Contents

1. Financial Results for 1st Quarter FY March 2017

2. Recent Activities
# Highlights of Consolidated Financial Results

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>101,521</td>
<td>100,391</td>
<td>(1,130)</td>
<td>(1.1%)</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>13,535</td>
<td>13,688</td>
<td>+153</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>13.3%</td>
<td>13.6%</td>
<td>+0.3P</td>
<td></td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>9,265</td>
<td>10,351</td>
<td>+1,086</td>
<td>+11.7%</td>
</tr>
</tbody>
</table>
Key Factors in Financial Results for 1Q FY March 2017

- **Sales were down 1.1%**
  - In Financial IT Solutions, amid a healthy sales increase in securities and other financial sectors, acquisition of new projects in the insurance sector is taking time.
  - Sales in IT Platform Services decreased by 15.2%, down from the exceptional performance of large-scale IT platform construction projects in 1Q of the previous fiscal year.

- **Operating profit increased 1.1%**
  - Costs rose due to the impact of the increase in personnel, increase in retirement benefit obligations accompanying falling interest rates, and increase in pro-forma standard taxation.
  - Profitability in IT Platform Services significantly improved due to resolution of unprofitable projects.
  - OPM was 13.6%, up 0.3 points from 1Q of the previous fiscal year.
## Sales by Segment

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

### Nomura Holdings

<table>
<thead>
<tr>
<th>Segment</th>
<th>Share 2016</th>
<th>Share 2017</th>
<th>Diff.</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nomura Holdings</td>
<td>16,658 16.4%</td>
<td>16,769 16.7%</td>
<td>+111</td>
<td>+0.7%</td>
</tr>
<tr>
<td>Seven &amp; i Holdings</td>
<td>11,644 11.5%</td>
<td>11,191 11.1%</td>
<td>(452)</td>
<td>(3.9%)</td>
</tr>
</tbody>
</table>

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Note: Figures for sales to Nomura Holdings and Seven & i Holdings include sales to their respective subsidiaries and sales through lease companies, etc. 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. Copyright(C) Nomura Research Institute, Ltd. All rights reserved.
### Segment Performance Results

**Including Inter-segment sales for each segment (JPY million)**

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Consulting</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>6,150</td>
<td>6,138</td>
<td>(12)</td>
<td>(0.2%)</td>
</tr>
<tr>
<td>OP</td>
<td>643</td>
<td>350</td>
<td>(292)</td>
<td>(45.5%)</td>
</tr>
<tr>
<td>OPM</td>
<td>10.5%</td>
<td>5.7%</td>
<td>(4.8P)</td>
<td></td>
</tr>
<tr>
<td><strong>Financial IT Solutions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>59,744</td>
<td>59,717</td>
<td>(27)</td>
<td>(0.0%)</td>
</tr>
<tr>
<td>OP</td>
<td>7,620</td>
<td>6,691</td>
<td>(929)</td>
<td>(12.2%)</td>
</tr>
<tr>
<td>OPM</td>
<td>12.8%</td>
<td>11.2%</td>
<td>(1.6P)</td>
<td></td>
</tr>
<tr>
<td><strong>Industrial IT Solutions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>25,578</td>
<td>25,495</td>
<td>(82)</td>
<td>(0.3%)</td>
</tr>
<tr>
<td>OP</td>
<td>2,990</td>
<td>2,166</td>
<td>(823)</td>
<td>(27.5%)</td>
</tr>
<tr>
<td>OPM</td>
<td>11.7%</td>
<td>8.5%</td>
<td>(3.2P)</td>
<td></td>
</tr>
<tr>
<td><strong>IT Platform Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>27,018</td>
<td>30,355</td>
<td>+3,336</td>
<td>+12.3%</td>
</tr>
<tr>
<td>OP</td>
<td>2,265</td>
<td>3,801</td>
<td>+1,536</td>
<td>+67.8%</td>
</tr>
<tr>
<td>OPM</td>
<td>8.4%</td>
<td>12.5%</td>
<td>+4.1P</td>
<td></td>
</tr>
</tbody>
</table>

- Including Inter-segment sales for each segment (JPY million)
### Sales by Service

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting Services</td>
<td>12,199</td>
<td>12.0%</td>
<td>12,332</td>
<td>12.3%</td>
<td>+133</td>
<td>+1.1%</td>
</tr>
<tr>
<td>System Development &amp; System Application Sales</td>
<td>33,128</td>
<td>32.6%</td>
<td>33,255</td>
<td>33.1%</td>
<td>+126</td>
<td>+0.4%</td>
</tr>
<tr>
<td>System Management &amp; Operation Services</td>
<td>53,264</td>
<td>52.5%</td>
<td>52,387</td>
<td>52.2%</td>
<td>(876)</td>
<td>(1.6%)</td>
</tr>
<tr>
<td>Product Sales</td>
<td>2,929</td>
<td>2.9%</td>
<td>2,415</td>
<td>2.4%</td>
<td>(513)</td>
<td>(17.5%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>101,521</td>
<td>100.0%</td>
<td>100,391</td>
<td>100.0%</td>
<td>(1,130)</td>
<td>(1.1%)</td>
</tr>
</tbody>
</table>

