Financial Results Presentation

Financial Results for the year ended 31st March, 2019 and Financial Results Forecast for the year ending 31st March, 2020

Nomura Research Institute, Ltd.

Shingo Konomoto

President & CEO, Member of the Board

April 25, 2019

Share the Next Values!

1 Financial Results for FY March 2019

2 Financial Results Forecasts for FY March 2020

3 Reference Materials

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Financial Results for FY March 2019

Highlights of Consolidated Financial Results

■ YoY comparison（＊ are shown as a reference）

（JPY million）

	FY Mar. 2018	FY Mar. 2019	Diff.	YoY Change
Sales	471,488	501,243	29,755	6.3%
Operating Profit before goodwill amortization＊	69,281	75,373	6,091	8.8%
Operating Profit	65,138	71,442	6,303	9.7%
Operating Profit Margin before goodwill amortization＊	14.7%	15.0%	0.3P	
Operating Profit Margin	13.8%	14.3%	0.4P	
Profit attributable to owners of parent	55,145	50,931	(4,213)	(7.6%)
Earnings Per Share＊	¥228.21	¥216.33	(¥11.88)	
Dividends Per Share	¥90.00	¥90.00	-	
Payout Ratio	39.1%	41.5%	2.4P	
Return On Equity	12.9%	12.3%	(0.7P)	

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Financial Results for FY March 2019

Comparison to Forecasts

(JPY billion)

	FY Mar. 2018	FY Mar. 2019		
	Results	Forecasts*	Results	Diff.
Sales	471.4	500.0	501.2	1.2
Operating Profit	65.1	70.0	71.4	1.4
Operating Profit Margin	13.8%	14.0%	14.3%	0.3P
Profit attributable to owners of parent	55.1	53.0	50.9	(2.0)

* Forecasts were announced on January 30, 2019

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Key Factors in Financial Results for FY March 2019

- **Higher income and profit, with +6.3% in sales and +9.7% in operating profit**
  - DX-related business increased dramatically and more large-scale clients were developed in consulting and industrial IT solutions
  - Financial IT solutions had growth in insurance
  - Overseas business was led by growth and improved profitability in Australia
  - Operating profit margin exceeded 14% and ROE exceeded 12%, as profitability and capital efficiency also improved

Targets were achieved in the Medium-Term Plan (2016-2018), the halfway point of the Vision2022 Long-Term Management Vision

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Financial Results for FY March 2019

External sales by segment <Total>

(JPY million)

	FY Mar. 2018*	Share	FY Mar. 2019	Share	Diff.	YoY Change
Consulting	34,577	7.3%	41,304	8.2%	6,726	19.5%
Financial IT Solutions	252,122	53.5%	252,367	50.3%	245	0.1%
Securities	118,397	25.1%	100,309	20.0%	(18,088)	(15.3%)
Insurance	51,836	11.0%	64,874	12.9%	13,037	25.2%
Banking	42,225	9.0%	43,404	8.7%	1,178	2.8%
Other financial	39,662	8.4%	43,780	8.7%	4,117	10.4%
Industrial IT Solutions	154,917	32.9%	174,417	34.8%	19,499	12.6%
Distribution	61,057	12.9%	66,540	13.3%	5,483	9.0%
Manufacturing, service and other	93,860	19.9%	107,876	21.5%	14,016	14.9%
IT Platform Services	29,870	6.3%	33,153	6.6%	3,283	11.0%
Total	471,488	100.0%	501,243	100.0%	29,755	6.3%

* NRI partially revised its business segments on April 1,2018 and on October 1,2018. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

External sales by segment <Total> (supplementary information)

Sales by main client

(JPY million)

	FY Mar. 2018	Share**	FY Mar. 2019	Share**	Diff.	YoY Change
Nomura Holdings	77,937	16.5%	60,579	12.1%	(17,358)	(22.3%)
Seven & i Holdings	47,001	10.0%	49,109	9.8%	2,108	4.5%

* Percentage of (total) external sales

Overseas sales

(JPY million)

	FY Mar. 2018	Share**	FY Mar. 2019	Share**	Diff.	YoY Change
Overseas sales	43,559	9.2%	53,081	10.6%	9,521	21.9%
North America*	9,643	2.1%	9,738	1.9%	94	1.0%
Oceania*	27,164	5.8%	35,858	7.2%	8,694	32.0%
Asia, other*	6,751	1.4%	7,484	1.5%	732	10.9%

＊ Numbers by area are based on location of clients, and numbers per country or area are recorded as reference values.

** Percentage of (total) external sales

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Financial Results for FY March 2019

Segment Performance Results <Total>

■ **Including Inter-segment sales for each segment.** (JPY million)

		FY Mar. 2018*	FY Mar. 2019	Diff.	YoY Change
Consulting	Sales	35,332	41,947	6,614	18.7%
	OP	6,561	7,810	1,248	19.0%
	OPM	18.6%	18.6%	0.0P	
Financial IT Solutions	Sales	254,567	255,162	595	0.2%
	OP	27,673	27,095	(578)	(2.1%)
	OPM	10.9%	10.6%	(0.3P)	
Industrial IT Solutions	Sales	157,585	177,114	19,528	12.4%
	OP	15,119	18,425	3,305	21.9%
	OPM	9.6%	10.4%	0.8P	
IT Platform Services	Sales	122,342	127,777	5,434	4.4%
	OP	14,764	17,130	2,366	16.0%
	OPM	12.1%	13.4%	1.3P	

* NRI partially revised its business segments on April 1,2018 and on October 1,2018. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Financial Results for FY March 2019

Analysis of increase and decrease factors ＜Total＞

- Main factors for increases and decreases in external sales and operating profit by segment are as follows.

