



# **FY March 2006 Financial Results**

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**Nomura Research Institute, Ltd.**

**April 27, 2006**

## I. FY March 2006 Financial Results (Consolidated)

### (1) Highlights

(Unit: JPY million)

	FY Mar.2005	FY Mar.2006	YoY	
	(Apr.2004 - Mar.2005)	(Apr.2005 - Mar.2006)		
	Amount	Amount	Diff.	Change (%)
<b>Sales</b>	<b>252,963</b>	<b>285,585</b>	<b>32,622</b>	<b>12.9</b>
		* 270,000		* 6.2%
<b>Operating Profit</b>	<b>30,159</b>	<b>36,469</b>	<b>6,309</b>	<b>20.9</b>
		* 34,000		* 8.2%
<b>Net Income</b>	<b>16,303</b>	<b>22,518</b>	<b>6,214</b>	<b>38.1</b>
		* 21,000		* 9.3%
<b>Operating Profit Margin</b>	<b>11.9%</b>	<b>12.8%</b>	<b>0.8P</b>	
		* 12.6%		
<b>Earnings per share</b>	<b>JPY362.30</b>	<b>JPY519.72</b>	<b>JPY157.42</b>	<b>43.5</b>
<b>1<sup>st</sup> Half</b>	<b>JPY20.00</b>	<b>JPY50.00</b>	<b>JPY30.00</b>	<b>150.0</b>
<b>Fiscal Year</b>	<b>JPY80.00</b>	<b>JPY90.00</b>	<b>JPY10.00</b>	<b>12.5</b>
<b>Dividends per share</b>	<b>JPY100.00</b>	<b>JPY140.00</b>	<b>JPY40.00</b>	<b>40.0</b>
<b>Dividend payout ratio</b>	<b>27.6%</b>	<b>26.2%</b>	<b>(1.4P)</b>	

Note: Figures \* indicate earnings estimates announced on Oct. 14, 2005.

[1<sup>st</sup> Half]

	1 <sup>st</sup> half FY Mar.2005	1 <sup>st</sup> half FY Mar.2006	YoY	
	(Apr.2004 - Sep.2004)	(Apr.2005 - Sep.2005)		
	Amount	Amount	Diff.	Change(%)
<b>Sales</b>	<b>115,167</b>	<b>132,502</b>	<b>17,335</b>	<b>15.1</b>
<b>Operating Profit</b>	<b>12,319</b>	<b>16,460</b>	<b>4,141</b>	<b>33.6</b>
<b>Net Income</b>	<b>6,882</b>	<b>10,370</b>	<b>3,488</b>	<b>50.7</b>
<b>Operating Profit Margin</b>	<b>10.7%</b>	<b>12.4%</b>	<b>1.7P</b>	

[2<sup>nd</sup> Half]

	2 <sup>nd</sup> half FY Mar.2005	2 <sup>nd</sup> half FY Mar.2006	YoY	
	(Oct.2004 - Mar.2005)	(Oct.2005 - Mar.2006)		
	Amount	Amount	Diff.	Change (%)
<b>Sales</b>	<b>137,796</b>	<b>153,082</b>	<b>15,286</b>	<b>11.1</b>
<b>Operating Profit</b>	<b>17,840</b>	<b>20,009</b>	<b>2,168</b>	<b>12.2</b>
<b>Net Income</b>	<b>9,421</b>	<b>12,147</b>	<b>2,726</b>	<b>28.9</b>
<b>Operating Profit Margin</b>	<b>12.9%</b>	<b>13.1%</b>	<b>0.1P</b>	

\*Amounts of less than JPY million were rounded down.

