

Consolidated financial condition

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

	Dec. 31, 2006	Dec. 31, 2007	Mar. 31, 2007
Total assets	¥96,589	¥109,307	¥113,997
Shareholders' equity	63,879	71,463	68,119
Shareholders' equity ratio	64.3%	63.5%	58.1%
Shareholders' equity per share of common stock* ¹	¥1,172.57	¥1,308.96	¥1,248.89

*¹ The number of shares at the end of the periods (used for computation of shareholders' equity per share of common stock) for the nine-month period ended Dec. 31, 2006 and 2007, and for the fiscal year ended Mar. 31, 2007 is shown in the chart below.

	(Thousands of shares)		Fiscal Year ended Mar. 31, 2007
	Nine Months ended Dec. 31, 2006	2007	
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)

	Nine Months ended Dec. 31,			Fiscal Year ended Mar. 31 2007
	2006	2007	Difference	
Cash flow from operating activities	¥2,040	¥7,749	5,709	¥6,331
Cash flow from investing activities	(6,550)	(6,942)	△392	(6,916)
Cash flow from financing activities	(1,640)	(2,068)	△428	(1,641)
Cash and cash equivalents at end of period	25,576	28,250	2,674	29,510

• Assets, liabilities and net assets

1) Total Assets

Total assets as of the end of the nine-month period ended December 31, 2007 decreased by ¥4,690 from ¥113,997 million for the last fiscal year ended March 31, 2007 to ¥109,307. The principal factor was a decrease of ¥15,407 million in trade notes and accounts receivable.

2) Liabilities

Total liabilities decreased by ¥8,035 million from ¥45,879 million to ¥37,844 million, mainly because of a decrease of ¥3,679 million in trade notes and accounts payable, and a fall of ¥2,922 million in accrued income taxes. The liabilities of the Group consist chiefly of accounts payable and other inter-company credits, accrued income taxes and allowances, including an allowance for employees' retirement benefits. There was no interest-bearing debt, such as borrowings from financial institutions.

3) Net assets

Net assets rose by ¥3,344 million from ¥68,118 million to ¥71,463 million. Major factors were a net income of ¥5,360 million and dividends of ¥1,987 million. The equity ratio was 63.5%.

Consolidated outlook for the Fiscal Year ending March 31, 2008 (FY2007)

During the nine-month period ended December 31, 2007, our businesses moved steadily as forecasted previously. Accordingly, NS Solutions keeps our previous outlook unchanged as shown below:

Current outlook	(Millions of yen)			
	Sales	Operating income	Recurring profit	Net income
FY2007	¥167,000	15,200	15,500	8,700

Ref. Net income per share forecast (full-year) 164.16 yen*

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.

Difference caused by significant subsidiaries in Consolidation and Equity Method Scope between the Quarters ended Dec. 31, 2006 and 2007, and the Fiscal Year ended March 31, 2007.

None.

Adoption of Concise Accounting Procedure for the Quarterly Period

None.

Accounting Procedure Differences between the Quarters ended Dec. 31, 2006 and 2007, and the Fiscal Year ended March 31, 2007.

None.

Non-consolidated Results Information

Non-consolidated operating results

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

	Nine Months ended Dec. 31,			Fiscal Year ended
	2006	2007	Difference	Mar. 31 2007
Sales	¥90,059	¥99,883	+10.9%	¥139,752
Operating income	5,547	7,773	+40.1	11,001
Recurring profit	5,896	8,342	+41.5	11,362
Net income	3,495	5,000	+43.1	6,851
Net income per share of common stock				
—Basic	¥65.95	¥94.35		¥129.28
—Diluted	—	—		—

* Average shares used for computation of net income per share of common stock for the nine-month period ended Dec. 31, 2006 and 2007, and for the fiscal year ended Mar. 31, 2007 are shown in the chart below.

	(Thousands of shares)		
	Nine Months ended Dec. 31,		Fiscal Year ended Mar.
	2006	2007	31, 2007
Number of average shares	52,998	52,998	52,998

Non-consolidated financial condition

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

	Dec. 31, 2006	Dec. 31, 2007	Mar. 31, 2007
Total assets	¥89,854	¥101,349	¥105,682
Shareholders' equity	55,285	61,497	58,647
Shareholders' equity ratio	61.5%	60.7%	55.5%
Shareholders' equity per share of common stock*	¥1,043.15	¥1,160.36	¥1,106.59

* The number of shares at the end of the periods (used for computation of shareholders' equity per share of common stock) for the nine-month period ended Dec. 31, 2006 and 2007, and for the fiscal year ended Mar. 31, 2007 is shown in the chart below.