(Key) (＋) Increase factors, (－) Decrease factors

Segment		External sales	Operating profit
Consulting		(+) More consulting projects inside/outside Japan (＋) Increase in Australia (approx. 3 billion yen)	(＋) Effect of higher income from consulting projects inside/outside Japan (＋) Better profitability in Australia
Financial IT Solutions	Securities	(-) Decrease with Nomura Holdings	(+) Effect of higher income from insurance (－) Devaluation of software assets
	Insurance	(+) Increase with life & non-life insurance	
	Banking		
	Other financial, etc.	(+) Increase with multiple main clients	
Industrial IT Solutions	Distribution	(+) Increase with multiple clients including Seven & i Holdings	(+) Effect of higher income from multiple main clients (+) Better profitability in Australia
	Manufacturing & services, etc.	(+) Increase with multiple main clients (＋) Increase in Australia (approx. 6 billion yen)	
IT Platform Services		(＋) Increase with information security and digital	
Common between segments			(+) No costs to move into new offices such as last year (approx. 1 billion yen)

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Financial Results for FY March 2019

Sales by Service ＜Total＞

（JPY million）

	FY Mar. 2018	FY Mar. 2019	Diff.	YoY Change
Consulting Services	78,987	90,816	11,829	15.0%
System Development & System Application Sales	138,111	150,467	12,356	8.9%
System Management & Operation Services	241,198	244,273	3,075	1.3%
Product Sales	13,191	15,686	2,494	18.9%
Total	471,488	501,243	29,755	6.3%

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Financial Results for FY March 2019

Consolidated P/L Highlight ＜Total＞

（JPY million）

	FY Mar. 2018	FY Mar. 2019	Diff.	YoY Change
Sales	**471,488**	**501,243**	**29,755**	**6.3%**
Cost of Sales	**311,868**	**336,508**	**24,640**	**7.9%**
Subcontracting Costs	135,522	150,635	15,112	11.2%
Gross Profit	**159,619**	**164,735**	**5,115**	**3.2%**
Gross Profit Margin	33.9%	32.9%	(1.0P)	
SG&A	**94,481**	**93,293**	**(1,188)**	**(1.3%)**
Amortization of goodwill*	4,143	3,931	(212)	(5.1%)
Operating Profit	**65,138**	**71,442**	**6,303**	**9.7%**
Operating Profit Margin	13.8%	14.3%	0.4P	

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Financial Results for FY March 2019

Consolidated P/L Highlight ＜Total＞(continued)

（JPY million）

	FY Mar. 2018	FY Mar. 2019	Diff.	YoY Change
Operating Profit	**65,138**	**71,442**	**6,303**	**9.7%**
Non-operating income and loss	**1,023**	**967**	**(56)**	**(5.5%)**
Dividend Income	1,514	1,145	(368)	(24.3%)
Extraordinary income and loss	**16,366**	**4,340**	**(12,025)**	**(73.5%)**
Gain on sales of investment securities	22,078	9,079	(12,998)	(58.9%)
Office reorganization costs	(5,532)	-	5,532	
Impairment loss	-	(3,698)*	(3,698)	
Income taxes etc.	**26,356**	**25,213**	**(1,142)**	**(4.3%)**
Profit attributable to owners of parent	**55,145**	**50,931**	**(4,213)**	**(7.6%)**

* Due to a decline in profitability for overseas subsidiary Brierley+Partners, Inc., the exceedingly high profitability originally anticipated can no longer be expected, and an impairment of goodwill (in full) has thus been recorded.

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

1 Financial Results for FY March 2019

2 Financial Results Forecasts for FY March 2020

3 Reference Materials

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Financial Results Forecasts for FY March 2020

Order Backlog by Segment (Outstanding)

（JPY million）

	At end of Mar. 2018*	At end of Mar. 2019	Diff.	YoY Change
Consulting	6,764	6,207	(557)	(8.2%)
Financial IT Solutions	141,574	154,930	13,356	9.4%
Industrial IT Solutions	94,120	97,924	3,804	4.0%
IT Platform Services	14,295	14,609	314	2.2%
Total	256,754	273,672	16,917	6.6%
Order backlog in the current FY	255,259	269,895	14,636	5.7%

* NRI partially revised its business segments on April 1,2018 and on October 1,2018. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Financial Results Forecasts for FY March 2020

Order Backlog by Segment（Domestic/International）

■ Order backlog domestically

（JPY million）

	At end of Mar. 2018*	At end of Mar. 2019	Diff.	YoY Change
Consulting	3,758	3,253	(505)	(13.5%)
Financial IT Solutions	140,858	154,568	13,710	9.7%
Industrial IT Solutions	62,369	69,368	6,998	11.2%
IT Platform Services	14,271	14,609	338	2.4%
Total	221,257	241,799	20,541	9.3%

* NRI partially revised its business segments on April 1,2018 and on October 1,2018. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

■ Order backlog of overseas subsidiaries

（JPY million）

	At end of Mar. 2018	At end of Mar. 2019	Diff.	YoY Change
Overseas subsidiaries	35,496	31,873	(3,623)	(10.2%)

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Forecasts for FY March 2020

(JPY billion)

	FY Mar. 2019 (Results)	FY Mar. 2020 (Forecasts)	Diff.	YoY Change
Sales	**501.2**	**530.0**	**28.7**	**5.7%**
Operating Profit	**71.4**	**76.0**	**4.5**	**6.4%**
Operating Profit Margin	**14.3%**	**14.3%**	**0.1P**	
Profit attributable to owners of parent	**72.4**	**77.0**	**4.5**	**6.3%**
Earnings Per Share	**50.9**	**55.0**	**4.0**	**8.0%**
Dividends Per Share	**¥216.33**	**¥235.95**	**¥19.62**	
End of Q2	**¥90.00**	**¥90.00**	**-**	
Fiscal year end	**¥45.00**	**¥45.00**	**-**	
Payout Ratio	**¥45.00**	**¥45.00**	**-**	
Sales	**41.5%**	**38.4%**	**(3.2P)**	

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Financial Results Forecasts for FY March 2020

Sales Forecasts by Segment for FY March 2020

(JPY billion)

	FY Mar. 2019 (Results)*	Share	FY Mar. 2020 (Forecasts)	Share	Diff.	YoY Change
Consulting	34.8	7.0%	37.0	7.0%	2.1	6.2%
Financial IT Solutions	252.3	50.3%	266.0	50.2%	13.6	5.4%
Securities	100.3	20.0%	110.0	20.8%	9.6	9.7%
Insurance	64.8	12.9%	66.0	12.5%	1.1	1.7%
Banking	43.4	8.7%	45.0	8.5%	1.5	3.7%
Other financial	43.7	8.7%	45.0	8.5%	1.2	2.8%
Industrial IT Solutions	180.8	36.1%	190.0	35.8%	9.1	5.0%
Distribution	66.8	13.3%	68.0	12.8%	1.1	1.8%
Manufacturing, service and other	114.0	22.8%	122.0	23.0%	7.9	7.0%
IT Platform Services	33.1	6.6%	37.0	7.0%	3.8	11.6%
Total	501.2	100.0%	530.0	100%	28.7	5.7%

