

# **NOMURA ASSET MANAGEMENT**

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

**Financial Summary (Unconsolidated)**

**For The Six Months Ended September 30, 2024**

**(Unaudited)**

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

**Unconsolidated Balance Sheet Information (Unaudited)**

(Millions of Yen)

	March 31, 2024	September 30, 2024	Increase (Decrease)	September 30, 2023
Assets				
Current assets	92,719	97,372	4,652	87,173
Cash and cash equivalents	7,405	5,222	(2,183)	7,755
Money held in trust	44,745	47,595	2,850	42,741
Accrued investment trust management fees	31,788	35,191	3,402	28,981
Accrued investment advisory fees	5,989	6,723	734	5,565
Short-term loans receivable	757	1,427	670	747
Other	2,052	1,233	(819)	1,398
Allowance for doubtful receivables	(18)	(21)	(2)	(17)
Non-current assets	23,918	22,884	(1,033)	23,444
Tangible fixed assets	945	761	(184)	1,140
Intangible fixed assets	5,658	6,247	588	5,519
Investments and other assets	17,314	15,876	(1,437)	16,784
Investment securities	1,813	1,503	(309)	1,862
Investment in subsidiaries and affiliates	9,535	9,535	-	10,025
Long-term guarantee money deposited	519	521	2	519
Prepaid pension cost	1,875	2,189	313	1,721
Deferred tax assets	2,651	2,020	(630)	1,761
Other	919	105	(814)	893
Total assets	116,638	120,257	3,618	110,617

(Millions of Yen)

	March 31, 2024	September 30, 2024	Increase (Decrease)	September 30, 2023
Liabilities				
Current liabilities	52,005	63,195	11,189	57,568
Short-term borrowings	13,700	28,300	14,600	29,900
Distributions of income payable	1	1	0	1
Redemptions payable	39	38	(0)	40
Commissions payable	10,312	11,479	1,167	9,305
Accounts payable to affiliated company	1,052	244	(807)	2,395
Accrued expenses	12,507	11,699	(807)	10,122
Accrued income taxes	8,095	6,872	(1,223)	2,521
Accrued consumption taxes	1,590	1,584	(6)	1,085
Allowance for bonuses	4,543	2,843	(1,699)	1,993
Other	163	130	(32)	201
Non-current liabilities	4,484	4,410	(73)	4,579
Allowance for retirement benefits	2,759	2,678	(80)	2,855
Reserve for loss on distribution of income and redemption after statute of limitation	602	609	7	601
Asset retirement obligations	1,123	1,123	-	1,123
Total liabilities	56,490	67,606	11,115	62,148
Shareholder's equity	59,820	52,360	(7,460)	48,142
Common stock	17,180	17,180	-	17,180
Capital surplus	13,729	13,729	-	13,729
Additional paid-in capital	11,729	11,729	-	11,729
Other capital surplus	2,000	2,000	-	2,000
Earned surplus	28,910	21,450	(7,460)	17,232
Earned surplus reserve	685	685	-	685
Other earned surplus	28,225	20,765	(7,460)	16,547
Unappropriated retained earnings	28,225	20,765	(7,460)	16,547
Valuation and translation adjustments	327	290	(36)	325
Valuation differences on available-for-sale securities	327	290	(36)	325
Total net assets	60,147	52,651	(7,496)	48,468
Total liabilities and net assets	116,638	120,257	3,618	110,617

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

**Unconsolidated Income Statement Information (Unaudited)**

(Millions of Yen)

	Six Months Ended September 30, 2023 (A)	Six Months Ended September 30, 2024 (B)	Comparison (B)/(A) (%)	Year Ended March 31, 2024
Operating revenues	70,111	87,039	124.1	146,202
Investment trust management fees	59,892	75,441	126.0	124,722
Investment advisory fees	10,062	11,445	113.7	21,188
Other operating revenues	156	153	98.0	291
Operating expenses	39,259	49,123	125.1	82,468
Commissions	20,743	27,091	130.6	43,258
Research	15,670	18,872	120.4	33,107
Other operating expenses	2,845	3,159	111.1	6,103
General and administrative expenses	15,475	16,272	105.2	31,491
Operating income	15,376	21,643	140.8	32,242
Non-operating revenues	7,161	6,924	96.7	7,875
Non-operating expenses	715	285	39.9	967
Ordinary income	21,822	28,282	129.6	39,149
Extraordinary gains	11	23	201.0	28
Extraordinary losses	10	13	129.4	527
Income before income taxes	21,823	28,292	129.6	38,651
Income taxes - current	4,781	6,931	145.0	10,821
Income taxes - deferred	536	646	120.6	(354)
Net income	16,505	20,713	125.5	28,183

