
Financial Results

for 1st Quarter FY March 2011

July 28, 2010

Nomura Research Institute, Ltd.

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Highlights of Consolidated Financial Results

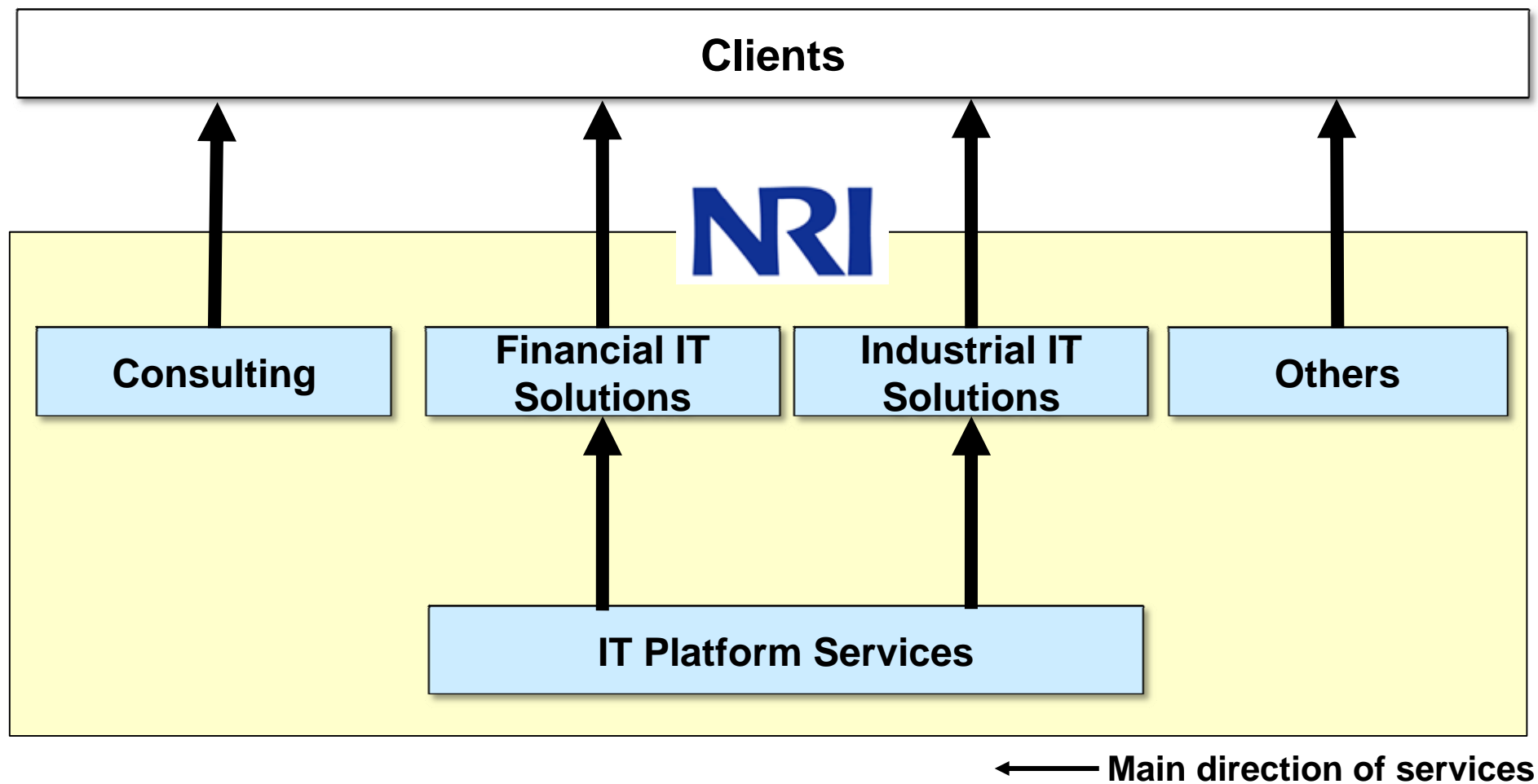
(Unit:JPY million)

	1Q FY Mar.2010	1Q FY Mar.2011	Diff.	YoY Change
Sales	81,521	80,650	(870)	(1.1%)
Operating Profit	9,953	6,560	(3,392)	(34.1%)
Operating Profit Margin	12.2%	8.1%	(4.1P)	
Net Income	6,124	4,082	(2,042)	(33.3%)