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

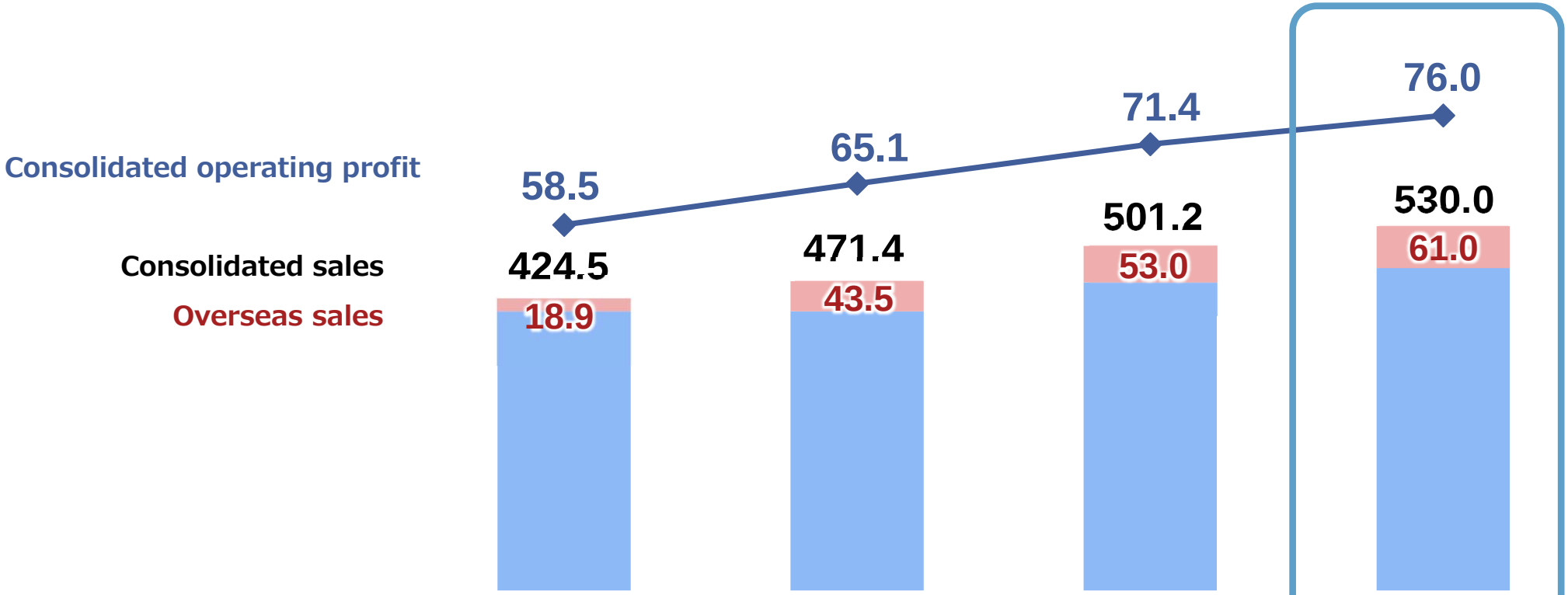
These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Financial Results Forecasts for FY March 2020

Forecasts for FY March 2020

(JPY billion)



	FY March 2017 (Results)	FY March 2018 (Results)	FY March 2019 (Results)	FY March 2020 (Forecast)
Consolidated sales	424.5	471.4	501.2	530.0
Consolidated operating profit	58.5	65.1	71.4	76.0
Consolidated operating profit margin	13.8 %	13.8 %	14.3 %	14.3 %
Overseas sales	18.9	43.5	53.0	61.0

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Capital policy

Resolution to execute a 3-for-1 share split with record date June 30, 2019 (from the Board of Directors Meeting on April 25)

Purpose of the share split

- We seek to boost the liquidity of our shares and broaden our investor base by lowering the price of each unit investment

Overview of share split

Method of share split	Split shares at a ratio of 3 shares for every existing share
Total number of outstanding shares before split	251,260,000 shares
Total number of outstanding shares after split	753,780,000 shares (Increased number of shares due to the split: 502,520,000 shares)
Record date	June 30, 2019
Effective date	July 1, 2019

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

1 Financial Results for FY March 2019

2 Financial Results Forecasts for FY March 2020

3 Reference Materials

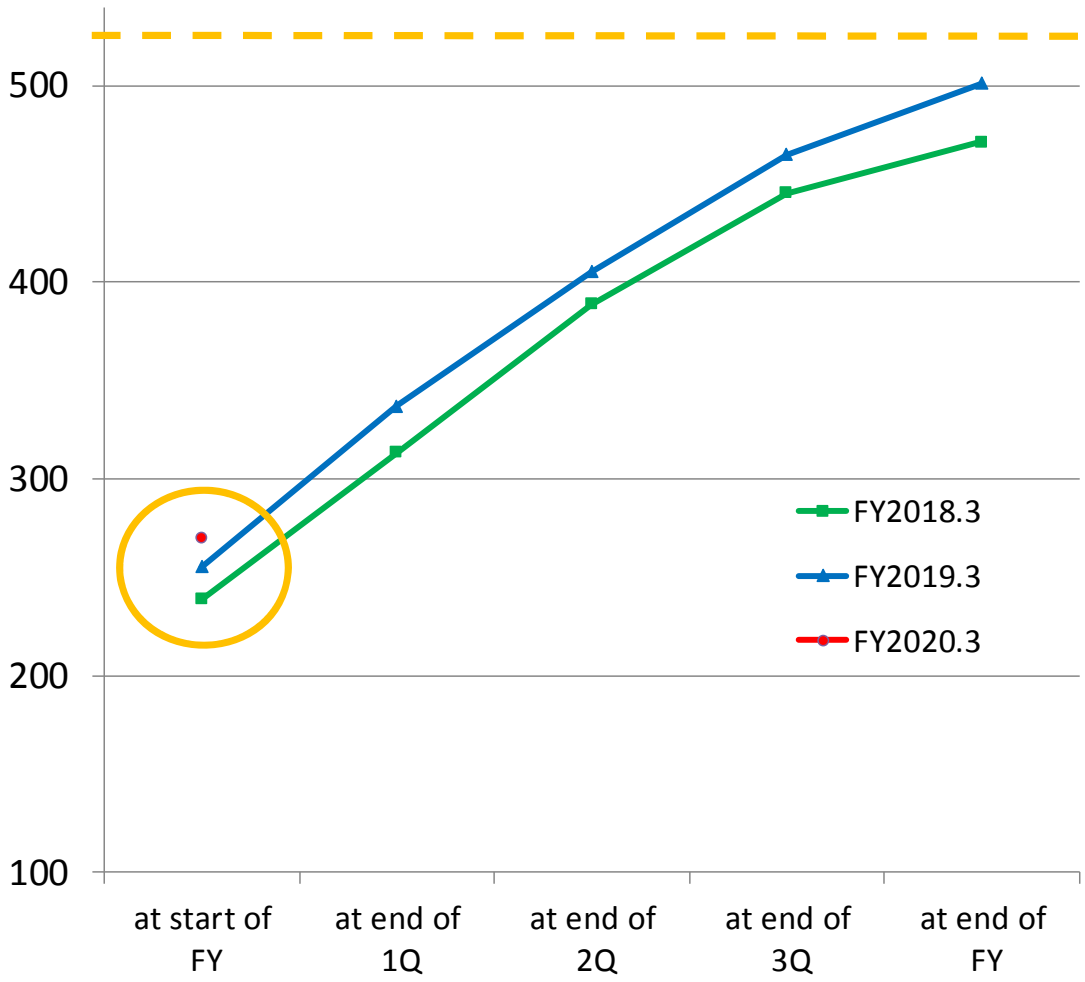
These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

