

Financial Results Presentation

Financial Results for 1st Quarter FY March 2020

Nomura Research Institute, Ltd.

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July 25, 2019



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Financial Results for 1st Quarter FY March 2020

Highlights of Consolidated Financial Results

■ YoY comparison (* are shown as a reference)

(JPY million)

	1Q FY Mar. 2019	1Q FY Mar. 2020	Diff.	YoY Change
Sales	117,758	129,495	11,737	10.0%
Operating Profit before goodwill amortization *	16,258	21,170	4,911	30.2%
Operating Profit	15,334	20,353	5,019	32.7%
Operating Profit Margin before goodwill amortization *	13.8%	16.3%	2.5P	
Operating Profit Margin	13.0%	15.7%	2.7P	
EBITDA Margin	20.1%	22.4%	2.3P	
Profit attributable to owners of parent	11,161	14,245	3,084	27.6%

Financial Results for 1st Quarter FY March 2020

Key Factors in Financial Results for 1Q FY March 2020

■ Higher income with +10.0% in sales

- Financial IT had higher revenues due to strong performance in development projects for insurance and banking
- Consulting and industrial IT maintained strong performance in domestic DX projects

■ +32.7% in operating profit

- Financial IT experienced a recovery in profitability due to factors such as increased revenue effects and large-scale product sales
- Improved profitability in industrial IT was also a contributing factor

Medium-Term Management Plan (2019-2022) is off to a good start

Financial Results for 1st Quarter FY March 2020

External sales by segment <Total>

(JPY million)

	1Q FY Mar. 2019*	Share	1Q FY Mar. 2020	Share	Diff.	YoY 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%

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

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Financial Results for 1st Quarter FY March 2020

External sales by segment <Total>(supplementary information)

■ Sales by main client

(JPY million)

	1Q FY Mar. 2019	Share*	1Q FY Mar. 2020	Share*	Diff.	YoY 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%

* Percentage of (total) external sales

■ Overseas sales

(JPY million)

	1Q FY Mar. 2019	Share**	1Q FY Mar. 2020	Share**	Diff.	YoY Change
Overseas sales	14,675	12.5%	12,686	9.8%	(1,988)	(13.6%)
North America*	2,620	2.2%	2,351	1.8%	(269)	(10.3%)
Oceania*	10,120	8.6%	8,873	6.9%	(1,247)	(12.3%)
Asia, other*	1,934	1.6%	1,462	1.1%	(472)	(24.4%)

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

** Percentage of (total) external sales

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Financial Results for 1st Quarter FY March 2020

Segment Performance Results <Total>

■ Including Inter-segment sales for each segment.

(JPY million)

		1Q FY Mar. 2019*	1Q FY Mar. 2020	Diff.	YoY Change
Consulting	Sales	7,419	7,767	348	4.7%
	OP	1,133	613	(519)	(45.8%)
	OPM	15.3%	7.9%	(7.4P)	
Financial IT Solutions	Sales	59,330	68,592	9,262	15.6%
	OP	6,165	10,312	4,146	67.3%
	OPM	10.4%	15.0%	4.6P	
Industrial IT Solutions	Sales	45,371	46,470	1,099	2.4%
	OP	4,296	5,190	894	20.8%
	OPM	9.5%	11.2%	1.7P	
IT Platform Services	Sales	29,692	31,957	2,264	7.6%
	OP	3,402	3,955	553	16.3%
	OPM	11.5%	12.4%	0.9P	

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Financial Results for 1st Quarter FY March 2020

Analysis of increase and decrease factors

- Main factors for increases and decreases in external sales and operating profit by segment are as follows.

(Key) (+) Increase factors, (–) Decrease factors

Segment		External sales	Operating profit
Consulting			
Financial IT Solutions	Securities	(+) Sales of products for securities brokerages	(+) Higher profit due to increased revenue effects (+) More capacity being utilized due to systems shifts
	Insurance	(+) Systems development for life and non-life insurers	
	Banking	(+) Systems development for new-format banks	
	Other financial, etc.		
Industrial IT Solutions	Distribution	(+) Increases for multiple clients including Seven & I Holdings	(+) Increased income effects for multiple major clients (+) More capacity being utilized along with increases in projects
	Manufacturing & services, etc.		
IT Platform Services		(+) Increases in digital workplace and cloud-related business	

Financial Results for 1st Quarter FY March 2020

Sales by Service <Total>

(JPY million)

