

# 3Q FY March 2017 Financial Results

January 27, 2017

Nomura Research Institute, Ltd.

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I . 3Q FY March 2017 Financial Results (Consolidated)

II . FY March 2017 Financial Results Forecasts (Consolidated)

# I .3Q FY March 2017 Financial Results (Consolidated)



## (1) Highlights

3rd Quarter Total	3Q FY Mar.2016		3Q FY Mar.2017		Yo Y		(JPY million)
	Amount	Progress (%)	Amount	Progress (%)	Diff.	Change(%)	FY Mar.2016 Amount
	Sales	313,621	74.4	308,533	72.6	(5,087)	(1.6)
Consulting Services	38,387	73.6	43,111	75.6	4,723	12.3	52,131
System Development & System Application Sales	109,741	75.6	98,758	68.1	(10,983)	(10.0)	145,157
System Management & Operation Services	158,411	74.4	158,614	75.2	202	0.1	212,952
Product Sales	7,081	63.2	8,050	67.1	968	13.7	11,197
Cost of Sales	214,352		203,631		(10,721)	(5.0)	287,270
Gross Profit	99,268		104,902		5,633	5.7	134,168
(Gross Profit Margin)	31.7%		34.0%		2.3P		31.8%
Selling, general and administrative expenses	56,039		62,258		6,218	11.1	75,873
Operating Profit	43,229	74.2	42,644	72.3	(585)	(1.4)	58,295
(Operating Profit Margin)	13.8%		13.8%		0.0P		13.8%
Non-operating income and loss	2,095		1,806		(289)	(13.8)	2,705
Extraordinary income and loss	1,233		13,213		11,980	971.3	1,304
Profit attributable to owners of parent	31,914	74.8	40,280	88.5	8,366	26.2	42,648
Earnings per share(JPY)	128.57		162.50		33.94		171.42

※ NRI conducted 1-for-1.1 stock splits of common shares with effective dates of October 1, 2015 and 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.

# I .3Q FY March 2017 Financial Results (Consolidated)

(JPY million)

3rd Quarter	3Q FY	3Q FY	Y o Y	
	Mar.2016	Mar.2017	Diff.	Change(%)
	Amount	Amount		
Sales	101,283	105,368	4,085	4.0
Consulting Services	13,310	15,972	2,661	20.0
System Development & System Application Sales	32,690	32,381	(308)	(0.9)
System Management & Operation Services	53,062	54,111	1,048	2.0
Product Sales	2,220	2,904	683	30.8
Cost of Sales	66,791	67,709	918	1.4
Gross Profit	34,491	37,659	3,167	9.2
(Gross Profit Margin)	34.1%	35.7%	1.7P	
Selling, general and administrative expenses	19,511	21,356	1,844	9.5
Operating Profit	14,979	16,303	1,323	8.8
(Operating Profit Margin)	14.8%	15.5%	0.7P	
Non-operating income and loss	503	189	(313)	(62.4)
Extraordinary income and loss	1,428	223	(1,204)	(84.3)
Profit attributable to owners of parent	11,787	11,436	(350)	(3.0)
Earnings per share(JPY)	47.09	46.17	(0.92)	

(JPY million)

2nd Quarter	2Q FY	2Q FY	Y o Y	
	Mar.2016	Mar.2017	Diff.	Change(%)
	Amount	Amount		
Sales	110,816	102,773	(8,042)	(7.3)
Consulting Services	12,878	14,806	1,928	15.0
System Development & System Application Sales	43,922	33,121	(10,801)	(24.6)
System Management & Operation Services	52,084	52,115	31	0.1
Product Sales	1,931	2,730	798	41.3
Cost of Sales	77,593	69,772	(7,821)	(10.1)
Gross Profit	33,223	33,001	(221)	(0.7)
(Gross Profit Margin)	30.0%	32.1%	2.1P	
Selling, general and administrative expenses	18,508	20,349	1,840	9.9
Operating Profit	14,714	12,652	(2,061)	(14.0)
(Operating Profit Margin)	13.3%	12.3%	(1.0P)	
Non-operating income and loss	263	65	(197)	(75.1)
Extraordinary income and loss	(106)	13,143	13,249	—
Profit attributable to owners of parent	10,861	18,492	7,630	70.3
Earnings per share(JPY)	43.44	74.73	31.29	

