



Non-consolidated Financial Results for the Year Ended December 31, 2020

[Japanese GAAP]

February 15, 2021

Company name: Nomura System Corporation Co., Ltd. Listing: Tokyo Stock Exchange (the first section)
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Scheduled date of Annual General Meeting of Shareholders: March 24, 2021
 Scheduled date of filing annual securities report: March 24, 2021
 Scheduled date of dividend payment: March 25, 2021
 Preparation of supplementary materials for annual financial results: Yes
 Holding of annual y financial results meeting: Yes (for institutional investors and analysts)

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

1. Financial Results for the Fiscal Year Ended December 31, 2020 (January 1 to December 31, 2020)

(1) Results of operations (Percentages represent year-on-year changes)

Fiscal year ended	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2020	2,540	5.3	373	11.6	391	10.4	269	11.9
December 31, 2019	2,412	△5.1	334	△14.4	354	△12.9	241	△12.9

Fiscal year ended	Net income per share	Diluted net income per share	Rate of return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
	Yen	Yen	%	%	%
December 31, 2020	11.75	11.61	11.5	14.8	14.7
December 31, 2019	10.54	10.38	10.7	14.0	13.9

Reference: Equity in earnings (losses) of affiliated companies: Fiscal year ended December 31, 2020: ¥ - million

Fiscal year ended December 31, 2019: ¥ - million

Notes: As Nomura System Corporation ("Nomura System") conducted a 2-for-1 common stock split on August 1, 2019 and 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

As of	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	%
December 31, 2020	2,683	2,396	89.3	104.10
December 31, 2019	2,582	2,304	89.2	100.55

Reference: Shareholders' equity (millions of yen) As of Dec. 31, 2020: 2,395 As of Dec. 31, 2019: 2,304

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

(3) Non-consolidated Cash Flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2020	207	△1	△119	1,847
December 31, 2019	187	△25	△137	1,760

2. Dividends

	Dividend per share					Total Dividends	Payout ratio	Dividends to net assets
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal Year ended Dec. 31, 2019	Yen -	Yen 0.00	Yen -	Yen 11.00	Yen 11.00	Millions of yen 126	% 52.2	% 5.6
Fiscal Year ended Dec. 31, 2020	-	0.00	-	5.50	5.50	127	46.8	5.4
Fiscal Year ending Dec. 31, 2021 (Forecast)	-	0.00	-	5.50	5.50		-	

Notes: 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 2021 (January 1 to December 31, 2021)

(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
First half	1,240	△6.0	153	△30.8	153	△33.4	104	△34.2	4.54
Full year	2,700	6.3	371	△0.6	371	△5.0	253	△6.1	11.00

* Notes

(1) 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

(2) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Dec. 31, 2020: 23,109,600 shares As of Dec. 31, 2019: 23,010,000 shares

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

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

3) Average number of shares outstanding during the period

Jan. through Dec, 2020: 22,926,904 shares Jan. through Dec, 2019: 22,841,300 share

Notes: Nomura System conducted a 2-for-1 common stock split on August 1, 2019 and a 2-for-1 common stock split on July 1, 2020. The number of shares issued (common stock) has calculated as if these stock splits had taken place at the beginning of 2019.

* This document is not subject to audit procedures in accordance with the Financial Instruments and Exchange Act.

* 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. Non-Consolidated Financial Statements and Notes**(1) Non-Consolidated Balance Sheet**

(Thousands of yen)

	2019 (As of Dec. 31, 2019)	2020 (As of Dec. 31, 2020)
Assets		
Current assets		
Cash and deposits	1,759,895	1,847,362
Accounts receivable-trade	330,706	414,588
Work in process	25,043	23,198
Prepaid expenses	5,685	6,391
Other	5,254	1,452
Total current assets	2,126,583	2,292,990
Non-current assets		
Property, plant and equipment		
Buildings	12,788	12,788
Accumulated depreciation	△11,725	△11,932
Buildings, net	1,062	855
Vehicles	11,440	11,440
Accumulated depreciation	△9,081	△9,869
Vehicles, net	2,358	1,571
Tools, furniture and fixtures	11,122	11,196
Accumulated depreciation	△8,850	△9,370
Tools, furniture and fixtures, net	2,271	1,826
Total property, plant and equipment	5,692	4,252
Intangible assets		
Other	218	218
Total intangible assets	218	218
Investments and other assets		
Investment securities	384,193	298,654
Deferred tax assets	40,773	62,301
Other	24,757	24,677
Total Investments and other assets	449,723	385,632
Total non-current assets	455,634	390,103
Total assets	2,582,217	2,683,093
Liabilities		
Current liabilities		
Accounts payable-trade	140,795	135,760
Accounts payable-other	27,198	24,940
Income taxes payable	57,840	69,688
Deposits received	15,837	16,529
Other	32,725	37,047
Total current liabilities	274,395	283,964
Non-current liabilities		
Asset retirement obligations	3,541	3,581
Total non-current liabilities	3,541	3,581
Total liabilities	277,936	287,545
Net assets		
Shareholders' equity		

	2019 (As of Dec. 31, 2019)	2020 (As of Dec. 31, 2020)
Capital stock	316,156	319,988
Capital surplus		
Legal capital surplus	272,656	276,488
Total legal capital surplus	272,656	276,488
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,774,955	1,918,419
Total retained earnings	1,774,955	1,918,419
Treasury stock	△27,402	△27,423
Total shareholders' equity	2,336,364	2,487,471
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	△32,788	△92,135
Total valuation and translation adjustments	△32,788	△92,135
Stock acquisition rights	705	212
Total net assets	2,304,281	2,395,548
Total liabilities and net assets	2,582,217	2,683,093