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## I. FY March 2006 Financial Results (Consolidated)

### (2) Sales by sector

(Unit:JPY million)

	FY Mar.2005 (Apr.2004 - Mar.2005)		FY Mar.2006 (Apr.2005 - Mar.2006)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Financial sector	152,326	60.2	178,168	62.4	25,842	17.0
Distribution sector	46,209	18.3	49,681	17.4	3,471	7.5
Other private sector	35,712	14.1	36,720	12.9	1,008	2.8
Public sector	18,714	7.4	21,014	7.4	2,299	12.3
<b>Total</b>	<b>252,963</b>	<b>100.0</b>	<b>285,585</b>	<b>100.0</b>	<b>32,622</b>	<b>12.9</b>

\*Sales by main counterparties within the foregoing amounts

Nomura Holdings	67,102	26.5	88,725	31.1	21,622	32.2
SEVEN & i HOLDINGS	31,808	12.6	34,907	12.2	3,099	9.7

\*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 current consolidated fiscal year, but figures in the previous consolidated fiscal year were also calculated retroactively.

[1<sup>st</sup> Half]

	1 <sup>st</sup> half FY Mar.2005 (Apr.2004 - Sep.2004)		1 <sup>st</sup> half FY Mar.2006 (Apr.2005 - Sep.2005)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Financial sector	65,209	56.6	79,880	60.3	14,671	22.5
Distribution sector	23,061	20.0	24,613	18.6	1,552	6.7
Other private sector	17,852	15.5	18,845	14.2	992	5.6
Public sector	9,044	7.9	9,163	6.9	119	1.3
<b>Total</b>	<b>115,167</b>	<b>100.0</b>	<b>132,502</b>	<b>100.0</b>	<b>17,335</b>	<b>15.1</b>
Nomura Holdings	28,978	25.2	36,525	27.6	7,546	26.0
SEVEN & i HOLDINGS	14,874	12.9	17,638	13.3	2,763	18.6

[2<sup>nd</sup> Half]

	2 <sup>nd</sup> half FY Mar.2005 (Oct.2004 - Mar.2005)		2 <sup>nd</sup> half FY Mar.2006 (Oct.2005 - Mar.2006)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Financial sector	87,117	63.2	98,287	64.2	11,170	12.8
Distribution sector	23,148	16.8	25,067	16.4	1,919	8.3
Other private sector	17,859	13.0	17,875	11.7	16	0.1
Public sector	9,670	7.0	11,851	7.7	2,180	22.5
<b>Total</b>	<b>137,796</b>	<b>100.0</b>	<b>153,082</b>	<b>100.0</b>	<b>15,286</b>	<b>11.1</b>
Nomura Holdings	38,124	27.7	52,200	34.1	14,075	36.9
SEVEN & i HOLDINGS	16,933	12.3	17,269	11.3	335	2.0

\*Amounts of less than JPY million were rounded down.

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## I. FY March 2006 Financial Results (Consolidated)

### (3)Sales and Operating Profit by segment

#### System Solution Services

(Unit: JPY million)

	FY Mar.2005 (Apr.2004 - Mar.2005)		FY Mar.2006 (Apr.2005 - Mar.2006)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
System Development & System Application sales	89,386	35.3	104,395	36.6	15,009	16.8
System Management & Operations	97,559	38.6	106,212	37.2	8,653	8.9
Product Sales	26,284	10.4	30,392	10.6	4,107	15.6
<b>Sales</b>	<b>213,230</b>	<b>84.3</b>	<b>241,000</b>	<b>84.4</b>	<b>27,770</b>	<b>13.0</b>
<b>Operating Profit</b>	<b>24,483</b>		<b>31,332</b>		<b>6,849</b>	<b>28.0</b>
<b>Operating Profit Margin</b>	<b>11.5%</b>		<b>13.0%</b>		<b>1.5P</b>	

[1<sup>st</sup> Half]

	1 <sup>st</sup> half FY Mar.2005 (Apr.2004 - Sep.2004)		1 <sup>st</sup> half FY Mar.2006 (Apr.2005 - Sep.2005)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
System Development & System Application sales	37,330	32.4	49,419	37.3	12,088	32.4
System Management & Operations	48,266	41.9	51,175	38.6	2,909	6.0
Product Sales	10,413	9.0	10,620	8.0	206	2.0
<b>Sales</b>	<b>96,011</b>	<b>83.4</b>	<b>111,215</b>	<b>83.9</b>	<b>15,204</b>	<b>15.8</b>
<b>Operating Profit</b>	<b>9,712</b>		<b>14,255</b>		<b>4,543</b>	<b>46.8</b>
<b>Operating Profit Margin</b>	<b>10.1%</b>		<b>12.8%</b>		<b>2.7P</b>	

