



27th April 2023

## Consolidated Financial Results for the Fiscal Year Ended 31st March 2023 (Under IFRS)

Company name: Nomura Research Institute, Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4307  
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 Scheduled date of annual general meeting of shareholders: 23rd June 2023  
 Scheduled date to commence dividend payments: 2nd June 2023  
 Scheduled date to file annual securities report: 26th June 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended 31st March 2023 (from 1st April 2022 to 31st March 2023)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
31st March 2023	692,165	13.2	111,832	5.3	108,499	3.7	76,496	6.6
31st March 2022	611,634	11.1	106,218	31.5	104,671	47.3	71,792	36.5

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal year ended						
31st March 2023	76,307	6.8	80,782	(3.3)	128.92	128.88
31st March 2022	71,445	35.1	83,580	2.1	120.57	120.34

	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	%	%	%
Fiscal year ended			
31st March 2023	20.7	13.3	16.2
31st March 2022	21.3	14.5	17.4

Reference: Share of profit of investments accounted for using equity method  
 For the fiscal year ended 31st March 2023: ¥450 million  
 For the fiscal year ended 31st March 2022: ¥204 million

## (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
31st March 2023	838,224	402,406	399,006	47.6	674.35
31st March 2022	789,655	342,486	339,360	43.0	575.59

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
31st March 2023	118,899	(61,190)	(44,921)	129,257
31st March 2022	98,137	(130,547)	(7,995)	115,610

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended 31st March 2022	–	19.00	–	21.00	40.00	23,642	33.1	7.1
Fiscal year ended 31st March 2023	–	22.00	–	23.00	45.00	26,640	34.9	7.2
Fiscal year ending 31st March 2024 (Forecast)	–	24.00	–	24.00	48.00		36.4	

Note: Total cash dividends include dividends for the trust exclusive for NRI Group Employee Stock Ownership Group (¥78 million for the fiscal year ended 31st March 2022 and ¥15 million for the fiscal year ended 31st March 2023). The payout ratio is calculated by dividing total cash dividends by profit attributable to owners of parent.

## 3. Forecasts of consolidated financial results for the fiscal year ending 31st March 2024 (from 1st April 2023 to 31st March 2024)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending 30th September 2023	350,000	3.2	56,000	1.3	55,000	2.3	37,000	3.2	62.53
Fiscal year ending 31st March 2024	720,000	4.0	117,000	4.6	115,000	6.0	78,000	2.2	131.83

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of 31st March 2023	593,652,242 shares
As of 31st March 2022	610,696,500 shares

(ii) Number of treasury shares at the end of the period

As of 31st March 2023	1,959,169 shares
As of 31st March 2022	21,109,262 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended 31st March 2023	591,914,240 shares
Fiscal year ended 31st March 2022	592,569,442 shares

Notes: 1. The Company's shares held by the trust exclusive for NRI Group Employee Stock Ownership Group are included in treasury shares.  
2. The Company canceled 17,700,958 treasury shares on 31st March 2023.

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

(1) The forward-looking statements including business forecasts stated in this document are based on information available to the Company at the present time and certain assumptions judged to be rational, and these statements do not purport to be a promise by the Company to achieve such results. Actual business results, etc. may differ significantly from this forecast due to various factors. For assumptions for financial forecasts and matters that require attention when using business forecasts, please refer to "1. (4) Future Outlook" on pages 10 to 11 of the attached material.

(2) Supplementary materials on financial results are disclosed on the TDnet at the same time as this summary of consolidated financial results, and will also be posted promptly on the Company's website. In addition, explanatory materials for the results briefing for analysts and institutional investors to be held today will also be posted on the Company's website.

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## 1. Overview of Consolidated Operating Results and Others

### (1) Overview of Consolidated Operating Results for the Current Fiscal Year

(Millions of yen)

	Fiscal year ended 31st March 2022	Fiscal year ended 31st March 2023	Year on year	
			Amount	Rate
Revenue	611,634	692,165	80,531	13.2%
Overseas revenue	76,519	123,207	46,687	61.0%
Overseas revenue ratio	12.5%	17.8%	5.3P	—
Business profit	102,881	110,032	7,150	7.0%
Operating profit	106,218	111,832	5,613	5.3%
Operating margin	17.4%	16.2%	(1.2)P	—
EBITDA margin	23.9%	22.5%	(1.4)P	—
Profit before tax	104,671	108,499	3,827	3.7%
Profit attributable to owners of parent	71,445	76,307	4,861	6.8%
Return on equity attributable to owners of parent (ROE)	21.3%	20.7%	(0.6)P	—

- Notes: 1. Business profit is operating profit excluding temporary factors (such as impairment of goodwill and impairment of fixed assets), and a profit indicator to measure regular performance of businesses.  
 2. EBITDA margin: EBITDA (operating profit + depreciation and amortization + loss on retirement of fixed assets ± temporary factors) / revenue

During the current fiscal year ended 31st March 2023, the Japanese economy experienced a modest pickup in business conditions with progress in normalization of economic activities due to effects of countermeasures against COVID-19 and various policies. Information system investment continued to see strong corporate investment demand centered on digital transformation (DX) which involves transforming business processes and business models using digital technologies. However, amid the continued global monetary tightening, various uncertainties, including financial market turmoil triggered by the failure of a bank in the United States, rapid exchange-rate fluctuations, and rising prices and supply chain constraints, in addition to risks of a downswing in overseas business conditions posed to the domestic economy, continue to cloud the outlook. Furthermore, corporate investments may be limited depending on changes in future business performance.

Operating in such an environment, Nomura Research Institute (“the Company”) and its consolidated subsidiaries (“the NRI Group”) carried out its business activities leveraging the combined strengths of the NRI Group, allowing it to seamlessly provide services encompassing consulting through to system development and operations.

The current fiscal year is the final year of the “NRI Group Medium-term Management Plan (2019-2022)” (the “Medium-term Management Plan 2022”), formulated to achieve Vision 2022 (from the fiscal year ended 31st March 2016 to the fiscal year ended 31st March 2023), the NRI Group’s long-term management vision. In addition to working to achieve even greater productivity and to expand existing businesses, the NRI Group promoted efforts to realize the growth strategies set forth in the Medium-term Management Plan 2022: (1) DX strategy, (2) global strategy, and (3) human resources strategy.

- (1) DX strategy: The NRI Group is providing comprehensive support by leveraging technologies across everything from creating strategies to solutions with respect to transforming the business processes and business models of its clients.  
 In terms of business platform strategy, the NRI Group is helping its clients create new businesses and enter new markets by providing them with new business platforms specifically tailored to those who are entering the financial sector from other industries in step with transformation of industrial structures, while also expanding the NRI Group’s shared online services with a focus on the financial sector.  
 Under its cloud strategy, the NRI Group is improving clients’ business agility and optimizing their IT costs by engaging in legacy system modernization\*<sup>1</sup> and developing cloud-native\*<sup>2</sup> apps.
- (2) Global strategy: The NRI Group is expanding its business foundations with a focus on achieving external growth through M&As and other such initiatives, including the acquisition of IPs, mainly in the key geographic regions of Australia and North America.

