

Financial Results Presentation

**Financial Results for 2nd Quarter FY March 2020
and Financial Results Forecast for the year ending 31st March, 2020**

Nomura Research Institute, Ltd.

Shingo Konomoto

Chairman and President & CEO, Member of the Board

October 25, 2019



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Financial Results for 2nd Quarter FY March 2020

Highlights of Consolidated Financial Results <1H>

■ YoY comparison (* are shown as a reference)

(JPY million)

	2Q FY Mar. 2019	2Q FY Mar. 2020	Diff.	YoY Change
Sales	240,407	259,153	18,746	7.8%
Operating Profit before goodwill amortization*	35,076	42,508	7,431	21.2%
Operating Profit	33,105	40,908	7,802	23.6%
Operating Profit Margin before goodwill amortization*	14.6%	16.4%	1.8P	
Operating Profit Margin	13.8%	15.8%	2.0P	
EBITDA Margin	21.0%	22.3%	1.3P	
Profit attributable to owners of parent	22,942	40,893	17,950	78.2%

Financial Results for 2nd Quarter FY March 2020

Highlights of Consolidated Financial Results <1H>

- Comparison with announced forecasts on September 13

(JPY billion)

	2Q FY Mar. 2020 (Forecast)	2Q FY Mar. 2020 (Results)	Diff.	YoY Change
Sales	255.0	259.1	4.1	1.6%
Operating Profit	36.0	40.9	4.9	13.6%
Operating Profit Margin	14.1%	15.8%	1.7P	
Profit attributable to owners of parent	37.0	40.8	3.8	10.5%

Financial Results for 2nd Quarter FY March 2020

Sales by Segment <1H>

(JPY million)

	2Q FY Mar. 2019*	Share	2Q FY Mar. 2020	Share	Diff.	YoY Change
Consulting	15,904	6.6%	17,173	6.6%	1,269	8.0%
Financial IT Solutions	120,319	50.0%	135,080	52.1%	14,761	12.3%
Securities	48,419	20.1%	53,880	20.8%	5,460	11.3%
Insurance	29,322	12.2%	33,917	13.1%	4,594	15.7%
Banking	20,965	8.7%	25,161	9.7%	4,196	20.0%
Other financial	21,610	9.0%	22,120	8.5%	509	2.4%
Industrial IT Solutions	89,530	37.2%	89,531	34.5%	1	0.0%
Distribution	32,532	13.5%	34,427	13.3%	1,895	5.8%
Manufacturing, service and other	56,997	23.7%	55,103	21.3%	(1,894)	(3.3%)
IT Platform Services	14,653	6.1%	17,367	6.7%	2,713	18.5%
Others	240,407	100.0%	259,153	100.0%	18,746	7.8%

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

Financial Results for 2nd Quarter FY March 2020

External sales by segment <1H> (supplementary information)

■ Sales by main client

(JPY million)

	2Q FY Mar. 2019	Share*	2Q FY Mar. 2020	Share*	Diff.	YoY Change
Nomura Holdings	28,624	11.9%	31,169	12.0%	2,545	8.9%
Seven & i Holdings	24,272	10.1%	27,042	10.4%	2,770	11.4%

* Percentage of (total) external sales

■ Overseas sales

(JPY million)

	2Q FY Mar. 2019	Share**	2Q FY Mar. 2020	Share**	Diff.	YoY Change
Overseas sales	27,575	11.5%	24,136	9.3%	(3,439)	(12.5%)
North America*	4,967	2.1%	4,355	1.7%	(611)	(12.3%)
Oceania*	18,601	7.7%	16,720	6.5%	(1,880)	(10.1%)
Asia, other*	4,007	1.7%	3,059	1.2%	(947)	(23.6%)

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

** Percentage of (total) external sales

Financial Results for 2nd Quarter FY March 2020

Segment Performance Results <1H>

- Including Inter-segment sales for each segment

(JPY million)

		2Q FY Mar. 2019*	2Q FY Mar. 2020	Diff.	YoY Change
Consulting	Sales	16,172	17,506	1,333	8.2%
	OP	3,342	3,297	(44)	(1.3%)
	OPM	20.7%	18.8%	(1.8P)	
Financial IT Solutions	Sales	121,632	136,651	15,018	12.3%
	OP	12,470	18,230	5,759	46.2%
	OPM	10.3%	13.3%	3.1P	
Industrial IT Solutions	Sales	90,791	90,904	112	0.1%
	OP	8,863	9,983	1,120	12.6%
	OPM	9.8%	11.0%	1.2P	
IT Platform Services	Sales	60,923	66,605	5,682	9.3%
	OP	7,712	9,008	1,295	16.8%
	OPM	12.7%	13.5%	0.9P	

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

Financial Results for 2nd Quarter FY March 2020

Analysis of increase and decrease factors

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

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

Segment		External sales	Operating profit
Consulting		(+) More domestic consulting projects	
Financial IT Solutions	Securities	(+) Sales of products for securities brokerages (+) Shared online services implementations for multiple clients	(+) Higher profit due to increased revenue effects (+) More capacity being utilized due to systems shifts
	Insurance	(+) Systems development for life and non-life insurers	
	Banking	(+) Increases for multiple clients	
	Other financial, etc.		
Industrial IT Solutions	Distribution	(+) Increases for multiple clients	(+) Improved productivity in development
	Manufacturing & services, etc.	(-) Impact from decreased revenue overseas	
IT Platform Services		(+) Increases in digital workplace, cloud-related business and information security-related business	

Financial Results for 2nd Quarter FY March 2020

Sales by Service <1H>

(JPY million)

	2Q FY Mar. 2019	2Q FY Mar. 2020	Diff.	YoY Change
Consulting Services	43,720	46,143	2,423	5.5%
System Development & System Application Sales	68,940	79,898	10,957	15.9%
System Management & Operation Services	120,451	123,845	3,393	2.8%
Product Sales	7,295	9,266	1,971	27.0%
Total	240,407	259,153	18,746	7.8%

Financial Results for 2nd Quarter FY March 2020

Consolidated P/L Highlight <1H>

(JPY million)

