
Financial Results

for 2nd Quarter FY March 2011

and Financial Results Forecast for the year ending 31st March, 2011

October 29, 2010

Nomura Research Institute, Ltd.

Tadashi Shimamoto,
President, CEO&COO

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Highlights of Consolidated Financial Results <1H>

(Unit:JPY million)

	1H FY Mar.2010	1H FY Mar.2011	Diff.	YoY Change
Sales	166,882	162,106	(4,776)	(2.9%)
Operating Profit	22,090	16,009	(6,080)	(27.5%)
Operating Profit Margin	13.2%	9.9%	(3.4P)	
Net Income	11,979	9,658	(2,321)	(19.4%)
Earnings per share	¥61.57	¥49.62	(¥11.96)	(19.4%)
Dividends per share	¥26.00	¥26.00	-	

Highlights of Consolidated Results <1H>

■ Comparison to forecasts

(Unit:JPY million)

	1H FY Mar.2011 (Forecasts)*	1H FY Mar.2011 (Results)	Diff.	Change
Sales	165,000	162,106	(2,893)	(1.8%)
Operating Profit	20,000	16,009	(3,990)	(20.0%)
Net Income	12,000	9,658	(2,341)	(19.5%)

Note: Forecasts were announced on April 28, 2010

Key Factors in Consolidated Financial Results for 1H FY March 2011

- **1H sales decline reflects persistently challenging conditions in the securities, manufacturing and service sectors**

Clients' IT investment sentiment slumped, with no increase in the pace of project order growth

1. The severity of operating conditions in the securities sector exceeded forecasts, particularly for major clients.
2. The launch of new projects in the manufacturing and service sectors fell below forecast.
3. Results were steady from existing clients in such sectors as insurance and other finance.

- **Substantial contraction in profit margins largely due to increased costs reflecting efforts to generate medium- and long-term growth, and the impact of unprofitable projects**

1. Increase in costs reflecting efforts to generate medium- and long-term growth (depreciation expenses attributable to capital investments, personnel and other expenses).
2. Increase in costs incurred for projects in new business areas during the 2Q exceeded expectations.
3. Progress was steady in efforts to streamline subcontracting costs.

Sales by Segment <1H>

(Unit:JPY million)						
	1H FY Mar.2010 (Apr.-Sep.)	Share	1H FY Mar.2011 (Apr.-Sep.)	Share	Diff.	YoY Change
Consulting	8,541	5.1%	8,507	5.2%	(33)	(0.4%)
Financial IT Solutions	102,173	61.2%	101,191	62.4%	(981)	(1.0%)
Securities	53,929	32.3%	49,897	30.8%	(4,031)	(7.5%)
Insurance	25,787	15.5%	27,210	16.8%	+1,422	+5.5%
Banking	12,154	7.3%	13,119	8.1%	+965	+7.9%
Other financial	10,302	6.2%	10,964	6.8%	+662	+6.4%
Industrial IT Solutions	45,351	27.2%	42,068	26.0%	(3,283)	(7.2%)
Distribution	20,805	12.5%	20,946	12.9%	+141	+0.7%
Manufacturing, service and other	24,546	14.7%	21,121	13.0%	(3,425)	(14.0%)
IT Platform Services	5,734	3.4%	6,057	3.7%	+322	+5.6%
Others	5,081	3.0%	4,281	2.6%	(799)	(15.7%)
Total	166,882	100.0%	162,106	100.0%	(4,776)	(2.9%)
Nomura Holdings	44,751	26.8%	38,596	23.8%	(6,154)	(13.8%)
Seven & i Holdings	21,100	12.6%	20,554	12.7%	(546)	(2.6%)

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

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Segment performance results <1H>

■including Inter-segment sales for each segment

(Unit:JPY million)

		1H FY Mar.2010 (Apr.-Sep.)	1H FY Mar.2011 (Apr.-Sep.)	Diff.	YoY Change
Consulting	Sales	8,552	8,542	(9)	(0.1%)
	OP	(3)	(229)	(225)	-
	OPM	(0.0%)	(2.7%)	(2.6P)	
Financial IT Solutions	Sales	102,267	101,221	(1,046)	(1.0%)
	OP	10,793	8,998	(1,794)	(16.6%)
	OPM	10.6%	8.9%	(1.7P)	
Industrial IT Solutions	Sales	47,725	44,305	(3,420)	(7.2%)
	OP	4,751	366	(4,385)	(92.3%)
	OPM	10.0%	0.8%	(9.1P)	
IT Platform Services	Sales	34,538	34,264	(273)	(0.8%)
	OP	4,520	5,067	+547	+12.1%
	OPM	13.1%	14.8%	+1.7P	

Sales by Service <1H>

(Unit:JPY million)

	1H FY Mar.2010 (Apr.-Sep.)	Share	1H FY Mar.2011 (Apr.-Sep.)	Share	Diff.	YoY Change
Consulting Services	13,597	8.1%	14,492	8.9%	+894	+6.6%
System Development & System Application Sales	63,697	38.2%	59,240	36.5%	(4,456)	(7.0%)
System Management & Operation Services	83,656	50.1%	84,035	51.8%	+378	+0.5%
Product Sales	5,931	3.6%	4,337	2.7%	(1,593)	(26.9%)
Total	166,882	100.0%	162,106	100.0%	(4,776)	(2.9%)

P/L Highlight <1H>

(Unit:JPY million)

	1H FY Mar.2010 (Apr.-Sep.)	1H FY Mar.2011 (Apr.-Sep.)	Diff.	YoY Change
Sales	166,882	162,106	(4,776)	(2.9%)
Cost of Sales	118,505	118,595	+90	+0.1%
Subcontracting Costs	55,428	50,547	(4,881)	(8.8%)
Gross Profit	48,377	43,511	(4,866)	(10.1%)
Gross Profit Margin	29.0%	26.8%	(2.1P)	
SG&A	26,287	27,501	+1,214	+4.6%
Operating Profit	22,090	16,009	(6,080)	(27.5%)
Operating Profit Margin	13.2%	9.9%	(3.4P)	

P/L Highlight continued <1H>

(Unit:JPY million)

	1H FY Mar.2010 (Apr.-Sep.)	1H FY Mar.2011 (Apr.-Sep.)	Diff.	YoY Change
Operating Profit	22,090	16,009	(6,080)	(27.5%)
Non-operating gain and loss	276	1,077	+800	
Interest income	198	171	(27)	
Dividend income	843	960	+117	
Equity in losses of affiliates	(602)	(22)	+579	
Other Income and Expense	(868)	(345)	+523	
Loss on valuation of investment securities	(892)	(9)	+883	
Impact of applying accounting standard for asset retirement obligations	-	(364)	(364)	
Income taxes etc.	9,524	7,081	(2,443)	
Net Income	11,979	9,658	(2,321)	(19.4%)

Order Backlog (Outstanding)

(Unit:JPY million)

	At end of Sep. 2009	At end of Sep. 2010	Diff.	YoY Change
Consulting	4,562	3,987	(574)	(12.6%)
Financial IT Solutions	74,071	74,898	+826	+1.1%
Industrial IT Solutions	31,565	31,671	+105	+0.3%
IT Platform Services	4,411	4,547	+135	+3.1%
Other	2,662	2,671	+9	+0.3%
Total	117,273	117,776	+502	+0.4%
Order backlog in the current FY	113,677	112,745	(931)	(0.8%)

1. Financial Results for 2nd Quarter FY March 2011

2. Financial Results Forecasts for FY March 2011

3. Toward Medium to Long-term Growth

Assessing the Business Environment

- While the BoJ Tankan Survey reported little or no change in software investment plans for the fiscal year under review, there were pronounced indications of a postponement from the first to the second half.

