
Financial Results

for the year ended 31st March, 2011

and Financial Results Forecast for the year ending 31st March, 2012

April 27, 2011

Nomura Research Institute, Ltd.

Tadashi Shimamoto,
President, CEO&COO



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Highlights of Consolidated Results

(Unit: JPY million)

	FY Mar.2010	FY Mar.2011	Diff.	YoY Change
Sales	338,629	326,328	(12,301)	(3.6%)
Operating Profit	40,077	38,426	(1,650)	(4.1%)
Operating Profit Margin	11.8%	11.8%	(0.1P)	
Net Income	21,856	23,188	+1,332	+6.1%
Earnings per share	¥112.32	¥119.11	+¥6.79	+6.0%
Dividends per share	¥52.00	¥52.00	-	-

Comparison to Forecasts(1)

(Unit: JPY billion)

	FY Mar.2010	FY Mar.2011		
	Results	Forecasts*	Results	Diff.
Sales	338.6	325.0	326.3	+1.3
Operating Profit	40.0	37.0	38.4	+1.4
Operating Profit Margin	11.8%	11.4%	11.8%	+0.4P
Net Income	21.8	22.5	23.1	+0.6

Note: Forecasts were announced on October 29, 2010

Comparison to Forecasts(2)

(Unit: JPY billion)

Sales by Segment	FY Mar. 2010	FY Mar. 2011		
	Results	Forecasts*	Results	Diff.
Consulting	17.9	18.5	19.3	+0.8
Financial IT Solutions	209.0	201.5	201.7	+0.2
Securities	108.4	101.0	101.0	+0.0
Insurance	53.8	54.0	54.4	+0.4
Banking	25.8	25.0	23.5	(1.4)
Other financial	20.8	21.5	22.6	+1.1
Industrial IT Solutions	90.9	84.5	85.2	+0.7
Distribution	41.2	41.0	41.1	+0.1
Manufacturing, service and other	49.6	43.5	44.0	+0.5
IT Platform Services	11.3	12.0	11.3	(0.6)
Others	9.2	8.5	8.6	+0.1
Sales by Service		Forecasts*	Results	Diff.
Consulting Services	28.8	30.0	32.9	+2.9
System Development & System Application Sales	126.8	122.0	117.0	(4.9)
System Management & Operation Services	167.0	166.0	166.5	+0.5
Product Sales	15.9	7.0	9.7	+2.7
Total	338.6	325.0	326.3	+1.3

Note: Forecasts were announced on October 29, 2010

Key Factors in Consolidated Financial Results for FY March 2011

- Clients continued to curb IT costs throughout the fiscal year.

Sales declined in the securities, manufacturing, and service sectors.

1. In the securities sector, major clients in particular continued to reduce IT costs.
2. Starting new projects in the manufacturing and service sectors was challenging.
3. In the insurance sector and other finance sector, orders were steady particularly from existing clients.
4. Conditions were favorable for the Consulting business from 2H.

- Sluggish sales and unprofitable projects in the first half of the fiscal year resulted to decrease operating profit for the full fiscal year.

Profits steadily picked up in the second half owing to improved project management and cost controls.

1. Additional costs from unprofitable projects were incurred in 1H, but no additional costs were incurred in 2H.
2. Costs were controlled by streamlining subcontracting operations.

Sales by Segment

(Unit:JPY million)

	FY Mar.2010	Share	FY Mar.2011	Share	Diff.	YoY Change
Consulting	17,945	5.3%	19,356	5.9%	+1,411	+7.9%
Financial IT Solutions	209,032	61.7%	201,767	61.8%	(7,265)	(3.5%)
Securities	108,401	32.0%	101,093	31.0%	(7,308)	(6.7%)
Insurance	53,895	15.9%	54,420	16.7%	+525	+1.0%
Banking	25,881	7.6%	23,561	7.2%	(2,320)	(9.0%)
Other financial	20,854	6.2%	22,691	7.0%	+1,837	+8.8%
Industrial IT Solutions	90,965	26.9%	85,233	26.1%	(5,731)	(6.3%)
Distribution	41,289	12.2%	41,168	12.6%	(120)	(0.3%)
Manufacturing, service and other	49,676	14.7%	44,065	13.5%	(5,611)	(11.3%)
IT Platform Services	11,391	3.4%	11,322	3.5%	(68)	(0.6%)
Others	9,295	2.7%	8,648	2.7%	(646)	(7.0%)
Total	338,629	100.0%	326,328	100.0%	(12,301)	(3.6%)
Nomura Holdings	86,335	25.5%	75,886	23.3%	(10,449)	(12.1%)
Seven & i Holdings	40,599	12.0%	39,643	12.1%	(955)	(2.4%)

*Figures of Nomura Holdings and Seven & i Holdings, in principle, include sales to subsidiaries.

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Segment performance results

■including Inter-segment sales for each segment

(Unit:JPY million)

		FY Mar.2010	FY Mar.2011	Diff.	YoY Change
Consulting	Sales	17,993	19,409	+1,415	+7.9%
	OP	127	1,217	+1,090	+855.4%
	OPM	0.7%	6.3%	+5.6P	
Financial IT Solutions	Sales	209,191	201,833	(7,357)	(3.5%)
	OP	19,845	19,429	(416)	(2.1%)
	OPM	9.5%	9.6%	+0.1P	
Industrial IT Solutions	Sales	95,859	90,111	(5,748)	(6.0%)
	OP	8,425	5,770	(2,654)	(31.5%)
	OPM	8.8%	6.4%	(2.4P)	
IT Platform Services	Sales	69,298	67,649	(1,648)	(2.4%)
	OP	8,525	9,230	+705	+8.3%
	OPM	12.3%	13.6%	+1.3P	

Sales by Service

(Unit:JPY million)

	FY Mar.2010	Share	FY Mar.2011	Share	Diff.	YoY Change
Consulting Services	28,883	8.5%	32,966	10.1%	+4,083	+14.1%
System Development & System Application Sales	126,821	37.5%	117,075	35.9%	(9,745)	(7.7%)
System Management & Operation Services	167,010	49.3%	166,580	51.0%	(430)	(0.3%)
Product Sales	15,914	4.7%	9,705	3.0%	(6,208)	(39.0%)
Total	338,629	100.0%	326,328	100.0%	(12,301)	(3.6%)

P/L Highlight

(Unit:JPY million)

	FY Mar.2010	FY Mar.2011	Diff.	YoY Change
Sales	338,629	326,328	(12,301)	(3.6%)
Cost of Sales	245,641	233,119	(12,522)	(5.1%)
Subcontracting Costs	109,825	101,156	(8,668)	(7.9%)
Gross Profit	92,988	93,209	+220	+0.2%
Gross Profit Margin	27.5%	28.6%	+1.1P	
SG&A	52,911	54,782	+1,871	+3.5%
Operating Profit	40,077	38,426	(1,650)	(4.1%)
Operating Profit margin	11.8%	11.8%	(0.1P)	

P/L Highlight continued

	(Unit:JPY million)			
	FY Mar.2010	FY Mar.2011	Diff.	YoY Change
Operating Profit	40,077	38,426	(1,650)	(4.1%)
Non-operating gain and loss	870	1,646	+776	
Interest income	365	337	(27)	
Dividend income	1,036	1,139	+102	
Equity in losses of affiliates	(564)	(11)	+552	
Other Income and Expense	(3,618)	(219)	+3,399	
Gain on sales of investment securities	195	168	(27)	
Loss on valuation of investment securities	(1,036)	(38)	+998	
Office relocation cost	(2,777)	-	+2,777	
Impact of applying accounting standard for asset retirement obligations	-	(364)	(364)	
Income taxes etc.	15,476	16,663	+1,187	
Net Income	21,856	23,188	+1,332	+6.1%

Cash Flow

(Unit:JPY million)

	FY Mar.2010	FY Mar.2011	Diff.
Operating activities	58,060	48,777	(16.0%)
Investing activities	(16,175)	(27,723)	+71.4%
(Except Cash management purpose)	(28,184)	(19,292)	(31.5%)
Free Cash Flow	41,885	21,054	(49.7%)
(Except Cash management purpose)	29,876	29,485	(1.3%)
Financing activities	(10,348)	1,590	-
Cash and cash equivalents at end of year	59,775	82,085	+37.3%

Order Backlog (Outstanding)

(Unit:JPY million)

	At end of March 2010	At end of March 2011	Diff.	YoY Change
Consulting	1,449	2,408	+959	+66.2%
Financial IT Solutions	120,346	110,462	(9,884)	(8.2%)
Industrial IT Solutions	51,129	47,475	(3,654)	(7.1%)
IT Platform Services	7,283	6,999	(284)	(3.9%)
Other	2,550	1,940	(609)	(23.9%)
Total	182,759	169,286	(13,473)	(7.4%)
Order backlog in the next FY	182,634	167,648	(14,986)	(8.2%)

1. Financial Results for FY March 2011

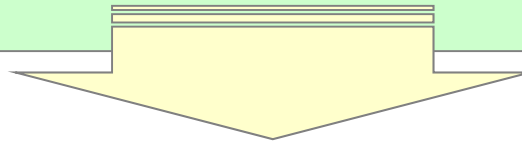
2. Financial Results Forecasts for FY March 2012

3. Priority Measures for Medium to Long-term Growth

Forecasts for the Business Environment in the Current FY (as of April)

Forecasts for the business environment during the FY March 2012, before the earthquake disaster