	2Q FY Mar. 2019	2Q FY Mar. 2020	Diff.	YoY Change
Sales	240,407	259,153	18,746	7.8%
Cost of Sales	161,024	171,679	10,655	6.6%
Subcontracting Costs	71,505	79,326	7,820	10.9%
Gross Profit	79,383	87,473	8,090	10.2%
Gross Profit Margin	33.0%	33.8%	0.7P	
SG&A	46,277	46,565	288	0.6%
Amortization of goodwill	1,971	1,600	(370)	(18.8%)
Operating Profit	33,105	40,908	7,802	23.6%
Operating Profit Margin	13.8%	15.8%	2.0P	

Financial Results for 2nd Quarter FY March 2020

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

(JPY million)

	2Q FY Mar. 2019	2Q FY Mar. 2020	Diff.	YoY Change
Operating Profit	33,105	40,908	7,802	23.6%
Non-operating income and loss	482	866	384	79.6%
Extraordinary income and loss	1,220	19,093	17,872	
Gain on sales of investment securities	1,144	19,098	17,953	
Income taxes etc.	11,625	19,680	8,055	69.3%
Profit attributable to owners of parent	22,942	40,893	17,950	78.2%

Key Factors in Financial Results for 2Q FY March 2020

■ Higher income with +7.8% in sales

- More systems development projects for insurance and banking in financial IT
- Strong DX-related business performance in each segment

■ +23.6% in operating profit

- Contribution from increased revenue effects in financial IT and IT infrastructure
- Improved profitability in industrial IT was also a contributor

**Financial IT returned to a growth trajectory,
and DX-related business also expanded**

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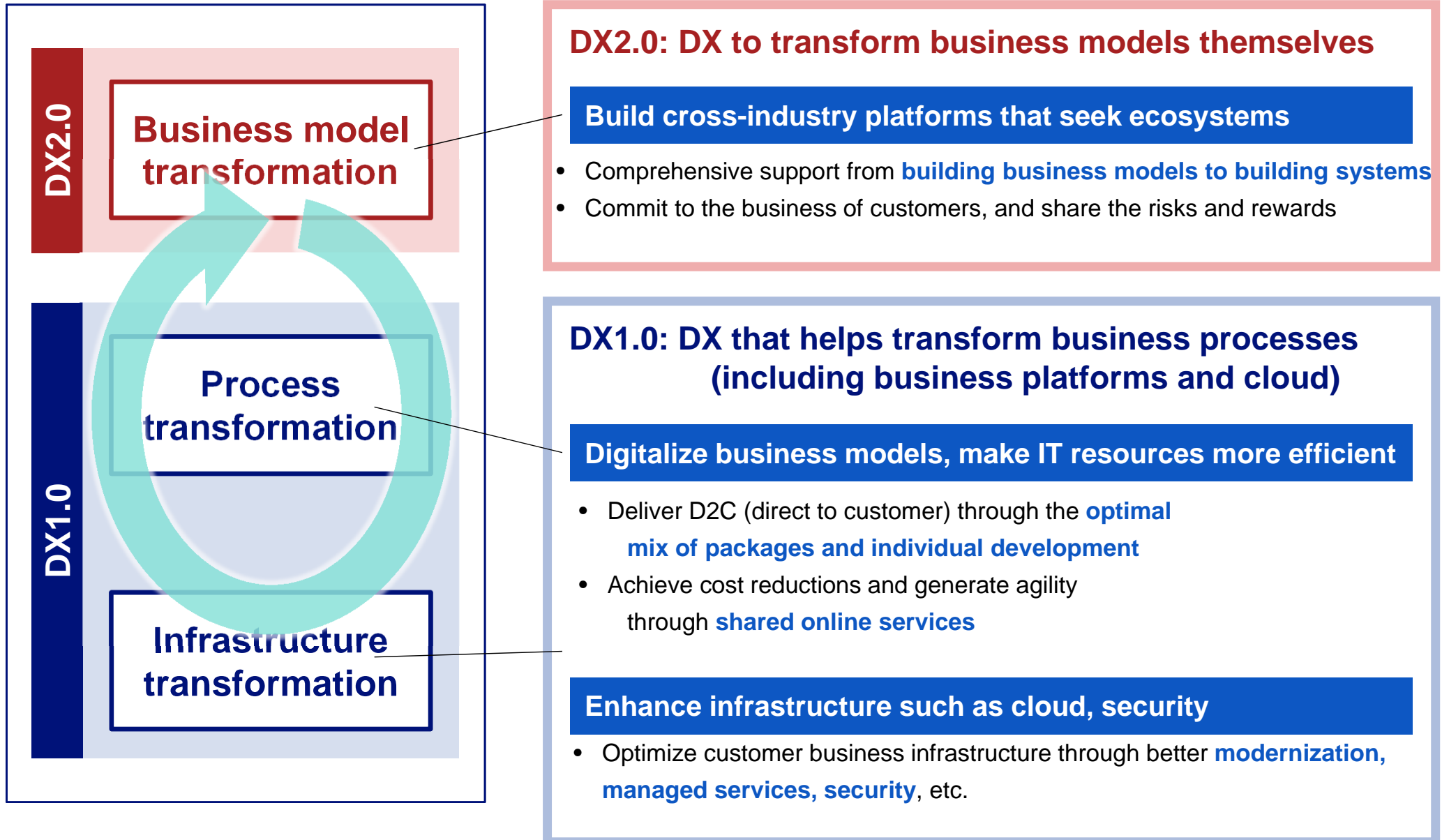
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Recent Activities DX strategy

