



Nomura Research Institute Group



September 13, 2019

Company name Nomura Research Institute, Ltd.
(Code:4307 TSE First Section)
Representative Shingo Konomoto
Chairman and President & CEO,
Representative Director,
Member of the Board

NRI Announces Recording of Gain on Sale of Investment Securities (Extraordinary Income) and Revision of Performance Forecast

TOKYO, September 13, 2019 - Nomura Research Institute, Ltd. (NRI) announces that upon the secondary offering of common stock by Recruit Holdings Co., Ltd. (Securities Code: 6098, First Section, Tokyo Stock Exchange) (hereinafter referred to as "This Sale") as stated in the press release by Recruit Holdings entitled "Announcement of Secondary Offering of Shares" published on August 28, 2019, rights to additional acquisition of common stock in Recruit Holdings granted to overseas underwriters pertaining to This Sale were exercised. With today's determination of the conditions for this acquisition, NRI expects to record an additional gain on sale of investment securities (extraordinary income) as outlined below.

NRI expects to record extraordinary income from the sale of Recruit Holdings stock involved in This Sale and has therefore revised its consolidated and non-consolidated performance forecasts for the cumulative second quarter and full fiscal year ending March 31, 2020.

I. Recording of gain on the sale of investment securities

Sale of investment securities (sale of shares by way of offering (overallotment))

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| (1) Investment securities sold by NRI: | Common stock of Recruit Holdings Co., Ltd. |
| (2) Number of shares sold by NRI: | 2,000,000 shares |
| (3) Total sale price: | ¥5,900 million (¥2,985.33 per share) |
| (4) Gain on sale of investment securities: | ¥5,400 million |

Note: The sale of shares shown above resulted from overseas underwriters exercising rights granted by NRI to overseas underwriters for additional acquisition of common stock in Recruit Holdings Co., Ltd. pertaining This Sale.

As a result of This Sale as stated above, NRI expects to record ¥5,400 million in gain on the sale of investment securities as extraordinary income in the second quarter of the fiscal year ending March 31, 2020.

(Reference) The series of share sales related to This Sale as published by NRI in “NRI Announces Sale of Investment Securities” dated August 28, 2019 is as follows.

	Offering of shares	Sale by overallotment	Total
No. of shares sold	5,000,000 shares	2,000,000 shares	7,000,000 shares
Total sale price	¥14,900 million	¥5,900 million	¥20,800 million
Gain on sale of investment securities	¥13,600 million	¥5,400 million	¥19,000 million

II. Revision of performance forecast

1. Revision of consolidated performance forecast

(1) Revised cumulative performance forecast for the second quarter (April 1 to September 30, 2019)

(Unit: ¥ million)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of the parent	Net profit per share for the year
Previously published forecast (A)	255,000	36,000	37,000	26,000	¥37.83
Current forecast revision (B)	255,000	36,000	37,000	37,000	¥53.83
Amount of increase or decrease (B-A)	—	—	—	11,000	
Percent change	—	—	—	42.3	
(Reference) One year prior (second quarter of the fiscal year ended March 2019)	240,407	33,105	33,588	22,942	¥32.29

(Note) 1. NRI conducted a one-to-three share split effective July 1, 2019. Net profit per share for the year is calculated as if the split had taken place at the start of the previous fiscal year. (the same applies below)

2. The cumulative average number of shares for the fiscal year as of August 2019 for both the previously published forecast and for this revision were used as the basis for calculating net profit per share. (the same applies below)

(2) Revised forecast of cumulative financial results for the fiscal year (April 1, 2019 to March 31, 2020)

(Unit: ¥ million)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of the parent	Net profit per share for the year
Previously published forecast (A)	530,000	76,000	77,000	55,000	¥80.02
Current forecast revision (B)	530,000	76,000	77,000	66,000	¥96.02
Amount of increase or decrease (B-A)	—	—	—	11,000	
Percent change	—	—	—	20.0	
(Reference) One year prior (the fiscal year ended March 2019)	501,243	71,442	72,409	50,931	¥72.11

2. Revision of non-consolidated performance forecast

(1) Revised cumulative performance forecast for the second quarter (April 1 to September 30, 2019)

(Unit: ¥ million)

	Net sales	Ordinary profit	Net profit for the year	Net profit per share for the year
Previously published forecast (A)	190,000	33,000	25,000	¥36.37
Current forecast revision (B)	190,000	33,000	36,000	¥52.37
Amount of increase or decrease (B-A)	—	—	11,000	
Percent change	—	—	44.0	
(Reference) One year prior (second quarter of the fiscal year ended March 2019)	185,604	43,456	34,431	¥48.46

(2) Revised performance forecast for the fiscal year (April 1, 2019 to March 31, 2020)

(Unit: ¥ million)

	Net sales	Ordinary profit	Net profit for the year	Net profit per share for the year
Previously published forecast (A)	400,000	68,000	50,000	¥72.74
Current forecast revision (B)	400,000	68,000	61,000	¥88.75
Amount of increase or decrease (B-A)	—	—	11,000	
Percent change	—	—	22.0	
(Reference) One year prior (the fiscal year ended March 2019)	392,230	77,716	63,345	¥89.69

3. Reason for the forecast revision

The gain on the sale of investment securities is expected to occur as specified in I. Recording of gain on the sale of investment securities, so we have revised the consolidated and non-consolidated performance forecasts that were published on April 25, 2019.

The revised amounts for profit attributable to owners of the parent and net profit for the year have accounted for the extraordinary income expected when the previous announcement was made.

[Point of caution about future-related information in this announcement]

Performance forecasts and other information in this announcement which pertains to the future is based on information available to NRI at the time, and on a certain level of assumptions that are found to be logically viable. NRI does not guarantee that these numbers will be achieved. Actual performance and other results could vary significantly depending on a variety of factors. Key factors that could influence actual performance include but are not limited to domestic and international economic developments, demand in the market for IT services, competition with other companies, and changes to taxation and other systems. NRI may not always revise its performance forecasts and other indicators when new information becomes available or new circumstances arise.

[General Inquiries]

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