



# **1<sup>st</sup> Half FY March 2006 Financial Results**

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**October 27, 2005**

## I. 1<sup>st</sup> Half FY March 2006 Financial Results(Consolidated)

### (1) Highlights

(Unit: JPY million)

|                            | 1H FY Mar.2005<br>Apr.2004-Sep.2004 |        | 1H FY Mar.2006<br>Apr.2005-Sep.2005 |        | YoY    |            | FY Mar.2005<br>Apr.2004-Mar.2005 |
|----------------------------|-------------------------------------|--------|-------------------------------------|--------|--------|------------|----------------------------------|
|                            | Amount                              | Amount | Amount                              | Amount | Diff.  | Change (%) | Amount                           |
| <b>Sales</b>               | 115,167                             |        | 132,502                             |        | 17,335 | 15.1       | 252,963                          |
| <b>Operating Profit</b>    | 12,319                              |        | 16,460                              |        | 4,141  | 33.6       | 30,159                           |
| <b>Net Income</b>          | 6,882                               |        | 10,370                              |        | 3,488  | 50.7       | 16,303                           |
| <b>Earnings per share</b>  | JPY152.94                           |        | JPY230.86                           |        |        |            | JPY362.30                        |
| <b>Dividends per share</b> | JPY20.00                            |        | JPY50.00                            |        |        |            | JPY100.00                        |

### (2) Sales by Sector

(Unit: JPY million)

|                                | 1H FY Mar.2005<br>Apr.2004-Sep.2004 |           | 1H FY Mar.2006<br>Apr.2005-Sep.2005 |           | FY Mar.2005<br>Apr.2004-Mar.2005 |           |
|--------------------------------|-------------------------------------|-----------|-------------------------------------|-----------|----------------------------------|-----------|
|                                | Amount                              | Share (%) | Amount                              | Share (%) | Amount                           | Share (%) |
| <b>Financial sector</b>        | 62,941                              | 54.7      | 79,286                              | 59.8      | 149,864                          | 59.2      |
| <b>Distribution sector</b>     | 21,554                              | 18.7      | 23,628                              | 17.8      | 43,138                           | 17.1      |
| <b>Other private sector</b>    | 22,269                              | 19.3      | 21,232                              | 16.0      | 42,668                           | 16.9      |
| <b>Public sector</b>           | 8,401                               | 7.3       | 8,356                               | 6.3       | 17,291                           | 6.8       |
| <b>Total</b>                   | 115,167                             | 100.0     | 132,502                             | 100.0     | 252,963                          | 100.0     |
| <b>Nomura Securities Group</b> | 28,883                              | 25.1      | 36,387                              | 27.5      | 67,000                           | 26.5      |
| <b>Seven &amp; I Group</b>     | 14,268                              | 12.4      | 17,008                              | 12.8      | 30,597                           | 12.1      |

\*Amounts of less than JPY million were rounded down.

## I. 1<sup>st</sup> Half FY March 2006 Financial Results(Consolidated)

### (3) Sales and Operating Profit by segment

#### System Solution Services

|   | 1H FY Mar.2005<br>Apr.2004-Sep.2004 | 1H FY Mar.2006<br>Apr.2005-Sep.2005 | YoY         | (Unit: JPY million)                          |             |
|---|-------------------------------------|-------------------------------------|-------------|--|-------------|
|   | Amount                              | Amount                              | Change (%)  | FY Mar.2005<br>Apr.2004 - Mar.2005<br>Amount | Share (%)   |
| System Development & System Application Sales | 37,330                              | 49,419                              | 32.4        | 89,386                                       | 35.3        |
| System Management & Operations                | 48,266                              | 51,175                              | 6.0         | 97,559                                       | 38.6        |
| Product Sales                                 | 10,413                              | 10,620                              | 2.0         | 26,284                                       | 10.4        |
| <b>Sales</b>                                  | <b>96,011</b>                       | <b>111,215</b>                      | <b>15.8</b> | <b>213,230</b>                               | <b>84.3</b> |
| <b>Operating Profit</b>                       | <b>9,712</b>                        | <b>14,255</b>                       | <b>46.8</b> | <b>24,483</b>                                |             |

#### Consulting & Knowledge Services

|                         | 1H FY Mar.2005<br>Apr.2004-Sep.2004 | 1H FY Mar.2006<br>Apr.2005-Sep.2005 | YoY         | (Unit: JPY million)                          |             |
|-------------------------|-------------------------------------|-------------------------------------|-------------|--|-------------|
|                         | Amount                              | Amount                              | Change (%)  | FY Mar.2005<br>Apr.2004 - Mar.2005<br>Amount | Share (%)   |
| <b>Sales</b>            | <b>19,156</b>                       | <b>21,287</b>                       | <b>11.1</b> | <b>39,733</b>                                | <b>15.7</b> |
| <b>Operating Profit</b> | <b>2,606</b>                        | <b>2,197</b>                        | <b>15.7</b> | <b>5,692</b>                                 |             |

\*Amounts of less than JPY million were rounded down.

