
Financial Results Presentation

Financial Results for 1st Quarter FY March 2016

July 24, 2015

Nomura Research Institute, Ltd.



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2. Recent Activities

3. Stock Split

Highlights of Consolidated Financial Results

(JPY million)

	1Q FY Mar. 2015	1Q FY Mar. 2016	Diff.	YoY Change
Sales	96,658	101,521	+4,863	+5.0%
Operating Profit	7,939	13,535	+5,595	+70.5%
Operating Profit Margin	8.2%	13.3%	+5.1P	
Profit attributable to owners of parent	7,435	9,265	+1,829	+24.6%

Key Factors in Financial Results for 1Q FY March 2016

● Sales were up 5.0%

- Sales in Consulting, Financial IT Solutions, and Industrial IT Solutions all rose at a positive pace.
- Client demand for consulting and systems development remained high.
- The order backlog (portion planned for current fiscal year) was at a healthy level, increasing 6.3% year on year.

● Operating profit surged 70.5% year on year

- The impact from unprofitable large-scale projects in Q1 of the previous fiscal year resolved.

● Profit attributable to owners of parent increased 24.6%

- No particularly significant extraordinary income or loss was posted in Q1.
- There was a rebound from the extraordinary income (negative goodwill from DSB*) posted in Q1 of the previous fiscal year.

Sales by Segment

(JPY million)

	1Q FY Mar. 2015	Share	1Q FY Mar. 2016	Share	Diff.	YoY Change
Consulting	5,665	5.9%	6,104	6.0%	+439	+7.8%
Financial IT Solutions	56,554	58.5%	59,594	58.7%	+3,040	+5.4%
Securities	29,068	30.1%	26,753	26.4%	(2,314)	(8.0%)
Insurance	11,977	12.4%	15,260	15.0%	+3,282	+27.4%
Banking	8,644	8.9%	9,509	9.4%	+864	+10.0%
Other financial	6,863	7.1%	8,071	8.0%	+1,207	+17.6%
Industrial IT Solutions	22,919	23.7%	24,853	24.5%	+1,934	+8.4%
Distribution	11,480	11.9%	13,383	13.2%	+1,903	+16.6%
Manufacturing, service and other	11,438	11.8%	11,469	11.3%	+30	+0.3%
IT Platform Services	8,625	8.9%	8,199	8.1%	(425)	(4.9%)
Others	2,894	3.0%	2,769	2.7%	(125)	(4.3%)
Total	96,658	100.0%	101,521	100.0%	+4,863	+5.0%
Nomura Holdings	20,091	20.8%	16,658	16.4%	(3,432)	(17.1%)
Seven & i Holdings	10,115	10.5%	11,644	11.5%	+1,528	+15.1%

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

■ Including Inter-segment sales for each segment

(JPY million)

		1Q FY Mar. 2015	1Q FY Mar. 2016	Diff.	YoY Change
Consulting	Sales	5,738	6,150	+412	+7.2%
	OP	896	643	(253)	(28.3%)
	OPM	15.6%	10.5%	(5.2P)	
Financial IT Solutions	Sales	56,632	59,744	+3,112	+5.5%
	OP	1,297	7,620	+6,323	+487.2%
	OPM	2.3%	12.8%	+10.5P	
Industrial IT Solutions	Sales	22,954	24,926	+1,971	+8.6%
	OP	3,123	3,082	(40)	(1.3%)
	OPM	13.6%	12.4%	(1.2P)	
IT Platform Services	Sales	28,107	27,018	(1,088)	(3.9%)
	OP	1,683	2,265	+581	+34.5%
	OPM	6.0%	8.4%	+2.4P	

Sales by Service

(JPY million)

	1Q FY Mar. 2015	Share	1Q FY Mar. 2016	Share	Diff.	YoY Change
Consulting Services	10,030	10.4%	12,199	12.0%	+2,168	+21.6%
System Development & System Application Sales	32,163	33.3%	33,128	32.6%	+965	+3.0%
System Management & Operation Services	49,968	51.7%	53,264	52.5%	+3,296	+6.6%
Product Sales	4,496	4.7%	2,929	2.9%	(1,566)	(34.8%)
Total	96,658	100.0%	101,521	100.0%	+4,863	+5.0%

P/L Highlight

(JPY million)

	1Q FY Mar. 2015	1Q FY Mar. 2016	Diff.	YoY Change
Sales	96,658	101,521	+4,863	+5.0%
Cost of Sales	73,585	69,967	(3,617)	(4.9%)
Subcontracting Costs	36,330	35,714	(616)	(1.7%)
Gross Profit	23,073	31,554	+8,480	+36.8%
Gross Profit Margin	23.9%	31.1%	+7.2P	
SG&A	15,133	18,018	+2,884	+19.1%
Operating Profit	7,939	13,535	+5,595	+70.5%
Operating Profit Margin	8.2%	13.3%	+5.1P	

P/L Highlight continued

	(JPY million)			
	1Q FY Mar. 2015	1Q FY Mar. 2016	Diff.	YoY Change
Operating Profit	7,939	13,535	+5,595	+70.5%
Non-operating income and loss	873	1,329	+455	
Dividend Income	738	1,291	+552	
Extraordinary income and loss	1,856	(88)	(1,944)	
Gain on negative goodwill (Net)	1,710	—	(1,710)	
Income taxes etc.	3,192	5,431	+2,239	
Profit attributable to owners of parent	7,435	9,265	+1,829	+24.6%

Order Backlog (Outstanding)

(JPY million)

	At end of June 2014	At end of June 2015	Diff.	YoY Change
Consulting	7,847	8,029	+181	+2.3%
Financial IT Solutions	115,464	125,307	+9,843	+8.5%
Industrial IT Solutions	43,434	47,247	+3,813	+8.8%
IT Platform Services	16,147	12,708	(3,439)	(21.3%)
Other	3,337	2,772	(564)	(16.9%)
Total	186,231	196,065	+9,834	+5.3%
Order backlog in the current FY	180,866	192,292	+11,426	+6.3%

1Q Results and Earnings Forecasts for the Full Fiscal Year

(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 1Q results Forecasts from 2Q	Sales	101.5	108.4	215.0		425.0
	OP	13.5	14.4	30.0		58.0
	OPM	13.3%	13.3%	14.0%		13.6%