- IT investment by clients would rebound from the middle of the fiscal year



Status of damage immediately following the earthquake disaster

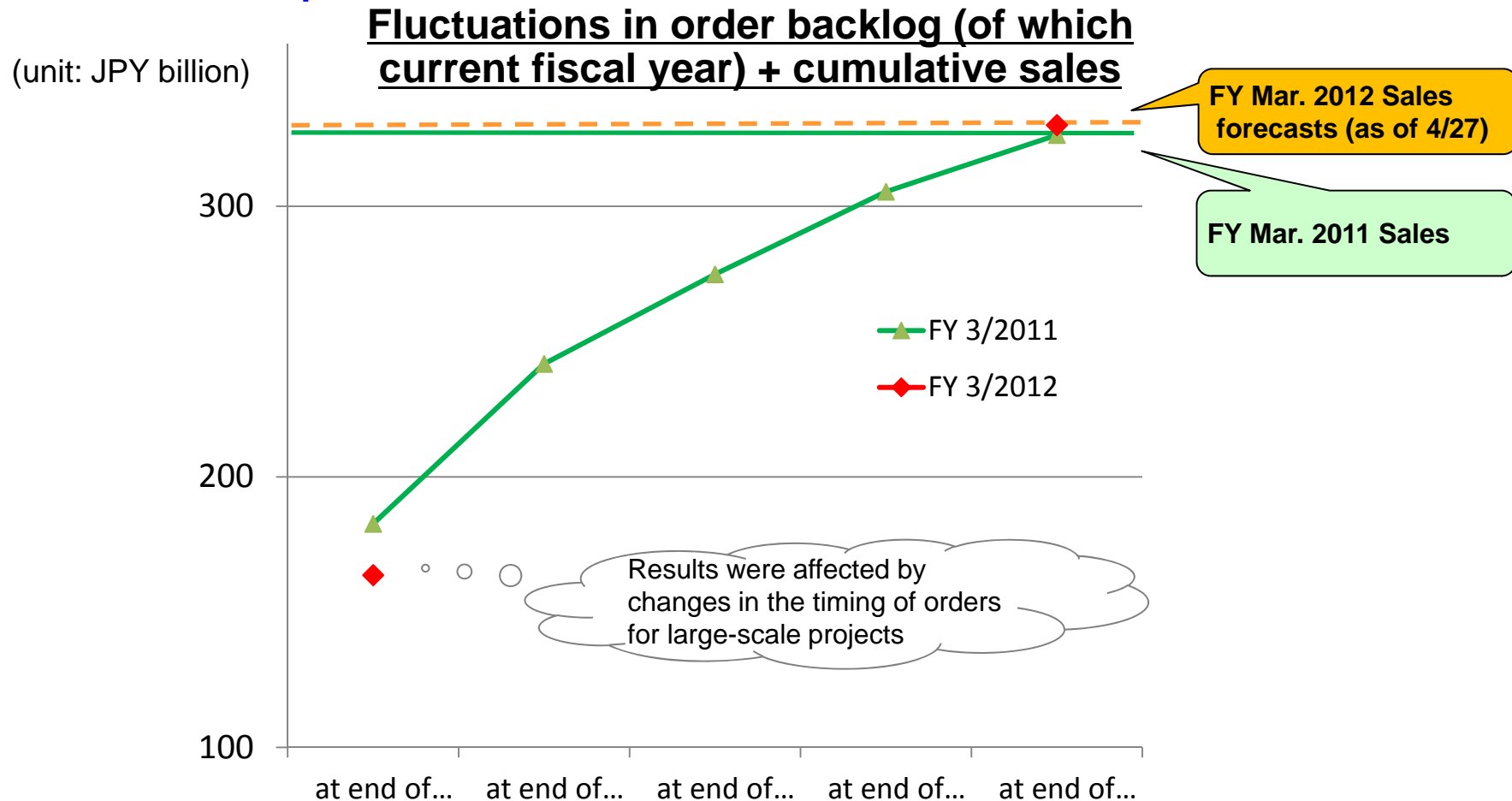
- No harm to NRI's employees or direct damage to its facilities including data centers

Forecasts for the business environment during the FY March 2012, after the earthquake disaster

- Prospects for future IT investment by clients are uncertain due to the effects of the earthquake disaster
- **Clients' thinking on IT investment:**
 1. Financial sector: the impact of the disaster on IT investment by clients is limited
 2. Manufacturing and service sectors: the timing of IT investment is difficult to predict because facilities have been directly damaged and priority is placed on handling the disaster

Sales+Consolidated Order Backlog

- Orders are off to a slow start compared to the previous fiscal year, even when considering changes in the timing of orders for large-scale projects
- Effects of the earthquake disaster and saving electricity in this summer on orders remain difficult to predict



Current Business Conditions by Segment

● Efforts for soundly responding to major clients and striving to win new SI orders

3/2011 3/2012

Consulting				<ul style="list-style-type: none"> • Work toward expanding global strategy consulting and business process consulting
Financial IT Solutions				
	Securities			<ul style="list-style-type: none"> • Start development and investment to implement STAR-IV at major clients • Respond to DR and BCP needs
	Insurance			<ul style="list-style-type: none"> • Actively gain additional projects focusing on existing clients • Expand services for private insurance sector to respond to trends in industry reorganization
	Banking			<ul style="list-style-type: none"> • Develop Internet banking system, 'Value Direct' • Expand bank account IT services through alliances with other IT vendors • Renovate core banking systems for existing customers
	Other financial			<ul style="list-style-type: none"> • For asset management ASP, (1) expand new client base and (2) promote shift to new versions • Promote the BPO business
Industrial IT Solutions				
	Distribution			<ul style="list-style-type: none"> • Capitalize on investment demand from major clients in areas such as overseas businesses
	Manufacturing, service and other			<ul style="list-style-type: none"> • Continue to work to gain new clients and projects (make use of SCM know-how) • Further improve profitability by enhancing quality control and project management • Address the investment sentiment changes that resulted from the impact of the earthquake disaster on manufacturing industries

Key Factors in Forecasts for Financial Results for FY March 2012

- **Large-scale projects for Nomura Securities are off to a full start, but overall revenues are expected to increase only slightly as conditions in other businesses environments continue to be severe and uncertain**

- Anticipating increased sales in the securities sector as STAR system for Nomura Securities are fully implemented
- The trend for general clients to curb IT costs is expected to continue, and the timing for a recovery is uncertain

- **With unprofitable projects phased out, now working to improve the operating profit margin by implementing cost controls**

- Improving the operating profit margin by resolving unprofitable projects that commenced in the previous fiscal year
- Continuing cost controls

Although the forecasts include the earthquake disaster impacts of drop in demand and increased costs, there is also a possibility that the scale of the disaster impact will change in the future.

Forecasts for FY March 2012 (1)

【Full Year】

(unit: JPY billion)

	FY Mar.2011 (Results)	FY Mar.2012 (Forecasts)	Diff.	YoY change
Sales	326.3	330.0	+3.6	+1.1%
Operating Profit	38.4	40.0	+1.5	+4.1%
Operating Profit Margin	11.8%	12.1%	+0.3P	
Net Income	23.1	24.0	+0.8	+3.5%
Earnings per share	¥119.11	¥123.25	+¥4.14	+3.5%
Dividends per share	¥52.00	¥52.00	-	-
Payout Ratio	43.7%	42.2%	(1.5P)	

Forecasts for FY March 2012 (2)

(unit: JPY billion)

【1H】	FY Mar.2011 1H (Results)		FY Mar. 2012 1H (Forecasts)		Diff.	YoY change
	Sales	162.1	160.0		(2.1)	(1.3%)
	Operating Profit	16.0	19.0		+2.9	+18.7%
	Operating Profit Margin	9.9%	11.9%		+2.0P	
	Net Income	9.6	11.5		+1.8	+19.1%

【2H】	FY Mar.2011 2H (Results)		FY Mar. 2012 2H (Forecasts)		Diff.	YoY change
	Sales	164.2	170.0		+5.7	+3.5%
	Operating Profit	22.4	21.0		(1.4)	(6.3%)
	Operating Profit Margin	13.7%	12.4%		(1.3P)	
	Net Income	13.5	12.5		(1.0)	(7.6%)

Sales Forecasts by Segment for FY March 2012 (1)

【Full Year】

(unit: JPY billion)

	FY Mar.2011 (Results)	Share	FY Mar. 2012 (Forecasts)	Share	Diff.	YoY change
Consulting	19.3	5.9%	20.0	6.1%	+0.6	+3.3%
Financial IT Solutions	201.7	61.8%	206.0	62.4%	+4.2	+2.1%
Securities	101.0	31.0%	104.5	31.7%	+3.4	+3.4%
Insurance	54.4	16.7%	56.0	17.0%	+1.5	+2.9%
Banking	23.5	7.2%	23.0	7.0%	(0.5)	(2.4%)
Other financial	22.6	7.0%	22.5	6.8%	(0.1)	(0.8%)
Industrial IT Solutions	85.2	26.1%	86.0	26.1%	+0.7	+0.9%
Distribution	41.1	12.6%	41.5	12.6%	+0.3	+0.8%
Manufacturing, service and other	44.0	13.5%	44.5	13.5%	+0.4	+1.0%
IT Platform Services	11.3	3.5%	9.5	2.9%	(1.8)	(16.1%)
Others	8.6	2.7%	8.5	2.6%	(0.1)	(1.7%)
Total	326.3	100.0%	330.0	100.0%	+3.6	+1.1%

Sales Forecasts by Segment for FY March 2012 (2)

(unit: JPY billion)

