

# Financial Results Presentation

Financial Results for the year ended 31<sup>st</sup> March, 2018

and Financial Results Forecast for the year ending 31<sup>st</sup> March, 2019

April 26, 2018

**Nomura Research Institute, Ltd.**

**Shingo Konomoto**

President & CEO, Member of the Board



# Contents

---

**1. Financial Results for FY March 2018**

**2. Review of Measures in FY March 2018**

**3. Management Policies for FY March 2019**

**4. Financial Results Forecasts for FY March 2019**

# Highlights of Consolidated Financial Results

## ■ YoY comparison (\* are shown as a reference)

(JPY million)

	FY Mar. 2017	FY Mar. 2018	Diff.	YoY Change
<b>Sales</b>	<b>424,548</b>	<b>471,488</b>	<b>46,939</b>	<b>11.1%</b>
Operating Profit before goodwill amortization*	<b>60,456</b>	<b>69,281</b>	<b>8,825</b>	<b>14.6%</b>
<b>Operating Profit</b>	<b>58,514</b>	<b>65,138</b>	<b>6,623</b>	<b>11.3%</b>
Operating Profit Margin before goodwill amortization*	<b>14.2%</b>	<b>14.7%</b>	<b>0.5P</b>	
<b>Operating Profit Margin</b>	<b>13.8%</b>	<b>13.8%</b>	<b>-</b>	
<b>Profit attributable to owners of parent</b>	<b>45,064</b>	<b>55,145</b>	<b>10,080</b>	<b>22.4%</b>
<b>Earnings Per Share*</b>	<b>¥181.77</b>	<b>¥228.21</b>	<b>¥46.43</b>	
<b>Dividends Per Share</b>	<b>¥80.00</b>	<b>¥90.00</b>	<b>¥10.00</b>	
<b>Payout Ratio</b>	<b>42.4%</b>	<b>39.1%</b>	<b>(3.2P)</b>	
<b>Return On Equity</b>	<b>10.7%</b>	<b>12.9%</b>	<b>2.3P</b>	

\* Earnings per share shows the figure obtained based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

# Comparison to Forecasts

(JPY billion)

	FY Mar. 2017	FY Mar. 2018		
	Results	Forecasts*	Results	Diff.
<b>Sales</b>	<b>424.5</b>	<b>465.0</b>	<b>471.4</b>	<b>6.4</b>
<b>Operating Profit</b>	<b>58.5</b>	<b>64.0</b>	<b>65.1</b>	<b>1.1</b>
<b>Operating Profit Margin</b>	<b>13.8%</b>	<b>13.8%</b>	<b>13.8%</b>	<b>0.1P</b>
<b>Profit attributable to owners of parent</b>	<b>45.0</b>	<b>59.0</b>	<b>55.1</b>	<b>(3.8)</b>

\* Forecasts were announced on January 30, 2018

# Key Factors in Financial Results for March 2018

- **Higher income and profit, with +11.1% in sales and +11.3% in operating profit**

- Sales increased mainly due to expansion in Consulting and Industrial IT solutions
- Operating profit increased due to expansion and improved profitability in Industrial IT solutions

- **Compared to forecast, sales were +1.4% (+2.5% over initial forecast), operating profit was +1.8%**

- Sales and operating profit were both above forecast as Financial IT solutions recovered in the second half, while Industrial IT solutions performed well throughout the year

As efforts toward DX gained momentum, we achieved steady growth of existing business and good progress building our track record in new areas including global business.

This gives us a deeper business infrastructure to achieve our medium-term management plan, and subsequently achieve V2022 goals.

# Sales by Segment < Full Year >

(JPY million)

	FY Mar. 2017	Share	FY Mar. 2018	Share	Diff.	YoY Change
<b>Consulting</b>	30,574	7.2%	36,168	7.7%	5,593	18.3%
<b>Financial IT Solutions</b>	246,979	58.2%	251,876	53.4%	4,897	2.0%
Securities	119,128	28.1%	118,412	25.1%	(715)	(0.6%)
Insurance	51,982	12.2%	51,836	11.0%	(145)	(0.3%)
Banking	40,286	9.5%	42,225	9.0%	1,938	4.8%
Other financial	35,580	8.4%	39,401	8.4%	3,820	10.7%
<b>Industrial IT Solutions</b>	107,208	25.3%	141,662	30.0%	34,453	32.1%
Distribution	54,256	12.8%	60,894	12.9%	6,637	12.2%
Manufacturing, service and other	52,952	12.5%	80,767	17.1%	27,815	52.5%
<b>IT Platform Services</b>	29,241	6.9%	30,117	6.4%	876	3.0%
<b>Others</b>	10,544	2.5%	11,663	2.5%	1,118	10.6%
<b>Total</b>	<b>424,548</b>	<b>100.0%</b>	<b>471,488</b>	<b>100.0%</b>	<b>46,939</b>	<b>11.1%</b>
<b>Nomura Holdings</b>	71,600	16.9%	77,937	16.5%	6,336	8.8%
<b>Seven &amp; i Holdings</b>	45,285	10.7%	47,001	10.0%	1,715	3.8%

Note: Figures for sales to Nomura Holdings and Seven & i Holdings include sales to their respective subsidiaries and sales through lease companies, etc.

# Segment performance results < Full Year >

## ■ Including Inter-segment sales for each segment

(JPY million)

		FY Mar. 2017	FY Mar. 2018	Diff.	YoY Change
Consulting	Sales	31,161	36,923	5,761	18.5%
	OP	5,853	5,954	100	1.7%
	OPM	18.8%	16.1%	(2.7P)	
Financial IT Solutions	Sales	248,188	253,281	5,092	2.1%
	OP	26,461	27,349	887	3.4%
	OPM	10.7%	10.8%	0.1P	
Industrial IT Solutions	Sales	107,672	142,214	34,541	32.1%
	OP	9,076	13,652	4,575	50.4%
	OPM	8.4%	9.6%	1.2P	
IT Platform Services	Sales	122,107	128,839	6,732	5.5%
	OP	14,015	15,101	1,086	7.8%
	OPM	11.5%	11.7%	0.2P	

# Analysis of increase and decrease factors < Full Year >

## ■ 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 consulting projects inside and outside Japan (+) Impact from M&A in Australia (approx. 4 billion yen)	(+) Effect of increased revenue in systems consulting (–) Impact from M&A of Australian companies (approx. 500 million yen)
Financial IT Solutions	Securities	(+) Increases in business with Nomura Holdings (–) Decreases in business with other securities companies	(+) Positive swing reflected by not having the costs for structural improvements of consolidated subsidiary DSB (2.8 billion yen) which had been recorded the previous year (–) Impact of ended projects in securities
	Insurance	(+) Increases mostly with non-life insurance (–) Decreases with large life insurance companies	
	Banking	(+) More shared online services projects	
	Other financial, etc.	(+) Increases with asset management companies, etc.	
Industrial IT Solutions	Distribution	(+) Increases with multiple clients including Seven & i Holdings	(+) Effect of increased revenue from multiple major clients (–) Impact from M&A in Australia (approx. 1 billion yen)
	Manufacturing & services, etc.	(+) Increases with multiple major clients (+) Impact from M&A in Australia (approx. 20 billion yen)	
IT Platform Services		(+) Increased projects involving information security, cloud, and digital	
Common between segments		(–) Costs to move into new offices (1.1 billion yen)	



## Sales by Service < Full Year >

(JPY million)

	FY Mar. 2017	Share	FY Mar. 2018	Share	Diff.	YoY Change
Consulting Services	62,734	14.8%	78,987	16.8%	16,253	25.9%
System Development & System Application Sales	131,908	31.1%	138,111	29.3%	6,203	4.7%
System Management & Operation Services	217,271	51.2%	241,198	51.2%	23,926	11.0%
Product Sales	12,634	3.0%	13,191	2.8%	556	4.4%
<b>Total</b>	<b>424,548</b>	<b>100.0%</b>	<b>471,488</b>	<b>100.0%</b>	<b>46,939</b>	<b>11.1%</b>

## P/L Highlight < Full Year >

( JPY million )

	FY Mar. 2017	FY Mar. 2018	Diff.	YoY Change
<b>Sales</b>	<b>424,548</b>	<b>471,488</b>	<b>46,939</b>	<b>11.1%</b>
<b>Cost of Sales</b>	<b>280,761</b>	<b>311,868</b>	<b>31,106</b>	<b>11.1%</b>
Subcontracting Costs	126,361	135,522	9,161	7.2%
<b>Gross Profit</b>	<b>143,787</b>	<b>159,619</b>	<b>15,832</b>	<b>11.0%</b>
Gross Profit Margin	33.9%	33.9%	-	
<b>SG&amp;A</b>	<b>85,272</b>	<b>94,481</b>	<b>9,208</b>	<b>10.8%</b>
Goodwill Amortization	1,942	4,143	2,201	113.4%
<b>Operating Profit</b>	<b>58,514</b>	<b>65,138</b>	<b>6,623</b>	<b>11.3%</b>
Operating Profit Margin	13.8%	13.8%	-	

# P/L Highlight < Full Year > continued

( JPY million )

	FY Mar. 2017	FY Mar. 2018	Diff.	YoY Change
<b>Operating Profit</b>	<b>58,514</b>	<b>65,138</b>	<b>6,623</b>	<b>11.3%</b>
<b>Non-operating income and loss</b>	<b>1,839</b>	<b>1,023</b>	<b>(816)</b>	<b>(44.4%)</b>
<b>Extraordinary income and loss</b>	<b>4,638</b>	<b>16,366</b>	<b>11,727</b>	<b>252.8%</b>
Gain on sales of investment securities	13,159	22,078	8,919	-
Loss on sales of property and equipment	(8,567)	(153)*	8,414	-
Office reorganization costs	-	(5,532)*	(5,532)	-
<b>Income taxes etc.</b>	<b>21,042</b>	<b>26,356</b>	<b>5,313</b>	<b>25.3%</b>
<b>Profit attributable to owners of parent</b>	<b>45,064</b>	<b>55,145</b>	<b>10,080</b>	<b>22.4%</b>

\* Related to revisions for training facilities and dormitories, and additional work to reorganize major offices

# Contents

---

**1. Financial Results for FY March 2018**

**2. Review of Measures in FY March 2018**

**3. Management Policies for FY March 2019**

**4. Financial Results Forecasts for FY March 2019**

# Looking back on measures pursued in FY March 2018

- Industrial IT and Consulting grew, and efforts in digital area produced a favorable response
- Financial IT increased revenue and profit, but faced a tough business climate
- More growth than expected in global business, particularly in Australia
- Steady progress on acquisition of large-scale clients in Financial IT and Industrial IT for FY March 2019

## Overview of FY March 2018

<p><b>(1) Improve productivity in specialty areas in Japan</b></p>	<ul style="list-style-type: none"> <li>• Made an agile shift of human resources to Industrial IT solutions, etc.</li> <li>• Maintain zero unexpected large-scale unprofitable projects</li> </ul>
<p><b>(2) Expand industry-standard business platforms and develop large-scale clients</b></p>	<ul style="list-style-type: none"> <li>• Steadily increased in the number of companies using industry-standard business platforms</li> <li>• Increased orders from prime accounts (Industrial IT solutions)</li> <li>• Established the new joint venture KDDI Digital Design</li> </ul>
<p><b>(3) Build foundations for global business</b></p>	<ul style="list-style-type: none"> <li>• Australian business (ASG and SMS) is progressing smoothly</li> <li>• Expanded business with Brierley+Partners</li> </ul>
<p><b>(4) Create business IT</b></p>	<ul style="list-style-type: none"> <li>• Increased projects involving AI, RPA<sup>*</sup>, digital marketing, and analytics</li> <li>• Real estate crowd-funding business collaboration (Bit Realty)</li> <li>• Invested in a FinTech startup (TORANOTEC)</li> </ul>

\* RPA: Robotic Process Automation

## (2)-1 Expand industry standard business platforms

- Steady progress in shared-online services, NRI's strength.

