



Financial Results

for the year ended 31st March, 2002

Nomura Research Institute, Ltd.



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.



P/L Highlight (Comparison to FY2002 forecast)

(Unit: JPY billion)

	Forecast	Actual	Diff.
Sales	235.0	236.5	+1.5
Operating profit	29.5	30.3	+0.8
Net income	21.5	22.3	+0.8

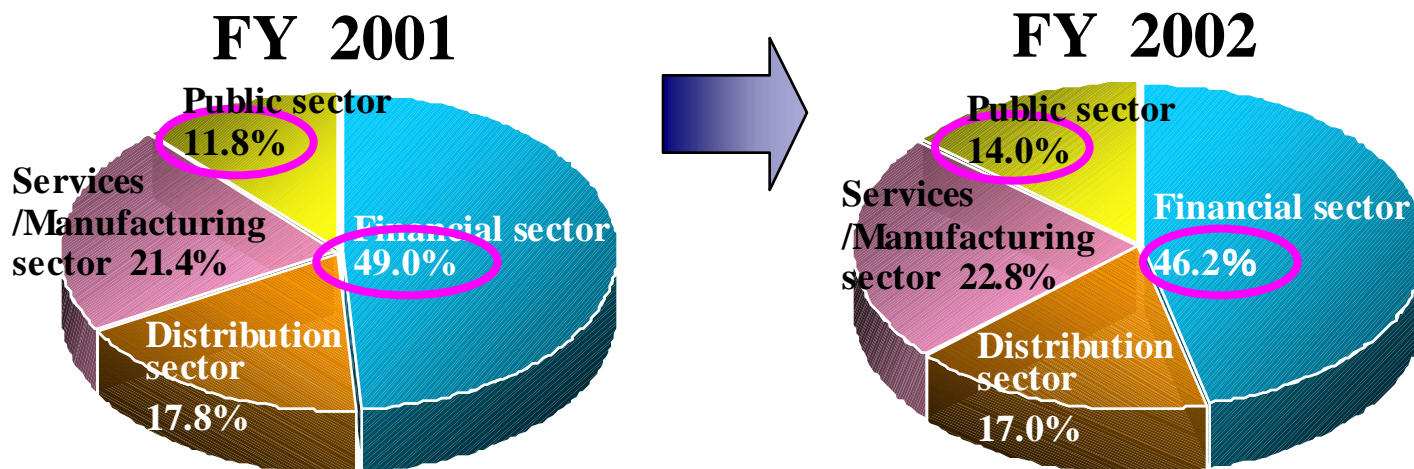


FY2002 : P/L Highlight

	<u>FY2001</u>	<u>FY2002</u>	
■ Sales:	JPY217.9 billion	JPY236.5 billion	(yoy: 8.5%)
SG&A expenses	29.4 billion	32.5 billion	(yoy: 10.4%)
■ Operating Profit:	JPY27.8 billion	JPY30.3 billion	(yoy: 9.1%)
Other income expenses:	JPY15.7 billion	JPY8.6 billion	(yoy: Δ49.9%)
Interest and dividend income	1.5 billion	0.8 billion	(yoy: Δ41.8%)
Return on venture capital funds	1.9 billion	1.5 billion	(yoy: Δ18.4%)
Gain on investment securities	26.4 billion	—	
Actuarial loss (※)	Δ6.1 billion	Δ1.1 billion	
Reversal of allowance for the welfare pension plan		8.1 billion	
■ Net Income:	JPY25.3 billion	JPY22.3 billion	(yoy : Δ11.9%)

※Assumptions for pension liabilities calculation	FY2001	FY2002
▪ Expected rate of return on asset	1.5%	1.5%
▪ PBO discount rate	2.4%	2.3%

Composition of Sales by Sector



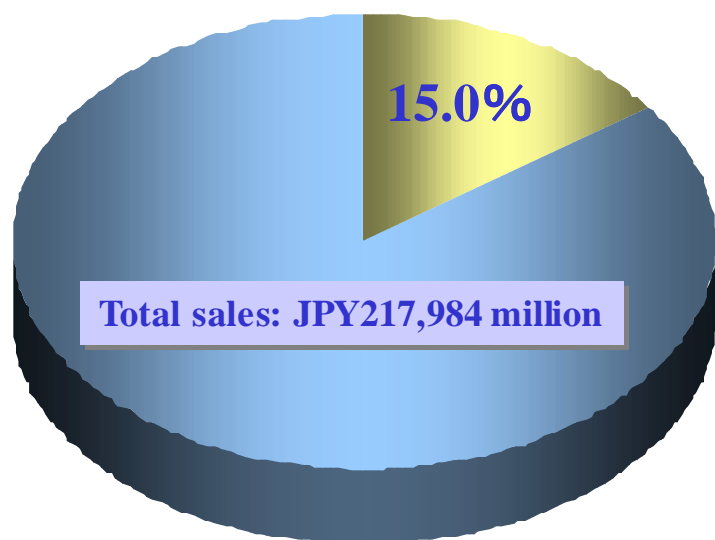
(Unit: JPY million)

Composition of Sales by sector	FY2001		FY2002		Change/Change in	
		Share		Share		
Financial sector	106,791	49.0%	109,337	46.2%	2,546	2.4%
Distribution sector	38,740	17.8%	40,259	17.0%	1,519	3.9%
Services/Manufacturing	46,583	21.4%	53,840	22.8%	7,257	15.6%
Public sector	25,870	11.8%	33,133	14.0%	7,263	28.1%
Total	217,984	100.0%	236,569	100.0%	18,585	8.5%

