



1st Quarter FY March 2010 Financial Results

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Nomura Research Institute, Ltd.

July 24, 2009

I. 1Q FY March 2010 Financial Results (Consolidated)

(1) Highlights

(Unit: JPY million)

	1Q FY Mar.2009 (Apr.2008- Jun.2008)	Progress %	1Q FY Mar.2010 (Apr.2009- Jun.2009)	Progress %	YoY		FY Mar.2009 (Apr.2008 - Mar.2009)
	Amount		Amount		Diff.	Change (%)	Amount
Sales	79,495	23.3	81,521	23.3	2,025	2.5	341,279
Cost of Sales	56,517		58,129		1,611	2.9	240,854
Gross Profit	22,977		23,392		414	1.8	100,425
(Gross Profit Margin)	28.9%		28.7%		(0.2P)		29.4%
SG&A	13,118		13,438		320	2.4	50,711
Operating Profit	9,859	19.8	9,953	23.1	93	1.0	49,713
(Operating Profit Margin)	12.4%		12.2%		(0.2P)		14.6%
Non-operating gain and loss	1,055		906		(148)	(14.1)	2,017
Other Income and Expense	(348)		(296)		51	-	(7,549)
Net Income	6,051	24.7	6,124	25.0	73	1.2	24,513
Earnings per Share	JPY 30.63	24.4	JPY 31.48	25.0	JPY 0.85	2.8	JPY 125.54

* 1Q FY Mar.2010 progress is based on the financial results forecast released on April 24, 2009.

I. 1Q FY March 2010 Financial Results (Consolidated)

(2) Sales by sector

(Unit: JPY million)

	1Q FY Mar.2009 (Apr.2008- Jun.2008)		1Q FY Mar.2010 (Apr.2009- Jun.2009)		YoY		FY Mar.2009 (Apr.2008- Mar.2009)	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Share (%)
Securities sector	32,774	41.2	31,100	38.1	(1,674)	(5.1)	132,460	38.8
Insurance sector	9,129	11.5	13,402	16.4	4,273	46.8	50,161	14.7
Banking sector	6,039	7.6	6,532	8.0	492	8.2	25,672	7.5
Other financial sector	7,351	9.2	6,034	7.4	(1,316)	(17.9)	28,621	8.4
Financial sector	55,295	69.6	57,069	70.0	1,774	3.2	236,915	69.4
Distribution sector	10,843	13.6	10,594	13.0	(249)	(2.3)	42,925	12.6
Other sector	13,356	16.8	13,857	17.0	501	3.8	61,438	18.0
Total	79,495	100.0	81,521	100.0	2,025	2.5	341,279	100.0
*Sales by major counterparties within the foregoing amounts								
Nomura Holdings	23,545	29.6	22,563	27.7	(982)	(4.2)	97,240	28.5
SEVEN & i HOLDINGS	9,500	12.0	9,797	12.0	296	3.1	38,183	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.

*Amounts of less than JPY million were rounded down.

I. 1Q FY March 2010 Financial Results (Consolidated)

(3) Sales and Operating Profit by segment

Consulting Services

(Unit: JPY million)

	1Q FY Mar.2009 (Apr.2008- Jun.2008)		1Q FY Mar.2010 (Apr.2009- Jun.2009)		YoY		FY Mar.2009 (Apr.2008 - Mar.2009)	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Share (%)
Sales	7,380	9.3	6,336	7.8	(1,044)	(14.1)	32,866	9.6
Operating Profit	509		(376)		(886)	-	4,126	
Operating Profit Margin	6.9%		(5.9%)		(12.8P)		12.6%	

IT Solution Services

	1Q FY Mar.2009 (Apr.2008 - Jun.2008)		1Q FY Mar.2010 (Apr.2009 - Jun.2009)		YoY		FY Mar.2009 (Apr.2008 - Mar.2009)	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Share (%)
System Development & System Application Sales	32,513	40.9	30,638	37.6	(1,875)	(5.8)	144,249	42.3
System Management & Operations	37,083	46.6	42,314	51.9	5,230	14.1	148,985	43.7
Product Sales	2,517	3.2	2,231	2.7	(285)	(11.3)	15,178	4.4
Sales	72,114	90.7	75,184	92.2	3,070	4.3	308,413	90.4
Operating Profit	9,349		10,329		979	10.5	45,587	
Operating Profit Margin	13.0%		13.7%		0.8P		14.8%	

*Amounts of less than JPY million were rounded down.