	(Thousands of shares)		
	Nine Months ended Dec. 31,		Fiscal Year ended Mar.
	2006	2007	31, 2007
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

Non-consolidated Outlook for the Fiscal Year ending March 31, 2008 (FY2007)

Current outlook (Millions of yen)

	Sales	Operating income	Recurring profit	Net income
FY2007	¥149,500	12,300	12,900	7,800

Ref. Net income per share forecast (full-year) 147.18 yen*

(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 Dec. 31, 2006, Mar. 31, 2007 and Dec. 31, 2007

	Millions of yen			Thousands of U.S. dollars (Note 2)
	Dec. 31, 2006	Mar. 31, 2007	Dec. 31, 2007	Dec. 31, 2007
Assets				
Current assets				
Cash and bank deposits (Note5)	¥5,357	¥5,643	¥6,776	\$59,357
Deposited money (Note5).....	14,800	15,601	17,549	153,734
Trade notes and accounts receivable	20,103	39,236	23,830	208,758
Short-term investments (Note5)	5,499	8,266	8,929	78,223
Inventories	16,444	10,739	17,317	151,701
Deferred tax assets-current	3,086	3,380	3,149	27,583
Others	739	521	952	8,348
Allowance for doubtful accounts	(14)	(185)	(203)	(1,776)
Total current assets	66,014	83,201	78,299	685,928
Fixed assets				
Property and equipment (Note 4(8))	9,679	9,799	9,467	82,938
Intangible fixed assets.....	407	324	294	2,578
Investments and other assets				
Long term loan-related party	12,000	12,000	12,000	105,125
Others	8,489	8,673	9,247	81,005
Total fixed assets	30,575	30,796	31,008	271,646
Total assets	¥96,589	¥113,997	¥109,307	\$957,574
Liabilities				
Current liabilities				
Trade notes and accounts payable	9,958	17,622	13,943	122,144
Accrued expenses.....	2,634	2,724	2,457	21,524
Accrued income taxes	1,181	4,388	1,466	12,844
Advance received	4,903	4,259	5,161	45,214
Accrued bonuses to employees	2,924	5,901	2,997	26,256
Accrued bonuses to directors	—	31	—	—
Allowance for program product warranty	374	370	395	3,464
Others.....	1,855	2,020	2,208	19,339
Total current liabilities.....	23,829	37,315	28,627	250,785
Non-current liabilities				
Allowance for employees' retirement benefits	8,520	8,258	8,920	78,139
Others (Note9).....	361	306	297	2,606
Total non-current liabilities	8,881	8,564	9,217	80,745
Total liabilities	32,710	45,879	37,844	331,530

	Millions of yen			Thousands of U.S. dollars (Note 2)
	Dec. 31, 2006	Mar. 31, 2007	Dec. 31, 2007	Dec. 31, 2007
Net Assets				
Shareholders' equity				
Common stock.....	12,953	12,953	12,953	113,471
Additional paid-in capital	9,950	9,950	9,950	87,170
Retained earnings.....	40,087	44,127	47,500	416,121
Treasury stock.....	(2)	(3)	(3)	(31)
Total shareholders' equity	62,988	67,027	70,400	616,731
Valuation and translation adjustments				
Unrealized gain on available-for-sale securities	430	433	245	2,144
Unrealized gain on revaluation of land.....	(1,277)	(1,277)	(1,277)	(11,187)
Foreign currency translation adjustment	3	5	4	39
Total valuation and translation adjustments	(844)	(839)	(1,028)	(9,004)
Minority interests.....	1,735	1,930	2,091	18,317
Total net assets	63,879	68,118	71,463	626,044
Total liabilities and net assets	¥96,589	¥113,997	¥109,307	\$957,574

