

The financial results have been translated from the Japanese Consolidated Financial Statements for reference purposes only. In the event of any discrepancy between the Japanese version and the English translation, the Japanese version will prevail.

**[Updated]Consolidated Financial Results  
for the First Quarter of Fiscal 2019  
(April 1, 2019 - June 30, 2019)  
[under Japanese GAAP]**

July 30, 2019

Company name: NS Solutions Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 2327  
 URL: <https://www.nssol.nipponsteel.com>  
 Representative: Hiroyuki Morita, Representative Director & President  
 Contact: Hideki Komatsu, Director, Accounting & Finance Department  
 Phone: +81-3-5117-4111  
 Scheduled date of filing quarterly securities report: August 9, 2019  
 Scheduled date of commencing dividend payments: -  
 Availability of supplementary briefing material on quarterly financial results: Available  
 Schedule of quarterly financial results briefing session: Scheduled (for analysts)

(Amounts of less than one million yen are rounded down.)

**1. Consolidated Financial Results for the First Quarter of Fiscal 2019  
(April 1, 2019 to June 30, 2019)**

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2019 1Q	68,573	23.8	6,905	37.6	7,153	38.6	4,101	42.8
FY2018 1Q	55,409	6.1	5,019	18.5	5,159	13.6	2,872	14.3

(Note) Comprehensive income: FY2019 1Q: 7,744 million yen [20.5%]  
 FY2018 1Q: 6,428 million yen [112.5%]

	Net income per share		Diluted net income per share	
	Yen		Yen	
FY2019 1Q	44.83		-	
FY2018 1Q	30.34		-	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
FY2019 1Q	237,630	150,895	61.3
FY2018	232,779	145,901	60.3

(Reference) Equity: FY2019 1Q: 145,564 million yen  
 FY2018: 140,448 million yen

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2018	-	27.50	-	27.50	55.00
FY2019	-				
FY2019(Forecast)		30.00	-	30.00	60.00

(Notes) Revision to the forecast for dividends announced most recently: None

## 3. Consolidated Financial Results Forecast for Fiscal 2019 (April 1, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	142,000	20.1	12,400	13.2	12,500	11.8	8,000	16.8	87.43
Full year	286,000	12.1	27,200	7.1	27,500	6.5	18,000	7.7	196.72

(Note) Revision to the financial results forecast announced most recently: Yes

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: None
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None
- (4) Total number of issued shares (common stock)
  - 1) Total number of issued shares at the end of the period (including treasury shares):
 

FY2019 1Q :	94,704,740	shares
FY2018:	94,704,740	shares
  - 2) Total number of treasury shares at the end of the period:
 

FY2019 1Q :	3,204,227	shares
FY2018:	3,204,145	shares
  - 3) Average number of shares during the period:
 

FY2019 1Q :	91,500,577	shares
FY2018 1Q :	94,688,535	shares

\* This quarterly consolidated financial results report is exempt from the audit conducted by certified public accountants or an audit corporation.

### \* Explanation of the proper use of financial results forecast and other notes

The forecasts stated above are based on information available as of the date of publication of this document. Actual results may differ from these forecasts due to a wide range of factors hereafter.

## Quarterly Consolidated Financial Statements

### Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	March 31, 2019	June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	3,256	3,450
Deposits paid	45,384	45,911
Notes and accounts receivable - trade	57,181	45,317
Work in process	29,674	34,483
Raw materials and supplies	10	37
Short-term loans receivable from subsidiaries and associates	12,000	12,000
Other	1,993	2,076
Allowance for doubtful accounts	(23)	(22)
Total current assets	<u>149,478</u>	<u>143,253</u>
Non-current assets		
Property, plant and equipment	18,921	19,433
Intangible assets		
Goodwill	3,854	3,738
Other	2,478	2,323
Total intangible assets	<u>6,333</u>	<u>6,061</u>
Investments and other assets		
Investment securities	45,554	51,665
Other	12,539	17,263
Allowance for doubtful accounts	(46)	(46)
Total investments and other assets	<u>58,047</u>	<u>68,881</u>
Total non-current assets	<u>83,301</u>	<u>94,376</u>
Total assets	<u>232,779</u>	<u>237,630</u>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	19,029	20,244
Income taxes payable	5,329	2,755
Advances received	20,597	24,969
Provision for bonuses	8,973	4,502
Other provisions	1,655	2,249
Other	13,043	15,434
Total current liabilities	<u>68,629</u>	<u>70,156</u>
Non-current liabilities		
Provision for directors' retirement benefits	130	106
Net defined benefit liability	9,724	9,473
Other	8,394	6,997
Total non-current liabilities	<u>18,249</u>	<u>16,578</u>
Total liabilities	<u>86,878</u>	<u>86,735</u>
<b>Net assets</b>		
Shareholders' equity		
Share capital	12,952	12,952
Capital surplus	9,950	9,950
Retained earnings	103,842	105,427
Treasury shares	(10,026)	(10,026)
Total shareholders' equity	<u>116,719</u>	<u>118,304</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,672	27,164
Foreign currency translation adjustment	56	95
Total accumulated other comprehensive income	<u>23,728</u>	<u>27,260</u>
Non-controlling interests	5,452	5,331
Total net assets	<u>145,901</u>	<u>150,895</u>
Total liabilities and net assets	<u>232,779</u>	<u>237,630</u>

## Quarterly Consolidated Statements of Income

	(Millions of yen)	
	FY2018 1Q	FY2019 1Q
Net sales	55,409	68,573
Cost of sales	43,349	54,284
Gross profit	12,060	14,288
Selling, general and administrative expenses	7,040	7,382
Operating profit	5,019	6,905
Non-operating income		
Interest income	40	44
Dividend income	194	209
Other	6	26
Total non-operating income	240	279
Non-operating expenses		
Interest expenses	2	2
Share of loss of entities accounted for using equity method	6	3
Loss on retirement of non-current assets	32	1
Foreign exchange losses	8	18
Other	51	7
Total non-operating expenses	100	31
Ordinary profit	5,159	7,153
Extraordinary losses		
Office transfer cost	—	32
Total extraordinary losses	—	32
Profit before income taxes	5,159	7,121
Income taxes	2,216	2,909
Profit	2,943	4,211
Profit attributable to non-controlling interests	70	110
Profit attributable to owners of parent	2,872	4,101

## Quarterly Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	FY2018 1Q	FY2019 1Q
Profit	2,943	4,211
Other comprehensive income		
Valuation difference on available-for-sale securities	3,555	3,492
Foreign currency translation adjustment	(70)	40
Total other comprehensive income	3,485	3,532
Comprehensive income	6,428	7,744
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,361	7,632
Comprehensive income attributable to non-controlling interests	67	111