

Financial Results Presentation

Financial Results for the year ended 31st March, 2021
and Financial Results Forecast for the year ending 31st March, 2022

Nomura Research Institute, Ltd.

Shingo Konomoto

Chairman and President & CEO, Member of the Board

April 27, 2021



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Financial Results for FY March 2021

Highlights of Consolidated Financial Results

■ YoY comparison

(JPY million)

	FY Mar. 2020	FY Mar. 2021	Diff.	YoY Change
Sales	528,873	550,490	21,616	4.1%
Operating Profit	83,178	86,502	3,323	4.0%
Operating Profit Margin	15.7%	15.7%	(0.0P)	
EBITDA Margin	22.2%	22.2%	(0.0P)	
Profit attributable to owners of parent	69,276	68,120	(1,156)	(1.7%)
Earnings Per Share	¥109.35	¥113.83	¥4.48	
Dividends Per Share	¥32.00	¥36.00	¥4.00	
Payout Ratio	27.9%	32.0%	4.1P	
Return On Equity	20.3%	21.8%	1.5P	

Financial Results for FY March 2021

Comparison to Forecasts

(JPY billion)

	FY Mar. 2020	FY Mar. 2021		
	Results	Forecasts*	Results	Diff.
Sales	528.8	550.0	550.4	0.4
Operating Profit	83.1	86.0	86.5	0.5
Operating Profit Margin	15.7%	15.6%	15.7%	0.1P
Profit attributable to owners of parent	69.2	65.0	68.1	3.1

* Forecasts on FY Mar. 2021 were published on 27 Jan. 2021.

Financial Results for FY March 2021

External sales by segment < Total >

(JPY million)

	FY Mar. 2020	Share	FY Mar. 2021	Share	Diff.	YoY Change
Consulting	38,572	7.3%	37,246	6.8%	(1,326)	(3.4%)
Financial IT Solutions	273,571	51.7%	288,196	52.4%	14,625	5.3%
Securities	112,762	21.3%	130,427	23.7%	17,664	15.7%
Insurance	66,374	12.6%	61,441	11.2%	(4,933)	(7.4%)
Banking	51,022	9.6%	50,181	9.1%	(840)	(1.6%)
Other financial	43,411	8.2%	46,146	8.4%	2,734	6.3%
Industrial IT Solutions	178,490	33.7%	186,051	33.8%	7,560	4.2%
Distribution	66,789	12.6%	62,192	11.3%	(4,597)	(6.9%)
Manufacturing, service and other	111,700	21.1%	123,858	22.5%	12,158	10.9%
IT Platform Services	38,239	7.2%	38,995	7.1%	756	2.0%
Total	528,873	100.0%	550,490	100.0%	21,616	4.1%

Financial Results for FY March 2021

External sales by segment < Total > (supplementary information)

Sales by main client

(JPY million)

	FY Mar. 2020	Share*	FY Mar. 2021	Share*	Diff.	YoY Change
Nomura Holdings	65,049	12.3%	66,309	12.0%	1,260	1.9%

* Percentage of (total) external sales

Overseas sales

(JPY million)

	FY Mar. 2020	Share**	FY Mar. 2021	Share**	Diff.	YoY Change
Overseas sales	46,752	8.8%	43,625	7.9%	(3,126)	(6.7%)
North America**	8,625	1.6%	6,182	1.1%	(2,442)	(28.3%)
Oceania**	31,841	6.0%	31,992	5.8%	150	0.5%
Asia, other**	6,285	1.2%	5,451	1.0%	(834)	(13.3%)

** 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

Segment Performance Results < Total >

■ Including Inter-segment sales for each segment

(JPY million)

		FY Mar. 2020	FY Mar. 2021	Diff.	YoY Change
Consulting	Sales	39,612	38,155	(1,456)	(3.7%)
	OP	9,515	9,917	401	4.2%
	OPM	24.0%	26.0%	2.0P	
Financial IT Solutions	Sales	276,937	292,038	15,100	5.5%
	OP	35,034	38,690	3,656	10.4%
	OPM	12.7%	13.2%	0.6P	
Industrial IT Solutions	Sales	181,438	189,551	8,113	4.5%
	OP	19,719	18,036	(1,682)	(8.5%)
	OPM	10.9%	9.5%	(1.4P)	
IT Platform Services	Sales	138,833	142,838	4,005	2.9%
	OP	18,454	19,325	871	4.7%
	OPM	13.3%	13.5%	0.2P	

Financial Results for FY March 2021

Analysis of increase and decrease factors

- 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		(-) Overseas consulting projects	
Financial IT Solutions	Securities	(+) Nippon Securities Technology consolidation effect (+) Shared online services implementation projects	(+) Increased profit from user fees in shared online services (+) Increased profit from more BPO projects (DSB)
	Insurance	(-) Systems development for non-life insurers	
	Banking		
	Other financial, etc.	(+) Mobile finance services-related projects	
Industrial IT Solutions	Distribution	(-) Reversion from consumption tax related demand last year (-) Global projects of some clients	(+) Higher profit due to increased revenue effect (-) Lower profit due to decreased revenue from overseas
	Manufacturing & services, etc.	(+) Systems development for logistics & telecom	
IT Platform Services		(+) Information security-related business	

Financial Results for FY March 2021

Sales by Service < Total >

	(JPY million)			
	FY Mar. 2020	FY Mar. 2021	Diff.	YoY Change
Consulting Services	96,862	90,056	(6,806)	(7.0%)
System Development & System Application Sales	161,703	183,847	22,144	13.7%
System Management & Operation Services	251,908	258,809	6,900	2.7%
Product Sales	18,399	17,777	(622)	(3.4%)
Total	528,873	550,490	21,616	4.1%

- **Consulting Services:** Decreased due to progress in shared online services implementation projects in Financial IT Solutions
- **System Development & Application Sales:** Increased due to large DX projects in Industrial IT Solutions and shared online services for the securities industry

Financial Results for FY March 2021

Consolidated P/L Highlight < Total >

	(JPY million)			
	FY Mar. 2020	FY Mar. 2021	Diff.	YoY Change
Sales	528,873	550,490	21,616	4.1%
Cost of Sales	348,006	365,150	17,143	4.9%
Subcontracting Costs	161,305	171,503	10,198	6.3%
Gross Profit	180,866	185,339	4,472	2.5%
Gross Profit Margin	34.2%	33.7%	(0.5P)	
SG&A	97,688	98,837	1,149	1.2%
Amortization of goodwill	3,164	3,058	(106)	(3.4%)
Operating Profit	83,178	86,502	3,323	4.0%
Operating Profit Margin	15.7%	15.7%	(0.0P)	

Consolidated P/L Highlight < Total > (continued)

(JPY million)

	FY Mar. 2020	FY Mar. 2021	Diff.	YoY Change
Operating Profit	83,178	86,502	3,323	4.0%
Non-operating income and loss	1,349	(480)	(1,829)	—
Loss due to COVID-19	—	(502)	(502)	—
Extraordinary income and loss	17,968	2,664	(15,303)	(85.2%)
Gain on sales of investment securities	19,198	5,673	(13,524)	(70.4%)
Gain on revision of retirement benefit plan	—	2,153	2,153	—
Impairment loss	(2,383)	(1,505)	877	36.8%
Office restructuring costs	—	(3,601)	(3,601)	—
Income taxes etc.	32,288	20,566	(11,721)	(36.3%)
Profit attributable to owners of parent	69,276	68,120	(1,156)	(1.7%)

Key Factors in Financial Results

■ Higher income with +4.1% in sales

- Steady progress in shared online services implementation projects for securities brokerages
- Growth in DX projects for large clients mainly in Industrial IT Solutions due to increasing needs for business model transformation

■ +4.0% in operating profit

- Supported by increased revenue effect from system management & operation services in Financial IT Solutions and from system development in Industrial IT Solutions (domestic)

Steadily took action toward additional growth such as gathering digital IP and conducting new M&A in Australia, while making strong progress in getting back on track to achieving the goals of the medium-term management plan (2019-2022)

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Sustainability management initiatives

NRI Group Sustainability Management Policy

NRI Group Growth

Building sustainable futures

Corporate Philosophy "Dream up the future"

NRI Group Sustainability Management(Medium-Term Management Plan 2019-2022)

Share the Next Values!

【Vision2022 Numerical Targets】

Consolidated Operating Profit (JPY billion)	100
Consolidated Operating Profit Margin (%)	14 or more
Overseas Sales (JPY billions)	100
ROE (%)	14*

* Aiming for higher capital efficiency as continuing from the previous term

Solving social issues through value co-creation (CSV)

Co-create a thriving future society
by driving new value.

Co-create an ideal society
by effectively utilizing its resources.

Co-create a safe and secure society
by advancing its infrastructure.



