

Financial Results Presentation

Financial Results for the year ended 31st March, 2014
and Financial Results Forecast for the year ending 31st March, 2015

April 24, 2014

Nomura Research Institute, Ltd.

Tadashi Shimamoto,
President & CEO



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Highlights of Consolidated Financial Results

(JPY million)				
	FY Mar. 2013	FY Mar. 2014	Diff.	YoY Change
Sales	363,891	385,932	+22,040	+6.1%
Operating Profit	43,967	49,816	+5,849	+13.3%
Operating Profit Margin	12.1%	12.9%	+0.8P	
Net Income	28,612	31,527	+2,914	+10.2%
Earnings Per Share	¥145.29	¥158.75	+¥13.46	
Dividends Per Share	¥52.00	¥56.00	+¥4.00	
Payout Ratio	36.6%	35.9%	(0.7P)	
Return On Equity	10.5%	10.2%	(0.3P)	

Comparison to Forecasts (1)

(JPY billion)

	FY Mar. 2013	FY Mar. 2014		
	Results	Forecasts*	Results	Diff.
Sales	363.8	380.0	385.9	+5.9
Operating Profit	43.9	50.0	49.8	(0.1)
Operating Profit Margin	12.1%	13.2%	12.9%	(0.2P)
Net Income	28.6	32.0	31.5	(0.4)

* Forecasts were announced on January 30, 2014

Comparison to Forecasts (2)

(JPY billion)

Sales by Segment	FY Mar. 2013	FY Mar. 2014		
	Results	Forecasts*	Results	Diff.
Consulting	22.7	25.0	25.6	+0.6
Financial IT Solutions	219.7	222.0	225.3	+3.3
Securities	115.9	112.0	115.6	+3.6
Insurance	50.1	51.0	49.8	(1.1)
Banking	27.9	31.0	31.7	+0.7
Other financial	25.7	28.0	28.0	+0.0
Industrial IT Solutions	83.6	86.0	87.3	+1.3
Distribution	44.8	43.5	44.0	+0.5
Manufacturing, service and other	38.8	42.5	43.2	+0.7
IT Platform Services	28.8	37.0	37.5	+0.5
Others	8.9	10.0	10.0	+0.0
Sales by Service	Results	Forecasts*	Results	Diff.
Consulting Services	39.0	41.0	42.2	+1.2
System Development & System Application Sales	140.4	144.0	143.2	(0.7)
System Management & Operation Services	174.9	185.0	187.3	+2.3
Product Sales	9.3	10.0	13.1	+3.1
Total	363.8	380.0	385.9	+5.9

Key Factors in Financial Results for March 2014

● Sales up 6.1%, increasing across all segments

- Consulting up 12.6% as public and private sector demand remained high throughout the year.
- Financial IT Solutions up 2.5% due to system changes (NISA), an increase in clients for shared services, demand to upgrade older systems, and increased sales from active securities markets.
- Industrial IT Solutions up 4.4% due to factors such as results derived from activities to expand the client base in the manufacturing and service industries.
- IT Platform Services up 30.3% due to an increase in services to meet upgrade demand for IT infrastructure.

● Operating profit up 13.3%

- For Consulting, profit rose 68.1% due to improved operating rates from increased sales.
- For Financial IT Solutions, profit rose 24.8% due to factors including improved operating rates, increased sales linked to securities markets, and the reduced impact of unprofitable projects that arose in the previous fiscal year.
- For Industrial IT Solutions, profit rose 29.8% due to the improved profitability of projects driven by better business conditions.
- For IT Platform Services, profit fell 35.7% due to additional costs from unprofitable projects (in 2Q, 3Q and 4Q), and an increase in depreciation costs from the launch of a new data center.

Sales by Segment

(JPY million)						
	FY Mar. 2013	Share	FY Mar. 2014	Share	Diff.	YoY Change
Consulting	22,761	6.3%	25,631	6.6%	+2,870	+12.6%
Financial IT Solutions	219,754	60.4%	225,313	58.4%	+5,559	+2.5%
Securities	115,904	31.9%	115,646	30.0%	(257)	(0.2%)
Insurance	50,162	13.8%	49,813	12.9%	(348)	(0.7%)
Banking	27,909	7.7%	31,763	8.2%	+3,853	+13.8%
Other financial	25,778	7.1%	28,090	7.3%	+2,312	+9.0%
Industrial IT Solutions	83,615	23.0%	87,322	22.6%	+3,707	+4.4%
Distribution	44,806	12.3%	44,066	11.4%	(739)	(1.7%)
Manufacturing, service and other	38,808	10.7%	43,255	11.2%	+4,446	+11.5%
IT Platform Services	28,850	7.9%	37,579	9.7%	+8,729	+30.3%
Others	8,910	2.4%	10,085	2.6%	+1,174	+13.2%
Total	363,891	100.0%	385,932	100.0%	+22,040	+6.1%
Nomura Holdings	100,984	27.8%	90,688	23.5%	(10,296)	(10.2%)
Seven & i Holdings	44,984	12.4%	40,888	10.6%	(4,096)	(9.1%)

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

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Segment performance results

■ Including Inter-segment sales for each segment

(JPY million)

		FY Mar. 2013	FY Mar. 2014	Diff.	YoY Change
Consulting	Sales	22,908	25,820	+2,911	+12.7%
	OP	2,801	4,708	+1,906	+68.1%
	OPM	12.2%	18.2%	+6.0P	
Financial IT Solutions	Sales	219,916	225,345	+5,429	+2.5%
	OP	22,280	27,809	+5,528	+24.8%
	OPM	10.1%	12.3%	+2.2P	
Industrial IT Solutions	Sales	83,662	87,389	+3,726	+4.5%
	OP	6,478	8,408	+1,930	+29.8%
	OPM	7.7%	9.6%	+1.9P	
IT Platform Services	Sales	103,376	114,624	+11,247	+10.9%
	OP	10,059	6,470	(3,589)	(35.7%)
	OPM	9.7%	5.6%	(4.1P)	

Sales by Service

(JPY million)

	FY Mar. 2013	Share	FY Mar. 2014	Share	Diff.	YoY Change
Consulting Services	39,078	10.7%	42,233	10.9%	+3,154	+8.1%
System Development & System Application Sales	140,478	38.6%	143,213	37.1%	+2,734	+1.9%
System Management & Operation Services	174,990	48.1%	187,361	48.5%	+12,371	+7.1%
Product Sales	9,344	2.6%	13,124	3.4%	+3,780	+40.5%
Total	363,891	100.0%	385,932	100.0%	+22,040	+6.1%

P/L Highlight

(JPY million)

	FY Mar. 2013	FY Mar. 2014	Diff.	YoY Change
Sales	363,891	385,932	+22,040	+6.1%
Cost of Sales	262,315	276,664	+14,349	+5.5%
Subcontracting Costs	116,166	132,825	+16,659	+14.3%
Gross Profit	101,575	109,267	+7,691	+7.6%
Gross Profit Margin	27.9%	28.3%	+0.4P	
SG&A	57,608	59,450	+1,842	+3.2%
Operating Profit	43,967	49,816	+5,849	+13.3%
Operating Profit Margin	12.1%	12.9%	+0.8P	

P/L Highlight continued

	(JPY million)			
	FY Mar. 2013	FY Mar. 2014	Diff.	YoY Change
Operating Profit	43,967	49,816	+5,849	+13.3%
Non-operating income and loss	1,891	2,544	+652	
Dividend Income	931	1,624	+692	
Equity in earnings of affiliates	339	532	+193	
Extraordinary income and loss	(2,988)	349	+3,337	
Gain on negative goodwill	4,661	—	(4,661)	
Loss on Sales of property and equipment	(7,732)	—	+7,732	
Income taxes etc.	14,261	21,175	+6,913	
Net Income	28,612	31,527	+2,914	+10.2%

Cash Flow

			(JPY million)
	FY Mar. 2013	FY Mar. 2014	YoY Change
Operating activities	68,600	33,839	(50.7%)
Investing activities	(36,019)	(32,234)	(10.5%)
(Except Cash management purpose)	(34,055)	(38,086)	+11.8%
Free Cash Flow	32,580	1,605	(95.1%)
(Except Cash management purpose)	34,544	(4,246)	(112.3%)
Financing activities	(10,723)	(8,773)	(18.2%)
Net increase in Cash and cash equivalents	22,579	(6,830)	(130.3%)
(Except Cash management purpose)	24,543	(12,682)	(151.7%)
Cash and cash equivalents at end of year	99,623	92,792	(6.9%)
Cash and cash equivalents + Cash Management purpose investment	145,974	133,350	(8.6%)

Order Backlog (Outstanding)

(JPY million)

	At end of March 2013	At end of March 2014	Diff.	YoY Change
Consulting	4,641	4,584	(56)	(1.2%)
Financial IT Solutions	118,645	129,548	+10,903	+9.2%
Industrial IT Solutions	50,930	51,688	+757	+1.5%
IT Platform Services	14,222	20,769	+6,547	+46.0%
Other	2,572	2,610	+38	+1.5%
Total	191,012	209,202	+18,189	+9.5%
Order backlog in the next FY	190,265	205,218	+14,952	+7.9%

