

FY March 2014 Financial Results

April 24, 2014

Nomura Research Institute, Ltd.



I . FY March 2014 Financial Results (Consolidated)

II . FY March 2015 Financial Results Forecasts (Consolidated)

I .FY March 2014 Financial Results (Consolidated)



(1) Highlights

(JPY million)

Full Year	FY Mar.2013	FY Mar.2014	Y o Y		Forecasts as of Jan.30,2014	
	Amount	Amount	Diff.	Change(%)	Amount	Diff.
Sales	363,891	385,932	22,040	6.1	380,000	5,932
Consulting Services	39,078	42,233	3,154	8.1	41,000	1,233
System Development & System Application Sales	140,478	143,213	2,734	1.9	144,000	(786)
System Management & Operation Services	174,990	187,361	12,371	7.1	185,000	2,361
Product Sales	9,344	13,124	3,780	40.5	10,000	3,124
Cost of Sales	262,315	276,664	14,349	5.5		
Gross Profit	101,575	109,267	7,691	7.6		
(Gross Profit Margin)	27.9%	28.3%	0.4P			
Selling, general and administrative expenses	57,608	59,450	1,842	3.2		
Operating Profit	43,967	49,816	5,849	13.3	50,000	(183)
(Operating Profit Margin)	12.1%	12.9%	0.8P		13.2%	(0.2P)
Non-operating income and loss	1,891	2,544	652	34.5		
Extraordinary income and loss	(2,988)	349	3,337	—		
Net Income	28,612	31,527	2,914	10.2	32,000	(472)
Comprehensive Income	39,514	48,653	9,138	23.1		
Earnings per share(JPY)	145.29	158.75	13.46		161.30	(2.55)
Second quarter(JPY)	26.00	26.00	—		26.00	—
Fiscal year end(JPY)	26.00	30.00	4.00		30.00	—
Annual Dividends per share(JPY)	52.00	56.00	4.00		56.00	—
Dividend payout ratio	36.6%	35.9%	(0.7P)		35.3%	0.5P
Return on Equity(ROE)	10.5%	10.2%	(0.3P)			

NRI has applied the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No.30) starting in this fiscal year. Figures for the previous fiscal years in the results are stated after that retroactive application.

I .FY March 2014 Financial Results (Consolidated)

(JPY million)

4th Quarter	4Q FY	4Q FY	Y o Y	
	Mar.2013	Mar.2014	Diff.	Change(%)
	Amount	Amount		
Sales	103,531	106,472	2,940	2.8
Consulting Services	10,718	12,299	1,580	14.7
System Development & System Application Sales	42,628	40,090	(2,538)	(6.0)
System Management & Operation Services	47,228	49,213	1,984	4.2
Product Sales	2,955	4,869	1,914	64.8
Cost of Sales	76,208	77,078	870	1.1
Gross Profit	27,323	29,393	2,070	7.6
(Gross Profit Margin)	26.4%	27.6%	1.2P	
Selling, general and administrative expenses	14,616	15,613	996	6.8
Operating Profit	12,706	13,780	1,073	8.4
(Operating Profit Margin)	12.3%	12.9%	0.7P	
Non-operating income and loss	357	8	(348)	(97.7)
Extraordinary income and loss	(7)	22	29	—
Net Income	8,129	7,415	(714)	(8.8)
Earnings per share(JPY)	41.16	37.22	(3.94)	

(JPY million)

3rd Quarter	3Q FY	3Q FY	Y o Y	
	Mar.2013	Mar.2014	Diff.	Change(%)
	Amount	Amount		
Sales	86,000	96,903	10,902	12.7
Consulting Services	9,764	10,759	995	10.2
System Development & System Application Sales	31,076	37,090	6,014	19.4
System Management & Operation Services	43,176	46,909	3,732	8.6
Product Sales	1,982	2,143	160	8.1
Cost of Sales	60,994	70,018	9,023	14.8
Gross Profit	25,006	26,884	1,878	7.5
(Gross Profit Margin)	29.1%	27.7%	(1.3P)	
Selling, general and administrative expenses	14,298	14,624	325	2.3
Operating Profit	10,707	12,260	1,552	14.5
(Operating Profit Margin)	12.5%	12.7%	0.2P	
Non-operating income and loss	516	475	(41)	(8.1)
Extraordinary income and loss	(3,071)	—	3,071	(100.0)
Net Income	7,072	7,820	747	10.6
Earnings per share(JPY)	35.88	39.33	3.44	

I .FY March 2014 Financial Results (Consolidated)

(JPY million)

