

2Q FY March 2021

Financial Results

Nomura Research Institute, Ltd.

October 28, 2020



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2Q FY March 2021 Financial Results (Consolidated)

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FY March 2021 Financial Results Forecasts (Consolidated)

2Q FY March 2021 Financial Results (Consolidated)

1. Highlights

(JPY million)

2nd Quarter Total	1H FY	1H FY	Yo Y		1H FY	Comparison to forecasts		FY Mar.2020
	Mar.2020	Mar.2021	Diff.	Change(%)	Mar.2021 (Forecasts)	Diff.	Change(%)	Amount
Sales	259,153	266,300	7,147	2.8	265,000	1,300	0.5	528,873
Consulting Services	46,143	41,522	(4,621)	(10.0)	43,000	(1,477)	(3.4)	96,862
System Development & System Application Sales	79,898	89,445	9,547	11.9	84,000	5,445	6.5	161,703
System Management & Operation Services	123,845	127,277	3,432	2.8	128,000	(722)	(0.6)	251,908
Product Sales	9,266	8,054	(1,211)	(13.1)	10,000	(1,945)	(19.5)	18,399
Cost of Sales	171,679	178,783	7,103	4.1				348,006
Gross Profit	87,473	87,517	43	0.0				180,866
Gross Profit Margin	33.8%	32.9%	(0.9P)					34.2%
Selling, general and administrative expenses	46,565	48,204	1,638	3.5				97,688
OP(Before goodwill amortization)	42,508	40,788	(1,719)	(4.0)				86,343
Operating Profit	40,908	39,312	(1,595)	(3.9)	39,000	312	0.8	83,178
OPM(Before goodwill amortization)	16.4%	15.3%	(1.1P)					16.3%
Operating Profit Margin	15.8%	14.8%	(1.0P)					15.7%
Non-operating income and loss	866	(338)	(1,205)	—				1,349
Extraordinary income and loss	19,093	371	(18,721)	(98.1)				17,968
Profit attributable to owners of parent	40,893	26,027	(14,865)	(36.4)	27,000	(972)	(3.6)	69,276
Earnings per share(JPY)	60.85	43.58	(17.27)					109.35
Dividends per share(JPY)	15.00	17.00	2.00	13.3%				32.00
EBITDA Margin	22.3%	21.3%	(1.1P)					22.2%

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

2Q FY March 2021 Financial Results (Consolidated)

1. Highlights

(JPY million)

2nd Quarter	2Q FY	2Q FY	Y o Y	
	Mar.2020	Mar.2021	Diff.	Change(%)
	Amount	Amount		
Sales	129,657	135,145	5,487	4.2
Consulting Services	24,946	21,688	(3,257)	(13.1)
System Development & System Application Sales	38,646	45,909	7,262	18.8
System Management & Operation Services	61,531	64,241	2,709	4.4
Product Sales	4,533	3,306	(1,226)	(27.1)
Cost of Sales	86,287	89,510	3,223	3.7
Gross Profit	43,370	45,634	2,264	5.2
Gross Profit Margin	33.5%	33.8%	0.3P	
Selling, general and administrative expenses	22,816	24,500	1,683	7.4
OP(Before goodwill amortization)	21,338	21,901	563	2.6
Operating Profit	20,554	21,134	580	2.8
OPM(Before goodwill amortization)	16.5%	16.2%	(0.3P)	
Operating Profit Margin	15.9%	15.6%	(0.2P)	
Non-operating income and loss	57	(503)	(561)	—
Extraordinary income and loss	19,103	(79)	(19,182)	—
Profit attributable to owners of parent	26,647	13,410	(13,236)	(49.7)
Earnings per share(JPY)	41.00	22.42	(18.57)	
EBITDA Margin	22.2%	22.3%	0.0P	

(JPY million)

