
NRI Medium-Term Management Plan (2016 - 2018)

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0. Looking Back on Vision2015

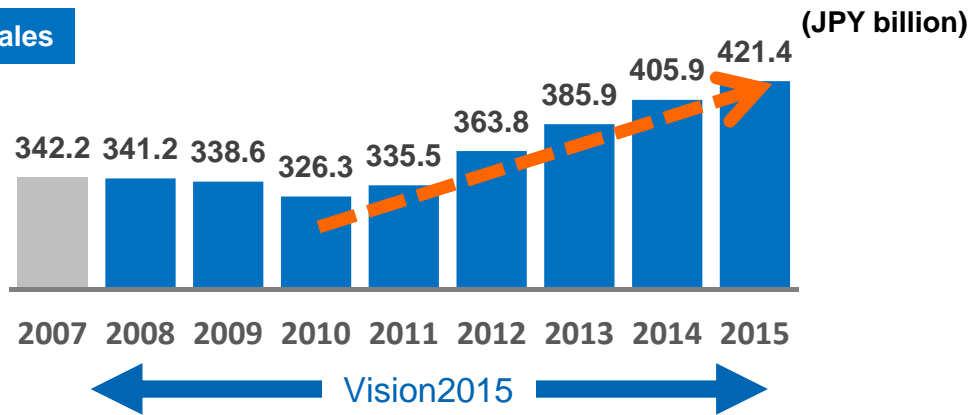
Achievements of Vision2015 (2008 - 2015)

- Based on Vision2015, NRI maintained sustainable growth and secured profitability that set it apart in the industry.

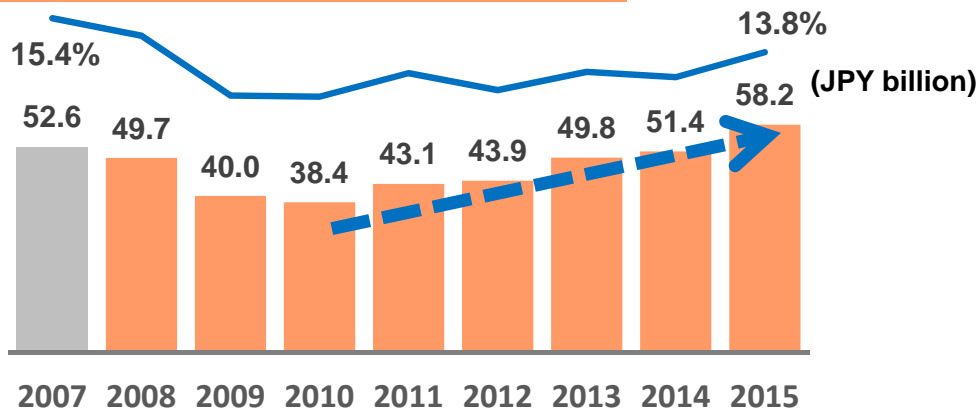
**Growth higher than industry average
Profitability set NRI apart in the industry**

