

2Q FY March 2019 Financial Results

October 25, 2018

Nomura Research Institute, Ltd.

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I . 2Q FY March 2019 Financial Results (Consolidated)

II . FY March 2019 Financial Results Forecasts (Consolidated)

(1) Highlights

2nd Quarter Total	(JPY million)							
	1H FY Mar.2018	1H FY Mar.2019	Yo Y		1H FY Mar.2019 (Forecasts)	Comparison to forecasts		FY Mar.2018
	Amount	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)	Amount
Sales	220,214	240,407	20,192	9.2	240,000	407	0.2	471,488
Consulting Services	31,981	43,720	11,738	36.7	40,000	3,720	9.3	78,987
System Development & System Application Sales	63,815	68,940	5,124	8.0	75,000	(6,059)	(8.1)	138,111
System Management & Operation Services	117,155	120,451	3,296	2.8	120,000	451	0.4	241,198
Product Sales	7,262	7,295	33	0.5	5,000	2,295	45.9	13,191
Cost of Sales	144,940	161,024	16,083	11.1				311,868
Gross Profit	75,274	79,383	4,108	5.5				159,619
Gross Profit Margin	34.2%	33.0%	(1.2P)					33.9%
Selling, general and OP(Before goodwill amortization)	46,176	46,277	101	0.2				94,481
Operating Profit	30,933	35,076	4,142	13.4				69,281
Operating Profit	29,097	33,105	4,007	13.8	33,000	105	0.3	65,138
OPM(Before goodwill amortization)	14.0%	14.6%	0.5P					14.7%
Operating Profit Margin	13.2%	13.8%	0.6P					13.8%
Non-operating income and loss	938	482	(456)	(48.6)				1,023
Extraordinary income and loss	20,231	1,220	(19,011)	(94.0)				16,366
Profit attributable to owners	33,377	22,942	(10,434)	(31.3)	22,000	942	4.3	55,145
Earnings per share(JPY)	136.09	96.87	(39.22)					228.21
Dividends per share(JPY)	45.00	45.00	—	—				90.00

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

* Dividend per share in 2Q of the previous year included a commemorative dividend of 5 yen.

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

I . 2Q FY March 2019 Financial Results (Consolidated)



(JPY million)

2nd Quarter	2Q FY	2Q FY	Y o Y	
	Mar.2018	Mar.2019	Diff.	Change(%)
	Amount	Amount		
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 administrative expenses	22,664	23,161	497	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)	

(JPY million)

1st Quarter	1Q FY	1Q FY	Y o Y	
	Mar.2018	Mar.2019	Diff.	Change(%)
	Amount	Amount		
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 administrative expenses	23,511	23,115	(396)	(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 of parent	9,661	11,161	1,500	15.5
Earnings per share(JPY)	38.91	46.93	8.02	

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(2) Sales and Operating Profit by segment

① Segment performance results (including sales for each segment)

(JPY million)

2nd Quarter Total		1H FY Mar.2018		1H FY Mar.2019		Yo Y		FY Mar.2018	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	Sales	14,099	6.4	19,457	8.1	5,357	38.0	35,332	7.5
	Operating Profit	2,079	7.1	3,415	10.3	1,336	64.3	6,561	10.1
	Operating Profit Margin	14.7%		17.6%		2.8P		18.6%	
Financial IT Solutions	Sales	122,155	55.5	121,632	50.6	(522)	(0.4)	254,567	54.0
	Operating Profit	11,902	40.9	12,470	37.7	568	4.8	27,689	42.5
	Operating Profit Margin	9.7%		10.3%		0.5P		10.9%	
Industrial IT Solutions	Sales	65,992	30.0	80,506	33.5	14,513	22.0	143,757	30.5
	Operating Profit	5,913	20.3	7,993	24.1	2,080	35.2	13,130	20.2
	Operating Profit Margin	9.0%		9.9%		1.0P		9.1%	
IT Platform Services	Sales	59,946	27.2	60,923	25.3	976	1.6	122,342	25.9
	Operating Profit	7,715	26.5	7,712	23.3	(3)	(0.0)	14,763	22.7
	Operating Profit Margin	12.9%		12.7%		(0.2P)		12.1%	
Others	Sales	7,131	3.2	7,399	3.1	267	3.8	14,534	3.1
	Operating Profit	951	3.3	795	2.4	(155)	(16.3)	1,992	3.1
	Operating Profit Margin	13.3%		10.8%		(2.6P)		13.7%	
Inter-segment sales and eliminations	Sales	(49,110)	(22.3)	(49,512)	(20.6)	(401)		(99,046)	(21.0)
	Operating Profit	535	1.8	716	2.2	181		1,001	1.5
Total	Sales	220,214	100.0	240,407	100.0	20,192	9.2	471,488	100.0
	Operating Profit	29,097	100.0	33,105	100.0	4,007	13.8	65,138	100.0
	Operating Profit Margin	13.2%		13.8%		0.6P		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.