1st Quarter	1Q FY	1Q FY	Y o Y	
	Mar.2020	Mar.2021	Diff.	Change(%)
	Amount	Amount		
Sales	129,495	131,154	1,659	1.3
Consulting Services	21,197	19,833	(1,363)	(6.4)
System Development & System Application Sales	41,251	43,536	2,285	5.5
System Management & Operation Services	62,313	63,036	722	1.2
Product Sales	4,733	4,748	14	0.3
Cost of Sales	85,392	89,272	3,879	4.5
Gross Profit	44,102	41,882	(2,220)	(5.0)
Gross Profit Margin	34.1%	31.9%	(2.1P)	
Selling, general and administrative expenses	23,749	23,704	(44)	(0.2)
OP(Before goodwill amortization)	21,170	18,887	(2,283)	(10.8)
Operating Profit	20,353	18,177	(2,175)	(10.7)
OPM(Before goodwill amortization)	16.3%	14.4%	(1.9P)	
Operating Profit Margin	15.7%	13.9%	(1.9P)	
Non-operating income and loss	808	164	(644)	(79.7)
Extraordinary income and loss	(10)	450	460	—
Profit attributable to owners of parent	14,245	12,616	(1,628)	(11.4)
Earnings per share(JPY)	20.52	21.15	0.63	
EBITDA Margin	22.4%	20.2%	(2.2P)	

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2. Segment performance results

① Including Inter-segment sales for each segment

(JPY million)

2nd Quarter Total		1H FY Mar.2020		1H FY Mar.2021		YoY		FY Mar.2020	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	Sales	17,506	6.8	15,793	5.9	(1,712)	(9.8)	39,612	7.5
	Operating Profit	3,297	8.1	2,502	6.4	(794)	(24.1)	9,515	11.4
	Operating Profit Margin	18.8%	/	15.8%	/	(3.0P)	/	24.0%	/
Financial IT Solutions	Sales	136,651	52.7	143,529	53.9	6,877	5.0	276,937	52.4
	Operating Profit	18,230	44.6	18,513	47.1	283	1.6	35,034	42.1
	Operating Profit Margin	13.3%	/	12.9%	/	(0.4P)	/	12.7%	/
Industrial IT Solutions	Sales	90,904	35.1	92,695	34.8	1,790	2.0	181,438	34.3
	Operating Profit	9,983	24.4	9,030	23.0	(953)	(9.5)	19,719	23.7
	Operating Profit Margin	11.0%	/	9.7%	/	(1.2P)	/	10.9%	/
IT Platform Services	Sales	66,605	25.7	67,806	25.5	1,201	1.8	138,833	26.3
	Operating Profit	9,008	22.0	8,904	22.6	(103)	(1.2)	18,454	22.2
	Operating Profit Margin	13.5%	/	13.1%	/	(0.4P)	/	13.3%	/
Inter-segment sales and eliminations	Sales	(52,513)	(20.3)	(53,524)	(20.1)	(1,010)	/	(107,946)	(20.4)
	Operating Profit	388	0.9	361	0.9	(26)	/	454	0.5
Total	Sales	259,153	100.0	266,300	100.0	7,147	2.8	528,873	100.0
	Operating Profit	40,908	100.0	39,312	100.0	(1,595)	(3.9)	83,178	100.0
	Operating Profit Margin	15.8%	/	14.8%	/	(1.0P)	/	15.7%	/

* Including inter-segment sales for each segment.

2Q FY March 2021 Financial Results (Consolidated)

2. Segment performance results

① Including Inter-segment sales for each segment

(JPY million)

2nd Quarter		2Q FY Mar.2020		2Q FY Mar.2021		YoY	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	9,738	7.5	8,694	6.4	(1,043)	(10.7)
	Operating Profit	2,683	13.1	1,832	8.7	(851)	(31.7)
	Operating Profit Margin	27.6%		21.1%		(6.5P)	
Financial IT Solutions	Sales	68,058	52.5	73,208	54.2	5,150	7.6
	Operating Profit	7,917	38.5	10,071	47.7	2,153	27.2
	Operating Profit Margin	11.6%		13.8%		2.1P	
Industrial IT Solutions	Sales	44,434	34.3	46,267	34.2	1,833	4.1
	Operating Profit	4,792	23.3	4,310	20.4	(482)	(10.1)
	Operating Profit Margin	10.8%		9.3%		(1.5P)	
IT Platform Services	Sales	34,648	26.7	34,385	25.4	(262)	(0.8)
	Operating Profit	5,052	24.6	4,638	21.9	(413)	(8.2)
	Operating Profit Margin	14.6%		13.5%		(1.1P)	
Inter-segment sales and eliminations	Sales	(27,221)	(21.0)	(27,410)	(20.3)	(188)	
	Operating Profit	107	0.5	281	1.3	173	
Total	Sales	129,657	100.0	135,145	100.0	5,487	4.2
	Operating Profit	20,554	100.0	21,134	100.0	580	2.8
	Operating Profit Margin	15.9%		15.6%		(0.2P)	

