

FY March 2020

Financial Results

Nomura Research Institute, Ltd.

April 28, 2020



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FY March 2020 Financial Results (Consolidated)

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FY March 2021 Financial Results Forecasts (Consolidated)

FY March 2020 Financial Results (Consolidated)

1. Highlights

(JPY million)

Full Year	FY Mar.2019	FY Mar.2020	Y o Y		Forecasts as of Jan.30,2020	
	Amount	Amount	Diff.	Change(%)	Amount	Diff.
Sales	501,243	528,873	27,629	5.5	530,000	(1,126)
Consulting Services	90,816	96,862	6,046	6.7	96,000	862
System Development & System Application Sales	150,467	161,703	11,235	7.5	165,000	(3,296)
System Management & Operation Services	244,273	251,908	7,635	3.1	254,000	(2,091)
Product Sales	15,686	18,399	2,712	17.3	15,000	3,399
Cost of Sales	336,508	348,006	11,498	3.4		
Gross Profit	164,735	180,866	16,131	9.8		
Gross Profit Margin	32.9%	34.2%	1.3P			
Selling, general and administrative expenses	93,293	97,688	4,394	4.7		
OP(Before goodwill amortization)	75,373	86,343	10,970	14.6		
Operating Profit	71,442	83,178	11,736	16.4	82,000	1,178
OPM(Before goodwill amortization)	15.0%	16.3%	1.3P			
Operating Profit Margin	14.3%	15.7%	1.5P		15.5%	0.3P
Non-operating income and loss	967	1,349	382	39.5		
Extraordinary income and loss	4,340	17,968	13,627	314.0		
Profit attributable to owners of parent	50,931	69,276	18,344	36.0	69,000	276
Comprehensive Income	43,202	38,747	(4,455)	(10.3)		
Earnings per share(JPY)	72.11	109.35	37.24			
Annual Dividends per share(JPY)	30.00	32.00	2.00		32.00	—
Second quarter(JPY)	15.00	15.00	—		15.00	—
Fiscal year end(JPY)	15.00	17.00	2.00		17.00	—
Dividend payout ratio	41.5%	27.9%	(13.6P)			
EBITDA Margin	21.7%	22.2%	0.5P			
Return on Equity(ROE)	12.3%	20.5%	8.2P			

* Operating profit before goodwill amortization and operating profit margin before goodwill amortization are reference values.

FY March 2020 Financial Results (Consolidated)

1. Highlights

(JPY million)

4th Quarter	4Q FY	4Q FY	Y o Y	
	Mar.2019	Mar.2020	Diff.	Change(%)
	Amount	Amount		
Sales	134,179	138,328	4,149	3.1
Consulting Services	24,519	25,936	1,417	5.8
System Development & System Application Sales	42,105	41,933	(172)	(0.4)
System Management & Operation Services	62,106	65,102	2,995	4.8
Product Sales	5,447	5,357	(90)	(1.7)
Cost of Sales	90,519	90,857	338	0.4
Gross Profit	43,660	47,471	3,811	8.7
Gross Profit Margin	32.5%	34.3%	1.8P	
Selling, general and administrative expenses	23,640	26,398	2,758	11.7
OP(Before goodwill amortization)	20,938	21,844	906	4.3
Operating Profit	20,019	21,072	1,053	5.3
OPM(Before goodwill amortization)	15.6%	15.8%	0.2P	
Operating Profit Margin	14.9%	15.2%	0.3P	
Non-operating income and loss	209	364	155	74.5
Extraordinary income and loss	(3,903)	(1,220)	2,682	(68.7)
Profit attributable to owners of parent	11,082	13,672	2,589	23.4
Earnings per share(JPY)	15.79	22.96	7.17	

(JPY million)