I . 2Q FY March 2019 Financial Results (Consolidated)



(JPY million)

2nd Quarter		2Q FY Mar.2018		2Q FY Mar.2019		YoY	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	7,993	7.0	10,279	8.4	2,285	28.6
	Operating Profit	1,927	12.1	2,205	12.4	277	14.4
	Operating Profit Margin	24.1%		21.5%		(2.7P)	
Financial IT Solutions	Sales	62,331	54.9	62,302	50.8	(29)	(0.0)
	Operating Profit	6,056	37.9	6,304	35.5	248	4.1
	Operating Profit Margin	9.7%		10.1%		0.4P	
Industrial IT Solutions	Sales	33,927	29.9	40,459	33.0	6,531	19.3
	Operating Profit	2,999	18.8	3,937	22.2	938	31.3
	Operating Profit Margin	8.8%		9.7%		0.9P	
IT Platform Services	Sales	30,621	27.0	31,230	25.5	608	2.0
	Operating Profit	4,155	26.0	4,309	24.3	154	3.7
	Operating Profit Margin	13.6%		13.8%		0.2P	
Others	Sales	3,702	3.3	3,635	3.0	(66)	(1.8)
	Operating Profit	530	3.3	631	3.6	100	19.0
	Operating Profit Margin	14.3%		17.4%		3.0P	
Inter-segment sales and eliminations	Sales	(24,998)	(22.0)	(25,258)	(20.6)	(260)	
	Operating Profit	312	2.0	380	2.1	68	
Total	Sales	113,578	100.0	122,648	100.0	9,070	8.0
	Operating Profit	15,981	100.0	17,770	100.0	1,789	11.2
	Operating Profit Margin	14.1%		14.5%		0.4P	

I . 2Q FY March 2019 Financial Results (Consolidated)



(JPY million)

1st Quarter		1Q FY Mar.2018		1Q FY Mar.2019		YoY	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	6,106	5.7	9,177	7.8	3,071	50.3
	Operating Profit	151	1.2	1,210	7.9	1,058	697.6
	Operating Profit Margin	2.5%	/	13.2%	/	10.7P	/
Financial IT Solutions	Sales	59,823	56.1	59,330	50.4	(492)	(0.8)
	Operating Profit	5,846	44.6	6,165	40.2	319	5.5
	Operating Profit Margin	9.8%	/	10.4%	/	0.6P	/
Industrial IT Solutions	Sales	32,064	30.1	40,046	34.0	7,982	24.9
	Operating Profit	2,913	22.2	4,055	26.4	1,141	39.2
	Operating Profit Margin	9.1%	/	10.1%	/	1.0P	/
IT Platform Services	Sales	29,324	27.5	29,692	25.2	368	1.3
	Operating Profit	3,560	27.1	3,402	22.2	(157)	(4.4)
	Operating Profit Margin	12.1%	/	11.5%	/	(0.7P)	/
Others	Sales	3,429	3.2	3,763	3.2	334	9.8
	Operating Profit	420	3.2	164	1.1	(256)	(61.0)
	Operating Profit Margin	12.3%	/	4.4%	/	(7.9P)	/
Inter-segment sales and eliminations	Sales	(24,112)	(22.6)	(24,253)	(20.6)	(141)	/
	Operating Profit	223	1.7	336	2.2	112	/
Total	Sales	106,636	100.0	117,758	100.0	11,122	10.4
	Operating Profit	13,116	100.0	15,334	100.0	2,218	16.9
	Operating Profit Margin	12.3%	/	13.0%	/	0.7P	/

