



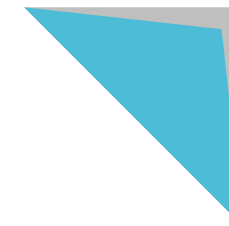
# Financial Information for the Fiscal Year ended March 31, 2023

(April 1, 2022 through March 31, 2023)

April 28, 2023

## 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.



## Summary

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### I . Consolidated Financial Results for FY2022

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### II . Outlook for FY2023

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### III . Progress of med-term Business Strategy FY2021-2025

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# Summary



## Consolidated Financial Results for FY2022

- Both sales and profits exceeded forecasts and reached record high.
- Orders received and order backlog at the end of the year were also record high.

## Outlook for FY2023

- Forecast increase in sales and profits.
- The classification will be changed according to changes in customers and markets, and in view of the medium-term strategy.

## Shareholders return

- Year-end dividend from ¥35 to ¥40 (increase of ¥5 at year-end)
- Next financial year: ¥80 per annum (increase of ¥5 per annum)  
(Interim ¥40, year-end ¥40)

I

# Consolidated Financial Results for FY2022

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# I -1. Consolidated Financial Results IFRS

¥ in billions

	FY Mar. 2022 A	FY Mar. 2023 B	Difference	(YoY) B/A	FY Mar. 2023(Est) C	Difference	B/C
<b>Revenue</b>	270.3	291.7	+21.4	+8%	290.0	+1.7	+1%
<b>Gross Profit</b>	60.4	65.9	+5.5	+9%	65.0	+0.9	+1%
<b>Gross Profit Margin</b>	<22.4%>	<22.6%>	<+0.2%>		<22.4%>	<+0.2%>	
<b>SG&amp;A</b>	30.0	33.0	+3.0	+10%	34.0	-1.0	-3%
<b>Others</b>	-0.5	1.2	-0.6		0.0	-1.2	
<b>Operating Profit</b>	29.9	31.7	+1.9	+6%	31.0	+0.7	+2%
<b>Operating Profit Margin</b>	<11.1%>	<10.9%>	<-0.2%>		<10.7%>	<+0.2%>	
<b>Profit before tax</b>	30.7	32.1	+1.4	+5%	31.5	+0.6	+2%
<b>Profit attributable to owners of parent</b>	20.5	22.0	+1.5	+7%	21.1	+0.9	+4%

# I -2. Sales by Segment / Customer Industry IFRS

¥ in billions

	FY Mar. 2022		FY Mar. 2023		Difference		Comments
	IT Platform		IT Platform		IT Platform		
Business Solutions	145.6		156.8		+11.2		
Manufacturing, Retail and Service	76.2	<22.3>	78.5	<19.3>	+2.3	<-3.0>	Negative drop in the transport sector, but steady growth for digital platformers.
Financial Service	35.0	<9.8>	34.5	<9.2>	-0.5	<-0.5>	Decrease in LIBOR Transition projects, but resilient in Projects for megabanks and government financial institutions.
Government, Public organizations	34.4	<5.3>	43.8	<4.0>	+9.4	<-1.2>	Government projects contributed.
Service Solutions	89.9		96.9		+6.9		
IT Platform	35.2	<37.4>	38.9	<32.6>	+3.8	<-4.8>	Increased focus on cloud and IT operations
Nippon Steel Group	54.7		57.9		+3.2		Increased both for NIPPON Steel & group companies.
Subsidiaries	34.8		38.0		+3.2		
Total	270.3		291.7		+21.4		
Nippon Steel Revenue	55.3		57.9		+2.6		
Total Order	271.6		313.6		+42.0		

# I -3. Consolidated Financial Results

## (by Quarter) IFRS

¥ in billions

	FY Mar. 2022				FY Mar. 2023				Difference			
	1H	3Q	4Q	FY	1H	3Q	4Q	FY	1H	3Q	4Q	FY
Revenue	130.8	64.8	74.7	270.3	134.7	72.1	84.9	291.7	+3.9	+7.3	+10.2	+21.4
Gross Profit	28.8	15.2	16.4	60.4	30.4	16.2	19.3	65.9	+1.7	+1.0	+2.9	+5.5
Gross Profit Margin	<22.0%>	<23.5%>	<22.0%>	<22.4%>	<22.6%>	<22.4%>	<22.7%>	<22.6%>	<+0.6%>	<-1.0%>	<+0.7%>	<+0.2%>
SG&A	14.8	7.2	8.0	30.0	16.5	7.9	8.6	33.0	+1.7	+0.7	+0.6	+3.0
Others	0.1	0.0	0.7	0.5	0.0	0.1	-1.3	-1.2	-0.1	+0.0	-0.6	-0.6
Operating Profit	14.2	8.0	7.7	29.9	14.0	8.3	9.4	31.7	-0.2	+0.3	+1.7	+1.9
Operating Profit Margin	<10.8%>	<12.3%>	<10.3%>	<11.1%>	<10.4%>	<11.5%>	<11.1%>	<10.9%>	<-0.4%>	<-0.8%>	<+0.8%>	<-0.2%>
Profit before tax	14.5	8.1	8.1	30.7	14.2	8.4	9.5	32.1	-0.3	+0.2	+1.5	+1.4
Profit attributable to owners of parent	9.5	5.7	5.4	20.5	9.4	5.7	6.9	22.0	-0.1	+0.0	+1.5	+1.5

