This financial report is composed of two parts. The first part is an abridged translation of "Kessan Tanshin (earnings report)" for the quarterly period ended 30th September, 2011, which includes the summary and the qualitative information sections. The second part is the "Quarterly Consolidated Financial Statements," which are basically prepared based on the "Kessan Tanshin (earnings report)" but applied for some items different presentation methods.

28th October, 2011

Consolidated Financial Results For the Quarterly Period Ended 30th September, 2011 <under Japanese GAAP>

Company name: Nomura Research Institute, Ltd.
Listing: First Section of the Tokyo Stock Exchange
Stock code: 4307
URL: http://www.nri.co.jp/
Representative: Tadashi Shimamoto, President, Representative Director, CEO & COO
Inquiries: Katsutoshi Murakami, General Manager, Accounting & Finance Department
TEL: +81-3-5533-2111 (from overseas)

Scheduled date to file Quarterly Securities Report: 1st November, 2011
Scheduled date to commence dividend payments: 30th November, 2011
Preparation of supplementary material on quarterly consolidated financial results: Yes
Announcement for quarterly consolidated financial results (for institutional investors and analysts): Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the quarterly period ended 30th September, 2011 (from 1st April, 2011 to 30th September, 2011)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Ordinary profit		Net income	
Quarterly period ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
30th September, 2011	161,485	(0.4)	20,081	25.4	21,030	23.1	19,703	104.0
30th September, 2010	162,106	(2.9)	16,009	(27.5)	17,086	(23.6)	9,658	(19.4)

Note: Comprehensive income
Quarterly period ended 30th September, 2011: ¥17,920 million [181.9%]
Quarterly period ended 30th September, 2010: ¥6,356 million [–%]

	Net income per share – basic	Net income per share – diluted
Quarterly period ended	Yen	Yen
30th September, 2011	100.97	95.15
30th September, 2010	49.62	46.75

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
30th September, 2011	390,631	245,222	62.4
31st March, 2011	380,032	231,074	60.5

Reference: Equity
As of 30th September, 2011: ¥243,907 million As of 31st March, 2011: ¥229,757 million

2. Cash dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended 31st March, 2011	–	26.00	–	26.00	52.00
Fiscal year ending 31st March, 2012	–	26.00			
Fiscal year ending 31st March, 2012 (Forecasts)			–	26.00	52.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

3. Forecasts of financial results for the fiscal year ending 31st March, 2012 (from 1st April, 2011 to 31st March, 2012)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Ordinary profit		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending 31st March, 2012	331,500	1.6	42,000	9.3	43,500	8.6	32,000	38.0	163.99

Note: Revisions to the forecasts of financial results most recently announced: Yes

4. Others

(1) Changes in significant subsidiaries during the current six months (changes in specified subsidiaries resulting in change in scope of consolidation): None

(2) Adoption of specific accounting in preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
b. Changes in accounting policies due to other reasons: None
c. Changes in accounting estimates: None
d. Restatement of prior period financial statements after error corrections: None

(4) Number of shares in issue (common stock)

a. Total number of shares in issue at the end of the period (including treasury stock)

As of 30th September, 2011	225,000,000 shares
As of 31st March, 2011	225,000,000 shares

b. Number of shares of treasury stock at the end of the period

As of 30th September, 2011	29,533,643 shares
As of 31st March, 2011	30,277,343 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Quarterly period ended 30th September, 2011	195,135,400 shares
Quarterly period ended 30th September, 2010	194,653,956 shares

Note: The NRI shares held by the trust exclusive for NRI Group Employee Stock Ownership Group are included as treasury stock.

* Indication regarding execution of quarterly review procedures
  This quarterly consolidated financial results report is exempt from the quarterly review procedures in accordance with the Financial Instruments and Exchange Law. At the time of disclosure of this quarterly consolidated financial results report, the review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Law are incomplete.

* Proper use of forecasts of financial results, and other special matters
  The business forecasts are based on information available to management at the present time and certain assumptions judged to be rational. As such, actual business results may differ from this forecast due to uncertain factors present in the forecast or future changes in business circumstances. Also, forecasted cash dividends per share are based on the current business environment and forecasts of financial results. Please refer to the section of “(3) Qualitative information regarding forecasts of financial results” on pages 6-7 for the suppositions that form the assumptions for the forecasts of financial results and cautions concerning the use thereof.

1. Qualitative information regarding second-quarter settlement of accounts

(1) Qualitative information regarding consolidated operating results

During the quarterly period ended 30th September, 2011 (from 1st April, 2011 to 30th September, 2011), although the Japanese economy was recovering from the effects of the Great East Japan Earthquake, yen appreciation and weakness in stock markets advanced against the background of global economic slowdown including the sovereign debt problem in Europe, and caution regarding the risk of the economy performing worse than anticipated became more widespread. With companies remaining cautious on investment in information systems, the information services industry continued to face a severe business environment.
Operating in such an environment, Nomura Research Institute ("the Company") and its consolidated subsidiaries ("the NRI Group") carried out its business activities with the combined strength of the Group, allowing it to seamlessly provide services encompassing consulting through to system development and operations. In order to realize medium- and long-term growth, the NRI Group also pushed forward with growth measures in new fields while developing its strengths further.
Nomura Securities Co., Ltd. is set to implement the introduction of STAR-IV, the Company's multi-user back office system. The Company is currently engaged in this large-scale project and it pushed forward with the development of Nomura Securities Co., Ltd.'s peripheral systems and the enhancement of functions of the Company's system. Nomura Securities Co., Ltd. will make the transition from its current system, which was individually developed for Nomura Securities Co., Ltd., to the use of the Company's multi-user service. This will significantly expand the market share of STAR-IV. Going forward, the Company will push ahead with further customer expansion, aiming to make STAR-IV the de facto standard for back office systems in the securities sector.
Regarding overseas areas, the NRI Group is working to strengthen its business in the Asia region. In India, which continues to have fast economic growth, we will develop a foundation for our research and consulting businesses by establishing a local subsidiary in the consulting business while in tandem with this acquiring a stake in a local market research company for a business alliance.
In addition, the NRI Group launched an earthquake recovery assistance project team and carried out activities such as making recommendations on promoting emergency measures toward recovery from the Great East Japan Earthquake. The NRI Group will continue to carry out support activities that utilize the combined strength of the Group.

