



1st Half FY March 2007 Financial Results

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Nomura Research Institute, Ltd.

October 26, 2006

I. 1st Half FY March 2007 Financial Results(Consolidated)

(1) Highlights

(Unit: JPY million)

| | 1H FY Mar.2006 | 1H FY Mar.2007 | YoY | | FY Mar.2006 |
|--------------------------------|-------------------|----------------------|--------|---------------|-------------------|
| | Apr.2005-Sep.2005 | Apr.2006-Sep.2006 | Diff. | Change (%) | Apr.2005-Mar.2006 |
| | Amount | Amount | | | Amount |
| Sales | 132,502 | 146,452 * 142,000 | 13,949 | 10.5 * 3.1 | 285,585 |
| Operating Profit | 16,460 | 20,840 * 19,000 | 4,380 | 26.6 * 9.7 | 36,469 |
| Net Income | 10,370 | 13,486 * 12,300 | 3,115 | 30.0 * 9.6 | 22,518 |
| Operating Profit Margin | 12.4% | 14.2% | 1.8P | | 12.8% |
| Earnings per share | 230.86 | 331.94 | 101.08 | 43.8 | 519.72 |
| Dividends per share | 50.00 | 70.00 | 20.00 | 40.0 | 140.00 |

Note: Figures * indicate earnings estimates announced on Jul.26, 2006.

[1st Quarter]

| | 1Q FY Mar.2006 | 1Q FY Mar.2007 | YoY | |
|--------------------------------|-------------------|-------------------|-------|------------|
| | Apr.2005-Jun.2005 | Apr.2006-Jun.2006 | Diff. | Change (%) |
| | Amount | Amount | | |
| Sales | 60,664 | 68,383 | 7,718 | 12.7 |
| Operating Profit | 6,267 | 8,220 | 1,953 | 31.2 |
| Net Income | 3,961 | 5,647 | 1,686 | 42.6 |
| Operating Profit Margin | 10.3% | 12.0% | 1.7 P | |

[2nd Quarter]

| | 2Q FY Mar.2006 | 2Q FY Mar.2007 | YoY | |
|--------------------------------|---------------------|---------------------|-------|------------|
| | (Jul.2005-Sep.2005) | (Jul.2006-Sep.2006) | Diff. | Change (%) |
| | Amount | Amount | | |
| Sales | 71,838 | 78,068 | 6,230 | 8.7 |
| Operating Profit | 10,192 | 12,619 | 2,426 | 23.8 |
| Net Income | 6,409 | 7,838 | 1,429 | 22.3 |
| Operating Profit Margin | 14.2% | 16.2% | 2.0 P | |

*Amounts of less than JPY million were rounded down.

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I. 1st Half FY March 2007 Financial Results(Consolidated)

(2)Sales by sector

(Unit: JPY million)

| | 1H FY Mar.2006 Apr.2005-Sep.2005 | | 1H FY Mar.2007 Apr.2006-Sep.2006 | | YoY | | FY March 2006 | |
|----------------------|-------------------------------------|--------------|-------------------------------------|--------------|---------------|---------------|------------------|--------------|
| | Amount | Share (%) | Amount | Share (%) | Diff. | Change (%) | Amount | Share (%) |
| Financial sector | 79,880 | 60.3 | 94,097 | 64.3 | 14,217 | 17.8 | 178,168 | 62.4 |
| Distribution sector | 24,613 | 18.6 | 23,669 | 16.2 | (944) | (3.8) | 49,681 | 17.4 |
| Other private sector | 18,845 | 14.2 | 16,578 | 11.3 | (2,266) | (12.0) | 36,720 | 12.9 |
| Public sector | 9,163 | 6.9 | 12,105 | 8.3 | 2,942 | 32.1 | 21,014 | 7.4 |
| Total | 132,502 | 100.0 | 146,452 | 100.0 | 13,949 | 10.5 | 285,585 | 100.0 |

*Sales by major counterparties within the foregoing amounts

| | | | | | | | | |
|-----------------------------------|---------------|-------------|---------------|-------------|-----------|------------|---------------|-------------|
| Nomura Holdings | 36,525 | 27.6 | 44,388 | 30.3 | 7,863 | 21.5 | 88,725 | 31.1 |
| SEVEN & i HOLDINGS | 17,638 | 13.3 | 17,703 | 12.1 | 64 | 0.4 | 34,907 | 12.2 |

*Figures, in principle, include sales to subsidiaries. Sales via leasing and other companies include sales to customers ultimately receiving services and other products. These figures were calculated starting in the FY March 2006, but figures in the 1H FY March 2006 were also calculated retroactively.