Materiality for sustainable growth

Reduction of environmental impact for preserving global environment














Provision of opportunities for all kinds of professionals to take on challenge

Compliance with laws, regulations and risk management to increase trust from society

Management of the information systems that form social infrastructure

Sustainability management initiatives

Looking back on value co-creation in FY March 2021

Social value	Medium to long-term measures	Status	
 <p>Co-create a thriving future society by driving new value.</p>	Promote DX	Working on large numbers of DX projects including for non-face-to-face, remote, e-commerce. Leading the digital transformation of companies KPI) DX-related sales: 329.3 billion yen	
	Create new business models	Collaborating with outside companies to create AI analysis systems, new DX consulting services, etc. KPI) Number of affiliations (joint ventures, government support, etc.): 4	
	Provide social recommendations and system proposals	Recommendations for how post-COVID-19 society should be , including employment policy based on estimated real unemployment KPI) Number NRI articles featured in the big five national newspapers: 121	
 <p>Co-create an ideal society by effectively utilizing its resources.</p>	Expand services in business platforms	Deployment of shared online services, including THE STAR implementations at large clients KPI) Business platform sales: 102.9 billion yen	
	Generate environmental benefits for clients through business platforms	Selected for inclusion in the DJSI World stock index for 3 consecutive years, and recognized as a CDP A List company for 2 consecutive years KPI) Clients' reduced CO2 emissions due to shared use: 81,832 tons	
	Help build IT infrastructure to create an ideal society	Collaborating with Oracle on advancing IT infrastructure by expanding use of the public cloud KPI) Size of cloud and data center services business: +5% year-on-year	
	Facilitate transformation for societal optimization	Working on operational reform projects including logistics & transport optimization leveraging data science KPI) Size of business related to operational reform-related services (DX 1.0 ab): +17% year-on-year	
 <p>Co-create a safe and secure society by advancing its infrastructure.</p>	Help upgrade the social infrastructure	E-filing year-end tax adjustments using Mynportal , and expansion of e-NINSHO identity verification KPI) Size of business involving public sector: +22% year-on-year	
	Contribute to information security	Bolstering our Zero Trust business structure and supporting better security in the cloud era KPI) Amount of investment in safety and security: 6.5 billion yen	
	Maintain the quality of systems in operation	Conducting and maintaining training for operations during large-scale failures at data centers in remote environments KPI) Number of information systems failures causing significant financial and social impact: 0	

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Major initiatives going forward

Progress of Medium-term Management Plan (2019-2022) growth strategy

Main Strategies

DX

Use technology to transform customer business models and processes

- ✓ Track record in DX projects is growing, development of digital IP is ongoing

Business platform

Evolve business platforms (BPFs) in finance

- ✓ Progress in adding new business platforms (BPFs) in addition to expanded use of shared online services

Cloud

Modernize legacy systems by using cloud

- ✓ Reinforcing the infrastructure to promote use of public cloud in finance through OCI (Oracle Cloud Infrastructure) implementations

Global

Achieve more global business growth, seeking sales of 100 billion yen

- ✓ Expanding our business domain through new M&A in Australia

Human resources

Strategic recruiting, talent development and collaboration with partners to bolster NRI's competitiveness

- ✓ Continuing to bolster hiring and personnel development to increase DX resources

Major initiatives going forward: DX strategy

The breadth and size of companies implementing DX has grown during the COVID-19 pandemic

First mover
companies
drive DX

Accelerating DX all at once, top-down

- Existing DX strategies have suddenly been accelerated due to COVID-19
 - Many bottom-up initiatives have changed to top-down
- ⇒ The trust of clients' senior management is more important than ever before
Resources must be deployed in a concentrated manner according to the speed of clients' transformation

More companies
implement DX

Projects to switch from legacy systems to DX appear all at once

- Various projects must be handled, and in-house resources are stretched
 - Increased needs for consulting to control projects
- ⇒ Enter from upstream, and propose solutions that visualize the whole picture of IT investment

Next generation
of DX

Going forward, DX will be in greater demand for resolving social issues (DX 3.0)

- Considerations to address social issues such as decarbonization as business strategies will advance
- ⇒ Make proposals for co-creation through DX to address new topics originating from social issues

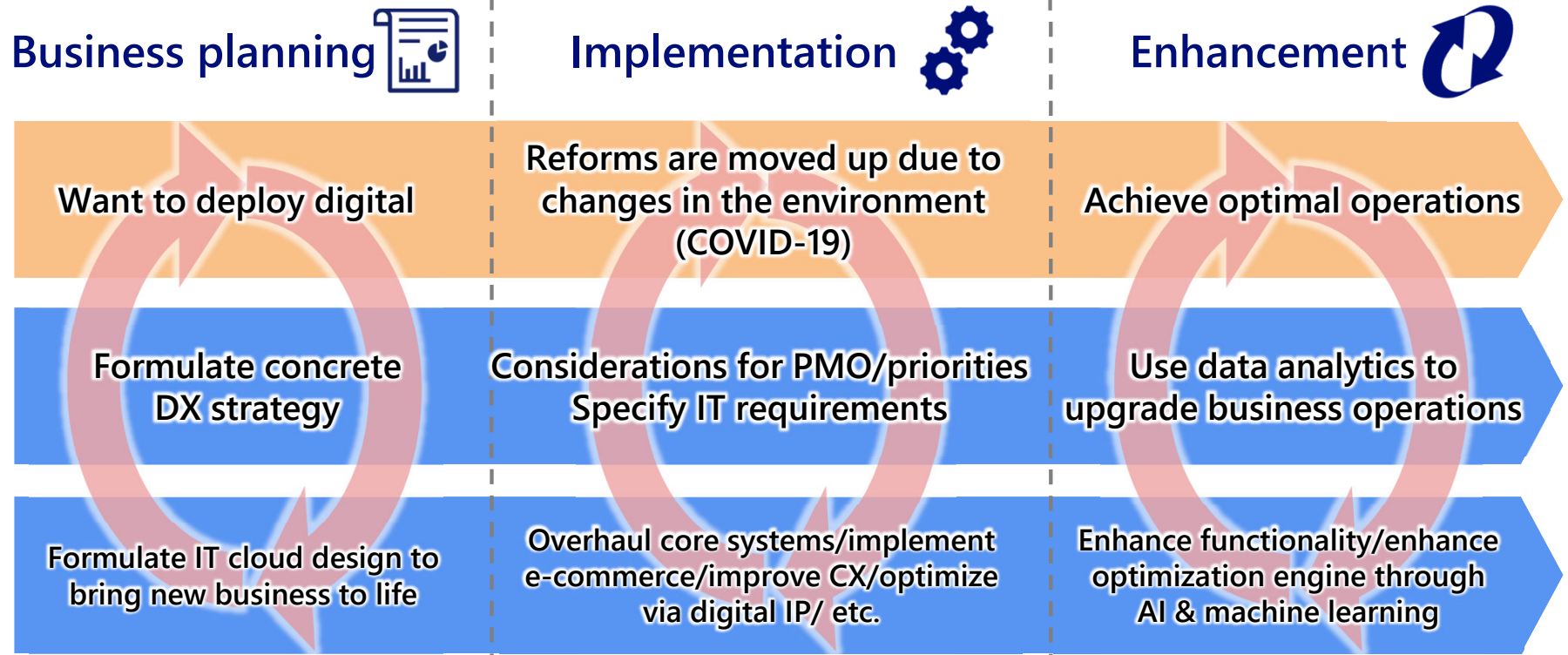
Major initiatives going forward: DX strategy (examples of first mover companies)

Implementing DX by Co-Creation with Clients through Con-Solution

- Work side-by-side as a business and IT strategy partner starting with the launch of new businesses by clients who want to utilize DX, and expand business from there
 - Handle everything from strategy formulation to implementation and enhancement as a team of clients' DX organizations and NRI's Con-Solution
 - Even after business begins, continue enhancing and optimizing through machine learning, data analytics, etc.

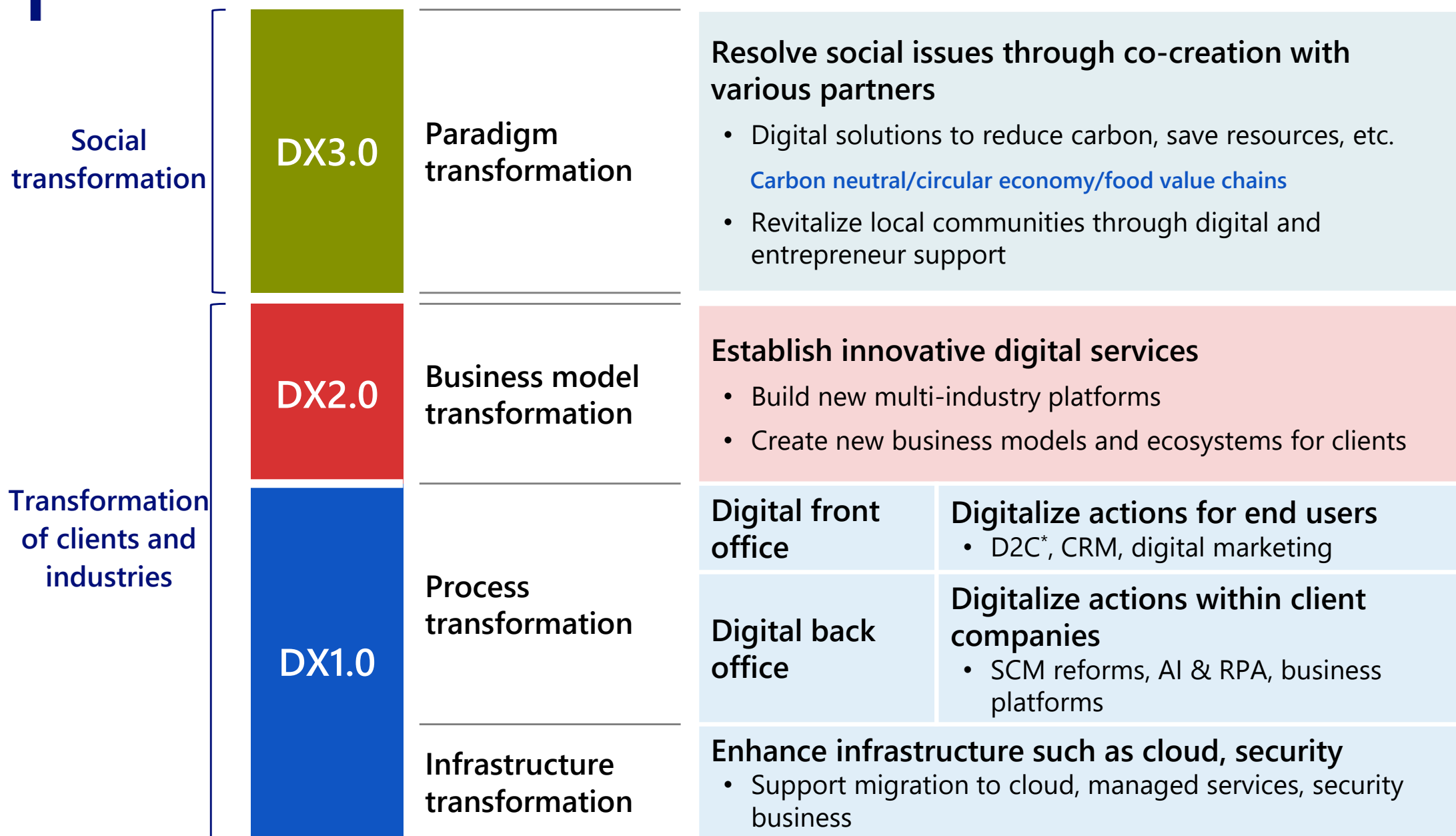
Example of co-creation with an industrial client