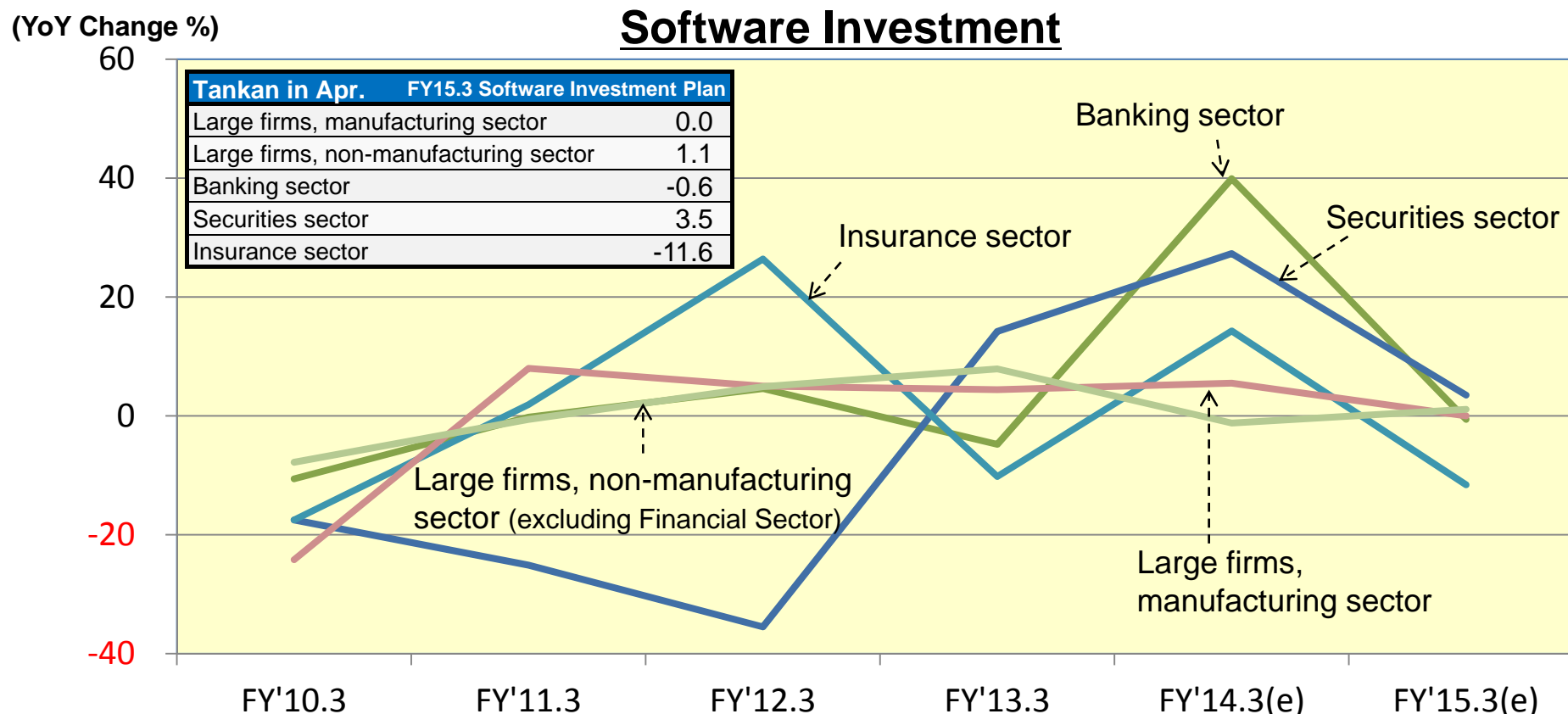
1. Financial Results for FY March 2014

2. Financial Results Forecasts for FY March 2015

3. Priority Measures for Medium to Long-term Growth

Assessing Business Environment (BOJ Tankan Survey)

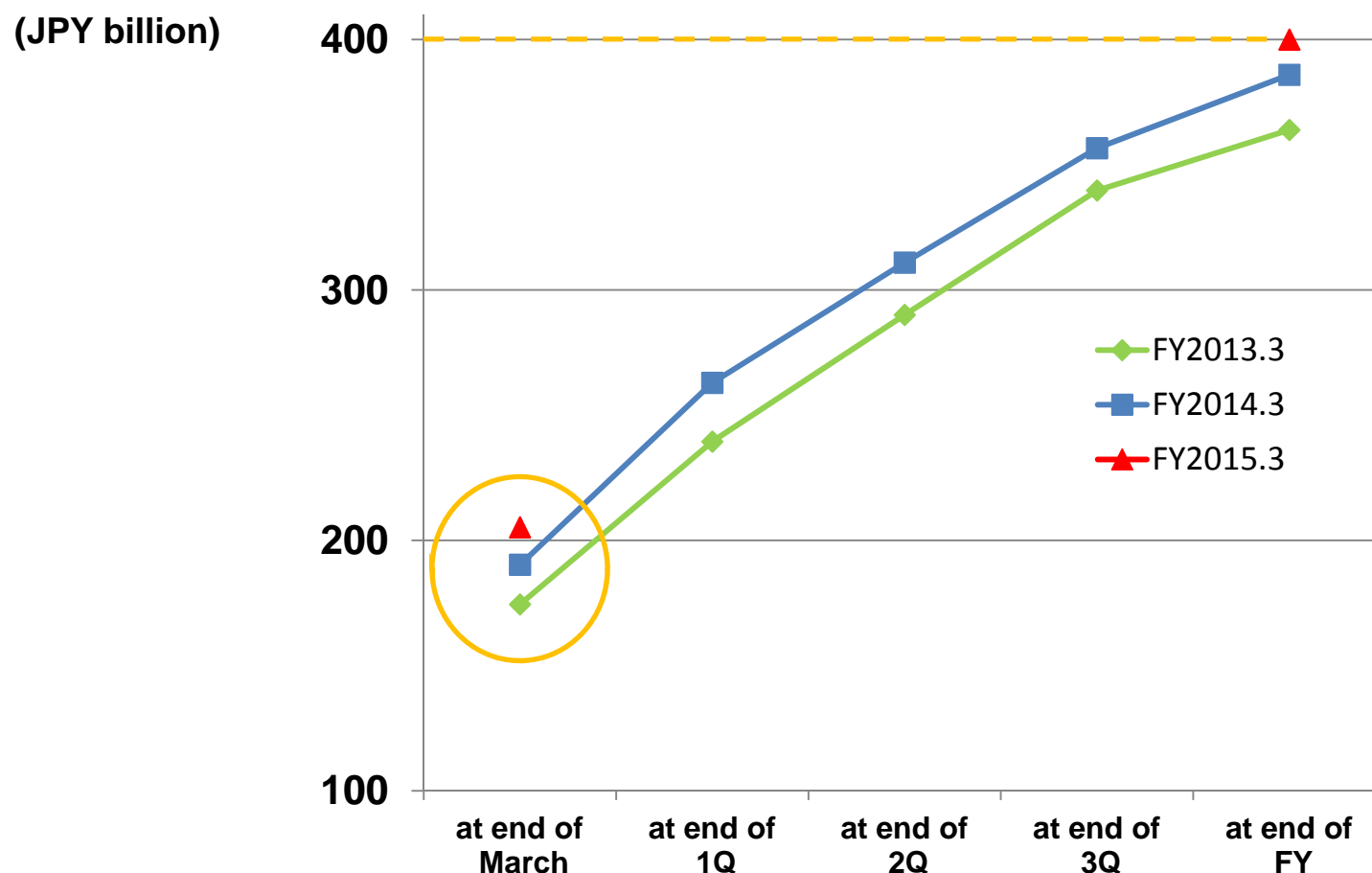
- High growth rate (8.6% increase year-on-year) projected for software investment in FY2013
- Software investment projected to remain level (0.9% increase year-on-year) in FY2014, but staying at a high level



Sales + Consolidated Order Backlog

- Initial order backlog (of which current fiscal year) is solid








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 2015

Consulting		<ul style="list-style-type: none"> • Operations consulting, public sector projects, operation x IT consulting, support IT department restructuring (PMO, etc.), and global projects, etc.
Financial IT Solutions		
Securities		<ul style="list-style-type: none"> • Upgrade IT systems at Nomura Securities in Japan, and further strengthen relations • Expand features of STAR-IV and other shared services, and acquire new clients • Strengthen and promote securities BPO business
Insurance		<ul style="list-style-type: none"> • Make certain to capitalize on large projects for existing clients • Expand business of life and non-life insurance companies
Banking		<ul style="list-style-type: none"> • Encourage mega-banks to introduce Bestway/JJ • Expand sales for Value Direct
Other financial		<ul style="list-style-type: none"> • Expand features and sales of shared services • 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 package solutions, promote global projects, and strengthen area marketing

Key Factors in Earnings Forecast for FY March 2015

- **Aiming for all-time highs for net sales, operating profits, and net income**

- Consulting and IT demand from clients forecasted to remain strong
- Aiming to increase sales by 3.6%, driven mostly by higher sales from IT solutions for the finance industry
- Continue tackling new industries while targeting operating profit ratio above 13%

Forecasts for FY March 2015

【Full Year】

(JPY billion)

	FY Mar. 2014 (Results)	FY Mar. 2015 (Forecasts)	Diff.	YoY Change
Sales	385.9	400.0	+14.0	+3.6%
Operating Profit	49.8	53.0	+3.1	+6.4%
Operating Profit Margin	12.9%	13.3%	+0.3P	
Net Income	31.5	35.0	+3.4	+11.0%
Earnings Per Share	¥158.75	¥175.57	+¥16.82	
Dividends Per Share	¥56.00	¥60.00	+¥4.00	+7.1%
Payout Ratio	35.9%	34.7%	(1.2P)	
Return On Equity	10.2%	10.4%	+0.2P	

Sales Forecasts by Segment for FY March 2015

【Full Year】

(JPY billion)

	FY Mar. 2014 (Results)	Share	FY Mar. 2015 (Forecasts)	Share	Diff.	YoY Change
Consulting	25.6	6.6%	26.0	6.5%	+0.3	+1.4%
Financial IT Solutions	225.3	58.4%	237.0	59.3%	+11.6	+5.2%
Securities	115.6	30.0%	120.0	30.0%	+4.3	+3.8%
Insurance	49.8	12.9%	55.0	13.8%	+5.1	+10.4%
Banking	31.7	8.2%	33.0	8.3%	+1.2	+3.9%
Other financial	28.0	7.3%	29.0	7.3%	+0.9	+3.2%
Industrial IT Solutions	87.3	22.6%	89.0	22.3%	+1.6	+1.9%
Distribution	44.0	11.4%	45.0	11.3%	+0.9	+2.1%
Manufacturing, service and other	43.2	11.2%	44.0	11.0%	+0.7	+1.7%
IT Platform Services	37.5	9.7%	37.5	9.4%	(0.0)	(0.2%)
Others	10.0	2.6%	10.5	2.6%	+0.4	+4.1%
Total	385.9	100.0%	400.0	100.0%	+14.0	+3.6%

Sales Forecasts by Service for FY March 2015

【Full Year】

(JPY billion)

	FY Mar. 2014 (Results)	Share	FY Mar. 2015 (Forecasts)	Share	Diff.	YoY Change
Consulting Services	42.2	10.9%	43.0	10.8%	+0.7	+1.8%
System Development & System Application Sales	143.2	37.1%	147.0	36.8%	+3.7	+2.6%
System Management & Operation Services	187.3	48.5%	200.0	50.0%	+12.6	+6.7%
Product Sales	13.1	3.4%	10.0	2.5%	(3.1)	(23.8%)
Total	385.9	100.0%	400.0	100.0%	+14.0	+3.6%

CAPEX, R&D and Depreciation Forecasts for FY March 2015

(JPY billion)

