



Business Results and Prospects

(April 1, 2002 through March 31, 2003)

April 30, 2003

NS Solutions Corp.

This document includes statements of forward-looking descriptions regarding the intent, belief or current expectations of NS Solutions Corporation (the "Company") or its officers in terms of its operation and financial condition. Accordingly, such statements contain risks and uncertainties since they are neither historical facts nor guarantees of future performance. Actual results may be varied and influenced by various factors. The Company does not undertake to revise such forward-looking descriptions to reflect those factors

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1. Business results for fiscal year ended March 2003

(April 1,2002 through March 30,2003)

Economic and industry environments

During the term under review, the future direction of the Japanese economy remained uncertain. Exports and personal consumption, which had held steady after bottoming out, showed signs of fluctuation. The Nikkei Average broke the ¥8,000 barrier in March 2003, and the expected recovery of private-sector capital investment was delayed.

In the information services industry, a tendency to scale back or extend capital investment has become striking, and according to statistics by the Ministry of Economy, Trade and Industry on selected service industries, July 2002 marked the first time in 27 months that revenues in the information services industry were lower than the previous year's same month figures. Moreover, as hardware manufacturers shift towards the provision of solutions in their restructuring, competition is intensifying. Prices are dropping, and the competitive environment is becoming increasingly harsh.

Business processes and outcomes

Despite the difficult market environment, NS Solutions was able to utilize its ability to provide solutions, its record of success, and the trust of its clients to develop new customers and gain new orders while deepening relationships with existing customers. As a result, consolidated revenues for the term were ¥153,098 million, a ¥4,176 million (2.8 percent) increase over the previous term. Recurring profit was ¥12,086 million, a ¥336 million (2.7 percent) decrease over the previous term (¥12,422 million). Net income was ¥6,247 million, a ¥175 million decrease over the previous year's figure of ¥6,422 million.

On October 11, 2002, NS Solutions was successfully listed on the First Section of the Tokyo Stock Exchange. In addition to strengthening the Company's financial base, this was also an important step in establishing a firm foundation and strong presence in the industry.

Overview by solutions/service

An overview of the term by solutions/service sector (Business Solutions, Platform Solutions, and Business Services) is as follows.

Business Solutions

Results in our Business Solutions Division, primarily in the manufacturing and distribution industries, were solid. Revenue was ¥81,761 million, an increase over the previous term's figure of ¥78,534 million.

In those industries, investment in information systems to respond to global expansion, enhance competitiveness, and improve efficiency remained strong. Customers in the automotive and the electrical machinery and electronics industries are among those that particularly appreciate the ability of NS Solutions to provide solutions. The development of ERP and SCM solutions that integrate production and sales and speed up account settlement, and of PDM solutions that reduce the development time required from design to production have enabled us to expand our customer base and build a growing record of success. We also undertook full-fledged development of ERP solutions in the processing-related business sector.

ERP: Enterprise Resource Planning, Integrated enterprise application systems

SCM: Supply Chain Management, Production, distribution, and sales optimization systems

PDM: Product Data Management, Product data management systems

In the financial sector, the market environment was harsh, with striking trends toward greater caution in investment by financial institutions, which are our customers, and toward vender intensification. Even under such conditions, results were positive for our financial-sector solutions, especially for business management systems for which there is a high demand among regional banks and for market software systems such as our inter-bank trading systems that are highly valued especially by city banks.

In the government/public sector, we are steadily building a record of success as an informatization partner, with government offices moving to offer more electronic services as part of the e-government trend. Our work with government agencies includes the construction of an on-line application system for the Ministry of Education, Culture, Sports, Science and Technology and an order for an integrated LAN system for the Ministry of Public Management, Home Affairs, Posts and Telecommunications accompanying the government's organizational reform. Utilizing our expertise in advanced technologies, we are also constructing various solution systems in the fields of satellites, science, and education.

Platform Solutions

In the Platform Solutions Division, we are well-received as a provider of integrated open systems that respond to customer needs for the creation of mission critical systems meeting the highest standards of function and performance within strict time constraints. Increased customer demand for lower prices and inter-vendor competition, however, created a difficult environment, and revenues for the term were ¥34,990 million, roughly equal to the previous year's figure of ¥35,169 million.

Business Service

Our Business Services Division provides not only information systems outsourcing from planning and design to development, operation and maintenance to build stable business structures, it has also diversified and upgraded its service menu to respond to diverse customer needs for hosting and network diagnosis, design and construction, and oversight. Further strengthening of cooperation between our Business Solutions and Platform Solutions Divisions has enabled us to build systems that provide customers with integrated solutions from development to operations and maintenance, and is producing steady success. As a result, revenues in the Business Services Division were ¥36,347 million, an increase over the previous year's figure of ¥35,219 million.

Main measures taken during the term under review

To ensure the future development and expansion of business, and to further strengthen its business base, NS Solutions upgraded not only its business promotion systems but also its personnel training and improvement systems.

Reorganizing the business structure of our headquarters, branch offices and regional affiliates has enabled us to concentrate the human resources from the branch offices and regional affiliates into our headquarters business divisions and thus expand our scale of business. At the same time, we are improving the competitiveness of the NS Solutions Group by determining the optimum roles and functions for NS Solutions, Group companies, and partner companies.

