

2Q FY March 2022 Financial Results

Nomura Research Institute, Ltd.

October 27, 2021



1

2Q FY March 2022 Financial Results (Consolidated)

2

FY March 2022 Financial Results Forecasts (Consolidated)

2Q FY March 2022 Financial Results (Consolidated)

1. Highlights

(JPY million)

2nd Quarter Total	1H FY Mar.2021	1H FY Mar.2022	Y o Y		1H FY Mar.2022 (Forecasts)	Comparison to forecasts		FY Mar.2021
	Amount	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)	Amount
Revenue	266,224	291,974	25,750	9.7	285,000	6,974	2.4	550,337
Consulting Services	41,522	54,637	13,114	31.6	46,000	8,637	18.8	90,056
System Development & System Application Sales	89,445	95,324	5,879	6.6	100,000	(4,675)	(4.7)	183,847
System Management & Operation Services	127,201	134,544	7,343	5.8	133,000	1,544	1.2	258,656
Product Sales	8,054	7,467	(587)	(7.3)	6,000	1,467	24.5	17,777
Cost of Sales	178,560	188,057	9,496	5.3				364,539
Gross Profit	87,663	103,917	16,253	18.5				185,798
Gross Profit Margin	32.9%	35.6%	2.7P					33.8%
Selling, general and administrative expenses	47,868	53,513	5,644	11.8				98,366
Other Income & Other Expenses, etc.	73	3,509	3,435	—				(6,683)
Operating Profit	39,868	53,913	14,044	35.2	47,000	6,913	14.7	80,748
Operating Margin	15.0%	18.5%	3.5P					14.7%
Finance Income & Finance Costs	(2,553)	(396)	2,157	(84.5)				(9,672)
Profit before tax	37,315	53,517	16,201	43.4	48,000	5,517	11.5	71,075
Profit attributable to owners of parent	25,385	36,513	11,127	43.8	33,000	3,513	10.6	52,867
Basic earnings per share(JPY)	42.50	61.26	18.76					88.34
EBITDA Margin	22.7%	24.5%	1.7P					23.6%

* The breakdown of the revenue is classified by products and services.

* EBITDA margin: EBITDA (Operating profit + Depreciation and Amortization + Loss on retirement of fixed assets ± Temporary factors) / Revenue

2Q FY March 2022 Financial Results (Consolidated)

1. Highlights

2nd Quarter	(JPY million)			
	2Q FY Mar.2021	2Q FY Mar.2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Revenue	135,107	149,327	14,219	10.5
Consulting Services	21,688	29,576	7,888	36.4
System Development & System Application Sales	45,909	48,829	2,919	6.4
System Management & Operation Services	64,203	68,121	3,918	6.1
Product Sales	3,306	2,799	(506)	(15.3)
Cost of Sales	89,037	96,588	7,550	8.5
Gross Profit	46,069	52,738	6,669	14.5
Gross Profit Margin	34.1%	35.3%	1.2P	
Selling, general and administrative expenses	24,127	25,409	1,282	5.3
Other Income & Other Expenses, etc.	80	19	(60)	(75.6)
Operating Profit	22,022	27,348	5,326	24.2
Operating Profit Margin	16.3%	18.3%	2.0P	
Finance Income & Finance Costs	(1,551)	(569)	982	(63.3)
Profit before tax	20,471	26,779	6,308	30.8
Profit attributable to owners of parent	13,574	18,101	4,527	33.4
Basic earnings per share(JPY)	22.70	30.69	8.00	
EBITDA Margin	24.1%	25.4%	1.3P	

1st Quarter	(JPY million)			
	1Q FY Mar.2021	1Q FY Mar.2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Revenue	131,116	142,647	11,530	8.8
Consulting Services	19,833	25,060	5,226	26.4
System Development & System Application Sales	43,536	46,495	2,959	6.8
System Management & Operation Services	62,998	66,423	3,425	5.4
Product Sales	4,748	4,667	(80)	(1.7)
Cost of Sales	89,522	91,468	1,945	2.2
Gross Profit	41,593	51,178	9,584	23.0
Gross Profit Margin	31.7%	35.9%	4.2P	
Selling, general and administrative expenses	23,740	28,103	4,362	18.4
Other Income & Other Expenses, etc.	(6)	3,489	3,496	—
Operating Profit	17,846	26,564	8,718	48.9
Operating Margin	13.6%	18.6%	5.0P	
Finance Income & Finance Costs	(1,002)	172	1,174	—
Profit before tax	16,844	26,737	9,893	58.7
Profit attributable to owners of parent	11,811	18,411	6,600	55.9
Basic earnings per share(JPY)	19.80	30.57	10.77	
EBITDA Margin	21.3%	23.5%	2.2P	