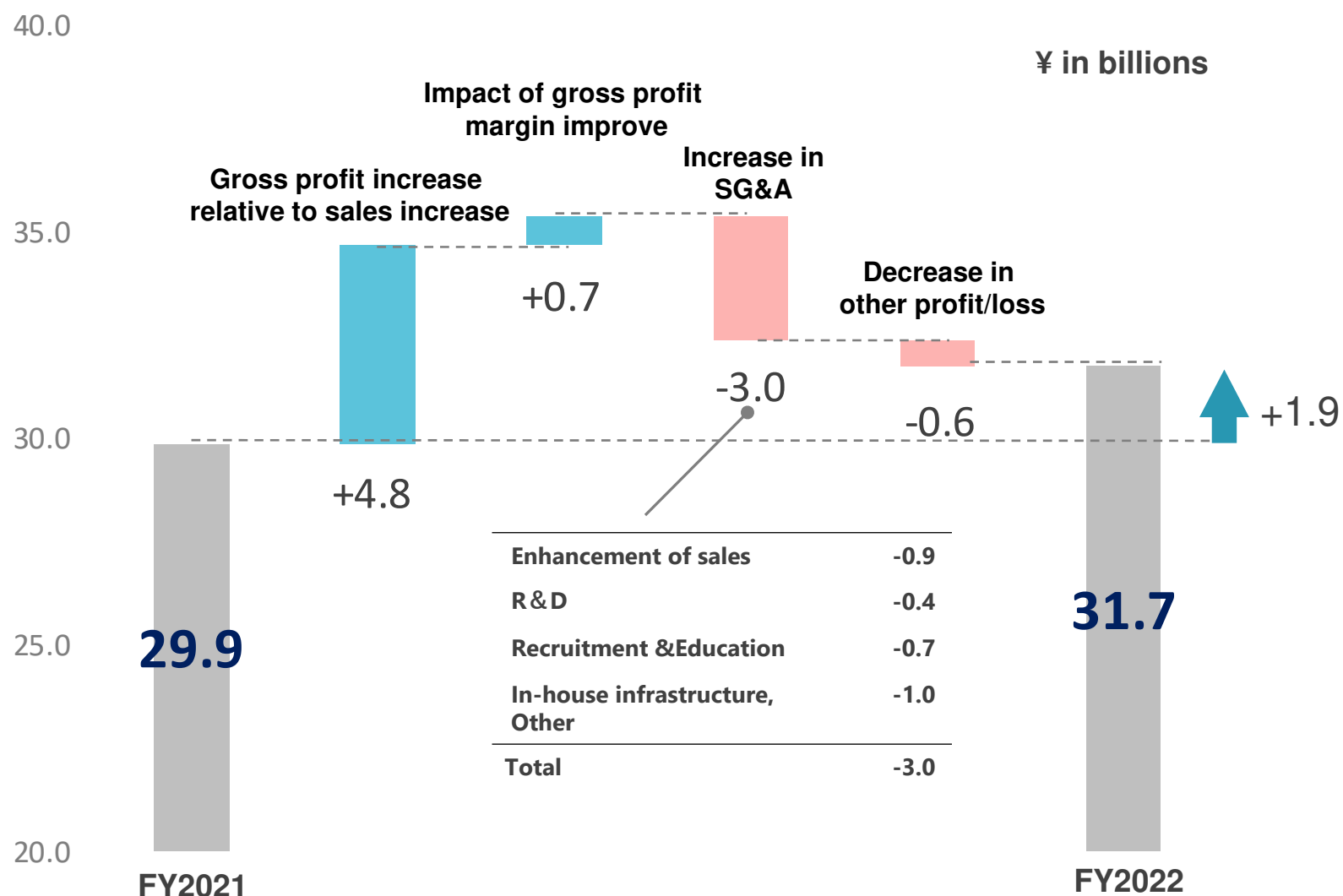


# I -4. Sales by Segment / Customer Industry (by Quarter) IFRS

¥ in billions

	FY Mar. 2022				FY Mar. 2023				Difference			
	1H	3Q	4 Q	FY	1H	3Q	4 Q	FY	1H	3Q	4Q	FY
<b>Business Solutions</b>	71.8	34.5	39.3	145.6	71.8	38.8	46.2	156.8	+0.0	+4.3	+6.9	+11.2
Manufacturing,	36.5	19.8	20.0	76.2	39.0	19.1	20.4	78.5	+2.5	-0.7	+0.4	+2.3
Retail and Service	19.2	7.7	8.1	35.0	16.4	8.7	9.5	34.5	-2.8	+0.9	+1.4	-0.5
Financial Service	16.1	7.0	11.3	34.4	16.4	11.0	16.3	43.8	+0.3	+4.0	+5.0	+9.4
Government, Public organizations												
<b>Service Solutions</b>	43.7	21.9	24.3	89.9	46.2	24.3	26.3	96.9	+2.5	+2.5	+2.0	+6.9
IT Platform	17.1	8.8	9.3	35.2	18.4	9.7	10.9	38.9	+1.3	+0.9	+1.5	+3.8
Nippon Steel Group	26.7	13.1	15.0	54.7	27.8	14.7	15.4	57.9	+1.1	+1.6	+0.5	+3.2
<b>Subsidiaries</b>	15.3	8.5	11.0	34.8	16.7	9.0	12.3	38.0	+1.4	+0.5	+1.3	+3.2
<b>Total</b>	130.8	64.8	74.7	270.3	134.7	72.1	84.9	291.7	+3.9	+7.3	+10.2	+21.4
<b>Nippon Steel Revenue</b>	26.6	13.8	14.8	55.3	27.7	14.7	15.5	57.9	+1.1	+0.8	+0.7	+2.6
<b>Order backlog</b>	122.6	123.3	110.2	—	123.8	145.9	134.9	—	+1.3	+22.7	+24.6	—

