

Financial Results

for 3rd Quarter fiscal year ending 31st March, 2010

January 28, 2010

Nomura Research Institute, Ltd.



Highlights of Consolidated Results <3Q Total>

(Unit: JPY million)

	3Q FY Mar. 2009 Total (Apr.-Dec.)	3Q FY Mar. 2010 Total (Apr.-Dec.)	Diff.	YoY change
Sales	251,208	252,155	+946	+0.4%
Operating Profit	37,322	32,755	(4,566)	(12.2%)
Operating Profit Margin	14.9%	13.0%	(1.9P)	
Net Income	21,651	18,649	(3,001)	(13.9%)

Key Factors in Consolidated Financial Results for Q3 FYMar.2010

● Q3 cumulative consolidated sales are within forecasts

1. There is still no sign of a recovery in sentiment on IT investment in the securities industry. In this harsh environment, NRI achieved higher sales from the insurance industry and banking industry, keeping sales steady (up 0.4% YoY).
2. The decline in sales from Consulting Service and System Development & System Application Sales is offset by higher sales from System Management & Operation Services and Product Sales.

● Steady progress in optimizing subcontracting costs; operating profit also in line with forecasts

1. NRI has worked to optimize subcontracting costs, and has made steady progress in reducing subcontracting costs in System Development & System Application Sales as well as System Management & Operation Services.
2. At the same time, other costs have been rising not only due to sluggish sales in System Development & System Application Sales, but also due to higher costs for expansion of businesses in new fields and the partial front-loading of costs to open new offices.

P/L Highlight <3Q Total>

(Unit: JPY million)

	3Q FY Mar. 2009 Total (Apr.-Dec.)	3Q FY Mar. 2010 Total (Apr.-Dec.)	Diff.	YoY change
Sales	251,208	252,155	+946	+0.4%
Cost of Sales	175,894	179,914	+4,020	+2.3%
Subcontracting Costs	90,266	82,833	(7,433)	(8.2%)
Gross Profit	75,314	72,240	(3,073)	(4.1%)
Gross Profit Margin	30.0%	28.6%	(1.3P)	
SG&A	37,991	39,485	+1,493	+3.9%
Operating Profit	37,322	32,755	(4,566)	(12.2%)
Operating Profit Margin	14.9%	13.0%	(1.9P)	

P/L Highlight <3Q Total> continued

(Unit: JPY million)

	3Q FY Mar. 2009 Total (Apr.-Dec.)	3Q FY Mar. 2010 Total (Apr.-Dec.)	Diff.	YoY change
Operating Profit	37,322	32,755	(4,566)	(12.2%)
Non-operating gain and loss	1,829	664	(1,165)	
Dividend income	796	285	(511)	
Equity in losses of affiliates	-	(553)	(553)	
Other Income and expense	(1,390)	(861)	+529	
Gain on investment securities	-	195	+195	
Loss on valuation of investment securities	(395)	(1,081)	(685)	
Loss on valuation of stocks of subsidiaries and affiliates	(642)	-	+642	
Impact of applying lease accounting standards	(351)	-	+351	
Income taxes etc.	16,109	13,915	(2,194)	
Net Income	21,651	18,649	(3,001)	(13.9%)

Sales by Sector <3Q Total>

(Unit: JPY million)

	3Q FY Mar. 2009 Total (Apr.-Dec.)	Share	3Q FY Mar. 2010 Total (Apr.-Dec.)	Share	Diff.	YoY change
Securities sector	98,542	39.2%	93,025	36.9%	(5,516)	(5.6%)
Insurance sector	34,920	13.9%	41,580	16.5%	+6,659	+19.1%
Banking sector	18,968	7.6%	22,109	8.8%	+3,140	+16.6%
Other financial sector	21,859	8.7%	17,938	7.1%	(3,921)	(17.9%)
Financial sector	174,291	69.4%	174,653	69.3%	+362	+0.2%
Distribution sector	32,518	12.9%	32,759	13.0%	+241	+0.7%
Other sector	44,399	17.7%	44,741	17.7%	+342	+0.8%
Total	251,208	100.0%	252,155	100.0%	+946	+0.4%
Nomura Holdings	72,271	28.8%	65,604	26.0%	(6,666)	(9.2%)
SEVEN & i HOLDINGS	28,625	11.4%	30,929	12.3%	+2,303	+8.0%

•Figures of Nomura Holdings and SEVEN & I Holdings, in principle, include sales to subsidiaries.