In response to overseas expansion by our customers, last October we established a Chinese corporation named NS Solutions Software (Shanghai) Co., Ltd. The new company is already providing system support (NS Solutions also constructed the system) for Fast Retailing Co.'s expansion of its chain of stores in China. In the future, the company will undertake full-fledged expansion of its systems integration business in the fields of ERP and PDM.

Regarding the organization of NS Solutions, in addition to the Toyota Department we established last July, as of April 1, 2003 we completed reorganization by industry/customer and type of solution.

As has been reported elsewhere, NS Solutions and 16 other Japanese IT-related corporations concerned about Japan's declining competitiveness in the IT field have joined together this April to establish a research course at Hokkaido University on leading-edge systems engineering. In addition to bearing the operating costs, NS Solutions is sending its own researchers to act as research leaders and taking other steps to provide the utmost support for IT personnel development.

NS Solutions had received personnel assigned from Nippon Steel. As of March 31, 2003, 843 such personnel were fully transferred to the employment of NS Solutions as initially planned.

Revenue breakdown

(millions of yen)

	Fiscal Year ended Mar. 2002	Fiscal Year ended Mar. 2003	Pct. of whole	Pct. of annual change
Business Solutions	78,534	81,761	53.4%	+ 4.1%
Platform Solutions	35,169	34,990	22.9%	- 0.5%
Business Services	35,219	36,347	23.7%	+ 3.2%
Totals	148,922	153,098	100.0%	+ 2.8%

Financial status**Cash flows**

Cash and cash equivalents at the end of the fiscal year were ¥25,654 million, an increase of ¥10,582 million over the previous end of fiscal year amount of ¥15,071 million.

Cash flows from the current consolidated fiscal year and the elements that comprise them are as follows.

(Cash flows from operating activities)

Cash and cash equivalents utilized in operating activities totaled ¥1,928 million, a decrease of ¥8,581 million from the previous fiscal year. Net profit before taxes and other adjustments was ¥11,896 million, but corporate and other taxes paid totaled ¥8,086 million, and worsening credit due to concentrated sales at the fiscal year end/beginning led to an outflow of ¥2,678 million (sales credit decrease of ¥11,970 million plus purchasing credit increase of ¥9,292 million).

(Cash flows from investment activities)

Cash and cash equivalents utilized for investment activities totaled an outflow of ¥2,678 million. This included expenditures of ¥1,040 million on investments in securities and ¥1,369 million on tangible and intangible fixed assets.

(Cash flows from financial activities)

Cash and cash equivalents utilized for financial activities totaled ¥11,332 million. This included a public capital increase of ¥12,178 million and payment of a dividend of ¥815 million to the parent company.

2. Prospects for fiscal year to be ended 2004

Regarding the coming term, with the recovery of private capital investment not having materialized as hoped, economic conditions are expected to remain unclear. In this environment, investment in information systems by "winning" companies hoping to improve their competitiveness and management efficiency is projected to remain solid. With the strengthening trend of corporate contraction due to long-term economic stagnation, competition in the information systems industry is expected to further intensify, making for an even harsher business environment.

NS Solutions will, of course, utilize its ability to provide solutions and the trust of its customers as a foundation from which to seize appropriate business opportunities and steadily grow its bottom line. The Company also considers it essential to steadily reflect in its results the fruits of the policies it has implemented to strengthen its business fundamentals. The Company also intends to strategically utilize the capital raised through its recent stock offering in the future expansion of its business.

Projected results for the entire term are consolidated sales of ¥150,000 million, and consolidated recurring profit of ¥12,000 million.

Projections regarding the coming fiscal year and other future events may alter due to factors such as unexpected changes in economic conditions. NS Solutions and Group companies do not guarantee these projections.

2. Management policies

Basic management policy

Having established the corporate philosophy described below, NS Solutions will strive to help build a wealthy society by taking a leadership role in Japan's information services industry and by achieving sustainable business growth and profitability.

Creativity Trust Growth

As information technology professionals, NS Solutions will build relationships of trust with customers, grow together with them, and contribute to social development by creating real value.

To achieve those goals, NS Solutions bases its business activities on the following four basic principles.

- 1) Targeting new, large-growth markets that utilize information technology, NS Solutions will achieve business growth by planning forward-looking solutions and making the commitment of strategic strength its priority.
- 2) NS Solutions will form integrated business units for target markets. Each business unit will establish the optimum business model to distinguish itself from the competition and achieve profitability.
- 3) Recognizing that the trust of its customers and its advanced technical abilities are the source of its competitive strength, NS Solutions will strive to obtain and strengthen that trust and those abilities.
- 4) NS Solutions will provide integrated services, from solutions design and development to operation and maintenance, in its three core business sectors of Business Solutions, Platform Solutions, and Business Services.

Basic policy on profit allocation

NS Solutions believes that it is important to sustain and strengthen its competitiveness and to increase its corporate value. Based on this perspective, NS Solutions fundamental policy is to establish an internal reserve to prepare appropriate, stable dividends for its shareholders and to ensure future business expansion and profitability.

