



NS Solutions

Financial Information Meeting for Fiscal Year 2007 (Year ended March 31, 2008)

April 25, 2008

Mitsuo Kitagawa

Representative Director & President

NS Solutions Corporation

FORWARD-LOOKING STATEMENTS

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.

FY07 Consolidated Financial Highlights

(Billions of yen)

	FY06 (Actual) A	FY07 (Actual) B	Change B-A	FY07 (Previous outlook) C	Change B-C
Sales	156.5	165.4	+ 8.9	167.0	- 1.6
Business solutions	92.6	101.9	+ 9.3	101.0	+ 0.9
Platform solutions	24.5	22.2	- 2.3	23.0	- 0.8
Business services	39.4	41.3	+ 1.9	43.0	- 1.7
Gross profit	33.3	35.6	+ 2.3	35.7	- 0.1
<Gross profit margin>	<21.3%>	<21.5%>	<+ 0.2%>	<21.4%>	<+ 0.1%>
SG&A	-19.2	-20.7	- 1.5	-20.5	- 0.2
Operating income	14.1	14.9	+ 0.8	15.2	- 0.3
Recurring profit	14.4	15.2	+ 0.8	15.5	- 0.3
Net income	8.1	8.4	+ 0.3	8.7	- 0.3

FY07 Sales by Business Line/Customer Industry



NS Solutions

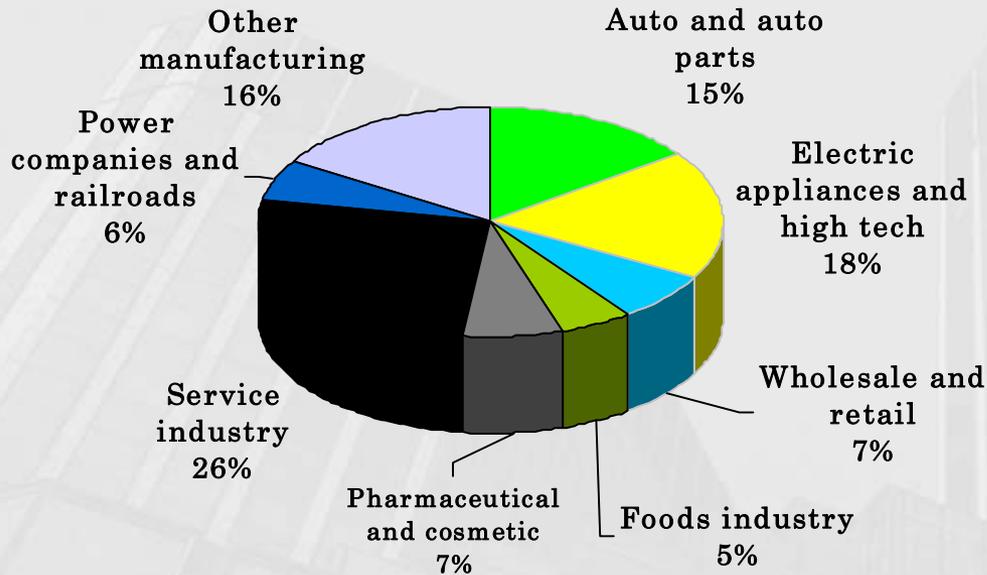
(Billions of yen)

Business line/ customer industry	FY06 (Actual) A	FY07 (Actual) B	Change B-A	Comment
Business solutions	78.6	86.5	+ 7.9	
Manufacturing, distribution and service industries	36.1	38.6	+ 2.5	Sales growth in manufacturing sector
Financial services	24.9	27.6	+ 2.7	Increase mainly in megabank sector
Government, public organizations and others	17.6	20.3	+ 2.7	Expansion led by large projects for central government
Platform solutions	22.2	19.3	- 2.9	Sluggish market for product sales
Business services	39.0	40.9	+ 1.9	Increase in Nippon Steel-related businesses
Non-consolidated sales	139.8	146.7	+ 6.9	
Subsidiaries, net	16.7	18.7	+ 2.0	Business expansion in joint ventures
Consolidated sales	156.5	165.4	+ 8.9	

