

FY March 2016 Financial Results

April 27, 2016

Nomura Research Institute, Ltd.

Share the Next Values!

I . FY March 2016 Financial Results (Consolidated)

II . FY March 2017 Financial Results Forecasts (Consolidated)

I .FY March 2016 Financial Results (Consolidated)



(1) Highlights

(JPY million)

Full Year	FY Mar.2015	FY Mar.2016	Yo Y		Forecasts	
	Amount	Amount	Diff.	Change(%)	Amount	Diff.
Sales	405,984	421,439	15,454	3.8	425,000	(3,560)
Consulting Services	47,110	52,131	5,021	10.7	51,000	1,131
System Development & System Application Sales	136,710	145,157	8,446	6.2	151,000	(5,842)
System Management & Operation Services	206,698	212,952	6,254	3.0	215,000	(2,047)
Product Sales	15,465	11,197	(4,267)	(27.6)	8,000	3,197
Cost of Sales	289,210	287,270	(1,939)	(0.7)		
Gross Profit	116,774	134,168	17,394	14.9		
(Gross Profit Margin)	28.8%	31.8%	3.1P			
Selling, general and administrative expenses	65,287	75,873	10,585	16.2		
Operating Profit	51,486	58,295	6,809	13.2	58,000	295
(Operating Profit Margin)	12.7%	13.8%	1.2P		13.6%	0.2P
Non-operating income and loss	1,455	2,705	1,249	85.8		
Extraordinary income and loss	6,132	1,304	(4,828)	(78.7)		
Profit attributable to owners of parent	38,880	42,648	3,767	9.7	41,000	1,648
Comprehensive Income	69,705	16,802	(52,902)	(75.9)		
Earnings per share(JPY)	176.79	188.57	11.77			
Annual Dividends per share(JPY)	70.00	80.00	※1 10.00		80.00	—
Second quarter(JPY)	30.00	40.00	10.00		40.00	—
Fiscal year end(JPY)	40.00	40.00	※1 —		40.00	—
Dividend payout ratio	36.5%	41.1%	4.6P			
Return on Equity(ROE)	10.8%	10.6%	(0.2P)			

※1 The Company implemented a 1:1.1 common stock split on October 1, 2015. Since no adjustment will be made to the year-end dividend per share, the split will result in an effective dividend increase of ¥4(¥14 in the annual dividend).

※2 Net income per share shows the figure obtained based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

※3 The consolidated payout ratio is calculated by including the dividends paid to the NRI Group Employee Stock Ownership Plan Trust.

NRI has applied the Accounting Standard for Business Combinations(ASBJ Statement No.21, September 13, 2013) etc. starting of the current fiscal year. As this change in accounting policy, net income has been changed to profit attributable to owners of the parent.

I .FY March 2016 Financial Results (Consolidated)

(JPY million)

4th Quarter	4Q FY	4Q FY	YoY	
	Mar.2015	Mar.2016	Diff.	Change(%)
	Amount	Amount		
Sales	105,202	107,817	2,615	2.5
Consulting Services	13,078	13,744	665	5.1
System Development & System Application Sales	34,932	35,416	483	1.4
System Management & Operation Services	53,530	54,541	1,010	1.9
Product Sales	3,659	4,115	456	12.5
Cost of Sales	73,825	72,917	(907)	(1.2)
Gross Profit	31,376	34,899	3,523	11.2
(Gross Profit Margin)	29.8%	32.4%	2.5P	
Selling, general and administrative expenses	17,066	19,833	2,767	16.2
Operating Profit	14,310	15,066	756	5.3
(Operating Profit Margin)	13.6%	14.0%	0.4P	
Non-operating income and loss	262	610	347	132.1
Extraordinary income and loss	(4,886)	71	4,957	—
Profit attributable to owners of parent	5,234	10,734	5,500	105.1
Earnings per share(JPY)	23.75	47.14	23.40	

(JPY million)

3rd Quarter	3Q FY	3Q FY	YoY	
	Mar.2015	Mar.2016	Diff.	Change(%)
	Amount	Amount		
Sales	103,435	101,283	(2,152)	(2.1)
Consulting Services	12,729	13,310	580	4.6
System Development & System Application Sales	34,380	32,690	(1,689)	(4.9)
System Management & Operation Services	52,461	53,062	601	1.1
Product Sales	3,864	2,220	(1,644)	(42.6)
Cost of Sales	71,985	66,791	(5,193)	(7.2)
Gross Profit	31,450	34,491	3,041	9.7
(Gross Profit Margin)	30.4%	34.1%	3.6P	
Selling, general and administrative expenses	16,400	19,511	3,111	19.0
Operating Profit	15,050	14,979	(70)	(0.5)
(Operating Profit Margin)	14.6%	14.8%	0.2P	
Non-operating income and loss	262	503	240	91.6
Extraordinary income and loss	41	1,428	1,387	—
Profit attributable to owners of parent	10,240	11,787	1,547	15.1
Earnings per share(JPY)	46.53	51.80	5.28	

