

# 2Q FY March 2018 Financial Results

October 26, 2017

Nomura Research Institute, Ltd.

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I . 2Q FY March 2018 Financial Results (Consolidated)

II . FY March 2018 Financial Results Forecasts (Consolidated)

# I .2Q FY March 2018 Financial Results (Consolidated)



## (1) Highlights

(JPY million)

2nd Quarter Total	1H FY	1H FY	Y o Y		1H FY	Comparison to forecasts		FY Mar.2017
	Mar.2017	Mar.2018	Diff.	Change(%)	Mar.2018 (Forecasts)	Diff.	Change(%)	Amount
Sales	203,165	220,214	17,049	8.4	225,000	(4,785)	(2.1)	424,548
Consulting Services	27,139	31,981	4,842	17.8	32,000	(18)	(0.1)	62,734
System Development & System Application Sales	66,376	63,815	(2,560)	(3.9)	72,000	(8,184)	(11.4)	131,908
System Management & Operation Services	104,503	117,155	12,651	12.1	116,000	1,155	1.0	217,271
Product Sales	5,145	7,262	2,116	41.1	5,000	2,262	45.2	12,634
Cost of Sales	135,921	144,940	9,018	6.6				280,761
Gross Profit	67,243	75,274	8,030	11.9				143,787
Gross Profit Margin	33.1%	34.2%	1.1P					33.9%
Selling, general and administrative expenses	40,902	46,176	5,274	12.9				85,272
OP(Before goodwill amortization)	26,953	30,933	3,980	14.8				60,456
Operating Profit	26,341	29,097	2,756	10.5	31,000	(1,902)	(6.1)	58,514
OPM(Before goodwill amortization)	13.3%	14.0%	0.8P					14.2%
Operating Profit Margin	13.0%	13.2%	0.2P					13.8%
Non-operating income and loss	1,616	938	(677)	(41.9)				1,839
Extraordinary income and loss	12,989	20,231	7,241	55.8				4,638
Profit attributable to owners	28,843	33,377	4,533	15.7	35,500	(2,122)	(6.0)	45,064
Earnings per share(JPY)	116.32	136.09	19.76					181.77
Dividends per share(JPY)	40.00	45.00	5.00	12.5				80.00

※ NRI implemented a 1:1.1 stock split of common shares with an effective date of January 1, 2017.

Earnings per share states the amount calculated assuming that the stock splits had been conducted at the beginning of the previous fiscal year.

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

# I .2Q FY March 2018 Financial Results (Consolidated)

(JPY million)

2nd Quarter	2Q FY	2Q FY	Y o Y	
	Mar.2017	Mar.2018	Diff.	Change(%)
	Amount	Amount		
Sales	102,773	113,578	10,805	10.5
Consulting Services	14,806	17,651	2,845	19.2
System Development & System Application Sales	33,121	33,096	(24)	(0.1)
System Management & Operation Services	52,115	58,822	6,707	12.9
Product Sales	2,730	4,007	1,277	46.8
Cost of Sales	69,772	74,932	5,160	7.4
Gross Profit	33,001	38,646	5,644	17.1
Gross Profit Margin	32.1%	34.0%	1.9P	
Selling, general and administrative expenses	20,349	22,664	2,315	11.4
OP(Before goodwill amortization)	13,025	16,902	3,877	29.8
Operating Profit	12,652	15,981	3,328	26.3
OPM(Before goodwill amortization)	12.7%	14.9%	2.2P	
Operating Profit Margin	12.3%	14.1%	1.8P	
Non-operating income and loss	65	(81)	(147)	(224.7)
Extraordinary income and loss	13,143	18,838	5,694	43.3
Profit attributable to owners of parent	18,492	23,715	5,223	28.2
Earnings per share(JPY)	74.73	97.88	23.15	

(JPY million)

