

3Q FY March 2016 Financial Results

January 28, 2016

Nomura Research Institute, Ltd.

I . 3Q FY March 2016 Financial Results (Consolidated)

II . FY March 2016 Financial Results Forecasts (Consolidated)

I .3Q FY March 2016 Financial Results (Consolidated)



(1) Highlights

(JPY million)

3rd Quarter Total	3Q FY Mar.2015		3Q FY Mar.2016		Yo Y		FY Mar.2015
	Amount	Progress (%)	Amount	Progress (%)	Diff.	Change(%)	Amount
Sales	300,782	74.1	313,621	73.8	12,839	4.3	405,984
Consulting Services	34,031	72.2	38,387	75.3	4,355	12.8	47,110
System Development & System Application Sales	101,777	74.4	109,741	72.7	7,963	7.8	136,710
System Management & Operation Services	153,167	74.1	158,411	73.7	5,243	3.4	206,698
Product Sales	11,805	76.3	7,081	88.5	(4,723)	(40.0)	15,465
Cost of Sales	215,384		214,352		(1,031)	(0.5)	289,210
Gross Profit	85,398		99,268		13,870	16.2	116,774
(Gross Profit Margin)	28.4%		31.7%		3.3P		28.8%
Selling, general and administrative expenses	48,221		56,039		7,817	16.2	65,287
Operating Profit	37,176	72.2	43,229	74.5	6,053	16.3	51,486
(Operating Profit Margin)	12.4%		13.8%		1.4P		12.7%
Non-operating income and loss	1,193		2,095		902	75.6	1,455
Extraordinary income and loss	11,019		1,233		(9,786)	(88.8)	6,132
Profit attributable to owners of parent	33,646	86.5	31,914	77.8	(1,732)	(5.1)	38,880
Earnings per share(JPY)	153.11		141.42		(11.68)		176.79

※The Company implemented a 1:1.1 stock split effective October 1, 2015.

Earnings per share shows the amount calculated assuming that the stock split was implemented at the beginning of the previous fiscal year.

NRI has applied the Accounting Standard for Business Combinations(ASBJ Statement No.21, September 13, 2013) etc. starting in the first quarter of the current fiscal year. As this change in accounting policy, net income has been changed to profit attributable to owners of the parent.

I .3Q FY March 2016 Financial Results (Consolidated)

(JPY million)

3rd Quarter	3Q FY	3Q FY	YoY	
	Mar.2015	Mar.2016	Diff.	Change(%)
	Amount	Amount		
Sales	103,435	101,283	(2,152)	(2.1)
Consulting Services	12,729	13,310	580	4.6
System Development & System Application Sales	34,380	32,690	(1,689)	(4.9)
System Management & Operation Services	52,461	53,062	601	1.1
Product Sales	3,864	2,220	(1,644)	(42.6)
Cost of Sales	71,985	66,791	(5,193)	(7.2)
Gross Profit	31,450	34,491	3,041	9.7
(Gross Profit Margin)	30.4%	34.1%	3.6P	
Selling, general and administrative expenses	16,400	19,511	3,111	19.0
Operating Profit	15,050	14,979	(70)	(0.5)
(Operating Profit Margin)	14.6%	14.8%	0.2P	
Non-operating income and loss	262	503	240	91.6
Extraordinary income and loss	41	1,428	1,387	—
Profit attributable to owners of parent	10,240	11,787	1,547	15.1
Earnings per share(JPY)	46.53	51.80	5.28	

(JPY million)