	1Q FY Mar. 2019	1Q FY Mar. 2020	Diff.	YoY Change
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%
Total	117,758	129,495	11,737	10.0%

Financial Results for 1st Quarter FY March 2020

Consolidated P/L Highlight <Total>

(JPY million)

	1Q FY Mar. 2019	1Q FY Mar. 2020	Diff.	YoY Change
Sales	117,758	129,495	11,737	10.0%
Cost of Sales	79,308	85,392	6,084	7.7%
Subcontracting Costs	34,522	39,064	4,542	13.2%
Gross Profit	38,450	44,102	5,652	14.7%
Gross Profit Margin	32.7%	34.1%	1.4P	
SG&A	23,115	23,749	633	2.7%
Amortization of goodwill	923	816	(107)	(11.6%)
Operating Profit	15,334	20,353	5,019	32.7%
Operating Profit Margin	13.0%	15.7%	2.7P	

Financial Results for 1st Quarter FY March 2020

Consolidated P/L Highlight <Total> (continued)

(JPY million)

	1Q FY Mar. 2019	1Q FY Mar. 2020	Diff.	YoY Change
Operating Profit	15,334	20,353	5,019	32.7%
Non-operating income and loss	530	808	278	52.5%
Dividend Income	647	602	(44)	(6.9%)
Extraordinary income and loss	1,227	(10)	(1,237)	
Gain on sales of investment securities	1,114	—	(1,114)	
Income taxes etc.	5,799	6,791	991	17.1%
Profit attributable to owners of parent	11,161	14,245	3,084	27.6%

Financial Results for 1st Quarter FY March 2020

Order Backlog by Segment (Outstanding)

(JPY million)

	At end of Jun. 2018*	At end of Jun. 2019	Diff.	YoY 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%

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Financial Results for 1st Quarter FY March 2020

Order Backlog by Segment (Domestic/Overseas)

■ Order backlog domestically

(JPY million)

	At end of Jun. 2018*	At end of Jun. 2019	Diff.	YoY Change
Consulting	8,689	9,550	860	9.9%
Financial IT Solutions	116,827	128,282	11,455	9.8%
Industrial IT Solutions	56,351	57,660	1,308	2.3%
IT Platform Services	11,949	12,558	609	5.1%
Total	193,817	208,051	14,233	7.3%

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

■ Order backlog of overseas subsidiaries

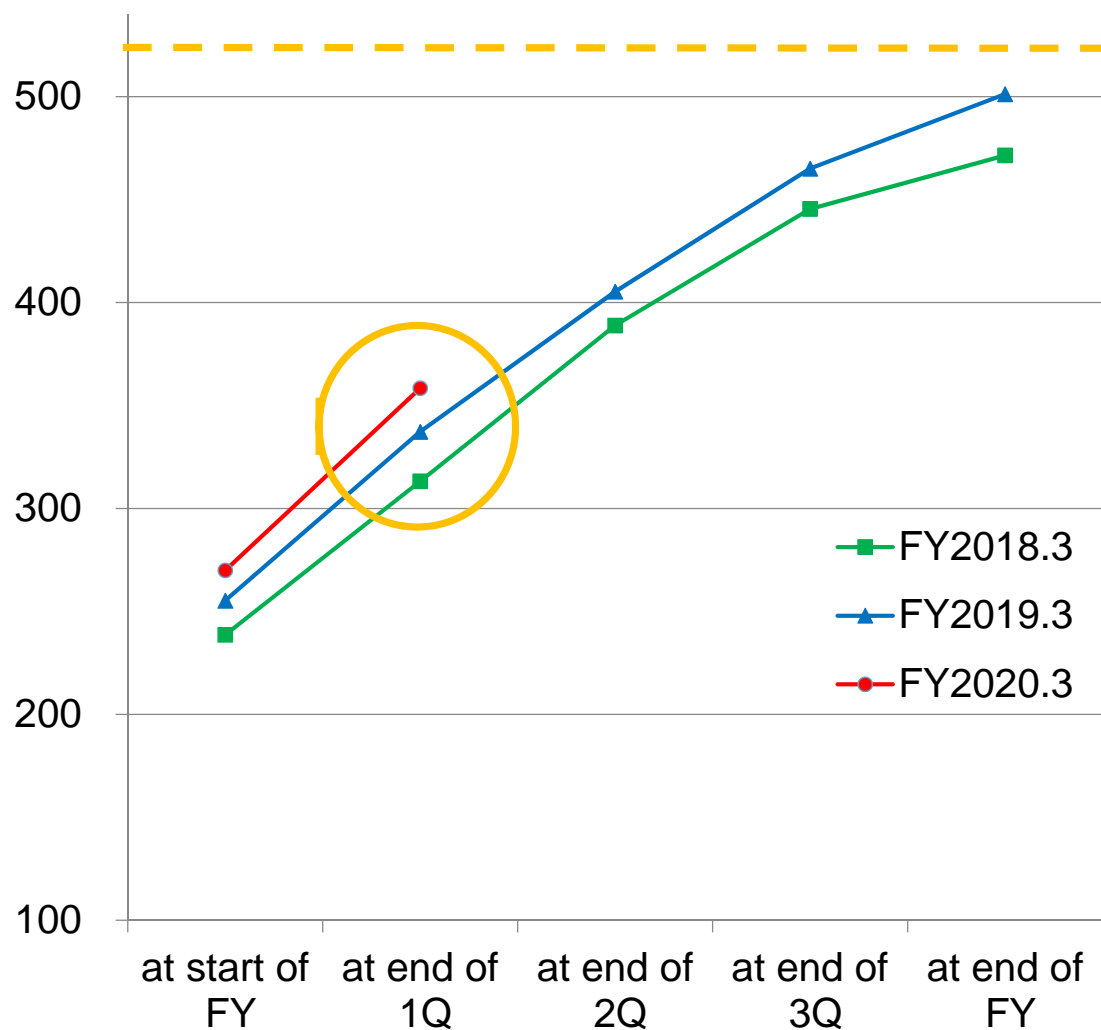
(JPY million)

