

3Q FY Mar.2014 Financial Results

Jan 30, 2014

Nomura Research Institute, Ltd.



I .3Q FY Mar.2014 Financial Results (Consolidated)

II . FY Mar.2014 Financial Results Forecasts (Consolidated)

I .3Q FY Mar.2014 Financial Results (Consolidated)



(1) Highlights

(JPY million)

3rd Quarter Total	3Q FY	Progress	3Q FY	Progress	Y o Y		FY Mar.2013
	Mar.2013	(%)	Mar.2014	(%)	Diff.	Change(%)	Amount
Sales	260,360	71.5	279,460	74.5	19,100	7.3	363,891
Consulting Services	28,359	72.6	29,934	78.8	1,574	5.6	39,078
System Development & System Application Sales	97,849	69.7	103,122	72.6	5,273	5.4	140,478
System Management & Operation Services	127,761	73.0	138,147	74.7	10,386	8.1	174,990
Product Sales	6,389	68.4	8,255	82.6	1,865	29.2	9,344
Cost of Sales	186,107		199,585		13,478	7.2	262,315
Gross Profit	74,252		79,874		5,621	7.6	101,575
(Gross Profit Margin)	28.5%		28.6%		0.1P		27.9%
Selling, general and administrative expenses	42,991		43,837		845	2.0	57,608
Operating Profit	31,260	71.1	36,036	73.5	4,776	15.3	43,967
(Operating Profit Margin)	12.0%		12.9%		0.9P		12.1%
Non-operating income and loss	1,533		2,535		1,001	65.3	1,891
Extraordinary income and loss	(2,981)		326		3,308	—	(2,988)
Net Income	20,482	71.6	24,111	75.3	3,629	17.7	28,612
Earnings per share(JPY)	104.11		121.54		17.43		145.29

NRI has applied the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No. 30, December 25, 2013) starting in the third quarter of the current fiscal year. As this change in accounting policy has been applied retroactively, figures for the previous fiscal year and the first quarter and second quarter of the current fiscal year in the results are stated after that retroactive application.

I .3Q FY Mar.2014 Financial Results (Consolidated)

(JPY million)

3rd Quarter	3Q FY	3Q FY	Y o Y	
	Mar.2013	Mar.2014	Amount	(%)
Sales	86,000	96,903	10,902	12.7
Consulting Services	9,764	10,759	995	10.2
System Development & System Application Sales	31,076	37,090	6,014	19.4
System Management & Operation Services	43,176	46,909	3,732	8.6
Product Sales	1,982	2,143	160	8.1
Cost of Sales	60,994	70,018	9,023	14.8
Gross Profit	25,006	26,884	1,878	7.5
(Gross Profit Margin)	29.1%	27.7%	(1.3P)	
Selling, general and administrative expenses	14,298	14,624	325	2.3
Operating Profit	10,707	12,260	1,552	14.5
(Operating Profit Margin)	12.5%	12.7%	0.2P	
Non-operating income and loss	516	475	(41)	(8.1)
Extraordinary income and loss	(3,071)	—	3,071	(100.0)
Net Income	7,072	7,820	747	10.6
Earnings per share(JPY)	35.88	39.33	3.44	

(JPY million)

2nd Quarter	2Q FY	2Q FY	Y o Y	
	Mar.2013	Mar.2014	Amount	(%)
Sales	89,947	94,306	4,358	4.8
Consulting Services	10,399	10,629	230	2.2
System Development & System Application Sales	34,563	34,529	(34)	(0.1)
System Management & Operation Services	42,580	45,505	2,925	6.9
Product Sales	2,404	3,641	1,236	51.4
Cost of Sales	63,507	67,068	3,560	5.6
Gross Profit	26,439	27,237	797	3.0
(Gross Profit Margin)	29.4%	28.9%	(0.5P)	
Selling, general and administrative expenses	14,183	14,264	80	0.6
Operating Profit	12,255	12,972	716	5.8
(Operating Profit Margin)	13.6%	13.8%	0.1P	
Non-operating income and loss	172	313	140	81.8
Extraordinary income and loss	0	10	9	—
Net Income	7,670	8,301	630	8.2
Earnings per share(JPY)	38.97	41.82	2.85	