[1st Quarter]

| | 1Q FY Mar.2006 Apr.2005-Jun.2005 | | 1Q FY Mar.2007 Apr.2006-Jun.2006 | | YoY | |
|-------------------------------|-------------------------------------|--------------|-------------------------------------|--------------|--------------|---------------|
| | Amount | Share (%) | Amount | Share (%) | Diff. | Change (%) |
| Financial sector | 35,771 | 59.0 | 42,878 | 62.7 | 7,106 | 19.9 |
| Distribution sector | 11,776 | 19.4 | 11,659 | 17.1 | (116) | (1.0) |
| Other private sector | 9,159 | 15.1 | 7,935 | 11.6 | (1,223) | (13.4) |
| Public sector | 3,957 | 6.5 | 5,909 | 8.6 | 1,952 | 49.3 |
| Total | 60,664 | 100.0 | 68,383 | 100.0 | 7,718 | 12.7 |
| Nomura Holdings | 14,632 | 24.1 | 19,926 | 29.1 | 5,293 | 36.2 |
| SEVEN & i HOLDINGS | 8,658 | 14.3 | 8,013 | 11.7 | (644) | (7.4) |

[2nd Quarter]

| | 2Q FY Mar.2006 Jul.2005-Sep.2005 | | 2Q FY Mar.2007 Jul.2006-Sep.2006 | | YoY | |
|-------------------------------|-------------------------------------|--------------|-------------------------------------|--------------|--------------|---------------|
| | Amount | Share (%) | Amount | Share (%) | Diff. | Change (%) |
| Financial sector | 44,109 | 61.4 | 51,219 | 65.6 | 7,110 | 16.1 |
| Distribution sector | 12,837 | 17.9 | 12,009 | 15.4 | (827) | (6.4) |
| Other private sector | 9,686 | 13.5 | 8,643 | 11.1 | (1,042) | (10.8) |
| Public sector | 5,205 | 7.2 | 6,195 | 7.9 | 990 | 19.0 |
| Total | 71,838 | 100.0 | 78,068 | 100.0 | 6,230 | 8.7 |
| Nomura Holdings | 21,892 | 30.5 | 24,461 | 31.3 | 2,569 | 11.7 |
| SEVEN & i HOLDINGS | 8,980 | 12.5 | 9,689 | 12.4 | 709 | 7.9 |

*Amounts of less than JPY million were rounded down.

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I. 1st Half FY March 2007 Financial Results(Consolidated)

(3) Sales and Operating Profit by segment

From the six months ended 30th September, 2006, the Company has changed the classification of its business segment, to Consulting Services and IT Solution Services, (which were formerly classified as Consulting & Knowledge Services and System Solution Services, in order to better reflect its business operation). Accordingly, information as of 31st March, 2006, has been reclassified to conform with the current classification.

Consulting Services

(Unit: JPY million)

| | 1H FY Mar.2006 Apr.2005-Sep.2005 | | 1H FY Mar.2007 Apr.2006-Sep.2006 | | YoY | | FY Mar.2006 Apr.2005 - Mar.2006 | |
|-------------------------|-------------------------------------|-----------|-------------------------------------|-----------|-------|------------|------------------------------------|-----------|
| | Amount | Share (%) | Amount | Share (%) | Diff. | Change (%) | Amount | Share (%) |
| Sales | 11,770 | 8.9 | 13,331 | 9.1 | 1,560 | 13.3 | 26,293 | 9.2 |
| Operating Profit | 1,687 | | 2,101 | | 413 | 24.5 | 3,792 | |
| Operating Profit Margin | 14.3% | | 15.8% | | 1.5P | | 14.4% | |

