

2Q FY March 2023

Financial Results Outline

Nomura Research Institute, Ltd.

October 27, 2022



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2Q FY March 2023 Financial Results (Consolidated)

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FY March 2023 Financial Results Forecasts (Consolidated)

2Q FY March 2023 Financial Results (Consolidated)

1. Highlights

(JPY million)

2nd Quarter Total	1H FY Mar.2022	1H FY Mar.2023	Y o Y		1H FY Mar.2023 (Forecasts)	Comparison to forecasts		FY Mar.2022
	Amount	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)	Amount
Revenue	291,974	339,054	47,079	16.1	320,000	19,054	6.0	611,634
Consulting Services	54,637	77,544	22,907	41.9	61,000	16,544	27.1	125,460
System Development & System Application Sales	95,324	101,921	6,596	6.9	107,000	(5,078)	(4.7)	196,000
System Management & Operation Services	134,544	143,918	9,373	7.0	138,000	5,918	4.3	272,903
Product Sales	7,467	15,669	8,202	109.8	14,000	1,669	11.9	17,269
Cost of Sales	188,057	221,552	33,495	17.8				395,562
Gross Profit	103,917	117,501	13,584	13.1				216,071
Gross Profit Margin	35.6%	34.7%	(0.9P)					35.3%
Selling, general and administrative expenses	53,513	64,586	11,073	20.7				113,536
Other Income & Other Expenses, etc.	3,509	2,353	(1,156)	(32.9)				3,683
Operating Profit	53,913	55,268	1,355	2.5	55,000	268	0.5	106,218
Operating Margin	18.5%	16.3%	(2.2P)					17.4%
Finance Income & Finance Costs	(396)	(1,515)	(1,119)	282.4				(1,547)
Profit before tax	53,517	53,753	236	0.4	54,000	(246)	(0.5)	104,671
Profit attributable to owners of parent	36,513	35,857	(656)	(1.8)	37,000	(1,142)	(3.1)	71,445
Basic earnings per share(JPY)	61.26	60.71	(0.55)					120.57
EBITDA Margin	24.5%	22.2%	(2.3P)					23.9%

* The breakdown of the revenue is classified by products and services.

* EBITDA margin: EBITDA (Operating profit + Depreciation and Amortization + Loss on retirement of fixed assets ± Temporary factors) / Revenue

Average Rate	1H FY Mar.2022	1H FY Mar.2023
USD	109.81 yen	134.04 yen
AUD	82.61 yen	93.58 yen

2Q FY March 2023 Financial Results (Consolidated)

1. Highlights

(JPY million)

2nd Quarter	2Q FY Mar.2022		2Q FY Mar.2023		Y o Y	
	Amount	Amount	Diff.	Change(%)		
Revenue	149,327	171,516	22,189	14.9		
Consulting Services	29,576	38,596	9,019	30.5		
System Development & System Application Sales	48,829	52,798	3,969	8.1		
System Management & Operation Services	68,121	73,062	4,940	7.3		
Product Sales	2,799	7,058	4,259	152.1		
Cost of Sales	96,588	111,322	14,733	15.3		
Gross Profit	52,738	60,194	7,455	14.1		
Gross Profit Margin	35.3%	35.1%	(0.2P)			
Selling, general and administrative expenses	25,409	33,046	7,637	30.1		
Other Income & Other Expenses, etc.	19	42	22	114.7		
Operating Profit	27,348	27,189	(158)	(0.6)		
Operating Profit Margin	18.3%	15.9%	(2.5P)			
Finance Income & Finance Costs	(569)	(1,225)	(656)	115.4		
Profit before tax	26,779	25,963	(815)	(3.0)		
Profit attributable to owners of parent	18,101	17,094	(1,006)	(5.6)		
Basic earnings per share(JPY)	30.69	28.91	(1.78)			
EBITDA Margin	25.4%	22.2%	(3.3P)			

(JPY million)

1st Quarter	1Q FY Mar.2022		1Q FY Mar.2023		Y o Y	
	Amount	Amount	Diff.	Change(%)		
Revenue	142,647	167,537	24,890	17.4		
Consulting Services	25,060	38,947	13,887	55.4		
System Development & System Application Sales	46,495	49,122	2,626	5.6		
System Management & Operation Services	66,423	70,856	4,432	6.7		
Product Sales	4,667	8,610	3,943	84.5		
Cost of Sales	91,468	110,230	18,761	20.5		
Gross Profit	51,178	57,307	6,129	12.0		
Gross Profit Margin	35.9%	34.2%	(1.7P)			
Selling, general and administrative expenses	28,103	31,539	3,436	12.2		
Other Income & Other Expenses, etc.	3,489	2,310	(1,178)	(33.8)		
Operating Profit	26,564	28,079	1,514	5.7		
Operating Profit Margin	18.6%	16.8%	(1.9P)			
Finance Income & Finance Costs	172	(289)	(462)	-		
Profit before tax	26,737	27,789	1,051	3.9		
Profit attributable to owners of parent	18,411	18,762	350	1.9		
Basic earnings per share(JPY)	30.57	31.80	1.23			
EBITDA Margin	23.5%	22.1%	(1.4P)			

2Q FY March 2023 Financial Results (Consolidated)