[2<sup>nd</sup> Half]

	2 <sup>nd</sup> half FY Mar.2005 (Oct.2004 - Mar.2005)		2 <sup>nd</sup> half FY Mar.2006 (Oct.2005 - Mar.2006)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
System Development & System Application sales	52,055	37.8	54,976	35.9	2,921	5.6
System Management & Operations	49,292	35.8	55,037	36.0	5,744	11.7
Product Sales	15,870	11.5	19,771	12.9	3,900	24.6
<b>Sales</b>	<b>117,219</b>	<b>85.1</b>	<b>129,785</b>	<b>84.8</b>	<b>12,566</b>	<b>10.7</b>
<b>Operating Profit</b>	<b>14,770</b>		<b>17,076</b>		<b>2,305</b>	<b>15.6</b>
<b>Operating Profit Margin</b>	<b>12.6%</b>		<b>13.2%</b>		<b>0.6P</b>	

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## I. FY March 2006 Financial Results (Consolidated)

### Consulting & Knowledge Services

(Unit: JPY million)

	FY Mar.2005 (Apr.2004 - Mar.2005)		FY Mar.2006 (Apr.2005 - Mar.2006)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
<b>Sales</b>	<b>39,733</b>	<b>15.7</b>	<b>44,584</b>	<b>15.6</b>	<b>4,851</b>	<b>12.2</b>
<b>Operating Profit</b>	<b>5,692</b>		<b>5,158</b>		<b>(534)</b>	<b>(9.4)</b>
<b>Operating Profit Margin</b>	<b>14.3%</b>		<b>11.6%</b>		<b>(2.8P)</b>	

[1<sup>st</sup> Half]

	1 <sup>st</sup> half FY Mar.2005 (Apr.2004 - Sep.2004)		1 <sup>st</sup> half FY Mar.2006 (Apr.2005 - Sep.2005)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
<b>Sales</b>	<b>19,156</b>	<b>16.6</b>	<b>21,287</b>	<b>16.1</b>	<b>2,131</b>	<b>11.1</b>
<b>Operating Profit</b>	<b>2,606</b>		<b>2,197</b>		<b>(409)</b>	<b>(15.7)</b>
<b>Operating Profit Margin</b>	<b>13.6%</b>		<b>10.3%</b>		<b>(3.3P)</b>	

[2<sup>nd</sup> Half]

	2 <sup>nd</sup> half FY Mar.2005 (Oct.2004 - Mar.2005)		2 <sup>nd</sup> half FY Mar.2006 (Oct.2005 - Mar.2006)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
<b>Sales</b>	<b>20,576</b>	<b>14.9</b>	<b>23,297</b>	<b>15.2</b>	<b>2,720</b>	<b>13.2</b>
<b>Operating Profit</b>	<b>3,085</b>		<b>2,960</b>		<b>(124)</b>	<b>(4.0)</b>
<b>Operating Profit Margin</b>	<b>15.0%</b>		<b>12.7%</b>		<b>(2.3P)</b>	

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## I. FY March 2006 Financial Results (Consolidated)

### (4) Order Volume and Order Backlog

#### Order Volume

(Unit: JPY million)

	FY Mar.2005 (Apr.2004-Mar.2005)	FY Mar.2006 (Apr.2005-Mar.2006)	YoY	
	Amount	Amount	Diff.	Change (%)
System Development & System Application Sales	89,900	111,155	21,255	23.6
System Management & Operations	106,114	110,829	4,714	4.4
Product Sales	26,284	31,414	5,129	19.5
System Solution Services	222,299	253,398	31,099	14.0
Consulting & Knowledge Services	40,112	46,701	6,589	16.4
<b>Total</b>	<b>262,411</b>	<b>300,100</b>	<b>37,688</b>	<b>14.4</b>

