

Financial Results Presentation

Financial Results for 1st Quarter FY March 2023

Nomura Research Institute, Ltd.

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July 28, 2022



- The comments on the presentation note part are supplementary information on the content of remarks at the financial results briefing and settlement figures.
- Please note that there is no comment on the slide that omitted the explanation at the financial results briefing or the slide without supplementary information.

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Financial Results for 1st Quarter FY March 2023

Highlights of Consolidated Financial Results

■ YoY comparison

	1Q FY Mar. 2022	1Q FY Mar. 2023	Diff.	YoY Change
Revenue	142,647	167,537	24,890	17.4%
Operating Profit	26,564	28,079	1,514	5.7%
Operating Margin	18.6%	16.8%	(1.9P)	
EBITDA Margin	23.5%	22.1%	(1.4P)	
Profit before tax	26,737	27,789	1,051	3.9%
Profit attributable to owners of parent	18,411	18,762	350	1.9%

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- Revenue increased by 24.8 billion yen. This breaks down into roughly even contributions from each of three regions, with approximately 9 billion yen domestically, 7 billion yen in Australia, and 8 billion yen in North America.
- Operating profit increased by 1.5 billion yen. Since 3.3 billion yen was recorded in gain on the sale of Yokohama Nomura Building trust beneficiary rights last year but 2.2 billion was recorded this year, there has been a negative overall reversion of 1.1 billion yen. However, this was compensated for primarily by increased profit in financial IT.
- Operating margin decreased by 1.9 percentage points year-on-year. This is attributable to the effects of Core BTS in North America having been made into a consolidated subsidiary but not yet contributing to profit, and from decreased gain on the sale of the Yokohama Nomura Building.

Financial Results for 1st Quarter FY March 2023

External Revenue by Segment <Total>

(JPY million)

	1Q FY Mar. 2022	Share	1Q FY Mar. 2023	Share	Diff.	YoY Change
Consulting	8,603	6.0%	9,382	5.6%	779	9.1%
Financial IT Solutions	71,189	49.9%	80,109	47.8%	8,919	12.5%
Securities	30,569	21.4%	34,557	20.6%	3,988	13.0%
Insurance	15,387	10.8%	18,755	11.2%	3,368	21.9%
Banking	11,519	8.1%	12,524	7.5%	1,005	8.7%
Other financial	13,713	9.6%	14,271	8.5%	558	4.1%
Industrial IT Solutions	53,556	37.5%	66,767	39.9%	13,210	24.7%
Distribution	16,355	11.5%	17,649	10.5%	1,294	7.9%
Manufacturing, service and other	37,200	26.1%	49,117	29.3%	11,916	32.0%
IT Platform Services	9,297	6.5%	11,278	6.7%	1,980	21.3%
Total	142,647	100.0%	167,537	100.0%	24,890	17.4%

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- In Consulting, revenue increased by 9.1% as performance was strong in both private-sector DX projects and also in public-sector projects. DX projects also steadily grew mainly through orders from public agencies.
- In Financial IT Solutions,
 - In Securities, revenues increased due to progress in THE STAR implementation projects and systems integration projects with online securities brokerages. On July 19, Mizuho Securities began using THE STAR, and it is operating smoothly.
 - In Insurance, revenues increased even including life insurers, with most of the increase attributable to modernization projects with major non-life insurers.
 - In Banking, revenues increased, primarily through systems integration projects with online banks.
 - In other financial business, there was a negative reversion effect from large projects the previous year (mobile financial services-related), but this was compensated for by business including projects with asset management companies, and revenues increased overall.
- In Industrial IT Solutions,
 - In Distribution, business was strong in projects with domestic retailers. The consolidation effect of Core BTS also contributed, and revenues increased.
 - In Manufacturing, services and other, revenues decreased domestically due to delayed launch of large projects that would replace last year's large-scale DX projects, but revenues increased overall due to growth in Australia and the consolidation effect of Core BTS.
- In IT Platform Services, revenues increased due to continued strong performance in digital workplace business and information security business.