Regarding the payment of dividends, factors such as the financial situation, profit levels, and dividend propensity are comprehensively considered in determining the actual amount. During the term under review, a profit dividend of ¥20 per share was

paid. An interim dividend of ¥15 per share was previously paid, so dividends for the year totaled ¥35 per share.

Regarding internal reserves, they are to be strategically invested in the expansion of the Company's solutions lineup, in the securing of leading edge IT technologies, and in the development of human resources. This task will be undertaken from the perspective of responding to intensifying competition from other firms and seizing business opportunities by providing appropriate solutions services of the highest quality.

View regarding investment units

NS Solutions is considering various policies to improve liquidity in the stock market and to expand its investor class. Measures being considered include reduction of investment unit size.

Medium- and long-term management strategy

In the face of the information revolution and globalization, deregulation, and other changes in the economic environment, corporations are staking their survival on radical business reform and the reconstruction of their business models. The ability of corporations to utilize IT technologies as they make those changes can be a major factor in their success or failure. NS Solutions recognizes that it is vital to respond accurately and quickly to computerization investment needs based on the business strategies of its customers.

In this environment, the information services industry has begun dividing into two sectors, i.e., companies that have the ability to propose solutions in response to diverse customer IT strategies and that have advanced technical abilities, and companies that handle development. Inter-company competition is expected to continue to intensify.

In light of this situation, NS Solutions is earnestly addressing the issues described below in "(5) Issues to be addressed." Doing so will enable the Company to surpass its competition by differentiating itself with superior technology and product and service lineups, to obtain the trust of its customers, and to further strengthen its presence in the industry. In addition, it will enable an early realization of its immediate goals of ¥200,000 million in sales and an ordinary profit rate of 10 percent.

Issues to be addressed

1) Securing growth tracks

NS Solutions will secure sustainable growth by accurately comprehending market and technology trends and by making a high priority of the investment of

management resources in manufacturing and other growing sectors and markets where NS Solutions is highly competitive. In addition, the Company will work to strengthen and expand its advanced solutions.

The business services sector is expected to continue to grow. NS Solutions will achieve stability and the expansion of business scale by working to obtain new customers and to expand business with existing ones through the diversification and completion of its services lineup.

Furthermore, NS Solutions will position itself as the trusted IT partner of its customers through broad-based responses to the issues they face. This will be accomplished by completing integrated system lifecycle support systems, from consulting and development to operations and maintenance.

2) Establishing competitive business promotion systems

The NS Solutions Group as a whole is not only building systems for development and implementation that are effective both in Japan and abroad, it is also working to upgrade its technical development prowess through steps such as the acquisition of innovative development methodologies.

Moreover, regarding the important management resource that is its personnel, the Company is strengthening its employment activities to improve and upgrade the ability of its personnel to utilize advanced technology, make proposals, and manage projects. NS Solutions is improving its employee education system and completing a personnel system based on ability and results, while also establishing a corporate culture of vitality.

Basic view on corporate governance, and the implementation of corporate governance policies

NS Solutions recognizes that it cannot exist without the Trust that is part of its corporate philosophy. Establishing proper corporate governance is therefore a vital management issue.

Under its current auditing system, NS Solutions works to ensure the effective performance of a small Board of Directors (comprising of 10 Directors) who are to promptly make decisions that are legal and reasonable and of (a Board of) Statutory Auditors who oversee the management of the Company. Under an autonomous divisions system in which multiple departments function as profit and loss units, decisions must be made quickly and in accordance with the limits of prescribed rules for approval, and business unit managers are given implementation authority. The oversight of an internal auditing department attached to the President's office ensures the reasonableness of business administration. Furthermore, major topics such as proposed business strategies, resource allocation, investment and lending, and the acceptance of projects above a certain size are discussed and decided in various committees composed of

senior management including the President, such as the Management Council and the Project Policy Council.

NS Solutions also strives to ensure and improve the transparency of its management through management oversight from outside the Company. Accounting inspectors carry out accounting inspections approximately 180 days each year, and legal advisors provide suitable guidance and advice primarily to the Board of Directors. These actions enable the Directors to operate the Company and engage in business in a reasonable and lawful way. Meetings to explain settlement of accounts and the NS Solutions web site provide shareholders and investors with appropriate information at appropriate times.

NS Solutions also works to achieve complete compliance with the law and Company regulations. This is done through the establishment of and strict adherence to internal regulations such as the rules for approval mentioned above. Personnel are also trained to be aware of legal affairs and the protection of intellectual property.

NS Solutions is aware that shifting to the establishment of an audit committee under the revised Commercial Code is an option, but it has chosen to continue corporate governance under its current auditing system.

(Status of efforts to implement corporate governance measures over the past one year)

1) Meetings held

Board of Directors (15 times)

Management Council (24 times)

Project Policy Council (42 times)

2) Audit implementation

In addition to audits by the Statutory Auditors, an auditing department attached to the President's office carries out internal audits. During the previous fiscal year, internal audits were carried out to determine the status of internal business system operations, the completion of the information management system, and the completion and operation of the internal rules of subsidiaries.

3) Other activities

In addition to constant activities, the following were the main corporate governance activities carried out.

