

# Financial Results Presentation

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

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**Nomura Research Institute, Ltd.**

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**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 3<sup>rd</sup> Quarter FY March 2021

**2** Recent Activities

**3** Financial Results Forecasts for FY March 2021

**4** Reference Materials

## Financial Results for 3<sup>rd</sup> 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
<b>Sales</b>	<b>390,545</b>	<b>404,466</b>	<b>13,921</b>	<b>3.6%</b>
Operating Profit before goodwill amortization*	<b>64,498</b>	<b>65,395</b>	<b>897</b>	<b>1.4%</b>
<b>Operating Profit</b>	<b>62,106</b>	<b>63,146</b>	<b>1,040</b>	<b>1.7%</b>
Operating Profit Margin before goodwill amortization*	<b>16.5%</b>	<b>16.2%</b>	<b>(0.3P)</b>	
<b>Operating Profit Margin</b>	<b>15.9%</b>	<b>15.6%</b>	<b>(0.3P)</b>	
<b>EBITDA Margin</b>	<b>22.4%</b>	<b>22.0%</b>	<b>(0.4P)</b>	
<b>Profit attributable to owners of parent</b>	<b>55,604</b>	<b>44,792</b>	<b>(10,811)</b>	<b>(19.4%)</b>

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- 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.

## Financial Results for 3<sup>rd</sup> 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%
<b>Total</b>	<b>390,545</b>	<b>100.0%</b>	<b>404,466</b>	<b>100.0%</b>	<b>13,921</b>	<b>3.6%</b>

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- 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.

## Financial Results for 3<sup>rd</sup> 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

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- 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 3<sup>rd</sup> 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)	

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- 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%.

## Financial Results for 3<sup>rd</sup> 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	

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## Financial Results for 3<sup>rd</sup> 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%)
<b>Total</b>	<b>390,545</b>	<b>404,466</b>	<b>13,921</b>	<b>3.6%</b>

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- 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.



## Financial Results for 3<sup>rd</sup> 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)	

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- 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 3<sup>rd</sup> Quarter FY March 2021

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

(JPY million)

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

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- 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 3<sup>rd</sup> Quarter FY March 2021

**2** Recent Activities

**3** Financial Results Forecasts for FY March 2021

**4** Reference Materials

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

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

## 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

- 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.

**1** Financial Results for 3<sup>rd</sup> Quarter FY March 2021

**2** Recent Activities

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**4** Reference Materials

## 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
<b>Consulting</b>	<b>7,364</b>	<b>8,733</b>	<b>1,368</b>	<b>18.6%</b>
<b>Financial IT Solutions</b>	<b>62,960</b>	<b>70,490</b>	<b>7,530</b>	<b>12.0%</b>
<b>Industrial IT Solutions</b>	<b>35,046</b>	<b>40,008</b>	<b>4,961</b>	<b>14.2%</b>
<b>IT Platform Services</b>	<b>6,815</b>	<b>8,648</b>	<b>1,833</b>	<b>26.9%</b>
<b>Total</b>	<b>112,186</b>	<b>127,880</b>	<b>15,693</b>	<b>14.0%</b>
<b>Order backlog in the current FY</b>	<b>98,692</b>	<b>108,850</b>	<b>10,158</b>	<b>10.3%</b>

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- 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

(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%
<b>Total</b>	<b>101,203</b>	<b>118,730</b>	<b>17,526</b>	<b>17.3%</b>

#### 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%)

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- 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.

## 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)

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- 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.

