

# Financial Results Presentation

Financial Results for the year ended 31st March, 2023  
and Financial Results Forecasts for the year ending 31st March, 2024

Nomura Research Institute, Ltd.

**Shingo Konomoto**

President & CEO, Chairman, Member of the Board, Representative Director

April 27, 2023



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## Financial Results for FY March 2023

# Highlights of Consolidated Financial Results YoY comparison

(JPY million)

	FY Mar. 2022	FY Mar. 2023	Diff.	YoY Change
Revenue	611,634	692,165	80,531	13.2%
Operating Profit	106,218	111,832	5,613	5.3%
Operating Margin	17.4%	16.2%	(1.2P)	
EBITDA Margin	23.9%	22.5%	(1.4P)	
Profit before tax	104,671	108,499	3,827	3.7%
Profit attributable to owners of parent	71,445	76,307	4,861	6.8%
Earnings Per Share	¥120.57	¥128.92	8.35	
Annual Dividends per share	¥40.00	¥45.00	¥5.00	
Dividend payout ratio	33.1%	34.9%	1.8P	
ROE	21.3%	20.7%	(0.6P)	

# Financial Results for FY March 2023

## Comparison to Forecasts

(JPY billion)

	FY Mar. 2022	FY Mar. 2023		
	Results	Forecasts*	Results	Diff.
Revenue	611.6	690.0	692.1	2.1
Operating Profit	106.2	115.0	111.8	(3.1)
Operating Margin	17.4%	16.7%	16.2%	(0.5P)
Profit before tax	104.6	113.0	108.4	(4.5)
Profit attributable to owners of parent	71.4	77.0	76.3	(0.6)

\* Forecasts on FY Mar. 2023 were published on 30 Jan. 2023.

# Financial Results for FY March 2023

## External revenue by segment < Total >

(JPY million)

	FY Mar. 2022	Share	FY Mar. 2023	Share	Diff.	YoY Change
Consulting	42,807	7.0%	46,100	6.7%	3,292	7.7%
Financial IT Solutions	303,635	49.6%	328,576	47.5%	24,941	8.2%
Securities	133,316	21.8%	141,541	20.4%	8,224	6.2%
Insurance	68,894	11.3%	77,039	11.1%	8,145	11.8%
Banking	47,073	7.7%	55,069	8.0%	7,996	17.0%
Other financial	54,351	8.9%	54,926	7.9%	574	1.1%
Industrial IT Solutions	222,583	36.4%	267,190	38.6%	44,606	20.0%
Distribution	68,269	11.2%	70,628	10.2%	2,358	3.5%
Manufacturing, service and other	154,313	25.2%	196,562	28.4%	42,248	27.4%
IT Platform Services	42,607	7.0%	50,298	7.3%	7,690	18.0%
Total	611,634	100.0%	692,165	100.0%	80,531	13.2%

## Financial Results for FY March 2023

### External revenue by segment < Total > (supplementary information)

#### ■ Revenue by main client

(JPY million)

	FY Mar. 2022	Share*	FY Mar. 2023	Share*	Diff.	YoY Change
Nomura Holdings	63,025	10.3%	72,921	10.5%	9,895	15.7%

#### ■ Overseas Revenue

(JPY million)

	FY Mar. 2022	Share*	FY Mar. 2023	Share*	Diff.	YoY Change
Overseas Revenue	76,519	12.5%	123,207	17.8%	46,687	61.0%
North America**	12,283	2.0%	38,436	5.6%	26,153	212.9%
Oceania**	57,221	9.4%	75,314	10.9%	18,092	31.6%
Asia, other**	7,015	1.1%	9,456	1.4%	2,440	34.8%

Average Rate : USD  
AUD

¥112.40  
¥83.05

¥135.51  
¥92.66

\* Percentage of (total) external sales

\*\* The subsidiary head office location method. Those which could be grouped into countries or regions have been listed as reference values.

## Financial Results for FY March 2023

# Segment Performance Results < Total >

■ Including Inter-segment revenue for each segment (Excluding total)

(JPY million)

		FY Mar. 2022	FY Mar. 2023	Diff.	YoY Change
Consulting	Revenue	44,414	47,821	3,407	7.7%
	OP	12,820	12,329	(490)	(3.8%)
	OM	28.9%	25.8%	(3.1P)	
Financial IT Solutions	Revenue	308,376	334,141	25,765	8.4%
	OP	43,877	49,710	5,832	13.3%
	OM	14.2%	14.9%	0.6P	
Industrial IT Solutions	Revenue	229,921	276,031	46,110	20.1%
	OP	25,449	24,429	(1,019)	(4.0%)
	OM	11.1%	8.9%	(2.2P)	
IT Platform Services	Revenue	157,598	169,840	12,242	7.8%
	OP	20,955	23,346	2,391	11.4%
	OM	13.3%	13.7%	0.4P	
Total (After adjustment deduction)	Revenue	611,634	692,165	80,531	13.2%
	OP	106,218	111,832	5,613	5.3%
	OM	17.4%	16.2%	(1.2P)	

# Financial Results for FY March 2023

## Segment Performance Results < Domestic >

■ Including Inter-segment revenue for each segment (Excluding total)

(JPY million)

		FY Mar. 2022	FY Mar. 2023	Diff.	YoY Change
Consulting	Revenue	39,641	42,134	2,492	6.3%
	OP	12,157	12,164	6	0.1%
	OM	30.7%	28.9%	(1.8P)	
Financial IT Solutions	Revenue	296,666	321,824	25,157	8.5%
	OP	42,228	49,564	7,336	17.4%
	OM	14.2%	15.4%	1.2P	
Industrial IT Solutions	Revenue	164,731	165,336	605	0.4%
	OP	20,235	21,573	1,338	6.6%
	OM	12.3%	13.0%	0.8P	
IT Platform Services	Revenue	157,225	169,249	12,023	7.6%
	OP	20,933	23,206	2,272	10.9%
	OM	13.3%	13.7%	0.4P	
Total (After adjustment deduction)	Revenue	535,114	568,958	33,843	6.3%
	OP	98,665	108,536	9,870	10.0%
	OM	18.4%	19.1%	0.6P	



## Financial Results for FY March 2023

### Segment Performance Results < Overseas >

■ Including Inter-segment revenue for each segment (Excluding total)

(JPY million)

		FY Mar. 2022	FY Mar. 2023	Diff.	YoY Change
Consulting	Revenue	4,772	5,687	914	19.2%
	OP	662	165	(497)	(75.0%)
	OM	13.9%	2.9%	(11.0P)	
Financial IT Solutions	Revenue	11,710	12,317	607	5.2%
	OP	1,649	145	(1,503)	(91.2%)
	OM	14.1%	1.2%	(12.9P)	
Industrial IT Solutions	Revenue	65,189	110,694	45,504	69.8%
	OP	5,214	2,856	(2,357)	(45.2%)
	OM	8.0%	2.6%	(5.4P)	
IT Platform Services	Revenue	372	590	218	58.7%
	OP	21	140	118	547.0%
	OM	5.8%	23.7%	17.9P	
Total (After adjustment deduction)	Revenue	76,519	123,207	46,687	61.0%
	OP	7,553	3,295	(4,257)	(56.4%)
	OM	9.9%	2.7%	(7.2P)	

Note: Revenue and operating profit for overseas subsidiaries in each segment are listed. These figures do not include global-related expenses borne by head office.

