

Financial Results Presentation

**Financial Results for 3rd Quarter FY March 2021
and Financial Results Forecast for the year ending 31st March, 2021**

Nomura Research Institute, Ltd.

Yasuo Fukami

Representative Director,
Member of the Board,
Senior Executive Managing Director

January 27, 2021



1 Financial Results for 3rd Quarter FY March 2021

2 Recent Activities

3 Financial Results Forecasts for FY March 2021

4 Reference Materials

Financial Results for 3rd Quarter FY March 2021

Highlights of Consolidated Financial Results <3Q Total>

■ YoY comparison (* are shown as a reference)

(JPY million)

	3Q FY Mar. 2020	3Q FY Mar. 2021	Diff.	YoY Change
Sales	390,545	404,466	13,921	3.6%
Operating Profit before goodwill amortization*	64,498	65,395	897	1.4%
Operating Profit	62,106	63,146	1,040	1.7%
Operating Profit Margin before goodwill amortization*	16.5%	16.2%	(0.3P)	
Operating Profit Margin	15.9%	15.6%	(0.3P)	
EBITDA Margin	22.4%	22.0%	(0.4P)	
Profit attributable to owners of parent	55,604	44,792	(10,811)	(19.4%)

Financial Results for 3rd Quarter FY March 2021

Sales by Segment <3Q Total>

(JPY million)

	3Q FY Mar. 2020	Share	3Q FY Mar. 2021	Share	Diff.	YoY Change
Consulting	27,062	6.9%	25,371	6.3%	(1,691)	(6.3%)
Financial IT Solutions	202,560	51.9%	213,675	52.8%	11,114	5.5%
Securities	81,465	20.9%	96,357	23.8%	14,891	18.3%
Insurance	50,162	12.8%	44,946	11.1%	(5,216)	(10.4%)
Banking	38,114	9.8%	37,293	9.2%	(821)	(2.2%)
Other financial	32,817	8.4%	35,077	8.7%	2,260	6.9%
Industrial IT Solutions	133,778	34.3%	137,345	34.0%	3,567	2.7%
Distribution	50,895	13.0%	46,451	11.5%	(4,443)	(8.7%)
Manufacturing, service and other	82,883	21.2%	90,894	22.5%	8,011	9.7%
IT Platform Services	27,143	7.0%	28,074	6.9%	930	3.4%
Total	390,545	100.0%	404,466	100.0%	13,921	3.6%

Financial Results for 3rd Quarter FY March 2021

External sales by segment <3Q Total> (supplementary information)

■ Sales by main client

(JPY million)

	3Q FY Mar. 2020	Share*	3Q FY Mar. 2021	Share*	Diff.	YoY Change
Nomura Holdings	47,761	12.2%	48,481	12.0%	720	1.5%

* Percentage of (total) external sales

■ Overseas sales

(JPY million)

	3Q FY Mar. 2020	Share**	3Q FY Mar. 2021	Share**	Diff.	YoY Change
Overseas sales	35,618	9.1%	32,216	8.0%	(3,401)	(9.6%)
North America*	6,389	1.6%	4,698	1.2%	(1,691)	(26.5%)
Oceania*	24,597	6.3%	23,437	5.8%	(1,160)	(4.7%)
Asia, other*	4,630	1.2%	4,080	1.0%	(550)	(11.9%)

* 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

Financial Results for 3rd Quarter FY March 2021

Segment Performance Results <3Q Total>

■ Including Inter-segment sales for each segment

(JPY million)

		3Q FY Mar. 2020	3Q FY Mar. 2021	Diff.	YoY Change
Consulting	Sales	27,626	25,974	(1,652)	(6.0%)
	OP	5,691	5,444	(247)	(4.3%)
	OPM	20.6%	21.0%	0.4P	
Financial IT Solutions	Sales	204,528	216,496	11,967	5.9%
	OP	26,935	29,022	2,087	7.7%
	OPM	13.2%	13.4%	0.2P	
Industrial IT Solutions	Sales	135,932	139,838	3,905	2.9%
	OP	14,503	14,050	(453)	(3.1%)
	OPM	10.7%	10.0%	(0.6P)	
IT Platform Services	Sales	102,096	104,103	2,006	2.0%
	OP	14,275	14,245	(29)	(0.2%)
	OPM	14.0%	13.7%	(0.3P)	

