

2Q FY March 2017 Financial Results

October 27, 2016

Nomura Research Institute, Ltd.

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I . 2Q FY March 2017 Financial Results (Consolidated)

II . FY March 2017 Financial Results Forecasts (Consolidated)

I .2Q FY March 2017 Financial Results (Consolidated)



(1) Highlights

2nd Quarter Total	(JPY million)							
	1H FY Mar.2016	1H FY Mar.2017	Y o Y		1H FY Mar.2017 (Forecasts)	Comparison to forecasts		FY Mar.2016
	Amount	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)	Amount
Sales	212,338	203,165	(9,173)	(4.3)	210,000	(6,834)	(3.3)	421,439
Consulting Services	25,077	27,139	2,061	8.2	25,000	2,139	8.6	52,131
System Development & System Application Sales	77,051	66,376	(10,674)	(13.9)	75,000	(8,623)	(11.5)	145,157
System Management & Operation Services	105,348	104,503	(845)	(0.8)	107,000	(2,496)	(2.3)	212,952
Product Sales	4,861	5,145	284	5.9	3,000	2,145	71.5	11,197
Cost of Sales	147,561	135,921	(11,639)	(7.9)				287,270
Gross Profit	64,777	67,243	2,466	3.8				134,168
(Gross Profit Margin)	30.5%	33.1%	2.6P					31.8%
Selling, general and administrative expenses	36,527	40,902	4,374	12.0				75,873
Operating Profit	28,249	26,341	(1,908)	(6.8)	29,000	(2,658)	(9.2)	58,295
(Operating Profit Margin)	13.3%	13.0%	(0.3P)					13.8%
Non-operating income and loss	1,592	1,616	24	1.5				2,705
Extraordinary income and loss	(195)	12,989	13,184	—				1,304
Profit attributable to owners of parent ※	20,126	28,843	8,716	43.3	21,000	7,843	37.3	42,648
Earnings per share(JPY)	89.56	127.95	38.39					188.57
Dividends per share(JPY)	40.00	40.00	—	—				80.00
[Substantial dividends]	[36.36]	[40.00]	[3.63]	[10.0]				[76.36]

※ NRI conducted a 1-for-1.1 stock split of common shares with an effective date of October 1, 2015.

Earnings per share states the values calculated assuming that the stock split had been conducted at the beginning of the previous fiscal year.

“Substantial dividends” in the dividend column states the converted amount per share as of September 30, 2016.

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(JPY million)

2nd Quarter	2Q FY	2Q FY	Y o Y	
	Mar.2016	Mar.2017	Diff.	Change(%)
	Amount	Amount		
Sales	110,816	102,773	(8,042)	(7.3)
Consulting Services	12,878	14,806	1,928	15.0
System Development & System Application Sales	43,922	33,121	(10,801)	(24.6)
System Management & Operation Services	52,084	52,115	31	0.1
Product Sales	1,931	2,730	798	41.3
Cost of Sales	77,593	69,772	(7,821)	(10.1)
Gross Profit	33,223	33,001	(221)	(0.7)
(Gross Profit Margin)	30.0%	32.1%	2.1P	
Selling, general and administrative expenses	18,508	20,349	1,840	9.9
Operating Profit	14,714	12,652	(2,061)	(14.0)
(Operating Profit Margin)	13.3%	12.3%	(1.0P)	
Non-operating income and loss	263	65	(197)	(75.1)
Extraordinary income and loss	(106)	13,143	13,249	—
Profit attributable to owners of parent	10,861	18,492	7,630	70.3
Earnings per share(JPY)	47.78	82.21	34.43	

(JPY million)

1st Quarter	1Q FY	1Q FY	Y o Y	
	Mar.2016	Mar.2017	Diff.	Change(%)
	Amount	Amount		
Sales	101,521	100,391	(1,130)	(1.1)
Consulting Services	12,199	12,332	133	1.1
System Development & System Application Sales	33,128	33,255	126	0.4
System Management & Operation Services	53,264	52,387	(876)	(1.6)
Product Sales	2,929	2,415	(513)	(17.5)
Cost of Sales	69,967	66,149	(3,818)	(5.5)
Gross Profit	31,554	34,241	2,687	8.5
(Gross Profit Margin)	31.1%	34.1%	3.0P	
Selling, general and administrative expenses	18,018	20,553	2,534	14.1
Operating Profit	13,535	13,688	153	1.1
(Operating Profit Margin)	13.3%	13.6%	0.3P	
Non-operating income and loss	1,329	1,551	221	16.7
Extraordinary income and loss	(88)	(153)	(65)	—
Profit attributable to owners of parent	9,265	10,351	1,086	11.7
Earnings per share(JPY)	41.72	45.82	4.11	