2nd Quarter	2Q FY	2Q FY	YoY	
	Mar.2015	Mar.2016	Diff.	Change(%)
	Amount	Amount		
Sales	100,688	110,816	10,128	10.1
Consulting Services	11,271	12,878	1,606	14.3
System Development & System Application Sales	35,234	43,922	8,688	24.7
System Management & Operation Services	50,737	52,084	1,346	2.7
Product Sales	3,444	1,931	(1,512)	(43.9)
Cost of Sales	69,813	77,593	7,779	11.1
Gross Profit	30,874	33,223	2,348	7.6
(Gross Profit Margin)	30.7%	30.0%	(0.7P)	
Selling, general and administrative expenses	16,687	18,508	1,821	10.9
Operating Profit	14,187	14,714	527	3.7
(Operating Profit Margin)	14.1%	13.3%	(0.8P)	
Non-operating income and loss	57	263	205	358.9
Extraordinary income and loss	9,122	(106)	(9,228)	—
Profit attributable to owners of parent	15,970	10,861	(5,108)	(32.0)
Earnings per share(JPY)	72.66	47.78	(24.88)	

I .3Q FY March 2016 Financial Results (Consolidated)

(JPY million)

1st Quarter	1Q FY	1Q FY	YoY	
	Mar.2015	Mar.2016	Diff.	Change(%)
	Amount	Amount		
Sales	96,658	101,521	4,863	5.0
Consulting Services	10,030	12,199	2,168	21.6
System Development & System Application Sales	32,163	33,128	965	3.0
System Management & Operation Services	49,968	53,264	3,296	6.6
Product Sales	4,496	2,929	(1,566)	(34.8)
Cost of Sales	73,585	69,967	(3,617)	(4.9)
Gross Profit	23,073	31,554	8,480	36.8
(Gross Profit Margin)	23.9%	31.1%	7.2P	
Selling, general and administrative expenses	15,133	18,018	2,884	19.1
Operating Profit	7,939	13,535	5,595	70.5
(Operating Profit Margin)	8.2%	13.3%	5.1P	
Non-operating income and loss	873	1,329	455	52.2
Extraordinary income and loss	1,856	(88)	(1,944)	—
Profit attributable to owners of parent	7,435	9,265	1,829	24.6
Earnings per share(JPY)	33.89	41.72	7.82	

(2) Sales and Operating Profit by segment

① Segment performance results (including sales for each segment)

(JPY million)

3rd Quarter Total		3Q FY Mar.2015		3Q FY Mar.2016		YoY		FY Mar.2015	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	Sales	20,176	6.7	20,607	6.6	430	2.1	27,749	6.8
	Operating Profit	4,340	11.7	3,424	7.9	(915)	(21.1)	5,959	11.6
	(Operating Profit Margin)	21.5%		16.6%		(4.9P)		21.5%	
Financial IT Solutions	Sales	175,980	58.5	189,066	60.3	13,086	7.4	237,649	58.5
	Operating Profit	15,976	43.0	21,966	50.8	5,989	37.5	22,621	43.9
	(Operating Profit Margin)	9.1%		11.6%		2.5P		9.5%	
Industrial IT Solutions	Sales	74,205	24.7	76,584	24.4	2,378	3.2	98,974	24.4
	Operating Profit	9,706	26.1	7,738	17.9	(1,968)	(20.3)	11,769	22.9
	(Operating Profit Margin)	13.1%		10.1%		(3.0P)		11.9%	
IT Platform Services	Sales	83,850	27.9	81,336	25.9	(2,514)	(3.0)	113,505	28.0
	Operating Profit	4,936	13.3	8,793	20.3	3,856	78.1	8,636	16.8
	(Operating Profit Margin)	5.9%		10.8%		4.9P		7.6%	
Others	Sales	9,849	3.3	9,321	3.0	(528)	(5.4)	12,916	3.2
	Operating Profit	1,332	3.6	529	1.2	(802)	(60.2)	1,616	3.1
	(Operating Profit Margin)	13.5%		5.7%		(7.8P)		12.5%	
Inter-segment sales and eliminations	Sales	(63,280)	(21.0)	(63,294)	(20.2)	(14)		(84,811)	(20.9)
	Operating Profit	883	2.4	777	1.8	(106)		882	1.7
Total	Sales	300,782	100.0	313,621	100.0	12,839	4.3	405,984	100.0
	Operating Profit	37,176	100.0	43,229	100.0	6,053	16.3	51,486	100.0
	(Operating Profit Margin)	12.4%		13.8%		1.4P		12.7%	