1st Quarter	1Q FY	1Q FY	Y o Y	
	Mar.2017	Mar.2018	Diff.	Change(%)
	Amount	Amount		
Sales	100,391	106,636	6,244	6.2
Consulting Services	12,332	14,329	1,997	16.2
System Development & System Application Sales	33,255	30,719	(2,536)	(7.6)
System Management & Operation Services	52,387	58,332	5,944	11.3
Product Sales	2,415	3,254	838	34.7
Cost of Sales	66,149	70,008	3,858	5.8
Gross Profit	34,241	36,627	2,386	7.0
Gross Profit Margin	34.1%	34.3%	0.2P	
Selling, general and administrative expenses	20,553	23,511	2,958	14.4
OP(Before goodwill amortization)	13,928	14,031	103	0.7
Operating Profit	13,688	13,116	(572)	(4.2)
OPM(Before goodwill amortization)	13.9%	13.2%	(0.7P)	
Operating Profit Margin	13.6%	12.3%	(1.3P)	
Non-operating income and loss	1,551	1,020	(530)	(34.2)
Extraordinary income and loss	(153)	1,393	1,547	—
Profit attributable to owners of parent	10,351	9,661	(689)	(6.7)
Earnings per share(JPY)	41.66	38.91	(2.74)	

# I .2Q FY March 2018 Financial Results (Consolidated)



## (2) Sales and Operating Profit by segment

### ① Segment performance results (including sales for each segment)

(JPY million)

2nd Quarter Total		1H FY Mar.2017		1H FY Mar.2018		Y o Y		FY Mar.2017	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	Sales	13,400	6.6	16,737	7.6	3,337	24.9	31,161	7.3
	Operating Profit	2,089	7.9	1,718	5.9	(370)	(17.7)	5,853	10.0
	Operating Profit Margin	15.6%	/	10.3%	/	(5.3P)	/	18.8%	/
Financial IT Solutions	Sales	120,305	59.2	121,582	55.2	1,277	1.1	248,188	58.5
	Operating Profit	11,770	44.7	11,875	40.8	105	0.9	26,461	45.2
	Operating Profit Margin	9.8%	/	9.8%	/	(0.0P)	/	10.7%	/
Industrial IT Solutions	Sales	50,832	25.0	63,355	28.8	12,522	24.6	107,672	25.4
	Operating Profit	3,653	13.9	6,243	21.5	2,590	70.9	9,076	15.5
	Operating Profit Margin	7.2%	/	9.9%	/	2.7P	/	8.4%	/
IT Platform Services	Sales	60,727	29.9	63,094	28.7	2,367	3.9	122,107	28.8
	Operating Profit	7,337	27.9	7,738	26.6	400	5.5	14,015	24.0
	Operating Profit Margin	12.1%	/	12.3%	/	0.2P	/	11.5%	/
Others	Sales	6,546	3.2	7,131	3.2	584	8.9	13,461	3.2
	Operating Profit	908	3.4	986	3.4	78	8.6	1,968	3.4
	Operating Profit Margin	13.9%	/	13.8%	/	(0.0P)	/	14.6%	/
Inter-segment sales and eliminations	Sales	(48,648)	(23.9)	(51,687)	(23.5)	(3,038)	/	(98,043)	(23.1)
	Operating Profit	582	2.2	535	1.8	(47)	/	1,139	1.9
Total	Sales	203,165	100.0	220,214	100.0	17,049	8.4	424,548	100.0
	Operating Profit	26,341	100.0	29,097	100.0	2,756	10.5	58,514	100.0
	Operating Profit Margin	13.0%	/	13.2%	/	0.2P	/	13.8%	/

# I .2Q FY March 2018 Financial Results (Consolidated)



(JPY million)

