



27th January 2022

Consolidated Financial Results for the Nine Months Ended 31st December 2021 (Under IFRS)

Company name: Nomura Research Institute, Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4307
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 Scheduled date to file quarterly securities report: 10th February 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended 31st December 2021 (from 1st April 2021 to 31st December 2021)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
31st December 2021	447,947	10.8	81,372	27.2	79,852	35.9	54,596	36.4
31st December 2020	404,351	–	63,985	–	58,744	–	40,016	–

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Nine months ended						
31st December 2021	54,314	35.8	57,293	22.6	91.50	91.32
31st December 2020	40,005	–	46,741	–	66.92	66.75

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of				
31st December 2021	750,814	314,028	311,035	41.4
31st March 2021	656,536	333,206	330,495	50.3

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended 31st March 2021	–	17.00	–	19.00	36.00
Fiscal year ending 31st March 2022	–	19.00	–		
Fiscal year ending 31st March 2022 (Forecast)				21.00	40.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecasts of consolidated financial results for the fiscal year ending 31st March 2022 (from 1st April 2021 to 31st March 2022)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending 31st March 2022	610,000	10.8	106,000	31.3	104,000	46.3	69,000	30.5

	Basic earnings per share
	Yen
Fiscal year ending 31st March 2022	116.24

Note: Revisions to the forecast of financial results most recently announced: Yes

For more details, please refer to “1. (3) Qualitative Information Regarding Forecasts of Financial Results,” on pages 9-10.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 2 companies (Australian Investment Exchange Limited, SQA Holdco Pty Ltd)

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of 31st December 2021	610,696,500 shares
As of 31st March 2021	610,000,000 shares

(ii) Number of treasury shares at the end of the period

As of 31st December 2021	21,690,671 shares
As of 31st March 2021	6,527,049 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended 31st December 2021	593,613,837 shares
Nine months ended 31st December 2020	597,786,882 shares

Note: The NRI shares held by the trust exclusive for NRI Group Employee Stock Ownership Group are included in treasury shares.

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements including business forecasts stated in this document are based on information available to the Company at the present time and certain assumptions judged to be rational, and these statements do not purport to be a promise by the Company to achieve such results. Actual business results, etc. may differ significantly from this forecast due to various factors.

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1. Qualitative Information Regarding Third-Quarter Settlement of Accounts

(1) Qualitative Information Regarding Consolidated Operating Results

(Millions of yen)

	Nine months ended 31st December 2020	Nine months ended 31st December 2021	Year on year	
			Amount	Rate
Revenue	404,351	447,947	43,596	10.8%
Overseas revenue	32,216	51,078	18,861	58.5%
Overseas revenue ratio	8.0%	11.4%	3.4P	–
Business profit	63,985	78,035	14,049	22.0%
Operating profit	63,985	81,372	17,386	27.2%
Operating margin	15.8%	18.2%	2.3P	–
EBITDA margin	23.5%	24.5%	1.0P	–
Profit before tax	58,744	79,852	21,107	35.9%
Profit attributable to owners of parent	40,005	54,314	14,308	35.8%

- Notes: 1. Consumption tax and local consumption tax are accounted for by the tax exclusion method.
2. Business profit is operating profit excluding temporary factors (such as impairment of goodwill and impairment of fixed assets), and a profit indicator to measure regular performance of businesses.
3. EBITDA margin: EBITDA (Operating profit + Depreciation and amortization + Loss on retirement of fixed assets ± Temporary factors) / Revenue

During the nine months ended 31st December 2021, although uncertainty over the future continued due to the spread of COVID-19, the Japanese economy was on a gradual recovery trend amid a pickup in the global economy and the progress of the vaccination. However, uncertainty is currently high due to the recent rapid spread of the Omicron variant across the various regions of the world. Information system investment saw strong corporate investment demand centered on digital transformation (DX) which involves transforming business processes and business models using digital technologies. Operating in such an environment, Nomura Research Institute (“the Company”) and its consolidated subsidiaries (“the NRI Group”) carried out its business activities leveraging the combined strengths of the Group, allowing it to seamlessly provide services encompassing consulting through to system development and operations.

The current fiscal year is the third year of the “NRI Group Medium-term Management Plan (2019-2022)” (the “Medium-term Management Plan 2022”), formulated to achieve Vision 2022 (from the fiscal year ended 31st March 2016 to the fiscal year ending 31st March 2023), the NRI Group’s long-term management plan. In addition to working to achieve even greater productivity and to expand existing businesses, the NRI Group is promoting efforts to realize the growth strategies set forth in the Medium-term Management Plan 2022: (1) DX strategy, (2) global strategy, and (3) personnel and resources strategy.

- (1) DX strategy: The NRI Group is providing comprehensive support by leveraging technologies across everything from creating strategies to solutions with respect to transforming the business processes and business models of its clients.

In terms of business platform strategy, the NRI Group is helping its clients create new businesses and enter new markets by providing them with business platforms specifically tailored to those who are entering the financial sector from other industries in step with transformation of industrial structures, while also expanding the NRI Group’s shared services with a focus on the financial sector.

Under its cloud strategy, the NRI Group is improving clients’ business agility and optimizing their IT costs by engaging in legacy system modernization*¹ and developing cloud-native*² apps.

- (2) Global strategy: The NRI Group is expanding its business foundations with a focus on achieving external growth through M&As and other such initiatives, including the acquisition of IPs, mainly in the key geographic regions of Australia and North America. In order to generate further synergies with subsidiaries acquired through M&A deals, the Company is building a new business management system, operational management system and other systems centered on the Global Headquarters to drive forward the integration process after acquisition. During the first quarter of the current fiscal year, aiming to expand the business foundations in the Australia region, the Company made Australian Investment Exchange Limited and SQA

Holdco Pty Ltd, which is the ultimate parent of Planit Test Management Solutions Pty Ltd, subsidiaries, and classified them as major affiliates to the Financial IT Solutions and Industrial IT Solutions segments, respectively. In the third quarter of the current fiscal year, aiming to expand the business foundations in the North American Region, the Company made Convergence Technologies, Inc., the ultimate parent of Core BTS, Inc., a subsidiary and classified it as a major affiliate to the Industrial IT solutions segment.

