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# Financial Results Presentation

Financial Results for the year ended 31<sup>st</sup> March, 2016  
and Financial Results Forecast for the year ending 31<sup>st</sup> March, 2017

April 27, 2016

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**Nomura Research Institute, Ltd.**

**Shingo Konomoto**

President & CEO, Member of the Board



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**1. Financial Results for FY March 2016**

**2. Financial Results Forecasts for FY March 2017**

# Highlights of Consolidated Financial Results

	(JPY million)			
	FY Mar. 2015	FY Mar. 2016	Diff.	YoY Change
<b>Sales</b>	<b>405,984</b>	<b>421,439</b>	<b>+15,454</b>	<b>+3.8%</b>
<b>Operating Profit</b>	<b>51,486</b>	<b>58,295</b>	<b>+6,809</b>	<b>+13.2%</b>
<b>Operating Profit Margin</b>	<b>12.7%</b>	<b>13.8%</b>	<b>+1.2P</b>	
<b>Profit attributable to owners of parent</b>	<b>38,880</b>	<b>42,648</b>	<b>+3,767</b>	<b>+9.7%</b>
<b>Earnings Per Share<sup>※2</sup></b>	<b>¥176.79</b>	<b>¥188.57</b>	<b>+¥11.77</b>	
<b>Dividends Per Share</b>	<b>¥70.00</b>	<b>¥80.00</b>	<b>+¥10.00<sup>※1</sup></b>	
<b>Payout Ratio</b>	<b>36.5%</b>	<b>41.1%</b>	<b>+4.6P</b>	
<b>Return On Equity</b>	<b>10.8%</b>	<b>10.6%</b>	<b>(0.2P)</b>	

※1 The Company implemented a 1:1.1 common stock split on October 1, 2015. Since no adjustment will be made to the year-end dividend per share for fiscal 2016 accompanying this, the split will result in an effective increase of ¥14 in the annual dividend.

※2 Earnings per share shows the figure obtained based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

# Comparison to Forecasts

(JPY billion)

	FY Mar. 2015	FY Mar. 2016		
	Results	Forecasts*	Results	Diff.
<b>Sales</b>	<b>405.9</b>	<b>425.0</b>	<b>421.4</b>	<b>(3.5)</b>
<b>Operating Profit</b>	<b>51.4</b>	<b>58.0</b>	<b>58.2</b>	<b>+0.2</b>
<b>Operating Profit Margin</b>	<b>12.7%</b>	<b>13.6%</b>	<b>13.8%</b>	<b>+0.2P</b>
<b>Profit attributable to owners of parent</b>	<b>38.8</b>	<b>41.0</b>	<b>42.6</b>	<b>+1.6</b>

\* Forecasts were announced on April 23, 2015

# Key Factors in Financial Results for March 2016

**Achieved all time high sales, operating profit and net income**

- **Sales were up 3.8%**

- Sales in Consulting were up 3.7% as the firm business environment continued
- Sales in Financial IT Solutions were up 6.6% across all sectors
- Sales in Industrial IT Solutions were up 3.7% with a big increase in sales in the distribution sector

- **Operating profit increased 13.2%**

- In addition to the rise in operating profit accompanying the increase in sales, profitability improved due to the resolution of unprofitable projects
- OPM was 13.8%, up 1.2 points from the previous fiscal year

# Sales by Segment < Full Year >

(JPY million)

	FY Mar. 2015	Share	FY Mar. 2016	Share	Diff.	YoY Change
<b>Consulting</b>	27,353	6.7%	28,370	6.7%	+1,017	+3.7%
<b>Financial IT Solutions</b>	237,111	58.4%	252,842	60.0%	+15,731	+6.6%
Securities	116,534	28.7%	123,896	29.4%	+7,362	+6.3%
Insurance	56,414	13.9%	57,082	13.5%	+667	+1.2%
Banking	34,584	8.5%	37,541	8.9%	+2,956	+8.5%
Other financial	29,577	7.3%	34,321	8.1%	+4,744	+16.0%
<b>Industrial IT Solutions</b>	97,938	24.1%	101,538	24.1%	+3,600	+3.7%
Distribution	46,705	11.5%	51,882	12.3%	+5,176	+11.1%
Manufacturing, service and other	51,232	12.6%	49,656	11.8%	(1,576)	(3.1%)
<b>IT Platform Services</b>	34,779	8.6%	28,720	6.8%	(6,058)	(17.4%)
<b>Others</b>	8,803	2.2%	9,966	2.4%	+1,163	+13.2%
<b>Total</b>	<b>405,984</b>	<b>100.0%</b>	<b>421,439</b>	<b>100.0%</b>	<b>+15,454</b>	<b>+3.8%</b>
<b>Nomura Holdings</b>	82,469	20.3%	68,666	16.3%	(13,803)	(16.7%)
<b>Seven &amp; i Holdings</b>	40,973	10.1%	43,254	10.3%	+2,281	+5.6%

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

# Segment performance results < Full Year >

## ■ Including Inter-segment sales for each segment

(JPY million)

		FY Mar. 2015	FY Mar. 2016	Diff.	YoY Change
Consulting	Sales	27,749	28,823	+1,074	+3.9%
	OP	5,959	5,487	(472)	(7.9%)
	OPM	21.5%	19.0%	(2.4P)	
Financial IT Solutions	Sales	237,649	253,802	+16,152	+6.8%
	OP	22,621	29,171	+6,549	+29.0%
	OPM	9.5%	11.5%	+2.0P	
Industrial IT Solutions	Sales	98,974	102,859	+3,884	+3.9%
	OP	11,769	9,974	(1,795)	(15.3%)
	OPM	11.9%	9.7%	(2.2P)	
IT Platform Services	Sales	113,505	110,044	(3,461)	(3.0%)
	OP	8,636	11,575	+2,939	+34.0%
	OPM	7.6%	10.5%	+2.9P	

## Sales by Service < Full Year >

(JPY million)

	FY Mar. 2015	Share	FY Mar. 2016	Share	Diff.	YoY Change
Consulting Services	47,110	11.6%	52,131	12.4%	+5,021	+10.7%
System Development & System Application Sales	136,710	33.7%	145,157	34.4%	+8,446	+6.2%
System Management & Operation Services	206,698	50.9%	212,952	50.5%	+6,254	+3.0%
Product Sales	15,465	3.8%	11,197	2.7%	(4,267)	(27.6%)
<b>Total</b>	<b>405,984</b>	<b>100.0%</b>	<b>421,439</b>	<b>100.0%</b>	<b>+15,454</b>	<b>+3.8%</b>



## P/L Highlight < Full Year >

(JPY million)

