



Perspectives on Japanese SI Market

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Today's Presentation

■ SI Market in Japanese IT Industry

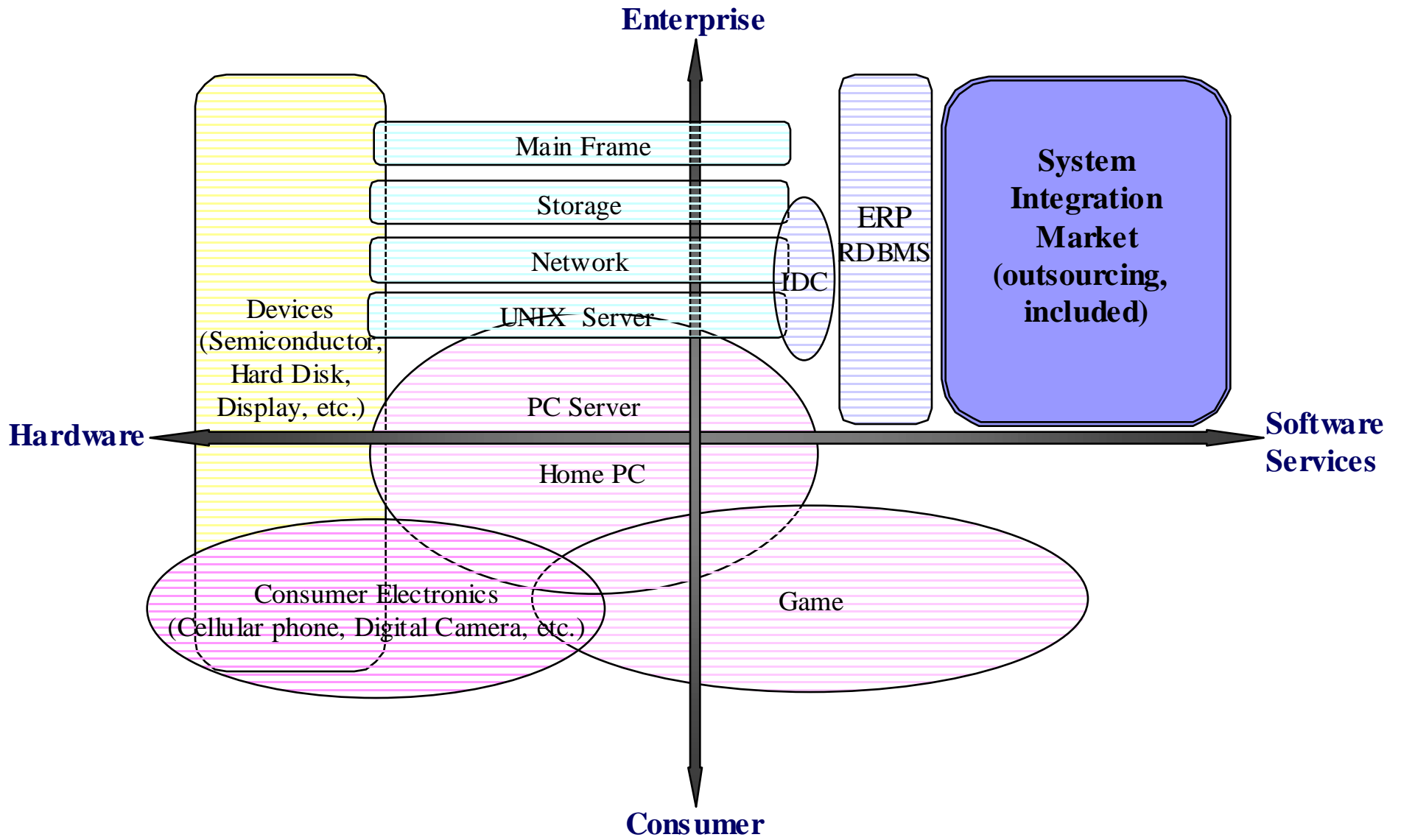
- (1) SI Market in IT Industry
- (2) Conceptual Framework of SI Market
- (3) Major SI Companies