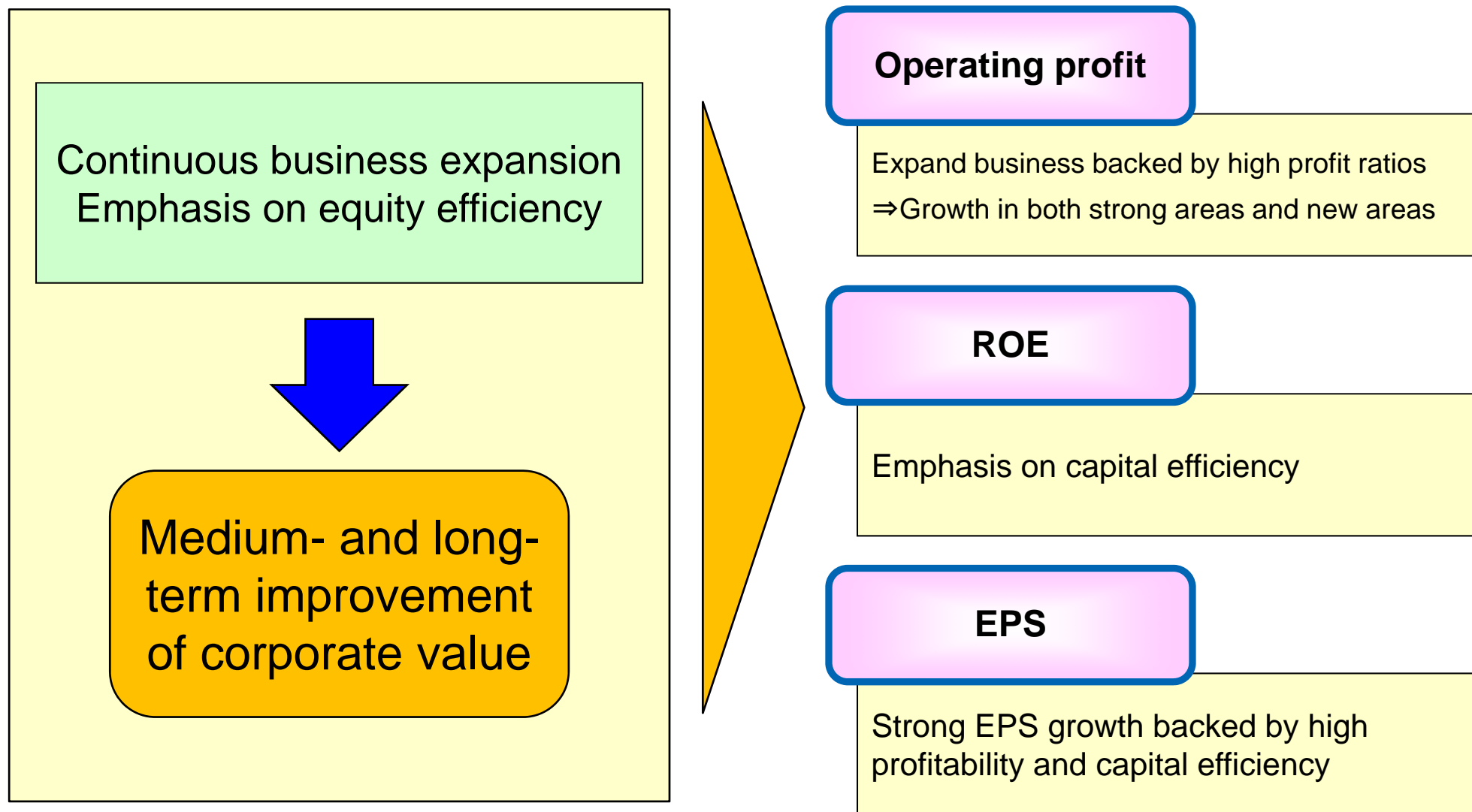
【Capital Expenditure, R&D】

	FY Mar. 2014 (Results)	FY Mar. 2015 (Forecasts)	Diff.	YoY Change
Capital Expenditure	33.8	34.0	+0.1	+0.4%
Tangible	11.2	12.0	+0.7	+7.0%
Intangible	22.6	22.0	(0.6)	(2.9%)
R&D	3.9	4.0	+0.0	+2.5%

【Depreciation and Amortization】

	FY Mar. 2014 (Results)	FY Mar. 2015 (Forecasts)	Diff.	YoY Change
Total	34.1	27.0	(7.1)	(20.9%)

New Management Indicators



1. Financial Results for FY March 2014

2. Financial Results Forecasts for FY March 2015

3. Priority Measures for Medium to Long-term Growth

Long-Term Vision: “Vision 2015”

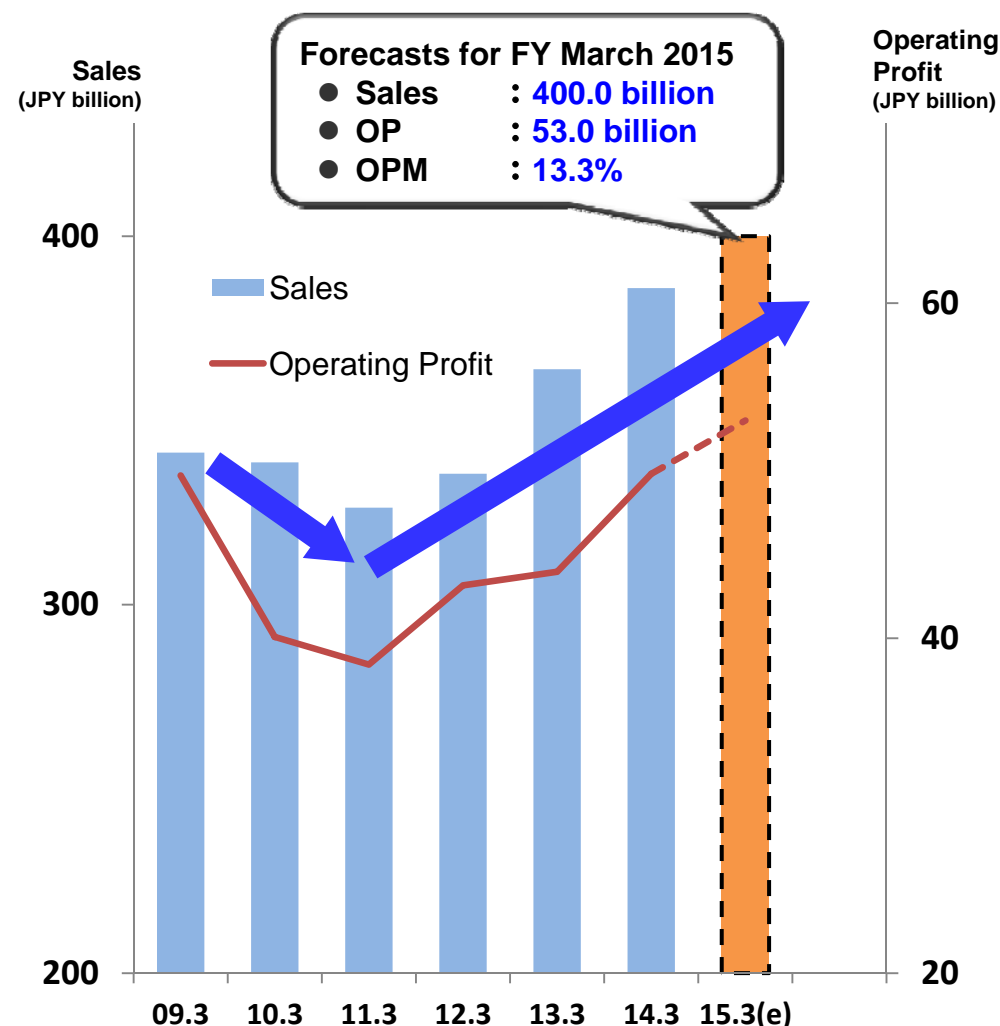
Increased advancement of services in financial sector

Reinforcement and expansion of Business in China and Asia

Expansion into industrial sectors

Productivity improvement and human resource development

Growth potential: **7% growth** target
Profitability: **13% OPM** or more
Strong business portfolio



Strategies Emphasized in Current Fiscal Year

■ Consulting

- Expand client base, business and overseas consulting, structural changes in IT segment

■ Financial IT Solutions

- Upgrade IT systems of Nomura Securities in Japan
- Development of STAR business
- Expand business for industry-standard business platforms
- Expand business for insurance sector
- Strengthen business tie-up with Daiko Clearing Services

■ Industrial IT Solutions

- Expand client base

■ Global

- Strengthen and expand global business

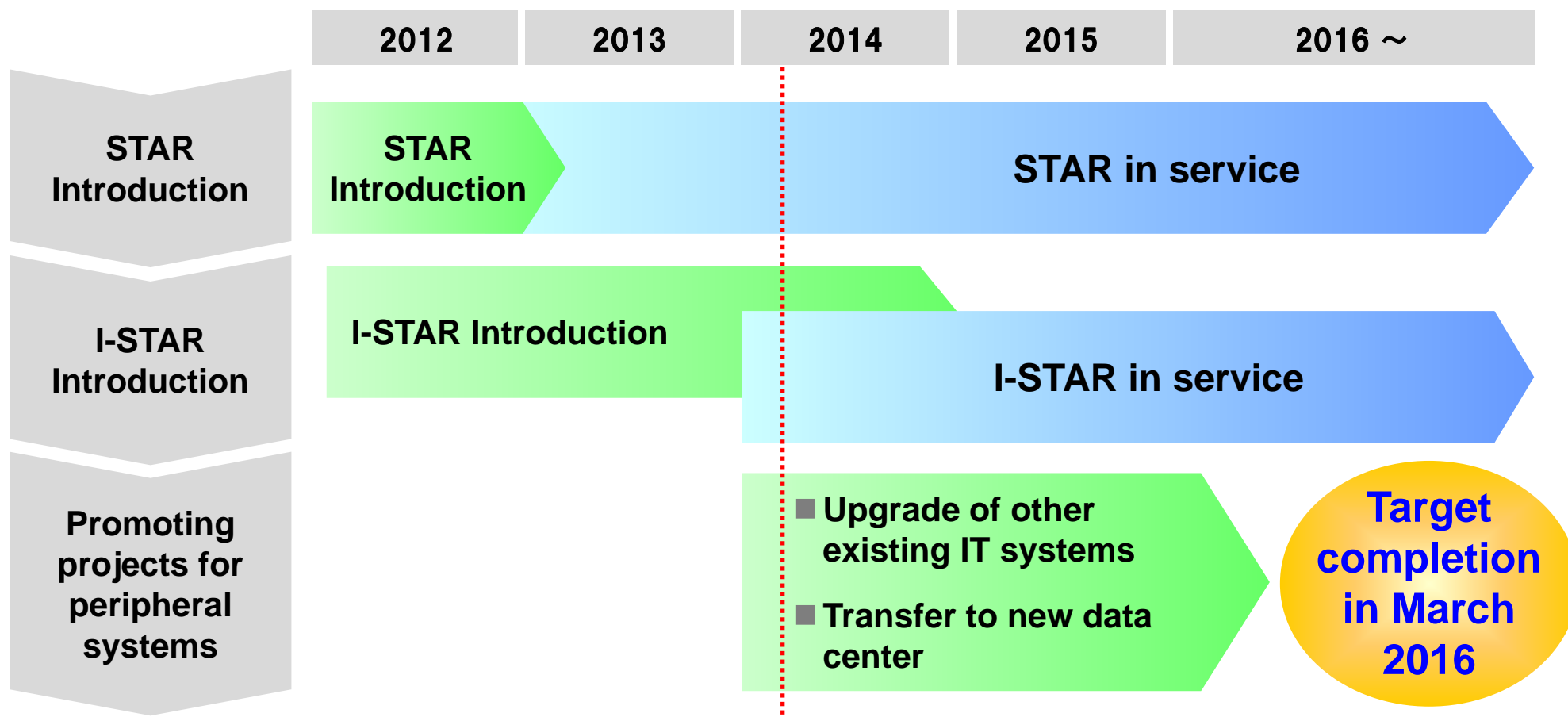
■ IT Platform Services

- Build new data center in Kansai area

Upgrade IT systems of Nomura Securities in Japan

➤ Steady progress toward project completion

- Currently promoting I-STAR introduction and projects for peripheral systems



Expand Finance IT Business

➤ Further expand IT solutions for finance industry as an area of strength

Development of STAR business



Users: **63** companies*

- Build and strengthen relationships with clients through sales efforts by upper management
- **Strengthen business tie-up with Daiko Clearing Services**
⇒ Supply high added value (IT × BPO) services