▼ Sequential launch starting in the first half of FY March 2021



Major initiatives going forward: DX strategy (next-generation DX)

Leverage DX to transform society in addition to clients and industries

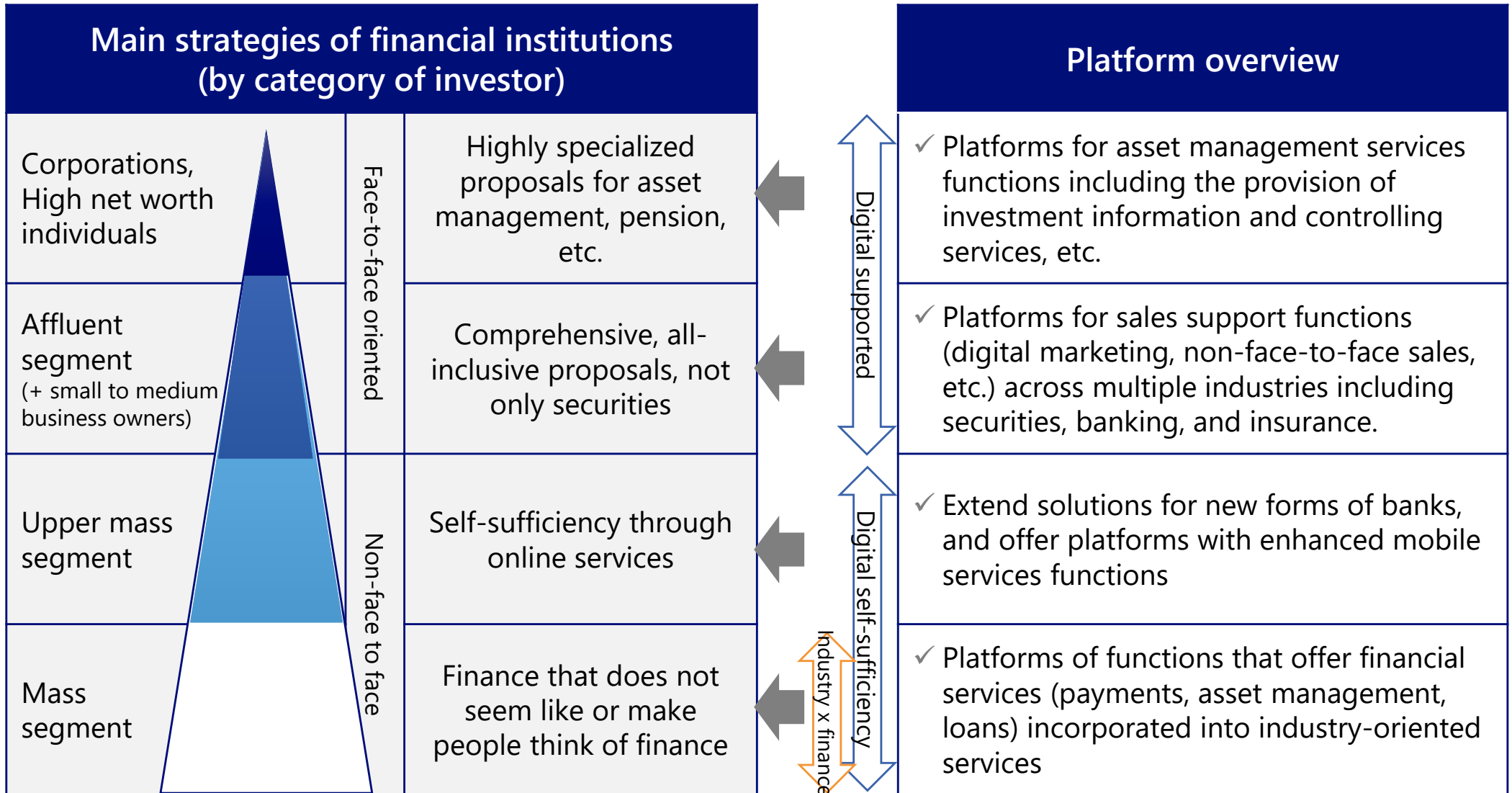


*D2C (Direct to Consumer): Selling directly to consumers through e-commerce, etc.

Major initiatives going forward: DX Strategy (Evolution of BPFs in the finance field)

Platforms for new services by financial institutions

- Reorganizing and adding to existing IP while composing new mechanism to create platform services for the front office functions of financial institutions.

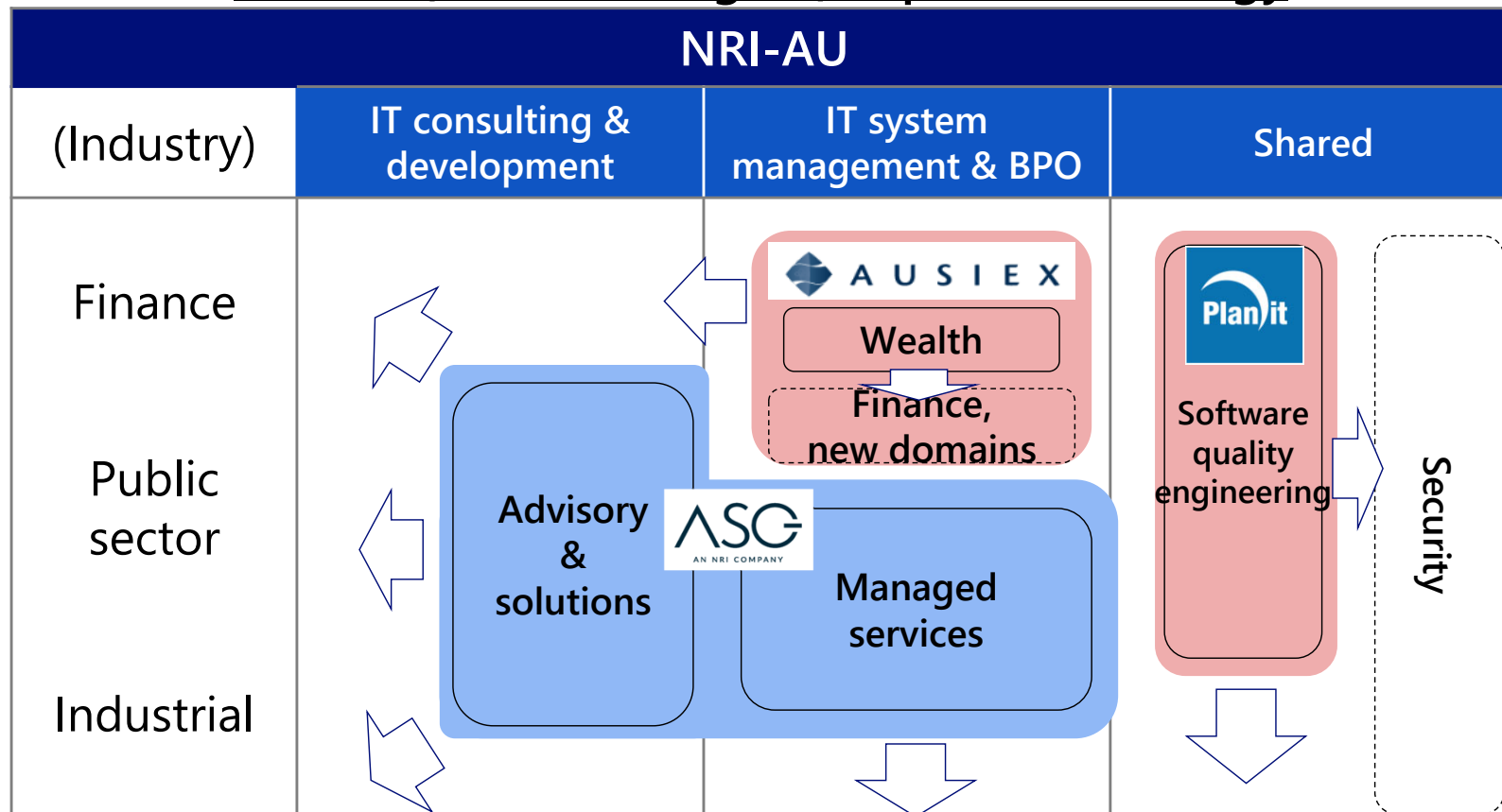


Major initiatives going forward: Global strategy

Consulting in Australia: Continue to increase system management and platform services