Regarding sales in the quarterly period ended 30th September, 2011, although there were decreases in IT Platform Services and Financial IT Solutions, there were increases in Industrial IT Solutions and Consulting, and overall sales stayed at about the same level as the same period of the previous fiscal year, at ¥161,485 million (down 0.4% from the same period of the previous fiscal year). Cost of sales was ¥113,347 million (down 4.4%) and gross profit was ¥48,137 million (up 10.6%) as a result of the channeling of resources into the enhancement of software features to provide the STAR-IV service to Nomura Securities Co., Ltd. (*), and also because of a decrease in unprofitable projects. Selling, general and administrative expenses were ¥28,056 million (up 2.0%) as a result of an increase in personnel expenses accompanying an increase in personnel for future business expansion. Operating profit was ¥20,081 million (up 25.4%), operating profit margin was 12.4% (up 2.6 points), and ordinary profit was ¥21,030 million (up 23.1% year on year).
Due to a gain on sales of investments in affiliates (gain on the sale of shares of Nomura Holdings, Inc., which were allotted to the Company in exchange for shares of Nomura Land and Building Co., Ltd. that the Company held), among others, net income was ¥19,703 million (up 104.0% year on year).

(*) For software developed for in-house use such as STAR-IV, development expenses are recorded as software under assets. As the expenses that the Company incurred in development, such as personnel expenses, are also recorded as assets, there is a decrease in cost of sales equivalent to that portion.

Segment information
The business results by segment (sales includes intersegment sales) are as follows.
Effective 1st April, 2011, a reorganization was carried out and comparisons between segments with the same period of the previous fiscal year shown below are based on amounts restated to reflect this reorganization.

(Consulting)
This segment provides policy recommendations and strategy consulting, as well as business consulting and system consulting for operational reform and system construction.
The Company has been pushing forward with the development of a business foundation in India for the strengthening of our business in the Asian region.
In the quarterly period ended 30th September, 2011, business consulting and system consulting to support the execution of customers' system projects increased, resulting in sales of ¥9,730 million (up 11.7% from the same period of the previous fiscal year) and operating profit of ¥813 million (compared with an operating loss of ¥258 million in the same period of the previous fiscal year).

(Financial IT Solutions)
This segment provides IT solutions such as system development and system management and operation services, and multi-user systems to the securities, insurance and banking sectors.
The development of a multi-user internet banking system for the banking sector was completed in the second quarter and the Company plans to begin providing this service during the current fiscal year. In addition, a large project is underway to provide the STAR-IV service to Nomura Securities Co., Ltd.
During the quarterly period ended 30th September, 2011, although there was an increase in system development and application sales for the securities and insurance sectors, there was a decrease in system management and operation services for the securities sector, and system development and application sales for the banking sector. Costs were down as a result of this segment channeling its resources into the enhancement of software features to provide the STAR-IV service to Nomura Securities Co., Ltd. and also because of a decrease in system operation expenses following a decrease in system management and operation services in the securities sector.
As a result, the Financial IT Solutions segment posted sales of ¥97,560 million (down 1.1% from the same period of the previous fiscal year) and operating profit of ¥9,511 million (up 9.8%).

(Industrial IT Solutions)
This segment provides system development and system management and operation services to various customers in industries including the distribution, manufacturing and service sectors.
It has been making efforts to provide IT solution proposals while working closely with the Consulting segment, which has customers from a broad range of industry sectors, to expand the client base in industrial sectors. These efforts are beginning to pay off.
In the quarterly period ended 30th September, 2011, sales in this segment increased particularly in system development and application sales for the manufacturing and services sectors etc., and in system management and operation services for major customers in the distribution sector. Costs were also significantly reduced as a result of fewer unprofitable projects and lower subcontracting costs.
As a result, the Industrial IT Solutions segment posted sales of ¥46,040 million (up 2.9% from the same period of the previous fiscal year) and operating profit of ¥3,287 million (up 215.3%).

(IT Platform Services)
This segment provides IT platform and network architecture related services in its role as an infrastructure division that provides better quality and increased added value in the information system services provided by the Financial IT Solutions and Industrial IT Solutions sectors. It also conducts system operation, management and administration of data centers, research for the development of new business operations and new products related to IT solutions, and research related to leading-edge information technologies.
In Tama City, Tokyo, the fifth data center of the Company is currently under construction. The Company aims to commence operations in the next fiscal year.
In the quarterly period ended 30th September, 2011, in terms of sales to external customers, there was a decline in system management and operation services to major customers in the securities sector. As for intersegment sales, there was also a decline in system management and operation services to the Financial IT Solutions segment. On the cost front, system operation expenses declined as a result of a decline in system management and operation services to the securities sector.
As a result, the IT Platform Services segment posted sales of ¥37,793 million (down 6.6% from the same period of the previous fiscal year) and operating profit of ¥5,104 million (down 2.4%).

(Others)
The Others segment posted sales of ¥5,842 million (up 2.9% from the same period of the previous fiscal year) and operating profit of ¥360 million (up 268.9%).

(2) Qualitative information regarding consolidated financial position

(Analysis of financial position)
At the end of the second quarter (30th September, 2011), current assets were ¥189,480 million (up 6.7% from the end of the previous fiscal year), noncurrent assets were ¥201,150 million (down 0.6%), current liabilities were ¥67,479 million (down 1.0%), noncurrent liabilities were ¥77,928 million (down 3.6%), net assets were ¥245,222 million (up 6.1%) and total assets were ¥390,631 million (up 2.8%).
The main changes from the end of the previous fiscal year are as follows.
Short-term investment securities increased ¥24,585 million to ¥104,247 million due to the purchase of bonds for fund management purposes.
Accounts receivable decreased ¥10,717 million to ¥43,974 million and other receivables increased ¥4,766 million to ¥21,363 million. This decrease was partly because the NRI Group recognizes revenues based on the percentage-of-completion method, and there is a tendency that the number of projects completed at the end of the fiscal year is comparatively large, and accordingly, compared with the end of other quarterly periods, the end of the fiscal year has a large value for accounts receivable and a small value for other receivables.
The total amount of long-term loans payable and current portion of long-term loans payable decreased by ¥1,291 million to ¥10,491 million. The factor behind this decrease was that these loans were taken in association with the introduction of the Trust-Type Employee Stock Ownership Incentive Plan in March 2011 and proceeds from the sale of shares to NRI Group Employee Stock Ownership Group etc. were the source for half yearly repayments of said loans.
As for other items, accounts payable decreased by ¥2,076 million to ¥20,404 million, accrued amount payable decreased by ¥4,076 million to ¥3,893 million, income taxes payable increased ¥2,579 million to ¥12,004 million and advances received increased ¥2,232 million to ¥7,885 million.