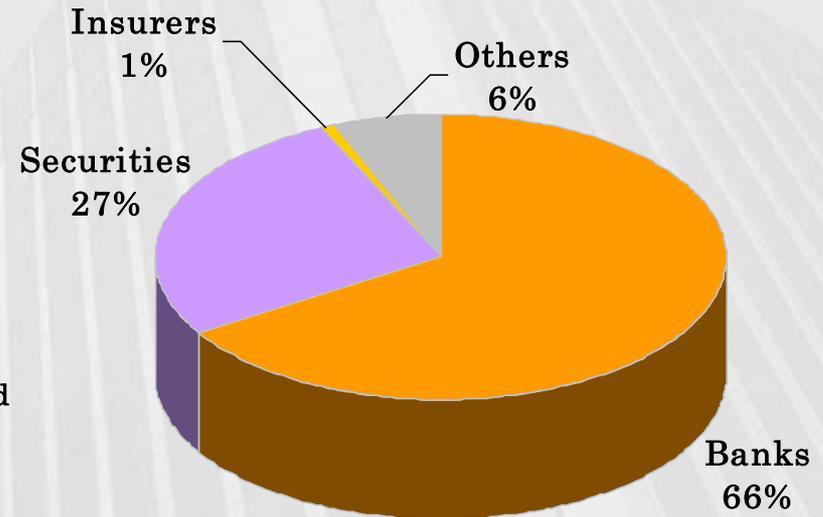
FY07 Breakdown of Sales to Manufacturing, Distribution and Service Industries, and Financial Services



