

Financial Results

For the year ended 31st March, 2003

Akihisa Fujinuma, President, CEO&COO

Nomura Research Institute, Ltd.

April 28, 2003

Highlights of Consolidated Results

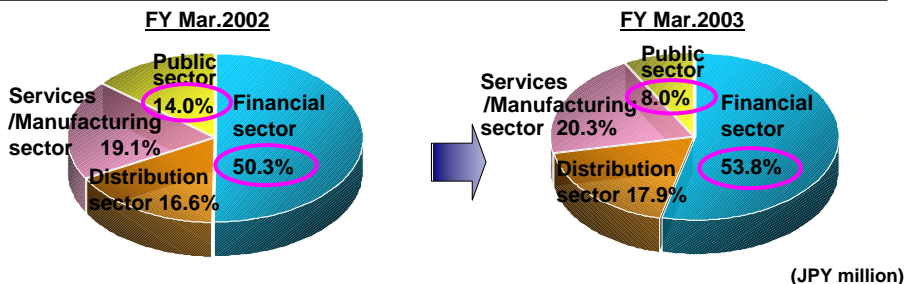


(JPY million)

	FY Mar.2002	FY Mar.2003	
			YoY change
Sales	236,569	232,744 (230,000)	- 1.6% (+ 1.2%)
Operating Profit	30,365	27,164 (27,000)	- 10.5% (+ 0.6%)
Net Income	22,364	15,459 (15,600)	- 30.9% (- 0.9%)
Operating Profit Margin	12.8%	11.7% (11.7%)	- 1.1P

Note: Figures in parentheses indicate earnings estimates announced on Mar.7,2003.

Composition of Sales by Sector



	FY Mar.2002		FY Mar.2003		YoY	
		share		share		Change in
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. This method was applied retroactively to FY Mar.2002.

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

3

Sales by Product Services

(JPY million)

	FY Mar.2002		FY Mar.2003		
		share		share	YoY change
System solution	199,758	84.4%	194,469	83.6%	- 2.6%
System development & System applications sales	93,649	39.6%	83,062	35.7%	- 11.3%
System management & Operations	86,904	36.7%	90,218	38.8%	3.8%
Product sales	19,205	8.1%	21,189	9.1%	10.3%
Consulting/knowledge	36,811	15.6%	38,275	16.4%	4.0%
Total	236,569	100.0%	232,744	100.0%	- 1.6%

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

4

Cash Flow Highlights

(JPY million)

	FY Mar.2002	FY Mar.2003	
			YoY Change
Cash and cash equivalents at the beginning of fiscal year	84,123	95,203	11,080
Operating activities	17,293	14,612	- 2,681
Investing activities	- 24,737	- 18,995	5,742
Financing activities	17,975	- 1,504	- 19,479
Effect of currency rate exchanges on cash and cash equivalents	549	- 556	- 1,105
Cash and equivalents at the end of fiscal year	95,203	88,760	- 6,443

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

5

Financial Results Forecast for fiscal year ended March 2004

Highlights of Forecast

(JPY billion)

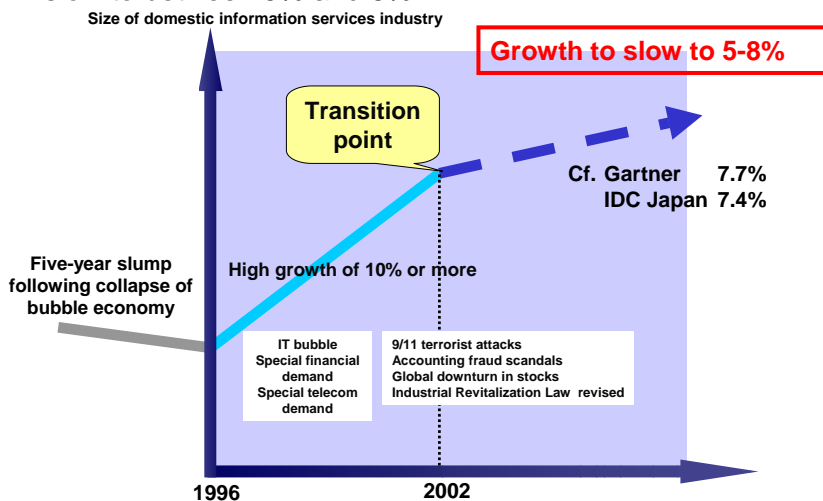
	FY Mar. 2003 results	FY Mar. 2004 forecast	
			YoY change
Sales	232.7	245.0	5.3%
Operating profit	27.2	28.0	3.1%
Net income	15.5	16.0	3.5%
Operating profit Margin	11.7%	11.4%	- 0.3P
EPS	JPY 337.26	JPY 349.27	3.6%