(Cash flow position)
Cash and cash equivalents as of the end of the second quarter (30th September, 2011) stood at ¥92,239 million (up ¥10,153 million from the end of the previous fiscal year).
Net cash provided by operating activities in the quarterly period ended 30th September, 2011 was ¥31,492 million, which was ¥12,386 million greater compared with the same period of the previous fiscal year. The major contributing factors were a larger decrease in accounts receivable and a smaller decrease in accounts payable, in addition to an increase in operating profit.
Net cash used by investing activities was ¥15,864 million, ¥2,799 million less from the same period of the previous fiscal year. The main contributing factor was proceeds from sales of investments in affiliates, which offset an increase in acquisition of software and intangibles related to the development of multi-user systems.
Net cash used by financing activities was ¥5,213 million, which was roughly the same as the same period of the previous fiscal year. The main item of expense for the both periods was cash dividends paid.

(3) Qualitative information regarding forecasts of financial results

The NRI Group has expanded its client and business base and has worked to reinforce its project management during the quarterly period ended 30th September, 2011. Sales in the quarterly period ended 30th September, 2011 were generally in line with forecasts (0.9% over forecasts). The Company expects results to meet forecasts in the second half of the fiscal year as well, and anticipates that sales in the full fiscal year will increase only to the extent of the difference between the forecasts and actual sales in the first half of the fiscal year. Moreover, operating profit, ordinary profit and net income exceeded forecasts in the quarterly period ended 30th September, 2011. The Company expects profit for the full fiscal year to exceed the previous forecasts as a result of continuing efforts to strengthen project management in the second half of the fiscal year, among other efforts. Accordingly, the Company has revised its full-year forecasts for this fiscal year as shown below.

The Company's basic policy on the payment of dividends from surplus is to provide an appropriate and stable dividend while paying full consideration to the need for sufficient retained earnings for its long-term business development. The Company has decided to pay an interim dividend of ¥26 per share, in line with the initial projection. The year-end dividend forecast has also been left unchanged.

(Forecasts of financial results) (Millions of yen)

	Current fiscal year		Change		Previous fiscal year (Actual result)	Change	
	Previous forecast	Revised forecast	Amount	Rate (%)		Amount	Rate (%)
Sales	330,000	331,500	1,500	0.5	326,328	5,171	1.6
Operating profit	40,000	42,000	2,000	5.0	38,426	3,573	9.3
Ordinary profit	41,500	43,500	2,000	4.8	40,073	3,426	8.6
Net income	31,500	32,000	500	1.6	23,188	8,811	38.0
Annual cash dividends per share	52.00 yen	52.00 yen	–	–	52.00 yen	–	–

(Forecasts of capital investment, depreciation and amortization and R&D expenses) (Millions of yen)

	Current fiscal year		Change		Previous fiscal year (Actual result)	Change	
	Previous forecast	Revised forecast	Amount	Rate (%)		Amount	Rate (%)
Capital investment	43,000	40,000	(3,000)	(7.0)	20,755	19,244	92.7
Depreciation and amortization	32,000	31,000	(1,000)	(3.1)	30,665	334	1.1
R&D expenses	3,500	3,500	–	–	3,564	(64)	(1.8)

The forecasts are based on information available to management at the present time and certain assumptions judged to be rational. As such, actual business results may differ from this forecast due to uncertain factors present in the forecast or future changes in business circumstances. Also, forecasted cash dividends per share are based on the current business environment and forecasts of financial results.

Quarterly Consolidated Financial Statements

Nomura Research Institute, Ltd.

For the Quarterly Period Ended 30th September, 2011
(Unaudited)

Unless otherwise noted, the amounts included in the financial statements are expressed in millions of yen and thousands of U.S. dollars with fractional amounts rounded off.

Nomura Research Institute, Ltd.

Quarterly Consolidated Financial Statements

For the quarterly period ended 30th September, 2011

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Nomura Research Institute, Ltd.

Quarterly Consolidated Balance Sheets

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	30th September, 2011	**31st March, 2011**	**30th September, 2011**
	(Unaudited)		(Unaudited)
Assets			
Current assets:			
Cash and bank deposits *(Notes 4 and 7)*	¥ 9,041	¥ 16,758	$ 117,952
Short-term investment securities (*Notes 4, 5 and 7*)	104,247	79,661	1,360,039
Accounts receivable and other receivables *(Note 4)*	65,338	71,289	852,420
Inventories	346	256	4,514
Deferred income taxes	6,825	6,825	89,041
Other current assets	3,749	2,876	48,911
Allowance for doubtful accounts	(65)	(71)	(848)
Total current assets	189,481	177,594	2,472,029
Property and equipment:			
Land	12,323	12,323	160,770
Buildings, net	32,823	34,399	428,219
Machinery and equipment, net	12,144	11,532	158,435
Leased assets, net	155	197	2,022
Property and equipment, net	57,445	58,451	749,446
Software and other intangibles	58,155	57,641	758,708
Investment securities *(Notes 4 and 5)*	42,084	43,965	549,041
Investments in affiliates *(Notes 4 and 5)*	1,108	1,265	14,455
Deferred income taxes	20,454	19,390	266,849
Long-term loans receivable *(Note 4)*	7,763	7,706	101,279
Lease investment assets	510	343	6,654
Other assets	13,719	13,774	178,982
Allowance for doubtful accounts	(88)	(96)	(1,148)
Total assets	¥390,631	¥380,033	$5,096,295

