FY March 2019

Financial Results

Nomura Research Institute, Ltd.

April 25, 2019

Share the Next Values!

1 FY March 2019 Financial Results (Consolidated)

2 FY March 2020 Financial Results Forecasts (Consolidated)

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

1. Highlights

(JPY million)

Full Year	FY Mar.2018	FY Mar.2019	Y o Y		Forecasts as of Jan.30,2019	
	Amount	Amount	Diff.	Change(%)	Amount	Diff.
Sales	471,488	501,243	29,755	6.3	500,000	1,243
Consulting Services	78,987	90,816	11,829	15.0	92,000	(1,183)
System Development & System Application Sales	138,111	150,467	12,356	8.9	150,000	467
System Management & Operation Services	241,198	244,273	3,075	1.3	245,000	(726)
Product Sales	13,191	15,686	2,494	18.9	13,000	2,686
Cost of Sales	311,868	336,508	24,640	7.9		
Gross Profit	159,619	164,735	5,115	3.2		
Gross Profit Margin	33.9%	32.9%	(1.0P)			
Selling, general and administrative expenses	94,481	93,293	(1,188)	(1.3)		
OP(Before goodwill amortization)	69,281	75,373	6,091	8.8		
Operating Profit	65,138	71,442	6,303	9.7	70,000	1,442
OPM(Before goodwill amortization)	14.7%	15.0%	0.3P			
Operating Profit Margin	13.8%	14.3%	0.4P		14.0%	0.3P
Non-operating income and loss	1,023	967	(56)	(5.5)		
Extraordinary income and loss	16,366	4,340	(12,025)	(73.5)		
Profit attributable to owners of parent	55,145	50,931	(4,213)	(7.6)	53,000	(2,068)
Comprehensive Income	51,654	43,202	(8,452)	(16.4)		
Earnings per share(JPY)	228.21	216.33	(11.88)			
Annual Dividends per share(JPY)	90.00	90.00	—		90.00	—
Second quarter(JPY)	45.00	45.00	—		45.00	—
Fiscal year end(JPY)	45.00	45.00	—		45.00	—
Dividend payout ratio	39.1%	41.5%	2.4P			
Return on Equity(ROE)	12.9%	12.3%	(0.7P)			

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

Provisional accounting procedures related to mergers this fiscal year are being confirmed, and comprehensive income from the previous fiscal year is based on amounts after reflecting important revisions to initial allotments of acquisition cost according to the provisional accounting procedures being confirmed.

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

1. Highlights

(JPY million)

4th Quarter	4Q FY Mar.2018	4Q FY Mar.2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Sales	129,886	134,179	4,293	3.3
Consulting Services	23,934	24,519	584	2.4
System Development & System Application Sales	41,436	42,105	669	1.6
System Management & Operation Services	60,806	62,106	1,300	2.1
Product Sales	3,709	5,447	1,737	46.9
Cost of Sales	87,075	90,519	3,443	4.0
Gross Profit	42,810	43,660	849	2.0
Gross Profit Margin	33.0%	32.5%	(0.4P)	
Selling, general and administrative expenses	24,286	23,640	(646)	(2.7)
OP(Before goodwill amortization)	19,642	20,938	1,295	6.6
Operating Profit	18,523	20,019	1,496	8.1
OPM(Before goodwill amortization)	15.1%	15.6%	0.5P	
Operating Profit Margin	14.3%	14.9%	0.7P	
Non-operating income and loss	(64)	209	273	—
Extraordinary income and loss	(3,866)	(3,903)	(36)	0.9
Profit attributable to owners of parent	9,842	11,082	1,240	12.6
Earnings per share(JPY)	41.36	47.37	6.01	

(JPY million)

3rd Quarter	3Q FY Mar.2018	3Q FY Mar.2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Sales	121,387	126,657	5,270	4.3
Consulting Services	23,071	22,577	(493)	(2.1)
System Development & System Application Sales	32,859	39,421	6,561	20.0
System Management & Operation Services	63,236	61,714	(1,521)	(2.4)
Product Sales	2,219	2,943	724	32.6
Cost of Sales	79,851	84,965	5,113	6.4
Gross Profit	41,535	41,691	156	0.4
Gross Profit Margin	34.2%	32.9%	(1.3P)	
Selling, general and administrative expenses	24,018	23,375	(643)	(2.7)
OP(Before goodwill amortization)	18,705	19,358	652	3.5
Operating Profit	17,516	18,316	800	4.6
OPM(Before goodwill amortization)	15.4%	15.3%	(0.1P)	
Operating Profit Margin	14.4%	14.5%	0.0P	
Non-operating income and loss	149	275	126	85.0
Extraordinary income and loss	1	7,023	7,021	—
Profit attributable to owners of parent	11,926	16,906	4,980	41.8
Earnings per share(JPY)	50.10	72.23	22.13	