Financial Results for 3rd Quarter FY March 2021

Analysis of increase and decrease factors <3Q Total>

- 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		(–) Less overseas consulting projects	
Financial IT Solutions	Securities	(+) NSTec consolidation effect (+) Shared online services implementation projects	(+) Increased profit from user fees in shared online services (+) Increased profit from more BPO projects
	Insurance	(–) Systems development for non-life insurers	
	Banking		
	Other financial, etc.	(+) Mobile finance services-related projects	
Industrial IT Solutions	Distribution	(–) Reversion from consumption tax-related demand last year (–) Global projects	(+) Higher profit due to increased revenue effect (–) Lower profit due to decreased revenue from overseas
	Manufacturing & services, etc.	(+) Systems development for logistics & telecom (–) Business in Australia	
IT Platform Services		(+) Information security-related business	

Financial Results for 3rd Quarter FY March 2021

Sales by Service <3Q Total>

(JPY million)

	3Q FY Mar. 2020	3Q FY Mar. 2021	Diff.	YoY Change
Consulting Services	70,926	64,827	(6,099)	(8.6%)
System Development & System Application Sales	119,769	135,517	15,747	13.1%
System Management & Operation Services	186,806	192,169	5,363	2.9%
Product Sales	13,042	11,951	(1,090)	(8.4%)
Total	390,545	404,466	13,921	3.6%

Financial Results for 3rd Quarter FY March 2021

Consolidated P/L Highlight <3Q Total>

(JPY million)

	3Q FY Mar. 2020	3Q FY Mar. 2021	Diff.	YoY Change
Sales	390,545	404,466	13,921	3.6%
Cost of Sales	257,149	268,267	11,118	4.3%
Subcontracting Costs	119,192	127,640	8,447	7.1%
Gross Profit	133,395	136,198	2,802	2.1%
Gross Profit Margin	34.2%	33.7%	(0.5P)	
SG&A	71,289	73,051	1,762	2.5%
Amortization of goodwill	2,392	2,249	(143)	(6.0%)
Operating Profit	62,106	63,146	1,040	1.7%
Operating Profit Margin	15.9%	15.6%	(0.3P)	

Financial Results for 3rd Quarter FY March 2021

Consolidated P/L Highlight <3Q Total> (continued)

(JPY million)

	3Q FY Mar. 2020	3Q FY Mar. 2021	Diff.	YoY Change
Operating Profit	62,106	63,146	1,040	1.7%
Non-operating income and loss	984	(109)	(1,094)	—
Dividend Income	943	764	(179)	(19.0%)
Loss due to COVID-19	—	(496)	(496)	—
Extraordinary income and loss	19,188	3,902	(15,285)	(79.7%)
Gain on sales of investment securities	19,162	3,935	(15,226)	(79.5%)
Income taxes etc.	26,231	21,826	(4,404)	(16.8%)
Profit attributable to owners of parent	55,604	44,792	(10,811)	(19.4%)

Key Factors in Financial Results for 3Q FY March 2021

■ Higher income with +3.6% in sales

- Supported by shared online services implementation projects for securities in Financial IT Solutions, and DX-related business for the services industry in Industrial IT Solutions

■ +1.7% in operating profit

- Supported by increased revenue effect from system management solutions in financial IT
- In Industrial IT Solutions, performance was confirmed to have bottomed out, as business in Australia reached the break even point and DX-related business produced expansion effects.

Higher income and profit on a yearly basis led by early launch and increased size of DX-related projects impacted by COVID-19

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Main DX-related business in 3Q FY March 2021

Consulting	<ul style="list-style-type: none">● DX consulting, including analytics
Financial IT	<ul style="list-style-type: none">● Supporting the shift to non-face-to-face, contactless (sales performed online, mobile finance services, etc.)● Social security “My Number” related business helping to advance social infrastructure
Industrial IT	<ul style="list-style-type: none">● Logistics support to accommodate increased e-commerce (from front-end to core systems)● Advancement of operations incorporating AI in retail
IT Platform Services	<ul style="list-style-type: none">● Zero trust consulting for bolstering security associated with the expansion of at-home work and other developments

Global strategy: status by region

Australia

■ ASG

- Cost control measures are completed, progress is on track to non-consolidated profitability in the second half
- IT investment is trending toward recovery, mainly in government-related.
- Still exploring M&A opportunities in the Australia region

■ AUSIEX

- Procedures for share acquisition are steadily progressing.

Other regions

■ Brierley + Partners

- Income vs. expenditures is improving thanks to cost-reduction effects.