### For brokers and asset managers

#### Number of Clients

##### For Retail brokerage firms



71 firms(+1)

**Market Share**  
50%

##### For Wholesale brokerage firms



28 firms(+1)

**Market Share**  
80%

##### For Asset management firms



75 firms(+1)

**Market Share**  
80%

### For banks and others

#### Number of Clients

##### For Banks (investment-trust OTC sales solution)



112 firms(+1)

✓ including insurances and asset managers etc.

##### For Banks (online banking solution)



16 firms(+2)

##### "My Number" management service



Social Security and Tax Number  
Over 12.5 million cases

✓ as of April, 2018

\* **The number is current as of the end of March 2018**

( ): compared to the end of **March 2017**

## (2)-2 Developing large-scale clients (Industrial IT)

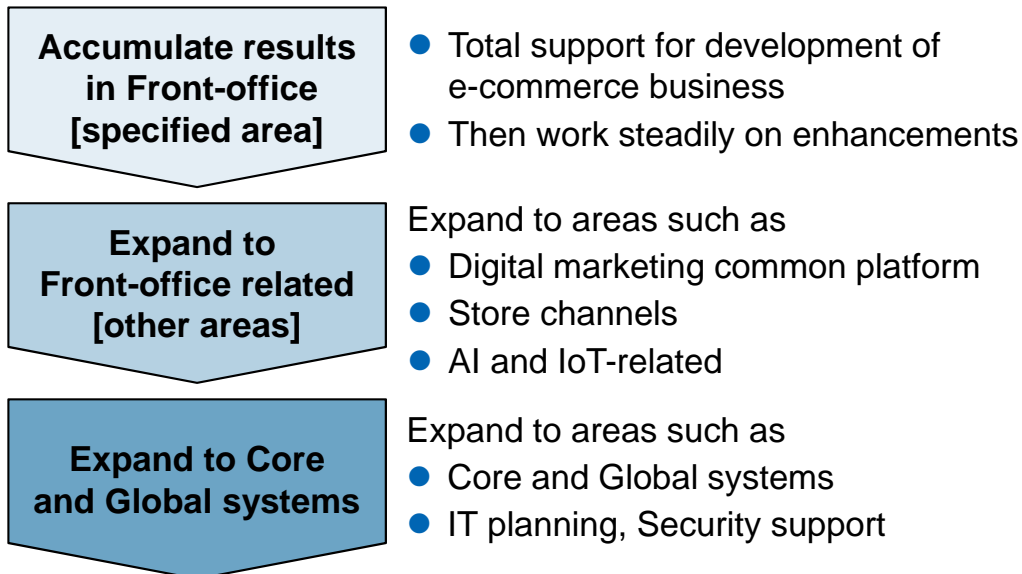
- Prime Account Activities have been paying off, mostly in Industrial IT

### Example) Client company A

#### Medium- to long-term account plan

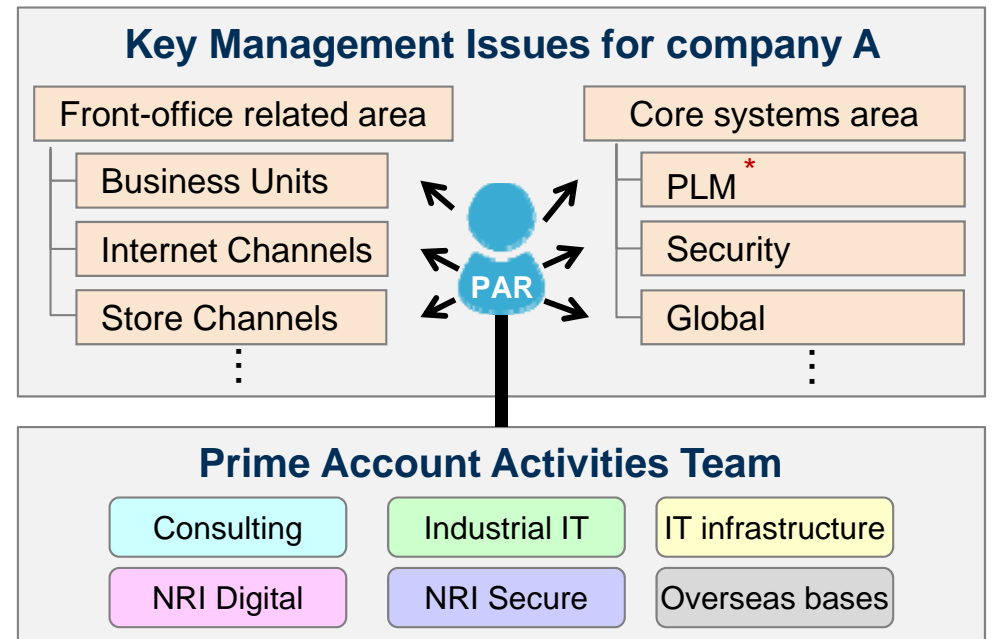
- Understand clients' strategies and issues in-depth, and create a medium- to long-term growth plan
- Implement PDCA cycle to review relationship and proposal activities in line with the plan

#### Process to strengthen relationship with company A



#### NRI group optimal initiative

- PAR\* manages NRI group-wide client relationships
- Team members consistently share information, considering measures collaboratively and implementing them promptly



\* PAR: Prime Account Representative, the executive in charge of a customer  
 PLM: Product Life cycle Management

### (3) Build foundations for global business (Australia)

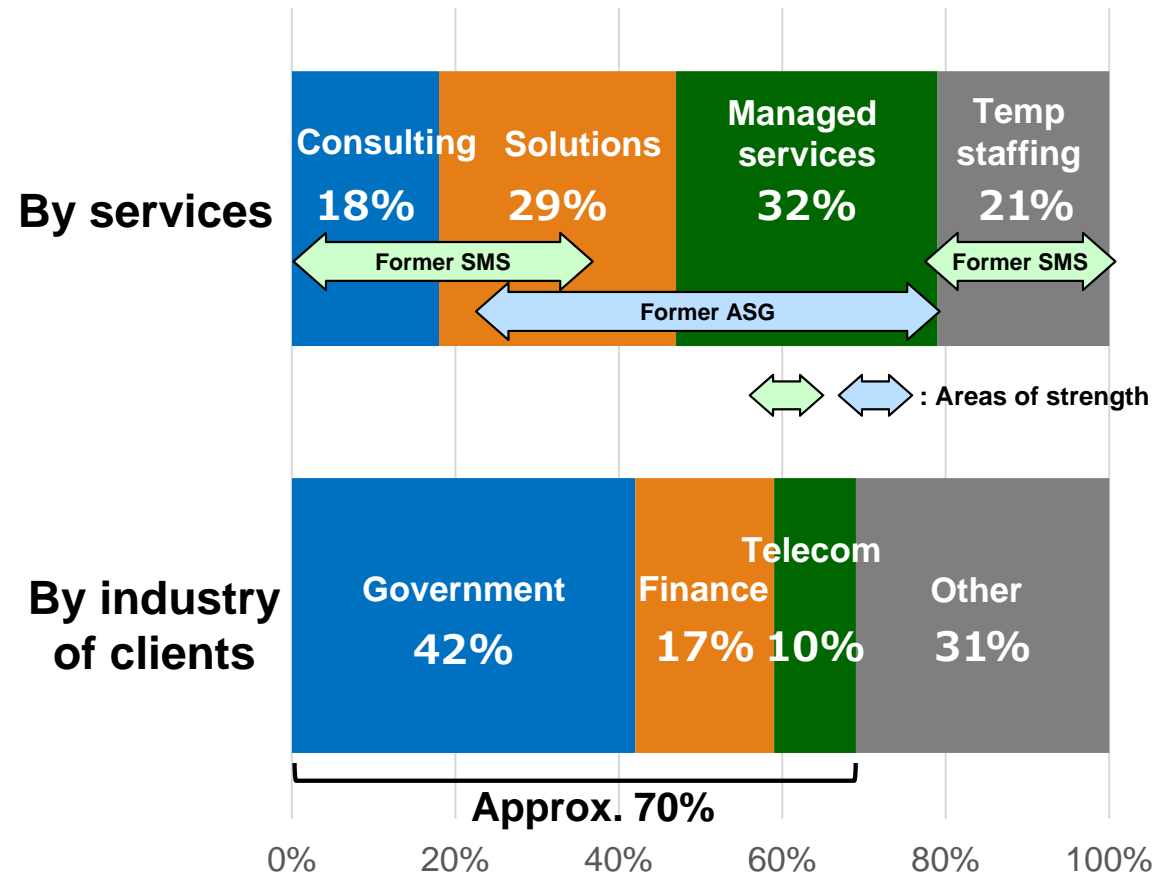
- ASG has synergy effects from integration with SMS, and is working to acquire large clients
- Lift & Shift to cloud-base managed services are steadily expanding
- Contracted by Airservices Australia for AUD 84 mil. of managed services over 5 years\*

\* From ASG press release (April 4, 2018)