# I -5. Operating Profit Breakdown IFRS

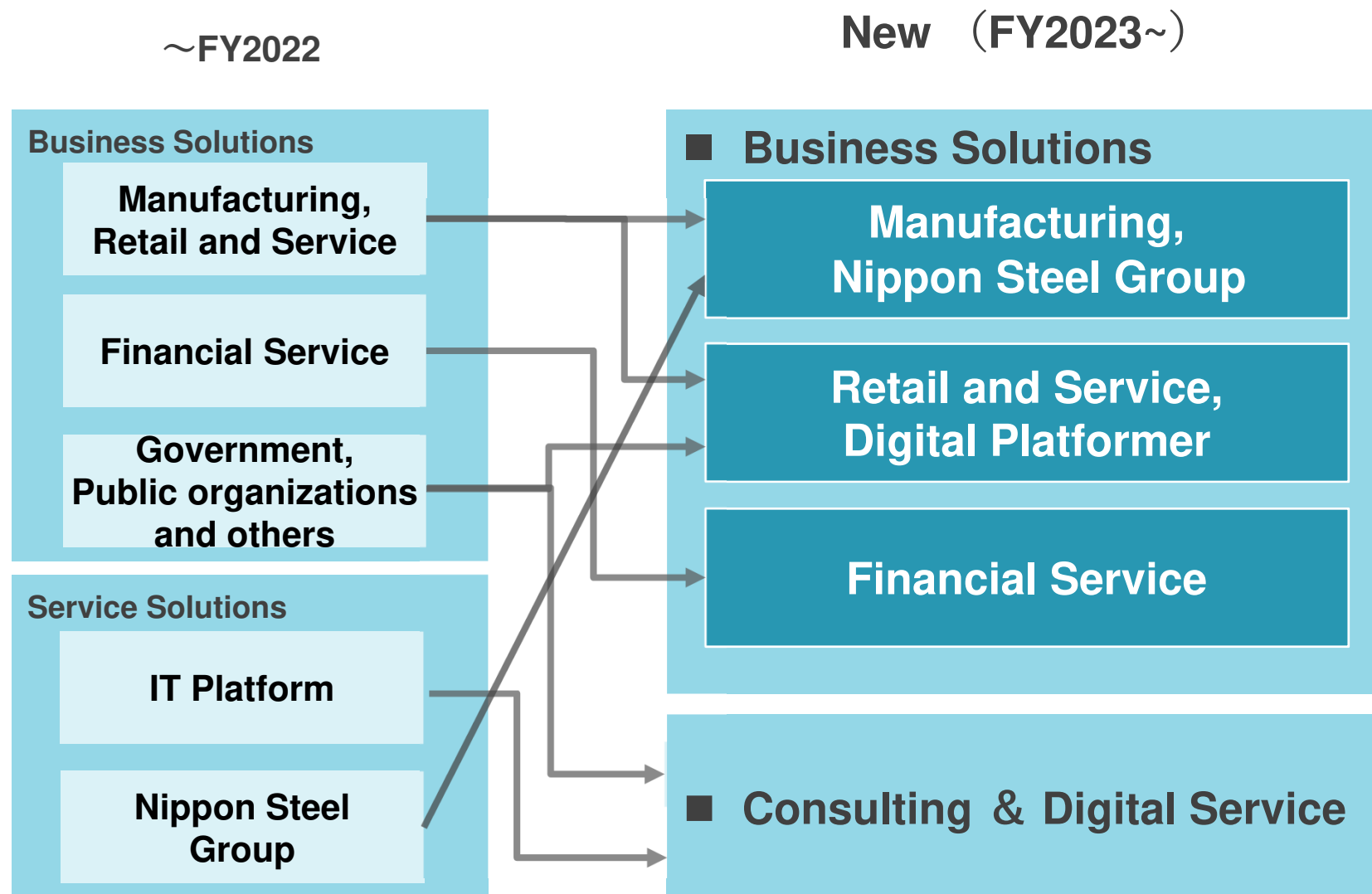


# II

## Outlook for FY March 31, 2024

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## Ⅱ-1. Changing the classification from FY2023



Large-scale IT engineering for the government and public sector is organized as consulting & digital services.

## II -2. Changing the classification from FY2023

### Old and New list

#### Old (FY2022)

		IT Platform
<b>Business Solutions</b>	156.8	
Manufacturing, Retail and Service	78.5	<19.3>
Financial Service	34.5	<9.2>
Government, Public organizations	43.8	<4.0>
<b>Service Solutions</b>	96.9	
IT Platform	38.9	<32.6>
Nippon Steel Group	57.9	
<b>Subsidiaries</b>	38.0	
<b>Total</b>	291.7	
<b>Nippon Steel Revenue</b>	57.9	

#### New (FY2022)

		C&D	C&D Total
<b>Business Solutions</b>	183.3		
Manufacturing, Nippon Steel Group	89.3	<15.2>	
Retail and Service, Digital Platformer	59.5	<11.8>	
Financial Service	34.5	<9.4>	
<b>Consulting &amp; Digital Service</b>	70.3	36.4	106.8
<b>Subsidiaries</b>	38.0		
<b>Total</b>	291.7		
<b>Nippon Steel Revenue</b>	57.9		

¥ in billions

## II -3. Market trend

### Business Environment

Steady recovery in current IT investment. IT investment appetite is firm due to customers' growing DX needs. On the other hand, downside risks to the economy are closely watched, such as high energy prices due to geopolitical risks, rising raw material prices and uncertainty in the financial and capital markets in Europe and the US.

