



Non-consolidated Financial Results for the Second Quarter of 2020 **(Six Months Ended June 30, 2020)**

[Japanese GAAP]

August 14, 2020

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: Yasuo Nemoto, Managing Director, General Manager of Administrative and Consulting Dept.
 Tel: +81-3-6277-0133

Scheduled date of filing of Quarterly Report: August 14, 2020

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, 2020) of 2020

(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, 2020	1,319	7.4	221	27.6	230	26.5	159	27.4
Six months ended Jun. 30, 2019	1,229	△2.7	173	△9.1	182	△6.7	125	0.8

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Jun. 30, 2020	6.93	6.85
Six months ended Jun. 30, 2019	5.45	5.37

Notes: 1. Nomura System conducted a 2-for-1 common stock split on July 1, 2020. Net income per share and diluted net income per share have calculated as if these stock splits had taken place at the beginning of 2019.

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of June. 30, 2020	2,543	2,280	89.6
As of December. 31, 2019	2,582	2,304	89.2

Reference: Shareholders' equity (millions of yen) As of Jun. 30, 2020: 2,280 As of Dec. 31, 2019: 2,304

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 31, 2019	-	0.00	-	11.00	11.00
Year ending Dec. 31, 2020	-	0.00	-	-	-
Year ending Dec. 31, 2020 (Forecast)	-	-	-	5.50	5.50

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

2. Nomura System conducted a 2-for-1 common stock split on July 1, 2020. The year-end dividend per share for 2019 has not been adjusted to reflect this stock split.

3. Forecast for 2020 (January 1 to December 31, 2020)

(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	2,700	12.0	379	13.3	379	7.1	258	7.4	11.28

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

2. Nomura System conducted a 2-for-1 common stock split on July 1, 2020. Net income per share has been calculated as if this stock split had taken place at the beginning of 2020.

*** 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, 2020:	23,016,000 shares	As of Dec. 31, 2019:	23,010,000 shares
----------------------	-------------------	----------------------	-------------------

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

As of Jun. 30, 2020:	100,742 shares	As of Dec. 31, 2019:	100,660 share
----------------------	----------------	----------------------	---------------

3) Average number of shares outstanding during the period

Six months ended Jun. 30, 2020:	22,911,235 shares	Six months ended Jun. 30, 2019:	22,836,548 share
---------------------------------	-------------------	---------------------------------	------------------

Notes: Nomura System conducted a 2-for-1 common stock split on July 1, 2020. Net income per share and diluted net income per share have calculated as if these stock splits had taken place at the beginning of 2019.

* 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 Monday, August 19, 2020. Materials to be distributed at this event will be available on the Company's website immediately thereafter.

Contents of Attachments

1. Quarterly Financial Statements and Notes	2
(1) Quarterly Balance Sheet	2
(2) Quarterly Statement of Income	3
(3) Quarterly Statement of Cash Flows	4
(4) Notes to Quarterly Financial Statements	5
Going Concern Assumption	5
Significant Changes in Shareholders' Equity	5

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

(Thousands of yen)

	2019 (As of Dec. 31, 2019)	Second Quarter of 2020 (As of Jun. 30, 2020)
Assets		
Current assets		
Cash and deposits	1,759,895	1,783,254
Accounts receivable-trade	330,706	344,025
Work in process	25,043	13,096
Other	10,939	9,825
Total current assets	2,126,583	2,150,200
Non-current assets		
Property, plant and equipment	5,692	5,283
Intangible assets	218	218
Investments and other assets		
Investment Securities	384,193	301,957
Other	65,531	85,494
Total Investments and other assets	449,723	387,451
Total non-current assets	455,634	392,952
Total assets	2,582,217	2,543,152
Liabilities		
Current liabilities		
Accounts payable-trade	140,795	124,783
Income taxes payable	57,840	72,154
Other	75,760	62,377
Total current liabilities	274,395	259,314
Non-current liabilities		
Asset retirement obligations	3,541	3,561
Total non-current liabilities	3,541	3,561
Total liabilities	277,936	262,874
Net assets		
Shareholders' equity		
Capital stock	316,156	316,348
Capital surplus	272,656	272,848
Retained earnings	1,774,955	1,807,644
Treasury stock	△27,402	△27,423
Total shareholders' equity	2,336,364	2,369,416
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	△32,788	△89,843
Total Valuation and translation adjustments	△32,788	△89,843
Stock acquisition rights	705	705
Total net assets	2,304,281	2,280,278
Total liabilities and net assets	2,582,217	2,543,152

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

(Thousands of yen)

	First six months of 2019 (Jan. 1 – Jun. 30, 2019)	First six months of 2020 (Jan. 1 – Jun. 30, 2020)
Net sales	1,228,694	1,319,295
Cost of sales	903,756	962,378
Gross profit	324,938	356,917
Selling, general and administrative expenses	151,540	135,660
Operating income	173,398	221,257
Non-operating income		
Interest income	8	9
Dividends received	7,950	8,543
Other	458	99
Total non-operating income	8,417	8,650
Non-operating expenses		
Valuation loss on investment securities		
Other	1	-
Total non-operating expenses	1	-
Ordinary income	181,813	229,906
Profit before income taxes	181,813	229,906
Income taxes-current	56,287	66,173
Income taxes-deferred	997	5,043
Total income taxes	57,284	71,216
Profit	124,529	158,691

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

	(Thousands of yen)	
	First six months of 2019 (Jan. 1 – Jun. 30, 2019)	First six months of 2020 (Jan. 1 – Jun. 30, 2020)
Cash flows from operating activities		
Net income before income taxes	181,813	229,906
Depreciation and amortization	1,426	958
Dividends received	△7,950	△8,543
Decrease (increase) in accounts receivable-trade	27,816	△13,319
Decrease (increase) in inventories	△15,864	11,947
Increase (decrease) in accounts payable-trade	△19,968	△16,012
Increase (decrease) in accrued consumption taxes	13,833	22
Other	4,279	△11,864
Subtotal	185,385	193,094
Dividends received	7,950	8,543
Income taxes paid	△67,979	△52,283
Net cash provided by operating activities	125,357	149,354
Cash flows from investing activities		
Purchase of property plant and equipment	-	△529
Purchase of investment securities	△24,923	-
Net cash used in investing activities	△24,923	△529
Cash flows from financing activities		
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	4,209	384
Purchase of treasury stock	-	△21
Dividend paid	△125,055	△125,809
Net cash provided by (used in) financing activities	△120,846	△125,446
Increase (decrease) in cash and cash equivalents	△20,412	23,359
Cash and cash equivalents at beginning of period	1,734,978	1,759,895
Cash and cash equivalents at end of period	1,714,565	1,783,254

(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.