

3Q FY March 2019 Financial Results

January 30, 2019



Nomura Research Institute, Ltd.

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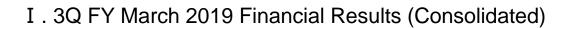
(1) Highlights

(JPY million)

3rd Quarter Total	3Q FY Mar.2018	Progress	3Q FY Mar.2019	Progress	YoY		FY Mar.2018
	Amount	(%)	Amount	(%)	Diff.	Change(%)	Amount
Sales	341,601	72.5	367,064	72.0	25,462	7.5	471,488
Consulting Services	55,052	69.7	66,297	72.1	11,244	20.4	78,987
System Development & System Application Sales	96,675	70.0	108,361	67.7	11,686	12.1	138,111
System Management & Operation Services	180,391	74.8	182,166	74.4	1,774	1.0	241,198
Product Sales	9,482	71.9	10,239	78.8	757	8.0	13,191
Cost of Sales	224,792		245,989		21,197	9.4	311,868
Gross Profit	116,809		121,075		4,265	3.7	159,619
Gross Profit Margin	34.2%		33.0%		(1.2P)		33.9%
Selling, general and	70,195		69,652		(542)	(0.8)	94,481
OP(Before goodwill amortization)	49,639		54,435		4,795	9.7	69,281
Operating Profit	46,614	71.6	51,422	73.5	4,807	10.3	65,138
OPM(Before goodwill amortization)	14.5%		14.8%		0.3P		14.7%
Operating Profit Margin	13.6%		14.0%		0.4P		13.8%
Non-operating income and loss	1,087		758		(329)	(30.3)	1,023
Extraordinary income and loss	20,233		8,243		(11,989)	(59.3)	16,366
Profit attributable to owners	45,303	82.2	39,849	75.2	(5,453)	(12.0)	55,145
Earnings per share(JPY)	186.55		168.91		(17.63)		228.21

^{*}Operating profit before goodwill amortization and operating profit margin before goodwill amortization are reference values.

Provisional accounting procedures related to mergers this 2Q are being confirmed. Past figures reflect the results of provisional accounting procedures.

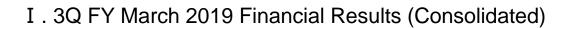




(JPY million)

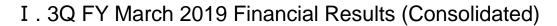
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3rd Quarter	3Q FY Mar.2018	3Q FY Mar.2019	Υc	Υ	
ord Quarter	Amount	Amount	Diff.	Change(%)	
Sales	121,387	126,657	5,270	4.3	
Consulting Services	23,071	22,577	(493)	(2.1)	
System Development & System Application Sales	32,859	39,421	6,561	20.0	
System Management & Operation Services	63,236	61,714	(1,521)	(2.4)	
Product Sales	2,219	2,943	724	32.6	
Cost of Sales	79,851	84,965	5,113	6.4	
Gross Profit	41,535	41,691	156	0.4	
Gross Profit Margin	34.2%	32.9%	(1.3P)		
Selling, general and administrative expenses	24,018	23,375	(643)	(2.7)	
OP(Before goodwill amortization)	18,705	19,358	652	3.5	
Operating Profit	17,516	18,316	800	4.6	
OPM(Before goodwill amortization)	15.4%	15.3%	(0.1P)		
Operating Profit Margin	14.4%	14.5%	0.0P		
Non-operating income and loss	149	275	126	85.0	
Extraordinary income and loss	1	7,023	7,021	_	
Profit attributable to owners of parent	11,926	16,906	4,980	41.8	
Earnings per share(JPY)	50.10	72.23	22.13		