2. Segment performance results

① Including Inter-segment revenue for each segment

(JPY million)

2nd Quarter Total		1H FY Mar.2022		1H FY Mar.2023		Y o Y		FY Mar.2022	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	Revenue	19,499	6.7	21,077	6.2	1,577	8.1	44,414	7.3
	Operating Profit	5,240	9.7	4,911	8.9	(328)	(6.3)	12,820	12.1
	Operating Margin	26.9%		23.3%		(3.6P)		28.9%	
Financial IT Solutions	Revenue	148,127	50.7	164,721	48.6	16,594	11.2	308,376	50.4
	Operating Profit	21,098	39.1	23,283	42.1	2,185	10.4	43,877	41.3
	Operating Margin	14.2%		14.1%		(0.1P)		14.2%	
Industrial IT Solutions	Revenue	110,980	38.0	137,846	40.7	26,866	24.2	229,921	37.6
	Operating Profit	12,809	23.8	13,420	24.3	611	4.8	25,449	24.0
	Operating Margin	11.5%		9.7%		(1.8P)		11.1%	
IT Platform Services	Revenue	76,590	26.2	82,440	24.3	5,850	7.6	157,598	25.8
	Operating Profit	11,448	21.2	11,548	20.9	100	0.9	20,955	19.7
	Operating Margin	14.9%		14.0%		(0.9P)		13.3%	
Inter-segment revenue and eliminations	Revenue	(63,223)	(21.7)	(67,031)	(19.8)	(3,808)		(128,676)	(21.0)
	Operating Profit	3,317	6.2	2,104	3.8	(1,213)		3,116	2.9
Total	Revenue	291,974	100.0	339,054	100.0	47,079	16.1	611,634	100.0
	Operating Profit	53,913	100.0	55,268	100.0	1,355	2.5	106,218	100.0
	Operating Margin	18.5%		16.3%		(2.2P)		17.4%	

* Including inter-segment revenue for each segment.

2Q FY March 2023 Financial Results (Consolidated)

2. Segment performance results

① Including Inter-segment revenue for each segment

2nd Quarter		(JPY million)				Y o Y	
		2Q FY Mar.2022		2Q FY Mar.2023		Diff.	Change(%)
		Amount	Share(%)	Amount	Share(%)		
Consulting	Revenue	10,629	7.1	11,366	6.6	736	6.9
	Operating Profit	3,434	12.6	3,052	11.2	(381)	(11.1)
	Operating Margin	32.3%		26.9%		(5.5P)	
Financial IT Solutions	Revenue	75,881	50.8	83,230	48.5	7,349	9.7
	Operating Profit	11,860	43.4	11,604	42.7	(255)	(2.2)
	Operating Margin	15.6%		13.9%		(1.7P)	
Industrial IT Solutions	Revenue	55,922	37.4	69,004	40.2	13,082	23.4
	Operating Profit	6,115	22.4	6,740	24.8	625	10.2
	Operating Margin	10.9%		9.8%		(1.2P)	
IT Platform Services	Revenue	39,160	26.2	42,036	24.5	2,876	7.3
	Operating Profit	5,960	21.8	5,896	21.7	(63)	(1.1)
	Operating Margin	15.2%		14.0%		(1.2P)	
Inter-segment revenue and eliminations	Revenue	(32,266)	(21.6)	(34,121)	(19.9)	(1,855)	
	Operating Profit	(21)	(0.1)	(104)	(0.4)	(83)	
Total	Revenue	149,327	100.0	171,516	100.0	22,189	14.9
	Operating Profit	27,348	100.0	27,189	100.0	(158)	(0.6)
	Operating Margin	18.3%		15.9%		(2.5P)	

1st Quarter		(JPY million)				Y o Y	
		1Q FY Mar.2022		1Q FY Mar.2023		Diff.	Change(%)
		Amount	Share(%)	Amount	Share(%)		
Consulting	Revenue	8,869	6.2	9,711	5.8	841	9.5
	Operating Profit	1,805	6.8	1,859	6.6	53	3.0
	Operating Margin	20.4%		19.1%		(1.2P)	
Financial IT Solutions	Revenue	72,245	50.6	81,490	48.6	9,245	12.8
	Operating Profit	9,238	34.8	11,678	41.6	2,440	26.4
	Operating Margin	12.8%		14.3%		1.5P	
Industrial IT Solutions	Revenue	55,057	38.6	68,841	41.1	13,783	25.0
	Operating Profit	6,694	25.2	6,679	23.8	(14)	(0.2)
	Operating Margin	12.2%		9.7%		(2.5P)	
IT Platform Services	Revenue	37,430	26.2	40,403	24.1	2,973	7.9
	Operating Profit	5,488	20.7	5,652	20.1	164	3.0
	Operating Margin	14.7%		14.0%		(0.7P)	
Inter-segment revenue and eliminations	Revenue	(30,956)	(21.7)	(32,909)	(19.6)	(1,952)	
	Operating Profit	3,338	12.6	2,208	7.9	(1,130)	
Total	Revenue	142,647	100.0	167,537	100.0	24,890	17.4
	Operating Profit	26,564	100.0	28,079	100.0	1,514	5.7
	Operating Margin	18.6%		16.8%		(1.9P)	

