

NS Solutions

Business Results and Outlook

(April 1, 2003 through March 31, 2004)

April 28, 2004

NS Solutions Corp.

This document includes statements of forward-looking descriptions regarding the intent, belief or current expectations of NS Solutions Corporation (the “Company”) or its officers in terms of its operation and financial condition. Accordingly, such statements contain risks and uncertainties since they are neither historical facts nor guarantees of future performance. Actual results may be varied and influenced by various factors. The Company does not undertake to revise such forward-looking descriptions to reflect those factors

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1. Business Policies

(1) Our Basic Business Policies

NS Solutions Corporation adopts the following corporate philosophy in order to play a leading role in Japan's information service industry, achieve sustainable business expansion and high profitability and contribute to creating a better society.

Creation, Reliability and Growth

As an IT professional firm, NS Solutions creates real value to establish mutual trust with our customers, achieve mutual business growth and contribute to progress in our society.

To this end, NS Solutions has four basic business policies as follows:

To expand our business, we design creative solutions and selectively allocate more business resources for markets that have significant potential demand for IT solutions.

We integrate sales and manufacturing functions into a single business unit for such target markets and devise the most appropriate business model for each business unit in order to differentiate ourselves and achieve high profitability.

We seek state-of-the-art technologies and customers' confidence because our competitive edge stems from these two factors.

We focus on our three core businesses (i.e., Business Solutions, Platform Solutions and Business Service operations) to provide coherent services ranging from consulting services, design, development and implementation of solutions to maintenance service.

(2) Basic Policy on Profit Sharing

NS Solutions recognizes the importance of enhancing our competitiveness to boost our corporate value for shareholders. From this perspective, we provide proper and stable dividends to our shareholders, while maintaining sufficient internal reserve for expanding our business activities, as well as ensuring appropriate profits in the future.

When determining the specific amount for the dividend, we pay due attention to our financial position, profit level and dividend payout ratio. For this term, we will provide a ¥17.5 term-end dividend per share. As we have already paid the ¥17.5 mid-term dividend, the annual total will be ¥35 dividend per share.

Since we are now addressing fiercer competition with competitors and providing high-quality solutions in a timely manner by taking advantage of business opportunities, we plan to spend our internal reserve on expanding our solution menu, obtaining advanced information technologies and strategically investing in human resources development.

(3) Trading Volume Unit

To enhance active trading at stock markets and expand our shareholder base, the board members decided to split stocks 1 : 2 at the board meeting held on April 27, 2004. (Base date: June 30, 2004. Effective date: August 19, 2004.)

(4) Our Business Strategy in the Medium- to Long-Term

In the face of the information revolution and ever-changing business environments resulting from a globalized economy and ongoing deregulation, private corporations have been drastically reforming their business operations and redefining business models for their survival. Information technology plays a very important role in such corporate reform efforts. NS Solutions recognizes the importance of properly and quickly addressing our customers' IT investment needs stemming from their business strategies.

Recently, IT firms have been heading in two different directions in the information service industry. The first type is the IT firm that has high technological and solution-proposing capabilities to properly address their customer's IT strategies; and the second type is the IT firm specializing in solution development efforts. Our industry will undoubtedly begin to see fiercer competition among these IT firms.

Bearing this in mind, NS Solutions will provide our customers with better solutions and a wider menu than our competitors and to have a stronger presence in our industry by obtaining confidence from our customers.

(5) Our Challenges

It is expected that the current business environment will become all the more severe due to the growing diversity and complexity of customer needs and the increasing competition among vendors. Bearing such conditions in mind, NS Solutions is addressing the following challenges to enhance our business competitiveness and to attain the position of a reliable "IT partner" for our customers.

Getting on the growth path and enhancing customer relations capability.

To get on the growth path and sustain our growth, NS Solutions keeps track of market/technical trends, selectively allocates more business resources to growing markets, including the manufacturing industry, and other market categories where we have competitive edges. We will also enhance our advanced solutions.

In addition, we seek stronger ties among our business units to coherently support the total system life cycle ranging from consulting, development to maintenance services. By doing so, we aim to become a trustworthy IT partner for our customers.

We will implement the System Life Cycle (SLC) that provides customers with coherent services ranging from designing, development and operation to maintenance services based on a comprehensive overview of the customer system. To this end, we will step up our inter-organizational cooperation mainly at the Solution Design/Consulting Center of NS Solutions and enhance our customer relations capability. By doing so, we aim to become a trustworthy IT partner for our customers. Also, we will create new customers by providing full-scale legacy reengineering services.

Establishing more competitive business structure

We will redefine optimal role-sharing among NS solutions, its subsidiaries and partner firms in order to establish a more competitive business structure in the NS solutions group as a whole.

To acquire stronger development skills and to achieve higher development productivity, we will promote the creation and the application of development methods/tools and foster the development in remote areas. We will also further enhance project management through Project Management Office (PMO) activities.

As for human resources that are vital factors for management, we will expand internal training schemes to improve our employees' abilities so that they will be able to provide better solutions, proposals and properly manage various projects. We will also improve our human resources, payment and compensation system based on the ability-and-performance-based personnel system and enhance our recruiting activities.

(6) Our Corporate Governance Basic Philosophy and Related-Activities

As already mentioned in "Our Basic Business Policies" section, we recognize the importance of successful corporate governance because our survival requires "confidence" from customers.

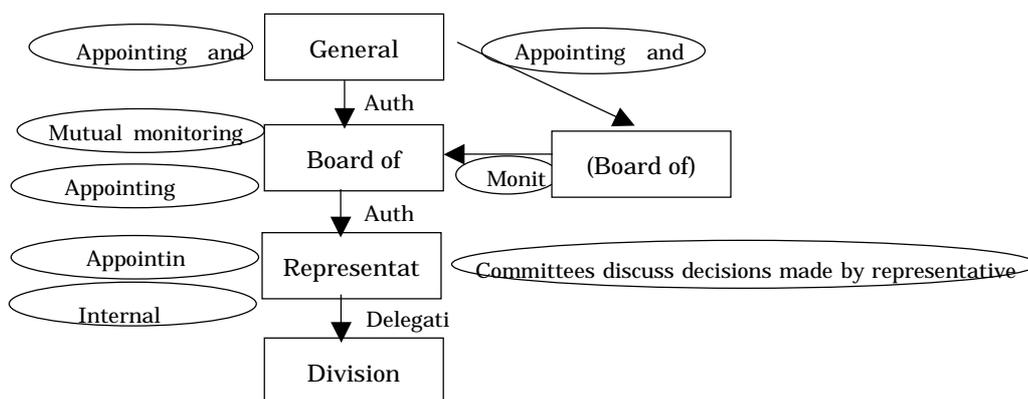
Under the current "board of auditors" system, our relatively small-sized board of directors (11 directors) makes proper and quick decisions in accordance with the applicable laws, while the board of auditors monitors the decisions made by the board of directors.

As we calculate profits and losses for the business unit group, NS Solutions authorizes division chiefs to make day-to-day operational decisions quickly in accordance with predetermined internal decision-making rules. Our internal inspection group, which directly reports to the president, monitors division chiefs' behavior to ensure proper business activities. On the other hand, in terms of business strategy planning, recourse allocation, loan/investment projects and large-scale projects, decisions are made at NS Solutions' various committees such as the project planning conference or management committees consisting of the president and other top management members.

NS Solutions has also been making endeavors to improve transparency through a third-party monitoring scheme. We achieve proper management and operational activities by involving our accounting auditor (ChuoAoyama Audit Corp.) in audits and asking our counsels for valuable opinion/advice mainly for smooth operation at our director's board. We also provide shareholders and investors with up-to-date information via results briefing, website, etc.

To ensure compliance, we have necessary internal rules and require our employees to obey them, including the above-mentioned decision-making rules. We also provide our staff with training sessions in legal and intellectual property fields and establish an internal reporting desk (Compliance Desk) in order to raise the sense of compliance. By doing so, we conduct our business activities in accordance with applicable laws and internal regulations.

It may be an idea to adopt a "Committee System" under Japan's recently revised Commercial Code. However, NS Solutions intends to keep corporate governance under our current "Board of Auditors" system.



(Note) We have three auditors in total. Our parent company Nippon Steel Corporation sends its director as our external auditor. For more information on our relationship with Nippon Steel Corporation, please see the section, "(7) Basic Policies regarding Relationships with our stakeholders."

(Efforts to Improve Corporate Governance for These Twelve Months)

Number of conferences held

Board of directors (10 times), management conference (32 times) and project planning conference (47 times)

Audits

In addition to inspections by our auditors, our internal inspection group, which directly reports to the president, also conducts internal audits.

In FY 2003, the inspection group focused on auditing operations such as internal control, compliance and risk management, and conducted field audits at all divisions in NS Solutions.

Other activities

Other than regular activities, NS Solutions took the following measures:

- Established a consultation desk (Compliance Desk) for our employees in July 2003 as part of the compliance improvement project,
- Held an Information Management Committee (Chairperson: the president) on almost a quarterly basis to protect our personal/customer information assets and conducted an information asset protection audit at all divisions in the second half of the year, and
- Provided education and heightened the awareness of our employees at internal training sessions as well as on the intranet websites prepared by the Corporate Planning & General Administration, Legal and Intellectual Property Departments as required.

(Remuneration and bonus of directors and auditors; remuneration of accounting auditors)

Remuneration and bonus of directors and auditors.

		Number of people	Total payroll for this term
Directors	Remuneration	12	230 million yen
	Bonus	10	17 million yen
Auditors	Remuneration	2	26 million yen

(Note)

1. Remunerations for the personal assistants of directors and concurrent directors (57 million yen) are included in the directors' remuneration.
2. In addition to the aforementioned payroll value, a special service bonus (9 million yen) is offered to retired directors.
3. All directors are from within NS solutions.

Remuneration for accounting auditors.

		Total payroll for this term
Accounting auditors	Remuneration	21 million yen

(Note)

The accounting auditors' remuneration is for an audit certificate that is made based on the audit agreement between Chuo-Aoyama Audit Corp and NS solutions. Other remunerations (such as payment for consulting services) are not included.

(7) Basic Policies regarding Relationships with our Stakeholders

NS Solutions is a consolidated subsidiary of Nippon Steel Corporation, which owns 72.2% of our voting shares.

As Nippon Steel Corporation exclusively commissions us to plan, design, develop and operate their information systems, the NS Solutions Group contributes to enhancing their competitiveness. We will continue to maintain the relationship with Nippon Steel Corporation in the future as well.

Nippon Steel Corporation had been sending its employees on secondment to NS Solutions. However, the transfer of these seconded workers was completed as of the end of March 2004.

(8) Other Important Management Matters

None.

2. Operating Results

Highlights in the current term

(Trend in the Japanese economy)

Early in this accounting year period, there was uncertainty over Japan's economy because of the Iraqi crisis, move in the stock market, the impact of SARS (Severe Acute Respiratory Syndrome) and so forth, but in the second half we saw some sign of recovery with revenue and profit of enterprises showing steady improvement supported mainly by capital investment and export to the Chinese market.

(Trend in information service industry)

In the information service industry, however, although mid-sized and middle class companies continue with software investment, large companies whose net investment should be large continue to be cautious, resulting in overall slow market activities. The revenue trend of the total information services industry has remained almost flat year on year since June 2002. (Source: Ministry of Economy, Trade and Industry, "Specified Services Industry Dynamic Statistics.") As customer companies are making stronger moves towards selective investment projects and requesting lower quotation bids, competition among vendors is becoming more intense.

(Highlights for NS Solutions Group)

Though the market condition continues to be severe, we have gained a very good reputation among our customers for our leading-edge solutions derived from a deep understanding of business and from our excellent information system technologies in fixing customers' problems. We have achieved ¥150,843 million sales on a consolidated basis, with a ¥2,254 million decline from the previous term (¥153,097 million). Excluding a one-off big project in the previous year, however, we saw an overall increase from the previous year. As consolidated current profit, we had ¥9,785 million, ¥2,300 million less than the previous year (¥12,085 million). As customers became more conscious of TCO (Total Cost of Ownership) reduction or ROI (Return on Investment) improvement, the lead time to order entry lengthened. Also, we saw price erosion due to heavier competition and we had some unprofitable projects. All of these caused a decline in current revenue from the previous term.

Our business performance for each service category (i.e., Business Solutions, Platform (IT infrastructure) Solution and Business Service Operations) is as follows.

