



Non-consolidated Financial Results for the Third Quarter of 2017 (Nine Months Ended September 30, 2017)

[Japanese GAAP]

November 6, 2017

Company name: Nomura System Corporation Co., Ltd. Listing: Tokyo Stock Exchange (JASDAQ)
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Scheduled date of filing of Quarterly Report: November 6, 2017

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 September 30, 2017) of 2017

(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, 2017	1,900	6.8	337	46.1	335	47.4	228	65.8
Nine months ended Sept. 30, 2016	1,779	-	231	-	227	-	138	-

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Sept. 30, 2017	40.93	39.42
Nine months ended Sept. 30, 2016	31.67	30.74

- Notes: 1. As Nomura System Corporation ("Nomura System") did not prepare a quarterly financial statement for 2015, the year-on-year changes for the nine months ended Sept 30, 2016 are not indicated.
 2. Nomura System conducted a 100-for-1 common stock split on May 27, 2016 and 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 2016.
 3. Diluted net income per share for the year ended Dec 31, 2016 are is calculated based on the average stock price during the period from the initial listing date to the third end of the fiscal year ending December 31, 2016. It is calculated assuming it to be medium-average stock price. Because the Company's stock was listed on the Tokyo Stock Exchange, JASDAQ Market on September 16, 2016.

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Sept. 30, 2017	2,310	1,978	85.6
As of Dec. 31, 2016	2,277	1,934	84.9

Reference: Shareholders' equity (millions of yen) As of Sept. 30, 2017: 1,978 As of Dec. 31, 2016: 1,934

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 31, 2016	-	0.00	-	102.00	102.00
Year ending Dec. 31, 2017	-	0.00	-	-	-
Year ending Dec. 31, 2017 (Forecast)	-	-	-	-	-

- Notes: 1. Revisions to the most recently announced dividend forecast: None
 2. Breakdown of the 2016 dividend: Ordinary dividend: 51.00 yen; Commemorative dividend: 51.00 yen
 3. Nomura System conducted a 3-for-1 common stock split on July 1, 2017. The year-end dividend per share for 2016 has not been adjusted to reflect this stock split.
 4. The dividend forecast for 2017 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 2017 (January 1 to December 31, 2017)

(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	2,501	2.4	378	21.1	376	20.7	272	40.0	48.86

- Notes: 1. Revisions to the most recently announced forecast: Yes
 2. We revised the forecast for the full fiscal year. For details, Please refer to the " Notice of Revisions of Financial Forecasts(Upward)" announced today (November 6, 2017).

3. Nomura System conducted a 3-for-1 common stock split on July 1, 2017. Net income per share has been calculated as if this stock split had taken place at the beginning of 2017.

*** 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, 2017:	5,579,400 shares	As of Dec. 31, 2016:	5,558,400 shares
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2) Number of treasury shares at the end of the period

As of Sept. 30, 2017:	165 shares	As of Dec. 31, 2016:	0 share
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3) Average number of shares outstanding during the period

Nine months ended Sept. 30, 2017:	5,569,748 shares	Nine months ended Sept. 30, 2016:	4,341,450 share
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Note: Nomura System conducted a 100-for-1 common stock split on May 27, 2016 and 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 2016.

* 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)	
	2016 (As of Dec. 31, 2016)	Third Quarter of 2017 (As of Sept. 30, 2017)
Assets		
Current assets		
Cash and deposits	1,828,785	1,836,168
Accounts receivable-trade	372,696	413,458
Work in process	7,012	750
Other	20,324	14,772
Total current assets	2,228,816	2,265,148
Non-current assets		
Property, plant and equipment	12,904	9,876
Intangible assets	218	218
Investments and other assets	35,300	34,426
Total non-current assets	48,423	44,520
Total assets	2,277,238	2,309,668
Liabilities		
Current liabilities		
Accounts payable-trade	204,279	183,165
Income taxes payable	74,407	74,707
Other	61,109	69,879
Total current liabilities	339,794	327,751
Non-current liabilities		
Asset retirement obligations	3,423	3,452
Total non-current liabilities	3,423	3,452
Total liabilities	343,217	331,203
Net assets		
Shareholders' equity		
Capital stock	290,207	292,832
Capital surplus	246,707	249,332
Retained earnings	1,397,107	1,436,115
Treasury stock	-	(202)
Total shareholders' equity	1,934,022	1,978,077
Stock acquisition rights	-	388
Total net assets	1,934,022	1,978,465
Total liabilities and net assets	2,277,238	2,309,668

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

	(Thousands of yen)	
	First nine months of 2016 (Jan. 1 – Sept. 30, 2016)	First nine months of 2017 (Jan. 1 – Sept. 30, 2017)
Net sales	1,779,171	1,899,933
Cost of sales	1,316,944	1,342,697
Gross profit	462,226	557,236
Selling, general and administrative expenses	231,559	220,320
Operating income	230,668	336,916
Non-operating income		
Interest income	129	17
Other	213	1
Total non-operating income	342	18
Non-operating expenses		
Stock issuance cost	3,980	-
Valuation loss on investment securities	-	1,645
Other	136	764
Total non-operating expenses	4,116	2,409
Ordinary income	226,894	334,525
Extraordinary income		
Gain on sale of fixed assets	577	-
Total extraordinary income	577	-
Profit before income taxes	227,471	334,525
Income taxes-current	85,165	102,516
Income taxes-deferred	4,801	4,016
Total income taxes	89,965	106,532
Profit	137,506	227,993

(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.