



1st Half FY March 2008 Financial Results

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Nomura Research Institute, Ltd.

October 25, 2007

I. 1st Half March 2008 Financial Results (Consolidated)

(1) Highlights

(Unit: JPY million)

	1H FY Mar.2007 (Apr.2006- Sep.2006)	1H FY Mar.2008 (Apr.2007- Sep.2007) <A>	YoY		1H FY Mar.2008 (Forecasts as of Jul.25,2007) 	A-B		FY Mar.2007 (Apr.2006 - Mar.2007)
	Amount	Amount	Diff.	Change (%)	Amount	Diff.	Change (%)	Amount
Sales	146,452	165,145	18,693	12.8	160,000	5,145	3.2	322,531
Cost of Sales	106,038	113,565	7,526	7.1				234,578
Gross Profit	40,413	51,579	11,166	27.6				87,953
(Gross Profit Margin)	27.6%	31.2%	3.6P					27.3%
SG&A	19,573	24,165	4,591	23.5				44,055
Operating Profit	20,840	27,414	6,574	31.5	25,000	2,414	9.7	43,897
(Operating Profit Margin)	14.2%	16.6%	2.4P					13.6%
Non-operating gain and loss	1,654	1,928	273	16.5				2,202
Other Income and Expende	(7)	1,383	1,391	-				644
Net Income	13,486	18,337	4,850	36.0	17,000	1,337	7.9	27,019
Earnings per Share	JPY 66.39	JPY 90.05	JPY 23.66	35.6				JPY 132.95

- Earnings per share of 1H FY March 2007 are calculated retroactively by stock split (1:5).

[1st Quarter]

	1Q FY Mar.2007 (Apr.2006-Jun.2006)	1Q FY Mar.2008 (Apr.2007-Jun.2007)	YoY	
	Amount	Amount	Diff.	Change (%)
Sales	68,383	77,486	9,102	13.3
Operating Profit	8,220	10,742	2,522	30.7
Net Income	5,647	8,061	2,413	42.7
Operating Profit Margin	12.0%	13.9%	1.8 P	

[2nd Quarter]

	2Q FY Mar.2007 (Jul.2006-Sep.2006)	2Q FY Mar.2008 (Jul.2007-Sep.2007)	YoY	
	Amount	Amount	Diff.	Change (%)
Sales	78,068	87,659	9,590	12.3
Operating Profit	12,619	16,671	4,052	32.1
Net Income	7,838	10,276	2,437	31.1
Operating Profit Margin	16.2%	19.0%	2.9 P	

I. 1st Half March 2008 Financial Results (Consolidated)

(2) Sales by sector

(Unit: JPY million)

	1H FY Mar.2007 (Apr.2006- Sep.2006)		1H FY Mar.2008 (Apr.2007- Sep.2007)		YoY		FY Mar.2007 (Apr.2006- Mar.2007)	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Share (%)
Financial	94,097	64.3	110,941	67.2	16,843	17.9	210,997	65.4
Distribution	23,669	16.2	22,648	13.7	(1,020)	(4.3)	45,637	14.1
Other Private	16,578	11.3	18,222	11.0	1,643	9.9	37,611	11.7
Public	12,105	8.3	13,332	8.1	1,226	10.1	28,285	8.8
Total	146,452	100.0	165,145	100.0	18,693	12.8	322,531	100.0
*Sales by major counterparties within the foregoing amounts								
Nomura Holdings	44,388	30.3	49,092	29.7	4,703	10.6	106,290	33.0
SEVEN & i HOLDINGS	17,703	12.1	18,223	11.0	519	2.9	36,195	11.2

*Figures, in principle, include sales to subsidiaries. Sales via leasing and other companies include sales to customers ultimately receiving services and other products.

