

NRI

Management Policy

Akihisa Fujinuma, President, CEO & COO

Nomura Research Institute, Ltd.

April 30, 2002

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.

NRI Highlights of Consolidated Results

	FY3/01	FY3/02(E)	YoY Change	FY3/03(E)	YoY Change
Sales	217,984	236,569 (235,000)	8.5% (7.8%)	250,000	5.7%
Operating Profit	27,842	30,364 (29,500)	9.1% (6.0%)	33,000	8.7%
Net Income	25,381	22,363 (21,500)	△11.9% (△15.3%)	19,500	△12.8%
Operating profit to sales	12.8%	12.8% (12.6%)	—	13.2%	—
Net income per share	JPY590.27	JPY513.24 (JPY477.78)	△13.1% (△19.1%)	JPY433.33	△15.6%

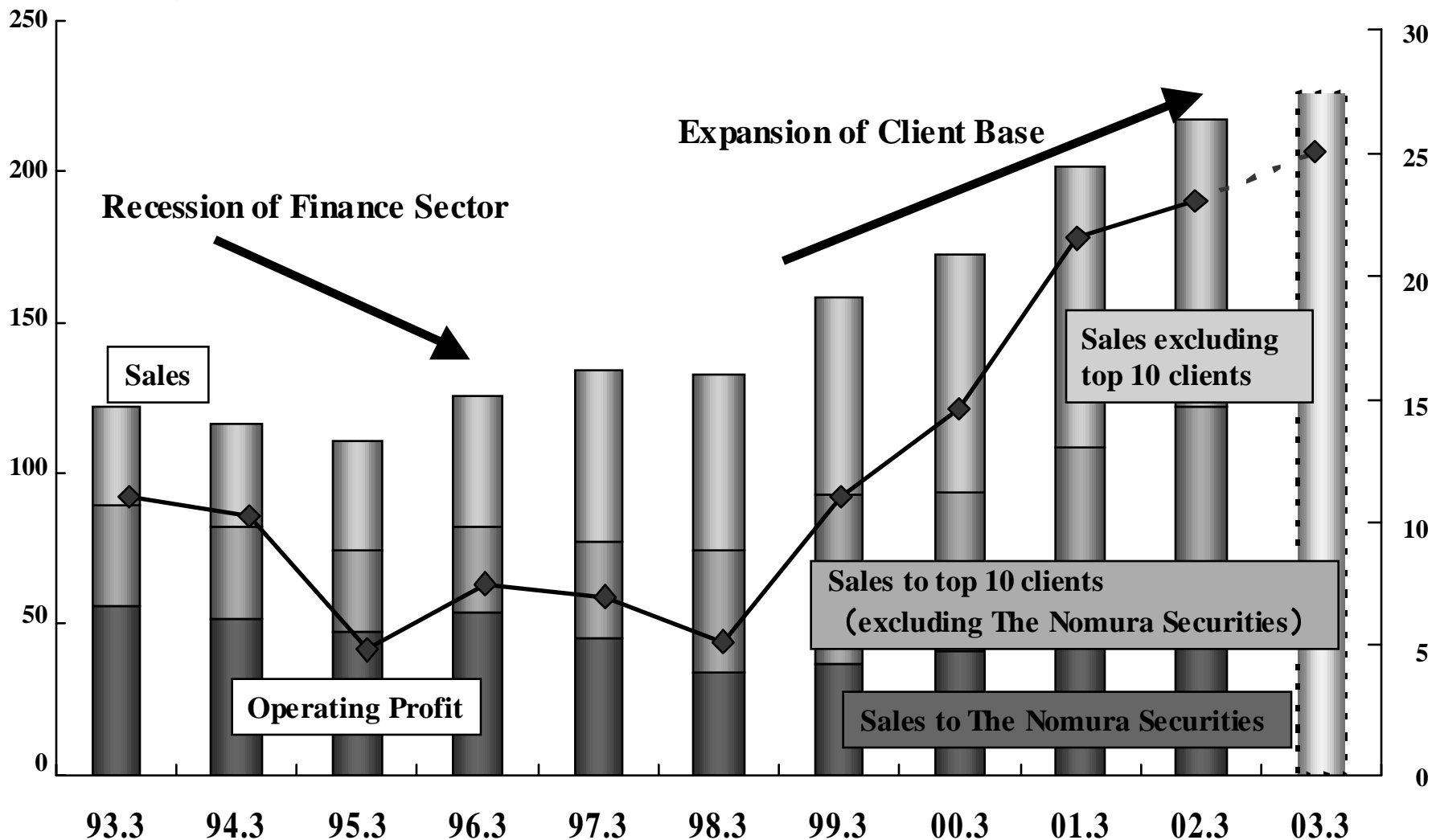
Unit:JPYmillion; figures in parentheses represent earnings estimates announced at the time of listing.



Financial Results of 10 years & Forecast for the year ended March 2003

(Sales: JPY billion)

(Operating Profit: JPY billion)



(Note) Non-consolidated basis

The Information is intended for information purposes only and not a solicitation or offer to buy or sell securities.