[1st Quarter]

| | 1Q FY Mar.2006 Apr.2005-Jun.2005 | | 1Q FY Mar.2007 Apr.2006-Jun.2006 | | YoY | |
|-------------------------|-------------------------------------|-----------|-------------------------------------|-----------|-------|------------|
| | Amount | Share (%) | Amount | Share (%) | Diff. | Change (%) |
| Sales | 5,151 | 8.5 | 6,079 | 8.9 | 928 | 18.0 |
| Operating Profit | 366 | | 829 | | 462 | 126.0 |
| Operating Profit Margin | 7.1% | | 13.6% | | 6.5P | |

[2nd Quarter]

| | 2Q FY Mar.2006 Jul.2005-Sep.2006 | | 2Q FY Mar.2007 Jul.2006-Sep.2007 | | YoY | |
|-------------------------|-------------------------------------|-----------|-------------------------------------|-----------|--------|------------|
| | Amount | Share (%) | Amount | Share (%) | Diff. | Change (%) |
| Sales | 6,619 | 9.2 | 7,251 | 9.3 | 632 | 9.6 |
| Operating Profit | 1,320 | | 1,271 | | (48) | (3.7) |
| Operating Profit Margin | 20.0% | | 17.5% | | (2.5P) | |

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I. 1st Half FY March 2007 Financial Results(Consolidated)

IT Solution Services

(Unit: JPY million)

| | 1H FY Mar.2006 Apr.2005-Sep.2005 | | 1H FY Mar.2007 Apr.2006-Sep.2006 | | YoY | | FY Mar.2006 Apr.2005 - Mar.2006 | |
|---|-------------------------------------|-------------|-------------------------------------|-------------|---------------|-------------|------------------------------------|-------------|
| | Amount | Share (%) | Amount | Share (%) | Diff. | Change (%) | Amount | Share (%) |
| System Development & System Application Sales | 53,475 | 40.4 | 59,134 | 40.4 | 5,658 | 10.6 | 111,776 | 39.1 |
| System Management & Operation Services | 56,395 | 42.6 | 61,388 | 41.9 | 4,993 | 8.9 | 116,559 | 40.8 |
| Product Sales | 10,860 | 8.2 | 12,596 | 8.6 | 1,736 | 16.0 | 30,956 | 10.8 |
| Sales | 120,731 | 91.1 | 133,120 | 90.9 | 12,388 | 10.3 | 259,292 | 90.8 |
| Operating Profit | 14,772 | | 18,738 | | 3,966 | 26.9 | 32,676 | |
| Operating Profit Margin | 12.2% | | 14.1% | | 1.9P | | 12.6% | |

[1st Quarter]

| | 1Q FY Mar.2006 Apr.2005-Jun.2005 | | 1Q FY Mar.2007 Apr.2006-Jun.2006 | | YoY | |
|---|-------------------------------------|-------------|-------------------------------------|-------------|--------------|-------------|
| | Amount | Share (%) | Amount | Share (%) | Diff. | Change (%) |
| System Development & System Application Sales | 24,552 | 40.5 | 26,698 | 39.0 | 2,146 | 8.7 |
| System Management & Operation Services | 27,646 | 45.6 | 30,389 | 44.4 | 2,742 | 9.9 |
| Product Sales | 3,314 | 5.5 | 5,215 | 7.6 | 1,901 | 57.4 |
| Sales | 55,512 | 91.5 | 62,303 | 91.1 | 6,790 | 12.2 |
| Operating Profit | 5,900 | | 7,391 | | 1,490 | 25.3 |
| Operating Profit Margin | 10.6% | | 11.9% | | 1.3P | |

[2nd Quarter]

| | 2Q FY Mar.2006 Jul.2005-Sep.2006 | | 2Q FY Mar.2007 Jul.2006-Sep.2007 | | YoY | |
|---|-------------------------------------|-------------|-------------------------------------|-------------|--------------|------------|
| | Amount | Share (%) | Amount | Amount | Share (%) | Amount |
| System Development & System Application Sales | 28,923 | 40.3 | 32,436 | 41.5 | 3,512 | 12.1 |
| System Management & Operation Services | 28,749 | 40.0 | 30,999 | 39.7 | 2,250 | 7.8 |
| Product Sales | 7,546 | 10.5 | 7,381 | 9.5 | (165) | (2.2) |
| Sales | 65,218 | 90.8 | 70,816 | 90.7 | 5,598 | 8.6 |
| Operating Profit | 8,871 | | 11,347 | | 2,475 | 27.9 |
| Operating Profit Margin | 13.6% | | 16.0% | | 2.4P | |

*Amounts of less than JPY million were rounded down.