■ NVANTAGE (joint venture in India with Nomura Holdings)

- Dissolving the joint venture and rethinking strategy, since the initially planned sales growth through the development of other companies can no longer be expected

1 Financial Results for 3rd Quarter FY March 2021

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Financial Results Forecasts for FY March 2021

Order Backlog by Segment (Outstanding)

(JPY million)

	At end of Dec. 2019	At end of Dec. 2020	Diff.	YoY Change
Consulting	7,364	8,733	1,368	18.6%
Financial IT Solutions	62,960	70,490	7,530	12.0%
Industrial IT Solutions	35,046	40,008	4,961	14.2%
IT Platform Services	6,815	8,648	1,833	26.9%
Total	112,186	127,880	15,693	14.0%
Order backlog in the current FY	98,692	108,850	10,158	10.3%

Financial Results Forecasts for FY March 2021

Order Backlog by Segment (Domestic/Overseas)

■ Order backlog domestically

(JPY million)

	At end of Dec. 2019	At end of Dec. 2020	Diff.	YoY Change
Consulting	6,906	8,126	1,220	17.7%
Financial IT Solutions	62,544	70,043	7,499	12.0%
Industrial IT Solutions	24,938	31,911	6,973	28.0%
IT Platform Services	6,815	8,648	1,833	26.9%
Total	101,203	118,730	17,526	17.3%

■ Order backlog of overseas subsidiaries

(JPY million)

	At end of Dec. 2019	At end of Dec. 2020	Diff.	YoY Change
Overseas subsidiaries	10,982	9,150	(1,832)	(16.7%)

Financial Results Forecasts for FY March 2021

Forecasts for FY March 2021

■ Given the progress of FY2021 3Q, NRI revised full-year financial results and Dividend forecast.

(JPY billion)

	FY Mar. 2020 (Results)	FY Mar. 2021 (January 27 Forecasts)	Diff.	YoY Change	FY Mar. 2021 (October 28 Forecasts)	Diff.
Sales	528.8	550.0	21.1	4.0%	540.0	10.0
Operating Profit	83.1	86.0	2.8	3.4%	83.0	3.0
Operating Profit Margin	15.7%	15.6%	(0.1P)		15.4%	0.3P
Profit attributable to owners of parent	69.2	65.0	(4.2)	(6.2%)	59.0	6.0
Earnings Per Share	¥109.35	¥108.73	(¥0.62)		¥98.78	¥9.96
Dividends Per Share	¥32.00	¥36.00	¥4.00		¥34.00	¥2.00
End of Q2	¥15.00	¥17.00	¥2.00		¥17.00	—
Fiscal year end	¥17.00	¥19.00	¥2.00		¥17.00	¥2.00
Payout Ratio	27.9%	33.6%	5.7P		34.9%	(1.4P)

Financial Results Forecasts for FY March 2021

Shareholder returns measures to improve capital efficiency

- Increasing dividend to 36 yen per share for FY March 2021 (this announcement)

Dividend by year

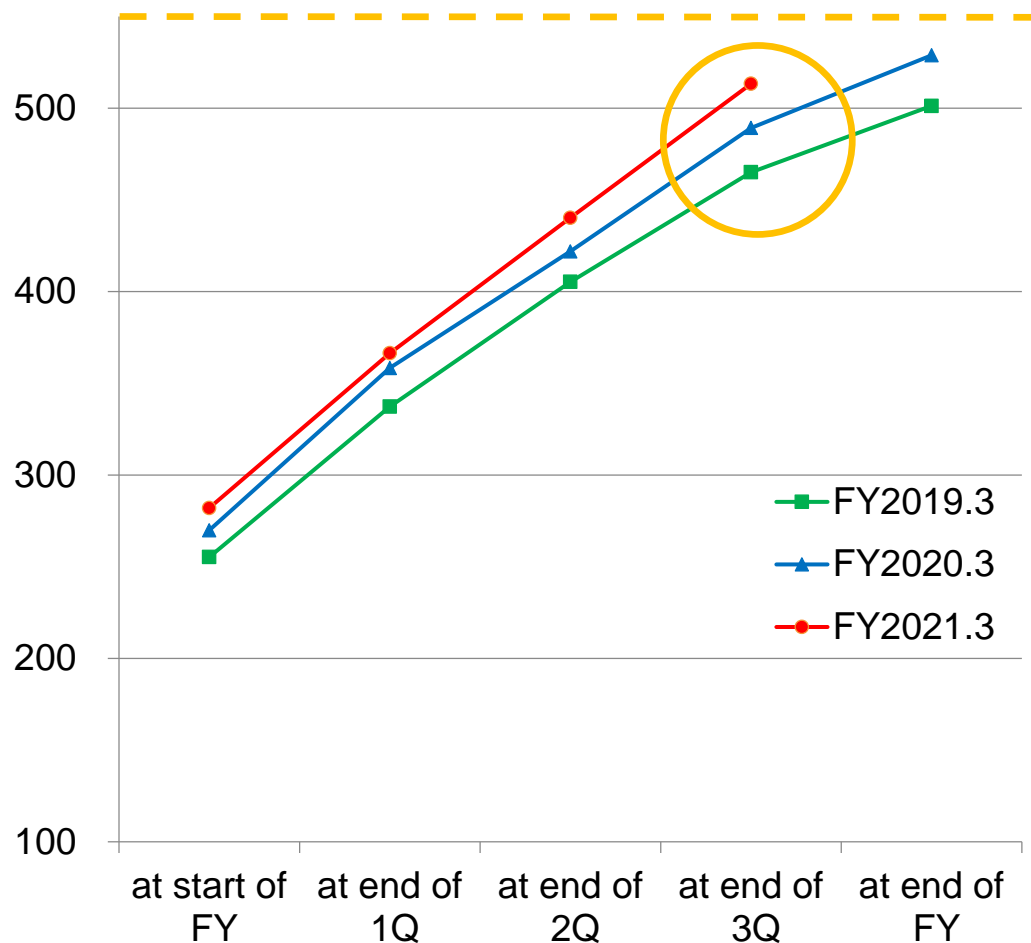
Annual dividend per share*	FY March 2017	FY March 2018	FY March 2019	FY March 2020	FY March 2021 (plan)
End of 2Q	13 yen	15 yen	15 yen	15 yen	17 yen
End of year	13 yen	15 yen	15 yen	17 yen	19 yen
Total	26 yen	30 yen	30 yen	32 yen	36 yen

