



Financial Information Meeting for the Second Quarter of the Fiscal Year ending March 31, 2014

(April 1, 2013 through September 30, 2013)

October 29, 2013

Munetaka Shashiki

Representative Director & President

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 Financial Highlights

(Billions of yen)

	2Q(1H)of FY Mar.2013 A	2Q(1H)of FY Mar.2014 B	Change B-A	2Q of 2014 Previous outlook C	Change B-C
Sales	81.7	81.5	-0.2	83.0	-1.5
Business solutions	43.3	46.1	+2.8	44.0	+2.1
Platform solutions	9.3	9.8	+0.5	10.5	-0.7
Business services	29.0	25.5	-3.5	28.5	-3.0
Gross profit	15.3	15.5	+0.2	16.0	-0.5
<Gross profit margin>	<18.7%>	<19.0%>	<+0.3%>	<19.3%>	<-0.3%>
SG&A	9.9	11.0	+1.1	10.7	+0.3
Operating income	5.4	4.5	-0.9	5.3	-0.8
Ordinary income	5.8	4.7	-1.0	5.5	-0.8
Net income	3.2	2.5	-0.7	3.0	-0.5

Sales by Business Line / Customer Industry

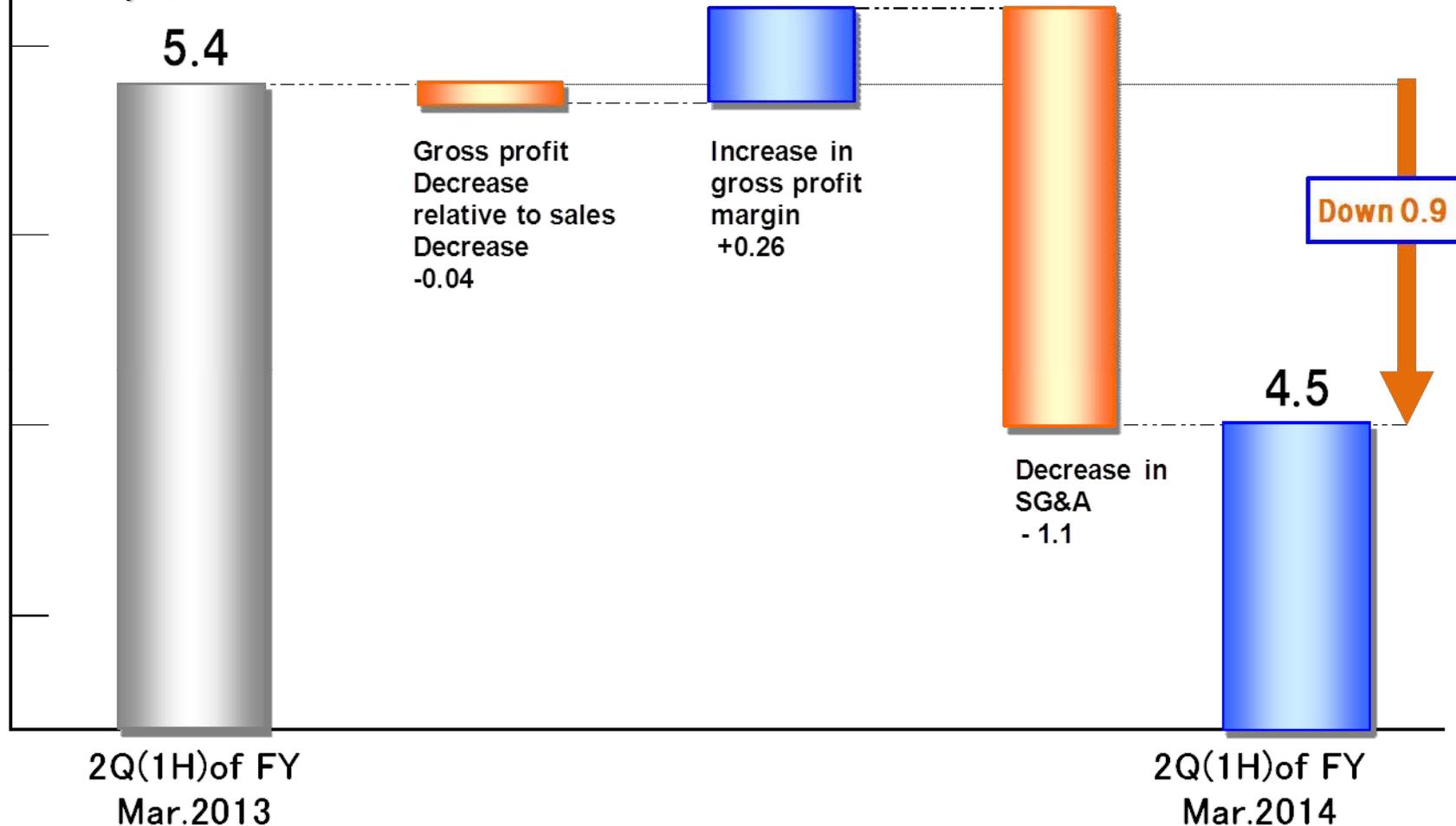
(Billions of yen)

