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

- 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.
1 Financial Results for 3rd Quarter FY March 2021
2 Recent Activities
3 Financial Results Forecasts for FY March 2021
4 Reference Materials
### Highlights of Consolidated Financial Results <3Q Total>

#### YoY comparison (are shown as a reference)

<table>
<thead>
<tr>
<th></th>
<th>3Q FY Mar. 2020</th>
<th>3Q FY Mar. 2021</th>
<th>Diff.</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>390,545</td>
<td>404,466</td>
<td>13,921</td>
<td>3.6%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>64,498</td>
<td>65,395</td>
<td>897</td>
<td>1.4%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>62,106</td>
<td>63,146</td>
<td>1,040</td>
<td>1.7%</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>16.5%</td>
<td>16.2%</td>
<td>(0.3P)</td>
<td></td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>22.4%</td>
<td>22.0%</td>
<td>(0.4P)</td>
<td></td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>55,604</td>
<td>44,792</td>
<td>(10,811)</td>
<td>(19.4%)</td>
</tr>
</tbody>
</table>

- Sales increased 3.6% year-on-year to 404 billion yen, while operating profit rose 1.7% year-on-year to 63.1 billion yen.
- We got off to a slow start this fiscal year due to COVID-19, but operating profit in 3Q rose to an all-time high for a single quarter of 23.8 billion yen. Cumulatively we have already just eclipsed our operating profit from last fiscal year.
In Consulting, recovery is ongoing thanks to strong sales in public sector and domestic DX projects.

In Financial IT Solutions,
- In Securities, THE STAR implementation projects proceeded smoothly, while sales increased due to the consolidation effect of Nippon Securities Technology (NSTec) which was made into a subsidiary.
- In Insurance, sales decreased due to the end of a round of projects for direct non-life insurers.
- In other financial business, sales increased due to strong performance in projects related to mobile financial services.

In Industrial IT Solutions, revenue increased overall despite a negative impact from overseas business of around 2.5 billion yen.
- In Distribution, sales are down slightly year-on-year due to reversion from the spike in work during the first half of last year dealing with the upcoming consumption tax hike at the time.
- In Manufacturing, service, and other, revenues increased overall as increased domestic sales compensated for negatively impacted sales overseas.

In IT Platform Services, business remained strong in information security.
In Australia, we confirmed that performance had bottomed out at the beginning of 3Q. Thanks to cost improvements, business in Australia is recovering toward the break-even point.
### Financial Results for 3rd Quarter FY March 2021

#### Segment Performance Results <3Q Total>

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

- In Consulting, operating profit and margin were at roughly the same levels as 3Q last year as performance caught up once 3Q began, driven mainly by domestic business.
- In Financial IT Solutions, business increased in system management solutions due to thriving market conditions in securities. BPO services have also contributed to profitability.
- In Industrial IT Solutions, operating profit decreased due to the negative impact from business in Australia (roughly 2 billion yen), but sales revenues still increased despite this. When looking only at Japan, operating profit margin remained strong at around 14%. 

*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 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.

<table>
<thead>
<tr>
<th>Segment</th>
<th>External sales</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consulting</strong></td>
<td>(-) Less overseas consulting projects</td>
<td></td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>Securities: (+) NSTec consolidation effect (+) Shared online services implementation projects</td>
<td>(+) Increased profit from user fees in shared online services (+) Increased profit from more BPO projects</td>
</tr>
<tr>
<td></td>
<td>Insurance: (-) Systems development for non-life insurers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Banking: (+) Increased profit from more BPO projects</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other financial, etc.: (+) Mobile finance services-related projects</td>
<td></td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td>Distribution: (-) Reversion from consumption tax-related demand last year (-) Global projects</td>
<td>(+) Higher profit due to increased revenue effect</td>
</tr>
<tr>
<td></td>
<td>Manufacturing &amp; services, etc.: (+) Systems development for logistics &amp; telecom (-) Business in Australia</td>
<td>(-) Lower profit due to decreased revenue from overseas</td>
</tr>
<tr>
<td>IT Platform Services</td>
<td>(+) Information security-related business</td>
<td></td>
</tr>
</tbody>
</table>
## Financial Results for 3rd Quarter FY March 2021
### Sales by Service  <3Q Total>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting Services</td>
<td>70,926</td>
<td>64,827</td>
<td>(6,099)</td>
<td>(8.6%)</td>
</tr>
<tr>
<td>System Development &amp; System Application Sales</td>
<td>119,769</td>
<td>135,517</td>
<td>15,747</td>
<td>13.1%</td>
</tr>
<tr>
<td>System Management &amp; Operation Services</td>
<td>186,806</td>
<td>192,169</td>
<td>5,363</td>
<td>2.9%</td>
</tr>
<tr>
<td>Product Sales</td>
<td>13,042</td>
<td>11,951</td>
<td>(1,090)</td>
<td>(8.4%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>390,545</td>
<td>404,466</td>
<td>13,921</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