- (3) Personnel and resources strategy: The NRI Group is improving its recruitment and development of professionals underpinning the digital age in order to better help its clients achieve business success. The NRI Group is also working to achieve compatible work-style reforms by promoting various work arrangements while also fostering a business culture that enables employees to play active roles and take on challenges, and seeking diversity.

Also, the Company has conducted a purchase of treasury shares (16,605 thousand shares, ¥59,999 million), as part of its flexible capital management aimed at improving capital efficiency and responding to changes in the business environment.

During the nine months ended 31st December 2021, the NRI Group's revenue totaled ¥447,947 million (up 10.8% year on year), amid a scenario where revenue was higher year on year, particularly those of consulting services, system development and system application sales, and system management and operation services. While personnel expenses, etc. rose due to an increase in subsidiaries, unprofitable projects at some of subsidiaries declined. Consequently, cost of sales was ¥287,890 million (up 7.4%), gross profit was ¥160,057 million (up 17.5%), and selling, general and administrative expenses were ¥82,437 million (up 13.6%). In addition to improvement in profitability amid a favorable order environment and production activities, ¥3,337 million of gain on sale of fixed assets was recorded in association with the sale of part of trust beneficiary rights for Yokohama Nomura Building. Operating profit was ¥81,372 million (up 27.2%), operating margin was 18.2% (up 2.3 points), and the EBITDA margin was 24.5% (up 1.0 points).

- *1 Legacy system modernization is a means of optimizing and updating system infrastructure and applications with respect to hardware and software of core systems that have become obsolete.
*2 The term cloud native refers to information systems and services designed for use on a cloud-computing platform.

Segment information

The business results by segment (revenue includes intersegment revenue) are as follows.

(Millions of yen)

		Nine months ended 31st December 2020	Nine months ended 31st December 2021	Year on year	
				Amount	Rate
Consulting	Revenue	25,974	31,324	5,349	20.6%
	Operating profit	5,567	8,601	3,034	54.5%
	Operating margin	21.4%	27.5%	6.0P	–
Financial IT Solutions	Revenue	216,496	228,665	12,169	5.6%
	Operating profit	28,321	33,482	5,161	18.2%
	Operating margin	13.1%	14.6%	1.6P	–
Industrial IT Solutions	Revenue	139,838	167,358	27,520	19.7%
	Operating profit	15,315	19,259	3,943	25.8%
	Operating margin	11.0%	11.5%	0.6P	–
IT Platform Services	Revenue	103,988	116,335	12,346	11.9%
	Operating profit	14,765	16,745	1,980	13.4%
	Operating margin	14.2%	14.4%	0.2P	–
Adjustments	Revenue	(81,945)	(95,736)	(13,790)	–
	Operating profit	15	3,282	3,266	–
Total	Revenue	404,351	447,947	43,596	10.8%
	Operating profit	63,985	81,372	17,386	27.2%
	Operating margin	15.8%	18.2%	2.3P	–

(Consulting)

This segment provides policy recommendations and strategy consulting, as well as business consulting to support operational reform and system consulting for overall IT management.

Amid rapidly changing business environments for our customers with the COVID-19 pandemic, customers are accelerating corporate reforms using digital technology. In addition, companies that incorporate solutions for social issues including decarbonization into their managerial strategy are increasing, and clients have come to expect solutions for social issues using practical solutions-based consulting services that produce concrete results.

As such, in this segment we are working to strengthen consulting to support our customers' DX and to appropriately respond to customer needs while in the global area, we are enhancing our proposal capabilities by working closely among domestic and overseas offices and searching for intellectual properties in advanced countries such as the U.S. and European countries. In addition, we are working to create new consulting services originating in solutions to social issues including carbon neutrality. During the nine months ended 31st December 2021, the Consulting segment posted revenue of ¥31,324 million (up 20.6% year on year), driven continuously by DX-related consulting particularly for private companies. Operating profit was ¥8,601 million (up 54.5%) as productivity increased in line with the spread of new workstyles in new normal, in addition to growing needs for DX-related consulting and brisk policy-related projects such as solutions to social issues, and others.

(Financial IT Solutions)

In this segment, the main clients are in the financial sector, including the securities, insurance and banking sectors. The segment provides system consulting, system development, system management and operation services, and IT solutions such as shared online services and BPO services.

The environment surrounding the financial sector is undergoing major structural changes such that include a society whose population continues to age, companies from other industries newly entering the sector, an expanding range of digital assets, and diminishing markets in Japan due to persistently low-interest rates and the nation's declining population. In addition, clients' needs for digitalization and transformation of business models are growing rapidly.

This segment is accordingly working to create and expand new financial business platforms, promote new DX businesses that contribute to the Digital Government Policy such as the Social Security and Tax Number System, and stably operate global business in financial services and expand the businesses to help its clients create new businesses and services in a manner that addresses such changes in the business environment.

The Company made Australian Investment Exchange Limited a subsidiary in the first quarter of the current fiscal year, aiming to accelerate business in the global financial market while capturing growth in the Australian wealth management market.

During the nine months ended 31st December 2021, the Financial IT Solutions segment posted revenue of ¥228,665 million (up 5.6% year on year) largely due to the contributions of increases in operation services for the securities sector, increases in system development and system application sales for the insurance sector, and the Company making Australian Investment Exchange Limited a consolidated subsidiary. Operating profit was ¥33,482 million (up 18.2%) as a result of usage fees for shared services increasing due to the active market, and favorable performance of system development and system application sales for the financial sector.

(Industrial IT Solutions)

This segment provides IT solutions such as system consulting, system development, and system management and operation services to the distribution, manufacturing, service and public sectors. As well as upgrading and improving the efficiency of existing business models, clients in the industrial sector are using DX to create new business models using digital technology since the COVID-19 pandemic.