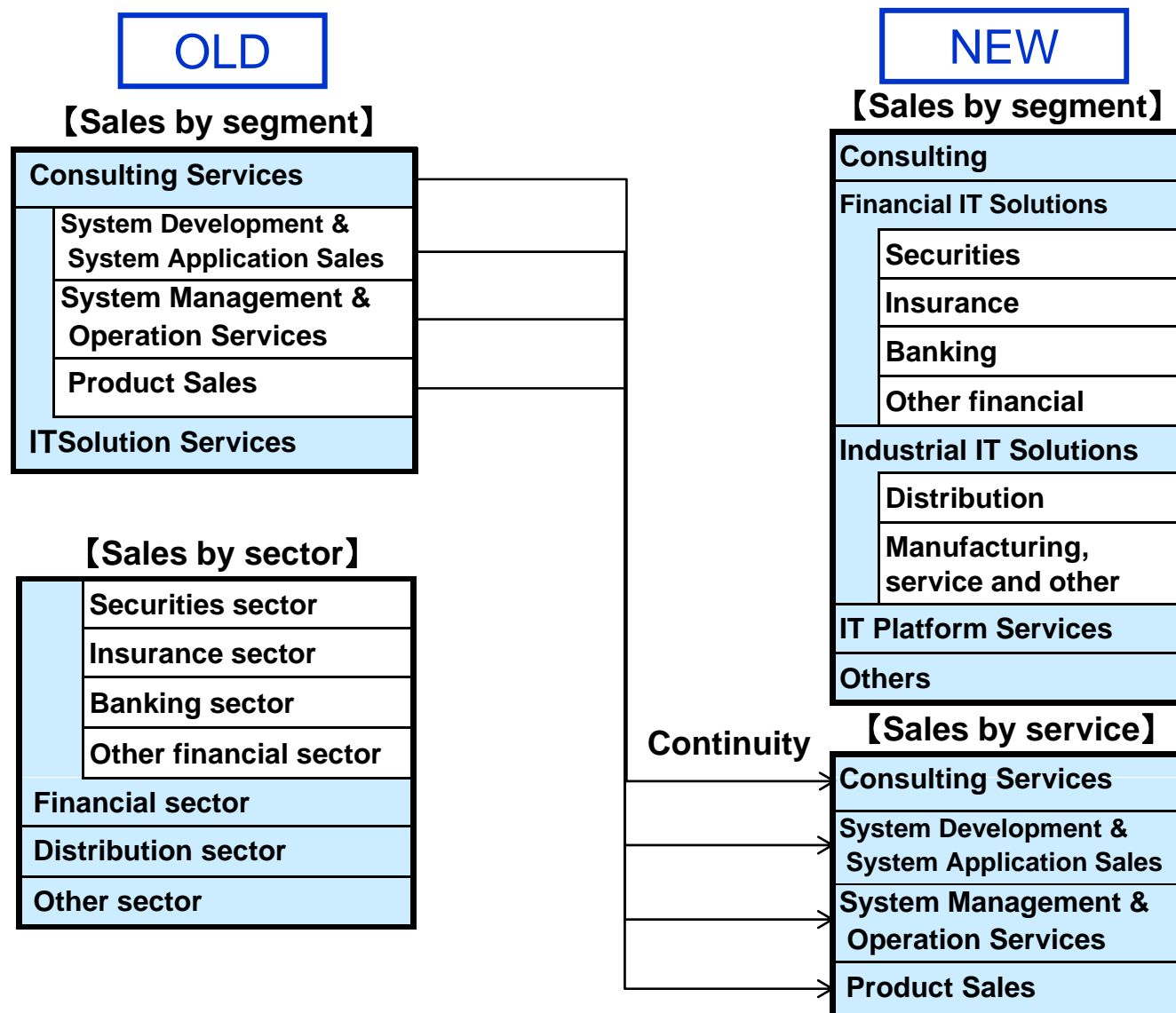
New Segments Based on Management Approach

Segment name	Overview
Consulting	<ul style="list-style-type: none"> ● Management consulting ● System consulting
Financial IT Solutions	<ul style="list-style-type: none"> ● IT solutions services mainly for financial institutions including securities firms, insurance companies, and banks <p>Note: NRI also discloses sales by industry (securities, insurance, banking, and other financial sectors)</p>
Industrial IT Solutions	<ul style="list-style-type: none"> ● IT solution services mainly for distribution, manufacturing, and service companies and the public sector <p>Note: NRI also discloses sales by industry (distribution, manufacturing, service, and others)</p>
IT Platform Services	<ul style="list-style-type: none"> ● Services include data center operational management and creation of IT platforms and networks mainly for the Financial IT Solutions segment and the Industrial IT Solutions segment ● Research related to advanced information technology
Others	<ul style="list-style-type: none"> ● Businesses outside of the categories above by group companies

Relationship between New Segments



Relation between Old and New Segments



Sales by Segment

(Unit:JPY million)

	1Q FY Mar.2010	Share	1Q FY Mar. 2011	Share	Diff.	YoY Change
Consulting	3,905	4.8%	3,704	4.6%	(200)	(5.1%)
Financial IT Solutions	49,825	61.1%	50,883	63.1%	+1,058	+2.1%
Securities	26,658	32.7%	24,361	30.2%	(2,297)	(8.6%)
Insurance	12,519	15.4%	13,797	17.1%	+1,278	+10.2%
Banking	5,373	6.6%	7,354	9.1%	+1,981	+36.9%
Other financial	5,273	6.5%	5,369	6.7%	+95	+1.8%
Industrial IT Solutions	22,148	27.2%	20,981	26.0%	(1,166)	(5.3%)
Distribution	10,102	12.4%	10,611	13.2%	+509	+5.0%
Manufacturing, service and other	12,046	14.8%	10,370	12.9%	(1,676)	(13.9%)
IT Platform Services	2,851	3.5%	2,820	3.5%	(31)	(1.1%)
Others	2,791	3.4%	2,261	2.8%	(529)	(19.0%)
Total	81,521	100.0%	80,650	100.0%	(870)	(1.1%)
Nomura Holdings	22,563	27.7%	19,155	23.8%	(3,407)	(15.1%)
Seven & i Holdings	9,797	12.0%	10,610	13.2%	+813	+8.3%

*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)

		1Q FY Mar.2010	1Q FY Mar. 2011	Diff.	YoY Change
Consulting	Sales	3,907	3,726	(181)	(4.6%)
	OP	(409)	(632)	(222)	-
	OPM	(10.5%)	(17.0%)	(6.5P)	
Financial IT Solutions	Sales	49,862	50,899	+1,037	+2.1%
	OP	4,875	3,678	(1,197)	(24.6%)
	OPM	9.8%	7.2%	(2.6P)	
Industrial IT Solutions	Sales	23,215	22,023	(1,192)	(5.1%)
	OP	1,956	(202)	(2,159)	-
	OPM	8.4%	(0.9%)	(9.3P)	
IT Platform Services	Sales	17,083	16,967	(116)	(0.7%)
	OP	2,301	2,620	+318	+13.8%
	OPM	13.5%	15.4%	+2.0P	