(All figures in JPY million)
## P/L Highlight

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>101,521</td>
<td>100,391</td>
<td>(1,130)</td>
<td>(1.1%)</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td>69,967</td>
<td>66,149</td>
<td>(3,818)</td>
<td>(5.5%)</td>
</tr>
<tr>
<td><strong>Subcontracting Costs</strong></td>
<td>35,714</td>
<td>31,619</td>
<td>(4,095)</td>
<td>(11.5%)</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>31,554</td>
<td>34,241</td>
<td>+2,687</td>
<td>+8.5%</td>
</tr>
<tr>
<td><strong>Gross Profit Margin</strong></td>
<td>31.1%</td>
<td>34.1%</td>
<td>+3.0P</td>
<td></td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td>18,018</td>
<td>20,553</td>
<td>+2,534</td>
<td>+14.1%</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>13,535</td>
<td>13,688</td>
<td>+153</td>
<td>+1.1%</td>
</tr>
<tr>
<td><strong>Operating Profit Margin</strong></td>
<td>13.3%</td>
<td>13.6%</td>
<td>+0.3P</td>
<td></td>
</tr>
</tbody>
</table>

(JPY million)
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit</td>
<td>13,535</td>
<td>13,688</td>
<td>+153</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Non-operating income and loss</td>
<td>1,329</td>
<td>1,551</td>
<td>+221</td>
<td></td>
</tr>
<tr>
<td>Dividend Income</td>
<td>1,291</td>
<td>1,252</td>
<td>(39)</td>
<td></td>
</tr>
<tr>
<td>Extraordinary income and loss</td>
<td>(88)</td>
<td>(153)</td>
<td>(65)</td>
<td></td>
</tr>
<tr>
<td>Income taxes etc.</td>
<td>5,431</td>
<td>5,012</td>
<td>(419)</td>
<td></td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>9,265</td>
<td>10,351</td>
<td>+1,086</td>
<td>+11.7%</td>
</tr>
</tbody>
</table>
## Order Backlog (Outstanding)

<table>
<thead>
<tr>
<th>Services</th>
<th>At end of June 2015</th>
<th>At end of June 2016</th>
<th>Diff.</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>8,029</td>
<td>8,700</td>
<td>+671</td>
<td>+8.4%</td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>125,307</td>
<td>124,119</td>
<td>(1,187)</td>
<td>(0.9%)</td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td>47,565</td>
<td>48,534</td>
<td>+968</td>
<td>+2.0%</td>
</tr>
<tr>
<td>IT Platform Services</td>
<td>12,708</td>
<td>10,971</td>
<td>(1,737)</td>
<td>(13.7%)</td>
</tr>
<tr>
<td>Other</td>
<td>2,455</td>
<td>4,199</td>
<td>+1,744</td>
<td>+71.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>196,065</td>
<td>196,525</td>
<td>+459</td>
<td>+0.2%</td>
</tr>
<tr>
<td><strong>Order backlog in the current FY</strong></td>
<td>192,292</td>
<td>194,203</td>
<td>+1,911</td>
<td>+1.0%</td>
</tr>
</tbody>
</table>
Sales + Consolidated Order Backlog

- Sales + order backlog in line with previous fiscal year
- While orders received in consulting are firm, orders received in IT Solutions business are slow
- There is increasing uncertainty about the economic and corporate earnings outlook, and NRI will monitor the trends carefully going forward

Order backlog (of which, current fiscal year) + cumulative sales

- (JPY billion)
- FY2015.3
- FY2016.3
- FY2017.3

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# 1Q Results and Earnings Forecasts for the Full Fiscal Year

<table>
<thead>
<tr>
<th></th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>FY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY March 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>88.2</td>
<td>94.3</td>
<td>96.9</td>
<td>106.4</td>
<td>385.9</td>
</tr>
<tr>
<td>OP</td>
<td>10.8</td>
<td>12.9</td>
<td>12.2</td>
<td>13.7</td>
<td>49.8</td>
</tr>
<tr>
<td>OPM</td>
<td>12.2%</td>
<td>13.8%</td>
<td>12.7%</td>
<td>12.9%</td>
<td>12.9%</td>
</tr>
<tr>
<td><strong>FY March 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>96.6</td>
<td>100.6</td>
<td>103.4</td>
<td>105.2</td>
<td>405.9</td>
</tr>
<tr>
<td>OP</td>
<td>7.9</td>
<td>14.1</td>
<td>15.0</td>
<td>14.3</td>
<td>51.4</td>
</tr>
<tr>
<td>OPM</td>
<td>8.2%</td>
<td>14.1%</td>
<td>14.6%</td>
<td>13.6%</td>
<td>12.7%</td>
</tr>
<tr>
<td><strong>FY March 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>101.5</td>
<td>110.8</td>
<td>101.2</td>
<td>107.8</td>
<td>421.4</td>
</tr>
<tr>
<td>OP</td>
<td>13.5</td>
<td>14.7</td>
<td>14.9</td>
<td>15.0</td>
<td>58.2</td>
</tr>
<tr>
<td>OPM</td>
<td>13.3%</td>
<td>13.3%</td>
<td>14.8%</td>
<td>14.0%</td>
<td>13.8%</td>
</tr>
<tr>
<td><strong>FY March 2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>100.3</td>
<td>109.6</td>
<td>225.0</td>
<td></td>
<td>435.0</td>
</tr>
<tr>
<td>OP</td>
<td>13.6</td>
<td>15.3</td>
<td>33.0</td>
<td></td>
<td>62.0</td>
</tr>
<tr>
<td>OPM</td>
<td>13.6%</td>
<td>14.0%</td>
<td>14.7%</td>
<td></td>
<td>14.3%</td>
</tr>
</tbody>
</table>

Note: Figures for the 2Q of the fiscal year ending March 31, 2017 were calculated by subtracting 1Q results from forecasts for 1H.

