### **Additional Information**

(Application of Treatment of Accounting and Disclosure for Applying the Japanese Group Relief System)

The Company has translated the Consolidated Tax System into the Japanese Group Relief System from the beginning of the period for the six months ended September 30, 2022. In accordance with this, accounting and disclosure of corporate tax, local corporate tax and tax-effect accounting are in compliance with "Treatment of accounting and disclosure for applying the Japanese Group Relief System (Practical Solutions No. 42, August 12, 2021 ("Practical Solutions No.42")). In addition, based on Practical Solutions No. 42, Paragraph 32 (1), the company regards that there is no impact from the changes in accounting policies associated with the effects of the application of Practical Solutions No.42.



## Supplementary Information

### 1. Net Assets of Investment Trusts

(Billions of yen)

	March 31, 2022	March 31, 2023	Increase (Decrease)
Unit Type	34	122	88
Open Type	37,611	38,364	753
Stock Investment Trusts - Public	37,646	38,487	841
Bond Investment Trusts	320	293	(26)
Money Reserve Fund	5,973	5,781	(192)
Others	0	0	0
Bond Investment Trusts - Public	6,293	6,075	(218)
Stock Investment Trusts	2,493	2,330	(162)
Bond Investment Trusts	1,451	1,061	(390)
Private Investment Trusts	3,945	3,392	(552)
Total	47,885	47,955	70

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

(Billions of yen)

	March 31, 2022	March 31, 2023	Increase (Decrease)
Domestic - General	372	508	136
Domestic - Pension	9,071	8,375	(696)
Overseas	3,845	3,703	(141)
Total	13,288	12,587	(701)

## Quarterly Income Statement Information

(Millions of yen)

	1st quarter From April 1, 2022 To June 30, 2022	2nd quarter From July 1, 2022 To September 30, 2022	3rd quarter From October 1, 2022 To December 31, 2022	4th quarter From January 1, 2023 To March 31, 2023	For the year From April 1, 2022 To March 31, 2023
Operating revenues	33,362	33,722	32,328	32,608	132,021
Investment trust management fees	28,634	29,105	28,113	27,637	113,491
Investment advisory fees	4,616	4,546	4,135	4,900	18,198
Other operating revenues	112	69	79	70	331
Operating expenses	18,055	18,521	18,289	18,721	73,587
Commissions	9,619	9,803	9,718	9,542	38,684
Research	7,125	7,415	7,131	7,387	29,050
Other operating expenses	1,311	1,302	1,439	1,800	5,853
General and administrative expenses	7,110	7,465	7,664	7,428	29,669
Operating income (loss)	8,196	7,735	6,373	6,458	28,763
Non-operating revenues	4,576	2,789	212	798	8,377
Non-operating expenses	1,197	377	(236)	418	1,755
Ordinary income	11,575	10,148	6,822	6,839	35,385
Extraordinary gains	6	23	14	12	57
Extraordinary losses	16	33	0	19	69
Income (loss) before income taxes	11,566	10,138	6,837	6,831	35,374
Income taxes - current	1,539	2,783	2,295	2,271	8,890
Income taxes - deferred	1,428	(462)	(196)	(350)	419
Net income (loss)	8,597	7,818	4,737	4,910	26,064