Financial Results Presentation

Financial Results for 2nd Quarter FY March 2021
and Financial Results Forecast for the year ending 31st March, 2021

Nomura Research Institute, Ltd.

Shingo Konomoto

Chairman and President & CEO, Member of the Board

October 28, 2020

NRI

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Financial Results for 2nd Quarter FY March 2021

Highlights of Consolidated Financial Results <1H>

■YoY comparison （＊ are shown as a reference）

（JPY million）

	2Q FY Mar. 2020	2Q FY Mar. 2021	Diff.	YoY Change
Sales	259,153	266,300	7,147	2.8%
Operating Profit before goodwill amortization＊	42,508	40,788	(1,719)	(4.0%)
Operating Profit	40,908	39,312	(1,595)	(3.9%)
Operating Profit Margin before goodwill amortization＊	16.4%	15.3%	(1.1P)	
Operating Profit Margin	15.8%	14.8%	(1.0P)	
EBITDA Margin	22.3%	21.3%	(1.1P)	
Profit attributable to owners of parent	40,893	26,027	(14,865)	(36.4%)

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.

Highlights of Consolidated Financial Results <1H>

■Comparison with announced forecasts on July 29

（JPY billion）

	2Q FY Mar. 2020 (Forecast)	2Q FY Mar. 2020 (Results)	Diff.	YoY Change
Sales	265.0	266.3	1.3	0.5%
Operating Profit	39.0	39.3	0.3	0.8%
Operating Profit Margin	14.7%	14.8%	0.0P	
Profit attributable to owners of parent	27.0	26.0	(0.9)	(3.6%)

Financial Results for 2nd Quarter FY March 2021

Sales by Segment <1H>

(JPY million)

	2Q FY Mar. 2020	Share	2Q FY Mar. 2021	Share	Diff.	YoY Change
Consulting	17,173	6.6%	15,414	5.8%	(1,759)	(10.2%)
Financial IT Solutions	135,080	52.1%	141,658	53.2%	6,578	4.9%
Securities	53,880	20.8%	63,546	23.9%	9,666	17.9%
Insurance	33,917	13.1%	30,041	11.3%	(3,876)	(11.4%)
Banking	25,161	9.7%	24,967	9.4%	(194)	(0.8%)
Other financial	22,120	8.5%	23,104	8.7%	983	4.4%
Industrial IT Solutions	89,531	34.5%	91,087	34.2%	1,556	1.7%
Distribution	34,427	13.3%	30,873	11.6%	(3,554)	(10.3%)
Manufacturing, service and other	55,103	21.3%	60,214	22.6%	5,110	9.3%
IT Platform Services	17,367	6.7%	18,139	6.8%	771	4.4%
Total	259,153	100.0%	266,300	100%	7,147	2.8%

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.

External sales by segment <1H> (supplementary information)

■Sales by main client

(JPY million)

	2Q FY Mar. 2020	Share*	2Q FY Mar. 2021	Share*	Diff.	YoY Change
Nomura Holdings	31,169	12.0%	31,799	11.9%	630	2.0%

* Percentage of (total) external sales

■Overseas sales

(JPY million)

	2Q FY Mar. 2020	Share**	2Q FY Mar. 2021	Share**	Diff.	YoY Change
Overseas sales	24,136	9.3%	21,666	8.1%	(2,469)	(10.2%)
North America*	4,355	1.7%	3,276	1.2%	(1,079)	(24.8%)
Oceania*	16,720	6.5%	15,692	5.9%	(1,028)	(6.2%)
Asia, other*	3,059	1.2%	2,697	1.0%	(361)	(11.8%)

* Numbers by area are based on location of clients, and numbers per country or area are recorded as reference values.

** Percentage of (total) external sales

Segment Performance Results <1H>

■Including Inter-segment sales for each segment

(JPY million)

		2Q FY Mar. 2020	2Q FY Mar. 2021	Diff.	YoY Change
Consulting	Sales	17,506	15,793	(1,712)	(9.8%)
	OP	3,297	2,502	(794)	(24.1%)
	OPM	18.8%	15.8%	(3.0P)	
Financial IT Solutions	Sales	136,651	143,529	6,877	5.0%
	OP	18,230	18,513	283	1.6%
	OPM	13.3%	12.9%	(0.4P)	
Industrial IT Solutions	Sales	90,904	92,695	1,790	2.0%
	OP	9,983	9,030	(953)	(9.5%)
	OPM	11.0%	9.7%	(1.2P)	
IT Platform Services	Sales	66,605	67,806	1,201	1.8%
	OP	9,008	8,904	(103)	(1.2%)
	OPM	13.5%	13.1%	(0.4P)	

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 sales	Operating profit
Consulting		(-) Overseas consulting projects	(-) Profit decrease due to declining sales
Financial IT Solutions	Securities	(+) Nippon Securities Technology consolidation effect (+) Shared online services implementation projects	
	Insurance	(-) Systems development for non-life insurers	
	Banking		
	Other financial, etc.	(+) Systems development for multiple clients	
Industrial IT Solutions	Distribution	(-) Recoil due to consumption tax increase last year	(-) Profit decrease due to declining sales overseas
	Manufacturing & services, etc.	(+) Systems development for multiple domestic clients (-) Overseas business	
IT Platform Services		(+) Information security	

Sales by Service <1H>

(JPY million)

	2Q FY Mar. 2020	2Q FY Mar. 2021	Diff.	YoY Change
Consulting Services	46,143	41,522	(4,621)	(10.0%)
System Development & System Application Sales	79,898	89,445	9,547	11.9%
System Management & Operation Services	123,845	127,277	3,432	2.8%
Product Sales	9,266	8,054	(1,211)	(13.1%)
Total	259,153	266,300	7,147	2.8%

Financial Results for 2nd Quarter FY March 2021

Consolidated P/L Highlight <1H>

（JPY million）

	2Q FY Mar. 2020	2Q FY Mar. 2021	Diff.	YoY Change
Sales	259,153	266,300	7,147	2.8%
Cost of Sales	171,679	178,783	7,103	4.1%
Subcontracting Costs	79,326	84,952	5,625	7.1%
Gross Profit	87,473	87,517	43	0.0%
Gross Profit Margin	33.8%	32.9%	(0.9P)	
SG&A	46,565	48,204	1,638	3.5%
Amortization of goodwill	1,600	1,475	(124)	(7.8%)
Operating Profit	40,908	39,312	(1,595)	(3.9%)
Operating Profit Margin	15.8%	14.8%	(1.0P)	

