
Financial Results

for 1st Quarter FY March 2009

July 25, 2008

Nomura Research Institute, Ltd.



Highlights of Consolidated Financial Results

(Unit:JPY million)

	1Q FY Mar.2008	1Q FY Mar.2009	Difference	YoY Change
Sales	77,486	79,495	+2,009	+2.6%
Operating Profit	10,742	9,859	(883)	(8.2%)
Operating Profit Margin	13.9%	12.4%	(1.5P)	
Net Income	8,061	6,051	(2,009)	(24.9%)

* Amount of less than JPY million were rounded down.

Sales by sector

(Unit:JPY million)

	1Q FY Mar.2008	Share	1Q FY Mar. 2009	Share	Diff.	YoY Change
Securities sector	34,112	44.0%	32,774	41.2%	(1,337)	(3.9%)
Insurance sector	5,945	7.7%	9,129	11.5%	+3,183	+53.5%
Banking sector	6,112	7.9%	6,039	7.6%	(73)	(1.2%)
Other financial sector	6,000	7.7%	7,351	9.2%	+1,350	+22.5%
Financial sector	52,171	67.3%	55,295	69.6%	+3,124	+6.0%
Distribution sector	11,185	14.4%	10,843	13.6%	(341)	(3.1%)
Other sector	14,129	18.2%	13,356	16.8%	(773)	(5.5%)
Total	77,486	100.0%	79,495	100.0%	+2,009	+2.6%
Nomura Holdings	23,885	30.8%	23,545	29.6%	(340)	(1.4%)
Seven & i Holdings	9,005	11.6%	9,500	12.0%	+495	+5.5%

* Figures of Nomura Holdings and SEVEN & I Holdings, in principle, include sales to subsidiaries.

* Amount of less than JPY million were rounded down.

Sales by segment

(Unit:JPY million)

	1Q FY Mar.2008	Share	1Q FY Mar. 2009	Share	Diff.	YoY Change
Consulting Services	6,389	8.2%	7,380	9.3%	+991	+15.5%
System Development & System Application Sales	34,397	44.4%	32,513	40.9%	(1,883)	(5.5%)
System Management & Operation Services	34,380	44.4%	37,083	46.6%	+2,703	+7.9%
Product Sales	2,318	3.0%	2,517	3.2%	+198	+8.6%
IT Solution Services	71,096	91.8%	72,114	90.7%	+1,018	+1.4%
Total	77,486	100.0%	79,495	100.0%	+2,009	+2.6%

* Amount of less than JPY million were rounded down.

Key factors in the financial results for 1Q FY 2009

- System Management & Operation Services was strong, but commencement of System Development & System Application Sales were delayed.

Orders were slow in coming because customers were taking more time to make decisions. Projects on less-important peripheral businesses declined. There has also been a retreat from the high level of orders for development projects from the financial sector seen from the beginning of the first quarter of last fiscal year.

- Both sales and operating profit were as forecast for the first quarter.

As predicted, the decline in sales from the securities sector was offset by growth in sales from the insurance sector. Sales to major clients were within forecast parameters.

- The future course of IT investments in the securities sector remained unclear.

A downside risk in sales to the securities sector, including major clients, persisted. Needing to make R&D and other medium- to long-term considerations a top priority, NRI is working to reduce selling, general and administrative expenses.

P/L Highlight

(Unit:JPY million)

	1Q FY Mar.2008	1Q FY Mar. 2009	Diff.	YoY Change
Sales	77,486	79,495	+2,009	+2.6%
Cost of Sales	54,837	56,517	+1,680	+3.1%
Subcontracting cost	27,979	28,420	+441	+1.6%
Gross Profit	22,649	22,977	+328	+1.5%
Gross Profit Margin	29.2%	28.9%	(0.3P)	
SG&A	11,906	13,118	+1,212	+10.2%
Operating Profit	10,742	9,859	(883)	(8.2%)
Operating Profit Margin	13.9%	12.4%	(1.5P)	

* Amount of less than JPY million were rounded down.