I .3Q FY Mar.2014 Financial Results (Consolidated)

(JPY million)

1st Quarter	1Q FY	1Q FY	Y o Y	
	Mar.2013	Mar.2014	Amount	(%)
Sales	84,411	88,250	3,839	4.5
Consulting Services	8,196	8,544	348	4.2
System Development & System Application Sales	32,209	31,503	(706)	(2.2)
System Management & Operation Services	42,004	45,732	3,728	8.9
Product Sales	2,001	2,470	468	23.4
Cost of Sales	61,605	62,498	893	1.5
Gross Profit	22,806	25,752	2,945	12.9
(Gross Profit Margin)	27.0%	29.2%	2.2P	
Selling, general and administrative expenses	14,509	14,948	439	3.0
Operating Profit	8,297	10,803	2,506	30.2
(Operating Profit Margin)	9.8%	12.2%	2.4P	
Non-operating income and loss	844	1,747	902	106.9
Extraordinary income and loss	89	316	227	254.9
Net Income	5,739	7,990	2,250	39.2
Earnings per share(JPY)	29.23	40.39	11.16	

I .3Q FY Mar.2014 Financial Results (Consolidated)



(2) Sales and Operating Profit by segment

① Segment performance results (including sales for each segment)

(JPY million)

3rd Quarter Total		3Q FY Mar. 2013		3Q FY Mar. 2014		Y o Y		FY Mar. 2013	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	Sales	16,614	6.4	18,417	6.6	1,802	10.8	22,908	6.3
	Operating Profit	1,894	6.1	3,223	8.9	1,328	70.1	2,801	6.4
	(Operating Profit Margin)	11.4%		17.5%		6.1P		12.2%	
Financial IT Solutions	Sales	154,674	59.4	162,921	58.3	8,247	5.3	219,916	60.4
	Operating Profit	14,786	47.3	19,917	55.3	5,130	34.7	22,280	50.7
	(Operating Profit Margin)	9.6%		12.2%		2.7P		10.1%	
Industrial IT Solutions	Sales	61,198	23.5	63,931	22.9	2,732	4.5	83,662	23.0
	Operating Profit	4,517	14.5	6,192	17.2	1,675	37.1	6,478	14.7
	(Operating Profit Margin)	7.4%		9.7%		2.3P		7.7%	
IT Platform Services	Sales	77,539	29.8	83,150	29.8	5,610	7.2	103,376	28.4
	Operating Profit	8,240	26.4	4,988	13.8	(3,251)	(39.5)	10,059	22.9
	(Operating Profit Margin)	10.6%		6.0%		(4.6P)		9.7%	
Others	Sales	9,353	3.6	11,027	3.9	1,673	17.9	12,719	3.5
	Operating Profit	899	2.9	827	2.3	(71)	(8.0)	1,136	2.6
	(Operating Profit Margin)	9.6%		7.5%		(2.1P)		8.9%	
Inter-segment sales and eliminations	Sales	(59,021)	(22.7)	(59,987)	(21.5)	(966)		(78,693)	(21.6)
	Operating Profit	922	2.9	885	2.5	(36)		1,210	2.8
Total	Sales	260,360	100.0	279,460	100.0	19,100	7.3	363,891	100.0
	Operating Profit	31,260	100.0	36,036	100.0	4,776	15.3	43,967	100.0
	(Operating Profit Margin)	12.0%		12.9%		0.9P		12.1%	

I .3Q FY Mar.2014 Financial Results (Consolidated)

(JPY million)