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment.

## Financial Results for FY March 2023

# Analysis of increase and decrease factors

- Main factors for increases and decreases in external sales and operating profit by segment are as Follows.

(Key) (+) Increase factors, (–) Decrease factors

Segment		External revenue	Operating profit
Consulting		(+) Consulting projects for the public sector	(–) Lower profitability overseas
Financial IT Solutions	Securities	(+) Shared online services implementation projects (+) System development projects for major securities brokerages	(+) Higher profits due to increased revenue effects (+) Contribution from an increase in system management solutions (–) Lower profitability of AUSIEX in Australia
	Insurance	(+) Systems development for non-life and life insurance	
	Banking	(+) Shared online services implementation projects	
	Other financial, etc.		
Industrial IT Solutions	Distribution	(+) Consolidation effect of Core BTS in the US (approx. ¥2.0 billion)	(+) Improved profitability in Japan (–) Lower profitability in the US
	Manufacturing & services, etc.	(+) Business in Australia (+) Consolidation effect of Core BTS in the US (approx. ¥22.0billion)	
IT Platform Services		(+) Digital workplace business (+) Information security business	(+) Higher profits due to increased revenue effects

## Financial Results for FY March 2023

### Consolidated P/L Highlight < Total >

(JPY million)

	FY Mar. 2022	FY Mar. 2023	Diff.	YoY Change
Revenue	611,634	692,165	80,531	13.2%
Cost of Sales	395,562	452,336	56,773	14.4%
Subcontracting Costs	194,766	214,166	19,399	10.0%
Gross Profit	216,071	239,829	23,757	11.0%
Gross Profit Margin	35.3%	34.6%	(0.7P)	
SG&A	113,536	131,580	18,043	15.9%
Other Income & Other Expenses, etc.	3,683	3,583	(100)	(2.7%)
Operating Profit	106,218	111,832	5,613	5.3%
Operating Margin	17.4%	16.2%	(1.2P)	

## Financial Results for FY March 2023

### Consolidated P/L Highlight < Total > (continued)

(JPY million)

	FY Mar. 2022	FY Mar. 2023	Diff.	YoY Change
Operating Profit	106,218	111,832	5,613	5.3%
Finance Income & Finance Costs	(1,547)	(3,333)	(1,786)	115.4%
Profit before tax	104,671	108,499	3,827	3.7%
Income tax expenses	32,878	32,002	(875)	(2.7%)
Profit attributable to owners of parent	71,445	76,307	4,861	6.8%

# Key Factors in Financial Results for FY March 2023

## ■ Higher income with +13.2% in revenue

- Domestically, progress was made in new client acquisitions for financial business platforms and in DX projects for social issue solutions consulting, information security consulting, etc.
- Overseas, we achieved more than 120 billion yen in sales which far exceeded the Vision 2022 target, driven by business growth in Australia and North America

## ■ +5.3% in operating profit

- Domestically, profitability increased as a result of advancements in efficiency measures such as acquiring larger-scale clients in industrial IT as well, in addition to the above revenue effects
- Overseas, profitability declined in North America but is now trending toward recovery as measures are already being implemented

All Vision 2022 targets were achieved, now on to the next growth stage

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## Financial Results Forecasts for FY March 2024

### Order Backlog by Segment (Outstanding)

(JPY million)

	At end of Mar. 2022	At end of Mar. 2023	Diff.	YoY Change
Consulting	8,789	11,929	3,140	35.7%
Financial IT Solutions	198,391	212,716	14,324	7.2%
Industrial IT Solutions	123,402	130,186	6,784	5.5%
IT Platform Services	17,800	21,283	3,483	19.6%
Total	348,384	376,116	27,732	8.0%
Order backlog in the current FY	340,630	366,056	25,426	7.5%

## Order Backlog by Segment (Domestic/International)

### ■ Order backlog domestically

(JPY million)

	At end of Mar. 2022	At end of Mar. 2023	Diff.	YoY Change
Consulting	8,350	10,868	2,518	30.2%
Financial IT Solutions	192,607	207,484	14,877	7.7%
Industrial IT Solutions	74,931	81,519	6,587	8.8%
IT Platform Services	17,800	21,283	3,483	19.6%
Total	293,689	321,156	27,467	9.4%

### ■ Order backlog of overseas subsidiaries

(JPY million)

	At end of Mar. 2022	At end of Mar. 2023	Diff.	YoY Change
Overseas subsidiaries*	54,694	54,959	265	0.5%

\* Group companies which have the headquarter overseas are classified as overseas subsidiaries.



# Financial Results Forecasts for FY March 2024

## Forecasts for FY March 2024

(JPY billion)

	FY Mar. 2023 (Results)	FY Mar. 2024 (Forecasts)	Diff.	YoY Change
Revenue	692.1	720.0	27.8	4.0%
Operating Profit	111.8	117.0	5.1	4.6%
Operating Margin	16.2%	16.3%	0.1P	
Profit before tax	108.4	115.0	6.5	6.0%
Profit attributable to owners of parent	76.3	78.0	1.6	2.2%
Earnings Per Share	¥128.92	¥131.83	¥2.90	2.3%
Annual Dividends per share	¥45.00	¥48.00	¥3.00	
Second quarter	¥22.00	¥24.00	¥2.00	
Fiscal year end	¥23.00	¥24.00	¥1.00	
Dividend payout ratio	34.9%	36.4%	1.5P	