2Q FY March 2022 Financial Results (Consolidated)

2. Segment performance results

① Including Inter-segment revenue for each segment

(JPY million)

2nd Quarter Total		1H FY Mar.2021		1H FY Mar.2022		Y o Y		FY Mar.2021	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	Revenue	15,793	5.9	19,499	6.7	3,705	23.5	38,155	6.9
	Operating Profit	2,513	6.3	5,240	9.7	2,727	108.5	10,059	12.5
	Operating Margin	15.9%		26.9%		11.0P		26.4%	
Financial IT Solutions	Revenue	143,529	53.9	148,127	50.7	4,598	3.2	292,038	53.1
	Operating Profit	18,151	45.5	21,098	39.1	2,946	16.2	36,275	44.9
	Operating Margin	12.6%		14.2%		1.6P		12.4%	
Industrial IT Solutions	Revenue	92,695	34.8	110,980	38.0	18,285	19.7	189,551	34.4
	Operating Profit	9,889	24.8	12,809	23.8	2,919	29.5	19,482	24.1
	Operating Margin	10.7%		11.5%		0.9P		10.3%	
IT Platform Services	Revenue	67,730	25.4	76,590	26.2	8,859	13.1	142,686	25.9
	Operating Profit	9,290	23.3	11,448	21.2	2,158	23.2	19,785	24.5
	Operating Margin	13.7%		14.9%		1.2P		13.9%	
Inter-segment revenue and eliminations	Revenue	(53,524)	(20.1)	(63,223)	(21.7)	(9,698)		(112,094)	(20.4)
	Operating Profit	24	0.1	3,317	6.2	3,293		(4,855)	(6.0)
Total	Revenue	266,224	100.0	291,974	100.0	25,750	9.7	550,337	100.0
	Operating Profit	39,868	100.0	53,913	100.0	14,044	35.2	80,748	100.0
	Operating Margin	15.0%		18.5%		3.5P		14.7%	

* Including inter-segment revenue for each segment.

2Q FY March 2022 Financial Results (Consolidated)

2. Segment performance results

① Including Inter-segment revenue for each segment

2nd Quarter		2Q FY Mar.2021		2Q FY Mar.2022		(JPY million)	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Revenue	8,694	6.4	10,629	7.1	1,934	22.3
	Operating Profit	1,902	8.6	3,434	12.6	1,532	80.6
	Operating Margin	21.9%		32.3%		10.4P	
Financial IT Solutions	Revenue	73,208	54.2	75,881	50.8	2,672	3.7
	Operating Profit	10,291	46.7	11,860	43.4	1,568	15.2
	Operating Margin	14.1%		15.6%		1.6P	
Industrial IT Solutions	Revenue	46,267	34.2	55,922	37.4	9,654	20.9
	Operating Profit	4,798	21.8	6,115	22.4	1,317	27.5
	Operating Margin	10.4%		10.9%		0.6P	
IT Platform Services	Revenue	34,347	25.4	39,160	26.2	4,812	14.0
	Operating Profit	5,019	22.8	5,960	21.8	940	18.7
	Operating Margin	14.6%		15.2%		0.6P	
Inter-segment revenue and eliminations	Revenue	(27,410)	(20.3)	(32,266)	(21.6)	(4,855)	
	Operating Profit	10	0.0	(21)	(0.1)	(32)	
Total	Revenue	135,107	100.0	149,327	100.0	14,219	10.5
	Operating Profit	22,022	100.0	27,348	100.0	5,326	24.2
	Operating Margin	16.3%		18.3%		2.0P	