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I. 1st Half FY March 2007 Financial Results(Consolidated)

(4) Order Volume and Order Backlog

Order Volume

(Unit: JPY million)

| | 1H FY Mar.2006 | 1H FY Mar.2007 | YoY | |
|--|-------------------|-------------------|---------------|-------------|
| | Apr.2005-Sep.2005 | Apr.2006-Sep.2006 | Diff. | Amount |
| | Amount | Amount | | |
| Consulting Services | 14,114 | 16,954 | 2,840 | 20.1 |
| System Development & System Application Sales | 59,092 | 72,684 | 13,592 | 23.0 |
| System Management & Operation Services | 8,102 | 12,359 | 4,257 | 52.5 |
| Product Sales | 11,905 | 11,567 | (338) | (2.8) |
| IT Solution Services | 79,100 | 96,611 | 17,511 | 22.1 |
| Total | 93,214 | 113,566 | 20,351 | 21.8 |

Order Backlog

(Unit: JPY million)

| | At end of | At end of | YoY | |
|--|----------------------------------|----------------------------------|---------------|-------------|
| | 1H FY Mar.2006 (Sep.30, 2005) | 1H FY Mar.2007 (Sep.30, 2006) | Diff. | Amount |
| | Amount | Amount | | |
| Consulting Services | 5,672 | 6,913 | 1,240 | 21.9 |
| System Development & System Application Sales | 20,449 | 36,430 | 15,981 | 78.2 |
| System Management & Operation Services | 51,441 | 55,880 | 4,439 | 8.6 |
| Product Sales | 1,052 | - | (1,052) | (100.0) |
| IT Solution Services | 72,943 | 92,310 | 19,367 | 26.6 |
| Total | 78,615 | 99,224 | 20,608 | 26.2 |

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I. 1st Half FY March 2007 Financial Results(Consolidated)

(5) Subcontracting Costs

Subcontracting Costs by segment & Percentage in actual production

(Unit: JPY million)

| | FY Mar.2006 Apr.2005-Sep.2005 | | FY Mar.2007 Apr.2006-Sep.2006 | | YoY | | FY Mar.2006 (Apr.2005-Mar.2006) | |
|--|----------------------------------|--------------|----------------------------------|--------------|-------|---------------|------------------------------------|--------------|
| | Amount | Share (%) | Amount | Share (%) | Diff. | Change (%) | Amount | Share (%) |
| | | | | | | | | |
| Consulting Services | 1,826 | 27.2 | 2,083 | 28.7 | 256 | 14.1 | 4,740 | 31.9 |
| System Development & System Application Sales | 27,949 | 61.7 | 31,067 | 66.1 | 3,118 | 11.2 | 57,755 | 62.1 |
| System Management & Operation Services | 11,258 | 30.0 | 13,100 | 31.5 | 1,842 | 16.4 | 24,839 | 31.9 |
| IT Solution Services | 39,207 | 47.3 | 44,167 | 49.8 | 4,960 | 12.7 | 82,595 | 48.4 |
| Total | 41,034 | 45.8 | 46,251 | 48.2 | 5,217 | 12.7 | 87,335 | 47.1 |
| (Subcontracting Costs to China) * | 4,775 | 11.6 | 5,331 | 11.5 | 556 | 11.6 | 10,019 | 11.5 |

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

[1st Quarter]

| | 1Q FY Mar.2006 Apr.2005-Jun.2005 | | 1Q FY Mar.2007 Apr.2006-Jun.2006 | | YoY | |
|--|-------------------------------------|--------------|-------------------------------------|--------------|-------|---------------|
| | Amount | Share (%) | Amount | Share (%) | Diff. | Change (%) |
| | | | | | | |
| Consulting Services | 773 | 25.7 | 834 | 25.9 | 61 | 7.9 |
| System Development & System Application Sales | 12,917 | 59.8 | 14,062 | 64.6 | 1,144 | 8.9 |
| System Management & Operation Services | 5,284 | 28.6 | 6,581 | 31.5 | 1,296 | 24.5 |
| IT Solution Services | 18,202 | 45.4 | 20,643 | 48.4 | 2,441 | 13.4 |
| Total | 18,976 | 44.0 | 21,478 | 46.8 | 2,502 | 13.2 |
| (Subcontracting Costs to China) * | 2,062 | 10.9 | 2,440 | 11.4 | 377 | 18.3 |