	FY Mar. 2015	FY Mar. 2016	Diff.	YoY Change
<b>Sales</b>	<b>405,984</b>	<b>421,439</b>	<b>+15,454</b>	<b>+3.8%</b>
<b>Cost of Sales</b>	<b>289,210</b>	<b>287,270</b>	<b>(1,939)</b>	<b>(0.7%)</b>
Subcontracting Costs	141,925	139,303	(2,621)	(1.8%)
<b>Gross Profit</b>	<b>116,774</b>	<b>134,168</b>	<b>+17,394</b>	<b>+14.9%</b>
Gross Profit Margin	28.8%	31.8%	+3.1P	
<b>SG&amp;A</b>	<b>65,287</b>	<b>75,873</b>	<b>+10,585</b>	<b>+16.2%</b>
<b>Operating Profit</b>	<b>51,486</b>	<b>58,295</b>	<b>+6,809</b>	<b>+13.2%</b>
Operating Profit Margin	12.7%	13.8%	+1.2P	

## P/L Highlight < Full Year > continued

(JPY million)

	FY Mar. 2015	FY Mar. 2016	Diff.	YoY Change
<b>Operating Profit</b>	<b>51,486</b>	<b>58,295</b>	<b>+6,809</b>	<b>+13.2%</b>
<b>Non-operating income and loss</b>	<b>1,455</b>	<b>2,705</b>	<b>+1,249</b>	
Dividend Income	1,063	1,630	+567	
<b>Extraordinary income and loss</b>	<b>6,132</b>	<b>1,304</b>	<b>(4,828)</b>	
Gain on negative goodwill (Net)	1,710	—	(1,710)	
Gain on sales of investment securities	9,458	2,277	(7,181)	
Gain on contribution of securities to retirement benefit trust	—	1,345	+1,345	
Loss on sales of property and equipment	(3,231)	—	+3,231	
Office reorganization expenses	(3,098)	(2,515)	+582	
<b>Income taxes etc.</b>	<b>19,209</b>	<b>19,513</b>	<b>+304</b>	
<b>Profit attributable to owners of parent</b>	<b>38,880</b>	<b>42,648</b>	<b>+3,767</b>	<b>+9.7%</b>

# Cash Flow < Full Year >

(JPY million)

	FY Mar. 2015	FY Mar. 2016	YoY Change
Operating activities	58,710	81,470	+38.8%
Investing activities	(1,093)	(75,344)	—
(Except Cash management purpose)	(13,800)	(52,725)	+282.1%
Free Cash Flow	57,617	6,126	(89.4%)
(Except Cash management purpose)	44,910	28,744	(36.0%)
Financing activities	(10,536)	9,326	—
Net increase in Cash and cash equivalents	47,775	14,381	(69.9%)
(Except Cash management purpose)	35,068	37,000	+5.5%
Cash and cash equivalents at end of year	140,567	154,949	+10.2%
Cash and cash equivalents + Cash Management purpose investment	169,023	206,031	+21.9%

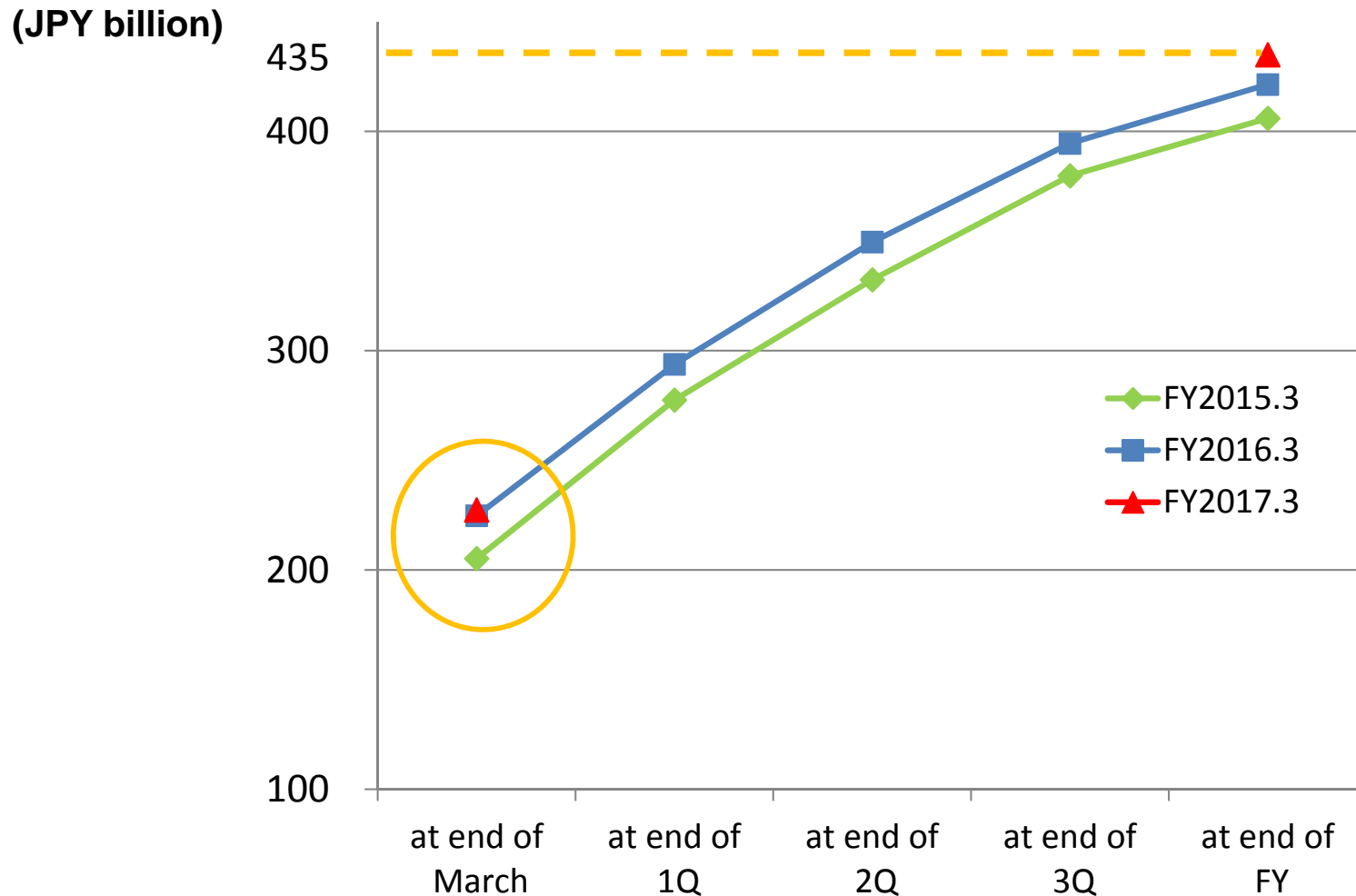
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**1. Financial Results for FY March 2016**

**2. Financial Results Forecasts for FY March 2017**

# Sales + Consolidated Order Backlog

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



# Order Backlog (Outstanding)

(JPY million)