【1H】	FY Mar.2011 1H (Results)		Share	FY Mar.2012 1H (Forecasts)		Share	Diff.	YoY change
	Consulting	8.5	5.2%	9.5	5.9%	+0.9	+11.7%	
	Financial IT Solutions	101.1	62.4%	101.0	63.1%	(0.1)	(0.2%)	
	Securities	49.8	30.8%	50.5	31.6%	+0.6	+1.2%	
	Insurance	27.2	16.8%	28.0	17.5%	+0.7	+2.9%	
	Banking	13.1	8.1%	11.5	7.2%	(1.6)	(12.3%)	
	Other financial	10.9	6.8%	11.0	6.9%	+0.0	+0.3%	
	Industrial IT Solutions	42.0	26.0%	41.0	25.6%	(1.0)	(2.5%)	
	Distribution	20.9	12.9%	20.5	12.8%	(0.4)	(2.1%)	
	Manufacturing, service and other	21.1	13.0%	20.5	12.8%	(0.6)	(2.9%)	
	IT Platform Services	6.0	3.7%	4.5	2.8%	(1.5)	(25.7%)	
	Others	4.2	2.6%	4.0	2.5%	(0.2)	(6.6%)	
	Total	162.1	100.0%	160.0	100.0%	(2.1)	(1.3%)	
【2H】	FY Mar.2011 2H (Results)		Share	FY Mar.2012 2H (Forecasts)		Share	Diff.	YoY change
	Consulting	10.8	6.6%	10.5	6.2%	(0.3)	(3.2%)	
	Financial IT Solutions	100.5	61.2%	105.0	61.8%	+4.4	+4.4%	
	Securities	51.1	31.2%	54.0	31.8%	+2.8	+5.5%	
	Insurance	27.2	16.6%	28.0	16.5%	+0.7	+2.9%	
	Banking	10.4	6.4%	11.5	6.8%	+1.0	+10.1%	
	Other financial	11.7	7.1%	11.5	6.8%	(0.2)	(1.9%)	
	Industrial IT Solutions	43.1	26.3%	45.0	26.5%	+1.8	+4.2%	
	Distribution	20.2	12.3%	21.0	12.4%	+0.7	+3.8%	
	Manufacturing, service and other	22.9	14.0%	24.0	14.1%	+1.0	+4.6%	
	IT Platform Services	5.2	3.2%	5.0	2.9%	(0.2)	(5.0%)	
	Others	4.3	2.7%	4.5	2.6%	+0.1	+3.0%	
	Total	164.2	100.0%	170.0	100.0%	+5.7	+3.5%	

Sales Forecasts by Service for FY March 2012 (1)

【Full Year】

(unit: JPY billion)

	FY Mar.2011 (Results)	Share	FY Mar. 2012 (Forecasts)	Share	Diff.	YoY change
Consulting Services	32.9	10.1%	34.0	10.3%	+1.0	+3.1%
System Development & System Application Sales	117.0	35.9%	124.0	37.6%	+6.9	+5.9%
System Management & Operation Services	166.5	51.0%	163.0	49.4%	(3.5)	(2.1%)
Product Sales	9.7	3.0%	9.0	2.7%	(0.7)	(7.3%)
Total	326.3	100%	330.0	100.0%	+3.6	+1.1%

Sales Forecasts by Service for FY March 2012 (2)

(unit: JPY billion)

【1H】

	FY Mar.2011 1H (Results)	Share	FY Mar.2012 1H (Forecasts)	Share	Diff.	YoY change
Consulting Services	14.4	8.9%	16.5	10.3%	+2.0	+13.9%
System Development & System Application Sales	59.2	36.5%	59.5	37.2%	+0.2	+0.4%
System Management & Operation Services	84.0	51.8%	80.0	50.0%	(4.0)	(4.8%)
Product Sales	4.3	2.7%	4.0	2.5%	(0.3)	(7.8%)
Total	162.1	100.0%	160.0	100.0%	(2.1)	(1.3%)

【2H】

	FY Mar.2011 2H (Results)	Share	FY Mar.2012 2H (Forecasts)	Share	Diff.	YoY change
Consulting Services	18.4	11.2%	17.5	10.3%	(0.9)	(5.3%)
System Development & System Application Sales	57.8	35.2%	64.5	37.9%	+6.6	+11.5%
System Management & Operation Services	82.5	50.3%	83.0	48.8%	+0.4	+0.6%
Product Sales	5.3	3.3%	5.0	2.9%	(0.3)	(6.9%)
Total	164.2	100.0%	170.0	100.0%	+5.7	+3.5%

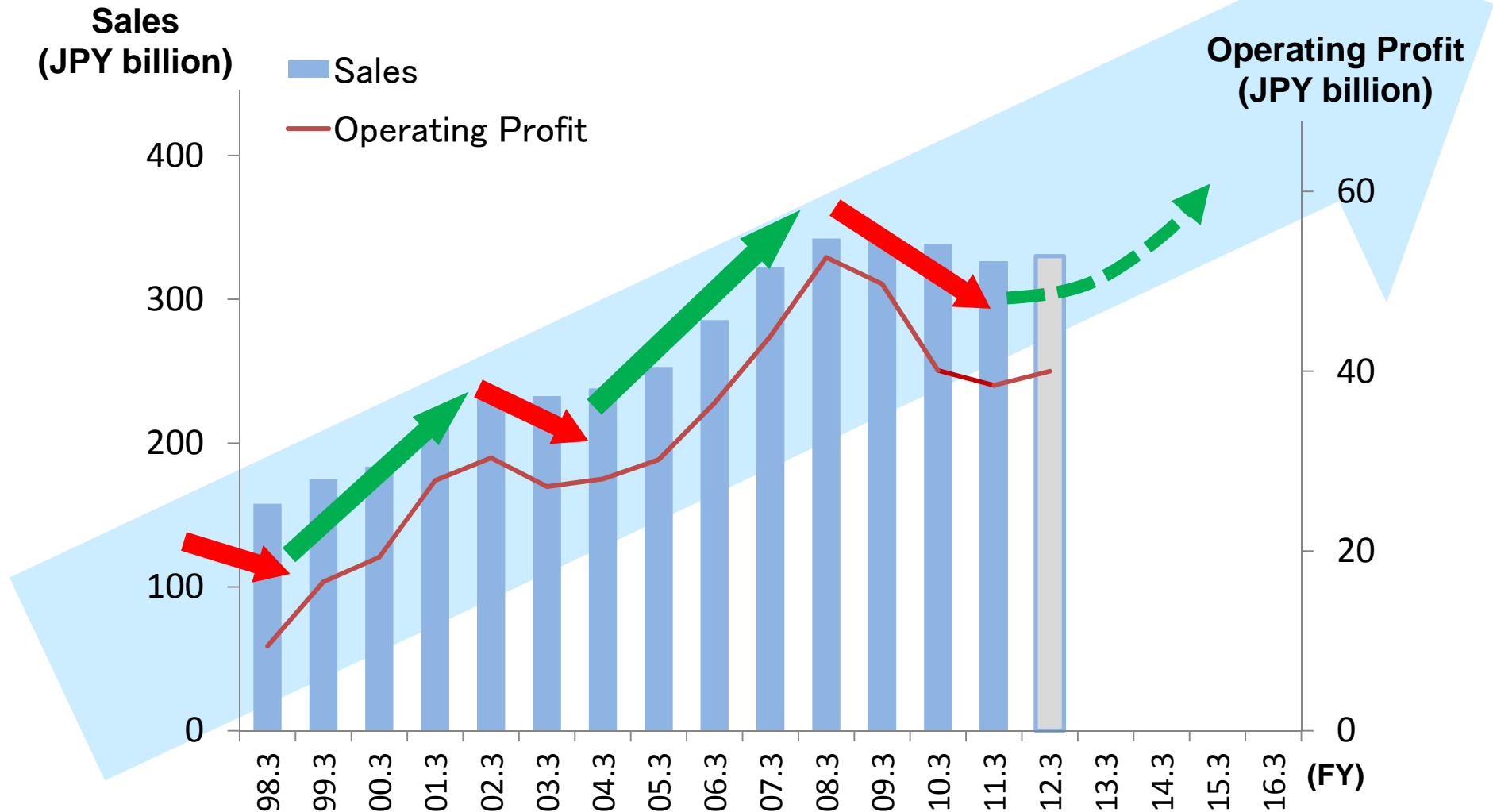
1. Financial Results for FY March 2011

2. Financial Results Forecasts for FY March 2012

3. Priority Measures for Medium to Long-term Growth

Toward Medium to Long-term Growth

- Although uncertain business conditions will continue in 1H, NRI is focused on returning to the growth track.



NRI's Growth Strategy

— VISION 2015 —

Greater advancement of services in **financial sector**

- Expansion of new-generation business platforms that cut across industries and markets

Expansion into **industry-related sectors**

- Attract clients that lead their industries and expand sphere of industries and operations in which NRI excels

Strengthen and expand business in **China and Asia**

- Second NRI in China and Asia

Increase productivity and develop human resources

Important strategies

Steadily implement STAR introduction projects

Enhance solutions for the banking sector

Expand the Consulting business

Adopt an approach that makes the most of strengths in consulting to increase new clients of system and deepen relations with existing clients

Expand the client base focusing on consumer products industry

Bolster support for global Japanese companies and Japanese companies expanding worldwide

Move ahead with alliances to establish a stronger business foundation

Establish new data centers to respond to growing demand

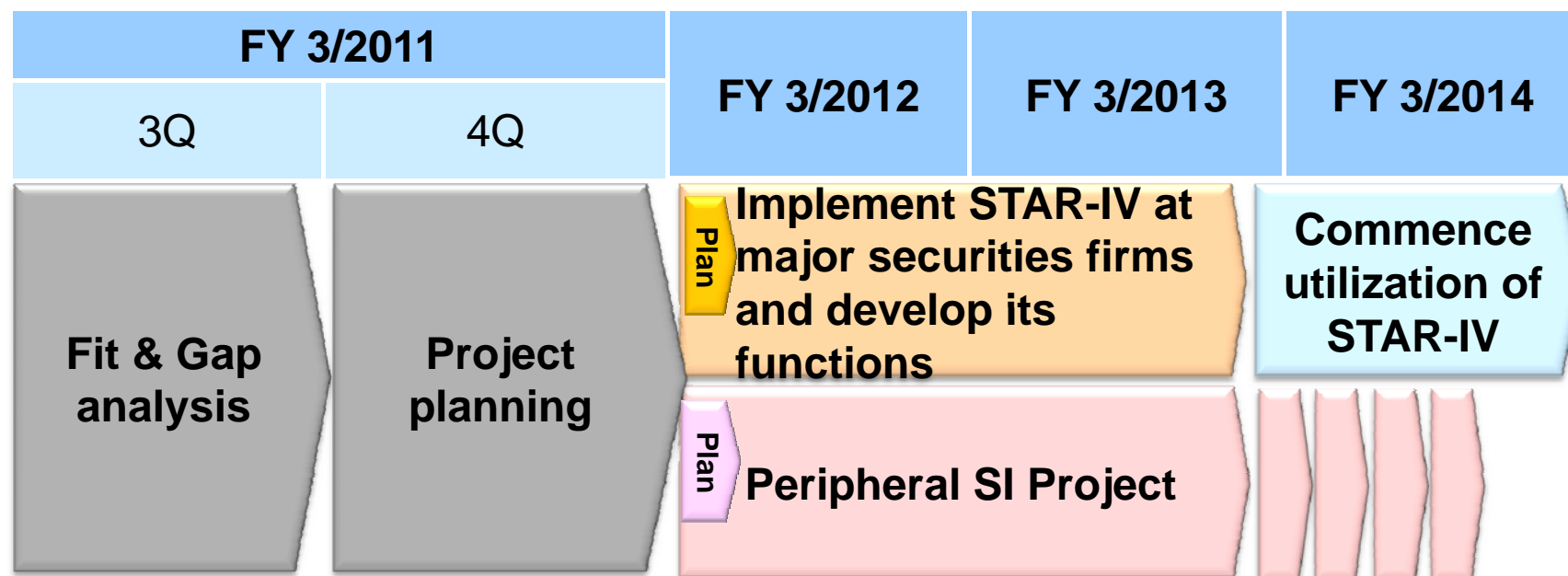
Develop training of employees

Steadily Pursuit STAR Implementation Projects (1)

