

Financial Results

for 1st Quarter FY March 2011

July 28, 2010

Nomura Research Institute, Ltd.

Highlights of Consolidated Financial Results

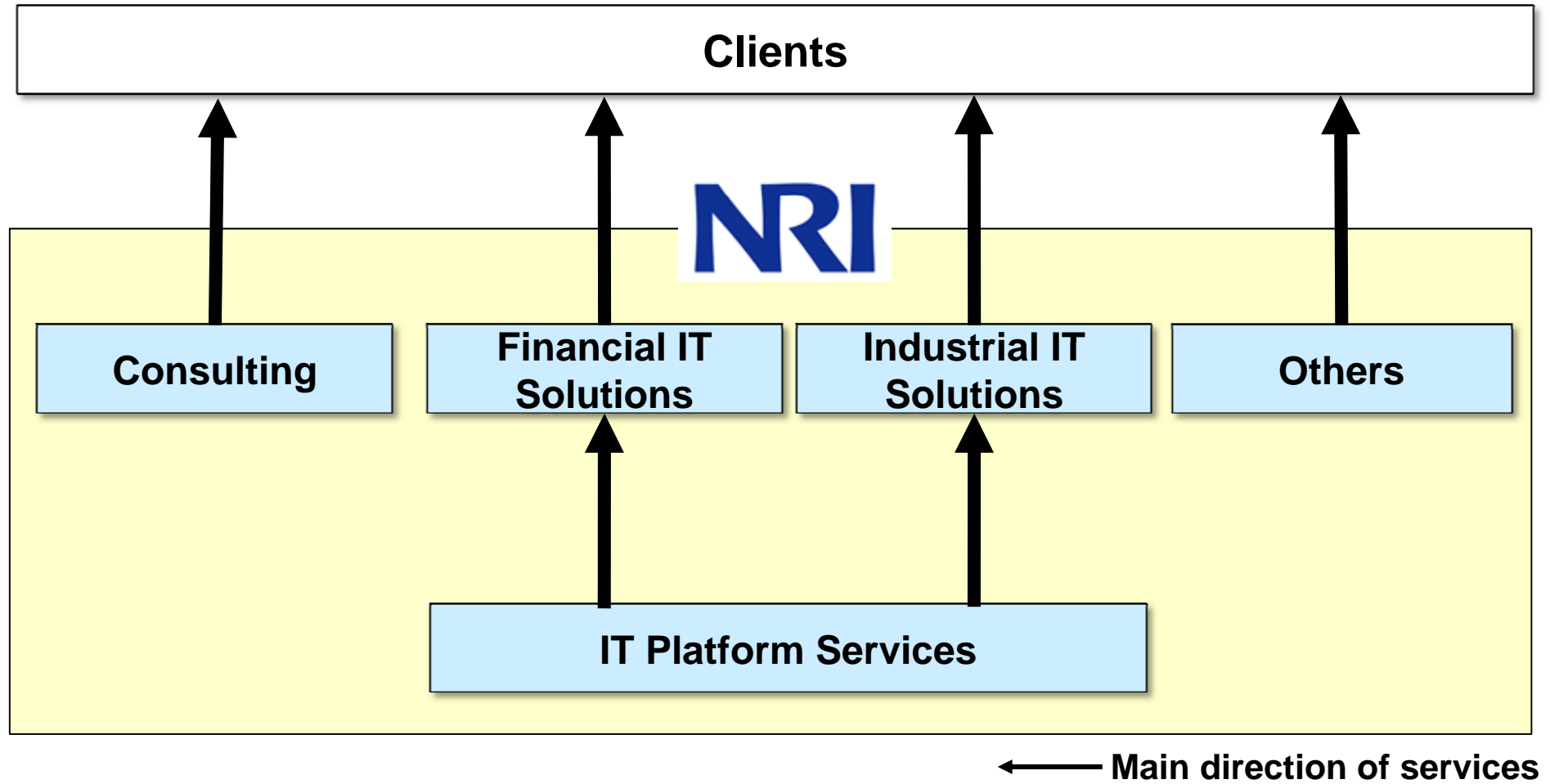
(Unit:JPY million)