Financial Results for 1st Quarter FY March 2023

External Revenue by Segment <Total> (supplementary information)

■ Revenue by main client

(JPY million)

	1Q FY Mar. 2022	Share*	1Q FY Mar. 2023	Share*	Diff.	YoY Change
Nomura Holdings	15,259	10.7%	16,740	10.0%	1,481	9.7%

■ Overseas Revenue

(JPY million)

	1Q FY Mar. 2022	Share*	1Q FY Mar. 2023	Share*	Diff.	YoY Change
Overseas Revenue	15,896	11.1%	31,454	18.8%	15,558	97.9%
North America**	1,580	1.1%	9,524	5.7%	7,944	502.8%
Oceania**	12,874	9.0%	20,067	12.0%	7,193	55.9%
Asia, other**	1,441	1.0%	1,862	1.1%	420	29.2%

Average Rate : USD
AUD

¥109.52
¥84.29

¥129.73
¥92.68

*Percentage of (total) external sales

** The client location-based method has switched to the subsidiary head office location method, and those which could be grouped into countries or regions have been listed as reference values. Numerical figures for FY March 2022 have been prepared via the same method.

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- Revenue from Nomura Holdings increased due to an increase in systems integration projects.
- Overseas revenue increased by 15.5 billion yen. This includes approximately 8 billion yen in impact from the consolidation of Core BTS and approximately 2 billion yen in impact from yen depreciation primarily against the Australian dollar (excluding the US dollar), but overseas business advanced significantly even excluding those factors. It was a strong start toward the target of 105 billion yen in overseas sales for the year.

Financial Results for 1st Quarter FY March 2023

Segment Performance Results <Total>

- Including Inter-segment revenue for each segment.

(JPY million)

		1Q FY Mar. 2022	1Q FY Mar. 2023	Diff.	YoY Change
Consulting	Revenue	8,869	9,711	841	9.5%
	Operating Profit	1,805	1,859	53	3.0%
	Operating Margin	20.4%	19.1%	(1.2P)	
Financial IT Solutions	Revenue	72,245	81,490	9,245	12.8%
	Operating Profit	9,238	11,678	2,440	26.4%
	Operating Margin	12.8%	14.3%	1.5P	
Industrial IT Solutions	Revenue	55,057	68,841	13,783	25.0%
	Operating Profit	6,694	6,679	(14)	(0.2%)
	Operating Margin	12.2%	9.7%	(2.5P)	
IT Platform Services	Revenue	37,430	40,403	2,973	7.9%
	Operating Profit	5,488	5,652	164	3.0%
	Operating Margin	14.7%	14.0%	(0.7P)	

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- In Consulting, the strong performance trend from last year continued into the first quarter, and profit margin remained high.
- In Financial IT Solutions, operating profit increased primarily due to THE STAR implementation projects for securities and modernization projects for non-life in insurance.
- In Industrial IT Solutions, profitability in Australia improved and operating profit after amortization of intangible assets was approximately 10%. However, due to the impact of lower revenue domestically, operating profit was roughly unchanged year-on-year. Operating margin declined by 2.5 percentage points for the segment overall due to impact from the aforementioned delays to large DX projects, in addition to the impact of consolidating Core BTS which we expect to contribute to profits going forward.
- In IT Platform Services, the high profit level continued, albeit at roughly the same level as last year.

Financial Results for 1st Quarter FY March 2023

Analysis of Increase and Decrease Factors

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

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

Segment		External revenue	Operating profit
Consulting		(+) Private sector DX consulting & public sector projects	
Financial IT Solutions	Securities	(+) Shared online services implementation projects (+) Systems development for online brokerages	(+) Profit increase effect from increased revenue
	Insurance	(+) Systems development for non-life insurance	
	Banking	(+) Systems development for online banks	
	Other financial, etc.		
Industrial IT Solutions	Distribution	(+) Projects for retail (+) Consolidation effect of Core BTS (approx. 1 billion yen)	(+) Improved profitability in Australia (–) Impact of delayed large project launch (–) Consolidation impact of Core BTS
	Manufacturing & services, etc.	(+) Business in Australia (+) Consolidation effect of Core BTS (approx. 7 billion yen)	
IT Platform Services		(+) Digital workplace business (+) Information security business	

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Financial Results for 1st Quarter FY March 2023

Revenue by Service < Total >

(JPY million)

	1Q FY Mar. 2022	1Q FY Mar. 2023	Diff.	YoY Change
Consulting Services	25,060	38,947	13,887	55.4%
System Development & System Application Sales	46,495	49,122	2,626	5.6%
System Management & Operation Services	66,423	70,856	4,432	6.7%
Product Sales	4,667	8,610	3,943	84.5%
Total	142,647	167,537	24,890	17.4%

- **Consulting Services** : Increased, primarily with domestic finance. Expansion in Australia and the US also contributed
- **System Development & System Application Sales** : Increased, primarily with domestic finance
- **System Management & Operation Services** : Expanded, primarily with domestic finance and in Australia

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- In consulting services, in addition to the 700 million yen in increased revenue in the segment, upstream processes in systems development for financial IT and business expansion in Australia also contributed. The consolidation of Core BTS also had an impact, as revenues increased.
- Revenues increased in system development and system application sales, primarily with insurance and securities in financial IT.
- Revenues increased in system management & operation services, primarily in domestic finance and in Australia.
- Revenues increased in product sales, mainly due to increases at Core BTS which handles Cisco's network-related business.