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

7

Business Environment

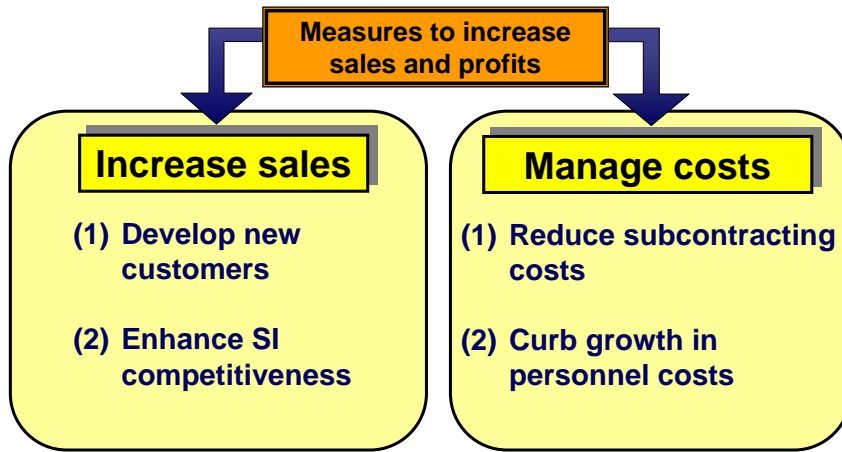
- Medium to long-term growth in the information services industry to slow to between 5% and 8%