In Business Solutions, we had a steady revenue stream mainly from manufacturing and distribution industries and sales amounted to ¥77,803 million.

From the manufacturing and distribution industries, we enjoyed steady demands because they actively invested in IT systems to better address globalization and improve their competitiveness and management efficiency. Based on our solution's a high reputation among customers including

automakers and electric/electronic makers, we focused our efforts on: (1) ERP solution that integrates production/sales processes and shortens the account settlement process; (2) global SCM solution for reducing total lead time and total inventory, (3) PDM solution for shortening R&D processes from design to production; and (4) solution business incorporating these individual solutions. As an example, we successfully established a new mission-critical system last May incorporating ERP, CRM and SCM solutions for Canon Sales Co., Ltd. They highly appreciated our work. In addition to individual and integrated solutions, we saw emerging needs for total support in the system life cycle starting from consulting to construction, operation and maintenance.

Enterprise Resource Planning: ERP

Supply Chain Management: SCM

Product Data Management: PDM

Regarding the finance industry, we are in a difficult market environment as financial institutions have clearly placed stress on ROI for information systems investment, which in turn has made competition among vendors even harder. Despite such harsh market conditions, we enjoyed steady demands for business management-type systems mainly from regional banks, as well as firm demands for market-type systems for trading financial products. The latter system has received a high commendation from major commercial banks and other financial institutions. We also supported the rebuilding of enterprise business systems for life insurance companies. With our support, one of our customers, Meiji Life Insurance Company (currently, Meiji Yasuda Life Insurance Company), has reorganized its client-server business system installed in key offices in Japan and succeeded in a significant reduction of required servers (i.e. from 1200 servers before to 50).

In the government agency and public sector we also have good historical records as an IT partner in relations with government departments and other public sectors, since they aim to achieve "E-government" through paperless administrative information. We have built an online application system and a large-scale LAN system for the central government. We will continue establishing various systems in the fields of satellite, science, education and transportation, making the most of our expertise in high technology fields.

In Platform (IT infrastructure) Solutions operation, we enjoy an excellent reputation from our customers as an open system integrator because we are able to provide mission-critical state-of-the-art system infrastructures in a short time. Revenue was ¥36,493 million. In IT infrastructure solution operation, we envision a very severe business environment as cost reduction requests from customers are becoming stronger and competition among vendors is getting harder. As pressure for lower cost is especially strong in product businesses like sales of single items, we have been focusing on non-product businesses such as consulting and maintenance. From this year, as one of the examples, we started to offer one stop support and services available 24 hours a day, 365 days a year for the maintenance of various products which comprise system infrastructure. Its business is increasing smoothly.

In Business Service operation, NS Solutions provides various services, such as outsourcing services of information system design/development/maintenance, server hosting services as well as network diagnosis/design/establishment/monitoring services. To better address our customer's diverse needs, we are coherently supporting the whole system lifecycle from development to maintenance. We produce a steady flow of successful results in this field. Also, in the area of business process outsourcing where the need is expected to grow, we extensively offer ASP (Application Service Provider) services for document and drawing management. We already have orders from construction, automobile and food industries and our customer base is steadily expanding. Through these efforts, revenue reached ¥36,547 million.

(Managing Policies)

To improve our business competitiveness, we are aggressively pursuing the following actions.

- Organization Change

In the organization change effective Apr. 1st this year, we have enhanced and promoted the System Solutions Consulting Center (SCC) to corporate organizations, responsible for customer support in building corporate level IT strategies for customers. We have also reorganized the Industrial System Solutions Unit in view of the dynamic reallocation of management resources and retaining organizational elasticity. Along with changes in SCC, we have also created the Legacy Reengineering Center (LRC) under SCC that will comply with customers' requirements to renew existing systems to new architecture and to execute system reengineering as well for the sake of business process efficiency. We have executed re-engineering activities from main frame-based systems to open-architecture based systems regarding large and complex steel works system of Nippon Steel, starting with analysis of status-quo from a view point of economy, security and efficiency. Moreover, we have experienced proposing and realizing a variety of solutions from a standpoint of neutrality and best of breed. We are planning to respond to customer needs for system reengineering by Legacy Reengineering Center activities based on such our achievements.

- Business Alliance

Corporate management is facing more and more complex tasks like response to globalization and strengthening corporate group competitiveness. In order to cope with such tasks, the key to gaining superiority over the competition is to employ flexible IT capabilities which enable large-scale system developments and inter-system alliance and integrations. We have decided to take an alliance with Nippon System Development Co., Ltd (NSD) with a view to strengthen capabilities to respond to market needs. Both companies are independent system integrators and are planning to strengthen large-scale system development capabilities and respond to clients more sophisticated needs for each stage of system life cycle from development to maintenance and operation.

- Personnel Management

We have been accepting employees seconded from Nippon Steel Corporation and a total of 86 employees have been officially transferred to NS Solutions effective the end of Mar. this year. This transfer combined with the transfer of 843 managers at the end of last Mar., completes the transfer of all the employees seconded from Nippon Steel Corporation in conjunction with the merger of the former Electronics & Information Systems Division of Nippon Steel Corporation and the former Nippon Steel Information & Communication Systems Inc. In addition, the Company introduced the annual salary system for some of the new graduates, who the Company decided had adaptable working potential in the area of information technology and financial engineering.

- Environmental Compliance

Many companies have been introducing concrete measures for environmental protection to handle the growing concern over global environmental problems. The Company has historically and proactively engaged itself in environmental management and encouraged several departments to obtain ISO14001 (environmental management system). To strengthen the environmental management system, the Company decided that ISO14001 should be obtained by all main offices (in the Shinkawa district).

3. Analysis of Operating Results

1) Sales

Sales of the current consolidated fiscal year were ¥150,843 million, 1.5% lower than the sales of ¥153,097 million in the previous consolidated fiscal year. Sales by area of service are reported as follows.

In the area of Business Solutions, the Company maintained robust sales with customers in the manufacturing and distribution industry, namely in automobiles and electric/electronic industries. However, because of increased orders for large-scale system development from public offices, and financial institutions with a higher proportion of hardware service in the previous consolidated fiscal year, sales decreased by 4.8% to ¥77,803 million, compared to the previous consolidated financial year of ¥81,761 million.

On the other hand, in the IT infrastructure (Platform) solution business, product sales prices continued to lower due to the effect of rising competition among service vendors, the Company made an effort to expand its business area to non-manufacturing business such as consulting and maintenance services, and reported sales of ¥36,493 million, a 4.3% increase over the previous fiscal year's sales of ¥34,990 million.

Though sales from Nippon Steel Corporation declined, the overall sales of the Business Service operation area in the current consolidated fiscal year increased by 0.6% to ¥36,547 million over the previous consolidated fiscal year of ¥36,346 million, as a result of the Company's efforts to adopt proper approaches to expanding the outsourcing market and increasing sales from general customers.

2) Cost of goods and services, and general, administrative and selling expenses

The cost of goods and services in the current consolidated fiscal year showed a 0.5% increase of ¥123,358 million over the previous consolidated fiscal year of ¥122,766 million.

The Company reduced costs by promoting the streamlining of research and development, education and training, as well as system management, and reported a 2.6% decline in general, administrative and selling expenses of the current consolidated fiscal year, to ¥17,759 million over the previous consolidated fiscal year of ¥18,235 million.

3) Operating income

While general, administrative and selling expenses of the Company declined, operating income of the current consolidated fiscal year decreased by 19.6% to ¥9,726 million compared to the previous consolidated fiscal year of ¥12,096 million, as a result of decreased sales and lowered gross margin. Lowered SE operating ratio from extended order time, price lowering due to rising competition among service vendors, and some unprofitable projects resulted in a decline in the gross margin.

4) Non-operating income (expense)

Non-operating income (expense) of the current consolidated financial year improved to ¥59 million of income (net) from an operating expense of ¥11 million (net) in the previous consolidated financial year, due to improved gains at the affiliated companies under the equity method of accounting.

5) Recurring profit

Recurring profit of the current consolidated financial year was ¥9,785 million, 19.0% lower than the previous consolidated financial year of ¥12,085 million.

6) Extraordinary profit and loss (net)

The Company reported an extraordinary loss of ¥13 million for the current consolidated financial year, compared to the loss of ¥188 million in the previous consolidated financial year. Extraordinary profit improved to ¥715 million for the current consolidated financial year from ¥11 million in the previous consolidated financial year, driven by the sales of investment securities. While golf club membership and investment securities valuations declined from ¥200 million to ¥14 million, because of the incurring compensation for delay in the project completion schedule of ¥416 million and office relocation expense of ¥291 million, extraordinary loss increased to ¥729 million from ¥200 million in the previous consolidated financial year.

7) Current net income before tax adjustment

Current net income before tax adjustment of the current consolidated financial year was ¥9,771 million, a 17.9% decrease from the previous consolidated financial year of ¥11,896 million.

8) Income taxes

The income taxes of the current consolidated financial year resulted in a 21.4% decline to ¥4,236 million from ¥5,390 million in the previous consolidated financial year.

The income tax ratio (contribution percentage) in proportion to the current net income before tax adjustment decreased by 1.9% to 43.4% from 45.3% in the previous consolidated financial year. An increase in tax credit, led by the amendments to tax laws stipulated in FY2003, including “Special Income Tax Deduction for IT Investment” and “Special Income Tax Deduction for Total Expenditures for Research and Development,” contributed to a decrease in the income tax ratio.

9) Minority stockholder income

The minority stockholder income of the current consolidated financial year decreased by 18.3% to ¥211 million from ¥259 million in the previous consolidated financial year.

10) Current net income

The current net income of the current financial consolidated financial year was ¥5,323 million, a 14.8% decrease from the previous consolidated financial year of ¥6,246 million. Current net income per share declined by 18.7% to ¥200.39 from ¥246.58 of the previous consolidated financial year, because of the decrease in current net income, in addition to an increase in the average number of shares outstanding from 25,262,245 shares in the previous consolidated financial year to 26,499,545 shares with the issue of new shares in the previous consolidated financial year.

11) Significant accounting policies

The consolidated financial statements of the Company have been prepared on the basis of accounting policies generally accepted in Japan. The preparation of financial statements in conformity with accounting principles requires management to make estimates and assumptions that affect the financial condition and operational results at the balance sheet date. Based on the assumptions deemed rational from the past results and conditions, the Company makes estimates and assumptions on a continuous basis.

• Deferred tax asset

The deferred tax asset is reported to be in line with future taxable income.

- Retirement allowance

Employee retirement benefits are calculated based on the actuarial method and reflect the pre-conditional ratio, compensation growth rate and average period of service. The Company group determines the pre-conditional ratio mainly in line with the interest rate of the Japanese Government Bond, and the compensation growth rate and average period of service on the basis of historical data of the Company group.

- Bad debt allowance

The Company group reports bad debt allowance for general obligations based on the past bad debt ratio. The Company also posts additional bad debt allowance for the debts held by the customers, who may incur serious problems with debt payment or those with the high probability of having problems with such payment, by determining individual collectability.

- Debt in line with equity method of accounting

The Company makes a commitment to guarantee a part of the loans borrowed by the affiliated companies carried under the equity method of accounting from financial institutions. Based on the financial evaluation of the affiliates concerned, the Company posted the reserve for a commitment to guarantee ¥68 million (as of March 31, 2004).

- Other losses related to securities

As of March 31, 2004, the Company group holds, for business reasons, other securities related to specific customers and suppliers (excluding stocks of affiliated companies) of ¥2,092 million. These securities include the shares with high price volatility of publicly held companies, and the shares of private companies, the share value of which is difficult to determine. The Company group estimates the loss from these securities, in the event that it decides that the investment value has declined and is assumed non-recoverable. The Company identifies the shares of publicly held companies as impaired, if the stock value on the yearend date dips below 50% of the purchase amount. With respect to private company stock value, the Company identifies those shares as impaired, if, in principle, the net asset value of the company concerned falls below 50% of the acquired value. There were no such shares in the current consolidated financial year, which required treatment of waste.

From the current consolidated financial year, the Company changed the categorization of reporting the sales amount in the service area, from an individual project basis to a departmental basis. To make comparisons with the previous consolidated financial year, the above reported figures by service area reflect the value of the current consolidated financial year, in conformity with traditional accounting approaches. The sales by service area based on the new categorization are as follows.

