

Financial Results Presentation

Financial Results for 2nd Quarter FY March 2022

Nomura Research Institute, Ltd.

Shingo Konomoto

Chairman and President & CEO, Member of the Board

October 27, 2021



- The comments on the presentation note part are supplementary information on the content of remarks at the financial results briefing and settlement figures.
- Please note that there is no comment on the slide that omitted the explanation at the financial results briefing or the slide without supplementary information.

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Financial Results for 2nd Quarter FY March 2022

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Reference Materials

Financial Results for 2nd Quarter FY March 2022

Highlights of Consolidated Financial Results <1H>

■ YoY comparison

(JPY million)

	2Q FY Mar. 2021	2Q FY Mar. 2022	Diff.	YoY Change
Revenue	266,224	291,974	25,750	9.7%
Operating Profit	39,868	53,913	14,044	35.2%
Operating Margin	15.0%	18.5%	3.5P	
EBITDA Margin	22.7%	24.5%	1.7P	
Profit before tax	37,315	53,517	16,201	43.4%
Profit attributable to owners of parent	25,385	36,513	11,127	43.8%

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- Revenue increased by 25.7 billion yen, and operating profit increased by 14 billion yen.
Approximately 9 billion yen of the revenue increase was contributed by the two newly consolidated companies in Australia.
Subtracting gain from the sale of assets (3.3 billion yen) occurring in the first quarter, operating profit still increased by nearly 30%.
- Operating margin was at a record high of 18.5%.
Excluding gain from the sale of assets, operating margin was still over 17%.

Financial Results for 2nd Quarter FY March 2022

Highlights of Consolidated Financial Results <1H>

■ Comparison with announced forecasts on April 27

(JPY billion)

	2Q FY Mar. 2022 (Forecast)	2Q FY Mar. 2022 (Results)	Diff.	YoY Change
Sales	285.0	291.9	6.9	2.4%
Operating Profit	47.0	53.9	6.9	14.7%
Operating Margin	16.5%	18.5%	2.0P	
Profit before tax	48.0	53.5	5.5	11.5%
Profit attributable to owners of parent	33.0	36.5	3.5	10.6%

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Financial Results for 2nd Quarter FY March 2022

External Revenue by Segment <1H>

(JPY million)

	2Q FY Mar. 2021	Share	2Q FY Mar. 2022	Share	Diff.	YoY Change
Consulting	15,414	5.8%	18,853	6.5%	3,439	22.3%
Financial IT Solutions	141,658	53.2%	145,860	50.0%	4,201	3.0%
Securities	63,546	23.9%	64,484	22.1%	937	1.5%
Insurance	30,041	11.3%	31,860	10.9%	1,819	6.1%
Banking	24,967	9.4%	22,962	7.9%	(2,004)	(8.0%)
Other financial	23,104	8.7%	26,552	9.1%	3,448	14.9%
Industrial IT Solutions	91,087	34.2%	107,610	36.9%	16,522	18.1%
Distribution	30,873	11.6%	33,377	11.4%	2,503	8.1%
Manufacturing, service and other	60,214	22.6%	74,232	25.4%	14,018	23.3%
IT Platform Services	18,063	6.8%	19,650	6.7%	1,587	8.8%
Total	266,224	100%	291,974	100%	25,750	9.7%

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- In Consulting, domestically business performance in DX projects remained strong while carbon neutrality projects began to arise.
- In Financial IT Solutions,
 - In Securities, projects for major clients peaked out, but systems integration projects for online brokerages and other projects compensated for this effect.
 - In Insurance, performance was strong in projects for non-life insurers, mutual insurance and the public sector.
 - In Banking, revenues decreased due to the impact of reversion from two large projects the previous year.
 - In other financial business, mobile financial services-related business was strong. The consolidation effect of AUSIEX accounted for roughly half the increase in revenues.
- In Industrial IT Solutions,
 - In Distribution, business was strong in DX projects for retail and trading companies.
 - In Manufacturing, services and other, domestic business was strong in DX projects for a broad range of industry types, particularly in large DX projects for distribution.
The consolidation effect of Planit (approximately 6 billion yen) in Australia also contributed to performance.
- In IT Platform Services, business was strong in information security.

Financial Results for 2nd Quarter FY March 2022

External Revenue by Segment <1H> (supplementary information)

■ Revenue by main client

(JPY million)

	2Q FY Mar. 2021	Share**	2Q FY Mar. 2022	Share**	Diff.	YoY Change
Nomura Holdings	31,799	11.9%	30,813	10.6%	(986)	(3.1%)

■ Overseas Revenue

(JPY million)

	2Q FY Mar. 2021	Share**	2Q FY Mar. 2022	Share**	Diff.	YoY Change
Overseas Revenue	21,666	8.1%	33,180	11.4%	11,514	53.1%
North America*	3,276	1.2%	2,817	1.0%	(458)	(14.0%)
Oceania*	15,692	5.9%	26,944	9.2%	11,252	71.7%
Asia, other*	2,697	1.0%	3,418	1.2%	721	26.7%

* Numbers by area are based on location of clients, and numbers per country or area are recorded as reference values.

** Percentage of (total) external revenue

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- In North America, business performance of Brierley + Partners bottomed out and started to rebound, while consulting is also on a trajectory toward recovery. However, revenues decreased as major clients transitioned toward in-house systems.
- In Australia, ASG completely recovered from the COVID-19 pandemic and the two companies that were newly consolidated this year contributed to higher revenues (just under 9 billion yen). Revenues were also boosted by an approximate 10% change in currency exchange rates.