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 Nine Months Ended Dec. 31, 2006 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2006	2007	2007
Net sales	¥101,133	¥112,354	\$984,268
Cost of sales (Note8)	79,892	87,622	767,608
Gross profit	21,241	24,732	216,660
Selling, general and administrative expenses (Note 7,8)	13,954	15,117	132,426
Operating income	7,287	9,615	84,234
Other income (expenses)	128	249	2,179
Income before income taxes and minority interest	7,415	9,864	86,413
Income Taxes	3,176	4,263	37,342
Income before minority interest	4,239	5,601	49,071
Minority interests	(162)	(241)	(2,112)
Net income	¥4,077	¥5,360	\$46,959

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

NS SOLUTIONS CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF NET ASSETS
For the Nine Months Ended Dec. 31, 2006 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2006	2007	2007
Shareholder's equity:			
Common stock:			
Balance at beginning of the period.....	¥12,953	¥12,953	\$113,471
Balance at end of the period	12,953	12,953	113,471
Additional paid-in capital:			
Balance at beginning of the period.....	9,950	9,950	87,170
Balance at end of the period	9,950	9,950	87,170
Retained earnings:			
Balance at beginning of the period.....	37,600	44,127	386,573
Net income	4,077	5,360	46,959
Cash Dividends.....	(1,590)	(1,987)	(17,411)
Balance at end of the period	40,087	47,500	416,121
Treasury stock:			
Balance at beginning of the period.....	(2)	(3)	(26)
Net change during the period	(0)	(0)	(5)
Balance at end of the period	(3)	(3)	(31)
Total shareholders' equity at end of the period...	¥62,988	¥70,400	\$616,731

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

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2006	2007	2007
Valuation and translation adjustments:			
Unrealized gain on available-for-sale securities:			
Balance at beginning of the period.....	780	433	3,796
Net change during the period.....	(350)	(189)	(1,651)
Balance at end of the period.....	430	245	2,144
Unrealized loss on revaluation of land:			
Balance at beginning of the period.....	(1,277)	(1,277)	(11,187)
Balance at end of the period.....	(1,277)	(1,277)	(11,187)
Foreign currency translation adjustment:			
Balance at beginning of the period.....	2	5	44
Net change during the period.....	1	(1)	(5)
Balance at end of the period.....	3	4	39
Total valuation and translation adjustments at end of the period.....	(844)	(1,028)	(9,004)
Minority interests:			
Balance at beginning of the period.....	—	1,930	16,906
Increase due to change of accounting principle.....	1,623	—	—
Net change during the period.....	112	161	1,410
Balance at end of the period.....	1,735	1,896	18,317
Total minority interests at end of the period.....	1,735	2,091	18,317
Total net assets at end of the period.....	¥63,879	¥71,463	\$626,044

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

NS SOLUTIONS CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended Dec. 31, 2006 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2006	2007	2007
Cash flows from operating activities:			
Income before income taxes and minority interests			
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities	¥7,415	¥9,864	\$86,413
Depreciation	1,257	1,360	11,918
Decrease in allowance for doubtful accounts	(2,901)	(2,904)	(25,442)
Increase in allowance for employees' retirement benefits	710	662	5,800
Loss on sale of investments in affiliates, net	—	13	111
Decrease in accounts receivable	14,131	15,406	134,965
Increase in inventories	(8,810)	(6,578)	(57,623)
Decrease in accounts payable	(5,733)	(3,679)	(32,229)
Others, net	1,864	351	3,069
Sub total	7,933	14,495	126,982
Income taxes paid	(6,004)	(7,064)	(61,881)
Interest and dividends income	111	318	2,786
Others, net	(0)	—	—
Net cash provided by operating activities	2,040	7,749	67,886
Cash flows from investing activities:			
Acquisition of short-term investments	(80)	(5,009)	(43,883)
Expenditure for purchase of property and equipment and intangible fixed assets	(6,181)	(1,166)	(10,215)
Acquisition of investments in securities	(5)	(342)	(2,992)
Proceeds from sale of investments in affiliates	—	34	298
Acquisition of investments in affiliates	(18)	—	—
Others, net	(266)	(459)	(4,019)
Net cash used in investing activities	(6,550)	(6,942)	(60,811)
Cash flows from financing activities:			
Payments for purchase of treasury stock	(0)	(0)	(5)
Dividends paid	(1,590)	(1,987)	(17,411)
Dividends paid to minority shareholders	(50)	(80)	(702)
Net cash used for financing activities	(1,640)	(2,067)	(18,118)
Effect of exchange rate changes on cash and cash equivalents	1	0	0
Net increase in cash and cash equivalents	(6,149)	(1,260)	(11,042)
Cash and cash equivalents at beginning of the period	31,725	29,510	258,522
Cash and cash equivalents at end of the period	¥25,576	¥28,250	\$247,480

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 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.