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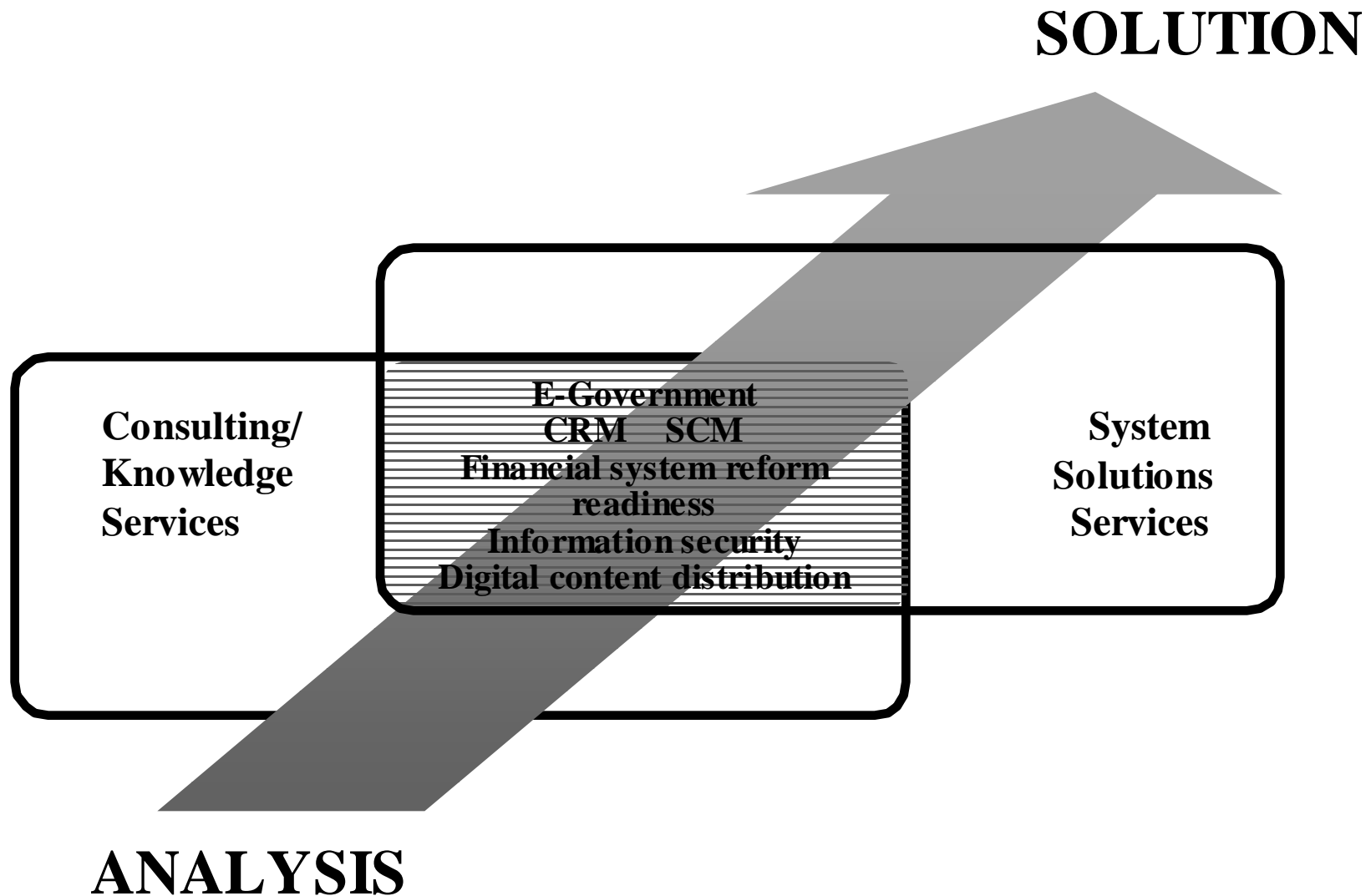
NRI Basic Management View

Create added value and enhance enterprise value

- Demonstrate collective strength
- Concentrate areas of business
- R&D focused on the future of our client
- Invest in human resources required for growth



Demonstrate Collective Strength Provider of “Total Solutions” services





Demonstrate Collective Strength **Business Segments**

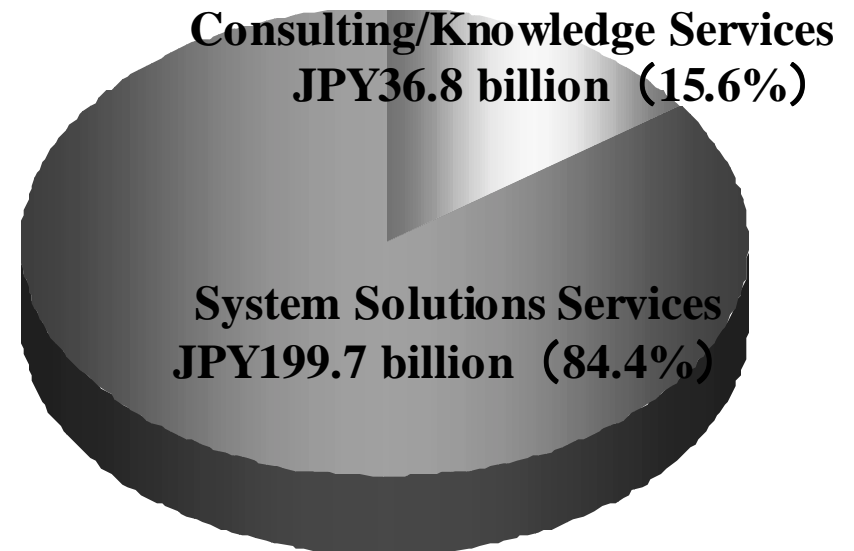
■ Consulting/Knowledge Services:

- Research and management consulting
- System consulting
- Financial information services
- Asset management analysis tools & database
- E-commerce solutions

■ System Solutions Services:

- Systems planning
- Systems design
- Systems development
- Systems operation & management
- HW/SW sourcing

Sales for the year ended March 2002
JPY237 billion





Demonstrate collective strength Superior Consulting

Progress in –scaling up consulting projects

Companies

with orders worth JPY100 million+ (YoY growth) Large-scale solutions (YoY growth)

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Electrical	5 companies	(+259%)	VBM(BSC)	JPY550 million (+169%)
Automobile	4 companies	(+206%)	Administrative management	JPY450 million (+ 33%)
Government	4 companies	(+166%)	ITS	JPY370 million (+ 19%)
Food	2 companies	(+ 96%)		
Electric Power	3 companies	(+ 26%)		
Communications	4 companies	(+ 15%)		
Securities	2 companies	(+ 10%)		