- **Full-scale pursuit of STAR-IV implementation projects at Nomura Securities**

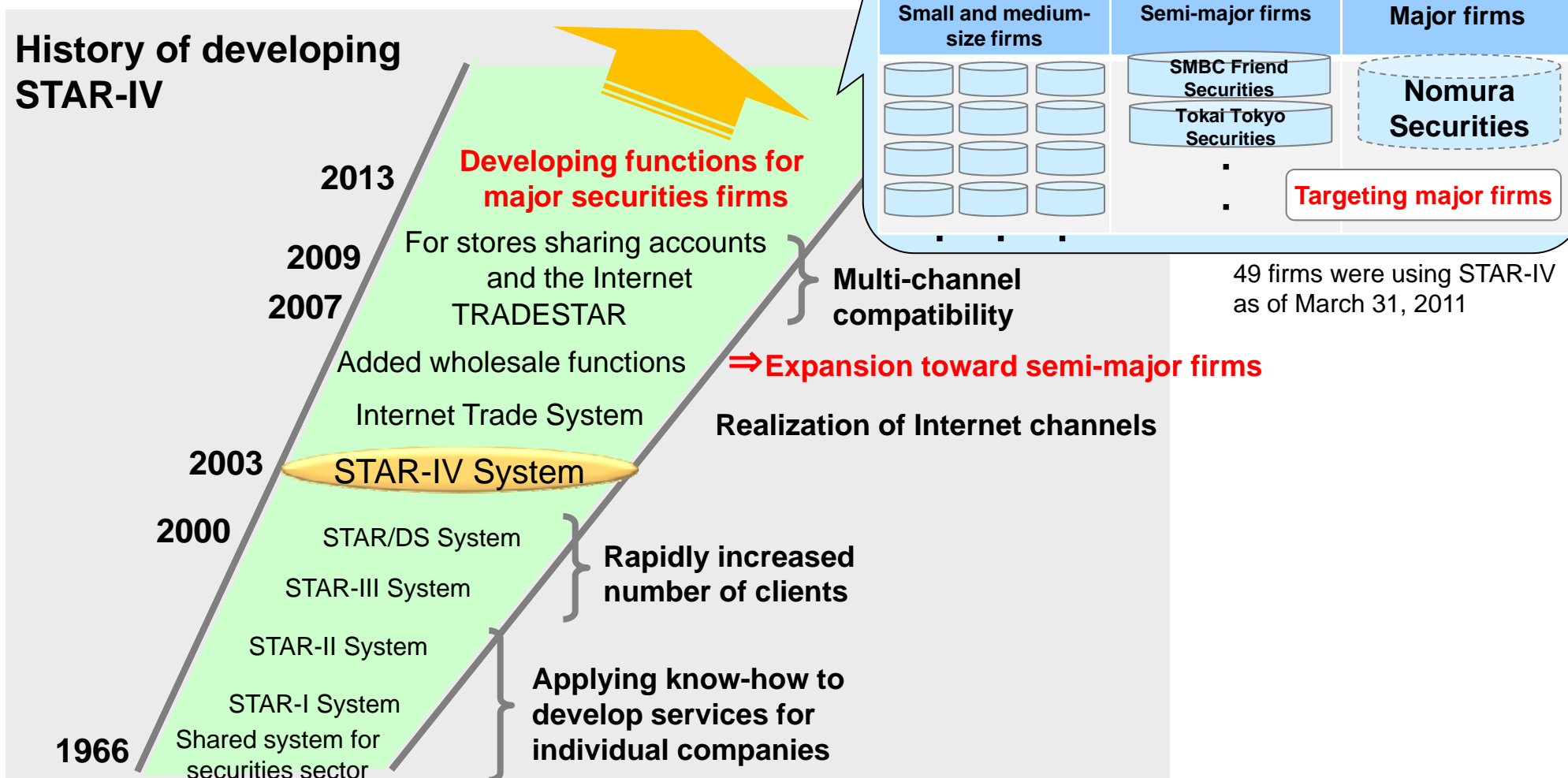
Moving from the analysis and planning phase to the phase of developing additional functions and implementing the system

Steadily execute projects with the aim to release by the beginning of 2013



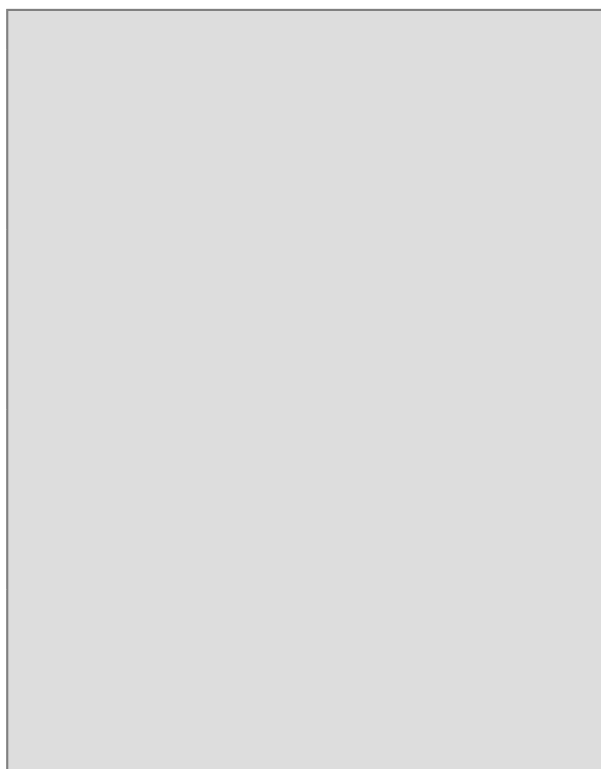
Steadily Pursuit STAR Implementation Projects (2)

- Aggressive investment to make STAR-IV the de facto standard
- Targeting other major securities companies



Enhance Solutions for the Banking Sector

- Winning over new clients through enhanced solutions
 - Targeting Internet banking for regional banks and specialized Internet bank accounting
 - Getting order of large-scale projects for trust banks



Nihon Keizai Shimbun, February 5, 2011

Collaborating with Nihon Unisys in business for banks

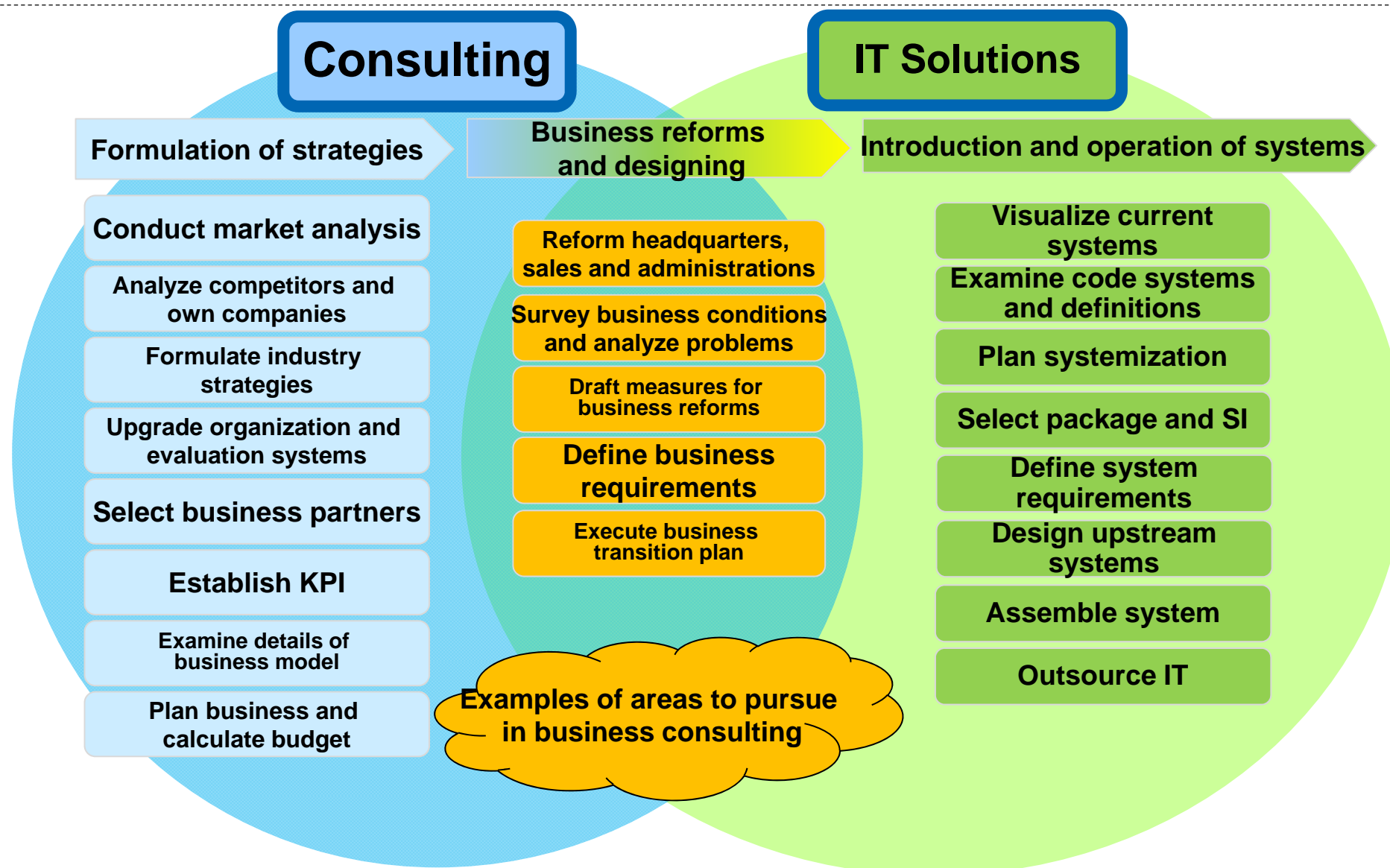
● **Internet banking**

Proposing compatible functions for NRI's Value Direct joint-use Internet banking service and Nihon Unisys's core banking system groups