	Sales
Business Solutions	¥83,463 million
Platform Solutions	¥29,947 million
Business Service	¥37,433 million

4.Outlook for the next period

Outlook for the next period

Customers continue with an investment attitude highly conscious of TCO reduction and ROI improvement. However, business investment in software as a whole shows signs of having bottomed out in the second half of last year, and the market is on an upward trend. Software investment, which is intended to enhance business competitiveness and management efficiency, is expected to continue to be robust mainly at the so-called “winner group companies.”

Our company will seek to unerringly grasp every business opportunity on the basis of the solution ability and the customer’s confidence that we have thus far built up and won. We will also steadily implement different measures aimed at strengthening our earning power.

For the current fiscal year, we expect to report net sales of ¥152,000 million and a recurring profit of ¥12,000 million on a consolidated basis.

Matters shown as a future outlook including the next period may fluctuate due to unexpected changes in the economy, and therefore, do not mean any commitment by our group.

Business risks

In this section, we describe the items selected from among those matters relating to the status of our group’s businesses and financial situations that are likely to have a significant influence on investors’ decisions.

Any of the matters described herein regarding the future are based on our judgment as of the date when this report was submitted.

1) Unusual changes in financial positions, business results or cash flows

We have had no unusual changes in our financial positions, business results or cash flows.

However, business results may fluctuate depending on developments in system investments, competition, existence or nonexistence of large projects or progress/ profitability of individual projects that may result from changes in the economic situation. The results are also subject to quarterly or semi-annual changes as the sales of system development projects including those of the government and public bodies tend to be realized at year-end.

2) Dependence on particular customers, products or technology

Our relationship with Oracle:

In 1991, our parent company Nippon Steel Corporation entered into a strategic tie-up agreement and related agreements with the Oracle Corporation and its holding company Oracle Systems Corporation (hereinafter called “Strategic Tie-up Agreements”) valid until December 8, 2004 (however, automatically renewable every three years unless either party expresses its intent to terminate 180 to 270 days before expiration).

Based on the tie-up agreement, our company also signed a distributorship agreement with Oracle Corporation Japan, which gives us terms of business for Japan as good as or better than the terms offered to other companies (the so-called “Most Favored Nation” treatment). On the other hand, the agreement imposes restrictions on the Nippon Steel Corporation and its subsidiaries including our company in connection with the development and sales of products that compete with Oracle products.

As mentioned above, if either party expresses its intent to terminate the agreement 180 days before its expiration date (June 11, 2004), the Strategic Tie-up Agreement will terminate on December 8, 2004; however, the most favored nation treatment will continue in full effect for five years after the termination of the agreement.

3) Particular statutory regulations, trade practice or management policy

Situations peculiar to information service industry:

Our company is responsible for the development and management of customers' key systems. Should any system default arise in connection with a customer's system, or customer information or personal information received from customers unavoidably leaks out, we should be susceptible to customers' claims for damages as well as loss of our credibility.

As products and technology evolve toward greater sophistication, we will be more liable to lawsuits or claims filed by third parties by reason of infringement of their intellectual property rights in connection with the service or products that we provide. Thus, our group might be required to pay damages or acquire or develop alternative technology.

4) Occurrence of significant lawsuits

There is no known material lawsuit to date.

5) Significant matters relating to directors & officers, large shareholders or affiliate companies

Relating to our company's stock:

Our company's issued and outstanding shares are 26,499,560 shares (as of March 31, 2004), of which 72.2% is held by Nippon Steel Corporation. If the percentage of shares held by top-ranking shareholders rises, the ratio of shares held by a small number of particular shareholders may conflict with the Tokyo Stock Exchange's delisting criteria applicable to the first section stocks (80%).

5. Financial position

(1) Balance sheet

1) Assets

The consolidated assets at the end of the current fiscal year increased by ¥300 million to ¥90,624 million from ¥90,324 million of a year ago. Given that relatively few fixed assets are held, our group has a high ratio of current assets to total assets, which reached 83.3% at the end of the current fiscal year on a consolidated basis.

2) Liabilities

The consolidated liabilities at the end of the current fiscal year decreased by ¥4,496 million to ¥41,246 million from ¥45,743 million of a year ago, mainly as the result of a decrease in trade notes and trade accounts payable by ¥6,245 million. The liabilities held by our group consist of intercompany credit including trade accounts payable, income taxes payable and allowance for employee retirement benefit. Our group has no interest-bearing borrowings from financial institutions.

3) Shareholders' equity

The consolidated shareholders' equity at the end of the current fiscal year increased by ¥4,639 million to ¥48,144 million from ¥43,504 million of a year ago, brought about mainly by the net profit of ¥5,323 million for the current year and decrease of ¥993 million in dividend payment. As a result, our group's equity ratio rose by 4.9% from a year ago to 53.1%.

(2) Cash flows

1) Cash flow calculation

The consolidated outstanding balance of cash and cash equivalents at the end of the current fiscal year increased by ¥1,864 million to ¥27,518 million from ¥25,654 million of a year ago. Cash flows are broken down by segment of activities as follows:

* Cash flows from operating activities

For the previous fiscal year, the consolidated cash flows were: net income before adjusting taxes ¥11,896 million, depreciation ¥1,284 million, income taxes (¥8,086 million), intercompany credit (¥2,678 million), etc. for a total of ¥1,928 million.

For the current fiscal year, the cash flows were: net income before adjusting taxes ¥9,771 million, depreciation ¥1,202 million, income taxes (¥4,701 million), intercompany credit (¥5,388 million), decrease in inventories (¥2,074 million), etc. for a total of ¥4,032 million.

* Cash flows from investing activities

For the previous fiscal year, the consolidated cash flows were: acquisition of tangible/ intangible fixed assets (¥1,369 million), acquisition of investment securities (¥1,040 million), etc. for a total of ¥2,678 million. For the current fiscal year, the cash flows were: acquisition of tangible/intangible fixed assets (¥1,751 million), proceeds from the sale of investment securities ¥778 million, etc. for a total of (¥1,115 million).

* Cash flows from financing activities

For the previous fiscal year, the consolidated cash flows were: cash dividends paid (¥815 million), proceeds from the issuance of stock ¥12,178 million, etc. for a total of ¥11,332 million. For the current fiscal year, the cash flows were: cash dividends paid (¥993 million), etc. for a total of (¥1,046 million).

2) Credit lines available from financial institutions

Our company has overdraft credit lines available from four major financial groups for a total of ¥4,800 million, and also from NS Finance, Inc. (a Nippon Steel subsidiary) for ¥4,600 million. Thus, a total of ¥9,400 million is available as overdraft credit lines.

3) Cash Management System (CMS)

We use CMS of NS Finance, Inc. where we kept ¥4,500 million deposited at the end of the previous fiscal year. The consolidated deposit at the end of the current fiscal year was ¥12,509 million. In May 2003, we built and started using CMS with seven consolidated subsidiaries. At the end of the current fiscal year, we had deposits received from the seven subsidiaries outstanding for a total of ¥3,704 million.

<Ref.> Cash flow index trend

Steadily accumulating profits have raised our equity ratio as follows:

	Period ended March 2002	Period ended March 2003	Period ended March 2004
Equity ratio	39.9%	48.2%	53.1%
Equity ratio at market value		96.2%	202.1%

Note 1. Equity ratio = equity / total assets

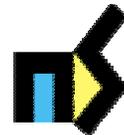
Equity ratio at market value=market capitalization at end-of-period share price / total assets.

2. Years required for debt payment is not described as there was no interest-bearing debt at the end of the period. The interest coverage ratio is not described as interest payment was very limited.

Outline of Financial Results
for fiscal year ended March 2004
and Financial Results Outlook
for fiscal year ending March 2005

NS Solution Corporation

April 28,2004



FORWARD-LOOKING STATEMENTS & PRO FORMA INFORMATION

This document includes statements of forward-looking descriptions regarding the intent, belief or current expectations of NS Solutions Corporation (the “Company”) or its officers in terms of its operation and financial condition. Accordingly, such statements contain risks and uncertainties since they are neither historical facts nor guarantees of future performance. Actual results may be varied and influenced by various factors. The Company does not undertake to revise such forward-looking descriptions to reflect those factors.

Table of contents

I. Executive Summary

Shigeru Suzuki

Representative Director & President

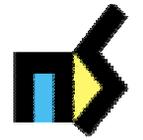
II .Outline of Financial Results for fiscal year ended March 2004

and

Financial Results Outlook for fiscal year ending March 2005

Takemi Yanagihara

Senior Executive Director



I. Executive Summary

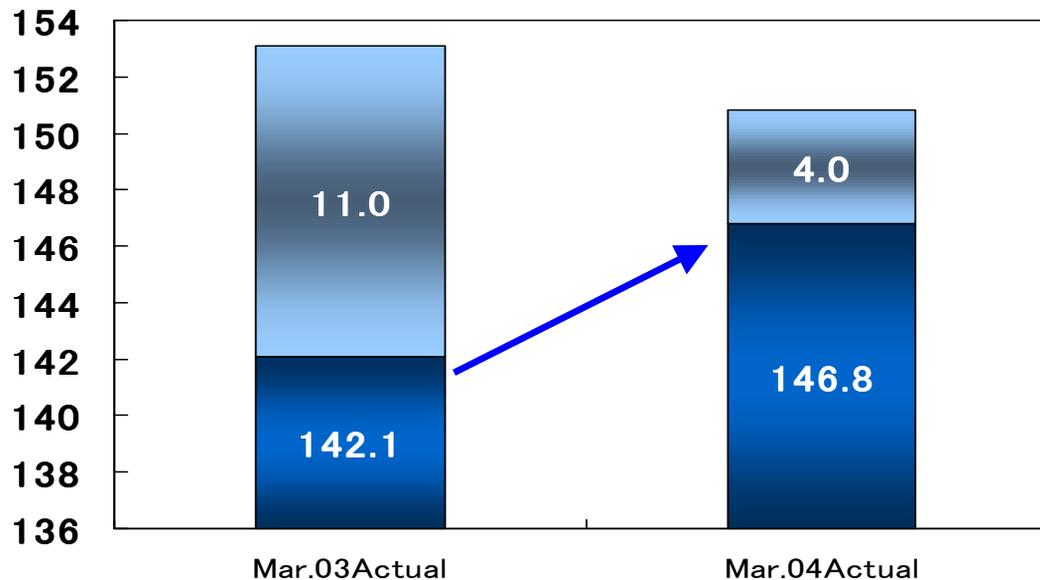
Shigeru Suzuki

Representative Director & President

Financial Results for Fiscal Year ended Mar.2004

(Billions of Yen)

	Actual Mar.2003	Actual Mar.2004
Sales	153.1	150.8
RecurringProfit	12.1	9.8
NetIncome	6.2	5.3



Market Trends Update

< Overview >

- ★ Upward trend of the market
- ★ Harsh and steady cost-down request based on clients' TCO reduction and ROI improvement consciousness

< By Customer Sector >

- Manufacturing&Retailing: More active demand in broader range
Financially stable companies keeping active IT investment
- Financial Sector: Expecting certain amount of demand due to recovery of financial results and regulatory works
- Public Sector: Soft demand for e-government projects of the Government
Continuous fierce price competition among SI vendors

▪ Business Solution:

More active sales by focusing on our distinguished solution and System Life Cycle (SLC) Total Solution especially in sector of manufacturing & retailing

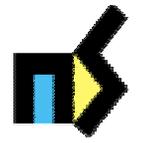
▪ Platform Solution:

Product profit reduction due to price down substituted by increase of sales of designing, engineering and maintenance-support

▪ Business Service:

Steady expansion of outsourcing market and increase of demand from the clients, i.e. increasing business chance by our SLC Total Solution