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2. Segment performance results

① Including Inter-segment sales for each segment

(JPY million)

1st Quarter		1Q FY Mar.2020		1Q FY Mar.2021		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	7,767	6.0	7,099	5.4	(668)	(8.6)
	Operating Profit	613	3.0	670	3.7	56	9.2
	Operating Profit Margin	7.9%		9.4%		1.5P	
Financial IT Solutions	Sales	68,592	53.0	70,320	53.6	1,727	2.5
	Operating Profit	10,312	50.7	8,442	46.4	(1,870)	(18.1)
	Operating Profit Margin	15.0%		12.0%		(3.0P)	
Industrial IT Solutions	Sales	46,470	35.9	46,427	35.4	(42)	(0.1)
	Operating Profit	5,190	25.5	4,719	26.0	(471)	(9.1)
	Operating Profit Margin	11.2%		10.2%		(1.0P)	
IT Platform Services	Sales	31,957	24.7	33,421	25.5	1,464	4.6
	Operating Profit	3,955	19.4	4,265	23.5	309	7.8
	Operating Profit Margin	12.4%		12.8%		0.4P	
Inter-segment sales and eliminations	Sales	(25,292)	(19.5)	(26,113)	(19.9)	(821)	
	Operating Profit	280	1.4	80	0.4	(200)	
Total	Sales	129,495	100.0	131,154	100.0	1,659	1.3
	Operating Profit	20,353	100.0	18,177	100.0	(2,175)	(10.7)
	Operating Profit Margin	15.7%		13.9%		(1.9P)	

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2. Segment performance results

② External sales by segment

(JPY million)

2nd Quarter Total	1H FY Mar.2020		1H FY Mar.2021		Y o Y		FY Mar.2020	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	17,173	6.6	15,414	5.8	(1,759)	(10.2)	38,572	7.3
Financial IT Solutions	135,080	52.1	141,658	53.2	6,578	4.9	273,571	51.7
Securities	53,880	20.8	63,546	23.9	9,666	17.9	112,762	21.3
Insurance	33,917	13.1	30,041	11.3	(3,876)	(11.4)	66,374	12.6
Banking	25,161	9.7	24,967	9.4	(194)	(0.8)	51,022	9.6
Other financial	22,120	8.5	23,104	8.7	983	4.4	43,411	8.2
Industrial IT Solutions	89,531	34.5	91,087	34.2	1,556	1.7	178,490	33.7
Distribution	34,427	13.3	30,873	11.6	(3,554)	(10.3)	66,789	12.6
Manufacturing, service and other	55,103	21.3	60,214	22.6	5,110	9.3	111,700	21.1
IT Platform Services	17,367	6.7	18,139	6.8	771	4.4	38,239	7.2
Total	259,153	100.0	266,300	100.0	7,147	2.8	528,873	100.0

(JPY million)

2nd Quarter	2Q FY Mar.2020		2Q FY Mar.2021		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	9,552	7.4	8,498	6.3	(1,053)	(11.0)
Financial IT Solutions	67,052	51.7	72,196	53.4	5,143	7.7
Securities	26,479	20.4	32,909	24.4	6,430	24.3
Insurance	17,205	13.3	15,000	11.1	(2,204)	(12.8)
Banking	12,531	9.7	12,679	9.4	147	1.2
Other financial	10,835	8.4	11,605	8.6	770	7.1
Industrial IT Solutions	43,727	33.7	45,396	33.6	1,669	3.8
Distribution	16,782	12.9	15,345	11.4	(1,437)	(8.6)
Manufacturing, service and other	26,945	20.8	30,051	22.2	3,106	11.5
IT Platform Services	9,325	7.2	9,054	6.7	(271)	(2.9)
Total	129,657	100.0	135,145	100.0	5,487	4.2

(JPY million)

1st Quarter	1Q FY Mar.2020		1Q FY Mar.2021		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	7,621	5.9	6,915	5.3	(706)	(9.3)
Financial IT Solutions	68,027	52.5	69,462	53.0	1,434	2.1
Securities	27,400	21.2	30,636	23.4	3,236	11.8
Insurance	16,711	12.9	15,040	11.5	(1,671)	(10.0)
Banking	12,629	9.8	12,287	9.4	(342)	(2.7)
Other financial	11,285	8.7	11,498	8.8	212	1.9
Industrial IT Solutions	45,804	35.4	45,691	34.8	(112)	(0.2)
Distribution	17,645	13.6	15,527	11.8	(2,117)	(12.0)
Manufacturing, service and other	28,158	21.7	30,163	23.0	2,004	7.1
IT Platform Services	8,041	6.2	9,085	6.9	1,043	13.0
Total	129,495	100.0	131,154	100.0	1,659	1.3