● **Accounting systems**

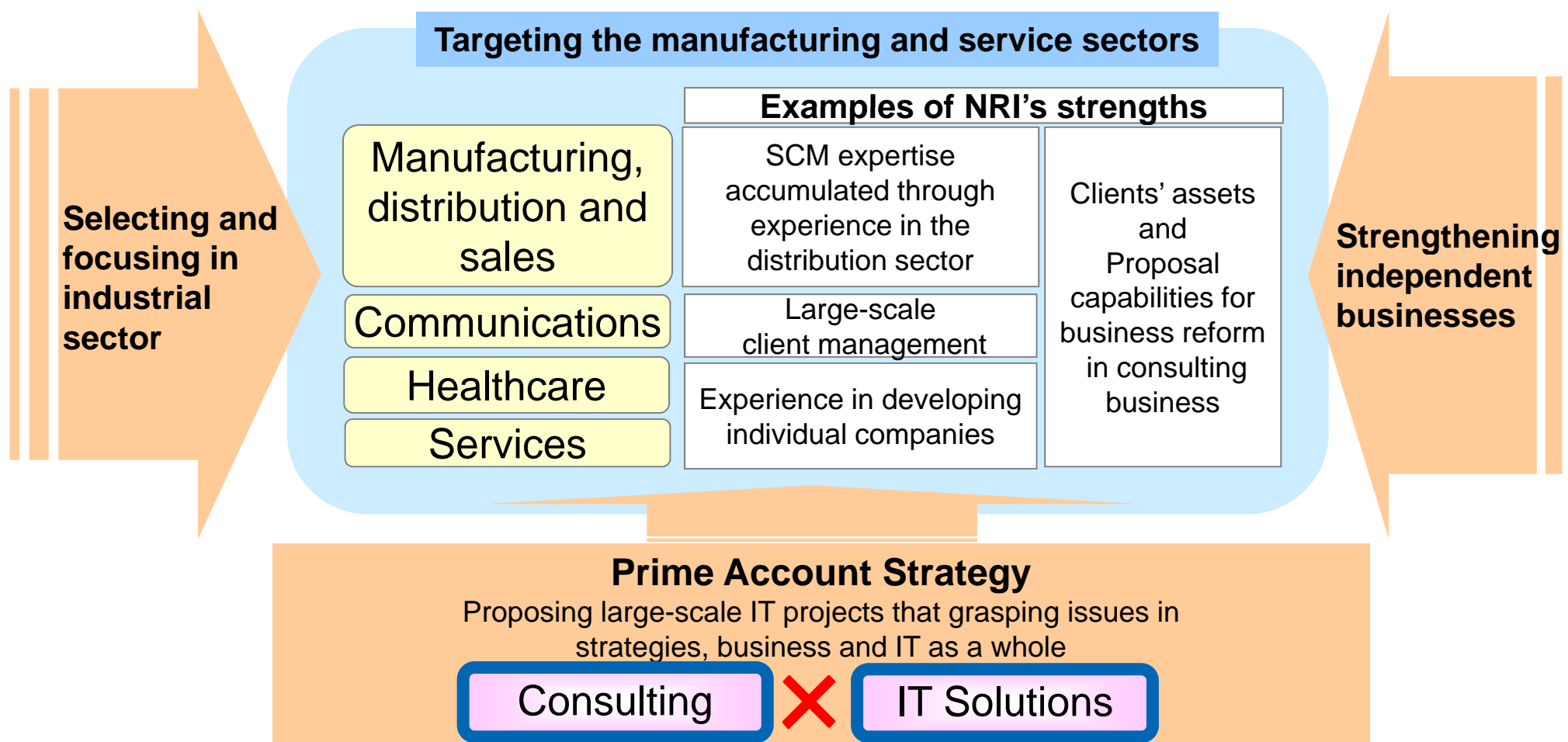
Proposing and introducing solutions to banks in collaboration with Nihon Unisys, drawing on the Bank Vision and Bank Star open account systems it has developed

Expand the Consulting Business



Expand the Client Base Focusing on Consumer Products Industry

- Selecting and focusing on the consumer products industry in industrial sector
- Approach that makes the most of synergies from consulting and system solutions



Strengthen and Expand Business in China and Asia

- **Expand the consulting business and reinforce the system business throughout China and the Asia region to build a second NRI there.**

<Consulting business>

- Business development through one local subsidiary and four branches
 - Robust consulting business activities at NRI Shanghai
 - **Considering the establishment of a new office in India**
- Establishment of a Chinese research center in collaboration with Tsinghua University will contribute to promoting the NRI brand in China

<IT Solution business>

Actively supporting Japanese companies expanding businesses in Asia

Making use of business alliances

- Support for the overseas development of Seven & i-related businesses
 - China (Beijing, Chengdu, etc.)
 - Indonesia
- Providing global SCM solutions
- Joint venture with Mitsubishi Corporation (iVision) in Shanghai
- Expand the BPO business: NRI Dalian



Move Ahead with Alliances to Establish a Stronger Business Foundation

- **Actively carrying out business collaboration and capital tie-ups as a means to expand business**

Expanding the Solutions Business in China and Asia

- Carrying out tie-ups with companies that possess expertise in the IT markets of China and other Asian countries
⇒ Temporarily transferring employees and dispatching trainees
Ex. iVision joint-venture with **Mitsubishi Corporation**

Providing solutions to Japanese companies that are developing globally

- Exploring **collaboration with global IT companies and local IT companies** with the view to establish a global support structure for NRI solutions

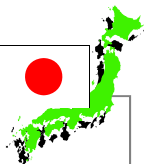
Expanding the Solutions Business in Japan

- Progressing with various business alliances with the goal to develop synergies from the Company's strengths in consulting, finance, PM, and platform services
Ex. Collaboration with **Nihon Unisys**, aimed at expanding the banking business

Recent Initiatives to Strengthen and Expand Business in China and Asia

- Commencing development in China of BizMart, a solution for manufacturing, wholesale, and retail companies

BizMart



- A service-type solution for realizing advanced, high quality, and faster operations for various tasks in the manufacturing, wholesale, and retail sectors. Functions range from strategic planning to sales planning, production management and distribution management.



- Currently 24,000 registered users at about 16,000 companies (as of March 31, 2011)



Developing BizMart in China

Status in fiscal 2010

- Moving from the trial phase to introducing the service

A number of companies including Shiseido Co., Ltd., decided to adopt information-sharing services to support their point-of-sale operations

Future plans

- Prepare for full-scale development by creating conditions to offer BizMart in China from the next fiscal year
- Sequentially expand providing functions
- Aim for 10,000 registered users by 2015

Responding to High Demand for Data Centers

New data centers planned for completion in FY March 2013

- Incorporating the leading-edge anti-seismic technologies
- Realizing high energy efficiency in accordance with low PUE¹ and the CASBEE² S ranking
- Using most-advanced Green IT to help ease the environmental impact on society



■ Safety

- Incorporates leading-edge anti-seismic technologies
- Locations in areas with low risk of natural disaster
- Equipped with advanced security equipment including biometric identification and 3D body scanners

■ Environmental

- Makes the most of natural energy including natural ventilation and free cooling
- Equipped with high-efficiency devices including localized air conditioning and high-temperature water supply
- Meets various environmental standards such as top-level offices and CASBEE

■ Reliability

- Built with highly expandable multiplexed electricity systems
- Equipped with air conditioners that optimize the air currents of the office environment
- Employs control functions to realize optimal conditions for operating IT devices and equipment

1. PUE stands for Power Usage Effectiveness and comprises indicators for the electrical efficiency of data centers
2. CASBEE stands for Comprehensive Assessment System for Building Environment Efficiency

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.

References

- 1. Other Financial Result-related Data**
- 2. Recent Activities (excerpts from articles in magazines, newspapers, etc.)**
- 3. Example of projects**
- 4. Other**

1. Other Financial Result-related Data

Highlights of Consolidated Results <4Q>

(Unit: JPY million)

	4Q FY Mar. 2010 (Jan.-Mar.)	4Q FY Mar. 2011 (Jan.-Mar.)	Diff.	YoY Change
Sales	86,474	84,353	(2,120)	(2.5%)
Operating Profit	7,321	11,408	+4,086	+55.8%
Operating Profit Margin	8.5%	13.5%	+5.1P	
Net Income	3,206	6,946	3,739	+116.6%

1. Other Financial Result-related Data

Sales by Segment <4Q>

(Unit:JPY million)

	4Q FY Mar. 2010 (Jan.-Mar.)	Share	4Q FY Mar. 2011 (Jan.-Mar.)	Share	Diff.	YoY Change
Consulting	4,449	5.1%	5,582	6.6%	+1,133	+25.5%
Financial IT Solutions	53,586	62.0%	51,526	61.1%	(2,060)	(3.8%)
Securities	26,676	30.8%	26,237	31.1%	(439)	(1.6%)
Insurance	14,659	17.0%	13,963	16.6%	(695)	(4.7%)
Banking	7,033	8.1%	5,261	6.2%	(1,711)	(25.2%)
Other financial	5,217	6.0%	6,063	7.2%	+846	+16.2%
Industrial IT Solutions	23,237	26.9%	22,595	26.8%	(642)	(2.8%)
Distribution	10,187	11.8%	9,898	11.7%	(289)	(2.8%)
Manufacturing, service and other	13,049	15.1%	12,696	15.1%	(352)	(2.7%)
IT Platform Services	2,978	3.4%	2,406	2.9%	(572)	(19.2%)
Others	2,223	2.6%	2,243	2.7%	+19	+0.9%
Total	86,474	100.0%	84,353	100.0%	(2,120)	(2.5%)
Nomura Holdings	20,731	24.0%	18,904	22.4%	(1,826)	(8.8%)
Seven & i Holdings	9,670	11.2%	9,315	11.0%	(354)	(3.7%)

*Figures of Nomura Holdings and Seven & i Holdings, in principle, include sales to subsidiaries.