Financial Results for 1st Quarter FY March 2023

Consolidated P/L Highlight < Total >

	1Q FY Mar. 2022	1Q FY Mar. 2023	Diff.	YoY Change
Revenue	142,647	167,537	24,890	17.4%
Cost of Sales	91,468	110,230	18,761	20.5%
Subcontracting Costs	43,508	51,238	7,729	17.8%
Gross Profit	51,178	57,307	6,129	12.0%
Gross Profit Margin	35.9%	34.2%	(1.7P)	
SG&A	28,103	31,539	3,436	12.2%
Other Income and Other Expenses, etc.	3,489	2,310	(1,178)	(33.8%)
Operating Profit	26,564	28,079	1,514	5.7%
Operating Margin	18.6%	16.8%	(1.9P)	

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- Since cost of sales increased more than sales did, gross profit margin decreased by 1.7 percentage points. The driving factor was increased labor costs due to business growth in Australia, where labor costs are proportionally higher than in Japan. There was also a compound impact from increased high-cost ratio product sales due to the consolidation of Core BTS, as well as increased procurement costs, and other factors.
- In other incomes & other expenses, etc., gain related to the sale of the Yokohama Nomura Building was recorded, and the decrease of approximately 1.1 billion yen from the 3.3 billion yen recorded last year to the 2.2 billion yen recorded this year is included.
- Operating margin decreased by 1.9 percentage points to 16.8% due to the effects of the decline in gross profit margin and the decrease in gain on the sale of assets.

Financial Results for 1st Quarter FY March 2023

Consolidated P/L Highlight < Total > (continued)

(JPY million)

	1Q FY Mar. 2022	1Q FY Mar. 2023	Diff.	YoY Change
Operating Profit	26,564	28,079	1,514	5.7%
Finance Income and Finance Costs	172	(289)	(462)	—
Profit before tax	26,737	27,789	1,051	3.9%
Income tax expenses	8,266	8,941	674	8.2%
Profit attributable to owners of parent	18,411	18,762	350	1.9%

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Financial Results for 1st Quarter FY March 2023

Order Backlog by Segment (Outstanding)

	At end of Jun. 2021	At end of Jun. 2022	Diff.	(JPY million) YoY Change
Consulting	10,845	14,624	3,779	34.8%
Financial IT Solutions	154,632	154,902	269	0.2%
Industrial IT Solutions	92,419	113,353	20,934	22.7%
IT Platform Services	14,746	18,084	3,338	22.6%
Total	272,644	300,966	28,321	10.4%
Order backlog in the current FY	262,269	292,533	30,263	11.5%

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Financial Results for 1st Quarter FY March 2023

Order Backlog by Segment (Domestic/Overseas)

■ Order backlog domestically

	(JPY million)			
	At end of Jun. 2021	At end of Jun. 2022	Diff.	YoY Change
Consulting	10,241	13,737	3,496	34.1%
Financial IT Solutions	149,665	149,489	(176)	(0.1%)
Industrial IT Solutions	64,543	64,981	438	0.7%
IT Platform Services	14,746	18,084	3,338	22.6%
Total	239,196	246,292	7,096	3.0%

■ Order backlog of overseas subsidiaries

	(JPY million)			
	At end of Jun. 2021	At end of Jun. 2022	Diff.	YoY Change
Overseas subsidiaries	33,448	54,673	21,224	63.5%

Order backlog of overseas subsidiaries newly consolidated within a year

Core BTS : approx. ¥14 billion

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

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- In Consulting, business is extraordinarily strong with both the private and public sectors.
- In Financial IT Solutions, order backlog was virtually unchanged year-on-year as the decrease due to reversion from large mutual insurance and public sector projects in insurance last year was compensated for. The outlook for orders is promising for the remainder of the year, as modernization projects for major non-life insurers are in progress, and in the second quarter we expect to conclude a system management solutions agreement involving the usage of shared online services by a major client.
- In Industrial IT Solutions, there was a decrease in order backlog due to reversion from large DX projects for logistics, but expansions into core systems are beginning in areas such as logistics, advertising and services, and retail. These circumstances are mostly not currently included in order backlog, but large orders are expected going forward.
- In IT Platform Services, projects are increasing in areas such as cloud, digital workplace, and security.
- Overseas, the consolidation impact of Core BTS on order backlog is approximately 14 billion yen, but business in Australia is significantly increasing.