This fiscal year, projects progressed from upstream processes (consulting services) to downstream processes (development, product sales).

Sales have increased this fiscal year in the systems development processes of implementation projects for shared online services in securities. Sales for system development and application sales also increased due to brisk business in projects for manufacturing and services.
### Consolidated P/L Highlight <3Q Total>

#### Financial Results for 3rd Quarter FY March 2021

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

- Gross profit margin and operating profit margin decreased due to reversion from the high-profit margin software sales project last fiscal year.
### Financial Results for 3rd Quarter FY March 2021

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

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

Ordinary income decreased year-on-year due to factors including the non-operating loss recorded in the first half due to the COVID-19 pandemic.

In gain on sales of investment securities, we recorded roughly 19 billion yen from the sale of Recruit Holdings shares last fiscal year, but this year we have only recorded 3.9 billion yen.

Profit attributable to owners of the parent decreased 19.4% in quarterly net income, which was a significant change, but our main lines of business remain in strong position.
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
1 Financial Results for 3rd Quarter FY March 2021

2 Recent Activities

3 Financial Results Forecasts for FY March 2021

4 Reference Materials
**Recent initiatives**

**DX strategy**

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**Main DX-related business in 3Q FY March 2021**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consulting</strong></td>
<td>• <strong>DX consulting</strong>, including analytics</td>
</tr>
</tbody>
</table>
| **Financial IT**  | • 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** | • **Logistics support to accommodate increased e-commerce** (from front-end to core systems)
                   | • **Advancement of operations incorporating AI** in retail                      |
| **IT Platform Services** | • **Zero trust consulting** for bolstering security associated with the expansion of at-home work and other developments |

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Recent initiatives

**Global strategy: status by region**

- **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.

- **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.

- **Australia**
  - In Australia we enacted cost control measures including personnel cutbacks, and we expect to turn profitable there on a non-consolidated basis in the second half.
  - IT investment in Australia is also trending toward recovery, mainly in government-related business, and our sales activities there are gaining momentum toward bringing in large-scale projects.
  - Procedures for share acquisition of AUSIEX are progressing, and we plan to complete the acquisition by this summer.
  - Brierley + Partners in North America has clients that were significantly impacted by the COVID-19 pandemic but is trending toward balance sheet improvements as a result of thorough cost-reduction measures.
  - NVANTAGE was established in India in 2018 with the plan to grow sales through the development of other companies. However, this initial plan no longer appears feasible, so we have reached an agreement with our partner to dissolve the joint venture.

- **Other regions**
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 Forecasts for FY March 2021

### Order Backlog by Segment (Outstanding)

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

(JPY million)

- Even after subtracting the portion of order backlog scheduled to be recorded as sales for the current fiscal year, we will still be carrying forward around 20 billion yen into the next year. This is a very positive start for the following year.
Financial Results Forecasts for FY March 2021

Order Backlog by Segment (Domestic/Overseas)

Order backlog domestically

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

Order backlog of overseas subsidiaries

<table>
<thead>
<tr>
<th>Segment</th>
<th>At end of Dec. 2019</th>
<th>At end of Dec. 2020</th>
<th>Diff.</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas subsidiaries</td>
<td>10,982</td>
<td>9,150</td>
<td>(1,832)</td>
<td>(16.7%)</td>
</tr>
</tbody>
</table>