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

I .3Q FY March 2016 Financial Results (Consolidated)

(JPY million)

3rd Quarter		3Q FY Mar.2015		3Q FY Mar.2016		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	7,377	7.1	7,229	7.1	(147)	(2.0)
	Operating Profit	1,752	11.6	1,407	9.4	(344)	(19.7)
	(Operating Profit Margin)	23.8%		19.5%		(4.3P)	
Financial IT Solutions	Sales	60,820	58.8	59,761	59.0	(1,058)	(1.7)
	Operating Profit	8,171	54.3	7,074	47.2	(1,097)	(13.4)
	(Operating Profit Margin)	13.4%		11.8%		(1.6P)	
Industrial IT Solutions	Sales	25,447	24.6	25,587	25.3	140	0.6
	Operating Profit	3,320	22.1	2,495	16.7	(824)	(24.8)
	(Operating Profit Margin)	13.0%		9.8%		(3.3P)	
IT Platform Services	Sales	27,604	26.7	27,927	27.6	322	1.2
	Operating Profit	1,291	8.6	3,395	22.7	2,104	162.9
	(Operating Profit Margin)	4.7%		12.2%		7.5P	
Others	Sales	3,077	3.0	3,167	3.1	90	2.9
	Operating Profit	321	2.1	441	2.9	120	37.3
	(Operating Profit Margin)	10.5%		13.9%		3.5P	
Inter-segment sales and eliminations	Sales	(20,890)	(20.2)	(22,390)	(22.1)	(1,500)	
	Operating Profit	192	1.3	165	1.1	(27)	
Total	Sales	103,435	100.0	101,283	100.0	(2,152)	(2.1)
	Operating Profit	15,050	100.0	14,979	100.0	(70)	(0.5)
	(Operating Profit Margin)	14.6%		14.8%		0.2P	

I .3Q FY March 2016 Financial Results (Consolidated)

(JPY million)

2nd Quarter		2Q FY Mar.2015		2Q FY Mar.2016		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	7,060	7.0	7,226	6.5	166	2.4
	Operating Profit	1,691	11.9	1,374	9.3	(317)	(18.8)
	(Operating Profit Margin)	24.0%	/	19.0%	/	(4.9P)	/
Financial IT Solutions	Sales	58,528	58.1	69,561	62.8	11,032	18.9
	Operating Profit	6,506	45.9	7,270	49.4	763	11.7
	(Operating Profit Margin)	11.1%	/	10.5%	/	(0.7P)	/
Industrial IT Solutions	Sales	25,068	24.9	25,417	22.9	349	1.4
	Operating Profit	3,205	22.6	2,252	15.3	(952)	(29.7)
	(Operating Profit Margin)	12.8%	/	8.9%	/	(3.9P)	/
IT Platform Services	Sales	28,139	27.9	26,390	23.8	(1,748)	(6.2)
	Operating Profit	1,961	13.8	3,132	21.3	1,170	59.7
	(Operating Profit Margin)	7.0%	/	11.9%	/	4.9P	/
Others	Sales	3,265	3.2	3,050	2.8	(215)	(6.6)
	Operating Profit	512	3.6	359	2.4	(153)	(29.9)
	(Operating Profit Margin)	15.7%	/	11.8%	/	(3.9P)	/
Inter-segment sales and eliminations	Sales	(21,374)	(21.2)	(20,830)	(18.8)	544	/
	Operating Profit	309	2.2	325	2.2	16	/
Total	Sales	100,688	100.0	110,816	100.0	10,128	10.1
	Operating Profit	14,187	100.0	14,714	100.0	527	3.7
	(Operating Profit Margin)	14.1%	/	13.3%	/	(0.8P)	/