Sales + Consolidated Order Backlog

(JPY billion)



(JPY billion)

	FY Mar.2018	FY Mar.2019	FY Mar.2020
Consolidated Order Backlog	**238.6**	**255.2**	**269.8**
YoY Change	**4.9%**	**7.0%**	**5.7%**

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

Cash Flow < Full Year >

(JPY million)

	FY Mar. 2018	FY Mar. 2019	YoY Change
Operating activities	73,493	56,349	(23.3%)
Investing activities	(17,882)	(16,826)	(5.9%)
(Except Cash management purpose)	(30,162)	(15,025)	(50.2%)
Free Cash Flow	55,610	39,523	(28.9%)
(Except Cash management purpose)	43,330	41,324	(4.6%)
Financing activities	(46,829)	(73,106)	56.1%
Net increase in Cash and cash equivalents	6,251	(35,102)	-
(Except Cash management purpose)	(6,028)	(33,301)	452.4%
Cash and cash equivalents at end of year	158,303	123,200	(22.2%)
Cash and cash equivalents + Cash Management purpose investment	185,882	152,743	(17.8%)

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

Order Volume ＜Total＞

(JPY million)

	FY Mar. 2018*	FY Mar. 2019	Diff.	YoY Change
Consulting	36,285	40,747	4,462	12.3%
Financial IT Solutions	244,794	265,724	20,929	8.5%
Industrial IT Solutions	174,260	178,221	3,960	2.3%
IT Platform Services	30,154	33,467	3,313	11.0%
Total	485,494	518,161	32,667	6.7%

* NRI partially revised its business segments on April 1,2018 and on October 1,2018. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Order Volume ＜Total＞（Domestic/International）

■ Order volume domestically

(JPY million)

	FY Mar. 2018*	FY Mar. 2019	Diff.	YoY Change
Consulting	27,114	30,262	3,147	11.6%
Financial IT Solutions	240,837	261,802	20,964	8.7%
Industrial IT Solutions	121,562	138,898	17,336	14.3%
IT Platform Services	29,781	33,309	3,528	11.8%
Total	419,296	464,272	44,976	10.7%

* NRI partially revised its business segments on April 1,2018 and on October 1,2018. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

■ Order volume of overseas subsidiaries

(JPY million)

	FY Mar. 2018	FYMar. 2019	Diff.	YoY Change
Overseas subsidiaries	66,198	53,888	(12,309)	(18.6%)

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

Highlights of Consolidated Financial Results <4Q>

■ YoY comparison（＊ are shown as a reference）

(JPY million)

	4Q FY Mar. 2018 (Jan.-Mar.)	4Q FY Mar. 2019 (Jan.-Mar.)	Diff.	YoY Change
Sales	**129,886**	**134,179**	**4,293**	**3.3%**
Operating Profit before goodwill amortization＊	**19,642**	**20,938**	**1,295**	**6.6%**
Operating Profit	**18,523**	**20,019**	**1,496**	**8.1%**
Operating Profit Margin before goodwill amortization＊	**15.1%**	**15.6%**	**0.5P**	
Operating Profit Margin	**14.3%**	**14.9%**	**0.7P**	
Profit attributable to owners of parent	**9,842**	**11,082**	**1,240**	**12.6%**

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

External Sales by Segment <4Q>

(JPY million)

	4Q FY Mar. 2018 (Jan.-Mar.)*	Share	4Q FY Mar. 2019 (Jan.-Mar.)	Share	Diff.	YoY Change
Consulting	10,921	8.4%	11,698	8.7%	776	7.1%
Financial IT Solutions	68,714	52.9%	68,059	50.7%	(655)	(1.0%)
Securities	33,148	25.5%	26,748	19.9%	(6,399)	(19.3%)
Insurance	14,466	11.1%	18,909	14.1%	4,442	30.7%
Banking	10,433	8.0%	11,271	8.4%	837	8.0%
Other financial	10,666	8.2%	11,130	8.3%	463	4.3%
Industrial IT Solutions	42,053	32.4%	44,222	33.0%	2,169	5.2%
Distribution	15,909	12.2%	17,321	12.9%	1,412	8.9%
Manufacturing, Service and other	26,144	20.1%	26,901	20.0%	756	2.9%
IT Platform Services	8,195	6.3%	10,199	7.6%	2,003	24.4%
Total	129,886	100.0%	134,179	100.0%	4,293	3.3%

* NRI partially revised its business segments on April 1,2018 and on October 1,2018. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

External sales by segment <4Q> (supplementary information)

■ Sales by main client

(JPY million)

	4Q FY Mar. 2018 (Jan.-Mar.)	Share**	4Q FY Mar. 2019 (Jan.-Mar.)	Share**	Diff.	YoY Change
Nomura Holdings	23,413	18.0%	16,603	12.4%	(6,810)	(29.1%)
Seven & i Holdings	12,086	9.3%	12,476	9.3%	390	3.2%

* Percentage of (total) external sales

■ Overseas sales

(JPY million)

	4Q FY Mar. 2018 (Jan.-Mar.)	Share**	4Q FY Mar. 2019 (Jan.-Mar.)	Share**	Diff.	YoY Change
Overseas sales	12,888	9.9%	12,547	9.4%	(340)	(2.6%)
North America*	2,164	1.7%	2,339	1.7%	175	8.1%
Oceania*	8,968	6.9%	8,545	6.4%	(423)	(4.7%)
Asia, other*	1,755	1.4%	1,662	1.2%	(92)	(5.3%)

＊ Numbers by area are based on location of clients, and numbers per country or area are recorded as reference values.