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

1. Highlights

(JPY million)

2nd Quarter	2Q FY Mar.2018	2Q FY Mar.2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Sales	113,578	122,648	9,070	8.0
Consulting Services	17,651	22,452	4,800	27.2
System Development & System Application Sales	33,096	35,965	2,868	8.7
System Management & Operation Services	58,822	60,746	1,924	3.3
Product Sales	4,007	3,484	(523)	(13.1)
Cost of Sales	74,932	81,716	6,783	9.1
Gross Profit	38,646	40,932	2,286	5.9
Gross Profit Margin	34.0%	33.4%	(0.7P)	
Selling, general and administrative expenses	22,664	23,161	497	2.2
OP(Before goodwill amortization)	16,902	18,818	1,915	11.3
Operating Profit	15,981	17,770	1,789	11.2
OPM(Before goodwill amortization)	14.9%	15.3%	0.5P	
Operating Profit Margin	14.1%	14.5%	0.4P	
Non-operating income and loss	(81)	(47)	33	(41.5)
Extraordinary income and loss	18,838	(7)	(18,845)	—
Profit attributable to owners of parent	23,715	11,781	(11,934)	(50.3)
Earnings per share(JPY)	97.88	49.95	(47.94)	

(JPY million)

1st Quarter	1Q FY Mar.2018	1Q FY Mar.2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Sales	106,636	117,758	11,122	10.4
Consulting Services	14,329	21,267	6,937	48.4
System Development & System Application Sales	30,719	32,975	2,256	7.3
System Management & Operation Services	58,332	59,704	1,372	2.4
Product Sales	3,254	3,810	556	17.1
Cost of Sales	70,008	79,308	9,299	13.3
Gross Profit	36,627	38,450	1,822	5.0
Gross Profit Margin	34.3%	32.7%	(1.7P)	
Selling, general and administrative expenses	23,511	23,115	(396)	(1.7)
OP(Before goodwill amortization)	14,031	16,258	2,227	15.9
Operating Profit	13,116	15,334	2,218	16.9
OPM(Before goodwill amortization)	13.2%	13.8%	0.6P	
Operating Profit Margin	12.3%	13.0%	0.7P	
Non-operating income and loss	1,020	530	(490)	(48.0)
Extraordinary income and loss	1,393	1,227	(165)	(11.9)
Profit attributable to owners of parent	9,661	11,161	1,500	15.5
Earnings per share(JPY)	38.91	46.93	8.02	

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

2. Sales and Operating Profit by segment
① Segment performance results

(JPY million)

Full Year		FY Mar.2018		FY Mar.2019		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	35,332	7.5	41,947	8.4	6,614	18.7
	Operating Profit	6,561	10.1	7,810	10.9	1,248	19.0
	Operating Profit Margin	18.6%		18.6%		0.0P	
Financial IT Solutions	Sales	254,567	54.0	255,162	50.9	595	0.2
	Operating Profit	27,673	42.5	27,095	37.9	(578)	(2.1)
	Operating Profit Margin	10.9%		10.6%		(0.3P)	
Industrial IT Solutions	Sales	157,585	33.4	177,114	35.3	19,528	12.4
	Operating Profit	15,119	23.2	18,425	25.8	3,305	21.9
	Operating Profit Margin	9.6%		10.4%		0.8P	
IT Platform Services	Sales	122,342	25.9	127,777	25.5	5,434	4.4
	Operating Profit	14,764	22.7	17,130	24.0	2,366	16.0
	Operating Profit Margin	12.1%		13.4%		1.3P	
Inter-segment sales and eliminations	Sales	(98,340)	(20.9)	(100,757)	(20.1)	(2,417)	
	Operating Profit	1,018	1.6	980	1.4	(38)	
Total	Sales	471,488	100.0	501,243	100.0	29,755	6.3
	Operating Profit	65,138	100.0	71,442	100.0	6,303	9.7
	Operating Profit Margin	13.8%		14.3%		0.4P	

*Including inter-segment sales for each segment.