(2) Non-Consolidated Statement of Income**(The Year Ended December 31, 2020)**

(Thousands of yen)

	For the fiscal year Ended December 31,2019	For the fiscal year Ended December 31,2020
Net sales	2,411,749	2,539,510
Cost of sales	1,780,039	1,900,044
Gross profit	631,711	639,466
Selling, general and administrative expenses	297,307	266,243
Operating income	334,403	373,223
Non-operating income		
Dividends income	16,493	17,085
Subsidy income	2,884	202
Other	17	17
Total non-operating income	19,393	17,304
Non-operating expenses		
Other	1	-
Total non-operating expenses	1	-
Ordinary income	353,796	390,527
Profit before income taxes	353,796	390,527
Income taxes-current	117,350	116,397
Income taxes-deferred	△4,328	4,664
Total income taxes	113,022	121,061
Profit	240,774	269,466

(3) Non-Consolidated Statements of Changes in Net Assets**For the fiscal year ended December 31, 2019****(Thousand yen)**

	Shareholders' equity				
	Capital stock	Capital surplus		Retained earnings	
		Legal capital surplus	Total Capital surplus	Other retained earnings Retained earnings brought forward	Total Retained earnings
Balance at beginning of current period	308,245	264,745	264,745	1,659,557	1,659,557
Changes of items during period					
Issuance of new Shares	7,911	7,911	7,911		
Issuance of new shares (Exercise of stock acquisition rights)				△125,377	△125,377
Profit				240,774	240,774
Acquisition of treasury stock					
Net changes of items other than shareholders' equity					
Total changes of items during period	7,911	7,911	7,911	115,397	115,397
Balance at end of current period	316,156	272,656	272,656	1,774,955	1,774,955

	Shareholders' equity		Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total Valuation and translation adjustments		
Balance at beginning of current period	△202	2,232,345	△31,004	△31,004	1,357	2,202,699
Changes of items during period						
Issuance of new shares		15,822				15,822
Issuance of new shares (Exercise of stock acquisition rights)		△125,377				△125,377
Profit		240,774				240,774
Acquisition of treasury stock	△27,200	△27,200				△27,200
Net changes of items other than shareholders' equity			△1,784	△1,784	△652	△2,437
Total changes of items during period	△27,200	104,019	△1,784	△1,784	△652	101,583
Balance at end of current period	△27,402	2,336,364	△32,788	△32,788	705	2,304,281

For the fiscal year ended December 31, 2020

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus		Retained earnings	
		Legal capital surplus	Total Capital surplus	Other retained earnings Retained earnings brought forward	Total Retained earnings
Balance at beginning of current period	316,156	272,656	272,656	1,774,955	1,774,955
Changes of items during period					
Issuance of new shares	3,832	3,832	3,832		
Issuance of new shares (Exercise of stock acquisition rights)				△126,001	△126,001
Profit				269,466	269,466
Acquisition of treasury stock					
Net changes of items other than shareholders' equity					
Total changes of items during period	3,832	3,832	3,832	143,464	143,464
Balance at end of current period	319,988	276,488	276,488	1,918,419	1,918,419

	Shareholders' equity		Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total Valuation and translation adjustments		
Balance at beginning of current period	△27,402	2,336,364	△32,788	△32,788	705	2,304,281
Changes of items during period						
Issuance of new shares		7,664				7,664
Issuance of new shares (Exercise of stock acquisition rights)		△126,001				△126,001
Profit		269,466				269,466
Acquisition of treasury stock	△21	△21				△21
Net changes of items other than shareholders' equity			△59,347	△59,347	△494	△59,840
Total changes of items during period	△21	151,107	△59,347	△59,347	△494	91,266
Balance at end of current period	△27,423	2,487,471	△92,135	△92,135	212	2,395,548

(4) Non-Consolidated Statement of Cash Flows

(Thousands of yen)

	For the fiscal year Ended December 31,2019	For the fiscal year Ended December 31,2020
Cash flows from operating activities		
Net income before income taxes	353,796	390,527
Depreciation and amortization	2,851	1,989
Dividends income	(16,493)	(17,085)
Decrease (increase) in accounts receivable-trade	(28,095)	(83,882)
Decrease (increase) in inventories	(25,043)	1,845
Increase (decrease) in accounts payable-trade	1,974	(5,035)
Increase (decrease) in accrued consumption taxes	15,956	7,340
Other	(1,132)	(1,434)
Subtotal	303,816	294,264
Dividends income	16,493	17,085
Income taxes paid	(133,136)	(104,530)
Net cash provided by operating activities	187,172	206,819
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(549)
Purchase of investment securities	(24,923)	-
Net cash used in investing activities	(24,923)	(549)
Cash flows from financing activities		
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	15,117	7,241
Purchase of treasury stock	(27,200)	(21)
Dividend paid	(125,248)	(126,024)
Net cash provided by (used in) financing activities	(137,331)	(118,804)
Increase (decrease) in cash and cash equivalents	24,918	87,467
Cash and cash equivalents at beginning of period	1,734,978	1,759,895
Cash and cash equivalents at end of period	1,759,895	1,847,362

(5) Notes to Non-Consolidated Financial Statements

Going Concern Assumption

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.