
Financial Results Presentation

Financial Results for 3rd Quarter FY March 2016

January 28, 2016

Nomura Research Institute, Ltd.



Contents

1. Financial Results for 3rd Quarter FY March 2016

2. Recent Activities

Highlights of Consolidated Financial Results <3Q Total>

(JPY million)

	3Q FY Mar. 2015 Total (Apr.-Dec.)	3Q FY Mar. 2016 Total (Apr.-Dec.)	Diff.	YoY Change
Sales	300,782	313,621	+12,839	+4.3%
Operating Profit	37,176	43,229	+6,053	+16.3%
Operating Profit Margin	12.4%	13.8%	+1.4P	
Profit attributable to owners of parent	33,646	31,914	(1,732)	(5.1%)

Key Factors in Financial Results for 3Q FY March 2016

- **Sales were up 4.3%, hitting an all time high for the first three quarters**
 - Sales in Consulting were up 2.1%, backed by robust demand.
 - Sales in Financial IT Solutions were up 7.3% and rose across all sectors of securities, insurance, banking and other financial industry.
 - Sales in Industrial IT Solutions were up 2.9% with the contribution of an increase in sales to leading customers in the distribution sector.
- **Operating profit increased 16.3%, another all time high for the first three quarters**
 - Consulting, Financial IT Solutions, Industrial IT Solutions, and IT Platform Services all recorded OPM in excess of 10%.
 - Project profitability rose as the impact from unprofitable project declined significantly year on year.
- **Net income declined 5.1%**
 - There was a rebound from the extraordinary income (gain on sales of investment securities) posted in 2Q of the previous fiscal year.

Sales by Segment <3Q Total>

(JPY million)

	3Q FY Mar. 2015 Total (Apr.-Dec.)	Share	3Q FY Mar. 2016 Total (Apr.-Dec.)	Share	Diff.	YoY Change
Consulting	19,929	6.6%	20,358	6.5%	+428	+2.1%
Financial IT Solutions	175,661	58.4%	188,503	60.1%	+12,841	+7.3%
Securities	86,920	28.9%	91,816	29.3%	+4,895	+5.6%
Insurance	41,216	13.7%	42,878	13.7%	+1,661	+4.0%
Banking	25,562	8.5%	28,402	9.1%	+2,840	+11.1%
Other financial	21,961	7.3%	25,405	8.1%	+3,443	+15.7%
Industrial IT Solutions	73,477	24.4%	75,637	24.1%	+2,160	+2.9%
Distribution	34,988	11.6%	39,439	12.6%	+4,450	+12.7%
Manufacturing, service and other	38,488	12.8%	36,198	11.5%	(2,290)	(6.0%)
IT Platform Services	25,089	8.3%	22,028	7.0%	(3,060)	(12.2%)
Others	6,624	2.2%	7,094	2.3%	+469	+7.1%
Total	300,782	100.0%	313,621	100.0%	+12,839	+4.3%
Nomura Holdings	61,674	20.5%	49,265	15.7%	(12,408)	(20.1%)
Seven & i Holdings	30,401	10.1%	33,196	10.6%	+2,794	+9.2%

Note: Figures for sales to Nomura Holdings and Seven & i Holdings include sales to their respective subsidiaries and sales through lease companies, etc.

Segment performance results <3Q Total>

■ Including Inter-segment sales for each segment

(JPY million)

		3Q FY Mar. 2015 Total (Apr.-Dec.)	3Q FY Mar. 2016 Total (Apr.-Dec.)	Diff.	YoY Change
Consulting	Sales	20,176	20,607	+430	+2.1%
	OP	4,340	3,424	(915)	(21.1%)
	OPM	21.5%	16.6%	(4.9P)	
Financial IT Solutions	Sales	175,980	189,066	+13,086	+7.4%
	OP	15,976	21,966	+5,989	+37.5%
	OPM	9.1%	11.6%	+2.5P	
Industrial IT Solutions	Sales	74,205	76,584	+2,378	+3.2%
	OP	9,706	7,738	(1,968)	(20.3%)
	OPM	13.1%	10.1%	(3.0P)	
IT Platform Services	Sales	83,850	81,336	(2,514)	(3.0%)
	OP	4,936	8,793	+3,856	+78.1%
	OPM	5.9%	10.8%	+4.9P	

Segment performance results <3Q>

■ Including Inter-segment sales for each segment

(JPY million)

		3Q FY Mar. 2015 (Oct.-Dec.)	3Q FY Mar. 2016 (Oct.-Dec.)	Diff.	YoY Change
Consulting	Sales	7,377	7,229	(147)	(2.0%)
	OP	1,752	1,407	(344)	(19.7%)
	OPM	23.8%	19.5%	(4.3P)	
Financial IT Solutions	Sales	60,820	59,761	(1,058)	(1.7%)
	OP	8,171	7,074	(1,097)	(13.4%)
	OPM	13.4%	11.8%	(1.6P)	
Industrial IT Solutions	Sales	25,447	25,587	+140	+0.6%
	OP	3,320	2,495	(824)	(24.8%)
	OPM	13.0%	9.8%	(3.3P)	
IT Platform Services	Sales	27,604	27,927	+322	+1.2%
	OP	1,291	3,395	+2,104	+162.9%
	OPM	4.7%	12.2%	+7.5P	

Sales by Service <3Q Total>

(JPY million)

	3Q FY Mar. 2015 Total (Apr.-Dec.)	Share	3Q FY Mar. 2016 Total (Apr.-Dec.)	Share	Diff.	YoY Change
Consulting Services	34,031	11.3%	38,387	12.2%	+4,355	+12.8%
System Development & System Application Sales	101,777	33.8%	109,741	35.0%	+7,963	+7.8%
System Management & Operation Services	153,167	50.9%	158,411	50.5%	+5,243	+3.4%
Product Sales	11,805	3.9%	7,081	2.3%	(4,723)	(40.0%)
Total	300,782	100.0%	313,621	100.0%	+12,839	+4.3%

P/L Highlight <3Q Total>

(JPY million)

	3Q FY Mar. 2015 Total (Apr.-Dec.)	3Q FY Mar. 2016 Total (Apr.-Dec.)	Diff.	YoY Change
Sales	300,782	313,621	+12,839	+4.3%
Cost of Sales	215,384	214,352	(1,031)	(0.5%)
Subcontracting Costs	106,272	105,204	(1,068)	(1.0%)
Gross Profit	85,398	99,268	+13,870	+16.2%
Gross Profit Margin	28.4%	31.7%	+3.3P	
SG&A	48,221	56,039	+7,817	+16.2%
Operating Profit	37,176	43,229	+6,053	+16.3%
Operating Profit Margin	12.4%	13.8%	+1.4P	

P/L Highlight <3Q Total> continued

(JPY million)

	3Q FY Mar. 2015 Total (Apr.-Dec.)	3Q FY Mar. 2016 Total (Apr.-Dec.)	Diff.	YoY Change
Operating Profit	37,176	43,229	+6,053	+16.3%
Non-operating income and loss	1,193	2,095	+902	
Dividend Income	1,058	1,627	+569	
Extraordinary income and loss	11,019	1,233	(9,786)	
Gain on negative goodwill (Net)	1,710	—	(1,710)	
Gain on sales of investment securities	9,458	1,444	(8,013)	
Income taxes etc.	15,691	14,491	(1,200)	
Profit attributable to owners of parent	33,646	31,914	(1,732)	(5.1%)

Order Backlog (Outstanding)

(JPY million)

