



Financial Information for the Third Quarter of the Fiscal Year Ending March 31, 2023

(April 1, 2022 through December 31, 2022)



NS Solutions

 **NIPPON STEEL**

February 3, 2023
NS Solutions Corporation



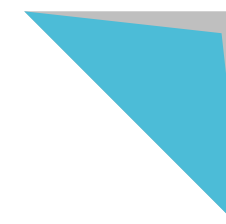
FORWARD-LOOKING STATEMENTS

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 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.

I -1. 3Q of FY Mar. 2023 Highlights (3Q Total)



¥ in billions

| | FY ended Mar.2022 3Q | FY ending Mar. 2023 3Q | Difference | (YoY) |
|--|----------------------------|------------------------------|------------|-------|
| Revenue | 195.6 | 206.8 | +11.2 | +6% |
| Gross Profit | 44.0 | 46.6 | +2.6 | +6% |
| Gross Profit Margin | <22.5%> | <22.5%> | <+0.0%> | |
| SG&A | 22.0 | 24.4 | +2.4 | +11% |
| Others | 0.2 | 0.1 | -0.1 | |
| Operating Profit | 22.2 | 22.3 | +0.1 | +1% |
| Operating Profit Margin | <11.3%> | <10.8%> | <-0.5%> | |
| Profit before tax | 22.6 | 22.6 | 0.0 | 0% |
| Profit attributable to owners of parent | 15.1 | 15.1 | 0.0 | 0% |

I -2. 3Q of FY Mar. 2023

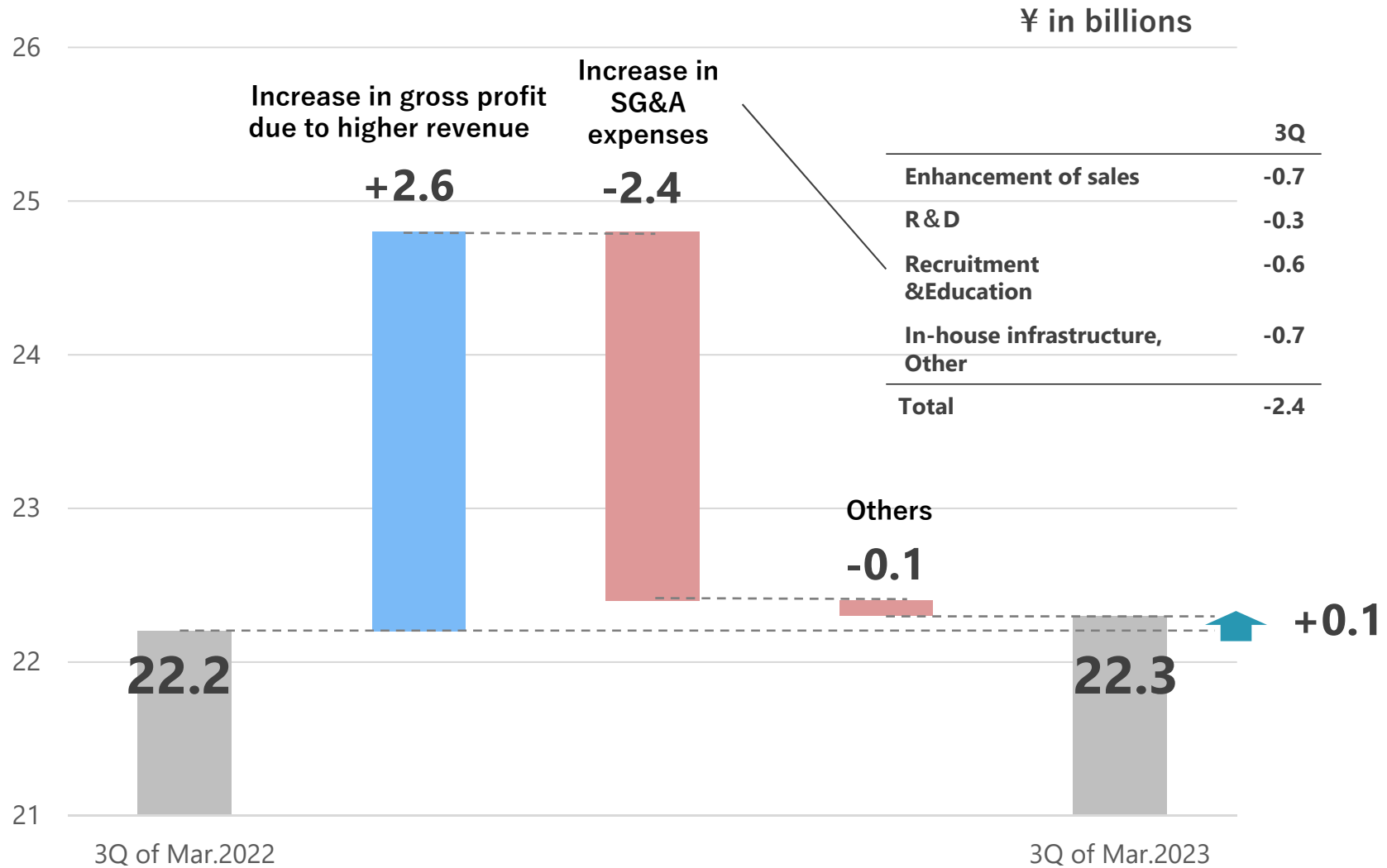
Revenue by Segment / Customer Industry (3Q Total)