### Market Trend

#### Manufacturing, Nippon Steel Gr

In the manufacturing sector, trends are mixed due to uncertainty over the outlook for business performance. For NIPPON Steel, there is a strong appetite for investment in various information systems based on DX needs.

#### Retail and Service, Digital Platformer

In the retail sector, there is a certain growth trend, but the current economic uncertainty requires close monitoring. In digital platformers, IT investment remains strong.

#### Financial Service

Firm demand from megabanks and government departments. Increasing need for entry into financial services by different industries

#### Consulting & Digital Service

Enquiries for cloud utilization, versatile digital solutions, and digitization support needs steady. Delays in HW delivery due to semiconductor shortages are improving.

## II -4. Outlook IFRS

¥ in billions

	FY Mar. 2023	FY Mar. 2024	Difference	(YoY)
	A	B	B-A	B/A
<b>Revenue</b>	291.7	305.0	+13.3	+5%
<b>Gross Profit</b>	65.9	70.0	+4.1	+6%
<b>Gross Profit Margin</b>	<22.6%>	<23.0%>	<+0.3%>	
<b>SG&amp;A</b>	33.0	36.5	+3.5	+11%
<b>Others</b>	-1.2	0.0	+1.2	
<b>Operating Profit</b>	31.7	33.5	1.8	+6%
<b>Operating Profit Margin</b>	<10.9%>	<11.0%>	<+0.1%>	
<b>Profit before tax</b>	32.1	34.0	+1.9	+6%
<b>Profit attributable to owners of parent</b>	22.0	22.8	+0.8	+4%
<b>Order backlog</b>	123.8	145.7	+21.9	+18%

# II -5. Outlook Sales by Segment / Customer Industry IFRS

¥ in billions

	FY Mar. 2023			FY Mar. 2024			Difference		
	C&D		C&D Total	C&D		C&D Total	C&D		C&D Total
<b>Business Solutions</b>	183.3			196.0			+12.7		
Manufacturing, Nippon Steel Group	89.3	<15.2>		94.5	<17.0>		+5.2	<+1.8>	
Retail and Service, Platformer	59.5	<11.8>		65.5	<12.0>		+6.0	<+0.2>	
Financial Service	34.5	<9.4>		36.0	<11.0>		+1.5	<+1.7>	
<b>Consulting &amp; Digital Service</b>	70.3	36.4	106.8	68.0	40.0	108.0	-2.3	+3.6	+1.3
<b>Subsidiaries</b>	38.0			41.0			+3.0		
<b>Total</b>	291.7			305.0			+13.3		
<b>Nippon Steel Revenue</b>	57.9			61.0			+3.1		