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(4) Order Volume and Order Backlog

Order Volume

(Unit: JPY million)

	1Q FY Mar.2009 (Apr.2008- Jun.2008)	1Q FY Mar.2010 (Apr.2009- Jun.2009)	YoY	
	Amount	Amount	Diff.	Change (%)
Consulting Services	11,458	10,093	(1,364)	(11.9)
System Development & System Application Sales	36,826	37,601	775	2.1
System Management & Operations	16,627	22,860	6,233	37.5
Product Sales	2,509	2,231	(277)	(11.1)
IT Solution Services	55,962	62,694	6,731	12.0
Total	67,420	72,787	5,366	8.0

Order Backlog(Outstanding)

	At end of 1Q FY Mar.2009	At end of 1Q FY Mar.2010	YoY	
	Amount	Amount	Diff.	Change (%)
Consulting Services	7,906	6,966	(939)	(11.9)
System Development & System Application Sales	23,501	43,333	19,831	84.4
System Management & Operations	99,832	116,967	17,134	17.2
IT Solution Services	123,334	160,300	36,966	30.0
Total	131,240	167,267	36,026	27.5
Order backlog in the current FY	129,994	164,246	34,251	26.3

*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)

	1Q FY Mar.2009 (Apr.2008- Jun.2008)		1Q FY Mar.2010 (Apr.2009- Jun.2009)		YoY		FY Mar.2009 (Apr.2008- Mar.2009)	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Share (%)
Consulting Services	1,113	15.1	922	14.6	(190)	(17.1)	5,309	16.2
System Development & System Application Sales	17,880	55.0	18,718	61.1	837	4.7	81,610	56.6
System Management & Operations	9,426	25.4	8,106	19.2	(1,319)	(14.0)	34,526	23.2
IT Solution Services	27,307	37.9	26,824	35.7	(482)	(1.8)	116,136	37.7
Total	28,420	35.8	27,747	34.0	(673)	(2.4)	121,446	35.6
(Subcontracting Costs to China)	4,150	14.6	3,664	13.2	(486)	(11.7)	15,849	13.1

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

*Amounts of less than JPY million were rounded down.

I. 1Q FY March 2010 Financial Results (Consolidated)

(6) Cash Flow

(Unit: JPY million)

	1Q	1Q	YoY	FY Mar.2009
	FY Mar.2009 (Apr.2008- Jun.2008)	FY Mar.2010 (Apr.2009- Jun.2009)		(Apr.2008 -Mar.2009)
	Amount	Amount	Change(%)	Amount
Income before income taxes	10,566	10,563	(0.0)	44,181
Gain/Loss from non-operating activities	(1,059)	(840)	(20.6)	(1,991)
Extraordinary gain/loss	351	306	(13.0)	7,549
Depreciation and amortization	4,600	6,774	47.3	20,763
Accounts receivable and other receivable, net of advance payments received	11,915	11,681	(2.0)	(3,283)
Allowance	(5,735)	(5,912)	3.1	458
Other	1,452	4,061	179.6	(808)
Subtotal	22,093	26,634	20.6	66,869
Interest and dividends received	962	977	1.6	1,981
Income taxes paid	(11,001)	(11,912)	8.3	(22,669)
Operating Activities	12,054	15,699	30.2	46,180
Acquisition of property and equipment	(5,145)	(3,721)	(27.7)	(14,105)
Increase in software and other intangibles	(4,542)	(5,373)	18.3	(57,862)
Subtotal: Capital expenditure	(9,688)	(9,094)	(6.1)	(71,968)
Increase in time deposits	-	-	-	(6,874)
Proceeds from time deposits	-	3,562	-	6,929
Increase in investment securities	(14,114)	(252)	(98.2)	(29,365)
Proceeds from sales and redemption of investment securities	12,005	2,030	(83.1)	30,251
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	664	-	-
Other	4	17	308.0	32
Investing Activities	(11,792)	(3,071)	(74.0)	(70,994)
Free Cash Flow	262	12,628	-	(24,813)
(Free Cash Flow except Cash management purpose investment)	2,215	7,316	230.3	(27,877)
Increase in short-term loans payable	-	4,000	-	-
Decrease in short-term loans payable	-	(4,000)	-	-
Repayments of finance lease obligations	(117)	(72)	(38.4)	(388)
Purchase of treasury stock	(11,810)	0	(100.0)	(11,797)
Cash dividends paid	(5,022)	(5,010)	(0.2)	(10,228)
Financing Activities	(16,951)	(5,082)	(70.0)	(22,414)
Effect of exchange rate changes on Cash and cash equivalents	149	(132)	-	(68)
Net increase in Cash and cash equivalents	(16,539)	7,412	-	(47,296)
Cash and cash equivalents at beginning of period	75,524	28,228	(62.6)	75,524
Cash and cash equivalents at end of period	58,985	35,641	(39.6)	28,228
Cash and cash equivalents + Cash Management purpose investment	88,565	53,499	(39.6)	51,271

*Amounts of less than JPY million were rounded down.