2nd Quarter	2Q FY	2Q FY	Y o Y	
	Mar.2013	Mar.2014	Diff.	Change(%)
	Amount	Amount		
Sales	89,947	94,306	4,358	4.8
Consulting Services	10,399	10,629	230	2.2
System Development & System Application Sales	34,563	34,529	(34)	(0.1)
System Management & Operation Services	42,580	45,505	2,925	6.9
Product Sales	2,404	3,641	1,236	51.4
Cost of Sales	63,507	67,068	3,560	5.6
Gross Profit	26,439	27,237	797	3.0
(Gross Profit Margin)	29.4%	28.9%	(0.5P)	
Selling, general and administrative expenses	14,183	14,264	80	0.6
Operating Profit	12,255	12,972	716	5.8
(Operating Profit Margin)	13.6%	13.8%	0.1P	
Non-operating income and loss	172	313	140	81.8
Extraordinary income and loss	0	10	9	—
Net Income	7,670	8,301	630	8.2
Earnings per share(JPY)	38.97	41.82	2.85	

(JPY million)

1st Quarter	1Q FY	1Q FY	Y o Y	
	Mar.2013	Mar.2014	Diff.	Change(%)
	Amount	Amount		
Sales	84,411	88,250	3,839	4.5
Consulting Services	8,196	8,544	348	4.2
System Development & System Application Sales	32,209	31,503	(706)	(2.2)
System Management & Operation Services	42,004	45,732	3,728	8.9
Product Sales	2,001	2,470	468	23.4
Cost of Sales	61,605	62,498	893	1.5
Gross Profit	22,806	25,752	2,945	12.9
(Gross Profit Margin)	27.0%	29.2%	2.2P	
Selling, general and administrative expenses	14,509	14,948	439	3.0
Operating Profit	8,297	10,803	2,506	30.2
(Operating Profit Margin)	9.8%	12.2%	2.4P	
Non-operating income and loss	844	1,747	902	106.9
Extraordinary income and loss	89	316	227	254.9
Net Income	5,739	7,990	2,250	39.2
Earnings per share(JPY)	29.23	40.39	11.16	

I .FY March 2014 Financial Results (Consolidated)



(2) Sales and Operating Profit by segment

① Segment performance results (including sales for each segment)

Full Year		(JPY million)					
		FY Mar.2013		FY Mar.2014		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	22,908	6.3	25,820	6.7	2,911	12.7
	Operating Profit	2,801	6.4	4,708	9.5	1,906	68.1
	(Operating Profit Margin)	12.2%		18.2%		6.0P	
Financial IT Solutions	Sales	219,916	60.4	225,345	58.4	5,429	2.5
	Operating Profit	22,280	50.7	27,809	55.8	5,528	24.8
	(Operating Profit Margin)	10.1%		12.3%		2.2P	
Industrial IT Solutions	Sales	83,662	23.0	87,389	22.6	3,726	4.5
	Operating Profit	6,478	14.7	8,408	16.9	1,930	29.8
	(Operating Profit Margin)	7.7%		9.6%		1.9P	
IT Platform Services	Sales	103,376	28.4	114,624	29.7	11,247	10.9
	Operating Profit	10,059	22.9	6,470	13.0	(3,589)	(35.7)
	(Operating Profit Margin)	9.7%		5.6%		(4.1P)	
Others	Sales	12,719	3.5	15,332	4.0	2,613	20.5
	Operating Profit	1,136	2.6	1,281	2.6	144	12.7
	(Operating Profit Margin)	8.9%		8.4%		(0.6P)	
Inter-segment sales and eliminations	Sales	(78,693)	(21.6)	(82,581)	(21.4)	(3,888)	
	Operating Profit	1,210	2.8	1,138	2.3	(71)	
Total	Sales	363,891	100.0	385,932	100.0	22,040	6.1
	Operating Profit	43,967	100.0	49,816	100.0	5,849	13.3
	(Operating Profit Margin)	12.1%		12.9%		0.8P	

I .FY March 2014 Financial Results (Consolidated)



(JPY million)

4th Quarter		4Q FY Mar.2013		4Q FY Mar.2014		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	6,294	6.1	7,403	7.0	1,109	17.6
	Operating Profit	906	7.1	1,484	10.8	578	63.8
	(Operating Profit Margin)	14.4%		20.1%		5.7P	
Financial IT Solutions	Sales	65,242	63.0	62,424	58.6	(2,817)	(4.3)
	Operating Profit	7,493	59.0	7,891	57.3	397	5.3
	(Operating Profit Margin)	11.5%		12.6%		1.2P	
Industrial IT Solutions	Sales	22,464	21.7	23,458	22.0	994	4.4
	Operating Profit	1,960	15.4	2,216	16.1	255	13.0
	(Operating Profit Margin)	8.7%		9.4%		0.7P	
IT Platform Services	Sales	25,837	25.0	31,474	29.6	5,636	21.8
	Operating Profit	1,819	14.3	1,481	10.8	(338)	(18.6)
	(Operating Profit Margin)	7.0%		4.7%		(2.3P)	
Others	Sales	3,365	3.3	4,305	4.0	940	27.9
	Operating Profit	237	1.9	453	3.3	215	90.9
	(Operating Profit Margin)	7.1%		10.5%		3.5P	
Inter-segment sales and eliminations	Sales	(19,672)	(19.0)	(22,593)	(21.2)	(2,921)	
	Operating Profit	288	2.3	253	1.8	(35)	
Total	Sales	103,531	100.0	106,472	100.0	2,940	2.8
	Operating Profit	12,706	100.0	13,780	100.0	1,073	8.4
	(Operating Profit Margin)	12.3%		12.9%		0.7P	

