

TSE:2327



**NS Solutions**



# Half-year Results FY2024 and FY2024 Guidance

October 29, 2024

## NS Solutions Corporation

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# Executive Summary

## Results for 1H / FY2024

- NSSOL's 1H / FY2024 earnings beat forecasts and reached record high.
- Interim Dividends 36.5 yen.(+ 16.5 yen from the previous year dividends\*, POR 50.4%)

## Outlook for 2H / FY2024

- IT investment is expected to remain strong
- Full-year forecasts have been revised upward in consideration of the 1H upswing.
- OP ¥39.0 bn (YoY +¥.4.0 bn +11%, vs previous forecast +¥ 2.0 bn)
- Full year Dividends ¥ 73 (POR 50.4% YoY+ ¥30.5\*) \*Adjusted after stock split

## Progress of Medium-term Business Strategy

- Expected to achieve the original plan by the end of FY2024 ahead of schedule.
- Completed the sale of all shares in Recruit Co, Ltd and to be using to realize the 'NSSOL 2030 Vision'.

## Preparing for Planning New Medium-term Business Plan

- The first half of the three-year mid-term management plan to realize the "NSSOL 2030 Vision" is being formulated for disclosure by the end of FY2024.
- Targeting next 3years as a period for building a foundation for rapid growing to 2030, we will be (1) launching new business models, (2) Discovering scope to new markets, and (3) Developing business base to support growth.
- NSSOL will seek early returns on its growth investments, including M&A, by executing them as early as possible.



# Results for the First Half of FY2024

# I -1. FY2024/1H Results

¥ in billions

	FY2023/ 1H	FY2024/ 1H	Difference		vs Previous	rate
				YoY rate	Forecast	
Revenue	144.8	156.6	+11.8	8%	+3.6	2%
Gross Profit	33.4	38.4	+5.0	15%	+2.4	7%
<Gross Profit Margin>	<23.1%>	<24.5%>	<+1.4%>		<+1.0%>	
SG&A	18.7	20.3	+1.6	9%	+0.3	1%
Others	-0.1	0.0	+0.1		+0.0	
Operating Profit	14.6	18.1	+3.5	24%	+2.1	13%
<Operating Profit Margin>	<10.1%>	<11.6%>	<+1.5%>		<+1.1%>	
Profit before tax	15.0	18.2	+3.1	21%	+2.0	12%
Profit attributable to owners of parent	9.5	12.2	+2.7	28%	+1.7	16%

## I -2. Sales by Segment / Customer Industry

¥ in billions

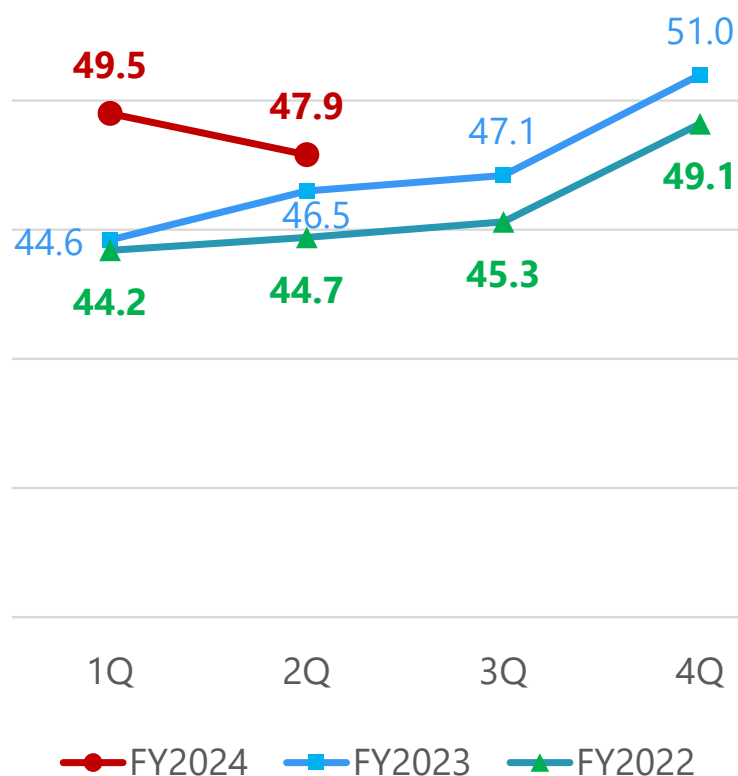
	A	B	B-A	C	C-B
	FY2023/ 1H	FY2023/ 1H After Reclassifications		FY2024/ 1H	Change YoY
Business Solutions	92.9	91.1	-1.8	<b>97.4</b>	7% <b>+6.3</b>
Manufacturing, Nippon Steel Group	45.6	43.8	-1.8	<b>45.5</b>	<b>+1.7</b>
Retail and Service, Digital Platformer	29.2	29.2		<b>29.0</b>	<b>-0.1</b>
Financial Service	18.2	18.2		<b>22.8</b>	<b>+4.7</b>
Consulting & Digital Service	32.0	33.7	+1.8	<b>35.1</b>	4% <b>+1.4</b>
Government, Educational and Research Institutions	9.1	9.1		<b>8.8</b>	<b>-0.3</b>
IT Infrastructure Services	22.9	24.6	+1.8	<b>26.3</b>	<b>+1.7</b>
Subsidiaries	19.9	19.9		<b>24.2</b>	21% <b>+4.2</b>
Total	144.8	144.8		<b>156.6</b>	8% <b>+11.8</b>
<FYI> Revenue to Nippon Steel	30.5	30.5		<b>30.5</b>	<b>-0.0</b>

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

# I -3. Business Solutions Segment

¥ in billions

Quarterly Sales Trends (¥ bn)



	FY2023/ 1H After Reclassifications	FY2024/ 1H	Change YoY	
Business Solutions	91.1	97.4	+7%	+6.3
Manufacturing, Nippon Steel Group	43.8	45.5		+1.7
Retail and Service, Digital Platformer	29.2	29.0		-0.1
Financial Service	18.2	22.8		+4.7

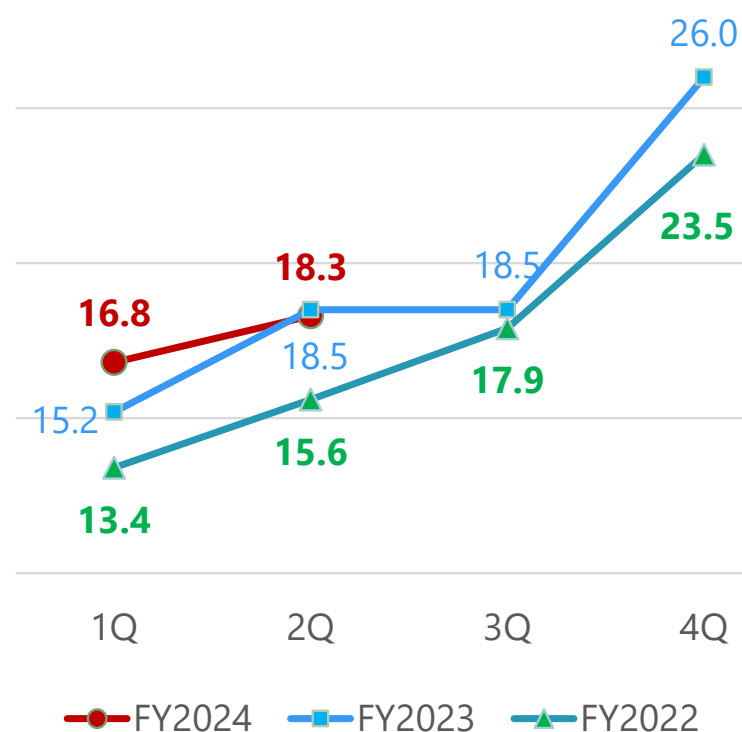
## Strong performance in the Financial Service, Manufacturing and NSC

- ✓ Sales to NSC are stable at a high level due to IT investment in new facilities and DX measures, etc.
- ✓ In the manufacturing sector, strong sales were recorded for automobiles and automotive parts, as well as for electrical machinery and precision equipment.
- ✓ Almost flat YoY for Retail and Service, and Digital Platformers Seg.
- ✓ Oracle-related sales to financial institutions continue to be strong.

## I -4. Consulting & Digital Service Segment

¥ in billions

Quarterly Sales Trends (¥ bn)



	FY2023/ 1H After Reclassifications	FY2024/ 1H	Change YoY
Consulting & Digital Service	33.7	35.1	4% +1.4
Government, Educational and Research Institutions	9.1	8.8	-0.3
IT Infrastructure Services	24.6	26.3	+1.7

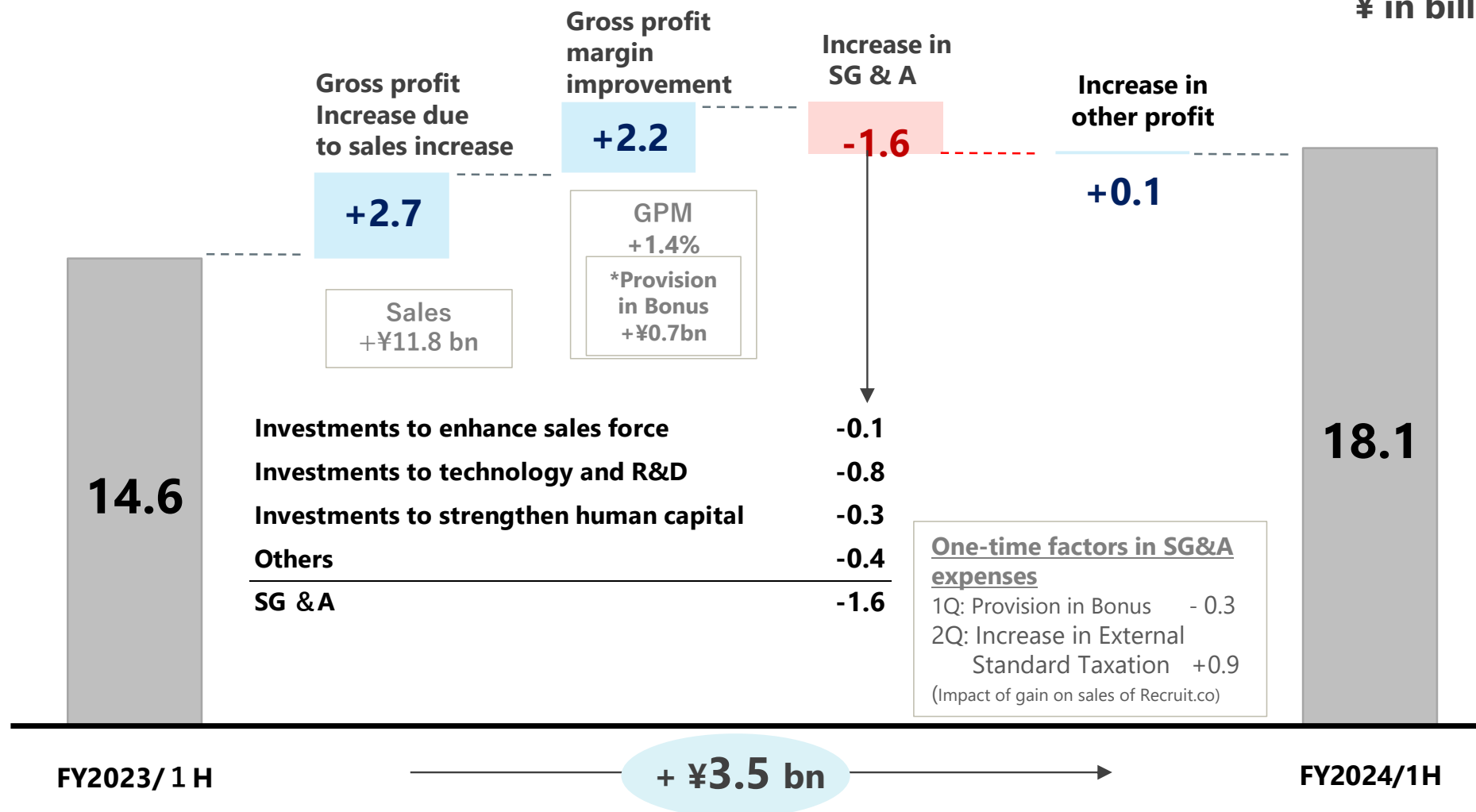
### Increased sales of IT infrastructure (cloud solution, etc.) and products such as Oracle

