

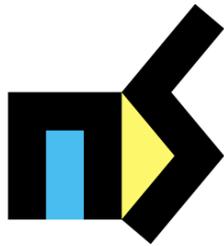


NIPPON STEEL & SUMITOMO METAL CORPORATION GROUP



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

(April 1, 2017 through December 31, 2017)

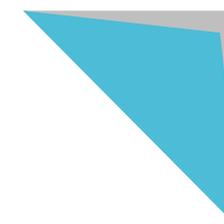


NS Solutions

January 30, 2018

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 FY2017

I -1. 3Q of FY 2017(ending March 31, 2018) Consolidated Financial Results

(¥ in billions)	FY ended Mar. 2017		FY ending Mar. 2018		Difference	
	3Q	1-3Q	3Q	1-3Q	3Q	1-3Q
	(Oct.-Dec.)	(Apr.-Dec.)	(Oct.-Dec.)	(Apr.-Dec.)	(Oct.-Dec.)	(Apr.-Dec.)
	A	B	C	D	C-A	D-B
Sales	52.8	158.7	51.8	168.3	-1.1	+9.6
Business solutions	34.9	103.2	32.5	109.3	-2.4	+6.1
Service solutions	18.0	55.5	19.3	59.0	+1.3	+3.5
Gross Profit	11.1	33.4	10.3	33.8	-0.8	+0.5
<Gross Profit Margin>	<21.0%>	<21.0%>	<19.8%>	<20.1%>	<-1.2%>	<-0.9%>
SG&A	5.8	18.3	6.5	20.0	+0.6	+1.7
Operating Profit	5.3	15.1	3.8	13.9	-1.5	-1.2
Recurring Profit	5.3	15.5	4.0	14.4	-1.4	-1.1
Profit attributable to owners of parent	3.5	10.1	3.2	9.8	-0.3	-0.3

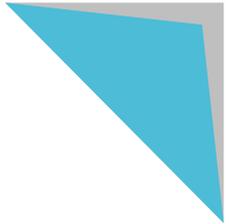
I -2. Sales by Segment / Customer Industry (3Q Total)

(¥ in billions)	3Q of FY Mar. 2017		3Q of FY Mar. 2018		Difference		Comments
	Total	IT platform	Total	IT platform	Total	IT platform	
	(Apr.–Dec.) A		(Apr.–Dec.) B		(Apr.–Dec.) B-A		
Business Solutions	85.5	21.2	90.1	21.7	+4.7	+0.5	
Manufacturing, Retail and Service	39.8	11.6	42.1	12.7	+2.2	+1.1	Increase in earnings received in e-commerce and travel related business
Financial Services	26.5	6.0	24.4	6.0	-2.1	+0.0	System consolidation project for a megabank client peaked out
Government, Public organizations and Others	19.1	3.6	23.7	3.0	+4.6	-0.7	Received orders for a large scale product procurement project for the government sector
Service Solutions	54.3		55.7		+1.5		
IT Platform	20.6	<21.2>	23.1	<21.7>	+2.5	<+0.5>	Increase in cloud service and DaaS/VDI
NSSMC Group	33.7		32.7		-1.0		Decrease in NSSMC business
Subsidiaries	19.0		22.4		+3.5		Attributable to earnings of NVC
Total	158.7		168.3		+9.6		
NSSMC Sales	(33.5)		(32.2)		(-1.3)		
Order backlog at end of period	109.9		125.8		+15.9		