Consolidated P/L Highlight <1H> (continued)

（JPY million）

	2Q FY Mar. 2020	2Q FY Mar. 2021	Diff.	YoY Change
Operating Profit	40,908	39,312	(1,595)	(3.9%)
Non-operating income and loss	866	(338)	(1,205)	―
Dividend Income	637	453	(183)	(28.8%)
Loss due to COVID-19	―	(493)	(493)	―
Extraordinary income and loss	19,093	371	(18,721)	(98.1%)
Gain on sales of investment securities	19,098	321	(18,777)	(98.3%)
Income taxes etc.	19,680	13,237	(6,442)	(32.7%)
Profit attributable to owners of parent	40,893	26,027	(14,865)	(36.4%)

Key Factors in Financial Results for 2Q FY March 2021

■Higher income with +2.8% in sales

- Overseas business slumped due to lockdowns, but domestic DX-related business showed strong growth

■-3.9% in operating profit

- Lower revenues from overseas business impacted profit, but domestic business was hardly impacted and maintained high productivity thanks to production work via telecommuting

We are making steady progress on a growth trajectory toward achieving V2022, as Japanese companies are shifting to digital more quickly due to the paradigm shift caused by the COVID-19 pandemic.

From “Digital Infrastructure for the Post-COVID-19 Era” at NRI Dream Up the Future Forum (held Oct 5, 2020)

The COVID-19 pandemic is causing a paradigm shift of telecommuting and change in behavior

Freedom of time (telecommuting)

- **Greater prevalence of telecommuting** is eliminating set commuting hours and significantly increasing personal **disposable time**

Freedom of place (more activity online)

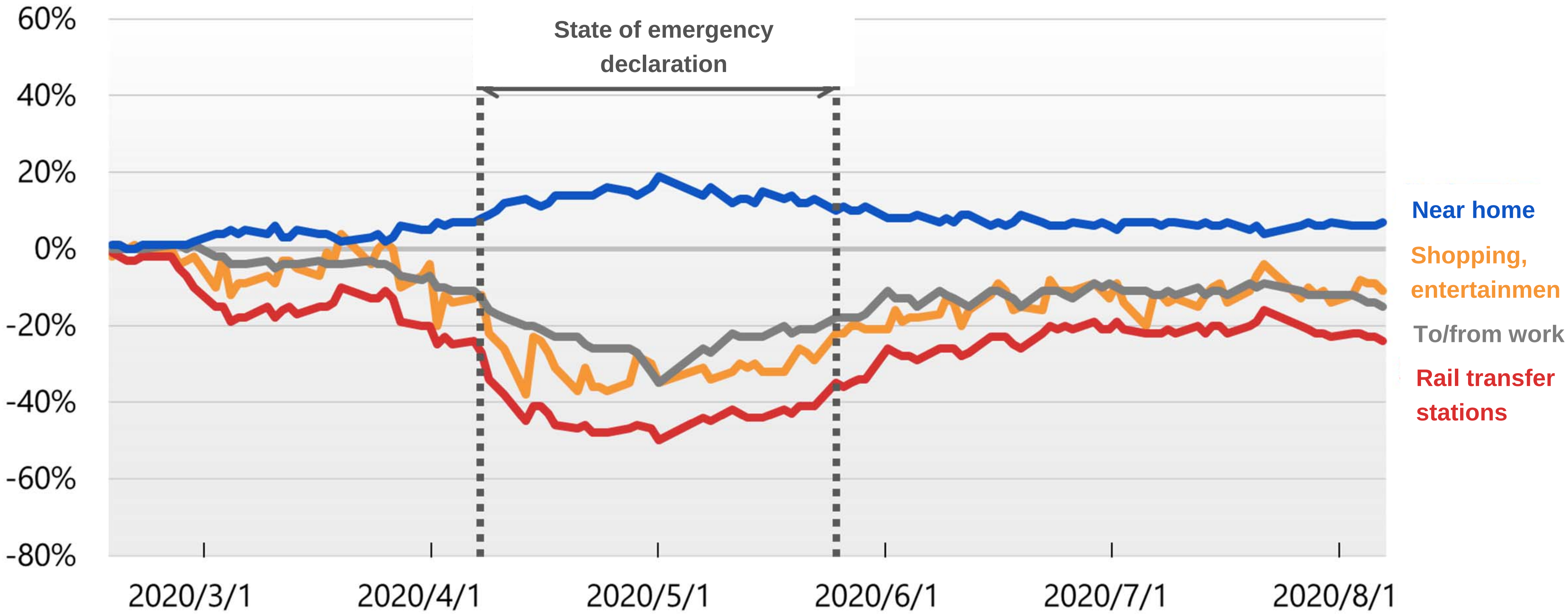
- Dramatic **change in behavior** is moving **more activity online (non-face-to-face)** through digital technologies

This paradigm shift is generating new demand

Recent initiatives: DX strategy

Change in behavior caused by self-restrictions on movement has still not reverted

[Changes in movement volume compared to January 2020 (all of Japan, only counting weekdays)]