- NRI Australia (NRI AU) has taken on a company structure with strengths in consulting, system management/BPO, and system quality enhancement services
 - In addition to organic growth (increases in clients) ASG aims for regional expansion through additional acquisitions
 - AUSIEX aims to incorporate THE STAR-related technologies and establish business platforms that cover more than wealth
 - In the shared domain, aim for additional expansion of new domains such as security in addition to Planit

NRI AU (Australia Region) expansion strategy



Major initiatives going forward: Global strategy

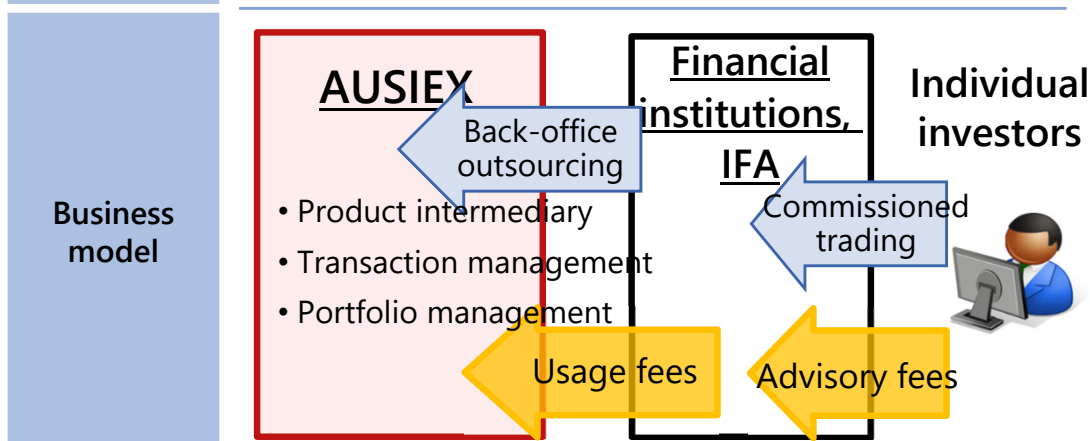
Reference: Overviews of AUSIEX & Planit



Australian Investment Exchange

- Among the top in Australia's finance back-office services industry
- Providing high value-added services through in-house developed systems and standardized operations

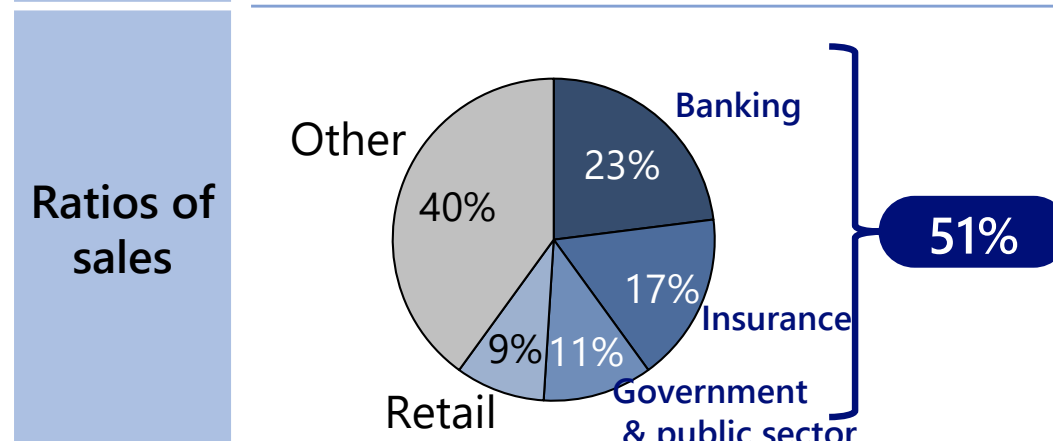
Established	1996
Locations	Australia (Sydney, Perth)
Business	Financial institutions, back-office services for independent financial advisors (IFAs)
Employees	Approx. 250
Annual sales	AUD \$62 million (FY ended June 2019)
Start of consolidation	May 2021 (tentative)
Segment	Financial IT Solutions



Planit Test Management Solutions

- 3rd highest sales in the world as IT testing specialists (first in Oceania region)
- Strength in testing for mission critical domains with abundant human resources and original IP

Established	1997
Locations	Australia (HQ: Sydney), New Zealand, India, UK
Business	IT testing, test automation, consulting, etc.
Employees	Approx. 1,300
Annual sales	AUD \$151 million (FY ended June 2020)
Start of consolidation	May-June 2021 (tentative)
Segment	Industrial IT Solutions



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Earnings forecast for FY March 2022

Order Backlog by Segment (Outstanding)

	At end of Mar. 2020*	At end of Mar. 2021*	Diff.	YoY Change
				(JPY million)
Consulting	4,339	7,050	2,711	62.5%
Financial IT Solutions	165,449	184,968	19,518	11.8%
Industrial IT Solutions	98,949	102,484	3,535	3.6%
IT Platform Services	17,041	15,281	(1,759)	(10.3%)
Total	285,779	309,785	24,005	8.4%
Order backlog in the current FY	282,004	301,550	19,546	6.9%

* Amounts shown for order backlog according to IFRS at the end of March 2020 and March 2021 are unaudited reference values and are subject to change depending on the results of accounting audits.

Earnings forecast for FY March 2022

Order Backlog by Segment (Domestic/International)

■ Order backlog domestically

(JPY million)

	At end of Mar. 2020*	At end of Mar. 2021*	Diff.	YoY Change
Consulting	4,043	6,597	2,553	63.2%
Financial IT Solutions	165,143	184,634	19,491	11.8%
Industrial IT Solutions	68,913	74,108	5,195	7.5%
IT Platform Services	17,041	15,281	(1,759)	(10.3%)
Total	255,141	280,621	25,480	10.0%

■ Order backlog of overseas subsidiaries

(JPY million)

	At end of Mar. 2020*	At end of Mar. 2021*	Diff.	YoY Change
Overseas subsidiaries	30,637	29,163	(1,474)	(4.8%)

* Amounts shown for order backlog according to IFRS at the end of March 2020 and March 2021 are unaudited reference values and are subject to change depending on the results of accounting audits.

Earnings forecast for FY March 2022

Forecasts for FY March 2022

■ NRI voluntarily applies IFRS from FY March 2022.

(JPY billion)

	FY Mar. 2021 (Results)*	FY Mar. 2022 (Forecasts)	Diff.	YoY Change
Sales	550.3	590.0	39.6	7.2%
Operating Profit	80.7	96.0	15.2	18.9%
Operating Profit Margin	14.7%	16.3%	1.6P	
Profit before income tax	71.0	97.0	25.9	36.5%
Profit attributable to owners of parent	52.8	66.0	13.1	24.8%
Earnings Per Share	¥88.34	¥109.37	¥21.02	
Dividends Per Share	¥36.0	¥38.0	¥2.0	
End of Q2	¥17.0	¥19.0	¥2.0	
Fiscal year end	¥19.0	¥19.0	—	
Payout Ratio	41.3%	34.9%	(6.4P)	

* Amounts shown for FY March 2021 financial results according to IFRS are unaudited reference values and are subject to change depending on the results of accounting audits

Earnings Forecast for FY March 2022

JGAAP

IFRS

Differences in FY March 2021 Results Due to Accounting Standards

(JPY billion)

JGAAP		IFRS*		Amount difference (IFRS/JGAAP)	Main reason & breakdown of difference
Sales	550.4	Sales revenue	550.3	(0.1)	<ul style="list-style-type: none"> • Revenue from lease fees (0.1)
Operating profit	86.5	Operating profit	80.7	(5.7)	<ul style="list-style-type: none"> • Recurring factors (+1.1) <ul style="list-style-type: none"> + Goodwill amortization, depreciation, etc. - Retirement benefit expenses, etc. • Temporary factors (6.8) <ul style="list-style-type: none"> - Impairment loss, office reorganization expenses, etc.
Profit before taxes and other adjustments	88.6	Profit before taxes	71.0	(17.6)	<ul style="list-style-type: none"> • E-Ship** assessed fair value of liabilities (9.6) • Gain on sale of investment securities (5.6) • Other (2.4)
Profit attributable to owners of parent	68.1	Profit attributable to owners of parent	52.8	(15.2)	

* Amounts shown for FY March 2021 financial results according to IFRS are unaudited reference values and are subject to change depending on the results of accounting audits

** E-Ship@...Trust-type employee stock ownership incentive plan entered by joining the Employee Stock Ownership Group

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Earnings forecast for FY March 2022

Sales Forecasts by Segment for FY March 2022

(JPY billion)

