
Financial Results Presentation

Financial Results for 2nd Quarter FY March 2016



October 23, 2015

Nomura Research Institute, Ltd.

Tadashi Shimamoto

Chairman and President & CEO,
Member of the Board

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1. Financial Results for 2nd Quarter FY March 2016

2. Status of Growth Strategies for FY March 2016

3. Towards the Establishment of Vision 2022

Highlights of Consolidated Financial Results <1H>

(JPY million)

	1H FY Mar. 2015 (Apr.-Sep.)	1H FY Mar. 2016 (Apr.-Sep.)	Diff.	YoY Change
Sales	197,346	212,338	+14,991	+7.6%
Operating Profit	22,126	28,249	+6,123	+27.7%
Operating Profit Margin	11.2%	13.3%	+2.1P	
Profit attributable to owners of parent	23,406	20,126	(3,279)	(14.0%)

Highlights of Consolidated Financial Results <1H>

■ Comparison to forecasts

(JPY billion)

	1H FY Mar. 2016 (Forecast)*	1H FY Mar. 2016 (Result)	Diff.	Change
Sales	210.0	212.3	+2.3	+1.1%
Operating Profit	28.0	28.2	+0.2	+0.9%
Profit attributable to owners of parent	20.0	20.1	+0.1	+0.6%

* Forecasts were announced on April 23, 2015

Key Factors in Financial Results for 1H FY March 2016

● Sales were up 7.6%

- Sales in Consulting were up 4.9% backed by an increase in large-scale projects and expansion in operation consulting.
- Sales in Financial IT Solutions were up 12.2% and rose across all sectors, including securities, insurance, and banking
- Sales in Industrial IT Solutions were up 5.0%, led by projects for the logistics sector.

● Operating profit increased 27.7%

- Consulting, Financial IT Solutions, Industrial IT Solutions, and IT Platform Services recorded double-digit OPM in a favorable business environment.
- The impact from unprofitable projects declined significantly year on year.
- All-time high 1H operating profit recorded.

● Net income declined 14.0%

- No significant extraordinary income has been posted during this fiscal year.
- There was a rebound from the extraordinary income (negative goodwill, gain on sales of securities) posted in 1H of the previous fiscal year.

Sales by Segment <1H>

(JPY million)

	1H FY Mar.2015 (Apr.-Sep.)	Share	1H FY Mar.2016 (Apr.-Sep.)	Share	Diff.	YoY Change
Consulting	12,607	6.4%	13,222	6.2%	+614	+4.9%
Financial IT Solutions	114,982	58.3%	128,980	60.7%	+13,998	+12.2%
Securities	57,692	29.2%	64,036	30.2%	+6,344	+11.0%
Insurance	26,012	13.2%	29,280	13.8%	+3,267	+12.6%
Banking	17,117	8.7%	19,098	9.0%	+1,980	+11.6%
Other financial	14,160	7.2%	16,566	7.8%	+2,406	+17.0%
Industrial IT Solutions	47,204	23.9%	49,541	23.3%	+2,336	+5.0%
Distribution	22,854	11.6%	26,495	12.5%	+3,641	+15.9%
Manufacturing, service and other	24,349	12.3%	23,045	10.9%	(1,304)	(5.4%)
IT Platform Services	17,002	8.6%	15,092	7.1%	(1,909)	(11.2%)
Others	5,549	2.8%	5,501	2.6%	(48)	(0.9%)
Total	197,346	100.0%	212,338	100.0%	+14,991	+7.6%
Nomura Holdings	40,827	20.7%	32,926	15.5%	(7,900)	(19.4%)
Seven & i Holdings	20,170	10.2%	22,747	10.7%	+2,577	+12.8%

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 <1H>

■ Including Inter-segment sales for each segment

(JPY million)

		1H FY Mar.2015 (Apr.-Sep.)	1H FY Mar.2016 (Apr.-Sep.)	Diff.	YoY Change
Consulting	Sales	12,798	13,377	+578	+4.5%
	OP	2,588	2,017	(571)	(22.1%)
	OPM	20.2%	15.1%	(5.1P)	
Financial IT Solutions	Sales	115,160	129,305	+14,145	+12.3%
	OP	7,804	14,891	+7,086	+90.8%
	OPM	6.8%	11.5%	+4.7P	
Industrial IT Solutions	Sales	47,314	49,684	+2,370	+5.0%
	OP	6,337	5,418	(919)	(14.5%)
	OPM	13.4%	10.9%	(2.5P)	
IT Platform Services	Sales	56,246	53,409	(2,836)	(5.0%)
	OP	3,645	5,397	+1,752	+48.1%
	OPM	6.5%	10.1%	+3.6P	

Segment performance results <2Q>

■ Including Inter-segment sales for each segment

(JPY million)

		2Q FY Mar.2015 (Jul.-Sep.)	2Q FY Mar.2016 (Jul.-Sep.)	Diff.	YoY Change
Consulting	Sales	7,060	7,226	+166	+2.4%
	OP	1,691	1,374	(317)	(18.8%)
	OPM	24.0%	19.0%	(4.9P)	
Financial IT Solutions	Sales	58,528	69,561	+11,032	+18.9%
	OP	6,506	7,270	+763	+11.7%
	OPM	11.1%	10.5%	(0.7P)	
Industrial IT Solutions	Sales	24,359	24,758	+398	+1.6%
	OP	3,214	2,335	(879)	(27.4%)
	OPM	13.2%	9.4%	(3.8P)	
IT Platform Services	Sales	28,139	26,390	(1,748)	(6.2%)
	OP	1,961	3,132	+1,170	+59.7%
	OPM	7.0%	11.9%	+4.9P	

Sales by Service <1H>

(JPY million)

	1H FY Mar.2015 (Apr.-Sep.)	Share	1H FY Mar.2016 (Apr.-Sep.)	Share	Diff.	YoY Change
Consulting Services	21,301	10.8%	25,077	11.8%	+3,775	+17.7%
System Development & System Application Sales	67,397	34.2%	77,051	36.3%	+9,653	+14.3%
System Management & Operation Services	100,706	51.0%	105,348	49.6%	+4,642	+4.6%
Product Sales	7,940	4.0%	4,861	2.3%	(3,079)	(38.8%)
Total	197,346	100.0%	212,338	100.0%	+14,991	+7.6%

P/L Highlight <1H>

(JPY million)

	1H FY Mar.2015 (Apr.-Sep.)	1H FY Mar.2016 (Apr.-Sep.)	Diff.	YoY Change
Sales	197,346	212,338	+14,991	+7.6%
Cost of Sales	143,398	147,561	+4,162	+2.9%
Subcontracting Costs	71,245	72,292	+1,047	+1.5%
Gross Profit	53,947	64,777	+10,829	+20.1%
Gross Profit Margin	27.3%	30.5%	+3.2P	
SG&A	31,821	36,527	+4,706	+14.8%
Operating Profit	22,126	28,249	+6,123	+27.7%
Operating Profit Margin	11.2%	13.3%	+2.1P	

P/L Highlight <1H> continued

(JPY million)

	1H FY Mar.2015 (Apr.-Sep.)	1H FY Mar.2016 (Apr.-Sep.)	Diff.	YoY Change
Operating Profit	22,126	28,249	+6,123	+27.7%
Non-operating income and loss	930	1,592	+661	
Dividend Income	780	1,319	+539	
Extraordinary income and loss	10,978	(195)	(11,173)	
Gain on negative goodwill (Net)	1,710	—	(1,710)	
Gain on sales of investment securities	9,379	40	(9,338)	
Income taxes etc.	10,670	9,352	(1,317)	
Profit attributable to owners of parent	23,406	20,126	(3,279)	(14.0%)

Order Backlog (Outstanding)

(JPY million)

	At end of Sep. 2014	At end of Sep. 2015	Diff.	YoY Change
Consulting	7,356	7,162	(194)	(2.6%)
Financial IT Solutions	88,345	90,634	+2,289	+2.6%
Industrial IT Solutions	31,535	32,958	+1,423	+4.5%
IT Platform Services	11,679	9,500	(2,178)	(18.7%)
Other	2,447	2,745	+298	+12.2%
Total	141,363	143,001	+1,638	+1.2%
Order backlog in the current FY	135,026	137,262	+2,236	+1.7%

Results through 2Q 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 2H and full-year are estimates)	Sales	101.5	110.8	212.6		425.0
	OP	13.5	14.7	29.7		58.0
	OPM	13.3%	13.3%	14.0%		13.6%

Note: Figures for 2H of the fiscal year ending March 31, 2016 were calculated by subtracting 1H results from full-year forecasts for FY March 2016.

