



# **3<sup>rd</sup> Quarter FY March 2010**

# **Financial Results**

**Nomura Research Institute, Ltd.**

**January 28, 2010**

### 3Q FY March 2010 Financial Results (Consolidated)

#### (1) Highlights

(Unit: JPY million)

	3Q FY Mar.2009		3Q FY Mar.2010		YoY		FY Mar.2009 (Apr.2008 - Mar.2009)
	Total (Apr.2008 - Dec.2008)	Progress	Total (Apr.2009 - Dec.2009)	Progress	Diff.	Change (%)	
	Amount	%	Amount	%			Amount
Sales	251,208	73.6	252,155	74.2	946	0.4	341,279
Cost of Sales	175,894		179,914		4,020	2.3	240,854
Gross Profit	75,314		72,240		(3,073)	(4.1)	100,425
(Gross Profit Margin)	30.0%		28.6%		(1.3P)		29.4%
SG&A	37,991		39,485		1,493	3.9	50,711
Operating Profit	37,322	75.1	32,755	74.4	(4,566)	(12.2)	49,713
(Operating Profit Margin)	14.9%		13.0%		(1.9P)		14.6%
Non-operating gain and loss	1,829		664		(1,165)	(63.7)	2,017
Other Income and Expenditure	(1,390)		(861)		529	-	(7,549)
Net Income	21,651	88.3	18,649	76.1	(3,001)	(13.9)	24,513
Earnings per Share	JPY 110.75	88.2	JPY 95.85	76.1	JPY (14.90)	(13.5)	JPY 125.54

[3<sup>rd</sup> Quarter]

(Unit: JPY million)

	3Q FY Mar.2009		3Q FY Mar.2010		YoY	
	(Oct.2008-Dec.2008)	(Oct.2009-Dec.2009)	(Oct.2009-Dec.2009)	(Oct.2009-Dec.2009)	Diff.	Change (%)
	Amount	Amount	Amount	Amount		
Sales	85,923	85,272	85,272	85,272	(650)	(0.8)
Cost of Sales	59,592	61,409	61,409	61,409	1,817	3.0
Gross Profit	26,331	23,863	23,863	23,863	(2,467)	(9.4)
(Gross Profit Margin)	30.6%	28.0%	28.0%	28.0%	(2.7P)	
SG&A	12,727	13,198	13,198	13,198	470	3.7
Operating Profit	13,603	10,664	10,664	10,664	(2,938)	(21.6)
(Operating Profit Margin)	15.8%	12.5%	12.5%	12.5%	(3.3P)	
Non-operating gain and loss	475	387	387	387	(87)	(18.4)
Other Income and Expenditure	(945)	7	7	7	953	-
Net Income	7,419	6,670	6,670	6,670	(749)	(10.1)
Earnings per Share	JPY 38.14	JPY 34.28	JPY 34.28	JPY 34.28	JPY (3.87)	(10.1)

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

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### 3Q FY March 2010 Financial Results (Consolidated)

<Reference> [2 <sup>nd</sup> Quarter]		(Unit: JPY million)		
	2Q FY Mar.2009 (Jul.2008 -Sep.2008)	2Q FY Mar.2010 (Jul.2009 -Sep.2009)	YoY	
	Amount	Amount	Diff.	Change (%)
<b>Sales</b>	<b>85,789</b>	<b>85,361</b>	<b>(428)</b>	<b>(0.5)</b>
<b>Cost of Sales</b>	<b>59,784</b>	<b>60,375</b>	<b>591</b>	<b>1.0</b>
<b>Gross Profit</b>	<b>26,005</b>	<b>24,985</b>	<b>(1,019)</b>	<b>(3.9)</b>
<b>(Gross Profit Margin)</b>	<b>30.3%</b>	<b>29.3%</b>	<b>(1.0P)</b>	
<b>SG&amp;A</b>	<b>12,146</b>	<b>12,848</b>	<b>702</b>	<b>5.8</b>
<b>Operating Profit</b>	<b>13,858</b>	<b>12,137</b>	<b>(1,721)</b>	<b>(12.4)</b>
<b>(Operating Profit Margin)</b>	<b>16.2%</b>	<b>14.2%</b>	<b>(1.9P)</b>	
<b>Non-operating gain and loss</b>	<b>298</b>	<b>(630)</b>	<b>(929)</b>	<b>-</b>
<b>Other Income and Expence</b>	<b>(96)</b>	<b>(572)</b>	<b>(475)</b>	<b>-</b>
<b>Net Income</b>	<b>8,181</b>	<b>5,855</b>	<b>(2,326)</b>	<b>(28.4)</b>
<b>Earnings per Share</b>	<b>JPY 42.07</b>	<b>JPY 30.09</b>	<b>JPY (11.98)</b>	<b>(28.5)</b>