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

2. Sales and Operating Profit by segment
① Segment performance results

(JPY million)

4th Quarter		4Q FY Mar.2018		4Q FY Mar.2019		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	11,141	8.6	11,905	8.9	764	6.9
	Operating Profit	3,029	16.4	2,661	13.3	(368)	(12.2)
	Operating Profit Margin	27.2%		22.4%		(4.8P)	
Financial IT Solutions	Sales	69,504	53.5	68,762	51.2	(741)	(1.1)
	Operating Profit	8,420	45.5	7,097	35.5	(1,323)	(15.7)
	Operating Profit Margin	12.1%		10.3%		(1.8P)	
Industrial IT Solutions	Sales	42,469	32.7	44,902	33.5	2,433	5.7
	Operating Profit	3,475	18.8	5,385	26.9	1,909	54.9
	Operating Profit Margin	8.2%		12.0%		3.8P	
IT Platform Services	Sales	31,763	24.5	34,457	25.7	2,693	8.5
	Operating Profit	3,298	17.8	4,823	24.1	1,525	46.2
	Operating Profit Margin	10.4%		14.0%		3.6P	
Inter-segment sales and eliminations	Sales	(24,992)	(19.2)	(25,849)	(19.3)	(856)	
	Operating Profit	299	1.6	52	0.3	(247)	
Total	Sales	129,886	100.0	134,179	100.0	4,293	3.3
	Operating Profit	18,523	100.0	20,019	100.0	1,496	8.1
	Operating Profit Margin	14.3%		14.9%		0.7P	

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

2. Sales and Operating Profit by segment
① Segment performance results

(JPY million)

3rd Quarter		3Q FY Mar.2018		3Q FY Mar.2019		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	10,091	8.3	10,584	8.4	492	4.9
	Operating Profit	1,452	8.3	1,732	9.5	280	19.3
	Operating Profit Margin	14.4%		16.4%		2.0P	
Financial IT Solutions	Sales	62,907	51.8	64,767	51.1	1,859	3.0
	Operating Profit	7,348	42.0	7,528	41.1	179	2.4
	Operating Profit Margin	11.7%		11.6%		(0.1P)	
Industrial IT Solutions	Sales	42,230	34.8	44,704	35.3	2,473	5.9
	Operating Profit	4,782	27.3	4,249	23.2	(532)	(11.1)
	Operating Profit Margin	11.3%		9.5%		(1.8P)	
IT Platform Services	Sales	30,632	25.2	32,396	25.6	1,764	5.8
	Operating Profit	3,749	21.4	4,594	25.1	845	22.5
	Operating Profit Margin	12.2%		14.2%		1.9P	
Inter-segment sales and eliminations	Sales	(24,474)	(20.2)	(25,794)	(20.4)	(1,319)	
	Operating Profit	183	1.0	211	1.2	27	
Total	Sales	121,387	100.0	126,657	100.0	5,270	4.3
	Operating Profit	17,516	100.0	18,316	100.0	800	4.6
	Operating Profit Margin	14.4%		14.5%		0.0P	

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

2. Sales and Operating Profit by segment
① Segment performance results

(JPY million)

2nd Quarter		2Q FY Mar.2018		2Q FY Mar.2019		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	7,993	7.0	10,279	8.4	2,285	28.6
	Operating Profit	1,928	12.1	2,205	12.4	277	14.4
	Operating Profit Margin	24.1%		21.5%		(2.7P)	
Financial IT Solutions	Sales	62,331	54.9	62,302	50.8	(29)	(0.0)
	Operating Profit	6,057	37.9	6,304	35.5	247	4.1
	Operating Profit Margin	9.7%		10.1%		0.4P	
Industrial IT Solutions	Sales	37,498	33.0	43,895	35.8	6,396	17.1
	Operating Profit	3,528	22.1	4,569	25.7	1,041	29.5
	Operating Profit Margin	9.4%		10.4%		1.0P	
IT Platform Services	Sales	30,621	27.0	31,230	25.5	608	2.0
	Operating Profit	4,155	26.0	4,309	24.3	154	3.7
	Operating Profit Margin	13.6%		13.8%		0.2P	
Inter-segment sales and eliminations	Sales	(24,866)	(21.9)	(25,058)	(20.4)	(191)	
	Operating Profit	312	2.0	380	2.1	68	
Total	Sales	113,578	100.0	122,648	100.0	9,070	8.0
	Operating Profit	15,981	100.0	17,770	100.0	1,789	11.2
	Operating Profit Margin	14.1%		14.5%		0.4P	

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

2. Sales and Operating Profit by segment
① Segment performance results

(JPY million)