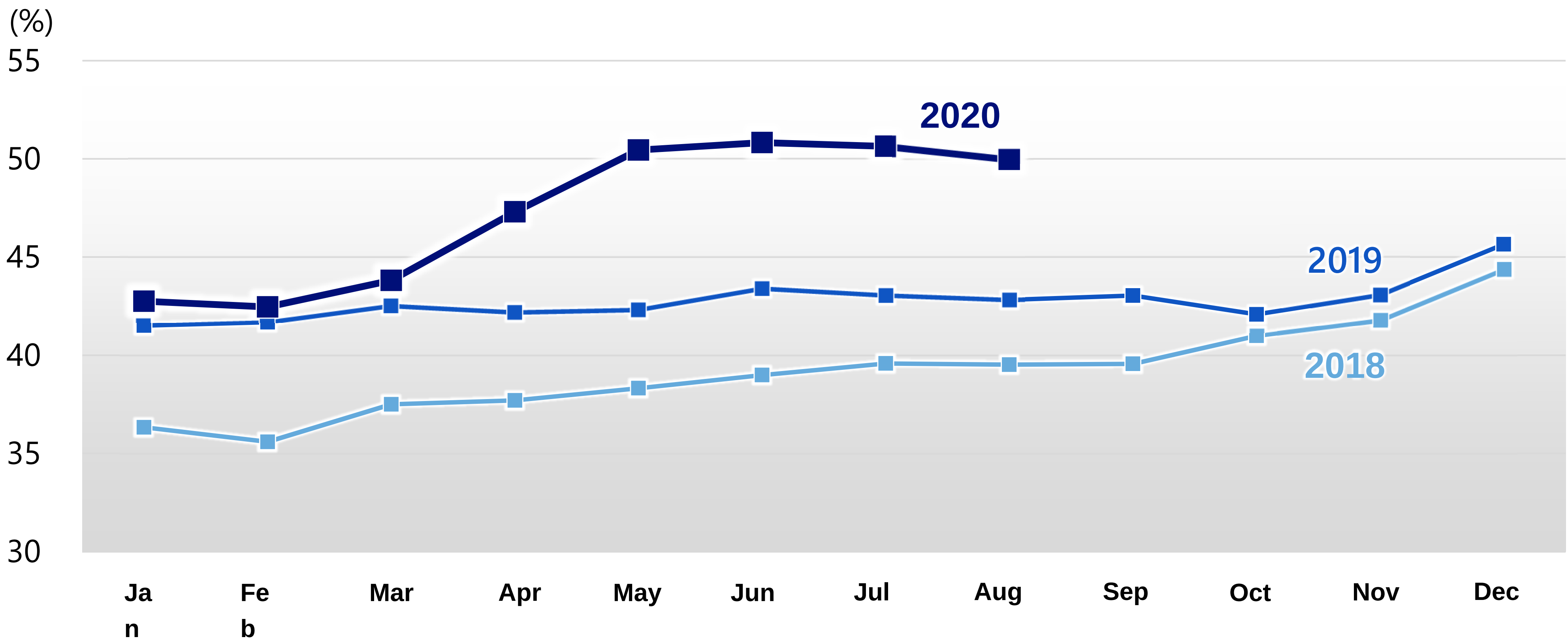


Source) Created by NRI based on “Google COVID-19 Community Mobility Reports” by Google LLC

Trend toward non-face-to-face and non-contact is driving demand in e-commerce

- Online shopping increased dramatically since around the time that the state of emergency was declared in April.
- NRI has received more inquiries in areas such as e-commerce related solutions and functional upgrades.

Number of households shopping online by month

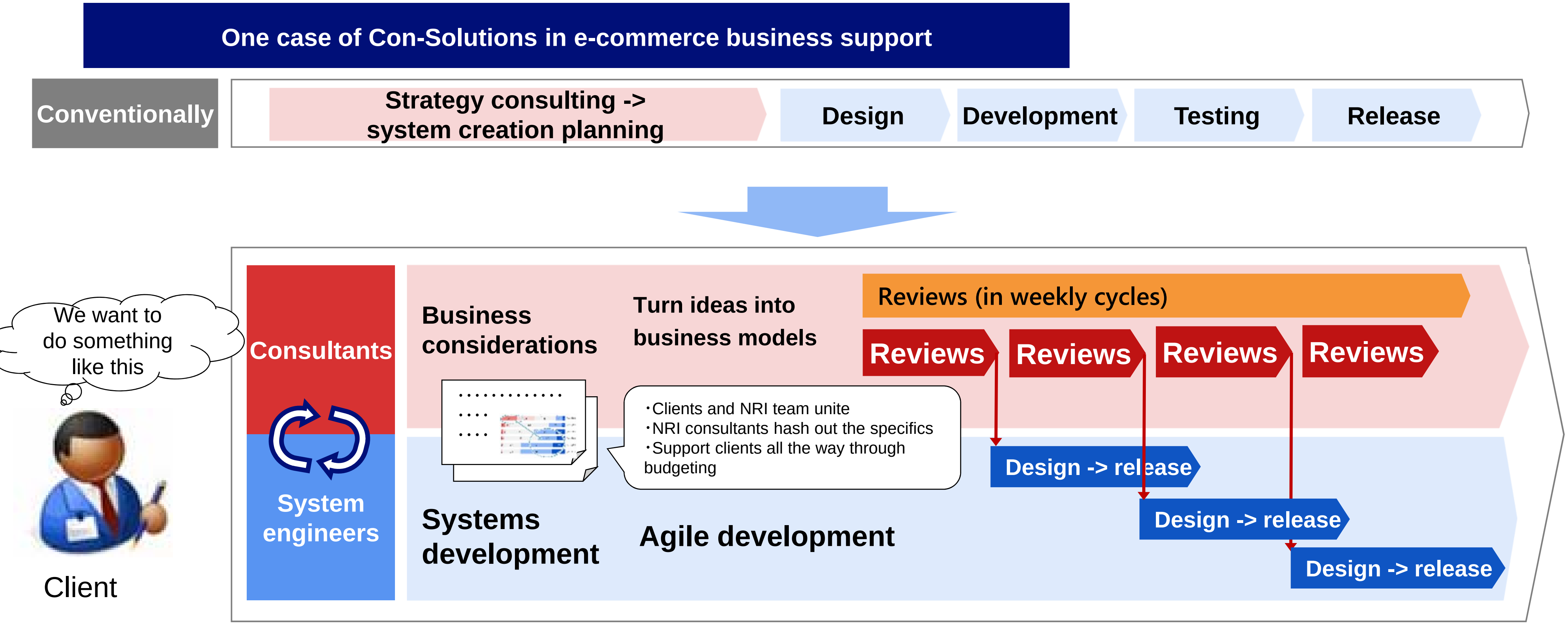


Source) 'Family Income and Expenditure Survey' (2018-2020), Statistics Bureau, Ministry of Internal Affairs and Communications

Recent initiatives: DX strategy

Con-Solutions in e-commerce business support

- In certain e-commerce projects we combine **consulting and systems** to support clients' business growth.
  - **Closeness (unity) with clients' senior management** is key. We support clients as their business partner.
  - We release **10 themes per week and around 500 themes per year** through Agile development.