3rd Quarter		3Q FY Mar. 2013		3Q FY Mar. 2014		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	5,925	6.9	6,709	6.9	783	13.2
	Operating Profit	865	8.1	1,369	11.2	504	58.2
	(Operating Profit Margin)	14.6%		20.4%		5.8P	
Financial IT Solutions	Sales	49,886	58.0	56,331	58.1	6,445	12.9
	Operating Profit	5,070	47.4	6,475	52.8	1,404	27.7
	(Operating Profit Margin)	10.2%		11.5%		1.3P	
Industrial IT Solutions	Sales	20,793	24.2	22,084	22.8	1,290	6.2
	Operating Profit	1,801	16.8	2,671	21.8	869	48.3
	(Operating Profit Margin)	8.7%		12.1%		3.4P	
IT Platform Services	Sales	25,783	30.0	28,518	29.4	2,735	10.6
	Operating Profit	2,493	23.3	1,038	8.5	(1,455)	(58.4)
	(Operating Profit Margin)	9.7%		3.6%		(6.0P)	
Others	Sales	3,144	3.7	3,848	4.0	704	22.4
	Operating Profit	239	2.2	396	3.2	156	65.7
	(Operating Profit Margin)	7.6%		10.3%		2.7P	
Inter-segment sales and eliminations	Sales	(19,532)	(22.7)	(20,589)	(21.2)	(1,056)	
	Operating Profit	237	2.2	309	2.5	72	
Total	Sales	86,000	100.0	96,903	100.0	10,902	12.7
	Operating Profit	10,707	100.0	12,260	100.0	1,552	14.5
	(Operating Profit Margin)	12.5%		12.7%		0.2P	

I .3Q FY Mar.2014 Financial Results (Consolidated)

(JPY million)

2nd Quarter		2Q FY Mar. 2013		2Q FY Mar. 2014		YoY	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	6,056	6.7	6,605	7.0	548	9.0
	Operating Profit	1,169	9.5	1,587	12.2	417	35.7
	(Operating Profit Margin)	19.3%		24.0%		4.7P	
Financial IT Solutions	Sales	53,533	59.5	54,802	58.1	1,268	2.4
	Operating Profit	6,062	49.5	7,252	55.9	1,189	19.6
	(Operating Profit Margin)	11.3%		13.2%		1.9P	
Industrial IT Solutions	Sales	20,743	23.1	21,146	22.4	402	1.9
	Operating Profit	1,585	12.9	1,817	14.0	231	14.6
	(Operating Profit Margin)	7.6%		8.6%		1.0P	
IT Platform Services	Sales	26,364	29.3	28,559	30.3	2,194	8.3
	Operating Profit	2,912	23.8	1,899	14.6	(1,013)	(34.8)
	(Operating Profit Margin)	11.0%		6.6%		(4.4P)	
Others	Sales	3,112	3.5	3,580	3.8	468	15.0
	Operating Profit	349	2.9	320	2.5	(29)	(8.4)
	(Operating Profit Margin)	11.2%		8.9%		(2.3P)	
Inter-segment sales and eliminations	Sales	(19,863)	(22.1)	(20,387)	(21.6)	(523)	
	Operating Profit	175	1.4	95	0.7	(79)	
Total	Sales	89,947	100.0	94,306	100.0	4,358	4.8
	Operating Profit	12,255	100.0	12,972	100.0	716	5.8
	(Operating Profit Margin)	13.6%		13.8%		0.1P	

I .3Q FY Mar.2014 Financial Results (Consolidated)

(JPY million)

1st Quarter		1Q FY Mar. 2013		1Q FY Mar. 2014		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	4,631	5.5	5,103	5.8	471	10.2
	Operating Profit	(140)	(1.7)	266	2.5	407	—
	(Operating Profit Margin)	(3.0%)		5.2%		8.3P	
Financial IT Solutions	Sales	51,254	60.7	51,787	58.7	533	1.0
	Operating Profit	3,653	44.0	6,190	57.3	2,537	69.4
	(Operating Profit Margin)	7.1%		12.0%		4.8P	
Industrial IT Solutions	Sales	19,661	23.3	20,700	23.5	1,039	5.3
	Operating Profit	1,129	13.6	1,703	15.8	573	50.8
	(Operating Profit Margin)	5.7%		8.2%		2.5P	
IT Platform Services	Sales	25,391	30.1	26,072	29.5	680	2.7
	Operating Profit	2,834	34.2	2,051	19.0	(782)	(27.6)
	(Operating Profit Margin)	11.2%		7.9%		(3.3P)	
Others	Sales	3,096	3.7	3,597	4.1	501	16.2
	Operating Profit	310	3.7	111	1.0	(199)	(64.2)
	(Operating Profit Margin)	10.0%		3.1%		(6.9P)	
Inter-segment sales and eliminations	Sales	(19,624)	(23.2)	(19,010)	(21.5)	614	
	Operating Profit	509	6.1	480	4.4	(29)	
Total	Sales	84,411	100.0	88,250	100.0	3,839	4.5
	Operating Profit	8,297	100.0	10,803	100.0	2,506	30.2
	(Operating Profit Margin)	9.8%		12.2%		2.4P	