Financial Results for 1st Quarter FY March 2023

Results through 1Q and Full-Year Earnings Forecast

(JPY billion)

		1Q	2Q	3Q	4Q	FY
FY March 2021	Revenue	131.1	135.1	138.1	145.9	550.3
	Operating Profit	17.8	22.0	24.1	16.7	80.7
	Operating Margin	13.6%	16.3%	17.5%	11.5%	14.7%
FY March 2022	Revenue	142.6	149.3	155.9	163.6	611.6
	Operating Profit	26.5	27.3	27.4	24.8	106.2
	Operating Margin	18.6%	18.3%	17.6%	15.2%	17.4%
FY March 2023 Figures for 2Q and full-year are estimates	Revenue	167.5	152.5	350.0		670.0
	Operating Profit	28.0	27.0	60.0		115.0
	Operating Margin	16.8%	17.7%	17.1%		17.2%

Note: Figures for the 2Q of the fiscal year ending March 31, 2023 were calculated by subtracting 1Q results from forecasts for 1H.

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- Revenue in the first quarter ended up exceeding the NRI internal plan by approximately 10 billion yen.
- Current demand is steady in both consulting and financial IT. Since large orders will also gradually arise in domestic industrial IT which got off to a slow start in the first quarter, there is room to potentially exceed plan by a similar amount in the second quarter assuming no irregularities in the macro environment or major swings in exchange rates.
Therefore, sales are anticipated to exceed forecast by around 15 to 20 billion yen in the first half alone.
- Since the first quarter has only recently ended and there are still many uncertain elements such as economic and exchange rate trends, the current performance forecast is being left alone for now.
- We would be willing to revise the financial results forecast if needed after the second quarter, also taking the outlook for the second half into consideration.

Financial Results for 1st Quarter FY March 2023

Key Factors in Financial Results for 1Q FY March 2023

■ **Higher income with +17.4% in revenue**

- Projects to update legacy systems advanced, primarily in financial IT
- In addition to business growth in Australia, the consolidation effect of Core BTS also contributed to revenue

■ **+5.7% in operating profit**

- The effect of increased revenue in financial IT contributed
- Profit margin of approx. 10% in Australia (after depreciation deduction) also contributed to increased profit

The first quarter was a good start toward achieving first half targets, and we are in line to achieve the overseas sales target specified in V2022

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Major initiatives going forward

DX projects: Present state and future outlook

DX 3.0	Paradigm transformation	Endorsed the METI “GX League Basic Concept” and working toward GX (green transformation) <ul style="list-style-type: none">Received orders for projects on infrastructure & system design involving many large companiesCreating the market for GX and making rules for private-public partnership Received orders for My Number-related projects <ul style="list-style-type: none">Linking savings accounts for receiving public funds with “My number”Contributing to speedier processing of public fund payments
DX 2.0	Business model transformation	Cross-industrial supply chain management optimization <ul style="list-style-type: none">Optimizing supply and demand through forecasts from AI models that reflect sales characteristics Launched “Dokoka-ni-Byuun !” (“Whoosh to Somewhere”) shared service with East Japan Railway (JR East) <ul style="list-style-type: none">Operating a new business leveraging NRI’s IP, helping to invigorate regional economies
DX 1.0	Process Transformation Infrastructure transformation	In addition to front-end projects in industrial IT, strong response also in expansion to core systems * Examples of projects in order receiving pipeline (expected orders) [Front-end DX projects] <ul style="list-style-type: none">Telecom Improving CX at call centers (cloud migration)Retail Reconstructing e-commerce (cloud migration) [Core systems DX projects] <ul style="list-style-type: none">Logistics Overhauling accounting systems (cloud migration)Advertising & services Overhauling accounting systems (cloud migration)Retail Back office operational efficiency (cloud migration)

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Regarding DX 3.0,

- Working toward GX (green transformation) is a key social issue on the path to achieving a sustainable society. NRI is engaged in helping to create the market for GX, which includes creating the rules for it through private-public partnership. Going forward, we anticipate that business in providing consulting and IT solutions to companies working on GX will move ahead. Also, as projects that contribute to digital government policies through “My Number” individual numbers, orders are being received for projects to develop systems that link information on savings accounts for receiving public funds. This will help to accelerate payments of public funds.