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

1. Financial Results for 1st Quarter FY March 2016

2. Recent Activities

3. Stock Split

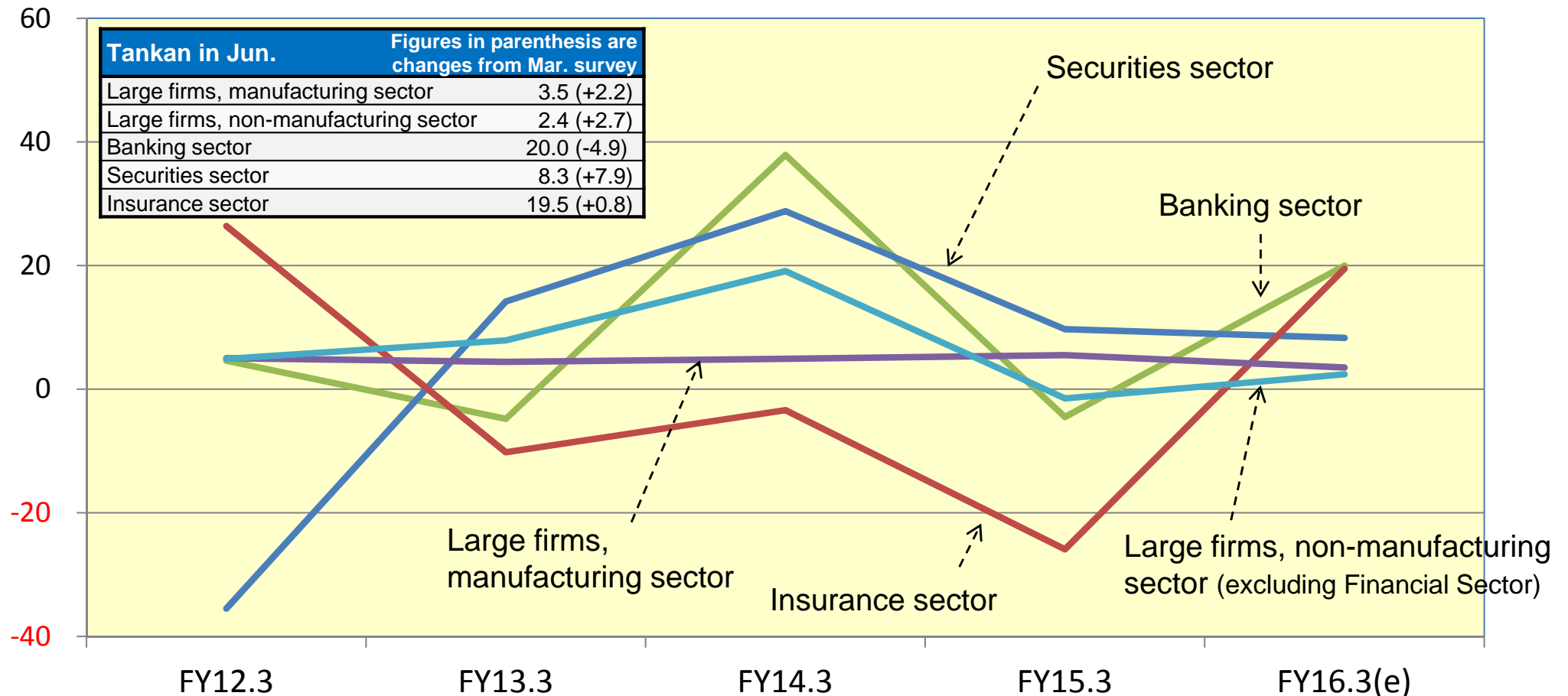
Assessing Business Environment (BOJ Tankan Survey)

➤ Corporate software investment remained solid at high levels

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

(YoY change %)

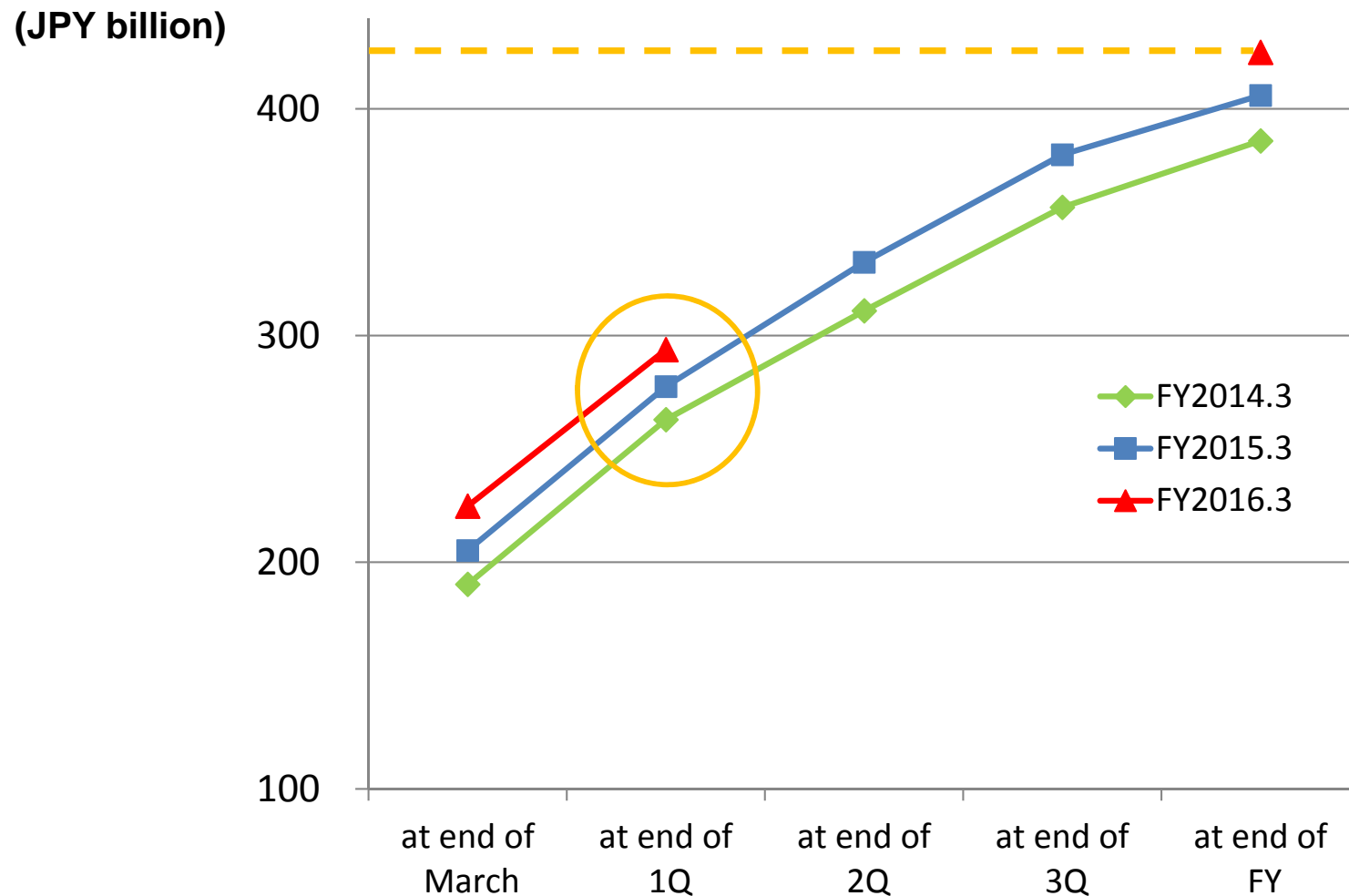
Software Investment



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 customers, and expand business with existing customers**