Powerful business portfolio

Sales



Operating profit and Operating profit margin



Percentage of sales

FY2007 FY2015

**Break dependence on two major clients
(Expand business from clients other than two major clients)**

58 % 74 %

Expand business in industrial sector

19 % 24 %

Expand industry standard business platforms

12 % 22 %

Expand overseas-related business

1 % 6 %

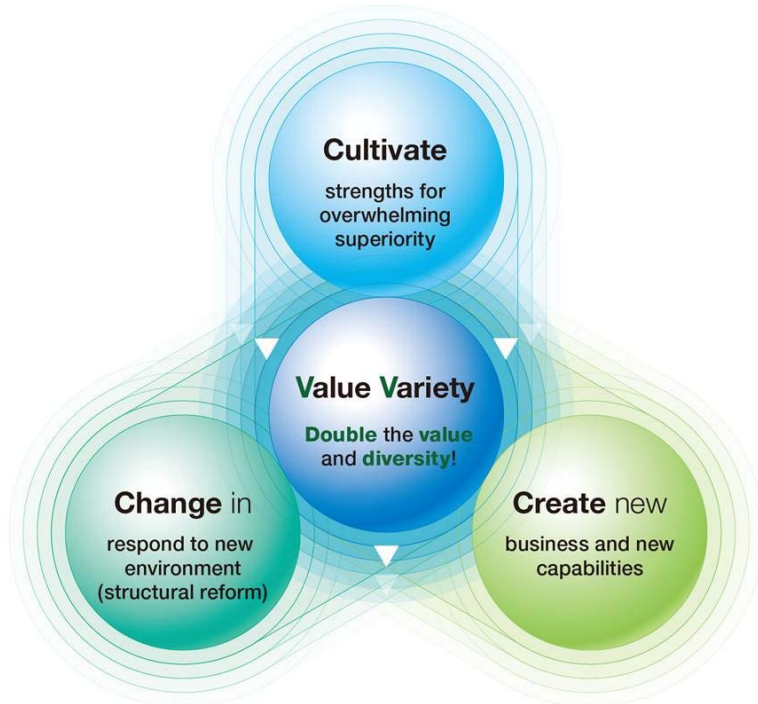
0. Looking Back on Vision2015

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Goals under Vision2022

Double Value and Variety by Cultivating, Changing and Creating



- Refine existing strengths and establish overwhelming competitiveness
- Change in response to client and technology changes
- New inspiration, not relying only on existing strengths

Vision2022 Numerical Targets

Key Indicators	Numerical targets
Operating Profit	¥100 billion
Operating Profit Margin	14% or more
Sales from overseas-related business	¥100 billion
ROE	14%

Business Environment Recognition for Vision2022

Major environmental changes surrounding the NRI Group

Acceleration of globalization at client companies

NRI Group's global support capabilities are required to maintain the trust of clients.

Rise of the digital economy (Disruptive Innovation)

Clients will streamline conventional corporate IT as much as possible and shift the focus of investment to business IT

Corporate IT: IT that contributes to the efficiency of internal administrative work within client companies.
Business IT: IT that contributes directly to the expansion of client businesses.



It will be essential to strengthen the earnings base by expanding the business in industry standard business platforms and improving productivity while increasing capacity to support the global and digital economy.

Five Pillars of Vision2022 Growth Strategy

5 pillars of Vision2022 growth strategy

1 Dramatic expansion of globalization
(From Asia to the world)

- Provide essential support for the global business expansion of key clients
- Obtain advanced business models and cutting-edge technologies that originate overseas

2 Enhancement of IP* Portfolio
(Industry knowledge, industry standard business platforms, etc.)

- Offer high-quality service backed by advanced industry knowledge and operational know how
- Enhance “NRI-style intellectual property (IP)” to achieve this

3 Promotion of business value creation
(Business IT and Con-Solution)

- Become a strategic partner that initiates and promotes business IT that directly contributes to expansion of clients’ businesses
- Promote Con-Solution as a new business model

4 Further pursuit of “Innovation in production”
(Improve productivity in specialty areas in Japan)

- Contribute to enhancing quality and streamlining of clients’ IT through thorough production innovation

5 Cooperation and assembly of diverse talents
(Business creation and global management)

- Leverage the comprehensive strengths of NRI’s diverse human resources, including globally-minded human resources and human resources skilled in creating new businesses, in order to open and promote new business fields

*IP (Intellectual Property): The intellectual property that forms the source for delivering value including NRI’s unique industry knowledge and industry standard services. NRI’s “industry standard business platforms” such as STAR and BESTWAY are also considered intellectual property.