	FY Mar. 2021 (Results)*	Share	FY Mar. 2022 (Forecasts)	Share	Diff.	YoY Change
Consulting	37.2	6.8%	41.0	6.9%	3.7	10.1%
Financial IT Solutions	288.1	52.4%	297.0	50.3%	8.8	3.1%
Securities	130.4	23.7%	132.0	22.4%	1.5	1.2%
Insurance	61.4	11.2%	64.0	10.8%	2.5	4.2%
Banking	50.1	9.1%	53.0	9.0%	2.8	5.6%
Other financial	46.1	8.4%	48.0	8.1%	1.8	4.0%
Industrial IT Solutions	186.0	33.8%	211.0	35.8%	24.9	13.4%
Distribution	62.1	11.3%	63.0	10.7%	0.8	1.3%
Manufacturing, service and other	123.8	22.5%	148.0	25.1%	24.1	19.5%
IT Platform Services	38.8	7.1%	41.0	6.9%	2.1	5.6%
Total	550.3	100.0%	590.0	100.0%	39.6	7.2%

* Amounts shown for FY March 2021 financial results according to IFRS are unaudited reference values and are subject to change depending on the results of accounting audits

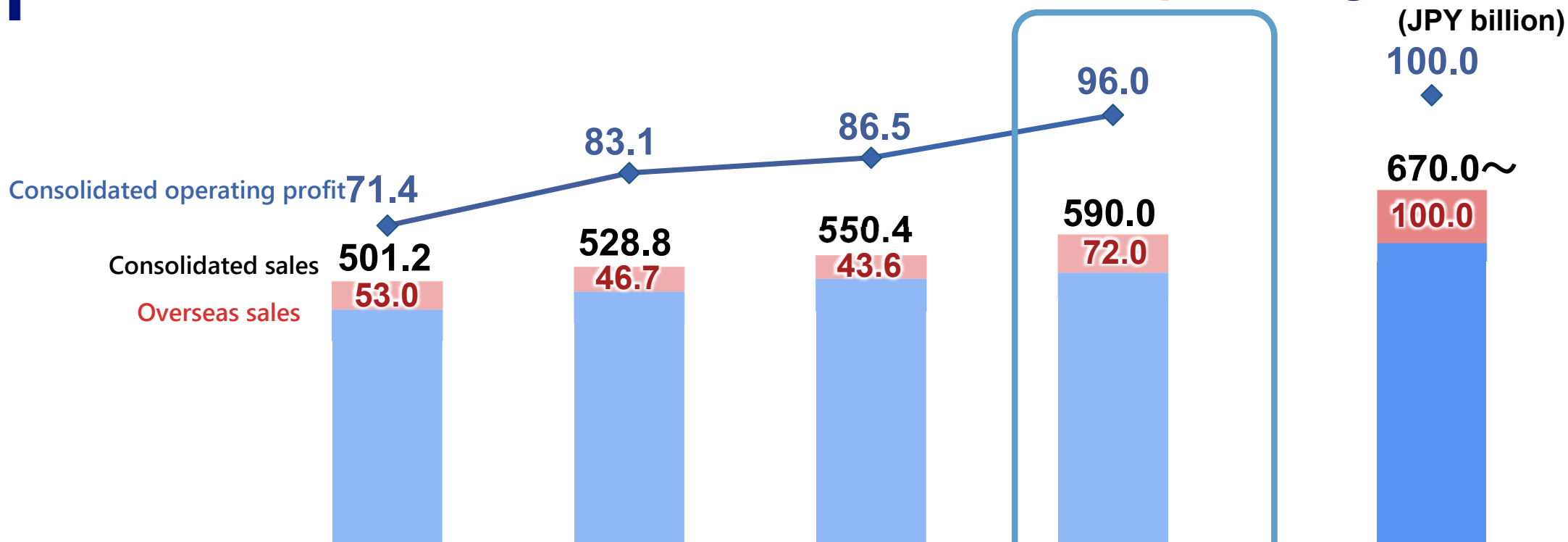
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Earnings forecast for FY March 2022

JGAAP

IFRS

Forecasts for FY March 2021 and Medium-term plan target



	FY March 2019 (Results) (JGAAP)	FY March 2020 (Results) (JGAAP)	FY March 2021 (Results) (JGAAP)	FY March 2021 (Forecast) (IFRS)
Consolidated sales	501.2	528.8	550.4	590.0
Consolidated operating profit	71.4	83.1	86.5	96.0
Consolidated operating profit margin	14.3%	15.7%	15.7%	16.3%
Overseas sales	53.0	46.7	43.6	72.0

Mid-term plan(2019-2022) Target*
670.0 or more
100.0
14% or more
100.0

* Published on 25 Apr. 2019

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Financial strategy

Building on our existing policy, seek additional co-creation with clients, shareholders, and society, and strengthen the following three areas

- **Build a stronger financial base through further efforts toward balance sheet policy to carry no assets, etc.**
 - Further office consolidation and liquidation to coincide with work-style reform
 - Secure stable working capital for the post-COVID-19 era
 - Significantly reduce future financial burden of pensions by revising the retirement benefits system
- **Strengthen our ability to generate high cash flows and actively invest in new business opportunities**
 - Maintain EBITDA margin of at least 20%
 - Actively invest in implementation of DX , global, and sustainability management (including carbon neutrality)
- **Improve the continuity and stability of shareholder returns by raising capital efficiency**
 - Think in terms of European and North American levels of capital efficiency (standard 20% ROE)
 - Continue to review treasury share purchases and retirement in addition to maintaining dividend payout ratio of 35%

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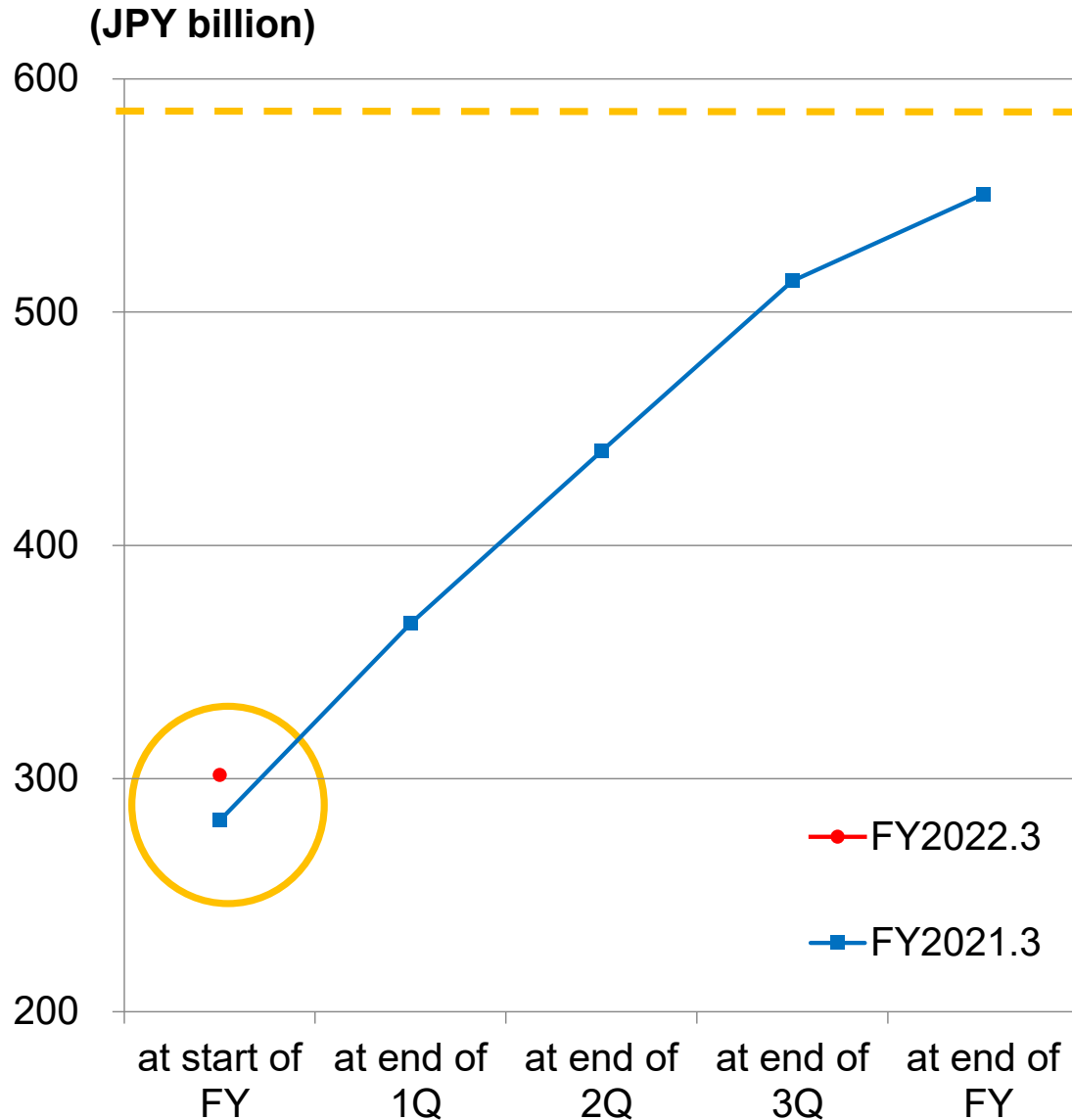
Financial strategy

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Sales + Consolidated Order Backlog in the current FY



(JPY billion)

	FY Mar.2021 ^{*3}	FY Mar.2022	YoY Change
Sales^{*1}	550.3	590.0	+7.2%
Consolidated Order Backlog^{*2}	282.0	301.5	+6.9%
Realization rate	51.2%	51.1%	(0.1P)

(^{*1}) FY Mar.2021: Result, FY Mar. 2022: Forecast
(^{*2}) The figure at the start of FY
(^{*3}) Amounts shown for FY March 2021 financial results according to IFRS are unaudited reference values

Order Volume < Total >

(JPY million)

