

Financial Results Presentation

Financial Results for the year ended 31st March, 2015
and Financial Results Forecast for the year ending 31st March, 2016

April 23, 2015

Nomura Research Institute, Ltd.

Tadashi Shimamoto

Chairman and President & CEO,
Member of the Board



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Highlights of Consolidated Financial Results

(JPY million)

	FY Mar. 2014	FY Mar. 2015	Diff.	YoY Change
Sales	385,932	405,984	+20,052	+5.2%
Operating Profit	49,816	51,486	+1,669	+3.4%
Operating Profit Margin	12.9%	12.7%	(0.2P)	
Net Income	31,527	38,880	+7,353	+23.3%
Earnings Per Share	¥158.75	¥194.47	+¥35.72	
Dividends Per Share	¥56.00	¥70.00	+¥14.00	
Payout Ratio	35.9%	36.5%	+0.6P	
Return On Equity	10.2%	10.8%	+0.6P	

Comparison to Forecasts

(JPY billion)

	FY Mar. 2014	FY Mar. 2015		
	Results	Forecasts*	Results	Diff.
Sales	385.9	405.0	405.9	+0.9
Operating Profit	49.8	53.0	51.4	(1.5)
Operating Profit Margin	12.9%	13.1%	12.7%	(0.4P)
Net Income	31.5	39.0	38.8	(0.1)

* Forecasts were announced on January 29, 2015

Key Factors in Financial Results for March 2015

- **Sales were up 5.2% (all-time high sales)**

- Client demand for Consulting and IT Solutions high throughout period
- Consulting sales up 6.7% with strong performance in management, operational and systems consulting
- Financial IT Solutions sales up 5.2%, primarily in insurance and banking sectors
- Industrial IT Solutions sales up 9.4% with strong performance in distribution, manufacturing, and services solutions

- **Operating profit up 3.4%**

- Overall increase in profitability due to rise in operating rate and improvement in order receipt environment in positive business environment
- However, with the negative impact from a number of unprofitable projects, the rate of profit growth was lower than rate of sales growth.

- **Net income up 23.3% (all-time high net income)**

- Significant growth in net income, mainly due to extraordinary income from sales gains on investment securities

- **ROE was 10.8%**

Sales by Segment

(JPY million)						
	FY Mar. 2014	Share	FY Mar. 2015	Share	Diff.	YoY Change
Consulting	25,631	6.6%	27,353	6.7%	+1,721	+6.7%
Financial IT Solutions	225,313	58.4%	237,111	58.4%	+11,797	+5.2%
Securities	115,646	30.0%	116,534	28.7%	+887	+0.8%
Insurance	49,813	12.9%	56,414	13.9%	+6,600	+13.3%
Banking	31,763	8.2%	34,584	8.5%	+2,821	+8.9%
Other financial	28,090	7.3%	29,577	7.3%	+1,486	+5.3%
Industrial IT Solutions	87,322	22.6%	95,573	23.5%	+8,251	+9.4%
Distribution	44,066	11.4%	46,399	11.4%	+2,333	+5.3%
Manufacturing, service and other	43,255	11.2%	49,173	12.1%	+5,918	+13.7%
IT Platform Services	37,579	9.7%	34,779	8.6%	(2,800)	(7.5%)
Others	10,085	2.6%	11,168	2.8%	+1,083	+10.7%
Total	385,932	100.0%	405,984	100.0%	+20,052	+5.2%
Nomura Holdings	90,688	23.5%	82,469	20.3%	(8,218)	(9.1%)
Seven & i Holdings	40,888	10.6%	40,973	10.1%	+84	+0.2%

Note: Figures for sales to Nomura Holdings and Seven & i Holdings include sales to their respective subsidiaries and sales through lease companies, etc.

Segment performance results

■ Including Inter-segment sales for each segment

(JPY million)

		FY Mar. 2014	FY Mar. 2015	Diff.	YoY Change
Consulting	Sales	25,820	27,749	+1,928	+7.5%
	OP	4,708	5,959	+1,250	+26.6%
	OPM	18.2%	21.5%	+3.2P	
Financial IT Solutions	Sales	225,345	237,649	+12,303	+5.5%
	OP	27,809	22,621	(5,187)	(18.7%)
	OPM	12.3%	9.5%	(2.8P)	
Industrial IT Solutions	Sales	87,389	95,857	+8,468	+9.7%
	OP	8,408	11,790	+3,381	+40.2%
	OPM	9.6%	12.3%	+2.7P	
IT Platform Services	Sales	114,624	113,505	(1,118)	(1.0%)
	OP	6,470	8,636	+2,166	+33.5%
	OPM	5.6%	7.6%	+2.0P	

Segment performance results <4Q>

■ Including Inter-segment sales for each segment

(JPY million)

		4Q FY Mar. 2014 (Jan.-Mar.)	4Q FY Mar. 2015 (Jan.-Mar.)	Diff.	YoY Change
Consulting	Sales	7,403	7,573	+169	+2.3%
	OP	1,484	1,618	+133	+9.0%
	OPM	20.1%	21.4%	+1.3P	
Financial IT Solutions	Sales	62,424	61,668	(755)	(1.2%)
	OP	7,891	6,645	(1,246)	(15.8%)
	OPM	12.6%	10.8%	(1.9P)	
Industrial IT Solutions	Sales	23,458	23,933	+475	+2.0%
	OP	2,216	2,080	(135)	(6.1%)
	OPM	9.4%	8.7%	(0.8P)	
IT Platform Services	Sales	31,474	29,654	(1,819)	(5.8%)
	OP	1,481	3,700	+2,218	+149.7%
	OPM	4.7%	12.5%	+7.8P	

Sales by Service

(JPY million)

	FY Mar. 2014	Share	FY Mar. 2015	Share	Diff.	YoY Change
Consulting Services	42,233	10.9%	47,110	11.6%	+4,877	+11.5%
System Development & System Application Sales	143,213	37.1%	136,710	33.7%	(6,502)	(4.5%)
System Management & Operation Services	187,361	48.5%	206,698	50.9%	+19,336	+10.3%
Product Sales	13,124	3.4%	15,465	3.8%	+2,340	+17.8%
Total	385,932	100.0%	405,984	100.0%	+20,052	+5.2%

P/L Highlight

	FY Mar. 2014	FY Mar. 2015	Diff.	(JPY million) YoY Change
Sales	385,932	405,984	+20,052	+5.2%
Cost of Sales	276,664	289,210	+12,545	+4.5%
Subcontracting Costs	132,825	141,925	+9,099	+6.9%
Gross Profit	109,267	116,774	+7,506	+6.9%
Gross Profit Margin	28.3%	28.8%	+0.5P	
SG&A	59,450	65,287	+5,837	+9.8%
Operating Profit	49,816	51,486	+1,669	+3.4%
Operating Profit Margin	12.9%	12.7%	(0.2P)	

P/L Highlight continued

	FY Mar. 2014	FY Mar. 2015	Diff.	(JPY million) YoY Change
Operating Profit	49,816	51,486	+1,669	+3.4%
Non-operating income and loss	2,544	1,455	(1,088)	
Dividend Income	1,624	1,063	(561)	
Equity in earnings of affiliates	532	45	(487)	
Extraordinary income and loss	349	6,132	+5,783	
Gain on negative goodwill (Net)	—	1,710	+1,710	
Gain on sales of investment securities	61	9,458	+9,396	
Loss on sales of property and equipment	—	(3,231)	(3,231)	
Office reorganization expenses	—	(3,098)	(3,098)	
Income taxes etc.	21,175	19,209	(1,966)	
Net Income	31,527	38,880	+7,353	+23.3%

Cash Flow

(JPY million)

	FY Mar. 2014	FY Mar. 2015	YoY Change
Operating activities	33,839	58,710	+73.5%
Investing activities	(32,234)	(1,093)	(96.6%)
(Except Cash management purpose)	(38,086)	(13,800)	(63.8%)
Free Cash Flow	1,605	57,617	—
(Except Cash management purpose)	(4,246)	44,910	—
Financing activities	(8,773)	(10,536)	+20.1%
Net increase in Cash and cash equivalents	(6,830)	47,775	—
(Except Cash management purpose)	(12,682)	35,068	—
Cash and cash equivalents at end of year	92,792	140,567	+51.5%
Cash and cash equivalents + Cash Management purpose investment	133,350	169,023	+26.8%

Order Backlog (Outstanding)

(JPY million)

	At end of March 2014	At end of March 2015	Diff.	YoY Change
Consulting	4,584	5,622	+1,037	+22.6%
Financial IT Solutions	129,548	146,268	+16,719	+12.9%
Industrial IT Solutions	51,688	55,156	+3,468	+6.7%
IT Platform Services	20,769	17,205	(3,564)	(17.2%)
Other	2,610	2,935	+324	+12.4%
Total	209,202	227,188	+17,985	+8.6%
Order backlog in the next FY	205,218	224,785	+19,567	+9.5%

Extraordinary Loss <4Q>

➤ Measures to streamline business assets aimed at increasing corporate value

1. Office reorganization expenses: JPY3.0 billion



- Yokohama Nomura Building (Minato Mirai District)
With business expansion, NRI decided to move into this building, primarily as systems development site (scheduled for April 2017)

- Front-loaded accounting of future expenses accompanying office reorganization

2. Loss on sales of noncurrent assets: JPY3.2 billion

- Hiyoshi Data Center
- Hiyoshi Dormitory

- Streamlining of business operations
(continuing to deliver services with shift in format from ownership to use)

- Removal of business assets from balance sheet, including future expenses

Toward further increase in corporate value through strengthening of financial base