I .FY March 2014 Financial Results (Consolidated)



(JPY million)

3rd Quarter		3Q FY Mar.2013		3Q FY Mar.2014		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	5,925	6.9	6,709	6.9	783	13.2
	Operating Profit	865	8.1	1,369	11.2	504	58.2
	(Operating Profit Margin)	14.6%		20.4%		5.8P	
Financial IT Solutions	Sales	49,886	58.0	56,331	58.1	6,445	12.9
	Operating Profit	5,070	47.4	6,475	52.8	1,404	27.7
	(Operating Profit Margin)	10.2%		11.5%		1.3P	
Industrial IT Solutions	Sales	20,793	24.2	22,084	22.8	1,290	6.2
	Operating Profit	1,801	16.8	2,671	21.8	869	48.3
	(Operating Profit Margin)	8.7%		12.1%		3.4P	
IT Platform Services	Sales	25,783	30.0	28,518	29.4	2,735	10.6
	Operating Profit	2,493	23.3	1,038	8.5	(1,455)	(58.4)
	(Operating Profit Margin)	9.7%		3.6%		(6.0P)	
Others	Sales	3,144	3.7	3,848	4.0	704	22.4
	Operating Profit	239	2.2	396	3.2	156	65.7
	(Operating Profit Margin)	7.6%		10.3%		2.7P	
Inter-segment sales and eliminations	Sales	(19,532)	(22.7)	(20,589)	(21.2)	(1,056)	
	Operating Profit	237	2.2	309	2.5	72	
Total	Sales	86,000	100.0	96,903	100.0	10,902	12.7
	Operating Profit	10,707	100.0	12,260	100.0	1,552	14.5
	(Operating Profit Margin)	12.5%		12.7%		0.2P	

I .FY March 2014 Financial Results (Consolidated)



(JPY million)

2nd Quarter		2Q FY Mar.2013		2Q FY Mar.2014		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	6,056	6.7	6,605	7.0	548	9.0
	Operating Profit	1,169	9.5	1,587	12.2	417	35.7
	(Operating Profit Margin)	19.3%		24.0%		4.7P	
Financial IT Solutions	Sales	53,533	59.5	54,802	58.1	1,268	2.4
	Operating Profit	6,062	49.5	7,252	55.9	1,189	19.6
	(Operating Profit Margin)	11.3%		13.2%		1.9P	
Industrial IT Solutions	Sales	20,743	23.1	21,146	22.4	402	1.9
	Operating Profit	1,585	12.9	1,817	14.0	231	14.6
	(Operating Profit Margin)	7.6%		8.6%		1.0P	
IT Platform Services	Sales	26,364	29.3	28,559	30.3	2,194	8.3
	Operating Profit	2,912	23.8	1,899	14.6	(1,013)	(34.8)
	(Operating Profit Margin)	11.0%		6.6%		(4.4P)	
Others	Sales	3,112	3.5	3,580	3.8	468	15.0
	Operating Profit	349	2.9	320	2.5	(29)	(8.4)
	(Operating Profit Margin)	11.2%		8.9%		(2.3P)	
Inter-segment sales and eliminations	Sales	(19,863)	(22.1)	(20,387)	(21.6)	(523)	
	Operating Profit	175	1.4	95	0.7	(79)	
Total	Sales	89,947	100.0	94,306	100.0	4,358	4.8
	Operating Profit	12,255	100.0	12,972	100.0	716	5.8
	(Operating Profit Margin)	13.6%		13.8%		0.1P	

I .FY March 2014 Financial Results (Consolidated)



(JPY million)

1st Quarter		1Q FY Mar.2013		1Q FY Mar.2014		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	4,631	5.5	5,103	5.8	471	10.2
	Operating Profit	(140)	(1.7)	266	2.5	407	—
	(Operating Profit Margin)	(3.0%)		5.2%		8.3P	
Financial IT Solutions	Sales	51,254	60.7	51,787	58.7	533	1.0
	Operating Profit	3,653	44.0	6,190	57.3	2,537	69.4
	(Operating Profit Margin)	7.1%		12.0%		4.8P	
Industrial IT Solutions	Sales	19,661	23.3	20,700	23.5	1,039	5.3
	Operating Profit	1,129	13.6	1,703	15.8	573	50.8
	(Operating Profit Margin)	5.7%		8.2%		2.5P	
IT Platform Services	Sales	25,391	30.1	26,072	29.5	680	2.7
	Operating Profit	2,834	34.2	2,051	19.0	(782)	(27.6)
	(Operating Profit Margin)	11.2%		7.9%		(3.3P)	
Others	Sales	3,096	3.7	3,597	4.1	501	16.2
	Operating Profit	310	3.7	111	1.0	(199)	(64.2)
	(Operating Profit Margin)	10.0%		3.1%		(6.9P)	
Inter-segment sales and eliminations	Sales	(19,624)	(23.2)	(19,010)	(21.5)	614	
	Operating Profit	509	6.1	480	4.4	(29)	
Total	Sales	84,411	100.0	88,250	100.0	3,839	4.5
	Operating Profit	8,297	100.0	10,803	100.0	2,506	30.2
	(Operating Profit Margin)	9.8%		12.2%		2.4P	