I .3Q FY March 2016 Financial Results (Consolidated)

(JPY million)

1st Quarter		1Q FY Mar.2015		1Q FY Mar.2016		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	5,738	5.9	6,150	6.1	412	7.2
	Operating Profit	896	11.3	643	4.8	(253)	(28.3)
	(Operating Profit Margin)	15.6%		10.5%		(5.2P)	
Financial IT Solutions	Sales	56,632	58.6	59,744	58.8	3,112	5.5
	Operating Profit	1,297	16.3	7,620	56.3	6,323	487.2
	(Operating Profit Margin)	2.3%		12.8%		10.5P	
Industrial IT Solutions	Sales	23,689	24.5	25,578	25.2	1,888	8.0
	Operating Profit	3,181	40.1	2,990	22.1	(190)	(6.0)
	(Operating Profit Margin)	13.4%		11.7%		(1.7P)	
IT Platform Services	Sales	28,107	29.1	27,018	26.6	(1,088)	(3.9)
	Operating Profit	1,683	21.2	2,265	16.7	581	34.5
	(Operating Profit Margin)	6.0%		8.4%		2.4P	
Others	Sales	3,506	3.6	3,103	3.1	(403)	(11.5)
	Operating Profit	497	6.3	(270)	(2.0)	(768)	—
	(Operating Profit Margin)	14.2%		(8.7%)		(22.9P)	
Inter-segment sales and eliminations	Sales	(21,015)	(21.7)	(20,073)	(19.8)	941	
	Operating Profit	381	4.8	286	2.1	(95)	
Total	Sales	96,658	100.0	101,521	100.0	4,863	5.0
	Operating Profit	7,939	100.0	13,535	100.0	5,595	70.5
	(Operating Profit Margin)	8.2%		13.3%		5.1P	

I .3Q FY March 2016 Financial Results (Consolidated)

② Sales by segment

(JPY million)

3rd Quarter Total	3Q FY Mar.2015		3Q FY Mar.2016		Yo Y		FY Mar.2015	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Consulting	19,929	6.6	20,358	6.5	428	2.1	27,353	6.7
Financial IT Solutions	175,661	58.4	188,503	60.1	12,841	7.3	237,111	58.4
Securities	86,920	28.9	91,816	29.3	4,895	5.6	116,534	28.7
Insurance	41,216	13.7	42,878	13.7	1,661	4.0	56,414	13.9
Banking	25,562	8.5	28,402	9.1	2,840	11.1	34,584	8.5
Other financial	21,961	7.3	25,405	8.1	3,443	15.7	29,577	7.3
Industrial IT Solutions	73,477	24.4	75,637	24.1	2,160	2.9	97,938	24.1
Distribution	34,988	11.6	39,439	12.6	4,450	12.7	46,705	11.5
Manufacturing, service and other	38,488	12.8	36,198	11.5	(2,290)	(6.0)	51,232	12.6
IT Platform Services	25,089	8.3	22,028	7.0	(3,060)	(12.2)	34,779	8.6
Others	6,624	2.2	7,094	2.3	469	7.1	8,803	2.2
Total	300,782	100.0	313,621	100.0	12,839	4.3	405,984	100.0

(JPY million)

3rd Quarter	3Q FY Mar.2015		3Q FY Mar.2016		Yo Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	7,321	7.1	7,135	7.0	(186)	(2.5)
Financial IT Solutions	60,679	58.7	59,522	58.8	(1,157)	(1.9)
Securities	29,228	28.3	27,779	27.4	(1,449)	(5.0)
Insurance	15,203	14.7	13,598	13.4	(1,605)	(10.6)
Banking	8,444	8.2	9,304	9.2	859	10.2
Other financial	7,801	7.5	8,839	8.7	1,037	13.3
Industrial IT Solutions	25,205	24.4	25,217	24.9	11	0.0
Distribution	11,950	11.6	12,805	12.6	854	7.1
Manufacturing, service and other	13,255	12.8	12,411	12.3	(843)	(6.4)
IT Platform Services	8,087	7.8	6,936	6.8	(1,150)	(14.2)
Others	2,141	2.1	2,471	2.4	330	15.4
Total	103,435	100.0	101,283	100.0	(2,152)	(2.1)