#### New ASG (ASG and SMS have come together)



#### Business portfolio (Oct 2017 to March 2018)





# Contents

---

**1. Financial Results for FY March 2018**

**2. Review of Measures in FY March 2018**

**3. Management Policies for FY March 2019**

**4. Financial Results Forecasts for FY March 2019**

# Medium-Term Management Plan (FY March 2017-FY March 2019)

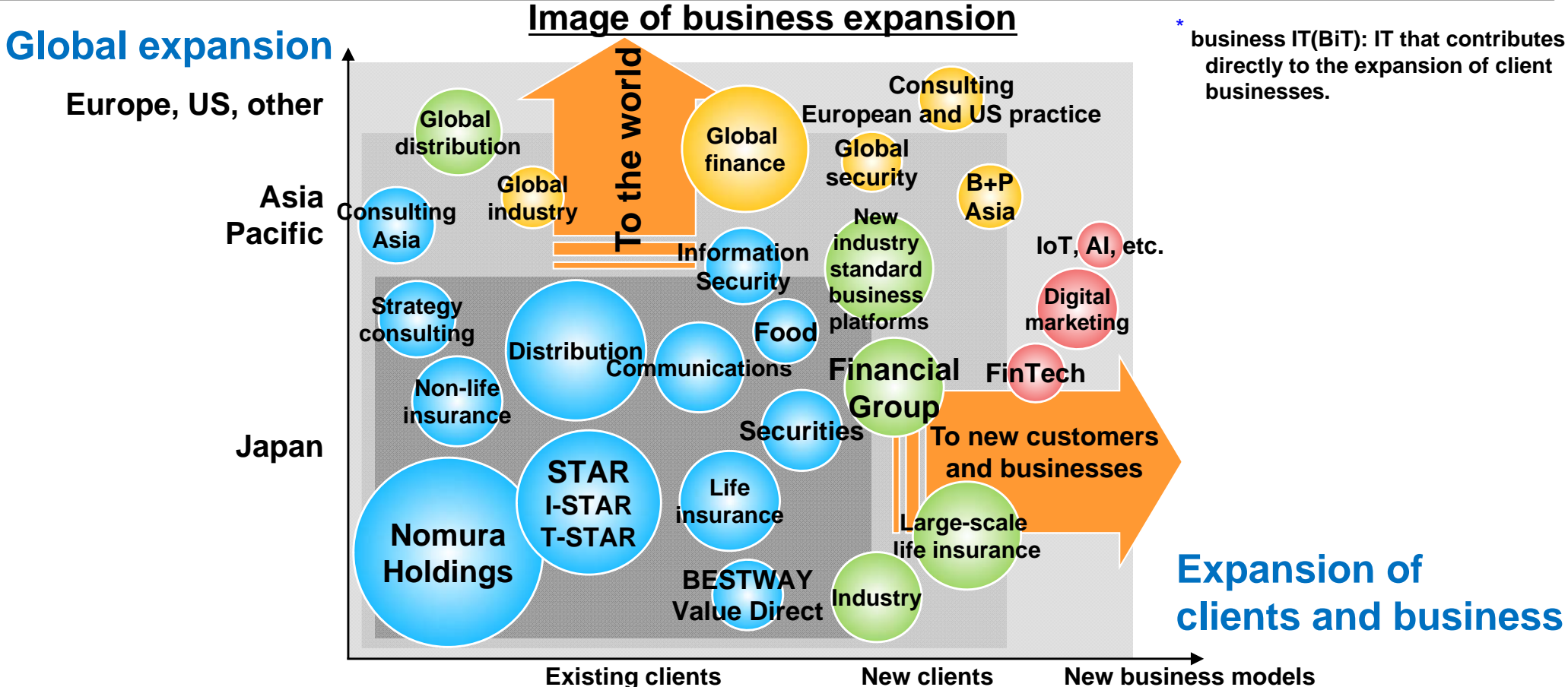
- (1) Increase productivity and strengthen project management in specialty areas in Japan ● Fields targeting further profitability

---

- (2) Expand industry standard business platforms and develop large-scale clients ● Fields targeting medium-term growth

---

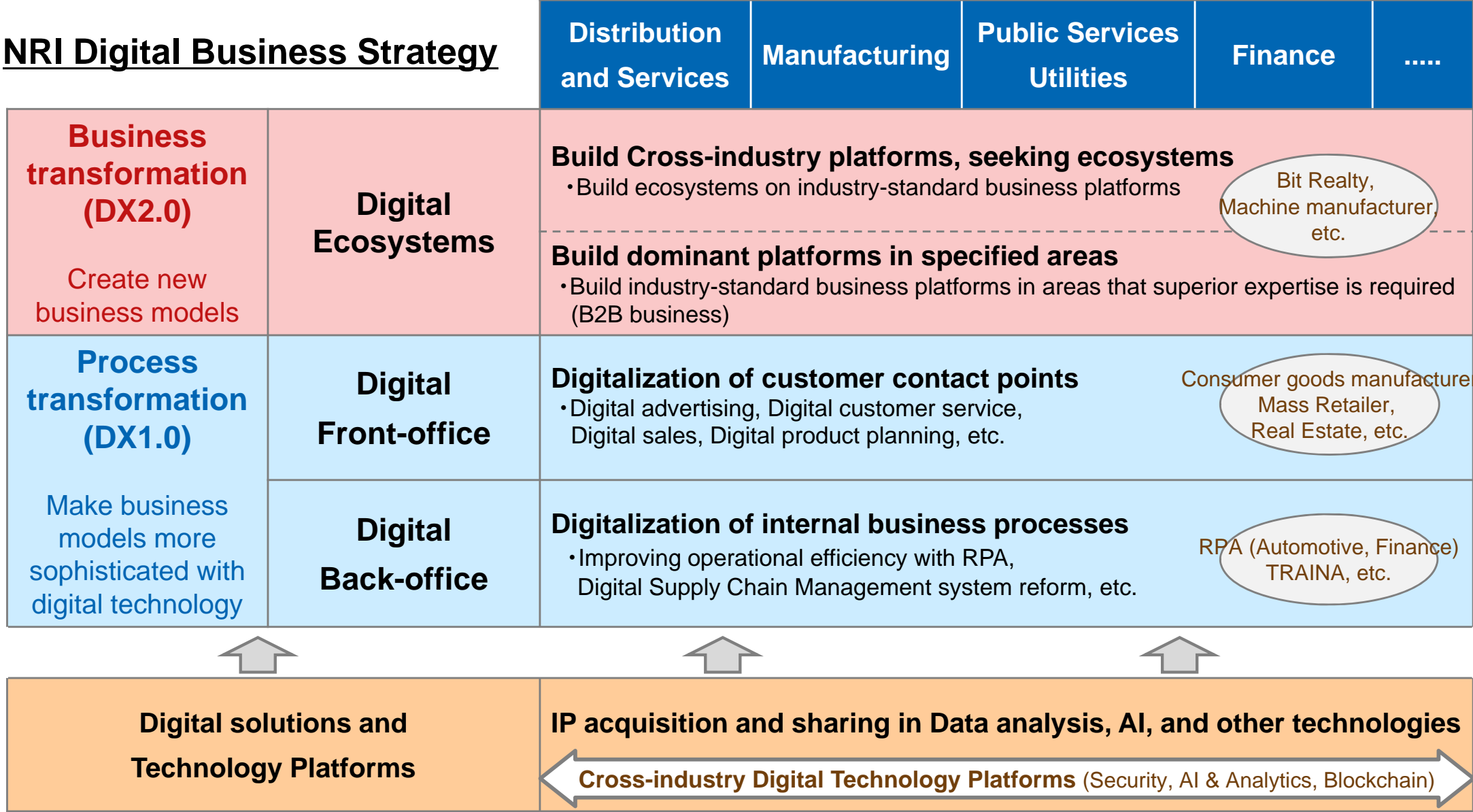
- (3) Build foundations for global business ● Fields targeting long-term growth
- (4) Create business IT\* ● (Focus for these 3 years is preparation and building up track record)



# Management Policies for FY March 2019

- Work on **developing large-scale clients** for the goal of the medium-term plan
  - **Financial IT solutions** gets back onto a growth path by capturing large-scale projects
    - **Securities & Asset management:** Expand shared online services, Cost structure reforms, etc.
    - **Insurance:** Steadily preparing and receiving projects for large life and non-life insurance and direct non-life insurance
    - **Banking:** Expand shared online services, new-type banks, front-office related, etc.
  - Continue efforts to develop large-scale clients in **Consulting** and **Industrial IT solutions**
- Further strengthen measures in the **digital** and **global** areas for medium- to long-term growth
  - Build a more extensive track record in digital business
  - Additional expansion for business in Australia, and strengthen global governance
- Continue measures for improving **productivity** and **quality**
  - Realize benefits from productivity improvement measures, and further improve CiT cost structure
  - Strengthen initiatives to eliminate system failures, and maintain zero unexpected large-scale unprofitable projects

# DX investment proceeded at full speed in 2017, and further accelerate in 2018

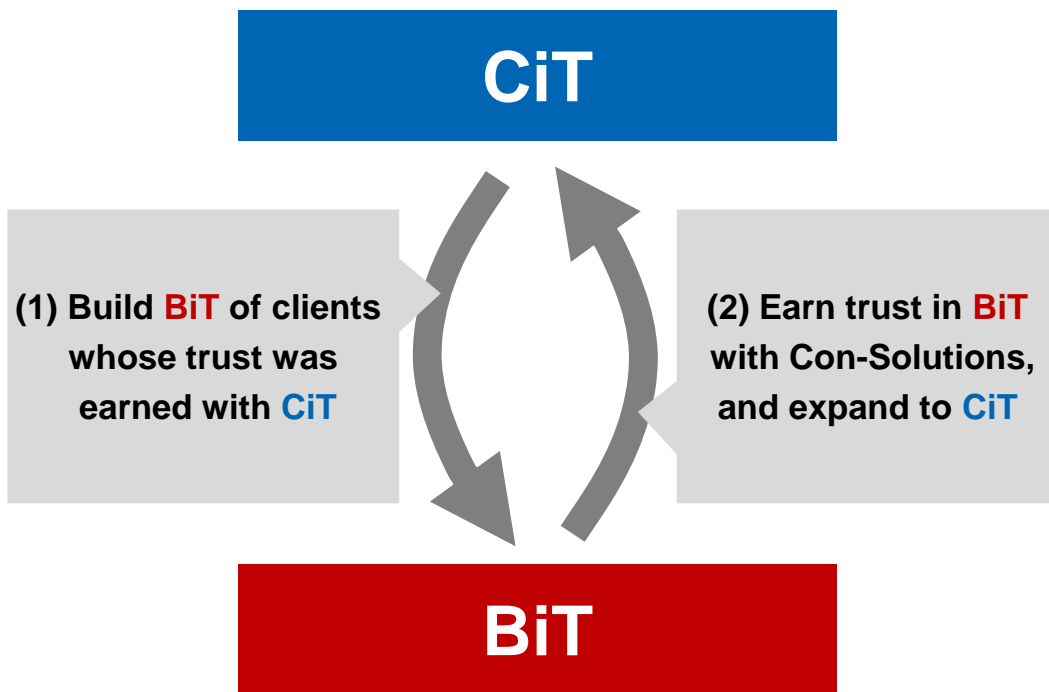


# Develop “strategic partnerships” through both CiT and BiT to grow client assets

- Fully utilize the advantage NRI has in Consulting and IT solutions together, and aim to build further track record

## Synergy effects between CiT\* and BiT\*

- Build API-Gateway from CiT to BiT
- Build Data analysis platforms
- Development Environment & Security Control under Multi-Cloud



- Full support of consulting division
- Business collaboration with clients (Con-Solution)