Expand industry-standard business platforms

Expand client base

- STAR-IV
- Bestway/JJ
- I-STAR/LC

Acquire new clients

- Value Direct
- SmartBridge Advance

Global

- I-STAR/GV

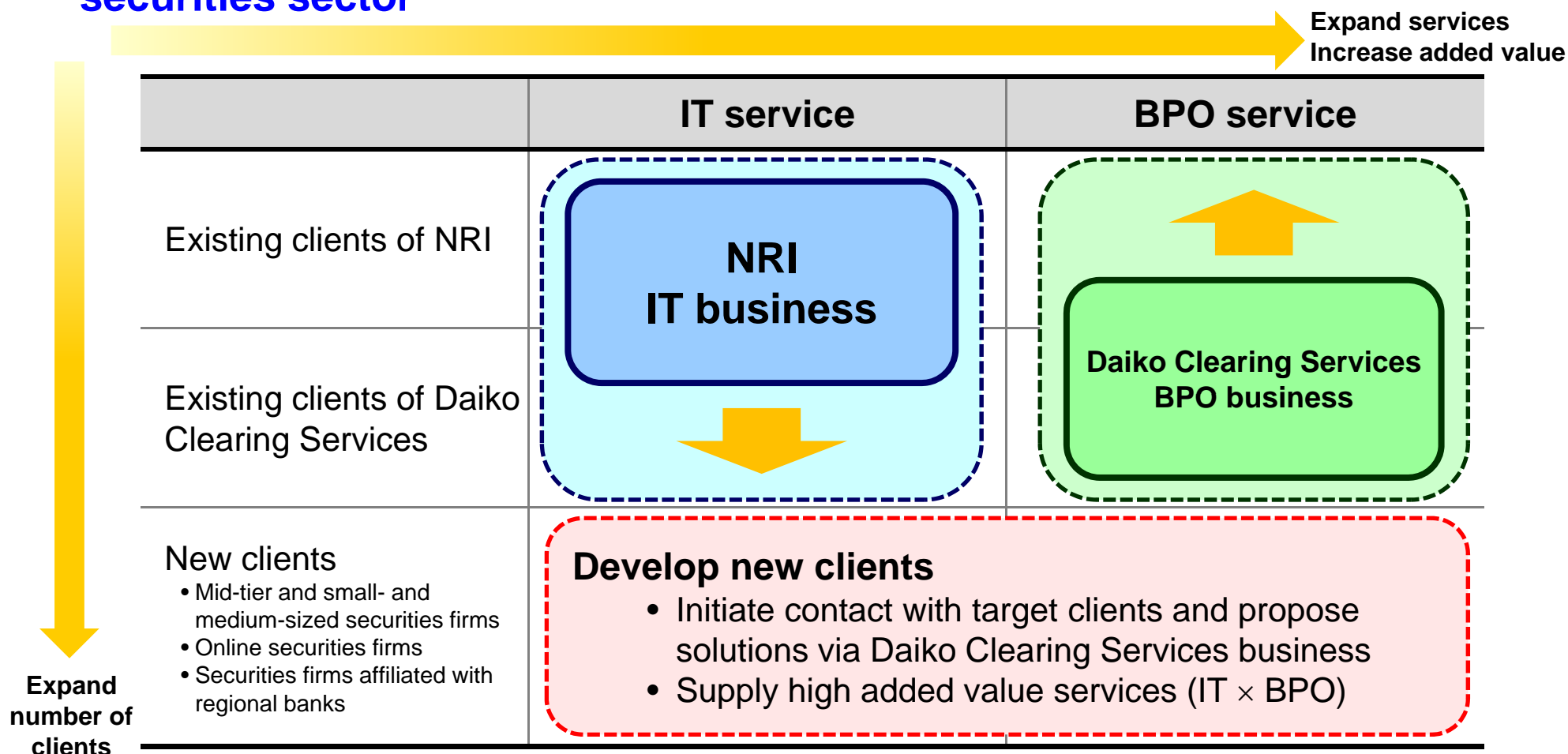
Expand business for insurance sector

■ Precisely support client needs and endeavor to expand business

- Large enhancement projects
- Support next-generation systems
- Support host integration
- Support aging systems
- PMO in system rebuilding

Strengthen Business Tie-Up with Daiko Clearing Services

- Increase the synergies between NRI's **IT services** and Daiko Clearing Services' **BPO service**, supplying high added value solutions for the securities sector



Expand the Client Base

➤ Further cultivate existing clients and develop new clients to expand the scale of business

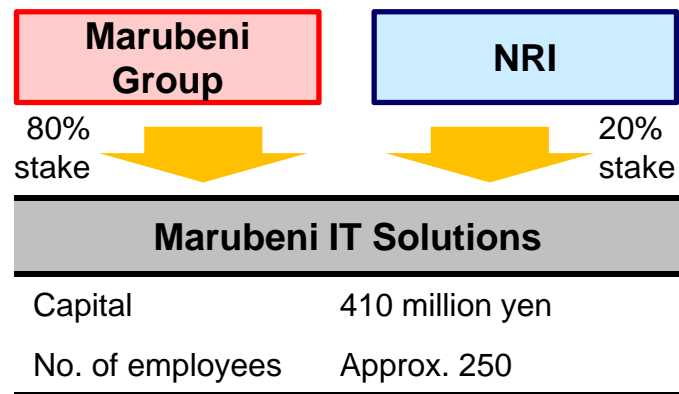
Further cultivate **three** major clients

- Further strengthen relationships and cultivate clients to expand the scale of business

Develop **seven** other companies into major clients

- Capture projects by supporting clients' structural changes in IT departments

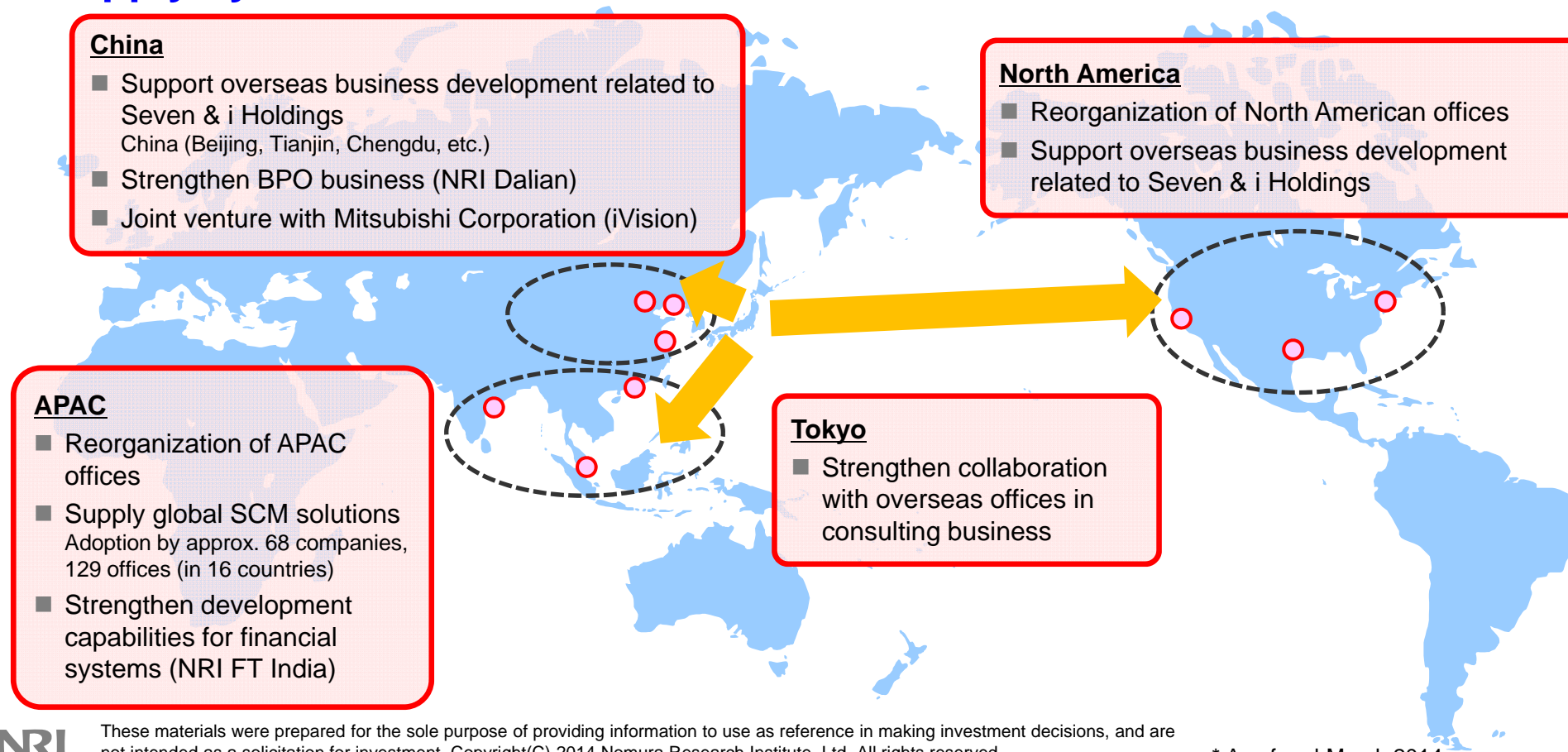
Develop and expand new business through tie-up with Marubeni



- Strengthen IT platform and business systems for Marubeni Group
- Supply solutions that leverage new technologies, for clients outside of Marubeni Group

Strengthen and Expand the Global Business

- **Consulting Business: Collaboration between Tokyo and overseas offices to strategically capture project orders**
- **IT Services Business: Support overseas expansion by Japanese companies, supply systems to local overseas subsidiaries**



Build New Data Center in Kansai Area

- Build new data center in Kansai area
- Partner with TIS to respond to growing demand for data centers in Kansai area

<Kansai Area>

New Data Center

- Tier 4 data center
- Security and control services, meeting security standards for financial institutions*