I . 2Q FY March 2019 Financial Results (Consolidated)

② Sales by segment

(JPY million)

2nd Quarter Total	1H FY Mar.2018		1H FY Mar.2019		Y o Y		FY Mar.2018	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	13,759	6.2	19,189	8.0	5,429	39.5	34,577	7.3
Financial IT Solutions	121,073	55.0	120,319	50.0	(754)	(0.6)	252,122	53.5
Securities	57,257	26.0	48,419	20.1	(8,837)	(15.4)	118,397	25.1
Insurance	24,194	11.0	29,322	12.2	5,128	21.2	51,836	11.0
Banking	20,963	9.5	20,965	8.7	2	0.0	42,225	9.0
Other financial	18,658	8.5	21,610	9.0	2,952	15.8	39,662	8.4
Industrial IT Solutions	65,402	29.7	80,128	33.3	14,725	22.5	143,254	30.4
Distribution	29,406	13.4	32,325	13.4	2,919	9.9	60,849	12.9
Manufacturing, service and other	35,996	16.3	47,802	19.9	11,805	32.8	82,405	17.5
IT Platform Services	14,275	6.5	14,653	6.1	378	2.7	29,870	6.3
Others	5,703	2.6	6,117	2.5	413	7.2	11,663	2.5
Total	220,214	100.0	240,407	100.0	20,192	9.2	471,488	100.0

(JPY million)

2nd Quarter	2Q FY Mar.2018		2Q FY Mar.2019		Y o Y	
	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	33,487	29.5	40,254	32.8	6,766	20.2
Distribution	14,919	13.1	16,372	13.3	1,452	9.7
Manufacturing, service and other	18,567	16.3	23,881	19.5	5,313	28.6
IT Platform Services	7,520	6.6	7,640	6.2	120	1.6
Others	2,983	2.6	2,996	2.4	12	0.4
Total	113,578	100.0	122,648	100.0	9,070	8.0

(JPY million)

1st Quarter	1Q FY Mar.2018		1Q FY Mar.2019		Y o Y	
	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	31,915	29.9	39,873	33.9	7,958	24.9
Distribution	14,486	13.6	15,953	13.5	1,466	10.1
Manufacturing, service and other	17,428	16.3	23,920	20.3	6,492	37.2
IT Platform Services	6,755	6.3	7,013	6.0	258	3.8
Others	2,720	2.6	3,121	2.7	400	14.7
Total	106,636	100.0	117,758	100.0	11,122	10.4

(3) Sales to main clients

(JPY million)

2nd Quarter Total	1H FY Mar.2018		1H FY Mar.2019		Y o Y		FY Mar.2018	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Nomura Holdings	36,905	16.8	28,624	11.9	(8,280)	(22.4)	77,937	16.5
Seven & i Holdings	22,813	10.4	24,272	10.1	1,459	6.4	47,001	10.0

*Figures, in principle, include sales to subsidiaries.

(JPY million)

2nd Quarter	2Q FY Mar.2018		2Q FY Mar.2019		Y o Y	
	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

(JPY million)

1st Quarter	1Q FY Mar.2018		1Q FY Mar.2019		Y o Y	
	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)

2nd Quarter Total	1H FY Mar.2018		1H FY Mar.2019		Y o Y		FY Mar.2018	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Subcontracting Costs	63,836	29.0	71,505	29.7	7,669	12.0	135,522	28.7
(Subcontracting Costs to China)	9,516	14.9	10,862	15.2	1,346	14.2	19,532	14.4

*Share for subcontracting costs shows share of sales.