## Example) Approach for company B

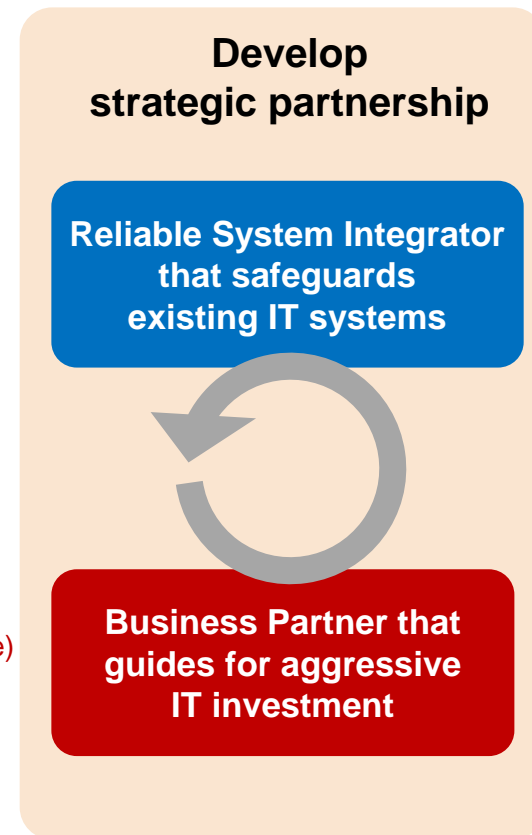
### **[CiT Projects]** Large-scale

- Rebuild accounting systems
- Rebuild contract management systems
- Renew IT infrastructure



### **[BiT Projects]** Small-scale

- Service Planning (business alliance)
- Digital Marketing
- Utilizing IoT on-site

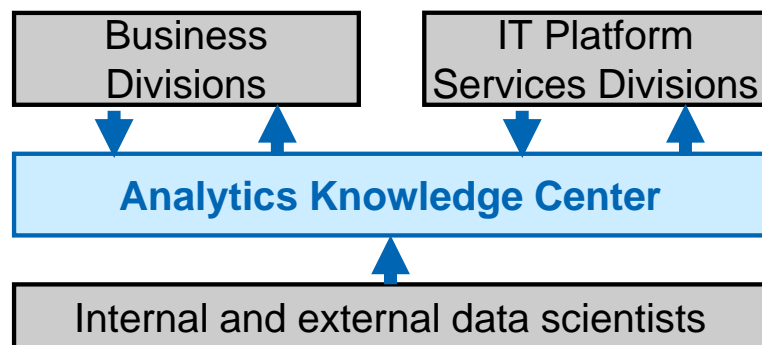


- \* **CiT (=Corporate IT):** IT that helps enhance the quality and efficiency of clients' internal operations, including core information systems
- BiT (=Business IT):** IT that contributes directly to the expansion of client businesses

# Strengthen initiatives to expand digital business

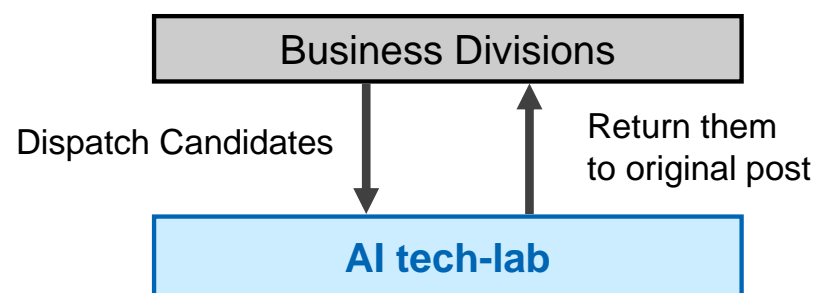
## Establish Analytics Knowledge Center

- Accrue and develop knowledge through collaboration among related divisions (established in Systems Consulting Division)



## AI tech-lab for HR development

- Develop AI engineers through PoC, etc. (established in Digital Platform Innovation Division)



## Accelerate trials aimed at DX2.0

- Create rules and structures for speedy and agile business developments

(Main initiatives)

- Investment and alliance with startups with useful IP
- Verification of digital technology through industry-academia collaboration in Japan and overseas

## Enhance digital business capabilities

- Establish project management expertise of BiT differs from that of CiT (Agile methods, Organizational management, etc.)
- Development of Data scientists (new in-house certification system, knowledge management, etc.)

# This fiscal year we will create the next medium-term plan (FY March 2020-FY March 2023) to achieve Vision2022

## Vision2022

### 【Vision Statement】



### 【Vision2022 Numerical Targets】

Key Indicators	Targets
Operating Profit	¥100 billion
Operating Profit Margin	14% or more
Overseas Sales	¥100 billion
ROE	14%

### 【5 pillars of Vision2022 growth strategy】

- 1 Dramatic expansion of globalization**  
(From Asia to the world)
- 2 Enhancement of IP\* Portfolio**  
(Industry knowledge, industry standard business platforms, etc.)
- 3 Promotion of business value creation**  
(Business IT and Con-Solution)
- 4 Further pursuit of "Innovation in production"**  
(Improve productivity in specialty areas in Japan)
- 5 Cooperation and assembly of diverse talents**  
(Business creation and global management)

\*IP (Intellectual Property): The intellectual property that forms the source for delivering value including NRI's unique industry knowledge and industry standard services. NRI's "industry standard business platforms" such as STAR and BESTWAY are also considered intellectual property.

# Contents

---

**1. Financial Results for FY March 2018**

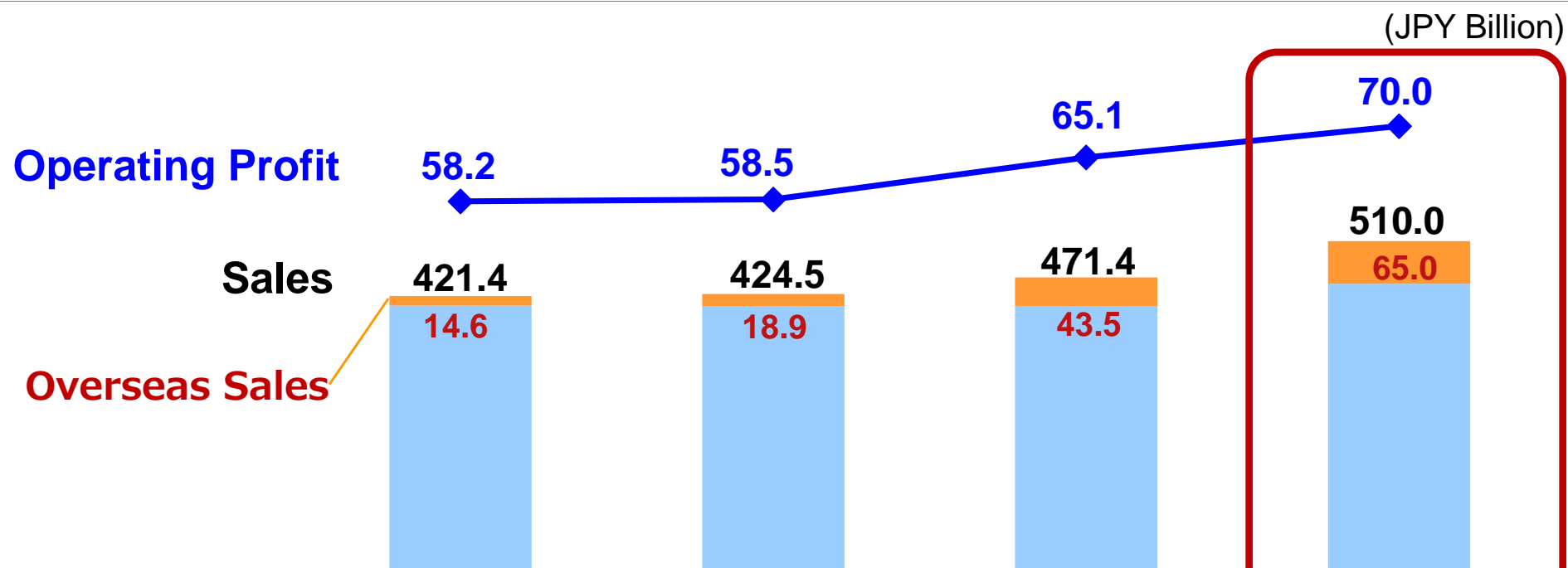
**2. Review of Measures in FY March 2018**

**3. Management Policies for FY March 2019**

**4. Financial Results Forecasts for FY March 2019**



# Forecasts for FY March 2019



	FY March 2016 (Actual)	FY March 2017 (Actual)	FY March 2018 (Actual)	FY March 2019 (Forecast)
<b>Sales</b>	421.4	424.5	471.4	510.0
<b>Operating Profit</b>	58.2	58.5	65.1	70.0
<b>Operating Profit Margin</b>	13.8%	13.8%	13.8%	13.7%
<b>Overseas sales</b>	14.6	18.9	43.5	65.0
<b>(Sales from overseas-related business)</b>	(23.9)	(31.1)	(52.6)	(75.0)
<b>ROE</b>	10.6%	10.7%	12.9%	About 12%

# Forecasts for FY March 2019

【Full Year】		(JPY billion)		
	FY Mar. 2018 (Results)	FY Mar. 2019 (Forecasts)	Diff.	YoY Change
Sales	471.4	510.0	38.5	8.2%
Operating Profit	65.1	70.0	4.8	7.5%
Operating Profit Margin	13.8%	13.7%	(0.1P)	
Profit attributable to owners of parent	55.1	50.0	(5.1)	(9.3%)
Earnings Per Share	¥228.21	¥209.95	(18.26)	
Dividends Per Share	¥90.00 <sup>*1</sup>	¥90.00 <sup>*2</sup>	-	
End of Q2	¥45.00	¥45.00	-	
Fiscal year end	¥45.00	¥45.00	-	
Payout Ratio	39.1%	43.1%	3.9P	

\*1 Dividends for the year ended March 2018 include the commemorative dividend (10 yen for the year) for the 30th anniversary of the merger that formed NRI.

\*2 All dividend amounts for FY March 2019 will be ordinary dividends.