1. Financial Results for FY March 2015

2. Financial Results Forecasts for FY March 2016

3. Growth Strategies for FY March 2016

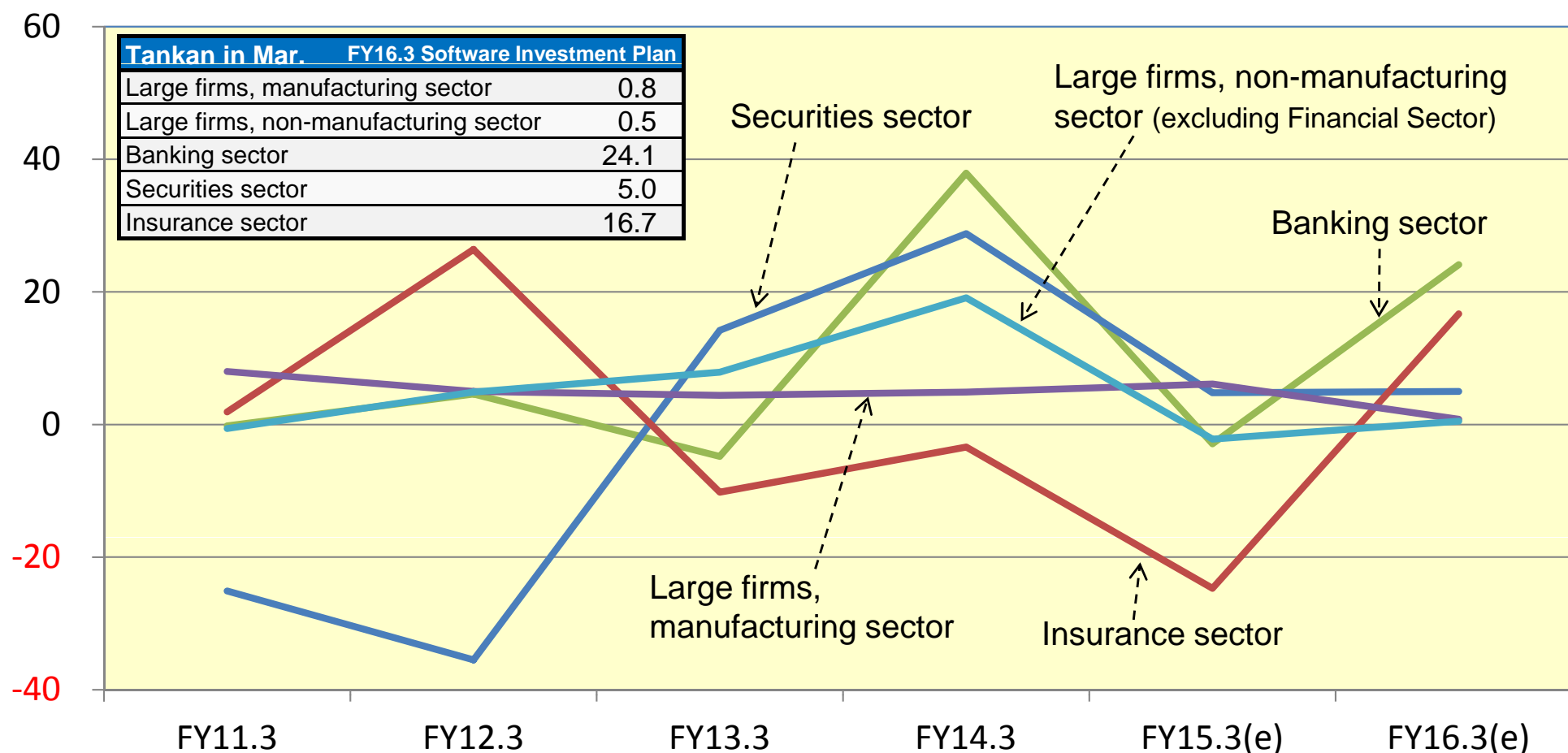
4. Growth Beyond Vision 2015

Assessing Business Environment (BOJ Tankan Survey)

- Significant improvement in IT investment expected in banking and insurance industries in FY March 2016

(YoY change %)

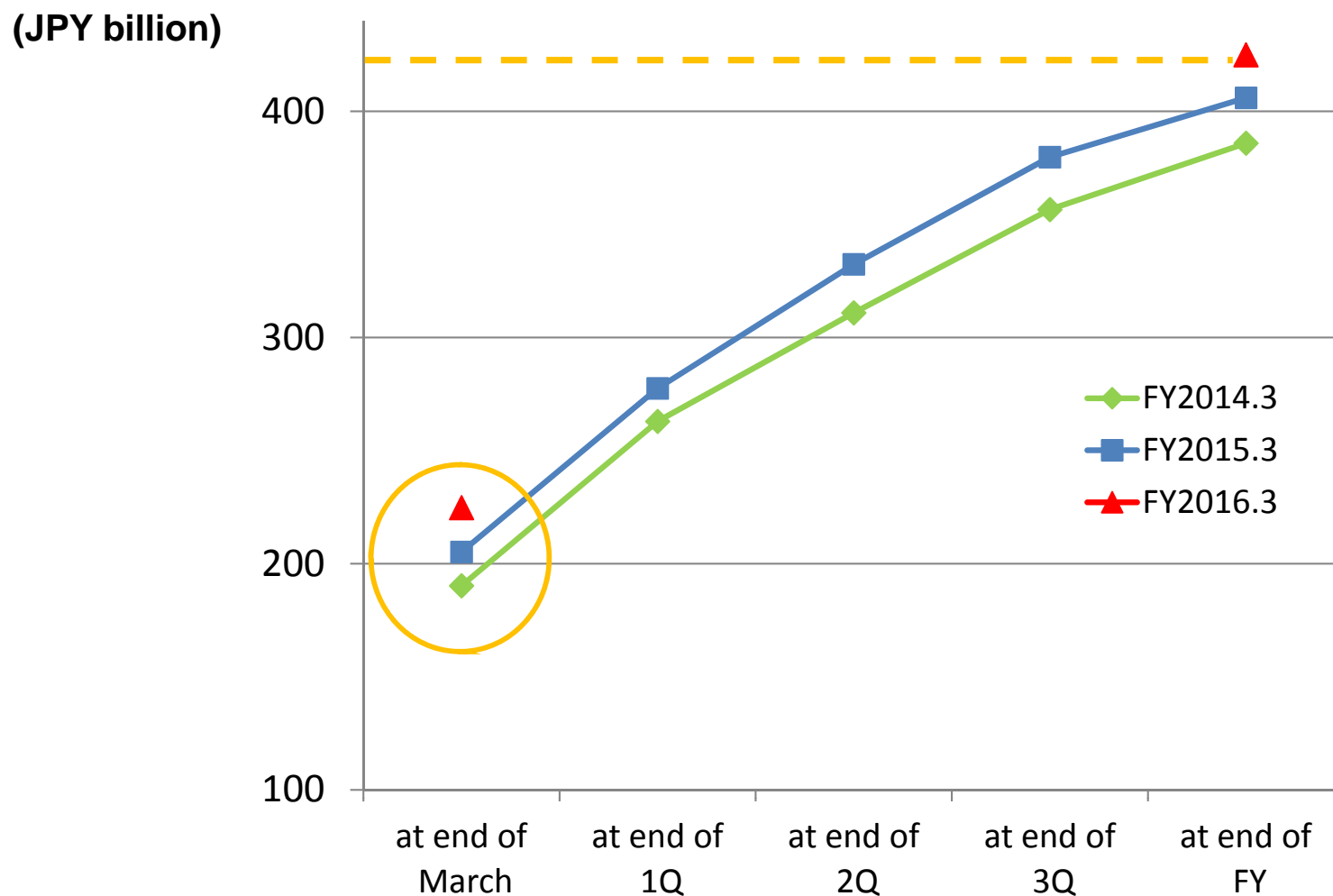
Software Investment



Sales + Consolidated Order Backlog

➤ Initial order backlog (of which current fiscal year) is solid








Order backlog (of which, current fiscal year) + cumulative sales



Current Business Conditions

- **Aiming to secure large-scale projects, acquire new customers, and expand business with existing customers**

Initiatives in Fiscal March 2016

Consulting		<ul style="list-style-type: none"> • Expand client base, develop global business, provide operation consulting, operation x IT consulting, IT department structural reform
Financial IT Solutions		
Securities		<ul style="list-style-type: none"> • Complete the project of upgrading IT systems at Nomura Securities in Japan • Further strengthen relationships with major clients • Expand business into retail front office and wholesale areas, and expand securities BPO business • Assist clients in addressing financial system reforms (“My Number” system, and unified taxation on income from financial products (public and corporate bonds), Junior NISA)
Insurance		<ul style="list-style-type: none"> • Make certain to capitalize on large projects for existing clients, develop new clients and secure new projects • Assist clients in addressing financial system reforms (“My Number” system)
Banking		<ul style="list-style-type: none"> • Promote introduction of Bestway/JJ at major banks • Expand megabank client base, expand online banking business • Assist clients in addressing financial system reforms (“My Number” system, and unified taxation on income from financial products (public and corporate bonds), Junior NISA)
Other financial		<ul style="list-style-type: none"> • Develop large-scale clients, secure new projects and global projects • Expand investment management BPO business
Industrial IT Solutions		
Distribution		<ul style="list-style-type: none"> • Expand scale of business with major clients and support their overseas business development
Manufacturing, service and other		<ul style="list-style-type: none"> • Cooperation between consulting and systems to develop new clients and further cultivate existing clients • Strengthen ERP solutions, promote global projects, and strengthen area marketing

Key Factors in Earnings Forecast for FY March 2016

- **As final year of Vision 2015, further promote measures taken to date, achieve results, and take steps toward the next vision**

- Actively invest in future growth fields and prevent occurrence of unprofitable projects
- Record all-time high sales, operating profit and net income
- Attain ROE forecast of 10.2%
- Increase annual dividend per share to JPY80 (previous fiscal year: JPY70)

Forecasts for FY March 2016

【Full Year】

(JPY billion)

	FY Mar. 2015 (Results)	FY Mar. 2016 (Forecasts)	Diff.	YoY Change
Sales	405.9	425.0	+19.0	+4.7%
Operating Profit	51.4	58.0	+6.5	+12.7%
Operating Profit Margin	12.7%	13.6%	+1.0P	
Net Income*	38.8	41.0	+2.1	+5.5%
Earnings Per Share	¥194.47	¥204.49	+¥10.02	
Dividends Per Share	¥70.00	¥80.00	+¥10.00	
Payout Ratio	36.5%	39.5%	+3.1P	
Return On Equity	10.8%	10.2%	(0.6P)	

* Net income attributable to parent company's shareholders

Sales Forecasts by Segment for FY March 2016

【Full Year】

(JPY billion)

	FY Mar. 2015 (Results)	Share	FY Mar. 2016 (Forecasts)	Share	Diff.	YoY Change
Consulting	27.3	6.7%	29.0	6.8%	+1.6	+6.0%
Financial IT Solutions	237.1	58.4%	250.0	58.8%	+12.8	+5.4%
Securities	116.5	28.7%	124.0	29.2%	+7.4	+6.4%
Insurance	56.4	13.9%	60.0	14.1%	+3.5	+6.4%
Banking	34.5	8.5%	36.0	8.5%	+1.4	+4.1%
Other financial	29.5	7.3%	30.0	7.1%	+0.4	+1.4%
Industrial IT Solutions	95.5	23.5%	101.0	23.8%	+5.4	+5.7%
Distribution	46.3	11.4%	49.0	11.5%	+2.6	+5.6%
Manufacturing, service and other	49.1	12.1%	52.0	12.2%	+2.8	+5.7%
IT Platform Services	34.7	8.6%	34.0	8.0%	(0.7)	(2.2%)
Others	11.1	2.8%	11.0	2.6%	(0.1)	(1.5%)
Total	405.9	100.0%	425.0	100.0%	+19.0	+4.7%

Sales Forecasts by Service for FY March 2016

【Full Year】

(JPY billion)