				(SF I IIIIIIOII)	
2nd Quarter	2Q FY Mar.2018	2Q FY Mar.2019	Υc	Υ	
Zilu Quarter	Amount	Amount	Diff.	Change(%)	
Sales	113,578	122,648	9,070	8.0	
Consulting Services	17,651	22,452	4,800	27.2	
System Development & System Application Sales	33,096	35,965	2,868	8.7	
System Management & Operation Services	58,822	60,746	1,924	3.3	
Product Sales	4,007	3,484	(523)	(13.1)	
Cost of Sales	74,932	81,716	6,783	9.1	
Gross Profit	38,646	40,932	2,286	5.9	
Gross Profit Margin	34.0%	33.4%	(0.7P)		
Selling, general and	22,664	23,161	497	2.2	
administrative expenses	22,004	23,101	491	2.2	
OP(Before goodwill amortization)	16,902	18,818	1,915	11.3	
Operating Profit	15,981	17,770	1,789	11.2	
OPM(Before goodwill amortization)	14.9%	15.3%	0.5P		
Operating Profit Margin	14.1%	14.5%	0.4P		
Non-operating income and loss	(81)	(47)	33	(41.5)	
Extraordinary income and loss	18,838	(7)	(18,845)		
Profit attributable to owners of parent	23,715	11,781	(11,934)	(50.3)	
Earnings per share(JPY)	97.88	49.95	(47.94)		





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1st Quarter	1Q FY Mar.2018	1Q FY Mar.2019	Yo	Υ	
ist Quarter	Amount	Amount	Diff.	Change(%)	
Sales	106,636	117,758	11,122	10.4	
Consulting Services	14,329	21,267	6,937	48.4	
System Development & System Application Sales	30,719	32,975	2,256	7.3	
System Management & Operation Services	58,332	59,704	1,372	2.4	
Product Sales	3,254	3,810	556	17.1	
Cost of Sales	70,008	79,308	9,299	13.3	
Gross Profit	36,627	38,450	1,822	5.0	
Gross Profit Margin	34.3%	32.7%	(1.7P)		
Selling, general and	23,511	23,115	(396)	(1.7)	
administrative expenses	20,011	20,110	(330)	(1.7)	
OP(Before goodwill amortization)	14,031	16,258	2,227	15.9	
Operating Profit	13,116	15,334	2,218	16.9	
OPM(Before goodwill amortization)	13.2%	13.8%	0.6P		
Operating Profit Margin	12.3%	13.0%	0.7P		
Non-operating income and loss	1,020	530	(490)	(48.0)	
Extraordinary income and loss	1,393	1,227	(165)	(11.9)	
Profit attributable to owners	9,661	11,161	1,500	15.5	
of parent	3,001	11,101	1,500	10.0	
Earnings per share(JPY)	38.91	46.93	8.02		





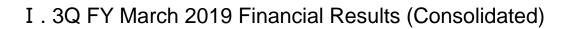
(2) Sales and Operating Profit by segment

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

(JPY million)

2nd Overten Tetal		3Q FY Ma	ır.2018	3Q FY Ma	r.2019	Yo	Υ	FY Mar.	FY Mar.2018	
3rd Quarter Total		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)	
O 111	Sales	24,191	7.1	30,041	8.2	5,850	24.2	35,332	7.5	
Consulting	Operating Profit	3,532	7.6	5,148	10.0	1,616	45.8	6,561	10.1	
	Operating Profit Margin	14.6%		17.1%		2.5P		18.6%		
Financial	Sales	185,062	54.2	186,399	50.8	1,336	0.7	254,567	54.0	
IT Solutions	Operating Profit	19,253	41.3	19,998	38.9	745	3.9	27,673	42.5	
	Operating Profit Margin	10.4%		10.7%		0.3P		10.9%		
Industrial	Sales	115,116	33.7	132,211	36.0	17,095	14.9	157,585	33.4	
IT Solutions	Operating Profit	11,643	25.0	13,039	25.4	1,395	12.0	15,119	23.2	
	Operating Profit Margin	10.1%		9.9%		(0.3P)		9.6%		
	Sales	90,578	26.5	93,319	25.4	2,740	3.0	122,342	25.9	
IT Platform Services	Operating Profit	11,466	24.6	12,307	23.9	841	7.3	14,764	22.7	
	Operating Profit Margin	12.7%		13.2%		0.5P		12.1%		
Inter-segment sales and	Sales	(73,347)	(21.5)	(74,908)	(20.4)	(1,560)		(98,340)	(20.9)	
eliminations	Operating Profit	719	1.5	928	1.8	209		1,018	1.6	
	Sales	341,601	100.0	367,064	100.0	25,462	7.5	471,488	100.0	
Total	Operating Profit	46,614	100.0	51,422	100.0	4,807	10.3	65,138	100.0	
	Operating Profit Margin	13.6%		14.0%		0.4P		13.8%		

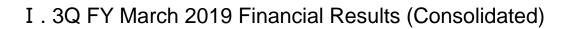
Some segment classifications were changed during the first quarter of the current fiscal year, and historical figures are shown based on the classifications following the relevant changes.