	At end of Dec. 2014	At end of Dec. 2015	Diff.	YoY Change
Consulting	5,769	6,202	+433	+7.5%
Financial IT Solutions	55,315	57,524	+2,208	+4.0%
Industrial IT Solutions	19,228	18,273	(955)	(5.0%)
IT Platform Services	7,547	6,445	(1,101)	(14.6%)
Other	1,114	1,834	+720	+64.7%
Total	88,974	90,280	+1,306	+1.5%
Order backlog in the current FY	79,012	80,966	+1,953	+2.5%

Results through 3Q and Full-Year Earnings Forecast

(JPY billion)

		1Q	2Q	3Q	4Q	FY
FY March 2013	Sales	84.4	89.9	86.0	103.5	363.8
	OP	8.2	12.2	10.7	12.7	43.9
	OPM	9.8%	13.6%	12.5%	12.3%	12.1%
FY March 2014	Sales	88.2	94.3	96.9	106.4	385.9
	OP	10.8	12.9	12.2	13.7	49.8
	OPM	12.2%	13.8%	12.7%	12.9%	12.9%
FY March 2015	Sales	96.6	100.6	103.4	105.2	405.9
	OP	7.9	14.1	15.0	14.3	51.4
	OPM	8.2%	14.1%	14.6%	13.6%	12.7%
FY March 2016 (Figures for 4Q and full-year are estimates)	Sales	101.5	110.8	101.2	111.3	425.0
	OP	13.5	14.7	14.9	14.7	58.0
	OPM	13.3%	13.3%	14.8%	13.3%	13.6%

Note: Figures for 4Q year ending March 2016 calculated by subtracting results up to 3Q from full-year forecast earnings (reference figure).

1. Financial Results for 3rd Quarter FY March 2016

2. Recent Activities

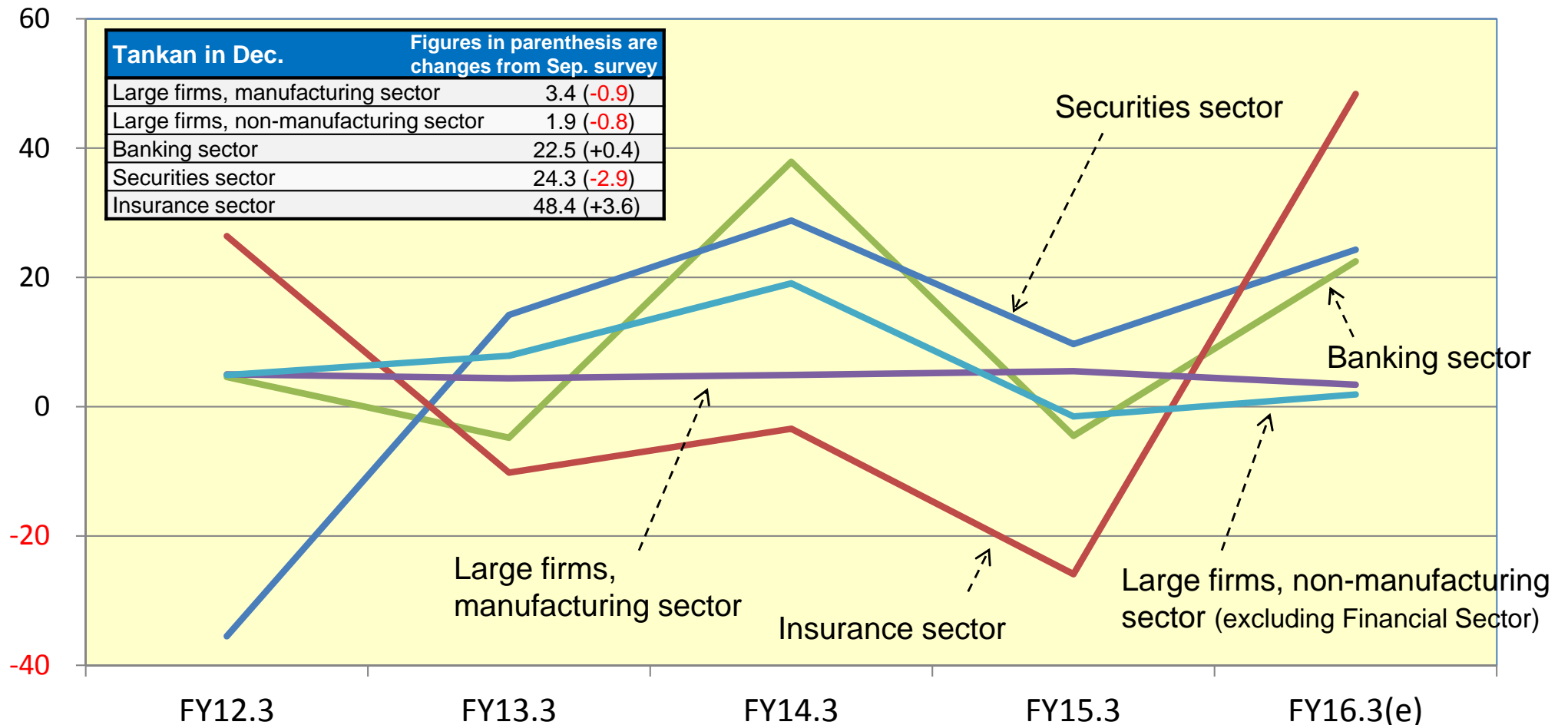
Assessing Business Environment (BOJ Tankan Survey)

➤ Corporate software investment remained solid at high levels

- Significant improvement in software investment expected in securities, banking and insurance industries

(YoY change %)