# I .3Q FY March 2017 Financial Results (Consolidated)



(JPY million)

1st Quarter	1Q FY	1Q FY	YoY	
	Mar.2016	Mar.2017	Diff.	Change(%)
	Amount	Amount		
Sales	101,521	100,391	(1,130)	(1.1)
Consulting Services	12,199	12,332	133	1.1
System Development & System Application Sales	33,128	33,255	126	0.4
System Management & Operation Services	53,264	52,387	(876)	(1.6)
Product Sales	2,929	2,415	(513)	(17.5)
Cost of Sales	69,967	66,149	(3,818)	(5.5)
Gross Profit	31,554	34,241	2,687	8.5
(Gross Profit Margin)	31.1%	34.1%	3.0P	
Selling, general and administrative expenses	18,018	20,553	2,534	14.1
Operating Profit	13,535	13,688	153	1.1
(Operating Profit Margin)	13.3%	13.6%	0.3P	
Non-operating income and loss	1,329	1,551	221	16.7
Extraordinary income and loss	(88)	(153)	(65)	—
Profit attributable to owners of parent	9,265	10,351	1,086	11.7
Earnings per share(JPY)	37.92	41.66	3.73	

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# I .3Q FY March 2017 Financial Results (Consolidated)



## (2) Sales and Operating Profit by segment

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

(JPY million)

3rd Quarter Total		3Q FY Mar.2016		3Q FY Mar.2017		Y o Y		FY Mar.2016	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	Sales	20,607	6.6	21,174	6.9	567	2.8	28,823	6.8
	Operating Profit	3,424	7.9	3,689	8.7	264	7.7	5,487	9.4
	(Operating Profit Margin)	16.6%		17.4%		0.8P		19.0%	
Financial IT Solutions	Sales	189,066	60.3	182,593	59.2	(6,473)	(3.4)	253,802	60.2
	Operating Profit	21,966	50.8	19,929	46.7	(2,037)	(9.3)	29,171	50.0
	(Operating Profit Margin)	11.6%		10.9%		(0.7P)		11.5%	
Industrial IT Solutions	Sales	76,584	24.4	76,770	24.9	186	0.2	102,859	24.4
	Operating Profit	7,738	17.9	5,982	14.0	(1,755)	(22.7)	9,974	17.1
	(Operating Profit Margin)	10.1%		7.8%		(2.3P)		9.7%	
IT Platform Services	Sales	81,336	25.9	90,895	29.5	9,558	11.8	110,044	26.1
	Operating Profit	8,793	20.3	10,765	25.2	1,972	22.4	11,575	19.9
	(Operating Profit Margin)	10.8%		11.8%		1.0P		10.5%	
Others	Sales	9,321	3.0	9,923	3.2	602	6.5	12,924	3.1
	Operating Profit	529	1.2	1,458	3.4	928	175.3	919	1.6
	(Operating Profit Margin)	5.7%		14.7%		9.0P		7.1%	
Inter-segment sales and eliminations	Sales	(63,294)	(20.2)	(72,823)	(23.6)	(9,529)		(87,014)	(20.6)
	Operating Profit	777	1.8	818	1.9	41		1,167	2.0
Total	Sales	313,621	100.0	308,533	100.0	(5,087)	(1.6)	421,439	100.0
	Operating Profit	43,229	100.0	42,644	100.0	(585)	(1.4)	58,295	100.0
	(Operating Profit Margin)	13.8%		13.8%		0.0P		13.8%	

# I .3Q FY March 2017 Financial Results (Consolidated)

(JPY million)

