

Japan IT Services: NC company results read-across (4) consulting/cloud: Future, SIGMAXYZ, Comture

In this report, we consider the implications for our IT services sector coverage from visits we made to three Not Covered companies (we have no investment views on these companies): **Future (consulting/SI)**, **SIGMAXYZ (consulting)**, and **Comture (cloud integrator)**. **Future** is tracking in line with guidance, but conditions remain tough on an underlying basis, excluding one-time gains (initial licensing fees for its next-generation banking system). The company noted that new client acquisitions for its next-generation banking system are running slightly below internal assumptions. At **SIGMAXYZ**, multiple core system renewal (SaaS) projects have peaked out, and the consultant utilization rate is on a yoy downtrend as a result. While FY3/27 operating profit guidance is for an increase, the company expects a project lull to continue in 1H before an earnings recovery in 2H. At **Comture**, the downtrend in its gross margin still continues due to the impact of wage hikes and delays in passing on costs. Its FY3/26 operating profits missed guidance, and FY3/27 operating profit guidance is for a third consecutive year of modest profit growth, indicating that challenging conditions persist. In terms of read-across, we see expanding demand for shared systems for regional banks as a positive for earnings at BIPROGY (Buy), which has a strong presence in this area. Below, we outline our key takeaways from company commentary (see [Exhibit 1/Exhibit 2/Exhibit 3/Exhibit 4](#) for company earnings).

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Future Corp. (4722.T) (consulting/SI)

- (1) **1Q (Jan-Mar) results/2Q outlook:** Operating profits came at ¥3.43 bn (+3% yoy), broadly in line with guidance. Growth was modest due to the drop-out of large-scale consulting and maintenance projects. No one-time gains (initial licensing fees for the next-generation banking system) were booked in 1Q. The company left 1H guidance unchanged, implying 2Q operating profit guidance of +2% yoy, but noted that the booking of initial licensing fees for the next-generation banking system could fall short of its assumptions (sales/profits of just under ¥1 bn were booked in 2Q12/25). Future assumes a yoy impact from higher-than-usual wage increases.
- (2) **Consulting business:** 1Q sales increased +7% yoy, but operating profits declined slightly, by -0.4% yoy. On an underlying basis excluding initial licensing fees, this marked the fourth consecutive quarter of yoy operating profit decline, but the rate of decline narrowed substantially. By industry, growth was seen in finance (next-generation banking), services (projects in collaboration with

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Revamp), and others (for public sector). By phase, upstream processes such as grand design and basic design expanded. A large-scale unprofitable project for the distribution and wholesale sector is progressing as planned, with the current phase scheduled for cutover in July.

- (3) **Next-generation banking system:** Future has acquired six banks as users to date. A large-scale project for the third bank, SBI Shinsei Bank, is currently in the grand design phase. Future said it expects full-scale development to begin in 2H, with cutover from FY12/29 onward. Given the project scale, the company noted that it will take a considerable amount of time, similar to the first and second banks. Acquisition of the seventh and subsequent bank clients is running slightly behind internal assumptions. As such, Future noted that the booking of initial licensing fees for the next-generation banking system in 1H could fall short of its assumptions.
- (4) **Business innovation business:** The 1Q operating loss improved by +¥0.09 bn yoy. This was helped by factors such as improved profitability at Yocabito (an e-commerce business for outdoor/sports goods) following a narrowing of its product lineup. As Yocabito continues to post an operating loss, the company commented that it will consider options including a business transfer after restructuring. Meanwhile, Curiosity (a design studio) lost a large-scale project that had been factored into guidance, and will need to cover this with other projects going forward, according to Future.

SIGMAXYZ (6088.T) (consulting)

- (1) **Guidance:** FY3/27 operating profit guidance is for ¥6.6 bn (+9% yoy). While consulting demand is currently in a lull, management said it aims for profit growth centered on 2H. According to the company, (a) conditions will be tough through 1H due to the impact of the peak-out of large-scale projects for major clients, as well as the drop-out in 1Q (Apr-Jun) of one-time gains (a ¥0.2 bn reversal of bonus provisions), but it expects an earnings recovery in 2H once these impacts have run their course; (b) there has been no weakening of client investment appetite due to the situation in the Middle East, and the possibility of a future deterioration is not factored into guidance, but it needs to keep a close watch on developments as it has major clients in the air and marine transport sectors.
- (2) **Consulting:** Sales in 4Q3/26 declined -15% yoy, with sales to the top 10 clients down -35% yoy; both marked a third consecutive quarter of negative growth. Multiple core system renewal (SaaS) projects have peaked out, and as a result the utilization rate is in a yoy downtrend (the 4Q utilization rate was 70%, down -6 pp yoy). The company believes this trend could continue through 1H3/27. However, it noted that inquiries are on a recovery trend, centered on core system renewal projects, with particularly strong demand for AI consulting, such as data infrastructure development and AI utilization.
- (3) **Potential capital and business alliance:** The company announced that it has begun considering a capital and business alliance with Core Concept Technologies (4371.T). Core Concept Technologies is a DX support and IT staffing company focused on mid-sized enterprises, with a strong presence in the manufacturing