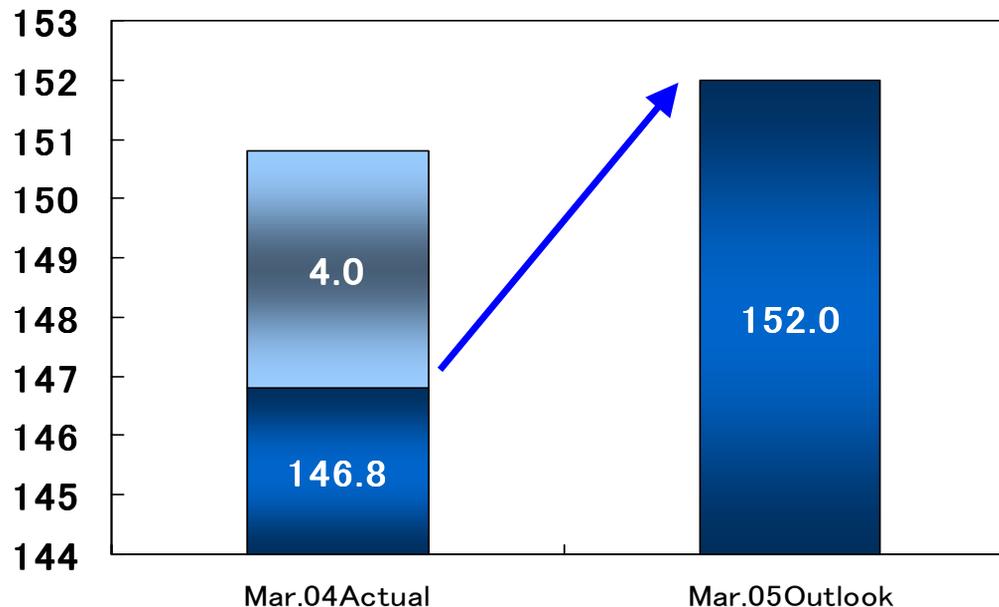
Financial Results Outlook for Fiscal Year ended Mar.2005



NS Solutions

(Billions of Yen)

	Actual Mar.2004	Outlook Mar.2005	Change
Sales	150.8	152.0	+1.2
RecurringProfit	9.8	12.0	+2.2
NetIncome	5.3	6.7	+1.4



Main business strategies to be taken during Fiscal Year ended March 2005

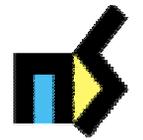


(1) Extended SLC Total Solution

(2) Competitive Development Methodology

(3) Consolidated Marketing and Sales Resources

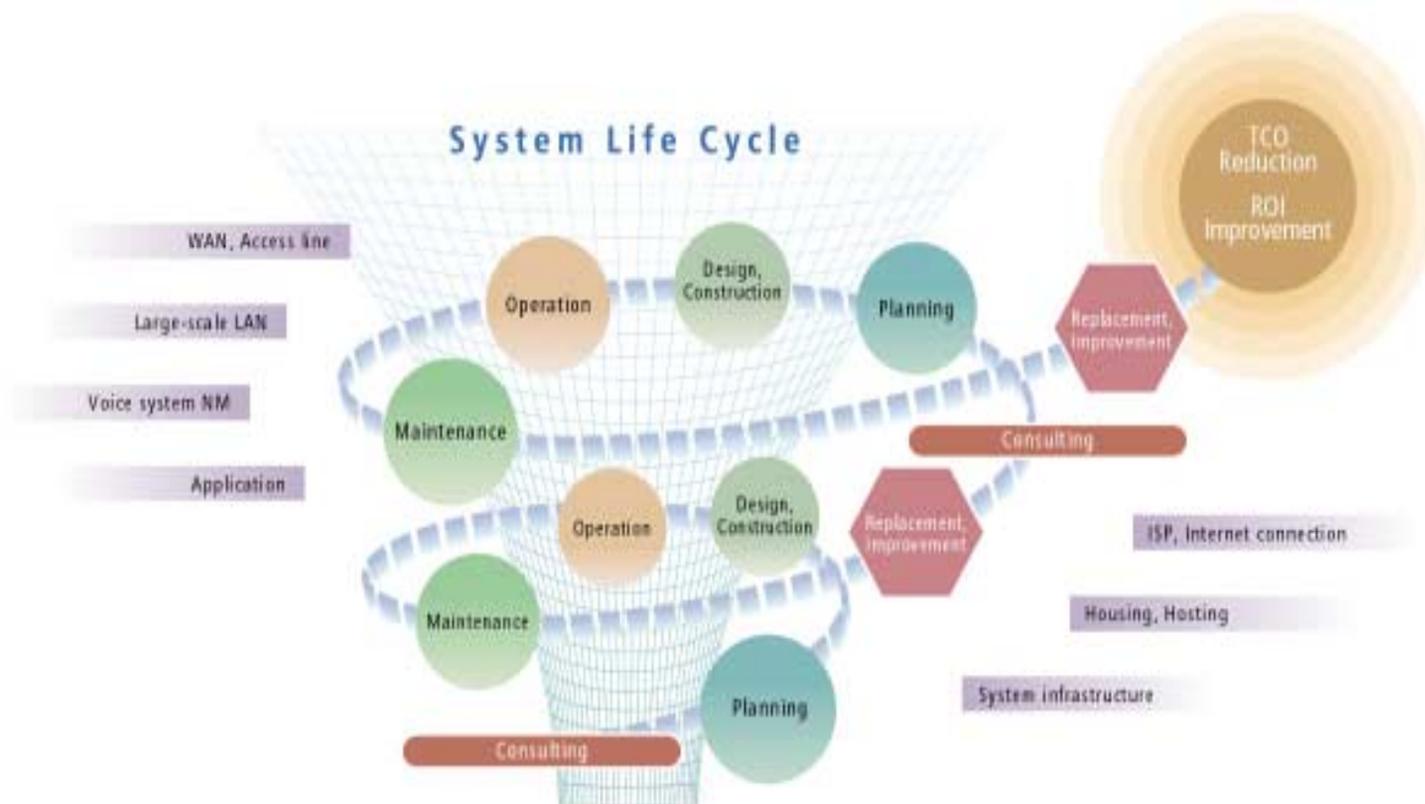
(1) Extended SLC Total Solution



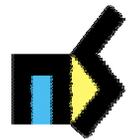
NS Solutions

SLC Total Solution

Creation of new business model
by combining Business Solution, Platform Solution and Business Service



-Goal1- Satisfaction to Clients' Needs



NS Solutions

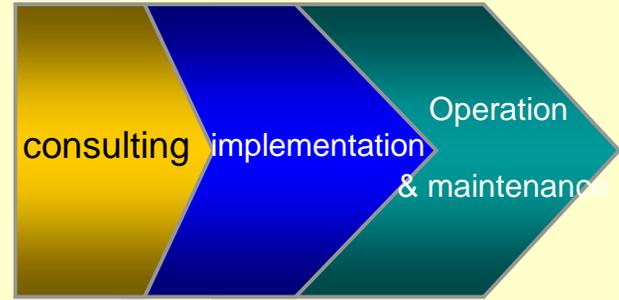
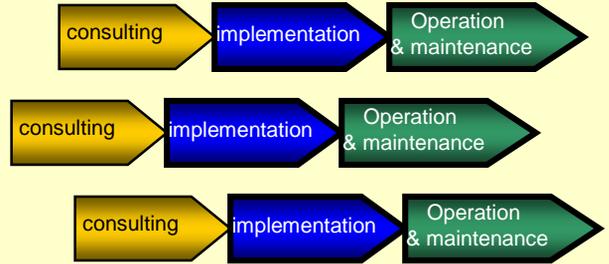
Outstanding issues of clients' systems

- Inconsistent implementation of each system in 90's
- TCO reduction and ROI improvement consciousness for IT investment

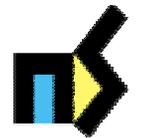


Solution to be provided

- ★ Optimized designing and implementation of the system integrating AP, infrastructure, operation and maintenance
- ★ Seamless and consistent service through System Life Cycle



-Goal2- Differentiation from the Competitors



NS Solutions

Providing the Total Solution in response to clients' needs based on our successful cases

Solutions for ERP/SCM/PDM etc. and their integrated solutions

Neutrality and Best-of-Breed basis Platform Solution

Full Outsourcing Business for Nippon Steel Corporation

Total Solution in response to clients' needs

Business Solutions

Industrial Solutions

Platform Solutions

Business Services

Best of Breed

Seamless Service through Business Units

System Integrators

NS Solutions

Mainframe Manufacturers



Note: The diagram depicts the business domain and characteristics of selected system integrators and mainframe manufacturers

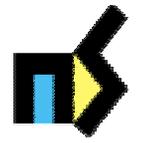
(2) Competitive Development Methodology



1) Utilizing Project-portal and Framework

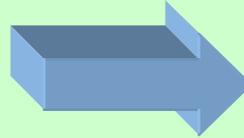
2) Thorough Project Management Office(PMO)
Activity

1) Utilizing Project-portal and Framework



NS Solutions

Improper communication project
and unstable quality project
fail !



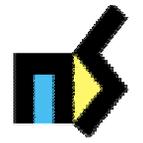
Applying the development tool
for better communication
and stable quality

【Effect of Project-portal】

Promoting smooth communications on important information
for project management

【Effect of Framework】

Stabilizing the quality of large scale projects
and reducing the cost by automatic programming

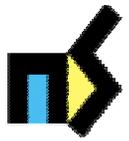


~ Project-portal PROJECTSQUARE ~

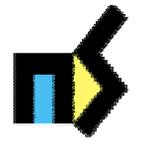
The screenshot shows a web browser displaying the Project Portal interface. On the left, there is a navigation menu with several sections: '検索', 'MainPage', 'プロジェクトメニュー', 'ワークフロー管理', and 'フェーズ情報'. The 'フェーズ情報' section is highlighted with a red circle, and a red arrow points from it to the main content area. The main content area is titled 'D.基本設計' and contains a list of items under various categories like '基本設計フェーズ', 'フェーズ定義', 'フェーズ入出力(成果物)一覧', '成果物', '客先提出物', and '内部資料'. A blue box labeled 'Overview' is positioned at the bottom left of the screenshot.

Overview

2) Thorough PMO Activity



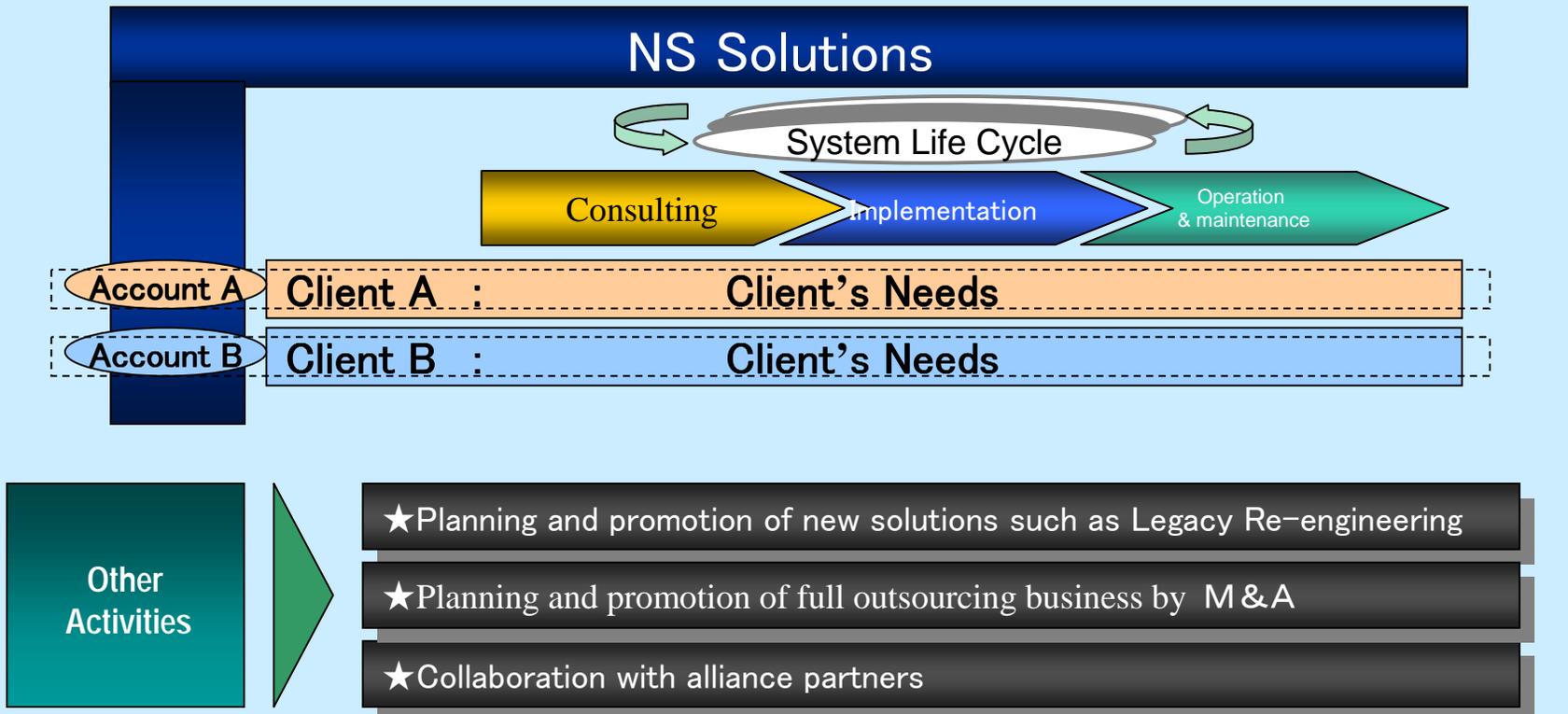
(3) Consolidated Marketing and Sales Power