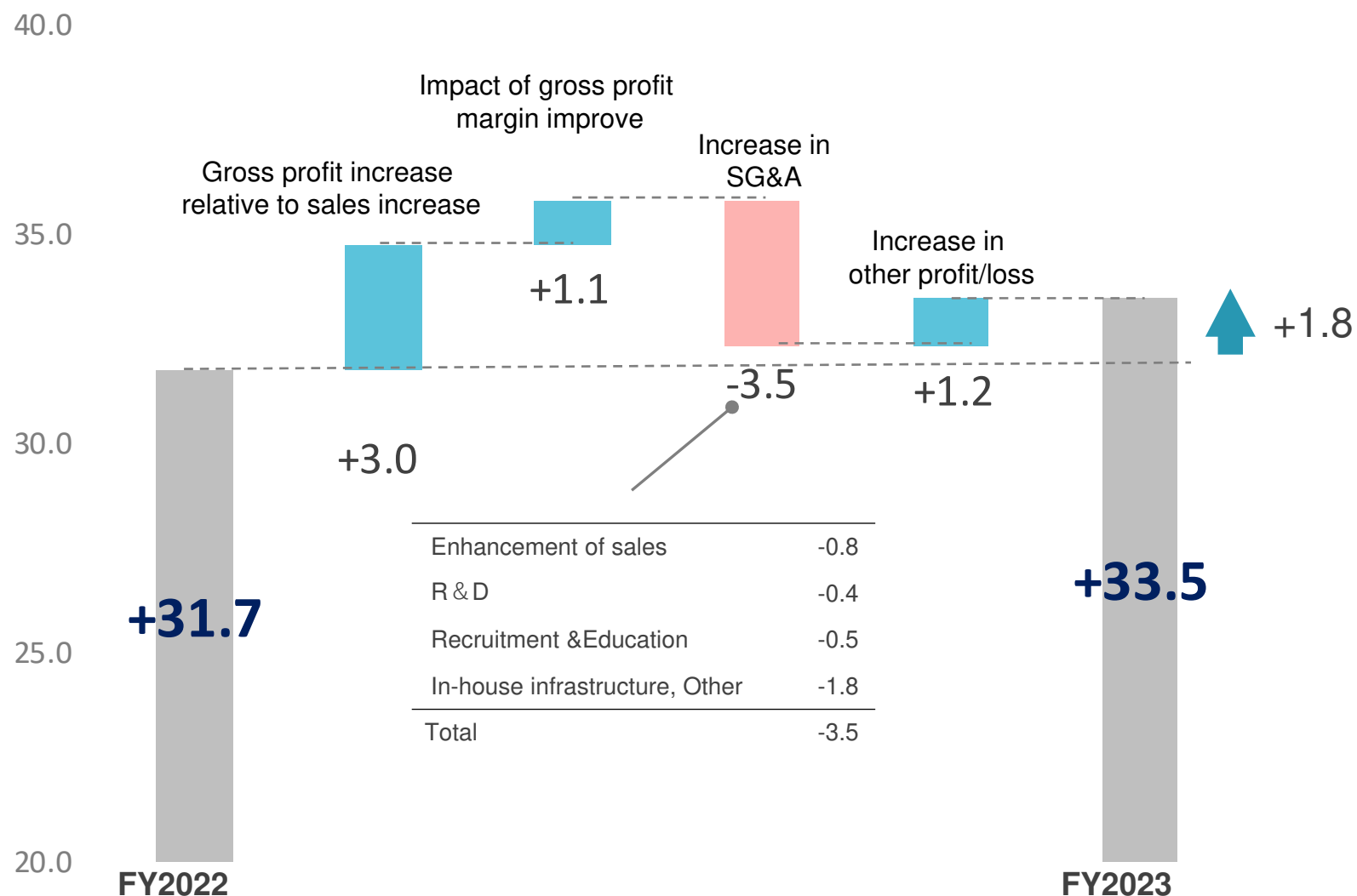
## II -6. Outlook 1H/2H IFRS

¥ in billions

	FY Mar. 2023		FY Mar. 2024		Difference		(YoY)	
	1H	2H	1H	2H	1H	2H	1H	2H
<b>Revenue</b>	134.7	157.0	140.0	165.0	+5.3	+8.0	+4%	+5%
<b>Gross Profit</b>	30.4	35.5	32.0	38.0	+1.6	+2.5	+5%	+7%
<b>Gross Profit Margin</b>	<22.6%>	<22.6%>	<22.9%>	<23.0%>	<+0.3%>	<+0.4%>		
<b>SG&amp;A</b>	16.5	16.5	18.0	18.5	+1.5	+2.0	+9%	+12%
<b>Others</b>	0.0	-1.2	0.0	0.0	0.0	+1.2		
<b>Operating Profit</b>	14.0	17.7	14.0	19.5	0.0	+1.8	0%	+10%
<b>Operating Profit Margin</b>	<10.4%>	<11.3%>	<10.0%>	<11.8%>	<-0.4%>	<+0.5%>		
<b>Profit before tax</b>	14.2	17.9	14.2	19.8	0.0	+1.9	0%	+11%
<b>Profit attributable to owners of parent</b>	9.4	12.6	9.4	13.4	0.0	+0.8	0%	+7%
<b>Order backlog</b>	123.8	145.9	145.7		+21.9		+18%	

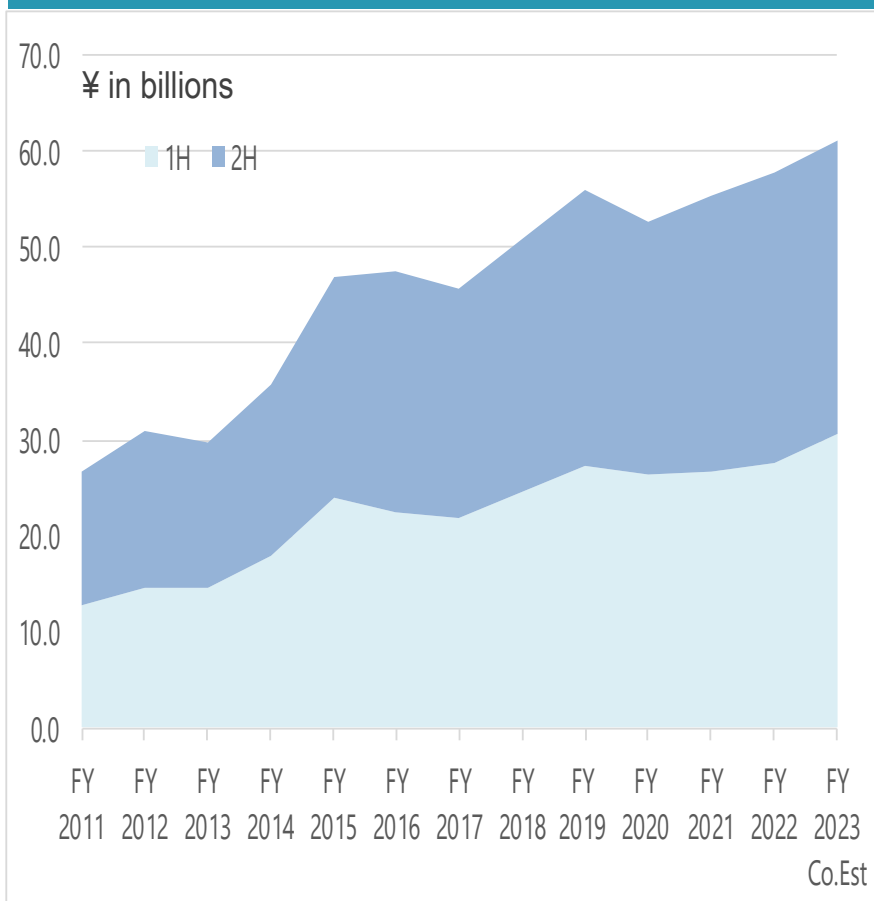
## Ⅱ -7. Operating Profit Breakdown IFRS