I .3Q FY Mar.2014 Financial Results (Consolidated)

② Sales by segment

(JPY million)

3rd Quarter Total	3Q FY Mar. 2013		3Q FY Mar. 2014		Y o Y		FY Mar. 2013	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	16,528	6.3	18,278	6.5	1,749	10.6	22,761	6.3
Financial IT Solutions	154,551	59.4	162,908	58.3	8,356	5.4	219,754	60.4
Securities	76,987	29.6	82,393	29.5	5,405	7.0	115,904	31.9
Insurance	38,478	14.8	36,544	13.1	(1,933)	(5.0)	50,162	13.8
Banking	20,303	7.8	22,782	8.2	2,478	12.2	27,909	7.7
Other financial	18,781	7.2	21,188	7.6	2,406	12.8	25,778	7.1
Industrial IT Solutions	61,166	23.5	63,882	22.9	2,715	4.4	83,615	23.0
Distribution	33,222	12.8	32,730	11.7	(491)	(1.5)	44,806	12.3
Manufacturing, service and other	27,944	10.7	31,151	11.1	3,206	11.5	38,808	10.7
IT Platform Services	21,540	8.3	27,133	9.7	5,593	26.0	28,850	7.9
Others	6,573	2.5	7,258	2.6	684	10.4	8,910	2.4
Total	260,360	100.0	279,460	100.0	19,100	7.3	363,891	100.0

(JPY million)

3rd Quarter	3Q FY Mar. 2013		3Q FY Mar. 2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	5,900	6.9	6,670	6.9	769	13.0
Financial IT Solutions	49,853	58.0	56,387	58.2	6,533	13.1
Securities	23,865	27.7	28,275	29.2	4,409	18.5
Insurance	12,419	14.4	12,796	13.2	376	3.0
Banking	6,951	8.1	8,387	8.7	1,435	20.7
Other financial	6,617	7.7	6,929	7.2	312	4.7
Industrial IT Solutions	20,782	24.2	22,061	22.8	1,279	6.2
Distribution	11,417	13.3	11,539	11.9	122	1.1
Manufacturing, service and other	9,365	10.9	10,521	10.9	1,156	12.3
IT Platform Services	7,330	8.5	9,268	9.6	1,937	26.4
Others	2,133	2.5	2,515	2.6	382	17.9
Total	86,000	100.0	96,903	100.0	10,902	12.7

(JPY million)

2nd Quarter	2Q FY Mar. 2013		2Q FY Mar. 2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	6,023	6.7	6,579	7.0	556	9.2
Financial IT Solutions	53,476	59.5	54,756	58.1	1,279	2.4
Securities	26,510	29.5	27,266	28.9	755	2.9
Insurance	13,789	15.3	12,591	13.4	(1,197)	(8.7)
Banking	7,064	7.9	7,681	8.1	617	8.7
Other financial	6,113	6.8	7,217	7.7	1,104	18.1
Industrial IT Solutions	20,752	23.1	21,134	22.4	381	1.8
Distribution	11,290	12.6	10,664	11.3	(626)	(5.5)
Manufacturing, service and other	9,462	10.5	10,469	11.1	1,007	10.6
IT Platform Services	7,537	8.4	9,520	10.1	1,983	26.3
Others	2,156	2.4	2,315	2.5	158	7.4
Total	89,947	100.0	94,306	100.0	4,358	4.8

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I .3Q FY Mar.2014 Financial Results (Consolidated)

(JPY million)