	1Q FY Mar.2010	1Q FY Mar.2011	Diff.	YoY Change
Sales	81,521	80,650	(870)	(1.1%)
Operating Profit	9,953	6,560	(3,392)	(34.1%)
Operating Profit Margin	12.2%	8.1%	(4.1P)	
Net Income	6,124	4,082	(2,042)	(33.3%)

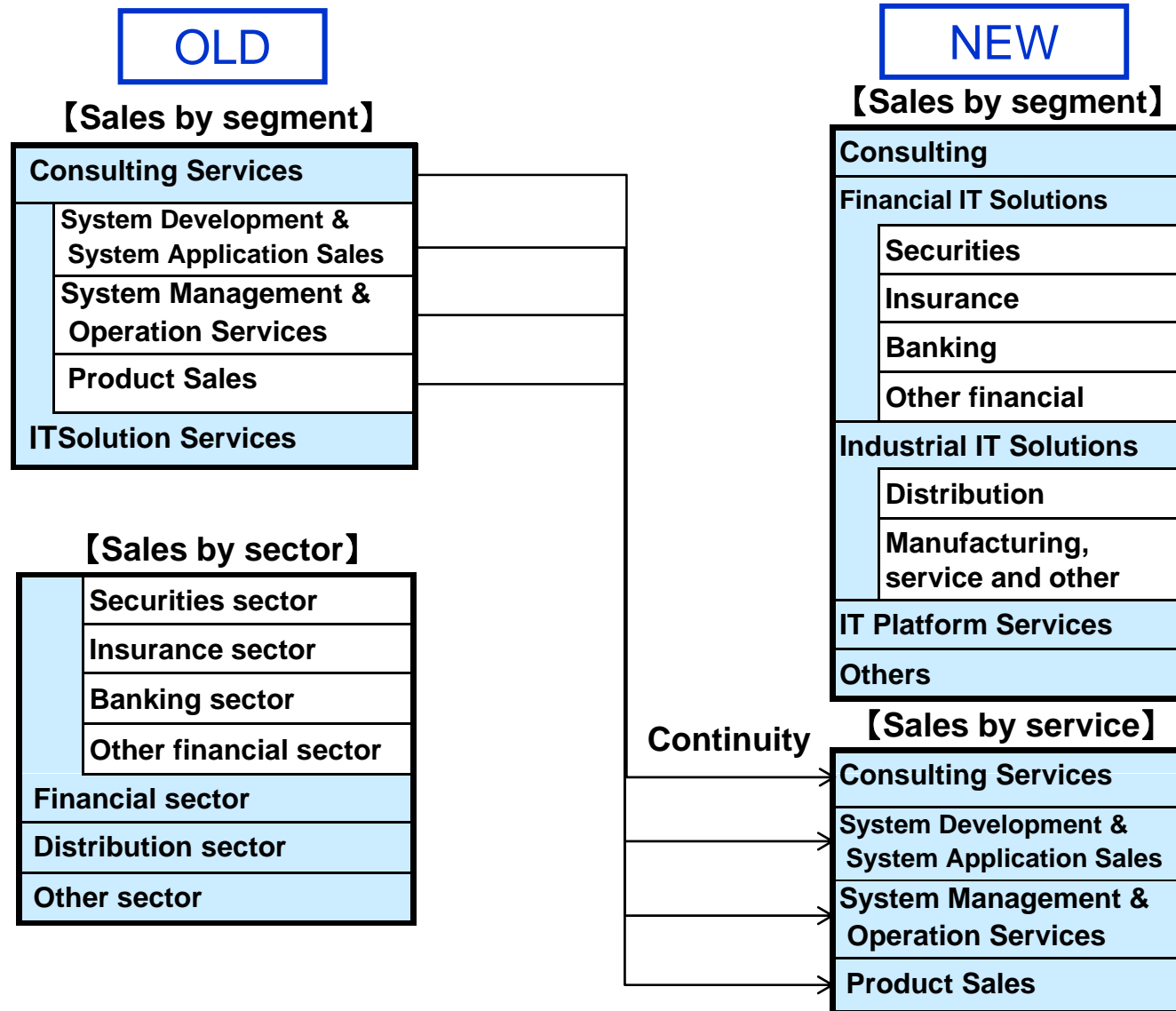
New Segments Based on Management Approach