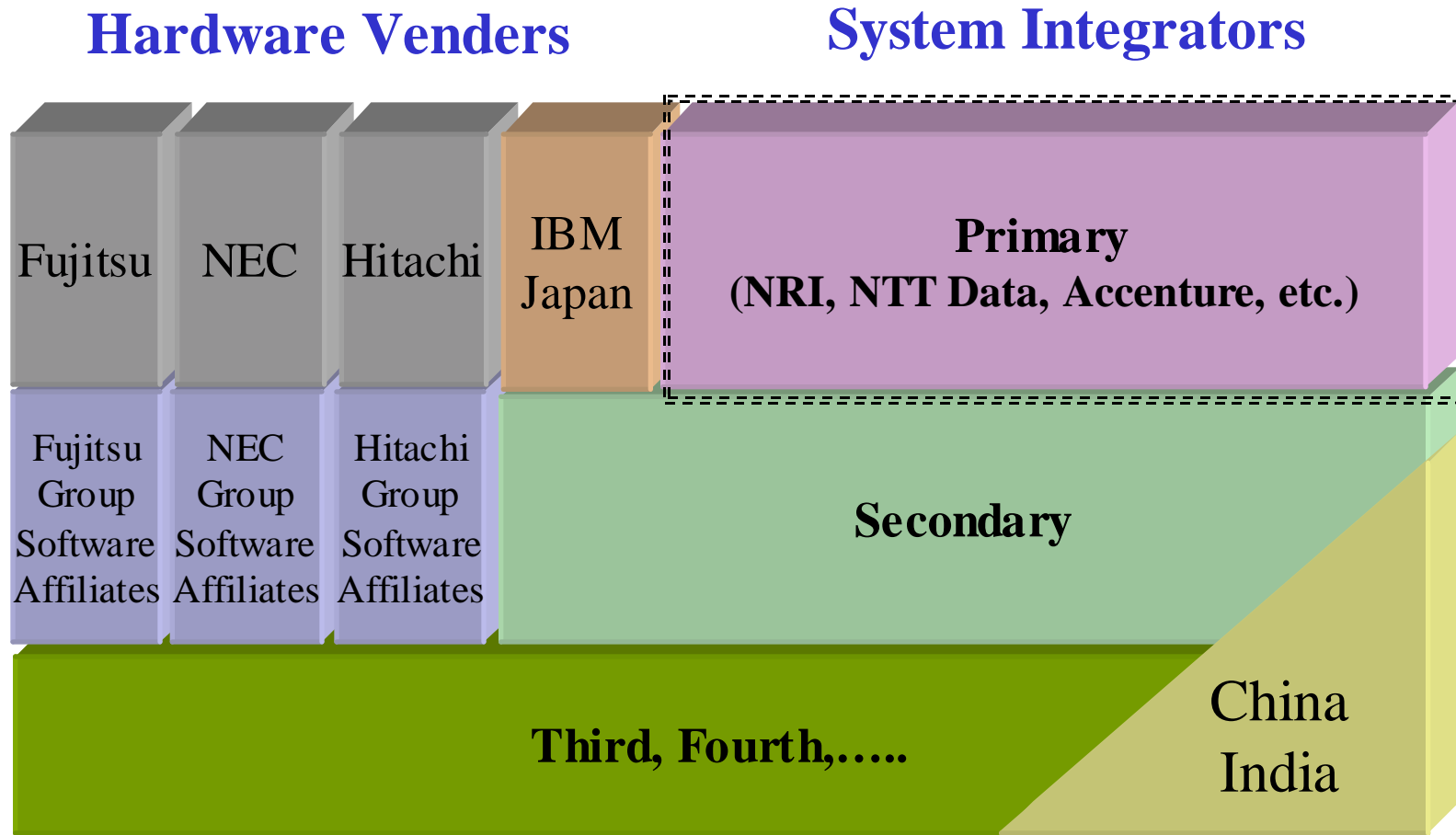
■ Collective Strength of NRI

- (1) Provider of “Total Solutions” Services
- (2) Highly Talented & Specialized Professionals
- (3) Two Business Models to Provide System Solutions
- (4) Navigating & Coordinating Client's Needs
- (5) System Design for Client's Business Growth
- (6) Technology: Reliability vs. Maturity
- (7) R&D Focused on the Future Clients' Needs
- (8) Strength in Platform Technologies
- (9) Utilizing External Resources

