
Presentation at Nomura Investment Forum 2009

December 3 , 2009

Nomura Research Institute,Ltd.

Akihisa Fujinuma

Chairman and President, CEO & COO

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1. NRI's Business and the Positioning

2. Trends in Consolidated Performance

3. NRI's Strengths

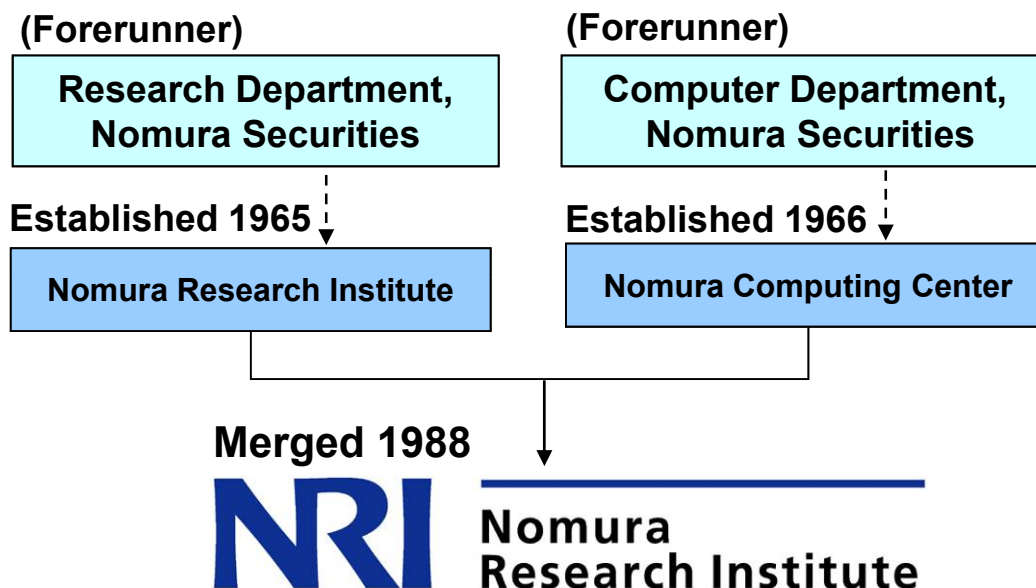
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Corporate Information

(As of September 30, 2009)



Corporate Data

Nomura Research Institute, Ltd.

Headquarters: Chiyoda-ku, Tokyo

Capital: 18.6 billion yen

President: Akihisa Fujinuma

Number of employees: 6,275 (consolidated)

(FY3/2009 Financial Results)

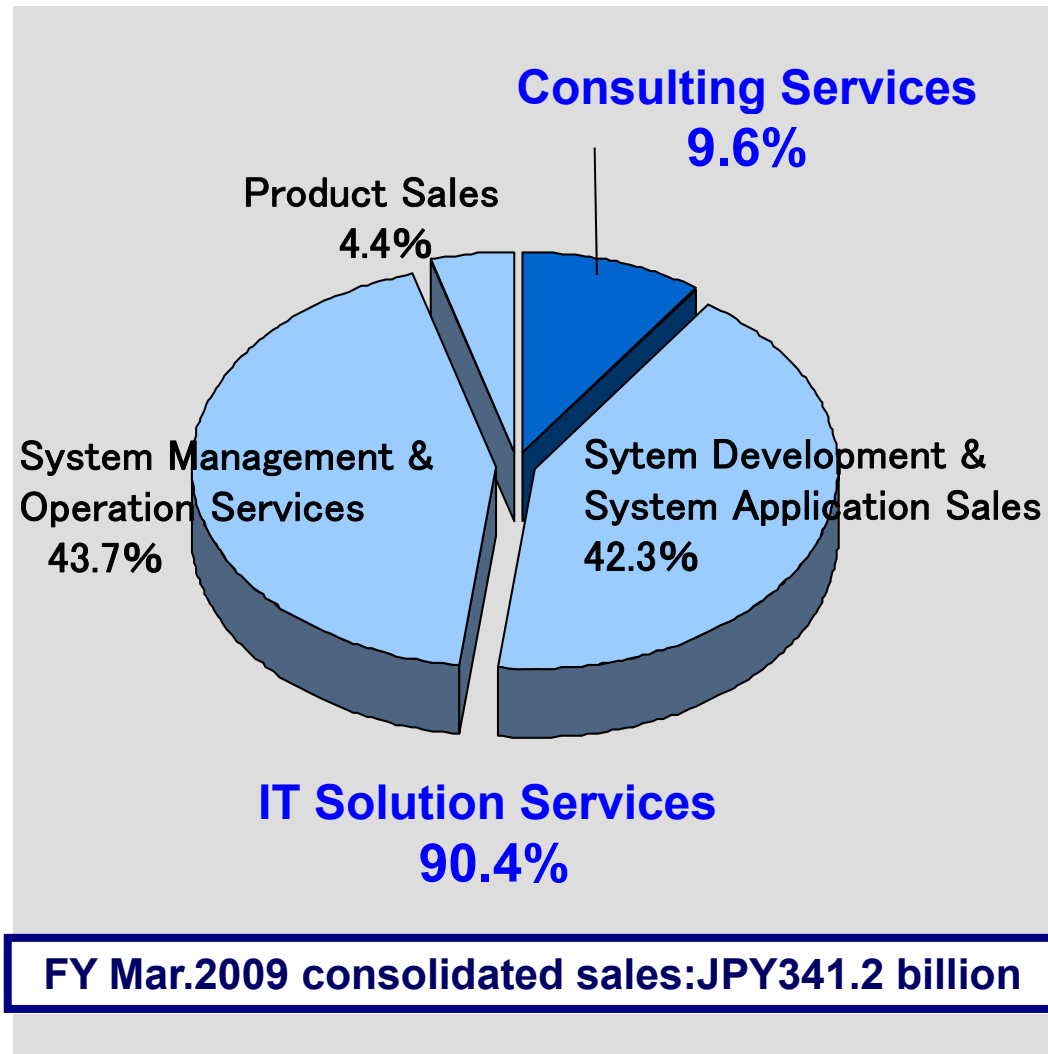
Consolidated sales: JPY341.2 billion

Consolidated operating profit: JPY49.7 billion

(Corporate History)

1965 (April)	Nomura Research Institute, Ltd. established.
1966 (January)	Nomura Computing Center Co., Ltd. established (Name changed to Nomura Computer Systems Co., Ltd. in December 1972)
1988 (January)	Nomura Research Institute, Ltd. and Nomura Computer Systems Co., Ltd., merged under the name Nomura Research Institute, Ltd.
2001 (December)	Listed on the 1st Section of the Tokyo Stock Exchange (Securities Code: 4307)

Sales by Segment



■ Consulting Services

■ Consulting

- Management consulting
- System consulting

■ IT Solution Services

■ System Development & System Application Sales

- Systems Integration
- Software Package developed by NRI

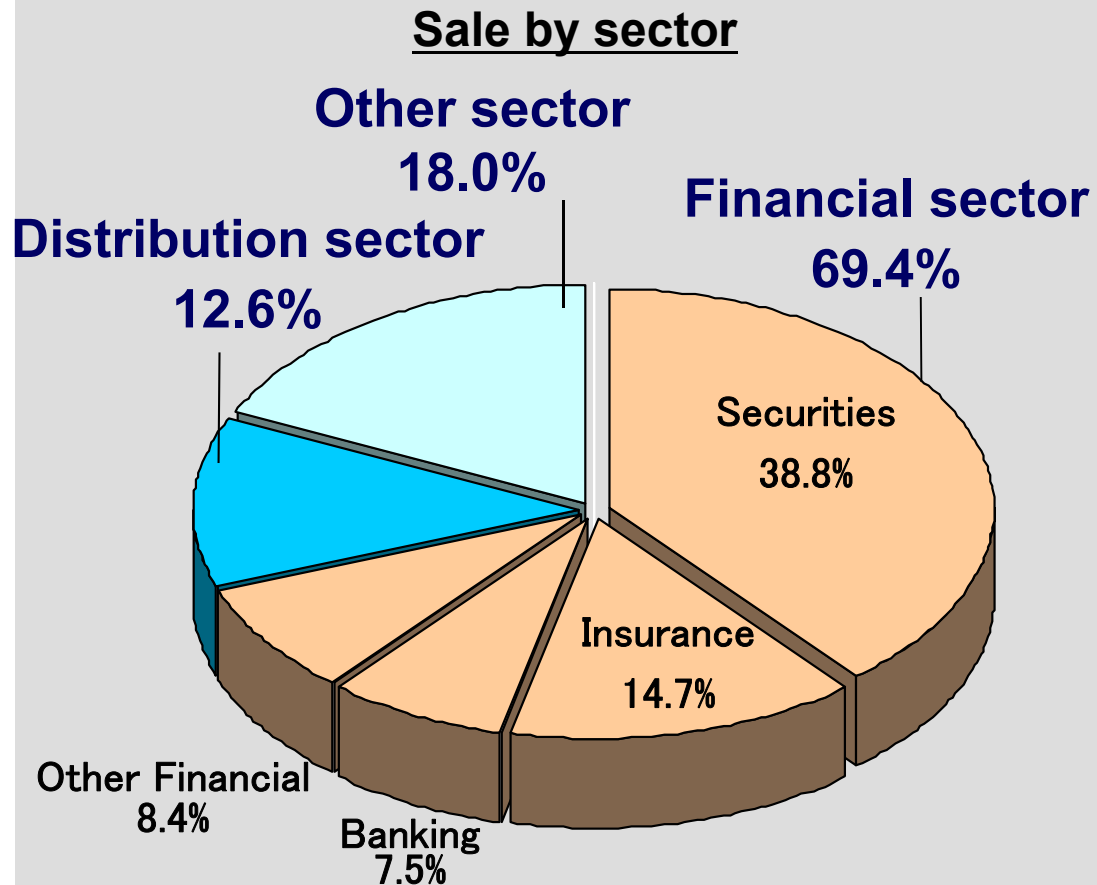
■ System Management & Operation Services

- Outsourcing Services
- Shared-online systems service (Service Fee)

■ Product Sales

- Hardware ,Software supplying from other vendors

Sales by Sector



FY Mar.2009 consolidated sales:JPY341.2 billion

➤ **Financial sector**

Securities, insurances, banks, trust banks, asset managements, investment advisors, consumer finance ...etc.