2nd Quarter		2Q FY Mar.2017		2Q FY Mar.2018		YoY	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	7,261	7.1	9,303	8.2	2,042	28.1
	Operating Profit	1,738	13.7	1,733	10.8	(5)	(0.3)
	Operating Profit Margin	23.9%	/	18.6%	/	(5.3P)	/
Financial IT Solutions	Sales	60,588	59.0	62,053	54.6	1,465	2.4
	Operating Profit	5,079	40.1	6,090	38.1	1,011	19.9
	Operating Profit Margin	8.4%	/	9.8%	/	1.4P	/
Industrial IT Solutions	Sales	25,337	24.7	32,617	28.7	7,280	28.7
	Operating Profit	1,486	11.7	3,185	19.9	1,699	114.3
	Operating Profit Margin	5.9%	/	9.8%	/	3.9P	/
IT Platform Services	Sales	30,372	29.6	32,178	28.3	1,805	5.9
	Operating Profit	3,536	27.9	4,119	25.8	583	16.5
	Operating Profit Margin	11.6%	/	12.8%	/	1.2P	/
Others	Sales	3,343	3.3	3,702	3.3	358	10.7
	Operating Profit	469	3.7	542	3.4	72	15.5
	Operating Profit Margin	14.0%	/	14.6%	/	0.6P	/
Inter-segment sales and eliminations	Sales	(24,130)	(23.5)	(26,277)	(23.1)	(2,147)	/
	Operating Profit	342	2.7	309	1.9	(33)	/
Total	Sales	102,773	100.0	113,578	100.0	10,805	10.5
	Operating Profit	12,652	100.0	15,981	100.0	3,328	26.3
	Operating Profit Margin	12.3%	/	14.1%	/	1.8P	/

# I .2Q FY March 2018 Financial Results (Consolidated)



(JPY million)

1st Quarter		1Q FY Mar.2017		1Q FY Mar.2018		YoY	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	6,138	6.1	7,433	7.0	1,295	21.1
	Operating Profit	350	2.6	(14)	(0.1)	(364)	—
	Operating Profit Margin	5.7%	/	(0.2%)	/	(5.9P)	/
Financial IT Solutions	Sales	59,717	59.5	59,529	55.8	(188)	(0.3)
	Operating Profit	6,691	48.9	5,784	44.1	(906)	(13.5)
	Operating Profit Margin	11.2%	/	9.7%	/	(1.5P)	/
Industrial IT Solutions	Sales	25,495	25.4	30,737	28.8	5,241	20.6
	Operating Profit	2,166	15.8	3,057	23.3	890	41.1
	Operating Profit Margin	8.5%	/	9.9%	/	1.4P	/
IT Platform Services	Sales	30,355	30.2	30,916	29.0	561	1.8
	Operating Profit	3,801	27.8	3,618	27.6	(183)	(4.8)
	Operating Profit Margin	12.5%	/	11.7%	/	(0.8P)	/
Others	Sales	3,202	3.2	3,429	3.2	226	7.1
	Operating Profit	438	3.2	444	3.4	5	1.3
	Operating Profit Margin	13.7%	/	13.0%	/	(0.7P)	/
Inter-segment sales and eliminations	Sales	(24,518)	(24.4)	(25,410)	(23.8)	(891)	/
	Operating Profit	239	1.8	225	1.7	(14)	/
Total	Sales	100,391	100.0	106,636	100.0	6,244	6.2
	Operating Profit	13,688	100.0	13,116	100.0	(572)	(4.2)
	Operating Profit Margin	13.6%	/	12.3%	/	(1.3P)	/

# I .2Q FY March 2018 Financial Results (Consolidated)

## ② Sales by segment

(JPY million)