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

Capital and Business Alliance with Nippon Life

➤ Building a strong, long-term partnership with Nippon Life

Business alliance

- Researching even more efficient and robust system structures by using cutting-edge information technology
- Considering new insurance business models
- Training highly skilled human resources specialized in insurance and IT fields

Capital alliance

- Disposition of treasury stock through third-party allotment with Nippon Life as the allottee
 - Nippon Life to become 8th biggest shareholder (holding 3.03% of shares)

Outline of disposition of treasury stock

Disposition date	June 10, 2015
No. of shares to be disposed	5,618,300 shares of the Company's common stock (2.50% of total number of issued shares, 2.77% of total voting rights)
Disposition price	JPY4,665 per share
Amount of funds procured	JPY26,209,369,500
Method of disposition	Third-party allotment
Allottee	Nippon Life Insurance Company



- **Support initiatives aimed at further advancing IT strategy at Nippon Life Group**

Acquisition of U.S. Firm Brierley+Partners

- Acquisition (subsidiary acquisition) of Brierley+Partners completed on April 30, 2015
 - Brierley+Partners' financial results reflected in consolidated financial results from May 2015
 - Impact of acquisition on consolidated financial results already incorporated into consolidated results forecasts announced April 23

Profile of Brierley+Partners

Name	Brierley+Partners (Brierley & Partners, Inc.)
Location	Texas, USA
Lines of business	Consulting and IT services related to digital marketing
Date established	May 1984 (business launched in 1985)
Major clients	<ul style="list-style-type: none"> ● Hertz ● Hilton Worldwide ● Levi's ● GameStop ● Seven-Eleven ● Hard Rock ● American Eagle Outfitters ● Fresh & Easy Neighborhood Market, etc.



The signing ceremony

Conclusion of Agreement to Acquire Business of SinoCom Software

- **NRI entered into agreements with SinoCom Software Group, an offshore partner company in China, relating to the acquisition of the Company's offshore development business for NRI**
 - **The acquisition price is planned to be HK\$190 million (approximately ¥3 billion)***
-  **NRI will make SinoCom into a core of its offshore development and operation scheme in China in order to enhance competitiveness by raising quality and productivity**

Profile of SinoCom Software

Company	SinoCom Software Group Limited
Location	Hong Kong
Tear of incorporation	1995
Market listing	2004 listed on Hong Kong Stock Exchange (Securities code: 0299)
Turnover	HK\$582million (approx. ¥9.3 billion)*
Principal activities	Provision of outsourced software development and technical support services

* HK\$1 = ¥16

1. Financial Results for 1st Quarter FY March 2016

2. Recent Activities

3. Stock Split

Stock Split

➤ NRI will implement a 1 to 1.1 stock split on October 1, 2015

Objective of stock split

- Further enhance shareholder returns
- Increase liquidity of NRI shares and broaden shareholder base



Dividend

- As dividend forecast for the current fiscal year is unchanged, an effective dividend increase
- Forecast payout ratio: 42.7%

Outline of stock split

Method of stock split	Split at a ratio of 1.1 shares per 1 share
Total number of issued shares before the stock split	225,000,000 shares
Total number of issued shares after the stock split	247,500,000 shares (Increase in number of shares due to the split: 22,500,000 shares)
Record date	September 30, 2015
Effective date	October 1, 2015

Dividend forecast for current fiscal year

	FY Mar. 2016 (Forecasts as of Apr. 23)	FY Mar. 2016 (Forecasts as of Jul. 24)
Dividend per share	¥80	¥80
End of Q2	¥40	¥40
Fiscal year end	¥40	* ¥40
Payout ratio	39.5%	42.7%

Reference

1. There will be no capital increase as a result of the stock split.
2. As October 1, 2015 will be the effective date of the stock split, shares before the stock split will qualify for the dividend for the end of Q2, and shares after the stock split will qualify for the fiscal year-end dividend.

* The forecast fiscal year-end dividend amounts to 44 yen per share when converted into the amount before the split, signifying an effective 4 yen increase in the dividend.

Forecasts for FY March 2016

- There have been no revisions to forecast, but indicators have been recalculated in consideration of the impact from the stock split and other factors.

【Full Year】

(JPY billion)

	FY Mar. 2015 (Results)	FY Mar. 2016 (Forecasts as of Jul. 24)	Diff.	YoY Change	FY Mar. 2016 (Forecasts as of Apr. 23)	Comparison to forecasts
Sales	405.9	425.0	+19.0	+4.7%	425.0	—
Operating Profit	51.4	58.0	+6.5	+12.7%	58.0	—
Operating Profit Margin	12.7%	13.6%	+1.0P		13.6%	—
Profit attributable to owners of parent	38.8	41.0	+2.1	+5.5%	41.0	—
Earnings Per Share ^{*1}	¥176.79	¥184.60	+¥7.81		¥185.90	(¥1.30)
Dividends Per Share ^{*2}	¥70.00	¥80.00	+¥10.00		¥80.00	—
Payout Ratio	36.5%	42.7%	+6.2P		39.5%	+3.1P
Return On Equity	10.8%	10.0%	(0.8P)		10.2%	(0.2P)

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

*2 The forecast fiscal year-end dividend amounts to 44 yen per share when converted into the amount before the split, signifying an effective 4 yen increase in the dividend.

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.