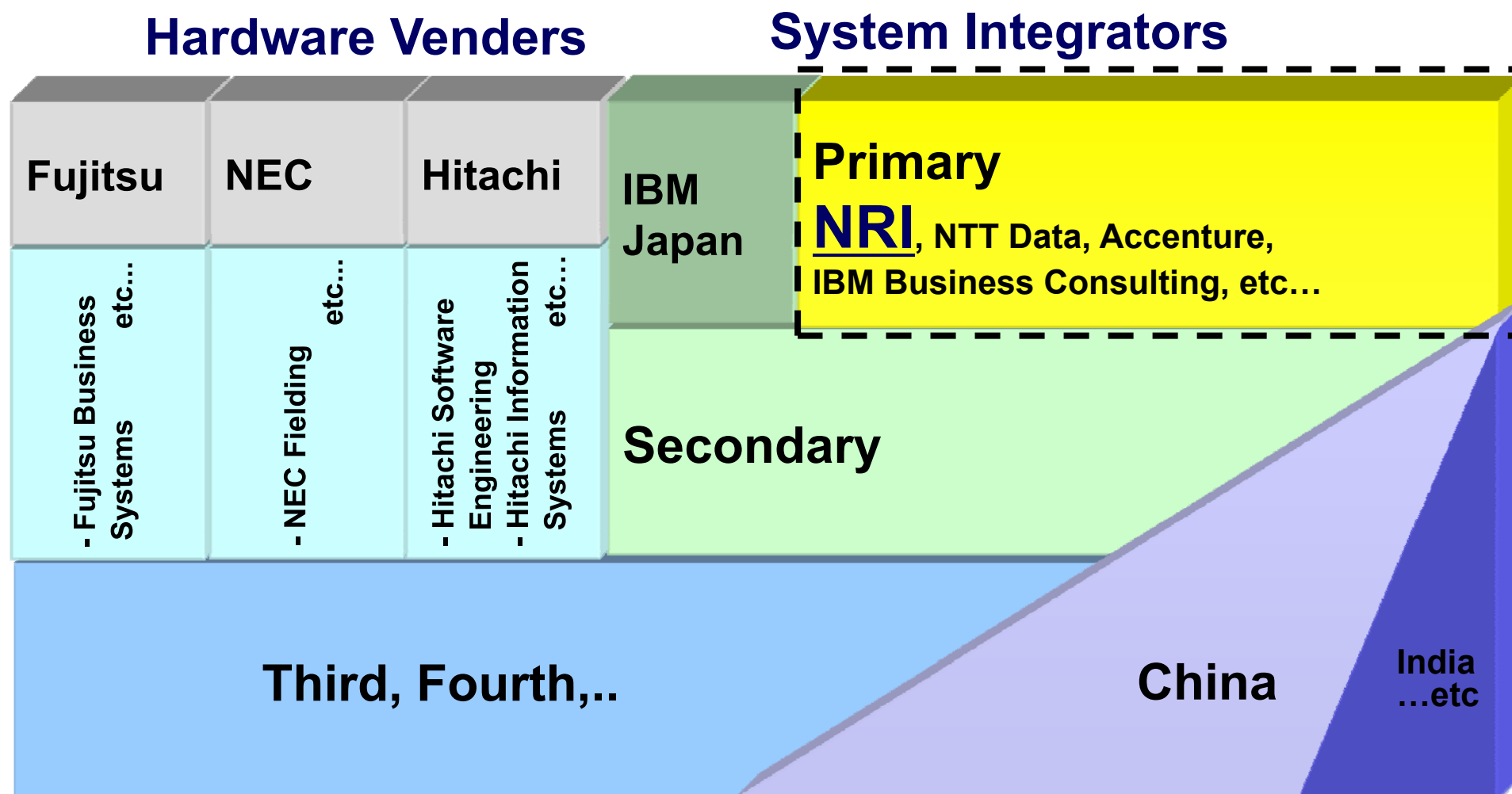
➤ **Distribution sector**

Supermarkets, convenience stores, home centers, specialty volume retailers, wholesalers ...etc.

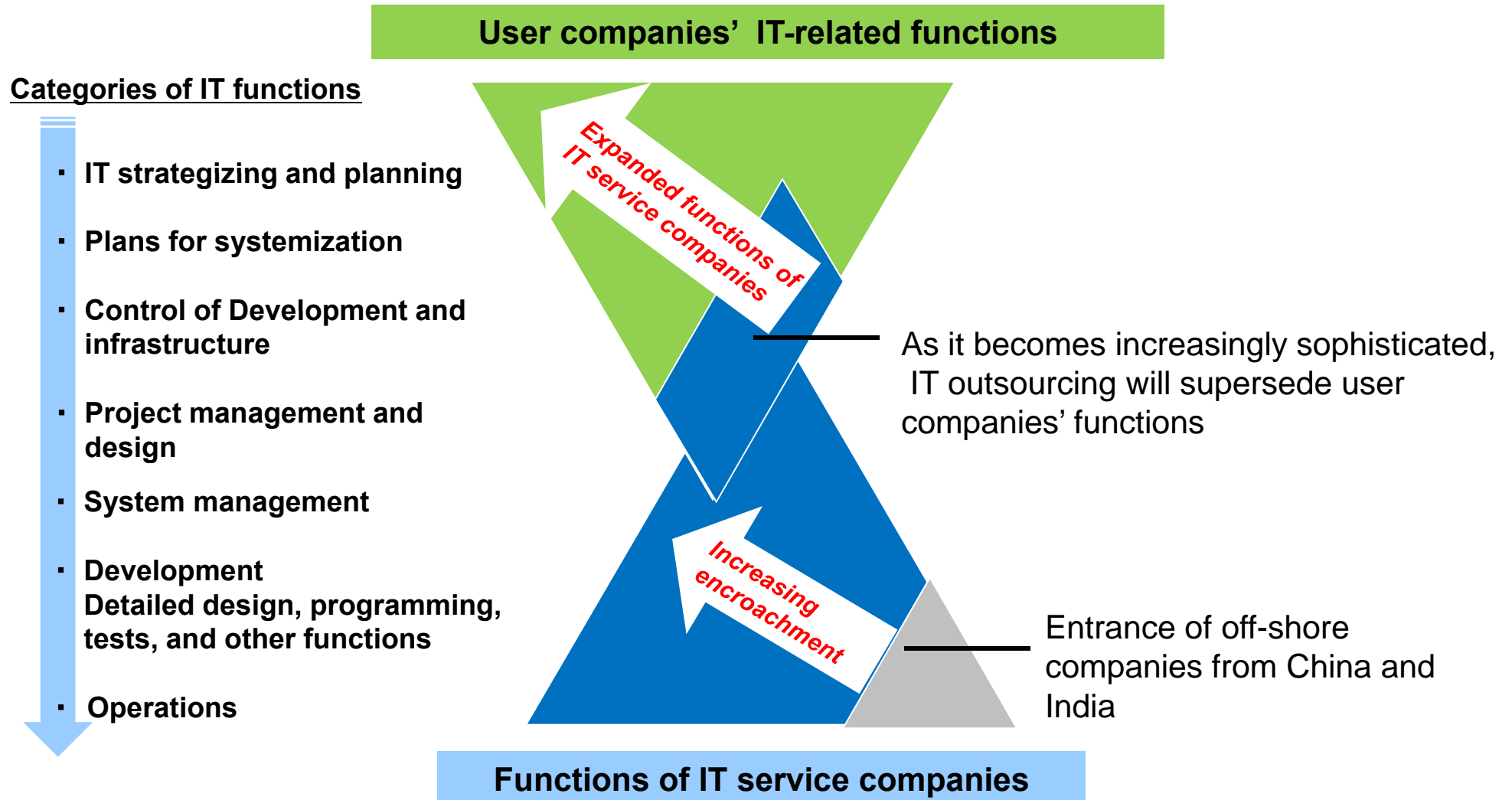
➤ **Other sector**

Manufacturing and service industries
Central government, local governments, ...etc.

Information Services Industry Environment: Comparisons with Competitors (Japan)

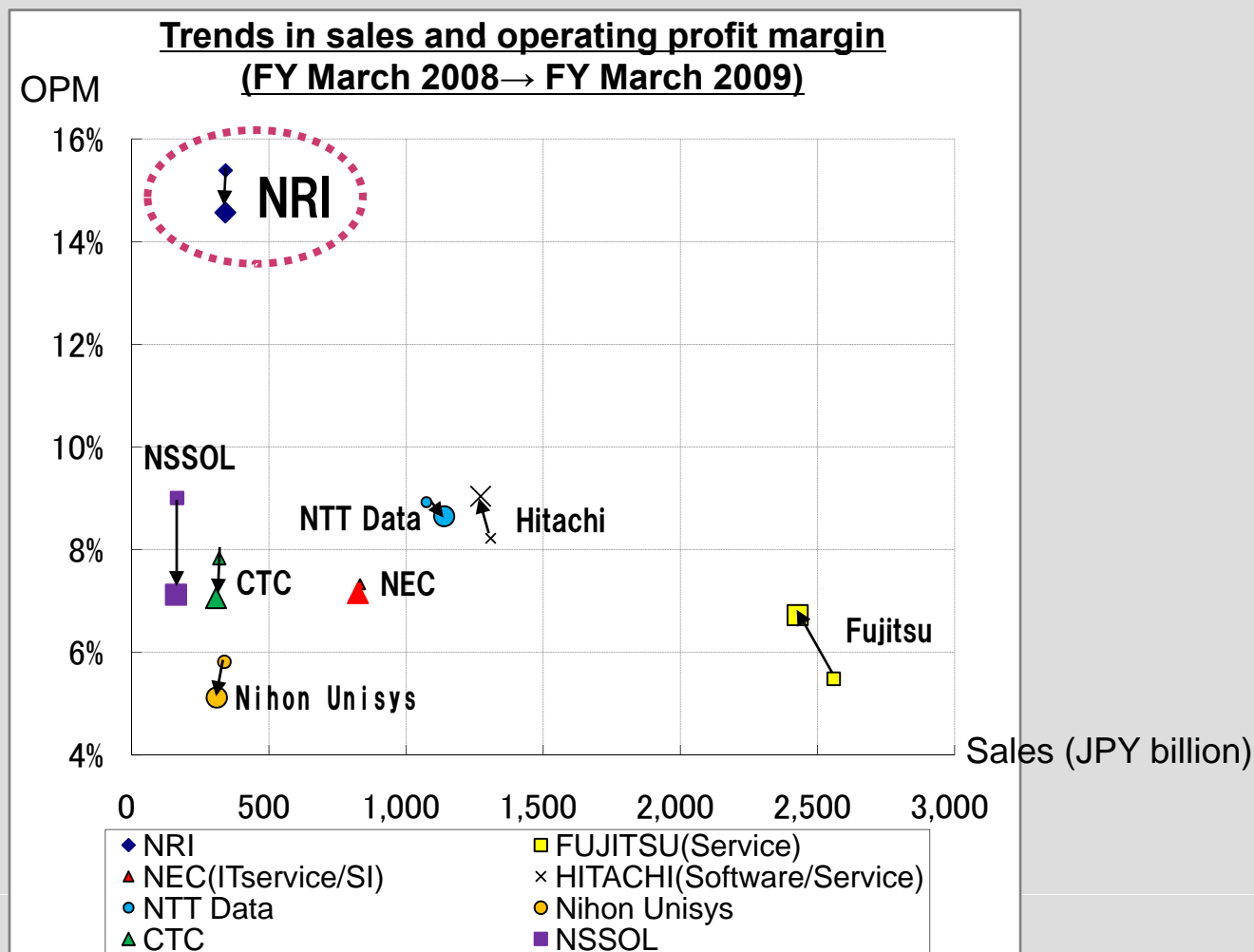


Information Services Industry Environment: Changes in Japan's IT service market



Information Services Industry Environment: Comparisons with Competitors (Japan)