Regarding DX 2.0,

- We have received the order for a project to build a cross-industrial demand forecasting platform that can be referenced by each company that comprises the supply chain, from production companies to wholesalers, retailers, and more. This will contribute to optimizing industry as a whole.
- We are also working on the “Dokoka-ni-Byuun!” (“Whoosh to Somewhere”) bullet train service announced in a press release by East Japan Railway (JR East). Service will begin in December for this new business that helps to invigorate local economies while at the same time leveraging NRI’s intellectual property.

Regarding DX 1.0,

- DX started with front-end projects such as call centers and reconstructing e-commerce, and orders for these front-end projects remain robust. Additionally, from client companies with whom we have performed front-end DX projects, there is increasing demand for projects involving cloud migrations for their core systems. These orders are currently in the requirements definition and design phases and are not included in our aforementioned order backlogs. Going forward, we expect the sizes of these projects to grow in the development phase.
- In terms of size, all of these projects mentioned are in the single-digit billions of yen, and the orders are certain to be received in the second quarter and onward.

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Segment Performance Results < Overseas >

■ Including Inter-segment revenue for each segment

(JPY million)

		1Q FY Mar. 2022	1Q FY Mar. 2023	Diff.	YoY Change
Consulting	Revenue	818	929	111	13.6%
	OP	(188)	(213)	(24)	12.8%
	OM	(23.1%)	(22.9%)	0.2P	
Financial IT Solutions	Revenue	2,673	3,233	560	21.0%
	OP	418	(44)	(462)	—
	OM	15.6%	(1.4%)	(17.0P)	
Industrial IT Solutions	Revenue	13,485	28,760	15,275	113.3%
	OP	1,029	1,876	847	82.3%
	OM	7.6%	6.5%	(1.1P)	
IT Platform Services	Revenue	72	101	29	40.3%
	OP	(31)	(0)	30	(97.8%)
	OM	(43.5%)	(0.7%)	42.8P	
Total (After adjustment deduction)	Revenue	15,896	31,454	15,558	97.9%
	OP	1,229	1,620	391	31.9%
	OM	7.7%	5.2%	(2.6P)	

* Revenue and operating profit for overseas subsidiaries in each segment are listed. These figures do not include global-related expenses borne by head office.
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Order Volume < Total >

(JPY million)

	1Q FY Mar. 2022	1Q FY Mar. 2023	Diff.	YoY Change
Consulting	12,371	15,173	2,801	22.6%
Financial IT Solutions	40,840	35,936	(4,903)	(12.0%)
Industrial IT Solutions	40,726	50,495	9,769	24.0%
IT Platform Services	8,763	11,563	2,799	32.0%
Total	102,701	113,168	10,466	10.2%

* 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.

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Order Volume < Total > (Domestic/Overseas)

■ Order volume domestically

	(JPY million)			
	1Q FY Mar. 2022	1Q FY Mar. 2023	Diff.	YoY Change
Consulting	11,547	14,021	2,474	21.4%
Financial IT Solutions	34,228	34,426	198	0.6%
Industrial IT Solutions	30,859	28,776	(2,082)	(6.7%)
IT Platform Services	8,690	11,461	2,770	31.9%
Total	85,325	88,686	3,360	3.9%

■ Order volume of overseas subsidiaries

	(JPY million)			
	1Q FY Mar. 2022	1Q FY Mar. 2023	Diff.	YoY Change
Overseas subsidiaries	17,376	24,482	7,105	40.9%

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

* 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.

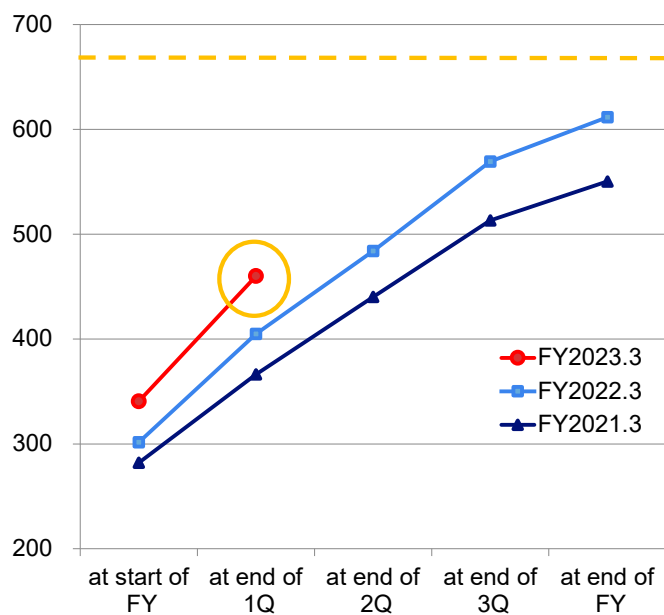
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Revenue + Consolidated Order Backlog