[1 <sup>st</sup> Quarter]		(Unit: JPY million)		
	1Q FY Mar.2009 (Apr.2008 -Jun.2008)	1Q FY Mar.2010 (Apr.2009 -Jun.2009)	YoY	
	Amount	Amount	Diff.	Change (%)
<b>Sales</b>	<b>79,495</b>	<b>81,521</b>	<b>2,025</b>	<b>2.5</b>
<b>Cost of Sales</b>	<b>56,517</b>	<b>58,129</b>	<b>1,611</b>	<b>2.9</b>
<b>Gross Profit</b>	<b>22,977</b>	<b>23,392</b>	<b>414</b>	<b>1.8</b>
<b>(Gross Profit Margin)</b>	<b>28.9%</b>	<b>28.7%</b>	<b>(0.2P)</b>	
<b>SG&amp;A</b>	<b>13,118</b>	<b>13,438</b>	<b>320</b>	<b>2.4</b>
<b>Operating Profit</b>	<b>9,859</b>	<b>9,953</b>	<b>93</b>	<b>1.0</b>
<b>(Operating Profit Margin)</b>	<b>12.4%</b>	<b>12.2%</b>	<b>(0.2P)</b>	
<b>Non-operating gain and loss</b>	<b>1,055</b>	<b>906</b>	<b>(148)</b>	<b>(14.1)</b>
<b>Other Income and Expence</b>	<b>(348)</b>	<b>(296)</b>	<b>51</b>	<b>-</b>
<b>Net Income</b>	<b>6,051</b>	<b>6,124</b>	<b>73</b>	<b>1.2</b>
<b>Earnings per Share</b>	<b>JPY 30.63</b>	<b>JPY 31.48</b>	<b>JPY 0.85</b>	<b>2.8</b>

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

## 3Q FY March 2010 Financial Results (Consolidated)

### (2) Sales by sector

(Unit: JPY million)

	3Q FY Mar.2009 Total (Apr.2008 -Dec.2008)		3Q FY Mar.2010 Total (Apr.2009 -Dec.2009)		YoY		FY Mar.2009 (Apr.2008 - Mar.2009)	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Share (%)
Securities sector	98,542	39.2	93,025	36.9	(5,516)	(5.6)	132,460	38.8
Insurance sector	34,920	13.9	41,580	16.5	6,659	19.1	50,161	14.7
Banking sector	18,968	7.6	22,109	8.8	3,140	16.6	25,672	7.5
Other financial sector	21,859	8.7	17,938	7.1	(3,921)	(17.9)	28,621	8.4
<b>Financial sector</b>	<b>174,291</b>	<b>69.4</b>	<b>174,653</b>	<b>69.3</b>	<b>362</b>	<b>0.2</b>	<b>236,915</b>	<b>69.4</b>
Distribution sector	32,518	12.9	32,759	13.0	241	0.7	42,925	12.6
Other sector	44,399	17.7	44,741	17.7	342	0.8	61,438	18.0
<b>Total</b>	<b>251,208</b>	<b>100.0</b>	<b>252,155</b>	<b>100.0</b>	<b>946</b>	<b>0.4</b>	<b>341,279</b>	<b>100.0</b>
*Sales by major counterparties within the foregoing amounts								
Nomura Holdings	72,271	28.8	65,604	26.0	(6,666)	(9.2)	97,240	28.5
SEVEN & i HOLDINGS	28,625	11.4	30,929	12.3	2,303	8.0	38,183	11.2

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

\*Sales via leasing and other companies include sales to customers ultimately receiving services and other products.