- ✓ Decrease in sales to public sector due to large projects in the same period of the previous year.
- ✓ Major Factors of Sales Increase/Decrease in IT Infrastructure (¥ in billions)
  - Cloud Solutions (+1.2)
  - IT Product Sales (+0.2)
  - Operation Services (+0.2)
  - Communication Platform (+0.3)
  - Digital Workplace Solution (-0.8) <Impact of large projects in FY2023>



# I -5. Operating Profit Breakdown

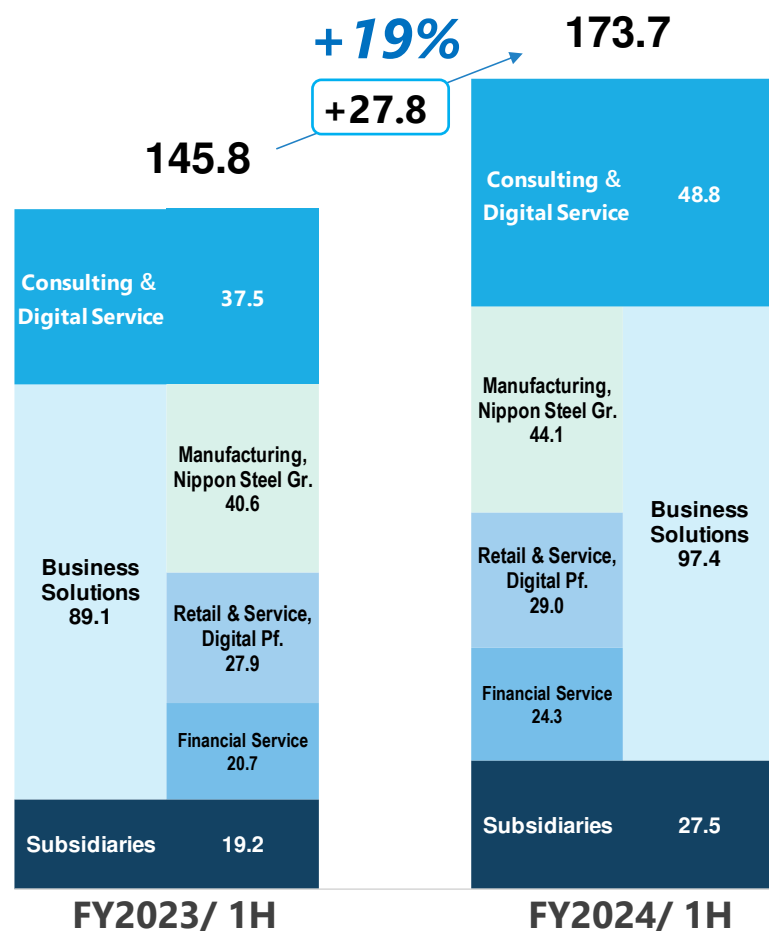
¥ in billions



# I -6. FY2024/ 1H Order Acceptance

¥ in billions

## Order Acceptance



## Consulting & Digital Service Segment

### YoY+11.2

- ✓ Increase mainly in security projects for Nippon Steel Corporation and projects for Digital Agencies.

## Business Solutions Segment

### YoY +8.2

- ✓ Manufacturing & NSC +3.5  
Increased mainly in NSC, Automobile, and Railroad industries.
- ✓ Retail & Service, Digital Pf. +1.1  
Orders in the travel field were strong.
- ✓ Financial Service +3.7  
Increase mainly in Oracle projects for Megabanks.

## Subsidiaries

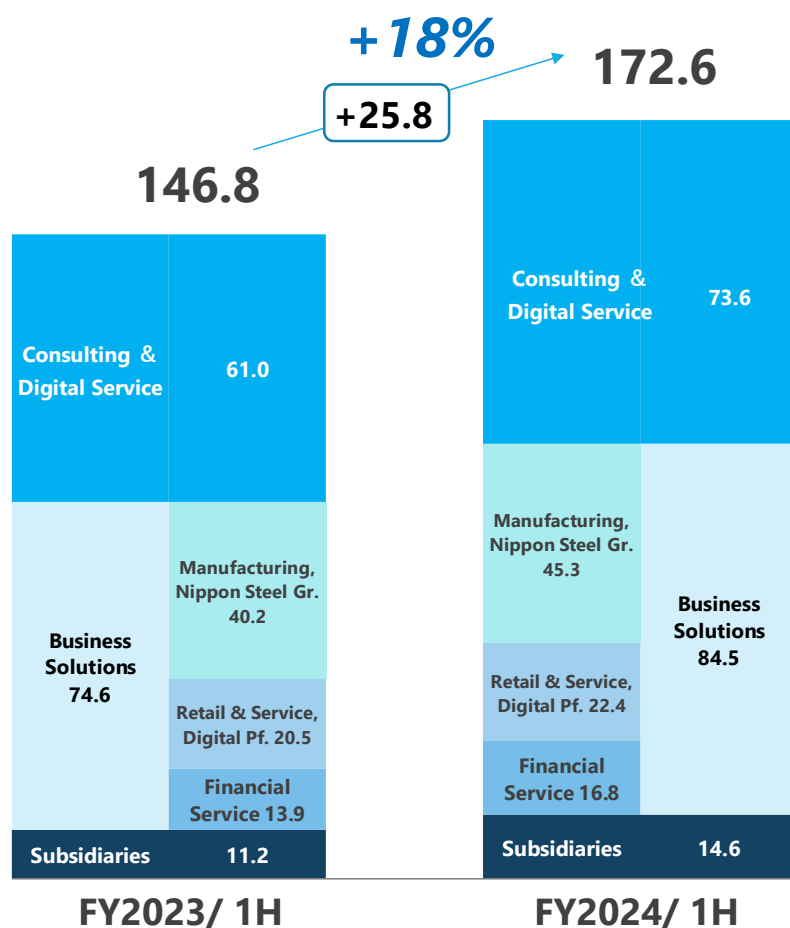
### YoY +8.4

- ✓ Increase from newly acquired companies through M&A. : +3.6
- ✓ JVs, Overseas and Domestic Regional Subsidiaries also enjoyed strong orders.

