



FY March 2003 Financial Results

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Nomura Research Institute, Ltd.

April 28, 2003

I. FY March 2003 Financial Results (Consolidated)

(1) Highlights

	FY Mar.2002	FY Mar.2003	YoY	
	(Apr.2001-Mar.2002)	(Apr.2002-Mar.2003)	Change	(%)
	Amount	Amount	(JPY million)	
	(JPY million)	(JPY million)		
Sales	236,569	232,744	3,825	1.6
		(230,000)		(+1.2%)
Operating Profit	30,365	27,164	3,201	10.5
		(27,000)		(+0.6%)
Net Income	22,364	15,459	6,905	30.9
		(15,600)		(0.9%)
Operating Profit Margin	12.8%	11.7%	1.1 P	
		(11.7%)		
EPS	JPY504.96	JPY337.26	JPY 167.70	33.2

Note: Earnings per share are calculated based on Financial Accounting Standards No. 2 "Accounting Standards for Earnings Per Share" (September 25, 2002)

Note: Figures in parenthesis indicate forecasts announced April 7, 2003

[1st Half]

	1 st half FY Mar.2002	1 st half FY Mar.2003	YoY	
	(Apr.2002-Sep.2002)	(Apr.2002-Sep.2002)	Change	(%)
	Amount	Amount	(JPY million)	
	(JPY million)	(JPY million)		
Sales	109,099	113,774	4,675	4.3
Operating Profit	12,048	13,179	1,131	9.4
Net Income	12,942	7,898	5,044	39.0
Operating Profit Margin	11.0%	11.6%	0.6 P	

[2nd Half]

	2 nd half FY Mar.2002	2 nd half FY Mar.2003	YoY	
	(Oct.2001-Mar.2002)	(oct.2002-Mar.2003)	Change	(%)
	Amount	Amount	(JPY million)	
	(JPY million)	(JPY million)		
Sales	127,470	118,970	8,500	6.7
Operating Profit	18,317	13,985	4,332	23.6
Net Income	9,422	7,561	1,861	19.7
Operating Profit Margin	14.4%	11.8%	2.6 P	

. FY March 2003 Financial Results (Consolidated)

(2) Sales by sector

	FY Mar.2002 (Apr.2001-Mar.2002)		FY Mar.2003 (Apr.2002-Mar.2003)		YoY	
	Amount	Share	Amount	Share	Change	
	(JPY million)	(%)	(JPY million)	(%)	(JPY million)	(%)
Nomura Securities Group	61,671	26.1	63,622	27.3	1,951	3.2
Others	57,350	24.2	61,650	26.5	4,300	7.5
Financial sector	119,021	50.3	125,272	53.8	6,251	5.3
Distribution sector	39,223	16.6	41,687	17.9	2,464	6.3
Other private sector	45,192	19.1	47,144	20.3	1,952	4.3
Public sector	33,133	14.0	18,641	8.0	14,492	43.7
Total	236,569	100.0	232,744	100.0	3,825	1.6

Note: Sales figures of subsidiaries are segmented in accordance with the parent company's sector, starting in FY Mar. 2003. NRI will add sales of subsidiaries to the business segments of the parent company. This method was applied retroactively to FY Mar.2002.

[1st Half]

	1 st half FY Mar.2002 (Apr.2001-Sep.2001)		1 st half FY Mar.2003 (Apr.2002-Sep.2002)		YoY	
	Amount	Share	Amount	Share	Change	
	(JPY million)	(%)	(JPY million)	(%)	(JPY million)	(%)
Nomura Securities Group	29,169	26.7	31,365	27.6	2,196	7.5
Others	25,582	23.5	30,787	27.0	5,205	20.3
Financial sector	54,751	50.2	62,152	54.6	7,401	13.5
Distribution sector	19,627	18.0	20,809	18.3	1,182	6.0
Other private sector	22,189	20.3	22,492	19.8	303	1.4
Public	12,532	11.5	8,321	7.3	4,211	33.6
Total	109,099	100.0	113,774	100.0	4,675	4.3

[2nd Half]

	2 nd half FY Mar.2002 (Oct.2001-Mar.2002)		2 nd half FY Mar.2003 (Oct.2002-Mar.2003)		YoY	
	Amount	Share	Amount	Share	Change	
	(JPY million)	(%)	(JPY million)	(%)	(JPY million)	(%)
Nomura Securities Group	32,502	25.5	32,257	27.1	245	0.8
Others	31,768	24.9	30,863	26.0	905	2.8
Financial sector	64,270	50.4	63,120	53.1	1,150	1.8
Distribution sector	19,596	15.4	20,878	17.5	1,282	6.5
Other private sector	23,003	18.0	24,652	20.7	1,649	7.2
Public	20,601	16.2	10,320	8.7	10,281	49.9
Total	127,470	100.0	118,970	100.0	8,500	6.7