DX-related sales

■ Main DX-related business in 2Q FY March 2021

- Retail: Supporting advancements in e-commerce business
- Logistics: Optimize delivery routes
- Insurance: Digital marketing support for life insurers
- Education: Tablets for schools

DX-related index ( ) : YoY change

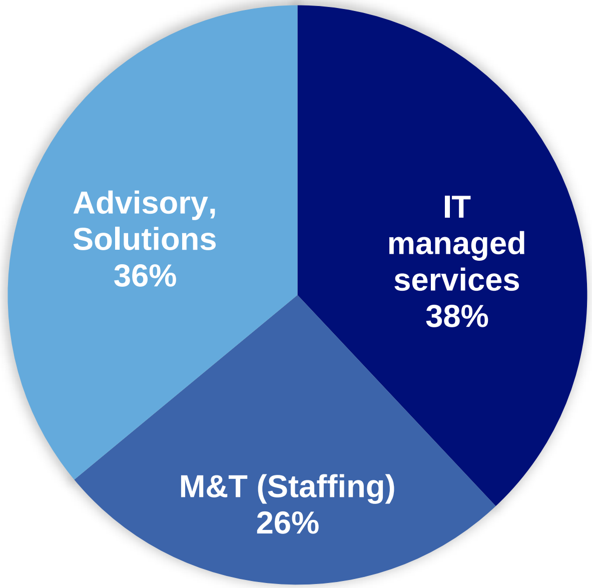
	1Q FY Mar. 2021	2Q FY Mar. 2021
DX-related sales	77.9 billion yen (+5.7%)	81.4 billion yen (+8.2%)
Ratio of DX-related sales	59% (+2pt)	60% (+2pt)

Recent initiatives: Global strategy

Status and policy measures for Australia

Macro environment	● The impact of movement restrictions and other COVID-19 measures is easing ● **No reduction in federal gov't IT budget (for new fiscal year)**
Current business state	● Performance remained stable for IT managed services and M&T, but projects in advisory and solutions decreased ● **IT demand is bottoming out in the first half, and expected to recover in the second half**
Future actions	● Rebuild business in advisory and solutions • Thorough cost control through restructuring (completed) • Shift toward high-earnings projects (in progress) ● **Deploy regional strategies along with movements in the M&A market** ● **Non-consolidated earnings for ASG are expected to turn positive in the second half**
Other	● Continue procedures to acquire AUSIEX shares (Reference: April 28, 2020 news release) https://www.nri.com/-/media/Corporate/en/Files/PDF/news/newsrelease/cc/2020/200428_2.pdf

Composition of sales at ASG in Australia
(by service, FY ended June 2020)



[Overviews of services]

IT managed services	Systems operations and maintenance, providing functional improvements in the form of services
M&T (staffing)	IT staffing for companies, agent services for hiring executives such as CIOs
Advisory & solutions	Support for drafting IT strategies, planning and implementing new systems. Designing and implementing optimal systems that combine package products with advanced technologies, etc.

1 Financial Results for 2nd Quarter FY March 2021

2 Recent Activities

3 Financial Results Forecasts for FY March 2021

4 Voluntary application of IFRS (International Financial Reporting Standards)

5 Reference Materials

Order Backlog by Segment (Outstanding)

（JPY million）

	At end of Sep. 2019	At end of Sep. 2020	Diff.	YoY Change
Consulting	7,945	10,341	2,396	30.2%
Financial IT Solutions	93,320	107,104	13,784	14.8%
Industrial IT Solutions	59,007	57,130	(1,876)	(3.2%)
IT Platform Services	9,618	10,829	1,211	12.6%
Total	169,891	185,406	15,514	9.1%
Order backlog in the current FY	162,810	173,973	11,163	6.9%

Financial Results Forecasts for FY March 2021

Order Backlog by Segment （Domestic/Overseas）

■Order backlog domestically

（JPY million）

	At end of Sep. 2019	At end of Sep. 2020	Diff.	YoY Change
Consulting	7,436	9,759	2,322	31.2%
Financial IT Solutions	92,769	106,688	13,919	15.0%
Industrial IT Solutions	40,273	42,646	2,373	5.9%
IT Platform Services	9,618	10,829	1,211	12.6%
Total	150,097	169,923	19,825	13.2%

■Order backlog of overseas subsidiaries

（JPY million）

	At end of Sep. 2019	At end of Sep. 2020	Diff.	YoY Change
Overseas subsidiaries	19,793	15,482	(4,311)	(21.8%)

Order Volume by Segment <2Q> (Domestic/Overseas)

■Order volume domestically

（JPY million）

	2Q FY Mar.2020 (Jul.-Sep.)	2Q FY Mar.2021 (Jul.-Sep.)	Diff.	YoY Change
Consulting	6,458	7,380	922	14.3%
Financial IT Solutions	30,698	34,969	4,271	13.9%
Industrial IT Solutions	16,528	22,132	5,604	33.9%
IT Platform Services	6,331	6,614	283	4.5%
Total	60,016	71,097	11,081	18.5%

■Order volume of overseas subsidiaries

（JPY million）

	2Q FY Mar.2020 (Jul.-Sep.)	2Q FY Mar.2021 (Jul.-Sep.)	Diff.	YoY Change
Overseas subsidiaries	4,417	5,156	738	16.7%

Forecasts for FY March 2021

- There are no revisions to financial results forecasts.
- Following indicators are recalculated.

(JPY billion)

	FY Mar. 2020 (Results)	FY Mar. 2021 (Forecasts)	Diff.	YoY Change
Sales	528.8	540.0	11.1	2.1%
Operating Profit	83.1	83.0	(0.1)	(0.2%)
Operating Profit Margin	15.7%	15.4%	(0.4P)	
Profit attributable to owners of parent	69.2	59.0	(10.2)	(14.8%)
Earnings Per Share	¥109.35	¥98.78	(¥10.57)	
Dividends Per Share	¥32.00	¥34.00	¥2.00	6.3%
End of Q2	¥15.00	¥17.00	¥2.00	13.3%
Fiscal year end	¥17.00	¥17.00	–	
Payout Ratio	27.9%	34.9%	7.0P	

Financial Results Forecasts for FY March 2021

Sales Forecasts by Segment for FY March 2021

■Given the progress of FY March 2021 2Q, NRI revised sales forecasts by segment.