1st Quarter		(JPY million)					
		1Q FY Mar.2021		1Q FY Mar.2022		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Revenue	7,099	5.4	8,869	6.2	1,770	24.9
	Operating Profit	610	3.4	1,805	6.8	1,194	195.6
	Operating Margin	8.6%		20.4%		11.8P	
Financial IT Solutions	Revenue	70,320	53.6	72,245	50.6	1,925	2.7
	Operating Profit	7,860	44.0	9,238	34.8	1,377	17.5
	Operating Margin	11.2%		12.8%		1.6P	
Industrial IT Solutions	Revenue	46,427	35.4	55,057	38.6	8,630	18.6
	Operating Profit	5,091	28.5	6,694	25.2	1,602	31.5
	Operating Margin	11.0%		12.2%		1.2P	
IT Platform Services	Revenue	33,382	25.5	37,430	26.2	4,047	12.1
	Operating Profit	4,270	23.9	5,488	20.7	1,217	28.5
	Operating Margin	12.8%		14.7%		1.9P	
Inter-segment revenue and eliminations	Revenue	(26,113)	(19.9)	(30,956)	(21.7)	(4,843)	
	Operating Profit	13	0.1	3,338	12.6	3,325	
Total	Revenue	131,116	100.0	142,647	100.0	11,530	8.8
	Operating Profit	17,846	100.0	26,564	100.0	8,718	48.9
	Operating Margin	13.6%		18.6%		5.0P	

2Q FY March 2022 Financial Results (Consolidated)

2. Segment performance results

② External revenue by segment

(JPY million)

2nd Quarter Total	1H FY Mar.2021		1H FY Mar.2022		Y o Y		FY Mar.2021	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	15,414	5.8	18,853	6.5	3,439	22.3	37,246	6.8
Financial IT Solutions	141,658	53.2	145,860	50.0	4,201	3.0	288,196	52.4
Securities	63,546	23.9	64,484	22.1	937	1.5	130,427	23.7
Insurance	30,041	11.3	31,860	10.9	1,819	6.1	61,441	11.2
Banking	24,967	9.4	22,962	7.9	(2,004)	(8.0)	50,181	9.1
Other financial	23,104	8.7	26,552	9.1	3,448	14.9	46,146	8.4
Industrial IT Solutions	91,087	34.2	107,610	36.9	16,522	18.1	186,051	33.8
Distribution	30,873	11.6	33,377	11.4	2,503	8.1	62,192	11.3
Manufacturing, service and other	60,214	22.6	74,232	25.4	14,018	23.3	123,858	22.5
IT Platform Services	18,063	6.8	19,650	6.7	1,587	8.8	38,843	7.1
Total	266,224	100.0	291,974	100.0	25,750	9.7	550,337	100.0

* The breakdowns of the segments are comprised of revenue by customer sector.

2Q FY March 2022 Financial Results (Consolidated)

2. Segment performance results

② External revenue by segment

(JPY million)

2nd Quarter	2Q FY Mar.2021		2Q FY Mar.2022		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	8,498	6.3	10,250	6.9	1,751	20.6
Financial IT Solutions	72,196	53.4	74,670	50.0	2,474	3.4
Securities	32,909	24.4	33,914	22.7	1,004	3.1
Insurance	15,000	11.1	16,473	11.0	1,472	9.8
Banking	12,679	9.4	11,443	7.7	(1,236)	(9.7)
Other financial	11,605	8.6	12,839	8.6	1,233	10.6
Industrial IT Solutions	45,396	33.6	54,053	36.2	8,657	19.1
Distribution	15,345	11.4	17,021	11.4	1,676	10.9
Manufacturing, service and other	30,051	22.2	37,032	24.8	6,980	23.2
IT Platform Services	9,015	6.7	10,352	6.9	1,336	14.8
Total	135,107	100.0	149,327	100.0	14,219	10.5

(JPY million)

1st Quarter	1Q FY Mar.2021		1Q FY Mar.2022		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	6,915	5.3	8,603	6.0	1,687	24.4
Financial IT Solutions	69,462	53.0	71,189	49.9	1,726	2.5
Securities	30,636	23.4	30,569	21.4	(67)	(0.2)
Insurance	15,040	11.5	15,387	10.8	347	2.3
Banking	12,287	9.4	11,519	8.1	(768)	(6.3)
Other financial	11,498	8.8	13,713	9.6	2,215	19.3
Industrial IT Solutions	45,691	34.8	53,556	37.5	7,865	17.2
Distribution	15,527	11.8	16,355	11.5	827	5.3
Manufacturing, service and other	30,163	23.0	37,200	26.1	7,037	23.3
IT Platform Services	9,047	6.9	9,297	6.5	250	2.8
Total	131,116	100.0	142,647	100.0	11,530	8.8

2Q FY March 2022 Financial Results (Consolidated)

3. Revenue by main client

(JPY million)

2nd Quarter Total	1H FY Mar.2021		1H FY Mar.2022		Y o Y		FY Mar.2021	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Nomura Holdings	31,799	11.9	30,813	10.6	(986)	(3.1)	66,309	12.0

* Figures, in principle, include sales to subsidiaries.