VBM: Value-based Management
 BSC: Balanced Scorecard
 ITS: Intelligent Transport Systems

.....
 : (Note) Orders only include consulting fees (not including system-related sales) YoY growth figures in the table :
 : on the left represent growth from FY00 to FY01 in total sales by industry for companies with orders worth JPY100 million or more. :



Demonstrate collective strength Providing Solutions with an Understanding of Clients' Business

Providing total solutions

Management Strategy
consulting

Systems consulting

Systems development

Systems operations

Collective strength based on business knowledge

Consulting

Development
capabilities

Technical
capabilities



Demonstrate collective strength Example: IY Card

Total solutions from consulting to development to operation



3/2002-

Stable system operation
Toward strategic application
of information(CRM)

Systems operation

10/2001-

Link to existing IY system Create web-page
Develop point management(awards of bonus points for card usage)
and settlement system

Systems development

6/2001-

Prepare business model
Assist in establishing card company

12/2000-

Management strategy consulting / Systems consulting

Case research of card industry
Proposals for launching new business

Research and proposals

Research and proposals
on next phase

Distribution Systems
Planning Office

ATM Business Dept.

Financial
Consulting Dept.

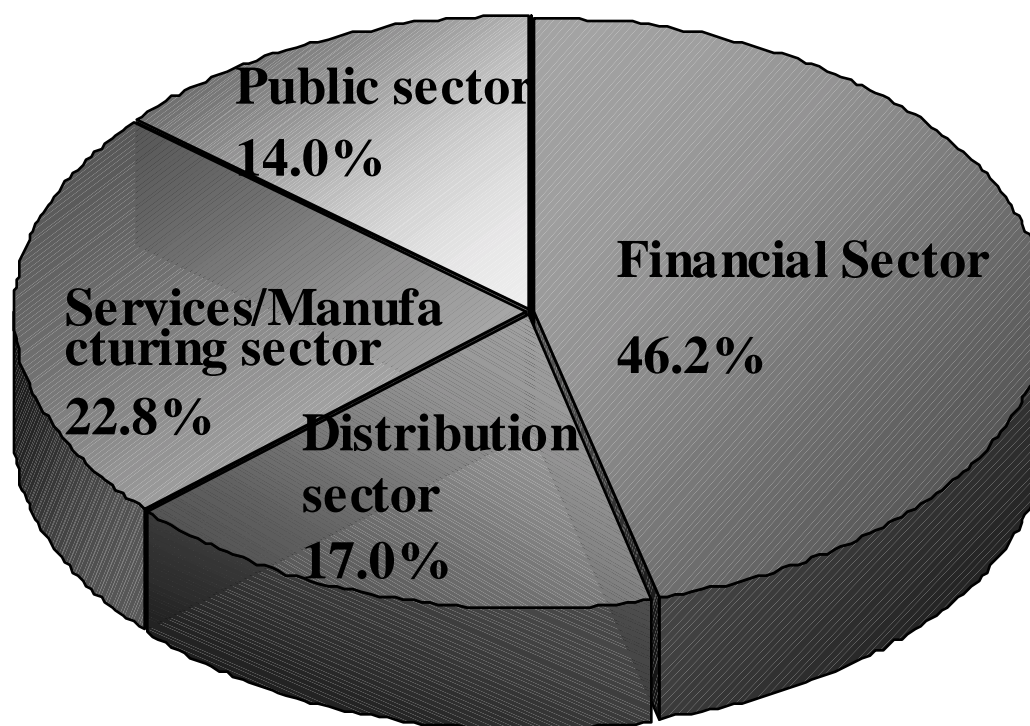
Distribution Systems / Financial Systems Dept.
NRI Network Comm.

Systems Platform Dept. / NRI Data iTech



Concentrate Areas of Business Strengths in Financial, Distribution and Public Sectors

