
Financial Results

for 3rd Quarter fiscal year ended 31st March, 2007

and Financial Results Forecast for the fiscal year ended 31st March, 2007

January 26, 2007

Nomura Research Institute, Ltd.



2010年、
日本の未来を提案します。

Index

1. Financial Results for 3rd Quarter FY March 2007

2. Financial Results Forecast for FY March 2007

Highlights of Consolidated Results <3Q Total>

(Unit:JPY million)

	3Q FY Mar.2006 Total (Apr.-Dec.)	3Q FY Mar.2007 Total (Apr.-Dec.)	Difference	YoY Change
Sales	199,340	222,381	+23,041	+11.6%
Operating Profit	24,778	32,948	+8,169	+33.0%
Operating Profit Margin	12.4%	14.8%	+2.4P	
Net Income	15,606	20,904	+5,298	+34.0%

* Amount of less than JPY million were rounded down.

Highlights of Consolidated Results <3Q>

(Unit:JPY million)

	3Q FY Mar.2006 (Oct.-Dec.)	3Q FY Mar.2007 (Oct.-Dec.)	Difference	YoY Change
Sales	66,837	75,929	+9,092	+13.6%
Operating Profit	8,318	12,108	+3,789	+45.5%
Operating Profit Margin	12.4%	15.9%	+3.5P	
Net Income	5,235	7,418	+2,183	+41.7%

* Amount of less than JPY million were rounded down.

P/L Highlight <3Q Total>

(Unit:JPY million)

	3Q FY Mar.2006 Total (Apr.2005-Dec.2005)	3Q FY Mar.2007 Total (Apr.2006-Dec.2006)	Diff.	YoY Change
Sales	199,340	222,381	+23,041	+11.6%
Cost of Sales	149,010	159,639	+10,628	+7.1%
Subcontracting cost	62,594	71,392	+8,797	+14.1%
Gross Profit	50,329	62,742	+12,412	+24.7%
Gross Profit Margin	25.2%	28.2%	+3.0P	
SG&A	25,550	29,794	+4,243	+16.6%
Operating Profit	24,778	32,948	+8,169	+33.0%
Operating Profit Margin	12.4%	14.8%	+2.4P	

* Amount of less than JPY million were rounded down.

P/L Highlight <3Q Total> continued

	(Unit:JPY million)			
	3Q FY	3Q FY	Diff.	YoY Change
	Mar.2006 Total (Apr.2005-Dec.2005)	Mar.2007 Total (Apr.2006-Dec.2006)		
Operating Profit	24,778	32,948	+8,169	+33.0%
Non operating gain and loss	1,217	1,982	+764	
Interest income	308	423	+114	
Dividend income	536	1,006	+470	
Equity in earnings of affiliates	357	478	+121	
Other Expenses	302	7	(294)	
Loss on investment securities	98	-	(98)	
Loss on devaluation of investment securities	204	7	(196)	
Income taxes etc.	10,087	14,018	+3,930	
Net Income	15,606	20,904	+5,298	+34.0%

* Amount of less than JPY million were rounded down.

P/L Highlight <3Q>

(Unit:JPY million)

	3Q FY Mar.2006 (Oct.2005-Dec.2005)	3Q FY Mar.2007 (Oct.2006-Dec.2006)	Diff.	YoY Change
Sales	66,837	75,929	+9,092	+13.6%
Cost of Sales	49,900	53,600	+3,700	+7.4%
Subcontracting cost	21,560	25,140	+3,580	+16.6%
Gross Profit	16,937	22,328	+5,391	+31.8%
Gross Profit Margin	25.3%	29.4%	+4.1P	
SG&A	8,618	10,220	+1,602	+18.6%
Operating Profit	8,318	12,108	+3,789	+45.5%
Operating Profit Margin	12.4%	15.9%	+3.5P	

* Amount of less than JPY million were rounded down.