2nd Quarter Total	1H FY Mar.2017		1H FY Mar.2018		Y o Y		FY Mar.2017	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	13,178	6.5	16,397	7.4	3,219	24.4	30,574	7.2
Financial IT Solutions	119,754	58.9	120,959	54.9	1,204	1.0	246,979	58.2
Securities	57,054	28.1	57,257	26.0	202	0.4	119,128	28.1
Insurance	25,421	12.5	24,194	11.0	(1,227)	(4.8)	51,982	12.2
Banking	18,965	9.3	20,963	9.5	1,997	10.5	40,286	9.5
Other financial	18,312	9.0	18,545	8.4	232	1.3	35,580	8.4
Industrial IT Solutions	50,629	24.9	62,765	28.5	12,135	24.0	107,208	25.3
Distribution	26,666	13.1	29,357	13.3	2,691	10.1	54,256	12.8
Manufacturing, service and other	23,963	11.8	33,407	15.2	9,444	39.4	52,952	12.5
IT Platform Services	14,419	7.1	14,388	6.5	(30)	(0.2)	29,241	6.9
Others	5,182	2.6	5,703	2.6	521	10.1	10,544	2.5
<b>Total</b>	<b>203,165</b>	<b>100.0</b>	<b>220,214</b>	<b>100.0</b>	<b>17,049</b>	<b>8.4</b>	<b>424,548</b>	<b>100.0</b>

(JPY million)

2nd Quarter	2Q FY Mar.2017		2Q FY Mar.2018		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	7,129	6.9	9,120	8.0	1,990	27.9
Financial IT Solutions	60,303	58.7	61,731	54.4	1,428	2.4
Securities	28,645	27.9	28,724	25.3	78	0.3
Insurance	12,663	12.3	12,732	11.2	68	0.5
Banking	9,538	9.3	10,667	9.4	1,129	11.8
Other financial	9,455	9.2	9,606	8.5	151	1.6
Industrial IT Solutions	25,238	24.6	32,177	28.3	6,939	27.5
Distribution	13,121	12.8	14,877	13.1	1,755	13.4
Manufacturing, service and other	12,116	11.8	17,300	15.2	5,183	42.8
IT Platform Services	7,468	7.3	7,566	6.7	97	1.3
Others	2,634	2.6	2,983	2.6	348	13.2
<b>Total</b>	<b>102,773</b>	<b>100.0</b>	<b>113,578</b>	<b>100.0</b>	<b>10,805</b>	<b>10.5</b>

(JPY million)

1st Quarter	1Q FY Mar.2017		1Q FY Mar.2018		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	6,049	6.0	7,277	6.8	1,228	20.3
Financial IT Solutions	59,451	59.2	59,228	55.5	(223)	(0.4)
Securities	28,408	28.3	28,532	26.8	123	0.4
Insurance	12,758	12.7	11,462	10.7	(1,295)	(10.2)
Banking	9,427	9.4	10,295	9.7	867	9.2
Other financial	8,857	8.8	8,938	8.4	81	0.9
Industrial IT Solutions	25,391	25.3	30,587	28.7	5,195	20.5
Distribution	13,544	13.5	14,480	13.6	935	6.9
Manufacturing, service and other	11,847	11.8	16,107	15.1	4,260	36.0
IT Platform Services	6,950	6.9	6,821	6.4	(128)	(1.8)
Others	2,548	2.5	2,720	2.6	172	6.8
<b>Total</b>	<b>100,391</b>	<b>100.0</b>	<b>106,636</b>	<b>100.0</b>	<b>6,244</b>	<b>6.2</b>



## (3) Sales to main clients

(JPY million)

2nd Quarter Total	1H FY Mar.2017		1H FY Mar.2018		Y o Y		FY Mar.2017	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Nomura Holdings	33,268	16.4	36,905	16.8	3,637	10.9	71,600	16.9
Seven & i Holdings	21,834	10.7	22,813	10.4	978	4.5	45,285	10.7

\*Figures, in principle, include sales to subsidiaries.