### [3<sup>rd</sup> Quarter]

(Unit: JPY million)

	3Q FY Mar.2009 (Oct.2008-Dec.2008)		3Q FY Mar.2010 (Oct.2009-Dec.2009)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Securities sector	31,644	36.8	31,150	36.5	(494)	(1.6)
Insurance sector	13,708	16.0	14,152	16.6	443	3.2
Banking sector	6,842	8.0	7,700	9.0	858	12.5
Other Financial sector	7,242	8.4	6,077	7.1	(1,164)	(16.1)
<b>Financial sector</b>	<b>59,437</b>	<b>69.2</b>	<b>59,081</b>	<b>69.3</b>	<b>(356)</b>	<b>(0.6)</b>
Distribution sector	10,887	12.7	10,837	12.7	(49)	(0.5)
Other sector	15,598	18.2	15,353	18.0	(244)	(1.6)
<b>Total</b>	<b>85,923</b>	<b>100.0</b>	<b>85,272</b>	<b>100.0</b>	<b>(650)</b>	<b>(0.8)</b>
*Sales by major counterparties within the foregoing amounts						
Nomura Holdings	23,237	27.0	20,852	24.5	(2,384)	(10.3)
SEVEN & i HOLDINGS	9,711	11.3	9,829	11.5	117	1.2

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

### 3Q FY March 2010 Financial Results (Consolidated)

<Reference>  
[2<sup>nd</sup> Quarter]

(Unit: JPY million)

	2Q FY Mar.2009 (Jul.2008-Sep.2008)		2Q FY Mar.2010 (Jul.2009-Sep.2009)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Securities sector	34,122	39.8	30,775	36.1	(3,347)	(9.8)
Insurance sector	12,082	14.1	14,025	16.4	1,942	16.1
Banking sector	6,086	7.1	7,876	9.2	1,789	29.4
Other Financial sector	7,266	8.5	5,826	6.8	(1,440)	(19.8)
<b>Financial sector</b>	<b>59,557</b>	<b>69.4</b>	<b>58,502</b>	<b>68.5</b>	<b>(1,055)</b>	<b>(1.8)</b>
Distribution sector	10,786	12.6	11,327	13.3	540	5.0
Other sector	15,444	18.0	15,531	18.2	86	0.6
<b>Total</b>	<b>85,789</b>	<b>100.0</b>	<b>85,361</b>	<b>100.0</b>	<b>(428)</b>	<b>(0.5)</b>

\*Sales by major counterparties within the foregoing amounts

Nomura Holdings	25,488	29.7	22,188	26.0	(3,300)	(12.9)
SEVEN & i HOLDINGS	9,413	11.0	11,303	13.2	1,890	20.1

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

(Unit: JPY million)

	1Q FY Mar.2009 (Apr.2008-Jun.2008)		1Q FY Mar.2010 (Apr.2009-Jun.2009)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Securities sector	32,774	41.2	31,100	38.1	(1,674)	(5.1)
Insurance sector	9,129	11.5	13,402	16.4	4,273	46.8
Banking sector	6,039	7.6	6,532	8.0	492	8.2
Other Financial sector	7,351	9.2	6,034	7.4	(1,316)	(17.9)
<b>Financial sector</b>	<b>55,295</b>	<b>69.6</b>	<b>57,069</b>	<b>70.0</b>	<b>1,774</b>	<b>3.2</b>
Distribution sector	10,843	13.6	10,594	13.0	(249)	(2.3)
Other sector	13,356	16.8	13,857	17.0	501	3.8
<b>Total</b>	<b>79,495</b>	<b>100.0</b>	<b>81,521</b>	<b>100.0</b>	<b>2,025</b>	<b>2.5</b>

\*Sales by major counterparties within the foregoing amounts

Nomura Holdings	23,545	29.6	22,563	27.7	(982)	(4.2)
SEVEN & i HOLDINGS	9,500	12.0	9,797	12.0	296	3.1

