

Consolidated financial condition

(Millions of yen, except per share amounts and percentages)

	Jun.30, 2005	Jun.30, 2006	Mar. 31, 2006
Total assets	¥88,032	¥94,564	¥103,117
Net assets	54,489	62,287	60,006
Shareholders' equity ratio	61.9%	64.2%	58.2%
Shareholders' equity per share of common stock*	¥1,028.12	¥1,145.51	¥1,132.23

*The number of shares at the end of the periods (used for computation of shareholders' equity per share of common stock) for the three-month period ended Jun. 30, 2005 and 2006, and for the fiscal year ended Mar. 31, 2006 is shown in the chart below.

	(Thousands of shares)		
	Three Months ended Jun. 30,		Fiscal Year ended
	2005	2006	Mar. 31, 2006
Number of issued shares at end of period	52,999	52,999	52,999
Number of own shares at end of period	1	1	1

Ref. Consolidated cash flow

(Millions of yen)

	Three Months ended Jun.30,			Fiscal Year ended
	2005	2006	Difference	Mar.2006
Cash flow from operating activities	¥3,585	¥2,688	¥ 897	¥10,420
Cash flow from investing activities	(251)	(303)	52	(630)
Cash flow from financing activities	(510)	(712)	203	(1,173)
Cash and cash equivalents at end of period	25,925	33,398	7,473	31,725

Cash and cash equivalents at the end of the first quarter of this fiscal year increased by ¥1,673 million to ¥33,398 million compared with the end of the last fiscal year. Cash flows by activities are as follows:

Operating Activities: Operating activities generated ¥2,688 million cash. This is mainly due to income before income taxes of ¥2,561 million and improvements in inter-company credit of ¥9,281 million, while negatively impacted by income taxes paid of ¥3,668 million and an increase in inventories of ¥5,348 million.

Investing Activities: Investing activities used ¥303 million cash. This is mainly due to payments for purchase of property and equipment and intangible fixed assets of ¥333 million.

Financing Activities: Financing activities used ¥712 million. This is due to dividends paid.

Consolidated outlook for the Fiscal Year ending March 31, 2007 (FY2006)

Business results for the three-month period ended June 30, 2006 have been moving steadily as forecasted before. Therefore, we keep unchanged our previous outlook both for the first half of the current fiscal year and for the current fiscal year.

Current outlook	(Millions of yen)		
	Sales	Recurring profit	Net income
First half of FY2006	66,000	4,500	2,500
FY2006	¥152,000	12,500	7,000

Ref. Net income per share forecast (full-year) 132.08 yen*

Adoption of Concise Accounting Procedure for the Quarterly Period

None.

Accounting Procedure Differences between the Quarters ended Jun. 30, 2005 and 2006, and the Fiscal Year ended March 31, 2006

None.

Difference in Consolidation and Equity Method Scope between the Quarters ended Jun. 30, 2005 and 2006, and the Fiscal Year ended March 31, 2006.

None.

Non-consolidated Results Information

Non-consolidated operating results

(Millions of yen, except per share amounts and percentages)

	Three Months ended Jun. 30,			Fiscal Year ended
	2005	2006	Difference	Mar. 2006
Sales	¥24,784	¥27,933	12.7%	¥133,143
Operating income	1,597	2,150	34.7	9,484
Recurring profit	1,863	2,429	30.4	9,794
Net income	1,112	1,555	39.8	6,732
Net income per share of common stock				
Basic	¥20.99	¥29.35		¥127.01
Diluted	-	-		-

* Average shares used for computation of net income per share of common stock for the three-month period ended Jun. 30, 2005 and 2006, and for the fiscal year ended Mar. 31, 2006 are shown in the chart below.