In order to generate further synergies with subsidiaries acquired through M&A deals, the Company is building a new business management system, operational management system and other systems centered on the Global Headquarters to drive forward the business integration process after acquisition.

- (3) Human resources strategy: The NRI Group is improving its recruitment and development of professionals underpinning the digital age in order to better help its clients achieve business success. The NRI Group is also working to achieve compatible work-style reforms by promoting various work arrangements while also fostering a business culture that enables employees to play active roles and take on challenges, and promoting diversity.

In the current fiscal year, the NRI Group's revenue totaled ¥692,165 million (up 13.2% year on year), amid a scenario where revenue was higher year on year in all the services, particularly those of consulting services. Cost of sales was ¥452,336 million (up 14.4%), gross profit was ¥239,829 million (up 11.0%), and selling, general and administrative expenses were ¥131,580 million (up 15.9%). In addition to improvement in revenue amid a favorable order environment and production activities, ¥2,238 million of gain on sale of fixed assets was recorded in association with the sale of trust beneficiary rights for Yokohama Nomura Building. Operating profit was ¥111,832 million (up 5.3%), operating margin was 16.2% (down 1.2 points), and the EBITDA margin was 22.5% (down 1.4 points).

- \*1 Legacy system modernization refers to optimizing and updating system infrastructure and applications with respect to hardware and software of core systems that have become obsolete.  
\*2 Cloud-native refers to information systems and services designed for use on a cloud-computing platform.

### **Secondary offering of shares**

Responding to the intentions of two shareholders to sell their holdings of the Company's shares, the Company has sought to establish opportunities for a smooth sale of these shares of the Company. Accordingly, the Company decided on a secondary offering of shares of the Company and a disposal by way of a third-party allotment of shares of the Company held as treasury shares upon a resolution of the Board of Directors on 25th November 2022. Through the secondary offering of shares, the Company expects to expand the demographic of shareholders who understand the Company's growth strategy from a long-term perspective and to improve the market liquidity of the Company's shares. All procedures for the secondary offering were completed as of 28th December 2022. During the current fiscal year, the Company disposed of treasury shares by way of a third-party allotment (5,545,200 shares, ¥16,007 million) associated with the secondary offering of shares. The Company will continue to be an associate of Nomura Holdings, Inc. after the secondary offering.

### **Purchase of treasury shares**

The Company decided to purchase treasury shares from the perspective of mitigating impact on the supply-demand balance for its shares associated with the secondary offering and also from the perspective of reducing effects on its existing shareholders, upon resolution of the Board of Directors on 25th November 2022. The Company had purchased a maximum total of 8,000,000 shares (percentage of total number of shares issued as of 30th September 2022 (excluding treasury shares): 1.35%) for a maximum total purchase price of ¥20,000 million. The purchase period was from 23rd December 2022 to 31st March 2023, and the purchase method entailed market purchase based on discretionary trading contract pertaining to purchase of treasury shares (excludes the period during the ten business days from the business day following the date of announcement of the Company's quarterly financial results). During the current fiscal year, the Company purchased treasury shares (6,501,900 shares, ¥19,999 million).

### **Cancellation of treasury shares**

At the meeting of the Board of Directors held on 10th March 2023, the Board resolved to cancel 17,700,958 shares of common stock of the Company (2.90% of the total number of issued shares before the cancellation), and the procedure was completed on 31st March 2023.

## Segment information

The business results by segment (revenue includes intersegment revenue) are as follows.

(Millions of yen)

		Fiscal year ended 31st March 2022	Fiscal year ended 31st March 2023	Year on year	
				Amount	Rate
Consulting	Revenue	44,414	47,821	3,407	7.7%
	Operating profit	12,820	12,329	(490)	(3.8)%
	Operating margin	28.9%	25.8%	(3.1)P	–
Financial IT Solutions	Revenue	308,376	334,141	25,765	8.4%
	Operating profit	43,877	49,710	5,832	13.3%
	Operating margin	14.2%	14.9%	0.6P	–
Industrial IT Solutions	Revenue	229,921	276,031	46,110	20.1%
	Operating profit	25,449	24,429	(1,019)	(4.0)%
	Operating margin	11.1%	8.9%	(2.2)P	–
IT Platform Services	Revenue	157,598	169,840	12,242	7.8%
	Operating profit	20,955	23,346	2,391	11.4%
	Operating margin	13.3%	13.7%	0.4P	–
Adjustments	Revenue	(128,676)	(135,669)	(6,993)	–
	Operating profit	3,116	2,015	(1,100)	–
Total	Revenue	611,634	692,165	80,531	13.2%
	Operating profit	106,218	111,832	5,613	5.3%
	Operating margin	17.4%	16.2%	(1.2)P	–

### (Consulting)

This segment provides policy recommendations and strategy consulting, as well as business consulting to support operational reform and system consulting for overall IT management.

Amid rapidly changing business environments for its clients following the COVID-19 pandemic, corporate reforms using digital technology are accelerating. In addition, companies that incorporate solutions for social issues including decarbonization into their managerial strategy are increasing, and clients have come to expect solutions for social issues using practical solutions-based consulting services that produce concrete results.

As such, in this segment the NRI Group aimed to strengthen consulting to support its clients' DX and to appropriately respond to clients' needs, and in the global area, the NRI Group strived to expand its services in advanced countries such as the U.S. and European countries while maintaining and reinforcing the existing client base. In addition, the NRI Group worked to create new consulting services originating in solutions to social issues including decarbonization.

During the current fiscal year, the Consulting segment posted revenue of ¥47,821 million (up 7.7% year on year), due to continued strong performance of DX-related consulting and consulting for social issues projects, following the previous fiscal year. Operating profit was ¥12,329 million (down 3.8% year on year) due to worsening profitability overseas, despite a boost in DX-related and social issue projects in Japan.

### (Financial IT Solutions)

In this segment, the main clients are in the financial sector, including the securities, insurance and banking sectors. The segment provides system consulting, system development, system management and operation services, and IT solutions such as shared online services and BPO services.

The environment surrounding the financial sector is undergoing major structural changes such that include a society whose population accelerates to age, companies from other industries newly entering the financial sector, an expanding range of digital assets, and diminishing markets in Japan due to persistently low-interest rates and the nation's declining population. In addition, clients' needs for digitalization and transformation of business models are growing rapidly.

This segment accordingly worked to create and expand new financial business platforms, promote new DX businesses that contribute to the Digital Government Policy such as the Social Security and Tax Number System, and stably operate global business in financial services and expand the businesses to help its clients create new businesses and services in a manner that addresses such changes in the business environment.