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

### 3Q FY March 2010 Financial Results (Consolidated)

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

##### Consulting Services

(Unit: JPY million)

	3Q FY Mar.2009 Total (Apr.2008 -Dec.2008)		3Q FY Mar.2010 Total (Apr.2009 -Dec.2009)		YoY		FY Mar.2009 (Apr.2008 - Mar.2009)	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Share (%)
Sales	24,810	9.9	21,489	8.5	(3,321)	(13.4)	32,866	9.6
Operating Profit	3,327	/	212	/	(3,115)	(93.6)	4,126	/
Operating Profit Margin	13.4%	/	1.0%	/	(12.4P)	/	12.6%	/

##### [3<sup>rd</sup> Quarter]

(Unit: JPY million)

	3Q FY Mar.2009 (Oct.2008-Dec.2008)		3Q FY Mar.2010 (Oct.2009-Dec.2009)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Sales	8,104	9.4	7,892	9.3	(211)	(2.6)
Operating Profit	829	/	232	/	(597)	(72.0)
Operating Profit Margin	10.2%	/	2.9%	/	(7.3P)	/

##### <Reference>

##### [2<sup>nd</sup> Quarter]

(Unit: JPY million)

	2Q FY Mar.2009 (Jul.2008-Sep.2008)		2Q FY Mar.2010 (Jul.2009-Sep.2009)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Sales	9,325	10.9	7,260	8.5	(2,064)	(22.1)
Operating Profit	1,987	/	356	/	(1,631)	(82.1)
Operating Profit Margin	21.3%	/	4.9%	/	(16.4P)	/

##### [1<sup>st</sup> Quarter]

(Unit: JPY million)

	1Q FY Mar.2009 (Apr.2008-Jun.2008)		1Q FY Mar.2010 (Apr.2009-Jun.2009)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
Sales	7,380	9.3	6,336	7.8	(1,044)	(14.1)
Operating Profit	509	/	(376)	/	(886)	-
Operating Profit Margin	6.9%	/	(5.9%)	/	(12.8P)	/

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

### 3Q FY March 2010 Financial Results (Consolidated)

IT Solution Services							(Unit: JPY million)	
	3Q FY Mar.2009 Total (Apr.2008 -Dec.2008)		3Q FY Mar.2010 Total (Apr.2009 -Dec.2009)		YoY		FY Mar.2009 (Apr.2008 - Mar.2009)	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Share (%)
System Development & System Application Sales	106,401	42.4	95,778	38.0	(10,622)	(10.0)	144,249	42.3
System Management & Operations	111,298	44.3	124,316	49.3	13,018	11.7	148,985	43.7
Product Sales	8,697	3.5	10,569	4.2	1,872	21.5	15,178	4.4
Sales	226,397	90.1	230,665	91.5	4,267	1.9	308,413	90.4
Operating Profit	33,994		32,543		(1,451)	(4.3)	45,587	
Operating Profit Margin	15.0%		14.1%		(0.9P)		14.8%	

[3 <sup>rd</sup> Quarter]							(Unit: JPY million)	
	3Q FY Mar.2009 (Oct.2008-Dec.2008)		3Q FY Mar.2010 (Oct.2009-Dec.2009)		YoY			
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)		
System Development & System Application Sales	37,591	43.7	32,081	37.6	(5,509)	(14.7)		
System Management & Operations	37,208	43.3	40,660	47.7	3,451	9.3		
Product Sales	3,019	3.5	4,638	5.4	1,619	53.6		
Sales	77,819	90.6	77,380	90.7	(438)	(0.6)		
Operating Profit	12,773		10,432		(2,341)	(18.3)		
Operating Profit Margin	16.4%		13.5%		(2.9P)			

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

### 3Q FY March 2010 Financial Results (Consolidated)

<Reference>

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

(Unit: JPY million)