	At end of March 2015	At end of March 2016	Diff.	YoY Change
<b>Consulting</b>	<b>5,622</b>	<b>4,677</b>	<b>(945)</b>	<b>(16.8%)</b>
<b>Financial IT Solutions</b>	<b>146,268</b>	<b>149,718</b>	<b>+3,450</b>	<b>+2.4%</b>
<b>Industrial IT Solutions</b>	<b>55,412</b>	<b>58,523</b>	<b>+3,111</b>	<b>+5.6%</b>
<b>IT Platform Services</b>	<b>17,205</b>	<b>11,837</b>	<b>(5,368)</b>	<b>(31.2%)</b>
<b>Other</b>	<b>2,679</b>	<b>3,553</b>	<b>+873</b>	<b>+32.6%</b>
<b>Total</b>	<b>227,188</b>	<b>228,310</b>	<b>+1,122</b>	<b>+0.5%</b>
<b>Order backlog in the next FY</b>	<b>224,785</b>	<b>227,420</b>	<b>+2,634</b>	<b>+1.2%</b>

# Key Factors in Earnings Forecast for FY March 2017

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- **Building the foundations for medium- and long-term growth in the first fiscal year of the medium-term management plan (2016 – 2018)**

- Announcement of three-year medium-term management plan as interim target of Vision2022
- This fiscal year, which is the first year of the plan, NRI will prepare for long-term growth while aiming for sales growth of 3.2% and an increase in operating profit of 6.5% by enhancing profitability and efficiency

# Forecasts for FY March 2017

【Full Year】	(JPY billion)			
	FY Mar. 2016 (Results)	FY Mar. 2017 (Forecasts)	Diff.	YoY Change
<b>Sales</b>	<b>421.4</b>	<b>435.0</b>	<b>+13.5</b>	<b>+3.2%</b>
<b>Operating Profit</b>	<b>58.2</b>	<b>62.0</b>	<b>+3.7</b>	<b>+6.4%</b>
<b>Operating Profit Margin</b>	<b>13.8%</b>	<b>14.3%</b>	<b>+0.4P</b>	/
<b>Profit attributable to owners of parent</b>	<b>42.6</b>	<b>43.5</b>	<b>+0.8</b>	<b>+2.0%</b>
<b>Earnings Per Share</b>	<b>¥188.57</b>	<b>¥191.49</b>	<b>+¥2.92</b>	/
<b>Dividends Per Share</b>	<b>¥80.00</b>	<b>¥80.00</b>	— <sup>※</sup>	/
<b>Payout Ratio</b>	<b>41.1%</b>	<b>42.2%</b>	<b>+1.1P</b>	/

※ The Company implemented a 1:1.1 common stock split on October 1, 2015. The split will result in an effective dividend increase of ¥4 in the fiscal year ending March 31, 2017 compared with the previous fiscal year.



# Sales Forecasts by Segment for FY March 2017

【Full Year】

(JPY billion)

	FY Mar. 2016 (Results)	Share	FY Mar. 2017 (Forecasts)	Share	Diff.	YoY Change
<b>Consulting</b>	28.3	6.7%	32.0	7.4%	+3.6	+12.8%
<b>Financial IT Solutions</b>	252.8	60.0%	257.0	59.1%	+4.1	+1.6%
Securities	123.8	29.4%	120.0	27.6%	(3.8)	(3.1%)
Insurance	57.0	13.5%	63.0	14.5%	+5.9	+10.4%
Banking	37.5	8.9%	39.0	9.0%	+1.4	+3.9%
Other financial	34.3	8.1%	35.0	8.0%	+0.6	+2.0%
<b>Industrial IT Solutions</b>	101.5	24.1%	105.0	24.1%	+3.4	+3.4%
Distribution	51.8	12.3%	53.0	12.2%	+1.1	+2.2%
Manufacturing, service and other	49.6	11.8%	52.0	12.0%	+2.3	+4.7%
<b>IT Platform Services</b>	28.7	6.8%	31.0	7.1%	+2.2	+7.9%
<b>Others</b>	9.9	2.4%	10.0	2.3%	+0.0	+0.3%
<b>Total</b>	<b>421.4</b>	<b>100.0%</b>	<b>435.0</b>	<b>100.0%</b>	<b>+13.5</b>	<b>+3.2%</b>

# Focus of Measures in Each Business Segment

<b>Consulting</b>	<ul style="list-style-type: none"> <li>• Develop large-scale clients in management consulting and IT consulting</li> <li>• Expand Asian client base and acquire best practices of Europe and the United States</li> <li>• Strengthen initiatives aimed at digital strategy solutions</li> </ul>	
<b>Financial IT Solutions</b>	<b>Securities</b>	<ul style="list-style-type: none"> <li>• BCP/DR support for securities backbone systems</li> <li>• Obtain new STAR clients</li> <li>• Expand territory through expansion of ITO x BPO into securities sector (Prime Settlement Service, etc.)</li> <li>• Establish global IT support for major securities firms</li> </ul>
	<b>Insurance</b>	<ul style="list-style-type: none"> <li>• Obtain large-scale system development projects for life and non-life insurance sectors</li> <li>• Strengthen relationships with large-scale customers in life insurance sector and expand services</li> </ul>
	<b>Banking</b>	<ul style="list-style-type: none"> <li>• Expand BESTWAY and Value Direct businesses</li> <li>• Support global expansion of major banks</li> <li>• Initiatives aimed at providing solutions for banking front office, etc.</li> </ul>
	<b>Other financial</b>	<ul style="list-style-type: none"> <li>• Expand shared-use services business for asset management</li> <li>• Expand ITO x BPO business in asset management sector</li> </ul>
<b>Industrial IT Solutions</b>	<b>Distribution</b>	<ul style="list-style-type: none"> <li>• Support updating of IT platforms for existing clients</li> </ul>
	<b>Manufacturing, service and other</b>	<ul style="list-style-type: none"> <li>• Develop large-scale clients in industry (strengthen activities for prime account)</li> <li>• Strengthen Package Cloud Integration (PCI) services</li> <li>• Expand loyalty marketing into Asia (Brierley+Partners)</li> </ul>
<b>IT Platform Services</b>	<ul style="list-style-type: none"> <li>• Expand information security business (global, IoT)</li> <li>• Establish new operating companies focused on digital marketing</li> </ul>	

# Sales Forecasts by Service for FY March 2017

【Full Year】

(JPY billion)

	FY Mar. 2016 (Results)	Share	FY Mar. 2017 (Forecasts)	Share	Diff.	YoY Change
Consulting Services	52.1	12.4%	55.0	12.6%	+2.8	+5.5%
System Development & System Application Sales	145.1	34.4%	155.0	35.6%	+9.8	+6.8%
System Management & Operation Services	212.9	50.5%	215.0	49.4%	+2.0	+1.0%
Product Sales	11.1	2.7%	10.0	2.3%	(1.1)	(10.7%)
<b>Total</b>	<b>421.4</b>	<b>100.0%</b>	<b>435.0</b>	<b>100.0%</b>	<b>+13.5</b>	<b>+3.2%</b>

# CAPEX, R&D and Depreciation Forecasts for FY March 2017

## 【Capital Expenditure, R&D】

(JPY billion)

	FY Mar. 2016 (Results)	FY Mar. 2017 (Forecasts)	Diff.	YoY Change
<b>Capital Expenditure</b>	<b>48.3</b>	<b>45.0</b>	<b>(3.3)</b>	<b>(6.9%)</b>
Tangible	20.2	16.0	(4.2)	(21.1%)
Intangible	28.0	29.0	+0.9	+3.4%
<b>R&amp;D</b>	<b>5.1</b>	<b>5.5</b>	<b>+0.3</b>	<b>+7.6%</b>

## 【Depreciation and Amortization】

(JPY billion)

	FY Mar. 2016 (Results)	FY Mar. 2017 (Forecasts)	Diff.	YoY Change
<b>Total</b>	<b>32.5</b>	<b>30.0</b>	<b>(2.5)</b>	<b>(8.0%)</b>

This document contains statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company.

Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors.

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

Figures given in the reference data related to the financial results forecasts are figures which are only intended to convey the Company's current circumstances and outlook. The Company does not undertake to revise the forecasts to reflect new information or circumstances.

# References

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

1. Other Financial Result-related Data

**Order Volume < Full Year >**

	(JPY million)			
	FY Mar. 2015	FY Mar. 2016	Diff.	YoY Change
<b>Consulting</b>	<b>28,390</b>	<b>27,425</b>	<b>(964)</b>	<b>(3.4%)</b>
<b>Financial IT Solutions</b>	<b>253,830</b>	<b>256,293</b>	<b>+2,462</b>	<b>+1.0%</b>
<b>Industrial IT Solutions</b>	<b>101,380</b>	<b>104,650</b>	<b>+3,269</b>	<b>+3.2%</b>
<b>IT Platform Services</b>	<b>31,215</b>	<b>23,352</b>	<b>(7,862)</b>	<b>(25.2%)</b>
<b>Other</b>	<b>9,153</b>	<b>10,840</b>	<b>+1,686</b>	<b>+18.4%</b>
<b>Total</b>	<b>423,970</b>	<b>422,561</b>	<b>(1,408)</b>	<b>(0.3%)</b>

1. Other Financial Result-related Data

# Highlights of Consolidated Financial Results < 4Q >

(JPY million)

	4Q FY Mar. 2015 (Jan.-Mar.)	4Q FY Mar. 2016 (Jan.-Mar.)	Diff.	YoY Change
<b>Sales</b>	<b>105,202</b>	<b>107,817</b>	<b>+2,615</b>	<b>+2.5%</b>
<b>Operating Profit</b>	<b>14,310</b>	<b>15,066</b>	<b>+756</b>	<b>+5.3%</b>
<b>Operating Profit Margin</b>	<b>13.6%</b>	<b>14.0%</b>	<b>+0.4P</b>	
<b>Profit attributable to owners of parent</b>	<b>5,234</b>	<b>10,734</b>	<b>+5,500</b>	<b>+105.1%</b>



## 1. Other Financial Result-related Data

# Sales by Segment < 4Q >

(JPY million)

	4Q FY Mar. 2015 (Jan.-Mar.)	Share	4Q FY Mar. 2016 (Jan.-Mar.)	Share	Diff.	YoY Change
<b>Consulting</b>	7,423	7.1%	8,012	7.4%	+589	+7.9%
<b>Financial IT Solutions</b>	61,449	58.4%	64,339	59.7%	+2,890	+4.7%
Securities	29,613	28.1%	32,080	29.8%	+2,467	+8.3%
Insurance	15,197	14.4%	14,203	13.2%	(993)	(6.5%)
Banking	9,022	8.6%	9,139	8.5%	+116	+1.3%
Other financial	7,615	7.2%	8,916	8.3%	+1,300	+17.1%
<b>Industrial IT Solutions</b>	24,461	23.3%	25,901	24.0%	+1,439	+5.9%
Distribution	11,717	11.1%	12,443	11.5%	+725	+6.2%
Manufacturing, service and other	12,743	12.1%	13,457	12.5%	+714	+5.6%
<b>IT Platform Services</b>	9,689	9.2%	6,691	6.2%	(2,997)	(30.9%)
<b>Others</b>	2,178	2.1%	2,872	2.7%	+694	+31.9%
<b>Total</b>	<b>105,202</b>	<b>100.0%</b>	<b>107,817</b>	<b>100.0%</b>	<b>+2,615</b>	<b>+2.5%</b>
<b>Nomura Holdings</b>	20,794	19.8%	19,400	18.0%	(1,394)	(6.7%)
<b>Seven &amp; i Holdings</b>	10,571	10.0%	10,058	9.3%	(513)	(4.9%)

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

1. Other Financial Result-related Data

# Segment performance results < 4Q >

■ Including Inter-segment sales for each segment

(JPY million)

		4Q FY Mar. 2015 (Jan.-Mar.)	4Q FY Mar. 2016 (Jan.-Mar.)	Diff.	YoY Change
<b>Consulting</b>	Sales	7,573	8,216	+643	+8.5%
	OP	1,618	2,062	+443	+27.4%
	OPM	21.4%	25.1%	+3.7P	
<b>Financial IT Solutions</b>	Sales	61,668	64,735	+3,066	+5.0%
	OP	6,645	7,204	+559	+8.4%
	OPM	10.8%	11.1%	+0.4P	
<b>Industrial IT Solutions</b>	Sales	24,769	26,275	+1,506	+6.1%
	OP	2,063	2,236	+173	+8.4%
	OPM	8.3%	8.5%	+0.2P	
<b>IT Platform Services</b>	Sales	29,654	28,707	(947)	(3.2%)
	OP	3,700	2,782	(917)	(24.8%)
	OPM	12.5%	9.7%	(2.8P)	

1. Other Financial Result-related Data

## Sales by Service < 4Q >

(JPY million)

	4Q FY Mar. 2015 (Jan.-Mar.)	Share	4Q FY Mar. 2016 (Jan.-Mar.)	Share	Diff.	YoY Change
Consulting Services	13,078	12.4%	13,744	12.7%	+665	+5.1%
System Development & System Application Sales	34,932	33.2%	35,416	32.8%	+483	+1.4%
System Management & Operation Services	53,530	50.9%	54,541	50.6%	+1,010	+1.9%
Product Sales	3,659	3.5%	4,115	3.8%	+456	+12.5%
<b>Total</b>	<b>105,202</b>	<b>100.0%</b>	<b>107,817</b>	<b>100.0%</b>	<b>+2,615</b>	<b>+2.5%</b>

## 1. Other Financial Result-related Data

### P/L Highlight < 4Q >

(JPY million)