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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.

Increase in time deposits	-	-	-	(6,874)
Proceeds from time deposits	-	3,562	-	6,929
Increase in investment securities	(13,952)	(250)	(98.2)	(24,991)
Proceeds from sales and redemption of investment securities	12,000	2,000	(83.3)	28,000
(Total)				
Cash management purpose investment	(1,952)	5,312	-	3,064

*Amounts of less than JPY million were rounded down.

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(7) Capital Expenditure

(Unit: JPY million)

	1Q FY Mar.2009 (Apr.2008 - Jun.2008)	1Q FY Mar.2010 (Apr.2009 - Jun.2009)	YoY		FY Mar.2009 (Apr.2008 - Mar.2009)
	Amount	Amount	Diff.	Change (%)	Amount
Tangible	3,234	2,277	(956)	(29.6)	12,378
Intangible	4,491	5,332	840	18.7	57,705
Total	7,726	7,610	(116)	(1.5)	70,083

(8) Depreciation and Amortization

	1Q FY Mar.2009 (Apr.2008 - Jun.2008)	1Q FY Mar.2010 (Apr.2009 - Jun.2009)	YoY		FY Mar.2009 (Apr.2008 - Mar.2009)
	Amount	Amount	Diff.	Change (%)	Amount
Tangible	2,691	2,777	86	3.2	12,045
Intangible	1,909	3,996	2,087	109.3	8,717
Total	4,600	6,774	2,173	47.3	20,763

(9) R&D Expenditure

	1Q FY Mar.2009 (Apr.2008 - Jun.2008)	1Q FY Mar.2010 (Apr.2009 - Jun.2009)	YoY		FY Mar.2009 (Apr.2008 - Mar.2009)
	Amount	Amount	Diff.	Change (%)	Amount
Consulting Services	77	116	39	50.8	614
IT Solution Services	653	615	(38)	(5.9)	3,489
Total	731	732	0	0.1	4,104

*Amounts of less than JPY million were rounded down.

II. FY March 2010 Financial Results Forecasts (Consolidated)

(1) Highlights

(Unit: JPY billion)

	FY Mar.2009	FY Mar.2010	YoY	
	(Results)	(Forecasts)	Diff.	Change (%)
	Amount	Amount		
Sales	341.2	350.0	8.7	3
Operating Profit	49.7	43.0	(6.7)	(14)
Net Income	24.5	24.5	-	-
Operating Profit Margin	14.6%	12.3%	(2.3P)	
Earnings per share	JPY 125.54	JPY 125.95	JPY 0.41	
1st Half	JPY 26.00	JPY 26.00	-	-
Fiscal Year	JPY 26.00	JPY 26.00	-	-
Dividends per share	JPY 52.00	JPY 52.00	-	-
Dividend payout ratio	41.3%	41.3%	-	

[1st Half]

	FY Mar.2009	FY Mar.2010	YoY	
	(Results)	(Forecasts)	Diff.	Change (%)
	Amount	Amount		
Sales	165.2	168.0	2.7	2
Operating Profit	23.7	20.0	(3.7)	(16)
Net Income	14.2	12.5	(1.7)	(12)
Operating Profit Margin	14.4%	11.9%	(2.4P)	

[2nd Half]

	FY Mar.2009	FY Mar.2010	YoY	
	(Results)	(Forecasts)	Diff.	Change (%)
	Amount	Amount		
Sales	175.9	182.0	6.0	3
Operating Profit	25.9	23.0	(2.9)	(12)
Net Income	10.2	12.0	1.7	17
Operating Profit Margin	14.8%	12.6%	(2.1P)	

II. FY March 2010 Financial Results Forecasts (Consolidated)

(2) Sales by sector

(Unit: JPY billion)

	FY Mar.2009 (Results)		FY Mar.2010 (Forecasts) <A>		YoY		FY Mar.2010 (Forecasts as of Apr.24,2009) 		A-B	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Amount	Change (%)	
Securities sector	132.4	39	126.0	36	(6.4)	(5)	126.0	-	-	
Insurance sector	50.1	15	59.0	17	8.8	18	56.0	3.0	5	
Banking sector	25.6	8	30.0	8	4.3	17	28.0	2.0	7	
Other financial sector	28.6	8	27.0	8	(1.6)	(6)	29.0	(2.0)	(7)	
Financial sector	236.9	70	242.0	69	5.0	2	239.0	3.0	1	
Distribution sector	42.9	13	43.0	12	0	0	43.0	-	-	
Other sector	61.4	17	65.0	19	3.5	6	68.0	(3.0)	(4)	
Total	341.2	100	350.0	100	8.7	3	350.0	-	-	