1. Financial Results for 2nd Quarter FY March 2016

2. Status of Growth Strategies for FY March 2016

3. Towards the Establishment of Vision 2022

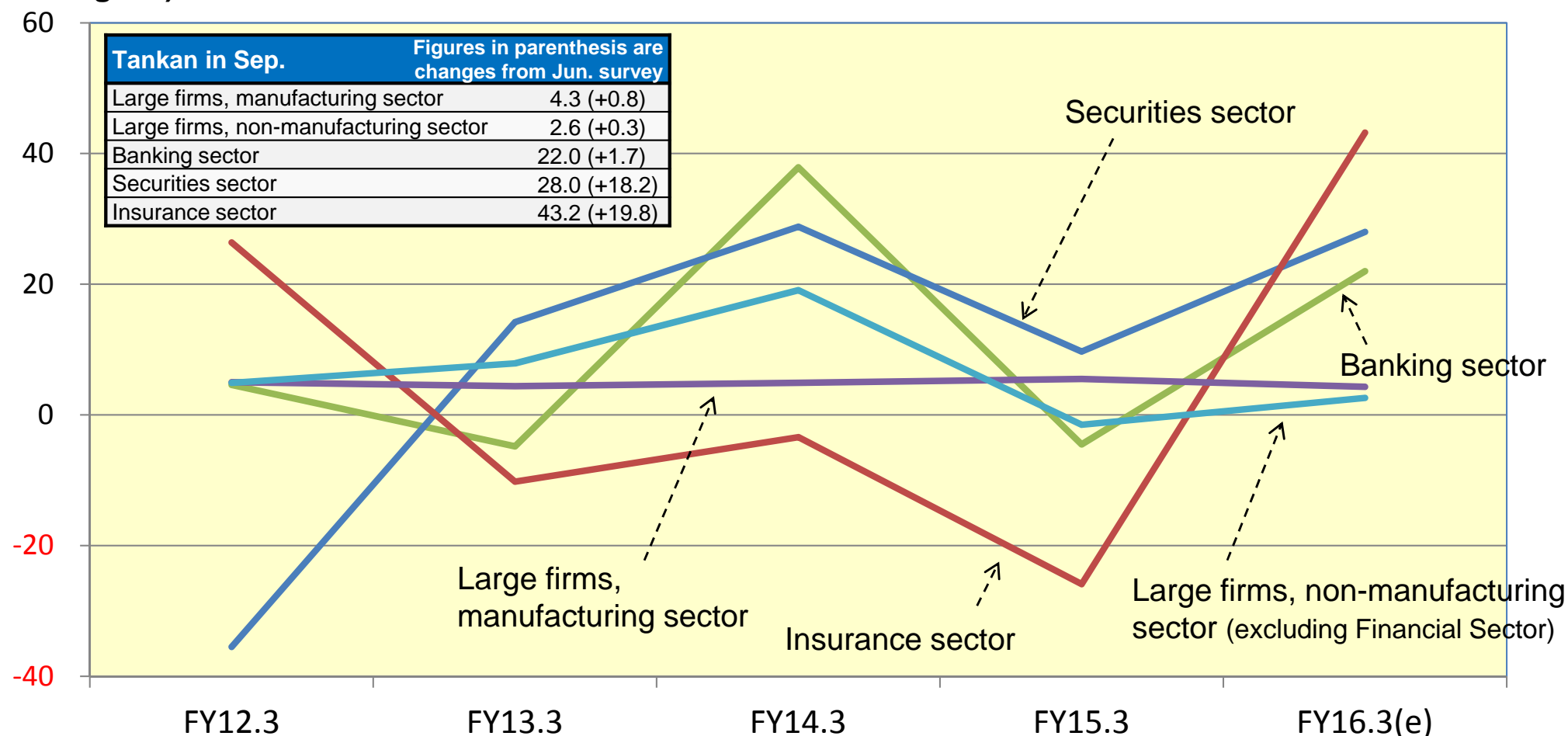
Assessing Business Environment (BOJ Tankan Survey)

➤ Corporate software investment remained solid at high levels

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

(YoY change %)

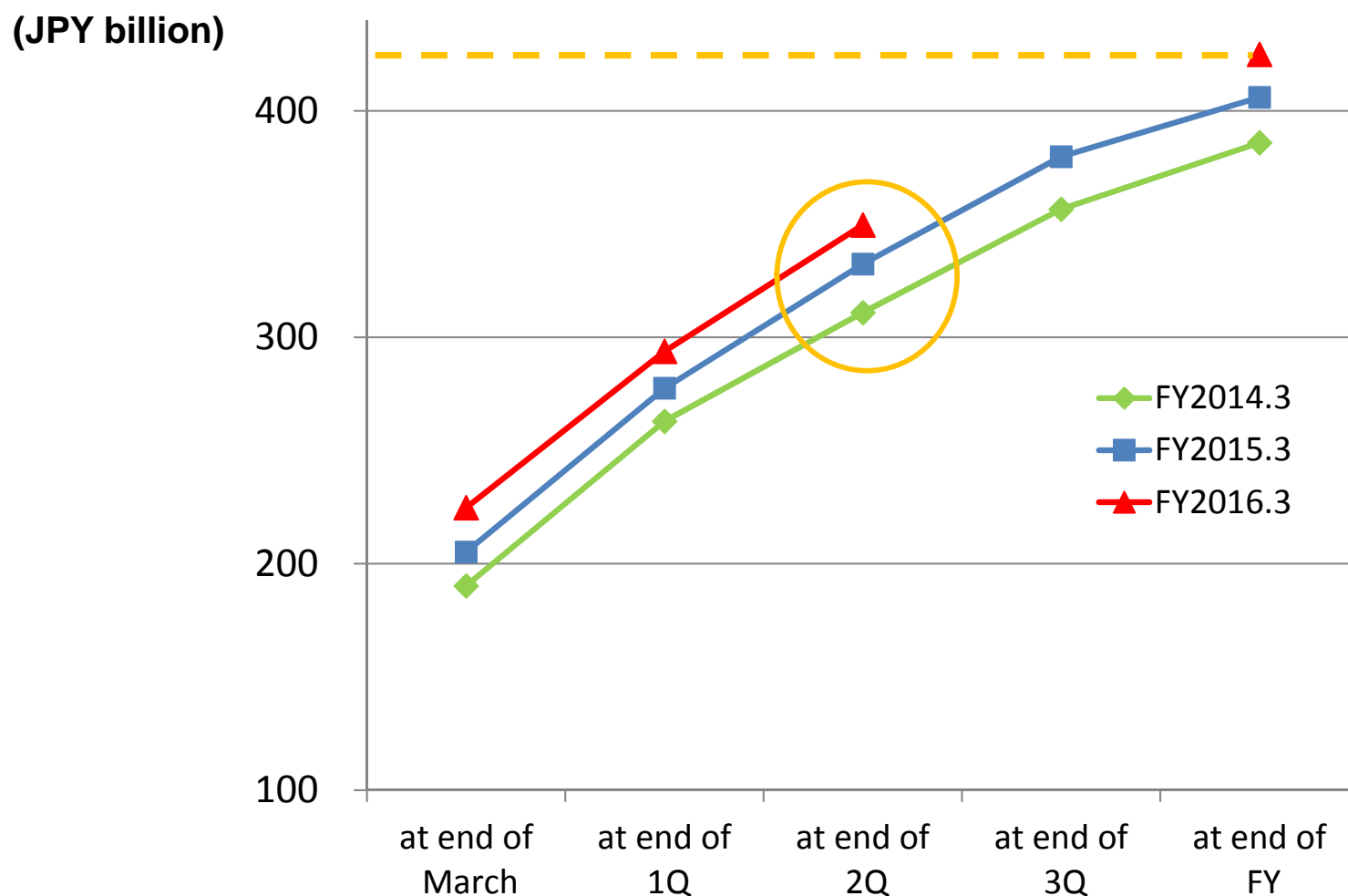
Software Investment



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

Status of Growth Strategies for FY March 2016

Consulting

- Expansion in Orders Received for Consulting Projects

Financial IT Solutions

- Expansion of Service Domains in Financial IT Solutions
- Expansion of Business in Insurance Sector
- Upgrade IT systems of Nomura Securities in Japan and Ensuing Initiatives
- Support for “My Number” System

Industrial IT Solutions

- Expansion of Business in Industrial IT Solutions

IT Platform Services

- Construction Status of New Data Center in Kansai Region

Expansion in Orders Received for Consulting Projects

- **Orders received for both management consulting and system consulting were robust**

Management consulting

- Orders received and inquiries were steady, and both public- and private-sector orders remained robust.
- Orders received for large-scale projects expanded steadily.
- Orders received for operation consulting projects related to the My Number system were also robust.
- NRI aims to expand business in the North America region in addition to China and Asia.