(JPY million)

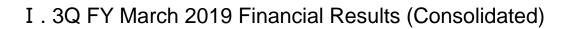
Ond Overter		3Q FY Ma	ar.2018	3Q FY Mar.	.2019	YoY		
3rd Quarter		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	
O and a selling or	Sales	10,091	8.3	10,584	8.4	492	4.9	
Consulting	Operating Profit	1,452	8.3	1,732	9.5	280	19.3	
	Operating Profit Margin	14.4%		16.4%		2.0P		
Financial	Sales	62,907	51.8	64,767	51.1	1,859	3.0	
IT Solutions	Operating Profit	7,348	42.0	7,528	41.1	179	2.4	
	Operating Profit Margin	11.7%		11.6%		(0.1P)		
Industrial IT Solutions	Sales	42,230	34.8	44,704	35.3	2,473	5.9	
	Operating Profit	4,782	27.3	4,249	23.2	(532)	(11.1)	
	Operating Profit Margin	11.3%		9.5%		(1.8P)		
IT Platform Services	Sales	30,632	25.2	32,396	25.6	1,764	5.8	
II Platform Services	Operating Profit	3,749	21.4	4,594	25.1	845	22.5	
	Operating Profit Margin	12.2%		14.2%		1.9P		
Inter-segment sales and	Sales	(24,474)	(20.2)	(25,794)	(20.4)	(1,319)		
eliminations	Operating Profit	183	1.0	211	1.2	27		
T-1-1	Sales	121,387	100.0	126,657	100.0	5,270	4.3	
Total	Operating Profit	17,516	100.0	18,316	100.0	800	4.6	
	Operating Profit Margin	14.4%		14.5%		0.0P		





(JPY million)

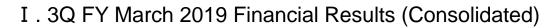
		2Q FY Ma	r.2018	2Q FY Mar	:2019	Yo	Y million)
2nd Quarter		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
.	Sales	7,993	7.0	10,279	8.4	2,285	28.6
Consulting	Operating Profit	1,928	12.1	2,205	12.4	277	14.4
	Operating Profit Margin	24.1%		21.5%		(2.7P)	
Financial	Sales	62,331	54.9	62,302	50.8	(29)	(0.0)
IT Solutions	Operating Profit	6,057	37.9	6,304	35.5	247	4.1
	Operating Profit Margin	9.7%		10.1%		0.4P	
Industrial IT Solutions	Sales	37,498	33.0	43,895	35.8	6,396	17.1
	Operating Profit	3,528	22.1	4,569	25.7	1,041	29.5
	Operating Profit Margin	9.4%		10.4%		1.0P	
IT Dietterme Comisses	Sales	30,621	27.0	31,230	25.5	608	2.0
IT Platform Services	Operating Profit	4,155	26.0	4,309	24.3	154	3.7
	Operating Profit Margin	13.6%		13.8%		0.2P	
Inter-segment sales and	Sales	(24,866)	(21.9)	(25,058)	(20.4)	(191)	
eliminations	Operating Profit	312	2.0	380	2.1	68	
T	Sales	113,578	100.0	122,648	100.0	9,070	8.0
Total	Operating Profit	15,981	100.0	17,770	100.0	1,789	11.2
	Operating Profit Margin	14.1%		14.5%		0.4P	





(JPY million)