NRI Sales and Operating Profit by Segment

Consulting/knowledge

Sales: JPY32,633 million
Operating profit margin: 3.0 %

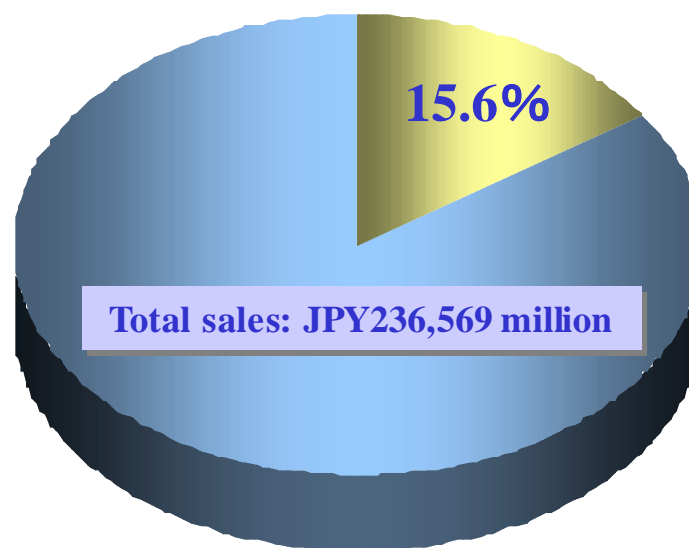


System solution

Sales: JPY185,351 million
Operating profit margin: 14.5 %

Consulting/knowledge

Sales: JPY36,811 million
Operating profit margin: 7.7 %



System solution

Sales: JPY199,758 million
Operating profit margin: 13.8 %

(Note) Operating profit margin is calculated on external sales.

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Sales by Product Services

(Unit: JPY million)

Segment/product services	FY2001		FY2002		
		share		share	yoy
System solution	185,351	85.0%	199,758	84.4%	7.8%
System development & System application sales	80,916	37.1%	93,649	39.6%	15.7%
System management & Operation	81,308	37.3%	86,904	36.7%	6.9%
Product sales	23,127	10.6%	19,205	8.1%	△17.0%
Consulting/knowledge	32,633	15.0%	36,811	15.6%	12.8%
Total	217,984	100.0%	236,569	100.0%	8.5%



Balance Sheet Highlight

(Unit: JPY billion)

	FY2001	FY2002	Change	
			amount	%
Current assets	123.4	143.6	20.2	16.4%
Tangible assets	32.0	31.8	△0.2	△0.6%
Intangible assets	17.0	25.7	8.7	51.6%
othe rs	116.7	98.7	△18.0	△15.5%
Non-current assets	165.7	156.2	△9.5	△5.7%
Total assets	289.1	299.8	10.7	3.7%
Current liabilities	57.9	53.0	△4.9	△8.4%
Long-te rm liabilities	66.0	51.3	△14.7	△22.3%
Total liabilities	123.9	104.3	△19.6	△15.8%
Shareholde rs' equity	165.2	195.5	30.3	18.4%
Total liabilities and Shareholde rs' equity	289.1	299.8	10.7	3.7%



Cash Flow Highlight

(Unit: JPY million)

	FY2000	FY2001		FY2002	
			yoy		yoy
Operating activities	27,231	36,482	34.0%	17,293	△52.6%
Investing activities	△10,499	14,546	—	△24,737	—
Financing activities	△6,078	△2,081	△65.8%	17,975	—
Cash and cash equivalents (FY end)	34,392	84,123	144.6%	95,203	13.2%



Operating Cash Flow Breakdown

(Unit: JPY billion)

	FY2001	FY2002	Change
Net cash provided by operating activities	36.4	17.3	(19.1)
<One time factor>			
(1) Interest and dividend income	4.5	1.2	(3.3)
Distribution from venture capital fund (3.0billion)			
(2) Income taxes paid	(11.4)	(20.1)	(8.7)
Portion of gain on investment securities (11.1billion)			
(3) Cash paid on withdrawal from welfare pension plan	-	(3.4)	(3.4)
(subtotal)	(6.9)	(22.3)	(15.4)
<Growth factor>			
(4) Trade a/c receivables and payables, net	1.4	(3.2)	(4.6)
(5) Lease deposit paid	(0.4)	(1.6)	(1.2)
(subtotal)	1.0	(4.8)	(5.8)
Operating profit	27.8	30.3	2.5

NRI Capital Expenditure/Depreciation&Amortization

(Unit: JPY million)

	FY2000	FY2001 (yoy)		FY2002 (yoy)	
Capital expenditure	19,361	17,390	△10.2%	22,727	30.7%
Tangible	7,514	6,836	△ 9.0%	6,757	△ 1.2%
Intangible	11,847	10,554	△10.9%	15,970	51.3%
Depreciation& Amortization	13,005	13,660	5.0%	12,420	△ 9.1%
Tangible	7,504	6,469	△13.8%	5,570	△13.9%
Intangible	5,501	7,191	30.7%	6,850	△ 4.7%



Forecast for FY2003

(Unit: JPY million)

	Semi annual (Sep. 2002)		Annual (Mar. 2003)	
	Amount	Change in	Amount	Change in
Sales	115,000	5.4%	250,000	5.7%
Operating profit	13,000	7.9%	33,000	8.7%
Net income	7,900	Δ39.0%	19,500	Δ12.8%
EPS(yen)			433.33	Δ15.6%
Capital expenditure			26,500	16.6%
Research and development cost			3,270	7.2%



Order Backlog (Outstanding)

(Unit: JPY million)

	FY2001	FY2002	Change	Change in
System solution	81,638	85,358	3,720	4.6%
System development & System application sales	4,023	5,533	1,510	37.5%
System Management & Operation	77,615	79,825	2,210	2.8%
Consulting/knowledge	15,356	15,861	525	3.4%
Total orders outstanding	96,974	101,219	4,245	4.4%

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