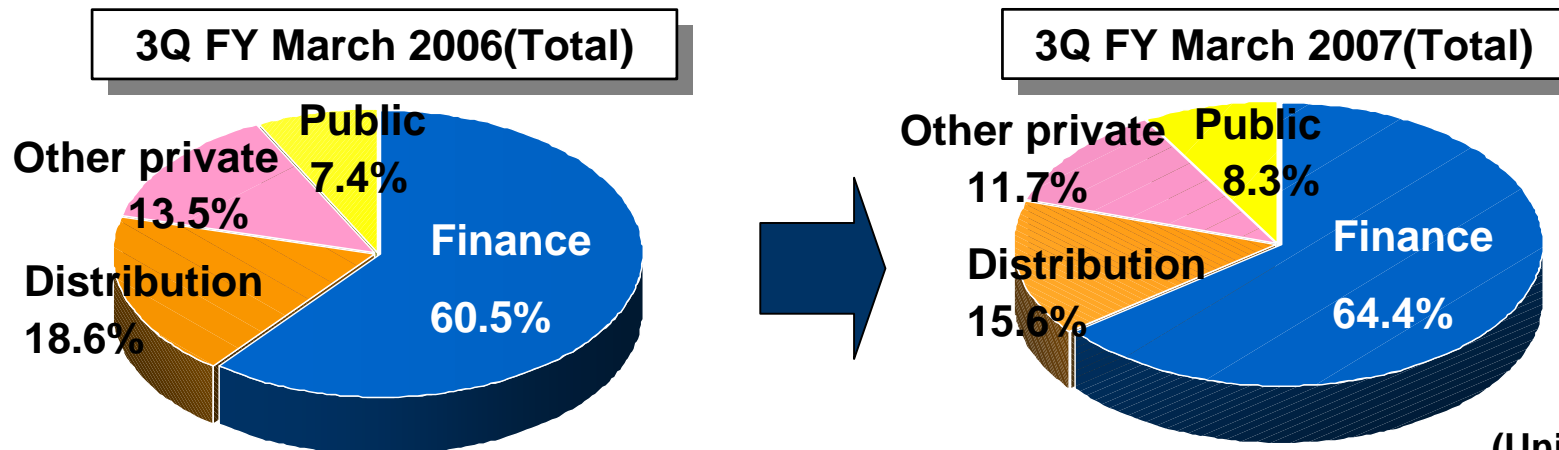
P/L Highlight <3Q> continued

(Unit:JPY million)

	3Q FY Mar.2006 (Oct.2005-Dec.2005)	3Q FY Mar.2007 (Oct.2006-Dec.2006)	Diff.	YoY Change
Operating Profit	8,318	12,108	+3,789	+45.5%
Non operating gain and loss	293	327	+33	
Interest income	107	185	+77	
Dividend income	68	133	+65	
Equity in earnings of affiliates	163	11	(151)	
Other Expenses	4	-	(4)	
Loss on investment securities	4	-	(4)	
Loss on devaluation of investment securities	-	-	-	
Income taxes etc.	3,373	5,016	+1,643	
Net Income	5,235	7,418	+2,183	+41.7%

* Amount of less than JPY million were rounded down.

Sales by sector <3Q Total>



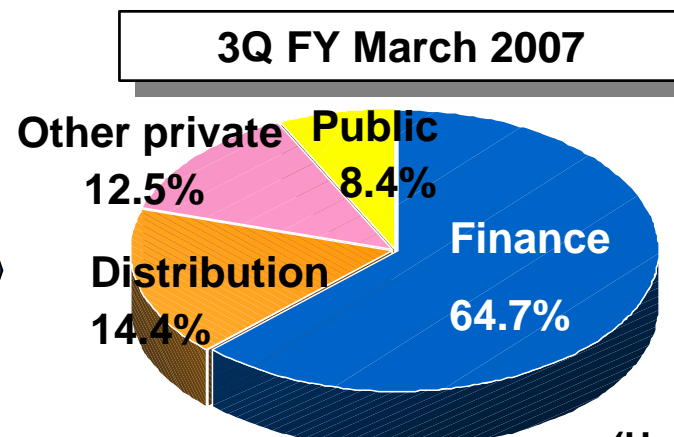
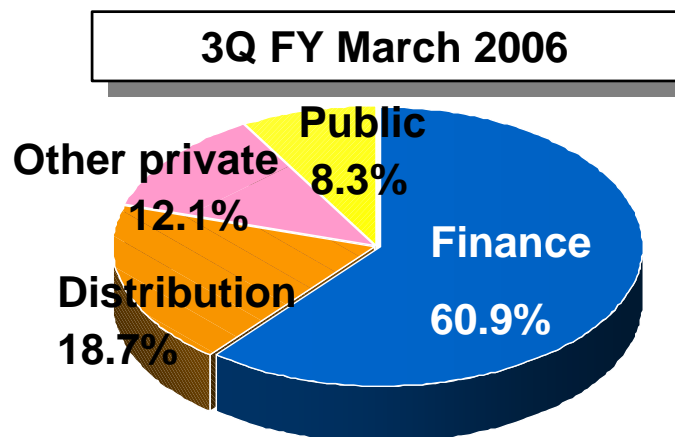
(Unit:JPY million)