Be our customers' DX partner, and expand business continuously

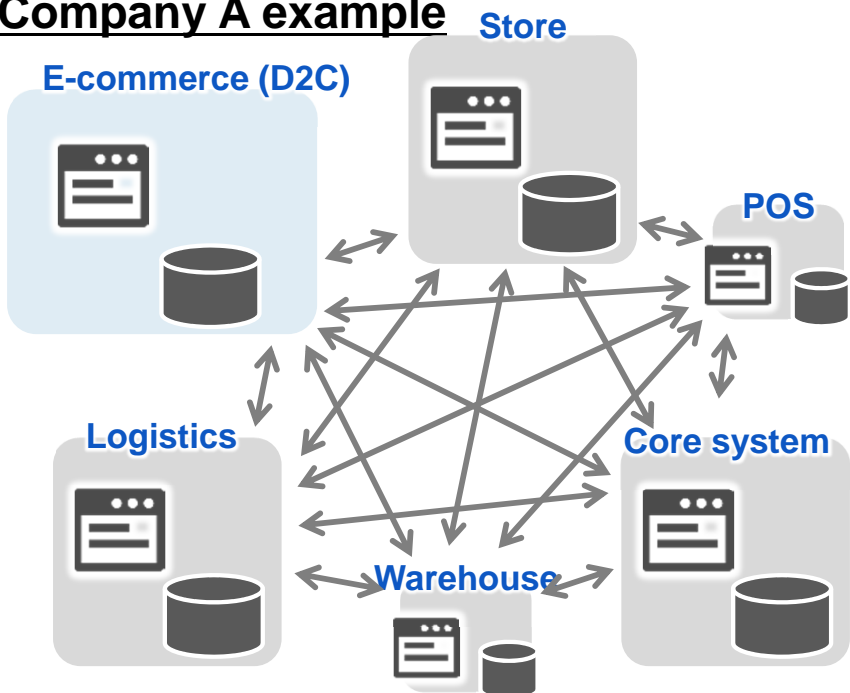


Recent Activities DX strategy

Leveraging NRI's strengths to help clients become digital ready

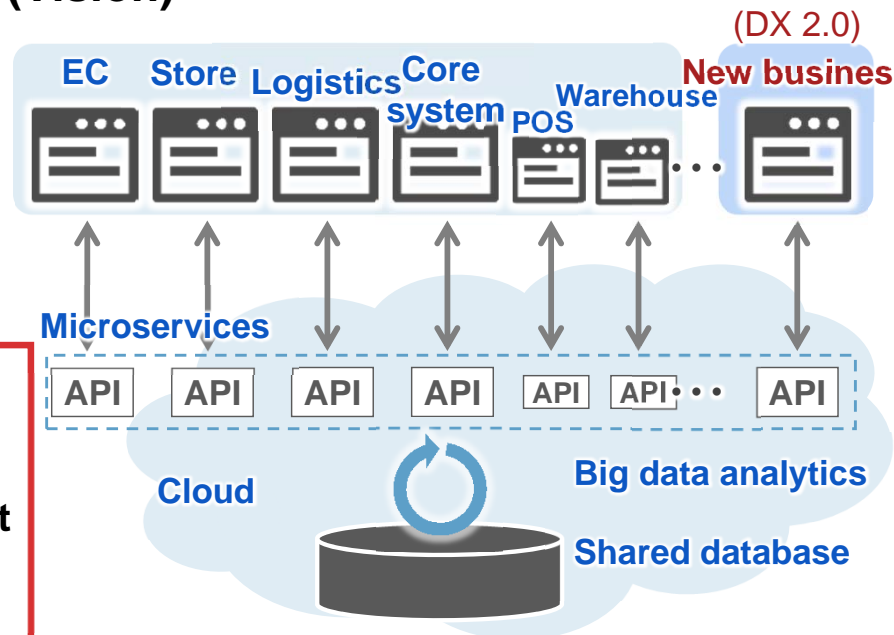
	Legacy	Digital Ready
Business side	<ul style="list-style-type: none"> ● Barriers to data utilization and collaboration between departments ● Complicated business processes 	<ul style="list-style-type: none"> ● Establish DX 2.0-deployable business infrastructure ● Standardized, streamlined business processes
Systems side	<ul style="list-style-type: none"> ● Data is distributed to each system ● Tight coupling between systems 	<ul style="list-style-type: none"> ● Data accumulates in a shared database ● Loose coupling between systems

Company A example



NRI consulting + core systems transformation support (modernization)

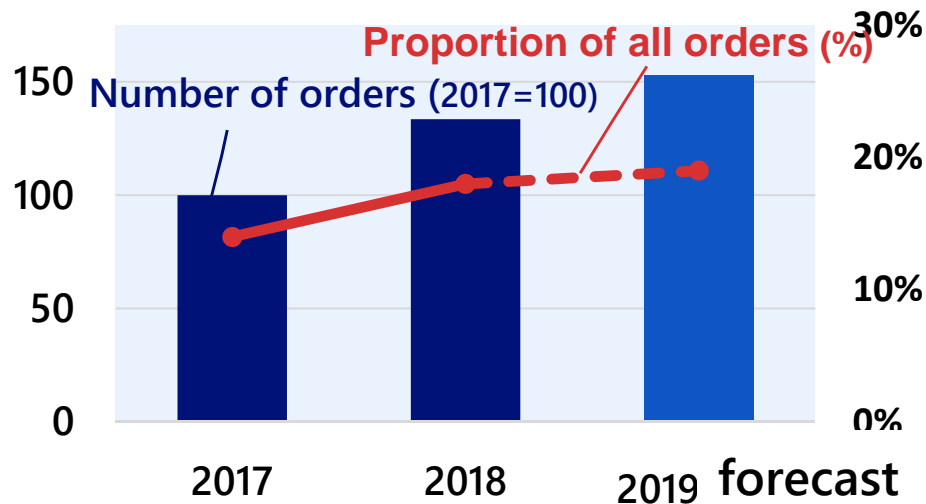
(Vision)



Recent Activities DX strategy

Demand for DX remains robust, mainly in industrial sectors

- **Cases of collaboration with the Solutions Division among management consulting orders received**



- ✓ Consulting + Solutions collaboration is increasing
- ✓ Demand for DX consulting is very strong. Sales in DX consulting are around 20-30% higher than last year
- ✓ Even better equipped to provide solutions (from business models to IT implementation)