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2. Medium-Term Management Plan (2016 - 2018)

Positioning of Medium-Term Management Plan in Vision2022

- **Short-term view:** Thorough pursuit of production innovation (productivity improvement and project risk management)
- **Medium-term view:** Expansion of industry standard business platforms and large-scale clients in Japan
- **Long-term view:** Investment in global business and business IT

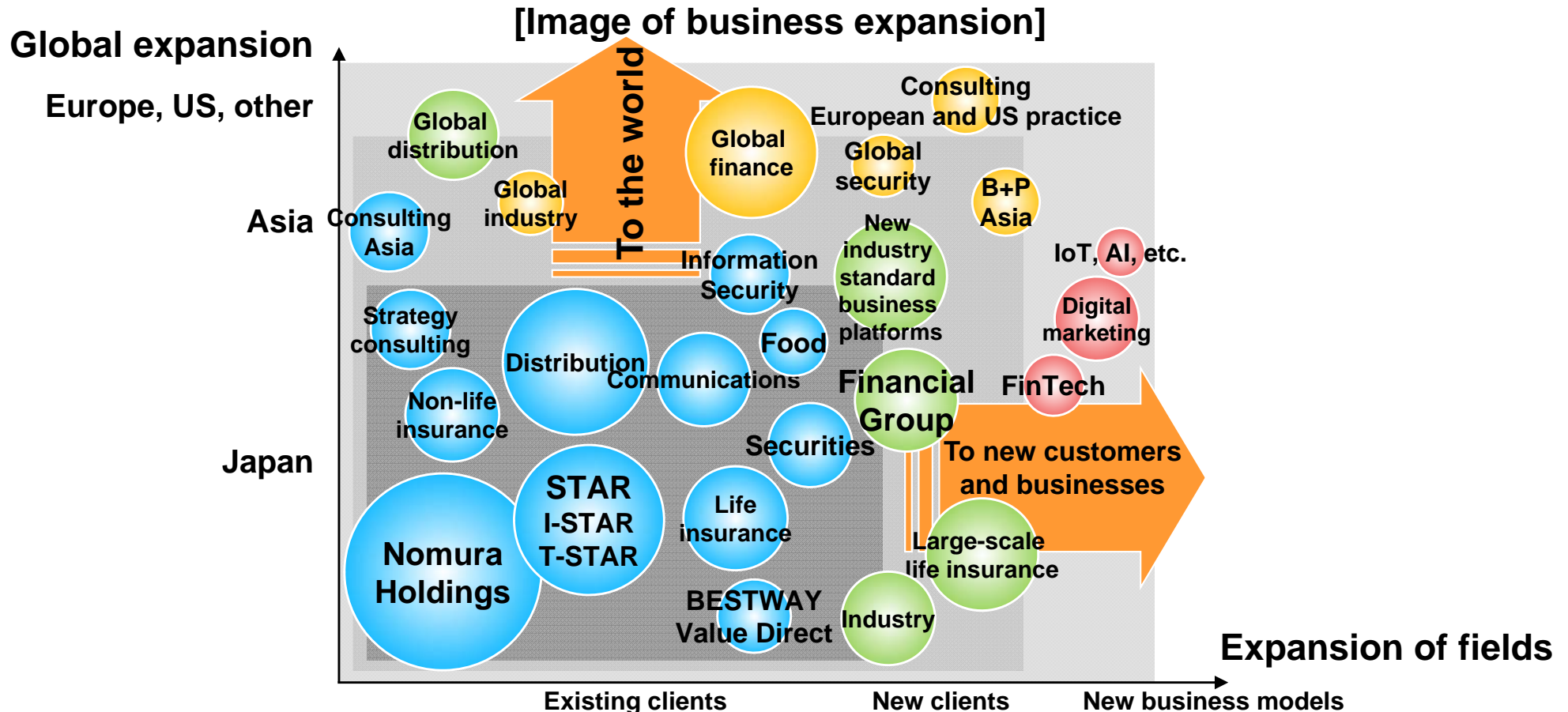


2. Medium-Term Management Plan (2016 - 2018)

Target Sectors for Medium- and Long-Term Growth

- 1) Increase productivity and strengthen project management in specialty areas in Japan
- 2) Expand industry standard business platforms and develop large-scale clients
- 3) Build foundations for global business
- 4) Create business IT

