

NS Solutions Corporation

20-15, Shinkawa 2-chome,
Chuo-ku, Tokyo 104-8280, Japan

November 6, 2012

CONSOLIDATED FINANCIAL RESULTS (From April 1, 2012 to September 30, 2012)

Contacts: Munetaka Shashiki
Representative Director and
President
NS Solutions Corporation

Hiroyuki Morita
Executive Director,
Accounting & Finance Department
NS Solutions Corporation
+81-3-5117-4111



NS Solutions

- In this material, figures have been rounded down to the nearest millions of yen.
- The financial results have been translated from the Japanese Consolidated Financial Statements, which have been audited in Japan, for reference purposes only.

Contents:

Consolidated Balance Sheets	1
Consolidated Statements of Income.....	3
Consolidated Statements of Comprehensive Income	4
Consolidated Statements of Cash Flows.....	5
Notes to Consolidated Financial Statements	7
1. Basis of Presenting Consolidated Financial Statements	7
2. U.S. Dollar Amounts.....	7
3. Going Concern Assumption	7
4. Notes in case of significant changes to shareholders' equity	7
5. Change in Scope of Consolidated Subsidiaries and Applications of the Equity Method.....	7
6. Change in accounting policy.....	7
7. Special Accounting Treatment for the Quarterly Consolidated Financial Statement.....	8
8. Notes to Consolidated Balance Sheets.....	8
9. Notes to Consolidated Statements of Income	8
10. Notes to Consolidated Statements of Cash Flows	9
11. Net Assets	9
12. Consolidated Segment Information.....	10
13. Per Share Information	10
14. Subsequent Events	10

NS SOLUTIONS CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEETS
March 31, 2012 and September 30, 2012

	Millions of yen		Thousands of U.S. dollars
	Mar. 31, 2012	Sep. 30, 2012	(Note 2) Sep. 30, 2012
Assets			
Current assets:			
Cash and deposits	¥3,582	¥3,681	\$47,437
Deposits paid	23,390	18,409	237,238
Notes and accounts receivable-trade	34,986	33,438	430,913
Short-term investment securities	11,906	12,402	159,828
Work in process.....	11,363	14,484	186,652
Raw materials and supplies	102	82	1,070
Other	4,162	4,225	54,454
Allowance for doubtful accounts	(16)	(15)	(205)
Total current assets	89,478	86,709	1,117,386
Noncurrent assets:			
Property, plant and equipment	18,865	21,194	273,120
Intangible assets:			
Goodwill	2,682	2,599	33,502
Other	1,454	1,580	20,364
Total intangible assets	4,137	4,179	53,866
Investments and other assets:			
Long-term loans receivable from subsidiaries and affiliates	12,000	12,000	154,639
Other	16,073	16,558	213,376
Allowance for doubtful accounts	(79)	(82)	(1,069)
Total investments and other assets	27,994	28,475	366,946
Total noncurrent assets	50,997	53,849	693,932
Total assets	¥140,475	¥140,558	\$1,811,318

The accompanying notes are an integral part of these financial statements.

	Millions of yen		Thousands of U.S. dollars
			(Note 2)
	Mar. 31, 2012	Sep. 30, 2012	Sep. 30, 2012
Liabilities			
Current liabilities:			
Notes and accounts payable-trade	¥13,874	¥9,496	\$122,376
Income taxes payable	3,199	2,343	30,198
Provision for bonuses	5,762	5,819	74,993
Other provision	613	899	11,593
Other	12,373	14,718	189,674
Total current liabilities	<u>35,823</u>	<u>33,277</u>	<u>428,833</u>
Noncurrent liabilities:			
Provision for retirement benefits	13,123	13,575	174,942
Provision for directors' retirement benefits	183	178	2,298
Other	690	667	8,597
Total noncurrent liabilities	<u>13,997</u>	<u>14,421</u>	<u>185,838</u>
Total liabilities	<u>49,821</u>	<u>47,698</u>	<u>614,671</u>
Net assets			
Shareholders' equity:			
Capital stock	12,952	12,952	166,917
Capital surplus	9,950	9,950	128,227
Retained earnings	66,071	68,181	878,626
Treasury stock	(4)	(4)	(55)
Total shareholders' equity	<u>88,970</u>	<u>91,080</u>	<u>1,173,715</u>
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	(56)	(83)	(1,082)
Revaluation reserve for land	(1,276)	(1,276)	(16,456)
Foreign currency translation adjustment	(25)	(21)	(280)
Total accumulated other comprehensive income ...	<u>(1,359)</u>	<u>(1,382)</u>	<u>(17,818)</u>
Minority interests	3,042	3,162	40,749
Total net assets	<u>90,654</u>	<u>92,859</u>	<u>1,196,647</u>
Total liabilities and net assets	<u>¥140,475</u>	<u>¥140,558</u>	<u>\$1,811,318</u>

The accompanying notes are an integral part of these financial statements.