The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company 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.

2. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of readers. The rate of ¥114.15 = U.S. \$1, the effective rate of exchange prevailing at December 31, 2007, 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.

3. Change in accounting principle

Effective April 1, 2007, the company changed the revised depreciation method based on the revised corporate tax law for property and equipment acquired on and after April 1, 2007. The effect of the change was to decrease gross profit, operating income and income before income taxes and minority interests by ¥15 million (\$127 thousand), ¥18 million (\$161 thousand), ¥18 million (\$161 thousand), respectively.

After depreciable assets acquired on or after April 1, 2007 have been depreciated to the final depreciable limit, the company depreciates the remaining value to ¥1 over five years using straight line method starting from the nine-month period ended December 31, 2007. The effect of the change was to decrease gross profit, operating income and income before income taxes and minority interests by ¥4 million (\$38 thousand), ¥5 million (\$47 thousand), ¥5 million (\$47 thousand), respectively.

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. Summary of Significant Accounting Policies

(1) Principles of consolidation

The consolidated financial statements for the nine-month period ended December 31, 2007 include the accounts of the Company and its 13 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 Nishinihon Corporation
- NS Solutions Oita Corporation
- NSSLC Service Corporation
- NS Financial Management Consulting Corporation
- Nittetsu Hitachi Systems Engineering, Inc.
- NCI Systems Integration, Inc.
- NS Solutions Software (Shanghai) Co., Ltd.
- NS Solutions USA Corporation

The Company added NS Financial Management Consulting Corporation to the consolidation scope from the nine-month period ended December 31, 2007. NS Financial Management Consulting Corporation was established on April, 2007.

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

The Company's overseas subsidiaries, NS Solutions Software (Shanghai) Co., Ltd. and NS Solutions USA Corporation, have a fiscal year ending December 31 and the nine-month period ending September 30, which differ from those of the Company. These subsidiaries do not prepare financial statements at any date from October 1 to December 31. Any material transactions occurring in the respective periods, October 1 to December 31 are adjusted for in these unaudited consolidated financial statements.

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(2) Investments in affiliates

The Company's investments in a significant affiliate was accounted for using the equity method for the nine-month period ended December 31, 2007 as listed below:

Hokkaido High Information Technology Center Co., Ltd.

The Company excluded Solnet from the scope of the equity method at the end of the third quarter, due to the sale of the Company's ownership interest.

(3) 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.

(4) 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. Provision for normal receivables is provided based on the Company's historical write-off experiences. Provision for doubtful receivables is provided based on an estimate of uncollectible amount on an individual doubtful receivables.

(5) Allowance for program product warranty

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

(6) Inventories

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

Work-in-process Individual cost method
Merchandise and supplies Primarily, the average method

(7) Investments in securities

Investments in 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.

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

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.

(8) Property and equipment

Property and equipment is recorded at cost, net of accumulated depreciation of ¥7,026 million and ¥8,592 million (\$75,270 thousand) at December 31, 2006 and 2007 and ¥7,451 million at March 31, 2007, respectively. Depreciation on property and equipment is computed principally using the declining-balance method over 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.

Property and equipment for lease operations are depreciated on the straight line method over the period of the lease contract term with no residual value.

(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) Retirement benefits

(a) Accrued employees' retirement benefits

The employees of the Company 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.

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

(b) Allowance for directors' retirement benefits

An allowance for retirement benefits to directors and corporate auditors of the Company and its consolidated subsidiaries is calculated based on the Companies' internal rules and is calculated 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 employees after period-end, based on their service for the nine-month period ended on the relevant balance sheet date.

(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 as operating lease transactions.

(13) Per share information

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 nine-month period ended December 31, 2006 and 2007, respectively.

Net assets per share is computed without Minority interests.