	At end of Jun. 2018	At end of Jun. 2019	Diff.	YoY Change
Overseas subsidiaries	27,428	27,064	(363)	(1.3%)

Financial Results for 1st Quarter FY March 2020

Sales + Consolidated Order Backlog

(JPY billion)



(JPY billion)

	FY Mar.2019	FY Mar.2020	YoY Change
Sales^{*1}	501.2	530.0	+5.7%
Sales^{*2+} Consolidated Order Backlog^{*3}	337.2	358.3	+6.3%
Realization rate	67.3%	67.6%	0.3P

(※1) FY Mar.2019: Result, FY Mar. 2020: Forecast
 (※2) The figure at the end of 1Q
 (※3) The figure at the end of 1Q

Financial Results for 1st Quarter FY March 2020

Results through 1Q and Full-Year Earnings Forecast

(JPY billion)

		1Q	2Q	3Q	4Q	FY
FY March 2017	Sales	100.3	102.7	105.3	116.0	424.5
	OP	13.6	12.6	16.3	15.8	58.5
	OPM	13.6%	12.3%	15.5%	13.7%	13.8%
FY March 2018	Sales	106.6	113.5	121.3	129.8	471.4
	OP	13.1	15.9	17.5	18.5	65.1
	OPM	12.3%	14.1%	14.4%	14.3%	13.8%
FY March 2019	Sales	117.7	122.6	126.6	134.1	501.2
	OP	15.3	17.7	18.3	20.0	71.4
	OPM	13.0%	14.5%	14.5%	14.9%	14.3%
FY March 2020 (Figures for 2Q and full-year are estimates)	Sales	129.4	125.5	275.0		530.0
	OP	20.3	15.6	40.0		76.0
	OPM	15.7%	12.5%	14.5%		14.3%

Note: Figures for the 2Q of the fiscal year ending March 31, 2020 were calculated by subtracting 1Q results from forecasts for 1H.

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Measures for medium to long-term growth

Agreement to establish a new joint venture with Nomura Holdings

- **Using blockchain technology to build new infrastructure for issuing and distributing securities and other rights, and conducting pertinent business for support (consulting, providing IT services, etc.)**
 - Date to be established: Aiming for August 2019
 - Ownership ratio: Nomura Holdings 66%; NRI 34% (planned)

Agreement to establish a new joint venture with QUICK (Corp.)

