



# **1<sup>st</sup> Half FY March 2006 Financial Results**

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**Nomura Research Institute, Ltd.**

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## I. 1<sup>st</sup> Half FY March 2006 Financial Results(Consolidated)

### (1) Highlights

(Unit: JPY million)

	1H FY Mar.2005 Apr.2004-Sep.2004		1H FY Mar.2006 Apr.2005-Sep.2005		YoY		FY Mar.2005 Apr.2004-Mar.2005
	Amount	Amount	Amount	Amount	Diff.	Change (%)	Amount
<b>Sales</b>	115,167		132,502		17,335	15.1	252,963
<b>Operating Profit</b>	12,319		16,460		4,141	33.6	30,159
<b>Net Income</b>	6,882		10,370		3,488	50.7	16,303
<b>Earnings per share</b>	JPY152.94		JPY230.86				JPY362.30
<b>Dividends per share</b>	JPY20.00		JPY50.00				JPY100.00

### (2) Sales by Sector

(Unit: JPY million)

	1H FY Mar.2005 Apr.2004-Sep.2004		1H FY Mar.2006 Apr.2005-Sep.2005		FY Mar.2005 Apr.2004-Mar.2005	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
<b>Financial sector</b>	62,941	54.7	79,286	59.8	149,864	59.2
<b>Distribution sector</b>	21,554	18.7	23,628	17.8	43,138	17.1
<b>Other private sector</b>	22,269	19.3	21,232	16.0	42,668	16.9
<b>Public sector</b>	8,401	7.3	8,356	6.3	17,291	6.8
<b>Total</b>	115,167	100.0	132,502	100.0	252,963	100.0
<b>Nomura Securities Group</b>	28,883	25.1	36,387	27.5	67,000	26.5
<b>Seven &amp; I Group</b>	14,268	12.4	17,008	12.8	30,597	12.1

\*Amounts of less than JPY million were rounded down.

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### (3) Sales and Operating Profit by segment

#### System Solution Services

	1H FY Mar.2005	1H FY Mar.2006	YoY	(Unit: JPY million)	
	Apr.2004-Sep.2004	Apr.2005-Sep.2005	Change (%)	FY Mar.2005 Apr.2004 - Mar.2005	
	Amount	Amount		Amount	Share (%)
System Development & System Application Sales	37,330	49,419	32.4	89,386	35.3
System Management & Operations	48,266	51,175	6.0	97,559	38.6
Product Sales	10,413	10,620	2.0	26,284	10.4
<b>Sales</b>	<b>96,011</b>	<b>111,215</b>	<b>15.8</b>	<b>213,230</b>	<b>84.3</b>
<b>Operating Profit</b>	<b>9,712</b>	<b>14,255</b>	<b>46.8</b>	<b>24,483</b>	

#### Consulting & Knowledge Services

	1H FY Mar.2005	1H FY Mar.2006	YoY	(Unit: JPY million)	
	Apr.2004-Sep.2004	Apr.2005-Sep.2005	Change (%)	FY Mar.2005 Apr.2004 - Mar.2005	
	Amount	Amount		Amount	Share (%)
<b>Sales</b>	<b>19,156</b>	<b>21,287</b>	<b>11.1</b>	<b>39,733</b>	<b>15.7</b>
<b>Operating Profit</b>	<b>2,606</b>	<b>2,197</b>	<b>15.7</b>	<b>5,692</b>	

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### (4) Order Volume and Order Backlog

#### Order Volume

(Unit: JPY million)

	1H FY Mar.2005 Apr.2004-Sep.2004	1H FY Mar.2006 Apr.2005-Sep.2005	YoY
	Amount	Amount	Change (%)
System Development & System Application Sales	44,973	55,263	22.9
System Management & Operations	10,977	9,123	16.9
Product Sales	10,413	11,673	12.1
System Solution Services	66,364	76,060	14.6
Consulting & Knowledge Services	14,508	17,154	18.2
<b>Total</b>	<b>80,872</b>	<b>93,214</b>	<b>15.3</b>