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1. Financial Results for 1st Quarter FY March 2017

2. Recent Activities
Recent Activities

U.S. Based Cutter Associates, LLC Acquired

- **NRI will seek to expand its business in the U.S. asset management sector, taking advantage of the know-how of both companies**
  - Generation of synergies with Cutter’s know-how and client base in the U.S. asset management field and NRI’s system solution provision know-how in the finance sector
  - Cutter’s earnings to be reflected in consolidated financial results from July 2016

### Profile of Cutter Associates, LLC

<table>
<thead>
<tr>
<th>Company name</th>
<th>Cutter Associates, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Massachusetts, U.S.</td>
</tr>
<tr>
<td>Business description</td>
<td>Provision of research and consulting in U.S. asset management field</td>
</tr>
<tr>
<td>Date of establishment</td>
<td>May 1998</td>
</tr>
</tbody>
</table>

Subsidiaries

- Cutter Associates Europe Ltd
- Cutter Associates Canada Inc.

Main clients

- Asset management companies (approx. 140)
- Insurance companies (approx. 30)
- Pension funds (approx. 30)
Recent Activities

Industry Standard Business Platforms Services Expanded

Supporting upgrading and streamlining of customer operations through support for regulatory reform and expanded service menu

- Promoted support for T+0 settlements of general collateral repurchase transactions (GC) repos for the I-STAR suite to comply with shortened settlement cycle of Japanese government bonds (T+1)
- Commenced provision of VOLCS, a multipurpose management system for financial institutions
- Promoted upgrade to SmartBridge and I-STAR/MX connection system in response to next-generation JASDEC system
- Added credit risk calculation function to T-STAR/GX to respond to changes in Basel regulations (SA-CCR, etc.)
- Added new functionality to I-STAR to adapt to the Next Generation Derivatives Trading System (Next J-GATE) of Osaka Exchange Inc.

Receipt of two awards in U.S. - FTF News Technology Innovation Awards 2016 -

- NRI awarded Best Clearing and Settlement Solution for Prime Settlement Service (PSS), which streamlines post-trade operations
- NRI awarded Best Outsourcing Provider for T-STAR suite, a total operations support service for asset managers
Recent Activities

Osaka Data Center II Opened

- **Opened April 27, 2016**
- **Delivers safe and high-security service as a new site in the Kansai area**
  - Includes mutual backup and function dispersal linking data centers in Kanto and Kansai areas for further enhancement of countermeasures for widespread disaster and further increase in availability of shared online services and SI services

### Overview of facilities

<table>
<thead>
<tr>
<th>Location</th>
<th>Osaka/Hokusetsu region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site features</td>
<td>Approx. 20km from Osaka Bay, approx. 185m above sea level</td>
</tr>
<tr>
<td>Building overview</td>
<td>Base isolated structure, data center-dedicated facility</td>
</tr>
<tr>
<td>Facility overview</td>
<td>FISC compliant</td>
</tr>
<tr>
<td>Disaster countermeasures</td>
<td>JDCC Facility Standard, Tier 4 Service Level compliant</td>
</tr>
<tr>
<td>Extra-high voltage</td>
<td>3 lines from different substations (main line, standby line + standby power source line)</td>
</tr>
<tr>
<td>Network</td>
<td>Service from different stations and routes from same carrier and multi-carrier support</td>
</tr>
<tr>
<td>Security facilities</td>
<td>3D body scanner, access control system, ITV camera monitoring, infrared sensors, security gates, X-ray equipment, etc.</td>
</tr>
</tbody>
</table>

Exterior
Recent Activities

NRI digital, Ltd. Established

- NRI established NRI digital, which specializes in digital businesses, on August 1, 2016
  
  • Leading the corporate digital revolution to promote digitalization of society and lifestyles
  • Upgrading digital marketing and creating new digital businesses through total delivery of digital business consulting, digital IT solutions, and digital analytics services based on NRI’s new business creation model, “Con-Solution”

Profile of new company

<table>
<thead>
<tr>
<th>Company name</th>
<th>NRI digital, Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of establishment</td>
<td>August 1, 2016</td>
</tr>
<tr>
<td>Location</td>
<td>Tokyo, Japan</td>
</tr>
<tr>
<td>Capital</td>
<td>¥490 million (wholly owned by NRI)</td>
</tr>
</tbody>
</table>
| Business description  | • Digital business consulting services  
                        • Digital IT solutions services  
                        • Digital analytics services |

Main services provided

- Digital business consulting
  • NRI digital will take advantage of NRI’s accumulated knowledge to create unique and competitive digital business models for client companies.

- Digital IT solutions
  • NRI digital will select, construct, and speedily introduce and deploy the optimum solutions and business logic for achieving digital business in addition to providing support for promotion of plan-do-check-act (PDCA) by clients.