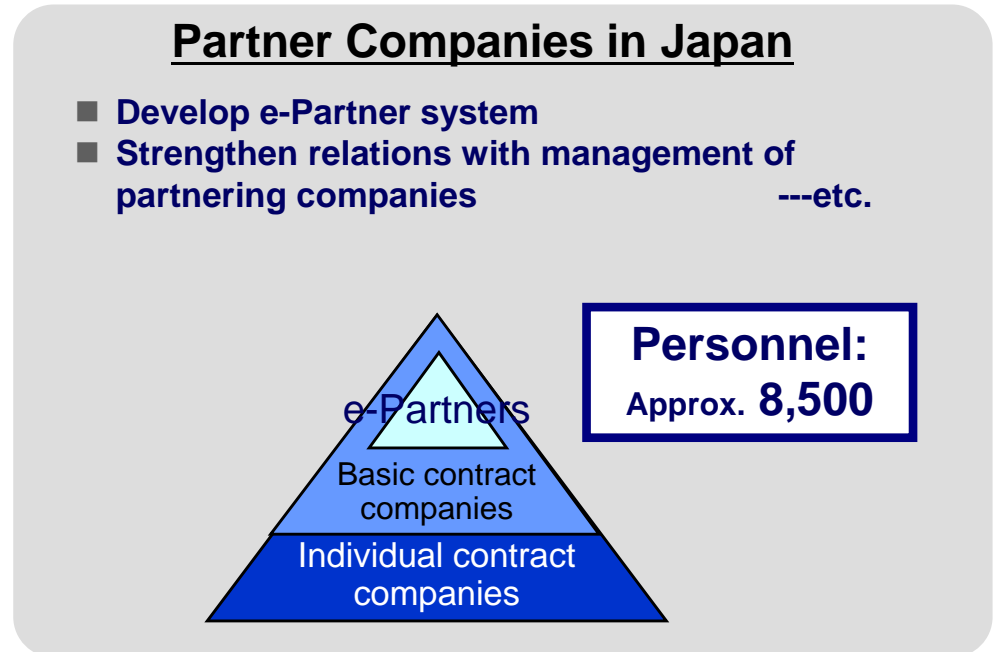
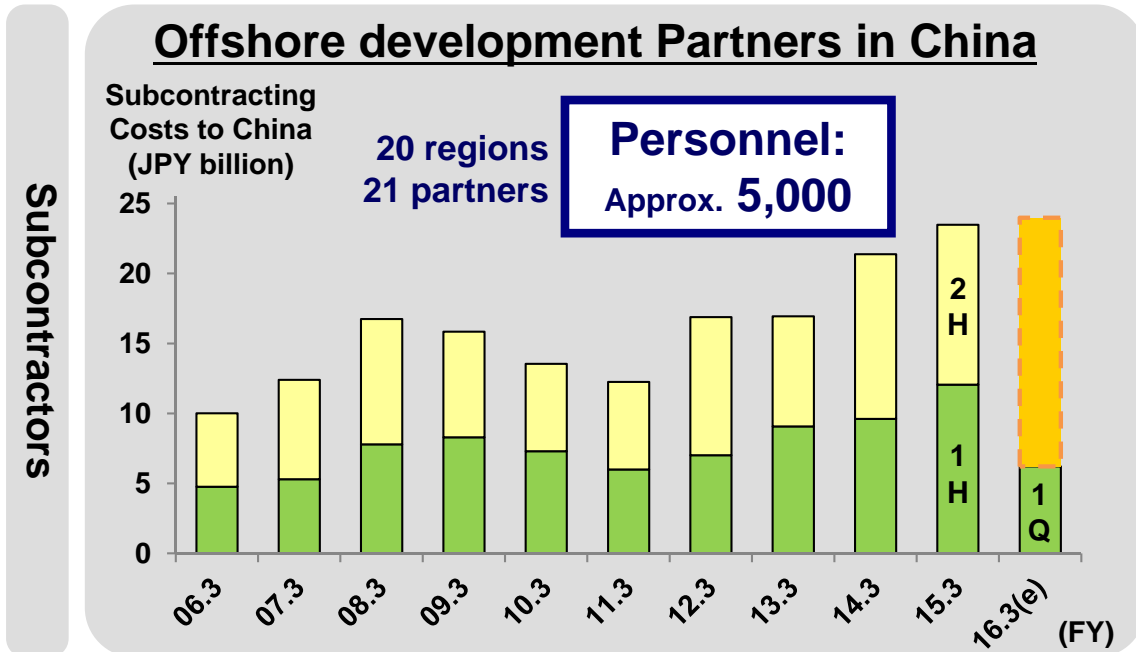
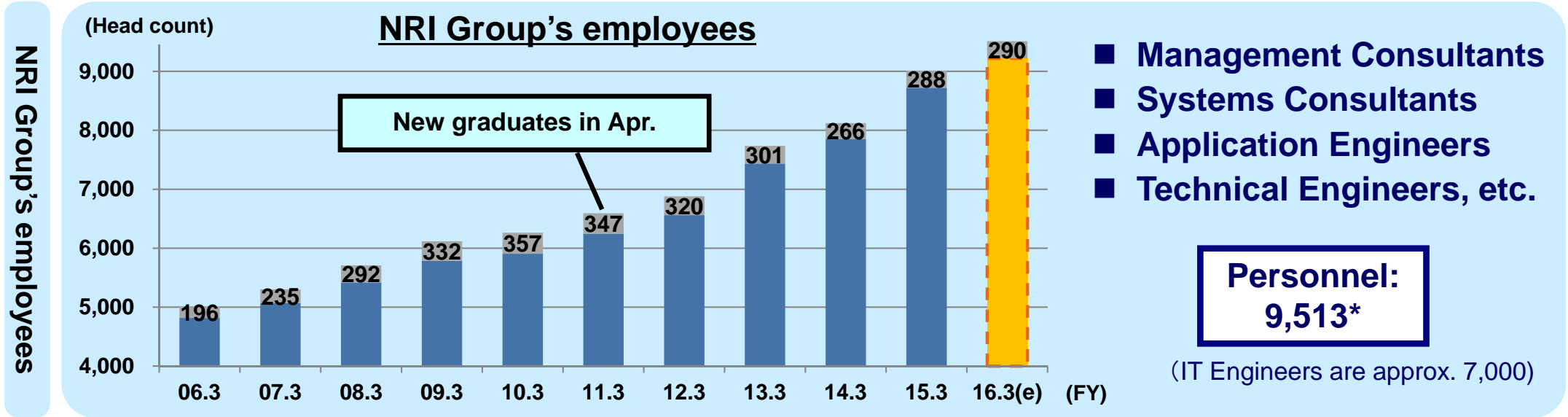
Figures given in the reference data related to the financial results forecasts are figures which are only intended to convey the Company's current circumstances and outlook. The Company does not undertake to revise the forecasts to reflect new information or circumstances.