2Q FY March 2023 Financial Results (Consolidated)

2. Segment performance results

② Including Inter-segment revenue for each segment (Overseas)

(JPY million)

2nd Quarter Total		1H FY Mar.2022		1H FY Mar.2023		Y o Y		FY Mar.2022	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	Revenue	1,934	5.8	2,343	3.7	409	21.2	4,772	6.2
	Operating Profit	(19)	(0.5)	(231)	(9.8)	(211)	—	662	8.8
	Operating Margin	(1.0%)	/	(9.9%)	/	(8.9P)	/	13.9%	/
Financial IT Solutions	Revenue	5,973	17.9	6,397	10.2	424	7.1	11,710	15.3
	Operating Profit	1,312	36.6	(426)	(18.1)	(1,739)	—	1,649	21.8
	Operating Margin	22.0%	/	(6.7%)	/	(28.6P)	/	14.1%	/
Industrial IT Solutions	Revenue	27,828	83.2	57,136	90.7	29,308	105.3	65,189	85.2
	Operating Profit	2,291	63.9	2,913	123.8	622	27.2	5,214	69.0
	Operating Margin	8.2%	/	5.1%	/	(3.1P)	/	8.0%	/
IT Platform Services	Revenue	151	0.5	325	0.5	173	114.9	372	0.5
	Operating Profit	(2)	(0.1)	109	4.7	111	—	21	0.3
	Operating Margin	(1.5%)	/	33.7%	/	35.2P	/	5.8%	/
Inter-segment revenue and eliminations	Revenue	(2,438)	(7.3)	(3,206)	(5.1)	(768)	/	(5,525)	(7.2)
	Operating Profit	2	0.1	(12)	(0.5)	(15)	/	5	0.1
Total	Revenue	33,448	100.0	62,997	100.0	29,548	88.3	76,519	100.0
	Operating Profit	3,586	100.0	2,353	100.0	(1,232)	(34.4)	7,553	100.0
	Operating Margin	10.7%	/	3.7%	/	(7.0P)	/	9.9%	/

*This table shows revenue and operating profit of overseas subsidiaries in each segment. Global-related expenses incurred by the head office are not included.

* Including inter-segment revenue for each segment.

2Q FY March 2023 Financial Results (Consolidated)

2. Segment performance results

② Including Inter-segment revenue for each segment (Overseas)

2nd Quarter		2Q FY Mar.2022		2Q FY Mar.2023		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Revenue	1,116	6.4	1,414	4.5	297	26.7
	Operating Profit	169	7.2	(17)	(2.4)	(187)	—
	Operating Margin	15.2%		(1.3%)		(16.5P)	
Financial IT Solutions	Revenue	3,299	18.8	3,163	10.0	(135)	(4.1)
	Operating Profit	894	38.0	(381)	(52.1)	(1,276)	—
	Operating Margin	27.1%		(12.1%)		(39.2P)	
Industrial IT Solutions	Revenue	14,342	81.7	28,375	90.0	14,033	97.8
	Operating Profit	1,262	53.5	1,037	141.5	(224)	(17.8)
	Operating Margin	8.8%		3.7%		(5.1P)	
IT Platform Services	Revenue	78	0.4	223	0.7	144	183.6
	Operating Profit	29	1.2	110	15.0	80	276.9
	Operating Margin	37.1%		49.3%		12.2P	
Inter-segment revenue and eliminations	Revenue	(1,284)	(7.3)	(1,634)	(5.2)	(349)	
	Operating Profit	1	0.1	(15)	(2.1)	(16)	
Total	Revenue	17,552	100.0	31,543	100.0	13,990	79.7
	Operating Profit	2,356	100.0	732	100.0	(1,624)	(68.9)
	Operating Margin	13.4%		2.3%		(11.1P)	

1st Quarter		1Q FY Mar.2022		1Q FY Mar.2023		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Revenue	818	5.1	929	3.0	111	13.6
	Operating Profit	(188)	(15.4)	(213)	(13.2)	(24)	12.8
	Operating Margin	(23.1%)		(22.9%)		0.2P	
Financial IT Solutions	Revenue	2,673	16.8	3,233	10.3	560	21.0
	Operating Profit	418	34.0	(44)	(2.7)	(462)	—
	Operating Margin	15.6%		(1.4%)		(17.0P)	
Industrial IT Solutions	Revenue	13,485	84.8	28,760	91.4	15,275	113.3
	Operating Profit	1,029	83.8	1,876	115.8	847	82.3
	Operating Margin	7.6%		6.5%		(1.1P)	
IT Platform Services	Revenue	72	0.5	101	0.3	29	40.3
	Operating Profit	(31)	(2.6)	(0)	(0.0)	30	(97.8)
	Operating Margin	(43.5%)		(0.7%)		42.8P	
Inter-segment revenue and eliminations	Revenue	(1,153)	(7.3)	(1,571)	(5.0)	(418)	
	Operating Profit	1	0.1	2	0.2	0	
Total	Revenue	15,896	100.0	31,454	100.0	15,558	97.9
	Operating Profit	1,229	100.0	1,620	100.0	391	31.9
	Operating Margin	7.7%		5.2%		(2.6P)	

2Q FY March 2023 Financial Results (Consolidated)