	FY Mar. 2015 (Results)	Share	FY Mar. 2016 (Forecasts)	Share	Diff.	YoY Change
Consulting Services	47.1	11.6%	48.0	11.3%	+0.8	+1.9%
System Development & System Application Sales	136.7	33.7%	155.0	36.5%	+18.2	+13.4%
System Management & Operation Services	206.6	50.9%	215.0	50.6%	+8.3	+4.0%
Product Sales	15.4	3.8%	7.0	1.6%	(8.4)	(54.7%)
Total	405.9	100.0%	425.0	100.0%	+19.0	+4.7%

CAPEX, R&D and Depreciation Forecasts for FY March 2016

【Capital Expenditure, R&D】

(JPY billion)

	FY Mar. 2015 (Results)	FY Mar. 2016 (Forecasts)	Diff.	YoY Change
Capital Expenditure	31.0	45.0	+13.9	+44.8%
Tangible	8.3	21.0	+12.6	+151.5%
Intangible	22.7	24.0	+1.2	+5.6%
R&D	4.2	4.5	+0.2	+6.6%

【Depreciation and Amortization】

(JPY billion)

	FY Mar. 2015 (Results)	FY Mar. 2016 (Forecasts)	Diff.	YoY Change
Total	25.8	34.0	+8.1	+31.8%

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Growth Strategies for FY March 2016

■ Consulting

- Increase Project Size and Expand Global Business

■ Industrial IT Solutions

- Expand Business in Industrial IT Sector

■ Financial IT Solutions

- Expand Service Areas in Financial IT Sector
- Upgrade IT systems of Nomura Securities in Japan
- Expand Business in Insurance Sector

■ IT Platform Services

- Reinforce IT Platform Competitiveness

Increase Project Size and Expand Global Business

- **Aim to further strengthen account management and increase size of projects**
 - **Collaboration between management consulting and systems consulting aimed at securing large-scale projects**
- **Further accelerate growth of global business**

	Management consulting	Systems consulting
Increase project size	Common strategies <ul style="list-style-type: none"> • Strengthen account management • Aim to secure large-scale projects through collaboration of both services (Strategy – Operation – IT) 	
Expand services	<ul style="list-style-type: none"> • Expand themes of operation consulting 	<ul style="list-style-type: none"> • Promote structural reform of IT department • Expand operation x IT consulting menu • Strengthen services for execution support
Accelerate global business expansion	<ul style="list-style-type: none"> • Expand orders received for global projects by strengthening collaboration between overseas sites and Tokyo sites • Establish and expand global network 	<ul style="list-style-type: none"> • Activities mainly around APAC with themes including global operation and IT standardization

Expand Service Areas in Financial IT Sector

➤ Further strengthen existing business, promote expansion into new service areas

**Strengthen
existing
areas**

- **Secure projects through stronger relationships with clients**
- **Increase clients for shared online services, and develop peripheral services**
 - Develop and provide system services for front and middle office operations
- **Respond to financial system change**
 - My Number system, unified taxation on income from financial products (public and corporate bonds), Junior NISA, etc.
- **Prevent occurrence of unprofitable projects**

**Expand
into
new areas**

Promote and expand ITO x BPO

- Expand into middle office operations
- Expand into securities wholesale, banking and insurance sectors, etc.

Accelerate global business expansion

- Support overseas expansion by Japanese financial institutions
- Establish and strengthen global expansion frameworks, etc.

Seek out new business

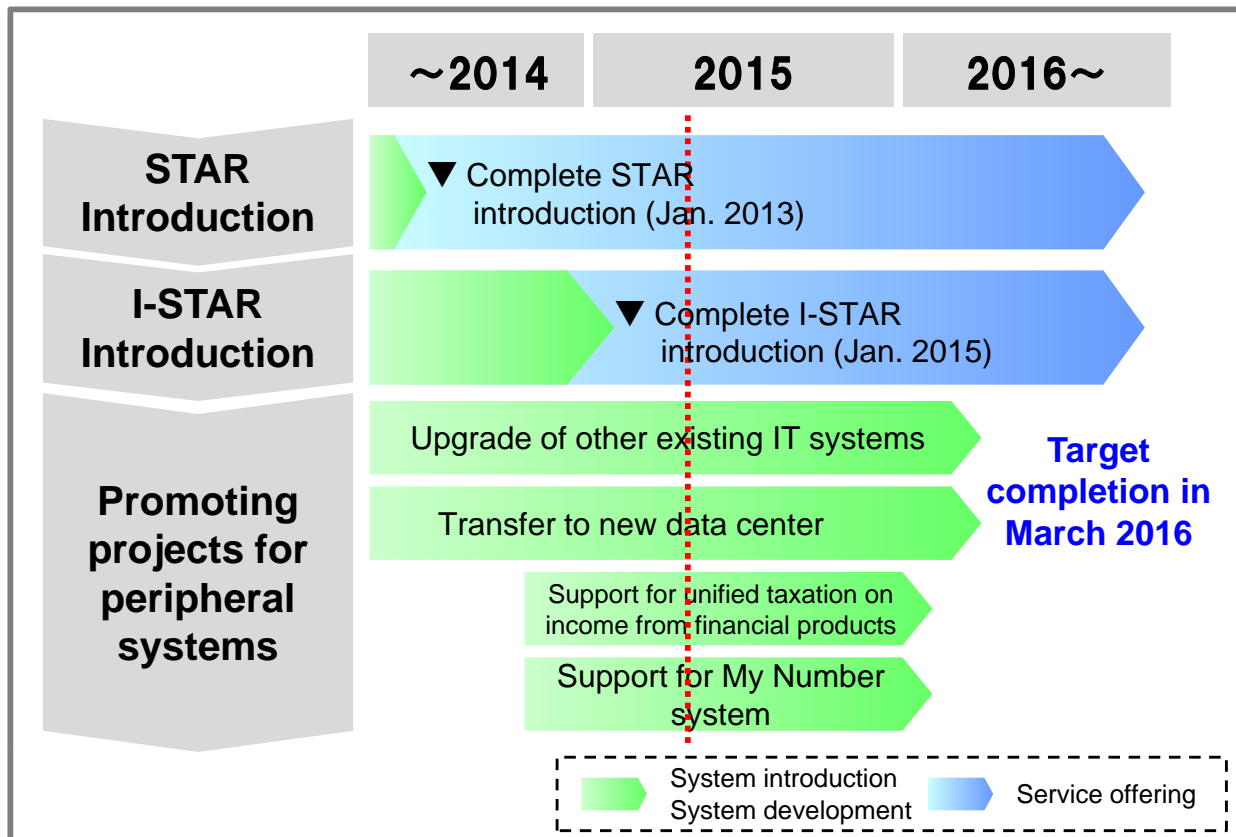
- Retail front office reform
- Settlement system reform
- Pension system reform
- Risk management, etc.

Upgrade IT systems of Nomura Securities in Japan

- **Steadily pursue peripheral system-related projects with aim of project completion**
- **Further strengthen RM, and promote activities aimed at early receipt of orders and launch for next project**

Steadily pursue peripheral system-related projects

Launch next theme and aim to expand service areas



- **Expand business for retail front and middle office areas**
- **Expand business for wholesale area**
- **Support global projects**
- **Respond to financial system change**

Expand Business in Insurance Sector

- **Aim to expand business by increasing service areas, mainly among major clients**

Existing clients

- **Strengthen existing business**
 - Steady growth based on stable generation of profits in existing areas
 - Promote activities aimed at securing operation and maintenance projects for core systems
- **Promote systems project in tandem with industry restructuring**
 - Promote major projects underway
 - Ongoing activities aimed at securing reconstruction projects for core operation systems

New clients

- **Sustained growth at new clients**
 - Make progress in large-scale system reconstruction projects
 - Expand areas of responsibility and aim to increase size of project
- **Expand business in life insurance sector**
 - Implement measures targeted at major life insurers aimed at securing new clients and new projects

Expand Business in Industrial IT Sector

- **Promote increase in size of clients, global business and ERP business**
- **Sales in Industrial IT Solutions business to exceed JPY100 billion**

Increase size of clients

Create large-scale clients to follow 3 major clients and 7 specific clients

- **Deepen relationship with 3 major clients and expand scale of work for 7 specific clients**
- **Increase size of clients and secure new clients based around prime account strategy**
- **Forge capital and business alliances with clients**

Promote global business

- **Promote global SCM solutions in China and Southeast Asia**
- **Support overseas business expansion by Japanese companies**
- **Leverage external growth**

Boost competitiveness of ERP business

- **Seek to boost competitiveness and improve client appeal by building up track record and acquiring know-how around introduction leading to acquisition of projects**

Reinforce IT Platform Competitiveness

- **Further reinforce the high-quality, high-value-added IT platform services that underpin NRI's financial IT solutions and industrial IT solutions**

Provide and operate IT solution infrastructure

Cloud services

- Streamline and improve services
- Expand scope of services
- Partner with AWS

Data centers

- Build new data center in Kansai region
- Increase sophistication of system operation services

Expand information security business

- Expand globally
- 24/365 monitoring services
- Expand business areas
- Respond to IoT
- Respond to IT GRC

IoT: Internet of Things
GRC: Governance, Risk and Compliance

Promote technology strategy

- Promote R&D and open innovation
- Strengthen relationships with hardware and software vendors

Toward further streamlining and improvement of services in IT platform area through reinforcement of high-quality, high-value-added IT platform services

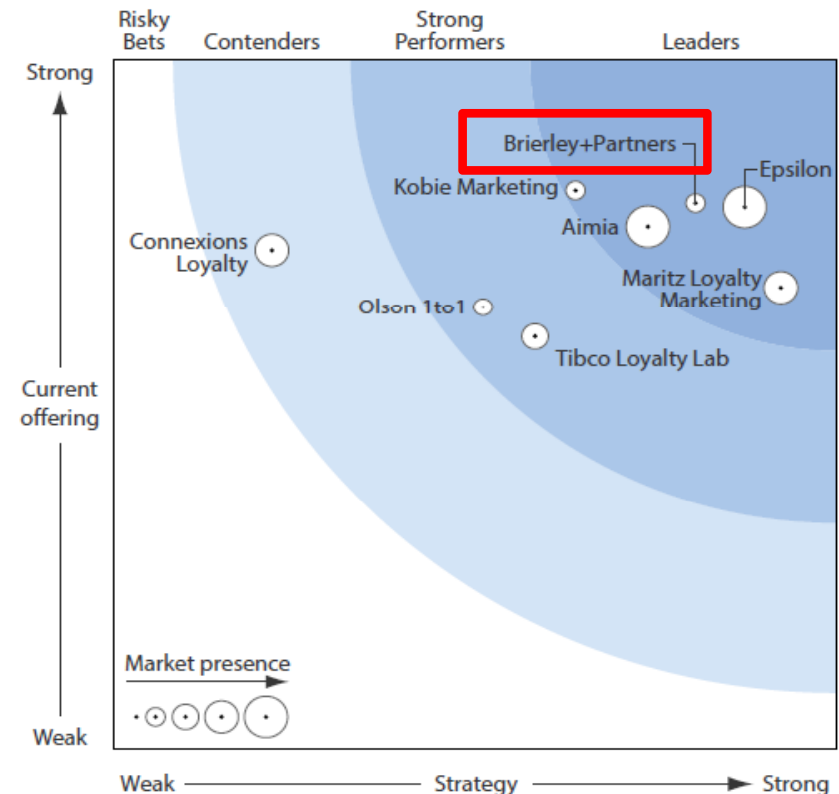
Acquisition of U.S. Firm Brierley & Partners

- **NRI announced the acquisition of U.S. firm Brierley & Partners, which will become a wholly owned subsidiary of NRI**
 - **Turn digital marketing sector and front office system solutions into pillar of growth**
 - **Provide even higher value-added services in even more regions utilizing mutual strengths**

Profile of Brierley & Partners

Name	Brierley & Partners, Inc.
Location	Texas, USA
Lines of business	Consulting and IT services related to digital marketing
Date established	May 1984 (business launched in 1985)
Major clients	<ul style="list-style-type: none"> • Hertz • Hilton Worldwide • Levi's • GameStop • Seven-Eleven • Hard Rock • American Eagle Outfitters • Fresh & Easy Neighborhood Market, etc.