These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

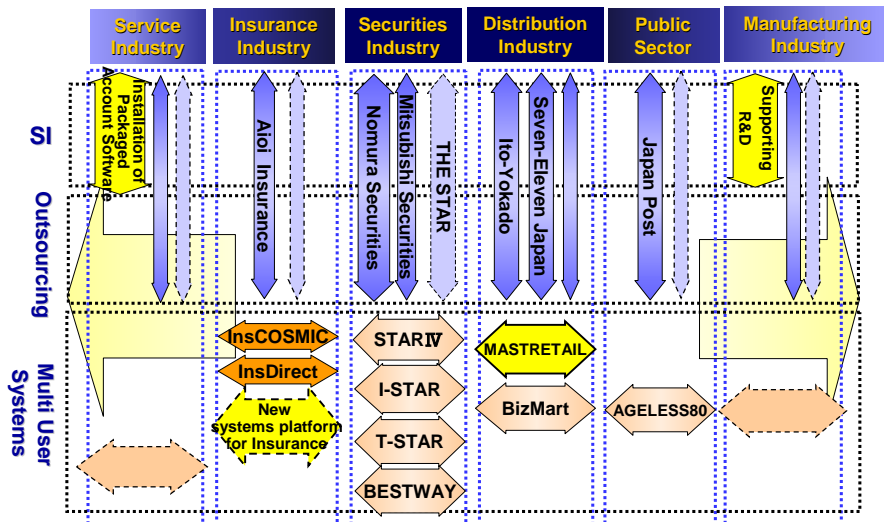
8

- Target sales of JPY245.0 billion and operating profit of JPY28.0 billion



These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

(1) Develop New Customers: developments of solution



These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

(1) Develop New Customers:
Focused Areas

Securities firms

- THE STAR

Insurance companies

- New insurance platform

Distribution companies

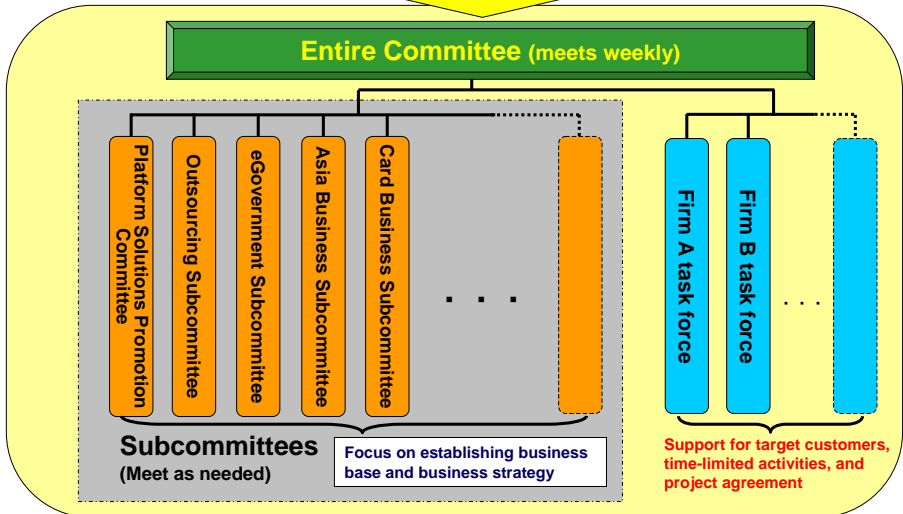
- SI using NRI packages (MASTRETAIL, etc.)

Service companies

- Consulting for implementing packaged software (SCM, accounting, etc.)

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

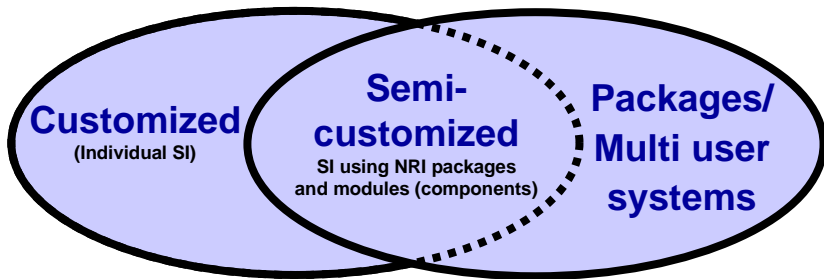
(1) Develop New Customers:
Establish Business Development Committee



These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

**(2) Enhance SI Competitiveness:
Expand Product Lineup**

Approach from upstream processes
Proposals from customers' business restructuring (cut total costs)