- Digital analytics
  • NRI digital will tie continued expansion and advancement in the areas of analysis and utilization of big data, etc. relating to business and markets to growth in clients’ profits.
**Recent Activities**

**Treasury Stock Acquired and Retired**

### Acquisition of treasury stock

- **Type of stock acquired:** NRI common stock
- **Total number of shares acquired:** 2,471,500 shares
- **Acquisition period:** April 28, 2016 – June 6, 2016 *On trade date basis
- **Total acquisition price:** ¥9,999,624,992

### Retirement of treasury stock

- **Type of stock retired:** NRI common stock
- **Number of shares retired:** 7,500,000 shares
  (percentage of total number of issued shares prior to retirement: 3.0%)
- **Retirement date:** June 30, 2016
- **Total number of issued shares after retirement:** 240,000,000 shares
Recent Activities

NRI Group Initiatives Related to Kumamoto Earthquake

➢ The NRI Group is working to support reconstruction from the Kumamoto earthquake

Support for earthquake disaster reconstruction work

- NRI agreed with Mashiki-machi, Kumamoto Prefecture to provide support for reconstruction. NRI will provide support for promoting reconstruction, primarily centered on projects related to daily life and industry, etc., including formulation of reconstruction plans.
- NRI agreed with Kumamoto Prefecture to provide support for reconstruction. NRI will cooperate with drafting of plans for projects (town planning, infrastructure, industry, etc.) to achieve earthquake disaster reconstruction in Kumamoto Prefecture and will jointly consider implementation strategies based on public-private partnership.

Providing proposals on disaster prevention, disaster mitigation, and reconstruction

- NRI is providing proposals to the national government, local governments nationwide, and the Kyushu region including the disaster affected area, focusing especially on the ideal form for public policy and measures for future disaster prevention, disaster mitigation, and reconstruction, etc. in light of the Kumamoto earthquake.

Relief donations

- The NRI Group has contributed a total of approximately ¥26 million in donations in aid for the victims and assistance for reconstruction in the disaster affected area.
This document contains statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company.

Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors.

The Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

Figures given in the reference data related to the financial results forecasts are figures which are only intended to convey the Company’s current circumstances and outlook. The Company does not undertake to revise the forecasts to reflect new information or circumstances.
References

1. Other Financial Result-related Data
2. Recent Activities (excerpts from articles in magazines, newspapers, etc.)
3. Others
### 1. Other Financial Result-related Data

#### Order Volume

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>8,511</td>
<td>10,072</td>
<td>+1,561</td>
<td>+18.3%</td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>38,633</td>
<td>33,852</td>
<td>(4,781)</td>
<td>(12.4%)</td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td>17,464</td>
<td>15,402</td>
<td>(2,062)</td>
<td>(11.8%)</td>
</tr>
<tr>
<td>IT Platform Services</td>
<td>3,702</td>
<td>6,084</td>
<td>+2,382</td>
<td>+64.3%</td>
</tr>
<tr>
<td>Other</td>
<td>2,087</td>
<td>3,194</td>
<td>+1,107</td>
<td>+53.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>70,399</strong></td>
<td><strong>68,606</strong></td>
<td><strong>(1,793)</strong></td>
<td><strong>(2.5%)</strong></td>
</tr>
</tbody>
</table>
1. Other Financial Result-related Data

Depth in Human Resources - NRI’s employees + Partners (in Japan & China)

- **NRI Group’s employees**
  - Management Consultants
  - Systems Consultants
  - Application Engineers
  - Technical Engineers, etc.

  **Personnel:** **11,068※**
  (IT Engineers are approx. 8,500)

- **Employees at overseas bases**

- **Offshore development Partners in China**
  - 21 partners in 19 regions
  - **Personnel:** **Approx. 4,000**

- **Partner Companies in Japan**
  - **Personnel:** **Approx. 7,000**

*As of end-June 2016*
2. Recent Activities

NRI commenced provision of TRAINA, an artificial intelligence (AI) solution that accurately understands the content of inquiries and presents possible answers based on previously acquired knowledge to respond automatically in customer contact services, including call centers.

TRAINA is a product developed by incorporating dialogue technology utilizing AI into TRUE TELLER, a text analysis solution that uses natural language processing technology.

The features of the service are as follows.

- The system provides responses that accurately meet user needs by repeating a natural dialogue analyzing vague questions from users and directing new questions to narrow down the user’s intentions.

- The system integrates and optimizes manuals and FAQs, etc. and automatically generates the scenario (knowledge content) required for service. In addition, it automatically learns from the records of dialogues with users it accumulates to enhance the accuracy of dialogues and responses. This function significantly reduces the period and cost required for the introduction and expansion of AI.
2. Recent Activities

NRI SecureTechnologies Ltd. has commenced provision of a service for visualizing the status of security measures designed to help corporations ascertain the status of their own security measures against cyber attacks and internal misconduct, etc.

The features of the service are as follows.

- Visualization from three perspectives
  - The service provides a multi-angled diagnosis of current status through interviews with people involved and qualitative and quantitative analyzes of the relevant data. This means it comprehensively visualizes data related to security investment.
  - The service analyzes and compares the security level for each organization and site with a standardized framework and visualizes the company’s issues and order of priority for countermeasures that need to be taken.
  - The service quantitatively evaluates resilience against cyber attacks and visualizes preventive measures and response strategies in an incident.
- Based on the results of ascertaining and visualizing the current status, the service presents a medium-to-long term roadmap for effective security measures aligned with the IT strategy of the company.