	2Q FY Mar.2009 (Jul.2008-Sep.2008)		2Q FY Mar.2010 (Jul.2009-Sep.2009)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
System Development & System Application Sales	36,297	42.3	33,059	38.7	(3,237)	(8.9)
System Management & Operations	37,005	43.1	41,342	48.4	4,336	11.7
Product Sales	3,161	3.7	3,699	4.3	538	17.0
Sales	76,464	89.1	78,100	91.5	1,636	2.1
Operating Profit	11,871		11,780		(90)	(0.8)
Operating Profit Margin	15.5%		15.1%		(0.4P)	

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

(Unit: JPY million)

	1Q FY Mar.2009 (Apr.2008-Jun.2008)		1Q FY Mar.2010 (Apr.2009-Jun.2009)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
System Development & System Application Sales	32,513	40.9	30,638	37.6	(1,875)	(5.8)
System Management & Operations	37,083	46.6	42,314	51.9	5,230	14.1
Product Sales	2,517	3.2	2,231	2.7	(285)	(11.3)
Sales	72,114	90.7	75,184	92.2	3,070	4.3
Operating Profit	9,349		10,329		979	10.5
Operating Profit Margin	13.0%		13.7%		0.8P	

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



### 3Q FY March 2010 Financial Results (Consolidated)

#### (4) Order Volume and Order Backlog

##### Order Volume

(Unit: JPY million)

	3Q FY Mar.2009 Total (Apr.2008 -Dec.2008)	3Q FY Mar.2010 Total (Apr.2009 -Dec.2009)	YoY	
	Amount	Amount	Diff.	Change (%)
<b>Consulting Services</b>	<b>26,279</b>	<b>23,247</b>	<b>(3,031)</b>	<b>(11.5)</b>
System Development & System Application Sales	114,584	85,448	(29,135)	(25.4)
System Management & Operations	26,826	27,349	522	1.9
Product Sales	8,697	10,569	1,872	21.5
<b>IT Solution Services</b>	<b>150,108</b>	<b>123,367</b>	<b>(26,740)</b>	<b>(17.8)</b>
<b>Total</b>	<b>176,387</b>	<b>146,615</b>	<b>(29,772)</b>	<b>(16.9)</b>

##### [3<sup>rd</sup> Quarter]

(Unit: JPY million)

	3Q FY Mar.2009 (Oct.2008 -Dec.2008)	3Q FY Mar.2010 (Oct.2009 -Dec.2009)	YoY	
	Amount	Amount	Diff.	Change (%)
<b>Consulting Services</b>	<b>6,785</b>	<b>6,637</b>	<b>(148)</b>	<b>(2.2)</b>
System Development & System Application Sales	32,292	23,774	(8,518)	(26.4)
System Management & Operations	4,762	3,356	(1,406)	(29.5)
Product Sales	3,026	4,638	1,612	53.3
<b>IT Solution Services</b>	<b>40,082</b>	<b>31,768</b>	<b>(8,313)</b>	<b>(20.7)</b>
<b>Total</b>	<b>46,867</b>	<b>38,405</b>	<b>(8,461)</b>	<b>(18.1)</b>

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

### 3Q FY March 2010 Financial Results (Consolidated)

<Reference>

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

(Unit: JPY million)

	2Q FY Mar.2009 (Jul.2008 -Sep.2008)	2Q FY Mar.2010 (Jul.2009 -Sep.2009)	YoY	
	Amount	Amount	Diff.	Change (%)
<b>Consulting Services</b>	<b>8,035</b>	<b>6,517</b>	<b>(1,518)</b>	<b>(18.9)</b>
System Development & System Application Sales	45,465	24,073	(21,391)	(47.1)
System Management & Operations	5,436	1,132	(4,304)	(79.2)
Product Sales	3,162	3,699	537	17.0
<b>IT Solution Services</b>	<b>54,064</b>	<b>28,904</b>	<b>(25,159)</b>	<b>(46.5)</b>
<b>Total</b>	<b>62,099</b>	<b>35,422</b>	<b>(26,677)</b>	<b>(43.0)</b>

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

(Unit: JPY million)