I .2Q FY March 2017 Financial Results (Consolidated)



(2) Sales and Operating Profit by segment

① Segment performance results (including sales for each segment)

(JPY million)

2nd Quarter Total		1H FY Mar.2016		1H FY Mar.2017		Yo Y		FY Mar.2016	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	Sales	13,377	6.3	13,400	6.6	22	0.2	28,823	6.8
	Operating Profit	2,017	7.1	2,089	7.9	71	3.5	5,487	9.4
	(Operating Profit Margin)	15.1%		15.6%		0.5P		19.0%	
Financial IT Solutions	Sales	129,305	60.9	120,305	59.2	(8,999)	(7.0)	253,802	60.2
	Operating Profit	14,891	52.7	11,770	44.7	(3,121)	(21.0)	29,171	50.0
	(Operating Profit Margin)	11.5%		9.8%		(1.7P)		11.5%	
Industrial IT Solutions	Sales	50,996	24.0	50,832	25.0	(163)	(0.3)	102,859	24.4
	Operating Profit	5,242	18.6	3,653	13.9	(1,589)	(30.3)	9,974	17.1
	(Operating Profit Margin)	10.3%		7.2%		(3.1P)		9.7%	
IT Platform Services	Sales	53,409	25.2	60,727	29.9	7,318	13.7	110,044	26.1
	Operating Profit	5,397	19.1	7,337	27.9	1,939	35.9	11,575	19.9
	(Operating Profit Margin)	10.1%		12.1%		2.0P		10.5%	
Others	Sales	6,153	2.9	6,546	3.2	392	6.4	12,924	3.1
	Operating Profit	88	0.3	908	3.4	819	929.2	919	1.6
	(Operating Profit Margin)	1.4%		13.9%		12.4P		7.1%	
Inter-segment sales and eliminations	Sales	(40,903)	(19.3)	(48,648)	(23.9)	(7,744)		(87,014)	(20.6)
	Operating Profit	611	2.2	582	2.2	(29)		1,167	2.0
Total	Sales	212,338	100.0	203,165	100.0	(9,173)	(4.3)	421,439	100.0
	Operating Profit	28,249	100.0	26,341	100.0	(1,908)	(6.8)	58,295	100.0
	(Operating Profit Margin)	13.3%		13.0%		(0.3P)		13.8%	

Some segment classifications were changed during the quarterly period ended 31st December, 2015, and historical figures are shown based on the classifications following the relevant changes.

I .2Q FY March 2017 Financial Results (Consolidated)



(JPY million)

2nd Quarter		2Q FY Mar.2016		2Q FY Mar.2017		YoY	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	7,226	6.5	7,261	7.1	35	0.5
	Operating Profit	1,374	9.3	1,738	13.7	364	26.5
	(Operating Profit Margin)	19.0%	/	23.9%	/	4.9P	/
Financial IT Solutions	Sales	69,561	62.8	60,588	59.0	(8,972)	(12.9)
	Operating Profit	7,270	49.4	5,079	40.1	(2,191)	(30.1)
	(Operating Profit Margin)	10.5%	/	8.4%	/	(2.1P)	/
Industrial IT Solutions	Sales	25,417	22.9	25,337	24.7	(80)	(0.3)
	Operating Profit	2,252	15.3	1,486	11.7	(765)	(34.0)
	(Operating Profit Margin)	8.9%	/	5.9%	/	(3.0P)	/
IT Platform Services	Sales	26,390	23.8	30,372	29.6	3,981	15.1
	Operating Profit	3,132	21.3	3,536	27.9	403	12.9
	(Operating Profit Margin)	11.9%	/	11.6%	/	(0.2P)	/
Others	Sales	3,050	2.8	3,343	3.3	293	9.6
	Operating Profit	359	2.4	469	3.7	110	30.7
	(Operating Profit Margin)	11.8%	/	14.0%	/	2.3P	/
Inter-segment sales and eliminations	Sales	(20,830)	(18.8)	(24,130)	(23.5)	(3,299)	/
	Operating Profit	325	2.2	342	2.7	17	/
Total	Sales	110,816	100.0	102,773	100.0	(8,042)	(7.3)
	Operating Profit	14,714	100.0	12,652	100.0	(2,061)	(14.0)
	(Operating Profit Margin)	13.3%	/	12.3%	/	(1.0P)	/