Financial Results for 2nd Quarter FY March 2022

Segment Performance Results <1H>

- Including Inter-segment revenue for each segment.

(JPY million)

		2Q FY Mar. 2021	2Q FY Mar. 2022	Diff.	YoY Change
Consulting	Revenue	15,793	19,499	3,705	23.5%
	Operating Profit	2,513	5,240	2,727	108.5%
	Operating Margin	15.9%	26.9%	11.0P	
Financial IT Solutions	Revenue	143,529	148,127	4,598	3.2%
	Operating Profit	18,151	21,098	2,946	16.2%
	Operating Margin	12.6%	14.2%	1.6P	
Industrial IT Solutions	Revenue	92,695	110,980	18,285	19.7%
	Operating Profit	9,889	12,809	2,919	29.5%
	Operating Margin	10.7%	11.5%	0.9P	
IT Platform Services	Revenue	67,730	76,590	8,859	13.1%
	Operating Profit	9,290	11,448	2,158	23.2%
	Operating Margin	13.7%	14.9%	1.2P	

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- In Consulting, we recorded our highest ever operating margin as the breadth of our DX projects grew, operating capacity utilization increased, and we worked with an increasing number of larger clients.
- In Financial IT Solutions, operating profit increased, particularly in securities. This was a result of increased revenue effects from more systems integration projects, higher commission fees for shared online services and BPO services, reversion from unprofitable projects the previous year, and other factors.
- In Industrial IT solutions, operating profit increased due to increased revenues.
- In IT Platform Services, business in cloud and information security contributed to operating profit.

Financial Results for 2nd Quarter FY March 2022

Analysis of Increase and Decrease Factors

- Main factors for increases and decreases in external Revenue and operating profit by segment are as follows.

(Key) (+) Increase factors, (-) Decrease factors

Segment		External revenue	Operating profit
Consulting		(+) Domestic DX consulting projects (+) Overseas consulting projects	
Financial IT Solutions	Securities	(+) Consolidation effect of AUSIEX in Australia(approx. 1 billion yen)	(+) System integration projects for securities (+) Contribution from increase in system management solutions (+) Reversion from unprofitable projects the previous year
	Insurance	(+) Systems development for non-life insurance (+) Mutual insurance and public sector projects	
	Banking	(-) Reversion from large projects the previous year	
	Other financial, etc.	(+) Mobile finance services-related projects (+) Consolidation effect of AUSIEX in Australia(approx. 2 billion yen)	
Industrial IT Solutions	Distribution	(+) Systems development for retail and trading companies	(+) Return to profitability in Australia (+) Consolidation effect of Planit in Australia
	Manufacturing & services, etc.	(+) Systems development for logistics (+) Consolidation effect of Planit in Australia(approx. 6 billion yen)	
IT Platform Services		(+) Information security business	

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Financial Results for 2nd Quarter FY March 2022

Revenue by Service <1H>

(JPY million)

	2Q FY Mar. 2021	2Q FY Mar. 2022	Diff.	YoY Change
Consulting Services	41,522	54,637	13,114	31.6%
System Development & System Application Sales	89,445	95,324	5,879	6.6%
System Management & Operation Services	127,201	134,544	7,343	5.8%
Product Sales	8,054	7,467	(587)	(7.3%)
Total	266,224	291,974	25,750	9.7%

- **Consulting Services** : DX projects gained momentum and business expansion in Australia also contributed
- **System Development & System Application Sales** : DX projects gained momentum, mainly for domestic industrial clients
- **System Management & Operation Services** : Expanded mainly in shared online services for finance and business in Australia

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- Revenue for consulting services increased due to higher sales in the segment (3.4 billion yen) and the consolidation effect of Planit (approximately 6 billion yen), in addition to upstream consulting for systems.
- System development and application sales increased, mainly in DX projects for Industrial IT.
- Sales increased in system management solutions due to higher revenue in system management for shared online services, in addition to the consolidation effect of AUSIEX (approximately 3 billion yen).

Financial Results for 2nd Quarter FY March 2022

Consolidated P/L Highlight <1H>

(JPY million)

	2Q FY Mar. 2021	2Q FY Mar. 2022	Diff.	YoY Change
Revenue	266,224	291,974	25,750	9.7%
Cost of Sales	178,560	188,057	9,496	5.3%
Subcontracting Costs	84,977	91,141	6,164	7.3%
Gross Profit	87,663	103,917	16,253	18.5%
Gross Profit Margin	32.9%	35.6%	2.7P	
SG&A	47,868	53,513	5,644	11.8%
Other Income and Other Expenses, etc.	73	3,509	3,435	—
Operating Profit	39,868	53,913	14,044	35.2%
Operating Margin	15.0%	18.5%	3.5P	

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- Gross profit margin improved by 2.7 points. This was mainly driven by factors such as higher capacity utilization in Consulting, improved profitability in Financial IT (including reversion from unprofitable projects), and contributions from profit in Australia (recovery by ASG and two companies being made consolidated subsidiaries).
- Operating margin in Australia was approximately 12% before amortization of intangible assets.
- Other income and other expenses includes the 3.3 billion yen recorded in gain from the sale of assets in the first quarter.

