



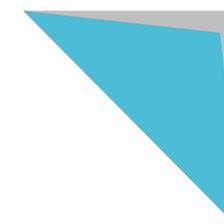
NS Solutions

 **NIPPON STEEL**

**Financial Information for
the Third Quarter of the
Fiscal Year ending March 31, 2022**
(April 1, 2021 through December 31, 2021)

February 1, 2022

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. 3Q of FY Mar. 2022 Highlights (3Q Total)

¥ in billions

	FY Mar.2021 3Q	FY Mar. 2022 3Q	Difference	(YoY)
Sales	180.0	195.6	+15.6	+9%
Business solutions	114.9	127.0	+12.1	+11%
Service solutions	65.1	68.6	+3.6	+5%
Gross Profit	37.6	44.0	+6.4	+17%
Gross Profit Margin	<20.9%>	<22.5%>	<+1.6%>	+8%
SG&A	20.4	22.4	+1.9	+9%
Operating Profit	17.2	21.6	+4.4	+26%
Recurring Profit	17.6	22.3	+4.7	+26%
Profit attributable to owners of parent	12.0	14.8	+2.8	+23%

I -2. 3Q of FY Mar. 2022

Sales by Segment / Customer Industry (3Q Total)

¥ in billions

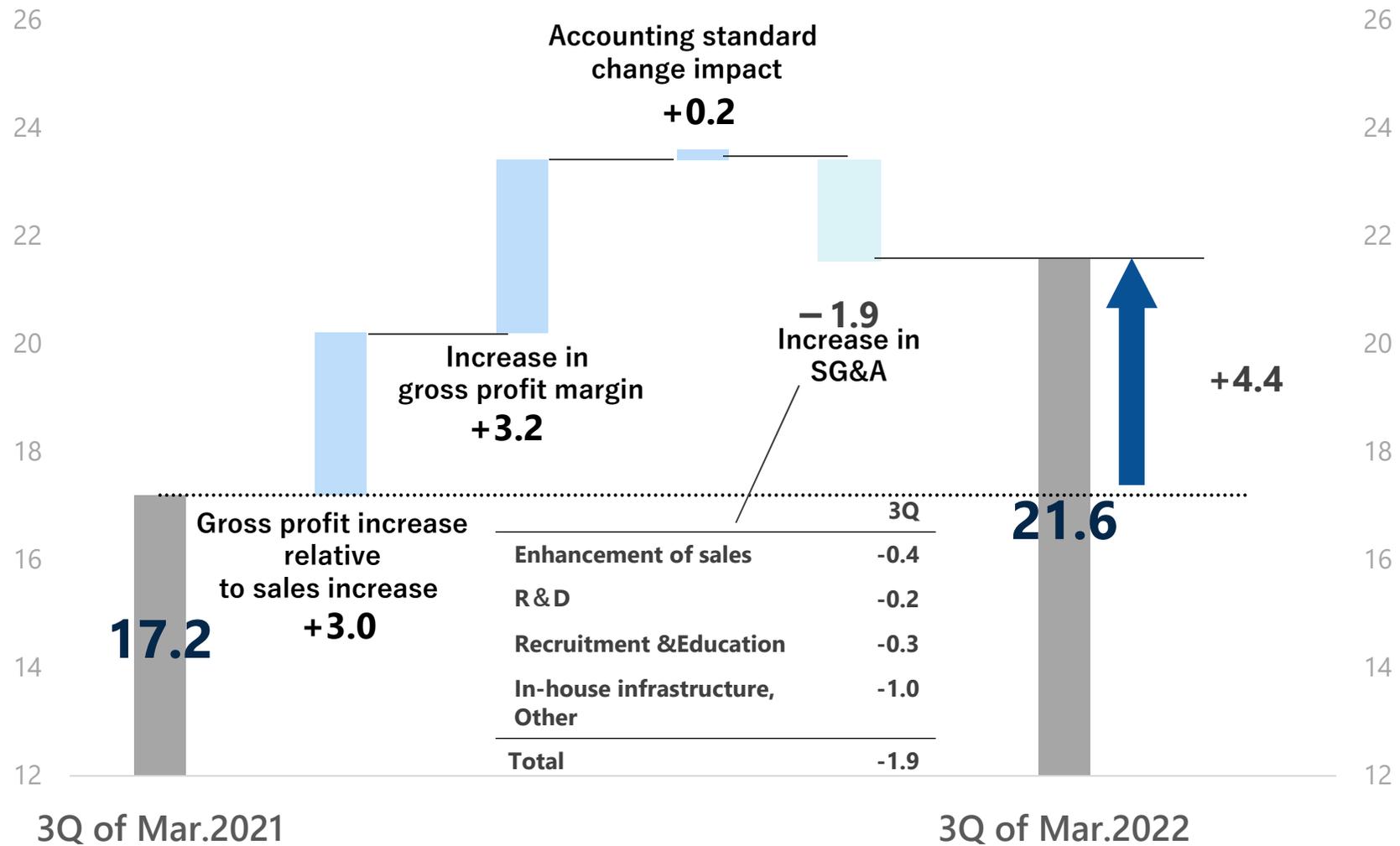
	FY Mar.2021		FY Mar. 2022		Difference		Comments
		IT platform		IT platform		IT platform	
Business Solutions	94.3	24.7	106.2	28.2	+11.9	+3.5	
Manufacturing, Retail and Service	51.4	16.2	56.2	16.9	+4.9	+0.7	Increase in earnings received in transportation and digital platformer
Financial Services	22.3	6.0	26.9	7.5	+4.6	+1.5	Increase in demands for Libor transition and IT product
Government., Public Sectors	20.6	2.4	23.1	3.8	+2.5	+1.4	Received orders for procurement for government sector and telecommunication
Service Solutions	62.1		65.6		+3.5		
IT Platform	23.9	<24.7>	25.8	<28.2>	+1.9	<+3.5>	Increase in digital workplace solution e.g. DaaS
Nippon Steel Group	38.2		39.8		+1.6		Increase in Nippon Steel's Digital Transformation
Subsidiaries	23.6		23.8		+0.2		
Total	180.0		195.6		+15.6		
Nippon Steel	(38.1)		(40.5)		(+2.4)		
Total Order	175.7		183.3		+7.6		