Sales Breakdown



Consolidated Sales for the year ended March 2002

JPY237 billion



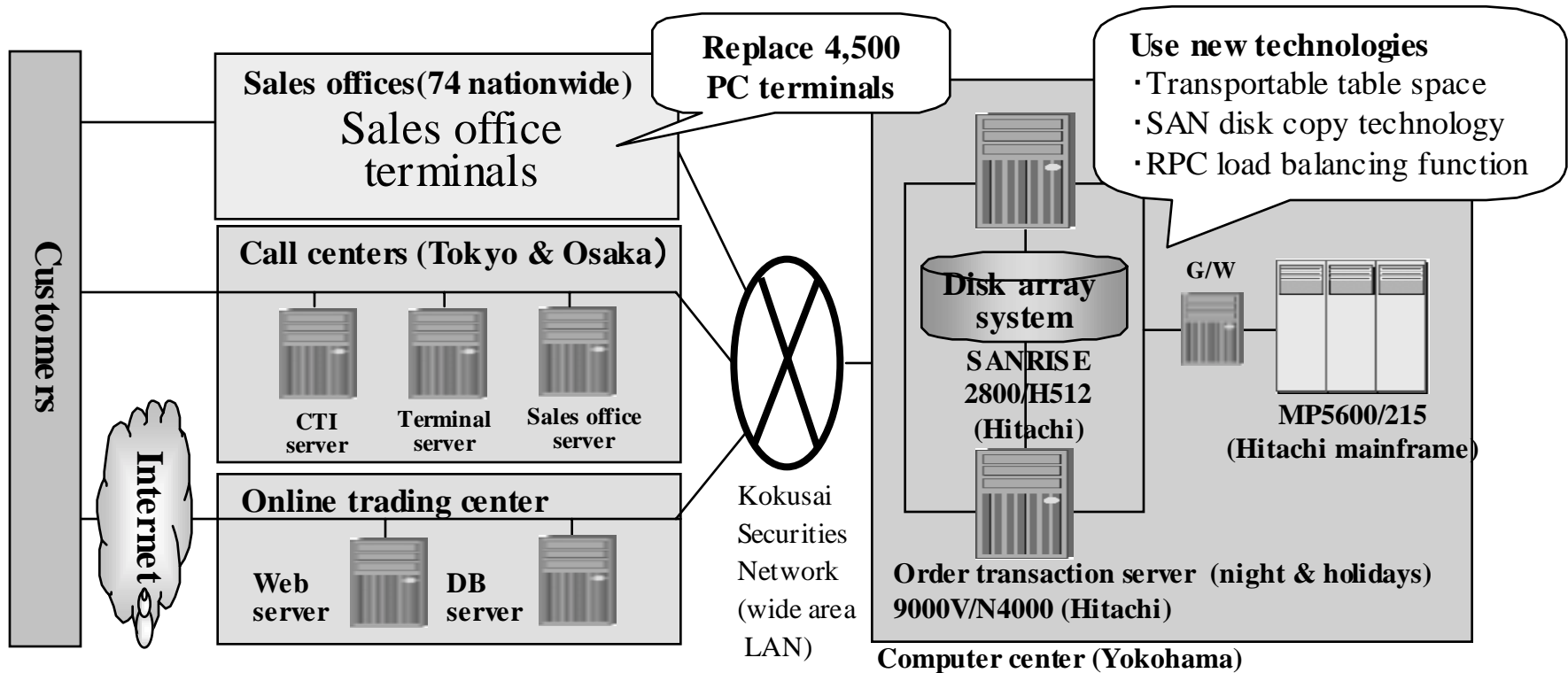
Concentrate areas of business

Financial: Outsourced Development

Kokusai Securities New core business system

Received Grand Prix Award in Nikkei Computer's "6th Information System Award"

- Completely integrates three channels: branch offices, telephone, and Internet
- Operating 24 hours a day, 365 days a year
- Use only UNIX machines as core servers





Concentrate Areas of Business

Financial/Public sector: Self-sponsored Business development

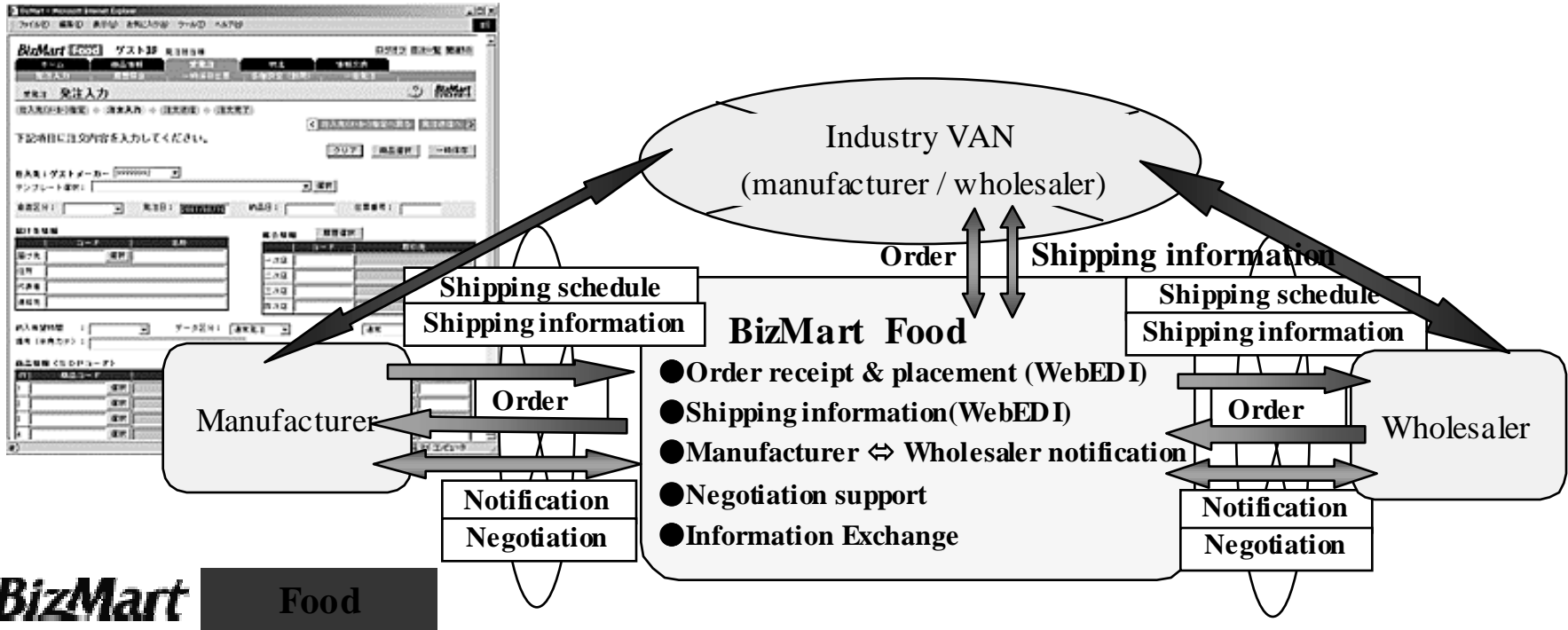
Back office Services for Securities companies	Systems for retail brokerage	STAR-III	Small and medium-sized brokerage houses and on-line brokerage houses etc(29)
	Systems for wholesale brokerage	I-STAR	Foreign and bank-affiliated brokerage houses(52)
Management services for asset management companies	Investment trust sales and account management systems	BESTWAY	Banks, insurances companies, investment trusts, and brokerage houses(122)
	Systems for investment trust account Management with respect to Japanese 401(k)	BESTPLAN	Life and no-life insurers and banks(58)
	Systems for investment trust management for investment trust companies	T-STAR	Investment trusts and trust banks (70)
Back office Services for Public sector	Packaged systems for silver human resources centers	AGELESS 80	Silver (elderly) human resources centers(635)

(Note) Numbers of clients in parenthesis are as of 31 March, 2002

NRI Concentrate areas of business Distribution: Self-sponsored Business Development



BtoB total solutions service providing e -platforms to meet a variety of corporate business needs.