Financial Results for 2nd Quarter FY March 2022

Consolidated P/L Highlight <1H> (continued)

(JPY million)

	2Q FY Mar. 2021	2Q FY Mar. 2022	Diff.	YoY Change
Operating Profit	39,868	53,913	14,044	35.2%
Finance Income and Finance Costs	(2,553)	(396)	2,157	(84.5%)
Profit before tax	37,315	53,517	16,201	43.4%
Income tax expenses	12,153	16,818	4,665	38.4%
Profit attributable to owners of parent	25,385	36,513	11,127	43.8%

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Financial Results for 2nd Quarter FY March 2022

Key Factors in Financial Results for 2Q FY March 2022

■ Higher income with +9.7% in revenue

- Increased revenue in all segments, including growth in DX projects in consulting and industrial IT
- Recovery and business growth in Australia continued

■ +35.2% in operating profit

- Higher profit in all segments. Recorded highest levels of profit margin ever, even excluding temporary factors (gain from sale of assets)
- Business in Australia also contributed to profit

We expect to achieve target operating profit in Medium-Term Plan (2019-2022) earlier than the initial forecast, as demand for DX has exceeded initial expectations and earning capacity in Australia has grown

1 Financial Results for 2nd Quarter FY March 2022

2 Recent Activities

3 Financial Results Forecasts for FY March 2022

4 Reference Materials

Recent Activities Vision of Society in the COVID-19 Era

Entering an era in which virus control must be incorporated into new social norms and economic activities

[Q: How do you think your life will be different overall after COVID-19 is contained?]

Life will be the same as during the pandemic
or
will never fully return to pre-pandemic life

75%

Will return to pre-pandemic life

25%

Source) NRI "Survey on the daily lives of Japanese people" (July 2021)

Shift in COVID-19 policies of advanced countries

Previously

"Eliminate COVID-19"

Lockdowns and national entry restrictions based on numbers of new infections

Now

"Coexistence with the virus"

- ✓ Basis changed to number of hospitalized patients
- ✓ Relaxed restrictions based on vaccination rate
- ✓ Mandatory vaccination certificates, etc.

Implications for future policies in Japan

- (1) R&D for next-generation vaccines and treatments, and building stable domestic supply capacity
- (2) Building a society in which economic activity can comfortably continue even with less physical interaction between people

Source) NRI "Nations' exit strategies aiming for COVID-19 resilience" (September 2021)

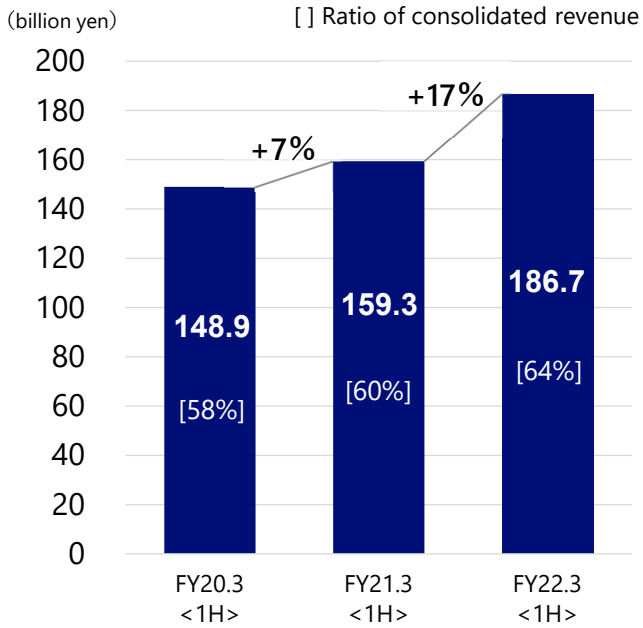
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Recent Activities DX strategy

DX-related sales have grown, mainly in non-face-to-face and contactless-related business

DX-related revenue (first half)



Characteristic DX projects

Consulting	<ul style="list-style-type: none"> Assisting formulation of DX strategy Data Analytics
Financial IT Solutions	<ul style="list-style-type: none"> THE STAR mobile service Online operations, remote consulting Telematics insurance Opening online accounts
Industrial IT Solutions	<ul style="list-style-type: none"> Speeding up deliveries, improving UI/UX AI ordering in retail, logistics information integration Dynamic packaging (shift toward e-commerce)
IT Platform Services	<ul style="list-style-type: none"> Work-at-home call center job platforms Digital Workplace Zero trust solutions

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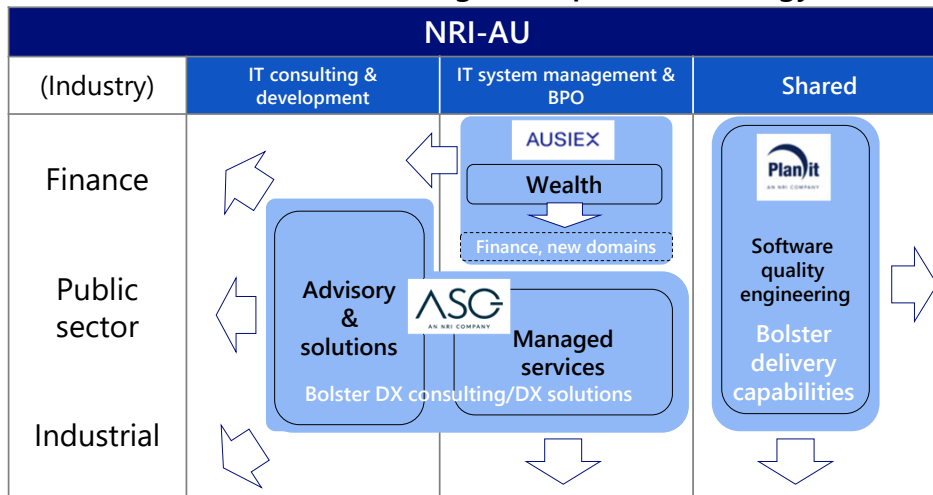
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Recent Activities Global strategy