## 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

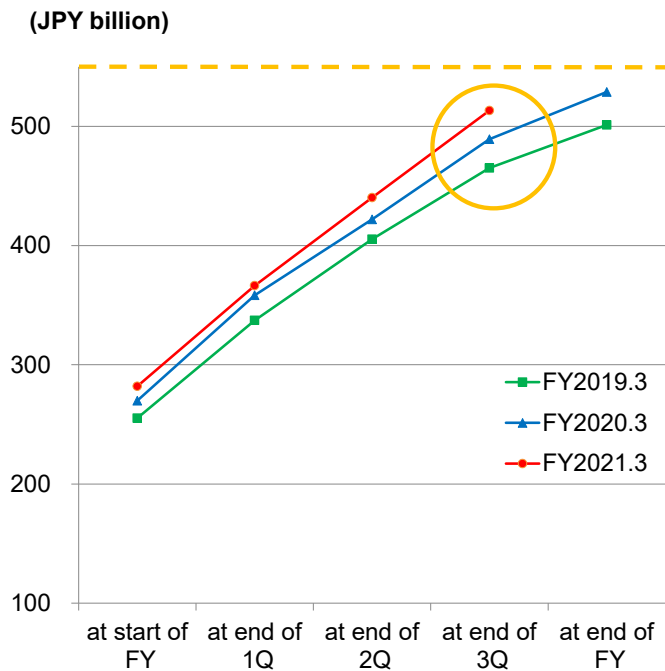
Annual dividend per share*	FY March 2017	FY March 2018	FY March 2019	FY March 2020	FY March 2021 (plan)
End of 2Q	13 yen	15 yen	15 yen	15 yen	17 yen
End of year	13 yen	15 yen	15 yen	17 yen	19 yen
Total	26 yen	30 yen	30 yen	32 yen	36 yen

\* 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.

- 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).

# Financial Results Forecasts for FY March 2021

## Sales + Consolidated Order Backlog



(JPY billion)

	FY Mar.2020	FY Mar.2021	YoY Change
Sales <sup>※1</sup>	528.8	550.0	+4.0%
Sales <sup>※2+</sup> Consolidated Order Backlog <sup>※3</sup>	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

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- 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. (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.	
<b>Consulting</b>	38.5	7.3%	38.0	6.9%	(0.5)	(1.5%)	36.0	2.0	
<b>Financial IT Solutions</b>	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	
<b>Industrial IT Solutions</b>	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	
<b>IT Platform Services</b>	38.2	7.2%	40.0	7.3%	1.7	4.6%	38.0	2.0	
<b>Total</b>	<b>528.8</b>	<b>100.0%</b>	<b>550.0</b>	<b>100.0%</b>	<b>21.1</b>	<b>4.0%</b>	<b>540.0</b>	<b>10.0</b>	

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- 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

(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	<b>131.1</b>	<b>135.1</b>	<b>138.1</b>	<b>145.5</b>	<b>550.0</b>
	OP	<b>18.1</b>	<b>21.1</b>	<b>23.8</b>	<b>22.8</b>	<b>86.0</b>
	OPM	<b>13.9%</b>	<b>15.6%</b>	<b>17.3%</b>	<b>15.7%</b>	<b>15.6%</b>

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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- 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 3<sup>rd</sup> 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)

	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%
<b>Total</b>	<b>229,059</b>	<b>246,567</b>	<b>17,507</b>	<b>7.6%</b>

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## 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%
<b>Total</b>	<b>213,536</b>	<b>235,391</b>	<b>21,855</b>	<b>10.2%</b>

### 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
<b>Sales</b>	<b>131,391</b>	<b>138,165</b>	<b>6,774</b>	<b>5.2%</b>
Operating Profit before goodwill amortization*	<b>21,990</b>	<b>24,607</b>	<b>2,617</b>	<b>11.9%</b>
<b>Operating Profit</b>	<b>21,198</b>	<b>23,834</b>	<b>2,636</b>	<b>12.4%</b>
Operating Profit Margin before goodwill amortization*	<b>16.7%</b>	<b>17.8%</b>	<b>1.1P</b>	
<b>Operating Profit Margin</b>	<b>16.1%</b>	<b>17.3%</b>	<b>1.1P</b>	
<b>EBITDA Margin</b>	<b>22.5%</b>	<b>23.5%</b>	<b>1.0P</b>	
<b>Profit attributable to owners of parent</b>	<b>14,711</b>	<b>18,764</b>	<b>4,053</b>	<b>27.6%</b>