	Three Months ended Jun. 30,		Fiscal Year ended Mar.
	2005	2006	31, 2006
Net income per share of common stock Basic	52,998	52,998	52,998

(Thousands of shares)

Non-consolidated financial condition

(Millions of yen, except per share amounts and percentages)

	Jun. 30, 2005	Jun. 30, 2006	Mar. 31, 2006
Total assets	¥82,199	¥88,964	¥96,052
Net assets	49,147	54,479	53,730
Shareholders' equity ratio	59.8%	61.2%	55.9%
Shareholders' equity per share of common stock*	¥927.33	¥1,027.94	¥1,013.81

*The number of shares at the end of the periods (used for computation of shareholders' equity per share of common stock) for the three-month period ended Jun.30, 2005 and 2006, and for the fiscal year ended Mar. 31, 2006 is shown in the chart below.

	Three Months ended Jun 30,		Fiscal Year ended Mar.
	2005	2006	31, 2006
Number of issued shares at end of period	52,999	52,999	52,999
Number of own shares at end of shares	1	1	1

(Thousands of shares)

Non-consolidated Outlook for the Fiscal Year ending March 31, 2007 (FY2006)

Business results for the three-month period ended June 30, 2006 have been moving steadily as forecasted before. Therefore, we keep unchanged our previous outlook both for the first half of the current fiscal year and for the current fiscal year.

Current outlook	(Millions of yen)		
	Sales	Recurring profit	Net income
First half of FY2006	58,500	3,800	2,200
FY2006	¥136,000	10,200	6,000

Ref. Net income per share forecast (full-year) 113.21yen*

(Note) Figures in this material have been rounded.

The above statements were prepared, based on the materials available as of the release date. Actual results may vary from the outlook figures by various factors in the future.

NS SOLUTIONS CORPORATION
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

As of Jun. 30, 2005, Mar. 31, 2006 and Jun. 30, 2006

	Millions of yen			Thousands of U.S. dollars (Note 4)
	Jun. 30, 2005	Mar. 31, 2006	Jun. 30, 2006	Jun. 30, 2006
<u>Assets</u>				
Current assets				
Cash and bank deposits	¥12,021	¥12,845	¥10,847	\$94,126
Deposited money	13,904	18,880	22,551	195,689
Trade notes and accounts receivable	17,269	34,234	19,057	165,368
Inventories	14,355	7,634	12,982	112,649
Deferred tax assets-current	3,100	3,218	3,280	28,465
Others	567	571	458	3,974
Allowance for doubtful accounts	(11)	(21)	(9)	(81)
Total current assets	61,205	77,361	69,166	600,190
Property and equipment (Note 2(8))	4,444	4,861	4,726	41,009
Intangible fixed assets	614	524	483	4,194
Investments and other assets				
Long term loan-related party	12,000	12,000	12,000	104,131
Others	9,769	8,371	8,189	71,057
Total assets	¥88,032	¥103,117	¥94,564	\$820,581
<u>Liabilities</u>				
Current liabilities				
Trade notes and accounts payable	10,132	15,691	9,795	85,000
Accrued expenses	3,034	2,605	2,588	22,461
Accrued income taxes	915	3,806	1,251	10,857
Advance receipts	6,087	3,212	5,083	44,107
Accrued bonuses to employees	3,092	5,803	3,008	26,106
Accrued bonuses to directors	0	22	0	0
Allowance for program product warranties	0	337	346	3,002
Others	1,524	1,901	1,821	15,793
Total current liabilities	24,784	33,377	23,892	207,326
Allowance for employees' retirement benefits	7,197	7,810	8,065	69,987
Other long-term liabilities (Note 8)	245	301	320	2,772
<u>Shareholders' Equity</u>				
Minority interest in consolidated subsidiaries	1,317	1,623		
Shareholders' equity				
Common stock	12,953	12,953		
Additional paid-in capital	9,950	9,950		
Retained earnings	31,736	37,600		
Reserve for revaluation of land	(757)	(1,277)		
Valuation gain on available-for-sale	613	780		