	3Q FY Mar.2006 Total(Apr.-Dec.)	Share	3Q FY Mar.2007 Total(Apr.-Dec.)	Share	Diff.	Change
Finance	120,617	60.5%	143,257	64.4%	+22,639	+18.8%
Distribution	37,102	18.6%	34,593	15.6%	(2,509)	(6.8%)
Other private	26,922	13.5%	26,043	11.7%	(878)	(3.3%)
Public	14,698	7.4%	18,487	8.3%	+3,789	+25.8%
Total	199,340	100.0%	222,381	100.0%	+23,041	+11.6%
Nomura Holdings	56,107	28.1%	67,476	30.3%	+11,368	+20.3%
Seven & i Holdings	26,180	13.1%	26,839	12.1%	+658	+2.5%

* 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 sector <3Q>



(Unit:JPY million)

	3Q FY Mar.2006 (Oct.-Dec.)	Share	3Q FY Mar.2007 (Oct.-Dec.)	Share	Diff.	Change
Finance	40,736	60.9%	49,159	64.7%	+8,422	+20.7%
Distribution	12,488	18.7%	10,923	14.4%	(1,564)	(12.5%)
Other private	8,077	12.1%	9,464	12.5%	+1,387	+17.2%
Public	5,535	8.3%	6,381	8.4%	+846	+15.3%
Total	66,837	100.0%	75,929	100.0%	+9,092	+13.6%
Nomura Holdings	19,582	29.3%	23,087	30.4%	+3,505	+17.9%
Seven & i Holdings	8,541	12.8%	9,136	12.0%	+594	+7.0%

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

* Amount of less than JPY million were rounded down.

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Sales by segment <3Q Total>

(Unit:JPY million)

	3Q FY Mar.2006 Total(Apr.-Dec.)	Share	3Q FY Mar.2007 Total(Apr.-Dec.)	Share	Diff.	Change
Consulting Services	18,093	9.1%	21,061	9.5%	+2,967	+16.4%
System Development & System Application Sales	80,383	40.3%	91,103	41.0%	+10,719	+13.3%
System Management & Operation Services	85,537	42.9%	92,729	41.7%	+7,192	+8.4%
Product Sales	15,325	7.7%	17,486	7.9%	+2,161	+14.1%
IT Solution Services	181,246	90.9%	201,319	90.5%	+20,073	+11.1%
Total	199,340	100.0%	222,381	100.0%	+23,041	+11.6%

Note: Change to new segment from 1H FY3/07.

* Amount of less than JPY million were rounded down.

Sales by segment <3Q>

(Unit:JPY million)

	3Q FY Mar.2006 (Oct.-Dec.)	Share	3Q FY Mar.2007 (Oct.-Dec.)	Share	Diff.	Change
Consulting Services	6,322	9.5%	7,730	10.2%	+1,407	+22.3%
System Development & System Application Sales	26,908	40.3%	31,968	42.1%	+5,060	+18.8%
System Management & Operation Services	29,141	43.6%	31,340	41.3%	+2,198	+7.5%
Product Sales	4,464	6.7%	4,889	6.4%	+425	+9.5%
IT Solution Services	60,514	90.5%	68,199	89.8%	+7,684	+12.7%
Total	66,837	100.0%	75,929	100.0%	+9,092	+13.6%

Note: Change to new segment from 1H FY3/07.

* Amount of less than JPY million were rounded down.

Cash Flow

(Unit:JPY million)

