

# NS Solutions Corporation

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## CONSOLIDATED FINANCIAL RESULTS (From April 1, 2010 to March 31, 2011)

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## NS Solutions

- In this material, figures have been rounded down to the nearest millions of yen.
- The financial results have been translated from the Japanese Consolidated Financial Statements, which have been audited in Japan, for reference purposes only.

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**NS SOLUTIONS CORPORATION**  
**UNAUDITED CONSOLIDATED BALANCE SHEETS**

March 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars
	2010	2011	(Note 3) 2011
<b>Assets</b>			
Current assets:			
Cash and deposits .....	¥4,389	¥5,179	\$62,288
Deposits paid .....	25,206	22,855	274,867
Notes and accounts receivable-trade .....	33,881	34,384	413,523
Short-term investment securities .....	12,518	10,082	121,254
Work in process (Note 7).....	11,219	9,980	120,026
Raw materials and supplies .....	120	126	1,518
Deferred tax assets .....	3,308	3,149	37,876
Other .....	568	621	7,472
Allowance for doubtful accounts .....	(134)	(16)	(196)
Total current assets .....	91,077	86,362	1,038,629
Noncurrent assets:			
Property, plant and equipment :			
Buildings and structures, net.....	5,884	5,879	70,713
Machinery, equipment and vehicles, net.....	3	4	55
Tools, furniture and fixtures, net.....	2,384	2,689	32,347
Land (Note 7).....	882	2,778	33,413
Lease assets, net.....	1,353	1,074	12,926
Construction in progress.....	223	2,693	32,389
Total property, plant and equipment (Note 7)...	10,733	15,120	181,842
Intangible assets:			
Software.....	526	1,045	12,574
Goodwill .....	3,012	2,847	34,243
Lease assets.....	540	350	4,216
Other .....	20	73	886
Total intangible assets .....	4,100	4,317	51,919
Investments and other assets:			
Investment securities (Note 7) .....	4,797	6,656	80,057
Long-term loans receivable from subsidiaries and affiliates .....	12,000	12,000	144,317
Deferred tax assets .....	5,142	5,536	66,582
Guarantee deposits .....	3,775	3,593	43,212
Other .....	419	395	4,754
Allowance for doubtful accounts .....	(80)	(78)	(947)
Total investments and other assets .....	26,054	28,102	337,975
Total noncurrent assets .....	40,888	47,539	571,737
Total assets .....	¥131,966	¥133,901	\$1,610,367

The accompanying notes are an integral part of these financial statements.

	Millions of yen		Thousands of U.S. dollars
			(Note 3)
	2010	2011	2011
<b>Liabilities</b>			
Current liabilities:			
Notes and accounts payable-trade .....	¥14,517	¥12,711	\$152,868
Lease obligations .....	479	445	5,362
Accounts payable-other .....	1,535	1,780	21,416
Accrued expenses .....	2,384	2,588	31,126
Income taxes payable .....	2,559	2,830	34,037
Advances received .....	8,092	6,071	73,021
Deposits received .....	297	324	3,907
Provision for bonuses .....	5,905	5,878	70,701
Provision for loss on order received (Note 7).....	239	465	5,602
Allowance for program product warranty .....	291	218	2,626
Total current liabilities .....	36,301	33,315	400,666
Noncurrent liabilities:			
Lease obligations .....	1,539	1,106	13,306
Provision for retirement benefits .....	10,898	11,844	142,445
Provision for directors' retirement benefits .....	160	174	2,102
Other .....	—	10	121
Total noncurrent liabilities .....	12,598	13,135	157,973
Total liabilities .....	48,900	46,450	558,639
<b>Net assets</b>			
Shareholders' equity:			
Capital stock .....	12,952	12,952	155,776
Capital surplus .....	9,950	9,950	119,668
Retained earnings .....	58,722	63,006	757,748
Treasury stock .....	(3)	(4)	(49)
Total shareholders' equity .....	81,621	85,905	1,033,143
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities .....	52	(34)	(415)
Revaluation reserve for land (Note 7).....	(1,276)	(1,276)	(15,357)
Foreign currency translation adjustment .....	(11)	(23)	(288)
Total accumulated other comprehensive income ...	(1,235)	(1,335)	(16,061)
Minority interests .....	2,679	2,880	34,645
Total net assets .....	83,065	87,451	1,051,727
Total liabilities and net assets .....	¥131,966	¥133,901	\$1,610,367

The accompanying notes are an integral part of these financial statements.

	Yen		U.S. dollars
			(Note 3)
	2010	2011	2011
<b>Net assets per share</b>	¥1,516.79	¥1,595.74	\$19.19

**NS SOLUTIONS CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME**  
For the fiscal years ended March 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars
	2010	2011	(Note 3) 2011
<b>Net sales</b> .....	¥152,158	¥159,697	\$1,920,599
<b>Cost of sales (Note 8)</b> .....	121,070	128,804	1,549,065
<b>Gross profit</b> .....	31,087	30,893	371,534
<b>Selling, general and administrative expenses (Note 8) ..</b>	20,297	19,816	238,317
<b>Operating income</b> .....	10,790	11,076	133,217
<b>Non-operating income:</b>			
Interest income .....	317	235	2,834
Dividends income .....	64	205	2,475
Gain on sales of securities .....	—	14	175
Equity in earnings of affiliates .....	2	—	—
Reversal of allowance for doubtful accounts .....	219	34	419
Other .....	7	9	118
Total non-operating income .....	611	500	6,021
<b>Non-operating expenses:</b>			
Interest expenses .....	75	74	901
Equity in losses of affiliates.....	—	28	347
Foreign exchange losses .....	4	0	2
Loss on retirement of noncurrent assets .....	39	38	459
Loss on valuation of golf club membership.....	—	24	295
Office transfer expenses.....	40	—	—
Other .....	20	13	167
Total non-operating expenses .....	179	180	2,171
<b>Ordinary income</b> .....	11,221	11,397	137,067
<b>Income before income taxes and minority interests</b> .....	11,221	11,397	137,067
Income taxes-current .....	4,630	4,928	59,269
Income taxes-deferred .....	148	(174)	(2,098)
Total income taxes .....	4,779	4,753	57,171
<b>Income before minority interests</b> .....	—	6,643	79,896
Minority interests in income .....	144	239	2,877
<b>Net income</b> .....	¥6,298	¥6,404	\$77,019

The accompanying notes are an integral part of these financial statements.

	Yen		U.S. dollars
	2010	2011	(Note 3) 2011
<b>Net income per share</b>	¥118.84	¥120.84	\$1.45

**NS SOLUTIONS CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
For the fiscal years ended March 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	2011	2011
<b>Income before minority interests</b> .....	—	¥6,643	\$79,896
<b>Other comprehensive income:</b>			
Valuation difference on available-for-sale securities.....	—	(87)	(1,051)
Foreign currency translation adjustment.....	—	(14)	(172)
Total other comprehensive income (Note 9).....	—	(101)	(1,223)
<b>Comprehensive income (Note 9)</b> .....	—	¥6,541	\$78,673
<b>Comprehensive income attributable to:</b>			
Comprehensive income attributable to owners of the parent.....	—	6,304	75,816
Comprehensive income attributable to minority interests.....	—	¥237	\$2,857

The accompanying notes are an integral part of these financial statements.

**NS SOLUTIONS CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**  
For the fiscal years ended March 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	2011	2011
<b>Shareholders' equity:</b>			
Capital stock			
Balance at the end of previous period .....	¥12,952	¥12,952	\$155,776
Changes of items during the period			
Total changes of items during the period .....	—	—	—
Balance at the end of current period .....	12,952	12,952	155,776
Capital surplus			
Balance at the end of previous period .....	9,950	9,950	119,668
Changes of items during the period			
Total changes of items during the period .....	—	—	—
Balance at the end of current period .....	9,950	9,950	119,668
Retained earnings			
Balance at the end of previous period .....	54,676	58,722	706,224
Changes of items during the period			
Dividends from surplus .....	(2,252)	(2,119)	(25,495)
Net income .....	6,298	6,404	77,019
Total changes of items during the period .....	4,046	4,284	51,524
Balance at the end of current period .....	58,722	63,006	757,748
Treasury stock			
Balance at the end of previous period .....	(3)	(3)	(46)
Changes of items during the period			
Purchase of treasury stock .....	(0)	(0)	(3)
Total changes of items during the period .....	(0)	(0)	(3)
Balance at the end of current period .....	(3)	(4)	(49)
Total shareholders' equity			
Balance at the end of previous period .....	77,575	81,621	981,622
Changes of items during the period			
Dividends from surplus .....	(2,252)	(2,119)	(25,495)
Net income .....	6,298	6,404	77,019
Purchase of treasury stock .....	(0)	(0)	(3)
Total changes of items during the period .....	4,046	4,283	51,521
Balance at the end of current period .....	¥81,621	¥85,905	\$1,033,143

The accompanying notes are an integral part of these financial statements.

	Millions of yen		Thousands of U.S. dollars
	2010	2011	(Note 3) 2011
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities .....			
Balance at the end of previous period .....	(¥59)	¥52	\$637
Changes of items during the period			
Net changes of items other than shareholders' equity ...	112	(87)	(1,051)
Total changes of items during the period .....	112	(87)	(1,051)
Balance at the end of current period .....	52	(34)	(415)
Revaluation reserve for land			
Balance at the end of previous period .....	(1,276)	(1,276)	(15,357)
Changes of items during the period			
Net changes of items other than shareholders' equity ...	—	—	—
Total changes of items during the period .....	—	—	—
Balance at the end of current period .....	(1,276)	(1,276)	(15,357)
Foreign currency translation adjustment			
Balance at the end of previous period .....	(13)	(11)	(137)
Changes of items during the period			
Net changes of items other than shareholders' equity ...	2	(12)	(151)
Total changes of items during the period .....	2	(12)	(151)
Balance at the end of current period .....	(11)	(23)	(288)
Total accumulated other comprehensive income			
Balance at the end of previous period .....	(1,350)	(1,235)	(14,858)
Changes of items during the period			
Net changes of items other than shareholders' equity ...	115	(100)	(1,203)
Total changes of items during the period .....	115	(100)	(1,203)
Balance at the end of current period .....	(1,235)	(1,335)	(16,061)
<b>Minority interests:</b>			
Balance at the end of previous period .....	2,631	2,679	32,224
Changes of items during the period			
Net changes of items other than shareholders' equity .....	47	201	2,421
Total changes of items during the period .....	47	201	2,421
Balance at the end of current period .....	2,679	2,880	34,645
<b>Total net assets:</b>			
Balance at the end of previous period .....	78,856	83,065	998,989
Changes of items during the period			
Dividends from surplus .....	(2,252)	(2,119)	(25,495)
Net income .....	6,298	6,404	77,019
Purchase of treasury stock .....	(0)	(0)	(3)
Net changes of items other than shareholders' equity .....	163	101	1,218
Total changes of items during the period .....	4,209	4,385	52,738
Balance at the end of current period .....	¥83,065	¥87,451	\$1,051,727

The accompanying notes are an integral part of these financial statements.

**NS SOLUTIONS CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the fiscal years ended March 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	2011	2011
<b>Net cash provided by (used in) operating activities:</b>			
Income before income taxes and minority interests .....	¥11,221	¥11,397	\$137,067
Depreciation and amortization .....	2,137	2,257	27,147
Amortization of goodwill .....	165	165	1,985
Increase (decrease) in allowance for doubtful accounts .....	(674)	(120)	(1,450)
Increase (decrease) in provision for bonuses .....	(31)	(26)	(316)
Increase (decrease) in provision for retirement benefits ...	534	945	11,373
Increase (decrease) in provision for directors' retirement benefits .....	(94)	14	174
Increase (decrease) in other provision .....	118	152	1,836
Interest and dividends income .....	(381)	(441)	(5,308)
Loss on valuation of golf club memberships .....	—	24	295
Interest expenses .....	75	74	901
Equity in (earnings) losses of affiliates .....	(2)	28	347
Loss on retirement of noncurrent assets .....	39	38	459
Decrease (increase) in notes and accounts receivable .....	(514)	(508)	(6,115)
Decrease (increase) in inventories .....	171	1,233	14,834
Decrease (increase) in other current assets .....	62	(81)	(983)
Increase (decrease) in notes and accounts payable-trade ..	(259)	(1,804)	(21,703)
Increase (decrease) in other current liabilities .....	508	(1,591)	(19,138)
Other, net .....	23	17	205
Sub total .....	13,099	11,774	141,611
Interest and dividends income received .....	365	481	5,792
Interest expenses paid .....	(75)	(74)	(901)
Income taxes paid .....	(6,168)	(4,665)	(56,111)
<b>Net cash provided by (used in) operating activities .....</b>	<b>7,221</b>	<b>7,515</b>	<b>90,391</b>
<b>Net cash provided by (used in) investing activities:</b>			
Purchase of short-term investment securities .....	(8,146)	(8,039)	(96,690)
Proceeds from redemption of securities .....	4,350	11,000	132,291
Purchase of property, plant and equipment and intangible assets .....	(1,608)	(7,010)	(84,314)
Purchase of investment securities .....	(2,871)	(2,001)	(24,068)
Proceeds from sales of investment securities .....	7	21	260
Proceeds from redemption of investment securities .....	3,000	—	—
Payments of loans receivable from subsidiaries and affiliates ... ..	(12,000)	—	—
Collection of loans receivable from subsidiaries and affiliates .....	12,000	—	—
Purchase of stocks of subsidiaries and affiliates .....	—	(21)	(253)
Payments for guarantee deposits .....	(1,266)	(11)	(143)
Proceeds from collection of guarantee deposits .....	612	190	2,292
Other, net .....	192	(26)	(314)
<b>Net cash provided by (used in) investing activities .....</b>	<b>(¥5,731)</b>	<b>(¥5,898)</b>	<b>(\$70,939)</b>

The accompanying notes are an integral part of these financial statements.

	Millions of yen		Thousands of U.S. dollars
			(Note 3)
	2010	2011	2011
<b>Net cash provided by (used in) financing activities:</b>			
Repayment of long-term loans payable .....	(¥12)	¥—	\$—
Purchase of treasury stock .....	(0)	(0)	(3)
Cash dividends paid .....	(2,252)	(2,119)	(25,495)
Cash dividends paid to minority shareholders .....	(96)	(36)	(436)
Repayments of lease obligations .....	(441)	(484)	(5,828)
Net cash provided by (used in) financing activities .....	(2,802)	(2,641)	(31,763)
Effect of exchange rate change on cash and cash equivalents ...	1	(7)	(93)
Net increase (decrease) in cash and cash equivalents .....	(1,311)	(1,031)	(12,404)
<b>Cash and cash equivalents at beginning of period</b>	<b>35,427</b>	<b>34,115</b>	<b>410,291</b>
<b>Cash and cash equivalents at end of period (Note 11)</b>	<b>¥34,115</b>	<b>¥33,084</b>	<b>\$397,887</b>

The accompanying notes are an integral part of these financial statements.

# NS SOLUTIONS CORPORATION

## NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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### 1. Nature of Operations

NS Solutions Corporation (referred to as the “Company”) was incorporated on October 1, 1980 as Nippon Steel Computer Systems Co., Ltd., a wholly owned subsidiary of Nippon Steel Corporation. The Company changed its name in 1988 to Nippon Steel Information & Communication Systems Inc, or ENICOM. Effective April 1, 2001, the Company acquired part of the business of the Electronics & Information Systems Division of Nippon Steel (“EI Division”) and changed its name to NS Solutions Corporation on that date. On October 11, 2002, the Company was successfully listed on the First Section of the Tokyo Stock Exchange. The parent company holds 67.0% of the Company’s voting rights, as of March 31, 2011.

