

NS Solutions Corporation

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

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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.

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

	Millions of yen		Thousands of U.S. dollars
	Mar. 31, 2012	Jun. 30, 2012	(Note 2) Jun. 30, 2012
Assets			
Current assets:			
Cash and deposits	¥3,582	¥3,864	\$48,729
Deposits paid	23,390	20,901	263,536
Notes and accounts receivable-trade	34,986	26,767	337,504
Short-term investment securities	11,906	11,604	146,317
Work in process.....	11,363	15,930	200,867
Raw materials and supplies	102	84	1,067
Other	4,162	4,129	52,073
Allowance for doubtful accounts	(16)	(12)	(163)
Total current assets	89,478	83,269	1,049,931
Noncurrent assets:			
Property, plant and equipment	18,865	19,961	251,690
Intangible assets:			
Goodwill	2,682	2,641	33,300
Other	1,454	1,485	18,734
Total intangible assets	4,137	4,126	52,034
Investments and other assets:			
Long-term loans receivable from subsidiaries and affiliates	12,000	12,000	151,305
Other	16,073	16,609	209,419
Allowance for doubtful accounts	(79)	(85)	(1,084)
Total investments and other assets	27,994	28,523	359,640
Total noncurrent assets	50,997	52,611	663,365
Total assets	¥140,475	¥135,881	\$1,713,295

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

	Millions of yen		Thousands of U.S. dollars
			(Note 2)
	Mar. 31, 2012	Jun. 30, 2012	Jun. 30, 2012
Liabilities			
Current liabilities:			
Notes and accounts payable-trade	¥13,874	¥9,663	\$121,841
Income taxes payable	3,199	1,172	14,786
Provision for bonuses	5,762	2,978	37,561
Other provision	613	824	10,394
Other	12,373	16,292	205,428
Total current liabilities	<u>35,823</u>	<u>30,931</u>	<u>390,009</u>
Noncurrent liabilities:			
Provision for retirement benefits	13,123	13,373	168,619
Provision for directors' retirement benefits	183	170	2,149
Other	690	679	8,566
Total noncurrent liabilities	<u>13,997</u>	<u>14,222</u>	<u>179,334</u>
Total liabilities	<u>49,821</u>	<u>45,154</u>	<u>569,343</u>
Net assets			
Shareholders' equity:			
Capital stock	12,952	12,952	163,318
Capital surplus	9,950	9,950	125,462
Retained earnings	66,071	66,150	834,080
Treasury stock	(4)	(4)	(53)
Total shareholders' equity	<u>88,970</u>	<u>89,049</u>	<u>1,122,807</u>
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	(56)	(51)	(645)
Revaluation reserve for land	(1,276)	(1,276)	(16,101)
Foreign currency translation adjustment	(25)	(13)	(176)
Total accumulated other comprehensive income ...	<u>(1,359)</u>	<u>(1,342)</u>	<u>(16,922)</u>
Minority interests	3,042	3,019	38,067
Total net assets	<u>90,654</u>	<u>90,726</u>	<u>1,143,952</u>
Total liabilities and net assets	<u>¥140,475</u>	<u>¥135,881</u>	<u>\$1,713,295</u>

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, 2011 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2011	2012	2012
Net sales	¥36,296	¥37,896	\$477,825
Cost of sales (Note 9)	28,397	30,700	387,095
Gross profit	7,898	7,195	90,730
Selling, general and administrative expenses (Note 9)	5,168	5,013	63,208
Operating income	2,730	2,182	27,522
Non-operating income:			
Interest income	56	59	749
Dividends income	125	128	1,624
Equity in earnings of affiliates	—	2	28
Other	6	11	150
Total non-operating income	188	202	2,551
Non-operating expenses:			
Interest expenses	15	8	112
Equity in losses of affiliates	12	—	—
Foreign exchange losses	3	4	60
Loss on retirement of noncurrent assets	0	3	43
Other	8	1	17
Total non-operating expenses	41	18	233
Ordinary income	2,877	2,366	29,840
Income before income taxes and minority interests	2,877	2,366	29,840
Income taxes	1,460	1,172	14,780
Income before minority interests	1,417	1,194	15,060
Minority interests in income	13	55	699
Net income	¥1,404	¥1,138	\$14,360

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

	Yen		U.S. dollars (Note 2)
	2011	2012	2012
Net income per share	¥26.49	¥21.49	\$0.27

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

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2011	2012	2012
Income before minority interests	¥1,417	¥1,194	\$15,060
Other comprehensive income:			
Valuation difference on available-for-sale securities.....	(30)	5	71
Foreign currency translation adjustment.....	4	12	162
Total other comprehensive income	(26)	18	234
Comprehensive income	¥1,390	¥1,212	\$15,293
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent.....	1,377	1,155	14,576
Comprehensive income attributable to minority interests.....	¥13	¥56	718

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 ¥79.31= U.S. \$1, the effective rate of exchange prevailing on June 30, 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 ¥21 million (\$273 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

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, 2011 and 2012 amounting to ¥400 million and ¥366 million (\$4,616 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, 2011 and 2012 were as follows:

June 30,	Millions of yen		Thousands of U.S.
	2011	2012	dollars (Note 2)
Depreciation and amortization	¥ 537	¥ 685	\$ 8,640
Amortization of goodwill	¥ 41	¥ 41	\$ 520

11. Net Assets

Cash dividends

The Company paid cash dividends on June 2, 2011, and 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 17, 2011	Common stock	¥1,059 million	¥20.00	March 31, 2011	June 2, 2011	Retained earnings
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

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

June 30,	yen		U.S. dollars
	2011	2012	(Note 2)
Net income per share.....	¥ 26.49	¥ 21.49	\$ 0.27

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

June 30,	Millions of yen		Thousands of
	2011	2012	U.S. dollars
Net income.....	¥ 1,404	¥ 1,138	\$ 14,360
Net income attributable to common stock.....	¥ 1,404	¥ 1,138	\$ 14,360
The average number of common stocks (shares).....	52,997,644	52,997,589	

14. Subsequent Events

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