¥ in billions



## Ⅱ -8. Nippon Steel business

### 1. Nippon Steel Sales Trend



### 2. Actions

Strengthen business competitiveness by making full use of data and digital technology

- Integrated data analysis and AI development platform “NS-DIG”
- Wireless sensor utilization platform “NS-IoT”
- Integrated data platform for Real-time management information, KPIs and Action “NS-Lib”
- Nippon Steel received the “Data Management Grand Prize 2023 in Japan” for our contributions

### Nippon Steel Sales forecast (FY2023)

¥ in billions		
FY2022	FY2023	Increase
57.9	61.0	+ 3.1

## II -9. 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 FY2023 Dividend

FY2022  
¥70→¥75  
Payout ratio 31.2%

Interim : ¥35, Year end ¥35 → ¥40



FY2023  
¥80(TBD)  
Payout Ratio 32.1%(TBD)

Interim : ¥40, Year end ¥40 (TBD)



# FY2021-2025 Medium term Business Strategy

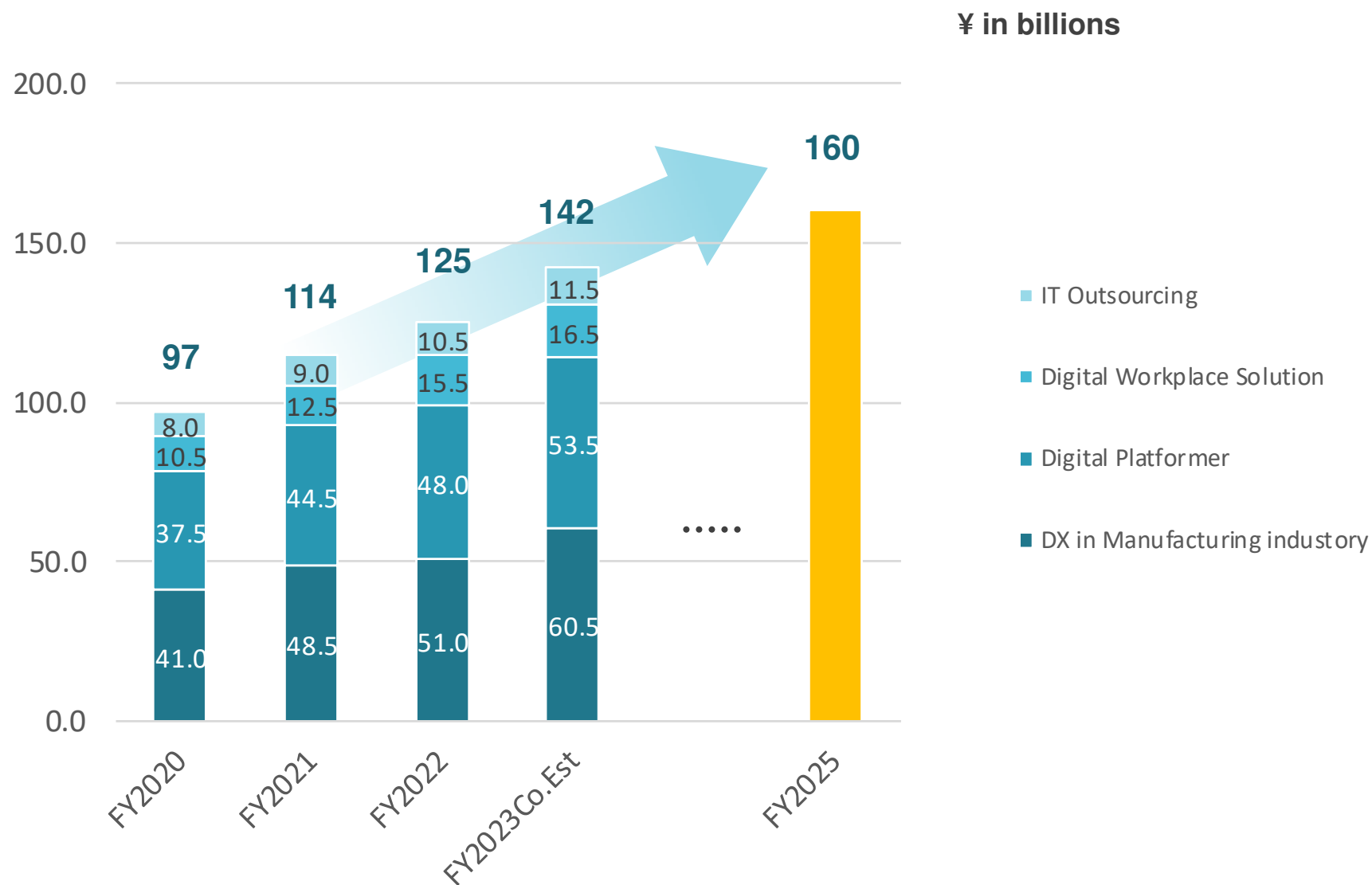
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# III-1. Progress of Medium-term Business Policy