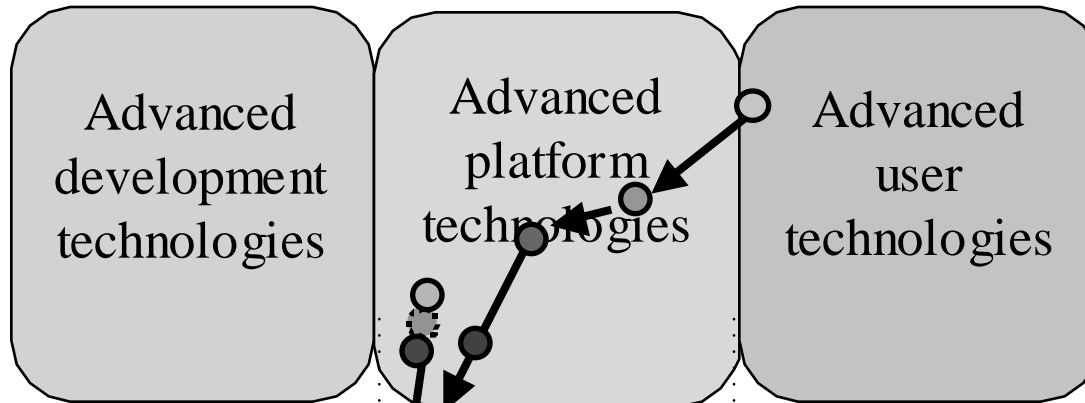
The BizMart Food service is a site for EDI transactions and collaboration between manufacturers and wholesalers in the alcohol and food industries. The service provides data exchange such as order and shipping information, information exchange such as negotiations and notifications between members, and functions such as information gathering for a range of industries.



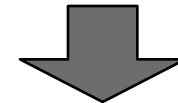
R&D focused on the future of our client

The keyword is Reliability

Advanced technologies



Research & evaluate new technologies



Introduce emerging and highly reliable core IT technologies to our client's systems

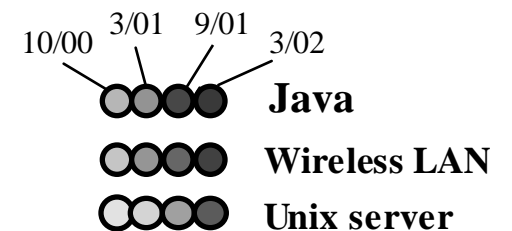


Mature technologies

Development technologies

Platform technologies

User technologies





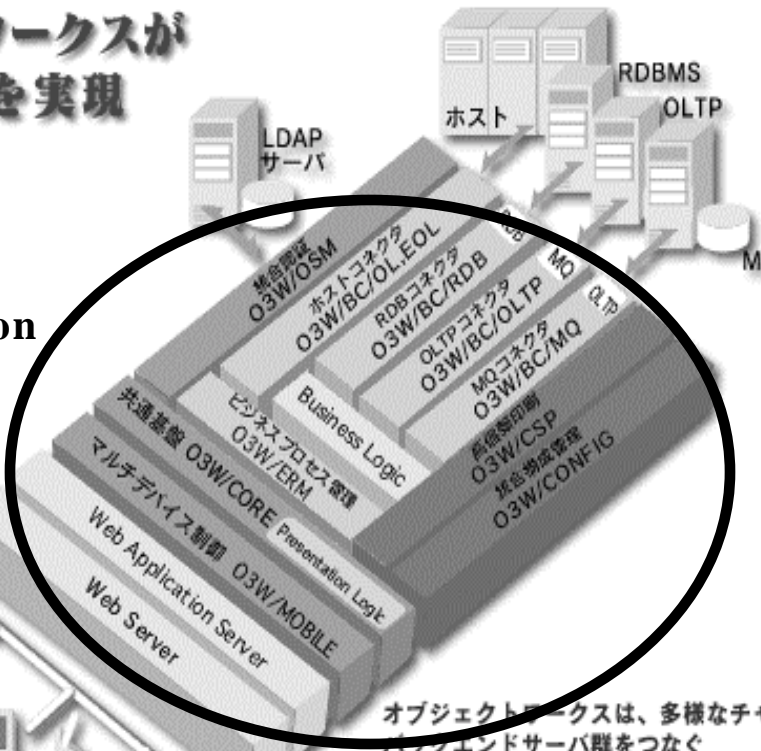
R&D focused on the future of our client Strength in Platform Technologies

オブジェクトワークスが
フロントEAIを実現



Next generation
middle ware

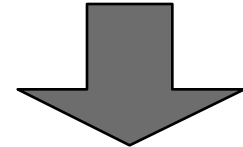
インターネット
イントラネット



オブジェクトワークスは、多様なチャネルとバックエンドサーバ群をつなぐフロントEAIプラットフォーム製品です。WWWシステムテクノロジーをベースに、様々なチャネルをフロントエンドとし、既存システムを有効活用しながらフロントEAIを実現します。

Framework required to improve system development capabilities

- Handle multiple vendors
- Respond quickly to new technologies
- Guarantee reliability and connectivity



Develop “Object Works”
as NRI middleware

NRI R&D focused on the future of our client Launching Knowledge Business

NRI Cyber Patent

Offering “NRI Cyber Patent Desk”, Japan’s first full-scale Internet patent information service