2. Segment performance results

③ External revenue by segment

(JPY million)

2nd Quarter Total	1H FY Mar.2022		1H FY Mar.2023		Y o Y		FY Mar.2022	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	18,853	6.5	20,250	6.0	1,396	7.4	42,807	7.0
Financial IT Solutions	145,860	50.0	161,816	47.7	15,956	10.9	303,635	49.6
Securities	64,484	22.1	69,589	20.5	5,105	7.9	133,316	21.8
Insurance	31,860	10.9	38,222	11.3	6,362	20.0	68,894	11.3
Banking	22,962	7.9	26,075	7.7	3,112	13.6	47,073	7.7
Other financial	26,552	9.1	27,929	8.2	1,376	5.2	54,351	8.9
Industrial IT Solutions	107,610	36.9	133,792	39.5	26,182	24.3	222,583	36.4
Distribution	33,377	11.4	35,228	10.4	1,851	5.5	68,269	11.2
Manufacturing, service and other	74,232	25.4	98,564	29.1	24,331	32.8	154,313	25.2
IT Platform Services	19,650	6.7	23,194	6.8	3,543	18.0	42,607	7.0
Total	291,974	100.0	339,054	100.0	47,079	16.1	611,634	100.0

* The breakdowns of the segments are comprised of revenue by customer sector.

2Q FY March 2023 Financial Results (Consolidated)

2. Segment performance results

③ External revenue by segment

(JPY million)

2nd Quarter	2Q FY Mar.2022		2Q FY Mar.2023		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	10,250	6.9	10,867	6.3	617	6.0
Financial IT Solutions	74,670	50.0	81,707	47.6	7,036	9.4
Securities	33,914	22.7	35,032	20.4	1,117	3.3
Insurance	16,473	11.0	19,467	11.4	2,994	18.2
Banking	11,443	7.7	13,550	7.9	2,107	18.4
Other financial	12,839	8.6	13,657	8.0	817	6.4
Industrial IT Solutions	54,053	36.2	67,025	39.1	12,972	24.0
Distribution	17,021	11.4	17,578	10.2	557	3.3
Manufacturing, service and other	37,032	24.8	49,447	28.8	12,415	33.5
IT Platform Services	10,352	6.9	11,915	6.9	1,563	15.1
Total	149,327	100.0	171,516	100.0	22,189	14.9

(JPY million)

1st Quarter	1Q FY Mar.2022		1Q FY Mar.2023		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	8,603	6.0	9,382	5.6	779	9.1
Financial IT Solutions	71,189	49.9	80,109	47.8	8,919	12.5
Securities	30,569	21.4	34,557	20.6	3,988	13.0
Insurance	15,387	10.8	18,755	11.2	3,368	21.9
Banking	11,519	8.1	12,524	7.5	1,005	8.7
Other financial	13,713	9.6	14,271	8.5	558	4.1
Industrial IT Solutions	53,556	37.5	66,767	39.9	13,210	24.7
Distribution	16,355	11.5	17,649	10.5	1,294	7.9
Manufacturing, service and other	37,200	26.1	49,117	29.3	11,916	32.0
IT Platform Services	9,297	6.5	11,278	6.7	1,980	21.3
Total	142,647	100.0	167,537	100.0	24,890	17.4

2Q FY March 2023 Financial Results (Consolidated)

3. Revenue by main client

(JPY million)

2nd Quarter Total	1H FY Mar.2022		1H FY Mar.2023		Y o Y		FY Mar.2022	
	Amount	Ratio(%)	Amount	Ratio(%)	Diff.	Change(%)	Amount	Ratio(%)
Nomura Holdings	30,813	10.6	34,017	10.0	3,204	10.4	63,025	10.3

* Figures, in principle, include revenue to subsidiaries.

(JPY million)

2nd Quarter	2Q FY Mar.2022		2Q FY Mar.2023		Y o Y	
	Amount	Ratio(%)	Amount	Ratio(%)	Diff.	Change(%)
Nomura Holdings	15,554	10.4	17,277	10.1	1,723	11.1

(JPY million)

1st Quarter	1Q FY Mar.2022		1Q FY Mar.2023		Y o Y	
	Amount	Ratio(%)	Amount	Ratio(%)	Diff.	Change(%)
Nomura Holdings	15,259	10.7	16,740	10.0	1,481	9.7

2Q FY March 2023 Financial Results (Consolidated)

4. Overseas Revenue

(JPY million)

2nd Quarter Total	1H FY Mar.2022		1H FY Mar.2023		Y o Y		FY Mar.2022	
	Amount	Ratio(%)	Amount	Ratio(%)	Diff.	Change(%)	Amount	Ratio(%)
Overseas revenue	33,448	11.5	62,997	18.6	29,548	88.3	76,519	12.5
North America	2,926	1.0	19,189	5.7	16,262	555.7	12,283	2.0
Oceania	27,363	9.4	39,574	11.7	12,210	44.6	57,221	9.4
Asia, Other	3,158	1.1	4,234	1.2	1,075	34.0	7,015	1.1

*The calculation of figures by area is changed from the method based on the location of clients to the method based on the location of the headquarters of each subsidiary, and figures per country or area are provided as reference values.

The figures for FY Mar.2022 and 1H FY Mar.2022 are provided as the same method with 1H FY Mar.2023.