* NRI conducted a one-to-three share split of common stock, effective July 1, 2019. Amount shown for dividend per share is adjusted for the effect of this split (fractions under one yen are rounded down). These amounts are not adjusted for the effect of the share split (one-to-1.1 split of common stock) conducted effective January 1, 2017.

Financial Results Forecasts for FY March 2021

Sales + Consolidated Order Backlog

(JPY billion)



(JPY billion)

	FY Mar.2020	FY Mar.2021	YoY Change
Sales^{※1}	528.8	550.0	+4.0%
Sales^{※2+} Consolidated Order Backlog^{※3}	489.2	513.3	+4.9%
Realization rate	92.5%	93.3%	+0.8P

(※1) FY Mar.2020: Result, FY Mar. 2021: Forecast

(※2) The figure at the end of 3Q

(※3) The figure at the end of 3Q

Financial Results Forecasts for FY March 2021

Sales Forecasts by Segment for FY March 2021

■ Given the progress of FY2021 3Q, NRI revised sales forecasts by segment. (JPY billion)

	(a)		(b)		(b-a)		(c)		(b-c)
	FY Mar. 2020 (Results)	Share	FY Mar. 2021 (January 27 Forecasts)	Share	Diff.	YoY Change	FY Mar. 2021 (October 28 Forecasts)	Diff.	
Consulting	38.5	7.3%	38.0	6.9%	(0.5)	(1.5%)	36.0	2.0	
Financial IT Solutions	273.5	51.7%	285.0	51.8%	11.4	4.2%	282.0	3.0	
Securities	112.7	21.3%	127.0	23.1%	14.2	12.6%	125.0	2.0	
Insurance	66.3	12.6%	60.0	10.9%	(6.3)	(9.6%)	60.0	—	
Banking	51.0	9.6%	51.0	9.3%	(0.0)	(0.0%)	51.0	—	
Other financial	43.4	8.2%	47.0	8.5%	3.5	8.3%	46.0	1.0	
Industrial IT Solutions	178.4	33.7%	187.0	34.0%	8.5	4.8%	184.0	3.0	
Distribution	66.7	12.6%	63.0	11.5%	(3.7)	(5.7%)	63.0	—	
Manufacturing, service and other	111.7	21.1%	124.0	22.5%	12.2	11.0%	121.0	3.0	
IT Platform Services	38.2	7.2%	40.0	7.3%	1.7	4.6%	38.0	2.0	
Total	528.8	100.0%	550.0	100.0%	21.1	4.0%	540.0	10.0	

Financial Results Forecasts for FY March 2021

Results through 3Q 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 4Q and full-year are estimates)	Sales	131.1	135.1	138.1	145.5	550.0
	OP	18.1	21.1	23.8	22.8	86.0
	OPM	13.9%	15.6%	17.3%	15.7%	15.6%

Note: Figures for 4Q of the fiscal year ending March 31, 2021 were calculated by subtracting 3Q results from full-year forecasts for FY March 2021.