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## 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%
<b>Total</b>	<b>131,391</b>	<b>100.0%</b>	<b>138,165</b>	<b>100.0%</b>	<b>6,774</b>	<b>5.2%</b>

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## 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

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## 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)	

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## 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			

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## 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%
<b>Total</b>	<b>131,391</b>	<b>138,165</b>	<b>6,774</b>	<b>5.2%</b>

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

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

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Reference Materials -Other Financial Result-related Data-

## Order Volume by Segment <3Q>

(JPY million)

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

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Reference Materials -Other Financial Result-related Data-

## 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%
<b>Total</b>	<b>70,645</b>	<b>76,173</b>	<b>5,527</b>	<b>7.8%</b>

### Order volume of overseas subsidiaries

(JPY million)

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

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## DX-related index

DX-related index ( ) : YoY change

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

## Reference Materials

# 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	—
<b>Total</b>	<b>528.8</b>	<b>550.0</b>	<b>21.1</b>	<b>4.0%</b>	<b>540.0</b>	<b>10.0</b>

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## 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)

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## 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)	FY Mar. 2021 (January 27 Forecasts)*	YoY		FY Mar. 2021 (October 28 Forecasts)	Diff. (a-b)
				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.  
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## Reference Materials

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

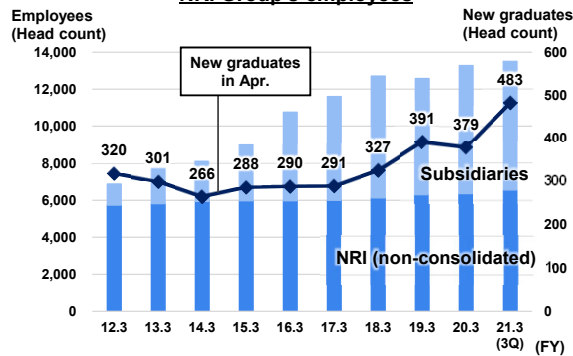
### ■ NRI Group-s employees

#### Personnel:

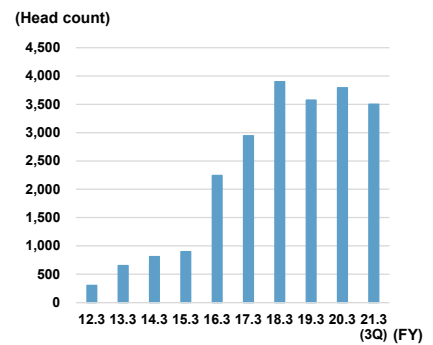
**13,478\***

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

**NRI Group's employees**



**Employees at overseas bases**



### ■ Subcontractors

#### ■ Offshore development Partners in China

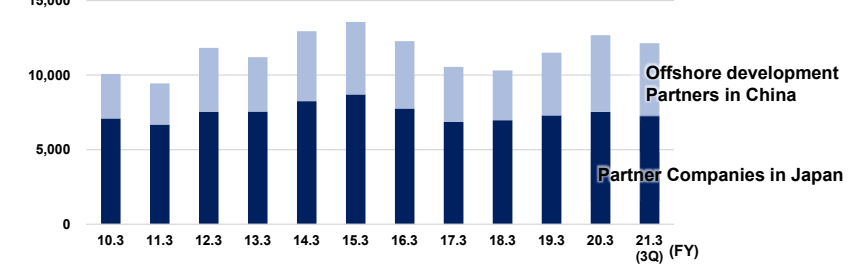
20 partners in 20 regions

**Personnel: Approx. 5,000**

#### ■ Partner Companies in Japan

**Personnel: Approx. 7,500**

**Personnel of subcontractors**



\* As of end-Dec. 2020

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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.

The logo features the text "Share the Next Values!" in a bold, italicized blue font. It is flanked by two curved, brush-stroke-like elements. The upper element is a gradient bar transitioning from blue on the left to red on the right. The lower element is a solid blue bar.

***Share the Next Values!***