securities and others		
Foreign currency translation adjustment	(4)	2
Treasury stock	(2)	(2)
Total shareholders' equity	54,489	60,006
Total liabilities, minority interests and shareholders' equity	¥88,032	¥ 103,117
<u>Net assets</u>		
Net assets		
Common stock	12,953	112,398
Additional paid-in capital	9,950	86,345
Retained earnings	38,456	333,704
Treasury stock	(2)	(20)
Valuation gain on available-for-sale securities and others	628	5,451
Reserve for revaluation of land	(1,277)	(11,081)
Foreign currency translation adjustment	2	18
Minority interest in consolidated subsidiaries	1,577	13,681
Total net assets	62,287	540,496
Total liabilities and net assets	¥94,564	\$820,581

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

NS SOLUTIONS CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended Jun. 30, 2005 and 2006

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2005	2006	2006
Net sales	¥27,188	¥30,819	\$267,433
Cost of sales	21,059	23,646	205,187
Gross profit	6,129	7,173	62,246
Selling, general and administrative expenses (Note 6,7)	4,470	4,675	40,570
Operating income	1,659	2,498	21,676
Other income (expenses)	70	63	546
Income before income taxes and minority interest	1,729	2,561	22,222
Income Taxes	826	1,038	9,009
Income before minority interest	903	1,523	13,213
Minority interest	(53)	4	35
Net income	¥956	¥1,519	\$13,178

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

NS SOLUTIONS CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended Jun. 30, 2005 and 2006

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2005	2006	2006
Cash flows from operating activities;			
Income before income taxes			
Adjustments to reconcile income before income taxes to net cash provided by operating activities	¥1,729	¥2,561	\$22,221
Depreciation	305	329	2,856
Decrease in allowance for doubtful accounts	(2,621)	(2,816)	(24,438)
Increase in allowance for employees' retirement benefits, net of payments	257	255	2,209
Decrease in accounts receivable	19,996	15,177	131,697
Increase in inventories	(6,853)	(5,348)	(46,409)
Decrease in accounts payable	(7,209)	(5,896)	(51,162)
Others, net	1,764	2,072	17,991
Sub total	7,368	6,334	54,965
Income taxes paid	(3,823)	(3,668)	(31,826)
Others, net	40	22	188
Net cash provided by operating activities	3,585	2,688	23,327
Cash flow from investing activities;			
Payments for purchase of property and equipment and intangible fixed assets	(262)	(333)	(2,892)
Others, net	11	30	261
Net cash used for investing activities	(251)	(303)	(2,631)
Cash flows from financing activities;			
Payments for purchase of treasury stock			
Dividends paid	(464)	(662)	(5,749)
Dividends paid to minority shareholders	(46)	(50)	(434)
Net cash used for financing activities	(510)	(712)	(6,183)
Effect of exchange rate changes on cash and cash equivalents	2	0	2
Net increase in cash and cash equivalents	2,826	1,673	14,515
Cash and cash equivalents at beginning of period	23,099	31,725	275,299
Cash and cash equivalents at end of period	¥25,925	¥33,398	\$289,814

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

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared based on the accounts maintained by the Company and its consolidated subsidiaries in accordance with the provisions set forth in the Commercial Code of Japan and the Securities and Exchange Law of Japan, and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards and of accounting principles and practices generally accepted and applied in the United States. The consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan. However, certain reclassifications are incorporated in order to present the financial statements in a form which is more familiar to readers outside Japan. Such reclassifications have no effect on net income or retained earnings.

2. Summary of Significant Accounting Policies

(1) Principles of consolidation

The consolidated financial statements for the fiscal year ended March 31, 2006 and the three-month period ended June 30, 2005 and 2006 include the accounts of the Company and its 11 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
- NS Solutions Oita Corporation
- NSSLC Service Corporation
- Nittetsu Hitachi Systems Engineering, Inc.
- NCI Systems Integration, Inc.
- NS Solutions Software (Shanghai) Co., Ltd.

