

Financial Results Presentation

Financial Results for 3rd Quarter FY March 2022

Nomura Research Institute, Ltd.

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January 27, 2022



- 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 3rd Quarter FY March 2022

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Financial Results for 3rd Quarter FY March 2022

Highlights of Consolidated Financial Results < 3Q Total >

■ YoY comparison

(JPY million)

	3Q FY Mar. 2021	3Q FY Mar. 2022	Diff.	YoY Change
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	
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%

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- Revenue increased 10.8% to 43.5 billion yen.
Even excluding the consolidation effect of around 13 billion yen from M&A in Australia, revenue increased approximately 7%.
- Operating profit increased 27.2% to 17.3 billion yen.
Steady progress was made toward the upwardly revised target operating profit for the year of 104 billion yen which was announced at our second quarter financial results presentation.
- Operating margin was 18.2%. Even excluding the 3.3 billion yen gained from the sale of office building assets recorded in the first quarter, operating margin was still 17.4% as high profitability from the first half continued.

Financial Results for 3rd Quarter FY March 2022

External Revenue by Segment <3Q Total>

(JPY million)

	3Q FY Mar. 2021	Share	3Q FY Mar. 2022	Share	Diff.	YoY Change
Consulting	25,371	6.3%	30,237	6.8%	4,866	19.2%
Financial IT Solutions	213,675	52.8%	225,176	50.3%	11,500	5.4%
Securities	96,357	23.8%	98,085	21.9%	1,728	1.8%
Insurance	44,946	11.1%	50,397	11.3%	5,451	12.1%
Banking	37,293	9.2%	35,323	7.9%	(1,969)	(5.3%)
Other financial	35,077	8.7%	41,369	9.2%	6,291	17.9%
Industrial IT Solutions	137,345	34.0%	162,150	36.2%	24,804	18.1%
Distribution	46,451	11.5%	50,687	11.3%	4,236	9.1%
Manufacturing, service and other	90,894	22.5%	111,462	24.9%	20,568	22.6%
IT Platform Services	27,959	6.9%	30,383	6.8%	2,424	8.7%
Total	404,351	100.0%	447,947	100%	43,596	10.8%

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- In Consulting, revenues increased by 19.2%. DX projects continued to drive revenue domestically. Increases were wide-ranging, including for DX 3.0 projects that contribute to solutions for social issues (carbon neutrality, circular economy, etc.). Overseas revenues showed a recovery from the COVID-19 pandemic.
- In Financial IT Solutions,
 - In Securities, revenues increased 1.8% mainly driven by Australia.
 - In Insurance, revenues increased 12.1% with contributions from modernization projects for major non-life insurers and system overhaul projects for mutual funds and the public sector.
 - In Banking, revenues decreased 5.3% due to the impact of reversion from two large projects the previous year.
 - In other financial business, revenues increased 17.9% with contributions from increased revenue in mobile financial services-related business and the consolidation effect of AUSIEX.
- In Industrial IT Solutions,
 - In Distribution, revenues increased 9.1% as business was strong in development projects for retail and trading companies.
 - In Manufacturing, services and other, large projects for DX first-mover companies drove revenues. Recovery in Australia (ASG) also contributed, and the consolidation effect of Planit added approximately 9 billion yen for a total revenue increase of 22.6%.
- In IT Platform Services, revenues increased 8.7% driven by strong business in security continuing from the first half.

Financial Results for 3rd Quarter FY March 2022

External Revenue by Segment < 3Q Total >(supplementary information)

■ Revenue by main client

(JPY million)

	3Q FY Mar. 2021	Share**	3Q FY Mar. 2022	Share**	Diff.	YoY Change
Nomura Holdings	48,481	12.0%	46,136	10.3%	(2,344)	(4.8%)

■ Overseas Revenue

(JPY million)

	3Q FY Mar. 2021	Share**	3Q FY Mar. 2022	Share**	Diff.	YoY Change
Overseas Revenue	32,216	8.0%	51,078	11.4%	18,861	58.5%
North America*	4,698	1.2%	4,249	0.9%	(448)	(9.6%)
Oceania*	23,437	5.8%	41,352	9.2%	17,915	76.4%
Asia, other*	4,080	1.0%	5,476	1.2%	1,395	34.2%

* 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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- With our main client,
 - Revenue from Nomura Holdings decreased slightly, but there was no major change in the share of our overall revenue they comprise.
- Overseas,
 - In North America, revenues decreased 9.6% as major clients transitioned toward in-house systems.
 - In Oceania, revenues increased by approximately 18 billion yen as strong performance by ASG continued with a revenue increase of approximately 5 billion yen, in addition to positive effect of approximately 13 billion yen from the two newly consolidated companies (AUSIEX, Planit).
 - In Asia and other, revenues trended toward recovery from the pandemic.

