

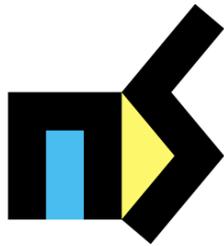


NIPPON STEEL & SUMITOMO METAL CORPORATION GROUP



Financial Information for the Third Quarter of the Fiscal Year ending March 31, 2017

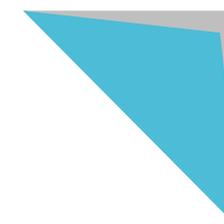
(April 1, 2016 through December 31, 2016)



NS Solutions

January 31, 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 Financial Results for 3Q of FY2016

I -1. 3Q of FY ending March 31,2017 Consolidated Financial Results

(Billions of yen)	FY ended Mar.2016		FY ending Mar.2017		Difference	
	3Q	3Q Tot.	3Q	3Q Tot.	3Q	3Q Tot.
	(Oct.-Dec.)	(Apr.-Dec.)	(Oct.-Dec.)	(Apr.-Dec.)	(Oct.-Dec.)	(Apr.-Dec.)
	A	B	C	D	C-A	D-B
Sales	50.3	156.6	52.8	158.7	+2.6	+2.1
Business solutions	32.5	100.0	34.9	103.2	+2.3	+3.2
Service solutions	17.8	56.6	18.0	55.5	+0.2	-1.1
Gross Profit	10.3	32.2	11.1	33.4	+0.8	+1.1
<Gross Profit Margin>	<20.4%>	<20.6%>	<21.0%>	<21.0%>	<+0.6%>	<+0.4%>
SG&A	5.8	18.0	5.8	18.3	+0.0	+0.3
Operating Profit	4.5	14.3	5.3	15.1	+0.8	+0.8
Recurring Profit	4.5	14.6	5.3	15.5	+0.8	+1.0
Profit attributable to owners of parent	2.8	8.9	3.5	10.1	+0.7	+1.2

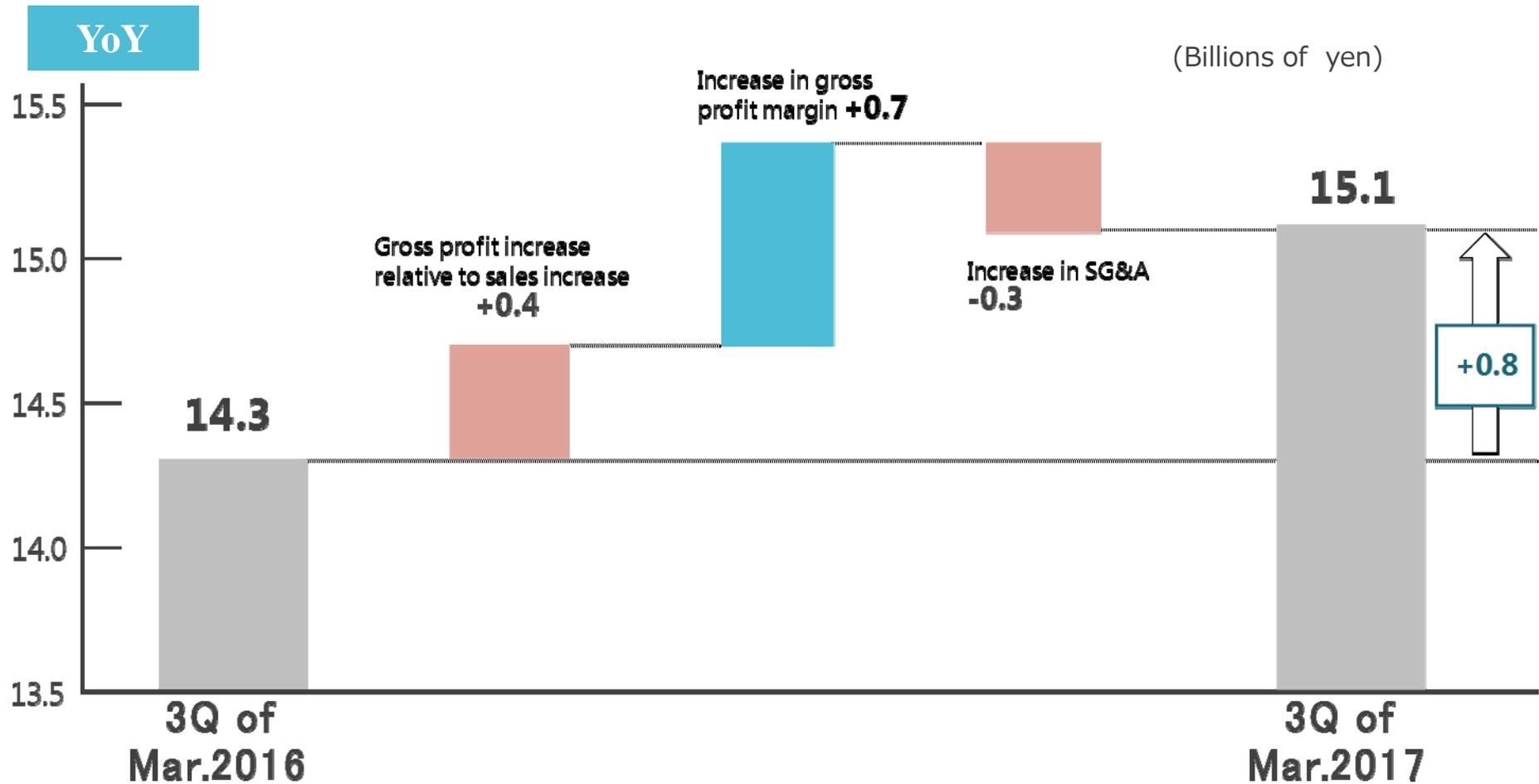
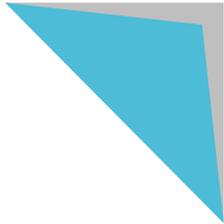
I -2. Sales by Segment / Customer Industry (3Q Total)