. FY March 2003 Financial Results (Consolidated)

(3) Sales and Operating Profit by segment

System Solution Service

	FY Mar.2002 (Apr.2001-Mar.2002)		FY Mar.2003 (Apr.2002-Mar.2003)		YoY	
	Amount	Share	Amount	Share	Change	(%)
	(JPY million)	(%)	(JPY million)	(%)	(JPY million)	
System Development & System Application Sales	93,649	39.6	83,062	35.7	10,587	11.3
System Management & Operations	86,904	36.7	90,218	38.8	3,314	3.8
Product Sales	19,205	8.1	21,189	9.1	1,984	10.3
Sales	199,758	84.4	194,469	83.6	5,289	2.6
Operating Profit	27,535		23,645		3,890	14.1
Operating Profit Margin	13.8%		12.2%		1.6 P	

[1st Half]

	1 st half FY Mar.2002 (Apr.2001-Sep.2001)		1 st half FY Mar.2003 (Apr.2002-Sep.2002)		YoY	
	Amount	Share	Amount	Share	Change	(%)
	(JPY million)	(%)	(JPY million)	(%)	(JPY million)	
System Development & System Application Sales	41,368	37.9	39,657	34.9	1,711	4.1
System Management & Operations	41,936	38.5	44,814	39.4	2,878	6.9
Product Sales	7,553	6.9	10,483	9.2	2,930	38.8
Sales	90,857	83.3	94,954	83.5	4,097	4.5
Operating Profit	10,556		11,954		1,398	13.2
Operating Profit Margin	11.6%		12.6%		1.0 P	

[2nd Half]

	2 nd half FY Mar.2002 (Oct.2001-Mar.2002)		2 nd half FY Mar.2003 (Oct.2002-Mar.2003)		YoY	
	Amount	Share	Amount	Share	Change	(%)
	(JPY million)	(%)	(JPY million)	(%)	(JPY million)	
System Development & System Application Sales	52,281	41.0	43,405	36.4	8,876	17.0
System Management & Operations	44,968	35.3	45,404	38.2	436	1.0
Product Sales	11,652	9.1	10,706	9.0	946	8.1
Sales	108,901	85.4	99,515	83.6	9,386	8.6
Operating Profit	16,979		11,691		5,288	31.1
Operating Profit Margin	15.6%		11.7%		3.9 P	

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Consulting & Knowledge Service

	FY Mar.2002		FY Mar.2003		YoY	
	(Apr.2001-Mar.2002)		(Apr.2002-Mar.2003)		Change (JPY million)	(%)
	Amount (JPY million)	Share (%)	Amount (JPY million)	Share (%)		
Sales	36,811	15.6	38,275	16.4	1,464	4.0
Operating Profit	2,837		3,534		697	24.6
Operating Profit Margin	7.7%		9.2%		1.5 P	

[1st Half]

	1 st half FY Mar.2002		1 st half FY Mar.2003		YoY	
	(Apr.2001-Sep.2001)		(Apr.2002-Sep.2002)		Change (JPY million)	(%)
	Amount (JPY million)	Share (%)	Amount (JPY million)	Share (%)		
Sales	18,242	16.7	18,820	16.5	578	3.2
Operating Profit	1,495		1,235		260	17.5
Operating Profit Margin	8.2		6.6		1.6 P	

[2nd Half]

	2 nd half FY Mar.2002		2 nd half FY Mar.2003		YoY	
	(Oct.2001-Mar.2002)		(Oct.2002-Mar.2003)		Change (JPY million)	(%)
	Amount (JPY million)	Share (%)	Amount (JPY million)	Share (%)		
Sales	18,569	14.6	19,455	16.4	886	4.8
Operating Profit	1,342		2,299		957	71.4
Operating Profit Margin	7.2		11.8		4.6 P	

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(4) Order Backlog (Outstanding)

	FY Mar.2002		FY Mar.2003		YoY	
	Amount (JPY million)	Amount (JPY million)	Amount (JPY million)	Amount (JPY million)	Change (JPY million)	(%)
System Development & System Application Sales	5,533	6,164	6,164	6,164	631	11.4
System Management & Operations	79,825	79,691	79,691	79,691	134	0.2
System Solution Service	85,358	85,855	85,855	85,855	497	0.6
Consulting & Knowledge Service	15,861	18,220	18,220	18,220	2,359	14.9
Total	101,219	104,075	104,075	104,075	2,856	2.8