sector. It does not engage in consulting, and therefore SIGMAXYZ believes it could have a complementary relationship with its own business, making it easy to create synergies. SIGMAXYZ's current equity stake in the company is 10.64%, but it has stated its intention to raise its voting rights ratio to a level that would allow for equity-method accounting by the end of March 2027.

Comture Corp. (3844.T) (cloud)

- (1) **Results:** FY3/26 operating profits were ¥4.66 bn (+1% yoy), well below guidance (¥5.0 bn). This was largely due to sluggish demand for the core cloud solutions business, coupled with a greater-than-expected deterioration in profitability on account of a lack of progress with cost pass-throughs. On a yoy basis, although SG&A expenses were curbed by personnel adjustments in indirect departments, profit growth was modest due to headwinds such as a decline in the gross margin (-1.3 pp yoy) from wage hikes. However, on a quarterly basis, 4Q (Jan-Mar) saw a +7% yoy increase in operating profits, with some signs of recovery centered on cloud and infrastructure implementation (4Q orders were up +13% yoy).
- (2) **Order environment:** 4Q3/26 orders increased +13% yoy, with the growth rate accelerating for the fourth consecutive quarter. In addition to a recovery in cloud solutions from US-based Salesforce, Microsoft, and ServiceNow, demand is strong in the data management/data lake fields. In particular, the company said that it believes that with the spread of generative AI, demand for the data management/data lake fields and AWS cloud (AI infrastructure) will continue to expand. On the other hand, it mentioned that growth in its core Salesforce cloud products could be sluggish, as the penetration rate among domestic customers is already quite high.
- (3) **Guidance:** FY3/27 operating profit guidance is for ¥4.7 bn (+1% yoy), which would mark the third consecutive year of modest profit growth. While the order environment shows signs of bottoming out, and the company assumes demand will recover in FY3/27 centered on the cloud solutions business, AWS cloud (AI infrastructure), and the data management/data lake fields (digital solutions business) (sales guidance is for +10% yoy), it expects lackluster earnings growth. This is attributable to factors including a decline in the gross margin (-0.4 pp yoy) from wage hikes and an increase in SG&A expenses (+18%/+¥0.63 bn yoy) from depreciation and amortization (+¥0.3 bn cost increase) associated with the launch of an internal system, wage hikes, and investment in other systems. According to the company, in 1Q (Apr-Jun), in addition to an increase in SG&A expenses, it anticipates an impact from the drop-out of high-margin software for the financial sector that was booked in the same quarter of the previous year.