System consulting

- Orders received for large-scale projects were steady.
- Orders received for projects to provide support for clients' IT departments (PMO, etc.) were also robust.
- Orders received for IT department restructuring projects increased.
- NRI strengthened RM activities with the aim of further acquiring large-scale customers.

Expansion of Service Domains in Financial IT Solutions

➤ Promote the strengthening of existing business and business expansion into new service domains

Strengthen existing domains

■ Response to regulatory reform

■ Reliable execution of support for regulatory reform

- My Number, unified taxation on income from financial products, Junior NISA
- System support for new BOJ-NET second phase, TSE arrowhead renewal, etc.

■ Development of peripheral services

■ Expand functions of solutions for front-office operations and expand the number of customers using them

- NRI Advisor Platform, Wrap account solutions, etc.

Expansion into new domains

■ Promotion of ITO x BPO

■ Commence integrated delivery of I-STAR (ITO service) and BPO services (post-trade operations)

■ Global business expansion

■ Overseas system support for Japanese-affiliated financial institutions, support for expanding overseas business

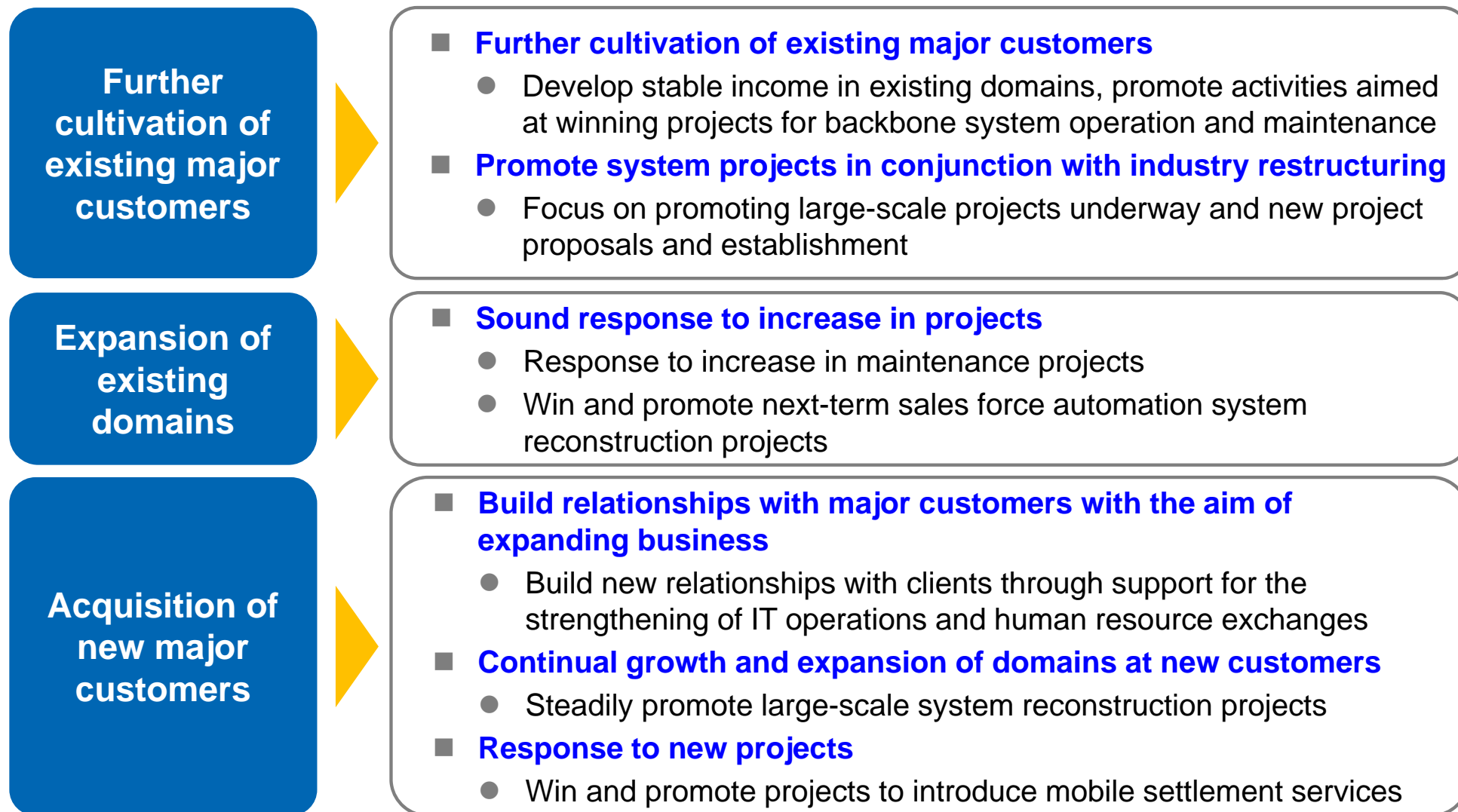
■ Exploration of new businesses

■ Develop new businesses through alliances with customers and joint investment

- Capital and business alliance with Nippon Life Insurance
- Joint establishment of Southern Wish and Wealth Square (provisional names)

Expansion of Business in Insurance Sector

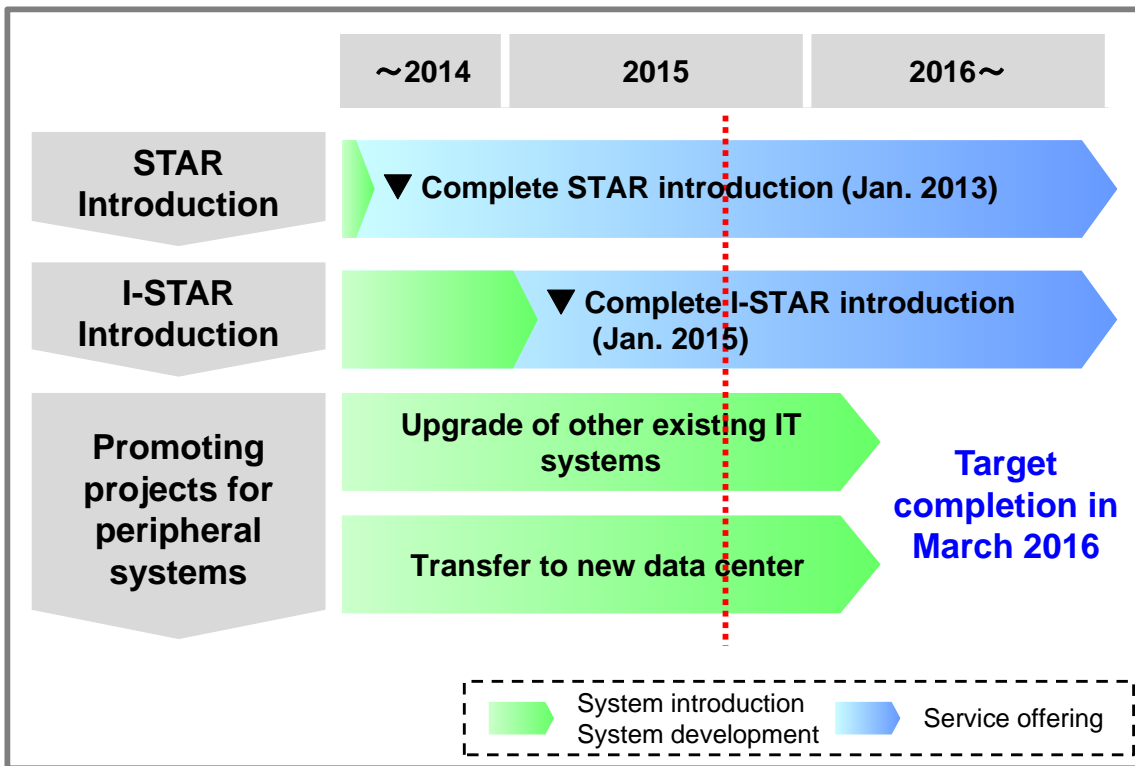
- **Aim to expand business by increasing our service domains, particularly for major clients**