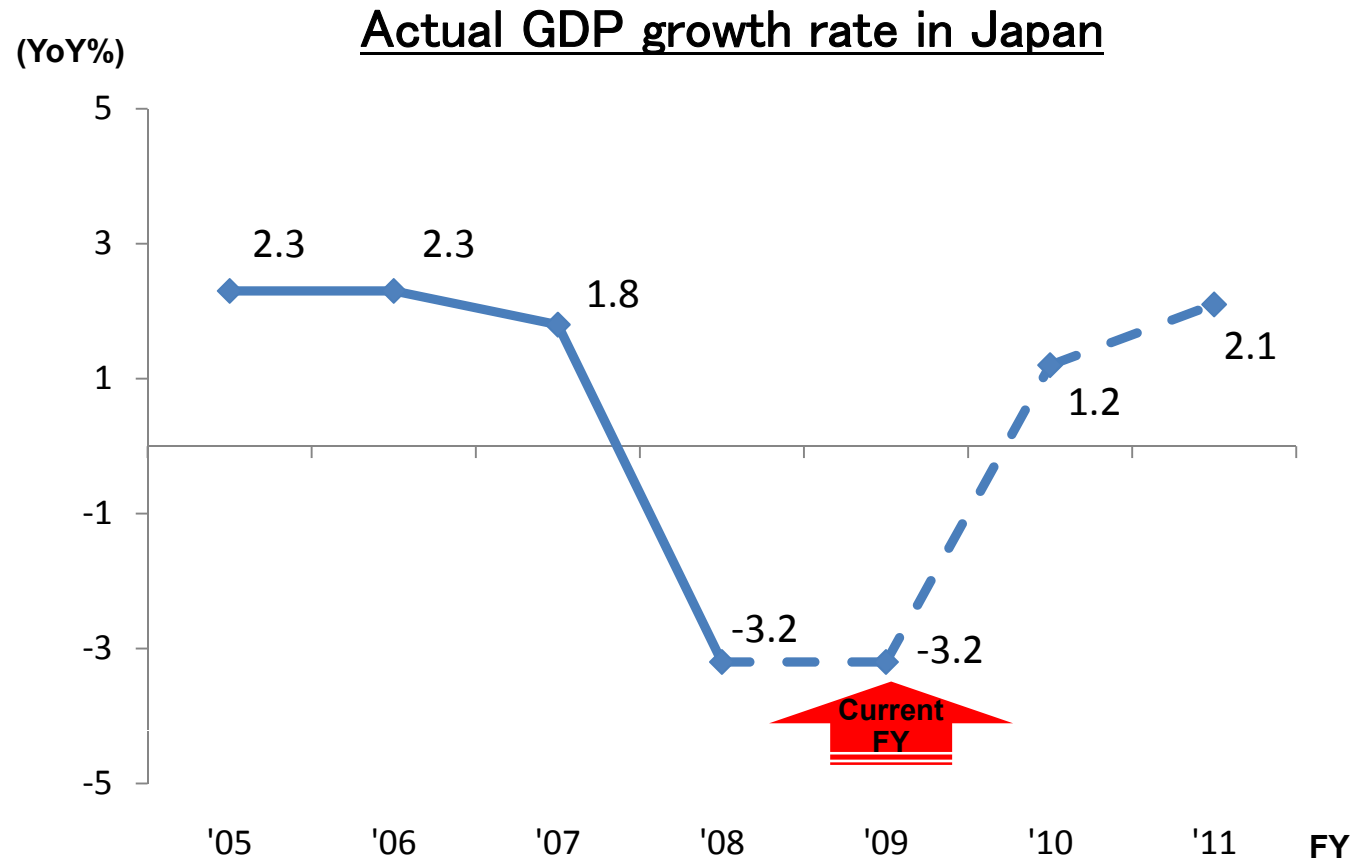
■Comparisons of operating profit margin, scope of sales, and their growth trend



Source: Prepared from the annual securities reports of each firm.

Economic recovery and IT investment

■ Economy is expected to recover in FY 2010



Source: Cabinet Office, forecasts: BOJ “Outlook for Economic Activity and Prices October 2009”

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Financial Results (FY3/05 - FY3/10E)

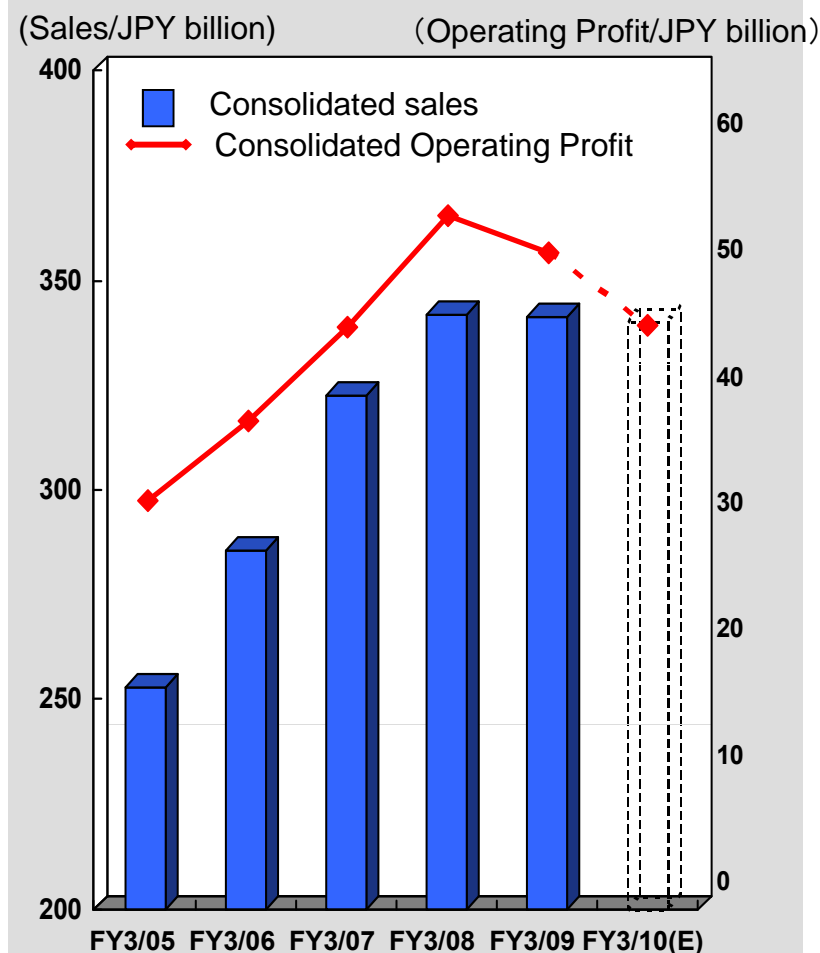
(JPY million)	FY3/05	FY3/06	FY3/07	FY3/08	FY3/09	FY3/10(E)
Sale	252,963	285,585	322,531	342,289	341,279	340,000
Operating Profit	30,159	36,469	43,897	52,664	49,713	44,000
Net Income	16,303	22,518	27,019	28,157	24,513	24,500
EPS(JPY) *Note2	72	103	132	138	125	125
DPS(JPY) *Note2	20	28	36	50	52	52
Total Assets	317,341	311,786	371,458	362,447	354,487	-
Shareholders' Equity	231,766	209,301	216,232	207,363	205,466	-
(%)						
Operating Profit Margin	11.9	12.8	13.6	15.4	14.6	12.9
ROE	7.1	10.2	12.7	13.3	11.9	-
ROA	9.6	12.2	13.5	15.1	14.4	-
Equity Ratio	73.0	67.1	58.1	57.0	57.7	-
(Personnel)						
Employee (Year ended)	4,848	5,013	5,303	5,711	6,118	-

*Note1

Note1: Forecasts were announced on October 23, 2009.

Note2 :NRI split common stock into 1:5 on April 1,2007.

Consolidated Sales and Operating Profit



Highlights of Consolidated Results <1H FY Mar.2010>

■ Year on Year

(Unit: JPY million)

	1H FY Mar. 2009	1H FY Mar. 2010	Difference	YoY Change
Sales	165,285	166,882	+1,597	+1.0%
Operating Profit	23,718	22,090	(1,628)	(6.9%)
Operating Profit Margin	14.4%	13.2%	(1.1P)	
Net Income	14,232	11,979	(2,252)	(15.8%)
Earnings per share	¥72.61	¥61.57	(¥11.04)	(15.2%)
Dividends per share	¥26	¥26	-	

Sales by Sector <1H FY Mar.2010>

(Unit: JPY million)

	1H FY Mar.2009	Share	1H FY Mar.2010	Share	Diff.	YoY Change
Securities sector	66,897	40.5%	61,875	37.1%	(5,022)	(7.5%)
Insurance sector	21,212	12.8%	27,428	16.4%	+6,216	+29.3%
Banking sector	12,125	7.3%	14,408	8.6%	+2,282	+18.8%
Other financial sector	14,617	8.8%	11,860	7.1%	(2,756)	(18.9%)
Financial sector	114,853	69.5%	115,572	69.3%	+719	+0.6%
Distribution sector	21,630	13.1%	21,921	13.1%	+291	+1.3%
Other sector	28,801	17.4%	29,388	17.6%	+587	+2.0%
Total	165,285	100.0%	166,882	100.0%	+1,597	+1.0%
Nomura Holdings	49,034	29.7%	44,751	26.8%	(4,282)	(8.7%)
Seven & i Holdings	18,914	11.4%	21,100	12.6%	+2,186	+11.6%

*Figures of Nomura Holdings and Seven & i Holdings, in principle, include sales to subsidiaries.

*Amount of less than JPY million were rounded down.

Sales by segment <1H FY Mar.2010>

(Unit: JPY million)

	1H FY Mar.2009	Share	1H FY Mar.2010	Share	Diff.	YoY Change
Consulting Services	16,706	10.1%	13,597	8.1%	(3,109)	(18.6%)
System Development & System Application Sales	68,810	41.6%	63,697	38.2%	(5,113)	(7.4%)
System Management & Operation Services	74,089	44.8%	83,656	50.1%	+9,567	+12.9%
Product Sales	5,678	3.4%	5,931	3.6%	+252	+4.5%
IT Solution Services	148,578	89.9%	153,285	91.9%	+4,706	+3.2%
Total	165,285	100.0%	166,882	100.0%	+1,597	+1.0%

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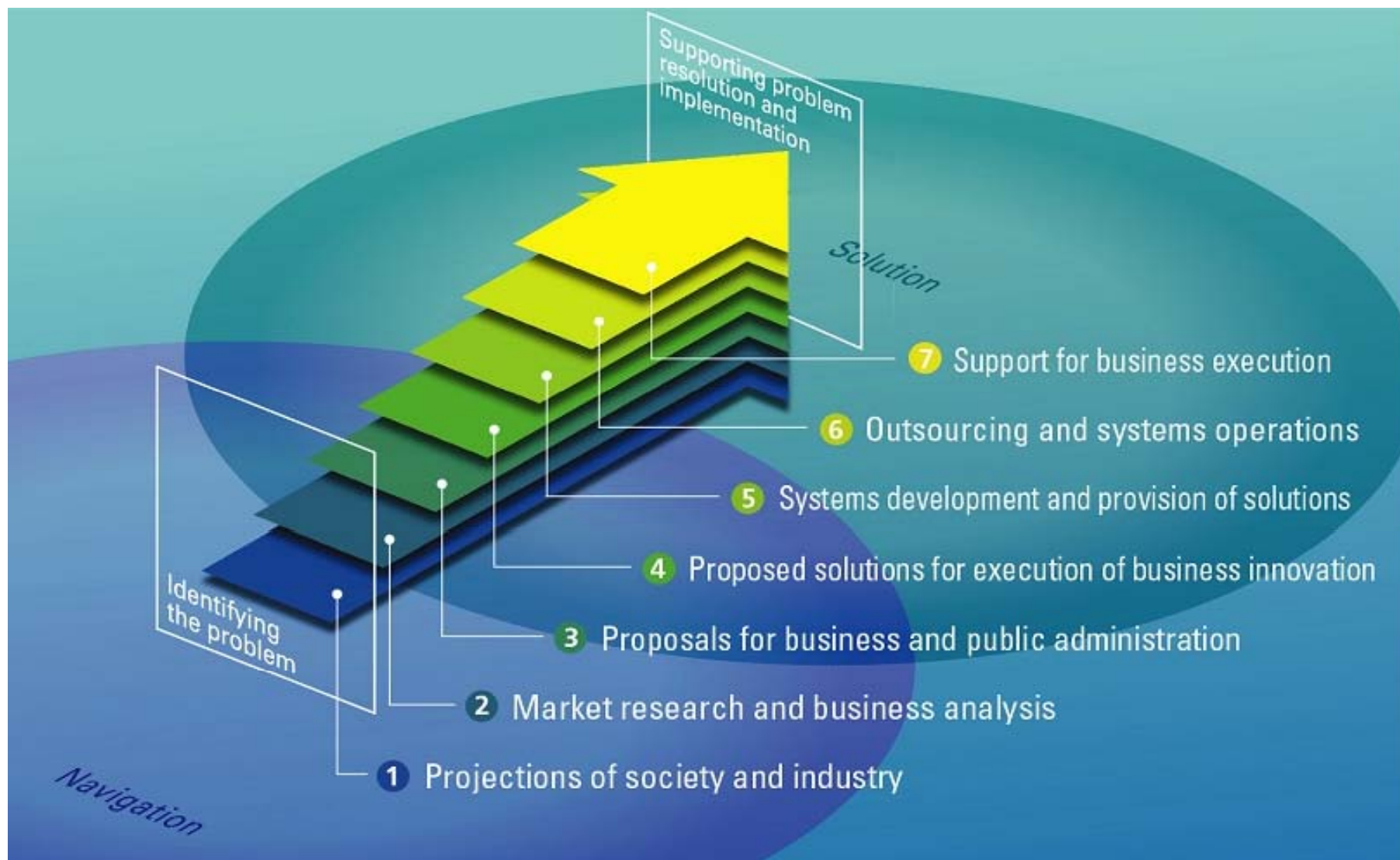
3. NRI's Strengths

