

This financial report is composed of two parts. The first part is an abridged translation of "Kessan Tanshin (earnings report)" for the year ended 31st March, 2009, which includes the summary and the operating results sections. The second part is the "Consolidated Financial Statements," which are basically prepared based on the "Kessan Tanshin (earnings report)" but applied for some items different presentation methods.



MEMBERSHIP  
24th April, 2009

## Consolidated Financial Results For the Year Ended 31st March, 2009

Company name: Nomura Research Institute, Ltd.  
 Listing: First Section of the Tokyo Stock Exchange  
 Stock code: 4307  
 URL: <http://www.nri.co.jp/>  
 Representative: Akihisa Fujinuma, Chairman and President, Representative Director, CEO & COO  
 Inquiries: Katsutoshi Murakami, General Manager, Finance Department  
 TEL: +81-45-333-8100 (from overseas)

Scheduled date of ordinary general meeting of shareholders: 23rd June, 2009  
 Scheduled date to commence dividend payments: 3rd June, 2009  
 Scheduled date to file Securities Report: 24th June, 2009

(Millions of yen with fractional amounts discarded, unless otherwise noted)

### 1. Consolidated performance for the year ended 31st March, 2009 (from 1st April, 2008 to 31st March, 2009)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the year ended								
31st March, 2009	341,279	(0.3)	49,713	(5.6)	51,731	(6.8)	24,513	(12.9)
31st March, 2008	342,289	6.1	52,664	20.0	55,517	20.4	28,157	4.2

	Net income per share – basic	Net income per share – diluted	ROE	ROA	Operating profit margin
For the year ended	Yen	Yen	%	%	%
31st March, 2009	125.54	118.29	11.9	14.4	14.6
31st March, 2008	138.52	130.70	13.3	15.1	15.4

Reference: Equity in earnings of affiliates

For the year ended 31st March, 2009: ¥143 million For the year ended 31st March, 2008: ¥143 million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
31st March, 2009	354,487	205,466	57.7	1,051.65
31st March, 2008	362,447	207,363	57.0	1,038.68

Reference: Equity

As of 31st March, 2009: ¥204,574 million

As of 31st March, 2008: ¥206,755 million

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
For the year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
31st March, 2009	46,180	(70,994)	(22,414)	28,228
31st March, 2008	31,806	(47,925)	(23,537)	75,524

### 2. Cash dividends

Record date	Cash dividends per share					Total cash dividends (Full year)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
	yen	yen	yen	yen	yen	Millions of yen	%	%
Fiscal year ended 31st March, 2008	–	24.00	–	26.00	50.00	10,065	35.7	4.8
Fiscal year ended 31st March, 2009	–	26.00	–	26.00	52.00	10,114	41.3	5.0
Fiscal year ending 31st March, 2010 (Forecasts)	–	26.00	–	26.00	52.00		41.3	

### 3. Forecasts of financial results for the fiscal year ending 31st March, 2010 (from 1st April, 2009 to 31st March, 2010)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Ordinary profit		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
For the six months ending 30th September, 2009	168,000	1.6	20,000	(15.7)	21,000	(16.2)	12,500	(12.2)	64.26
Fiscal year ending 31st March, 2010	350,000	2.6	43,000	(13.5)	44,000	(14.9)	24,500	(0.1)	125.95

### 4. Others

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, procedures, and methods of presentation for preparing the consolidated financial statements
  - a. Changes due to revisions to accounting standards and other regulations: Yes
  - b. Changes due to other reasons: Yes
- (3) Number of shares in issue (common stock)
  - a. Total number of shares in issue at the end of the period (including treasury stock)
    - As of 31st March, 2009 225,000,000 shares
    - As of 31st March, 2008 225,000,000 shares
  - b. Number of shares of treasury stock at the end of the period
    - As of 31st March, 2009 30,473,495 shares
    - As of 31st March, 2008 25,944,292 shares

\* Proper use of forecasts of financial results, and other special matters

The business forecasts are based on information available to management at the present time and certain assumptions judged to be rational. As such, actual sales and profits may differ from this forecast due to uncertain factors present in the forecast or future changes in business circumstances. Also, forecasted cash dividends per share are based on the current business environment and forecasts of financial results.

Please refer to the section of “(1) Analysis Regarding Consolidated Operating Results” of “Operating Result” on page 4 for the suppositions that form the assumptions for the forecasts of financial results and cautions concerning the use thereof.

## Operating Results

### (1) Analysis Regarding Consolidated Operating Results

#### a. Operating results for the current fiscal year

In the current fiscal year (1st April, 2008 to 31st March, 2009), caught in the grip of the global financial crisis that originated in the U.S. as a result of the subprime mortgage financial crisis, the economy rapidly deteriorated as seen by drastic reductions in corporate revenues, production and exports, and declines in capital investment. Also, in the information services industry, a weakening of interest in information system investment could be seen in the securities sector.

Operating in such an environment, Nomura Research Institute and its consolidated subsidiaries ("the NRI Group") proceeded with efforts to respond to the changing business environment through such efforts as accurately shifting human resources to target customers of the insurance, service and manufacturing sectors, and focusing on cost structural reforms such as optimizing subcontracting costs and slashing expenses. In addition to this, the NRI Group grappled with the tasks of improving production—by strengthening project management and implementing initiatives to reduce system failure—and strengthening business in Asia. At the end of the fiscal year, aiming to create a long-term, stable business platform, the NRI Group had developed an outsourcing service for the work operations of large-sized securities system.

As a result of these activities, sales for the NRI Group for the current year were ¥341,279 million (down 0.3% year on year), thereby achieving a level on par with the previous fiscal year. The Group reduced business subcontracting costs associated with indirect operations, thereby suppressing selling, general and administrative expenses. However because of increases in cost of sales, such as depreciation associated with capital investment for future business expansion, the NRI Group posted operating profit of ¥49,713 million (down 5.6%), and ordinary profit of ¥51,731 million (down 6.8%). Net income was ¥24,513 million (down 12.9%), limited by a loss on valuation of software and extraordinary loss arising from the fall in the market value of shares held by the NRI Group.

#### Segment information

The business results by segment are as follows.

##### *Consulting Services*

Management consulting projects declined as a result of the rapid economic deterioration, but system consulting projects, mainly for the financial services sector, increased. The consulting services segment posted sales (sales to external customers) of ¥32,866 million (up 8.4% year on year) and operating profit was ¥4,126 million (down 0.3%).

##### *IT Solution Services*

The sales trends for each type of IT Solution service are as follows. In system development and application sales, where projects increased for the insurance sector but fell for the securities sector, sales were ¥144,249 million (down 3.9% year on year). In system management and operation services—where multi-user system services increased in the financial services sector, due to the impact of new customers captured in the second half of the previous fiscal year, and system operations remained firm in the distribution sector—sales were ¥148,985 million (up 5.8%). In system application sales—where system development projects accompanying equipment installation declined—sales were ¥15,178 million (down 27.4%).

In the area of cost, subcontracting costs increased from the impact of large-sized system development projects and depreciation costs of the Yokohama Data Center 2 increased.

As a result, sales from IT solution services was ¥308,413 million (down 1.1%) and operating profit was ¥45,587 million (down 6.1%).

## b. Outlook for the next fiscal year

Based on the present outlook, the NRI Group expects economic deterioration to continue in the immediate term and there continues to be a trend of weakening of interest in information system investment in the securities sector.

Operating in such an environment, the NRI Group expects its sales to increase compared with the current fiscal year as it expects increased sales from the insurance sector, and new customers in the service sector and manufacturing sector, to outweigh declining sales from the securities sector. On the other hand, the NRI Group, despite plans to place an even greater focus on reducing expenses such as subcontracting costs, expects a decrease in operating profit due to capital investment for future business expansion and increased labor costs from increasing the number of employees. The forecasts of financial results for the next fiscal year are as follows.

### Forecasts of financial results

	Current fiscal year (Actual result) (Millions of yen)	Next fiscal year (Forecast) (Millions of yen)	Change	
			Amount (Millions of yen)	Rate (%)
Consulting services	32,866	32,000	(866)	(2.6)
IT solution services	308,413	318,000	9,586	3.1
Sales	341,279	350,000	8,720	2.6
Operating profit	49,713	43,000	(6,713)	(13.5)
Ordinary profit	51,731	44,000	(7,731)	(14.9)
Net income	24,513	24,500	(13)	(0.1)
Cash dividends per share	(Yen) 52.00	(Yen) 52.00	—	—

### Forecasts of sales by sector

	Current fiscal year (Actual result) (Millions of yen)	Next fiscal year (Forecast) (Millions of yen)	Change	
			Amount (Millions of yen)	Rate (%)
Securities sector	132,460	126,000	(6,460)	(4.9)
Insurance sector	50,161	56,000	5,838	11.6
Banking sector	25,672	28,000	2,327	9.1
Other financial sector	28,621	29,000	378	1.3
Financial sector	236,915	239,000	2,084	0.9
Distribution sector	42,925	43,000	74	0.2
Other sector	61,438	68,000	6,561	10.7
Total sales	341,279	350,000	8,720	2.6

### Forecasts of capital investment, depreciation and amortization and R&D expenses

	Current fiscal year (Actual result) (Millions of yen)	Next fiscal year (Forecast) (Millions of yen)	Change	
			Amount (Millions of yen)	Rate (%)
Capital investment	70,083	35,000	(35,083)	(50.1)
Depreciation and amortization	20,763	36,000	15,236	73.4
R&D expenses	4,104	4,500	395	9.6

The business forecasts are based on information available to management at the present time and certain assumptions judged to be rational. As such, actual sales and profits may differ from this forecast due to uncertain factors present in the forecast or future changes in business circumstances. Also, forecasted cash dividends per share are based on the current business environment and forecasts of financial results.

## (2) Analysis Regarding Consolidated Financial Position

### Assets, liabilities and net assets

At the end of the current fiscal year (31st March, 2009), current assets were ¥122,572 million (down 35.8% from the end of the previous fiscal year), noncurrent assets were ¥231,915 million (up

35.2%), current liabilities were ¥70,026 million (down 6.4%), noncurrent liabilities were ¥78,994 million (down 1.6%), net assets were ¥205,466 million (down 0.9%) and total assets were ¥354,487 million (down 2.2%).

The main changes from the previous year are as follows.

Although accrued income increased, accounts receivable decreased and, as a result, accounts receivable and other receivables decreased. In addition, there was a decrease in accounts payable and accrued amount payable related to the capital investment of the previous fiscal year.

Software and other intangibles increased due to the acquisition of IT assets for provision of outsourcing services and the development of multi-user systems. Also, the Company purchased treasury stock as part of its flexible capital management aimed to improve capital efficiency and respond to the changes in the business environment. For the purpose of allocating funds for these purchases and other reasons, short-term investment securities (chiefly cash equivalents) decreased. Due to the fall in the market price of shares held by the NRI Group, unrealized gain on other securities decreased and translation adjustments decreased because of the continually strengthening yen. Although investment securities were impacted by the falls in market prices, they increased due to an increase in investments in bonds for fund management.

### Cash flow position

Net cash provided by operating activities in the current fiscal year was ¥46,180 million (up 45.2% compared with the previous fiscal year). The chief components of this increase were as follows. Income before income taxes was ¥44,181 million (down 7.9%), depreciation and amortization was ¥20,763 million (up 25.7%), there was a decrease in accounts receivable and other receivables of ¥2,759 million (compared with a cash outflow of ¥10,934 million in the previous fiscal year), and the income taxes paid were ¥22,669 million (down 5.6%).

Net cash used in investing activities was ¥70,994 million (up 48.1%). This was due to the acquisition of software and intangibles for the purchase of IT assets for the provision of outsourcing and the development of multi-user systems, the acquisition of property and equipment such as machinery and equipment at data centers, and the acquisition of investment securities for fund management.