■ Focusing Business Areas

■ Strengthen Corporate Governance





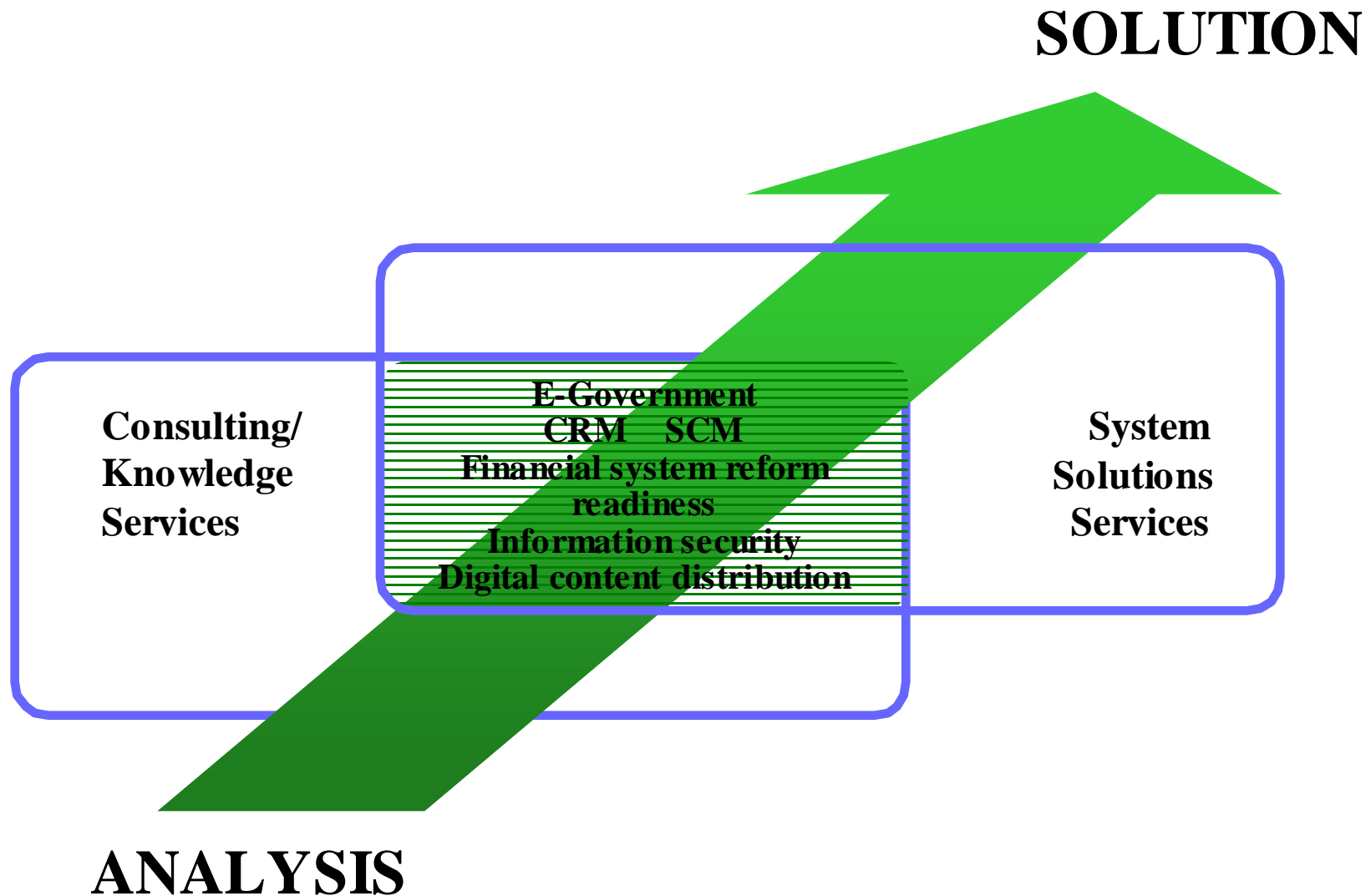
NRI Major SI Companies

Company	Market Capitalization	Mar.2003 Financial Results (JPY billion)					
	6/28/2002 (JPY billion)	Sales	Operating profit	Operating Margin(%)	Net income	ROA (%)	ROE (%)
Hitachi, Ltd. (Consolidated)	2,587	7,994	-117	-1.5	-484	-5.5	-18.7
Fujitsu, Ltd. (Consolidated)	1,674	5,007	-74	-1.5	-383	-3.2	-37.0
NEC Corp. (Consolidated)	1,381	5,101	-56	-1.1	-312	-9.4	-42.2
NTT Data Corp.	1,346	802	59	7.4	26	4.3	6.6
NRI	742	237	30	12.8	22	11.2	12.4
Oracle Corporation Japan *	655	88	32	36.3	18	31.6	24.8
Trend Micro Inc. **	443	31	9	30.3	2	17.5	8.5
CSK Corp.	319	424	15	3.6	14	1.5	15.8
Itochu Techno - Science Corp.	283	345	22	6.3	12	12.4	13.2
Hitachi Software Engineering Co.,Ltd.	267	207	13	6.5	7	7.2	6.5
Obic Co.,Ltd.	259	40	9	23.7	6	12.7	8.5
NEC Soft, Ltd.	259	93	9	9.7	4	13.1	11.5
Sumisho Computer Systems Corp.	196	69	8	11.6	4	11.7	7.0
