

TSE:2327



NS Solutions



FY2024/1Q Results

July 30, 2024

NS Solutions Corporation

1. FY2024/1Q Highlights

¥ in billions

	FY2023/1Q	FY2024/1Q	Difference	
			YoY rate	
Revenue	68.8	76.8	+8.1	12%
Gross Profit	16.1	18.7	+2.6	16%
<Gross Profit Margin>	<23.4%>	<24.4%>	<+0.9%>	
SG&A	9.6	10.0	+0.4	4%
Others	0.0	0.1	+0.0	
Operating Profit	6.6	8.8	+2.2	34%
<Operating Profit Margin>	<9.6%>	<11.5%>	<+1.9%>	
Profit before tax	6.9	9.0	+2.1	31%
Profit attributable to owners of parent	4.0	5.4	+1.4	34%

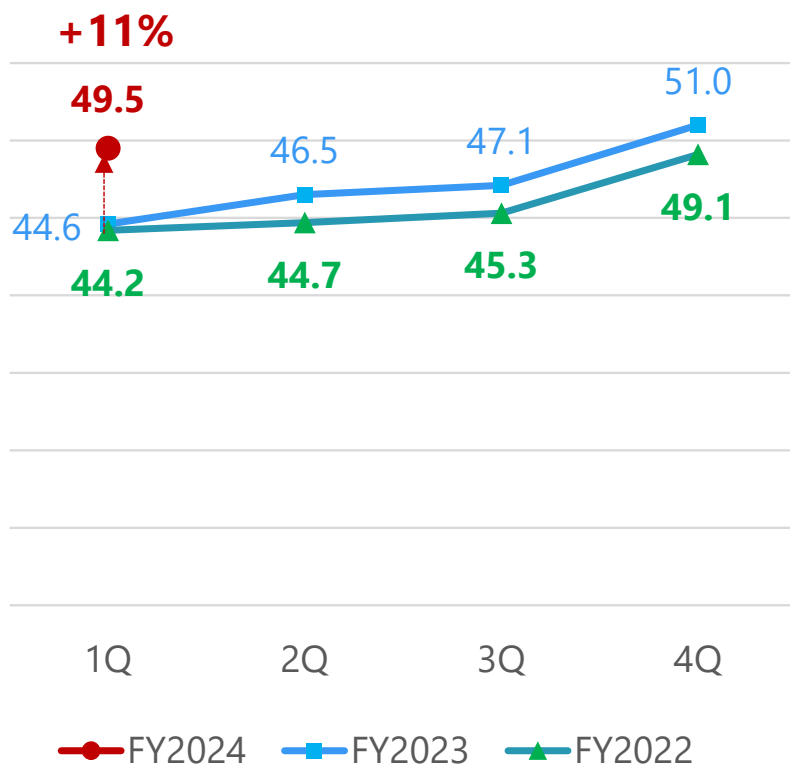
2. FY 2024/1Q Sales by Segment / Customer Industry

	A	B	B-A	C	C-B	¥ in billions
	FY2023/1Q	FY2023/1Q After Reclassifications		FY2024/1Q	Change	YoY
Business Solutions	45.5	44.6	-0.9	49.5	11%	+4.9
Manufacturing, Nippon Steel Group	22.5	21.6	-0.9	22.4		+0.8
Retail and Service, Digital Platformer	14.4	14.4		14.6		+0.2
Financial Service	8.7	8.7		12.5		+3.9
Consulting & Digital Service	14.3	15.2	+0.9	16.8	10%	+1.6
Government, Educational and Research Institutions	3.7	3.7		3.9		+0.1
IT Infrastructure Services	10.6	11.5	+0.9	12.9		+1.4
Subsidiaries	9.0	9.0		10.5	18%	+1.6
Total	68.8	68.8		76.8	12%	+8.1
<FYI> Revenue to Nippon Steel	15.3	15.3		15.3		+0.0

* Some areas have been reclassified from “Manufacturing, Nippon Steel Group” to “Consulting & Digital Service”, and comparisons for the prior period are presented with figures after reclassification.