NS SOLUTIONS CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
For the six months ended September 30, 2011 and 2012

	Millions of yen		Thousands of U.S. dollars
	2011	2012	(Note 2) 2012
Net sales	¥76,211	¥81,675	\$1,052,521
Cost of sales (Note 9)	61,123	66,404	855,727
Gross profit	15,087	15,271	196,794
Selling, general and administrative expenses (Note 9)	10,070	9,846	126,888
Operating income	5,016	5,424	69,905
Non-operating income:			
Interest income	112	119	1,545
Dividends income	137	131	1,690
Equity in earnings of affiliates	—	1	14
Gain on sales of investment securities	—	97	1,254
Other	20	17	224
Total non-operating income	270	366	4,727
Non-operating expenses:			
Interest expenses	28	16	209
Equity in losses of affiliates.....	16	—	—
Loss on retirement of noncurrent assets	2	5	71
Other	13	8	113
Total non-operating expenses	60	30	393
Ordinary income	5,226	5,760	74,239
Income before income taxes and minority interests	5,226	5,760	74,239
Income taxes	2,380	2,392	30,825
Income before minority interests	2,845	3,368	43,414
Minority interests in income	124	199	2,571
Net income	¥2,721	¥3,169	\$40,843

The accompanying notes are an integral part of these financial statements.

	Yen		U.S. dollars
	2011	2012	(Note 2) 2012
Net income per share	¥51.34	¥59.80	\$0.77

NS SOLUTIONS CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the six months ended September 30, 2011 and 2012

	Millions of yen		Thousands of U.S. dollars
	2011	2012	(Note 2) 2012
Income before minority interests	¥2,845	¥3,368	\$43,414
Other comprehensive income:			
Valuation difference on available-for-sale securities.....	(60)	(27)	(349)
Foreign currency translation adjustment.....	1	4	52
Total other comprehensive income	(59)	(23)	(297)
Comprehensive income	¥2,786	¥3,345	\$43,117
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent.....	2,661	3,145	40,540
Comprehensive income attributable to minority interests.....	¥125	¥199	\$2,577

The accompanying notes are an integral part of these financial statements.

NS SOLUTIONS CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended September 30, 2011 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2011	2012	2012
Net cash provided by (used in) operating activities:			
Income before income taxes and minority interests	¥5,226	¥5,760	\$74,239
Depreciation and amortization	1,161	1,482	19,098
Amortization of goodwill	82	82	1,064
Increase (decrease) in allowance for doubtful accounts	(0)	3	42
Increase (decrease) in provision for bonuses	112	57	735
Increase (decrease) in provision for retirement benefits ...	400	451	5,823
Interest and dividends income	(249)	(251)	(3,235)
Interest expenses	28	16	209
Equity in (earnings) losses of affiliates	16	(1)	(14)
Loss (gain) on sales of investment securities.....	—	(97)	(1,254)
Decrease (increase) in notes and accounts receivable-trade	3,578	1,550	19,982
Decrease (increase) in inventories	(3,526)	(3,092)	(39,848)
Increase (decrease) in notes and accounts payable-trade ..	(3,462)	(4,379)	(56,437)
Other, net	1,236	1,978	25,495
Sub total	4,603	3,561	45,898
Interest and dividends income received	261	255	3,296
Interest expenses paid	(28)	(16)	(209)
Income taxes paid	(2,925)	(3,249)	(41,869)
Net cash provided by (used in) operating activities	1,909	552	7,115
Net cash provided by (used in) investing activities:			
Purchase of short-term investment securities	(4,000)	(4,000)	(51,546)
Proceeds from redemption of securities	1,000	4,000	51,546
Purchase of property, plant and equipment and intangible assets	(3,401)	(3,144)	(40,521)
Purchase of investment securities	(999)	(498)	(6,428)
Proceeds from sales of investment securities	—	116	1,497
Proceeds from redemption of investment securities	1,000	—	—
Other, net	6	(34)	(440)
Net cash provided by (used in) investing activities	(¥6,394)	(¥3,561)	(\$45,892)

The accompanying notes are an integral part of these financial statements.

	Millions of yen		Thousands of U.S. dollars
			(Note 2)
	2011	2012	2012
Net cash provided by (used in) financing activities:			
Purchase of treasury stock	¥ —	(¥0)	(\$1)
Cash dividends paid	(1,059)	(1,059)	(13,659)
Cash dividends paid to minority shareholders	(67)	(80)	(1,036)
Repayments of lease obligations	(225)	(234)	(3,020)
Net cash provided by (used in) financing activities	(1,352)	(1,374)	(17,715)
Effect of exchange rate change on cash and cash equivalents ...	0	1	23
Net increase (decrease) in cash and cash equivalents	(5,836)	(4,382)	(56,469)
Cash and cash equivalents at beginning of period	33,084	30,872	397,845
Cash and cash equivalents at end of period (Note 10)	¥27,247	¥26,490	\$341,376

The accompanying notes are an integral part of these financial statements.