Ant Overday		1Q FY Ma	ır.2018	1Q FY Mar	.2019	YoY		
1st Quarter		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	
O a manufilling	Sales	6,106	5.7	9,177	7.8	3,071	50.3	
Consulting	Operating Profit	152	1.2	1,210	7.9	1,058	696.2	
	Operating Profit Margin	2.5%		13.2%		10.7P		
Financial	Sales	59,823	56.1	59,330	50.4	(492)	(8.0)	
IT Solutions	Operating Profit	5,847	44.6	6,165	40.2	318	5.5	
	Operating Profit Margin	9.8%		10.4%		0.6P		
Industrial IT Solutions	Sales	35,387	33.2	43,612	37.0	8,224	23.2	
	Operating Profit	3,332	25.4	4,220	27.5	887	26.6	
	Operating Profit Margin	9.4%		9.7%		0.3P		
IT Distance Comission	Sales	29,324	27.5	29,692	25.2	368	1.3	
IT Platform Services	Operating Profit	3,560	27.1	3,402	22.2	(158)	(4.4)	
	Operating Profit Margin	12.1%		11.5%		(0.7P)		
Inter-segment sales and	Sales	(24,005)	(22.5)	(24,054)	(20.4)	(49)		
eliminations	Operating Profit	223	1.7	336	2.2	112		
Tara	Sales	106,636	100.0	117,758	100.0	11,122	10.4	
Total	Operating Profit	13,116	100.0	15,334	100.0	2,218	16.9	
	Operating Profit Margin	12.3%		13.0%		0.7P		





2 Sales by segment

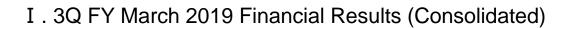
(JPY million)

3rd Quarter Total -	3Q FY Ma	3Q FY Mar.2018		3Q FY Mar.2019		Υ	FY Mar.2018	
Sid Quarter Total —	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	23,656	6.9	29,606	8.1	5,950	25.2	34,577	7.3
Financial IT Solutions	183,407	53.7	184,308	50.2	901	0.5	252,122	53.5
Securities	85,249	25.0	73,560	20.0	(11,688)	(13.7)	118,397	25.1
Insurance	37,369	10.9	45,964	12.5	8,594	23.0	51,836	11.0
Banking	31,792	9.3	32,132	8.8	340	1.1	42,225	9.0
Other financial	28,996	8.5	32,650	8.9	3,654	12.6	39,662	8.4
Industrial IT Solutions	112,864	33.0	130,194	35.5	17,330	15.4	154,917	32.9
Distribution	45,147	13.2	49,218	13.4	4,070	9.0	61,057	12.9
Manufacturing, service and other	67,716	19.8	80,975	22.1	13,259	19.6	93,860	19.9
IT Platform Services	21,674	6.3	22,954	6.3	1,280	5.9	29,870	6.3
Total	341,601	100.0	367,064	100.0	25,462	7.5	471,488	100.0

(JPY million)

						. ,	
3rd Quarter -	3Q FY Ma	r.2018	3Q FY Ma	r.2019	YoY		
sid Quarter -	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	
Consulting	9,896	8.2	10,417	8.2	521	5.3	
Financial IT Solutions	62,334	51.4	63,989	50.5	1,655	2.7	
Securities	27,991	23.1	25,140	19.8	(2,851)	(10.2)	
Insurance	13,175	10.9	16,641	13.1	3,466	26.3	
Banking	10,829	8.9	11,167	8.8	338	3.1	
Other financial	10,337	8.5	11,039	8.7	701	6.8	
Industrial IT Solutions	41,757	34.4	43,949	34.7	2,191	5.2	
Distribution	15,658	12.9	16,788	13.3	1,130	7.2	
Manufacturing, service and other	26,099	21.5	27,160	21.4	1,061	4.1	
IT Platform Services	7,399	6.1	8,300	6.6	901	12.2	
Total	121,387	100.0	126,657	100.0	5,270	4.3	

and Ouarter	2Q FY Ma	2Q FY Mar.2018		r.2019	YoY		
2nd Quarter -	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	
Consulting	7,810	6.9	10,134	8.3	2,324	29.8	
Financial IT Solutions	61,777	54.4	61,623	50.2	(154)	(0.2)	
Securities	28,709	25.3	24,233	19.8	(4,475)	(15.6)	
Insurance	12,729	11.2	15,577	12.7	2,848	22.4	
Banking	10,667	9.4	11,007	9.0	339	3.2	
Other financial	9,670	8.5	10,804	8.8	1,133	11.7	
Industrial IT Solutions	36,470	32.1	43,250	35.3	6,779	18.6	
Distribution	14,965	13.2	16,419	13.4	1,454	9.7	
Manufacturing, service and other	21,505	18.9	26,830	21.9	5,324	24.8	
IT Platform Services	7,520	6.6	7,640	6.2	120	1.6	
Total	113,578	100.0	122,648	100.0	9,070	8.0	