(JPY million)

2nd Quarter	2Q FY Mar.2017		2Q FY Mar.2018		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	16,498	16.1	18,978	16.7	2,480	15.0
Seven & i Holdings	10,642	10.4	11,429	10.1	786	7.4

(JPY million)

1st Quarter	1Q FY Mar.2017		1Q FY Mar.2018		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	16,769	16.7	17,926	16.8	1,156	6.9
Seven & i Holdings	11,191	11.1	11,384	10.7	192	1.7

## (4) Subcontracting Costs

(JPY million)

2nd Quarter Total	1H FY Mar.2017		1H FY Mar.2018		Yo Y		FY Mar.2017	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Subcontracting Costs	63,300	31.2	63,836	29.0	536	0.8	126,361	29.8
(Subcontracting Costs to China)	10,105	16.0	9,516	14.9	(588)	(5.8)	18,815	14.9

\*Share for subcontracting costs shows share of sales.

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

(JPY million)

2nd Quarter	2Q FY Mar.2017		2Q FY Mar.2018		Yo Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	31,681	30.8	32,836	28.9	1,155	3.6
(Subcontracting Costs to China)	5,064	16.0	4,918	15.0	(145)	(2.9)

(JPY million)

1st Quarter	1Q FY Mar.2017		1Q FY Mar.2018		Yo Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	31,619	31.5	30,999	29.1	(619)	(2.0)
(Subcontracting Costs to China)	5,040	15.9	4,597	14.8	(442)	(8.8)

# I .2Q FY March 2018 Financial Results (Consolidated)



## (5) Cash Flow

(JPY million)

2nd Quarter Total	1H FY Mar.	1H FY Mar.	Yo Y		FY Mar.2017
	2017	2018	Diff.	Change(%)	Amount
Operating Activities	27,636	26,017	(1,619)	(5.9)	61,147
Investing Activities	(4,818)	(1,293)	3,524	(73.1)	(30,341)
(Investing Activities except Cash management purpose investment)	(6,599)	(14,144)	(7,545)	114.3	(41,348)
Free Cash Flow	22,818	24,723	1,905	8.3	30,805
(Free Cash Flow except Cash management purpose investment)	21,036	11,872	(9,164)	(43.6)	19,799
Financing Activities	(25,129)	(53,252)	(28,123)	111.9	(34,327)
Net increase in Cash and cash equivalents	(4,210)	(27,322)	(23,111)	548.8	(2,897)
(Net increase in Cash and cash equivalents except Cash management purpose investment)	(5,992)	(40,173)	(34,180)	570.4	(13,903)
Cash and cash equivalents at end of period	150,738	124,729	(26,008)	(17.3)	152,051
Cash and cash equivalents + Cash Management purpose investment	199,915	151,800	(48,114)	(24.1)	192,028

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

# I .2Q FY March 2018 Financial Results (Consolidated)

## (6) Capital Expenditure, Research and Development Expenses

(JPY million)

2nd Quarter Total	1H FY Mar. 2017	1H FY Mar. 2018	Y o Y		FY Mar.2017
	Amount	Amount	Diff.	Change(%)	Amount
Capital Expenditure	20,187	23,933	3,745	18.6	38,668
Tangible	6,169	13,235	7,066	114.5	13,640
Intangible	14,018	10,697	(3,320)	(23.7)	25,027
Research and Development Expenses	2,599	2,409	(189)	(7.3)	5,674

(JPY million)

2nd Quarter	2Q FY Mar. 2017	2Q FY Mar. 2018	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	8,875	6,722	(2,152)	(24.3)
Tangible	1,780	1,597	(182)	(10.3)
Intangible	7,095	5,125	(1,970)	(27.8)
Research and Development Expenses	1,608	1,438	(169)	(10.6)

(JPY million)

1st Quarter	1Q FY Mar. 2017	1Q FY Mar. 2018	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	11,312	17,210	5,898	52.1
Tangible	4,388	11,637	7,249	165.2
Intangible	6,923	5,572	(1,350)	(19.5)
Research and Development Expenses	990	970	(19)	(2.0)

# I .2Q FY March 2018 Financial Results (Consolidated)

## (7) Depreciation and Amortization

(JPY million)