References

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

1. Other Financial Result-related Data

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



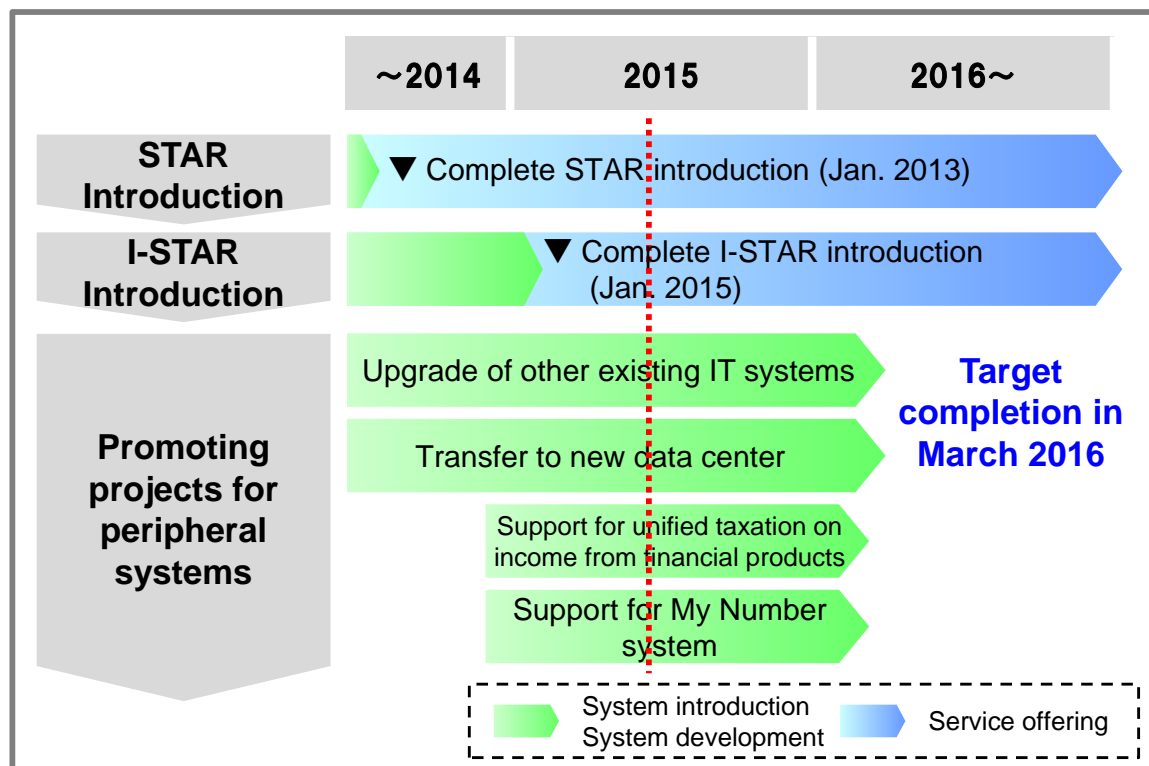
2. Recent Activities

Upgrade IT systems of Nomura Securities in Japan and Ensuing Initiatives

- **Completely discontinued in-house backbone system on a mainframe in March 2015**
 - **Steadily pursue peripheral system-related projects with aim of project completion**
- **Promote activities aimed at early receipt of orders and launch for next project**

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**
- **Implement Disaster Recovery Plan**

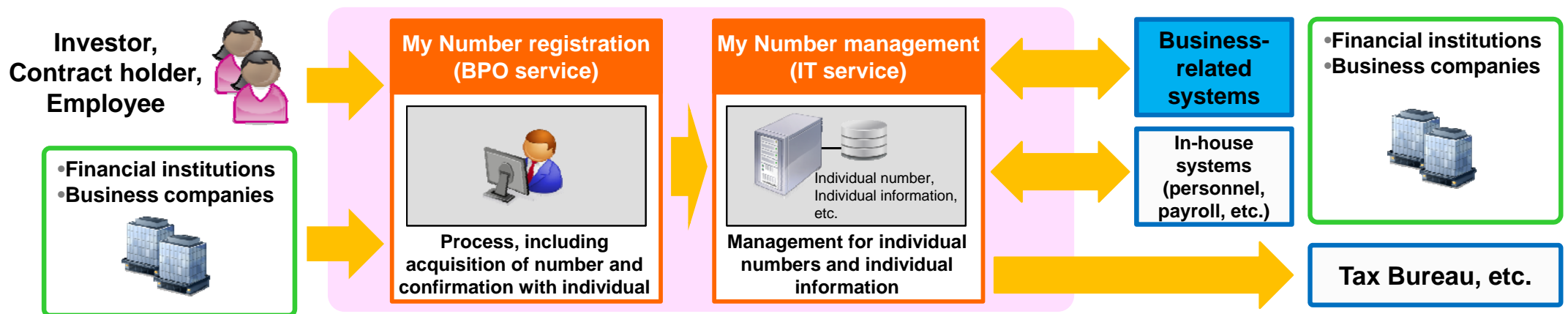
2. Recent Activities

Support for “My Number” System

➤ Conducting marketing and proposal activities to gain clients

- **Registration service:** Inquiries from 107 financial institutions and 132 business companies
- **Management service:** Expecting to provide services to 72 securities firms, 64 banks, 4 insurance companies; conducting marketing aimed at 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"> ▼ Number cards distributed 	<ul style="list-style-type: none"> ▼ System goes into effect
NRI schedule for service launch	System trends survey, review and plans for service launch	System development	Service launch

2. Recent Activities

Information Security Business

- **Benefitting from the growing need for information security, NRI Secure Technologies' business is healthy (10% sales growth)**



- NRI Group's specialist information security company
- Established in 2000. Approximately 300 employees, including group companies
- Net sales have grown to around 15 billion yen, No. 1 in Japan

Strengthen existing business

Consulting Services

- Research, reports, and advice backed by technology and experience
- Safety evaluations and improvement proposals for information systems by specialists

Solution Business

- Responding to a broad range of needs for introduction from in-house development of security management solution services to packages

MSS Business (Managed Securities Services)

- Full outsourcing service to support client information system "safety"

➔ **Provide one-stop support for clients' information security measures with three main businesses**

Initiatives aimed at expanding business

Enlarge business territory

- Expand business into governance, risk and compliance (GRC) field
- Respond to Internet of Things (IoT)

Promote global expansion

- Establish and coordinate global organization aimed at expanding into the U.S. and Asia

2. Recent Activities

Conclusion of Memorandum on Operational Cooperation with Dubai Development and Investment Authority

- NRI concluded a memorandum on operational cooperation with the Dubai Development and Investment Authority (DDIA) in the United Arab Emirates (UAE).
- Some of the details of operational cooperation are as follows.
 - Regular exchange of investment-related information with the aim of promoting Japanese corporate investment
 - Joint dissemination of information through seminars, etc.
 - Cooperation in providing support for Japanese companies considering investment in Dubai
- This will enable NRI to provide even more finely tuned consulting when Japanese companies expand and invest in the UAE as well as the wider Middle Eastern and African market by collaborating with the DDIA and utilizing the extensive information and networks that it possesses.