NRI 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. Copyright(C) 2011 Nomura Research Institute, Ltd. All rights reserved.

1. Other Financial Result-related Data

Segment performance results <4Q>

■including Inter-segment sales for each segment

(Unit:JPY million)

		4Q FY Mar. 2010 (Jan.-Mar.)	4Q FY Mar. 2011 (Jan.-Mar.)	Diff.	YoY Change
Consulting	Sales	4,477	5,587	+1,110	+24.8%
	OP	(114)	616	+730	-
	OPM	(2.6%)	11.0%	+13.6P	
Financial IT Solutions	Sales	53,626	51,540	(2,085)	(3.9%)
	OP	3,533	5,331	+1,797	+50.9%
	OPM	6.6%	10.3%	+3.8P	
Industrial IT Solutions	Sales	24,592	24,069	(522)	(2.1%)
	OP	1,482	3,241	+1,758	+118.7%
	OPM	6.0%	13.5%	+7.4P	
IT Platform Services	Sales	17,492	16,400	(1,091)	(6.2%)
	OP	1,764	1,698	(66)	(3.8%)
	OPM	10.1%	10.4%	+0.3P	

1. Other Financial Result-related Data

Sales by Service <4Q>

(Unit:JPY million)

	4Q FY Mar. 2010 (Jan.-Mar.)	Share	4Q FY Mar. 2011 (Jan.-Mar.)	Share	Diff.	YoY Change
Consulting Services	7,394	8.6%	9,785	11.6%	+2,391	+32.3%
System Development & System Application Sales	31,042	35.9%	29,346	34.8%	(1,696)	(5.5%)
System Management & Operation Services	42,693	49.4%	41,474	49.2%	(1,219)	(2.9%)
Product Sales	5,344	6.2%	3,747	4.4%	(1,596)	(29.9%)
Total	86,474	100.0%	84,353	100.0%	(2,120)	(2.5%)

1. Other Financial Result-related Data

P/L Highlight <4Q>

(Unit: JPY million)

	4Q FY Mar. 2010 (Jan.-Mar.)	4Q FY Mar. 2011 (Jan.-Mar.)	Diff.	YoY change
Sales	86,474	84,353	(2,120)	(2.5%)
Cost of Sales	65,727	58,914	(6,812)	(10.4%)
Subcontracting Costs	26,991	25,702	(1,288)	(4.8%)
Gross Profit	20,747	25,439	+4,691	+22.6%
Gross Profit Margin	24.0%	30.2%	+6.2P	
SG&A	13,425	14,031	+605	+4.5%
Operating Profit	7,321	11,408	+4,086	+55.8%
Operating profit margin	8.5%	13.5%	+5.1P	

1. Other Financial Result-related Data

P/L Highlight <4Q> continued

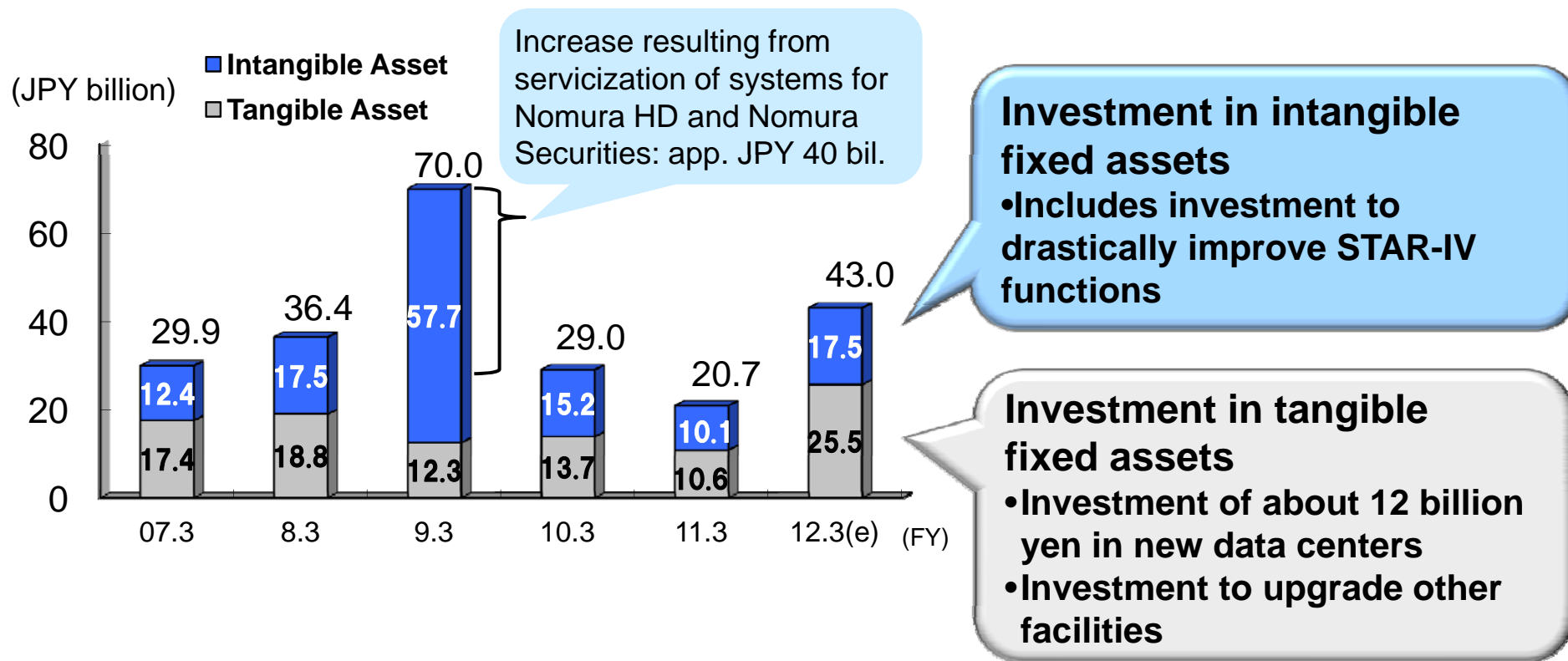
(Unit: JPY million)

	4Q FY Mar. 2010 (Jan.-Mar.)	4Q FY Mar. 2011 (Jan.-Mar.)	Diff.	YoY change
Operating Profit	7,321	11,408	+4,086	+55.8%
Non-operating gain and loss	205	330	+125	
Interest income	79	83	+3	
Gain on investments in partnership	1	62	+60	
Equity in losses of affiliates	(10)	5	+15	
Other Income and expense	(2,757)	96	+2,854	
Gain on sales of investment securities	-	168	+168	
Office relocation cost	(2,777)	-	+2,777	
Income taxes etc.	1,560	4,889	+3,328	
Net Income	3,206	6,946	+3,739	+116.6%