** Percentage of (total) external sales

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

Segment Performance Results <4Q>

■ **Including Inter-segment sales for each segment.**

（JPY million）

		4Q FY Mar. 2018* (Jan.-Mar.)	4Q FY Mar. 2019 (Jan.-Mar.)	Diff.	YoY Change
Consulting	Sales	11,141	11,905	764	6.9%
	OP	3,029	2,661	(368)	(12.2%)
	OPM	27.2%	22.4%	(4.8P)	
Financial IT Solutions	Sales	69,504	68,762	(741)	(1.1%)
	OP	8,420	7,097	(1,323)	(15.7%)
	OPM	12.1%	10.3%	(1.8P)	
Industrial IT Solutions	Sales	42,469	44,902	2,433	5.7%
	OP	3,475	5,385	1,909	54.9%
	OPM	8.2%	12.0%	3.8P	
IT Platform Services	Sales	31,763	34,457	2,693	8.5%
	OP	3,298	4,823	1,525	46.2%
	OPM	10.4%	14.0%	3.6P	

* NRI partially revised its business segments on April 1,2018 and on October 1,2018. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

Analysis of increase and decrease factors ＜4Q＞

- Main factors for increases and decreases in external sales and operating profit by segment are as follows.

(Key) (+) Increase factors, (−) Decrease factors

Segment		External sales	Operating profit
Consulting		(+) More consulting projects inside/outside Japan	
Financial IT Solutions	Securities	(-) Decrease with Nomura Holdings	(−) Devaluation of software assets
	Insurance	(+) Increase with life & non-life insurance	
	Banking	(+) Increases mainly with banks that use new business formats	
	Other financial, etc.		
Industrial IT Solutions	Distribution	(+) Increase with multiple clients including Seven & i Holdings	(+) Effect of higher income from multiple main clients
	Manufacturing & services, etc.		
IT Platform Services		(+) Increase with Cloud and digital	
Common between segments			

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

Sales by Service ＜4Q＞

（JPY million）

	4Q FY Mar. 2018 (Jan.-Mar.)	4Q FY Mar. 2019 (Jan.-Mar.)	Diff.	YoY Change
Consulting Services	23,934	24,519	584	2.4%
System Development & System Application Sales	41,436	42,105	669	1.6%
System Management & Operation Services	60,806	62,106	1,300	2.1%
Product Sales	3,709	5,447	1,737	46.9%
Total	129,886	134,179	4,293	3.3%

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

Consolidated P/L Highlight ＜4Q＞

（JPY million）

	4Q FY Mar. 2018 (Jan.-Mar.)	4Q FY Mar. 2019 (Jan.-Mar.)	Diff.	YoY Change
Sales	**129,886**	**134,179**	**4,293**	**3.3%**
Cost of Sales	**87,075**	**90,519**	**3,443**	**4.0%**
Subcontracting Costs	35,909	40,698	4,788	13.3%
Gross Profit	**42,810**	**43,660**	**849**	**2.0%**
Gross Profit Margin	33.0%	32.5%	(0.4P)	
SG&A	**24,286**	**23,640**	**(646)**	**(2.7%)**
Amortization of goodwill	1,118	918	(200)	(17.9%)
Operating Profit	**18,523**	**20,019**	**1,496**	**8.1%**
Operating Profit Margin	14.3%	14.9%	0.7P	

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

Consolidated P/L Highlight ＜4Q＞ (continued)

（JPY million）

	4Q FY Mar. 2018 (Jan.-Mar.)	4Q FY Mar. 2019 (Jan.-Mar.)	Diff.	YoY Change
Operating Profit	**18,523**	**20,019**	**1,496**	**8.1%**
Non-operating income and loss	**(64)**	**209**	**273**	
Extraordinary income and loss	**(3,866)**	**(3,903)**	**(36)**	**0.9%**
Gain on sales of investment securities	1,807	3	(1,803)	
Office reorganization costs	(5,532)	-	(5,532)	
Impairment loss	-	(3,698)*	(3,698)	
Income taxes etc.	**4,562**	**4,994**	**432**	**9.5%**
Profit attributable to owners of parent	**9,842**	**11,082**	**1,240**	**12.6%**

※ Due to a decline in profitability for overseas subsidiary Brierley+Partners, Inc., the exceedingly high profitability originally anticipated can no longer be expected, and an impairment of goodwill (in full) has thus been recorded.

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

Order Volume ＜4Q＞

（JPY million）

	4Q FY Mar. 2018* (Jan.-Mar.)	4Q FY Mar. 2019 (Jan.-Mar.)	Diff.	YoY Change
Consulting	9,674	10,465	790	8.2%
Financial IT Solutions	144,166	163,132	18,965	13.2%
Industrial IT Solutions	99,218	106,443	7,224	7.3%
IT Platform Services	17,358	19,033	1,675	9.7%
Total	270,417	299,073	28,656	10.6%

* NRI partially revised its business segments on April 1,2018 and on October 1,2018. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Order Volume ＜4Q＞（Domestic/International）

■ Order volume domestically

（JPY million）

	4Q FY Mar. 2018* (Jan.-Mar.)	4Q FY Mar. 2019 (Jan.-Mar.)	Diff.	YoY Change
Consulting	6,289	6,045	(244)	(3.9%)
Financial IT Solutions	142,980	162,242	19,261	13.5%
Industrial IT Solutions	66,960	75,528	8,568	12.8%
IT Platform Services	17,226	18,995	1,768	10.3%
Total	233,457	262,811	29,354	12.6%

* NRI partially revised its business segments on April 1,2018 and on October 1,2018. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

■ Order volume of overseas subsidiaries

（JPY million）

	4Q FY Mar. 2018 (Jan.-Mar.)	4Q FY Mar. 2019 (Jan.-Mar.)	Diff.	YoY Change
Overseas subsidiaries	36,960	36,262	(698)	(1.9%)

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

Sales Forecasts by Service for FY March 2020

(JPY billion)

	FY Mar. 2019 (Results)	FY Mar. 2020 (Forecasts)	Diff.	YoY Change
Consulting Services	90.8	95.0	4.1	4.6%
System Development & System Application Sales	150.4	165.0	14.5	9.7%
System Management & Operation Services	244.2	255.0	10.7	4.4%
Product Sales	15.6	15.0	(0.6)	(4.4%)
Total	501.2	530.0	28.7	5.7%