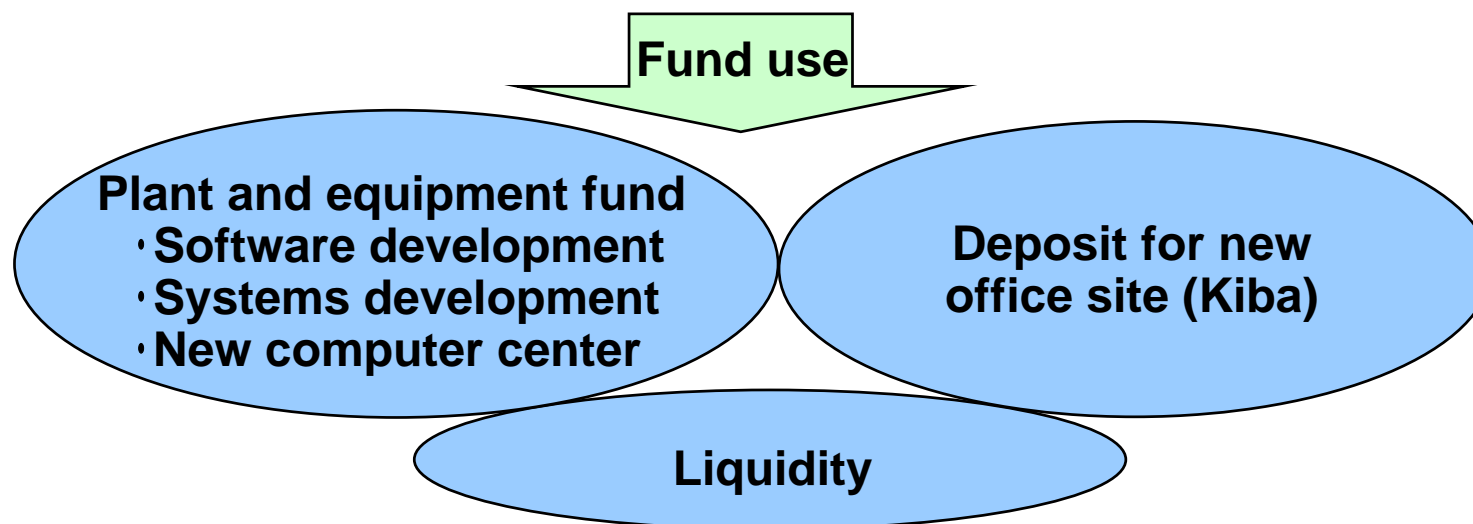
	3Q FY Mar.2006 Total (Apr.-Dec.)	3Q FY Mar.2007 Total (Apr.-Dec.)	Diff.
Operating activities	16,663	12,858	(3,804)
Investing activities	32,075	(9,862)	(41,938)
(Cash management purpose Investment (A))	42,665	3,670	(38,994)
Free Cash Flow	48,739	2,996	(45,742)
(except (A))	6,073	(674)	(6,748)
Financing activities	(54,247)	43,545	+97,792

* Amount of less than JPY million were rounded down.

Issue of Convertible Bond

➤ Summary of First Unsecured Convertible Bond

Total amount of bond	50.0 billion yen
Coupon	0%
Redemption date	March 31, 2014
Conversion price	21,120 yen per share
Exercise period	January 4, 2007 to March 28, 2014

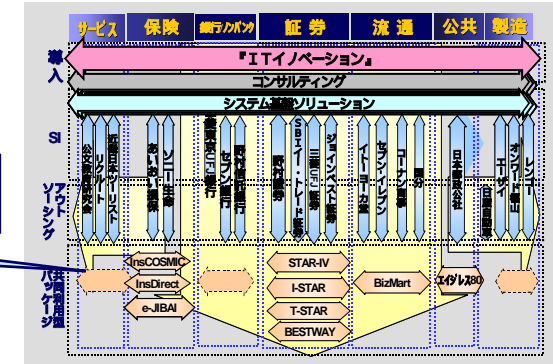


Software Development Investment

- Shared-online Systems Service

- Development of new services, expansion of existing services

FY3/2007 priority measures : Boost competitiveness of shared-online systems services



Expansion of Bizmart

Expand into portal site business by linking Global Data Synchronization (GDS) and next-generation Electronic Data Interchange (EDI)

TRADESTAR

ASP-based Internet trade system to start service in next fiscal year

NEW

PLEIADES/WRAP

Develop packaged systems to support wrap-account business of securities companies

e-AURORA/ListFlow

Develop packaged systems to support portfolio proposal-based sales to retail customers of securities companies

Expansion of e-JIBAI

Enhance processing capabilities by rapidly increasing share (12% (Dec.05) ->28% (Apr.06))¹ for automobile liability insurance

Link

Note 1. Proportion of all automobile insurance certificates issued by e-JIBAI.

Construction of New Computer Center

-Now in Progress Toward Autumn 2007 Completion Date

Concepts

- ✓ **Top Level Specifications in the world (Tier 4 level*)**
 - Top-ranked technology for earthquake resistance, reliability, and stability-**
- ✓ **A design that will allow a flexible changes in customer's needs.**
- ✓ **Consideration for the surrounding environment; contributing to the region.**

*This is a voluntary standard primarily used in the U.S. and Europe for ranking the effectiveness of the redundant configuration of data center facilities. Tier 4 is the highest rank.

- **Location: Yokohama**
- **Investment: Approx. 12.4 billion yen**
 - **Land: 2.3 billion yen**
(Acquired February 2006)
 - **Other: 10.1 billion yen**
(FY3/2007 4.9 billion yen
FY3/2008 5.2 billion yen)



New Office to be Established at Kiba Center

➤ In February 2007, offices scattered around Otemachi will be concentrated in Kiba.