I .2Q FY March 2017 Financial Results (Consolidated)

(JPY million)

1st Quarter		1Q FY Mar.2016		1Q FY Mar.2017		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	6,150	6.1	6,138	6.1	(12)	(0.2)
	Operating Profit	643	4.8	350	2.6	(292)	(45.5)
	(Operating Profit Margin)	10.5%		5.7%		(4.8P)	
Financial IT Solutions	Sales	59,744	58.8	59,717	59.5	(27)	(0.0)
	Operating Profit	7,620	56.3	6,691	48.9	(929)	(12.2)
	(Operating Profit Margin)	12.8%		11.2%		(1.6P)	
Industrial IT Solutions	Sales	25,578	25.2	25,495	25.4	(82)	(0.3)
	Operating Profit	2,990	22.1	2,166	15.8	(823)	(27.5)
	(Operating Profit Margin)	11.7%		8.5%		(3.2P)	
IT Platform Services	Sales	27,018	26.6	30,355	30.2	3,336	12.3
	Operating Profit	2,265	16.7	3,801	27.8	1,536	67.8
	(Operating Profit Margin)	8.4%		12.5%		4.1P	
Others	Sales	3,103	3.1	3,202	3.2	99	3.2
	Operating Profit	(270)	(2.0)	438	3.2	709	—
	(Operating Profit Margin)	(8.7%)		13.7%		22.4P	
Inter-segment sales and eliminations	Sales	(20,073)	(19.8)	(24,518)	(24.4)	(4,444)	
	Operating Profit	286	2.1	239	1.8	(46)	
Total	Sales	101,521	100.0	100,391	100.0	(1,130)	(1.1)
	Operating Profit	13,535	100.0	13,688	100.0	153	1.1
	(Operating Profit Margin)	13.3%		13.6%		0.3P	

I .2Q FY March 2017 Financial Results (Consolidated)

② Sales by segment

(JPY million)

2nd Quarter Total	1H FY Mar.2016		1H FY Mar.2017		Y o Y		FY Mar.2016	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	13,222	6.2	13,178	6.5	(44)	(0.3)	28,370	6.7
Financial IT Solutions	128,980	60.7	119,754	58.9	(9,226)	(7.2)	252,842	60.0
Securities	64,036	30.2	57,054	28.1	(6,981)	(10.9)	123,896	29.4
Insurance	29,280	13.8	25,421	12.5	(3,858)	(13.2)	57,082	13.5
Banking	19,098	9.0	18,965	9.3	(132)	(0.7)	37,541	8.9
Other financial	16,566	7.8	18,312	9.0	1,746	10.5	34,321	8.1
Industrial IT Solutions	50,420	23.7	50,629	24.9	209	0.4	101,538	24.1
Distribution	26,633	12.5	26,666	13.1	32	0.1	51,882	12.3
Manufacturing, service and other	23,786	11.2	23,963	11.8	176	0.7	49,656	11.8
IT Platform Services	15,092	7.1	14,419	7.1	(672)	(4.5)	28,720	6.8
Others	4,622	2.2	5,182	2.6	560	12.1	9,966	2.4
Total	212,338	100.0	203,165	100.0	(9,173)	(4.3)	421,439	100.0

(JPY million)