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3. Sales by main client

(JPY million)

2nd Quarter Total	1H FY Mar.2020		1H FY Mar.2021		Y o Y		FY Mar.2020	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Nomura Holdings	31,169	12.0	31,799	11.9	630	2.0	65,049	12.3

* Figures, in principle, include sales to subsidiaries.

(JPY million)

2nd Quarter	2Q FY Mar.2020		2Q FY Mar.2021		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	16,370	12.6	15,724	11.6	(645)	(3.9)

(JPY million)

1st Quarter	1Q FY Mar.2020		1Q FY Mar.2021		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	14,799	11.4	16,074	12.3	1,275	8.6

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4. Overseas Sales

(JPY million)

2nd Quarter Total	1H FY Mar.2020		1H FY Mar.2021		Y o Y		FY Mar.2020	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Overseas sales	24,136	9.3	21,666	8.1	(2,469)	(10.2)	46,752	8.8
North America	4,355	1.7	3,276	1.2	(1,079)	(24.8)	8,625	1.6
Oceania	16,720	6.5	15,692	5.9	(1,028)	(6.2)	31,841	6.0
Asia, Other	3,059	1.2	2,697	1.0	(361)	(11.8)	6,285	1.2

※ Numbers by area are based on location of clients, and numbers per country or area are recorded as reference values.

(JPY million)

2nd Quarter	2Q FY Mar.2020		2Q FY Mar.2021		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Overseas sales	11,449	8.8	11,116	8.2	(332)	(2.9)
North America	2,004	1.5	1,697	1.3	(306)	(15.3)
Oceania	7,847	6.1	8,071	6.0	224	2.9
Asia, Other	1,597	1.2	1,347	1.0	(250)	(15.7)

(JPY million)

1st Quarter	1Q FY Mar.2020		1Q FY Mar.2021		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Overseas sales	12,686	9.8	10,549	8.0	(2,137)	(16.8)
North America	2,351	1.8	1,579	1.2	(772)	(32.9)
Oceania	8,873	6.9	7,620	5.8	(1,252)	(14.1)
Asia, Other	1,462	1.1	1,350	1.0	(111)	(7.7)

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5. Subcontracting Costs

(JPY million)

2nd Quarter Total	1H FY Mar.2020		1H FY Mar.2021		Y o Y		FY Mar.2020	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Subcontracting Costs	79,326	30.6	84,952	31.9	5,625	7.1	161,305	30.5
(Subcontracting Costs to China)	14,132	17.8	15,074	17.7	941	6.7	28,514	17.7

* Share for subcontracting costs shows share of sales.

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

(JPY million)

2nd Quarter	2Q FY Mar.2020		2Q FY Mar.2021		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	40,261	31.1	42,579	31.5	2,318	5.8
(Subcontracting Costs to China)	7,010	17.4	7,897	18.5	887	12.7

(JPY million)

1st Quarter	1Q FY Mar.2020		1Q FY Mar.2021		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	39,064	30.2	42,372	32.3	3,307	8.5
(Subcontracting Costs to China)	7,122	18.2	7,176	16.9	54	0.8

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6. Cash Flow

(JPY million)

2nd Quarter Total	1H FY Mar.	1H FY Mar.	YoY		FY Mar.2020
	2020	2021	Diff.	Change(%)	Amount
Operating Activities	52,898	32,550	(20,348)	(38.5)	102,787
Investing Activities	30,324	(12,097)	(42,421)	—	18,382
(Investing Activities except Cash management purpose investment)	5,531	(14,355)	(19,887)	—	(6,985)
Free Cash Flow	83,223	20,453	(62,770)	(75.4)	121,169
(Free Cash Flow except Cash management purpose investment)	58,430	18,194	(40,236)	(68.9)	95,801
Financing Activities	(132,294)	(2,851)	129,442	(97.8)	(139,857)
Net increase in Cash and cash equivalents	(50,938)	19,817	70,756	—	(22,421)
(Net increase in Cash and cash equivalents except Cash management purpose investment)	(75,731)	17,559	93,290	—	(47,790)
Cash and cash equivalents at end of period	72,262	120,596	48,334	66.9	100,778
Cash and cash equivalents + Cash Management purpose investment	76,951	122,395	45,443	59.1	104,842