I .FY March 2016 Financial Results (Consolidated)

(JPY million)

2nd Quarter	2Q FY	2Q FY	Y o Y	
	Mar.2015	Mar.2016	Diff.	Change(%)
	Amount	Amount		
Sales	100,688	110,816	10,128	10.1
Consulting Services	11,271	12,878	1,606	14.3
System Development & System Application Sales	35,234	43,922	8,688	24.7
System Management & Operation Services	50,737	52,084	1,346	2.7
Product Sales	3,444	1,931	(1,512)	(43.9)
Cost of Sales	69,813	77,593	7,779	11.1
Gross Profit	30,874	33,223	2,348	7.6
(Gross Profit Margin)	30.7%	30.0%	(0.7P)	
Selling, general and administrative expenses	16,687	18,508	1,821	10.9
Operating Profit	14,187	14,714	527	3.7
(Operating Profit Margin)	14.1%	13.3%	(0.8P)	
Non-operating income and loss	57	263	205	358.9
Extraordinary income and loss	9,122	(106)	(9,228)	—
Profit attributable to owners of parent	15,970	10,861	(5,108)	(32.0)
Earnings per share(JPY)	72.66	47.78	(24.88)	

(JPY million)

1st Quarter	1Q FY	1Q FY	Y o Y	
	Mar.2015	Mar.2016	Diff.	Change(%)
	Amount	Amount		
Sales	96,658	101,521	4,863	5.0
Consulting Services	10,030	12,199	2,168	21.6
System Development & System Application Sales	32,163	33,128	965	3.0
System Management & Operation Services	49,968	53,264	3,296	6.6
Product Sales	4,496	2,929	(1,566)	(34.8)
Cost of Sales	73,585	69,967	(3,617)	(4.9)
Gross Profit	23,073	31,554	8,480	36.8
(Gross Profit Margin)	23.9%	31.1%	7.2P	
Selling, general and administrative expenses	15,133	18,018	2,884	19.1
Operating Profit	7,939	13,535	5,595	70.5
(Operating Profit Margin)	8.2%	13.3%	5.1P	
Non-operating income and loss	873	1,329	455	52.2
Extraordinary income and loss	1,856	(88)	(1,944)	—
Profit attributable to owners of parent	7,435	9,265	1,829	24.6
Earnings per share(JPY)	33.89	41.72	7.82	

(2) Sales and Operating Profit by segment

① Segment performance results (including sales for each segment)

(JPY million)

Full Year		FY Mar.2015		FY Mar.2016		Yo Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	27,749	6.8	28,823	6.8	1,074	3.9
	Operating Profit	5,959	11.6	5,487	9.4	(472)	(7.9)
	(Operating Profit Margin)	21.5%		19.0%		(2.4P)	
Financial IT Solutions	Sales	237,649	58.5	253,802	60.2	16,152	6.8
	Operating Profit	22,621	43.9	29,171	50.0	6,549	29.0
	(Operating Profit Margin)	9.5%		11.5%		2.0P	
Industrial IT Solutions	Sales	98,974	24.4	102,859	24.4	3,884	3.9
	Operating Profit	11,769	22.9	9,974	17.1	(1,795)	(15.3)
	(Operating Profit Margin)	11.9%		9.7%		(2.2P)	
IT Platform Services	Sales	113,505	28.0	110,044	26.1	(3,461)	(3.0)
	Operating Profit	8,636	16.8	11,575	19.9	2,939	34.0
	(Operating Profit Margin)	7.6%		10.5%		2.9P	
Others	Sales	12,916	3.2	12,924	3.1	7	0.1
	Operating Profit	1,616	3.1	919	1.6	(697)	(43.1)
	(Operating Profit Margin)	12.5%		7.1%		(5.4P)	
Inter-segment sales and eliminations	Sales	(84,811)	(20.9)	(87,014)	(20.6)	(2,202)	
	Operating Profit	882	1.7	1,167	2.0	284	
Total	Sales	405,984	100.0	421,439	100.0	15,454	3.8
	Operating Profit	51,486	100.0	58,295	100.0	6,809	13.2
	(Operating Profit Margin)	12.7%		13.8%		1.2P	

Some segment classifications were changed during the current fiscal year, and historical figures are shown based on the classifications following the relevant changes.