Australia will enter the next stage of increased value after expansion in services

- Based on the integration of NRI Australia (NRI-AU) we will expand in the areas where we have been active thus far, while also working to **increase earning capacity and improve our management structure**, bolster our business infrastructure and deliver sustainably higher value
- Planit will increase its delivery capabilities and expand business in Australia **while also aiming to bolster operations outside its area** (see next slide)

NRI-AU (Australia region) expansion strategy



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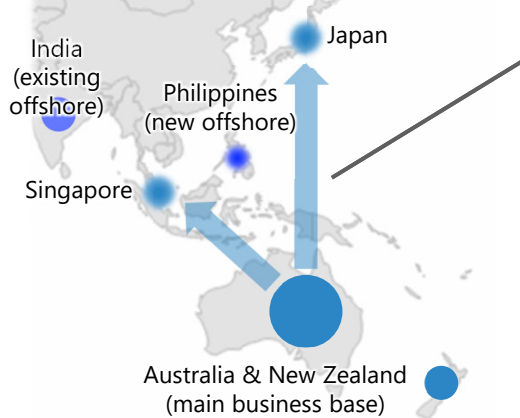
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Recent Activities Global strategy

Planit will expand operations outside its area and aim for greater profitability

- There is strong demand everywhere for the software quality engineering that Planit provides
- Efforts to expand business will focus on increasing delivery capabilities, including **a new offshore base to be established in the Philippines**
- Will also start working on alliances to utilize **the services of Planit in NRI's business** going forward

Expansion of Planit into Japan and the Asia region



Utilizing strengths of Planit in NRI's business also

Proprietary expertise

Utilize standard frameworks, automation tools, and cloud solutions, **and stably provide high-quality services**

Human resources development

Continue developing engineers with **sophisticated testing skills** through extensive training programs

Offshore

Offshoring and management utilizing abundant and diverse human resources in an English-speaking country

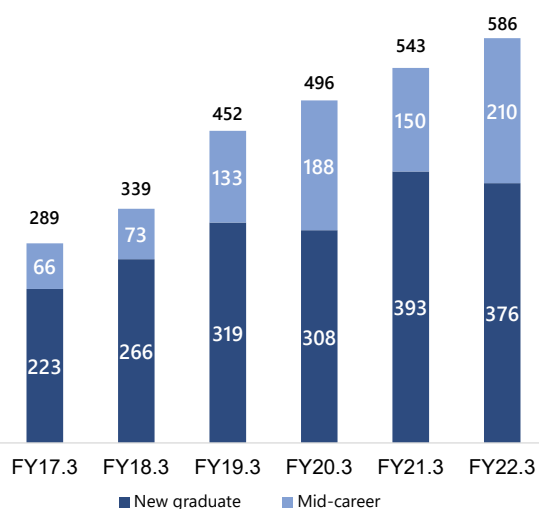
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Recent Activities Human resources strategy

More hiring, improving productivity, boosting the quality and quantity of human resources development activities

Employees hired at NRI by year



* Figures are from NRI non-consolidated (but include group company employees hired by the main body of NRI)

* Figures for FY March 2022 are planned hires

Productivity improvement

- (1) **More sophisticated development process**
 - ✓ Establish development tools, frameworks
 - ✓ Integrate enhancement systems
- (2) **Optimize work environments**
 - ✓ Secure telecommuting environment "aslead Remote"
 - ✓ Organization-wide deployment of remote work expertise generated at worksites
- (3) **Develop and deploy digital IP**
 - ✓ Better efficiency through commonization and standardization of architecture, etc.
 - ✓ Improved proposal capabilities by sharing and deploying IP

Human resources development

- (1) **Better training**
 - ✓ DX human resources development program "+DX"
 - ✓ E-learning courses (increased enrollment since pandemic began)

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Financial Results Forecasts for FY March 2022

Order Backlog by Segment (Outstanding)

(JPY million)

	At end of Sep. 2020	At end of Sep. 2021	Diff.	YoY Change
Consulting	10,341	11,477	1,136	11.0%
Financial IT Solutions	107,104	116,253	9,148	8.5%
Industrial IT Solutions	57,130	65,875	8,745	15.3%
IT Platform Services	10,753	12,244	1,491	13.9%
Total	185,329	205,851	20,521	11.1%
Order backlog in the current FY	173,897	191,977	18,079	10.4%

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Financial Results Forecasts for FY March 2022

Order Backlog by Segment (Domestic/Overseas)

■ Order backlog domestically

(JPY million)

	At end of Sep. 2020	At end of Sep. 2021	Diff.	YoY Change
Consulting	9,759	10,763	1,003	10.3%
Financial IT Solutions	106,688	113,194	6,506	6.1%
Industrial IT Solutions	42,646	46,616	3,969	9.3%
IT Platform Services	10,753	12,244	1,491	13.9%
Total	169,847	182,818	12,970	7.6%

■ Order backlog of overseas subsidiaries

(JPY million)

	At end of Sep. 2020	At end of Sep. 2021	Diff.	YoY Change
Overseas subsidiaries	15,482	23,033	7,550	48.8%

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- Domestically,
 - In Consulting, projects continue to pile up, particularly DX projects. Backlog also increased in systems consulting to migrate legacy systems to the cloud.
 - In Financial IT Solutions, order backlog increased, mainly in insurance (projects for major non-life insurers, mutual insurance and the public sector).
 - In Industrial IT Solutions, order backlog increased across a broad range of industry types.
 - In IT Platform Services backlog increased, mainly in information security.
- Among overseas subsidiaries, business in Australia contributed to order backlog, including the impact of the two companies acquired this year in Australia (over 5 billion yen).