(JPY million)

2nd Quarter	2Q FY Mar.2021		2Q FY Mar.2022		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	15,724	11.6	15,554	10.4	(170)	(1.1)

(JPY million)

1st Quarter	1Q FY Mar.2021		1Q FY Mar.2022		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	16,074	12.3	15,259	10.7	(815)	(5.1)

2Q FY March 2022 Financial Results (Consolidated)

4. Overseas Revenue

(JPY million)

2nd Quarter Total	1H FY Mar.2021		1H FY Mar.2022		Y o Y		FY Mar.2021	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Overseas sales	21,666	8.1	33,180	11.4	11,514	53.1	43,625	7.9
North America	3,276	1.2	2,817	1.0	(458)	(14.0)	6,182	1.1
Oceania	15,692	5.9	26,944	9.2	11,252	71.7	31,992	5.8
Asia, Other	2,697	1.0	3,418	1.2	721	26.7	5,451	1.0

※ Numbers by area are based on location of clients, and numbers per country or area are recorded as reference values.

(JPY million)

2nd Quarter	2Q FY Mar.2021		2Q FY Mar.2022		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Overseas sales	11,116	8.2	17,371	11.6	6,255	56.3
North America	1,697	1.3	1,290	0.9	(407)	(24.0)
Oceania	8,071	6.0	13,978	9.4	5,907	73.2
Asia, Other	1,347	1.0	2,102	1.4	755	56.0

(JPY million)

1st Quarter	1Q FY Mar.2021		1Q FY Mar.2022		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Overseas sales	10,549	8.0	15,808	11.1	5,259	49.9
North America	1,579	1.2	1,527	1.1	(51)	(3.3)
Oceania	7,620	5.8	12,965	9.1	5,344	70.1
Asia, Other	1,350	1.0	1,316	0.9	(33)	(2.5)

2Q FY March 2022 Financial Results (Consolidated)

5. Subcontracting Costs

(JPY million)

2nd Quarter Total	1H FY Mar.2021		1H FY Mar.2022		Y o Y		FY Mar.2021	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Subcontracting Costs	84,977	31.9	91,141	31.2	6,164	7.3	171,560	31.2
(Subcontracting Costs to China)	15,074	17.7	16,631	18.2	1,556	10.3	30,460	17.8

* Share for subcontracting costs shows share of revenue.

* Subcontracting costs to China & Percentage in total subcontracting costs.

(JPY million)

2nd Quarter	2Q FY Mar.2021		2Q FY Mar.2022		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	42,593	31.5	47,632	31.9	5,039	11.8
(Subcontracting Costs to China)	7,897	18.5	9,041	19.0	1,143	14.5

(JPY million)

1st Quarter	1Q FY Mar.2021		1Q FY Mar.2022		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	42,383	32.3	43,508	30.5	1,124	2.7
(Subcontracting Costs to China)	7,176	16.9	7,589	17.4	413	5.8

2Q FY March 2022 Financial Results (Consolidated)

6. Cash Flow

(JPY million)

2nd Quarter Total	1H FY Mar. 2021	1H FY Mar. 2022	Y o Y		FY Mar.2021
	Amount	Amount	Diff.	Change(%)	Amount
Operating Activities	37,770	49,099	11,328	30.0	84,594
Investing Activities	(12,100)	(43,712)	(31,612)	261.2	(20,522)
(Investing Activities except Cash management purpose investment)	(14,359)	(43,499)	(29,140)	202.9	(22,811)
Free Cash Flow	25,670	5,386	(20,283)	(79.0)	64,071
(Free Cash Flow except Cash management purpose investment)	23,411	5,599	(17,811)	(76.1)	61,782
Financing Activities	(8,068)	(18,371)	(10,302)	127.7	(13,183)
Net increase in Cash and cash equivalents	19,817	(13,287)	(33,105)	—	52,408
(Net increase in Cash and cash equivalents except Cash management purpose investment)	17,559	(13,074)	(30,633)	—	50,119
Cash and cash equivalents at end of period	120,596	139,900	19,303	16.0	153,187
Cash and cash equivalents + Cash Management purpose investment	122,395	141,778	19,383	15.8	154,847

* Cash management purpose investment is investments in bonds, etc., with maturities of longer than three months from date of purchase to date of redemption.