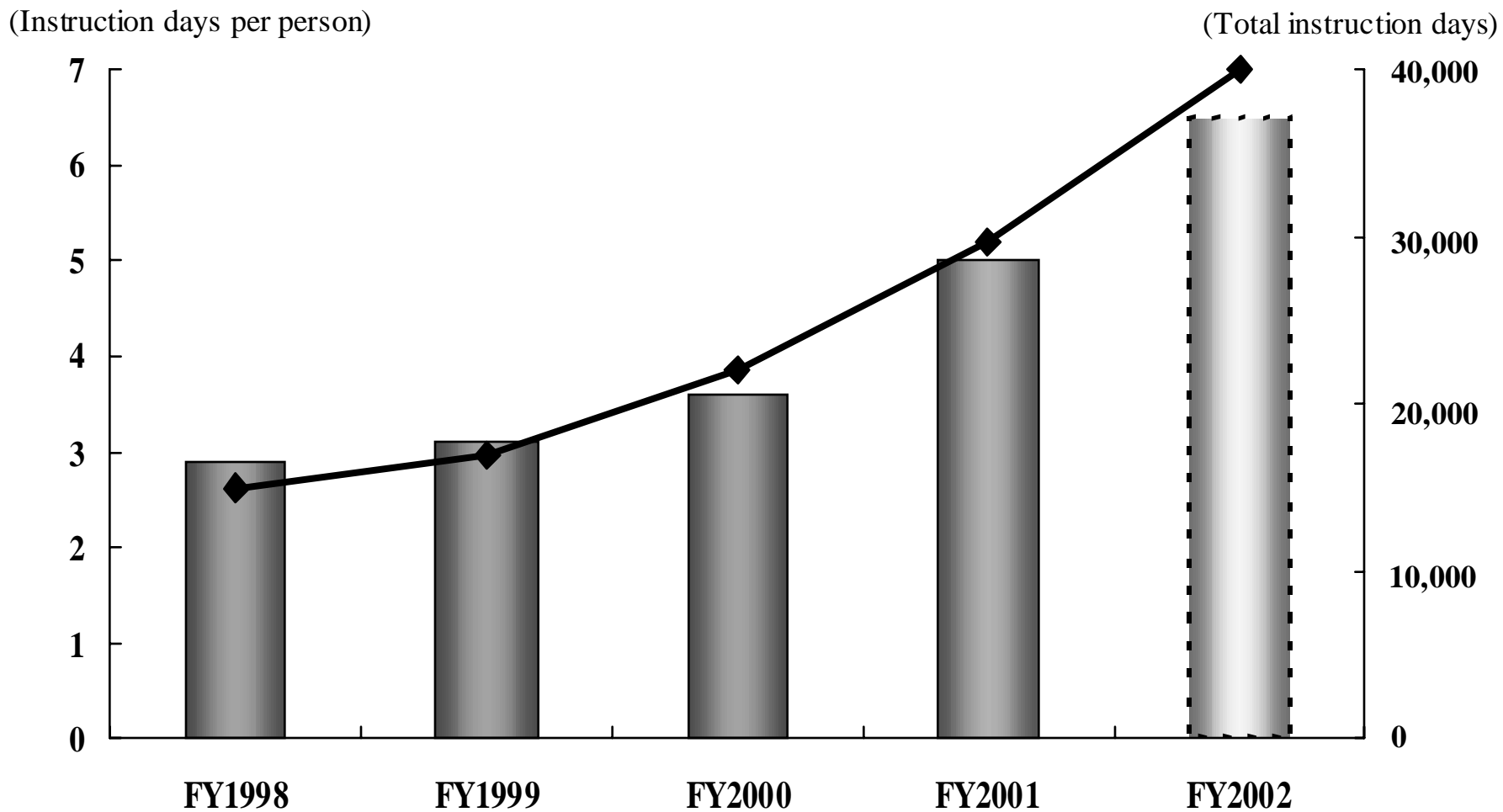
種別	企業・団体名	発明名称	特許番号	特許公開日	特許権の有効期限
特許	NRI	インターネット上の...	4,300,000	2009年10月29日	2029年10月29日
		インターネット上の...	4,300,001	2009年10月29日	2029年10月29日
		インターネット上の...	4,300,002	2009年10月29日	2029年10月29日
		インターネット上の...	4,300,003	2009年10月29日	2029年10月29日
		インターネット上の...	4,300,004	2009年10月29日	2029年10月29日
		インターネット上の...	4,300,005	2009年10月29日	2029年10月29日
		インターネット上の...	4,300,006	2009年10月29日	2029年10月29日
		インターネット上の...	4,300,007	2009年10月29日	2029年10月29日
		インターネット上の...	4,300,008	2009年10月29日	2029年10月29日
		インターネット上の...	4,300,009	2009年10月29日	2029年10月29日

NRI Secure Technologies

Providing companies and government with outsourcing services to prevent illegal access to information systems