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

CAPEX, R&D and Depreciation Forecasts for FY March 2020

Capital Expenditure, R&D

(JPY billion)

	FY Mar. 2019 (Results)	FY Mar. 2020 (Forecasts)	Diff.	YoY Change
Capital Expenditure	26.2	30.0	3.7	14.2%
Tangible	5.6	8.0	2.3	42.5%
Intangible	20.6	22.0	1.3	6.5%
R&D	3.6	4.0	0.3	9.1%

Depreciation and Amortization

(JPY billion)

	FY Mar. 2019 (Results)	FY Mar. 2020 (Forecasts)	Diff.	YoY Change
Total	30.4	31.0	0.5	1.9%

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

FY March 2020 Financial Results Forecasts < 1H/2H >

1H

(JPY billion)

	FY Mar. 2019 1H (Results)	FY Mar. 2020 1H (Forecasts)	Diff.	YoY Change
Sales	240.4	255.0	14.5	6.1%
Operating Profit	33.1	36.0	2.8	8.7%
Operating Profit Margin	13.8%	14.1%	0.3P	
Profit attributable to owners of parent	22.9	26.0	3.0	13.3%

2H

(JPY billion)

	FY Mar. 2019 2H (Results)	FY Mar. 2020 2H (Forecasts)	Diff.	YoY Change
Sales	260.8	275.0	14.1	5.4%
Operating Profit	38.3	40.0	1.6	4.3%
Operating Profit Margin	14.7%	14.5%	(0.2P)	
Profit attributable to owners of parent	27.9	29.0	1.0	3.6%

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

Sales Forecasts by Segment for FY March 2020 < 1H/2H >

(JPY billion)

1H

	FY Mar. 2019 1H (Results)*	Share	FY Mar. 2020 1H (Forecasts)	Share	Diff.	YoY Change
Consulting	15.9	6.6%	17.0	6.7%	1.0	6.9%
Financial IT Solutions	120.3	50.0%	129.0	50.6%	8.6	7.2%
Securities	48.4	20.1%	55.0	21.6%	6.5	13.6%
Insurance	29.3	12.2%	30.0	11.8%	0.6	2.3%
Banking	20.9	8.7%	22.0	8.6%	1.0	4.9%
Other financial	21.6	9.0%	22.0	8.6%	0.3	1.8%
Industrial IT Solutions	89.5	37.2%	92.0	36.1%	2.4	2.8%
Distribution	32.5	13.5%	33.0	12.9%	0.4	1.4%
Manufacturing, service and other	56.9	23.7%	59.0	23.1%	2.0	3.5%
IT Platform Services	14.6	6.1%	17.0	6.7%	2.3	16.0%
Total	240.4	100.0%	255.0	100.0%	14.5	6.1%

(JPY billion)

2H

	FY Mar. 2019 2H (Results)*	Share	FY Mar. 2020 2H (Forecasts)	Share	Diff.	YoY Change
Consulting	18.9	7.3%	20.0	7.3%	1.0	5.6%
Financial IT Solutions	132.0	50.6%	137.0	49.8%	4.9	3.7%
Securities	51.8	19.9%	55.0	20.0%	3.1	6.0%
Insurance	35.5	13.6%	36.0	13.1%	0.4	1.3%
Banking	22.4	8.6%	23.0	8.4%	0.5	2.5%
Other financial	22.1	8.5%	23.0	8.4%	0.8	3.7%
Industrial IT Solutions	91.3	35.0%	98.0	35.6%	6.6	7.3%
Distribution	34.2	13.1%	35.0	12.7%	0.7	2.1%
Manufacturing, service and other	57.0	21.9%	63.0	22.9%	5.9	10.4%
IT Platform Services	18.5	7.1%	20.0	7.3%	1.4	8.1%
Total	260.8	100.0%	275.0	100.0%	14.1	5.4%

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Sales Forecasts by Service for FY March 2020 < 1H/2H >

1H

(JPY billion)

	FY Mar. 2019 1H (Results)	FY Mar. 2020 1H (Forecasts)	Diff.	YoY Change
Consulting Services	43.7	44.0	0.2	0.6%
System Development & System Application Sales	68.9	80.0	11.0	16.0%
System Management & Operation Services	120.4	124.0	3.5	2.9%
Product Sales	7.2	7.0	(0.2)	(4.0%)
Total	240.4	255.0	14.5	6.1%

2H

(JPY billion)

	FY Mar. 2019 2H (Results)	FY Mar. 2020 2H (Forecasts)	Diff.	YoY Change
Consulting Services	47.0	51.0	3.9	8.3%
System Development & System Application Sales	81.5	85.0	3.4	4.3%
System Management & Operation Services	123.8	131.0	7.1	5.8%
Product Sales	8.3	8.0	(0.3)	(4.7%)
Total	260.8	275.0	14.1	5.4%

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Reference materials -Other Financial Result-related Data-

Forecasts for FY March 2020 ＜Consolidated Earnings Model＞

- FY March 2020 Consolidated Earnings Model
  - Sales of JPY530.0 billion and Operating profit of JPY76.0 billion

(JPY billion)

	FY Mar. 2018 (Results)	FY Mar. 2019 (Results)	FY Mar. 2020 (Forecasts)*	YoY	
				Diff.	Change
Sales	471.4	501.2	530.0	28.7	5.7%
Cost of Sales	311.8	336.5	356.0	19.4	5.8%
Personnel	104.0	111.1	116.0	4.8	4.4%
Subcontracting Costs	135.5	150.6	160.0	9.3	6.2%
Depreciation	30.0	28.7	29.0	0.2	1.0%
Gross Profit	159.6	164.7	174.0	9.2	5.6%
Gross Profit Margin	33.9%	32.9%	32.8%	(0.0P)	
SG&A	94.4	93.2	98.0	4.7	5.0%
Operating Profit	65.1	71.4	76.0	4.5	6.4%
Operating Profit Margin	13.8%	14.3%	14.3%	0.1P	

* Figures are consolidated estimates for preparing this earnings model.

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.

NRI

Copyright© Nomura Research Institute, Ltd. All rights reserved.