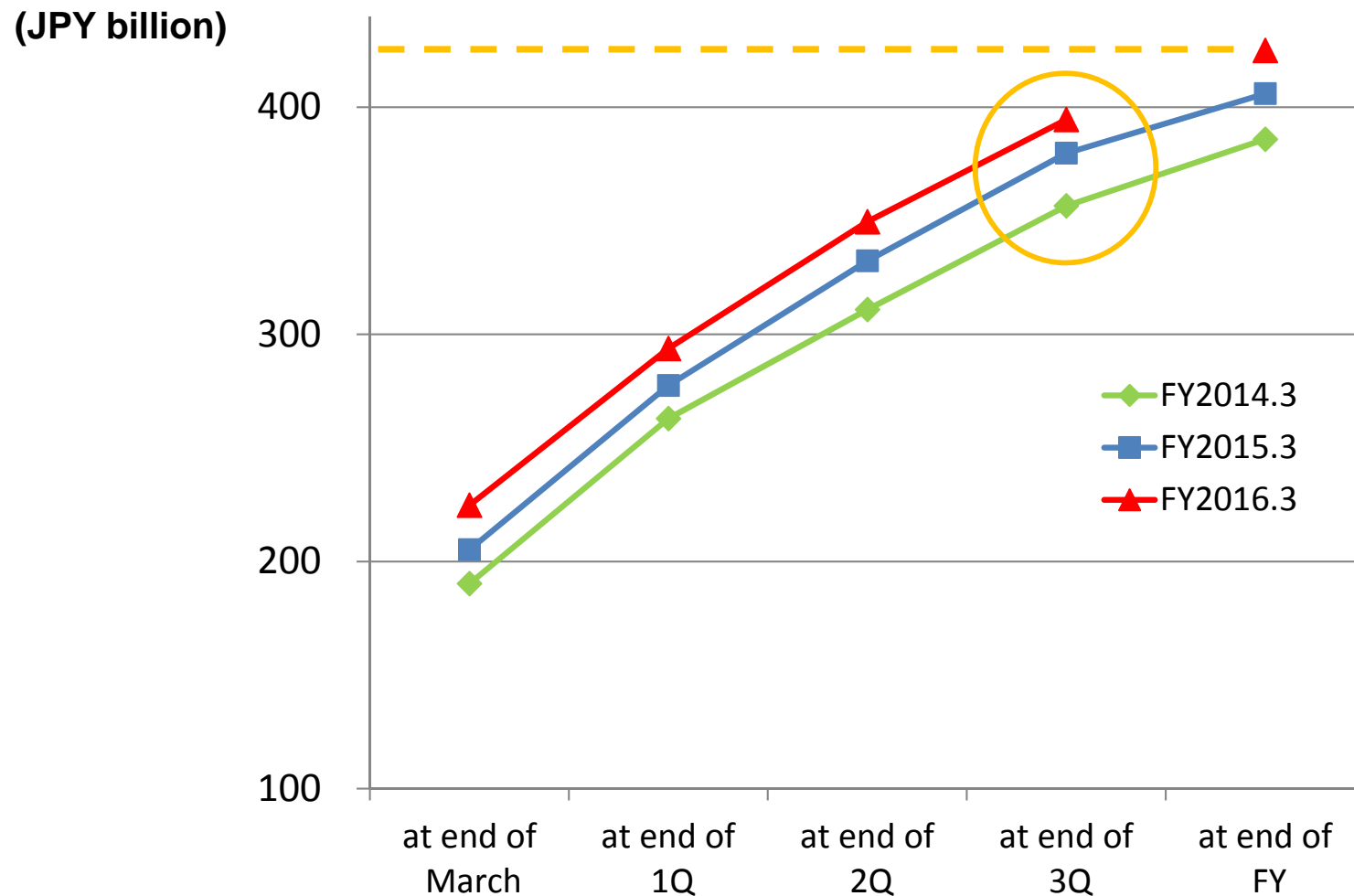
Software Investment



Sales + Consolidated Order Backlog

➤ Order backlog remains healthy








Order backlog (of which, current fiscal year) + cumulative sales



Current Business Conditions

➤ Aiming to secure large-scale projects, acquire new clients, and expand business with existing clients

Initiatives in Fiscal March 2016

Consulting		<ul style="list-style-type: none"> Expand client base, develop global business, provide operation consulting, operation x IT consulting, IT department structural reform
Financial IT Solutions		
Securities		<ul style="list-style-type: none"> Complete the project of upgrading IT systems at Nomura Securities in Japan Further strengthen relationships with major clients Expand business into retail front office and wholesale areas, and expand securities BPO business Assist clients in addressing financial system reforms (“My Number” system, and unified taxation on income from financial products (public and corporate bonds), Junior NISA)
Insurance		<ul style="list-style-type: none"> Make certain to capitalize on large projects for existing clients, develop new clients and secure new projects Assist clients in addressing financial system reforms (“My Number” system)
Banking		<ul style="list-style-type: none"> Promote introduction of Bestway/JJ at major banks Expand megabank client base, expand online banking business Assist clients in addressing financial system reforms (“My Number” system, and unified taxation on income from financial products (public and corporate bonds), Junior NISA)
Other financial		<ul style="list-style-type: none"> Develop large-scale clients, secure new projects and global projects Expand investment management BPO business
Industrial IT Solutions		
Distribution		<ul style="list-style-type: none"> Expand scale of business with major clients and support their overseas business development
Manufacturing, service and other		<ul style="list-style-type: none"> Cooperation between consulting and systems to develop new clients and further cultivate existing clients Strengthen ERP solutions, promote global projects, and strengthen area marketing

Appointment of New President

- **Shingo Konomoto, Senior Executive Managing Director, is scheduled to be appointed Representative Director and President & CEO on April 1, 2016**
- **Tadashi Shimamoto, Chairman and President & CEO, is scheduled to be appointed Chairman on April 1, 2016**

Rationale for appointment of Mr. Konomoto as new president

- Expected to implement best company-wide management
- Ability to understand management-level challenges and ample experience in dialogue with management at customers
- Wealth of overseas experience

Professional Experience of Mr. Konomoto, new NRI President

1985	Joined Nomura Research Institute Inc.
1994	Chief Representative, Nomura Research Institute Taipei Representative Office
1995	General Manager, Nomura Research Institute Taipei Branch
2004	Corporate Vice President, Division Manager of Consulting Division III
2010	Corporate Senior Vice President, Consulting Division
2013	Senior Corporate Managing Director; Consulting Division, System Consulting Division
2015	Member of the Board, Senior Executive Managing Director, Supervising Consulting and IT Solution Business Divisions

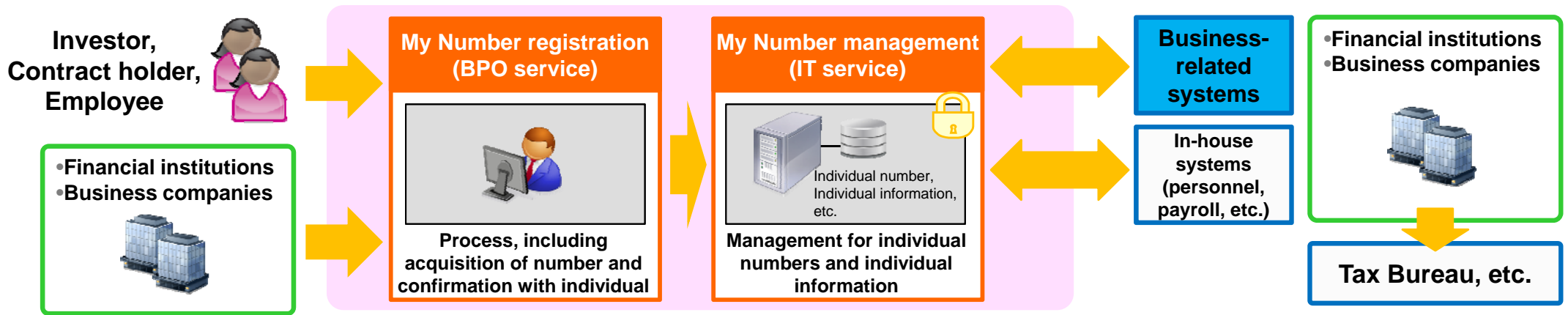


Support for “My Number” System

➤ **Commencement of provision of “My Number” registration and management services with the implementation of the system in January 2016**

- **Registration service: Provide service to more than 90 financial institutions and more than 50 business companies**
- **Management service: Plan to provide service to more than 160 financial institutions and business companies**