1st Quarter		1Q FY Mar.2018		1Q FY Mar.2019		Y o Y	
		Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	Sales	6,106	5.7	9,177	7.8	3,071	50.3
	Operating Profit	152	1.2	1,210	7.9	1,058	696.2
	Operating Profit Margin	2.5%		13.2%		10.7P	
Financial IT Solutions	Sales	59,823	56.1	59,330	50.4	(492)	(0.8)
	Operating Profit	5,847	44.6	6,165	40.2	318	5.5
	Operating Profit Margin	9.8%		10.4%		0.6P	
Industrial IT Solutions	Sales	35,387	33.2	43,612	37.0	8,224	23.2
	Operating Profit	3,332	25.4	4,220	27.5	887	26.6
	Operating Profit Margin	9.4%		9.7%		0.3P	
IT Platform Services	Sales	29,324	27.5	29,692	25.2	368	1.3
	Operating Profit	3,560	27.1	3,402	22.2	(158)	(4.4)
	Operating Profit Margin	12.1%		11.5%		(0.7P)	
Inter-segment sales and eliminations	Sales	(24,005)	(22.5)	(24,054)	(20.4)	(49)	
	Operating Profit	223	1.7	336	2.2	112	
Total	Sales	106,636	100.0	117,758	100.0	11,122	10.4
	Operating Profit	13,116	100.0	15,334	100.0	2,218	16.9
	Operating Profit Margin	12.3%		13.0%		0.7P	

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

2. Sales and Operating Profit by segment
② Sales by segment

(JPY million)

Full Year	FY Mar.2018		FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	34,577	7.3	41,304	8.2	6,726	19.5
Financial IT Solutions	252,122	53.5	252,367	50.3	245	0.1
Securities	118,397	25.1	100,309	20.0	(18,088)	(15.3)
Insurance	51,836	11.0	64,874	12.9	13,037	25.2
Banking	42,225	9.0	43,404	8.7	1,178	2.8
Other financial	39,662	8.4	43,780	8.7	4,117	10.4
Industrial IT Solutions	154,917	32.9	174,417	34.8	19,499	12.6
Distribution	61,057	12.9	66,540	13.3	5,483	9.0
Manufacturing, service and other	93,860	19.9	107,876	21.5	14,016	14.9
IT Platform Services	29,870	6.3	33,153	6.6	3,283	11.0
Total	471,488	100.0	501,243	100.0	29,755	6.3

(JPY million)

4th Quarter	4Q FY Mar.2018		4Q FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	10,921	8.4	11,698	8.7	776	7.1
Financial IT Solutions	68,714	52.9	68,059	50.7	(655)	(1.0)
Securities	33,148	25.5	26,748	19.9	(6,399)	(19.3)
Insurance	14,466	11.1	18,909	14.1	4,442	30.7
Banking	10,433	8.0	11,271	8.4	837	8.0
Other financial	10,666	8.2	11,130	8.3	463	4.3
Industrial IT Solutions	42,053	32.4	44,222	33.0	2,169	5.2
Distribution	15,909	12.2	17,321	12.9	1,412	8.9
Manufacturing, service and other	26,144	20.1	26,901	20.0	756	2.9
IT Platform Services	8,195	6.3	10,199	7.6	2,003	24.4
Total	129,886	100.0	134,179	100.0	4,293	3.3

(JPY million)

3rd Quarter	3Q FY Mar.2018		3Q FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	9,896	8.2	10,417	8.2	521	5.3
Financial IT Solutions	62,334	51.4	63,989	50.5	1,655	2.7
Securities	27,991	23.1	25,140	19.8	(2,851)	(10.2)
Insurance	13,175	10.9	16,641	13.1	3,466	26.3
Banking	10,829	8.9	11,167	8.8	338	3.1
Other financial	10,337	8.5	11,039	8.7	701	6.8
Industrial IT Solutions	41,757	34.4	43,949	34.7	2,191	5.2
Distribution	15,658	12.9	16,788	13.3	1,130	7.2
Manufacturing, service and other	26,099	21.5	27,160	21.4	1,061	4.1
IT Platform Services	7,399	6.1	8,300	6.6	901	12.2
Total	121,387	100.0	126,657	100.0	5,270	4.3

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

2. Sales and Operating Profit by segment
② Sales by segment

(JPY million)

2nd Quarter	2Q FY Mar.2018		2Q FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	7,810	6.9	10,134	8.3	2,324	29.8
Financial IT Solutions	61,777	54.4	61,623	50.2	(154)	(0.2)
Securities	28,709	25.3	24,233	19.8	(4,475)	(15.6)
Insurance	12,729	11.2	15,577	12.7	2,848	22.4
Banking	10,667	9.4	11,007	9.0	339	3.2
Other financial	9,670	8.5	10,804	8.8	1,133	11.7
Industrial IT Solutions	36,470	32.1	43,250	35.3	6,779	18.6
Distribution	14,965	13.2	16,419	13.4	1,454	9.7
Manufacturing, service and other	21,505	18.9	26,830	21.9	5,324	24.8
IT Platform Services	7,520	6.6	7,640	6.2	120	1.6
Total	113,578	100.0	122,648	100.0	9,070	8.0