Exhibit 1: Future Corp. (4722.T): Earnings by business

| (mn yen) | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Future (4722) | 23/12 | 24/12 | 25/12 | CoE 26/12E | 25/12 Q1 | Q2 | Q3 | Q4 | 26/12 Q1 |
| Sales | 59,324 | 69,878 | 75,993 | 80,600 | 17,320 | 18,325 | 19,637 | 20,711 | 18,262 |
| yoy | 10.4% | 17.8% | 8.8% | 6.1% | 15.3% | 2.2% | 3.6% | 15.3% | 5.4% |
| Gross Profit | 28,807 | 33,700 | 36,987 | | 8,117 | 8,835 | 9,890 | 10,145 | 8,379 |
| yoy | 8.1% | 17.0% | 9.8% | | 11.3% | 2.6% | 2.7% | 24.2% | 3.2% |
| % of sales | 48.6% | 48.2% | 48.7% | | 46.9% | 48.2% | 50.4% | 49.0% | 45.9% |
| SGA | 15,106 | 19,033 | 20,810 | | 4,782 | 5,061 | 5,286 | 5,681 | 4,946 |
| yoy | 4.7% | 26.0% | 9.3% | | 23.4% | -1.2% | 7.1% | 11.5% | 3.4% |
| % of sales | 25.5% | 27.2% | 27.4% | | 27.6% | 27.6% | 26.9% | 27.4% | 27.1% |
| Operating Profits | 13,700 | 14,667 | 16,176 | 17,500 | 3,335 | 3,773 | 4,605 | 4,463 | 3,433 |
| yoy | 12.1% | 7.1% | 10.3% | 8.2% | -2.4% | 8.3% | -2.0% | 45.5% | 2.9% |
| % of sales | 23.1% | 21.0% | 21.3% | 21.7% | 19.3% | 20.6% | 23.5% | 21.5% | 18.8% |
| <Sales and OP by Segments> | | | | | | | | | |
| IT Consulting & Service Business | | | | | | | | | |
| Sales | 50,750 | 60,798 | 67,445 | | 15,517 | 16,227 | 17,612 | 18,089 | 16,538 |
| yoy | 11.6% | 19.8% | 10.9% | | 19.2% | 5.5% | 5.7% | 14.9% | 6.6% |
| % of sales | 85.5% | 87.0% | 88.8% | | 89.6% | 88.6% | 89.7% | 87.3% | 90.6% |
| <Sales by Sector> | | | | | | | | | |
| Service | 15,466 | 19,761 | 23,487 | | 5,769 | 5,753 | 5,987 | 5,978 | 6,046 |
| yoy | -1.1% | 27.8% | 18.9% | | 51.4% | 6.9% | 18.3% | 8.5% | 4.8% |
| % of sales | 30.5% | 32.5% | 34.8% | | 37.2% | 35.5% | 34.0% | 33.0% | 36.6% |
| Retail | 11,210 | 15,811 | 14,828 | | 3,968 | 3,592 | 3,367 | 3,901 | 3,592 |
| yoy | 25.5% | 41.0% | -6.2% | | 20.9% | -9.6% | -15.4% | -14.8% | -9.5% |
| % of sales | 22.1% | 26.0% | 22.0% | | 25.6% | 22.1% | 19.1% | 21.6% | 21.7% |
| Finance | 13,179 | 13,576 | 15,934 | | 2,890 | 3,436 | 4,971 | 4,637 | 3,201 |
| yoy | 15.5% | 3.0% | 17.4% | | -11.9% | 15.0% | 9.5% | 67.5% | 10.8% |
| % of sales | 26.0% | 22.3% | 23.6% | | 18.6% | 21.2% | 28.2% | 25.6% | 19.4% |
| Manufacturing | 6,701 | 8,210 | 8,562 | | 2,015 | 2,062 | 2,000 | 2,485 | 2,091 |
| yoy | 47.7% | 22.5% | 4.3% | | -1.5% | -14.5% | -9.7% | 61.6% | 3.8% |
| % of sales | 13.2% | 13.5% | 12.7% | | 13.0% | 12.7% | 11.4% | 13.7% | 12.6% |