Net cash used in financing activities was ¥22,414 million (down 4.8%) due to the acquisition of treasury stock and the payment of dividends.

As a result of the above, cash and cash equivalents at the end of the current fiscal year was ¥28,228 million (down 62.6% from the end of the previous fiscal year).

### Reference: Trends in cash flow-related indicators

	Fiscal year ended 31st March, 2005	Fiscal year ended 31st March, 2006	Fiscal year ended 31st March, 2007	Fiscal year ended 31st March, 2008	Fiscal year ended 31st March, 2009
Equity ratio (%)	73.0	67.1	58.1	57.0	57.7
Market value equity ratio (%)	141.8	208.3	190.1	143.1	84.0
Interest-bearing debt to operating cash flow ratio (years)	0.0	0.0	1.3	1.6	1.1
Interest coverage ratio (value to one)	128.3	7,172.0	29,608.2	—	3,521.4

Equity ratio: (Net assets - Minority interests - Share subscription rights) / Total assets

Market value equity ratio: Market capitalization / Total assets

Interest-bearing debt to operating cash flow ratio: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Paid interest

#### Notes:

1. All indicators are calculated using financial figures on a consolidated basis.
2. Market capitalization is calculated based on the number of shares in issue excluding treasury stock.
3. Interest-bearing debt, among liabilities recorded on the consolidated balance sheet, includes all liabilities on which interests are paid and corporate bonds with share subscription rights.

**(3) Basic policy regarding profit distribution, and dividend payments for current and next year**

**a. Policy for distribution of profits**

The Company considers the ongoing growth of its corporate value to be the most important return to its shareholders. Its basic policy for distribution of profits is to provide accurate and stable dividends while paying full consideration to the need for sufficient retained earnings for its long-term business development. The Company's actual decisions regarding standards are based on the operating revenue and cash flow situation, but it aims for a consolidated dividend payout ratio of 30%.

Retained earnings will be utilized as a source for business expansion, including facility investments for enhancing multi-user system services; expanding system management and operations services; cultivating new businesses and improving the productivity of system development; and investments in facilities, R&D, and human resource development for the purpose of quality improvement. Retained earnings may also be utilized to purchase treasury stock, as part of its flexible capital management aimed to improve capital efficiency and respond to the changes in the business environment.

With regard to the payment of dividends from retained earnings as stipulated in Paragraph 1, Article 459 of the Company Law, the Articles of Incorporation of the Company stipulates that such a decision shall be made by a resolution of the Board of Directors instead of a resolution taken at an Ordinary General Meeting of Shareholders, unless otherwise specified in laws and regulations.

**b. Payment of dividends from retained earnings**

The Company decided to pay cash dividends of 26 yen per share to shareholders on the record date of the end of fiscal 2008 (31st March, 2009). Combined with interim cash dividends paid in November 2008 (the record date of interim dividends was 30th September, 2008), the annual dividend payment will be 52 yen per share, for a consolidated dividend payout ratio of 41.3%.

The payments of dividends from retained earnings with record dates falling in the current fiscal year are listed below.

Date of Board resolution	Total cash dividends (Millions of yen)	Cash dividends per share (Yen)	Record date
24th October, 2008	5,057	26	30th September, 2008
15th May, 2009 (Planned)	5,057	26	31st March, 2009

**(4) Significant events on premise of going concern**

No items to report

**Consolidated Financial Statements**

**Nomura Research Institute, Ltd.**

*At 31st March, 2009 and 2008 and  
for the years ended 31st March, 2009, 2008 and 2007  
with Report of Independent Auditors*



Nomura Research Institute, Ltd.

Consolidated Financial Statements

31st March, 2009, 2008 and 2007

**Contents**

	Page
Report of Independent Auditors .....	1
Consolidated Balance Sheets .....	2
Consolidated Statements of Income .....	4
Consolidated Statements of Changes in Net Assets .....	5
Consolidated Statements of Cash Flows .....	6
Notes to the Consolidated Financial Statements .....	7

## Report of Independent Auditors

The Board of Directors and Shareholders  
Nomura Research Institute, Ltd.

We have audited the accompanying consolidated balance sheets of Nomura Research Institute, Ltd. and its consolidated subsidiaries as of 31st March, 2009 and 2008, and the related consolidated statements of income, changes in net assets, and cash flows for each of the three years ended 31st March, 2009, 2008 and 2007, all expressed in Japanese yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nomura Research Institute, Ltd. and its consolidated subsidiaries at 31st March, 2009 and 2008, and the consolidated results of their operations and their cash flows for each of the three years ended 31st March, 2009, 2008 and 2007, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended 31st March, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 to the consolidated financial statements.

*Ernst & Young ShinNihon LLC*

22nd June, 2009

Nomura Research Institute, Ltd.

Consolidated Balance Sheets

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 2)</i>
	<b>31st March,</b>		<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>
<b>Assets</b>			
Current assets:			
Cash and bank deposits ( <i>Note 11</i> )	¥ 20,308	¥ 17,710	\$ 206,738
Short-term investment securities ( <i>Notes 3 and 11</i> )	14,000	84,988	142,521
Accounts receivable and other receivables ( <i>Notes 5</i> )	77,654	79,423	790,532
Inventories	256	160	2,605
Deferred income taxes ( <i>Note 9</i> )	7,308	6,837	74,393
Other current assets	3,130	1,874	31,875
Allowance for doubtful accounts	(84)	(82)	(858)
Total current assets	122,572	190,910	1,247,806
Property and equipment ( <i>Note 6</i> ):			
Land	11,292	11,292	114,958
Buildings, net	29,429	29,929	299,598
Machinery and equipment, net	17,420	17,032	177,329
Leased assets, net ( <i>Note 13</i> )	134	–	1,361
Property and equipment, net	58,275	58,253	593,246
Software and other intangibles	74,887	30,258	762,360
Investment securities ( <i>Note 3</i> )	55,436	46,683	564,350
Investments in affiliates ( <i>Note 3</i> )	2,232	2,026	22,719
Deferred income taxes ( <i>Note 9</i> )	19,129	13,116	194,735
Long-term loans receivable	7,482	7,372	76,166
Investment in leased assets	747	–	7,610
Other assets ( <i>Note 7</i> )	13,845	13,831	140,952
Allowance for doubtful accounts	(117)	(1)	(1,193)
Total assets	¥354,488	¥362,448	\$3,608,751

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 2)</i>
	<b>31st March,</b>		<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>
<b>Liabilities and Net Assets</b>			
Current liabilities:			
Accounts payable	¥ 28,961	¥ 33,431	\$ 294,829
Lease obligations	656	–	6,676
Accrued expenses	16,525	16,629	168,228
Income taxes payable	13,397	12,526	136,384
Other current liabilities	10,487	12,193	106,763
Total current liabilities	70,026	74,779	712,880
Convertible bonds	49,997	49,997	508,979
Lease obligations	415	–	4,223
Long-term accrued expenses	2,938	4,512	29,913
Deferred income taxes (Note 9)	2	5	21
Allowance for employees' retirement benefits (Note 8)	25,643	25,791	261,043
Commitments and contingent liabilities (Note 18)			
Net assets (Notes 10 and 12):			
Shareholders' equity:			
Common stock:			
Authorized – 750,000,000 shares at 31st March, 2009 and 2008			
Issued – 225,000,000 shares at 31st March, 2009 and 2008	18,600	18,600	189,352
Additional paid-in capital	14,975	14,884	152,447
Retained earnings	240,061	225,780	2,443,867
Treasury stock, at cost:			
– 30,473,495 shares at 31st March, 2009 and 25,944,292 shares at 31st March, 2008	(72,753)	(61,161)	(740,644)
Total shareholders' equity	200,883	198,103	2,045,022
Valuation and translation adjustments:			
Unrealized gain on other securities (Note 3)	5,851	9,650	59,561
Translation adjustments	(2,159)	(997)	(21,973)
Total valuation and translation adjustments	3,692	8,653	37,588
Share subscription rights (Note 10)	892	608	9,082
Total net assets	205,467	207,364	2,091,692
Total liabilities and net assets	¥354,488	¥362,448	\$3,608,751

See accompanying notes to consolidated financial statements.

Nomura Research Institute, Ltd.

Consolidated Statements of Income

	<i>Millions of yen</i>			<i>Thousands of U.S. dollars (Note 2)</i>
	<b>Year ended 31st March,</b>			<b>Year ended 31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2009</b>
Sales	¥341,279	¥342,289	¥322,532	\$3,474,292
Cost of sales	240,854	238,537	234,579	2,451,944
Gross profit	100,425	103,752	87,953	1,022,348
Selling, general and administrative expenses ( <i>Notes 14 and 15</i> )	50,712	51,088	44,056	516,256
Operating profit	49,713	52,664	43,897	506,092
Other income (expenses):				
Interest and dividend income	1,861	2,588	1,556	18,946
Equity in earnings of affiliates	143	144	511	1,460
Interest expense	(13)	–	(1)	(134)
Impairment loss on software ( <i>Note 16</i> )	(3,050)	–	–	(31,053)
Gain (loss) on investment securities ( <i>Notes 3 and 16</i> )	(3,386)	2,037	2,074	(34,469)
Loss on investment in affiliates	(762)	–	–	(7,754)
Provision for transfer of the retirement benefit plan ( <i>Notes 8 and 16</i> )	–	(9,567)	–	–
Bond issuance cost	–	–	(60)	–
Office integration and relocation expenses ( <i>Note 16</i> )	–	–	(1,429)	–
Impact of applying lease accounting standards ( <i>Note 1</i> )	(352)	–	–	(3,583)
Other, net	27	122	196	271
Income before income taxes	44,181	47,988	46,744	449,776
Provision for income taxes ( <i>Note 9</i> ):				
Current	23,560	23,419	22,148	239,847
Deferred	(3,892)	(3,589)	(2,423)	(39,621)
Net income ( <i>Note 12</i> )	¥ 24,513	¥ 28,158	¥ 27,019	\$ 249,550

See accompanying notes to consolidated financial statements.

# Nomura Research Institute, Ltd.

## Consolidated Statements of Changes in Net Assets

*Millions of yen*

	Shareholders' equity				Valuation and translation adjustments					
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Unrealized gain on other securities	Translation adjustments	Total valuation and translation adjustments	Share subscription rights	Total net assets
<b>Balance at 31st March, 2006</b>	¥18,600	¥14,800	¥186,670	¥(48,133)	¥171,937	¥ 37,369	¥ (5)	¥ 37,364	¥ -	¥209,301
Purchases of treasury stock	-	-	-	(4)	(4)	-	-	-	-	(4)
Disposition of treasury stock	-	-	-	980	980	-	-	-	-	980
Net income	-	-	27,019	-	27,019	-	-	-	-	27,019
Cash dividends paid	-	-	(6,501)	-	(6,501)	-	-	-	-	(6,501)
Loss on disposition of treasury stock	-	-	(198)	-	(198)	-	-	-	-	(198)
Net changes other than in shareholders' equity	-	-	-	-	-	(15,175)	504	(14,671)	307	(14,364)
<b>Balance at 31st March, 2007</b>	18,600	14,800	206,990	(47,157)	193,233	22,194	499	22,693	307	216,233
Purchases of treasury stock	-	-	-	(15,001)	(15,001)	-	-	-	-	(15,001)
Disposition of treasury stock	-	-	-	997	997	-	-	-	-	997
Net income	-	-	28,158	-	28,158	-	-	-	-	28,158
Cash dividends paid	-	-	(9,368)	-	(9,368)	-	-	-	-	(9,368)
Gain on disposition of treasury stock	-	84	-	-	84	-	-	-	-	84
Net changes other than in shareholders' equity	-	-	-	-	-	(12,544)	(1,496)	(14,040)	301	(13,739)
<b>Balance at 31st March, 2008</b>	18,600	14,884	225,780	(61,161)	198,103	9,650	(997)	8,653	608	207,364
Purchases of treasury stock	-	-	-	(11,871)	(11,871)	-	-	-	-	(11,871)
Disposition of treasury stock	-	-	-	279	279	-	-	-	-	279
Net income	-	-	24,513	-	24,513	-	-	-	-	24,513
Cash dividends paid	-	-	(10,232)	-	(10,232)	-	-	-	-	(10,232)
Gain on disposition of treasury stock	-	91	-	-	91	-	-	-	-	91
Net changes other than in shareholders' equity	-	-	-	-	-	(3,799)	(1,162)	(4,961)	284	(4,677)
<b>Balance at 31st March, 2009</b>	¥18,600	¥14,975	¥240,061	¥(72,753)	¥200,883	¥ 5,851	¥(2,159)	¥ 3,692	¥892	¥205,467