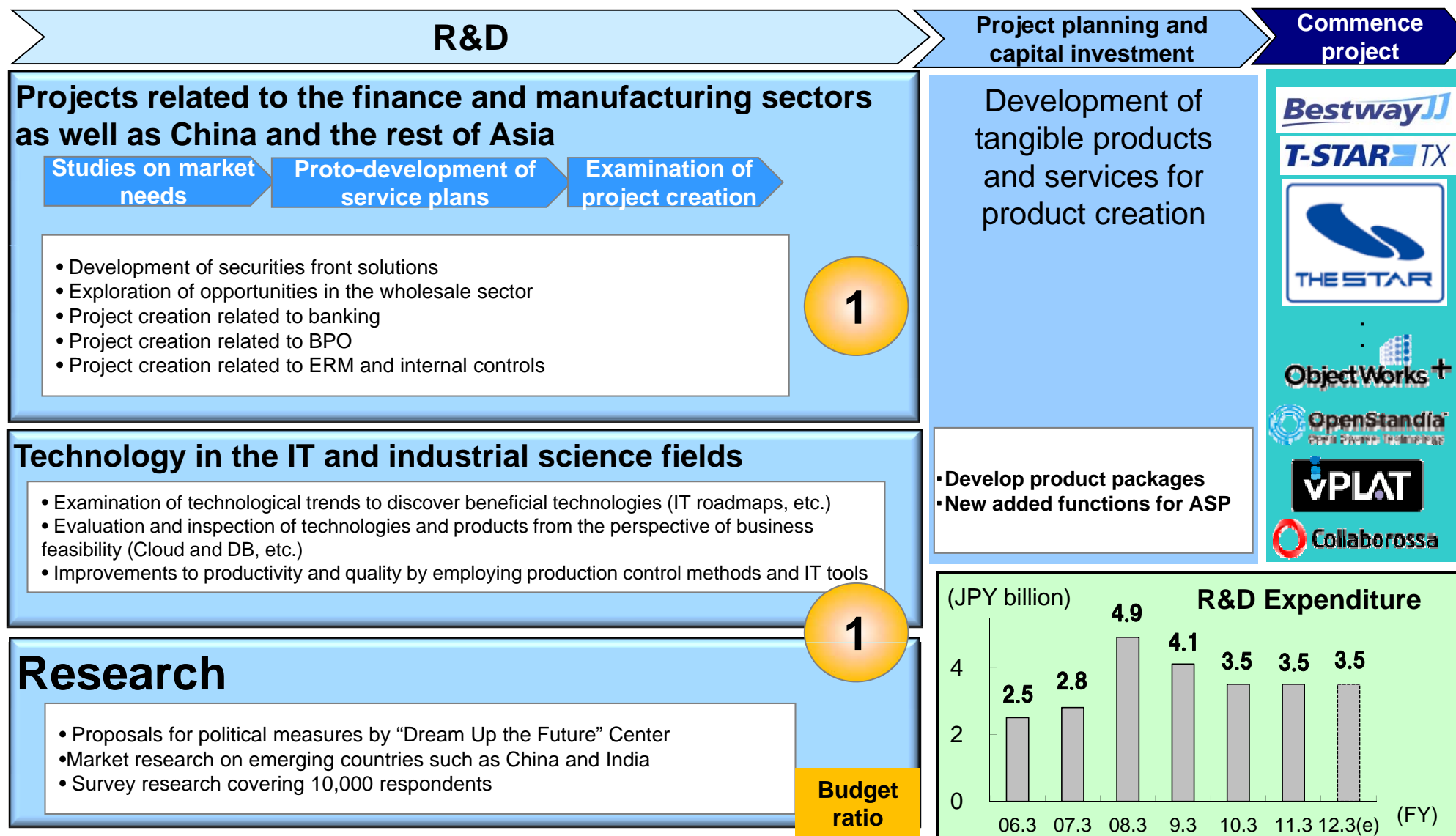
Capital Investments

- **Tangible assets: construction of new data centers**
- **Intangible assets: major investment in shared online services focusing on STAR-IV**

Trends in capital investment

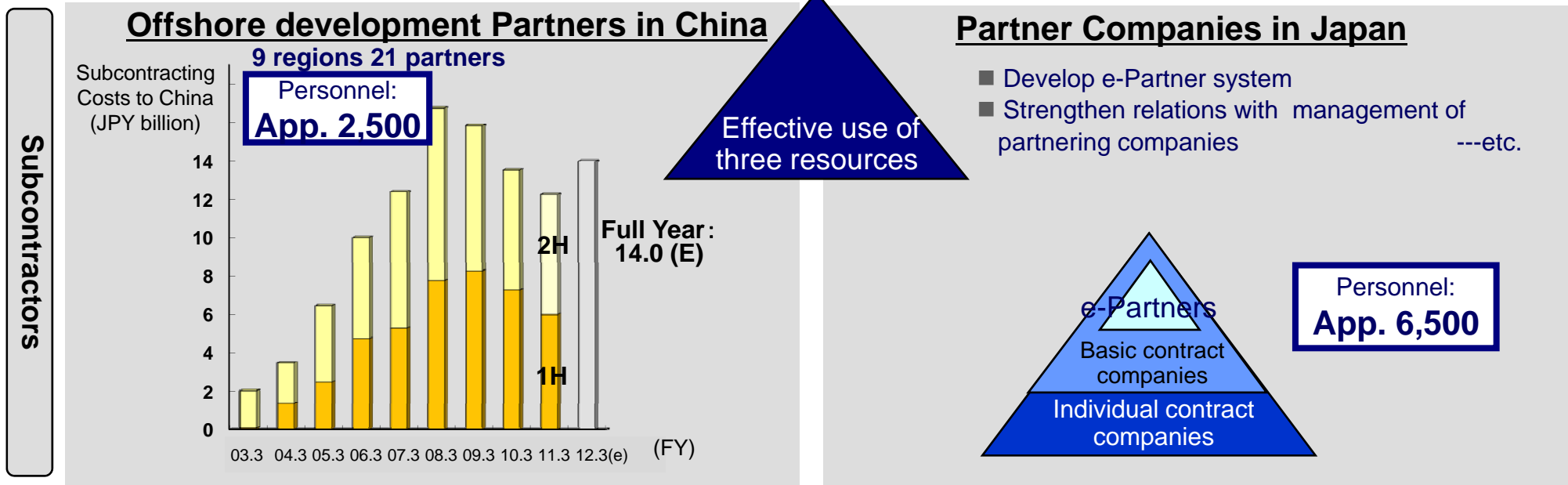
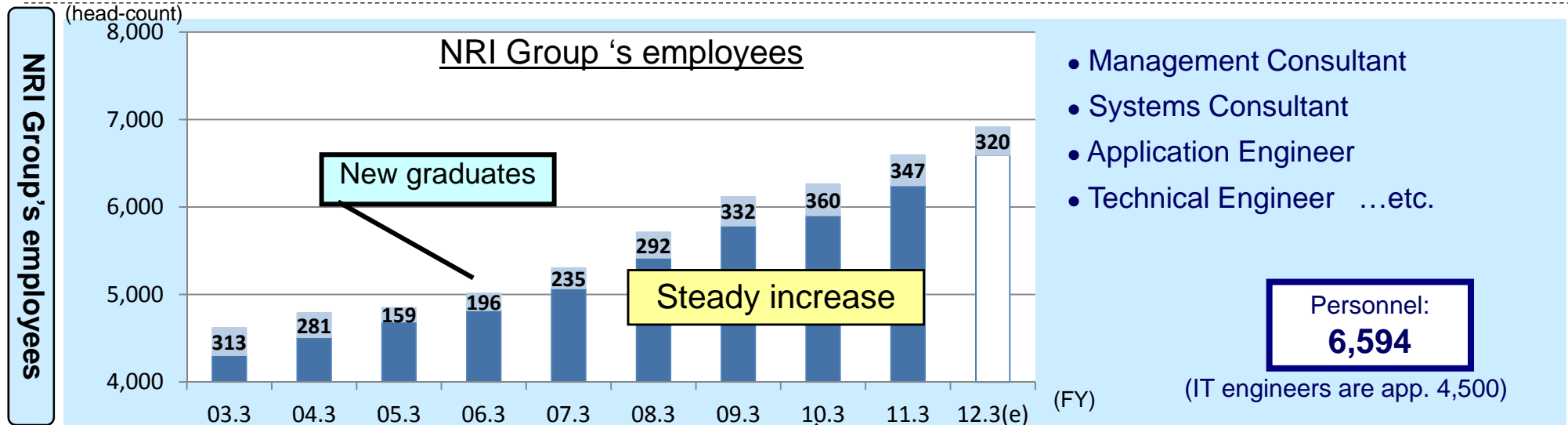


Outline of Research and Development by NRI



Depth in Human Resources

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



Commencing a New Incentive Plan

- On March 11, 2011, NRI established guidelines for directors who hold company shares and introduced an employee share-holding incentive plan entrusted to an external party

Overview and goals of the guidelines and incentive plan

	Guidelines for directors holding company shares	Entrusted employee share-holding incentive plan
Target	Directors of NRI and its consolidated subsidiaries	NRI Group employees
Details	<p>Previous: stock option system.</p> <p>New guidelines have been established setting the number of shares that can be held by directors.</p>	<p>Previous: company-run employee share-holding system</p> <p>An employee share-holding incentive plan entrusted to E-Ship has been introduced.</p> <p>Entrustment period: from March 11, 2011 to March 15, 2016</p>
Goals	The guidelines are designed to offer the benefits of rising share prices to directors holding shares while further sharing the risk of falling share prices.	The goals are to expand NRI's employee benefits package and provide incentives to employees for improving NRI's corporate value over the medium and long term.

- Notes:
- For the incentive plan, NRI has entrusted 6,201,500 shares valued at 11,782 million yen from its 30,299,843 company-owned shares (as of December 31, 2010)
 - E-Ship is a registered trademark of Nomura Securities Co., Ltd.

NRI's Efforts to Respond to the Earthquake Disaster (1)

➤ Providing uninterrupted services

Systems that NRI operates for its clients as well as systems provided by NRI have become important components of Japan's social infrastructure. Therefore, NRI is working to ensure that its data centers that support these systems operate on a continuous basis.

Countermeasures for blackouts affecting data centers

- NRI constantly maintains its own back-up generators with enough fuel to last at least 48 hours for blackout measures.
- NRI concludes preferential supply contracts with fuel supply companies to ensure that fuel can be procured on a continuous basis.

NRI's Efforts to Respond to the Earthquake Disaster (2)

➤Offering support that makes the most of NRI's distinctive navigation systems and solutions

As a think tank, NRI is proposing urgent countermeasures for the recovery of areas affected by the disaster.

No.	Proposal
1	Methods for dealing with the electrical supply shortage in the summer of 2011 (issued March 30)
2	Fundamental course of action for deciding on plans aimed at the recovery of the Tohoku region and its industry (issued April 5)
3	Sustaining regional communities by registering disaster victims and determining their whereabouts (issued April 8)
4	Impact of the earthquake disaster on employment conditions and approaches to ensuring and creating employment in the future (issued April 8)
5	Developing comprehensive measures to reduce the effects of the earthquake disaster (issued April 8)
6	Promoting measures for households to conserve electricity (issued April 15)
7	Setting up ICT infrastructure in the aftermath of the disaster and methods for employing the benefits of ICT (issued April 15)
8	Measures for reviving disaster areas through international transportation networks, tourism, and commodity distribution (issued April 19)

Solutions to support recovery activities using IT

• **Feedback message system for connecting disaster victims with support personnel**

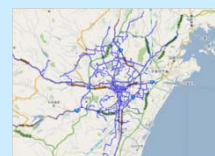
This system controls disaster victims' needs and relief supplies by enabling communications between support staff and disaster victims.

• **Report analyzing messages sent from disaster areas**

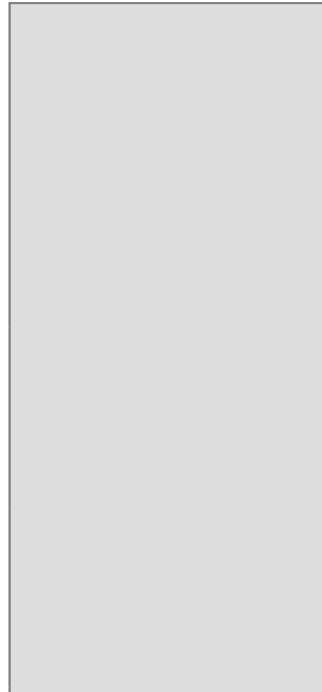
Applying its solutions, NRI analyzed requests for assistance from disaster areas sent via social media in this report.