[2nd Quarter]

| | 2Q FY Mar.2006 Jul.2005-Sep.2005 | | 2Q FY Mar.2007 Jul.2006-Sep.2006 | | YoY | |
|--|-------------------------------------|--------------|-------------------------------------|--------------|-------|---------------|
| | Amount | Share (%) | Amount | Share (%) | Diff. | Change (%) |
| | | | | | | |
| Consulting Services | 1,053 | 28.3 | 1,249 | 31.0 | 195 | 18.6 |
| System Development & System Application Sales | 15,031 | 63.4 | 17,004 | 67.4 | 1,973 | 13.1 |
| System Management & Operation Services | 5,973 | 31.4 | 6,519 | 31.5 | 546 | 9.1 |
| IT Solution Services | 21,004 | 49.1 | 23,523 | 51.2 | 2,519 | 12.0 |
| Total | 22,057 | 47.5 | 24,772 | 49.6 | 2,715 | 12.3 |
| (Subcontracting Costs to China) * | 2,712 | 12.3 | 2,891 | 11.7 | 178 | 6.6 |

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I. 1st Half FY March 2007 Financial Results(Consolidated)

(6)Cash Flow

(Unit: JPY million)

| | 1H | 1H | YoY | | FY |
|---|--|--|----------------|---------------|-------------------------------------|
| | FY Mar.2006 (Apr.2005- Sep.2005) | FY Mar.2007 (Apr.2006- Sep.2006) | Diff. | Change (%) | Mar.2006 (Apr.2005 -Mar.2006) |
| | Amount | Amount | | | Amount |
| Income before income taxes | 17,085 | 22,487 | 5,402 | 31.6 | 37,535 |
| Gain/Loss from non-operating activities | (870) | (1,583) | (713) | 82.0 | (1,706) |
| Extraordinary gain/loss | 298 | 7 | (290) | (97.5) | 717 |
| Depreciation and amortization | 7,714 | 7,909 | 195 | 2.5 | 16,574 |
| Accounts receivable and other receivable, net of advance payments received | (1,535) | (6,156) | (4,621) | 301.0 | 10,511 |
| Allowance | 108 | 684 | 575 | 530.5 | 928 |
| Other | (482) | (2,782) | (2,299) | 476.6 | 1,505 |
| Subtotal | 22,318 | 20,566 | (1,751) | (7.8) | 66,066 |
| Interest and dividends received | 881 | 1,271 | 390 | 44.3 | 1,180 |
| Income taxes paid | (11,726) | (12,679) | (953) | 8.1 | (18,371) |
| Operating Activities | 11,473 | 9,159 | (2,314) | (20.2) | 48,875 |
| Acquisition of property and equipment | (3,414) | (3,922) | (508) | 14.9 | (9,799) |
| Increase in software and other intangibles | (4,366) | (5,533) | (1,166) | 26.7 | (8,211) |
| Subtotal: Capital expenditure | (7,781) | (9,456) | (1,674) | 21.5 | (18,011) |
| Increase in time deposits | (6,533) | (7,288) | (755) | 11.6 | (6,778) |
| Proceeds from time deposits | 6,293 | 7,029 | 735 | 11.7 | 6,523 |
| Increase in investment securities | (20,321) | (11,019) | 9,301 | (45.8) | (30,300) |
| Proceeds from sales and redemption of investment securities | 11,695 | 16,319 | 4,623 | 39.5 | 65,812 |
| Other | 125 | 54 | (71) | (56.7) | 608 |
| Investing Activities | (16,521) | (4,361) | 12,160 | (73.6) | 17,853 |
| Free Cash Flow | (5,048) | 4,798 | 9,846 | - | 66,729 |
| (Free Cash Flow except Cash management purpose investment) | 3,605 | 129 | (3,475) | (96.4) | 22,672 |
| Net repayment of long-term debt | (120) | (120) | - | - | (840) |
| Purchase of treasury stock | (968) | 130 | 1,098 | - | (48,147) |
| Cash dividends paid | (3,595) | (3,652) | (56) | 1.6 | (5,840) |
| Financing Activities | (4,684) | (3,641) | 1,042 | (22.3) | (54,828) |
| Effect of exchange rate changes on Cash and cash equivalents | 90 | 27 | (63) | (69.7) | 174 |
| Net increase in Cash and cash equivalents | (9,641) | 1,183 | 10,825 | - | 12,075 |
| Cash and cash equivalents at beginning of year | 38,677 | 50,752 | 12,075 | 31.2 | 38,677 |
| Cash and cash equivalents at end of year | 29,035 | 51,936 | 22,901 | 78.9 | 50,752 |
| Cash and cash equivalents + Cash Management purpose investment | 107,266 | 73,213 | (34,263) | (31.7) | 76,432 |