Upgrade IT systems of Nomura Securities in Japan and Ensuing Initiatives

- Sales in 1H declined year on year as large-scale projects approach completion
- Promote proposal activities aimed at expanding sales in 2H

Steadily pursue peripheral system-related projects



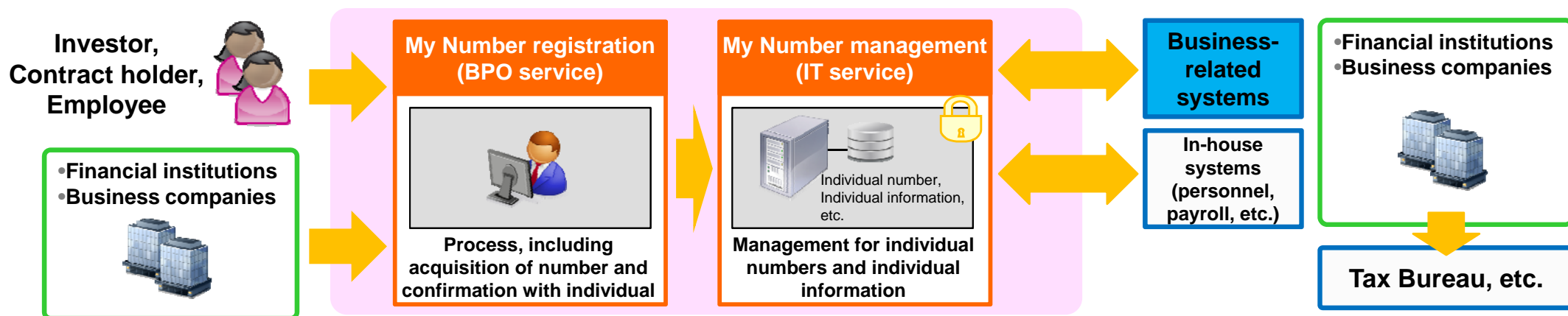
Launch next theme and aim to expand service areas

- Expand business for retail front and middle office areas
- Expand business for wholesale area
- Support global projects
- Respond to financial system change
(“My Number” system, unified taxation on income from financial products, etc.)
- Implement Disaster Recovery Plan

Support for “My Number” System

- **Conduct marketing and proposal activities to gain clients and provide support for the introduction of services**
 - **Registration service: Plan to introduce service to 111 financial institutions and more than 60 business companies**
 - **Management service: Plan to introduce service to 72 securities firms, 68 banks, 5 insurance companies and more than 10 business companies**

Image of My Number registration and management service



	2014	2015	2016~
Milestones in My Number system	▼Law officially announced by competent ministry ▼Guidelines published	▼System goes into effect ▼Number cards distributed	▼Operation goes into effect
NRI schedule for service launch	System trends survey, review and plans for service launch	System development	Service launch

Expansion of Business in Industrial IT Solutions

- **Aim to expand business by increasing major clients, global business expansion, and promotion of ERP utilization.**

Increasing major clients

- Further cultivate 3 major clients
- Increase scale of business at 8 specific companies
- Gain new major clients, etc.

- Steady response to omnichannel-related projects
- Aim to create 4 or 5 major clients
- Implement continual RM activities

Global business expansion

- Expand business in North America and Asia
- Create synergies with Brierley+Partners, etc.

- Provide ongoing support for clients' overseas business expansion
- Create new businesses in the digital marketing field
- Establish NRI Indonesia

Promotion of ERP utilization

- Accumulate ERP utilization know-how
- Cooperate with ERP partners, etc.

- Build up results in ERP introduction
- Aim to expand customer base through utilization of ERP

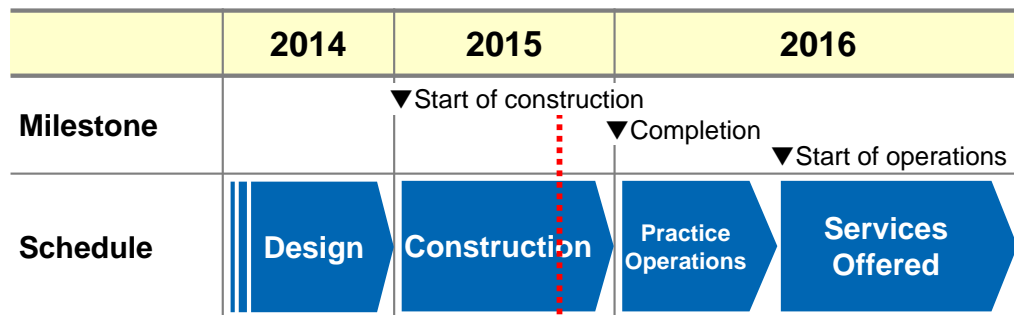
Construction Status of New Data Center in Kansai Region

- **Osaka Data Center II decided on as name**
- **Construction is progressing steadily toward the April 2016 opening**

Construction of Osaka Data Center II



Schedule



Concept drawing of completed data center



Data Center Overview

Location	Hokusetsu area, Osaka
Scheduled to Start	April, 2016 (planned)
Square Footage	Approx. 15,000 m ²
Building Specs	Base isolated construction, dedicated data center facility
Facilities Specs	Meets FISC Security Guidelines, JDCC facility standard Tier 4

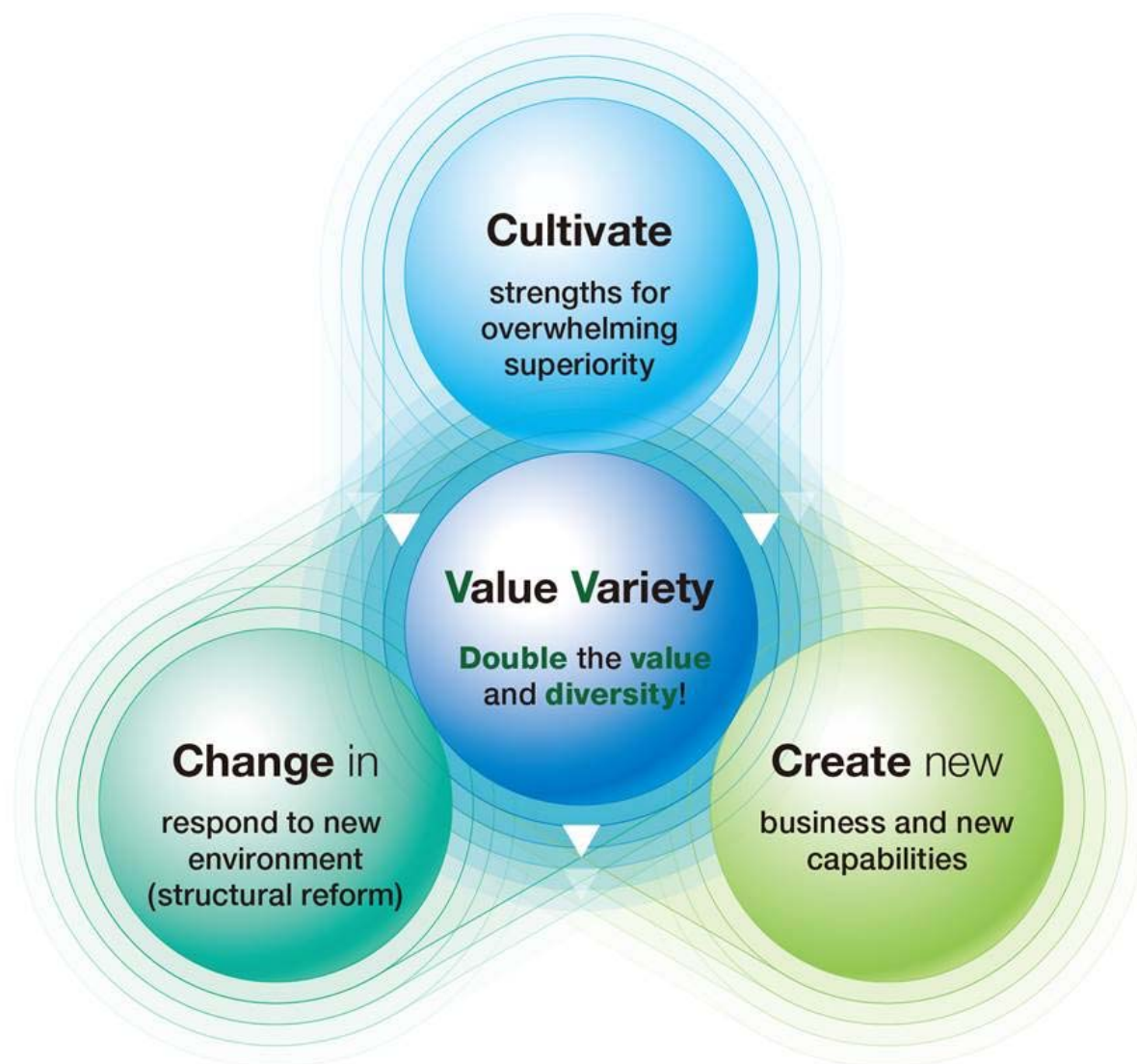
1. Financial Results for 2nd Quarter FY March 2016

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Vision Message

➤ **Double Value** and **Variety (VV)** by **Cultivating, Changing** and **Creating**



Value

NRI's unique value creation and value improvement

Variety

Concentration of diverse capabilities (human resources, skills, know-how, etc.)