II. FY March 2010 Financial Results Forecasts (Consolidated)

[1st Half]

(Unit: JPY billion)

	FY Mar.2009 (Results)		FY Mar.2010 (Forecasts) <A>		YoY		FY Mar.2010 (Forecasts as of Apr.24,2009) 		A-B	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Amount	Change (%)	
Securities sector	66.8	41	62.0	37	(4.8)	(7)	62.0	-	-	
Insurance sector	21.2	13	27.0	16	5.7	27	26.0	1.0	4	
Banking sector	12.1	7	15.0	9	2.8	24	13.0	2.0	15	
Other financial sector	14.6	9	13.0	8	(1.6)	(11)	14.0	(1.0)	(7)	
Financial sector	114.8	70	117.0	70	2.1	2	115.0	2.0	2	
Distribution sector	21.6	13	21.0	12	(0.6)	(3)	21.0	-	-	
Other sector	28.8	17	30.0	18	1.1	4	32.0	(2.0)	(6)	
Total	165.2	100	168.0	100	2.7	2	168.0	-	-	

[2nd Half]

	FY Mar.2009 (Results)		FY Mar.2010 (Forecasts) <A>		YoY		FY Mar.2010 (Forecasts as of Apr.24,2009) 		A-B	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Amount	Change (%)	
Securities sector	65.5	37	64.0	35	(1.5)	(2)	64.0	-	-	
Insurance sector	28.9	17	32.0	18	3.0	11	30.0	2.0	7	
Banking sector	13.5	8	15.0	8	1.4	11	15.0	-	-	
Other financial sector	14.0	8	14.0	8	(0)	(0)	15.0	(1.0)	(7)	
Financial sector	122.0	70	125.0	69	2.9	2	124.0	1.0	1	
Distribution sector	21.2	12	22.0	12	0.7	3	22.0	-	-	
Other sector	32.6	18	35.0	19	2.3	7	36.0	(1.0)	(3)	
Total	175.9	100	182.0	100	6.0	3	182.0	-	-	

II. FY March 2010 Financial Results Forecasts (Consolidated)

(2) Sales by segment

(Unit: JPY billion)

	FY Mar.2009 (Results)		FY Mar.2010 (Forecasts) <A>		YoY		FY Mar.2010 (Forecasts as of Apr.24,2009) 		A-B	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Amount	Change (%)	
Consulting Services	32.8	10	28.0	8	(4.8)	(15)	32.0	(4.0)	(13)	
System Development & System Application Sales	144.2	42	138.0	39	(6.2)	(4)	136.0	2.0	2	
System Management & Operations	148.9	44	172.0	49	23.0	15	170.0	2.0	1	
Product Sales	15.1	4	12.0	4	(3.1)	(21)	12.0	-	-	
IT Solution Services	308.4	90	322.0	92	13.5	4	318.0	4.0	1	
Sales	341.2	100	350.0	100	8.7	3	350.0	-	-	

[1st Half]

	FY Mar.2009 (Results)		FY Mar.2010 (Forecasts) <A>		YoY		FY Mar.2010 (Forecasts as of Apr.24,2009) 		A-B	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Amount	Change (%)	
Consulting Services	16.7	10	13.0	8	(3.7)	(22)	15.0	(2.0)	(13)	
System Development & System Application Sales	68.8	42	65.0	39	(3.8)	(6)	65.0	-	-	
System Management & Operations	74.0	45	85.0	50	10.9	15	83.0	2.0	2	
Product Sales	5.6	3	5.0	3	(0.6)	(12)	5.0	-	-	
IT Solution Services	148.5	90	155.0	92	6.4	4	153.0	2.0	1	
Sales	165.2	100	168.0	100	2.7	2	168.0	-	-	

[2nd Half]

	FY Mar.2009 (Results)		FY Mar.2010 (Forecasts) <A>		YoY		FY Mar.2010 (Forecasts as of Apr.24,2009) 		A-B	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Amount	Change (%)	
Consulting Services	16.1	9	15.0	8	(1.1)	(7)	17.0	(2.0)	(12)	
System Development & System Application Sales	75.4	43	73.0	40	(2.4)	(3)	71.0	2.0	3	
System Management & Operations	74.8	43	87.0	48	12.1	16	87.0	-	-	
Product Sales	9.4	5	7.0	4	(2.4)	(26)	7.0	-	-	
IT Solution Services	159.8	91	167.0	92	7.1	5	165.0	2.0	1	
Sales	175.9	100	182.0	100	6.0	3	182.0	-	-	

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