3rd Quarter	3Q FY	3Q FY	Y o Y	
	Mar.2019	Mar.2020	Diff.	Change(%)
	Amount	Amount		
Sales	126,657	131,391	4,734	3.7
Consulting Services	22,577	24,782	2,205	9.8
System Development & System Application Sales	39,421	39,871	450	1.1
System Management & Operation Services	61,714	62,961	1,246	2.0
Product Sales	2,943	3,775	831	28.3
Cost of Sales	84,965	85,470	504	0.6
Gross Profit	41,691	45,921	4,229	10.1
Gross Profit Margin	32.9%	35.0%	2.0P	
Selling, general and administrative expenses	23,375	24,723	1,348	5.8
OP(Before goodwill amortization)	19,358	21,990	2,631	13.6
Operating Profit	18,316	21,198	2,881	15.7
OPM(Before goodwill amortization)	15.3%	16.7%	1.5P	
Operating Profit Margin	14.5%	16.1%	1.7P	
Non-operating income and loss	275	117	(157)	(57.2)
Extraordinary income and loss	7,023	94	(6,928)	(98.6)
Profit attributable to owners of parent	16,906	14,711	(2,195)	(13.0)
Earnings per share(JPY)	24.08	24.75	0.67	

FY March 2020 Financial Results (Consolidated)

1. Highlights

(JPY million)

2nd Quarter	2Q FY	2Q FY	Y o Y	
	Mar.2019	Mar.2020	Diff.	Change(%)
	Amount	Amount		
Sales	122,648	129,657	7,009	5.7
Consulting Services	22,452	24,946	2,494	11.1
System Development & System Application Sales	35,965	38,646	2,681	7.5
System Management & Operation Services	60,746	61,531	784	1.3
Product Sales	3,484	4,533	1,048	30.1
Cost of Sales	81,716	86,287	4,571	5.6
Gross Profit	40,932	43,370	2,437	6.0
Gross Profit Margin	33.4%	33.5%	0.1P	
Selling, general and administrative expenses	23,161	22,816	(345)	(1.5)
OP(Before goodwill amortization)	18,818	21,338	2,519	13.4
Operating Profit	17,770	20,554	2,783	15.7
OPM(Before goodwill amortization)	15.3%	16.5%	1.1P	
Operating Profit Margin	14.5%	15.9%	1.4P	
Non-operating income and loss	(47)	57	105	—
Extraordinary income and loss	(7)	19,103	19,110	—
Profit attributable to owners of parent	11,781	26,647	14,866	126.2
Earnings per share(JPY)	16.65	41.00	24.35	

(JPY million)

1st Quarter	1Q FY	1Q FY	Y o Y	
	Mar.2019	Mar.2020	Diff.	Change(%)
	Amount	Amount		
Sales	117,758	129,495	11,737	10.0
Consulting Services	21,267	21,197	(70)	(0.3)
System Development & System Application Sales	32,975	41,251	8,275	25.1
System Management & Operation Services	59,704	62,313	2,609	4.4
Product Sales	3,810	4,733	922	24.2
Cost of Sales	79,308	85,392	6,084	7.7
Gross Profit	38,450	44,102	5,652	14.7
Gross Profit Margin	32.7%	34.1%	1.4P	
Selling, general and administrative expenses	23,115	23,749	633	2.7
OP(Before goodwill amortization)	16,258	21,170	4,911	30.2
Operating Profit	15,334	20,353	5,019	32.7
OPM(Before goodwill amortization)	13.8%	16.3%	2.5P	
Operating Profit Margin	13.0%	15.7%	2.7P	
Non-operating income and loss	530	808	278	52.5
Extraordinary income and loss	1,227	(10)	(1,237)	—
Profit attributable to owners of parent	11,161	14,245	3,084	27.6
Earnings per share(JPY)	15.64	20.52	4.87	

FY March 2020 Financial Results (Consolidated)

2. Sales and Operating Profit by segment

① Segment performance results

(JPY million)

Full Year		FY Mar.2019		FY Mar.2020		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	35,481	7.1	39,612	7.5	4,130	11.6
	Operating Profit	7,786	10.9	9,515	11.4	1,729	22.2
	Operating Profit Margin	21.9%		24.0%		2.1P	
Financial IT Solutions	Sales	255,162	50.9	276,937	52.4	21,775	8.5
	Operating Profit	27,095	37.9	35,034	42.1	7,938	29.3
	Operating Profit Margin	10.6%		12.7%		2.0P	
Industrial IT Solutions	Sales	183,580	36.6	181,438	34.3	(2,142)	(1.2)
	Operating Profit	18,449	25.8	19,719	23.7	1,270	6.9
	Operating Profit Margin	10.0%		10.9%		0.8P	
IT Platform Services	Sales	127,777	25.5	138,833	26.3	11,055	8.7
	Operating Profit	17,130	24.0	18,454	22.2	1,323	7.7
	Operating Profit Margin	13.4%		13.3%		(0.1P)	
Inter-segment sales and eliminations	Sales	(100,757)	(20.1)	(107,946)	(20.4)	(7,189)	
	Operating Profit	980	1.4	454	0.5	(525)	
Total	Sales	501,243	100.0	528,873	100.0	27,629	5.5
	Operating Profit	71,442	100.0	83,178	100.0	11,736	16.4
	Operating Profit Margin	14.3%		15.7%		1.5P	