- Fields targeting further profitability
- Fields targeting medium-term growth
- } Fields targeting long-term growth (Focus for next 3 years is preparation and building up track record)
- }



2. Medium-Term Management Plan (2016 - 2018)

1) Increase productivity in specialty areas in Japan, 2-1) Expand industry standard business platforms

Further increase productivity through production innovation measures in specialty areas in Japan

Optimize development system

- Integrate development and maintenance systems for similar functions of multiple industry standard business platforms

Raise quality and productivity of development projects

- Develop advanced risk management to prevent unexpected large-scale unprofitable projects (includes project supervision and proposal checking, etc.)
- Develop advanced development management tools and share test process resources (personnel, environment, etc.)

Strengthen PCI* service

- Strengthen solutions utilizing ERP packages and cloud services to reduce time and man hours to provision of services

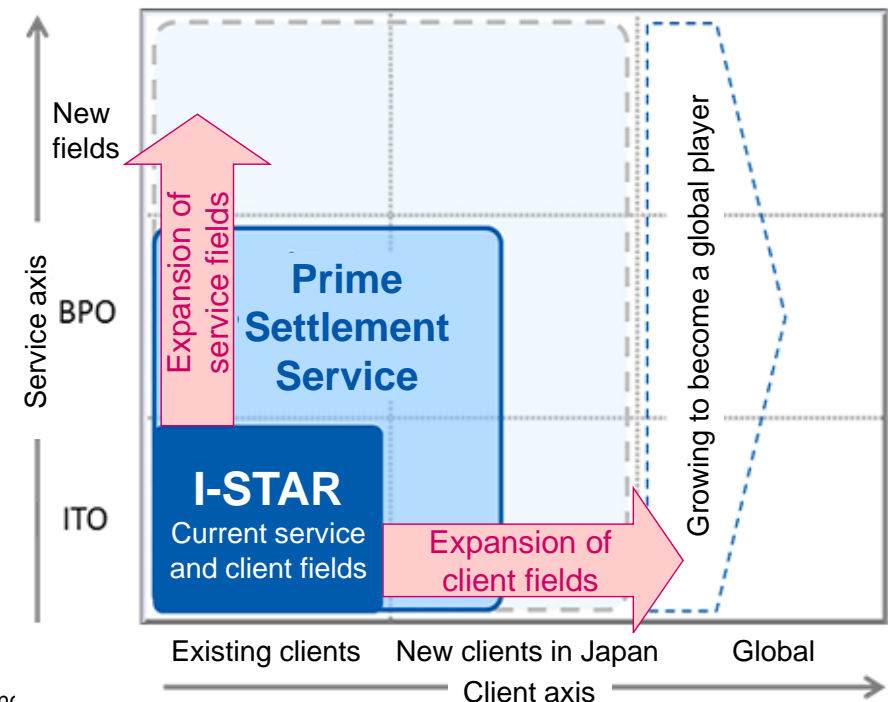
* PCI: package cloud integration

Expand field of industry standard business platforms

Expand clients and service field by developing ITO x BPO in securities and asset management sectors

eg.: Image of field expansion for Prime Settlement Service

A service that integrates the BPO executing the administrative processing in the series of post-trade operations that financial institutions perform in the back office with the ITO that provides the system environment used for the operations



2. Medium-Term Management Plan (2016 - 2018)

2-2) Develop Large-Scale Clients

Further promote prime account strategy with the aim of expanding business by strengthening relationships with clients and acquiring industry knowledge

■ Importance of prime account strategy

Management environment surrounding clients

- Integration of management and IT with increasing investment into business IT
- Shift from ownership to use of IT a challenge to IT department skills
- Rapid advances in technology (cloud, analytics, etc.)

