

3Q FY March 2021

Financial Results

Nomura Research Institute, Ltd.

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1

3Q FY March 2021 Financial Results (Consolidated)

2

FY March 2021 Financial Results Forecasts (Consolidated)

3Q FY March 2021 Financial Results (Consolidated)

1. Highlights

(JPY million)

3rd Quarter Total	3Q FY	Progress	3Q FY	Progress	Y o Y		FY Mar.2020
	Mar.2020		Mar.2021		Diff.	Change(%)	
	Amount	(%)	Amount	(%)			Amount
Sales	390,545	73.8	404,466	74.9	13,921	3.6	528,873
Consulting Services	70,926	73.2	64,827	72.0	(6,099)	(8.6)	96,862
System Development & System Application Sales	119,769	74.1	135,517	75.7	15,747	13.1	161,703
System Management & Operation Services	186,806	74.2	192,169	75.1	5,363	2.9	251,908
Product Sales	13,042	70.9	11,951	79.7	(1,090)	(8.4)	18,399
Cost of Sales	257,149		268,267		11,118	4.3	348,006
Gross Profit	133,395		136,198		2,802	2.1	180,866
Gross Profit Margin	34.2%		33.7%		(0.5P)		34.2%
Selling, general and administrative expenses	71,289		73,051		1,762	2.5	97,688
OP(Before goodwill amortization)	64,498		65,395		897	1.4	86,343
Operating Profit	62,106	74.7	63,146	76.1	1,040	1.7	83,178
OPM(Before goodwill amortization)	16.5%		16.2%		(0.3P)		16.3%
Operating Profit Margin	15.9%		15.6%		(0.3P)		15.7%
Non-operating income and loss	984		(109)		(1,094)	—	1,349
Extraordinary income and loss	19,188		3,902		(15,285)	(79.7)	17,968
Profit attributable to owners of parent	55,604	80.3	44,792	75.9	(10,811)	(19.4)	69,276
Earnings per share(JPY)	86.06		74.93		(11.13)		109.35
EBITDA Margin	22.4%		22.0%		(0.4P)		22.2%

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

3Q FY March 2021 Financial Results (Consolidated)

1. Highlights

(JPY million)

3rd Quarter	3Q FY	3Q FY	Y o Y	
	Mar.2019	Mar.2020	Diff.	Change(%)
	Amount	Amount		
Sales	131,391	138,165	6,774	5.2
Consulting Services	24,782	23,304	(1,477)	(6.0)
System Development & System Application Sales	39,871	46,071	6,199	15.5
System Management & Operation Services	62,961	64,892	1,931	3.1
Product Sales	3,775	3,896	120	3.2
Cost of Sales	85,470	89,484	4,014	4.7
Gross Profit	45,921	48,681	2,759	6.0
Gross Profit Margin	35.0%	35.2%	0.3P	
Selling, general and administrative expenses	24,723	24,846	123	0.5
OP(Before goodwill amortization)	21,990	24,607	2,617	11.9
Operating Profit	21,198	23,834	2,636	12.4
OPM(Before goodwill amortization)	16.7%	17.8%	1.1P	
Operating Profit Margin	16.1%	17.3%	1.1P	
Non-operating income and loss	117	229	111	94.6
Extraordinary income and loss	94	3,530	3,436	—
Profit attributable to owners of parent	14,711	18,764	4,053	27.6
Earnings per share(JPY)	24.75	31.34	6.59	
EBITDA Margin	22.5%	23.5%	1.0P	

(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	

3Q FY March 2021 Financial Results (Consolidated)

1. Highlights

(JPY million)

1st Quarter	1Q FY	1Q FY	Y o Y	
	Mar.2020	Mar.2021	Diff.	Change(%)
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)	

3Q FY March 2021 Financial Results (Consolidated)

2. Segment performance results

① Including Inter-segment sales for each segment

(JPY million)