* Including inter-segment sales for each segment.

FY March 2020 Financial Results (Consolidated)

2. Sales and Operating Profit by segment

① Segment performance results

(JPY million)

4th Quarter		4Q FY Mar.2019		4Q FY Mar.2020		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	10,314	7.7	11,985	8.7	1,670	16.2
	Operating Profit	2,660	13.3	3,824	18.1	1,163	43.7
	Operating Profit Margin	25.8%		31.9%		6.1P	
Financial IT Solutions	Sales	68,762	51.2	72,408	52.3	3,646	5.3
	Operating Profit	7,097	35.5	8,098	38.4	1,001	14.1
	Operating Profit Margin	10.3%		11.2%		0.9P	
Industrial IT Solutions	Sales	46,493	34.7	45,505	32.9	(988)	(2.1)
	Operating Profit	5,386	26.9	5,216	24.8	(170)	(3.2)
	Operating Profit Margin	11.6%		11.5%		(0.1P)	
IT Platform Services	Sales	34,457	25.7	36,736	26.6	2,279	6.6
	Operating Profit	4,823	24.1	4,179	19.8	(644)	(13.4)
	Operating Profit Margin	14.0%		11.4%		(2.6P)	
Inter-segment sales and eliminations	Sales	(25,849)	(19.3)	(28,307)	(20.5)	(2,458)	
	Operating Profit	52	0.3	(245)	(1.2)	(297)	
Total	Sales	134,179	100.0	138,328	100.0	4,149	3.1
	Operating Profit	20,019	100.0	21,072	100.0	1,053	5.3
	Operating Profit Margin	14.9%		15.2%		0.3P	

FY March 2020 Financial Results (Consolidated)

2. Sales and Operating Profit by segment

① Segment performance results

(JPY million)

3rd Quarter		3Q FY Mar.2019		3Q FY Mar.2020		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	8,994	7.1	10,120	7.7	1,126	12.5
	Operating Profit	1,783	9.7	2,393	11.3	610	34.2
	Operating Profit Margin	19.8%		23.7%		3.8P	
Financial IT Solutions	Sales	64,767	51.1	67,877	51.7	3,110	4.8
	Operating Profit	7,528	41.1	8,705	41.1	1,177	15.6
	Operating Profit Margin	11.6%		12.8%		1.2P	
Industrial IT Solutions	Sales	46,294	36.6	45,028	34.3	(1,266)	(2.7)
	Operating Profit	4,199	22.9	4,519	21.3	320	7.6
	Operating Profit Margin	9.1%		10.0%		1.0P	
IT Platform Services	Sales	32,396	25.6	35,490	27.0	3,094	9.6
	Operating Profit	4,594	25.1	5,267	24.8	672	14.6
	Operating Profit Margin	14.2%		14.8%		0.7P	
Inter-segment sales and eliminations	Sales	(25,794)	(20.4)	(27,125)	(20.6)	(1,330)	
	Operating Profit	211	1.2	311	1.5	100	
Total	Sales	126,657	100.0	131,391	100.0	4,734	3.7
	Operating Profit	18,316	100.0	21,198	100.0	2,881	15.7
	Operating Profit Margin	14.5%		16.1%		1.7P	

FY March 2020 Financial Results (Consolidated)

2. Sales and Operating Profit by segment

① Segment performance results

(JPY million)