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Order Volume <3Q Total>

(JPY million)

	3Q FY Mar. 2020	3Q FY Mar. 2021	Diff.	YoY Change
Consulting	30,867	29,764	(1,102)	(3.6%)
Financial IT Solutions	110,590	118,716	8,126	7.3%
Industrial IT Solutions	68,252	78,404	10,152	14.9%
IT Platform Services	19,349	19,681	332	1.7%
Total	229,059	246,567	17,507	7.6%

Order Volume <3Q Total> (Domestic/Overseas)

Order volume domestically

(JPY million)

	3Q FY Mar. 2020	3Q FY Mar. 2021	Diff.	YoY Change
Consulting	27,729	27,331	(397)	(1.4%)
Financial IT Solutions	107,935	116,156	8,220	7.6%
Industrial IT Solutions	58,670	72,440	13,769	23.5%
IT Platform Services	19,200	19,463	262	1.4%
Total	213,536	235,391	21,855	10.2%

Order volume of overseas subsidiaries

(JPY million)

	3Q FY Mar. 2020	3Q FY Mar. 2021	Diff.	YoY Change
Overseas subsidiaries	15,522	11,175	(4,347)	(28.0%)

Reference Materials -Other Financial Result-related Data-

Highlights of Consolidated Financial Results <3Q>

■ YoY comparison (* are shown as a reference)

(JPY million)

	3Q FY Mar. 2020 (Oct.-Dec.)	3Q FY Mar. 2021 (Oct.-Dec.)	Diff.	YoY Change
Sales	131,391	138,165	6,774	5.2%
Operating Profit before goodwill amortization*	21,990	24,607	2,617	11.9%
Operating Profit	21,198	23,834	2,636	12.4%
Operating Profit Margin before goodwill amortization*	16.7%	17.8%	1.1P	
Operating Profit Margin	16.1%	17.3%	1.1P	
EBITDA Margin	22.5%	23.5%	1.0P	
Profit attributable to owners of parent	14,711	18,764	4,053	27.6%

Reference Materials -Other Financial Result-related Data-

Sales by Segment <3Q>

(JPY million)

	3Q FY Mar.2020 (Oct.-Dec.)	Share	3Q FY Mar.2021 (Oct.-Dec.)	Share	Diff.	YoY Change
Consulting	9,888	7.5%	9,956	7.2%	67	0.7%
Financial IT Solutions	67,480	51.4%	72,016	52.1%	4,536	6.7%
Securities	27,585	21.0%	32,811	23.7%	5,225	18.9%
Insurance	16,245	12.4%	14,905	10.8%	(1,339)	(8.2%)
Banking	12,952	9.9%	12,326	8.9%	(626)	(4.8%)
Other financial	10,696	8.1%	11,973	8.7%	1,277	11.9%
Industrial IT Solutions	44,246	33.7%	46,257	33.5%	2,011	4.5%
Distribution	16,467	12.5%	15,577	11.3%	(889)	(5.4%)
Manufacturing, service and other	27,779	21.1%	30,679	22.2%	2,900	10.4%
IT Platform Services	9,775	7.4%	9,934	7.2%	158	1.6%
Total	131,391	100.0%	138,165	100.0%	6,774	5.2%

Reference Materials -Other Financial Result-related Data-

External sales by segment <3Q> (supplementary information)

■ Sales by main client

(JPY million)

	3Q FY Mar.2020 (Oct.-Dec.)	Share*	3Q FY Mar.2021 (Oct.-Dec.)	Share*	Diff.	YoY Change
Nomura Holdings	16,591	12.6%	16,681	12.1%	89	0.5%

* Percentage of (total) external sales

■ Overseas sales

(JPY million)

	3Q FY Mar.2020 (Oct.-Dec.)	Share**	3Q FY Mar.2021 (Oct.-Dec.)	Share**	Diff.	YoY Change
Overseas sales	11,481	8.7%	10,550	7.6%	(931)	(8.1%)
North America*	2,033	1.5%	1,421	1.0%	(612)	(30.1%)
Oceania*	7,876	6.0%	7,745	5.6%	(131)	(1.7%)
Asia, other*	1,571	1.2%	1,383	1.0%	(188)	(12.0%)

* 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

Reference Materials -Other Financial Result-related Data- Segment Performance Results <3Q>

■ Including Inter-segment sales for each segment

(JPY million)