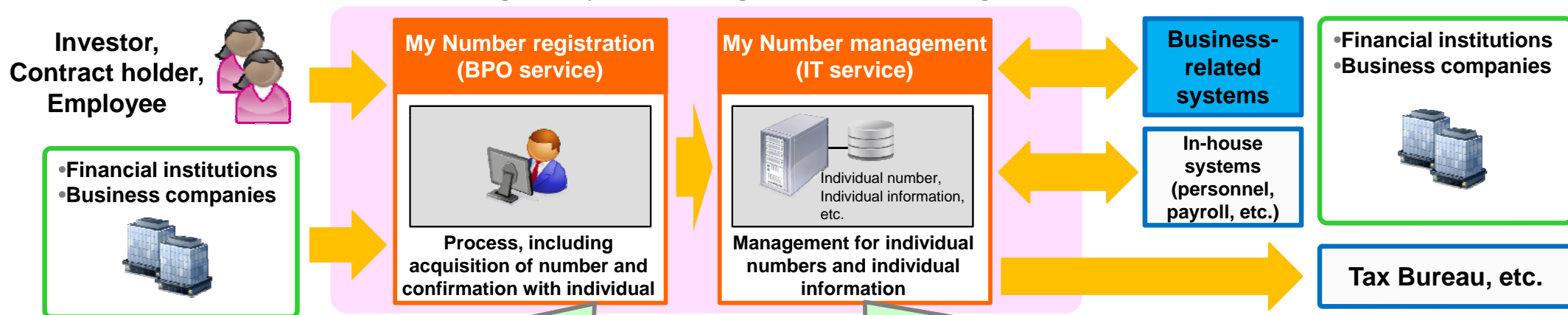
Positioning of Major Competitors
(As of end of 2013)



Support for “My Number” System

➤ NRI offers My Number registration and management service to financial institutions and business companies

Image of My Number registration and management service



My Number registration service

- Collaboration with Daiko Clearing Services Corporation
- Inquiries in process from **48*** financial institutions and **87*** business companies, mainly major business companies

My Number management service

- For financial institutions: delivery to **66*** securities firms and **86*** banks planned, mainly financial institutions utilizing shared-online service
- For business companies: marketing in process mainly to major business companies. Strong demand for consulting

	2014	2015	2016~
Milestones in My Number system	▼Law officially announced by competent ministry ▼Guidelines published	▼Number cards distributed ▼System goes into effect	
NRI schedule for service launch	System trends survey, review and plans for service launch	System development	Service launch

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Aims under Vision 2015

■ Target Business Vision

Increased advancement of services in financial sector

Reinforcement and expansion of business in China and Asia

Expansion into industrial sectors

Productivity improvement and human resource development

■ Growth Targets under Vision 2015

Growth exceeding industry average
Outstanding profitability in industry

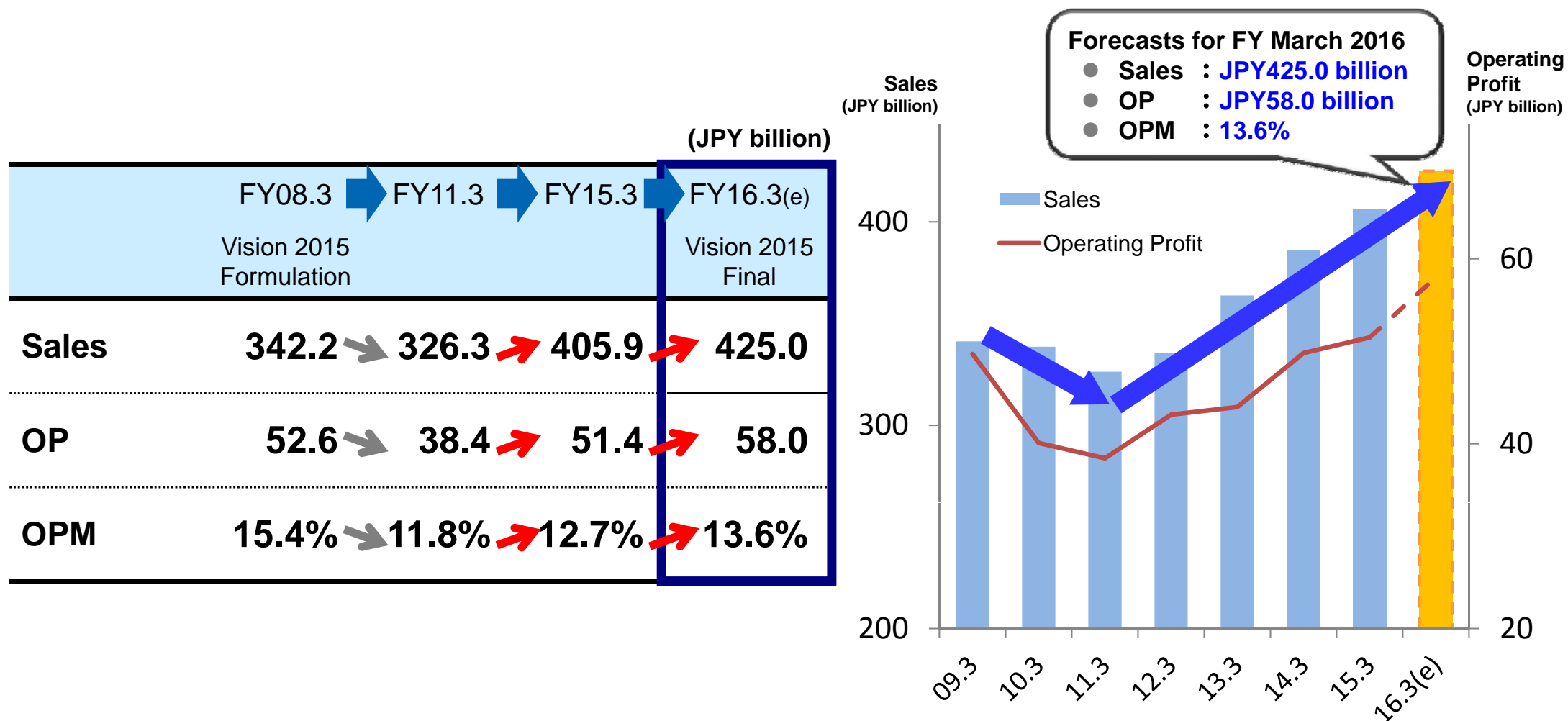
- **Growth potential: potential to achieve 7% growth**
- **Profitability: 13% OPM or more**

Strong business portfolio

- **Expand business significantly other than 2 major clients**
- **Increase size of clients in industrial sector**
- **Expand global-related sales**
- **Expand industry standard business platforms**

Outcomes of Vision 2015 to Date (Performance)

- Growth at rate exceeding industry average (over 5%) following three years of sales and profit decline
- Secured outstanding profitability in industry while maintaining growth



Outcomes of Vision 2015 to Date (Business Portfolio)

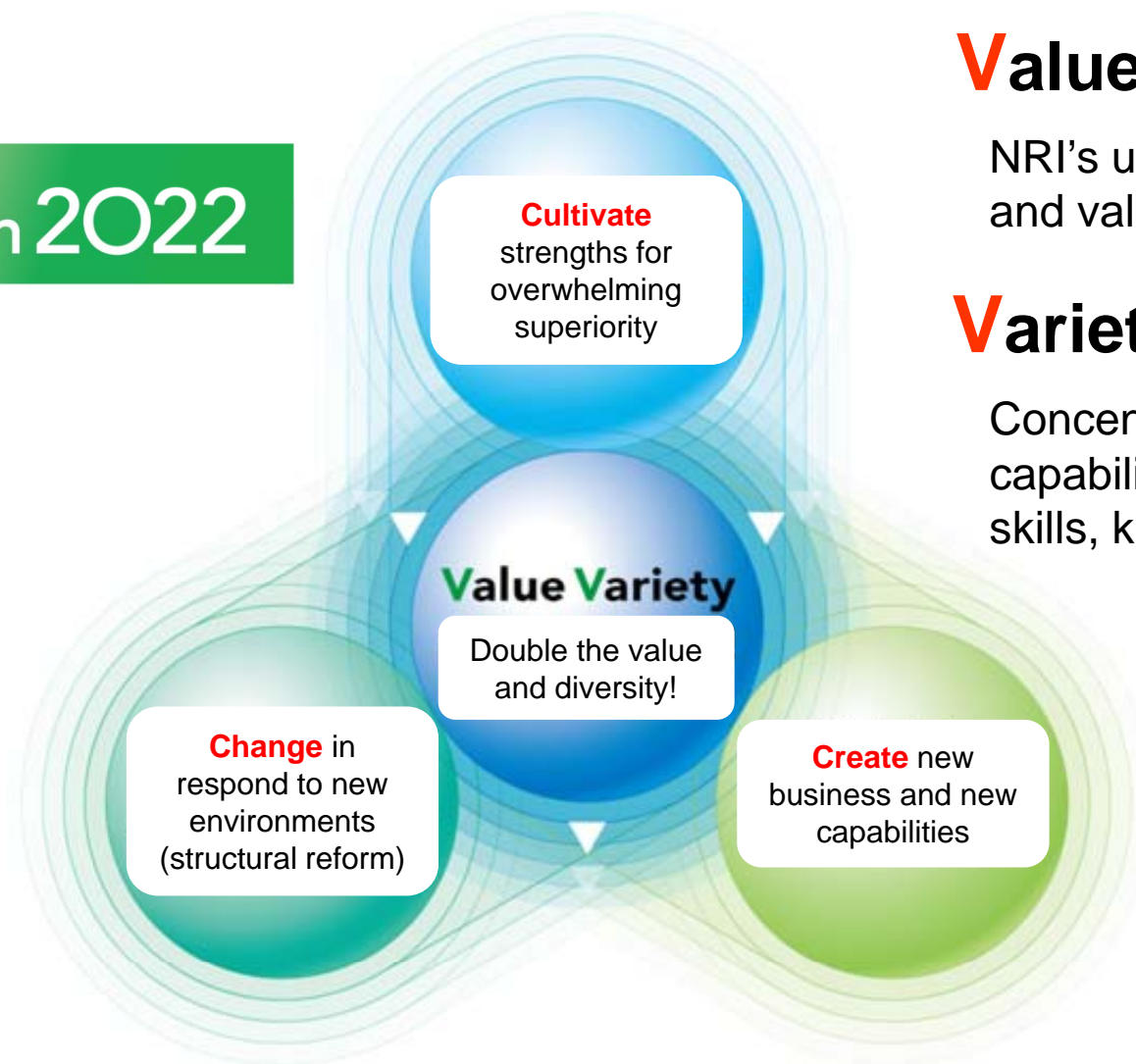
➤ **NRI is steadily progressing toward building a strong business portfolio.**