**投資コンサルで協力
ドバイの事業団と覚書** NRI

野村総合研究所（NRI）は、アラブ首長国連邦（UAE）ドバイの経済開発省の下部組織、ドバイ投資開発事業団との間で、業務協力の覚書を交わした。

ドバイおよびUAE
さらには湾岸協力会議

（GCC）諸国などへの日本企業進出を促進することを目的とするもので、業務協力の内容は概要次の通り。

①日本企業の投資促進に向け、投資関連情報を定期的に交換

②セミナーなど共同で情報発信

③ドバイへの投資を検討する日本企業への支援を協力して実施。これによりNRIは、ドバイ投資開発事業団と連携し同事業団の情報力とネットワークを活用、同国や中東・アフリカ市場への日本企業進出、投資にあたってきめ細かくコンサルティング活動をすることが可能となる。

Information Industries and Market News,
June 8, 2015

2. Recent Activities

Nomura Securities discontinues in-house system on mainframe and introduces I-STAR to follow THE STAR

- NRI introduced the I-STAR wholesale back-office system at Nomura Securities, following the introduction of THE STAR retail back-office system.
- After the commencement of I-STAR implementation, Nomura Securities completely discontinued its in-house securities backbone system. The use of a mainframe for an in-house backbone system remains the norm in the finance industry at present, and running operations without using a mainframe is a pioneering initiative among major financial institutions.
- The advantages of introducing the service are as follows.
 - Substantial reduction in information system costs through the introduction of industry standard service
 - Achieves structural reform in short timeframe through top-level commitment



Nikkei Business Daily,
May 12, 2015

2. Recent Activities

Support for construction of Seven Bank's new ATM relay system

- NRI supported the construction of a new ATM relay system, which is the infrastructure that shoulders a financial service underpinning a maximum of 5.5 million transactions a day through Seven Bank's 21,000 ATMs across Japan.
- NRI updated the relay servers that consolidate and convey requests for deposits, withdrawals and transfers from ATMs all around Japan to accounting systems and the systems of partner financial institutions in real time. The new ATM relay system commenced operations in December 2014.
- Three companies, NRI, HP Japan and Intelligent Wave, worked together to promote the project with NRI taking the overall lead from system design through construction. The three companies will also provide future operational support.

新ATM中継システムを構築

セブン銀行

**利用者ニーズに対応
365日サービス継続に**

セブン銀行は、全国の方1千台のATM（現金自動預払機）を通じた金融サービスを提供している。新ATM中継システムを構築し、稼働を開始した。利用者の増加に加え、現在のATMサービスにおいて、海外からの旅行者の増加に伴い、海外発行のキャッシュカード・クレジットカードによるキャッシング利用に対する急激なニーズの高まりなど、新サービスへの対応も求められている。同社は、今後のビジネスの成長にあわせ、段階的に処理能力の増大が可能となる柔軟な拡張性と、ATM上での新サービス提供の迅速化を目指す、中継システムを刷新した。

スケラビリティを確保

セブン銀行は、全国の方1千台のATM（現金自動預払機）を通じた金融サービスを提供している。新ATM中継システムを構築し、稼働を開始した。利用者の増加に加え、現在のATMサービスにおいて、海外からの旅行者の増加に伴い、海外発行のキャッシュカード・クレジットカードによるキャッシング利用に対する急激なニーズの高まりなど、新サービスへの対応も求められている。同社は、今後のビジネスの成長にあわせ、段階的に処理能力の増大が可能となる柔軟な拡張性と、ATM上での新サービス提供の迅速化を目指す、中継システムを刷新した。

スケラビリティを確保
システムを取り次ぎATM中継サーバを刷新した。
新中継サーバには、インテルの「アイティン」プロセッサを採用し、0.0番台搭載の高速なメモリを備え、ハードウェアレベルでのセキュリティ強化を図っている。また、24時間稼働を確保するための冗長性を備え、災害発生時の復旧も容易にできるようにしている。

また、計測や緊急時に必要に応じて、柔軟な拡張性を確保し、急激な増大に対応できるようにしている。

システムは、野村総合研究所が設計から構築までを担当し、IWと日本日本の協力を得て構築された。3社は、今後運用の支援も行う。

Information Industries and Market News,
July 6, 2015

2. Recent Activities

Supporting Apple Watch compatibility for Mizuho Direct app

- Mizuho Bank, NRI, and MoneySmart collaborated to launch Apple Watch compatibility for the Mizuho Direct app.
- NRI was responsible for developing Apple Watch-related functions for the Mizuho Direct app, while MoneySmart was in charge of the relevant Apple Watch screen designs. NRI and MoneySmart achieved a function that makes it easy to check deposit account balances simply by tapping the application icon on the Apple Watch and a function that provides notifications for pre-registered direct debit and credit transfers, such as rent debits and transfers into deposit accounts.

アップルウォッチ対応
銀行サービス 野村総研など開発

野村総合研究所は、みずほ銀行、マネースマートと、スマートフォン向けアプリケーション（応用ソフト）「みずほダイレクトアプリ」を使い、米アップルの腕時計型ウェアラブル端末「アップ」を本格的にサポートする。野村総研はみずほ銀行と共同で開発した。野村総研はみずほダイレクトアプリの、アップルウォッチに関連する機能を開発。マネースマートはユーザーインターフェイス分野などの強みを生かし、画面デザインを担当した。

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Nikkan Kogyo Shimbun,
June 24, 2015

2. Recent Activities

Joint production of security handbook for AWS use

- NRI, NRI Secure Technologies and Trend Micro jointly produced an information security handbook for companies using Amazon Web Services and began supplying it free of charge.
- In order to comply with the rules in each country while reducing the workload required accompanying use of AWS, the three companies produced the handbook based on the risk management regulations stipulated by the governments and industry groups in countries where many global corporations have located key sites.
- As the first step, the handbook was produced with the objective of complying with the strict guidelines for financial information systems stipulated in Singapore.
- By doing this, the handbook defines specifically what needs to be implemented when constructing a company's information system in the AWS environment, allowing stress-free use of AWS.