I .FY March 2016 Financial Results (Consolidated)



(JPY million)

4th Quarter		4Q FY Mar.2015		4Q FY Mar.2016		Yo Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	7,573	7.2	8,216	7.6	643	8.5
	Operating Profit	1,618	11.3	2,062	13.7	443	27.4
	(Operating Profit Margin)	21.4%		25.1%		3.7P	
Financial IT Solutions	Sales	61,668	58.6	64,735	60.0	3,066	5.0
	Operating Profit	6,645	46.4	7,204	47.8	559	8.4
	(Operating Profit Margin)	10.8%		11.1%		0.4P	
Industrial IT Solutions	Sales	24,769	23.5	26,275	24.4	1,506	6.1
	Operating Profit	2,063	14.4	2,236	14.8	173	8.4
	(Operating Profit Margin)	8.3%		8.5%		0.2P	
IT Platform Services	Sales	29,654	28.2	28,707	26.6	(947)	(3.2)
	Operating Profit	3,700	25.9	2,782	18.5	(917)	(24.8)
	(Operating Profit Margin)	12.5%		9.7%		(2.8P)	
Others	Sales	3,067	2.9	3,603	3.3	535	17.5
	Operating Profit	284	2.0	389	2.6	105	36.9
	(Operating Profit Margin)	9.3%		10.8%		1.5P	
Inter-segment sales and eliminations	Sales	(21,530)	(20.5)	(23,719)	(22.0)	(2,188)	
	Operating Profit	(1)	(0.0)	389	2.6	391	
Total	Sales	105,202	100.0	107,817	100.0	2,615	2.5
	Operating Profit	14,310	100.0	15,066	100.0	756	5.3
	(Operating Profit Margin)	13.6%		14.0%		0.4P	

I .FY March 2016 Financial Results (Consolidated)



(JPY million)

3rd Quarter		3Q FY Mar.2015		3Q FY Mar.2016		Yo Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	7,377	7.1	7,229	7.1	(147)	(2.0)
	Operating Profit	1,752	11.6	1,407	9.4	(344)	(19.7)
	(Operating Profit Margin)	23.8%		19.5%		(4.3P)	
Financial IT Solutions	Sales	60,820	58.8	59,761	59.0	(1,058)	(1.7)
	Operating Profit	8,171	54.3	7,074	47.2	(1,097)	(13.4)
	(Operating Profit Margin)	13.4%		11.8%		(1.6P)	
Industrial IT Solutions	Sales	25,447	24.6	25,587	25.3	140	0.6
	Operating Profit	3,320	22.1	2,495	16.7	(824)	(24.8)
	(Operating Profit Margin)	13.0%		9.8%		(3.3P)	
IT Platform Services	Sales	27,604	26.7	27,927	27.6	322	1.2
	Operating Profit	1,291	8.6	3,395	22.7	2,104	162.9
	(Operating Profit Margin)	4.7%		12.2%		7.5P	
Others	Sales	3,077	3.0	3,167	3.1	90	2.9
	Operating Profit	321	2.1	441	2.9	120	37.3
	(Operating Profit Margin)	10.5%		13.9%		3.5P	
Inter-segment sales and eliminations	Sales	(20,890)	(20.2)	(22,390)	(22.1)	(1,500)	
	Operating Profit	192	1.3	165	1.1	(27)	
Total	Sales	103,435	100.0	101,283	100.0	(2,152)	(2.1)
	Operating Profit	15,050	100.0	14,979	100.0	(70)	(0.5)
	(Operating Profit Margin)	14.6%		14.8%		0.2P	

I .FY March 2016 Financial Results (Consolidated)



(JPY million)

2nd Quarter		2Q FY Mar.2015		2Q FY Mar.2016		Yo Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	7,060	7.0	7,226	6.5	166	2.4
	Operating Profit	1,691	11.9	1,374	9.3	(317)	(18.8)
	(Operating Profit Margin)	24.0%		19.0%		(4.9P)	
Financial IT Solutions	Sales	58,528	58.1	69,561	62.8	11,032	18.9
	Operating Profit	6,506	45.9	7,270	49.4	763	11.7
	(Operating Profit Margin)	11.1%		10.5%		(0.7P)	
Industrial IT Solutions	Sales	25,068	24.9	25,417	22.9	349	1.4
	Operating Profit	3,205	22.6	2,252	15.3	(952)	(29.7)
	(Operating Profit Margin)	12.8%		8.9%		(3.9P)	
IT Platform Services	Sales	28,139	27.9	26,390	23.8	(1,748)	(6.2)
	Operating Profit	1,961	13.8	3,132	21.3	1,170	59.7
	(Operating Profit Margin)	7.0%		11.9%		4.9P	
Others	Sales	3,265	3.2	3,050	2.8	(215)	(6.6)
	Operating Profit	512	3.6	359	2.4	(153)	(29.9)
	(Operating Profit Margin)	15.7%		11.8%		(3.9P)	
Inter-segment sales and eliminations	Sales	(21,374)	(21.2)	(20,830)	(18.8)	544	
	Operating Profit	309	2.2	325	2.2	16	
Total	Sales	100,688	100.0	110,816	100.0	10,128	10.1
	Operating Profit	14,187	100.0	14,714	100.0	527	3.7
	(Operating Profit Margin)	14.1%		13.3%		(0.8P)	