	FY08.3	➡	FY15.3
	Vision 2015 formulation		

Expand other than 2 major clients	58.4%	➡	69.6%	<ul style="list-style-type: none"> ● Achieved sales growth other than 2 major clients at higher pace than overall growth rate
Increase size of clients in industrial sector	Approx. 19%	➡	Approx. 24%	<ul style="list-style-type: none"> ● Steadily achieved results in deepening relationship and expanding scale of business, including 3 major industrial clients and 7 specific clients
Sales related to overseas business	Approx. 1%	➡	Approx. 4%	<ul style="list-style-type: none"> ● Consulting: global-related business grew to account for approximately 30% of sales ● IT Solutions: Expanded business in assisting overseas expansion by Japanese companies
Industry-standard business platforms	Approx. 12%	➡	Approx. 19%	<ul style="list-style-type: none"> ● Expanded market share of shared-online services due to trend away from ownership to use
No. of STAR clients	50	➡	66	

Vision 2022 is NRI's Next Vision

➤ **Double Value and Variety (VV)** by **Cultivating, Changing and Creating**



Value

NRI's unique value creation and value improvement

Variety

Concentration of diverse capabilities (human resources, skills, know-how, etc.)

Target Business Vision under Vision 2022 (1)

■ Target Business Vision



■ Performance Targets

Key indicators	Numerical targets	
Operating Profit	JPY100 billion	<ul style="list-style-type: none">● Symbolic “Double Value” target● Aim for growth that significantly exceeds market growth
Operating Profit Margin	14% or more	
Overseas business sales	JPY100 billion	<ul style="list-style-type: none">● Symbolic “Double Variety” target● Also actively leverage external growth
ROE	14%	

Target Business Vision under Vision 2022 (2)

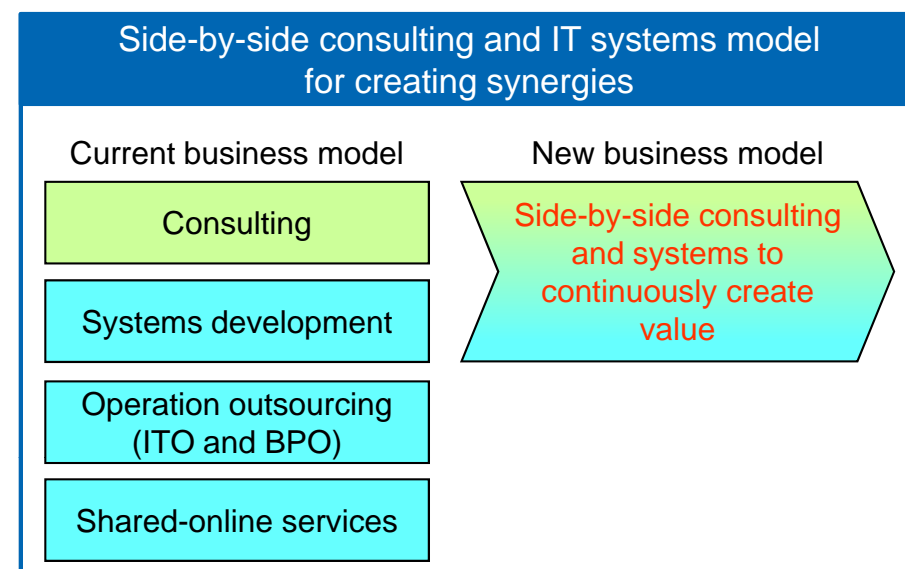
➤ Further growth through existing business model

- Further **cultivate** strengths to create overwhelming superiority
- **Respond to change** in business environment and continue self-reform for growth

Consulting	Roll out NRI's unique navigation globally, lead NRI Group
Financial IT Solutions	Be the mainstay of NRI Group as a hero in Japan financial IT solutions
Industrial IT Solutions	Fully utilize navigation x solution to significantly expand clients
IT Platform Services	Focus on and further improvement on "productivity and quality"

➤ Create added value through new business model

- Repeat hypothesis and verification cycle with integration of consulting and systems development to continuously **create** value
- **Create** new businesses with an eye to joint business with clients



NRI Celebrates Its 50th Anniversary This Year



Determined to Innovate

The aspiration to transform society and its clients into their ideal state as well as the intent to ensure that NRI itself will also continue to change

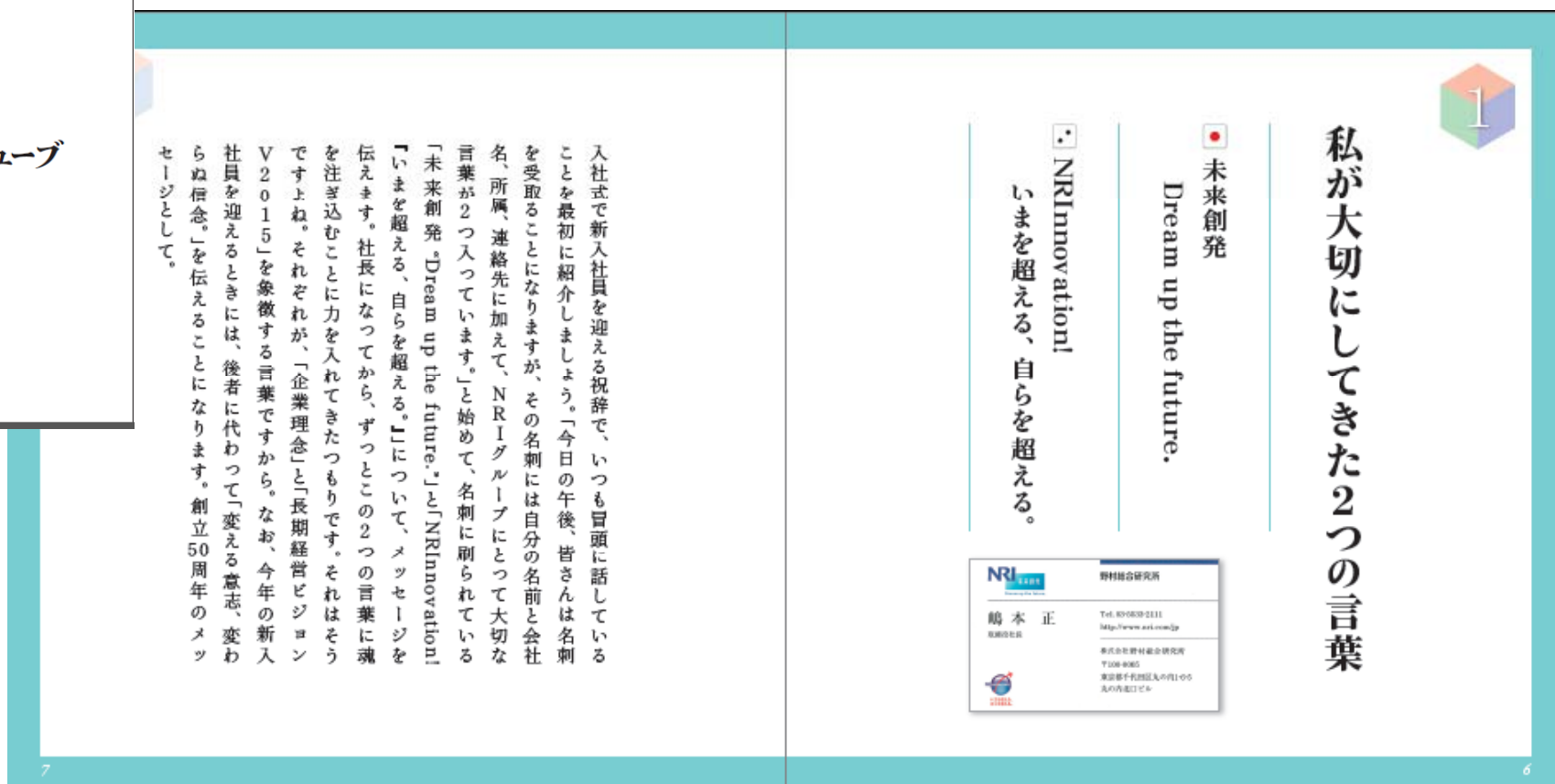
Committed to Principles

The commitment to NRI's spirit and corporate DNA, passed down in an unbroken line since its founding, and to fulfilling the mission of the NRI Group with the management policies of "Progressive," "Trust," and "Quality"

(Reference)

The *NRI Shima-Cube* Was Published for Employees

This gave concrete form to the 50 concepts of management that NRI wants to teach its employees.



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.

References

- 1. Other Financial Result-related Data**
- 2. Recent Activities (excerpts from articles in magazines, newspapers, etc.)**
- 3. Example of projects**
- 4. Other**

1. Other Financial Result-related Data

Order Volume

(JPY million)

	FY Mar. 2014	FY Mar. 2015	Diff.	YoY Change
Consulting	25,575	28,390	+2,815	+11.0%
Financial IT Solutions	236,216	253,830	+17,613	+7.5%
Industrial IT Solutions	88,079	99,041	+10,962	+12.4%
IT Platform Services	44,127	31,215	(12,912)	(29.3%)
Other	10,123	11,492	+1,369	+13.5%
Total	404,122	423,970	+19,848	+4.9%

1. Other Financial Result-related Data

Highlights of Consolidated Financial Results <4Q>

(JPY million)

	4Q FY Mar. 2014 (Jan.-Mar.)	4Q FY Mar. 2015 (Jan.-Mar.)	Diff.	YoY Change
Sales	106,472	105,202	(1,270)	(1.2%)
Operating Profit	13,780	14,310	+529	+3.8%
Operating Profit Margin	12.9%	13.6%	+0.7P	
Net Income	7,415	5,234	(2,180)	(29.4%)

1. Other Financial Result-related Data

Sales by Segment <4Q>

(JPY million)

	4Q FY Mar. 2014 (Jan.-Mar.)	Share	4Q FY Mar. 2015 (Jan.-Mar.)	Share	Diff.	YoY Change
Consulting	7,353	6.9%	7,423	7.1%	+70	+1.0%
Financial IT Solutions	62,405	58.6%	61,449	58.4%	(956)	(1.5%)
Securities	33,252	31.2%	29,613	28.1%	(3,639)	(10.9%)
Insurance	13,269	12.5%	15,197	14.4%	+1,928	+14.5%
Banking	8,980	8.4%	9,022	8.6%	+42	+0.5%
Other financial	6,902	6.5%	7,615	7.2%	+712	+10.3%
Industrial IT Solutions	23,439	22.0%	23,831	22.7%	+391	+1.7%
Distribution	11,335	10.6%	11,639	11.1%	+303	+2.7%
Manufacturing, service and other	12,104	11.4%	12,191	11.6%	+87	+0.7%
IT Platform Services	10,446	9.8%	9,689	9.2%	(757)	(7.2%)
Others	2,826	2.7%	2,808	2.7%	(18)	(0.6%)
Total	106,472	100.0%	105,202	100.0%	(1,270)	(1.2%)
Nomura Holdings	26,821	25.2%	20,794	19.8%	(6,026)	(22.5%)
Seven & i Holdings	11,028	10.4%	10,571	10.0%	(457)	(4.1%)

Note: Figures for sales to Nomura Holdings and Seven & i Holdings include sales to their respective subsidiaries and sales through lease companies, etc.