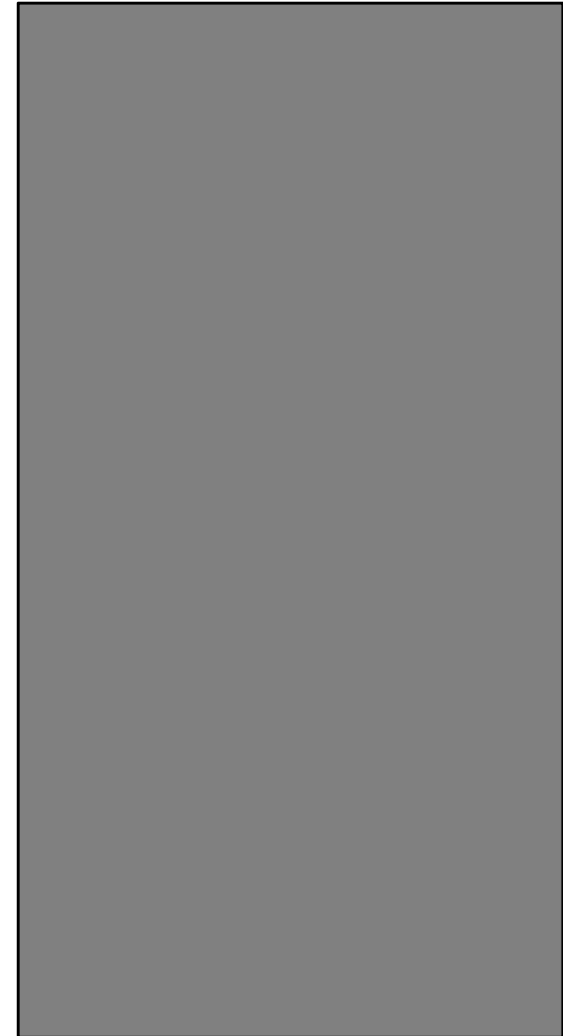


Nikkei Business Daily,
May 19, 2015

2. Recent Activities

Installation of detection function for removal of important information in privileged ID access control packages

- NRI Secure Technologies released a new package which installs a detection and notification function for the removal of companies' important information into SecureCube/Access Check, the privileged ID access control products it has supplied in the past. It is the first time for the function to be installed in domestic privileged ID access control products.
- There has been a succession of corporate and organizational information leaks caused by the dishonesty of insiders such as the employees of a company or its subcontractors, and preventative measures have become important to society.
- This function allows companies and organizations to efficiently check suspicious operations only out of the vast number of operations recorded. It not only reduces the auditing workload, but also paves the way to early detection of unauthorized removal of important information.



Nikkei Business Daily,
April 28, 2015

2. Recent Activities

Establishing NRI Mirai to promote employment of people with disabilities

- NRI established NRI Mirai Co., Ltd. (NRI Mirai), a new company to promote employment of people with disabilities, on July 1, 2015.
- The NRI Group has been promoting management that takes advantage of the diversity of employees. It is intended that the recently established NRI Mirai will engage in “health-keeping” operations for NRI Group company employees and office services operations for NRI Group companies.
- Moreover, it is planned to carry out research studies, dissemination of information, and policy proposals concerning the employment of people with disabilities and special subsidiary companies with the aim of spreading the employment of people with disabilities throughout society and paving the way to an expansion in their fields of occupation.
- Through this, NRI Mirai will extend the scope of diversity and support the independence of people with disabilities hired as employees.

**障害者雇用
促進の新会社**
野村総研

野村総合研究所は障害者雇用を促進する新会社「NRIみらい」(横浜)を7月1日に設立する。資本金は5000万円。野村総研グループ向けに清掃や社内便といったオフィス向けサービスのほか、顧客向けのビジネス支援業務を提供する。野村総研グループ向けに一定条件を満たした子会社を指す。国の認定を受ける。特別子会社は、障害者雇用の促進のために特別な配慮をしているかなどを調査する。2025年には80人規模に拡大する予定。データ入力や廃棄物の回収など、障害者の雇用や特別雇用の調査研究、政策の提言などを行う。

民間企業で従業員が50人以上の法定雇用率は現在2%。今後は精神障害者算定基礎に加わるなどして、18年度から新たに法定雇用率が引き上げられる予定。

Nikkan Kogyo Shimbun,
June 19, 2015

3. Others

Order Volume

(JPY million)

	1Q FY Mar. 2015	1Q FY Mar. 2016	Diff.	YoY Change
Consulting	8,928	8,511	(416)	(4.7%)
Financial IT Solutions	42,469	38,633	(3,836)	(9.0%)
Industrial IT Solutions	14,664	16,944	+2,280	+15.5%
IT Platform Services	4,003	3,702	(300)	(7.5%)
Other	3,620	2,606	(1,013)	(28.0%)
Total	73,686	70,399	(3,287)	(4.5%)

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)*	YoY	
				Diff.	Change
Sales	385.9	405.9	425.0	+19.0	+4.7%
Cost of Sales	276.6	289.2	300.0	+10.7	+3.7%
Personnel	70.1	74.8	82.0	+7.1	+9.5%
Subcontracting Costs	132.8	141.9	145.0	+3.0	+2.2%
Depreciation	32.9	24.6	33.0	+8.3	+34.0%
Gross Profit	109.2	116.7	125.0	+8.2	+7.0%
Gross Profit Margin	28.3%	28.8%	29.4%	+0.6P	
SG&A	59.4	65.2	67.0	+1.7	+2.6%
Operating Profit	49.8	51.4	58.0	+6.5	+12.7%
Operating Profit Margin	12.9%	12.7%	13.6%	+1.0P	

* Figures are consolidated estimates for preparing this earnings model.

3. Others - Supplementary explanation

Sales Forecasts by Segment for FY March 2016

【Full Year】

(JPY billion)

	FY Mar. 2015 (Results)	Share	FY Mar. 2016 (Forecasts)	Share	Diff.	YoY Change
Consulting	27.3	6.7%	29.0	6.8%	+1.6	+6.0%
Financial IT Solutions	237.1	58.4%	250.0	58.8%	+12.8	+5.4%
Securities	116.5	28.7%	124.0	29.2%	+7.4	+6.4%
Insurance	56.4	13.9%	60.0	14.1%	+3.5	+6.4%
Banking	34.5	8.5%	36.0	8.5%	+1.4	+4.1%
Other financial	29.5	7.3%	30.0	7.1%	+0.4	+1.4%
Industrial IT Solutions	95.5	23.5%	101.0	23.8%	+5.4	+5.7%
Distribution	46.3	11.4%	49.0	11.5%	+2.6	+5.6%
Manufacturing, service and other	49.1	12.1%	52.0	12.2%	+2.8	+5.7%
IT Platform Services	34.7	8.6%	34.0	8.0%	(0.7)	(2.2%)
Others	11.1	2.8%	11.0	2.6%	(0.1)	(1.5%)
Total	405.9	100.0%	425.0	100.0%	+19.0	+4.7%