This segment focuses on development of digital intellectual property (IP) that can be utilized across clients and industries, and comprehensively assists the client in everything from creating business models to system construction and advancements in operations in the field of DX businesses. The Company made SQA Holdco Pty Ltd (the ultimate parent of Planit Test Management Solutions Pty Ltd) a subsidiary in the first quarter of the current fiscal year. The Company leverages their intellectual property and customer coverage in order to expand its offerings in the Australia region. The Company established EARTHRAIN Ltd. jointly with Komatsu Ltd., NTT DOCOMO, INC. and Sony Semiconductor Solutions Corporation in the second quarter of the current fiscal year, aiming to bring DX into the construction industry and improve safety, productivity and environmentally friendliness dramatically. In addition, in the third quarter of the current fiscal year, the Company made Convergence Technologies, Inc., the ultimate parent of Core BTS, Inc., a subsidiary. The Company will build the business foundation in the U.S. and pursue the realization of synergies centered on cross-selling to further expand its global business.

During the nine months ended 31st December 2021, the Industrial IT Solutions segment posted revenue of ¥167,358 million (up 19.7% year on year), amid an increase in system development and system application sales for the manufacturing and service sectors and distribution sector. Operating profit was ¥19,259 million (up 25.8%) due to the contributions of SQA Holdco Pty Ltd that was made a consolidated subsidiary, in addition to improvement in the profitability of our overseas subsidiaries.

(IT Platform Services)

This segment mainly provides services such as the management and administration of data centers and IT platform and network architecture mainly through the Financial IT Solutions and Industrial IT Solutions segments. It also provides IT platform solutions and information security services to clients of various industries. In addition, the segment conducts explorative initiatives for the development of new business operations and new products related to IT solutions, and investigation and research primarily related to leading-edge information technologies.

Information system development in the DX era calls for use of artificial intelligence (AI), blockchains and other new digital technologies, in conjunction with new and more rapid development approaches. In the field of cloud computing, companies need to comprehensively engage in high-quality operations of diverse and complex system platforms in line with their progress in cloud development. Furthermore, needs for the security environment to perform tasks safely and comfortably at any place are accelerating with working places diversified due to the COVID-19 pandemic.

This segment is accordingly taking steps that involve expanding its multi-cloud computing services^{*3} and its managed services^{*4}, and is also promoting its zero trust^{*5} business, in conjunction with efforts to address such changes in the business environment and develop information system development approaches and production innovation tools for the DX era.

During the nine months ended 31st December 2021, revenue to external clients increased in the security business, and intersegment revenue increased mainly in cloud computing services and network services mainly due to rising needs for greater efficiency and optimization in Financial IT Solutions segment, and increased assistance projects for Industrial IT Solutions segment, which experienced boosted business activity. As a result of the above, the IT Platform Services segment posted revenue of ¥116,335 million (up 11.9% year on year) and operating profit of ¥16,745 million (up 13.4%).

*3 Multi-cloud computing services refer to centrally managed services provided using multiple cloud computing platforms.

*4 Managed services refer to the services that lend comprehensive support to optimizing entire information systems on behalf of a client's IT unit.

*5 Zero trust: A new concept of security that anything that accesses to information assets and systems to protect are verified without distinction between inside and outside of the network.

(2) Qualitative Information Regarding Consolidated Financial Position

(Assets, liabilities and equity)

(Millions of yen)

	As of 31st March 2021	As of 31st December 2021	Year on year	
			Amount	Rate
Current assets	323,366	329,163	5,797	1.8%
Non-current assets	333,170	421,650	88,480	26.6%
Total assets	656,536	750,814	94,277	14.4%
Current liabilities	174,348	311,681	137,333	78.8%
Non-current liabilities	148,981	125,103	(23,878)	(16.0)%
Total equity	333,206	314,028	(19,177)	(5.8)%
Equity attributable to owners of parent	330,495	311,035	(19,459)	(5.9)%
Ratio of equity attributable to owners of parent to total assets	50.3%	41.4%	(8.9)P	–
Interest-bearing liabilities	166,704	273,909	107,205	64.3%
Gross D/E ratio (times)	0.50	0.88	0.38	–
Net D/E ratio (times)	0.04	0.42	0.39	–

- Notes: 1. Gross D/E ratio (gross debt-to-equity ratio): Interest-bearing liabilities / equity attributable to owners of parent
2. Net D/E ratio (net debt-to-equity ratio): (Interest-bearing liabilities – cash and bank deposits) / equity attributable to owners of parent
3. Interest-bearing liabilities: Bonds and borrowings + lease liabilities + other interest-bearing liabilities (borrowings on margin transactions and borrowings secured by securities)
Borrowings on margin transactions (¥503 million as of 31st March 2021; ¥294 million as of 31st December 2021) are included in trade and other payables on the condensed quarterly consolidated statement of financial position, and borrowings secured by securities (¥606 million as of 31st March 2021; ¥734 million as of 31st December 2021) are included in other current liabilities on the condensed quarterly consolidated statement of financial position.

As for the NRI Group's financial position at the end of the third quarter (31st December 2021), current assets were ¥329,163 million (up 1.8% from the end of the previous fiscal year), non-current assets were ¥421,650 million (up 26.6%), current liabilities were ¥311,681 million (up 78.8%), non-current liabilities were ¥125,103 million (down 16.0%), total equity was ¥314,028 million (down 5.8%), and total assets were ¥750,814 million (up 14.4%). In addition, the gross D/E ratio (gross debt-to-equity ratio) and net D/E ratio (net debt-to-equity ratio) at the end of the third quarter were 0.88 times and 0.42 times, respectively.

The main changes from the end of the previous fiscal year are as follows.

Trade and other receivables decreased ¥21,415 million to ¥84,909 million and contract assets increased ¥27,347 million to ¥70,268 million. Because the NRI Group has a comparatively large number of projects completed at the end of the fiscal year, compared with the end of the previous fiscal year, the ends of quarterly periods tend to have small values for trade and other receivables and large values for contract assets.

Goodwill and intangible assets increased ¥95,665 million to ¥184,733 million as result of U.S.-based Convergence Technologies, Inc., Australia-based SQA Holdco Pty Ltd and Australian Investment Exchange Limited being made into subsidiaries.