Net One Systems Co.,Ltd.	183	80	7	8.9	4	12.7	12.8
Fuji Soft ABC	181	113	12	10.2	6	11.0	10.8
Hitachi Information Systems,Ltd.	167	140	8	5.6	5	8.1	8.2
Fujitsu Support and Service Inc.	161	222	11	5.0	5	8.5	11.1
Information Services Int'l - Dentsu,Ltd.	150	72	5	7.4	3	10.7	8.6
TIS Inc.	149	147	9	6.0	4	6.7	6.2
Nippon System Development Co.,Ltd.	116	42	7	16.8	3	17.2	12.1

*: May.2001 **: Dec.2001 : Package software vendor



Collective Strength of NRI Provider of “Total Solutions” services



NRI Collective Strength of NRI Highly Talented & Specialized Professionals

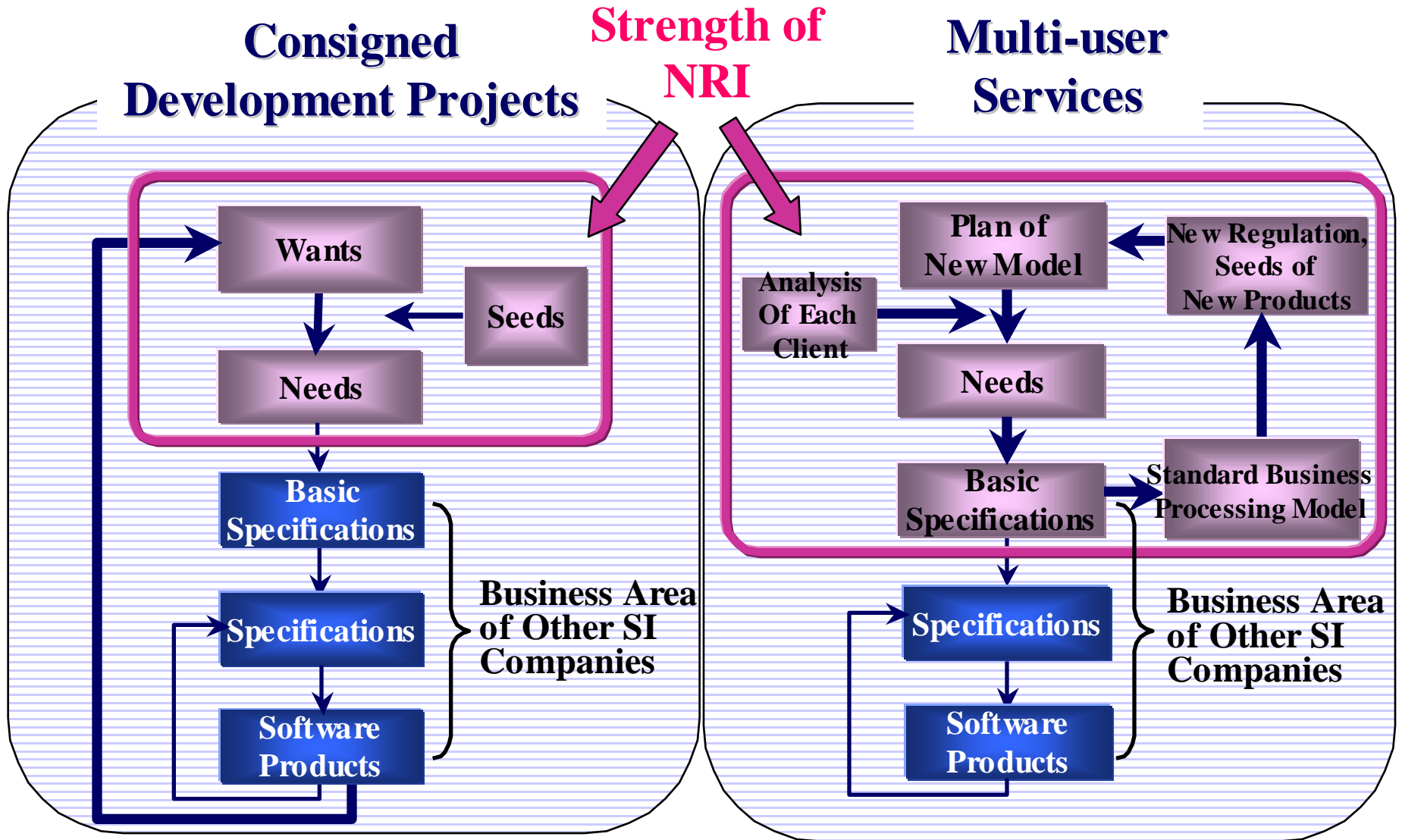
	NRI	NTT Data	Hitachi Software	TIS	Hitachi Information systems
System analysts	1	5	4	2	3
System inspectors	1	5	3	4	2
Project managers	2	5	3	1	4
Application engineers	1	5	2	4	3
System operators and managers	1	5	4	2	3
Network specialists	1	4	3	2	5
Top grade systems administrators	2	4	3	5	1
Database specialists	1	4	3	2	5