Order volume in Australia has turned positive year-on-year when only taking 3Q into consideration. The trend is stronger than what can be seen in figures for order backlog.
Given the progress of FY2021 3Q, NRI revised full-year financial results and Dividend forecast.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>528.8</td>
<td>550.0</td>
<td>21.1</td>
<td>540.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>83.1</td>
<td>86.0</td>
<td>2.8</td>
<td>83.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>15.7%</td>
<td>15.6%</td>
<td>(0.1P)</td>
<td>15.4%</td>
<td>0.3P</td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>69.2</td>
<td>65.0</td>
<td>(4.2)</td>
<td>59.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Earnings Per Share</td>
<td>¥109.35</td>
<td>¥108.73</td>
<td>(¥0.62)</td>
<td>¥98.78</td>
<td>¥9.96</td>
</tr>
<tr>
<td>Dividends Per Share</td>
<td>¥32.00</td>
<td>¥36.00</td>
<td>¥4.00</td>
<td>¥34.00</td>
<td>¥2.00</td>
</tr>
<tr>
<td>End of Q2</td>
<td>¥15.00</td>
<td>¥17.00</td>
<td>¥2.00</td>
<td>¥17.00</td>
<td>—</td>
</tr>
<tr>
<td>Fiscal year end</td>
<td>¥17.00</td>
<td>¥19.00</td>
<td>¥2.00</td>
<td>¥17.00</td>
<td>¥2.00</td>
</tr>
<tr>
<td>Payout Ratio</td>
<td>27.9%</td>
<td>33.6%</td>
<td>5.7P</td>
<td>34.9%</td>
<td>(1.4P)</td>
</tr>
</tbody>
</table>

We have revised our full-year financial results forecast. Our previous sales forecast has been revised 10 billion yen upward to 550 billion yen, while forecasted operating income has been revised 3 billion yen upward to 86 billion yen.

Current circumstances are uncertain due to the COVID-19 pandemic, but the effect on our company is only minor.

Forecasted net profit attributable to owners of the parent has been revised 6 billion yen upward to 65 billion yen. We are expecting tax effects from the disposition of cross-shareholdings planned for 4Q and the conversion of our trust-type employee stock ownership incentive plan which was announced in a press release on the same day.
Shareholder returns measures to improve capital efficiency

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

### Dividend by year

<table>
<thead>
<tr>
<th>Annual dividend per share*</th>
<th>FY March 2017</th>
<th>FY March 2018</th>
<th>FY March 2019</th>
<th>FY March 2020</th>
<th>FY March 2021 (plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of 2Q</td>
<td>13 yen</td>
<td>15 yen</td>
<td>15 yen</td>
<td>15 yen</td>
<td>17 yen</td>
</tr>
<tr>
<td>End of year</td>
<td>13 yen</td>
<td>15 yen</td>
<td>15 yen</td>
<td>17 yen</td>
<td>19 yen</td>
</tr>
<tr>
<td>Total</td>
<td>26 yen</td>
<td>30 yen</td>
<td>30 yen</td>
<td>32 yen</td>
<td>36 yen</td>
</tr>
</tbody>
</table>

* 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.