⇒ Fully exhibiting NRI's comprehensive capabilities now becoming important again

Prime account strategy

■ Cross-organizational comprehensive capabilities

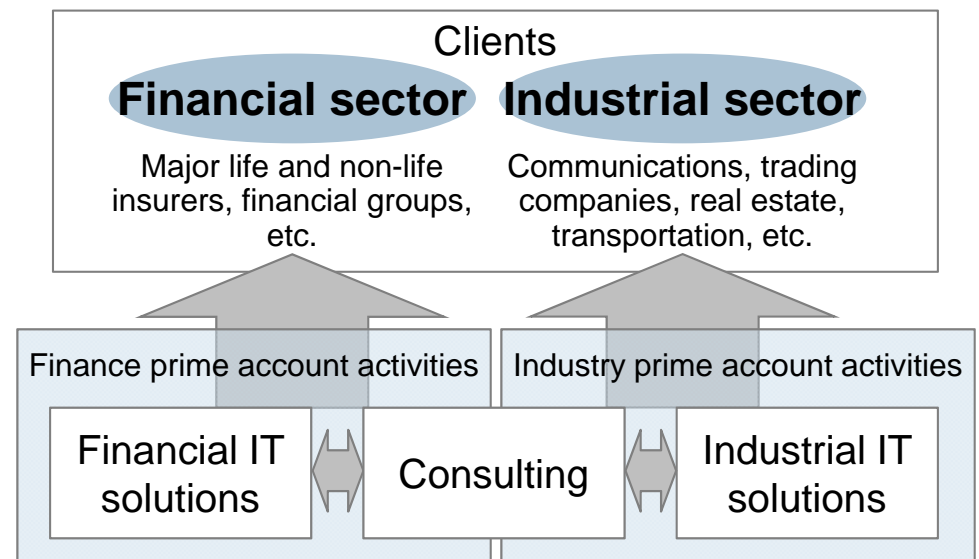
- Gathers together consulting – solution know how
- In particular, consultants and upstream design human resources are some of the best in Japan in both quality and quantity

■ Deepening of relationships over medium to long term

- Builds relationships of trust with clients while continually generating projects in line with medium to long term account plan

■ Future prime account strategy initiatives

- Strengthen **integrated proposal capabilities** for management, business and IT
- Establish **officers in charge of prime account strategy in financial IT and industrial IT respectively** (two senior corporate managing directors)
- In order to strengthen business in industrial sector, establish **officer in charge of both consulting and industrial IT** (one senior executive managing director)