Bonds and borrowings increased ¥111,228 million to ¥228,723 million since a new loan was taken out to conduct M&A and purchase treasury shares. Since less than one year was left before the redemption of the 5th series of unsecured bonds, ¥25,000 million of these bonds was transferred from non-current liabilities to current liabilities.

Treasury shares increased ¥55,654 million to ¥70,681 million due largely to a purchase of treasury shares in accordance with a resolution of the Board of Directors.

In addition, cash and cash equivalents decreased ¥12,706 million to ¥140,481 million, trade and other payables increased ¥3,825 million to ¥41,184 million, and income taxes payable increased ¥227 million to ¥9,167 million.

(Cash flow position)

(Millions of yen)

	Nine months ended 31st December 2020	Nine months ended 31st December 2021	Year on year	
			Amount	Rate
Cash flows from operating activities	58,738	73,516	14,777	25.2%
Cash flows from investing activities	(15,162)	(108,754)	(93,592)	617.3%
Free cash flows	43,576	(35,237)	(78,814)	–
Cash flows from financing activities	(21,827)	21,605	43,433	–
Net increase (decrease) in cash and cash equivalents	22,036	(12,706)	(34,743)	–
Cash and cash equivalents at end of period	122,815	140,481	17,665	14.4%

Cash and cash equivalents as of the end of the third quarter (31st December 2021) stood at ¥140,481 million (down ¥12,706 million from the end of the previous fiscal year).

Net cash provided by operating activities in the nine months ended 31st December 2021 was ¥73,516 million, an increase of ¥14,777 million compared with the same period of the previous fiscal year, due largely to a decrease in income taxes paid.

Net cash used in investing activities was ¥108,754 million, an increase of ¥93,592 million from the same period of the previous fiscal year. Payments for acquisition of subsidiaries increased by ¥68,994 million due to acquisition of shares of U.S.-based Convergence Technologies, Inc., Australia-based SQA Holdco Pty Ltd and Australian Investment Exchange Limited in addition to investments including the acquisition of intangible assets related to the development of shared online services.

Net cash provided by financing activities was ¥21,605 million (compared with cash used of ¥21,827 million in the same period of the previous fiscal year). During the nine months ended 31st December 2020, we had ¥9,978 million in revenue from the issuance of commercial paper and ¥9,973 million in revenue from the issuance of the 7th series of unsecured bonds, which were both issued as preparation due to concerns over a declining business environment caused by the impact of COVID-19.

Furthermore, ¥11,324 million in cash was used for the acquisition of interests in subsidiaries from non-controlling interests due to the acquisition of shares of DSB Co., Ltd., etc. During the nine months ended 31st December 2021, net increase (decrease) in short-term borrowings increased by ¥118,136 million since a new loan was taken out to conduct M&A and purchase treasury shares. In addition, we had ¥59,999 million in purchase of treasury shares in accordance with a resolution of the Board of Directors, and ¥10,000 million in repayments of long-term borrowings (syndicated loans). Other expenditures mainly consist of payments of cash dividends in the respective fiscal periods.

(3) Qualitative Information Regarding Forecasts of Financial Results

While uncertainties remain in association with COVID-19, in light of the results for the nine months ended 31st December 2021 and the current order environment, the forecasts of financial results will be revised as follows.

(I) Consolidated performance

Consolidated financial forecasts for the fiscal year ending 31st March 2022 (from 1st April 2021 to 31st March 2022)

(Millions of yen)

	Previous forecast (A)	Revised forecast (B)	Change		(Reference) Previous fiscal year (Actual result)
			Amount (B-A)	Rate (%)	
Revenue	600,000	610,000	10,000	1.7	550,337
Operating profit	104,000	106,000	2,000	1.9	80,748
Profit before tax	104,000	104,000	–	–	71,075
Profit attributable to owners of parent	69,000	69,000	–	–	52,867

(II) Other forecasts

a. Consolidated revenue by segment for the fiscal year ending 31st March 2022 (from 1st April 2021 to 31st March 2022)

(Millions of yen)

	Previous forecast (A)	Revised forecast (B)	Change		(Reference) Previous fiscal year (Actual result)
			Amount (B-A)	Rate (%)	
Consulting	42,000	43,000	1,000	2.4	37,246
Financial IT Solutions	297,000	300,000	3,000	1.0	288,196
Securities sector	132,000	132,000	–	–	130,427
Insurance sector	64,000	68,000	4,000	6.3	61,441
Banking sector	47,000	45,000	(2,000)	(4.3)	50,181
Other financial sector, etc.	54,000	55,000	1,000	1.9	46,146
Industrial IT Solutions	219,000	225,000	6,000	2.7	186,051
Distribution sector	67,000	68,000	1,000	1.5	62,192
Manufacturing and service sectors	152,000	157,000	5,000	3.3	123,858
IT Platform Services	42,000	42,000	–	–	38,843
Total	600,000	610,000	10,000	1.7	550,337

* The breakdowns of the segments are comprised of revenue by customer sector.

b. Consolidated revenue by service for the fiscal year ending 31st March 2022 (from 1st April 2021 to 31st March 2022)

(Millions of yen)

	Previous forecast (A)	Revised forecast (B)	Change		(Reference) Previous fiscal year (Actual result)
			Amount (B-A)	Rate (%)	
Consulting services	117,000	123,000	6,000	5.1	90,056
System development & system application sales	196,000	198,000	2,000	1.0	183,847
System management & operation services	272,000	273,000	1,000	0.4	258,656
Product sales	15,000	16,000	1,000	6.7	17,777
Total	600,000	610,000	10,000	1.7	550,337

(Caution concerning forward-looking statements)

The forward-looking statements including business forecasts stated in this document are based on information available to the Company at the present time and certain assumptions (suppositions) judged to be rational, and these statements do not purport to be a promise by the Company to achieve such results. Actual business results, etc. may differ significantly from this forecast due to various factors. Material factors that could possibly affect the actual business results, etc. include, but are not limited to, the domestic and overseas economic situation, demand in the IT services market, competition with competitors, and changes in taxation and other systems. Note that the Company will not always revise business forecasts, etc. upon every occurrence of new information or event.