3rd Quarter		3Q FY Mar.2016		3Q FY Mar.2017		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	7,229	7.1	7,774	7.4	544	7.5
	Operating Profit	1,407	9.4	1,600	9.8	193	13.7
	(Operating Profit Margin)	19.5%		20.6%		1.1P	
Financial IT Solutions	Sales	59,761	59.0	62,287	59.1	2,526	4.2
	Operating Profit	7,074	47.2	8,158	50.0	1,084	15.3
	(Operating Profit Margin)	11.8%		13.1%		1.3P	
Industrial IT Solutions	Sales	25,587	25.3	25,937	24.6	349	1.4
	Operating Profit	2,495	16.7	2,329	14.3	(166)	(6.7)
	(Operating Profit Margin)	9.8%		9.0%		(0.8P)	
IT Platform Services	Sales	27,927	27.6	30,167	28.6	2,239	8.0
	Operating Profit	3,395	22.7	3,427	21.0	32	1.0
	(Operating Profit Margin)	12.2%		11.4%		(0.8P)	
Others	Sales	3,167	3.1	3,377	3.2	209	6.6
	Operating Profit	441	2.9	550	3.4	109	24.7
	(Operating Profit Margin)	13.9%		16.3%		2.4P	
Inter-segment sales and eliminations	Sales	(22,390)	(22.1)	(24,175)	(22.9)	(1,784)	
	Operating Profit	165	1.1	236	1.4	70	
Total	Sales	101,283	100.0	105,368	100.0	4,085	4.0
	Operating Profit	14,979	100.0	16,303	100.0	1,323	8.8
	(Operating Profit Margin)	14.8%		15.5%		0.7P	

# I .3Q FY March 2017 Financial Results (Consolidated)

(JPY million)

2nd Quarter		2Q FY Mar.2016		2Q FY Mar.2017		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	7,226	6.5	7,261	7.1	35	0.5
	Operating Profit	1,374	9.3	1,738	13.7	364	26.5
	(Operating Profit Margin)	19.0%		23.9%		4.9P	
Financial IT Solutions	Sales	69,561	62.8	60,588	59.0	(8,972)	(12.9)
	Operating Profit	7,270	49.4	5,079	40.1	(2,191)	(30.1)
	(Operating Profit Margin)	10.5%		8.4%		(2.1P)	
Industrial IT Solutions	Sales	25,417	22.9	25,337	24.7	(80)	(0.3)
	Operating Profit	2,252	15.3	1,486	11.7	(765)	(34.0)
	(Operating Profit Margin)	8.9%		5.9%		(3.0P)	
IT Platform Services	Sales	26,390	23.8	30,372	29.6	3,981	15.1
	Operating Profit	3,132	21.3	3,536	27.9	403	12.9
	(Operating Profit Margin)	11.9%		11.6%		(0.2P)	
Others	Sales	3,050	2.8	3,343	3.3	293	9.6
	Operating Profit	359	2.4	469	3.7	110	30.7
	(Operating Profit Margin)	11.8%		14.0%		2.3P	
Inter-segment sales and eliminations	Sales	(20,830)	(18.8)	(24,130)	(23.5)	(3,299)	
	Operating Profit	325	2.2	342	2.7	17	
Total	Sales	110,816	100.0	102,773	100.0	(8,042)	(7.3)
	Operating Profit	14,714	100.0	12,652	100.0	(2,061)	(14.0)
	(Operating Profit Margin)	13.3%		12.3%		(1.0P)	



# I .3Q FY March 2017 Financial Results (Consolidated)



(JPY million)