[1<sup>st</sup> Half]

	1 <sup>st</sup> half FY Mar.2005 (Apr.2004 - Sep.2004)	1 <sup>st</sup> half FY Mar.2006 (Apr.2005 - Sep.2005)	YoY	
	Amount	Amount	Diff.	Change (%)
System Development & System Application Sales	44,973	55,263	10,290	22.9
System Management & Operations	10,977	9,123	(1,853)	(16.9)
Product Sales	10,413	11,673	1,259	12.1
System Solution Services	66,364	76,060	9,696	14.6
Consulting & Knowledge Services	14,508	17,154	2,645	18.2
<b>Total</b>	<b>80,872</b>	<b>93,214</b>	<b>12,342</b>	<b>15.3</b>

[2<sup>nd</sup> Half]

	2 <sup>nd</sup> half FY Mar.2005 (Oct.2004 - Mar.2005)	2 <sup>nd</sup> half FY Mar.2006 (Oct.2005 - Mar.2006)	YoY	
	Amount	Amount	Diff.	Change (%)
System Development & System Application Sales	44,927	55,892	10,965	24.4
System Management & Operations	95,137	101,705	6,568	6.9
Product Sales	15,870	19,740	3,869	24.4
System Solution Services	155,935	177,338	21,403	13.7
Consulting & Knowledge Services	25,603	29,547	3,943	15.4
<b>Total</b>	<b>181,538</b>	<b>206,885</b>	<b>25,346</b>	<b>14.0</b>

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## I. FY March 2006 Financial Results (Consolidated)

### Order Backlog(Outstanding)

(Unit: JPY million)

	At end of FY Mar.2005	At end of FY Mar.2006	YoY	
	Amount	Amount	Diff.	Change (%)
System Development & System Application sales	13,976	20,695	6,718	48.1
System Management & Operations	87,918	92,633	4,714	5.4
Product Sales	-	1,021	1,021	-
<b>System Solution Services</b>	<b>101,895</b>	<b>114,350</b>	<b>12,455</b>	<b>12.2</b>
<b>Consulting &amp; Knowledge Services</b>	<b>16,027</b>	<b>17,679</b>	<b>1,652</b>	<b>10.3</b>
<b>Total</b>	<b>117,923</b>	<b>132,030</b>	<b>14,107</b>	<b>12.0</b>

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## I. FY March 2006 Financial Results (Consolidated)

### (5) Subcontracting Costs

Subcontracting Costs by segment & Percentage in actual production (Unit: JPY million)

	FY Mar.2005 (Apr.2004 - Mar.2005)		FY Mar.2006 (Apr.2005 - Mar.2006)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
System Development & System Application sales	39,804	60.2	50,566	62.0	10,762	27.0
System Management & Operations	24,245	32.9	25,561	34.1	1,315	5.4
<b>System Solution Services</b>	<b>64,049</b>	<b>45.8</b>	<b>76,128</b>	<b>48.6</b>	<b>12,078</b>	<b>18.9</b>
<b>Consulting &amp; Knowledge Services</b>	<b>9,123</b>	<b>36.8</b>	<b>11,207</b>	<b>38.7</b>	<b>2,083</b>	<b>22.8</b>
<b>Total</b>	<b>73,173</b>	<b>44.5</b>	<b>87,335</b>	<b>47.1</b>	<b>14,162</b>	<b>19.4</b>
<b>(Subcontracting Costs to China)</b>	<b>6,459</b>	<b>8.8</b>	<b>10,019</b>	<b>11.5</b>	<b>3,560</b>	<b>55.1</b>

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

[1<sup>st</sup> Half]