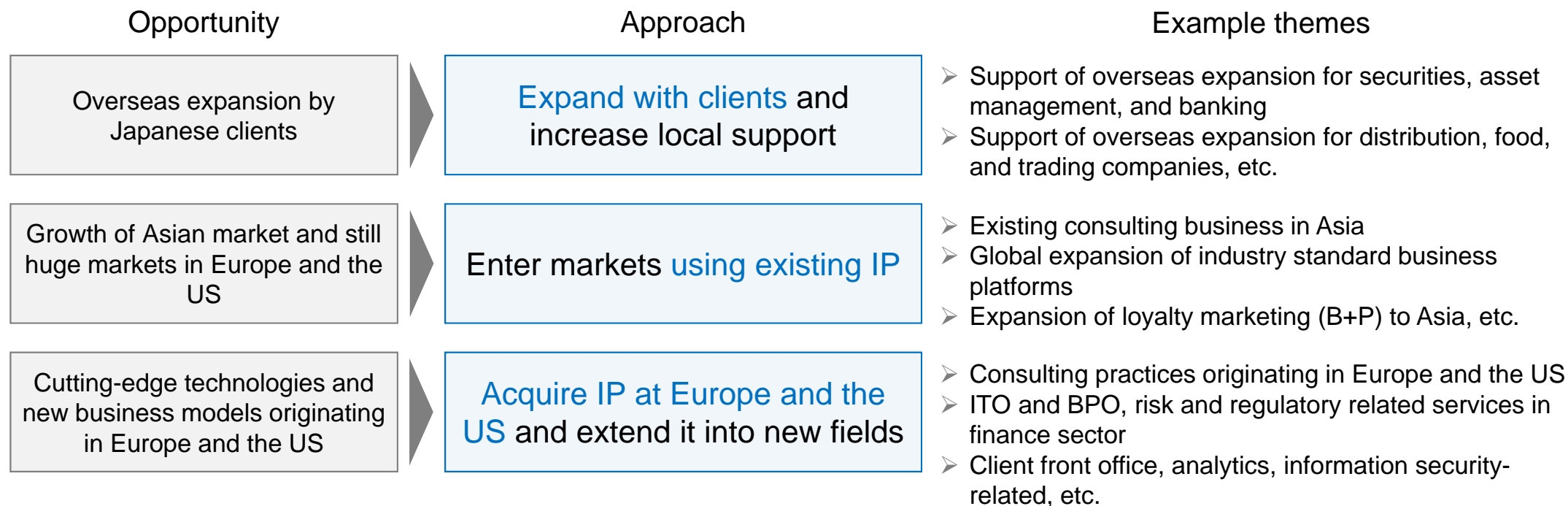


2. Medium-Term Management Plan (2016 - 2018)

3) Build Foundations for Global Business

**Build the footings for business foundations in Europe and the US, in addition to Asia, and develop track record
Focus on promoting acquisition of new IP to support medium to long term business expansion**

■ Three approaches to global expansion



■ Aim of M&A utilization

- Acquire business foundations and presence in new regions and speed up market entry utilizing existing and new IP
- Leverage synergies with existing IP to expand business into new fields through acquisition of IP at Europe and the US

**M&A investment over next three years:
estimated at approx. ¥50.0 billion**

2. Medium-Term Management Plan (2016 - 2018)

4) Create Business IT

Develop a track record aimed at creating business IT taking maximum advantage of NRI's strengths, which include a hypothesis verification approach and industry and operational knowledge

Expand into new fields, including digital

- Promote initiatives in digital marketing, FinTech, and new technology fields
- Also implement collaboration (proof of concept, joint ventures) with clients and external organizations

Theme	Example of measures initiated
Digital marketing	Proof of concept in data analysis (sales promotion based on recommendations, etc.)
	Roll out of loyalty marketing know how
FinTech	Seek out business opportunities and strengthen systems in FinTech
	Proof of concept in blockchain technology and others
New technology fields	Proof of concept for new technologies (IoT, AI, etc.)
	Collaboration with Palo Alto Research Center*1

*1 Palo Alto Research Center is a subsidiary of the US firm Xerox Corporation which has a track record of research in diverse innovative technologies. It was established in 1970.

Develop a track record in Con-Solution

- Consulting and solution work side-by-side with the client from the stage of planning and initiating business IT
- Expand business while repeating hypothesis verification with client