| Others | 4,193 | 3,438 | 4,631 | | 873 | 1,385 | 1,286 | 1,087 | 1,606 |
| yoy | -15.4% | -18.0% | 34.7% | | 45.3% | 122.7% | 48.0% | -19.2% | 84.0% |
| % of sales | 8.3% | 5.7% | 6.9% | | 5.6% | 8.5% | 7.3% | 6.0% | 9.7% |
| <Sales by Phases> | | | | | | | | | |
| Grand Design | 10,138 | 13,799 | 18,640 | | 4,309 | 4,227 | 4,925 | 5,179 | 5,463 |
| yoy | 6.2% | 36.1% | 35.1% | | 78.9% | 32.1% | 44.3% | 8.4% | 26.8% |
| % of sales | 20.0% | 22.7% | 27.6% | | 27.8% | 26.0% | 28.0% | 28.6% | 33.0% |
| Design | 4,880 | 3,173 | 4,875 | | 899 | 938 | 1,303 | 1,735 | 1,416 |
| yoy | -41.6% | -35.0% | 53.6% | | -17.6% | 43.9% | 84.6% | 139.6% | 57.5% |
| % of sales | 9.6% | 5.2% | 7.2% | | 5.8% | 5.8% | 7.4% | 9.6% | 8.6% |
| Development | 23,998 | 27,754 | 23,863 | | 6,292 | 6,376 | 5,365 | 5,830 | 5,574 |
| yoy | 50.0% | 15.7% | -14.0% | | -4.3% | -19.9% | -21.1% | -9.1% | -11.4% |
| % of sales | 47.3% | 45.6% | 35.4% | | 40.5% | 39.3% | 30.5% | 32.2% | 33.7% |
| Maintenance | 8,056 | 10,199 | 11,153 | | 2,914 | 2,703 | 2,808 | 2,728 | 3,080 |
| yoy | 1.6% | 26.6% | 9.4% | | 39.6% | 9.7% | -5.5% | 2.0% | 5.7% |
| % of sales | 15.9% | 16.8% | 16.5% | | 18.8% | 16.7% | 15.9% | 15.1% | 18.6% |
| Merchandise and others | 3,677 | 5,871 | 8,911 | | 1,100 | 1,983 | 3,213 | 2,615 | 1,003 |
| yoy | 0.7% | 59.7% | 51.8% | | 27.9% | 80.9% | 16.2% | 127.2% | -8.8% |
| % of sales | 7.2% | 9.7% | 13.2% | | 7.1% | 12.2% | 18.2% | 14.5% | 6.1% |
| Operating Profits | 13,705 | 14,538 | 16,381 | | 3,558 | 3,707 | 4,813 | 4,303 | 3,544 |
| yoy | 6.2% | 6.1% | 12.7% | | 0.7% | 16.4% | 4.3% | 34.2% | -0.4% |
| % of sales | 27.0% | 23.9% | 24.3% | | 22.9% | 22.8% | 27.3% | 23.8% | 21.4% |
| Business Innovation Business | | | | | | | | | |
| Sales | 8,259 | 8,895 | 8,341 | | 1,754 | 2,041 | 1,965 | 2,581 | 1,654 |
| yoy | 0.7% | 7.7% | -6.2% | | -9.7% | -18.6% | -13.2% | 18.4% | -5.7% |
| % of sales | 13.9% | 12.7% | 11.0% | | 10.1% | 11.1% | 10.0% | 12.5% | 9.1% |
| Operating Profits | -144 | 381 | 178 | | -118 | 51 | -61 | 306 | -25 |
| yoy | N.M. | N.M. | -53.3% | | N.M. | -82.0% | N.M. | 1700.0% | N.M. |
| % of sales | -1.7% | 4.3% | 2.1% | | -6.7% | 2.5% | -3.1% | 11.9% | -1.5% |
| Others | | | | | | | | | |
| Sales | 314 | 185 | 206 | | 48 | 56 | 62 | 40 | 63 |
| OP | -123 | -133 | -84 | | -65 | -65 | 139 | -93 | 41 |
| OP Adjustment | 263 | -119 | -299 | | -39 | 79 | -286 | -53 | -127 |