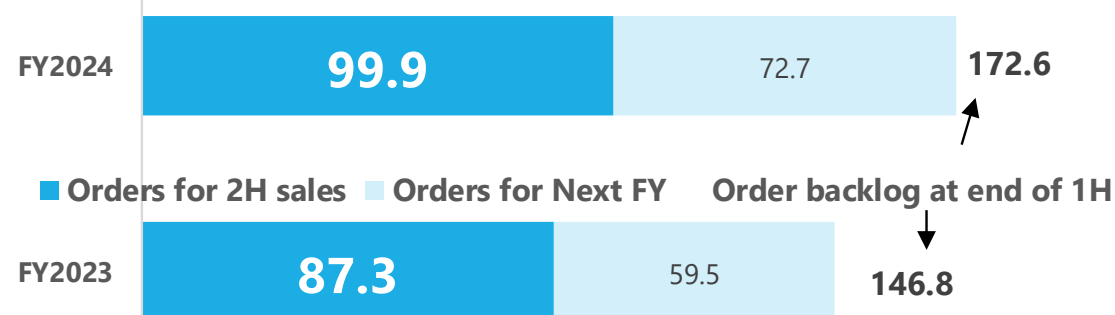
# I -7. FY2024/ 1H Order Backlog

¥ in billions

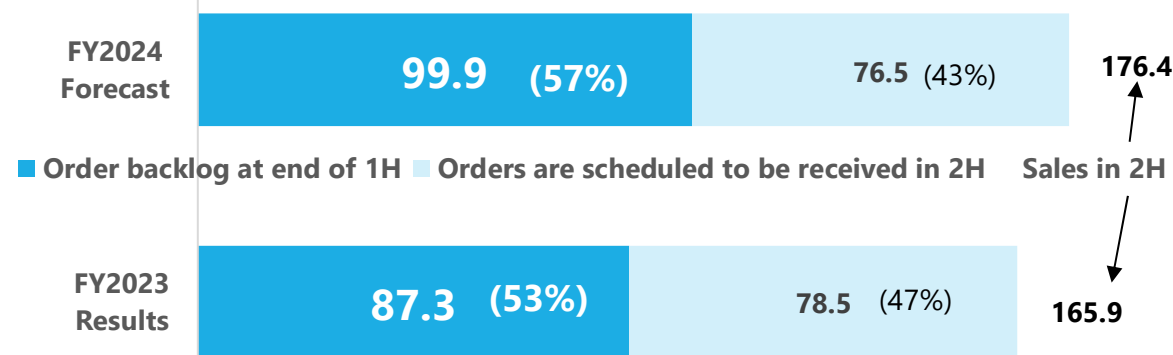
## Order Backlog



## Breakdown of orders backlog at end of 1H

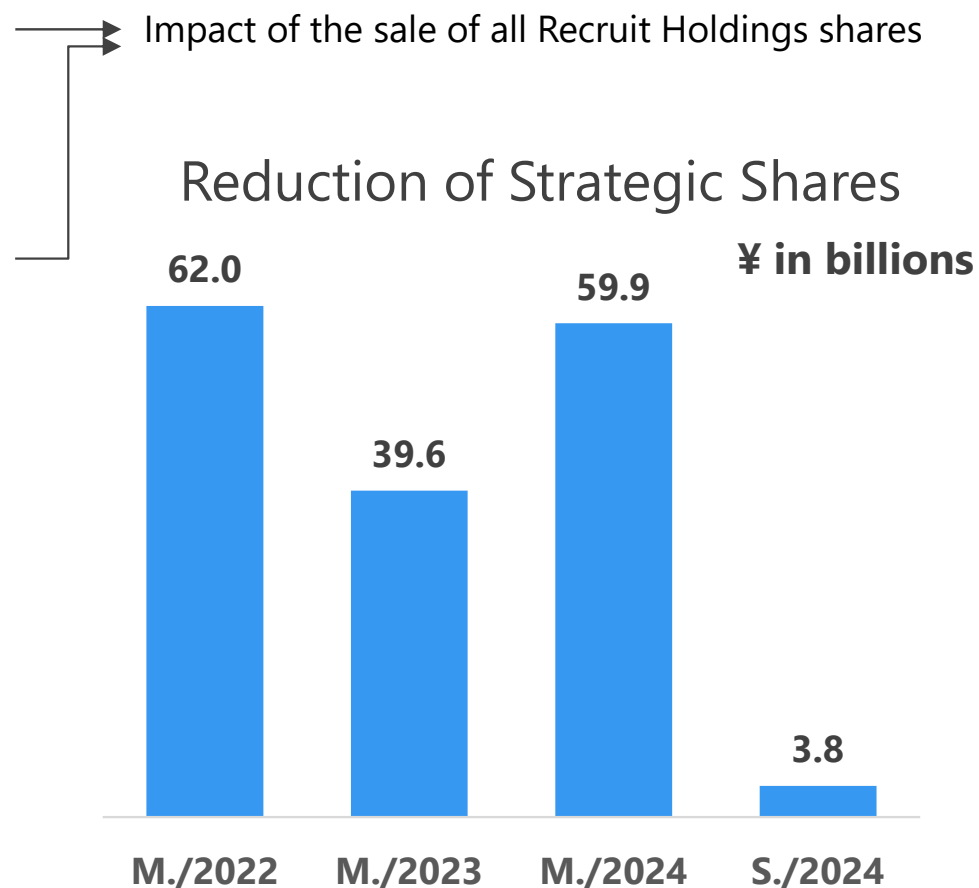


## Order backlog / Sales forecast for 2H



# I -8. Balance Sheet

	Mar.31, 2024	Sep.30, 2024	Change
Cash and cash equivalents	104.0	<b>192.3</b>	+88.3
Trade and other receivables, etc	67.8	<b>50.7</b>	-17.1
Inventories	25.2	<b>29.0</b>	+3.8
Property, plant and equipment and Contract asset	51.7	<b>48.5</b>	-3.2
Other financial assets	85.2	<b>32.2</b>	-53.0
Other Assets	40.9	<b>47.4</b>	+6.5
Total Aseets	374.6	<b>400.0</b>	+25.4
Trade and other payables	23.3	<b>21.9</b>	-1.3
Contract liabilities and Lease	59.3	<b>60.5</b>	+1.2
Othe liabilities	47.3	<b>56.8</b>	+9.5
Total Liabilities	129.9	<b>139.2</b>	+9.4
Total equity attributable to owners of parent	236.8	<b>252.7</b>	+15.9
Non-controlling interests	8.0	<b>8.1</b>	+0.1
Total equity	244.8	<b>260.8</b>	+16.0
Total liabilities and equity	374.6	<b>400.0</b>	+25.4

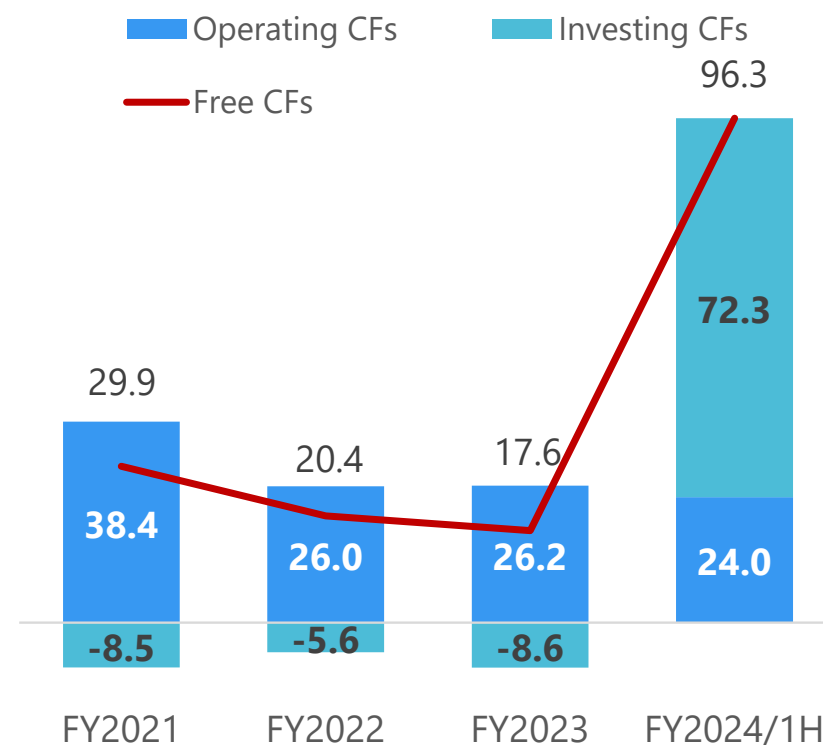


# I -8. Cash Flows

	FY2024/ 1H	FY2024/ 2H	Change
Profit before tax	15.0	18.2	+3.2
Depreciation and amortization	6.0	6.0	+0.0
Working capital increase/decrease	6.0	11.6	+5.6
Income taxes paid	-6.6	-7.6	-1.0
Others	-2.8	-4.2	-1.4
Operating Cash Flows	17.6	24.0	+6.4
CAPEX	-2.0	-2.0	+0.0
Acquisition and sales of financial assets, etc.	3.7	73.2	+69.5
Others	-0.1	1.2	+1.3
Investing Cash Flows	1.6	72.3	+70.8
Dividends paid	-3.7	-4.1	-0.4
Othres	-4.1	-4.2	-0.1
Financial Cash Flows	-7.7	-8.3	-0.6
Effect of exchange rate change	0.2	0.3	+0.1
Net increase in cash and cash equivalent	11.6	88.3	+76.7

Impact of the sale of all Recruit Holdings shares

Trend of Cash Flows (¥ in billion)





# Outlook for FY2024

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## II -1. Market Trend and NSSOL's Action

Business Environment	Demand for IT in Japan remains strong. Observe risks from unstable political and economic conditions overseas.	
Market trend and NSSOL's Action	Manufacturing, Nippon Steel Gr.	<ul style="list-style-type: none"><li>● IT demand in the manufacturing industry remained Firm. Clients are also requesting insourcing support due to a shortage of IT resources.</li><li>● In addition to the existing projects, NSC is experiencing IT demand due to the reorganization of the group's steel pipe business and stainless steel business. Measures to improve the efficiency of the entire supply chain are also underway.</li></ul>
	Retail and Service, Digital Platformers	<ul style="list-style-type: none"><li>● Some customers continue to narrow their investment focus. We are responding by shifting resources in advance of clients' prioritization of growth areas.</li><li>● Inquiries in the travel field are brisk due to strong inbound demand. We will strengthen our response by taking advantage of our competitive advantage such as matching technology.</li></ul>
	Financial Service	<ul style="list-style-type: none"><li>● Financial institutions continue to invest aggressively in IT.</li><li>● Strengthening partnerships with overseas package vendors and service providers as well as further strengthening sales of self-developed solutions such as "ConSeek*" to respond to new business fields.</li></ul> <small>*ConSeek; Integrated Business Management Platform Services for Financial Institutions</small>
	Consulting & Digital Service	<ul style="list-style-type: none"><li>● Strong demand for predictive AI/data management platforms, cloud migration and outsourcing due to IT staff shortage.</li><li>● Increased need for AI utilization solutions including generative AI and in the field of data security.</li></ul>

## II -2. FY2024 Forecast

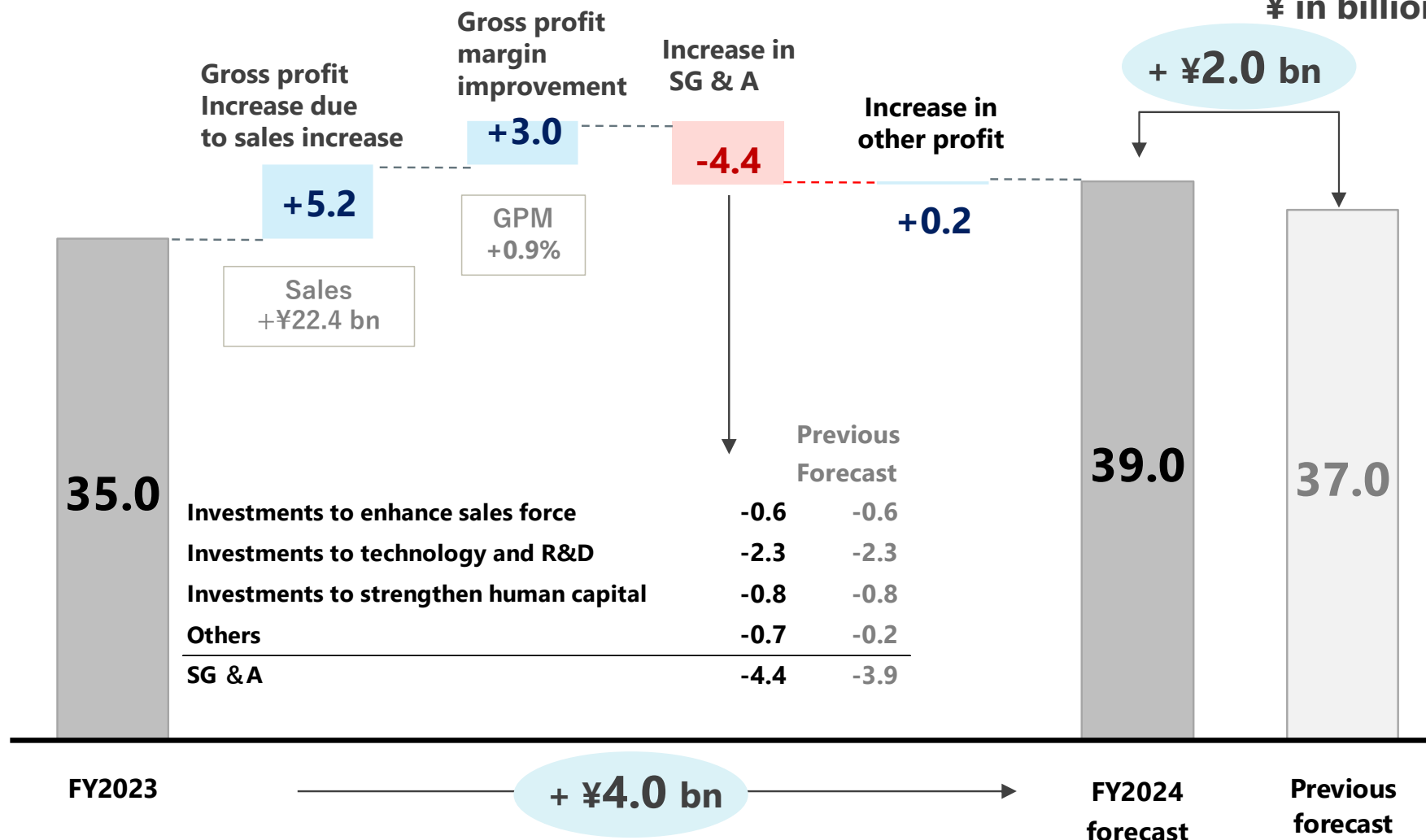
¥ in billions

	FY2023		FY2024 Forecast		YoY		vs. Previous Forecast	
	1H	Full Year	1H	Full Year	1H	Full Year	1H	Full Year
Revenue	144.8	310.6	<b>156.6</b>	<b>333.0</b>	+11.8	+22.4	<b>+3.6</b>	<b>+3.0</b>
Gross Profit	33.4	71.8	<b>38.4</b>	<b>80.0</b>	+5.0	+8.2	<b>+2.4</b>	<b>+2.5</b>
<Gross Profit Margin>	<23.1%>	<23.1%>	<b>&lt;24.5%&gt;</b>	<b>&lt;24.0%&gt;</b>	<+1.4%>	<+0.9%>	<b>&lt;1.0%&gt;</b>	<b>&lt;+0.5%&gt;</b>
SG&A	18.7	36.6	<b>20.3</b>	<b>41.0</b>	+1.6	+4.4	<b>+0.3</b>	<b>+0.5</b>
Others	-0.1	-0.2	<b>0.0</b>	<b>0.0</b>	+0.1	+0.2	<b>+0.0</b>	<b>-</b>
Operating Profit	14.6	35.0	<b>18.1</b>	<b>39.0</b>	+3.5	+4.0	<b>+2.1</b>	<b>+2.0</b>
<Operating Profit Margin>	<10.1%>	<11.3%>	<b>&lt;11.6%&gt;</b>	<b>&lt;11.7%&gt;</b>	<+1.5%>	<+0.4%>	<b>&lt;1.1%&gt;</b>	<b>&lt;+0.5%&gt;</b>
Profit before tax	15.0	35.4	<b>18.2</b>	<b>39.5</b>	+3.1	+4.1	<b>+2.0</b>	<b>+2.0</b>
Profit attributable to owners of parent	9.5	24.2	<b>12.2</b>	<b>26.5</b>	+2.7	+2.3	<b>+1.7</b>	<b>+1.3</b>



## II -3. Operating Profit Breakdown <FY2024 Forecast>

¥ in billions



## II -3. Dividend Forecast

### 1. Dividend Policy

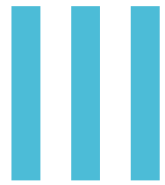
We believe it is important to maintain and strengthen our competitiveness and increase our shareholder value in the future. Our basic policy for distributing profits is to pay appropriate and stable dividends to shareholders and to secure internal reserves for investment in business growth and to prepare for business risks.

