



**Non-consolidated Financial Results for the Third Quarter of 2018  
(Nine Months Ended September 30, 2018)**

[Japanese GAAP]

November 8, 2018

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: November 8, 2018

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, 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	%
Nine months ended Sept. 30, 2018	1,905	0.3	300	△10.9	315	△5.8	200	△12.3
Nine months ended Sept. 30, 2017	1,900	6.8	337	46.1	335	47.4	228	65.8

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Sept. 30, 2018	35.42	34.41
Nine months ended Sept. 30, 2017	40.93	39.42

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 September. 30, 2018	2,385	2,144	89.9
As of December. 31, 2017	2,425	2,062	85.0

Reference: Shareholders' equity (millions of yen) As of Sept. 30, 2018: 2,143 As of Dec. 31, 2017: 2,062

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 31, 2017	-	0.00	-	22.00	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 Sept. 30, 2018:	5,650,800 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 Sept. 30, 2018:	165 shares	As of Dec. 31, 2017:	165 share
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3) Average number of shares outstanding during the period

Nine months ended Sept. 30, 2018:	5,644,427 shares	Nine months ended Sept. 30, 2017:	5,569,748 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.

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

(Thousands of yen)

	2017 (As of Dec. 31, 2017)	Third Quarter of 2018 (As of Sept. 30, 2018)
<b>Assets</b>		
Current assets		
Cash and deposits	2,015,412	1,888,518
Accounts receivable-trade	339,755	400,773
Work in process	1,543	-
Other	19,613	15,521
Total current assets	2,376,324	2,304,812
Non-current assets		
Property, plant and equipment	13,158	9,622
Intangible assets	218	218
Investments and other assets	34,809	70,333
Total non-current assets	48,185	80,173
Total assets	2,424,509	2,384,986
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	201,881	122,108
Income taxes payable	80,998	52,744
Other	75,704	62,286
Total current liabilities	358,582	237,137
Non-current liabilities		
Asset retirement obligations	3,462	3,491
Total non-current liabilities	3,462	3,491
Total liabilities	362,044	240,628
<b>Net assets</b>		
Shareholders' equity		
Capital stock	299,357	301,982
Capital surplus	255,857	258,482
Retained earnings	1,506,871	1,582,931
Treasury stock	(202)	(202)
Total shareholders' equity	2,061,884	2,143,194
Stock acquisition rights	582	1,163
Total net assets	2,062,466	2,144,357
Total liabilities and net assets	2,424,509	2,384,986

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

(Thousands of yen)

	First nine months of 2017 (Jan. 1 – Sept. 30, 2017)	First nine months of 2018 (Jan. 1 – Sept. 30, 2018)
Net sales	1,899,933	1,905,328
Cost of sales	1,342,697	1,381,578
Gross profit	557,236	523,750
Selling, general and administrative expenses	220,320	223,514
Operating income	336,916	300,236
Non-operating income		
Interest income	17	19
Dividends income	-	3,750
Gain on sales of investment securities	-	7,002
Subsidy income	-	4,018
Other	1	-
Total non-operating income	18	14,790
Non-operating expenses		
Valuation loss on investment securities	1,645	-
Other	764	57
Total non-operating expenses	2,409	57
Ordinary income	334,525	314,969
Profit before income taxes	334,525	314,969
Income taxes-current	102,516	110,047
Income taxes-deferred	4,016	5,010
Total income taxes	106,532	115,057
Profit	227,993	199,912

**(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.*