P/L Highlight Continued

	(Unit:JPY million)			
	1Q FY Mar.2008	1Q FY Mar.2009	Diff.	YoY Change
Operating Profit	10,742	9,859	(883)	(8.2%)
Non operating gain and loss	1,564	1,055	(508)	(32.5%)
Interest income	308	275	(32)	
Dividend income	1,070	832	(237)	
Gain on investments in partnership	114	5	(108)	
Other Income	1,385	3	(1,381)	
Gain on investment securities	1,364	-	(1,364)	
Other Expense	-	351	+351	
Loss on adoption of Accounting Standard for Lease Transaction	-	351	+351	
Income taxes etc.	5,631	4,515	(1,116)	
Net Income	8,061	6,051	(2,009)	(24.9%)

* Amount of less than JPY million were rounded down.

Order Backlog (Outstanding)

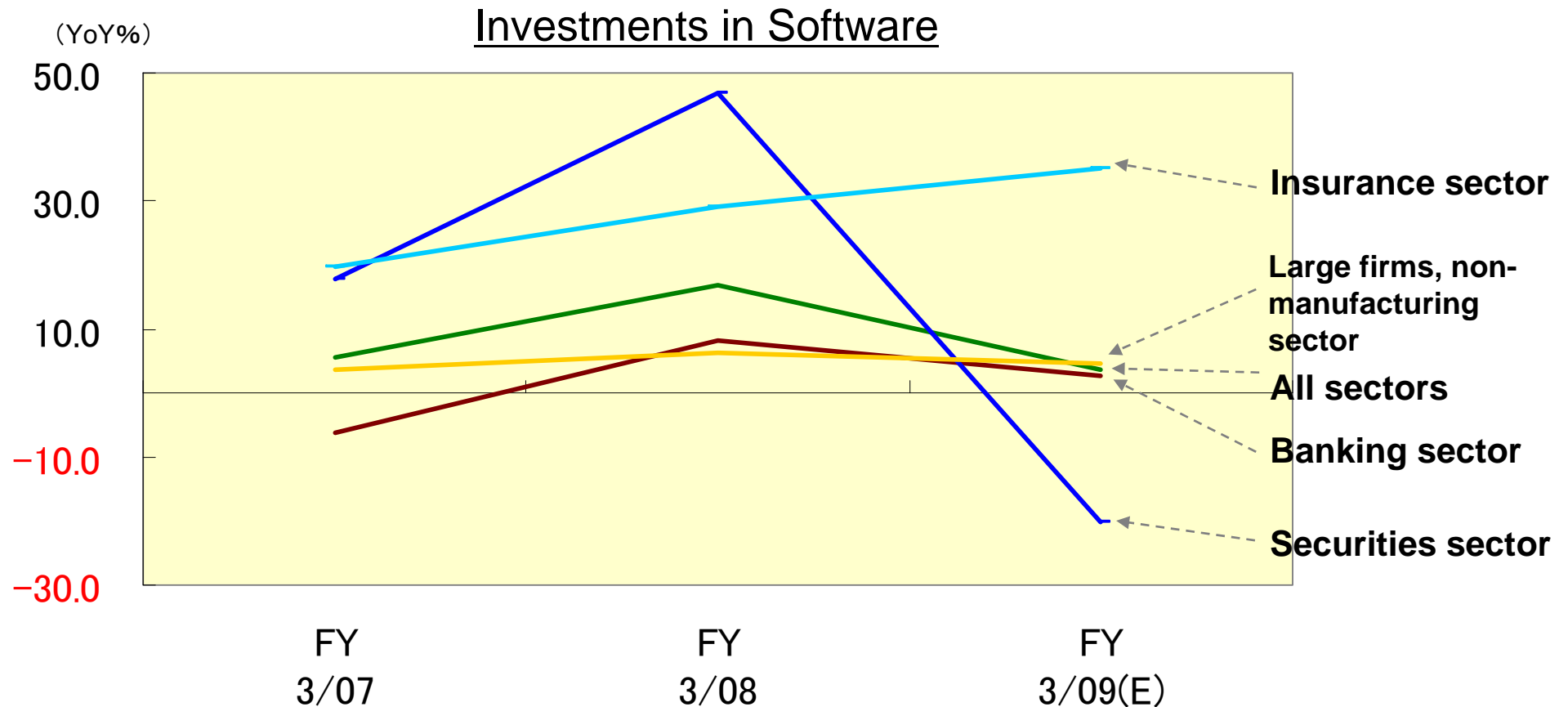
(Unit:JPY million)