3. Business Solutions Segment

Quarterly Sales Trends



¥ in billions

	FY2023/1Q After Reclassifications	FY2024/1Q	Change YoY	
Business Solutions	44.6	49.5	+11%	+4.9
Manufacturing, Nippon Steel Group	21.6	22.4		+0.8
Retail and Service, Digital Platformer	14.4	14.6		+0.2
Financial Service	8.7	12.5		+3.9

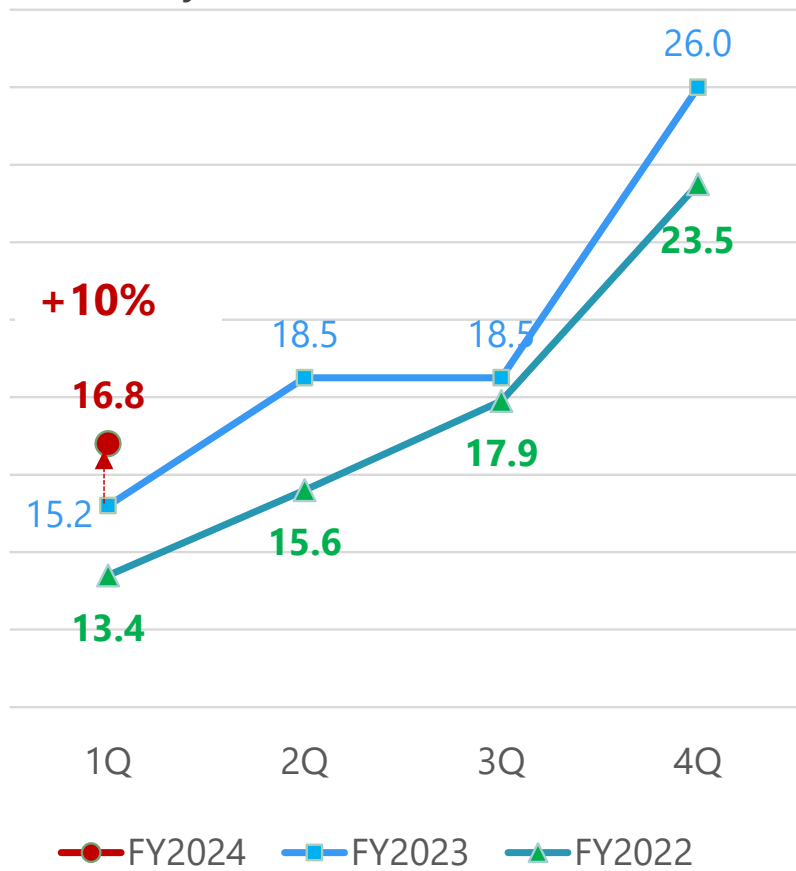
Strong start, mainly in the Financial Service

- Sales to NSC are stable at a high level due to IT investment in new facilities and DX measures, etc.
- Strong sales in Electrical machinery and precision equipment sector and Transportation sector.
- Almost flat YoY for Retail and Service, and Digital Platformers Seg.
- Oracle-related sales to financial institutions continue to be strong.

4. Consulting & Digital Service Segment

¥ in billions

Quarterly Sales Trends



	FY2023/1Q	FY2024/1Q	Change
	After Reclassifications		YoY
Consulting & Digital Service	15.2	16.8	10% +1.6
Government, Educational and Research Institutions	3.7	3.9	+0.1
IT Infrastructure Services	11.5	12.9	+1.4