Sales by Service

(Unit:JPY million)

	1Q FY Mar.2010	Share	1Q FY Mar. 2011	Share	Diff.	YoY Change
Consulting Services	6,336	7.8%	6,517	8.1%	+180	+2.9%
System Development & System Application Sales	30,638	37.6%	29,862	37.0%	(775)	(2.5%)
System Management & Operation Services	42,314	51.9%	42,272	52.4%	(41)	(0.1%)
Product Sales	2,231	2.7%	1,998	2.5%	(233)	(10.5%)
Total	81,521	100.0%	80,650	100.0%	(870)	(1.1%)

Key Factors in Consolidated Financial Results for 1Q of FY March 2011

● Sales in the first quarter fall slightly year-on-year

1. Despite severe operating conditions, overall sales fell only slightly year-on-year since declining sales in the securities sector and manufacturing, service and other sector were offset by higher sales in the insurance and banking sectors.
2. In the securities sector, severe conditions continued as expected for major clients.
3. In contrast, sales were steady in the insurance and banking sectors, especially to existing clients.

● Costs increase for activities designed to expand future business

1. Costs rose (including depreciation expenses) in line with investment aimed at medium- and long-term growth.
2. In new business areas, costs incurred for some projects exceeded forecasts.
3. While SG&A expenses remained well-managed overall, they rose as personnel expenses and costs for office expansion went up.
4. External subcontracting costs continued at a suitable level.

● Activities under way to frontload potential projects for a recovery in the second half

1. Orders in the first quarter were at a low level as forecasted, and order volume and order backlog decreased compared to the same period in the previous fiscal year.
2. While business inquiries and consultations are gradually increasing, more sales initiatives are needed for the second half of the fiscal year.

P/L Highlight

(Unit:JPY million)

	1Q FY Mar.2010	1Q FY Mar.2011	Diff.	YoY Change
Sales	81,521	80,650	(870)	(1.1%)
Cost of Sales	58,129	60,041	+1,911	+3.3%
Subcontracting Costs	27,747	24,920	(2,826)	(10.2%)
Gross Profit	23,392	20,609	(2,782)	(11.9%)
Gross Profit Margin	28.7%	25.6%	(3.1P)	
SG&A	13,438	14,048	+610	+4.5%
Operating Profit	9,953	6,560	(3,392)	(34.1%)
Operating Profit Margin	12.2%	8.1%	(4.1P)	

P/L Highlight continued

(Unit:JPY million)

	1Q FY Mar.2010	1Q FY Mar.2011	Diff.	YoY Change
Operating Profit	9,953	6,560	(3,392)	(34.1%)
Non-operating gain and loss	906	942	+35	+3.9%
Interest income	110	83	(27)	
Dividend income	831	946	+114	
Other Income and Expense	(296)	(317)	(20)	
Loss on valuation of investment securities	(309)	(9)	+300	
Impact of applying accounting standard for asset retirement obligations	-	(364)	(364)	
Income taxes etc.	4,443	3,101	(1,341)	
Net Income	6,124	4,082	(2,042)	(33.3%)

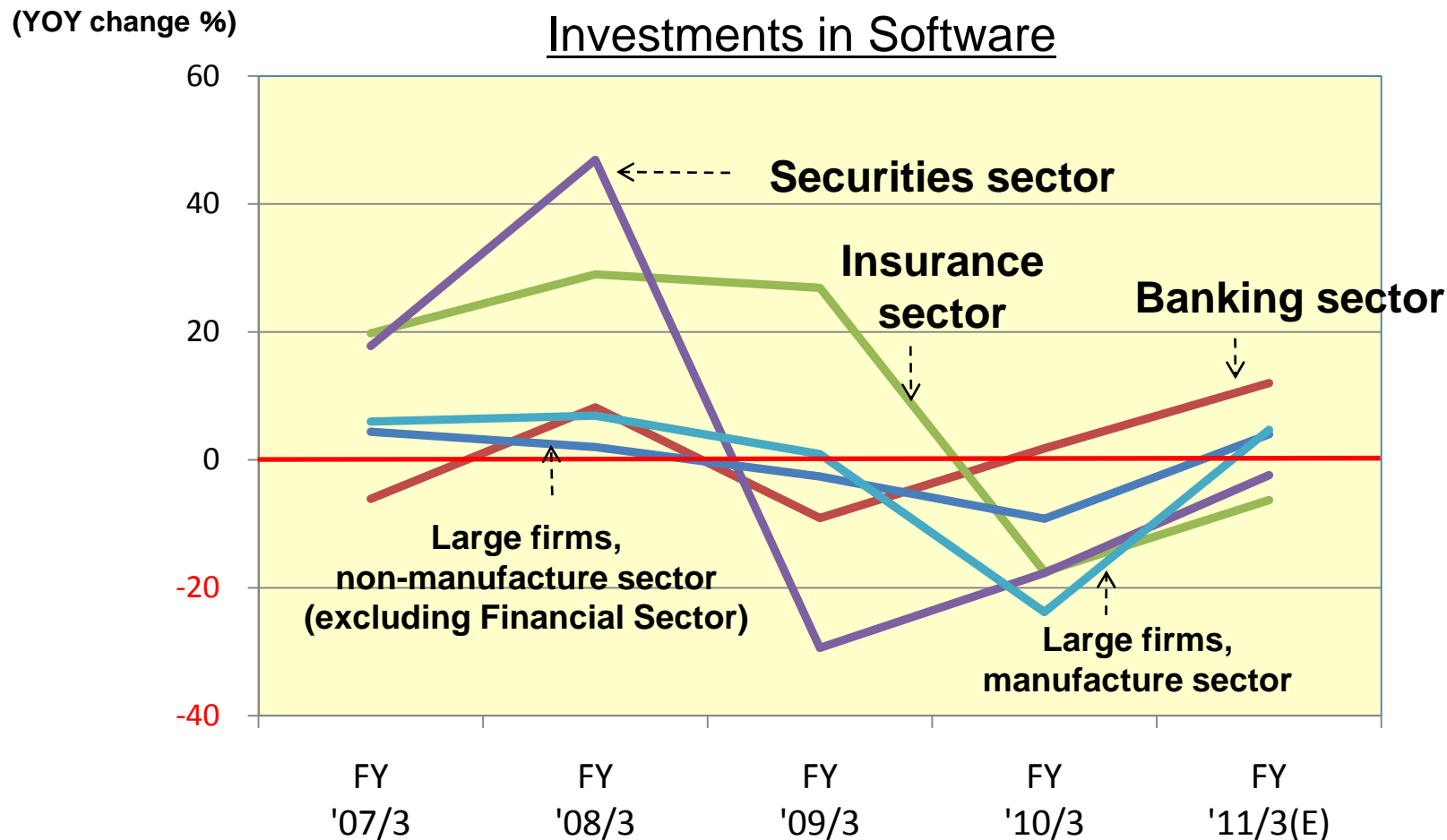
Order Backlog (Outstanding)