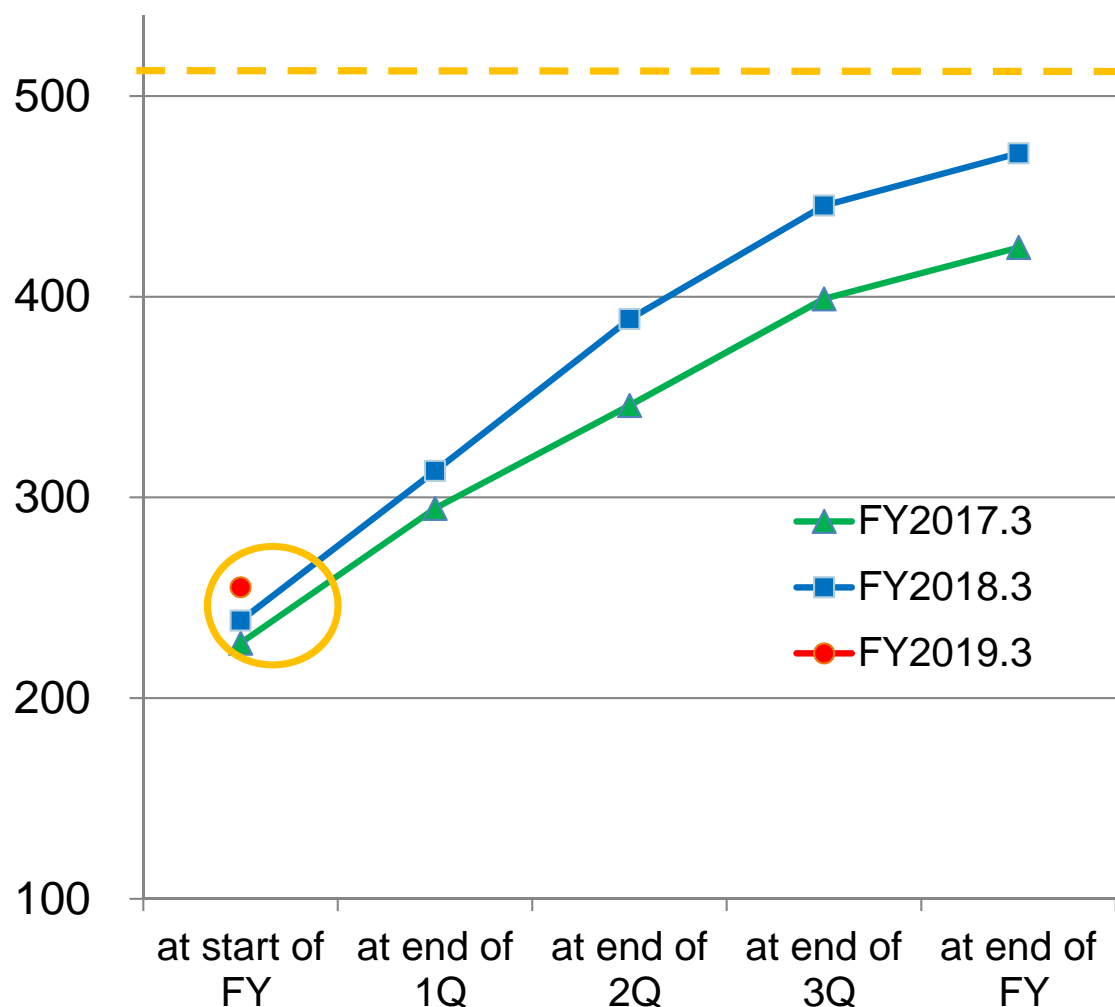
# Sales Forecasts by Segment for FY March 2019

【Full Year】				(JPY billion)		
	FY Mar. 2018 (Results) ※	Share	FY Mar. 2019 (Forecasts)	Share	Diff.	YoY Change
<b>Consulting</b>	34.5	7.3%	41.0	8.0%	6.4	18.6%
<b>Financial IT Solutions</b>	252.1	53.5%	265.0	52.0%	12.8	5.1%
Securities	118.3	25.1%	119.0	23.3%	0.6	0.5%
Insurance	51.8	11.0%	59.0	11.6%	7.1	13.8%
Banking	42.2	9.0%	46.0	9.0%	3.7	8.9%
Other financial	39.6	8.4%	41.0	8.0%	1.3	3.4%
<b>Industrial IT Solutions</b>	143.2	30.4%	160.0	31.4%	16.7	11.7%
Distribution	60.8	12.9%	63.0	12.4%	2.1	3.5%
Manufacturing, service and other	82.4	17.4%	97.0	19.0%	14.5	17.7%
<b>IT Platform Services</b>	29.8	6.3%	32.0	6.3%	2.1	7.1%
<b>Others</b>	11.6	2.5%	12.0	2.4%	0.3	2.9%
<b>Total</b>	<b>471.4</b>	<b>100.0%</b>	<b>510.0</b>	<b>100.0%</b>	<b>38.5</b>	<b>8.2%</b>

\* NRI partially revised its business segments on April 1, 2018 to reflect reorganization. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

# Sales + Consolidated Order Backlog

(JPY Billion)



■ Consolidated Order backlog at the beginning of each fiscal year (of which, current fiscal year)

(JPY billion)

	FY Mar.2017	FY Mar.2018	FY Mar.2019
<b>Order Backlog</b>	<b>227.4</b>	<b>238.6</b>	<b>255.2</b>
<b>YoY Change</b>	-	<b>4.9%</b>	<b>7.0%</b>









# Order Backlog (Outstanding)

(JPY million)

	At end of March 2017*	At end of March 2018*	Diff.	YoY Change
<b>Consulting</b>	<b>8,711</b>	<b>8,415</b>	<b>(296)</b>	<b>(3.4%)</b>
<b>Financial IT Solutions</b>	<b>148,893</b>	<b>141,573</b>	<b>(7,319)</b>	<b>(4.9%)</b>
<b>Industrial IT Solutions</b>	<b>67,650</b>	<b>88,933</b>	<b>21,282</b>	<b>31.5%</b>
<b>IT Platform Services</b>	<b>14,019</b>	<b>14,295</b>	<b>275</b>	<b>2.0%</b>
<b>Other</b>	<b>3,472</b>	<b>3,537</b>	<b>64</b>	<b>1.9%</b>
<b>Total</b>	<b>242,748</b>	<b>256,754</b>	<b>14,006</b>	<b>5.8%</b>
<b>Order backlog in the next FY</b>	<b>238,644</b>	<b>255,259</b>	<b>16,615</b>	<b>7.0%</b>

\* Some of the separations between segments were changed along with the organizational reforms on April 1, 2018, but the numbers used here reflect segment structures before these differentiations were changed.

# Key points for Sales Forecasts

Consulting			<ul style="list-style-type: none"> <li>• Order backlog and projects in the pre-order stages at FY March 2018 were both the same as the previous year, and the good performance in FY March 2018 is forecasted to continue.</li> </ul>
Financial IT Solutions	Securities		<ul style="list-style-type: none"> <li>• Order backlog at FY March 2018 decreased due to impact from selling off subsidiary of DSB Co., Ltd. Projects in the pre-order stages have increased from the previous year.</li> </ul>
	Insurance		<ul style="list-style-type: none"> <li>• Order backlog at FY March 2018 was the same as the previous year, but projects in the pre-order stages have increased drastically from the previous year, and these show signs of recovery for IT investments in both life and non-life insurance .</li> </ul>
	Banking		<ul style="list-style-type: none"> <li>• Order backlog at FY March 2018 was higher than the previous year.</li> <li>• Projects in the pre-order stages have roughly doubled since the previous year. Strong performance in FY March 2018 is forecast to continue in FY March 2019.</li> </ul>
	Other financial, etc.		<ul style="list-style-type: none"> <li>• Order backlog and projects in the pre-order stages at FY March 2018 were both the same as the previous year, and the strong performance in FY March 2018 is forecast to continue.</li> </ul>
Industrial IT Solutions	Distribution		<ul style="list-style-type: none"> <li>• Order backlog and projects in the pre-order stages at FY March 2018 both increased from the previous year.</li> </ul>
	Manufacturing & services, etc.		<ul style="list-style-type: none"> <li>• Preferable projects are being selected out of those available, and the strong performance in FY March 2018 is forecast to continue.</li> </ul>
IT Platform Services			<ul style="list-style-type: none"> <li>• Projects in the pre-order stages have increased, and positive growth is also forecast for FY March 2019.</li> </ul>

# Shareholder Return Policy to increase capital efficiency

- All dividend amounts for FY March 2019 will be ordinary dividends. Dividend amounts are planned to be the same as the previous year (including the commemorative dividend)
- As we did the previous year, we will be acquiring treasury stock as part of a nimble equity policy tailored to changes in the management environment

## <Outline of acquisition of treasury stock>

Total number of shares to be acquired	Up to 7,000,000 shares ✓ Percentage of total number of issued shares (excluding treasury stock): 2.93%
Total acquisition price for shares	Up to ¥30,000 million yen
Acquisition period	May 16, 2018 to February 28, 2019
Acquisition method	Market purchase based on discretionary trading pertaining to acquisition of treasury stock ✓ excludes the period during the ten business days from the business day following the date of announcement of NRI's quarterly financial results.

\* NRI holds about 5% of its total outstanding shares and, in principle, retires anything in excess of this.

# References

---

1. ESG Performance
2. Other Financial Result-related Data



# ESG activities in the year ended March 2018

- **Environmental targets**  
Greenhouse gas emissions in 2030 (55% cut compared to FY2013)
- **Shared online services (defined as “Green Revenue”)**
- **Environmental conservation (tree-planting in Tadami-machi)**
- **Biodiversity conservation**  
Charity for the protection of the endangered Asian elephant

- **Maternity, Child raising, Nursing Care support**  
In-office childcare facilities (Yumeminato Hoikuen)  
Workshops (housekeeping & childcare by men, LGBTs, etc.)
- **Promoting participation for persons with disabilities**  
Surveys on special subsidiary’s business status (NRI Mirai)
- **Health and productivity management**  
Conducted joint PoC of health management solution (QOOLSOG) in Marunouchi area



## Four materials and creating a sustainable society

**E**  
Environment  
Dream up a future society with low environmental impact

**S**  
Society  
Provision of opportunities for all kinds of professionals to take on challenges



**G**  
Governance  
Compliance with laws, regulations and risk management to increase trust from society

**S**  
Society  
Provision of NRI quality to support safe and secure information society

- **Quality of information systems**
- **Quality of information security**
- **Quality of work environment**  
Built and offered next-generation work environments that support diverse work styles

- **Corporate governance structure**  
Signed UN Global Compact which addresses SDGs
- **Nomination and Compensation policies of directors and auditors**  
Reorganized Nomination Committee and Compensation Committee (Made independent outside directors the main members)
- **Engagement with stakeholders**  
Held dialogues with overseas investors

- **Dream up a new future**  
Issued Kabuki bonds
- **Make social recommendations**  
Held Dream Up the Future Forum
- **Leadership toward a digital society**  
Advocate DX1.0, DX2.0

Create a sustainable society



## 1. ESG Performance

# ESG award-winning performance in the year ended March 2018

### Women Empowerment



- Selected as a Nadeshiko Brand for two consecutive years (Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange)
- Certified as “Eruboshi”, highest class of 3 classes (Ministry of Health, Labour and Welfare)

### Health & Productivity Management



- Certified as a company with outstanding health and productivity management (White 500 2017) (Nippon Kenko Kaigi)
- Award for Excellence, 9th Work-Life Balance Awards (The Council for Promotion of Work-Life Balance)

### Corporate Governance



- Tokyo Metropolitan Governor's Award - Corporate Governance of the Year for FY2017 (Japan Association of Corporate Directors)