- **Provide systems development and services that make sales and marketing activities of financial institutions more advanced and their operations more efficient, including providing easy-to-use explanations on tablet devices and information about overseas stocks, securitized products, and other complicated products**
 - Date to be established: October 1, 2019
 - Ownership ratio: NRI 51%; QUICK 49% (planned)

Recent Activities

Share Buyback by Tender Offer

- NRI has decided to implement the tender offer for the purpose of improving capital efficiency, increasing shareholder value, and enhance further independence of its management.

Tender offer period	From 1st July, 2019 to 29th July, 2019 (20 business days)
Total amount to be purchased	Approximately ¥160 billion
Total number of shares to be purchased	101,910,700 shares <ul style="list-style-type: none">• The holding ratio of Nomura HD is expected to decline from 36.6% to 23.1%, in the event that all of the shares subscribed by Nomura HD would be purchased.
Tender offer price	¥1,570 (9.4% discount from the closing stock price on 17th June)
Impact on growth strategy	<ul style="list-style-type: none">• No changes to our growth strategy set out in the medium-term management plan (2019-2022)
Impact on capital Policy	<ul style="list-style-type: none">• Continue to emphasize financial discipline and maintain financial soundness and stability• Maintain the payout ratio target of 35%

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Reference materials -Other Financial Result-related Data-

Order Volume <Total>

(JPY million)

	1Q FY Mar. 2019*	1Q FY Mar. 2020	Diff.	YoY 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%

* On April 1, 2019 all business of overseas subsidiary ASG Group was re-classified into the Industrial IT Solutions segment. Year-on-year comparisons use the figures for the same period in the previous year for the business segment following the relevant change.

Reference materials -Other Financial Result-related Data-

Order Volume <Total> (Domestic/Overseas)

■ Order backlog domestically

(JPY million)

	1Q FY Mar. 2019*	1Q FY Mar. 2020	Diff.	YoY Change
Consulting	11,344	13,009	1,665	14.7%
Financial IT Solutions	33,467	40,817	7,350	22.0%
Industrial IT Solutions	25,871	23,101	(2,770)	(10.7%)
IT Platform Services	4,652	5,946	1,294	27.8%
Total	75,335	82,874	7,539	10.0%

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■ Order backlog of overseas subsidiaries

(JPY million)

	1Q FY Mar. 2019	1Q FY Mar. 2020	Diff.	YoY Change
Overseas subsidiaries	6,914	8,063	1,149	16.6%

Reference materials -Other Financial Result-related Data-

DX-related sales

■ Main DX-related business in the Medium-Term Plan

- DX consulting
 - Business efficiency improvements through initiatives such as supply chain management reforms, digital IT management, public sector, etc.
- Data analytics
- Business platform implementation for finance
- Building e-commerce websites (D2C projects)
 - *D2C: Direct to Consumer
- Efforts in PCI (ERP packages and migration to cloud)
- Efforts in Digital Workplace

DX-related index (1Q FY March 2020)

DX-related sales	73.7 billion yen
Ratio of DX-related sales	57%

Financial Results Forecasts for FY March 2020

Forecasts for FY March 2020

- There are no revisions to financial results forecasts.
- Following indicators are recalculated.

(JPY billion)

	FY Mar. 2019 (Results)	FY Mar. 2020 (Forecasts)	Diff.	YoY Change
Sales	501.2	530.0	28.7	5.7%
Operating Profit	71.4	76.0	4.5	6.4%
Operating Profit Margin	14.3%	14.3%	0.1P	
Profit attributable to owners of parent	50.9	55.0	4.0	8.0%
Earnings Per Share*	¥72.11	¥79.21	¥7.10	
Dividends Per Share*	¥30.00	¥30.00	-	
End of Q2*	¥15.00	¥15.00	-	
Fiscal year end*	¥15.00	¥15.00	-	
Payout Ratio	41.5%	38.4%	(3.1P)	

* On July 1, 2019 we conducted a 3-for-1 share split of our common stock, and the values shown for quarterly net profit per share (this fiscal year) are calculated supposing that the share split had taken place at the outset of the previous fiscal year.