#### Order Backlog

(Unit: JPY million)

	At end of 1H FY Mar.2005	At end of 1H FY Mar.2006	YoY
	Amount	Amount	Change (%)
System Development & System Application Sales	21,106	19,780	6.3
System Management & Operations	42,104	45,923	9.1
Product Sales	-	1,052	-
System Solution Services	63,211	66,756	5.6
Consulting & Knowledge Services	11,043	11,859	7.4
<b>Total</b>	<b>74,254</b>	<b>78,615</b>	<b>5.9</b>

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### (5) Subcontracting Costs

#### Subcontracting Costs by segment & Percentage in actual production

(Unit: JPY million)

	1H FY Mar.2005 Apr.2004-Sep.2004		1H FY Mar.2006 Apr.2005-Sep.2005		YoY	FY Mar.2005 Apr.2004-Mar.2005	
	Amount	Share (%)	Amount	Share (%)	Change (%)	Amount	Share (%)
System Development & System Application Sales	17,210	58.3	24,104	61.3	40.1	39,804	60.2
System Management & Operations	12,218	32.9	11,796	32.4	3.5	24,245	32.9
System Solution Services	29,429	44.2	35,900	47.4	22.0	64,049	45.8
Consulting & Knowledge Services	4,313	36.3	5,133	37.1	19.0	9,123	36.8
<b>Total</b>	<b>33,742</b>	<b>43.0</b>	<b>41,034</b>	<b>45.8</b>	<b>21.6</b>	<b>73,173</b>	<b>44.5</b>
(Subcontracting Costs to China)	2,509	7.4	4,775	11.6	90.3	6,459	8.8

\* Subcontracting costs to China & Percentage in total subcontracting cost.

### (6) Cash Flow

(Unit: JPY million)

	1H FY Mar.2005 Apr.2004-Sep.2004		1H FY Mar.2006 Apr.2005-Sep.2005		YoY		FY Mar.2005 Apr.2004-Mar.2005
	Amount	Amount	Amount	Amount	Diff	Change (%)	Amount
Operating Activities	4,882	11,473	6,590	135.0			27,569
Investing Activities	46,339	16,521	29,817	64.3			81,981
Financing Activities	1,903	4,684	2,780	146.1			3,928
Effect of Exchange rate changes on Cash and Cash equivalents	330	90	239	72.5			205
Net increase in Cash and Cash equivalents	43,029	9,641	33,387	77.6			58,134
Cash and Cash equivalents at beginning of year	96,812	38,677	58,134	60.0			96,812
Cash and Cash equivalents at end of 1st Half	53,782	29,035	24,747	46.0			38,677

\*Amounts of less than JPY million were rounded down.

## II. FY March 2006 Financial Results Forecasts(Consolidated)

### Highlights

(Unit: JPY billion)

	FY Mar.2005	FY Mar.2006	YoY
	Apr.2004-Mar.2005 (Results)	Apr.2005-Mar.2006 (Forecasts)	
	Amount	Amount	Change (%)
<b>Sales</b>	<b>252.9</b>	<b>270.0</b>	<b>6.7</b>
<b>Operating Profit</b>	<b>30.1</b>	<b>34.0</b>	<b>12.7</b>
<b>Net Income</b>	<b>16.3</b>	<b>21.0</b>	<b>28.8</b>
<b>Earnings per share</b>	<b>JPY362.30</b>	<b>JPY467.65</b>	
<b>1<sup>st</sup> Half</b>	<b>JPY20.00</b>	<b>JPY50.00</b>	
<b>Year-End</b>	<b>JPY80.00</b>	<b>JPY80.00</b>	
<b>Dividends per share</b>	<b>JPY100.00</b>	<b>JPY130.00</b>	<b>JPY30.00</b>

\* Nomura Research Institute, Ltd. revised the financial results forecast for the fiscal year ended March 31, 2006 on October 14, 2005.