	4Q FY Mar. 2015 (Jan.-Mar.)	4Q FY Mar. 2016 (Jan.-Mar.)	Diff.	YoY Change
<b>Sales</b>	<b>105,202</b>	<b>107,817</b>	<b>+2,615</b>	<b>+2.5%</b>
<b>Cost of Sales</b>	<b>73,825</b>	<b>72,917</b>	<b>(907)</b>	<b>(1.2%)</b>
Subcontracting Costs	<b>35,652</b>	<b>34,099</b>	<b>(1,553)</b>	<b>(4.4%)</b>
<b>Gross Profit</b>	<b>31,376</b>	<b>34,899</b>	<b>+3,523</b>	<b>+11.2%</b>
Gross Profit Margin	<b>29.8%</b>	<b>32.4%</b>	<b>+2.5P</b>	
<b>SG&amp;A</b>	<b>17,066</b>	<b>19,833</b>	<b>+2,767</b>	<b>+16.2%</b>
<b>Operating Profit</b>	<b>14,310</b>	<b>15,066</b>	<b>+756</b>	<b>+5.3%</b>
Operating Profit Margin	<b>13.6%</b>	<b>14.0%</b>	<b>+0.4P</b>	

1. Other Financial Result-related Data

**P/L Highlight < 4Q > continued**

(JPY million)

	4Q FY Mar. 2015 (Jan.-Mar.)	4Q FY Mar. 2016 (Jan.-Mar.)	Diff.	YoY Change
<b>Operating Profit</b>	<b>14,310</b>	<b>15,066</b>	<b>+756</b>	<b>+5.3%</b>
<b>Non-operating income and loss</b>	<b>262</b>	<b>610</b>	<b>+347</b>	
<b>Extraordinary income and loss</b>	<b>(4,886)</b>	<b>71</b>	<b>+4,957</b>	
Gain on sales of investment securities	—	832	+832	
Gain on contribution of securities to retirement benefit trust	—	1,345	+1,345	
Loss on sales of property and equipment	(3,231)	—	+3,231	
Office reorganization expenses	(2,928)	(2,515)	+412	
<b>Income taxes etc.</b>	<b>3,517</b>	<b>5,022</b>	<b>+1,505</b>	
<b>Profit attributable to owners of parent</b>	<b>5,234</b>	<b>10,734</b>	<b>+5,500</b>	<b>+105.1%</b>

1. Other Financial Result-related Data

**Order Volume < 4Q >**

	(JPY million)			
	4Q FY Mar. 2015 (Jan.-Mar.)	4Q FY Mar. 2016 (Jan.-Mar.)	Diff.	YoY Change
<b>Consulting</b>	<b>7,276</b>	<b>6,487</b>	<b>(789)</b>	<b>(10.8%)</b>
<b>Financial IT Solutions</b>	<b>152,402</b>	<b>156,534</b>	<b>+4,131</b>	<b>+2.7%</b>
<b>Industrial IT Solutions</b>	<b>60,644</b>	<b>66,151</b>	<b>+5,506</b>	<b>+9.1%</b>
<b>IT Platform Services</b>	<b>19,347</b>	<b>12,083</b>	<b>(7,264)</b>	<b>(37.5%)</b>
<b>Other</b>	<b>3,744</b>	<b>4,591</b>	<b>+847</b>	<b>+22.6%</b>
<b>Total</b>	<b>243,415</b>	<b>245,847</b>	<b>+2,431</b>	<b>+1.0%</b>

1. Other Financial Result-related Data

**FY March 2017 Financial Results Forecasts Reference Data < 1H/2H >**

(JPY billion)

<b>【1H】</b>	<b>FY Mar. 2016 1H (Results)</b>	<b>FY Mar. 2017 1H (Forecasts)</b>	<b>Diff.</b>	<b>YoY Change</b>
<b>Sales</b>	<b>212.3</b>	<b>210.0</b>	<b>(2.3)</b>	<b>(1.1%)</b>
<b>Operating Profit</b>	<b>28.2</b>	<b>29.0</b>	<b>+0.7</b>	<b>+2.7%</b>
<b>Operating Profit Margin</b>	<b>13.3%</b>	<b>13.8%</b>	<b>+0.5P</b>	
<b>Profit attributable to owners of parent</b>	<b>20.1</b>	<b>21.0</b>	<b>+0.8</b>	<b>+4.3%</b>

<b>【2H】</b>	<b>FY Mar. 2016 2H (Results)</b>	<b>FY Mar. 2017 2H (Forecasts)</b>	<b>Diff.</b>	<b>YoY Change</b>
<b>Sales</b>	<b>209.1</b>	<b>225.0</b>	<b>+15.8</b>	<b>+7.6%</b>
<b>Operating Profit</b>	<b>30.0</b>	<b>33.0</b>	<b>+2.9</b>	<b>+9.8%</b>
<b>Operating Profit Margin</b>	<b>14.4%</b>	<b>14.7%</b>	<b>+0.3P</b>	
<b>Profit attributable to owners of parent</b>	<b>22.5</b>	<b>22.5</b>	<b>(0.0)</b>	<b>(0.1%)</b>

## 1. Other Financial Result-related Data

# Sales Forecasts by Segment for FY March 2017 < 1H/2H >

(JPY billion)

【1H】	FY Mar. 2016 1H (Results)		FY Mar. 2017 1H (Forecasts)		Diff.	YoY Change
		Share		Share		
Consulting	13.2	6.2%	14.0	6.7%	+0.7	+5.9%
Financial IT Solutions	128.9	60.7%	125.0	59.5%	(3.9)	(3.1%)
Securities	64.0	30.2%	58.0	27.6%	(6.0)	(9.4%)
Insurance	29.2	13.8%	31.0	14.8%	+1.7	+5.9%
Banking	19.0	9.0%	19.0	9.0%	(0.0)	(0.5%)
Other financial	16.5	7.8%	17.0	8.1%	+0.4	+2.6%
Industrial IT Solutions	50.4	23.7%	51.0	24.3%	+0.5	+1.1%
Distribution	26.6	12.5%	26.0	12.4%	(0.6)	(2.4%)
Manufacturing, service and other	23.7	11.2%	25.0	11.9%	+1.2	+5.1%
IT Platform Services	15.0	7.1%	15.0	7.1%	(0.0)	(0.6%)
Others	4.6	2.2%	5.0	2.4%	+0.3	+8.2%
<b>Total</b>	<b>212.3</b>	<b>100.0%</b>	<b>210.0</b>	<b>100.0%</b>	<b>(2.3)</b>	<b>(1.1%)</b>
【2H】	FY Mar. 2016 2H (Results)		FY Mar. 2017 2H (Forecasts)		Diff.	YoY Change
		Share		Share		
Consulting	15.1	7.2%	18.0	8.0%	+2.8	+18.8%
Financial IT Solutions	123.8	59.2%	132.0	58.7%	+8.1	+6.6%
Securities	59.8	28.6%	62.0	27.6%	+2.1	+3.6%
Insurance	27.8	13.3%	32.0	14.2%	+4.1	+15.1%
Banking	18.4	8.8%	20.0	8.9%	+1.5	+8.4%
Other financial	17.7	8.5%	18.0	8.0%	+0.2	+1.4%
Industrial IT Solutions	51.1	24.4%	54.0	24.0%	+2.8	+5.6%
Distribution	25.2	12.1%	27.0	12.0%	+1.7	+6.9%
Manufacturing, service and other	25.8	12.4%	27.0	12.0%	+1.1	+4.4%
IT Platform Services	13.6	6.5%	16.0	7.1%	+2.3	+17.4%
Others	5.3	2.6%	5.0	2.2%	(0.3)	(6.4%)
<b>Total</b>	<b>209.1</b>	<b>100.0%</b>	<b>225.0</b>	<b>100.0%</b>	<b>+15.8</b>	<b>+7.6%</b>