Financial Results for 3rd Quarter FY March 2022

Segment Performance Results < 3Q Total >

- Including Inter-segment revenue for each segment.

(JPY million)

		3Q FY Mar. 2021	3Q FY Mar. 2022	Diff.	YoY Change
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	

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- In Consulting, operating profit increased 54.5% as the high profitability from the first quarter remained consistent, in addition to continued contribution from domestic DX projects and recovery overseas. Operating margin was 27.5%.
- In Financial IT Solutions, operating profit increased 18.2% with contributions from business in securities (shared online services, system integration projects, BPO services) and insurance (system integration projects).
- In Industrial IT Solutions, operating profit increased 25.8%. This was mainly attributable to overseas business including recovery in the performance of ASG and the consolidation effect of Planit.
- In IT Platform Services, operating profit increased 13.4%. This was mainly attributable to business in security and cloud services.

Financial Results for 3rd 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	(+) System integration projects for securities (+) Consolidation effect of AUSIEX in Australia(approx. 1.5 billion yen)	(+) System integration projects for securities and other financial etc. (+) 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.2.5 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. 9 billion yen)	
IT Platform Services		(+)Information security business, Cloud business	

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Financial Results for 3rd Quarter FY March 2022

Revenue by Service < 3Q Total >

(JPY million)

	3Q FY Mar. 2021	3Q FY Mar. 2022	Diff.	YoY Change
Consulting Services	64,827	86,819	21,991	33.9%
System Development & System Application Sales	135,517	146,632	11,114	8.2%
System Management & Operation Services	192,055	203,823	11,768	6.1%
Product Sales	11,951	10,672	(1,279)	(10.7%)
Total	404,351	447,947	43,596	10.8%

- **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 by approximately 22 billion yen due to a sales increase of 4.8 billion yen in the segment and the approximately 9 billion yen consolidation effect of Planit, in addition to an increase of approximately 8 billion yen in upstream consulting for systems.
- System development and system application sales increased by approximately 11.1 billion yen due to higher sales for DX projects in a broad range of industry types, particularly in large DX projects for Industrial IT.
- Sales increased in system management and operation services by approximately 11.8 billion yen due to higher commission fees for shared online services as the stock market thrived, in addition to the approximately 4 billion yen consolidation effect of AUSIEX.

Financial Results for 3rd Quarter FY March 2022

Consolidated P/L Highlight < 3Q Total >

(JPY million)

	3Q FY Mar. 2021	3Q FY Mar. 2022	Diff.	YoY Change
Revenue	404,351	447,947	43,596	10.8%
Cost of Sales	268,081	287,890	19,809	7.4%
Subcontracting Costs	127,681	141,884	14,202	11.1%
Gross Profit	136,270	160,057	23,787	17.5%
Gross Profit Margin	33.7%	35.7%	2.0P	
SG&A	72,577	82,437	9,859	13.6%
Other Income and Other Expenses, etc.	293	3,752	3,459	—
Operating Profit	63,985	81,372	17,386	27.2%
Operating Margin	15.8%	18.2%	2.3P	

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- Gross profit margin improved by 2.0 points.
Similar to the trend in the first half, this was a result of complex factors including higher productivity in Consulting and Financial IT in addition to profit contributions from Australia.
- SG&A ratio increased by 0.5 points.
This was impacted by higher outsourcing expenses (M&A expenses) and increased amortization of intangible assets associated with M&A in Australia.
- As other income, a 3.3 billion yen gain from the sale of office building assets was recorded in the first quarter.
Including this, cumulative operating margin in the third quarter was 18.2%.

Financial Results for 3rd Quarter FY March 2022

Consolidated P/L Highlight < 3Q Total > (continued)

(JPY million)

	3Q FY Mar. 2021	3Q FY Mar. 2022	Diff.	YoY Change
Operating Profit	63,985	81,372	17,386	27.2%
Finance Income and Finance Costs	(5,240)	(1,519)	3,721	(71.0%)
Profit before tax	58,744	79,852	21,107	35.9%
Income tax expenses	18,728	25,255	6,527	34.9%
Profit attributable to owners of parent	40,005	54,314	14,308	35.8%

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Financial Results for 3rd Quarter FY March 2022

Key Factors in Financial Results for 3Q FY March 2022

■ Higher income with +10.8% in revenue

- The business model in which consulting supports companies' digital transformations, and IT solutions handles systems development requiring high technical capability, is producing results on a broad scale

■ +27.2% in operating profit

- Larger projects with DX first mover companies and improved productivity through more advanced methods for systems development (digital IP, agile development, etc.) contributed to profitability

Clients' DX investments are increasingly robust, and NRI is forging ahead toward achieving the Medium-Term Plan (2019-2022) operating profit target earlier than planned.