*Thousands of U.S. dollars (Note 2)*

	Shareholders' equity				Valuation and translation adjustments					
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Unrealized gain on other securities	Translation adjustments	Total valuation and translation adjustments	Share subscription rights	Total net assets
<b>Balance at 31st March, 2008</b>	\$189,352	\$151,522	\$2,298,483	\$(622,631)	\$2,016,726	\$ 98,239	\$(10,150)	\$ 88,089	\$6,190	\$2,111,005
Purchases of treasury stock	-	-	-	(120,849)	(120,849)	-	-	-	-	(120,849)
Disposition of treasury stock	-	-	-	2,836	2,836	-	-	-	-	2,836
Net income	-	-	249,550	-	249,550	-	-	-	-	249,550
Cash dividends paid	-	-	(104,166)	-	(104,166)	-	-	-	-	(104,166)
Gain on disposition of treasury stock	-	925	-	-	925	-	-	-	-	925
Net changes other than in shareholders' equity	-	-	-	-	-	(38,678)	(11,823)	(50,501)	2,892	(47,609)
<b>Balance at 31st March, 2009</b>	\$189,352	\$152,447	\$2,443,867	\$(740,644)	\$2,045,022	\$ 59,561	\$(21,973)	\$ 37,588	\$9,082	\$2,091,692

See accompanying notes to consolidated financial statements.

Nomura Research Institute, Ltd.

Consolidated Statements of Cash Flows

	<i>Millions of yen</i>			<i>Thousands of U.S. dollars (Note 2)</i>
	<b>Year ended 31st March,</b>			<b>Year ended 31st March, 2009</b>
	<b>2009</b>	<b>2008</b>	<b>2007</b>	
<b>Cash flows from operating activities</b>				
Income before income taxes	¥ 44,181	¥ 47,988	¥ 46,744	\$ 449,776
Adjustments to reconcile income before income taxes to net cash provided by operating activities:				
Depreciation and amortization	20,763	16,517	19,796	211,371
Interest and dividend income	(1,861)	(2,588)	(1,556)	(18,946)
Interest expense	13	-	1	134
Impairment loss on software	3,050	-	-	31,053
Loss (gain) on investment securities	3,386	(2,037)	(2,074)	34,469
Loss on investments in affiliates	762	-	-	7,754
Changes in operating assets and liabilities:				
Accounts receivable and other receivables, net of advance payments received	2,759	(10,935)	(11,826)	28,087
Allowance for doubtful accounts	119	8	8	1,211
Accounts payable	(6,043)	174	3,786	(61,519)
Inventories	(96)	134	936	(977)
Allowance for employees' retirement benefits and welfare pension plan	(148)	2,439	37	(1,507)
Impact of applying lease accounting standards	352	-	-	3,583
Other	(367)	1,745	4,378	(3,740)
Subtotal	66,870	53,445	60,230	680,749
Interest and dividends received	1,994	2,381	1,644	20,299
Interest paid	(13)	-	(1)	(132)
Income taxes paid	(22,670)	(24,020)	(22,289)	(230,785)
Net cash provided by operating activities	46,181	31,806	39,584	470,131
<b>Cash flows from investing activities</b>				
Payments for time deposits	(6,874)	(7,202)	(7,641)	(69,979)
Proceeds from time deposits	6,930	6,579	7,203	70,549
Increase in short-term investment securities	(7,973)	(40,878)	(30,951)	(81,167)
Proceeds from sales and redemption of short-term investment securities	28,000	31,000	33,910	285,045
Acquisition of property and equipment	(14,105)	(21,381)	(11,686)	(143,592)
Proceeds from sales of property and equipment	-	132	285	-
Increase in software and other intangibles	(57,863)	(17,485)	(12,435)	(589,056)
Proceeds from sales of software and other intangibles	-	2	11	-
Increase in investment securities	(20,776)	(3,461)	(343)	(211,503)
Proceeds from sales and redemption of investment securities	2,251	4,665	8,673	22,916
Proceeds from sales of investments in subsidiaries	-	-	322	-
Increase in investments in affiliates	(616)	-	-	(6,271)
Proceeds from sales of investments in affiliates	-	-	1,256	-
Increase in long-term loans receivable	-	-	(7,246)	-
Other	32	103	62	326
Net cash (used in) provided by investing activities	(70,994)	(47,926)	(18,580)	(722,732)
<b>Cash flows from financing activities</b>				
Repayment of long-term debt	-	-	(240)	-
Repayment of obligation under finance leases	(389)	-	-	(3,960)
Proceeds from issuance of convertible bonds	-	-	50,000	-
Proceeds from sales of treasury stock	73	824	782	743
Purchases of treasury stock	(11,871)	(15,001)	(4)	(120,849)
Cash dividends paid	(10,228)	(9,360)	(6,497)	(104,123)
Net cash (used in) provided by financing activities	(22,415)	(23,537)	44,041	(228,189)
Effect of exchange rate changes on cash and cash equivalents	(68)	(672)	56	(692)
Net (decrease) increase in cash and cash equivalents	(47,296)	(40,329)	65,101	(481,482)
Cash and cash equivalents at beginning of year	75,525	115,854	50,753	768,859
Cash and cash equivalents at end of year (Note 11)	¥ 28,229	¥ 75,525	¥ 115,854	\$ 287,377

See accompanying notes to consolidated financial statements.

# Nomura Research Institute, Ltd.

## Notes to the Consolidated Financial Statements

31st March, 2009

### **1. Significant Accounting Policies**

#### *Description of Business*

Nomura Research Institute, Ltd. (the “Company”) is a leading provider in Japan of IT solutions services and consulting services. IT solutions services include the development, installation, operation and management of computer systems and networks, asset management analyses, and information services and sales of related products. Consulting services include conducting research on macroeconomic trends, providing management consulting advice, and rendering system consulting services and information services. Information on the Company’s operations by segment is included in Note 20.

#### *Basis of Presentation*

The accompanying consolidated financial statements of the Company and its consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Certain reclassifications have been made to present the accompanying consolidated financial statements in a format which is familiar to readers outside Japan.

#### *Basis of Consolidation*

The accompanying consolidated financial statements for the years ended 31st March, 2009, 2008 and 2007 include the accounts of the Company and any significant companies which are controlled directly or indirectly by the Company. All subsidiaries (16, 16 and 14 for the years ended 31st March, 2009, 2008 and 2007, respectively) have been consolidated. The major consolidated subsidiary is Nomura Research Institute America, Inc.

The Company’s investments in affiliated companies over which it has the ability to exercise significant influence are accounted for by the equity method, and, accordingly, the Company’s share of such affiliates’ income is included in consolidated income.

Investments in two affiliated companies, Nihon Clearing Services Co., Ltd., and MC NRI Global Solutions Inc., are accounted for by the equity method for the year ended 31st March, 2009. MC NRI Global Solutions Inc. is a new affiliated company established during the year ended 31st March, 2009.



## **1. Significant Accounting Policies (continued)**

### ***Basis of Consolidation (continued)***

During the year ended 31st March, 2009 the Company entered into two definitive agreements to sell all the shares of its wholly-owned subsidiary, NRI Learning Network, Ltd., to Canon Marketing Japan Inc. and all the shares of a second wholly-owned subsidiary, Insurance System & Technology, Ltd., to TOHO SYSTEM SCIENCE CO., LTD. These sales were completed in April, 2009.

NRI Network Communications, Ltd. and NRI WEBrandia, Ltd., both wholly-owned subsidiaries, agreed to merge during the year ended 31st March, 2009. This merger was completed in April 2009.

### ***Cash Equivalents***

Cash equivalents, as presented in the consolidated statements of cash flows, are defined as low-risk, highly liquid, short-term investments maturing within three months from their respective acquisition dates which are readily convertible into cash.

### ***Investment Securities***

The Company holds investment securities in its major shareholder, Nomura Holdings, Inc. The Company's investment in Nomura Holdings, Inc. is included in "Investments in affiliates."

The Company and its consolidated subsidiaries determine the appropriate classification of investment securities as either trading, held-to-maturity or other securities based on their holding objectives. Other securities include marketable securities and non-marketable securities.

Securities held for trading purposes are stated at market value and the cost of securities sold is determined by the moving average method.

Held-to-maturity debt securities are carried at amortized cost.

Marketable securities classified as other securities are stated at market value as of the balance sheet date and the cost of securities sold is determined by the moving average method. Unrealized gain or loss on marketable securities classified as other securities is included as a separate component of net assets, net of the applicable taxes. If the fair value of marketable securities classified as other securities declines significantly, such securities are written down to their respective fair value thus establishing a new cost basis and the amount of each write-down is charged to income as an impairment loss unless its fair value is deemed to be recoverable. The Company has established a policy for the recognition of impairment losses under the following conditions:

- i) All securities whose fair value has declined by more than 50%, and
- ii) Securities whose fair value has declined by more than 30% but less than 50% and for which a recovery to fair value is not deemed probable.

Non-marketable securities classified as other securities are stated at cost and the cost of securities sold is determined by the moving average method.

## **1. Significant Accounting Policies (continued)**

### ***Derivative Financial Instruments***

Derivative financial instruments are generally required to be stated at fair value. Interest-rate swaps meet the criteria for special hedge accounting under which interest on the swap agreements is accrued as incurred. Hedge accounting is utilized, although no evaluation of the effectiveness of the interest-rate swaps which meet the above conditions is undertaken, as permitted by the accounting standard for financial instruments.

### ***Inventories***

Inventories are stated at cost based on the identified cost method (in cases where profitability has declined, the book value is reduced accordingly).

### ***Depreciation of Property and Equipment (other than Leased Assets)***

Property and equipment is stated at cost. Depreciation is calculated principally by the declining-balance method over the estimated useful lives of the related assets. The Company and its domestic consolidated subsidiaries individually estimated the useful lives of a portion of their machinery and equipment by determining when the machinery and equipment can be judged to be significantly obsolete because of advancements in technology. Buildings (excluding structures attached to the buildings) acquired on or after 1st April, 1998 by the Company and its domestic consolidated subsidiaries are depreciated by the straight-line method over their respective estimated useful lives.

### ***Amortization of Software and Other Intangibles (other than Leased Assets)***

Development costs of computer software to be sold are amortized based on the estimated volume of sales or the estimated sales revenue with the minimum amortization amount calculated based on a useful life of three years. Software intended for use by the Company for the purpose of rendering customer services is being amortized over useful lives of up to five years.

Intangible assets other than computer software to be sold and software intended for internal use are amortized by the straight-line method over their respective estimated useful lives.

### ***Depreciation and Amortization of Leased Assets***

Leased tangible assets under finance lease transactions that do not transfer ownership are depreciated based on the declining balance method over the lease period. Leased intangible asset under finance lease transactions that do not transfer ownership are amortized based on the straight-line method over the lease period.

### ***Allowance for Doubtful Accounts***

The allowance for doubtful accounts has been provided based on the Company's and its consolidated subsidiaries' historical experience with respect to write-offs and an estimate of the amount of specific uncollectible accounts.