(JPY million)

1st Quarter	1Q FY Mar.2018		1Q FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	5,949	5.6	9,054	7.7	3,104	52.2
Financial IT Solutions	59,295	55.6	58,695	49.8	(599)	(1.0)
Securities	28,547	26.8	24,186	20.5	(4,361)	(15.3)
Insurance	11,465	10.8	13,745	11.7	2,280	19.9
Banking	10,295	9.7	9,958	8.5	(336)	(3.3)
Other financial	8,987	8.4	10,806	9.2	1,818	20.2
Industrial IT Solutions	34,635	32.5	42,995	36.5	8,359	24.1
Distribution	14,524	13.6	16,010	13.6	1,485	10.2
Manufacturing, service and other	20,111	18.9	26,984	22.9	6,873	34.2
IT Platform Services	6,755	6.3	7,013	6.0	258	3.8
Total	106,636	100.0	117,758	100.0	11,122	10.4

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

3. Sales to main clients

(JPY million)

Full Year	FY Mar.2018		FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	77,937	16.5	60,579	12.1	(17,358)	(22.3)
Seven & i Holdings	47,001	10.0	49,109	9.8	2,108	4.5

*Figures, in principle, include sales to subsidiaries.

(JPY million)

4th Quarter	4Q FY Mar.2018		4Q FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	23,413	18.0	16,603	12.4	(6,810)	(29.1)
Seven & i Holdings	12,086	9.3	12,476	9.3	390	3.2

(JPY million)

3rd Quarter	3Q FY Mar.2018		3Q FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	17,618	14.5	15,351	12.1	(2,267)	(12.9)
Seven & i Holdings	12,101	10.0	12,360	9.8	258	2.1

(JPY million)

2nd Quarter	2Q FY Mar.2018		2Q FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	18,978	16.7	14,432	11.8	(4,546)	(24.0)
Seven & i Holdings	11,429	10.1	12,252	10.0	823	7.2

(JPY million)

1st Quarter	1Q FY Mar.2018		1Q FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Nomura Holdings	17,926	16.8	14,192	12.1	(3,734)	(20.8)
Seven & i Holdings	11,384	10.7	12,019	10.2	635	5.6

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

4. Subcontracting Costs

(JPY million)

Full Year	FY Mar.2018		FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	135,522	28.7	150,635	30.1	15,112	11.2
(Subcontracting Costs to China)	19,532	14.4	23,213	15.4	3,680	18.8

*Share for subcontracting costs shows share of sales.

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

(JPY million)

4th Quarter	4Q FY Mar.2018		4Q FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	35,909	27.6	40,698	30.3	4,789	13.3
(Subcontracting Costs to China)	4,971	13.8	6,703	16.5	1,732	34.8

(JPY million)

3rd Quarter	3Q FY Mar.2018		3Q FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	35,776	29.5	38,430	30.3	2,654	7.4
(Subcontracting Costs to China)	5,044	14.1	5,647	14.7	602	11.9

(JPY million)

2nd Quarter	2Q FY Mar.2018		2Q FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	32,836	28.9	36,983	30.2	4,146	12.6
(Subcontracting Costs to China)	4,918	15.0	5,667	15.3	748	15.2

(JPY million)

1st Quarter	1Q FY Mar.2018		1Q FY Mar.2019		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Subcontracting Costs	30,999	29.1	34,522	29.3	3,522	11.4
(Subcontracting Costs to China)	4,597	14.8	5,195	15.0	597	13.0

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

5. Cash Flow

(JPY million)

Full Year	FY Mar. 2018	FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Operating Activities	73,493	56,349	(17,143)	(23.3)
Investing Activities	(17,882)	(16,826)	1,056	(5.9)
(Investing Activities except Cash management purpose investment)	(30,162)	(15,025)	15,137	(50.2)
Free Cash Flow	55,610	39,523	(16,087)	(28.9)
(Free Cash Flow except Cash management purpose investment)	43,330	41,324	(2,005)	(4.6)
Financing Activities	(46,829)	(73,106)	(26,276)	56.1
Net increase in Cash and cash equivalents	6,251	(35,102)	(41,354)	—
(Net increase in Cash and cash equivalents except Cash management purpose investment)	(6,028)	(33,301)	(27,272)	452.4
Cash and cash equivalents at end of period	158,303	123,200	(35,102)	(22.2)
Cash and cash equivalents + Cash Management purpose investment	185,882	152,743	(33,139)	(17.8)