## Financial Results Forecasts for FY March 2024

# Revenue Forecasts by Segment for FY March 2024

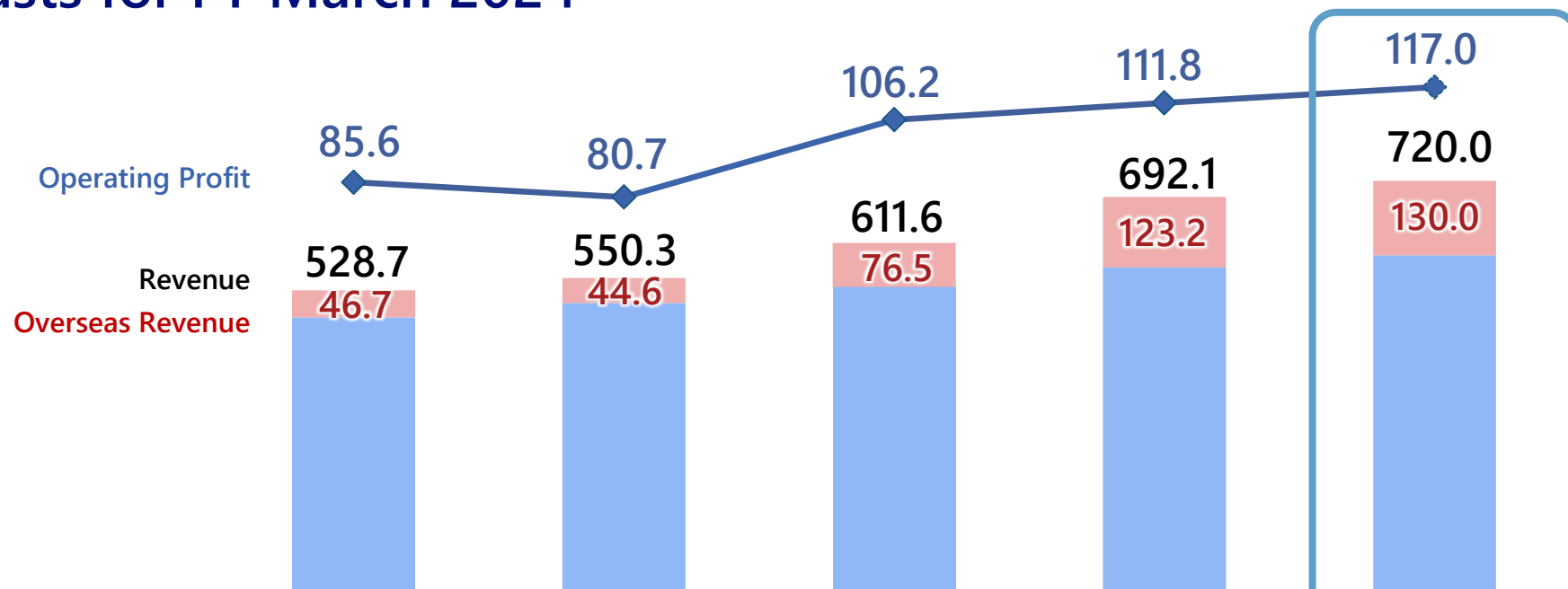
(JPY billion)

	FY Mar. 2023 (Results)	Share	FY Mar. 2024 (Forecasts)	Share	Diff.	YoY Change
Consulting	46.1	6.7%	48.0	6.7%	1.8	4.1%
Financial IT Solutions	328.5	47.5%	334.0	46.4%	5.4	1.7%
Securities	141.5	20.4%	142.0	19.7%	0.4	0.3%
Insurance	77.0	11.1%	78.0	10.8%	0.9	1.2%
Banking	55.0	8.0%	57.0	7.9%	1.9	3.5%
Other financial	54.9	7.9%	57.0	7.9%	2.0	3.8%
Industrial IT Solutions	266.7	38.5%	285.0	39.6%	18.2	6.9%
Distribution	70.6	10.2%	73.0	10.1%	2.3	3.4%
Manufacturing, service and other	196.0	28.3%	212.0	29.4%	15.9	8.1%
IT Platform Services	48.1	7.0%	50.0	6.9%	1.8	3.8%
Other	2.6	0.4%	3.0	0.4%	0.3	14.9%
Total	692.1	100.0%	720.0	100.0%	27.8	4.0%

# Financial Results Forecasts for FY March 2024

## Forecasts for FY March 2024

(JPY billion)



	FY March 2020 (Results)	FY March 2021 (Results)	FY March 2022 (Results)	FY March 2023 (Results)	FY March 2024 (Forecasts)
Revenue	528.7	550.3	611.6	692.1	720.0
Operating Profit	85.6	80.7	106.2	111.8	117.0
Operating Margin	16.2%	14.7%	17.4%	16.2%	16.3%
Overseas Revenue	46.7	44.6	76.5	123.2	130.0**

\*Overseas revenue shown through March 2020 is based on the location of the clients, and from FY March 2021 onward based on the location of the head office of each subsidiary

\*\* FY Mar.2024 Forecast Rate: USD ¥132.71, AUD ¥89.62

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# Acquisition of Treasury Stock

- Implemented to increase capital efficiency and as part of a nimble equity policy that addresses changes in the business environment

### < Outline of acquisition >

<b>Total number of shares to be acquired</b>	Up to 20,000,000 shares * Percentage of total number of issued shares (excluding treasury stock) : 3.38%
<b>Total acquisition price for shares</b>	Up to ¥50.0 billion
<b>Acquisition period</b>	May 17, 2023 to November 30, 2023
<b>Acquisition method</b>	Market purchase based on discretionary trading pertaining to acquisition of treasury stock

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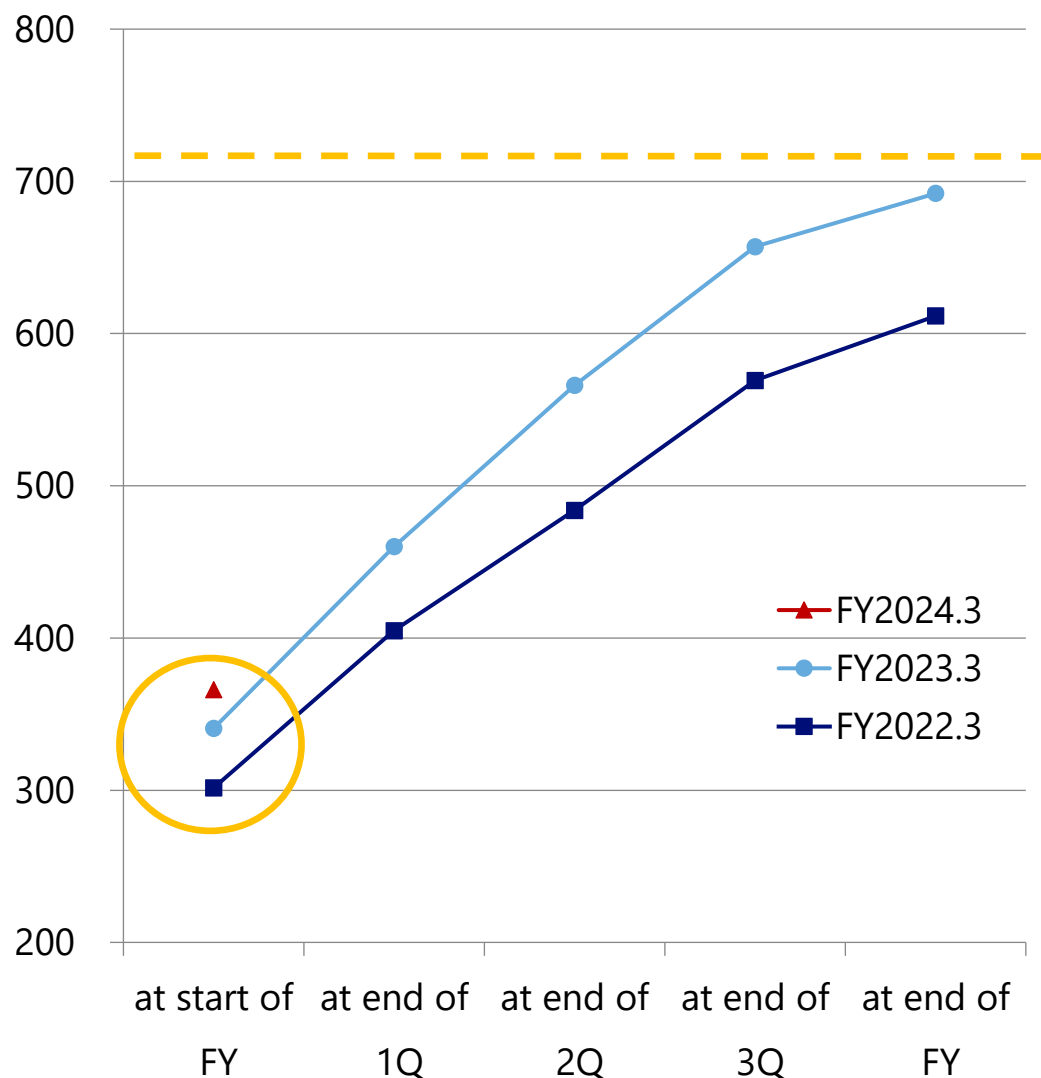
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## Reference Materials