2nd Quarter		2Q FY Mar.2019		2Q FY Mar.2020		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	8,753	7.1	9,738	7.5	984	11.2
	Operating Profit	2,208	12.4	2,683	13.1	475	21.5
	Operating Profit Margin	25.2%		27.6%		2.3P	
Financial IT Solutions	Sales	62,302	50.8	68,058	52.5	5,755	9.2
	Operating Profit	6,304	35.5	7,917	38.5	1,612	25.6
	Operating Profit Margin	10.1%		11.6%		1.5P	
Industrial IT Solutions	Sales	45,420	37.0	44,434	34.3	(986)	(2.2)
	Operating Profit	4,566	25.7	4,792	23.3	226	5.0
	Operating Profit Margin	10.1%		10.8%		0.7P	
IT Platform Services	Sales	31,230	25.5	34,648	26.7	3,418	10.9
	Operating Profit	4,309	24.3	5,052	24.6	742	17.2
	Operating Profit Margin	13.8%		14.6%		0.8P	
Inter-segment sales and eliminations	Sales	(25,058)	(20.4)	(27,221)	(21.0)	(2,163)	
	Operating Profit	380	2.1	107	0.5	(272)	
Total	Sales	122,648	100.0	129,657	100.0	7,009	5.7
	Operating Profit	17,770	100.0	20,554	100.0	2,783	15.7
	Operating Profit Margin	14.5%		15.9%		1.4P	

FY March 2020 Financial Results (Consolidated)

2. Sales and Operating Profit by segment

① Segment performance results

(JPY million)

1st Quarter		1Q FY Mar.2019		1Q FY Mar.2020		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	7,419	6.3	7,767	6.0	348	4.7
	Operating Profit	1,133	7.4	613	3.0	(519)	(45.8)
	Operating Profit Margin	15.3%		7.9%		(7.4P)	
Financial IT Solutions	Sales	59,330	50.4	68,592	53.0	9,262	15.6
	Operating Profit	6,165	40.2	10,312	50.7	4,146	67.3
	Operating Profit Margin	10.4%		15.0%		4.6P	
Industrial IT Solutions	Sales	45,371	38.5	46,470	35.9	1,099	2.4
	Operating Profit	4,296	28.0	5,190	25.5	894	20.8
	Operating Profit Margin	9.5%		11.2%		1.7P	
IT Platform Services	Sales	29,692	25.2	31,957	24.7	2,264	7.6
	Operating Profit	3,402	22.2	3,955	19.4	553	16.3
	Operating Profit Margin	11.5%		12.4%		0.9P	
Inter-segment sales and eliminations	Sales	(24,054)	(20.4)	(25,292)	(19.5)	(1,237)	
	Operating Profit	336	2.2	280	1.4	(55)	
Total	Sales	117,758	100.0	129,495	100.0	11,737	10.0
	Operating Profit	15,334	100.0	20,353	100.0	5,019	32.7
	Operating Profit Margin	13.0%		15.7%		2.7P	

FY March 2020 Financial Results (Consolidated)

2. Sales and Operating Profit by segment

② Sales by segment

(JPY million)

Full Year	FY Mar.2019		FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	34,839	7.0	38,572	7.3	3,733	10.7
Financial IT Solutions	252,367	50.3	273,571	51.7	21,203	8.4
Securities	100,309	20.0	112,762	21.3	12,453	12.4
Insurance	64,874	12.9	66,374	12.6	1,500	2.3
Banking	43,404	8.7	51,022	9.6	7,618	17.6
Other financial	43,780	8.7	43,411	8.2	(369)	(0.8)
Industrial IT Solutions	180,882	36.1	178,490	33.7	(2,392)	(1.3)
Distribution	66,814	13.3	66,789	12.6	(24)	(0.0)
Manufacturing, service and other	114,068	22.8	111,700	21.1	(2,367)	(2.1)
IT Platform Services	33,153	6.6	38,239	7.2	5,085	15.3
Total	501,243	100.0	528,873	100.0	27,629	5.5

(JPY million)