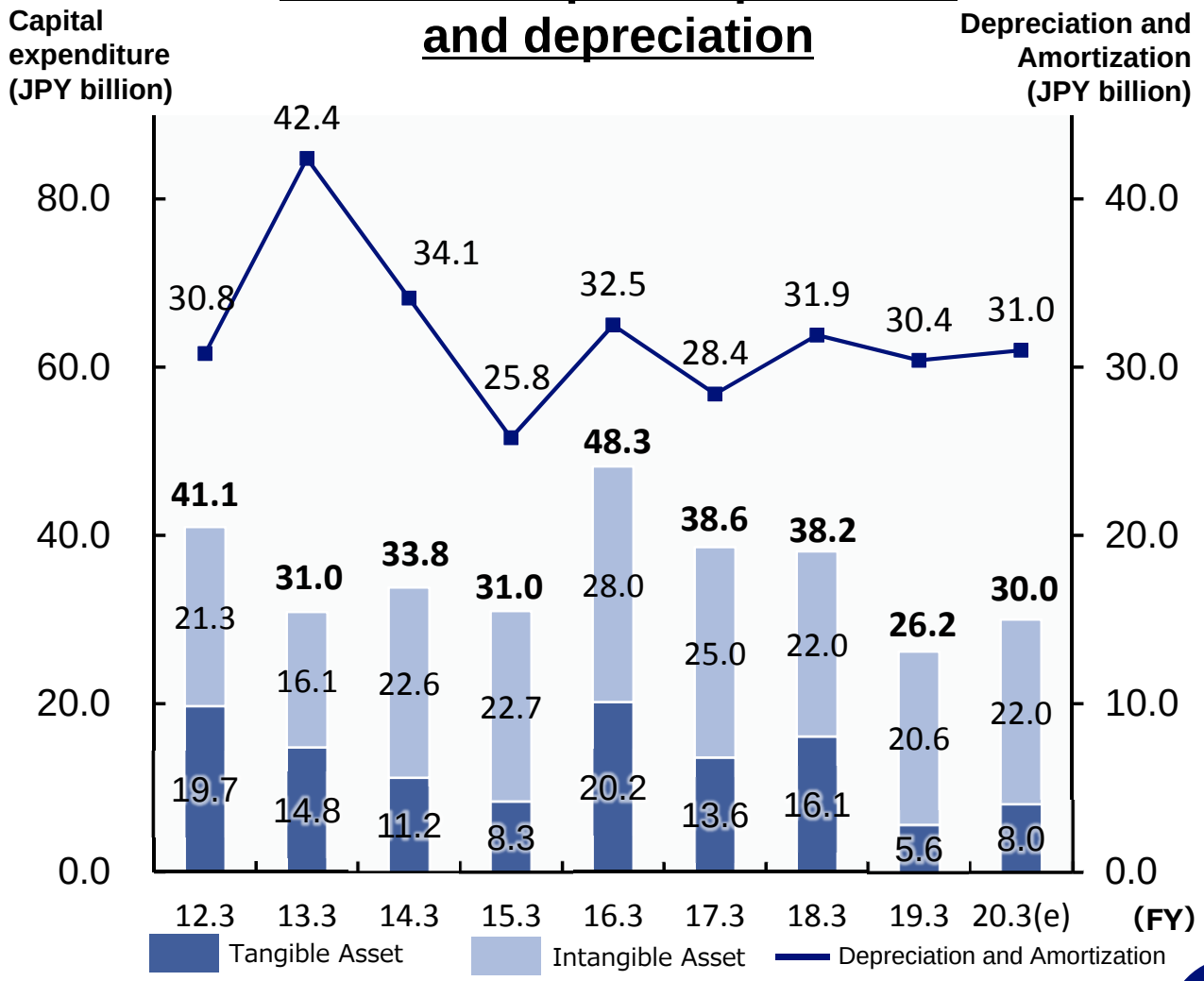
Capital Investments

■ Capital expenditure forecast to be JPY30.0 billion

- **Investment in tangible fixed assets**
  - Boosting capabilities of cloud services platforms, etc.

- **Investment in intangible fixed assets**
  - Added functions and system compatibility for shared online services
  - Overhaul service platforms for industrial IT services clients
  - Investments to create and grow DX business, etc.

Trends in capital expenditure and depreciation



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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

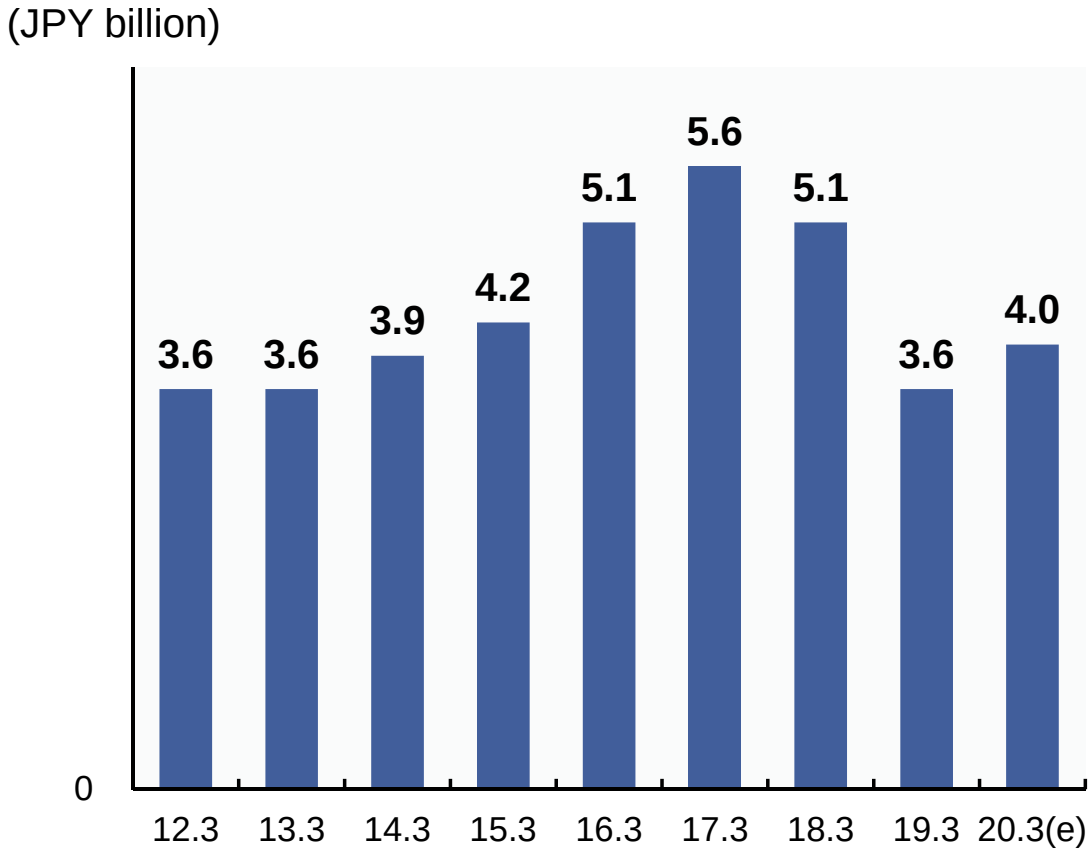
R&D Expenses

■ Bolster business development to achieve Vision2022

Current R&D Themes

- **Business development**
  - More active strategic business exploration
  - Cultivating digital talented workers. etc.
- **Technological research**
  - Boosting technological competitiveness, researching technological trends for business development
  - Partnerships with research institutions
  - Production innovation etc.
- **Recommendations for society**
  - Recommendations for society and management of the future