2Q FY March 2022 Financial Results (Consolidated)

7. Capital Investment, Research and Development Expenses

(JPY million)

2nd Quarter Total	1H FY Mar. 2021	1H FY Mar. 2022	Y o Y		FY Mar.2021
	Amount	Amount	Diff.	Change(%)	Amount
Capital Investment	16,136	19,702	3,565	22.1	33,372
Tangible	6,249	2,922	(3,327)	(53.2)	11,712
Right-of-use assets	2,650	1,202	(1,447)	(54.6)	5,093
Intangible	9,887	16,779	6,892	69.7	21,660
Research and Development Expenses	1,905	2,508	603	31.7	4,468

* Right-of-use assets for which buildings and structures are the underlying assets.

(JPY million)

2nd Quarter	2Q FY Mar. 2021	2Q FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Investment	7,929	10,840	2,910	36.7
Tangible	2,993	1,470	(1,522)	(50.9)
Right-of-use assets	1,144	702	(441)	(38.6)
Intangible	4,936	9,369	4,432	89.8
Research and Development Expenses	1,139	1,351	212	18.6

(JPY million)

1st Quarter	1Q FY Mar. 2021	1Q FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Investment	8,207	8,862	654	8.0
Tangible	3,256	1,451	(1,805)	(55.4)
Right-of-use assets	1,505	500	(1,005)	(66.8)
Intangible	4,950	7,410	2,459	49.7
Research and Development Expenses	765	1,156	391	51.2

2Q FY March 2022 Financial Results (Consolidated)

8. Depreciation and Amortization

(JPY million)

2nd Quarter Total	1H FY Mar. 2021	1H FY Mar. 2022	Y o Y		FY Mar.2021
	Amount	Amount	Diff.	Change(%)	Amount
Tangible	9,299	9,104	(195)	(2.1)	18,850
Right-of-use assets	5,364	5,612	247	4.6	10,797
Intangible	11,119	11,417	298	2.7	22,060
Depreciation and Amortization	20,418	20,521	102	0.5	40,911

* Right-of-use assets for which buildings and structures are the underlying assets.

(JPY million)

2nd Quarter	2Q FY Mar. 2021	2Q FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	4,682	4,638	(44)	(0.9)
Right-of-use assets	2,682	2,839	156	5.8
Intangible	5,661	5,617	(44)	(0.8)
Depreciation and Amortization	10,344	10,256	(88)	(0.9)

(JPY million)

1st Quarter	1Q FY Mar. 2021	1Q FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	4,616	4,465	(151)	(3.3)
Right-of-use assets	2,681	2,772	90	3.4
Intangible	5,457	5,800	342	6.3
Depreciation and Amortization	10,074	10,265	191	1.9

2Q FY March 2022 Financial Results (Consolidated)

9. Order Backlog by segment (Total)

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar. 2021	2Q FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	10,341	11,477	1,136	11.0
Financial IT Solutions	107,104	116,253	9,148	8.5
Industrial IT Solutions	57,130	65,875	8,745	15.3
IT Platform Services	10,753	12,244	1,491	13.9
Total	185,329	205,851	20,521	11.1
(Order backlog in the current FY)	173,897	191,977	18,079	10.4

(JPY million)

At the end of the 1st Quarter	1Q FY Mar. 2021	1Q FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	10,743	10,845	102	1.0
Financial IT Solutions	143,736	154,632	10,896	7.6
Industrial IT Solutions	76,618	92,419	15,801	20.6
IT Platform Services	13,085	14,746	1,661	12.7
Total	244,183	272,644	28,461	11.7
(Order backlog in the current FY)	235,150	262,269	27,119	11.5

(JPY million)

At beginning of period	FY Mar. 2021	FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	4,339	7,050	2,711	62.5
Financial IT Solutions	165,449	184,968	19,518	11.8
Industrial IT Solutions	98,949	102,484	3,535	3.6
IT Platform Services	17,041	15,281	(1,759)	(10.3)
Total	285,779	309,785	24,005	8.4
(Order backlog in the current FY)	282,004	301,550	19,546	6.9