(JPY million)

1st Quarter -	1Q FY Ma	r.2018	1Q FY Ma	r.2019	YoY		
15t Quarter	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	
Consulting	5,949	5.6	9,054	7.7	3,104	52.2	
Financial IT Solutions	59,295	55.6	58,695	49.8	(599)	(1.0)	
Securities	28,547	26.8	24,186	20.5	(4,361)	(15.3)	
Insurance	11,465	10.8	13,745	11.7	2,280	19.9	
Banking	10,295	9.7	9,958	8.5	(336)	(3.3)	
Other financial	8,987	8.4	10,806	9.2	1,818	20.2	
Industrial IT Solutions	34,635	32.5	42,995	36.5	8,359	24.1	
Distribution	14,524	13.6	16,010	13.6	1,485	10.2	
Manufacturing, service and other	20,111	18.9	26,984	22.9	6,873	34.2	
IT Platform Services	6,755	6.3	7,013	6.0	258	3.8	
Total	106,636	100.0	117,758	100.0	11,122	10.4	



(3) Sales to main clients

(JPY million)

3rd Quarter Total -	3Q FY Mar.2018		3Q FY Mar.2019		YoY		FY Mar.2018	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Nomura Holdings	54,523	16.0	43,975	12.0	(10,547)	(19.3)	77,937	16.5
Seven & i Holdings	34,915	10.2	36,633	10.0	1,718	4.9	47,001	10.0

^{*}Figures, in principle, include sales to subsidiaries.

(JPY million)

2rd Overtor	3Q FY Mar.2018		3Q FY Mar.2019		YoY	
3rd Quarter	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	17,618	14.5	15,351	12.1	(2,267)	(12.9)
Seven & i Holdings	12,101	10.0	12,360	9.8	258	2.1

(JPY million)

2nd Quarter	2Q FY M	ar.2018	2Q FY Mar.2019		YoY	
Znd Quarter	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	18,978	16.7	14,432	11.8	(4,546)	(24.0)
Seven & i Holdings	11,429	10.1	12,252	10.0	823	7.2

1st Quarter	1Q FY Mar.2018 1Q FY Ma		ar.2019	Υc	Υ	
isi Quariei	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	17,926	16.8	14,192	12.1	(3,734)	(20.8)
Seven & i Holdings	11,384	10.7	12,019	10.2	635	5.6



(4) Subcontracting Costs

(JPY million)

2rd Ouerter Total	3Q FY Ma	3Q FY Mar.2018		3Q FY Mar.2019		YoY		FY Mar.2018	
3rd Quarter Total	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)	
Subcontracting Costs	99,613	29.2	109,936	30.0	10,323	10.4	135,522	28.7	
(Subcontracting Costs to China)	14,561	14.6	16,510	15.0	1,948	13.4	19,532	14.4	

^{*}Share for subcontracting costs shows share of sales.

(JPY million)

3rd Quarter	3Q FY Ma	3Q FY Mar.2018 3Q FY Mar.2019		lar.2019	YoY	
Siu Quaitei	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	35,776	29.5	38,430	30.3	2,654	7.4
(Subcontracting Costs to China)	5,044	14.1	5,647	14.7	602	11.9

(JPY million)

2nd Quarter	2Q FY M	2Q FY Mar.2018 2Q FY Mar.20		lar.2019	YoY	
Znd Quarter	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	32,836	28.9	36,983	30.2	4,146	12.6
(Subcontracting Costs to China)	4,918	15.0	5,667	15.3	748	15.2

1ot Overtor	1Q FY Ma	1Q FY Mar.2018		1Q FY Mar.2019		YoY	
1st Quarter	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	
Subcontracting Costs	30,999	29.1	34,522	29.3	3,522	11.4	
(Subcontracting Costs to China)	4,597	14.8	5,195	15.0	597	13.0	

^{*}Subcontracting costs to China & Percentage in total subcontracting costs.