- **DX-related sales (100M yen, proportion of consolidated sales (%))**
 - Generally on track toward FY2022 target (75% ratio of DX-related sales)

1Q FY2019	2Q	2Q Cumulative
737 (57%)	753 (58%)	1,490 (58%)

Recent examples of DX

- ✓ Transport) Building digital marketing platforms
- ✓ Wholesale) Revamped overseas e-commerce website
- ✓ Finance) Rebuilt information systems for data utilization

■ Business climate forecast

- ✓ Many companies will establish their e-commerce that will compete against major platform providers
- ✓ Demand peripheral to e-commerce (for digital marketing, demand forecasting and price optimization, logistics and shipping optimization, etc.) will expand
- ✓ All IT assets from front office to core systems and infrastructure will be involved in the move to becoming digital ready

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Financial Results Forecasts for FY March 2020

Order Backlog by Segment (Outstanding)

(JPY million)

	At end of Sep. 2018*	At end of Sep. 2019	Diff.	YoY Change
Consulting	8,100	7,945	(155)	(1.9%)
Financial IT Solutions	93,028	93,320	292	0.3%
Industrial IT Solutions	60,510	59,007	(1,503)	(2.5%)
IT Platform Services	8,618	9,618	1,000	11.6%
Other	170,258	169,891	(366)	(0.2%)
Total	164,924	162,810	(2,113)	(1.3%)

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

Financial Results Forecasts for FY March 2020

Order Backlog by Segment (Outstanding) (supplementary information)

■ Order backlog domestically

(JPY million)

	At end of Sep. 2018*	At end of Sep. 2019	Diff.	YoY Change
Consulting	7,693	7,436	(256)	(3.3%)
Financial IT Solutions	92,353	92,769	415	0.4%
Industrial IT Solutions	41,374	40,273	(1,100)	(2.7%)
IT Platform Services	8,617	9,618	1,000	11.6%
Total	150,038	150,097	59	0.0%

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

■ Order backlog of overseas subsidiaries

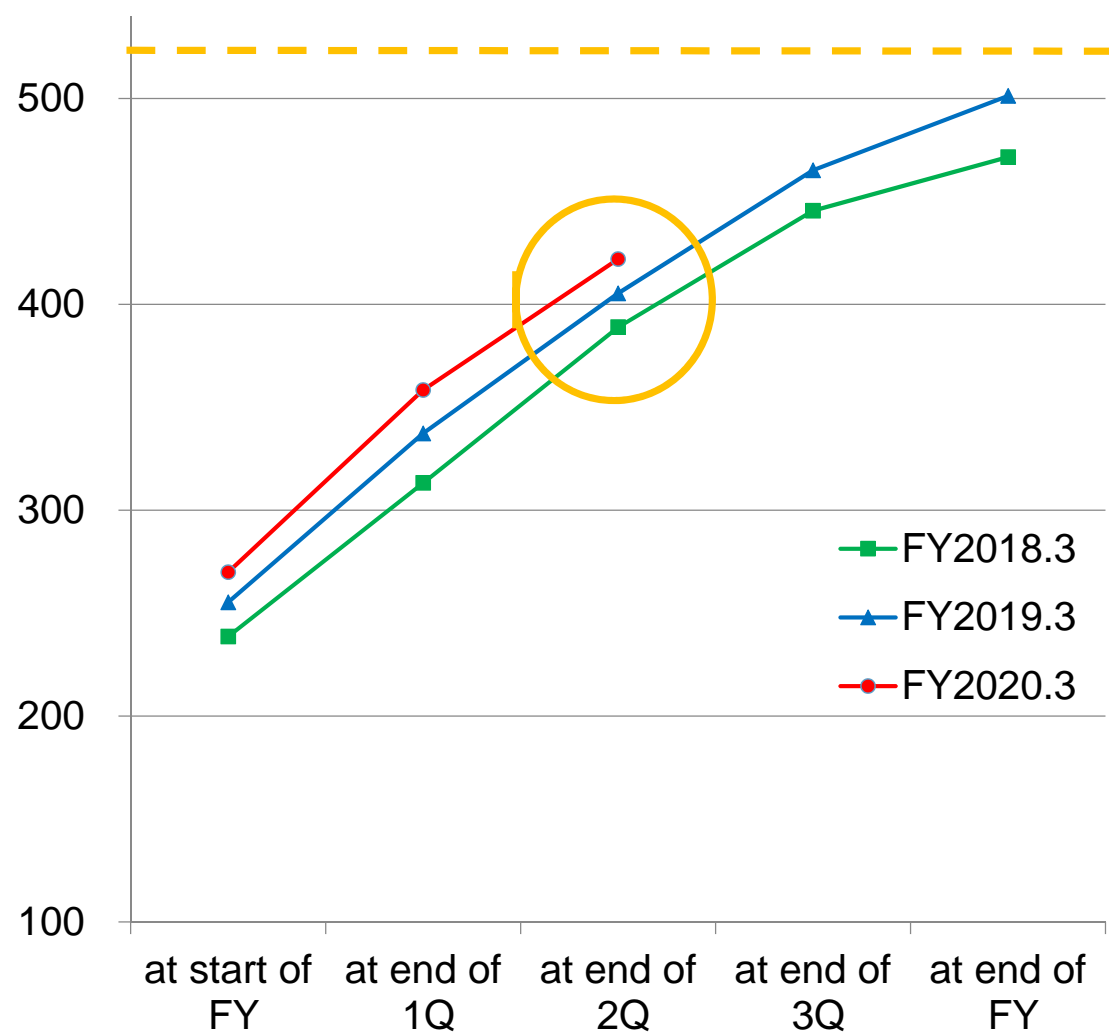
(JPY million)

	At end of Sep. 2018	At end of Sep. 2019	Diff.	YoY Change
Overseas subsidiaries	20,219	19,793	(425)	(2.1%)

Financial Results Forecasts for FY March 2020

Sales + Consolidated Order Backlog

(JPY billion)



(JPY billion)

	FY Mar.2019	FY Mar.2020	YoY Change
Sales*1	501.2	530.0	+5.7%
Sales*2+ Consolidated Order Backlog*3	405.3	421.9	+4.1%
Realization rate	80.9%	79.6%	(1.2P)

(※1) FY Mar.2019: Result, FY Mar. 2020: Forecast

(※2) The figure at the end of 2Q

(※3) The figure at the end of 2Q

Financial Results Forecasts for FY March 2020

Forecasts for FY March 2020

- Given the progress of FY2020 2Q, NRI revised full-year financial results forecast.