I .FY March 2016 Financial Results (Consolidated)



(JPY million)

1st Quarter		1Q FY Mar.2015		1Q FY Mar.2016		Yo Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	5,738	5.9	6,150	6.1	412	7.2
	Operating Profit	896	11.3	643	4.8	(253)	(28.3)
	(Operating Profit Margin)	15.6%		10.5%		(5.2P)	
Financial IT Solutions	Sales	56,632	58.6	59,744	58.8	3,112	5.5
	Operating Profit	1,297	16.3	7,620	56.3	6,323	487.2
	(Operating Profit Margin)	2.3%		12.8%		10.5P	
Industrial IT Solutions	Sales	23,689	24.5	25,578	25.2	1,888	8.0
	Operating Profit	3,181	40.1	2,990	22.1	(190)	(6.0)
	(Operating Profit Margin)	13.4%		11.7%		(1.7P)	
IT Platform Services	Sales	28,107	29.1	27,018	26.6	(1,088)	(3.9)
	Operating Profit	1,683	21.2	2,265	16.7	581	34.5
	(Operating Profit Margin)	6.0%		8.4%		2.4P	
Others	Sales	3,506	3.6	3,103	3.1	(403)	(11.5)
	Operating Profit	497	6.3	(270)	(2.0)	(768)	—
	(Operating Profit Margin)	14.2%		(8.7%)		(22.9P)	
Inter-segment sales and eliminations	Sales	(21,015)	(21.7)	(20,073)	(19.8)	941	
	Operating Profit	381	4.8	286	2.1	(95)	
Total	Sales	96,658	100.0	101,521	100.0	4,863	5.0
	Operating Profit	7,939	100.0	13,535	100.0	5,595	70.5
	(Operating Profit Margin)	8.2%		13.3%		5.1P	

I .FY March 2016 Financial Results (Consolidated)

② Sales by segment

(JPY million)

Full Year	FY Mar.2015		FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	27,353	6.7	28,370	6.7	1,017	3.7
Financial IT Solutions	237,111	58.4	252,842	60.0	15,731	6.6
Securities	116,534	28.7	123,896	29.4	7,362	6.3
Insurance	56,414	13.9	57,082	13.5	667	1.2
Banking	34,584	8.5	37,541	8.9	2,956	8.5
Other financial	29,577	7.3	34,321	8.1	4,744	16.0
Industrial IT Solutions	97,938	24.1	101,538	24.1	3,600	3.7
Distribution	46,705	11.5	51,882	12.3	5,176	11.1
Manufacturing, service and other	51,232	12.6	49,656	11.8	(1,576)	(3.1)
IT Platform Services	34,779	8.6	28,720	6.8	(6,058)	(17.4)
Others	8,803	2.2	9,966	2.4	1,163	13.2
Total	405,984	100.0	421,439	100.0	15,454	3.8

(JPY million)

4th Quarter	4Q FY Mar.2015		4Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	7,423	7.1	8,012	7.4	589	7.9
Financial IT Solutions	61,449	58.4	64,339	59.7	2,890	4.7
Securities	29,613	28.1	32,080	29.8	2,467	8.3
Insurance	15,197	14.4	14,203	13.2	(993)	(6.5)
Banking	9,022	8.6	9,139	8.5	116	1.3
Other financial	7,615	7.2	8,916	8.3	1,300	17.1
Industrial IT Solutions	24,461	23.3	25,901	24.0	1,439	5.9
Distribution	11,717	11.1	12,443	11.5	725	6.2
Manufacturing, service and other	12,743	12.1	13,457	12.5	714	5.6
IT Platform Services	9,689	9.2	6,691	6.2	(2,997)	(30.9)
Others	2,178	2.1	2,872	2.7	694	31.9
Total	105,202	100.0	107,817	100.0	2,615	2.5

(JPY million)