(5) Cash Flow

3rd Quarter Total	3Q FY Mar. 2018	3Q FY Mar. 2019	YoY		FY Mar.2018
	Amount	Amount	Diff.	Change(%)	Amount
Operating Activities	44,604	33,405	(11,198)	(25.1)	73,493
Investing Activities	(15,286)	(13,447)	1,838	(12.0)	(17,882)
(Investing Activities except Cash management purpose investment)	(26,098)	(8,134)	17,963	(68.8)	(30,162)
Free Cash Flow	29,318	19,957	(9,360)	(31.9)	55,610
(Free Cash Flow except Cash management purpose investment)	18,505	25,270	6,764	36.6	43,330
Financing Activities	(70,902)	(66,459)	4,443	(6.3)	(46,829)
Net increase in Cash and cash equivalents	(40,347)	(47,911)	(7,563)	18.7	6,251
(Net increase in Cash and cash equivalents except Cash management purpose investment)	(51,159)	(42,598)	8,561	(16.7)	(6,028)
Cash and cash equivalents at end of period	111,703	110,392	(1,311)	(1.2)	158,303
Cash and cash equivalents + Cash Management purpose investment	140,813	143,318	2,504	1.8	185,882

^{*}Cash management purpose investment is investments in bonds, etc., with maturities of longer than three months from date of purchase to date of redemption.



(6) Capital Expenditure, Research and Development Expenses

(JPY million)

3rd Quarter Total	3Q FY Mar. 2018	3Q FY Mar. 2019	Yo	YoY	
	Amount	Amount	Diff.	Change(%)	Amount
Capital Expenditure	30,728	19,327	(11,400)	(37.1)	38,201
Tangible	14,127	3,846	(10,280)	(72.8)	16,188
Intangible	16,601	15,481	(1,119)	(6.7)	22,012
Research and Development Expenses	3,855	2,569	(1,286)	(33.4)	5,170

(JPY million)

3rd Quarter	3Q FY Mar. 2018	3Q FY Mar. 2019	YoY	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	6,795	6,281	(513)	(7.6)
Tangible	891	1,056	164	18.5
Intangible	5,903	5,224	(678)	(11.5)
Research and Development Expenses	1,446	941	(505)	(34.9)

(JPY million)

				(
2nd Quarter	2Q FY Mar. 2018	2Q FY Mar. 2019	Yo	Υ
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	6,722	6,685	(37)	(0.6)
Tangible	1,597	1,312	(284)	(17.8)
Intangible	5,125	5,372	247	4.8
Research and Development Expenses	1,438	1,017	(421)	(29.3)

1st Quarter	1Q FY Mar. 2018	1Q FY Mar. 2019	Yo	Υ
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	17,210	6,360	(10,849)	(63.0)
Tangible	11,637	1,476	(10,161)	(87.3)
Intangible	5,572	4,884	(688)	(12.4)
Research and Development Expenses	970	610	(359)	(37.1)



(7) Depreciation and Amortization

(JPY million)

3rd Quarter Total	3Q FY Mar. 2018	3Q FY Mar. 2019	YoY		FY Mar.2018
	Amount	Amount	Diff.	Change(%)	Amount
Tangible	7,706	7,053	(653)	(8.5)	10,434
Intangible	13,709	15,834	2,125	15.5	21,506
Depreciation and Amortization	21,415	22,887	1,471	6.9	31,941

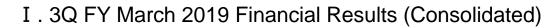
(JPY million)

3rd Quarter	3Q FY Mar. 2018	3Q FY Mar. 2019	Yo	Υ
	Amount	Amount	Diff.	Change(%)
Tangible	2,635	2,407	(228)	(8.7)
Intangible	4,720	5,052	332	7.0
Depreciation and Amortization	7,355	7,459	104	1.4