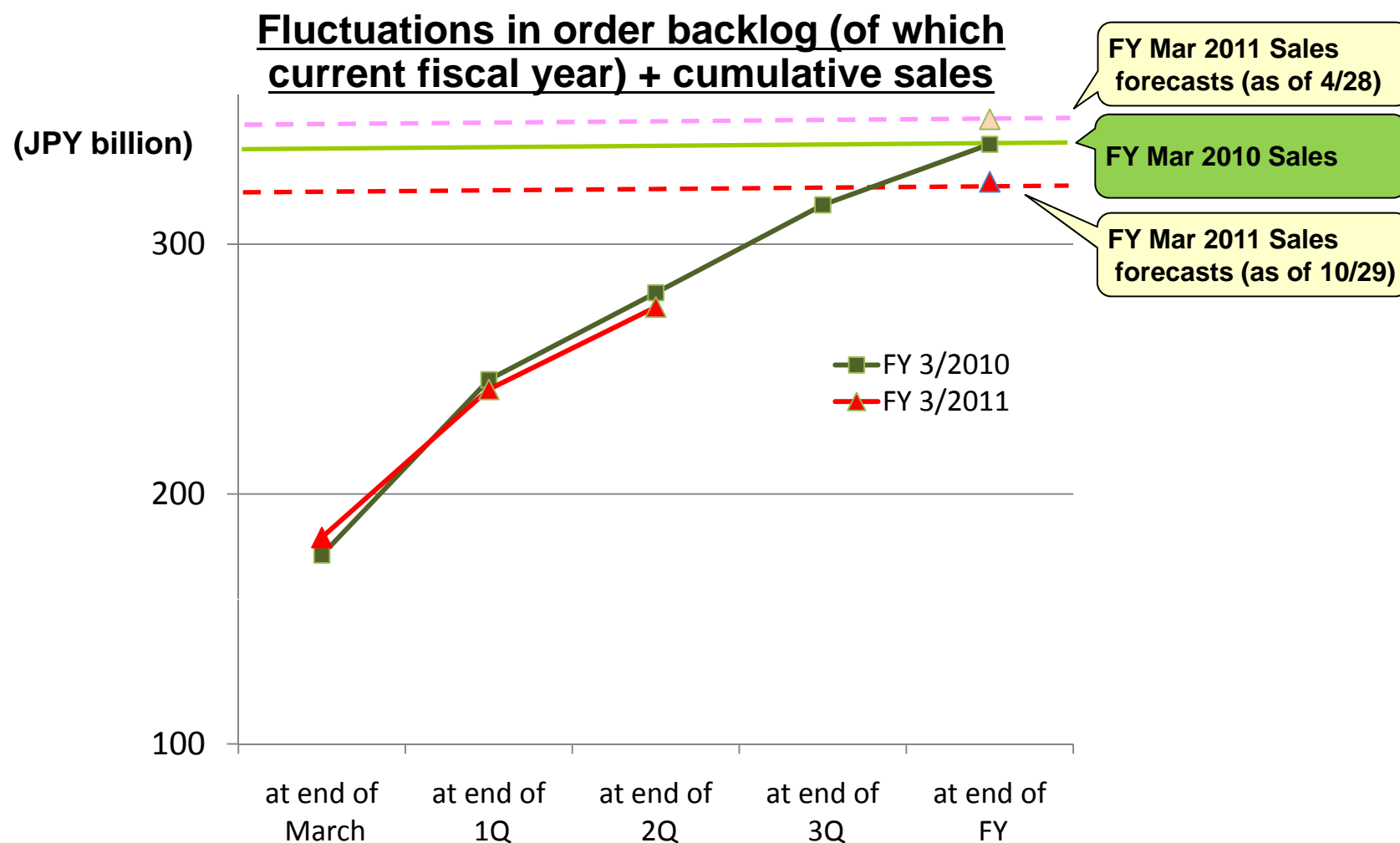
(YoY %)

	FY2010 forecast (Sep. Survey)			Revision rate (June→Sep.)		
	FY	1H	2H	FY	1H	2H
All industries	2.9	5.6	0.7	-0.4	-4.8	3.7
Large firms, manufacture sector	4.1	4.7	3.6	-0.1	-1.7	1.4
Large firms, non-manufacture sector(excluding Financial Sector)	5.0	4.9	5.2	-1.3	-2.8	0.0
Financial institutions	3.0	8.8	-1.5	-0.1	-8.6	8.4
Banking sector	7.6	12.9	3.7	-2.5	-15.0	10.3
Shinkin banks & Other financial institutions for small businesses	-12.5	-6.9	-16.0	-2.6	-2.5	-2.6
Securities sector	-2.8	-8.1	1.2	0.0	-18.9	18.6
Insurance sector	-0.8	15.8	-13.4	4.1	4.6	3.7
Non-deposit money corporations	2.0	3.1	0.8	5.4	8.8	2.0

Source: BoJ Tankan Survey (September, 2010) based on survey given to companies















Sales + Consolidated Order Backlog

- Orders remained sluggish due to persistently severe business conditions in the 2Q.

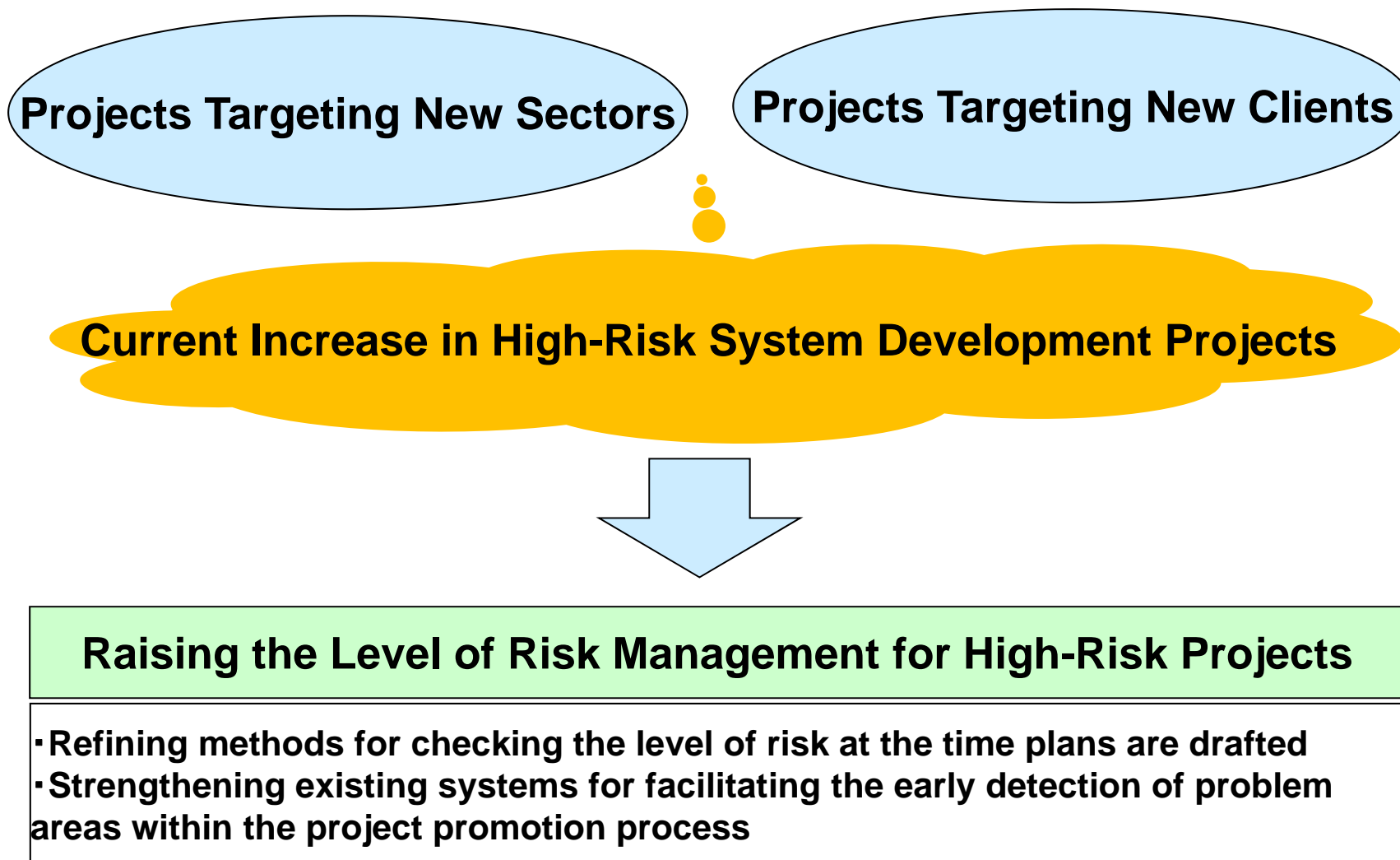


Current Business Conditions Conducive to Top-Line Expansion

- **Aim to promptly acquire projects based on a genuine understanding of client needs in the finance sector**

	1H	2H	
Consulting			<ul style="list-style-type: none"> • Return to sales growth in the 2Q; signs of an improvement in operating conditions • Orders, however, remain weak; strong need to further bolster operating activities
Financial IT Solutions			
Securities			<ul style="list-style-type: none"> • Clarification of the direction in which major clients are taking their domestic retail IT strategies ⇒ Provide robust support as a valued IT partner • Gain new clients for shared online services
Insurance			<ul style="list-style-type: none"> • Actively gain additional projects focusing on existing clients • Steadily capitalize on developments in industry reorganization
Banking			<ul style="list-style-type: none"> • Address the update to systems for over-the-counter sales of investment trusts, and continue sales aimed at expanding Internet banking • Prepare for the expansion of major clients' businesses (enhance services, etc.)
Other financial			<ul style="list-style-type: none"> • Expand new client base for asset management ASP and promote the shift to new versions • Move the BPO business forward
Industrial IT Solutions			
Distribution			<ul style="list-style-type: none"> • Make the most of clients' investment demand in areas such as overseas development and the replacement of old machinery
Manufacturing, service and other			<ul style="list-style-type: none"> • Continue to work to gain new clients and projects (make full use of SCM know-how) • Enhance quality control and project management while improving productivity

Further Strengthening Project Management



Key Factors in Revisions to Forecasts for Consolidated Financial Results for FY March 2011

- **Operating environment forecast to remain challenging over the short term**

1. Recovery in client IT investment expected to delay compared with original forecasts.
2. Forecast number of client acquisitions in new business fields revised downward.
3. Despite signs of an increase in the number of securities- and asset management-sector projects, they will make a limited contribution to results in the 2H of this FY.