Examples of Con-Solution initiatives in each field

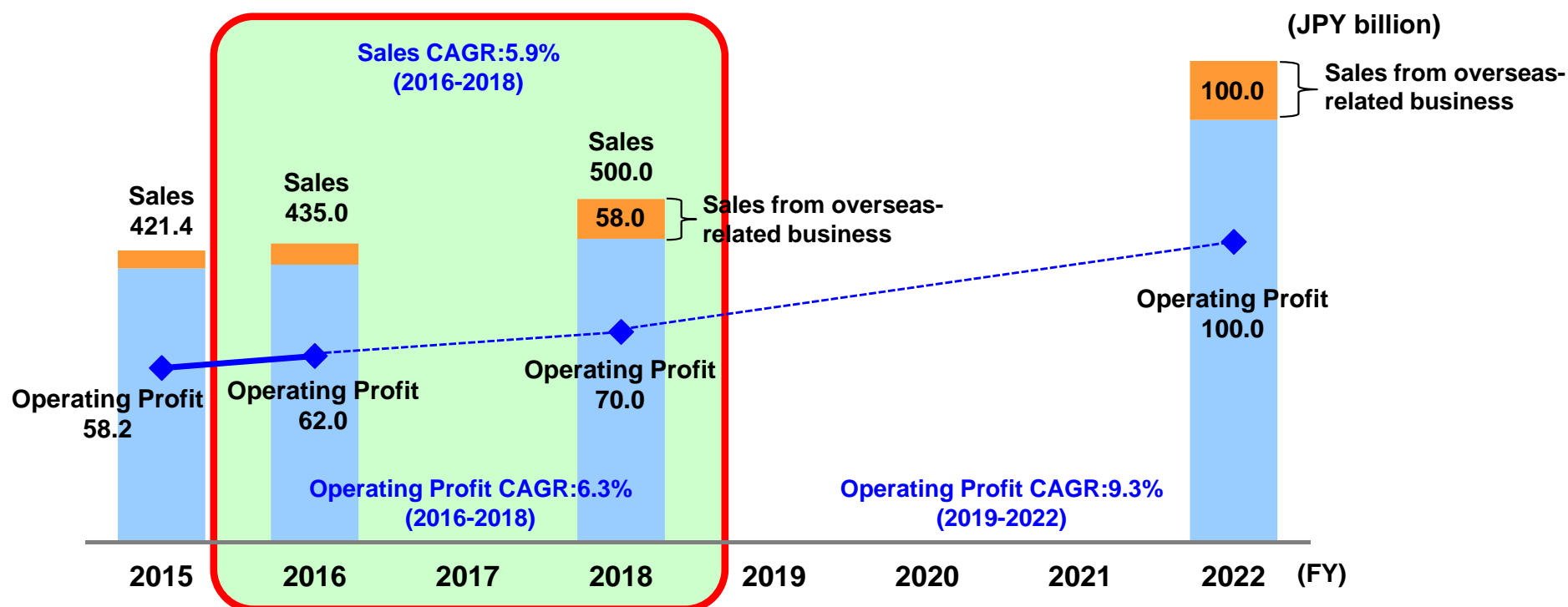
Set up Digital Company Establishment Preparation Office with the aim of founding new company during fiscal 2016

In fiscal 2016, promote review into commercialization of FinTech and launch new full-scale investigation into application of Open API in securities sector

Investigate technologies and business models utilizing IoT (security, etc.) and AI

2. Medium-Term Management Plan (2016 - 2018)

Numerical Targets under Medium-Term Management Plan



	FY2015 (Actual)	FY2018 (Target)	FY2022 (Target)
Sales	¥421.4 billion	¥500.0 billion	—
Operating Profit	¥58.2 billion	¥70.0 billion	¥100.0 billion
Operating Profit Margin	13.8%	14%	14% or more
Sales from overseas-related business	¥23.9 billion	¥58.0 billion	¥100.0 billion
ROE	10.6%	About 12%	14%

2. Medium-Term Management Plan (2016 - 2018)

Numerical Targets under Medium-Term Management Plan

■ Sales by segment

(JPY billion)

	FY 2015 (Actual)	FY2018 (Target)	CAGR
Consolidated total	421.4	500.0	5.9 %
Consulting	28.3	40.0	12.1 %
Financial IT Solutions	252.8	280.0	3.5 %
Industrial IT Solutions	101.5	130.0	8.6 %
IT Platform Services	28.7	40.0	11.7 %
Other	9.9	10.0	0.1 %

■ Capital expenditure

- **¥30.0-35.0 billion/year** in regular capital expenditure
- **Approx. ¥15.0 billion** expected as separate capital expenditure accompanying establishment of new Yokohama office

Approach to Finance to Support Growth Strategy

Aiming for powerful medium- and long-term growth on robust financial base

- Secure cash flow generation ability to support continual investment in growth
- Maintain high credit rating as a company that supports social infrastructure while also considering financial soundness, including capital-debt balance
- Ensure regular competitive funding that can respond to new businesses, globalization, and M&As, etc.

Continuously strive to improve capital efficiency in conjunction with aggressive business expansion

- Aim for constant increase in ROE (Vision2022: 14%)
Medium-Term Management Plan target ⇒ **ROE about 12%**
- Constantly strive to improve shareholder returns

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