NS Solutions Corporation and its consolidated subsidiaries (together, referred to as the “Companies”) are leading information technology solution providers in Japan. The Companies provide integrated solutions, which address their customers’ needs for both business applications and system platforms. The Companies provide end-to-end services, including system consulting, planning, design, development, deployment, operation, and maintenance, and total end-to-end outsourcing services. The Companies are proficient in providing multi-vendor and mission critical systems solutions, as well as incorporating best-of-breed products and technologies to address customer needs.

The Companies’ principal business lines are:

- Business Solutions

The Companies provide solutions for industry-specific business applications to corporate enterprises, government agencies and public organizations.

- Platform Solutions

The Companies provide solutions for system platforms including middleware, databases, operating systems, networking systems, storage systems, security systems, and services which enable systems running on diverse platforms to collaborate with each other.

- Business Services

The Companies provide system operation and maintenance services and total end-to-end outsourcing services.

### 2. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of the Companies have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

# NS SOLUTIONS CORPORATION

## NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Companies prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

### 3. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of readers. The rate of ¥83.15 = U.S. \$1, the effective rate of exchange prevailing at March 31, 2011, has been used in translation of yen amounts to U.S. dollar amounts. The inclusion of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled in U.S. dollars at this or any other rate.

### 4. Summary of Significant Accounting Policies

#### (1) Principles of consolidation

The consolidated financial statements for the fiscal year ended March 31, 2011, include the accounts of the Company and its 14 significant subsidiaries, as listed below:

- Hokkaido NS Solutions Corporation
- Tohoku NS Solutions Corporation
- NS Solutions Tokyo Corporation
- NS Solutions Kansai Corporation
- NS Solutions Chubu Corporation
- NS Solutions Nishinohon Corporation
- Oita NS Solutions Corporation(※)
- NS SLC Service Corporation
- NS FMC Corporation
- Financial Engineering Group, Inc.
- NCI Systems Integration, Inc.
- Nittetsu Hitachi Systems Engineering, Inc.
- NS Solutions Software (Shanghai) Co., Ltd.
- NS Solutions USA Corporation

※Effective April 1, 2010, NS Solutions Oita Corporation acquired part of the business of the Oita Regional Office of NS Solutions Corporation and changed its name to Oita NS Solutions Corporation on that date.

All significant inter-company accounts and transactions and unrealized inter-group profit, if any, have been eliminated on consolidation.

# NS SOLUTIONS CORPORATION

## NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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The Company's overseas subsidiaries, NS Solutions Software (Shanghai) Co., Ltd. and NS Solutions USA Corporation, have a fiscal year ending December 31, which differ from that of the Company. These subsidiaries do not prepare financial statements at any date after December 31 or on or before March 31 in the following year. Any material transactions occurring in the period, January 1 to March 31, are adjusted for in these consolidated financial statements.

### **(2) Investments in affiliates**

The Company's investment in the affiliate was accounted for using the equity method for the fiscal year ended March 31, 2011 as listed below:

Hokkaido High Information Technology Center Co., Ltd.  
Himawari Operation Enterprise Corporation. (※)

※The Companies added "Himawari Operation Enterprise Corporation (HOPE)" to scope of application of the equity method from the second quarter of the fiscal year ending March 31, 2011, as a result of newly acquisition of shares. The Companies deemed the acquisition date to be September 30, 2010.

### **(3) Translation of foreign currency**

Assets and liabilities denominated in foreign currencies are translated into yen at the exchange rate prevailing at the relevant balance sheet date.

Assets, liabilities and all income and expense accounts of foreign subsidiaries are translated into Japanese yen at the exchange rate prevailing at the relevant balance sheet date. Shareholders' equity accounts of foreign subsidiaries are translated at historical rates.

The net difference arising from translation of the financial statements of the foreign subsidiary is recorded as "Foreign currency translation adjustment" in the accompanying consolidated balance sheets.

### **(4) Investment securities**

Investment securities consist of held-to-maturity investments, available-for-sale securities with market quotation, available-for-sale securities without market quotation.

Held-to-maturity investments are valued at cost, adjusted for the amortization of premium or the accretion of discounts based on straight line method.

Available-for-sale securities with market quotation are valued at market value. Unrealized holding gains, net of tax, are recognized in "Unrealized gain on available-for-sale securities" as a separate component of net assets.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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Available-for-sale securities without market quotation are stated at cost.

The cost of available-for-sale securities sold is principally based on the moving average method.

**(5) Inventories**

Inventories are valued at cost as determined by the following methods:

Work in process ..... Individual cost method, which reduces the book value of inventories based on the decrease in profitability.

Merchandise and supplies ..... primarily, the average method, which reduces the book value of inventories based on the decrease in profitability.

**(6) Property, Plant and Equipment**

Depreciation on property, plant and equipment is computed principally using the declining-balance method over the estimated useful lives of the assets. However, depreciation of buildings (excluding structures attached to the buildings) acquired on or after April 1, 1998, has been computed using the straight-line method.

**(7) Intangible fixed assets**

Amortization of intangible fixed assets is computed using the straight-line method over the estimated useful lives of the assets. Software costs for internal use are amortized over their estimated useful lives (less than 5 years) on a straight-line basis.

**(8) Leased assets**

The finance lease assets that do not transfer ownership are depreciated by the straight-line method over the lease period, with no residual value at the end of the lease period.

**(9) Allowance for doubtful accounts**

Receivables are required to be categorized into “normal receivables” and “doubtful receivables” for the purpose of providing an allowance for doubtful accounts under prevailing accounting practice in Japan. Allowance for normal receivables is provided based on the Companies’ historical write-off experiences. Allowance for doubtful receivables is provided based on an estimate of uncollectible amount on an individual doubtful receivables.

**(10) Provision for bonuses**

Provision for bonuses is provided at the estimated amount, which the Companies are obliged to pay employees after fiscal year-end, based on their service for the fiscal year ended on the relevant balance sheet date.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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**(11) Provision for loss on order received**

Provision for loss on order received is provided based on the excess of estimated costs over contract revenue.

**(12) Allowance for program product warranty**

Allowance for program product warranty is provided at the estimated amount computed by the actual rate of the past expenditure.

**(13) Retirement benefits**

**(a) Provision for retirement benefits**

The employees of the Company and its major consolidated subsidiaries are generally covered by defined benefit pension plan under which retiring employees are entitled to lump-sum payments determined by reference to current rates of pay, length of service and conditions under which the termination occurs.

Accrued employees' retirement benefits of the Company and its major consolidated subsidiaries are provided based on the estimated present value of projected benefit obligations.

Net obligation at translation on the employees' retirement benefits plan is charged to income or expense as incurred.

Actuarial gains (losses) are charged to income or expense as incurred.

**(b) Provision for directors' retirement benefits**

Provision for directors' retirement benefits of the Companies are calculated based on the Companies' internal rules and the estimated amount, which would be payable if all directors and corporate auditors retired at the relevant balance sheet date.

**(14) Revenues and costs recognition of Made-to-order-software**

The Companies have been applying the percentage of completion method in case that the outcome of the construction activity is deemed certain (the degree of completion of construction is estimated by the cost-to-cost method). In other case, the Companies have been applying the completed-contract method in case that the outcome of the construction activity is deemed uncertain.

**(15) Goodwill**

Goodwill arising from mergers, which represents the excess of the purchase price over the fair value of net assets acquired, have been amortized on a straight line basis over the respective estimated useful lives. When its amount is not material, it is charged to expense as incurred.

# NS SOLUTIONS CORPORATION

## NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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### **(16) Cash and cash equivalents**

In preparing the consolidated statements of cash flows, cash on hand, readily available deposits and short-term highly liquid investments with maturity of not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

### **(17) Accounting for consumption tax**

Consumption tax is excluded from the figures of the accompanying financial statements.

## **5. Change in Accounting Principle**

Beginning with the first quarter of the fiscal year ending March 31, 2011, the Companies have applied “Accounting Standards for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008). The effect of this change was none.

## **6. Change in Presentation**

(Consolidated Statements of Income)

The Companies have applied the “Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No.5, March 24, 2009) based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22, December 26, 2008) from the first quarter. As a result, “Income before minority interests” was presented on the consolidated financial statements for the fiscal year ending March 31, 2011.

For the fiscal year ended March 31, 2011, “Loss on valuation of golf club membership” was presented as separate line items due to increases in materiality.

“Loss on valuation of golf club membership” which was presented aggregately in “Other” in “Non-operating expenses” for the fiscal year ended March 31, 2010, was ¥10 million.

(Consolidated Statements of Cash Flows)

For the fiscal year ended March 31, 2011, “Loss on valuation of golf club memberships” was presented as separate line items due to increases in materiality.

“Loss on valuation of golf club memberships” which was presented aggregately in “Other, net” in “Net cash provided by (used in) operating activities” for the fiscal year ended March 31, 2010, was ¥10 million.

# NS SOLUTIONS CORPORATION

## NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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(Additional information)

“Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, June 30, 2010) was applied for the fiscal year ended March 31, 2011.

The amount of “Valuation and translation adjustments” and “Total valuation and translation adjustments” of the last fiscal year were shown as those of “Accumulated other comprehensive income” and “Total accumulated other comprehensive income”.

### 7. Notes to Consolidated Balance Sheets

#### (1) Depreciation on Property, Plant and Equipment

Property, plant and equipment were recorded at cost, net of accumulated depreciation of ¥10,845 million and ¥11,892 million (\$143,025 thousand) at March 31, 2010 and 2011, respectively.

#### (2) Investment in non-consolidated subsidiaries and affiliates

Investment in non-consolidated subsidiaries and affiliates were ¥10 million and ¥ 12 million (\$155 thousand) on March 31, 2010 and 2011, respectively.

#### (3) Revaluation of Land

Land used for business purposes was revalued in accordance with the “Law Concerning the Revaluation of Land” as at March 31, 2000. Under the law, Japanese companies were allowed to revalue the land used for business purposes to fair value only for the limited period during the year ended March 31, 1998 to March 31, 2001. Unrealized gains and losses were charged directly to net assets, rather than to the income statement. Application of the law was voluntary, but permitted only one time during the three-year period.

The detail of the revaluation is as follows:

- Method of revaluation

The calculations were made in accordance with the “Law Concerning the Revaluation of Land”.

- Date of revaluation

The companies revalued based on the fair value as of March 31, 2000.

- The difference between the fair value and book value as of March 31, 2010 and 2011 amounted to ¥160 million and ¥180 million (\$2,172 thousand), respectively.

#### (4) Work in process and provision for contract loss for the same Made-to-order-software

With respect to the work in process and the provision for contract loss for the same made-to-order software, the Companies are not offset but individually reported .

The amount of the provision for contract loss in the inventories offset were ¥188 million and ¥122 million (\$1,474 thousand) on March 31, 2010 and 2011, respectively.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**(5) Contingent Liabilities**

The Companies' loss contingencies for guaranteeing the indebtedness of other parties were ¥8 million and ¥ 5 million (\$70 thousand) on March 31, 2010 and 2011, respectively, each of which were Guarantees for bank loans of the Hokkaido High Information Technology Center Co. Ltd.

**8. Notes to Consolidated Statements of Income**

**(1) Selling, General and Administrative Expenses**

The main components of selling, general and administrative expenses for the fiscal years ended March 31, 2010 and 2011 were as follows:

March 31,	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	2011	2011
Salaries and allowances .....	¥ 7,456	¥ 7,302	\$ 87,822
Provision for bonuses .....	1,169	1,160	13,957
Retirement benefit expenses .....	381	493	5,940
Provision for directors' retirement benefits.....	35	32	386
Depreciation and amortization .....	208	177	2,137
Amortization of goodwill.....	165	165	1,985
Operating expense for acceptance of orders .....	¥ 3,279	¥ 3,045	\$ 36,624

**(2) Research and Development Costs**

Research and development costs are charged to expense as incurred. The expense were recorded as general and administrative expenses and manufacturing costs for the fiscal years ended March 31, 2010 and 2011 amounting to ¥1,288 million and ¥ 1,544 million (\$18,579 thousand), respectively.

**(3) Provision for loss on order received**

Provision for loss on order received was recorded as Cost of sales for the fiscal years ended March 31, 2010 and 2011 amounting to ¥239 million and ¥ 465 million (\$5,602 thousand), respectively.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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**9. Notes to Consolidated Statements of Comprehensive Income**

**(1) Comprehensive income for the last fiscal year ended March 31, 2010**

March 31,	Millions of yen
	2010
Comprehensive income attributable to owners of the parent.....	¥ 6,413
Comprehensive income attributable to minority interests .....	144
Total .....	¥ 6,558

**(2) Other comprehensive income for the last fiscal year ended March 31, 2010**

March 31,	Millions of yen
	2010
Unrealized gain on available-for-sale securities....	¥ 112
Foreign currency translation adjustment .....	3
Total .....	¥ 115

**10. Notes to Consolidated Statements of Changes in Net Assets**

**(For the fiscal year ended March 31, 2010)**

**(1) Information on issued shares**

The number of shares as of March 31, 2010 was as follows:

Kind of stock	As of March 31, 2009	Increase	Decrease	As of March 31, 2010
Common stock	52,999,120	—	—	52,999,120

**(2) Information on treasury stock**

The number of shares as of March 31, 2010 was as follows:

Kind of stock	As of March 31, 2009	Increase	Decrease	As of March 31, 2010
Common stock	1,299	15	—	1,314

(Reason for increase or decrease treasury stock)

• Increase

Odd lot stock purchases:15

**(3) Information on acquisition rights**

None

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**(4) Information on dividends**

The Company paid cash dividends on June 1, 2009 and December 4, 2009 as follows:

Date of board resolution	Class of stock	Source of dividends	Total dividend amount	Dividend per share	Reference date	Effective date
May 15, 2009	Common stock	Retained earnings	¥1,192 million	¥22.50	March 31, 2009	June 1, 2009
October 29, 2009	Common stock	Retained earnings	¥1,059 million	¥20.00	September 30, 2009	December 4, 2009

The Company decided to pay cash dividends at the board of directors' meeting held on May 18, 2010 as follows:

Date of board resolution	Class of stock	Source of dividends	Total dividend amount	Dividend per share	Reference date	Effective date
May 18, 2010	Common stock	Retained earnings	¥1,059 million	¥20.00	March 31, 2010	June 2, 2010

**(For the fiscal year ended March 31, 2011)**

**(1) Information on issued shares**

The number of shares as of March 31, 2011 was as follows:

Kind of stock	As of March 31, 2010	Increase	Decrease	As of March 31, 2011
Common stock	52,999,120	—	—	52,999,120

**(2) Information on treasury stock**

The number of shares as of March 31, 2011 was as follows:

Kind of stock	As of March 31, 2010	Increase	Decrease	As of March 31, 2011
Common stock	1,314	162	—	1,476

(Reason for increase or decrease treasury stock)

• Increase

Odd lot stock purchases: 162

**(3) Information on acquisition rights**

None

**(4) Information on dividends**

The Company paid cash dividends on June 2, 2010 and December 3, 2010 as follows:

Date of board resolution	Class of stock	Source of dividends	Total dividend amount	Dividend per share	Reference date	Effective date
May 18, 2010	Common stock	Retained earnings	¥1,059 million	¥20.00	March 31, 2010	June 2, 2010
October 27, 2010	Common stock	Retained earnings	¥1,059 million	¥20.00	September 30, 2010	December 3, 2010

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

The Company decided to pay cash dividends at the board of directors' meeting held on May 17, 2011 as follows:

Date of board resolution	Class of stock	Source of dividends	Total dividend amount	Dividend per share	Reference date	Effective date
May 17, 2011	Common stock	Retained earnings	¥1,059 million	¥20.00	March 31, 2011	June 2, 2011

**11. Notes to Consolidated Statements of Cash Flows**

**(1) Cash and Cash Equivalents**

Cash and cash equivalents at March 31, 2010 and 2011 were as follows:

March 31,	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	2011	2011
Cash and deposits .....	¥ 4,389	¥ 5,179	\$ 62,288
Deposits paid .....	25,206	22,855	274,867
Short-term investment securities (maturing in less than three months from acquisition date) .....	4,520	5,049	60,732
Cash and cash equivalents .....	¥ 34,115	¥ 33,084	\$ 397,887

**(2) Non-cash investing and financing transactions**

**(For the fiscal year ended March31, 2010)**

Assets and liabilities related to finance lease transactions newly recognized for the fiscal year ended March 31, 2010, were ¥2,097 million and ¥2,202 million, respectively.