Sales by segment <3Q Total>

(Unit: JPY million)

	3Q FY Mar. 2009 Total(Apr.-Dec.)	Share	3Q FY Mar. 2010 Total (Apr.-Dec.)	Share	Diff.	YoY change
Consulting Services	24,810	9.9%	21,489	8.5%	(3,321)	(13.4%)
System Development & System Application Sales	106,401	42.4%	95,778	38.0%	(10,622)	(10.0%)
System Management & Operation Services	111,298	44.3%	124,316	49.3%	+13,018	+11.7%
Product Sales	8,697	3.5%	10,569	4.2%	+1,872	+21.5%
IT Solution Services	226,397	90.1%	230,665	91.5%	+4,267	+1.9%
Total	251,208	100.0%	252,155	100.0%	+946	+0.4%

Order Backlog (Outstanding)

(Unit: JPY million)

	At end of 3Q FY Mar.2009	At end of 3Q FY Mar.2010	Diff.	YoY Change
Consulting Services	5,290	4,955	(334)	(6.3%)
System Development & System Application Sales	27,324	26,039	(1,284)	(4.7%)
System Management & Operation Services	35,659	39,418	3,758	10.5%
IT Solution Services	62,984	65,457	2,473	3.9%
Total	68,274	70,413	2,138	3.1%
Order backlog in the current FY	63,869	63,584	(285)	(0.4%)

Consolidated Statements of Cash Flows

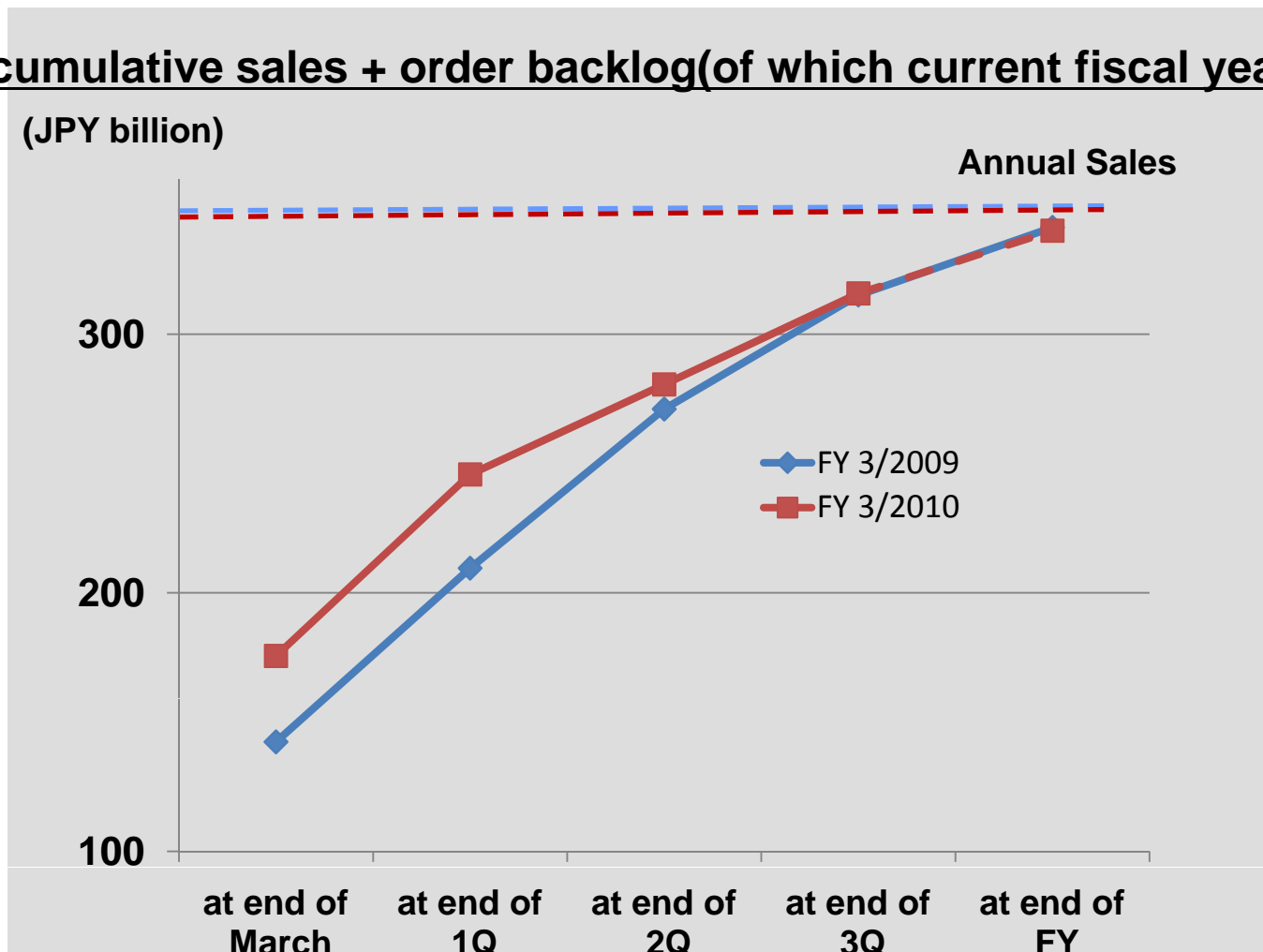
(Unit: JPY million)

