

Financial Information for the Fiscal Year ended March 31, 2016

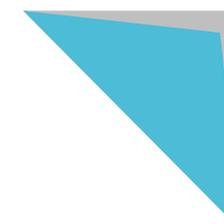
(April 1, 2015 through March 31, 2016)



NS Solutions

April 28, 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.

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II . Outlook for FY 2016

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Consolidated Financial Results

I - 1 Highlights of Consolidated Financial Results

FY2015

		YoY change	(Billions of yen)	: (Diff. with Co. Est)
● Sales	218.7	+12.4, + 6%		(-3.3)
● Operating Profit	19.3	+ 3.1, +19%		(-1.3) ^{※1}
● Net Income	11.2	+ 2.1, +23%		(-1.9) ^{※1,2,3}

※1 PBO (Projected Benefit Obligations) cost 1.2 billion

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

※3 Net income in this page means Profit attributable to owners of parent

I -2. Consolidated Financial Results

(Billions of yen)	FY Mar.2015	FY Mar.2016	Difference	FY Mar.2016	Difference
	Actual	Actual		Co. Est	Vs Co. Est
	A	B	B-A	C	B-C
Sales	206.3	218.7	+12.4	222.0	-3.3
Business solutions	139.3	142.5	+3.2	143.5	-1.0
Service solutions	67.0	76.2	+9.2	78.5	-2.3
Gross Profit	39.3	43.7	+4.4	45.1	-1.4
<Gross Profit Margin>	<19.1%>	<20.0%>	<+0.9%>	<20.3%>	<-0.3%>
SG&A	23.1	24.4	+1.3	24.5	-0.1
Operating Profit	16.2	19.3	+3.1	20.6	-1.3
Recurring Profit	16.5	19.4	+2.9	21.0	-1.6
Profit attributable to owners of parent ※	9.1	11.2	+2.1	13.1	-1.9

※Income taxes increased owing to the reversal of deferred tax assets due to the amendment of Corporate Tax Act. -0.9billion in Mar.2015, -0.5billion in Mar.2016. Extraordinary loss on investment securities -0.5 billion yen in Mar.2016