[1st Quarter]

	1Q FY Mar.2007 (Apr.2006-Jun.2006)		1Q FY Mar.2008 (Apr.2007-Jun.2007)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Financial sector	42,878	62.7	52,171	67.3	9,293	21.7
Distribution sector	11,659	17.1	11,185	14.4	(474)	(4.1)
Other private sector	7,935	11.6	8,707	11.2	772	9.7
Public sector	5,909	8.6	5,421	7.0	(487)	(8.3)
Total	68,383	100.0	77,486	100.0	9,102	13.3
Nomura Holdings	19,926	29.1	23,885	30.8	3,959	19.9
SEVEN & i HOLDINGS	8,013	11.7	9,005	11.6	991	12.4

[2nd Quarter]

	2Q FY Mar.2007 (Jul.2006-Sep.2006)		2Q FY Mar.2008 (Jul.2007-Sep.2007)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Financial sector	51,219	65.6	58,770	67.0	7,550	14.7
Distribution sector	12,009	15.4	11,463	13.1	(546)	(4.6)
Other private sector	8,643	11.1	9,515	10.9	871	10.1
Public sector	6,195	7.9	7,910	9.0	1,714	27.7
Total	78,068	100.0	87,659	100.0	9,590	12.3
Nomura Holdings	24,461	31.3	25,206	28.8	744	3.0
SEVEN & i HOLDINGS	9,689	12.4	9,217	10.5	(471)	(4.9)

*Amounts of less than JPY million were rounded down.

I. 1st Half March 2008 Financial Results (Consolidated)

(3) Sales and Operating Profit by segment

Consulting Services

(Unit: JPY million)

	1H FY Mar.2007 (Apr.2006- Sep.2006)		1H FY Mar.2008 (Apr.2007- Sep.2007)		YoY		FY Mar.2007 (Apr.2006 - Mar.2007)	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Share (%)
Sales	13,331	9.1	13,778	8.3	447	3.4	29,870	9.3
Operating Profit	2,101		1,426		(675)	(32.1)	4,444	
Operating Profit Margin	15.8%		10.3%		(5.4P)		14.9%	

[1st Quarter]

	1Q FY Mar.2007 Apr.2006-Jun.2006		1Q FY Mar.2008 Apr.2007-Jun.2007		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Sales	6,079	8.9	6,389	8.2	309	5.1
Operating Profit	829		196		(632)	(76.3)
Operating Profit Margin	13.6%		3.1%		(10.6P)	

[2nd Quarter]

	2Q FY Mar.2007 Jul.2006-Sep.2006		2Q FY Mar.2008 Jul.2007-Sep.2007		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Sales	7,251	9.3	7,389	8.4	137	1.9
Operating Profit	1,271		1,229		(42)	(3.4)
Operating Profit Margin	17.5%		16.6%		(0.9P)	

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IT Solution Services

(Unit: JPY million)

	1H FY Mar.2007 (Apr.2006 - Sep.2006)		1H FY Mar.2008 (Apr.2007 - Sep.2007)		YoY		FY Mar.2007 (Apr.2006 - Mar.2007)	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Share (%)
System Development & System Application Sales	59,134	40.4	74,038	44.8	14,903	25.2	135,702	42.1
System Management & Operations	61,388	41.9	69,059	41.8	7,670	12.5	126,596	39.3
Product Sales	12,596	8.6	8,268	5.0	(4,328)	(34.4)	30,363	9.4
Sales	133,120	90.9	151,366	91.7	18,246	13.7	292,661	90.7
Operating Profit	18,738		25,988		7,249	38.7	39,452	
Operating Profit Margin	14.1%		17.2%		3.1P		13.5%	

*Amounts of less than JPY million were rounded down.

[1st Quarter]

	1Q FY Mar.2007 Apr.2006-Jun.2006		1Q FY Mar.2008 Apr.2007-Jun.2007		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
System Development & System Application Sales	26,698	39.0	34,397	44.4	7,699	28.8
System Management & Operation Services	30,389	44.4	34,380	44.4	3,991	13.1
Product Sales	5,215	7.6	2,318	3.0	(2,897)	(55.5)
Sales	62,303	91.1	71,096	91.8	8,793	14.1
Operating Profit	7,391		10,546		3,155	42.7
Operating Profit Margin	11.9%		14.8%		3.0P	

[2nd Quarter]

	2Q FY Mar.2007 Jul.2006-Sep.2006		2Q FY Mar.2008 Jul.2007-Sep.2007		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
System Development & System Application Sales	32,436	41.5	39,640	45.2	7,204	22.2
System Management & Operation Services	30,999	39.7	34,678	39.6	3,679	11.9
Product Sales	7,381	9.5	5,949	6.8	(1,431)	(19.4)
Sales	70,816	90.7	80,269	91.6	9,452	13.3
Operating Profit	11,347		15,442		4,094	36.1
Operating Profit Margin	16.0%		19.2%		3.2P	

*Amounts of less than JPY million were rounded down.