- Our year-end dividend has increased by two yen, and we plan to pay total dividend of 36 yen per share for the year (total annual).
Our progress compared to this revised forecast is at about the same position as at this time last year.
**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.**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>38.5</td>
<td>7.3%</td>
<td>38.0</td>
<td>6.9%</td>
<td>(0.5)</td>
<td>(1.5%)</td>
<td>36.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>273.5</td>
<td>51.7%</td>
<td>285.0</td>
<td>51.8%</td>
<td>11.4</td>
<td>4.2%</td>
<td>282.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Securities</td>
<td>112.7</td>
<td>21.3%</td>
<td>127.0</td>
<td>23.1%</td>
<td>14.2</td>
<td>12.6%</td>
<td>125.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Insurance</td>
<td>66.3</td>
<td>12.6%</td>
<td>60.0</td>
<td>10.9%</td>
<td>(6.3)</td>
<td>(9.6%)</td>
<td>60.0</td>
<td>—</td>
</tr>
<tr>
<td>Banking</td>
<td>51.0</td>
<td>9.6%</td>
<td>51.0</td>
<td>9.3%</td>
<td>(0.0)</td>
<td>(0.0%)</td>
<td>51.0</td>
<td>—</td>
</tr>
<tr>
<td>Other financial</td>
<td>43.4</td>
<td>8.2%</td>
<td>47.0</td>
<td>8.5%</td>
<td>3.5</td>
<td>8.3%</td>
<td>46.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td>178.4</td>
<td>33.7%</td>
<td>187.0</td>
<td>34.0%</td>
<td>8.5</td>
<td>4.8%</td>
<td>184.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Distribution</td>
<td>66.7</td>
<td>12.6%</td>
<td>63.0</td>
<td>11.5%</td>
<td>(3.7)</td>
<td>(5.7%)</td>
<td>63.0</td>
<td>—</td>
</tr>
<tr>
<td>Manufacturing, service and</td>
<td>111.7</td>
<td>21.1%</td>
<td>124.0</td>
<td>22.5%</td>
<td>12.2</td>
<td>11.0%</td>
<td>121.0</td>
<td>3.0</td>
</tr>
<tr>
<td>other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT Platform Services</td>
<td>38.2</td>
<td>7.2%</td>
<td>40.0</td>
<td>7.3%</td>
<td>1.7</td>
<td>4.6%</td>
<td>38.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>528.8</td>
<td>100.0%</td>
<td>550.0</td>
<td>100.0%</td>
<td>21.1</td>
<td>4.0%</td>
<td>540.0</td>
<td>10.0</td>
</tr>
</tbody>
</table>

* 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.

In Consulting, we are forecasting a recovery due to our progress leading up to 3Q and our current standing.

In Industrial IT Solutions we had also raised our forecast in 2Q (+ 7 billion yen), but we are now revising it upward by an additional 3 billion yen for a total upward revision of 10 billion yen for the year.

In Financial IT Solutions we believe the trend leading up to last year will continue and add to the upturn recorded through 3Q this year.
### Financial Results Forecasts for FY March 2021

#### Results through 3Q and Full-Year Earnings Forecast

<table>
<thead>
<tr>
<th></th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>FY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY March 2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>106.6</td>
<td>113.5</td>
<td>121.3</td>
<td>129.8</td>
<td>471.4</td>
</tr>
<tr>
<td>OP</td>
<td>13.1</td>
<td>15.9</td>
<td>17.5</td>
<td>18.5</td>
<td>65.1</td>
</tr>
<tr>
<td>OPM</td>
<td>12.3%</td>
<td>14.1%</td>
<td>14.4%</td>
<td>14.3%</td>
<td>13.8%</td>
</tr>
<tr>
<td><strong>FY March 2019</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>117.7</td>
<td>122.6</td>
<td>126.6</td>
<td>134.1</td>
<td>501.2</td>
</tr>
<tr>
<td>OP</td>
<td>15.3</td>
<td>17.7</td>
<td>18.3</td>
<td>20.0</td>
<td>71.4</td>
</tr>
<tr>
<td>OPM</td>
<td>13.0%</td>
<td>14.5%</td>
<td>14.5%</td>
<td>14.9%</td>
<td>14.3%</td>
</tr>
<tr>
<td><strong>FY March 2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>129.4</td>
<td>129.6</td>
<td>131.3</td>
<td>138.3</td>
<td>528.8</td>
</tr>
<tr>
<td>OP</td>
<td>20.3</td>
<td>20.5</td>
<td>21.1</td>
<td>21.0</td>
<td>83.1</td>
</tr>
<tr>
<td>OPM</td>
<td>15.7%</td>
<td>15.9%</td>
<td>16.1%</td>
<td>15.2%</td>
<td>15.7%</td>
</tr>
<tr>
<td><strong>FY March 2021</strong></td>
<td>131.1</td>
<td>135.1</td>
<td>138.1</td>
<td>145.5</td>
<td>550.0</td>
</tr>
<tr>
<td>(Figures for 4Q and full-year are estimates)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>18.1</td>
<td>21.1</td>
<td>23.8</td>
<td>22.8</td>
<td>86.0</td>
</tr>
<tr>
<td>OP</td>
<td>13.9%</td>
<td>15.6%</td>
<td>17.3%</td>
<td>15.7%</td>
<td>15.6%</td>
</tr>
</tbody>
</table>

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.