	At end of June 2007	At end of June 2008	Diff.	YoY Change
Consulting Services	7,098	7,906	+807	+11.4%
System Development & System Application Sales	34,005	23,501	(10,503)	(30.9%)
System Management & Operation Services	90,510	99,832	+9,322	+10.3%
IT Solution Services	124,515	123,334	(1,181)	(0.9%)
Total	131,614	131,240	(374)	(0.3%)
Order backlog in the current FY	127,254	129,994	2,740	+2.2%

* Amount of less than JPY million were rounded down.

Assessing the business environment

- Insurance will remain strong. Uncertainty with regard to securities will grow. Conditions will continue to make predictions virtually impossible.



Source: Bank of Japan's Quarterly Economic Survey
(published July 1, 2008), based on a survey of companies.

1Q results and 2Q forecasts

- Three months have passed, and performance in the 1st quarter was generally in accordance with forecasts. There are no changes to forecasts for the year as a whole.
- However, NRI continues to face inherent down-side risk, particularly with regard to the securities sector.

(Unit:JPY billion)

		1Q	2Q	3Q	4Q	Full-Year
FY Mar. 2006	Sales	60.6	71.8	66.8	86.2	285.5
	OP	6.2	10.1	8.3	11.6	36.4
	OPM	10.3%	14.2%	12.4%	13.6%	12.8%
FY Mar. 2007	Sales	68.3	78.0	75.9	100.1	322.5
	OP	8.2	12.6	12.1	10.9	43.8
	OPM	12.0%	16.2%	15.9%	10.9%	13.6%
FY Mar. 2008	Sales	77.4	87.6	84.6	92.4	342.2
	OP	10.7	16.6	11.7	13.4	52.6
	OPM	13.9%	19.0%	13.9%	14.6%	15.4%
FY Mar. 2009 (forecasts after 2Q)	Sales	79.4	85.5	195.0		360.0
	OP	9.8	13.1	30.0		53.0
	OPM	12.4%	15.4%	15.4%		14.7%

Sales Forecasts by Segment for FY Mar.2009 (1)

- The break down of the IT solution services (System Management & Operation Services was strong, but commencement of System Development & System Application Sales) will be revised.

(Unit:JPY billion)

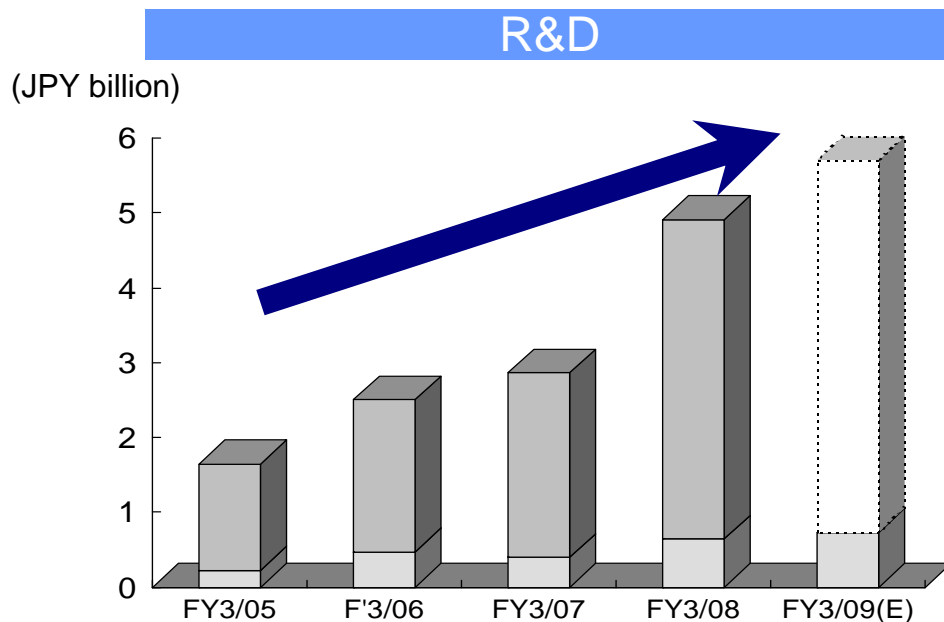
	FY Mar.2008 (Results)	FY Mar.2009 (Forecasts as of July 25,'08)	FY Mar.2009 (Forecasts as of Apr. 24,'08)	Diff.
Consulting Services	30.3	33.0	33.0	-
System Development & System Application Sales	150.1	156.0	158.0	(2.0)
System Management & Operation Services	140.8	152.0	150.0	+2.0
Product Sales	20.9	19.0	19.0	-
IT Solution services	311.9	327.0	327.0	-
Total	342.2	360.0	360.0	-

