



NS Solutions

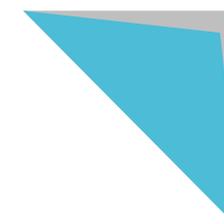
 **NIPPON STEEL**

Financial Information for the First Quarter of the Fiscal Year ending March 31, 2022

(April 1, 2021 through June 30, 2021)

July 30, 2021

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.

I -1. Consolidated Results for 1Q of FY Mar. 2022

¥ in billions

	FY ended Mar. 2021 1Q	FY ending Mar. 2022 1Q	Difference	(YoY)
Sales	56.6	65.5	+8.9	16%
Business solutions	34.9	43.2	+8.3	24%
Service solutions	21.7	22.3	+0.6	3%
Gross Profit	12.2	14.8	+2.6	21%
Gross Profit Margin	<21.6%>	<22.6%>	<+1.0%>	
SG&A	7.1	7.7	+0.6	8%
Operating Profit	5.1	7.1	+2.0	40%
Recurring Profit	5.4	7.5	+2.1	40%
Profit attributable to owners of parent	3.1	4.6	+1.5	49%

I -2. 1Q of FY Mar. 2022

Sales by Segment / Customer Industry

¥ in billions

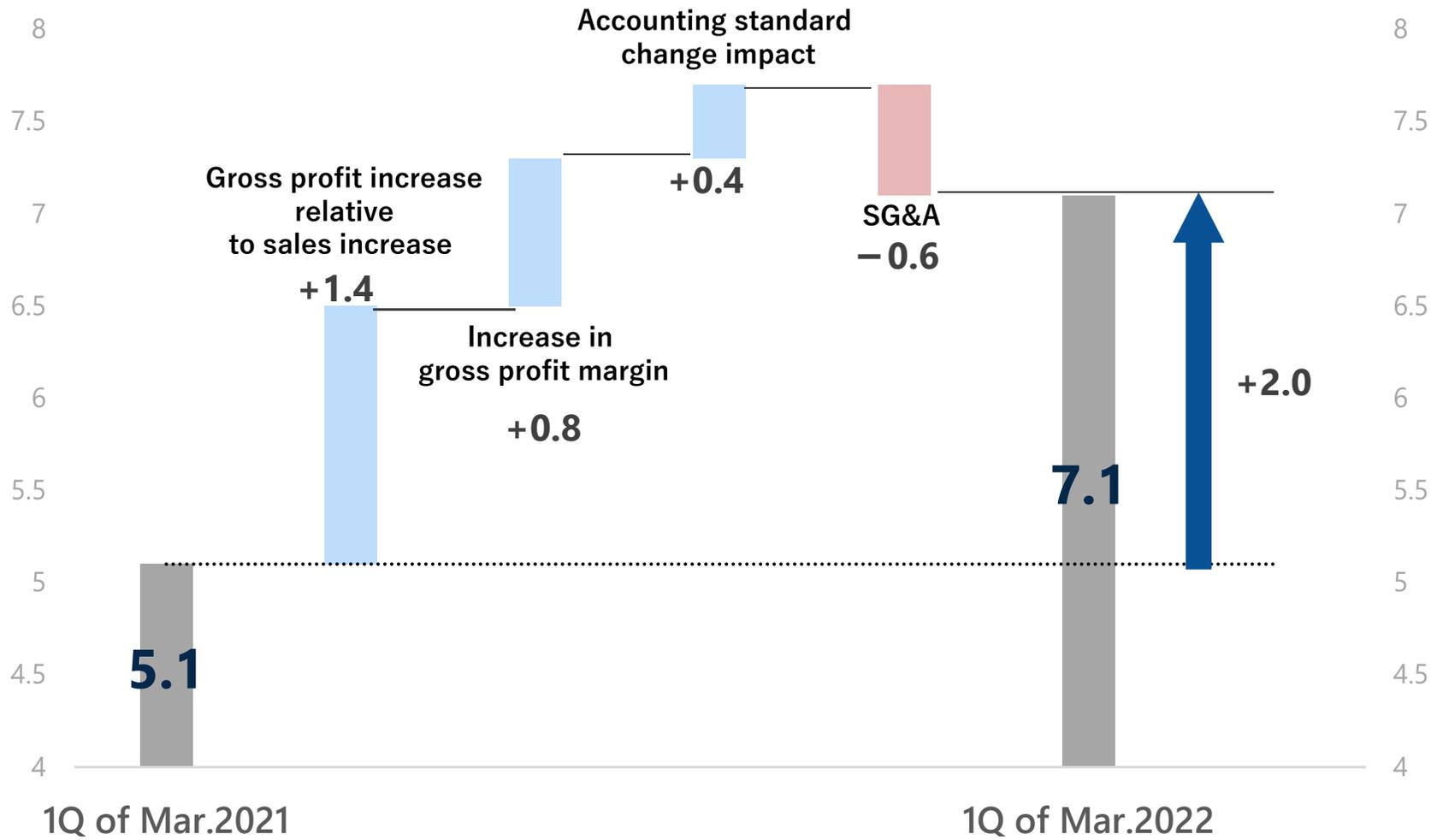
	FY ended Mar. 2021		FY ending Mar. 2022		Difference		Comments
	1Q	IT platform	1Q	IT platform	1Q	IT platform	
Business Solutions	28.9	9.3	36.9	12.4	+8.1	+3.0	
Manufacturing, Retail and Service	16.8	6.3	18.3	5.9	+1.4	-0.5	Increase in earnings received in transportation and platformer
Financial Services	5.9	1.9	10.4	4.1	+4.5	+2.2	Increase in demand for Libor transition and IT product
Government, Public organizations	6.1	1.0	8.2	2.4	+2.1	+1.4	Received orders for procurement project for the government sector and telecom sales
Service Solutions	20.7		21.4		+0.7		
IT Platform	8.2	<9.3>	7.7	<12.4>	-0.5	<+3.0>	
Nippon Steel Group	12.5		13.7		+1.2		Nippon Steel Group IT investment is active
Subsidiaries	7.1		7.2		+0.1		
Total	56.6		65.5		+8.9		
Nippon Steel Sales	(12.7)		(13.7)		(+1.0)		
Total Order	49.4		58.7		+9.2		