4. Toward Growth Over the Medium to Long Term

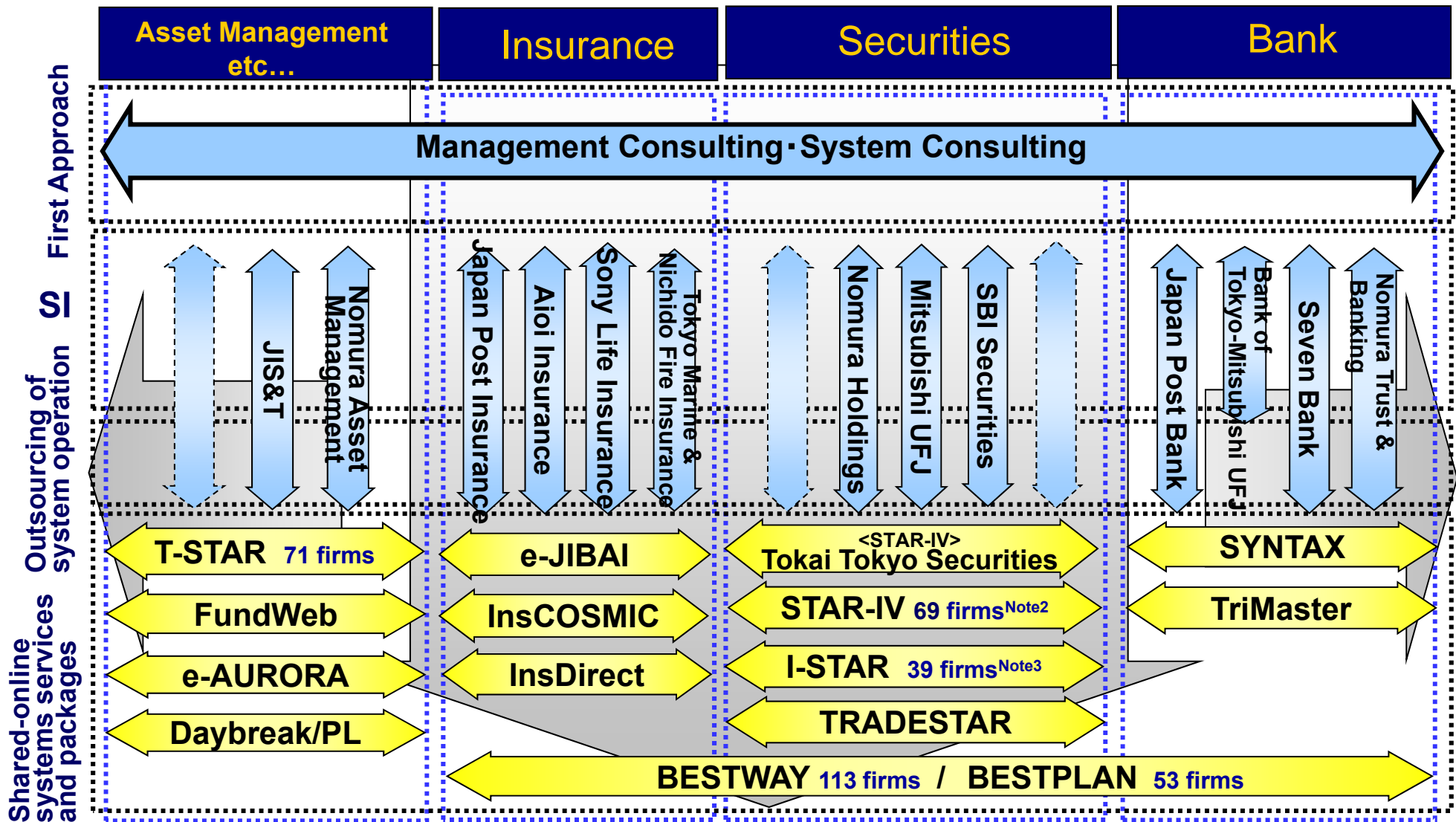
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NRI's Strengths(1): Navigation & Solutions

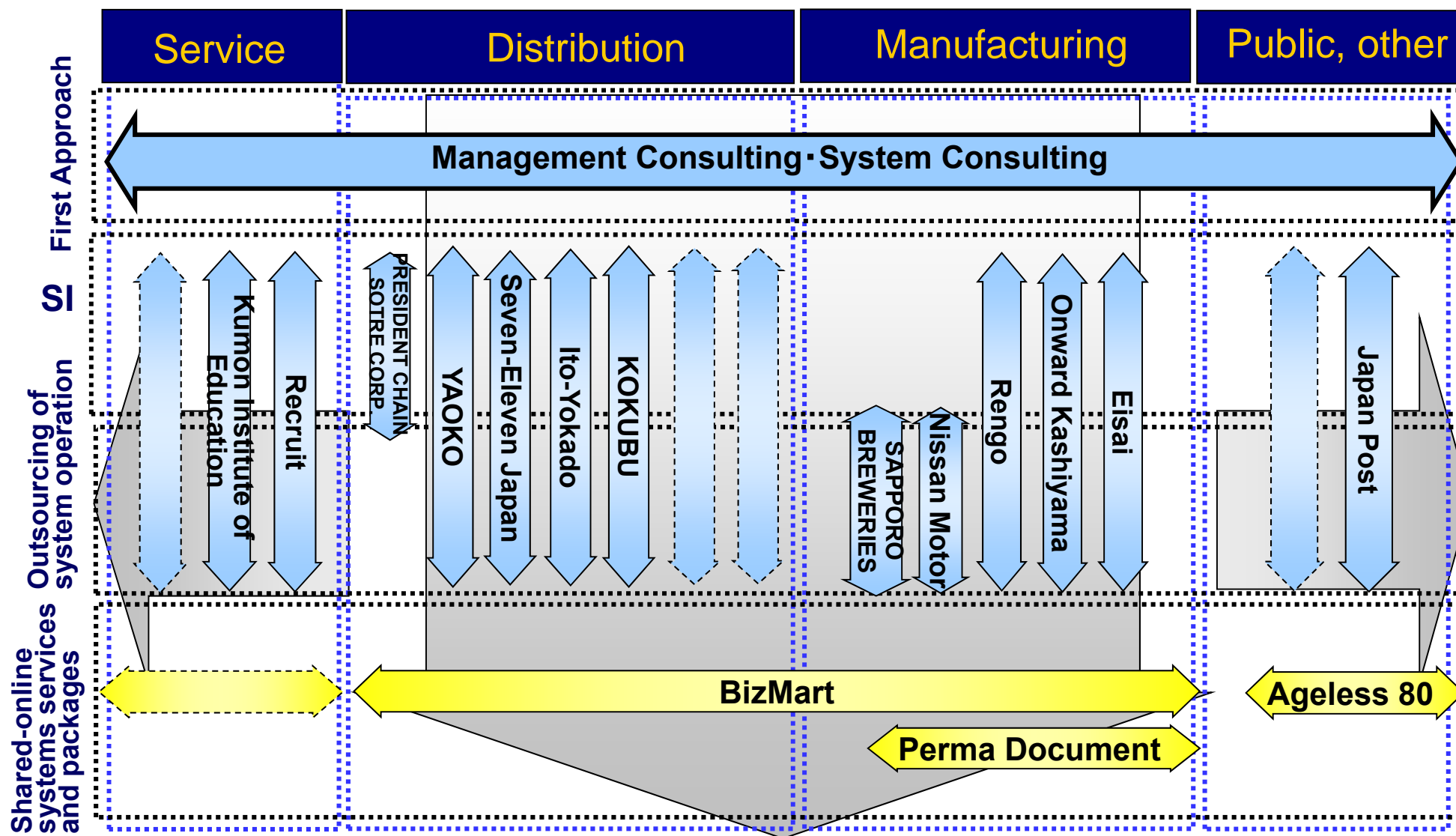


NRI's Strengths(2): Customer base(Financial sector)

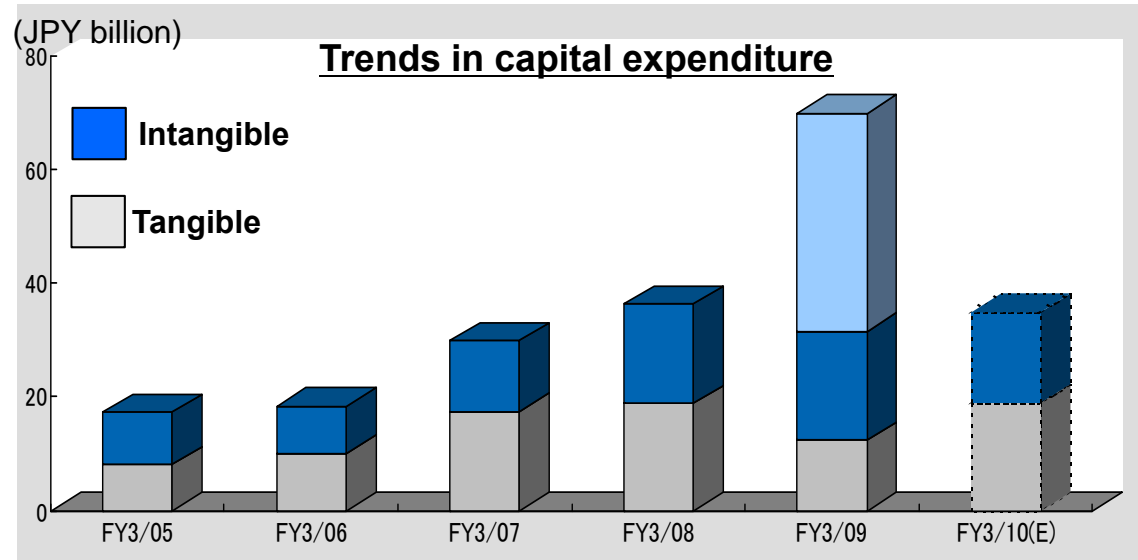


Notes: 1. Numbers in blue at right are users of each system as of September 30, 2009 2. For STAR-IV, number of firms, including partial users
3. For I-STAR, number of firms, excluding the subsystem

NRI's Strengths(2): Customer base (Other sector)