Financial Results Forecasts for FY March 2022

Forecasts for FY March 2022

- Given the progress of FY March 2022 2Q, NRI revised forecasts.

(JPY billion)

	FY Mar. 2021 (Results)	FY Mar. 2022 (October 27 Forecasts)	Diff.	YoY Change	FY Mar. 2022 (July 29 Forecasts)	Diff.
Revenue	550.3	600.0	49.6	9.0%	590.0	10.0
Operating Profit	80.7	104.0	23.2	28.8%	96.0	8.0
Operating Margin	14.7%	17.3%	2.7P		16.3%	1.1P
Profit before tax	71.0	104.0	32.9	46.3%	97.0	7.0
Profit attributable to owners of parent	52.8	69.0	16.1	30.5%	66.0	3.0
Basic earnings per share	¥88.34	¥115.76	¥27.4		¥109.57	¥6.1
Dividends per share	¥36.0	¥40.0	¥4.00		¥38.0	¥2.0
Second quarter	¥17.0	¥19.0	¥2.00		¥19.0	—
Fiscal year end	¥19.0	¥21.0	¥2.00		¥19.0	¥2.0
Payout Ratio	41.3%	34.3%	(7.0P)		34.1%	0.2P

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- Based on progress up to the second quarter as well as accumulated orders and other factors, we are upwardly revising our previous forecast for sales by 10 billion yen and for operating profit by 8 billion yen.
- Profit attributable to owners of the parent will be upwardly revised by 3 billion yen. We are planning to raise our year-end dividend by two yen, generally targeting a payout ratio of 35%.

Financial Results Forecasts for FY March 2022

Shareholder returns measures to improve capital efficiency

- Increasing dividend to 40 yen per share for FY March 2022 (this announcement)

Dividend by year

Annual dividend per share*	FY March 2018	FY March 2019	FY March 2020	FY March 2021	FY March 2022 (plan)
End of 2Q	15 yen	15 yen	15 yen	17 yen	19 yen
End of year	15 yen	15 yen	17 yen	19 yen	21 yen
Total	30 yen	30 yen	32 yen	36 yen	40 yen

* NRI conducted a one-to-three share split of common stock, effective July 1, 2019.
Amount shown for dividend per share is adjusted for the effect of this split (fractions under one yen are rounded down).

Financial Results Forecasts for FY March 2022

Revenue Forecasts by Segment for FY March 2022

■ Given the progress of FY March 2022 2Q, NRI revised forecasts by segment. (JPY billion)

	(a)		(b)		(b-a)		(c)	(b-c)
	FY Mar. 2021 (Results)	Share	FY Mar. 2022 (October 27 Forecasts)	Share	Diff.	YoY Change	FY Mar. 2022 (July 29 Forecasts)	Diff.
Consulting	37.2	6.8%	42.0	7.0%	4.7	12.8%	41.0	1.0
Financial IT Solutions	288.1	52.4%	297.0	49.5%	8.8	3.1%	297.0	—
Securities	130.4	23.7%	132.0	22.0%	1.5	1.2%	132.0	—
Insurance	61.4	11.2%	64.0	10.7%	2.5	4.2%	64.0	—
Banking	50.1	9.1%	47.0	7.8%	(3.1)	(6.3%)	53.0	(6.0)
Other financial	46.1	8.4%	54.0	9.0%	7.8	17.0%	48.0	6.0
Industrial IT Solutions	186.0	33.8%	219.0	36.5%	32.9	17.7%	211.0	8.0
Distribution	62.1	11.3%	67.0	11.2%	4.8	7.7%	63.0	4.0
Manufacturing, service and other	123.8	22.5%	152.0	25.3%	28.1	22.7%	148.0	4.0
IT Platform Services	38.8	7.1%	42.0	7.0%	3.1	8.1%	41.0	1.0
Total	550.3	100.0%	600.0	100.0%	49.6	9.0%	590.0	10.0

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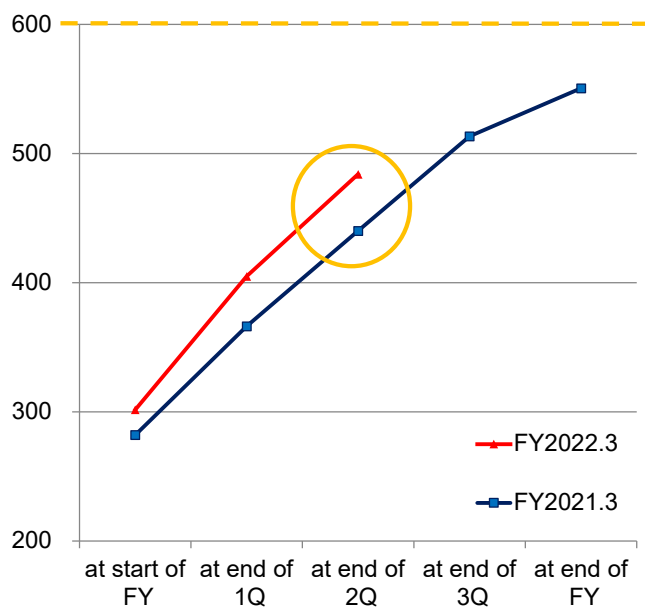
- IT Solutions, while Consulting and IT Platform Services were revised upward by one billion yen each.