3. Others - Supplementary explanation

Sales Forecasts by Service for FY March 2016

【Full Year】

(JPY billion)

	FY Mar. 2015 (Results)	Share	FY Mar. 2016 (Forecasts)	Share	Diff.	YoY Change
Consulting Services	47.1	11.6%	48.0	11.3%	+0.8	+1.9%
System Development & System Application Sales	136.7	33.7%	155.0	36.5%	+18.2	+13.4%
System Management & Operation Services	206.6	50.9%	215.0	50.6%	+8.3	+4.0%
Product Sales	15.4	3.8%	7.0	1.6%	(8.4)	(54.7%)
Total	405.9	100.0%	425.0	100.0%	+19.0	+4.7%

3. Others - Supplementary explanation

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

【Capital Expenditure, R&D】

(JPY billion)

	FY Mar. 2015 (Results)	FY Mar. 2016 (Forecasts)	Diff.	YoY Change
Capital Expenditure	31.0	45.0	+13.9	+44.8%
Tangible	8.3	21.0	+12.6	+151.5%
Intangible	22.7	24.0	+1.2	+5.6%
R&D	4.2	4.5	+0.2	+6.6%

【Depreciation and Amortization】

(JPY billion)

	FY Mar. 2015 (Results)	FY Mar. 2016 (Forecasts)	Diff.	YoY Change
Total	25.8	34.0	+8.1	+31.8%

3. Others - Supplementary explanation

FY March 2016 Financial Results Forecasts Reference Data (1H/2H)

(JPY billion)

【1H】	FY Mar. 2015 1H (Results)	FY Mar. 2016 1H (Forecasts)	Diff.	YoY Change
Sales	197.3	210.0	+12.6	+6.4%
Operating Profit	22.1	28.0	+5.8	+26.5%
Operating Profit Margin	11.2%	13.3%	+2.1P	
Profit attributable to owners of parent	23.4	20.0	(3.4)	(14.6%)
【2H】	FY Mar. 2015 2H (Results)	FY Mar. 2016 2H (Forecasts)	Diff.	YoY Change
Sales	208.6	215.0	+6.3	+3.0%
Operating Profit	29.3	30.0	+0.6	+2.2%
Operating Profit Margin	14.1%	14.0%	(0.1P)	
Profit attributable to owners of parent	15.4	21.0	+5.5	+35.7%

3. Others - Supplementary explanation

Sales Forecasts by Segment for FY March 2016 (1H/2H)

(JPY billion)

【1H】	FY Mar. 2015 1H (Results)	Share	FY Mar. 2016 1H (Forecasts)	Share	Diff.	YoY Change
Consulting	12.6	6.4%	13.0	6.2%	+0.3	+3.1%
Financial IT Solutions	114.9	58.3%	127.0	60.5%	+12.0	+10.5%
Securities	57.6	29.2%	64.0	30.5%	+6.3	+10.9%
Insurance	26.0	13.2%	30.0	14.3%	+3.9	+15.3%
Banking	17.1	8.7%	18.0	8.6%	+0.8	+5.2%
Other financial	14.1	7.2%	15.0	7.1%	+0.8	+5.9%
Industrial IT Solutions	47.2	23.9%	49.0	23.3%	+1.7	+3.8%
Distribution	22.8	11.6%	24.0	11.4%	+1.1	+5.0%
Manufacturing, service and other	24.3	12.3%	25.0	11.9%	+0.6	+2.7%
IT Platform Services	17.0	8.6%	15.5	7.4%	(1.5)	(8.8%)
Others	5.5	2.8%	5.5	2.6%	(0.0)	(0.9%)
Total	197.3	100.0%	210.0	100.0%	+12.6	+6.4%
【2H】	FY Mar. 2015 2H (Results)	Share	FY Mar. 2016 2H (Forecasts)	Share	Diff.	YoY Change
Consulting	14.7	7.1%	16.0	7.4%	+1.2	+8.5%
Financial IT Solutions	122.1	58.5%	123.0	57.2%	+0.8	+0.7%
Securities	58.8	28.2%	60.0	27.9%	+1.1	+2.0%
Insurance	30.4	14.6%	30.0	14.0%	(0.4)	(1.3%)
Banking	17.4	8.4%	18.0	8.4%	+0.5	+3.0%
Other financial	15.4	7.4%	15.0	7.0%	(0.4)	(2.7%)
Industrial IT Solutions	48.3	23.2%	52.0	24.2%	+3.6	+7.5%
Distribution	23.5	11.3%	25.0	11.6%	+1.4	+6.2%
Manufacturing, service and other	24.8	11.9%	27.0	12.6%	+2.1	+8.8%
IT Platform Services	17.7	8.5%	18.5	8.6%	+0.7	+4.1%
Others	5.6	2.7%	5.5	2.6%	(0.1)	(2.1%)
Total	208.6	100.0%	215.0	100.0%	+6.3	+3.0%

3. Others - Supplementary explanation

Sales Forecasts by Service for FY March 2016 (1H/2H)

(JPY billion)

【1H】	FY Mar. 2015 1H (Results)		Share	FY Mar. 2016 1H (Forecasts)		Diff.	YoY Change
	Consulting Services	21.3	10.8%	22.0	10.5%	+0.6	+3.3%
	System Development & System Application Sales	67.3	34.2%	79.0	37.6%	+11.6	+17.2%
	System Management & Operation Services	100.7	51.0%	105.0	50.0%	+4.2	+4.3%
	Product Sales	7.9	4.0%	4.0	1.9%	(3.9)	(49.6%)
	Total	197.3	100.0%	210.0	100.0%	+12.6	+6.4%
【2H】	FY Mar. 2015 2H (Results)		Share	FY Mar. 2016 2H (Forecasts)		Diff.	YoY Change
	Consulting Services	25.8	12.4%	26.0	12.1%	+0.1	+0.7%
	System Development & System Application Sales	69.3	33.2%	76.0	35.3%	+6.6	+9.6%
	System Management & Operation Services	105.9	50.8%	110.0	51.2%	+4.0	+3.8%
	Product Sales	7.5	3.6%	3.0	1.4%	(4.5)	(60.1%)
	Total	208.6	100.0%	215.0	100.0%	+6.3	+3.0%

3. Others - Communications

Forum, etc.



May 2015
Presentation at Japan-Russia Forum 2015



July 2015
Presentation at IT Japan 2015

Publications



Examples of books published since April 2015