1. Other Financial Result-related Data

Segment performance results <4Q>

■ Including Inter-segment sales for each segment

(JPY million)

		4Q FY Mar. 2014 (Jan.-Mar.)	4Q FY Mar. 2015 (Jan.-Mar.)	Diff.	YoY Change
Consulting	Sales	7,403	7,573	+169	+2.3%
	OP	1,484	1,618	+133	+9.0%
	OPM	20.1%	21.4%	+1.3P	
Financial IT Solutions	Sales	62,424	61,668	(755)	(1.2%)
	OP	7,891	6,645	(1,246)	(15.8%)
	OPM	12.6%	10.8%	(1.9P)	
Industrial IT Solutions	Sales	23,458	23,933	+475	+2.0%
	OP	2,216	2,080	(135)	(6.1%)
	OPM	9.4%	8.7%	(0.8P)	
IT Platform Services	Sales	31,474	29,654	(1,819)	(5.8%)
	OP	1,481	3,700	+2,218	+149.7%
	OPM	4.7%	12.5%	+7.8P	

1. Other Financial Result-related Data

Sales by Service <4Q>

(JPY million)

	4Q FY Mar. 2014 (Jan.-Mar.)	Share	4Q FY Mar. 2015 (Jan.-Mar.)	Share	Diff.	YoY Change
Consulting Services	12,299	11.6%	13,078	12.4%	+779	+6.3%
System Development & System Application Sales	40,090	37.7%	34,932	33.2%	(5,157)	(12.9%)
System Management & Operation Services	49,213	46.2%	53,530	50.9%	+4,317	+8.8%
Product Sales	4,869	4.6%	3,659	3.5%	(1,209)	(24.8%)
Total	106,472	100.0%	105,202	100.0%	(1,270)	(1.2%)

1. Other Financial Result-related Data

P/L Highlight <4Q>

	(JPY million)			
	4Q FY Mar. 2014 (Jan.-Mar.)	4Q FY Mar. 2015 (Jan.-Mar.)	Diff.	YoY Change
Sales	106,472	105,202	(1,270)	(1.2%)
Cost of Sales	77,078	73,825	(3,253)	(4.2%)
Subcontracting Costs	37,472	35,652	(1,819)	(4.9%)
Gross Profit	29,393	31,376	+1,983	+6.7%
Gross Profit Margin	27.6%	29.8%	+2.2P	
SG&A	15,613	17,066	+1,453	+9.3%
Operating Profit	13,780	14,310	+529	+3.8%
Operating Profit Margin	12.9%	13.6%	+0.7P	

1. Other Financial Result-related Data

P/L Highlight <4Q> continued

	(JPY million)			
	4Q FY Mar. 2014 (Jan.-Mar.)	4Q FY Mar. 2015 (Jan.-Mar.)	Diff.	YoY Change
Operating Profit	13,780	14,310	+529	+3.8%
Non-operating income and loss	8	262	+254	
Extraordinary income and loss	22	(4,886)	(4,908)	
Gain on abolishment of retirement benefit plan	—	1,470	+1,470	
Loss on sales of property and equipment	—	(3,231)	(3,231)	
Office reorganization expenses	—	(2,928)	(2,928)	
Income taxes etc.	6,387	3,517	(2,869)	
Net Income	7,415	5,234	(2,180)	(29.4%)

1. Other Financial Result-related Data

Order Volume <4Q>

(JPY million)

	4Q FY Mar. 2014 (Jan.-Mar.)	4Q FY Mar. 2015 (Jan.-Mar.)	Diff.	YoY Change
Consulting	6,069	7,276	+1,206	+19.9%
Financial IT Solutions	136,572	152,402	+15,830	+11.6%
Industrial IT Solutions	57,834	60,178	+2,343	+4.1%
IT Platform Services	17,316	19,347	+2,030	+11.7%
Other	3,747	4,210	+463	+12.4%
Total	221,541	243,415	+21,874	+9.9%

1. Other Financial Result-related Data

FY March 2016 Financial Results Forecasts Reference Data (1H/2H)

(JPY billion)

【1H】		FY Mar. 2015 1H (Results)	FY Mar. 2016 1H (Forecasts)	Diff.	YoY Change
	Sales	197.3	210.0	+12.6	+6.4%
	Operating Profit	22.1	28.0	+5.8	+26.5%
	Operating Profit Margin	11.2%	13.3%	+2.1P	
	Net Income*	23.4	20.0	(3.4)	(14.6%)
【2H】		FY Mar. 2015 2H (Results)	FY Mar. 2016 2H (Forecasts)	Diff.	YoY Change
	Sales	208.6	215.0	+6.3	+3.0%
	Operating Profit	29.3	30.0	+0.6	+2.2%
	Operating Profit Margin	14.1%	14.0%	(0.1P)	
	Net Income*	15.4	21.0	+5.5	+35.7%

* Net income attributable to parent company's shareholders

1. Other Financial Result-related Data

Sales Forecasts by Segment for FY March 2016 (1H/2H)

(JPY billion)

【1H】						
	FY Mar. 2015 1H (Results)	Share	FY Mar. 2016 1H (Forecasts)	Share	Diff.	YoY Change
Consulting	12.6	6.4%	13.0	6.2%	+0.3	+3.1%
Financial IT Solutions	114.9	58.3%	127.0	60.5%	+12.0	+10.5%
Securities	57.6	29.2%	64.0	30.5%	+6.3	+10.9%
Insurance	26.0	13.2%	30.0	14.3%	+3.9	+15.3%
Banking	17.1	8.7%	18.0	8.6%	+0.8	+5.2%
Other financial	14.1	7.2%	15.0	7.1%	+0.8	+5.9%
Industrial IT Solutions	47.2	23.9%	49.0	23.3%	+1.7	+3.8%
Distribution	22.8	11.6%	24.0	11.4%	+1.1	+5.0%
Manufacturing, service and other	24.3	12.3%	25.0	11.9%	+0.6	+2.7%
IT Platform Services	17.0	8.6%	15.5	7.4%	(1.5)	(8.8%)
Others	5.5	2.8%	5.5	2.6%	(0.0)	(0.9%)
Total	197.3	100.0%	210.0	100.0%	+12.6	+6.4%
【2H】						
	FY Mar. 2015 2H (Results)	Share	FY Mar. 2016 2H (Forecasts)	Share	Diff.	YoY Change
Consulting	14.7	7.1%	16.0	7.4%	+1.2	+8.5%
Financial IT Solutions	122.1	58.5%	123.0	57.2%	+0.8	+0.7%
Securities	58.8	28.2%	60.0	27.9%	+1.1	+2.0%
Insurance	30.4	14.6%	30.0	14.0%	(0.4)	(1.3%)
Banking	17.4	8.4%	18.0	8.4%	+0.5	+3.0%
Other financial	15.4	7.4%	15.0	7.0%	(0.4)	(2.7%)
Industrial IT Solutions	48.3	23.2%	52.0	24.2%	+3.6	+7.5%
Distribution	23.5	11.3%	25.0	11.6%	+1.4	+6.2%
Manufacturing, service and other	24.8	11.9%	27.0	12.6%	+2.1	+8.8%
IT Platform Services	17.7	8.5%	18.5	8.6%	+0.7	+4.1%
Others	5.6	2.7%	5.5	2.6%	(0.1)	(2.1%)
Total	208.6	100.0%	215.0	100.0%	+6.3	+3.0%

1. Other Financial Result-related Data

Sales Forecasts by Service for FY March 2016 (1H/2H)

(JPY billion)