Source: Company data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 2: SIGMAXYZ (6088.T): Earnings by business

| (mn yen) | | | | CoE | 26/3 | | | |
|---|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|
| Sigmaxys (6088) | 24/3 | 25/3 | 26/3 | 27/3E | Q1 | Q2 | Q3 | Q4 |
| Sales | 22,411 | 26,294 | 23,831 | 25,300 | 6,243 | 6,316 | 5,468 | 5,805 |
| yoy | 29.3% | 17.3% | -9.4% | 6.2% | 4.5% | -4.1% | -21.0% | -14.8% |
| Gross Profit | 10,010 | 11,732 | 11,783 | | 2,949 | 3,000 | 2,784 | 3,050 |
| yoy | 19.5% | 17.2% | 0.4% | | 10.6% | 0.6% | -9.0% | 0.9% |
| % of sales | 44.7% | 44.6% | 49.4% | | 47.2% | 47.5% | 50.9% | 52.5% |
| SGA | 5,777 | 6,093 | 5,718 | | 1,331 | 1,420 | 1,437 | 1,530 |
| yoy | 12.4% | 5.5% | -6.1% | | -1.3% | -2.9% | -3.5% | -14.6% |
| % of sales | 25.8% | 23.2% | 24.0% | | 21.3% | 22.5% | 26.3% | 26.4% |
| Operating Profits | 4,233 | 5,639 | 6,065 | 6,600 | 1,618 | 1,580 | 1,347 | 1,519 |
| yoy | 30.8% | 33.2% | 7.6% | 8.8% | 22.8% | 4.0% | -14.3% | 23.5% |
| % of sales | 18.9% | 21.4% | 25.4% | 26.1% | 25.9% | 25.0% | 24.6% | 26.2% |
| <Sales and OP by Segments> | | | | | | | | |
| I Consulting Business | | | | | | | | |
| Sales | 22,204 | 26,209 | 23,831 | 25,300 | 6,243 | 6,316 | 5,468 | 5,805 |
| yoy | 28.7% | 18.0% | - | 6.2% | - | - | - | - |
| Operating Profits | 6,110 | 7,729 | 6,065 | 6,600 | 1,618 | 1,580 | 1,347 | 1,519 |
| yoy | 21.4% | 26.5% | - | 8.8% | - | - | - | - |
| % of sales | 27.5% | 29.5% | 25.4% | 26.1% | 25.9% | 25.0% | 24.6% | 26.2% |
| II Investment Business | | | | | | | | |
| Sales | 346 | 264 | - | - | - | - | - | - |
| yoy | 107.0% | -23.7% | - | - | - | - | - | - |
| Operating Profits | -117 | -374 | - | - | - | - | - | - |
| yoy | N.M. | N.M. | - | - | - | - | - | - |
| % of sales | -33.9% | -142.0% | - | - | - | - | - | - |
| Adjustment (sales) | -139 | -180 | - | - | - | - | - | - |
| Adjustment (OP) | -1,760 | -1,715 | - | - | - | - | - | - |
| <KPI> | | | | | | | | |
| Number of employees | 665 | 730 | 866 | | 794 | 801 | 803 | 866 |
| yoy | 11.8% | 9.8% | 18.6% | | 12.1% | 12.0% | 11.8% | 18.6% |
| qoq | 11.8% | 9.8% | 18.6% | | 8.8% | 0.9% | 0.2% | 7.8% |
| Number of Consultants | 571 | 625 | 682 | | 692 | 694 | 696 | 682 |
| yoy | 11.7% | 9.5% | 9.1% | | 13.4% | 13.4% | 13.5% | 9.1% |
| qoq | 11.7% | 9.5% | 9.1% | | 10.7% | 0.3% | 0.3% | -2.0% |
| Number of Clients | 164 | 155 | 171 | | | | | 171 |
| yoy | - | -5.5% | 10.3% | | | | | 10.3% |
| Number of Projects | 941 | 923 | 956 | | | | | 232 |
| yoy | - | -1.9% | 3.6% | | | | | 16.6% |
| Sales per contract | 22 | 27 | 24 | | | | | 24 |
| yoy | - | 20.2% | -9.3% | | | | | -9.3% |