- The Company examined and implemented improvements to its compliance system, including the establishment of an internal compliance consultation office.
- In order to prevent insider trading, the Company upgraded existing internal rules on internal information management and insider trading, and trained executives and employees.
- In light of the importance of protecting customer and individual information, last June the Company established an Information Management Committee with the President as chair. The Company also improved internal rules and trained its personnel.
- The Company carried out educational activities related to the Anti-Monopoly Law.

Basic policy on associated parties

NS Solutions is a subsidiary of Nippon Steel Corporation. (Nippon Steel holds 72.2 percent of NS Solutions voting rights.).

The NS Solutions Group is entrusted with all aspects of planning, designing, developing, and operating Nippon Steel's information systems. The Group contributes to Nippon Steel's production, distribution, and sales, as well as to the rationalization of its purchasing processes and the improvement of its competitive strength. This business relationship will continue as a matter of policy.

NS Solutions receives personnel from Nippon Steel, but in the interest of creating a sense of unity among its employees and of unifying personnel systems, 843 such personnel were transferred to the employ of NS Solutions at the end of March. This was in accordance with original plans. Regarding another 107 (as of 1 April 2003) general employees, they continue to be dispatched from Nippon Steel. A policy of transferring them to the employ of NS Solutions as of 1 April 2004 has been set forth, and negotiations with unions and other issues are currently under examination.

Other important topics related to corporate management

None.

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)

	2000/3 (みなし連結 Pro forma consolidated, including EI Division)	2001/3 (みなし連結 Pro forma consolidated, including EI Division)	2002/3 (実績 Actual)	2003/3 (実績 Actual)	2004/3 (見通し Outlook)	2001/9 (実績 Actual)	2002/9 (実績 Actual)	2003/9 (見通し Outlook)
売上高 Net sales	132,683	145,952	148,922	153,098	150,000	67,902	68,756	64,000
業務ソリューション Business solutions	55,048	72,558	78,534	81,761		33,778	35,317	
基盤ソリューション Platform solutions	25,459	29,824	35,169	34,990		16,369	16,437	
ビジネスサービス Business services	52,176	43,570	35,219	36,347		17,755	17,002	
売上総利益 Gross profit	24,184	31,770	29,719	30,332		13,803	14,585	
販売費及び一般管理費 Selling, general and administrative expenses	16,661	20,703	17,240	18,235		8,058	9,142	
営業利益 Operating income	7,523	11,067	12,479	12,097		5,745	5,443	
経常利益 Recurring profit	6,948	10,669	12,422	12,086	12,000	5,736	5,454	3,600
当期純利益 Net income	3,425	5,827	6,422	6,247	6,400	2,915	2,718	1,700
営業利益率(%) Operating income margin (%)	5.7%	7.6%	8.4%	7.9%		8.5%	7.9%	
売上総利益率(%) Gross profit margin (%)	18.2%	21.8%	20.0%	19.8%		20.3%	21.2%	
1株当たり当期純利益(円) Net income per share (yen)			266.65	246.58	240.85	121.44	112.52	
株主資本 Total shareholders' equity			26,035	43,505		22,111	28,134	
総資産 Total assets			65,244	90,324		53,911	59,867	
研究開発費 R&D expenses			1,221	1,001		505	448	
設備投資 Capital expenditure			2,109	1,370		1,536	933	
減価償却費 Depreciation and amortization			1,197	1,284		517	604	
期末従業員数(人) Number of employees at end of period (jobs)	4,177	4,112	4,101			4,178	4,224	

1 E事業部に関して新日本製鐵(株)により採用されていた特定の原価及び費用を売上原価と販売費及び一般管理費とに配賦する方法が、NS Solutions、NHS及びNCIによって採用されていたものと異なることから、2000年3月期及び2001年3月期のこれらの項目及び売上総利益についての金額は、2002年3月期以降の金額と、直接比較可能なものではありません。

Because of differences in the method of allocating certain costs and expenses as cost of sales or selling, general and administrative expenses applied by Nippon Steel with respect to its former EI Division from the method applied by NS Solutions, NHS and NCI with respect to their businesses, the amounts for these items and for gross profits for the fiscal years ended March 31, 2000 and 2001 are not directly comparable with amounts for such items for the fiscal years ended on and after March 31, 2002.

2 株式分割を考慮し遡及修正後の数値 These figures have been retroactively revised to reflect stock splits.

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.



2003年3月期 決算説明会 補足資料 NS Solutions

*Appendix at Financial Information Meeting for the fiscal year ended
March 2003*

2003年4月30日
April 30, 2003

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、財務諸表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 financial statements 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)