	1 <sup>st</sup> half FY Mar.2005 (Apr.2004 - Sep.2004)		1 <sup>st</sup> half FY Mar.2006 (Apr.2005 - Sep.2005)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
System Development & System Application sales	17,210	58.3	24,104	61.3	6,893	40.1
System Management & Operations	12,218	32.9	11,796	32.4	(421)	(3.5)
<b>System Solution Services</b>	<b>29,429</b>	<b>44.2</b>	<b>35,900</b>	<b>47.4</b>	<b>6,471</b>	<b>22.0</b>
<b>Consulting &amp; Knowledge Services</b>	<b>4,313</b>	<b>36.3</b>	<b>5,133</b>	<b>37.1</b>	<b>820</b>	<b>19.0</b>
<b>Total</b>	<b>33,742</b>	<b>43.0</b>	<b>41,034</b>	<b>45.8</b>	<b>7,291</b>	<b>21.6</b>
<b>(Subcontracting Costs to China)</b>	<b>2,509</b>	<b>7.4</b>	<b>4,775</b>	<b>11.6</b>	<b>2,266</b>	<b>90.3</b>

[2<sup>nd</sup> Half]

	2 <sup>nd</sup> half FY Mar.2005 (Oct.2004 - Mar.2005)		2 <sup>nd</sup> half FY Mar.2006 (Oct.2005 - Mar.2006)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
System Development & System Application sales	22,593	61.6	26,462	62.7	3,869	17.1
System Management & Operations	12,027	33.0	13,764	35.6	1,737	14.4
<b>System Solution Services</b>	<b>34,620</b>	<b>47.3</b>	<b>40,227</b>	<b>49.7</b>	<b>5,607</b>	<b>16.2</b>
<b>Consulting &amp; Knowledge Services</b>	<b>4,810</b>	<b>37.3</b>	<b>6,074</b>	<b>40.2</b>	<b>1,263</b>	<b>26.3</b>
<b>Total</b>	<b>39,430</b>	<b>45.8</b>	<b>46,301</b>	<b>48.2</b>	<b>6,870</b>	<b>17.4</b>
<b>(Subcontracting Costs to China)</b>	<b>3,949</b>	<b>10.0</b>	<b>5,244</b>	<b>11.3</b>	<b>1,294</b>	<b>32.8</b>

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## I. FY March 2006 Financial Results (Consolidated)

### (6) Cash Flow

(Unit: JPY million)

	FY Mar.2005 (Apr.2004 -Mar.2005)	FY Mar.2006 (Apr.2005 -Mar.2006)	YoY	
	Amount	Amount	Diff.	Change (%)
Income before income taxes	27,361	37,535	10,173	37.2
Gain/Loss from non-operating activities	(713)	(1,706)	(992)	139.0
Extraordinary gain/loss	2,645	717	(1,927)	(72.9)
Depreciation and amortization	18,402	16,574	(1,828)	(9.9)
Accounts receivable and other receivable, net of advance payments received	(5,243)	10,511	15,755	-
Allowance	855	928	73	8.6
Other	404	1,505	1,101	272.2
Subtotal	43,711	66,066	22,354	51.1
Interest and dividends received	526	1,180	654	124.2
Income taxes paid	(16,668)	(18,371)	(1,703)	10.2
<b>Operating Activities</b>	<b>27,569</b>	<b>48,875</b>	<b>21,305</b>	<b>77.3</b>
Acquisition of property and equipment	(8,051)	(9,799)	(1,747)	21.7
Increase in software and other intangibles	(9,327)	(8,211)	1,115	(12.0)
Subtotal: Capital expenditure	(17,379)	(18,011)	(632)	3.6
Increase in time deposits	(6,148)	(6,778)	(629)	10.2
Proceeds from time deposits	-	6,523	6,523	-
Increase in investment securities	(65,872)	(30,300)	35,572	(54.0)
Proceeds from sales and redemption of investment securities	6,130	65,812	59,681	973.5
Other	1,287	608	(679)	(52.8)
<b>Investing Activities</b>	<b>(81,981)</b>	<b>17,853</b>	<b>99,835</b>	<b>-</b>
<b>Free Cash Flow</b>	<b>(54,411)</b>	<b>66,729</b>	<b>121,141</b>	<b>-</b>
<b>(Free Cash Flow except Cash management purpose investment)</b>	<b>15,178</b>	<b>22,672</b>	<b>7,494</b>	<b>49.4</b>
Net repayment of long-term debt	(1,230)	(840)	390	(31.7)
Purchase of treasury stock	(2)	(48,147)	(48,144)	-
Cash dividends paid	(2,695)	(5,840)	(3,145)	116.7
<b>Financing Activities</b>	<b>(3,928)</b>	<b>(54,828)</b>	<b>(50,899)</b>	<b>-</b>
Effect of exchange rate changes on Cash and cash equivalents	205	174	(31)	(15.3)
<b>Net increase in Cash and cash equivalents</b>	<b>(58,134)</b>	<b>12,075</b>	<b>70,210</b>	<b>-</b>
Cash and cash equivalents at beginning of year	96,812	38,677	(58,134)	(60.0)
Cash and cash equivalents at end of year	38,677	50,752	12,075	31.2
<b>Cash and cash equivalents + Cash Management purpose investment</b>	<b>108,151</b>	<b>76,432</b>	<b>(31,719)</b>	<b>(29.3)</b>