I. 1st Half March 2008 Financial Results (Consolidated)

(4) Order Volume and Order Backlog

Order Volume

(Unit: JPY million)

	1H FY Mar.2007	1H FY Mar.2008	YoY	
	(Apr.2006- Sep.2006)	(Apr.2007- Sep.2007)	Diff.	Change (%)
	Amount	Amount		
Consulting Services	16,954	16,820	(133)	(0.8)
System Development & System Application Sales	72,684	76,257	3,573	4.9
System Management & Operations	12,359	23,045	10,685	86.5
Product Sales	11,567	8,257	(3,309)	(28.6)
IT Solution Services	96,611	107,561	10,949	11.3
Total	113,566	124,381	10,815	9.5

Order Backlog(Outstanding)

(Unit: JPY million)

	At end of	At end of	YoY	
	1H FY Mar.2007	1H FY Mar.2008	Diff.	Change (%)
	Amount	Amount		
Consulting Services	6,913	6,094	(818)	(11.8)
System Development & System Application sales	36,430	24,604	(11,825)	(32.5)
System Management & Operations	55,880	63,628	7,747	13.9
IT Solution Services	92,310	88,232	(4,078)	(4.4)
Total	99,224	94,327	(4,897)	(4.9)

*Amounts of less than JPY million were rounded down.

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(5) Subcontracting Costs

Subcontracting Costs by segment & Percentage in actual production

(Unit: JPY million)

	1H FY Mar.2007 (Apr.2006- Sep.2006)		1H FY Mar.2008 (Apr.2007- Sep.2007)		YoY		FY Mar.2007 (Apr.2006- Mar.2007)	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Share (%)
Consulting Services	2,083	28.7	2,064	27.6	(19)	(0.9)	5,566	33.4
System Development & System Application Sales	31,067	66.1	40,371	68.8	9,303	29.9	69,154	67.7
System Management & Operations	13,100	31.5	15,182	32.6	2,082	15.9	27,603	31.4
IT Solution Services	44,167	49.8	55,553	52.8	11,386	25.8	96,758	50.9
Total	46,251	48.2	57,618	51.1	11,366	24.6	102,324	49.5
(Subcontracting Costs to China)	5,331	11.5	7,887	13.7	2,555	47.9	12,406	12.1

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

[1st Quarter]

	1Q FY Mar.2007 Apr.2006-Jun.2006		1Q FY Mar.2008 Apr.2007-Jun.2007		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Consulting Services	834	25.9	1,059	28.7	224	26.9
System Development & System Application Sales	14,062	64.6	19,283	68.2	5,220	37.1
System Management & Operation Services	6,581	31.5	7,636	32.4	1,055	16.0
IT Solution Services	20,643	48.4	26,919	52.0	6,276	30.4
Total	21,478	46.8	27,979	50.4	6,500	30.3
(Subcontracting Costs to China) *	2,440	11.4	3,890	13.9	1,450	59.4

[2nd Quarter]

	2Q FY Mar.2007 Jul.2006-Sep.2006		2Q FY Mar.2008 Jul.2007-Sep.2007		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Consulting Services	1,249	31.0	1,004	26.4	(244)	(19.6)
System Development & System Application Sales	17,004	67.4	21,087	69.3	4,082	24.0
System Management & Operation Services	6,519	31.5	7,546	32.7	1,027	15.8
IT Solution Services	23,523	51.2	28,633	53.5	5,109	21.7
Total	24,772	49.6	29,638	51.7	4,865	19.6
(Subcontracting Costs to China) *	2,891	11.7	3,996	13.5	1,105	38.2

* Amounts of less than JPY million were rounded down.

I. 1st Half March 2008 Financial Results (Consolidated)

(6) Cash Flow

(Unit: JPY million)