2nd Quarter	2Q FY Mar.2016		2Q FY Mar.2017		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	7,117	6.4	7,129	6.9	11	0.2
Financial IT Solutions	69,386	62.6	60,303	58.7	(9,083)	(13.1)
Securities	37,282	33.6	28,645	27.9	(8,636)	(23.2)
Insurance	14,019	12.7	12,663	12.3	(1,356)	(9.7)
Banking	9,589	8.7	9,538	9.3	(50)	(0.5)
Other financial	8,494	7.7	9,455	9.2	960	11.3
Industrial IT Solutions	25,108	22.7	25,238	24.6	129	0.5
Distribution	13,173	11.9	13,121	12.8	(51)	(0.4)
Manufacturing, service and other	11,935	10.8	12,116	11.8	180	1.5
IT Platform Services	6,892	6.2	7,468	7.3	576	8.4
Others	2,311	2.1	2,634	2.6	323	14.0
Total	110,816	100.0	102,773	100.0	(8,042)	(7.3)

(JPY million)

1st Quarter	1Q FY Mar.2016		1Q FY Mar.2017		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	6,104	6.0	6,049	6.0	(55)	(0.9)
Financial IT Solutions	59,594	58.7	59,451	59.2	(142)	(0.2)
Securities	26,753	26.4	28,408	28.3	1,654	6.2
Insurance	15,260	15.0	12,758	12.7	(2,502)	(16.4)
Banking	9,509	9.4	9,427	9.4	(81)	(0.9)
Other financial	8,071	8.0	8,857	8.8	785	9.7
Industrial IT Solutions	25,311	24.9	25,391	25.3	80	0.3
Distribution	13,460	13.3	13,544	13.5	84	0.6
Manufacturing, service and other	11,850	11.7	11,847	11.8	(3)	(0.0)
IT Platform Services	8,199	8.1	6,950	6.9	(1,249)	(15.2)
Others	2,311	2.3	2,548	2.5	236	10.2
Total	101,521	100.0	100,391	100.0	(1,130)	(1.1)

(3) Sales to main clients

(JPY million)

2nd Quarter Total	1H FY Mar.2016		1H FY Mar.2017		Y o Y		FY Mar.2016	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Nomura Holdings	32,926	15.5	33,268	16.4	341	1.0	68,666	16.3
Seven & i Holdings	22,747	10.7	21,834	10.7	(912)	(4.0)	43,254	10.3

*Figures, in principle, include sales to subsidiaries.

(JPY million)

2nd Quarter	2Q FY Mar.2016		2Q FY Mar.2017		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	16,268	14.7	16,498	16.1	230	1.4
Seven & i Holdings	11,102	10.0	10,642	10.4	(459)	(4.1)

(JPY million)

1st Quarter	1Q FY Mar.2016		1Q FY Mar.2017		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	16,658	16.4	16,769	16.7	111	0.7
Seven & i Holdings	11,644	11.5	11,191	11.1	(452)	(3.9)

(4) Subcontracting Costs

(JPY million)

2nd Quarter Total	1H FY Mar.2016		1H FY Mar.2017		Y o Y		FY Mar.2016	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Subcontracting Costs	72,292	34.0	63,300	31.2	(8,992)	(12.4)	139,303	33.1
(Subcontracting Costs to China)	12,686	17.5	10,105	16.0	(2,581)	(20.3)	23,476	16.9

*Share for subcontracting costs shows share of sales.

*Subcontracting costs to China & Percentage in total subcontracting costs.

(JPY million)

2nd Quarter	2Q FY Mar.2016		2Q FY Mar.2017		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	36,578	33.0	31,681	30.8	(4,897)	(13.4)
(Subcontracting Costs to China)	6,464	17.7	5,064	16.0	(1,399)	(21.7)

(JPY million)

1st Quarter	1Q FY Mar.2016		1Q FY Mar.2017		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	35,714	35.2	31,619	31.5	(4,095)	(11.5)
(Subcontracting Costs to China)	6,222	17.4	5,040	15.9	(1,181)	(19.0)

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(5) Cash Flow

(JPY million)