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

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

6. Capital Expenditure, Research and Development Expenses

(JPY million)

Full Year	FY Mar. 2018	FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	38,201	26,276	(11,924)	(31.2)
Tangible	16,188	5,615	(10,573)	(65.3)
Intangible	22,012	20,661	(1,350)	(6.1)
Research and Development Expenses	5,170	3,665	(1,505)	(29.1)

(JPY million)

4th Quarter	4Q FY Mar. 2018	4Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	7,472	6,948	(523)	(7.0)
Tangible	2,061	1,768	(292)	(14.2)
Intangible	5,411	5,179	(231)	(4.3)
Research and Development Expenses	1,314	1,095	(219)	(16.7)

(JPY million)

3rd Quarter	3Q FY Mar. 2018	3Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	6,795	6,281	(513)	(7.6)
Tangible	891	1,056	164	18.5
Intangible	5,903	5,224	(678)	(11.5)
Research and Development Expenses	1,446	941	(505)	(34.9)

(JPY million)

2nd Quarter	2Q FY Mar. 2018	2Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	6,722	6,685	(37)	(0.6)
Tangible	1,597	1,312	(284)	(17.8)
Intangible	5,125	5,372	247	4.8
Research and Development Expenses	1,438	1,017	(421)	(29.3)

(JPY million)

1st Quarter	1Q FY Mar. 2018	1Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	17,210	6,360	(10,849)	(63.0)
Tangible	11,637	1,476	(10,161)	(87.3)
Intangible	5,572	4,884	(688)	(12.4)
Research and Development Expenses	970	610	(359)	(37.1)

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

7. Depreciation and Amortization

(JPY million)

Full Year	FY Mar. 2018	FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	10,434	9,552	(882)	(8.5)
Intangible	21,506	20,875	(631)	(2.9)
Depreciation and Amortization	31,941	30,427	(1,514)	(4.7)

(JPY million)

4th Quarter	4Q FY Mar. 2018	4Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,728	2,498	(229)	(8.4)
Intangible	7,797	5,041	(2,756)	(35.3)
Depreciation and Amortization	10,525	7,540	(2,985)	(28.4)

(JPY million)

3rd Quarter	3Q FY Mar. 2018	3Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,635	2,407	(228)	(8.7)
Intangible	4,720	5,052	332	7.0
Depreciation and Amortization	7,355	7,459	104	1.4

(JPY million)

2nd Quarter	2Q FY Mar. 2018	2Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,651	2,360	(290)	(11.0)
Intangible	4,718	5,660	942	20.0
Depreciation and Amortization	7,369	8,021	651	8.8

(JPY million)

1st Quarter	1Q FY Mar. 2018	1Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Tangible	2,419	2,285	(134)	(5.6)
Intangible	4,270	5,120	850	19.9
Depreciation and Amortization	6,690	7,406	715	10.7

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

8. Order Volume by segment

① Order Backlog

(JPY million)

At the end of period	FY Mar. 2018	FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	6,764	6,207	(557)	(8.2)
Financial IT Solutions	141,574	154,930	13,356	9.4
Industrial IT Solutions	94,120	97,924	3,804	4.0
IT Platform Services	14,295	14,609	314	2.2
Total	256,754	273,672	16,917	6.6
(Order backlog in the next FY)	255,259	269,895	14,636	5.7

(JPY million)

At the end of the 3rd Quarter	3Q FY Mar. 2018	3Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	8,012	7,440	(571)	(7.1)
Financial IT Solutions	66,122	59,857	(6,264)	(9.5)
Industrial IT Solutions	36,955	35,704	(1,251)	(3.4)
IT Platform Services	5,133	5,775	642	12.5
Total	116,222	108,777	(7,445)	(6.4)
(Order backlog in the current FY)	103,856	98,030	(5,826)	(5.6)

(JPY million)

At the end of the 2nd Quarter	2Q FY Mar. 2018	2Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	10,533	10,135	(397)	(3.8)
Financial IT Solutions	96,758	93,028	(3,729)	(3.9)
Industrial IT Solutions	60,709	58,475	(2,234)	(3.7)
IT Platform Services	8,147	8,618	470	5.8
Total	176,148	170,258	(5,890)	(3.3)
(Order backlog in the current FY)	168,683	164,924	(3,759)	(2.2)

(JPY million)

At the end of the 1st Quarter	1Q FY Mar. 2018	1Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	8,782	10,460	1,677	19.1
Financial IT Solutions	125,339	117,526	(7,813)	(6.2)
Industrial IT Solutions	64,465	81,309	16,843	26.1
IT Platform Services	11,722	11,949	226	1.9
Total	210,310	221,245	10,935	5.2
(Order backlog in the current FY)	206,581	219,523	12,941	6.3