Forecasts by segment for FY Mar.2009(2)

[1H]					(Unit:JPY billion)
	FY Mar.2008 1H (Results)	FY Mar.2009 1H(Forecasts as of July 25,'08)	FY Mar.2009 1H(Forecasts as of Apr.24,'08)	Diff.	
	Consulting Services	13.7	15.0	15.0	-
	System Development & System Application Sales	74.0	71.0	73.0	(2.0)
	System Management & Operation Services	69.0	74.0	72.0	+2.0
	Product Sales	8.2	5.0	5.0	-
	IT Solution Services	151.3	150.0	150.0	-
	Total	165.1	165.0	165.0	-
[2H]					No change in 2H
	FY Mar.2008 2H (Results)	FY Mar.2009 2H(Forecasts as of July 25,'08)	FY Mar.2009 2H(Forecasts as of Apr.24,'08)	Diff.	
	Consulting Services	16.5	18.0	18.0	-
	System Development & System Application Sales	76.1	85.0	85.0	-
	System Management & Operation Services	71.8	78.0	78.0	-
	Product Sales	12.6	14.0	14.0	-
	IT Solution Services	160.5	177.0	177.0	-
	Total	177.1	195.0	195.0	-

Research and development

- R&D is progressing according to forecasts, activities will continue while practicing due diligence with regard to costs.