2. Condensed Quarterly Consolidated Financial Statements, Etc.

Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position

	(Millions of yen)	
	31st March 2021	31st December 2021
Assets		
Current assets		
Cash and cash equivalents	¥ 153,187	¥ 140,481
Trade and other receivables	106,324	84,909
Contract assets	42,921	70,268
Other financial assets	9,841	13,777
Other current assets	11,090	15,298
Subtotal	323,366	324,735
Assets held for sale	—	4,428
Total current assets	323,366	329,163
Non-current assets		
Property, plant and equipment	46,714	34,330
Right-of-use assets	43,581	40,693
Goodwill and intangible assets	89,067	184,733
Investments accounted for using equity method	5,864	5,741
Retirement benefit asset	81,927	83,966
Other financial assets	59,254	65,321
Deferred tax assets	5,341	4,742
Other non-current assets	1,417	2,120
Total non-current assets	333,170	421,650
Total assets	¥ 656,536	¥ 750,814

	(Millions of yen)	
	31st March 2021	31st December 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	¥ 37,358	¥ 41,184
Contract liabilities	14,316	12,265
Bonds and borrowings	23,844	162,082
Lease liabilities	12,350	12,532
Other financial liabilities	18,546	35,286
Income taxes payable	8,939	9,167
Provisions	1,497	2,900
Other current liabilities	57,494	36,261
Total current liabilities	<u>174,348</u>	<u>311,681</u>
Non-current liabilities		
Bonds and borrowings	93,651	66,641
Lease liabilities	35,748	31,623
Other financial liabilities	2,718	1,956
Retirement benefit liability	8,726	9,332
Provisions	4,831	4,375
Deferred tax liabilities	2,426	7,733
Other non-current liabilities	879	3,440
Total non-current liabilities	<u>148,981</u>	<u>125,103</u>
Total liabilities	<u>¥ 323,329</u>	<u>¥ 436,785</u>
Equity		
Share capital	¥ 21,175	¥ 22,414
Capital surplus	26,696	27,476
Retained earnings	278,675	310,183
Treasury shares	(15,027)	(70,681)
Other components of equity	18,975	21,642
Total equity attributable to owners of parent	<u>330,495</u>	<u>311,035</u>
Non-controlling interests	2,711	2,993
Total equity	<u>333,206</u>	<u>314,028</u>
Total liabilities and equity	<u>¥ 656,536</u>	<u>¥ 750,814</u>

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Nine months ended 31st December 2020	Nine months ended 31st December 2021
	¥	¥
Revenue	404,351	447,947
Cost of sales	268,081	287,890
Gross profit	136,270	160,057
Selling, general and administrative expenses	72,577	82,437
Share of profit (loss) of investments accounted for using equity method	65	166
Other income	814	3,738
Other expenses	587	152
Operating profit	63,985	81,372
Finance income	1,474	1,491
Finance costs	6,715	3,011
Profit before tax	58,744	79,852
Income tax expenses	18,728	25,255
Profit	40,016	54,596
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity instruments measured at fair value through other comprehensive income	1,896	915
Remeasurements of defined benefit plans	(0)	(18)
Total of items that will not be reclassified to profit or loss	1,896	896
Items that may be reclassified to profit or loss		
Debt instruments measured at fair value through other comprehensive income	0	0
Exchange differences on translation of foreign operations	3,911	2,738
Cash flow hedges	896	(989)
Share of other comprehensive income of investments accounted for using equity method	20	50
Total of items that may be reclassified to profit or loss	4,828	1,799
Total other comprehensive income, net of tax	6,725	2,696
Comprehensive income	46,741	57,293
Profit attributable to:		
Owners of parent	40,005	54,314
Non-controlling interests	10	282
Profit	40,016	54,596
Comprehensive income attributable to:		
Owners of parent	46,626	57,010
Non-controlling interests	114	282
Comprehensive income	¥ 46,741	¥ 57,293
Earnings per share		
Basic earnings per share (Yen)	¥ 66.92	¥ 91.50
Diluted earnings per share (Yen)	66.75	91.32

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

For the nine months ended 31st December 2020

(Millions of yen)

	Equity attributable to owners of parent							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total	Non-controlling interests	Total
Balance at 1st April 2020	¥ 20,067	¥ 13,867	¥ 274,600	¥ (66,628)	¥ 7,517	¥ 249,424	¥ 15,302	¥ 264,727
Profit	—	—	40,005	—	—	40,005	10	40,016
Other comprehensive income	—	—	—	—	6,621	6,621	104	6,725
Total comprehensive income	—	—	40,005	—	6,621	46,626	114	46,741
Dividends	—	—	(20,309)	—	—	(20,309)	(71)	(20,380)
Purchase of treasury shares	—	—	—	(2)	—	(2)	—	(2)
Disposal of treasury shares	—	1,781	—	3,390	—	5,171	—	5,171
Share-based payment transactions	1,107	(192)	—	—	—	914	—	914
Changes in ownership interest in subsidiaries	—	974	—	—	—	974	(12,451)	(11,477)
Transfer from retained earnings to capital surplus	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	2,411	—	(2,411)	—	—	—
Other	—	—	(65)	—	(162)	(227)	(139)	(367)
Total transactions with owners, etc.	1,107	2,562	(17,962)	3,388	(2,573)	(13,478)	(12,662)	(26,141)
Balance at 31st December 2020	¥ 21,175	¥ 16,430	¥ 296,643	¥ (63,240)	¥ 11,564	¥ 282,572	¥ 2,754	¥ 285,327

For the nine months ended 31st December 2021

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
Balance at 1st April 2021	¥ 21,175	¥ 26,696	¥ 278,675	¥ (15,027)	¥ 18,975	¥ 330,495	¥ 2,711	¥ 333,206
Profit	—	—	54,314	—	—	54,314	282	54,596
Other comprehensive income	—	—	—	—	2,696	2,696	—	2,696
Total comprehensive income	—	—	54,314	—	2,696	57,010	282	57,293
Dividends	—	—	(22,649)	—	—	(22,649)	—	(22,649)
Purchase of treasury shares	—	(132)	—	(60,002)	—	(60,135)	—	(60,135)
Disposal of treasury shares	—	737	—	4,348	—	5,086	—	5,086
Share-based payment transactions	1,239	33	—	—	—	1,272	—	1,272
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	141	(141)	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(15)	—	15	—	—	—
Other	—	—	—	—	(44)	(44)	(0)	(45)
Total transactions with owners, etc.	1,239	779	(22,806)	(55,654)	(29)	(76,470)	(0)	(76,470)
Balance at 31st December 2021	¥ 22,414	¥ 27,476	¥ 310,183	¥ (70,681)	¥ 21,642	¥ 311,035	¥ 2,993	¥ 314,028