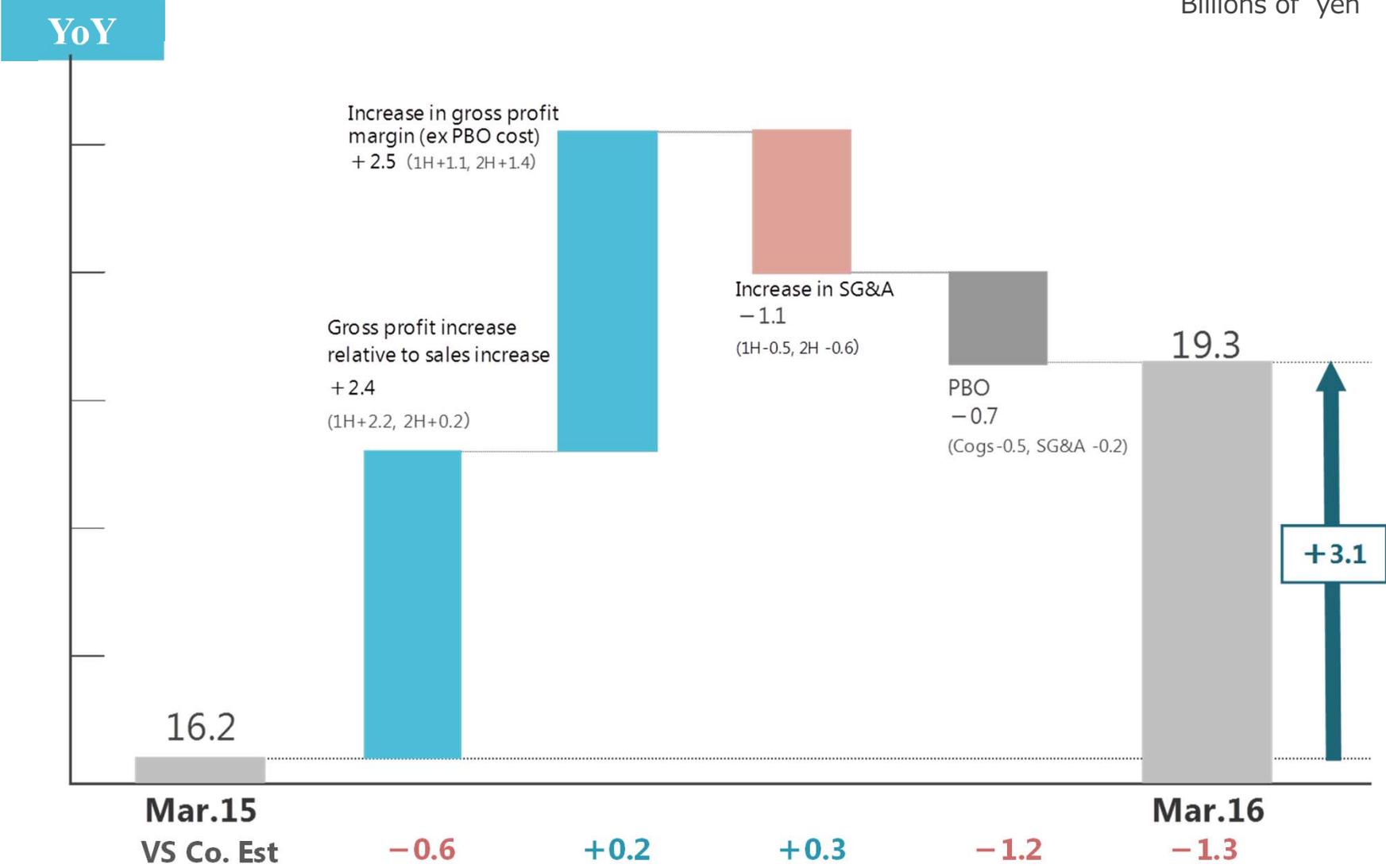
I -3. Semiannual Consolidated Results

(Billions of yen)	FY Mar.2015		FY Mar.2016		Difference		2H Co. Est E	Difference w/ Co. Est D-E
	1H	2H	1H	2H	1H	2H		
	A	B	C	D	C-A	D-B		
Sales	94.9	111.4	106.3	112.4	+11.4	+1.0	115.7	-3.3
Business Solutions	61.6	77.8	67.5	75.0	+6.0	-2.8	76.0	-1.0
Service Solutions	33.3	33.6	38.8	37.4	+5.4	+3.7	39.7	-2.3
Gross Profit	18.6	20.7	22.0	21.7	+3.4	+1.0	23.1	-1.4
<Gross profit margin>	<19.6%>	<18.6%>	<20.7%>	<19.3%>	<+1.1%>	<+0.7%>	<20.0%>	<-0.7%>
SG&A	11.6	11.5	12.2	12.3	+0.5	+0.8	12.3	-0.1
Operating Profit	7.0	9.2	9.8	9.5	+2.8	+0.2	10.8	-1.3
Recurring Profit	7.2	9.2	10.1	9.3	+2.8	+0.1	10.9	-1.6
Profit attributable to owners of parent	4.2	4.8	6.0	5.1	+1.8	+0.3	7.1	-1.9
NSSMC Sales	(18.0)	(17.7)	(24.1)	(22.8)	(+6.1)	(+5.1)	(21.9)	(+0.9)
Gross profit margin (ex PBO cost)	-	19.0%	-	20.2%	-	+1.2%	20.0%	+0.2%