- (Note)
1. Ranking based on qualified staff as a % of total staff
 2. Parent basis, figures for the year up to March 2001
 3. Figures for qualified staff are disclosed by the companies. Figures for total staff from 'Shikiho'

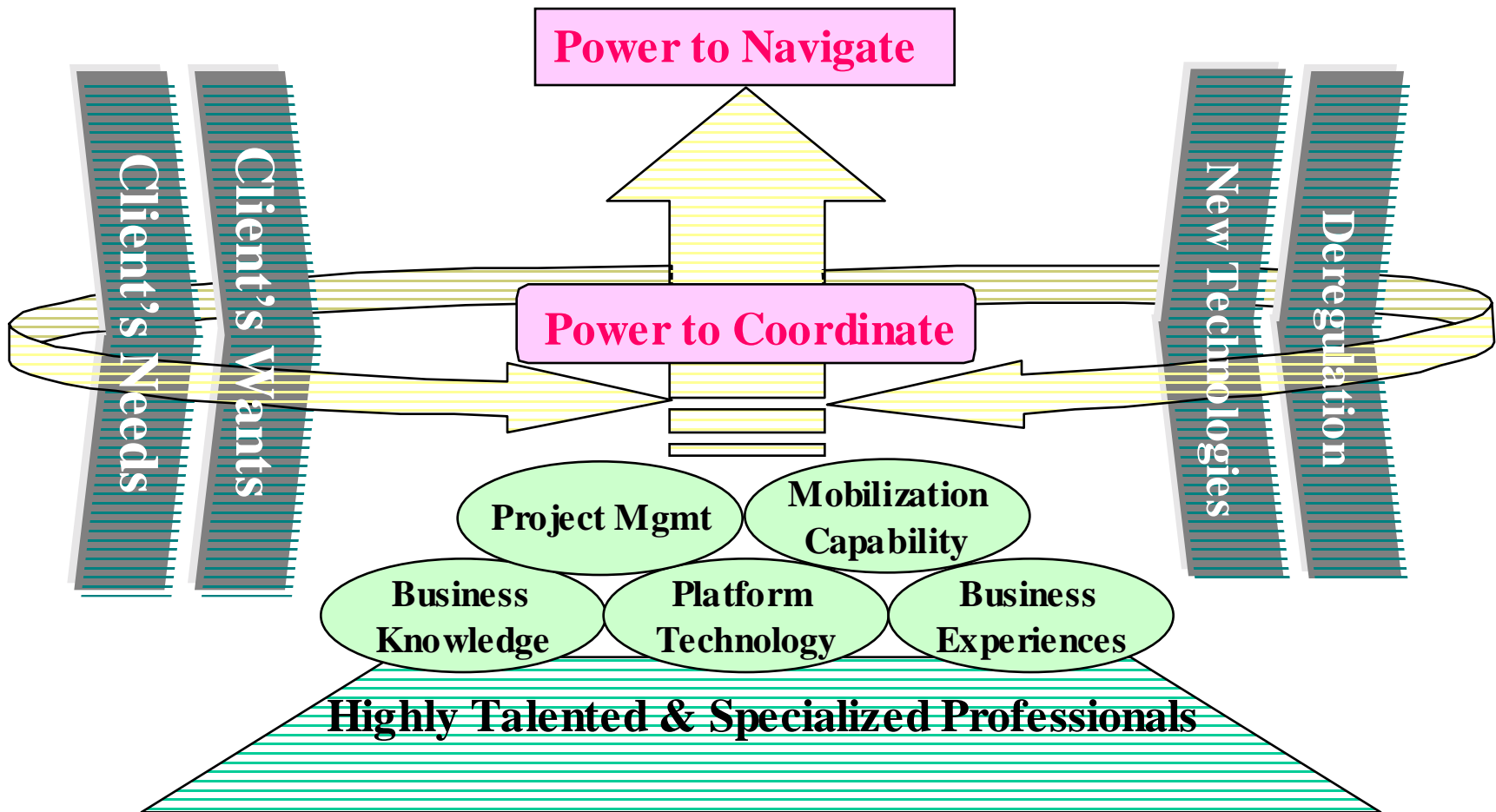


Collective Strength of NRI

Two Business Models to Provide System Solutions

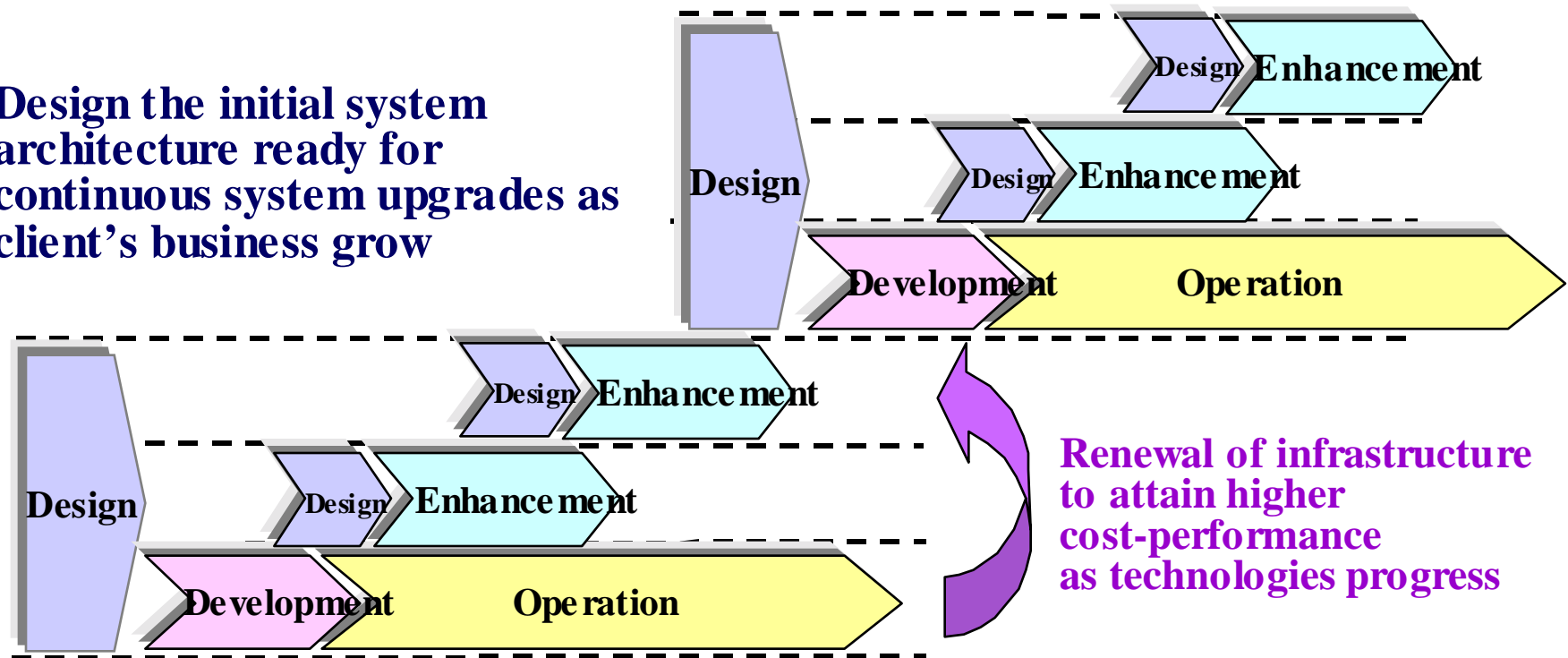


Providing 'Best' System Solution



NRI Collective Strength of NRI System Designed for Client's Business Growth

Design the initial system architecture ready for continuous system upgrades as client's business grow