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

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7. Capital Expenditure, Research and Development Expenses

(JPY million)

2nd Quarter Total	1H FY Mar. 2020	1H FY Mar. 2021	YoY		FY Mar.2020
	Amount	Amount	Diff.	Change(%)	Amount
Capital Expenditure	13,491	13,898	407	3.0	28,496
Tangible	2,303	3,800	1,496	65.0	6,684
Intangible	11,187	10,098	(1,088)	(9.7)	21,811
Research and Development Expenses	1,768	1,905	136	7.7	4,310

(JPY million)

2nd Quarter	2Q FY Mar. 2020	2Q FY Mar. 2021	YoY	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	7,028	7,020	(8)	(0.1)
Tangible	963	1,871	908	94.2
Intangible	6,064	5,148	(916)	(15.1)
Research and Development Expenses	1,088	1,139	51	4.7

(JPY million)

1st Quarter	1Q FY Mar. 2020	1Q FY Mar. 2021	YoY	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	6,462	6,878	416	6.4
Tangible	1,339	1,928	588	43.9
Intangible	5,122	4,950	(172)	(3.4)
Research and Development Expenses	679	765	85	12.6

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8. Depreciation and Amortization

(JPY million)

2nd Quarter Total	1H FY Mar. 2020	1H FY Mar. 2021	Y o Y		FY Mar.2020
	Amount	Amount	Diff.	Change(%)	Amount
Tangible	4,459	4,600	141	3.2	9,439
Intangible	10,705	10,954	248	2.3	20,974
Depreciation and Amortization	15,164	15,554	389	2.6	30,414

(JPY million)

2nd Quarter	2Q FY Mar. 2020	2Q FY Mar. 2021	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,310	2,342	32	1.4
Intangible	5,040	5,587	547	10.9
Depreciation and Amortization	7,351	7,930	579	7.9

(JPY million)

1st Quarter	1Q FY Mar. 2020	1Q FY Mar. 2021	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,148	2,257	109	5.1
Intangible	5,665	5,366	(298)	(5.3)
Depreciation and Amortization	7,813	7,624	(189)	(2.4)

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9. Order Backlog by segment (Total)

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar. 2020	2Q FY Mar. 2021	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	7,945	10,341	2,396	30.2
Financial IT Solutions	93,320	107,104	13,784	14.8
Industrial IT Solutions	59,007	57,130	(1,876)	(3.2)
IT Platform Services	9,618	10,829	1,211	12.6
Total	169,891	185,406	15,514	9.1
(Order backlog in the current FY)	162,810	173,973	11,163	6.9

(JPY million)

At the end of the 1st Quarter	1Q FY Mar. 2020	1Q FY Mar. 2021	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	9,954	10,743	788	7.9
Financial IT Solutions	128,894	143,736	14,842	11.5
Industrial IT Solutions	83,708	76,618	(7,089)	(8.5)
IT Platform Services	12,558	13,199	641	5.1
Total	235,115	244,297	9,182	3.9
(Order backlog in the current FY)	228,872	235,264	6,391	2.8

(JPY million)

At beginning of period	FY Mar. 2020	FY Mar. 2021	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	3,559	4,339	779	21.9
Financial IT Solutions	154,930	165,449	10,518	6.8
Industrial IT Solutions	100,572	98,949	(1,623)	(1.6)
IT Platform Services	14,609	17,041	2,431	16.6
Total	273,672	285,779	12,106	4.4
(Order backlog in the current FY)	269,895	282,004	12,108	4.5

2Q FY March 2021 Financial Results (Consolidated)

9. Order Backlog by segment (Domestic/International)

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar.	2Q FY Mar.	Y o Y	
	2020	2021	Diff.	Change(%)
	Amount	Amount		
Order backlog domestically				
Consulting	7,436	9,759	2,322	31.2
Financial IT Solutions	92,769	106,688	13,919	15.0
Industrial IT Solutions	40,273	42,646	2,373	5.9
IT Platform Services	9,618	10,829	1,211	12.6
Total	150,097	169,923	19,825	13.2
Order backlog of overseas subsidiaries				
Overseas subsidiaries	19,793	15,482	(4,311)	(21.8)