In the current fiscal year, the Financial IT Solutions segment posted revenue of ¥334,141 million (up 8.4% year on year), amid increases in system development & system application sales and system management & operation services for the securities sector and system development & system application sales for the banking industry. Despite worsening profitability overseas, operating profit was ¥49,710 million (up 13.3%) due to improvement in profitability amid a favorable order environment and production activities, etc.

### **(Industrial IT Solutions)**

This segment provides IT solutions such as system consulting, system development, system management and operation services to the distribution, manufacturing, service and public sectors. As well as upgrading and improving the efficiency of existing business models, clients in the industrial sector are using DX to create new business models using digital technology since the COVID-19 pandemic.

This segment focused on development of digital intellectual property (IP) that can be utilized across clients and industries, and comprehensively assisted the client in everything from creating business models to system construction and advancements in operations in the field of DX businesses. Furthermore, in the global business, the NRI Group is aiming to further expand the business and sustainably increase value through the enhancement of cooperation and the integration of functions between merged subsidiaries in Australia and through M&A that contributes to expansion of the area and strengthening of capabilities in addition to organic growth centering on merged subsidiaries in North America.

In the current fiscal year, the Company integrated ASG Group Limited into the NRI Brand and changed its name to NRI Australia Limited. The newly renamed NRI-AU aims to promote the NRI brand in the Australian IT market and unite all NRI-AU group companies under the “NRI” brand. Furthermore, NRI-AU aims to establish the NRI brand locally and realize solid, strong growth of the NRI Group’s global business, along with the NRI Group global strategy, by facilitating synergy and cooperation across all NRI-AU companies.

During the current fiscal year, the Industrial IT Solutions segment posted revenue of ¥276,031 million (up 20.1% year on year) due to the contribution of growth in the Australia business and effects of consolidation of subsidiaries in North America, which were acquired by the previous fiscal year. Despite improvement in profitability of the Australia business, operating profit was ¥24,429 million (down 4.0%) due to effects of amortization of intangible assets that were identified in association with the consolidation of overseas subsidiaries, etc.

### **(IT Platform Services)**

This segment mainly provides services such as the management and administration of data centers and IT platform and network architecture mainly through the Financial IT Solutions and Industrial IT Solutions segments. It also provides IT platform solutions and information security services to clients of various industries. In addition, the segment conducts explorative initiatives for the development of new business operations and new products related to IT solutions, and investigation and research primarily related to leading-edge information technologies.

System development in the DX era calls for use of artificial intelligence (AI), blockchains and other new digital technologies, in conjunction with new and more rapid development approaches. In the field of cloud computing, companies need to comprehensively engage in high-quality operations of diverse and complex system platforms. In addition, as cyberattacks have been diversifying and evolving in recent years, the importance of cyber security measures is increasing to safely and securely implement the introduction and utilization of cloud services, which are central to DX of clients.

This segment accordingly took steps that involve expanding its multi-cloud computing services<sup>\*3</sup> and its managed services<sup>\*4</sup>, and is also promoting its zero trust<sup>\*5</sup> business and managed security services<sup>\*6</sup>, in conjunction with efforts to address such changes in the business environment and develop information system development approaches and production innovation tools for the DX era.

During the current fiscal year, revenue to external clients increased in the DWP (Digital Work Place) business that contributes to improvement in productivity at office and the security business, and intersegment revenue increased in the DWP business. As a result of the above, the IT Platform Services segment posted revenue of ¥169,840 million (up 7.8% year on year) and operating profit of ¥23,346 million (up 11.4%).

\*3 Multi-cloud computing services refer to centrally managed services provided using multiple cloud computing platforms.



- \*4 Managed services refer to the services that lend comprehensive support to optimizing entire information systems on behalf of a client's IT unit.
- \*5 Zero trust refers to a new concept of security that anything that accesses to information assets and systems to protect are verified without distinction between inside and outside of the network.
- \*6 Managed security services (MSS) refer to the services, provided under contract, by an external security specialist company to provide total operation and administration of the information security system of a company or organization.

## (2) Overview of Consolidated Financial Position for the Current Fiscal Year

(Millions of yen)

	As of 31st March 2022	As of 31st March 2023	Year on year	
			Amount	Rate
Current assets	333,645	349,102	15,456	4.6%
Non-current assets	456,010	489,122	33,111	7.3%
Total assets	789,655	838,224	48,568	6.2%
Current liabilities	298,342	198,247	(100,094)	(33.6)%
Non-current liabilities	148,826	237,570	88,743	59.6%
Total equity	342,486	402,406	59,919	17.5%
Equity attributable to owners of parent	339,360	399,006	59,645	17.6%
Ratio of equity attributable to owners of parent to total assets	43.0%	47.6%	4.6P	–
Interest-bearing liabilities	209,627	205,823	(3,803)	(1.8)%
Gross D/E ratio (times)	0.62	0.52	(0.10)	–
Net D/E ratio (times)	0.27	0.19	(0.08)	–

- Notes: 1. Gross D/E ratio (gross debt-to-equity ratio): Interest-bearing liabilities / equity attributable to owners of parent  
2. Net D/E ratio (net debt-to-equity ratio): (Interest-bearing liabilities – cash and cash equivalents, etc.) / equity attributable to owners of parent  
3. Interest-bearing liabilities: Bonds and borrowings + other interest-bearing liabilities (borrowings on margin transactions and borrowings secured by securities)  
Borrowings on margin transactions (¥608 million as of 31st March 2022; ¥1,284 million as of 31st March 2023) are included in trade and other payables on the consolidated statement of financial position, and borrowings secured by securities (¥802 million as of 31st March 2022; ¥1,578 million as of 31st March 2023) are included in other current liabilities on the consolidated statement of financial position.  
4. Cash and cash equivalents, etc.: Cash and cash equivalents + cash management purpose investment

As for the NRI Group's financial position at the end of the current fiscal year (31st March 2023), current assets were ¥349,102 million (up 4.6% from the end of the previous fiscal year), non-current assets were ¥489,122 million (up 7.3%), current liabilities were ¥198,247 million (down 33.6%), non-current liabilities were ¥237,570 million (up 59.6%), total equity was ¥402,406 million (up 17.5%), and total assets were ¥838,224 million (up 6.2%). In addition, the gross D/E ratio (gross debt-to-equity ratio) and net D/E ratio (net debt-to-equity ratio) at the end of the current fiscal year was 0.52 times and 0.19 times, respectively.

The main changes from the end of the previous fiscal year are as follows.

Trade and other receivables decreased ¥4,086 million to ¥131,592 million and contract assets increased ¥5,314 million to ¥55,980 million.

Goodwill and intangible assets increased ¥26,539 million to ¥237,283 million as a result of the acquisition of intangible assets related to the development of shared online system in Japan and other factors.

