

NS Solutions Corporation

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

August 6, 2013

CONSOLIDATED FINANCIAL RESULTS (From April 1, 2013 to June 30, 2013)

Contacts: Munetaka Shashiki
Representative Director and
President
NS Solutions Corporation

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

NS SOLUTIONS CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEETS
 March 31, 2013 and June 30, 2013

	Millions of yen		Thousands of U.S. dollars
	Mar. 31, 2013	Jun. 30, 2013	(Note 2) Jun. 30, 2013
Assets			
Current assets:			
Cash and deposits	¥3,321	¥1,525	\$15,469
Deposits paid	22,832	29,749	301,748
Notes and accounts receivable-trade	39,041	26,425	268,033
Securities	7,999	9,000	91,287
Work in process.....	12,673	16,474	167,099
Raw materials and supplies	321	322	3,268
Other	4,167	4,365	44,277
Allowance for doubtful accounts	(32)	(21)	(220)
Total current assets	<u>90,324</u>	<u>87,839</u>	<u>890,961</u>
Noncurrent assets:			
Property, plant and equipment	20,760	22,354	226,743
Intangible assets:			
Goodwill	2,517	2,475	25,114
Other	1,442	1,449	14,704
Total intangible assets	<u>3,959</u>	<u>3,925</u>	<u>39,818</u>
Investments and other assets:			
Long-term loans receivable from subsidiaries and affiliates	12,000	12,000	121,716
Other	18,163	16,975	172,180
Allowance for doubtful accounts	(86)	(79)	(801)
Total investments and other assets	<u>30,077</u>	<u>28,896</u>	<u>293,095</u>
Total noncurrent assets	<u>54,797</u>	<u>55,176</u>	<u>559,656</u>
Total assets	<u>¥145,121</u>	<u>¥143,016</u>	<u>\$1,450,617</u>

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

	Millions of yen		Thousands of U.S. dollars (Note 2)
	Mar. 31, 2013	Jun. 30, 2013	Jun. 30, 2013
Liabilities			
Current liabilities:			
Notes and accounts payable-trade	¥12,891	¥9,250	\$93,832
Income taxes payable	1,974	1,054	10,694
Advances received	8,258	10,892	110,487
Provision for bonuses	5,796	2,952	29,946
Other provision	459	506	5,137
Other	4,941	6,085	61,723
Total current liabilities	34,321	30,742	311,819
Noncurrent liabilities:			
Provision for retirement benefits	14,396	14,666	148,765
Provision for directors' retirement benefits	185	151	1,533
Other	646	2,042	20,713
Total noncurrent liabilities	15,228	16,859	171,011
Total liabilities	49,550	47,602	482,830
Net assets			
Shareholders' equity:			
Capital stock	12,952	12,952	131,380
Capital surplus	9,950	9,950	100,927
Retained earnings	70,544	70,403	714,099
Treasury stock	(4)	(4)	(43)
Total shareholders' equity	93,443	93,301	946,363
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	72	109	1,106
Revaluation reserve for land	(1,276)	(1,276)	(12,952)
Foreign currency translation adjustment	(3)	19	195
Total accumulated other comprehensive income ...	(1,208)	(1,148)	(11,651)
Minority interests	3,335	3,260	33,075
Total net assets	95,571	95,414	967,788
Total liabilities and net assets	¥145,121	¥143,016	\$1,450,617

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

NS SOLUTIONS CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
For the three months ended June 30, 2012 and 2013

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2012	2013	2013
Net sales	¥37,896	¥39,873	\$404,434
Cost of sales (Note 9)	30,700	32,573	330,389
Gross profit	7,195	7,300	74,045
Selling, general and administrative expenses (Note 9)	5,013	5,494	55,726
Operating income	2,182	1,806	18,319
Non-operating income:			
Interest income	59	63	647
Dividends income	128	129	1,317
Gain on sales of investment securities	—	22	226
Equity in earnings of affiliates	2	—	—
Other	11	9	92
Total non-operating income	202	225	2,282
Non-operating expenses:			
Interest expenses	8	12	127
Equity in losses of affiliates.....	—	3	33
Loss on retirement of noncurrent assets	3	1	13
Other	6	5	53
Total non-operating expenses	18	22	227
Ordinary income	2,366	2,008	20,374
Income before income taxes and minority interests	2,366	2,008	20,374
Income taxes	1,172	1,055	10,703
Income before minority interests	1,194	953	9,671
Minority interests in income	55	35	359
Net income	¥1,138	¥918	\$9,312

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

	Yen		U.S. dollars (Note 2)
	2012	2013	2013
Net income per share	¥21.49	¥17.32	\$0.18

NS SOLUTIONS CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended June 30, 2012 and 2013

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2012	2013	2013
Income before minority interests	¥1,194	¥953	\$9,671
Other comprehensive income:			
Valuation difference on available-for-sale securities.....	5	36	375
Foreign currency translation adjustment.....	12	26	264
Total other comprehensive income	18	63	639
Comprehensive income	¥1,212	¥1,016	\$10,310
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent.....	1,155	977	9,917
Comprehensive income attributable to minority interests.....	¥56	¥38	\$394

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 ¥98.59 = U.S. \$1, the effective rate of exchange prevailing on June 28, 2013, 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

None

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.

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

8. Notes to Consolidated Balance Sheets

None

9. Notes to Consolidated Statements of Income

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 three months ended June 30, 2012 and 2013 amounting to ¥366 million and ¥406 million (\$4,124 thousand), respectively.

10. Notes to Consolidated Statements of Cash Flows

Depreciation and amortization and Amortization of goodwill

The Companies do not prepare a cumulative Quarterly Consolidated Statement of Cash Flows for the first quarter of the fiscal year.

Depreciation and amortization (including intangible fixed assets amortization other than goodwill) and Amortization of goodwill on June 30, 2012 and 2013 were as follows:

June 30,	Millions of yen		Thousands of U.S. dollars (Note 2)
	2012	2013	2013
Depreciation and amortization	¥ 685	¥ 761	\$ 7,722
Amortization of goodwill	¥ 41	¥ 41	\$ 419

11. Net Assets

Cash dividends

The Company paid cash dividends on June 1, 2012 and June 3, 2013 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
May 14, 2013	Common stock	¥1,059 million	¥20.00	March 31, 2013	June 3, 2013	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.

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

13. Per Share Information

June 30,	yen		U.S. dollars
	2012	2013	(Note 2) 2013
Net income per share.....	¥ 21.49	¥ 17.32	\$ 0.18

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

June 30,	Millions of yen		Thousands of U.S. dollars
	2012	2013	(Note 2) 2013
Net income.....	¥ 1,138	¥ 918	\$ 9,312
Net income attributable to common stock.....	¥ 1,138	¥ 918	\$ 9,312
The average number of common stocks (shares).....	52,997,589	52,997,566	

14. Subsequent Events

There have been no material events subsequent to June 30, 2013.