Company-wide earnings through 4Q3/25: Consulting business + investment business; from 1Q3/26: Company-wide = consulting business (investment business discontinued)

Source: Company data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 3: Comture Corp. (3844.T): Earnings by business

Exhibit 4: IT service sector earnings

| Company | | Results (FY ended March) | | GSE | | | CoE | CY25 | | | | CY26 | |
|--|--------------------------------|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | 25/3 | 26/3 | 27/3 | 28/3 | 29/3 | 27/3 | 1-3 | 4-6 | 7-9 | 10-12 | 1-3 | 4-6E |
| [Mid-sized System Integrators] | | | | | | | | | | | | | |
| 2327 NS Solutions (NSSOL) | Sales | 338,301 | 381,340 | 416,000 | 431,000 | 453,000 | 417,000 | 98,007 | 82,684 | 95,691 | 97,020 | 105,945 | 95,000 |
| | %y-y | 8.9% | 12.7% | 9.1% | 3.6% | 5.1% | 9.4% | 8.3% | 7.6% | 19.9% | 15.9% | 8.1% | 14.9% |
| | OP | 38,497 | 44,242 | 47,500 | 50,000 | 54,000 | 47,500 | 8,910 | 8,485 | 9,787 | 12,718 | 13,252 | 8,500 |
| | %y-y | 10.0% | 14.9% | 7.4% | 5.3% | 8.0% | 7.4% | -23.9% | -3.7% | 5.1% | 11.0% | 48.7% | 0.2% |
| | OP margin | 11.4% | 11.6% | 11.4% | 11.6% | 11.9% | 11.4% | 9.1% | 10.3% | 10.2% | 13.1% | 12.5% | 8.9% |
| 3626 TIS | Sales | 571,687 | 596,479 | 622,500 | 642,500 | 658,500 | 620,000 | 155,126 | 140,316 | 148,209 | 147,726 | 160,228 | 146,830 |
| | %y-y | 4.1% | 4.3% | 4.4% | 3.2% | 2.5% | 3.9% | 7.5% | 4.7% | 4.7% | 4.8% | 3.3% | 4.6% |
| | OP | 69,047 | 76,229 | 81,500 | 86,000 | 89,300 | 81,000 | 20,163 | 16,353 | 19,200 | 19,250 | 21,426 | 17,200 |
| | %y-y | 6.9% | 10.4% | 6.9% | 5.5% | 3.8% | 6.3% | 18.7% | 16.3% | 16.7% | 4.2% | 6.3% | 5.2% |
| | OP margin | 12.1% | 12.8% | 13.1% | 13.4% | 13.6% | 13.1% | 13.0% | 11.7% | 13.0% | 13.0% | 13.4% | 11.7% |
| 4307 Nomura Research Institute (NRI) | Sales | 764,813 | 814,708 | 854,200 | 897,200 | 941,400 | 850,000 | 196,567 | 195,770 | 201,295 | 205,268 | 212,374 | 205,900 |
| | %y-y | 3.8% | 6.5% | 4.4% | 5.0% | 4.9% | 4.3% | 5.4% | 4.1% | 6.7% | 7.2% | 8.0% | 5.2% |
| | OP | 134,907 | 58,273 | 178,000 | 198,000 | 219,000 | 175,000 | 32,554 | 37,246 | 41,553 | 39,981 | -60,506 | 41,000 |
| | %y-y | 12.0% | -56.8% | 205.5% | 11.2% | 10.6% | 200.3% | 11.6% | 14.1% | 26.0% | 8.8% | N.M. | 10.1% |
| | OP margin | 17.6% | 7.2% | 20.8% | 22.1% | 23.3% | 20.6% | 16.6% | 19.0% | 20.6% | 19.5% | -28.5% | 19.9% |
| 4684 Obic | Sales | 121,240 | 135,209 | 149,000 | 161,800 | 174,000 | 148,700 | 31,517 | 32,431 | 33,353 | 34,329 | 35,096 | 35,860 |
| | %y-y | 8.6% | 11.5% | 10.2% | 8.6% | 7.5% | 10.0% | 12.5% | 12.7% | 10.0% | 9.7% | 11.4% | 10.6% |
| | OP | 78,378 | 88,823 | 99,300 | 108,800 | 118,000 | 98,000 | 19,812 | 21,479 | 22,176 | 22,610 | 22,558 | 24,100 |
| | %y-y | 10.5% | 13.3% | 11.8% | 9.6% | 8.5% | 10.3% | 13.8% | 15.2% | 11.0% | 13.4% | 13.9% | 12.2% |
| | OP margin | 64.6% | 65.7% | 66.6% | 67.2% | 67.8% | 65.9% | 62.9% | 66.2% | 66.5% | 65.9% | 64.3% | 67.2% |
| 4733 Obic Business Consultants (OBC) | Sales | 46,984 | 51,401 | 57,650 | 64,300 | 71,670 | 57,500 | 12,220 | 12,151 | 12,781 | 12,946 | 13,524 | 13,370 |
| | %y-y | 12.0% | 9.4% | 12.2% | 11.5% | 11.9% | 11.9% | 6.1% | 8.2% | 6.7% | 7.7% | 10.7% | 10.0% |
| | OP | 21,744 | 23,581 | 26,800 | 31,000 | 35,800 | 26,500 | 5,833 | 5,570 | 5,590 | 6,110 | 6,311 | 6,200 |
| | %y-y | 16.0% | 8.4% | 13.7% | 15.7% | 15.5% | 12.4% | 6.3% | 7.5% | 13.4% | 5.3% | 8.2% | 11.3% |