(JPY billion)



(JPY billion)

	FY Mar.2022	FY Mar.2023	YoY Change
Revenue*1	611.6	670.0	+9.5%
Revenue*2+ Consolidated Order Backlog*3	404.9	460.0	+13.6%
Realization rate	66.2%	68.7%	+2.5P

(*1) FY Mar. 2022: Result, FY Mar. 2023: Forecast

(*2) The figure at the end of 1Q

(*3) The figure at the end of 1Q

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Forecasts for FY March 2023

- There are no revisions to financial results forecasts.

(JPY billion)

	FY Mar. 2022 (Results)	FY Mar. 2023 (Forecasts)	Diff.	YoY Change
Revenue	611.6	670.0	58.3	9.5%
Operating Profit	106.2	115.0	8.7	8.3%
Operating Margin	17.4%	17.2%	(0.2P)	
Profit before tax	104.6	113.0	8.3	8.0%
Profit attributable to owners of parent	71.4	77.0	5.5	7.8%
Earnings Per Share	¥120.57	¥130.60	¥10.03	
Annual Dividends per share	¥40.0	¥44.0	¥4.0	
Second quarter	¥19.0	¥22.0	¥3.0	
Fiscal year end	¥21.0	¥22.0	¥1.0	
Dividend payout ratio	33.1%	33.8%	0.7P	

* FY Mar. 2023 Forecast Rate: USD ¥115.01, AUD ¥83.43

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Reference Materials

Revenue Forecasts by Segment for FY March 2023

- There are no revisions to financial results forecasts.

(JPY billion)

	FY Mar. 2022 (Results)	Share	FY Mar. 2023 (Forecasts)	Share	Diff.	YoY Change
Consulting	42.8	7.0%	45.0	6.7%	2.1	5.1%
Financial IT Solutions	303.6	49.6%	315.0	47.0%	11.3	3.7%
Securities	133.3	21.8%	138.0	20.6%	4.6	3.5%
Insurance	68.8	11.3%	71.0	10.6%	2.1	3.1%
Banking	47.0	7.7%	50.0	7.5%	2.9	6.2%
Other financial	54.3	8.9%	56.0	8.4%	1.6	3.0%
Industrial IT Solutions	222.5	36.4%	263.0	39.3%	40.4	18.2%
Distribution	68.2	11.2%	70.0	10.4%	1.7	2.5%
Manufacturing, service and other	154.3	25.2%	193.0	28.8%	38.6	25.1%
IT Platform Services	42.6	7.0%	47.0	7.0%	4.3	10.3%
Total	611.6	100.0%	670.0	100.0%	58.3	9.5%

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Reference Materials

FY March 2023 Financial Results Forecasts < 1H/2H >

- There are no revisions to financial results forecasts.

1H

(JPY billion)

	FY Mar. 2022 (Results)	FY Mar. 2023 (Forecasts)	Diff.	YoY Change
Revenue	291.9	320.0	28.0	9.6%
Operating Profit	53.9	55.0	1.0	2.0%
Operating Margin	18.5%	17.2%	(1.3P)	
Profit before income tax	53.5	54.0	0.4	0.9%
Profit attributable to owners of parent	36.5	37.0	0.4	1.3%

2H

(JPY billion)

	FY Mar. 2022 (Results)	FY Mar. 2023 (Forecasts)	Diff.	YoY Change
Revenue	319.6	350.0	30.3	9.5%
Operating Profit	52.3	60.0	7.6	14.7%
Operating Margin	16.4%	17.1%	0.8P	
Profit before income tax	51.1	59.0	7.8	15.3%
Profit attributable to owners of parent	34.9	40.0	5.0	14.5%

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Reference Materials

Revenue Forecasts by Service for FY March 2023

- There are no revisions to financial results forecasts.