	2000/3 (みなし連結 Pro forma consolidated, including EI Division)	2001/3 (みなし連結 Pro forma consolidated, including EI Division)	2002/3 (実績 Actual)	2003/3 (実績 Actual)	2004/3 (見通し Outlook)	2001/9 (実績 Actual)	2002/9 (実績 Actual)	2003/9 (見通し Outlook)
売上高 Net sales	132,683	145,952	148,922	153,098	150,000	67,902	68,756	64,000
業務ソリューション Business solutions	55,048	72,558	78,534	81,761	77,000	33,778	35,317	30,000
基盤ソリューション Platform solutions	25,459	29,824	35,169	34,990	36,000	16,369	16,437	16,000
ビジネスサービス Business services	52,176	43,570	35,219	36,347	37,000	17,755	17,002	18,000
売上総利益 Gross profit	24,184	31,770	29,719	30,332	30,100	13,803	14,585	12,700
販売費及び一般管理費 Selling, general and administrative expenses	16,661	20,703	17,240	18,235	18,200	8,058	9,142	9,200
営業利益 Operating income	7,523	11,067	12,479	12,097	11,900	5,745	5,443	3,500
経常利益 Recurring profit	6,948	10,669	12,422	12,086	12,000	5,736	5,454	3,600
当期純利益 Net income	3,425	5,827	6,422	6,247	6,400	2,915	2,718	1,700
営業利益率(%) Operating income margin (%)	5.7%	7.6%	8.4%	7.9%	7.9%	8.5%	7.9%	5.5%
売上総利益率(%) Gross profit margin (%)	18.2%	21.8%	20.0%	19.8%	20.1%	20.3%	21.2%	19.8%
1株当たり当期純利益(円) Net income per share (yen)			266.65	246.58	240.85	121.44	112.52	64.15
株主資本 Total shareholders' equity			26,035	43,505	48,790	22,111	28,134	44,610
総資産 Total assets			65,244	90,324	96,840	53,911	59,867	75,950
研究開発費 R&D expenses			1,221	1,001		505	448	
設備投資 Capital expenditure			2,109	1,370	1,095	1,536	933	649
減価償却費 Depreciation and amortization			1,197	1,284	1,452	517	604	692
期末従業員数(人) Number of employees at end of period (jobs)	4,177	4,112	4,101	4,124	4,185	4,178	4,224	4,238

1 E事業部に関して新日本製鐵(株)により採用されていた特定の原価及び費用を売上原価と販売費及び一般管理費とに配賦する方法が、NS Solutions、NHS及びNCIによって採用されていたものと異なることから、2000年3月期及び2001年3月期のこれらの項目及び売上総利益についての金額は、2002年3月期以降の金額と、直接比較可能なものではありません。
Because of differences in the method of allocating certain costs and expenses as cost of sales or selling, general and administrative expenses applied by Nippon Steel with respect to its former EI Division from the method applied by NS Solutions, NHS and NCI with respect to their businesses, the amounts for these items and for gross profits for the fiscal years ended March 31, 2000 and 2001 are not directly comparable with amounts for such items for the fiscal years ended on and after March 31, 2002.

2 株式分割を考慮し遡及修正後の数値 These figures have been retroactively revised to reflect stock splits.

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2.要約連結貸借対照表 Condensed Consolidated Balance Sheet s

(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)					
		2001/9	2002/3	2002/9	2003/3	2003/9	2004/3
		(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通Outlook)	(見通Outlook)
現金及び預金	Cash and bank deposits	9,131	7,335	6,404	20,956	24,700	27,590
預け金	Deposited money		7,737	3,228	4,699		
受取手形及び売掛金	Trade notes and accounts receivable	19,670	26,348	22,173	38,319	22,930	43,050
たな卸資産	Inventories	9,558	8,323	10,790	9,110	10,460	8,330
繰延税金資産	Deferred tax assets current	1,977	2,232	2,239	2,224	3,110	3,000
その他	Others	1,791	564	798	1,165		
貸倒引当金	Allowance for doubtful accounts	38	41	38	31		
流動資産合計	Total current assets	42,089	52,498	45,594	76,442	61,200	81,970
有形固定資産	Property and Equipment	4,227	4,499	4,594	4,514	14,750	14,870
無形固定資産	Intangible fixed assets	713	937	1,077	1,029		
投資有価証券	Investments in securities	2,635	2,393	3,022	3,027		
差入保証金	Guarantee deposits	1,917	1,908	2,179	2,145		
繰延税金資産	Deferred tax assets non-current	1,978	2,658	3,032	2,834		
その他	Others	352	351	369	333		
固定資産合計	Total non-current assets	11,822	12,746	14,273	13,882	14,750	14,870
資産合計	Total assets	53,911	65,244	59,867	90,324	75,950	96,840

(2)負債及び資本の部 Liabilities and Shareholders' Equity

		2001/9	2002/3	2002/9	2003/3	2003/9	2004/3
		(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通Outlook)	(見通Outlook)
支払手形及び買掛金	Trade notes and accounts payable	10,960	14,186	9,475	23,478	11,660	26,510
未払費用	Accrued expenses	2,367	3,686	2,846	3,659		
短期借入金	Short-term loans			400		200	
未払法人税等	Accrued income taxes	3,387	5,234	2,653	2,608	12,280	13,820
賞与引当金	Accrued bonuses to employees	4,810	5,077	5,138	5,118		
前受金	Advance receipts	2,970	2,996	3,706	3,221		
未払金	Non-trade accounts payable	986	1,712	904	1,665		
その他	Others	576	225	204	195		
流動負債合計	Total current liabilities	26,056	33,116	25,326	39,944	24,140	40,330
退職給付引当金	Allowance for employees' retirement benefits	4,774	4,969	5,185	5,478		
その他	Others	247	277	315	321		
固定負債合計	Total non-current liabilities	5,021	5,246	5,500	5,799	6,070	6,420
少数株主持分	Minority interest in consolidated subsidiaries	723	847	907	1,076	1,130	1,300
資本金	Common stock	6,500	6,838	6,838	12,953	12,950	12,950
資本剰余金	Additional paid-in capital	3,500	3,838	3,838	9,950	9,950	9,950
利益剰余金	Retained earnings	12,606	15,863	18,108	21,273	22,380	26,560
再評価差額金	Reserve for revaluation of land	740	740	740	755	670	670
その他有価証券評価差額金	Valuation gain on available-for-sale securities	245	236	90	84		
資本合計	Total shareholders' equity	22,111	26,035	28,134	43,505	44,610	48,790
負債・資本合計	Total liabilities, minority interests and shareholders' equity	53,911	65,244	59,867	90,324	75,950	96,840