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Financial Results Forecasts for FY March 2020

Forecasts for FY March 2020

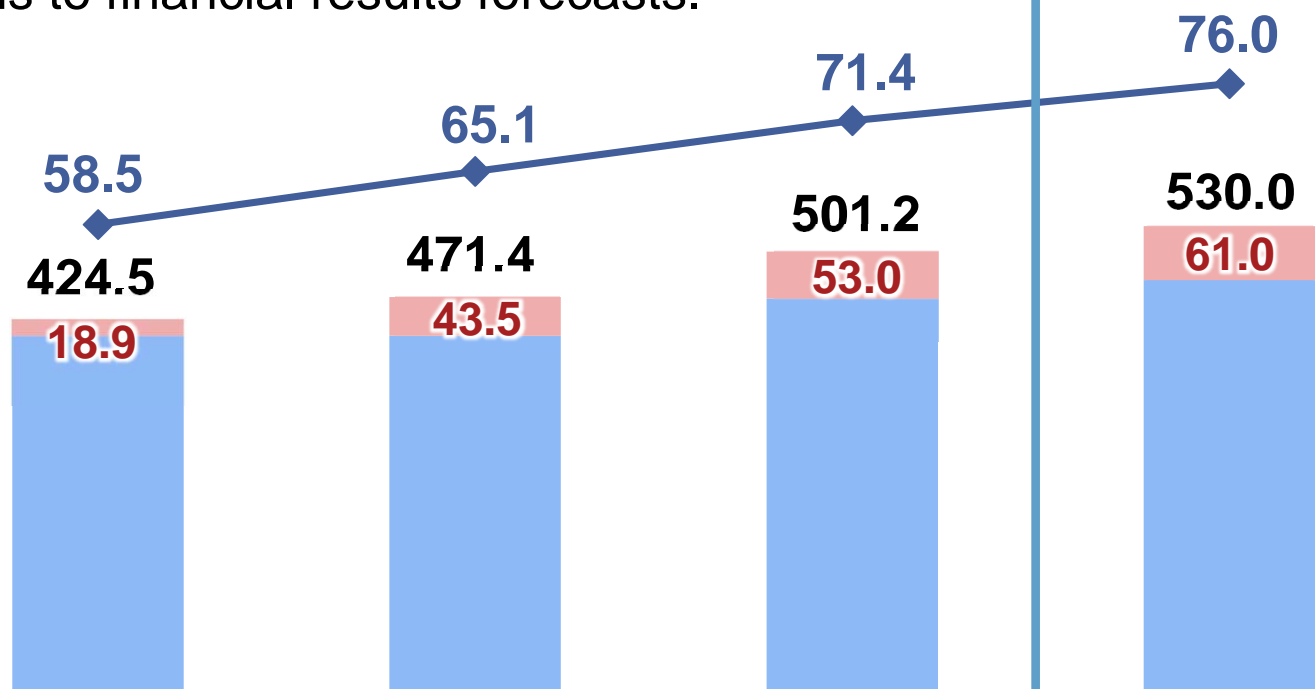
(JPY billion)

- There are no revisions to financial results forecasts.

Consolidated operating profit

Consolidated sales

Overseas sales



	FY March 2017 (Results)	FY March 2018 (Results)	FY March 2019 (Results)	FY March 2020 (Forecast)
Consolidated sales	424.5	471.4	501.2	530.0
Consolidated operating profit	58.5	65.1	71.4	76.0
Consolidated operating profit margin	13.8 %	13.8 %	14.3 %	14.3 %
Overseas sales	18.9	43.5	53.0	61.0

Reference materials -Other Financial Result-related Data-

Sales Forecasts by Segment for FY March 2020

(JPY billion)

■ There are no revisions to financial results forecasts.

	FY Mar. 2019 (Results)*	Share	FY Mar. 2020 (Forecasts)	Share	Diff.	YoY Change
Consulting	34.8	7.0%	37.0	7.0%	2.1	6.2%
Financial IT Solutions	252.3	50.3%	266.0	50.2%	13.6	5.4%
Securities	100.3	20.0%	110.0	20.8%	9.6	9.7%
Insurance	64.8	12.9%	66.0	12.5%	1.1	1.7%
Banking	43.4	8.7%	45.0	8.5%	1.5	3.7%
Other financial	43.7	8.7%	45.0	8.5%	1.2	2.8%
Industrial IT Solutions	180.8	36.1%	190.0	35.8%	9.1	5.0%
Distribution	66.8	13.3%	68.0	12.8%	1.1	1.8%
Manufacturing, service and other	114.0	22.8%	122.0	23.0%	7.9	7.0%
IT Platform Services	33.1	6.6%	37.0	7.0%	3.8	11.6%
Total	501.2	100.0%	530.0	100%	28.7	5.7%

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Reference materials -Other Financial Result-related Data- Sales Forecasts by Service for FY March 2020

- There are no revisions to financial results forecasts.