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## I. FY March 2006 Financial Results (Consolidated)

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.

	FY Mar.2005 Total (Apr.2004-Mar.2005)	FY Mar.2006 Total (Apr.2005-Mar.2006)	YoY	
	Amount	Amount	Diff.	Change (%)
<b>Increase in time deposits</b>	<b>(6,148)</b>	<b>(6,778)</b>	<b>(629)</b>	<b>10.2</b>
<b>Proceeds from time deposits</b>	-	<b>6,523</b>	<b>6,523</b>	-
<b>Increase in investment securities</b>	<b>(63,441)</b>	<b>(20,270)</b>	<b>43,171</b>	<b>(68.0)</b>
<b>Proceeds from sales and redemption of investment securities</b>	-	<b>64,582</b>	<b>64,582</b>	-
<b>(Total)Cash management purpose investment</b>	<b>(69,589)</b>	<b>44,056</b>	<b>113,646</b>	-

\*Amounts of less than JPY million were rounded down.

## I. FY March 2006 Financial Results (Consolidated)

### (7) Capital Expenditure (Unit: JPY million)

	FY Mar.2005 (Apr.2004 - Mar.2005)	FY Mar.2006 (Apr.2005 - Mar.2006)	YoY	
	Amount	Amount	Diff.	Change (%)
<b>Tangible</b>	<b>8,038</b>	<b>10,038</b>	<b>1,999</b>	<b>24.9</b>
<b>Intangible</b>	<b>9,312</b>	<b>8,305</b>	<b>(1,007)</b>	<b>(10.8)</b>
<b>Total</b>	<b>17,351</b>	<b>18,343</b>	<b>992</b>	<b>5.7</b>

### (8) Depreciation & Amortization (Unit: JPY million)

	FY Mar.2005 (Apr.2004 - Mar.2005)	FY Mar.2006 (Apr.2005 - Mar.2006)	YoY	
	Amount	Amount	Diff.	Change (%)
<b>Tangible</b>	<b>5,743</b>	<b>6,278</b>	<b>535</b>	<b>9.3</b>
<b>Intangible</b>	<b>12,658</b>	<b>10,295</b>	<b>(2,363)</b>	<b>(18.7)</b>
<b>Total</b>	<b>18,402</b>	<b>16,574</b>	<b>(1,828)</b>	<b>(9.9)</b>

### (9) R&D Expenditure (Unit: JPY million)

	FY Mar.2004 (Apr.2004 - Mar.2005)	FY Mar.2005 (Apr.2005 - Mar.2006)	YoY	
	Amount	Amount	Diff.	Change (%)
<b>System Solution Services</b>	<b>1,140</b>	<b>1,312</b>	<b>172</b>	<b>15.1</b>
<b>Consulting &amp; Knowledge Services</b>	<b>506</b>	<b>1,189</b>	<b>682</b>	<b>134.8</b>
<b>Total</b>	<b>1,646</b>	<b>2,501</b>	<b>854</b>	<b>51.9</b>

\*Amounts of less than JPY million were rounded down.