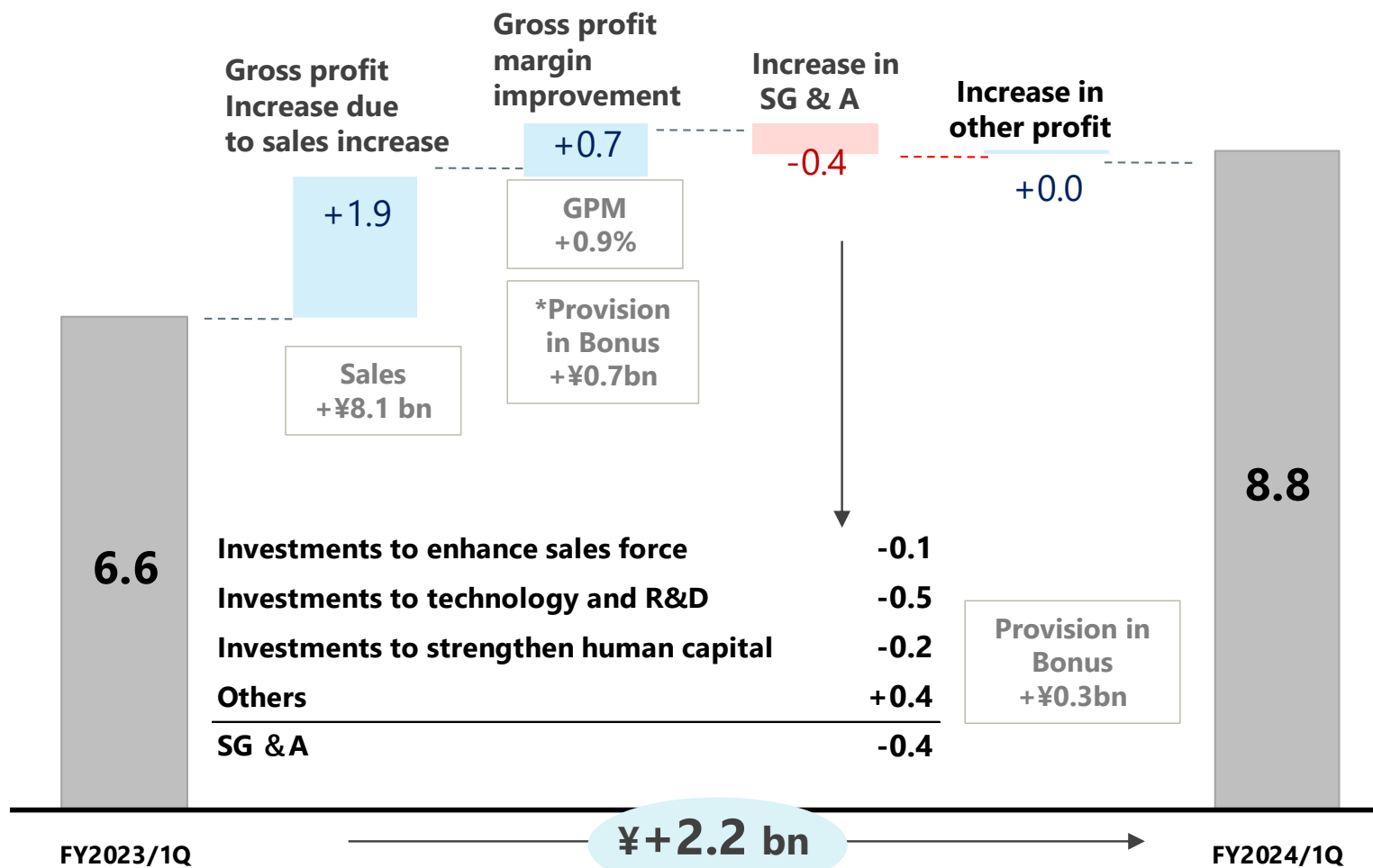
IT Sourcing demand continues to expand Government sourcing demand Also steady

Major Factors of Sales Increase/Decrease in IT Infrastructure
(¥ in billions)

- Cloud Solutions (+0.6)
- IT Product Sales (+0.3)
- Operation Services (+0.2)

