

NRI Revises Forecasts of Financial Results, Changes Dividend Policy and Revises Dividend Forecasts

Nomura Research Institute, Ltd., (NRI) resolved to make the following revision to forecasts of financial results, change of dividend policy and revision to dividend forecasts at a meeting of the Board of Directors held on January 30, 2014.

1. Revision to financial results forecasts

(1) Reasons for revision

The Japanese economy has been making a moderate recovery backed by the depreciation of the yen and rising stock prices. Business sentiment has improved, and interest in investing in information systems is also on the rise. In this environment, the NRI Group's net sales have remained robust across all segments. Moreover, current orders received are also strong and rising at a pace that exceeds expectations, particularly in Financial IT Solutions and Industrial IT Solutions.

Based on this, NRI is revising the forecasts of financial results for the current fiscal year ending March 2014 that were published on July 25, 2013 as follows.

(2) Revised forecasts of consolidated financial results for the full fiscal year ending March 2014 (April 1, 2013 – March 31, 2014)

(JPY million)

	Sales	Operating profit	Ordinary profit	Net income	Net income per share (JPY)
Previous forecasts (A)	375,000	49,000	51,500	32,000	161.49
Current forecasts (B)	380,000	50,000	53,000	32,000	161.30
Increase (B-A)	5,000	1,000	1,500	—	
Change (%)	1.3	2.0	2.9	—	
Reference: Results for the fiscal year ended March 31, 2013	363,891	43,967	45,858	28,612	145.29

Note: NRI has applied the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No. 30, December 25, 2013) starting in the third quarter of the current fiscal year, and figures for the previous fiscal year here and below are stated after retroactive application.

(3) Revised forecasts of non-consolidated financial results for the full fiscal year ending March 2014 (April 1, 2013 – March 31, 2014)

(JPY million)

	Sales	Ordinary profit	Net income	Net income per share (JPY)
Previous forecasts (A)	345,000	47,000	29,000	146.59
Current forecasts (B)	350,000	48,000	29,000	146.18
Increase (B-A)	5,000	1,000	—	
Change (%)	1.4	2.1	—	
Reference: Results for the fiscal year ended March 31, 2013	337,340	41,764	21,546	109.41

2. Change to dividend policy and revision to dividend forecasts

(1) Reason for change to dividend policy and revision to dividend forecasts

NRI's target consolidated dividend payout ratio was 30% based on maintaining stable dividends while ensuring internal reserves for medium and long-term business growth.

NRI has now decided to increase its target consolidated dividend payout ratio to 35% to further enhance shareholder returns, considering that a solid financial base for future business growth is being put in place.

In line with this, NRI is revising the year-end dividend per share forecast.

(2) Revision to dividend forecasts

Dividend period	Dividends per share		
	First half	Fiscal year	Annual total
Previous forecasts (Released April 25, 2013)		¥26	¥52
Current forecasts		¥30	¥56
Actual results	¥26		
Dividends for fiscal year ended March 31, 2013	¥26	¥26	¥52

Notes:

1. The consolidated dividend payout ratio for the year ending March 2014 will be 35.3%.
2. Forecast consolidated dividend payout ratio = total annual dividend (includes dividends paid into employee stock ownership plan trust) ÷ forecast consolidated net income

Forward-looking statements disclaimer

Forward-looking statements about financial results forecasts and other matters in this document are based on information currently available and certain assumptions that NRI deems to be reasonable and do not constitute any guarantee of achievement. Actual results may differ significantly for a variety of reasons. The main factors that may impact on actual results include, but are not limited to, economic conditions inside and outside of Japan, market demand for IT services, competition with other companies and changes to taxation and other systems. NRI does not guarantee that it will revise financial results forecasts and other matters in the event of new information

or circumstances.