Manufacturing, distribution and service industries



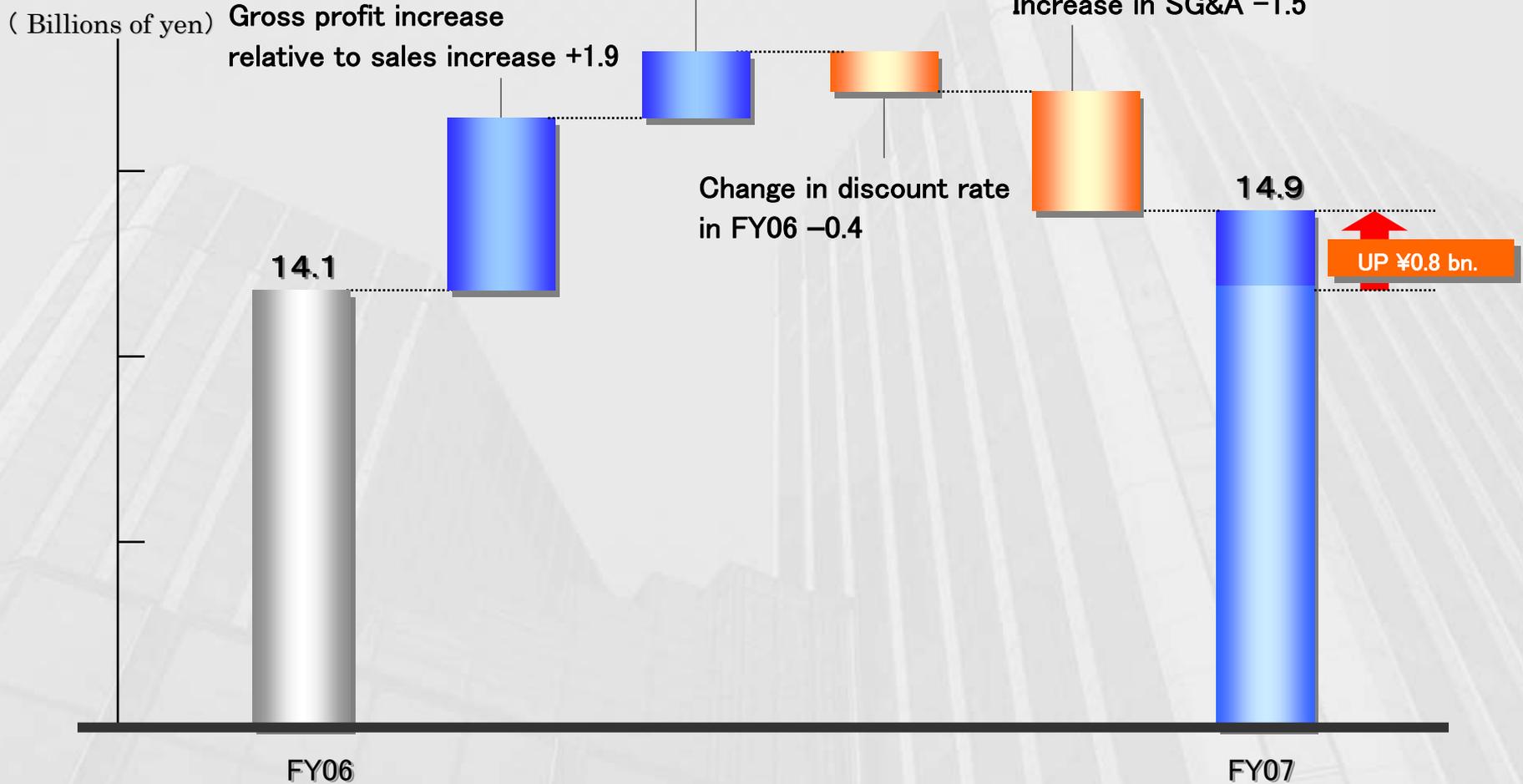
Financial services



FY07 Consolidated Operating Income Breakdown



Year on year



Outlook for FY08 Consolidated Results

(Billions of yen)

	FY07 (Actual) A	FY08 (Outlook) B	Change B-A
Sales	165.4	170.0	+ 4.6
Business solutions	101.9	105.5	+ 3.6
Platform solutions	22.2	22.0	- 0.2
Business services	41.3	42.5	+ 1.2
Gross profit	35.6	37.4	+ 1.8
<Gross profit margin>	<21.5%>	<22.0%>	<+ 0.5%>
SG&A	-20.7	-21.8	- 1.1
Operating income	14.9	15.6	+ 0.7
Recurring profit	15.2	16.0	+ 0.8
Net income	8.4	8.9	+ 0.5

Market Trends by Business Line/Customer Industry are...



Business line/ customer industry	Market trend	Market direction
Business solutions Manufacturing, distribution and service industries Financial services Government and public organizations	<ul style="list-style-type: none"> ▪ Large distribution and service companies continue aggressive IT investments ▪ Uncertainty over manufacturers' IT investments on the back of rising yen and material prices ▪ Mega banks still have heavy demand for IT investments ▪ Uncertainty about securities companies' IT investments ▪ We enjoy more opportunities to break into the government market due to a full-scale operation of reforming its procurement procedures 	→ → →
Platform solutions	<ul style="list-style-type: none"> ▪ Steady demand for IT platform engineering ▪ On the other hand, sluggish market for product sales 	Engineering → Product sales →
Business services	<ul style="list-style-type: none"> ▪ Still strong demand for data centers, but the balance of supply and demand worsened due to the supply increase ▪ Firm demand for SaaS-type document management services * 	→