1st Quarter		1Q FY Mar.2016		1Q FY Mar.2017		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	6,150	6.1	6,138	6.1	(12)	(0.2)
	Operating Profit	643	4.8	350	2.6	(292)	(45.5)
	(Operating Profit Margin)	10.5%		5.7%		(4.8P)	
Financial IT Solutions	Sales	59,744	58.8	59,717	59.5	(27)	(0.0)
	Operating Profit	7,620	56.3	6,691	48.9	(929)	(12.2)
	(Operating Profit Margin)	12.8%		11.2%		(1.6P)	
Industrial IT Solutions	Sales	25,578	25.2	25,495	25.4	(82)	(0.3)
	Operating Profit	2,990	22.1	2,166	15.8	(823)	(27.5)
	(Operating Profit Margin)	11.7%		8.5%		(3.2P)	
IT Platform Services	Sales	27,018	26.6	30,355	30.2	3,336	12.3
	Operating Profit	2,265	16.7	3,801	27.8	1,536	67.8
	(Operating Profit Margin)	8.4%		12.5%		4.1P	
Others	Sales	3,103	3.1	3,202	3.2	99	3.2
	Operating Profit	(270)	(2.0)	438	3.2	709	—
	(Operating Profit Margin)	(8.7%)		13.7%		22.4P	
Inter-segment sales and eliminations	Sales	(20,073)	(19.8)	(24,518)	(24.4)	(4,444)	
	Operating Profit	286	2.1	239	1.8	(46)	
Total	Sales	101,521	100.0	100,391	100.0	(1,130)	(1.1)
	Operating Profit	13,535	100.0	13,688	100.0	153	1.1
	(Operating Profit Margin)	13.3%		13.6%		0.3P	

# I .3Q FY March 2017 Financial Results (Consolidated)

## ② Sales by segment

(JPY million)

3rd Quarter Total	3Q FY Mar.2016		3Q FY Mar.2017		Y o Y		FY Mar.2016	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	20,358	6.5	20,809	6.7	451	2.2	28,370	6.7
Financial IT Solutions	188,503	60.1	181,717	58.9	(6,785)	(3.6)	252,842	60.0
Securities	91,816	29.3	87,135	28.2	(4,680)	(5.1)	123,896	29.4
Insurance	42,878	13.7	39,055	12.7	(3,823)	(8.9)	57,082	13.5
Banking	28,402	9.1	29,043	9.4	641	2.3	37,541	8.9
Other financial	25,405	8.1	26,482	8.6	1,076	4.2	34,321	8.1
Industrial IT Solutions	75,637	24.1	76,445	24.8	807	1.1	101,538	24.1
Distribution	39,439	12.6	39,698	12.9	259	0.7	51,882	12.3
Manufacturing, service and other	36,198	11.5	36,746	11.9	548	1.5	49,656	11.8
IT Platform Services	22,028	7.0	21,763	7.1	(265)	(1.2)	28,720	6.8
Others	7,094	2.3	7,798	2.5	704	9.9	9,966	2.4
<b>Total</b>	<b>313,621</b>	<b>100.0</b>	<b>308,533</b>	<b>100.0</b>	<b>(5,087)</b>	<b>(1.6)</b>	<b>421,439</b>	<b>100.0</b>

(JPY million)

3rd Quarter	3Q FY Mar.2016		3Q FY Mar.2017		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	7,135	7.0	7,631	7.2	495	6.9
Financial IT Solutions	59,522	58.8	61,962	58.8	2,440	4.1
Securities	27,779	27.4	30,081	28.5	2,301	8.3
Insurance	13,598	13.4	13,633	12.9	34	0.3
Banking	9,304	9.2	10,078	9.6	773	8.3
Other financial	8,839	8.7	8,169	7.8	(669)	(7.6)
Industrial IT Solutions	25,217	24.9	25,815	24.5	597	2.4
Distribution	12,805	12.6	13,031	12.4	226	1.8
Manufacturing, service and other	12,411	12.3	12,783	12.1	371	3.0
IT Platform Services	6,936	6.8	7,344	7.0	407	5.9
Others	2,471	2.4	2,615	2.5	144	5.8
<b>Total</b>	<b>101,283</b>	<b>100.0</b>	<b>105,368</b>	<b>100.0</b>	<b>4,085</b>	<b>4.0</b>

(JPY million)