Target Business Vision under Vision 2022

■ Target Business Vision



■ Performance Targets

Key indicators	Numerical targets	
Operating Profit	JPY100 billion	<ul style="list-style-type: none">● Symbolic “Double Value” target● Aim for growth that significantly exceeds market growth
Operating Profit Margin	14% or more	
Overseas business sales	JPY100 billion	<ul style="list-style-type: none">● Symbolic “Double Variety” target● Also actively leverage external growth
ROE	14%	

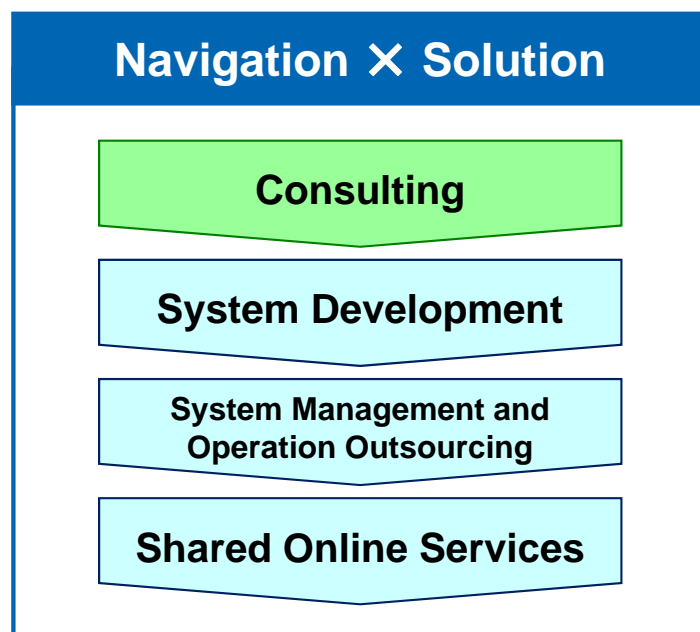
Con-Solution: A New Business Model

- **Conventional business model: accurately meet the customer's needs**

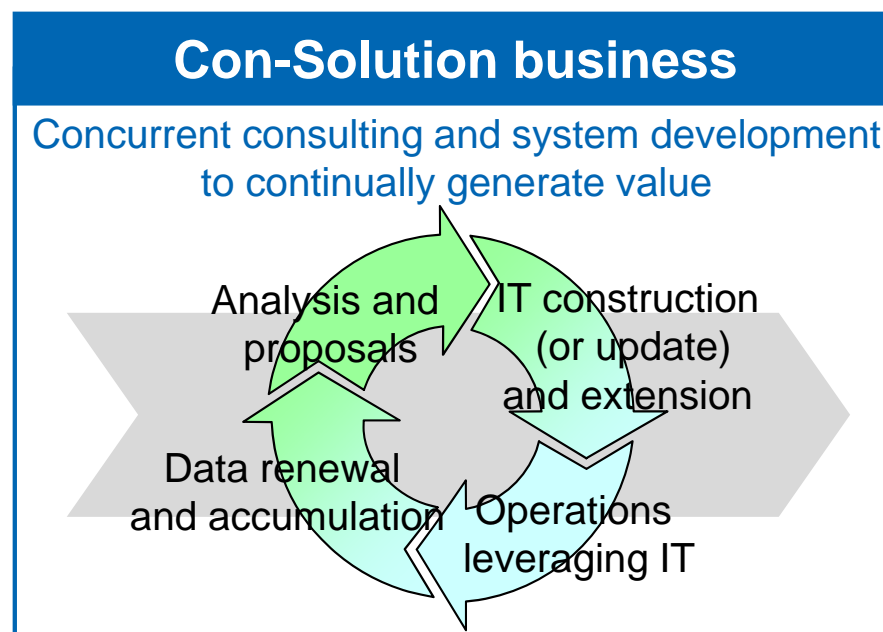


- **Con-Solution business: cooperate with customers to create and increase their business value**

Current business model



New business model



Examples of One-Step-Ahead Activities

Expansion into **digital business domain**

- **Digital marketing initiatives**
 - Acquisition of Brierley+Partners
- **Establishment of system to promote Con-Solution business**
 - Establishment of Business Promotion Committee and specialist department
- **Promotion of advanced IT utilization and open innovation**
 - NRI Hackathon, NRI Mirai Garage

FinTech initiatives

- **Support for financial institutions**
 - Commencement of an experimental study on the application of advanced technologies in the securities industry in partnership with Nomura Securities and a number of venture companies
 - Delivery of full-scale banking services utilizing wearable devices in partnership with Mizuho Bank and MoneySmart

Cybersecurity initiatives

- **Financials ISAC**
 - Promotion of enhanced safety for cyber security at Japanese financial institutions
- **Global business expansion**
- **Response to the IoT**

Customer creation initiatives

- **Strengthened RM activities**
 - Establishment of dedicated department for major manufacturers
 - Capital and business alliance with Nippon Life Insurance

Dissemination of Information Marking the 50th Anniversary of Founding of NRI

NRI Dream Up the Future Forum 2015

- To be held on theme of “Designing Japan in 2030”

野村総合研究所 創立50周年記念



NRI
未来創発
フォーラム 2015

2030年の日本をデザインする

名古屋	10月14日(水)	名古屋国際会議場 [センチュリーホール]
大阪	10月19日(月)	ナレッジキャピタル コングレコンベンションセンター
東京	10月26日(日)	東京国際フォーラム [ホールA]

NRI Financial IT Forum 2015

- Dissemination of information for the Japanese financial industry on the theme of “Financial Industry Innovation Building the Future”

Thursday, November 19, 2015, Royal Park Hotel, Tokyo

NRI New Year Forum 2016

- The forum will look ahead to the world and Japan of 2030 as well as the business environment for clients and NRI to paint “NRI’s Vision of the Future”

[Osaka] Thursday, January 21, 2016, Hilton Osaka

[Tokyo] Wednesday, January 27, 2016, Imperial Hotel

50th Anniversary Commemorative Publications

- Preparing 50th anniversary commemorative publications on the themes of “China,” “Business development,” “IoT,” “Regional revitalization,” and “Globalization”

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 <1H>

(JPY million)

	1H FY Mar.2015 (Apr.-Sep.)	1H FY Mar.2016 (Apr.-Sep.)	Diff.	YoY Change
Consulting	15,379	14,762	(617)	(4.0%)
Financial IT Solutions	73,778	73,346	(432)	(0.6%)
Industrial IT Solutions	27,051	27,343	+292	+1.1%
IT Platform Services	7,911	7,387	(524)	(6.6%)
Other	5,386	5,312	(73)	(1.4%)
Total	129,507	128,152	(1,355)	(1.0%)

1. Other Financial Result-related Data

Highlights of Consolidated Financial Results <2Q>

(JPY million)

	2Q FY Mar. 2015 (Jul.-Sep.)	2Q FY Mar. 2016 (Jul.-Sep.)	Diff.	YoY Change
Sales	100,688	110,816	+10,128	+10.1%
Operating Profit	14,187	14,714	+527	+3.7%
Operating Profit Margin	14.1%	13.3%	(0.8P)	
Profit attributable to owners of parent	15,970	10,861	(5,108)	(32.0%)

1. Other Financial Result-related Data

Sales by Segment <2Q>

(JPY million)