NRI's Strengths(3): Business model utilizing own software or hardware asset



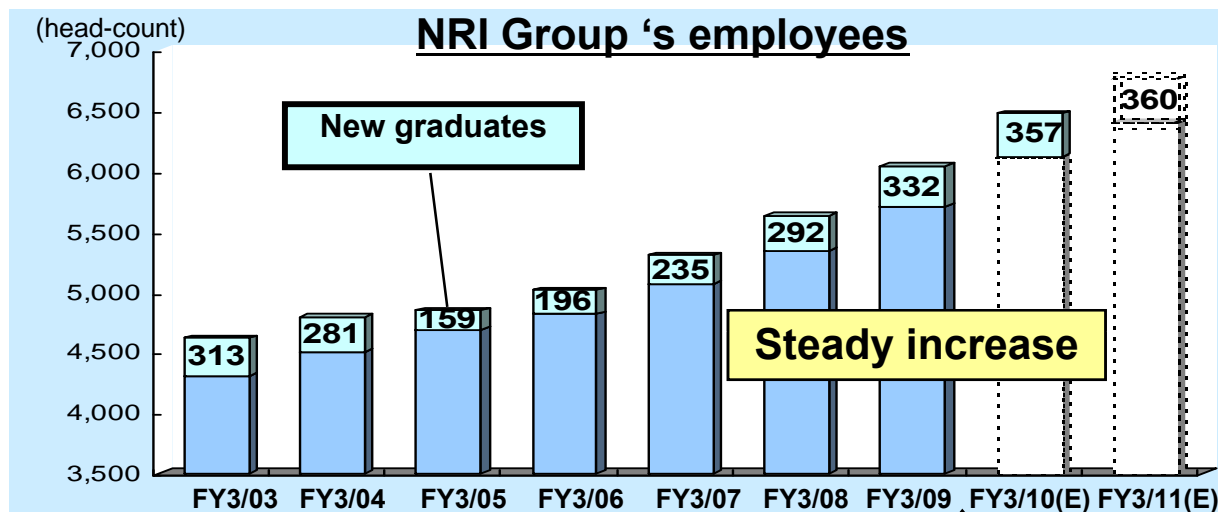
Yokohama Data Center 2(Oct.2007, final completion)

	Overview	Recent development
Computer Centers	NRI has data centers in four locations: Hiyoshi, Yokohama(2 centers), and Osaka	<ul style="list-style-type: none"> • Planning to build a new data center in 2012. • Yokohama Data Center 2, a state-of-the-art Tier 4 data center was built in Oct. 2007.
Shared-online systems services (ASP-type), package software (software assets)	NRI has a number of shared-online systems services (ASP-type), primarily for financial applications, including STAR-IV, T-STAR, and I-STAR.	<ul style="list-style-type: none"> • In the financial sector, extension of existing services, expansion of lineup, such as next generation the T-STAR. • New services outside the field of finance are under study.

Note: This is a voluntary standard used primarily by European and US financial institutions, which rates data center facilities in terms of levels of redundant configuration. Tier 4 is the highest rating.

NRI'S Strengths(4):

Depth in Human Resources -NRI's employees + Partners(in Japan & China)



- Management Consultant
- Systems Consultant
- Application Engineer
- Technical Engineer
- Infrastructure Engineer ...etc.

Personnel:
App. 6,500

(IT engineers are app. 4,500)

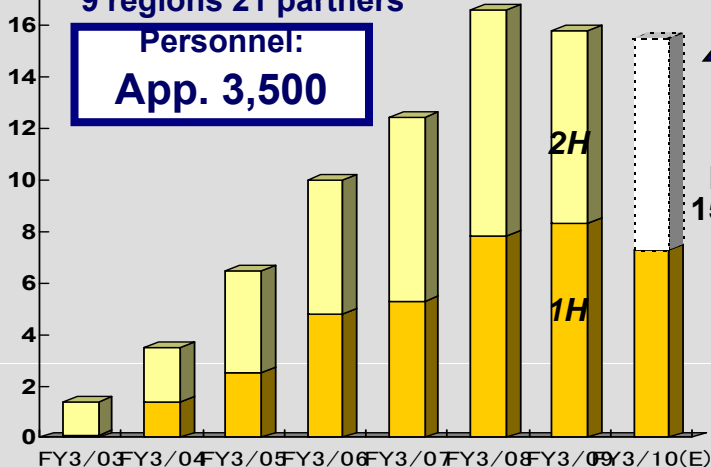
Offshore development Partners in China

Subcontracting Costs to China

(JPY billion)

9 regions 21 partners

Personnel:
App. 3,500



Effective use of
three resources

Full Year:
15.0-16.0 (E)

Partner Companies in Japan

- Develop e-Partner system
- Utilize DevNet
- Strengthen relations with management of partnering companies ---etc.



Personnel:
App. 6,500

Note: as of September 2009

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NRI's strategy

From providing IT services on an individual company basis
To providing a business platform through the industry & market

Policies

1. Providing next-generation business platform services

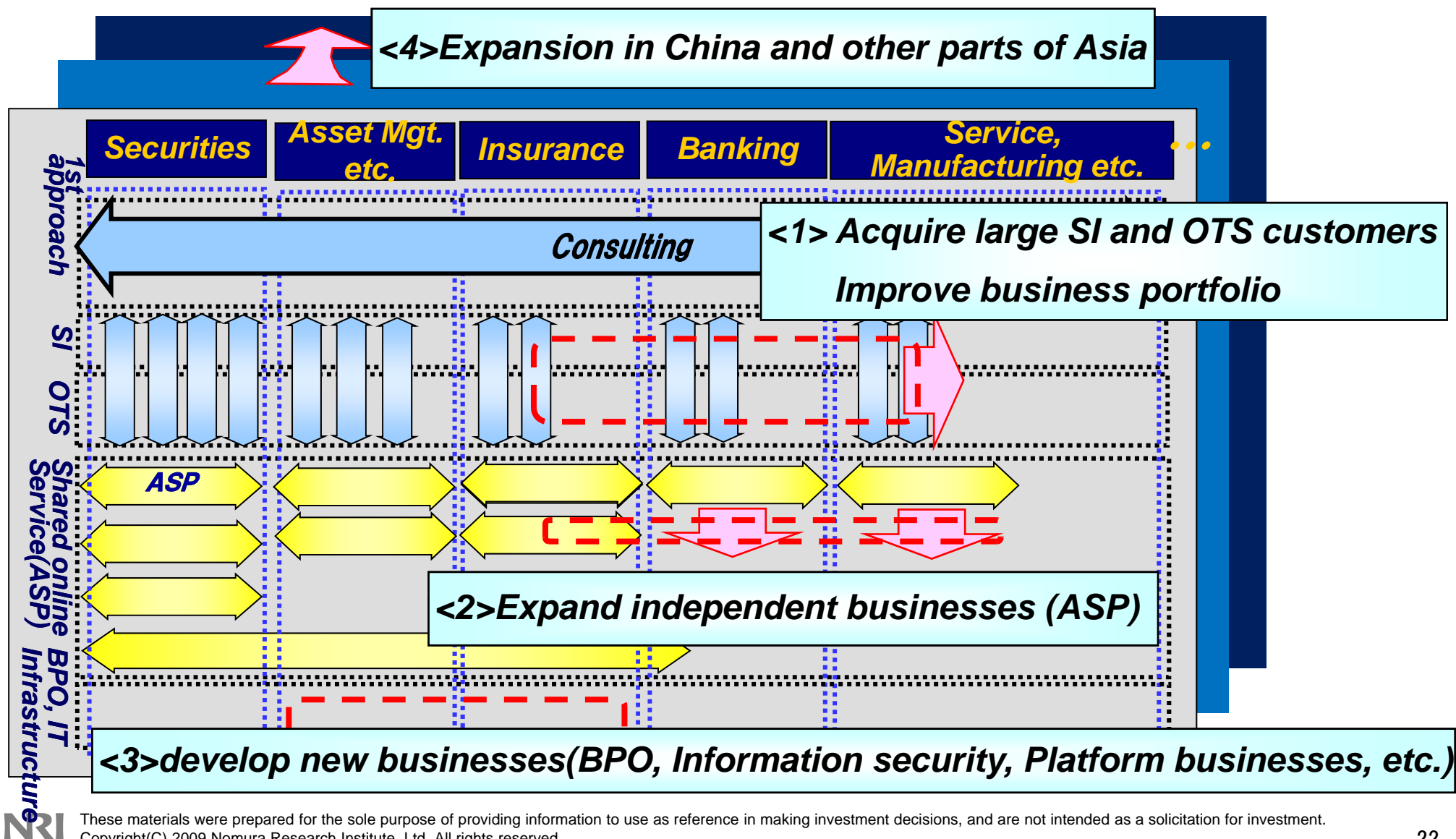
2. Global in scope

3. Production innovation that supports growth

Strategic directions

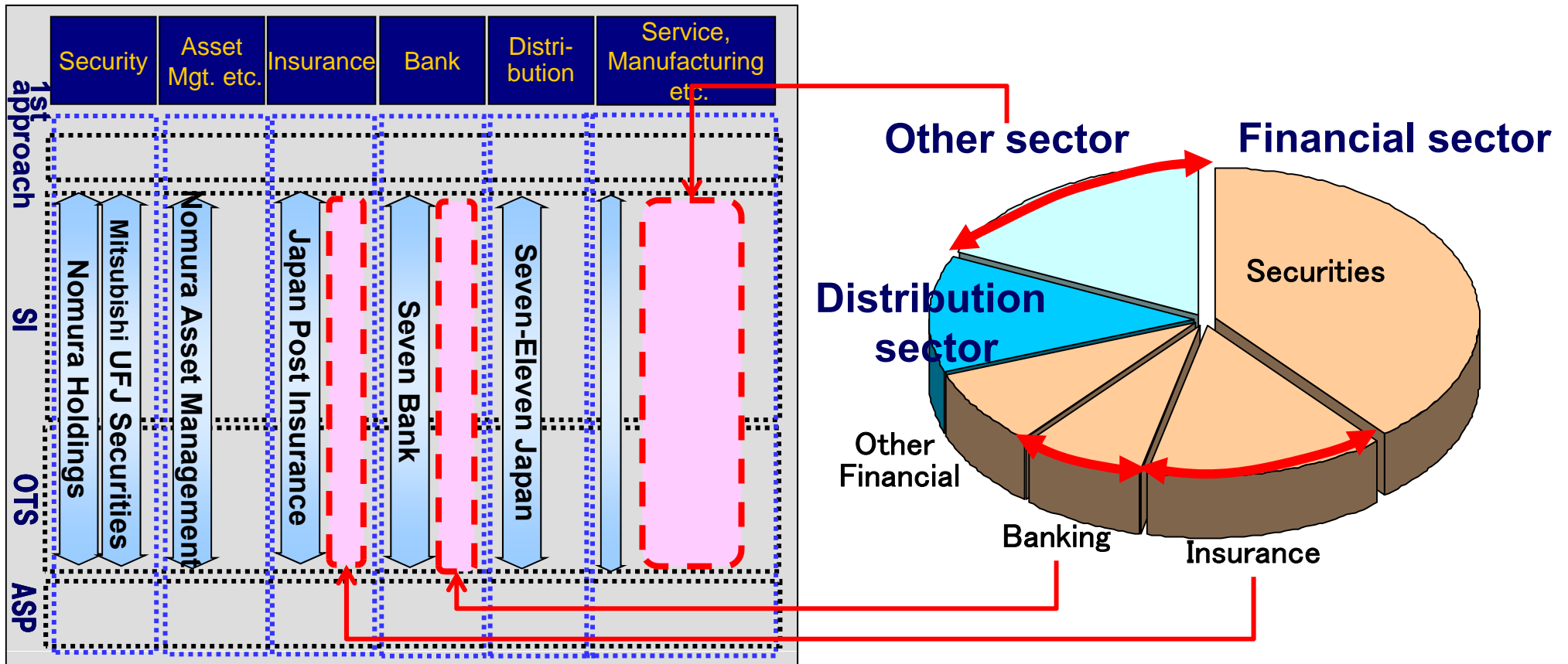
- Change from an order-based business model to a proposal-based proactive business model
- Promote internal (consulting/systems, financial/non-financial, etc.) and external (allies, suppliers, etc.) collaboration.
- Establish a “second NRI” to focus on China and the rest of Asia.
- Expand NRI's business field in cooperation with clients.
- Move forward with the development of offshore production.
- Pursue innovation in software production technology and quality control, including with partner companies.
- Build an organization capable of meeting high-level requirements through the recruiting and training of diverse human resources.