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Reference Materials

Revenue + Consolidated Order Backlog

(JPY billion)



(JPY billion)

	FY Mar.2021	FY Mar.2022	YoY Change
Revenue ^{※1}	550.3	600.0	+9.0%
Revenue ^{※2} + Consolidated Order Backlog ^{※3}	440.1	483.9	+10.0%
Realization rate	80.0%	80.7%	0.7P

(※1) FY Mar.2021: Result, FY Mar. 2022: Forecast
 (※2) The figure at the end of 2Q
 (※3) The figure at the end of 2Q

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Order Volume <Total>

(JPY million)

	2Q FY Mar. 2021	2Q FY Mar. 2022	Diff.	YoY Change
Consulting	21,416	23,280	1,864	8.7%
Financial IT Solutions	83,314	77,145	(6,169)	(7.4%)
Industrial IT Solutions	49,268	71,001	21,732	44.1%
IT Platform Services	11,775	16,613	4,838	41.1%
Total	165,774	188,040	22,266	13.4%

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Order Volume <Total> (Domestic/Overseas)

■ Order volume domestically

(JPY million)

	2Q FY Mar. 2021	2Q FY Mar. 2022	Diff.	YoY Change
Consulting	19,797	21,367	1,569	7.9%
Financial IT Solutions	81,518	69,844	(11,674)	(14.3%)
Industrial IT Solutions	46,110	53,047	6,936	15.0%
IT Platform Services	11,638	16,462	4,823	41.4%
Total	159,065	160,722	1,656	1.0%

■ Order volume of overseas subsidiaries

(JPY million)

	2Q FY Mar. 2021	2Q FY Mar. 2022	Diff.	YoY Change
Overseas subsidiaries	6,708	27,318	20,609	307.2%

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Highlights of Consolidated Financial Results <2Q>

■ YoY comparison

(JPY million)

	2Q FY Mar. 2021 (Jul.-Sep.)	2Q FY Mar. 2022 (Jul.-Sep.)	Diff.	YoY Change
Revenue	135,107	149,327	14,219	10.5%
Operating Profit	22,022	27,348	5,326	24.2%
Operating Margin	16.3%	18.3%	2.0P	
EBITDA Margin	24.1%	25.4%	1.3P	
Profit before tax	20,471	26,779	6,308	30.8%
Profit attributable to owners of parent	13,574	18,101	4,527	33.4%

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External Revenue by Segment <2Q>

(JPY million)

	2Q FY Mar. 2021 (Jul.-Sep.)	Share	2Q FY Mar. 2022 (Jul.-Sep.)	Share	Diff.	YoY Change
Consulting	8,498	6.3%	10,250	6.9%	1,751	20.6%
Financial IT Solutions	72,196	53.4%	74,670	50.0%	2,474	3.4%
Securities	32,909	24.4%	33,914	22.7%	1,004	3.1%
Insurance	15,000	11.1%	16,473	11.0%	1,472	9.8%
Banking	12,679	9.4%	11,443	7.7%	(1,236)	(9.7%)
Other financial	11,605	8.6%	12,839	8.6%	1,233	10.6%
Industrial IT Solutions	45,396	33.6%	54,053	36.2%	8,657	19.1%
Distribution	15,345	11.4%	17,021	11.4%	1,676	10.9%
Manufacturing, service and other	30,051	22.2%	37,032	24.8%	6,980	23.2%
IT Platform Services	9,015	6.7%	10,352	6.9%	1,336	14.8%
Total	135,107	100.0%	149,327	100.0%	14,219	10.5%

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External Revenue by Segment <2Q> (supplementary information)

■ Revenue by main client

(JPY million)

	2Q FY Mar. 2021 (Jul.-Sep.)	Share**	2Q FY Mar. 2022 (Jul.-Sep.)	Share**	Diff.	YoY Change
Nomura Holdings	15,724	11.6%	15,554	10.4%	(170)	(1.1%)

■ Overseas Revenue

(JPY million)

	2Q FY Mar. 2021 (Jul.-Sep.)	Share**	2Q FY Mar. 2022 (Jul.-Sep.)	Share**	Diff.	YoY Change
Overseas Revenue	11,116	8.2%	17,371	11.6%	6,255	56.3%
North America*	1,697	1.3%	1,290	0.9%	(407)	(24.0%)
Oceania*	8,071	6.0%	13,978	9.4%	5,907	73.2%
Asia, other*	1,347	1.0%	2,102	1.4%	755	56.0%

* Numbers by area are based on location of clients, and numbers per country or area are recorded as reference values.

** Percentage of (total) external revenue

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Segment Performance Results <2Q>

- Including Inter-segment revenue for each segment.

(JPY million)

		2Q FY Mar. 2021 (Jul.-Sep.)	2Q FY Mar. 2022 (Jul.-Sep.)	Diff.	YoY Change
Consulting	Revenue	8,694	10,629	1,934	22.3%
	Operating Profit	1,902	3,434	1,532	80.6%
	Operating Margin	21.9%	32.3%	10.4P	
Financial IT Solutions	Revenue	73,208	75,881	2,672	3.7%
	Operating Profit	10,291	11,860	1,568	15.2%
	Operating Margin	14.1%	15.6%	1.6P	
Industrial IT Solutions	Revenue	46,267	55,922	9,654	20.9%
	Operating Profit	4,798	6,115	1,317	27.5%
	Operating Margin	10.4%	10.9%	0.6P	
IT Platform Services	Revenue	34,347	39,160	4,812	14.0%
	Operating Profit	5,019	5,960	940	18.7%
	Operating Margin	14.6%	15.2%	0.6P	

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Analysis of Increase and Decrease Factors <2Q>

- Main factors for increases and decreases in external Revenue and operating profit by segment are as follows.