Bonds and borrowings decreased ¥5,254 million to ¥202,961 million due largely to the redemption of the 5th series of unsecured bonds despite the issuance of the 9th, 10th, and 11th series of unsecured bonds.

In addition, cash and cash equivalents increased ¥13,646 million to ¥129,257 million, trade and other payables increased ¥1,880 million to ¥55,681 million, and income taxes payable decreased ¥7,554 million to ¥13,093 million.

### (3) Overview of Consolidated Cash Flow Position for the Current Fiscal Year

(Millions of yen)

	Fiscal year ended 31st March 2022	Fiscal year ended 31st March 2023	Year on year	
			Amount	Rate
Cash flows from operating activities	98,137	118,899	20,761	21.2%
Cash flows from investing activities	(130,547)	(61,190)	69,357	(53.1)%
Free cash flows	(32,410)	57,709	90,119	—
Cash flows from financing activities	(7,995)	(44,921)	(36,925)	461.8%
Net increase (decrease) in cash and cash equivalents	(37,576)	13,646	51,223	—
Cash and cash equivalents at end of period	115,610	129,257	13,646	11.8%

Cash and cash equivalents as of the end of the current fiscal year (31st March 2023) stood at ¥129,257 million (up ¥13,646 million from the end of the previous fiscal year).

Net cash provided by operating activities was ¥118,899 million, an increase of ¥20,761 million from the previous fiscal year, due largely to a decrease in trade and other receivables.

Net cash used in investing activities was ¥61,190 million, a decrease of ¥69,357 million from the previous fiscal year. In the previous fiscal year, the NRI Group had ¥75,105 million in payments for acquisition of subsidiaries due to acquisition of shares of U.S.-based Convergence Technologies, Inc., Australia-based SQA Holdco Pty Ltd and Australian Investment Exchange Limited. In the current fiscal year, cash was mainly invested in the acquisition of intangible assets related to the development of shared online system.

Net cash used in financing activities was ¥44,921 million, an increase of ¥36,925 million from the previous fiscal year. In the previous fiscal year, the NRI Group had ¥53,425 million in net increase (decrease) in short-term borrowings (revenue) since a loan was taken out to conduct M&A and purchase of treasury shares. In addition, the NRI Group had ¥59,999 million in purchase of treasury shares in accordance with a resolution of the Board of Directors. During the current fiscal year, the NRI Group had ¥65,048 million in net increase (decrease) in short-term borrowings (expenditure) and ¥59,755 million in proceeds from long-term borrowings in part since the NRI Group refinanced loans taken out in the previous fiscal year to acquire Convergence Technologies, Inc. in the United States through M&A. The NRI Group had ¥64,807 million in proceeds from the issuance of the 9th, 10th, and 11th series of unsecured bonds and ¥25,000 million in redemption of the 5th series of unsecured bonds. In addition, the NRI Group had ¥19,999 million in purchase of treasury shares in accordance with a resolution of the Board of Directors, and ¥22,722 million in proceeds from sale of treasury shares relating to disposal of treasury shares. Other expenditures mainly consist of payments of cash dividends in the respective fiscal periods.

#### Reference: Trends in cash flow-related indicators

	Fiscal year ended 31st March 2020	Fiscal year ended 31st March 2021	Fiscal year ended 31st March 2022	Fiscal year ended 31st March 2023
Ratio of equity attributable to owners of parent to total assets (%)	44.1	50.3	43.0	47.6
Ratio of equity attributable to owners of parent to total assets on market value basis (%)	241.3	314.8	300.1	216.4
Interest-bearing liabilities to operating cash flow ratio (years)	0.9	1.4	2.1	1.7
Interest coverage ratio (times)	140.1	84.2	71.0	24.7

Ratio of equity attributable to owners of parent to total assets: Equity attributable to owners of parent / total assets

Ratio of equity attributable to owners of parent to total assets on market value basis: Market capitalization / total assets

Interest-bearing liabilities to operating cash flow ratio: Interest-bearing liabilities / operating cash flow

Interest coverage ratio: Operating cash flow / paid interest

- Notes:
- All indicators are calculated using financial figures on a consolidated basis. As the transition date to IFRS was 1st April 2019 and the Company adopted IFRS from the start of the fiscal year ended 31st March 2021, figures for the periods prior to the fiscal year ended 31st March 2019 are not presented.
  - Market capitalization is calculated based on the number of shares in issue excluding treasury shares.
  - The Company's shares held by the trust exclusive for NRI Group Employee Stock Ownership Group are included in treasury shares.

4. Interest-bearing liabilities, among liabilities recorded on the consolidated statement of financial position, includes bonds and borrowings and other interest-bearing liabilities (borrowings on margin transactions and borrowings secured by securities).

## (4) Future Outlook

### (I) Consolidated performance

In order to realize the goals of NRI Group Vision 2030, the NRI Group's long-term management plan, the Company has formulated "NRI Group Medium-term Management Plan (2023-2025)" (the "Medium-term Management Plan 2025") in April 2023.

The main quantitative financial targets (consolidated) of the Medium-term Management Plan 2025 are as follows.

Medium-term Management Plan 2025 (fiscal year ending 31st March 2026)  
(from 1st April 2025 to 31st March 2026)

	Current fiscal year (Actual result)	Fiscal year ending 31st March 2026 (Targets)
Revenue	692,165	810,000
Overseas revenue	123,207	150,000
Operating profit	111,832	145,000
Operating margin	16.2%	17.9%
Return on equity attributable to owners of parent (ROE)	20.7%	20% or more

\* Quantitative financial targets for the fiscal year ending 31st March 2026 do not include new M&A.

For the fiscal year ending 31st March 2024, the Company forecasts revenue of ¥720,000 million, operating profit of ¥117,000 million, profit before tax of ¥115,000 million, and profit attributable to owners of parent of ¥78,000 million.

Consolidated financial forecasts for the fiscal year ending 31st March 2024  
(from 1st April 2023 to 31st March 2024)

	Current fiscal year (Actual result)	Fiscal year ending 31st March 2024 (Forecasts)	Change	
			Amount	Rate
Revenue	692,165	720,000	27,834	4.0%
Operating profit	111,832	117,000	5,167	4.6%
Profit before tax	108,499	115,000	6,500	6.0%
Profit attributable to owners of parent	76,307	78,000	1,692	2.2%

## (II) Other forecasts

- a. Consolidated revenue by segment for the fiscal year ending 31st March 2024  
(from 1st April 2023 to 31st March 2024)

(Millions of yen)

	Current fiscal year (Actual result)	Fiscal year ending 31st March 2024 (Forecasts)	Change	
			Amount	Rate
Consulting	46,100	48,000	1,899	4.1%
Financial IT Solutions	328,576	334,000	5,423	1.7%
Securities sector	141,541	142,000	458	0.3%
Insurance sector	77,039	78,000	960	1.2%
Banking sector	55,069	57,000	1,930	3.5%
Other financial sectors, etc.	54,926	57,000	2,073	3.8%
Industrial IT Solutions	266,723	285,000	18,276	6.9%
Distribution sector	70,628	73,000	2,371	3.4%
Manufacturing and service sectors	196,095	212,000	15,904	8.1%
IT Platform Services	48,153	50,000	1,846	3.8%
Others	2,612	3,000	387	14.9%
Total	692,165	720,000	27,834	4.0%

- Notes: 1. The breakdowns of the segments are comprised of revenue by customer sector.  
2. Figures for the previous fiscal year (fiscal year ended 31st March 2023) have been reclassified into new segments due to changes in segments in April 2023.