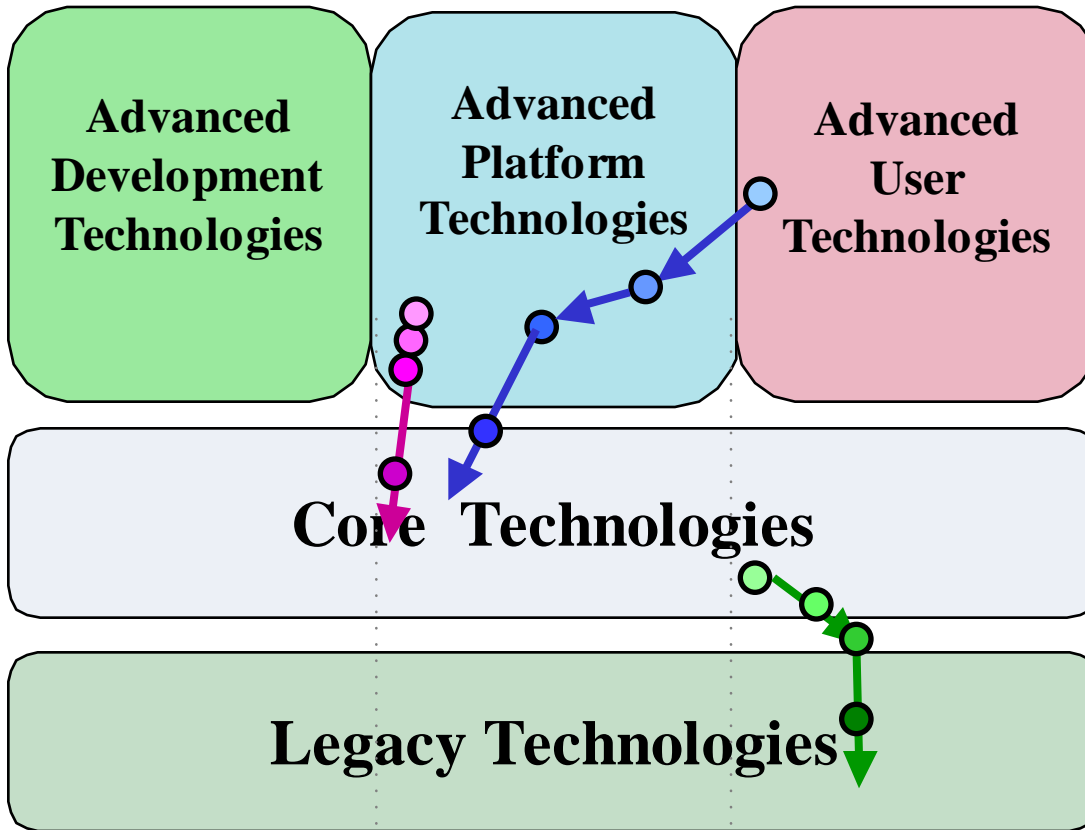




Collective Strength of NRI

Technology: Reliability vs. Cutting edge

Advanced technologies



Mature technologies

Development technologies

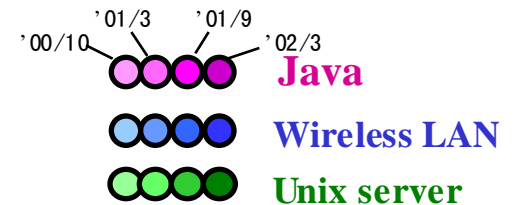
Platform technologies

User technologies

Research & evaluate new technologies



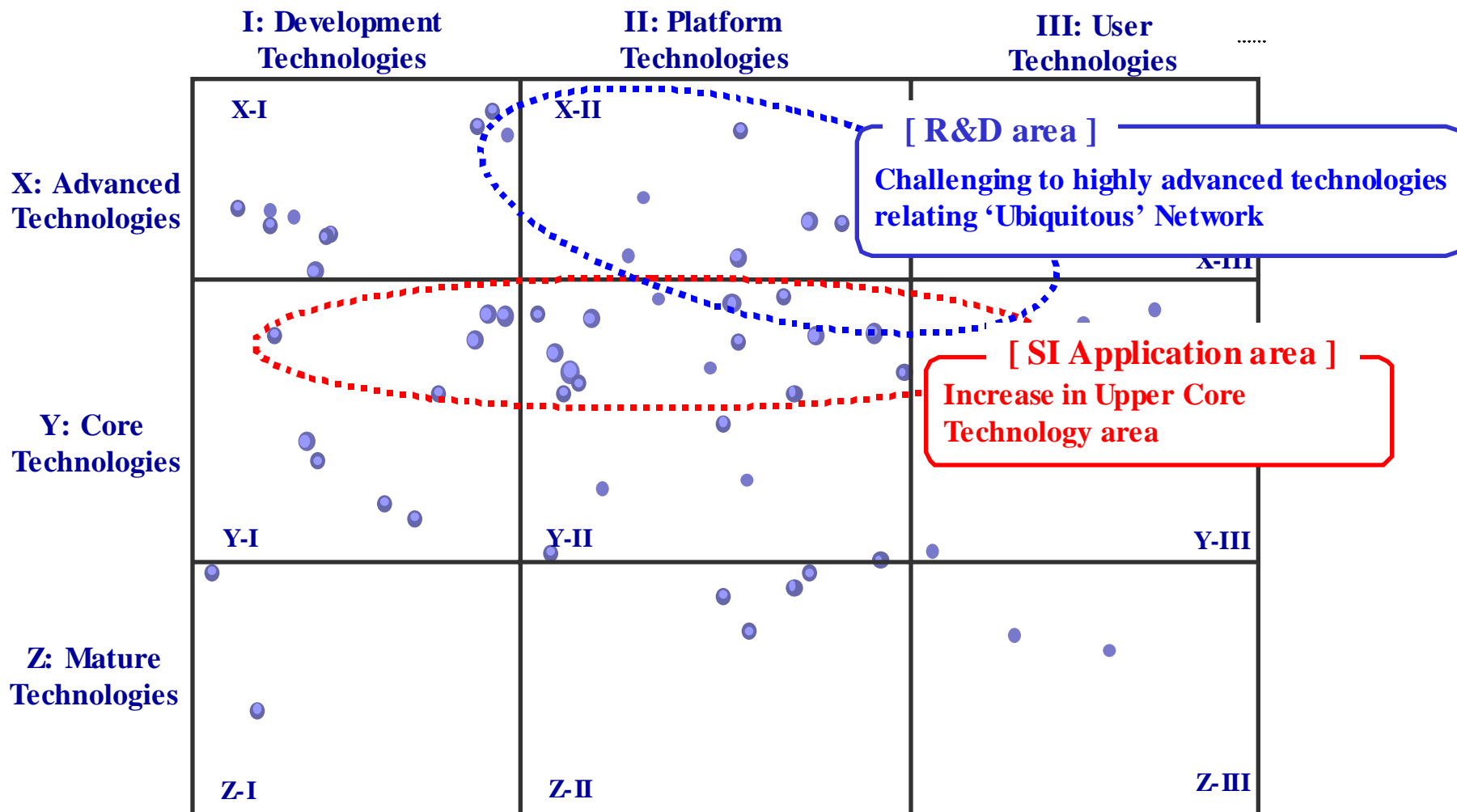
Introduce emerging and highly reliable Core technologies to our client's systems