2nd Quarter Total	1H FY Mar. 2017	1H FY Mar. 2018	YoY		FY Mar.2017
	Amount	Amount	Diff.	Change(%)	Amount
Tangible	4,916	5,071	154	3.1	10,488
Intangible	7,808	8,989	1,180	15.1	17,988
Depreciation and Amortization	12,724	14,060	1,335	10.5	28,476

(JPY million)

2nd Quarter	2Q FY Mar. 2017	2Q FY Mar. 2018	YoY	
	Amount	Amount	Diff.	Change(%)
Tangible	2,519	2,651	132	5.2
Intangible	4,056	4,718	661	16.3
Depreciation and Amortization	6,576	7,369	793	12.1

(JPY million)

1st Quarter	1Q FY Mar. 2017	1Q FY Mar. 2018	YoY	
	Amount	Amount	Diff.	Change(%)
Tangible	2,397	2,419	22	0.9
Intangible	3,751	4,270	519	13.8
Depreciation and Amortization	6,148	6,690	541	8.8

# I .2Q FY March 2018 Financial Results (Consolidated)

## (8) Order Volume by segment

### ① Order Backlog

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar. 2017	2Q FY Mar. 2018	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	7,500	10,101	2,600	34.7
Financial IT Solutions	93,184	96,758	3,573	3.8
Industrial IT Solutions	34,188	58,071	23,883	69.9
IT Platform Services	8,358	8,148	(210)	(2.5)
Others	2,892	3,069	176	6.1
Total	146,125	176,148	30,023	20.5
(Order backlog in the current FY)	142,687	168,683	25,996	18.2

(JPY million)

At the end of the 1st Quarter	1Q FY Mar. 2017	1Q FY Mar. 2018	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	8,700	11,634	2,934	33.7
Financial IT Solutions	124,119	125,339	1,219	1.0
Industrial IT Solutions	48,534	57,551	9,017	18.6
IT Platform Services	10,971	11,722	751	6.9
Others	4,199	4,061	(137)	(3.3)
Total	196,525	210,310	13,785	7.0
(Order backlog in the current FY)	194,203	206,581	12,377	6.4

(JPY million)

At beginning of period	FY Mar. 2017	FY Mar. 2018	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	4,677	8,711	4,034	86.3
Financial IT Solutions	149,718	148,893	(825)	(0.6)
Industrial IT Solutions	58,523	67,650	9,126	15.6
IT Platform Services	11,837	14,019	2,182	18.4
Others	3,553	3,472	(80)	(2.3)
Total	228,310	242,748	14,437	6.3
(Order backlog in the current FY)	227,420	238,644	11,223	4.9

# I .2Q FY March 2018 Financial Results (Consolidated)

## ② Order Volume

(JPY million)

2nd Quarter Total	1H FY Mar.	1H FY Mar.	YoY	
	2017	2018	Diff.	Change(%)
	Amount	Amount		
Consulting	16,001	17,787	1,785	11.2
Financial IT Solutions	63,220	68,824	5,603	8.9
Industrial IT Solutions	26,294	53,186	26,891	102.3
IT Platform Services	10,940	8,516	(2,423)	(22.2)
Others	4,522	5,300	778	17.2
<b>Total</b>	<b>120,979</b>	<b>153,615</b>	<b>32,635</b>	<b>27.0</b>

(JPY million)

2nd Quarter	2Q FY Mar.	2Q FY Mar.	YoY	
	2017	2018	Diff.	Change(%)
	Amount	Amount		
Consulting	5,929	7,586	1,657	28.0
Financial IT Solutions	29,368	33,149	3,781	12.9
Industrial IT Solutions	10,892	32,697	21,805	200.2
IT Platform Services	4,856	3,991	(864)	(17.8)
Others	1,327	1,991	663	50.0
<b>Total</b>	<b>52,373</b>	<b>79,417</b>	<b>27,043</b>	<b>51.6</b>

