



NIPPON STEEL & SUMITOMO METAL CORPORATION GROUP



NS Solutions

Financial Information for the Third Quarter of the Fiscal Year ending March 31, 2016

(April 1, 2015 through December 31, 2015)

January 29, 2016

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.

3Q of FY ending March 31, 2016

Consolidated Financial Highlights



(Billions of yen)

	FY ended Mar.2015		FY ending Mar.2016		Change	
	3Q (Oct.–Dec.)	3Q Tot. (Apr.–Dec.)	3Q (Oct.–Dec.)	3Q Tot. (Apr.–Dec.)	3Q (Oct.–Dec.)	3Q Tot. (Apr.–Dec.)
	A	B	C	D	C-A	D-B
Sales	48.3	143.2	50.3	156.6	+2.0	+13.4
Business solutions	32.0	93.5	32.5	100.0	+0.5	+6.5
Service solutions	16.4	49.7	17.8	56.6	+1.4	+6.9
Gross profit	9.3	27.9	10.3	32.2	+0.9	+4.3
<Gross profit margin>	<19.3%>	<19.5%>	<20.4%>	<20.6%>	<+1.1%>	<+1.1%>
SG&A	5.6	17.2	5.8	18.0	+0.3	+0.8
Operating income	3.8	10.8	4.5	14.3	+0.7	+3.5
Ordinary income	3.8	11.1	4.5	14.6	+0.7	+3.5
Profit attributable to owners of parent	2.5	6.7	2.8	8.9	+0.4	+2.2

3Q of FY ending March 31, 2016

Sales by Business Line / Customer Industry I



(Billions of yen)

	FY ended Mar.2015		FY ending Mar.2016		Change		Comment
	3Q Tot. (Apr.–Dec.) A	including IT infrastructure	3Q Tot. (Apr.–Dec.) B	including IT infrastructure	3Q Tot. (Apr.–Dec.) B–A	including IT infrastructure	
Business solutions	78.7	20.6	83.0	22.8	+4.3	+2.2	
Manufacturing, distribution and service industries	35.8	11.6	39.3	12.7	+3.6	+1.1	Increase in internet business, retail and global manufacturing sector
Financial services	24.7	4.7	26.4	6.4	+1.8	+1.6	Increase in the mega-banks
Government, public organizations and others	18.3	4.3	17.3	3.7	-1.0	-0.6	Reduction in projects transitional period
Service solutions	48.5		55.6		+7.1		
IT infrastructure	20.8	<20.6>	19.4	<22.8>	-1.4	<+2.2>	Increase in Private Cloud, decrease in conventional operation business and product
NSSMC Group	27.7		36.2		+8.5		Increase in NSSMC
Subsidiaries, net	16.0		18.0		+1.9		Increase in domestic subsidiaries
Consolidated sales	143.2		156.6		+13.4		
“NSSMC”	(26.7)		(35.4)		(+8.8)		
Amount of orders accepted	143.8		163.3		+19.6		

3Q of FY ending March 31, 2016

Sales by Business Line / Customer Industry II



(Billions of yen)