Trends in R&D Expenses



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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

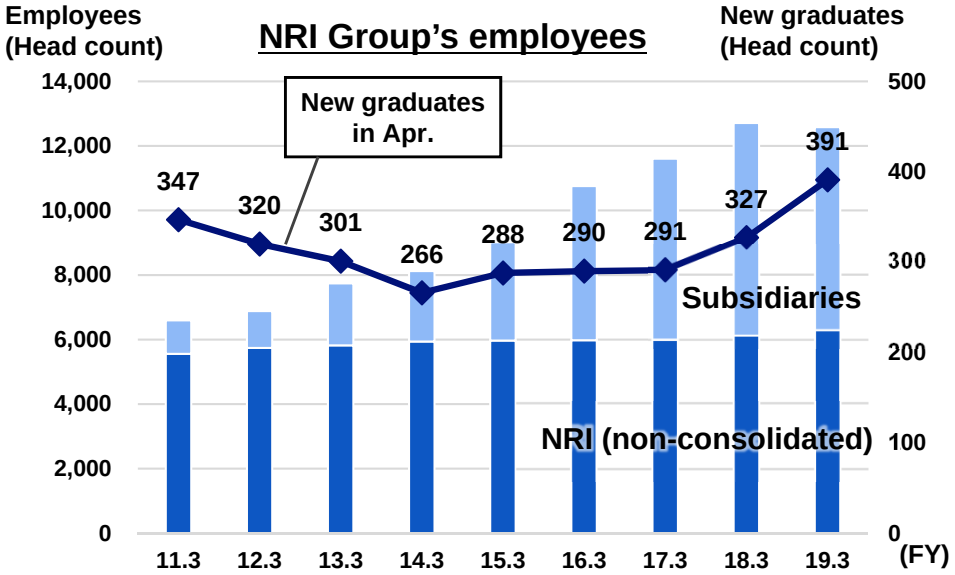
Reference materials -Other Financial Result-related Data-

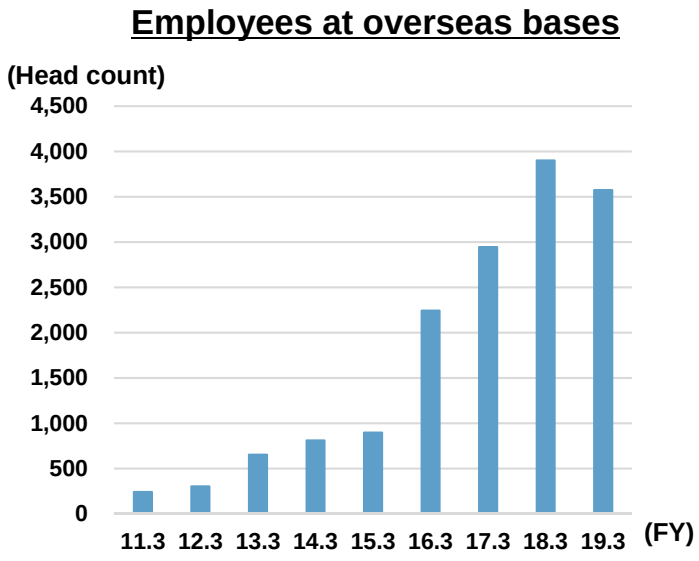
NRI's employees + Partners (in Japan & China)

■ NRI Group-s employees

Personnel: 12,578*

- Management Consultants
- Systems Consultants
- Application Engineers
- Technical Engineers, etc.





■ Subcontractors

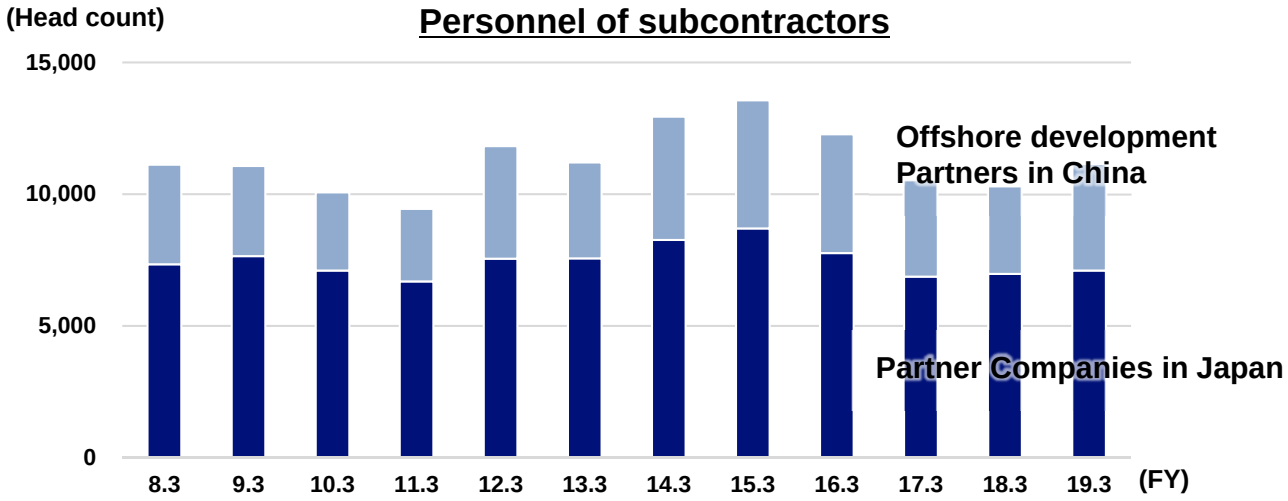
- Offshore development Partners in China

  18 partners in 19 regions

  Personnel: Approx. 4,000

- Partner Companies in Japan

  Personnel: Approx. 7,000



* As of end-Mar. 2019

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

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.

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Share the Next Values!