¥ in billions

	2 period total ( -2022)	Medium-term business period (2021-2025)
Sales growth rate (CAGR)	8%	5-6%
Sales growth rate in the focus areas (CAGR)	14%	10%~
Investment to strengthen business infrastructure	28.1	50-75 (10-15/year)
investment for accelerating DX	6.5	10-15 (2-3/year)

## Ⅲ-2. Progress and Plans for Focus Areas



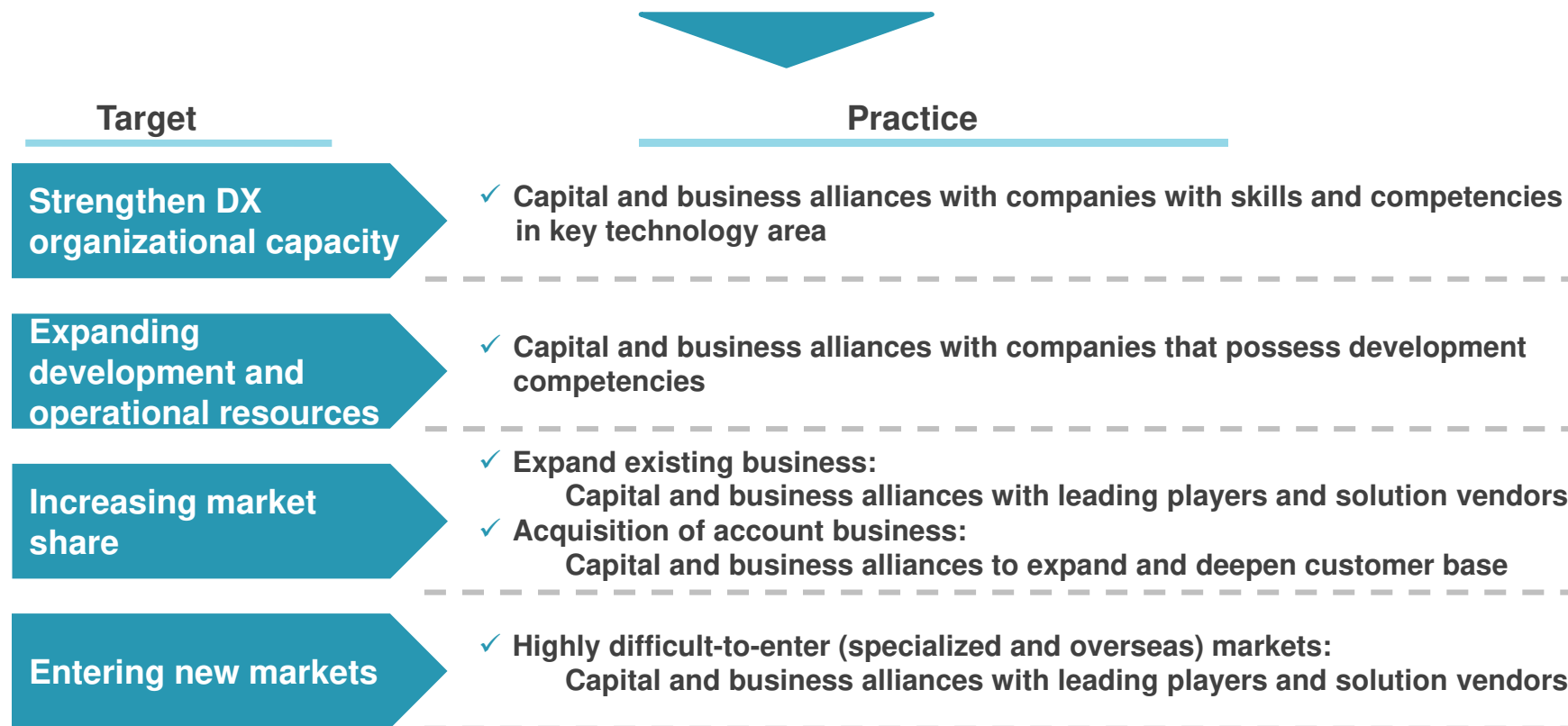
### III-3. Investment for growth

Item	Contents
Investment to strengthen business infrastructure	<ul style="list-style-type: none"><li>• IT Environment Improvement</li><li>• Investment in private cloud, etc.</li></ul>
Investment for accelerating DX	<ul style="list-style-type: none"><li>• Intensive training of DX personnel</li><li>• New Solution Development<ul style="list-style-type: none"><li>-Integrated Data management Platform "DATAOPTERIX"</li><li>-Optimization services to utilize cloud computing "FINARCH"</li><li>-Employee engagement and career reflection tool "NAYASAPO"</li></ul></li></ul>
M&A and others	<p>Investments aimed at accelerating DX, growth in focus areas and strengthening the production structure</p> <ul style="list-style-type: none"><li>• Strengthen DX organizational capacity</li><li>• Expanding development and operational resources</li><li>• Increasing market share</li><li>• Entering new markets</li></ul>



## III-4. Investment for growth ~M&A~

**Accelerate growth by incorporating external resources**  
**with the aim of promoting DX, accelerating growth in focus areas**  
**and strengthening the production structure**



## Ⅲ-5. (Ref.)Investment for growth ~track records~

Strengthen  
DX

**Arithmer**

### Features and strengths

Based on elemental technologies of mathematics, solving social problems developing cutting-edge AI engines

### Purpose of investment

- Responding to customers' DX needs with mathematical AI technology
- Accelerate research and development of AI technologies using mathematical approaches

Strengthen  
DX

**f**  
ESTYLE™

### Features and strengths

- High level of consulting skills and technical knowledge
- Training and producing excellent data scientists through unique education

### Purpose of investment

- Improving consulting skills and technical knowledge in the area of data utilization
- Develop human resources in the area of data utilization

new markets

**RE**  
OUND  
SOLUTIONS

### Features and strengths

SAP provider in Thailand providing consulting, SAP implementation and other services, mainly to major manufacturing companies.