NS SOLUTIONS CORPORATION

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of NS Solutions Corporation and its consolidated subsidiaries (together, referred to as the “Companies”) have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Companies prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

2. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of readers. The rate of ¥77.60 = U.S. \$1, the effective rate of exchange prevailing on September 28, 2012, has been used in translation of yen amounts to U.S. dollar amounts. The inclusion of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled in U.S. dollars at this or any other rate.

3. Going Concern Assumption

None

4. Notes in case of significant changes to shareholders' equity

None

5. Change in Scope of Consolidated Subsidiaries and Applications of the Equity Method

None

6. Change in accounting policy

In accordance with the amendment of the Corporation Tax Law, effective from the first quarter of fiscal year ending March 31, 2013, the Companies have changed their depreciation method for those property and equipment acquired on or after April 1, 2012.

As a result of this change, operating income, ordinary income and income before income taxes and minority interests increased by ¥66 million (\$852 thousand).

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

7. Special Accounting Treatment for the Quarterly Consolidated Financial Statements

Income taxes were computed by multiplying consolidated quarterly income before income taxes and minority interests by a rational estimate of the effective tax rate on consolidated income before income taxes and minority interests for the fiscal year including the quarterly period under review after adjustments for the application of tax-effect accounting.

8. Notes to Consolidated Balance Sheets

None

9. Notes to Consolidated Statements of Income

(1) Selling, General and Administrative Expenses

The main components of selling, general and administrative expenses for the six months ended September 30, 2011 and 2012 were as follows:

September 30,	Millions of yen		Thousands of U.S. dollars (Note 2)
	2011	2012	2012
Salaries and allowances	¥ 3,146	¥ 3,141	\$ 40,485
Provision for bonuses.....	1,227	1,155	14,897
Retirement benefit expenses	258	260	3,360
Provision for directors' retirement benefits.....	21	13	170
Depreciation and amortization	83	68	888
Amortization of goodwill.....	82	82	1,064
Operating expense for acceptance of orders	¥ 1,671	¥ 1,548	\$ 19,961

(2) Research and Development Costs

Research and development costs are charged to expense as incurred. The expense were recorded as general and administrative expenses and manufacturing costs for the six months ended September 30, 2011 and 2012 amounting to ¥750 million and ¥677 million (\$8,733 thousand), respectively.

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

10. Notes to Consolidated Statements of Cash Flows

Cash and Cash Equivalents

Cash and cash equivalents on September 30, 2011 and 2012 were as follows:

September 30,	Millions of yen		Thousands of U.S. dollars (Note 2)
	2011	2012	2012
Cash and deposits	¥ 5,774	¥ 3,681	\$ 47,437
Deposits paid.....	13,873	18,409	237,238
Short-term investment securities	15,610	12,402	159,828
Sub total.....	35,258	34,493	444,503
Short-term investment securities (maturing in more than three months from acquisition date)	(8,011)	(8,002)	(103,128)
Cash and cash equivalents.....	¥ 27,247	¥ 26,490	\$ 341,376

11. Net Assets

(For the six months ended September 30, 2011)

The Company paid cash dividends on June 2, 2011 as follows:

Date of board resolution	Class of stock	Total dividend amount	Dividend per share	Reference date	Effective date	Source of dividends
May 17, 2011	Common stock	¥1,059 million	¥20.00	March 31, 2011	June 2, 2011	Retained earnings

The company decided to pay cash dividends at the board of directors' meeting held on October 26, 2011 as follows:

Date of board resolution	Class of stock	Total dividend amount	Dividend per share	Reference date	Effective date	Source of dividends
October 26, 2011	Common stock	¥1,059 million	¥20.00	September 30, 2011	December 2, 2011	Retained earnings

(For the six months ended September 30, 2012)

The Company paid cash dividends on June 1, 2012 as follows:

Date of board resolution	Class of stock	Total dividend amount	Dividend per share	Reference date	Effective date	Source of dividends
May 15, 2012	Common stock	¥1,059 million	¥20.00	March 31, 2012	June 1, 2012	Retained earnings

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The company decided to pay cash dividends at the board of directors' meeting held on October 26, 2012 as follows:

Date of board resolution	Class of stock	Total dividend amount	Dividend per share	Reference date	Effective date	Source of dividends
October 26, 2012	Common stock	¥1,059 million	¥20.00	September 30, 2012	December 4, 2012	Retained earnings

12. Consolidated Segment Information

Based on the similarities in the type and nature of business, business of the Companies constitutes a single segment and accordingly, segment information is not disclosed.

13. Per Share Information

September 30,	yen		U.S. dollars
	2011	2012	(Note 2) 2012
Net income per share.....	¥ 51.34	¥ 59.80	\$ 0.77

(Notes) The basis for calculating net income per share were as follows:

September 30,	Millions of yen		Thousands of U.S. dollars
	2011	2012	(Note 2) 2012
Net income.....	¥ 2,721	¥ 3,169	\$ 40,843
Net income attributable to common stock.....	¥ 2,721	¥ 3,169	\$ 40,843
The average number of common stocks (shares).....	52,997,644	52,997,578	

14. Subsequent Events

There have been no material events subsequent to September 30, 2012.