(JPY million)

2nd Quarter	2Q FY Mar.2022		2Q FY Mar.2023		Y o Y	
	Amount	Ratio(%)	Amount	Ratio(%)	Diff.	Change(%)
Overseas revenue	17,552	11.8	31,543	18.4	13,990	79.7
North America	1,346	0.9	9,664	5.6	8,318	617.8
Oceania	14,489	9.7	19,506	11.4	5,017	34.6
Asia, Other	1,716	1.1	2,371	1.4	655	38.1

(JPY million)

1st Quarter	1Q FY Mar.2022		1Q FY Mar.2023		Y o Y	
	Amount	Ratio(%)	Amount	Ratio(%)	Diff.	Change(%)
Overseas revenue	15,896	11.1	31,454	18.8	15,558	97.9
North America	1,580	1.1	9,524	5.7	7,944	502.8
Oceania	12,874	9.0	20,067	12.0	7,193	55.9
Asia, Other	1,441	1.0	1,862	1.1	420	29.2

2Q FY March 2023 Financial Results (Consolidated)

5. Subcontracting Costs

(JPY million)

2nd Quarter Total	1H FY Mar.2022		1H FY Mar.2023		Y o Y		FY Mar.2022	
	Amount	Ratio(%)	Amount	Ratio(%)	Diff.	Change(%)	Amount	Ratio(%)
Subcontracting Costs	91,141	31.2	103,713	30.6	12,571	13.8	194,766	31.8
(Subcontracting Costs to Chinese companies)	16,631	18.2	18,599	17.9	1,968	11.8	36,730	18.9

* The ratio of subcontracting costs is the ratio to revenue.

The ratio of subcontracting costs to Chinese companies is the ratio to total subcontracting costs.

(JPY million)

2nd Quarter	2Q FY Mar.2022		2Q FY Mar.2023		Y o Y	
	Amount	Ratio(%)	Amount	Ratio(%)	Diff.	Change(%)
Subcontracting Costs	47,632	31.9	52,474	30.6	4,842	10.2
(Subcontracting Costs to Chinese companies)	9,041	19.0	9,209	17.6	168	1.9

(JPY million)

1st Quarter	1Q FY Mar.2022		1Q FY Mar.2023		Y o Y	
	Amount	Ratio(%)	Amount	Ratio(%)	Diff.	Change(%)
Subcontracting Costs	43,508	30.5	51,238	30.6	7,729	17.8
(Subcontracting Costs to Chinese companies)	7,589	17.4	9,389	18.3	1,799	23.7

2Q FY March 2023 Financial Results (Consolidated)

6. Balance sheet

At the end of the 2nd Quarter	FY Mar.2022	2Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Assets	789,655	810,275	20,620	2.6
Cash and cash equivalents, etc.(a) *1	117,368	121,161	3,792	3.2
Trade and other receivables, etc.	186,344	175,478	(10,866)	(5.8)
Property, plant and equipment (including Right-of-use assets)	76,452	75,258	(1,193)	(1.6)
Goodwill and intangible assets	210,744	233,280	22,536	10.7
Of which, Goodwill from M&A, etc. *2	132,636	145,709	13,072	9.9
Software	77,966	87,442	9,476	12.2
Other	198,745	205,097	6,351	3.2
Cash and cash equivalents, etc. / Revenue (months)	2.3	2.1	(0.2)	

*1 Cash and cash equivalents, etc.: Cash and cash equivalents + Cash management purpose investment

*2 Goodwill, etc.: Goodwill, Customer-related assets and Trade names identified as a result of PPA
(Purchase Price Allocation)

*3 Interest-bearing liabilities: Bonds and borrowings + Other interest-bearing liabilities (borrowings on
margin transactions and borrowings secured by securities)

(JPY million)

At the end of the 2nd Quarter	FY Mar.2022	2Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Liabilities	447,168	433,395	(13,773)	(3.1)
Trade and other payables, etc.	70,275	71,167	891	1.3
Interest-bearing liabilities(b) *3	209,627	201,307	(8,320)	(4.0)
Lease liabilities	42,203	38,017	(4,186)	(9.9)
Other	125,062	122,903	(2,159)	(1.7)
Equity	342,486	376,880	34,394	10.0
Total equity attributable to owners of parent(c)	339,360	373,544	34,183	10.1
Non-controlling interests	3,126	3,336	210	6.7
Net interest-bearing liabilities(d=b-a)	92,259	80,146	(12,113)	(13.1)
Net D/E ratio(times)(e=d/c)	0.27	0.21	(0.06)	
Ratio of equity attributable to owners of parent to total assets	43.0%	46.1%	3.1P	

2Q FY March 2023 Financial Results (Consolidated)

6. Balance sheet

At the end of the 1st Quarter	FY Mar.2022	1Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Assets	789,655	790,639	984	0.1
Cash and cash equivalents, etc.(a) *1	117,368	126,503	9,135	7.8
Trade and other receivables, etc.	186,344	165,278	(21,066)	(11.3)
Property, plant and equipment (including Right-of-use assets)	76,452	74,954	(1,497)	(2.0)
Goodwill and intangible assets	210,744	223,477	12,733	6.0
Of which, Goodwill from M&A, etc. *2	132,636	141,012	8,376	6.3
Software	77,966	82,329	4,363	5.6
Other	198,745	200,425	1,679	0.8
Cash and cash equivalents, etc. / Revenue (months)	2.3	2.3	(0.0)	