**(For the fiscal year ended March31, 2011)**

None

**12. Segment Information**

**(For the fiscal year ended March31, 2010)**

**(1) Industry segment information**

The Companies respond to customer needs through the supply of a variety of information services ranging from information system planning through software development, hardware selection, system operation and system support. Based on the similarities in the type and nature of business, the Companies' business constitutes a single segment and accordingly, industry segment information was not disclosed.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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**(2) Geographic segment information**

The domestic proportion in relation to all segments was in excess of 90% in terms of both net income and total assets. Accordingly, geographic segment information was not separately disclosed.

**(3) Overseas sales**

The share of overseas sales to consolidated net sales was less than 10%. Accordingly, overseas sales information was not separately disclosed.

**(For the fiscal year ended March 31, 2011)**

**(1) Segment information**

(Additional Information)

“Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Guidance No. 20, March 21, 2008) were applied for the fiscal year ended March 31, 2011.

The Companies respond to customer needs through the supply of a variety of information services ranging from information system planning through software development, hardware selection, system operation and system support. Based on the similarities in the type and nature of business, the Companies’ business constitutes a single segment and accordingly, segment information was not disclosed.

**(2) Related information**

① Sales of each business line

March 31,	Millions of yen	Thousands of U.S.
	2011	dollars (Note 3) 2011
Business Solutions.....	¥ 88,411	\$ 1,063,281
Platform Solutions.....	18,802	226,133
Business Services.....	52,482	631,184
<b>Total.....</b>	<b>¥ 159,697</b>	<b>\$ 1,920,599</b>

② Geographic segment information

1) Sales

The domestic proportion in relation to all segments was in excess of 90% in terms of net income. Accordingly, geographic segment information was not separately disclosed.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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2) Property, Plant and Equipment

Property, plant and equipment information by geographic segment was not separately disclosed since property, plant and equipment in Japan accounted for over 90% of property, plant and equipment on the consolidated balance sheets.

③ Information by major customers

	Millions of yen	Thousands of U.S. dollars (Note 3)
March 31,	2011	2011
Nippon Steel Corporation.....	¥ 29,170	\$ 350,813

(3) Information on impairment loss in noncurrent assets by business segment

None

(4) Information on amortization of goodwill and unamortized balance by business segment

	Millions of yen	Thousands of U.S. dollars (Note 3)
March 31,	2011	2011
Amortization of goodwill.....	¥ 165	\$ 1,985
Balance at end of period.....	¥ 2,847	\$ 34,243

(5) Information on negative goodwill by business segment

None

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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**13. Leases**

**(1) Finance lease transactions**

Leased assets, and related expenses in respect of the Companies' finance leases, other than those which transfer ownership of the leased assets, are accounted for using a method similar to that used for operating leases.

Depreciation is computed using the straight-line method over the lease period of leased assets, with no residual value at the end of the lease period. The interest expense portion is determined by subtracting an amount equivalent to the acquisition cost from the total lease fee. Total interest payments over the lease period are allocated to each period using the interest method.

**(2) Operating lease transactions**

(Leases as lessee)

Operating lease payments under non-cancelable lease contracts at March 31, 2010 and 2011 were as follows:

March 31,	Millions of yen		Thousands of U.S.
	2010	2011	dollars (Note 3)
Within one year .....	¥ 1,412	¥ 1,356	\$ 16,319
Over one year .....	4,935	3,379	40,644
<b>Total .....</b>	<b>¥ 6,348</b>	<b>¥ 4,736</b>	<b>\$ 56,963</b>

(Leases as lessor)

Future minimum lease obligations under non-cancellable operating leases at March 31, 2010 and 2011 were as follows:

March 31,	Millions of yen		Thousands of U.S.
	2010	2011	dollars (Note 3)
Within one year .....	¥ —	¥ 20	\$242
Over one year .....	—	52	626
<b>Total .....</b>	<b>¥ —</b>	<b>¥ 72</b>	<b>\$ 869</b>

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**14. Related Party Transactions**

Related party transactions during the years ended March 31, 2010 and 2011 were as follows:

**(1) Parent company**

March 31,	2010	2011
Name of the company .....	Nippon Steel Corporation	Nippon Steel Corporation
Address.....	Chiyoda-ku Tokyo	Chiyoda-ku Tokyo
Common stock amount.....	¥ 419,524 million	¥ 419,524 million
Type of business .....	Manufacturing, selling and engineering steel products	Manufacturing, selling and engineering steel products
Equity share percentage of the Company	67% (direct)	67% (direct)
Relationship.....	Sales of systems integration services Loan Directors and auditors who have a position in both companies	Sales of systems integration services Loan Directors and auditors who have a position in both companies
Transaction amounts:		
Sales of systems integration services.....	¥ 26,506 million	¥ 27,632 million (\$ 332,316 thousand)
Interest income.....	¥ 117 million	¥ 126 million (\$ 1,515 thousand)
Balances at fiscal year-end:		
Accounts receivable.....	¥ 1,998million	¥ 1,993 million (\$ 23,979 thousand)
Long-term loans receivable from subsidiaries and affiliates .....	¥ 12,000 million	¥ 12,000 million (\$ 144,317 thousand)
Advanced received .....	¥ 4,621 million	¥ 2,377 million (\$ 28,595 thousand)

\* The terms and conditions applicable to the above transactions were determined on an arm's length basis and with reference to normal market prices.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**(2) Subsidiary of Nippon Steel Corporation**

March 31,	2010	2011
Name of the company .....	Nittetsu Finance Co., Ltd.	Nittetsu Finance Co., Ltd.
Address.....	Chiyoda-ku Tokyo	Chiyoda-ku Tokyo
Common stock amount.....	¥ 1,000 million	¥ 1,000 million
Type of business.....	Financing	Financing
Relationship .....	Deposit of funds	Deposit of funds
Transaction amounts:		
Interest income.....	¥ 84 million	¥ 48million (\$ 588 thousand)
Money deposited.....	¥ 36,600 million	¥ 24,600 million (\$ 295,851 thousand)
Money refunded.....	¥ 34,000 million	¥ 27,000 million (\$ 324,714 thousand)
Balances at fiscal year-end:		
Deposited money .....	¥ 25,206 million	¥ 22,855 million (\$ 274,867 thousand)

\* The terms and conditions applicable to the above transactions were determined on an arm's length basis and with reference to normal market prices.

March 31,	2010	2011
Name of the company .....	—	Nippon Steel Engineering Co., Ltd
Address.....	—	Shinagawa-ku Tokyo
Common stock amount.....	—	¥ 15,000 million
Type of business.....	—	Manufacturing and marketing of industrial machinery and equipment as well as steel structures, performance of construction work under contract, waste processing and recycling, and supplying electricity, gas, and heat
Relationship .....	—	Data center construction
Transaction amounts:		
Data center construction.....	—	¥ 2,320 million (\$ 27,909 thousand)
Balances at fiscal year-end:		
Construction in progress.....	—	¥ 2,320 million (\$ 27,909 thousand)

\* The terms and conditions applicable to the above transactions were determined on an arm's length basis and with reference to normal market prices.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**15. Income Taxes**

The Company and its domestic consolidated subsidiaries were subject to several types of taxes based on income, which in aggregate resulted in a statutory tax rate of approximately 40.7% for the fiscal years ended March 31, 2010 and 2011.

Foreign consolidated subsidiaries are subject to income and other taxes based on tax rates applicable in their countries of incorporation.

At the fiscal years ended March 31, 2010 and 2011, the significant components of deferred tax assets and liabilities were as follows:

March 31,	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	2011	2011
Deferred tax assets:			
Provision for retirement benefits.....	¥ 4,433	¥ 4,823	\$ 58,004
Provision for bonuses .....	2,410	2,407	28,956
Amortization of software costs.....	498	494	5,947
Accrued enterprise tax .....	236	258	3,113
Valuation difference on available-for-sale securities.....	—	23	285
Elimination of unrealized profits on consolidation .....	129	120	1,452
Others.....	1,020	778	9,361
Subtotal deferred tax assets.....	8,728	8,906	107,117
Valuation allowance.....	(216)	(221)	(2,659)
Total deferred tax assets.....	¥ 8,512	¥ 8,685	\$ 104,458
Deferred tax liabilities:			
Reserve for special tax purposes .....	(24)	—	—
Valuation difference on available-for-sale securities.....	(36)	—	—
Total deferred tax liabilities .....	(¥ 60)	¥ —	\$ —
Net deferred tax assets.....	¥ 8,451	¥ 8,685	\$ 104,458

Since the difference between the statutory tax rate and the effective tax rate for the fiscal years ended March 31, 2010 and 2011 were less than 5%, a reconciliation of these two rates are not presented.

# NS SOLUTIONS CORPORATION

## NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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### 16. Financial Instruments

(For the fiscal year ended March 31, 2010)

(Additional information)

From the fiscal year ended March 31, 2010, the Companies have applied the “Accounting Standard for Financial Instruments”(ASBJ Statement No.10, March 10, 2008) and “Implementation Guidance on Disclosures about Fair Value of Financial Instruments”(ASBJ Guidance No.19, March 10, 2008).

#### 1. Status of financial instruments

##### (1) Management policy

The Companies are mainly financed by their own funds for operating funds, and manage fund surpluses through financial assets that have high levels of safety.

##### (2) Financial instruments, risk, and risk management

“Notes and accounts receivable-trade” is exposed to credit risk in relation to customers and trading partners. For such risk, pursuant to criteria for managing credit exposure, the Companies have systems enabling the management of due dates and balances of each customer and trading partner as well as the regularly analysis of credit status.

“Deposits paid” is deposited to the Parent Company’s Group, based on fund policy.

“Short-term investment securities” is mainly "held-to-maturity debt securities" and there is little credit risk because the Companies invest in only securities which are high credit ratings based on fund policy.

“Investment securities”, which is mainly stock in relation to customers and trading partners for the purpose of the partnership business and capital alliance, is exposed to credit risk and market price fluctuation risk. For such risk, the Companies continuously review the analysis of fair value, customer’s financial situation, and relation to customers.

“Long-term loans receivable from subsidiaries and affiliates” is loaned to Parent Company, based on fund policy.

Almost of “notes and accounts payable-trade”, “accounts payable-other”, and “accrued expenses” have payment due dates within three months. “Lease obligations” related to finance lease transactions have no fluctuation risk because it adopts fix interest rate.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

2. Fair value of financial instruments

The carrying amounts on the consolidated balance sheets, fair value, and differences as of March 31, 2010 were as follows. In addition, financial instruments, of which it is extremely difficult to measure the fair value, were not included (Please see “Note2. Financial instruments of which the fair value is extremely difficult to measure”).

March 31, 2010	Millions of yen		
	Carrying amount	Fair value	Differences
<b>Assets:</b>			
(1) Cash and deposits.....	¥ 4,389	¥ 4,389	¥—
(2) Deposits paid.....	25,206	25,206	—
(3) Notes and accounts receivable-trade.....	33,881	33,881	—
(4) Short-term investment securities and Investment securities:			
①Held-to-maturity debt securities.....	12,518	12,518	—
②Marketable and investment securities ....	565	565	—
(5) Long-term loans receivable from subsidiaries and affiliates.....	12,000	12,137	137
<b>Total.....</b>	<b>¥ 88,561</b>	<b>¥ 88,698</b>	<b>¥ 137</b>
<b>Liabilities:</b>			
(6) Notes and accounts payable-trade.....	14,517	14,517	—
(7) Accounts payable-other .....	1,535	1,535	—
(8) Accrued expenses.....	2,384	2,384	—
(9) Income taxes payable .....	2,559	2,559	—
(10) Deposits received .....	297	297	—
(11) Lease obligations (※).....	1,773	1,773	(0)
<b>Total.....</b>	<b>¥ 23,066</b>	<b>¥ 23,066</b>	<b>¥ (0)</b>

※Lease obligations calculated by the simplified method (¥245 million) were excluded.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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Note1. Fair value measurement of financial instruments

(1) Cash and deposits, (2) Deposits paid, and (3) Notes and accounts receivable-trade  
The carrying amount approximates fair value because of the short maturity of these instruments.

(4) Short-term investment securities and Investment securities  
The fair value of equity securities equals quoted market price. The fair value of debt security approximates fair value because of the short maturity of these instruments. (Please see “Note 17. Investment Securities”)

(5) Long-term loans receivable from subsidiaries and affiliates  
The fair value of “Long-term loans receivable from subsidiaries and affiliates” is estimated based on the discounted amounts of future cash flows using appropriate measures in which credit spread is added.

(6) Notes and accounts payable-trade, (7) Accounts payable-other, (8) Accrued expenses, (9) Income taxes payable, (10) Deposits received  
The carrying amount approximates fair value because of the short maturity of these instruments.

(11) Lease obligations  
Fair value equals to the present value of future cash flows discounted using the current interest rate for similar lease contracts of comparable maturities and contract conditions.

Note2. Financial instruments of which the fair value is extremely difficult to measure

	Millions of yen
March 31,	2010
Non listed securities.....	¥ 4,138
Investment in funds.....	93
Guarantee deposits.....	¥ 3,775

It is recognized that these do not have market values and that it is extremely difficult to estimate future cash flows.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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Note3. The redemption schedule for monetary assets and held-to-maturity debt securities after the balance sheet date

March 31,	Millions of yen 2010
Within one year	
Cash and deposits.....	¥ 4,389
Deposits paid .....	25,206
Notes and accounts receivable-trade.....	33,881
Short-term investment securities and Investment securities	
Held-to-maturity debt securities	
(Commercial paper) .....	998
Held-to-maturity debt securities	
(Corporate bond) .....	7,000
Held-to-maturity debt securities	
(Certificate of deposit) .....	4,520
Over one year within five years	
Long-term loans receivable from subsidiaries and affiliates .....	¥ 12,000

Note4. The repayment schedule for lease obligations after the balance sheet date

March 31,	Millions of yen 2010
Within one year	¥ 479
Over one year within two years	442
Over two years within three years	458
Over three years within four years	63
Over four years within five years	37
Over five years	¥ 538

# NS SOLUTIONS CORPORATION

## NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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(For the fiscal year ended March 31, 2011)

1. Status of financial instruments

(1) Management policy

The Companies are mainly financed by their own funds for operating funds, and manage fund surpluses through financial assets that have high levels of safety.