Due to a decrease in its importance as a result of suspension of its business operations, the investment in NS Solutions USA Corporation, a wholly-owned subsidiary, is stated at cost, after recognition of impairment losses, on the Company's consolidated balance sheets. The total assets, net sales, net income and surplus of NS

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Solutions USA Corporation are not significant to the Company's consolidated financial statements.

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

The Company's overseas subsidiary, NS Solutions Software (Shanghai) Co., Ltd., has a fiscal year ending June 30 and the three-month period ending March 31, which differ from those of the Company. The company incorporated this subsidiary's accounts for the three-month period ended March 31, 2005 into these unaudited condensed consolidated financial statements for the three-month period ended June 30, 2005. Any material transactions occurring in the period, April 1 to June 30 are adjusted for in these unaudited condensed consolidated financial statements.

(2) Investments in affiliates

The Company's investments in three significant affiliates were accounted for using the equity method for the three-month period ended June 30, 2005 as listed below:

NS&I System Service Corporation

Solnet Co., Ltd.

Hokkaido High Information Technology Center Co., Ltd.

The Company excluded NS&I System Service Corporation from the scope of the equity method at the end of the third quarter, due to the sale of the Company's ownership interest in it on December 28, 2005.

As a result, the Company's investments in the two significant affiliates were accounted for using the equity method for years ended June 30, 2006 and the fiscal year ended March 31, 2006 as listed below:

Solnet Co., Ltd.

Hokkaido High Information Technology Center Co., Ltd.

(3) 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. An allowance for doubtful accounts is provided for normal receivables based on the Company's historical write-off experience, plus an estimate of irrecoverable amounts on an individual account basis.

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(4) Allowance for loss on guarantees

An allowance for loss on guarantees is provided at the estimated amount of future losses likely to occur from guaranteeing the indebtedness of other parties, based on the Company's analysis of the other parties' financial condition and results of operations.

(5) Allowance for program product warranties

Allowance for program product warranties is provided at the estimated amount computed by the actual rate of the past expenditure, in order that the Company prepare for expenditure of program product warranties in the future.

Effective from the year ended March 31, 2006, the Company adopted the above procedure. Prior to this adoption, program product warranty expenses were charged to income in the fiscal year when the payment was made. Compared to the results which would have been obtained applying the same procedure as that used in the previous period, operating income and income before income taxes and minority interests decreased ¥9 million(\$78 thousand).

(6) Inventories

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

Work-in-processthe individual cost method

Merchandise and suppliesprimarily, the gross average method

(7) Investments in securities

Available-for-sale securities with a market quotation on a stock exchange are valued at market value. Unrealized holding gains and losses, net of tax, are recognized in "Valuation gain on available-for-sale securities" as a separate component of shareholders' equity.

Available-for-sale securities without a market quotation are recorded at cost. The cost of available-for-sale securities sold is principally based on the moving average cost method.

(8) Property and equipment

Property and equipment is recorded at cost, net of accumulated depreciation of ¥5,603 million and ¥6,451 million (\$55,982 thousand) at June 30, 2005 and 2006 and ¥6,210 million at March 31, 2006, respectively. Depreciation of property and equipment is computed principally using the declining-balance method at rates based on the estimated useful lives of the assets. However, depreciation of buildings (except for building improvements) acquired on or after April 1, 1998, is computed using the straight-line method.

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Depreciation of leased assets is computed using the straight-line method over the period of the lease contract term, with no residual value.

Normal repairs and maintenance, including minor renewals and improvements, are charged to income as incurred.

(9) Intangible fixed assets and long-term prepaid expenses

Amortization of intangible fixed assets and long-term prepaid expenses 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.

(10) Allowance for retirement benefits

(a) Retirement benefits for employees

The employees of the Company are generally covered by retirement benefit plans 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.

An allowance for retirement benefits to employees of the Company and its major consolidated subsidiaries is provided based on the estimated present value of projected benefit obligations. For some minor consolidated subsidiaries, an allowance for retirement benefits to employees is provided using a simple method, as permitted by "Opinion Concerning Establishment of Accounting Standard for Retirement Benefits", based on the estimated amount which would be payable if all employees voluntarily retired at the relevant balance sheet date.