*1 Cash and cash equivalents, etc.: Cash and cash equivalents + Cash management purpose investment

*2 Goodwill, etc.: Goodwill, Customer-related assets and Trade names identified as a result of PPA (Purchase Price Allocation)

*3 Interest-bearing liabilities: Bonds and borrowings + Other interest-bearing liabilities (borrowings on margin transactions and borrowings secured by securities)

(JPY million)

At the end of the 1st Quarter	FY Mar.2022	1Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Liabilities	447,168	435,444	(11,724)	(2.6)
Trade and other payables, etc.	70,275	72,223	1,947	2.8
Interest-bearing liabilities(b) *3	209,627	205,296	(4,331)	(2.1)
Lease liabilities	42,203	39,997	(2,206)	(5.2)
Other	125,062	117,927	(7,135)	(5.7)
Equity	342,486	355,195	12,709	3.7
Total equity attributable to owners of parent(c)	339,360	351,983	12,623	3.7
Non-controlling interests	3,126	3,212	86	2.8
Net interest-bearing liabilities(d=b-a)	92,259	78,792	(13,466)	(14.6)
Net D/E ratio(times)(e=d/c)	0.27	0.22	(0.05)	
Ratio of equity attributable to owners of parent to total assets	43.0%	44.5%	1.5P	

2Q FY March 2023 Financial Results (Consolidated)

7. Cash Flow

(JPY million)

2nd Quarter Total	1H FY Mar.2022	1H FY Mar.2023	Y o Y		FY Mar.2022
	Amount	Amount	Diff.	Change(%)	Amount
Operating Activities	49,099	60,672	11,573	23.6	98,137
Investing Activities	(43,712)	(28,135)	15,577	(35.6)	(130,547)
(Investing Activities except Cash management purpose investment*)	(43,499)	(25,118)	18,381	(42.3)	(130,472)
Free Cash Flow	5,386	32,537	27,150	504.0	(32,410)
(Free Cash Flow except Cash management purpose investment*)	5,599	35,554	29,954	534.9	(32,335)
Financing Activities	(18,371)	(34,868)	(16,496)	89.8	(7,995)
Net increase in Cash and cash equivalents	(13,287)	578	13,866	–	(37,576)
(Net increase in Cash and cash equivalents except Cash management purpose investment*)	(13,074)	3,595	16,669	–	(37,501)
Cash and cash equivalents at the end of period	139,900	116,189	(23,710)	(16.9)	115,610
Cash and cash equivalents + Cash Management purpose investment	141,778	121,161	(20,617)	(14.5)	117,368

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

2Q FY March 2023 Financial Results (Consolidated)

8. Capital Investment, Research and Development Expenses

(JPY million)

2nd Quarter Total	1H FY Mar.2022	1H FY Mar.2023	Y o Y		FY Mar.2022
	Amount	Amount	Diff.	Change(%)	Amount
Capital Investment	19,702	27,539	7,837	39.8	46,980
Tangible	2,922	7,972	5,050	172.8	10,990
Right-of-use assets*	1,202	2,093	890	74.0	2,890
Intangible	16,779	19,566	2,787	16.6	35,990
Research and Development Expenses	2,508	2,495	(13)	(0.5)	4,992

* Right-of-use assets for which buildings and structures are the underlying assets.

(JPY million)

2nd Quarter	2Q FY Mar.2022	2Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Investment	10,840	15,342	4,502	41.5
Tangible	1,470	5,283	3,813	259.3
Right-of-use assets	702	1,435	732	104.2
Intangible	9,369	10,058	689	7.4
Research and Development Expenses	1,351	1,493	141	10.5

(JPY million)

1st Quarter	1Q FY Mar.2022	1Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Investment	8,862	12,197	3,335	37.6
Tangible	1,451	2,688	1,237	85.2
Right-of-use assets	500	658	158	31.6
Intangible	7,410	9,508	2,097	28.3
Research and Development Expenses	1,156	1,002	(154)	(13.4)

2Q FY March 2023 Financial Results (Consolidated)

9. Depreciation and Amortization

(JPY million)

2nd Quarter Total	1H FY Mar.2022	1H FY Mar.2023	Y o Y		FY Mar.2022
	Amount	Amount	Diff.	Change(%)	Amount
Tangible	9,104	9,362	257	2.8	18,591
Right-of-use assets*	5,612	5,721	109	2.0	11,415
Intangible	11,417	12,708	1,291	11.3	23,349
Total	20,521	22,070	1,548	7.5	41,941

* Right-of-use assets for which buildings and structures are the underlying assets.