## I. 1<sup>st</sup> Half FY March 2006 Financial Results(Consolidated)

### (4) Order Volume and Order Backlog

#### Order Volume

(Unit: JPY million)

|   | 1H FY Mar.2005<br>Apr.2004-Sep.2004 | 1H FY Mar.2006<br>Apr.2005-Sep.2005 | YoY         |
|---|-------------------------------------|-------------------------------------|-------------|
|   | Amount                              | Amount                              | Change (%)  |
| System Development & System Application Sales | 44,973                              | 55,263                              | 22.9        |
| System Management & Operations                | 10,977                              | 9,123                               | 16.9        |
| Product Sales                                 | 10,413                              | 11,673                              | 12.1        |
| System Solution Services                      | 66,364                              | 76,060                              | 14.6        |
| Consulting & Knowledge Services               | 14,508                              | 17,154                              | 18.2        |
| <b>Total</b>                                  | <b>80,872</b>                       | <b>93,214</b>                       | <b>15.3</b> |

#### Order Backlog

(Unit: JPY million)

|   | At end of<br>1H FY Mar.2005 | At end of<br>1H FY Mar.2006 | YoY        |
|---|-----------------------------|-----------------------------|------------|
|   | Amount                      | Amount                      | Change (%) |
| System Development & System Application Sales | 21,106                      | 19,780                      | 6.3        |
| System Management & Operations                | 42,104                      | 45,923                      | 9.1        |
| Product Sales                                 | -                           | 1,052                       | -          |
| System Solution Services                      | 63,211                      | 66,756                      | 5.6        |
| Consulting & Knowledge Services               | 11,043                      | 11,859                      | 7.4        |
| <b>Total</b>                                  | <b>74,254</b>               | <b>78,615</b>               | <b>5.9</b> |

\*Amounts of less than JPY million were rounded down.

## I. 1<sup>st</sup> Half FY March 2006 Financial Results(Consolidated)

### (5) Subcontracting Costs

#### Subcontracting Costs by segment & Percentage in actual production

(Unit: JPY million)

|   | 1H FY Mar.2005<br>Apr.2004-Sep.2004 |             | 1H FY Mar.2006<br>Apr.2005-Sep.2005 |             | YoY         | FY Mar.2005<br>Apr.2004-Mar.2005 |             |
|---|-------------------------------------|-------------|-------------------------------------|-------------|-------------|----------------------------------|-------------|
|   | Amount                              | Share (%)   | Amount                              | Share (%)   | Change (%)  | Amount                           | Share (%)   |
| System Development & System Application Sales | 17,210                              | 58.3        | 24,104                              | 61.3        | 40.1        | 39,804                           | 60.2        |
| System Management & Operations                | 12,218                              | 32.9        | 11,796                              | 32.4        | 3.5         | 24,245                           | 32.9        |
| System Solution Services                      | 29,429                              | 44.2        | 35,900                              | 47.4        | 22.0        | 64,049                           | 45.8        |
| Consulting & Knowledge Services               | 4,313                               | 36.3        | 5,133                               | 37.1        | 19.0        | 9,123                            | 36.8        |
| <b>Total</b>                                  | <b>33,742</b>                       | <b>43.0</b> | <b>41,034</b>                       | <b>45.8</b> | <b>21.6</b> | <b>73,173</b>                    | <b>44.5</b> |
| (Subcontracting Costs to China)               | 2,509                               | 7.4         | 4,775                               | 11.6        | 90.3        | 6,459                            | 8.8         |

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

### (6) Cash Flow

(Unit: JPY million)

|  | 1H FY<br>Mar.2005<br>Apr.2004-Sep.2004 |        | 1H FY<br>Mar.2006<br>Apr.2005-Sep.2005 |        | YoY  |            | FY Mar.2005<br>Apr.2004-Mar.2005 |
|--|--|--------|--|--------|------|------------|----------------------------------|
|  | Amount                                 | Amount | Amount                                 | Amount | Diff | Change (%) | Amount                           |
| Operating Activities   | 4,882                                  | 11,473 | 6,590                                  | 135.0  |      |            | 27,569                           |
| Investing Activities   | 46,339                                 | 16,521 | 29,817                                 | 64.3   |      |            | 81,981                           |
| Financing Activities   | 1,903                                  | 4,684  | 2,780                                  | 146.1  |      |            | 3,928                            |
| Effect of Exchange rate changes on Cash and Cash equivalents | 330                                    | 90     | 239                                    | 72.5   |      |            | 205                              |
| Net increase in Cash and Cash equivalents                    | 43,029                                 | 9,641  | 33,387                                 | 77.6   |      |            | 58,134                           |
| Cash and Cash equivalents at beginning of year               | 96,812                                 | 38,677 | 58,134                                 | 60.0   |      |            | 96,812                           |
| Cash and Cash equivalents at end of 1st Half                 | 53,782                                 | 29,035 | 24,747                                 | 46.0   |      |            | 38,677                           |

\*Amounts of less than JPY million were rounded down.

## II. FY March 2006 Financial Results Forecasts(Consolidated)

### Highlights

(Unit: JPY billion)

|                            | FY Mar.2005                    | FY Mar.2006                      | YoY             |
|----------------------------|--------------------------------|----------------------------------|-----------------|
|                            | Apr.2004-Mar.2005<br>(Results) | Apr.2005-Mar.2006<br>(Forecasts) |                 |
|                            | Amount                         | Amount                           | Change (%)      |
| <b>Sales</b>               | <b>252.9</b>                   | <b>270.0</b>                     | <b>6.7</b>      |
| <b>Operating Profit</b>    | <b>30.1</b>                    | <b>34.0</b>                      | <b>12.7</b>     |
| <b>Net Income</b>          | <b>16.3</b>                    | <b>21.0</b>                      | <b>28.8</b>     |
| <b>Earnings per share</b>  | <b>JPY362.30</b>               | <b>JPY467.65</b>                 |                 |
| <b>1<sup>st</sup> Half</b> | <b>JPY20.00</b>                | <b>JPY50.00</b>                  |                 |
| <b>Year-End</b>            | <b>JPY80.00</b>                | <b>JPY80.00</b>                  |                 |
| <b>Dividends per share</b> | <b>JPY100.00</b>               | <b>JPY130.00</b>                 | <b>JPY30.00</b> |

\* Nomura Research Institute,Ltd. revised the financial results forecast for the fiscal year ended March 31, 2006 on October 14, 2005.