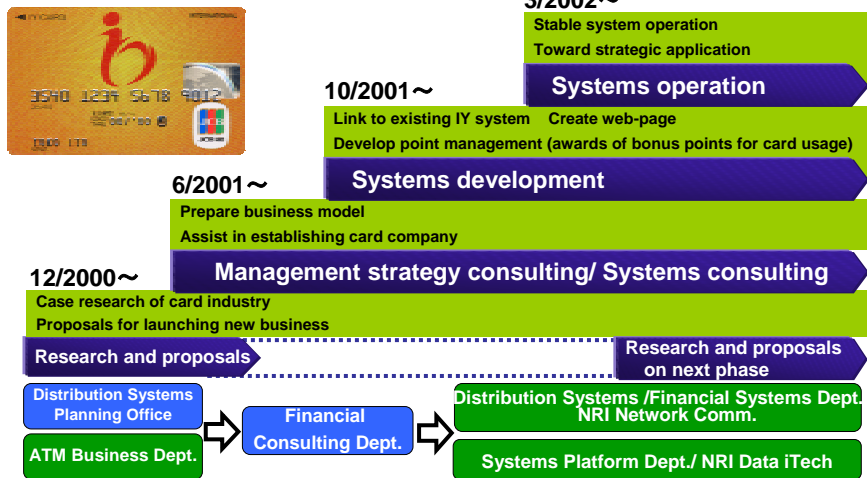


Premium route + Expand product lineup

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

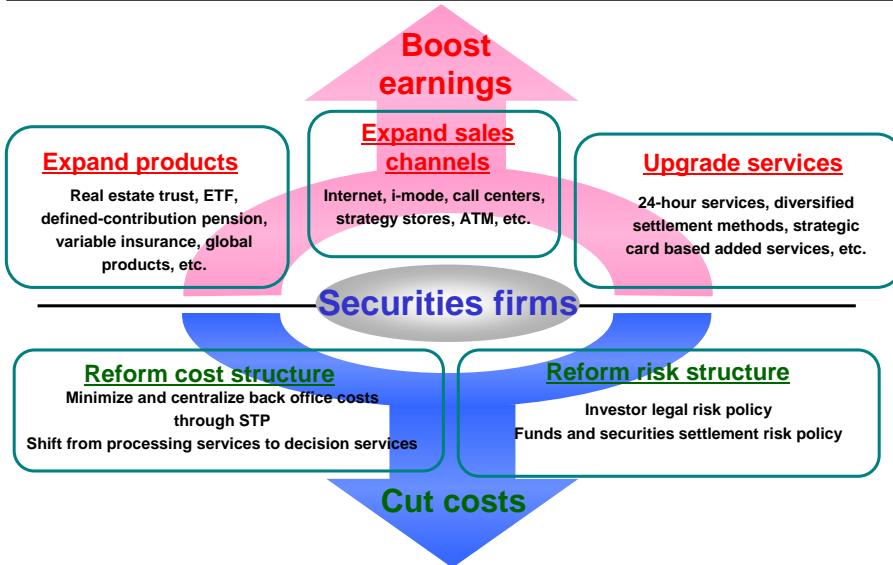
**(2) Enhance SI Competitiveness:
Total solutions**

Total solutions from consulting to development to operation



These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

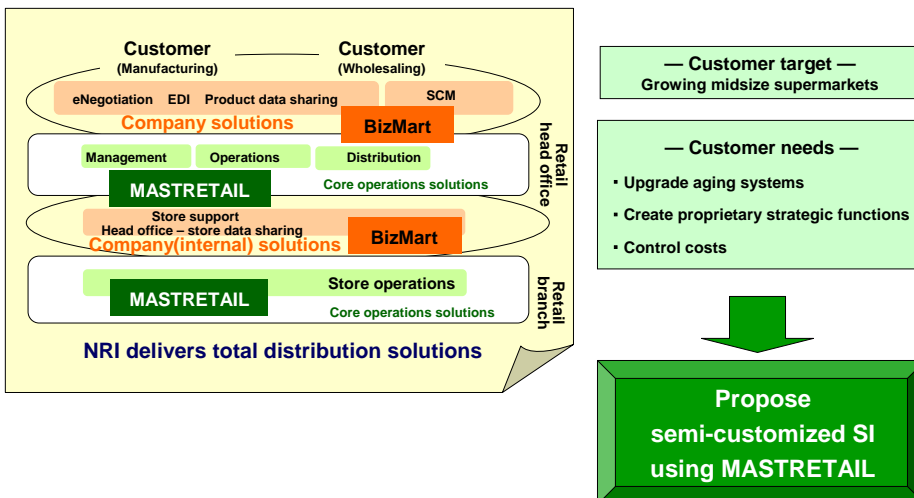
(2) Enhance SI Competitiveness: Deploy THE STAR



These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

15

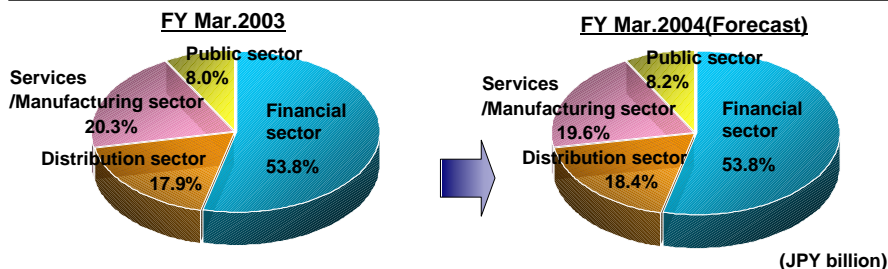
(2) Enhance SI Competitiveness: Use NRI Packages



These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

16

Sales forecasts by sector



	FY Mar. 2003 results		FY Mar. 2004 forecasts		
		share		share	YoY change
Financial sector	125.3	53.8%	132.0	53.8%	5.4%
Distribution sector	41.7	17.9%	45.0	18.4%	7.9%
Other private sector	47.1	20.3%	48.0	19.6%	1.8%
Public sector	18.6	8.0%	20.0	8.2%	7.3%
Total	232.7	100.0%	245.0	100.0%	5.3%