- 1** Financial Results for 3rd Quarter FY March 2022
- 2** Recent Activities
- 3** Financial Results Forecasts for FY March 2022
- 4** Reference Materials

Significance of Core BTS acquisition

1. Establish a foothold in the US

- **Large enough to manage business autonomously** in the North American IT services market, with sales of over 20 billion yen and 800 employees
- Their management team boasts **extensive management experience** and **has conducted numerous M&A transactions** in the IT industry

2. Stable business infrastructure and future growth potential

- Unique business model that **integrates** a stable **networks business** with high-growth **cloud business**
- **Client base of over 1,500** mainly local and medium-sized enterprises that makes it unlikely to become a competitor to major players

3. Acquire advanced American digital development technology

- **Highly specialized** in areas such as DX application development and security which are **hard to handle with in-house personnel alone**
- **Is a top player** in services for main partners **Microsoft** and **Cisco**

4. Synergies with the NRI Group

- Short term: **Cross-sales mainly to Japanese clients in North America**
- Medium to long term: **Interregional affiliations** for both **production and capabilities** (quality engineering, etc.)

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Recent Activities Global strategy

Acquire digital engineering business infrastructure in the North American IT services market

- Core BTS started in the networks business, and in recent years has added and expanded its cloud business through acquisitions
- Acquisition price of 53.3 billion yen, including advisory fees

Overview of Core BTS

Established	December, 2005	Network		Cloud	
Locations	14 locations including the U.S. headquarters, mainly on the East Coast (Headquarter : Indianapolis)	Consulting		Application develop Data analytics	
Business	Offers a full lineup of solutions for digital transformation in cloud and networks Does everything from consulting to systems development, installation, and operations, particularly in highly specialized areas that are hard to handle with in-house personnel alone such as mobile development, cloud infrastructure and security	Hardware sales		<div style="display: flex; align-items: center;"> <div style="margin-right: 5px;">Feb, 2021*</div> </div> <div style="display: flex; align-items: center;"> <div style="margin-right: 5px;">Jun, 2021*</div> </div>	
Employees	805 as of the end of December 2021	Networking		<div style="display: flex; align-items: center;"> <div style="margin-right: 5px;">Aug, 2020*</div> </div>	
Start of consolidation	The end of December, 2021	Network Security		Office Automation Security	
Segment	Industrial IT Solutions	Digital workplace		Managed services	
		Key partner		Key partner	

*Acquisition date

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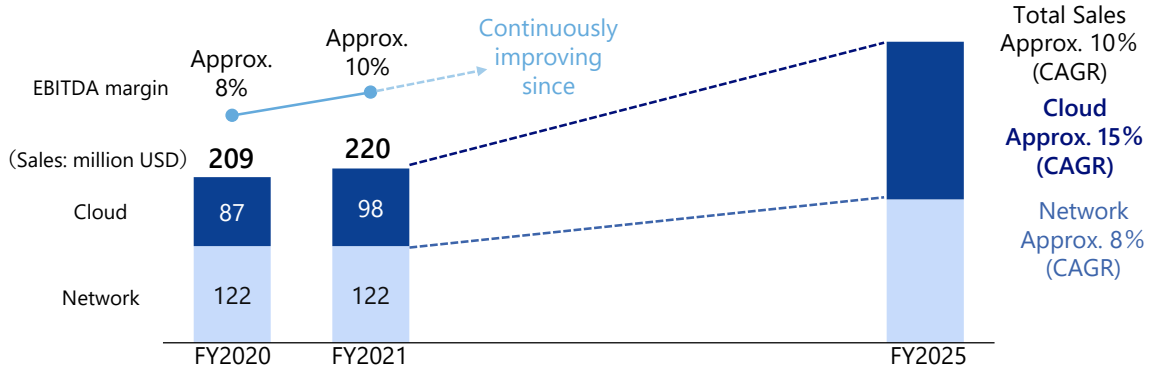
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Recent Activities Global strategy

Contribution to consolidated profit starting FY 2023 driven by the high-growth high-earnings cloud business

- Annual sales growth rate of around 10% expected over the next five years
 - Annual growth of around 15% expected in cloud business, bolstered by growth of the public cloud market due to the DX trend
- Contribution to consolidated operating profit was neutral in FY 2022 but is expected to turn positive starting in FY2023