2Q FY March 2022 Financial Results (Consolidated)

9. Order Backlog by segment(Domestic/International)

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar. 2021	2Q FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Order backlog domestically				
Consulting	9,759	10,763	1,003	10.3
Financial IT Solutions	106,688	113,194	6,506	6.1
Industrial IT Solutions	42,646	46,616	3,969	9.3
IT Platform Services	10,753	12,244	1,491	13.9
Total	169,847	182,818	12,970	7.6
Order backlog of overseas subsidiaries				
Overseas subsidiaries	15,482	23,033	7,550	48.8

※ Group companies which have the headquarter overseas are classified as overseas subsidiaries.

(JPY million)

At the end of the 1st Quarter	1Q FY Mar. 2021	1Q FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Order backlog domestically				
Consulting	10,147	10,241	93	0.9
Financial IT Solutions	143,047	149,665	6,617	4.6
Industrial IT Solutions	56,346	64,543	8,196	14.5
IT Platform Services	13,085	14,746	1,661	12.7
Total	222,627	239,196	16,569	7.4
Order backlog of overseas subsidiaries				
Overseas subsidiaries	21,556	33,448	11,891	55.2

(JPY million)

At beginning of period	FY Mar. 2021	FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Order backlog domestically				
Consulting	4,043	6,597	2,553	63.2
Financial IT Solutions	165,143	184,634	19,491	11.8
Industrial IT Solutions	68,913	74,108	5,195	7.5
IT Platform Services	17,041	15,281	(1,759)	(10.3)
Total	255,141	280,621	25,480	10.0
Order backlog of overseas subsidiaries				
Overseas subsidiaries	30,637	29,163	(1,474)	(4.8)

2Q FY March 2022 Financial Results (Consolidated)

10. Order Volume by segment (Total)

(JPY million)

2nd Quarter Total	1H FY Mar. 2021	1H FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	21,416	23,280	1,864	8.7
Financial IT Solutions	83,314	77,145	(6,169)	(7.4)
Industrial IT Solutions	49,268	71,001	21,732	44.1
IT Platform Services	11,775	16,613	4,838	41.1
Total	165,774	188,040	22,266	13.4

(JPY million)

2nd Quarter	2Q FY Mar. 2021	2Q FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	8,096	10,882	2,785	34.4
Financial IT Solutions	35,564	36,291	726	2.0
Industrial IT Solutions	25,908	27,510	1,601	6.2
IT Platform Services	6,683	7,850	1,166	17.5
Total	76,253	82,534	6,280	8.2

(JPY million)

1st Quarter	1Q FY Mar. 2021	1Q FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	13,319	12,398	(921)	(6.9)
Financial IT Solutions	47,749	40,853	(6,895)	(14.4)
Industrial IT Solutions	23,360	43,490	20,130	86.2
IT Platform Services	5,091	8,763	3,671	72.1
Total	89,520	105,506	15,985	17.9

2Q FY March 2022 Financial Results (Consolidated)

10. Order Volume by segment(Domestic/International)

(JPY million)

2nd Quarter Total	1H FY Mar. 2021	1H FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Order Volume domestically				
Consulting	19,797	21,367	1,569	7.9
Financial IT Solutions	81,518	69,844	(11,674)	(14.3)
Industrial IT Solutions	46,110	53,047	6,936	15.0
IT Platform Services	11,638	16,462	4,823	41.4
Total	159,065	160,722	1,656	1.0
Order Volume of overseas subsidiaries				
Overseas subsidiaries	6,708	27,318	20,609	307.2

※ Group companies which have the headquarter overseas are classified as overseas subsidiaries.