Collective Strength of NRI

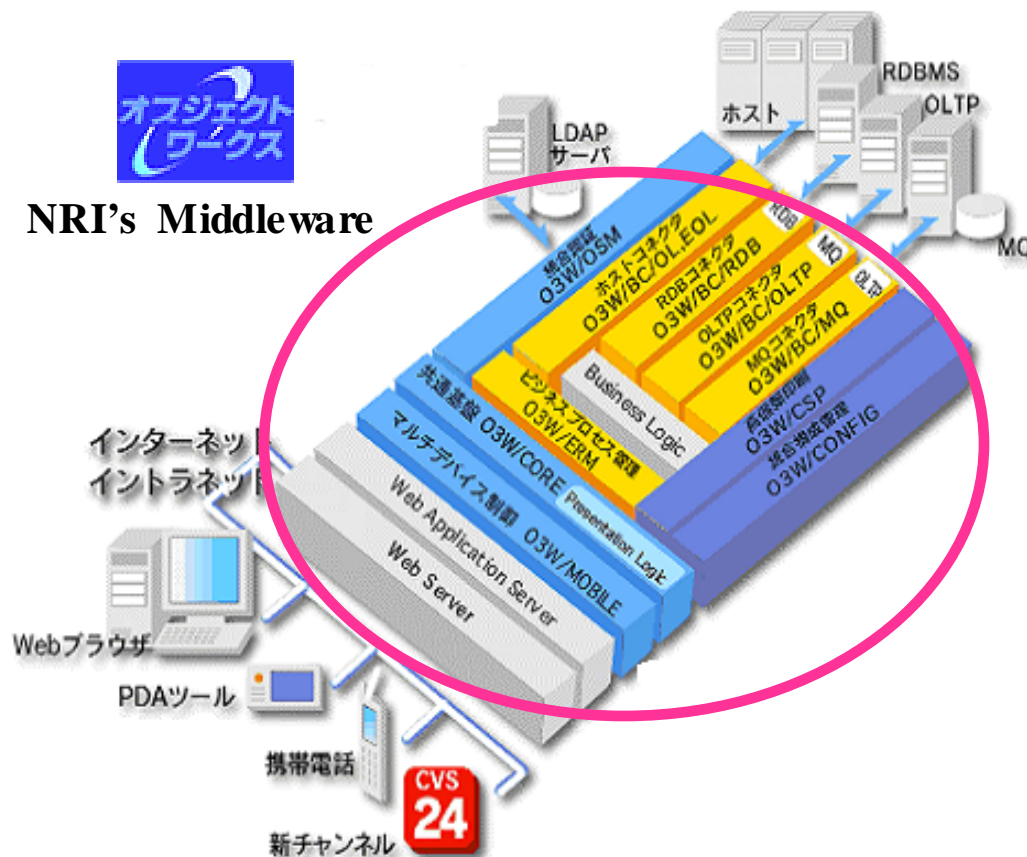
R&D Focused on the Future Clients' Needs



● Technology which NRI handled from September 2001 till February 2002



Collective Strength of NRI Strength in Platform Technologies



Framework required to improve system development capabilities

Handle multiple vendors

Respond quickly to new technologies

Guarantee reliability and connectivity

Develop “Object Works” as NRI middleware



Customizable to accommodate individual client's needs



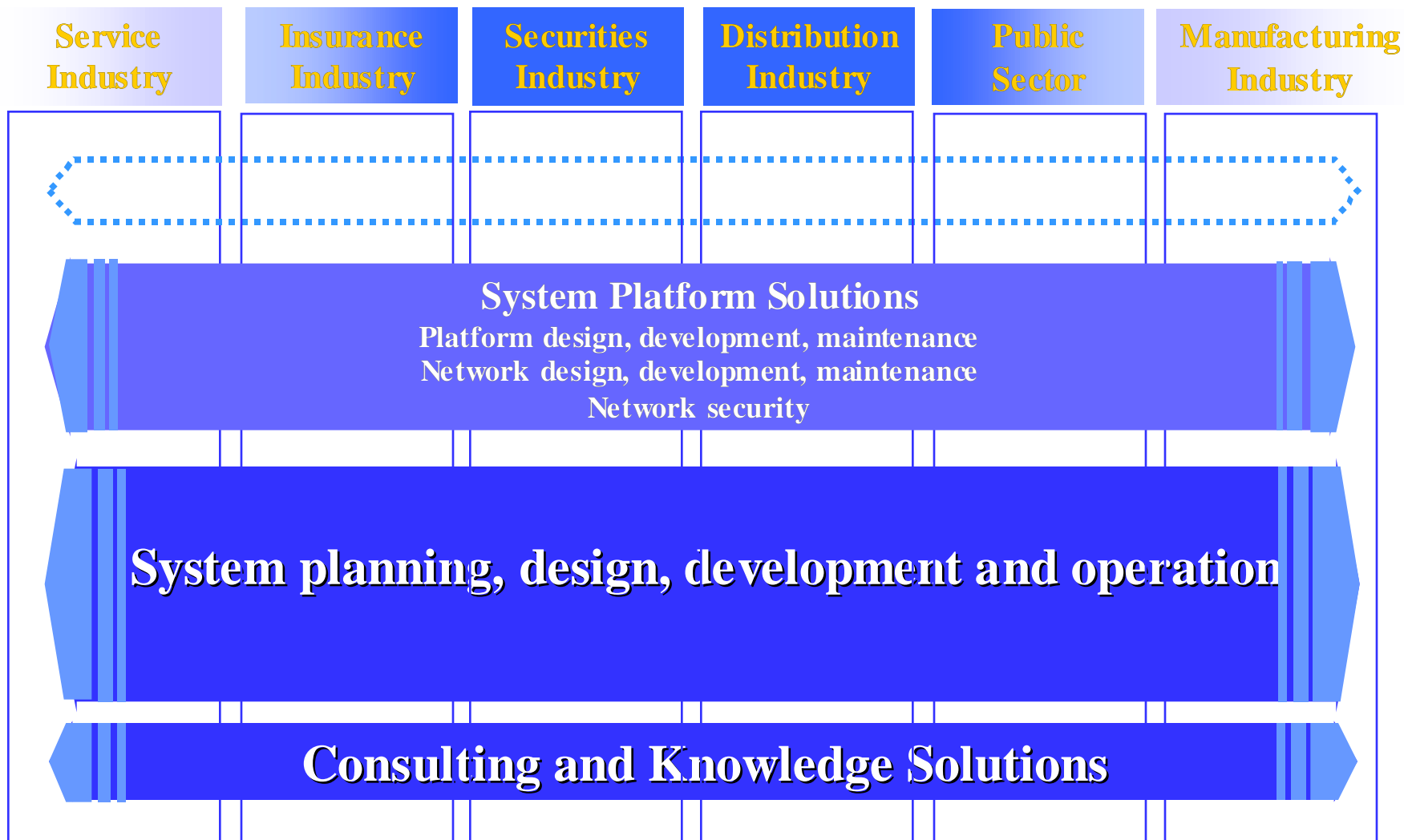
Collective Strength of NRI Utilizing External Resources