1. Other Financial Result-related Data

# Sales Forecasts by Service for FY March 2017 < 1H/2H >

(JPY billion)

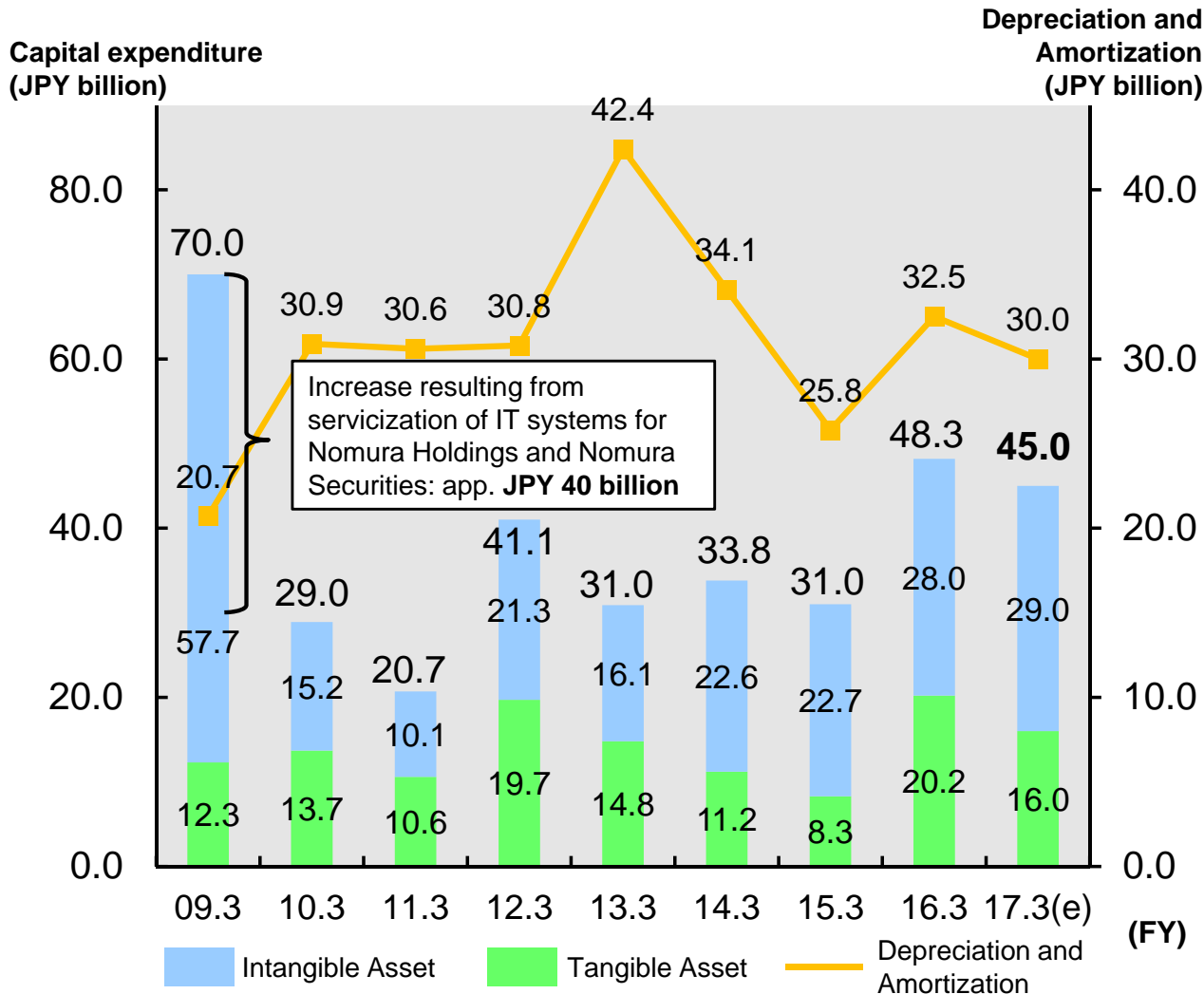
<b>【1H】</b>	<b>FY Mar. 2016 1H (Results)</b>	<b>Share</b>	<b>FY Mar. 2017 1H (Forecasts)</b>	<b>Share</b>	<b>Diff.</b>	<b>YoY Change</b>
<b>Consulting Services</b>	<b>25.0</b>	<b>11.8%</b>	<b>25.0</b>	<b>11.9%</b>	<b>(0.0)</b>	<b>(0.3%)</b>
<b>System Development &amp; System Application Sales</b>	<b>77.0</b>	<b>36.3%</b>	<b>75.0</b>	<b>35.7%</b>	<b>(2.0)</b>	<b>(2.7%)</b>
<b>System Management &amp; Operation Services</b>	<b>105.3</b>	<b>49.6%</b>	<b>107.0</b>	<b>51.0%</b>	<b>+1.6</b>	<b>+1.6%</b>
<b>Product Sales</b>	<b>4.8</b>	<b>2.3%</b>	<b>3.0</b>	<b>1.4%</b>	<b>(1.8)</b>	<b>(38.3%)</b>
<b>Total</b>	<b>212.3</b>	<b>100.0%</b>	<b>210.0</b>	<b>100.0%</b>	<b>(2.3)</b>	<b>(1.1%)</b>
<b>【2H】</b>	<b>FY Mar. 2016 2H (Results)</b>	<b>Share</b>	<b>FY Mar. 2017 2H (Forecasts)</b>	<b>Share</b>	<b>Diff.</b>	<b>YoY Change</b>
<b>Consulting Services</b>	<b>27.0</b>	<b>12.9%</b>	<b>30.0</b>	<b>13.3%</b>	<b>+2.9</b>	<b>+10.9%</b>
<b>System Development &amp; System Application Sales</b>	<b>68.1</b>	<b>32.6%</b>	<b>80.0</b>	<b>35.6%</b>	<b>+11.8</b>	<b>+17.5%</b>
<b>System Management &amp; Operation Services</b>	<b>107.6</b>	<b>51.5%</b>	<b>108.0</b>	<b>48.0%</b>	<b>+0.3</b>	<b>+0.4%</b>
<b>Product Sales</b>	<b>6.3</b>	<b>3.0%</b>	<b>7.0</b>	<b>3.1%</b>	<b>+0.6</b>	<b>+10.5%</b>
<b>Total</b>	<b>209.1</b>	<b>100.0%</b>	<b>225.0</b>	<b>100.0%</b>	<b>+15.8</b>	<b>+7.6%</b>

# 1. Other Financial Result-related Data

## Capital Investments

➤ **Capital expenditure forecast to be JPY45.0 billion**

### Trends in capital expenditure and depreciation



### Investment in intangible fixed assets

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

### Investment in tangible fixed assets

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

## 1. Other Financial Result-related Data

# R&D

### ➤ Strengthen links between Vision2022 growth strategy and R&D themes to create value

#### Current R&D Themes

##### ■ Future value creation

- Recommendations for digital society and digital management
- Recommendations for FinTech
- Financial market and system research
- System strategy research, etc.