3rd Quarter	3Q FY Mar.2015		3Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	7,321	7.1	7,135	7.0	(186)	(2.5)
Financial IT Solutions	60,679	58.7	59,522	58.8	(1,157)	(1.9)
Securities	29,228	28.3	27,779	27.4	(1,449)	(5.0)
Insurance	15,203	14.7	13,598	13.4	(1,605)	(10.6)
Banking	8,444	8.2	9,304	9.2	859	10.2
Other financial	7,801	7.5	8,839	8.7	1,037	13.3
Industrial IT Solutions	25,205	24.4	25,217	24.9	11	0.0
Distribution	11,950	11.6	12,805	12.6	854	7.1
Manufacturing, service and other	13,255	12.8	12,411	12.3	(843)	(6.4)
IT Platform Services	8,087	7.8	6,936	6.8	(1,150)	(14.2)
Others	2,141	2.1	2,471	2.4	330	15.4
Total	103,435	100.0	101,283	100.0	(2,152)	(2.1)

I .FY March 2016 Financial Results (Consolidated)

(JPY million)

2nd Quarter	2Q FY Mar.2015		2Q FY Mar.2016		Yo Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	6,942	6.9	7,117	6.4	175	2.5
Financial IT Solutions	58,428	58.0	69,386	62.6	10,958	18.8
Securities	28,623	28.4	37,282	33.6	8,659	30.3
Insurance	14,035	13.9	14,019	12.7	(15)	(0.1)
Banking	8,472	8.4	9,589	8.7	1,116	13.2
Other financial	7,296	7.2	8,494	7.7	1,198	16.4
Industrial IT Solutions	24,788	24.6	25,108	22.7	320	1.3
Distribution	11,450	11.4	13,173	11.9	1,722	15.0
Manufacturing, service and other	13,337	13.2	11,935	10.8	(1,402)	(10.5)
IT Platform Services	8,376	8.3	6,892	6.2	(1,484)	(17.7)
Others	2,152	2.1	2,311	2.1	158	7.4
Total	100,688	100.0	110,816	100.0	10,128	10.1

(JPY million)

1st Quarter	1Q FY Mar.2015		1Q FY Mar.2016		Yo Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	5,665	5.9	6,104	6.0	439	7.8
Financial IT Solutions	56,554	58.5	59,594	58.7	3,040	5.4
Securities	29,068	30.1	26,753	26.4	(2,314)	(8.0)
Insurance	11,977	12.4	15,260	15.0	3,282	27.4
Banking	8,644	8.9	9,509	9.4	864	10.0
Other financial	6,863	7.1	8,071	8.0	1,207	17.6
Industrial IT Solutions	23,482	24.3	25,311	24.9	1,828	7.8
Distribution	11,586	12.0	13,460	13.3	1,873	16.2
Manufacturing, service and other	11,895	12.3	11,850	11.7	(45)	(0.4)
IT Platform Services	8,625	8.9	8,199	8.1	(425)	(4.9)
Others	2,330	2.4	2,311	2.3	(19)	(0.8)
Total	96,658	100.0	101,521	100.0	4,863	5.0

I .FY March 2016 Financial Results (Consolidated)

(3) Sales to main clients

(JPY million)

Full Year	FY Mar.2015		FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	82,469	20.3	68,666	16.3	(13,803)	(16.7)
Seven & i Holdings	40,973	10.1	43,254	10.3	2,281	5.6

*Figures, in principle, include sales to subsidiaries.

(JPY million)

4th Quarter	4Q FY Mar.2015		4Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	20,794	19.8	19,400	18.0	(1,394)	(6.7)
Seven & i Holdings	10,571	10.0	10,058	9.3	(513)	(4.9)

(JPY million)

3rd Quarter	3Q FY Mar.2015		3Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	20,847	20.2	16,339	16.1	(4,508)	(21.6)
Seven & i Holdings	10,231	9.9	10,449	10.3	217	2.1

(JPY million)

2nd Quarter	2Q FY Mar.2015		2Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	20,735	20.6	16,268	14.7	(4,467)	(21.5)
Seven & i Holdings	10,054	10.0	11,102	10.0	1,048	10.4

(JPY million)

1st Quarter	1Q FY Mar.2015		1Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	20,091	20.8	16,658	16.4	(3,432)	(17.1)
Seven & i Holdings	10,115	10.5	11,644	11.5	1,528	15.1

I .FY March 2016 Financial Results (Consolidated)

(4) Subcontracting Costs

(JPY million)

Full Year	FY Mar.2015		FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	141,925	35.0	139,303	33.1	(2,621)	(1.8)
(Subcontracting Costs to China)	23,482	16.5	23,476	16.9	(6)	(0.0)

*Share for subcontracting costs shows share of sales.