I -4. Consolidated Operating Profit Breakdown



Billions of yen



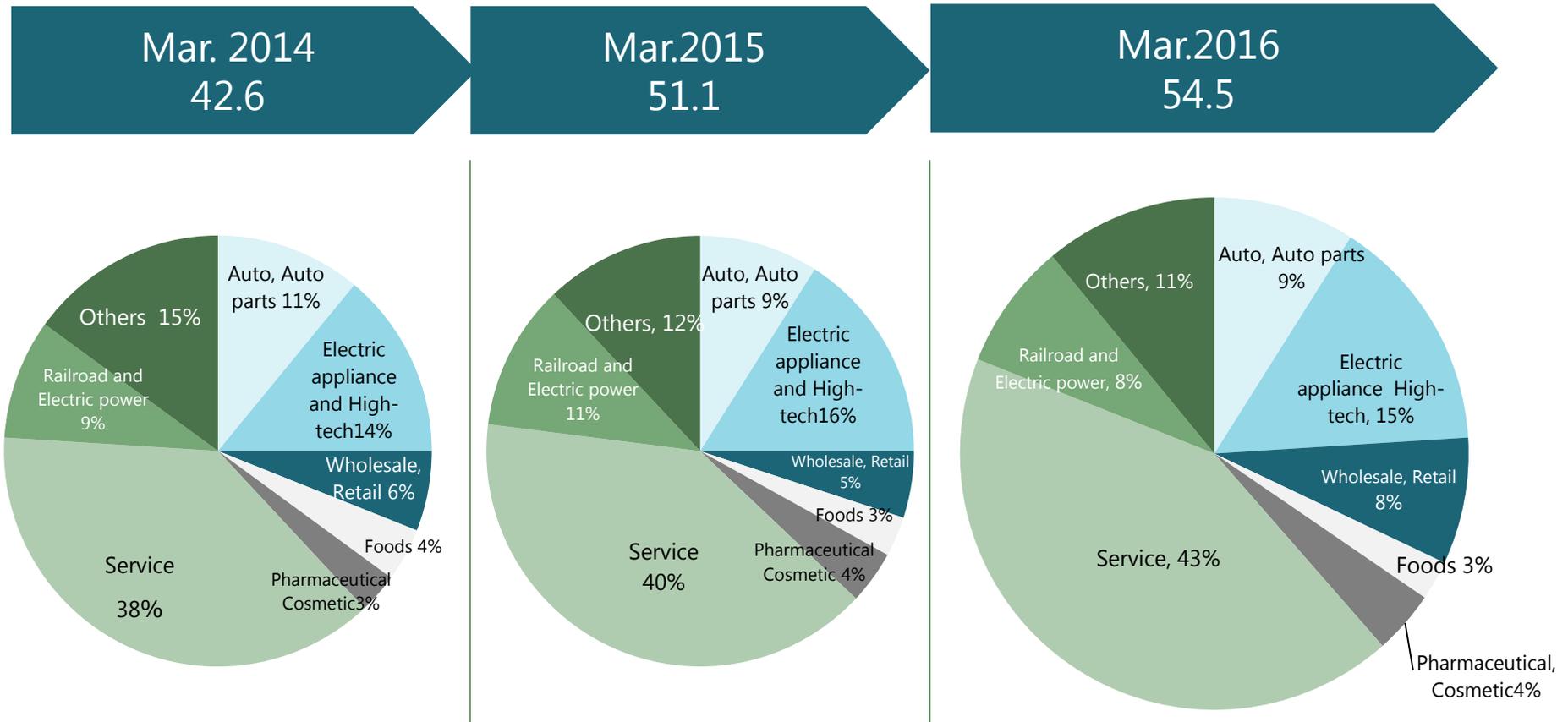
I -5. Sales by Service and Segment

(Billions of yen)	FY Mar. 2015		FY Mar.2016		Difference		Comment
	Actual A	IT platform	Actual B	IT platform	B-A	IT platform	
Business Solutions	117.0	30.7	118.4	30.8	+1.4	+0.2	
Manufacturing, Retail and Service	51.1	17.0	54.5	17.6	+3.5	+0.6	Increase in net, retail and global manufacturer
Financial Services	35.9	8.4	36.1	8.5	+0.2	+0.1	
Government, Public organizations	30.1	5.4	27.8	4.8	-2.3	-0.6	
Service Solutions	65.3		74.7		+9.4		
IT Platform	28.4	<+30.7>	27.0	<+30.8>	-1.4	<+0.2>	Increase in cloud and DC. Decrease in product and traditional operation service
NSSMC Group	36.8		47.6		+10.8		Increase in NSSMC business
Subsidiaries	24.0		25.6		+1.6		
Total	206.3		218.7		+12.4		
NSSMC Sales	(35.6)		(46.9)		(+11.2)		
Total Order	207.0		229.8		+22.8		

