

Financial Results

1st Quarter FY March 2005

Nomura Research Institute, Ltd.

July 28, 2004

Highlights of Consolidated Results

(Unit:JPY million)

	1Q FY Mar.2004	1Q FY Mar.2005		
	(Apr.-Jun.)	(Apr.-Jun.)	Diff.	YoY change
Sales	52,715	53,245	+529	+1.0%
Operating Profit	4,263	5,338	+1,075	+25.2%
Operating Profit Margin	8.1%	10.0%	+1.9P	
Net Income	3,413	3,430	+17	+0.5%

* Amount of less than JPY million were rounded down.

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P/L Highlight(Consolidated)

	1Q FY Mar.2004 (Apr.- Jun.)	1Q FY Mar.2005 (Apr.- Jun.)	(Unit:JPY million)	
			Difference	YoY change
Sales	52,715	53,245	+529	+1.0%
Cost of Sales	40,465	39,924	(540)	(1.3%)
Subcontracting costs	16,120	15,306	(814)	(5.1%)
(To Chinese subcontractors	604	1,080	+475	+78.7%)
Gross Profit	12,250	13,320	+1,070	+8.7%
Gross Profit Margin	23.2%	25.0%	+1.8P	
SG&A	7,987	7,981	(5)	(0.1%)
Operating Profit	4,263	5,338	+1,075	+25.2%
Operating Profit Margin	8.1%	10.0%	+1.9P	

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P/L Highlight(Consolidated) continued

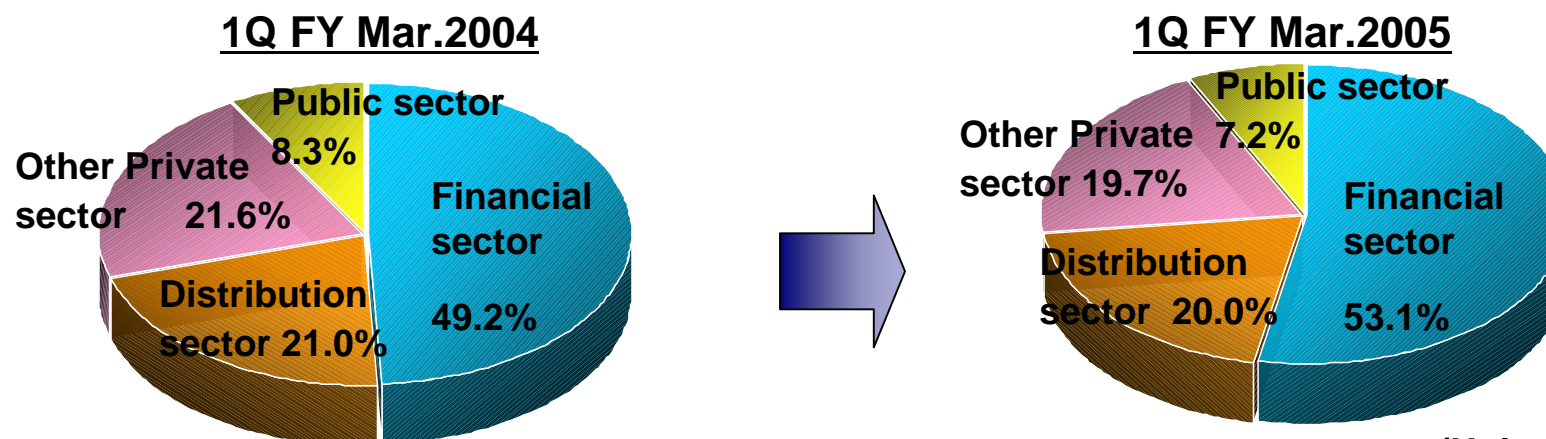
(Unit:JPY million)

	1Q FY Mar.2004 (Apr.- Jun.)	1Q FY Mar.2005 (Apr.- Jun.)	Difference	YoY change
Operating Profit	4,263	5,338	+1,075	+25.2%
Non-operating gain and loss	456	429	(26)	(5.8%)
Other Income	1,757	10	(1,746)	
Gain on investments affiliates	1,558	-	(1,558)	
Other Expenses	111	82	(28)	
Corporate tax etc.	2,951	2,265	(686)	
Net Income	3,413	3,430	+17	+0.5%

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Sales by sector



(Unit:JPY million)