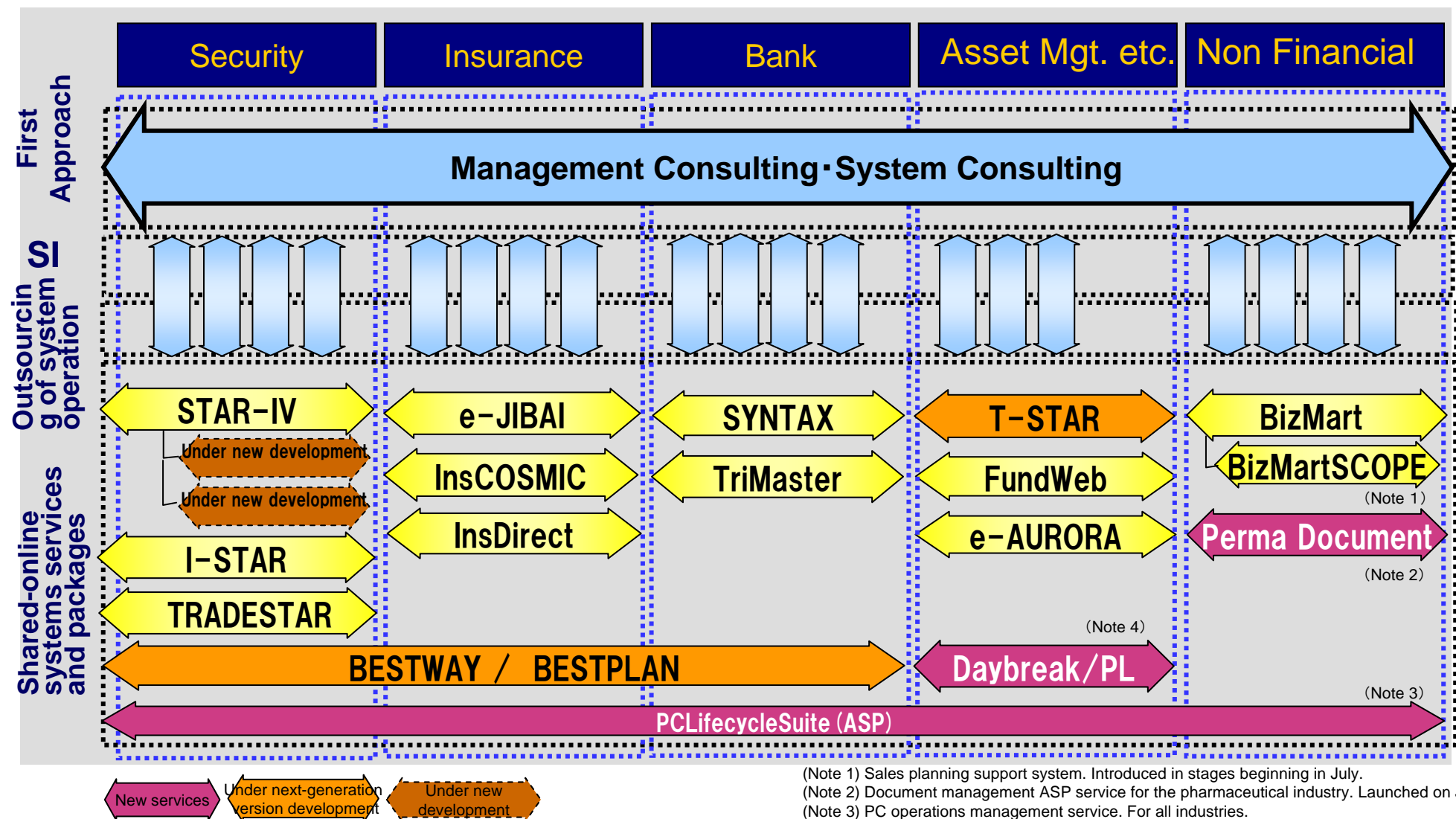


Some of this fiscal year's R&D themes

- IT solutions for financial “front business”
- Risk management, Trading system
- Credit-card-related business
- IT solutions for communication-carrier companies
- Health-care field Research into production management and testing support methods

...etc.

Medium- and Long-term Forecasts, Investment in New Services, Expanding Shared-Online System Services

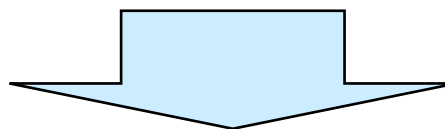


(Note 1) Sales planning support system. Introduced in stages beginning in July.
 (Note 2) Document management ASP service for the pharmaceutical industry. Launched on June 2.
 (Note 3) PC operations management service. For all industries.
 (Note 4) Designated credit bureau connectivity solution launched in June.

Acquisition of treasury stock

➤ Summary of treasury stock acquisition between May and June 2008

Type of shares to be acquired:	NRI common stock
Number of shares to be acquired:	4,645,700
Total cost of acquisition:	¥11,869,446,000
Acquisition period:	From May 14 to June 13, 2008
Method of acquisition:	Open purchase on the Tokyo Stock Exchange



Status of treasury stock holdings: As of June 30, 2008	13.58% of shares issued (Number of shares issued: 225 million)
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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