2nd Quarter Total	1H FY Mar. 2016	1H FY Mar. 2017	YoY		FY Mar.2016
	Amount	Amount	Diff.	Change(%)	Amount
Operating Activities	41,350	27,636	(13,713)	(33.2)	81,470
Investing Activities	(40,359)	(4,818)	35,541	(88.1)	(75,344)
(Investing Activities except Cash management purpose investment)	(28,373)	(6,599)	21,773	(76.7)	(52,725)
Free Cash Flow	990	22,818	21,827	—	6,126
(Free Cash Flow except Cash management purpose investment)	12,976	21,036	8,059	62.1	28,744
Financing Activities	9,411	(25,129)	(34,540)	—	9,326
Net increase in Cash and cash equivalents	10,436	(4,210)	(14,647)	—	14,381
(Net increase in Cash and cash equivalents except Cash management purpose investment)	22,422	(5,992)	(28,414)	—	37,000
Cash and cash equivalents at end of period	151,003	150,738	(265)	(0.2)	154,949
Cash and cash equivalents + Cash Management purpose investment	191,489	199,915	8,425	4.4	206,031

*Cash management purpose investment is investments in bonds, etc., with maturities of longer than three months from date of purchase to date of redemption.

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(6) Capital Expenditure, Research and Development Expenses

(JPY million)

2nd Quarter Total	1H FY Mar. 2016	1H FY Mar. 2017	Y o Y		FY Mar.2016
	Amount	Amount	Diff.	Change(%)	Amount
Capital Expenditure	21,934	20,187	(1,747)	(8.0)	48,325
Tangible	9,310	6,169	(3,140)	(33.7)	20,285
Intangible	12,624	14,018	1,393	11.0	28,040
Research and Development Expenses	2,073	2,599	525	25.4	5,110

(JPY million)

2nd Quarter	2Q FY Mar. 2016	2Q FY Mar. 2017	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	12,510	8,875	(3,634)	(29.1)
Tangible	6,294	1,780	(4,514)	(71.7)
Intangible	6,215	7,095	879	14.2
Research and Development Expenses	1,376	1,608	231	16.8

(JPY million)

1st Quarter	1Q FY Mar. 2016	1Q FY Mar. 2017	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	9,424	11,312	1,887	20.0
Tangible	3,015	4,388	1,373	45.5
Intangible	6,409	6,923	514	8.0
Research and Development Expenses	696	990	294	42.2

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(7) Depreciation and Amortization

(JPY million)

2nd Quarter Total	1H FY Mar.	1H FY Mar.	Y o Y		FY Mar.2016
	2016	2017	Diff.	Change(%)	Amount
Tangible	4,201	4,916	715	17.0	9,242
Intangible	13,651	7,808	(5,843)	(42.8)	23,356
Depreciation and Amortization	17,852	12,724	(5,127)	(28.7)	32,598

(JPY million)

2nd Quarter	2Q FY Mar.	2Q FY Mar.	Y o Y	
	2016	2017	Diff.	Change(%)
Tangible	2,182	2,519	337	15.4
Intangible	9,252	4,056	(5,195)	(56.2)
Depreciation and Amortization	11,434	6,576	(4,858)	(42.5)

(JPY million)

1st Quarter	1Q FY Mar.	1Q FY Mar.	Y o Y	
	2016	2017	Diff.	Change(%)
Tangible	2,018	2,397	378	18.7
Intangible	4,399	3,751	(647)	(14.7)
Depreciation and Amortization	6,418	6,148	(269)	(4.2)

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(8) Order Volume by segment

① Order Backlog

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar.	2Q FY Mar.	Y o Y	
	2016	2017	Diff.	Change(%)
	Amount	Amount		
Consulting	7,162	7,500	338	4.7
Financial IT Solutions	90,634	93,184	2,550	2.8
Industrial IT Solutions	33,210	34,188	977	2.9
IT Platform Services	9,500	8,358	(1,141)	(12.0)
Others	2,494	2,892	398	16.0
Total	143,001	146,125	3,123	2.2
(Order backlog in the current FY)	137,262	142,687	5,424	4.0

(JPY million)

At the end of the 1st Quarter	1Q FY Mar.	1Q FY Mar.	Y o Y	
	2016	2017	Diff.	Change(%)
	Amount	Amount		
Consulting	8,029	8,700	671	8.4
Financial IT Solutions	125,307	124,119	(1,187)	(0.9)
Industrial IT Solutions	47,565	48,534	968	2.0
IT Platform Services	12,708	10,971	(1,737)	(13.7)
Others	2,455	4,199	1,744	71.0
Total	196,065	196,525	459	0.2
(Order backlog in the current FY)	192,292	194,203	1,911	1.0