Growth of Core BTS



FY (Fiscal Year) here indicates the accounting year of Core BTS from January to December

EBITDA margin for FY 2020 and FY 2021 was calculated based on adjusted EBITDA taking into consideration factors including companies acquired by Core BTS in August 2020 and after

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Financial Results Forecasts for FY March 2022

Order Backlog by Segment (Outstanding)

(JPY million)

	At end of Dec. 2020	At end of Dec. 2021	Diff.	YoY Change
Consulting	8,733	10,072	1,339	15.3%
Financial IT Solutions	70,490	78,623	8,133	11.5%
Industrial IT Solutions	40,008	58,925	18,917	47.3%
IT Platform Services	8,610	9,828	1,217	14.1%
Total	127,842	157,449	29,607	23.2%
Order backlog in the current FY	108,812	121,351	12,538	11.5%

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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 Dec. 2020	At end of Dec. 2021	Diff.	YoY Change
Consulting	8,126	9,482	1,356	16.7%
Financial IT Solutions	70,043	76,988	6,944	9.9%
Industrial IT Solutions	31,911	33,499	1,588	5.0%
IT Platform Services	8,610	9,828	1,217	14.1%
Total	118,692	129,798	11,106	9.4%

■ Order backlog of overseas subsidiaries

(JPY million)

	At end of Dec. 2020	At end of Dec. 2021	Diff.	YoY Change
Overseas subsidiaries	9,150	27,650	18,500	202.2%

Order backlog of overseas subsidiaries newly consolidated this year

Core BTS : approx. ¥13 billion, Planit : approx. ¥3 billion, AUSIEX : approx. ¥1 billion

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■ Domestically,

- In Consulting, backlog increased 16.7% as orders piled up, particularly for DX projects.
- In Financial IT Solutions, backlog increased 9.9% including system integration projects in insurance.
- In Industrial IT Solutions, backlog increased 5.0% with contributions from a broad range of industry types including retail, wholesale, and distribution. The increases appear relatively modest, but order backlogs rose sharply at the end of December the previous year, and we assess that there is an ongoing high level of demand.
- In IT Platform Services, backlog increased 14.1% due to ongoing strong performance in security.

■ Overseas,

- Aside from the approximately 17 billion yen impact of new M&A conducted this year, backlog at ASG increased approximately 10% year-on-year.

Financial Results Forecasts for FY March 2022

Forecasts for FY March 2022

- Based on progress up to the 3rd Quarter and the addition of Core BTS as a consolidated subsidiary, we have revised our financial results forecast for the year

(JPY billion)

	FY Mar. 2021 (Results)	FY Mar. 2022 (January 27 Forecasts)	Diff.	YoY Change	FY Mar. 2022 (October 29 Forecasts)	Diff.
Revenue	550.3	610.0	59.6	10.8%	600.0	10.0
Operating Profit	80.7	106.0	25.2	31.3%	104.0	2.0
Operating Margin	14.7%	17.4%	2.7P		17.3%	0.0P
Profit before tax	71.0	104.0	32.9	46.3%	104.0	—
Profit attributable to owners of parent	52.8	69.0	16.1	30.5%	69.0	—
Basic earnings per share	¥88.34	¥116.24	¥27.9		¥115.76	¥0.47
Dividends per share	¥36.0	¥40.0	¥4.00		¥40.0	—
Second quarter	¥17.0	¥19.0	¥2.00		¥19.0	—
Fiscal year end	¥19.0	¥21.0	¥2.00		¥21.0	—
Payout Ratio	41.3%	34.3%	(7.0P)		34.3%	0.0P

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- Considering contributions from Core BTS being made a consolidated subsidiary in the third quarter in addition to the upward trend in performance continuing from the second quarter, we upwardly revised our performance forecast for revenue by 10 billion yen and for operating profit by 2 billion yen.
- Approximately 6 billion yen of the 10 billion yen upward revision in revenue is the fourth quarter contribution from Core BTS, and the other approximately 4 billion yen is mostly from domestic performance above forecast through the third quarter.
- The 2 billion yen upward revision to operating profit is mostly comprised of profit recorded above forecast by the end of the third quarter. If this trend continues, we believe that continued profit in excess of forecast could be recorded in the fourth quarter as well.