(JPY billion)

	FY Mar. 2019 (Results)	FY Mar. 2020 (Forecasts)	Diff.	YoY Change
Consulting Services	90.8	95.0	4.1	4.6%
System Development & System Application Sales	150.4	165.0	14.5	9.7%
System Management & Operation Services	244.2	255.0	10.7	4.4%
Product Sales	15.6	15.0	(0.6)	(4.4%)
Total	501.2	530.0	28.7	5.7%

Reference materials -Other Financial Result-related Data-

CAPEX, R&D and Depreciation Forecasts for FY March 2020

- There are no revisions to financial results forecasts.

Capital Expenditure, R&D

(JPY billion)

	FY Mar. 2019 (Results)	FY Mar. 2020 (Forecasts)	Diff.	YoY Change
Capital Expenditure	26.2	30.0	3.7	14.2%
Tangible	5.6	8.0	2.3	42.5%
Intangible	20.6	22.0	1.3	6.5%
R&D	3.6	4.0	0.3	9.1%

Depreciation and Amortization

(JPY billion)

	FY Mar. 2019 (Results)	FY Mar. 2020 (Forecasts)	Diff.	YoY Change
Total	30.4	31.0	0.5	1.9%

Reference materials -Other Financial Result-related Data-

FY March 2020 Financial Results Forecasts < 1H/2H >

- There are no revisions to financial results forecasts.

1H (JPY billion)

	FY Mar. 2019 1H (Results)	FY Mar. 2020 1H (Forecasts)	Diff.	YoY Change
Sales	240.4	255.0	14.5	6.1%
Operating Profit	33.1	36.0	2.8	8.7%
Operating Profit Margin	13.8%	14.1%	0.3P	
Profit attributable to owners of parent	22.9	26.0	3.0	13.3%

2H (JPY billion)

	FY Mar. 2019 2H (Results)	FY Mar. 2020 2H (Forecasts)	Diff.	YoY Change
Sales	260.8	275.0	14.1	5.4%
Operating Profit	38.3	40.0	1.6	4.3%
Operating Profit Margin	14.7%	14.5%	(0.2P)	
Profit attributable to owners of parent	27.9	29.0	1.0	3.6%

Reference materials -Other Financial Result-related Data-

Sales Forecasts by Segment for FY March 2020 < 1H/2H >

- There are no revisions to financial results forecasts.

(JPY billion)

1H

	FY Mar. 2019 1H (Results)*	Share	FY Mar. 2020 1H (Forecasts)	Share	Diff.	YoY Change
Consulting	15.9	6.6%	17.0	6.7%	1.0	6.9%
Financial IT Solutions	120.3	50.0%	129.0	50.6%	8.6	7.2%
Securities	48.4	20.1%	55.0	21.6%	6.5	13.6%
Insurance	29.3	12.2%	30.0	11.8%	0.6	2.3%
Banking	20.9	8.7%	22.0	8.6%	1.0	4.9%
Other financial	21.6	9.0%	22.0	8.6%	0.3	1.8%
Industrial IT Solutions	89.5	37.2%	92.0	36.1%	2.4	2.8%
Distribution	32.5	13.5%	33.0	12.9%	0.4	1.4%
Manufacturing, service and other	56.9	23.7%	59.0	23.1%	2.0	3.5%
IT Platform Services	14.6	6.1%	17.0	6.7%	2.3	16.0%
Total	240.4	100.0%	255.0	100.0%	14.5	6.1%

(JPY billion)

2H

	FY Mar. 2019 2H (Results)*	Share	FY Mar. 2020 2H (Forecasts)	Share	Diff.	YoY Change
Consulting	18.9	7.3%	20.0	7.3%	1.0	5.6%
Financial IT Solutions	132.0	50.6%	137.0	49.8%	4.9	3.7%
Securities	51.8	19.9%	55.0	20.0%	3.1	6.0%
Insurance	35.5	13.6%	36.0	13.1%	0.4	1.3%
Banking	22.4	8.6%	23.0	8.4%	0.5	2.5%
Other financial	22.1	8.5%	23.0	8.4%	0.8	3.7%
Industrial IT Solutions	91.3	35.0%	98.0	35.6%	6.6	7.3%
Distribution	34.2	13.1%	35.0	12.7%	0.7	2.1%
Manufacturing, service and other	57.0	21.9%	63.0	22.9%	5.9	10.4%
IT Platform Services	18.5	7.1%	20.0	7.3%	1.4	8.1%
Total	260.8	100.0%	275.0	100.0%	14.1	5.4%

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Reference materials -Other Financial Result-related Data-

Sales Forecasts by Service for FY March 2020 < 1H/2H >

- There are no revisions to financial results forecasts.