Segment name	Overview
Consulting	<ul style="list-style-type: none"> ● Management consulting ● System consulting
Financial IT Solutions	<ul style="list-style-type: none"> ● IT solutions services mainly for financial institutions including securities firms, insurance companies, and banks <p>Note: NRI also discloses sales by industry (securities, insurance, banking, and other financial sectors)</p>
Industrial IT Solutions	<ul style="list-style-type: none"> ● IT solution services mainly for distribution, manufacturing, and service companies and the public sector <p>Note: NRI also discloses sales by industry (distribution, manufacturing, service, and others)</p>
IT Platform Services	<ul style="list-style-type: none"> ● Services include data center operational management and creation of IT platforms and networks mainly for the Financial IT Solutions segment and the Industrial IT Solutions segment ● Research related to advanced information technology
Others	<ul style="list-style-type: none"> ● Businesses outside of the categories above by group companies

Relationship between New Segments



Relation between Old and New Segments



Sales by Segment

(Unit:JPY million)

	1Q FY Mar.2010	Share	1Q FY Mar. 2011	Share	Diff.	YoY Change
Consulting	3,905	4.8%	3,704	4.6%	(200)	(5.1%)
Financial IT Solutions	49,825	61.1%	50,883	63.1%	+1,058	+2.1%
Securities	26,658	32.7%	24,361	30.2%	(2,297)	(8.6%)
Insurance	12,519	15.4%	13,797	17.1%	+1,278	+10.2%
Banking	5,373	6.6%	7,354	9.1%	+1,981	+36.9%
Other financial	5,273	6.5%	5,369	6.7%	+95	+1.8%
Industrial IT Solutions	22,148	27.2%	20,981	26.0%	(1,166)	(5.3%)
Distribution	10,102	12.4%	10,611	13.2%	+509	+5.0%
Manufacturing, service and other	12,046	14.8%	10,370	12.9%	(1,676)	(13.9%)
IT Platform Services	2,851	3.5%	2,820	3.5%	(31)	(1.1%)
Others	2,791	3.4%	2,261	2.8%	(529)	(19.0%)
Total	81,521	100.0%	80,650	100.0%	(870)	(1.1%)
Nomura Holdings	22,563	27.7%	19,155	23.8%	(3,407)	(15.1%)
Seven & i Holdings	9,797	12.0%	10,610	13.2%	+813	+8.3%

*Figures of Nomura Holdings and Seven & i Holdings, in principle, include sales to subsidiaries.

NRI 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(C) 2010 Nomura Research Institute, Ltd. All rights reserved.

Segment performance results

■including Inter-segment sales for each segment

(Unit:JPY million)

		1Q FY Mar.2010	1Q FY Mar. 2011	Diff.	YoY Change
Consulting	Sales	3,907	3,726	(181)	(4.6%)
	OP	(409)	(632)	(222)	-
	OPM	(10.5%)	(17.0%)	(6.5P)	
Financial IT Solutions	Sales	49,862	50,899	+1,037	+2.1%
	OP	4,875	3,678	(1,197)	(24.6%)
	OPM	9.8%	7.2%	(2.6P)	
Industrial IT Solutions	Sales	23,215	22,023	(1,192)	(5.1%)
	OP	1,956	(202)	(2,159)	-
	OPM	8.4%	(0.9%)	(9.3P)	
IT Platform Services	Sales	17,083	16,967	(116)	(0.7%)
	OP	2,301	2,620	+318	+13.8%
	OPM	13.5%	15.4%	+2.0P	

Sales by Service

(Unit:JPY million)

	1Q FY Mar.2010	Share	1Q FY Mar. 2011	Share	Diff.	YoY Change
Consulting Services	6,336	7.8%	6,517	8.1%	+180	+2.9%
System Development & System Application Sales	30,638	37.6%	29,862	37.0%	(775)	(2.5%)
System Management & Operation Services	42,314	51.9%	42,272	52.4%	(41)	(0.1%)
Product Sales	2,231	2.7%	1,998	2.5%	(233)	(10.5%)
Total	81,521	100.0%	80,650	100.0%	(870)	(1.1%)

Key Factors in Consolidated Financial Results for 1Q of FY March 2011

● Sales in the first quarter fall slightly year-on-year

1. Despite severe operating conditions, overall sales fell only slightly year-on-year since declining sales in the securities sector and manufacturing, service and other sector were offset by higher sales in the insurance and banking sectors.
2. In the securities sector, severe conditions continued as expected for major clients.
3. In contrast, sales were steady in the insurance and banking sectors, especially to existing clients.