I -3. 3Q of FY Mar. 2022

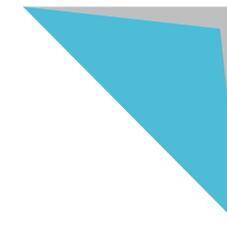
Consolidated Operating Profit Breakdown(3Q Total)



¥ in billions



II -1. Outlook for FY Mar. 2022 (YoY)



	¥ in billions					
	FY Mar. 2022 Co. Est as of October29	FY Mar. 2022 Co. Est as of February 1	Difference	FY Mar. 2021	Difference	(YoY)
	A	B	B-A	C	B-C	(B-C)/C
Sales	270.0	270.0	-	252.0	+18.0	+7%
Gross Profit	58.2	59.2	+1.0	52.0	+7.2	+14%
Gross Profit Margin	<21.6%>	<21.9%>	<+0.4%>	<20.6%>	<+1.3%>	
SG&A	30.5	30.5	-	27.4	+3.1	+11%
Operating Profit	27.7	28.7	+1.0	24.5	+4.2	+17%
Recurring Profit	28.5	29.5	+1.0	25.1	+4.4	+18%
Profit attributable to owners of parent	18.5	19.3	+0.8	17.0	+2.3	+14%

II -2. Outlook for FY Mar. 2022

Sales by Segment / Customer Industry

¥ in billions

	FY Mar. 2021				FY Mar. 2022				Difference			
	1H	3Q	4Q	FY	1H	3Q	4Q	FY	1H	3Q	4Q	FY
Business Solutions	60.3	34.1	37.9	132.2	71.8	34.5	37.3	143.5	+11.5	+0.4	-0.6	+11.3
Manufacturing, Retail and Service	34.3	17.1	18.1	69.5	36.5	19.8	17.3	73.5	+2.2	+2.7	-0.8	+4.0
Financial Services	13.9	8.4	9.8	32.2	19.2	7.7	8.6	35.5	+5.3	-0.7	-1.3	+3.3
Government, Public organizations	12.1	8.5	10.0	30.6	16.1	7.0	11.4	34.5	+4.0	-1.5	+1.4	+3.9
Service Solutions	43.2	18.9	23.0	85.1	43.7	21.9	25.9	91.5	+0.5	+3.0	+2.9	+6.4
IT Platform	16.7	7.2	8.7	32.7	17.1	8.8	9.7	35.5	+0.4	+1.5	+0.9	+2.8
Nippon Steel Group	26.5	11.7	14.3	52.5	26.7	13.1	16.2	56.0	+0.2	+1.4	+1.9	+3.5
Subsidiaries	15.6	7.9	11.1	34.6	15.3	8.5	11.2	35.0	-0.3	+0.5	+0.2	+0.4
Total	119.1	60.9	72.0	252.0	130.8	64.8	74.4	270.0	+11.7	+3.9	+2.4	+18.0
Nippon Steel	(26.4)	(11.7)	(14.6)	(52.6)	(26.6)	(13.8)	(14.5)	(55.0)	(+0.3)	(+2.1)	(-0.0)	(+2.4)
Order backlog at the beginning of the period	126.9	124.1	122.6	-	122.6	123.3	110.2	-	-4.3	-0.8	-12.4	-

II – 3. Shareholders Return Policy

The management believes it is important for the company to maintain and increase its competitiveness and to continue to enhance the company's enterprise value in the long run.

Our basic policy with respect to profit sharing is to secure fair and stable shareholder returns, while also retaining earnings that are sufficient to grow the Company's business.

We consider it important to return to shareholders profits that are in line with the company's consolidated results. We aim for a consolidated dividend payout ratio of 30%.

Plan for FY Mar. 2022 Dividend

FY Mar. 2022
(as of October 29)
60 JPY

FY Mar. 2022
(as of February 1)
64 JPY

2nd quarter end : 30JPY, Year end : 34JPY(Forecast)

(Reference)

- ◆ Impact of application of the accounting standard for revenue recognition

¥ in billions

		3Q(Oct.-Dec.)			4Q
		Order backlog at the beginning of the period	Order	Sales	Order backlog at the beginning of the period
FY Mar. 2021	A	124.1	59.4	60.9	122.6
FY Mar. 2022	B	123.3	51.8	64.8	110.2
Difference	C(B-A)	-0.8	-7.6	+3.9	-12.4
Impact	D	-13.8	0.0	-0.6	-13.2
Proforma	E(C-D)	+13.0	-7.6	+4.5	+0.8



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