	1H		YoY		FY Mar.2007
	FY Mar.2007	1H	FY Mar.2008		(Apr.2006
	(Apr.2006-	(Apr.2007-		Change	-Mar.2007)
	Amount	Amount	Diff.	(%)	Amount
Income before income taxes	22,487	30,726	8,238	36.6	46,744
Gain/Loss from non-operating activities	(1,583)	(1,885)	(302)	19.1	(2,065)
Extraordinary gain/loss	7	(1,371)	(1,379)	-	(2,073)
Depreciation and amortization	7,909	7,069	(840)	(10.6)	19,795
Accounts receivable and other receivable, net of advance payments received	(6,156)	11,532	17,689	-	(8,040)
Allowance	684	476	(207)	(30.3)	2,801
Other	(2,782)	(4,326)	(1,543)	55.5	3,067
Subtotal	20,566	42,221	21,654	105.3	60,229
Interest and dividends received	1,271	1,756	484	38.1	1,642
Income taxes paid	(12,679)	(12,802)	(123)	1.0	(22,288)
Operating Activities	9,159	31,175	22,016	240.4	39,583
Acquisition of property and equipment	(3,922)	(11,838)	(7,915)	201.8	(11,685)
Increase in software and other intangibles	(5,533)	(8,802)	(3,268)	59.1	(12,434)
Subtotal: Capital expenditure	(9,456)	(20,640)	(11,184)	118.3	(24,120)
Increase in time deposits	(7,288)	(8,145)	(857)	11.8	(7,641)
Proceeds from time deposits	7,029	7,557	528	7.5	7,203
Increase in investment securities	(11,019)	(17,952)	(6,933)	62.9	(31,293)
Proceeds from sales and redemption of investment securities	16,319	6,407	(9,912)	(60.7)	44,160
Increase in long-term Loan	-	-	-	-	(7,245)
Other	54	61	6	12.7	359
Investing Activities	(4,361)	(32,713)	(28,352)	650.1	(18,578)
Free Cash Flow	4,798	(1,537)	(6,336)	-	21,004
(Free Cash Flow except Cash management purpose investment)	129	12,997	12,867	-	12,484
Net repayment of long-term debt	(120)	-	120	(100.0)	(240)
Proceeds from issuance of convertible bond	-	-	-	-	50,000
Purchase of treasury stock	130	346	216	166.1	776
Cash dividends paid	(3,652)	(4,461)	(809)	22.2	(6,496)
Financing Activities	(3,641)	(4,115)	(473)	13.0	44,040
Effect of exchange rate changes on Cash and cash equivalents	27	(138)	(165)	-	56
Net increase in Cash and cash equivalents	1,183	(5,791)	(6,975)	-	65,101
Cash and cash equivalents at beginning of year	50,752	115,854	65,101	128.3	50,752
Cash and cash equivalents at end of year	51,936	110,062	58,126	111.9	115,854
Cash and cash equivalents + Cash Management purpose investment	73,213	142,224	69,011	94.3	133,477

I. 1st Half March 2008 Financial Results (Consolidated)

Note: Cash management purpose investment are the investments to 3 months over time deposits and government bonds etc..
Cash management purpose investment (included in investing activities) are as follows.

	1H	1H	YoY		FY Mar.2007
	FY Mar.2007 (Apr.2006- Sep.2006)	FY Mar.2008 (Apr.2007- Sep.2007)	Diff.	Change (%)	(Apr.2006 -Mar.2007)
	Amount	Amount			Amount
Increase in time deposits	(7,288)	(8,145)	(857)	11.8	(7,641)
Proceeds from time deposits	7,029	7,557	528	7.5	7,203
Increase in investment securities	(10,982)	(17,946)	(6,963)	63.4	(30,951)
Proceeds from sales and redemption of investment securities	15,910	4,000	(11,910)	(74.9)	39,910
(Total)					
Cash management purpose investment	4,668	(14,534)	(19,203)	-	8,520

*Amounts of less than JPY million were rounded down.

I. 1st Half March 2008 Financial Results (Consolidated)

(7) Capital Expenditure

(Unit: JPY million)

	1H FY Mar.2007 (Apr.2006 - Sep.2006)	1H FY Mar.2008 (Apr.2007 - Sep.2007)	YoY		FY Mar.2007 (Apr.2006 - Mar.2007)
	Amount	Amount	Diff.	Change (%)	Amount
Tangible	4,450	9,900	5,450	122.5	17,446
Intangible	5,474	8,790	3,316	60.6	12,456
Total	9,924	18,690	8,766	88.3	29,903

(8) Depreciation and Amortization

(Unit: JPY million)

	1H FY Mar.2007 (Apr.2006- Sep.2006)	1H FY Mar.2008 (Apr.2007- Sep.2007)	YoY		FY Mar.2007 (Apr.2006 - Mar.2007)
	Amount	Amount	Diff.	Change (%)	Amount
Tangible	3,122	3,969	847	27.1	7,172
Intangible	4,787	3,099	(1,687)	(35.3)	12,622
Total	7,909	7,069	(840)	(10.6)	19,795