In terms of dividends, we aim for a consolidated dividend **payout ratio of 50%**, placing an emphasis on returning profits to shareholders in line with consolidated business performance.

### 2. Dividend Forecast

	FY2023*	FY2024 forecast	Change	vs. Previous forecast
Profit attributable to Owners of parent (¥ in billions)	24.2	<b>26.5</b>	+2.3	+1.3
EPS (Yen per Share)	132.48	<b>144.83</b>	+12.35	+7.10
Interim	20.0	<b>36.5</b>	+16.5	+3.0
Year end	22.5	<b>36.5</b>	+14.0	+3.0
Dividends (Yen per Share)	42.5	<b>73.0</b>	+30.5	+6.0
POR	32.1%	<b>50.4%</b>	18.3%	-

\*Adjusted after stock split



# Progress of Medium-term Business Strategy FY2021-2025

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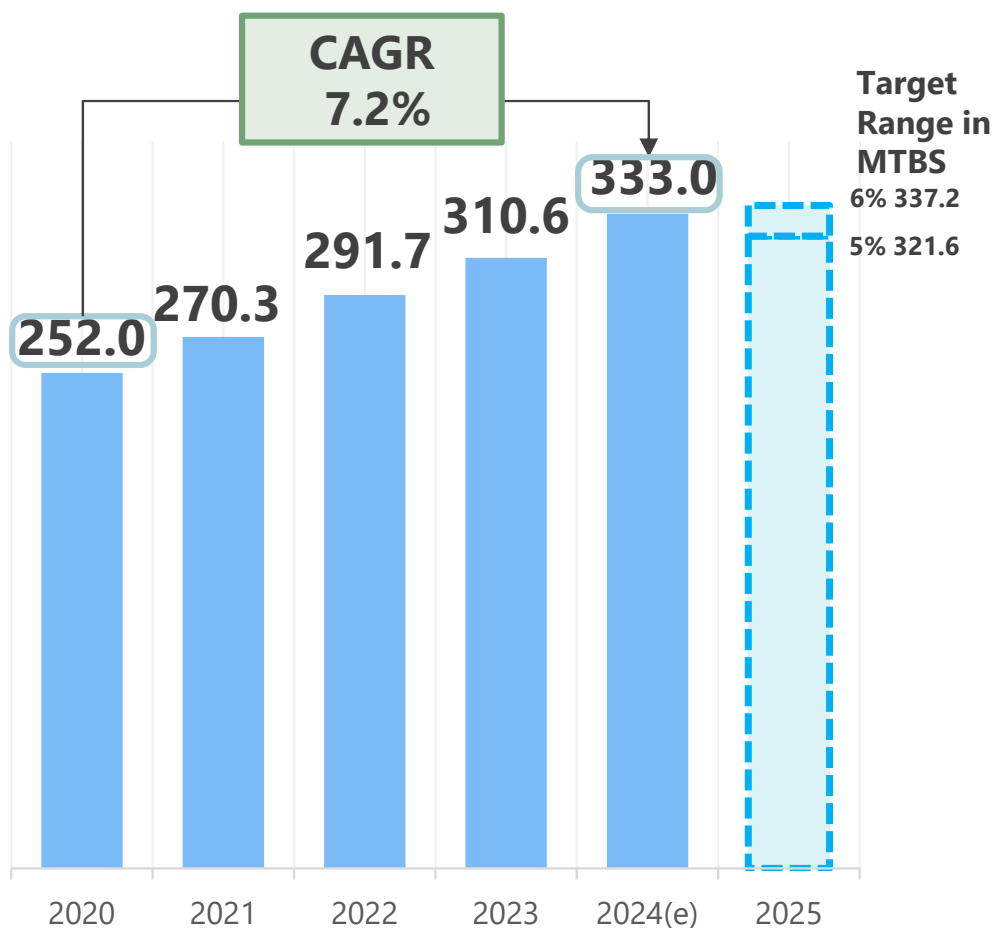
## III-1. Progress of Medium-term Business Policy

	FY2021~FY2024(e) 4-years Cumulative Total	Medium-term business Strategy FY2021~FY2025
Sales Growth Rate (CAGR)	7.2%	5~6%
Sales Growth Rate in the Focus Areas (CAGR)	10.6%	Over 10%
Investment to Strengthen Business Infrastructure	4-Years Cumulative    ¥ 54.4 bn	Five-year total    ¥50.0-75.0 bn 4-Years Conversion    ¥ 40.0~60.0 bn
Investment for Accelerating DX	4-Years Cumulative    ¥ 15.5 bn	Five-year total    ¥10.0-15.0 bn 4-Years Conversion    ¥ 8.0~ 12.0 bn

## III-2. Outlook for Sales and Profit Growth Rate

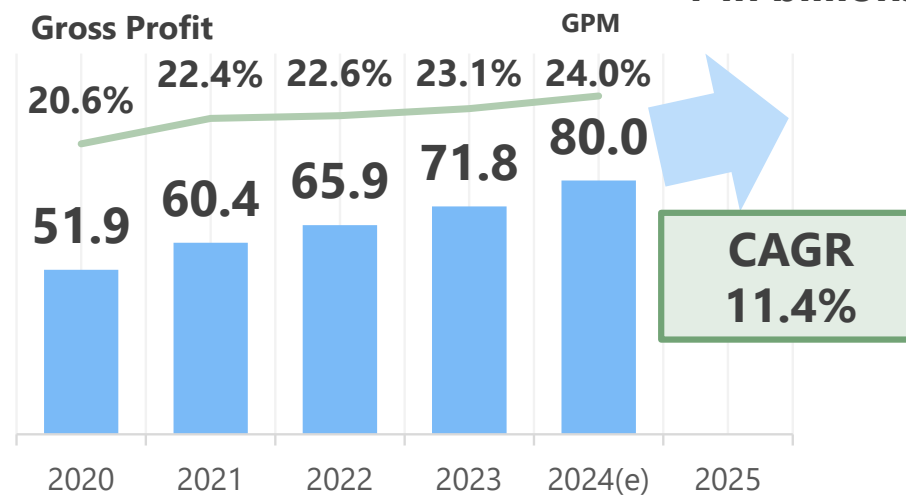
¥ in billions

### Sales

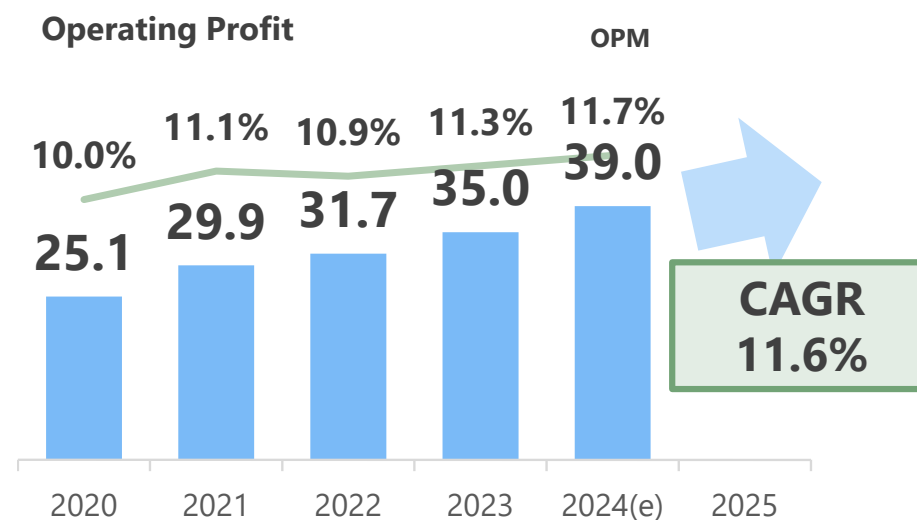


\*FY2020: JGAPP

### Gross Profit



### Operating Profit



# III-3. Progress and Plans for Focus Areas



## DX in Manufacturing Industry

- Driving DX at Nippon Steel
- Expanding solutions for the manufacturing industry, utilizing the operational fields of Nippon Steel



## Support to Digital Platformer

Supporting Japan's leading platform clients, we work closely with them to meet their diverse needs, from planning and conceptual support to system development.



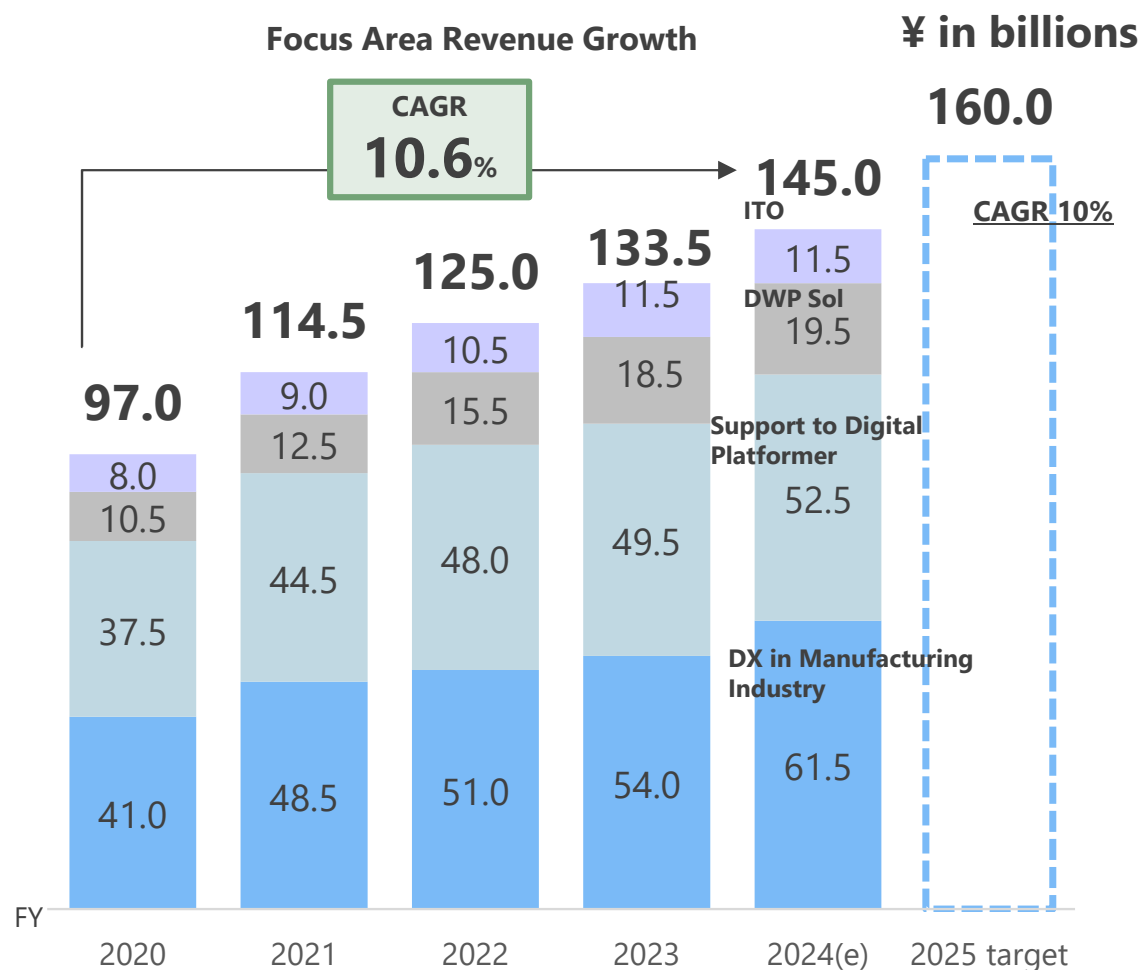
## Digital Workplace Solutions

Providing a safe, comfortable, and highly productive environment that makes full use of the latest technology by optimally combining various AI solutions, etc.