## **1. Significant Accounting Policies (continued)**

### ***Retirement and Severance Benefits for Employees***

The allowance for employees' retirement benefits has been provided on an accrual basis as of the balance sheet date based on an estimate of the projected benefit obligation and the employees' pension plan assets. The retirement benefit obligation at transition was fully expensed upon transition. Prior service cost is amortized by the straight-line method over a period which falls within the average remaining years of service (15 years) of the participants in the plan. Actuarial gain or loss is amortized by the straight-line method over a defined period not exceeding the average remaining period of employment (15 years) of the participants in the plan and is recognized as a pension cost.

### ***Revenue Recognition***

In principle, revenues arising from research, consulting projects and system development projects are recognized by the percentage-of-completion method and revenues from other projects are recognized when the related services have been rendered.

### ***Research and Development Expenses***

Research and development expenses are charged to selling, general and administrative expenses as incurred.

### ***Bond Issuance Cost***

Bond issuance cost is expensed upon payment.

### ***Appropriation of Capital Surplus and Retained Earnings***

Under the Corporation Law of Japan, the appropriation of capital surplus and retained earnings with respect to a given period is made by resolution of the shareholders at a general meeting or by resolution of the Board of Directors. Appropriations from capital surplus and retained earnings are reflected in the consolidated financial statements applicable to the period in which such resolutions are approved.

### ***Accounting Changes***

#### ***(Inventories)***

Effective the year ended 31st March, 2009, the "Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan (ASBJ) Statement No. 9 of 5th July, 2006) has been applied, and now inventories are stated at cost, based on the identified cost method, which evaluates the amount of the inventories shown on the balance sheet by writing them down based on their decrease in profitability. Previously, inventories were stated at cost, based on the identified cost method. The effects of adopting the new standard were immaterial.

## **1. Significant Accounting Policies (continued)**

### ***(Application of “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”)***

Effective the year ended 31st March, 2009, the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ PITF No. 18 of 17th May, 2006) has been applied. The effects of adopting the new standard were nil.

### ***(Application of Accounting Standard for Lease Transactions)***

Effective 1st April, 2008, the Company has adopted the new accounting standard “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16), originally issued by the Business Accounting Deliberation Council on 17th June, 1993 and by the Japanese Institute of Certified Public Accountants on 18th January, 1994, respectively, and both revised by the ASBJ on 30th March, 2007. Prior to adoption of the standard, the Company and its domestic consolidated subsidiaries accounted for finance lease transactions that do not transfer ownership as operating leases. Subsequent to the adoption of the standard, all finance leases are capitalized as assets.

As a result of this accounting change, operating profit increased by ¥175 million (\$1,782 thousand) and income before income taxes decreased by ¥189 million (\$1,924 thousand) for the year ended 31st March, 2009 from the corresponding amounts which would have been recorded under the previous method.

The effects of adopting the new standard on the segment information are discussed in the applicable section of these notes to the consolidated financial statements.

### ***(Application of “Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)”)***

Effective the year ended 31st March, 2009, the “Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)” (ASBJ Statement No. 19) has been applied. The effects of adopting the new standard were nil.

## **2. U.S. Dollar Amounts**

The Company maintains its books of account in yen. The U.S. dollar amounts included in the accompanying consolidated financial statements and the notes thereto represent the arithmetic results of translating yen into dollars at ¥98.23 = U.S.\$1.00, the rate of exchange prevailing on 31st March, 2009. The U.S. dollar amounts are included solely for the convenience of the reader and the translation is not intended to imply that the assets and liabilities which originated in yen have been or could be readily converted, realized or settled in U.S. dollars at the above or any other rate.

### 3. Investments

The Company did not hold any trading securities or held-to-maturity securities with determinable market value at 31st March, 2009 and 2008.

The following is a summary of the market value information concerning other securities included in short-term investment securities, investment securities and investments in affiliates at 31st March, 2009 and 2008:

#### a) Marketable securities classified as other securities

	<i>Millions of yen</i>					
	<b>Acquisition cost</b>		<b>Carrying amount</b>		<b>Unrealized gain (loss)</b>	
	<b>31st March,</b>		<b>31st March,</b>		<b>31st March,</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Equity securities	¥10,649	¥13,294	¥20,852	¥29,638	¥10,203	¥16,344
Debt securities:						
Government						
debt securities	3,000	7,992	3,001	7,992	1	–
Corporate debt						
securities	19,022	5,000	18,817	4,946	(205)	(54)
	22,022	12,992	21,818	12,938	(204)	(54)
Other	710	1,047	637	1,039	(73)	(8)
Total	¥33,381	¥27,333	¥43,307	¥43,615	¥ 9,926	¥16,282

	<i>Thousands of U.S. dollars</i>		
	<b>Acquisition cost</b>	<b>Carrying amount</b>	<b>Unrealized gain (loss)</b>
	<b>31st March, 2009</b>		
Equity securities	\$108,409	\$212,277	\$103,868
Debt securities:			
Government			
debt securities	30,541	30,551	10
Corporate debt			
securities	193,647	191,560	(2,087)
	224,188	222,111	(2,077)
Other	7,228	6,485	(743)
Total	\$339,825	\$440,873	\$101,048

Investment partnerships, which are valued at market value derived from their components, were included in other.

Proceeds from sales of marketable securities classified as other securities during the years ended 31st March, 2009, 2008 and 2007 were as follows:

	<i>Millions of yen</i>			<i>Thousands of U.S. dollars</i>
	<b>31st March,</b>			<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2009</b>
Proceeds	¥2,041	¥4,289	¥2,110	\$20,778
Gross gain	373	2,655	2,081	3,797
Gross loss	–	–	–	–

### 3. Investments (continued)

#### a) Marketable securities classified as other securities (continued)

Impairment loss on the marketable securities classified as other securities as a result of a permanent decline in value for the years ended 31st March, 2009, 2008 and 2007 was ¥4,286 million (\$43,632 thousand), ¥589 million and nil, respectively.

#### b) Non-marketable securities classified as other securities

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	<b>31st March,</b>		<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>
Other securities:			
Equity securities	¥14,624	¥14,550	\$148,875
Money management funds	-	4,586	-
Free financial funds	12,000	14,579	122,162
Cash reserve funds	-	10,954	-
Commercial paper	-	44,876	-

Investments in affiliates which are included in equity securities include investments in net assets of affiliated companies accounted for under the equity method totaling ¥1,248 million (\$12,705 thousand) and ¥536 million at 31st March, 2009 and 2008, respectively.

#### c) Maturities of debt securities

Maturities of debt securities classified as other securities at 31st March, 2009 and 2008 are summarized as follows:

	<i>Millions of yen</i>		
	<b>31st March, 2009</b>		
	<b>Debt securities</b>		
	<b>Government debt securities</b>	<b>Corporate debt securities</b>	<b>Other</b>
Due within one year	¥3,000	¥5,000	-
Due after one year through five years	-	11,000	-
	¥3,000	¥16,000	-

  

	<i>Millions of yen</i>		
	<b>31st March, 2008</b>		
	<b>Debt securities</b>		
	<b>Government debt securities</b>	<b>Corporate debt securities</b>	<b>Other</b>
Due within one year	¥8,000	¥2,000	¥44,931

### 3. Investments (continued)

#### c) Maturities of debt securities (continued)

	<i>Thousands of U.S. dollars</i>		
	<b>31st March, 2009</b>		
	<b>Debt securities</b>		
	<b>Government debt securities</b>	<b>Corporate debt securities</b>	<b>Other</b>
Due within one year	\$30,541	\$ 50,901	-
Due after one year through five years	-	111,982	-
	<u>\$30,541</u>	<u>\$162,883</u>	<u>-</u>

### 4. Derivatives

The Company had no open derivatives positions at 31st March, 2009 and 2008.

### 5. Accounts Receivable and Other Receivables

For projects which have not been completed as of the balance sheet date, the percentage-of-completion method is applied and the estimated revenue to be earned from each project has been included in accounts receivable and other receivables in the amounts of ¥21,246 million (\$216,288 thousand) and ¥18,258 million at 31st March, 2009 and 2008.

### 6. Property and Equipment

Property and equipment is summarized as follows:

	<i>Years</i>	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	<b>Useful Life</b>	<b>31st March,</b>		<b>31st March,</b>
		<b>2009</b>	<b>2008</b>	<b>2009</b>
Land		¥ 11,292	¥ 11,292	\$114,958
Buildings	15 – 50	59,077	56,528	601,411
Machinery and equipment	3 – 15	51,934	48,510	528,700
Leased assets		134	-	1,361
Accumulated depreciation		(64,162)	(58,077)	(653,184)
Property and equipment, net		<u>¥ 58,275</u>	<u>¥ 58,253</u>	<u>\$593,246</u>

## 7. Other Assets

Other assets consisted of the following:

	<i>Millions of yen</i>		<i>Thousands of</i>
	<b>31st March,</b>		<i>U.S. dollars</i>
	<b>2009</b>	<b>2008</b>	<b>31st March,</b>
			<b>2009</b>
Lease deposits	¥10,965	¥11,114	\$111,629
Other	2,880	2,717	29,323
Other assets	¥13,845	¥13,831	\$140,952

Other includes golf club memberships.

## 8. Retirement and Severance Benefits

The Company has a defined benefit pension plan, a lump-sum payment plan and a defined contribution pension plan. In addition to the plans, an extra retirement payment may be provided. On 1st April, 2008, the Company transferred its retirement annuity plan and a portion of the lump-sum payment plan to its defined contribution pension plan and the defined benefit pension plan, respectively. The Company also has an employee retirement benefit trust. Certain of the Company's domestic consolidated subsidiaries have defined benefit lump-sum payment plans and defined contribution pension plans.

The following table sets forth the funded and accrued status of the retirement and severance benefit plans and the amounts recognized in the accompanying consolidated balance sheets at 31st March, 2009 and 2008 for the Company's and its consolidated subsidiaries' defined benefit plans:

	<i>Millions of yen</i>		<i>Thousands of</i>
	<b>31st March,</b>		<i>U.S. dollars</i>
	<b>2009</b>	<b>2008 *</b>	<b>31st March,</b>
			<b>2009</b>
Retirement benefit obligation	¥(57,241)	¥(54,443)	\$(582,724)
Plan assets at fair value	27,304	30,390	277,960
Unfunded retirement benefit obligation	(29,937)	(24,053)	(304,764)
Unrecognized actuarial gain	7,020	1,183	71,469
Unrecognized prior service cost	(2,726)	(2,921)	(27,748)
Unfunded retirement benefit obligation recognized on the balance sheets	¥(25,643)	¥(25,791)	\$(261,043)

\* Above amount is after revision made to the pension plan as of 1st April, 2008.

Plan assets at fair value include those of the employee retirement benefit trust of ¥5,251 million (\$53,456 thousand) and ¥7,567 million at 31st March, 2009 and 2008, respectively.

The Company is in the process of transferring certain pension assets from its defined benefit pension plan to its defined contribution pension plan over a period of four years. The remaining pension asset balance of the defined pension plan as of 31st March, 2008 was included in accrued expenses and long-term accrued expenses.



## 8. Retirement and Severance Benefits (continued)

The amortization period of prior service gain is 15 years (amortized by the straight-line method over a period which falls within the average remaining years of service of the participants in the plan).

The amortization period of actuarial gain is 15 years (amortized by the straight-line method over periods which fall within the average remaining years of service of the participants in the plan from the fiscal year following the respective fiscal year of occurrence).