	3Q FY Mar. 2009 Total (Apr.-Dec.)	3Q FY Mar. 2010 Total (Apr.-Dec.)
Cash and cash equivalents at beginning of period	75,524	28,228
Operating activities	31,360	45,281
Investing activities	(25,361)	(12,242)
(Except Cash management purpose investment)	(28,573)	(22,316)
Free Cash Flow	5,999	33,039
(Except Cash management purpose investment)	2,787	22,965
Financing activities	(22,328)	(10,297)
Cash and cash equivalents at end of period	58,843	50,870
Cash and cash equivalents + Cash Management purpose investment	81,411	63,967

Progress With Sales + Consolidated Order Backlog

➤ The order environment remains difficult

cumulative sales + order backlog(of which current fiscal year)



Example of New project

➤ **NRI to begin providing SMBC Friend Securities with STAR-IV services in January 2010**

■ **Reasons for selecting STAR-IV:**

Track record among users, ability to adjust to system changes, expandability of functional services, high quality management, etc.

(from an NRI news release dated January 18, 2010)

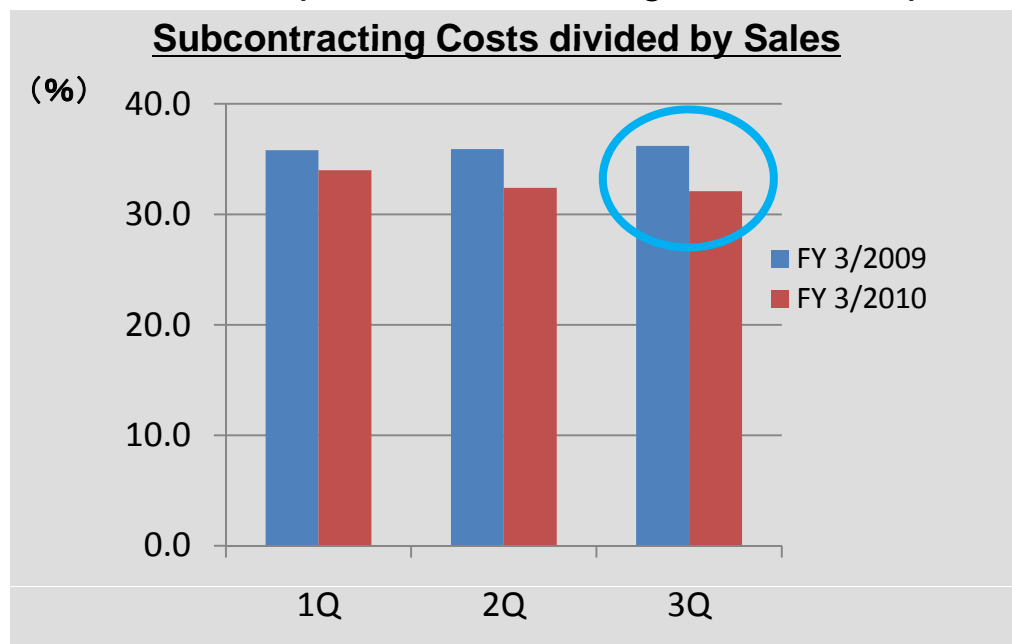


Note: STAR-IV is a shared-online system that supports back office operations for retail securities companies.

Cost optimization

➤ Steady progress in optimizing subcontracting costs, but other factors are pushing up costs

- NRI has worked to optimize subcontracting costs, and has made steady progress in reducing subcontracting costs in System Development & System Application Sales as well as System Management & Operation Services.
- At the same time, other costs have been rising not only due to sluggish sales in System Development & System Application Sales, but also due to higher costs for expansion of businesses in new fields and the partial front-loading of costs to open new offices.



Capital Investments

➤ **Construction site for new data center selected** **Overview of new data center (fifth center)**

Overview of planned construction site for new data center

- **Location: Tama City, Tokyo**
- **Site area: 19,496.3m² (5,897.63 tsubo)**
- **Tentative completion date: FYMar.2013**



Note: The picture represents the image at this point and will differ from the actual building.

Use of new data center

- **Base for expanding outsourcing business**
- **Core base for crowd services**

Distinctive characteristics of facility:

- **Environmental aspects: The facility will use natural energy and adopt technology that conserves resources and has high energy efficiency.**
- **Safety: Adopts cutting-edge security equipment**
- **Reliability: Multiplexed, highly expandable power system, etc.**

Yokohama Minato Center

- **Completed on December 16, 2009; opening scheduled for February 2010**

Overview of Yokohama Minato Center

- Building to be used: Yokohama Daiya Building, Floors 10-30
- Area: 31,982m²
- Opening date: February 2010
- Operations: Primarily financial and insurance systems

NRI's main offices

Expansion to five centers:

- Marunouchi Center
- Kiba Center
- Yokohama Center
- Yokohama Minato Center
- Osaka Center



Changes in Representative Directors and Appointment of New President

- Representative Director, Corporate Executive Vice President Tadashi Shimamoto was appointed as the new president, Representative director, CEO&COO, effective April 1, 2010.
- Chairman and President, Representative director, CEO&COO Akihisa Fujinuma will be chairman, director, effective April 1, 2010.



Tadashi Shimamoto

Date of birth: February 8, 1954

Born in Wakayama prefecture

Graduate of Engineering Department of Kyoto University

	Career
April 1976	Joined the Company
June 2001	Director; Division Manager of Advanced Information Technology Division
April 2002	Corporate Vice President; Division Manager of Advanced Information Technology Division
April 2004	Corporate Senior Vice President; Division Manager of Advanced Information Technology Division; Deputy Division Manager of Center for Knowledge Exchange & Creation
April 2008	Corporate Executive Vice President in charge of Supervising of Business Divisions
June 2008	Representative Director, Corporate Executive Vice President in charge of Supervising of Business Divisions
April 2009	Representative Director, Corporate Executive Vice President in charge of Supervising of Business Divisions, Marketing & Business Planning and Retail & Industrial Systems; Division Manager of Center for Innovation Systems Research for Management
October 2009	Representative Director, Corporate Executive Vice President in charge of Supervising of Business Divisions, Marketing & Business Planning and Retail & Industrial Systems

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.