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

(JPY million)

2nd Quarter	2Q FY Mar.2018		2Q FY Mar.2019		Y o Y	
	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

(JPY million)

1st Quarter	1Q FY Mar.2018		1Q FY Mar.2019		Y o Y	
	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

(5) Cash Flow

(JPY million)

2nd Quarter Total	1H FY Mar. 2018	1H FY Mar. 2019	YoY		FY Mar.2018
	Amount	Amount	Diff.	Change(%)	Amount
Operating Activities	26,017	24,355	(1,661)	(6.4)	73,493
Investing Activities	(1,293)	(11,048)	(9,754)	754.0	(17,882)
(Investing Activities except Cash management purpose investment)	(14,144)	(11,472)	2,672	(18.9)	(30,162)
Free Cash Flow	24,723	13,307	(11,416)	(46.2)	55,610
(Free Cash Flow except Cash management purpose investment)	11,872	12,883	1,010	8.5	43,330
Financing Activities	(53,252)	(48,872)	4,379	(8.2)	(46,829)
Net increase in Cash and cash equivalents	(27,322)	(34,630)	(7,308)	26.7	6,251
(Net increase in Cash and cash equivalents except Cash management purpose investment)	(40,173)	(35,054)	5,118	(12.7)	(6,028)
Cash and cash equivalents at end of period	124,729	123,672	(1,056)	(0.8)	158,303
Cash and cash equivalents + Cash Management purpose investment	151,800	150,787	(1,013)	(0.7)	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)

2nd Quarter Total	1H FY Mar. 2018	1H FY Mar. 2019	YoY		FY Mar.2018
	Amount	Amount	Diff.	Change(%)	Amount
Capital Expenditure	23,933	13,046	(10,886)	(45.5)	38,201
Tangible	13,235	2,789	(10,445)	(78.9)	16,188
Intangible	10,697	10,256	(441)	(4.1)	22,012
Research and Development Expenses	2,409	1,628	(781)	(32.4)	5,170

(JPY million)

2nd Quarter	2Q FY Mar. 2018	2Q FY Mar. 2019	YoY	
	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)

(JPY million)

1st Quarter	1Q FY Mar. 2018	1Q FY Mar. 2019	YoY	
	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)

2nd Quarter Total	1H FY Mar. 2018	1H FY Mar. 2019	YoY		FY Mar.2018
	Amount	Amount	Diff.	Change(%)	Amount
Tangible	5,071	4,645	(425)	(8.4)	10,434
Intangible	8,989	10,781	1,792	19.9	21,506
Depreciation and Amortization	14,060	15,427	1,367	9.7	31,941

(JPY million)

2nd Quarter	2Q FY Mar. 2018	2Q FY Mar. 2019	YoY	
	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

(JPY million)

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

① Order Backlog

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar.	2Q FY Mar.	Y o Y	
	2018	2019	Diff.	Change(%)
	Amount	Amount		
Consulting	10,533	10,135	(397)	(3.8)
Financial IT Solutions	96,758	93,028	(3,729)	(3.9)
Industrial IT Solutions	57,640	55,342	(2,297)	(4.0)
IT Platform Services	8,147	8,618	470	5.8
Others	3,069	3,133	63	2.1
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.	1Q FY Mar.	Y o Y	
	2018	2019	Diff.	Change(%)
	Amount	Amount		
Consulting	8,782	10,460	1,677	19.1
Financial IT Solutions	125,339	117,526	(7,813)	(6.2)
Industrial IT Solutions	60,403	76,578	16,174	26.8
IT Platform Services	11,722	11,949	226	1.9
Others	4,061	4,730	669	16.5
Total	210,310	221,245	10,935	5.2
(Order backlog in the current FY)	206,581	219,523	12,941	6.3

(JPY million)

At beginning of period	FY Mar.	FY Mar.	Y o Y	
	2018	2019	Diff.	Change(%)
	Amount	Amount		
Consulting	5,057	6,764	1,707	33.8
Financial IT Solutions	148,901	141,574	(7,327)	(4.9)
Industrial IT Solutions	71,304	90,583	19,278	27.0
IT Platform Services	14,011	14,295	283	2.0
Others	3,472	3,537	64	1.9
Total	242,748	256,754	14,006	5.8
(Order backlog in the current FY)	238,644	255,259	16,615	7.0

② Order Volume

(JPY million)

2nd Quarter Total	1H FY Mar. 2018	1H FY Mar. 2019	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	19,235	22,560	3,324	17.3
Financial IT Solutions	68,929	71,773	2,843	4.1
Industrial IT Solutions	51,738	44,887	(6,850)	(13.2)
IT Platform Services	8,411	8,976	564	6.7
Others	5,300	5,713	412	7.8
Total	153,615	153,910	295	0.2