### Purpose of investment

- Provide SAP solutions to Japanese customers
- Responding to demand for system roll-out to Southeast Asia and other regions

Strengthen  
DX

Expanding  
resources

**HCH.inc**  
Human Creation Holdings

### Features and strengths

- Abundant human resources for corporate DX
- Wide range of project work, with operations throughout the country

### Purpose of investment

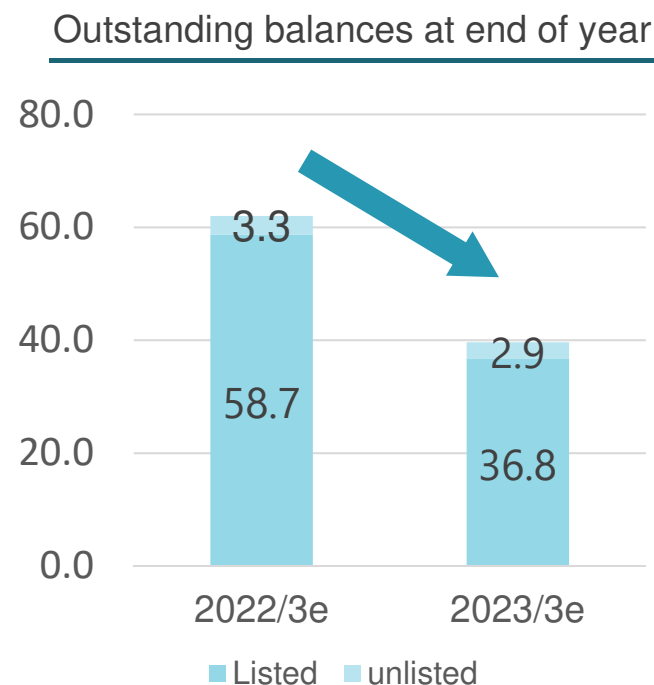
- Involvement of DX personnel in our projects
- Creation of new business opportunities through the use of knowledge and services

## III-6. Investment for growth ~funding~

As disclosed in April 2022 in Notice for Establishment of an Estimated Selling Amount of Cross-Shareholdings with the Aim to Secure Funds for Growth Investments, We are progressively selling our Cross-Shareholdings with the aim of using them as a source of funds for growth investments.








### Balances at end of year

At the end of the financial year ending 31 March 2023, the company held ¥36.8 billion listed shares and ¥2.9 billion unlisted shares.



## III-7. Our Achievements in Sustainability Management

Promoted sustainability management based on Purpose.  
Published the 1<sup>st</sup> Integrated Report last October.

Materiality	Activities	Relevant SDGs
<ul style="list-style-type: none"> <li>• Solve social issues through IT</li> </ul>	<ul style="list-style-type: none"> <li>• The company is also developing an integrated data utilization platform that utilizes AI and data science to speed up new drug development.</li> <li>• Contributing to work safety management using IoT devices.</li> <li>• Providing M3DaaS, a virtual desktop environment with the No.1 market share for 10 consecutive years, makes remote work more secure and comfortable.</li> <li>• Contributing to a paperless work environment with CONTRACTHUB, an electronic contract service.</li> </ul>	   
<ul style="list-style-type: none"> <li>• Provide a stable supply of IT services as social infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Provide robust and efficient IT services by applying cutting-edge technologies such as cloud-native.</li> </ul>	
<ul style="list-style-type: none"> <li>• Create opportunities for diverse individuals to play active roles</li> </ul>	<ul style="list-style-type: none"> <li>• The company will also introduce a system of pay for key personnel roles and a mandatory retirement age of 65, as well as a system of dual/secondary employment,, and expand remote work to enable employees to work from home in remote areas.</li> <li>• Engagement survey and PDCA cycle for workplace dialogue.</li> <li>• Women's activities (Platinum Kurumin), LGBTQ+ (PRIDE Gold).</li> <li>• Human rights policy and the multi-stakeholder policy established.</li> <li>• NSSOL Academy for autonomous learning and development of core human resources.</li> </ul>	  
<ul style="list-style-type: none"> <li>• Reduce environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>• Provide cloud services in highly energy-efficient data centers.</li> <li>• Expansion of the scope of the environmental management system, introduction of green electricity, and calculation of greenhouse gas Scope 3.</li> </ul>	 
<ul style="list-style-type: none"> <li>• Pursue governance and compliance as a trusted member of society</li> </ul>	<ul style="list-style-type: none"> <li>• Enforce the NSSOL Group's Code of Conduct, "Global Business Conduct.</li> <li>• Reinforcement of the risk management system.</li> </ul>	



**Dream our future**  
**Unleash the possibilities of society,**  
**With technology and passion**

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