(JPY billion)

	(a) FY Mar. 2020 (Results)	Share	(b) FY Mar. 2021 (October 28 Forecasts)	Share	(b-a) Diff.	YoY Change	(c) FY Mar. 2021 (July 29 Forecast)	(b-c) Diff.
Consulting	38.5	7.3%	36.0	6.7%	(2.5)	(6.7%)	36.0	—
Financial IT Solutions	273.5	51.7%	282.0	52.2%	8.4	3.1%	285.0	(3.0)
Securities	112.7	21.3%	125.0	23.1%	12.2	10.9%	125.0	—
Insurance	66.3	12.6%	60.0	11.1%	(6.3)	(9.6%)	64.0	(4.0)
Banking	51.0	9.6%	51.0	9.4%	(0.0)	(0.0%)	51.0	—
Other financial	43.4	8.2%	46.0	8.5%	2.5	6.0%	45.0	1.0
Industrial IT Solutions	178.4	33.7%	184.0	34.1%	5.5	3.1%	177.0	7.0
Distribution	66.7	12.6%	63.0	11.7%	(3.7)	(5.7%)	66.0	(3.0)
Manufacturing, service and other	111.7	21.1%	121.0	22.4%	9.2	8.3%	111.0	10.0
IT Platform Services	38.2	7.2%	38.0	7.0%	(0.2)	(0.6%)	42.0	(4.0)
Total	528.8	100.0%	540.0	100.0%	11.1	2.1%	540.0	—

Results through 2Q and Full-Year Earnings Forecast

(JPY billion)

		1Q	2Q	3Q	4Q	FY
FY March 2018	Sales	106.6	113.5	121.3	129.8	471.4
	OP	13.1	15.9	17.5	18.5	65.1
	OPM	12.3%	14.1%	14.4%	14.3%	13.8%
FY March 2019	Sales	117.7	122.6	126.6	134.1	501.2
	OP	15.3	17.7	18.3	20.0	71.4
	OPM	13.0%	14.5%	14.5%	14.9%	14.3%
FY March 2020	Sales	129.4	129.6	131.3	138.3	528.8
	OP	20.3	20.5	21.1	21.0	83.1
	OPM	15.7%	15.9%	16.1%	15.2%	15.7%
FY March 2021 (Figures for 2H and full-year are estimates)	Sales	**131.1**	**135.1**	**273.6**		**540.0**
	OP	**18.1**	**21.1**	**43.6**		**83.0**
	OPM	**13.9%**	**15.6%**	**16.0%**		**15.4%**

Note: Figures for 2H of the fiscal year ending March 31, 2021 were calculated by subtracting 1H results from full-year forecasts for FY March 2021.

Voluntary application of IFRS (International Financial Reporting Standards)

NRI voluntarily applies IFRS to make its financial reporting more internationally comparable

Disclosure schedule according to voluntary application of IFRS (planned)

Accounting period		Disclosure materials	Accounting standards applied
FY ending March 2021	2Q	Quarterly report	Japanese standards
	3Q	3Q financial results briefing	
		Quarterly report	
	Fiscal year end	Financial results briefing[*1]	
		Companies Act consolidated financial statements	
		Securities report	IFRS[*2]

Disclosure via IFRS from here onward

*1: We plan to disclose performance forecast for fiscal year ending March 2022 according to IFRS

*2: We plan to disclose our financial results briefing that applies IFRS on the securities report submission date

1 Financial Results for 2nd Quarter FY March 2021

2 Recent Activities

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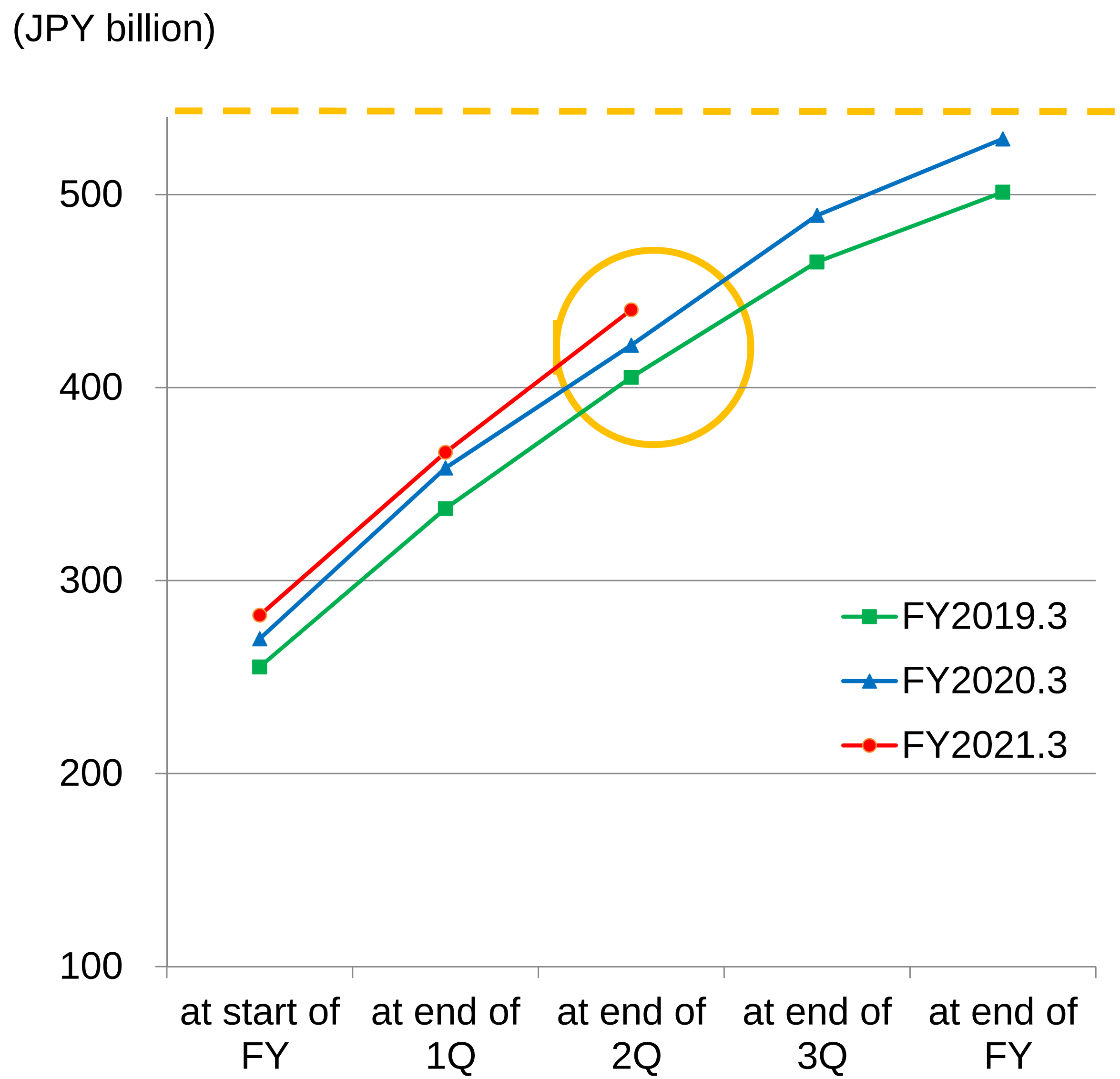
5 Reference Materials