(JPY million)

At beginning of period	FY Mar.	FY Mar.	Y o Y	
	2016	2017	Diff.	Change(%)
	Amount	Amount		
Consulting	5,622	4,677	(945)	(16.8)
Financial IT Solutions	146,268	149,718	3,450	2.4
Industrial IT Solutions	55,412	58,523	3,111	5.6
IT Platform Services	17,205	11,837	(5,368)	(31.2)
Others	2,679	3,553	873	32.6
Total	227,188	228,310	1,122	0.5
(Order backlog in the current FY)	224,785	227,420	2,634	1.2

②Order Volume

(JPY million)

2nd Quarter Total	1H FY Mar. 2016	1H FY Mar. 2017	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	14,762	16,001	1,239	8.4
Financial IT Solutions	73,346	63,220	(10,125)	(13.8)
Industrial IT Solutions	28,218	26,294	(1,924)	(6.8)
IT Platform Services	7,387	10,940	3,553	48.1
Others	4,436	4,522	85	1.9
Total	128,152	120,979	(7,172)	(5.6)

(JPY million)

2nd Quarter	2Q FY Mar. 2016	2Q FY Mar. 2017	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	6,251	5,929	(321)	(5.1)
Financial IT Solutions	34,712	29,368	(5,344)	(15.4)
Industrial IT Solutions	10,754	10,892	137	1.3
IT Platform Services	3,685	4,856	1,171	31.8
Others	2,349	1,327	(1,021)	(43.5)
Total	57,752	52,373	(5,379)	(9.3)

(JPY million)

1st Quarter	1Q FY Mar. 2016	1Q FY Mar. 2017	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	8,511	10,072	1,561	18.3
Financial IT Solutions	38,633	33,852	(4,781)	(12.4)
Industrial IT Solutions	17,464	15,402	(2,062)	(11.8)
IT Platform Services	3,702	6,084	2,382	64.3
Others	2,087	3,194	1,107	53.0
Total	70,399	68,606	(1,793)	(2.5)

II . FY March 2017 Financial Results Forecasts (Consolidated)



- Financial results forecasts, capital expenditure forecasts, and depreciation and amortization forecasts (published April 27, 2016) have been revised.
- The dividend forecast (published April 27, 2016) has not been revised. However, the Company plans to conduct a 1-for-1.1 stock split of common shares with an effective date of January 1, 2017. The year-end dividend forecast for the fiscal year ending March 31, 2017 has been left unchanged at 40 yen per share without any adjustment being made for the stock split. Therefore, when the year-end dividend is converted into the dividend per share before the split, it amounts to 44 yen per share signifying an effective increase of 4 yen from the previous forecast.

(1) Highlights and Dividend forecasts

(JPY billion)

	FY Mar.2016 (Results)		FY Mar.2017 (Forecasts)		Y o Y		FY Mar.2017 (Forecasts as of April 27,2016)		Comparison to forecasts	
	Amount	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)
Sales	421.4	425.0	3.5	0.8	435.0	(10.0)	(2.3)	435.0	(10.0)	(2.3)
Consulting Services	52.1	57.0	4.8	9.3	55.0	2.0	3.6	55.0	2.0	3.6
System Development & System Application Sales	145.1	145.0	(0.1)	(0.1)	155.0	(10.0)	(6.5)	155.0	(10.0)	(6.5)
System Management & Operation Services	212.9	211.0	(1.9)	(0.9)	215.0	(4.0)	(1.9)	215.0	(4.0)	(1.9)
Product Sales	11.1	12.0	0.8	7.2	10.0	2.0	20.0	10.0	2.0	20.0
Operating Profit	58.2	59.0	0.7	1.2	62.0	(3.0)	(4.8)	62.0	(3.0)	(4.8)
(Operating Profit Margin)	13.8%	13.9%	0.0P		14.3%	(0.4P)		14.3%	(0.4P)	
Net Income	42.6	45.5	2.8	6.7	43.5	2.0	4.6	43.5	2.0	4.6
Dividends per share(JPY)	80.00	80.00	—	—	80.00	—	—	80.00	—	—
[Substantial dividends] ※	[76.36]	[84.00]	[7.63]	[10.0]	[80.00]	[4.00]	[5.0]	[80.00]	[4.00]	[5.0]
Second quarter(JPY)	40.00	40.00	—	—	40.00	—	—	40.00	—	—
[Substantial dividends]	[36.36]	[40.00]	[3.63]	[10.0]	[40.00]	[—]	[—]	[40.00]	[—]	[—]
Fiscal year end(JPY)	40.00	40.00	—	—	40.00	—	—	40.00	—	—
[Substantial dividends]	[40.00]	[44.00]	[4.00]	[10.0]	[40.00]	[4.00]	[10.0]	[40.00]	[4.00]	[10.0]