##### ■ Global survey and business investigation

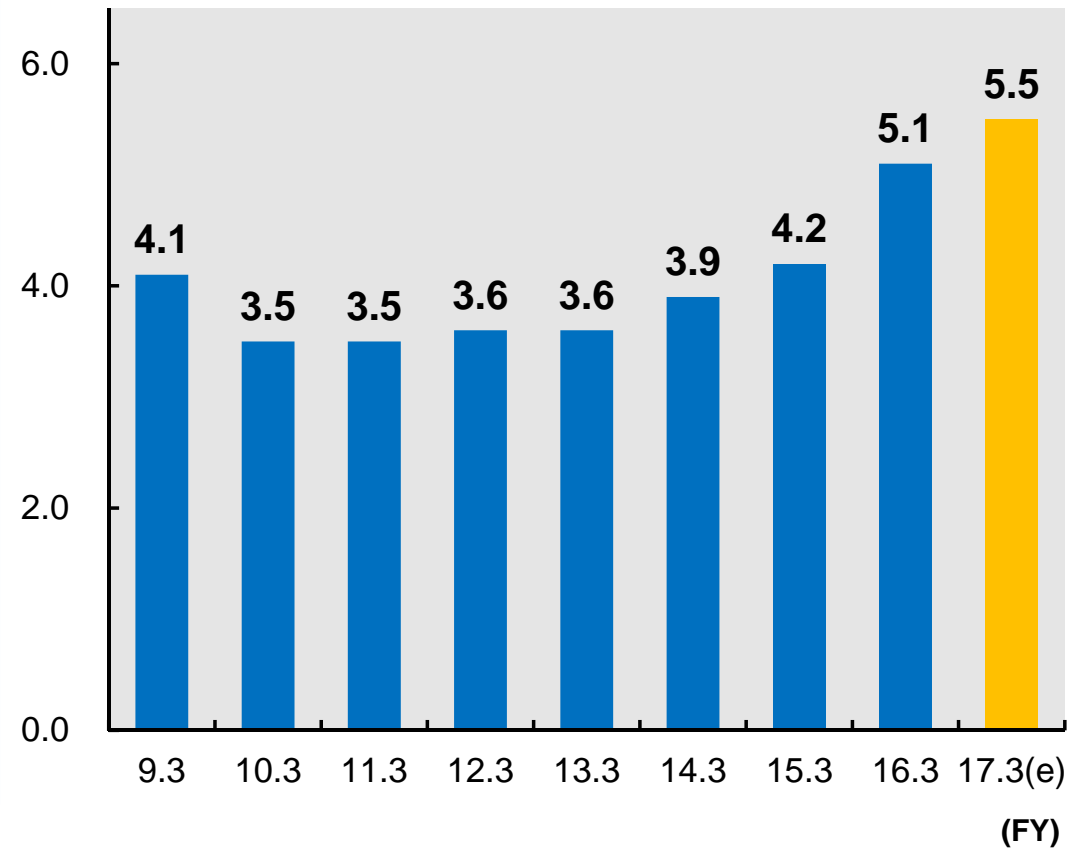
- Trends in business model transformation in IT industry and consulting industry
- Cutting-edge service trends in digital field
- Surveys and research on China and other Asian countries, etc.

##### ■ Service innovation

- Open innovation, NRI Mirai (Future) Garage
- Technology strategy
- Production innovation, etc.

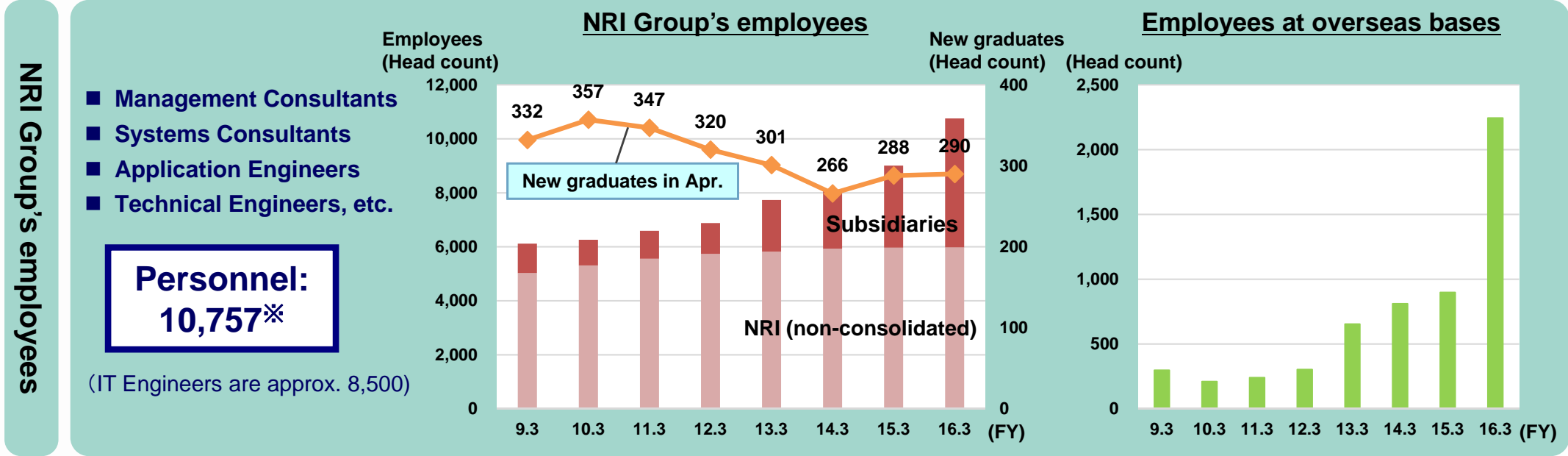
#### R&D

(JPY billion)



# 1. Other Financial Result-related Data

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



## 2. Recent Activities

### Commencing Second Phase of Proof-of-Concept Aimed at Utilization of Blockchain Technology in Securities Industry

- NRI will commence a second phase of proof-of-concept (PoC) related to the utilization of blockchain technology in the stock market.
- The PoC will evaluate the usability and challenges of the technology in collaboration with the Japan Exchange Group, aiming to apply it to the stock market. A number of firms, including Nomura Securities, SBI Securities, and Mitsubishi UFJ Financial Group, are poised to participate in testing the application requirements.