Reference Materials -Other Financial Result-related Data-

Sales + Consolidated Order Backlog



(JPY billion)

	FY Mar.2020	FY Mar.2021	YoY Change
Sales※1	**528.8**	**540.0**	**+2.1%**
Sales※2+ Consolidated Order Backlog※3	**421.9**	**440.2**	**+18.3**
Realization rate	**79.8%**	**81.5%**	**1.7P**

(※1) FY Mar.2020: Result, FY Mar. 2021: Forecast
(※2) The figure at the end of 2Q
(※3) The figure at the end of 2Q

Reference Materials -Other Financial Result-related Data-

Order Volume <1H>

（JPY million）

	2Q FY Mar. 2020	2Q FY Mar. 2021	Diff.	YoY Change
Consulting	21,559	21,416	(143)	(0.7%)
Financial IT Solutions	73,470	83,314	9,843	13.4%
Industrial IT Solutions	47,966	49,268	1,302	2.7%
IT Platform Services	12,376	11,927	(448)	(3.6%)
Total	155,372	165,927	10,554	6.8%

Order Volume <1H> (Domestic/Overseas)

■Order volume domestically

(JPY million)

	2Q FY Mar. 2020	2Q FY Mar. 2021	Diff.	YoY Change
Consulting	19,467	19,797	330	1.7%
Financial IT Solutions	71,515	81,518	10,002	14.0%
Industrial IT Solutions	39,629	46,110	6,481	16.4%
IT Platform Services	12,277	11,791	(486)	(4.0%)
Total	142,890	159,218	16,327	11.4%

■Order volume of overseas subsidiaries

(JPY million)

	2Q FY Mar. 2020	2Q FY Mar. 2021	Diff.	YoY Change
Overseas subsidiaries	12,481	6,708	(5,772)	(46.2%)

Highlights of Consolidated Financial Results <2Q>

■YoY comparison （＊ are shown as a reference）

（JPY million）

	2Q FY Mar. 2020 (Jul.-Sep.)	2Q FY Mar. 2021 (Jul.-Sep.)	Diff.	YoY Change
Sales	129,657	135,145	5,487	4.2%
Operating Profit before goodwill amortization＊	21,338	21,901	563	2.6%
Operating Profit	20,554	21,134	580	2.8%
Operating Profit Margin before goodwill amortization＊	16.5%	16.2%	(0.3P)	
Operating Profit Margin	15.9%	15.6%	(0.2P)	
EBITDA Margin	22.2%	22.3%	0.0P	
Profit attributable to owners of parent	26,647	13,410	(13,236)	(49.7%)

Reference Materials -Other Financial Result-related Data-

Sales by Segment <2Q>

(JPY million)

	2Q FY Mar.2020 (Jul.-Sep.)	Share	2Q FY Mar.2021 (Jul.-Sep.)	Share	Diff.	YoY Change
Consulting	9,552	7.4%	8,498	6.3%	(1,053)	(11.0%)
Financial IT Solutions	67,052	51.7%	72,196	53.4%	5,143	7.7%
Securities	26,479	20.4%	32,909	24.4%	6,430	24.3%
Insurance	17,205	13.3%	15,000	11.1%	(2,204)	(12.8%)
Banking	12,531	9.7%	12,679	9.4%	147	1.2%
Other financial	10,835	8.4%	11,605	8.6%	770	7.1%
Industrial IT Solutions	43,727	33.7%	45,396	33.6%	1,669	3.8%
Distribution	16,782	12.9%	15,345	11.4%	(1,437)	(8.6%)
Manufacturing, service and other	26,945	20.8%	30,051	22.2%	3,106	11.5%
IT Platform Services	9,325	7.2%	9,054	6.7%	(271)	(2.9%)
Total	129,657	100.0%	135,145	100.0%	5,487	4.2%

External sales by segment <2Q> (supplementary information)

■Sales by main client

(JPY million)

	2Q FY Mar.2020 (Jul.-Sep.)	Share*	2Q FY Mar.2021 (Jul.-Sep.)	Share*	Diff.	YoY Change
Nomura Holdings	16,370	12.6%	15,724	11.6%	(645)	(3.9%)

* Percentage of (total) external sales

■Overseas sales

(JPY million)

	2Q FY Mar.2020 (Jul.-Sep.)	Share**	2Q FY Mar.2021 (Jul.-Sep.)	Share**	Diff.	YoY Change
Overseas sales	11,449	8.8%	11,116	8.2%	(332)	(2.9%)
North America*	2,004	1.5%	1,697	1.3%	(306)	(15.3%)
Oceania*	7,847	6.1%	8,071	6.0%	224	2.9%
Asia, other*	1,597	1.2%	1,347	1.0%	(250)	(15.7%)

* Numbers by area are based on location of clients, and numbers per country or area are recorded as reference values.
** Percentage of (total) external sales

Segment Performance Results <2Q>

■Including Inter-segment sales for each segment

(JPY million)

		2Q FY Mar.2020 (Jul.-Sep.)	2Q FY Mar.2021 (Jul.-Sep.)	Diff.	YoY Change
Consulting	Sales	9,738	8,694	(1,043)	(10.7%)
	OP	2,683	1,832	(851)	(31.7%)
	OPM	27.6%	21.1%	(6.5P)	
Financial IT Solutions	Sales	68,058	73,208	5,150	7.6%
	OP	7,917	10,071	2,153	27.2%
	OPM	11.6%	13.8%	2.1P	
Industrial IT Solutions	Sales	44,434	46,267	1,833	4.1%
	OP	4,792	4,310	(482)	(10.1%)
	OPM	10.8%	9.3%	(1.5P)	
IT Platform Services	Sales	34,648	34,385	(262)	(0.8%)
	OP	5,052	4,638	(413)	(8.2%)
	OPM	14.6%	13.5%	(1.1P)	