	Millions of yen		Thousands of U.S. dollars (Note 3)
	30th September, 2011	**31st March, 2011**	**30th September, 2011**
	(Unaudited)		(Unaudited)
Liabilities and Net Assets			
Current liabilities:			
Accounts payable *(Note 4)*	¥ 20,405	¥ 22,481	$ 266,210
Current portion of long-term loans payable *(Note 4)*	2,620	2,607	34,181
Lease obligations	229	223	2,988
Accrued expenses	16,991	16,774	221,670
Income taxes payable	12,005	9,425	156,621
Asset retirement obligations	15	–	196
Other current liabilities	15,214	16,650	198,486
Total current liabilities	67,479	68,160	880,352
Convertible bonds *(Note 4)*	49,997	49,997	652,277
Long-term loans payable *(Note 4)*	7,872	9,176	102,701
Lease obligations	472	339	6,158
Deferred income taxes	–	1	–
Allowance for employees' retirement benefits	18,963	20,689	247,397
Asset retirement obligations	625	596	8,154
Net assets *(Notes 6 and 8)*:			
Shareholders' equity:			
Common stock:			
Authorized – 750,000,000 shares at 30th September, 2011 and 31st March, 2011			
Issued – 225,000,000 shares at 30th September, 2011 and 31st March, 2011	18,600	18,600	242,661
Additional paid-in capital	14,800	14,994	193,085
Retained earnings	279,218	264,866	3,642,767
Treasury stock, at cost – 29,533,643 shares at 30th September, 2011 and 30,277,343 shares at 31st March, 2011	(70,510)	(72,285)	(919,896)
Total shareholders' equity	242,108	226,175	3,158,617
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities *(Note 5)*	4,820	6,258	62,883
Foreign currency translation adjustment	(3,020)	(2,675)	(39,400)
Total accumulated other comprehensive income	1,800	3,583	23,483
Share subscription rights	1,315	1,317	17,156
Total net assets	245,223	231,075	3,199,256
Total liabilities and net assets	¥390,631	¥380,033	$5,096,295

See accompanying notes to quarterly consolidated financial statements.

Nomura Research Institute, Ltd.

Quarterly Consolidated Statements of Income and Comprehensive Income

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	Six months ended 30th September,		**Six months ended 30th September,**
	2011	**2010**	**2011**
	(Unaudited)		(Unaudited)
Sales	¥161,485	¥162,106	$2,106,784
Cost of sales	113,348	118,595	1,478,774
Gross profit	48,137	43,511	628,010
Selling, general and administrative expenses *(Notes 9 and 10)*	28,056	27,501	366,027
Operating profit	20,081	16,010	261,983
Other income (expenses):			
Interest and dividend income	1,044	1,185	13,620
Equity in earnings (losses) of affiliates	57	(23)	744
Interest expense	(39)	(5)	(509)
Loss on investment securities	(821)	(9)	(10,711)
Gain on investments in affiliates	8,564	–	111,729
Bonus dividends income	3,011	–	39,282
Gain on reversal of subscription rights to shares	58	–	757
Impact of applying accounting standard for asset retirement obligations	–	(364)	–
Other, net	(112)	(53)	(1,461)
	11,762	731	153,451
Income before income taxes and minority interests	31,843	16,741	415,434
Provision for income taxes *(Note 2)*	12,139	7,081	158,369
Income before minority interests	19,704	9,660	257,065
Minority interests in gain	–	2	–
Net income *(Note 8)*	¥ 19,704	¥ 9,658	$ 257,065
Minority interests in gain	¥ –	¥ 2	$ –
Income before minority interests	19,704	9,660	257,065
Other comprehensive income:			
Valuation difference on available-for-sale securities	(1,438)	(2,845)	(18,761)
Foreign currency translation adjustment	(340)	(444)	(4,436)
Share of other comprehensive income of associates accounted for using equity method	(5)	(14)	(65)
Total other comprehensive income	(1,783)	(3,303)	(23,262)
Comprehensive income	¥ 17,921	¥ 6,357	$ 233,803
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent	¥ 17,921	¥ 6,355	$ 233,803
Comprehensive income attributable to minority interests	–	2	–

See accompanying notes to quarterly consolidated financial statements.

Nomura Research Institute, Ltd.

Quarterly Consolidated Statements of Changes in Net Assets

Millions of yen

	Shareholders' equity					Accumulated other comprehensive income					
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	Share subscription rights	Minority interests	Total net assets
Balance at 1st April, 2011	¥18,600	¥14,994	¥264,866	¥(72,285)	¥226,175	¥ 6,258	¥(2,675)	¥ 3,583	¥1,317	¥ –	¥231,075
Disposition of treasury stock	–	–	–	1,775	1,775	–	–	–	–	–	1,775
Net income	–	–	19,704	–	19,704	–	–	–	–	–	19,704
Cash dividends paid	–	–	(5,063)	–	(5,063)	–	–	–	–	–	(5,063)
Loss on disposition of treasury stock	–	(194)	(289)	–	(483)	–	–	–	–	–	(483)
Net changes other than in shareholders' equity	–	–	–	–	–	(1,438)	(345)	(1,783)	(2)	–	(1,785)
Balance at 30th September, 2011 (Unaudited)	¥18,600	¥14,800	¥279,218	¥(70,510)	¥242,108	¥ 4,820	¥(3,020)	¥ 1,800	¥1,315	¥ –	¥245,223

Millions of yen

	Shareholders' equity					Accumulated other comprehensive income					
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	Share subscription rights	Minority interests	Total net assets
Balance at 1st April, 2010	¥18,600	¥15,018	¥251,800	¥(72,526)	¥212,892	¥ 8,436	¥(2,256)	¥ 6,180	¥1,155	¥ 10	¥220,237
Disposition of treasury stock	–	–	–	161	161	–	–	–	–	–	161
Net income	–	–	9,658	–	9,658	–	–	–	–	–	9,658
Cash dividends paid	–	–	(5,060)	–	(5,060)	–	–	–	–	–	(5,060)
Loss on disposition of treasury stock	–	(12)	–	–	(12)	–	–	–	–	–	(12)
Net changes other than in shareholders' equity	–	–	–	–	–	(2,845)	(458)	(3,303)	48	(10)	(3,265)
Balance at 30th September, 2010 (Unaudited)	¥18,600	¥15,006	¥256,398	¥(72,365)	¥217,639	¥ 5,591	¥(2,714)	¥ 2,877	¥1,203	¥ –	¥221,719

Thousands of U.S. dollars (Note 3)

	Shareholders' equity					Accumulated other comprehensive income					
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	Share subscription rights	Minority interests	Total net assets
Balance at 1st April, 2011	$242,661	$195,616	$3,455,526	$(943,053)	$2,950,750	$ 81,644	$(34,899)	$ 46,745	$17,182	$ –	$3,014,677
Disposition of treasury stock	–	–	–	23,157	23,157	–	–	–	–	–	23,157
Net income	–	–	257,065	–	257,065	–	–	–	–	–	257,065
Cash dividends paid	–	–	(66,053)	–	(66,053)	–	–	–	–	–	(66,053)
Loss on disposition of treasury stock	–	(2,531)	(3,771)	–	(6,302)	–	–	–	–	–	(6,302)
Net changes other than in shareholders' equity	–	–	–	–	–	(18,761)	(4,501)	(23,262)	(26)	–	(23,288)
Balance at 30th September, 2011 (Unaudited)	$242,661	$193,085	$3,642,767	$(919,896)	$3,158,617	$ 62,883	$(39,400)	$ 23,483	$17,156	$ –	$3,199,256

See accompanying notes to quarterly consolidated financial statements.