# Revenue + Consolidated Order Backlog in the current FY

(billion yen)



(JPY billion)

	FY Mar.2023	FY Mar.2024	YoY Change
Revenue*	692.1	720.0	+4.0%
Order Backlog**	340.6	366.0	+7.5%
Realization rate	49.2%	50.8%	1.6P

(\*) FY Mar.2023: Results, FY Mar. 2024: Forecasts

(\*\*) The figure at the start of FY Mar. 2024

## Revenue by Service &lt; Total &gt;

(JPY million)

	FY Mar. 2022	FY Mar. 2023	Diff.	YoY Change
Consulting Services	125,460	156,582	31,122	24.8%
System Development & System Application Sales	196,000	211,512	15,512	7.9%
System Management & Operation Services	272,903	292,874	19,970	7.3%
Product Sales	17,269	31,195	13,925	80.6%
Total	611,634	692,165	80,531	13.2%



## Order Volume &lt; Total &gt;

(JPY million)

	FY Mar. 2022	FY Mar. 2023	Diff.	YoY Change
Consulting	44,513	49,189	4,676	10.5%
Financial IT Solutions	317,037	342,201	25,164	7.9%
Industrial IT Solutions	241,058	266,947	25,889	10.7%
IT Platform Services	45,126	53,781	8,654	19.2%
<b>Total</b>	<b>647,735</b>	<b>712,120</b>	<b>64,385</b>	<b>9.9%</b>

Note : Order volume had previously included exchange rate impact arising due to order backlog at the start of the fiscal year, but we have switched to a method that does not include this impact starting in FY March 2023.  
Figures for FY March 2022 were also prepared using this method.

## Order Volume &lt; Total &gt; (Domestic/Overseas)

## ■ Order volume domestically

(JPY million)

	FY Mar. 2022	FY Mar. 2023	Diff.	YoY Change
Consulting	40,665	43,812	3,147	7.7%
Financial IT Solutions	302,696	333,959	31,263	10.3%
Industrial IT Solutions	160,067	165,462	5,394	3.4%
IT Platform Services	44,754	53,190	8,436	18.9%
Total	548,182	596,425	48,243	8.8%

## ■ Order volume of overseas subsidiaries

(JPY million)

	FY Mar. 2022	FY Mar. 2023	Diff.	YoY Change
Overseas subsidiaries*	99,552	115,695	16,142	16.2%

\* Group companies which have the headquarter are classified as overseas subsidiaries.

## Cash Flow &lt; Full Year &gt;

	(JPY million)		
	FY Mar. 2022	FY Mar. 2023	YoY Change
Operating activities	98,137	118,899	21.2%
Investing activities	(130,547)	(61,190)	(53.1%)
(Except Cash management purpose)	(130,472)	(60,683)	(53.5%)
Free Cash Flow	(32,410)	57,709	—
(Except Cash management purpose)	(32,335)	58,215	—
Financing activities	(7,995)	(44,921)	461.8%
Net increase in Cash and cash equivalents	(37,576)	13,646	—
(Except Cash management purpose)	(37,501)	14,153	—
Cash and cash equivalents at end of year	115,610	129,257	11.8%
Cash and cash equivalents + Cash Management purpose investment	117,368	131,235	11.8%

## Balance Sheet &lt; Full Year &gt;

(JPY million)

	FY Mar. 2022	FY Mar. 2023	Diff.	YoY Change
<b>Assets</b>	<b>789,655</b>	<b>838,224</b>	<b>48,568</b>	<b>6.2%</b>
Cash and cash equivalents, etc. (a)	117,368	131,235	13,866	11.8%
Goodwill and intangible assets	210,744	237,283	26,539	12.6%
Of which, Goodwill from M&A, etc.	132,636	137,804	5,168	3.9%
Software	77,966	99,365	21,398	27.4%
<b>Liabilities</b>	<b>447,168</b>	<b>435,817</b>	<b>(11,351)</b>	<b>(2.5%)</b>
Interest-bearing liabilities (b)	209,627	205,823	(3,803)	(1.8%)
<b>Equity</b>	<b>342,486</b>	<b>402,406</b>	<b>59,919</b>	<b>17.5%</b>
Total equity attributable to owners of parent (c)	339,360	399,006	59,645	17.6%
Net interest-bearing liabilities (d=b-a)	92,259	74,588	(17,670)	(19.2%)
Net D/E ratio (e=d/c)	0.27	0.19	(0.08)	

# Highlights of Consolidated Financial Results < 4Q > YoY comparison

(JPY million)

	4Q FY Mar. 2022 (Jan.-Mar.)	4Q FY Mar. 2023 (Jan.-Mar.)	Diff.	YoY Change
Revenue	163,686	176,106	12,419	7.6%
Operating Profit	24,846	27,958	3,112	12.5%
Operating Margin	15.2%	15.9%	0.7P	
EBITDA Margin	22.2%	22.7%	0.5P	
Profit before tax	24,818	27,054	2,235	9.0%
Profit attributable to owners of parent	17,130	21,273	4,142	24.2%

# Highlights of Consolidated Financial Results < 4Q >

(JPY million)

	4Q FY Mar. 2022 (Jan.-Mar.)	Share	4Q FY Mar. 2023 (Jan.-Mar.)	Share	Diff.	YoY Change
Consulting	12,570	7.7%	13,255	7.5%	684	5.4%
Financial IT Solutions	78,459	47.9%	82,053	46.6%	3,594	4.6%
Securities	35,230	21.5%	34,439	19.6%	(791)	(2.2%)
Insurance	18,496	11.3%	19,500	11.1%	1,003	5.4%
Banking	11,749	7.2%	14,659	8.3%	2,910	24.8%
Other financial	12,982	7.9%	13,454	7.6%	472	3.6%
Industrial IT Solutions	60,433	36.9%	66,874	38.0%	6,441	10.7%
Distribution	17,582	10.7%	17,960	10.2%	378	2.2%
Manufacturing, Service and other	42,851	26.2%	48,913	27.8%	6,062	14.1%
IT Platform Services	12,223	7.5%	13,922	7.9%	1,699	13.9%
Total	163,686	100.0%	176,106	100.0%	12,419	7.6%

## External Revenue by segment < 4Q > (supplementary information)

### ■ Revenue by main client

(JPY million)

	4Q FY Mar. 2022 (Jan.-Mar.)	Share*	4Q FY Mar. 2023 (Jan.-Mar.)	Share*	Diff.	YoY Change
Nomura Holdings	16,889	10.3%	17,691	10.0%	802	4.8%

### ■ Overseas Revenue

(JPY million)

	4Q FY Mar. 2022 (Jan.-Mar.)	Share*	4Q FY Mar. 2023 (Jan.-Mar.)	Share*	Diff.	YoY Change
Overseas Revenue	24,790	15.1%	29,489	16.7%	4,699	19.0%
North America**	7,773	4.7%	9,402	5.3%	1,628	20.9%
Oceania**	15,031	9.2%	17,462	9.9%	2,430	16.2%
Asia, other**	1,984	1.2%	2,624	1.5%	639	32.2%

\* Percentage of (total) external sales

\*\* The subsidiary head office location method. Those which could be grouped into countries or regions have been listed as reference values.