Actuarial gains (losses) are charged as income or expense in the year they arise.

(b) Retirement benefits for directors

An allowance for retirement benefits to directors and corporate auditors of the Company and its consolidated subsidiaries is provided based on the Companies' internal rules and is based on the estimated amount which would be payable if all directors and corporate auditors retired at the relevant balance sheet date.

(11) Accrued bonuses to employees

Accrued bonuses to employees are provided at the estimated amount which the Company is obliged to pay to employees after the period-end, based on their service for the three-month period ended on the relevant balance sheet date.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(12) Accounting for finance lease transactions

Finance lease transactions, except for those which are deemed to transfer ownership of the leased assets to lessees, are accounted for using a method similar to that used for regular operating lease transactions.

(13) Net income per share

Net income per share of common stock is computed based on the weighted average number of outstanding shares of common stock during the respective periods. Under the Statement of Financial Accounting Standard No. 2 "Net income per Share" issued by the Accounting Standards Board of Japan, net income should be adjusted by deducting the payment of dividends to shareholders of preferred stocks to be recognized as an appropriation of retained earnings, from net income shown in the statements of income, and the computation of net income per share be made on that adjusted net income basis. Since no convertible bonds or warrants were issued and outstanding, there was no dilutive effect on net income per share during these periods.

The average number of shares used in the computation was 52,998 thousand for the fiscal year ended March 31, 2006 and the three-month period ended June 30, 2005 and 2006, respectively.

3. Change in accounting principle

(1) Accounting Standard for Impairment of Fixed Assets

The Company adopted "Accounting Standard for Impairment of Fixed Assets" and "Application Guideline for Accounting Standard for Impairment of Fixed Assets" effective for the fiscal years beginning April 1, 2005 or thereafter.

There were no effects on the Companies' consolidated financial statements during the three-month ended June 30, 2006.

(2) Accounting Standard for Net Assets of Balance Sheet

"Accounting Standard for Net Assets of Balance Sheet" and "Application Guideline for Accounting Standard for Net Assets of Balance Sheet" have been adopted from the current term.

Total amount of conventional shareholders' equity was 60,710 million yen at June 30, 2006.

4. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of readers. The rate of ¥115.24=U.S. \$1, the effective rate of exchange prevailing at June 30, 2006, has been

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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.

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5. Leases

Leased assets, and related expenses in respect of the Company's finance leases, other than those which transfer ownership of the leased assets, are accounted for using a method similar to that used for regular operating leases. Finance lease charges of the Companies were ¥138 million and ¥86 million (\$742 thousand) for the three-month period ended June 30, 2005 and 2006 and ¥463 million for the fiscal year ended March 31, 2006, respectively. Had they been capitalized, the following items would have been recognized on the consolidated balance sheets and the consolidated statements of income as at and for the three-month period ended June 30, 2005 and 2006 and the fiscal year ended March 31, 2006:

	Millions of yen		
	Acquisition Cost	Accumulated Depreciation	Net balance
June 30, 2005			
Machinery and equipment	¥ 78	¥ 60	¥ 18
Tools, furniture and fixtures	1,894	1,230	664
Software	648	469	179
Total	¥2,620	¥1,759	¥861

	Millions of yen		
	Acquisition Cost	Accumulated Depreciation	Net balance
March 31, 2006			
Machinery and equipment	¥ 26	¥ 17	¥ 9
Tools, furniture and fixtures	1,897	1,416	481
Software	476	358	119
Total	¥2,399	¥1,791	¥ 608

	Millions of yen		
	Acquisition Cost	Accumulated Depreciation	Net balance
June 30, 2006			
Machinery and equipment	¥ 17	¥ 9	¥ 8
Tools, furniture and fixtures	1,257	789	468
Software	345	231	114
Total	¥1,619	¥1,029	¥ 590