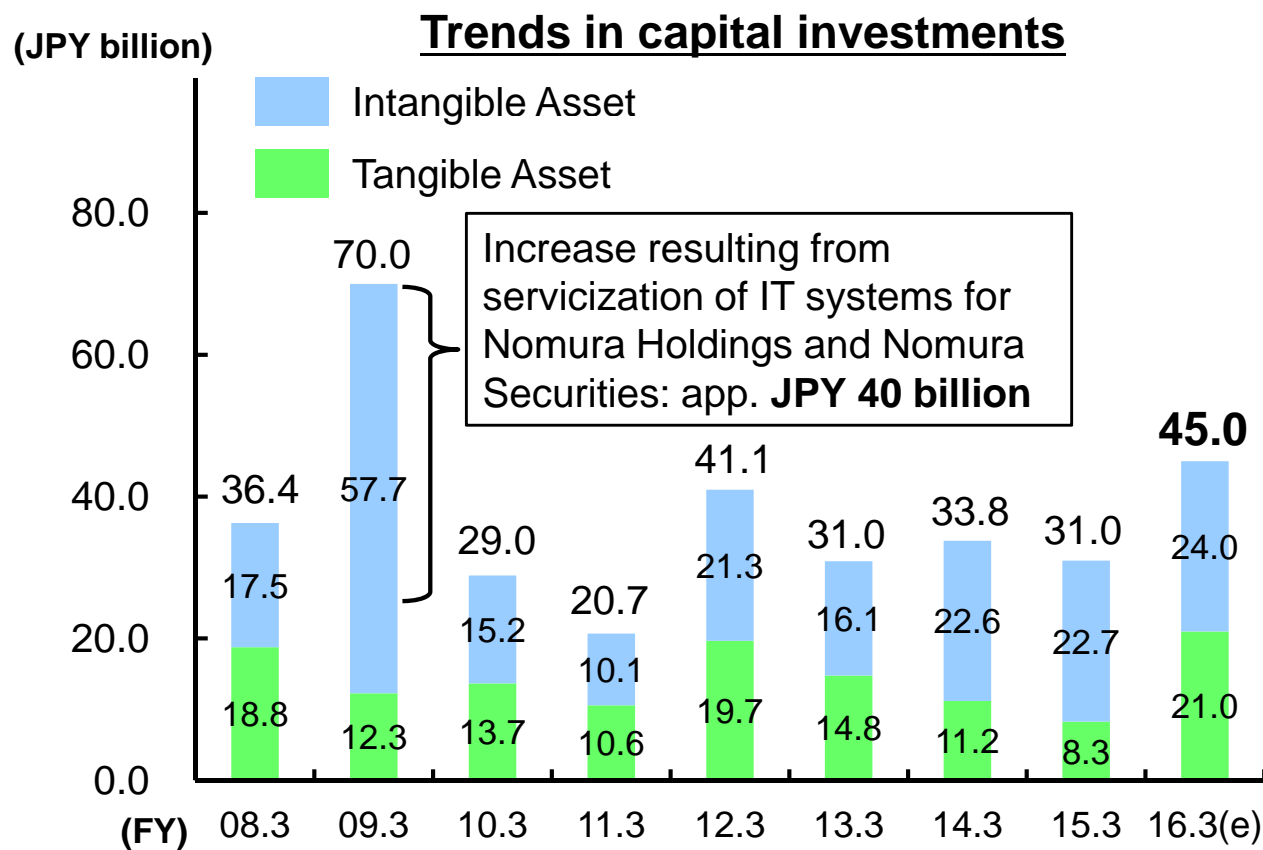
【1H】						
	FY Mar. 2015 1H (Results)	Share	FY Mar. 2016 1H (Forecasts)	Share	Diff.	YoY Change
Consulting Services	21.3	10.8%	22.0	10.5%	+0.6	+3.3%
System Development & System Application Sales	67.3	34.2%	79.0	37.6%	+11.6	+17.2%
System Management & Operation Services	100.7	51.0%	105.0	50.0%	+4.2	+4.3%
Product Sales	7.9	4.0%	4.0	1.9%	(3.9)	(49.6%)
Total	197.3	100.0%	210.0	100.0%	+12.6	+6.4%
【2H】						
	FY Mar. 2015 2H (Results)	Share	FY Mar. 2016 2H (Forecasts)	Share	Diff.	YoY Change
Consulting Services	25.8	12.4%	26.0	12.1%	+0.1	+0.7%
System Development & System Application Sales	69.3	33.2%	76.0	35.3%	+6.6	+9.6%
System Management & Operation Services	105.9	50.8%	110.0	51.2%	+4.0	+3.8%
Product Sales	7.5	3.6%	3.0	1.4%	(4.5)	(60.1%)
Total	208.6	100.0%	215.0	100.0%	+6.3	+3.0%

1. Other Financial Result-related Data

Capital Investments

➤ Capital expenditure forecast to be JPY45.0 billion

- Plan for investment in construction of new data center in Kansai region in current fiscal year



Investment in intangible fixed assets

- Investment in shared-online services to support financial regulatory changes, etc.

Investment in tangible fixed assets

- Construction of financial cloud
- Updating of data center-related facilities, etc.

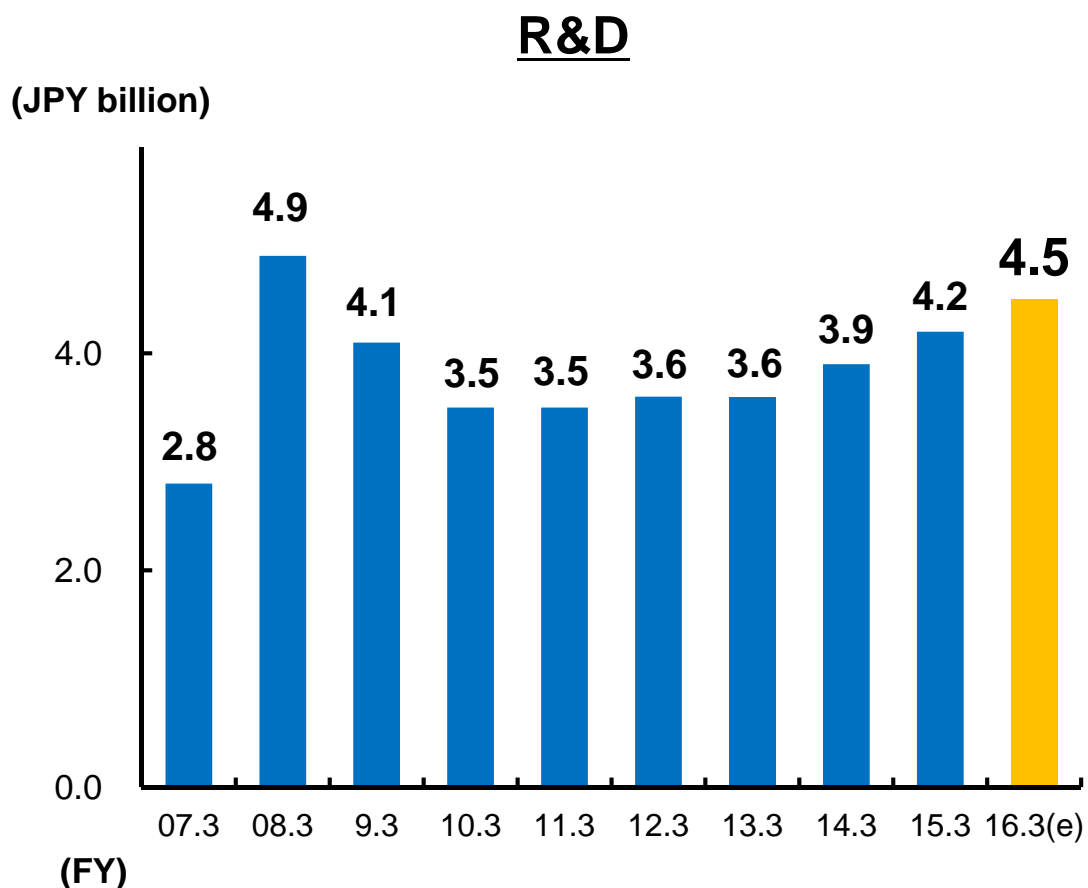
Depreciation	16.5	20.7	30.9	30.6	30.8	42.4	34.1	25.8	34.0
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(JPY billion)

1. Other Financial Result-related Data

R&D

- **NRI will actively promote open innovation to create new value**
 - Joint R&D and other projects with outsiders (clients, IT vendors and overseas local companies)
- **Scrutinize and implement research themes from market-driven perspective**



Current R&D Themes

■ **Service innovation**

- Commercialization of Big Data-related business
- Commercialization of privacy-related business
- Commercialization of marketing business
- Research to improve productivity, etc.

■ **Create value for the future**

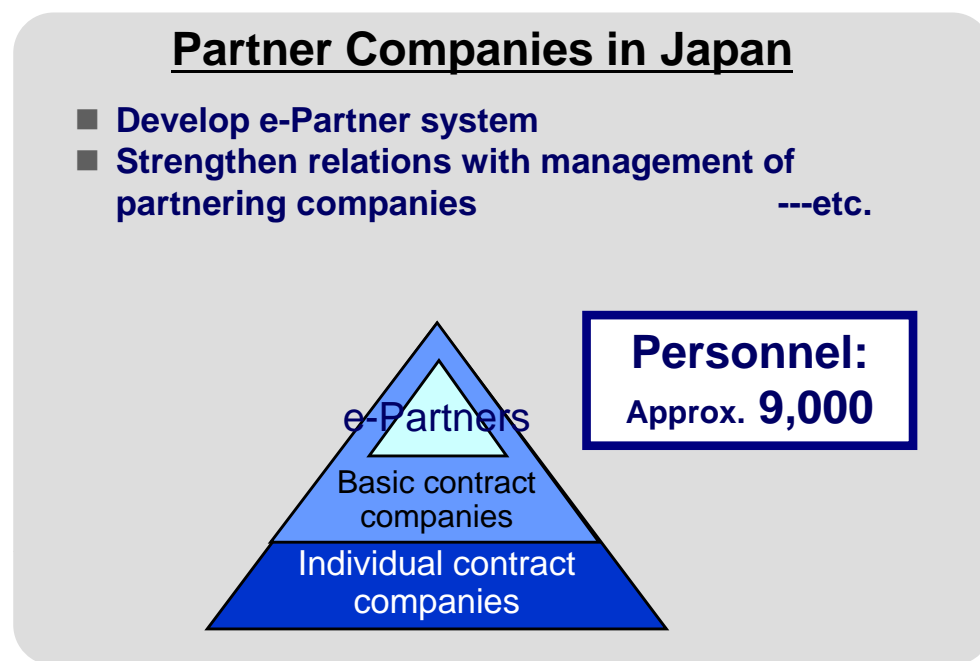
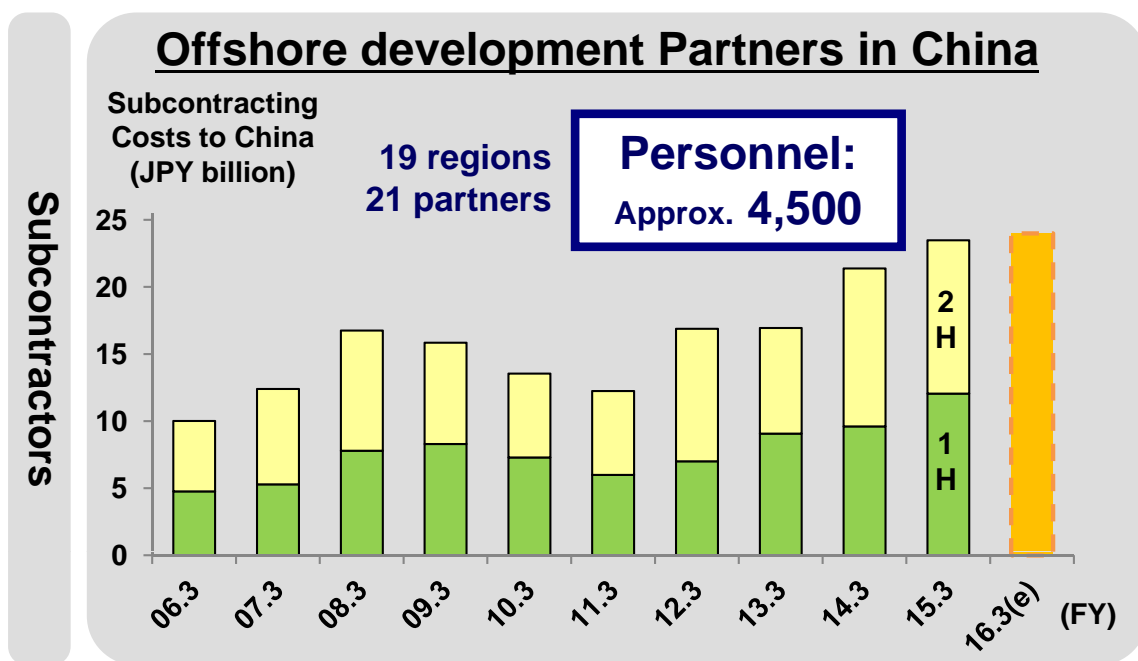
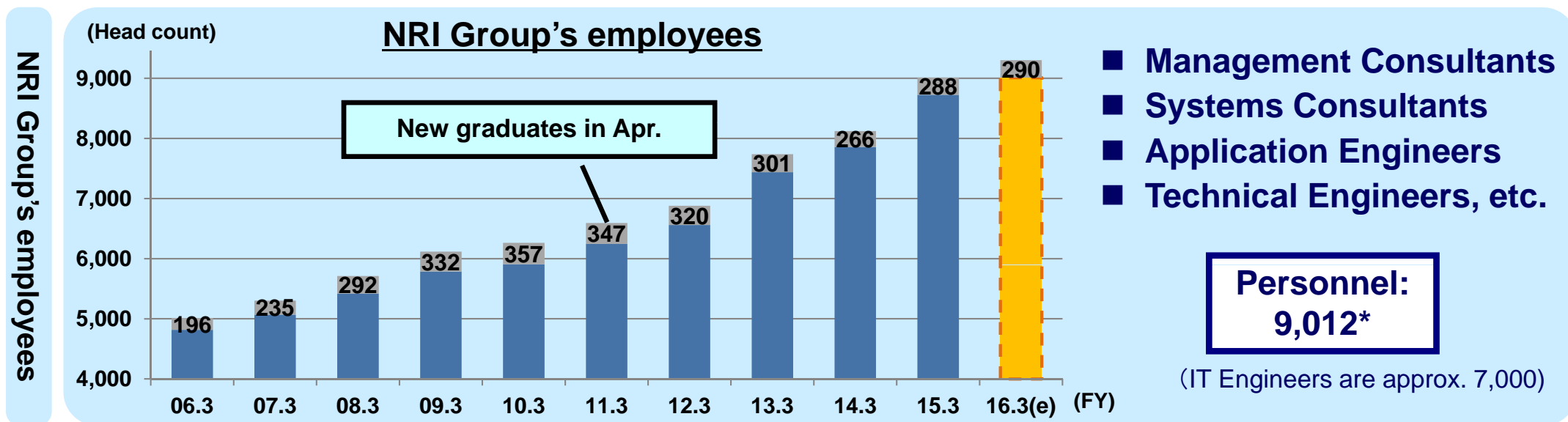
- Research and proposals on government policy and regulations
- Surveys and research of financial market trends and information technology trends
- NRI Mirai (Future) Garage, etc.