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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## II. FY March 2007 Financial Results Forecasts (Consolidated)

### (1) Highlights

(Unit: JPY billion)

	FY Mar.2006	FY Mar.2007	YoY	
	(Results)	(Forecasts)	Diff.	Change (%)
	Amount	Amount		
<b>Sales</b>	<b>285.5</b>	<b>290.0</b>	<b>4.4</b>	<b>1.5</b>
<b>Operating Profit</b>	<b>36.4</b>	<b>37.0</b>	<b>0.5</b>	<b>1.5</b>
<b>Net Income</b>	<b>22.5</b>	<b>23.0</b>	<b>0.4</b>	<b>2.1</b>
<b>Operating Profit Margin</b>	<b>12.8%</b>	<b>12.8%</b>	<b>0.0P</b>	
<b>Earnings per share</b>	<b>JPY519.72</b>	<b>JPY566.23</b>	<b>JPY46.51</b>	<b>8.9</b>
<b>1<sup>st</sup> Half</b>	<b>JPY50.00</b>	<b>JPY70.00</b>	<b>JPY20.00</b>	<b>40.0</b>
<b>Fiscal Year</b>	<b>JPY90.00</b>	<b>JPY100.00</b>	<b>JPY10.00</b>	<b>11.1</b>
<b>Dividends per share</b>	<b>JPY140.00</b>	<b>JPY170.00</b>	<b>JPY30.00</b>	<b>21.4</b>
<b>Dividend payout ratio</b>	<b>26.2%</b>	<b>30.0%</b>	<b>3.8P</b>	

[1<sup>st</sup> Half]

	1 <sup>st</sup> half FY Mar.2006	1 <sup>st</sup> half FY Mar.2007	YoY	
	(Results)	(Forecasts)	Diff.	Change (%)
	Amount	Amount		
<b>Sales</b>	<b>132.5</b>	<b>135.0</b>	<b>2.4</b>	<b>1.9</b>
<b>Operating Profit</b>	<b>16.4</b>	<b>17.0</b>	<b>0.5</b>	<b>3.3</b>
<b>Net Income</b>	<b>10.3</b>	<b>10.8</b>	<b>0.4</b>	<b>4.1</b>
<b>Operating Profit Margin</b>	<b>12.4%</b>	<b>12.6%</b>	<b>0.2P</b>	

[2<sup>nd</sup> Half]

	2 <sup>nd</sup> half FY Mar.2006	2 <sup>nd</sup> half FY Mar.2007	YoY	
	(Results)	(Forecasts)	Diff.	Change (%)
	Amount	Amount		
<b>Sales</b>	<b>153.0</b>	<b>155.0</b>	<b>1.9</b>	<b>1.3</b>
<b>Operating Profit</b>	<b>20.0</b>	<b>20.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Net Income</b>	<b>12.1</b>	<b>12.2</b>	<b>0.0</b>	<b>0.4</b>
<b>Operating Profit Margin</b>	<b>13.1%</b>	<b>12.9%</b>	<b>(0.2P)</b>	

## II. FY March 2007 Financial Results Forecasts (Consolidated)

### (2) Sales by sector

(Unit: JPY billion)

	FY Mar.2006 (Results)		FY Mar.2007 (Forecasts)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Financial sector	178.1	62.4	180.0	62.1	1.8	1.0
Distribution sector	49.6	17.4	50.0	17.2	0.3	0.6
Other private sector	36.7	12.9	35.0	12.1	(1.7)	(4.7)
Public sector	21.0	7.4	25.0	8.6	3.9	19.0
<b>Total</b>	<b>285.5</b>	<b>100.0</b>	<b>290.0</b>	<b>100.0</b>	<b>4.4</b>	<b>1.5</b>

[1<sup>st</sup> Half]

	1 <sup>st</sup> half FY Mar.2006 (Results)		1 <sup>st</sup> half FY Mar.2007 (Forecasts)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Financial sector	79.8	60.3	82.0	60.7	2.1	2.7
Distribution sector	24.6	18.6	24.5	18.1	(0.1)	(0.5)
Other private sector	18.8	14.2	17.0	12.6	(1.8)	(9.8)
Public sector	9.1	6.9	11.5	8.5	2.3	25.5
<b>Total</b>	<b>132.5</b>	<b>100.0</b>	<b>135.0</b>	<b>100.0</b>	<b>2.4</b>	<b>1.9</b>