Nomura Research Institute, Ltd.

Quarterly Consolidated Statements of Cash Flows

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	Six months ended 30th September,		**Six months ended 30th September,**
	2011	**2010**	**2011**
	(Unaudited)		(Unaudited)
Cash flows from operating activities			
Income before income taxes and minority interests	¥ 31,843	¥ 16,741	$ 415,434
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	14,584	14,968	190,267
Interest and dividend income	(4,055)	(1,185)	(52,902)
Interest expense	39	5	509
Loss on investment securities	821	9	10,711
Gain on investments in affiliates	(8,564)	–	(111,729)
Impact of applying accounting standard for asset retirement obligations	–	364	–
Changes in operating assets and liabilities:			
Accounts receivable and other receivables, net of advance payments received	8,126	3,577	106,014
Allowance for doubtful accounts	(14)	(28)	(183)
Accounts payable	(1,199)	(5,822)	(15,643)
Inventories	(90)	251	(1,174)
Allowance for employees' retirement benefits and welfare pension plan	(1,726)	(1,698)	(22,518)
Other	(2,687)	233	(35,055)
Subtotal	37,078	27,415	483,731
Interest and dividends received	4,045	1,118	52,772
Interest paid	(40)	(5)	(522)
Income taxes paid	(9,591)	(9,422)	(125,127)
Net cash provided by operating activities	31,492	19,106	410,854
Cash flows from investing activities			
Payments for time deposits	(328)	(340)	(4,279)
Proceeds from time deposits	803	126	10,476
Increase in short-term investment securities	(13,234)	(10,941)	(172,655)
Proceeds from sales and redemption of short-term investment securities	5,900	1,000	76,973
Acquisition of property and equipment	(6,027)	(6,386)	(78,630)
Proceeds from sales of property and equipment	3	–	39
Increase in software and other intangibles	(10,316)	(5,196)	(134,586)
Payments for asset retirement obligations	(23)	(46)	(300)
Increase in investment securities	(14,084)	(25)	(183,744)
Proceeds from sales and redemption of investment securities	5,100	3,147	66,536
Increase in investments in affiliates	–	(15)	–
Proceeds from sales of investments in affiliates	16,326	–	212,994
Other	16	13	209
Net cash used in investing activities	¥(15,864)	¥(18,663)	$ (206,967)

Nomura Research Institute, Ltd.

Quarterly Consolidated Statements of Cash Flows (continued)

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	Six months ended 30th September,		**Six months ended 30th September,**
	2011	**2010**	**2011**
	(Unaudited)		(Unaudited)
Cash flows from financing activities			
Increase in short-term loans payable	¥ 4,000	¥ 3,500	$ 52,185
Decrease in short-term loans payable	(4,000)	(3,500)	(52,185)
Repayment of long-term loans payable	(1,291)	–	(16,843)
Repayment of obligation under finance leases	(28)	(47)	(365)
Proceeds from sales of treasury stock	1,166	–	15,212
Cash dividends paid	(5,060)	(5,056)	(66,014)
Net cash used in financing activities	(5,213)	(5,103)	(68,010)
Effect of exchange rate changes on cash and cash equivalents	(261)	(382)	(3,405)
Net increase (decrease) in cash and cash equivalents	10,154	(5,042)	132,472
Cash and cash equivalents at beginning of period	82,085	59,776	1,070,907
Cash and cash equivalents at end of period *(Note 7)*	¥ 92,239	¥ 54,734	$1,203,379

See accompanying notes to quarterly consolidated financial statements.

Nomura Research Institute, Ltd.

Notes to Quarterly Consolidated Financial Statements

30th September, 2011

1. Description of Business, Basis of Presentation, Accounting Change, and Additional Information

Description of Business

The NRI Group (Nomura Research Institute, Ltd. (the "Company") and its 14 consolidated subsidiaries) and its affiliates (2 companies) engage in the following four business services: "consulting services," comprised of research, management consulting and system consulting; "system development & application sales," comprised of system development and the sales of package software products; "system management & operation services," comprised of outsourcing services, multi-user system services, and information services; and "product sales." Information on the Company's operations by segment is included in Note 12.

Nomura Research Institute, Ltd. and UBIQLINK, Ltd. merged in July, 2011.

Basis of Presentation

The accompanying quarterly consolidated financial statements of the Company and its consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law.

In addition, the notes to the quarterly consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Certain reclassifications have been made to present the accompanying quarterly consolidated financial statements in a format which is familiar to readers outside Japan.

Accounting Change

Effective the first quarter ended 30th June, 2011, the "Accounting Standard for Earnings Per Share" (Accounting Standards Board of Japan ("ASBJ") Statement No. 2) and the "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4) has been applied. The Company has changed the method by which it calculates quarterly diluted earnings per share as follows. For stock options that vest after a specified service period, the Company now includes the portion of stock options' fair value attributable to future service when calculating the cash proceeds assumed to be receivable upon exercise of the stock options. Please see Note 8, "Per Share Data" for the impact of this change.

1. Description of Business, Basis of Presentation, Accounting Change, and Additional Information (continued)

Additional Information

(Application of the "Accounting Standard for Accounting Changes and Error Corrections")

Effective the first quarter ended 30th June, 2011, the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24) has been applied.

(Accounting for Trust-type Employee Stock Ownership Incentive Plan)

The Company introduced a "Trust-type Employee Stock Ownership Incentive Plan" in March 2011. The purpose of introducing this plan is to promote the Company's perpetual growth by providing incentives to employees (including employees of consolidated subsidiaries; the same shall apply in this section) for increasing the Company's corporate value in the mid- to long-term and by enhancing benefits and welfare of employees.