- **Sales and operating profit in 4Q are both forecasted to exceed last year's numbers.**
- **No changes in the business climate from 3Q are expected in 4Q, but there is some uncertainty due to the current state of emergency declaration.**
1. Financial Results for 3rd Quarter FY March 2021
2. Recent Activities
3. Financial Results Forecasts for FY March 2021
4. Reference Materials
### Reference Materials - Other Financial Result-related Data -

#### Order Volume <3Q Total> (JPY million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>30,867</td>
<td>29,764</td>
<td>(1,102)</td>
<td>(3.6%)</td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>110,590</td>
<td>118,716</td>
<td>8,126</td>
<td>7.3%</td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td>68,252</td>
<td>78,404</td>
<td>10,152</td>
<td>14.9%</td>
</tr>
<tr>
<td>IT Platform Services</td>
<td>19,349</td>
<td>19,681</td>
<td>332</td>
<td>1.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>229,059</strong></td>
<td><strong>246,567</strong></td>
<td><strong>17,507</strong></td>
<td><strong>7.6%</strong></td>
</tr>
</tbody>
</table>
## Reference Materials -Other Financial Result-related Data-
### Order Volume <3Q Total> (Domestic/Overseas)

#### Order volume domestically

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

#### Order volume of overseas subsidiaries

<table>
<thead>
<tr>
<th></th>
<th>3Q FY Mar. 2020</th>
<th>3Q FY Mar. 2021</th>
<th>Diff.</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas subsidiaries</td>
<td>15,522</td>
<td>11,175</td>
<td>(4,347)</td>
<td>(28.0%)</td>
</tr>
</tbody>
</table>

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## YoY comparison (* are shown as a reference) (JPY million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>131,391</td>
<td>138,165</td>
<td>6,774</td>
<td>5.2%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>before goodwill amortization *</td>
<td>21,990</td>
<td>24,607</td>
<td>2,617</td>
<td>11.9%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>21,198</td>
<td>23,834</td>
<td>2,636</td>
<td>12.4%</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>before goodwill amortization *</td>
<td>16.7%</td>
<td>17.8%</td>
<td>1.1P</td>
<td></td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>16.1%</td>
<td>17.3%</td>
<td>1.1P</td>
<td></td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>22.5%</td>
<td>23.5%</td>
<td>1.0P</td>
<td></td>
</tr>
<tr>
<td>Profit attributable to</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>owners of parent</td>
<td>14,711</td>
<td>18,764</td>
<td>4,053</td>
<td>27.6%</td>
</tr>
</tbody>
</table>
## Reference Materials -Other Financial Result-related Data-

### Sales by Segment  <3Q>

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

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### Sales by main client

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nomura Holdings</td>
<td>16,591</td>
<td>12.6%</td>
<td>16,681</td>
<td>12.1%</td>
<td>89</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

* Percentage of (total) external sales

### Overseas sales

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas sales</td>
<td>11,481</td>
<td>8.7%</td>
<td>10,550</td>
<td>7.6%</td>
<td>(931)</td>
<td>(8.1%)</td>
</tr>
<tr>
<td>North America*</td>
<td>2,033</td>
<td>1.5%</td>
<td>1,421</td>
<td>1.0%</td>
<td>(612)</td>
<td>(30.1%)</td>
</tr>
<tr>
<td>Oceania*</td>
<td>7,876</td>
<td>6.0%</td>
<td>7,745</td>
<td>5.6%</td>
<td>(131)</td>
<td>(1.7%)</td>
</tr>
<tr>
<td>Asia, other*</td>
<td>1,571</td>
<td>1.2%</td>
<td>1,383</td>
<td>1.0%</td>
<td>(188)</td>
<td>(12.0%)</td>
</tr>
</tbody>
</table>