*Nikkei Business Daily,*  
April 8, 2016

## 2. Recent Activities

### Introduction of Value Direct at The Hyakugo Bank

- NRI introduced the Value Direct internet banking service at The Hyakugo Bank. The features of Value Direct are as follows:
  - Deposits: access to passbook and scheduled fixed amount transfers via smartphone
  - Investment trusts: procedure function and electronic delivery for accumulation funds (scheduled fixed amount purchases of investment trusts)
  - Foreign currency deposits: service that handles opening of accounts and exchange market fluctuations
  - Credit card loans: function for transferring funds between deposit account and credit card loan account
  - Security: advanced security in online transactions
- The Hyakugo Bank has introduced NRI's BESTWAY/JJ investment account management system service. With the introduction of Value Direct, the establishment of an integrated back office and front office system for investment trust operations is complete.

**入出金いつでも確認  
個人向けバンキング開始**

百五銀行

百五銀行は、預金、投資信託、外貨預金、ローンなど個人向けの取引サービスに対応した新たな個人向けインターネットバンキングサービスを開始した。

システムは、以前に導入した野村総合研究所の口座管理システムサービス「ベストウェイJJ」に加え、今回「バリュー・ダイレクト」を導入した。これにより、投資信託販売業務におけるバックオフィスとフロントの一貫したシステム整備が完了した。

両システムは共同利用型であるため、銀行業界で頻繁に行われる制度改正に対して低コスト、低リスクでのシステム対応が可能になった。

新たに、普通預金の入出金明細をいつでも確認できるアプリを提供できるようになった。同アプリは、投資信託を毎月一定の金額で継続的に購入する手続きや、外貨普通預金口座開設申込みがインターネットで行える。


なお、振込などの機能においては、通常利用パスワードに加え、メールを利用した期限付きパスワードを必要とする認証を行い、セキュリティを確保している。

Information Industries and Market News,  
April 4, 2016

## 2. Recent Activities

### Brierley+Partners Establishes Japanese Subsidiary

- Brierley+Partners (B+P), an NRI Group company in the United States, established Brierley+Partners Japan, Inc. on April 1, 2016 in order to fully expand the digital marketing and loyalty marketing business that it already operates in the United States now in Japan and Southeast Asia.
- B+P has a 30-year track record as an industry leader in CRM and loyalty marketing in the US market. In January 2016, it was named a Leader in the industry in The Forrester Wave by Forrester Research.
- Going forward, B+P Japan will strengthen expansion of digital marketing services in the Japanese and Southeast Asian markets to continue delivering high-quality marketing solutions to even more companies.

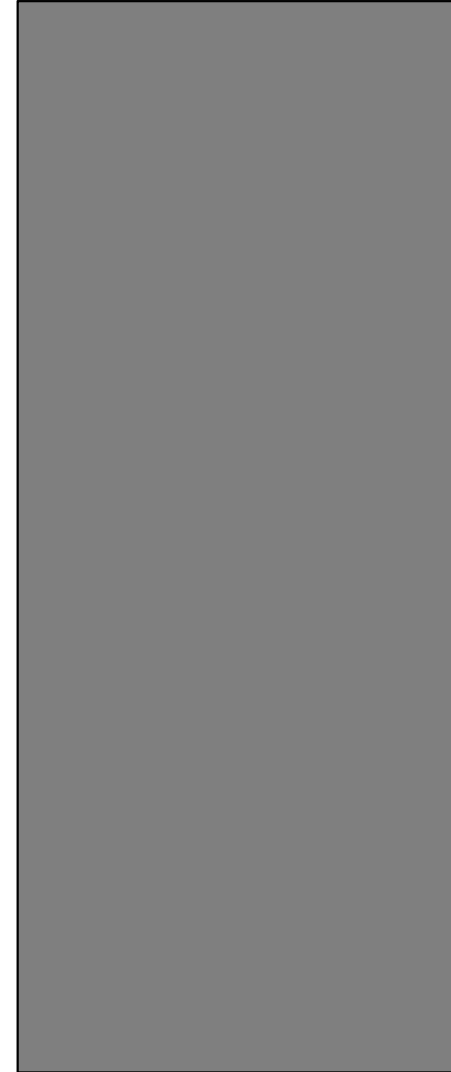


*Nikkei Business Daily,*  
February 18, 2016

## 2. Recent Activities

### Commencement of “Service Robot” Demonstration Trials in Collaboration with JAL

- JAL and NRI performed demonstration trials using a service robot to improve customer service at Haneda Airport.
- The service robot was linked to a digital information screen and provided airport facility information and flight operational information to customers through dialogue. In addition, the effect obtained by cooperation between airport staff and the service robot was also verified. This included airport staff sending instructions to the service robot from smart watches they wore and receiving notifications from the service robot in passenger service announcements such as the closing time for security check points.
- These trials use programs from NRI Mirai (Future) Garage, with the aim of creating new value-added services through the joint efforts of JAL and NRI.
- NRI was responsible for the development of systems utilizing the service robot using NAO, a robot produced by French company Aldebaran.



*Nihon Keizai Shimbun,*  
February 9, 2016



### 3. Others - Supplementary explanation

#### ■ FY March 2017 Consolidated Earnings Model - Sales of JPY435.0 billion and operating profit of JPY62.0 billion

(JPY billion)

	FY Mar. 2015 (Results)	FY Mar. 2016 (Results)	FY Mar. 2017 (Forecasts)*	YoY	
				Diff.	Change
<b>Sales</b>	<b>405.9</b>	<b>421.4</b>	<b>435.0</b>	<b>+13.5</b>	<b>+3.2%</b>
<b>Cost of Sales</b>	<b>289.2</b>	<b>287.2</b>	<b>295.0</b>	<b>+7.7</b>	<b>+2.7%</b>
Personnel	74.8	83.5	88.0	+4.4	+5.3%
Subcontracting Costs	141.9	139.3	145.0	+5.6	+4.1%
Depreciation	24.6	31.4	29.0	(2.4)	(7.9%)
<b>Gross Profit</b>	<b>116.7</b>	<b>134.1</b>	<b>140.0</b>	<b>+5.8</b>	<b>+4.3%</b>
<b>Gross Profit Margin</b>	<b>28.8%</b>	<b>31.8%</b>	<b>32.2%</b>	<b>+0.3P</b>	
<b>SG&amp;A</b>	<b>65.2</b>	<b>75.8</b>	<b>78.0</b>	<b>+2.1</b>	<b>+2.8%</b>
<b>Operating Profit</b>	<b>51.4</b>	<b>58.2</b>	<b>62.0</b>	<b>+3.7</b>	<b>+6.4%</b>
<b>Operating Profit Margin</b>	<b>12.7%</b>	<b>13.8%</b>	<b>14.3%</b>	<b>+0.4P</b>	

\* Figures are consolidated estimates for preparing this earnings model.

### 3. Others - Communications

#### Forum, etc.



January 2016  
NRI New Year Forum 2016 in Tokyo and Osaka

February 2016  
Briefing session held for individual investors in Tokyo, Sapporo and Fukuoka

#### Publications



Examples of books published since January 2016