* SaaS: Software as a Service

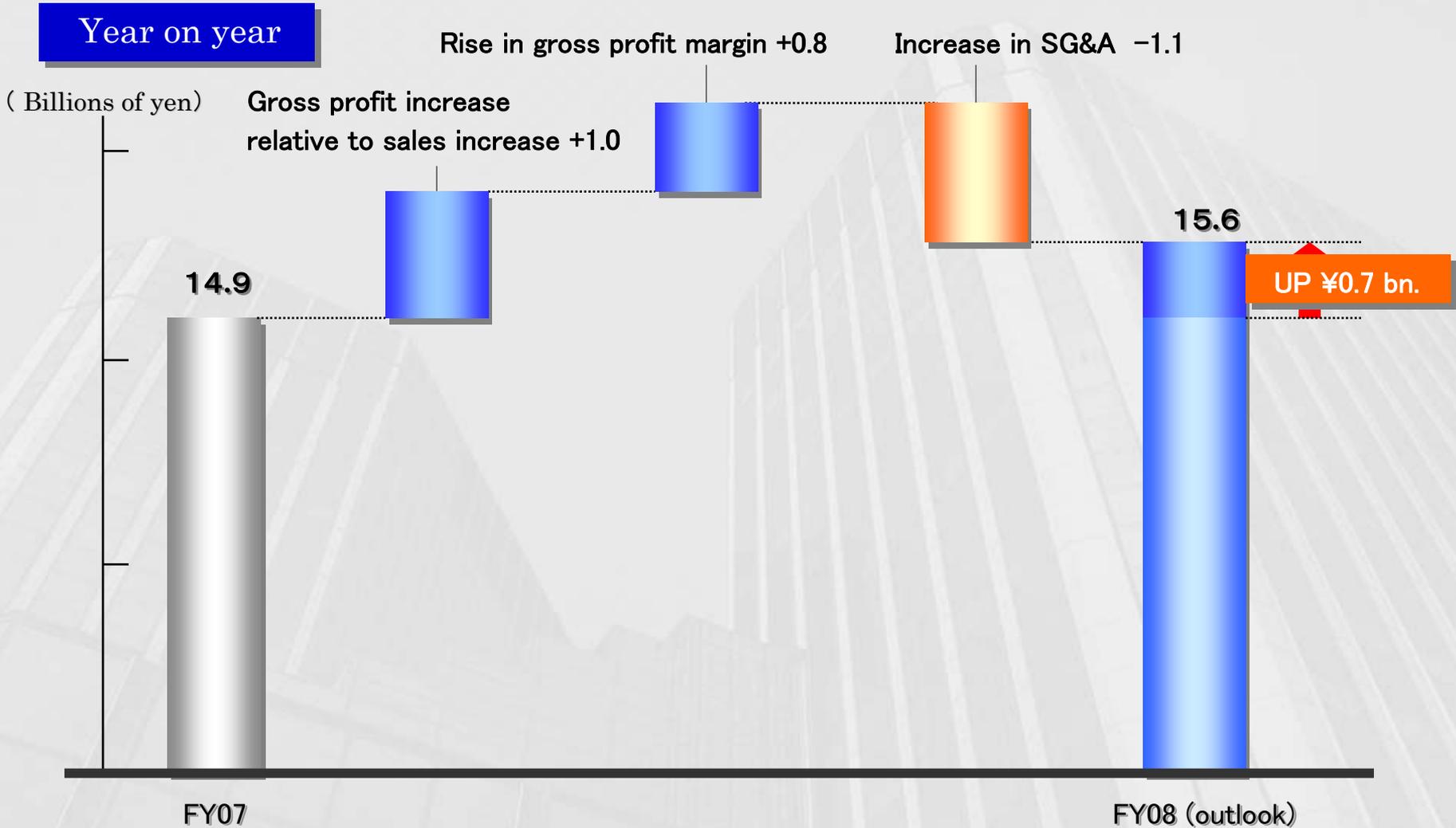
Outlook for FY08 Sales by Business Line / Customer Industry



(Billions of yen)

Business line/ customer industry	FY07 (Actual) A	FY08 (Outlook) B	Change B-A	Comment
Business solutions	86.5	89.5	+ 3.0	
Manufacturing, distribution and service industries	38.6	39.5	+ 0.9	Sales growth in distribution and service sectors
Financial services	27.6	28.5	+ 0.9	Growth primarily in megabank sector
Government, public organizations and others	20.3	21.5	+ 1.2	Expansion mainly in satellite and science sectors
Platform solutions	19.3	20.0	+ 0.7	Growth in product maintenance and engineering
Business services	40.9	42.0	+ 1.1	Increase in non- Nippon Steel businesses
Non-consolidated sales	146.7	151.5	+ 4.8	
Subsidiaries, net	18.7	18.5	- 0.2	
Consolidated sales	165.4	170.0	+ 4.6	

FY08 Consolidated Operating Income Breakdown



Outlook for FY08 Semiannual Consolidated Results



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(Billions of yen)

	FY07 (Actual)		FY08 (Outlook)		Change	
	1H A	2H B	1H C	2H D	1H C-A	2H D-B
Sales	76.0	89.4	74.0	96.0	- 2.0	+ 6.6
Business solutions	44.7	57.2	42.5	63.0	- 2.2	+ 5.8
Platform solutions	10.2	12.0	10.0	12.0	- 0.2	+ 0.0
Business services	21.1	20.2	21.5	21.0	+ 0.4	+ 0.8
Gross profit	16.5	19.1	16.4	21.0	- 0.1	+ 1.9
<Gross profit margin>	<21.8%>	<21.4%>	<22.2%>	<21.9%>	<+ 0.4%>	<+ 0.5%>
SG&A	-10.2	-10.5	-10.6	-11.2	- 0.4	- 0.7
Operating income	6.3	8.6	5.8	9.8	- 0.5	+ 1.2
Recurring profit	6.5	8.7	6.0	10.0	- 0.5	+ 1.3
Net income	3.5	4.9	3.3	5.6	- 0.2	+ 0.7
Order backlog at beginning of period	44.0	54.6	47.9	—	+ 3.9	—

To establish a sustainable growth path and accelerate growth

Improve system development power & productivity

- Continuously improve technical capabilities to develop systems in an organized way
- Prepare for the establishment of the Software Development Center