3rd Quarter Total		3Q FY Mar.2020		3Q FY Mar.2021		Y o Y		FY Mar.2020	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	Sales	27,626	7.1	25,974	6.4	(1,652)	(6.0)	39,612	7.5
	Operating Profit	5,691	9.2	5,444	8.6	(247)	(4.3)	9,515	11.4
	Operating Profit Margin	20.6%		21.0%		0.4P		24.0%	
Financial IT Solutions	Sales	204,528	52.4	216,496	53.5	11,967	5.9	276,937	52.4
	Operating Profit	26,935	43.4	29,022	46.0	2,087	7.7	35,034	42.1
	Operating Profit Margin	13.2%		13.4%		0.2P		12.7%	
Industrial IT Solutions	Sales	135,932	34.8	139,838	34.6	3,905	2.9	181,438	34.3
	Operating Profit	14,503	23.4	14,050	22.2	(453)	(3.1)	19,719	23.7
	Operating Profit Margin	10.7%		10.0%		(0.6P)		10.9%	
IT Platform Services	Sales	102,096	26.1	104,103	25.7	2,006	2.0	138,833	26.3
	Operating Profit	14,275	23.0	14,245	22.6	(29)	(0.2)	18,454	22.2
	Operating Profit Margin	14.0%		13.7%		(0.3P)		13.3%	
Inter-segment sales and eliminations	Sales	(79,639)	(20.4)	(81,945)	(20.3)	(2,306)		(107,946)	(20.4)
	Operating Profit	699	1.1	383	0.6	(316)		454	0.5
Total	Sales	390,545	100.0	404,466	100.0	13,921	3.6	528,873	100.0
	Operating Profit	62,106	100.0	63,146	100.0	1,040	1.7	83,178	100.0
	Operating Profit Margin	15.9%		15.6%		(0.3P)		15.7%	

* Including inter-segment sales for each segment.

3Q FY March 2021 Financial Results (Consolidated)

2. Segment performance results

① Including Inter-segment sales for each segment

(JPY million)

3rd Quarter		3Q FY Mar.2020		3Q FY Mar.2021		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	10,120	7.7	10,180	7.4	60	0.6
	Operating Profit	2,393	11.3	2,941	12.3	547	22.9
	Operating Profit Margin	23.7%		28.9%		5.2P	
Financial IT Solutions	Sales	67,877	51.7	72,967	52.8	5,089	7.5
	Operating Profit	8,705	41.1	10,509	44.1	1,803	20.7
	Operating Profit Margin	12.8%		14.4%		1.6P	
Industrial IT Solutions	Sales	45,028	34.3	47,143	34.1	2,114	4.7
	Operating Profit	4,519	21.3	5,019	21.1	499	11.1
	Operating Profit Margin	10.0%		10.6%		0.6P	
IT Platform Services	Sales	35,490	27.0	36,296	26.3	805	2.3
	Operating Profit	5,267	24.8	5,341	22.4	74	1.4
	Operating Profit Margin	14.8%		14.7%		(0.1P)	
Inter-segment sales and eliminations	Sales	(27,125)	(20.6)	(28,421)	(20.6)	(1,296)	
	Operating Profit	311	1.5	21	0.1	(289)	
Total	Sales	131,391	100.0	138,165	100.0	6,774	5.2
	Operating Profit	21,198	100.0	23,834	100.0	2,636	12.4
	Operating Profit Margin	16.1%		17.3%		1.1P	

3Q 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		Y o Y	
		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)	/

3Q FY March 2021 Financial Results (Consolidated)

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)	

3Q FY March 2021 Financial Results (Consolidated)

2. Segment performance results

② External sales by segment

(JPY million)

3rd Quarter Total	3Q FY Mar.2020		3Q FY Mar.2021		Y o Y		FY Mar.2020	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	27,062	6.9	25,371	6.3	(1,691)	(6.3)	38,572	7.3
Financial IT Solutions	202,560	51.9	213,675	52.8	11,114	5.5	273,571	51.7
Securities	81,465	20.9	96,357	23.8	14,891	18.3	112,762	21.3
Insurance	50,162	12.8	44,946	11.1	(5,216)	(10.4)	66,374	12.6
Banking	38,114	9.8	37,293	9.2	(821)	(2.2)	51,022	9.6
Other financial	32,817	8.4	35,077	8.7	2,260	6.9	43,411	8.2
Industrial IT Solutions	133,778	34.3	137,345	34.0	3,567	2.7	178,490	33.7
Distribution	50,895	13.0	46,451	11.5	(4,443)	(8.7)	66,789	12.6
Manufacturing, service and other	82,883	21.2	90,894	22.5	8,011	9.7	111,700	21.1
IT Platform Services	27,143	7.0	28,074	6.9	930	3.4	38,239	7.2
Total	390,545	100.0	404,466	100.0	13,921	3.6	528,873	100.0

(JPY million)