(JPY billion)

	FY Mar. 2019 (Results)	FY Mar. 2020 (October 25 Forecasts)	Diff.	YoY Change	FY Mar. 2020 (September 13 Forecasts)	Diff.
Sales	501.2	530.0	28.7	5.7%	530.0	—
Operating Profit	71.4	80.0	8.5	12.0%	76.0	4.0
Operating Profit Margin	14.3%	15.1%	0.8P		14.3%	0.8P
Profit attributable to owners of parent	50.9	68.0	17.0	33.5%	66.0	2.0
Earnings Per Share	¥72.11	¥101.19	¥29.08		¥96.02	¥5.16
Dividends Per Share	¥30.00	¥30.00	-		¥30.00	—
End of Q2	¥15.00	¥15.00	-		¥15.00	—
Fiscal year end	¥15.00	¥15.00	-		¥15.00	—
Payout Ratio	41.5%	26.6%	(14.9P)		27.4%	(0.8P)

* On July 1, 2019 we conducted a 3-for-1 share split of our common stock, and the values shown for quarterly net profit per share (this fiscal year) are calculated supposing that the share split had taken place at the outset of the previous fiscal year.

Financial Results Forecasts for FY March 2020

Sales Forecasts by Segment for FY March 2020

- Given the progress of FY2020 2Q, NRI revised sales forecasts by segment. (JPY billion)

	(a)		(b)		(b-a)		(c)	(b-c)
	FY Mar. 2019 (Results)*	Share	FY Mar. 2020 (October 25 Forecasts)	Share	Diff.	YoY Change	FY Mar. 2020 (September 13 Forecast)	Diff.
Consulting	34.8	7.0%	37.0	7.0%	2.1	6.2%	37.0	—
Financial IT Solutions	252.3	50.3%	271.0	51.1%	18.6	7.4%	266.0	5.0
Securities	100.3	20.0%	110.0	20.8%	9.6	9.7%	110.0	—
Insurance	64.8	12.9%	66.0	12.5%	1.1	1.7%	66.0	—
Banking	43.4	8.7%	48.0	9.1%	4.5	10.6%	45.0	3.0
Other financial	43.7	8.7%	47.0	8.9%	3.2	7.4%	45.0	2.0
Industrial IT Solutions	180.8	36.1%	185.0	34.9%	4.1	2.3%	190.0	(5.0)
Distribution	66.8	13.3%	69.0	13.0%	2.1	3.3%	68.0	1.0
Manufacturing, service and other	114.0	22.8%	116.0	21.9%	1.9	1.7%	122.0	(6.0)
IT Platform Services	33.1	6.6%	37.0	7.0%	3.8	11.6%	37.0	—
Total	501.2	100.0%	530.0	100%	28.7	5.7%	530.0	—

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

Financial Results Forecasts for FY March 2020

Results through 2Q and Full-Year Earnings Forecast

(JPY billion)

		1Q	2Q	3Q	4Q	FY
FY March 2017	Sales	100.3	102.7	105.3	116.0	424.5
	OP	13.6	12.6	16.3	15.8	58.5
	OPM	13.6%	12.3%	15.5%	13.7%	13.8%
FY March 2018	Sales	106.6	113.5	121.3	129.8	471.4
	OP	13.1	15.9	17.5	18.5	65.1
	OPM	12.3%	14.1%	14.4%	14.3%	13.8%
FY March 2019	Sales	117.7	122.6	126.6	134.1	501.2
	OP	15.3	17.7	18.3	20.0	71.4
	OPM	13.0%	14.5%	14.5%	14.9%	14.3%
FY March 2020 (Figures for 2H and full-year are estimates)	Sales	129.4	129.6	270.8		530.0
	OP	20.3	20.5	39.0		80.0
	OPM	15.7%	15.9%	14.4%		15.1%

Note: Figures for 2H of the fiscal year ending March 31, 2020 were calculated by subtracting 1H results from full-year forecasts for FY March 2020.

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Capital policy

Completed acquisition and retirement of treasury shares

- Acquired treasury shares to improve capital efficiency and shareholder value, while also allowing management to have a greater degree of independence
- Based on our treasury stock holding policy*, we plan to retire stock

* We aim to keep treasury stock holdings at roughly 5% of the total number of outstanding shares, and in principle retire the excess portion

Overview of treasury stock acquisition

Total number of shares acquired	101,910,780 shares
Total acquisition price for shares	159,999,924,600 yen
Acquisition period	July 1, 2019 until July 29, 2019
Acquisition method	By tender offer

Overview of treasury stock retirement

Scheduled date of retirement: Dec 2, 2019
 Number of shares to be retired: 114,591,500 shares
 (Percentage of total outstanding shares to be retired: **15.2%**)

	As of Oct 25	After share retirement (forecast)
Total outstanding shares	754,591,500 shares	640,000,000 shares
Number of treasury shares	151,415,303 shares Percentage of total outstanding shares : 20.1%	36,823,803 shares Percentage of total outstanding shares : 5.8%

(Note): Numbers of treasury shares shown above do not include changes that accompany purchases of shares less than one unit and exercise of stock options from October 1, 2019 onward. Additionally,, shares held by the NRI Group Employee Stock Ownership Association are not included.