NS Solutions

Intensive Marketing and Sales Activities

[Focusing our resources on target clients]



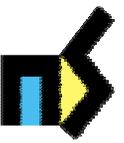
(1) Re-organization

Goal: To intensify the ability of business development

- ⇒ Establish of Corporate Planning & Strategic Alliance Department
- Expanding of Corporate IT Consulting Center function

(2) Collaboration with NIPPON SYSTEM DEVELOPMENT

Goal: To intensify SE mobilization



II . Outline of Financial Results for fiscal year ended March 2004

(April 1, 2003 to March 31, 2004)

and Financial Results Outlook for fiscal year ending March 2005

(April 1, 2004 to March 31, 2005)

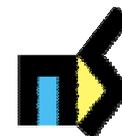
Takemi Yanagihara

Senior Executive Director

1. Outline of Financial Results for fiscal year ended March 2004

(April 1, 2003 to March 31, 2004)

Outline of Consolidated Financial Results



NS Solutions

(Billions of yen)

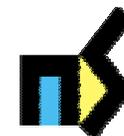
	Mar. 2003 (Actual) A	Mar. 2004 (Actual) B	Change B-A	Mar. 2004 (Previous outlook) C	Change B-C
Net sales	153.1	150.8	- 2.3	147.0	+ 3.8
Business Solutions	81.8	77.8	- 4.0	—	—
Platform Solutions	35.0	36.5	+ 1.5	—	—
Business Services	36.3	36.5	+ 0.2	—	—
Gross profit	30.3	27.5	- 2.8	—	—
<Gross profit margin>	<19.8%>	<18.2%>	<- 1.6%>	—	—
SG&A	18.2	17.8	- 0.4	—	—
Operating income	12.1	9.7	- 2.4	9.4	+ 0.3
Recurring Profit	12.1	9.8	- 2.3	9.5	+ 0.3
Net income	6.2	5.3	- 0.9	5.1	+ 0.2

Note) Sales by business line have been categorized on a project-by-project basis, which NS Solutions adopted in the past.

2. Financial Results Outlook for fiscal year ending March 2005

(April 1, 2004 to March 31, 2005)

Outlook Summary



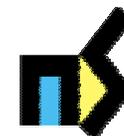
NS Solutions

(Billions of yen)

	Mar. 2004 (Actual) A	Mar. 2005 (Outlook) B	Change B-A
Net sales	150.8	152.0	+ 1.2
Business Solutions	83.5	85.0	+ 1.5
Platform Solutions	29.9	27.0	- 2.9
Business Services	37.4	40.0	+ 2.6
Gross profit	27.5	30.3	+ 2.8
<Gross profit margin>	<18.2%>	<19.9%>	<+ 1.7%>
SG&A	17.8	18.4	+ 0.6
Operating income	9.7	11.9	+ 2.2
Recurring profit	9.8	12.0	+ 2.2
Net income	5.3	6.7	+ 1.4

Note) Sales by business line have been categorized on a division-by-division basis, which NS Solutions has newly adopted.

Biannual Outlook Summary



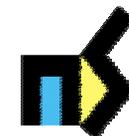
NS Solutions

(Billions of yen)

	Mar. 2004 (Actual)		Mar. 2005 (Outlook)		Change	
	1st. half	2nd. Half	1st. half	2nd. Half	1st. half	2nd. Half
Net sales	64.6	86.2	63.0	89.0	- 1.6	+ 2.8
Business Solutions	34.3	49.2	31.0	54.0	- 3.3	+ 4.8
Platform Solutions	11.8	18.1	12.0	15.0	+ 0.2	- 3.1
Business Services	18.5	18.9	20.0	20.0	+ 1.5	+ 1.1
Gross profit	12.6	14.9	12.7	17.6	+ 0.1	+ 2.7
<Gross profit margin>	<19.5%>	<17.3%>	<20.2%>	<19.8%>	<+ 0.7%>	<+ 2.5%>
SG&A	8.9	8.9	9.2	9.2	+ 0.3	+ 0.3
Operating income	3.7	6.0	3.5	8.4	- 0.2	+ 2.4
Recurring profit	3.7	6.1	3.5	8.5	- 0.2	+ 2.4
Net income	1.9	3.4	1.8	4.9	- 0.1	+ 1.5
Order Backlog at beginning of period	24.5	31.6	21.2	—	- 3.3	—

Note) Sales by business line have been categorized on a division-by-division basis, which NS Solutions has newly adopted.

Change of Definition on Solution/Service



(Billions of yen)

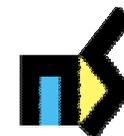
	Past categorization Mar. 2004(Actual)	Newly-adopted categorization Mar. 2004(Actual)	Change
Net sales	150.8	150.8	-
Business Solutions	77.8	83.5	+ 5.7
Platform Solutions	36.5	29.9	- 6.6
Business Services	36.5	37.4	+ 0.9

From “By Each Project” to “By Business Unit”

Reference

1. Financial Data for Fiscal year ended March 2004

Outline of Non-consolidated Financial Results



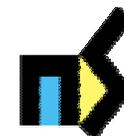
NS Solutions

(Billions of yen)

	Mar. 2003 (Actual) A	Mar. 2004 (Actual) B	Change B-A	Mar. 2004 (Previous Outlook) C	Change B-C
Net sales	137.9	136.1	- 1.8	132.0	+ 4.1
Business Solutions	71.2	67.0	- 4.2	—	—
Platform Solutions	31.5	33.5	+ 2.0	—	—
Business Services	35.2	35.6	+ 0.4	—	—
Gross profit	25.2	22.8	- 2.4	—	—
SG&A	15.5	15.1	- 0.4	—	—
Operating income	9.7	7.7	- 2.0	7.5	+ 0.2
Recurring profit	9.9	7.8	- 2.1	7.7	+ 0.1
Net income	5.3	4.5	- 0.8	4.4	+ 0.1

Note) Sales by business line have been categorized on a project-by-project basis, which NS Solutions adopted in the past.

Consolidated Balance Sheets

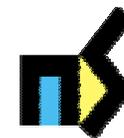


NS Solutions

(Billions of yen)

	Mar. 2003 (Actual)	Mar. 2004 (Actual)	Change
Cash and bank deposits and deposited money	25.7	27.5	+ 1.9
Current assets	76.4	75.5	- 0.9
Non-current assets	13.9	15.1	+ 1.2
Total assets	90.3	90.6	+ 0.3
Short-term loans	0.0	0.0	-
Current liabilities	39.9	34.9	- 5.0
Non-current liabilities	5.8	6.3	+ 0.5
Total liabilities	45.7	41.2	- 4.5
Minority interest in consolidated subsidiaries	1.1	1.2	+ 0.2
Common stock and additional paid-in capital	22.9	22.9	-
Retained earnings and others	20.6	25.2	+ 4.6
Total shareholders' equity	43.5	48.1	+ 4.6
Total liabilities, minority interests and shareholders' equity	90.3	90.6	+ 0.3

Consolidated Cash Flow Statements

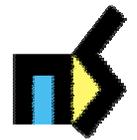


NS Solutions

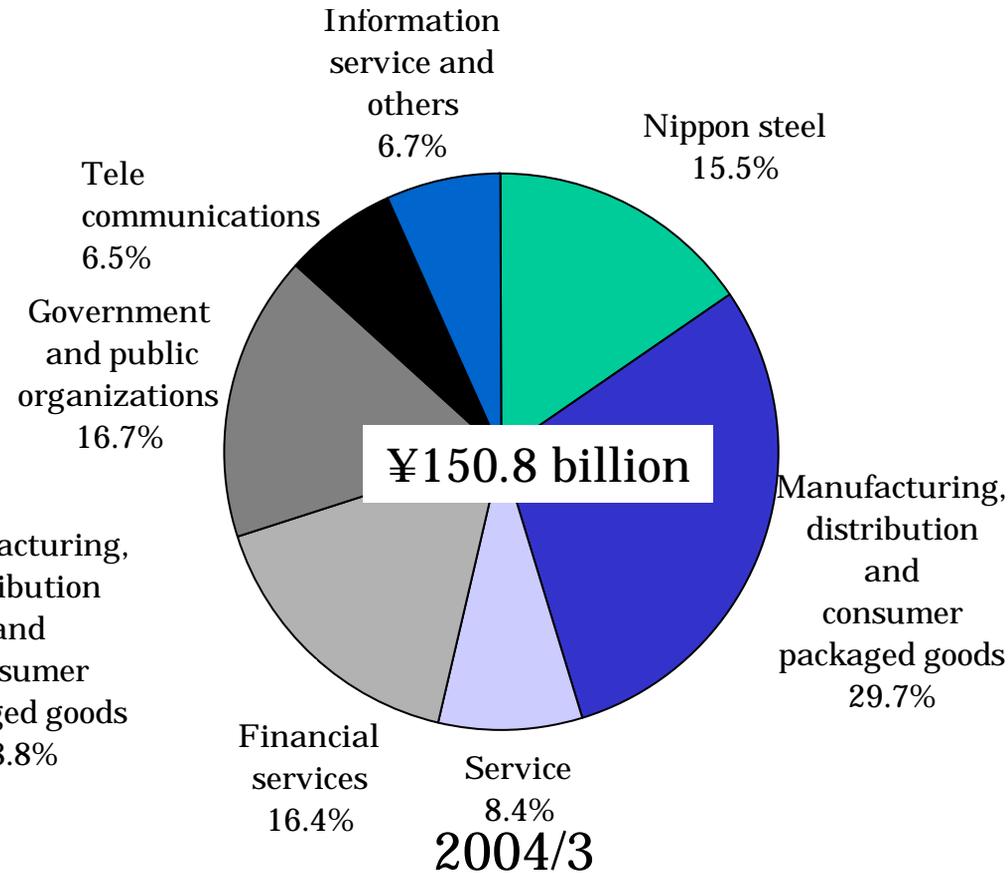
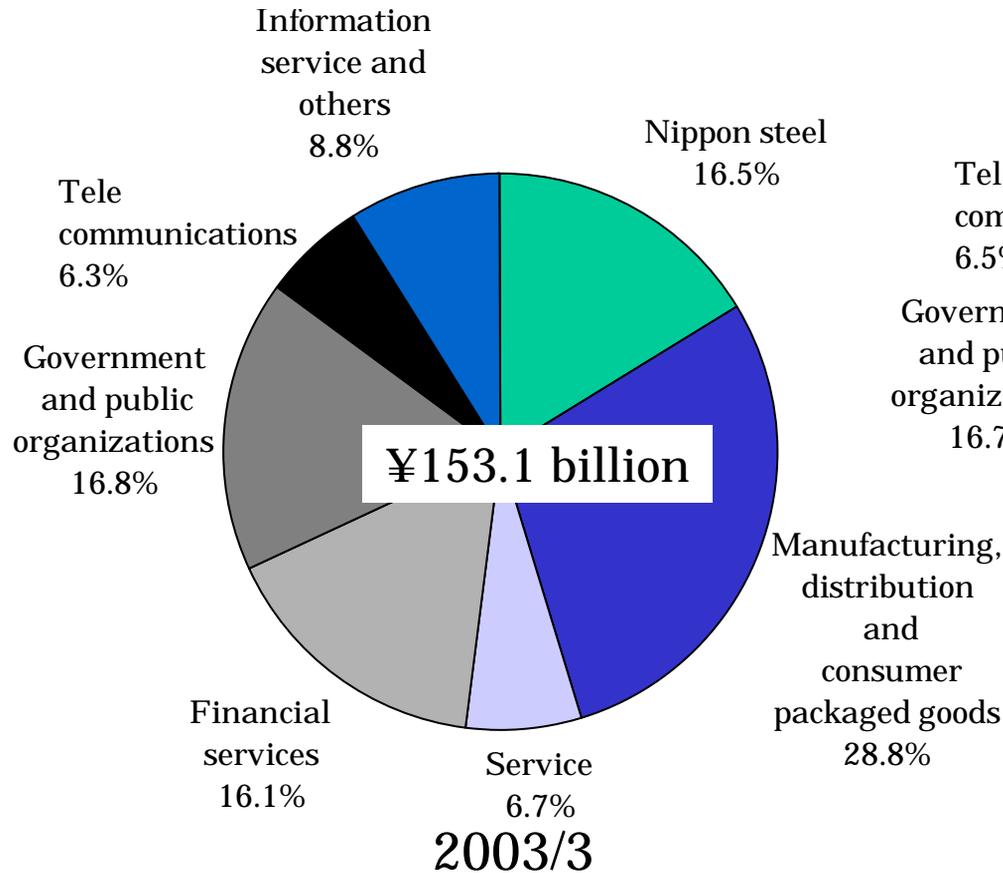
(Billions of yen)