I .FY March 2014 Financial Results (Consolidated)

② Sales by segment

(JPY million)

Full Year	FY Mar.2013		FY Mar.2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	22,761	6.3	25,631	6.6	2,870	12.6
Financial IT Solutions	219,754	60.4	225,313	58.4	5,559	2.5
Securities	115,904	31.9	115,646	30.0	(257)	(0.2)
Insurance	50,162	13.8	49,813	12.9	(348)	(0.7)
Banking	27,909	7.7	31,763	8.2	3,853	13.8
Other financial	25,778	7.1	28,090	7.3	2,312	9.0
Industrial IT Solutions	83,615	23.0	87,322	22.6	3,707	4.4
Distribution	44,806	12.3	44,066	11.4	(739)	(1.7)
Manufacturing, service and other	38,808	10.7	43,255	11.2	4,446	11.5
IT Platform Services	28,850	7.9	37,579	9.7	8,729	30.3
Others	8,910	2.4	10,085	2.6	1,174	13.2
Total	363,891	100.0	385,932	100.0	22,040	6.1

(JPY million)

4th Quarter	4Q FY Mar.2013		4Q FY Mar.2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	6,232	6.0	7,353	6.9	1,120	18.0
Financial IT Solutions	65,203	63.0	62,405	58.6	(2,797)	(4.3)
Securities	38,916	37.6	33,252	31.2	(5,663)	(14.6)
Insurance	11,683	11.3	13,269	12.5	1,585	13.6
Banking	7,606	7.3	8,980	8.4	1,374	18.1
Other financial	6,996	6.8	6,902	6.5	(93)	(1.3)
Industrial IT Solutions	22,448	21.7	23,439	22.0	991	4.4
Distribution	11,584	11.2	11,335	10.6	(248)	(2.1)
Manufacturing, service and other	10,864	10.5	12,104	11.4	1,240	11.4
IT Platform Services	7,310	7.1	10,446	9.8	3,136	42.9
Others	2,336	2.3	2,826	2.7	490	21.0
Total	103,531	100.0	106,472	100.0	2,940	2.8

(JPY million)

3rd Quarter	3Q FY Mar.2013		3Q FY Mar.2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	5,900	6.9	6,670	6.9	769	13.0
Financial IT Solutions	49,853	58.0	56,387	58.2	6,533	13.1
Securities	23,865	27.7	28,275	29.2	4,409	18.5
Insurance	12,419	14.4	12,796	13.2	376	3.0
Banking	6,951	8.1	8,387	8.7	1,435	20.7
Other financial	6,617	7.7	6,929	7.2	312	4.7
Industrial IT Solutions	20,782	24.2	22,061	22.8	1,279	6.2
Distribution	11,417	13.3	11,539	11.9	122	1.1
Manufacturing, service and other	9,365	10.9	10,521	10.9	1,156	12.3
IT Platform Services	7,330	8.5	9,268	9.6	1,937	26.4
Others	2,133	2.5	2,515	2.6	382	17.9
Total	86,000	100.0	96,903	100.0	10,902	12.7

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I .FY March 2014 Financial Results (Consolidated)

(JPY million)

2nd Quarter	2Q FY Mar.2013		2Q FY Mar.2014		Yo Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	6,023	6.7	6,579	7.0	556	9.2
Financial IT Solutions	53,476	59.5	54,756	58.1	1,279	2.4
Securities	26,510	29.5	27,266	28.9	755	2.9
Insurance	13,789	15.3	12,591	13.4	(1,197)	(8.7)
Banking	7,064	7.9	7,681	8.1	617	8.7
Other financial	6,113	6.8	7,217	7.7	1,104	18.1
Industrial IT Solutions	20,752	23.1	21,134	22.4	381	1.8
Distribution	11,290	12.6	10,664	11.3	(626)	(5.5)
Manufacturing, service and other	9,462	10.5	10,469	11.1	1,007	10.6
IT Platform Services	7,537	8.4	9,520	10.1	1,983	26.3
Others	2,156	2.4	2,315	2.5	158	7.4
Total	89,947	100.0	94,306	100.0	4,358	4.8

(JPY million)