1st Quarter	1Q FY Mar. 2013		1Q FY Mar. 2014		YoY	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	4,604	5.5	5,028	5.7	424	9.2
Financial IT Solutions	51,220	60.7	51,764	58.7	543	1.1
Securities	26,612	31.5	26,852	30.4	240	0.9
Insurance	12,269	14.5	11,156	12.6	(1,112)	(9.1)
Banking	6,287	7.4	6,713	7.6	426	6.8
Other financial	6,051	7.2	7,041	8.0	989	16.4
Industrial IT Solutions	19,631	23.3	20,686	23.4	1,054	5.4
Distribution	10,514	12.5	10,526	11.9	12	0.1
Manufacturing, service and other	9,116	10.8	10,159	11.5	1,042	11.4
IT Platform Services	6,671	7.9	8,344	9.5	1,672	25.1
Others	2,284	2.7	2,427	2.8	143	6.3
Total	84,411	100.0	88,250	100.0	3,839	4.5

I .3Q FY Mar.2014 Financial Results (Consolidated)



(3) Sales to main clients

(JPY million)

3rd Quarter Total	3Q FY Mar. 2013		3Q FY Mar. 2014		Y o Y		FY Mar. 2013	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Nomura Holdings	66,776	25.6	63,866	22.9	(2,909)	(4.4)	100,984	27.8
Seven & i Holdings	33,437	12.8	29,859	10.7	(3,577)	(10.7)	44,984	12.4

*Figures, in principle, include sales to subsidiaries.

(JPY million)

3rd Quarter	3Q FY Mar. 2013		3Q FY Mar. 2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	19,969	23.2	21,332	22.0	1,363	6.8
Seven & i Holdings	11,509	13.4	10,366	10.7	(1,143)	(9.9)

(JPY million)

2nd Quarter	2Q FY Mar. 2013		2Q FY Mar. 2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	23,362	26.0	22,033	23.4	(1,328)	(5.7)
Seven & i Holdings	11,552	12.8	9,814	10.4	(1,737)	(15.0)

(JPY million)

1st Quarter	1Q FY Mar. 2013		1Q FY Mar. 2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	23,444	27.8	20,500	23.2	(2,944)	(12.6)
Seven & i Holdings	10,374	12.3	9,678	11.0	(696)	(6.7)

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(4)Subcontracting Costs

(JPY million)

3rd Quarter Total	3Q FY Mar. 2013		3Q FY Mar. 2014		Y o Y		FY Mar. 2013	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Subcontracting Costs	88,328	33.9	95,353	34.1	7,025	8.0	116,166	31.9
(Subcontracting Costs to China)	12,915	14.6	15,269	16.0	2,353	18.2	16,943	14.6

*Share for subcontracting costs shows share of sales.

*Subcontracting costs to China & Percentage in total subcontracting costs.

(JPY million)

3rd Quarter	3Q FY Mar. 2013		3Q FY Mar. 2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	27,992	32.5	34,725	35.8	6,732	24.1
(Subcontracting Costs to China)	3,842	13.7	5,657	16.3	1,814	47.2

(JPY million)

2nd Quarter	2Q FY Mar. 2013		2Q FY Mar. 2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	29,903	33.2	31,727	33.6	1,823	6.1
(Subcontracting Costs to China)	4,322	14.5	5,152	16.2	830	19.2

(JPY million)

1st Quarter	1Q FY Mar. 2013		1Q FY Mar. 2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	30,432	36.1	28,900	32.7	(1,531)	(5.0)
(Subcontracting Costs to China)	4,750	15.6	4,459	15.4	(291)	(6.1)

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(5)Cash Flow

(JPY million)

3rd Quarter Total	3Q FY Mar. 2013	3Q FY Mar. 2014	YoY		FY Mar. 2013
	Amount	Amount	Diff.	Change(%)	Amount
Operating Activities	36,138	17,272	(18,866)	(52.2)	68,600
Investing Activities	(36,900)	(29,688)	7,211	(19.5)	(36,019)
(Investing Activities except Cash management purpose investment)	(32,059)	(30,162)	1,896	(5.9)	(34,055)
Free Cash Flow	(761)	(12,416)	(11,654)	—	32,580
(Free Cash Flow except Cash management purpose investment)	4,078	(12,890)	(16,969)	—	34,544
Financing Activities	(9,925)	21,617	31,543	—	(10,723)
Net increase in Cash and cash equivalents	(10,446)	9,661	20,107	—	22,579
(Net increase in Cash and cash equivalents except Cash management purpose investment)	(5,606)	9,186	14,792	—	24,543
Cash and cash equivalents at end of period	66,597	109,284	42,686	64.1	99,623
Cash and cash equivalents + Cash Management purpose investment	115,847	154,968	39,120	33.8	145,974

*Cash management purpose investment is investments in bonds, etc., with maturities of longer than three months from date of purchase to date of redemption.