Nikkei Business Daily, April 14, 2016

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. Copyright(C) Nomura Research Institute, Ltd. All rights reserved.
2. Recent Activities

Tokyo Institute of Technology and NRI concluded a partnership agreement for the NRI & Tokyo Tech Cyber Security Education and Research Co-Creation Program.

This agreement aims to promote research and education in cyber security. Under the Program, the two parties will conduct joint research in the cyber security field, and NRI will promote the education of students by providing practical defense technology against cyber security attacks accumulated through many years of experience.

### 3. Others - Supplementary explanation

**Forecasts for FY March 2017**

There have been no revisions to forecast, but indicators have been recalculated.

<table>
<thead>
<tr>
<th></th>
<th>FY Mar. 2016 (Results)</th>
<th>FY Mar. 2017 (Forecasts)</th>
<th>Diff.</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>421.4</td>
<td>435.0</td>
<td>+13.5</td>
<td>+3.2%</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>58.2</td>
<td>62.0</td>
<td>+3.7</td>
<td>+6.4%</td>
</tr>
<tr>
<td><strong>Operating Profit Margin</strong></td>
<td>13.8%</td>
<td>14.3%</td>
<td>+0.4P</td>
<td></td>
</tr>
<tr>
<td><strong>Profit attributable to owners of parent</strong></td>
<td>42.6</td>
<td>43.5</td>
<td>+0.8</td>
<td>+2.0%</td>
</tr>
<tr>
<td><strong>Earnings Per Share</strong></td>
<td>¥188.57</td>
<td>¥192.57</td>
<td>+¥4.00</td>
<td></td>
</tr>
<tr>
<td><strong>Dividends Per Share</strong> *</td>
<td>¥76.36</td>
<td>¥80.00</td>
<td>+¥3.64</td>
<td>+4.8%</td>
</tr>
<tr>
<td><strong>Payout Ratio</strong></td>
<td>41.1%</td>
<td>41.8%</td>
<td>+0.7P</td>
<td></td>
</tr>
</tbody>
</table>

* NRI implemented a stock split of its common stock at a ratio of 1.1 shares for 1 share on October 1, 2015, and the dividend for the previous fiscal year has been restated after the split.
3. Others - Supplementary explanation

Sales Forecasts by Segment for FY March 2017

- There have been no revisions to forecast.

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY Mar. 2016 (Results)</th>
<th>Share</th>
<th>FY Mar. 2017 (Forecasts)</th>
<th>Share</th>
<th>Diff.</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>28.3</td>
<td>6.7%</td>
<td>32.0</td>
<td>7.4%</td>
<td>+3.6</td>
<td>+12.8%</td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>252.8</td>
<td>60.0%</td>
<td>257.0</td>
<td>59.1%</td>
<td>+4.1</td>
<td>+1.6%</td>
</tr>
<tr>
<td>Securities</td>
<td>123.8</td>
<td>29.4%</td>
<td>120.0</td>
<td>27.6%</td>
<td>(3.8)</td>
<td>(3.1%)</td>
</tr>
<tr>
<td>Insurance</td>
<td>57.0</td>
<td>13.5%</td>
<td>63.0</td>
<td>14.5%</td>
<td>+5.9</td>
<td>+10.4%</td>
</tr>
<tr>
<td>Banking</td>
<td>37.5</td>
<td>8.9%</td>
<td>39.0</td>
<td>9.0%</td>
<td>+1.4</td>
<td>+3.9%</td>
</tr>
<tr>
<td>Other financial</td>
<td>34.3</td>
<td>8.1%</td>
<td>35.0</td>
<td>8.0%</td>
<td>+0.6</td>
<td>+2.0%</td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td>101.5</td>
<td>24.1%</td>
<td>105.0</td>
<td>24.1%</td>
<td>+3.4</td>
<td>+3.4%</td>
</tr>
<tr>
<td>Distribution</td>
<td>51.8</td>
<td>12.3%</td>
<td>53.0</td>
<td>12.2%</td>
<td>+1.1</td>
<td>+2.2%</td>
</tr>
<tr>
<td>Manufacturing, service and other</td>
<td>49.6</td>
<td>11.8%</td>
<td>52.0</td>
<td>12.0%</td>
<td>+2.3</td>
<td>+4.7%</td>
</tr>
<tr>
<td>IT Platform Services</td>
<td>28.7</td>
<td>6.8%</td>
<td>31.0</td>
<td>7.1%</td>
<td>+2.2</td>
<td>+7.9%</td>
</tr>
<tr>
<td>Others</td>
<td>9.9</td>
<td>2.4%</td>
<td>10.0</td>
<td>2.3%</td>
<td>+0.0</td>
<td>+0.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>421.4</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>435.0</strong></td>
<td><strong>100.0%</strong></td>
<td>+13.5</td>
<td>+3.2%</td>
</tr>
</tbody>
</table>
### Focus of Measures in Each Business Segment