4th Quarter	4Q FY Mar.2019		4Q FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	10,107	7.5	11,509	8.3	1,402	13.9
Financial IT Solutions	68,059	50.7	71,010	51.3	2,951	4.3
Securities	26,748	19.9	31,296	22.6	4,548	17.0
Insurance	18,909	14.1	16,212	11.7	(2,697)	(14.3)
Banking	11,271	8.4	12,907	9.3	1,636	14.5
Other financial	11,130	8.3	10,594	7.7	(535)	(4.8)
Industrial IT Solutions	45,813	34.1	44,712	32.3	(1,101)	(2.4)
Distribution	17,439	13.0	15,894	11.5	(1,544)	(8.9)
Manufacturing, service and other	28,374	21.1	28,817	20.8	443	1.6
IT Platform Services	10,199	7.6	11,096	8.0	897	8.8
Total	134,179	100.0	138,328	100.0	4,149	3.1

(JPY million)

3rd Quarter	3Q FY Mar.2019		3Q FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	8,827	7.0	9,888	7.5	1,061	12.0
Financial IT Solutions	63,989	50.5	67,480	51.4	3,490	5.5
Securities	25,140	19.8	27,585	21.0	2,444	9.7
Insurance	16,641	13.1	16,245	12.4	(396)	(2.4)
Banking	11,167	8.8	12,952	9.9	1,785	16.0
Other financial	11,039	8.7	10,696	8.1	(342)	(3.1)
Industrial IT Solutions	45,539	36.0	44,246	33.7	(1,292)	(2.8)
Distribution	16,842	13.3	16,467	12.5	(375)	(2.2)
Manufacturing, service and other	28,696	22.7	27,779	21.1	(916)	(3.2)
IT Platform Services	8,300	6.6	9,775	7.4	1,475	17.8
Total	126,657	100.0	131,391	100.0	4,734	3.7

FY March 2020 Financial Results (Consolidated)

2. Sales and Operating Profit by segment

② Sales by segment

(JPY million)

2nd Quarter	2Q FY Mar.2019		2Q FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	8,608	7.0	9,552	7.4	943	11.0
Financial IT Solutions	61,623	50.2	67,052	51.7	5,429	8.8
Securities	24,233	19.8	26,479	20.4	2,246	9.3
Insurance	15,577	12.7	17,205	13.3	1,627	10.5
Banking	11,007	9.0	12,531	9.7	1,524	13.9
Other financial	10,804	8.8	10,835	8.4	30	0.3
Industrial IT Solutions	44,776	36.5	43,727	33.7	(1,048)	(2.3)
Distribution	16,472	13.4	16,782	12.9	309	1.9
Manufacturing, service and other	28,303	23.1	26,945	20.8	(1,358)	(4.8)
IT Platform Services	7,640	6.2	9,325	7.2	1,685	22.1
Total	122,648	100.0	129,657	100.0	7,009	5.7

(JPY million)

1st Quarter	1Q FY Mar.2019		1Q FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	7,295	6.2	7,621	5.9	326	4.5
Financial IT Solutions	58,695	49.8	68,027	52.5	9,332	15.9
Securities	24,186	20.5	27,400	21.2	3,214	13.3
Insurance	13,745	11.7	16,711	12.9	2,966	21.6
Banking	9,958	8.5	12,629	9.8	2,671	26.8
Other financial	10,806	9.2	11,285	8.7	479	4.4
Industrial IT Solutions	44,753	38.0	45,804	35.4	1,050	2.3
Distribution	16,059	13.6	17,645	13.6	1,586	9.9
Manufacturing, service and other	28,694	24.4	28,158	21.7	(535)	(1.9)
IT Platform Services	7,013	6.0	8,041	6.2	1,028	14.7
Total	117,758	100.0	129,495	100.0	11,737	10.0

FY March 2020 Financial Results (Consolidated)

3. Sales to main clients

(JPY million)

Full Year	FY Mar.2019		FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	60,579	12.1	65,049	12.3	4,470	7.4
Seven & i Holdings	49,109	9.8	52,434	9.9	3,324	6.8

* Figures, in principle, include sales to subsidiaries.