	2Q(1H)of FY Mar.2013 A	2Q(1H)of FY Mar.2014 B	Change B-A	Comment
Business solutions	35.3	37.5	+2.3	-
Manufacturing, distribution and service industries	19.4	19.9	+0.5	Increase in Internet & Retail business
Financial services	10.1	12.1	+2.0	Increase in mega-banks
Government, public organizations and others	5.8	5.5	-0.2	
Platform solutions	8.2	8.7	+0.5	Increase in Private Cloud
Business services	28.9	25.4	-3.5	Decrease in Telecom
Subsidiaries, net	9.3	9.9	+0.6	Increase in China business
Consolidated sales	81.7	81.5	-0.2	-
Amount of orders accepted	94.1	84.8	-9.3	-

Consolidated Operating Income Breakdown

Year on year

(Billions of yen)



Market Trends by Business Line / Customer Industry



	Market trend	
Business solutions		
Manufacturing, distribution and service industries	IT investment in Internet & Retail Business is continuously expanding. IT investment for globalization is expanding in PLM (Products Lifecycle Management Solution). IT Investment is expected further recovery in manufacturing sector.	
Financial services	Mega banks are expanding strategic IT investments.	
Government and public organizations	Competition is increasingly fierce.	
Platform solutions	Needs for IT infrastructure engineering in cloud-computing and outsourcing are increasing.	
Business services	Telecom: IT investment to cope with traffic increase is expanding, but competition is fierce. System management and outsourcing services is continuing at high level.	