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Reference Materials -Other Financial Result-related Data-

Order Volume <1H>

(JPY million)

	2Q FY Mar. 2019*	2Q FY Mar. 2020	Diff.	YoY Change
Consulting	19,921	21,559	1,637	8.2%
Financial IT Solutions	71,773	73,470	1,696	2.4%
Industrial IT Solutions	53,239	47,966	(5,272)	(9.9%)
IT Platform Services	8,976	12,376	3,399	37.9%
Total	153,910	155,372	1,461	0.9%

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

Reference Materials -Other Financial Result-related Data- Order Volume <1H> (Domestic/Overseas)

■ Order volume domestically

(JPY million)

	2Q FY Mar. 2019*	2Q FY Mar. 2020	Diff.	YoY Change
Consulting	17,891	19,467	1,576	8.8%
Financial IT Solutions	69,551	71,515	1,964	2.8%
Industrial IT Solutions	44,525	39,629	(4,896)	(11.0%)
IT Platform Services	8,908	12,277	3,369	37.8%
Total	140,877	142,890	2,013	1.4%

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

■ Order volume of overseas subsidiaries

(JPY million)

	2Q FY Mar. 2019	2Q FY Mar. 2020	Diff.	YoY Change
Overseas subsidiaries	13,033	12,481	(552)	(4.2%)

Highlights of Consolidated Financial Results <2Q>

■ YoY comparison (* are shown as a reference)

(JPY million)

	2Q FY Mar. 2019 (Jul.-Sep.)	2Q FY Mar. 2020 (Jul.-Sep.)	Diff.	YoY Change
Sales	122,648	129,657	7,009	5.7%
Operating Profit before goodwill amortization*	18,818	21,338	2,519	13.4%
Operating Profit	17,770	20,554	2,783	15.7%
Operating Profit Margin before goodwill amortization*	15.3%	16.5%	1.1P	
Operating Profit Margin	14.5%	15.9%	1.4P	
EBITDA Margin	21.9%	22.2%	0.3P	
Profit attributable to owners of parent	11,781	26,647	14,866	126.2%

Reference Materials -Other Financial Result-related Data-

Sales by Segment <2Q>

(JPY million)

	2Q FY Mar.2019 (Jul.-Sep.)*	Share	2Q FY Mar.2020 (Jul.-Sep.)	Share	Diff.	YoY Change
Consulting	8,608	7.0%	9,552	7.4%	943	11.0%
Financial IT Solutions	61,623	50.2%	67,052	51.7%	5,429	8.8%
Securities	24,233	19.8%	26,479	20.4%	2,246	9.3%
Insurance	15,577	12.7%	17,205	13.3%	1,627	10.5%
Banking	11,007	9.0%	12,531	9.7%	1,524	13.9%
Other financial	10,804	8.8%	10,835	8.4%	30	0.3%
Industrial IT Solutions	44,776	36.5%	43,727	33.7%	(1,048)	(2.3%)
Distribution	16,472	13.4%	16,782	12.9%	309	1.9%
Manufacturing, service and other	28,303	23.1%	26,945	20.8%	(1,358)	(4.8%)
IT Platform Services	7,640	6.2%	9,325	7.2%	1,685	22.1%
Total	122,648	100.0%	129,657	100.0%	7,009	5.7%

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

Reference Materials -Other Financial Result-related Data-

External sales by segment <2Q> (supplementary information)

■ Sales by main client

(JPY million)

	2Q FY Mar.2019 (Jul.-Sep.)	Share*	2Q FY Mar.2020 (Jul.-Sep.)	Share*	Diff.	YoY Change
Nomura Holdings	14,432	11.8%	16,370	12.6%	1,937	13.4%
Seven & i Holdings	12,252	10.0%	13,951	10.8%	1,698	13.9%

* Percentage of (total) external sales

■ Overseas sales

(JPY million)

	2Q FY Mar.2019 (Jul.-Sep.)	Share**	2Q FY Mar.2020 (Jul.-Sep.)	Share**	Diff.	YoY Change
Overseas sales	12,900	10.5%	11,449	8.8%	(1,451)	(11.2%)
North America*	2,346	1.9%	2,004	1.5%	(342)	(14.6%)
Oceania*	8,481	6.9%	7,847	6.1%	(633)	(7.5%)
Asia, other*	2,072	1.7%	1,597	1.2%	(475)	(22.9%)

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

** Percentage of (total) external sales

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment.

Reference Materials -Other Financial Result-related Data- Segment Performance Results <2Q>

- Including Inter-segment sales for each segment

(JPY million)

		2Q FY Mar.2019 (Jul.-Sep.)*	2Q FY Mar.2020 (Jul.-Sep.)	Diff.	YoY Change
Consulting	Sales	8,753	9,738	984	11.2%
	OP	2,208	2,683	475	21.5%
	OPM	25.2%	27.6%	2.3P	
Financial IT Solutions	Sales	62,302	68,058	5,755	9.2%
	OP	6,304	7,917	1,612	25.6%
	OPM	10.1%	11.6%	1.5P	
Industrial IT Solutions	Sales	45,420	44,434	(986)	(2.2%)
	OP	4,566	4,792	226	5.0%
	OPM	10.1%	10.8%	0.7P	
IT Platform Services	Sales	31,230	34,648	3,418	10.9%
	OP	4,309	5,052	742	17.2%
	OPM	13.8%	14.6%	0.8P	

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

Reference Materials -Other Financial Result-related Data-

Analysis of increase and decrease factors

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

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

Segment		External sales	Operating profit
Consulting		(+) More domestic consulting projects	(+) Higher profit due to increased revenue effects
Financial IT Solutions	Securities	(+) Shared online services implementations for multiple clients	(+) Higher profit due to increased revenue effects
	Insurance	(+) Systems development for life and non-life insurers	
	Banking	(+) Increases for multiple clients	
	Other financial, etc.		
Industrial IT Solutions	Distribution		(+) Improved productivity in development
	Manufacturing & services, etc.	(-) Impact from decreased revenue overseas	
IT Platform Services		(+) Increases in digital workplace, cloud-related business and information security-related business	

Reference Materials -Other Financial Result-related Data-

Sales by Service <2Q>

(JPY million)