* FISC Security Guidelines

Data Center Overview

Location	: Hokusetsu area, Osaka
Scheduled to Start	: Summer of 2016
Square Footage	: Approx. 15,000 m ²
Building Specs	: Base isolated construction, dedicated data center facility
Facilities Specs	: Meets FISC Security Guidelines, Tier 4 level

Osaka Data Center



<Kanto Area>

Tokyo Data Center I



Yokohama Data Center I



Yokohama Data Center II



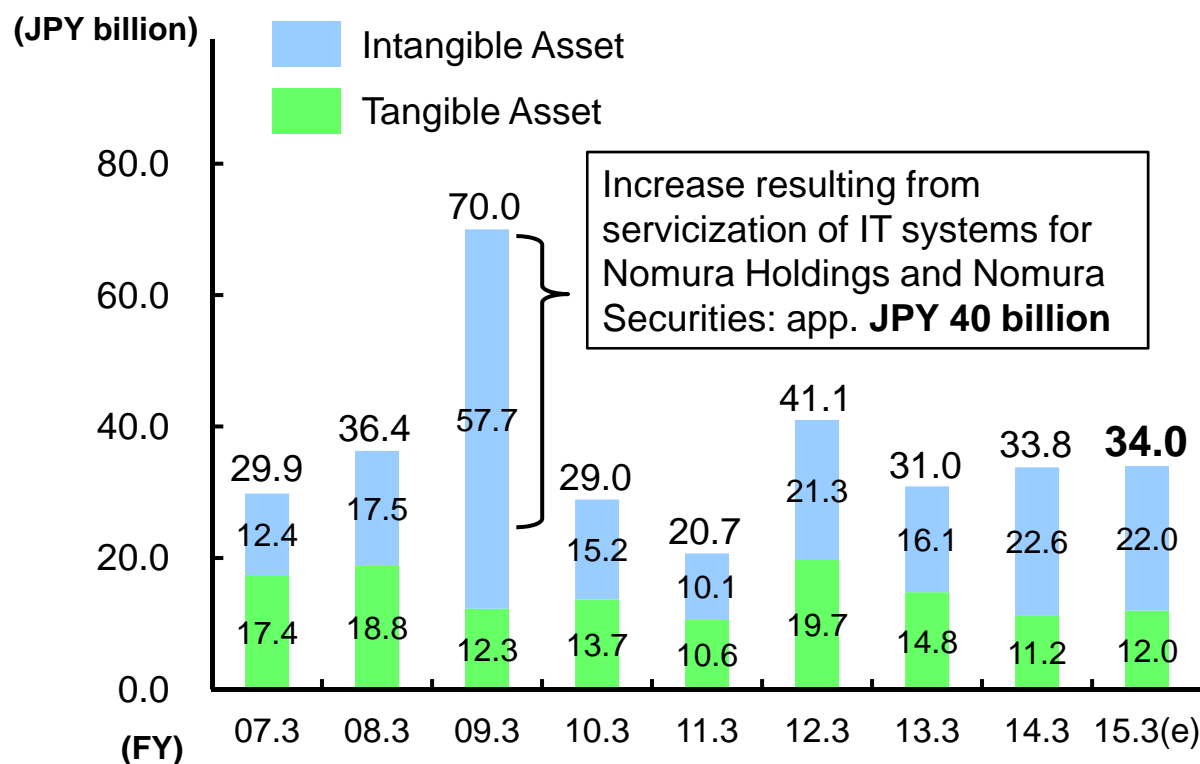
Hiyoshi Data Center



Capital Investments

➤ Capital expenditure forecast to be ¥34.0 billion

Trends in capital investments



Investment in intangible fixed assets

- Investment in shared-online services to support financial regulatory changes, etc.

Investment in tangible fixed assets

- Construction of financial cloud
- Updating of data center-related facilities, etc.

Depreciation	19.7	16.5	20.7	30.9	30.6	30.8	42.4	34.1	27.0
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(JPY billion)

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

Order Volume

(JPY million)

	FY Mar. 2013	FY Mar. 2014	Diff.	YoY Change
Consulting	23,816	25,575	+1,758	+7.4%
Financial IT Solutions	227,820	236,216	+8,396	+3.7%
Industrial IT Solutions	90,999	88,079	(2,920)	(3.2%)
IT Platform Services	27,578	44,127	+16,549	+60.0%
Other	9,446	10,123	+676	+7.2%
Total	379,661	404,122	+24,460	+6.4%

1. Other Financial Result-related Data

Highlights of Consolidated Financial Results <4Q>

(JPY million)

	4Q FY Mar. 2013 (Jan.-Mar.)	4Q FY Mar. 2014 (Jan.-Mar.)	Diff.	YoY Change
Sales	103,531	106,472	+2,940	+2.8%
Operating Profit	12,706	13,780	+1,073	+8.4%
Operating Profit Margin	12.3%	12.9%	+0.7P	
Net Income	8,129	7,415	(714)	(8.8%)

1. Other Financial Result-related Data

Sales by Segment <4Q>

(JPY million)						
	4Q FY Mar. 2013 (Jan.-Mar.)	Share	4Q FY Mar. 2014 (Jan.-Mar.)	Share	Diff.	YoY Change
Consulting	6,232	6.0%	7,353	6.9%	+1,120	+18.0%
Financial IT Solutions	65,203	63.0%	62,405	58.6%	(2,797)	(4.3%)
Securities	38,916	37.6%	33,252	31.2%	(5,663)	(14.6%)
Insurance	11,683	11.3%	13,269	12.5%	+1,585	+13.6%
Banking	7,606	7.3%	8,980	8.4%	+1,374	+18.1%
Other financial	6,996	6.8%	6,902	6.5%	(93)	(1.3%)
Industrial IT Solutions	22,448	21.7%	23,439	22.0%	+991	+4.4%
Distribution	11,584	11.2%	11,335	10.6%	(248)	(2.1%)
Manufacturing, service and other	10,864	10.5%	12,104	11.4%	+1,240	+11.4%
IT Platform Services	7,310	7.1%	10,446	9.8%	+3,136	+42.9%
Others	2,336	2.3%	2,826	2.7%	+490	+21.0%
Total	103,531	100.0%	106,472	100.0%	+2,940	+2.8%
Nomura Holdings	34,208	33.0%	26,821	25.2%	(7,386)	(21.6%)
Seven & i Holdings	11,547	11.2%	11,028	10.4%	(518)	(4.5%)

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

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1. Other Financial Result-related Data

Segment performance results <4Q>

■ Including Inter-segment sales for each segment

(JPY million)

		4Q FY Mar. 2013 (Jan.-Mar.)	4Q FY Mar. 2014 (Jan.-Mar.)	Diff.	YoY Change
Consulting	Sales	6,294	7,403	+1,109	+17.6%
	OP	906	1,484	+578	+63.8%
	OPM	14.4%	20.1%	+5.7P	
Financial IT Solutions	Sales	65,242	62,424	(2,817)	(4.3%)
	OP	7,493	7,891	+397	+5.3%
	OPM	11.5%	12.6%	+1.2P	
Industrial IT Solutions	Sales	22,464	23,458	+994	+4.4%
	OP	1,960	2,216	+255	+13.0%
	OPM	8.7%	9.4%	+0.7P	
IT Platform Services	Sales	25,837	31,474	+5,636	+21.8%
	OP	1,819	1,481	(338)	(18.6%)
	OPM	7.0%	4.7%	(2.3P)	

1. Other Financial Result-related Data

Sales by Service <4Q>

(JPY million)

	4Q FY Mar. 2013 (Jan.-Mar.)	Share	4Q FY Mar. 2014 (Jan.-Mar.)	Share	Diff.	YoY Change
Consulting Services	10,718	10.4%	12,299	11.6%	+1,580	+14.7%
System Development & System Application Sales	42,628	41.2%	40,090	37.7%	(2,538)	(6.0%)
System Management & Operation Services	47,228	45.6%	49,213	46.2%	+1,984	+4.2%
Product Sales	2,955	2.9%	4,869	4.6%	+1,914	+64.8%
Total	103,531	100.0%	106,472	100.0%	+2,940	+2.8%

1. Other Financial Result-related Data

P/L Highlight <4Q>

	(JPY million)			
	4Q FY Mar. 2013 (Jan.-Mar.)	4Q FY Mar. 2014 (Jan.-Mar.)	Diff.	YoY Change
Sales	103,531	106,472	+2,940	+2.8%
Cost of Sales	76,208	77,078	+870	+1.1%
Subcontracting Costs	27,838	37,472	+9,633	+34.6%
Gross Profit	27,323	29,393	+2,070	+7.6%
Gross Profit Margin	26.4%	27.6%	+1.2P	
SG&A	14,616	15,613	+996	+6.8%
Operating Profit	12,706	13,780	+1,073	+8.4%
Operating Profit Margin	12.3%	12.9%	+0.7P	

1. Other Financial Result-related Data

P/L Highlight <4Q> continued

	(JPY million)			
	4Q FY Mar. 2013 (Jan.-Mar.)	4Q FY Mar. 2014 (Jan.-Mar.)	Diff.	YoY Change
Operating Profit	12,706	13,780	+1,073	+8.4%
Non-operating income and loss	357	8	(348)	
Extraordinary income and loss	(7)	22	+29	
Income taxes etc.	4,927	6,387	+1,460	
Net Income	8,129	7,415	(714)	(8.8%)

1. Other Financial Result-related Data

FY March 2015 Financial Results Forecasts Reference Data (1H/2H)

(JPY billion)

【1H】

	FY Mar. 2014 1H (Results)	FY Mar. 2015 1H (Forecasts)	Diff.	YoY Change
Sales	182.5	195.0	+12.4	+6.8%
Operating Profit	23.7	25.0	+1.2	+5.1%
Operating Profit Margin	13.0%	12.8%	(0.2P)	
Net Income	16.2	17.5	+1.2	+7.4%

【2H】

	FY Mar. 2014 2H (Results)	FY Mar. 2015 2H (Forecasts)	Diff.	YoY Change
Sales	203.3	205.0	+1.6	+0.8%
Operating Profit	26.0	28.0	+1.9	+7.5%
Operating Profit Margin	12.8%	13.7%	+0.9P	
Net Income	15.2	17.5	+2.2	+14.9%

1. Other Financial Result-related Data

Sales Forecasts by Segment for FY March 2015 (1H/2H)

(JPY billion)

