

This document is an English translation of a statement written initially in Japanese. The Japanese original should be considered as the primary version.



February 6, 2020

To Whom It May Concern

Company name: NS Solutions Corporation
Representative: Hiroyuki Morita
Representative Director & President
(Code :2327 Tokyo Stock Exchange)
Contact: Kazuhiko Miwa
Director, General Administration Dept.
(TEL. (+81)3-5117-3214)

**Notice of Partial Corrections to Consolidated Financial Results
for Past Fiscal years**

NS Solutions Corporation (“NS Solutions” or the “Company”) hereby announces that, effectively today, it has made revisions to its consolidated financial results and quarterly financial results for past fiscal years as outlined below. The Company plans to file on February 14, 2020 the revised annual securities reports, quarterly securities reports and internal control reports for the same periods in past fiscal years, together with its quarterly securities report for the third quarterly of the 40th fiscal period (ending December 31, 2020).

1. Reason and background for corrections.

As was announced in our notice dated December 13, 2019 entitled “Notice Concerning the Establishment of Special Investigation Committee”, NS Solutions became aware that it was unable to verify the actual existence of certain of the Company’s recorded purchase and resale of goods transactions. Due to this situation, the Company established a Special Investigation Committee consisting of one member of the Company’s outside Audit & Supervisory Board and two independent outside experts with no interest in the Company (total of three members), and the Special Investigation Committee has since been investigating this matter (the “Relevant Transactions”). As was subsequently announced in the “Announcement Concerning Receipt of Investigation Report” from the Special Investigation Committee dated February 6, 2020, the Company has received Special Investigation Report.

Based on the Special Investigation Results of Special Investigation Committee, the Company has corrected past year’s consolidated financial statements for sales, cost of goods, which was related with the transactions that unable to verify the actual existence of certain of the Company’s recorded purchase and resale of goods. Moreover facts found in the process of accounting for the third quarter

of the fiscal year ending March 31, 2020 have been revised in the past fiscal year, and the consolidated financial statements and the non-consolidated financial statements for the past fiscal year have been revised. In accordance with the foregoing, the Company's annual financial results and quarterly financial results have been revised, effective today.

2. Revisions filed today to the following consolidated quarterly financial results

(Japanese accounting standards)

The fiscal year ended March 31, 2015

The fiscal year ended March 31, 2016

The fiscal year ended March 31, 2017

The first quarter of the fiscal year ended March 31, 2018

The first half of the fiscal year ended March 31, 2018

The first three of the fiscal year ended March 31, 2018

The fiscal year ended March 31, 2018

The first quarter of the fiscal year ended March 31, 2019

The first half of the fiscal year ended March 31, 2019

The first three of the fiscal year ended March 31, 2019

The fiscal year ended March 31, 2019

The first quarter of the fiscal year ending March 31, 2020

The first half of the fiscal year ending March 31, 2020

3. Summary of corrections for each consolidated fiscal year and business year

【Consolidated】

(¥ in millions)

| Period | Item | Before Revision | After Revision | Amount of financial impact |
|-------------------------|---|-----------------|----------------|----------------------------|
| FY ended March 31, 2015 | Sales | 206,295 | 205,651 | △643 |
| | Operating profit | 16,214 | 16,181 | △33 |
| | Recurring profit | 16,455 | 16,422 | △33 |
| | Profit attributable to owners of parent | 9,077 | 9,043 | △33 |
| | Net assets | 97,443 | 97,409 | △33 |
| | Total assets | 166,283 | 166,135 | △148 |
| FY ended March 31, 2016 | Sales | 218,685 | 218,530 | △154 |
| | Operating profit | 19,269 | 19,261 | △7 |
| | Recurring profit | 19,367 | 19,359 | △7 |
| | Profit attributable to owners of parent | 11,168 | 11,160 | △8 |
| | Net assets | 105,012 | 104,970 | △42 |
| | Total assets | 175,696 | 175,579 | △116 |