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Note: Cash management purpose investment are the investments to 3 months over time deposits and government bonds etc..
Cash management purpose investment (included in investing activities) are as follows.

| | | | | | |
|--|----------|----------|--------|--------|----------|
| Increase in time deposits | (6,533) | (7,288) | (755) | 11.6 | (6,778) |
| Proceeds from time deposits | 6,293 | 7,029 | 735 | 11.7 | 6,523 |
| Increase in investment securities | (19,870) | (10,982) | 8,887 | (44.7) | (20,270) |
| Proceeds from sales and redemption of investment securities | 11,456 | 15,910 | 4,453 | 38.9 | 64,582 |
| (Total) Cash management purpose investment | (8,653) | 4,668 | 13,322 | - | 44,056 |

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I. 1st Half FY March 2007 Financial Results(Consolidated)

(7) Capital Expenditure

(Unit: JPY million)

| | 1H FY Mar.2006 (Apr.2005 - Sep.2005) | 1H FY Mar.2007 (Apr.2006 - Sep.2006) | YoY | | FY Mar.2006 (Apr.2005 - Mar.2006) |
|--------------|--|--|--------------|---------------|---|
| | Amount | Amount | Diff. | Change (%) | Amount |
| Tangible | 3,486 | 4,450 | 964 | 27.7 | 10,038 |
| Intangible | 4,350 | 5,474 | 1,123 | 25.8 | 8,305 |
| Total | 7,836 | 9,924 | 2,088 | 26.6 | 18,343 |

(8) Depreciation and Amortization

(Unit: JPY million)

| | 1H FY Mar.2006 (Apr.2005- Sep.2005) | 1H FY Mar.2007 (Apr.2006- Sep.2006) | YoY | | FY Mar.2006 (Apr.2005 - Mar.2006) |
|--------------|---|---|------------|---------------|---|
| | Amount | Amount | Diff. | Change (%) | Amount |
| Tangible | 2,864 | 3,122 | 257 | 9.0 | 6,278 |
| Intangible | 4,849 | 4,787 | (62) | (1.3) | 10,295 |
| Total | 7,714 | 7,909 | 195 | 2.5 | 16,574 |

(9) R&D Expenditure

(Unit: JPY million)

| | 1H FY Mar.2006 (Apr.2005- Sep.2005) | 1H FY Mar.2007 (Apr.2006- Sep.2006) | YoY | | FY Mar.2006 (Apr.2005 - Mar.2006) |
|----------------------|---|---|-----------|---------------|---|
| | Amount | Amount | Diff. | Change (%) | Amount |
| Consulting Services | 205 | 228 | 22 | 11.1 | 541 |
| IT Solution Services | 873 | 944 | 71 | 8.2 | 1,960 |
| Total | 1,078 | 1,172 | 94 | 8.7 | 2,501 |

*Amounts of less than JPY million were rounded down.

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II. FY March 2007 Financial Results Forecasts (Consolidated)

* Nomura Research Institute, Ltd. revised the financial results forecast for the fiscal year ended March 31, 2007 on October 26, 2006.