(JPY million)

2nd Quarter	2Q FY Mar.2015		2Q FY Mar.2016		Yo Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	6,942	6.9	7,117	6.4	175	2.5
Financial IT Solutions	58,428	58.0	69,386	62.6	10,958	18.8
Securities	28,623	28.4	37,282	33.6	8,659	30.3
Insurance	14,035	13.9	14,019	12.7	(15)	(0.1)
Banking	8,472	8.4	9,589	8.7	1,116	13.2
Other financial	7,296	7.2	8,494	7.7	1,198	16.4
Industrial IT Solutions	24,788	24.6	25,108	22.7	320	1.3
Distribution	11,450	11.4	13,173	11.9	1,722	15.0
Manufacturing, service and other	13,337	13.2	11,935	10.8	(1,402)	(10.5)
IT Platform Services	8,376	8.3	6,892	6.2	(1,484)	(17.7)
Others	2,152	2.1	2,311	2.1	158	7.4
Total	100,688	100.0	110,816	100.0	10,128	10.1

I .3Q FY March 2016 Financial Results (Consolidated)

(JPY million)

1st Quarter	1Q FY Mar.2015		1Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	5,665	5.9	6,104	6.0	439	7.8
Financial IT Solutions	56,554	58.5	59,594	58.7	3,040	5.4
Securities	29,068	30.1	26,753	26.4	(2,314)	(8.0)
Insurance	11,977	12.4	15,260	15.0	3,282	27.4
Banking	8,644	8.9	9,509	9.4	864	10.0
Other financial	6,863	7.1	8,071	8.0	1,207	17.6
Industrial IT Solutions	23,482	24.3	25,311	24.9	1,828	7.8
Distribution	11,586	12.0	13,460	13.3	1,873	16.2
Manufacturing, service and other	11,895	12.3	11,850	11.7	(45)	(0.4)
IT Platform Services	8,625	8.9	8,199	8.1	(425)	(4.9)
Others	2,330	2.4	2,311	2.3	(19)	(0.8)
Total	96,658	100.0	101,521	100.0	4,863	5.0

(3) Sales to main clients

(JPY million)

3rd Quarter Total	3Q FY Mar.2015		3Q FY Mar.2016		Y o Y		FY Mar.2015	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Nomura Holdings	61,674	20.5	49,265	15.7	(12,408)	(20.1)	82,469	20.3
Seven & i Holdings	30,401	10.1	33,196	10.6	2,794	9.2	40,973	10.1

*Figures, in principle, include sales to subsidiaries.

(JPY million)

3rd Quarter	3Q FY Mar.2015		3Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	20,847	20.2	16,339	16.1	(4,508)	(21.6)
Seven & i Holdings	10,231	9.9	10,449	10.3	217	2.1

(JPY million)

2nd Quarter	2Q FY Mar.2015		2Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	20,735	20.6	16,268	14.7	(4,467)	(21.5)
Seven & i Holdings	10,054	10.0	11,102	10.0	1,048	10.4

(JPY million)

1st Quarter	1Q FY Mar.2015		1Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	20,091	20.8	16,658	16.4	(3,432)	(17.1)
Seven & i Holdings	10,115	10.5	11,644	11.5	1,528	15.1

(4) Subcontracting Costs

(JPY million)

3rd Quarter Total	3Q FY Mar.2015		3Q FY Mar.2016		Y o Y		FY Mar.2015	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)	Amount	Share(%)
Subcontracting Costs	106,272	35.3	105,204	33.5	(1,068)	(1.0)	141,925	35.0
(Subcontracting Costs to China)	17,778	16.7	18,181	17.3	402	2.3	23,482	16.5

*Share for subcontracting costs shows share of sales.