(3)指標 Management index

		2001/9	2002/3	2002/9	2003/3	2003/9	2004/3
		(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通Outlook)	(見通Outlook)
自己資本比率(%)	Equity ratio (%)	-	39.9%	-	48.2%	-	50.4%
総資産利益率(%)	Return on total assets (%)	-	10.5%	-	8.0%	-	6.8%
株主資本利益率(%)	Return on equity (%)	-	28.0%	-	18.0%	-	13.9%

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3.要約連結損益計算書 Condensed Consolidated Income Statement s

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

	2000/3	2001/3	2002/3	2003/3	2004/3	2001/9	2002/9	2003/9
	(EI事業部含む みなし連結 Pro forma consolidated, including EI Division)	(EI事業部含む みなし連結 Pro forma consolidated, including EI Division)	(実績 Actual)	(実績 Actual)	(見通し Outlook)	(実績 Actual)	(実績 Actual)	(見通し Outlook)
売上高 Net sales	132,683	145,952	148,922	153,098	150,000	67,902	68,756	64,000
売上原価 Cost of sales	108,499	114,182	119,203	122,766	119,900	54,099	54,171	51,300
売上総利益 Gross profit	24,184	31,770	29,719	30,332	30,100	13,803	14,585	12,700
販売費及び一般管理費 Selling, general and administrative expenses	16,661	20,703	17,240	18,235	18,200	8,058	9,142	9,200
営業利益 Operating income	7,523	11,067	12,479	12,097	11,900	5,745	5,443	3,500
営業外収益 Non-operating income	244	187	63	93		43	28	
営業外費用 Non-operating expenses	819	585	120	104		52	17	
経常利益 Recurring profit	6,948	10,669	12,422	12,086	12,000	5,736	5,454	3,600
特別利益 Extraordinary profit	178	120	7	12		13	5	
特別損失 Extraordinary loss	742	305	579	201		303	143	
税金等調整前当期純利益 Income before income taxes	6,384	10,484	11,850	11,897	12,000	5,446	5,316	3,600
法人税、住民税及び事業税 Income taxes:Current	3,500	5,346	7,159	5,460		3,459	2,764	
法人税等調整額 Income taxes:Deferred	631	843	1,962	70		1,034	274	
少数株主利益 Minority interests	90	154	231	260		106	108	
当期純利益 Net income	3,425	5,827	6,422	6,247	6,400	2,915	2,718	1,700
売上原価の内訳 Breakdown of cost of sales								
労務費 Labor cost			26,858	27,762				
材料費 Material cost			43,683	45,101				
外注費 Subcontract cost			29,197	32,587				
その他 Others			19,465	17,317				
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			7,210	7,198		3,759	3,699	
営業支援費 Operating expense for acceptance of orders			2,189	2,657		1,051	1,244	
その他 Others			7,841	8,380		3,248	4,199	
研究開発費 R&D expenses			1,221	1,001		505	448	

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4.要約連結キャッシュフロー計算書 Condensed Consolidated Cash Flows Statement s