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

17

Sales forecasts by Product Services

(JPY billion)

	FY Mar. 2003 results		Mar. 2004 forecasts		
		share		share	YoY change
System solution	194.5	83.6%	204.0	83.3%	4.9%
System development & System applications sales	83.1	35.7%	92.0	37.6%	10.8%
System management & Operations	90.2	38.8%	95.0	38.8%	5.3%
Product sales	21.2	9.1%	17.0	6.9%	-19.8%
Consulting/knowledge	38.2	16.4%	41.0	16.7%	7.1%
Total	232.7	100.0%	245.0	100.0%	5.3%

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

18

Reform Cost Structure to Achieve Earnings Growth

FY Mar.2004 Consolidated Earnings Model

- Sales of JPY245.0 billion and operating profit of JPY28.0 billion (JPY billion)

	FY Mar.2003	FY Mar. 2004	YoY change
Sales	232.7	245.0	+12.3
Cost of goods sold	173.5	183.0	+9.5
Subcontracting costs <small>Note</small>	74.5	71.5	- 3.0
Personnel <small>Note</small>	42.0	44.5	+2.5
Depreciation <small>Note</small>	12.5	19.0	+6.5
Other expenses <small>Note</small>	44.5	48.0	+3.5
Gross profit on sales	59.1	62.0	+2.8
Gross profit margin	25.4%	25.3%	- 0.1P
SG&A expenses	32.0	34.0	+2.0
Operating profit	27.2	28.0	+0.8
Operating profit margin	11.7%	11.4%	- 0.3P

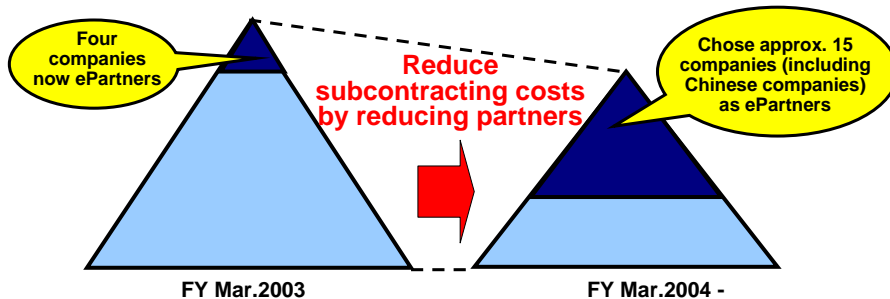
Note: Figures are consolidated estimates for preparing this earnings model.

(1) Reduce Subcontracting Costs

Measure 1: Moderate unit costs

Measure 2: Reduce partnering companies

ePartners: Raise productivity through centralization and skill enhancement



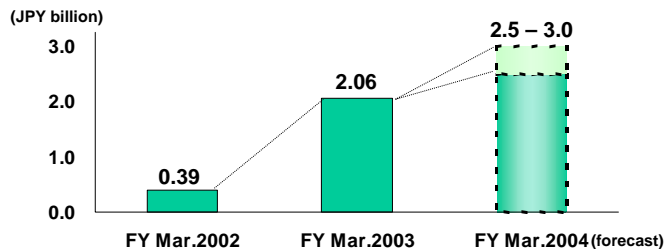
These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

21

(1) Reduce Subcontracting Costs

Measure 3: Promote offshore development in China

- Orders placed for offshore development in China



Measure 4: Promote standardization and proceduralization

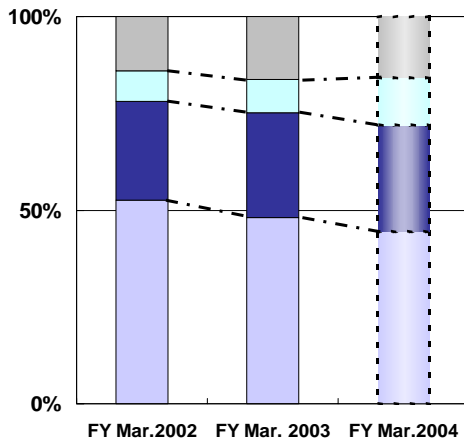
- Use management enhancement tools

Measure 5: Strengthen estimate screening

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

22

(2) Curb Growth in Personnel Costs



FY Mar. 2004 estimates

Personnel costs +6.3%

(Contributing factors)	
Increase in personnel	+5.9%
Promotions*	+2.7%
Performance	-2.3%