	2Q FY Mar.2015 (Jul.-Sep.)	Share	2Q FY Mar.2016 (Jul.-Sep.)	Share	Diff.	YoY Change
Consulting	6,942	6.9%	7,117	6.4%	+175	+2.5%
Financial IT Solutions	58,428	58.0%	69,386	62.6%	+10,958	+18.8%
Securities	28,623	28.4%	37,282	33.6%	+8,659	+30.3%
Insurance	14,035	13.9%	14,019	12.7%	(15)	(0.1%)
Banking	8,472	8.4%	9,589	8.7%	+1,116	+13.2%
Other financial	7,296	7.2%	8,494	7.7%	+1,198	+16.4%
Industrial IT Solutions	24,285	24.1%	24,687	22.3%	+402	+1.7%
Distribution	11,374	11.3%	13,111	11.8%	+1,737	+15.3%
Manufacturing, service and other	12,911	12.8%	11,576	10.4%	(1,334)	(10.3%)
IT Platform Services	8,376	8.3%	6,892	6.2%	(1,484)	(17.7%)
Others	2,655	2.6%	2,732	2.5%	+77	+2.9%
Total	100,688	100.0%	110,816	100.0%	+10,128	+10.1%
Nomura Holdings	20,735	20.6%	16,268	14.7%	(4,467)	(21.5%)
Seven & i Holdings	10,054	10.0%	11,102	10.0%	+1,048	+10.4%

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 <2Q>

■ Including Inter-segment sales for each segment

(JPY million)

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IT Platform Services	Sales	28,139	26,390	(1,748)	(6.2%)
	OP	1,961	3,132	+1,170	+59.7%
	OPM	7.0%	11.9%	+4.9P	

1. Other Financial Result-related Data

Sales by Service <2Q>

(JPY million)

	2Q FY Mar.2015 (Jul.-Sep.)	Share	2Q FY Mar.2016 (Jul.-Sep.)	Share	Diff.	YoY Change
Consulting Services	11,271	11.2%	12,878	11.6%	+1,606	+14.3%
System Development & System Application Sales	35,234	35.0%	43,922	39.6%	+8,688	+24.7%
System Management & Operation Services	50,737	50.4%	52,084	47.0%	+1,346	+2.7%
Product Sales	3,444	3.4%	1,931	1.7%	(1,512)	(43.9%)
Total	100,688	100.0%	110,816	100.0%	+10,128	+10.1%

1. Other Financial Result-related Data

P/L Highlight <2Q>

(JPY million)

	2Q FY Mar.2015 (Jul.-Sep.)	2Q FY Mar.2016 (Jul.-Sep.)	Diff.	YoY Change
Sales	100,688	110,816	+10,128	+10.1%
Cost of Sales	69,813	77,593	+7,779	+11.1%
Subcontracting Costs	34,914	36,578	+1,664	+4.8%
Gross Profit	30,874	33,223	+2,348	+7.6%
Gross Profit Margin	30.7%	30.0%	(0.7P)	
SG&A	16,687	18,508	+1,821	+10.9%
Operating Profit	14,187	14,714	+527	+3.7%
Operating Profit Margin	14.1%	13.3%	(0.8P)	

1. Other Financial Result-related Data

P/L Highlight <2Q> continued

(JPY million)

	2Q FY Mar.2015 (Jul.-Sep.)	2Q FY Mar.2016 (Jul.-Sep.)	Diff.	YoY Change
Operating Profit	14,187	14,714	+527	+3.7%
Non-operating income and loss	57	263	+205	
Extraordinary income and loss	9,122	(106)	(9,228)	
Gain on sales of investment securities	9,370	3	(9,366)	
Income taxes etc.	7,477	3,920	(3,557)	
Profit attributable to owners of parent	15,970	10,861	(5,108)	(32.0%)

1. Other Financial Result-related Data

Order Volume <2Q>

(JPY million)

	2Q FY Mar.2015 (Jul.-Sep.)	2Q FY Mar.2016 (Jul.-Sep.)	Diff.	YoY Change
Consulting	6,451	6,251	(200)	(3.1%)
Financial IT Solutions	31,308	34,712	+3,403	+10.9%
Industrial IT Solutions	12,386	10,398	(1,987)	(16.0%)
IT Platform Services	3,908	3,685	(223)	(5.7%)
Other	1,765	2,705	+939	+53.2%
Total	55,820	57,752	+1,932	+3.5%

1. Other Financial Result-related Data

Forecasts for FY March 2016

■ No change to forecasts

【Full Year】

(JPY billion)

	FY Mar. 2015 (Results)	FY Mar. 2016 (Forecasts as of Oct. 23)	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 ^{*1, 2}	¥176.79	¥182.45	+¥5.66	
Dividends Per Share ^{*3}	¥70.00	¥80.00	+¥10.00	
Payout Ratio	36.5%	42.7%	+6.3P	
Return On Equity	10.8%	10.0%	(0.8P)	

*1 EPS shows the amount calculated assuming that the stock split was implemented at the beginning of the previous fiscal year.

*2 EPS recalculated to take account of change in treasury shares.

*3 The annual dividend forecast is ¥84 yen per share calculated based on the number of shares before the stock split, a real increase of ¥14 year on year.

1. Other Financial Result-related Data

Sales Forecasts by Segment for FY March 2016

- Revised breakdown of sales forecasts by segment for FY March 2016
- Reflects reorganization effective October 1 (transfer of ¥2.0 billion from “Others” to “Industrial IT Solutions”)

【Full Year】

(JPY billion)

	FY Mar. 2015 (Results)	Share	FY Mar. 2016 (Forecasts as of Oct. 23)	Share	Diff.	YoY Change	FY Mar. 2016 (Previous Forecasts)	Comparison to forecasts
Consulting	27.3	6.7%	29.0	6.8%	+1.6	+6.0%	29.0	—
Financial IT Solutions	237.1	58.4%	254.0	59.8%	+16.8	+7.1%	250.0	+4.0
Securities	116.5	28.7%	125.0	29.4%	+8.4	+7.3%	124.0	+1.0
Insurance	56.4	13.9%	58.0	13.6%	+1.5	+2.8%	60.0	(2.0)
Banking	34.5	8.5%	38.0	8.9%	+3.4	+9.9%	36.0	+2.0
Other financial	29.5	7.3%	33.0	7.8%	+3.4	+11.6%	30.0	+3.0
Industrial IT Solutions	95.5	23.5%	102.0	24.0%	+6.4	+6.7%	101.0	+1.0
Distribution	46.3	11.4%	53.0	12.5%	+6.6	+14.2%	49.0	+4.0
Manufacturing, service and other	49.1	12.1%	49.0	11.5%	(0.1)	(0.4%)	52.0	(3.0)
IT Platform services	34.7	8.6%	31.0	7.3%	(3.7)	(10.9%)	34.0	(3.0)
Others	11.1	2.8%	9.0	2.1%	(2.1)	(19.4%)	11.0	(2.0)
Total	405.9	100.0%	425.0	100.0%	+19.0	+4.7%	425.0	—

1. Other Financial Result-related Data

Sales Forecasts by Service for FY March 2016

■ Revised breakdown of sales forecasts by service for FY March 2016

【Full Year】

(JPY billion)

	FY Mar. 2015 (Results)	Share	FY Mar. 2016 (Forecasts as of Oct. 23)	Share	Diff.	YoY Change	FY Mar. 2016 (Previous Forecasts)	Comparison to forecasts
Consulting Services	47.1	11.6%	51.0	12.0%	+3.8	+8.3%	48.0	+3.0
System Development & System Application Sales	136.7	33.7%	151.0	35.5%	+14.2	+10.5%	155.0	(4.0)
System Management & Operation Services	206.6	50.9%	215.0	50.6%	+8.3	+4.0%	215.0	—
Product Sales	15.4	3.8%	8.0	1.9%	(7.4)	(48.3%)	7.0	+1.0
Total	405.9	100.0%	425.0	100.0%	+19.0	+4.7%	425.0	—

1. Other Financial Result-related Data

CAPEX, R&D and Depreciation Forecasts for FY March 2016

■ Revised forecasts of Capital Expenditure, R&D and Depreciation and Amortization

【Capital Expenditure, R&D】

(JPY billion)