The components of retirement benefit expenses for the years ended 31st March, 2009, 2008 and 2007 are outlined as follows:

	<i>Millions of yen</i>			<i>Thousands of U.S. dollars</i>
	<b>31st March,</b>			<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2009</b>
Service cost	¥ 3,402	¥ 4,675	¥4,138	\$34,633
Interest cost	1,104	1,513	1,199	11,239
Expected return on plan assets	(342)	(702)	(639)	(3,482)
Recognized actuarial gain	(73)	(573)	(892)	(743)
Recognized prior service gain	(195)	-	-	(1,985)
Provision for transfer of the retirement benefit plan	-	9,567	-	-
Subtotal	3,896	14,480	3,806	39,662
Other	1,386	338	315	14,110
Total	¥ 5,282	¥14,818	¥4,121	\$53,772

Contributions to the defined contribution pension plan are included in “Other” in the table presented above.

The assumptions used in accounting for the above plans are summarized as follows:

	<b>31st March,</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
Discount rates at the end of the year	2.1%	2.1%	2.1%
Expected rate of return on plan assets	1.5%	1.5%	1.5%

## 9. Income Taxes

The significant components of deferred income tax assets and liabilities were as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	<b>31st March,</b>		<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>
Deferred income tax assets:			
Employees' retirement benefits	¥14,400	¥15,103	\$146,595
Depreciation	8,801	6,427	89,596
Accrued bonuses	4,856	4,663	49,435
Other	3,551	3,206	36,149
	<u>31,608</u>	<u>29,399</u>	<u>321,775</u>
Deferred income tax liabilities:			
Unrealized gain on other securities	(3,999)	(6,595)	(40,713)
Special tax-purpose reserve	(1,032)	(1,931)	(10,508)
Undistributed earnings of foreign subsidiaries	(140)	(920)	(1,426)
Other	(2)	(5)	(21)
	<u>(5,173)</u>	<u>(9,451)</u>	<u>(52,668)</u>
Deferred income tax assets, net	<u>¥26,435</u>	<u>¥19,948</u>	<u>\$269,107</u>

Income taxes applicable to the Company and its consolidated subsidiaries consisted of corporation, inhabitants' and enterprise taxes which, in the aggregate, resulted in a statutory tax rate of approximately 40.6 percent for the years ended 31st March, 2009, 2008 and 2007.

A reconciliation of the difference between the statutory income tax rate and the effective income tax rate after deferred tax effect in the consolidated statement of income for the year ended 31st March, 2009 was as follows:

	<u><b>31st March, 2009</b></u>
Statutory income tax rate	40.6%
Reconciliation:	
Non-taxable permanent differences such as dividends received	(0.5%)
Non-deductible permanent differences such as entertainment expenses	1.1%
Changes in valuation allowance on loss on investment securities and other temporary difference items	5.0%
Reversal of deferred tax liability due to the change in tax law on dividends received from foreign subsidiaries	(1.8%)
Others, net	0.1%
Effective income tax rate after deferred tax effect	<u>44.5%</u>

For the years ended 31st March, 2008 and 2007, such differences were immaterial in the consolidated statements of income.

## 10. Net Assets

The Corporation Law of Japan provides that an amount equal to at least 10% of the amount to be disbursed as distributions of capital surplus and retained earnings be appropriated to the legal reserve until the sum of the legal reserve and additional paid-in capital equals 25% of the common stock account. The legal reserve and the additional paid-in capital account are available for appropriation by resolution of the shareholders. In accordance with the Corporation Law, the Company provides a legal reserve which is included in retained earnings. This reserve amounted to ¥570 million (\$5,803 thousand) and ¥570 million at 31st March, 2009 and 2008, respectively.

The total number and periodic changes in the number of shares in issue and the total number and periodic changes in the number of shares of treasury stock for the year ended 31st March, 2009 are summarized as follows:

	31st March, 2009	
	Shares in issue	Treasury stock
Number of shares at beginning of year	225,000,000	25,944,292
Increase in number of shares	–	4,646,203
Decrease in number of shares	–	117,000
Number of shares at 31st March, 2009	<u>225,000,000</u>	<u>30,473,495</u>

\* The increase of 4,646,203 shares of treasury stock was due to stock repurchases from the open market, which resulted in an increase of 4,645,700 shares, and purchases of odd-lot shares, which resulted in an increase of 503 shares.

The decrease of 117,000 shares of treasury stock was due to the exercise of stock options.

Share subscription rights recorded in the accompanying consolidated balance sheets at 31st March, 2009 relate to the Company's stock option plans described in Note 19.

Unrealized gain on other securities was not available for the payment of cash dividends.

The following appropriations of cash dividends to shareholders of common stock were approved at meetings of the Board of Directors held on 13th May, 2008 and 24th October, 2008, and were paid to shareholders of record as of 31st March, 2008 and 30th September, 2008, respectively, during the year ended 31st March, 2009:

	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
Cash dividends approved on 13th May, 2008 (¥26.00 = U.S.\$0.26 per share)	¥5,175	\$52,687
Cash dividends approved on 24th October, 2008 (¥26.00 = U.S.\$0.26 per share)	5,057	51,488

## 11. Cash and Cash Equivalents

A reconciliation between cash and bank deposits in the accompanying consolidated balance sheets and cash and cash equivalents in the accompanying consolidated statements of cash flows at 31st March, 2009 and 2008 is as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	<b>31st March,</b>		<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>
Cash and bank deposits	¥ 20,308	¥ 17,710	\$ 206,738
Short-term investment securities maturing within three months from acquisition date	14,000	84,988	142,521
Time deposits with maturities of more than three months when deposited	(6,079)	(7,202)	(61,882)
Bonds and other investments maturing in more than three months from acquisition date	–	(19,971)	–
Cash and cash equivalents	<u>¥ 28,229</u>	<u>¥ 75,525</u>	<u>\$ 287,377</u>

There were no significant non-cash transactions for the years ended 31st March, 2009, 2008 and 2007.

NRI Garden Network, Ltd. was excluded from the scope of consolidation as a result of the sale of all its shares of common stock during the year ended 31st March, 2007. Components of assets and liabilities of NRI Garden Network, Ltd., the amount of the sale, and the proceeds from the sale are summarized as follows:

	<i>Millions of yen</i>
	<b>31st March,</b>
	<b>2007</b>
Current assets	¥ 579
Noncurrent assets	266
Current liabilities	(199)
Amount of the sale	<u>646</u>
Cash and cash equivalents of the subsidiary	<u>(323)</u>
Proceeds from the sale of the subsidiary	<u>¥ 323</u>

There were no such transactions for the years ended 31st March, 2009 and 2008.

## 12. Per Share Data

Per share data is summarized as follows:

	<i>Yen</i>			<i>U.S. dollars</i>
	<b>31st March,</b>			<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2009</b>
Earnings per share	¥125.54	¥138.52	¥664.77	\$1.28
Diluted earnings per share	118.29	130.70	650.95	1.20

	<i>Yen</i>		<i>U.S. dollars</i>
	<b>31st March,</b>		<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>
Net assets per share	¥1,051.65	¥1,038.68	\$ 10.71

The Company made a five-for-one stock split on 1st April, 2007. Per share information for the year ended 31st March, 2007 with the assumption that this stock split took place at the beginning of the year is summarized as follows:

	<i>Yen</i>
	<b>31st March, 2007</b>
Earnings per share	¥ 132.95
Diluted earnings per share	130.19
Net assets per share	¥1,060.84

The computation of earnings and net assets per share is based on the weighted-average number of shares of common stock outstanding during each year and the number of shares of common stock outstanding at each balance sheet date, respectively.

The computation of earnings per share and diluted earnings per share for the years ended 31st March, 2009, 2008 and 2007 is as follows:

	<i>Millions of yen</i>			<i>Thousands of U.S. dollars</i>
	<b>31st March,</b>			<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2009</b>
Numerator:				
Earnings	¥24,513	¥28,158	¥27,019	\$249,550
Earnings not available to common shareholders	—	—	—	—
Earnings available to common shareholders	¥24,513	¥28,158	¥27,019	\$249,550
Denominator:				
(Weighted-average number of shares of common stock):				
Denominator for earnings per share	195,265,802	203,281,201	40,644,174	195,265,802
Potentially dilutive shares of common stock	11,965,852	12,161,050	862,919	11,965,852
Denominator for diluted earnings per share	207,231,654	215,442,251	41,507,093	207,231,654

## 12. Per Share Data (continued)

The following potentially issuable shares of common stock would have an anti dilutive effect and thus have not been included in the diluted earnings per share calculation for the years ended 31st March, 2009, 2008 and 2007:

	<i>Yen</i>			<i>U.S. dollars</i>
	<b>31st March,</b>			<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2009</b>
a) Share subscription rights to 805 units issued on 27th June, 2002:				
Number of shares reserved for new shares issuable upon exercise of share subscription rights	–	325,000	65,000	–
Exercise price per share	–	¥3,583	¥17,913	–
Average share price for the exercise period	–	¥3,351.45	¥15,905.61	–
b) Share subscription rights to 78 units issued on 24th June, 2004:				
Number of shares reserved for new shares issuable upon exercise of share subscription rights	39,000	–	–	39,000
Exercise price per share	¥2,284	–	–	\$23.25
Average share price for the exercise period	¥2,049.55	–	–	\$20.86
c) Share subscription rights to 449 units issued on 1st July, 2005:				
Number of shares reserved for new shares issuable upon exercise of share subscription rights	224,500	–	–	224,500
Exercise price per share	¥2,319	–	–	\$23.61
Average share price for the exercise period	¥2,049.55	–	–	\$20.86

## 12. Per Share Data (continued)

	<i>Yen</i>			<i>U.S. dollars</i>
	<b>31st March,</b>			<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2009</b>
d) Share subscription rights to 785 units issued on 11th September, 2006:				
Number of shares reserved for new shares issuable upon exercise of share subscription rights	392,500	–	–	392,500
Exercise price per share	¥3,282	–	–	\$33.41
Average share price for the exercise period	¥2,049.55	–	–	\$20.86
e) Share subscription rights to 4,150 units issued on 10th July, 2007:				
Number of shares reserved for new shares issuable upon exercise of share subscription rights	415,000	415,000	–	415,000
Exercise price per share	¥3,680	¥3,680	–	\$37.46
Average share price for the exercise period	¥2,049.55	¥3,550.90	–	\$20.86
f) Share subscription rights to 4,175 units issued on 8th July, 2008:				
Number of shares reserved for new shares issuable upon exercise of share subscription rights	417,500	–	–	417,500
Exercise price per share	¥2,650	–	–	\$26.98
Average share price for the exercise period	¥ 1,865.36	–	–	\$18.99

## 12. Per Share Data (continued)

The computation of net assets per share at 31st March, 2009 and 2008 is summarized as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	<b>31st March,</b>		<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>
Numerator:			
Net assets	¥205,467	¥207,364	\$2,091,692
Less subscription rights to shares	(892)	(608)	(9,082)
Net assets related to shares of common stock	<u>¥204,575</u>	<u>¥206,756</u>	<u>\$2,082,610</u>
Denominator:			
Number of shares of common stock outstanding	194,526,505	199,055,708	194,526,505

## 13. Leases

Please refer to 1. Significant Accounting Policies for the accounting change on application of new accounting standard for lease transactions for the year ended 31st March, 2009.

### 1) As lessee

The Company leases mainly computers and related devices, some of which are classified as finance leases. Please refer to 1. Significant Accounting Policies for depreciation method applied to leased assets.