(Unit:JPY million)

	At end of June 2009	At end of June 2010	Diff.	YoY Change
Consulting	4,878	4,290	(588)	(12.1%)
Financial IT Solutions	105,547	103,874	(1,672)	(1.6%)
Industrial IT Solutions	46,290	43,671	(2,618)	(5.7%)
IT Platform Services	6,534	6,769	+234	+3.6%
Other	4,016	3,456	(560)	(14.0%)
Total	167,267	162,061	(5,205)	(3.1%)
Order backlog in the current FY	164,246	161,108	(3,138)	(1.9%)

Assessing the business environment

- **The BoJ Tankan Survey reported that the extent of the decline in software investment (plans) will improve.**

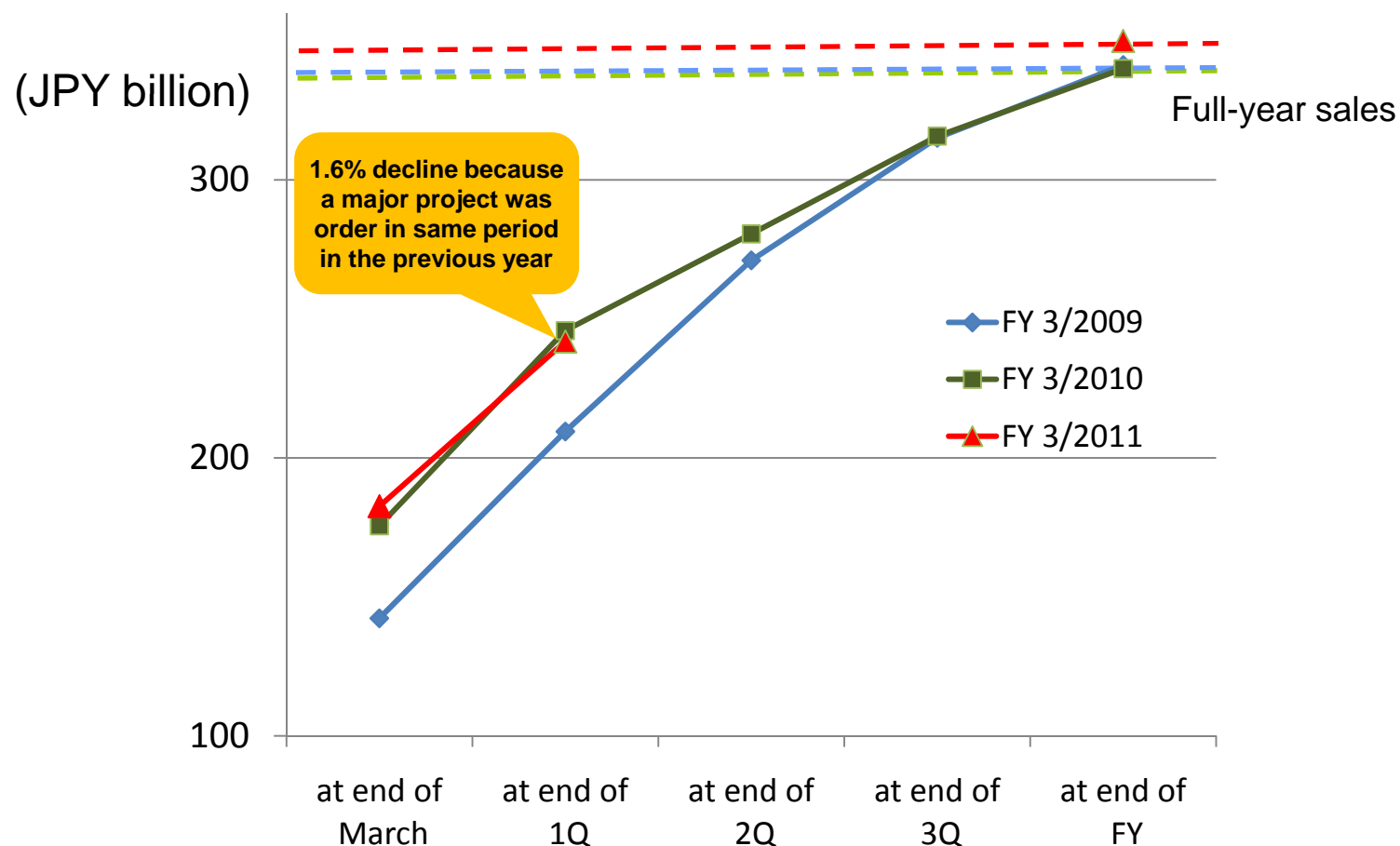


Source: BoJ Tankan Survey (June, 2010) based on survey given to companies

Sales + Consolidated Order Backlog








- Orders remain sluggish due to severe business conditions continuing in the first quarter