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

(JPY million)

4th Quarter	4Q FY Mar.2015		4Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	35,652	33.9	34,099	31.6	(1,553)	(4.4)
(Subcontracting Costs to China)	5,704	16.0	5,295	15.5	(409)	(7.2)

(JPY million)

3rd Quarter	3Q FY Mar.2015		3Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	35,027	33.9	32,911	32.5	(2,116)	(6.0)
(Subcontracting Costs to China)	5,719	16.3	5,495	16.7	(224)	(3.9)

(JPY million)

2nd Quarter	2Q FY Mar.2015		2Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	34,914	34.7	36,578	33.0	1,664	4.8
(Subcontracting Costs to China)	5,843	16.7	6,464	17.7	620	10.6

(JPY million)

1st Quarter	1Q FY Mar.2015		1Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	36,330	37.6	35,714	35.2	(616)	(1.7)
(Subcontracting Costs to China)	6,214	17.1	6,222	17.4	7	0.1

I .FY March 2016 Financial Results (Consolidated)

(5) Cash Flow

(JPY million)

Full Year	FY Mar. 2015	FY Mar. 2016	Yo Y	
	Amount	Amount	Diff.	Change(%)
Operating Activities	58,710	81,470	22,760	38.8
Investing Activities	(1,093)	(75,344)	(74,251)	—
(Investing Activities except Cash management purpose investment)	(13,800)	(52,725)	(38,925)	282.1
Free Cash Flow	57,617	6,126	(51,490)	(89.4)
(Free Cash Flow except Cash management purpose investment)	44,910	28,744	(16,165)	(36.0)
Financing Activities	(10,536)	9,326	19,862	—
Net increase in Cash and cash equivalents	47,775	14,381	(33,393)	(69.9)
(Net increase in Cash and cash equivalents except Cash management purpose investment)	35,068	37,000	1,931	5.5
Cash and cash equivalents at end of period	140,567	154,949	14,381	10.2
Cash and cash equivalents + Cash Management purpose investment	169,023	206,031	37,008	21.9

*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 .FY March 2016 Financial Results (Consolidated)

(6) Capital Expenditure, Research and Development Expenses

(JPY million)

Full Year	FY Mar. 2015	FY Mar. 2016	YoY	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	31,080	48,325	17,244	55.5
Tangible	8,349	20,285	11,935	143.0
Intangible	22,731	28,040	5,308	23.4
Research and Development Expenses	4,222	5,110	887	21.0

(JPY million)

4th Quarter	4Q FY Mar. 2015	4Q FY Mar. 2016	YoY	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	7,640	11,009	3,369	44.1
Tangible	2,472	3,095	623	25.2
Intangible	5,167	7,913	2,746	53.1
Research and Development Expenses	1,519	1,757	237	15.6

(JPY million)

3rd Quarter	3Q FY Mar. 2015	3Q FY Mar. 2016	YoY	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	9,229	15,381	6,151	66.6
Tangible	2,426	7,879	5,452	224.7
Intangible	6,802	7,501	698	10.3
Research and Development Expenses	1,134	1,279	145	12.8

(JPY million)

2nd Quarter	2Q FY Mar. 2015	2Q FY Mar. 2016	YoY	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	8,276	12,510	4,233	51.1
Tangible	2,487	6,294	3,806	153.0
Intangible	5,789	6,215	426	7.4
Research and Development Expenses	1,028	1,376	348	33.9

(JPY million)

1st Quarter	1Q FY Mar. 2015	1Q FY Mar. 2016	YoY	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	5,934	9,424	3,490	58.8
Tangible	962	3,015	2,053	213.4
Intangible	4,972	6,409	1,437	28.9
Research and Development Expenses	540	696	156	28.9

I .FY March 2016 Financial Results (Consolidated)

(7) Depreciation and Amortization

(JPY million)

Full Year	FY Mar. 2015	FY Mar. 2016	YoY	
	Amount	Amount	Diff.	Change(%)
Tangible	10,244	9,242	(1,002)	(9.8)
Intangible	15,555	23,356	7,800	50.1
Depreciation and Amortization	25,800	32,598	6,798	26.4

(JPY million)

4th Quarter	4Q FY Mar. 2015	4Q FY Mar. 2016	YoY	
	Amount	Amount	Diff.	Change(%)
Tangible	2,573	2,592	19	0.7
Intangible	3,778	6,136	2,358	62.4
Depreciation and Amortization	6,352	8,729	2,377	37.4

(JPY million)

3rd Quarter	3Q FY Mar. 2015	3Q FY Mar. 2016	YoY	
	Amount	Amount	Diff.	Change(%)
Tangible	2,702	2,448	(253)	(9.4)
Intangible	4,083	3,568	(515)	(12.6)
Depreciation and Amortization	6,785	6,016	(768)	(11.3)

(JPY million)

2nd Quarter	2Q FY Mar. 2015	2Q FY Mar. 2016	YoY	
	Amount	Amount	Diff.	Change(%)
Tangible	2,553	2,182	(371)	(14.5)
Intangible	3,769	9,252	5,482	145.5
Depreciation and Amortization	6,322	11,434	5,111	80.8