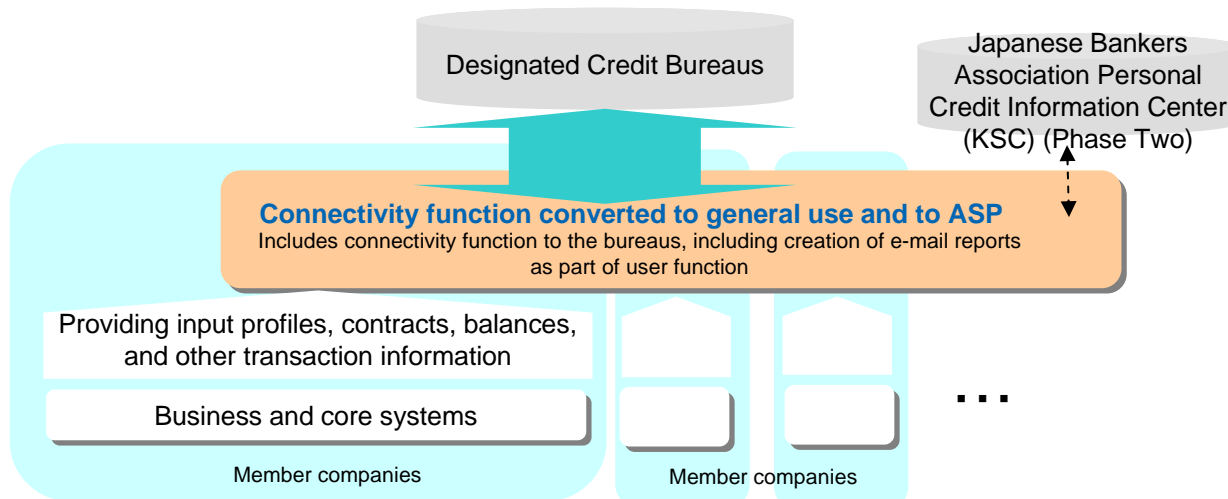
- 1. Recent activities**
- 2. Projects**
- 3. Others**

1. Recent Activities - Designated credit bureau solution compliant with new Money Lending Business Control Law

Daybreak/PL (ASP)

- NRI provides an ASP format user information management service that is compliant with the revised Money Lending Business Control Law. Access to systems of designated credit bureaus facilitates the exchange of information.
- NRI will provide compliance services in response to future changes in relevant regulations, greatly reducing the burden these represent to financial institutions.
- NRI is already scheduled to implement the services at 2 major credit card, credit sales, and consumer finance firms, and administrative procedures to implement them at 4 more firms are in progress.

Service Structure Image



野村総研
新貸金業法に対応した信用情報
機関接続システムの営業を開始

野村総研は、貸金業法（平成20年法律第10号）の施行に伴い、貸金業者が信用情報を取り扱う際のルールが厳格化されたことを受け、貸金業者向けに、新貸金業法に対応した信用情報機関（CIC）との接続システムを開発・提供している。このシステムは、貸金業者がCICから信用情報を取得するための接続機能を備えている。野村総研は、このシステムを、貸金業者向けに営業を開始した。このシステムは、貸金業者がCICから信用情報を取得するための接続機能を備えている。野村総研は、このシステムを、貸金業者向けに営業を開始した。

野村総研は、貸金業者向けに、新貸金業法に対応した信用情報機関（CIC）との接続システムを開発・提供している。このシステムは、貸金業者がCICから信用情報を取得するための接続機能を備えている。野村総研は、このシステムを、貸金業者向けに営業を開始した。このシステムは、貸金業者がCICから信用情報を取得するための接続機能を備えている。野村総研は、このシステムを、貸金業者向けに営業を開始した。

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Hoken Mainichi Shimbun, July 7, 2008

1. Recent Activities - ASP format operations management service

PCLifecycleSuite (ASP)

- ASP format PC operations management service will be available from October 1.
- Standardization of the know-how gained through earlier PC operations management service, PCLifecycleSuite, allows us to provide high-quality service at low cost through this ASP service.