3rd Quarter	3Q FY Mar.2020		3Q FY Mar.2021		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	9,888	7.5	9,956	7.2	67	0.7
Financial IT Solutions	67,480	51.4	72,016	52.1	4,536	6.7
Securities	27,585	21.0	32,811	23.7	5,225	18.9
Insurance	16,245	12.4	14,905	10.8	(1,339)	(8.2)
Banking	12,952	9.9	12,326	8.9	(626)	(4.8)
Other financial	10,696	8.1	11,973	8.7	1,277	11.9
Industrial IT Solutions	44,246	33.7	46,257	33.5	2,011	4.5
Distribution	16,467	12.5	15,577	11.3	(889)	(5.4)
Manufacturing, service and other	27,779	21.1	30,679	22.2	2,900	10.4
IT Platform Services	9,775	7.4	9,934	7.2	158	1.6
Total	131,391	100.0	138,165	100.0	6,774	5.2

(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

3Q FY March 2021 Financial Results (Consolidated)

2. Segment performance results

② External sales by segment

(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

3Q FY March 2021 Financial Results (Consolidated)

3. Sales by main client

(JPY million)

3rd Quarter Total	3Q FY Mar.2020		3Q FY Mar.2021		Y o Y		FY Mar.2020	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Nomura Holdings	47,761	12.2	48,481	12.0	720	1.5	65,049	12.3

* Figures, in principle, include sales to subsidiaries.

(JPY million)

3rd Quarter	3Q FY Mar.2020		3Q FY Mar.2021		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	16,591	12.6	16,681	12.1	89	0.5

(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

2Q FY March 2021 Financial Results (Consolidated)

4. Overseas Sales

(JPY million)

3rd Quarter Total	3Q FY Mar.2020		3Q FY Mar.2021		Y o Y		FY Mar.2020	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Overseas sales	35,618	9.1	32,216	8.0	(3,401)	(9.6)	46,752	8.8
North America	6,389	1.6	4,698	1.2	(1,691)	(26.5)	8,625	1.6
Oceania	24,597	6.3	23,437	5.8	(1,160)	(4.7)	31,841	6.0
Asia, Other	4,630	1.2	4,080	1.0	(550)	(11.9)	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)

3rd Quarter	3Q FY Mar.2020		3Q FY Mar.2021		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Overseas sales	11,481	8.7	10,550	7.6	(931)	(8.1)
North America	2,033	1.5	1,421	1.0	(612)	(30.1)
Oceania	7,876	6.0	7,745	5.6	(131)	(1.7)
Asia, Other	1,571	1.2	1,383	1.0	(188)	(12.0)

(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)

3Q FY March 2021 Financial Results (Consolidated)

5. Subcontracting Costs

(JPY million)

3rd Quarter Total	3Q FY Mar.2020		3Q FY Mar.2021		Y o Y		FY Mar.2020	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Subcontracting Costs	119,192	30.5	127,640	31.6	8,447	7.1	161,305	30.5
(Subcontracting Costs to China)	21,073	17.7	23,623	18.5	2,550	12.1	28,514	17.7

* Share for subcontracting costs shows share of sales.

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

(JPY million)

3rd Quarter	3Q FY Mar.2020		3Q FY Mar.2021		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	39,866	30.3	42,688	30.9	2,822	7.1
(Subcontracting Costs to China)	6,940	17.4	8,549	20.0	1,608	23.2

(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

3Q FY March 2021 Financial Results (Consolidated)

6. Cash Flow

(JPY million)

3rd Quarter Total	3Q FY Mar.	3Q FY Mar.	Y o Y		FY Mar.2020
	2020	2021	Diff.	Change(%)	Amount
Operating Activities	74,856	50,891	(23,965)	(32.0)	102,787
Investing Activities	23,344	(15,158)	(38,502)	—	18,382
(Investing Activities except Cash management purpose investment)	(2,267)	(17,423)	(15,156)	668.5	(6,985)
Free Cash Flow	98,200	35,732	(62,468)	(63.6)	121,169
(Free Cash Flow except Cash management purpose investment)	72,589	33,467	(39,121)	(53.9)	95,801
Financing Activities	(140,616)	(13,982)	126,633	(90.1)	(139,857)
Net increase in Cash and cash equivalents	(43,363)	22,036	65,399	—	(22,421)
(Net increase in Cash and cash equivalents except Cash management purpose investment)	(68,974)	19,771	88,746	—	(47,790)
Cash and cash equivalents at end of period	79,837	122,815	42,978	53.8	100,778
Cash and cash equivalents + Cash Management purpose investment	83,717	124,441	40,723	48.6	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.