* Net including demotions
Eliminated regular promotions in mid-1990s

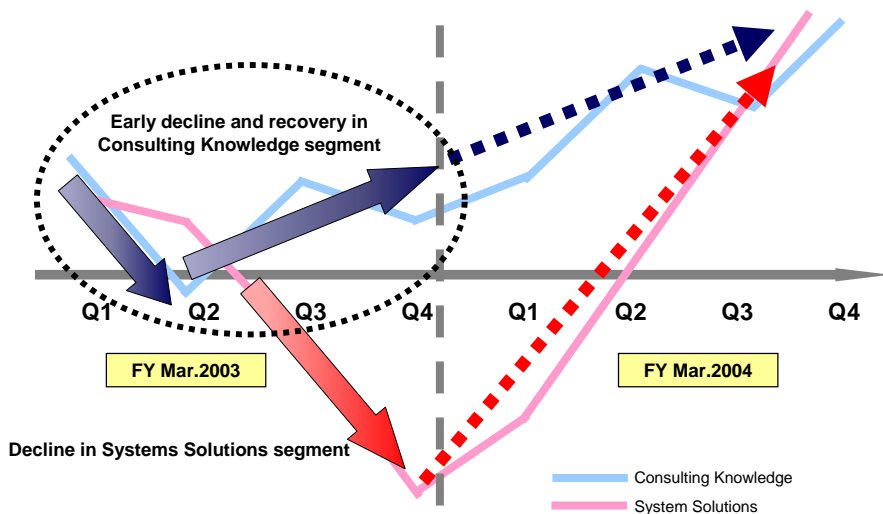
Legend: ■ Subcontracting ■ Personnel ■ Depreciation ■ Other expenses

Note: Excluding product sales

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

23

Business Outlook & Future Indicators



These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

24

Order Backlog (Outstanding)

(Unit: JPY million)

	FY Mar.2002	FY Mar.2003		
			Change	YoY Change
System solution	85,358	85,855	497	0.6%
System Development & System Applications sales	5,533	6,164	631	11.4%
System Management & Operations	79,825	79,691	- 134	- 0.2%
Consulting/knowledge	15,861	18,220	2,359	14.9%
Total	101,219	104,075	2,856	2.8%

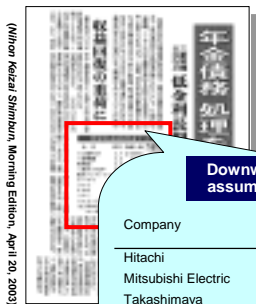
Note: Revenue arising from consulting projects and system development projects is recognized based on percentage-of-completion method.

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

25

Conservative Approach to Pension Liabilities **NRI** Division of the Institute Nomura Research Institute

■ Trends at leading companies



Downward revisions of assumed interest rates

Company	Previous	Revised	Increase in pension liability
Hitachi	3.7	Low-3%	2,500
Mitsubishi Electric	3.5	3.0	500
Takashimaya	3.5	2.7	300
Mitsubishi Gas Chemical	3.5	2.5	33
Tokyo Electron	3.0	2.5	80
Eisai	3.0	2.5	100
Komatsu	2.8	2.3	40
TDK	2.5	2.0	190
Sony	2.4	= 2%	Unknown
Fanuc	2.3	= 1.5%	Unknown

(Note) Units: %, JPY100m; some revised rates are estimated; amounts of increase are estimated

■ NRI...

NRI has traditionally taken a conservative approach to pensions

Actuarial differences

Fully amortized in fiscal year incurred

Discount rate (Assumed interest rate)

2.3% → 2.1%
(FY Mar.2002) (FY Mar.2003)

Expected rate of return

1.5% (no change)

Established pension trust

Approx. JPY6.8 billion

(March 28, 2003)

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment. Copyright(C) Nomura Research Institute, Ltd.

26

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.