(JPY billion)

1H	FY Mar. 2019 1H (Results)	FY Mar. 2020 1H (Forecasts)	Diff.	YoY Change
Consulting Services	43.7	44.0	0.2	0.6%
System Development & System Application Sales	68.9	80.0	11.0	16.0%
System Management & Operation Services	120.4	124.0	3.5	2.9%
Product Sales	7.2	7.0	(0.2)	(4.0%)
Total	240.4	255.0	14.5	6.1%

(JPY billion)

2H	FY Mar. 2019 2H (Results)	FY Mar. 2020 2H (Forecasts)	Diff.	YoY Change
Consulting Services	47.0	51.0	3.9	8.3%
System Development & System Application Sales	81.5	85.0	3.4	4.3%
System Management & Operation Services	123.8	131.0	7.1	5.8%
Product Sales	8.3	8.0	(0.3)	(4.7%)
Total	260.8	275.0	14.1	5.4%

Reference materials -Other Financial Result-related Data-

Forecasts for FY March 2020 <Consolidated Earnings Model>

- There are no revisions to financial results forecasts.

- FY March 2020 Consolidated Earnings Model

- Sales of JPY530.0 billion and Operating profit of JPY76.0 billion

(JPY billion)

	FY Mar. 2018 (Results)	FY Mar. 2019 (Results)	FY Mar. 2020 (Forecasts)*	YoY	
				Diff.	Change
Sales	471.4	501.2	530.0	28.7	5.7%
Cost of Sales	311.8	336.5	356.0	19.4	5.8%
Personnel	104.0	111.1	116.0	4.8	4.4%
Subcontracting Costs	135.5	150.6	160.0	9.3	6.2%
Depreciation	30.0	28.7	29.0	0.2	1.0%
Gross Profit	159.6	164.7	174.0	9.2	5.6%
Gross Profit Margin	33.9%	32.9%	32.8%	(0.0P)	
SG&A	94.4	93.2	98.0	4.7	5.0%
Operating Profit	65.1	71.4	76.0	4.5	6.4%
Operating Profit Margin	13.8%	14.3%	14.3%	0.1P	

* Figures are consolidated estimates for preparing this earnings model.

Reference materials -Other Financial Result-related Data-

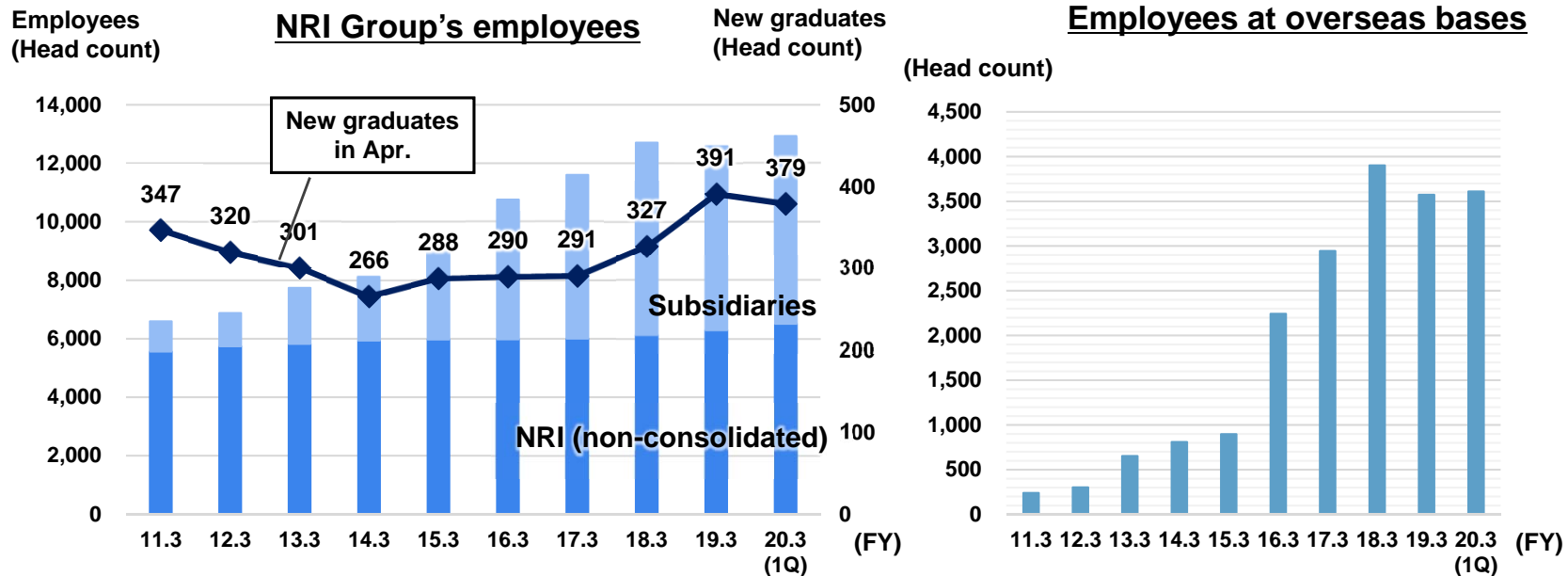
NRI's employees + Partners (in Japan & China)