| | OP margin | 46.3% | 45.9% | 46.5% | 48.2% | 50.0% | 46.1% | 47.7% | 45.8% | 43.7% | 47.2% | 46.7% | 46.4% |
| 8056 BIPROGY (ex Nihon Unisys) | Sales | 404,010 | 433,686 | 484,500 | 516,200 | 546,900 | 470,000 | 124,745 | 96,844 | 108,288 | 101,712 | 126,842 | 107,100 |
| | %y-y | 9.2% | 7.3% | 11.7% | 6.5% | 5.9% | 8.4% | 12.1% | 9.6% | 10.9% | 9.1% | 1.7% | 10.6% |
| | OP | 39,066 | 42,604 | 48,400 | 54,600 | 60,800 | 48,400 | 13,900 | 8,569 | 12,781 | 8,998 | 12,256 | 8,800 |
| | %y-y | 17.4% | 9.1% | 13.6% | 12.8% | 11.4% | 13.6% | 51.9% | 30.3% | 12.4% | 24.6% | -11.8% | 2.7% |
| | OP margin | 9.7% | 9.8% | 10.0% | 10.6% | 11.1% | 10.3% | 11.1% | 8.8% | 11.8% | 8.8% | 9.7% | 8.2% |
| [Large System Integrators] | | | | | | | | | | | | | |
| 6501 Hitachi Digital Systems & Services (DSS) | Sales | 2,832,584 | 2,940,000 | 3,291,900 | 3,579,000 | 3,890,100 | 3,190,000 | 823,300 | 617,400 | 708,800 | 714,900 | 898,912 | 668,650 |
| | %y-y | 9.0% | 3.8% | 12.0% | 8.7% | 8.7% | 8.5% | 6.2% | -2.6% | 4.5% | 2.6% | 9.2% | 8.3% |
| | Adjusted OP | 374,700 | 430,000 | 477,100 | 524,700 | 572,900 | 480,000 | 124,400 | 61,800 | 105,200 | 116,875 | 159,200 | 97,011 |
| | %y-y | 20.6% | 14.8% | 11.0% | 10.0% | 9.2% | 11.6% | 19.2% | -16.1% | 22.9% | 28.6% | 28.0% | 57.0% |
| | OP margin | 13.2% | 14.6% | 14.5% | 14.7% | 14.7% | 15.0% | 15.1% | 10.0% | 14.8% | 16.3% | 17.7% | 14.5% |
| 6701 NEC | Sales | 3,423,431 | 3,582,733 | 3,596,000 | 3,755,000 | 3,916,000 | 3,500,000 | 1,101,622 | 715,658 | 854,121 | 858,000 | 1,160,416 | 740,000 |
| | %y-y | -1.5% | 4.7% | 0.4% | 4.4% | 4.3% | -2.3% | 1.6% | 3.7% | 7.3% | 2.7% | 5.3% | 3.4% |
| | OP | 256,497 | 359,913 | 419,000 | 467,000 | 518,000 | | 130,331 | 35,389 | 83,181 | 66,591 | 174,752 | 39,000 |
| | %y-y | 36.4% | 40.3% | 16.4% | 11.5% | 10.9% | | 10.3% | 679.5% | 107.2% | -18.3% | 34.1% | 10.2% |
| | OP margin | 7.5% | 10.0% | 11.7% | 12.4% | 13.2% | | 11.8% | 4.9% | 9.7% | 7.8% | 15.1% | 5.3% |
| 6702 Fujitsu | Non-GAAP OP | 311,301 | 397,234 | 443,000 | 490,000 | 540,000 | 420,000 | 148,966 | 39,995 | 87,494 | 82,382 | 187,363 | 45,000 |
| | %y-y | 36.8% | 27.6% | 11.5% | 10.6% | 10.2% | 5.7% | 16.2% | 145.4% | 80.2% | -15.5% | 25.8% | 12.5% |
| | OP margin | 9.1% | 11.1% | 12.3% | 13.0% | 13.8% | 12.0% | 13.5% | 5.6% | 10.2% | 9.6% | 16.1% | 6.1% |
| | | | | | | | | | | | | | |
| 6702 Fujitsu | Sales | 3,550,116 | 3,502,971 | 3,484,000 | 3,667,000 | 3,849,000 | 3,510,000 | 1,142,134 | 749,859 | 816,683 | 884,642 | 1,051,787 | 738,000 |
| | %y-y | 2.1% | -1.3% | -0.5% | 5.3% | 5.0% | 0.2% | 9.6% | -1.2% | 3.0% | 3.4% | -7.9% | -1.6% |
| | OP | 265,089 | 348,329 | 415,000 | 483,000 | 552,000 | 415,000 | 159,200 | 33,486 | 71,859 | 105,656 | 137,328 | 36,500 |
| | %y-y | 77.5% | 31.4% | 19.1% | 16.4% | 14.3% | 19.1% | 37.8% | 133.7% | 150.7% | 68.2% | -13.7% | 9.0% |
| | OP margin | 7.5% | 9.9% | 11.9% | 13.2% | 14.3% | 11.8% | 13.9% | 4.5% | 8.8% | 11.9% | 13.1% | 4.9% |
| NTT Data Global Solution segment in NTT) | Adjusted OP | 307,265 | 390,589 | 425,000 | 493,000 | 562,000 | 425,000 | 170,184 | 35,119 | 86,208 | 107,836 | 161,426 | 39,000 |
| | %y-y | 15.8% | 27.1% | 8.8% | 16.0% | 14.0% | 8.8% | 6.9% | 111.9% | 74.1% | 51.9% | -5.1% | 11.1% |
| | OP margin | 8.7% | 11.2% | 12.2% | 13.4% | 14.6% | 12.1% | 14.9% | 4.7% | 10.6% | 12.2% | 15.3% | 5.3% |
| | | | | | | | | | | | | | |