NRI's Objectives: Business Models and Growth Strategies

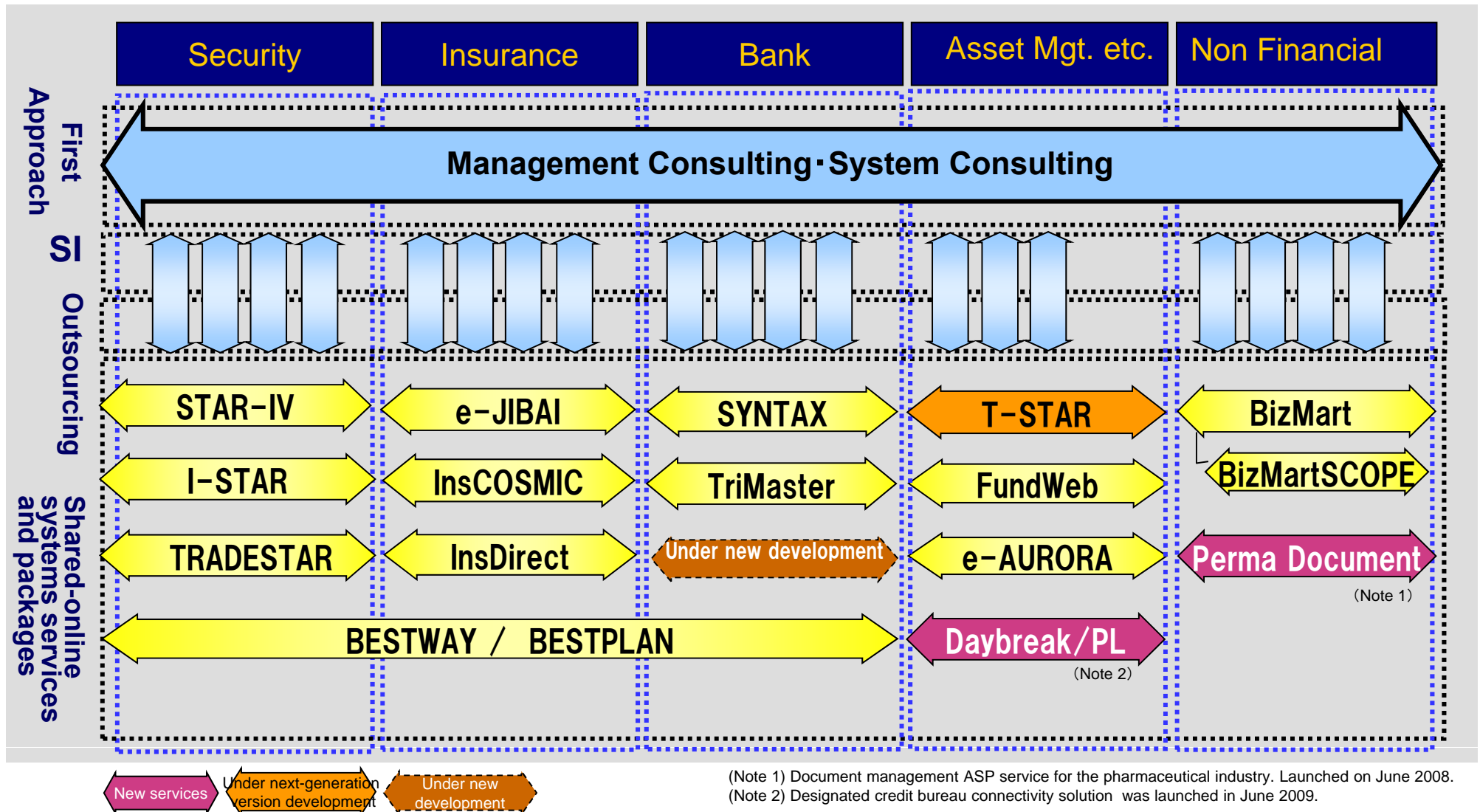


<1>Acquire large SI and OTS customers Improve business portfolio

- Seeking to acquire and develop clients among major firms in industries, such as insurance, bank, service, and manufacturing, etc.



<2>Expand independent businesses (ASP)



<3>Initiatives to develop new businesses: BPO business

➤ Offer a service combining existing IT solutions with BPO services.
Targeting sales of 20 billion yen by 2015

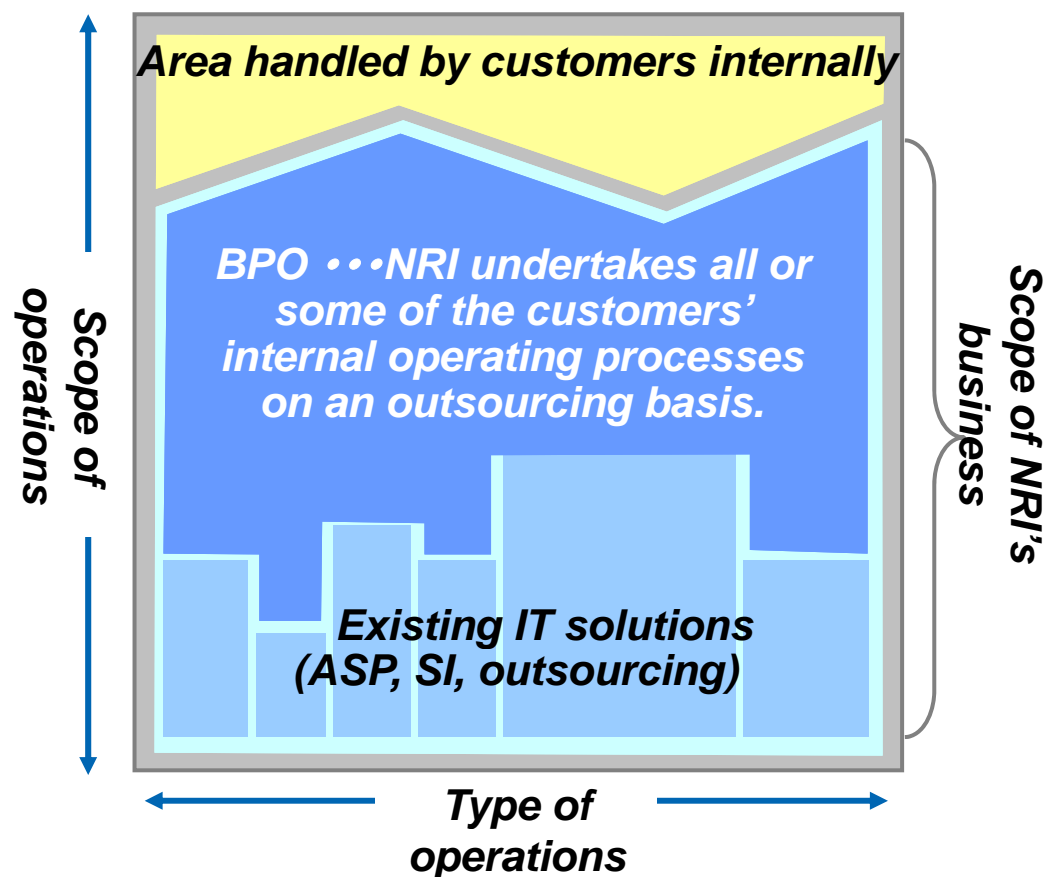
■ Expand BPO business to meet customers' requests, going beyond the scope of existing IT solutions to improve the productivity and efficiency of operations overall.

■ Services (under contemplation)

- Operation reforms utilizing BPO
- Operating service that will become an industry standard using ASP+BPO