## IT Outsourcing

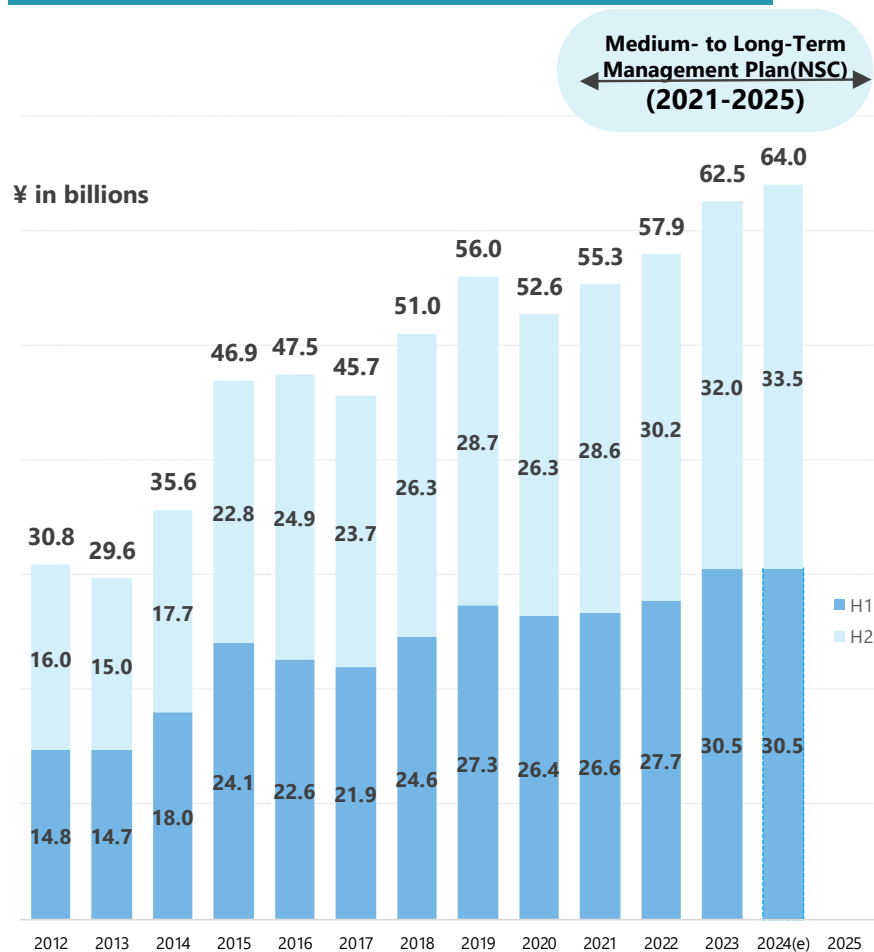
Business growth centered on NSFITOS, which provides integrated services from managed cloud services, including data centers, to integrated operations in response to changing IT infrastructure and operations needs.



# III-4. Synergies with Nippon Steel Corporation

Cf) P29,P37

## 1. Sales to Nippon Steel



## 2. Solutions Developed by Leveraging Synergies

Examples of synergies leveraging NSC's knowledge and NSC's fields

NSSOL's Solution	Overview	Using Synergies, etc.
PPMP:NSSOL Process Production Management Package	Production control package for process manufacturing industry.	Downsized NSC's production management system for mid-size companies. Expanding introduction of the system, mainly in the NSC Group companies.
Optimized Simulation Technology	Model on-site events and reproduce them on the system to instantly run various simulations and derive optimal solutions.	Productivity improvement through the application of optimization technologies developed by NSC and NSSOL.
NS-Lib	Integrated data platform for data governance and data management.	Utilizing technical expertise in data management applied to NSC for general corporate use.
IoX Platform	Platform for integrated management and utilization of operational data of manufacturing equipment, materials, operations, workers, etc. Specifically, it is used for safety management, mobile equipment management, equipment condition monitoring, and improving operational efficiency.	Sales expansion to general manufacturing and other industries based on use cases from more than 30 sites in NSC.
PLANETERY	DX offerings for digital manufacturers, including NSSOL's various solutions menu from the viewpoint of DX promotion in the manufacturing industry.	It is based on the know-how and solutions accumulated through the system implementation business for NSC.
Geminant	Solutions to easily realize a "digital twin" that facilitates data utilization and simulation by faithfully reproducing the real world of the manufacturing site in the digital world, thereby promoting the shift to smart factories on the shop floor.	Utilized for demonstration experiments of logistics optimization, etc. at NSC's Field. Also considering introducing it as a common portal for the entire company.
Local 5G Solution	Proprietary high-speed, high-capacity 5G network that companies and municipalities can build and operate on their own premises.	Expanding sales to general operating companies based on knowledge gained from demonstration tests at the NSC Muroran Steel Works.

# IV

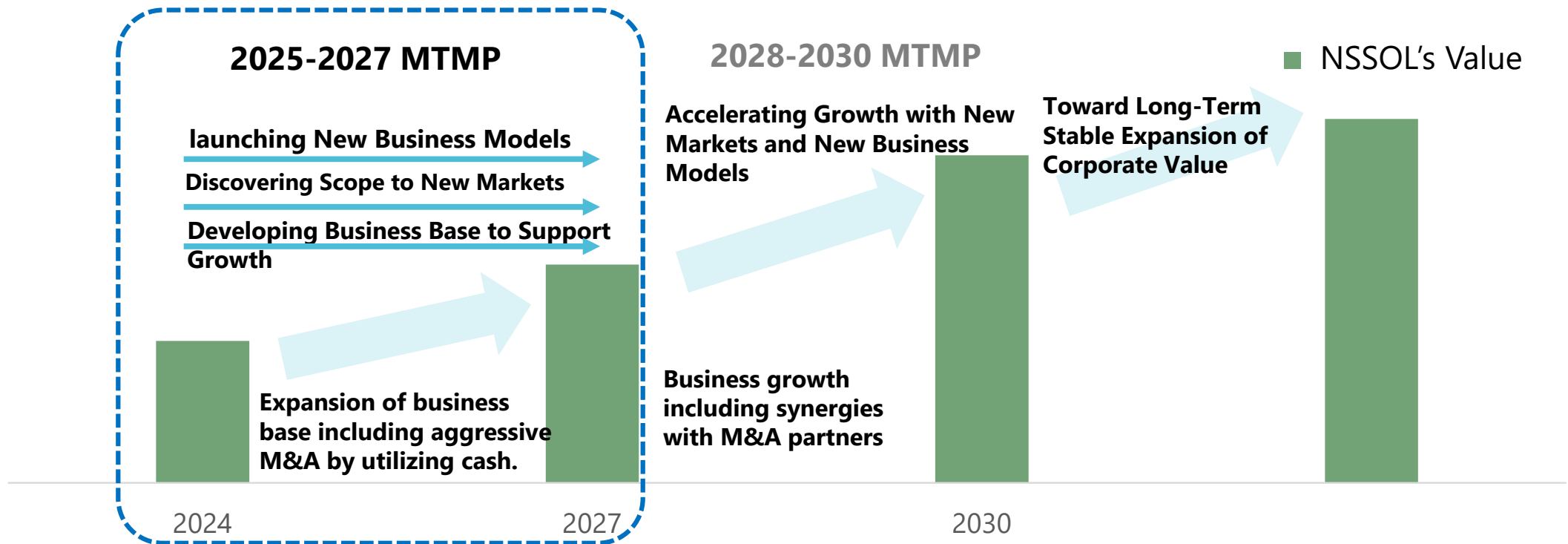
## Preparing for Planning New Medium-term Business Plan

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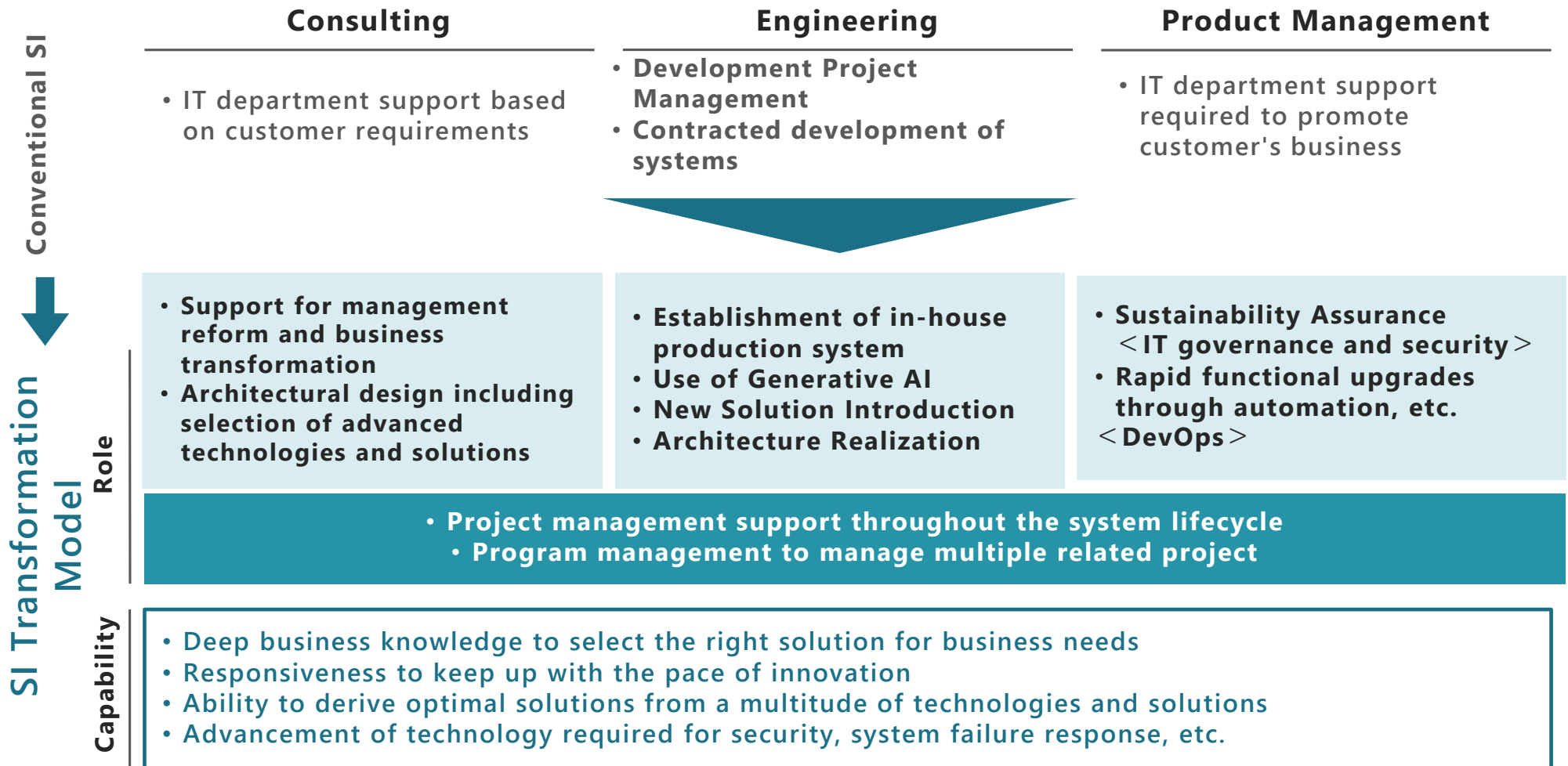


## IV-1. 2025-2027 Mid-Term Management Plan Development Policy

- This plan will include specific strategies for profit growth as well as balance-sheet and cash flow strategies, governance strategies, and ESG strategies.
- We will be (1) launching new business models, (2) Discovering scope to new markets, and (3) Developing business base to support growth.