(JPY billion)

	FY Mar. 2022 (Results)	FY Mar. 2023 (Forecasts)	Diff.	YoY Change
Consulting Services	125.4	135.0	9.5	7.6%
System Development & System Application Sales	196.0	224.0	27.9	14.3%
System Management & Operation Services	272.9	283.0	10.0	3.7%
Product Sales	17.2	28.0	10.7	62.1%
Total	611.6	670.0	58.3	9.5%

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Reference Materials

Revenue Forecasts by Segment for FY March 2023 < 1H/2H >

- There are no revisions to financial results forecasts.

(JPY billion)

1H	FY Mar. 2022 1H (Results)		FY Mar. 2023 1H (Forecasts)		Diff.	YoY Change
	Revenue	Share	Revenue	Share		
Consulting	18.8	6.5%	20.0	6.3%	1.1	6.1%
Financial IT Solutions	145.8	50.0%	151.0	47.2%	5.1	3.5%
Securities	64.4	22.1%	67.0	20.9%	2.5	3.9%
Insurance	31.8	10.9%	33.0	10.3%	1.1	3.6%
Banking	22.9	7.9%	24.0	7.5%	1.0	4.5%
Other financial	26.5	9.1%	27.0	8.4%	0.4	1.7%
Industrial IT Solutions	107.6	36.9%	127.0	39.7%	19.3	18.0%
Distribution	33.3	11.4%	34.0	10.6%	0.6	1.9%
Manufacturing, service and other	74.2	25.4%	93.0	29.1%	18.7	25.3%
IT Platform Services	19.6	6.7%	22.0	6.9%	2.3	12.0%
Total	291.9	100.0%	320.0	100.0%	28.0	9.6%

(JPY billion)

2H	FY Mar. 2022 2H (Results)		FY Mar. 2023 2H (Forecasts)		Diff.	YoY Change
	Revenue	Share	Revenue	Share		
Consulting	23.9	7.5%	25.0	7.1%	1.0	4.4%
Financial IT Solutions	157.7	49.4%	164.0	46.9%	6.2	3.9%
Securities	68.8	21.5%	71.0	20.3%	2.1	3.1%
Insurance	37.0	11.6%	38.0	10.9%	0.9	2.6%
Banking	24.1	7.5%	26.0	7.4%	1.8	7.8%
Other financial	27.7	8.7%	29.0	8.3%	1.2	4.3%
Industrial IT Solutions	114.9	36.0%	136.0	38.9%	21.0	18.3%
Distribution	34.8	10.9%	36.0	10.3%	1.1	3.2%
Manufacturing, service and other	80.0	25.1%	100.0	28.6%	19.9	24.9%
IT Platform Services	22.9	7.2%	25.0	7.1%	2.0	8.9%
Total	319.6	100.0%	350.0	100.0%	30.3	9.5%

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Reference Materials

Revenue Forecasts by Service for FY March 2023 < 1H/2H >

- There are no revisions to financial results forecasts.

(JPY billion)

1H	FY Mar. 2022 (Results)	FY Mar. 2023 (Forecasts)	Diff.	YoY Change
Consulting Services	54.6	61.0	6.3	11.6%
System Development & System Application Sales	95.3	107.0	11.6	12.2%
System Management & Operation Services	134.5	138.0	3.4	2.6%
Product Sales	7.4	14.0	6.5	87.5%
Total	291.9	320.0	28.0	9.6%

(JPY billion)

2H	FY Mar. 2022 (Results)	FY Mar. 2023 (Forecasts)	Diff.	YoY Change
Consulting Services	70.8	74.0	3.1	4.5%
System Development & System Application Sales	100.6	117.0	16.3	16.2%
System Management & Operation Services	138.3	145.0	6.6	4.8%
Product Sales	9.8	14.0	4.1	42.8%
Total	319.6	350.0	30.3	9.5%

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Reference Materials

Capital Investment, R&D and Depreciation Forecasts for FY March 2023

- There are no revisions to financial results forecasts.