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# Segment Performance Results < 4Q >

■ Including Inter-segment revenue for each segment

(JPY million)

		4Q FY Mar. 2022 (Jan.-Mar.)	4Q FY Mar. 2023 (Jan.-Mar.)	Diff.	YoY Change
Consulting	Revenue	13,089	13,739	649	5.0%
	OP	4,218	3,998	(219)	(5.2%)
	OM	32.2%	29.1%	(3.1P)	
Financial IT Solutions	Revenue	79,711	83,378	3,667	4.6%
	OP	10,395	12,184	1,788	17.2%
	OM	13.0%	14.6%	1.6P	
Industrial IT Solutions	Revenue	62,562	69,496	6,933	11.1%
	OP	6,189	6,017	(172)	(2.8%)
	OM	9.9%	8.7%	(1.2P)	
IT Platform Services	Revenue	41,262	43,994	2,732	6.6%
	OP	4,209	5,756	1,546	36.7%
	OM	10.2%	13.1%	2.9P	
Total (After adjustment deduction)	Revenue	163,686	176,106	12,419	7.6%
	OP	24,846	27,958	3,112	12.5%
	OM	15.2%	15.9%	0.7P	

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment.



## Reference Materials

# Segment Performance Results < 4Q > <Domestic>

■ Including Inter-segment revenue for each segment

(JPY million)

		4Q FY Mar. 2022 (Jan.-Mar.)	4Q FY Mar. 2023 (Jan.-Mar.)	Diff.	YoY Change
Consulting	Revenue	11,585	11,964	379	3.3%
	OP	3,762	3,710	(51)	(1.4%)
	OM	32.5%	31.0%	(1.5P)	
Financial IT Solutions	Revenue	76,814	80,480	3,665	4.8%
	OP	10,206	11,854	1,648	16.1%
	OM	13.3%	14.7%	1.4P	
Industrial IT Solutions	Revenue	40,667	43,331	2,663	6.5%
	OP	4,455	5,806	1,350	30.3%
	OM	11.0%	13.4%	2.4P	
IT Platform Services	Revenue	41,151	43,851	2,699	6.6%
	OP	4,170	5,742	1,572	37.7%
	OM	10.1%	13.1%	3.0P	
Total (After adjustment deduction)	Revenue	138,895	146,616	7,720	5.6%
	OP	22,427	27,116	4,689	20.9%
	OM	16.1%	18.5%	2.3P	

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## Reference Materials

# Segment Performance Results < 4Q > <Overseas>

■ Including Inter-segment revenue for each segment

(JPY million)

		4Q FY Mar. 2022 (Jan.-Mar.)	4Q FY Mar. 2023 (Jan.-Mar.)	Diff.	YoY Change
Consulting	Revenue	1,504	1,774	269	17.9%
	OP	456	287	(168)	(37.0%)
	OM	30.3%	16.2%	(14.1P)	
Financial IT Solutions	Revenue	2,896	2,898	1	0.0%
	OP	188	329	140	74.7%
	OM	6.5%	11.4%	4.9P	
Industrial IT Solutions	Revenue	21,894	26,165	4,270	19.5%
	OP	1,733	210	(1,523)	(87.9%)
	OM	7.9%	0.8%	(7.1P)	
IT Platform Services	Revenue	111	143	32	28.9%
	OP	39	13	(26)	(65.8%)
	OM	35.6%	9.4%	(26.1P)	
Total (After adjustment deduction)	Revenue	24,790	29,489	4,699	19.0%
	OP	2,419	841	(1,577)	(65.2%)
	OM	9.8%	2.9%	(6.9P)	

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# Analysis of increase and decrease factors < 4Q >

- Main factors for increases and decreases in external sales and operating profit by segment are as Follows.

(Key) (+) Increase factors, (−) Decrease factors

Segment		External revenue	Operating profit
Consulting		(+) Consulting projects for the public sector	(−) Lower profitability overseas
Financial IT Solutions	Securities		(+) Higher profits due to increased revenue effects (+) Contribution from an increase in system management solutions
	Insurance	(+) Systems development for non-life insurance	
	Banking	(+) Shared online services implementation projects	
	Other financial, etc.		
Industrial IT Solutions	Distribution		(−) Lower profitability in the US
	Manufacturing & services, etc.	(+) Business in Australia (+) Systems development for services	
IT Platform Services		(+) Digital workplace business (+) Information security business	(+) Higher profits due to increased revenue effects

## Revenue by Service &lt; 4Q &gt;

(JPY million)

	4Q FY Mar. 2022 (Jan.-Mar.)	4Q FY Mar. 2023 (Jan.-Mar.)	Diff.	YoY Change
Consulting Services	38,641	40,124	1,483	3.8%
System Development & System Application Sales	49,367	52,812	3,445	7.0%
System Management & Operation Services	69,080	75,335	6,255	9.1%
Product Sales	6,597	7,833	1,235	18.7%
Total	163,686	176,106	12,419	7.6%

## Consolidated P/L Highlight &lt; 4Q &gt;

(JPY million)

	4Q FY Mar. 2022 (Jan.-Mar.)	4Q FY Mar. 2023 (Jan.-Mar.)	Diff.	YoY Change
Revenue	163,686	176,106	12,419	7.6%
Cost of Sales	107,672	116,042	8,370	7.8%
Subcontracting Costs	52,882	55,528	2,645	5.0%
Gross Profit	56,014	60,063	4,048	7.2%
Gross Profit Margin	34.2%	34.1%	(0.1P)	
SG&A	31,099	32,881	1,782	5.7%
Other Income & Other Expenses, etc.	(68)	777	845	—
Operating Profit	24,846	27,958	3,112	12.5%
Operating Margin	15.2%	15.9%	0.7P	

## Consolidated P/L Highlight &lt; 4Q &gt; (continued)

(JPY million)

	4Q FY Mar. 2022 (Jan.-Mar.)	4Q FY Mar. 2023 (Jan.-Mar.)	Diff.	YoY Change
Operating Profit	24,846	27,958	3,112	12.5%
Finance Income & Finance Costs	(27)	(903)	(876)	—
Profit before tax	24,818	27,054	2,235	9.0%
Income tax expenses	7,622	5,825	(1,796)	(23.6%)
Profit attributable to owners of parent	17,130	21,273	4,142	24.2%