(JPY million)

1st Quarter	1Q FY Mar.	1Q FY Mar.	YoY	
	2017	2018	Diff.	Change(%)
	Amount	Amount		
Consulting	10,072	10,200	128	1.3
Financial IT Solutions	33,852	35,674	1,821	5.4
Industrial IT Solutions	15,402	20,488	5,086	33.0
IT Platform Services	6,084	4,524	(1,559)	(25.6)
Others	3,194	3,309	115	3.6
<b>Total</b>	<b>68,606</b>	<b>74,198</b>	<b>5,592</b>	<b>8.2</b>

## II . FY March 2018 Financial Results Forecasts (Consolidated)



There is no change to the financial results forecasts announced on July 27, 2017, but breakdowns of sales forecasts by service and sales forecasts by segment have been revised.

### (1) Highlights and Dividend forecasts

(JPY billion)

	FY Mar.2017 (Results)		FY Mar.2018 (Forecasts)		Y o Y		FY Mar.2018 (Forecasts as of July 27,2017)		Comparison to forecasts	
	Amount	Amount	Amount	Amount	Diff.	Change(%)	Amount	Amount	Diff.	Change(%)
Sales	424.5		460.0		35.4	8.4	460.0		—	—
Consulting Services	62.7		77.0		14.2	22.7	70.0		70.0	10.0
System Development & System Application Sales	131.9		133.0		1.0	0.8	147.0		(140.0)	(9.5)
System Management & Operation Services	217.2		238.0		20.7	9.5	233.0		50.0	2.1
Product Sales	12.6		12.0		(0.6)	(5.0)	10.0		20.0	20.0
Operating Profit	58.5		64.0		5.4	9.4	64.0		—	—
(Operating Profit Margin)	13.8%		13.9%		0.1P		13.9%		—	
Net Income	45.0		59.0		13.9	30.9	59.0		—	—
Dividends per share(JPY)	80.00		90.00		10.00	12.5	90.00		—	—
Second quarter(JPY)	40.00		45.00		5.00	12.5	45.00		—	—
Fiscal year end(JPY)	40.00		45.00		5.00	12.5	45.00		—	—

※NRI implemented a 1:1.1 common stock split on January 1, 2017.

No adjustment was made to the second quarter dividend per share of the FY Mar. 2017.

### (2) Sales Forecasts by segment

(JPY billion)

	FY Mar.2017 (Results)		FY Mar.2018 (Forecasts)		Y o Y		FY Mar.2017 (Forecasts as of July 27,2017)		Comparison to forecasts	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Amount	Diff.	Change(%)
Consulting	30.5	7.2	37.0	8.0	6.4	21.0	37.0		—	—
Financial IT Solutions	246.9	58.2	248.0	53.9	1.0	0.4	260.0		(12.0)	(4.6)
Securities	119.1	28.1	118.0	25.7	(1.1)	(0.9)	123.0		(5.0)	(4.1)
Insurance	51.9	12.2	49.0	10.7	(2.9)	(5.7)	56.0		(7.0)	(12.5)
Banking	40.2	9.5	43.0	9.3	2.7	6.7	42.0		1.0	2.4
Other financial	35.5	8.4	38.0	8.3	2.4	6.8	39.0		(1.0)	(2.6)
Industrial IT Solutions	107.2	25.3	134.0	29.1	26.7	25.0	121.0		13.0	10.7
Distribution	54.2	12.8	59.0	12.8	4.7	8.7	57.0		2.0	3.5
Manufacturing, service and other	52.9	12.5	75.0	16.3	22.0	41.6	64.0		11.0	17.2
IT Platform Services	29.2	6.9	30.0	6.5	0.7	2.6	31.0		(1.0)	(3.2)
Others	10.5	2.5	11.0	2.4	0.4	4.3	11.0		—	—
Total	424.5	100.0	460.0	100.0	35.4	8.4	460.0		—	—