Future minimum lease payments for noncancelable operating leases at 31st March, 2009 and 2008 are summarized as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	<b>31st March,</b>		<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>
Future minimum lease payments:			
Due within one year	¥2,500	¥197	\$25,450
Thereafter	4,686	248	47,704
Total	<u>¥7,186</u>	<u>¥445</u>	<u>\$73,154</u>



### 13. Leases (continued)

#### 1) As lessee (continued)

Future minimum lease payments for finance leases accounted for as operating leases (accounting policy applied before the application of new accounting standard for lease transactions) at 31st March, 2008 are summarized as follows:

	<i>Millions of yen</i>
	<b>31st March, 2008</b>
Future minimum lease payments:	
Due within one year	¥ 936
Thereafter	1,038
Total	<u>¥1,974</u>

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets as of 31st March, 2008, which would have been reflected in the accompanying consolidated balance sheets if finance lease accounting had been applied to the finance leases accounted for as operating leases (accounting policy applied before the application of new accounting standard for lease transactions):

	<i>Millions of yen</i>		
	<b>31st March, 2008</b>		
	<b>Acquisition costs</b>	<b>Accumulated Depreciation</b>	<b>Net book value</b>
Machinery and equipment	¥1,509	¥990	¥519
Total	<u>¥1,509</u>	<u>¥990</u>	<u>¥519</u>

Lease payments, depreciation/amortization and interest expense for these finance leases for the years ended 31st March, 2008 and 2007 are summarized as follows (accounting policy applied before the application of new accounting standard for lease transactions):

	<i>Millions of yen</i>	
	<b>31st March,</b>	
	<b>2008</b>	<b>2007</b>
Lease payments	¥805	¥1,235
Depreciation/amortization	765	1,181
Interest expense	17	36

### 13. Leases (continued)

#### 2) As lessor

There were no finance lease transactions as lessor for the years ended 31st March, 2009, 2008 and 2007.

Future minimum lease payment to be received from operating leases as lessor at 31st March, 2009 and 2008 are summarized as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	<b>31st March, 2009</b>	<b>31st March, 2008</b>	<b>31st March, 2009</b>
Future minimum lease payments to be received:			
Due within one year	¥ 9,228	¥28	\$ 93,943
Thereafter	17,698	21	180,169
Total	<u>¥26,926</u>	<u>¥49</u>	<u>\$274,112</u>

Future minimum lease payment to be received from subleases as lessor accounted for as finance leases (accounting policy applied before the application of new accounting standard for lease transactions) as at 31st March, 2008 is summarized as follows:

	<i>Millions of yen</i>
	<b>31st March, 2008</b>
Future minimum lease payment to be received: *	
Due within one year	¥1,259
Thereafter	1,637
Total	<u>¥2,896</u>

\* The corresponding amounts of sublease income have been included in lessees' future minimum lease payments.

#### 14. Selling, General and Administrative Expenses

The details of selling, general and administrative expenses for the years ended 31st March, 2009, 2008 and 2007 are summarized as follows:

	<i>Millions of yen</i>			<i>Thousands of U.S. dollars</i>
	<b>31st March,</b>			<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2009</b>
Personnel expenses	¥26,198	¥24,573	¥21,778	\$266,701
Rent	4,429	4,068	3,582	45,088
Subcontractor costs	8,168	9,788	5,882	83,152
Other	11,917	12,659	12,814	121,315
Total	<u>¥50,712</u>	<u>¥51,088</u>	<u>¥44,056</u>	<u>\$516,256</u>

#### 15. Research and Development Expenses

Research and development expenses included in selling, general and administrative expenses for the years ended 31st March, 2009, 2008 and 2007 are summarized as follows:

	<i>Millions of yen</i>			<i>Thousands of U.S. dollars</i>
	<b>31st March,</b>			<b>31st March,</b>
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2009</b>
Research and development expenses	¥4,104	¥4,916	¥2,865	\$41,779

#### 16. Other Income (Expenses)

##### 1) Gain (loss) on investment securities

Loss on investment securities for the year ended 31st March, 2009 consisted of gain on investment securities of ¥373 million (\$3,798 thousand) and loss on investment securities of ¥3,759 million (\$38,267 thousand). Gain on investment securities for the year ended 31st March, 2009 consisted principally of gain on the sales of shares of Mitsubishi UFJ Financial Group, Inc. Loss on investment securities consisted principally of impairment loss on Seven & i Holdings Co., Ltd. as a result of the impairment having been deemed other than temporary.

Gain on investment securities for the year ended 31st March, 2008 consisted of gain on investment securities of ¥2,655 million and loss on investment securities of ¥618 million. Gain on investment securities for the year ended 31st March, 2008 consisted principally of gain on the sales of shares of Seven Bank, Ltd., Argo 21 Corporation and NET MARKS, INC. Loss on investment securities consisted principally of impairment loss on AIZAWA SECURITIES CO., LTD. as a result of the impairment having been deemed other than temporary.

## 16. Other Income (Expenses)

### 1) Gain (loss) on investment securities (continued)

Gain on investment securities for the year ended 31st March, 2007 consisted of gain on investment securities of ¥2,081 million and loss on investment securities of ¥7 million. Gain on investment securities consisted principally of gain on the sale of shares of NIWS Co. HQ, Ltd. Loss on investment securities consisted principally of impairment loss on Nippon BS Broadcasting Corporation as a result of the impairment having been deemed other than temporary.

### 2) Loss on investments in affiliates

Loss on investments in affiliates for the year ended 31st March, 2009 consisted of gain on investments in affiliates of ¥252 million (\$2,569 thousand) and loss on investments in affiliates of ¥1,014 million (\$10,323 thousand). Gain on investments in affiliates consisted principally of gain on sales of investments in Insurance System & Technology, Ltd. Loss on investments in affiliates consisted principally of loss on sales of investments in NRI Learning Network, Ltd. and impairment loss on investments in Nomura Holdings, Inc..

### 3) Impairment loss on software

Due to a rapid change in the business environment because of the money market crisis, the Company recorded impairment loss on software, which is used for financial service businesses, in the consolidated statement of income for the year ended 31st March, 2009.

### 4) Office integration and relocation expenses

Office integration and relocation expenses for the year ended 31st March, 2007 arose primarily from the integration of certain offices and the relocation to Kiba Center.

### 5) Accrued expense for transfer of the retirement benefit plan

Accrued expense for transfer of the retirement benefit plan for the year ended 31st March, 2008 arose due to a revision made to the retirement benefit plan.

## 17. Related Party Transactions

Related party transactions for the years ended 31st March, 2009, 2008 and 2007 and the respective balances at 31st March, 2009 and 2008 were as follows:

### 1) Transactions

Related party	Nature of transaction	Millions of yen			Thousands of U.S. dollars
		31st March,			31st March,
		2009	2008	2007	2009
a) Major shareholder:					
Nomura Holdings, Inc.	Sales	¥74,070	¥84,413	¥88,508	\$754,047
	Purchase of back office operation information system hardware and software for retail domestic securities *1	38,419	–	–	391,113
b) Major shareholder's subsidiaries:					
Nomura Securities Co., Ltd.	Sales of investment securities	–	–	2,101	–
	Gain on above sales	–	–	2,074	–
	Receipt of payment for convertible bonds	–	–	50,000	–
	Underwriting commission of convertible bonds	–	–	1,250	–
	Purchase of back office operation information system hardware and software for retail domestic securities *2	*2	–	–	*2
Nomura Trust and Banking Co., Ltd.	Money held in trust related to acquisition of treasury stock	15,010	15,010	–	152,805
	Charges for acquisition of treasury stock	8	5	–	81
c) Directors and principal private shareholders, etc:					
Ken Ohno (Director of the Company and a subsidiary)	Grant of stock options *3	–	15	13	–

\*1 Based on an agreement between Nomura Holdings Inc., Nomura Securities Co., Ltd. and the Company, the Company purchased from the two parties certain hardware and software assets as a single package. The terms and conditions of the agreement were determined through discussions among the three parties based on an objective appraisal the value of the package as a whole. As per the agreement, the amount shown above is the total acquisition cost that the Company has paid to the two parties.

\*2 The transition is the same as \*1 presented above.

\*3 These stock options were granted to Mr. Ken Ohno for his position as a director of a subsidiary (which he resigned on 31st August, 2007), and valued based on the fair value of the stock options.

## 17. Related Party Transactions (continued)

### 2) Balances

Related party	Nature of transaction	Millions of yen		Thousands of
		31st March,		U.S. dollars
		2009	2008	31st March, 2009
a) Major shareholder: Nomura Holdings, Inc.	Accounts receivable and other receivables	¥10,919	¥14,262	\$111,157
b) Directors and principal private shareholders, etc: Ken Ohno (Director of the Company and a subsidiary)	Grant of stock options*	–	11	–

\* These stock options were granted to Mr. Ken Ohno for his position as a director of a subsidiary (which he resigned on 31st August, 2007), and valued based on the fair value of the stock options.

## 18. Contingent Liabilities

There were no material contingent liabilities at 31st March, 2009 and 2008.

## 19. Stock Option Plans

The Company issued the following share subscription rights for the purchase of new shares of common stock in accordance with the former Commercial Code of Japan or the Corporation Law of Japan.

For stock options issued on and after 1st May, 2006, compensation costs are valued based on the fair value of the stock options and recognized in the statements of income in accordance with “Accounting Standard for Share-based Payments” (ASBJ Statement No. 8) and “Guidance on Accounting Standard for Shared-based Payments” (ASBJ Guidance No. 11).

For the years ended 31st March, 2009 and 2008, the Company recognized and allocated share-based compensation cost as follows:

	Millions of yen		Thousands of
	2009		U.S. dollars
	2009	2008	2009
Cost of sales	¥281	¥282	\$2,861
Selling, general and administrative expenses	299	274	3,044
	¥580	¥556	\$5,905

## 19. Stock Option Plans (continued)

A description of each stock option plan as of 31st March, 2009 is summarized as follows:

	<b><u>2nd stock option plan</u></b>	<b><u>3rd stock option plan</u></b>	<b><u>4th stock option plan</u></b>
Grantee categories and numbers of grantees	33 directors or managing officers of the Company, and 11 directors of its domestic subsidiaries	34 directors, managing officers or employees of the Company, and 12 directors of its domestic subsidiaries	32 directors, managing officers or employees of the Company, and 12 directors of its domestic subsidiaries
Number of shares reserved	415,000	422,500	407,500
Grant date	12th August, 2003	24th June, 2004	1st July, 2005
Vesting conditions	No vesting conditions	No vesting conditions	No vesting conditions
Service period	Not prescribed	Not prescribed	Not prescribed
Exercisable period	1st July, 2005 to 30th June, 2008	1st July, 2006 to 30th June, 2009	1st July, 2007 to 30th June, 2010
	<b><u>6th stock option plan</u></b>	<b><u>7th stock option plan</u></b>	<b><u>8th stock option plan</u></b>
Grantee categories and numbers of grantees	36 directors or managing officers of the Company, and 6 directors of its domestic subsidiaries	40 directors, managing officers or employees of the Company, and 6 directors of its domestic subsidiaries	37 directors, managing officers or employees of the Company, and 6 directors of its domestic subsidiaries
Number of shares reserved	400,000	94,500	422,500
Grant date	11th September, 2006	11th September, 2006	10th July, 2007
Vesting conditions	No vesting conditions	No vesting conditions	No vesting conditions
Service period	Not prescribed	Not prescribed	Not prescribed
Exercisable period	1st July, 2009 to 30th June, 2013	1st July, 2007 to 30th June, 2008	1st July, 2010 to 30th June, 2014
	<b><u>9th stock option plan</u></b>	<b><u>10th stock option plan</u></b>	<b><u>11th stock option plan</u></b>
Grantee categories and numbers of grantees	40 directors, managing officers or employees of the Company, and 6 directors of its domestic subsidiaries	36 directors or managing officers of the Company, and 6 directors of its domestic subsidiaries	39 directors, managing officers or employees of the Company, and 6 directors of its domestic subsidiaries
Number of shares reserved	96,500	417,500	95,500
Grant date	10th July, 2007	8th July, 2008	8th July, 2008
Vesting conditions	No vesting conditions	No vesting conditions	No vesting conditions
Service period	Not prescribed	Not prescribed	Not prescribed
Exercisable period	1st July, 2008 to 30th June, 2009	1st July, 2011 to 30th June, 2015	1st July, 2009 to 30th June, 2010