5. Consolidated Operating Profit Breakdown

¥ in billions



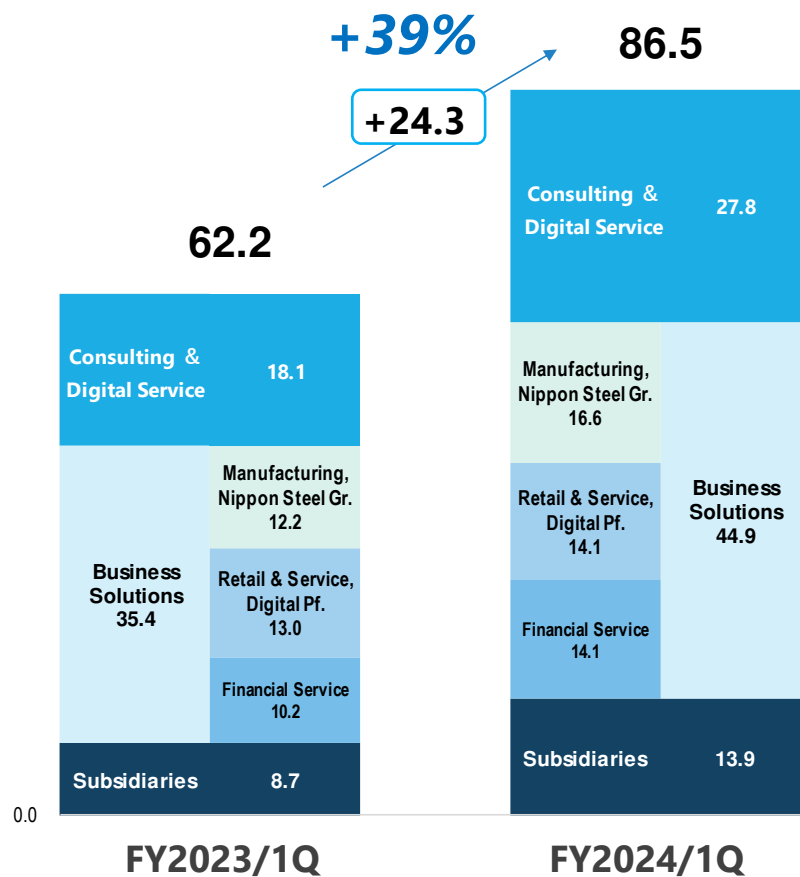
NSSOL has revised the salary system, reallocating funds from the bonus portion to the salary portion.

As a result, the difference in bonus reserves was larger than expected. This impact will no longer be present from the second quarter onward.