Fluctuations in order backlog (of which current fiscal year) + cumulative sales



Current Business Conditions

- **Aim to acquire projects through sales initiatives for a recovery in 2H**
Current business conditions in each segment area

Consulting		<ul style="list-style-type: none"> While orders appear to have bottomed out, severe business conditions are continuing
Financial IT Solutions		
Securities		<ul style="list-style-type: none"> Strengthen partnerships with major clients and move ahead with planned replacement of old systems 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 the business of major clients (enhancing 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 with by making a BPO service provider a wholly owned subsidiary and establishing a local company in Dalian
Industrial IT Solutions		
Distribution		<ul style="list-style-type: none"> Make the most of clients' investment demand in areas such as overseas development and replacement of old machinery
Manufacturing, service and other		<ul style="list-style-type: none"> Continue to work to gain new clients and projects in areas such as manufacturing, communications, and healthcare Enhance quality control and project management while improving productivity

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.

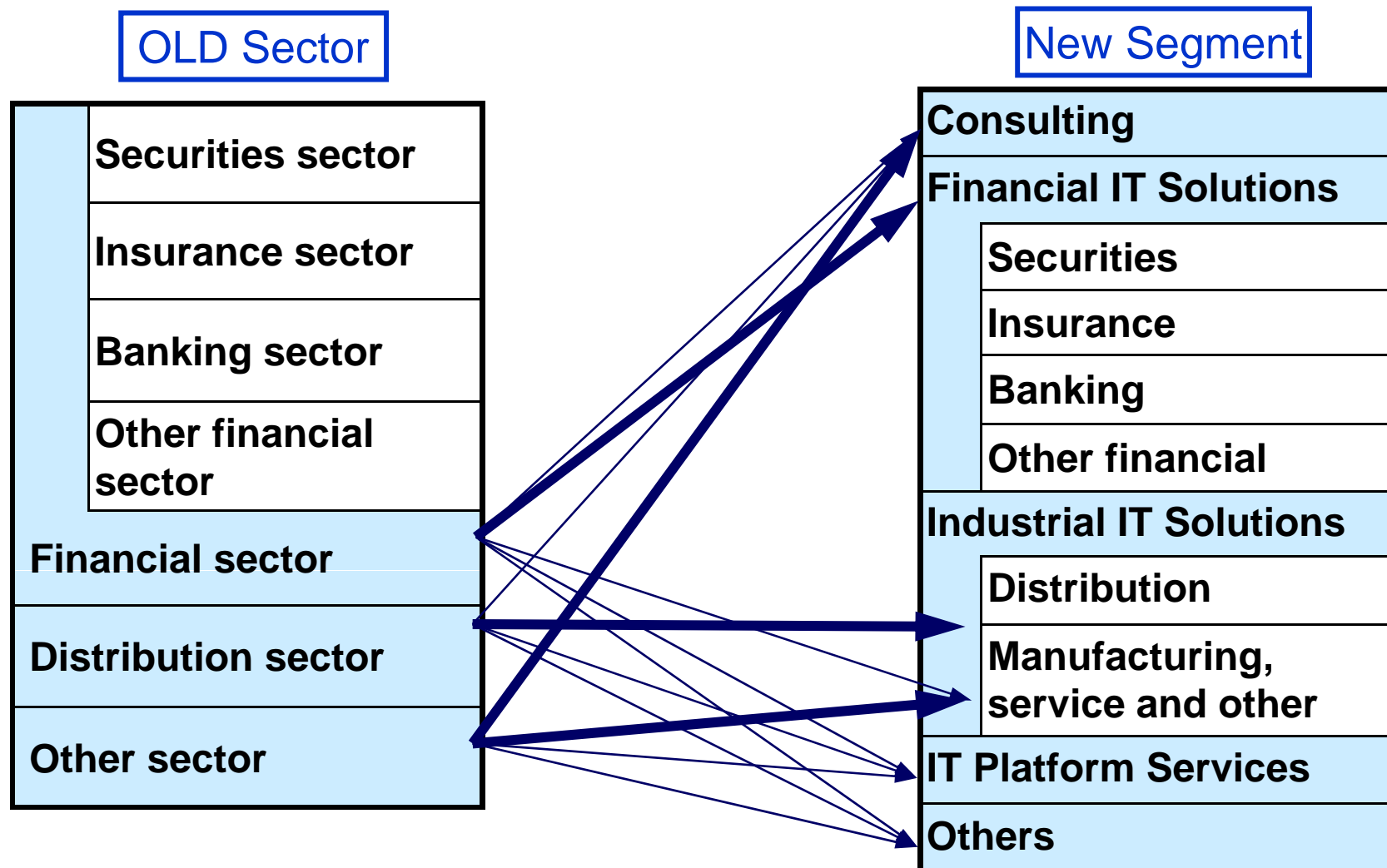
The Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

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

Relation between Old Sector and New Segments



1. Other Financial Result-related Data

Forecasts for FY March 2011

- **No changes to consolidated forecasts announced on April 28**
Disclose sales forecasts for new segments based on management approach