(Billions of yen)	3Q of FY Mar. 2016		3Q of FY Mar.2017		Difference		Comment
	Actual	IT platform	Actual	IT platform	Actual	IT platform	
	(Apr.-Dec.) A		(Apr.-Dec.) B		(Apr.-Dec.) B-A		
Business Solutions	83.0	22.8	85.5	21.2	+2.4	-1.6	
Manufacturing, Retail and Service	39.3	12.7	39.8	11.6	+0.5	-1.1	Increase in manufacturers' application development
Financial Services	26.4	6.4	26.5	6.0	+0.1	-0.4	Decrease in some major bank. Increase in other banks and securities
Government, Public organizations and Others	17.3	3.7	19.1	3.6	+1.8	-0.1	Receive large scale government's platform projects (multi-year contract)
Service Solutions	55.6		54.3		-1.3		
IT Platform	19.4	<22.8>	20.6	<21.2>	+1.2	<-1.6>	Increase in cloud.
NSSMC Group	36.2		33.7		-2.5		Decrease in NSSMC business
Subsidiaries	18.0		19.0		+1.0		
Total	156.6		158.7		+2.1		
NSSMC Sales	(35.4)		(33.5)		(-1.9)		
Order backlog at end of period	92.6		109.9		+17.3		

I -3. Sales by Segment / Customer Industry (3Q)

(Billions of yen)	3Q of FY Mar. 2016		3Q of FY Mar.2017		Difference		Comment
	Actual	IT platform	Actual	IT platform	Actual	IT platform	
	(Oct.-Dec.) A		(Oct.-Dec.) B		(Oct.-Dec.) B-A		
Business Solutions	26.9	7.2	28.3	6.1	+1.4	-1.1	
Manufacturing, Retail and Service	12.8	3.7	12.8	3.3	-0.0	-0.4	IT investment of Manufacturers' are steady. Decrease in retail and service
Financial Services	8.5	2.6	8.4	1.9	-0.2	-0.7	Decrease in some major bank. Increase in other banks and securities
Government, Public organizations and Others	5.6	0.9	7.2	0.9	+1.6	+0.0	Receive large scale government's platform projects
Service Solutions	17.4		17.6		+0.2		
IT Platform	5.9	<7.2>	6.7	<6.1>	+0.8	<-1.1>	Increase in cloud.
NSSMC Group	11.5		10.9		-0.6		Decrease in NSSMC business
Subsidiaries	5.9		6.9		+0.9		
Total	50.3		52.8		+2.6		
NSSMC Sales	(11.3)		(11.0)		(-0.4)		
Total Order	51.7		56.0		+4.3		

I -4. 3Q of FY ending March 31, 2017 Consolidated Operating Profit Breakdown



I -5. Outlook for FY Mar.2017

(Billions of yen)	FY Mar.2016 Actual A	FY Mar.2017 Co. Est B	Difference YoY B-A
Sales	218.7	223.0	+4.3
Business solutions	142.5	145.0	+2.5
Service solutions	76.2	78.0	+1.8
Gross Profit	43.7	45.7	+2.0
<Gross Profit Margin>	<20.0%>	<20.5%>	<+0.5%>
SG&A	24.4	25.1	+0.7
Operating Profit	19.3	20.6	+1.3
Recurring Profit	19.4	21.0	+1.6
Profit attributable to * owners of parent	11.2	13.5	+2.3

* Extraordinary loss on investment securities -0.5 billion yen in Mar.2016
Income taxes increased owing to the reversal of deferred tax assets due to the amendment of Corporate Tax Act. -0.5billion in Mar.2016.



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