



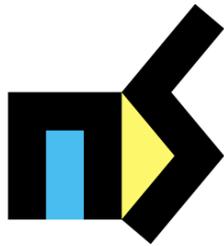
NIPPON STEEL & SUMITOMO METAL CORPORATION GROUP



# Financial Information for the First Quarter of the Fiscal Year ending March 31, 2018

(April 1, 2017 through June 30, 2017)

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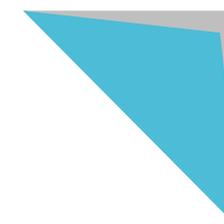


**NS Solutions**

July 28, 2017

**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.

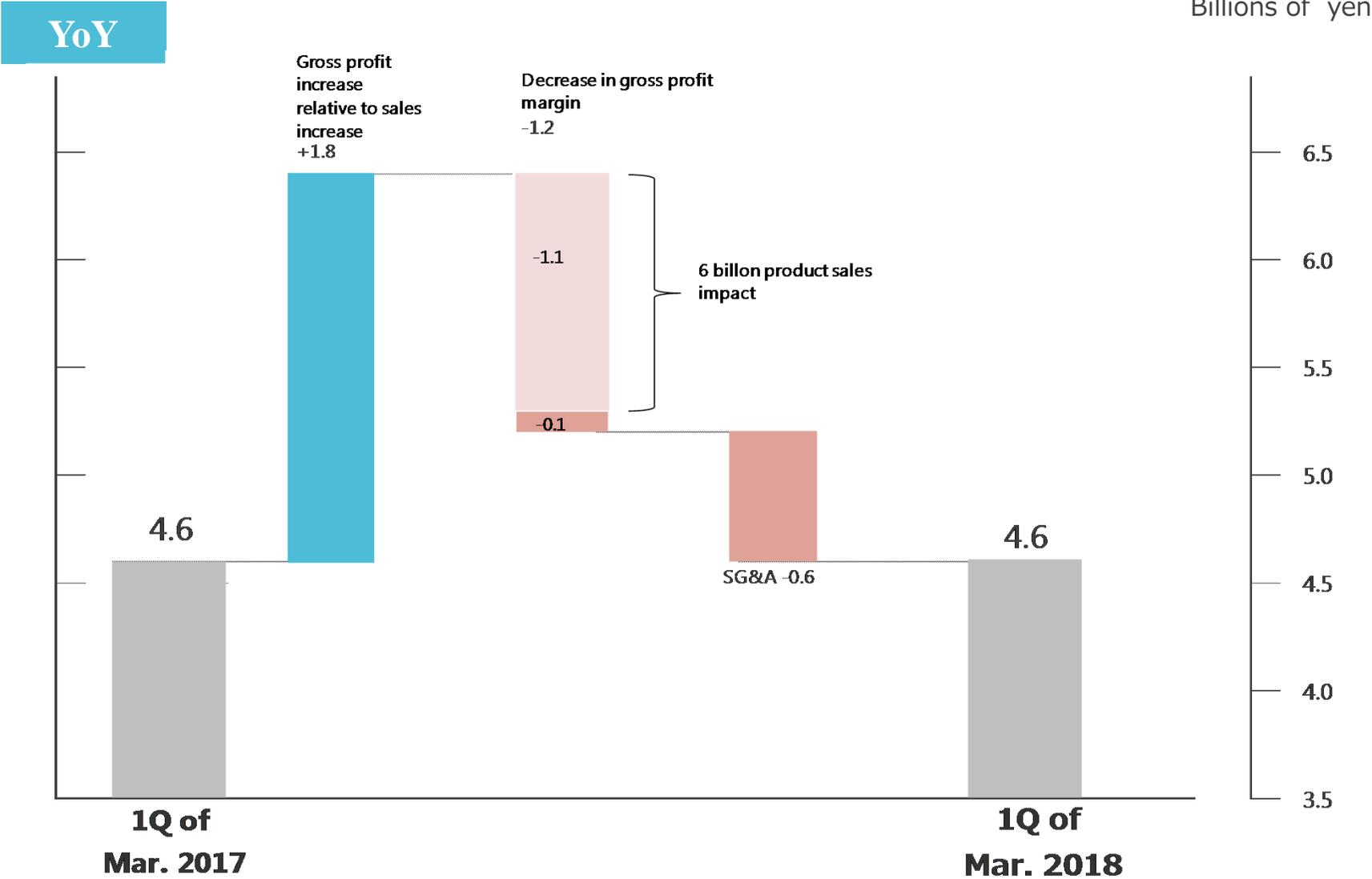
# Consolidated Results for 1Q of FY Mar.2018