- **Increased costs primarily due to unprofitable projects; ramping up programs aimed at controlling costs**

1. Accounting for the impact of increased costs due to unprofitable projects identified up to the 2Q.
2. Ramping up cost control efforts beginning with subcontracting costs.

Forecasts for FY March 2011

(unit: billion)

	FY Mar.2010 (Results)	FY Mar. 2011 (Forecasts as of Oct.29)	YoY Change		FY Mar. 2011 (Forecasts as of Apr.28)	Comparison to forecasts
			Diff.	%		
Sales	338.6	325.0	(13.6)	(4.0%)	350.0	(25.0)
Operating Profit	40.0	37.0	(3.0)	(7.7%)	44.0	(7.0)
Operating Profit Margin	11.8%	11.4%	(0.5P)	-	12.6%	(1.2P)
Net Income	21.8	22.5	+0.6	+2.9%	26.0	(3.5)
Earnings per share	¥112.32	¥115.59	+¥3.27	+2.9%	¥133.59	(¥18.00)
Dividends per share	¥52.00	¥52.00	-	-	¥52.00	-

Forecasts by Segment for FY March 2011

(unit: billion)

	FY Mar.2010 (Results)	FY Mar. 2011 (Forecasts as of Oct.29)	YoY Diff.	Change %	FY Mar. 2011 (Forecasts as of Apr.28)	Comparison to forecasts
Consulting	17.9	18.5	+0.5	+3.1%	19.0	(0.5)
Financial IT Solutions	209.0	201.5	(7.5)	(3.6%)	217.0	(15.5)
Securities	108.4	101.0	(7.4)	(6.8%)	111.0	(10.0)
Insurance	53.8	54.0	+0.1	+0.2%	56.0	(2.0)
Banking	25.8	25.0	(0.8)	(3.4%)	26.5	(1.5)
Other financial	20.8	21.5	+0.6	+3.1%	23.5	(2.0)
Industrial IT Solutions	90.9	84.5	(6.4)	(7.1%)	95.0	(10.5)
Distribution	41.2	41.0	(0.2)	(0.7%)	41.5	(0.5)
Manufacturing, service and other	49.6	43.5	(6.1)	(12.4%)	53.5	(10.0)
IT Platform Services	11.3	12.0	+0.6	+5.3%	10.0	+2.0
Others	9.2	8.5	(0.7)	(8.6%)	9.0	(0.5)
Total	338.6	325.0	(13.6)	(4.0%)	350.0	(25.0)

Forecasts by Service for FY March 2011

(unit: billion)

	FY Mar.2010 (Results)	FY Mar. 2011 (Forecasts as of Oct.29)	YoY Change		FY Mar. 2011 (Forecasts as of Apr.28)	Comparison to forecasts
			Diff.	%		
Consulting Services	28.8	30.0	+1.1	+3.9%	30.0	-
System Development & System Application Sales	126.8	122.0	(4.8)	(3.8%)	133.0	(11.0)
System Management & Operation Services	167.0	166.0	(1.0)	(0.6%)	171.0	(5.0)
Product Sales	15.9	7.0	(8.9)	(56.0%)	16.0	(9.0)
Total	338.6	325.0	(13.6)	(4.0%)	350.0	(25.0)

1. Financial Results for 2nd Quarter FY March 2011

2. Financial Results Forecasts for FY March 2011

3. Toward Medium to Long-term Growth

Toward Growth Over the Medium to Long Term

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

■ Accelerating business growth in financial sector

Securities

STAR-IV: Become the de facto standard by increasing market share

Asset Management

Developments in cloud computing services, BPO business development

Banking

New service (ValueDirect: Internet banking)

Insurance

Acquire new projects for major clients. Respond to industry reorganization

■ Ongoing efforts to expand client platforms in industry-related sectors

Make full use of strengths (consumer goods x SCM know-how)

Financial Sector

■ Accelerating trend toward client use of shared online services ⇒ Favorable conditions for NRI

- Client need to reduce IT cost
- Reduced resistance among clients to standard service use
- Growing expectations for cloud computing-related services



From information system ownership to service use

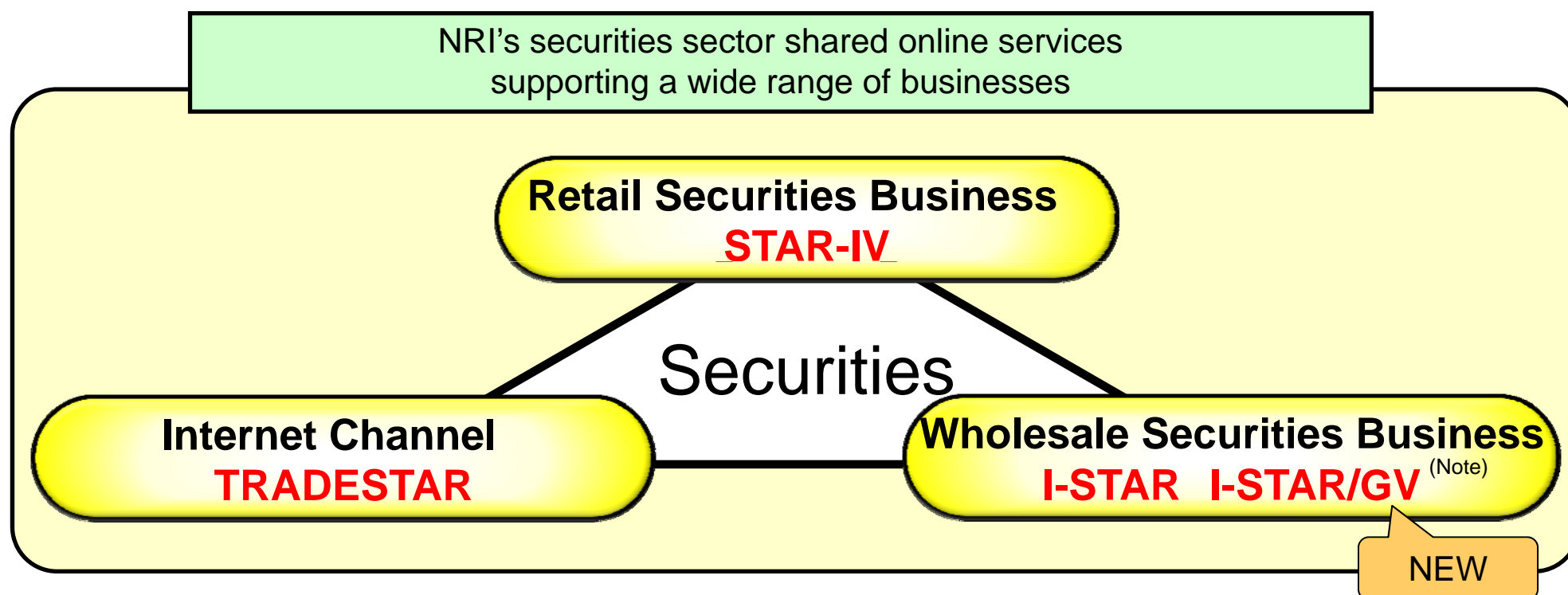


Further enhance NRI shared online service business opportunities as the industry standard

Financial Sector (1) Securities

■ Strongly support trends in client needs “from ownership to service use”