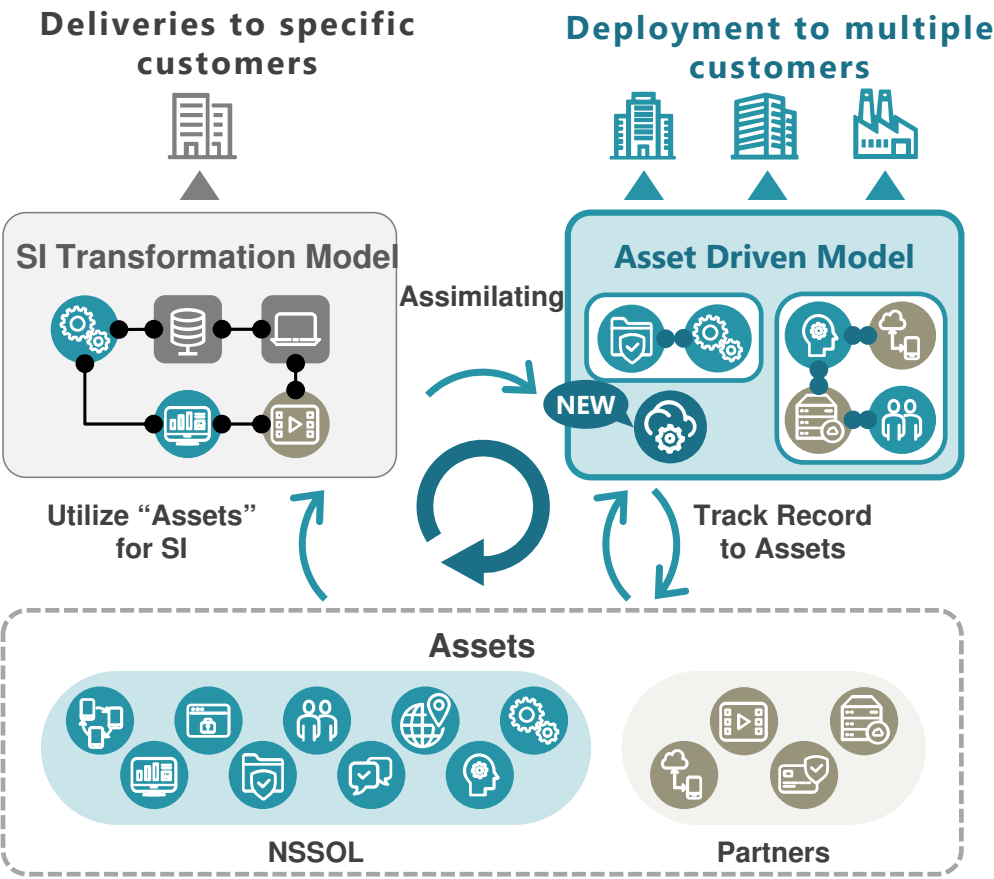


## IV-2. Image of the new business model A) SI Transformation Model



# IV-3. Image of the new business model    B) Asset Driven Model

Leverage our strengths and seek to scale through multiple channels.



## Example: Providing financial function services to different industries

Treasury & Capital Markets	RegTech	Sustainable Finance / Embedded Finance	Services Provided by Other Companies
Trading	anti-money laundering	Syndicate Loan	A
FX	Accounting		B
Commodity	Revenue Liquidity Basel III	GHG Measurement	C
Electric Power	Business Management Database	SWIFT Remittance	...

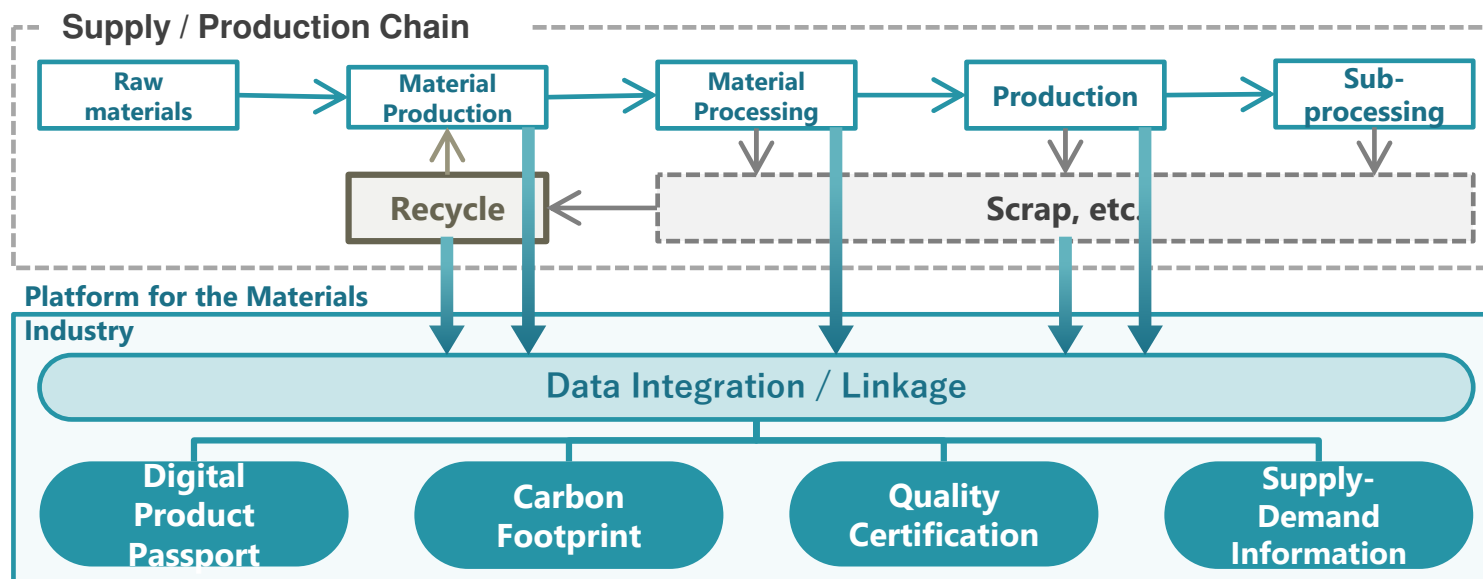
 **Common Infrastructure Using Cloud**

**Financial Services Platform**

## IV-4. Image of the new business model C) Multi-company Platform Model

- ✓ By combining the company's assets and solutions accumulated through the SI Transformation Model and the Asset Driven Model, we envision a platform that will lead to solutions for cross-cutting issues that span society and companies.
- ✓ Promote strategic co-creation activities with government agencies, industry associations, top companies, and major vendors to realize and jointly operate platforms.

### Case Study: Platform for the Materials Industry

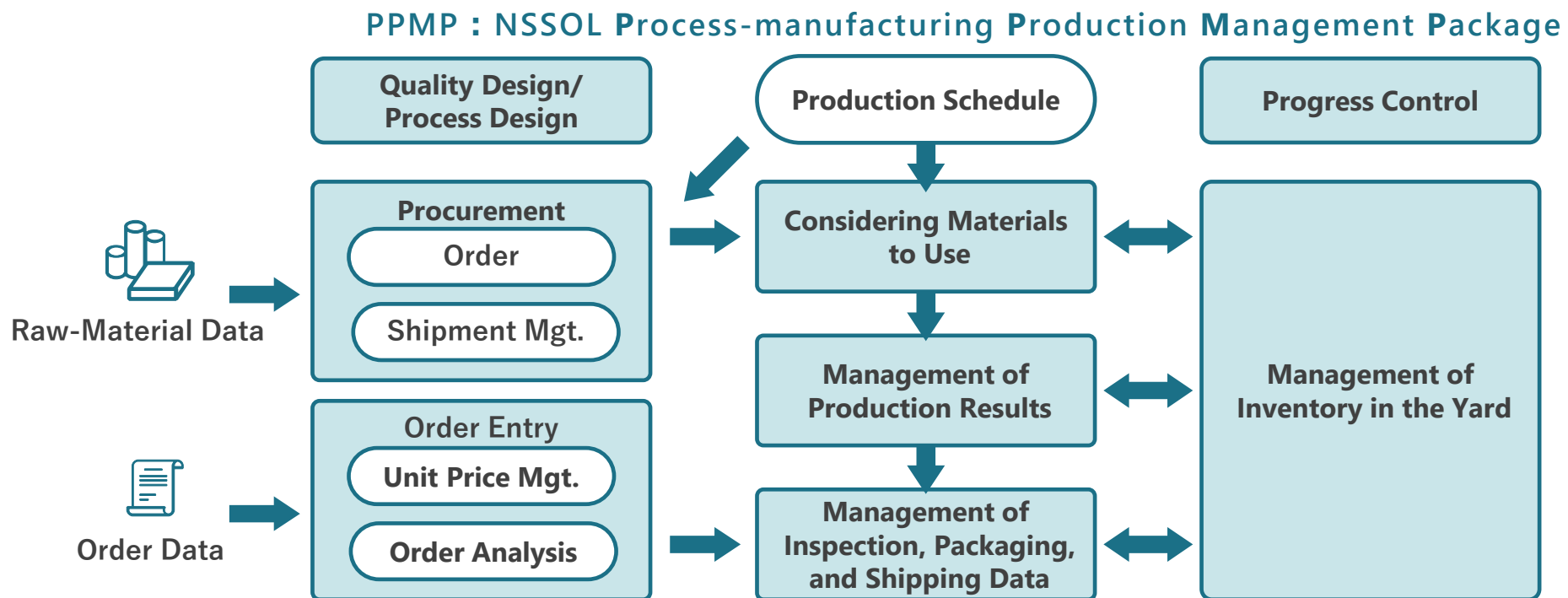


### Contribution to Society

- Building Efficient Supply Chain
- Improvement of environmental issues
- Increase in Corporate credibility

## IV-5. Field Utilization of the NSC Group

- ✓ Development and accumulation of assets in the manufacturing industry utilizing the fields of the NSC Group companies
- ✓ Verification of next-generation system development technology



## IV- 6 . Target Structure of NSSOL 2030 VISION

### Our Vision

# Social Value Producer with Digital

Envisioning and realizing the future of society through the power of digital technology

### Our Target Structure

Target Structure	
Revenue	around <b>¥500 bn</b>
Operating profit	around <b>¥100 bn</b>
Operating profit margin	around <b>20 %</b>
ROE	around <b>15 %</b>

- Over **¥100 bn** investment for strengthening R&D, solutions development, and human resources
- Creating business of the scale of **¥ 100 bn** through M&A.
- Further improvement of capital efficiency for enhancing corporate value

V.