(5) Subcontracting Costs

Subcontracting Costs by segment & Percentage in actual production

	FY Mar.2002 (Apr.2001-Mar.2002)		FY Mar.2003 (Apr.2002-Mar.2003)		YoY	
	Amount	Share	Amount	Share	Change	
	(JPY million)	(%)	(JPY million)	(%)	(JPY million)	(%)
System Development & System Application Sales	50,915	68.5	42,805	63.3	8,110	15.9
System Management & Operations	21,250	32.7	22,211	32.5	961	4.5
System Solution Service	72,165	51.8	65,016	47.8	7,149	9.9
Consulting & Knowledge Service	10,052	39.2	9,237	34.9	815	8.1
Total	82,217	49.8	74,253	45.7	7,964	9.7

* Subcontracting costs to China & Percentage in total subcontracting costs

	FY Mar.2002 (Apr.2001-Mar.2002)		FY Mar.2003 (Apr.2002-Mar.2003)		YoY	
	Amount	Share	Amount	Share	Change	
	(JPY million)	(%)	(JPY million)	(%)	(JPY million)	(%)
Partner Companies in China	394	0.5	2,061	2.8	1,667	423.8

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(6) Cash Flow

	FY Mar.2002	FY Mar.2003	YoY	
	(Apr.2001-Mar.2002)	(Apr.2002-Mar.2003)	Change	(%)
	Amount	Amount	(JPY million)	
	(JPY million)	(JPY million)		
Operating activities	17,293	14,612	2,681	15.5
Investing activities	24,737	18,995	5,742	23.2
Financing activities	17,975	1,504	19,479	-
Net increase in cash and cash equivalents	11,080	6,443	17,523	-
Cash and cash equivalents at the year ended	95,203	88,760	6,443	6.8

(7) Capital Expenditure

	FY Mar.2002	FY Mar.2003	YoY	
	(Apr.2001-Mar.2002)	(Apr.2002-Mar.2003)	Change	(%)
	Amount	Amount	(JPY million)	
	(JPY million)	(JPY million)		
Tangible	6,757	4,377	2,380	35.2
Intangible	15,970	16,079	109	0.7
Total	22,727	20,456	2,271	10.0

(8) Depreciation & Amortization

	FY Mar.2002	FY Mar.2003	YoY	
	(Apr.2001-Mar.2002)	(Apr.2002-Mar.2003)	Change	(%)
	Amount	Amount	(JPY million)	
	(JPY million)	(JPY million)		
Tangible	5,570	5,336	234	4.2
Intangible	6,850	7,908	1,058	15.5
Total	12,420	13,244	824	6.6

(9) R&D expenditure

	FY Mar.2002	FY Mar.2003	YoY	
	(Apr.2001-Mar.2002)	(Apr.2002-Mar.2003)	Change	(%)
	Amount	Amount	(JPY million)	
	(JPY million)	(JPY million)		
System Solution Service	2,216	1,663	553	25.0
Consulting & Knowledge Service	836	846	10	1.1
Total	3,052	2,509	543	17.8

II. FY March 2004 Financial Results Forecasts (Consolidated)

(1) Highlights

	FY Mar.2003 (Results)	FY Mar.2004 (Forecasts)	YoY	
	Amount (JPY billion)	Amount (JPY billion)	Change (JPY billion)	(%)
Sales	232.7	245.0	12.3	5.3
Operating Profit	27.2	28.0	0.8	3.1
Net Income	15.5	16.0	0.5	3.5
Operating Profit Margin	11.7%	11.4%	0.3 P	
EPS	JPY337.26	JPY349.27	JPY12.01	3.6

[1st Half]

	1 st half FY Mar.2003 (Results)	1 st half FY Mar.2004 (Forecasts)	YoY	
	Amount (JPY billion)	Amount (JPY billion)	Change (JPY billion)	(%)
Sales	113.8	112.0	1.8	1.6
Operating Profit	13.1	11.0	2.1	16.5
Net Income	7.9	6.2	1.7	21.5
Operating Profit Margin	11.6%	9.8%	1.8 P	

[2nd Half]

	2 nd half FY Mar.2003 (Results)	2 nd half FY Mar.2004 (Forecasts)	YoY	
	Amount (JPY billion)	Amount (JPY billion)	Change (JPY billion)	(%)
Sales	118.9	133.0	14.1	11.8
Operating Profit	14.1	17.0	2.9	21.6
Net Income	7.6	9.8	2.2	29.6
Operating Profit Margin	11.8%	12.8%	1.0 P	

. FY March 2004 Financial Results Forecasts(Consolidated)

(2) Sales by sector

	FY Mar.2003 (Results)		FY Mar.2004 (Forecasts)		YoY	
	Amount (JPY billion)	Share (%)	Amount (JPY billion)	Share (%)	Change (JPY billion)	(%)
Financial sector	125.3	53.8	132.0	53.8	6.7	5.4
Distribution sector	41.7	17.9	45.0	18.4	3.3	7.9
Other private sector	47.1	20.3	48.0	19.6	0.9	1.8
Public sector	18.6	8.0	20.0	8.2	1.4	7.3
Total	232.7	100.0	245.0	100.0	12.3	5.3