Outlook For Semiannual Consolidated Results

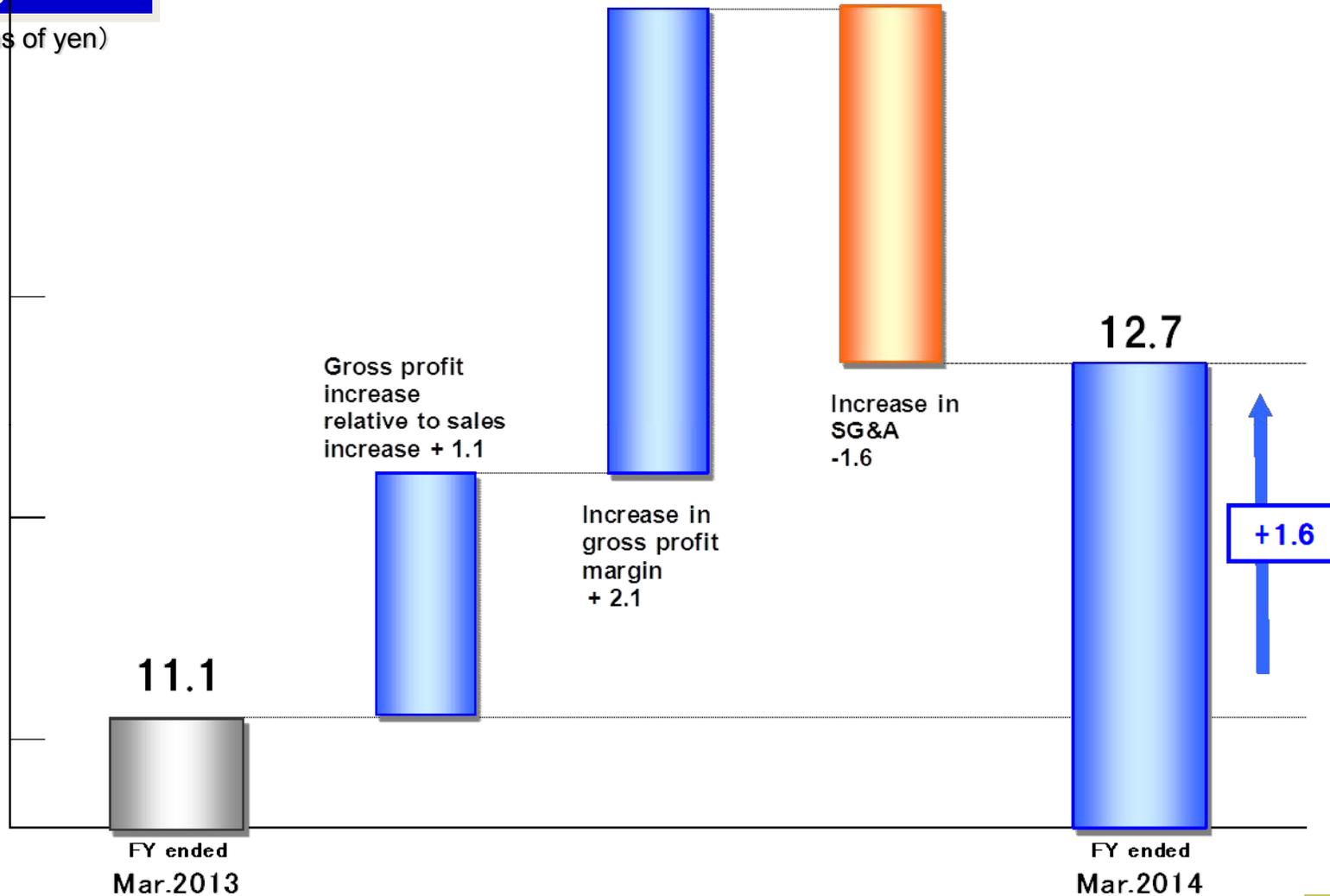
(Billions of yen)

	FY ended Mar.2013			FY ending Mar.2014			Change		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
	A	B	C	D	E	F	D-A	E-B	F-C
Sales	81.7	90.3	172.0	81.5	96.5	178.0	-0.2	+6.2	+6.0
Business solutions	43.3	52.6	95.9	46.1	56.9	103.0	+2.8	+4.3	+7.1
Platform solutions	9.3	9.3	18.6	9.8	11.7	21.5	+0.5	+2.4	+2.9
Business services	29.0	28.5	57.5	25.5	28.0	53.5	-3.5	-0.5	-4.0
Gross profit	15.3	16.1	31.3	15.5	19.0	34.5	+0.2	+2.9	+3.2
<Gross profit margin>	<18.7%>	<17.8%>	<18.2%>	<19.0%>	<19.7%>	<19.4%>	<+0.3%>	<+1.9%>	<+1.2%>
SG&A	9.9	10.4	20.2	11.0	10.8	21.8	+1.1	-0.5	+1.6
Operating income	5.4	5.7	11.1	4.5	8.2	12.7	-0.9	+2.5	+1.6
Ordinary income	5.8	5.9	11.6	4.7	8.3	13.0	-1.0	+2.4	+1.4
Net income	3.2	3.4	6.6	2.5	4.9	7.4	-0.7	+1.5	+0.8
Order backlog at beginning of the period	68.8	81.2	-	78.4	81.8	-	+9.6	+0.6	-

Consolidated Operating Income Breakdown

Year on year

(Billions of yen)



Major Actions in FY ending Mar.2014

1. Expansion of Global Footprint

2. Changes to System Operations Structure for NSSMC

→Refer to the Press Release 2013.10.16.

Policy on profit sharing

✧ Provide stable dividends to shareholders and maintain internal reserve for expansion



2013/03
¥40.00 per share



2014/03
¥40.00 per share



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