2nd Quarter	2Q FY Mar.2016		2Q FY Mar.2017		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	7,117	6.4	7,129	6.9	11	0.2
Financial IT Solutions	69,386	62.6	60,303	58.7	(9,083)	(13.1)
Securities	37,282	33.6	28,645	27.9	(8,636)	(23.2)
Insurance	14,019	12.7	12,663	12.3	(1,356)	(9.7)
Banking	9,589	8.7	9,538	9.3	(50)	(0.5)
Other financial	8,494	7.7	9,455	9.2	960	11.3
Industrial IT Solutions	25,108	22.7	25,238	24.6	129	0.5
Distribution	13,173	11.9	13,121	12.8	(51)	(0.4)
Manufacturing, service and other	11,935	10.8	12,116	11.8	180	1.5
IT Platform Services	6,892	6.2	7,468	7.3	576	8.4
Others	2,311	2.1	2,634	2.6	323	14.0
<b>Total</b>	<b>110,816</b>	<b>100.0</b>	<b>102,773</b>	<b>100.0</b>	<b>(8,042)</b>	<b>(7.3)</b>

# I .3Q FY March 2017 Financial Results (Consolidated)

(JPY million)

1st Quarter	1Q FY Mar.2016		1Q FY Mar.2017		Yo Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	6,104	6.0	6,049	6.0	(55)	(0.9)
Financial IT Solutions	59,594	58.7	59,451	59.2	(142)	(0.2)
Securities	26,753	26.4	28,408	28.3	1,654	6.2
Insurance	15,260	15.0	12,758	12.7	(2,502)	(16.4)
Banking	9,509	9.4	9,427	9.4	(81)	(0.9)
Other financial	8,071	8.0	8,857	8.8	785	9.7
Industrial IT Solutions	25,311	24.9	25,391	25.3	80	0.3
Distribution	13,460	13.3	13,544	13.5	84	0.6
Manufacturing, service and other	11,850	11.7	11,847	11.8	(3)	(0.0)
IT Platform Services	8,199	8.1	6,950	6.9	(1,249)	(15.2)
Others	2,311	2.3	2,548	2.5	236	10.2
<b>Total</b>	<b>101,521</b>	<b>100.0</b>	<b>100,391</b>	<b>100.0</b>	<b>(1,130)</b>	<b>(1.1)</b>

## (3) Sales to main clients

(JPY million)

3rd Quarter Total	3Q FY Mar.2016		3Q FY Mar.2017		Y o Y		FY Mar.2016	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Nomura Holdings	49,265	15.7	52,066	16.9	2,801	5.7	68,666	16.3
Seven & i Holdings	33,196	10.6	32,523	10.5	(672)	(2.0)	43,254	10.3

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

(JPY million)

3rd Quarter	3Q FY Mar.2016		3Q FY Mar.2017		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	16,339	16.1	18,798	17.8	2,459	15.1
Seven & i Holdings	10,449	10.3	10,689	10.1	239	2.3

(JPY million)

2nd Quarter	2Q FY Mar.2016		2Q FY Mar.2017		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	16,268	14.7	16,498	16.1	230	1.4
Seven & i Holdings	11,102	10.0	10,642	10.4	(459)	(4.1)

(JPY million)

1st Quarter	1Q FY Mar.2016		1Q FY Mar.2017		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	16,658	16.4	16,769	16.7	111	0.7
Seven & i Holdings	11,644	11.5	11,191	11.1	(452)	(3.9)

## (4) Subcontracting Costs

(JPY million)

3rd Quarter Total	3Q FY Mar.2016		3Q FY Mar.2017		Y o Y		FY Mar.2016	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Subcontracting Costs	105,204	33.5	94,150	30.5	(11,053)	(10.5)	139,303	33.1
(Subcontracting Costs to China)	18,181	17.3	14,478	15.4	(3,702)	(20.4)	23,476	16.9

\*Share for subcontracting costs shows share of sales.

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

(JPY million)

3rd Quarter	3Q FY Mar.2016		3Q FY Mar.2017		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	32,911	32.5	30,849	29.3	(2,061)	(6.3)
(Subcontracting Costs to China)	5,495	16.7	4,373	14.2	(1,121)	(20.4)

(JPY million)

2nd Quarter	2Q FY Mar.2016		2Q FY Mar.2017		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	36,578	33.0	31,681	30.8	(4,897)	(13.4)
(Subcontracting Costs to China)	6,464	17.7	5,064	16.0	(1,399)	(21.7)

(JPY million)