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(6)Capital Expenditure, Research and Development Expenses

(JPY million)

3rd Quarter Total	3Q FY Mar.	3Q FY Mar.	YoY		FY Mar. 2013
	2013	2014	Diff.	Change(%)	Amount
	Amount	Amount			
Capital Expenditure	25,805	25,323	(481)	(1.9)	31,048
Tangible	12,612	8,391	(4,221)	(33.5)	14,880
Intangible	13,192	16,932	3,740	28.4	16,167
Research and Development Expenses	2,529	2,566	37	1.5	3,643

(JPY million)

3rd Quarter	3Q FY Mar.	3Q FY Mar.	YoY	
	2013	2014	Diff.	Change(%)
	Amount	Amount		
Capital Expenditure	5,478	9,948	4,469	81.6
Tangible	1,583	3,056	1,472	92.9
Intangible	3,894	6,891	2,997	77.0
Research and Development Expenses	887	1,014	127	14.3

(JPY million)

2nd Quarter	2Q FY Mar.	2Q FY Mar.	YoY	
	2013	2014	Diff.	Change(%)
	Amount	Amount		
Capital Expenditure	9,606	8,299	(1,307)	(13.6)
Tangible	5,163	2,644	(2,518)	(48.8)
Intangible	4,443	5,655	1,211	27.3
Research and Development Expenses	1,033	980	(52)	(5.1)

(JPY million)

1st Quarter	1Q FY Mar.	1Q FY Mar.	YoY	
	2013	2014	Diff.	Change(%)
	Amount	Amount		
Capital Expenditure	10,720	7,076	(3,644)	(34.0)
Tangible	5,865	2,691	(3,174)	(54.1)
Intangible	4,854	4,385	(469)	(9.7)
Research and Development Expenses	608	570	(37)	(6.1)

I .3Q FY Mar.2014 Financial Results (Consolidated)

(7) Depreciation and Amortization

(JPY million)

3rd Quarter Total	3Q FY Mar.	3Q FY Mar.	Y o Y		FY Mar. 2013
	2013	2014	Diff.	Change(%)	Amount
	Amount	Amount			
Tangible	7,957	7,240	(717)	(9.0)	10,803
Intangible	15,144	15,544	400	2.6	31,671
Depreciation and Amortization	23,102	22,785	(317)	(1.4)	42,474

(JPY million)

3rd Quarter	3Q FY Mar.	3Q FY Mar.	Y o Y	
	2013	2014	Diff.	Change(%)
	Amount	Amount		
Tangible	2,954	2,625	(329)	(11.1)
Intangible	4,988	5,557	568	11.4
Depreciation and Amortization	7,942	8,182	239	3.0

(JPY million)

2nd Quarter	2Q FY Mar.	2Q FY Mar.	Y o Y	
	2013	2014	Diff.	Change(%)
	Amount	Amount		
Tangible	2,616	2,386	(229)	(8.8)
Intangible	5,101	5,105	3	0.1
Depreciation and Amortization	7,717	7,491	(226)	(2.9)

(JPY million)

1st Quarter	1Q FY Mar.	1Q FY Mar.	Y o Y	
	2013	2014	Diff.	Change(%)
	Amount	Amount		
Tangible	2,387	2,229	(158)	(6.6)
Intangible	5,054	4,881	(172)	(3.4)
Depreciation and Amortization	7,441	7,111	(330)	(4.4)

I .3Q FY Mar.2014 Financial Results (Consolidated)

(8) Order Volume by segment

① Order Backlog

(JPY million)