This is an incentive plan under which gains from the Company's share price appreciation are returned to all the employee beneficiaries who participate in the Employee Stock Ownership Group (the "ESOP Group"). The "Employee Stock Ownership Trust" (the "ESOP Trust") was established exclusively for the ESOP Group to carry out this plan. The ESOP Trust acquired a number of the Company's shares, which the ESOP Group would acquire over a period of five years subsequent to the establishment of the ESOP Trust. Then, the ESOP Trust sells them each time the ESOP Group makes an acquisition of the Company's shares. When the share price appreciates and earnings have accumulated in the ESOP Trust upon its maturity, a cash distribution of the funds will be made to each beneficiary in proportion to the respective beneficiary's contribution. Since the Company guarantees the loans of the ESOP Trust taken out to purchase the Company's shares, the Company is obligated to pay the remaining liabilities of the ESOP Trust under a guarantee agreement if any loan liabilities remain upon maturity of the ESOP Trust.

The Company accounts for the transactions involving the ESOP Trust as its own. And the assets, liabilities, expenses and income of the ESOP Trust are included in the accompanying consolidated financial statements. Therefore, the Company's shares owned by the ESOP Trust are treated as treasury stock of the Company, and the loans of the ESOP Trust are treated as the loans of the Company. Also, the Company did not recognize the transfer of treasury stock when the Company sold treasury stock to the ESOP Trust. Each time the ESOP Trust sells treasury stock to the ESOP Group, however, the Company recognizes transfer of treasury stock. As the amounts equal to the capital gain of the ESOP Trust will be distributed to the beneficiaries after the termination of the trust, the amounts are treated as expenses for the year the gain is incurred.

The number of NRI shares owned by the ESOP Trust is 5,531,300 shares on 30th September, 2011.

2. Specific Accounting Policy Adopted in Preparing Quarterly Consolidated Financial Statements

Calculation of Tax Expense

At the end of each interim period the Company makes its best estimate of the effective tax rate expected to be applicable for the full fiscal year. Tax expenses for interim periods are computed multiplying income before income taxes and minority interests by the aforementioned estimated annual effective tax rate for the annual period. Deferred income taxes are included in provision for income taxes in the quarterly consolidated statements of income.

3. U.S. Dollar Amounts

The Company maintains its books of account in yen. The U.S. dollar amounts included in the accompanying quarterly consolidated financial statements and the notes thereto represent the arithmetic results of translating yen into dollars at ¥76.65 = U.S.$1.00, the rate of exchange prevailing on 30th September, 2011. The U.S. dollar amounts are included solely for the convenience of the reader and the translation is not intended to imply that the assets and liabilities which originated in yen have been or could be readily converted, realized or settled in U.S. dollars at the above or any other rate.

4. Financial Instruments

Fair value of financial instruments

The carrying amount of financial instruments on the quarterly consolidated balance sheets as of 30th September, 2011 and 31st March, 2011 and estimated fair values are shown in the following table. The following table does not include financial instruments for which it is extremely difficult to determine fair values. (see Note 2).

	Millions of yen					
	30th September, 2011			**31st March, 2011**		
	Carrying amount	**Estimated fair value**	**Difference**	**Carrying amount**	**Estimated fair value**	**Difference**
		(Unaudited)				
Assets:						
Cash and bank deposits	¥ 9,041	¥ 9,041	¥ –	¥ 16,758	¥ 16,758	¥ –
Accounts receivable and other receivables	65,338	65,338	–	71,289	71,289	–
Short-term investment securities, investment securities, and investments in affiliates	139,246	139,246	–	109,183	109,183	–
Long-term loans receivable	7,763	8,215	452	7,706	8,107	401
Total	¥221,388	¥221,840	¥ 452	¥204,936	¥205,337	¥ 401
Liabilities:						
Accounts payable	¥ 20,405	¥ 20,405	¥ –	¥ 22,481	¥ 22,481	¥ –
Convertible bonds	49,997	49,147	(850)	49,997	48,797	(1,200)
Long-term loans payable*	10,492	10,492	–	11,783	11,783	–
Total	¥ 80,894	¥ 80,044	¥(850)	¥ 84,261	¥ 83,061	¥(1,200)

* Long-term loans payable included the current portion of long-term loans payable totaling ¥2,620 million ($34,181 thousand) and ¥2,607 million as of 30th September 2011 and 31st March, 2011, respectively.

	Thousands of U.S. dollars		
	30th September, 2011		
	Carrying amount	**Estimated fair value**	**Difference**
		(Unaudited)	
Assets:			
Cash and bank deposits	$ 117,952	$ 117,952	$ –
Accounts receivable and other receivables	852,420	852,420	–
Short-term investment securities, investment securities, and investments in affiliates	1,816,647	1,816,647	–
Long-term loans receivable	101,279	107,175	5,896
Total	$2,888,298	$2,894,194	$ 5,896
Liabilities:			
Accounts payable	$ 266,210	$ 266,210	$ –
Convertible bonds	652,277	641,187	(11,090)
Long-term loans payable	136,882	136,882	–
Total	$1,055,369	$1,044,279	$(11,090)

4. Financial Instruments (continued)

Fair value of financial instruments (continued)

Note 1: Methods to determine the estimated fair value of financial instruments.

Assets

a. Cash and bank deposits, accounts receivable and other receivables

Their carrying amount approximates the fair value due to the short maturity of these instruments.

b. Short-term investment securities, investment securities and investments in affiliates

The fair value of stocks is based on quoted market prices. The fair value of bonds is based on either quoted market prices or prices provided by the financial institution making markets in these securities.

c. Long-term loans receivable

Long-term loans receivable consists of deposits and guarantee money. The fair value of long-term receivables is based on the present value of the total future cash flows, which are the principal and the interest, discounted by the risk-free rate relating to the time remaining until maturity.

Liabilities

a. Accounts payable

Their carrying amount approximates the fair value due to the short maturity of these instruments.

b. Convertible bonds

The fair value of convertible bonds is based on the quoted market price.

c. Long-term loans payable

Long-term loans payable, to which variable rates are applied, approximates the carrying amount because it reflects market interest rates within a short period of time.

Note 2: The following financial instruments are not included in short-term investment securities, investment securities and investments in affiliates because no quoted market price is available and it is extremely difficult to determine the fair value.