• **Providing information on road conditions in disaster areas**

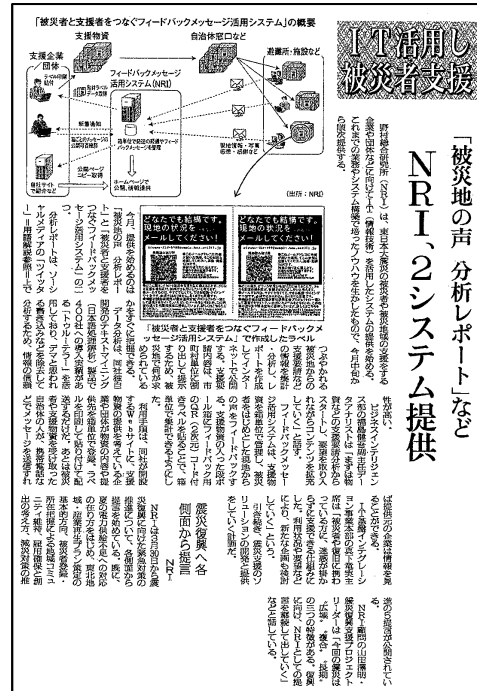
To facilitate the smooth flow of traffic and goods in disaster areas, on March 19 NRI began offering a free application for Android smart phones providing information on accessible roads.



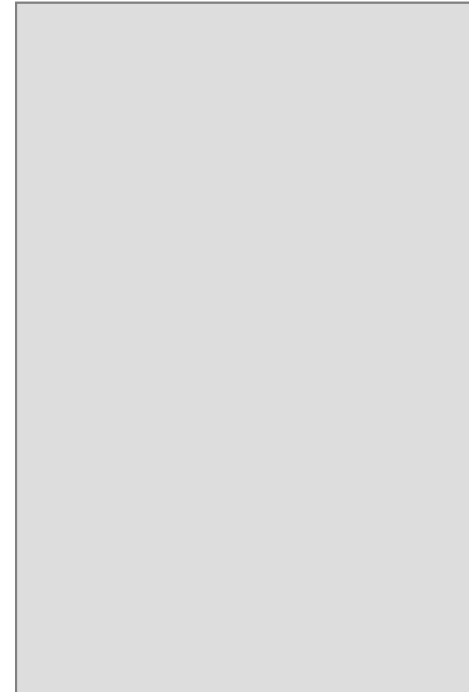
NRI's Efforts to Respond to the Earthquake Disaster



Nikkei Business Daily March 2011



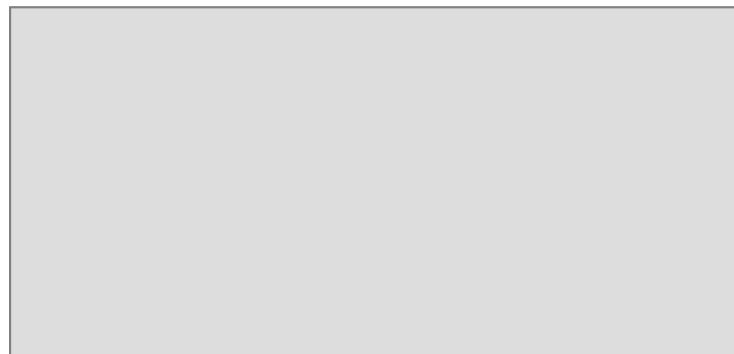
Dempa Shimbun, April 11 2011



Nikkei Business Daily, April 6 2011



Architectures Constructions and Engineering's News(Daily), April 6 2011



Nikkei Business Daily, April 11 2011



Nihon Keizai Shimbun, April 15 2011

2. Recent Activities

Launch of BizMart ECO

- On April 1, NRI began offering BizMart Eco, a Software-as-a-Service (SaaS) type product that standardizes and increases the efficiency of acquiring estimates and selecting suppliers. The service is intended for businesses engaged in procurement and purchasing.
- BizMart Eco provides functions for companies that place orders with several suppliers that have been selected in advance. Functions range from managing competitive bidding to producing requests for and responses to quotes, holding reverse auction meetings, and choosing suppliers.
- This service was provided to The Maruetsu, Inc., from February 2010, and then developed as a SaaS type service. NRI anticipates that about 100 companies will adopt BizMart Eco over the next year.

An example of how BizMart ECO is used in procurement and purchasing operations



調達・購買の
コスト削減支援
NRIがSaaS型
野村総合研究所（NRI）は企業の調達・購買コストを削減できるSaaS（ソフトウェア機能のサービス提供）型サービス「ビズマートECO」の提供を始めた。複数の企業から同時に見積もりを取る事が可能なほか、逆オークションによって最も安い企業と契約できる。1年間で100社への導入を目指す。同サービスはマルエツに2010年2月から提供していたシステムをSaaS化した。価格は利用して削減できたコストの一部を支払う形になる。マルエツでは調達案件ごとの商品の仕入れコストを平均10%以上削減した。

Nikkan Kogyo Shimbun, April 5, 2011

2. Recent Activities

BPM solution that optimizes business processes

- On April 1, NRI introduced its Enterprise Business process Innovating Solution (EBIS) to assist companies with their ongoing business reforms. Capable of accurately responding to shifts in the business environment and changes in management strategies, EBIS is a solution for building management infrastructure employing optimal business processes and IT. NRI will offer this unified solution in a range of fields, from planning and consulting related to the adoption of business process management (BPM) to system design and service-orientated architecture (SOA) plans as well as BPM applications.
- NRI anticipates that about 50 companies will adopt EBIS over the next five years.



業務プロセス最適化

BPMソリューション NRI

野村総合研究所(NRI)は1日、企業の業務プロセスを改革するビジネス・プロセス・マネジメント(BPM)ソリューション「EBIS」を4月1日から始めると発表した。企業が導入する統合業務パッケージ(ERP)をサービス指向アーキテクチャー(SO

「A」に対応させるなど、業務システムを最適な形になるよう支援する。価格は個別見積り。今後5年間で50社に導入し、累計50億円の売り上げを目指す。

昨年立ち上げたERP推進室のシステムエンジニア(SE)やコンサルタントが、業務プロセス

の現状アセスメント(診断)を皮切りに、計画・可視化・実装・評価の四つのサイクルを実行する。計画段階では適用範囲や実施体制を決め、可視化段階ではコストや業務時間を定義し、改革後をシミュレーションする。実装段階では、業務プロセスを三つに分類し、それぞれに合った実装を行う。サービス向上やコスト削減など付加価値を生み出す業務プロセスでは、日本の商習慣に合わないために使えなくなっている外国製ERPをSOAに対応させるなど、新たな業務プロセスを実現する。

Nikkan Kogyo Shimbun, March 2, 2011

Business process management (BPM)

BPM is a continuous cyclical process that moves from the setting of management goals, designing operational processes, executing operations, and monitoring and evaluating the PDCA cycle. The application of IT is one method for achieving a company's management goals.

2. Recent Activities

Collaborossa integrated development management service

- On January 27, NRI introduced its Collaborossa integrated development management service to support management operations in systems development.
- Collaborossa allows projects to be visually and timely displayed in their entirety so quantitative data can be more clearly understood, thereby enabling companies to improve the quality of their systems. Furthermore, it standardizes separate management processes according to each project to raise the efficiency of management operations.
- Collaborossa can raise the efficiency of management work hours by as much as 30% compared to conventional methods.

システム開発
マネジメント
効率的に管理
NRI

野村総合研究所（NRI）はシステム開発プロジェクトにおける進捗状況などマネジメント業務を管理するサービス「コラボロッサ」を始めた。NRIの複数の社内ツールを統合し、サービス化。プロジェクト全体の進捗状況をパーセンテージで把握できるうえ、マネジメントプロセスを共通化することで、従来より最大約30%のマネジメント業務工数を効率化できる。

マネジメント情報の入出力はエクセルで行う。これまで別々に管理していたテーマごとの情報を一元化し、知りたい情報をすぐに確認できる。ASP（ソフトウェアの期間貸し）型で提供し、利用者数に応じて年間価格を見積もる。

プロジェクトマネジメントの知識体系で国際標準とされているPMBOKに準拠。立ち上げから終結までの五つのプロセスと、時間・品質・リスクなど九つのマネジメントを管理する。

Nikkan Kogyo Shimbun,
February 3, 2011

3. Examples of Projects



The Maruetsu, Inc.

**Provided procurement and purchasing
system**

4. Others - Supplementary explanation

■ FY March 2012 Consolidated Earnings Model

- Sales of JPY330.0 billion and operating profit of JPY40.0 billion

(Unit:JPY billion)

	FY Mar.2010 (Results)	FY Mar.2011 (Results)	FY Mar. 2012 (Forecasts)*	YoY	
				Diff.	Change
Sales	338.6	326.3	330.0	+3.6	+1.1%
Cost of Sales	245.6	233.1	234.0	+0.8	+0.4%
Personnel	52.9	54.3	56.0	+1.6	+3.1%
Subcontracting Costs	109.8	101.1	110.0	+8.8	+8.7%
Depreciation	29.3	28.8	30.0	+1.1	+4.0%
Gross Profit	92.9	93.2	96.0	+2.7	+3.0%
Gross Profit Margin	27.5%	28.6%	29.1%	+0.5P	
SG&A	52.9	54.7	56.0	+1.2	+2.2%
Operating Profit	40.0	38.4	40.0	+1.5	+4.1%
Operating Profit Margin	11.8%	11.8%	12.1%	+0.3P	

Note: Figures are consolidated estimates for preparing this earnings model.

4. Other Activities - Communications

Forums and conferences



February 2011

“Forum on IT and Designs for a New Society”
held in collaboration with NTT Data



March 2011

Proposing measures for the recovery
of disaster areas



February 2011

IT management seminar for
managers

Publications



Examples of books published since January 2011