(4) Condensed Quarterly Consolidated Statement of Cash Flows

	(Millions of yen)	
	Nine months ended 31st December 2020	Nine months ended 31st December 2021
Cash flows from operating activities		
Profit before tax	¥ 58,744	¥ 79,852
Depreciation and amortization	30,709	31,093
Loss (gain) on sale and retirement of fixed assets	297	(2,871)
Finance income	(1,474)	(1,491)
Finance costs	6,715	3,011
Share of loss (profit) of investments accounted for using equity method	(65)	(166)
Decrease (increase) in trade and other receivables	37,601	38,598
Decrease (increase) in contract assets	(24,035)	(25,504)
Decrease (increase) in inventories	441	353
Decrease (increase) in prepaid expenses	(1,868)	(2,500)
Increase (decrease) in trade and other payables	(3,217)	(8,213)
Increase (decrease) in contract liabilities	(7,203)	(2,596)
Increase (decrease) in accrued expenses	3,320	6,263
Increase (decrease) in liabilities relating to trust-type employee stock ownership incentive plan	387	(12,401)
Increase (decrease) in provision for loss on orders received	(179)	(8)
Increase (decrease) in accounts payable bonuses	(9,778)	(10,579)
Decrease (increase) in retirement benefit asset	(4,514)	(2,039)
Increase (decrease) in retirement benefit liability	628	602
Other	3,467	3,328
Subtotal	89,976	94,732
Interest and dividends received	1,211	1,258
Interest paid	(559)	(693)
Income taxes paid	(31,889)	(21,781)
Net cash provided by operating activities	¥ 58,738	¥ 73,516

	(Millions of yen)	
	Nine months ended 31st December 2020	Nine months ended 31st December 2021
Cash flows from investing activities		
Payments into time deposits	¥ (1,743)	¥ (1,362)
Proceeds from withdrawal of time deposits	1,708	1,262
Purchase of property, plant and equipment	(6,049)	(3,550)
Proceeds from sale of property, plant and equipment	0	10,380
Purchase of intangible assets	(15,530)	(26,817)
Proceeds from sale of intangible assets	4	—
Purchase of investments	(201)	(3,488)
Proceeds from sale and redemption of investments	6,681	75
Payments for acquisition of subsidiaries	—	(68,994)
Payments for loans receivable	—	(16,221)
Other	(32)	(37)
Net cash used in investing activities	<u>(15,162)</u>	<u>(108,754)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,020)	116,115
Proceeds from long-term borrowings	—	3,059
Repayments of long-term borrowings	(4,301)	(14,799)
Net increase (decrease) in commercial paper	9,978	5,000
Proceeds from issuance of bonds	9,973	—
Redemption of bonds	(30)	—
Repayments of lease liabilities	(8,740)	(10,040)
Proceeds from sale of treasury shares	5,011	5,042
Purchase of treasury shares	(2)	(60,135)
Dividends paid	(20,298)	(22,635)
Dividends paid to non-controlling interests	(71)	(0)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(11,324)	—
Net cash provided by (used in) financing activities	<u>(21,827)</u>	<u>21,605</u>
Effect of exchange rate changes on cash and cash equivalents	287	925
Net increase (decrease) in cash and cash equivalents	22,036	(12,706)
Cash and cash equivalents at beginning of period	100,778	153,187
Cash and cash equivalents at end of period	<u>¥ 122,815</u>	<u>¥ 140,481</u>

(5) Notes to Condensed Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable.

(Segment Information)

(1) Outline of reportable segments

The NRI Group's operating segments, for which separate financial information is available, are evaluated periodically by management in deciding the allocation of management resources and in assessing business performances. The NRI Group has classified its segments, comprehensively considering services, customers and markets totally, and four segments have been determined as reportable segments. Meanwhile, the operating segments are not aggregated.

Accounting treatment of the reported operating segments is generally same with that of consolidated financial statements for the year ended 31st March 2021. Profit figures for the reportable segments are presented on the basis of operating profit. Intersegment revenue or transfers are based on prevailing market prices.

(Consulting)

This segment provides policy recommendations and strategy consulting, as well as business consulting to support operational reform and system consulting for overall IT management.

(Financial IT Solutions)

In this segment, the main clients are in the financial sector, including the securities, insurance and banking sectors. The segment provides system consulting, system development, system management and operation services, and IT solutions such as shared online services and BPO services.

(Industrial IT Solutions)

This segment provides IT solutions such as system consulting, system development, and system management and operation services to the distribution, manufacturing, service and public sectors.

(IT Platform Services)

This segment mainly provides services such as the management and administration of data centers and IT platform and network architecture mainly through the Financial IT Solutions and Industrial IT Solutions segments. It also provides IT platform solutions and information security services to clients of various industries. In addition, the segment conducts explorative initiatives for the development of new business operations and new products related to IT solutions, and investigation and research primarily related to leading-edge information technologies.

The segment of Consulting is consulting services, the segments of Financial IT Solutions and Industrial IT Solutions are consulting services, system development & system application sales, system management & operation services and product sales and the segment of IT Platform Services is system development & system application sales, system management & operation services and product sales.

(2) Revenue and profit or loss by reportable segment

For the nine months ended 31st December 2020

	Reportable segment					Adjustments (Note)	Consolidated
	Consulting	Financial IT Solutions	Industrial IT Solutions	IT Platform Services	Total		
Revenue							
Revenue from external customers	25,371	213,675	137,345	27,959	404,351	—	404,351
Intersegment revenue or transfers	603	2,820	2,492	76,029	81,945	(81,945)	—
Total	25,974	216,496	139,838	103,988	486,297	(81,945)	404,351
Operating profit	5,567	28,321	15,315	14,765	63,970	15	63,985
Finance income							1,474
Finance costs							6,715
Profit before tax							58,744

Note: Individual items included in adjustment of operating profit were immaterial.