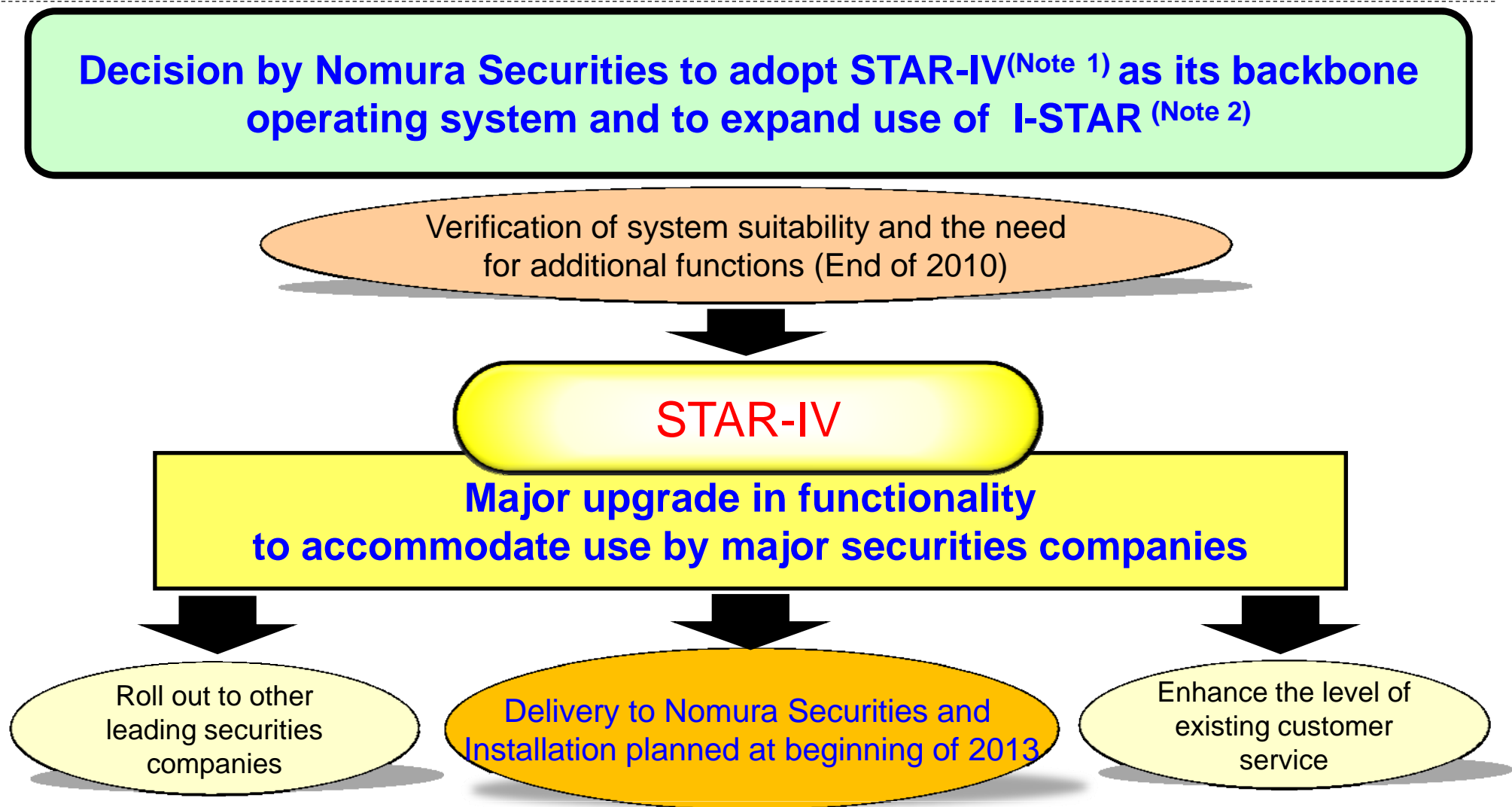
Successive decisions by leading and middle-tier securities companies to adopt STAR-IV
⇒ STAR-IV taking the next leap forward, becoming the unrivalled industry standard platform



Note: A middle-, back-office wholesale securities system mainly for overseas bases; middle- and back-office operating batch processing system for multiple bases

Financial Sector

(1) Securities Major Client Domestic Retail IT

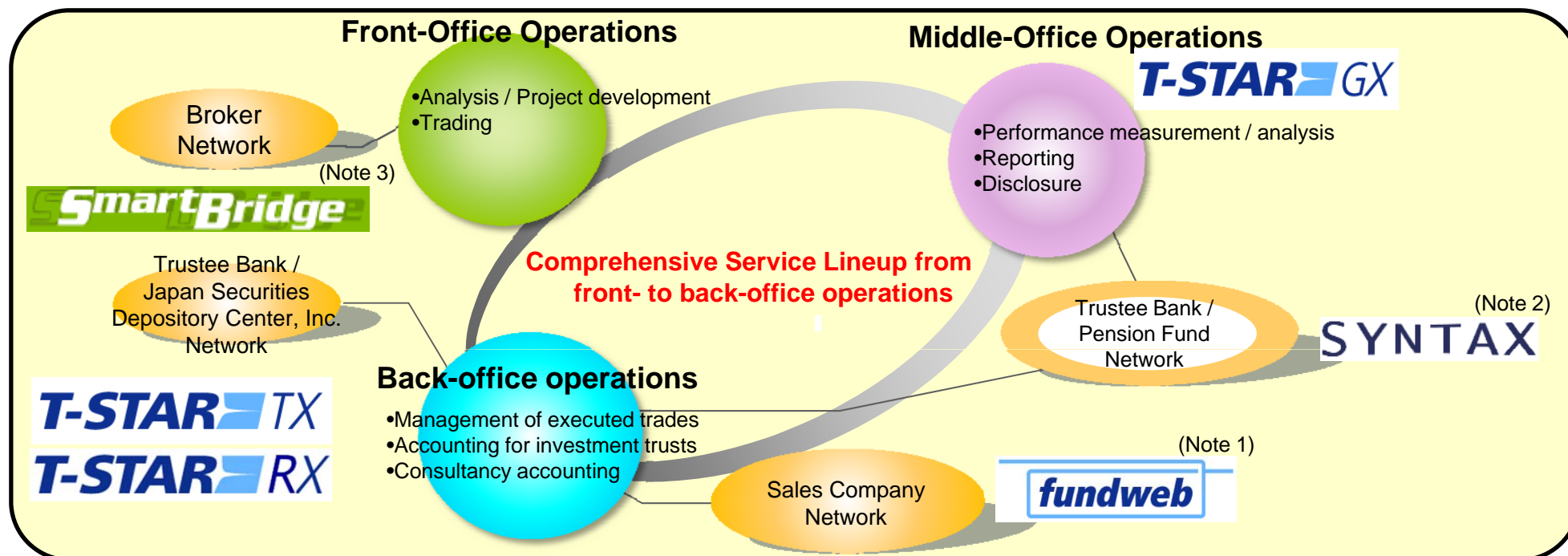


Note 1: STAR-IV: A shared online system that supports retail securities back-office operations

Note 2: I-STAR: A shared online system that supports wholesale securities back-office operations

Financial Sector (2) Asset Management

■ Lift the level and market share of shared online services + Pursue BPO business opportunities



Expand to the BPO business

Incorporate client BPO needs, enhance service convenience and value added as shared online services + BPO

Shift to cloud computing services

Utilize cloud computing technologies, strengthen asset management service coordination, enhance the value added by total solutions

Note 1: An investment trust sales network system that facilitates the many-to-many connection of investment trust sales and investment trust trustee companies

Note 2: An investment trust account electronic information disclosure system for the management of asset management investment trust banks

Note 3: A service that converts into electronic form the various messages between mainly institutional investors and counterparties essential to securities transactions

Financial Sector (3) Banking

■ expanding shared online services in the new banking business fields

Over-the-counter investment trust sales

- Completion of a new Bestway version
From a package to a cloud computing solution



Steady progress in the changeover from the previous version

Example: Regional Banks Association's investment trust marketing center adopts Bestway JJ

Bestway adopted by 106 companies as of September 30, 2010

Internet banking

- "ValueDirect," an Internet banking shared online service currently under development