(JPY million)

2nd Quarter	2Q FY Mar. 2018	r. 2Q FY Mar. 2019		o Y	
	Amount	Amount	Diff.	Change(%)	
Tangible	2,651	2,360	(290)	(11.0)	
Intangible	4,718	5,660	942	20.0	
Depreciation and Amortization	7,369	8,021	651	8.8	

1st Quarter	1Q FY Mar. 2018	1Q FY Mar. 2019	YoY	
	Amount	Amount	Diff.	Change(%)
Tangible	2,419	2,285	(134)	(5.6)
Intangible	4,270	5,120	850	19.9
Depreciation and Amortization	6,690	7,406	715	10.7





(8) Order Volume by segment ①Order Backlog

(JPY million)

			(JF I IIIIIIIIII)
3Q FY Mar. 2018	3Q FY Mar. 2019	Yo	Y
Amount	Amount	Diff.	Change(%)
8,012	7,440	(571)	(7.1)
66,122	59,857	(6,264)	(9.5)
36,955	35,704	(1,251)	(3.4)
5,133	5,775	642	12.5
116,222	108,777	(7,445)	(6.4)
103,856	98,030	(5,826)	(5.6)
	2018 Amount 8,012 66,122 36,955 5,133 116,222	2018 2019 Amount Amount 8,012 7,440 66,122 59,857 36,955 35,704 5,133 5,775 116,222 108,777	2018 2019 Amount Amount Diff. 8,012 7,440 (571) 66,122 59,857 (6,264) 36,955 35,704 (1,251) 5,133 5,775 642 116,222 108,777 (7,445)

(JPY million)

				(- ,
At the end of the 2nd Quarter	2Q FY Mar. 2018	2Q FY Mar. 2019	Yo	Y
	Amount	Amount	Diff.	Change(%)
Consulting	10,533	10,135	(397)	(3.8)
Financial IT Solutions	96,758	93,028	(3,729)	(3.9)
Industrial IT Solutions	60,709	58,475	(2,234)	(3.7)
IT Platform Services	8,147	8,618	470	5.8
Total	176,148	170,258	(5,890)	(3.3)
(Order backlog in the current FY)	168,683	164,924	(3,759)	(2.2)

(JPY million)

At the end of the 1st Quarter	1Q FY Mar. 2018	1Q FY Mar. 2019	Yo	Y
	Amount	Amount	Diff.	Change(%)
Consulting	8,782	10,460	1,677	19.1
Financial IT Solutions	125,339	117,526	(7,813)	(6.2)
Industrial IT Solutions	64,465	81,309	16,843	26.1
IT Platform Services	11,722	11,949	226	1.9
Total	210,310	221,245	10,935	5.2
(Order backlog in the current FY)	206,581	219,523	12,941	6.3

				(- ,
At beginning of period	FY Mar. 2018	FY Mar. 2019	Yo	Y
	Amount	Amount	Diff.	Change(%)
Consulting	5,057	6,764	1,707	33.8
Financial IT Solutions	148,901	141,574	(7,327)	(4.9)
Industrial IT Solutions	74,777	94,120	19,343	25.9
IT Platform Services	14,011	14,295	283	2.0
Total	242,748	256,754	14,006	5.8
(Order backlog in the current FY)	238,644	255,259	16,615	7.0



2Order Volume

(JPY million)

				(01 1
3rd Quarter Total	3Q FY Mar. 2018	3Q FY Mar. 2019	Yo	Y
	Amount	Amount	Diff.	Change(%)
Consulting	26,610	30,282	3,671	13.8
Financial IT Solutions	100,627	102,592	1,964	2.0
Industrial IT Solutions	75,042	71,778	(3,263)	(4.3)
IT Platform Services	12,795	14,434	1,638	12.8
Total	215,076	219,087	4,011	1.9

(JPY million)

3rd Quarter	3Q FY Mar. 2018	3Q FY Mar. 2019	Yo	Y
	Amount	Amount	Diff.	Change(%)
Consulting	7,375	7,722	347	4.7
Financial IT Solutions	31,698	30,818	(879)	(2.8)
Industrial IT Solutions	18,003	21,177	3,174	17.6
IT Platform Services	4,384	5,458	1,073	24.5
Total	61,460	65,176	3,715	6.0