* 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 <3Q>

#### Including Inter-segment sales for each segment

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consulting</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>10,120</td>
<td>10,180</td>
<td>60</td>
<td>0.6%</td>
</tr>
<tr>
<td>OP</td>
<td>2,393</td>
<td>2,941</td>
<td>547</td>
<td>22.9%</td>
</tr>
<tr>
<td>OPM</td>
<td>23.7%</td>
<td>28.9%</td>
<td>5.2P</td>
<td></td>
</tr>
<tr>
<td><strong>Financial IT Solutions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>67,877</td>
<td>72,967</td>
<td>5,089</td>
<td>7.5%</td>
</tr>
<tr>
<td>OP</td>
<td>8,705</td>
<td>10,509</td>
<td>1,803</td>
<td>20.7%</td>
</tr>
<tr>
<td>OPM</td>
<td>12.8%</td>
<td>14.4%</td>
<td>1.6P</td>
<td></td>
</tr>
<tr>
<td><strong>Industrial IT Solutions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>45,028</td>
<td>47,143</td>
<td>2,114</td>
<td>4.7%</td>
</tr>
<tr>
<td>OP</td>
<td>4,519</td>
<td>5,019</td>
<td>499</td>
<td>11.1%</td>
</tr>
<tr>
<td>OPM</td>
<td>10.0%</td>
<td>10.6%</td>
<td>0.6P</td>
<td></td>
</tr>
<tr>
<td><strong>IT Platform Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>35,490</td>
<td>36,296</td>
<td>805</td>
<td>2.3%</td>
</tr>
<tr>
<td>OP</td>
<td>5,267</td>
<td>5,341</td>
<td>74</td>
<td>1.4%</td>
</tr>
<tr>
<td>OPM</td>
<td>14.8%</td>
<td>14.7%</td>
<td>(0.1P)</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Segment</th>
<th>External sales</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td></td>
<td>(+) Decline in expenses due to onlinization</td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities</td>
<td>(+) Shared online services implementation projects</td>
<td>(+) Increased profit from user fees in shared online services</td>
</tr>
<tr>
<td>Insurance</td>
<td>(-) Systems development for non-life insurers</td>
<td>(+) Increased profit from more BPO projects</td>
</tr>
<tr>
<td>Banking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial, etc.</td>
<td>(+) Mobile finance services-related projects</td>
<td>(+)更高 profit due to increased revenue effect</td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing &amp; services, etc.</td>
<td>(+) Systems development for logistics &amp; telecom</td>
<td></td>
</tr>
<tr>
<td>IT Platform Services</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Sales by Service <3Q>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting Services</td>
<td>24,782</td>
<td>23,304</td>
<td>(1,477)</td>
<td>(6.0%)</td>
</tr>
<tr>
<td>System Development &amp; System Application Sales</td>
<td>39,871</td>
<td>46,071</td>
<td>6,199</td>
<td>15.5%</td>
</tr>
<tr>
<td>System Management &amp; Operation Services</td>
<td>62,961</td>
<td>64,892</td>
<td>1,931</td>
<td>3.1%</td>
</tr>
<tr>
<td>Product Sales</td>
<td>3,775</td>
<td>3,896</td>
<td>120</td>
<td>3.2%</td>
</tr>
<tr>
<td>Total</td>
<td>131,391</td>
<td>138,165</td>
<td>6,774</td>
<td>5.2%</td>
</tr>
</tbody>
</table>
## Consolidated P/L Highlight <3Q>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>131,391</td>
<td>138,165</td>
<td>6,774</td>
<td>5.2%</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td>85,470</td>
<td>89,484</td>
<td>4,014</td>
<td>4.7%</td>
</tr>
<tr>
<td>Subcontracting Costs</td>
<td>39,866</td>
<td>42,688</td>
<td>2,822</td>
<td>7.1%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>45,921</td>
<td>48,681</td>
<td>2,759</td>
<td>6.0%</td>
</tr>
<tr>
<td>Gross Profit Margin</td>
<td>35.0%</td>
<td>35.2%</td>
<td>0.3P</td>
<td></td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td>24,723</td>
<td>24,846</td>
<td>123</td>
<td>0.5%</td>
</tr>
<tr>
<td>Amortization of goodwill</td>
<td>792</td>
<td>773</td>
<td>(18)</td>
<td>(2.4%)</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>21,198</td>
<td>23,834</td>
<td>2,636</td>
<td>12.4%</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>16.1%</td>
<td>17.3%</td>
<td>1.1P</td>
<td></td>
</tr>
</tbody>
</table>
### Consolidated P/L Highlight <3Q> (continued)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit</td>
<td>21,198</td>
<td>23,834</td>
<td>2,636</td>
<td>12.4%</td>
</tr>
<tr>
<td>Non-operating income and loss</td>
<td>117</td>
<td>229</td>
<td>111</td>
<td>94.6%</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>306</td>
<td>310</td>
<td>4</td>
<td>1.4%</td>
</tr>
<tr>
<td>Extraordinary income and loss</td>
<td>94</td>
<td>3,530</td>
<td>3,436</td>
<td>—</td>
</tr>
<tr>
<td>Gain on sales of investment securities</td>
<td>63</td>
<td>3,614</td>
<td>3,550</td>
<td>—</td>
</tr>
<tr>
<td>Income taxes etc.</td>
<td>6,550</td>
<td>8,589</td>
<td>2,038</td>
<td>31.1%</td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>14,711</td>
<td>18,764</td>
<td>4,053</td>
<td>27.6%</td>
</tr>
</tbody>
</table>
### Order Volume by Segment <3Q>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>9,307</td>
<td>8,348</td>
<td>(959)</td>
<td>(10.3%)</td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>37,119</td>
<td>35,401</td>
<td>(1,717)</td>
<td>(4.6%)</td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td>20,286</td>
<td>29,135</td>
<td>8,849</td>
<td>43.6%</td>
</tr>
<tr>
<td>IT Platform Services</td>
<td>6,973</td>
<td>7,754</td>
<td>780</td>
<td>11.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>73,687</strong></td>
<td><strong>80,640</strong></td>
<td><strong>6,953</strong></td>
<td><strong>9.4%</strong></td>
</tr>
</tbody>
</table>
### Order Volume by Segment <3Q> (Domestic/Overseas)