For the nine months ended 31st December 2021

	Reportable segment					Adjustments (Note)	Consolidated
	Consulting	Financial IT Solutions	Industrial IT Solutions	IT Platform Services	Total		
Revenue							
Revenue from external customers	30,237	225,176	162,150	30,383	447,947	—	447,947
Intersegment revenue or transfers	1,086	3,488	5,208	85,951	95,736	(95,736)	—
Total	31,324	228,665	167,358	116,335	543,683	(95,736)	447,947
Operating profit	8,601	33,482	19,259	16,745	78,089	3,282	81,372
Finance income							1,491
Finance costs							3,011
Profit before tax							79,852

Note: Individual items in adjustment to operating profit of ¥3,282 million include gain on sale of fixed assets in the amount of ¥3,337 million recorded in “other income”.

(Business Combination)

For the nine months ended 31st December 2020

In the nine months ended 31st December 2020, there were no significant business combinations.

For the nine months ended 31st December 2021

Acquisition of Australian Investment Exchange Limited

The Company's wholly owned Australian subsidiary Nomura Research Institute Australia, Pty Ltd (NRI-AU) has completed the acquisition of 100% of the shares of Australian Investment Exchange Limited (AUSIEX) from Commonwealth Bank of Australia Limited, making AUSIEX a 100% wholly owned subsidiary of NRI-AU on 3rd May 2021.

(1) Summary

a. Name of acquiree and business description

Name of acquiree: Australian Investment Exchange Limited

Business description: Back office services such as securities and portfolio management

b. Main reason for business combinations

The acquisition serves as an anchor point for the Company's accelerated expansion into global financial markets, as it establishes its presence as a major technology and operations services provider in the Australian wealth management market. Long-term structural growth in savings is expected to continue, backed by the rising statutory contribution rate for Australia's national superannuation pension system* and growing population. This is the bridgehead where the NRI Group accelerates expansion into global financial markets.

(*)Australia's private pension system. Employees (such as office workers and civil servants) are compulsory members and employers are obliged to contribute a certain percentage of their wages based on the statutory contribution rate.

c. Acquisition date

3rd May 2021

d. Legal form of business combination

Share acquisition for cash consideration

e. Acquired voting rights ratio

100%

(2) Fair values of consideration transferred, assets acquired and liabilities assumed at the acquisition date

	(Millions of yen)
Fair value of consideration for acquisition (cash)	11,659
Total	<u>11,659</u>
Fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	4,571
Trade and other receivables	10,910
Intangible assets	3,180
Other assets	2,580
Trade and other payables	11,673
Other liabilities	2,015
Fair value of assets acquired and liabilities assumed (net)	<u>7,555</u>
Goodwill	<u>4,104</u>

Although the amounts of assets acquired and liabilities assumed had been calculated provisionally based on information available as of the end of the second quarter (30th September 2021), the Company has revised the amounts calculated provisionally because the allocation of the consideration for acquisition has been completed as of the end of the third quarter (31st December 2021). The impact of this revision is immaterial. Furthermore, consideration for acquisition has also been finalized because price adjustments, etc. after the acquisition of shares have been completed.

Major components of goodwill are synergy effects with the existing company that are expected to arise from the acquisition and excess earnings power, which do not meet the recognition criteria individually.

With regard to goodwill, there is no amount expected to be deductible for tax purposes. Acquisition-related expenses associated with this business combination were ¥108 million for the nine months ended 31st December 2021, all included in “selling, general and administrative expenses” in the condensed quarterly consolidated statement of comprehensive income. Acquisition-related expenses recorded by the year ended 31st March 2021 were ¥367 million.

(3) Cash flows from the acquisition

	(Millions of yen)
Cash and cash equivalents paid for acquisition	11,416
Cash and cash equivalents held by the acquiree at the time of acquisition	4,571
Payments for acquisition of subsidiaries	<u>6,844</u>

(4) Impact on the financial results

Revenue and profit of AUSIEX that are included in the condensed quarterly consolidated statement of comprehensive income for the nine months ended 31st December 2021 are ¥4,291 million and ¥493 million, respectively. Revenue and profit on the assumption that the business combination had been conducted at the beginning of the fiscal year are omitted because the amount is immaterial.

Acquisition of SQA Holdco Pty Ltd, the ultimate parent of Planit Test Management Solutions Pty Ltd

The Company’s wholly owned Australian subsidiary NRI-AU has completed the acquisition of 100% of the shares of SQA Holdco Pty Ltd (the ultimate parent of Planit Test Management Solutions Pty Ltd “Planit”) from existing shareholders, making SQA Holdco Pty Ltd a 100% wholly owned subsidiary of NRI-AU on 14th May 2021.

(1) Summary

- a. Name of acquiree and business description
 - Name of acquiree: SQA Holdco Pty Ltd
 - Business description: Holding company of Planit, which provides IT testing and support, IT testing strategy, planning and IT test efficiency consulting, IT test automation support and training
- b. Main reason for business combinations
 - With the acquisition of Planit, NRI-AU plans to leverage Planit’s intellectual property and customer coverage in order to expand its offerings in Oceania along with the other quality companies in the NRI Group’s portfolio. In the future, the NRI Group also plans to expand Planit’s offerings to Japan and other areas of Asia.
- c. Acquisition date
 - 14th May 2021
- d. Legal form of business combination
 - Share acquisition for cash consideration
- e. Acquired voting rights ratio
 - 100%

(2) Fair values of consideration transferred, assets acquired and liabilities assumed at the acquisition date

	(Millions of yen)
Fair value of consideration for acquisition (cash)	20,389
Total	<u>20,389</u>
Fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	1,452
Intangible assets	4,673
Other assets	2,457
Borrowings	5,849
Other liabilities	2,751
Fair value of assets acquired and liabilities assumed (net)	<u>(18)</u>
Goodwill	<u>20,408</u>

Although the amounts of assets acquired and liabilities assumed had been calculated provisionally based on information available as of the end of the second quarter (30th September 2021), the Company has revised the amounts calculated provisionally because the allocation of the consideration for acquisition has been completed as of the end of the third quarter (31st December 2021). The impact of this revision is immaterial. Furthermore, consideration for acquisition has also been finalized because price adjustments, etc. after the acquisition of shares have been completed.