	Mar. 2003 (Actual) A	Mar. 2004 (Actual) B	Change B-A
Cash and cash equivalents at beginning of period (net of cash owned by a deconsolidated subsidiary)	15.1	25.7	+ 10.6
Net cash provided by operating activities	1.9	4.0	+ 2.1
Net cash used for investing activities	▲ 2.7	▲ 1.1	+ 1.6
Net cash provided by financing activities	11.3	▲ 1.0	- 12.4
Net increase(decrease) in period	10.6	1.9	- 8.7
Cash and cash equivalents at ended of period	25.7	27.5	+ 1.9

Consolidated Sales by Customer Industry



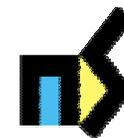
NS Solutions



Note) Previously announced sales by customer industry for the fiscal year ended Mar. 2003 have been revised as follows. Sales to information service industry have been re-categorized into those to end user industry.

2. Outlook Data for fiscal year ending March 2005

Non-consolidated Outlook Summary

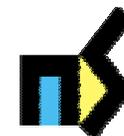


(Billions of yen)

	Mar. 2004 (Actual) A	Mar. 2005 (Outlook) B	Change B-C
Net sales	136.1	137.0	+ 0.9
Business Solutions	72.7	73.0	+ 0.3
Platform Solutions	27.0	25.0	- 2.0
Business Services	36.4	39.0	+ 2.6
Gross profit	22.8	25.6	+ 2.8
SG&A	15.1	15.8	+ 0.7
Operating income	7.7	9.8	+ 2.1
Recurring profit	7.8	10.0	+ 2.2
Net income	4.5	5.8	+ 1.3

Note) Sales by business line have been categorized on a division-by-division basis, which NS Solutions has newly adopted.

Consolidated Balance Sheets

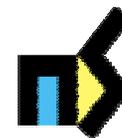


NS Solutions

(Billions of yen)

	Mar. 2004 (Actual)	Mar. 2005 (Outlook)	Change
Cash and bank deposits and deposited money	27.5	32.0	+ 4.5
Current assets	75.5	84.9	+ 9.3
Non-current assets	15.1	14.4	- 0.7
Total assets	90.6	99.3	+ 8.7
Short-term loans	0.0	0.0	-
Current liabilities	34.9	36.8	+ 1.8
Non-current liabilities	6.3	7.3	+ 0.9
Total liabilities	41.2	44.0	+ 2.8
Minority interest in consolidated subsidiaries	1.2	1.4	+ 0.2
Common stock and additional paid-in capital	22.9	22.9	-
Retained earnings and others	25.2	30.9	+ 5.7
Total shareholders' equity	48.1	53.9	+ 5.7
Total liabilities, minority interests and shareholders' equity	90.6	99.3	+ 8.7

Consolidated Cash Flow Statements



NS Solutions

(Billions of yen)

	Mar. 2004 (Actual) A	Mar. 2005 (Outlook) B	Change B-A
Cash and cash equivalents at beginning of period (net of cash owned by a deconsolidated subsidiary)	25.7	27.5	+ 1.9
Net cash provided by operating activities	4.0	6.2	+ 2.1
Net cash used for investing activities	▲ 1.1	▲ 0.7	+ 0.4
Net cash provided by financing activities	▲ 1.0	▲ 1.0	+ 0.1
Net increase(decrease) in period	1.9	4.5	+ 2.6
Cash and cash equivalents at ended of period	27.5	32.0	+ 4.5



2004年3月期 決算説明会 補足資料

NS Solutions

Appendix at Financial Information Meeting for the fiscal year ended Mar. 2004

2004年4月28日
Apr. 28, 2004

新日鉄ソリューションズ株式会社 NS Solutions Corporation

(注)この資料において百万円もしくはパーセントで記載してある情報は四捨五入しておりますので、財務諸表と数値が異なる場合があります。

(Note) In this material, where information is presented in millions of yen or percentages, these amounts have been rounded. Accordingly, these amounts may differ from figures included in financial statements in some cases.

1. 連結業績概要 Outline of Consolidated Business Results

	2000/3	2001/3	2002/3	2003/3	2004/3	2004/3	2005/3	(単位: 百万円 (他に指定ない限り) Millions of Yen, except as otherwise noted.)			
								2001/9	2002/9	2003/9	2004/9
	みなし連結 Pro forma consolidated, including EI Division)	みなし連結 Pro forma consolidated, including EI Division)	(実績 Actual)	(実績 Actual)	前回見通し Previous Outlook)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通し Outlook)
サービス区分の分類方法 Categorization method by business line	従来区分 Old	従来区分 Old	従来区分 Old	従来区分 Old	従来区分 Old	従来区分 Old	新区分 New	従来区分 Old	従来区分 Old	従来区分 Old	新区分 New
受注高 Amount of order acceptance			143,202	153,844		147,482	147,482	69,794	76,514	71,630	71,630
業務ソリューション Business solutions			73,029	81,859		74,011	79,671	30,900	42,435	36,950	40,063
基盤ソリューション Platform solutions			34,394	34,488		36,194	29,648	16,463	15,708	14,756	11,349
ビジネスサービス Business services			35,779	37,496		37,277	38,163	22,431	18,372	19,924	20,218
期末受注残高 Order backlog at end of period			23,775	24,520		21,158	21,158	28,478	31,533	31,577	31,577
業務ソリューション Business solutions			14,501	14,599		10,806	10,806	17,209	21,619	20,351	20,351
基盤ソリューション Platform solutions			3,603	3,101		2,802	2,802	2,180	2,874	2,666	2,666
ビジネスサービス Business services			5,670	6,820		7,550	7,550	9,089	7,040	8,560	8,560
売上高 Net sales	132,683	145,952	148,922	153,098	147,000	150,844	150,844	67,902	68,756	64,574	64,574
業務ソリューション Business solutions	55,048	72,558	78,534	81,761		77,804	83,463	33,778	35,317	31,199	34,312
基盤ソリューション Platform solutions	25,459	29,824	35,169	34,990		36,493	29,948	16,369	16,437	15,191	11,784
ビジネスサービス Business services	52,176	43,570	35,219	36,347		36,547	37,433	17,755	17,002	18,184	18,478
売上総利益 Gross profit	24,184	31,770	29,719	30,332		27,485		13,803	14,585	12,635	
販売費及び一般管理費 Selling, general and administrative expenses	16,661	20,703	17,240	18,235		17,759		8,058	9,142	8,976	
営業利益 Operating income	7,523	11,067	12,479	12,097	9,400	9,726		5,745	5,443	3,659	9,200
経常利益 Recurring profit	6,948	10,669	12,422	12,086	9,500	9,785		5,736	5,454	3,691	3,500
当期純利益 Net income	3,425	5,827	6,422	6,247	5,100	5,324		2,915	2,718	1,935	1,800
営業利益率(%) Operating income margin (%)	5.7%	7.6%	8.4%	7.9%	6.4%	6.4%		8.5%	7.9%	5.7%	5.6%
売上総利益率(%) Gross profit margin (%)	18.2%	21.8%	20.0%	19.8%		18.2%		20.3%	21.2%	19.6%	20.2%
1株当たり当期純利益 (円) Net income per share (yen)			266.65	246.58		200.40		121.44	112.52	73.01	67.93
株主資本 Total shareholders' equity			26,035	43,505		48,145		22,111	28,134	45,102	49,340
総資産 Total assets			65,244	90,324		90,625		53,911	59,867	77,937	81,480
研究開発費 R&D expenses			1,221	1,001		989		505	448	457	
設備投資 Capital expenditure			2,109	1,370		1,752		1,536	933	1,136	473
減価償却費 Depreciation and amortization			1,197	1,284		1,203		517	604	553	742
期末従業員数 (人) Number of employees at end of period (jobs)	4,177	4,112	4,101	4,124		4,025		4,178	4,224	4,160	

1 E事業部に関して新日本製鐵(株)により採用されていた特定の原価及び費用を売上原価と販売費及び一般管理費とに配賦する方法が、NS Solutions、NHS及びNCLによって採用されていたものと異なることから、2000年3月期及び2001年3月期のこれらの項目及び売上総利益についての金額は、2002年3月期以降の金額と直接比較可能なものではありません。Because of differences in the method of allocating certain costs and expenses as cost of sales or selling, general and administrative expenses applied by Nippon Steel with respect to its former EI Division from the method applied by NS Solutions, NHS and NCL with respect to their businesses, the amounts for these items and for gross profits for the fiscal years ended March 31, 2000 and 2001 are not directly comparable with amounts for such items for the fiscal years ended on and after March 31, 2002.

2 2003/3期以前は2002/6に実施した株式分割を考慮し遡及修正後の数値 Figures for the fiscal years ended in and before Mar. 2003 have been retroactively revised to reflect stock split made in Jun. 2002.

3 連結子会社の一部で2002年4月より受注残高管理を開始しました。2002年3月末の受注残高は、2002年4月以降の受注残高との比較可能性を補うため、当該子会社が2002年3月以前から受注残高管理を開始していた場合を想定し算出したものであります。One of our consolidated subsidiaries has newly started to manage its order backlogs through figures since April 2002. Order backlogs at the end of March 2002 have been estimated as if this change had occurred before March 2002 in order to raise the comparability between the figures in March 2002 and those in and after April 2002.

4 サービス区分別の受注高・期末受注残高・売上高などの金額は、従来、個別プロジェクト毎に分類しておりましたが、2004年3月期より部門別に分類する方法に変更致しました。2004年3月期については、前年との比較を容易にするため従来区分と新区分の両方を記載しております。Business line-related figures such as order acceptance, order backlog and sales had been categorized on a project-by-project basis. NS Solutions has just started to categorise these figures on a division-by-division basis for the fiscal year ended Mar. 2004. NS Solutions prepared both categorization data for the fiscal year ended Mar. 2004 in order to raise the year-on-year comparability.