<table>
<thead>
<tr>
<th>Consulting</th>
<th>Securities</th>
<th>Financial IT Solutions</th>
</tr>
</thead>
</table>
| • Develop large-scale clients in management consulting and IT consulting  
  • Expand Asian client base and acquire best practices of Europe and the United States  
  • Strengthen initiatives aimed at digital strategy solutions | • BCP/DR support for securities backbone systems  
  • Obtain new STAR clients  
  • Expand territory through expansion of ITO x BPO into securities sector (Prime Settlement Service, etc.)  
  • Establish global IT support for major securities firms |  |
| Financial IT Solutions | Insurance |  |
|  | • Obtain large-scale system development projects for life and non-life insurance sectors  
  • Strengthen relationships with large-scale customers in life insurance sector and expand services |  |
|  | Banking |  |
|  | • Expand BESTWAY and Value Direct businesses  
  • Support global expansion of major banks  
  • Initiatives aimed at providing solutions for banking front office, etc. |  |
|  | Other financial |  |
|  | • Expand shared-use services business for asset management  
  • Expand ITO x BPO business in asset management sector |  |
|  | Distribution |  |
|  | • Support updating of IT platforms for existing clients |  |
|  | Industrial IT Solutions |  |
|  | Manufacturing, service and other |  |
|  | • Develop large-scale clients in industry (strengthen activities for prime account)  
  • Strengthen Package Cloud Integration (PCI) services  
  • Expand loyalty marketing into Asia (Brierley+Partners) |  |
|  | IT Platform Services |  |
|  | • Expand information security business (global, IoT)  
  • Establish new operating companies focused on digital marketing |  |
### 3. Others - Supplementary explanation

**Sales Forecasts by Service for FY March 2017**

- **There have been no revisions to forecast.**

<table>
<thead>
<tr>
<th>Service</th>
<th>FY Mar. 2016 (Results)</th>
<th>Share</th>
<th>FY Mar. 2017 (Forecasts)</th>
<th>Share</th>
<th>Diff.</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting Services</td>
<td>52.1</td>
<td>12.4%</td>
<td>55.0</td>
<td>12.6%</td>
<td>+2.8</td>
<td>+5.5%</td>
</tr>
<tr>
<td>System Development &amp; System Application Sales</td>
<td>145.1</td>
<td>34.4%</td>
<td>155.0</td>
<td>35.6%</td>
<td>+9.8</td>
<td>+6.8%</td>
</tr>
<tr>
<td>System Management &amp; Operation Services</td>
<td>212.9</td>
<td>50.5%</td>
<td>215.0</td>
<td>49.4%</td>
<td>+2.0</td>
<td>+1.0%</td>
</tr>
<tr>
<td>Product Sales</td>
<td>11.1</td>
<td>2.7%</td>
<td>10.0</td>
<td>2.3%</td>
<td>(1.1)</td>
<td>(10.7%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>421.4</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>435.0</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>13.5</strong></td>
<td><strong>3.2%</strong></td>
</tr>
</tbody>
</table>
There have been no revisions to forecast.

### [Capital Expenditure, R&D](#)

<table>
<thead>
<tr>
<th></th>
<th>FY Mar. 2016 (Results)</th>
<th>FY Mar. 2017 (Forecasts)</th>
<th>Diff.</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditure</td>
<td>48.3</td>
<td>45.0</td>
<td>(3.3)</td>
<td>(6.9%)</td>
</tr>
<tr>
<td>Tangible</td>
<td>20.2</td>
<td>16.0</td>
<td>(4.2)</td>
<td>(21.1%)</td>
</tr>
<tr>
<td>Intangible</td>
<td>28.0</td>
<td>29.0</td>
<td>+0.9</td>
<td>+3.4%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>5.1</td>
<td>5.5</td>
<td>+0.3</td>
<td>+7.6%</td>
</tr>
</tbody>
</table>

### [Depreciation and Amortization](#)

<table>
<thead>
<tr>
<th></th>
<th>FY Mar. 2016 (Results)</th>
<th>FY Mar. 2017 (Forecasts)</th>
<th>Diff.</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>32.5</td>
<td>30.0</td>
<td>(2.5)</td>
<td>(8.0%)</td>
</tr>
</tbody>
</table>
3. Others - Supplementary explanation

FY March 2017 Financial Results Forecasts Reference Data < 1H/2H >

- There have been no revisions to forecast.

### [1H]

<table>
<thead>
<tr>
<th></th>
<th>FY Mar. 2016 1H (Results)</th>
<th>FY Mar. 2017 1H (Forecasts)</th>
<th>Diff.</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>212.3</td>
<td>210.0</td>
<td>(2.3)</td>
<td>(1.1%)</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>28.2</td>
<td>29.0</td>
<td>+0.7</td>
<td>+2.7%</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>13.3%</td>
<td>13.8%</td>
<td>+0.5P</td>
<td></td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>20.1</td>
<td>21.0</td>
<td>+0.8</td>
<td>+4.3%</td>
</tr>
</tbody>
</table>

### [2H]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>209.1</td>
<td>225.0</td>
<td>+15.8</td>
<td>+7.6%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>30.0</td>
<td>33.0</td>
<td>+2.9</td>
<td>+9.8%</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>14.4%</td>
<td>14.7%</td>
<td>+0.3P</td>
<td></td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>22.5</td>
<td>22.5</td>
<td>(0.0)</td>
<td>(0.1%)</td>
</tr>
</tbody>
</table>

There have been no revisions to forecast.
### 3. Others - Supplementary explanation