	FY Mar. 2020	FY Mar. 2021	Diff.	YoY Change
Consulting	39,352	39,957	605	1.5%
Financial IT Solutions	284,089	307,715	23,625	8.3%
Industrial IT Solutions	176,867	189,587	12,719	7.2%
IT Platform Services	40,671	37,235	(3,435)	(8.4%)
Total	540,980	574,495	33,515	6.2%

Reference Materials

Order Volume < Total > (Domestic/International)

■ Order volume domestically

(JPY million)

	FY Mar. 2020	FY Mar. 2021	Diff.	YoY Change
Consulting	35,226	36,534	1,307	3.7%
Financial IT Solutions	280,798	304,528	23,729	8.5%
Industrial IT Solutions	137,719	153,361	15,641	11.4%
IT Platform Services	40,460	36,932	(3,528)	(8.7%)
Total	494,206	531,356	37,150	7.5%

■ Order volume of overseas subsidiaries

(JPY million)

	FY Mar. 2020	FY Mar. 2021	Diff.	YoY Change
Overseas subsidiaries	46,774	43,138	(3,635)	(7.8%)

Reference Materials

Cash Flow < Full Year >

	(JPY million)		
	FY Mar. 2020	FY Mar. 2021	YoY Change
Operating activities	102,787	73,931	(28.1%)
Investing activities	18,382	(20,518)	—
(Except Cash management purpose)	(6,985)	(22,807)	226.5%
Free Cash Flow	121,169	53,413	(55.9%)
(Except Cash management purpose)	95,801	51,124	(46.6%)
Financing activities	(139,857)	(2,525)	(98.2%)
Net increase in Cash and cash equivalents	(22,421)	52,408	—
(Except Cash management purpose)	(47,790)	50,119	—
Cash and cash equivalents at end of year	100,778	153,187	52.0%
Cash and cash equivalents + Cash Management purpose investment	104,842	154,847	47.7%

Highlights of Consolidated Financial Results < 4Q >

■ YoY comparison

(JPY million)

	4Q FY Mar. 2020 (Jan.-Mar.)	4Q FY Mar. 2021 (Jan.-Mar.)	Diff.	YoY Change
Sales	138,328	146,023	7,695	5.6%
Operating Profit	21,072	23,355	2,282	10.8%
Operating Profit Margin	15.2%	16.0%	0.8P	
EBITDA Margin	21.7%	22.7%	1.0P	
Profit attributable to owners of parent	13,672	23,327	9,655	70.6%

Reference Materials

External Sales by Segment < 4Q >

(JPY million)

	4Q FY Mar. 2020 (Jan.-Mar.)	Share	4Q FY Mar. 2021 (Jan.-Mar.)	Share	Diff.	YoY Change
Consulting	11,509	8.3%	11,875	8.1%	365	3.2%
Financial IT Solutions	71,010	51.3%	74,521	51.0%	3,510	4.9%
Securities	31,296	22.6%	34,069	23.3%	2,773	8.9%
Insurance	16,212	11.7%	16,494	11.3%	282	1.7%
Banking	12,907	9.3%	12,887	8.8%	(19)	(0.1%)
Other financial	10,594	7.7%	11,068	7.6%	474	4.5%
Industrial IT Solutions	44,712	32.3%	48,705	33.4%	3,993	8.9%
Distribution	15,894	11.5%	15,741	10.8%	(153)	(1.0%)
Manufacturing, Service and other	28,817	20.8%	32,964	22.6%	4,147	14.4%
IT Platform Services	11,096	8.0%	10,921	7.5%	(174)	(1.6%)
Total	138,328	100.0%	146,023	100.0%	7,695	5.6%

Reference Materials

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

Sales by main client

(JPY million)

	4Q FY Mar. 2020 (Jan.-Mar.)	Share*	4Q FY Mar. 2021 (Jan.-Mar.)	Share*	Diff.	YoY Change
Nomura Holdings	17,288	12.5%	17,828	12.2%	540	3.1%

* Percentage of (total) external sales

Overseas sales

(JPY million)

	4Q FY Mar. 2020 (Jan.-Mar.)	Share*	4Q FY Mar. 2021 (Jan.-Mar.)	Share*	Diff.	YoY Change
Overseas sales	11,134	8.0%	11,409	7.8%	274	2.5%
North America**	2,235	1.6%	1,484	1.0%	(751)	(33.6%)
Oceania**	7,244	5.2%	8,554	5.9%	1,310	18.1%
Asia, other**	1,654	1.2%	1,370	0.9%	(283)	(17.2%)

** 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

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Reference Materials

Segment Performance Results < 4Q >

■ Including Inter-segment sales for each segment

(JPY million)

		4Q FY Mar. 2020 (Jan.-Mar.)	4Q FY Mar. 2021 (Jan.-Mar.)	Diff.	YoY Change
Consulting	Sales	11,985	12,181	195	1.6%
	OP	3,824	4,473	649	17.0%
	OPM	31.9%	36.7%	4.8P	
Financial IT Solutions	Sales	72,408	75,542	3,133	4.3%
	OP	8,098	9,667	1,569	19.4%
	OPM	11.2%	12.8%	1.6P	
Industrial IT Solutions	Sales	45,505	49,713	4,207	9.2%
	OP	5,216	3,986	(1,229)	(23.6%)
	OPM	11.5%	8.0%	(3.4P)	
IT Platform Services	Sales	36,736	38,735	1,998	5.4%
	OP	4,179	5,079	900	21.6%
	OPM	11.4%	13.1%	1.7P	

Reference Materials

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			(+) Productivity improved due to work from home
Financial IT Solutions	Securities	(+) Shared online services implementation projects	(+) Increased profit from user fees in shared online services
	Insurance		
	Banking		
	Other financial, etc.	(+) Mobile finance services-related projects	
Industrial IT Solutions	Distribution		(-) Decreased profitability of some projects
	Manufacturing & services, etc.	(+) Systems development for logistics (+) Business in Australia	
IT Platform Services			(+) Return of one-time expenses in the previous term

Reference Materials

Sales by Service < 4Q >

(JPY million)

	4Q FY Mar. 2020 (Jan.-Mar.)	4Q FY Mar. 2021 (Jan.-Mar.)	Diff.	YoY Change
Consulting Services	25,936	25,229	(707)	(2.7%)
System Development & System Application Sales	41,933	48,329	6,396	15.3%
System Management & Operation Services	65,102	66,639	1,537	2.4%
Product Sales	5,357	5,825	468	8.7%
Total	138,328	146,023	7,695	5.6%

- **System development & system applications sales:** Increased due to large DX projects and shared online services implementation projects (shifted from consulting) for the securities industry in Industrial IT Solutions

Reference Materials

Consolidated P/L Highlight < 4Q >

(JPY million)

	4Q FY Mar. 2020 (Jan.-Mar.)	4Q FY Mar. 2021 (Jan.-Mar.)	Diff.	YoY Change
Sales	138,328	146,023	7,695	5.6%
Cost of Sales	90,857	96,882	6,025	6.6%
Subcontracting Costs	42,112	43,862	1,750	4.2%
Gross Profit	47,471	49,141	1,670	3.5%
Gross Profit Margin	34.3%	33.7%	(0.7P)	
SG&A	26,398	25,785	(612)	(2.3%)
Amortization of goodwill	771	809	37	4.8%
Operating Profit	21,072	23,355	2,282	10.8%
Operating Profit Margin	15.2%	16.0%	0.8P	

Reference Materials

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

(JPY million)

	4Q FY Mar. 2020 (Jan.-Mar.)	4Q FY Mar. 2021 (Jan.-Mar.)	Diff.	YoY Change
Operating Profit	21,072	23,355	2,282	10.8%
Non-operating income and loss	364	(370)	(735)	—
Extraordinary income and loss	(1,220)	(1,237)	(17)	(1.5%)
Gain on sales of investment securities	36	1,738	1,701	4,620.0%
Gain on revision of retirement benefit plan	—	2,153	2,153	—
Impairment loss	(2,383)	(1,505)	877	36.8%
Office restructuring costs	—	(3,601)	(3,601)	—
Income taxes etc.	6,056	(1,260)	(7,316)	—
Profit attributable to owners of parent	13,672	23,327	9,655	70.6%

Reference Materials

Order Volume < 4Q >

	(JPY million)			
	4Q FY Mar. 2020 (Jan.-Mar.)	4Q FY Mar. 2021 (Jan.-Mar.)	Diff.	YoY Change
Consulting	8,485	10,192	1,707	20.1%
Financial IT Solutions	173,499	188,998	15,499	8.9%
Industrial IT Solutions	108,614	111,182	2,567	2.4%
IT Platform Services	21,321	17,554	(3,767)	(17.7%)
Total	311,921	327,928	16,007	5.1%

Reference Materials

Order Volume < 4Q > (Domestic/International)

■ Order volume domestically

(JPY million)

	4Q FY Mar. 2020 (Jan.-Mar.)	4Q FY Mar. 2021 (Jan.-Mar.)	Diff.	YoY Change
Consulting	7,497	9,202	1,704	22.7%
Financial IT Solutions	172,863	188,372	15,509	9.0%
Industrial IT Solutions	79,049	80,920	1,871	2.4%
IT Platform Services	21,259	17,469	(3,790)	(17.8%)
Total	280,669	295,964	15,295	5.4%

■ Order volume of overseas subsidiaries

(JPY million)

	4Q FY Mar. 2020 (Jan.-Mar.)	4Q FY Mar. 2021 (Jan.-Mar.)	Diff.	YoY Change
Overseas subsidiaries	31,251	31,963	711	2.3%