Strengthen ability to develop solutions and advanced technologies

- Enrich the Systems Research & Development Center
- Push ahead with Service Oriented Architecture (SOA) and grid/utility computing
- Establish Business Intelligence (BI) solutions

Reinforce our operating base

- Practice Business Continuity Management (BCM)
- Improve subcontractor management

Enhance human resources development

- Establish initiatives for human resources development
- Enhance education for software development processes, based on technical standards

To establish a sustainable growth path and grow further

Strengthen earnings capabilities

- Improve ability to receive orders and enhance advanced SLC total solutions *
- Develop consolidated business management structure
(improve organization structure for managing regional subsidiaries and providing steelmaking system solutions)

Improve systems development power & productivity

- Start and take full advantage of the Software Development Center
- Further develop the NSSOL WAY, focusing on standardization

Continuously develop human resources

- Set up three pillars and enrich education & training programs

* SLC: System Life Cycle

Strengthen Earnings Capabilities-1



NS Solutions

Improve ability to receive orders

and enhance advanced SLC total solutions*1

Improve ability to receive orders

- Concentrate on select projects
- Reinforce activities for consulting and receiving orders at the customer conceptual and design stages
- Strengthen the Corporate IT Consulting Center
- Consolidate power to create new solutions based on cooperation among the Corporate IT Consulting Center, the Systems Research & Development Center, and business units

Provide integrated platform solutions

- Strengthen integrated engineering capabilities
- Based on virtualization technologies and grid computing technologies
 - Expand sales of NSGRANDIR (grid computing-based development method) *2
 - Expand sales of “absonne” (grid/utility service) *3

Operation
and
maintenance

Enhance advanced SLC total solutions

- From the development of a “silo” type of application & platform to the mounting of applications on an integrated platform

*1 SLC: System Life Cycle

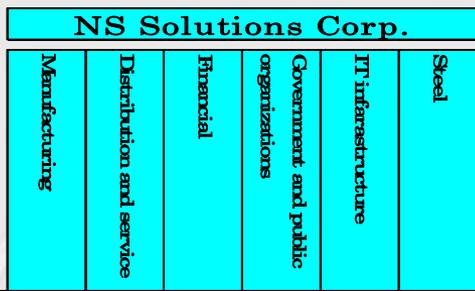
*2 NSGRANDIR: NS Solutions Grid And Dynamic Infrastructure

*3 absonne: advanced business space on network

Strengthen Earnings Capabilities-2

Develop consolidated business management structure
(improve organization structure for managing regional subsidiaries and providing steelmaking system solutions)

- Structure of consolidated business management
- Map of domestic business places

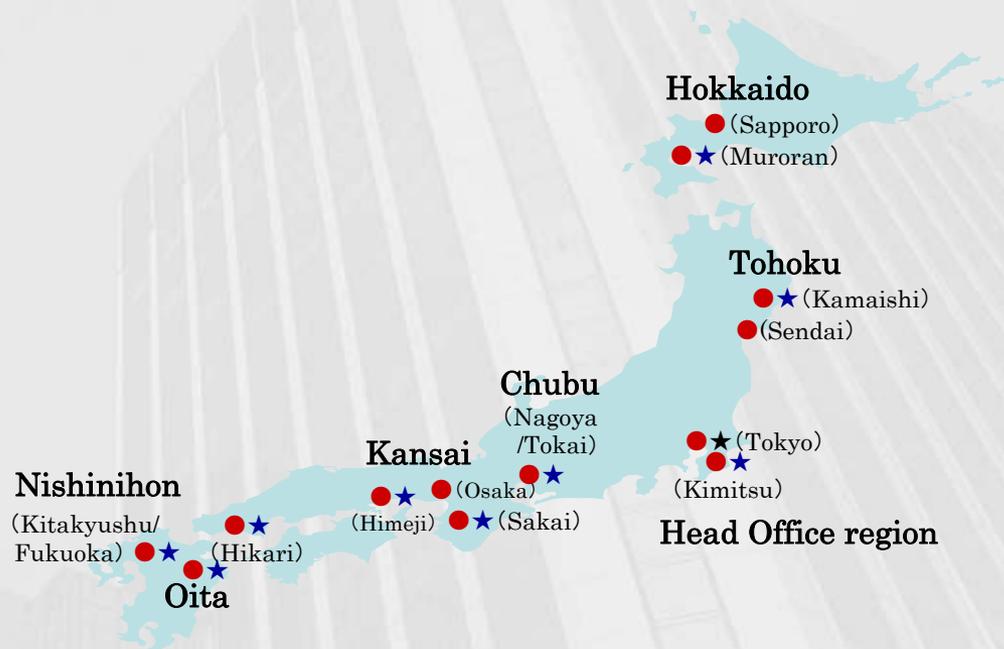


Regional subsidiaries operation meeting (new)



Seven regional subsidiaries

- Consider and execute measures to sharpen our competitive edge
- Improve technologies of regional subsidiaries through standardization, etc.