#### Order volume domestically (JPY million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>8,261</td>
<td>7,533</td>
<td>(727)</td>
<td>(8.8%)</td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>36,419</td>
<td>34,637</td>
<td>(1,782)</td>
<td>(4.9%)</td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td>19,041</td>
<td>26,329</td>
<td>7,288</td>
<td>38.3%</td>
</tr>
<tr>
<td>IT Platform Services</td>
<td>6,923</td>
<td>7,672</td>
<td>748</td>
<td>10.8%</td>
</tr>
<tr>
<td>Total</td>
<td>70,645</td>
<td>76,173</td>
<td>5,527</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

#### Order volume of overseas subsidiaries (JPY million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas subsidiaries</td>
<td>3,041</td>
<td>4,466</td>
<td>1,425</td>
<td>46.9%</td>
</tr>
</tbody>
</table>
## DX-related index

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DX-related sales</td>
<td>77.9 billion yen (+5.7%)</td>
<td>81.4 billion yen (+8.2%)</td>
<td>81.8 billion yen (+4.3%)</td>
</tr>
<tr>
<td>Ratio of DX-related sales</td>
<td>59% (+2pt)</td>
<td>60% (+2pt)</td>
<td>59% (0pt)</td>
</tr>
</tbody>
</table>
## Reference Materials