(Key) (+) Increase factors, (-) Decrease factors

Segment		External revenue	Operating profit
Consulting		(+) Domestic DX consulting projects (+) Overseas consulting projects	
Financial IT Solutions	Securities		(+) System integration projects for securities (+) Contribution from increase in system management solutions
	Insurance	(+) Systems development for non-life insurance (+) Mutual insurance and public sector projects	
	Banking	(-) Reversion from large projects the previous year	
	Other financial, etc.	(+) Mobile finance services-related projects (+) Consolidation effect of AUSIEX in Australia	
Industrial IT Solutions	Distribution	(+) Systems development for retail and trading companies	(+) Return to profitability in Australia (+) Consolidation effect of Planit in Australia
	Manufacturing & services, etc.	(+) Systems development for logistics (+) Consolidation effect of Planit in Australia	
IT Platform Services		(+) Information security business	

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Revenue by Service <2Q>

(JPY million)

	2Q FY Mar. 2021 (Jul.-Sep.)	2Q FY Mar. 2022 (Jul.-Sep.)	Diff.	YoY Change
Consulting Services	21,688	29,576	7,888	36.4%
System Development & System Application Sales	45,909	48,829	2,919	6.4%
System Management & Operation Services	64,203	68,121	3,918	6.1%
Product Sales	3,306	2,799	(506)	(15.3%)
Total	135,107	149,327	14,219	10.5%

- **Consulting Services** : DX projects gained momentum and business expansion in Australia also contributed
- **System Development & System Application Sales** : DX projects gained momentum, mainly for domestic industrial clients
- **System Management & Operation Services** : Expanded mainly in shared online services for finance and business in Australia

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Consolidated P/L Highlight <2Q>

(JPY million)

	2Q FY Mar. 2021 (Jul.-Sep.)	2Q FY Mar. 2022 (Jul.-Sep.)	Diff.	YoY Change
Revenue	135,107	149,327	14,219	10.5%
Cost of Sales	89,037	96,588	7,550	8.5%
Subcontracting Costs	42,593	47,632	5,039	11.8%
Gross Profit	46,069	52,738	6,669	14.5%
Gross Profit Margin	34.1%	35.3%	1.2P	
SG&A	24,127	25,409	1,282	5.3%
Other Income and Other Expenses, etc.	80	19	(60)	(75.6%)
Operating Profit	22,022	27,348	5,326	24.2%
Operating Margin	16.3%	18.3%	2.0P	

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Consolidated P/L Highlight <2Q> (continued)

(JPY million)

	2Q FY Mar. 2021 (Jul.-Sep.)	2Q FY Mar. 2022 (Jul.-Sep.)	Diff.	YoY Change
Operating Profit	22,022	27,348	5,326	24.2%
Finance Income and Finance Costs	(1,551)	(569)	982	(63.3%)
Profit before tax	20,471	26,779	6,308	30.8%
Income tax expenses	6,542	8,552	2,010	30.7%
Profit attributable to owners of parent	13,574	18,101	4,527	33.4%

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Order Volume <2Q>

(JPY million)

	2Q FY Mar. 2021 (Jul.-Sep.)	2Q FY Mar. 2022 (Jul.-Sep.)	Diff.	YoY Change
Consulting	8,096	10,882	2,785	34.4%
Financial IT Solutions	35,564	36,291	726	2.0%
Industrial IT Solutions	25,908	27,510	1,601	6.2%
IT Platform Services	6,683	7,850	1,166	17.5%
Total	76,253	82,534	6,280	8.2%

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Order Volume <2Q> (Domestic/Overseas)

■ Order volume domestically

(JPY million)

	2Q FY Mar. 2021 (Jul.-Sep.)	2Q FY Mar. 2022 (Jul.-Sep.)	Diff.	YoY Change
Consulting	7,380	9,820	2,439	33.1%
Financial IT Solutions	34,969	35,616	646	1.8%
Industrial IT Solutions	22,132	22,187	55	0.2%
IT Platform Services	6,614	7,772	1,157	17.5%
Total	71,097	75,396	4,299	6.0%

■ Order volume of overseas subsidiaries

(JPY million)

	2Q FY Mar. 2021 (Jul.-Sep.)	2Q FY Mar. 2022 (Jul.-Sep.)	Diff.	YoY Change
Overseas subsidiaries	5,156	7,137	1,981	38.4%

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Revenue Forecasts by Service for FY March 2022

- Given the progress of FY March 2022 2Q, NRI revised forecasts by service.

(JPY billion)

	FY Mar. 2021 (Results)	FY Mar. 2022 (October 27 Forecasts)	Diff.	YoY Change	FY Mar. 2022 (July 29 Forecasts)	Diff.
Consulting Services	90.0	117.0	26.9	29.9%	100.0	17.0
System Development & System Application Sales	183.8	196.0	12.1	6.6%	206.0	(10.0)
System Management & Operation Services	258.6	272.0	13.3	5.2%	270.0	2.0
Product Sales	17.7	15.0	(2.7)	(15.6%)	14.0	1.0
Total	550.3	600.0	49.6	9.0%	590.0	10.0

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Capital Investment, R&D and Depreciation Forecasts for FY March 2022

- There are no revisions to financial results forecasts.