■ NRI Group-s employees

Personnel:

12,935*

- Management Consultants
- Systems Consultants
- Application Engineers
- Technical Engineers, etc.



■ Subcontractors

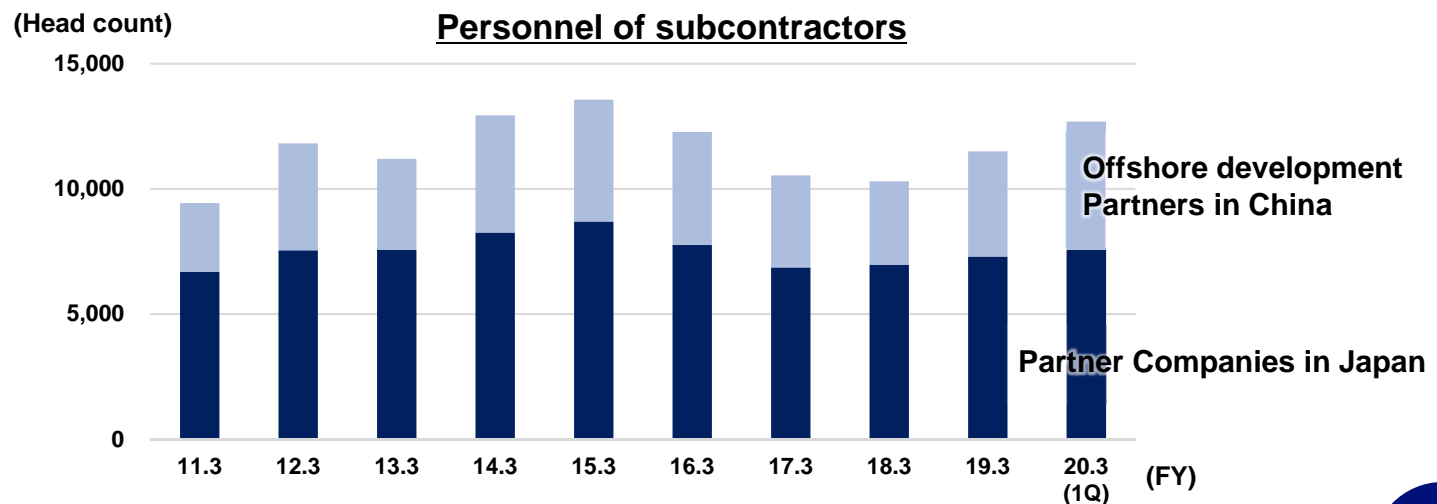
■ Offshore development Partners in China

19 partners in 19 regions

Personnel: Approx. 5,000

■ Partner Companies in Japan

Personnel: Approx. 7,500



This document contains statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company.

Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors.

The Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

Figures given in the reference data related to the financial results forecasts are figures which are only intended to convey the Company's current circumstances and outlook. The Company does not undertake to revise the forecasts to reflect new information or circumstances.

The text is framed by two decorative swooshes. The top swoosh is a gradient bar that transitions from blue on the left to red on the right. The bottom swoosh is a solid blue bar.

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