		3Q FY Mar. 2020 (Oct.-Dec.)	3Q FY Mar. 2021 (Oct.-Dec.)	Diff.	YoY Change
Consulting	Sales	10,120	10,180	60	0.6%
	OP	2,393	2,941	547	22.9%
	OPM	23.7%	28.9%	5.2P	
Financial IT Solutions	Sales	67,877	72,967	5,089	7.5%
	OP	8,705	10,509	1,803	20.7%
	OPM	12.8%	14.4%	1.6P	
Industrial IT Solutions	Sales	45,028	47,143	2,114	4.7%
	OP	4,519	5,019	499	11.1%
	OPM	10.0%	10.6%	0.6P	
IT Platform Services	Sales	35,490	36,296	805	2.3%
	OP	5,267	5,341	74	1.4%
	OPM	14.8%	14.7%	(0.1P)	

Reference Materials -Other Financial Result-related Data-

Analysis of increase and decrease factors <3Q>

- 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			(+) Decline in expenses due to onlinization
Financial IT Solutions	Securities	(+) Shared online services implementation projects	(+) Increased profit from user fees in shared online services (+) Increased profit from more BPO projects
	Insurance	(-) Systems development for non-life insurers	
	Banking		
	Other financial, etc.	(+) Mobile finance services-related projects	
Industrial IT Solutions	Distribution		(+) Higher profit due to increased revenue effect
	Manufacturing & services, etc.	(+) Systems development for logistics & telecom	
IT Platform Services			

Reference Materials -Other Financial Result-related Data-

Sales by Service <3Q>

(JPY million)

	3Q FY Mar. 2020 (Oct.-Dec.)	3Q FY Mar. 2021 (Oct.-Dec.)	Diff.	YoY Change
Consulting Services	24,782	23,304	(1,477)	(6.0%)
System Development & System Application Sales	39,871	46,071	6,199	15.5%
System Management & Operation Services	62,961	64,892	1,931	3.1%
Product Sales	3,775	3,896	120	3.2%
Total	131,391	138,165	6,774	5.2%

Reference Materials -Other Financial Result-related Data-

Consolidated P/L Highlight <3Q>

(JPY million)

	3Q FY Mar. 2020 (Oct.-Dec.)	3Q FY Mar. 2021 (Oct.-Dec.)	Diff.	YoY Change
Sales	131,391	138,165	6,774	5.2%
Cost of Sales	85,470	89,484	4,014	4.7%
Subcontracting Costs	39,866	42,688	2,822	7.1%
Gross Profit	45,921	48,681	2,759	6.0%
Gross Profit Margin	35.0%	35.2%	0.3P	
SG&A	24,723	24,846	123	0.5%
Amortization of goodwill	792	773	(18)	(2.4%)
Operating Profit	21,198	23,834	2,636	12.4%
Operating Profit Margin	16.1%	17.3%	1.1P	

Reference Materials -Other Financial Result-related Data-

Consolidated P/L Highlight <3Q> (continued)

(JPY million)

	3Q FY Mar. 2020 (Oct.-Dec.)	3Q FY Mar. 2021 (Oct.-Dec.)	Diff.	YoY Change
Operating Profit	21,198	23,834	2,636	12.4%
Non-operating income and loss	117	229	111	94.6%
Dividend Income	306	310	4	1.4%
Extraordinary income and loss	94	3,530	3,436	—
Gain on sales of investment securities	63	3,614	3,550	—
Income taxes etc.	6,550	8,589	2,038	31.1%
Profit attributable to owners of parent	14,711	18,764	4,053	27.6%

Order Volume by Segment <3Q>

(JPY million)

	3Q FY Mar. 2020 (Oct.-Dec.)	3Q FY Mar. 2021 (Oct.-Dec.)	Diff.	YoY Change
Consulting	9,307	8,348	(959)	(10.3%)
Financial IT Solutions	37,119	35,401	(1,717)	(4.6%)
Industrial IT Solutions	20,286	29,135	8,849	43.6%
IT Platform Services	6,973	7,754	780	11.2%
Total	73,687	80,640	6,953	9.4%

Order Volume by Segment <3Q> (Domestic/Overseas)

Order volume domestically

(JPY million)

	3Q FY Mar. 2020 (Oct.-Dec.)	3Q FY Mar. 2021 (Oct.-Dec.)	Diff.	YoY Change
Consulting	8,261	7,533	(727)	(8.8%)
Financial IT Solutions	36,419	34,637	(1,782)	(4.9%)
Industrial IT Solutions	19,041	26,329	7,288	38.3%
IT Platform Services	6,923	7,672	748	10.8%
Total	70,645	76,173	5,527	7.8%

Order volume of overseas subsidiaries

(JPY million)