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

(JPY million)

At the end of the 1st Quarter	1Q FY Mar.	1Q FY Mar.	Y o Y	
	2020	2021	Diff.	Change(%)
	Amount	Amount		
Order backlog domestically				
Consulting	9,550	10,147	597	6.3
Financial IT Solutions	128,282	143,047	14,765	11.5
Industrial IT Solutions	57,660	56,346	(1,313)	(2.3)
IT Platform Services	12,558	13,199	641	5.1
Total	208,051	222,741	14,690	7.1
Order backlog of overseas subsidiaries				
Overseas subsidiaries	27,064	21,556	(5,507)	(20.4)

(JPY million)

At beginning of period	FY Mar.	FY Mar.	Y o Y	
	2020	2021	Diff.	Change(%)
	Amount	Amount		
Order backlog domestically				
Consulting	3,253	4,043	790	24.3
Financial IT Solutions	154,568	165,143	10,575	6.8
Industrial IT Solutions	69,368	68,913	(454)	(0.7)
IT Platform Services	14,609	17,041	2,431	16.6
Total	241,799	255,141	13,342	5.5
Order backlog of overseas subsidiaries				
Overseas subsidiaries	31,873	30,637	(1,235)	(3.9)

2Q FY March 2021 Financial Results (Consolidated)

10. Order Volume by segment (Total)

(JPY million)

2nd Quarter Total	1H FY Mar. 2020	1H FY Mar. 2021	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	21,559	21,416	(143)	(0.7)
Financial IT Solutions	73,470	83,314	9,843	13.4
Industrial IT Solutions	47,966	49,268	1,302	2.7
IT Platform Services	12,376	11,927	(448)	(3.6)
Total	155,372	165,927	10,554	6.8

(JPY million)

2nd Quarter	2Q FY Mar. 2020	2Q FY Mar. 2021	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	7,542	8,096	554	7.3
Financial IT Solutions	31,479	35,564	4,085	13.0
Industrial IT Solutions	19,026	25,908	6,882	36.2
IT Platform Services	6,385	6,683	298	4.7
Total	64,433	76,253	11,820	18.3

(JPY million)

1st Quarter	1Q FY Mar. 2020	1Q FY Mar. 2021	YoY	
	Amount	Amount	Diff.	Change(%)
Consulting	14,016	13,319	(697)	(5.0)
Financial IT Solutions	41,991	47,749	5,758	13.7
Industrial IT Solutions	28,939	23,360	(5,579)	(19.3)
IT Platform Services	5,990	5,243	(746)	(12.5)
Total	90,938	89,673	(1,265)	(1.4)

2Q FY March 2021 Financial Results (Consolidated)

10. Order Volume by segment (Domestic/International)

(JPY million)

2nd Quarter Total	1H FY Mar.	1H FY Mar.	Y o Y	
	2020	2021	Diff.	Change(%)
	Amount	Amount		
Order Volume domestically				
Consulting	19,467	19,797	330	1.7
Financial IT Solutions	71,515	81,518	10,002	14.0
Industrial IT Solutions	39,629	46,110	6,481	16.4
IT Platform Services	12,277	11,791	(486)	(4.0)
Total	142,890	159,218	16,327	11.4
Order Volume of overseas subsidiaries				
Overseas subsidiaries	12,481	6,708	(5,772)	(46.2)

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

(JPY million)

2nd Quarter	2Q FY Mar.	2Q FY Mar.	Y o Y	
	2020	2021	Diff.	Change(%)
	Amount	Amount		
Order Volume domestically				
Consulting	6,458	7,380	922	14.3
Financial IT Solutions	30,698	34,969	4,271	13.9
Industrial IT Solutions	16,528	22,132	5,604	33.9
IT Platform Services	6,331	6,614	283	4.5
Total	60,016	71,097	11,081	18.5
Order Volume of overseas subsidiaries				
Overseas subsidiaries	4,417	5,156	738	16.7

(JPY million)

1st Quarter	1Q FY Mar.	1Q FY Mar.	Y o Y	
	2020	2021	Diff.	Change(%)
	Amount	Amount		
Order Volume domestically				
Consulting	13,009	12,417	(592)	(4.6)
Financial IT Solutions	40,817	46,549	5,731	14.0
Industrial IT Solutions	23,101	23,978	876	3.8
IT Platform Services	5,946	5,176	(769)	(12.9)
Total	82,874	88,120	5,246	6.3
Order Volume of overseas subsidiaries				
Overseas subsidiaries	8,063	1,552	(6,511)	(80.7)