(2) Financial instruments, risk, and risk management

“Notes and accounts receivable-trade” is exposed to credit risk in relation to customers and trading partners. For such risk, pursuant to criteria for managing credit exposure, the Companies have systems enabling the management of due dates and balances of each customer and trading partner as well as the regularly analysis of credit status.

“Deposits paid” is deposited to the Parent Company’s Group, based on fund policy.

“Short-term investment securities” is mainly "held-to-maturity debt securities" and there is little credit risk because the Companies invest in only securities which are high credit ratings based on fund policy.

“Investment securities”, which is mainly stock in relation to customers and trading partners for the purpose of the partnership business and capital alliance, is exposed to credit risk and market price fluctuation risk. For such risk, the Companies continuously review the analysis of fair value, customer’s financial situation, and relation to customers.

“Long-term loans receivable from subsidiaries and affiliates” is loaned to Parent Company, based on fund policy.

Almost of “notes and accounts payable-trade”, “accounts payable-other”, and “accrued expenses” have payment due dates within three months. “Lease obligations” related to finance lease transactions have no fluctuation risk because it adopts fix interest rate.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

2. Fair value of financial instruments

The carrying amounts on the consolidated balance sheets, fair value, and differences as of March 31, 2011 were as follows. In addition, financial instruments, of which it is extremely difficult to measure the fair value, were not included (Please see “Note2. Financial instruments of which the fair value is extremely difficult to measure”).

March 31, 2011	Millions of yen		
	Carrying amount	Fair value	Differences
<b>Assets:</b>			
(1) Cash and deposits.....	¥ 5,179	¥ 5,179	¥—
(2) Deposits paid.....	22,855	22,855	—
(3) Notes and accounts receivable-trade.....	34,384	34,384	—
(4) Short-term investment securities and Investment securities:			
①Held-to-maturity debt securities.....	12,082	12,050	(31)
②Marketable and investment securities ....	440	440	—
(5) Long-term loans receivable from subsidiaries and affiliates.....	12,000	12,151	151
<b>Total.....</b>	<b>¥ 86,941</b>	<b>¥ 87,062</b>	<b>¥ 120</b>
<b>Liabilities:</b>			
(6) Notes and accounts payable-trade.....	12,711	12,711	—
(7) Accounts payable-other .....	1,780	1,780	—
(8) Accrued expenses.....	2,588	2,588	—
(9) Income taxes payable .....	2,830	2,830	—
(10) Deposits received .....	324	324	—
(11) Lease obligations(※).....	1,407	1,417	9
<b>Total.....</b>	<b>¥ 21,642</b>	<b>¥ 21,652</b>	<b>¥ 9</b>

※Lease obligations calculated by the simplified method (¥144 million) were excluded.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2011	Thousands of U.S. dollars (Note 3)		
	Carrying amount	Fair value	Differences
<b>Assets:</b>			
(1) Cash and deposits.....	\$ 62,288	\$ 62,288	\$ —
(2) Deposits paid.....	274,867	274,867	—
(3) Notes and accounts receivable-trade.....	413,523	413,523	—
(4) Short-term investment securities and Investment securities:			
①Held-to-maturity debt securities.....	145,307	144,928	(379)
②Marketable and investment securities....	5,298	5,298	—
(5) Long-term loans receivable from subsidiaries and affiliates.....	144,317	144,145	1,828
<b>Total.....</b>	<b>\$ 1,045,601</b>	<b>\$ 1,045,050</b>	<b>\$ 1,449</b>
<b>Liabilities:</b>			
(6) Notes and accounts payable-trade.....	152,868	152,868	—
(7) Accounts payable-other.....	21,416	21,416	—
(8) Accrued expenses.....	31,126	31,126	—
(9) Income taxes payable.....	34,037	34,037	—
(10) Deposits received.....	3,907	3,907	—
(11) Lease obligations (※).....	16,929	17,049	120
<b>Total.....</b>	<b>\$ 260,283</b>	<b>\$ 260,403</b>	<b>\$ 120</b>

※Lease obligations calculated by the simplified method (\$1,739 thousand) were excluded.

Note1. Fair value measurement of financial instruments

- (1) Cash and deposits, (2) Deposits paid, and (3) Notes and accounts receivable-trade  
The carrying amount approximates fair value because of the short maturity of these instruments.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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(4) Short-term investment securities and Investment securities

The fair value of equity securities equals quoted market price or the price provided by a financial institution. The fair value of debt security approximates fair value because of the short maturity of these instruments.

(Please see “Note 17. Investment Securities”)

(5) Long-term loans receivable from subsidiaries and affiliates

The fair value of “Long-term loans receivable from subsidiaries and affiliates” is estimated based on the discounted amounts of future cash flows using appropriate measures in which credit spread is added.

(6) Notes and accounts payable-trade, (7) Accounts payable-other, (8) Accrued expenses, (9) Income taxes payable, (10) Deposits received

The carrying amount approximates fair value because of the short maturity of these instruments.

(11) Lease obligations

Fair value equals to the present value of future cash flows discounted using the current interest rate for similar lease contracts of comparable maturities and contract conditions.

Note2. Financial instruments of which the fair value is extremely difficult to measure

March 31,	Millions of yen	Thousands of U.S.
	2011	dollars (Note 3) 2011
Non listed securities.....	¥ 4,128	\$ 49,653
Investment in funds.....	87	1,053
Guarantee deposits.....	¥ 3,593	\$ 43,212

It is recognized that these do not have market values and that it is extremely difficult to estimate future cash flows.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

Note3. The redemption schedule for monetary assets and held-to-maturity debt securities after the balance sheet date

March 31,	Millions of yen	Thousands of U.S.
	2011	dollars (Note 3) 2011
<b>Within one year</b>		
Cash and deposits.....	¥ 5,179	\$ 62,288
Deposits paid .....	22,855	274,867
Notes and accounts receivable-trade.....	34,384	413,523
Short-term investment securities and Investment securities		
Held-to-maturity debt securities (Government bond) .....	1,549	18,639
Held-to-maturity debt securities (Corporate bond) .....	4,035	48,531
Held-to-maturity debt securities (Commercial paper) .....	997	11,992
Held-to-maturity debt securities (Certificate of deposit) .....	3,500	42,093
<b>Over one year within five years</b>		
Held-to-maturity debt securities (Corporate bond) .....	2,000	24,053
Long-term loans receivable from subsidiaries and affiliates .....	¥ 12,000	\$ 144,317

Note4. The repayment schedule for lease obligations after the balance sheet date

March 31,	Millions of yen	Thousands of U.S.
	2011	dollars (Note 3) 2011
Within one year	¥ 445	\$ 5,362
Over one year within two years	461	5,553
Over two years within three years	66	803
Over three years within four years	40	490
Over four years within five years	32	391
Over five years	¥ 504	\$ 6,070

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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**17. Investment Securities**

Investment securities as of March 31, 2010 and 2011 were as follows:

**(As of March 31, 2010)**

**(1) Held-to-maturity debt securities**

Held-to-maturity debt securities for which carrying amount did not exceed fair value as of March 31, 2010 were as follows:

March 31, 2010	Millions of yen		
	Carrying amount	Fair value	Gross unrealized gains (losses)
Commercial paper .....	¥ 998	¥ 998	¥—
Corporate bond.....	7,000	7,000	—
Certificate of deposit.....	4,520	4,520	—
<b>Total.....</b>	<b>¥ 12,518</b>	<b>¥ 12,518</b>	<b>¥ —</b>

**(2) Marketable and investment securities**

Marketable and investment securities for which carrying amount exceeded fair value as of March 31, 2010 were as follows:

March 31, 2010	Millions of yen		
	Carrying amount	Acquisition cost	Gross unrealized gains (losses)
Equity securities (gains) .....	¥ 565	¥ 421	¥ 144
Equity securities (losses) .....	—	—	—
<b>Total.....</b>	<b>¥ 565</b>	<b>¥ 421</b>	<b>¥ 144</b>

Because it is recognized that Non listed securities and Investment in funds did not have market values and that the market values were extremely difficult to determine, they were not included in the chart above.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

(As of March 31, 2011)

**(1) Held-to-maturity debt securities**

Held-to-maturity debt securities for which carrying amount did not exceed fair value as of March 31, 2011 were as follows:

March 31, 2011	Millions of yen		
	Carrying amount	Fair value	Gross unrealized gains (losses)
Government bond.....	¥ 1,549	¥ 1,549	¥—
Corporate bond.....	6,035	6,003	(31)
Commercial paper .....	997	997	—
Certificate of deposit.....	3,500	3,500	—
<b>Total.....</b>	<b>¥ 12,082</b>	<b>¥ 12,050</b>	<b>(¥ 31)</b>

March 31, 2011	Thousands of U.S. dollars (Note 3)		
	Carrying amount	Fair value	Gross unrealized gains (losses)
Government bond.....	\$ 18,639	\$ 18,639	\$ —
Corporate bond.....	72,584	72,205	(379)
Commercial paper .....	11,992	11,992	—
Others .....	42,093	42,093	—
<b>Total.....</b>	<b>\$ 145,307</b>	<b>\$ 144,928</b>	<b>(\$ 379)</b>

**(2) Marketable and investment securities**

Marketable and investment securities for which carrying amount exceeded fair value as of March 31, 2011 were as follows:

March 31, 2011	Millions of yen		
	Carrying amount	Acquisition cost	Gross unrealized gains (losses)
Equity securities (gains) .....	¥ 189	¥ 113	¥76
Equity securities (losses) .....	250	309	(58)
<b>Total.....</b>	<b>¥ 440</b>	<b>¥ 422</b>	<b>¥ 18</b>

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2011	Thousands of U.S. dollars (Note 3)		
	Carrying amount	Acquisition cost	Gross unrealized gains (losses)
Equity securities (gains) .....	\$ 2,281	\$ 1,364	\$ 917
Equity securities (losses) .....	3,017	3,716	(699)
Total.....	\$ 5,298	\$ 5,080	\$ 218

Because it is recognized that Non listed securities and Investment in funds did not have market values and that the market values were extremely difficult to determine, they were not included in the chart above.

**18. Derivative Instruments**

None

**19. Retirement Benefits**

The Company and its consolidated domestic subsidiaries have unfunded defined benefit plans covering substantially all employees. In addition, the Company introduced a defined contribution pension plan covering all employees.

The projected benefit obligations at March 31, 2010 and 2011 were ¥ 10,898 million and ¥ 11,844 million (\$ 142,445 thousand), respectively. Accrued employees' retirement benefits are equal to the projected benefit obligation since there are no balances in plan assets and unrecognized items.

The net periodic pension costs for the fiscal years ended March 31, 2010 and 2011 were as follows:

March 31,	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	2011	2011
Service costs.....	¥ 977	¥ 1,089	\$ 13,104
Interest costs.....	160	198	2,393
Amortization of actual gain (loss).....	(400)	(18)	(223)
Amortization of prior service costs.....	—	—	—
Accrued employees' retirement benefits.....	¥ 737	¥ 1,270	\$ 15,274
Costs of defined contribution pension plan.....	452	464	5,584
Total.....	¥ 1,189	¥ 1,734	\$ 20,857

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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The assumptions used in the actuarial computation for the fiscal years ended March 31, 2010 and 2011 were as follows:

March 31,	2010	2011
Method of attributing the projected benefits to periods of service .....	Straight line basis	Straight line basis
Discount rate .....	1.60~2.00%	1.70~2.00%
Period of amortization of unrecognized actuarial gain or loss .....	1 year	1 year
Period of amortization of prior service benefits .....	1 year	1 year

**20. Stock Options**

None

**21. Business Combinations**

None

**22. Application of Accounting Standards for Asset Retirement Obligations**

The Companies have obligations to restore original conditions mainly to the corporate head quarter buildings under the rental contracts. However, the useful period of those are unclear and the Companies have no relocation plan. Therefore, it is difficult to estimate the asset retirement obligations reasonably, and the asset retirement obligations were not recorded at the period ended March 31, 2011.

**NS SOLUTIONS CORPORATION**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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**23. Per Share Information**

March 31,	yen		U.S. dollars
	2010	2011	(Note 3)
Net assets per share.....	¥ 1,516.79	¥ 1,595.74	\$ 19.19
Net income per share.....	¥ 118.84	¥ 120.84	\$ 1.45

(Notes) The basis for calculating net income per share were as follows:

March 31,	Millions of yen		Thousands of U.S. dollars
	2010	2011	(Note 3)
Net income.....	¥ 6,298	¥ 6,404	\$ 77,019
Net income attributable to common stock.....	¥ 6,298	¥ 6,404	\$ 77,019
The average number of common stocks (shares).....	52,997,818	52,997,677	

**24. Subsequent Events**

There have been no material events subsequent to March 31, 2011.



NS Solutions

# Financial Information for the Fiscal Year ended March 31, 2011

(April 1, 2010 through March 31, 2011)

April 28, 2011

Mitsuo Kitagawa

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.

# FY Mar.2011 Consolidated Financial Highlights



(Billions of yen)

	FY Mar.2010 ( Actual ) A	FY Mar.2011 ( Actual ) B	Change B-A	FY Mar.2011 (Previous outlook) C	Change B-C
Sales	152.2	159.7	+7.5	160.0	-0.3
Business solutions	88.8	88.4	-0.4	93.0	-4.6
Platform solutions	15.5	18.8	+3.3	17.0	+1.8
Business services	47.9	52.5	+4.6	50.0	+2.5
Gross profit	31.1	30.9	-0.2	31.8	-0.9
<Gross profit margin>	<20.4%>	<19.3%>	<-1.1%>	<19.9%>	<-0.6%>
SG&A	20.3	19.8	-0.5	20.1	-0.3
Operating income	10.8	11.1	+0.3	11.7	-0.6
Ordinary income (Recurring profit)	11.2	11.4	+0.2	12.0	-0.6
Net income	6.3	6.4	+0.1	6.7	-0.3

## Sales by Business Line /Customer Industry

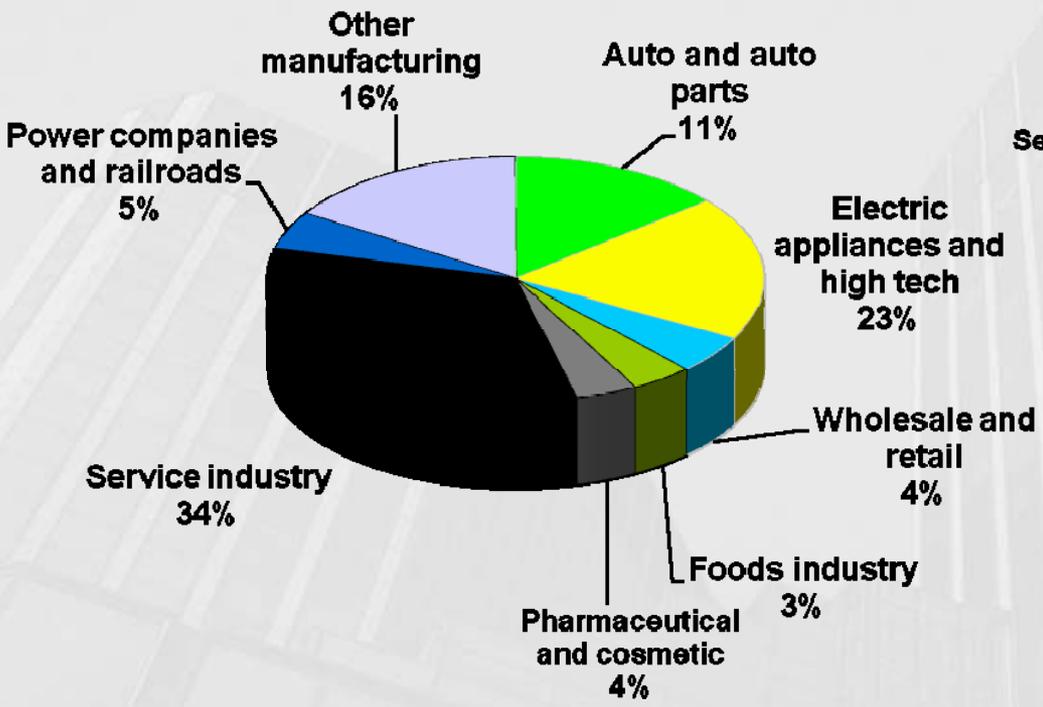
(Billions of yen)