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June 30, 2006	Thousands of U.S. dollars (Note 4)		
	Acquisition	Accumulated	Net balance
	Cost	Depreciation	
Machinery and equipment	\$ 148	\$ 78	\$ 70
Tools, furniture and fixtures	10,908	6,850	4,058
Software	2,993	2,001	992
Total	\$14,048	\$8,929	\$5,119

	Millions of Yen			Thousands of U.S. dollars (Note 4)
	June 30,	March 31,	June 30,	June 30,
	2005	2006	2006	2006
Depreciation expense	¥129	¥431	¥77	\$667
Interest expense	6	19	4	32

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.

The present values of future lease payments at June 30, 2005 and 2006 and March 31, 2006 are as follows:

	Millions of Yen			Thousands of U.S. dollars (Note 4)
	June 30,	March	June 30,	June 30,
	2005	31, 2006	2006	2006
Within one year	¥406	¥246	¥256	\$ 2,226
Over one year.....	502	387	354	3,071
Total.....	¥908	¥632	¥610	\$5,296

Future operating lease payments under non-cancelable lease contracts at June 30, 2005 and 2006 and March 31, 2006 are as follows;

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	Millions of Yen			Thousands of U.S. dollars (Note 4)
	June 30, 2005	March 31, 2006	June 30, 2006	June 30, 2006
Within one year	¥2	¥2	¥1	\$11
Over one year.....	2	1	0	3
Total.....	¥4	¥3	¥2	\$14

6. Selling, General and Administrative Expenses

The main components of selling, general and administrative expenses for the three-month period ended June 30, 2005 and 2006 are as follows:

June 30	Millions of Yen		Thousands of U.S. dollars (Note 4)
	2005	2006	2006
Payroll and bonuses.....	¥1,859	¥1,879	\$16,308
Allowance for employees' retirement benefits	110	104	905
Allowance for directors' retirement benefits	19	19	165
Depreciation expense.....	40	52	449
Operating expense for acceptance of orders.....	754	800	6,942

7. Research and Development Costs

Research and development costs charged to income for the three-month period ended June 30, 2005 and 2006 were ¥277 million and ¥281 million (\$2,438 thousand), respectively.

8. Contingent Liabilities

The Company's loss contingencies for guaranteeing the indebtedness of other parties, excluding the portion for which a related allowance is provided as a liability on the consolidated balance sheets, were ¥23 million at June 30, 2005 and ¥2 million at March 31, 2006, respectively, each of which are Guarantees for bank loans of the Hokkaido High Information Technology Center Co., Ltd.



NS Solutions

平成19年3月期 第1四半期財務・業績の概況 補足資料

Appendix of Financial Information and Business Results Outline for the Quarterly Period ended Jun. 30, 2006

2006年7月28日
July 28, 2006

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

(注)この資料において百万円もしくはパーセントで記載してある情報は四捨五入しておりますので、第1四半期財務・業績の概況と数値が異なる場合があります。

(Note) In this material, where information is presented in millions of yen or percentages, these amounts have been rounded. Accordingly, these amounts may differ from figures included in *outline of consolidated financial results for the first quarter* in some cases.

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))