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2006 and 2007 and March 31, 2007 are as follows:

	Millions of yen			Thousands of U.S. dollars (Note 2)
	December 31, 2006	March 31, 2007	December 31, 2007	December 31, 2007
	Cash and bank deposits.....	¥5,357	¥ 5,643	¥6,776
Deposited money	14,800	15,601	17,549	153,734
Short-term investment	5,419	8,266	3,925	34,389
Cash and cash equivalents.....	¥25,576	¥29,510	¥28,250	\$247,480

6. 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 ¥237 million and ¥211 million (\$1,845 thousand) for the nine-month period ended December 31, 2006 and 2007 and ¥260 million for the fiscal year ended March 31, 2007, 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 nine-month period ended December 31, 2006 and 2007 and the fiscal year ended March 31, 2007:

	Millions of yen		
	Acquisition Cost	Accumulated Depreciation	Net balance
December 31, 2006			
Machinery and equipment	¥ 17	¥ 11	¥ 6
Tools, furniture and fixtures	1,221	795	426
Software	365	254	111
Total	¥1,603	¥1,059	¥ 544

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007	Millions of yen		
	Acquisition	Accumulated	Net balance
	Cost	Depreciation	
Machinery and equipment	¥ 17	¥ 11	¥ 6
Tools, furniture and fixtures	1,105	816	289
Software	167	103	64
Total	¥1,289	¥930	¥ 359

December 31, 2007	Millions of yen		
	Acquisition	Accumulated	Net balance
	Cost	Depreciation	
Machinery and equipment	¥ 17	¥ 14	¥ 3
Tools, furniture and fixtures	1,032	695	337
Software	165	95	70
Total	¥1,214	¥804	¥ 410

December 31, 2007	Thousands of U.S. dollars (Note 2)		
	Acquisition	Accumulated	Net balance
	Cost	Depreciation	
Machinery and equipment	\$ 149	\$ 120	\$ 29
Tools, furniture and fixtures	9,043	6,093	2,950
Software	1,446	835	611
Total	\$10,638	\$7,048	\$3,590

	Millions of Yen			Thousands of U.S. dollars (Note 2)
	December	March	December	December
	31, 2006	31, 2007	31, 2007	
Depreciation expense	¥218	¥229	¥187	\$1,638
Interest expense	11	13	9	76

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 December 31, 2006 and 2007 and March 31, 2007 are as follows:

	Millions of Yen			Thousands of
				U.S. dollars
				(Note 2)
	December	March	December	December
	31, 2006	31, 2006	31, 2007	31, 2007
Within one year	¥212	¥152	¥186	\$ 1,627
Over one year.....	374	244	238	2,085
Total.....	¥586	¥396	¥424	\$3,712

Future operating lease payments under non-cancelable lease contracts at December 31, 2006 and 2007 and March 31, 2007 are as follows:

	Millions of Yen			Thousands of
				U.S. dollars
				(Note 2)
	December	March	December	December
	31, 2006	31, 2007	31, 2007	31, 2007
Within one year	¥1	¥1	—	—
Over one year.....	0	0	—	—
Total.....	¥1	¥1	—	—

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. Selling, General and Administrative Expenses

The main components of selling, general and administrative expenses for the nine-month period ended December 31, 2006 and 2007 are as follows:

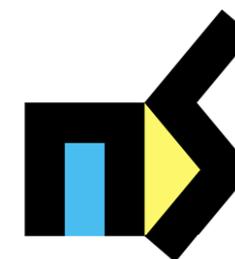
December 31	Millions of Yen		Thousands of U.S. dollars (Note 2)
	2006	2007	2007
Payroll and bonuses.....	¥5,071	¥5,345	\$46,823
Provision for allowance for bonuses to employees	528	666	5,835
Provision for accrued employees' retirement benefits	295	318	2,789
Provision for allowance for directors' retirement benefits	60	38	336
Depreciation expense.....	156	162	1,423
Operating expense for acceptance of orders.....	¥2,341	¥2,672	\$23,409

8. 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 nine-month period ended December 31, 2006 and 2007 were ¥859 million and ¥832 million (\$7,292 thousand), respectively.

9. Contingent Liabilities

The Company's loss contingencies for guaranteeing the indebtedness of other parties were ¥21 million (\$187 thousand) at December 31, 2007 and ¥43 million at March 31, 2007, respectively, each of which are Guarantees for bank loans of the Hokkaido High Information Technology Center Co., Ltd.