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2.要約連結貸借対照表 Condensed Consolidated Balance Sheets

(1)資産の部 Assets

(単位:百万円 (他に指定ない限り) Millions of Yen, except as otherwise noted)

		2001/9	2002/3	2002/9	2003/3	2003/9	2004/3	2004/9	2005/3
		(実績 Actual)	(見通Outlook)	(見通Outlook)					
現金及び預金	Cash and bank deposits	9,131	7,335	6,404	20,956	13,024	14,605	24,740	32,020
預け金	Deposited money		7,737	3,228	4,699	9,236	12,914		
受取手形及び売掛金	Trade notes and accounts receivable	19,670	26,348	22,173	38,319	25,049	37,462	25,070	39,380
たな卸資産	Inventories	9,558	8,323	10,790	9,110	12,332	7,035	13,200	9,590
繰延税金資産	Deferred tax assets current	1,977	2,232	2,239	2,224	2,684	2,859	3,760	3,880
その他	Others	1,791	564	798	1,165	958	683		
貸倒引当金	Allowance for doubtful accounts	38	41	38	31	22	30		
流動資産合計	Total current assets	42,089	52,498	45,594	76,442	63,261	75,528	66,770	84,870
有形固定資産	Property and Equipment	4,227	4,499	4,594	4,514	4,987	5,009	14,710	14,430
無形固定資産	Intangible fixed assets	713	937	1,077	1,029	971	982		
投資有価証券	Investments in securities	2,635	2,393	3,022	3,027	3,415	3,633		
差入保証金	Guarantee deposits	1,917	1,908	2,179	2,145	2,136	2,271		
繰延税金資産	Deferred tax assets non-current	1,978	2,658	3,032	2,834	2,285	2,887		
その他	Others	352	351	369	333	882	315		
固定資産合計	Total non-current assets	11,822	12,746	14,273	13,882	14,676	15,097	14,710	14,430
資産合計	Total assets	53,911	65,244	59,867	90,324	77,937	90,625	81,480	99,300

(2)負債及び資本の部 Liabilities and Shareholders' Equity

		2001/9	2002/3	2002/9	2003/3	2003/9	2004/3	2004/9	2005/3
		(実績 Actual)	(見通Outlook)	(見通Outlook)					
支払手形及び買掛金	Trade notes and accounts payable	10,960	14,186	9,475	23,478	10,190	17,232	12,760	22,350
未払費用	Accrued expenses	2,367	3,686	2,846	3,659	3,753	4,732		
短期借入金	Short-term loans			400					
未払法人税等	Accrued income taxes	3,387	5,234	2,653	2,608	2,092	3,060	11,390	14,400
賞与引当金	Accrued bonuses to employees	4,810	5,077	5,138	5,118	4,846	5,520		
前受金	Advance receipts	2,970	2,996	3,706	3,221	3,564	2,588		
未払金	Non-trade accounts payable	986	1,712	904	1,665	959	1,544		
その他	Others	576	225	204	195	223	230		
流動負債合計	Total current liabilities	26,056	33,116	25,326	39,944	25,627	34,906	24,150	36,750
退職給付引当金	Allowance for employees' retirement benefits	4,774	4,969	5,185	5,478	5,822	6,042		
その他	Others	247	277	315	321	280	298		
固定負債合計	Total non-current liabilities	5,021	5,246	5,500	5,799	6,102	6,340	6,720	7,260
少数株主持分	Minority interest in consolidated subsidiaries	723	847	907	1,076	1,106	1,234	1,270	1,440
資本金	Common stock	6,500	6,838	6,838	12,953	12,953	12,953	12,950	12,950
資本剰余金	Additional paid-in capital	3,500	3,838	3,838	9,950	9,950	9,950	9,950	9,950
利益剰余金	Retained earnings	12,606	15,863	18,108	21,273	22,660	25,586	26,810	31,320
再評価差額金	Reserve for revaluation of land	740	740	740	755	755	757	370	370
その他有価証券評価差額金他	Valuation gain on available-for-sale securities and others	245	236	90	84	294	413		
資本合計	Total shareholders' equity	22,111	26,035	28,134	43,505	45,102	48,145	49,340	53,850
負債・資本合計	Total liabilities, minority interests and shareholders' equity	53,911	65,244	59,867	90,324	77,937	90,625	81,480	99,300

(3)指標 Management index

		2001/9	2002/3	2002/9	2003/3	2003/9	2004/3	2004/9	2005/3
		(実績 Actual)	(見通Outlook)	(見通Outlook)					
自己資本比率(%)	Equity ratio (%)	-	39.9%	-	48.2%	-	53.1%	-	54.2%
総資産利益率(%)	Return on total assets (%)	-	10.5%	-	8.0%	-	5.9%	-	7.1%
株主資本利益率(%)	Return on equity (%)	-	28.0%	-	18.0%	-	11.6%	-	13.1%

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3.要約連結損益計算書 Condensed Consolidated Income Statements

(単位:百万円 他に指定ない限り) Millions of Yen, except as otherwise noted)

	2000/3	2001/3	2002/3	2003/3	2004/3	2004/3	2005/3	2001/9	2002/9	2003/9	2004/9
	(E事業部含む みなし連結 Pro forma consolidated, including EI Division)	(E事業部含む みなし連結 Pro forma consolidated, including EI Division)	(実績 Actual)	(実績 Actual)	(前回見通し Previous Outlook)	(実績 Actual)	(見通し Outlook)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通し Outlook)
売上高 Net sales	132,683	145,952	148,922	153,098	147,000	150,844	152,000	67,902	68,756	64,574	63,000
売上原価 Cost of sales	108,499	114,182	119,203	122,766		123,359	121,700	54,099	54,171	51,939	50,300
売上総利益 Gross profit	24,184	31,770	29,719	30,332		27,485	30,300	13,803	14,585	12,635	12,700
販売費及び一般管理費 Selling, general and administrative expenses	16,661	20,703	17,240	18,235		17,759	18,400	8,058	9,142	8,976	9,200
営業利益 Operating income	7,523	11,067	12,479	12,097	9,400	9,726	11,900	5,745	5,443	3,659	3,500
営業外収益 Non-operating income	244	187	63	93		187		43	28	43	
営業外費用 Non-operating expenses	819	585	120	104		128		52	17	11	
経常利益 Recurring profit	6,948	10,669	12,422	12,086	9,500	9,785	12,000	5,736	5,454	3,691	3,500
特別利益 Extraordinary profit	178	120	7	12		716		13	5		
特別損失 Extraordinary loss	742	305	579	201		729		303	143		
税金等調整前当期純利益 Income before income taxes	6,384	10,484	11,850	11,897		9,772	12,000	5,446	5,316	3,691	3,500
法人税、住民税及び事業税 Income taxes:Current	3,500	5,346	7,159	5,460		5,154		3,459	2,764	2,253	
法人税等調整額 Income taxes:Deferred	631	843	1,962	70		918		1,034	274	578	
少数株主利益 Minority interests	90	154	231	260		212		106	108	81	
当期純利益 Net income	3,425	5,827	6,422	6,247	5,100	5,324	6,700	2,915	2,718	1,935	1,800
売上原価の内訳 Breakdown of cost of sales											
労務費 Labor cost			26,858	27,762		28,539			13,712	14,266	
材料費 Material cost			43,683	45,101		43,112			18,829	16,818	
外注費 Subcontract cost			29,197	32,587		31,295			14,712	15,062	
その他 Others			19,465	17,317		20,413			6,918	5,793	
販売費及び一般管理費の内訳 Breakdown of selling, general and administrative expenses											
労務費 Labor cost			7,210	7,198		7,635		3,759	3,699	4,049	
営業支援費 Operating expense for acceptance of orders			2,189	2,657		2,778		1,051	1,244	1,310	
その他 Others			7,841	8,380		7,346		3,248	4,199	3,617	
研究開発費 R&D expenses			1,221	1,001		989		505	448	457	

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4.要約連結キャッシュフロー計算書 Condensed Consolidated Cash Flows Statements

(単位:百万円 (他に指定ない限り) Millions of Yen, except as otherwise noted)

	2002/3	2003/3	2004/3	2005/3	2001/9	2002/9	2003/9	2004/9
	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通し Outlook)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通し Outlook)
税金等調整前当期純利益 Income before income taxes	11,850	11,897	9,772		5,446	5,316	3,691	
減価償却費 Depreciation	1,197	1,284	1,203		517	604	553	
退職給付引当金の増減額 Increase in allowance for employees' retirement benefits, net of payments	407	509	564		202	216	343	
投資有価証券評価損 Loss on revaluation of investments in securities	251	171				142		
営業譲受関連費用 Loss on write-off of fixed assets acquired from the Electronics and Information Systems Division of Nippon Steel Corporation	303				303			
売上債権の増減額 Decrease (increase) in accounts receivable	2	11,970	857		6,675	4,175	13,230	
たな卸資産の増減額 Decrease in inventories	1,807	787	2,075		562	2,467	3,223	
その他流動資産の増減額 Decrease (increase) in other current assets	322	603	483		9	233	209	
仕入債務の増減額 Decrease in accounts payable	1,532	9,292	6,246		4,759	4,712	13,288	
その他 Others	305	205	411		1,166	785	453	
小計 Sub total	14,908	9,998	9,119		7,771	2,256	1,062	
法人税等の支払額 Income taxes paid	4,414	8,087	4,701		2,561	5,345	2,769	
その他 Others	17	17	385		6	13	22	
営業活動によるキャッシュフロー Net cash provided by operating activities	10,511	1,928	4,033	6,181	5,216	3,076	1,685	1,959
有形・無形固定資産の取得による支出 Payments for purchase of property and equipment and intangible fixed assets	2,109	1,370	1,752		1,536	933	1,135	
投資有価証券の取得による支出 Payments for purchase of investments in securities	13	1,040	40			1,030	40	
連結の範囲の変更を伴う子会社株式の取得による収入 Acquisition of cash owned by new subsidiaries, net of payment for purchase of subsidiary's shares	369				369			
営業譲受による支出 Payment for acquisition of the Electronics and Information Systems Division of Nippon Steel Corporation	7,459				7,459			
その他 Others	181	269	676		22	300	48	
投資活動によるキャッシュフロー Net cash used for investing activities	9,031	2,679	1,116	710	8,648	2,263	1,127	310
短期借入金の純増減額 Decrease in short-term loans	145				145	400		
株式発行による収入 Proceeds from issuance of common stock shares	7,667	12,179			6,993			
配当金の支払額 Dividends paid	750	815	994		500	501	530	
その他 Others		31	52				52	
財務活動によるキャッシュフロー Net cash provided by financing activities	6,772	11,333	1,046	970	6,348	101	582	510
現金及び現金同等物に係る換算差額 Effect of exchange rate changes on cash and cash equivalents				6				
現金及び現金同等物の増加額 Net increase in cash and cash equivalents	8,252	10,582	1,865	4,501	2,916	5,440	3,394	2,779
現金及び現金同等物の期首残高 Cash and cash equivalents at beginning of year	6,842	15,072	25,654	27,519	6,842	15,072	25,654	27,519
連結除外会社の現金及び現金同等物の期首残高 Cash owned by a deconsolidated subsidiary	22				22			
現金及び現金同等物の期末(中間期末)残高 Cash and cash equivalents at end of year	15,072	25,654	27,519	32,020	9,736	9,632	22,260	24,740

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5. 単独業績概要 Outline of Non-consolidated Business Results

(単位: 百万円 (他に指定ない限り) Millions of Yen, except as otherwise noted)

	2002/3	2003/3	2004/3	2004/3	2005/3	2001/9	2002/9	2003/9	2004/9
	(実績 Actual)	(実績 Actual)	(前回見直し Previous Outlook)	(実績 Actual)	(見直し Outlook)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見直し Outlook)
サービス区分の分類方法 Categorization method by business line	従来区分 Old	従来区分 Old	従来区分 Old	従来区分 Old	新区分 New	従来区分 Old	従来区分 Old	従来区分 Old	新区分 New
受注高 Amount of order acceptance	127,671	138,922		132,831	132,831	62,072	69,217	65,493	65,493
業務ソリューション Business solutions	62,304	71,277		63,183	68,815	26,253	36,610	31,964	35,057
基盤ソリューション Platform solutions	31,422	31,365		33,345	26,799	15,027	14,927	14,009	10,602
ビジネスサービス Business services	33,945	36,280		36,303	37,217	20,792	17,680	19,520	19,834
期末受注残高 Order backlog at end of period	20,210	21,275		17,970	17,970	27,789	27,660	29,112	29,112
業務ソリューション Business solutions	12,360	12,454		8,610	8,610	16,520	18,450	18,402	18,402
基盤ソリューション Platform solutions	2,180	2,001		1,810	1,810	2,180	2,170	2,150	2,150
ビジネスサービス Business services	5,670	6,820		7,550	7,550	9,089	7,040	8,560	8,560
売上高 Net sales	131,680	137,857	132,000	136,136	136,136	58,503	61,767	57,656	57,656
業務ソリューション Business solutions	66,099	71,183		67,027	72,659	26,656	30,520	26,016	29,109
基盤ソリューション Platform solutions	32,197	31,544		33,536	26,990	14,958	14,937	13,860	10,453
ビジネスサービス Business services	33,384	35,130		35,573	36,487	16,889	16,310	17,780	18,094
売上総利益 Gross profit	24,469	25,234		22,808	25,600	11,416	12,119	10,433	10,700
販売費及び一般管理費 Selling, general and administrative expenses	14,365	15,525		15,157	15,800	6,675	7,581	7,635	7,900
営業利益 Operating income	10,104	9,709	7,500	7,651	9,800	4,741	4,538	2,798	2,800
経常利益 Recurring profit	10,031	9,886	7,700	7,787	10,000	4,743	4,774	3,041	3,000
当期純利益 Net income	5,297	5,331	4,400	4,496	5,800	2,486	2,529	1,747	1,700
営業利益率(%) Operating income margin (%)	7.7%	7.0%	5.7%	5.6%	7.2%	8.1%	7.3%	4.9%	5.0%
売上総利益率(%) Gross profit margin (%)	18.6%	18.3%		16.8%	18.7%	19.5%	19.6%	18.1%	18.1%
業務ソリューション Business solutions		19.0%		16.4%	21.7%		21.2%	18.4%	20.4%
基盤ソリューション Platform solutions		21.0%		17.2%	14.4%		22.3%	19.8%	14.6%
ビジネスサービス Business services		14.5%		17.0%	15.9%		14.2%	16.3%	16.5%
1株当たり当期純利益(円) Net income per share (yen)	219.78	210.35		169.14	218.37	103.57	104.68	65.93	64.15
株主資本 Total shareholders' equity	23,183	39,739		43,552	48,380	19,956	25,092	41,148	44,560
総資産 Total assets	56,505	81,385		84,012	91,970	45,651	51,644	72,105	74,990
1株当たり配当金(円) Cash dividends per share (yen)	29.16	35.00	35.00	35.00	35.00	10.41	15.00	17.50	17.50
配当性向(%) Dividend payout ratio (%)	13.27%	16.64%		20.69%	16.03%				
研究開発費 R&D expenses	1,083	962		974		459	422	446	
設備投資 Capital expenditure	2,016	1,296		1,605	745	867	814	1,025	424
減価償却費 Depreciation and amortization	1,034	1,174		1,131	1,447	452	551	520	705
期末従業員数(人) Number of employees at end of period (jobs)	2,058	2,046		2,050		2,118	2,115	2,124	