High security

- Entry/exit controlled by IC cards
- Building sector entry/exit restricted by position and organization
- Antipassback system records room entry/exit; inconsistencies in record prohibit entry/exit
- ID VLAN, Thin client system



More efficient operations

- Partial introduction of free address system
- Promotion of paperless office
- Wireless LAN environment
- Introduction of IP phone and TV conference system
- Higher speed network
- Concentration in one office building reduces overhead costs



Summary of Kiba Center

- Structure: 1B, 21 floors
- Floor space: 27,600m²
- No. of people targeted for move:
Employees, app. 1,300
Partner companies, app. 1,700
(All sites: Employees, app. 2,000
Partner companies, app. 2,500)



Order Backlog(Outstanding)

(Unit:JPY million)

	At end of Dec. 2005	At end of Dec.2006	Diff.	YoY change
Consulting Services	5,638	6,583	+945	+16.8%
System Development & System Application Sales	17,882	34,472	+16,590	+92.8%
System Management & Operation Services	27,156	28,745	+1,589	+5.9%
Product Sales	1,052	-	(1,052)	-
IT Solution Services	46,091	63,218	+17,126	+37.2%
Total	51,730	69,802	+18,071	+34.9%

* Amount of less than JPY million were rounded down.

1. Financial Results for 3rd Quarter FY March 2007

2. Financial Results Forecast for FY March 2007

Financial Results Forecasts for FY Mar.2007

*Financial Results forecasts are not changed except dividends forecasts.

(Forecasts) (Unit:JPY billion)

	FY Mar.2006(Results)		FY Mar.2007			
	4Q	Full year	4Q (Forecasts)	Change	Full year (Forecasts)	Change
Sales	86.2	285.5	82.6	(4.2%)	305.0	+6.8%
Operating Profit	11.6	36.4	9.0	(22.6%)	42.0	+15.2%
Operating Profit Margin	13.6%	12.8%	11.0%	-	13.8%	-
Net Income	6.9	22.5	5.5	(19.1%)	26.5	+17.7%

(Forecasts by segment) (Unit:JPY billion)

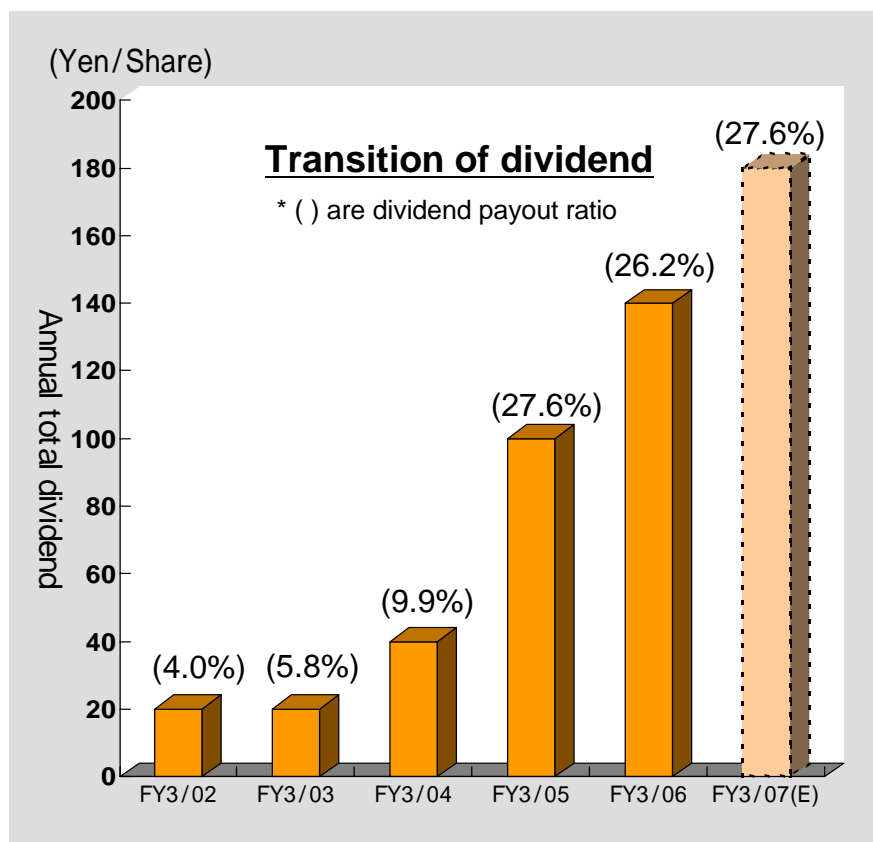
	4Q	Full year	4Q (Forecasts)	Change	Full year (Forecasts)	Change
	Consulting Services	8.1	26.2	6.9	(15.4%)	28.0
System Development & System Application Sales	31.3	111.7	32.8	+4.8%	124.0	+10.9%
System Management & Operation Services	31.0	116.5	32.2	+4.0%	125.0	+7.2%
Product Sales	15.6	30.9	10.5	(32.7%)	28.0	(9.6%)
IT Solution Services	78.0	259.2	75.6	(3.0%)	277.7	+6.8%
Total	86.2	285.5	82.6	(4.2%)	305.0	+6.8%

* Amount of less than JPY billion were rounded down.