	1Q FY Mar.2009 (Apr.2008 -Jun.2008)	1Q FY Mar.2010 (Apr.2009 -Jun.2009)	YoY	
	Amount	Amount	Diff.	Change (%)
<b>Consulting Services</b>	<b>11,458</b>	<b>10,093</b>	<b>(1,364)</b>	<b>(11.9)</b>
System Development & System Application Sales	36,826	37,601	775	2.1
System Management & Operations	16,627	22,860	6,233	37.5
Product Sales	2,509	2,231	(277)	(11.1)
<b>IT Solution Services</b>	<b>55,962</b>	<b>62,694</b>	<b>6,731</b>	<b>12.0</b>
<b>Total</b>	<b>67,420</b>	<b>72,787</b>	<b>5,366</b>	<b>8.0</b>

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

### 3Q FY March 2010 Financial Results (Consolidated)

#### Order Backlog(Outstanding)

(Unit: JPY million)

	At end of 3Q FY Mar.2009	At end of 3Q FY Mar.2010	YoY	
	Amount	Amount	Diff.	Change (%)
<b>Consulting Services</b>	<b>5,290</b>	<b>4,955</b>	<b>(334)</b>	<b>(6.3)</b>
System Development & System Application sales	27,324	26,039	(1,284)	(4.7)
System Management & Operations	35,659	39,418	3,758	10.5
<b>IT Solution Services</b>	<b>62,984</b>	<b>65,457</b>	<b>2,473</b>	<b>3.9</b>
<b>Total</b>	<b>68,274</b>	<b>70,413</b>	<b>2,138</b>	<b>3.1</b>
<b>Order backlog in the current FY</b>	<b>63,869</b>	<b>63,584</b>	<b>(285)</b>	<b>(0.4)</b>

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

### 3Q FY March 2010 Financial Results (Consolidated)

#### (5) Subcontracting Costs

##### Subcontracting Costs by segment & percentage in sales

(Unit: JPY million)

	3Q FY Mar.2009 Total (Apr.2008-Dec.2008)		3Q FY Mar.2010 Total (Apr.2009-Dec.2009)		YoY		FY Mar.2009 (Apr.2008-Mar.2009)	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)	Amount	Share (%)
<b>Consulting Services</b>	<b>3,946</b>	<b>15.9</b>	<b>3,689</b>	<b>17.2</b>	<b>(257)</b>	<b>(6.5)</b>	<b>5,309</b>	<b>16.2</b>
System Development & System Application Sales	59,555	56.0	54,131	56.5	(5,423)	(9.1)	81,610	56.6
System Management & Operations	26,765	24.0	25,012	20.1	(1,752)	(6.5)	34,526	23.2
<b>IT Solution Services</b>	<b>86,320</b>	<b>38.1</b>	<b>79,144</b>	<b>34.3</b>	<b>(7,175)</b>	<b>(8.3)</b>	<b>116,136</b>	<b>37.7</b>
<b>Total</b>	<b>90,266</b>	<b>35.9</b>	<b>82,833</b>	<b>32.9</b>	<b>(7,433)</b>	<b>(8.2)</b>	<b>121,446</b>	<b>35.6</b>
(Subcontracting Costs to China)*	12,072	13.4	10,559	12.7	(1,512)	(12.5)	15,849	13.1

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

[3<sup>rd</sup> Quarter]

(Unit: JPY million)

	3Q FY Mar.2009 (Oct.2008-Dec.2008)		3Q FY Mar.2010 (Oct.2009-Dec.2009)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
<b>Consulting Services</b>	<b>1,429</b>	<b>17.6</b>	<b>1,602</b>	<b>20.3</b>	<b>172</b>	<b>12.1</b>
System Development & System Application Sales	21,320	56.7	17,129	53.4	(4,190)	(19.7)
System Management & Operations	8,325	22.4	8,672	21.3	347	4.2
<b>IT Solution Services</b>	<b>29,645</b>	<b>38.1</b>	<b>25,802</b>	<b>33.3</b>	<b>(3,843)</b>	<b>(13.0)</b>
<b>Total</b>	<b>31,075</b>	<b>36.2</b>	<b>27,404</b>	<b>32.1</b>	<b>(3,670)</b>	<b>(11.8)</b>
(Subcontracting Costs to China)	3,729	12.0	3,254	11.9	(475)	(12.8)