Nikkin
March 26, 2010

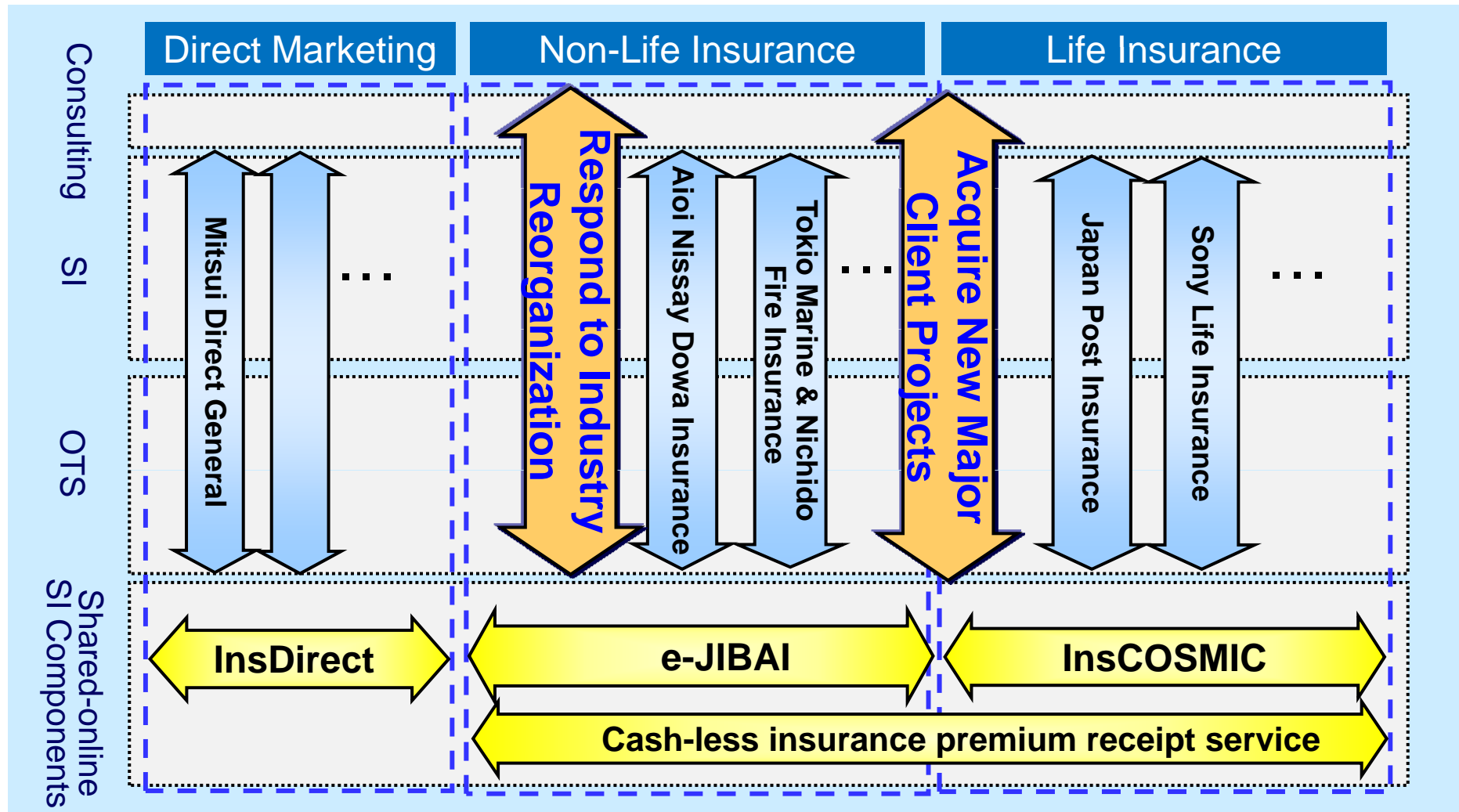
Order from a leading regional bank
Progressive commencement of services from FY2011

■ Future development

- Internet bank account system
- Internet-based investment trust system
- Expand IT solution to front- and middle-office operations
(sales and marketing, risk management, other)

Financial Sector (4) Insurance

- Acquire new projects for major clients; respond to industry reorganization

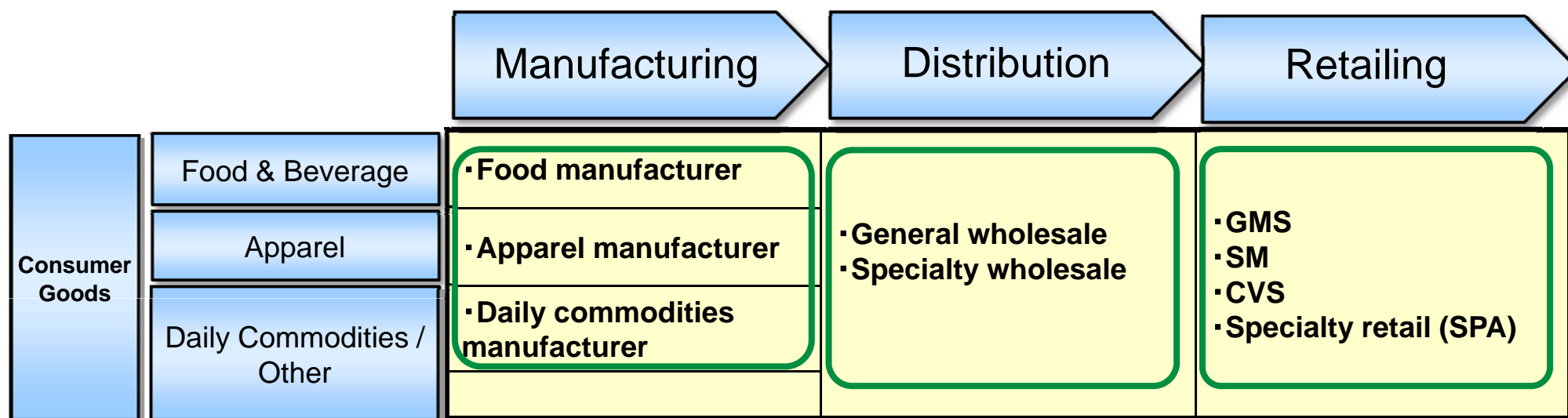


Industry-Related Sectors

(1) Manufacturing, Distribution and Retailing Businesses

■ Utilize existing strengths (consumer goods x SCM know-how); expand client platforms

➤ Building systems, providing outsourcing services and supporting innovative initiatives by leading companies in each of the food and beverage, apparel, daily commodities and other manufacturing, distribution and sales industries for over a decade



■ Apply accumulated operating innovation know-how to general-purpose solutions

➤ Expand the Bizmart function

(NRI's services supporting production and distribution from manufacturing industry to retailing industry)

Industry-related sectors]

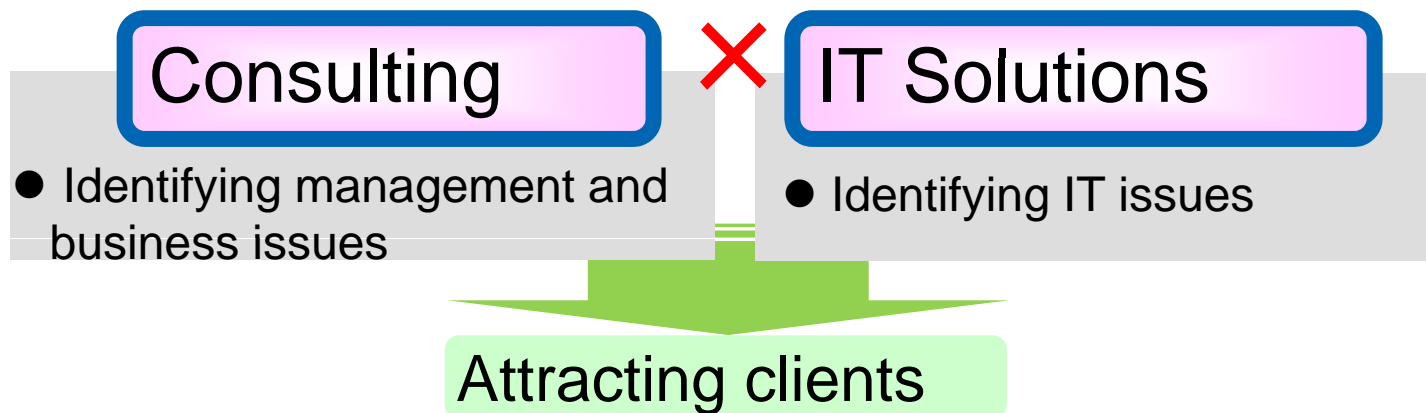
(2) Expansion into new sectors

■ Attract clients in new sectors

- Communications
- Pharmaceuticals and health care
- Global manufacturing

■ Prime account activities

- Make large-scale IT proposals as a set to accompany management and business reforms by addressing clients' strategic/operational/IT issues holistically through collaboration among Consulting, System Consulting and Solutions Divisions