(JPY million)

At beginning of period	FY Mar. 2018	FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	5,057	6,764	1,707	33.8
Financial IT Solutions	148,901	141,574	(7,327)	(4.9)
Industrial IT Solutions	74,777	94,120	19,343	25.9
IT Platform Services	14,011	14,295	283	2.0
Total	242,748	256,754	14,006	5.8
(Order backlog in the current FY)	238,644	255,259	16,615	7.0

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2019 Financial Results (Consolidated)

8. Order Volume by segment

② Order Volume

(JPY million)

Full Year	FY Mar. 2018	FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	36,285	40,747	4,462	12.3
Financial IT Solutions	244,794	265,724	20,929	8.5
Industrial IT Solutions	174,260	178,221	3,960	2.3
IT Platform Services	30,154	33,467	3,313	11.0
Total	485,494	518,161	32,667	6.7

(JPY million)

4th Quarter	4Q FY Mar. 2018	4Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	9,674	10,465	790	8.2
Financial IT Solutions	144,166	163,132	18,965	13.2
Industrial IT Solutions	99,218	106,443	7,224	7.3
IT Platform Services	17,358	19,033	1,675	9.7
Total	270,417	299,073	28,656	10.6

(JPY million)

3rd Quarter	3Q FY Mar. 2018	3Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	7,375	7,722	347	4.7
Financial IT Solutions	31,698	30,818	(879)	(2.8)
Industrial IT Solutions	18,003	21,177	3,174	17.6
IT Platform Services	4,384	5,458	1,073	24.5
Total	61,460	65,176	3,715	6.0

(JPY million)

2nd Quarter	2Q FY Mar. 2018	2Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	9,560	9,809	249	2.6
Financial IT Solutions	33,196	37,125	3,928	11.8
Industrial IT Solutions	32,714	20,416	(12,298)	(37.6)
IT Platform Services	3,945	4,309	364	9.2
Total	79,417	71,661	(7,755)	(9.8)

(JPY million)

1st Quarter	1Q FY Mar. 2018	1Q FY Mar. 2019	Y o Y	
	Amount	Amount	Diff.	Change(%)
Consulting	9,674	12,750	3,075	31.8
Financial IT Solutions	35,733	34,648	(1,084)	(3.0)
Industrial IT Solutions	24,324	30,184	5,859	24.1
IT Platform Services	4,466	4,667	200	4.5
Total	74,198	82,249	8,051	10.9

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

1 FY March 2019 Financial Results (Consolidated)

2 FY March 2020 Financial Results Forecasts (Consolidated)

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2020 Financial Results Forecasts (Consolidated)

1. Highlights and Dividend forecasts

(JPY billion)

	FY Mar.2019 (Results)	FY Mar.2020 (Forecasts)	Y o Y	
	Amount	Amount	Diff.	Change(%)
Sales	501.2	530.0	28.7	5.7
Consulting Services	90.8	95.0	4.1	4.6
System Development & System Application Sales	150.4	165.0	14.5	9.7
System Management & Operation Services	244.2	255.0	10.7	4.4
Product Sales	15.6	15.0	(0.6)	(4.4)
Operating Profit	71.4	76.0	4.5	6.4
(Operating Profit Margin)	14.3%	14.3%	0.1P	
Profit attributable to owners of parent	50.9	55.0	4.0	8.0
Dividends per share(JPY)	90.00	90.00	—	—
Second quarter(JPY)	45.00	45.00	—	—
Fiscal year end(JPY)	45.00	45.00	—	—

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2020 Financial Results Forecasts (Consolidated)

2. Sales Forecasts by segment

(JPY billion)

	FY Mar.2019 (Results)		FY Mar.2020 (Forecasts)		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	34.8	7.0	37.0	7.0	2.1	6.2
Financial IT Solutions	252.3	50.3	266.0	50.2	13.6	5.4
Securities	100.3	20.0	110.0	20.8	9.6	9.7
Insurance	64.8	12.9	66.0	12.5	1.1	1.7
Banking	43.4	8.7	45.0	8.5	1.5	3.7
Other financial	43.7	8.7	45.0	8.5	1.2	2.8
Industrial IT Solutions	180.8	36.1	190.0	35.8	9.1	5.0
Distribution	66.8	13.3	68.0	12.8	1.1	1.8
Manufacturing, service and other	114.0	22.8	122.0	23.0	7.9	7.0
IT Platform Services	33.1	6.6	37.0	7.0	3.8	11.6
Total	501.2	100.0	530.0	100.0	28.7	5.7

NRI revised its business segments in April 2019, and FY March 2019 performance figures for external sales forecasts by segment are arranged into the new segments.