Image of My Number registration and management service



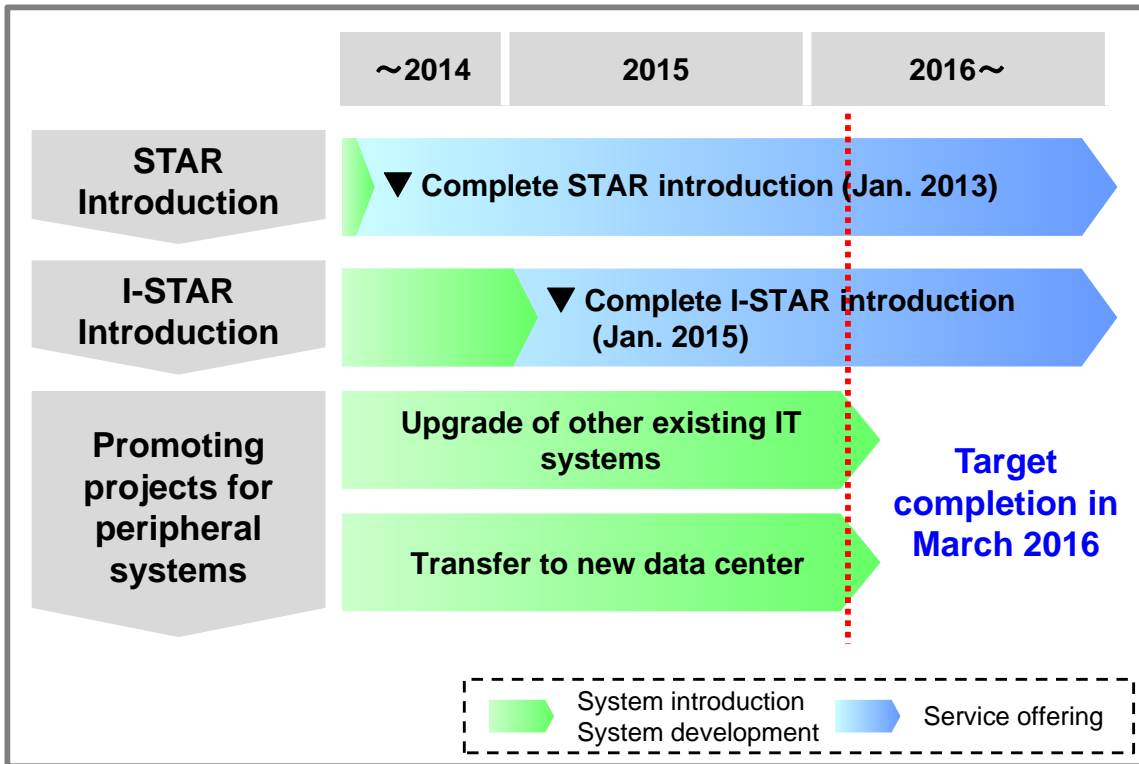
	2014	2015	2016~
Milestones in My Number system	<ul style="list-style-type: none"> ▼ Law officially announced by competent ministry ▼ Guidelines published 	<ul style="list-style-type: none"> ▼ System goes into effect ▼ Number cards distributed 	<ul style="list-style-type: none"> ▼ Operation goes into effect
NRI schedule for service launch	System trends survey, review and plans for service launch	System development	Service launch

Upgrade IT systems of Nomura Securities in Japan and Ensuing Initiatives

➤ Themes for next fiscal year start in 4Q

Peripheral systems-related projects terminating

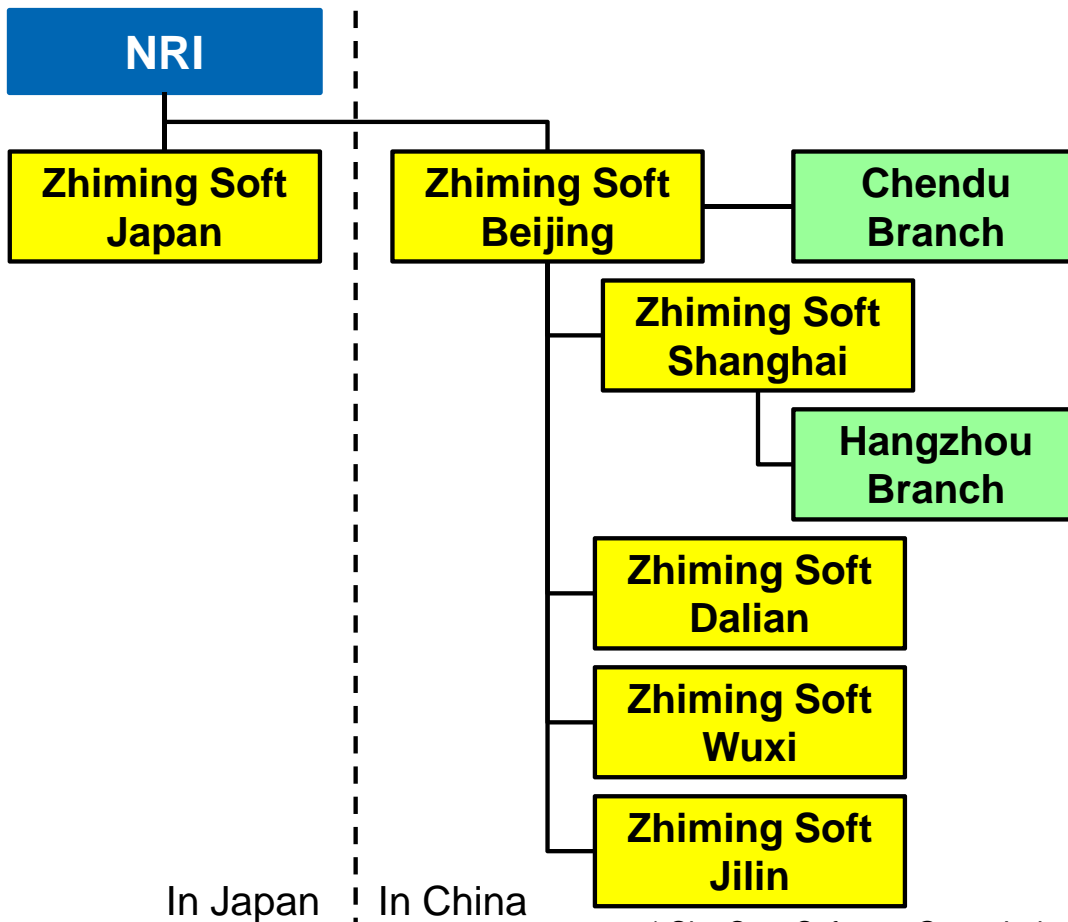
Initiatives aimed at next fiscal year's themes



- Compliance with regulatory reform
(My Number, unified taxation on income from financial products, Junior NISA)
⇒ Commence service provision from January 2016
- Expand service territory
 - Support for DR
 - Expand business in retail front and middle office territory
 - Expand business in wholesale territory
 - Support for global projects, etc.

Establishment of Zhiming Software and Launch of Six Business Entities

- **Transfer of offshore development business from SinoCom* to NRI completed**
 - **Approximately 1,300 new employees have joined NRI Group**
 - **Aim to improve quality and productivity as the core of the offshore China development, maintenance, and operation system**



Company Overviews

Company	Zhiming Software Beijing, Ltd.
Locations	HQ: Beijing, Branch: Chengdu
Subsidiaries	Zhiming Software Shanghai, Ltd. Zhiming Software Dalian, Ltd. Zhiming Software Wuxi, Ltd. Zhiming Software Jilin, Ltd.
Founded on	October 28, 2015
N. of Employees	Around 1,100 employees in the 5 companies in China
Principal Activities	Software development services and technical support services
Company	Zhiming Software Japan, Ltd.
Locations	Tokyo
Founded on	October 28, 2015
N. of employees	Around 200 employees
Principal Activities	Software development services and technical support services

* SinoCom Software Group Ltd. changed company name to New Sports Group Ltd. on September 18, 2015.

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.

Figures given in the reference data related to the financial results forecasts are figures which are only intended to convey the Company's current circumstances and outlook. The Company does not undertake to revise the forecasts to reflect new information or circumstances.