	2Q FY Mar.2019 (Jul.-Sep.)	2Q FY Mar.2020 (Jul.-Sep.)	Diff.	YoY Change
Consulting Services	22,452	24,946	2,494	11.1%
System Development & System Application Sales	35,965	38,646	2,681	7.5%
System Management & Operation Services	60,746	61,531	784	1.3%
Product Sales	3,484	4,533	1,048	30.1%
Total	122,648	129,657	7,009	5.7%

Reference Materials -Other Financial Result-related Data- Consolidated P/L Highlight <2Q>

(JPY million)

	2Q FY Mar.2019 (Jul.-Sep.)	2Q FY Mar.2020 (Jul.-Sep.)	Diff.	YoY Change
Sales	122,648	129,657	7,009	5.7%
Cost of Sales	81,716	86,287	4,571	5.6%
Subcontracting Costs	36,983	40,261	3,278	8.9%
Gross Profit	40,932	43,370	2,437	6.0%
Gross Profit Margin	33.4%	33.5%	0.1P	
SG&A	23,161	22,816	(345)	(1.5%)
Amortization of goodwill	1,047	783	(263)	(25.2%)
Operating Profit	17,770	20,554	2,783	15.7%
Operating Profit Margin	14.5%	15.9%	1.4P	

Reference Materials -Other Financial Result-related Data- Consolidated P/L Highlight <2Q> (continued)

(JPY million)

	2Q FY Mar.2019 (Jul.-Sep.)	2Q FY Mar.2020 (Jul.-Sep.)	Diff.	YoY Change
Operating Profit	17,770	20,554	2,783	15.7%
Non-operating income and loss	(47)	57	105	
Extraordinary income and loss	(7)	19,103	19,110	
Gain on sales of investment securities	-	19,098	19,098	
Income taxes etc.	5,825	12,889	7,064	121.3%
Profit attributable to owners of parent	11,781	26,647	14,866	126.2%

Reference Materials -Other Financial Result-related Data-

Order Volume by Segment <2Q>

(JPY million)

	2Q FY Mar.2019 (Jul.-Sep.)*	2Q FY Mar.2020 (Jul.-Sep.)	Diff.	YoY Change
Consulting	7,440	7,542	101	1.4%
Financial IT Solutions	37,125	31,479	(5,646)	(15.2%)
Industrial IT Solutions	22,785	19,026	(3,759)	(16.5%)
IT Platform Services	4,309	6,385	2,076	48.2%
Total	71,661	64,433	(7,227)	(10.1%)

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

Reference Materials -Other Financial Result-related Data-

Order Volume by Segment <2Q> (Domestic/Overseas)

■ Order volume domestically

(JPY million)

	2Q FY Mar.2019 (Jul.-Sep.)*	2Q FY Mar.2020 (Jul.-Sep.)	Diff.	YoY Change
Consulting	6,547	6,458	(89)	(1.4%)
Financial IT Solutions	36,083	30,698	(5,385)	(14.9%)
Industrial IT Solutions	18,654	16,528	(2,126)	(11.4%)
IT Platform Services	4,256	6,331	2,074	48.7%
Total	65,541	60,016	(5,525)	(8.4%)

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

■ Order volume of overseas subsidiaries

(JPY million)

	2Q FY Mar.2019 (Jul.-Sep.)*	2Q FY Mar.2020 (Jul.-Sep.)	Diff.	YoY Change
Overseas subsidiaries	6,119	4,417	(1,701)	(27.8%)

Reference Materials -Other Financial Result-related Data-

Sales Forecasts by Service for FY March 2020

- There are no revisions to financial results forecasts regarding Sales Forecasts by Service

(JPY billion)

	FY Mar. 2019 (Results)	FY Mar. 2020 (Forecasts)	Diff.	YoY Change
Consulting Services	90.8	95.0	4.1	4.6%
System Development & System Application Sales	150.4	165.0	14.5	9.7%
System Management & Operation Services	244.2	255.0	10.7	4.4%
Product Sales	15.6	15.0	(0.6)	(4.4%)
Total	501.2	530.0	28.7	5.7%

Reference Materials -Other Financial Result-related Data-

CAPEX, R&D and Depreciation Forecasts for FY March 2020

- There are no revisions to financial results forecasts regarding CAPEX, R&D and Depreciation

Capital Expenditure, R&D

(JPY billion)

	FY Mar. 2019 (Results)	FY Mar. 2020 (Forecasts)	Diff.	YoY Change
Capital Expenditure	26.2	30.0	3.7	14.2%
Tangible	5.6	8.0	2.3	42.5%
Intangible	20.6	22.0	1.3	6.5%
R&D	3.6	4.0	0.3	9.1%

Depreciation and Amortization

(JPY billion)

	FY Mar. 2019 (Results)	FY Mar. 2020 (Forecasts)	Diff.	YoY Change
Total	30.4	31.0	0.5	1.9%

Reference Materials -Other Financial Result-related Data-

Forecasts for FY March 2020 < Consolidated Earnings Model >

- FY March 2020 Consolidated Earnings Model
 - Sales of JPY530.0 billion and Operating profit of JPY80.0 billion

(JPY billion)

	FY Mar. 2018 (Results)	FY Mar. 2019 (Results)	(a) FY Mar. 2020 (October 25 Forecasts)*	YoY		(b) FY Mar. 2020 (September 13 Forecasts)	(a-b) Diff.
				Diff.	Change		
Sales	471.4	501.2	530.0	28.7	5.7%	530.0	—
Cost of Sales	311.8	336.5	353.0	16.4	4.9%	356.0	(3.0)
Personnel	104.0	111.1	114.0	2.8	2.6%	116.0	(2.0)
Subcontracting Costs	135.5	150.6	163.0	12.3	8.2%	160.0	3.0
Depreciation	30.0	28.7	29.0	0.2	1.0%	29.0	—
Gross Profit	159.6	164.7	177.0	12.2	7.4%	174.0	3.0
Gross Profit Margin	33.9%	32.9%	33.4%	0.5P		32.8%	0.6P
SG&A	94.4	93.2	97.0	3.7	4.0%	98.0	(1.0)
Operating Profit	65.1	71.4	80.0	8.5	12.0%	76.0	4.0
Operating Profit Margin	13.8%	14.3%	15.1%	0.8P		14.3%	0.8P

* Figures are consolidated estimates for preparing this earnings model.