DX-related index

DX-related index () : YoY change

	1Q FY Mar. 2021	2Q FY Mar. 2021	3Q FY Mar. 2021	4Q FY Mar. 2021	Total FY Mar. 2021
DX-related sales	77.9 billion yen (+5.7%)	81.4 billion yen (+8.2%)	81.8 billion yen (+4.3%)	88.0 billion yen (+9.2%)	329.3 billion yen (+6.9%)
Ratio of DX- related sales	59% (+2pt)	60% (+2pt)	59% (0pt)	60% (+2pt)	59% (+1pt)

Reference Materials

Sales Forecasts by Service for FY March 2021

(JPY billion)

	FY Mar. 2021 (Results)*	FY Mar. 2022 (Forecasts)	Diff.	YoY Change
Consulting Services	90.0	100.0	9.9	11.0%
System Development & System Application Sales	183.8	206.0	22.1	12.0%
System Management & Operation Services	258.6	270.0	11.3	4.4%
Product Sales	17.7	14.0	(3.7)	(21.2%)
Total	550.3	590.0	39.6	7.2%

* Amounts shown for FY March 2021 financial results according to IFRS are unaudited reference values and are subject to change depending on the results of accounting audits

Reference Materials

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

■ 1H (JPY billion)

	FY Mar. 2021 (Results)*	FY Mar. 2022 (Forecasts)	Diff.	YoY Change
Sales	266.2	285.0	18.7	7.1%
Operating Profit	39.6	47.0	7.3	18.4%
Operating Profit Margin	14.9%	16.5%	1.6P	
Profit before income tax	36.6	48.0	11.3	30.8%
Profit attributable to owners of parent	24.7	33.0	8.2	33.3%

■ 2H (JPY billion)

	FY Mar. 2021 (Results)*	FY Mar. 2022 (Forecasts)	Diff.	YoY Change
Sales	284.1	305.0	20.8	7.4%
Operating Profit	41.0	49.0	7.9	19.3%
Operating Profit Margin	14.5%	16.1%	1.6P	
Profit before income tax	34.3	49.0	14.6	42.5%
Profit attributable to owners of parent	28.1	33.0	4.8	17.4%

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Reference Materials

Sales Forecasts by Segment for FY March 2021 < 1H/2H >

■ 1H (JPY billion)

	FY Mar. 2021 1H (Results)*	Share	FY Mar. 2022 1H (Forecasts)	Share	Diff.	YoY Change
Consulting	15.4	5.8%	19.0	6.7%	3.5	23.3%
Financial IT Solutions	141.6	53.2%	145.0	50.9%	3.3	2.4%
Securities	63.5	23.9%	64.0	22.5%	0.4	0.7%
Insurance	30.0	11.3%	31.0	10.9%	0.9	3.2%
Banking	24.9	9.4%	26.0	9.1%	1.0	4.1%
Other financial	23.1	8.7%	24.0	8.4%	0.8	3.9%
Industrial IT Solutions	91.0	34.2%	102.0	35.8%	10.9	12.0%
Distribution	30.8	11.6%	31.0	10.9%	0.1	0.4%
Manufacturing, service and other	60.2	22.6%	71.0	24.9%	10.7	17.9%
IT Platform Services	18.0	6.8%	19.0	6.7%	0.9	5.2%
Total	266.2	100.0%	2850	100.0%	18.7	7.1%

■ 2H (JPY billion)

	FY Mar. 2021 2H (Results)*	Share	FY Mar. 2022 2H (Forecasts)	Share	Diff.	YoY Change
Consulting	21.8	7.7%	22.0	7.2%	0.1	0.8%
Financial IT Solutions	146.5	51.6%	152.0	49.8%	5.4	3.7%
Securities	66.8	23.5%	68.0	22.3%	1.1	1.7%
Insurance	31.4	11.1%	33.0	10.8%	1.5	5.1%
Banking	25.2	8.9%	27.0	8.9%	1.7	7.1%
Other financial	23.0	8.1%	24.0	7.9%	0.9	4.2%
Industrial IT Solutions	94.9	33.4%	109.0	35.7%	14.0	14.8%
Distribution	31.3	11.0%	32.0	10.5%	0.6	2.2%
Manufacturing, service and other	63.6	22.4%	77.0	25.2%	13.3	21.0%
IT Platform Services	20.7	7.3%	22.0	7.2%	1.2	5.9%
Total	284.1	100.0%	305.0	100.0%	20.8	7.4%

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Reference Materials

Sales Forecasts by Service for FY March 2021 < 1H/2H >

■ 1H (JPY billion)

	FY Mar. 2021 (Results)*	FY Mar. 2022 (Forecasts)	Diff.	YoY Change
Consulting Services	41.5	46.0	4.4	10.8%
System Development & System Application Sales	89.4	100.0	10.5	11.8%
System Management & Operation Services	127.2	133.0	5.7	4.6%
Product Sales	8.0	6.0	(2.0)	(25.5%)
Total	266.2	285.0	18.7	7.1%

■ 2H (JPY billion)

	FY Mar. 2021 (Results)*	FY Mar. 2022 (Forecasts)	Diff.	YoY Change
Consulting Services	48.5	54.0	5.4	11.3%
System Development & System Application Sales	94.4	106.0	11.5	12.3%
System Management & Operation Services	131.4	137.0	5.5	4.2%
Product Sales	9.7	8.0	(1.7)	(17.7%)
Total	284.1	305.0	20.8	7.4%

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CAPEX, R&D and Depreciation Forecasts for FY March 2021

■ Capital Expenditure, R&D

(JPY billion)

	FY Mar. 2021 (Results) (JGAAP)	FY Mar. 2022 (Forecasts) (IFRS)
Capital Expenditure	29.1	47.0
Tangible	7.2	9.0
Intangible	21.9	38.0
R&D	4.4	4.5

■ Depreciation and Amortization

(JPY billion)

	FY Mar. 2021 (Results) (JGAAP)	FY Mar. 2022 (Forecasts) (IFRS)
Total	31.3	43.0

* Since IFRS will be applied voluntarily from the fiscal year ending March 2022, the amount and the rate of increase or decrease have not been calculated.

Capital expenditures and depreciation/amortization

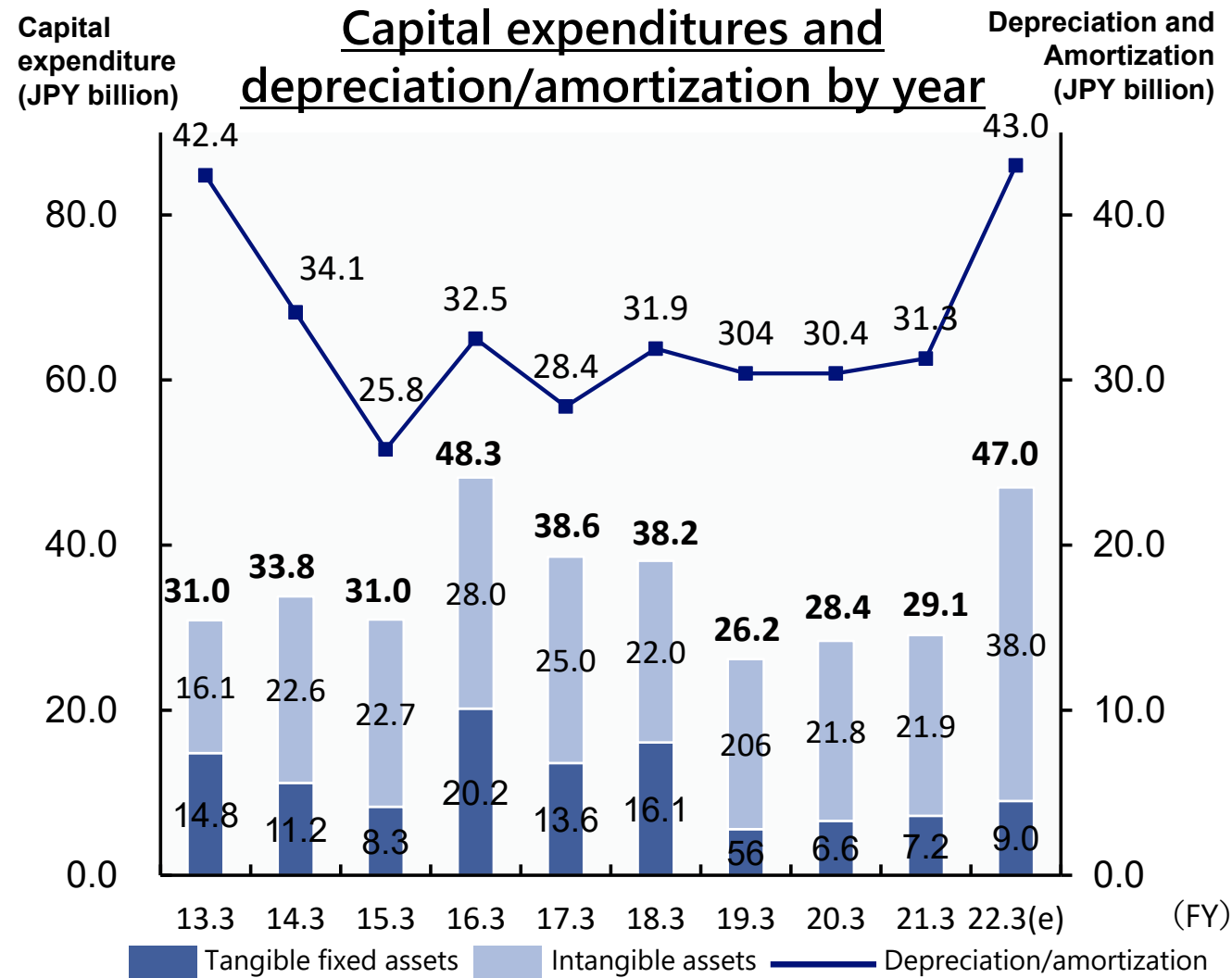
■ Expecting 47 billion yen in capital expenditures

● Investments in tangible fixed assets

- Enhancing cloud service infrastructure capabilities, etc.