## Order Volume by Segment &lt; 4Q &gt;

(JPY million)

	4Q FY Mar. 2022 (Jan.-Mar.)	4Q FY Mar. 2023 (Jan.-Mar.)	Diff.	YoY Change
Consulting	11,283	13,479	2,195	19.5%
Financial IT Solutions	198,223	214,057	15,833	8.0%
Industrial IT Solutions	124,749	130,704	5,955	4.8%
IT Platform Services	20,195	23,651	3,455	17.1%
Total	354,452	381,893	27,440	7.7%

## Order Volume by Segment < 4Q > (Domestic/Overseas)

### ■ Order volume domestically

(JPY million)

	4Q FY Mar. 2022 (Jan.-Mar.)	4Q FY Mar. 2023 (Jan.-Mar.)	Diff.	YoY Change
Consulting	10,244	11,598	1,353	13.2%
Financial IT Solutions	191,881	209,015	17,134	8.9%
Industrial IT Solutions	80,576	86,299	5,723	7.1%
IT Platform Services	20,084	23,507	3,423	17.0%
Total	302,786	330,420	27,634	9.1%

### ■ Order volume of overseas subsidiaries

(JPY million)

	4Q FY Mar. 2022 (Jan.-Mar.)	4Q FY Mar. 2023 (Jan.-Mar.)	Diff.	YoY Change
Overseas subsidiaries*	51,666	51,472	(194)	(0.4%)

\* Group companies which have the headquarter overseas are classified as overseas subsidiaries.



## FY March 2024 Financial Results Forecasts &lt; 1H/2H &gt;

■ 1H

(JPY billion)

	FY Mar. 2023 (Results)	FY Mar. 2024 (Forecasts)	Diff.	YoY Change
Revenue	339.0	350.0	10.9	3.2%
Operating Profit	55.2	56.0	0.7	1.3%
Operating Margin	16.3%	16.0%	(0.3P)	
Profit before income tax	53.7	55.0	1.2	2.3%
Profit attributable to owners of parent	35.8	37.0	1.1	3.2%

■ 2H

(JPY billion)

	FY Mar. 2023 (Results)	FY Mar. 2024 (Forecasts)	Diff.	YoY Change
Revenue	353.1	370.0	16.8	4.8%
Operating Profit	56.5	61.0	4.4	7.8%
Operating Margin	16.0%	16.5%	0.5P	
Profit before income tax	54.7	60.0	5.2	9.6%
Profit attributable to owners of parent	40.4	41.0	0.5	1.4%

## Revenue Forecasts by Segment for FY March 2024 &lt; 1H/2H &gt;

(JPY billion)

## ■ 1H

	FY Mar. 2023 1H (Results)	Share	FY Mar. 2024 1H (Forecasts)	Share	Diff.	YoY Change
Consulting	20.2	6.0%	21.0	6.0%	0.7	3.7%
Financial IT Solutions	161.8	47.7%	164.0	46.9%	2.1	1.3%
Securities	69.5	20.5%	70.0	20.0%	0.4	0.6%
Insurance	38.2	11.3%	39.0	11.1%	0.7	2.0%
Banking	26.0	7.7%	27.0	7.7%	0.9	3.5%
Other financial	27.9	8.2%	28.0	8.0%	0.0	0.3%
Industrial IT Solutions	133.5	39.4%	141.0	40.3%	7.4	5.6%
Distribution	35.2	10.4%	36.0	10.3%	0.7	2.2%
Manufacturing, service and other	98.2	29.0%	105.0	30.0%	6.7	6.8%
IT Platform Services	22.3	6.6%	22.5	6.4%	0.1	0.8%
Other	1.1	0.3%	1.5	0.4%	0.3	30.4%
Total	339.0	100.0%	350.0	100.0%	10.9	3.2%

## ■ 2H

Consulting	25.8	7.3%	27.0	7.3%	1.1	4.4%
Financial IT Solutions	166.7	47.2%	170.0	45.9%	3.2	1.9%
Securities	71.9	20.4%	72.0	19.5%	0.0	0.1%
Insurance	38.8	11.0%	39.0	10.5%	0.1	0.5%
Banking	28.9	8.2%	30.0	8.1%	1.0	3.5%
Other financial	26.9	7.6%	29.0	7.8%	2.0	7.4%
Industrial IT Solutions	133.2	37.7%	144.0	38.9%	10.7	8.1%
Distribution	35.3	10.0%	37.0	10.0%	1.6	4.5%
Manufacturing, service and other	97.8	27.7%	107.0	28.9%	9.1	9.4%
IT Platform Services	25.8	7.3%	27.5	7.4%	1.6	6.5%
Other	1.4	0.4%	1.5	0.4%	0.0	2.6%
Total	353.1	100.0%	370.0	100.0%	16.8	4.8%

Note : As a results of changes to segments carried out in April 2023, the figures for FY Mar. 2024 have been restated to reflect the new segment classification.

# CAPEX, R&D and Depreciation Forecasts for FY March 2024

## ■ Capital Expenditure, R&D

(JPY billion)

	FY Mar. 2023 (Results)	FY Mar. 2024 (Forecasts)	Diff.	YoY Change
Capital Expenditure	58.5	56.0	(2.5)	(4.4%)
Tangible	15.6	13.0	(2.6)	(16.8%)
Intangible	42.9	43.0	0.0	0.2%
R&D Expenses	4.9	5.0	0.1	2.0%

## ■ Depreciation and Amortization

(JPY billion)

	FY Mar. 2023 (Results)	FY Mar. 2024 (Forecasts)	Diff.	YoY Change
Total	45.0	52.0	6.9	15.3%

# Forecasts for FY March 2024 <Consolidated Earnings Model>

- FY March 2024 Consolidated Earnings Model
  - Revenue of JPY720 billion and Operating profit of JPY117 billion

(JPY billion)

	FY Mar. 2022 (Results)	FY Mar. 2023 (Results)	FY Mar. 2024 (Forecasts)*	YoY	
				Diff.	Change
Revenue	611.6	692.1	720.0	27.8	4.0%
Cost of Sales	395.5	452.3	467.0	14.6	3.2%
Personnel	134.9	162.0	169.0	6.9	4.3%
Subcontracting Costs	194.7	214.1	218.0	3.8	1.8%
Depreciation	33.3	33.5	38.0	4.4	13.2%
Gross Profit	216.0	239.8	253.0	13.1	5.5%
Gross Profit Margin	35.3%	34.6%	35.1%	0.5P	
SG&A	113.5	131.5	136.0	4.4	3.4%
Operating Profit	106.2	111.8	117.0	5.1	4.6%
Operating Margin	17.4%	16.2%	16.3%	0.1P	

# DX-related index













## ■ Main DX-related business in FY March 2023

- Social issues consulting, DX consulting, Data analytics
- Mobile financial services (payments, points, etc), My-Number related services
- Business model transformation focused on E-commerce business (inventory control, optimized shipping, etc.) , at-home call centers platform
- Enhancing intranet infrastructure, etc. (information security business, cloud business)
- Business expansion in Australia