(JPY million)

2nd Quarter	2Q FY Mar. 2021	2Q FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Order Volume domestically				
Consulting	7,380	9,820	2,439	33.1
Financial IT Solutions	34,969	35,616	646	1.8
Industrial IT Solutions	22,132	22,187	55	0.2
IT Platform Services	6,614	7,772	1,157	17.5
Total	71,097	75,396	4,299	6.0
Order Volume of overseas subsidiaries				
Overseas subsidiaries	5,156	7,137	1,981	38.4

(JPY million)

1st Quarter	1Q FY Mar. 2021	1Q FY Mar. 2022	Y o Y	
	Amount	Amount	Diff.	Change(%)
Order Volume domestically				
Consulting	12,417	11,547	(869)	(7.0)
Financial IT Solutions	46,549	34,228	(12,320)	(26.5)
Industrial IT Solutions	23,978	30,859	6,881	28.7
IT Platform Services	5,023	8,690	3,666	73.0
Total	87,968	85,325	(2,642)	(3.0)
Order Volume of overseas subsidiaries				
Overseas subsidiaries	1,552	20,181	18,628	—

1

2Q FY March 2022 Financial Results (Consolidated)

2

FY March 2022 Financial Results Forecasts (Consolidated)

FY March 2022 Financial Results Forecasts (Consolidated)

1. Highlights and Dividend forecasts

- It is still uncertain when COVID-19 will come to an end, but in light of recent business trends and the order environment, the forecasts of financial results will be revised as follows.
- We expect to achieve the Medium-Term Management Plan (2019-2022) operating profit target ahead of schedule, backed by DX demand that exceeds our initial forecast and the strengthening of profitability of our business in Australia.

(JPY billion)

	FY Mar.2021 (Results)	FY Mar.2022 (Forecasts)	Y o Y		FY Mar.2022 (Forecasts as of April 27, 2021)	Comparison to forecasts	
	Amount	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)
Revenue	550.3	600.0	49.6	9.0	590.0	10.0	1.7
Consulting Services	90.0	117.0	26.9	29.9	100.0	17.0	17.0
System Development & System Application Sales	183.8	196.0	12.1	6.6	206.0	(10.0)	(4.9)
System Management & Operation Services	258.6	272.0	13.3	5.2	270.0	2.0	0.7
Product Sales	17.7	15.0	(2.7)	(15.6)	14.0	1.0	7.1
Operating Profit	80.7	104.0	23.2	28.8	96.0	8.0	8.3
Operating Profit Margin	14.7%	17.3%	2.7P		16.3%	1.1P	
Profit before tax	71.0	104.0	32.9	46.3	97.0	7.0	7.2
Profit attributable to owners of parent	52.8	69.0	16.1	30.5	66.0	3.0	4.5
Dividends per share(JPY)	36.00	40.00	4.00		38.00	2.00	
Second quarter(JPY)	17.00	19.00	2.00		19.00	—	
Fiscal year end(JPY)	19.00	21.00	2.00		19.00	2.00	

* The breakdown of the revenue is classified by products and services.

FY March 2022 Financial Results Forecasts (Consolidated)

2. Revenue Forecasts by segment

(JPY billion)

	FY Mar.2021 (Results)		FY Mar.2022 (Forecasts)		Y o Y		FY Mar.2022 (Forecasts as of April 27, 2021)	Comparison to forecasts	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Diff.	Change(%)
Consulting	37.2	6.8	42.0	7.0	4.7	12.8	41.0	1.0	2.4
Financial IT Solutions	288.1	52.4	297.0	49.5	8.8	3.1	297.0	—	—
Securities	130.4	23.7	132.0	22.0	1.5	1.2	132.0	—	—
Insurance	61.4	11.2	64.0	10.7	2.5	4.2	64.0	—	—
Banking	50.1	9.1	47.0	7.8	(3.1)	(6.3)	53.0	(6.0)	(11.3)
Other financial	46.1	8.4	54.0	9.0	7.8	17.0	48.0	6.0	12.5
Industrial IT Solutions	186.0	33.8	219.0	36.5	32.9	17.7	211.0	8.0	3.8
Distribution	62.1	11.3	67.0	11.2	4.8	7.7	63.0	4.0	6.3
Manufacturing, service and other	123.8	22.5	152.0	25.3	28.1	22.7	148.0	4.0	2.7
IT Platform Services	38.8	7.1	42.0	7.0	3.1	8.1	41.0	1.0	2.4
Total	550.3	100.0	600.0	100.0	49.6	9.0	590.0	10.0	1.7

* The breakdowns of the segments are comprised of revenue by customer sector.

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.

The text is framed by two decorative swooshes. The top swoosh is a thick, curved line that starts in blue on the left, transitions through purple and pink in the middle, and ends in orange on the right. The bottom swoosh is a thick, curved blue line that starts on the left and tapers off towards the right.

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