Business in China and Asia

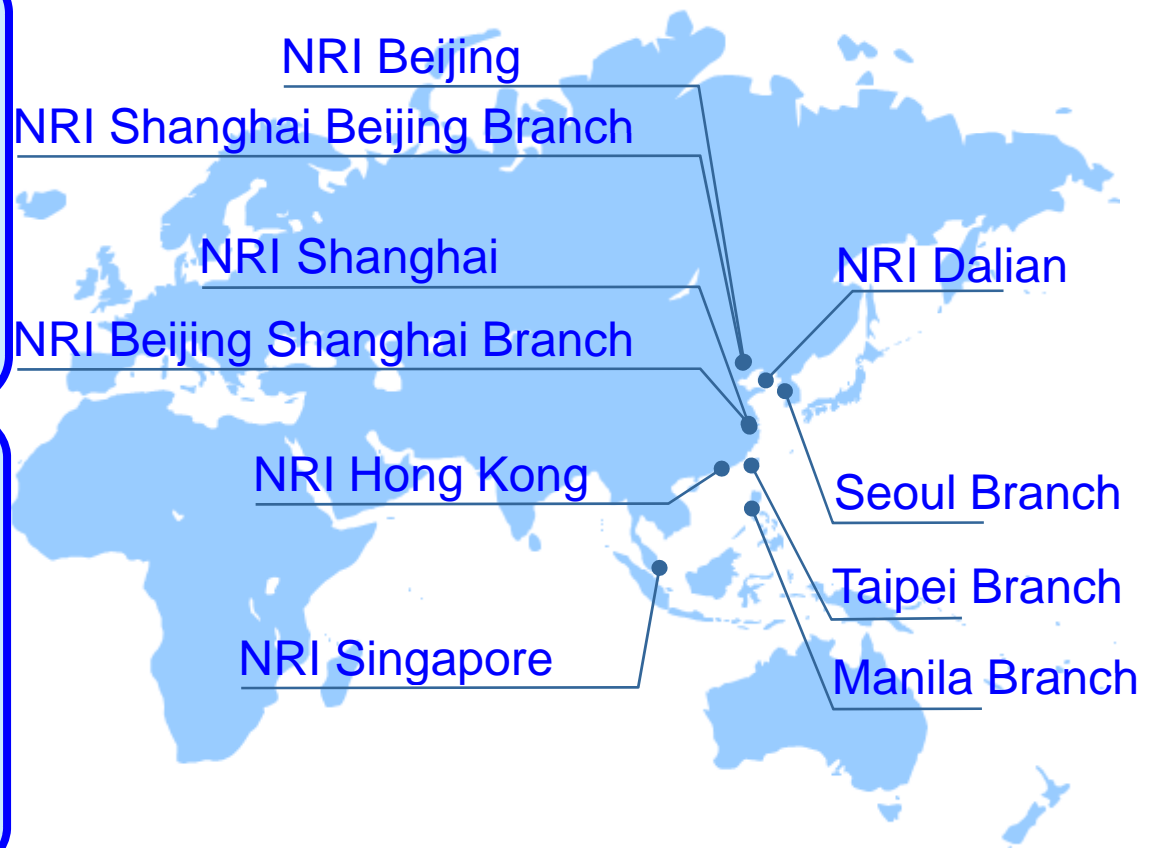
- **Expand the consulting business and reinforce the system business throughout China and the Asia region to build a second NRI in China and Asia.**

Consulting business

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

System business

- Active in offshore development in China from the 1990s
- Seven & i-related businesses
 - China (Beijing, Chengdu, etc.)
 - Indonesia
- Joint venture with Mitsubishi Corporation (iVision) in Shanghai



Nomura Research Institute (Dalian), Ltd., is established in this year to further strengthen the organization of BPO services in China

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 <2Q>

■Year on Year

(Unit: JPY million)

	2Q FY Mar. 2010 (Jul.-Sep.)	2Q FY Mar. 2011 (Jul.-Sep.)	Diff.	YoY Change
Sales	85,361	81,455	(3,905)	(4.6%)
Operating Profit	12,137	9,448	(2,688)	(22.1%)
Operating Profit Margin	14.2%	11.6%	(2.6P)	
Net Income	5,855	5,575	(279)	(4.8%)
Earnings per share	¥30.09	¥28.64	(¥1.45)	(4.8%)

1. Other Financial Result-related Data

Highlights of Consolidated Results <2Q>

(Unit: JPY million)

	2Q FY Mar. 2010 (Jul.-Sep.)	Share	2Q FY Mar. 2011 (Jul.-Sep.)	Share	Diff.	YoY Change
Consulting	4,636	5.4%	4,803	5.9%	+166	+3.6%
Financial IT Solutions	52,347	61.3%	50,308	61.8%	(2,039)	(3.9%)
Securities	27,270	31.9%	25,536	31.3%	(1,733)	(6.4%)
Insurance	13,268	15.5%	13,412	16.5%	+144	+1.1%
Banking	6,780	7.9%	5,764	7.1%	(1,016)	(15.0%)
Other financial	5,029	5.9%	5,595	6.9%	+566	+11.3%
Industrial IT Solutions	23,203	27.2%	21,086	25.9%	(2,116)	(9.1%)
Distribution	10,702	12.5%	10,335	12.7%	(367)	(3.4%)
Manufacturing, service and other	12,500	14.6%	10,751	13.2%	(1,749)	(14.0%)
IT Platform Services	2,883	3.4%	3,236	4.0%	+353	+(12.3%)
Others	2,289	2.7%	2,020	2.5%	(269)	(11.8%)
Total	85,361	100.0%	81,455	100.0%	(3,905)	(4.6%)
Nomura Holdings	22,188	26.0%	19,441	23.9%	(2,747)	(12.4%)
Seven & i Holdings	11,303	13.2%	9,943	12.2%	(1,359)	(12.0%)

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

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1. Other Financial Result-related Data

Segment performance results

<2Q>

■including Inter-segment sales for each segment

(Unit:JPY million)

		2Q FY Mar.2010 (July.-Sep.)	2Q FY Mar.2011 (July.-Sep.)	Diff.	YoY Change
Consulting	Sales	4,644	4,816	+171	+3.7%
	OP	406	403	(3)	(0.8%)
	OPM	8.8%	8.4%	(0.4P)	
Financial IT Solutions	Sales	52,404	50,321	(2,083)	(4.0%)
	OP	5,917	5,320	(596)	(10.1%)
	OPM	11.3%	10.6%	(0.7P)	
Industrial IT Solutions	Sales	24,510	22,282	(2,228)	(9.1%)
	OP	2,794	568	(2,225)	(79.6%)
	OPM	11.4%	2.6%	(8.8P)	
IT Platform Services	Sales	17,454	17,297	(156)	(0.9%)
	OP	2,218	2,447	+228	+10.3%
	OPM	12.7%	14.1%	+1.4P	

1. Other Financial Result-related Data

Sales by Service <2Q>

(Unit:JPY million)

	2Q FY Mar. 2010 (Jul.-Sep.)	Share	2Q FY Mar. 2011 (Jul.-Sep.)	Share	Diff.	YoY Change
Consulting Services	7,260	8.5%	7,974	9.8%	+714	+9.8%
System Development & System Application Sales	33,059	38.7%	29,378	36.1%	(3,680)	(11.1%)
System Management & Operation Services	41,342	48.4%	41,762	51.3%	+420	+1.0%
Product Sales	3,699	4.3%	2,339	2.9%	(1,359)	(36.8%)
Total	85,361	100.0%	81,455	100.0%	(3,905)	(4.6%)

1. Other Financial Result-related Data

P/L Highlight <2Q>

(Unit:JPY million)

	2Q FY Mar. 2010 (Jul.-Sep.)	2Q FY Mar. 2011 (Jul.-Sep.)	Diff.	YoY Change
Sales	85,361	81,455	(3,905)	(4.6%)
Cost of Sales	60,375	58,553	(1,821)	(3.0%)
Subcontracting Costs	27,681	25,626	(2,054)	(7.4%)
Gross Profit	24,985	22,901	(2,083)	(8.3%)
Gross Profit Margin	29.3%	28.1%	(1.2P)	
SG&A	12,848	13,452	+604	+4.7%
Operating Profit	12,137	9,448	(2,688)	(22.1%)
Operating Profit Margin	14.2%	11.6%	(2.6P)	