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

### 3Q FY March 2010 Financial Results (Consolidated)

<Reference>

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

(Unit: JPY million)

	2Q FY Mar.2009 (Jul.2008-Sep.2008)		2Q FY Mar.2010 (Jul.2009-Sep.2009)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
<b>Consulting Services</b>	<b>1,403</b>	<b>15.0</b>	<b>1,164</b>	<b>16.0</b>	<b>(239)</b>	<b>(17.1)</b>
System Development & System Application Sales	20,354	56.1	18,284	55.3	(2,069)	(10.2)
System Management & Operations	9,013	24.4	8,232	19.9	(780)	(8.7)
<b>IT Solution Services</b>	<b>29,367</b>	<b>38.4</b>	<b>26,517</b>	<b>34.0</b>	<b>(2,850)</b>	<b>(9.7)</b>
<b>Total</b>	<b>30,770</b>	<b>35.9</b>	<b>27,681</b>	<b>32.4</b>	<b>(3,089)</b>	<b>(10.0)</b>
(Subcontracting Costs to China)	4,192	13.6	3,641	13.2	(550)	(13.1)

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

(Unit: JPY million)

	1Q FY Mar.2009 (Apr.2008-Jun.2008)		1Q FY Mar.2010 (Apr.2009-Jun.2009)		YoY	
	Amount	Share (%)	Amount	Share (%)	Diff.	Change (%)
<b>Consulting Services</b>	<b>1,113</b>	<b>15.1</b>	<b>922</b>	<b>14.6</b>	<b>(190)</b>	<b>(17.1)</b>
System Development & System Application Sales	17,880	55.0	18,718	61.1	837	4.7
System Management & Operations	9,426	25.4	8,106	19.2	(1,319)	(14.0)
<b>IT Solution Services</b>	<b>27,307</b>	<b>37.9</b>	<b>26,824</b>	<b>35.7</b>	<b>(482)</b>	<b>(1.8)</b>
<b>Total</b>	<b>28,420</b>	<b>35.8</b>	<b>27,747</b>	<b>34.0</b>	<b>(673)</b>	<b>(2.4)</b>
(Subcontracting Costs to China)	4,150	14.6	3,664	13.2	(486)	(11.7)

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

### 3Q FY March 2010 Financial Results (Consolidated)

#### (6) Cash Flow

(Unit: JPY million)

	3Q FY Mar.2009 Total (Apr.2008 -Dec.2008)	3Q FY Mar.2010 Total (Apr.2009 -Dec.2009)	YoY	FY Mar.2009 (Apr.2008 -Mar.2009)
	Amount	Amount	Change (%)	Amount
Income before income taxes	37,761	32,558	(13.8)	44,181
Gain/Loss from non-operating activities	(1,917)	(702)	(63.3)	(1,991)
Extraordinary gain/loss	1,390	885	(36.3)	7,549
Depreciation and amortization	15,082	22,402	48.5	20,763
Accounts receivable and other receivable, net of advance payments received	4,134	12,228	195.7	(3,283)
Allowance	(5,507)	(7,677)	39.4	458
Other	825	4,939	498.6	(808)
<b>Subtotal</b>	<b>51,769</b>	<b>64,634</b>	<b>24.9</b>	<b>66,869</b>
Interest and dividends received	1,719	1,346	(21.7)	1,981
Income taxes paid	(22,128)	(20,699)	(6.5)	(22,669)
<b>Operating Activities</b>	<b>31,360</b>	<b>45,281</b>	<b>44.4</b>	<b>46,180</b>
Acquisition of property and equipment	(11,144)	(9,734)	(12.7)	(14,105)
Increase in software and other intangibles	(15,050)	(13,127)	(12.8)	(57,862)
<b>Subtotal: Capital expenditure</b>	<b>(26,195)</b>	<b>(22,861)</b>	<b>(12.7)</b>	<b>(71,968)</b>
Increase in time deposits	(3,890)	-	(100.0)	(6,874)
Proceeds from time deposits	4,094	6,073	48.4	6,929
Increase in investment securities	(27,543)	(2,564)	(90.7)	(29,365)
Proceeds from sales and redemption of investment securities	28,148	6,399	(77.3)	30,251
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	664	-	-
Other	26	45	74.5	32
<b>Investing Activities</b>	<b>(25,361)</b>	<b>(12,242)</b>	<b>(51.7)</b>	<b>(70,994)</b>
<b>Free Cash Flow</b>	<b>5,999</b>	<b>33,039</b>	<b>450.7</b>	<b>(24,813)</b>
(Free Cash Flow except Cash management purpose investment)	2,787	22,965	724.0	(27,877)
Increase in short-term loans payable	-	6,500	-	-
Decrease in short-term loans payable	-	(6,500)	-	-
Repayments of finance lease obligations	(310)	(195)	(37.2)	(388)
Purchase of treasury stock	(11,797)	(0)	(100.0)	(11,797)
Cash dividends paid	(10,220)	(10,102)	(1.2)	(10,228)
<b>Financing Activities</b>	<b>(22,328)</b>	<b>(10,297)</b>	<b>(53.9)</b>	<b>(22,414)</b>
Effect of exchange rate changes on Cash and cash equivalents	(352)	(99)	(71.8)	(68)
<b>Net increase in Cash and cash equivalents</b>	<b>(16,681)</b>	<b>22,641</b>	<b>-</b>	<b>(47,296)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>75,524</b>	<b>28,228</b>	<b>(62.6)</b>	<b>75,524</b>