I -3. 1Q of FY Mar. 2022

Consolidated Operating Profit Breakdown



¥ in billions



II -1. Outlook for FY Mar. 2022 1H (1Q/2Q)

¥ in billions

	FY ended Mar. 2021			FY ending Mar. 2022			Difference		
	1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H
Sales	56.6	62.4	119.1	65.5	62.0	127.5	+8.9	-0.4	+8.4
Business solutions	34.9	39.1	74.0	43.2	37.8	81.0	+8.3	-1.3	+7.0
Service solutions	21.7	23.3	45.1	22.3	24.2	46.5	+0.6	+0.9	+1.4
Gross Profit	12.2	12.8	25.0	14.8	12.0	26.8	+2.6	-0.8	+1.8
Gross Profit Margin	<21.6%>	<20.5%>	<21.0%>	<22.6%>	<19.3%>	<21.0%>	<+1.0%>	<-1.2%>	<+0.0%>
SG&A	7.1	6.7	13.9	7.7	7.3	15.0	+0.6	+0.6	+1.1
Operating Profit	5.1	6.0	11.1	7.1	4.7	11.8	+2.0	-1.4	+0.7
Recurring Profit	5.4	6.0	11.4	7.5	4.5	12.0	+2.1	-1.5	+0.6
Profit attributable to owners of parent	3.1	4.8	7.9	4.6	3.0	7.6	+1.5	-1.8	-0.3
Order backlog at the beginning of the period	126.9	119.7	-	122.6	115.7	-	-4.3	-3.9	-

II -2. Outlook for FY March 2022

Sales by Service and Segment

¥ in billions

	FY ended Mar. 2021			FY ending Mar. 2022			Difference		
	1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H
Business Solutions	28.9	31.4	60.3	36.9	30.1	67.0	+8.1	-1.3	+6.7
Manufacturing, Retail and Service	16.8	17.5	34.3	18.3	17.7	36.0	+1.4	+0.3	+1.7
Financial Services	5.9	8.0	13.9	10.4	5.6	16.0	+4.5	-2.4	+2.1
Government, Public organizations	6.1	6.0	12.1	8.2	6.8	15.0	+2.1	+0.8	+2.9
Service Solutions	20.7	22.5	43.2	21.4	23.1	44.5	+0.7	+0.6	+1.3
IT Platform	8.2	8.5	16.7	7.7	9.3	17.0	-0.5	+0.8	+0.3
Nippon Steel Group	12.5	14.0	26.5	13.7	13.8	27.5	+1.2	-0.2	+1.0
Subsidiaries	7.1	8.5	15.6	7.2	8.8	16.0	+0.1	+0.3	+0.4
Total	56.6	62.4	119.1	65.5	62.0	127.5	+8.9	-0.4	+8.4
Nippon Steel Sales	(12.7)	(13.7)	(26.4)	(13.7)	(13.3)	(27.0)	(+1.0)	(-0.3)	(+0.6)

II -3. Outlook for FY Mar. 2022 (YoY)

¥ in billions

	FY ended Mar. 2021			FY ending Mar. 2022			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
	A	B	C	D	E	F	D-A	E-B	F-C
Sales	119.1	132.9	252.0	127.5	137.5	265.0	+8.4	+4.6	+13.0
Business solutions	74.0	88.3	162.3	81.0	89.5	170.5	+7.0	+1.2	+8.2
Service solutions	45.1	44.7	89.7	46.5	48.0	94.5	+1.4	+3.3	+4.8
Gross Profit	25.0	26.9	52.0	26.8	28.7	55.5	+1.8	+1.8	+3.5
Gross Profit Margin	<21.0%>	<20.3%>	<20.6%>	<21.0%>	<20.9%>	<20.9%>	<+0.0%>	<+0.6%>	<+0.3%>
SG&A	13.9	13.5	27.4	15.0	15.0	30.0	+1.1	+1.5	+2.6
Operating Profit	11.1	13.4	24.5	11.8	13.7	25.5	+0.7	+0.3	+1.0
Recurring Profit	11.4	13.7	25.1	12.0	14.0	26.0	+0.6	+0.3	+0.9
Profit attributable to owners of parent	7.9	9.1	17.0	7.6	9.5	17.1	-0.3	+0.4	+0.1
Nippon Steel Sales	(26.4)	(26.3)	(52.6)	(27.0)	(25.5)	(52.5)	(+0.6)	(-0.8)	(-0.1)

(Reference)

◆ Application of Accounting Standard for Revenue Recognition under Japanese GAAP

"The scope of application of the percentage-of-completion method has been expanded in accordance with the mandatory application of the accounting standard for revenue recognition.

◆ Impact

¥ in billions

		1Q			2Q
		Order backlog at the beginning of the period	Order	Sales	Order backlog at the beginning of the period
FY2020	A	126.9	49.4	56.6	119.7
FY2021	B	122.6	58.7	65.5	115.7
Difference	C(B-A)	-4.3	+9.2	+8.9	-3.9
Impact	D	-12.1	0	+2.5	-14.6
Proforma	E(C-D)	+7.8	+9.2	+6.4	+10.6



Answers to power your future

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