3Q FY March 2021 Financial Results (Consolidated)

7. Capital Expenditure, Research and Development Expenses

(JPY million)

3rd Quarter Total	3Q FY Mar. 2020	3Q FY Mar. 2021	Y o Y		FY Mar.2020
	Amount	Amount	Diff.	Change(%)	Amount
Capital Expenditure	19,980	20,781	801	4.0	28,496
Tangible	3,688	4,927	1,238	33.6	6,684
Intangible	16,292	15,854	(437)	(2.7)	21,811
Research and Development Expenses	2,887	3,089	201	7.0	4,310

(JPY million)

3rd Quarter	3Q FY Mar. 2020	3Q FY Mar. 2021	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	6,489	6,883	393	6.1
Tangible	1,384	1,127	(257)	(18.6)
Intangible	5,104	5,755	651	12.8
Research and Development Expenses	1,119	1,184	64	5.8

(JPY million)

2nd Quarter	2Q FY Mar. 2020	2Q FY Mar. 2021	Y o Y	
	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	Y o Y	
	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

3Q FY March 2021 Financial Results (Consolidated)

8. Depreciation and Amortization

(JPY million)

3rd Quarter Total	3Q FY Mar. 2020	3Q FY Mar. 2021	Y o Y		FY Mar.2020
	Amount	Amount	Diff.	Change(%)	Amount
Tangible	6,856	7,011	155	2.3	9,439
Intangible	15,804	16,399	595	3.8	20,974
Depreciation and Amortization	22,660	23,411	750	3.3	30,414

(JPY million)

3rd Quarter	3Q FY Mar. 2020	3Q FY Mar. 2021	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,397	2,411	14	0.6
Intangible	5,098	5,445	347	6.8
Depreciation and Amortization	7,495	7,856	361	4.8

(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)

3Q FY March 2021 Financial Results (Consolidated)

9. Order Backlog by segment (Total)

(JPY million)

At the end of the 3rd Quarter	3Q FY Mar. 2020	3Q FY Mar. 2021	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	7,364	8,733	1,368	18.6
Financial IT Solutions	62,960	70,490	7,530	12.0
Industrial IT Solutions	35,046	40,008	4,961	14.2
IT Platform Services	6,815	8,648	1,833	26.9
Total	112,186	127,880	15,693	14.0
(Order backlog in the current FY)	98,692	108,850	10,158	10.3

(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

3Q FY March 2021 Financial Results (Consolidated)

9. Order Backlog by segment (Domestic/International)

(JPY million)

At the end of the 3rd Quarter	3Q FY Mar.	3Q FY Mar.	Y o Y	
	2020	2021	Diff.	Change(%)
	Amount	Amount		
Order backlog domestically				
Consulting	6,906	8,126	1,220	17.7
Financial IT Solutions	62,544	70,043	7,499	12.0
Industrial IT Solutions	24,938	31,911	6,973	28.0
IT Platform Services	6,815	8,648	1,833	26.9
Total	101,203	118,730	17,526	17.3
Order backlog of overseas subsidiaries				
Overseas subsidiaries	10,982	9,150	(1,832)	(16.7)

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

(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)

(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)

3rd Quarter Total	3Q FY Mar. 2020	3Q FY Mar. 2021	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	30,867	29,764	(1,102)	(3.6)
Financial IT Solutions	110,590	118,716	8,126	7.3
Industrial IT Solutions	68,252	78,404	10,152	14.9
IT Platform Services	19,349	19,681	332	1.7
Total	229,059	246,567	17,507	7.6

(JPY million)

3rd Quarter	3Q FY Mar. 2020	3Q FY Mar. 2021	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	9,307	8,348	(959)	(10.3)
Financial IT Solutions	37,119	35,401	(1,717)	(4.6)
Industrial IT Solutions	20,286	29,135	8,849	43.6
IT Platform Services	6,973	7,754	780	11.2
Total	73,687	80,640	6,953	9.4

(JPY million)

2nd Quarter	2Q FY Mar. 2020	2Q FY Mar. 2021	Y o Y	
	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	Y o Y	
	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)

3Q FY March 2021 Financial Results (Consolidated)

10. Order Volume by segment (Domestic/International)

(JPY million)

3rd Quarter Total	3Q FY Mar. 2020	3Q FY Mar. 2021	Y o Y	
	Amount	Amount	Diff.	Change(%)
Order Volume domestically				
Consulting	27,729	27,331	(397)	(1.4)
Financial IT Solutions	107,935	116,156	8,220	7.6
Industrial IT Solutions	58,670	72,440	13,769	23.5
IT Platform Services	19,200	19,463	262	1.4
Total	213,536	235,391	21,855	10.2
Order Volume of overseas subsidiaries				
Overseas subsidiaries	15,522	11,175	(4,347)	(28.0)

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

(JPY million)