Financial Results Forecasts for FY March 2022

Revenue Forecasts by Segment for FY March 2022

- Based on progress up to the 3rd Quarter and the addition of Core BTS as a consolidated subsidiary, we have revised our financial results forecast for the year
- Core BTS is in the Industrial IT Solutions segment

(JPY billion)

	(a)		(b)		(b-a)		(c)		(b-c)
	FY Mar. 2021 (Results)	Share	FY Mar. 2022 (January 27 Forecasts)	Share	Diff.	YoY Change	FY Mar. 2022 (October 29 Forecasts)	Diff.	
Consulting	37.2	6.8%	43.0	7.0%	5.7	15.4%	42.0	1.0	
Financial IT Solutions	288.1	52.4%	300.0	49.2%	11.8	4.1%	297.0	3.0	
Securities	130.4	23.7%	132.0	21.6%	1.5	1.2%	132.0	—	
Insurance	61.4	11.2%	68.0	11.1%	6.5	10.7%	64.0	4.0	
Banking	50.1	9.1%	45.0	7.4%	(5.1)	(10.3%)	47.0	(2.0)	
Other financial	46.1	8.4%	55.0	9.0%	8.8	19.2%	54.0	1.0	
Industrial IT Solutions	186.0	33.8%	225.0	36.9%	38.9	20.9%	219.0	6.0	
Distribution	62.1	11.3%	68.0	11.1%	5.8	9.3%	67.0	1.0	
Manufacturing, service and other	123.8	22.5%	157.0	25.7%	33.1	26.8%	152.0	5.0	
IT Platform Services	38.8	7.1%	42.0	6.9%	3.1	8.1%	42.0	—	
Total	550.3	100.0%	610.0	100.0%	59.6	10.8%	600.0	10.0	

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- Breaking down the 10 billion yen upward revenue revision into segments and industry types,
 - In Consulting, the upward revision was 1 billion yen as business remains strong, continuing the trend from the second quarter.
 - In Financial IT Solutions, there are both positive and negative factors by business type, but the forecast was revised upward by 3 billion yen mainly in insurance where performance is strong in projects with major non-life insurers.
 - In Industrial IT Solutions, the 6 billion yen upward revision represents the contribution from Core BTS as previously mentioned.

1 Financial Results for 3rd Quarter FY March 2022

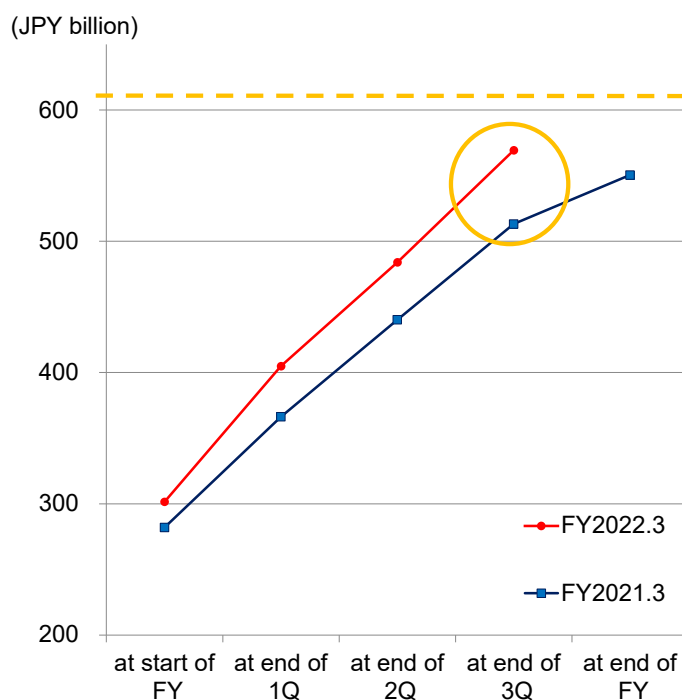
2 Recent Activities

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4 Reference Materials

Reference Materials

Revenue + Consolidated Order Backlog



	(JPY billion)		
	FY Mar.2021	FY Mar.2022	YoY Change
Revenue ^{※1}	550.3	610.0	+10.8%
Revenue ^{※2} + Consolidated Order Backlog ^{※3}	513.1	569.2	+10.9%
Realization rate	93.2%	93.3%	0.1P

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

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Reference Materials

Order Volume <Total>

(JPY million)

	3Q FY Mar. 2021	3Q FY Mar. 2022	Diff.	YoY Change
Consulting	29,764	33,259	3,494	11.7%
Financial IT Solutions	118,716	118,831	115	0.1%
Industrial IT Solutions	78,404	118,591	40,186	51.3%
IT Platform Services	19,529	24,930	5,401	27.7%
Total	246,415	295,612	49,197	20.0%

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Reference Materials

Order Volume <Total> (Domestic/Overseas)

■ Order volume domestically

(JPY million)