References

- 1. Other Financial Result-related Data**
- 2. Recent Activities (excerpts from articles in magazines, newspapers, etc.)**
- 3. Others**

1. Other Financial Result-related Data

Order Volume <3Q Total>

(JPY million)

	3Q FY Mar. 2015 Total (Apr.-Dec.)	3Q FY Mar. 2016 Total (Apr.-Dec.)	Diff.	YoY Change
Consulting	21,114	20,938	(175)	(0.8%)
Financial IT Solutions	101,427	99,758	(1,669)	(1.6%)
Industrial IT Solutions	40,736	38,499	(2,236)	(5.5%)
IT Platform Services	11,867	11,269	(598)	(5.0%)
Other	5,409	6,249	+839	+15.5%
Total	180,554	176,714	(3,840)	(2.1%)

1. Other Financial Result-related Data

Highlights of Consolidated Financial Results <3Q>

(JPY million)

	3Q FY Mar. 2015 (Oct.-Dec.)	3Q FY Mar. 2016 (Oct.-Dec.)	Diff.	YoY Change
Sales	103,435	101,283	(2,152)	(2.1%)
Operating Profit	15,050	14,979	(70)	(0.5%)
Operating Profit Margin	14.6%	14.8%	+0.2P	
Profit attributable to owners of parent	10,240	11,787	+1,547	+15.1%

1. Other Financial Result-related Data

Sales by Segment <3Q>

(JPY million)

	3Q FY Mar. 2015 (Oct.-Dec.)	Share	3Q FY Mar. 2016 (Oct.-Dec.)	Share	Diff.	YoY Change
Consulting	7,321	7.1%	7,135	7.0%	(186)	(2.5%)
Financial IT Solutions	60,679	58.7%	59,522	58.8%	(1,157)	(1.9%)
Securities	29,228	28.3%	27,779	27.4%	(1,449)	(5.0%)
Insurance	15,203	14.7%	13,598	13.4%	(1,605)	(10.6%)
Banking	8,444	8.2%	9,304	9.2%	+859	+10.2%
Other financial	7,801	7.5%	8,839	8.7%	+1,037	+13.3%
Industrial IT Solutions	25,205	24.4%	25,217	24.9%	+11	+0.0%
Distribution	11,950	11.6%	12,805	12.6%	+854	+7.1%
Manufacturing, service and other	13,255	12.8%	12,411	12.3%	(843)	(6.4%)
IT Platform Services	8,087	7.8%	6,936	6.8%	(1,150)	(14.2%)
Others	2,141	2.1%	2,471	2.4%	+330	+15.4%
Total	103,435	100.0%	101,283	100.0%	(2,152)	(2.1%)
Nomura Holdings	20,847	20.2%	16,339	16.1%	(4,508)	(21.6%)
Seven & i Holdings	10,231	9.9%	10,449	10.3%	+217	+2.1%

Note: Figures for sales to Nomura Holdings and Seven & i Holdings include sales to their respective subsidiaries and sales through lease companies, etc.

1. Other Financial Result-related Data

Segment performance results <3Q>

■ Including Inter-segment sales for each segment

(JPY million)

		3Q FY Mar. 2015 (Oct.-Dec.)	3Q FY Mar. 2016 (Oct.-Dec.)	Diff.	YoY Change
Consulting	Sales	7,377	7,229	(147)	(2.0%)
	OP	1,752	1,407	(344)	(19.7%)
	OPM	23.8%	19.5%	(4.3P)	
Financial IT Solutions	Sales	60,820	59,761	(1,058)	(1.7%)
	OP	8,171	7,074	(1,097)	(13.4%)
	OPM	13.4%	11.8%	(1.6P)	
Industrial IT Solutions	Sales	25,447	25,587	+140	+0.6%
	OP	3,320	2,495	(824)	(24.8%)
	OPM	13.0%	9.8%	(3.3P)	
IT Platform Services	Sales	27,604	27,927	+322	+1.2%
	OP	1,291	3,395	+2,104	+162.9%
	OPM	4.7%	12.2%	+7.5P	

1. Other Financial Result-related Data

Sales by Service <3Q>

(JPY million)

	3Q FY Mar. 2015 (Oct.-Dec.)	Share	3Q FY Mar. 2016 (Oct.-Dec.)	Share	Diff.	YoY Change
Consulting Services	12,729	12.3%	13,310	13.1%	+580	+4.6%
System Development & System Application Sales	34,380	33.2%	32,690	32.3%	(1,689)	(4.9%)
System Management & Operation Services	52,461	50.7%	53,062	52.4%	+601	+1.1%
Product Sales	3,864	3.7%	2,220	2.2%	(1,644)	(42.6%)
Total	103,435	100.0%	101,283	100.0%	(2,152)	(2.1%)

1. Other Financial Result-related Data

P/L Highlight <3Q>

(JPY million)

	3Q FY Mar. 2015 (Oct.-Dec.)	3Q FY Mar. 2016 (Oct.-Dec.)	Diff.	YoY Change
Sales	103,435	101,283	(2,152)	(2.1%)
Cost of Sales	71,985	66,791	(5,193)	(7.2%)
Subcontracting Costs	35,027	32,911	(2,116)	(6.0%)
Gross Profit	31,450	34,491	+3,041	+9.7%
Gross Profit Margin	30.4%	34.1%	+3.6P	
SG&A	16,400	19,511	+3,111	+19.0%
Operating Profit	15,050	14,979	(70)	(0.5%)
Operating Profit Margin	14.6%	14.8%	+0.2P	

1. Other Financial Result-related Data

P/L Highlight <3Q> continued

(JPY million)

	3Q FY Mar. 2015 (Oct.-Dec.)	3Q FY Mar. 2016 (Oct.-Dec.)	Diff.	YoY Change
Operating Profit	15,050	14,979	(70)	(0.5%)
Non-operating income and loss	262	503	+240	
Extraordinary income and loss	41	1,428	+1,387	
Gain on sales of investment securities	78	1,404	+1,325	
Income taxes etc.	5,021	5,139	+117	
Profit attributable to owners of parent	10,240	11,787	+1,547	+15.1%

1. Other Financial Result-related Data

Order Volume <3Q>

(JPY million)

	3Q FY Mar. 2015 (Oct.-Dec.)	3Q FY Mar. 2016 (Oct.-Dec.)	Diff.	YoY Change
Consulting	5,734	6,175	+441	+7.7%
Financial IT Solutions	27,649	26,412	(1,237)	(4.5%)
Industrial IT Solutions	12,473	10,280	(2,193)	(17.6%)
IT Platform Services	3,955	3,881	(73)	(1.9%)
Other	1,234	1,812	+577	+46.8%
Total	51,046	48,562	(2,484)	(4.9%)

1. Other Financial Result-related Data

Forecasts for FY March 2016

- There have been no revisions to forecast, but indicators have been recalculated.

【Full Year】

(JPY billion)

	FY Mar. 2015 (Results)	FY Mar. 2016 (Forecasts as of Jan. 28)	Diff.	YoY Change
Sales	405.9	425.0	+19.0	+4.7%
Operating Profit	51.4	58.0	+6.5	+12.7%
Operating Profit Margin	12.7%	13.6%	+1.0P	
Profit attributable to owners of parent	38.8	41.0	+2.1	+5.5%
Earnings Per Share	¥176.79	¥181.68	+¥4.89	
Dividends Per Share	¥70.00	¥80.00	+¥10.00	
Payout Ratio	36.5%	42.7%	+6.3P	
Return On Equity	10.8%	10.0%	(0.8P)	

1. Other Financial Result-related Data

Sales Forecasts by Segment for FY March 2016

■ There have been no revisions to forecast.