1st Quarter	1Q FY Mar.2016		1Q FY Mar.2017		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	35,714	35.2	31,619	31.5	(4,095)	(11.5)
(Subcontracting Costs to China)	6,222	17.4	5,040	15.9	(1,181)	(19.0)

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## (5) Cash Flow

(JPY million)

3rd Quarter Total	3Q FY Mar. 2016	3Q FY Mar. 2017	Y o Y		FY Mar.2016
	Amount	Amount	Diff.	Change(%)	Amount
Operating Activities	56,535	46,440	(10,095)	(17.9)	81,470
Investing Activities	(61,405)	(35,247)	26,158	(42.6)	(75,344)
(Investing Activities except Cash management purpose investment)	(42,759)	(42,079)	679	(1.6)	(52,725)
Free Cash Flow	(4,870)	11,192	16,062	—	6,126
(Free Cash Flow except Cash management purpose investment)	13,776	4,361	(9,415)	(68.3)	28,744
Financing Activities	1,568	(34,308)	(35,877)	—	9,326
Net increase in Cash and cash equivalents	(3,325)	(22,215)	(18,890)	568.1	14,381
(Net increase in Cash and cash equivalents except Cash management purpose investment)	15,321	(29,047)	(44,369)	—	37,000
Cash and cash equivalents at end of period	137,242	132,733	(4,509)	(3.3)	154,949
Cash and cash equivalents + Cash Management purpose investment	184,379	176,920	(7,458)	(4.0)	206,031

\*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 .3Q FY March 2017 Financial Results (Consolidated)

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

(JPY million)

3rd Quarter Total	3Q FY Mar. 2016	3Q FY Mar. 2017	Y o Y		FY Mar.2016
	Amount	Amount	Diff.	Change(%)	Amount
Capital Expenditure	37,315	29,322	(7,993)	(21.4)	48,325
Tangible	17,189	9,780	(7,408)	(43.1)	20,285
Intangible	20,126	19,541	(584)	(2.9)	28,040
Research and Development Expenses	3,353	4,014	660	19.7	5,110

(JPY million)

3rd Quarter	3Q FY Mar. 2016	3Q FY Mar. 2017	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	15,381	9,134	(6,246)	(40.6)
Tangible	7,879	3,611	(4,267)	(54.2)
Intangible	7,501	5,522	(1,978)	(26.4)
Research and Development Expenses	1,279	1,414	134	10.5

(JPY million)

2nd Quarter	2Q FY Mar. 2016	2Q FY Mar. 2017	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	12,510	8,875	(3,634)	(29.1)
Tangible	6,294	1,780	(4,514)	(71.7)
Intangible	6,215	7,095	879	14.2
Research and Development Expenses	1,376	1,608	231	16.8

(JPY million)

1st Quarter	1Q FY Mar. 2016	1Q FY Mar. 2017	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	9,424	11,312	1,887	20.0
Tangible	3,015	4,388	1,373	45.5
Intangible	6,409	6,923	514	8.0
Research and Development Expenses	696	990	294	42.2

# I .3Q FY March 2017 Financial Results (Consolidated)

## (7) Depreciation and Amortization

(JPY million)

3rd Quarter Total	3Q FY Mar.	3Q FY Mar.	Y o Y		FY Mar.2016
	2016	2017	Diff.	Change(%)	Amount
Tangible	6,649	7,605	955	14.4	9,242
Intangible	17,219	11,780	(5,438)	(31.6)	23,356
Depreciation and Amortization	23,869	19,386	(4,482)	(18.8)	32,598

(JPY million)

3rd Quarter	3Q FY Mar.	3Q FY Mar.	Y o Y	
	2016	2017	Diff.	Change(%)
Tangible	2,448	2,688	240	9.8
Intangible	3,568	3,972	404	11.3
Depreciation and Amortization	6,016	6,661	644	10.7

(JPY million)

2nd Quarter	2Q FY Mar.	2Q FY Mar.	Y o Y	
	2016	2017	Diff.	Change(%)
Tangible	2,182	2,519	337	15.4
Intangible	9,252	4,056	(5,195)	(56.2)
Depreciation and Amortization	11,434	6,576	(4,858)	(42.5)