※ NRI conducted a 1-for-1.1 stock split of common shares with an effective date of October 1, 2015, and plans to conduct a 1-for-1.1 stock split of common shares with an effective date of January 1, 2017.
“Substantial dividends” in the dividend column states the converted amount per share as of September 30, 2016.

(2) Sales Forecasts by segment

(JPY billion)

	FY Mar.2016 (Results)		FY Mar.2017 (Forecasts)		Y o Y		FY Mar.2017 (Forecasts as of April 27,2016)		Comparison to forecasts	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Diff.	Change(%)	
Consulting	28.3	6.7	30.0	7.1	1.6	5.7	32.0	(2.0)	(6.3)	
Financial IT Solutions	252.8	60.0	250.0	58.8	(2.8)	(1.1)	257.0	(7.0)	(2.7)	
Securities	123.8	29.4	117.0	27.5	(6.8)	(5.6)	120.0	(3.0)	(2.5)	
Insurance	57.0	13.5	55.0	12.9	(2.0)	(3.6)	63.0	(8.0)	(12.7)	
Banking	37.5	8.9	40.0	9.4	2.4	6.5	39.0	1.0	2.6	
Other financial	34.3	8.1	38.0	8.9	3.6	10.7	35.0	3.0	8.6	
Industrial IT Solutions	101.5	24.1	105.0	24.7	3.4	3.4	105.0	—	—	
Distribution	51.8	12.3	54.5	12.8	2.6	5.0	53.0	1.5	2.8	
Manufacturing, service and other	49.6	11.8	50.5	11.9	0.8	1.7	52.0	(1.5)	(2.9)	
IT Platform Services	28.7	6.8	30.0	7.1	1.2	4.5	31.0	(1.0)	(3.2)	
Others	9.9	2.4	10.0	2.4	0.0	0.3	10.0	—	—	
Total	421.4	100.0	425.0	100.0	3.5	0.8	435.0	(10.0)	(2.3)	

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment.

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II . FY March 2017 Financial Results Forecasts (Consolidated)



(3) Capital Expenditure, Research and Development Expenses Forecasts

(JPY billion)

	FY Mar.2016 (Results)		FY Mar.2017 (Forecasts)		Y o Y		FY Mar.2017 (Forecasts as of April 27,2016)		Comparison to forecasts	
	Amount	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)
Capital Expenditure	48.3	42.0	(6.3)	(13.1)	45.0	(3.0)	(6.7)	45.0	(3.0)	(6.7)
Tangible	20.2	14.0	(6.2)	(31.0)	16.0	(2.0)	(12.5)	16.0	(2.0)	(12.5)
Intangible	28.0	28.0	(0.0)	(0.1)	29.0	(1.0)	(3.4)	29.0	(1.0)	(3.4)
Research and Development Expense:	5.1	5.5	0.3	7.6	5.5	—	-	5.5	—	-

(4) Depreciation and Amortization Forecasts

(JPY billion)

	FY Mar.2016 (Results)		FY Mar.2017 (Forecasts)		Y o Y		FY Mar.2017 (Forecasts as of April 27,2016)		Comparison to forecasts	
	Amount	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)
Depreciation and Amortization	32.5	28.0	(4.5)	(14.1)	30.0	(2.0)	(6.7)	30.0	(2.0)	(6.7)