【Full Year】

(JPY billion)

	FY Mar. 2015 (Results)	Share	FY Mar. 2016 (Forecasts as of Oct. 23)	Share	Diff.	YoY Change
Consulting	27.3	6.7%	29.0	6.8%	+1.6	+6.0%
Financial IT Solutions	237.1	58.4%	254.0	59.8%	+16.8	+7.1%
Securities	116.5	28.7%	125.0	29.4%	+8.4	+7.3%
Insurance	56.4	13.9%	58.0	13.6%	+1.5	+2.8%
Banking	34.5	8.5%	38.0	8.9%	+3.4	+9.9%
Other financial	29.5	7.3%	33.0	7.8%	+3.4	+11.6%
Industrial IT Solutions	97.9	24.1%	102.0	24.0%	+4.0	+4.1%
Distribution	46.7	11.5%	53.0	12.5%	+6.2	+13.5%
Manufacturing, service and other	51.2	12.6%	49.0	11.5%	(2.2)	(4.4%)
IT Platform Services	34.7	8.6%	31.0	7.3%	(3.7)	(10.9%)
Others	8.8	2.2%	9.0	2.1%	+0.1	+2.2%
Total	405.9	100.0%	425.0	100.0%	+19.0	+4.7%

1. Other Financial Result-related Data

Sales Forecasts by Service for FY March 2016

■ There have been no revisions to forecast.

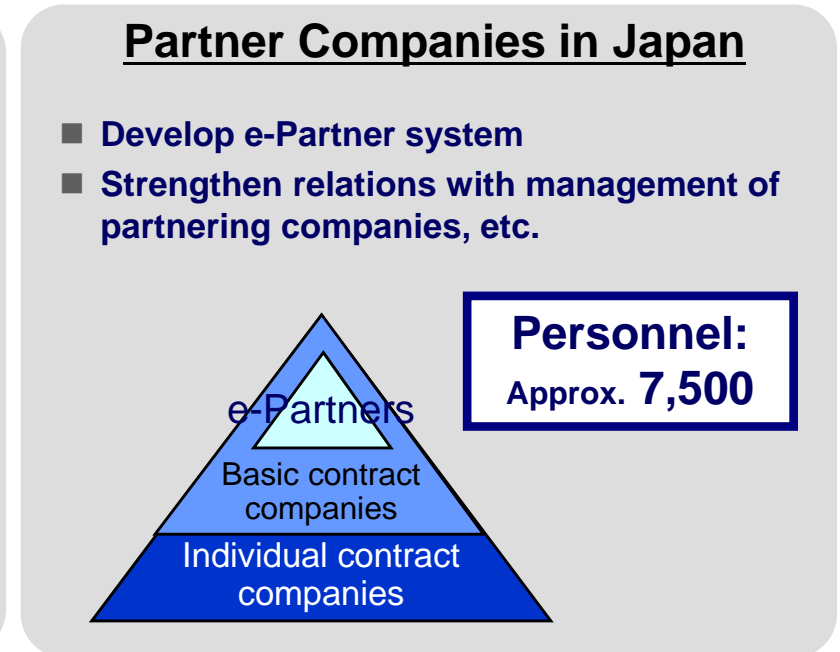
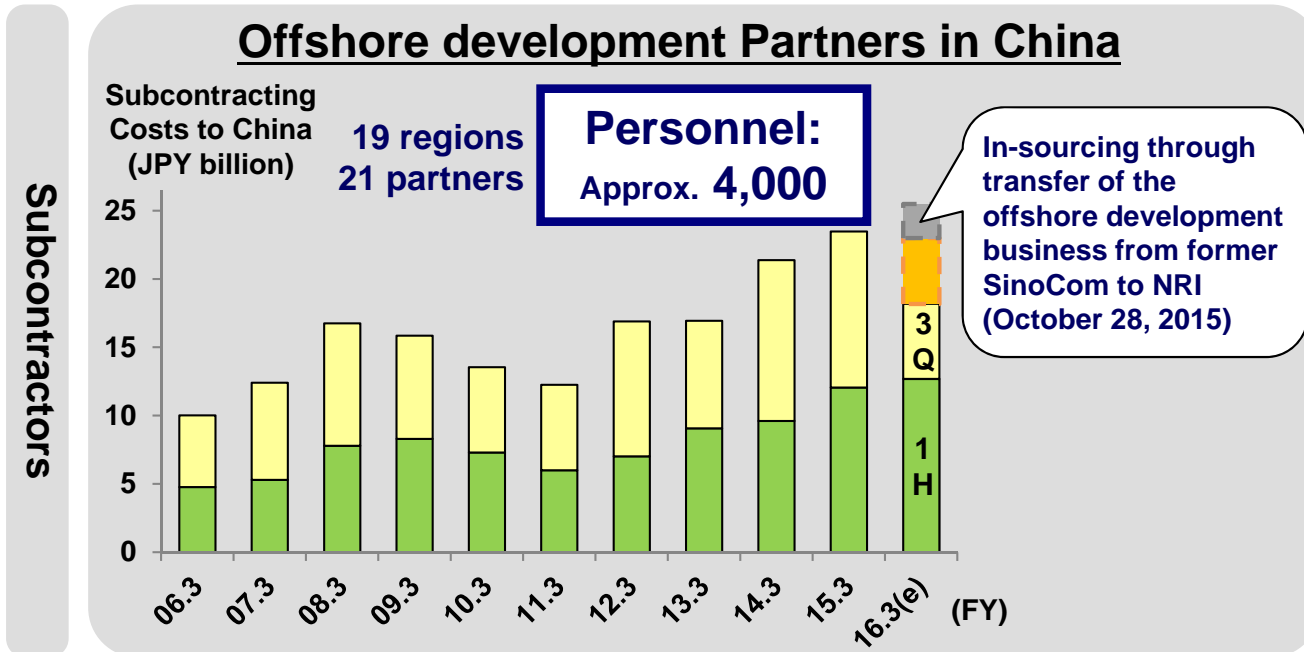
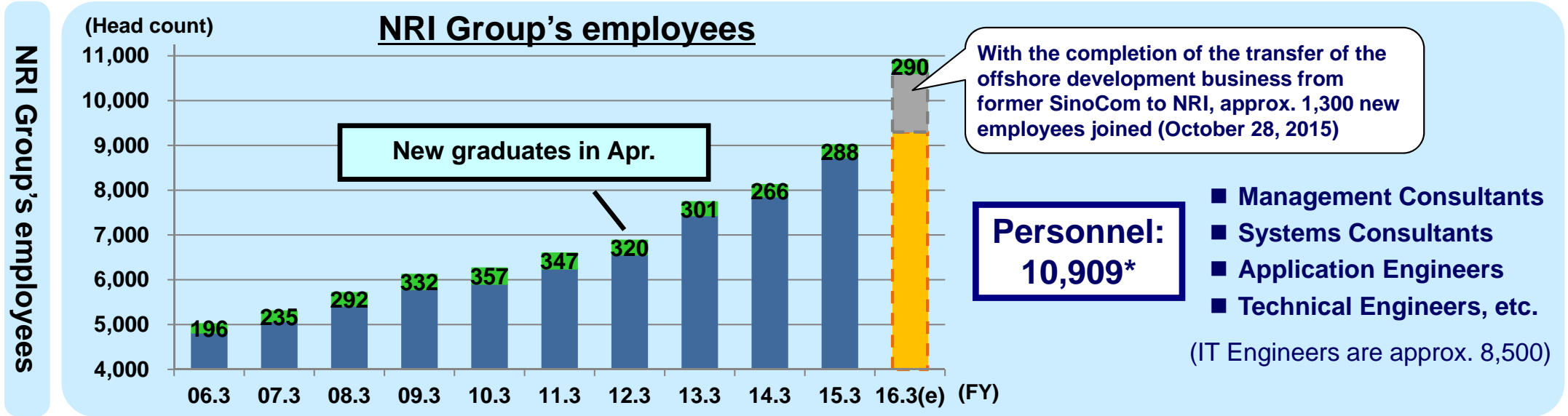
【Full Year】