	Millions of yen		*Thousands of U.S. dollars*
	30th September, 2011	**31st March, 2011**	**30th September, 2011**
	(Unaudited)		(Unaudited)
Unlisted companies' shares	¥8,002	¥15,328	$104,396
Investments in partnerships	191	380	2,492

*1 Unlisted companies' shares are not measured at fair value because they have no market prices on exchanges, and it is extremely difficult to determine fair value. Unlisted companies' shares included investments in affiliates accounted for under the equity method totaling ¥822 million ($10,724 thousand) and ¥830 million as of 30th September, 2011 and 31st March, 2011, respectively.

*2 For investments in partnerships, if fair value for part or all of the components is extremely difficult to determine, such components are not measured at fair value.

5. Investments

The Company did not hold any trading securities or held-to-maturity securities with determinable market value at 30th September, 2011 and 31st March, 2011.

The following is a summary of the market value information concerning available-for-sale securities included in short-term investment securities, investment securities and investments in affiliates at 30th September, 2011 and 31st March, 2011:

Securities classified as available-for-sale securities

	Millions of yen					
	30th September, 2011			**31st March, 2011**		
	Acquisition cost	**Carrying amount**	**Unrealized gain (loss)**	**Acquisition cost**	**Carrying amount**	**Unrealized gain (loss)**
		(Unaudited)				
Equity securities	¥ 17,014	¥ 25,238	¥8,224	¥ 25,543	¥ 36,020	¥10,477
Bonds:						
Government bonds	18,337	18,328	(9)	1	1	–
Corporate bonds	26,995	26,889	(106)	21,079	21,050	(29)
Other	1,000	1,000	–	–	–	–
	46,332	46,217	(115)	21,080	21,051	(29)
Other	75,260	75,162	(98)	66,928	66,990	62
Total	¥138,606	¥146,617	¥8,011	¥113,551	¥124,061	¥10,510

	Thousands of U.S. dollars		
	30th September, 2011		
	Acquisition cost	**Carrying amount**	**Unrealized gain (loss)**
		(Unaudited)	
Equity securities	$ 221,970	$ 329,263	$107,293
Bonds:			
Government bonds	239,230	239,113	(117)
Corporate bonds	352,185	350,802	(1,383)
Other	13,046	13,046	–
	604,461	602,961	(1,500)
Other	981,866	980,587	(1,279)
Total	$1,808,297	$1,912,811	$104,514

Securities whose estimated fair value is deemed extremely difficult to measure were included in the above table. Impairment losses on the securities classified as available-for-sale securities as a result of a permanent decline in value for the six months ended 30th September, 2011, and the year ended 31st March, 2011 were ¥927 million ($12,094 thousand) and ¥46 million, consisting of ¥922 million ($12,029 thousand) and ¥37 million for securities whose fair value is determinable and ¥5 million ($65 thousand) and ¥9 million for securities whose estimated fair value is deemed extremely difficult to measure. The Company has established a policy for the recognition of impairment losses under the following conditions as of 30th September, 2011, and 31st March, 2011:

i) For securities whose fair value has declined by 30% or more and for which a recovery to fair value is not deemed probable.

ii) For securities whose estimated fair value is deemed extremely difficult to measure, the Company recognizes impairment if the net asset value of the investment has declined by 50% or more and for which a recovery to acquisition cost is not deemed probable.

6. Net Assets

The Corporation Law of Japan provides that an amount equal to at least 10% of the amount to be disbursed as distributions of capital surplus and retained earnings be appropriated to the legal reserve until the sum of the legal reserve and additional paid-in capital equals 25% of the common stock account. In accordance with the Corporation Law, the Company provides a legal reserve which is included in retained earnings. This reserve amounted to ¥570 million ($7,436 thousand) and ¥570 million at 30th September, 2011 and 31st March, 2011, respectively.

Dividends

The following appropriation of retained earnings applicable to the year ended 31st March, 2011 was approved at a meeting of the Board of Directors held on 18th May, 2011 and went into effect on 3rd June, 2011:

	Millions of yen	*Thousands of U.S. dollars*
Cash dividends approved on 18th May, 2011 (¥26.00 = U.S.$0.34 per share)	¥5,063	$66,053

* Dividends of ¥161 million ($2,100 thousand) paid to the ESOP Trust are not included in the total dividends amount.

The accompanying quarterly consolidated financial statements do not include any provision for dividends of ¥26.00 ($0.34) per share, aggregating ¥5,082 million ($66,302 thousand). This appropriation of retained earnings was approved at the meeting of the Board of Directors held on 28th October, 2011 in respect of the six months ended 30th September, 2011 and went into effect on 30th November, 2011. Dividends of ¥144 million ($1,879 thousand) paid to the ESOP Trust are not included in the total dividends amount.

7. Cash and Cash Equivalents

A reconciliation between cash and bank deposits in the accompanying quarterly consolidated balance sheets and cash and cash equivalents in the accompanying quarterly consolidated statements of cash flows at 30th September, 2011 and 2010 is as follows:

	Millions of yen		*Thousands of U.S. dollars*
	30th September,		**30th September,**
	2011	**2010**	**2011**
	(Unaudited)		(Unaudited)
Cash and bank deposits	¥ 9,041	¥ 9,694	$ 117,952
Short-term investment securities	104,247	55,157	1,360,039
Time deposits with maturities of more than three months when deposited	(272)	(205)	(3,549)
Bonds and other investments maturing in more than three months from the acquisition date	(20,777)	(9,912)	(271,063)
Cash and cash equivalents	¥ 92,239	¥54,734	$1,203,379

8. Per Share Data

Per share data is summarized as follows:

	Yen		*U.S. dollars*
	Six months ended 30th September,		**Six months ended 30th September,**
	2011	**2010**	**2011**
	(Unaudited)		(Unaudited)
Earnings per share – basic	¥100.97	¥49.62	$1.32
Earnings per share – diluted	95.15	46.75	1.24

The computation of earnings per share is based on the weighted-average number of shares of common stock outstanding during each period and the number of shares of common stock outstanding at each balance sheet date, respectively.

The computation of earnings per share and diluted earnings per share for the six months ended 30th September, 2011 and 2010 is as follows:

	Millions of yen		*Thousands of U.S. dollars*
	Six months ended 30th September,		**Six months ended 30th September,**
	2011	**2010**	**2011**
	(Unaudited)		(Unaudited)
Numerator:			
Earnings	¥19,704	¥9,658	$257,065
Earnings not available to common shareholders	(–)	(–)	(–)
Earnings available to common shareholders	¥19,704	¥9,658	$257,065
	Thousands of Shares		
Denominator:			
Weighted-average number of shares of common stock outstanding – basic *1	195,135	194,654	195,135
Potentially dilutive shares of common stock:			
Convertible bonds *2	11,839	11,836	11,839
Stock options	103	101	103
Total	11,942	11,937	11,942
Weighted-average number of shares of common stock outstanding – diluted	207,077	206,591	207,077

*1 NRI shares owned by the ESOP Trust are included in treasury stock.