1 2003/3期以前は2002/6月に実施した株式分割を考慮し遡及修正後の数値 Figures for the fiscal years ended in and before Mar. 2003 have been retroactively revised to reflect stock split made in Jun. 2002.

2 サービス区分別の受注高 期末受注残高 売上高などの金額は、従来、個別プロジェクト毎に分類しておりましたが、2004年3月期より部門別に分類する方法に変更致しました。2004年3月期については、前年との比較を容易にするため従来区分と新区分の両方を記載しております。 Business line-related figures such as order acceptance, order backlog and sales had been categorized on a project-by-project basis. NS Solutions has just started to categorise these figures on a division-by-division basis for the fiscal year ended Mar. 2004. NS Solutions prepared both categorization data for the fiscal year ended Mar. 2004 in order to raise the year-on-year comparability.

6.要約単独貸借対照表 Condensed Consolidated Balance Sheet

(1)資産の部 Assets

	(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)								
	2001/9	2002/3	2002/9	2003/3	2003/9	2004/3	2004/9	2005/3	
	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通Outlook)	(見通Outlook)
現金及び預金 Cash and bank deposits	5,745	3,367	3,072	17,281	12,274	13,652	23,560	30,610	
預け金 Deposited money		7,200	2,800	4,501	8,903	12,510			
受取手形及び売掛金 Trade notes and accounts receivable	16,413	22,851	19,125	34,201	21,704	33,647	21,660	35,250	
たな卸資産 Inventories	9,208	8,025	9,803	8,765	11,805	6,462	12,660	9,230	
繰延税金資産 Deferred tax assets current	1,141	1,460	1,357	1,346	1,579	1,802	2,550	2,730	
その他 Others	1,097	747	1,194	1,368	1,188	908			
貸倒引当金 Allowance for doubtful accounts	28	31	31	23	14	21			
流動資産合計 Total current assets	33,576	43,619	37,320	67,439	57,439	68,960	60,430	77,820	
有形固定資産 Property and Equipment	4,118	4,353	4,439	4,343	4,786	4,842	14,560	14,150	
無形固定資産 Intangible fixed assets	675	903	1,045	984	882	939			
投資有価証券 Investments in securities	1,253	998	1,620	1,577	1,938	2,085			
差入保証金 Guarantee deposits	1,559	1,558	1,792	1,786	1,793	1,932			
繰延税金資産 Deferred tax assets non-current	1,622	2,247	2,588	2,415	2,397	2,446			
その他 Others	2,848	2,827	2,840	2,841	2,870	2,808			
固定資産合計 Total non-current assets	12,075	12,886	14,324	13,946	14,666	15,052	14,560	14,150	
資産合計 Total assets	45,651	56,505	51,644	81,385	72,105	84,012	74,990	91,970	

(2)負債及び資本の部 Liabilities and Shareholders' Equity

	(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)								
	2001/9	2002/3	2002/9	2003/3	2003/9	2004/3	2004/9	2005/3	
	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通Outlook)	(見通Outlook)
支払手形及び買掛金 Trade notes and accounts payable	10,080	13,927	9,713	23,744	10,641	17,207	12,810	22,420	
未払費用 Accrued expenses	1,899	3,161	2,496	3,250	3,145	4,288			
短期借入金 Short-term loans									
未払法人税等 Accrued income taxes	2,538	4,364	2,110	1,986	1,507	2,438	12,100	15,200	
賞与引当金 Accrued bonuses to employees	2,948	3,186	3,249	3,225	2,986	3,404			
前受金 Advance receipts	2,935	2,996	3,704	3,221	3,558	2,578			
未払金 Non-trade accounts payable	219	258	145	301	186	402			
その他 Others	914	1,109	616	1,179	3,903	4,878			
流動負債合計 Total current liabilities	21,533	29,001	22,033	36,906	25,926	35,195	24,910	37,620	
退職給付引当金 Allowance for employees' retirement benefits	4,027	4,184	4,358	4,563	4,867	5,084			
その他 Others	135	137	161	177	164	181			
固定負債合計 Total non-current liabilities	4,162	4,321	4,519	4,740	5,031	5,265	5,520	5,970	
資本金 Common stock	6,500	6,838	6,838	12,953	12,953	12,953	12,950	12,950	
資本剰余金 Additional paid-in capital	3,500	3,838	3,838	9,950	9,950	9,950	9,950	9,950	
利益剰余金 Retained earnings	10,450	13,011	15,066	17,506	18,706	20,991	22,030	25,850	
再評価差額金 Reserve for revaluation of land	740	740	740	755	755	757	370	370	
その他有価証券評価差額金他 Valuation gain on available-for-sale securities and others	246	236	90	85	294	415			
資本合計 Total shareholders' equity	19,956	23,183	25,092	39,739	41,148	43,552	44,560	48,380	
負債・資本合計 Total liabilities and shareholders' equity	45,651	56,505	51,644	81,385	72,105	84,012	74,990	91,970	

(3)指標 Management index

	(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)								
	2001/9	2002/3	2002/9	2003/3	2003/9	2004/3	2004/9	2005/3	
	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通Outlook)	(見通Outlook)
自己資本比率(%) Equity ratio (%)	-	41.0%	-	48.8%	-	51.8%	-	52.6%	
総資産利益率(%) Return on total assets (%)	-	10.2%	-	7.7%	-	5.4%	-	6.6%	
株主資本利益率(%) Return on equity (%)	-	25.6%	-	16.9%	-	10.8%	-	12.6%	

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7.要約単独損益計算書 Condensed Non-consolidated Income Statement

	(単位:百万円 (他に指定ない限り) Millions of Yen, except as otherwise noted)									
	2002/3	2003/3	2004/3	2004/3	2005/3	2001/9	2002/9	2003/9	2004/9	
	(実績 Actual)	(実績 Actual)	(前回見直し Previous Outlook)	(実績 Actual)	(見直し Outlook)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見直し Outlook)	
売上高 Net sales	131,680	137,857	132,000	136,136	137,000	58,503	61,767	57,656	56,000	
売上原価 Cost of sales	107,211	112,623		113,328	111,400	47,086	49,648	47,223	45,300	
売上総利益 Gross profit	24,469	25,234		22,808	25,600	11,417	12,119	10,433	10,700	
販売費及び一般管理費 Selling, general and administrative expenses	14,365	15,525		15,157	15,800	6,676	7,581	7,635	7,900	
営業利益 Operating income	10,104	9,709	7,500	7,651	9,800	4,741	4,538	2,798	2,800	
営業外収益 Non-operating income	22	256		257		19	251	248		
営業外費用 Non-operating expenses	95	79		121		17	15	5		
経常利益 Recurring profit	10,031	9,886	7,700	7,787	10,000	4,743	4,774	3,041	3,000	
特別利益 Extraordinary profit	7	8		717		9				
特別損失 Extraordinary loss	572	201		697		303	143			
税引前当期純利益 Income before income taxes	9,466	9,693		7,807	10,000	4,449	4,631	3,041	3,000	
法人税、住民税及び事業税 Income taxes:Current	5,741	4,319		4,028		2,599	2,235	1,653		
法人税等調整額 Income taxes:Deferred	1,572	43		717		636	133	359		
当期純利益 Net income	5,297	5,331	4,400	4,496	5,800	2,486	2,529	1,747	1,700	
売上原価の内訳 Breakdown of cost of sales										
労務費 Labor cost	14,612	14,831		14,901		7,150	7,280	7,460		
材料費 Material cost	37,271	41,752		39,364		14,880	17,050	15,250		
外注費 Subcontract cost	36,959	39,911		39,906		16,630	18,110	19,350		
賃借料 Rental expense	7,219	5,760		4,991		4,100	3,220	2,640		
その他 Others	11,150	10,369		14,166		4,326	3,988	2,523		
販売費及び一般管理費の内訳 Breakdown of selling, general and administrative expenses										
労務費 Labor cost	5,483	5,587		6,178		2,670	2,850	3,220		
営業支援費 Operating expense for acceptance of orders	1,893	2,583		2,634		910	1,220	1,250		
業務委託費 Subcontract cost	1,432	2,097		1,513		1,010	1,160	765		
減価償却費 Depreciation and amortization	327	244		167		156	119	83		
その他 Others	5,230	5,014		4,665		1,930	2,232	2,317		
研究開発費 R&D expenses	1,083	962		974		459	422	446		

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本資料には当社又は当社役員の当社の営業成績及び財政状態に関する意図、意見又は現時点の予想と関連する将来予想が記載されております。従って、この将来予想は、歴史的事実でも将来の業績を保証するものでもないため、リスクと不確定な要素を含んでおります。実際の業績は様々な要因により異なる可能性があります。当社は、この将来予想を、これらの変化要因を反映するために修正することを保証するものではありません。

当社は2001年4月1日に新日本製鐵(株)のエレクトロニクス 情報通信事業部 (本文中「EI事業部」という)の営業の一部並びに、新日本製鐵(株)が日鉄日立システムエンジニアリング(株)、エヌシーアイ総合システム(株)及びエヌエスアンドアイ・システムサービス(株)に有する株式持分を譲り受けました。本資料に「みなし連結」として記載されている2000年3月期及び2001年3月期の財務情報は、1999年4月1日及び2000年4月1日にそれぞれこれらの譲り受けが行われたものとみなして作成されております。日本において一般に公正妥当と認められる会計基準又は日本における手続き、法律若しくは規則において、みなし財務情報に関する定めは、現在ありません。また、このみなし財務情報は米国証券取引委員会のみなし財務情報に関する基準に従って作成したものではありません。

This document includes statements of forward-looking descriptions regarding the intent, belief or current expectations of NS Solutions Corporation (the "Company") or its officers in terms of its operation and financial condition. Accordingly, such statements contain risks and uncertainties since they are neither historical facts nor guarantees of future performance. Actual results may be varied and influenced by various factors. The Company does not undertake to revise such forward-looking descriptions to reflect those factors.

The Company acquired part of the business of the Electronics and Information Systems Division of Nippon Steel (referred to "EI Division"), as well as the interests of Nippon Steel in Nittetsu Hitachi systems Engineering, Inc., NCI Systems Integration, Inc., and NS&I System Service Corporation, on April 1, 2001. Such acquisitions are reflected on Financial Information for the fiscal years ended March 31, 2000 and 2001 described as "Pro forma consolidated" as if they had occurred on April 1, 1999 and 2000 respectively. No presentation of "pro forma" financial information is currently required under Japanese GAAP or any procedure, law and regulation in Japan. Moreover, such "Pro forma consolidated" information is not prepared in accordance with the pro forma presentation requirements of the U.S. Securities and Exchange Commission.