(JPY billion)

	FY Mar. 2015 (Results)	Share	FY Mar. 2016 (Forecasts as of Oct. 23)	Share	Diff.	YoY Change
Consulting Services	47.1	11.6%	51.0	12.0%	+3.8	+8.3%
System Development & System Application Sales	136.7	33.7%	151.0	35.5%	+14.2	+10.5%
System Management & Operation Services	206.6	50.9%	215.0	50.6%	+8.3	+4.0%
Product Sales	15.4	3.8%	8.0	1.9%	(7.4)	(48.3%)
Total	405.9	100.0%	425.0	100.0%	+19.0	+4.7%

1. Other Financial Result-related Data

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



2. Recent Activities

Promotion of Open Innovation

➤ Aim to generate new businesses and services in partnership with customers

Examples of open innovation promotion

Proof of concept for blockchain

- Commenced proof of concept aimed at application of blockchain technology in securities and banking sectors
- Implementation in collaboration with Nomura Securities (securities sector), SBI Sumishin Net Bank, Ltd. (banking sector) and a number of venture companies

Comprehensive partnership with Palo Alto Research Center (PARC)

- Comprehensive partnership aimed at generating innovation
- Delivery of a range of services aimed at generating innovation in corporate activities leveraging leading edge IT in Japan and the Asia region

<Examples of collaborative services and activities>

- Analytics services for big data, etc.
- Consulting services related to generating innovation
- Research into leading edge IT platform and information security technologies, etc.

Proof of concept for talking vending machine

- Commenced proof of concept in collaboration with beverage company
- Develop talking vending machine utilizing voice processing functions and natural language processing functions delivered through the cloud
- Provide product information and promote sales through English voice communication and verify needs of rapidly increasing foreign visitors to Japan through accumulation and analysis of data on user behavior



2. Recent Activities

Collaboration with Pega Launched in Digital Marketing Field

- NRI and Pega Japan (Pega) will start collaborating in the field of advanced digital marketing.
- To begin with, the two firms will optimize all points of contact between companies and consumers, focusing on Japanese customers, to develop solutions that promote marketing innovation, while also developing a service menu that ranges from consulting through operations.
- During this collaboration, as well as providing system integration-related technology to Pega, NRI will add its know-how, which includes Japan's unique business practices and business knowledge about customers (industries), to Pega's application Pega Marketing. Meanwhile, Pega will provide NRI with the technology and usage know-how for the application.
- As a result, the two companies will develop and deliver a high-quality, flexible yet generic digital marketing solution that is specialized for the Japanese market.

デジタルマーケティングで協働 NRIとペガ 一貫サポート	
野村総合研究所（NRI）とペガジャパンは、高度なデジタルマーケティング分野で協働する。まず、日本の顧客に特化して企業と消費者のあらゆる接点を最適化し、マーケティング改革を推進するソリューションの開発と、コンサルティングから運用までのサービス	ニューの開発、販路、西社は2011年から、アライアンスパートナー契約を結び複数のシステム導入共同プロジェクトを実施してきたが、ソリューションの共同企画・開発は今回が初めて。ペガにとっては国内初の協業となる。
ペガの親会社、米ベ	ガシステムズは、マーケティング系アプリケーションソフトの有力企業。事業の中核となる、Pega Marketingは、消費者の属性、状況、好みなどを分析し、見込み顧客に対し適切な情報を適切なタイミングとチャネルで提供する。今回、NRIはペガ
に対し、システムインテグレーション関連技術を提供するとともに、日本独特の商習慣や顧客（業界）ごとの業務知識などのノウハウを同アプリに追加する。一方、ペガはNRIに同アプリに関する技術と利用ノウハウを提供する。	これにより、日本市場に特化した、高い品質と柔軟性を持ちながらも汎用的なデジタルマーケティングソリューションを両社で開発・提供していく。
一貫したサポートを提供していく。	協業を通じて開発されるサービスは、顧客企業の経営戦略から、具体的なソリューションの導入・運用までをトータルでサポートする。マーケティング戦略を踏まえたシステム化計画、ソリューションの開発と提供、システム導入支援、およびPDC Aを含む運用サービスに至るまで、ワンストップで提供する。

Information Industries and Market News,
November 30, 2015

2. Recent Activities

New Functionalities Added to I-STAR/LC for Phase Two Updates of BOJ-NET

- NRI has added new functionalities to I-STAR/LC, its solution for management of settlements that financial institutions conduct through the Bank of Japan, to support the second phase of the Bank of Japan Financial Network System (BOJ-NET).
- The main new functionalities that have been added are the two outlined below.
 - Regulatory compliance
 - Support for the international standard format (ISO20022)
 - Management of changes in interest allocation destinations accompanying the abolition of transfer downtime
 - Management of virtual simultaneous security receiving-paying accounts accompanying the abolition of simultaneous collateral accounts, etc.
 - Strengthened operational support for users
 - Addition of a dashboard for real-time updates on overall status, including settlements and account balances
 - English language support

決済管理に新機能

新日銀ネット対応

野村総研

野村総合研究所は金融機関が日本銀行を通じて行う決済管理を支えるソリューション「I-STAR/LC」において、日銀ネットの全面再構築（新日銀ネット第2段階の稼働）に対応した新機能を、13日から追加した。これは、野村総研が共

同利便型サービスとして提供しており、日銀ネットにおいてコンピュータ接続方式を利用している金融機関の約半数が利用している。今回、追加した新機能の一つに、制度対応がある。国際標準フォーマット（ISO20022）や稼働時間延長

長に対応した。振替停止期間の廃止に伴う利子配分先の変更管理や同時担保受け払い口の廃止に伴う仮想同時担保受け払いの管理ができる。先日付での電文送信、照会データファイルの取得も可能。もう一つは、利用者の業務サポートの強化だ。決済進捗よくや残高などの全体状況をリアルタイムで把握するためのダッシュボードをはじめ、英語対応も取り入れた。野村総研はこれまで、日銀決済関連の変革に沿って「次世代RTGS対応」や「国債取引の決済期間の短縮化」、新日銀ネット第1段階に伴う機能向上を図ってきた。

Kinyu Keizai Shimbun,
October 19, 2015

2. Recent Activities

Supporting Japan's First Implementation of Latest Version of SAP S/4HANA

- NRI and SAP Japan have introduced SAP S/4HANA Enterprise Management, released by SAP Japan, at NRI Secure Technologies, upgrading operational systems at NRI Secure Technologies.
- The product is the latest version of SAP S/4HANA, and this is the first implementation project for the product in Japan.
- NRI will begin providing an implementation template for the product. The template will also be offered in conjunction with consulting services to support the smooth progress of projects to introduce SAP products
- NRI will provide support for maximizing the management and business value of customers through an integrated service that covers consulting for introduction in upstream processes through to system implementation.