(JPY million)

4th Quarter	4Q FY Mar.2019		4Q FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	16,603	12.4	17,288	12.5	684	4.1
Seven & i Holdings	12,476	9.3	12,574	9.1	98	0.8

(JPY million)

3rd Quarter	3Q FY Mar.2019		3Q FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	15,351	12.1	16,591	12.6	1,240	8.1
Seven & i Holdings	12,360	9.8	12,817	9.8	456	3.7

(JPY million)

2nd Quarter	2Q FY Mar.2019		2Q FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	14,432	11.8	16,370	12.6	1,937	13.4
Seven & i Holdings	12,252	10.0	13,951	10.8	1,698	13.9

(JPY million)

1st Quarter	1Q FY Mar.2019		1Q FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	14,192	12.1	14,799	11.4	607	4.3
Seven & i Holdings	12,019	10.2	13,090	10.1	1,071	8.9

FY March 2020 Financial Results (Consolidated)

4. Subcontracting Costs

(JPY million)

Full Year	FY Mar.2019		FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	150,635	30.1	161,305	30.5	10,670	7.1
(Subcontracting Costs to China)	23,213	15.4	28,514	17.7	5,301	22.8

* Share for subcontracting costs shows share of sales.

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

(JPY million)

4th Quarter	4Q FY Mar.2019		4Q FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	40,698	30.3	42,112	30.4	1,414	3.5
(Subcontracting Costs to China)	6,703	16.5	7,441	17.7	738	11.0

(JPY million)

3rd Quarter	3Q FY Mar.2019		3Q FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	38,430	30.3	39,866	30.3	1,435	3.7
(Subcontracting Costs to China)	5,647	14.7	6,940	17.4	1,293	22.9

(JPY million)

2nd Quarter	2Q FY Mar.2019		2Q FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	36,983	30.2	40,261	31.1	3,278	8.9
(Subcontracting Costs to China)	5,667	15.3	7,010	17.4	1,342	23.7

(JPY million)

1st Quarter	1Q FY Mar.2019		1Q FY Mar.2020		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	34,522	29.3	39,064	30.2	4,542	13.2
(Subcontracting Costs to China)	5,195	15.0	7,122	18.2	1,926	37.1

FY March 2020 Financial Results (Consolidated)

5. Cash Flow

(JPY million)

Full Year	FY Mar. 2019	FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Operating Activities	56,349	102,787	46,437	82.4
Investing Activities	(16,826)	18,382	35,209	—
(Investing Activities except Cash management purpose investment)	(15,025)	(6,985)	8,039	(53.5)
Free Cash Flow	39,523	121,169	81,646	206.6
(Free Cash Flow except Cash management purpose investment)	41,324	95,801	54,476	131.8
Financing Activities	(73,106)	(139,857)	(66,751)	91.3
Net increase in Cash and cash equivalents	(35,102)	(22,421)	12,680	(36.1)
(Net increase in Cash and cash equivalents except Cash management purpose investment)	(33,301)	(47,790)	(14,488)	43.5
Cash and cash equivalents at end of period	123,200	100,778	(22,421)	(18.2)
Cash and cash equivalents + Cash Management purpose investment	152,743	104,842	(47,901)	(31.4)

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

FY March 2020 Financial Results (Consolidated)

6. Capital Expenditure, Research and Development Expenses

(JPY million)

Full Year	FY Mar. 2019	FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	26,276	28,496	2,219	8.4
Tangible	5,615	6,684	1,069	19.0
Intangible	20,661	21,811	1,150	5.6
Research and Development Expenses	3,665	4,310	645	17.6

(JPY million)

4th Quarter	4Q FY Mar. 2019	4Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	6,948	8,515	1,567	22.6
Tangible	1,768	2,996	1,227	69.4
Intangible	5,179	5,519	339	6.6
Research and Development Expenses	1,095	1,422	327	29.9

(JPY million)

3rd Quarter	3Q FY Mar. 2019	3Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	6,281	6,489	207	3.3
Tangible	1,056	1,384	328	31.0
Intangible	5,224	5,104	(120)	(2.3)
Research and Development Expenses	941	1,119	178	18.9

(JPY million)

2nd Quarter	2Q FY Mar. 2019	2Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	6,685	7,028	343	5.1
Tangible	1,312	963	(349)	(26.6)
Intangible	5,372	6,064	692	12.9
Research and Development Expenses	1,017	1,088	71	7.0

(JPY million)

1st Quarter	1Q FY Mar. 2019	1Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	6,360	6,462	101	1.6
Tangible	1,476	1,339	(136)	(9.3)
Intangible	4,884	5,122	238	4.9
Research and Development Expenses	610	679	68	11.2

FY March 2020 Financial Results (Consolidated)