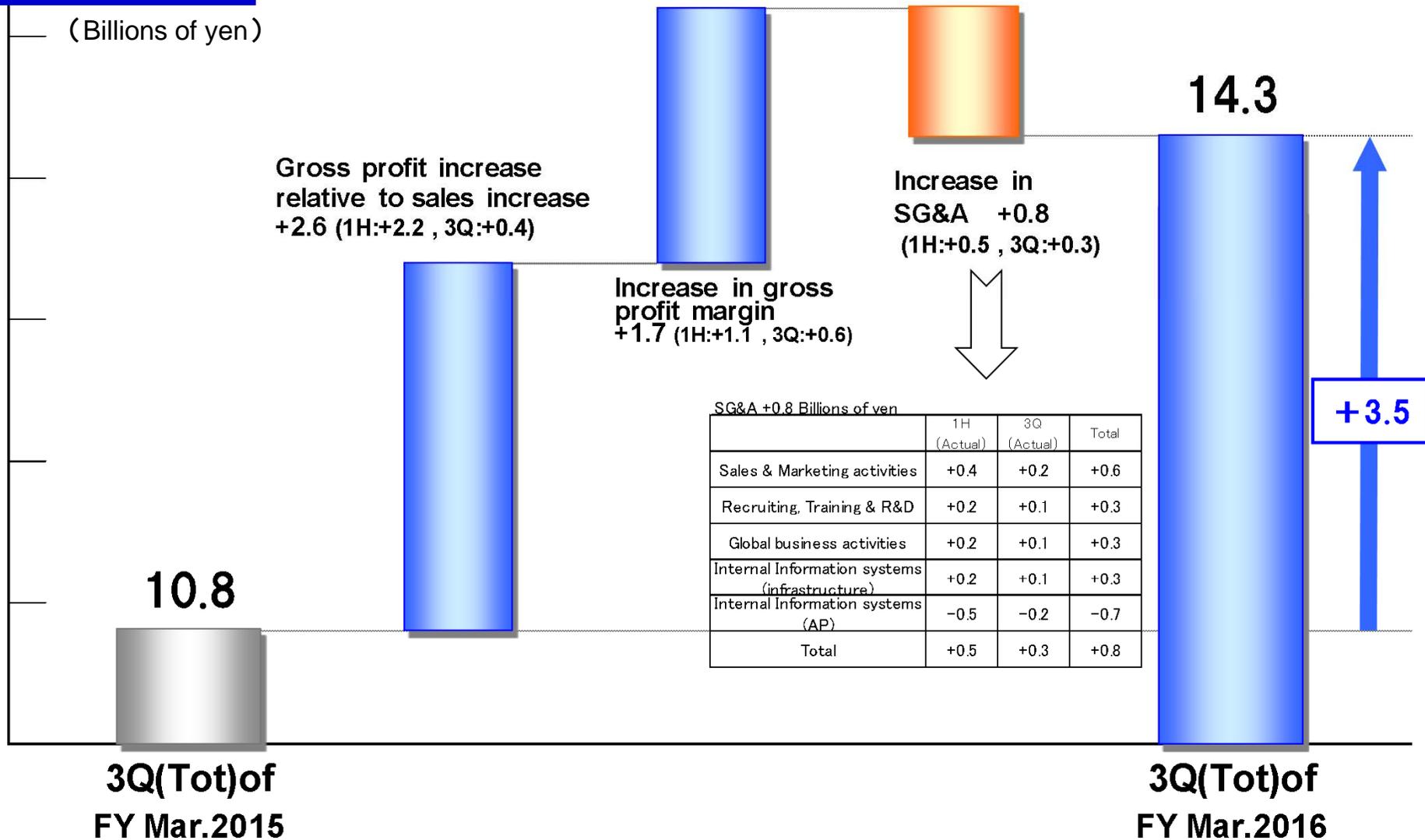
	FY ended Mar.2015		FY ending Mar.2016		Change		Comment
	3Q (Oct.-Dec.) A	including IT infrastructure	3Q (Oct.-Dec.) B	including IT infrastructure	3Q (Oct.-Dec.) B-A	including IT infrastructure	
Business solutions	27.1	6.9	26.9	7.2	-0.1	+0.3	
Manufacturing, distribution and service industries	11.7	3.6	12.8	3.7	+1.0	+0.1	Increase in internet business and retail
Financial services	8.5	1.9	8.5	2.6	+0.0	+0.7	—
Government, public organizations and others	6.8	1.3	5.6	0.9	-1.2	-0.4	Reduction in projects transitional period
Service solutions	16.0		17.4		+1.4		
IT infrastructure	6.6	<6.9>	5.9	<7.2>	-0.7	<+0.3>	Increase in Private Cloud, decrease in conventional operation business and product
NSSMC Group	9.4		11.5		+2.1		Increase in NSSMC
Subsidiaries, net	5.2		5.9		+0.7		Increase in domestic subsidiaries
Consolidated sales	48.3		50.3		+2.0		
“NSSMC”	(8.7)		(11.3)		(+2.6)		
Amount of orders accepted	46.8		51.7		+4.9		

3Q of FY ending March 31, 2016

Consolidated Operating Income Variance



Year on year



Outlook for FY Mar.2016 Consolidated Results

(Billions of yen)

	FY ended Mar.2015 A	FY ending Mar.2016 B	Change B-A	FY 2015 Previous outlook C	Change B-C
Sales	206.3	222.0	+15.7	222.0	-
Business solutions	139.3	143.5	+4.2	143.5	-
Service solutions	67.0	78.5	+11.5	78.5	-
Gross profit	39.3	45.1	+5.8	45.1	-
<Gross profit margin>	<19.1%>	<20.3%>	<+1.2%>	<20.3%>	-
SG&A	23.1	24.5	+1.4	24.5	-
Operating income	16.2	20.6	+4.4	20.6	-
Ordinary income	16.5	21.0	+4.5	21.0	-
Profit attributable to owners of parent	9.1	13.1	+4.0	13.1	-

On January 1, 2016, stock split and Modification of the year-end dividend forecast



1. Purpose of stock split

The purpose of the stock split is to expand NSSOL's investor base and to enhance the liquidity of its stock by reducing the price per unit of shares.

2. Method of stock split

On January 1, 2016, NSSOL implemented a stock split at a ratio of 2 shares for each 1 share owned for shareholders listed or recorded in the closing register of shareholders on December 31, 2015.

3. Modification of the year-end dividend forecast

By the stock split, year-end dividend forecast will be 21.25 yen / share.



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