■ **Global surveys and exploration of business**

- Market research, etc., in order to develop business in China and the Asia region

1. Other Financial Result-related Data

Depth in Human Resources - NRI's employees + Partners(in Japan & China)



2. Recent Activities

Operational cooperation with the Department of Trade and Industry, Republic of South Africa to support Japanese companies expanding into Africa

- NRI concluded a memorandum concerning operational cooperation with the Department of Trade and Industry (DTI), Republic of South Africa with the objective of promoting expansion by Japanese companies into the African market.
- By concluding this memorandum with DTI, NRI will be able to provide consulting services and provide information using DTI's wealth of information and local networks.
- The details of the operational cooperation memorandum are as follows:
 - Regular exchange of investment-related information aimed at promoting investment by Japanese companies
 - Joint provision of information through seminars, etc.
 - Provision of cooperation in assisting Japanese companies considering investment in the Republic of South Africa

南ア貿易産業省 野村総研と業務協力

日本企業の進出後押し

野村総合研究所は日本企業のアフリカ市場進出を促進するため、南アフリカ共和国・貿易産業省と業務協力する。日本企

業の投資促進に向け、投資に関連する情報を定期的に交換するほか、セミナーなどを通じ、共同で情報発信や、同国への投資を検討する日本企業に対しての支援などを行う。

こうした活動により、日本企業のグローバル展開を後押しする。

南アフリカ共和国はプラチナ、金、ダイヤモンドといった資源大国であり、世界の主要な自動車メーカーが生産拠点を構えることから注目が高い国だという。同国に進出した日本企業は239社、在留邦人数は1474人（2013年10月時点、外務省調べ）となっている。

Nikkan Kogyo Shimbun,
February 16, 2015

2. Recent Activities

Addition of new I-STAR functionality to support compliance with regulatory change

- NRI added and began offering a new functionality to the I-STAR wholesale securities back office solution for financial institutions.
- The additional functionality is to comply with changing regulations concerning increased use of average price in margin and derivative trading.
- Specifically, by making it possible to enter contracts based on both average price and execution price, the functionality allows users to achieve the following:
 - Link to average price trades and execution price trades
 - Generate statutory documents and external reporting documents according to market rules
 - Manage the treatment and booking of fractions arising from average price transactions

野村総研は2月23日、金融機関向けに提供しているホールセール証券バックオフィスソリューション「I-STAR」に新たな機能を追加し、提供を開始した。

これは、3月16日に始まる、株式などの信

野村総研
I-STARに新機能追加
3月の制度改正に対応

野村総研は2月23日、金融機関向けに提供しているホールセール証券バックオフィスソリューション「I-STAR」に新たな機能を追加し、提供を開始した。

これは、3月16日に始まる、株式などの信

用取引・デリバティブ取引における平均単価（注）の利用拡大に関する制度改正に、的確に対応することを目的としたもの。

I-STARは、約定入力から決済、会計処理、法定帳簿作成まで、証券バックオフィ

ス業務に必要な機能を幅広く提供しており、株式・債券・投信・デリバティブ・外国証券などの商品における、現物・信用・貸借などの各種取引の管理が可能となっている。野村総研のデータセンターで運用され、提供される共同利用型サービスであり、利用ユーザーは自社でシステム構築する場合に比べ、導入時や運用にかかるコストの削減だけでなく、制度改正に著実に対応できるという点で大きなメリットがある。

平均単価を用いた現物株の取引については、2003年の制度改正に合わせて、既にI-STARの機能追加が図られている。今回、3月16日の制度改正により、信用取引とデリバティブ取引においても平均単価の導入が図られることに対応する。具体的に、平均単価と出来高単価の両方に、約定単価の両方を約定入力が可能となることで、①平均単価取引と出来高単価取引の併付のマーケットルールに準じた、法定帳簿や対外報告帳簿の作成②平均単価取引で発生する端数の把握および会計処理を実現する。

なお、今後I-STARは、16年以降に予定されている「マイナースーパー制度」に際しても対応していく予定となっている。

（注）「同一日における同一銘柄の取引の単価の平均額」を指す。

Hoken Mainichi Shimbun,
March 4, 2015

2. Recent Activities

Boosting corporate services to support introduction and operation of smart devices

- NRI began offering a Lifecycle Management Service for companies that provides support from the introduction of smart devices such as smartphones and tablets through to the discontinuation of their use.
- The features of the Lifecycle Management Service are as follows:
 - Streamlining of work related to the introduction and management of smart devices based on the use of the following support services
 - Consulting and introduction support
 - Consulting on the introduction of smart devices
 - Security measures such as preventing information leakage, etc.
 - Operating support
 - Asset and configuration management
 - Help desk, lock and wipe when lost, etc.
 - Use possible in short period of time thanks to utilization of software with extensive track record

スマートデバイス
導入から停止まで
NRI
野村総合研究所（NRI）は、スマートフォンやタブレットなどのスマートデバイスを対象に導入・運用・利用停止までをサポートする「ライフサイクル管理サービス」の提供を開始した。
スマートデバイス導入に関するコンサルティングから情報漏えい防止などのセキュリティ対策、IT資産／構成管理、端末の故障対応、ヘルプデスク、紛失時のロック・ワイプなどを行う。

Information Industries and Market News,
January 26, 2015

2. Recent Activities

Launch of cutting-edge Security Operation Center in US

- NRI SecureTechnologies (NRI Secure) launched Security Operation Center (SOC), adopting cutting-edge technology in its North America Branch in California, U.S.
- SOC has established a new Security Research Lab with the aim of analyzing security-related information at a global level and building on its knowledge.
- The North America Branch will also expand the service menu for the Managed Security Services that it currently delivers.
- NRI Secure predicts that within five years, the launch of SOC together with the strengthened Managed Security Services will result in annual sales of 10 billion yen in 30 countries.

北米支社内に
専門センター
NRIセキュア
テクノロジーズ
NRIセキュアテクノ
ロジーズ（東京都千代田
区、増谷社長、03・
6706・0500）は
米カリフォルニア州にあ
る北米支社内に情報セキ
ュリティー対策専門のセ
キュリティオペレーショ
ンセンターを開設した。
セキュリティー対策関連
の情報収集機能を持たせ
て、最新の脅威の実態を
把握することでサービ
スの脅威検出力と防護力の
向上につなげる。今後、
他の地域でも同センター
の設置を検討する。

さらに同センターの開
設により、グローバルで
展開する情報セキュリテ
ィー対策サービスを北米
地域で提供できるよう
になった。これにより5年
後に世界30カ国で年間1
00億円の売り上げを目
指す。

同サービスは顧客であ
る企業のニーズに合わせ
て、安全なネットワーク
を設計・構築し、24時間
365日体制で監視す
る。

Nikkan Kogyo Shimbun,
February 23, 2015

3. Example of Projects

—ONWARD—

ONWARD KASHIYAMA

Updated core system with SAP on Amazon Web Services (AWS)

Launch of SAP on AWS with world's highest processing capacity

4. Others - Supplementary explanation

■ FY March 2016 Consolidated Earnings Model

- Sales of JPY425.0 billion and operating profit of JPY58.0 billion

(JPY billion)

	FY Mar. 2014 (Results)	FY Mar. 2015 (Results)	FY Mar. 2016 (Forecasts)*	YoY	
				Diff.	Change
Sales	385.9	405.9	425.0	+19.0	+4.7%
Cost of Sales	276.6	289.2	300.0	+10.7	+3.7%
Personnel	70.1	74.8	82.0	+7.1	+9.5%
Subcontracting Costs	132.8	141.9	145.0	+3.0	+2.2%
Depreciation	32.9	24.6	33.0	+8.3	+34.0%
Gross Profit	109.2	116.7	125.0	+8.2	+7.0%
Gross Profit Margin	28.3%	28.8%	29.4%	+0.6P	
SG&A	59.4	65.2	67.0	+1.7	+2.6%
Operating Profit	49.8	51.4	58.0	+6.5	+12.7%
Operating Profit Margin	12.9%	12.7%	13.6%	+1.0P	

* Figures are consolidated estimates for preparing this earnings model.

4. Others - Communications

Forum, etc.



January 2015
NRI New Year Forum 2015 in Tokyo and Osaka



February 2015
Briefing session held for
individual investors in Tokyo and Fukuoka

Publications



Examples of books published since January 2015