■ Capital Investment, R&D

(JPY billion)

	FY Mar. 2021 (Results)	FY Mar. 2022 (Forecasts)	Diff.	YoY Change
Capital Investment	33.3	47.0	13.6	40.8%
Tangible	11.7	9.0	(2.7)	(23.2%)
Intangible	21.6	38.0	16.3	75.4%
R&D	4.4	4.5	0.0	0.7%

■ Depreciation and Amortization

(JPY billion)

	FY Mar. 2021 (Results)	FY Mar. 2022 (Forecasts)	Diff.	YoY Change
Total	40.9	43.0	2.0	5.1%

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Forecasts for FY March 2022 < Consolidated Earnings Model >

■ FY March 2022 Consolidated Earnings Model

- Revenue of JPY600 billion and Operating profit of JPY104 billion

(JPY billion)

	FY Mar. 2020 (Results)	FY Mar. 2021 (Results)	(a)	YoY		(b)	(a-b)
			FY Mar. 2022 (October 27 Forecasts)*	Diff.	Change	FY Mar. 2022 (July 29 Forecasts)*	Diff.
Revenue	528.7	550.3	600.0	49.6	9.0%	590.0	10.0
Cost of Sales	346.1	364.5	391.0	26.4	7.3%	388.0	3.0
Personnel	112.8	116.9	131.0	14.0	12.0%	127.0	4.0
Subcontracting Costs	161.3	171.5	188.0	16.4	9.6%	188.0	—
Depreciation	31.5	32.6	34.0	1.3	4.0%	34.0	—
Gross Profit	182.6	185.7	209.0	23.2	12.5%	202.0	7.0
Gross Profit Margin	34.5%	33.8%	34.8%	0.6P		34.2%	0.6P
SG&A	97.4	98.3	108.0	9.6	9.8%	109.0	(1.0)
Operating Profit	85.6	80.7	104.0	23.2	28.8%	96.0	8.0
Operating Margin	16.2%	14.7%	17.3%	2.7P		16.3%	1.1P

* Figures are consolidated estimates for preparing this earnings model.

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DX-Related Revenue

■ Main DX-related business in 2Q FY March 2022

- DX Consulting
- Mobile financial services (payments, points, etc.)
- Business model transformation focused on E-commerce business (inventory control, optimized shipping, etc.)
- Enhancing intranet infrastructure, etc. (information security business)
- Business expansion in Australia (software quality engineering, etc.)

DX-related index ():YoY change

	1Q FY Mar. 2022	2Q FY Mar. 2022
DX-related revenue	90.9 billion yen (+16.8%)	95.8 billion yen (+17.6%)
Ratio of DX-related revenue	64% (+4pt)	64% (+4pt)

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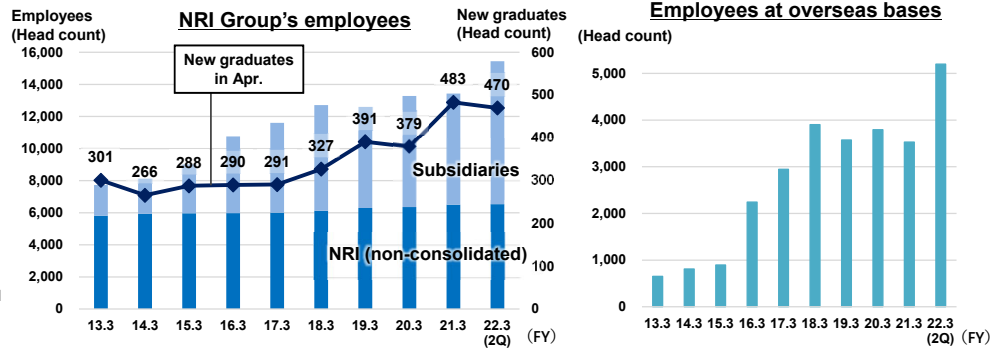
NRI's employees + Partners (in Japan & China)

NRI Group-s employees

Personnel:
15,439*

- Management Consultants
- Systems Consultants
- Application Engineers
- Technical Engineers, etc.

* As of end-Sep. 2021



Subcontractors

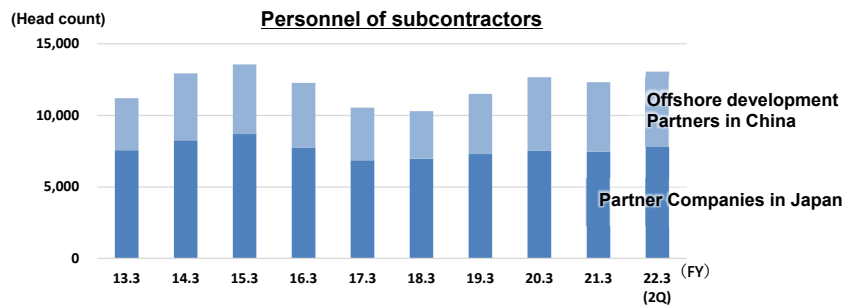
Offshore development Partners in China

20 partners in 20 regions

Personnel: Approx. 5,500

Partner Companies in Japan

Personnel: Approx. 8,000



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Figures given in the reference data related to the financial results forecasts are figures which are only intended to convey the Company's current circumstances and outlook. The Company does not undertake to revise the forecasts to reflect new information or circumstances.

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