Capital Expenditure, R&D

(JPY billion)

	FY Mar. 2022 (Results)	FY Mar. 2023 (Forecasts)	Diff.	YoY Change
Capital Expenditure	46.9	50.0	3.0	6.4%
Tangible	10.9	15.0	4.0	36.5%
Intangible	35.9	35.0	(0.9)	(2.8%)
R&D Expenses	4.9	5.0	0.0	0.1%

Depreciation and Amortization

(JPY billion)

	FY Mar. 2022 (Results)	FY Mar. 2023 (Forecasts)	Diff.	YoY Change
Total	41.9	46.0	4.0	9.7%

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Reference Materials

Forecasts for FY March 2023 < Consolidated Earnings Model >

- FY March 2023 Consolidated Earnings Model
- Revenue of JPY670 billion and Operating profit of JPY115 billion

(JPY billion)

	FY Mar. 2021 (Results)	FY Mar. 2022 (Results)	FY Mar. 2023 (Forecasts)*	YoY	
				Diff.	Change
Revenue	550.3	611.6	670.0	58.3	9.5%
Cost of Sales	364.5	395.5	432.0	36.4	9.2%
Personnel	116.9	134.9	160.0	25.0	18.6%
Subcontracting Costs	171.5	194.7	200.0	5.2	2.7%
Depreciation	32.6	33.3	37.0	3.6	11.0%
Gross Profit	185.7	216.0	238.0	21.9	10.1%
Gross Profit Margin	33.8%	35.3%	35.5%	0.2P	
SG&A	98.3	113.5	125.0	11.4	10.1%
Operating Profit	80.7	106.2	115.0	8.7	8.3%
Operating Margin	14.7%	17.4%	17.2%	(0.2P)	

* Figures are consolidated estimates for preparing this earnings model.

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DX-Related Revenue

■ Main DX-related business in 1Q FY March 2023

- DX Consulting
- Cloud migration of legacy systems
- Digital workplace business, Information security business
- Business expansion in Australia (managed services etc.)

DX-related index

	1Q FY Mar. 2023	YoY Change
DX-related revenue	106.2 billion yen	16.8%
Ratio of DX-related revenue	63%	(0P)

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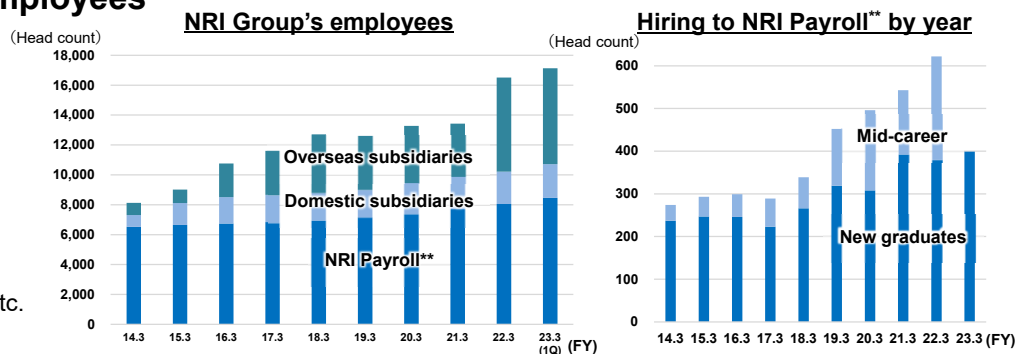
Reference Materials

NRI's employees + Partners (in Japan & China)

NRI Group's employees

Personnel:
17,131*

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



note: Mid-career hiring headcount in FY March 2023 will be disclosed in financial results presentation at the end of the fiscal year

Subcontractors

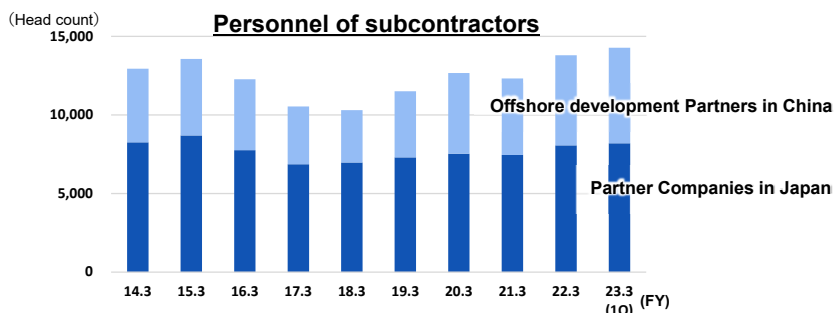
- Offshore development Partners in China

20 partners in 20 regions

Personnel: Approx. 6,000

- Partner Companies in Japan

Personnel: Approx. 8,000



*1 As of end-Jun. 2022

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

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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.

A decorative swoosh graphic consisting of two curved lines. The upper line is a gradient from blue to red, and the lower line is a solid blue. The text "Share the Next Values!" is positioned between these two lines.

Share the Next Values!