**Nomura Asset Management Co., Ltd.**  
**Unconsolidated Statements of Shareholder's Equity (Unaudited)**  
**For Interim ended September 30, 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 period	17,180	11,729	2,000	13,729	685	24,606	31,217	56,509	87,419
Changes during period									
Dividends of surplus							(55,782)	(55,782)	(55,782)
Net income							16,505	16,505	16,505
Reversal of general reserve						(24,606)	24,606	-	-
Net changes in items other than shareholder's equity									
Total changes during period	-	-	-	-	-	(24,606)	(14,669)	(39,276)	(39,276)
Balance at end of period	17,180	11,729	2,000	13,729	685	-	16,547	17,232	48,142

(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 period	229	229	87,648
Changes during period			
Dividends of surplus			(55,782)
Net income			16,505
Reversal of general reserve			-
Net changes in items other than shareholder's equity	96	96	96
Total changes during period	96	96	(39,179)
Balance at end of period	325	325	48,468

**For Interim ended September 30, 2024**

(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 period	17,180	11,729	2,000	13,729	685	-	28,225	28,910	59,820
Changes during period									
Dividends of surplus							(28,174)	(28,174)	(28,174)
Net income							20,713	20,713	20,713
Reversal of general reserve								-	-
Net changes in items other than shareholder's equity									
Total changes during period	-	-	-	-	-	-	(7,460)	(7,460)	(7,460)
Balance at end of period	17,180	11,729	2,000	13,729	685	-	20,765	21,450	52,360

(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 period	327	327	60,147
Changes during period			
Dividends of surplus			(28,174)
Net income			20,713
Reversal of general reserve			-
Net changes in items other than shareholder's equity	(36)	(36)	(36)
Total changes during period	(36)	(36)	(7,496)
Balance at end of period	290	290	52,651

## For The Year Ended March 31, 2024

(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 period	17,180	11,729	2,000	13,729	685	24,606	31,217	56,509	87,419
Changes during period									
Dividends of surplus							(55,782)	(55,782)	(55,782)
Net income							28,183	28,183	28,183
Reversal of general reserve						(24,606)	24,606	-	-
Net changes in items other than shareholder's equity									
Total changes during period	-	-	-	-	-	(24,606)	(2,991)	(27,598)	(27,598)
Balance at end of period	17,180	11,729	2,000	13,729	685	-	28,225	28,910	59,820

(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 period	229	229	87,648
Changes during period			
Dividends of surplus			(55,782)
Net income			28,183
Reversal of general reserve			-
Net changes in items other than shareholder's equity	97	97	97
Total changes during period	97	97	(27,500)
Balance at end of period	327	327	60,147

## **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.

## **Supplementary Information**

### **1. Net Assets of Investment Trusts**

(Billions of yen)

	September 30, 2023	September 30, 2024	Increase (Decrease)
Unit Type	11	0	(11)
Open Type	43,579	51,968	8,388
Stock Investment Trusts - Public	43,591	51,968	8,376
Bond Investment Trusts	283	259	(24)
Money Reserve Fund	6,467	6,399	(67)
Others	0	0	0
Bond Investment Trusts - Public	6,751	6,658	(92)
Stock Investment Trusts	2,295	2,539	243
Bond Investment Trusts	989	821	(167)
Private Investment Trusts	3,284	3,361	76
Total	53,626	61,988	8,361

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

(Billions of yen)

	September 30, 2023	September 30, 2024	Increase (Decrease)
Domestic - General	617	714	96
Domestic - Pension	9,697	10,679	982
Overseas	4,165	4,663	498
Total	14,480	16,058	1,577

## Quarterly Income Statement Information

(Millions of Yen)

	1st quarter From April 1, 2024 To June 30, 2024	2nd quarter From July 1, 2024 To September 30, 2024	Six Months Ended From April 1, 2024 To September 30, 2024
Operating revenues	42,301	44,738	87,039
Investment trust management fees	36,737	38,704	75,441
Investment advisory fees	5,487	5,957	11,445
Other operating revenues	77	75	153
Operating expenses	23,728	25,395	49,123
Commissions	13,051	14,039	27,091
Research	9,086	9,785	18,872
Other operating expenses	1,590	1,569	3,159
General and administrative expenses	7,766	8,506	16,272
Operating income (loss)	10,807	10,836	21,643
Non-operating revenues	3,690	3,233	6,924
Non-operating expenses	139	146	285
Ordinary income	14,358	13,923	28,282
Extraordinary gains	6	16	23
Extraordinary losses	7	5	13
Income (loss) before income taxes	14,357	13,934	28,292
Income taxes - current	2,784	4,147	6,931
Income taxes - deferred	1,391	(745)	646
Net income(loss)	10,182	10,531	20,713