1st Quarter	1Q FY Mar.2013		1Q FY Mar.2014		Yo Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	4,604	5.5	5,028	5.7	424	9.2
Financial IT Solutions	51,220	60.7	51,764	58.7	543	1.1
Securities	26,612	31.5	26,852	30.4	240	0.9
Insurance	12,269	14.5	11,156	12.6	(1,112)	(9.1)
Banking	6,287	7.4	6,713	7.6	426	6.8
Other financial	6,051	7.2	7,041	8.0	989	16.4
Industrial IT Solutions	19,631	23.3	20,686	23.4	1,054	5.4
Distribution	10,514	12.5	10,526	11.9	12	0.1
Manufacturing, service and other	9,116	10.8	10,159	11.5	1,042	11.4
IT Platform Services	6,671	7.9	8,344	9.5	1,672	25.1
Others	2,284	2.7	2,427	2.8	143	6.3
Total	84,411	100.0	88,250	100.0	3,839	4.5

I .FY March 2014 Financial Results (Consolidated)



(3) Sales to main clients

(JPY million)

Full Year	FY Mar.2013		FY Mar.2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	100,984	27.8	90,688	23.5	(10,296)	(10.2)
Seven & i Holdings	44,984	12.4	40,888	10.6	(4,096)	(9.1)

*Figures, in principle, include sales to subsidiaries.

(JPY million)

4th Quarter	4Q FY Mar.2013		4Q FY Mar.2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	34,208	33.0	26,821	25.2	(7,386)	(21.6)
Seven & i Holdings	11,547	11.2	11,028	10.4	(518)	(4.5)

(JPY million)

3rd Quarter	3Q FY Mar.2013		3Q FY Mar.2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	19,969	23.2	21,332	22.0	1,363	6.8
Seven & i Holdings	11,509	13.4	10,366	10.7	(1,143)	(9.9)

(JPY million)

2nd Quarter	2Q FY Mar.2013		2Q FY Mar.2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	23,362	26.0	22,033	23.4	(1,328)	(5.7)
Seven & i Holdings	11,552	12.8	9,814	10.4	(1,737)	(15.0)

(JPY million)

1st Quarter	1Q FY Mar.2013		1Q FY Mar.2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	23,444	27.8	20,500	23.2	(2,944)	(12.6)
Seven & i Holdings	10,374	12.3	9,678	11.0	(696)	(6.7)

I .FY March 2014 Financial Results (Consolidated)

(4)Subcontracting Costs

(JPY million)

Full Year	FY Mar.2013		FY Mar.2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	116,166	31.9	132,825	34.4	16,659	14.3
(Subcontracting Costs to China)	16,943	14.6	21,387	16.1	4,444	26.2

*Share for subcontracting costs shows share of sales.

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

(JPY million)

4th Quarter	4Q FY Mar.2013		4Q FY Mar.2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	27,838	26.9	37,472	35.2	9,633	34.6
(Subcontracting Costs to China)	4,027	14.5	6,118	16.3	2,091	51.9

(JPY million)

3rd Quarter	3Q FY Mar.2013		3Q FY Mar.2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	27,992	32.5	34,725	35.8	6,732	24.1
(Subcontracting Costs to China)	3,842	13.7	5,657	16.3	1,814	47.2

(JPY million)

2nd Quarter	2Q FY Mar.2013		2Q FY Mar.2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	29,903	33.2	31,727	33.6	1,823	6.1
(Subcontracting Costs to China)	4,322	14.5	5,152	16.2	830	19.2

(JPY million)

1st Quarter	1Q FY Mar.2013		1Q FY Mar.2014		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	30,432	36.1	28,900	32.7	(1,531)	(5.0)
(Subcontracting Costs to China)	4,750	15.6	4,459	15.4	(291)	(6.1)

(5)Cash Flow

(JPY million)

Full Year	FY Mar. 2013	FY Mar. 2014	Y o Y	
	Amount	Amount	Diff.	Change(%)
Operating Activities	68,600	33,839	(34,760)	(50.7)
Investing Activities	(36,019)	(32,234)	3,785	(10.5)
(Investing Activities except Cash management purpose investment)	(34,055)	(38,086)	(4,031)	11.8
Free Cash Flow	32,580	1,605	(30,975)	(95.1)
(Free Cash Flow except Cash management purpose investment)	34,544	(4,246)	(38,791)	(112.3)
Financing Activities	(10,723)	(8,773)	1,949	(18.2)
Net increase in Cash and cash equivalents	22,579	(6,830)	(29,409)	(130.3)
(Net increase in Cash and cash equivalents except Cash management purpose investment)	24,543	(12,682)	(37,226)	(151.7)
Cash and cash equivalents at end of period	99,623	92,792	(6,830)	(6.9)
Cash and cash equivalents + Cash Management purpose investment	145,974	133,350	(12,623)	(8.6)

*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 2014 Financial Results (Consolidated)

(6)Capital Expenditure, Research and Development Expenses

(JPY million)