● Costs increase for activities designed to expand future business

1. Costs rose (including depreciation expenses) in line with investment aimed at medium- and long-term growth.
2. In new business areas, costs incurred for some projects exceeded forecasts.
3. While SG&A expenses remained well-managed overall, they rose as personnel expenses and costs for office expansion went up.
4. External subcontracting costs continued at a suitable level.

● Activities under way to frontload potential projects for a recovery in the second half

1. Orders in the first quarter were at a low level as forecasted, and order volume and order backlog decreased compared to the same period in the previous fiscal year.
2. While business inquiries and consultations are gradually increasing, more sales initiatives are needed for the second half of the fiscal year.

P/L Highlight

(Unit:JPY million)

	1Q FY Mar.2010	1Q FY Mar.2011	Diff.	YoY Change
Sales	81,521	80,650	(870)	(1.1%)
Cost of Sales	58,129	60,041	+1,911	+3.3%
Subcontracting Costs	27,747	24,920	(2,826)	(10.2%)
Gross Profit	23,392	20,609	(2,782)	(11.9%)
Gross Profit Margin	28.7%	25.6%	(3.1P)	
SG&A	13,438	14,048	+610	+4.5%
Operating Profit	9,953	6,560	(3,392)	(34.1%)
Operating Profit Margin	12.2%	8.1%	(4.1P)	

P/L Highlight continued

(Unit:JPY million)

	1Q FY Mar.2010	1Q FY Mar.2011	Diff.	YoY Change
Operating Profit	9,953	6,560	(3,392)	(34.1%)
Non-operating gain and loss	906	942	+35	+3.9%
Interest income	110	83	(27)	
Dividend income	831	946	+114	
Other Income and Expense	(296)	(317)	(20)	
Loss on valuation of investment securities	(309)	(9)	+300	
Impact of applying accounting standard for asset retirement obligations	-	(364)	(364)	
Income taxes etc.	4,443	3,101	(1,341)	
Net Income	6,124	4,082	(2,042)	(33.3%)