【1H】

	FY Mar. 2014 1H (Results)	Share	FY Mar. 2015 1H (Forecasts)	Share	Diff.	YoY Change
Consulting	11.6	6.4%	12.0	6.2%	+0.3	+3.4%
Financial IT Solutions	106.5	58.3%	116.5	59.7%	+9.9	+9.4%
Securities	54.1	29.6%	59.0	30.3%	+4.8	+9.0%
Insurance	23.7	13.0%	27.0	13.8%	+3.2	+13.7%
Banking	14.3	7.9%	16.5	8.5%	+2.1	+14.6%
Other financial	14.2	7.8%	14.0	7.2%	(0.2)	(1.8%)
Industrial IT Solutions	41.8	22.9%	44.0	22.6%	+2.1	+5.2%
Distribution	21.1	11.6%	22.0	11.3%	+0.8	+3.8%
Manufacturing, service and other	20.6	11.3%	22.0	11.3%	+1.3	+6.6%
IT Platform Services	17.8	9.8%	17.5	9.0%	(0.3)	(2.0%)
Others	4.7	2.6%	5.0	2.6%	+0.2	+5.4%
Total	182.5	100.0%	195.0	100.0%	+12.4	+6.8%

【2H】

	FY Mar. 2014 2H (Results)	Share	FY Mar. 2015 2H (Forecasts)	Share	Diff.	YoY Change
Consulting	14.0	6.9%	14.0	6.8%	(0.0)	(0.2%)
Financial IT Solutions	118.7	58.4%	120.5	58.8%	+1.7	+1.4%
Securities	61.5	30.3%	61.0	29.8%	(0.5)	(0.9%)
Insurance	26.0	12.8%	28.0	13.7%	+1.9	+7.4%
Banking	17.3	8.5%	16.5	8.0%	(0.8)	(5.0%)
Other financial	13.8	6.8%	15.0	7.3%	+1.1	+8.4%
Industrial IT Solutions	45.5	22.4%	45.0	22.0%	(0.5)	(1.1%)
Distribution	22.8	11.2%	23.0	11.2%	+0.1	+0.5%
Manufacturing, service and other	22.6	11.1%	22.0	10.7%	(0.6)	(2.8%)
IT Platform Services	19.7	9.7%	20.0	9.8%	+0.2	+1.4%
Others	5.3	2.6%	5.5	2.7%	+0.1	+2.9%
Total	203.3	100.0%	205.0	100.0%	+1.6	+0.8%

1. Other Financial Result-related Data

Sales Forecasts by Service for FY March 2015 (1H/2H)

(JPY billion)

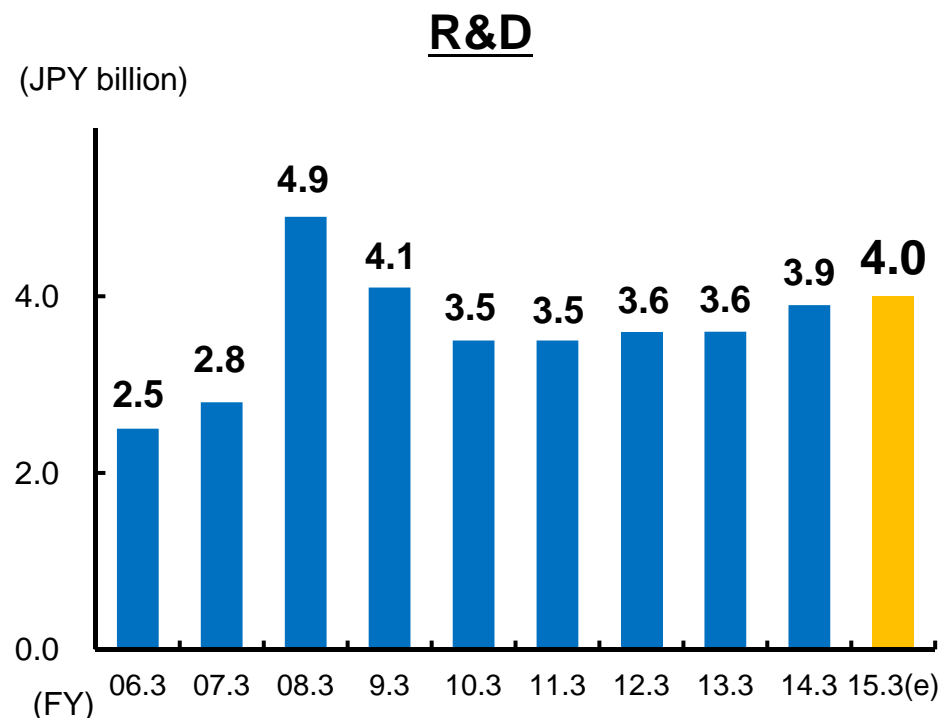
【1H】						
	FY Mar. 2014 1H (Results)	Share	FY Mar. 2015 1H (Forecasts)	Share	Diff.	YoY Change
Consulting Services	19.1	10.5%	20.0	10.3%	+0.8	+4.3%
System Development & System Application Sales	66.0	36.2%	72.0	36.9%	+5.9	+9.0%
System Management & Operation Services	91.2	50.0%	98.0	50.3%	+6.7	+7.4%
Product Sales	6.1	3.3%	5.0	2.6%	(1.1)	(18.2%)
Total	182.5	100.0%	195.0	100.0%	+12.4	+6.8%

【2H】						
	FY Mar. 2014 2H (Results)	Share	FY Mar. 2015 2H (Forecasts)	Share	Diff.	YoY Change
Consulting Services	23.0	11.3%	23.0	11.2%	(0.0)	(0.3%)
System Development & System Application Sales	77.1	38.0%	75.0	36.6%	(2.1)	(2.8%)
System Management & Operation Services	96.1	47.3%	102.0	49.8%	+5.8	+6.1%
Product Sales	7.0	3.4%	5.0	2.4%	(2.0)	(28.7%)
Total	203.3	100.0%	205.0	100.0%	+1.6	+0.8%

1. Other Financial Result-related Data

R&D

➤ Scrutinize and implement research themes from a market-driven perspective



Current R&D Themes

■ Service innovation

- Commercialization of Big Data-related business
- Commercialization of DI*-related business
- Commercialization of front-end solutions (develop businesses that leverage smart devices)
- Research to improve productivity, etc.

■ Create value for the future

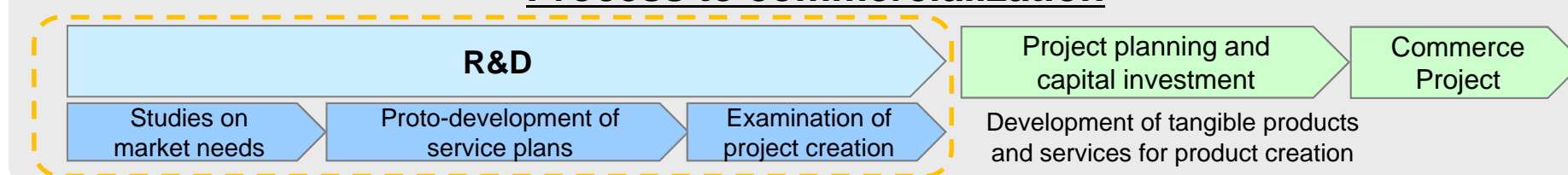
- Surveys and research of financial market trends and information technology trends
- NRI Mirai (Future) Garage, etc.

■ Global surveys and exploration of business

⋮

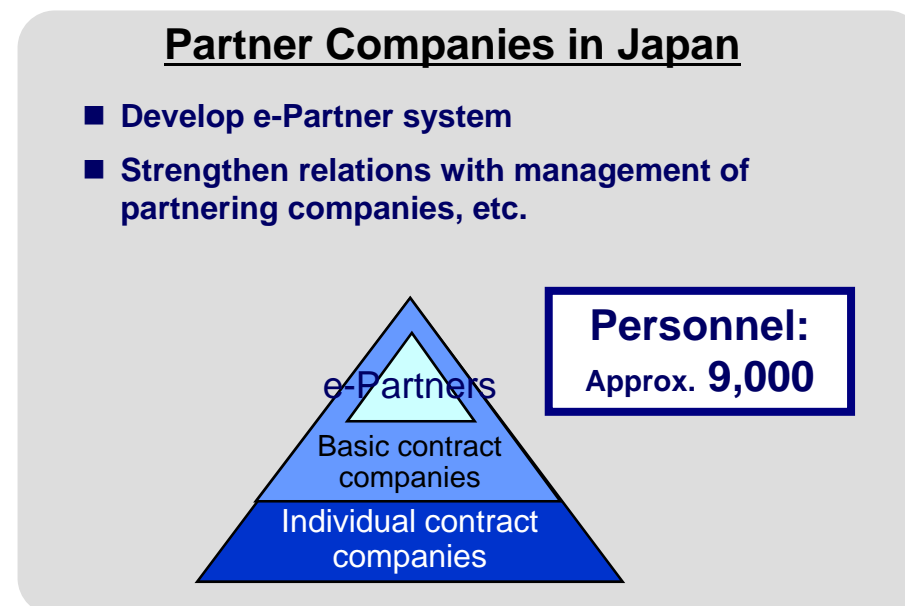
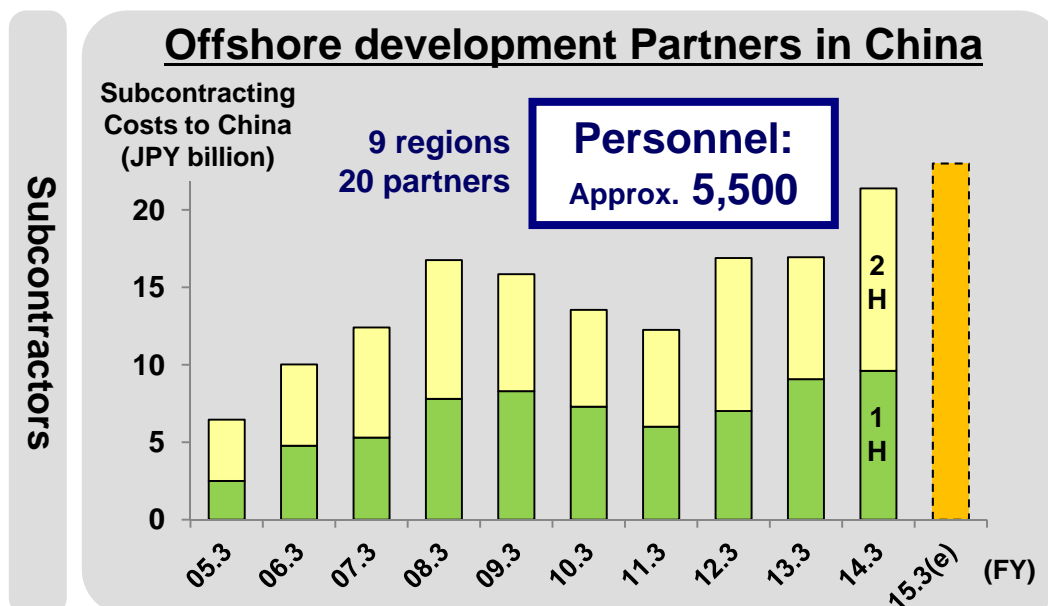
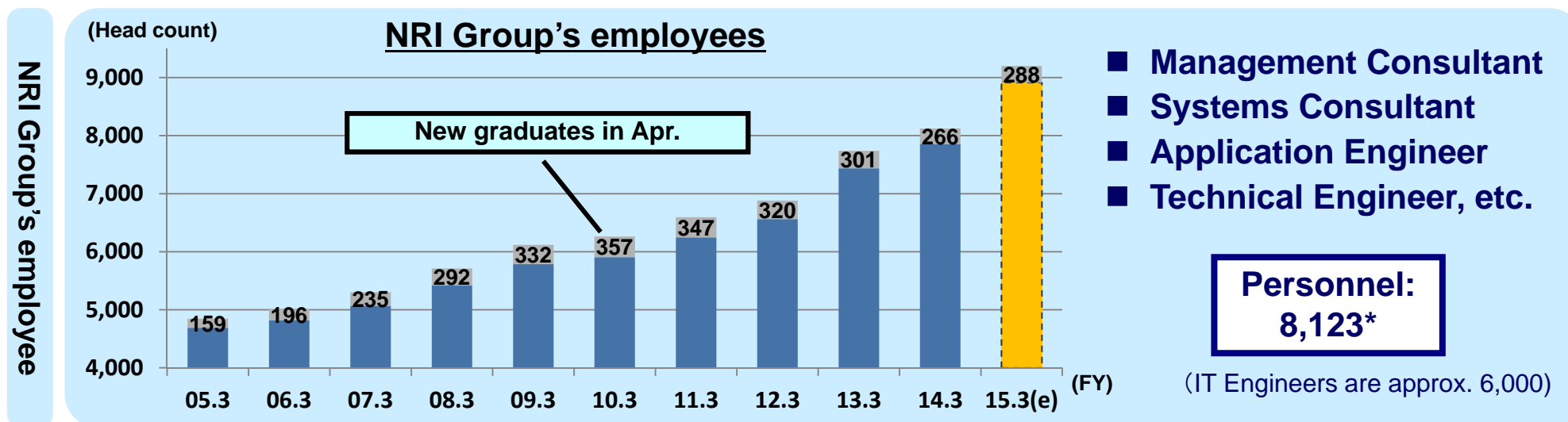
Note: Digital Identity: mechanisms to connect user ID