	2006/3					2007/3				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
サービス区分の分類方法 Categorization method by business line	← 新区分 New →					← 新区分 New →				
受注高 Amount of order acceptance	32,574	42,028	31,098	45,090	150,790	39,314				39,314
業務ソリューション Business solutions	19,141	22,729	18,326	26,456	86,652	25,336				25,336
基盤ソリューション Platform solutions	5,781	5,747	5,758	7,083	24,369	5,008				5,008
ビジネスサービス Business services	7,652	13,553	7,013	11,551	39,769	8,970				8,970
期末受注残高 Order backlog at end of period	40,902	45,354	45,971	37,997	37,997	46,492				46,492
業務ソリューション Business solutions	19,405	21,542	23,207	15,867	15,867	24,680				24,680
基盤ソリューション Platform solutions	4,117	3,713	4,546	4,708	4,708	4,154				4,154
ビジネスサービス Business services	17,380	20,099	18,218	17,422	17,422	17,658				17,658
売上高 Net sales	27,188	37,576	30,481	53,063	148,308	30,819				30,819
業務ソリューション Business solutions	12,950	20,591	16,661	33,797	83,999	16,522				16,522
基盤ソリューション Platform solutions	6,184	6,150	4,926	6,921	24,181	5,562				5,562
ビジネスサービス Business services	8,054	10,835	8,894	12,346	40,129	8,734				8,734
売上総利益 Gross profit	6,129	7,300	6,228	10,862	30,519	7,173				7,173
販売費及び一般管理費 Selling, general and administrative expenses	4,470	4,370	4,156	5,406	18,402	4,675				4,675
営業利益 Operating income	1,659	2,930	2,072	5,456	12,117	2,498				2,498
経常利益 Recurring profit	1,718	3,034	2,136	5,468	12,356	2,549				2,549
当期純利益 Net income	956	1,750	1,528	3,248	7,482	1,519				1,519
売上高営業利益率(%) Operating income margin (%)	6.1%	7.8%	6.8%	10.3%	8.2%	8.1%				8.1%

新日鉄向け売上高 Sales to Nippon Steel Corp.	4,501	6,206	4,875	5,809	21,391	4,454				4,454
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	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2001/9	2002/9	2003/9	2004/9	2005/9	2006/9
	(みなし連結 Pro forma consolidated, including EI Division)	(みなし連結 Pro forma consolidated, including EI Division)	(実績 Actual)											
サービス区分の分類方法 Categorization method by business line	従来区分 Old	従来区分 Old	従来区分 Old	従来区分 Old	新区分 New	新区分 New	新区分 New	新区分 New	従来区分 Old	従来区分 Old	従来区分 Old	新区分 New	新区分 New	新区分 New
受注高 Amount of order acceptance			143,202	153,844	147,482	147,482	152,210	150,790	69,794	76,514	71,630	71,630	76,289	74,602
業務ソリューション Business solutions			73,029	81,859	74,011	79,671	84,363	86,652	30,900	42,435	36,950	40,063	41,153	41,870
基盤ソリューション Platform solutions			34,394	34,488	36,194	29,648	27,417	24,369	16,463	15,708	14,756	11,349	14,156	11,528
3 ビジネスサービス Business services			35,779	37,496	37,277	38,163	40,430	39,769	22,431	18,372	19,924	20,218	20,979	21,205
期末受注残高 Order backlog at end of period			123,775	24,520	21,158	21,158	35,516	37,997	28,478	31,533	31,577	31,577	31,724	45,354
業務ソリューション Business solutions			14,501	14,599	10,806	10,806	13,213	15,867	17,209	21,619	20,351	20,351	18,545	21,542
基盤ソリューション Platform solutions			3,603	3,101	2,802	2,802	4,520	4,708	2,180	2,874	2,666	2,666	3,207	3,713
3 ビジネスサービス Business services			5,670	6,820	7,550	7,550	17,782	17,422	9,089	7,040	8,560	8,560	9,972	20,099
売上高 Net sales	132,683	145,952	148,922	153,098	150,844	150,844	146,526	148,308	67,902	68,756	64,574	64,574	65,723	64,764
業務ソリューション Business solutions	55,048	72,558	78,534	81,761	77,804	83,463	81,956	83,999	33,778	35,317	31,199	34,312	33,414	33,541
基盤ソリューション Platform solutions	25,459	29,824	35,169	34,990	36,493	29,948	25,700	24,181	16,369	16,437	15,191	11,784	13,752	12,334
ビジネスサービス Business services	52,176	43,570	35,219	36,347	36,547	37,433	38,871	40,129	17,755	17,002	18,184	18,478	18,557	18,888
売上総利益 Gross profit	24,184	31,770	29,719	30,332	27,485		29,464	30,519	13,803	14,585	12,635		12,914	13,429
販売費及び一般管理費 Selling, general and administrative expenses	16,661	20,703	17,240	18,235	17,759		17,754	18,402	8,058	9,142	8,976		8,701	8,840
営業利益 Operating income	7,523	11,067	12,479	12,097	9,726		11,710	12,117	5,745	5,443	3,659		4,212	4,589
経常利益 Recurring profit	6,948	10,669	12,422	12,086	9,785		11,791	12,356	5,736	5,454	3,691		4,272	4,752
当期純利益 Net income	3,425	5,827	6,422	6,247	5,324		6,621	7,482	2,915	2,718	1,935		2,287	2,706
売上高営業利益率(%) Operating income margin (%)	5.7%	7.6%	8.4%	7.9%	6.4%		8.0%	8.2%	8.5%	7.9%	5.7%		6.4%	7.1%