	1Q FY Mar.2004		1Q FY Mar.2005			
	(Apr.- Jun.)	Share	(Apr.- Jun.)	Share	Diff.	YoY Change
Financial sector	25,928	49.2%	28,279	53.1%	+2,351	+9.1%
Distribution sector	11,046	21.0%	10,627	20.0%	(418)	(3.8%)
Other Private sector	11,363	21.6%	10,478	19.7%	(885)	(7.8%)
Public sector	4,376	8.3%	3,860	7.2%	(516)	(11.8%)
Total	52,715	100.0%	53,245	100.0%	+529	+1.0%
Nomura Securities Group	12,315	23.4%	13,088	24.6%	+773	+6.3%
Ito-Yokado Group	5,922	11.2%	6,891	12.9%	+969	+16.4%

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Sales by segment

(Unit:JPY million)

	1Q FY Mar.2004		1Q FY Mar.2005			
	(Apr.- Jun.)	Share	(Apr.- Jun.)	Share	Diff.	YoY Change
System Development & System Application Sales	16,986	32.2%	16,213	30.4%	(773)	(4.6%)
System Management & Operations	22,193	42.1%	24,015	45.1%	+1,821	+8.2%
Product Sales	3,729	7.1%	4,157	7.8%	+427	+11.5%
System Solution Services	42,910	81.4%	44,386	83.4%	+1,476	+3.4%
Consulting&Knowledge Services	9,805	18.6%	8,858	16.6%	(946)	(9.7%)
Total	52,715	100.0%	53,245	100.0%	+529	+1.0%

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Cash Flow

(Unit:JPY million)

	1Q FY Mar.2004 (Apr.- Jun.)	1Q FY Mar.2005	
		(Apr.- Jun.)	Diff.
Cash and cash equivalents at beginning of fiscal year	88,760	96,812	+8,051
Operating activities	1,522	(2,136)	(3,658)
Income taxes paid	(5,141)	(12,168)	(7,027)
Investing activities	(1,644)	(3,946)	(2,302)
Proceeds from sales of investments in affiliates	1,889	-	(1,889)
(Sub Total) Free Cash Flow	(121)	(6,082)	(5,960)
Financing activities	(1,004)	(1,770)	(766)
Effect of exchange rate changes on cash and cash equivalents	103	157	+54
Cash and cash equivalents at end of 1Q FY Mar. 2005	87,737	89,116	+1,378

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Order Backlog(Outstanding)

(Unit:JPY million)

	At the end of Jun.2003	At the end of Jun.2004		
			Diff.	YoY Change
System Development & System Application Sales	10,987	17,360	+6,373	+58.0%
System Management & Operations	61,823	62,729	+906	+1.5%
System Solution Services	72,810	80,090	+7,280	+10.0%
Consulting&Knowledge Services	16,817	14,355	(2,462)	(14.6%)
Total	89,627	94,445	+4,817	+5.4%

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Order Volume

(Unit:JPY million)

	1Q FY Mar.2004 (Apr.- Jun.)	1Q FY Mar.2005		
		(Apr.- Jun.)	Diff.	YoY Change
System Development & System Application Sales	21,810	20,109	(1,700)	(7.8%)
System Management & Operations	4,331	7,373	+3,042	+70.2%
Product Sales	3,729	4,157	+427	+11.5%
System Solution Services	29,871	31,641	+1,770	+5.9%
Consulting&Knowledge Services	8,402	7,504	(897)	(10.7%)
Total	38,273	39,145	+872	+2.3%

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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.

References

Distribution

イトーカ堂にIP電話

NECなどまず本部に4000回線

NECと野村総合研究 模のIP電話を導入し ヨークベニマル、デニ
所の子会社NRIデータ た。NRIデータサービーズなどイトーカ堂
サービス(横浜市、大野 スがIP通信網に必要な グループの全国千拠点に
健社長) は十五日、イトー ハードウェアなどを、N ついても今秋から順次I
イトーカ堂グループから ECがIP電話システム P電話を導入していく。
IP(インターネット)をそれぞれ担当した。 IP電話と連携して業務
ロトコル)電話システム 従来使用していた専用 を効率化するネット会議
を受注したと発表した。 線サービスからより安価 などの応用ソフトも導入
イトーカ堂は機内交 なIPVPN(仮想私 を検討していく。
換機(PBX)をルータ 設網)に変更した。IP
ーやサーバーで置き換え 電話も併せて導入するこ
て、通信関連コストを三 とで音声とデータの通信
削減する。
まず、イトーカ堂 える。
を統合、通信コストを抑
の本部ビルに四千回線規

Nikkei Sangyo Shimbun
July 16, 2004

Ito-Yokado Group

- Install IP phones with 4,000 lines in headquarters building
- NRI Data Services is in charge of the hardware for the IP communications network
- Replace private branch exchange (PBX) with routers and servers to cut communications costs 30%
- To be installed in stages at Ito-Yokado Group's 1,000 sites nationwide, beginning this fall