Business Solutions -0.5
 Service Solutions +22.4
 Subsidiaries +0.9

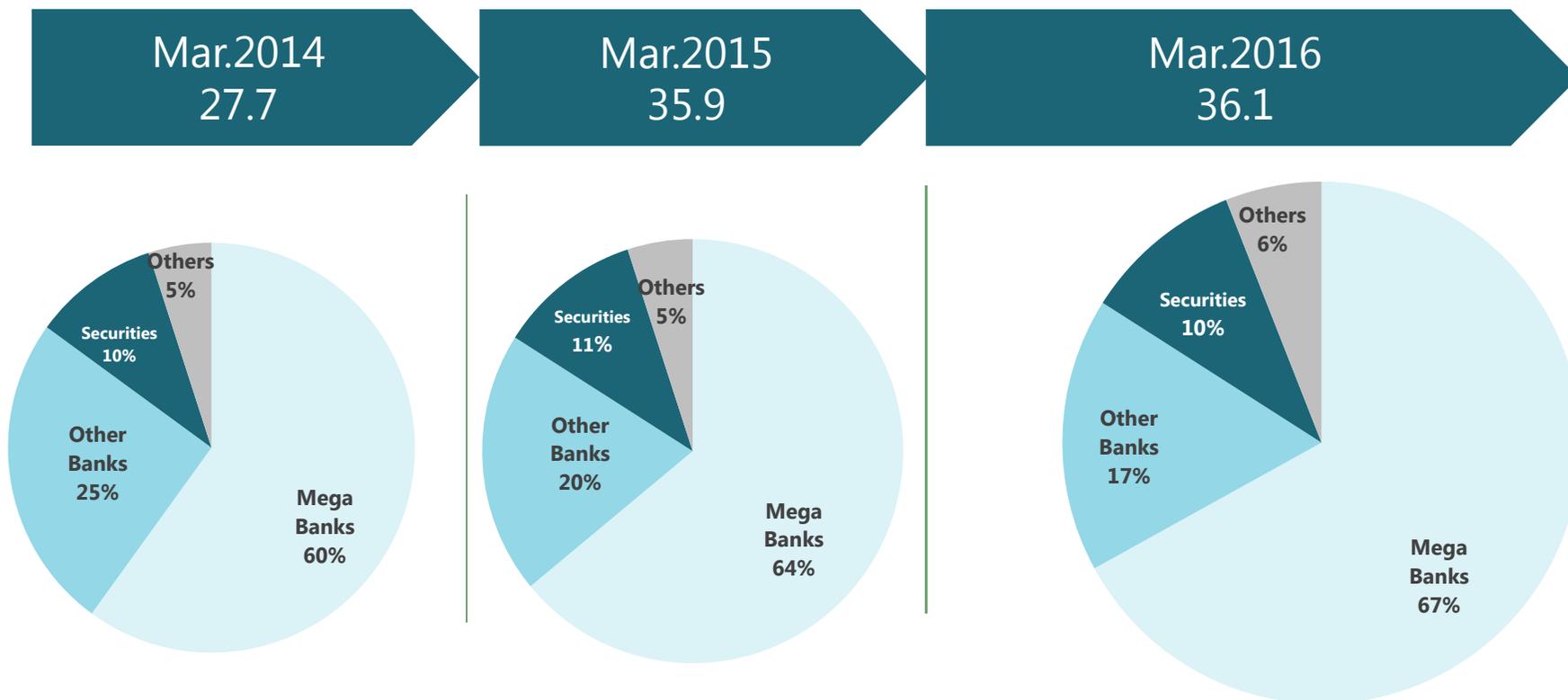
I -6. Breakdown of Sales (Manufacturing, Retail and Service)

Mar.2014~Mar.2016



I -7. Breakdown of Sales (Financial Services)

Mar.2014~Mar.2016



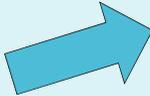


Outlook for FY2016

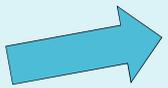
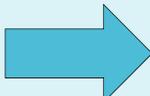
II - 1 . Current Business Conditions

Market Trend

Business solutions

<p>Manufacturing, Retail and Service</p>	<p>Manufacturers aggressively invest on strategic IT system such as PLM(*1), Production operations Net service and Retailer continue aggressive IT investment.</p>	
<p>Financial Services</p>	<p>A part of Major Bank's IT investment peaked out. However they keep their high level of IT investment due to their mid term global development plan. We are cautious with negative interest rate impact on their PL and IT investment.</p>	
<p>Government, Public organizations and others</p>	<p>Government spending for My number is steady but existing IT investment has been on decline. So we are still under competitive conditions. Telecom area has been severe however we expect new technology area is expanding.</p>	