Revision of Dividend Forecasts

➤ Revision of Dividend Forecasts Upward for the FY March 2007

⇒ The forecast of end of term dividend is revised 110 yen per share, the forecasts annual total dividend is 180 Yen.



Dividend	(Unit:Yen)		
	1 st Half (Results)	Fiscal Year	Annual Total
FY March 2006 (Actual)	50	90	140
Previous forecast (announced on Apr.26,2006)	70	100	170
Revised forecast (announced on Jan.26,2007)	70	110	180

Stock Split

➤ Stock Split

=> Common shares shall be split on a 1:5 basis.

Objective

To establish an environment that will make the Company's shares more accessible to a broader range of potential shareholders by reducing the investment amount for one trading unit.

Schedule

Record date :March 31, 2007

Effective date :April 1, 2007

(References)

- 1. The stock split has no effect on paid-in capital.**
- 2. The payment of dividend for FY March 2007 will be based on the number of shares before the stock split.**

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. 3rd Quarter FY March 2007 Activities**
- 2. Projects**
- 3. Others**

1. 3rd Quarter FY March 2007 Activities

- Mitsubishi UFJ Trust and Banking Corporation

Customer voice management solutions

- Introduce system that takes customer complaints or demands sent to the headquarters and branch offices and puts them on the Web by the following morning where all employees can see it
- Be able to monitor progress of response to complaints
- Upgrade TrueTeller, an existing text mining system used to develop products and improve services
- System expenses: 45 million yen or more

三菱UFJ信託

顧客の声翌朝には全行員共有

CS向上へ新システム

改善策迅速に提案・実施

三菱UFJ信託銀行は早ければ今年年中、顧客から寄せられた苦情や要求を速く全行員共有し、その改善策が本社でどのように進められているかを把握して対応策を決定する。CS（顧客満足度）向上を狙った、苦情処理などの待ちの対応から、早期の改善策の提案という一歩の対応一歩を踏出す。メーカーでは顧客の声を直接社員全体が共有する動きが盛んでいるが、銀行など金融業界で本格的に担い組むのは珍しいという。

月末にもパイロット導入

三菱UFJ信託銀行は 月に天候のテキストデー 今月末にも野村総合研究所 各支店を分析、商品開発 所が導入した新システム 各サービス改善に活用で 「顧客の苦情マナジメント 各サービスシステム「トゥルーターラ システム」トゥルーターラ ロット導入を始める。CS「」を導入する。今 同、高度化する。

本支店に寄せられた顧客の声を毎日集約して、システム分析して課題には本社員がウェブ上で閲覧できるという。各支店に対する改善策の進捗も、同システムで共有される。

従って、「現場の声に本社がどう対応しているか」といって本支店と現場のギャップが埋められる」（本報編集委員は推測）と語る。本行には迅速な改善策の提案・実施が求められる。結果的に全社的なCS向上につながるという。

Nikkan Kogyo Shimbun, November 17, 2006

1. 3rd Quarter FY March 2007 Activities - New Site Open

野村総合研究所が東京・木場に構える新拠点ビルの特徴

- ・ICカードで入室を管理
- ・所属や職制に応じて入室できる区画を制限
- ・入室履歴に加えて退室履歴を記録。両者に矛盾があると入室を禁止
- ・フリーアドレス制を一部導入

野村総研

新拠点に技術者3000人

東京・江東フリーアドレスも導入

野村総合研究所は東京都江東区の木場に構える新拠点ビルに二月下旬から、主に金融機関向け事業を担当する技術者三千人を集結させる。従来は東京都内で十カ所以上に分散していた。フリーアドレス制も一部導入し、業務を効率化している。ICカードを使って入室を厳密に管理するなどセキュリティを強化する。

野村不動産が建築中の画を細かく分ける。担当地上二十一階、地下二階。業務以外の情報と接する建て、延べ床面積一万七、機会を極力減らす。ビル千六百平方メートルの高層オフィスの入り口やフロア・区画イスビルを二棟借りすの要所所にはICカード。二月下旬から六月にドリーターとセキュリティをかけて、協力会社の千七百人を含む約三千人が移る。