**Sales Forecasts by Segment for FY March 2017  < 1H/2H >**

- **There have been no revisions to forecast.**

#### [1H]

<table>
<thead>
<tr>
<th></th>
<th>FY Mar. 2016 1H (Results)</th>
<th>Share</th>
<th>FY Mar. 2017 1H (Forecasts)</th>
<th>Share</th>
<th>Diff.</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>13.2</td>
<td>6.2%</td>
<td>14.0</td>
<td>6.7%</td>
<td>+0.7</td>
<td>+5.9%</td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>128.9</td>
<td>60.7%</td>
<td>125.0</td>
<td>59.5%</td>
<td>(3.9)</td>
<td>(3.1%)</td>
</tr>
<tr>
<td>Securities</td>
<td>64.0</td>
<td>30.2%</td>
<td>58.0</td>
<td>27.6%</td>
<td>(6.0)</td>
<td>(9.4%)</td>
</tr>
<tr>
<td>Insurance</td>
<td>29.2</td>
<td>13.8%</td>
<td>31.0</td>
<td>14.8%</td>
<td>+1.7</td>
<td>+5.9%</td>
</tr>
<tr>
<td>Banking</td>
<td>19.0</td>
<td>9.0%</td>
<td>19.0</td>
<td>9.0%</td>
<td>(0.0)</td>
<td>(0.5%)</td>
</tr>
<tr>
<td>Other financial</td>
<td>16.5</td>
<td>7.8%</td>
<td>17.0</td>
<td>8.1%</td>
<td>+0.4</td>
<td>+2.6%</td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td>50.4</td>
<td>23.7%</td>
<td>51.0</td>
<td>24.3%</td>
<td>+0.5</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Distribution</td>
<td>26.6</td>
<td>12.5%</td>
<td>26.0</td>
<td>12.4%</td>
<td>(0.6)</td>
<td>(2.4%)</td>
</tr>
<tr>
<td>Manufacturing, service and other</td>
<td>23.7</td>
<td>11.2%</td>
<td>25.0</td>
<td>11.9%</td>
<td>+1.2</td>
<td>+5.1%</td>
</tr>
<tr>
<td>IT Platform Services</td>
<td>15.0</td>
<td>7.1%</td>
<td>15.0</td>
<td>7.1%</td>
<td>(0.0)</td>
<td>(0.6%)</td>
</tr>
<tr>
<td>Others</td>
<td>4.6</td>
<td>2.2%</td>
<td>5.0</td>
<td>2.4%</td>
<td>+0.3</td>
<td>+8.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>212.3</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>210.0</strong></td>
<td><strong>100.0%</strong></td>
<td>(2.3)</td>
<td>(1.1%)</td>
</tr>
</tbody>
</table>

#### [2H]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>15.1</td>
<td>7.2%</td>
<td>18.0</td>
<td>8.0%</td>
<td>+2.8</td>
<td>+18.8%</td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>123.8</td>
<td>59.2%</td>
<td>132.0</td>
<td>58.7%</td>
<td>+8.1</td>
<td>+6.6%</td>
</tr>
<tr>
<td>Securities</td>
<td>59.8</td>
<td>28.6%</td>
<td>62.0</td>
<td>27.6%</td>
<td>+2.1</td>
<td>+3.6%</td>
</tr>
<tr>
<td>Insurance</td>
<td>27.8</td>
<td>13.3%</td>
<td>32.0</td>
<td>14.2%</td>
<td>+4.1</td>
<td>+15.1%</td>
</tr>
<tr>
<td>Banking</td>
<td>18.4</td>
<td>8.8%</td>
<td>20.0</td>
<td>8.9%</td>
<td>+1.5</td>
<td>+8.4%</td>
</tr>
<tr>
<td>Other financial</td>
<td>17.7</td>
<td>8.5%</td>
<td>18.0</td>
<td>8.0%</td>
<td>+0.2</td>
<td>+1.4%</td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td>51.1</td>
<td>24.4%</td>
<td>54.0</td>
<td>24.0%</td>
<td>+2.8</td>
<td>+5.6%</td>
</tr>
<tr>
<td>Distribution</td>
<td>25.2</td>
<td>12.1%</td>
<td>27.0</td>
<td>12.0%</td>
<td>+1.7</td>
<td>+6.9%</td>
</tr>
<tr>
<td>Manufacturing, service and other</td>
<td>25.8</td>
<td>12.4%</td>
<td>27.0</td>
<td>12.0%</td>
<td>+1.1</td>
<td>+4.4%</td>
</tr>
<tr>
<td>IT Platform Services</td>
<td>13.6</td>
<td>6.5%</td>
<td>16.0</td>
<td>7.1%</td>
<td>+2.3</td>
<td>+17.4%</td>
</tr>
<tr>
<td>Others</td>
<td>5.3</td>
<td>2.6%</td>
<td>5.0</td>
<td>2.2%</td>
<td>(0.3)</td>
<td>(6.4%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>209.1</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>225.0</strong></td>
<td><strong>100.0%</strong></td>
<td>+15.8</td>
<td>+7.6%</td>
</tr>
</tbody>
</table>

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3. Others - Supplementary explanation

Sales Forecasts by Service for FY March 2017 < 1H/2H >

- There have been no revisions to forecast.