	FY Mar. 2015 (Results)	FY Mar. 2016 (Forecasts as of Oct. 23)	Diff.	YoY Change	FY Mar. 2016 (Previous Forecasts)	Comparison to forecasts
Capital Expenditure	31.0	43.0	+11.9	+38.3%	45.0	(2.0)
Tangible	8.3	19.0	+10.6	+127.6%	21.0	(2.0)
Intangible	22.7	24.0	+1.2	+5.6%	24.0	—
R&D	4.2	5.0	+0.7	+18.4%	4.5	+0.5

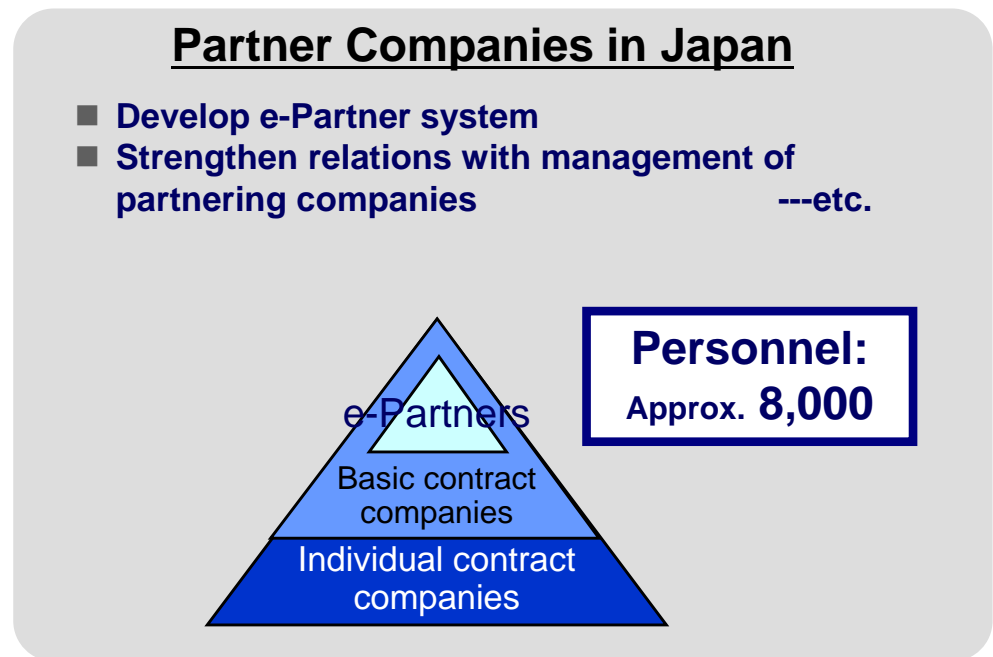
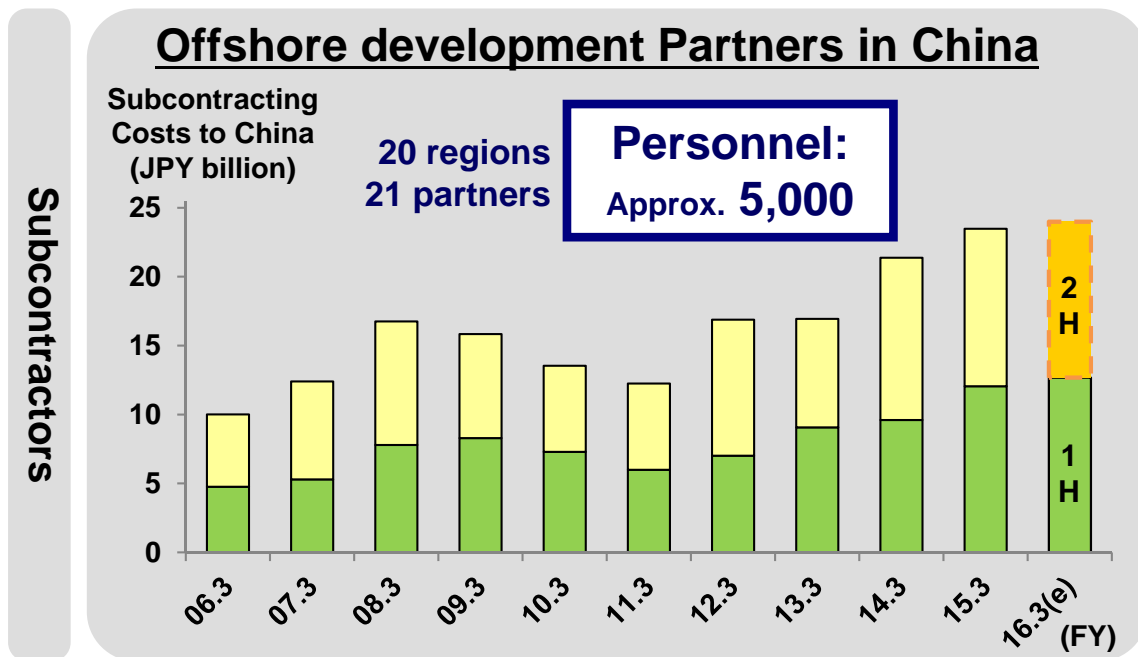
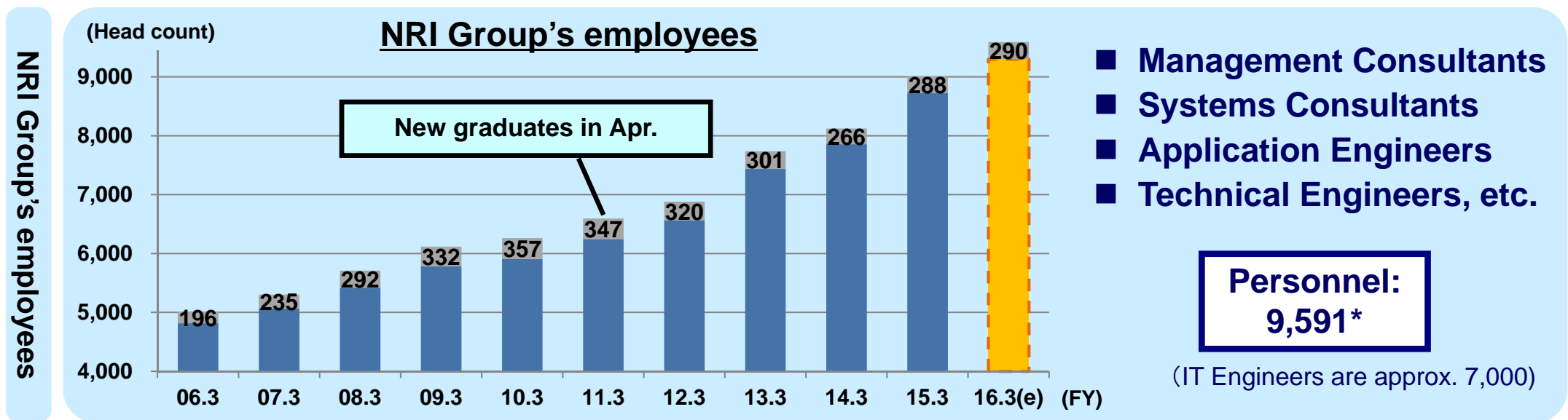
【Depreciation and Amortization】

(JPY billion)

	FY Mar. 2015 (Results)	FY Mar. 2016 (Forecasts as of Oct. 23)	Diff.	YoY Change	FY Mar. 2016 (Previous Forecasts)	Comparison to forecasts
Total	25.8	33.0	+7.1	+27.9%	34.0	(1.0)

1. Other Financial Result-related Data

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



2. Recent Activities

Placed in Top Ten in Two Global Rankings of Financial IT Services Providers

- In global rankings for financial IT services providers, NRI was placed 10th in the FinTech Rankings published by IDC Financial Insights and 9th in the FinTech Forward Rankings published by American Banker and BAI. This marked the 6th consecutive year that NRI was placed in the top 10 in these two rankings, and it was the only Japanese firm in the top 10.
- The rankings covered financial IT services providers where income from financial-related business accounts for at least 1/3 of all income.
- The rankings were determined through evaluations of the previous year's income and the proportion of it that financial IT services account for based on studies and independent research conducted by each of the publishers of the rankings and market analysis of the entrants.