Analysis of increase and decrease factors <2Q>

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

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

<table>
<tr><th colspan="2">Segment</th><th>External sales</th><th>Operating profit</th></tr>
<tr><td colspan="2">Consulting</td><td>(-) Overseas consulting projects</td><td>(-) Profit decrease due to declining sales</td></tr>
<tr><td rowspan="4">Financial IT Solutions</td><td>Securities</td><td>(+) Shared online services implementation projects</td><td rowspan="4">(+) Higher profit due to increased revenue effects</td></tr>
<tr><td>Insurance</td><td>(-) Systems development for non-life insurers</td></tr>
<tr><td>Banking</td><td></td></tr>
<tr><td>Other financial, etc.</td><td>(+) Systems development for multiple clients</td></tr>
<tr><td rowspan="2">Industrial IT Solutions</td><td>Distribution</td><td>(-) Recoil due to consumption tax increase last year</td><td rowspan="2">(-) Profit decrease due to declining sales overseas</td></tr>
<tr><td>Manufacturing & services, etc.</td><td>(+) Systems development for multiple clients
(-) Overseas business</td></tr>
<tr><td colspan="2">IT Platform Services</td><td colspan="2"></td></tr>
</table>

Sales by Service <2Q>

（JPY million）

	2Q FY Mar.2020 (Jul.-Sep.)	2Q FY Mar.2021 (Jul.-Sep.)	Diff.	YoY Change
Consulting Services	24,946	21,688	(3,257)	(13.1%)
System Development & System Application Sales	38,646	45,909	7,262	18.8%
System Management & Operation Services	61,531	64,241	2,709	4.4%
Product Sales	4,533	3,306	(1,226)	(27.1%)
Total	129,657	135,145	5,487	4.2%

Reference Materials -Other Financial Result-related Data-

Consolidated P/L Highlight <2Q>

（JPY million）

	2Q FY Mar.2020 (Jul.-Sep.)	2Q FY Mar.2021 (Jul.-Sep.)	Diff.	YoY Change
Sales	129,657	135,145	5,487	4.2%
Cost of Sales	86,287	89,510	3,223	3.7%
Subcontracting Costs	40,261	42,579	2,318	5.8%
Gross Profit	43,370	45,634	2,264	5.2%
Gross Profit Margin	33.5%	33.8%	0.3P	
SG&A	22,816	24,500	1,683	7.4%
Amortization of goodwill	783	766	(17)	(2.2%)
Operating Profit	20,554	21,134	580	2.8%
Operating Profit Margin	15.9%	15.6%	(0.2P)	

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.

Consolidated P/L Highlight <2Q> (continued)

（JPY million）

	2Q FY Mar.2020 (Jul.-Sep.)	2Q FY Mar.2021 (Jul.-Sep.)	Diff.	YoY Change
Operating Profit	20,554	21,134	580	2.8%
Non-operating income and loss	57	(503)	(561)	—
Dividend Income	34	36	2	6.1%
Loss due to COVID-19	—	(493)	(493)	—
Extraordinary income and loss	19,103	(79)	(19,182)	—
Gain on sales of investment securities	19,098	—	(19,098)	(100%)
Income taxes etc.	12,889	6,654	(6,235)	(48.4%)
Profit attributable to owners of parent	26,647	13,410	(13,236)	(49.7%)

 NRI

Order Volume by Segment <2Q>

（JPY million）

	2Q FY Mar.2020 (Jul.-Sep.)	2Q FY Mar.2021 (Jul.-Sep.)	Diff.	YoY Change
Consulting	7,542	8,096	554	7.3%
Financial IT Solutions	31,479	35,564	4,085	13.0%
Industrial IT Solutions	19,026	25,908	6,882	36.2%
IT Platform Services	6,385	6,683	298	4.7%
Total	64,433	76,253	11,820	18.3%

Sales Forecasts by Service for FY March 2021

■Given the progress of FY March 2021 2Q, NRI revised sales forecasts by service.

(JPY billion)

	FY Mar. 2020 (Results)	FY Mar. 2021 (October 28 Forecasts)	Diff.	YoY Change	FY Mar. 2021 (July 29 Forecast)	Diff.
Consulting Services	96.8	90.0	(6.8)	(7.1%)	96.0	(6.0)
System Development & System Application Sales	161.7	179.0	17.2	10.7%	168.0	11.0
System Management & Operation Services	251.9	256.0	4.0	1.6%	258.0	(2.0)
Product Sales	18.3	15.0	(3.3)	(18.5%)	18.0	(3.0)
Total	528.8	540.0	11.1	2.1%	540.0	—

Reference Materials

CAPEX, R&D and Depreciation Forecasts for FY March 2021

■Given the progress of FY March 2021 2Q, NRI revised CAPEX forecasts.

■ Capital Expenditure, R&D

(JPY billion)

	FY Mar. 2020 (Results)	FY Mar. 2021 (October 28 Forecasts)	Diff.	YoY Change	FY Mar. 2021 (July 29 Forecast)	Diff.
Capital Expenditure	28.4	35.0	6.5	22.8%	38.0	(3.0)
Tangible	6.6	10.0	3.3	49.6%	13.0	(3.0)
Intangible	21.8	25.0	3.1	14.6%	25.0	—
R&D	4.3	4.0	(0.3)	(7.2%)	4.0	—

■ Depreciation and Amortization

(JPY billion)

	FY Mar. 2020 (Results)	FY Mar. 2021 (October 28 Forecasts)	Diff.	YoY Change	FY Mar. 2021 (July 29 Forecast)	Diff.
Total	30.4	33.0	2.5	8.5%	33.0	—

Forecasts for FY March 2021 < Consolidated Earnings Model >

■FY March 2020 Consolidated Earnings Model
- Sales of JPY540.0 billion and Operating profit of JPY83.0 billion

(JPY billion)

	FY Mar. 2019 (Results)	FY Mar. 2020 (Results)	(a) FY Mar. 2021 (October 28 Forecasts)*	YoY Diff.	YoY Change	(b) FY Mar. 2021 (July 29 Forecasts) *	(a-b) Diff.
Sales	501.2	528.8	540.0	11.1	2.1%	540.0	—
Cost of Sales	336.5	348.0	360.0	11.9	3.4%	359.0	1.0
Personnel	111.1	111.2	113.0	1.7	1.5%	113.0	—
Subcontracting Costs	150.6	161.3	170.0	8.6	5.4%	164.0	6.0
Depreciation	28.7	28.3	29.0	0.6	2.2%	31.0	(2.0)
Gross Profit	164.7	180.8	180.0	(0.8)	(0.5%)	181.0	(1.0)
Gross Profit Margin	32.9%	34.2%	33.3%	(0.9P)		33.5%	(0.2P)
SG&A	93.2	97.6	97.0	(0.6)	(0.7%)	98.0	(1.0)
Operating Profit	71.4	83.1	83.0	(0.1)	(0.2%)	83.0	—
Operating Profit Margin	14.3%	15.7%	15.4%	(0.4P)		15.4%	—