(Billions of yen)	1Q of FY Mar.2017 Actual A	1Q of FY Mar.2018 Actual B	Difference B-A
<b>Sales</b>	<b>50.0</b>	<b>58.2</b>	<b>+8.1</b>
Business solutions	31.8	40.0	+8.2
Service solutions	18.2	18.1	-0.1
<b>Gross Profit</b>	<b>11.0</b>	<b>11.5</b>	<b>+0.6</b>
<Gross Profit Margin>	<21.9%>	<19.8%>	<-2.1%>
<b>SG&amp;A</b>	<b>6.4</b>	<b>6.9</b>	<b>+0.6</b>
<b>Operating Profit</b>	<b>4.6</b>	<b>4.6</b>	<b>-0.0</b>
<b>Recurring Profit</b>	<b>4.9</b>	<b>4.9</b>	<b>+0.0</b>
<b>Profit attributable to owners of parent</b>	<b>3.0</b>	<b>2.9</b>	<b>-0.1</b>

# Sales by Service and Segment

(Billions of yen)	1Q of FY Mar.2017		1Q of FY Mar.2018		Difference		Comment
	Actual A	Intersegmen t sales of IT platform	Actual B	Intersegmen t sales of IT platform	B-A	Intersegmen t sales of IT platform	
<b>Business Solutions</b>	<b>27.1</b>	8.2	<b>34.0</b>	8.0	<b>+7.0</b>	-0.1	
Manufacturing, Retail and Service	<b>12.7</b>	4.5	<b>13.2</b>	4.2	<b>+0.5</b>	-0.3	Increase in net service and travel
Financial Services	<b>8.7</b>	2.1	<b>8.1</b>	2.3	<b>-0.6</b>	+0.3	Decrease in a mega bank
Government, Public organizations	<b>5.7</b>	1.7	<b>12.7</b>	1.5	<b>+7.1</b>	-0.1	Increase in central government agencies
<b>Service Solutions</b>	<b>17.9</b>		<b>17.1</b>		<b>-0.8</b>		
IT Platform	<b>6.7</b>	<8.2>	<b>7.2</b>	<8.0>	<b>+0.6</b>	<-0.1>	Increase in cloud
NSSMC Group	<b>11.2</b>		<b>9.9</b>		<b>-1.3</b>		Decrease in NSSMC
<b>Subsidiaries</b>	<b>5.1</b>		<b>7.0</b>		<b>+1.9</b>		NVC's contribution
<b>Total</b>	<b>50.0</b>		<b>58.2</b>		<b>+8.1</b>		
<b>NSSMC Sales</b>	(11.0)		(9.7)		(-1.3)		
<b>Total Order</b>	<b>56.4</b>		<b>52.5</b>		<b>-3.9</b>		

# Consolidated Operating Profit Breakdown



# Semiannual Outlook for FY Mar.2018(1H/2H)

(Billions of Yen)	FY Mar.2017 Actual			FY Mar.2018 Co. Est			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
	A	B	C	D	E	F	D-A	E-B	F-C
<b>Sales</b>	<b>105.9</b>	<b>126.6</b>	<b>232.5</b>	<b>110.0</b>	<b>125.0</b>	<b>235.0</b>	<b>+4.1</b>	<b>-1.6</b>	<b>+2.5</b>
Business Solutions	68.3	83.5	151.8	71.0	83.5	154.5	+2.7	+0.0	+2.7
Service Solutions	37.5	43.1	80.6	39.0	41.5	80.5	+1.5	-1.6	-0.1
<b>Gross Profit</b>	<b>22.3</b>	<b>24.2</b>	<b>46.5</b>	<b>23.2</b>	<b>26.0</b>	<b>49.2</b>	<b>+0.9</b>	<b>+1.8</b>	<b>+2.7</b>
<Gross profit margin>	<21.0%>	<19.1%>	<20.0%>	<21.1%>	<20.8%>	<20.9%>	<+0.0%>	<+1.7%>	<+1.0%>
<b>SG&amp;A</b>	<b>12.5</b>	<b>12.5</b>	<b>24.9</b>	<b>13.0</b>	<b>13.5</b>	<b>26.5</b>	<b>+0.5</b>	<b>+1.0</b>	<b>+1.6</b>
<b>Operating Profit</b>	<b>9.8</b>	<b>11.7</b>	<b>21.5</b>	<b>10.2</b>	<b>12.5</b>	<b>22.7</b>	<b>+0.4</b>	<b>+0.8</b>	<b>+1.2</b>
<b>Recurring Profit</b>	<b>10.2</b>	<b>11.9</b>	<b>22.1</b>	<b>10.5</b>	<b>12.5</b>	<b>23.0</b>	<b>+0.3</b>	<b>+0.6</b>	<b>+0.9</b>
<b>Profit attributable to owners of parent</b>	<b>6.6</b>	<b>7.4</b>	<b>14.0</b>	<b>6.7</b>	<b>8.3</b>	<b>15.0</b>	<b>+0.1</b>	<b>+0.9</b>	<b>+1.0</b>
<b>NSSMC Sales</b>	<b>(22.6)</b>	<b>(24.9)</b>	<b>(47.5)</b>	<b>(21.5)</b>	<b>(20.0)</b>	<b>(41.5)</b>	<b>(-1.1)</b>	<b>(-4.9)</b>	<b>(-6.0)</b>
<b>Order backlog at the beginning of the period</b>	<b>97.0</b>	<b>106.8</b>		<b>117.4</b>			<b>+20.4</b>		



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