| NTT Data Global Solution segment in NTT) | Sales | 4,638,721 | 5,004,614 | 5,206,000 | 5,451,000 | 5,682,000 | 5,190,000 | 1,230,965 | 1,104,369 | 1,256,098 | 1,283,336 | 1,360,813 | 1,166,000 |
| | %y-y | 6.2% | 7.9% | 4.0% | 4.7% | 4.2% | 3.7% | 3.3% | -0.7% | 11.4% | 9.9% | 10.5% | 5.6% |
| | OP | 323,862 | 488,211 | 470,000 | 530,000 | 590,000 | 470,000 | 87,881 | 57,786 | 211,192 | 115,225 | 104,008 | 60,000 |
| | %y-y | 4.6% | 50.7% | -3.7% | 12.8% | 11.3% | -3.7% | -21.9% | -1.4% | 133.7% | 32.5% | 18.4% | 3.8% |
| | OP margin | 7.0% | 9.8% | 9.0% | 9.7% | 10.4% | 9.1% | 7.1% | 5.2% | 16.8% | 9.0% | 7.6% | 5.1% |
| | Gain on sales of DC | | 129,500 | 70,000 | 70,000 | 70,000 | 70,000 | | | | 129,500 | | |
| | OP (excl. gain on sales of DC) | | 358,711 | 400,000 | 460,000 | 520,000 | 400,000 | | | | 81,692 | | |
| | %y-y | | 10.8% | 11.5% | 15.0% | 13.0% | 11.5% | | | | -9.6% | | |
| | OP margin | | 7.0% | 7.6% | 8.3% | 9.0% | 7.5% | | | | 6.5% | | |
| [Mid-sized System Integrators] | | | | | | | | | | | | | |
| Company | | Results (FY ended Dec) | | GSE | | | CoE | CY25 | | | | CY26 | |
| | | 24/12 | 25/12 | 26/12 | 27/12 | 28/12 | 26/12 | 1-3 | 4-6 | 7-9 | 10-12 | 1-3 | 4-6E |
| 4704 Trend Micro | Sales | 272,638 | 275,984 | 300,000 | 312,500 | 325,600 | 301,500 | 67,501 | 66,408 | 68,844 | 73,231 | 73,856 | 72,890 |
| | %y-y | 9.6% | 1.2% | 8.7% | 4.2% | 4.2% | 9.2% | 2.4% | -3.2% | 1.1% | 4.6% | 9.4% | 9.8% |
| | OP | 48,105 | 57,777 | 55,000 | 58,000 | 61,200 | 56,400 | 15,006 | 13,466 | 16,002 | 13,303 | 15,558 | 12,890 |
| | %y-y | 47.6% | 20.1% | -4.8% | 5.5% | 5.5% | -2.4% | 23.7% | 9.4% | 8.1% | 50.0% | 3.7% | -4.3% |
| | OP margin | 17.6% | 20.9% | 18.3% | 18.6% | 18.8% | 18.7% | 22.2% | 20.3% | 23.2% | 18.2% | 21.1% | 17.7% |
| 4768 Otsuka | Sales | 1,107,668 | 1,322,791 | 1,348,800 | 1,391,200 | 1,451,600 | 1,311,000 | 315,541 | 379,591 | 310,587 | 317,072 | 344,753 | 376,400 |
| | %y-y | 13.3% | 19.4% | 2.0% | 3.1% | 4.3% | -0.9% | 18.3% | 25.3% | 23.0% | 11.1% | 9.3% | -0.8% |
| | OP | 74,360 | 89,943 | 88,000 | 93,000 | 99,000 | 90,000 | 21,175 | 27,998 | 17,356 | 23,414 | 23,505 | 27,000 |
| | %y-y | 18.1% | 21.0% | -2.2% | 5.7% | 6.5% | 0.1% | 22.8% | 29.6% | 30.2% | 5.5% | 11.0% | -3.6% |
| | OP margin | 6.7% | 6.8% | 6.5% | 6.7% | 6.8% | 6.9% | 6.7% | 7.4% | 5.6% | 7.4% | 6.8% | 7.2% |
| [Mid-sized System Integrators] | | | | | | | | | | | | | |
| Company | | Results (FY ended Jun) | | GSE | | | CoE | CY25 | | | | CY26 | |
| | | 24/6 | 25/6 | 26/6 | 27/6 | 28/6 | 26/6 | 1-3 | 4-6 | 7-9 | 10-12 | 1-3 | 4-6E |
| 4478 freee | Sales | 25,431 | 33,271 | 42,260 | 50,880 | 60,100 | 41,930 | 8,600 | 9,420 | 9,744 | 10,198 | 10,902 | 11,417 |
| | %y-y | 32.3% | 30.8% | 27.0% | 20.4% | 18.1% | 26.0% | 29.3% | 34.4% | 32.1% | 29.5% | 26.8% | 21.2% |
| | OP | -8,387 | 611 | 1,040 | 3,300 | 6,000 | | 316 | -573 | 272 | 260 | 91 | 417 |
| | %y-y | N.M. | N.M. | 70.2% | 217.3% | 81.8% | | N.M. | N.M. | 27.2% | -60.3% | -71.1% | N.M. |
| | OP margin | -33.0% | 1.8% | 2.5% | 6.5% | 10.0% | | 3.7% | -6.1% | 2.8% | 2.5% | 0.8% | 3.7% |
| | Adjusted OP | -7,562 | 1,885 | 2,540 | 5,100 | 8,100 | 2,520 | 659 | -230 | 690 | 662 | 445 | 743 |
| | %y-y | N.M. | N.M. | 34.7% | 100.8% | 58.8% | 33.7% | N.M. | N.M. | 43.8% | -32.2% | -32.5% | N.M. |
| | OP margin | -29.7% | 5.7% | 6.0% | 10.0% | | | | | | | | |

Disclosure Appendix

Reg AC

We, Chikai Tanaka, CFA and Yuki Sato, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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