# Appendix

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# V -1. Quarterly Consolidated Results

¥ in billions

	FY2023/ 1H			FY2024/ 2H			Difference		
	1 Q	2 Q		1 Q	2 Q		1 Q	2 Q	
Revenue	68.8	<b>76.0</b>	144.8	76.8	<b>79.8</b>	156.6	+8.1	<b>+3.8</b>	+11.8
Gross Profit	16.1	<b>17.3</b>	33.4	18.7	<b>19.6</b>	38.4	+2.6	<b>+2.4</b>	+5.0
<Gross Profit Margin>	<23.4%>	<b>&lt;22.7%&gt;</b>	<23.1%>	<24.4%>	<b>&lt;24.6%&gt;</b>	<24.5%>	<+0.9%>	<b>&lt;+1.9%&gt;</b>	<+1.4%>
SG&A	9.6	<b>9.1</b>	18.7	10.0	<b>10.3</b>	20.3	+0.4	<b>+1.2</b>	+1.6
Others	0.0	<b>-0.1</b>	-0.1	0.1	<b>-0.0</b>	0.0	+0.0	<b>+0.1</b>	+0.1
Operating Profit	6.6	<b>8.1</b>	14.6	8.8	<b>9.3</b>	18.1	+2.2	<b>+1.2</b>	+3.5
<Operating Profit Margin>	<9.6%>	<b>&lt;10.6%&gt;</b>	<10.1%>	<11.5%>	<b>&lt;11.7%&gt;</b>	<11.6%>	<+1.9%>	<b>&lt;+1.1%&gt;</b>	<+1.5%>
Profit before tax	6.9	<b>8.1</b>	15.0	9.0	<b>9.1</b>	18.2	+2.1	<b>+1.0</b>	+3.1
Profit attributable to owners of parent	4.0	<b>5.5</b>	9.5	5.4	<b>6.8</b>	12.2	+1.4	<b>+1.3</b>	+2.7



## V -2. Quarterly Sales by Segment / Customer Industry

¥ in billions

	FY2023			FY2024			Difference		
	1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H
Business Solutions	44.6	46.5	<b>91.1</b>	49.5	47.9	<b>97.4</b>	+4.9	+1.4	<b>+6.3</b>
Manufacturing, Nippon Steel Group	21.6	22.2	<b>43.8</b>	22.4	23.1	<b>45.5</b>	+0.8	+0.9	<b>+1.7</b>
Retail and Service, Digital Platformer	14.4	14.8	<b>29.2</b>	14.6	14.5	<b>29.0</b>	+0.2	-0.3	<b>-0.1</b>
Financial Service	8.7	9.5	<b>18.2</b>	12.5	10.3	<b>22.8</b>	+3.9	+0.8	<b>+4.7</b>
Consulting & Digital Service	15.2	18.5	<b>33.7</b>	16.8	18.3	<b>35.1</b>	+1.6	-0.2	<b>+1.4</b>
Government, Educational and Research Institutions	3.7	5.4	<b>9.1</b>	3.9	5.0	<b>8.8</b>	+0.1	-0.4	<b>-0.3</b>
IT Infrastructure Services	11.5	13.1	<b>24.6</b>	12.9	13.3	<b>26.3</b>	+1.4	+0.2	<b>+1.7</b>
Subsidiaries	9.0	11.0	<b>19.9</b>	10.5	13.6	<b>24.2</b>	+1.6	+2.6	<b>+4.2</b>
Total	68.8	76.0	<b>144.8</b>	76.8	79.8	<b>156.6</b>	+8.1	+3.8	<b>+11.8</b>
<FYI> Revenue to Nippon Steel	15.3	15.3	<b>30.5</b>	15.3	15.3	<b>30.5</b>	+0.0	-0.0	<b>-0.0</b>

# V -3. Sales Forecast by Segment / Customer Industry

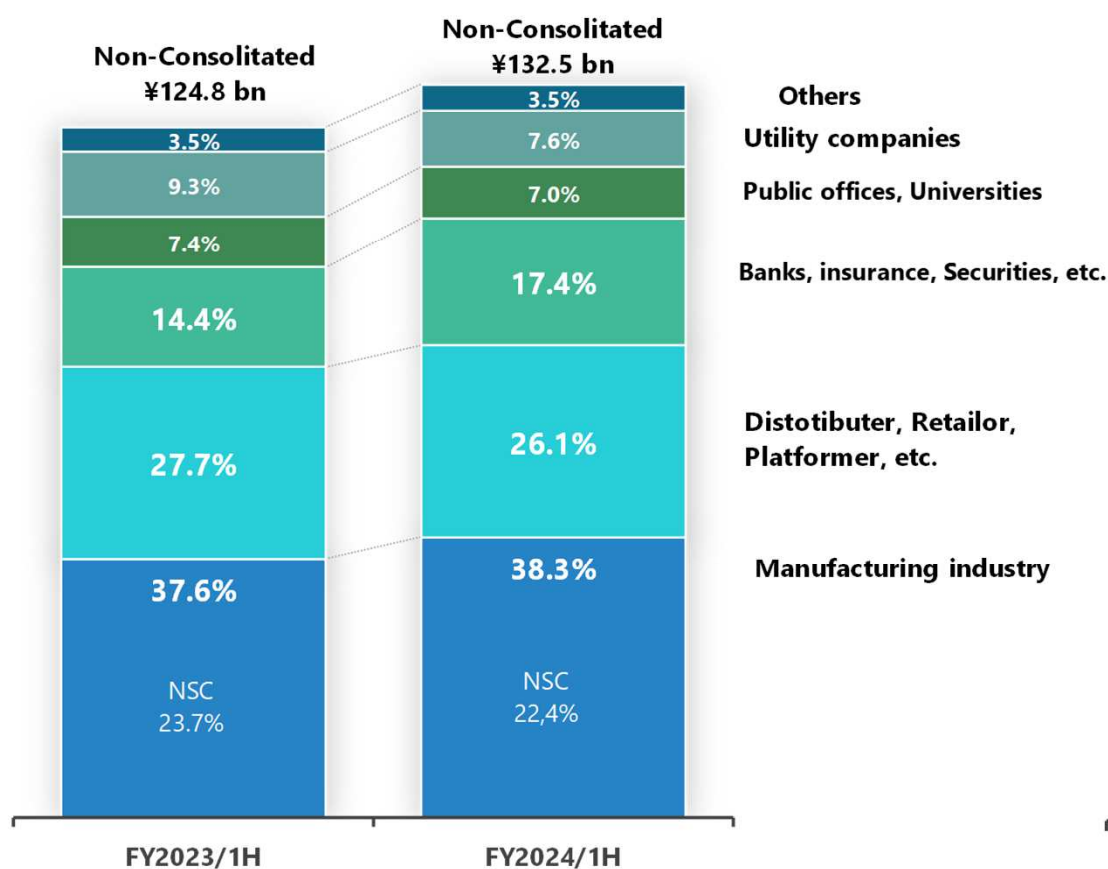
¥ in billions

	A	B	B-A	C	C-B	
	FY2023	FY2023 After Reclassifications		FY2024 Forecast	Change	Change vs Previous Forecast
Business Solutions	192.6	189.2	-3.4	201.0	+11.8	+4.0
Manufacturing, Nippon Steel Group	92.6	89.2	-3.4	92.5	+3.3	-
Retail and Service, Digital Platformer	60.5	60.5		63.5	+3.0	-
Financial Service	39.5	39.5		45.0	+5.5	+4.0
Consulting & Digital Service	74.8	78.2	+3.4	80.0	+1.8	-5.0
Government, Educational and Research Institutions	27.0	27.0		25.0	-2.0	-
IT Infrastructure Services	47.8	51.2	+3.4	55.0	+3.8	-5.0
Subsidiaries	43.2	43.2		52.0	+8.8	+4.0
Total	310.6	310.6		333.0	+22.4	+3.0
<FYI> Revenue to Nippon Steel	62.5	62.5		64.0	+1.5	-

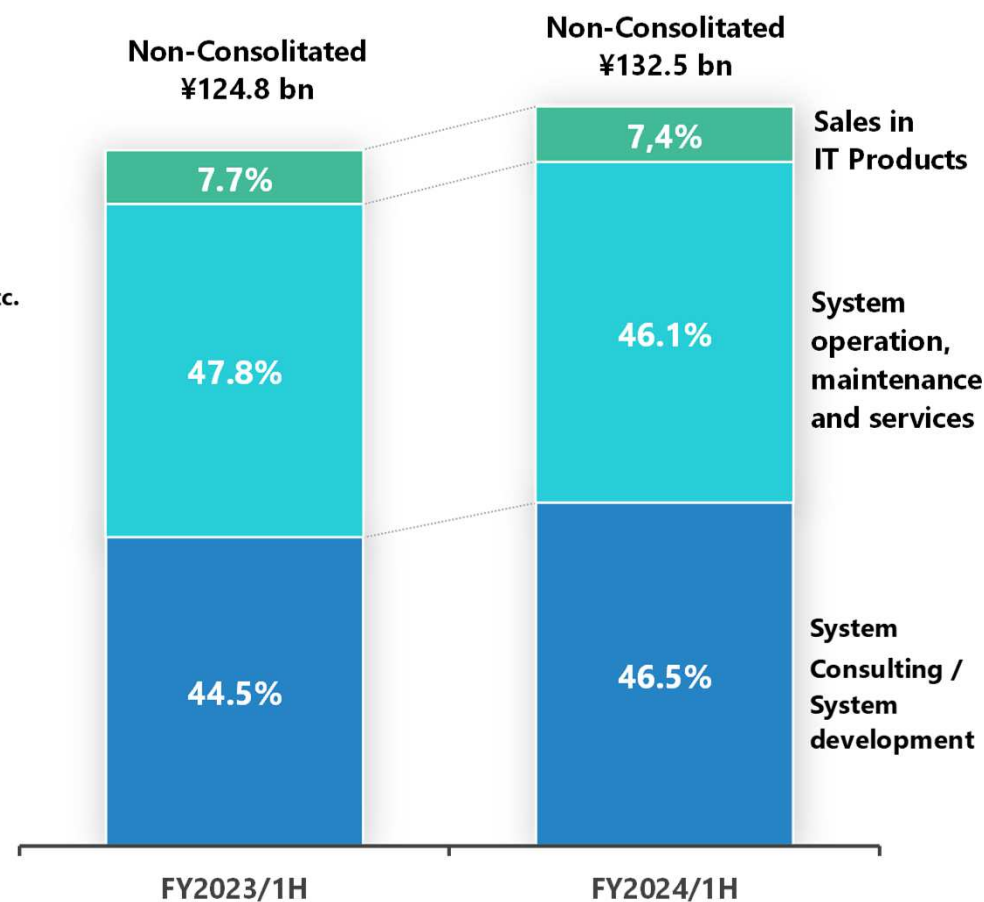
\* Some areas have been reclassified from "Manufacturing, Nippon Steel Group" to "Consulting & Digital Services", and comparisons for the prior period are presented with figures after reclassification.