Process to commercialization



1. Other Financial Result-related Data

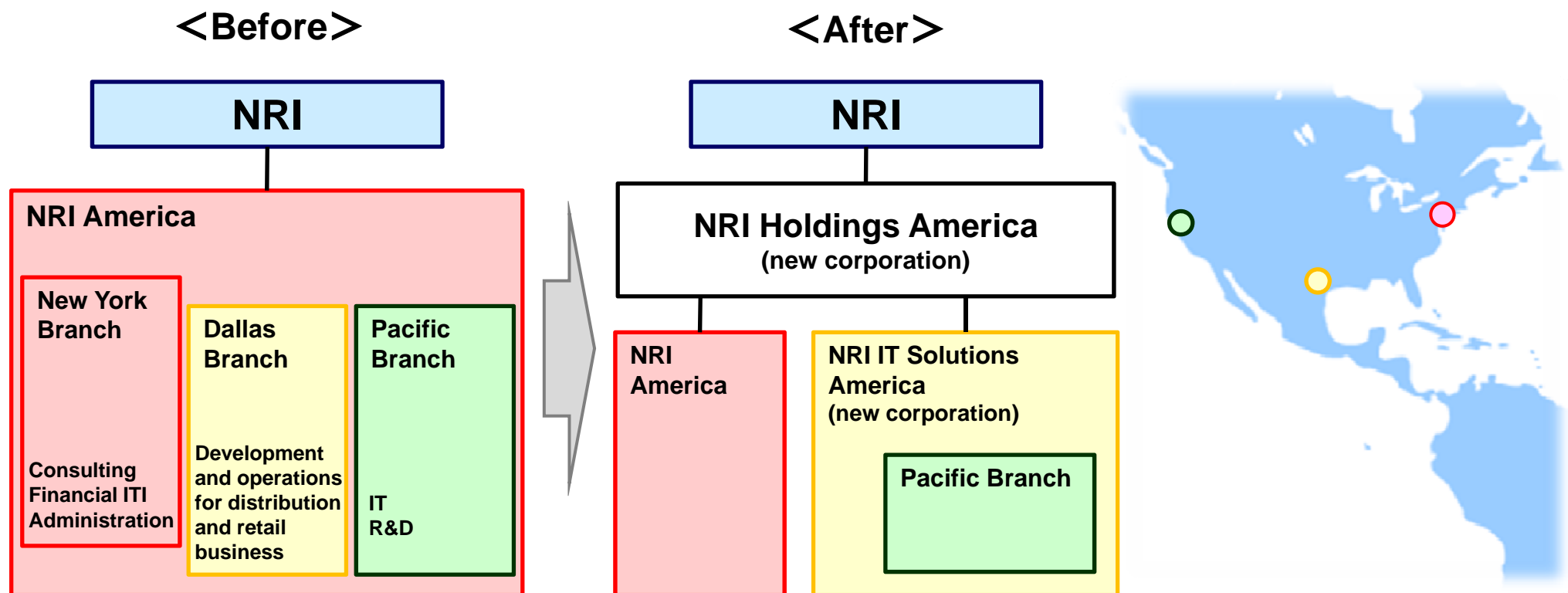
Depth in Human Resources -NRI's employees + Partners (in Japan & China)



2. Recent Activities

Restructuring of Branches to Expand North American Business Operations

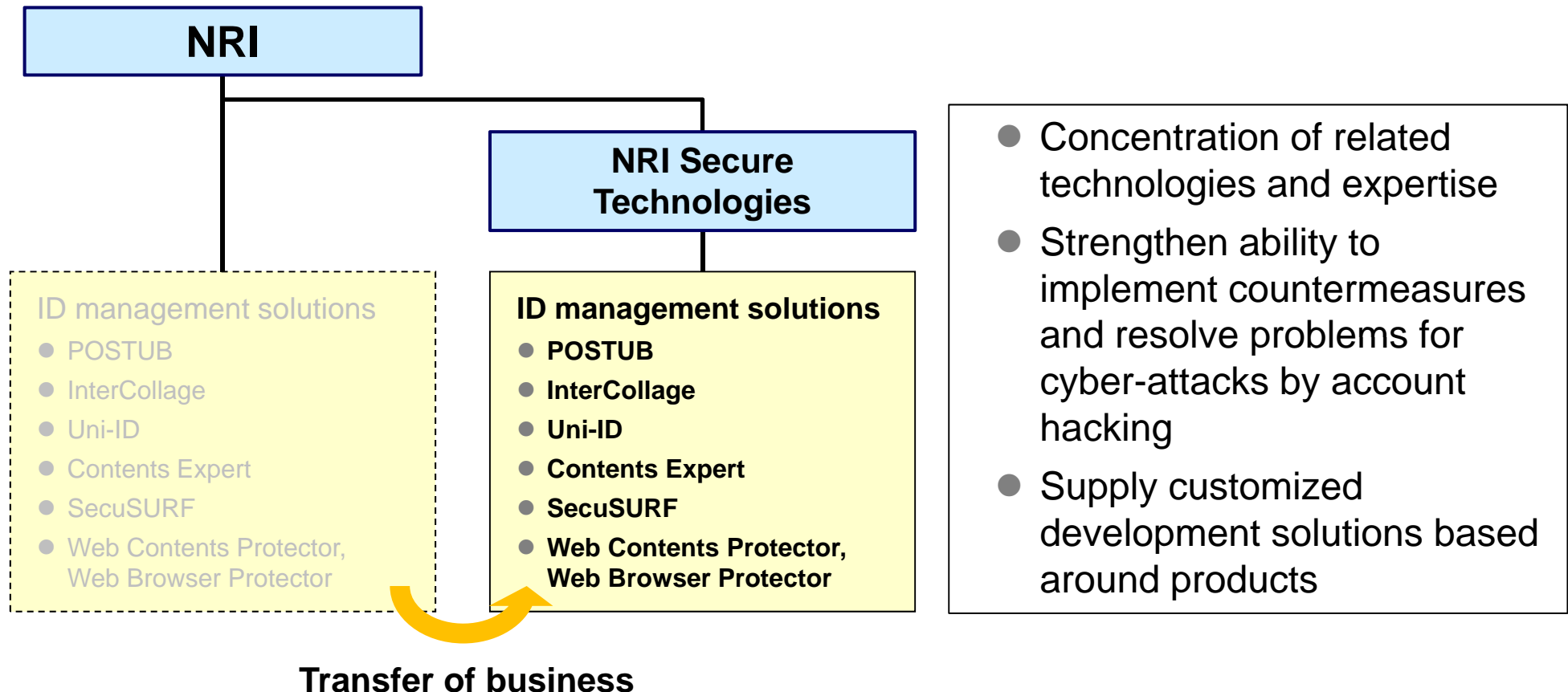
- Expand business operations for the distribution and retail industries, and promote globalization
- Improve the mobility to supply services



2. Recent Activities

Strengthen Information Security Business

- **Transfer NRI security products business to NRI Secure Technologies**
- **Concentration of related technologies and expertise, to strengthen the information security business**



2. Recent Activities

Received 2014 Integrity Award Grand Prize

- NRI chosen by Integrity Award selection committee to receive 2014 Integrity Award Grand Prize.
- Award is given to corporations that are engaged in outstanding initiatives for corporate social responsibility, corporate ethics, compliance, and internal control.
- NRI was highly rated in the following areas.
 - For aiming to build a better society by fully engaging in initiatives that emphasize integrity, while making proposals for the future by discerning a future direction for society and corporations.
 - For redefining the image of a consulting firm by constantly analyzing the knowledge and skills needed to secure the long-term health of society and tying this into business to meet the needs of society.