- **Re-organize subcontractors (approx. 300 companies with 6,000 employees) into the following groups:**
 - **Core partners**
 - **Technical specializations**

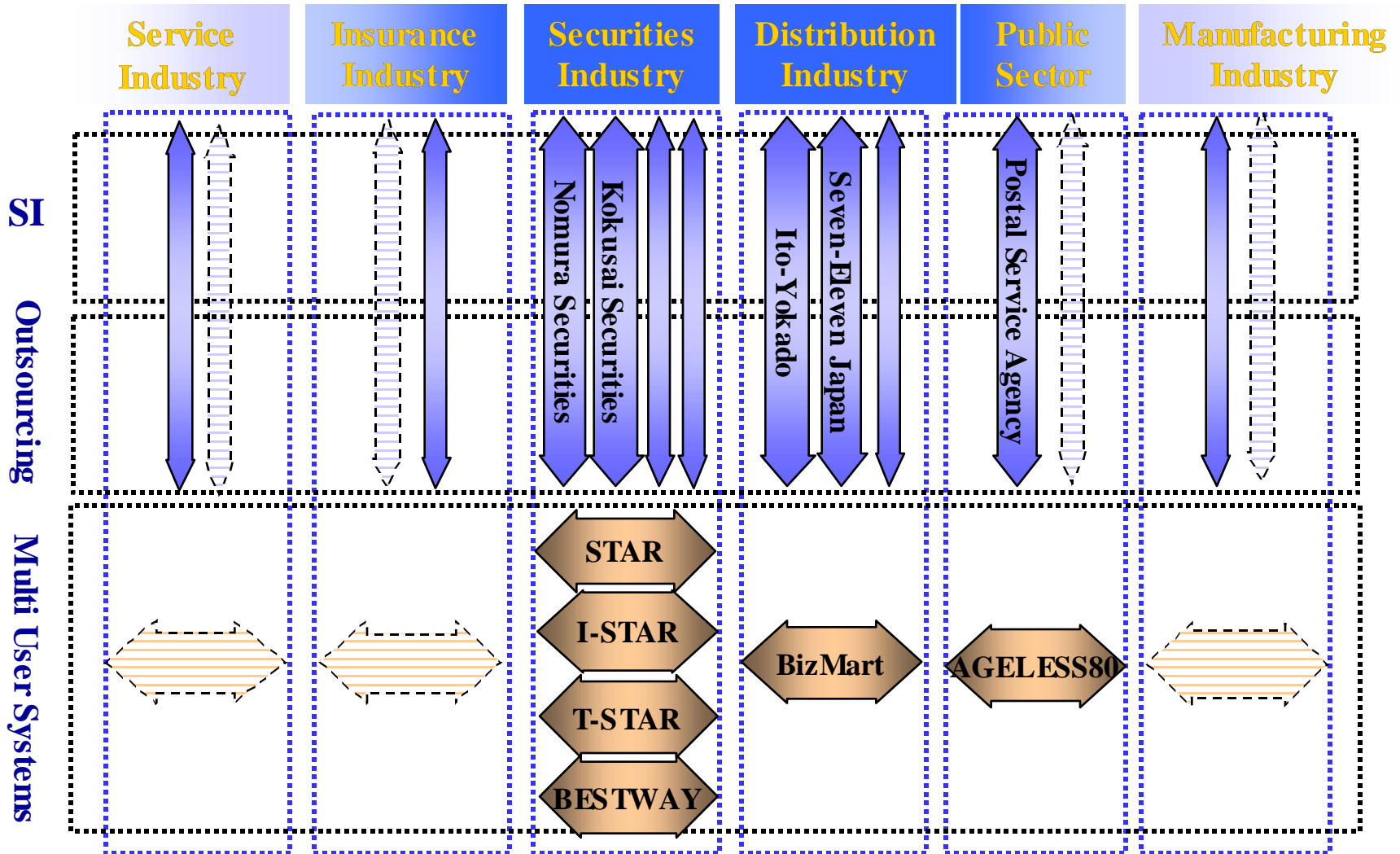
- **Utilize offshore development in China: Started up using “Bridge” teams**
 - **Five partner companies in China (Shanghai, Beijing, & Dalian)**
 - **Local development system : 230 professionals (March 2002)**
 - **Organizing “Bridge” teams with both NRI and local Chinese companies employing systems engineers (SEs) fluent in both Japanese and Chinese.**



Focusing Business Areas



Focusing Business Areas



NRI Strengthen Corporate Governance

■ Reorganize Board of Directors

Reduce number of directors : 23 => 14 directors

Shorten term of directors : 2 => 1 year

Introduce executive officer system : Separate management and execution

**Appoint outside director : Mr. Kunio Takeda
(President, Takeda Chemical Industries,Ltd.)**

■ Strengthen Board of Corporate Auditors

Establish Office of Auditors

**Appoint outside corporate auditor : Mr. Hiroshi Izumitani
(Executive Vice President, Murata Manufacturing Co.,Ltd.)**