3. Capital Expenditure, Research and Development Expenses Forecasts

(JPY billion)

	FY Mar.2019 (Results)	FY Mar.2020 (Forecasts)	Y o Y	
	Amount	Amount	Diff.	Change(%)
Capital Expenditure	26.2	30.0	3.7	14.2
Tangible	5.6	8.0	2.3	42.5
Intangible	20.6	22.0	1.3	6.5
Research and Development Expenses	3.6	4.0	0.3	9.1

4. Depreciation and Amortization Forecasts

(JPY billion)

	FY Mar.2019 (Results)	FY Mar.2020 (Forecasts)	Y o Y	
	Amount	Amount	Diff.	Change(%)
Depreciation and Amortization	30.4	31.0	0.5	1.9

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2020 Financial Results Forecasts (Consolidated)

5. Highlights (1H/2H)

(JPY billion)

1st Half	FY Mar.2019 (Results)	FY Mar.2020 (Forecasts)	Y o Y	
	Amount	Amount	Diff.	Change(%)
Sales	240.4	255.0	14.5	6.1
Consulting Services	43.7	44.0	0.2	0.6
System Development & System Application Sales	68.9	80.0	11.0	16.0
System Management & Operation Services	120.4	124.0	3.5	2.9
Product Sales	7.2	7.0	(0.2)	(4.0)
Operating Profit	33.1	36.0	2.8	8.7
(Operating Profit Margin)	13.8%	14.1%	0.3P	
Profit attributable to owners of parent	22.9	26.0	3.0	13.3

(JPY billion)

2nd Half	FY Mar.2019 (Results)	FY Mar.2020 (Forecasts)	Y o Y	
	Amount	Amount	Diff.	Change(%)
Sales	260.8	275.0	14.1	5.4
Consulting Services	47.0	51.0	3.9	8.3
System Development & System Application Sales	81.5	85.0	3.4	4.3
System Management & Operation Services	123.8	131.0	7.1	5.8
Product Sales	8.3	8.0	(0.3)	(4.7)
Operating Profit	38.3	40.0	1.6	4.3
(Operating Profit Margin)	14.7%	14.5%	(0.2P)	
Profit attributable to owners of parent	27.9	29.0	1.0	3.6

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

FY March 2020 Financial Results Forecasts (Consolidated)

6. Sales Forecasts by segment (1H/2H)

(JPY billion)

1st Half	FY Mar.2019 (Results)		FY Mar.2020 (Forecasts)		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	15.9	6.6	17.0	6.7	1.0	6.9
Financial IT Solutions	120.3	50.0	129.0	50.6	8.6	7.2
Securities	48.4	20.1	55.0	21.6	6.5	13.6
Insurance	29.3	12.2	30.0	11.8	0.6	2.3
Banking	20.9	8.7	22.0	8.6	1.0	4.9
Other financial	21.6	9.0	22.0	8.6	0.3	1.8
Industrial IT Solutions	89.5	37.2	92.0	36.1	2.4	2.8
Distribution	32.5	13.5	33.0	12.9	0.4	1.4
Manufacturing, service and other	56.9	23.7	59.0	23.1	2.0	3.5
IT Platform Services	14.6	6.1	17.0	6.7	2.3	16.0
Total	240.4	100.0	255.0	100.0	14.5	6.1

(JPY billion)

2nd Half	FY Mar.2019 (Results)		FY Mar.2020 (Forecasts)		Y o Y	
	Amount	Share(%)	Amount	Share(%)	Diff.	Change(%)
Consulting	18.9	7.3	20.0	7.3	1.0	5.6
Financial IT Solutions	132.0	50.6	137.0	49.8	4.9	3.7
Securities	51.8	19.9	55.0	20.0	3.1	6.0
Insurance	35.5	13.6	36.0	13.1	0.4	1.3
Banking	22.4	8.6	23.0	8.4	0.5	2.5
Other financial	22.1	8.5	23.0	8.4	0.8	3.7
Industrial IT Solutions	91.3	35.0	98.0	35.6	6.6	7.3
Distribution	34.2	13.1	35.0	12.7	0.7	2.1
Manufacturing, service and other	57.0	21.9	63.0	22.9	5.9	10.4
IT Platform Services	18.5	7.1	20.0	7.3	1.4	8.1
Total	260.8	100.0	275.0	100.0	14.1	5.4

NRI revised its business segments in April 2019, and FY March 2019 performance figures for external sales forecasts by segment are arranged into the new segments.

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.

Copyright© Nomura Research Institute, Ltd. All rights reserved.

Share the Next Values!