	3Q FY Mar. 2020 (Oct.-Dec.)	3Q FY Mar. 2021 (Oct.-Dec.)	Diff.	YoY Change
Overseas subsidiaries	3,041	4,466	1,425	46.9%

DX-related index

DX-related index () : YoY change

	1Q FY Mar. 2021	2Q FY Mar. 2021	3Q FY Mar. 2021
DX-related sales	77.9 billion yen (+5.7%)	81.4 billion yen (+8.2%)	81.8 billion yen (+4.3%)
Ratio of DX-related sales	59% (+2pt)	60% (+2pt)	59% (0pt)

Sales Forecasts by Service for FY March 2021

■ Given the progress of FY2021 3Q, NRI revised sales forecasts by service.

(JPY billion)

	FY Mar. 2020 (Results)	FY Mar. 2021 (January 27 Forecasts)	Diff.	YoY Change	FY Mar. 2021 (October 28 Forecasts)	Diff.
Consulting Services	96.8	90.0	(6.8)	(7.1%)	90.0	—
System Development & System Application Sales	161.7	187.0	25.2	15.6%	179.0	8.0
System Management & Operation Services	251.9	258.0	6.0	2.4%	256.0	2.0
Product Sales	18.3	15.0	(3.3)	(18.5%)	15.0	—
Total	528.8	550.0	21.1	4.0%	540.0	10.0

Reference Materials

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

- Given the progress of FY March 2021 3Q, NRI revised forecasts regarding CAPEX and Depreciation.

Capital Expenditure, R&D

(JPY billion)

	FY Mar. 2020 (Results)	FY Mar. 2021 (January 27 Forecasts)	Diff.	YoY Change	FY Mar. 2021 (October 28 Forecasts)	Diff.
Capital Expenditure	28.4	30.0	1.5	5.3%	35.0	(5.0)
Tangible	6.6	7.0	0.3	4.7%	10.0	(3.0)
Intangible	21.8	23.0	1.1	5.4%	25.0	(2.0)
R&D	4.3	4.0	(0.3)	(7.2%)	4.0	—

Depreciation and Amortization

(JPY billion)

	FY Mar. 2020 (Results)	FY Mar. 2021 (January 27 Forecasts)	Diff.	YoY Change	FY Mar. 2021 (October 28 Forecasts)	Diff.
Total	30.4	31.0	0.5	1.9%	33.0	(2.0)

Reference Materials

Forecasts for FY March 2021 < Consolidated Earnings Model >

■ FY March 2021 Consolidated Earnings Model

- Sales of JPY550.0 billion and Operating profit of JPY86.0 billion

(JPY billion)

	FY Mar. 2019 (Results)	FY Mar. 2020 (Results)	(a)		(b)		(a-b)
			FY Mar. 2021 (January 27 Forecasts)*	YoY		FY Mar. 2021 (October 28 Forecasts)	Diff.
				Diff.	Change		
Sales	501.2	528.8	550.0	21.1	4.0%	540.0	10.0
Cost of Sales	336.5	348.0	365.0	16.9	4.9%	360.0	5.0
Personnel	111.1	111.2	114.0	2.7	2.4%	113.0	1.0
Subcontracting Costs	150.6	161.3	173.0	11.6	7.3%	170.0	3.0
Depreciation	28.7	28.3	29.0	0.6	2.1%	29.0	—
Gross Profit	164.7	180.8	185.0	4.1	2.3%	180.0	5.0
Gross Profit Margin	32.9%	34.2%	33.6%	(0.6P)		33.3%	0.3P
SG&A	93.2	97.6	99.0	1.3	1.3%	97.0	2.0
Operating Profit	71.4	83.1	86.0	2.8	3.4%	83.0	3.0
Operating Profit Margin	14.3%	15.7%	15.6%	(0.1P)		15.4%	0.3P

* Figures are consolidated estimates for preparing this earnings model.