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

(JPY million)

3rd Quarter	3Q FY Mar.2015		3Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	35,027	33.9	32,911	32.5	(2,116)	(6.0)
(Subcontracting Costs to China)	5,719	16.3	5,495	16.7	(224)	(3.9)

(JPY million)

2nd Quarter	2Q FY Mar.2015		2Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	34,914	34.7	36,578	33.0	1,664	4.8
(Subcontracting Costs to China)	5,843	16.7	6,464	17.7	620	10.6

(JPY million)

1st Quarter	1Q FY Mar.2015		1Q FY Mar.2016		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	36,330	37.6	35,714	35.2	(616)	(1.7)
(Subcontracting Costs to China)	6,214	17.1	6,222	17.4	7	0.1

(5) Cash Flow

(JPY million)

3rd Quarter Total	3Q FY Mar. 2015	3Q FY Mar. 2016	Y o Y		FY Mar.2015
	Amount	Amount	Diff.	Change(%)	Amount
Operating Activities	43,045	56,535	13,490	31.3	58,710
Investing Activities	(1,705)	(61,405)	(59,700)	—	(1,093)
(Investing Activities except Cash management purpose investment)	(9,337)	(42,759)	(33,421)	357.9	(13,800)
Free Cash Flow	41,340	(4,870)	(46,210)	—	57,617
(Free Cash Flow except Cash management purpose investment)	33,707	13,776	(19,931)	(59.1)	44,910
Financing Activities	(10,120)	1,568	11,689	—	(10,536)
Net increase in Cash and cash equivalents	31,973	(3,325)	(35,298)	—	47,775
(Net increase in Cash and cash equivalents except Cash management purpose investment)	24,341	15,321	(9,019)	(37.1)	35,068
Cash and cash equivalents at end of period	124,766	137,242	12,476	10.0	140,567
Cash and cash equivalents + Cash Management purpose investment	158,074	184,379	26,305	16.6	169,023

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

I .3Q FY March 2016 Financial Results (Consolidated)

(6) Capital Expenditure, Research and Development Expenses

(JPY million)

3rd Quarter Total	3Q FY Mar. 2015	3Q FY Mar. 2016	Yo Y		FY Mar.2015
	Amount	Amount	Diff.	Change(%)	Amount
Capital Expenditure	23,440	37,315	13,875	59.2	31,080
Tangible	5,876	17,189	11,312	192.5	8,349
Intangible	17,564	20,126	2,562	14.6	22,731
Research and Development Expenses	2,703	3,353	650	24.1	4,222

(JPY million)

3rd Quarter	3Q FY Mar. 2015	3Q FY Mar. 2016	Yo Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	9,229	15,381	6,151	66.6
Tangible	2,426	7,879	5,452	224.7
Intangible	6,802	7,501	698	10.3
Research and Development Expenses	1,134	1,279	145	12.8

(JPY million)

2nd Quarter	2Q FY Mar. 2015	2Q FY Mar. 2016	Yo Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	8,276	12,510	4,233	51.1
Tangible	2,487	6,294	3,806	153.0
Intangible	5,789	6,215	426	7.4
Research and Development Expenses	1,028	1,376	348	33.9

(JPY million)

1st Quarter	1Q FY Mar. 2015	1Q FY Mar. 2016	Yo Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	5,934	9,424	3,490	58.8
Tangible	962	3,015	2,053	213.4
Intangible	4,972	6,409	1,437	28.9
Research and Development Expenses	540	696	156	28.9

I .3Q FY March 2016 Financial Results (Consolidated)

(7) Depreciation and Amortization

(JPY million)