ASP型PC運用管理サービス
NRIが申込受付開始 10月1日よりサービス開始

野村総合研究所（NRI）は、ASP型PC運用管理サービスで、同社の長年のPC運用実績をベースに、個々のお客様の要望に合わせたアウトソーシングサービスとして提供する。

NRIでは、今年1月からPC運用管理サービス「PCLifecycleSuite」（ピーシー・ライフサイクル・スイート）を提供している。同サービスは、いわゆる「オーダーメイド型」のPC運用管理サービスではなく、標準化されたサービスを提供する。同サービスは、より多くの顧客に利用できるように、A

今回開始したASP型PC運用管理サービスは、これまで問題へのソリューションとして、オーダーメイド型で提供してきたPCライフサイクル・スイートのノウハウを標準化し、より多くの顧客に利用できるように、A

サービス提供価格は、運用PC1台当たりで年間1万1千円前後（総運用台数1万台、年間2千台の増設または更新を行った場合）で、同サービスの業務フローおよびシステムの構築、運用、保守などの費用は別途見積りとなる。

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Dempa Shimbun, June 30, 2008

1. Recent Activities - Introduction of NRI's next-generation system at the Joint Investment Trust Marketing Center

Introduction of next-generation BESTWAY system planned

- Planning is proceeding for the introduction of the next-generation BESTWAY investment trust account management system for the Regional Bank Joint Investment Trust Marketing Center, through which the members of the Regional Banks Association of Japan conduct joint business.
- The throughput of present systems reaches a limit when investment trust sales exceed forecasts. As a result of comparisons and studies of other companies' systems, the use of the next version of BESTWAY, which aims to upgrade security and other system capabilities, offers many advantages.



Nikkin, June 6, 2008

1. Recent Activities - Establishment of an organization to promote the acceptance of free software

Opensource Business Creation Initiative

- Established an organization to promote open source software (OSS). Promotes the use of OSS for databases and other basic applications by providing information on the use of OSS, setting up a technical consulting office, and other steps.
- There are 5 member firms, including the Japanese subsidiary of Sun Microsystems, and Hitachi Systems and Services, with NRI, Information Services International-Dentsu, Ltd., and the Japanese branch of the U.S. firm SRA OSS, as managing firms.
- The source code of OSS is freely available, which greatly reduces the costs of developing systems architecture. Overseas OSS is popular as an alternative system to package software. The organization aims to gain broader acceptance of OSS in Japan.

Nikkei Business Daily, June 6, 2008

1. Recent Activities - Strengthening ties to partner firms

The e-e Partner System

- To further strengthen cooperation between NRI's system solution business and its valued partner firms (outside subcontractors), NRI established an e-e partner system.
- Under this new system, NRI has formulated a medium and long term plan for joint business innovation programs with its e-e partner firms. This is not limited to specific projects under e-e partner contracts, but also includes collaboration in enhancement innovation programs throughout the company.
- In addition to the promotion of business innovation programs, NRI is cooperating with e-e partner firms to develop needed human resources for the improvement of quality control and production technology, and for project management.

NRI 「パートナー制度」を制定
システムソリューション事業で

野村総合研究所（NRI）は12日、システムソリューション事業でのパートナー企業（社外委託先）と一層の協力関係強化を図るため、新たに「e-e（extended e）パートナー制度」を制定し、同時にキープシステム（東京都品川区、崎山收社長）と東邦システムサイエンス（東京都文京区、篠原誠司社長）の2社とパートナー契約を結んだと発表した。新たに設けた「e-eパートナー制度」は、技術力や専門性の高い業務ノウハウを持つ企業とプロジェクト推進などで緊密な協業をするために結んでいた「e-partner制度」を発展させたもの。パートナー企業は、NRIと共同で業務革新活動を進めるうえで必要な品質管理、生産技術の向上、プロジェクト管理などについて、e-eパートナー企業の人材育成にも協力していくとしている。

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Dempa Shimbun, May 13, 2008

1. Recent Activities - Evaluating the effectiveness of internal controls

Corporate Eye

- **Corporate Eye is a support service for the establishment and evaluation of effectiveness of internal controls at listed companies.**
- **A firm can expect more efficient, higher quality evaluations, but in addition to this, because NRI conducts its evaluations from the standpoint of a third party, we also anticipate that it will be easy for independent auditors to rely on the results of these evaluations, which will reduce the labor and time required for the preparation of their audits.**
- **NRI's goal is to win 20 new customers for this service during fiscal 2008.**