[1st Half]

	1 st half FY Mar.2003 (Results)		1 st half FY Mar.2004 (Forecasts)		YoY	
	Amount (JPY billion)	Share (%)	Amount (JPY billion)	Share (%)	Amount (JPY billion)	(%)
Financial sector	62.2	54.6	59.0	52.8	3.2	5.1
Distribution sector	20.8	18.3	22.0	19.6	1.2	5.7
Other private sector	22.5	19.8	22.0	19.6	0.5	2.2
Public	8.3	7.3	9.0	8.0	0.7	8.2
Total	113.8	100.0	112.0	100.0	1.8	1.6

[2nd Half]

	2 nd half FY Mar.2003 (Results)		2 nd half FY Mar.2004 (Forecasts)		YoY	
	Amount (JPY billion)	Share (%)	Amount (JPY billion)	Share (%)	Amount (JPY billion)	(%)
Financial sector	63.1	53.1	73.0	54.9	9.9	15.7
Distribution sector	20.9	17.5	23.0	17.3	2.1	10.2
Other private sector	24.6	20.7	26.0	19.5	1.4	5.5
Public	10.3	8.7	11.0	8.3	0.7	6.6
Total	118.9	100.0	133.0	100.0	14.1	11.8

. FY March 2004 Financial Results Forecasts(Consolidated)

(3) Sales and Operating Profit by segment

	FY Mar.2003 (Results)		FY Mar.2004 (Forecasts)		YoY	
	Amount (JPY billion)	Share (%)	Amount (JPY billion)	Share (%)	Change (JPY billion)	(%)
System Development & System Application Sales	83.1	35.7	92.0	37.6	8.9	10.8
System Management & Operations	90.2	38.8	95.0	38.8	4.8	5.3
Product Sales	21.2	9.1	17.0	6.9	4.2	19.8
System Solution Service	194.5	83.6	204.0	83.3	9.5	4.9
Consulting& Knowledge Service	38.2	16.4	41.0	16.7	2.8	7.1
Total	232.7	100.0	245.0	100.0	12.3	5.3

[1st Half]

	1 st half FY Mar.2003 (Results)		1 st half FY Mar.2004 (Forecasts)		YoY	
	Amount (JPY billion)	Share (%)	Amount (JPY billion)	Share (%)	Change (JPY billion)	(%)
System Development & System Application Sales	39.7	34.9	38.5	34.4	1.2	2.9
System Management & Operations	44.8	39.4	45.5	40.6	0.7	1.5
Product Sales	10.5	9.2	8.0	7.1	2.5	23.7
System Solution Service	95.0	83.5	92.0	82.1	3.0	3.1
Consulting& Knowledge Service	18.8	16.5	20.0	17.9	1.2	6.3
Total	113.8	100.0	112.0	100.0	1.8	1.6

[2nd Half]

	2 nd half FY Mar.2003 (Results)		2 nd half FY Mar.2004 (Forecasts)		YoY	
	Amount (JPY billion)	Share (%)	Amount (JPY billion)	Share (%)	Change (JPY billion)	(%)
System Development & System Application Sales	43.4	36.4	53.5	40.2	10.1	23.3
System Management & Operations	45.4	38.2	49.5	37.2	4.1	9.0
Product Sales	10.7	9.0	9.0	6.8	1.7	15.9
System Solution Service	99.5	83.6	112.0	84.2	12.5	12.5
Consulting& Knowledge Service	19.4	16.4	21.0	15.8	1.6	7.9
Total	118.9	100.0	133.0	100.0	14.1	11.8

. FY March 2004 Financial Results Forecasts(Consolidated)

(4) Capital Expenditure

	FY Mar.2003 (Results)	FY Mar.2004 (Forecasts)	YoY	
	Amount (JPY billion)	Amount (JPY billion)	Change (JPY billion)	(%)
Tangible	4.4	14.8	10.4	238.1
Intangible	16.1	10.8	5.3	32.8
Total	20.5	25.6	5.1	25.1

* Osaka Data Center is to be re-acquired in FY Mar.2004.

(5) Depreciation & Amortization

	FY Mar.2003 (Results)	FY Mar.2004 (Forecasts)	YoY	
	Amount (JPY billion)	Amount (JPY billion)	Change (JPY billion)	(%)
Total	13.2	19.5	6.3	47.3

(6) R&D expenditure

	FY Mar.2003 (Results)	FY Mar.2004 (Forecasts)	YoY	
	Amount (JPY billion)	Amount (JPY billion)	Change (JPY billion)	(%)
Total	2.5	2.9	0.4	13.6