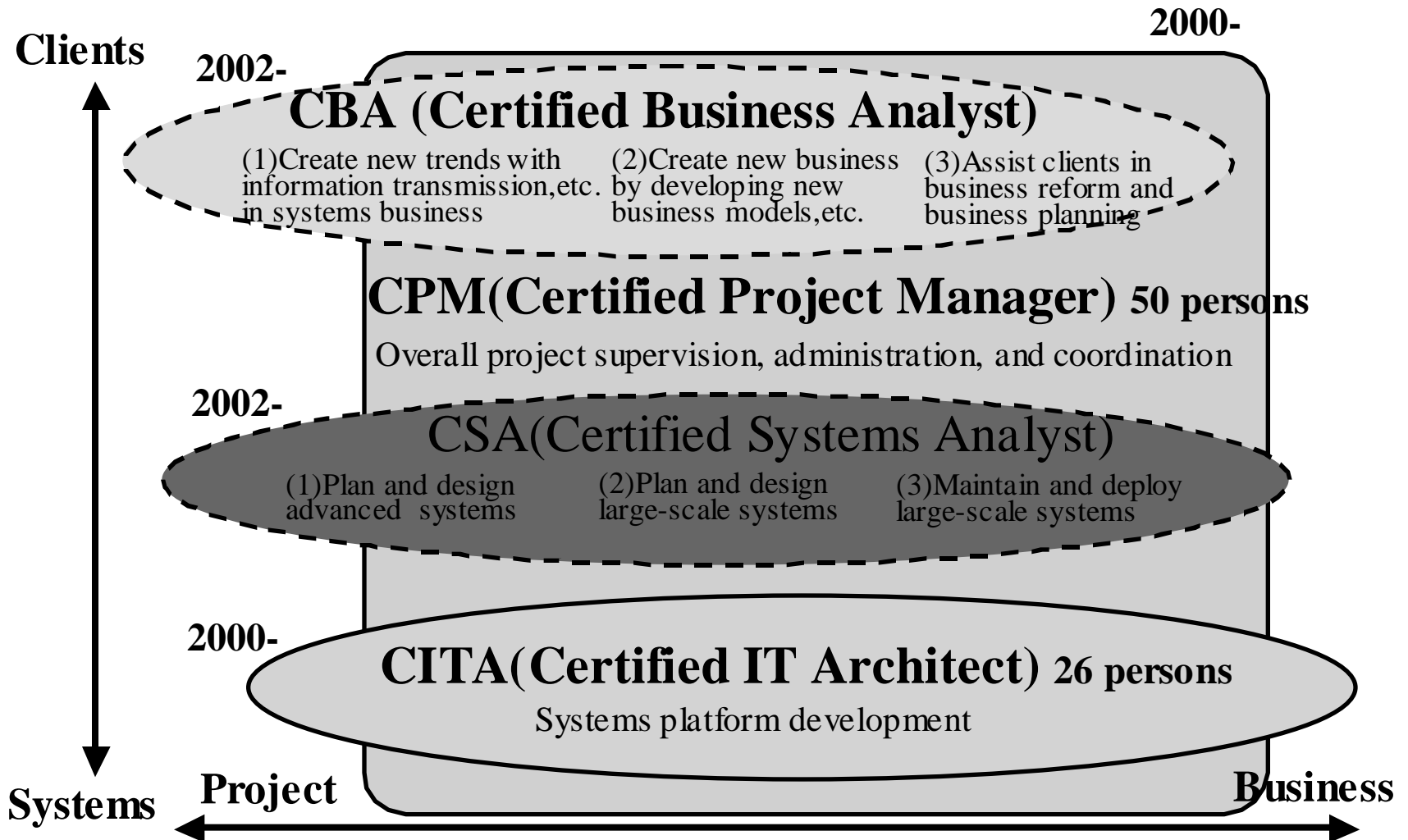
NRI Invest in human resources required for growth **Increase Human Resource Investment**



Line graph: Total number of instruction days, including training for new personnel (right scale)
 Column graph: Instruction days per employee, excluding training for new personnel (left scale)



Invest in human resources required for growth Company Certification & Qualification System



(Note) Number of certified personnel as of April 2002. ○ In operation ◌ In planning

NRI Highly Talented & Specialized Professionals

(Unit: number of persons)

	2001.3	2002.3	growth
System analysts	85	100	15
System inspectors	92	97	5
Project managers	85	98	13
Application engineers	346	373	27
System operators and managers	30	41	11
Network specialists	250	257	7
Top grade system administrators	14	18	4
Database specialists	74	97	23
CMA (Security analysts)	119	135	16



Invest in human resources required for growth Draw on Outside Human Resources

- **Organize partner companies (approx. 300 companies with 6,000 employees) into the following groups:**
 - **Core partners**
 - **Technical specializations**
 - **Others**

- **Use offshore development in China: bridge concept**
 - **Five partner companies in China (two in shanghai, two in Beijing, and one in Dalian)**
 - **Local development system : 230 persons (March 2002)**
 - **Invest in local development in both countries and organize bridge teams with both NRI and local Chinese companies employing systems engineers(SE) fluent in both Japanese and Chinese that can move flexibly between the two countries.**



Management System Required to Achieve Goals

Create added value and enhance enterprise value

- **Strengthen corporate governance**
- **Thorough project evaluation and risk management**
- **Clarity performance management indicators**



■ Reorganize Board of Directors

Reduce number of directors : 23 => 14 directors

Shorten term of directors : 2 => 1 year

Introduce executive officer system : Separate management and execution

Appoint outside director : Mr. Kunio Takeda
(President, Takeda Chemical Industries,Ltd.)

■ Strengthen Board of Corporate Auditors

Establish Audits' Department

Appoint outside corporate auditor : Mr. Hiroshi Izumitani
(Executive Vice President, Murata Manufacturing Co.,Ltd.)



Internal management system

Thorough Project Evaluation & Risk Management

- **Compliance Committee**
- **Systems Development Committee**
- **R&D Committee**
- **Capital Investment Appraisal Committee**
- **Crisis Management Committee**
- **Investment Board**
- **Information Security Board**



Performance evaluation

Clarify Performance Management Indicators

■ Company-wide

■ Operating cash flow

■ Operating profit

■ ROA

■ Divisions (internal management)

■ Sales

■ Operating profit

■ ROA

■ Projects (individual management)

■ ROI



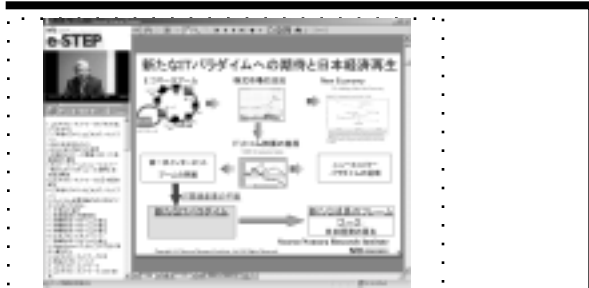
(Reference) Profile of New President

Akihisa Fujinuma, President, CEO&COO

- **18 years in systems development for Nomura Securities**
 - 2nd Online systems and 3rd Online systems
 - From business systems to sales/investment information and trading systems
- **Activity in Advanced Information Technology Division**
 - Promote open systems (downsizing)
- **Sector COO of Financial and Insurance Solution Sector**