### Adoption in ESG indices

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

- Selected as a constituent stock of the Dow Jones Sustainability Asia Pacific indices for two consecutive years



2017 Constituent  
MSCI Japan ESG  
Select Leaders Index



2017 Constituent  
MSCI Japan Empowering  
Women Index (WIN)



FTSE Blossom  
Japan

- Included in all ESG indexes selected by GPIF starting in 2017



FTSE4Good

- Included in the FTSE4Good Developed Index for twelve consecutive years starting in 2006



Member of SNAM  
Sustainability Index  
2017

- Selected to the SNAM Sustainability Index for six consecutive years starting in 2012

## 2. Other Financial Result-related Data

# Cash Flow < Full Year >

(JPY million)

	FY Mar. 2017	FY Mar. 2018	YoY Change
Operating activities	61,147	73,493	20.2%
Investing activities	(30,341)	(17,882)	(41.1%)
(Except Cash management purpose)	(41,348)	(30,162)	(27.1%)
Free Cash Flow	30,805	55,610	80.5%
(Except Cash management purpose)	19,799	43,330	118.8%
Financing activities	(34,327)	(46,829)	36.4%
Net increase in Cash and cash equivalents	(2,897)	6,251	—
(Except Cash management purpose)	(13,903)	(6,028)	(56.6%)
Cash and cash equivalents at end of year	152,051	158,303	4.1%
Cash and cash equivalents + Cash Management purpose investment	192,028	185,882	(3.2%)

2. Other Financial Result-related Data

## Order Volume < Full Year >

(JPY million)

	FY Mar. 2017	FY Mar. 2018	Diff.	YoY Change
<b>Consulting</b>	<b>34,609</b>	<b>35,871</b>	<b>1,262</b>	<b>3.6%</b>
<b>Financial IT Solutions</b>	<b>246,153</b>	<b>244,556</b>	<b>(1,596)</b>	<b>(0.6%)</b>
<b>Industrial IT Solutions</b>	<b>116,335</b>	<b>162,945</b>	<b>46,609</b>	<b>40.1%</b>
<b>IT Platform Services</b>	<b>31,423</b>	<b>30,393</b>	<b>(1,030)</b>	<b>(3.3%)</b>
<b>Other</b>	<b>10,463</b>	<b>11,727</b>	<b>1,263</b>	<b>12.1%</b>
<b>Total</b>	<b>438,986</b>	<b>485,494</b>	<b>46,508</b>	<b>10.6%</b>

## Highlights of Consolidated Financial Results < 4Q >

### ■ YoY comparison (\* are shown as a reference)

(JPY million)

	4Q FY Mar. 2017 (Jan.-Mar.)	4Q FY Mar. 2018 (Jan.-Mar.)	Diff.	YoY Change
<b>Sales</b>	<b>116,014</b>	<b>129,886</b>	<b>13,871</b>	<b>12.0%</b>
Operating Profit before goodwill amortization*	<b>16,809</b>	<b>19,642</b>	<b>2,832</b>	<b>16.9%</b>
<b>Operating Profit</b>	<b>15,870</b>	<b>18,523</b>	<b>2,653</b>	<b>16.7%</b>
Operating Profit Margin before goodwill amortization*	<b>14.5%</b>	<b>15.1%</b>	<b>0.6P</b>	
<b>Operating Profit Margin</b>	<b>13.7%</b>	<b>14.3%</b>	<b>0.6P</b>	
<b>Profit attributable to owners of parent</b>	<b>4,784</b>	<b>9,842</b>	<b>5,057</b>	<b>105.7%</b>

## 2. Other Financial Result-related Data

# Sales by Segment < 4Q >

(JPY million)

	4Q FY Mar. 2017 (Jan.-Mar.)	Share	4Q FY Mar. 2018 (Jan.-Mar.)	Share	Diff.	YoY Change
<b>Consulting</b>	9,765	8.4%	10,434	8.0%	668	6.9%
<b>Financial IT Solutions</b>	65,261	56.3%	68,670	52.9%	3,408	5.2%
Securities	31,993	27.6%	33,163	25.5%	1,170	3.7%
Insurance	12,927	11.1%	14,466	11.1%	1,539	11.9%
Banking	11,243	9.7%	10,433	8.0%	(809)	(7.2%)
Other financial	9,098	7.8%	10,607	8.2%	1,508	16.6%
<b>Industrial IT Solutions</b>	30,763	26.5%	39,272	30.2%	8,508	27.7%
Distribution	14,558	12.5%	15,885	12.2%	1,326	9.1%
Manufacturing, service and other	16,205	14.0%	23,386	18.0%	7,181	44.3%
<b>IT Platform Services</b>	7,477	6.4%	8,241	6.3%	763	10.2%
<b>Others</b>	2,745	2.4%	3,267	2.5%	521	19.0%
<b>Total</b>	<b>116,014</b>	<b>100.0%</b>	<b>129,886</b>	<b>100.0%</b>	<b>13,871</b>	<b>12.0%</b>
<b>Nomura Holdings</b>	19,533	16.8%	23,413	18.0%	3,879	19.9%
<b>Seven &amp; i Holdings</b>	12,761	11.0%	12,086	9.3%	(675)	(5.3%)

Note: Figures for sales to Nomura Holdings and Seven & i Holdings include sales to their respective subsidiaries and sales through lease companies, etc.



2. Other Financial Result-related Data

## Segment performance results < 4Q >

■ Including Inter-segment sales for each segment

(JPY million)

		4Q FY Mar. 2017 (Jan.-Mar.)	4Q FY Mar. 2018 (Jan.-Mar.)	Diff.	YoY Change
<b>Consulting</b>	Sales	9,987	10,654	666	6.7%
	OP	2,164	2,391	227	10.5%
	OPM	21.7%	22.4%	0.8P	
<b>Financial IT Solutions</b>	Sales	65,595	69,089	3,493	5.3%
	OP	6,532	8,216	1,684	25.8%
	OPM	10.0%	11.9%	1.9P	
<b>Industrial IT Solutions</b>	Sales	30,902	39,414	8,512	27.5%
	OP	3,094	3,550	456	14.7%
	OPM	10.0%	9.0%	(1.0P)	
<b>IT Platform Services</b>	Sales	31,212	33,452	2,239	7.2%
	OP	3,249	3,519	269	8.3%
	OPM	10.4%	10.5%	0.1P	

## 2. Other Financial Result-related Data

# Analysis of increase and decrease factors < 4Q >

- 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 consulting projects inside Japan	
Financial IT Solutions	Securities	(+) Increases in business with Nomura Holdings (–) Decreases in business with other securities companies	(+) Effect of increased revenue from insurance and securities
	Insurance	(+) Increases mostly with non-life insurance	
	Banking	(–) Fallback from product sales increase the previous year	
	Other financial, etc.	(+) Increases with asset management companies, etc.	
Industrial IT Solutions	Distribution	(+) Increases with multiple clients including Seven & i Holdings	(+) Effect of increased revenue from multiple major clients (+) Better cost efficiency in Australia
	Manufacturing & services, etc.	(+) Increases with multiple major clients (+) Impact from M&A in Australia (approx. 5 billion yen)	
IT Platform Services		(+) Increased projects involving information security, cloud, and digital	



2. Other Financial Result-related Data

## Sales by Service < 4Q >

(JPY million)

	4Q FY Mar. 2017 (Jan.-Mar.)	Share	4Q FY Mar. 2018 (Jan.-Mar.)	Share	Diff.	YoY Change
Consulting Services	19,622	16.9%	23,934	18.4%	4,311	22.0%
System Development & System Application Sales	33,149	28.6%	41,436	31.9%	8,286	25.0%
System Management & Operation Services	58,657	50.6%	60,806	46.8%	2,148	3.7%
Product Sales	4,584	4.0%	3,709	2.9%	(875)	(19.1%)
<b>Total</b>	<b>116,014</b>	<b>100.0%</b>	<b>129,886</b>	<b>100.0%</b>	<b>13,871</b>	<b>12.0%</b>

## 2. Other Financial Result-related Data

### P/L Highlight < 4Q >

	(JPY million)			
	4Q FY Mar. 2017 (Jan.-Mar.)	4Q FY Mar. 2018 (Jan.-Mar.)	Diff.	YoY Change
<b>Sales</b>	<b>116,014</b>	<b>129,886</b>	<b>13,871</b>	<b>12.0%</b>
<b>Cost of Sales</b>	<b>77,130</b>	<b>87,075</b>	<b>9,945</b>	<b>12.9%</b>
Subcontracting Costs	32,211	35,909	3,697	11.5%
<b>Gross Profit</b>	<b>38,884</b>	<b>42,810</b>	<b>3,925</b>	<b>10.1%</b>
Gross Profit Margin	33.5%	33.0%	(0.6P)	
<b>SG&amp;A</b>	<b>23,014</b>	<b>24,286</b>	<b>1,272</b>	<b>5.5%</b>
Goodwill Amortization	939	1,118	179	19.1%
<b>Operating Profit</b>	<b>15,870</b>	<b>18,523</b>	<b>2,653</b>	<b>16.7%</b>
Operating Profit Margin	13.7%	14.3%	0.6P	

2. Other Financial Result-related Data

## P/L Highlight < 4Q > continued

	(JPY million)			
	4Q FY Mar. 2017 (Jan.-Mar.)	4Q FY Mar. 2018 (Jan.-Mar.)	Diff.	YoY Change
<b>Operating Profit</b>	<b>15,870</b>	<b>18,523</b>	<b>2,653</b>	<b>16.7%</b>
<b>Non-operating income and loss</b>	<b>33</b>	<b>(64)</b>	<b>(98)</b>	
<b>Extraordinary income and loss</b>	<b>(8,574)</b>	<b>(3,866)</b>	<b>4,707</b>	<b>(54.9%)</b>
Gain on sales of investment securities	-	1,807	1,807	-
Loss on sales of property and equipment	(8,567)	(153)*	8,414	-
Office reorganization costs	-	(5,532)*	(5,532)	-
<b>Income taxes etc.</b>	<b>2,235</b>	<b>4,562</b>	<b>2,327</b>	<b>104.1%</b>
<b>Profit attributable to owners of parent</b>	<b>4,784</b>	<b>9,842</b>	<b>5,057</b>	<b>105.7%</b>

\* Related to revisions for training facilities and dormitories, and additional work to reorganize major offices

2. Other Financial Result-related Data

## Order Volume < 4Q >

	(JPY million)			
	4Q FY Mar. 2017 (Jan.-Mar.)	4Q FY Mar. 2018 (Jan.-Mar.)	Diff.	YoY Change
Consulting	10,069	10,805	735	7.3%
Financial IT Solutions	150,381	144,122	(6,259)	(4.2%)
Industrial IT Solutions	74,504	93,390	18,885	25.3%
IT Platform Services	16,837	17,403	565	3.4%
Other	4,574	4,695	121	2.7%
<b>Total</b>	<b>256,368</b>	<b>270,417</b>	<b>14,049</b>	<b>5.5%</b>