## V -4. Sales by Customer Industry / Sales Composition by Product/Service

### Sales by Customer Industry



### Sales Composition by Product/Service



## V -5. Major One-Time Factors, Major Projects by Quarter

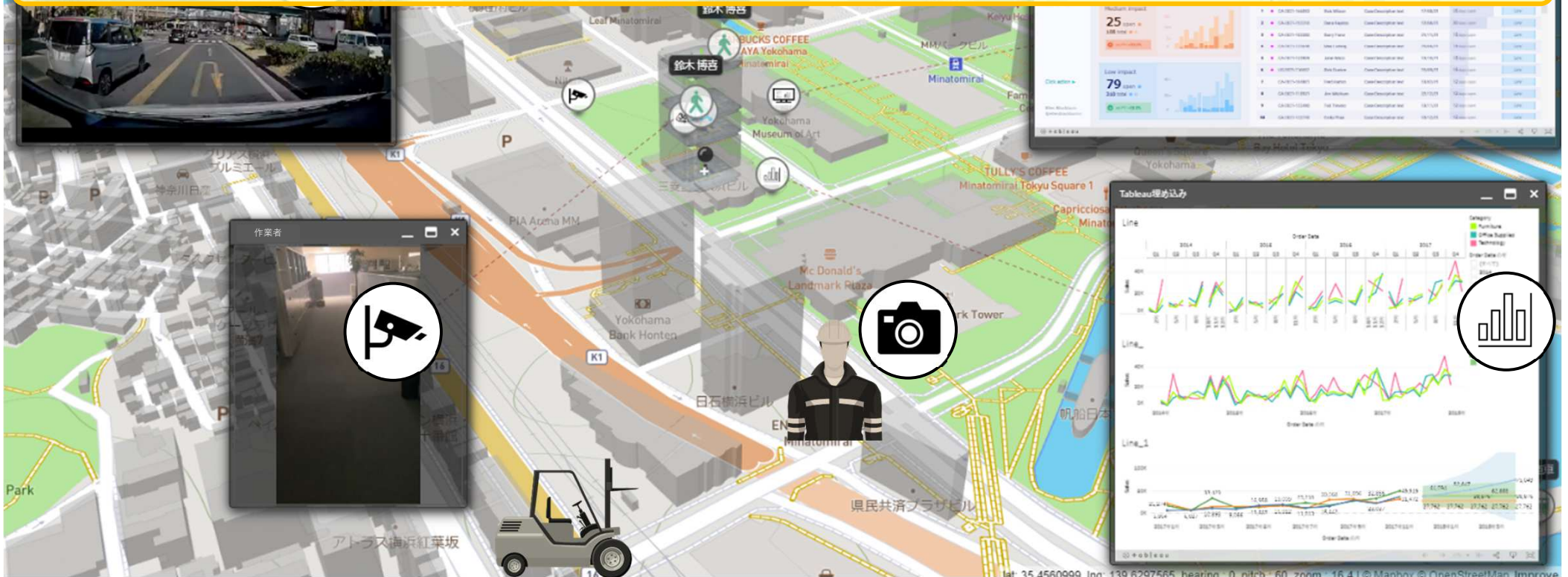
¥ in bn.	FY2023				FY2024	
	1Q	2Q	3Q	4Q	1Q	2Q
<b>Sales</b>	<b>68.8</b>	<b>76.0</b>	<b>72.1</b>	<b>90.5</b>	<b>76.8</b>	<b>79.8</b>
<b>Major Projects</b>		© G 1.3	® O 1.0 © G 2.3	© G 4.8	® O 3.0 © G 7.3 © Newly subsidiaries 1.2	© Newly subsidiaries 1.2
<b>O.P.</b>	<b>6.6</b>	<b>8.1</b>	<b>8.3</b>	<b>11.7</b>	<b>8.8</b>	<b>9.3</b>
<b>One-Time</b>					Provision for bonuses+1.0	Dual corporate tax -0.9
<b>Order</b>	<b>62.2</b>	<b>83.6</b>	<b>74.8</b>	<b>99.8</b>	<b>86.5</b>	<b>87.2</b>
<b>Major Projects</b>	© G 3.4	© G 3.1	® O 4.2 ® O 4.5	© G 6.1	® O 3.0 © G 7.3 © Newly subsidiaries 2.2	© G 4.0 © Newly subsidiaries 1.4

®: Business Solutions, ©:Consulting & Digital Service,©: Subsidiaries 、 O:Oracle, G:Government Project

## V -5. Digital Twin Solution "Geminant"



- A "digital plant portal site" that allows customers to visualize and share all information related to security, maintenance, operations, and logistics at their production and logistics bases in Japan and around the world, anytime, anywhere, from a single view.
- Planned for field demonstration at NSC and currently being introduced to several customers, mainly in the manufacturing industry.





## V-6. Image of “Geminant” in use

“Geminant” makes it possible for people in various positions and capacities to have a bird's eye view and visual awareness of the situation in a uniform manner (Visible Twin). “Geminant” enables people in various positions and capacities to uniformly recognize the situation from a bird's eye view and visually. In addition, by reflecting planning data and simulation results (Visible Twin). Also, by reflecting planning data and simulation results, it becomes possible to conduct forecast analysis and abnormality prediction, etc. (Touchable Twin)

### Image of Digital Twin Utilization

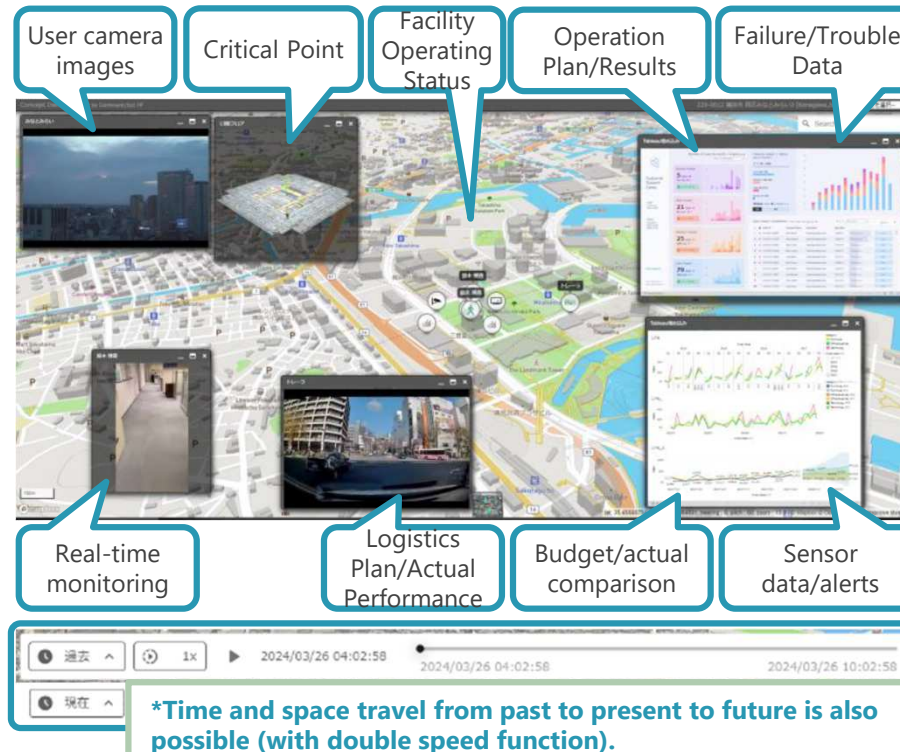
#### Visible Twin

Enables a bird's-eye view of the status of people and equipment in the plant in real time.

Facility operating status, manuals, etc. can be viewed centrally on the same system

Real-time detection/notification and visualization of abnormal situations

Visualization of points requiring attention in the power plant by registering disaster and near-miss data, inspection data, etc.



#### Touchable Twin

Reflect the simulation results of transportation facility operating conditions and product inventory to confirm expected retention and inventory status.

Collect a variety of data from sensors installed in equipment with high failure rates to track the trend of predictive failure signs.

Estimating equipment failure status, timing of repairs, and impact of failures based on video captured by fixed cameras.

## V -7. DX support for NSC Group companies “Nippon Steel Trading”

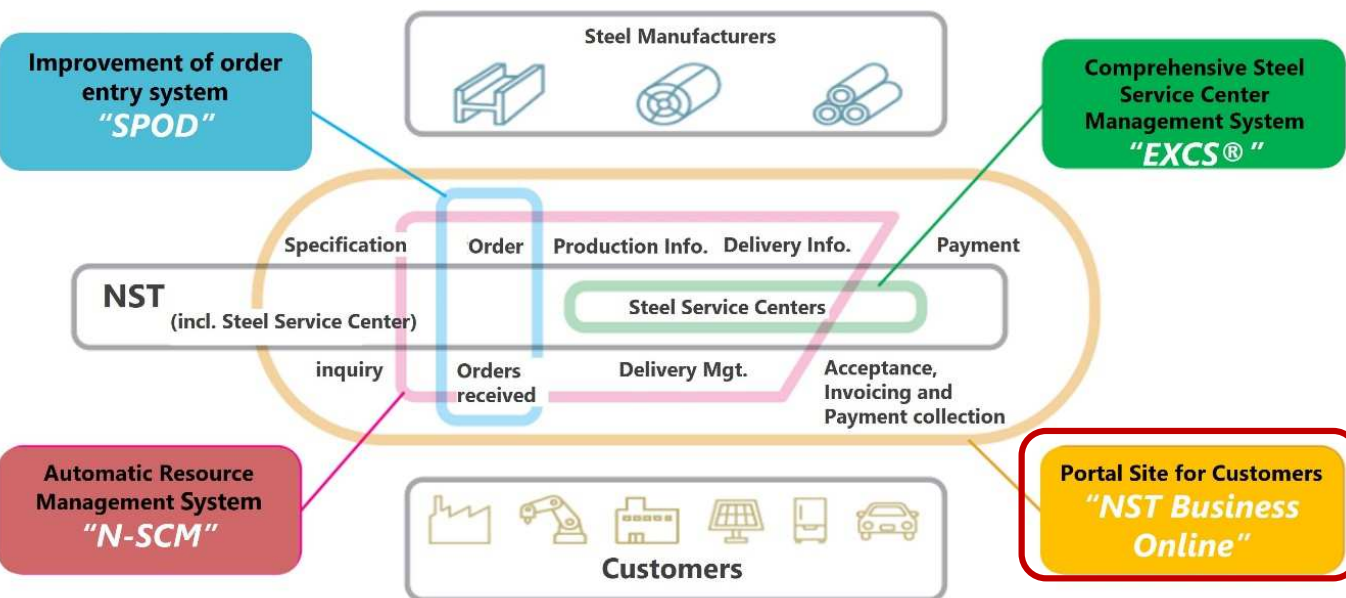
### Nippon Steel Trading

(FY2023 Sales ¥2,099.5bn , Consolidated Employee 6,427 )

NSSOL supported the Electronic Mill Sheet function in “NST Business Online”.

NST Business Online is a digital infrastructure that transforms information exchanged with business partners into data, improving the accuracy and efficiency of data exchange. More than 200 of Nittetsu Bussan's business partners have implemented or are considering implementing the electronic worksheet function.

### Outline of NSTs Steel Trading DX



Free of charge for business partners

Direct access to “Business Online”

No need to store mill sheets

More than 20 searchable items

Mill sheet information can be viewed at a glance

Easy download of necessary information



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**Unleash the possibilities of society,**  
**With technology and passion**

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