- b. Consolidated capital investment, depreciation and research and development expenses for the fiscal year ending 31st March 2024 (from 1st April 2023 to 31st March 2024)

(Millions of yen)

	Current fiscal year (Actual result)	Fiscal year ending 31st March 2024 (Forecasts)	Change	
			Amount	Rate
Capital investment	58,565	56,000	(2,566)	(4.4)%
Depreciation	45,092	52,000	6,908	15.3%
Research and development expenses	4,908	5,000	91	1.9%

### (Caution concerning forward-looking statements)

The forward-looking statements including business forecasts stated in this document are based on information available to the Company at the present time and certain assumptions (suppositions) judged to be rational, and these statements do not purport to be a promise by the Company to achieve such results. Actual business results, etc. may differ significantly from these forecasts due to various factors. Material factors that could possibly affect the actual business results, etc. include, but are not limited to, the domestic and overseas economic situation, demand in the IT services market, competition with competitors, and changes in taxation and other systems. Note that the Company will not always revise business forecasts, etc. upon every occurrence of new information or event.

## (5) Basic Policy Regarding Profit Distribution, and Dividend Payments for Current and Next Fiscal Year

### a. Policy for distribution of profits

The Company considers the ongoing growth of its corporate value to be the most important return to its shareholders. The Company's basic policy on the payment of dividends from surplus is to continue to provide stable dividends while securing sufficient retained earnings for its medium and long-term business development. In line with this policy, the Company has targeted a consolidated dividend payout ratio\* of 35%, taking into account factors such as operating revenue and the cash flow situation. In addition, aiming for further shareholder returns through improved capital efficiency, the Company plans to gradually increase the dividend payout ratio, targeting a consolidated dividend payout ratio of 40% for the fiscal year ending 31st March 2026.

Retained earnings will be utilized as a source of funds for business expansion, including capital investment and R&D investment to enhance existing businesses and cultivate new businesses, investment in human resource development, and strategic investment such as M&A. Retained earnings may also be utilized to purchase treasury shares, as part of the Company's flexible capital management aimed at improving capital efficiency and responding to changes in the business environment. In accordance with Article 459 of the Companies Act, the Company stipulates in its Articles of Incorporation that it may pay dividends from surplus by a resolution of the Board of Directors based on record dates of 30th September and 31st March.

\* Consolidated dividend payout ratio = Total annual cash dividends (including dividends for the trust exclusive for NRI Group Employee Stock Ownership Group) / Profit attributable to owners of parent

### b. Payment of dividends from surplus

Based on the policy above and business results for the current fiscal year, the Company plans to pay cash dividends of ¥23 per share with the record date of the end of the current fiscal year (31st March 2023), an increase of ¥1 from the dividend paid in November 2022 (with a record date of 30th September 2022). Consequently, combined with the dividend paid in November 2022, the annual dividend payment will be ¥45 per share, resulting in a consolidated dividend payout ratio of 34.9%.

The payments of dividends from surplus with record dates falling in the current fiscal year are listed below.

Date of Board resolution	Total cash dividends (Millions of yen)	Cash dividends per share (Yen)	Record date
27th October 2022	13,031	22	30th September 2022
18th May 2023 (planned)	13,608	23	31st March 2023

Note: The total cash dividends include dividends for the trust exclusive for NRI Group Employee Stock Ownership Group (portion decided by resolution in October 2022 was ¥15 million). There is not any portion decided by resolution in May 2023.

Regarding dividends for the following fiscal year (ending 31st March 2024), the Company plans to pay an annual dividend of ¥48 per share, comprising a second quarter dividend of ¥24 and a year-end dividend of ¥24.

## **2. Basic View on Choosing Accounting Standards**

The NRI Group has voluntarily adopted IFRS from the Securities Report for the fiscal year ended 31st March 2021, aiming to improve the international comparability of financial information in the capital market.



### 3. Consolidated Financial Statements, Etc.

#### Consolidated Financial Statements

##### (1) Consolidated Statement of Financial Position

	(Millions of yen)	
	31st March 2022	31st March 2023
Assets		
Current assets		
Cash and cash equivalents	¥ 115,610	¥ 129,257
Trade and other receivables	135,678	131,592
Contract assets	50,666	55,980
Other financial assets	14,015	14,201
Other current assets	13,246	18,070
Subtotal	329,217	349,102
Assets held for sale	4,428	—
Total current assets	333,645	349,102
Non-current assets		
Property, plant and equipment	37,482	42,114
Right-of-use assets	38,969	31,877
Goodwill and intangible assets	210,744	237,283
Investments accounted for using equity method	6,427	9,527
Retirement benefit asset	85,383	89,710
Other financial assets	69,219	70,838
Deferred tax assets	5,426	5,671
Other non-current assets	2,356	2,098
Total non-current assets	456,010	489,122
Total assets	¥ 789,655	¥ 838,224

	(Millions of yen)	
	31st March 2022	31st March 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	¥ 53,800	¥ 55,681
Contract liabilities	17,083	17,122
Bonds and borrowings	116,941	20,235
Lease liabilities	12,250	9,364
Other financial liabilities	27,675	27,742
Income taxes payable	20,648	13,093
Provisions	2,646	1,027
Other current liabilities	47,294	53,979
Total current liabilities	298,342	198,247
Non-current liabilities		
Bonds and borrowings	91,275	182,725
Lease liabilities	29,952	25,420
Other financial liabilities	3,313	1,615
Retirement benefit liability	7,561	7,086
Provisions	3,576	4,932
Deferred tax liabilities	10,222	14,050
Other non-current liabilities	2,925	1,739
Total non-current liabilities	148,826	237,570
Total liabilities	¥ 447,168	¥ 435,817
Equity		
Share capital	¥ 22,414	¥ 23,644
Capital surplus	28,277	29,447
Retained earnings	328,830	321,676
Treasury shares	(68,809)	(6,277)
Other components of equity	28,647	30,514
Total equity attributable to owners of parent	339,360	399,006
Non-controlling interests	3,126	3,399
Total equity	342,486	402,406
Total liabilities and equity	¥ 789,655	¥ 838,224