2. Other Financial Result-related Data

## Sales Forecasts by Service for FY March 2019

【Full Year】

(JPY billion)

	FY Mar. 2018 (Results)	Share	FY Mar. 2019 (Forecasts)	Share	Diff.	YoY Change
Consulting Services	78.9	16.8%	88.0	17.3%	9.0	11.4%
System Development & System Application Sales	138.1	29.3%	167.0	32.7%	28.8	20.9%
System Management & Operation Services	241.1	51.2%	245.0	48.0%	3.8	1.6%
Product Sales	13.1	2.8%	10.0	2.0%	(3.1)	(24.2%)
<b>Total</b>	<b>471.4</b>	<b>100.0%</b>	<b>510.0</b>	<b>100.0%</b>	<b>38.5</b>	<b>8.2%</b>

2. Other Financial Result-related Data

## CAPEX, R&D and Depreciation Forecasts for FY March 2019

### 【Capital Expenditure, R&D】

(JPY billion)

	FY Mar. 2018 (Results)	FY Mar. 2019 (Forecasts)	Diff.	YoY Change
<b>Capital Expenditure</b>	<b>38.2</b>	<b>25.0</b>	<b>(13.2)</b>	<b>(34.6%)</b>
Tangible	16.1	6.0	(10.1)	(62.9%)
Intangible	22.0	19.0	(3.0)	(13.7%)
<b>R&amp;D</b>	<b>5.1</b>	<b>5.5</b>	<b>0.3</b>	<b>6.4%</b>

### 【Depreciation and Amortization】

(JPY billion)

	FY Mar. 2018 (Results)	FY Mar. 2019 (Forecasts)	Diff.	YoY Change
<b>Total</b>	<b>31.9</b>	<b>33.0</b>	<b>1.0</b>	<b>3.3%</b>

2. Other Financial Result-related Data

## FY March 2019 Financial Results Forecasts < 1H/2H >

(JPY billion)

<b>【1H】</b>	<b>FY Mar. 2018 1H (Results)</b>	<b>FY Mar. 2019 1H (Forecasts)</b>	<b>Diff.</b>	<b>YoY Change</b>
<b>Sales</b>	<b>220.2</b>	<b>240.0</b>	<b>19.7</b>	<b>9.0%</b>
<b>Operating Profit</b>	<b>29.0</b>	<b>33.0</b>	<b>3.9</b>	<b>13.4%</b>
<b>Operating Profit Margin</b>	<b>13.2%</b>	<b>13.8%</b>	<b>0.5P</b>	
<b>Profit attributable to owners of parent</b>	<b>33.3</b>	<b>22.0</b>	<b>(11.3)</b>	<b>(34.1%)</b>

<b>【2H】</b>	<b>FY Mar. 2018 2H (Results)</b>	<b>FY Mar. 2019 2H (Forecasts)</b>	<b>Diff.</b>	<b>YoY Change</b>
<b>Sales</b>	<b>251.2</b>	<b>270.0</b>	<b>18.7</b>	<b>7.5%</b>
<b>Operating Profit</b>	<b>36.0</b>	<b>37.0</b>	<b>0.9</b>	<b>2.7%</b>
<b>Operating Profit Margin</b>	<b>14.3%</b>	<b>13.7%</b>	<b>(0.6P)</b>	
<b>Profit attributable to owners of parent</b>	<b>21.7</b>	<b>28.0</b>	<b>6.2</b>	<b>28.6%</b>

## 2. Other Financial Result-related Data

# Sales Forecasts by Segment for FY March 2019 < 1H/2H >

(JPY billion)

【1H】	FY Mar. 2018 1H (Results)*		FY Mar. 2019 1H (Forecasts)		Diff.	YoY Change
	Share	Share	Share	Share		
Consulting	13.7	6.2%	19.0	7.9%	5.2	38.1%
Financial IT Solutions	121.0	55.0%	123.0	51.3%	1.9	1.6%
Securities	57.2	26.0%	55.0	22.9%	(2.2)	(3.9%)
Insurance	24.1	11.0%	27.0	11.3%	2.8	11.6%
Banking	20.9	9.5%	22.0	9.2%	1.0	4.9%
Other financial	18.6	8.5%	19.0	7.9%	0.3	1.8%
Industrial IT Solutions	65.4	29.7%	77.0	32.1%	11.5	17.7%
Distribution	29.4	13.4%	30.0	12.5%	0.5	2.0%
Manufacturing, service and other	35.9	16.3%	47.0	19.6%	11.0	30.6%
IT Platform Services	14.2	6.5%	15.0	6.3%	0.7	5.1%
Others	5.7	2.6%	6.0	2.5%	0.2	5.2%
<b>Total</b>	<b>220.2</b>	<b>100.0%</b>	<b>240.0</b>	<b>100.0%</b>	<b>19.7</b>	<b>9.0%</b>

【2H】	FY Mar. 2018 2H (Results)*		FY Mar. 2019 2H (Forecasts)		Diff.	YoY Change
	Share	Share	Share	Share		
Consulting	20.8	8.3%	22.0	8.1%	1.1	5.7%
Financial IT Solutions	131.0	52.2%	142.0	52.6%	10.9	8.4%
Securities	61.1	24.3%	64.0	23.7%	2.8	4.7%
Insurance	27.6	11.0%	32.0	11.9%	4.3	15.8%
Banking	21.2	8.5%	24.0	8.9%	2.7	12.9%
Other financial	21.0	8.4%	22.0	8.1%	0.9	4.7%
Industrial IT Solutions	77.8	31.0%	83.0	30.7%	5.1	6.6%
Distribution	31.4	12.5%	33.0	12.2%	1.5	5.0%
Manufacturing, service and other	46.4	18.5%	50.0	18.5%	3.5	7.7%
IT Platform Services	15.5	6.2%	17.0	6.3%	1.4	9.0%
Others	5.9	2.4%	6.0	2.2%	0.0	0.7%
<b>Total</b>	<b>251.2</b>	<b>100.0%</b>	<b>270.0</b>	<b>100.0%</b>	<b>18.7</b>	<b>7.5%</b>

\* NRI partially revised its business segments on April 1, 2018 to reflect reorganization. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.



2. Other Financial Result-related Data

## Sales Forecasts by Service for FY March 2019 < 1H/2H >

(JPY billion)

【1H】	FY Mar. 2018 1H (Results)	Share	FY Mar. 2019 1H (Forecasts)	Share	Diff.	YoY Change
Consulting Services	31.9	14.5%	40.0	16.7%	8.0	25.1%
System Development & System Application Sales	63.8	29.0%	75.0	31.3%	11.1	17.5%
System Management & Operation Services	117.1	53.2%	120.0	50.0%	2.8	2.4%
Product Sales	7.2	3.3%	5.0	2.1%	(2.2)	(31.2%)
<b>Total</b>	<b>220.2</b>	<b>100.0%</b>	<b>240.0</b>	<b>100.0%</b>	<b>19.7</b>	<b>9.0%</b>

【2H】	FY Mar. 2018 2H (Results)	Share	FY Mar. 2019 2H (Forecasts)	Share	Diff.	YoY Change
Consulting Services	47.0	18.7%	48.0	17.8%	0.9	2.1%
System Development & System Application Sales	74.2	29.6%	92.0	34.1%	17.7	23.8%
System Management & Operation Services	124.0	49.4%	125.0	46.3%	0.9	0.8%
Product Sales	5.9	2.4%	5.0	1.9%	(0.9)	(15.7%)
<b>Total</b>	<b>251.2</b>	<b>100.0%</b>	<b>270.0</b>	<b>100.0%</b>	<b>18.7</b>	<b>7.5%</b>

## Forecasts for FY March 2019 < Consolidated Earnings Model >

### ■ FY March 2019 Consolidated Earnings Model

- Sales of JPY510.0 billion and Operating profit of JPY70.0 billion

(JPY billion)

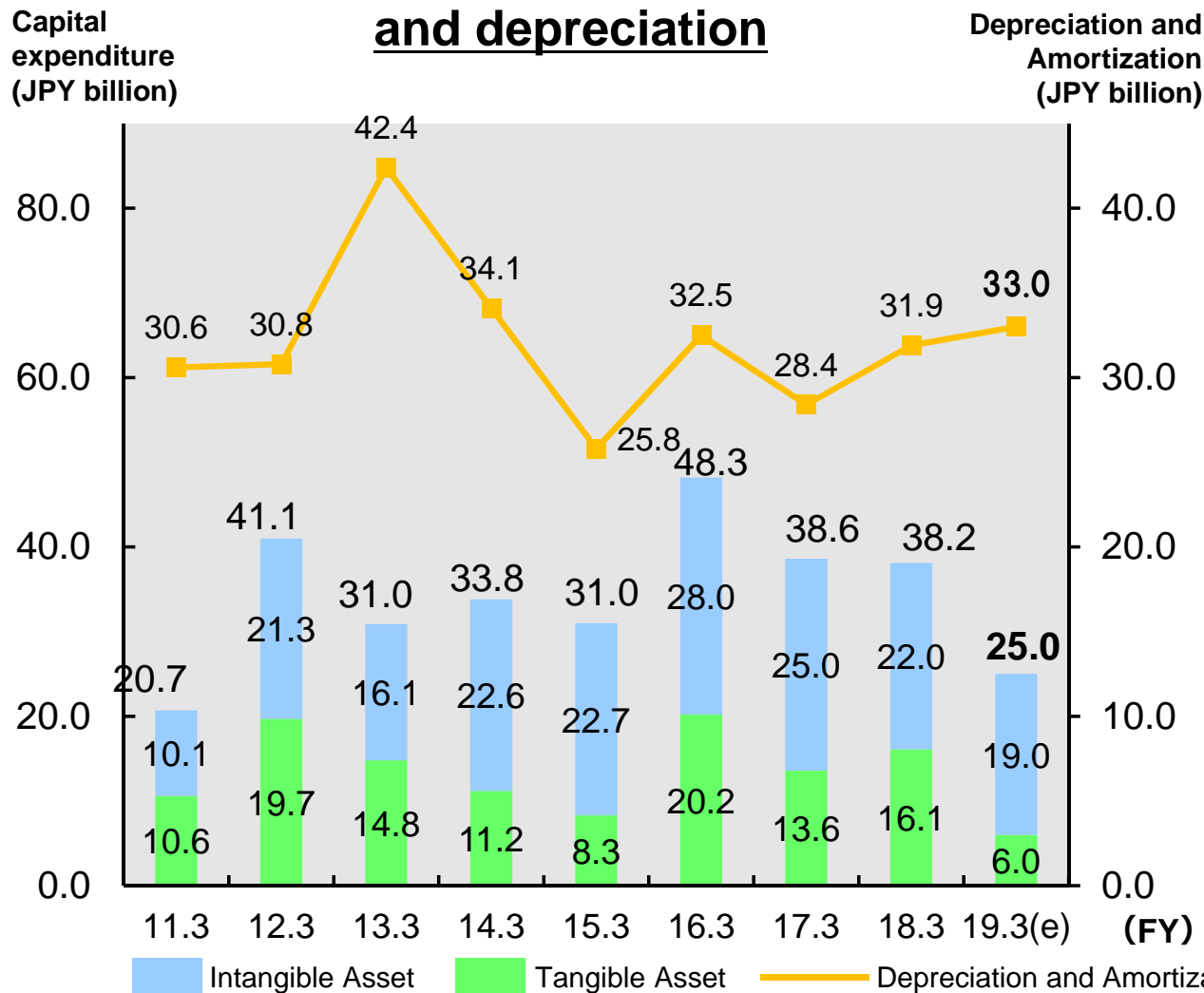
	FY Mar. 2017 (Results)	FY Mar. 2018 (Results)	FY Mar. 2019 (Forecasts) *	YoY	
				Diff.	Change
<b>Sales</b>	<b>424.5</b>	<b>471.4</b>	<b>510.0</b>	<b>38.5</b>	<b>8.2%</b>
<b>Cost of Sales</b>	<b>280.7</b>	<b>311.8</b>	<b>340.0</b>	<b>28.1</b>	<b>9.0%</b>
<b>Personnel</b>	<b>89.2</b>	<b>104.0</b>	<b>116.0</b>	<b>11.9</b>	<b>11.4%</b>
<b>Subcontracting Costs</b>	<b>126.3</b>	<b>135.5</b>	<b>151.0</b>	<b>15.4</b>	<b>11.4%</b>
<b>Depreciation</b>	<b>26.9</b>	<b>30.0</b>	<b>31.0</b>	<b>0.9</b>	<b>3.2%</b>
<b>Gross Profit</b>	<b>143.7</b>	<b>159.6</b>	<b>170.0</b>	<b>10.3</b>	<b>6.5%</b>
<b>Gross Profit Margin</b>	<b>33.9%</b>	<b>33.9%</b>	<b>33.3%</b>	<b>(0.5P)</b>	
<b>SG&amp;A</b>	<b>85.2</b>	<b>94.4</b>	<b>100.0</b>	<b>5.5</b>	<b>5.8%</b>
<b>Operating Profit</b>	<b>58.5</b>	<b>65.1</b>	<b>70.0</b>	<b>4.8</b>	<b>7.5%</b>
<b>Operating Profit Margin</b>	<b>13.8%</b>	<b>13.8%</b>	<b>13.7%</b>	<b>(0.1P)</b>	