Full Year	FY Mar. 2013	FY Mar. 2014	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	31,048	33,878	2,830	9.1
Tangible	14,880	11,217	(3,663)	(24.6)
Intangible	16,167	22,661	6,493	40.2
Research and Development Expenses	3,643	3,903	259	7.1

(JPY million)

4th Quarter	4Q FY Mar. 2013	4Q FY Mar. 2014	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	5,242	8,554	3,311	63.2
Tangible	2,267	2,826	558	24.6
Intangible	2,974	5,728	2,753	92.6
Research and Development Expenses	1,113	1,336	222	20.0

(JPY million)

3rd Quarter	3Q FY Mar. 2013	3Q FY Mar. 2014	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	5,478	9,948	4,469	81.6
Tangible	1,583	3,056	1,472	92.9
Intangible	3,894	6,891	2,997	77.0
Research and Development Expenses	887	1,014	127	14.3

(JPY million)

2nd Quarter	2Q FY Mar. 2013	2Q FY Mar. 2014	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	9,606	8,299	(1,307)	(13.6)
Tangible	5,163	2,644	(2,518)	(48.8)
Intangible	4,443	5,655	1,211	27.3
Research and Development Expenses	1,033	980	(52)	(5.1)

(JPY million)

1st Quarter	1Q FY Mar. 2013	1Q FY Mar. 2014	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	10,720	7,076	(3,644)	(34.0)
Tangible	5,865	2,691	(3,174)	(54.1)
Intangible	4,854	4,385	(469)	(9.7)
Research and Development Expenses	608	570	(37)	(6.1)

I .FY March 2014 Financial Results (Consolidated)

(7) Depreciation and Amortization

(JPY million)

Full Year	FY Mar. 2013	FY Mar. 2014	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	10,803	11,827	1,023	9.5
Intangible	31,671	22,291	(9,380)	(29.6)
Depreciation and Amortization	42,474	34,118	(8,356)	(19.7)

(JPY million)

4th Quarter	4Q FY Mar. 2013	4Q FY Mar. 2014	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,845	4,586	1,741	61.2
Intangible	16,527	6,746	(9,780)	(59.2)
Depreciation and Amortization	19,372	11,333	(8,039)	(41.5)

(JPY million)

3rd Quarter	3Q FY Mar. 2013	3Q FY Mar. 2014	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,954	2,625	(329)	(11.1)
Intangible	4,988	5,557	568	11.4
Depreciation and Amortization	7,942	8,182	239	3.0

(JPY million)

2nd Quarter	2Q FY Mar. 2013	2Q FY Mar. 2014	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,616	2,386	(229)	(8.8)
Intangible	5,101	5,105	3	0.1
Depreciation and Amortization	7,717	7,491	(226)	(2.9)

(JPY million)

1st Quarter	1Q FY Mar. 2013	1Q FY Mar. 2014	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,387	2,229	(158)	(6.6)
Intangible	5,054	4,881	(172)	(3.4)
Depreciation and Amortization	7,441	7,111	(330)	(4.4)

I .FY March 2014 Financial Results (Consolidated)

(8) Order Volume by segment

① Order Backlog

(JPY million)

At the end of period	FY Mar.	FY Mar.	Y o Y	
	2013	2014	Diff.	Change(%)
	Amount	Amount		
Consulting	4,641	4,584	(56)	(1.2)
Financial IT Solutions	118,645	129,548	10,903	9.2
Industrial IT Solutions	50,930	51,688	757	1.5
IT Platform Services	14,222	20,769	6,547	46.0
Others	2,572	2,610	38	1.5
Total	191,012	209,202	18,189	9.5
(Order backlog in the next FY)	190,265	205,218	14,952	7.9

(JPY million)

At the end of the 3rd Quarter	3Q FY Mar.	3Q FY Mar.	Y o Y	
	2013	2014	Diff.	Change(%)
	Amount	Amount		
Consulting	5,004	5,868	863	17.3
Financial IT Solutions	58,284	55,382	(2,901)	(5.0)
Industrial IT Solutions	17,642	17,293	(348)	(2.0)
IT Platform Services	5,070	13,899	8,828	174.1
Others	1,529	1,690	160	10.5
Total	87,531	94,133	6,602	7.5
(Order backlog in the current FY)	79,367	77,142	(2,225)	(2.8)

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar.	2Q FY Mar.	Y o Y	
	2013	2014	Diff.	Change(%)
	Amount	Amount		
Consulting	5,998	7,052	1,054	17.6
Financial IT Solutions	72,374	83,352	10,978	15.2
Industrial IT Solutions	28,897	29,192	295	1.0
IT Platform Services	9,231	19,009	9,778	105.9
Others	2,733	2,494	(239)	(8.7)
Total	119,235	141,102	21,867	18.3
(Order backlog in the current FY)	115,674	128,373	12,699	11.0

(JPY million)