(JPY million)

2nd Quarter	2Q FY Mar.2022	2Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	4,638	4,588	(50)	(1.1)
Right-of-use assets	2,839	2,820	(19)	(0.7)
Intangible	5,617	6,252	635	11.3
Total	10,256	10,841	585	5.7

(JPY million)

1st Quarter	1Q FY Mar.2022	1Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	4,465	4,773	308	6.9
Right-of-use assets	2,772	2,901	129	4.7
Intangible	5,800	6,455	655	11.3
Total	10,265	11,229	963	9.4

2Q FY March 2023 Financial Results (Consolidated)

10. Order Backlog by segment

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar.2022	2Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	11,477	14,475	2,997	26.1
Financial IT Solutions	116,253	120,960	4,707	4.0
Industrial IT Solutions	65,875	93,113	27,237	41.3
IT Platform Services	12,244	14,535	2,290	18.7
Total	205,851	243,084	37,233	18.1
(Order Backlog in the current FY)	191,977	226,970	34,993	18.2

(JPY million)

At the end of the 1st Quarter	1Q FY Mar.2022	1Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	10,845	14,624	3,779	34.8
Financial IT Solutions	154,632	154,902	269	0.2
Industrial IT Solutions	92,419	113,353	20,934	22.7
IT Platform Services	14,746	18,084	3,338	22.6
Total	272,644	300,966	28,321	10.4
(Order Backlog in the current FY)	262,269	292,533	30,263	11.5

(JPY million)

At the beginning of period	FY Mar.2022	FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	7,050	8,789	1,738	24.7
Financial IT Solutions	184,968	198,391	13,423	7.3
Industrial IT Solutions	102,484	123,402	20,917	20.4
IT Platform Services	15,281	17,800	2,518	16.5
Total	309,785	348,384	38,599	12.5
(Order Backlog in the current FY)	301,550	340,630	39,079	13.0

2Q FY March 2023 Financial Results (Consolidated)

10. Order Backlog by segment(Japan/Overseas)

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar.2022	2Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Order Backlog of Japan				
Consulting	10,763	13,467	2,704	25.1
Financial IT Solutions	113,194	116,877	3,682	3.3
Industrial IT Solutions	46,616	50,801	4,185	9.0
IT Platform Services	12,244	14,535	2,290	18.7
Total	182,818	195,680	12,862	7.0
Order Backlog of overseas subsidiaries				
Overseas subsidiaries	23,033	47,403	24,370	105.8

* Group companies which have the headquarter overseas are classified as overseas subsidiaries.

(JPY million)

At the end of the 1st Quarter	1Q FY Mar.2022	1Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Order Backlog of Japan				
Consulting	10,241	13,737	3,496	34.1
Financial IT Solutions	149,665	149,489	(176)	(0.1)
Industrial IT Solutions	64,543	64,981	438	0.7
IT Platform Services	14,746	18,084	3,338	22.6
Total	239,196	246,292	7,096	3.0
Order Backlog of overseas subsidiaries				
Overseas subsidiaries	33,448	54,673	21,224	63.5

(JPY million)

At the beginning of period	FY Mar.2022	FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Order Backlog of Japan				
Consulting	6,597	8,350	1,753	26.6
Financial IT Solutions	184,634	192,607	7,972	4.3
Industrial IT Solutions	74,108	74,931	823	1.1
IT Platform Services	15,281	17,800	2,518	16.5
Total	280,621	293,689	13,068	4.7
Order Backlog of overseas subsidiaries				
Overseas subsidiaries	29,163	54,694	25,531	87.5

2Q FY March 2023 Financial Results (Consolidated)

11. Order Volume by segment

(JPY million)

2nd Quarter Total	1H FY Mar.2022	1H FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	23,255	25,884	2,629	11.3
Financial IT Solutions	77,130	83,629	6,498	8.4
Industrial IT Solutions	68,781	96,321	27,540	40.0
IT Platform Services	16,613	19,929	3,315	20.0
Total	185,782	225,765	39,983	21.5

* The calculation of order volume is changed to the method that the impact of exchange rate arising from order backlog at the beginning of the period is not included.

The figures for 1H FY Mar.2022 are provided as the same method with 1H FY Mar. 2023.

(JPY million)

2nd Quarter	2Q FY Mar.2022	2Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	10,883	10,711	(171)	(1.6)
Financial IT Solutions	36,290	47,693	11,402	31.4
Industrial IT Solutions	28,055	45,826	17,770	63.3
IT Platform Services	7,850	8,366	515	6.6
Total	83,080	112,597	29,516	35.5

(JPY million)

1st Quarter	1Q FY Mar.2022	1Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	12,371	15,173	2,801	22.6
Financial IT Solutions	40,840	35,936	(4,903)	(12.0)
Industrial IT Solutions	40,726	50,495	9,769	24.0
IT Platform Services	8,763	11,563	2,799	32.0
Total	102,701	113,168	10,466	10.2

2Q FY March 2023 Financial Results (Consolidated)

11. Order Volume by segment(Japan/Overseas)

(JPY million)

2nd Quarter Total	1H FY Mar.2022	1H FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Order Volume of Japan				
Consulting	21,367	23,462	2,095	9.8
Financial IT Solutions	69,844	81,128	11,284	16.2
Industrial IT Solutions	53,047	53,852	804	1.5
IT Platform Services	16,462	19,603	3,141	19.1
Total	160,722	178,047	17,325	10.8
Order Volume of overseas subsidiaries				
Overseas subsidiaries	25,060	47,718	22,657	90.4

* Group companies which have the headquarter overseas are classified as overseas subsidiaries.

The calculation of order volume is changed to the method that the impact of exchange rate arising from order backlog at the beginning of the period is not included.