## 19. Stock Option Plans (continued)

A description of each stock option plan as of 31st March, 2008 is summarized as follows:

	<b><u>1st stock option plan</u></b>	<b><u>2nd stock option plan</u></b>	<b><u>3rd stock option plan</u></b>
Grantee categories and numbers of grantees	31 directors or managing officers of the Company, and 12 directors of its domestic subsidiaries	33 directors or managing officers of the Company, and 11 directors of its domestic subsidiaries	34 directors, managing officers or employees of the Company, and 12 directors of its domestic subsidiaries
Number of shares reserved	402,500	415,000	422,500
Grant date	27th June, 2002	12th August, 2003	24th June, 2004
Vesting conditions	No vesting conditions	No vesting conditions	No vesting conditions
Service period	Not prescribed	Not prescribed	Not prescribed
Exercisable period	1st July, 2004 to 30th June, 2007	1st July, 2005 to 30th June, 2008	1st July, 2006 to 30th June, 2009
	<b><u>4th stock option plan</u></b>	<b><u>5th stock option plan</u></b>	<b><u>6th stock option plan</u></b>
Grantee categories and numbers of grantees	32 directors, managing officers or employees of the Company, and 12 directors of its domestic subsidiaries	36 directors, managing officers or employees of the Company, and 12 directors of its domestic subsidiaries	36 directors or managing officers of the Company, and 6 directors of its domestic subsidiaries
Number of shares reserved	407,500	95,500	400,000
Grant date	1st July, 2005	1st July, 2005	11th September, 2006
Vesting conditions	No vesting conditions	No vesting conditions	No vesting conditions
Service period	Not prescribed	Not prescribed	Not prescribed
Exercisable period	1st July, 2007 to 30th June, 2010	1st July, 2006 to 30th June, 2007	1st July, 2009 to 30th June, 2013
	<b><u>7th stock option plan</u></b>	<b><u>8th stock option plan</u></b>	<b><u>9th stock option plan</u></b>
Grantee categories and numbers of grantees	40 directors, managing officers or employees of the Company, and 6 directors of its domestic subsidiaries	37 directors, managing officers or employees of the Company, and 6 directors of its domestic subsidiaries	40 directors, managing officers or employees of the Company, and 6 directors of its domestic subsidiaries
Number of shares reserved	94,500	422,500	96,500
Grant date	11th September, 2006	10th July, 2007	10th July, 2007
Vesting conditions	No vesting conditions	No vesting conditions	No vesting conditions
Service period	Not prescribed	Not prescribed	Not prescribed
Exercisable period	1st July, 2007 to 30th June, 2008	1st July, 2010 to 30th June, 2014	1st July, 2008 to 30th June, 2009

The Company made a five-for-one stock split on 1st April, 2007.



## 19. Stock Option Plans (continued)

The following table summarizes options activity under the stock option plans referred to above during the year ended 31st March, 2009:

	<u>2nd stock option plan</u>	<u>3rd stock option plan</u>	<u>4th stock option plan</u>	<u>6th stock option plan</u>	<u>7th stock option plan</u>	<u>8th stock option plan</u>	<u>9th stock option plan</u>
Non-vested:							
Beginning of the year	–	–	–	400,000	–	422,500	96,500
Granted	–	–	–	–	–	–	–
Forfeited	–	–	–	–	–	–	–
Vested	–	–	–	–	–	–	96,500
End of the year	–	–	–	400,000	–	422,500	–
Vested:							
Beginning of the year	22,500	42,000	240,000	–	13,500	–	–
Vested	–	–	–	–	–	–	96,500
Exercised	(15,000)	(3,000)	(15,500)	–	(13,500)	–	(70,000)
Forfeited	(7,500)	–	–	–	–	–	–
End of the year	–	39,000	224,500	–	–	–	26,500
	<u>10th stock option plan</u>	<u>11th stock option plan</u>					
Non-vested:							
Beginning of the year	–	–					
Granted	417,500	95,500					
Forfeited	–	–					
Vested	–	–					
End of the year	417,500	95,500					
Vested:							
Beginning of the year	–	–					
Vested	–	–					
Exercised	–	–					
Forfeited	–	–					
End of the year	–	–					

As none of the stock option plans have vesting conditions, the numbers of vested options in the above table represent the numbers of options which became exercisable.

## 19. Stock Option Plans (continued)

The following table summarizes options activity under the stock option plans referred to above during the year ended 31st March, 2008:

	<u>1st stock option plan</u>	<u>2nd stock option plan</u>	<u>3rd stock option plan</u>	<u>4th stock option plan</u>	<u>5th stock option plan</u>	<u>6th stock option plan</u>	<u>7th stock option plan</u>
Non-vested:							
Beginning of the year	340,000	–	–	407,500	–	400,000	94,500
Granted	–	–	–	–	–	–	–
Forfeited	–	–	–	–	–	–	–
Vested	(340,000)	–	–	(407,500)	–	–	(94,500)
End of the year	–	–	–	–	–	400,000	–
Vested:							
Beginning of the year	–	81,000	181,000	–	7,000	–	–
Vested	340,000	–	–	407,500	–	–	94,500
Exercised	–	(58,500)	(139,000)	(167,500)	(7,000)	–	(81,000)
Forfeited	(340,000)	–	–	–	–	–	–
End of the year	–	22,500	42,000	240,000	–	–	13,500
	<u>8th stock option plan</u>	<u>9th stock option plan</u>					
Non-vested:							
Beginning of the year	–	–					
Granted	422,500	96,500					
Forfeited	–	–					
Vested	–	–					
End of the year	422,500	96,500					
Vested:							
Beginning of the year	–	–					
Vested	–	–					
Exercised	–	–					
Forfeited	–	–					
End of the year	–	–					

As none of the stock option plans have vesting conditions, the numbers of vested options in the above table represent the numbers of options which became exercisable.

Beginning of the year figure has been modified based on the five-for-one stock split on 1st April, 2007.

## 19. Stock Option Plans (continued)

Price information per option for each stock option plan as of 31st March, 2009 is summarized as follows:

	<i>Yen</i>								
	<u>2nd stock option plan</u>	<u>3rd stock option plan</u>	<u>4th stock option plan</u>	<u>6th stock option plan</u>	<u>7th stock option plan</u>	<u>8th stock option plan</u>	<u>9th stock option plan</u>	<u>10th stock option plan</u>	<u>11th stock option plan</u>
Exercise price	¥2,018	¥2,284	¥2,319	¥3,282	¥ 1	¥3,680	¥ 1	¥2,650	¥ 1
Average price on exercise	2,705	2,380	2,466	–	2,479	–	2,096	–	–
Fair value on grant date	–	–	–	4,322	15,733	1,030	3,619	631	2,572

  

	<i>U.S. dollars</i>								
	<u>2nd stock option plan</u>	<u>3rd stock option plan</u>	<u>4th stock option plan</u>	<u>6th stock option plan</u>	<u>7th stock option plan</u>	<u>8th stock option plan</u>	<u>9th stock option plan</u>	<u>10th stock option plan</u>	<u>11th stock option plan</u>
Exercise price	\$20.54	\$23.25	\$23.61	\$33.41	\$ 0.01	\$37.46	\$ 0.01	\$26.98	\$ 0.01
Average price on exercise	27.54	24.23	25.10	–	25.24	–	21.34	–	–
Fair value on grant date	–	–	–	44.00	160.16	10.49	36.84	6.42	26.18

Price information per option for each stock option plan as of 31st March, 2008 is summarized as follows:

	<i>Yen</i>								
	<u>1st stock option plan</u>	<u>2nd stock option plan</u>	<u>3rd stock option plan</u>	<u>4th stock option plan</u>	<u>5th stock option plan</u>	<u>6th stock option plan</u>	<u>7th stock option plan</u>	<u>8th stock option plan</u>	<u>9th stock option plan</u>
Exercise price	¥3,583	¥2,018	¥2,284	¥2,319	¥ 1	¥3,282	¥ 1	¥3,680	¥ 1
Average price on exercise	–	3,542	3,314	3,467	3,312	–	3,583	–	–
Fair value on grant date	–	–	–	–	–	4,322	15,733	1,030	3,619

The Company made a five-for-one stock split on 1st April, 2007

To reflect the split that was completed on 1st April, 2007, the respective exercise prices of the stock option plans which were issued before the stock split were adjusted as follows:

	<i>Yen</i>	<i>U.S. dollars</i>
	<u>After adjustment</u>	<u>After adjustment</u>
2nd stock option plan	¥2,018	\$20.54
3rd stock option plan	2,284	23.25
4th stock option plan	2,319	23.61
6th stock option plan	3,282	33.41

Adjustments of exercise prices for the 1st, 5th and 7th stock option plans were not required.

## 19. Stock Option Plans (continued)

Fair value as of the grant date for stock options which were issued during the year ended 31st March, 2009 was estimated using the Black-Scholes option pricing model with the following assumptions:

	<u>10th stock option plan</u>	<u>11th stock option plan</u>
Expected volatility *1	31.5%	36.5%
Expected remaining period *2	5 years	1 year and six months
Expected dividend yield *3	¥52 per share	¥52 per share
Risk-free interest rate *4	1.290%	0.805%

\*1 Expected volatility is estimated based on the actual stock price in the period from July 2003 to July 2008 for the 10th stock option plan, and in the period from January 2007 to July 2008 for the 11th stock option plan.

\*2 As it is difficult to estimate the expected remaining period in a reasonable manner, it is determined to be the period from the grant date to the mid-point of the exercisable period.

\*3 Expected dividend yield is the expected annual dividend amount for the year ended 31st March, 2009 as of the date of the grant.

\*4 Risk-free interest rate represents the interest rate of governmental bonds whose remaining period corresponds to the expected remaining period of stock options.

Because it is difficult to estimate the forfeited number of stock options for future periods, estimation of the vested number is based upon actual forfeitures in prior periods.

Fair value as of the grant date for stock options which were issued during the year ended 31st March, 2008 was estimated using the Black-Scholes option pricing model with the following assumptions:

	<u>8th stock option plan</u>	<u>9th stock option plan</u>
Expected volatility *1	33.0%	28.9%
Expected remaining period *2	5 years	1 year and six months
Expected dividend yield *3	¥40 per share	¥40 per share
Risk-free interest rate *4	1.548%	0.968%

\*1 Expected volatility is estimated based on the actual stock price in the period from July 2002 to July 2007 for the 8th stock option plan, and in the period from January 2006 to July 2007 for the 9th stock option plan.

\*2 As it is difficult to estimate the expected remaining period in a reasonable manner, it is determined to be the period from the grant date to the mid-point of the exercisable period.

\*3 Expected dividend yield is the expected annual dividend amount for the year ended 31st March, 2008 as of the date of the grant.

\*4 Risk-free interest rate represents the interest rate of governmental bonds whose remaining period corresponds to the expected remaining period of stock options.

Because it is difficult to estimate the forfeited number of stock options for future periods, estimation of the vested number is based upon actual forfeitures in prior periods.