| | | | | |
|---|---|---------|---------|---------|
| FY ended March 31, 2017 | Sales | 232,473 | 227,951 | △4,521 |
| | Operating profit | 21,540 | 21,248 | △292 |
| | Recurring profit | 22,117 | 21,825 | △292 |
| | Profit attributable to owners of parent | 13,964 | 13,671 | △292 |
| | Net assets | 125,724 | 125,389 | △334 |
| | Total assets | 200,811 | 199,521 | △1,290 |
| First quarter of FY ended March 31, 2018 | Sales | 58,163 | 52,209 | △5,953 |
| | Operating profit | 4,597 | 4,237 | △359 |
| | Recurring profit | 4,900 | 4,540 | △359 |
| | Profit attributable to owners of parent | 2,855 | 2,513 | △342 |
| | Net assets | 126,742 | 126,065 | △676 |
| | Total assets | 203,657 | 199,277 | △4,379 |
| First half of FY ended March 31, 2018 | Sales | 116,554 | 110,272 | △6,281 |
| | Operating profit | 10,073 | 9,810 | △263 |
| | Recurring profit | 10,475 | 10,211 | △263 |
| | Profit attributable to owners of parent | 6,569 | 6,288 | △281 |
| | Net assets | 135,456 | 134,840 | △615 |
| | Total assets | 215,863 | 212,428 | △3,435 |
| First three quarters of FY ended March 31, 2018 | Sales | 168,315 | 161,885 | △6,429 |
| | Operating profit | 13,856 | 13,640 | △215 |
| | Recurring profit | 14,437 | 14,221 | △215 |
| | Profit attributable to owners of parent | 9,761 | 9,510 | △251 |
| | Net assets | 137,519 | 136,933 | △585 |
| | Total assets | 212,235 | 211,659 | △575 |
| FY ended March 31, 2018 | Sales | 244,215 | 230,860 | △13,355 |
| | Operating profit | 22,671 | 21,844 | △827 |
| | Recurring profit | 23,106 | 22,279 | △827 |
| | Profit attributable to owners of parent | 14,933 | 14,105 | △827 |
| | Net assets | 141,528 | 140,366 | △1,162 |
| | Total assets | 224,349 | 221,990 | △2,359 |
| First quarter of FY ended March 31, 2019 | Sales | 58,434 | 55,409 | △3,024 |
| | Operating profit | 5,117 | 5,019 | △98 |
| | Recurring profit | 5,257 | 5,159 | △98 |
| | Profit attributable to owners of parent | 3,001 | 2,872 | △129 |
| | Net assets | 145,495 | 144,204 | △1,291 |
| | Total assets | 218,582 | 216,012 | △2,570 |

| | | | | |
|---|---|---------|---------|---------|
| First half of FY ended March 31, 2019 | Sales | 124,646 | 118,277 | △6,368 |
| | Operating profit | 11,274 | 10,955 | △318 |
| | Recurring profit | 11,503 | 11,185 | △318 |
| | Profit attributable to owners of parent | 7,204 | 6,850 | △354 |
| | Net assets | 153,726 | 152,210 | △1,516 |
| | Total assets | 233,548 | 231,749 | △1,799 |
| First three quarters of FY ended March 31, 2019 | Sales | 187,252 | 177,008 | △10,243 |
| | Operating profit | 17,624 | 17,112 | △511 |
| | Recurring profit | 18,053 | 17,541 | △511 |
| | Profit attributable to owners of parent | 11,743 | 11,194 | △548 |
| | Net assets | 141,305 | 139,594 | △1,710 |
| | Total assets | 219,040 | 215,085 | △3,955 |
| FY ending March 31, 2019 | Sales | 265,278 | 255,116 | △10,162 |
| | Operating profit | 25,676 | 25,385 | △290 |
| | Recurring profit | 26,103 | 25,812 | △290 |
| | Profit attributable to owners of parent | 17,111 | 16,713 | △398 |
| | Net assets | 147,461 | 145,901 | △1,560 |
| | Total assets | 236,078 | 232,779 | △3,299 |
| First quarter of FY ending March 31, 2020 | Sales | 81,664 | 68,573 | △13,091 |
| | Operating profit | 7,936 | 6,905 | △1,030 |
| | Recurring profit | 8,184 | 7,153 | △1,030 |
| | Profit attributable to owners of parent | 5,090 | 4,101 | △988 |
| | Net assets | 153,444 | 150,895 | △2,548 |
| | Total assets | 240,486 | 237,630 | △2,855 |
| First half of FY ending March 31, 2020 | Sales | 149,815 | 136,759 | △13,056 |
| | Operating profit | 15,118 | 14,190 | △927 |
| | Recurring profit | 15,123 | 14,196 | △927 |
| | Profit attributable to owners of parent | 9,645 | 8,727 | △917 |
| | Net assets | 155,688 | 153,211 | △2,477 |
| | Total assets | 246,320 | 246,494 | 173 |

【Parent】

(¥ in millions)

| Period | Item | Before Revision | After Revision | Amount of financial impact |
|-------------------------------|---|--------------------|-------------------|----------------------------------|
| FY ended March 31, 2015 | Sales | 182,252 | 181,608 | △643 |
| | Operating profit | 12,101 | 12,066 | △35 |
| | Recurring profit | 13,143 | 13,108 | △35 |
| | Profit attributable to owners of parent | 8,011 | 7,976 | △35 |
| | Net assets | 78,572 | 78,537 | △35 |
| | Total assets | 159,379 | 159,229 | △149 |