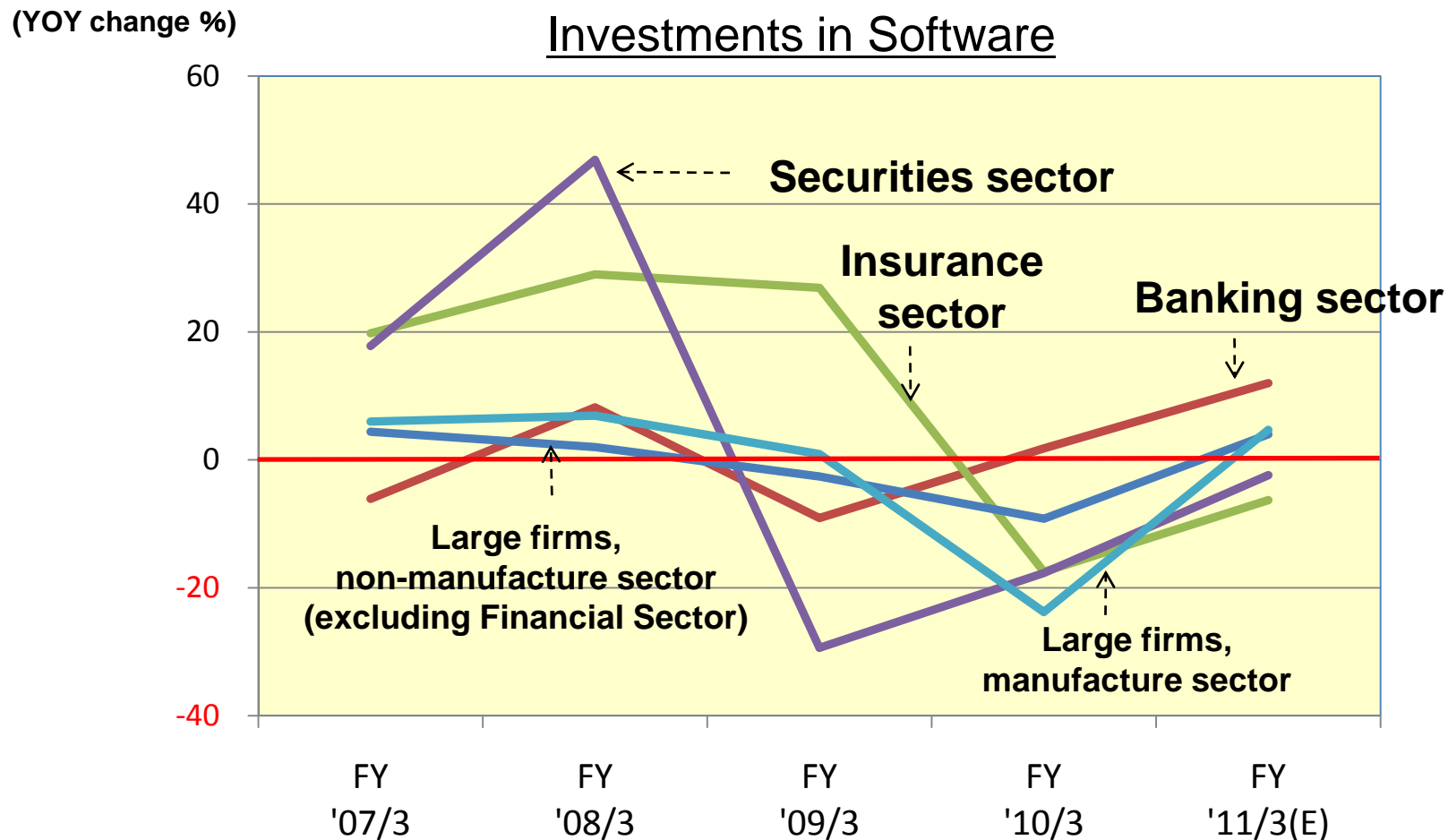
Order Backlog (Outstanding)

(Unit:JPY million)

	At end of June 2009	At end of June 2010	Diff.	YoY Change
Consulting	4,878	4,290	(588)	(12.1%)
Financial IT Solutions	105,547	103,874	(1,672)	(1.6%)
Industrial IT Solutions	46,290	43,671	(2,618)	(5.7%)
IT Platform Services	6,534	6,769	+234	+3.6%
Other	4,016	3,456	(560)	(14.0%)
Total	167,267	162,061	(5,205)	(3.1%)
Order backlog in the current FY	164,246	161,108	(3,138)	(1.9%)

Assessing the business environment

- **The BoJ Tankan Survey reported that the extent of the decline in software investment (plans) will improve.**