\* Figures are consolidated estimates for preparing this earnings model.

# Capital Investments

■ Capital expenditure forecast to be JPY25.0 billion

## Trends in capital expenditure and depreciation



### Investment in intangible fixed assets

■ Investment in shared online services to deal with changes to financial systems, etc.

### Investment in tangible fixed assets

■ Updating of data center-related facilities, etc.

## R&D Expenses

- Working on medium- to long-term business development to achieve Vision2022

### Current R&D Themes

#### ■ Business development

- AI, IoT, FinTech
- Exploring business for strategic topics
- Forming a commercialization team

#### ■ Technological research

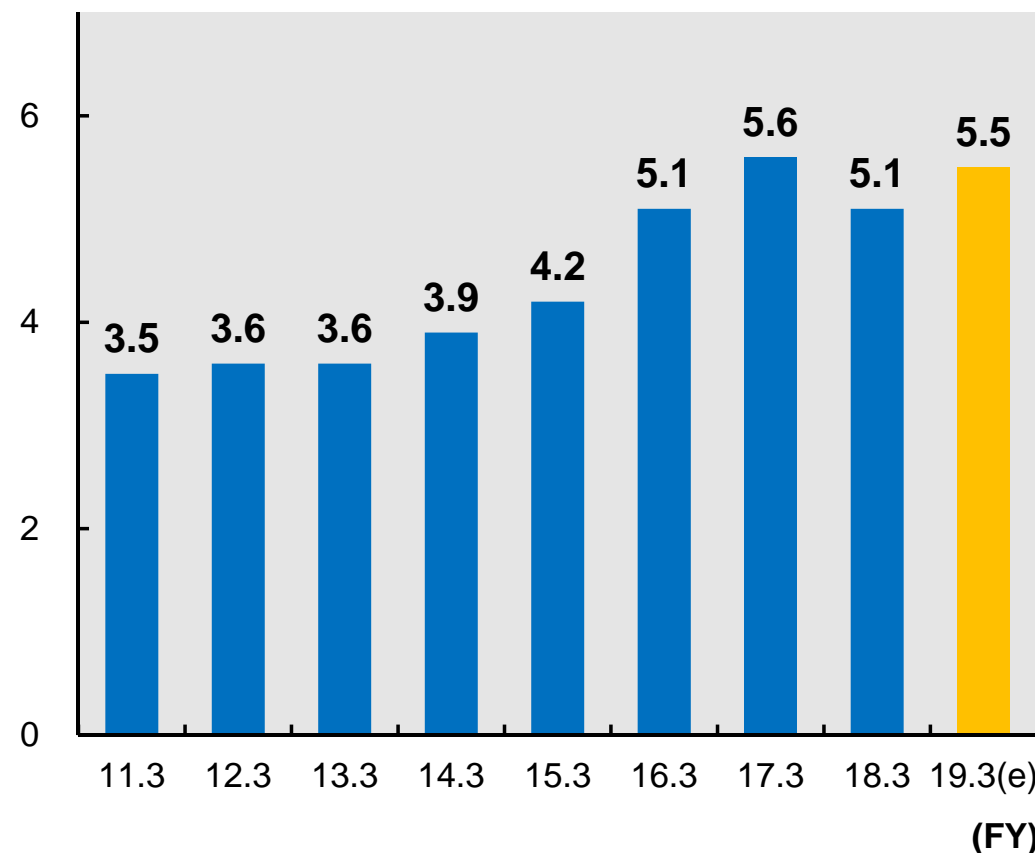
- Boosting technological competitiveness, researching technological trends for business development
- Partnerships with research institutions
- Production innovation etc.

#### ■ Recommendations for society

- Recommendations related to digital society and digital management

### Trends in R&D Expenses

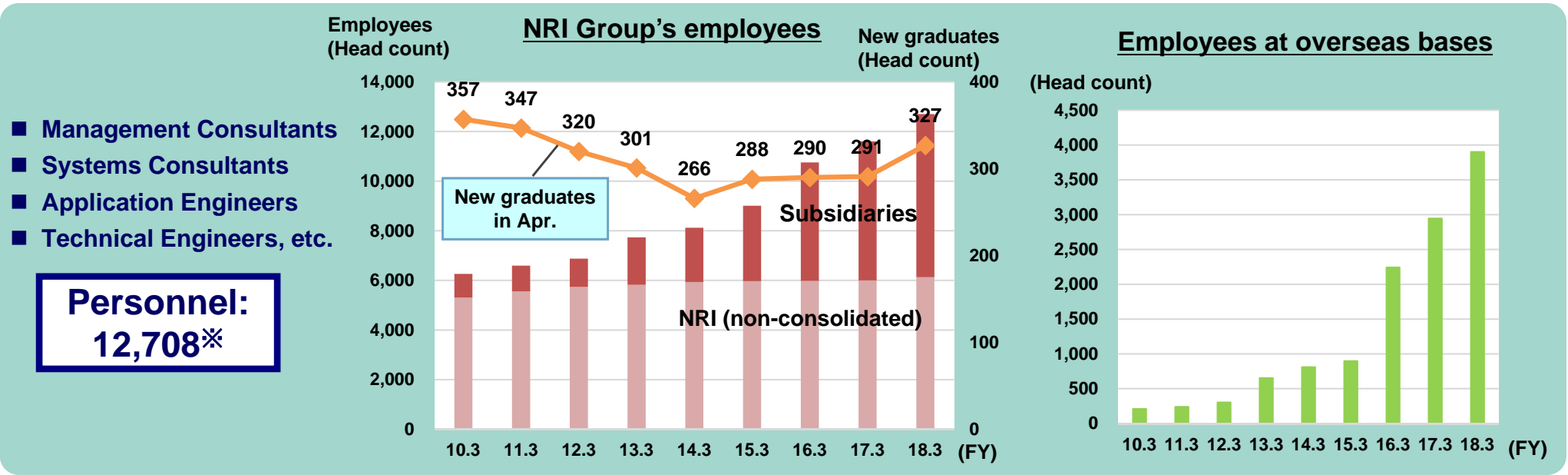
(JPY billion)



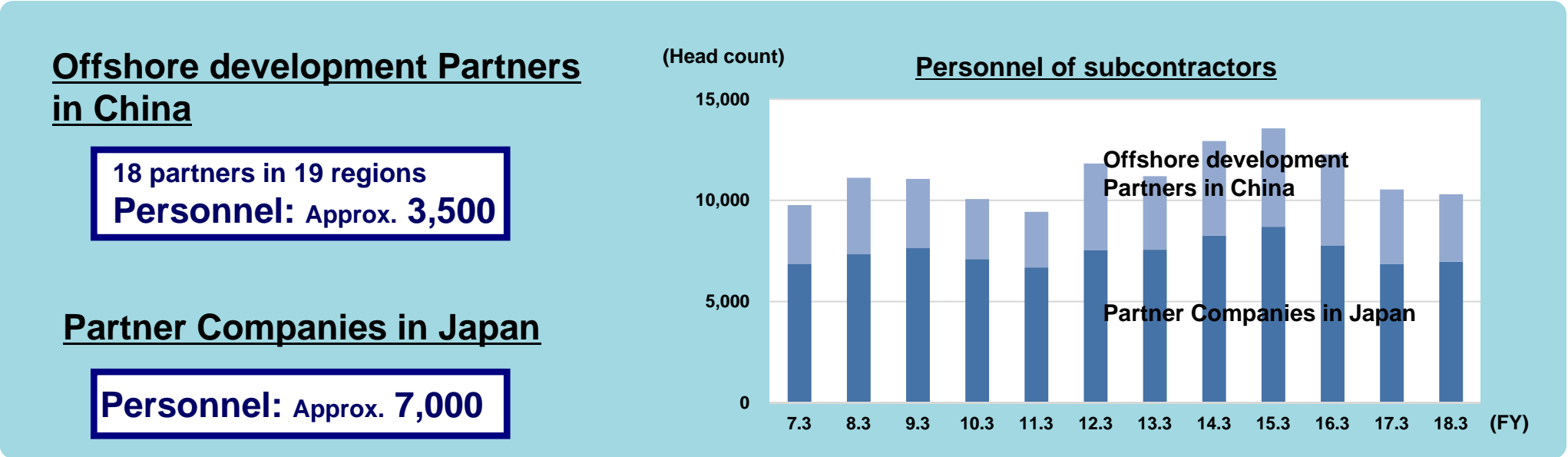
2. Other Financial Result-related Data

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

NRI Group's employees



Subcontractors



\* As of end-March 2018

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.