(1) Highlights

(Unit: JPY billion)

| | FY Mar.2006 (Results) | FY Mar.2007 (Forecasts Oct.26) | YoY | | FY Mar.2007 (Forecasts Jul.26) | Diff. from Previous Forecasts(Jul.26) | |
|--------------------------------|-----------------------|--------------------------------|--------|------------|--------------------------------|---------------------------------------|------------|
| | Amount | Amount | Diff. | Change (%) | Amount | Diff. | Change (%) |
| Sales | 285.5 | 305.0 | 19.4 | 6.8 | 300.0 | 5.0 | 1.7 |
| Operating Profit | 36.4 | 42.0 | 5.5 | 15.2 | 40.0 | 2.0 | 5.0 |
| Net Income | 22.5 | 26.5 | 3.9 | 17.7 | 25.5 | 1.0 | 3.9 |
| Operating Profit Margin | 12.8% | 13.8% | 1.0P | | 13.3% | 0.5 P | |
| Earnings per share | 519.72 | 652.04 | 132.32 | 25.5 | 627.70 | 24.34 | 3.9 |

(2) Sales by sector

(Unit: JPY billion)

| | FY Mar.2006 (Results) | | FY Mar.2007 (Forecasts) | | YoY | |
|----------------------|-----------------------|-----------|-------------------------|-----------|-------|------------|
| | Amount | Share (%) | Amount | Share (%) | Diff. | Change (%) |
| Financial | 178.1 | 62.4 | 196.0 | 64.3 | 17.8 | 10.0 |
| Distribution | 49.6 | 17.4 | 49.0 | 16.1 | (0.6) | (1.4) |
| Other private | 36.7 | 12.9 | 34.0 | 11.1 | (2.7) | (7.4) |
| Public | 21.0 | 7.4 | 26.0 | 8.5 | 4.9 | 23.7 |
| Total | 285.5 | 100.0 | 305.0 | 100.0 | 19.4 | 6.8 |

II. FY March 2007 Financial Results Forecasts (Consolidated)

(3) Sales by segment

From the six months ended 30th September, 2006, the Company has changed the classification of its business segment, to Consulting Services and IT Solution Services, (which were formerly classified as Consulting & Knowledge Services and System Solution Services, in order to better reflect its business operation). Accordingly, information as of 31st March, 2006, has been reclassified to conform with the current classification.

(Unit: JPY billion)

| | FY Mar.2006 (Results) | | FY Mar.2007 (Forecasts) | | YoY | |
|--|--------------------------|--------------|----------------------------|--------------|-------------|------------|
| | Amount | Share(%) | Amount | Share(%) | Diff. | Change(%) |
| Consulting Services | 26.2 | 9.2 | 28.0 | 9.2 | 1.7 | 6.5 |
| System Development & System Application Sales | 111.7 | 39.1 | 124.0 | 40.7 | 12.2 | 10.9 |
| System Management & Operation Services | 116.5 | 40.8 | 125.0 | 41.0 | 8.4 | 7.2 |
| Product Sales | 30.9 | 10.8 | 28.0 | 9.2 | (2.9) | (9.6) |
| IT Solution Services | 259.2 | 90.8 | 277.0 | 90.8 | 17.7 | 6.8 |
| Total | 285.5 | 100.0 | 305.0 | 100.0 | 19.4 | 6.8 |

(4) Capital Expenditure

(Unit: JPY billion)

| | FY Mar.2006 (Results) | | FY Mar.2007 (Forecasts) | | YoY | |
|-------------------|--------------------------|-------------|----------------------------|--------------|-----|--|
| | Amount | Amount | Diff. | Change (%) | | |
| Tangible | 10.0 | 21.0 | 10.9 | 109.2 | | |
| Intangible | 8.3 | 15.0 | 6.6 | 80.6 | | |
| Total | 18.3 | 36.0 | 17.6 | 96.3 | | |

(5) Depreciation & Amortization

(Unit: JPY billion)

| | FY Mar.2006 (Results) | | FY Mar.2007 (Forecasts) | | YoY | |
|--------------|--------------------------|-------------|----------------------------|------------|-----|--|
| | Amount | Amount | Diff. | Change (%) | | |
| Total | 16.5 | 17.5 | 0.9 | 5.6 | | |

(6) R&D Expenditure

(Unit: JPY billion)

| | FY Mar.2006 (Results) | | FY Mar.2007 (Forecasts) | | YoY | |
|--------------|--------------------------|------------|----------------------------|-------------|-----|--|
| | Amount | Amount | Diff. | Change (%) | | |
| Total | 2.5 | 3.4 | 0.8 | 35.9 | | |

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.

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