

*News Release*

**NRI Announces Difference between Financial Results Forecasts and Results for First Half, with Revisions to the Full-Year Financial Results Forecasts**

TOKYO, October 27, 2016 — Nomura Research Institute, Ltd. (NRI) today announced that differences have arisen between the consolidated financial results forecasts for the first half of the fiscal year ending March 31, 2017 that were published on April 27, 2016 and the results published today.

NRI also announced that it has revised the full-year consolidated and non-consolidated financial results forecasts.

1. First Half of the Fiscal Year Ending March 31, 2017 (April 1, 2016 – September 30, 2016)

(1) Differences between Consolidated Financial Results Forecasts (Reference Values) and Results

(Unit: ¥ million)

	Sales	Operating profit	Ordinary profit	Profit attributable to owners of the parent	Earnings per share
Published forecasts (reference values) (A) <sup>*1</sup>	210,000	29,000	30,500	21,000	¥92.44
Results (B)	203,165	26,341	27,957	28,843	¥127.95
Amount of disparity (B – A)	(6,834)	(2,658)	(2,542)	7,843	
Disparity rate	(3.3%)	(9.2%)	(8.3%)	37.3%	
(Reference) First-half results for the fiscal year ended March 31, 2016	212,338	28,249	29,842	20,126	¥89.56 <sup>*2</sup>

\*1. Because NRI manages financial results on an annual basis, it publishes reference values based on past trends and other factors without calculating forecasts for the first half. The aforementioned figures are the differences between these reference values and results.

\*2. NRI conducted a 1-for-1.1 stock split of common shares with an effective date of October 1, 2015. Earnings per share in the first-half results for the fiscal year ended March 31, 2016 was calculated assuming that the stock-split was implemented at the beginning of that fiscal year.

## (2) Reasons for Differences with Results

Sales underperformed forecasts due to sluggish development and product sales in Financial IT Solutions.

In addition, operating profit and ordinary profit were lower than forecasts because business structure improvement expenses were recorded with the aim of reviewing the operational structure at DSB Co., Ltd., a subsidiary.

As announced in NRI Announces Recording of Gain on Sale of Investment Securities (Extraordinary Income) dated August 26, 2016 and September 12, 2016, NRI sold shareholdings and recorded ¥13.0 billion in extraordinary income in the second quarter of the fiscal year, so profit attributable to owners of the parent rose 37.3% compared with initial forecasts.

## 2. Revision of Full-Year Financial Results Forecasts for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

### (1) Revision of Financial Results Forecasts

#### a. Revision of Consolidated Financial Results Forecasts

(Unit: ¥ million)

	Sales	Operating profit	Ordinary profit	Profit attributable to owners of the parent	Earnings per share
Previous forecasts (A)	435,000	62,000	64,000	43,500	¥175.06
Current forecasts (B)	425,000	59,000	61,000	45,500	¥183.50
Increase/decrease (B – A)	(10,000)	(3,000)	(3,000)	2,000	
Change (%)	(2.3%)	(4.8%)	(4.7%)	4.6%	
(Reference) Results of previous fiscal year (fiscal year ended March 31, 2016)	421,439	58,295	61,001	42,648	¥171.42

\* NRI plans to conduct a 1-for-1.1 stock split of common shares with an effective date of January 1, 2017. Earnings per share has been calculated supposing that the stock-split was implemented at the beginning of the previous fiscal year using the average number of shares during the period (the same applied in b. below.)

b. Revision of Non-Consolidated Financial Results Forecasts

(Unit: ¥ million)

	Sales	Ordinary profit	Profit	Earnings per share
Previous forecasts (A)	365,000	58,000	40,500	¥162.08
<b>Current forecasts (B)</b>	<b>355,000</b>	<b>58,000</b>	<b>44,000</b>	<b>¥177.45</b>
Increase/decrease (B – A)	(10,000)	—	3,500	
Change (%)	(2.7%)	—	8.6%	
(Reference) Results of previous fiscal year (fiscal year ended March 31, 2016)	352,003	55,326	40,179	¥161.50

(2) Reasons for Revision of Forecasts

NRI is currently looking into the streamlining of assets related to the data center business with the aim of reducing future financial risk. As it is expected to record an extraordinary loss associated with this in the second half of the fiscal year, NRI has decided to revise its full-year financial results forecasts for the current fiscal year as above, taking into consideration the results in the first half of the fiscal year and recent trends.

NRI will continue to pursue measures aimed at streamlining business operations and reducing future financial risk as it strives to improve shareholder value going forward by achieving enhanced corporate value through the further strengthening of its financial position.

\*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.

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