March 1974	Completed Master's Program in Control Engineering at Tokyo Institute of Technology on April, joined Nomura Computer Systems Co., Ltd. (Became Nomura Research Institute in 1988 as a result of merger)
June 1994	Director Deputy Division Manager of Advance Information Technology Division and General Manager of Advanced Systems Department
June 1999	Managing Director Division Manager of Advanced Information Technology Division and in charge of Systems Consulting Department
June 2001	Executive Managing Director Sector Coo of Financial & Insurance Solution Sector
April 2002	President, CEO & COO

NRI (Reference) In-house training using Intranet(e-STEP)



Live video seminar and documents



Live video seminar distribution



Live video lecture interface with presentation documents



NRI (Reference) **Highly Talented & Specialized Professionals**

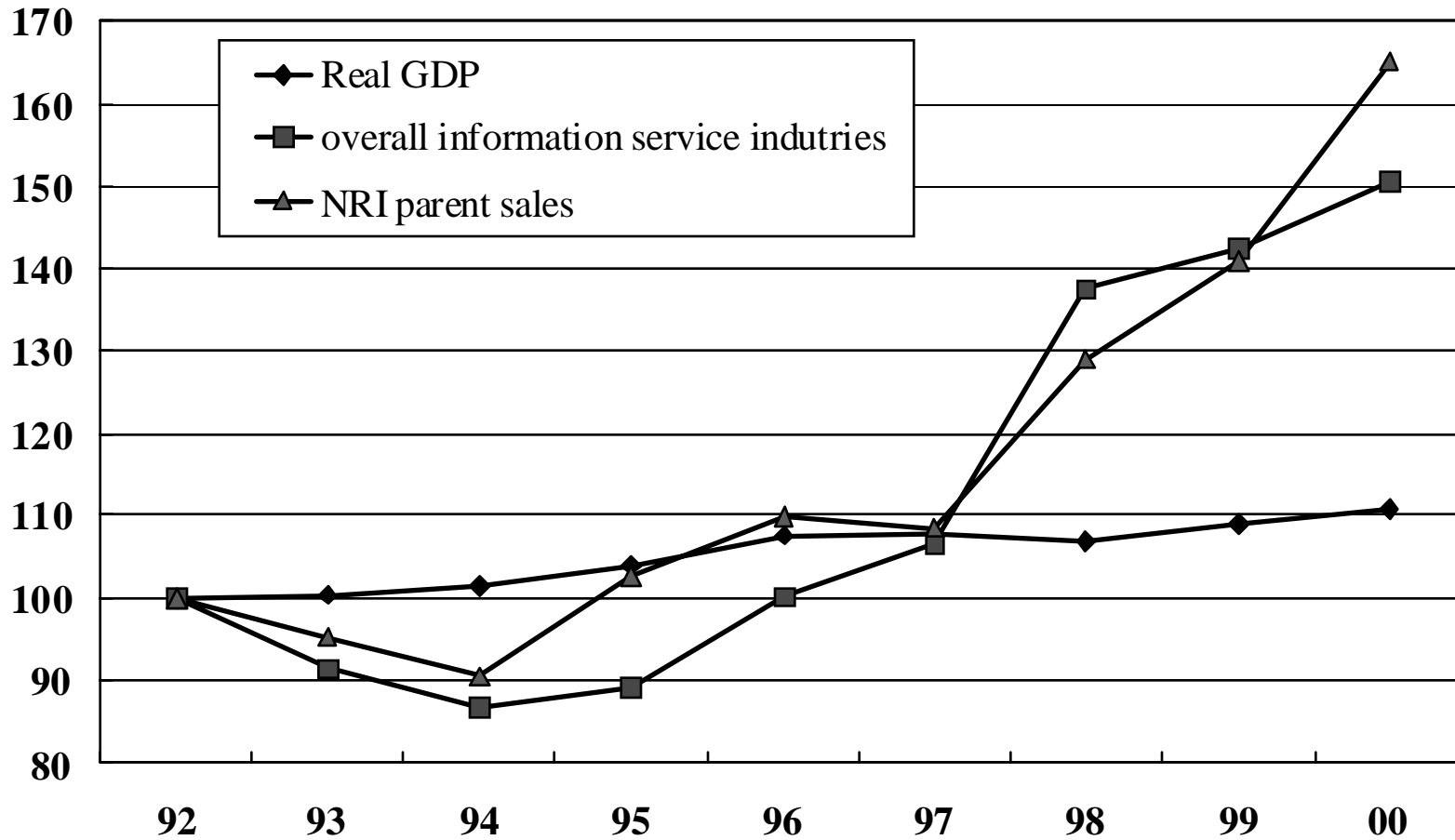
	NRI	NTT Data	Hitachi Software	TIS	Hitachi Information systems
System analysts	1	5	4	2	3
System inspectors	1	5	3	4	2
Project managers	2	5	3	1	4
Application engineers	1	5	2	4	3
System operators and managers	1	5	4	2	3
Network specialists	1	4	3	2	5
Top grade systems administrators	2	4	3	5	1
Database specialists	1	4	3	2	5

- (Note) 1. Ranking based on qualified staff as a % of total staff
 2. Parent basis, figures for the year to March 2001
 3. Figures for qualified staff are disclosed by the companies. Figures for total staff from 'Shikihō'



(Reference) Environment recognition of Information service industry

Information service industry shows steady growth



(Note) Index based on 1992 as 100

(Source) Market Size of Information Service Industries from Survey on 'Specified Service Industries by METI'