NS Solutions

平成20年3月期 第3四半期財務・業績の概況 補足資料

Appendix of Financial Information and Business Results Outline for the Quarterly Period ended Dec. 31, 2007

2008年1月28日

Jan. 28, 2008

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3四半期財務・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 third 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)

	2007/3					2008/3				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
受注高 Amount of order acceptance	39,314	40,658	32,559	49,956	162,487	43,506	43,060	36,255		122,821
業務ソリューション Business solutions	25,336	22,977	19,259	30,455	98,027	29,956	25,254	22,175		77,385
基盤ソリューション Platform solutions	5,008	5,945	5,107	8,814	24,874	5,376	4,208	4,516		14,100
ビジネスサービス Business services	8,970	11,735	8,194	10,688	39,587	8,173	13,599	9,564		31,336
期末受注残高 Order backlog at end of period	46,492	47,880	49,395	44,005	44,005	54,568	54,616	54,472		54,472
業務ソリューション Business solutions	24,680	24,785	25,869	21,321	21,321	32,338	31,841	30,994		30,994
基盤ソリューション Platform solutions	4,154	3,596	4,067	5,067	5,067	5,208	4,470	4,817		4,817
ビジネスサービス Business services	17,658	19,499	19,459	17,617	17,617	17,022	18,305	18,660		18,660
売上高 Net sales	30,819	39,270	31,044	55,346	156,479	32,944	43,011	36,399		112,354
業務ソリューション Business solutions	16,522	22,873	18,175	35,002	92,572	18,940	25,750	23,022		67,712
基盤ソリューション Platform solutions	5,562	6,504	4,636	7,813	24,515	5,235	4,946	4,168		14,349
ビジネスサービス Business services	8,734	9,894	8,233	12,531	39,392	8,769	12,315	9,209		30,293
売上総利益 Gross profit	7,173	7,380	6,688	12,120	33,361	7,753	8,778	8,201		24,732
販売費及び一般管理費 Selling, general and administrative expenses	4,675	4,734	4,544	5,270	19,223	5,074	5,110	4,932		15,116
営業利益 Operating income	2,498	2,646	2,143	6,851	14,138	2,679	3,668	3,268		9,615
経常利益 Recurring profit	2,549	2,689	2,174	6,955	14,367	2,804	3,724	3,354		9,882
当期純利益 Net income	1,519	1,507	1,051	4,043	8,120	1,472	2,066	1,822		5,360
売上高営業利益率(%) Operating income margin (%)	8.1%	6.7%	6.9%	12.4%	9.0%	8.1%	8.5%	9.0%		8.6%
新日鉄向け売上高 Sales to Nippon Steel Corp.	4,454	4,741	4,513	6,094	19,802	4,565	6,692	4,985		16,242

	2004/3	2005/3	2006/3	2007/3	2008/3	2008/3	2003/9	2004/9	2005/9	2006/9	2007/9
	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	2007.10.25 (前回見通し Previous Outlook)	(見通し Outlook)	(実績 Actual)				
受注高 Amount of order acceptance	147,482	152,210	150,790	162,487	—	—	71,630	76,289	74,602	79,972	86,566
業務ソリューション Business solutions	79,671	84,363	86,652	98,027	—	—	40,063	41,153	41,870	48,313	55,210
基盤ソリューション Platform solutions	29,648	27,417	24,369	24,874	—	—	11,349	14,156	11,528	10,953	9,584
ビジネスサービス Business service※	38,163	40,430	39,769	39,587	—	—	20,218	20,979	21,205	20,705	21,772
期末受注残高 Order backlog at end of period	21,158	35,516	37,997	44,005	—	—	31,577	31,724	45,354	47,880	54,616
業務ソリューション Business solutions	10,806	13,213	15,867	21,321	—	—	20,351	18,545	21,542	24,785	31,841
基盤ソリューション Platform solutions	2,802	4,520	4,708	5,067	—	—	2,666	3,207	3,713	3,596	4,470
ビジネスサービス Business service※	7,550	17,782	17,422	17,617	—	—	8,560	9,972	20,099	19,499	18,305
売上高 Net sales	150,844	146,526	148,308	156,479	167,000	167,000	64,574	65,723	64,764	70,089	75,955
業務ソリューション Business solutions	83,463	81,956	83,999	92,572	101,000	—	34,312	33,414	33,541	39,395	44,690
基盤ソリューション Platform solutions	29,948	25,700	24,181	24,515	23,000	—	11,784	13,752	12,334	12,066	10,181
ビジネスサービス Business services	37,433	38,871	40,129	39,392	43,000	—	18,478	18,557	18,888	18,628	21,084
売上総利益 Gross profit	27,485	29,464	30,519	33,361	35,700	—	12,635	12,914	13,429	14,553	16,531
販売費及び一般管理費 Selling, general and administrative expenses	17,759	17,754	18,402	19,223	20,500	—	8,976	8,701	8,840	9,409	10,184
営業利益 Operating income	9,726	11,710	12,117	14,138	15,200	15,200	3,659	4,212	4,589	5,144	6,347
経常利益 Recurring profit	9,785	11,791	12,356	14,367	15,500	15,500	3,691	4,272	4,752	5,238	6,528
当期純利益 Net income	5,324	6,621	7,482	8,120	8,700	8,700	1,935	2,287	2,706	3,026	3,538
売上高営業利益率(%) Operating income margin (%)	6.4%	8.0%	8.2%	9.0%	9.1%	—	5.7%	6.4%	7.1%	7.3%	8.4%