1. Other Financial Result-related Data

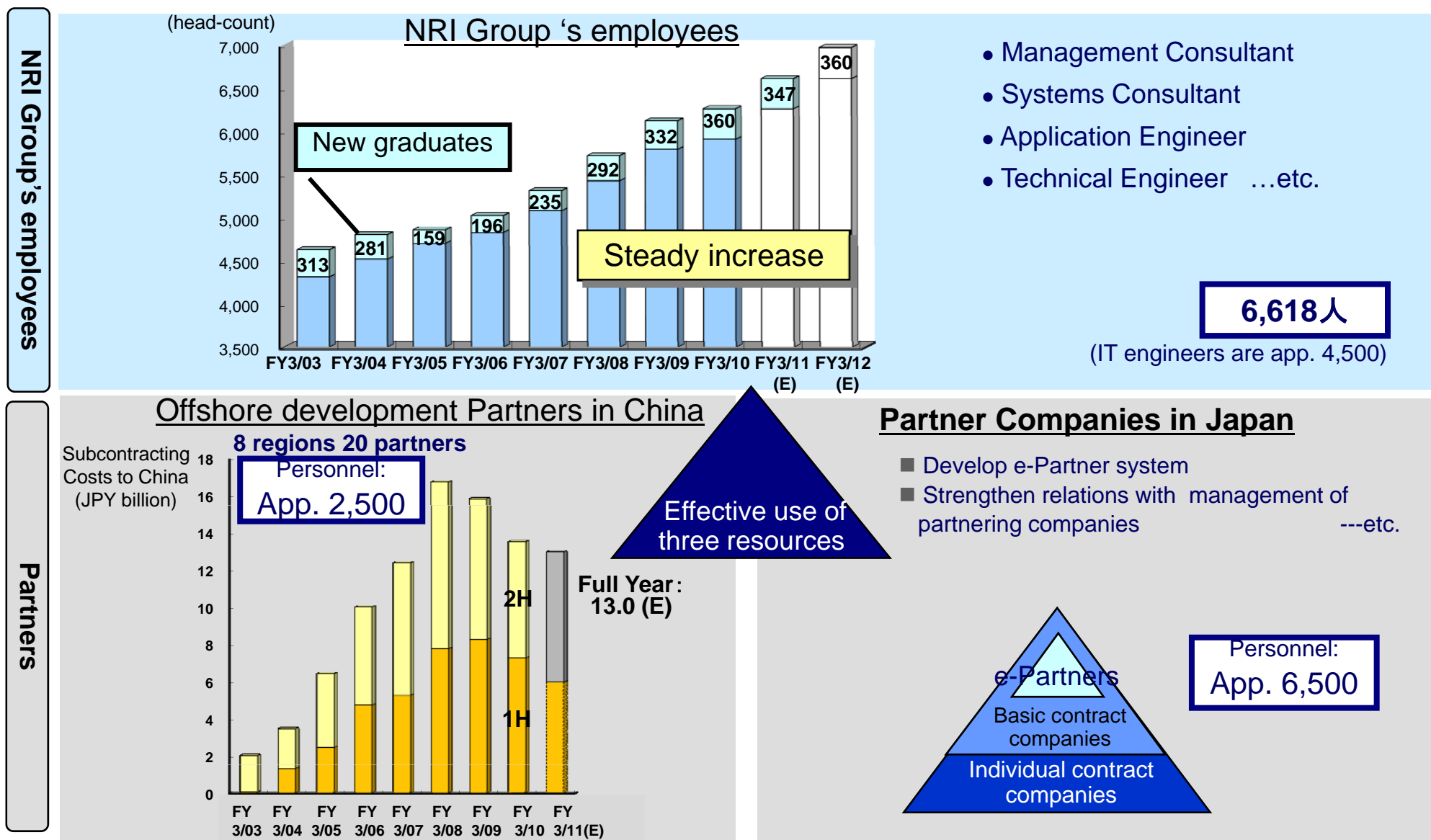
P/L Highlight continued<2Q>

(Unit:JPY million)

	2Q FY Mar. 2010 (Jul.-Sep.)	2Q FY Mar. 2011 (Jul.-Sep.)	Diff.	YoY Change
Operating Profit	12,137	9,448	(2,688)	(22.1%)
Non-operating gain and loss	(630)	135	+765	
Interest income	88	87	(0)	
Equity in losses of affiliates	(546)	18	+564	
Other Income and Expense	(572)	(28)	+543	
Loss on valuation of investment securities	(582)	-	+582	
Income taxes etc.	5,080	3,979	(1,101)	
Net Income	5,855	5,575	(279)	(4.8%)

1. Other Financial Result-related Data

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



2. Recent Activities

Private Cloud

- NRI delivered a private cloud system to Fuji Xerox Co., Ltd., enabling the company to establish its own cloud computing environment. The system was operational from October 1.
- The system will employ mCanvas, NRI's private cloud service. Developed within NRI's Data Center, the system was then offered to Fuji Xerox. Operation and maintenance of the server, operating and other systems in use will be undertaken by NRI.
- Fuji Xerox had previously used a number of systems operated by several different data centers. In consolidating these systems into a single common platform, the company reduces its operating and management costs and curtails energy consumption by eliminating duplication, realizes a more flexible system and places itself in a better position to provide more timely service.

Nikkei Business Daily, October 1, 2010

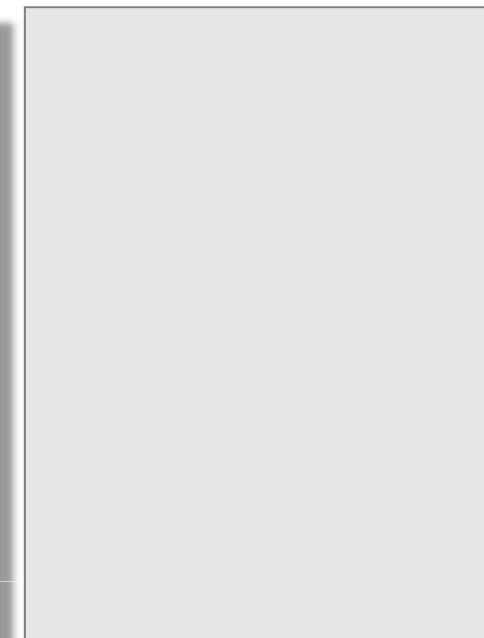
2. Recent Activities

BizMart Introduced

- Sapporo Breweries Ltd. has adopted a product information system that utilizes cloud computing for wholesale outlets. The system introduced is a customized form of NRI's BizMart system.
- Paper-based product information including delivery prices that had previously been sent by postal mail will now be distributed in electronic format. In allowing wholesale outlets to view essential information on a real-time basis, the company is significantly enhancing convenience
- 70% of Sapporo Breweries' business partners are pursuing installation of the system. The goal is to bring this figure to 100% by the end of the year. Annual cost savings attributable to the introduction of the system are projected at approximately ¥600 million.



*Nikkan Kogyo
Shimbun, October 8,
2010*



*Nihon Keizai
Shimbun, October 14,
2010*

2. Recent Activities

Total Solutions for Insurance Policy Provisions

- **NRI and Toppan Forms Co., Ltd., will jointly provide total solutions for policy provisions to the insurance industry.**
- **With revisions to Japan's insurance legislation having taken effect from April 1, 2010, the insurance industry is confronting a substantial administrative burden. The need to amend policy terms and conditions in line with the aforementioned legislative changes has highlighted the limited human capacity to promptly, efficiently and accurately handle documentation.**
- **The total solutions to be introduced maintain existing workflows and ensure prerequisite accuracy while significantly reducing the need for verification.**

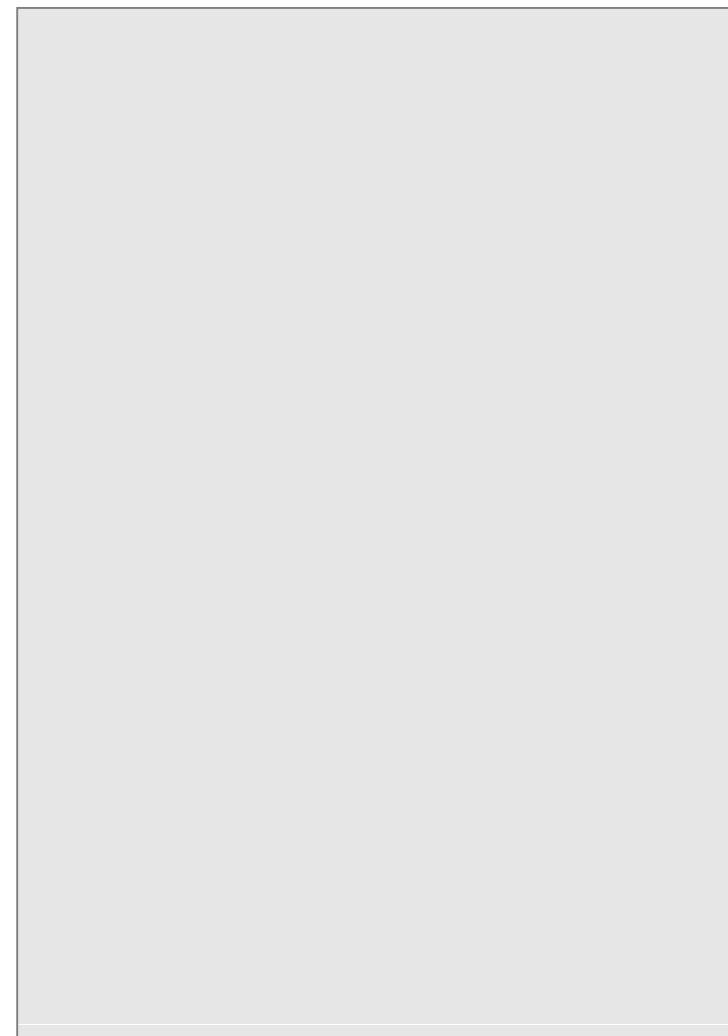


Hoken Mainichi Shimbun, September 31, 2010

2. Recent Activities

Organizational Reform Focusing on Expanding Business in China

- As a part of NRI's structural reform initiatives, the Asia Region Systems Division was reorganized into the China & Asia Region Systems Division on October 1, 2010.
- NRI will establish Nomura Research Institute (Dalian), Ltd., in Dalian City, China this autumn to provide BPO and related consulting services. Bases in Beijing and Shanghai aim to expand systems development orders for Japanese companies.