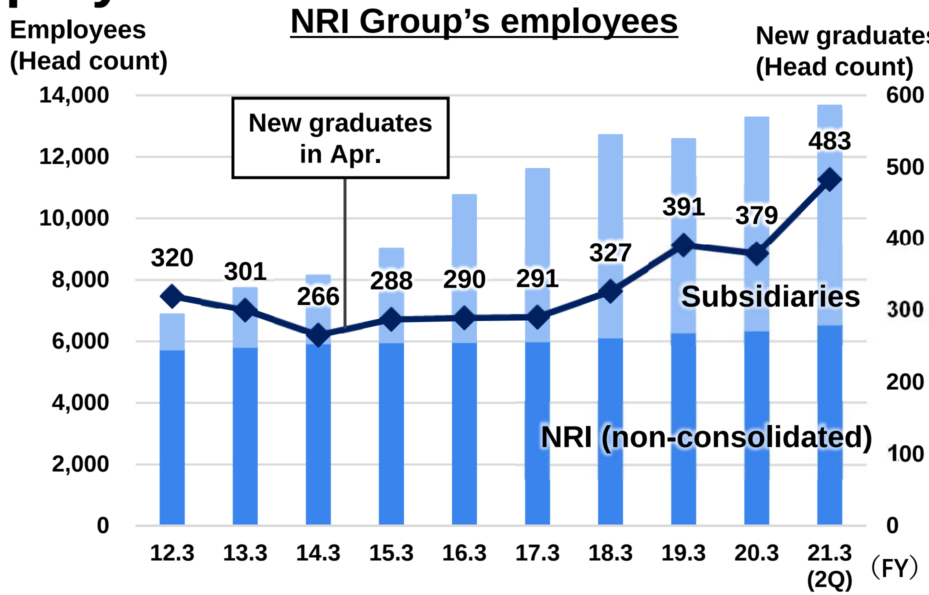
* Figures are consolidated estimates for preparing this earnings model.

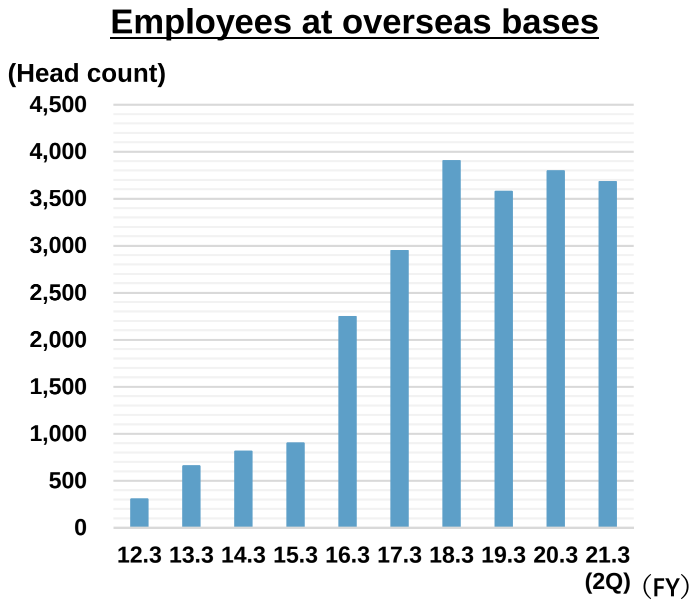
NRI's employees + Partners (in Japan & China)

■ NRI Group-s employees

Personnel: 13,663*

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





■ Subcontractors

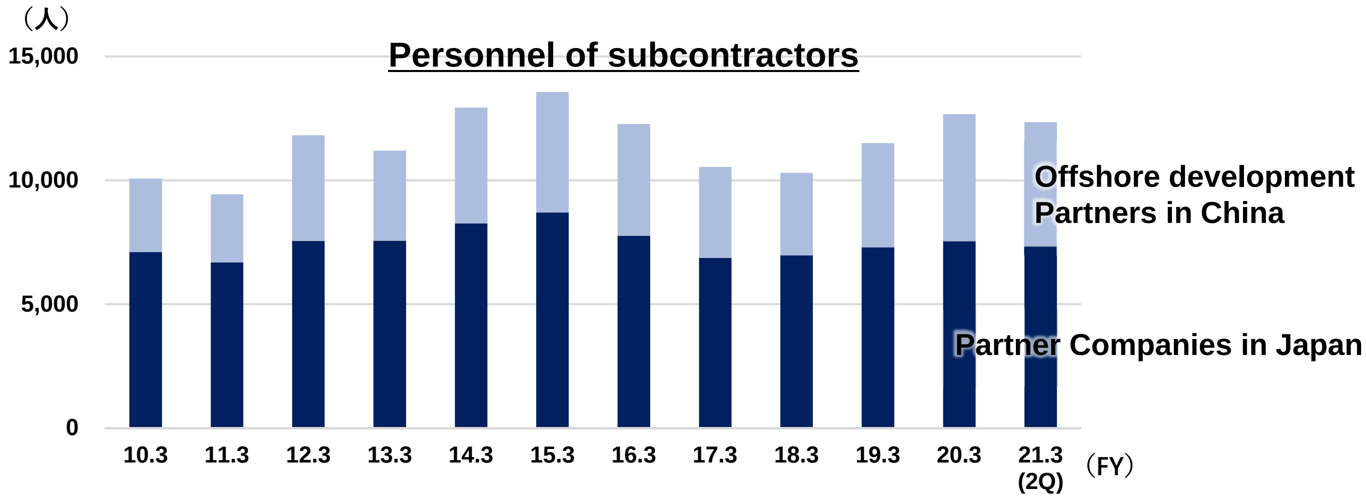
■ Offshore development Partners in China

20 partners in 20 regions

Personnel: Approx. 5,000

■ Partner Companies in Japan

Personnel: Approx. 7,500



* As of end-Sep. 2020

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.

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