



Non-consolidated Financial Results for the Third Quarter of 2019 (Nine Months Ended Sept 30, 2019)

[Japanese GAAP]

November 7, 2019

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: November 7, 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 Third Quarter (January 1 to Sept 30, 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	%
Nine months ended Sept. 30, 2019	1,807	△5.2	257	△14.4	275	△12.6	188	△5.8
Nine months ended Sept. 30, 2018	1,905	0.3	300	△10.9	315	△5.8	200	△12.3

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Sept. 30, 2019	16.48	16.24
Nine months ended Sept. 30, 2018	17.71	17.20

Notes: 1. Nomura System conducted a 2-for-1 common stock split on August 1, 2019. Net income per share and diluted net income per share have calculated as if these stock splits had taken place at the beginning of 2018.

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Sept. 30, 2019	2,456	2,264	92.1
As of December. 31, 2018	2,479	2,203	88.8

Reference: Shareholders' equity (millions of yen) As of Sept. 30, 2019: 2,262 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	-	0.00	-	-	-
Year ending Dec. 31, 2019 (Forecast)	-	-	-	11.00	11.00

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

2. Nomura System conducted a 2-for-1 common stock split on August 1, 2019. The year-end dividend per share for 2018 has not been adjusted to reflect this stock split.

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
Full year	2,685	5.7	393	0.5	393	△3.2	268	△3.1	23.51

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

2. Nomura System conducted a 2-for-1 common stock split on August 1, 2019. Net income per share has been calculated as if this stock split had taken place at the beginning of 2019.

*** 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 Sept. 30, 2019:	11,431,800 shares	As of Dec. 31, 2018:	11,398,200 shares
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2) Number of treasury shares at the end of the period

As of Sept. 30, 2019:	330 shares	As of Dec. 31, 2018:	330 share
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3) Average number of shares outstanding during the period

Nine months ended Sept. 30, 2019:	11,422,721 shares	Nine months ended Sept. 30, 2018:	11,288,854 share
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Notes: Nomura System conducted a 2-for-1 common stock split on August 1, 2019. Net income per share and diluted net income per share have calculated as if these stock splits had taken place at the beginning of 2018.

* 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)

	2018 (As of Dec. 31, 2018)	Third Quarter of 2019 (As of Sept. 30, 2019)
Assets		
Current assets		
Cash and deposits	1,734,978	1,679,671
Accounts receivable-trade	302,611	299,621
Work in process	—	17,656
Other	10,960	18,144
Total current assets	2,048,548	2,015,093
Non-current assets		
Property, plant and equipment	8,544	6,405
Intangible assets	218	218
Investments and other assets		
Investment Securities	361,841	378,042
Other	59,373	55,866
Total Investments and other assets	421,214	433,908
Total non-current assets	429,976	440,531
Total assets	2,478,524	2,455,624
Liabilities		
Current liabilities		
Accounts payable-trade	138,820	105,923
Income taxes payable	73,955	18,612
Other	59,549	63,746
Total current liabilities	272,325	188,281
Non-current liabilities		
Asset retirement obligations	3,501	3,531
Total non-current liabilities	3,501	3,531
Total liabilities	275,826	191,812
Net assets		
Shareholders' equity		
Capital stock	308,245	310,349
Capital surplus	264,745	266,849
Retained earnings	1,659,557	1,722,461
Treasury stock	(202)	(202)
Total shareholders' equity	2,232,245	2,299,458
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	△ 31,004	△ 37,055
Total Valuation and translation adjustments	△ 31,004	△ 37,055
Stock acquisition rights	1,357	1,410
Total net assets	2,202,699	2,263,812
Total liabilities and net assets	2,478,524	2,455,624

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

	(Thousands of yen)	
	First Nine months of 2018 (Jan. 1 – Sept. 30, 2018)	First Nine months of 2019 (Jan. 1 – Sept. 30, 2019)
Net sales	1,905,328	1,228,694
Cost of sales	1,381,578	903,756
Gross profit	523,750	324,938
Selling, general and administrative expenses	223,514	151,540
Operating income	300,236	173,398
Non-operating income		
Interest income	19	17
Dividend income	3,750	16,493
Gain on sales of investment securities	7,002	-
Subsidy income	4,018	-
Other	-	1,644
Total non-operating income	14,790	18,153
Non-operating expenses		
Other	57	1
Total non-operating expenses	57	1
Ordinary income	314,969	275,219
Profit before income taxes	314,969	275,219
Income taxes-current	110,047	80,584
Income taxes-deferred	5,010	6,354
Total income taxes	115,057	86,938
Profit	199,912	188,280

(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.