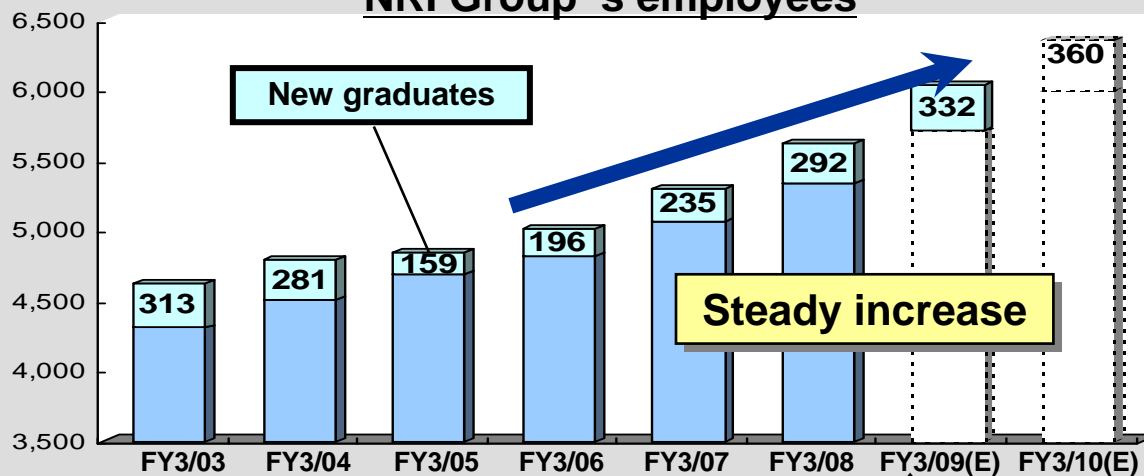
Nikkei Business Daily, May 21, 2008

2. Example of a project



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

NRI Group 's employees



- Management Consultant
- Systems Consultant
- Application Engineer
- Technical Engineer
- Infrastructure Engineer ...etc.

Personnel:
App. 6,000

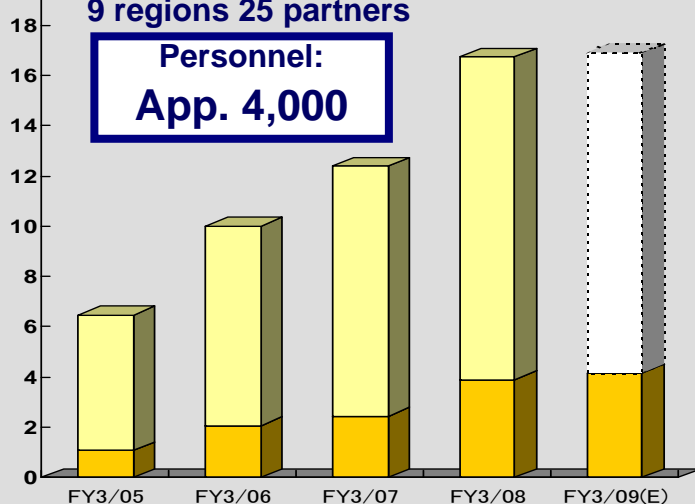
(IT engineers are app. 4,000)

Offshore development in China

(JPY billion)

9 regions 25 partners

Personnel:
App. 4,000



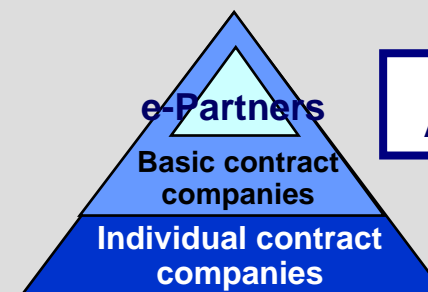
**Effective use of
three resources**

Full Year:
17.0 (E)

Partner Companies in Japan

- Develop e-Partner system
- Utilize DevNet
- Strengthen relations with management of partnering companies ---etc.

Personnel:
App. 7,000



(note) as of June, 2008

3. Others - Branding Activities

Forum



IT Japan 2008 [TOKYO](July 1 to July 3, 2008)

Publications



(note) Books published after May. 2008