



Non-consolidated Financial Results for the First Quarter of 2019 (Three Months Ended March 31, 2019)

[Japanese GAAP]

May 9, 2019

Company name: Nomura System Corporation Co., Ltd. Listing: Tokyo Stock Exchange(the first section)
 Stock code: 3940 URL: <http://www.nomura-system.co.jp>
 Representative: Yoshimitsu Nomura, President
 Contact: Katsuhisa Katou, Executive Officer, General Manager of Administrative Dept.
 Tel: +81-3-6277-0133

Scheduled date of filing of Quarterly Report: May 9, 2019

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, 2019) of 2019

(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, 2019	618	0.3	90	△5.4	99	3.2	68	9.9
Three months ended Mar. 31, 2018	616	△3.5	96	△11.1	96	△11.0	61	△11.3

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Mar. 31, 2019	11.83	11.66
Three months ended Mar. 31, 2018	10.90	10.59

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of March. 31, 2019	2,398	2,149	89.6
As of December. 31, 2018	2,479	2,203	88.8

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2019: 2,148 As of Dec. 31, 2018: 2,201

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 31, 2018	-	0.00	-	22.00	22.00
Year ending Dec. 31, 2019	-				
Year ending Dec. 31, 2019 (Forecast)		0.00	-	-	22.00

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

3. Forecast for 2019 (January 1 to December 31, 2019)

(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	1,232	△2.4	133	△30.5	133	△32.0	90	△26.8	15.87
Full year	2,685	5.7	393	0.5	393	△3.2	268	△3.1	47.02

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, 2019:	5,709,600 shares	As of Dec. 31, 2018:	5,699,100 shares
----------------------	------------------	----------------------	------------------

2) Number of treasury shares at the end of the period

As of Mar. 31, 2019:	165 shares	As of Dec. 31, 2018:	165 share
----------------------	------------	----------------------	-----------

3) Average number of shares outstanding during the period

Three months ended Mar. 31, 2019:	5,706,298 shares	Three months ended Mar. 31, 2018:	5,640,515 share
-----------------------------------	------------------	-----------------------------------	-----------------

* 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.

Contents of Attachments

1. Quarterly Financial Statements and Notes	2
(1) Quarterly Balance Sheet	2
(2) Quarterly Statement of Income	3
(3) Notes to Quarterly Financial Statements	4
Going Concern Assumption	4

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

(Thousands of yen)

	2018 (As of Dec. 31, 2018)	First Quarter of 2019 (As of Mar. 31, 2019)
Assets		
Current assets		
Cash and deposits	1,734,978	1,523,432
Accounts receivable-trade	302,611	422,059
Work in process	—	9,824
Other	10,960	17,265
Total current assets	2,048,548	1,972,580
Non-current assets		
Property, plant and equipment	8,544	7,831
Intangible assets	218	218
Investments and other assets	421,214	417,089
Total non-current assets	429,976	425,138
Total assets	2,478,524	2,397,718
Liabilities		
Current liabilities		
Accounts payable-trade	138,820	138,608
Income taxes payable	73,955	28,914
Other	59,549	77,610
Total current liabilities	272,325	245,132
Non-current liabilities		
Asset retirement obligations	3,501	3,511
Total non-current liabilities	3,501	3,511
Total liabilities	275,826	248,643
Net assets		
Shareholders' equity		
Capital stock	308,245	309,562
Capital surplus	264,745	266,062
Retained earnings	1,659,557	1,601,705
Treasury stock	(202)	(202)
Total shareholders' equity	2,232,345	2,177,127
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	△ 31,004	△ 29,533
Total Valuation and translation adjustments	△ 31,004	△ 29,533
Stock acquisition rights	1,357	1,481
Total net assets	2,202,699	2,149,075
Total liabilities and net assets	2,478,524	2,397,718

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

	(Thousands of yen)	
	First three months of 2018 (Jan. 1 – Mar. 31, 2018)	First three months of 2019 (Jan. 1 – Mar. 31, 2019)
Net sales	616,330	618,111
Cost of sales	444,586	454,618
Gross profit	171,744	163,492
Selling, general and administrative expenses	76,127	73,061
Operating income	95,616	90,431
Non-operating income		
Interest income	10	8
Gain on sales of investment securities	—	7,950
Other	150	456
Total non-operating income	160	8,414
Non-operating expenses		
Interest expenses	4	—
Total non-operating expenses	4	—
Ordinary income	95,772	98,845
Profit before income taxes	95,772	98,845
Income taxes-current	30,336	25,712
Income taxes-deferred	3,967	5,609
Total income taxes	34,303	31,321
Profit	61,469	67,524

(3) Notes to Quarterly Financial Statements

Going Concern Assumption

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.