3rd Quarter Total	3Q FY Mar. 2015	3Q FY Mar. 2016	Y o Y		FY Mar.2015
	Amount	Amount	Diff.	Change(%)	Amount
Tangible	7,670	6,649	(1,021)	(13.3)	10,244
Intangible	11,777	17,219	5,442	46.2	15,555
Depreciation and Amortization	19,448	23,869	4,421	22.7	25,800

(JPY million)

3rd Quarter	3Q FY Mar. 2015	3Q FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,702	2,448	(253)	(9.4)
Intangible	4,083	3,568	(515)	(12.6)
Depreciation and Amortization	6,785	6,016	(768)	(11.3)

(JPY million)

2nd Quarter	2Q FY Mar. 2015	2Q FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,553	2,182	(371)	(14.5)
Intangible	3,769	9,252	5,482	145.5
Depreciation and Amortization	6,322	11,434	5,111	80.8

(JPY million)

1st Quarter	1Q FY Mar. 2015	1Q FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,414	2,018	(396)	(16.4)
Intangible	3,924	4,399	474	12.1
Depreciation and Amortization	6,339	6,418	78	1.2

I .3Q FY March 2016 Financial Results (Consolidated)

(8) Order Volume by segment

① Order Backlog

(JPY million)

At the end of the 3rd Quarter	3Q FY Mar.	3Q FY Mar.	YoY	
	2015	2016	Diff.	Change(%)
	Amount	Amount		
Consulting	5,769	6,202	433	7.5
Financial IT Solutions	55,315	57,524	2,208	4.0
Industrial IT Solutions	19,228	18,273	(955)	(5.0)
IT Platform Services	7,547	6,445	(1,101)	(14.6)
Others	1,114	1,834	720	64.7
Total	88,974	90,280	1,306	1.5
(Order backlog in the current FY)	79,012	80,966	1,953	2.5

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar.	2Q FY Mar.	YoY	
	2015	2016	Diff.	Change(%)
	Amount	Amount		
Consulting	7,356	7,162	(194)	(2.6)
Financial IT Solutions	88,345	90,634	2,289	2.6
Industrial IT Solutions	31,961	33,210	1,249	3.9
IT Platform Services	11,679	9,500	(2,178)	(18.7)
Others	2,021	2,494	473	23.4
Total	141,363	143,001	1,638	1.2
(Order backlog in the current FY)	135,026	137,262	2,236	1.7

(JPY million)

At the end of the 1st Quarter	1Q FY Mar.	1Q FY Mar.	YoY	
	2015	2016	Diff.	Change(%)
	Amount	Amount		
Consulting	7,847	8,029	181	2.3
Financial IT Solutions	115,464	125,307	9,843	8.5
Industrial IT Solutions	43,830	47,565	3,734	8.5
IT Platform Services	16,147	12,708	(3,439)	(21.3)
Others	2,940	2,455	(485)	(16.5)
Total	186,231	196,065	9,834	5.3
(Order backlog in the current FY)	180,866	192,292	11,426	6.3

(JPY million)

At beginning of period	FY Mar.	FY Mar.	YoY	
	2015	2016	Diff.	Change(%)
	Amount	Amount		
Consulting	4,584	5,622	1,037	22.6
Financial IT Solutions	129,548	146,268	16,719	12.9
Industrial IT Solutions	51,969	55,412	3,442	6.6
IT Platform Services	20,769	17,205	(3,564)	(17.2)
Others	2,329	2,679	350	15.0
Total	209,202	227,188	17,985	8.6
(Order backlog in the current FY)	205,218	224,785	19,567	9.5

I .3Q FY March 2016 Financial Results (Consolidated)

② Order Volume

(JPY million)

3rd Quarter Total	3Q FY Mar. 2015	3Q FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	21,114	20,938	(175)	(0.8)
Financial IT Solutions	101,427	99,758	(1,669)	(1.6)
Industrial IT Solutions	40,736	38,499	(2,236)	(5.5)
IT Platform Services	11,867	11,269	(598)	(5.0)
Others	5,409	6,249	839	15.5
Total	180,554	176,714	(3,840)	(2.1)