(Unit: JPY billion)

	FY Mar.2010 (Results)	FY Mar. 2011 (Forecasts)	Diff.	YoY Change
Sales	338.6	350.0	+11.3	+3.4%
Operating Profit	40.0	44.0	+3.9	+9.8%
Operating Profit Margin	11.8%	12.6%	+0.7P	
Net Income	21.8	26.0	+4.1	+19.0%
Earnings per share	¥112.32	¥133.59	+¥21.27	+18.9%
Dividends per share	¥52.00	¥52.00	-	-
Dividend Payout Ratio	46.3%	38.9%	(7.4P)	

Note: The figures above were announced with performance forecasts on April 28, 2010

1. Other Financial Result-related Data

Forecasts by Segment for FY March 2011 (Full-Year)

(Unit: JPY billion)

	FY Mar.2010 (Results)	Share	FY Mar. 2011 (Forecasts)	Share	Diff.	YoY Change
Consulting	17.9	5.3%	19.0	5.4%	+1.0	+5.9%
Financial IT Solutions	209.0	61.7%	217.0	62.0%	+7.9	+3.8%
Securities	108.4	32.0%	111.0	31.7%	+2.5	+2.4%
Insurance	53.8	15.9%	56.0	16.0%	+2.1	+3.9%
Banking	25.8	7.6%	26.5	7.6%	+0.6	+2.4%
Other financial	20.8	6.2%	23.5	6.7%	+2.6	+12.7%
Industrial IT Solutions	90.9	26.9%	95.0	27.1%	+4.0	+4.4%
Distribution	41.2	12.2%	41.5	11.9%	+0.2	+0.5%
Manufacturing, service and other	49.6	14.7%	53.5	15.3%	+3.8	+7.7%
IT Platform Services	11.3	3.4%	10.0	2.9%	(1.3)	(12.2%)
Others	9.2	2.7%	9.0	2.6%	(0.2)	(3.2%)
Total	338.6	100.0%	350.0	100.0%	+11.3	+3.4%

1. Other Financial Result-related Data

Forecasts by Segment for FY March 2011 (1H・2H)

(Unit: JPY billion)

【1H】

	FY Mar.2010	Share	FY Mar.2011(forecasts)	Share	Diff.	YoY Change
Consulting	8.5	5.1%	9.0	5.5%	+0.4	+5.4%
Financial IT Solutions	102.1	61.2%	102.0	61.8%	(0.1)	(0.2%)
Securities	53.9	32.3%	53.0	32.1%	(0.9)	(1.7%)
Insurance	25.7	15.5%	26.0	15.8%	+0.2	+0.8%
Banking	12.1	7.3%	12.5	7.6%	+0.3	+2.8%
Other financial	10.3	6.2%	10.5	6.4%	+0.1	+1.9%
Industrial IT Solutions	45.3	27.2%	44.0	26.7%	(1.3)	(3.0%)
Distribution	20.8	12.5%	20.5	12.4%	(0.3)	(1.5%)
Manufacturing, service and other	24.5	14.7%	23.5	14.2%	(1.0)	(4.3%)
IT Platform Services	5.7	3.4%	5.0	3.0%	(0.7)	(12.8%)
Others	5.0	3.0%	5.0	3.0%	(0.0)	(1.6%)
Total	166.8	100.0%	165.0	100.0%	(1.8)	(1.1%)

【2H】

Consulting	9.4	5.5%	10.0	5.4%	+0.5	+6.3%
Financial IT Solutions	106.8	62.2%	115.0	62.2%	+8.1	+7.6%
Securities	54.4	31.7%	58.0	31.4%	+3.5	+6.5%
Insurance	28.1	16.4%	30.0	16.2%	+1.8	+6.7%
Banking	13.7	8.0%	14.0	7.6%	+0.2	+2.0%
Other financial	10.5	6.1%	13.0	7.0%	+2.4	+23.2%
Industrial IT Solutions	45.6	26.6%	51.0	27.6%	+5.3	+11.8%
Distribution	20.4	11.9%	21.0	11.4%	+0.5	+2.5%
Manufacturing, service and other	25.1	14.6%	30.0	16.2%	+4.8	+19.4%
IT Platform Services	5.6	3.3%	5.0	2.7%	(0.6)	(11.6%)
Others	4.2	2.5%	4.0	2.2%	(0.2)	(5.1%)
Total	171.7	100.0%	185.0	100.0%	+13.2	+7.7%

1. Other Financial Result-related Data

Forecasts by Service for FY March 2011

(Unit: JPY billion)