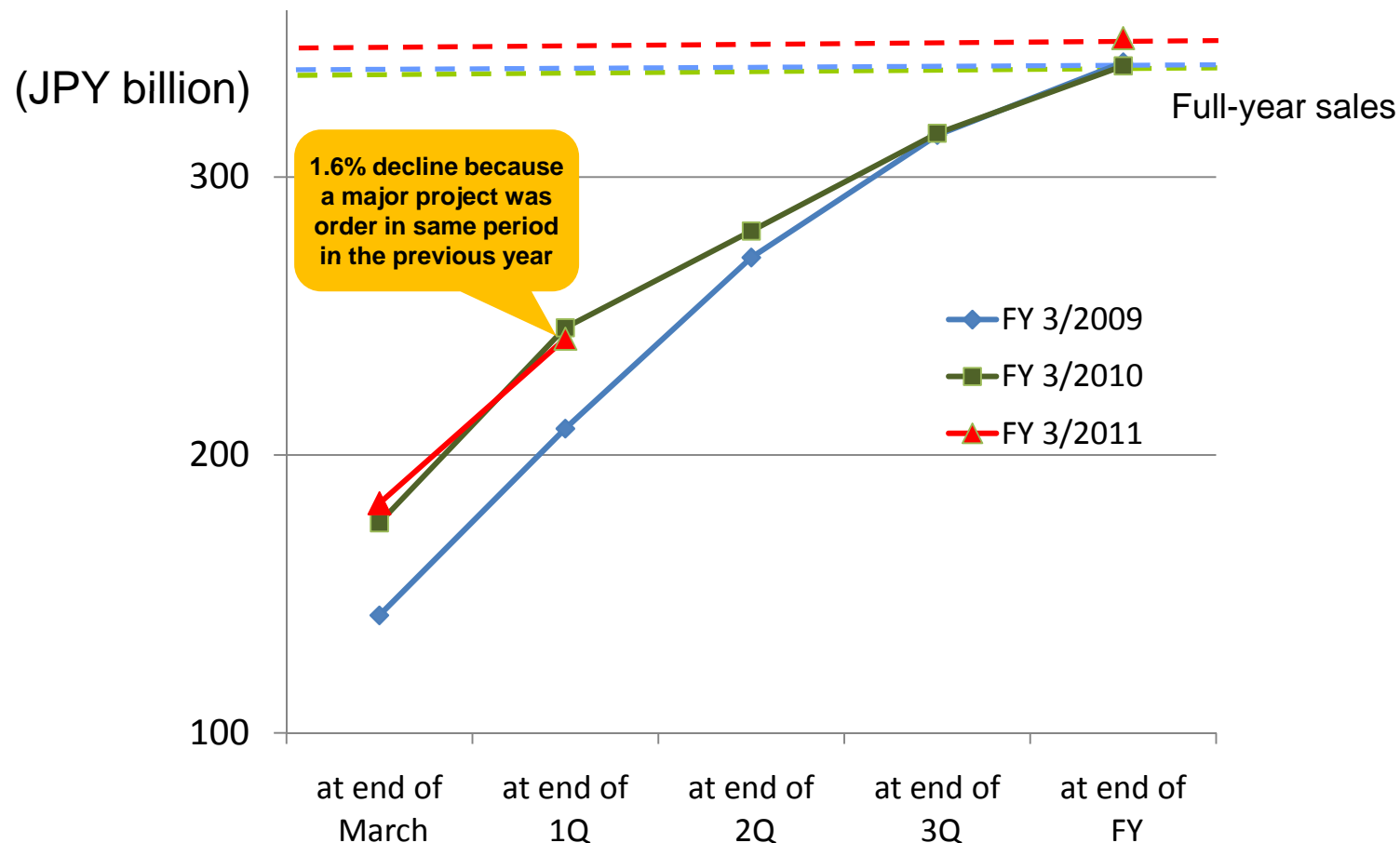


Source: BoJ Tankan Survey (June, 2010) based on survey given to companies

Sales + Consolidated Order Backlog


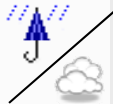





- Orders remain sluggish due to severe business conditions continuing in the first quarter

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



Current Business Conditions

- **Aim to acquire projects through sales initiatives for a recovery in 2H**
Current business conditions in each segment area

Consulting		<ul style="list-style-type: none"> While orders appear to have bottomed out, severe business conditions are continuing
Financial IT Solutions		
Securities		<ul style="list-style-type: none"> Strengthen partnerships with major clients and move ahead with planned replacement of old systems Gain new clients for shared-online services
Insurance		<ul style="list-style-type: none"> Actively gain additional projects focusing on existing clients Steadily capitalize on developments in industry reorganization
Banking		<ul style="list-style-type: none"> Address the update to systems for over-the-counter sales of investment trusts, and continue sales aimed at expanding Internet banking Prepare for the expansion of the business of major clients (enhancing services, etc.)
Other financial		<ul style="list-style-type: none"> Expand new client base for asset management ASP and promote the shift to new versions Move the BPO business forward with by making a BPO service provider a wholly owned subsidiary and establishing a local company in Dalian
Industrial IT Solutions		
Distribution		<ul style="list-style-type: none"> Make the most of clients' investment demand in areas such as overseas development and replacement of old machinery
Manufacturing, service and other		<ul style="list-style-type: none"> Continue to work to gain new clients and projects in areas such as manufacturing, communications, and healthcare Enhance quality control and project management while improving productivity

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.