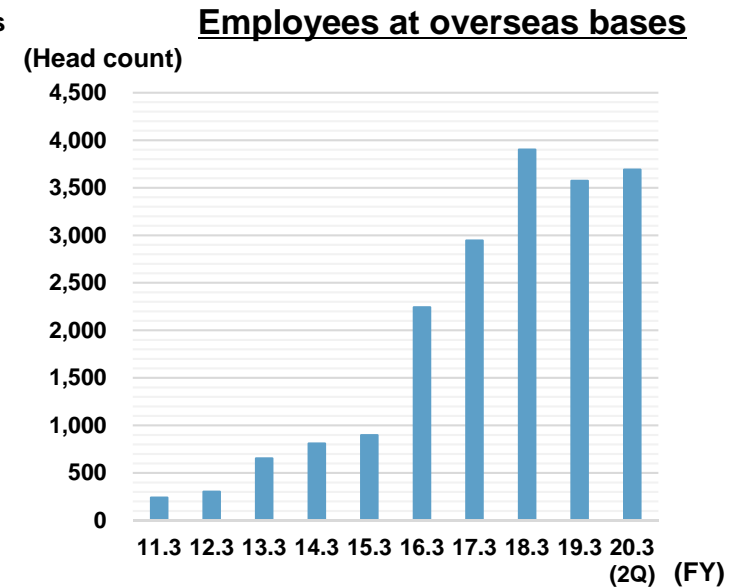
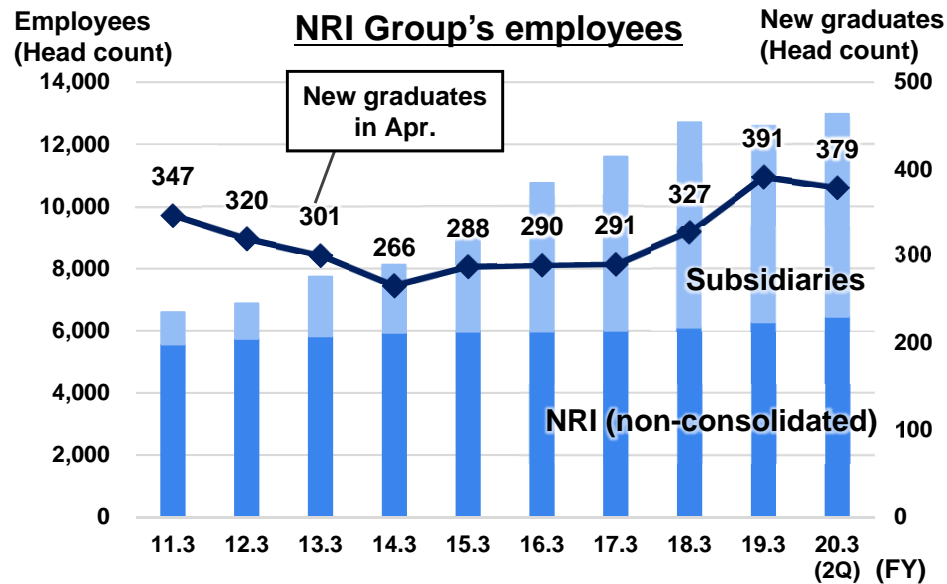
Reference Materials -Other Financial Result-related Data-

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

■ NRI Group-s employees

Personnel:
12,982*

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



■ Subcontractors

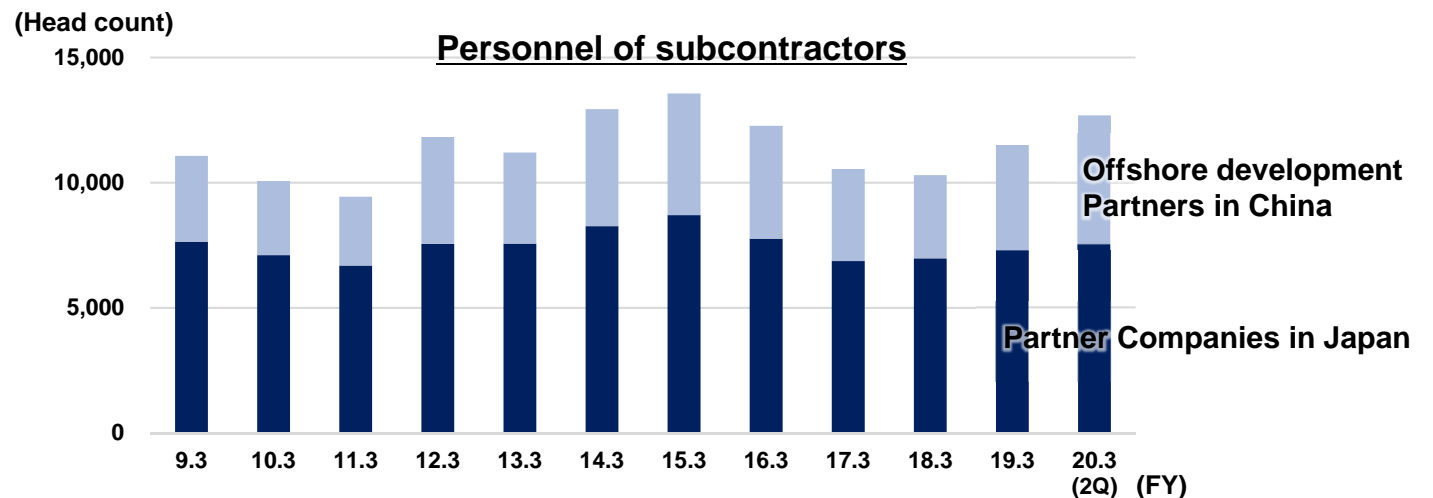
- Offshore development Partners in China

20 partners in 20 regions

Personnel: Approx. 5,000

- Partner Companies in Japan

Personnel: Approx. 7,500



This document contains statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company.

Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors.

The Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

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

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