7. Depreciation and Amortization

(JPY million)

Full Year	FY Mar. 2019	FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	9,552	9,439	(112)	(1.2)
Intangible	20,875	20,974	99	0.5
Depreciation and Amortization	30,427	30,414	(13)	(0.0)

(JPY million)

4th Quarter	4Q FY Mar. 2019	4Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,498	2,583	84	3.4
Intangible	5,041	5,170	129	2.6
Depreciation and Amortization	7,540	7,754	213	2.8

(JPY million)

3rd Quarter	3Q FY Mar. 2019	3Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,407	2,397	(9)	(0.4)
Intangible	5,052	5,098	45	0.9
Depreciation and Amortization	7,459	7,495	35	0.5

(JPY million)

2nd Quarter	2Q FY Mar. 2019	2Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,360	2,310	(50)	(2.1)
Intangible	5,660	5,040	(620)	(11.0)
Depreciation and Amortization	8,021	7,351	(670)	(8.4)

(JPY million)

1st Quarter	1Q FY Mar. 2019	1Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,285	2,148	(136)	(6.0)
Intangible	5,120	5,665	544	10.6
Depreciation and Amortization	7,406	7,813	407	5.5

FY March 2020 Financial Results (Consolidated)

8. Order Volume by segment

① Order Backlog

(JPY million)

At the end of period	FY Mar. 2019	FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	3,559	4,339	779	21.9
Financial IT Solutions	154,930	165,449	10,518	6.8
Industrial IT Solutions	100,572	98,949	(1,623)	(1.6)
IT Platform Services	14,609	17,041	2,431	16.6
Total	273,672	285,779	12,106	4.4
(Order backlog in the next FY)	269,895	282,004	12,108	4.5

(JPY million)

At the end of the 3rd Quarter	3Q FY Mar. 2019	3Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	6,648	7,364	716	10.8
Financial IT Solutions	59,857	62,960	3,102	5.2
Industrial IT Solutions	36,496	35,046	(1,450)	(4.0)
IT Platform Services	5,775	6,815	1,040	18.0
Total	108,777	112,186	3,409	3.1
(Order backlog in the current FY)	98,030	98,692	662	0.7

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar. 2019	2Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	8,100	7,945	(155)	(1.9)
Financial IT Solutions	93,028	93,320	292	0.3
Industrial IT Solutions	60,510	59,007	(1,503)	(2.5)
IT Platform Services	8,618	9,618	1,000	11.6
Total	170,258	169,891	(366)	(0.2)
(Order backlog in the current FY)	164,924	162,810	(2,113)	(1.3)

(JPY million)

At the end of the 1st Quarter	1Q FY Mar. 2019	1Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	9,268	9,954	685	7.4
Financial IT Solutions	117,526	128,894	11,367	9.7
Industrial IT Solutions	82,501	83,708	1,206	1.5
IT Platform Services	11,949	12,558	609	5.1
Total	221,245	235,115	13,869	6.3
(Order backlog in the current FY)	219,523	228,872	9,349	4.3

(JPY million)

At beginning of period	FY Mar. 2019	FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	4,083	3,559	(523)	(12.8)
Financial IT Solutions	141,574	154,930	13,356	9.4
Industrial IT Solutions	96,801	100,572	3,770	3.9
IT Platform Services	14,295	14,609	314	2.2
Total	256,754	273,672	16,917	6.6
(Order backlog in the current FY)	255,259	269,895	14,636	5.7

FY March 2020 Financial Results (Consolidated)

8. Order Volume by segment

② Order Volume

(JPY million)

Full Year	FY Mar. 2019	FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	34,315	39,352	5,036	14.7
Financial IT Solutions	265,724	284,089	18,365	6.9
Industrial IT Solutions	184,653	176,867	(7,786)	(4.2)
IT Platform Services	33,467	40,671	7,203	21.5
Total	518,161	540,980	22,819	4.4

(JPY million)

4th Quarter	4Q FY Mar. 2019	4Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	7,019	8,485	1,465	20.9
Financial IT Solutions	163,132	173,499	10,367	6.4
Industrial IT Solutions	109,889	108,614	(1,274)	(1.2)
IT Platform Services	19,033	21,321	2,288	12.0
Total	299,073	311,921	12,847	4.3