At the end of the 1st Quarter	1Q FY Mar.	1Q FY Mar.	Y o Y	
	2013	2014	Diff.	Change(%)
	Amount	Amount		
Consulting	5,874	7,666	1,791	30.5
Financial IT Solutions	93,495	108,324	14,828	15.9
Industrial IT Solutions	41,323	41,191	(131)	(0.3)
IT Platform Services	12,859	23,758	10,899	84.8
Others	3,653	3,371	(282)	(7.7)
Total	157,206	184,311	27,105	17.2
(Order backlog in the current FY)	155,023	174,691	19,668	12.7

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I .FY March 2014 Financial Results (Consolidated)

(JPY million)

At beginning of period	FY Mar. 2013	FY Mar. 2014	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	3,586	4,641	1,054	29.4
Financial IT Solutions	110,579	118,645	8,066	7.3
Industrial IT Solutions	43,546	50,930	7,384	17.0
IT Platform Services	15,494	14,222	(1,272)	(8.2)
Others	2,035	2,572	536	26.4
Total	175,242	191,012	15,769	9.0
(Order backlog in the current FY)	174,440	190,265	15,824	9.1

②Order Volume

(JPY million)

Full Year	FY Mar. 2013	FY Mar. 2014	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	23,816	25,575	1,758	7.4
Financial IT Solutions	227,820	236,216	8,396	3.7
Industrial IT Solutions	90,999	88,079	(2,920)	(3.2)
IT Platform Services	27,578	44,127	16,549	60.0
Others	9,446	10,123	676	7.2
Total	379,661	404,122	24,460	6.4

I .FY March 2014 Financial Results (Consolidated)

(JPY million)

4th Quarter	4Q FY Mar. 2013	4Q FY Mar. 2014	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	5,869	6,069	200	3.4
Financial IT Solutions	125,564	136,572	11,007	8.8
Industrial IT Solutions	55,737	57,834	2,097	3.8
IT Platform Services	16,461	17,316	855	5.2
Others	3,379	3,747	367	10.9
Total	207,012	221,541	14,528	7.0

(JPY million)

3rd Quarter	3Q FY Mar. 2013	3Q FY Mar. 2014	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	4,906	5,485	579	11.8
Financial IT Solutions	35,763	28,417	(7,346)	(20.5)
Industrial IT Solutions	9,527	10,162	635	6.7
IT Platform Services	3,170	4,157	987	31.2
Others	928	1,711	782	84.2
Total	54,296	49,934	(4,362)	(8.0)

(JPY million)

2nd Quarter	2Q FY Mar. 2013	2Q FY Mar. 2014	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	6,147	5,966	(181)	(3.0)
Financial IT Solutions	32,355	29,784	(2,570)	(7.9)
Industrial IT Solutions	8,326	9,135	808	9.7
IT Platform Services	3,909	4,771	862	22.1
Others	1,236	1,438	202	16.4
Total	51,975	51,096	(879)	(1.7)

(JPY million)

1st Quarter	1Q FY Mar. 2013	1Q FY Mar. 2014	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	6,892	8,053	1,160	16.8
Financial IT Solutions	34,137	41,442	7,305	21.4
Industrial IT Solutions	17,407	10,946	(6,460)	(37.1)
IT Platform Services	4,036	17,880	13,844	343.0
Others	3,902	3,225	(676)	(17.3)
Total	66,375	81,550	15,174	22.9

II . FY March 2015 Financial Results Forecasts (Consolidated)



(1) Highlights

(JPY billion)

Full Year	FY Mar.2014	FY Mar.2015	YoY	
	(Results)	(Forecasts)	Diff.	Change(%)
	Amount	Amount		
Sales	385.9	400.0	14.0	3.6
Consulting Services	42.2	43.0	0.7	1.8
System Development & System Application Sales	143.2	147.0	3.7	2.6
System Management & Operation Services	187.3	200.0	12.6	6.7
Product Sales	13.1	10.0	(3.1)	(23.8)
Operating Profit	49.8	53.0	3.1	6.4
(Operating Profit Margin)	12.9%	13.3%	0.3P	
Net Income	31.5	35.0	3.4	11.0
Earnings per share(JPY)	158.75	175.57	16.82	
Second quarter(JPY)	26.00	30.00	4.00	15.4
Fiscal year end(JPY)	30.00	30.00	—	—
Dividends per share(JPY)	56.00	60.00	4.00	7.1
Dividend payout ratio	35.9%	34.7%	(1.2P)	

II . FY March 2015 Financial Results Forecasts (Consolidated)

(2) Sales Forecasts by segment

(JPY billion)