1 連結子会社の一部で2002年4月より受注残高管理を開始しました。2002年3月末の受注残高は、2002年4月以降の受注残高との比較可能性を補うため、当該子会社が2002年3月以前から受注残高管理を開始していた場合を想定し算出したものであります。

One of our consolidated subsidiaries has newly started to manage its order backlogs through figures since April 2002. Order backlogs at the end of March 2002 have been estimated as if this change had occurred before March 2002 in order to raise the comparability between the figures in March 2002 and those in and after April 2002.

2 サービス区分別の受注高・期末受注残高・売上高などの金額は、従来、個別プロジェクト毎に分類しておりましたが、2004年3月期より部門別に分類する方法に変更致しました。2004年3月期については、前年との比較を容易にするため従来区分と新区分の両方を記載しております。 Business line-related figures such as order acceptance, order backlog and sales had been categorized on a project-by-project basis. NS Solutions has just started to categorize these figures on a division-by-division basis for the fiscal year ended Mar. 2004. NS Solutions prepared both categorization data for the fiscal year ended Mar. 2004 in order to raise the year-on-year comparability.

3 2005年3月末に、新日本製鐵向けサービスの受注高の把握方法を売上高計上時点での把握から、契約締結時点での把握に変更致しました。

In terms of the order acceptance from Nippon Steel Corporation, the company changed its recognition timing from sales-recognition basis to contract-date basis on March 31, 2005.

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。

当社は2001年4月1日に新日本製鐵(株)のエレクトロニクス・情報通信事業部(本文中「EI事業部」という。)の営業の一部並びに、新日本製鐵(株)が日鉄日立システムエンジニアリング(株)、エヌシーアイ総合システム(株)及びエヌエスアンドアイ・システムサービス(株)に有する株式持分を譲り受けました。本資料に「みなし連結」として記載されている2000年3月期及び2001年3月期の財務情報は、1999年4月1日及び2000年4月1日にそれぞれこれらの譲り受けが行われたものとみなして作成されております。日本において一般に公正妥当と認められる会計基準又は日本における手続き、法律若しくは規則において、みなし財務情報に関する定めは、現在ありません。また、このみなし財務情報は米国証券取引委員会のみなし財務情報に関する基準に従って作成したものではありません。

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.

The Company acquired part of the business of the Electronics and Information Systems Division of Nippon Steel (referred to “EI Division”), as well as the interests of Nippon Steel in Nittetsu Hitachi systems Engineering, Inc., NCI Systems Integration, Inc., and NS&I System Service Corporation, on April 1, 2001. Such acquisitions are reflected on Financial Information for the fiscal years ended March 31, 2000 and 2001 described as “Pro forma consolidated” as if they had occurred on April 1, 1999 and 2000 respectively. No presentation of “pro forma” financial information is currently required under Japanese GAAP or any procedure, law and regulation in Japan. Moreover, such “Pro forma consolidated” information is not prepared in accordance with the pro forma presentation requirements of the U.S. Securities and Exchange Commission.