Service solutions

<p>IT Platform</p>	<p>Install and renewal unified platform demand is steady. Terminal management IT system demand (e.g.VDI(*2)/DaaS(*3) ,MDM(*4)) is expanding. IT infrastructure demand continue to steady.</p>	
<p>Steel</p>	<p>IT investment of Nippon Steel and Sumitomo Metal is at high level due to the post merger optimization. Foreign subsidiaries' IT investment is also increasing.</p>	

*1:PLM:Product Lifecycle Management
*2:VDI:Virtual Desktop Infrastructure

*3:DaaS:Desktop as a Service
*4:MDM:Mobile Device Management

II - 2 . 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	45.3	+1.6
<Gross Profit Margin>	<20.0%>	<20.3%>	<+0.3%>
SG&A	24.4	24.7	+0.3
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

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

II - 3 . Outlook for FY Mar.2017

Sales Forecasts by Segment / Customer Industry

(Billions of yen)	FY Mar.2016		FY Mar.2017		Difference		Comment
	Actual A	IT platform	Co. Est B	IT platform	B-A	IT platform	
Business Solutions	118.4	30.8	121.0	33.5	+2.6	+2.7	
Manufacturing, Retail and Service	54.5	17.6	58.5	20.0	+4.0	+2.4	Increase in net, retail and global manufacturer
Financial Services	36.1	8.5	34.0	9.5	-2.1	+1.0	Strategic investment in Mega banks are steady. Major Bank' s IT investment for internal IT integration peaked out.
Government, Public organizations	27.8	4.8	28.5	4.0	+0.7	-0.8	Competition is still tight in public sector
Service Solutions	74.7		76.0		+1.3		
IT Platform	27.0	<30.8>	30.0	<33.5>	+3.0	<+2.7>	Increase in cloud and ITO.
NSSMC Group	47.6		46.0		-1.6		IT investment of NSSMC group is at high level but shows small slowdown due to cos-cut efforts.
Subsidiaries	25.6		26.0		+0.4		
Total	218.7		223.0		+4.3		
NSSMC Sales	(46.9)		(45.0)		(-1.9)		

II - 4 . Sales Forecasts by Service for FY Mar.2017(1H/2H)

(Billions of Yen)	FY Mar.2016 Actual			FY Mar.2017 Co. Est			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
	A	B	C	D	E	F	D-A	E-B	F-C
Sales	106.3	112.4	218.7	103.0	120.0	223.0	-3.3	+7.6	+4.3
Business Solutions	67.5	75.0	142.5	65.5	79.5	145.0	-2.0	+4.5	+2.5
Service Solutions	38.8	37.4	76.2	37.5	40.5	78.0	-1.3	+3.1	+1.8
Gross Profit	22.0	21.7	43.7	21.1	24.2	45.3	-0.9	+2.5	+1.6
<Gross profit margin>	<20.7%>	<19.3%>	<20.0%>	<20.5%>	<20.2%>	<20.3%>	<-0.2%>	<+0.8%>	<+0.3%>
SG&A	12.2	12.3	24.4	12.4	12.3	24.7	+0.2	+0.0	+0.3
Operating Profit	9.8	9.5	19.3	8.7	11.9	20.6	-1.1	+2.4	+1.3
Recurring Profit	10.1	9.3	19.4	9.0	12.0	21.0	-1.1	+2.7	+1.6
Profit attributable to owners of parent	6.0	5.1	11.2	5.6	7.9	13.5	-0.4	+2.8	+2.3
NSSMC Sales	(24.1)	(22.8)	(46.9)	(22.0)	(23.0)	(45.0)	(-2.1)	(+0.2)	(-1.9)
Order backlog at the beginning of the period	85.9	91.2		97.0			+11.1		

II – 6 . Shareholders Return policy

We highly value to maintain and strengthen our competitiveness and improve our corporate value in the long run. As for profit sharing, we pay stable dividends mindful of linkage with performance. Our basic policy is appropriate and stable dividend and secure internal reserve. As for dividend we target dividend payout ratio of 30% according to our consolidated earnings.

