



Non-consolidated Financial Results for the First Quarter of 2018 (Three Months Ended March 31, 2018)

[Japanese GAAP]

May 8, 2018

Company name: Nomura System Corporation Co., Ltd. Listing: Tokyo Stock Exchange(the second section)
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Scheduled date of filing of Quarterly Report: May 8, 2018

Scheduled date of dividend payment: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: None

(All amounts are rounded off to the nearest million yen)

1. Financial Results for the First Quarter (January 1 to March 31, 2018) of 2018

(1) Results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Mar. 31, 2018	616	△3.5	96	△11.1	96	△11.0	61	△11.3
Three months ended Mar. 31, 2017	639	-	108	-	108	-	69	-

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Mar. 31, 2018	10.90	10.59
Three months ended Mar. 31, 2017	12.47	12.09

Notes: 1. As Nomura System Corporation ("Nomura System") did not prepare a quarterly financial statement for 2016, the year-on-year changes for the three months ended Mar 31, 2017 are not indicated.

2. Nomura System conducted a 3-for-1 common stock split on July 1, 2017. Net income per share and diluted net income per share have calculated as if these stock splits had taken place at the beginning of 2017.

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of March. 31, 2018	2,258	2,004	88.7
As of December. 31, 2017	2,425	2,062	85.0

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2018: 2,003 As of Dec. 31, 2017: 2,062

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 31, 2017	-	0.00	-	22.00	22.00
Year ending Dec. 31, 2018	-				
Year ending Dec. 31, 2018 (Forecast)		0.00	-	-	-

Notes: 1. Revisions to the most recently announced dividend forecast: None

2. The dividend forecast for 2018 is undecided. Based on the December 2016 policy of constant and stable dividend returns, Nomura System plans to pay dividends targeting a payout ratio greater than 40%.

3. Forecast for 2018 (January 1 to December 31, 2018)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	1,199	△3.2	157	△25.1	157	△24.5	107	△27.3	18.98
Full year	2,590	2.2	418	2.6	418	3.2	285	△4.5	50.66

Notes: Revisions to the most recently announced forecast: None

*** Notes**

(1) Application of special accounting methods for presenting quarterly financial statements: None

(2) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2018:	5,643,600 shares	As of Dec. 31, 2017:	5,629,800 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2018:	165 shares	As of Dec. 31, 2017:	165 share
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3) Average number of shares outstanding during the period

Three months ended Mar. 31, 2018:	5,640,515 shares	Three months ended Mar. 31, 2017:	5,560,266 share
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Note: Nomura System conducted a 3-for-1 common stock split on July 1, 2017. Number of shares has been calculated as if these stock splits had taken place at the beginning of 2017.

* The current quarterly financial report is not subject to quarterly review procedures.

* Cautionary statement with respect to forward-looking statements, and other special items

Forecasts of future performance in this document are based on assumption judged to be valid and information currently available to the management, but are not promises by Nomura System regarding future performance. Actual results may differ materially from the forecasts for a number of reasons.

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1. Quarterly Financial Statements and Notes**(1) Quarterly Balance Sheet**

(Thousands of yen)

	2017 (As of Dec. 31, 2017)	First Quarter of 2018 (As of Mar. 31, 2018)
Assets		
Current assets		
Cash and deposits	2,015,412	1,848,281
Accounts receivable-trade	339,755	341,637
Work in process	1,543	8,283
Other	19,613	12,943
Total current assets	2,376,324	2,211,145
Non-current assets		
Property, plant and equipment	13,158	11,779
Intangible assets	218	218
Investments and other assets	34,809	34,644
Total non-current assets	48,185	46,642
Total assets	2,424,509	2,257,786
Liabilities		
Current liabilities		
Accounts payable-trade	201,881	131,503
Income taxes payable	80,998	33,484
Other	75,704	85,602
Total current liabilities	358,582	250,588
Non-current liabilities		
Asset retirement obligations	3,462	3,471
Total non-current liabilities	3,462	3,471
Total liabilities	362,044	254,060
Net assets		
Shareholders' equity		
Capital stock	299,357	301,082
Capital surplus	255,857	257,582
Retained earnings	1,506,871	1,444,488
Treasury stock	(202)	(202)
Total shareholders' equity	2,061,884	2,002,951
Stock acquisition rights	582	776
Total net assets	2,062,466	2,003,727
Total liabilities and net assets	2,424,509	2,257,786

(2) Quarterly Statement of Income
(For the Three-month Period)

	(Thousands of yen)	
	First three months of 2017 (Jan. 1 – Mar. 31, 2017)	First three months of 2018 (Jan. 1 – Mar. 31, 2018)
Net sales	638,908	616,330
Cost of sales	455,499	444,586
Gross profit	183,409	171,744
Selling, general and administrative expenses	75,857	76,127
Operating income	107,552	95,616
Non-operating income		
Interest income	9	10
Other	-	150
Total non-operating income	9	160
Non-operating expenses		
Interest expenses	4	4
Total non-operating expenses	4	4
Ordinary income	107,557	95,772
Profit before income taxes	107,557	95,772
Income taxes-current	32,872	30,336
Income taxes-deferred	5,357	3,967
Total income taxes	38,228	34,303
Profit	69,328	61,469

(3) Notes to Quarterly Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.