(JPY million)

1st Quarter	1Q FY Mar.	1Q FY Mar.	Y o Y	
	2016	2017	Diff.	Change(%)
Tangible	2,018	2,397	378	18.7
Intangible	4,399	3,751	(647)	(14.7)
Depreciation and Amortization	6,418	6,148	(269)	(4.2)



## (8) Order Volume by segment

## ① Order Backlog

(JPY million)

At the end of the 3rd Quarter	3Q FY Mar.	3Q FY Mar.	Y o Y	
	2016	2017	Diff.	Change(%)
	Amount	Amount		
Consulting	6,202	8,407	2,204	35.5
Financial IT Solutions	57,524	63,773	6,249	10.9
Industrial IT Solutions	18,273	23,910	5,636	30.8
IT Platform Services	6,445	4,659	(1,786)	(27.7)
Others	1,834	1,644	(190)	(10.4)
Total	90,280	102,394	12,113	13.4
(Order backlog in the current FY)	80,966	90,434	9,468	11.7

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar.	2Q FY Mar.	Y o Y	
	2016	2017	Diff.	Change(%)
	Amount	Amount		
Consulting	7,162	7,500	338	4.7
Financial IT Solutions	90,634	93,184	2,550	2.8
Industrial IT Solutions	33,210	34,188	977	2.9
IT Platform Services	9,500	8,358	(1,141)	(12.0)
Others	2,494	2,892	398	16.0
Total	143,001	146,125	3,123	2.2
(Order backlog in the current FY)	137,262	142,687	5,424	4.0

(JPY million)

At the end of the 1st Quarter	1Q FY Mar.	1Q FY Mar.	Y o Y	
	2016	2017	Diff.	Change(%)
	Amount	Amount		
Consulting	8,029	8,700	671	8.4
Financial IT Solutions	125,307	124,119	(1,187)	(0.9)
Industrial IT Solutions	47,565	48,534	968	2.0
IT Platform Services	12,708	10,971	(1,737)	(13.7)
Others	2,455	4,199	1,744	71.0
Total	196,065	196,525	459	0.2
(Order backlog in the current FY)	192,292	194,203	1,911	1.0

(JPY million)

At beginning of period	FY Mar.	FY Mar.	Y o Y	
	2016	2017	Diff.	Change(%)
	Amount	Amount		
Consulting	5,622	4,677	(945)	(16.8)
Financial IT Solutions	146,268	149,718	3,450	2.4
Industrial IT Solutions	55,412	58,523	3,111	5.6
IT Platform Services	17,205	11,837	(5,368)	(31.2)
Others	2,679	3,553	873	32.6
Total	227,188	228,310	1,122	0.5
(Order backlog in the current FY)	224,785	227,420	2,634	1.2

# I .3Q FY March 2017 Financial Results (Consolidated)

## ② Order Volume

(JPY million)

3rd Quarter Total	3Q FY Mar.	3Q FY Mar.	YoY	
	2016	2017	Diff.	Change(%)
	Amount	Amount		
Consulting	20,938	24,539	3,600	17.2
Financial IT Solutions	99,758	95,772	(3,986)	(4.0)
Industrial IT Solutions	38,499	41,831	3,332	8.7
IT Platform Services	11,269	14,585	3,316	29.4
Others	6,249	5,889	(359)	(5.8)
<b>Total</b>	<b>176,714</b>	<b>182,617</b>	<b>5,903</b>	<b>3.3</b>

(JPY million)

3rd Quarter	3Q FY Mar.	3Q FY Mar.	YoY	
	2016	2017	Diff.	Change(%)
	Amount	Amount		
Consulting	6,175	8,537	2,361	38.2
Financial IT Solutions	26,412	32,551	6,139	23.2
Industrial IT Solutions	10,280	15,537	5,257	51.1
IT Platform Services	3,881	3,644	(236)	(6.1)
Others	1,812	1,367	(445)	(24.6)
<b>Total</b>	<b>48,562</b>	<b>61,638</b>	<b>13,075</b>	<b>26.9</b>