## (2) Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Year ended 31st March 2022	Year ended 31st March 2023
Revenue	¥ 611,634	¥ 692,165
Cost of sales	395,562	452,336
Gross profit	216,071	239,829
Selling, general and administrative expenses	113,536	131,580
Share of profit of investments accounted for using equity method	204	450
Other income	3,754	3,779
Other expenses	275	647
Operating profit	106,218	111,832
Finance income	1,971	2,218
Finance costs	3,518	5,551
Profit before tax	104,671	108,499
Income tax expenses	32,878	32,002
Profit	71,792	76,496
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity instruments measured at fair value through other comprehensive income	1,588	805
Remeasurements of defined benefit plans	2,146	2,221
Total of items that will not be reclassified to profit or loss	3,734	3,027
Items that may be reclassified to profit or loss		
Debt instruments measured at fair value through other comprehensive income	(0)	(0)
Exchange differences on translation of foreign operations	8,537	812
Cash flow hedges	(582)	437
Share of other comprehensive income of investments accounted for using equity method	97	9
Total of items that may be reclassified to profit or loss	8,053	1,259
Total other comprehensive income, net of tax	11,787	4,286
Comprehensive income	¥ 83,580	¥ 80,782
Profit attributable to:		
Owners of parent	71,445	76,307
Non-controlling interests	347	189
Profit	¥ 71,792	¥ 76,496
Comprehensive income attributable to:		
Owners of parent	83,165	80,508
Non-controlling interests	415	273
Comprehensive income	¥ 83,580	¥ 80,782
Earnings per share		
Basic earnings per share (Yen)	¥ 120.57	¥ 128.92
Diluted earnings per share (Yen)	120.34	128.88

### (3) Consolidated Statement of Changes in Equity

Year ended 31st March 2022

(Millions of yen)

	Equity attributable to owners of parent							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total	Non-controlling interests	Total
Balance at 1st April 2021	¥ 21,175	¥ 26,696	¥ 278,675	¥ (15,027)	¥ 18,975	¥ 330,495	¥ 2,711	¥ 333,206
Profit	—	—	71,445	—	—	71,445	347	71,792
Other comprehensive income	—	—	—	—	11,720	11,720	67	11,787
Total comprehensive income	—	—	71,445	—	11,720	83,165	415	83,580
Dividends	—	—	(22,649)	—	—	(22,649)	—	(22,649)
Purchase of treasury shares	—	(132)	—	(60,003)	—	(60,136)	—	(60,136)
Disposal of treasury shares	—	623	—	6,220	—	6,844	—	6,844
Cancellation of treasury shares	—	—	—	—	—	—	—	—
Share-based payment transactions	1,239	495	—	—	—	1,735	—	1,735
Transfer from retained earnings to capital surplus	—	594	(594)	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	1,954	—	(1,954)	—	—	—
Other	—	—	—	—	(94)	(94)	(0)	(94)
Total transactions with owners, etc.	1,239	1,580	(21,289)	(53,782)	(2,048)	(74,300)	(0)	(74,300)
Balance at 31st March 2022	¥ 22,414	¥ 28,277	¥ 328,830	¥ (68,809)	¥ 28,647	¥ 339,360	¥ 3,126	¥ 342,486

Year ended 31st March 2023

(Millions of yen)

	Equity attributable to owners of parent							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total	Non-controlling interests	Total
Balance at 1st April 2022	¥ 22,414	¥ 28,277	¥ 328,830	¥ (68,809)	¥ 28,647	¥ 339,360	¥ 3,126	¥ 342,486
Profit	—	—	76,307	—	—	76,307	189	76,496
Other comprehensive income	—	—	—	—	4,201	4,201	84	4,286
Total comprehensive income	—	—	76,307	—	4,201	80,508	273	80,782
Dividends	—	—	(25,396)	—	—	(25,396)	—	(25,396)
Purchase of treasury shares	—	(155)	—	(20,000)	—	(20,156)	—	(20,156)
Disposal of treasury shares	—	(2,960)	—	25,819	—	22,858	—	22,858
Cancellation of treasury shares	—	(56,713)	—	56,713	—	—	—	—
Share-based payment transactions	1,229	838	—	—	—	2,068	—	2,068
Transfer from retained earnings to capital surplus	—	60,162	(60,162)	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	2,192	—	(2,192)	—	—	—
Other	—	—	(95)	—	(142)	(237)	—	(237)
Total transactions with owners, etc.	1,229	1,170	(83,461)	62,532	(2,334)	(20,863)	—	(20,863)
Balance at 31st March 2023	¥ 23,644	¥ 29,447	¥ 321,676	¥ (6,277)	¥ 30,514	¥ 399,006	¥ 3,399	¥ 402,406

#### (4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Year ended 31st March 2022	Year ended 31st March 2023
Cash flows from operating activities		
Profit before tax	¥ 104,671	¥ 108,499
Depreciation and amortization	41,941	45,092
Loss (gain) on sale and retirement of fixed assets	(2,242)	(1,939)
Finance income	(1,971)	(2,218)
Finance costs	3,518	5,551
Share of loss (profit) of investments accounted for using equity method	(204)	(450)
Decrease (increase) in trade and other receivables	(9,200)	4,359
Decrease (increase) in contract assets	(5,382)	(5,263)
Decrease (increase) in inventories	213	(276)
Decrease (increase) in prepaid expenses	(1,279)	(2,623)
Increase (decrease) in trade and other payables	1,351	1,541
Increase (decrease) in contract liabilities	2,075	(72)
Increase (decrease) in liabilities relating to trust-type employee stock ownership incentive plan	(12,275)	504
Increase (decrease) in provision for loss on orders received	115	378
Increase (decrease) in accounts payable bonuses	2,026	3,152
Decrease (increase) in retirement benefit asset	(2,141)	(1,765)
Increase (decrease) in retirement benefit liability	491	63
Other	(2,037)	7,684
Subtotal	119,670	162,217
Interest and dividends received	1,382	1,608
Interest paid	(993)	(3,991)
Income taxes paid	(21,922)	(40,935)
Net cash provided by operating activities	¥ 98,137	¥ 118,899