(JPY million)

1st Quarter	1Q FY Mar. 2015	1Q FY Mar. 2016	YoY	
	Amount	Amount	Diff.	Change(%)
Tangible	2,414	2,018	(396)	(16.4)
Intangible	3,924	4,399	474	12.1
Depreciation and Amortization	6,339	6,418	78	1.2

I .FY March 2016 Financial Results (Consolidated)

(8) Order Volume by segment

① Order Backlog

(JPY million)

At the end of period	FY Mar. 2015	FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
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 next FY)	224,785	227,420	2,634	1.2

(JPY million)

At the end of the 3rd Quarter	3Q FY Mar. 2015	3Q FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	5,769	6,202	433	7.5
Financial IT Solutions	55,315	57,524	2,208	4.0
Industrial IT Solutions	19,228	18,273	(955)	(5.0)
IT Platform Services	7,547	6,445	(1,101)	(14.6)
Others	1,114	1,834	720	64.7
Total	88,974	90,280	1,306	1.5
(Order backlog in the current FY)	79,012	80,966	1,953	2.5

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar. 2015	2Q FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	7,356	7,162	(194)	(2.6)
Financial IT Solutions	88,345	90,634	2,289	2.6
Industrial IT Solutions	31,961	33,210	1,249	3.9
IT Platform Services	11,679	9,500	(2,178)	(18.7)
Others	2,021	2,494	473	23.4
Total	141,363	143,001	1,638	1.2
(Order backlog in the current FY)	135,026	137,262	2,236	1.7

(JPY million)

At the end of the 1st Quarter	1Q FY Mar. 2015	1Q FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	7,847	8,029	181	2.3
Financial IT Solutions	115,464	125,307	9,843	8.5
Industrial IT Solutions	43,830	47,565	3,734	8.5
IT Platform Services	16,147	12,708	(3,439)	(21.3)
Others	2,940	2,455	(485)	(16.5)
Total	186,231	196,065	9,834	5.3
(Order backlog in the current FY)	180,866	192,292	11,426	6.3

(JPY million)

At beginning of period	FY Mar. 2015	FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	4,584	5,622	1,037	22.6
Financial IT Solutions	129,548	146,268	16,719	12.9
Industrial IT Solutions	51,969	55,412	3,442	6.6
IT Platform Services	20,769	17,205	(3,564)	(17.2)
Others	2,329	2,679	350	15.0
Total	209,202	227,188	17,985	8.6
(Order backlog in the current FY)	205,218	224,785	19,567	9.5

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.

I .FY March 2016 Financial Results (Consolidated)

② Order Volume

(JPY million)

Full Year	FY Mar. 2015	FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	28,390	27,425	(964)	(3.4)
Financial IT Solutions	253,830	256,293	2,462	1.0
Industrial IT Solutions	101,380	104,650	3,269	3.2
IT Platform Services	31,215	23,352	(7,862)	(25.2)
Others	9,153	10,840	1,686	18.4
Total	423,970	422,561	(1,408)	(0.3)

(JPY million)

4th Quarter	4Q FY Mar. 2015	4Q FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	7,276	6,487	(789)	(10.8)
Financial IT Solutions	152,402	156,534	4,131	2.7
Industrial IT Solutions	60,644	66,151	5,506	9.1
IT Platform Services	19,347	12,083	(7,264)	(37.5)
Others	3,744	4,591	847	22.6
Total	243,415	245,847	2,431	1.0

(JPY million)

3rd Quarter	3Q FY Mar. 2015	3Q FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	5,734	6,175	441	7.7
Financial IT Solutions	27,649	26,412	(1,237)	(4.5)
Industrial IT Solutions	12,473	10,280	(2,193)	(17.6)
IT Platform Services	3,955	3,881	(73)	(1.9)
Others	1,234	1,812	577	46.8
Total	51,046	48,562	(2,484)	(4.9)

(JPY million)

2nd Quarter	2Q FY Mar. 2015	2Q FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	6,451	6,251	(200)	(3.1)
Financial IT Solutions	31,308	34,712	3,403	10.9
Industrial IT Solutions	12,919	10,754	(2,164)	(16.8)
IT Platform Services	3,908	3,685	(223)	(5.7)
Others	1,232	2,349	1,116	90.6
Total	55,820	57,752	1,932	3.5

(JPY million)

1st Quarter	1Q FY Mar. 2015	1Q FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	8,928	8,511	(416)	(4.7)
Financial IT Solutions	42,469	38,633	(3,836)	(9.0)
Industrial IT Solutions	15,343	17,464	2,121	13.8
IT Platform Services	4,003	3,702	(300)	(7.5)
Others	2,942	2,087	(854)	(29.1)
Total	73,686	70,399	(3,287)	(4.5)