### DX-related index ( ) : YoY change

	1Q FY Mar. 2023	2Q FY Mar. 2023	3Q FY Mar. 2023	4Q FY Mar. 2023	Total FY Mar. 2023
DX-related sales	¥106.2 billion (+16.8%)	¥109.7 billion (+14.6%)	¥112.4 billion (+12.4%)	¥113.7 billion (+10.2%)	¥442.4 billion (+13.4%)
Ratio of DX-related sales	63% (0pt)	64% (0pt)	64% (0pt)	65% +1pt	64% +0pt

## Looking back on value co-creation in FY March 2023

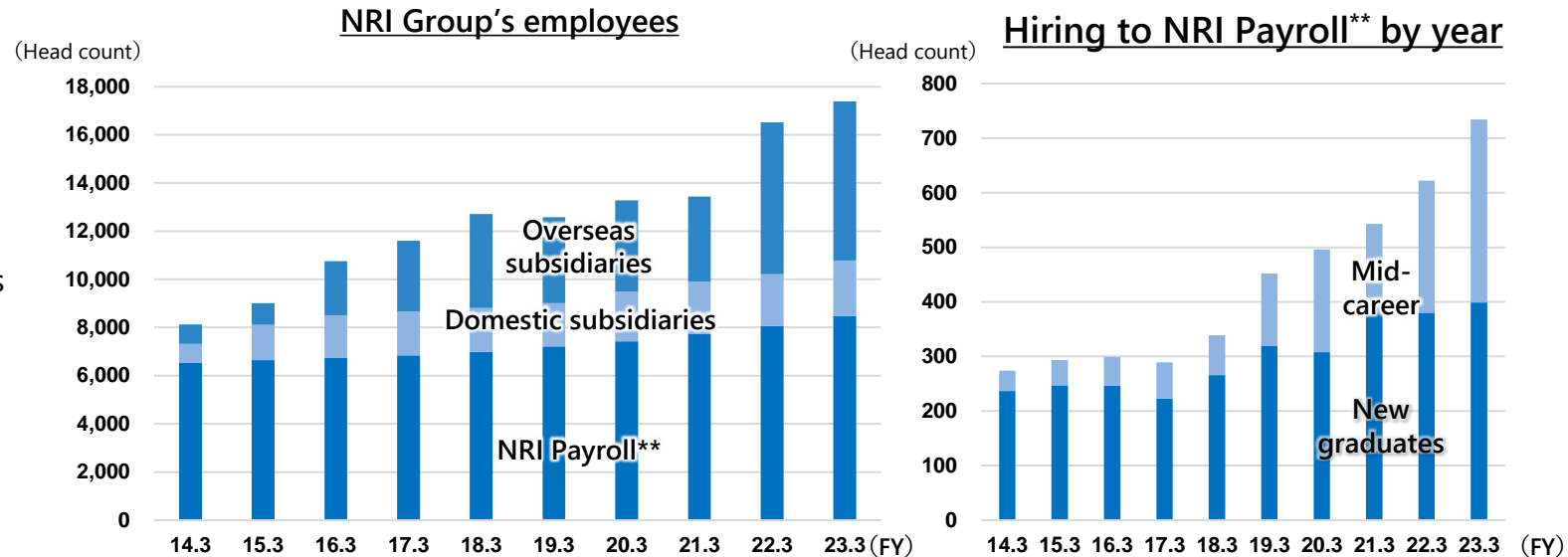
Social value	Measures	Status	
 Co-create a thriving future society	Promote DX	<b>DX transformation in society</b> : DX for core systems, DX consulting for industry-leading companies, etc <b>KPI</b> ) DX-related sales: 442.4 billion yen	
	Create new business models	New DX services through collaboration ex) the "Dokokani Byun!" with JR (Japan Rail) <b>KPI</b> ) Number of business partnerships (joint ventures, local government agencies supported, etc.): 2	
	Provide social recommendations and system proposals	Social recommendations "Japan's future beyond digital" at the Dream Up the Future Forum <b>KPI</b> ) NRI articles in the 5 major newspapers: 90	
 Co-create an ideal society	Business platform service expansion	STAR-IV at Mizuho Securities. Decarbonization <b>with shared online services expand</b> <b>KPI</b> ) Business platform sales: 128.5 billion yen	
	Generate environmental benefits for clients through business platforms	Selected for <b>DJSI World, MCSI AAA, and CDP A List</b> again this fiscal year <b>KPI</b> ) Client CO2 emission reductions through shared online services: 128,144 tons	
	Contributing to reforms towards an optimal society	<b>GX League</b> office. <b>"My Number" individual number info</b> <b>KPI</b> ) Scale of operational reform services (DX 1.0ab) business: +7% year-on-year	
	Help build IT infrastructure to create an ideal society	Osaka Data Center II, installed <b>solar power generation equipment</b> <b>KPI</b> ) Scale of cloud and data center services business: -0% year-on-year	
 Co-create a safe and secure society	Help upgrade the social infrastructure	<b>e-Shishobako (PO Box)</b> service linked to the "Mynaportal" individual number portal, <b>e-NINSHO public personal authentication system</b> <b>KPI</b> ) Scale of public services business: +18% year-on-year	
	Contribute to information security	Security of Japanese companies with highly dependable <b>digital trust</b> <b>KPI</b> ) Amount of investment in security and safety: 11.9 billion yen	
	Maintain the quality of systems in operation	For stable operation of systems, conduct comprehensive inspections and training for operating under large-scale disruptions <b>KPI</b> ) Number of information system incidents with severe financial/social impact: 0	

# NRI's employees + Subcontractors (in Japan & China)

## ■ NRI Group's employees

**17,394\***

- Management Consultants
- Systems Consultants
- Application Engineers
- Technical Engineers, etc.



## ■ Subcontractors

### Offshore development

### Partners in China

20 partners in 20 regions

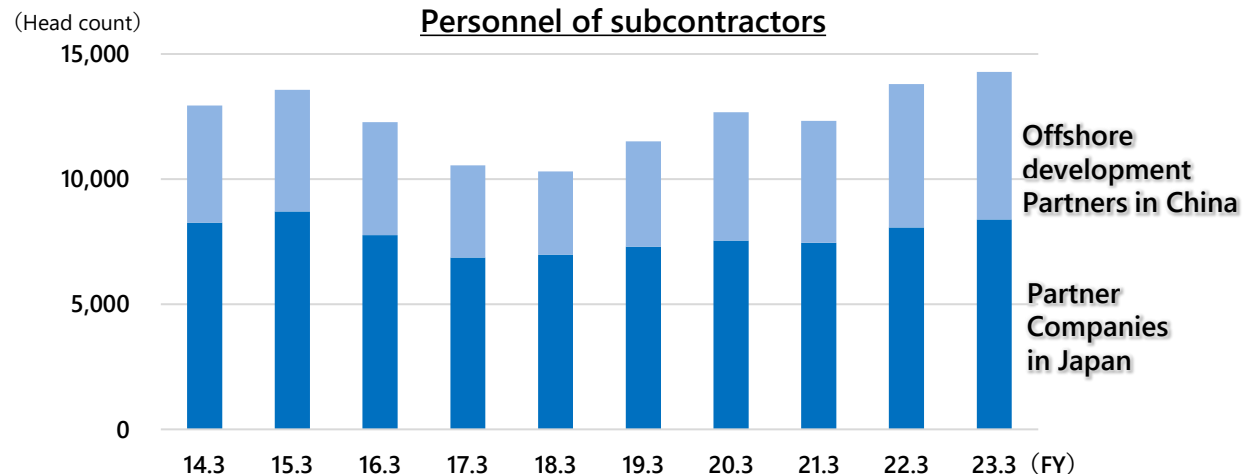
Personnel:

Approx. 6,000

### Partner Companies in Japan

Personnel:

Approx. 8,500



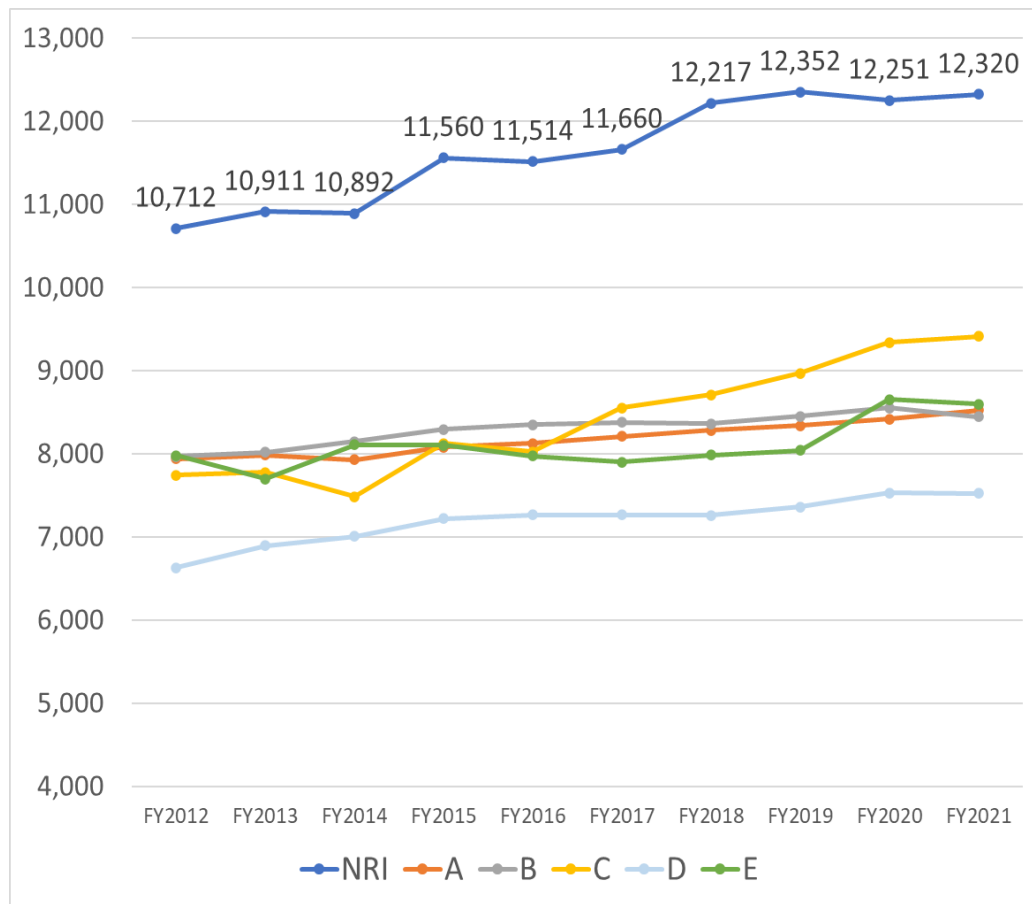
\* As of FY March 2023

\*\* Includes group company employees hired by the main body of NRI

## Annual Income and Wage Increases

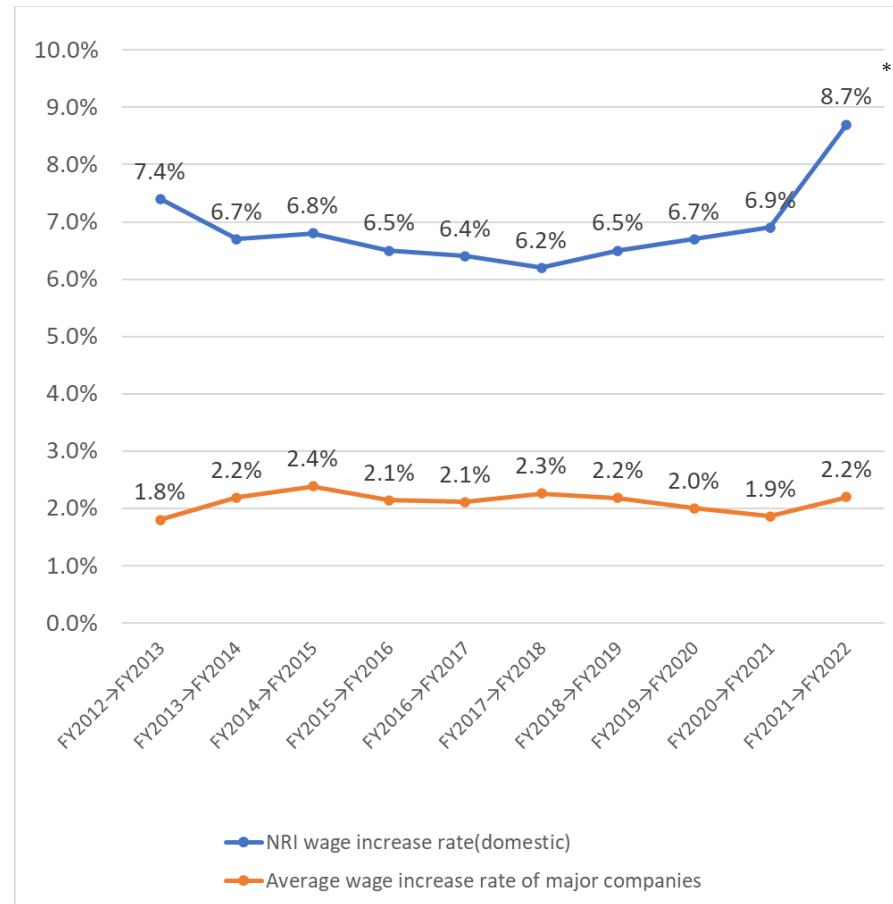
Comparison of average annual salaries at companies in same industry

Thousand JPY



Source) Companies' securities reports

Comparison against wage increase rate of major companies



Source) Ministry of Health, Labour and Welfare "Status of Spring Wage Increase Requests and Settlements at Major Private Companies"

\* Includes temporary increase due to transition to new personnel system



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.



**Envision the value,  
Empower the change**