	FY Mar.2014 (Results)		FY Mar.2015 (Forecasts)		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	25.6	6.6	26.0	6.5	0.3	1.4
Financial IT Solutions	225.3	58.4	237.0	59.3	11.6	5.2
Securities	115.6	30.0	120.0	30.0	4.3	3.8
Insurance	49.8	12.9	55.0	13.8	5.1	10.4
Banking	31.7	8.2	33.0	8.3	1.2	3.9
Other financial	28.0	7.3	29.0	7.3	0.9	3.2
Industrial IT Solutions	87.3	22.6	89.0	22.3	1.6	1.9
Distribution	44.0	11.4	45.0	11.3	0.9	2.1
Manufacturing, service and other	43.2	11.2	44.0	11.0	0.7	1.7
IT Platform Services	37.5	9.7	37.5	9.4	(0.0)	(0.2)
Others	10.0	2.6	10.5	2.6	0.4	4.1
Total	385.9	100.0	400.0	100.0	14.0	3.6

(3) Capital Expenditure, Research and Development Expenses Forecasts

(JPY billion)

	FY Mar.2014	FY Mar.2015	Y o Y	
	(Results)	(Forecasts)	Diff.	Change(%)
	Amount	Amount		
Capital Expenditure	33.8	34.0	0.1	0.4
Tangible	11.2	12.0	0.7	7.0
Intangible	22.6	22.0	(0.6)	(2.9)
Research and Development Expenses	3.9	4.0	0.0	2.5

(4) Depreciation and Amortization Forecasts

(JPY billion)

	FY Mar.2014	FY Mar.2015	Y o Y	
	(Results)	(Forecasts)	Diff.	Change(%)
	Amount	Amount		
Depreciation and Amortization	34.1	27.0	(7.1)	(20.9)

(5) Highlights (1H/2H)

(JPY billion)

1st Half	FY Mar.2014	FY Mar.2015	Y o Y	
	(Results)	(Forecasts)	Diff.	Change(%)
	Amount	Amount		
Sales	182.5	195.0	12.4	6.8
Consulting Services	19.1	20.0	0.8	4.3
System Development & System Application Sales	66.0	72.0	5.9	9.0
System Management & Operation Services	91.2	98.0	6.7	7.4
Product Sales	6.1	5.0	(1.1)	(18.2)
Operating Profit	23.7	25.0	1.2	5.1
(Operating Profit Margin)	13.0%	12.8%	(0.2P)	
Net Income	16.2	17.5	1.2	7.4

(JPY billion)

2nd Half	FY Mar.2014	FY Mar.2015	Y o Y	
	(Results)	(Forecasts)	Diff.	Change(%)
	Amount	Amount		
Sales	203.3	205.0	1.6	0.8
Consulting Services	23.0	23.0	(0.0)	(0.3)
System Development & System Application Sales	77.1	75.0	(2.1)	(2.8)
System Management & Operation Services	96.1	102.0	5.8	6.1
Product Sales	7.0	5.0	(2.0)	(28.7)
Operating Profit	26.0	28.0	1.9	7.5
(Operating Profit Margin)	12.8%	13.7%	0.9P	
Net Income	15.2	17.5	2.2	14.9

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

(JPY billion)

1st Half	FY Mar.2014 (Results)		FY Mar.2015 (Forecasts)		YoY	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	11.6	6.4	12.0	6.2	0.3	3.4
Financial IT Solutions	106.5	58.3	116.5	59.7	9.9	9.4
Securities	54.1	29.6	59.0	30.3	4.8	9.0
Insurance	23.7	13.0	27.0	13.8	3.2	13.7
Banking	14.3	7.9	16.5	8.5	2.1	14.6
Other financial	14.2	7.8	14.0	7.2	(0.2)	(1.8)
Industrial IT Solutions	41.8	22.9	44.0	22.6	2.1	5.2
Distribution	21.1	11.6	22.0	11.3	0.8	3.8
Manufacturing, service and other	20.6	11.3	22.0	11.3	1.3	6.6
IT Platform Services	17.8	9.8	17.5	9.0	(0.3)	(2.0)
Others	4.7	2.6	5.0	2.6	0.2	5.4
Total	182.5	100.0	195.0	100.0	12.4	6.8

(JPY billion)

2nd Half	FY Mar.2014 (Results)		FY Mar.2015 (Forecasts)		YoY	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	14.0	6.9	14.0	6.8	(0.0)	(0.2)
Financial IT Solutions	118.7	58.4	120.5	58.8	1.7	1.4
Securities	61.5	30.3	61.0	29.8	(0.5)	(0.9)
Insurance	26.0	12.8	28.0	13.7	1.9	7.4
Banking	17.3	8.5	16.5	8.0	(0.8)	(5.0)
Other financial	13.8	6.8	15.0	7.3	1.1	8.4
Industrial IT Solutions	45.5	22.4	45.0	22.0	(0.5)	(1.1)
Distribution	22.8	11.2	23.0	11.2	0.1	0.5
Manufacturing, service and other	22.6	11.1	22.0	10.7	(0.6)	(2.8)
IT Platform Services	19.7	9.7	20.0	9.8	0.2	1.4
Others	5.3	2.6	5.5	2.7	0.1	2.9
Total	203.3	100.0	205.0	100.0	1.6	0.8