● Investments in intangible assets

- Enhance functionality of shared online services
- Create new platform services for financial institutions
- Invest in developing digital IP etc.



* Forecasted reference values for FY March 2022 are based on IFRS. All other values are based on JGAAP.

R&D

■ Deploying Con-Solution to bolster business development and achieve Vision2022

Some R&D topics this year

● Business development

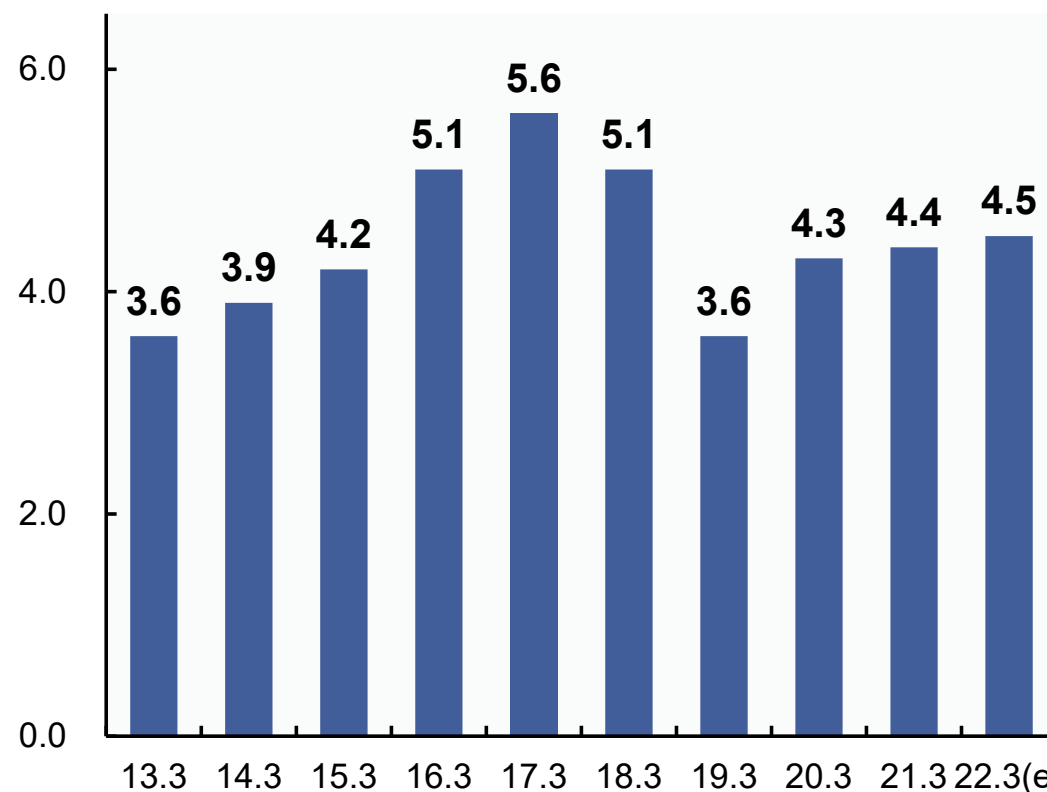
- New business discovery
- Technology acquisition
- Social recommendations, etc.

● Investigative research

- Research on systems and policies
- Investigative research on advanced technologies
- Consumer surveys, etc.

R&D costs by year

(JPY billion)



* Forecasted reference values for FY March 2022 are based on IFRS. All other values are based on JGAAP.

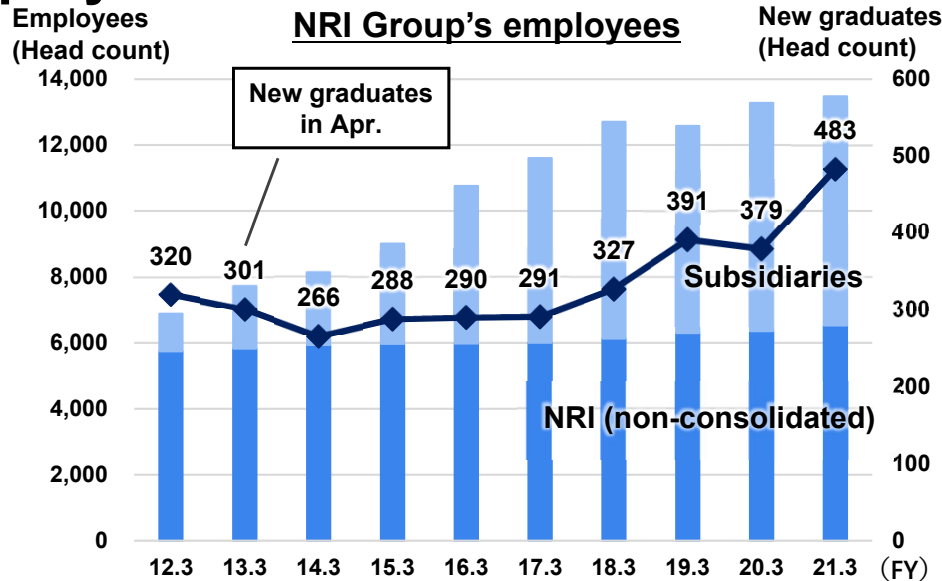
Reference Materials

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

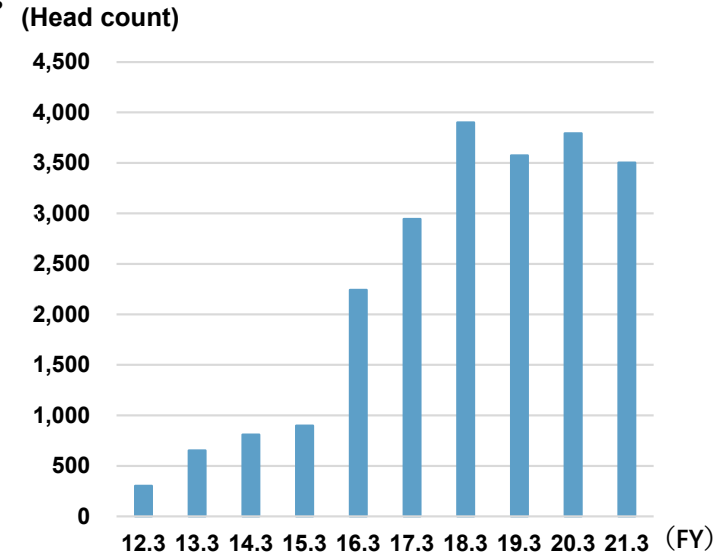
NRI Group-s employees

Personnel:
13,430*

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



Employees at overseas bases



Subcontractors

Offshore development Partners in China

20 partners in 20 regions

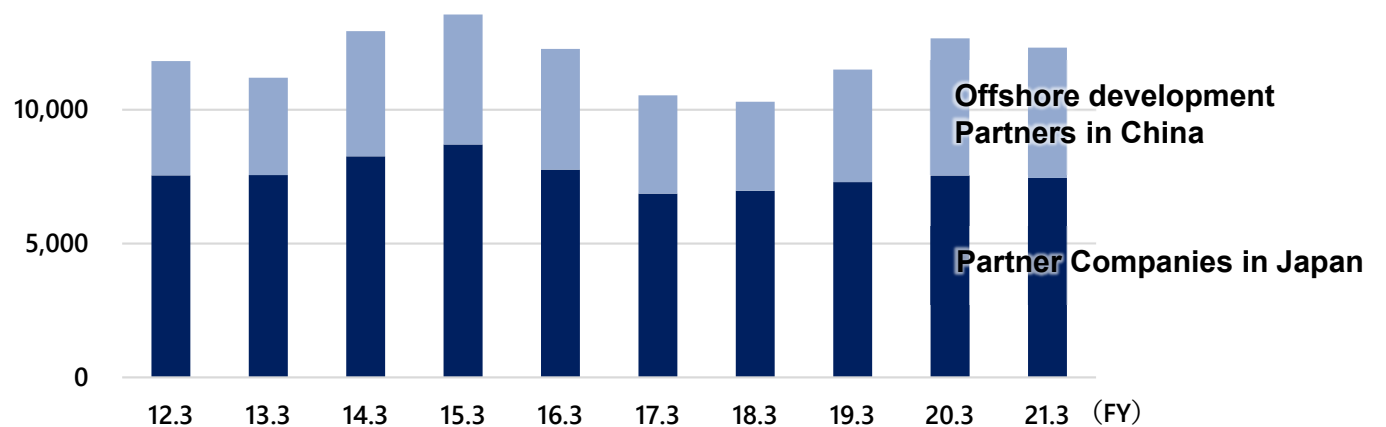
Personnel: Approx. 5,000

Partner Companies in Japan

Personnel: Approx. 7,500

(Head count)
15,000

Personnel of subcontractors



* As of end-Mar. 2021

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.

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