「アンチパッシング」所属や職制などに応じ「之」と呼ぶ機能を導入して入室できるフロアや区画。ICカードドリーターと扉で入室履歴に加えて退室履歴も管理し、矛盾があるときは入室を禁止する。退室が閉じた扉から入れずに別の者が入室する「すれ違い」や、一回の履歴で二人が同時に入室する「共連れ」を防ぐ。

▼フリーアドレス制 どの組織の壁を壊れたか社員の間を固定せずにコミュニケーションが活発自由な環境で仕事をできるように。営業職など反回するオフィスの配置の仕組りの多い職場では社員数を指す。携帯型のノーアイドシステムも削減できトバソクや社内用PH。フェイス紐も削減できる普及で可能になった。プロジェクトごとに自由な席を組み替えるなど。

社員の固定席を決めない。ある拠点を一カ所に統合フリーアドレス制も一する企業が増えている。最大手のNTTデータも導入する。当初は二百人ほどを対象に導入、順昨年九月から十月にかけて、首都圏約二十拠点に拡大する。IT（情報技術）業界 入居していた六千五百人、IT（情報技術）業界を東京都江東区豊洲の本ではセキュリティ強化を東京都江東区豊洲の本などを合わせて分散して社幹部ビルに集約した。

Nikkei Sangyo Shimbun, January 10, 2007

New site in Kiba, Tokyo

- One rented high-rise office building, with 21 floors and 1B, total floor area of 27,600m²
- Brings together into one place company employees and partner company technical experts scattered at more than 10 locations all across Tokyo, who are mainly engaged in finance institution work, as well as headquarters functions.

Characteristics of new building

- IC card control of room entry/exit
- Room entry/exit access restricted by position and organization
- Room history recorded; inconsistencies in record prohibit entry/exit
- Partial introduction of free address system

1. 3rd Quarter FY March 2007 Activities - 'Bond MIS' system

Comprehensive risk management support for local financial institutions

- Bond MIS, Nomura Securities' asset management system used by 90% of local financial institutions, is being expanded to handle the new BIS standards (Basel II) starting from March 2007
- The latest version, Bond MIS Web21i, can perform risk management for derivative loans and deposits
- Lastly, local financial institutions can quantitatively handle general investment and asset risks, including alternative products

* Bond MIS System: A system jointly developed in 1976 by Nomura Securities and Nomura Research Institute. It provides comprehensive management of Japanese and foreign government bonds, shares, and various other financial products.

野村証券の「ホントMISシステム」

地銀・信金向けへ 統合リスク管理支援

野村証券は地方銀行や信用金庫向けに「ホントMIS」を提供している。このシステムは、ユーロ圏の時価総額ランキングシステム「ホントMIS」の「マネージャー・インフォメーション・システム」(MIS)の機能を強化し、地方銀行や信用金庫のリスク管理を支援している。また、運用効率向上やリスク管理の自動化を実現している。このシステムは、地方銀行や信用金庫のリスク管理を支援している。また、運用効率向上やリスク管理の自動化を実現している。

時価総額対応システム「ホントMIS WEB21i」の応せろえ	
(1) 円貨債MIS	
(2) 外貨債MIS	
(3) 金融商品MIS	
(4) 株式MIS	

野村証券は地方銀行や信用金庫向けに「ホントMIS」を提供している。このシステムは、ユーロ圏の時価総額ランキングシステム「ホントMIS」の「マネージャー・インフォメーション・システム」(MIS)の機能を強化し、地方銀行や信用金庫のリスク管理を支援している。また、運用効率向上やリスク管理の自動化を実現している。このシステムは、地方銀行や信用金庫のリスク管理を支援している。また、運用効率向上やリスク管理の自動化を実現している。

Nikkan, December, 1 2006

2. Projects



Tokai Tokyo Securities Co.,Ltd.

Decision of adopting ^{THE STAR} "STAR-IV"
in core systems



YAOKO CO.,LTD.

Outsourcing of core systems

3. Other - Offshore development in China

検証 '06

人材不足 顕著に

緊縮な景気動向を受け、企業のIT投資が高水準で推移した情報サービス業界。そうした中で課題として浮上してきたのが人材の不足だ。各社とも優秀な人材確保を急ぐものの、有効な打開策にはなりえていない。そこで高水準の需要と人材不足ギャップを埋める手段としてオフショア

「海外委託」に取り組む企業が目立ってきた。「中国オフショア開発は安定成長に入った」。野村総合研究所NRIの藤沼彰久社長は中国の活用を一定の手応えを見せる。NRIではシームレスな情報サービス業界の海外への委託定着へ国内の環境整備も必要

