



Non-consolidated Financial Results for the Second Quarter of 2018
(Six Months Ended June 30, 2018)

[Japanese GAAP]

August 8, 2018

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

Scheduled date of dividend payment: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

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

1. Financial Results for the Second Quarter (January 1 to June 30, 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	%
Six months ended Jun. 30, 2018	1,262	1.9	191	△8.6	195	△6.0	124	△16.0
Six months ended Jun. 30, 2017	1,239	4.8	209	26.6	207	25.5	147	48.5

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended Jun. 30, 2018	21.90		21.29	
Six months ended Jun. 30, 2017	26.42		25.48	

Notes: As Nomura System Corporation (“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 June. 30, 2018	2,336		2,066		88.4	
As of December. 31, 2017	2,425		2,062		85.0	

Reference: Shareholders' equity (millions of yen) As of Jun. 30, 2018: 2,065 As of Dec. 31, 2017: 2,062

2. Dividends

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

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
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 Jun. 30, 2018:	5,645,400 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 Jun. 30, 2018:	165 shares	As of Dec. 31, 2017:	165 share
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3) Average number of shares outstanding during the period

Six months ended Jun. 30, 2018:	5,642,653 shares	Six months ended Jun. 30, 2017:	5,565,918 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.

* Disclosure of the information meeting materials

Nomura System plans to hold a financial results meeting for institutional investors and analysts on Wednesday, August 8, 2018. Materials to be distributed at this event will be available on the Company's website immediately thereafter.

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

(Thousands of yen)

	2017 (As of Dec. 31, 2017)	Second Quarter of 2018 (As of Jun. 30, 2018)
Assets		
Current assets		
Cash and deposits	2,015,412	1,935,969
Accounts receivable-trade	339,755	340,768
Work in process	1,543	-
Other	19,613	13,686
Total current assets	2,376,324	2,290,423
Non-current assets		
Property, plant and equipment	13,158	10,700
Intangible assets	218	218
Investments and other assets	34,809	34,482
Total non-current assets	48,185	45,401
Total assets	2,424,509	2,335,823
Liabilities		
Current liabilities		
Accounts payable-trade	201,881	129,426
Income taxes payable	80,998	76,158
Other	75,704	60,292
Total current liabilities	358,582	265,876
Non-current liabilities		
Asset retirement obligations	3,462	3,481
Total non-current liabilities	3,462	3,481
Total liabilities	362,044	269,357
Net assets		
Shareholders' equity		
Capital stock	299,357	301,307
Capital surplus	255,857	257,807
Retained earnings	1,506,871	1,506,584
Treasury stock	(202)	(202)
Total shareholders' equity	2,061,884	2,065,497
Stock acquisition rights	582	969
Total net assets	2,062,466	2,066,466
Total liabilities and net assets	2,424,509	2,335,823

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

(Thousands of yen)

	First six months of 2017 (Jan. 1 – Jun. 30, 2017)	First six months of 2018 (Jan. 1 – Jun. 30, 2018)
Net sales	1,238,700	1,262,310
Cost of sales	881,437	919,392
Gross profit	357,264	342,918
Selling, general and administrative expenses	148,396	152,074
Operating income	208,868	190,844
Non-operating income		
Interest income	8	10
Other	-	4,009
Total non-operating income	9	4,018
Non-operating expenses		
Valuation loss on investment securities	1,645	-
Other	9	8
Total non-operating expenses	1,654	8
Ordinary income	207,223	194,855
Profit before income taxes	207,223	194,855
Income taxes-current	59,300	69,550
Income taxes-deferred	868	1,739
Total income taxes	60,168	71,290
Profit	147,054	123,565

(3) Quarterly Statement of Cash Flows**(For the Six-month Period)**

(Thousands of yen)

	First six months of 2017 (Jan. 1 – Jun. 30, 2017)	First six months of 2018 (Jan. 1 – Jun. 30, 2018)
Cash flows from operating activities		
Net income before income taxes	207,223	194,855
Depreciation and amortization	2,019	2,457
Loss (gain) on valuation of investment securities	1,645	-
Decrease (increase) in accounts receivable-trade	70,649	(1,014)
Decrease (increase) in inventories	938	1,543
Increase (decrease) in accounts payable-trade	(42,789)	(72,455)
Increase (decrease) in accrued consumption taxes	(1,446)	(9,150)
Other	(12,209)	(4,458)
Subtotal	226,029	111,779
Income taxes paid	(51,594)	(71,590)
Net cash provided by operating activities	174,435	40,189
Cash flows from financing activities		
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	4,425	3,900
Purchase of treasury stock	(202)	-
Dividend paid	(188,721)	(123,533)
Net cash provided by (used in) financing activities	(184,499)	(119,633)
Increase (decrease) in cash and cash equivalents	(10,063)	(79,444)
Cash and cash equivalents at beginning of period	1,828,785	2,015,412
Cash and cash equivalents at end of period	1,818,721	1,935,969

(4) 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.