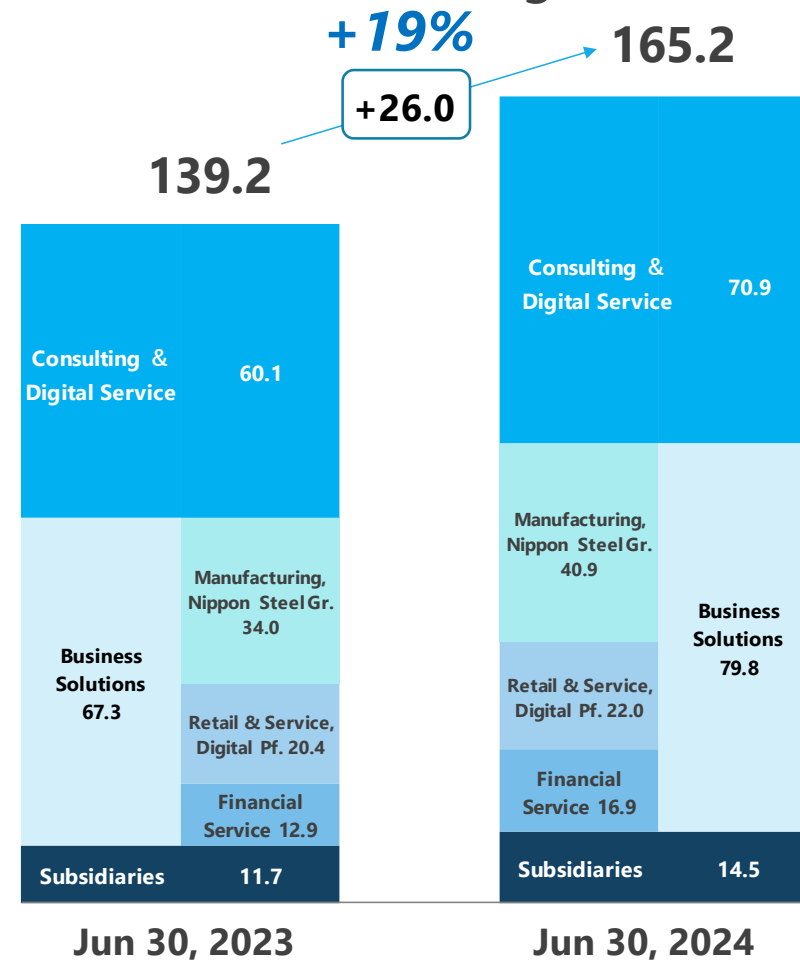
6. Order Acceptance / Order Backlog

¥ in billions

Order Acceptance



Order Backlog

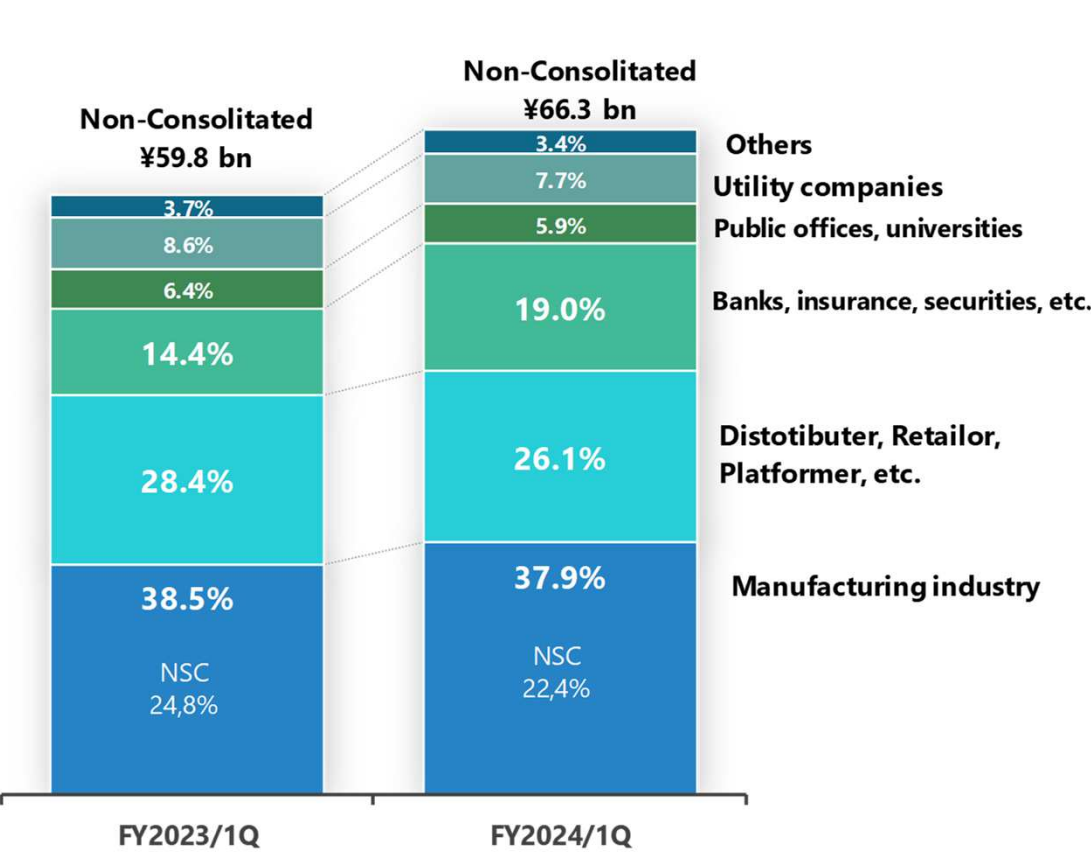


7. Outlook for FY 2024

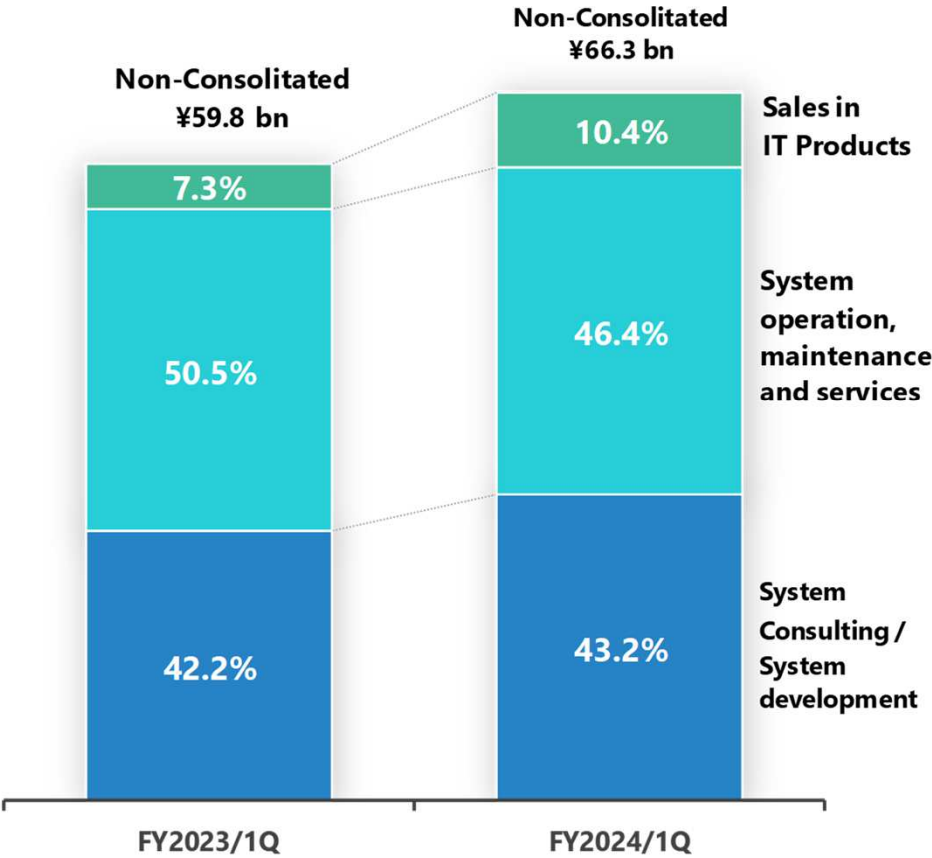
¥ in billions

	FY2023		FY2024 Forecast		YoY		vs. Previous Forecast	
	H1	Full Year	H1	Full Year	H1	Full Year	H1	Full Year
Revenue	144.8	310.6	153.0	330.0	+8.2	+19.4	-	-
Gross Profit	33.4	71.8	36.0	77.5	+2.6	+5.7	+0.5	+0.5
<Gross Profit Margin>	<23.1%>	<23.1%>	<23.5%>	<23.5%>	<+0.5%>	<+0.4%>		
SG&A	18.7	36.6	20.0	40.5	+1.3	+3.9	-0.5	-0.5
Others	-0.1	-0.2	0.0	0.0	+0.1	+0.2	-	-
Operating Profit	14.6	35.0	16.0	37.0	+1.4	+2.0	+1.0	+1.0
<Operating Profit Margin>	<10.1%>	<11.3%>	<10.5%>	<11.2%>	<+0.3%>	<-0.1%>		
Profit before tax	15.0	35.4	16.2	37.5	+1.2	+2.1	+1.0	+1.0
Profit attributable to owners of parent	9.5	24.2	10.5	25.2	+1.0	+1.0	+0.7	+0.7

(FYI) Sales by Customer Industry



Sales Composition by Product/Service





Dream our future
Unleash the possibilities of society,
With technology and passion

<https://www.nssol.nipponsteel.com/en/>

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