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### 3Q FY March 2010 Financial Results (Consolidated)

Cash and cash equivalents at end of period	58,843	50,870	(13.5)	28,228
Cash and cash equivalents + Cash Management purpose investment	81,411	63,967	(21.4)	51,271

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.

	3Q FY Mar.2009 Total (Apr.2008 -Dec.2008)	3Q FY Mar.2010 Total (Apr.2009 -Dec.2009)	YoY	FY Mar.2009 (Apr.2008 -Mar.2009)
	Amount	Amount	Change (%)	Amount
Increase in time deposits	(3,890)	-	(100.0)	(6,874)
Proceeds from time deposits	4,094	6,073	48.4	6,929
Increase in investment securities	(24,991)	-	(100.0)	(24,991)
Proceeds from sales and redemption of investment securities	28,000	4,000	(85.7)	28,000
(Total)	3,212	10,073	213.6	3,064
<b>Cash management purpose investment</b>				

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

### 3Q FY March 2010 Financial Results (Consolidated)

#### (7) Capital Expenditure

(Unit: JPY million)

	3Q FY Mar.2009 Total (Apr.2008 -Dec.2008)	3Q FY Mar.2010 Total (Apr.2009 -Dec.2009)	YoY		FY Mar.2009 (Apr.2008 - Mar.2009)
	Amount	Amount	Diff.	Change (%)	Amount
Tangible	8,211	8,230	19	0.2	12,378
Intangible	14,886	13,151	(1,734)	(11.7)	57,705
Total	23,097	21,382	(1,714)	(7.4)	70,083

#### (8) Depreciation and Amortization

(Unit: JPY million)

	3Q FY Mar.2009 Total (Apr.2008 -Dec.2008)	3Q FY Mar.2010 Total (Apr.2009 -Dec.2009)	YoY		FY Mar.2009 (Apr.2008 - Mar.2009)
	Amount	Amount	Diff.	Change (%)	Amount
Tangible	8,765	8,984	218	2.5	12,045
Intangible	6,316	13,418	7,102	112.4	8,717
Total	15,082	22,402	7,320	48.5	20,763

#### (9) R&D Expenditure

(Unit: JPY million)

	3Q FY Mar.2009 Total (Apr.2008 -Dec.2008)	3Q FY Mar.2010 Total (Apr.2009 -Dec.2009)	YoY		FY Mar.2009 (Apr.2008 - Mar.2009)
	Amount	Amount	Diff.	Change (%)	Amount
Consulting Services	446	449	2	0.5	614
IT Solution Services	2,514	2,042	(472)	(18.8)	3,489
Total	2,961	2,491	(469)	(15.9)	4,104

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