*2 The conversion price for the 1st unsecured convertible bonds with stock acquisition rights was adjusted from ¥4,224 to ¥4,222.90 effective from 30th March, 2011.

8. Per Share Data (continued)

The following potentially issuable shares of common stock would have an antidilutive effect, and thus have not been included in the diluted earnings per share calculation for the six months ended 30th September, 2011 and 2010:

	Shares	
	Six months ended 30th September,	
	2011	**2010**
	(Unaudited)	
a) 4th share subscription rights	–	0 *
b) 6th share subscription rights	347,500	367,500
c) 8th share subscription rights	375,000	415,000
d) 10th share subscription rights	417,500	417,500
e) 12th share subscription rights	440,000	440,000
f) 14th share subscription rights	445,000	445,000
g) 16th share subscription rights	392,500	–

* The exercise period ended 30th June, 2010.

(Accounting Change)

Effective the first quarter ended 30th June, 2011, the "Accounting Standard for Earnings Per Share" (Accounting Standards Board of Japan ("ASBJ") Statement No. 2) and the "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4) has been applied.

The Company has changed the method by which it calculates quarterly diluted earnings per share as follows. For stock options that vest after a specified service period, the Company now includes the portion of stock options' fair value attributable to future service when calculating the cash proceeds assumed to be receivable upon exercise of the stock options.

Diluted earnings per share for the six months ended 30th September, 2010 in cases where these accounting standards were not adopted were ¥46.75.

9. Selling, General and Administrative Expenses

The details of selling, general and administrative expenses for the six months ended 30th September, 2011 and 2010 are summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	Six months ended 30th September,		**Six months ended 30th September,**
	2011	**2010**	**2011**
	(Unaudited)		(Unaudited)
Personnel expenses	¥15,929	¥15,075	$207,815
Rent	2,411	2,534	31,455
Subcontractor costs	3,791	3,315	49,459
Other	5,925	6,577	77,298
Total	¥28,056	¥27,501	$366,027

10. Research and Development Expenses

Research and development expenses included in selling, general and administrative expenses for the six months ended 30th September, 2011 and 2010 are summarized as follows:

Millions of yen		*Thousands of U.S. dollars*
Six months ended 30th September,		**Six months ended 30th September,**
2011	**2010**	**2011**
(Unaudited)		(Unaudited)
¥1,704	¥1,585	$22,231

11. Contingent Liabilities

There were no material contingent liabilities at 30th September, 2011 and 31st March, 2011.

12. Segment Information

1) Net sales and profit (loss) by reportable segments

	Millions of yen								
	Six months ended 30th September, 2011								
	Reportable segment								
	Consulting	**Financial IT Solutions**	**Industrial IT Solutions**	**IT Platform Services**	**Subtotal**	**Others *1**	**Total**	**Adjustments *2**	**Consolidated *3**
					(Unaudited)				
Net sales:									
Sales to external customers	¥9,668	¥97,525	¥43,697	¥ 6,381	¥157,271	¥4,206	¥161,477	¥ 8	¥161,485
Intersegment sales or transfers	63	36	2,343	31,412	33,854	1,636	35,490	(35,490)	–
Total	9,731	97,561	46,040	37,793	191,125	5,842	196,967	(35,482)	161,485
Segment profit	¥ 813	¥ 9,511	¥ 3,287	¥ 5,104	¥ 18,715	¥ 361	¥ 19,076	¥ 1,005	¥ 20,081

*1 Some subsidiaries provide system development and system management and operation services that are not included in the above reportable segments.

*2 Individual items included in adjustment of segment profit were all immaterial amounts.

*3 Segment profit is adjusted to operating profit in the quarterly consolidated statements of income and comprehensive income.

	Millions of yen								
	Six months ended 30th September, 2010								
	Reportable segment								
	Consulting	**Financial IT Solutions**	**Industrial IT Solutions**	**IT Platform Services**	**Subtotal**	**Others *1**	**Total**	**Adjustments *2**	**Consolidated *3**
					(Unaudited)				
Net sales:									
Sales to external customers	¥8,679	¥98,640	¥42,516	¥ 8,141	¥157,976	¥4,126	¥162,102	¥ 4	¥162,106
Intersegment sales or transfers	35	29	2,218	32,306	34,588	1,551	36,139	(36,139)	–
Total	8,714	98,669	44,734	40,447	192,564	5,677	198,241	(36,135)	162,106
Segment profit (loss)	¥ (258)	¥ 8,661	¥ 1,042	¥ 5,228	¥ 14,673	¥ 98	¥ 14,771	¥ 1,239	¥ 16,010

*1 Some subsidiaries provide system development and system management and operation services that are not included in the above reportable segments.

*2 Individual items included in adjustment of segment profit were all immaterial amounts.

*3 Segment profit is adjusted to operating profit in the quarterly consolidated statements of income and comprehensive income.

12. Segment Information (continued)

1) Net sales and profit (loss) by reportable segments (continued)

	Thousands of U.S. dollars								
	Six months ended 30th September, 2011								
	Reportable segment								
	Consulting	**Financial IT Solutions**	**Industrial IT Solutions**	**IT Platform Services**	**Subtotal**	**Others**	**Total**	**Adjustments**	**Consolidated**
					(Unaudited)				
Net sales:									
Sales to external customers	$126,132	$1,272,341	$570,085	$ 83,249	$2,051,807	$54,873	$2,106,680	$ 104	$2,106,784
Intersegment sales or transfers	822	470	30,568	409,810	441,670	21,344	463,014	(463,014)	–
Total	126,954	1,272,811	600,653	493,059	2,493,477	76,217	2,569,694	(462,910)	2,106,784
Segment profit	$ 10,607	$ 124,083	$ 42,883	$ 66,588	$ 244,161	$ 4,710	$ 248,871	$ 13,112	$ 261,983

2) Information about changes in reportable segments

The Company implemented an organizational change on 1st April, 2011. This organizational change is reflected in the presentation of segment information for the six months ended 30th September, 2010.

13. Subsequent Events

Not applicable.