3rd Quarter	3Q FY Mar. 2020	3Q FY Mar. 2021	Y o Y	
	Amount	Amount	Diff.	Change(%)
Order Volume domestically				
Consulting	8,261	7,533	(727)	(8.8)
Financial IT Solutions	36,419	34,637	(1,782)	(4.9)
Industrial IT Solutions	19,041	26,329	7,288	38.3
IT Platform Services	6,923	7,672	748	10.8
Total	70,645	76,173	5,527	7.8
Order Volume of overseas subsidiaries				
Overseas subsidiaries	3,041	4,466	1,425	46.9

(JPY million)

2nd Quarter	2Q FY Mar. 2020	2Q FY Mar. 2021	Y o Y	
	Amount	Amount	Diff.	Change(%)
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

3Q FY March 2021 Financial Results (Consolidated)

10. Order Volume by segment (Domestic/International)

(JPY million)

1st Quarter	1Q FY Mar. 2020	1Q FY Mar. 2021	Y o Y	
	Amount	Amount	Diff.	Change(%)
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 3Q 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

- It is still uncertain when COVID-19 will come to an end, but in light of recent business trends and the order environment, the forecasts of financial results will be revised as follows. As such, the forecasts are subject to change depending on the containment status of COVID-19.

(JPY billion)

	FY Mar.2020	FY Mar.2021	Y o Y		FY Mar.2021	Comparison to	
	(Results)	(Forecasts)	Diff.	Change(%)	(Forecasts as of October 28,2020)	Diff.	Change(%)
	Amount	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)
Sales	528.8	550.0	21.1	4.0	540.0	10.0	1.9
Consulting Services	96.8	90.0	(6.8)	(7.1)	90.0	—	—
System Development & System Application Sales	161.7	187.0	25.2	15.6	179.0	8.0	4.5
System Management & Operation Services	251.9	258.0	6.0	2.4	256.0	2.0	0.8
Product Sales	18.3	15.0	(3.3)	(18.5)	15.0	—	—
Operating Profit	83.1	86.0	2.8	3.4	83.0	3.0	3.6
(Operating Profit Margin)	15.7%	15.6%	(0.1P)		15.4%	0.3P	
Profit attributable to owners of parent	69.2	65.0	(4.2)	(6.2)	59.0	6.0	10.2
Dividends per share(JPY)	32.00	36.00	4.00		34.00	2.00	
Second quarter(JPY)	15.00	17.00	2.00		17.00	—	
Fiscal year end(JPY)	17.00	19.00	2.00		17.00	2.00	

FY March 2021 Financial Results Forecasts (Consolidated)

2. Sales Forecasts by segment

(JPY billion)

	FY Mar.2020 (Results)		FY Mar.2021 (Forecasts)		Y o Y		FY Mar.2021 (Forecasts as of October 28,2020 Comparison to forecasts		
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Diff.	Change(%)
Consulting	38.5	7.3	38.0	6.9	(0.5)	(1.5)	36.0	2.0	5.6
Financial IT Solutions	273.5	51.7	285.0	51.8	11.4	4.2	282.0	3.0	1.1
Securities	112.7	21.3	127.0	23.1	14.2	12.6	125.0	2.0	1.6
Insurance	66.3	12.6	60.0	10.9	(6.3)	(9.6)	60.0	—	—
Banking	51.0	9.6	51.0	9.3	(0.0)	(0.0)	51.0	—	—
Other financial	43.4	8.2	47.0	8.5	3.5	8.3	46.0	1.0	2.2
Industrial IT Solutions	178.4	33.7	187.0	34.0	8.5	4.8	184.0	3.0	1.6
Distribution	66.7	12.6	63.0	11.5	(3.7)	(5.7)	63.0	—	—
Manufacturing, service and other	111.7	21.1	124.0	22.5	12.2	11.0	121.0	3.0	2.5
IT Platform Services	38.2	7.2	40.0	7.3	1.7	4.6	38.0	2.0	5.3
Total	528.8	100.0	550.0	100.0	21.1	4.0	540.0	10.0	1.9

3. Capital Expenditure

(JPY billion)

	FY Mar.2020 (Results)		FY Mar.2021 (Forecasts)		Y o Y		FY Mar.2021 (Forecasts as of October 28,2020 Comparison to forecasts			
	Amount	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)	Amount	Diff.	Change(%)
Capital Expenditure	28.4	30.0	1.5	5.3	35.0	(5.0)	(14.3)			
Tangible	6.6	7.0	0.3	4.7	10.0	(3.0)	(30.0)			
Intangible	21.8	23.0	1.1	5.4	25.0	(2.0)	(8.0)			
Research and Development Expense	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.

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