(JPY million)

2nd Quarter	2Q FY Mar.	2Q FY Mar.	YoY	
	2016	2017	Diff.	Change(%)
	Amount	Amount		
Consulting	6,251	5,929	(321)	(5.1)
Financial IT Solutions	34,712	29,368	(5,344)	(15.4)
Industrial IT Solutions	10,754	10,892	137	1.3
IT Platform Services	3,685	4,856	1,171	31.8
Others	2,349	1,327	(1,021)	(43.5)
<b>Total</b>	<b>57,752</b>	<b>52,373</b>	<b>(5,379)</b>	<b>(9.3)</b>

(JPY million)

1st Quarter	1Q FY Mar.	1Q FY Mar.	YoY	
	2016	2017	Diff.	Change(%)
	Amount	Amount		
Consulting	8,511	10,072	1,561	18.3
Financial IT Solutions	38,633	33,852	(4,781)	(12.4)
Industrial IT Solutions	17,464	15,402	(2,062)	(11.8)
IT Platform Services	3,702	6,084	2,382	64.3
Others	2,087	3,194	1,107	53.0
<b>Total</b>	<b>70,399</b>	<b>68,606</b>	<b>(1,793)</b>	<b>(2.5)</b>

## II . FY March 2017 Financial Results Forecasts (Consolidated)

- There are no changes to the financial results forecasts (published October 27, 2016), but the breakdown of sales has changed.
- There are no changes to the dividend forecast and the sales forecasts by segment.

### (1) Highlights and Dividend forecasts

(JPY billion)

	FY Mar.2016 (Results)		FY Mar.2017 (Forecasts)		Y o Y		FY Mar.2017 (Forecasts as of October 27,2016)		Comparison to forecasts	
	Amount	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)
Sales	421.4	425.0	3.5	0.8	425.0	—	—	425.0	—	—
Consulting Services	52.1	61.0	8.8	17.0	57.0	4.0	7.0	57.0	4.0	7.0
System Development & System Application Sales	145.1	137.0	(8.1)	(5.6)	145.0	(8.0)	(5.5)	145.0	(8.0)	(5.5)
System Management & Operation Services	212.9	215.0	2.0	1.0	211.0	4.0	1.9	211.0	4.0	1.9
Product Sales	11.1	12.0	0.8	7.2	12.0	—	—	12.0	—	—
Operating Profit	58.2	59.0	0.7	1.2	59.0	—	—	59.0	—	—
(Operating Profit Margin)	13.8%	13.9%	0.0P		13.9%	—		13.9%	—	
Net Income	42.6	45.5	2.8	6.7	45.5	—	—	45.5	—	—
Dividends per share(JPY)	80.00	80.00	—	—	80.00	—	—	80.00	—	—
Second quarter(JPY)	40.00	40.00	—	—	40.00	—	—	40.00	—	—
Fiscal year end(JPY)	40.00	40.00	—	—	40.00	—	—	40.00	—	—

### (2) Sales Forecasts by segment

(JPY billion)

	FY Mar.2016 (Results)		FY Mar.2017 (Forecasts)		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	28.3	6.7	30.0	7.1	1.6	5.7
Financial IT Solutions	252.8	60.0	250.0	58.8	(2.8)	(1.1)
Securities	123.8	29.4	117.0	27.5	(6.8)	(5.6)
Insurance	57.0	13.5	55.0	12.9	(2.0)	(3.6)
Banking	37.5	8.9	40.0	9.4	2.4	6.5
Other financial	34.3	8.1	38.0	8.9	3.6	10.7
Industrial IT Solutions	101.5	24.1	105.0	24.7	3.4	3.4
Distribution	51.8	12.3	54.5	12.8	2.6	5.0
Manufacturing, service and other	49.6	11.8	50.5	11.9	0.8	1.7
IT Platform Services	28.7	6.8	30.0	7.1	1.2	4.5
Others	9.9	2.4	10.0	2.4	0.0	0.3
Total	421.4	100.0	425.0	100.0	3.5	0.8