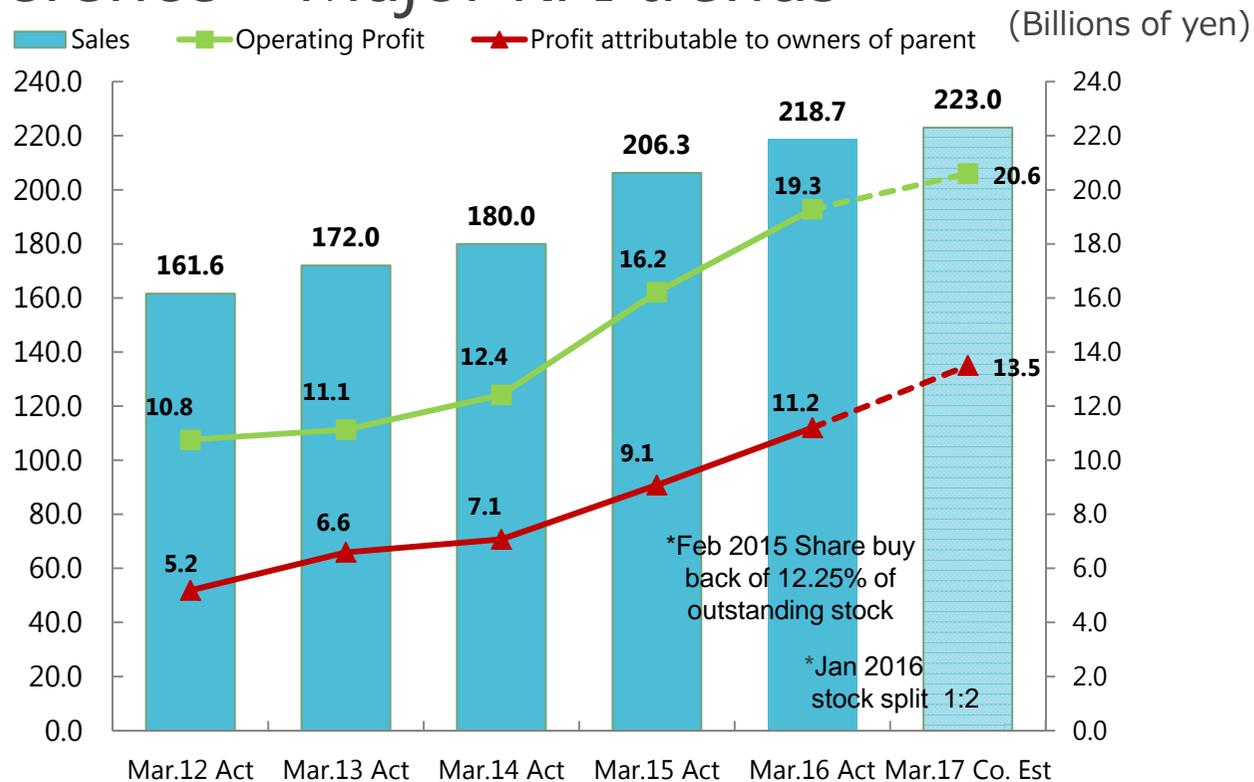
Plan for Mar.2017 Divedend

Mar.2017
45.00 yen

(Reference)
Mar.2016
42.50 yen

※We calculate FY Mar.2016 dividend based on the assumptions that we did equity split of 1:2 at the beginning of the FY Mar.2016.

II -Reference Major KPI trends



EPS(yen)	48.92	62.20	66.72	87.34	120.08	145.15
Dividend (yen)	20.00	20.00	20.00	22.50	42.50	45.00
Payout ratio(%)	40.9	32.2	30.0	25.8	35.4	31.0
ROA(%)	8.1	8.1	8.3	10.0	11.3	—
ROE(%)	6.0	7.3	7.5	9.5	11.5	—
Share holder's equity ratio	62.4	63.6	59.8	56.3	57.3	—

※We calculate EPS and Dividend based on the assumptions that we did equity split of 1:2 at the beginning of the Jan 2016.



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