SAPのERP納入
NRIセキュアに最新版
野村総研

野村総合研究所は、プライズ・マネージメントをNRIセキュア都千代田区、福田護社アテクノロジーズ(東長、03・6737・3000)の統合業務 潤社長、03・6700パッケージ(ERP) 6・0500)に納入の最新版「S/4HANA」した。 NA(ハナ)エンター 最新版の導入によ

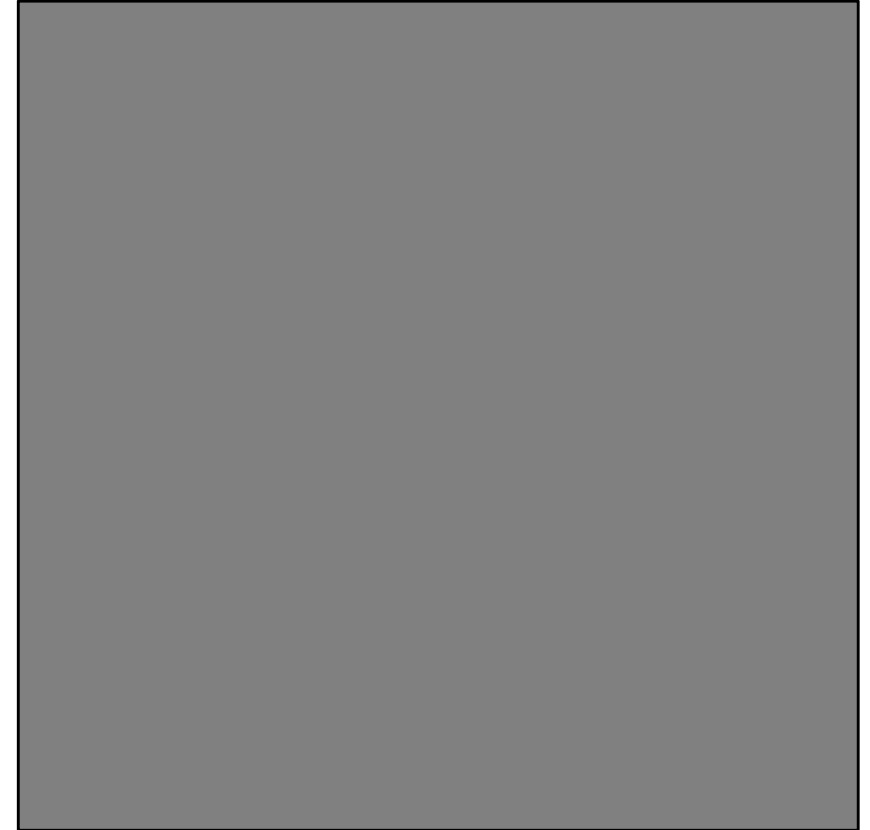
り、業務効率を向上する範囲が会計領域から、販売・調達業務などERPの全領域に拡大できる。野村総研は同製品に対応した導入テンプレート(ひな型)とコンサルティンググサービスの提供もはじめた。

Nikkan Kogyo Shimbun,
November 25, 2015

2. Recent Activities

TRUE TELLER text analysis engine upgraded to support big data utilization needs

- With the recent increase in the need for utilization of big data, NRI has upgraded the text analysis engine installed in the TRUE TELLER text data analysis tool to a high precision, high speed engine.
- The main features are as below.
 - Achieves maximum 11.7-fold increase in speed compared with previous engine
 - Improves analysis accuracy 1.6-fold compared with before through inclusion of meaning analysis and sensitivity analysis functions
 - Allows analysis of buzzwords and slang by automatically recording new words and coined terms in the dictionary, which was previously done manually, significantly improving the quality and flexibility of text analysis



Nikkei Business Daily,
December 16, 2015

2. Recent Activities

Accreditation as Specialist Agency for Incidents Involving Leak of Credit Card Information

- NRI Secure Technologies (NRI Secure) obtained accreditation as an investigative agency (PFI) to deal with credit card information leaks from the PCI Security Standards Council (PCI SSC), which develops and manages security standards for credit cards as well as providing training and accreditation.
- NRI Secure had previously obtained three accreditations related to PCI DSS: QSA, ASV, and PA-QSA. The acquisition of the PFI accreditation makes it the first Japanese company to obtain four PCI DSS-related accreditations.
- To date, NRI Secure has provided support for numerous incidents, including leakage of personal information. With acquisition of PFI, NRI Secure will strengthen its security support for companies that handle credit card information, making it possible to provide recovery support, including incident investigation, when there has been a leak of credit card information.

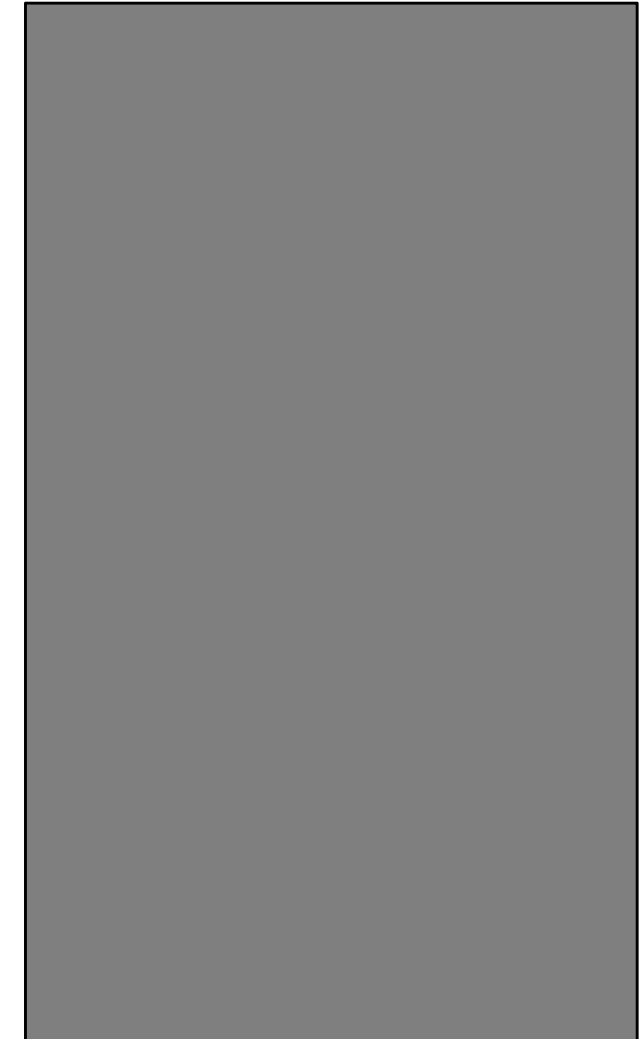


Nikkei Business Daily,
January 14, 2016

2. Recent Activities

Sales of Paperless Conference System Mobile Kaigi III Start

- NRI Netcom will launch sales of Mobile Kaigi III, a paperless conference system that can use Windows PCs and tablets as a client.
- The new Mobile Kaigi III product has achieved the usability and functions of Mobile Kaigi II for iPad in the Windows environment.
- The main features of Mobile Kaigi III are as follows.
 - Inherits the usability and rich functionality of Mobile Kaigi II for iPad
 - Adds a Retrieve saved file function
 - Allows conference participation with a Windows PC once installed
 - Can be used easily even for unexpected meetings
 - Can be used together with Mobile Kaigi II for iPad



Nikkei Business Daily,
November 24, 2015

3. Others - Communications

Forum, etc.



November 2015
NRI Financial IT Forum 2015



January 2016
NRI New Year Forum 2016 in Tokyo and Osaka

Publications



Examples of books published since October 2015