Major components of goodwill are synergy effects with the existing company that are expected to arise from the acquisition and excess earnings power, which do not meet the recognition criteria individually. With regard to goodwill, there is no amount expected to be deductible for tax purposes.

Acquisition-related expenses associated with this business combination were ¥96 million for the nine months ended 31st December 2021, all included in “selling, general and administrative expenses” in the condensed quarterly consolidated statement of comprehensive income. Acquisition-related expenses recorded for the year ended 31st March 2021 were ¥27 million.

(3) Cash flows from the acquisition

	(Millions of yen)
Cash and cash equivalents paid for acquisition	20,389
Cash and cash equivalents held by the acquiree at the time of acquisition	1,452
Payments for acquisition of subsidiaries	<u>18,937</u>

In addition to the above, NRI-AU has provided a cash loan of ¥5,702 million to Planit.

(4) Impact on the financial results

Revenue and profit of Planit that are included in the condensed quarterly consolidated statement of comprehensive income for the nine months ended 31st December 2021 are ¥9,135 million and ¥1,057 million, respectively. Revenue and profit on the assumption that the business combination had been conducted at the beginning of the fiscal year are omitted because the amount is immaterial.

Acquisition of Convergence Technologies, Inc., the ultimate parent of Core BTS, Inc.

The Company’s wholly owned American subsidiary Nomura Research Institute Holdings America, Inc. (NRI-HA) has completed the acquisition of 100% of the shares of Convergence Technologies, Inc. (the ultimate parent of Core BTS, Inc. “Core BTS”) from existing shareholders, making Convergence Technologies, Inc. a 100% wholly owned subsidiary of NRI-HA on 14th December 2021.

(1) Summary

a. Name of acquiree and business description

Name of acquiree: Convergence Technologies, Inc.

Business description: Holding company of Core BTS, which provides solutions for digital transformation in the business domains of cloud computing, digital development, network, and security

b. Main reason for business combinations

With the acquisition, the Company will build the business foundation in the U.S. and pursue the

realization of synergies centered on cross-selling to further expand its global business.

- c. Acquisition date
14th December 2021
- d. Legal form of business combination
Share acquisition for cash consideration
- e. Acquired voting rights ratio
100%

(2) Fair values of consideration transferred, assets acquired and liabilities assumed at the acquisition date

	(Millions of yen)
Fair value of consideration for acquisition (cash)	42,130
Total	<u>42,130</u>
Fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	790
Trade and other receivables	6,087
Intangible assets	3,436
Other assets	1,948
Borrowings	12,669
Other liabilities	4,898
Fair value of assets acquired and liabilities assumed (net)	<u>(5,306)</u>
Goodwill	<u>47,436</u>

The amounts of assets acquired and liabilities assumed have been calculated provisionally based on information currently available as the allocation of the consideration for acquisition has not been completed as of the end of the third quarter (31st December 2021). Furthermore, consideration for acquisition has not been determined as price adjustments, etc. after the acquisition of shares have not been completed.

Major components of goodwill are synergy effects with the existing company that are expected to arise from the acquisition and excess earnings power, which do not meet the recognition criteria individually. With regard to goodwill, there is no amount expected to be deductible for tax purposes.

Acquisition-related expenses associated with this business combination were ¥719 million for the nine months ended 31st December 2021, all included in “selling, general and administrative expenses” in the condensed quarterly consolidated statement of comprehensive income. There were no acquisition-related expenses recorded for the year ended 31st March 2021.

(3) Cash flows from the acquisition

	(Millions of yen)
Cash and cash equivalents paid for acquisition	42,130
Cash and cash equivalents held by the acquiree at the time of acquisition	790
Payments for acquisition of subsidiaries	<u>41,339</u>

In addition to the above, NRI-HA has provided a cash loan of ¥10,518 million to Core BTS.

(4) Impact on the financial results

There is no revenue or profit of Core BTS included in the condensed quarterly consolidated statement of comprehensive income for the nine months ended 31st December 2021. Revenue and profit on the assumption that the business combination had been conducted at the beginning of the fiscal year are omitted because the amount is immaterial.

(Assets Held for Sale)

The breakdown of assets held for sale is as follows:

	(Millions of yen)	
	31st March 2021	31st December 2021
Assets held for sale		
Buildings	—	3,147
Land	—	1,280
Others	—	0
Total	—	4,428

Assets held for sale as of 31st December 2021 are mainly the trust beneficiary rights for buildings and land of Yokohama Nomura Building classified as corporate assets, which are not attributable to any reporting segment. The Company plans to sell them in April 2022.

(Earnings per Share)

Basic earnings per share and diluted earnings per share are calculated based on the following data.

	Nine months ended 31st December 2020	Nine months ended 31st December 2021
	(Millions of yen)	(Millions of yen)
Profit attributable to owners of parent	40,005	54,314
Adjustments of profit		
Adjustments for potential shares issued by subsidiaries	0	—
Profit used for calculation of diluted earnings per share	40,005	54,314
	(Shares)	(Shares)
Weighted-average number of shares of common stock outstanding	597,786,882	593,613,837
Increase in common stock		
Increase from stock options	1,515,064	1,169,559
Diluted weighted-average number of shares of common stock	599,301,946	594,783,396
	(Yen)	(Yen)
Basic earnings per share	66.92	91.50
Diluted earnings per share	66.75	91.32

Note: For the purpose of calculating basic earnings per share and diluted earnings per share, the Company's shares owned by the trust exclusive for ESOP Group are included in treasury shares to be deducted in the calculation of the weighted-average number of shares (7,531,549 shares and 2,495,854 shares for the nine-month periods ended 31st December, 2020 and 2021, respectively).

(Subsequent Events)

Not applicable.