(JPY million)

3rd Quarter	3Q FY Mar. 2015	3Q FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	5,734	6,175	441	7.7
Financial IT Solutions	27,649	26,412	(1,237)	(4.5)
Industrial IT Solutions	12,473	10,280	(2,193)	(17.6)
IT Platform Services	3,955	3,881	(73)	(1.9)
Others	1,234	1,812	577	46.8
Total	51,046	48,562	(2,484)	(4.9)

(JPY million)

2nd Quarter	2Q FY Mar. 2015	2Q FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	6,451	6,251	(200)	(3.1)
Financial IT Solutions	31,308	34,712	3,403	10.9
Industrial IT Solutions	12,919	10,754	(2,164)	(16.8)
IT Platform Services	3,908	3,685	(223)	(5.7)
Others	1,232	2,349	1,116	90.6
Total	55,820	57,752	1,932	3.5

(JPY million)

1st Quarter	1Q FY Mar. 2015	1Q FY Mar. 2016	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	8,928	8,511	(416)	(4.7)
Financial IT Solutions	42,469	38,633	(3,836)	(9.0)
Industrial IT Solutions	15,343	17,464	2,121	13.8
IT Platform Services	4,003	3,702	(300)	(7.5)
Others	2,942	2,087	(854)	(29.1)
Total	73,686	70,399	(3,287)	(4.5)

(1) Highlights and Dividend forecasts

(JPY billion)

	FY Mar.2015	FY Mar.2016	Y o Y	
	(Results)	(Forecasts)	Diff.	Change(%)
	Amount	Amount		
Sales	405.9	425.0	19.0	4.7
Consulting Services	47.1	51.0	3.8	8.3
System Development & System Application Sales	136.7	151.0	14.2	10.5
System Management & Operation Services	206.6	215.0	8.3	4.0
Product Sales	15.4	8.0	(7.4)	(48.3)
Operating Profit	51.4	58.0	6.5	12.7
(Operating Profit Margin)	12.7%	13.6%	1.0P	
Profit attributable to owners of parent	38.8	41.0	2.1	5.5
Dividends per share(JPY)	70.00	80.00	10.00	14.3
Second quarter(JPY)	30.00	40.00	10.00	33.3
Fiscal year end(JPY)	40.00	40.00	—	—

- There are no changes to results forecasts.
- There are no changes to the dividend forecast (published on April 23, 2015).
The Company implemented a 1:1.1 stock split effective October 1, 2015. However, the dividend has not been adjusted in conjunction with the stock split. Therefore, the dividend per share calculated based on the number of shares before the stock split will be ¥44 for the year - end dividend (a real increase of ¥4 year on year), taking the annual dividend to ¥84 per share (a real increase of ¥14 year on year).

(2) Sales Forecasts by segment

(JPY billion)

	FY Mar.2015 (Results)		FY Mar.2016 (Forecasts)		YoY	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	27.3	6.7	29.0	6.8	1.6	6.0
Financial IT Solutions	237.1	58.4	254.0	59.8	16.8	7.1
Securities	116.5	28.7	125.0	29.4	8.4	7.3
Insurance	56.4	13.9	58.0	13.6	1.5	2.8
Banking	34.5	8.5	38.0	8.9	3.4	9.9
Other financial	29.5	7.3	33.0	7.8	3.4	11.6
Industrial IT Solutions	97.9	24.1	102.0	24.0	4.0	4.1
Distribution	46.7	11.5	53.0	12.5	6.2	13.5
Manufacturing, service and other	51.2	12.6	49.0	11.5	(2.2)	(4.4)
IT Platform Services	34.7	8.6	31.0	7.3	(3.7)	(10.9)
Others	8.8	2.2	9.0	2.1	0.1	2.2
Total	405.9	100.0	425.0	100.0	19.0	4.7