	FY Mar.2010 (Actual) A	FY Mar.2011 (Actual) B	Change B-A	Comment
Business solutions	73.7	74.0	+0.3	-
Manufacturing, distribution and service industries	29.6	35.9	+6.3	Increase mainly in manufacturing sector
Financial services	24.2	22.9	-1.3	Decrease in securities and regional banks
Government, public organizations and others	19.9	15.2	-4.7	Decrease in public and science sector
Platform solutions	13.6	16.1	+2.5	Increase in cloud-computing business
Business services	47.6	52.1	+4.5	Increase in telecom and Nippon Steel
Subsidiaries, net	17.3	17.5	+0.2	-
Consolidated sales	152.2	159.7	+7.5	-

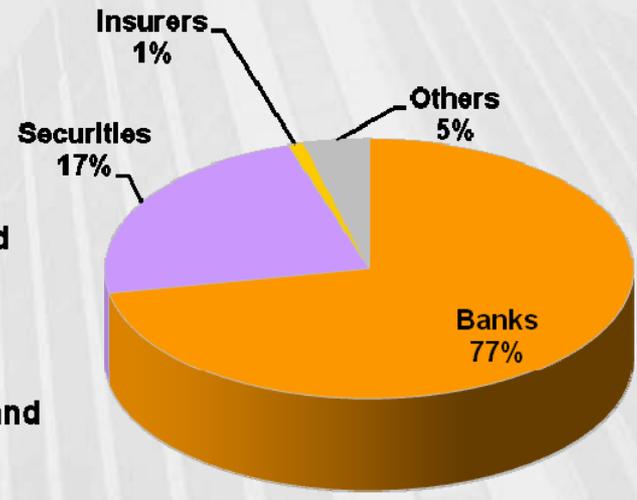
# FY Mar.2011 Breakdown of Sales

to Manufacturing, Distribution and Service Industries, and Financial Services

## Manufacturing, distribution and service industries

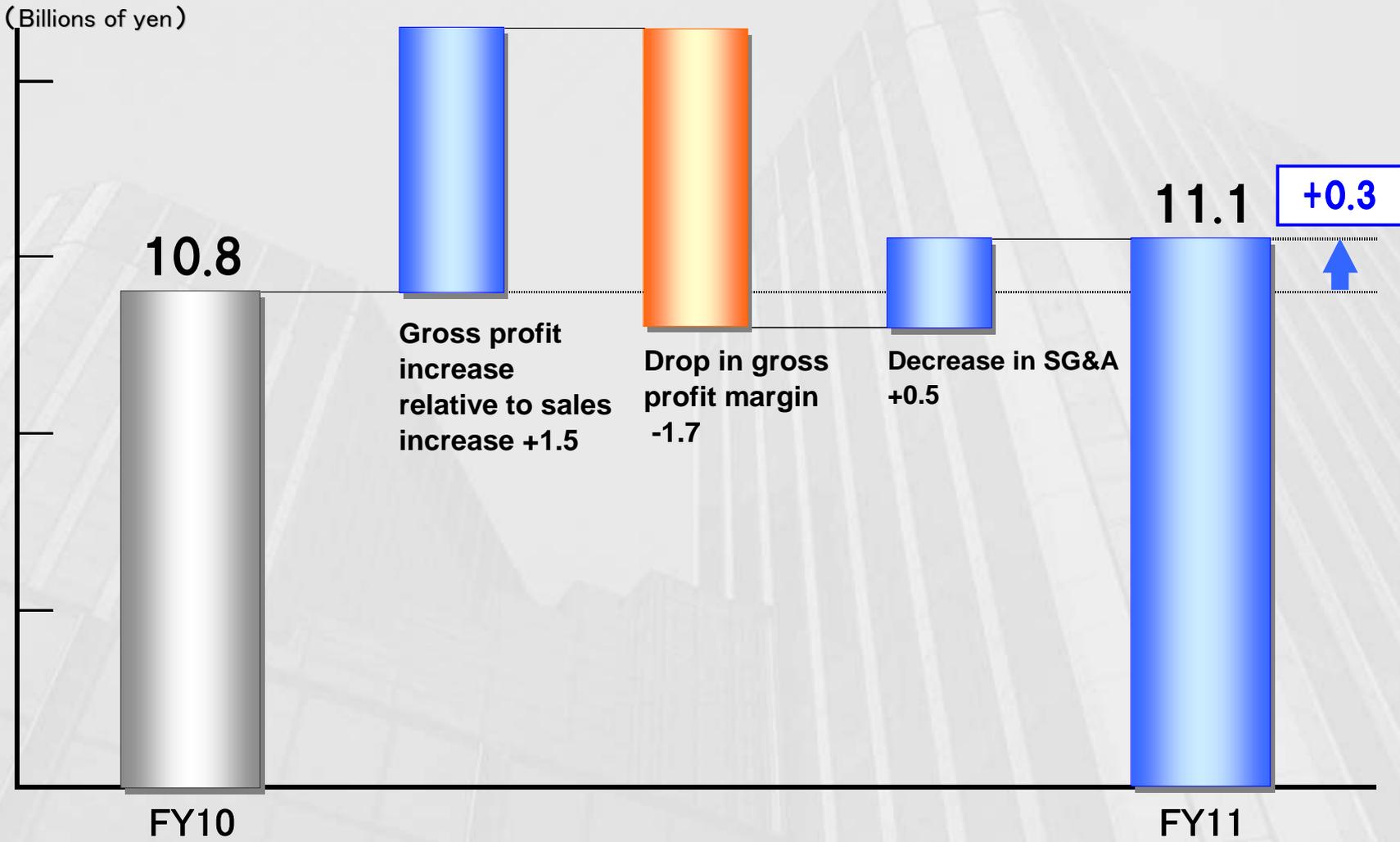


## Financial services



# Consolidated Operating Income Breakdown

## Year on year



# Market Trends by Business Line / Customer Industry



<b>Business solutions</b>		
<b>Manufacturing, distribution and service industries</b>	More cautious IT investment stance due to damage of production facility , lack of power supply and decline in personal consumption	
<b>Financial services</b>	A part of IT-investment of the mega-banks is decreasing The regional bank and the securities are continuously tough	
<b>Government and public organizations</b>	IT budgets are on downward trend, but competition is increasingly fierce	
<b>Platform solutions</b>	Needs for cloud-computing , servicing and data center are increasing from the viewpoint of business continuity	 
<b>Business services</b>	Telecom business is increasing Nippon Steel selects projects carefully	

# Outlook for FY Mar.2012 Consolidated Results



NS Solutions

(Billions of yen)

	FY Mar.2011 (Actual) A	FY Mar.2012 (Outlook) B	Change B-A
Sales	159.7	160.0	+0.3
Business solutions	88.4	88.0	-0.4
Platform solutions	18.8	19.5	+0.7
Business services	52.5	52.5	-
Gross profit	30.9	31.2	+0.3
<Gross profit margin>	<19.3%>	<19.5%>	<+0.2%>
SG&A	19.8	20.0	+0.2
Operating income	11.1	11.2	+0.1
Ordinary income (Recurring profit)	11.4	11.5	+0.1
Net income	6.4	6.5	+0.1

# Sales by Business Line / Customer Industry

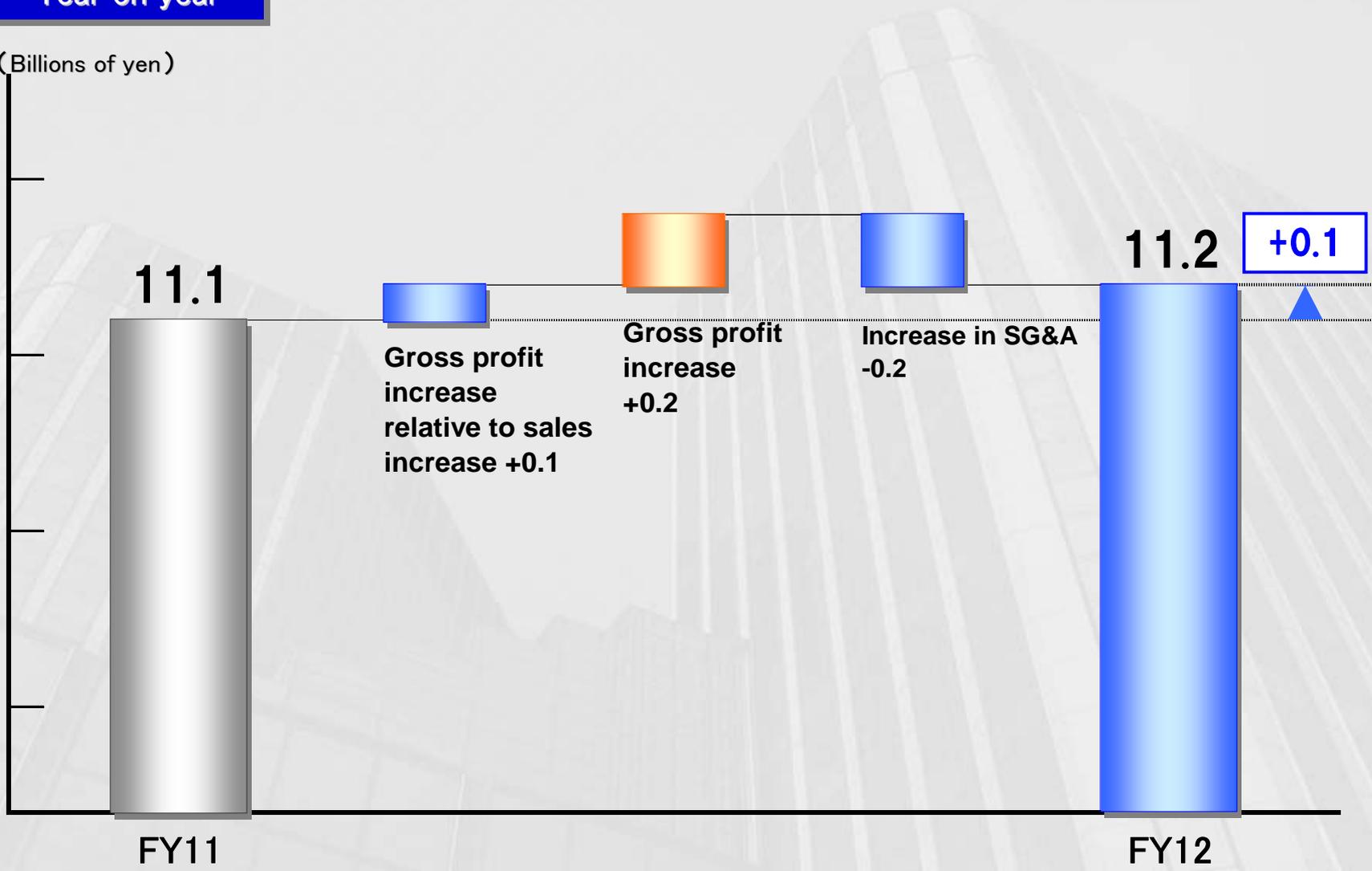
(Billions of yen)

	FY Mar.2011 (Actual) A	FY Mar.2012 (Outlook) B	Change B-A	Comment
Business solutions	74.0	74.0	-	-
Manufacturing, distribution and service industries	35.9	35.0	-0.9	Decrease in manufacturing sector
Financial services	22.9	24.0	+1.1	Increase by IFRS
Government, public organizations and others	15.2	15.0	-0.2	-
Platform solutions	16.1	17.0	+0.9	Increase in cloud-computing business
Business services	52.1	52.0	-0.1	Increase in telecom business
Subsidiaries, net	17.5	17.0	-0.5	-
Consolidated sales	159.7	160.0	+0.3	-

# Consolidated Operating Income Breakdown

Year on year

(Billions of yen)



# Policy on Profit Sharing

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



**2011/03**  
¥40.00 per share



**2012/03**  
¥40.00 per share



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NS Solutions

## 2011年3月期決算 参考資料

Appendix of Financial Results for the fiscal year ended March 31, 2011

2011年4月28日

April 28, 2011

# 新日鉄ソリューションズ株式会社 NS Solutions Corporation

(注)この資料では、従来百万円未満四捨五入で表示しておりましたが、2008年度末以降は百万円単位で切捨て表示をしております。

(Note) In this material, previously, figures had been rounded to the nearest millions of yen. From the fiscal year ended March 31, 2009, figures have been rounded down to the nearest millions of yen.

## 【連結】

## 1.連結四半期業績概要 Outline of Quarterly Consolidated Business Results

(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)

		2010/3					2011/3				
		Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
受注高	Amount of order acceptance	33,339	38,666	35,214	47,855	155,075	32,942	41,745	36,146	51,189	162,023
業務ソリューション	Business solutions	17,383	23,820	19,383	28,357	88,944	18,343	22,257	19,210	28,522	88,334
基盤ソリューション	Platform solutions	5,794	2,455	6,327	5,893	20,470	4,386	4,903	4,403	7,141	20,835
ビジネスサービス	Business services	10,161	12,390	9,503	13,605	45,660	10,212	14,584	12,531	15,525	52,853
期末受注残高	Order backlog at end of period	56,469	57,969	60,608	58,685	58,685	57,638	59,648	60,341	61,010	61,010
業務ソリューション	Business solutions	29,226	31,942	32,891	29,368	29,368	30,736	31,746	32,420	29,291	29,291
基盤ソリューション	Platform solutions	4,919	4,339	7,416	8,427	8,427	8,492	8,979	8,944	10,459	10,459
ビジネスサービス	Business services	22,323	21,688	20,301	20,890	20,890	18,409	18,922	18,976	21,260	21,260
売上高 ※	Net sales	32,637	37,165	32,575	49,778	152,158	33,988	39,735	35,453	50,519	159,697
業務ソリューション	Business solutions	17,284	21,104	18,434	31,880	88,704	16,975	21,247	18,537	31,652	88,411
基盤ソリューション	Platform solutions	4,368	3,035	3,250	4,882	15,537	4,321	4,416	4,439	5,625	18,802
ビジネスサービス	Business services	10,983	13,025	10,890	13,016	47,916	12,692	14,071	12,476	13,242	52,482
売上総利益 ※	Gross profit	7,127	7,293	6,247	10,419	31,087	7,003	7,269	7,285	9,334	30,893
販売費及び一般管理費	Selling, general and administrative expenses	5,241	5,128	4,900	5,026	20,297	5,232	4,893	4,730	4,967	19,816
営業利益 ※	Operating income	1,885	2,165	1,346	5,392	10,790	1,771	2,375	2,554	4,366	11,076
経常利益 ※	Ordinary income	2,042	2,224	1,428	5,526	11,221	1,996	2,408	2,585	4,407	11,397
当期純利益	Net income	1,004	1,309	883	3,100	6,298	1,089	1,293	1,520	2,500	6,404
営業利益率(%)	Operating income margin (%)	5.8%	5.8%	4.1%	10.8%	7.1%	5.2%	6.0%	7.2%	8.6%	6.9%
売上高総利益率(%)	Gross profit margin (%)	21.8%	19.6%	19.2%	20.9%	20.4%	20.6%	18.3%	20.6%	18.5%	19.3%
新日鉄向け売上高	Sales to Nippon Steel Corp.	6,333	7,871	5,993	7,501	27,700	7,448	8,755	6,430	6,535	29,170

※ 2010年3月期より、工事進行基準を適用しております。会計基準の変更に伴う影響額は、2010年3月期決算短信及び四半期短信をご参照下さい。

On April 1, 2009, the Company adopted the percentage of completion method. For cumulative effect of a change in the accounting principle, please refer to the Consolidated Financial Results for FY2009 and each quarterly period.