※ 2005年3月末に、新日本製鐵(株)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しております。

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.

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.

2.単独業績概要 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				
	Q1	Q2	Q3	Q4	Total
受注高 Amount of order acceptance	36,714	36,087	29,466	44,015	146,282
業務ソリューション Business solutions	22,872	19,028	16,870	25,719	84,489
基盤ソリューション Platform solutions	5,008	5,439	4,500	7,703	22,650
ビジネスサービス Business services	8,834	11,620	8,096	10,593	39,143
期末受注残高 Order backlog at end of period	42,151	43,623	45,578	39,901	39,901
業務ソリューション Business solutions	21,090	21,290	22,759	18,269	18,269
基盤ソリューション Platform solutions	3,403	2,834	3,360	4,014	4,014
ビジネスサービス Business services	17,658	19,499	19,459	17,617	17,617
売上高 Net sales	27,933	34,616	27,510	49,693	139,752
業務ソリューション Business solutions	14,140	18,830	15,400	30,208	78,578
基盤ソリューション Platform solutions	5,194	6,008	3,974	7,049	22,225
ビジネスサービス Business services	8,598	9,779	8,136	12,435	38,948
売上総利益 Gross profit	6,063	5,681	5,406	9,835	26,985
販売費及び一般管理費 Selling, general and administrative expenses	3,912	3,872	3,818	4,382	15,984
営業利益 Operating income	2,150	1,810	1,587	5,454	11,001
経常利益 Recurring profit	2,429	1,852	1,615	5,466	11,362
当期純利益 Net income	1,555	1,143	797	3,356	6,851

	2008/3				
	Q1	Q2	Q3	Q4	Total
受注高	40,760	37,338	32,019		110,117
業務ソリューション	27,612	20,339	18,492		66,443
基盤ソリューション	5,097	3,486	4,836		13,419
ビジネスサービス	8,052	13,512	8,691		30,255
期末受注残高	50,557	50,127	51,804		51,804
業務ソリューション	29,182	28,293	27,621		27,621
基盤ソリューション	4,354	3,529	4,483		4,483
ビジネスサービス	17,022	18,305	19,700		19,700
売上高	30,103	37,768	32,012		99,883
業務ソリューション	16,700	21,227	19,165		57,092
基盤ソリューション	4,757	4,311	3,722		12,790
ビジネスサービス	8,647	12,229	9,125		30,001
売上総利益	6,732	6,867	6,800		20,399
販売費及び一般管理費	4,315	4,197	4,114		12,626
営業利益	2,417	2,670	2,686		7,773
経常利益	2,866	2,722	2,754		8,342
当期純利益	1,701	1,630	1,669		5,000

売上高営業利益率(%) Operating income margin (%)	7.7%	5.2%	5.8%	11.0%	7.9%
---	------	------	------	-------	------

	8.0%	7.1%	8.4%		7.8%
--	------	------	------	--	------

新日鉄向け売上高 Sales to Nippon Steel Corp.	4,192	4,469	4,293	5,565	18,519
--------------------------------------	-------	-------	-------	-------	--------