	(Millions of yen)	
	Year ended 31st March 2022	Year ended 31st March 2023
Cash flows from investing activities		
Payments into time deposits	¥ (1,802)	¥ (5,425)
Proceeds from withdrawal of time deposits	1,727	4,918
Purchase of property, plant and equipment	(6,824)	(12,061)
Proceeds from sale of property, plant and equipment	10,380	6,907
Purchase of intangible assets	(36,153)	(42,640)
Purchase of investments	(5,861)	(1,002)
Proceeds from sale and redemption of investments	374	468
Payments for acquisition of subsidiaries	(75,105)	(8,780)
Payments for loans receivable	(16,366)	—
Purchase of investments in associates or joint ventures	(599)	(2,991)
Other	(316)	(583)
Net cash used in investing activities	<u>(130,547)</u>	<u>(61,190)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	53,425	(65,048)
Proceeds from long-term borrowings	12,860	59,755
Repayments of long-term borrowings	(16,286)	(19,737)
Net increase (decrease) in commercial paper	15,000	(20,000)
Proceeds from issuance of bonds	16,499	64,807
Redemption of bonds	—	(29,446)
Repayments of lease liabilities	(13,461)	(12,445)
Proceeds from sale of treasury shares	6,750	22,722
Purchase of treasury shares	(60,136)	(20,156)
Dividends paid	(22,647)	(25,372)
Dividends paid to non-controlling interests	(0)	—
Net cash used in financing activities	<u>(7,995)</u>	<u>(44,921)</u>
Effect of exchange rate changes on cash and cash equivalents	2,829	859
Net increase (decrease) in cash and cash equivalents	(37,576)	13,646
Cash and cash equivalents at beginning of period	153,187	115,610
Cash and cash equivalents at end of period	<u>¥ 115,610</u>	<u>¥ 129,257</u>

## **(5) Notes to Consolidated Financial Statements**

(Notes on Premise of Going Concern)

Not applicable.

(Segment Information)

### **(1) Outline of reportable segments**

The NRI Group's operating segments, for which separate financial information is available, are evaluated periodically by management in deciding the allocation of management resources and in assessing business performances. The NRI Group has classified its segments, comprehensively considering services, customers and markets totally, and four segments have been determined as reportable segments. Meanwhile, the operating segments are not aggregated.

Accounting treatment of the reported operating segments is generally same with that of consolidated financial statements for the year ended 31st March 2022. Profit figures for the reportable segments are presented on the basis of operating profit. Intersegment revenue or transfers are based on prevailing market prices.

(Consulting)

This segment provides policy recommendations and strategy consulting, as well as business consulting to support operational reform and system consulting for overall IT management.

(Financial IT Solutions)

In this segment, the main clients are in the financial sector, including the securities, insurance and banking sectors. The segment provides system consulting, system development, system management and operation services, and IT solutions such as shared online services and BPO services.

(Industrial IT Solutions)

This segment provides IT solutions such as system consulting, system development, and system management and operation services to the distribution, manufacturing, service and public sectors.

(IT Platform Services)

This segment mainly provides services such as the management and administration of data centers and IT platform and network architecture mainly through the Financial IT Solutions and Industrial IT Solutions segments. It also provides IT platform solutions and information security services to clients of various industries. In addition, the segment conducts explorative initiatives for the development of new business operations and new products related to IT solutions, and investigation and research primarily related to leading-edge information technologies.

As main service types of each segment in“(3) Information by services”, the segment of Consulting is consulting services, the segments of Financial IT Solutions and Industrial IT Solutions are consulting services, system development & system application sales, system management & operation services and product sales and the segment of IT Platform Services is system development & system application sales, system management & operation services and product sales.



## (2) Revenue and profit or loss by reportable segment

Year ended 31st March 2022

(Millions of yen)

	Reportable segment				Total	Adjustments (Notes)	Consolidated
	Consulting	Financial IT Solutions	Industrial IT Solutions	IT Platform Services			
Revenue							
Revenue from external customers	42,807	303,635	222,583	42,607	611,634	—	611,634
Intersegment revenue or transfers	1,606	4,741	7,337	114,990	128,676	(128,676)	—
Total	44,414	308,376	229,921	157,598	740,310	(128,676)	611,634
Operating profit	12,820	43,877	25,449	20,955	103,102	3,116	106,218
Finance income							1,971
Finance costs							3,518
Profit before tax							104,671
(Other items)							
Depreciation and amortization	231	15,892	9,126	7,234	32,484	9,456	41,941
Share of profit of investments accounted for using equity method	(5)	(198)	385	(5)	177	27	204
Investments in entities accounted for using equity method	95	706	5,191	194	6,188	238	6,427
Investments in non-current assets	346	29,902	6,467	7,534	44,250	2,729	46,980

- Notes:
- Individual items in adjustment to operating profit of ¥3,116 million include gain on sale of fixed assets in the amount of ¥3,337 million recorded in “other income”.
  - The adjustment to depreciation and amortization comprises the corporate expenses that is not attributable to any reportable segment.
  - The adjustment to share of profit of investments accounted for using equity method comprises the corporate profit that is not attributable to any reportable segment.
  - The adjustment to investments in entities accounted for using equity method comprises the corporate assets that are not attributable to any reportable segment.
  - The adjustment to investments in non-current assets comprises the increase in the corporate assets that is not attributable to any reportable segment.

Year ended 31st March 2023

(Millions of yen)

	Reportable segment				Total	Adjustments (Notes)	Consolidated
	Consulting	Financial IT Solutions	Industrial IT Solutions	IT Platform Services			
Revenue							
Revenue from external customers	46,100	328,576	267,190	50,298	692,165	—	692,165
Intersegment revenue or transfers	1,720	5,565	8,840	119,542	135,669	(135,669)	—
Total	47,821	334,141	276,031	169,840	827,835	(135,669)	692,165
Operating profit	12,329	49,710	24,429	23,346	109,816	2,015	111,832
Finance income							2,218
Finance costs							5,551
Profit before tax							108,499
(Other items)							
Depreciation and amortization	309	17,304	12,073	6,383	36,070	9,021	45,092
Share of profit of investments accounted for using equity method	(36)	(135)	607	(71)	363	87	450
Investments in entities accounted for using equity method	59	570	5,366	123	6,119	3,407	9,527
Investments in non-current assets	936	30,091	12,165	12,073	55,266	3,299	58,565

- Notes: 1. Individual items in adjustment to operating profit of ¥2,015 million include gain on sale of fixed assets in the amount of ¥2,238 million recorded in “other income”.
2. The adjustment to depreciation and amortization comprises the corporate expenses that is not attributable to any reportable segment.
3. The adjustment to share of profit of investments accounted for using equity method comprises the corporate profit that is not attributable to any reportable segment.
4. The adjustment to investments in entities accounted for using equity method comprises the corporate assets that are not attributable to any reportable segment.
5. The adjustment to investments in non-current assets comprises the increase in the corporate assets that is not attributable to any reportable segment.

(3) Information by services

Revenue from external customers classified by products and services is as follows:

Name of services	(Millions of yen)	
	Year ended 31st March 2022	Year ended 31st March 2023
Consulting services	125,460	156,582
System development & system application sales	196,000	211,512
System management & operation services	272,903	292,874
Product sales	17,269	31,195
Total	611,634	692,165

(4) Information by geographical area

The breakdown of revenue and non-current assets by geographical area is as follows:

Revenue

	(Millions of yen)	
	Year ended 31st March 2022	Year ended 31st March 2023
Japan	535,114	568,958
Oceania	57,221	75,314
North America	12,283	38,436
Asia and others	7,015	9,456
Total	611,634	692,165

Non-current assets

	(Millions of yen)	
	31st March 2022	31st March 2023
Japan	237,079	261,283
Oceania	23,224	24,183
North America	26,820	25,199
Asia and others	2,428	2,707
Total	289,553	313,373

Note: Non-current assets are classified based on the location of assets and do not include financial instruments, deferred tax assets or retirement benefit asset.