The figures for 1H FY Mar.2022 are provided as the same method with 1H FY Mar. 2023.

(JPY million)

2nd Quarter	2Q FY Mar.2022	2Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Order Volume of Japan				
Consulting	9,820	9,441	(378)	(3.9)
Financial IT Solutions	35,616	46,702	11,085	31.1
Industrial IT Solutions	22,187	25,075	2,887	13.0
IT Platform Services	7,772	8,142	370	4.8
Total	75,396	89,361	13,964	18.5
Order Volume of overseas subsidiaries				
Overseas subsidiaries	7,683	23,235	15,552	202.4

(JPY million)

1st Quarter	1Q FY Mar.2022	1Q FY Mar.2023	Y o Y	
	Amount	Amount	Diff.	Change(%)
Order Volume of Japan				
Consulting	11,547	14,021	2,474	21.4
Financial IT Solutions	34,228	34,426	198	0.6
Industrial IT Solutions	30,859	28,776	(2,082)	(6.7)
IT Platform Services	8,690	11,461	2,770	31.9
Total	85,325	88,686	3,360	3.9
Order Volume of overseas subsidiaries				
Overseas subsidiaries	17,376	24,482	7,105	40.9

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2Q FY March 2023 Financial Results (Consolidated)

2

FY March 2023 Financial Results Forecasts (Consolidated)

FY March 2023 Financial Results Forecasts (Consolidated)

1. Highlights and Dividend forecasts

- In light of recent business trends and the order environment, the forecasts of financial results will be revised as follows.

(JPY billion)

Full Year	FY Mar.2022 (Results)	FY Mar.2023 (Forecasts)	Y o Y		FY Mar.2023 (Forecasts as of April 27, 2022)	Comparison to forecasts	
	Amount	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)
Revenue	611.6	690.0	78.3	12.8	670.0	20.0	3.0
Consulting Services	125.4	160.0	34.5	27.5	135.0	25.0	18.5
System Development & System Application Sales	196.0	209.0	12.9	6.6	224.0	(15.0)	(6.7)
System Management & Operation Services	272.9	293.0	20.0	7.4	283.0	10.0	3.5
Product Sales	17.2	28.0	10.7	62.1	28.0	—	—
Operating Profit	106.2	115.0	8.7	8.3	115.0	—	—
Operating Profit Margin	17.4%	16.7%	(0.7P)		17.2%	(0.5P)	
Profit before tax	104.6	113.0	8.3	8.0	113.0	—	—
Profit attributable to owners of parent	71.4	77.0	5.5	7.8	77.0	—	—
Dividends per share(JPY)	40.00	44.00	4.00		44.00	—	
Second quarter(JPY)	19.00	22.00	3.00		22.00	—	
Fiscal year end(JPY)	21.00	22.00	1.00		22.00	—	

* The breakdown of the revenue is classified by products and services.

Forecast Rate	FY Mar.2023 (2H Forecasts)
USD	115.01 yen
AUD	83.43 yen

FY March 2023 Financial Results Forecasts (Consolidated)

2. Revenue Forecasts by segment

(JPY billion)

Full Year	FY Mar.2022 (Results)		FY Mar.2023 (Forecasts)		Y o Y		FY Mar.2023 (Forecasts as of April 27, 2022)	Comparison to forecasts	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Diff.	Change(%)
Consulting	42.8	7.0	45.0	6.5	2.1	5.1	45.0	–	–
Financial IT Solutions	303.6	49.6	326.0	47.2	22.3	7.4	315.0	11.0	3.5
Securities	133.3	21.8	140.0	20.3	6.6	5.0	138.0	2.0	1.4
Insurance	68.8	11.3	77.0	11.2	8.1	11.8	71.0	6.0	8.5
Banking	47.0	7.7	53.0	7.7	5.9	12.6	50.0	3.0	6.0
Other financial	54.3	8.9	56.0	8.1	1.6	3.0	56.0	–	–
Industrial IT Solutions	222.5	36.4	271.0	39.3	48.4	21.8	263.0	8.0	3.0
Distribution	68.2	11.2	72.0	10.4	3.7	5.5	70.0	2.0	2.9
Manufacturing, service and other	154.3	25.2	199.0	28.8	44.6	29.0	193.0	6.0	3.1
IT Platform Services	42.6	7.0	48.0	7.0	5.3	12.7	47.0	1.0	2.1
Total	611.6	100.0	690.0	100.0	78.3	12.8	670.0	20.0	3.0

* The breakdowns of the segments are comprised of revenue by customer sector.

Caution concerning forward-looking statements

The forward-looking statements including business forecasts stated in this document are based on information available to the Company at the present time and certain assumptions (suppositions) judged to be rational, and these statements do not purport to be a promise by the Company to achieve such results. Actual business results, etc. may differ significantly from this forecast due to various factors. Material factors that could possibly affect the actual business results, etc. include, but are not limited to, the domestic and overseas economic situation, demand in the IT services market, competition with competitors, and changes in taxation and other systems. Note that the Company will not always revise business forecasts, etc. upon every occurrence of new information or event.

The text is framed by two decorative swooshes. The top swoosh is a gradient bar transitioning from blue on the left to red on the right. The bottom swoosh is a solid blue bar.

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