- Business places and seven regional subsidiaries of NS Solutions Corp.
- ★ Nippon Steel Corp. and its ironworks
NS Solutions Corp., Steelmaking System Solutions Division, system centers

Start and take full advantage of the Software Development Center (SDC)

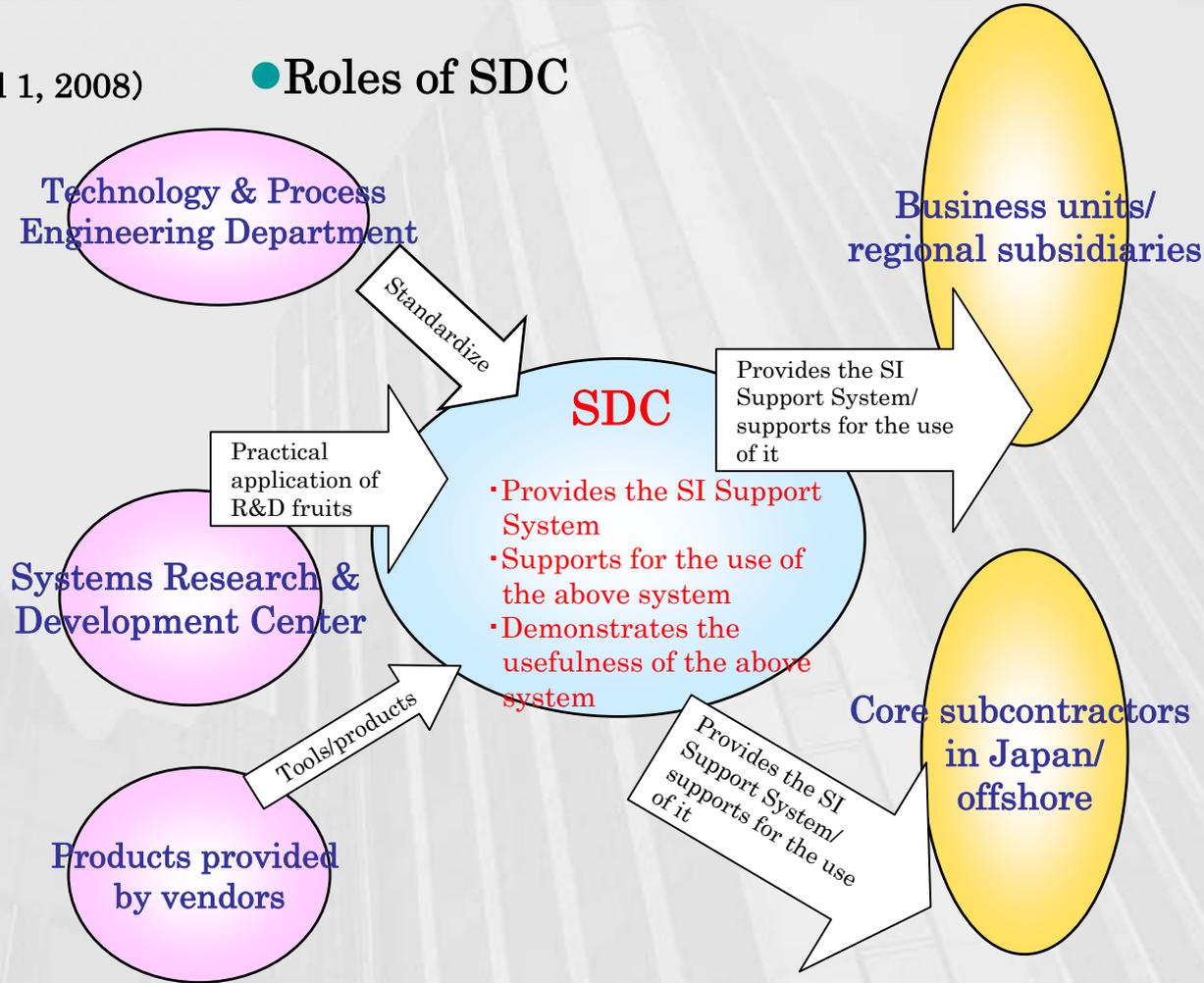
● Establishment of SDC (April 1, 2008)