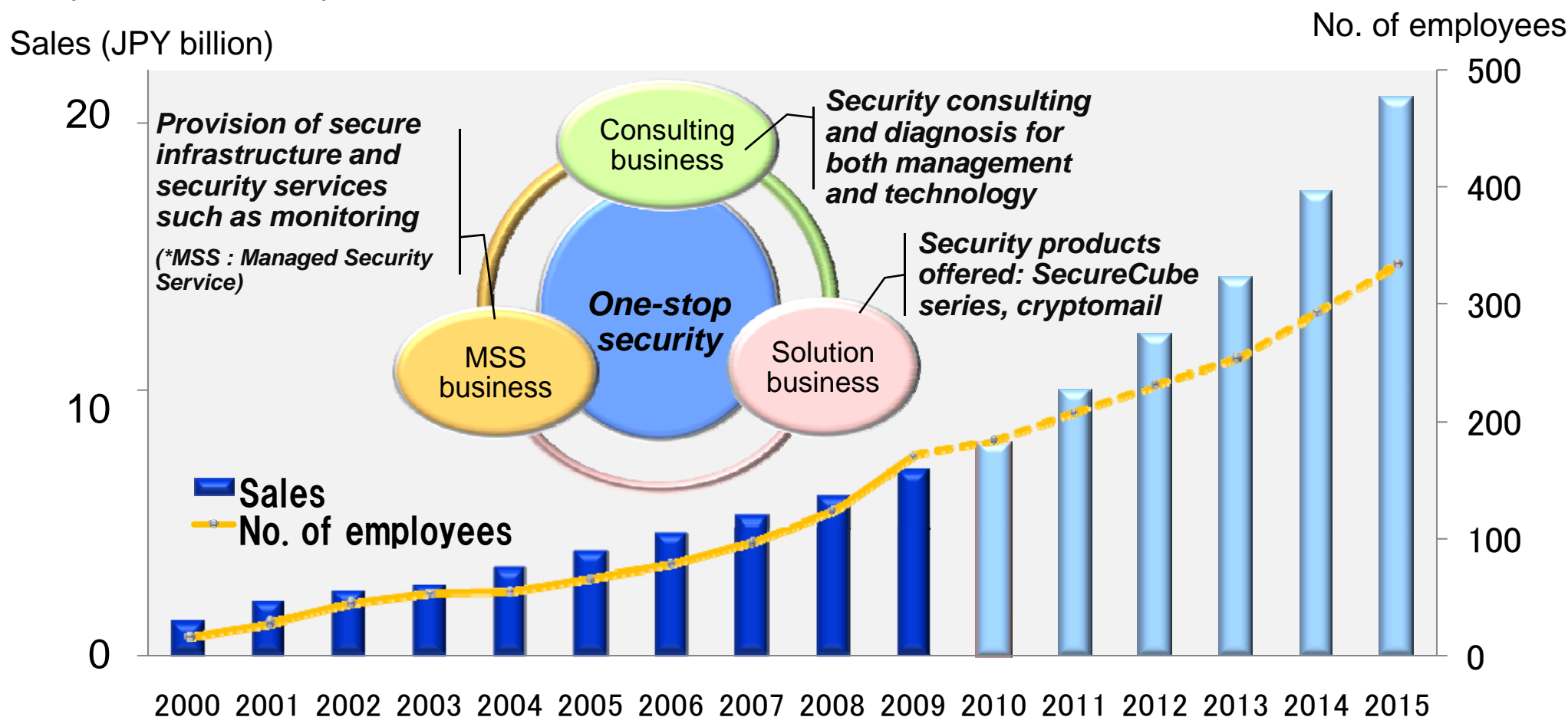
■ NRI's Strengths

- Operation consulting skills
- Adopt IT in operations
- Utilizing Offshore BPO



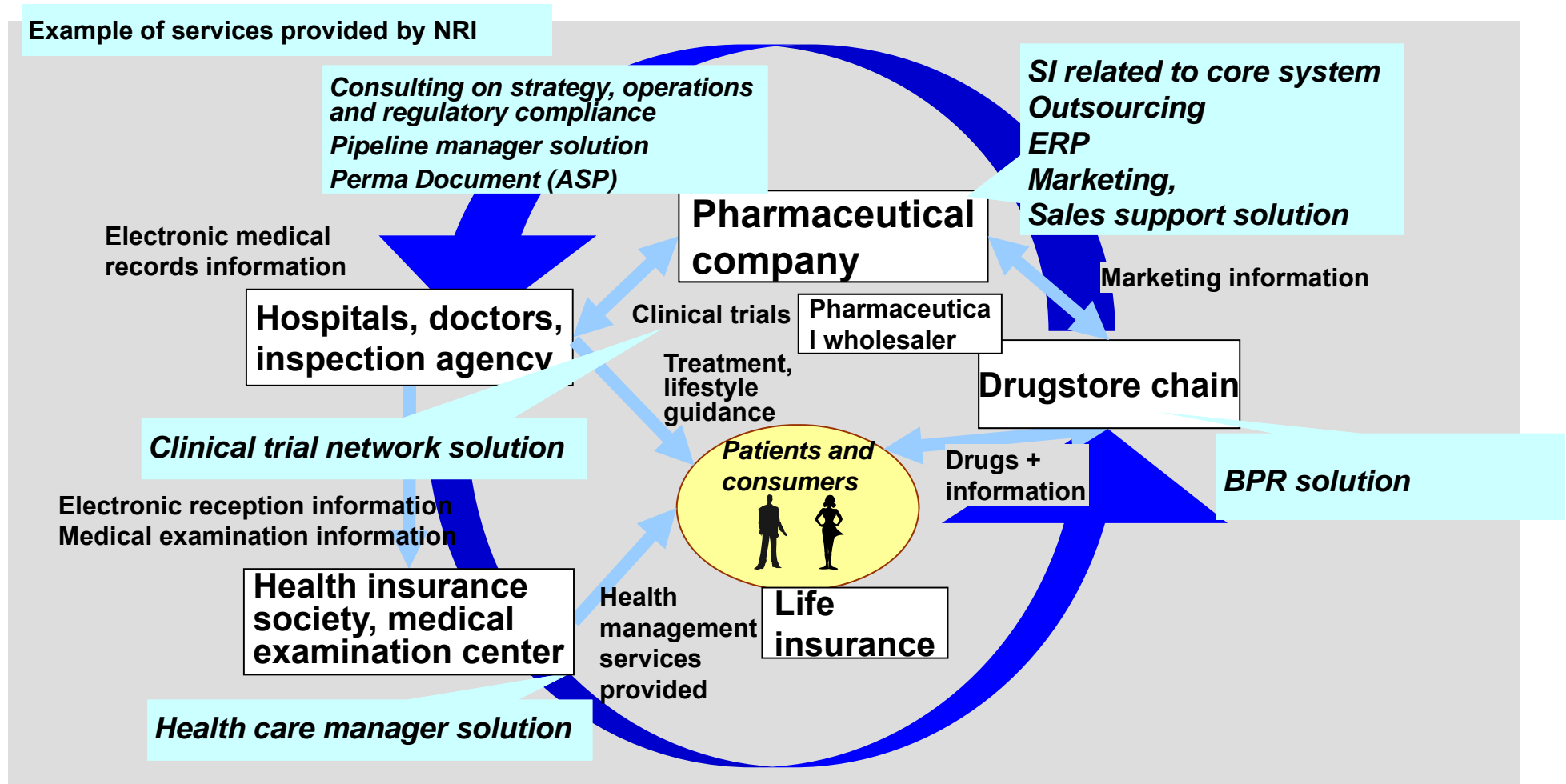
<3>Initiatives to develop new businesses: Information security business

- This initiative is led by NRI Secure Technologies. As the market expands, the menu will be augmented and the system strengthened, with a target of 20 billion yen in sales by 2015.



<3>Initiatives to develop new businesses: Health care and ERP business

- Initiatives to expand business in the health care field
- Ramp up use of ERP in SI services



<4>China, other parts of Asia

➤ Reinforce overseas business, particularly in China

<1>Expanding Management Consulting Services

■ Shanghai, Seoul, Taipei, Manila, Moscow

<2>System business in China

■ NRI Beijing

- Hiring and training begun in earnest
⇒ 22 technicians hired in 2009, with plans to hire 30 in 2010 and about 40 in 2011

- Supporting Japanese firms
⇒ local Chinese firms and public office

- Supporting clients
Expand business for Seven & i Holdings

■ JV with Mitsubishi Corporation (iVision)

<3>Supporting overseas business of clients

■ For Seven & i

- U.S.(Dallas)
- China(Beijing, Chengdu, Shanghai, etc.)

■ For Manufactures

- ERP for Japanese firms

NRI's Overseas Network



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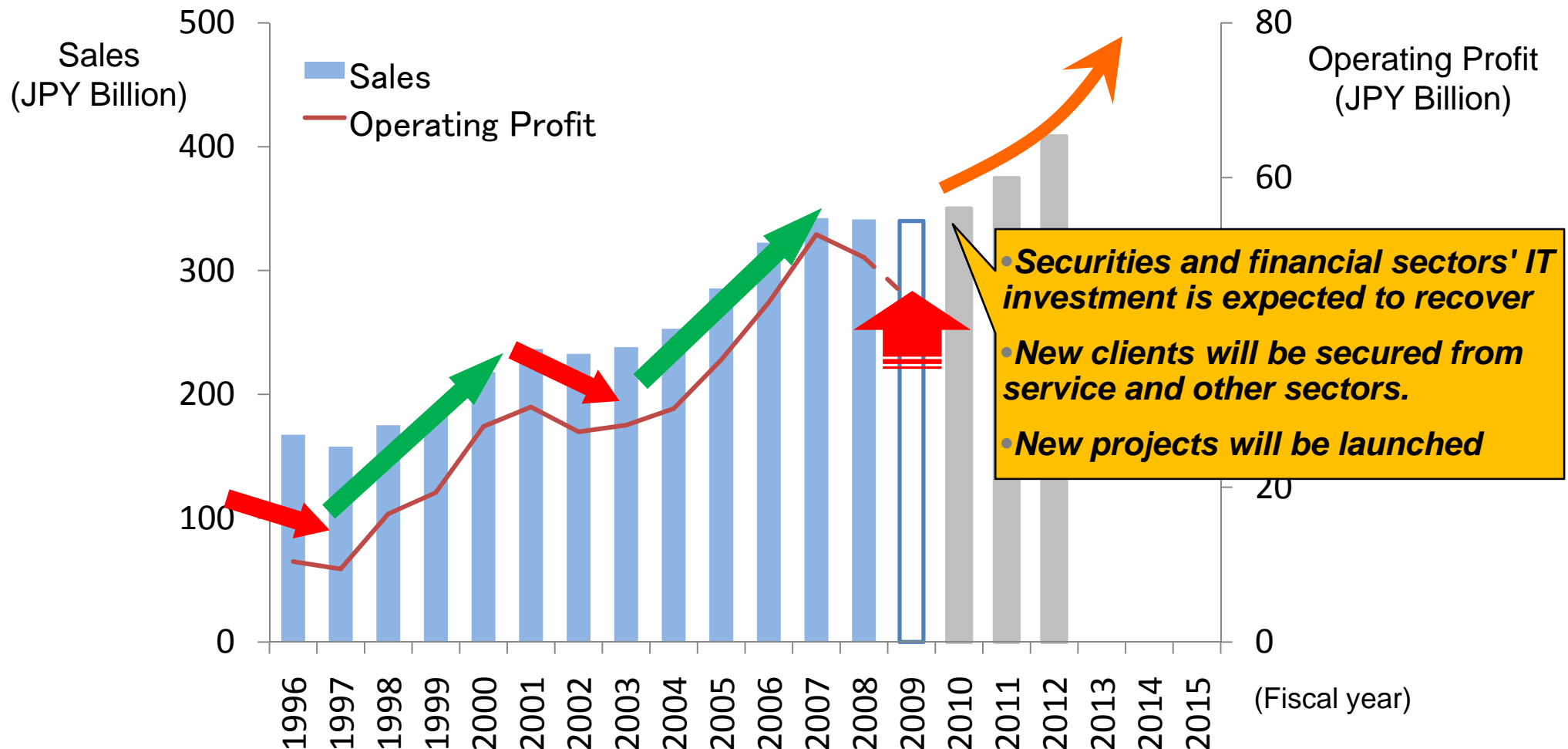
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NRI's past financial results and current position

- NRI will focus its energies on restricting the extent of the current decline in profits, and will continue to invest in activities designed to build a foundation for medium and long-term growth.
- NRI aims to put its financial performance on track to recover from FY 2011.



NRI's Response to Economic Fluctuations and Impact on Financial Results

	Strong economic period = Period of high returns	Economic depression =Preparation period
Developments at client companies	<ul style="list-style-type: none"> ■ Greater needs for IT investments ■ In-house IT assets are built up 	<ul style="list-style-type: none"> ■ All issues that are not urgent and essential are shut down ■ IT assets shifted outside company
NRI's response	<ul style="list-style-type: none"> ■ Concentrate human resources on existing clients ■ Slow client acquisition ■ Slow new business development 	<ul style="list-style-type: none"> ■ Human resources shifted to new large clients ■ NRI takes up more challenges in new areas ■ ASP development
Impact on NRI's financial results	<ul style="list-style-type: none"> ■ Operating profit margin improves ■ Revenue from metered services expands ■ Greater reliance on existing clients 	<ul style="list-style-type: none"> ■ Operating profit margin temporarily declines ■ Software assets built up ■ ASP competitiveness and market share increase ■ Clients' portfolios are augmented

Current Priority Measures

- Prepare for the next economic recovery through clients' acquisition in the new fields, cost optimization, personnel training, and capital investments

Cost Optimization

- Making subcontracting costs more variable
- Optimizing SG&A expenses

Expansion of client base in new areas

- Seeking to acquire new clients in insurance, service and manufacturing industries

Personnel hiring and training



Professionals with high degree of specialization

Direction of employee training in medium term

- Improve ability to propose solutions
- Strengthen training of employees as industry specialists
- Bolster training of employees with a global mindset
- Strengthen NRI-style basic skills

Capital Investments

- **Hardware Investment**
NRI decided to build a new data center.
Tentative year of completion: FY Mar.2013
- **Software Investment**
ASP development

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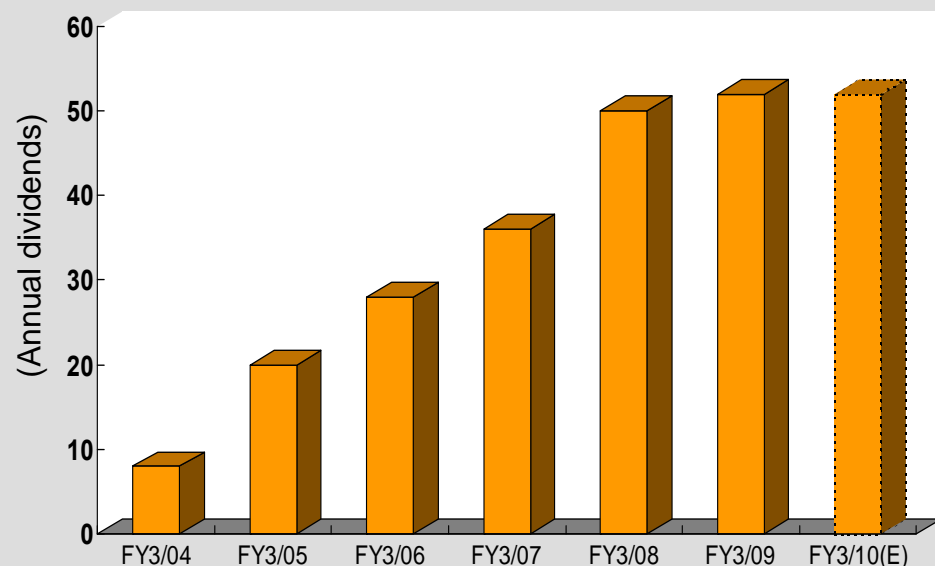
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Shareholder Returns:

Stable Dividends with a Target Consolidated Payout Ratio of 30%

(JPY per share) **Trends in annual dividend payout**



Share buyback

Period of acquisition	Number of shares acquired	Cost of shares acquired
Nov. 2005	4.32 million (21.6million*note1) shares 9.6% of shares issued	approx. JPY47.5 billion
Feb. 2008	4.93 million shares 2.2% of shares issued	approx. JPY15.0 billion
May to June 2008	4.64 million shares 2.1% of shares issued	approx. JPY11.9 billion

→ Status of treasury stock holdings:
13.5% of shares issued (as of September, 2009)

	(JPY)												
	FY3/04	FY3/05		FY3/06		FY3/07		FY3/08		FY3/09		FY3/10(E)*note2	
	Annual	Interim	Year-end	Interim	Year-end	Interim	Year-end	Interim	Year-end	Interim	Year-end	Interim	Year-end
Dividend per share*note1	8	20		28		36		50		52		52	
		4	16	10	18	14	22	24	26	26	26	26	26
payout ratio	9.9%	27.6%		26.2%		27.1%		35.7%		41.3%		41.3%	

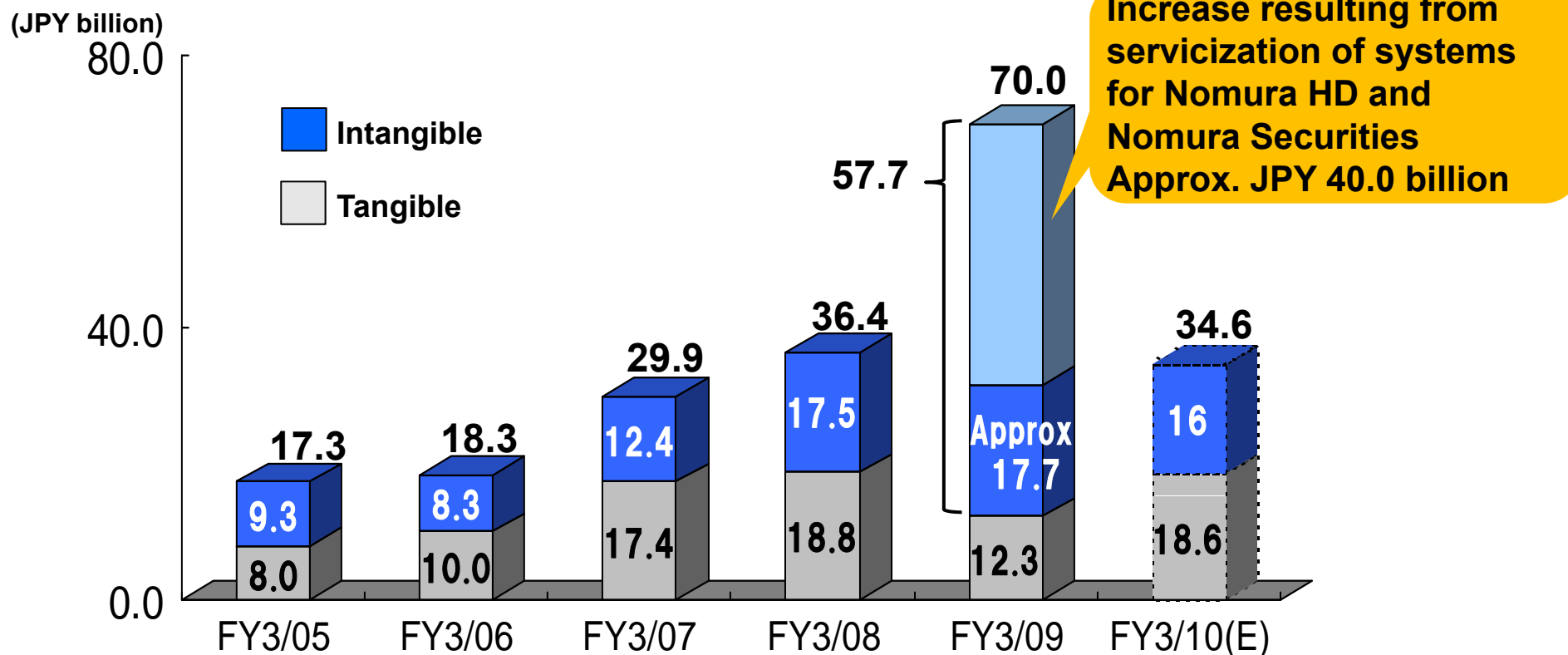
Note1: Figures represent 1:5 forward stock split basis (effective date April 1, 2007)

Note2: Forecasts were announced on October 23, 2009.

Investments

- Continue investments in shared-online as well as hardware required for expansion of System Management & Operations Services

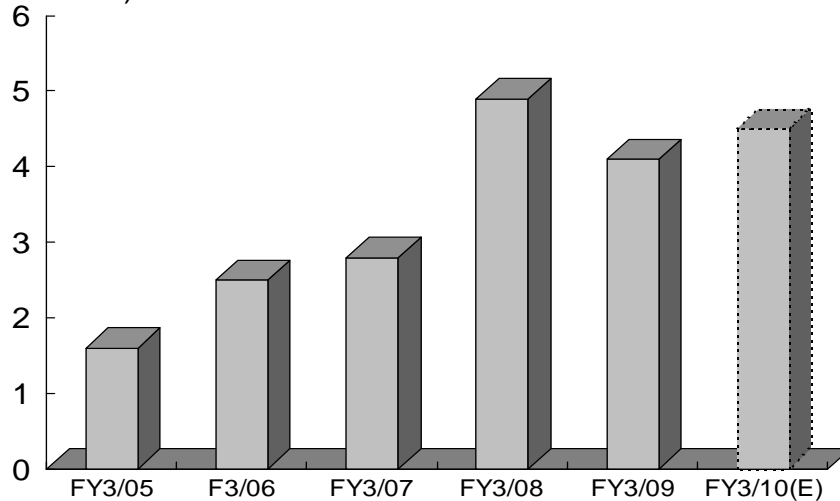
Trends in capital expenditure



R&D projects

■ Up-front investment in financial and non-financial fields, as well as China and the rest of Asia

(JPY billion)



Some of this fiscal year's R&D themes

- Trading risk management
- IT solutions for Asia and China's capital markets
- Information and communications solutions
- Core technology study (virtual technology, etc.)
- Research into production management, and test support methods
- Studies and research for navigation in different fields
- ...etc.

Short term(1–2 years)

Medium and long term 3 years –

**Divisions
(On-site) R&D**

Business-related R&D

Financial, non-financial, China, etc.

Technological R&D **Information technology, manufacturing technology**

Pure research **Prediction of the future (social navigation)**

Others - Supplementary explanation

■ FY March 2010 Consolidated Earnings Model - Sales of JPY340.0 billion and operating profit of JPY44.0 billion

(unit: billion)

	FY Mar.2009 (Results)	FY Mar.2010 (Forecasts as of Oct. 23,2009)	YoY		FY Mar.2010 (Forecasts as of Apr. 24,2009)	Comparison to forecasts
			Diff.	Diff.		
Sales	341.2	340.0	(1.2)	(0.4%)	350.0	(10.0)
Cost of Sales	240.8	244.0	+3.1	+1.3%	257.0	(13.0)
Personnel	54.3	55.0	+0.6	+1.2%	60.0	(5.0)
Subcontracting Costs	121.4	112.0	(9.4)	(7.8%)	117.0	(5.0)
Depreciation	19.7	30.0	+10.2	+51.6%	35.0	(5.0)
Gross Profit	100.4	96.0	(4.4)	(4.4%)	93.0	+3.0
Gross Profit Margin	29.4%	28.2%	(1.2P)		26.6%	+1.7P
SG&A	50.7	52.0	+1.2	+2.5%	50.0	+2.0
Operating Profit	49.7	44.0	(5.7)	(11.5%)	43.0	+1.0
Operating Profit Margin	14.6%	12.9%	(1.6P)		12.3%	+0.7P

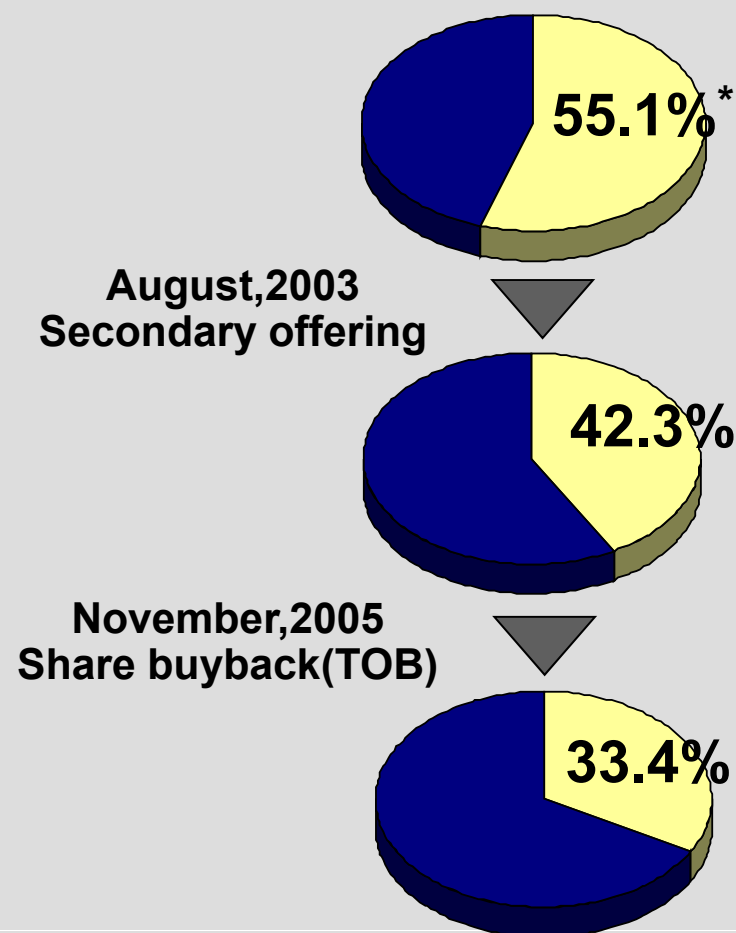
Shareholder composition

Major Shareholders (As of September 30, 2009)

Shareholders	Ratio of Shareholding
Nomura Asset Management Co.,Ltd.	19.28%
Nomura Facilities, Inc.	8.27%
JAFCO Co., Ltd.	6.68%
Nomura Holdings, Inc.	5.78%
CBNY-ORBIS SICAV	4.64%
CBNY-ORBIS FUNDS	4.09%
NRI Group Employee Stock Ownership Association	2.73%
Japan Trustee Services Bank, Ltd. (Trust Account)	2.53%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1.49%
STATE STREET BANK AND TRUST COMPANY 505223	1.31%
Top 10 Total	56.79%

(note) excluding treasury stock holdings

Reduce shareholding ratio of Nomura Holdings



*Includes Nomura Land and Building Co., 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.