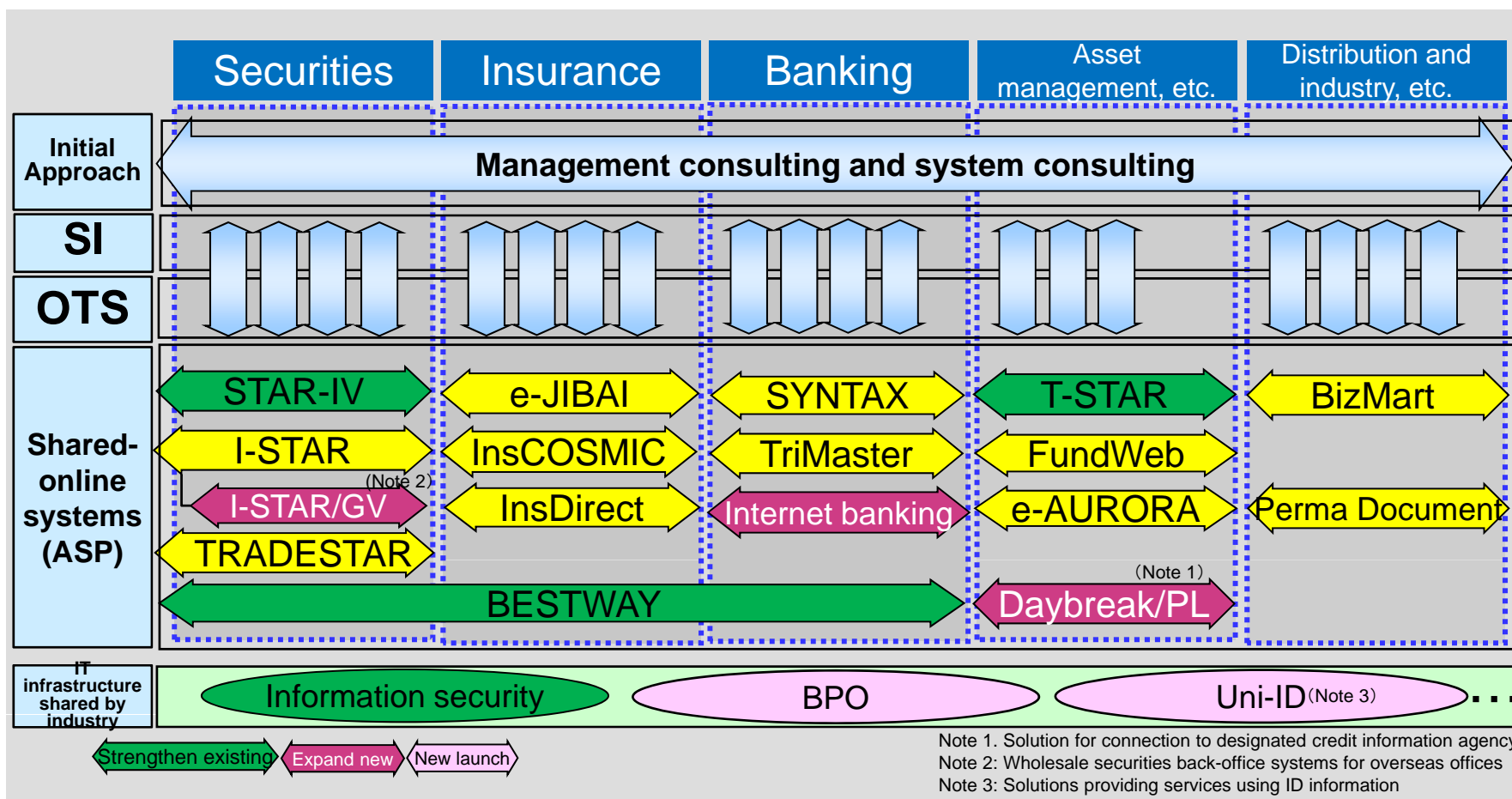
	FY Mar.2010 (Results)	Share	FY Mar.2011 (Forecasts)	Share	Diff.	YoY Change
Consulting Services	28.8	8.5%	30.0	8.6%	+1.1	+3.9%
System Development & System Application Sales	126.8	37.5%	133.0	38.0%	+6.1	+4.9%
System Management & Operation Services	167.0	49.3%	171.0	48.9%	+3.9	+2.4%
Product Sales	15.9	4.7%	16.0	4.6%	+0.0	+0.5%
Total	338.6	100%	350.0	100.0%	+11.3	+3.4%

Note: The figures above were announced with performance forecasts on April 28, 2010

1. Other Financial Result-related Data

Priority Measures for Medium to Long-term Growth

- **Expand existing business platform business and develop new services cutting across industries and markets, primarily in finance-related sectors**



Recent Activities

➤ Growth in shared-online service clients

T-STAR

Press releases issued about clients since April 2010:

- Resona Bank selects T-STAR/RX portfolio management system
- Schroders selects T-STAR/TX fund accounting system

STAR-IV

Orders from several mid-level and second-tier companies

➤ Made a BPO service provider a wholly owned subsidiary and establish a local company in Dalian

NRI Process Innovation, Ltd.