(5) Information about major customers

Of revenue from external customers, the customers who account for 10% or more of revenue in the consolidated statement of comprehensive income are as follows:

	Primary related reportable segments	(Millions of yen)	
		Year ended 31st March 2022	Year ended 31st March 2023
Nomura Holdings, Inc.	Financial IT Solutions	63,025	72,921

Note: Revenue per external customers includes revenue attributable to subsidiaries of major customers and major customers through leasing companies.

(Per Share Information)

Basic earnings per share and diluted earnings per share are calculated based on the following data.

	Year ended 31st March 2022	Year ended 31st March 2023
	(Millions of yen)	(Millions of yen)
Profit attributable to owners of parent	71,445	76,307
Adjustments of profit		
Adjustments for potential shares issued by subsidiaries	—	—
Profit used for calculation of diluted earnings per share	71,445	76,307
	(Shares)	(Shares)
Weighted-average number of shares of common stock outstanding	592,569,442	591,914,240
Increase in common stock		
Increase from stock options	1,140,578	162,316
Diluted weighted-average number of shares of common stock	593,710,020	592,076,556
	(Yen)	(Yen)
Basic earnings per share	120.57	128.92
Diluted earnings per share	120.34	128.88

Note: For the purpose of calculating basic earnings per share and diluted earnings per share, the Company's shares owned by the trust exclusive for ESOP Group are included in treasury shares to be deducted in the calculation of the weighted-average number of shares (2,305,466 shares and 670,715 shares for the year ended 31st March 2022 and 2023, respectively).

(Subsequent Events)

Purchase of treasury shares

The Company's Board of Directors passed a resolution at the meeting held on 27th April 2023 on the purchase of shares of common stock held as treasury shares in accordance with the provisions of Article 459, paragraph 1 of Japan's Companies Act and the Company's Articles of Incorporation and the specific method of purchase. The details are outlined below. In addition, it passed a resolution on the same day to implement a market purchase of up to ¥18 billion in order to reintroduce the E-Ship® Trust-type Employee Stock Ownership Incentive Plan. In consideration of the impact on the stock price, the purchases will be staggered over the acquisition period.

1. Reasons for purchase of treasury shares

The Company intends to purchase treasury shares, as part of the Company's flexible capital management aimed at improving capital efficiency and responding to changes in the business environment.

2. Details on the acquisition

- |  |  |
|--|--|
| (1) Type of shares to be acquired:         | Common stock of the Company  |
| (2) Total number of shares to be acquired: | Up to 20,000,000 shares<br>(Percentage to the total number of issued shares<br>(excluding treasury shares): 3.38%)   |
| (3) Total amount of shares to be acquired: | Up to ¥50,000 million  |
| (4) Acquisition period:                    | 17th May 2023 – 30th November 2023   |
| (5) Acquisition method:                    | Market purchase on the Tokyo Stock Exchange<br>(Market purchase based on discretionary trading<br>agreement pertaining to acquisition of treasury shares<br>(excludes the period between 29th May 2023 and 27th<br>July 2023 and the period during the ten business days<br>from the business day following the date of<br>announcement of NRI's quarterly financial results)) |

Note: Treasury shares do not include the Company's shares held by the NRI Group Employees' Stock Ownership Plan Trust (the same applies hereinafter).

Treasury shares as of 31st March 2023	
Total number of issued shares (excluding treasury shares)	591,693,073 shares
Number of treasury shares	1,959,169 shares

#### Nomura Research Institute to Reintroduce the E-Ship® Trust-type Employee Stock Ownership Incentive Plan

The Company has decided to reintroduce the E-Ship® Trust-type Employee Stock Ownership Incentive Plan (the Plan) at its Board of Directors meeting held on 27th April 2023.

#### 1. Purpose of reintroducing the Plan

The purpose of the Plan is to promote company-wide efforts to realize the long-term management vision “NRI Group Vision 2030” by providing employees with incentives to enhance corporate value over the medium to long term, to promote the Company’s sustainable growth, and to enhance the welfare of employees.

#### 2. Overview of the Plan

The Plan is an incentive plan for all of the employees of the Company (including employees of its consolidated subsidiaries) participating in NRI Group Employee Stock Ownership Group (the ESOP Group). For the Plan, the Company has set up the Vision 2030 Trust exclusive for NRI Group Employee Stock Ownership Group (the ESOP Trust) with a trust bank. The ESOP Trust will take out loans to purchase in advance the amount of the Company’s stock that is expected to be purchased by the ESOP Group over the following two years and ten months. After that, the ESOP Trust will continuously sell the Company’s stock to the ESOP Group. If the Company’s outstanding stock remains in the ESOP Trust at the time it is terminated, this Company stock will be distributed to qualified beneficiaries as residual assets. Furthermore, the Company will guarantee the loans obtained by the ESOP Trust to purchase the Company’s stock. Accordingly, the Company will repay any remaining liabilities in the event that the ESOP Trust has outstanding loans at the time it is terminated, or has accumulated substantial losses from the sale of the Company’s stock as a result of declining stock prices.

#### 3. Overview of the ESOP Trust

(1) Name:	Vision 2030 Trust exclusive for NRI Group Employee Stock Ownership Group
(2) Trustor:	The Company
(3) Trustee:	The Nomura Trust and Banking Co., Ltd.
(4) Beneficiaries:	Individuals who meet the eligibility requirements to be beneficiaries (certain prescribed procedures must be completed after occurrence of the events determining the beneficial interests)
(5) Trust contract date:	29th May 2023
(6) Trust period:	29th May 2023 to 12th March 2026
(7) Purpose of the trust:	To provide a steady and continuous supply of the Company’s stock to the ESOP Group and distribute trust assets to beneficiaries
(8) Eligibility requirements to be beneficiaries:	To be qualified, a beneficiary must, on the date when procedures for determining beneficiaries begin (the date when borrowings are fully repaid, etc.) be alive and be a member of the ESOP Group (including those who had to withdraw from the ESOP Group because of loss of membership eligibility due to being appointed as an officer, being transferred, or reaching mandatory retirement age on or after the trust contract signing date and up to the date when procedures for determining beneficiaries begin).

#### 4. The outline of acquisition of the Company’s shares by the trust

(1) Type of shares to be acquired:	Common stock of the Company
(2) Total amount of shares to be acquired:	Up to ¥18,000 million
(3) Acquisition period:	1st June 2023 to 27th July 2023
(4) Acquisition method:	Market purchase on the Tokyo Stock Exchange