	(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)					
	2002/3 (実績 Actual)	2003/3 (実績 Actual)	2004/3 (見通し Outlook)	2001/9 (実績 Actual)	2002/9 (実績 Actual)	2003/9 (見通し Outlook)
税金等調整前当期純利益 Income before income taxes	11,850	11,897	/	5,446	5,316	/
減価償却費 Depreciation	1,197	1,284	/	517	604	/
退職給付引当金の増減額 Increase in allowance for employees' retirement benefits, net of payments	407	509	/	202	216	/
投資有価証券評価損 Loss on revaluation of investments in securities	251	171	/		142	/
営業譲受関連費用 Loss on write-off of fixed assets acquired from the Electronics and Information Systems Division of Nippon Steel Corporation	303		/	303		/
売上債権の増減額 Decrease (increase) in accounts receivable	2	11,970	/	6,675	4,175	/
たな卸資産の増減額 Decrease in inventories	1,807	787	/	562	2,467	/
その他流動資産の増減額 Decrease (increase) in other current assets	322	603	/	9	233	/
仕入債務の増減額 Decrease in accounts payable	1,532	9,292	/	4,759	4,712	/
その他 Others	305	205	/	1,166	785	/
小計 Sub total	14,908	9,998	/	7,771	2,256	/
法人税等の支払額 Income taxes paid	4,414	8,087	/	2,561	5,345	/
その他 Others	17	17	/	6	13	/
営業活動によるキャッシュフロー Net cash provided by operating activities	10,511	1,928	4,626	5,216	3,076	356
有形・無形固定資産の取得による支出 Payments for purchase of property and equipment and intangible fixed assets	2,109	1,370	/	1,536	933	/
投資有価証券の取得による支出 Payments for purchase of investments in securities	13	1,040	/		1,030	/
連結の範囲の変更を伴う子会社株式の取得による収入 Acquisition of cash owned by new subsidiaries, net of payment for purchase of subsidiary's shares	369		/	369		/
営業譲受による支出 Payment for acquisition of the Electronics and Information Systems Division of Nippon Steel Corporation	7,459		/	7,459		/
その他 Others	181	269	/	22	300	/
投資活動によるキャッシュフロー Net cash used for investing activities	9,031	2,679	1,640	8,648	2,263	930
短期借入金の純増減額 Decrease in short-term loans	145		/	145	400	/
株式発行による収入 Proceeds from issuance of common stock shares	7,667	12,179	/	6,993		/
配当金の支払額 Dividends paid	750	815	/	500	501	/
その他 Others		31	/			/
財務活動によるキャッシュフロー Net cash provided by financing activities	6,772	11,333	1,050	6,348	101	380
現金及び現金同等物に係る換算差額 Effect of exchange rate changes on cash and cash equivalents			/			/
現金及び現金同等物の増加額 Net increase in cash and cash equivalents	8,252	10,582	1,936	2,916	5,440	954
現金及び現金同等物の期首残高 Cash and cash equivalents at beginning of year	6,842	15,072	25,654	6,842	15,072	25,654
連結除外会社の現金及び現金同等物の期首残高 Cash owned by a deconsolidated subsidiary	22			22		
現金及び現金同等物の期末(中間期末)残高 Cash and cash equivalents at end of year	15,072	25,654	27,590	9,736	9,632	24,700

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5. 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)					
	2002/3 (実績 Actual)	2003/3 (実績 Actual)	2004/3 (見通し Outlook)	2001/9 (実績 Actual)	2002/9 (実績 Actual)	2003/9 (見通し Outlook)
売上高 Net sales	131,680	137,857	133,000	58,503	61,767	56,000
業務ソリューション Business solutions	66,099	71,183	65,000	26,656	30,520	24,000
基盤ソリューション Platform solutions	32,197	31,544	32,000	14,958	14,937	15,000
ビジネスサービス Business services	33,384	35,130	36,000	16,889	16,310	17,000
売上総利益 Gross profit	24,469	25,234	24,600	11,416	12,119	10,100
販売費及び一般管理費 Selling, general and administrative expenses	14,365	15,525	15,400	6,675	7,481	7,700
営業利益 Operating income	10,104	9,709	9,200	4,741	4,538	2,400
経常利益 Recurring profit	10,031	9,886	9,400	4,743	4,774	2,600
当期純利益 Net income	5,297	5,331	5,200	2,486	2,529	1,400
営業利益率(%) Operating income margin (%)	7.7%	7.0%	6.9%	8.1%	7.3%	4.3%
売上総利益率(%) Gross profit margin (%)	18.6%	18.3%	18.5%	19.5%	19.6%	18.0%
業務ソリューション Business solutions		19.0%	20.5%		21.2%	20.3%
基盤ソリューション Platform solutions		21.0%	19.7%		22.3%	19.7%
ビジネスサービス Business services		14.5%	14.2%		14.2%	14.2%
1株当たり当期純利益(円) Net income per share (yen)	219.78	210.35	195.57	103.57	104.68	52.83
株主資本 Total shareholders' equity	23,183	39,739	43,950	19,956	25,092	40,560
総資産 Total assets	56,505	81,385	90,280	45,651	51,644	70,130
1株当たり配当金(円) Cash dividends per share (yen)	29.16	35.00	35.00	10.41	15.00	17.50
配当性向(%) Dividend payout ratio (%)	13.27%	16.64%	17.84%			
研究開発費 R&D expenses	1,083	962		459	422	
設備投資 Capital expenditure	2,016	1,296	952	867	814	572
減価償却費 Depreciation and amortization	1,034	1,174	1,382	452	551	655
期末従業員数(人) Number of employees at end of period (jobs)	2,058	2,046	2,121	2,118	2,115	2,145

株式分割を考慮し遡及修正後の数値 These figures have been retroactively revised to reflect stock splits.

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(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)

	2001/9		2002/3		2002/9		2003/3		2003/9		2004/3	
	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通Outlook)	(見通Outlook)	(見通Outlook)	(見通Outlook)
現金及び預金 Cash and bank deposits	5,745		3,367		3,072		17,281		24,020		26,480	
預け金 Deposited money			7,200		2,800		4,501					
受取手形及び売掛金 Trade notes and accounts receivable	16,413		22,851		19,125		34,201		19,130		38,650	
たな卸資産 Inventories	9,208		8,025		9,803		8,765		9,990		7,990	
繰延税金資産 Deferred tax assets current	1,141		1,460		1,357		1,346		2,260		2,440	
その他 Others	1,097		747		1,194		1,368					
貸倒引当金 Allowance for doubtful accounts	28		31		31		23					
流動資産合計 Total current assets	33,576		43,619		37,320		67,439		55,400		75,560	
有形固定資産 Property and Equipment	4,118		4,353		4,439		4,343		14,730		14,720	
無形固定資産 Intangible fixed assets	675		903		1,045		984					
投資有価証券 Investments in securities	1,253		998		1,620		1,577					
差入保証金 Guarantee deposits	1,559		1,558		1,792		1,786					
繰延税金資産 Deferred tax assets non-current	1,622		2,247		2,588		2,415					
その他 Others	2,848		2,827		2,840		2,841					
固定資産合計 Total non-current assets	12,075		12,886		14,324		13,946		14,730		14,720	
資産合計 Total assets	45,651		56,505		51,644		81,385		70,130		90,280	