	3Q FY Mar. 2021	3Q FY Mar. 2022	Diff.	YoY Change
Consulting	27,331	30,420	3,088	11.3%
Financial IT Solutions	116,156	110,814	(5,341)	(4.6%)
Industrial IT Solutions	72,440	79,491	7,050	9.7%
IT Platform Services	19,310	24,669	5,358	27.8%
Total	235,239	245,396	10,156	4.3%

■ Order volume of overseas subsidiaries

(JPY million)

	3Q FY Mar. 2021	3Q FY Mar. 2022	Diff.	YoY Change
Overseas subsidiaries	11,175	50,216	39,040	349.3%

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Highlights of Consolidated Financial Results <3Q>

■ YoY comparison

(JPY million)

	3Q FY Mar. 2021 (Oct.-Dec.)	3Q FY Mar. 2022 (Oct.-Dec.)	Diff.	YoY Change
Revenue	138,127	155,973	17,845	12.9%
Operating Profit	24,117	27,458	3,341	13.9%
Operating Margin	17.5%	17.6%	0.1P	
EBITDA Margin	24.9%	24.4%	(0.5P)	
Profit before tax	21,429	26,335	4,906	22.9%
Profit attributable to owners of parent	14,619	17,800	3,180	21.8%

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External Revenue by Segment <3Q>

(JPY million)

	3Q FY Mar. 2021 (Oct.-Dec.)	Share	3Q FY Mar. 2022 (Oct.-Dec.)	Share	Diff.	YoY Change
Consulting	9,956	7.2%	11,383	7.3%	1,427	14.3%
Financial IT Solutions	72,016	52.1%	79,316	50.9%	7,299	10.1%
Securities	32,811	23.8%	33,601	21.5%	790	2.4%
Insurance	14,905	10.8%	18,537	11.9%	3,631	24.4%
Banking	12,326	8.9%	12,361	7.9%	34	0.3%
Other financial	11,973	8.7%	14,816	9.5%	2,842	23.7%
Industrial IT Solutions	46,257	33.5%	54,540	35.0%	8,282	17.9%
Distribution	15,577	11.3%	17,310	11.1%	1,732	11.1%
Manufacturing, service and other	30,679	22.2%	37,229	23.9%	6,549	21.3%
IT Platform Services	9,896	7.2%	10,733	6.9%	836	8.5%
Total	138,127	100.0%	155,973	100.0%	17,845	12.9%

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External Revenue by Segment <3Q> (supplementary information)

■ Revenue by main client

(JPY million)

	3Q FY Mar. 2021 (Oct.-Dec.)	Share**	3Q FY Mar. 2022 (Oct.-Dec.)	Share**	Diff.	YoY Change
Nomura Holdings	16,681	12.1%	15,322	9.8%	(1,358)	(8.1%)

■ Overseas Revenue

(JPY million)

	3Q FY Mar. 2021 (Oct.-Dec.)	Share**	3Q FY Mar. 2022 (Oct.-Dec.)	Share**	Diff.	YoY Change
Overseas Revenue	10,550	7.6%	17,897	11.5%	7,347	69.6%
North America*	1,421	1.0%	1,431	0.9%	9	0.7%
Oceania*	7,745	5.6%	14,408	9.2%	6,663	86.0%
Asia, other*	1,383	1.0%	2,057	1.3%	674	48.7%

* 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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Segment Performance Results <3Q>

- Including Inter-segment revenue for each segment.

(JPY million)

		3Q FY Mar. 2021 (Oct.-Dec.)	3Q FY Mar. 2022 (Oct.-Dec.)	Diff.	YoY Change
Consulting	Revenue	10,180	11,824	1,644	16.1%
	Operating Profit	3,054	3,361	307	10.1%
	Operating Margin	30.0%	28.4%	(1.6P)	
Financial IT Solutions	Revenue	72,967	80,538	7,570	10.4%
	Operating Profit	10,169	12,384	2,215	21.8%
	Operating Margin	13.9%	15.4%	1.4P	
Industrial IT Solutions	Revenue	47,143	56,378	9,235	19.6%
	Operating Profit	5,426	6,450	1,024	18.9%
	Operating Margin	11.5%	11.4%	(0.1P)	
IT Platform Services	Revenue	36,258	39,745	3,486	9.6%
	Operating Profit	5,475	5,297	(178)	(3.3%)
	Operating Margin	15.1%	13.3%	(1.8P)	

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Analysis of Increase and Decrease Factors <3Q>

- 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 (+) Consolidation effect of AUSIEX in Australia(approx. 1.5 billion yen)	(+) System integration projects for securities and other financial etc. (+) 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		
	Other financial, etc.	(+) Mobile finance services- related projects (+) Consolidation effect of AUSIEX in Australia(approx.2.5 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. 9 billion yen)	
IT Platform Services		(+) Information security business, Cloud business	