At the end of the 3rd Quarter	3Q FY Mar.	3Q FY Mar.	Y o Y	
	2013	2014	Diff.	Change(%)
	Amount	Amount		
Consulting	5,004	5,868	863	17.3
Financial IT Solutions	58,284	55,382	(2,901)	(5.0)
Industrial IT Solutions	17,642	17,293	(348)	(2.0)
IT Platform Services	5,070	13,899	8,828	174.1
Others	1,529	1,690	160	10.5
Total	87,531	94,133	6,602	7.5
(Order backlog in the current FY)	79,367	77,142	(2,225)	(2.8)

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar.	2Q FY Mar.	Y o Y	
	2013	2014	Diff.	Change(%)
	Amount	Amount		
Consulting	5,998	7,052	1,054	17.6
Financial IT Solutions	72,374	83,352	10,978	15.2
Industrial IT Solutions	28,897	29,192	295	1.0
IT Platform Services	9,231	19,009	9,778	105.9
Others	2,733	2,494	(239)	(8.7)
Total	119,235	141,102	21,867	18.3
(Order backlog in the current FY)	115,674	128,373	12,699	11.0

(JPY million)

At the end of the 1st Quarter	1Q FY Mar.	1Q FY Mar.	Y o Y	
	2013	2014	Diff.	Change(%)
	Amount	Amount		
Consulting	5,874	7,666	1,791	30.5
Financial IT Solutions	93,495	108,324	14,828	15.9
Industrial IT Solutions	41,323	41,191	(131)	(0.3)
IT Platform Services	12,859	23,758	10,899	84.8
Others	3,653	3,371	(282)	(7.7)
Total	157,206	184,311	27,105	17.2
(Order backlog in the current FY)	155,023	174,691	19,668	12.7

(JPY million)

At beginning of period	FY Mar.	FY Mar.	Y o Y	
	2013	2014	Diff.	Change(%)
	Amount	Amount		
Consulting	3,586	4,641	1,054	29.4
Financial IT Solutions	110,579	118,645	8,066	7.3
Industrial IT Solutions	43,546	50,930	7,384	17.0
IT Platform Services	15,494	14,222	(1,272)	(8.2)
Others	2,035	2,572	536	26.4
Total	175,242	191,012	15,769	9.0
(Order backlog in the current FY)	174,440	190,265	15,824	9.1

I .3Q FY Mar.2014 Financial Results (Consolidated)

②Order Volume

(JPY million)

3rd Quarter Total	3Q FY Mar. 2013	3Q FY Mar. 2014	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	17,946	19,505	1,558	8.7
Financial IT Solutions	102,255	99,644	(2,611)	(2.6)
Industrial IT Solutions	35,262	30,244	(5,017)	(14.2)
IT Platform Services	11,116	26,810	15,694	141.2
Others	6,067	6,376	308	5.1
Total	172,648	182,581	9,932	5.8

(JPY million)

3rd Quarter	3Q FY Mar. 2013	3Q FY Mar. 2014	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	4,906	5,485	579	11.8
Financial IT Solutions	35,763	28,417	(7,346)	(20.5)
Industrial IT Solutions	9,527	10,162	635	6.7
IT Platform Services	3,170	4,157	987	31.2
Others	928	1,711	782	84.2
Total	54,296	49,934	(4,362)	(8.0)

(JPY million)

2nd Quarter	2Q FY Mar. 2013	2Q FY Mar. 2014	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	6,147	5,966	(181)	(3.0)
Financial IT Solutions	32,355	29,784	(2,570)	(7.9)
Industrial IT Solutions	8,326	9,135	808	9.7
IT Platform Services	3,909	4,771	862	22.1
Others	1,236	1,438	202	16.4
Total	51,975	51,096	(879)	(1.7)

(JPY million)

1st Quarter	1Q FY Mar. 2013	1Q FY Mar. 2014	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	6,892	8,053	1,160	16.8
Financial IT Solutions	34,137	41,442	7,305	21.4
Industrial IT Solutions	17,407	10,946	(6,460)	(37.1)
IT Platform Services	4,036	17,880	13,844	343.0
Others	3,902	3,225	(676)	(17.3)
Total	66,375	81,550	15,174	22.9

II . FY Mar.2014 Financial Results Forecasts (Consolidated)



NRI has revised financial results forecasts and dividend forecasts.