14年「誠実な企業」賞
最優秀賞に野村総研
企業の社会的責任（CSR）やコンプライアンスなどで優れた活動に取り組む企業を表彰する「誠実な企業」賞で、2014年の最優秀賞に野村総合研究所が選ばれた。表彰式は3月14日に東京都中央区の東京証券取引所内で開かれる。優秀賞にはアンリツ、前田建設工業の両社が選出された。同賞はCSR活動を支援する産学の有識者で構成する「誠実な企業」賞審議会（長友英資委員長・E.N.アソシエツ社長）が主催。今年が12回目となる。

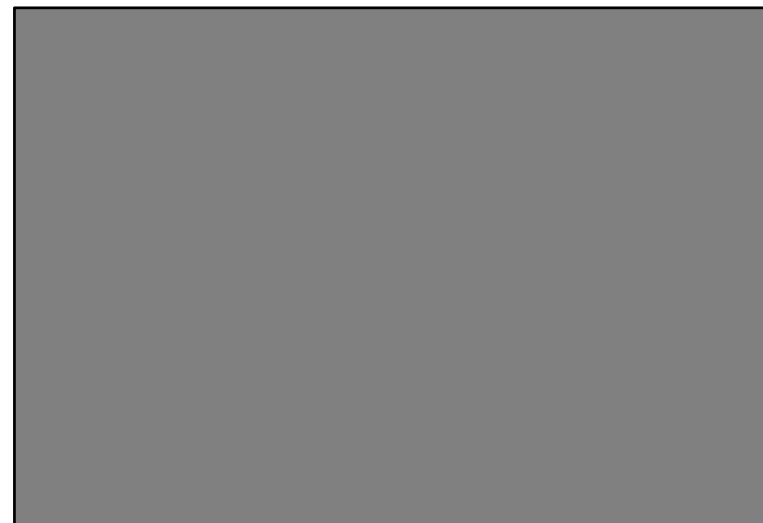
Nikkan Kogyo Shimbun,
February 7, 2014



2. Recent Activities

NISA Usage Projected to Reach 8.65 Million by Year End

- NRI conducted an NISA (Nippon Individual Savings Account) Usage Survey and announced that the number of NISAs will grow to 8.65 million by the end of 2014.
- The following results were obtained from the survey.
 - NISA name recognition (69.5%) has more than tripled in the past year.
 - The number of NISAs opened is projected to reach 8.65 million by the end of 2014.
 - Securities firms are the leading financial institutions for opening NISAs, but the percentage of NISAs opened at banks is projected to increase.
 - More than 50% of those who already made their NISA investments have invested in investment trusts.
 - Roughly 60% of those who already made their NISA investment funded their NISAs with savings.
 - The average NISA investment is ¥593,000.
 - 48.8% of respondents want to keep their NISAs at the same financial institution.



Nihon Keizai Shimbun,
February 13, 2014

2. Recent Activities

Launch of Next Generation EDINET SaaS for 16 Investment Management Firms

- NRI launched the T-STAR/ReportAssist/EDINET (RA/EDINET) solution delivered via SaaS for 16 investment management firms. The solution supports the automatic production of reports including securities filings, using the Next Generation Electronic Disclosure for Investors' NETwork (EDINET) of Japan's Financial Services Agency.
- RA/EDINET supports various specification changes required for Next Generation EDINET which was fully launched in January 2014, and enables firms to prepare documents more efficiently as well as secure business continuity and advanced disaster preparedness.
- NRI will continue to expand its T-STAR related solutions and enhance its operating technologies in order to contribute to the greater business efficiency and enhanced services of investment management firms.

次世代E・D・I

資産運用16社が採用

野村総研 提供スタート

野村総合研究所は、野
村リットロマンシング、
動作成果を併用用型ツ
を含み資産運用会社社
リニュシヨ R A E
に対して、総研用の電子
D N N E () 提供を開
開システム D N N E
T に対応した有価証券報
格開始した次世代 E
次世代 E D I N 中を
とだ。

は、以前と比べて主として
の仕様変更がある。一つ
は X B R L での提出書類
の範囲が、財務諸表を表
のみの有価証券報告書
などの開示書類を主と
張たと。もう一つは
開示書類情報をウェブ
ブラウザで表示するた
文書ファイルやレイン
の書式情報を加えた
「オンライン X B R L」
で提出を求めていると
だ。

D N N E 利用者の情
報利用価値が向上す
。資産運用会社は書
的にレポート全体に映
る側の業務負担が高
まる。

そこで野村総研は、R
A E D N N E 作成した各
種の提出書類と計算投
資信託における会計情
報を組合わせて、次世
代 D N N E で要求さ
れるオンライン X B R L

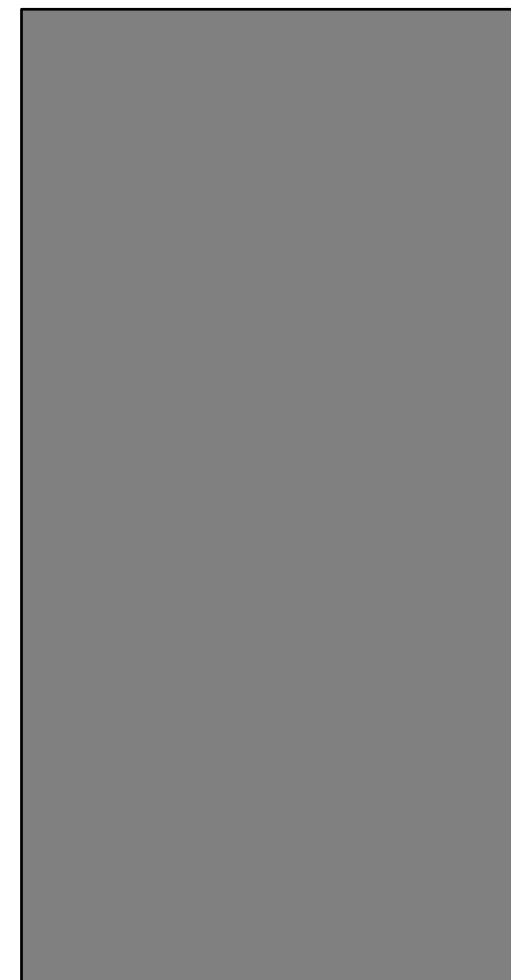
ファイルに短時間で一括
変換できるようにした。
データ修正をする自動
的にレポート全体に映
させるとな機能もあ
え、業務効率化を實現し
た。このような複数機
能を適用することで、外
部業者への委託費用下
のコスト削減も図られ
る。

Kinyu Keizai Shimbun,
January 27, 2014

2. Recent Activities

Launch of Report Preparation Solution for Wrap Services

- NRI launched a ReportAssist solution to support investment advisors in preparing reports for investors as used in wrap services (a type of investment management service).
- Financial institutions prepare individual reports for investors, such as management strategy proposals and reports on management results. The software used to generate reports must be modified when report items or the layout needs to change, which is a major task to manage and operate.
- ReportAssist makes it possible to easily change the items and layout of reports, so that required changes can be rapidly implemented while keeping costs down.
- Nomura Securities is the first user to adopt the ReportAssist solution.



Nikkei Business Daily,
March 12, 2014

2. Recent Activities

Launch of Computer Security Incident Response Team (CSIRT) Support Service

- NRI Secure Technologies launched a comprehensive support service for the creation, operation, and assessment of CSIRTs within organizations, which serve as dedicated organizations that deal with information security incidents at corporations.
- By supporting the establishment of independent and dedicated organizations at corporations, the service will strengthen the response to cyber-attacks, which are continuing to grow in number and sophistication.
- NRI Secure will supply the service according to the varied needs of diverse corporations, by organizing the experience and expertise it has acquired as a provider of information security services. NRI Secure will target contracts with around 10 firms in FY2014.

◆情報安全組織を総合支援
NRIセキュアテクノロジーズ（東京都千代田区、03・6706・0500）企業の情報セキュリティに関わる専門組織の構築と運用、評価を総合的に支援するサービスを始めた。企業の自立した専門組織の設立を支援することで、サイバー攻撃への対策強化につなげる。これまでのセキュリティ関連サービスの提供でのノウハウを整理し、さまざまな企業のニーズに合わせた形で提供する。価格は個別見積もり（目安は1000万円から）。2014年度中に約10社からの受注を目指す。

Nikkan Kogyo Shimbun,
February 19, 2014

2. Recent Activities

Introduction of Cloud-Based and Low-Cost Intellectual Asset Management System

- NRI Cyber Patent will expand its lineup of systems for uniform management of intellectual asset operations.
- Today's intellectual asset management systems are supplied as on-premise software, but NRI Cyber Patent will also supply a cloud service that offers the same features. By offering both on-premise software and cloud services, the company will expand the choices available to customers.
- The company also plans to develop a low-cost software version that is pared down to the essential features and designed for ease of use.
- The company will market to new industries and expand the scope of corporations that use its solutions.

クラウド型・廉価版投入
知財管理システム拡充

NRIサイバーパテント（東京都千代田区、高野誠司社長、03・5208・1001）は、知的財産に関する業務を一元管理するシステムの製品群を拡充する。新規顧客を獲得するのが狙い。そのため、現在、オンプレミス（自社運用）型のソフトウェアとして提供しているが、ネットワーク経由で利用するクラウド型での提案を始める。さらに廉価版のソフトを6月までに製品化する予定。

NRIサイバーパテントは、知的財産管理システムを、現在、提供しているソフトウェア版と同等の機能をクラウド型で提供する。オンプレミス型とクラウド型の2種類をそろえることで顧客の選択幅を広げる。

「クラウドの企業利用が定着し始めており、顧客からのニーズも高まっている」（高野社長）と、

また廉価版は知財関連業務に必要最低限だと判断した機能を搭載する。使いやすさを追求し、通常版よりも安価で提供される。さらに知的財産情報サービスと連携する独自の機能も搭載する予定。価格は検討中だが、通常版の3分の1くらいを想定している。企業の要望によっては搭載している。

「これまで同システムは特許出願公開件数の上位100社をターゲットに拡販を進めており、そのうちの32社への導入実績がある。今後、「さらに利用企業の裾野を広げたい」（高野社長）ことから廉価版の開発に着手した。毎年特許を出願するが件数が多い金融業や部品メーカー、研究機関などといったこれまで取り込めていなかった業界へアプローチする。

同社の知的財産管理システムは特許の出願や審査請求、登録などの業務を管理するソフトウェア。特許管理、商標管理、経営管理などの機能を搭載している。

Nikkan Kogyo Shimbun,
April 3, 2014

3. Others - Supplementary explanation

■ FY March 2015 Consolidated Earnings Model - Sales of JPY400.0 billion and operating profit of JPY53.0 billion

(JPY billion)

	FY Mar. 2013 (Results)	FY Mar. 2014 (Results)	FY Mar. 2015 (Forecasts)*	YoY	
				Diff.	Change
Sales	363.8	385.9	400.0	+14.0	+3.6%
Cost of Sales	262.3	276.6	283.0	+6.3	+2.3%
Personnel	64.4	70.1	75.0	+4.8	+6.9%
Subcontracting Costs	116.1	132.8	145.0	+12.1	+9.2%
Depreciation	41.2	32.9	25.0	(7.9)	(24.2%)
Gross Profit	101.5	109.2	117.0	+7.7	+7.1%
Gross Profit Margin	27.9%	28.3%	29.3%	+0.9P	
SG&A	57.6	59.4	64.0	+4.5	+7.7%
Operating Profit	43.9	49.8	53.0	+3.1	+6.4%
Operating Profit Margin	12.1%	12.9%	13.3%	+0.3P	
Earnings Per Share	¥145.29	¥158.75	¥175.57	+¥16.82	
Return On Equity	10.5%	10.2%	10.4%	+0.2P	

* Figures are consolidated estimates for preparing this earnings model.

3. Others - Communications

Forum, etc.



January 2014
President speaking at NRI New Year
Forum 2014



March 2014
Received 2014 Integrity Award
Grand Prize



March 2014
Briefing session held for
individual investors in Nagoya

Publications



Examples of books published since December 2013