2015 FinTech Forward Rankings

2015 Rank	Company
1	Tata Consultancy Services Limited (TCS)
2	FIS
3	Fiserv, Inc.
4	Cognizant Technology Solutions
5	NCR Corporation
6	Infosys Limited
7	SunGard
8	Diebold, Incorporated
9	Nomura Research Institute, Ltd.
10	Total System Services, Inc. (TSYS)

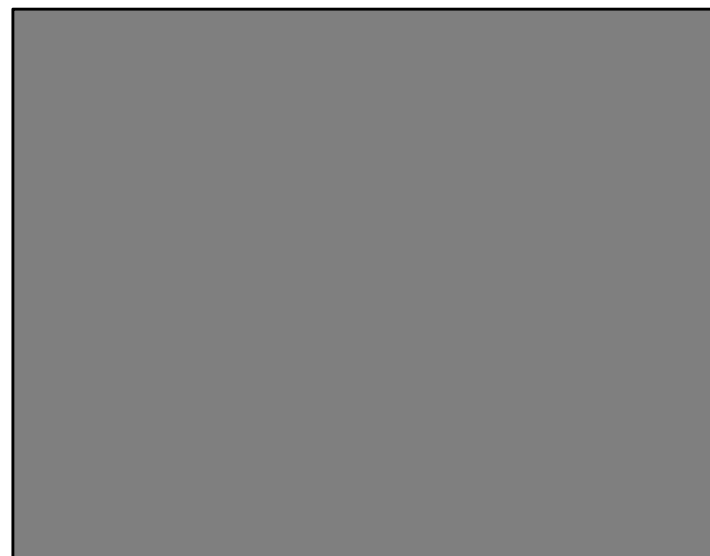
Source: American Banker website



2. Recent Activities

Introduction of SAP S/4 HANA at NRI Secure Technologies

- NRI and SAP Japan have decided to introduce SAP Japan's next generation ERP "SAP S/4 HANA" at NRI Secure Technologies to update the company's business systems.
- The objective of the introduction and NRI's approach to SAP products are as below.
 - The objective of introducing the product at NRI Secure Technologies is to save labor and speed up decision making in business.
 - NRI is taking a proactive approach to SAP products through product evaluation and other means.
- NRI and SAP Japan will cooperate to provide the utility of SAP S/4 HANA, which is a powerful tool for management and business transformation, to many companies as quickly as possible.



Nikkei Business Daily,
August 5, 2015

2. Recent Activities

Launching Open Innovation Initiatives in the United States

- NRI is launching new initiatives to accelerate promotion of open innovation. These include participating in a research project into the promotion of open innovation being organized by universities in the United States and building networks with venture companies.
- As the first step, NRI will participate in the Stanford Silicon Valley Project – New Japan Project, a research project of Stanford University in the United States.
- The cutting-edge technical information and results gained from activities in the United States will tie in with forums for collaboration with participating companies through the NRI Mirai Garage, which NRI has been operating since 2012.
- NRI aims to create a forum to connect Japanese companies with cutting-edge ideas and business opportunities in Silicon Valley.

米でオープンイノベーション

NRI 西海岸拠点に

まず大学プロジェクト参画

野村総合研究所（NRI）は、社外の多様な企業や研究機関とのパートナーシップを通じて新しい価値を創出するオープンイノベーションを推進する。手始めに、米国西海岸の拠点、NRI Pacific（NRIアメリカ パシフィック支店）を活用し、現地の大学が主催する「ビジネスエコシステム」の調査など研究プロジェクトへの参画や、ベンチャー企業とのネットワーク構築など、新たな取組みを開始する。

金融における Fin tech（金融とテック）の融合とテック

ノロジーの融合のよう
うに、既存のビジネス
と先進テックノロジーや
ベンチャー企業のサー
ビスを融合させ新たな
価値を生み出す試みが
進み、国や組織を超え
た協業や提携もみられ

結ぶつけるスタンフォ
ード大学の研究プロジ
ェクト「SSV NJP
ロジエクト」に参画す
る。

同プロジェクトをは
じめとする、米国西海
岸での活動で得た最先
端の技術情報や成果
は、NRIが展開する

「未来ガレージ」（新
しい価値創出のための
ワークショップや技術
的検討、試作、共同で
の実証実験を行う取組
み）を通じ参画企業と
のコラボレーションの
場につなげる。

NRIは、「日本企
業がシリコンバレーの
起業家や、関連するネ
ットワークの活用可能
性を探索し、当該企業
とシリコンバレーの先
進的なアイデアやビジ
ネス機会をつなぐ場
の創出を目指す」とし
ている。

Information Industries and Market News,
September 14, 2015

2. Recent Activities

NRI Secure Technologies and NEC Offering Information Security Training Program

- NRI Secure Technologies, NEC, and NEC Management Partner have launched joint sales of a training program that aims to develop human resources in information security, an area in which a shortfall has long been observed.
- The program combines training programs of varying levels of difficulty that the three companies previously developed. As a result, they will offer training that ranges from beginner through to advanced courses in an efficient manner. Because the content focuses on exercises throughout, it will be more practical and effective in building skills than lectures alone.
- Over the next five years, the three companies are aiming for 1,000 people to take the program. They are also looking into offering the program in ASEAN countries, where there are shortages of human resources in information security.

セキュリティ人材育成へ
NRIセキュア、NECなど3社、研修プログラム発売

NRIセキュアテクノロジーズ（東京都千代田区）とNEC、NECマネジメントパートナーの3社は20日、情報セキュリティ人材の育成を目的とする研修プログラム「実践！サイバーセキュリティ」を発売した。同プログラムは3社がこれまで展開してきた難易度の異なる研修プログラムを組み合わせたもので、入門から応用までの研修を効率よくできるようにした。標準の4日間コース（1人33万円・税別）で、後半の2日間では、NRIセキュアの初心者向け「実践！サイバーセキュリティ」を発売する。後半の2日間では、NRIセキュアが提供する「実践！サイバーセキュリティ」を発売する。後半の2日間では、NRIセキュアが提供する「実践！サイバーセキュリティ」を発売する。

で、入門から応用までの研修を効率よくできるようにした。標準の4日間コース（1人33万円・税別）で、後半の2日間では、NRIセキュアの初心者向け「実践！サイバーセキュリティ」を発売する。後半の2日間では、NRIセキュアが提供する「実践！サイバーセキュリティ」を発売する。

体的なサイバー攻撃に対する一連の対処方法を学ぶ。今後5年間で1千人の受講を目指すほか、セキュリティ人材が不足しているASEAN各国への展開も検討していく。

Dempa Shimbun,
August 21, 2015

3. Others - Supplementary explanation

■ FY March 2016 Consolidated Earnings Model

- Sales of JPY425.0 billion and operating profit of JPY58.0 billion

(JPY billion)

	FY Mar. 2014 (Results)	FY Mar. 2015 (Results)	FY Mar. 2016 (Forecasts as of Oct. 23)*	YoY		FY Mar. 2016 (Previous Forecasts)*	Comparison to forecasts
				Diff.	Change		
Sales	385.9	405.9	425.0	+19.0	+4.7%	425.0	—
Cost of Sales	276.6	289.2	295.0	+5.7	+2.0%	300.0	(5.0)
Personnel	70.1	74.8	82.0	+7.1	+9.5%	82.0	—
Subcontracting Costs	132.8	141.9	144.0	+2.0	+1.5%	145.0	(1.0)
Depreciation	32.9	24.6	32.0	+7.3	+29.9%	33.0	(1.0)
Gross Profit	109.2	116.7	130.0	+13.2	+11.3%	125.0	+5.0
Gross Profit Margin	28.3%	28.8%	30.6%	+1.8P		29.4%	+1.2P
SG&A	59.4	65.2	72.0	+6.7	+10.3%	67.0	+5.0
Operating Profit	49.8	51.4	58.0	+6.5	+12.7%	58.0	—
Operating Profit Margin	12.9%	12.7%	13.6%	+1.0P		13.6%	—

* Figures are consolidated estimates for preparing this earnings model.

3. Others - Communications

Forum, etc.



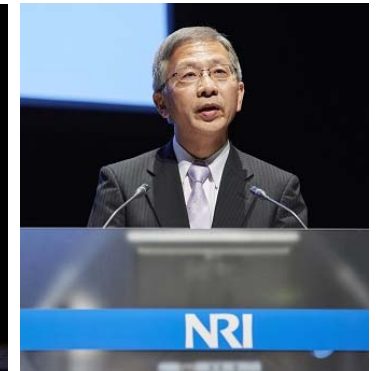
September 2015

Briefing session held for individual investors in Tokyo and Osaka



October 2015

“Dream Up the Future” Forum 2015 in Osaka and Nagoya



Publications



Examples of books published since July 2015