- Integrate company-wide standards for software development processes (System Lifecycle Standards) and company-wide development environments (EDO)
- Support SI businesses by realizing the above as effective tools and systems. SDC provides this SI Support System to worksites as the owner



SDC is a new form of the next generation software factory in software development

● Roles of SDC



Further develop the NSSOL WAY, focusing on standardization



Continuously Develop Human Resources

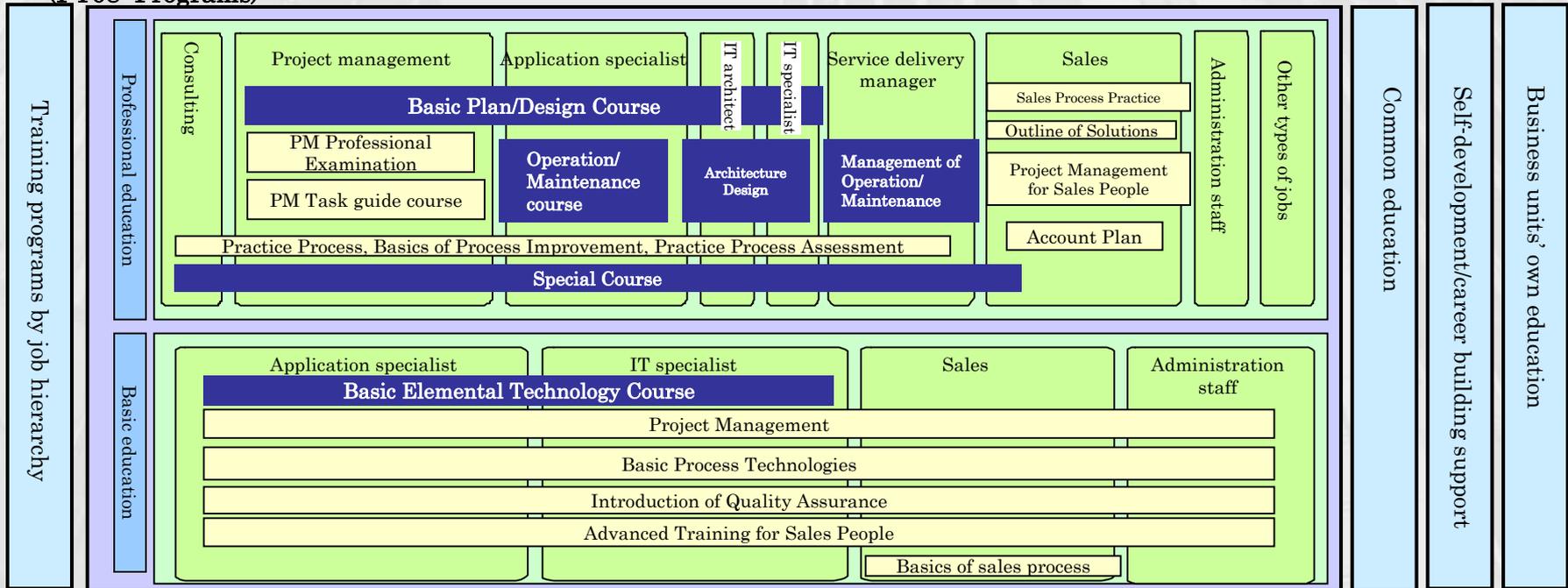
Set up three pillars and enrich education & training programs

- Three pillars for human resources development



- Enrich education & training programs to encourage software development processes
(FY08 Programs)

To be newly opened



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- **Raise the position of the Financial System Solutions Division to the financial System Solutions Bureau (April 1, 2008)**



- **Establish EUSC (Embedded & Ubiquitous System Center) (April 1, 2008)**
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- ✧ Provide stable dividends to shareholders and maintain internal reserve for expanding our businesses and for others
- ✧ Operating income has hit a record high.
- ✧ Distribute profits among shareholders



We plan to increase an annual per-share dividend.

2008/03
¥40.00 per share



2009/03
¥45.00 per share



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