	4,317	6,414	4,731		15,462
--	-------	-------	-------	--	--------

	2004/3	2005/3	2006/3	2007/3	2008/3	2008/3
	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	2007.10.25 (前回見直し Previous Outlook)	(見直し Outlook)
受注高 Amount of order acceptance	132,831	137,385	134,374	146,282	—	—
業務ソリューション Business solutions	68,815	72,905	73,456	84,489	—	—
基盤ソリューション Platform solutions	26,799	24,821	21,627	22,650	—	—
ビジネスサービス Business services ※2	37,217	39,659	39,291	39,143	—	—
期末受注残高 Order backlog at end of period	17,970	32,139	33,370	39,901	—	—
業務ソリューション Business solutions	8,610	10,923	12,359	18,269	—	—
基盤ソリューション Platform solutions	1,810	3,433	3,589	4,014	—	—
ビジネスサービス Business services ※2	7,550	17,782	17,422	17,617	—	—
売上高 Net sales	136,136	131,889	133,143	139,752	149,500	149,500
業務ソリューション Business solutions	72,659	70,591	72,020	78,578	85,500	—
基盤ソリューション Platform solutions	26,990	23,198	21,471	22,225	21,500	—
ビジネスサービス Business services	36,487	38,100	39,652	38,948	42,500	—
売上総利益 Gross profit	22,808	24,705	24,883	26,985	29,500	—
販売費及び一般管理費 Selling, general and administrative expenses	15,157	15,101	15,399	15,984	17,200	—
営業利益 Operating income	7,651	9,604	9,484	11,001	12,300	12,300
経常利益 Recurring profit	7,787	9,737	9,794	11,362	12,900	12,900
当期純利益 Net income	4,496	5,721	6,732	6,851	7,800	7,800
売上高営業利益率(%) Operating income margin (%)	5.6%	7.3%	7.1%	7.9%	8.2%	—
売上高売上総利益率(%) Gross profit margin (%)	16.8%	18.7%	18.7%	19.3%	19.7%	—
業務ソリューション Business solutions	18.3%	20.7%	20.1%	22.2%	21.6%	—
基盤ソリューション Platform solutions	12.5%	16.8%	18.4%	18.0%	18.9%	—
ビジネスサービス Business services	16.8%	16.8%	16.3%	14.3%	16.3%	—
一株当たり配当金(円) Cash dividends per share (yen) ※1	17.50	17.50	25.00	35.00	40.00	40.00

	2003/9	2004/9	2005/9	2006/9	2007/9
	(実績 Actual)				
受注高	65,493	69,298	67,718	72,801	78,098
業務ソリューション	35,057	35,423	36,171	41,900	47,951
基盤ソリューション	10,602	13,311	10,596	10,447	8,583
ビジネスサービス	19,834	20,564	20,951	20,454	21,564
期末受注残高	29,112	28,634	42,187	43,623	50,127
業務ソリューション	18,402	16,027	19,009	21,290	28,293
基盤ソリューション	2,150	2,635	3,079	2,834	3,529
ビジネスサービス	8,560	9,972	20,099	19,499	18,305
売上高	57,656	58,634	57,670	62,549	67,871
業務ソリューション	29,109	28,006	28,086	32,970	37,927
基盤ソリューション	10,453	12,486	10,950	11,202	9,068
ビジネスサービス	18,094	18,142	18,634	18,377	20,876
売上総利益	10,433	10,885	11,201	11,744	13,599
販売費及び一般管理費	7,635	7,350	7,598	7,784	8,512
営業利益	2,798	3,535	3,603	3,960	5,087
経常利益	3,041	3,729	3,898	4,281	5,588
当期純利益	1,747	2,148	2,381	2,698	3,331
売上高営業利益率(%)	4.9%	6.0%	6.2%	6.3%	7.5%
売上高売上総利益率(%)	18.1%	18.6%	19.4%	18.8%	20.0%
業務ソリューション	20.4%	20.9%	20.5%	22.2%	21.7%
基盤ソリューション	14.6%	14.7%	19.9%	17.9%	20.8%
ビジネスサービス	16.5%	17.6%	17.6%	13.1%	16.6%
一株当たり配当金	8.75	8.75	12.50	17.50	20.00

※1 2004年3期以前は2004年8月に実施した株式分割を考慮し、遡及修正後の数値を記載しております。
 Figures for the fiscal years ended in and before Mar. 2004 have been retroactively revised to reflect stock split made in Aug. 2004.

※2 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しております。
 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.

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.

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.