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

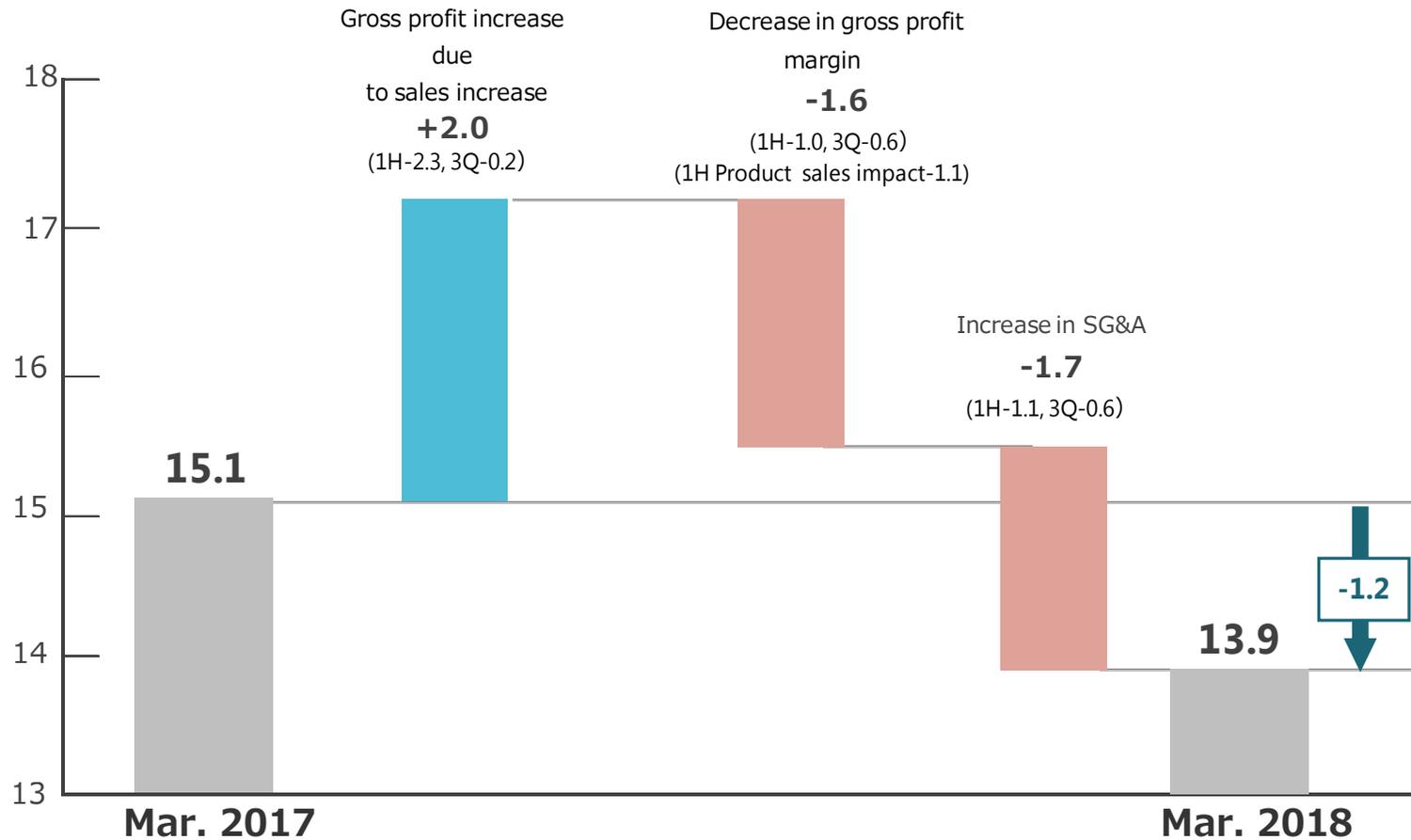
(¥ in billions)	3Q of FY Mar. 2017		3Q of FY Mar. 2018		Difference		Comments
	Total	IT platform	Total	IT platform	Total	IT platform	
	(Oct.-Dec.) A		(Oct.-Dec.) B		(Oct.-Dec.) B-A		
Business Solutions	28.3	6.1	26.3	6.4	-2.0	+0.3	
Manufacturing, Retail and Service	12.8	3.3	14.3	4.4	+1.6	+1.2	Increase in e-commerce and travel business
Financial Services	8.4	1.9	7.0	1.2	-1.3	-0.7	A mega banks system consolidation project peaked out
Government, Public organizations and Others	7.2	0.9	5.0	0.8	-2.2	-0.2	Relative decrease in large scale project for the government sector
Service Solutions	17.6		18.1		+0.4		
IT Platform	6.7	<6.1>	7.5	<6.4>	+0.8	<+0.3>	Increase in cloud and engineering
NSSMC Group	10.9		10.6		-0.4		Decrease in NSSMC business
Subsidiaries	6.9		7.4		+0.5		Attributable to earnings of NVC
Total	52.8		51.8		-1.1		
NSSMC Sales	(11.0)		(10.3)		(-0.7)		
Total Order	56.0		57.5		+1.6		

I -4. 3Q of FY 2017 (ending March 31, 2018) Consolidated Operating Profit Breakdown



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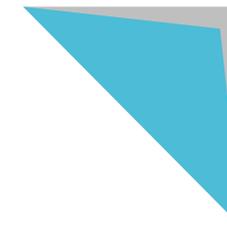
(¥ in billions)



I -5. Outlook for FY 2017(ending March 31, 2018)

(¥ in billions)	FY 2016	FY 2017	Difference
	A	Comapany Estimate B	B-A
Sales	232.5	242.0	+9.5
Business Solutions	151.8	161.0	+9.2
Service Solutions	80.6	81.0	+0.4
Gross Profit	46.5	49.7	+3.2
<Gross profit margin>	<20.0%>	<20.5%>	<+0.6%>
SG&A	24.9	27.0	+2.1
Operating Profit	21.5	22.7	+1.2
Recurring Profit	22.1	23.0	+0.9
Profit attributable to owners of parent	14.0	15.0	+1.0

Appendix



1 . Extraordinary profits and losses

① Sale of investment securities	(Extraordinary profit	+3.3 billion yen)
② Impairment on Datacenter	(Extraordinary loss	– 2.4 billion yen)
③ Plan to revise retirement benefit scheme in 4Q	(Extraordinary loss	– several hundred million yen)

2 . Cancellation of 4.8 million Treasury Stock (Decided on Jan 30, 2018)

① Dec 31, 2017	Total issued shares	99,504,740
	Total treasury stock	4,815,892
② Feb 14, 2018	Cancellation of 4.8 million of treasury stock	
	Total issued shares	94,704,740
	Total treasury stock (estimate)	15,892



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