(2)負債及び資本の部 Liabilities and Shareholders' Equity

	2001/9		2002/3		2002/9		2003/3		2003/9		2004/3	
	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通Outlook)	(見通Outlook)	(見通Outlook)	(見通Outlook)
支払手形及び買掛金 Trade notes and accounts payable	10,080		13,927		9,713		23,744		11,910		26,520	
未払費用 Accrued expenses	1,899		3,161		2,496		3,250					
短期借入金 Short-term loans												
未払法人税等 Accrued income taxes	2,538		4,364		2,110		1,986		12,660		14,550	
賞与引当金 Accrued bonuses to employees	2,948		3,186		3,249		3,225					
前受金 Advance receipts	2,935		2,996		3,704		3,221					
未払金 Non-trade accounts payable	219		258		145		301					
その他 Others	914		1,109		616		1,179					
流動負債合計 Total current liabilities	21,533		29,001		22,033		36,906		24,570		41,070	
退職給付引当金 Allowance for employees' retirement benefits	4,027		4,184		4,358		4,563					
その他 Others	135		137		161		177					
固定負債合計 Total non-current liabilities	4,162		4,321		4,519		4,740		5,000		5,260	
資本金 Common stock	6,500		6,838		6,838		12,953		12,950		12,950	
資本剰余金 Additional paid-in capital	3,500		3,838		3,838		9,950		9,950		9,950	
利益剰余金 Retained earnings	10,450		13,011		15,066		17,506		18,330		21,720	
再評価差額金 Reserve for revaluation of land	740		740		740		755		670		670	
その他有価証券評価差額金 Valuation gain on available-for-sale securities	246		236		90		85					
資本合計 Total shareholders' equity	19,956		23,183		25,092		39,739		40,560		43,950	
負債・資本合計 Total liabilities and shareholders' equity	45,651		56,505		51,644		81,385		70,130		90,280	

(3)指標 Management index

	2001/9		2002/3		2002/9		2003/3		2003/9		2004/3	
	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通Outlook)	(見通Outlook)	(見通Outlook)	(見通Outlook)
自己資本比率(%) Equity ratio (%)	-		41.0%		-		48.8%		-		48.7%	
総資産利益率(%) Return on total assets (%)	-		10.2%		-		7.7%		-		6.1%	
株主資本利益率(%) Return on equity (%)	-		25.6%		-		16.9%		-		12.4%	

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7.要約単独損益計算書 Condensed Non-consolidated Income Statement

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

	2002/3 (実績 Actual)	2003/3 (実績 Actual)	2004/3 (見通し Outlook)	2001/9 (実績 Actual)	2002/9 (実績 Actual)	2003/9 (見通し Outlook)
売上高 Net sales	131,680	137,857	133,000	58,503	61,767	56,000
売上原価 Cost of sales	107,211	112,623	108,400	47,086	49,648	45,900
売上総利益 Gross profit	24,469	25,234	24,600	11,417	12,119	10,100
販売費及び一般管理費 Selling, general and administrative expenses	14,365	15,525	15,400	6,676	7,581	7,700
営業利益 Operating income	10,104	9,709	9,200	4,741	4,538	2,400
営業外収益 Non-operating income	22	256		19	251	
営業外費用 Non-operating expenses	95	79		17	15	
経常利益 Recurring profit	10,031	9,886	9,400	4,743	4,774	2,600
特別利益 Extraordinary profit	7	8		9		
特別損失 Extraordinary loss	572	201		303	143	
税引前当期純利益 Income before income taxes	9,466	9,693	9,400	4,449	4,631	2,600
法人税、住民税及び事業税 Income taxes:Current	5,741	4,319		2,599	2,235	
法人税等調整額 Income taxes:Deferred	1,572	43		636	133	
当期純利益 Net income	5,297	5,331	5,200	2,486	2,529	1,400
売上原価の内訳 Breakdown of cost of sales						
労務費 Labor cost	14,612	14,831		7150	7280	
材料費 Material cost	37,271	41,752		14880	17050	
外注費 Subcontract cost	36,959	39,911		16630	18110	
賃借料 Rental expense	7,219	5,760		4100	3220	
その他 Others	11,150	10,369		4,326	3,988	
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	5,483	5,587		2670	2850	
営業支援費 Operating expense for acceptance of orders	1,893	2,583		910	1220	
業務委託費 Subcontract cost	1,432	2,097		1010	1160	
減価償却費 Depreciation and amortization	327	244				
その他 Others	5,230	5,014		2,086	2,351	
研究開発費 R&D expenses	1,083	962				

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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。

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.