巻末の開示事項をご覧下さい。 Please see the important disclosures at the end of this material.

【連結】

2.連結業績概要 Outline of Consolidated Business Results

(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)

		2007/3	2008/3	2009/3	2010/3	2011/3 2010.10.27 (前回見通し)	2011/3	2012/3
		(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	Previous Outlook)	(実績 Actual)	(見通し Outlook)
受注高	Amount of order acceptance	162,487	169,295	169,407	155,075	—	162,023	—
業務ソリューション	Business solutions	98,027	105,522	100,029	88,944	—	88,334	—
基盤ソリューション	Platform solutions	24,874	20,471	18,001	20,470	—	20,835	—
ビジネスサービス	Business services	39,587	43,301	51,376	45,660	—	52,853	—
期末受注残高	Order backlog at end of period	44,005	47,900	55,767	58,685	—	61,010	—
業務ソリューション	Business solutions	21,321	24,968	29,127	29,368	—	29,291	—
基盤ソリューション	Platform solutions	5,067	3,290	3,493	8,427	—	10,459	—
ビジネスサービス	Business services	17,617	19,642	23,146	20,890	—	21,260	—
売上高 ※1	Net sales	156,479	165,400	161,539	152,158	160,000	159,697	160,000
業務ソリューション	Business solutions	92,572	101,876	95,869	88,704	93,000	88,411	88,000
基盤ソリューション	Platform solutions	24,515	22,248	17,797	15,537	17,000	18,802	19,500
ビジネスサービス	Business services	39,392	41,276	47,872	47,916	50,000	52,482	52,500
売上総利益 ※1	Gross profit	33,361	35,633	33,253	31,087	31,800	30,893	31,200
販売費及び一般管理費	Selling, general and administrative expenses	19,223	20,736	21,745	20,297	20,100	19,816	20,000
営業利益 ※1	Operating income	14,138	14,896	11,508	10,790	11,700	11,076	11,200
経常利益 ※1	Ordinary income	14,367	15,247	11,943	11,221	12,000	11,397	11,500
当期純利益	Net income	8,120	8,425	6,364	6,298	6,700	6,404	6,500
包括利益	Comprehensive income	—	—	—	6,558	—	6,541	—
営業利益率(%)	Operating income margin (%)	9.0%	9.0%	7.1%	7.1%	7.3%	6.9%	7.0%
売上高総利益率(%)	Gross profit margin (%)	21.3%	21.5%	20.6%	20.4%	19.9%	19.3%	19.5%
新日鉄向け売上高	Sales to Nippon Steel Corp.	19,802	22,376	25,977	27,700	—	29,170	—
1株当たり当期純利益(円)	Net income per share (yen)	153.21	158.96	120.09	118.84	126.42	120.84	122.65
純資産	Net assets	68,119	74,675	78,856	83,065	—	87,451	—
総資産	Total assets	113,997	120,080	126,823	131,966	—	133,901	—
1株当たり配当金(円)	Cash dividends per share (yen)	35.00	40.00	45.00	40.00	40.00	40.00	40.00
配当性向(%)	Dividend payout ratio (%)	22.8%	25.2%	37.5%	33.7%	31.6%	33.1%	32.6%
研究開発費	R&D expenses	1,248	1,309	1,229	1,288	—	1,544	—
設備投資 ※2	Capital expenditure	6,573	1,882	1,557	3,706	8,500	7,027	7,500
減価償却費 ※2	Depreciation and amortization	1,812	1,818	1,774	2,137	2,500	2,257	2,500
期末従業員数(人)	Number of employees at end of period (jobs)	4,118	4,347	4,636	4,848	—	4,917	—

※1 2010年3月期より、工事進行基準を適用しております。会計基準の変更に伴う影響額は、2010年3月期決算短信をご参照下さい。

On April 1, 2009, the Company adopted the percentage of completion method. For cumulative effect of a change in accounting principle, please refer to the Consolidated Financial Results for FY2009.

※2 2009年3月期より、設備投資及び減価償却費に、リース資産の新規購入及び減価償却費を含めております。

The amount of newly leased assets and that of their depreciation and amortization have been included in above items "Capital expenditure" and "Depreciation and amortization", respectively, from the fiscal year ended March 31, 2009.

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【連結】

## 3.要約連結貸借対照表 Condensed Consolidated Balance Sheets

(1)資産の部		Assets		(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)				
		2007/3 (実績 Actual)	2008/3 (実績 Actual)	2009/3 (実績 Actual)	2010/3 (実績 Actual)	2011/3 (実績 Actual)		
現金及び預金	Cash and deposits	5,643	6,365	4,113	4,389	5,179		
預け金	Deposits paid	15,602	23,981	22,521	25,206	22,855		
受取手形及び売掛金	Notes and accounts receivable-trade	39,236	34,733	32,714	33,881	34,384		
有価証券	Short-term investment securities	8,266	8,810	12,992	12,518	10,082		
たな卸資産	Inventories	10,739	10,396	11,511	11,339	10,106		
1年内回収予定の関係会社長期貸付金	Current portion of long-term loans receivable from subsidiaries and affiliates			12,000				
繰延税金資産	Deferred tax assets	3,380	3,521	3,463	3,308	3,149		
その他	Other	520	696	607	568	621		
貸倒引当金	Allowance for doubtful accounts	△ 185	△ 200	△ 158	△ 134	△ 16		
流動資産合計	Total current assets	83,201	88,302	99,765	91,077	86,362		
有形固定資産	Property, plant and equipment	9,799	9,665	9,594	10,733	15,120		
無形固定資産	Intangible assets	324	423	3,828	4,100	4,317		
投資有価証券	Investment securities	2,373	2,203	4,745	4,797	6,656		
関係会社長期貸付金	Long-term loans receivable from subsidiaries and affiliates	12,000	12,000		12,000	12,000		
差入保証金	Guarantee deposits	2,328	2,767	3,121	3,775	3,593		
繰延税金資産	Deferred tax assets	3,668	4,406	5,214	5,142	5,536		
その他	Other	304	314	553	338	316		
固定資産合計	Total noncurrent assets	30,796	31,778	27,058	40,888	47,539		
資産合計	Total assets	113,997	120,080	126,823	131,966	133,901		
(2)負債・純資産の部		Liabilities and Net Assets						
		2007/3 (実績 Actual)	2008/3 (実績 Actual)	2009/3 (実績 Actual)	2010/3 (実績 Actual)	2011/3 (実績 Actual)		
支払手形及び買掛金	Notes and accounts payable-trade	17,622	15,770	14,776	14,517	12,711		
未払費用	Accrued expenses	2,724	2,351	2,478	2,384	2,588		
未払法人税等	Income taxes payable	4,388	4,500	4,112	2,559	2,830		
賞与引当金	Provision for bonuses	5,901	5,978	5,936	5,905	5,878		
前受金	Advances received	4,259	4,430	7,223	8,092	6,071		
未払金	Accounts payable-other	1,467	1,729	1,462	1,535	1,780		
その他	Other	954	1,219	1,238	1,308	1,454		
流動負債合計	Total current liabilities	37,315	35,977	37,227	36,301	33,315		
退職給付引当金	Provision for retirement benefits	8,258	9,121	10,364	10,898	11,844		
その他	Other	306	307	376	1,700	1,291		
固定負債合計	Total noncurrent liabilities	8,564	9,428	10,740	12,598	13,135		
資本金	Capital stock	12,953	12,953	12,952	12,952	12,952		
資本剰余金	Capital surplus	9,950	9,950	9,950	9,950	9,950		
利益剰余金	Retained earnings	44,127	50,564	54,676	58,722	63,006		
土地再評価差額金	Revaluation reserve for land	△ 1,277	△ 1,277	△ 1,276	△ 1,276	△ 1,276		
その他有価証券評価差額金他	Valuation difference on available-for-sale securities and others	435	190	△ 77	37	△ 62		
少数株主持分	Minority interests	1,930	2,295	2,631	2,679	2,880		
純資産合計	Total net assets	68,118	74,675	78,856	83,065	87,451		
負債・純資産合計	Total liabilities and net assets	113,997	120,080	126,823	131,966	133,901		
(3)指標		Management index						
		2007/3 (実績 Actual)	2008/3 (実績 Actual)	2009/3 (実績 Actual)	2010/3 (実績 Actual)	2011/3 (実績 Actual)		
自己資本比率(%)	Equity ratio (%)	58.1%	60.3%	60.1%	60.9%	63.2%		
総資産利益率(%)	Return on Asset (%)	7.5%	7.2%	5.2%	4.9%	4.8%		
自己資本当期純利益率(%)	Return on Equity (%)	12.9%	12.2%	8.6%	8.0%	7.8%		

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## 【連結】

## 4.要約連結損益計算書 Condensed Consolidated Statements of Income

(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)

		2007/3	2008/3	2009/3	2010/3	2011/3 2010.10.27 (前回見直し)	2011/3	2012/3
		(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	Previous Outlook	(実績 Actual)	(見直し Outlook)
売上高 ※	Net sales	156,479	165,400	161,539	152,158	160,000	159,697	160,000
売上原価	Cost of sales	123,118	129,767	128,286	121,070	128,200	128,804	128,800
売上総利益 ※	Gross profit	33,361	35,633	33,253	31,087	31,800	30,893	31,200
販売費及び一般管理費	Selling, general and administrative expenses	19,223	20,736	21,745	20,297	20,100	19,816	20,000
営業利益 ※	Operating income	14,138	14,896	11,508	10,790	11,700	11,076	11,200
営業外収益	Non-operating income	298	383	478	611	—	500	—
営業外費用	Non-operating expenses	70	32	42	179	—	180	—
経常利益 ※	Ordinary income	14,367	15,247	11,943	11,221	12,000	11,397	11,500
特別利益	Extraordinary income	—	—	9	—	—	—	—
特別損失	Extraordinary loss	7	24	32	—	—	—	—
税金等調整前当期純利益 ※	Income before income taxes and minority interests	14,360	15,224	11,920	11,221	—	11,397	—
法人税、住民税及び事業税	Income taxes-current	6,368	7,100	5,622	4,630	—	4,928	—
法人税等調整額	Income taxes-deferred	△485	△729	△499	148	—	△174	—
少数株主利益	Minority interests in income	357	429	432	144	—	239	—
当期純利益	Net income	8,120	8,425	6,364	6,298	6,700	6,404	6,500
包括利益	Comprehensive income	—	—	—	6,558	—	6,541	—

## 売上原価の内訳

## Breakdown of cost of sales

労務費	Labor cost	29,078	31,046	33,445	33,609	—	34,948	—
材料費	Material cost	40,888	40,538	41,040	40,160	—	42,452	—
外注費	Subcontract expenses	45,450	46,547	43,546	35,912	—	38,480	—
その他	Other	7,702	11,636	10,255	11,388	—	12,923	—

## 販売費及び一般管理費の内訳

## Breakdown of selling, general and administrative expenses

労務費	Labor cost	7,950	8,529	9,213	9,042	—	8,988	—
営業支援費	Operating expense for acceptance of orders	3,025	3,456	3,520	3,279	—	3,045	—
その他	Other	8,248	8,751	9,011	7,975	—	7,781	—

※ 2010年3月期より、工事進行基準を適用しております。会計基準の変更に伴う影響額は、2010年3月期決算短信をご参照下さい。

On April 1, 2009, the Company adopted the percentage of completion method. For cumulative effect of a change in accounting principle, please refer to the Consolidated Financial Results for FY2009.

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【連結】

5.要約連結キャッシュ・フロー計算書 Condensed Consolidated Statements of Cash Flows

(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)

		2007/3	2008/3	2009/3	2010/3	2011/3
		(実績 Actual)				
税金等調整前当期純利益	Income before income taxes and minority interests	14,360	15,224	11,920	11,221	11,397
減価償却費	Depreciation and amortization	1,812	1,818	1,774	2,137	2,257
のれん償却額	Amortization of goodwill	—	—	123	165	165
退職給付引当金の増減額(△は減少)	Increase (decrease) in provision for retirement benefits	447	863	1,219	534	945
投資有価証券評価損益(△は益)	Loss (gain) on valuation of investment securities	3	4	—	—	—
売上債権の増減額(△は増加)	Decrease (increase) in notes and accounts receivable-trade	△5,002	4,503	1,419	△514	△508
たな卸資産の増減額(△は増加)	Decrease (increase) in inventories	△3,105	343	△1,074	171	1,233
仕入債務の増減額(△は減少)	Increase (decrease) in notes and accounts payable-trade	1,930	△1,851	△1,058	△259	△1,804
その他	Other, net	1,481	5	2,639	△356	△1,910
小計	Subtotal	11,927	20,908	16,964	13,099	11,774
法人税等の支払額	Income taxes paid	△5,786	△6,988	△6,009	△6,168	△4,665
その他	Other, net	190	460	431	290	406
営業活動によるキャッシュ・フロー	Net cash provided by (used in) operating activities	6,331	14,380	11,386	7,221	7,515
定期預金の預入による支出	Payments into time deposits	—	△1,000	—	—	—
定期預金の払戻による収入	Proceeds from withdrawal of time deposits	—	1,000	—	—	—
有価証券の取得による支出	Purchase of short-term investment securities	—	△5,009	△4,200	△8,146	△8,039
有価証券の償還による収入	Proceeds from redemption of securities	—	—	5,000	4,350	11,000
有形及び無形固定資産の取得による支出	Purchase of property, plant and equipment and intangible assets	△6,573	△1,882	△1,557	△1,608	△7,010
投資有価証券の取得による支出	Purchase of investment securities	△6	△342	△3,001	△2,871	△2,001
投資有価証券の償還による収入	Proceeds from redemption of investment securities	—	—	—	3,000	—
連結の範囲の変更を伴う子会社株式の取得による支出	Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	—	△3,470	—	—
関係会社貸付けによる支出	Payments of loans receivable from subsidiaries and affiliates	—	—	—	△12,000	—
関係会社貸付金の回収による収入	Collection of loans receivable from subsidiaries and affiliates	—	—	—	12,000	—
その他	Other, net	△337	△452	△328	△454	153
投資活動によるキャッシュ・フロー	Net cash provided by (used in) investing activities	△6,916	△7,685	△7,557	△5,731	△5,898
配当金の支払額	Cash dividends paid	△1,590	△1,987	△2,252	△2,252	△2,119
リース債務の返済による支出	Repayments of lease obligations	—	—	△179	△441	△484
その他	Other, net	△51	△65	△114	△108	△36
財務活動によるキャッシュ・フロー	Net cash provided by (used in) financing activities	△1,641	△2,052	△2,545	△2,802	△2,641
現金及び現金同等物に係る換算差額	Effect of exchange rate change on cash and cash equivalents	2	1	△10	1	△7
現金及び現金同等物の増減額(△は減少)	Net increase (decrease) in cash and cash equivalents	△2,224	4,645	1,272	△1,311	△1,031
現金及び現金同等物の期首残高	Cash and cash equivalents at beginning of period	31,725	29,510	34,154	35,427	34,115
新規連結に伴う現金及び現金同等物増加額	Increase in cash and cash equivalents from newly consolidated subsidiary	9	—	—	—	—
現金及び現金同等物の期末残高	Cash and cash equivalents at end of period	29,510	34,155	35,427	34,115	33,084