## 20. Segment Information

### Business segments

Business segment information of the Company and its consolidated subsidiaries for the years ended 31st March, 2009, 2008 and 2007 is summarized as follows:

<i>Millions of yen</i>					
<b>Year ended 31st March, 2009</b>					
	<b>Consulting services</b>	<b>IT solutions services</b>	<b>Total</b>	<b>Eliminations and corporate</b>	<b>Consolidated</b>
I. Sales and operating profit					
Sales to external customers	¥ 32,866	¥ 308,413	¥ 341,279	¥ –	¥ 341,279
Intersegment sales or transfers	528	943	1,471	(1,471)	–
Total sales	33,394	309,356	342,750	(1,471)	341,279
Operating expenses	29,268	263,769	293,037	(1,471)	291,566
Operating profit	¥ 4,126	¥ 45,587	¥ 49,713	¥ –	¥ 49,713
II. Total assets, depreciation and amortization and capital expenditures					
Total assets	¥ 18,980	¥241,317	¥ 260,297	¥ 94,191	¥ 354,488
Depreciation and amortization	491	20,272	20,763	–	20,763
Capital expenditures	356	69,727	70,083	–	70,083

<i>Millions of yen</i>					
<b>Year ended 31st March, 2008</b>					
	<b>Consulting services</b>	<b>IT solutions services</b>	<b>Total</b>	<b>Eliminations and corporate</b>	<b>Consolidated</b>
I. Sales and operating profit					
Sales to external customers	¥ 30,333	¥ 311,956	¥ 342,289	¥ –	¥ 342,289
Intersegment sales or transfers	394	1,025	1,419	(1,419)	–
Total sales	30,727	312,981	343,708	(1,419)	342,289
Operating expenses	26,588	264,456	291,044	(1,419)	289,625
Operating profit	¥ 4,139	¥ 48,525	¥ 52,664	¥ –	¥ 52,664
II. Total assets, depreciation and amortization and capital expenditures					
Total assets	¥ 19,500	¥ 186,593	¥ 206,093	¥ 156,355	¥ 362,448
Depreciation and amortization	389	16,128	16,517	–	16,517
Capital expenditures	584	35,854	36,438	–	36,438

<i>Millions of yen</i>					
<b>Year ended 31st March, 2007</b>					
	<b>System solutions services</b>	<b>Consulting/ knowledge services</b>	<b>Total</b>	<b>Eliminations and corporate</b>	<b>Consolidated</b>
I. Sales and operating profit					
Sales to external customers	¥ 29,870	¥ 292,662	¥ 322,532	¥ –	¥322,532
Intersegment sales or transfers	267	1,389	1,656	(1,656)	–
Total sales	30,137	294,051	324,188	(1,656)	322,532
Operating expenses	25,693	254,598	280,291	(1,656)	278,635
Operating profit	¥ 4,444	¥ 39,453	¥ 43,897	¥ –	¥ 43,897
II. Total assets, depreciation and amortization and capital expenditures					
Total assets	¥ 17,024	¥ 148,945	¥ 165,969	¥ 205,489	¥ 371,458
Depreciation and amortization	257	19,539	19,796	–	19,796
Capital expenditures	820	29,083	29,903	–	29,903

## 20. Segment Information (continued)

### *Business segments (continued)*

<i>Thousands of U.S. dollars</i>					
<b>Year ended 31st March, 2009</b>					
	<b>Consulting services</b>	<b>IT solutions services</b>	<b>Total</b>	<b>Eliminations and corporate</b>	<b>Consoli- dated</b>
I. Sales and operating profit					
Sales to external customers	\$ 334,586	\$3,139,706	\$3,474,292	\$ –	\$3,474,292
Intersegment sales or transfers	5,375	9,600	14,975	(14,975)	–
Total sales	339,961	3,149,306	3,489,267	(14,975)	3,474,292
Operating expenses	297,954	2,685,218	2,983,172	(14,975)	2,968,200
Operating profit	<u>\$ 42,007</u>	<u>\$ 464,088</u>	<u>\$ 506,095</u>	<u>\$ –</u>	<u>\$ 506,092</u>
II. Total assets, depreciation and amortization and capital expenditures					
Total assets	\$ 193,220	\$2,456,653	\$2,649,873	\$ 958,878	\$3,608,751
Depreciation and amortization	4,998	206,373	211,371	–	211,371
Capital expenditures	3,624	709,834	713,458	–	713,458

Effective 1st April, 2008, the Company and its domestic consolidated subsidiaries have applied the new accounting standard “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16), originally issued by the Business Accounting Deliberation Council on 17th June, 1993 and by the Japanese Institute of Certified Public Accountants on 18th January, 1994, respectively, and both revised by the ASBJ on 30th March, 2007. As a result of this accounting change, operating profit in the IT solutions services segment for the year ended 31st March, 2009 increased by ¥175 million (\$1,782 thousand) from the corresponding amount which would have been recorded under the previous method.

Effective 1st April, 2007, the Company and its domestic consolidated subsidiaries have changed their depreciation method of property and equipment acquired on or after 1st April, 2007 pursuant to the revision of the Corporation Tax Law. As a result of this change, operating expenses in the consulting services segment and IT solutions services segment for the year ended 31st March, 2008 increased by ¥16 million and ¥487 million, respectively, and operating profit for these segments decreased by the same amounts compared with the corresponding amounts which would have been recorded under the previous method.

Effective 1st April, 2007, the Company and its domestic consolidated subsidiaries depreciate the residual value of property and equipment acquired prior to 1st April, 2007, to their respective memorandum value over a period of five years by the straight-line method, pursuant to the revision of the Corporation Tax Law. As a result of this change, operating expenses in the consulting services segment and IT solutions services segment for the year ended 31st March, 2008 increased by ¥4 million and ¥136 million, respectively, and operating profit for these segments decreased by the same amounts compared with the corresponding amounts which would have been recorded under the previous method.

### *Geographical segments*

Because sales and assets in the domestic segment constituted more than 90% of total sales and assets for the years ended 31st March, 2009, 2008 and 2007, geographical segment information has not been presented.

## 20. Segment Information (continued)

### *Overseas sales*

Because overseas sales constituted less than 10% of consolidated sales for the years ended 31st March, 2009, 2008 and 2007, no disclosure of overseas sales has been made.

## 21. Business Combinations

During the year ended 31st March, 2007, the Company merged with its wholly-owned subsidiary, NRI Data Services, Ltd., which was engaged in operating and monitoring information systems and also provided telecommunication system services. This business combination was implemented in order to enhance the Company's management efficiency, contribute to the competitiveness of the Group, strengthen integrated management and enable the Company to respond promptly to its customers' needs. As a result of this transaction, NRI Data Services, Ltd. was discontinued and its business operations were absorbed into the Company. There were no new share issuances nor was there any increase in capital relating to this merger.

In addition, during the year ended 31st March, 2007, Nomura Research Institute America, Inc., a wholly-owned subsidiary of the Company engaged in research investigation, and development and operation of IT systems, merged with NRI Holding America Inc., NRI Pacific, Inc. and NRI Investment America, Inc. which were also wholly-owned subsidiaries of the Company. This business combination was implemented in order to restructure the Group's business bases in North America and to enhance the Company's management efficiency.

These transactions have been eliminated as intercompany transactions since they were transactions between companies under common control. Therefore, this accounting treatment had no impact on the accompanying consolidated financial statements for the year ended 31st March, 2007.

There were no such transactions for the years ended 31st March, 2009 and 2008.

## 22. Subsequent Events

The following appropriation of cash dividends, which has not been reflected in the accompanying consolidated financial statements for the year ended 31st March, 2009, was approved at a meeting of the Board of Directors held on 15th May, 2009:

	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
Cash dividends (¥26.00 = U.S.\$0.26 per share)	¥5,058	\$51,491

## SUMMARY OF CERTAIN SIGNIFICANT DIFFERENCES BETWEEN JAPANESE AND U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The accompanying consolidated financial statements of the Company have been prepared in conformity with Japanese GAAP, which differs from U.S. GAAP in certain material respects. Such differences are discussed below and address only those differences related to the consolidated financial statements. In addition, no attempt has been made to identify disclosure, presentation or classification differences that would affect the manner in which transactions and events are presented in the financial statements.

The significant differences between Japanese GAAP and U.S. GAAP which would affect the determination of consolidated net income and shareholders' equity of the Company are set out below:

### **1. Leases Capitalized as Assets**

Under Japanese GAAP prior to adoption of a new accounting standard effective on 1st April, 2008, finance leases where ownership is not deemed to be transferred from the lessor to the lessee, the lessee may choose not to capitalize lease expenses and may account for the lease in a manner similar to that applicable to operating leases. The Company's policy before adoption of the new standard was to account for finance leases in a manner similar to operating leases. However, subsequent to the adoption of the new standard, all finance leases were required to be capitalized. Restatement of comparative prior year financial information upon adoption of the new standard is not required.

U.S. GAAP requires that leases which transfer essentially all the risks and rewards of ownership of the leased assets from the lessor to the lessee to be capitalized.

### **2. Compensated Absences**

Under Japanese GAAP, there is no specific accounting standard for compensated absences, and this liability is not generally recognized in Japan.

Under U.S. GAAP, an employer accrues the liability for employees' compensation for future absences if certain conditions are met.



[Appendix]

**SUBSIDIARIES AND AFFILIATES**

The Company conducts its business together with its subsidiaries and affiliates (being companies over which the Company holds significant influence with respect to its finances, operations or businesses).

At 31<sup>st</sup> March, 2009, the Company had 16 subsidiaries, all of which were consolidated subsidiaries. At the same date, the Company had 2 affiliates, all of which were accounted for by the equity method in the Company's financial statements.

The following table sets forth information on the Company's direct and indirect subsidiaries and affiliates as of 31<sup>st</sup> March, 2009.

<b>Name</b>	<b>Country</b>	<b>Main Business</b>
<b>Subsidiaries</b>		
NRI Network Communications, Ltd. *1	Japan	Software development and sales, mainly in the Kansai area
NRI Learning Network, Ltd. *2	Japan	Training related to information and telecommunications systems
NRI Secure Technologies, Ltd.	Japan	Network security services
NRI Cyber Patent, Ltd.	Japan	Provide patent and other intellectual property information to subscribers
NRI WEBrandia, Ltd. *1	Japan	Web Site development and management
NRI Workplace Services, Ltd.	Japan	Office and real estate management
NRI Data i Tech, Ltd.	Japan	Maintaining systems equipment of Nomura Holdings and its subsidiaries and affiliates
NRI Social Information System Services, Ltd.	Japan	Software development and sales
Insurance System & Technology, Ltd. *2	Japan	Software development for non-life insurance industry
UBIQLINK, Ltd.	Japan	Provide direction navigate services to consumer
Nomura Research Institute America, Inc.	USA	Research and development and operation of information management systems in the U.S.
Nomura Research Institute Europe Limited	England	Research and development and operation of information management systems in Europe
Nomura Research Institute Beijing Limited	China	Development and operation of information management systems in China
Nomura Research Institute Shanghai Limited	China	Consulting in China
Nomura Research Institute Hong Kong Limited	China	Research and development and operation of information management systems in Asia
Nomura Research Institute (Singapore) Private Limited	Singapore	Research and development and operation of information management systems in Asia

<b>Name</b>	<b>Country</b>	<b>Main Business</b>
<b>Affiliate</b>		
Nippon Clearing Services Co., Ltd.	Japan	Back-office services for mid-tier securities companies
MC NRI GLOBAL SOLUTIONS, INC.	Japan	Holding Company, holding the shares of system development firm in China.

\*1 NRI Network Communications, Ltd. and NRI WEBrandia, Ltd. are merged on April, 2009.

\*2 NRI sold entire shares of NRI Learning Network, Ltd. and Insurance System & Technology, Ltd. on April, 2009.

### MAJOR SHAREHOLDERS

<b>Shareholders</b>	<b>Number of Shares Owned (thousands)</b>	<b>Ratio of Outstanding Shares (%)</b>
Nomura Asset Management Co., Ltd.	43,387	19.28
Nomura Facilities, Inc.	18,600	8.27
JAFCO Co., Ltd.	15,040	6.68
Nomura Holdings, Inc.	13,000	5.78
CBNY-ORBIS SICAV	10,076	4.48
CBNY-ORBIS FUNDS	8,793	3.91
Japan Trustee Services Bank, Ltd. (Trust Account)	5,890	2.62
NRI Group Employee Stock Ownership Association	5,794	2.58
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	5,530	2.46
The Master Trust Bank of Japan, Ltd.(Trust Account)	3,970	1.76

\*NRI owns 30,473 thousand shares as treasury stock.