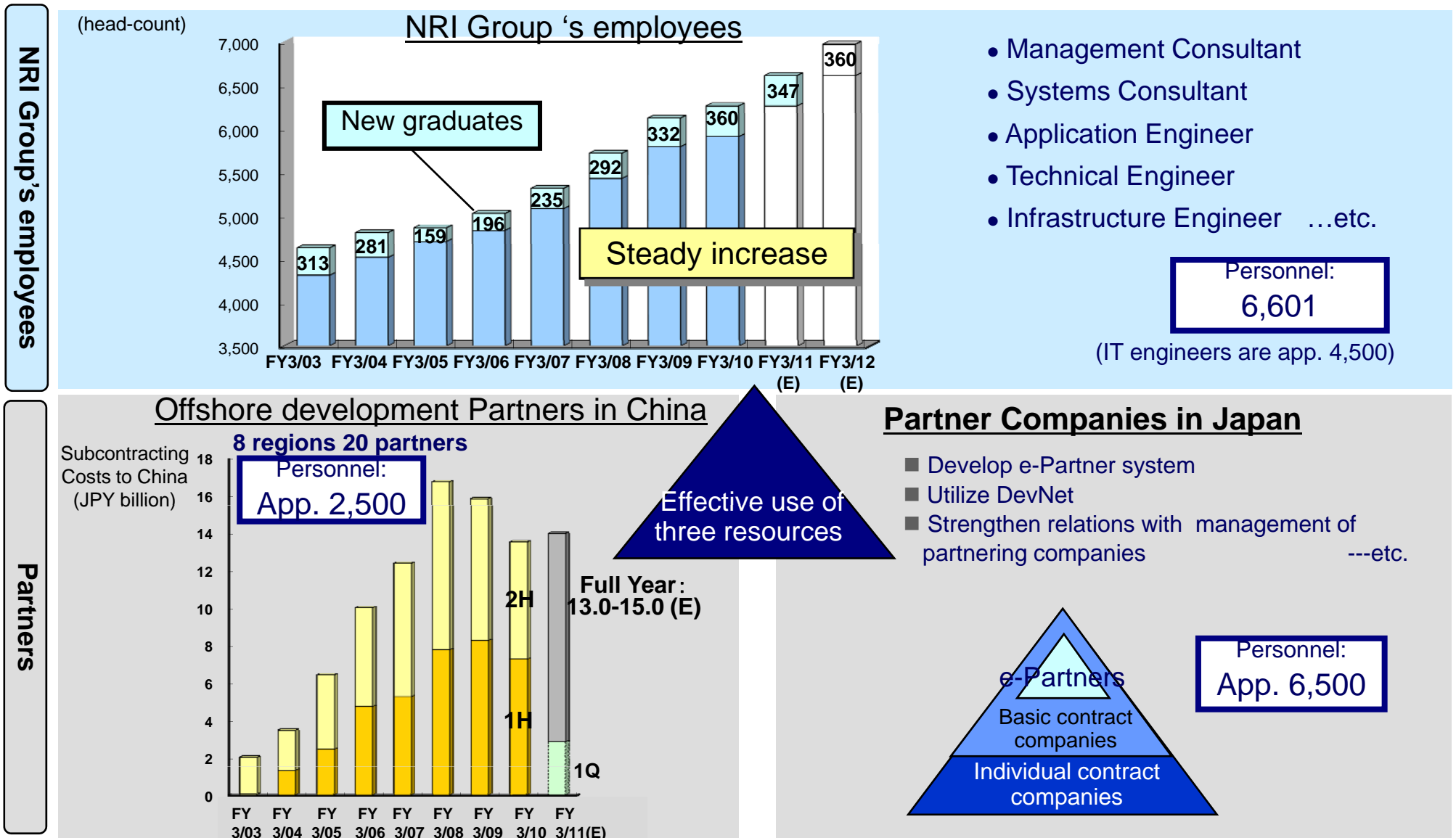
Head office location	Yokohama
Capital	¥495 million (100% investment by NRI)
Business activities	1. Outsourcing services for asset management companies 2. Outsourcing services for companies in a wide range of fields 3. Consulting services related to the above
Date of name Change	July 1, 2010 (changed from NRI BPO Services, Ltd.)

Nomura Research Institute (Dalian), Ltd.

Head office location	Dalian High-tech Industrial Zone, Dalian City, China
NRI investment ratio	100%
Business activities	1. Outsourcing services including data input 2. Consulting services related to the above
Planned period of establishment	October 2010

2. Other Financial Result-related Data

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



2. Recent Activities

Expansion of BPO Business

- With the aim to strengthen its business offering outsourcing services, NRI made NRI BPO Services, Ltd., a wholly owned subsidiary and increased its capital. The name of the company was changed to NRI Process Innovation, Ltd., on July 1, 2010.
- This action was also conducted to meet the growing needs for outsourcing services in a wider range of areas, and to better respond to requirements imposed on financial institutions to strengthen internal controls related to consigned work.
- NRI also plans to establish a wholly owned local subsidiary in Dalian, China, in October of this year. The company, NRI Research Institute (Dalian), Ltd., will offer BPO consignment services and related consulting services.

BPO事業を拡大
金融業向けに体制整備

野村総合研究所（NRI）は、業務アウトソーシング（BPO）事業を強化する。

NRIは、昨年中国系のリソースを活用したビジネスを展開するインフォデリバと共同で設立した、アウトソーシング事業を展開するNRI・BPOサービスを7月1日に100%子会社化し、社名を「NRIプロセスイノベーション株式会社」に変更した。

NRI・BPOサービスは、金融機関を対象にデータベース整備や投資信託の基準価額関連業務などのアウトソーシングサービスを提供している。が、広範囲の業務アウトソーシング需要が増えるとともに、金融機関が求める業務委託に関する内部統制を強化するため、NRIが増資を実施するとともにインフォデリバから株式を買取って完全子会社化した。

また、NRIプロセスとNRI大連は、今後もインフォデリバとの協力体制を継続していく。

このほかにNRIは、中国のBPO業務受託体制を強化するため、10月に100%子会社の中国現地法人「野村総合研究所（大連）有限公司」（NRI大連）を設立する。同社は、BPO受託業務と関連するコンサルティングサービスを提供する。

NRI

Information Industries and Market News,

July 5, 2010

2. Recent Activities

Survey on corporate IT usage

- In November 2009, NRI carried out its survey on the level of IT usage at Japanese companies. Conducted every year since 2003, this was the seventh installment of the survey.
- The proportion of private companies stating that their IT investment amount would increase has been on the decline in fiscal 2008 and fiscal 2009. Nevertheless, there was an increase in the proportion of companies expecting their IT investment to increase in fiscal 2010, indicating that a recovery may be on the horizon.
- In a question about the most pressing reasons for implementing IT, “To make sweeping cost cuts” was the most common response chosen by 56.2% of companies, followed by “To create flexible business processes,” selected by 39.5% of companies.



Information Industries and Market News,

June 7, 2010

3. Examples of Projects



Schroders

Schroder Investment
Management(Japan) Limited

Adopt the T-STAR lineup of total solutions for asset
management companies

4. Others ~ Communications

Seminar and other events



May, 2010 CIO management management research meeting



May, 2010

IT roadmap seminar SPRING2010

Publications



Books published since May 2010