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【個別】

6.個別四半期業績概要 Outline of Quarterly Non-consolidated Business Results

(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)

		2010/3					2011/3				
		Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
受注高	Amount of order acceptance	30,800	33,326	32,865	41,431	138,424	29,411	37,014	33,201	45,840	145,467
業務ソリューション	Business solutions	15,225	18,949	17,266	23,594	75,035	15,279	18,049	16,650	24,308	74,287
基盤ソリューション	Platform solutions	5,491	2,035	6,182	4,299	18,009	4,032	4,464	4,101	6,102	18,701
ビジネスサービス	Business services	10,083	12,341	9,416	13,537	45,379	10,099	14,500	12,449	15,429	52,479
期末受注残高	Order backlog at end of period	53,259	54,384	58,065	54,959	54,959	54,265	56,604	57,954	58,162	58,162
業務ソリューション	Business solutions	26,787	29,028	30,829	27,178	27,178	28,423	29,372	30,531	27,417	27,417
基盤ソリューション	Platform solutions	4,148	3,667	6,935	6,891	6,891	7,432	8,309	8,446	9,484	9,484
ビジネスサービス	Business services	22,323	21,688	20,301	20,890	20,890	18,409	18,922	18,976	21,260	21,260
売上高 ※	Net sales	29,079	32,201	29,184	44,538	135,002	30,105	34,675	31,850	45,633	142,264
業務ソリューション	Business solutions	14,299	16,709	15,465	27,245	73,718	14,033	17,100	15,491	27,422	74,047
基盤ソリューション	Platform solutions	3,873	2,515	2,915	4,343	13,648	3,491	3,588	3,963	5,064	16,107
ビジネスサービス	Business services	10,906	12,976	10,803	12,949	47,635	12,580	13,987	12,395	13,146	52,109
売上総利益 ※	Gross profit	5,931	5,614	5,071	8,319	24,937	5,692	5,548	5,772	7,267	24,280
販売費及び一般管理費	Selling, general and administrative expenses	4,191	4,104	3,982	4,092	16,372	4,227	3,929	3,841	4,080	16,070
営業利益 ※	Operating income	1,739	1,510	1,089	4,226	8,565	1,465	1,619	1,930	3,186	8,210
経常利益 ※	Ordinary income	2,415	1,630	1,167	4,364	9,578	2,127	1,666	1,966	3,260	9,020
当期純利益	Net income	1,505	1,049	722	2,543	5,820	1,397	988	1,185	1,993	5,565
営業利益率(%)	Operating income margin (%)	6.0%	4.7%	3.7%	9.5%	6.3%	4.9%	4.7%	6.1%	7.0%	5.8%
売上高総利益率(%)	Gross profit margin (%)	20.4%	17.4%	17.4%	18.7%	18.5%	18.9%	16.0%	18.1%	15.9%	17.1%
新日鉄向け売上高	Sales to Nippon Steel Corp.	6,035	7,576	5,757	7,137	26,506	6,865	8,332	6,168	6,265	27,632

※ 2010年3月期より、工事進行基準を適用しております。会計基準の変更に伴う影響額は、2010年3月期決算短信をご参照下さい。

On April 1, 2009, the Company adopted the percentage of completion method. For cumulative effect of a change in accounting principle, please refer to the Consolidated Financial Results for FY2009.

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## 【個別】

## 7.個別業績概要 Outline of Non-consolidated Business Results

(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)

		2007/3	2008/3	2009/3	2010/3	2011/3 2010.10.27 (前回見直し Previous Outlook)	2011/3 (実績 Actual)	2012/3 (見直し Outlook)
		(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)			
受注高	Amount of order acceptance	146,282	149,789	150,552	138,424	—	145,467	—
業務ソリューション	Business solutions	84,489	89,247	83,808	75,035	—	74,287	—
基盤ソリューション	Platform solutions	22,650	17,608	15,720	18,009	—	18,701	—
ビジネスサービス	Business services	39,143	42,935	51,022	45,379	—	52,479	—
期末受注残高	Order backlog at end of period	39,901	42,976	51,537	54,959	—	58,162	—
業務ソリューション	Business solutions	18,269	21,045	25,861	27,178	—	27,417	—
基盤ソリューション	Platform solutions	4,014	2,289	2,530	6,891	—	9,484	—
ビジネスサービス	Business services	17,617	19,642	23,146	20,890	—	21,260	—
売上高 ※	Net sales	139,752	146,714	141,990	135,002	143,000	142,264	143,000
業務ソリューション	Business solutions	78,578	86,472	78,991	73,718	78,000	74,047	74,000
基盤ソリューション	Platform solutions	22,225	19,333	15,479	13,648	15,000	16,107	17,000
ビジネスサービス	Business services	38,948	40,910	47,518	47,635	50,000	52,109	52,000
売上総利益 ※	Gross profit	26,985	28,999	25,988	24,937	25,300	24,280	24,500
販売費及び一般管理費	Selling, general and administrative expenses	15,984	17,262	17,715	16,372	16,000	16,070	16,300
営業利益 ※	Operating income	11,001	11,737	8,273	8,565	9,300	8,210	8,200
経常利益 ※	Ordinary income	11,362	12,381	8,962	9,578	10,000	9,020	9,000
当期純利益	Net income	6,851	7,458	5,253	5,820	6,100	5,565	5,500
営業利益率(%)	Operating income margin (%)	7.9%	8.0%	5.8%	6.3%	6.5%	5.8%	5.7%
売上高総利益率(%)	Gross profit margin (%)	19.3%	19.8%	18.3%	18.5%	17.7%	17.1%	17.1%
業務ソリューション	Business solutions	22.2%	21.6%	18.4%	18.4%	17.0%	16.9%	17.1%
基盤ソリューション	Platform solutions	18.0%	19.2%	20.3%	22.3%	19.1%	17.5%	17.5%
ビジネスサービス	Business services	14.3%	16.2%	17.5%	17.5%	18.3%	17.1%	17.1%
新日鉄向売上高	Sales to Nippon Steel Corp.	18,518	20,955	24,526	26,506	—	27,632	—
期末従業員数(人)	Number of employees at end of period (jobs)	2,128	2,243	2,359	2,424	—	2,414	—

※ 2010年3月期より、工事進行基準を適用しております。会計基準の変更に伴う影響額は、2010年3月期決算短信をご参照下さい。

On April 1, 2009, the Company adopted the percentage of completion method. For cumulative effect of a change in accounting principle, please refer to the Consolidated Financial Results for FY2009.

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## 8.要約個別貸借対照表 Condensed Non-consolidated Balance Sheets

(1)資産の部		Assets	(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)				
			2007/3 (実績 Actual)	2008/3 (実績 Actual)	2009/3 (実績 Actual)	2010/3 (実績 Actual)	2011/3 (実績 Actual)
現金及び預金	Cash and deposits	3,529	3,820	2,275	2,200	3,086	
預け金	Deposits paid	15,402	23,981	22,521	25,206	22,855	
受取手形及び売掛金	Notes and accounts receivable-trade	34,957	30,758	28,933	31,176	31,535	
有価証券	Short-term investment securities	7,996	8,000	10,992	9,998	7,032	
たな卸資産	Inventories	10,465	9,762	11,085	11,366	10,025	
繰延税金資産	Deferred tax assets	2,136	2,250	2,132	2,039	1,786	
1年内回収予定の関係会社長期貸付金	Current portion of long-term loans receivable from subsidiaries and affiliates			12,000			
その他	Other	904	1,177	1,057	1,174	1,201	
貸倒引当金	Allowance for doubtful accounts	△ 179	△ 196	△ 152	△ 129	△ 15	
流動資産合計	Total current assets	75,210	79,552	90,845	83,033	77,507	
有形固定資産	Property, plant and equipment	9,514	9,331	9,087	10,188	14,609	
無形固定資産	Intangible assets	303	412	627	1,066	1,312	
投資有価証券	Investment securities	2,187	2,149	4,728	4,767	6,628	
関係会社株式	Stocks of subsidiaries and affiliates	1,282	1,959	5,019	5,019	5,040	
関係会社長期貸付金	Long-term loans receivable from subsidiaries and affiliates	12,000	12,000	—	12,000	12,000	
差入保証金	Guarantee deposits	1,983	2,317	2,622	3,332	3,237	
繰延税金資産	Deferred tax assets	2,986	3,653	4,376	4,184	4,557	
その他	Other	217	294	272	267	258	
固定資産合計	Total noncurrent assets	30,472	31,515	26,734	40,825	47,646	
資産合計	Total assets	105,682	111,068	117,580	123,859	125,153	
(2)負債・純資産の部		Liabilities and Net Assets	2007/3 (実績 Actual)	2008/3 (実績 Actual)	2009/3 (実績 Actual)	2010/3 (実績 Actual)	2011/3 (実績 Actual)
支払手形及び買掛金	Notes and accounts payable-trade	16,125	14,629	15,669	15,511	14,293	
未払費用	Accrued expenses	4,031	3,424	2,018	2,003	2,073	
未払法人税等	Income taxes payable	3,429	3,644	3,191	2,015	1,906	
賞与引当金	Provision for bonuses	3,469	3,501	3,317	3,362	3,229	
前受金	Advances received	4,251	4,422	7,185	8,082	6,036	
未払金	Accounts payable-other	455	263	232	353	412	
その他	Other	8,293	9,543	10,416	11,416	12,369	
流動負債合計	Total current liabilities	40,053	39,426	42,030	42,745	40,322	
退職給付引当金	Provision for retirement benefits	6,846	7,637	8,724	9,210	9,994	
その他	Other	136	107	174	1,572	1,148	
固定負債合計	Total noncurrent liabilities	6,982	7,744	8,899	10,783	11,142	
資本金	Capital stock	12,953	12,953	12,952	12,952	12,952	
資本剰余金	Capital surplus	9,950	9,950	9,950	9,950	9,950	
利益剰余金	Retained earnings	36,616	42,087	45,087	48,655	52,101	
土地再評価差額金	Revaluation reserve for land	△ 1,277	△ 1,277	△ 1,276	△ 1,276	△ 1,276	
その他有価証券評価差額金他	Valuation difference on available-for-sale securities and others	405	185	△ 63	49	△ 38	
純資産合計	Total net assets	58,647	63,898	66,650	70,330	73,688	
負債・純資産合計	Total liabilities and net assets	105,682	111,068	117,580	123,859	125,153	
(3)指標		Management index	2007/3 (実績 Actual)	2008/3 (実績 Actual)	2009/3 (実績 Actual)	2010/3 (実績 Actual)	2011/3 (実績 Actual)
自己資本比率(%)	Equity ratio (%)	55.5%	57.5%	56.7%	56.8%	58.9%	
総資産利益率(%)	Return on Asset (%)	6.3%	6.9%	4.6%	4.8%	4.5%	
自己資本当期純利益率(%)	Return on Equity (%)	12.2%	12.2%	8.0%	8.5%	7.7%	

巻末の開示事項をご覧ください。 Please see the important disclosures at the end of this material.

## 【個別】

## 9.要約個別損益計算書 Condensed Non-consolidated Statements of Income

(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)

		2007/3	2008/3	2009/3	2010/3	2011/3 2010.10.27 (前回見直し)	2011/3	2012/3
		(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	Previous Outlook)	(実績 Actual)	(見直し Outlook)
売上高 ※	Net sales	139,752	146,714	141,990	135,002	143,000	142,264	143,000
売上原価	Cost of sales	112,767	117,715	116,001	110,065	117,700	117,983	118,500
売上総利益 ※	Gross profit	26,985	28,999	25,988	24,937	25,300	24,280	24,500
販売費及び一般管理費	Selling, general and administrative expenses	15,984	17,262	17,715	16,372	16,000	16,070	16,300
営業利益 ※	Operating income	11,001	11,737	8,273	8,565	9,300	8,210	8,200
営業外収益	Non-operating income	423	694	757	1,144	—	923	—
営業外費用	Non-operating expenses	62	50	69	131	—	113	—
経常利益 ※	Ordinary income	11,362	12,381	8,962	9,578	10,000	9,020	9,000
特別利益	Extraordinary income	69	88	9	—	—	—	—
特別損失	Extraordinary loss	51	11	114	—	—	—	—
税引前当期純利益 ※	Income before income taxes	11,380	12,458	8,857	9,578	—	9,020	—
法人税、住民税及び事業税	Income taxes-current	4,853	5,631	4,039	3,550	—	3,514	—
法人税等調整額	Income taxes-deferred	△324	△630	△435	207	—	△59	—
当期純利益	Net income	6,851	7,458	5,253	5,820	6,100	5,565	5,500

## 売上原価の内訳

## Breakdown of cost of sales

労務費	Labor cost	15,020	16,325	17,510	17,191	—	17,360	—
材料費	Material cost	37,382	35,501	37,683	37,025	—	37,793	—
外注費	Subcontract expenses	53,864	55,487	52,706	46,642	—	51,503	—
賃借料	Rent expenses	4,504	4,267	4,288	4,574	—	4,460	—
その他	Other	1,997	6,135	3,814	4,630	—	6,866	—

## 販売費及び一般管理費の内訳

## Breakdown of selling, general and administrative expenses

労務費	Labor cost	5,981	6,457	6,814	6,684	—	6,651	—
営業支援費	Operating expense for acceptance of orders	2,888	3,288	3,301	3,074	—	2,944	—
業務委託費	Business consignment expenses	1,815	2,068	1,915	1,901	—	1,855	—
減価償却費	Depreciation and amortization	172	181	190	154	—	134	—
その他	Other	5,128	5,268	5,495	4,556	—	4,483	—

※ 2010年3月期より、工事進行基準を適用しております。会計基準の変更に伴う影響額は、2010年3月期決算短信をご参照下さい。

On April 1, 2009, the Company adopted the percentage of completion method. For cumulative effect of a change in accounting principle, please refer to the Consolidated Financial Results for FY2009.

巻末の開示事項をご覧下さい。 Please see the important disclosures at the end of this material.