(1) Highlights

(JPY billion)

	FY Mar.2013 (Results)		FY Mar.2014 (Forecasts)		Y o Y		FY Mar.2014 (Forecasts as of July 25,2013)		Comparison to forecasts	
	Amount	Amount	Amount	Amount	Diff.	(%)	Amount	Amount	Diff.	(%)
Sales	363.8	380.0	363.8	380.0	16.1	4.4	375.0	375.0	5.0	1.3
Consulting Services	39.0	41.0	39.0	41.0	1.9	4.9	38.0	38.0	3.0	7.9
System Development & System Application Sales	140.4	144.0	140.4	144.0	3.5	2.5	142.0	142.0	2.0	1.4
System Management & Operation Services	174.9	185.0	174.9	185.0	10.0	5.7	185.0	185.0	—	—
Product Sales	9.3	10.0	9.3	10.0	0.6	7.0	10.0	10.0	—	—
Operating Profit	43.9	50.0	43.9	50.0	6.0	13.7	49.0	49.0	1.0	2.0
(Operating Profit Margin)	12.1%	13.2%	12.1%	13.2%	1.1P		13.1%	13.1%	0.1P	
Net Income	28.6	32.0	28.6	32.0	3.3	11.8	32.0	32.0	—	—
Earnings per share(JPY)	145.29	161.30	145.29	161.30	16.01		161.49	161.49	—	—
Second quarter(JPY)	26.00	26.00	26.00	26.00	—	—	26.00	26.00	—	—
Fiscal year end(JPY)	26.00	30.00	26.00	30.00	4.00	15.4	26.00	26.00	4.00	15.4
Dividends per share(JPY)	52.00	56.00	52.00	56.00	4.00	7.7	52.00	52.00	4.00	7.7
Dividend payout ratio	36.6%	35.3%	36.6%	35.3%	(1.2P)		32.8%	32.8%		

(2) Sales Forecasts by segment

(JPY billion)

	FY Mar.2013 (Results)		FY Mar.2014 (Forecasts)		Y o Y		FY Mar.2014 (Forecasts as of July 25,2013)		Comparison to forecasts	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Amount	Diff.	(%)
Consulting	22.7	6.3	25.0	6.6	2.2	9.8	24.0	24.0	1.0	4.2
Financial IT Solutions	219.7	60.4	222.0	58.4	2.2	1.0	220.0	220.0	2.0	0.9
Securities	115.9	31.9	112.0	29.5	(3.9)	(3.4)	111.0	111.0	1.0	0.9
Insurance	50.1	13.8	51.0	13.4	0.8	1.7	51.0	51.0	—	—
Banking	27.9	7.7	31.0	8.2	3.0	11.1	30.0	30.0	1.0	3.3
Other financial	25.7	7.1	28.0	7.4	2.2	8.6	28.0	28.0	—	—
Industrial IT Solutions	83.6	23.0	86.0	22.6	2.3	2.9	84.0	84.0	2.0	2.4
Distribution	44.8	12.3	43.5	11.4	(1.3)	(2.9)	42.5	42.5	1.0	2.4
Manufacturing, service and other	38.8	10.7	42.5	11.2	3.6	9.5	41.5	41.5	1.0	2.4
IT Platform Services	28.8	7.9	37.0	9.7	8.1	28.2	37.0	37.0	—	—
Others	8.9	2.4	10.0	2.6	1.0	12.2	10.0	10.0	—	—
Total	363.8	100.0	380.0	100.0	16.1	4.4	375.0	375.0	5.0	1.3

II . FY Mar.2014 Financial Results Forecasts (Consolidated)



(3) Capital Expenditure Forecasts

(JPY billion)

	FY Mar.2013	FY Mar.2014	YoY		FY Mar.2014	Comparison to	
	(Results)	(Forecasts)	Diff.	Change(%)	(Forecasts as of July 25,2013)	forecasts	
	Amount	Amount			Amount	Diff.	Change(%)
Capital Expenditure	31.0	32.0	0.9	3.1	32.0	—	—
Tangible	14.8	11.0	(3.8)	(26.1)	13.0	(2.0)	(15.4)
Intangible	16.1	21.0	4.8	29.9	19.0	2.0	10.5