「阿部康行」社長もオフショアに拍車がかかるのは間違いない。ただオフショアの拡大は元請け、2次請け、3次請けといったこれまでの業界構造を変える可能性がある。特に中国シ

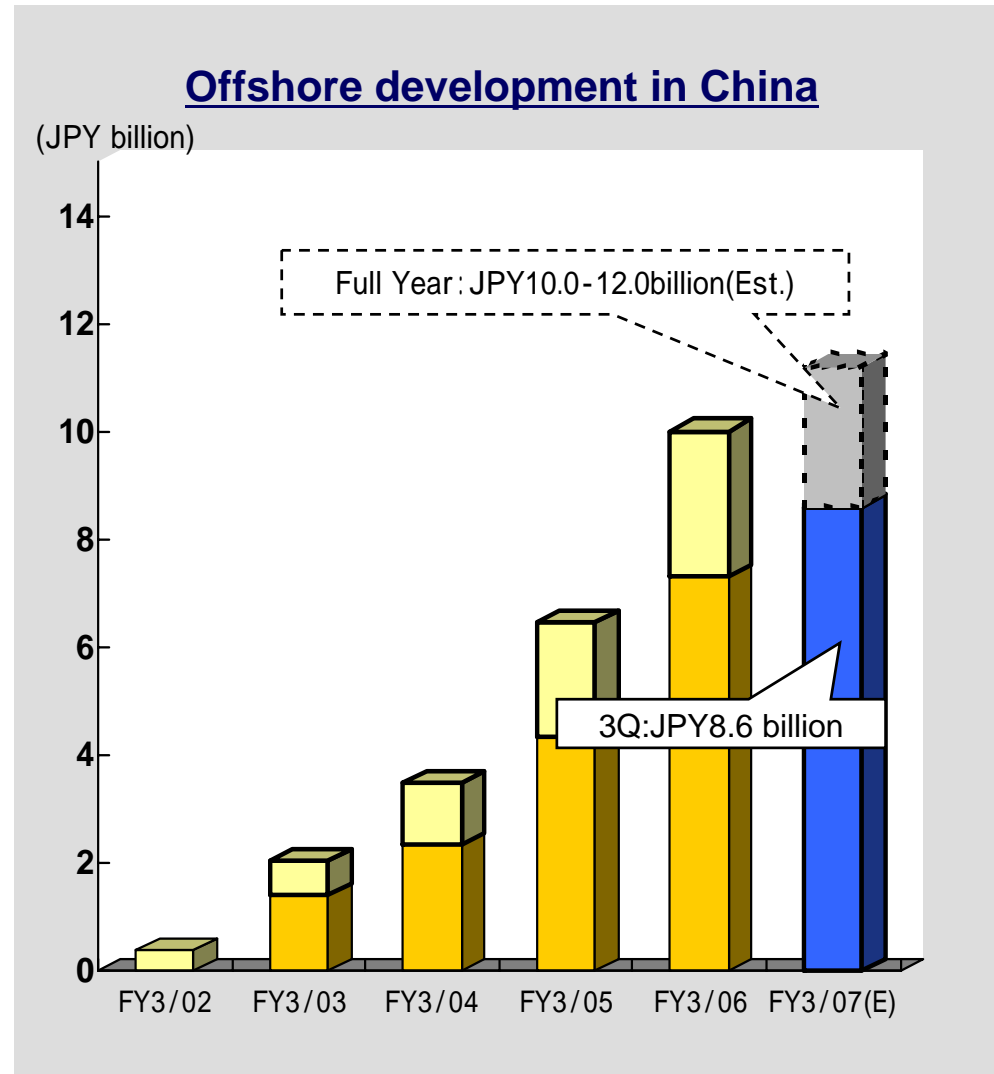
テムで中国の協力会社を活用した経験から、社外向けのシステム開発案件についてもオフショアの活用に着手。住商情報システム(SCS)も07年1月に大連市に現地法人を設立し「日本で要求される品質を満たすソフトを開発を行う」。

文京区)が11月に発表した。IT業界の経営実態調査によると、業界全体の従業員数は前年比0.8%増加しているものの、技術・開発人員は同0.2%減少。人材面での制約から案件を受注できないケースも多い」とい

「社」が進むほど、下請けば、将来こうした事業モデルは成り立たなくなる。「働きやすい環境を整備するなど業界としてやるべきことがある」と設計は国内、開発やテスト(初井勝人日本ユニシス社長)も「根っこどころ外」というのがオフショアに大きな問題が横たわっている。

員を募集は志望する学生が少な(業界関係者)とい

NECソフトの中国におけるオフショア拠点「NECソフト済南」

Nikkan Kogyo Shimbun, December 25, 2006