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Revenue by Service <3Q>

(JPY million)

	3Q FY Mar. 2021 (Oct.-Dec.)	3Q FY Mar. 2022 (Oct.-Dec.)	Diff.	YoY Change
Consulting Services	23,304	32,182	8,877	38.1%
System Development & System Application Sales	46,071	51,307	5,235	11.4%
System Management & Operation Services	64,854	69,278	4,424	6.8%
Product Sales	3,896	3,205	(691)	(17.7%)
Total	138,127	155,973	17,845	12.9%

- **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 <3Q>

(JPY million)

	3Q FY Mar. 2021 (Oct.-Dec.)	3Q FY Mar. 2022 (Oct.-Dec.)	Diff.	YoY Change
Revenue	138,127	155,973	17,845	12.9%
Cost of Sales	89,520	99,833	10,312	11.5%
Subcontracting Costs	42,703	50,742	8,038	18.8%
Gross Profit	48,606	56,139	7,533	15.5%
Gross Profit Margin	35.2%	36.0%	0.8P	
SG&A	24,709	28,923	4,214	17.1%
Other Income and Other Expenses, etc.	219	242	23	10.6%
Operating Profit	24,117	27,458	3,341	13.9%
Operating Margin	17.5%	17.6%	0.1P	

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Consolidated P/L Highlight <3Q> (continued)

(JPY million)

	3Q FY Mar. 2021 (Oct.-Dec.)	3Q FY Mar. 2022 (Oct.-Dec.)	Diff.	YoY Change
Operating Profit	24,117	27,458	3,341	13.9%
Finance Income and Finance Costs	(2,687)	(1,123)	1,564	(58.2%)
Profit before tax	21,429	26,335	4,906	22.9%
Income tax expenses	6,575	8,437	1,861	28.3%
Profit attributable to owners of parent	14,619	17,800	3,180	21.8%

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Order Volume <3Q>

(JPY million)

	3Q FY Mar. 2021 (Oct.-Dec.)	3Q FY Mar. 2022 (Oct.-Dec.)	Diff.	YoY Change
Consulting	8,348	9,978	1,629	19.5%
Financial IT Solutions	35,401	41,686	6,284	17.8%
Industrial IT Solutions	29,135	47,590	18,454	63.3%
IT Platform Services	7,754	8,316	562	7.3%
Total	80,640	107,571	26,931	33.4%

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Order Volume <3Q> (Domestic/Overseas)

■ Order volume domestically

(JPY million)

	3Q FY Mar. 2021 (Oct.-Dec.)	3Q FY Mar. 2022 (Oct.-Dec.)	Diff.	YoY Change
Consulting	7,533	9,052	1,518	20.2%
Financial IT Solutions	34,637	40,970	6,332	18.3%
Industrial IT Solutions	26,329	26,443	114	0.4%
IT Platform Services	7,672	8,206	534	7.0%
Total	76,173	84,673	8,500	11.2%

■ Order volume of overseas subsidiaries

(JPY million)

	3Q FY Mar. 2021 (Oct.-Dec.)	3Q FY Mar. 2022 (Oct.-Dec.)	Diff.	YoY Change
Overseas subsidiaries	4,466	22,897	18,430	412.6%

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Revenue Forecasts by Service for FY March 2022

- Based on progress up to the 3rd Quarter and the addition of Core BTS as a consolidated subsidiary, we have revised our financial results forecast for the year

(JPY billion)

	FY Mar. 2021 (Results)	FY Mar. 2022 (January 27 Forecasts)	Diff.	YoY Change	FY Mar. 2022 (October 27 Forecasts)	Diff.
Consulting Services	90.0	123.0	32.9	36.6%	117.0	6.0
System Development & System Application Sales	183.8	198.0	14.1	7.7%	196.0	2.0
System Management & Operation Services	258.6	273.0	14.3	5.5%	272.0	1.0
Product Sales	17.7	16.0	(1.7)	(10.0%)	15.0	1.0
Total	550.3	610.0	59.6	10.8%	600.0	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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Results through 3Q and Full-Year Earnings Forecast

(JPY billion)

		1Q	2Q	3Q	4Q	FY
FY March 2021	Revenue	131.1	135.1	138.1	145.9	550.3
	Operating Profit	17.8	22.0	24.1	16.7	80.7
	Operating Margin	13.6%	16.3%	17.5%	11.5%	14.7%
FY March 2022 Figures for 4Q and full-year are estimates	Revenue	142.6	149.3	155.9	162.0	610.0
	Operating Profit	26.5	27.3	27.4	24.6	106.0
	Operating Margin	18.6%	18.3%	17.6%	15.2%	17.4%