(JPY million)

2nd Quarter	2Q FY Mar. 2018	2Q FY Mar. 2019	YoY	
	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	30,723	19,018	(11,705)	(38.1)
IT Platform Services	3,945	4,309	364	9.2
Others	1,991	1,398	(592)	(29.8)
Total	79,417	71,661	(7,755)	(9.8)

(JPY million)

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	21,014	25,869	4,854	23.1
IT Platform Services	4,466	4,667	200	4.5
Others	3,309	4,314	1,005	30.4
Total	74,198	82,249	8,051	10.9

II. FY March 2019 Financial Results Forecasts (Consolidated)



In its meeting held October 25, 2018 the Board of Directors passed a resolution for the sale of investment securities (stock of one listed company) from among the holdings of the company. This sale is expected to result in an extraordinary gain of approximately 8 billion yen recorded as gain on the sale of investment securities. As a result, we are revising our consolidated performance forecast for FY March 2019 which was announced on April 26, 2018.

Also, on October 1, 2018 subsidiaries that had been categorized in the "Other" business segment were integrated into the "Industrial IT Solutions" segment. The breakdowns of consolidated sales by segment and service have been adjusted based on this change and recent trends.

(1) Highlights and Dividend forecasts

(JPY billion)

	FY Mar.2018 (Results)		FY Mar.2018 (Forecasts)		Y o Y		FY Mar.2019 (Forecasts as of April 26,2018)		Comparison to forecasts	
	Amount	Amount	Amount	Amount	Diff.	Change(%)	Amount	Amount	Diff.	Change(%)
Sales	471.4		510.0		38.5	8.2	510.0		—	—
Consulting Services	78.9		92.0		13.0	16.5	88.0		4.0	4.5
System Development & System Application Sales	138.1		160.0		21.8	15.8	167.0		(7.0)	(4.2)
System Management & Operation Services	241.1		245.0		3.8	1.6	245.0		—	—
Product Sales	13.1		13.0		(0.1)	(1.5)	10.0		3.0	30.0
Operating Profit	65.1		70.0		4.8	7.5	70.0		—	—
(Operating Profit Margin)	13.8%		13.7%		(0.1P)		13.7%		—	
Net Income	55.1		53.0		(2.1)	(3.9)	50.0		3.0	6.0
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		—	—

* The second quarter dividend and year-end dividend for the fiscal year ended March, 2018 each include a commemorative dividend of ¥5.00 per share (annual total of ¥10.00).

(2) Sales Forecasts by segment

(JPY billion)

	FY Mar.2018 (Results)		FY Mar.2019 (Forecasts)		Y o Y		FY Mar.2019 (Forecasts as of April 26,2018)		Comparison to forecasts	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Amount	Diff.	Change(%)
Consulting	34.5	7.3	41.0	8.0	6.4	18.6	41.0		—	—
Financial IT Solutions	252.1	53.5	255.0	50.0	2.8	1.1	265.0		(10.0)	(3.8)
Securities	118.3	25.1	105.0	20.6	(13.3)	(11.3)	119.0		(14.0)	(11.8)
Insurance	51.8	11.0	62.0	12.2	10.1	19.6	59.0		3.0	5.1
Banking	42.2	9.0	46.0	9.0	3.7	8.9	46.0		—	—
Other financial	39.6	8.4	42.0	8.2	2.3	5.9	41.0		1.0	2.4
Industrial IT Solutions	143.2	30.4	180.0	35.3	36.7	25.7	160.0		20.0	12.5
Distribution	60.8	12.9	66.0	12.9	5.1	8.5	63.0		3.0	4.8
Manufacturing, service and other	82.4	17.5	114.0	22.4	31.5	38.3	97.0		17.0	17.5
IT Platform Services	29.8	6.3	34.0	6.7	4.1	13.8	32.0		2.0	6.3
Others	11.6	2.5	—	—	—	—	12.0		—	—
Total	471.4	100.0	510.0	100.0	38.5	8.2	510.0		—	—

* Actual numbers shown for FY March 2018 are from before the segment changes.