(9) R&D Expenditure

(Unit: JPY million)

	1H FY Mar.2007 (Apr.2006- Sep.2006)	1H FY Mar.2008 (Apr.2007- Sep.2007)	YoY		FY Mar.2007 (Apr.2006 - Mar.2007)
	Amount	Amount	Diff.	Change (%)	Amount
Consulting Services	228	278	49	21.7	483
IT Solution Services	944	1,783	839	88.9	2,380
Total	1,172	2,061	888	75.8	2,864

II. FY March 2008 Financial Results Forecasts (Consolidated)

Nomura Research Institute, Ltd. revised the financial results forecast for the fiscal year ended March 31, 2008 on October 25, 2007.

(1) Highlights

(Unit: JPY billion)

	FY Mar.2007 (Results)	FY Mar.2008 (Forecasts) <A>		YoY		FY Mar.2008 (Forecasts as of Jul.25,2007) 		A-B	
	Amount	Amount	Diff.	Change (%)	Amount	Amount	Change (%)		
Sales	322.5	355.0	32.4	10.1	350.0	5.0	1.4		
Operating Profit	43.8	55.0	11.1	25.3	52.0	3.0	5.8		
Net Income	27.0	35.0	7.9	29.5	33.5	1.5	4.5		
Operating Profit Margin	13.6%	15.5%	1.9P		14.9%	0.6P			
Earnings per share	JPY 132.95	JPY 171.87	JPY 38.92	29.3	JPY 164.54	JPY 7.34	4.5		

* Earnings per share of FY March 2007 are calculated retroactively by stock split (1:5).

(2) Sales by sector

(Unit: JPY billion)

	FY Mar.2007 (Results)		FY Mar.2008 (Forecasts) <A>		YoY		FY Mar.2008 (Forecasts as of Jul.25,2007) 		A-B	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Amount	Change (%)	
Financial	210.9	65.4	243.0	68.5	32.0	15.2	240.0	3.0	1.3	
Distribution	45.6	14.1	46.0	13.0	0.3	0.8	45.0	1.0	2.2	
Other private	37.6	11.7	39.0	11.0	1.3	3.7	38.0	1.0	2.6	
Public	28.2	8.8	27.0	7.6	(1.2)	(4.5)	27.0	-	-	
Total	322.5	100.0	355.0	100.0	32.4	10.1	350.0	5.0	1.4	

II. FY March 2008 Financial Results Forecasts (Consolidated)

(3) Sales by segment

(Unit: JPY billion)

	FY Mar.2007 (Results)		FY Mar.2008 (Forecasts) <A>		YoY		FY Mar.2008 (Forecasts as of Jul.25,2007) 	A-B	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Amount	Change (%)
Consulting Services	29.8	9.3	32.0	9.0	2.1	7.1	32.0	-	-
System Development & System Application Sales	135.7	42.1	158.0	44.5	22.2	16.4	153.0	5.0	3.3
System Management & Operations	126.5	39.3	139.0	39.2	12.4	9.8	139.0	-	-
Product Sales	30.3	9.4	26.0	7.3	(4.3)	(14.4)	26.0	-	-
IT Solution Services	292.6	90.7	323.0	91.0	30.3	10.4	318.0	5.0	1.6
Sales	322.5	100.0	355.0	100.0	32.4	10.1	350.0	5.0	1.4

(4) Capital Expenditure

(Unit: JPY billion)

	FY Mar.2007 (Results)	FY Mar.2008 (Forecasts)	YoY	
	Amount	Amount	Diff.	Change (%)
Tangible	17.4	19.0	1.5	8.9
Intangible	12.4	14.5	2.0	16.4
Total	29.9	33.5	3.5	12.0

(5) Depreciation & Amortization

(Unit: JPY billion)

	FY Mar.2007 (Results)	FY Mar.2008 (Forecasts)	YoY	
	Amount	Amount	Diff.	Change (%)
Total	19.7	16.5	(3.2)	(16.6)

(6) R&D Expenditure

(Unit: JPY billion)

	FY Mar.2007 (Results)	FY Mar.2008 (Forecasts)	YoY	
	Amount	Amount	Diff.	Change (%)
Total	2.8	4.8	1.9	67.6