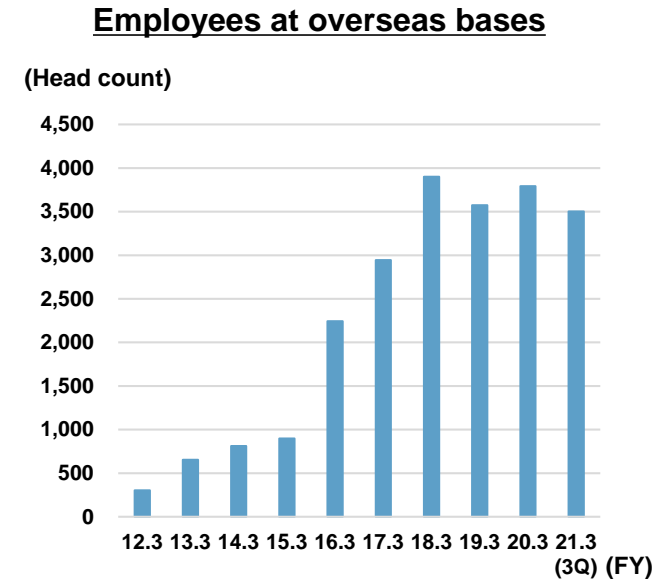
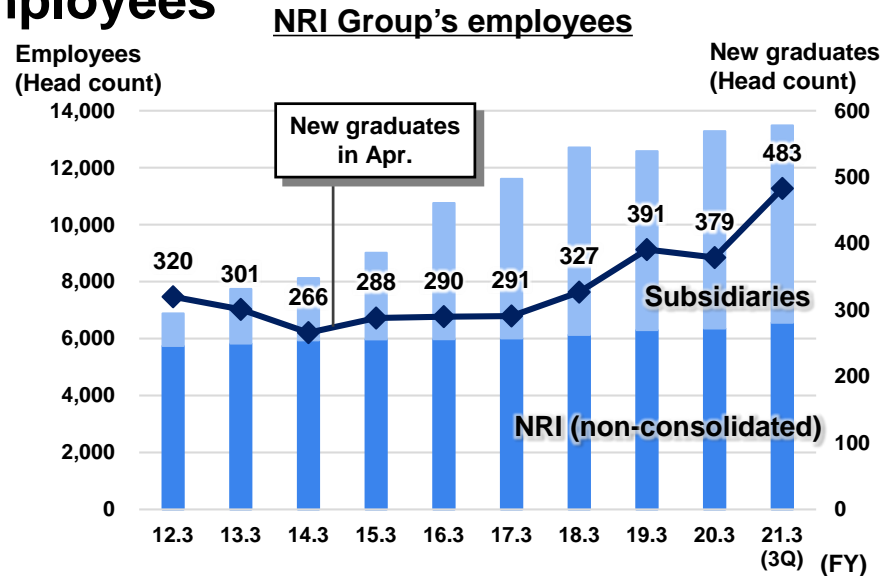
Reference Materials

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

■ NRI Group-s employees

Personnel:
13,478*

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



■ Subcontractors

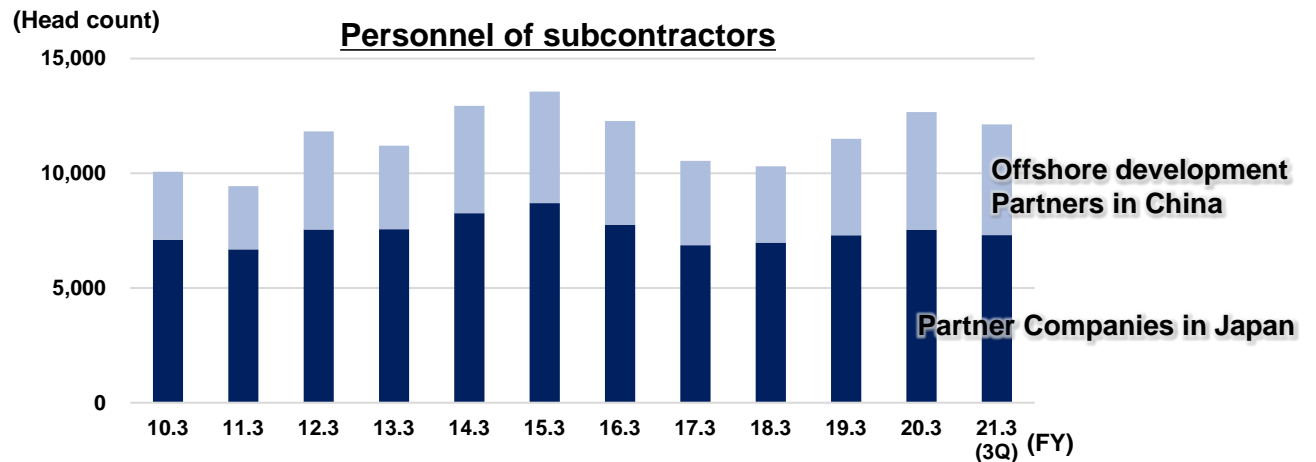
■ Offshore development Partners in China

20 partners in 20 regions

Personnel: Approx. 5,000

■ Partner Companies in Japan

Personnel: Approx. 7,500



* As of end-Dec. 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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