[2<sup>nd</sup> Half]

	2 <sup>nd</sup> half FY Mar.2006 (Results)		2 <sup>nd</sup> half FY Mar.2007 (Forecasts)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Financial sector	98.2	64.2	98.0	63.2	(0.2)	(0.3)
Distribution sector	25.0	16.4	25.5	16.5	0.4	1.7
Other private sector	17.8	11.7	18.0	11.6	0.1	0.7
Public sector	11.8	7.7	13.5	8.7	1.6	13.9
<b>Total</b>	<b>153.0</b>	<b>100.0</b>	<b>155.0</b>	<b>100.0</b>	<b>1.9</b>	<b>1.3</b>

## II. FY March 2007 Financial Results Forecasts (Consolidated)

### (3) Sales by segment

(Unit: JPY billion)

	FY Mar.2006 (Results)		FY Mar.2007 (Forecasts)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
System Development & System Application Sales	104.3	36.6	115.0	39.7	10.6	10.2
System Management & Operations	106.2	37.2	110.0	37.9	3.7	3.6
Product Sales	30.3	10.6	20.0	6.9	(10.3)	(34.2)
<b>System Solution Services</b>	<b>241.0</b>	<b>84.4</b>	<b>245.0</b>	<b>84.5</b>	<b>3.9</b>	<b>1.7</b>
<b>Consulting &amp; Knowledge Services</b>	<b>44.5</b>	<b>15.6</b>	<b>45.0</b>	<b>15.5</b>	<b>0.4</b>	<b>0.9</b>
<b>Total</b>	<b>285.5</b>	<b>100.0</b>	<b>290.0</b>	<b>100.0</b>	<b>4.4</b>	<b>1.5</b>

[1<sup>st</sup> Half]

	1 <sup>st</sup> half FY Mar.2006 (Results)		1 <sup>st</sup> half FY Mar.2007 (Forecasts)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
System Development & System Application sales	49.4	37.3	51.5	38.1	2.0	4.2
System Management & Operations	51.1	38.6	54.0	40.0	2.8	5.5
Product Sales	10.6	8.0	8.0	5.9	(2.6)	(24.7)
<b>System Solution Services</b>	<b>111.2</b>	<b>83.9</b>	<b>113.5</b>	<b>84.1</b>	<b>2.2</b>	<b>2.1</b>
<b>Consulting &amp; Knowledge Services</b>	<b>21.2</b>	<b>16.1</b>	<b>21.5</b>	<b>15.9</b>	<b>0.2</b>	<b>1.0</b>
<b>Total</b>	<b>132.5</b>	<b>100.0</b>	<b>135.0</b>	<b>100.0</b>	<b>2.4</b>	<b>1.9</b>

[2<sup>nd</sup> Half]

	2 <sup>nd</sup> half FY Mar.2006 (Results)		2 <sup>nd</sup> half FY Mar.2007 (Forecasts)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
System Development & System Application sales	54.9	35.9	63.5	41.0	8.5	15.5
System Management & Operations	55.0	36.0	56.0	36.1	0.9	1.7
Product Sales	19.7	12.9	12.0	7.7	(7.7)	(39.3)
<b>System Solution Services</b>	<b>129.7</b>	<b>84.8</b>	<b>131.5</b>	<b>84.8</b>	<b>1.7</b>	<b>1.3</b>
<b>Consulting &amp; Knowledge Services</b>	<b>23.2</b>	<b>15.2</b>	<b>23.5</b>	<b>15.2</b>	<b>0.2</b>	<b>0.9</b>
<b>Total</b>	<b>153.0</b>	<b>100.0</b>	<b>155.0</b>	<b>100.0</b>	<b>1.9</b>	<b>1.3</b>

## II. FY March 2007 Financial Results Forecasts (Consolidated)

### (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	17.0	0.4	2.6

### (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