<table>
<thead>
<tr>
<th></th>
<th>FY Mar. 2016 1H (Results)</th>
<th>Share</th>
<th>FY Mar. 2017 1H (Forecasts)</th>
<th>Share</th>
<th>Diff.</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting Services</td>
<td>25.0</td>
<td>11.8%</td>
<td>25.0</td>
<td>11.9%</td>
<td>(0.0)</td>
<td>(0.3%)</td>
</tr>
<tr>
<td>System Development</td>
<td>77.0</td>
<td>36.3%</td>
<td>75.0</td>
<td>35.7%</td>
<td>(2.0)</td>
<td>(2.7%)</td>
</tr>
<tr>
<td>&amp; System Application Sales</td>
<td>105.3</td>
<td>49.6%</td>
<td>107.0</td>
<td>51.0%</td>
<td>+1.6</td>
<td>+1.6%</td>
</tr>
<tr>
<td>System Management &amp; Operation Services</td>
<td>4.8</td>
<td>2.3%</td>
<td>3.0</td>
<td>1.4%</td>
<td>(1.8)</td>
<td>(38.3%)</td>
</tr>
<tr>
<td>Product Sales</td>
<td>212.3</td>
<td>100.0%</td>
<td>210.0</td>
<td>100.0%</td>
<td>(2.3)</td>
<td>(1.1%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting Services</td>
<td>27.0</td>
<td>12.9%</td>
<td>30.0</td>
<td>13.3%</td>
<td>+2.9</td>
<td>+10.9%</td>
</tr>
<tr>
<td>System Development</td>
<td>68.1</td>
<td>32.6%</td>
<td>80.0</td>
<td>35.6%</td>
<td>+11.8</td>
<td>+17.5%</td>
</tr>
<tr>
<td>&amp; System Application Sales</td>
<td>107.6</td>
<td>51.5%</td>
<td>108.0</td>
<td>48.0%</td>
<td>+0.3</td>
<td>+0.4%</td>
</tr>
<tr>
<td>System Management &amp; Operation Services</td>
<td>6.3</td>
<td>3.0%</td>
<td>7.0</td>
<td>3.1%</td>
<td>+0.6</td>
<td>+10.5%</td>
</tr>
<tr>
<td>Product Sales</td>
<td>209.1</td>
<td>100.0%</td>
<td>225.0</td>
<td>100.0%</td>
<td>+15.8</td>
<td>+7.6%</td>
</tr>
</tbody>
</table>
### 3. Others - Supplementary explanation

#### FY March 2017 Consolidated Earnings Model
- Sales of JPY435.0 billion and operating profit of JPY62.0 billion

<table>
<thead>
<tr>
<th></th>
<th>FY Mar. 2015 (Results)</th>
<th>FY Mar. 2016 (Results)</th>
<th>FY Mar. 2017 (Forecasts)*</th>
<th>YOY</th>
<th>Diff.</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>405.9</td>
<td>421.4</td>
<td>435.0</td>
<td></td>
<td>+13.5</td>
<td>+3.2%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>289.2</td>
<td>287.2</td>
<td>295.0</td>
<td></td>
<td>+7.7</td>
<td>+2.7%</td>
</tr>
<tr>
<td>Personnel</td>
<td>74.8</td>
<td>83.5</td>
<td>88.0</td>
<td></td>
<td>+4.4</td>
<td>+5.3%</td>
</tr>
<tr>
<td>Subcontracting Costs</td>
<td>141.9</td>
<td>139.3</td>
<td>145.0</td>
<td></td>
<td>+5.6</td>
<td>+4.1%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>24.6</td>
<td>31.4</td>
<td>29.0</td>
<td></td>
<td>(2.4)</td>
<td>(7.9%)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>116.7</td>
<td>134.1</td>
<td>140.0</td>
<td></td>
<td>+5.8</td>
<td>+4.3%</td>
</tr>
<tr>
<td>Gross Profit Margin</td>
<td>28.8%</td>
<td>31.8%</td>
<td>32.2%</td>
<td></td>
<td>+0.3P</td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>65.2</td>
<td>75.8</td>
<td>78.0</td>
<td></td>
<td>+2.1</td>
<td>+2.8%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>51.4</td>
<td>58.2</td>
<td>62.0</td>
<td></td>
<td>+3.7</td>
<td>+6.4%</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>12.7%</td>
<td>13.8%</td>
<td>14.3%</td>
<td></td>
<td>+0.4P</td>
<td></td>
</tr>
</tbody>
</table>

* Figures are consolidated estimates for preparing this earnings model.

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3. Others - BOJ Tankan Survey

Software Investment

<table>
<thead>
<tr>
<th>Tankan in Jun.</th>
<th>Figures in parenthesis are changes from Mar. survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large firms, manufacturing sector</td>
<td>1.3 (+5.9)</td>
</tr>
<tr>
<td>Large firms, non-manufacturing sector</td>
<td>7.5 (+3.0)</td>
</tr>
<tr>
<td>Banking sector</td>
<td>6.6 (+4.6)</td>
</tr>
<tr>
<td>Securities sector</td>
<td>-12.8 (+13.0)</td>
</tr>
<tr>
<td>Insurance sector</td>
<td>26.5 (+13.2)</td>
</tr>
</tbody>
</table>

Source: Based on Bank of Japan June 2016 Tankan Survey of Enterprises
3. Others  - Communications

Forum, etc.

July 2016
Presentation at IT Japan 2016

Publications

Examples of books published since April 2016

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