## 【連結】

## 《参考》上期財務情報 Ref. First Half Financial Information

## 1. 連結業績概要 Outline of Consolidated Business Results

(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)

		2006/9	2007/9	2008/9	2009/9	2010/9	2011/9
		(実績 Actual)	(見通し Outlook)				
受注高	Amount of order acceptance	79,972	86,566	87,239	72,005	74,687	—
業務ソリューション	Business solutions	48,313	55,210	52,348	41,203	40,601	—
基盤ソリューション	Platform solutions	10,953	9,584	8,949	8,250	9,290	—
ビジネスサービス	Business services	20,705	21,772	25,942	22,551	24,796	—
期末受注残高	Order backlog at end of period	47,880	54,616	58,694	57,969	59,648	—
業務ソリューション	Business solutions	24,785	31,841	33,283	31,942	31,746	—
基盤ソリューション	Platform solutions	3,596	4,470	3,450	4,339	8,979	—
ビジネスサービス	Business services	19,499	18,305	21,962	21,688	18,922	—
売上高 ※1	Net sales	70,089	75,955	76,445	69,803	73,724	70,000
業務ソリューション	Business solutions	39,395	44,690	44,033	38,389	38,222	37,000
基盤ソリューション	Platform solutions	12,066	10,181	8,789	7,404	8,737	8,000
ビジネスサービス	Business services	18,628	21,084	23,622	24,009	26,764	25,000
売上総利益 ※1	Gross profit	14,553	16,531	15,373	14,420	14,273	13,800
販売費及び一般管理費	Selling, general and administrative expenses	9,409	10,184	11,058	10,369	10,126	10,000
営業利益 ※1	Operating income	5,144	6,347	4,315	4,050	4,147	3,800
経常利益 ※1	Ordinary income	5,238	6,528	4,576	4,266	4,404	4,000
四半期純利益	Net income	3,026	3,538	2,338	2,313	2,383	2,100
営業利益率(%)	Operating income margin (%)	7.3%	8.4%	5.6%	5.8%	5.6%	5.4%
売上高総利益率(%)	Gross profit margin (%)	20.8%	21.8%	20.1%	20.7%	19.4%	19.7%
新日鉄向け売上高	Sales to Nippon Steel Corp.	9,195	11,256	12,772	14,204	16,204	—
1株当たり四半期純利益(円)	Net income per share (yen)	57.11	66.76	44.12	43.66	44.97	39.62
純資産	Net assets	63,832	70,755	75,894	80,029	84,405	—
総資産	Total assets	99,733	108,929	115,939	122,699	126,110	—
研究開発費	R&D expenses	609	615	586	539	644	—
設備投資 ※2	Capital expenditure	5,913	900	737	2,396	3,784	3,800
減価償却費 ※2	Depreciation and amortization	700	920	881	967	1,071	1,200
期末従業員数(人)	Number of employees at end of period (jobs)	4,156	4,328	4,671	4,882	4,965	—

※1 2010年3月期より、工事進行基準を適用しております。会計基準の変更に伴う影響額は、2010年3月期第2四半期決算短信をご参照下さい。

On April 1, 2009, the Company adopted the percentage of completion method. For cumulative effect of a change in accounting principle, please refer to the Consolidated Financial Results for the Second Quarter of FY2009.

※2 2009年3月期より、設備投資及び減価償却費に、リース資産の新規購入及び減価償却費を含めております。

The amount of newly leased assets and that of their depreciation and amortization have been included in above items "Capital expenditure" and "Depreciation and amortization", respectively, from the fiscal year ended March 31, 2009.

巻末の開示事項をご覧下さい。 Please see the important disclosures at the end of this material.

## 【連結】

《参考》上期財務情報 Ref. First Half Financial Information  
 2.要約連結損益計算書 Condensed Consolidated Statements of Income

(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)

		2006/9		2007/9		2008/9		2009/9		2010/9		2011/9	
		(実績)	(Actual)	(見通し)	(Outlook)								
売上高 ※	Net sales	70,089		75,955		76,445		69,803		73,724		70,000	
売上原価	Cost of sales	55,536		59,424		61,071		55,382		59,451		56,200	
売上総利益 ※	Gross profit	14,553		16,531		15,373		14,420		14,273		13,800	
販売費及び一般管理費	Selling, general and administrative expenses	9,409		10,184		11,058		10,369		10,126		10,000	
営業利益 ※	Operating income	5,144		6,347		4,315		4,050		4,147		3,800	
営業外収益	Non-operating income	111		199		275		305		335		—	
営業外費用	Non-operating expenses	17		18		14		89		77		—	
経常利益 ※	Ordinary income	5,238		6,528		4,576		4,266		4,404		4,000	
特別利益	Extraordinary income	7		—		—		—		—		—	
特別損失	Extraordinary loss	5		5		17		—		—		—	
税金等調整前四半期純利益 ※	Income before income taxes and minority interests	5,241		6,523		4,560		4,266		4,404		—	
法人税等	Income taxes-current	2,095		2,679		2,032		1,888		1,907		—	
法人税等調整額	Income taxes-deferred	2		119		—		—		—		—	
少数株主利益	Minority interests in income	117		186		190		64		113		—	
四半期純利益	Net income	3,026		3,538		2,338		2,313		2,383		2,100	

## 売上原価の内訳

## Breakdown of cost of sales

労務費	Labor cost	14,357		15,197		16,447		16,918		17,569		—	
材料費	Material cost	18,614		17,123		20,180		17,158		20,872		—	
外注費	Subcontract expenses	21,319		22,858		21,260		17,653		17,103		—	
その他	Other	1,246		4,246		3,184		3,653		3,905		—	

## 販売費及び一般管理費の内訳

## Breakdown of selling, general and administrative expenses

労務費	Labor cost	4,066		4,338		4,739		4,736		4,618		—	
営業支援費	Operating expense for acceptance of orders	1,455		1,737		2,025		1,653		1,654		—	
その他	Other	3,888		4,109		4,294		3,980		3,852		—	

※ 2010年3月期より、工事進行基準を適用しております。会計基準の変更に伴う影響額は、2010年3月期第2四半期決算短信をご参照下さい。

On April 1, 2009, the Company adopted the percentage of completion method. For cumulative effect of a change in accounting principle, please refer to the Consolidated Financial Results for the Second Quarter of FY2009.

巻末の開示事項をご覧下さい。 Please see the important disclosures at the end of this material.

【連結】

《参考》上期財務情報 Ref. First Half Financial Information

3.要約連結キャッシュ・フロー計算書 Condensed Consolidated Statements of Cash Flows

(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)

		2006/9	2007/9	2008/9	2009/9	2010/9
		(実績 Actual)				
税金等調整前四半期純利益	Income before income taxes and minority interests	5,241	6,523	4,560	4,266	4,404
減価償却費	Depreciation and amortization	700	920	881	967	1,071
のれん償却額	Amortization of goodwill	—	—	41	82	82
退職給付引当金の増減額(△は減少)	Increase (decrease) in provision for retirement benefits	469	429	494	528	529
投資有価証券評価損益(△は益)	Loss (gain) on valuation of investment securities	3	5	—	—	—
売上債権の増減額(△は増加)	Decrease (increase) in notes and accounts receivable-trade	7,023	10,495	6,988	9,632	8,314
たな卸資産の増減額(△は増加)	Decrease (increase) in inventories	△4,300	△1,973	△2,146	△2,063	△1,842
仕入債務の増減額(△は減少)	Increase (decrease) in notes and accounts payable-trade	△4,934	△6,059	△4,562	△6,642	△5,113
その他	Other, net	580	△589	388	1,565	△1,884
小計	Subtotal	4,782	9,751	6,644	8,335	5,561
法人税等の支払額	Income taxes paid	△3,737	△4,447	△4,330	△4,077	△2,483
その他	Other, net	94	184	237	193	200
営業活動によるキャッシュ・フロー	Net cash provided by (used in) operating activities	1,139	5,488	2,551	4,451	3,278
定期預金の預入による支出	Payments into time deposits	—	△1,000	—	—	—
有価証券の取得による支出	Purchase of short-term investment securities	—	△3,006	△2,000	△6,150	△997
有価証券の償還による収入	Proceeds from redemption of securities	—	—	3,000	2,200	7,000
有形及び無形固定資産の取得による支出	Purchase of property, plant and equipment and intangible assets	△5,913	△900	△737	△970	△3,767
投資有価証券の取得による支出	Purchase of investment securities	△1	△341	△3,001	△0	△0
投資有価証券の償還による収入	Proceeds from redemption of investment securities	—	—	—	3,000	—
連結の範囲の変更を伴う子会社株式の取得による支出	Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	—	△3,470	—	—
関係会社貸付けによる支出	Payments of loans receivable from subsidiaries and affiliates	—	—	—	△12,000	—
関係会社貸付金の回収による収入	Collection of loans receivable from subsidiaries and affiliates	—	—	—	12,000	—
関係会社株式の取得による支出	Purchase of stocks of subsidiaries and affiliates	—	—	—	—	△21
その他	Other, net	△158	△395	△104	△24	110
投資活動によるキャッシュ・フロー	Net cash provided by (used in) investing activities	△6,072	△5,642	△6,312	△1,944	2,323
配当金の支払額	Cash dividends paid	△662	△927	△1,060	△1,192	△1,059
リース債務の返済による支出	Repayments of lease obligations	—	—	△97	△185	△245
その他	Other, net	△51	△81	△101	△106	△36
財務活動によるキャッシュ・フロー	Net cash provided by (used in) financing activities	△713	△1,008	△1,258	△1,483	△1,341
現金及び現金同等物に係る換算差額	Effect of exchange rate change on cash and cash equivalents	△0	2	9	3	△2
現金及び現金同等物の増減額(△は減少)	Net increase (decrease) in cash and cash equivalents	△5,646	△1,161	△5,010	1,027	4,257
現金及び現金同等物の期首残高	Cash and cash equivalents at beginning of period	31,725	29,510	34,155	35,427	34,115
現金及び現金同等物の四半期末残高	Cash and cash equivalents at end of period	26,079	28,349	29,145	36,455	38,373

巻末の開示事項をご覧ください。 Please see the important disclosures at the end of this material.

## 【個別】

《参考》上期財務情報 Ref. First Half Financial Information  
 4.個別業績概要 Outline of Non-consolidated Business Results

(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)

		2006/9		2007/9		2008/9		2009/9		2010/9		2011/9	
		(実績 Actual)	(見通し Outlook)	(見通し Outlook)									
受注高	Amount of order acceptance	72,801	78,098	78,508	64,127	66,425	—						
業務ソリューション	Business solutions	41,900	47,951	44,452	34,175	33,328	—						
基盤ソリューション	Platform solutions	10,447	8,583	8,308	7,527	8,497	—						
ビジネスサービス	Business services	20,454	21,564	25,748	22,424	24,599	—						
期末受注残高	Order backlog at end of period	43,623	50,127	54,619	54,384	56,604	—						
業務ソリューション	Business solutions	21,290	28,293	29,764	29,028	29,372	—						
基盤ソリューション	Platform solutions	2,834	3,529	2,894	3,667	8,309	—						
ビジネスサービス	Business services	19,499	18,305	21,962	21,688	18,922	—						
売上高 ※	Net sales	62,549	67,871	66,865	61,280	64,780	62,000						
業務ソリューション	Business solutions	32,970	37,927	35,733	31,008	31,133	30,000						
基盤ソリューション	Platform solutions	11,202	9,068	7,704	6,389	7,079	7,000						
ビジネスサービス	Business services	18,377	20,876	23,428	23,882	26,567	25,000						
売上総利益 ※	Gross profit	11,744	13,599	11,905	11,546	11,241	10,750						
販売費及び一般管理費	Selling, general and administrative expenses	7,784	8,512	9,045	8,296	8,156	8,150						
営業利益 ※	Operating income	3,960	5,087	2,860	3,249	3,085	2,600						
経常利益 ※	Ordinary income	4,281	5,588	3,401	4,046	3,793	3,300						
四半期純利益	Net income	2,698	3,331	2,041	2,554	2,385	2,000						
営業利益率(%)	Operating income margin (%)	6.3%	7.5%	4.3%	5.3%	4.8%	4.2%						
売上高総利益率(%)	Gross profit margin (%)	18.8%	20.0%	17.8%	18.8%	17.4%	17.3%						
業務ソリューション	Business solutions	22.2%	21.7%	17.0%	19.7%	16.4%	17.1%						
基盤ソリューション	Platform solutions	17.9%	20.8%	21.0%	23.5%	19.1%	18.1%						
ビジネスサービス	Business services	13.1%	16.6%	18.1%	16.4%	18.0%	17.4%						
新日鉄向け売上高	Sales to Nippon Steel Corp.	8,661	10,730	12,187	13,611	15,198	—						
期末従業員数(人)	Number of employees at end of period (jobs)	2,155	2,256	2,412	2,490	2,429	—						

※ 2010年3月期より、工事進行基準を適用しております。  
 On April 1, 2009, the Company adopted the percentage of completion method.

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## 【個別】

《参考》上期財務情報 Ref. First Half Financial Information

## 5.要約個別損益計算書 Condensed Non-consolidated Statements of Income

(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)

		2006/9		2007/9		2008/9		2009/9		2010/9		2011/9	
		(実績 Actual)	(見通し Outlook)	(見通し Outlook)									
売上高 ※	Net sales	62,549	67,871	66,865	61,280	64,780	62,000						
売上原価	Cost of sales	50,805	54,272	54,960	49,734	53,539	51,250						
売上総利益 ※	Gross profit	11,744	13,599	11,905	11,546	11,241	10,750						
販売費及び一般管理費	Selling, general and administrative expenses	7,784	8,512	9,045	8,296	8,156	8,150						
営業利益 ※	Operating income	3,960	5,087	2,860	3,249	3,085	2,600						
営業外収益	Non-operating income	327	530	568	844	759	—						
営業外費用	Non-operating expenses	6	29	27	48	51	—						
経常利益 ※	Ordinary income	4,281	5,588	3,401	4,046	3,793	3,300						
特別利益	Extraordinary income	7	—	—	—	—	—						
特別損失	Extraordinary loss	5	5	13	—	—	—						
税引前四半期純利益 ※	Income before income taxes	4,283	5,582	3,387	4,046	3,793	—						
法人税等	Income taxes-current	1,522	2,064	1,347	1,491	1,407	—						
法人税等調整額	Income taxes-deferred	63	187	—	—	—	—						
四半期純利益	Net income	2,698	3,331	2,041	2,554	2,385	2,000						

## 売上原価の内訳

## Breakdown of cost of sales

労務費	Labor cost	7,395	7,964	8,641	8,759	8,727	—
材料費	Material cost	17,190	16,233	18,964	15,497	18,290	—
外注費	Subcontract expenses	25,276	27,528	25,541	22,728	23,230	—
賃借料	Rent expenses	2,302	2,120	2,114	2,328	2,213	—
その他	Other	△1,358	427	△299	422	1,078	—

## 販売費及び一般管理費の内訳

## Breakdown of selling, general and administrative expenses

労務費	Labor cost	3,078	3,280	3,512	3,514	3,415	—
営業支援費	Operating expense for acceptance of orders	1,455	1,636	1,904	1,550	1,607	—
業務委託費	Business consignment expenses	835	928	980	796	920	—
減価償却費	Depreciation and amortization	80	84	93	73	62	—
その他	Other	2,336	2,584	2,555	2,363	2,150	—

※ 2010年3月期より、工事進行基準を適用しております。

On April 1, 2009, the Company adopted the percentage of completion method.

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本資料には当社又は当社役員の当社の営業成績及び財政状態に関する意図、意見又は現時点の予想と関連する将来予想が記載されております。従って、この将来予想は、歴史的事実でも将来の業績を保証するものでもないため、リスクと不確定な要素を含んでおります。実際の業績は様々な要因により異なる可能性があります。当社は、この将来予想を、これらの変化要因を反映するために修正することを保証するものではありません。

#### 財務諸表の開示について

当社連結財務諸表及び、個別財務諸表につきましては、日本の金融商品取引法及びそれに関連する会計規則、日本基準における一般会計原則に従って作成されております。そのため国際財務報告基準とは開示方法が異なる部分がありますのでご留意ください。

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.

#### Basis of Presenting Financial Statements

The accompanying financial statements of the Company and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.