(1) Highlights and Dividend forecasts

(JPY billion)

	FY Mar.2016	FY Mar.2017	Y o Y	
	(Results)	(Forecasts)	Diff.	Change(%)
	Amount	Amount		
Sales	421.4	435.0	13.5	3.2
Consulting Services	52.1	55.0	2.8	5.5
System Development & System Application Sales	145.1	155.0	9.8	6.8
System Management & Operation Services	212.9	215.0	2.0	1.0
Product Sales	11.1	10.0	(1.1)	(10.7)
Operating Profit	58.2	62.0	3.7	6.4
(Operating Profit Margin)	13.8%	14.3%	0.4P	
Profit attributable to owners of paren	42.6	43.5	0.8	2.0
Dividends per share(JPY)	80.00	80.00	※1	—
Second quarter(JPY)	40.00	40.00	—	—
Fiscal year end(JPY)	40.00	40.00	—	—

※1 The Company implemented a 1:1.1 common stock split on October 1, 2015. The split will result in an effective dividend increase of ¥4 in the fiscal year ending March 31, 2017 compared with the previous fiscal year.

(2) Sales Forecasts by segment

(JPY billion)

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

(3) Capital Expenditure, Research and Development Expenses Forecasts

(JPY billion)

	FY Mar.2016		FY Mar.2017		Y o Y	
	(Results)		(Forecasts)		Diff.	Change(%)
	Amount	Amount	Amount	Amount		
Capital Expenditure	48.3	45.0	(3.3)	(6.9)		
Tangible	20.2	16.0	(4.2)	(21.1)		
Intangible	28.0	29.0	0.9	3.4		
Research and Development Expenses	5.1	5.5	0.3	7.6		

(4) Depreciation and Amortization Forecasts

(JPY billion)

	FY Mar.2016		FY Mar.2017		Y o Y	
	(Results)		(Forecasts)		Diff.	Change(%)
	Amount	Amount	Amount	Amount		
Depreciation and Amortization	32.5	30.0	(2.5)	(8.0)		

(5) Highlights (1H/2H)

(JPY billion)

1st Half	FY Mar.2016	FY Mar.2017	Y o Y	
	(Results)	(Forecasts)	Diff.	Change(%)
	Amount	Amount		
Sales	212.3	210.0	(2.3)	(1.1)
Consulting Services	25.0	25.0	(0.0)	(0.3)
System Development & System Application Sales	77.0	75.0	(2.0)	(2.7)
System Management & Operation Services	105.3	107.0	1.6	1.6
Product Sales	4.8	3.0	(1.8)	(38.3)
Operating Profit	28.2	29.0	0.7	2.7
(Operating Profit Margin)	13.3%	13.8%	0.5P	
Profit attributable to owners of parent	20.1	21.0	0.8	4.3

(JPY billion)

2nd Half	FY Mar.2016	FY Mar.2017	Y o Y	
	(Results)	(Forecasts)	Diff.	Change(%)
	Amount	Amount		
Sales	209.1	225.0	15.8	7.6
Consulting Services	27.0	30.0	2.9	10.9
System Development & System Application Sales	68.1	80.0	11.8	17.5
System Management & Operation Services	107.6	108.0	0.3	0.4
Product Sales	6.3	7.0	0.6	10.5
Operating Profit	30.0	33.0	2.9	9.8
(Operating Profit Margin)	14.4%	14.7%	0.3P	
Profit attributable to owners of parent	22.5	22.5	(0.0)	(0.1)

(6) Sales Forecasts by segment (1H/2H)

(JPY billion)

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

(JPY billion)

2nd Half	FY Mar.2016 (Results)		FY Mar.2017 (Forecasts)		YoY	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	15.1	7.2	18.0	8.0	2.8	18.8
Financial IT Solutions	123.8	59.2	132.0	58.7	8.1	6.6
Securities	59.8	28.6	62.0	27.6	2.1	3.6
Insurance	27.8	13.3	32.0	14.2	4.1	15.1
Banking	18.4	8.8	20.0	8.9	1.5	8.4
Other financial	17.7	8.5	18.0	8.0	0.2	1.4
Industrial IT Solutions	51.1	24.4	54.0	24.0	2.8	5.6
Distribution	25.2	12.1	27.0	12.0	1.7	6.9
Manufacturing, service and other	25.8	12.4	27.0	12.0	1.1	4.4
IT Platform Services	13.6	6.5	16.0	7.1	2.3	17.4
Others	5.3	2.6	5.0	2.2	(0.3)	(6.4)
Total	209.1	100.0	225.0	100.0	15.8	7.6