Securities

証券取引所への参加資格を持たない中小証券会社などの委託を受け、市場に株式売買注文を執行する「日本版クリアリングファーム（証券業務代行）」が本格的に始動する。だいこう証券ビジネスは、6月1日付で東京・札幌・福岡証券取引所の取引参加資格を取得、既に4月に取得した大阪証券取引所の参加資格と合わせ、「株式等売買注文の市場執行業務」に本格参入した。

東証に取引参加するには、最低資本金3億円、純財産額10億円以上、自

だいこう証券
だいこう証券
だいこう証券

東証など取引参加資格取得

市場への売買注文執行

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同社は日本版クリアリングファームを目指し、08年1月に証券業登録を行って日本証券クリアリング機構（J.S.C.C.）の清算取り次ぎ業務を開始。同時に全国5証券所に参加資格を申請し、シ

システムや市場執行体制などを整えてきた。売買執行を行うシステムは野村総研の「スターIV」を使用。清算取り次ぎ業務に伴い設置した「クリアリング業務部」の体制も当初6人から11人に増員。同部の小林博之執行役員部長らが中心となり提携証券会社を開拓する。

東証は投資家保護のため、取引資格申請者の業務執行体制を事前審査している。今年2月から中小証券会社と連携し、顧客の売買注文を他証券を通じて市場に出す試行的な業務を行ってきた。

Daiko Clearing Services Corporation

-Use “STAR-IV” to launch a Japanese clearing firm

➤ Daiko Clearing Services can execute stock trades on behalf of small securities companies that do not meet the requirements for participation in securities exchanges

➤ Adopt “STAR-IV” as system for executing sales orders

Nikkan

June 4, 2004

Manufacturing

医薬品研究など効率化
データ管理システム
NRIがエーザイから受託

野村総合研究所（NRI）は、エーザイからデータ管理システムの構築を受託した。非臨床分野の医薬品研究開発に使用する。米ニューシエネシ社（マサチューセッツ州）のデータ管理ソフト

「ニューシエネシSDMS」を活用して、構築する。05年3月のシステム稼働を目指す。同ソフトは研究所内で使われている分析機器の電子記録や印刷情報を、電子データとして一元管理できる。迅速なデータ検索や閲覧・再利用ができるため、研究業務や品質管理業務の効率化が図れるという。

同ソフトは医薬品メーカーや研究所など、世界で約3万5000人の研究者が採用している実績がある。

NRIでは今回の導入ノウハウを元に、今後製薬業界向けにシステム構築事業を展開する。

Nikkan Kogyo Shimbun
 July 2, 2004

Eisai Co.,Ltd.

-Win contract
“Data management system”

- Use software from the US company ‘NuGenesis’ to consolidate electronic data from pharmaceutical research and development for Eisai’s non-clinical activities
- Based on the knowledge gained in this installation, NRI will expand its system architecture business in the pharmaceutical industry

Consulting

野村総研が公金管理強化
野村総合研究所は十六日、公金管理のコンサルティングを専門とする部門を拡充すると発表した。自治体が取引金融機関の経営の評価基準を作る際に支援をしているが、来年四月にペイオフ（預金などの払戻保証額を元本一千万円とそれ利息までとする措置）全面解禁を控え、自治体からの需要が増えると予想し、サービス強化する。

Nikkei Shimbun
July 17, 2004

Strengthen consulting in public fund management for local governments

- Augment consulting division to support local governments' evaluations of financial institutions with which it does business in preparation for the end of full savings deposit guarantees
- Use NRI's proprietary "NRI Financial Institution Assessment Model" to establish evaluation criteria
- NRI aims to win contracts using this service from 50 local governments

新たに2社とソフト開発契約
野村総合研究所はキヤノン販売子会社のキヤノンシステムソリューションズ(東京・港、浅田和則社長)、東邦システムサイエンスの二社とソフト開発委託契約を結んだ。有力な協力会社と結ぶ「eパートナー契約」で、野村総研が技術教育などで支援する。これまで国内八社、中国で二社と契約している。

Nikkei Sangyo Shimbun
June 4, 2004

ePartner agreements with 10 firms (as of end June 2004)

➤ Japan (8 firms) (in alphabetical order)

- ARGO21 Corp.
- Canon System Solutions **(new)**
- Cube System Inc.
- HIMACS
- Toho System Science **(new)**
- VIC TOKAI and two other firms

➤ China (2 firms) (in alphabetical order)

- Shanghai Chuwa Software Co.,Ltd.
- SinoCom Software Group Limited