(JPY million)

2nd Quarter	2Q FY Mar. 2018	2Q FY Mar. 2019	Yo	Υ
	Amount	Amount	Diff.	Change(%)
Consulting	9,560	9,809	249	2.6
Financial IT Solutions	33,196	37,125	3,928	11.8
Industrial IT Solutions	32,714	20,416	(12,298)	(37.6)
IT Platform Services	3,945	4,309	364	9.2
Total	79,417	71,661	(7,755)	(9.8)

1st Quarter	1Q FY Mar. 2018	1Q FY Mar. 2019	YoY		
	Amount	Amount	Diff.	Change(%)	
Consulting	9,674	12,750	3,075	31.8	
Financial IT Solutions	35,733	34,648	(1,084)	(3.0)	
Industrial IT Solutions	24,324	30,184	5,859	24.1	
IT Platform Services	4,466	4,667	200	4.5	
Total	74,198	82,249	8,051	10.9	
		<u> </u>			

II. FY March 2019 Financial Results Forecasts (Consolidated)



Based on recent business trends and how the environment with orders has been, we revised our plan for consolidated overseas sales from 65 billion yen to 55 billion yen. As a result, we have revised our consolidated forecast (sales) as follows.

(1) Highlights and Dividend forecasts

(JPY billion)

	FY Mar.2018 (Results)	FY Mar.2019 (Forecasts)	YoY		FY Mar.2019 (Forecasts as of October 25,2018)	Comparison to forecasts	
	Amount	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)
Sales	471.4	500.0	28.5	6.0	510.0	(10.0)	(2.0)
Consulting Services	78.9	92.0	13.0	16.5	92.0	_	_
System Development & System Application Sales	138.1	150.0	11.8	8.6	160.0	(10.0)	(6.3)
System Management & Operation Services	241.1	245.0	3.8	1.6	245.0	_	_
Product Sales	13.1	13.0	(0.1)	(1.5)	13.0	_	_
Operating Profit	65.1	70.0	4.8	7.5	70.0	_	_
(Operating Profit Margin)	13.8%	14.0%	0.2P		13.7%	0.3P	
Net Income	55.1	53.0	(2.1)	(3.9)	53.0	_	_
Dividends per share(JPY)	90.00	90.00	_	_	90.00	_	
Second quarter(JPY)	45.00	45.00	_	_	45.00	_	_
Fiscal year end(JPY)	45.00	45.00	_	_	45.00	_	_

(2) Sales Forecasts by segment

	FY Mar.2018 (Results)		FY Mar.2019 (Forecasts)		YoY		FY Mar.2019 (Forecasts as of October 25,2018)		Comparison to forecasts	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Diff.	Change(%)	
Consulting	34.5	7.3	41.0	8.2	6.4	18.6	41.0	_	_	
Financial IT Solutions	252.1	53.5	253.5	50.7	1.3	0.5	255.0	(1.5)	(0.6)	
Securities	118.3	25.1	101.0	20.2	(17.3)	(14.7)	105.0	(4.0)	(3.8)	
Insurance	51.8	11.0	63.0	12.6	11.1	21.5	62.0	1.0	1.6	
Banking	42.2	9.0	46.0	9.2	3.7	8.9	46.0	_	_	
Other financial	39.6	8.4	43.5	8.7	3.8	9.7	42.0	1.5	3.6	
Industrial IT Solutions	154.9	32.9	174.0	34.8	19.0	12.3	180.0	(6.0)	(3.3)	
Distribution	61.0	12.9	66.0	13.2	4.9	8.1	66.0	_	_	
Manufacturing, service and other	93.8	19.9	108.0	21.6	14.1	15.1	114.0	(6.0)	(5.3)	
IT Platform Services	29.8	6.3	31.5	6.3	1.6	5.5	34.0	(2.5)	(7.4)	
Total	471.4	100.0	500.0	100.0	28.5	6.0	510.0	(10.0)	(2.0)	