1

2Q FY March 2021 Financial Results (Consolidated)

2

FY March 2021 Financial Results Forecasts (Consolidated)

FY March 2021 Financial Results Forecasts (Consolidated)

1. Highlights and Dividend forecasts

- There is no change to the financial results forecasts announced on April 28, 2020. But, we have revised the breakdown of sales.
- We are forecasting our consolidated performance for the current accounting year ending in March 2021 based on the assumption that our business climate will gradually return to normal leading up to the end of the year. With that in mind, we may revise the forecast depending on how well the COVID-19 pandemic is contained.

(JPY billion)

	FY Mar.2020	FY Mar.2021	YoY		FY Mar.2021	Comparison to forecasts	
	(Results)	(Forecasts)			(Forecasts as of April 28,2020)		
	Amount	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)
Sales	528.8	540.0	11.1	2.1	540.0	—	—
Consulting Services	96.8	90.0	(6.8)	(7.1)	96.0	(6.0)	(6.3)
System Development & System Application Sales	161.7	179.0	17.2	10.7	168.0	11.0	6.5
System Management & Operation Services	251.9	256.0	4.0	1.6	258.0	(2.0)	(0.8)
Product Sales	18.3	15.0	(3.3)	(18.5)	18.0	(3.0)	(16.7)
Operating Profit	83.1	83.0	(0.1)	(0.2)	83.0	—	—
(Operating Profit Margin)	15.7%	15.4%	(0.4P)		15.4%	—	
Profit attributable to owners of parent	69.2	59.0	(10.2)	(14.8)	59.0	—	—
Dividends per share(JPY)	32.00	34.00	2.00	6.3	34.00	—	—
Second quarter(JPY)	15.00	17.00	2.00	13.3	17.00	—	—
Fiscal year end(JPY)	17.00	17.00	—	—	17.00	—	—

FY March 2021 Financial Results Forecasts (Consolidated)

2. Sales Forecasts by segment

(JPY billion)

	FY Mar.2020 (Results)		FY Mar.2021 (Forecasts)		YoY		FY Mar.2021 (Forecasts as of April 28,2020)		
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Comparison to forecasts		
							Amount	Diff.	Change(%)
Consulting	38.5	7.3	36.0	6.7	(2.5)	(6.7)	36.0	—	—
Financial IT Solutions	273.5	51.7	282.0	52.2	8.4	3.1	285.0	(3.0)	(1.1)
Securities	112.7	21.3	125.0	23.1	12.2	10.9	125.0	—	—
Insurance	66.3	12.6	60.0	11.1	(6.3)	(9.6)	64.0	(4.0)	(6.3)
Banking	51.0	9.6	51.0	9.4	(0.0)	(0.0)	51.0	—	—
Other financial	43.4	8.2	46.0	8.5	2.5	6.0	45.0	1.0	2.2
Industrial IT Solutions	178.4	33.7	184.0	34.1	5.5	3.1	177.0	7.0	4.0
Distribution	66.7	12.6	63.0	11.7	(3.7)	(5.7)	66.0	(3.0)	(4.5)
Manufacturing, service and other	111.7	21.1	121.0	22.4	9.2	8.3	111.0	10.0	9.0
IT Platform Services	38.2	7.2	38.0	7.0	(0.2)	(0.6)	42.0	(4.0)	(9.5)
Total	528.8	100.0	540.0	100.0	11.1	2.1	540.0	—	—

3. Capital Expenditure

- We have revised Capital Expenditure announced on April 28, 2020.

(JPY billion)

	FY Mar.2020 (Results)		FY Mar.2021 (Forecasts)		YoY		FY Mar.2021 (Forecasts as of April 28,2020)		
	Amount	Amount	Diff.	Change(%)	Comparison to forecasts				
					Amount	Diff.	Change(%)		
Capital Expenditure	28.4	35.0	6.5	22.8	38.0	(3.0)	(7.9)		
Tangible	6.6	10.0	3.3	49.6	13.0	(3.0)	(23.1)		
Intangible	21.8	25.0	3.1	14.6	25.0	—	—		
Research and Development Expenses	4.3	4.0	(0.3)	(7.2)	4.0	—	—		

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment.

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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