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Forecasts for FY March 2022 < Consolidated Earnings Model >

■ FY March 2022 Consolidated Earnings Model

- Revenue of JPY610 billion and Operating profit of JPY106 billion

(JPY billion)

	FY Mar. 2020 (Results)	FY Mar. 2021 (Results)	(a)	YoY		(b)	(a-b)
			FY Mar. 2022 (January 27 Forecasts)*	Diff.	Change	FY Mar. 2022 (October 27 Forecasts)*	Diff.
Revenue	528.7	550.3	610.0	59.6	10.8%	600.0	10.0
Cost of Sales	346.1	364.5	397.0	32.4	8.9%	391.0	6.0
Personnel	112.8	116.9	134.0	17.0	14.6%	131.0	3.0
Subcontracting Costs	161.3	171.5	191.0	19.4	11.3%	188.0	3.0
Depreciation	31.5	32.6	34.0	1.3	4.0%	34.0	—
Gross Profit	182.6	185.7	213.0	27.2	14.6%	209.0	4.0
Gross Profit Margin	34.5%	33.8%	34.9%	1.2P		34.8%	0.1P
SG&A	97.4	98.3	110.0	11.6	11.8%	108.0	2.0
Operating Profit	85.6	80.7	106.0	25.2	31.3%	104.0	2.0
Operating Margin	16.2%	14.7%	17.4%	2.7P		17.3%	0.0P

* Figures are consolidated estimates for preparing this earnings model.

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DX-Related Revenue

■ Main DX-related business in 3Q FY March 2022

- DX Consulting, Data analytics
- Mobile financial services (payments, points, etc.) , digitalization of sales
- Business model transformation focused on E-commerce business (inventory control, optimized shipping, etc.) , at-home call centers platform
- Enhancing intranet infrastructure, etc. (information security business, cloud business)
- Business expansion in Australia

DX-related index ():YoY change

	1Q FY Mar. 2022	2Q FY Mar. 2022	3Q FY Mar. 2022
DX-related revenue	90.9 billion yen (+16.8%)	95.8 billion yen (+17.6%)	100.0 billion yen (+22.1%)
Ratio of DX-related revenue	64% (+4pt)	64% (+4pt)	64% (+4pt)

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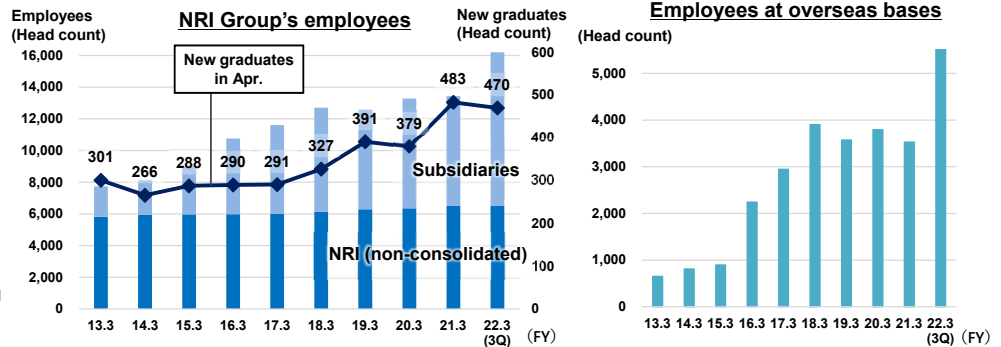
NRI's employees + Partners (in Japan & China)

NRI Group-s employees

Personnel:
16,196*

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

* As of end-Dec. 2021



Subcontractors

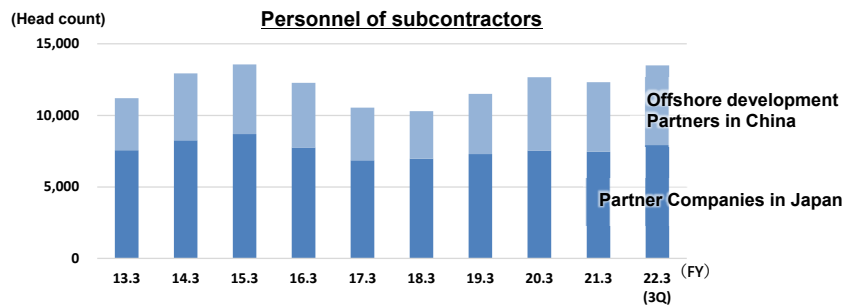
Offshore development Partners in China

20 partners in 20 regions

Personnel: Approx. 6,000

Partner Companies in Japan

Personnel: Approx. 8,000



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