Nikkei Business Daily, September 22, 2010

2. Recent Activities

NRI Ranked 9th on the FinTech 100

- NRI has been ranked 9th on the FinTech 100, an annual international listing of the top IT service providers for financial services as evaluated by *American Banker* and *Bank Technology News*, two leading publications in the U.S. finance sector, as well as IDC Financial Insights, a financial services company, in 2010.
- Selection is undertaken in autumn each year and draws from international vendors that derive more than one third of their revenue from financial solutions. The ranking of the top vendors is evaluated based on year-end revenues and the percentage of revenues exclusively attributed to financial services. Data is gathered from surveys for entry vendors, as well as original research and market analysis conducted by IDC Financial Insights.



AMERICAN BANKER
On Focus and In Depth

Top 100 Companies in FinTech

American Banker | Wednesday, October 20, 2010

Top 100 Companies in FinTech
Published October 20, 2010

Review the methodology

Rank	2010	2009	Company	Location	Ownership	Revenue (CY '09)		
						Total (millions)	Financial technology (millions)	% of total
1	1		Fiserv	Brookfield, WI	Public	\$4,077.00	\$3,873.15	95.00%
2	2		Sungard	Wayne, PA	Private	\$5,508.00	\$3,580.20	65.00%
3	3		FIS	Jacksonville, FL	Public	\$3,769.50	\$3,392.55	90.00%
4	6		Tata Consultancy Services Limited (TCS)	Mumbai, India	Public	\$6,093.00	\$2,680.92	44.00%
5	5		NCR Corporation	Dayton, OH	Public	\$4,612.00	\$2,582.72	56.00%
6	9		Lender Processing Services	Jacksonville, FL	Public	\$2,370.54	\$2,370.54	100.00%
7	7		First Data Corporation	Greenwood Village, CO	Private	\$9,314.00	\$2,329.00	25.01%
8	4		Diebold, Incorporated	North Canton, OH	Public	\$2,719.29	\$2,065.00	76.00%
9	NR		Nomura Research Institute	Tokyo, Japan	Public	\$2,543.58	\$1,765.25	69.40%
10	8		Total System Services, Inc. (TSYS)	Columbus, GA	Public	\$1,688.06	\$1,688.06	100.00%
11	11		Infosys Technologies, Ltd.	Bangalore, India	Public	\$4,629.00	\$1,573.86	34.00%
12	12		CA (Computer Associates)	Islandia, NY	Public	\$3,985.00	\$1,554.15	39.00%
13	13		Cognizant Technology Solutions	Teaneck, NJ	Public	\$3,278.66	\$1,406.60	42.90%
14	14		DST Systems	Kansas City, MO	Public	\$2,217.90	\$1,169.50	52.73%
15	15		Experian Group Limited	Dublin, Ireland	Public	\$3,878.25	\$1,124.81	29.00%
16	18*		CGI Group	Montreal, Canada	Public	\$3,274.30	\$1,080.50	33.00%
17	16		SAS Institute	Cary, NC	Private	\$2,310.00	\$970.20	42.00%
18	18		Jack Henry and Associates, Inc	Monett, MO	Public	\$765.48	\$765.48	100.00%
19	19		Oberthur Card Systems S.A.	Nanterre, France	Private	\$1,300.36	\$741.20	57.00%
20	17		Equifax	Atlanta, GA	Public	\$1,824.50	\$729.80	40.00%

Source: American Banker website

2. Recent Activities

Benchmark Services

- NRI is now providing a simplified version of its benchmark consulting services, which facilitates comparison with other companies to enhance head office operating efficiency. The new simplified service uses half the man-hours and comes at one tenth the cost of the full version.
- Benchmark services identify and propose reforms to client firms' head office accounting, finance, personnel, procurement and related operations based on comparisons with other companies' costs, handling time and error rates on an individual process basis. Benchmark services generally involve a list of 300 questions. The simplified version limits the number of questions to around 30. This new service is designed to ensure broader application.
- NRI formed an alliance with the U.S.-based benchmark services company the Hackett Group, Inc. Services have been marketed in Japan since February 2010.

ベンチマークサービス

料金1/10の簡易版

野村総研

野村総合研究所は他社と比較して本社業務を効率化する「ベンチマークコンサルティングサービス」に關し、従来より作業時間を半減、料金を10分の1に抑えた簡易版を提供する。食品や日用雑貨などの消費財業界に的を絞り、9月下旬をめぐり、世界の優良企業や業界トップクラスとの比較・分析を行う。1案件に

つき作業時間は従来の3カ月から1〜2カ月に短縮、料金は2000万円以上から200万円以上になり、従来より作業時間を半減、料金を10分の1に抑えた簡易版を提供する。食品や日用雑貨などの消費財業界に的を絞り、9月下旬をめぐり、世界の優良企業や業界トップクラスとの比較・分析を行う。1案件に

野村総研は米ベンチマークサービス企業との提携、2月から日本で同サービスを提供している。売り上げに直結しない経理や人事といった本社部門は他社と比較し、改革を促すもの。顧客に対し、通社との比較が難しく「改革が遅れている例が少な

て作業しているが、簡易版は約30質問に抑える。新サービスの提供でベンチマークの普及を図るのが狙いだ。

野村総研は米ベンチマークサービス企業との提携、2月から日本で同サービスを提供している。売り上げに直結しない経理や人事といった本社部門は他社と比較し、改革を促すもの。顧客に対し、通社との比較が難しく「改革が遅れている例が少な

くない」（森沢徹上席コンサルタント）。世界のトップクラスとの比較を通じ、顧客企業の課題を指摘、改善を後押しする。同社はベンチマークサービスで2015年に年間4億15億円の売り上げを見込んでおり、簡易版の提供で目標達成に弾みを付けたと考え。

Nikkan Kogyo Shimbun,
September 23, 2010

3. Example of a project



Fuji Xerox Co.,Ltd.

Commenced the development and operation
of a private cloud system

3. Example of a project



Marusan Securities Co.,Ltd.

adopting "STAR-IV" in core systems

Note: STAR-IV is a shared-online system that supports back office operations for retail securities companies.

4. Others - Supplementary explanation

■ FY March 2011 Consolidated Earnings Model - Sales of JPY325.0 billion and operating profit of JPY37.0 billion

(unit: billion)

	FY Mar.2009 (Results)	FY Mar.2010 (Results)	FY Mar.2011 (Forecasts as of Oct. 29)*	YoY Change		FY Mar.2011 (Forecasts as of Apr. 28)*	Comparison to forecasts
				Diff.	%		
Sales	341.2	338.6	325.0	(13.6)	(4.0%)	350.0	(25.0)
Cost of Sales	240.8	245.6	233.0	(12.6)	(5.1%)	251.0	(18.0)
Personnel	54.3	52.9	54.0	+1.0	+2.1%	58.0	(4.0)
Subcontracting Costs	121.4	109.8	105.0	(4.8)	(4.4%)	114.0	(9.0)
Depreciation	19.7	29.3	28.5	(0.8)	(2.8%)	30.0	(1.5)
Gross Profit	100.4	92.9	92.0	(0.9)	(1.1%)	99.0	(7.0)
Gross Profit Margin	29.4%	27.5%	28.3%	+0.8P		28.3%	-
SG&A	50.7	52.9	55.0	+2.0	+3.9%	55.0	-
Operating Profit	49.7	40.0	37.0	(3.0)	(7.7%)	44.0	(7.0)
Operating Profit Margin	14.6%	11.8%	11.4%	(0.5P)		12.6%	(1.2P)

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

4. Others ~ Communications

Forum



October, 2010
“Dream Up the Future” Forum 2010
Tokyo, Nagoya



October, 2010
IT Pro Expo 2010

Publications



Books published since July 2010