(JPY million)

3rd Quarter	3Q FY Mar. 2019	3Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	7,374	9,307	1,933	26.2
Financial IT Solutions	30,818	37,119	6,300	20.4
Industrial IT Solutions	21,525	20,286	(1,239)	(5.8)
IT Platform Services	5,458	6,973	1,515	27.8
Total	65,176	73,687	8,510	13.1

(JPY million)

2nd Quarter	2Q FY Mar. 2019	2Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	7,440	7,542	101	1.4
Financial IT Solutions	37,125	31,479	(5,646)	(15.2)
Industrial IT Solutions	22,785	19,026	(3,759)	(16.5)
IT Platform Services	4,309	6,385	2,076	48.2
Total	71,661	64,433	(7,227)	(10.1)

(JPY million)

1st Quarter	1Q FY Mar. 2019	1Q FY Mar. 2020	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	12,480	14,016	1,536	12.3
Financial IT Solutions	34,648	41,991	7,343	21.2
Industrial IT Solutions	30,453	28,939	(1,513)	(5.0)
IT Platform Services	4,667	5,990	1,323	28.4
Total	82,249	90,938	8,688	10.6

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FY March 2020 Financial Results (Consolidated)

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FY March 2021 Financial Results Forecasts (Consolidated)

FY March 2021 Financial Results Forecasts (Consolidated)

1. Highlights and Dividend forecasts

(JPY billion)

	FY Mar.2020	FY Mar.2021	Y o Y	
	(Results)	(Forecasts)	Diff.	Change(%)
	Amount	Amount		
Sales	528.8	540.0	11.1	2.1
Consulting Services	96.8	96.0	(0.8)	(0.9)
System Development & System Application Sales	161.7	168.0	6.2	3.9
System Management & Operation Services	251.9	258.0	6.0	2.4
Product Sales	18.3	18.0	(0.3)	(2.2)
Operating Profit	83.1	83.0	(0.1)	(0.2)
(Operating Profit Margin)	15.7%	15.4%	(0.4P)	
Profit attributable to owners of parent	69.2	59.0	(10.2)	(14.8)
Dividends per share(JPY)	32.00	34.00	2.00	6.3
Second quarter(JPY)	15.00	17.00	2.00	13.3
Fiscal year end(JPY)	17.00	17.00	—	—

FY March 2021 Financial Results Forecasts (Consolidated)

2. Sales Forecasts by segment

(JPY billion)

	FY Mar.2020 (Results)		FY Mar.2021 (Forecasts)		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	38.5	7.3	36.0	6.7	(2.5)	(6.7)
Financial IT Solutions	273.5	51.7	285.0	52.8	11.4	4.2
Securities	112.7	21.3	125.0	23.1	12.2	10.9
Insurance	66.3	12.6	64.0	11.9	(2.3)	(3.6)
Banking	51.0	9.6	51.0	9.4	(0.0)	(0.0)
Other financial	43.4	8.2	45.0	8.3	1.5	3.7
Industrial IT Solutions	178.4	33.7	177.0	32.8	(1.4)	(0.8)
Distribution	66.7	12.6	66.0	12.2	(0.7)	(1.2)
Manufacturing, service and other	111.7	21.1	111.0	20.6	(0.7)	(0.6)
IT Platform Services	38.2	7.2	42.0	7.8	3.7	9.8
Total	528.8	100.0	540.0	100.0	11.1	2.1

FY March 2021 Financial Results Forecasts (Consolidated)

3. Capital Expenditure, Research and Development Expenses Forecasts

(JPY billion)

	FY Mar.2020	FY Mar.2021	Y o Y	
	(Results)	(Forecasts)	Diff.	Change(%)
	Amount	Amount		
Capital Expenditure	28.4	38.0	9.5	33.3
Tangible	6.6	13.0	6.3	94.5
Intangible	21.8	25.0	3.1	14.6
Research and Development Expenses	4.3	4.0	(0.3)	(7.2)

4. Depreciation and Amortization Forecasts

(JPY billion)

	FY Mar.2020	FY Mar.2021	Y o Y	
	(Results)	(Forecasts)	Diff.	Change(%)
	Amount	Amount		
Depreciation and Amortization	30.4	33.0	2.5	8.5

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