### Sales Forecasts by Service for FY March 2021

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

### (JPY billion)

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting Services</td>
<td>96.8</td>
<td>90.0</td>
<td>(6.8)</td>
<td>(7.1%)</td>
<td>90.0</td>
<td>—</td>
</tr>
<tr>
<td>System Development &amp; System Application Sales</td>
<td>161.7</td>
<td>187.0</td>
<td>25.2</td>
<td>15.6%</td>
<td>179.0</td>
<td>8.0</td>
</tr>
<tr>
<td>System Management &amp; Operation Services</td>
<td>251.9</td>
<td>258.0</td>
<td>6.0</td>
<td>2.4%</td>
<td>256.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Product Sales</td>
<td>18.3</td>
<td>15.0</td>
<td>(3.3)</td>
<td>(18.5%)</td>
<td>15.0</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>528.8</td>
<td>550.0</td>
<td>21.1</td>
<td>4.0%</td>
<td>540.0</td>
<td>10.0</td>
</tr>
</tbody>
</table>
## 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)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditure</td>
<td>28.4</td>
<td>30.0</td>
<td>1.5</td>
<td>5.3%</td>
<td>35.0</td>
<td>(5.0)</td>
</tr>
<tr>
<td>Tangible</td>
<td>6.6</td>
<td>7.0</td>
<td>0.3</td>
<td>4.7%</td>
<td>10.0</td>
<td>(3.0)</td>
</tr>
<tr>
<td>Intangible</td>
<td>21.8</td>
<td>23.0</td>
<td>1.1</td>
<td>5.4%</td>
<td>25.0</td>
<td>(2.0)</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>4.3</td>
<td>4.0</td>
<td>(0.3)</td>
<td>(7.2%)</td>
<td>4.0</td>
<td>—</td>
</tr>
</tbody>
</table>

### Depreciation and Amortization  
(JPY billion)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>30.4</td>
<td>31.0</td>
<td>0.5</td>
<td>1.9%</td>
<td>33.0</td>
<td>(2.0)</td>
</tr>
</tbody>
</table>
### 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

**Reference Materials**

- [FY March 2021 Consolidated Earnings Model](#)
  - Sales of JPY550.0 billion and Operating profit of JPY86.0 billion

<table>
<thead>
<tr>
<th></th>
<th>FY Mar. 2019 (Results)</th>
<th>FY Mar. 2020 (Results)</th>
<th>FY Mar. 2021 (January 27 Forecasts)*</th>
<th>YoY Diff.</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>501.2</td>
<td>528.8</td>
<td>550.0</td>
<td>21.1</td>
<td>4.0%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>336.5</td>
<td>348.0</td>
<td>365.0</td>
<td>16.9</td>
<td>4.9%</td>
</tr>
<tr>
<td>Personnel</td>
<td>111.1</td>
<td>111.2</td>
<td>114.0</td>
<td>2.7</td>
<td>2.4%</td>
</tr>
<tr>
<td>Subcontracting Costs</td>
<td>150.6</td>
<td>161.3</td>
<td>173.0</td>
<td>11.6</td>
<td>7.3%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>28.7</td>
<td>28.3</td>
<td>29.0</td>
<td>0.6</td>
<td>2.1%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>164.7</td>
<td>180.8</td>
<td>185.0</td>
<td>4.1</td>
<td>2.3%</td>
</tr>
<tr>
<td>Gross Profit Margin</td>
<td>32.9%</td>
<td>34.2%</td>
<td>33.6%</td>
<td>(0.6P)</td>
<td>33.3%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>93.2</td>
<td>97.6</td>
<td>99.0</td>
<td>1.3</td>
<td>1.3%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>71.4</td>
<td>83.1</td>
<td>86.0</td>
<td>2.8</td>
<td>3.4%</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>14.3%</td>
<td>15.7%</td>
<td>15.6%</td>
<td>(0.1P)</td>
<td>15.4%</td>
</tr>
</tbody>
</table>

* Figures are consolidated estimates for preparing this earnings model.

**Notes:**

- 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.

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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.

Employees (Head count) 14,000

NRI Group’s employees

New graduates in Apr.

320 301 266 288 290 327 301 379 483

Subsidiaries

Employees at overseas bases

(Head count)

4,500

Partners in Japan

Approx. 20 partners in 20 regions

Personnel: Approx. 5,000

Partner Companies in Japan

Approx. 7,500

Subcontractors

NRI (non-consolidated)

Offshore development Partners in China

20 partners in 20 regions

Personnel: Approx. 5,000

Employees at overseas bases

(Head count)

15,000

Partners in Japan

Offshore development Partners in China

(Head count)

10,000

* As of end-Dec. 2020

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The Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

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