¥ in billions

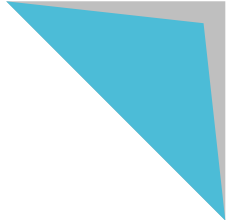
| | FY ended Mar. 2022 | | FY ending Mar. 2023 | | Difference | | Comments |
|--|-----------------------|----------------|------------------------|----------------|------------|----------------|---|
| | 3Q | IT platform | 3Q | IT Platform | 3Q | IT platform | |
| Business Solutions | 106.2 | | 110.5 | | +4.3 | | |
| Manufacturing, Retail and Service | 56.2 | <16.9> | 58.1 | <14.6> | +1.8 | <-2.3> | Increase in earnings received in platformer Decrease in demand for Transporter |
| Financial Services | 26.9 | <7.5> | 25.1 | <6.2> | -1.9 | <-1.3> | Decrease in demand for Labor transition |
| Government, Public organizations | 23.1 | <3.8> | 27.4 | <3.3> | +4.4 | <-0.5> | Increase in IT Infrastructure Project for Government Agency |
| Service Solutions | 65.6 | | 70.5 | | +4.9 | | |
| IT Platform | 25.8 | <28.2> | 28.1 | <24.1> | +2.2 | <-4.1> | Increase in crowd computing solutions |
| Nippon Steel Group | 39.8 | | 42.5 | | +2.7 | | Increase in IT Project for Nippon Steel & Nippon Steel Group |
| Subsidiaries | 23.8 | | 25.7 | | +1.9 | | |
| Total | 195.6 | | 206.8 | | +11.2 | | |
| Nippon Steel Revenue | 40.5 | | 42.4 | | +1.9 | | |

I -3. 3Q of FY Mar. 2023

Consolidated Operating Profit Breakdown(3Q Total)

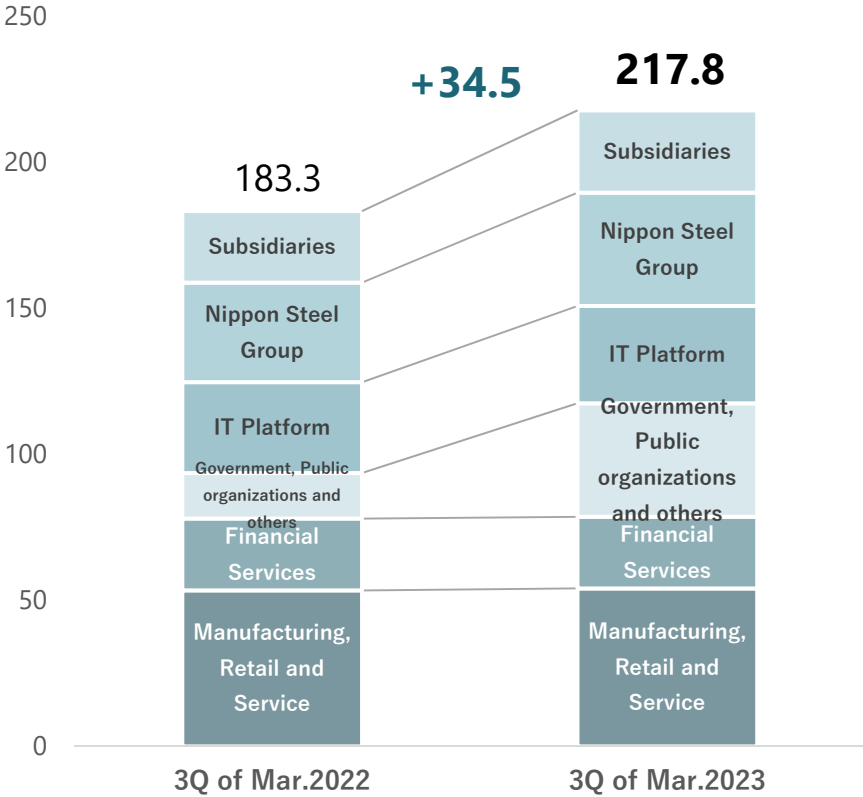


I -4. Order Acceptance · Order Backlog

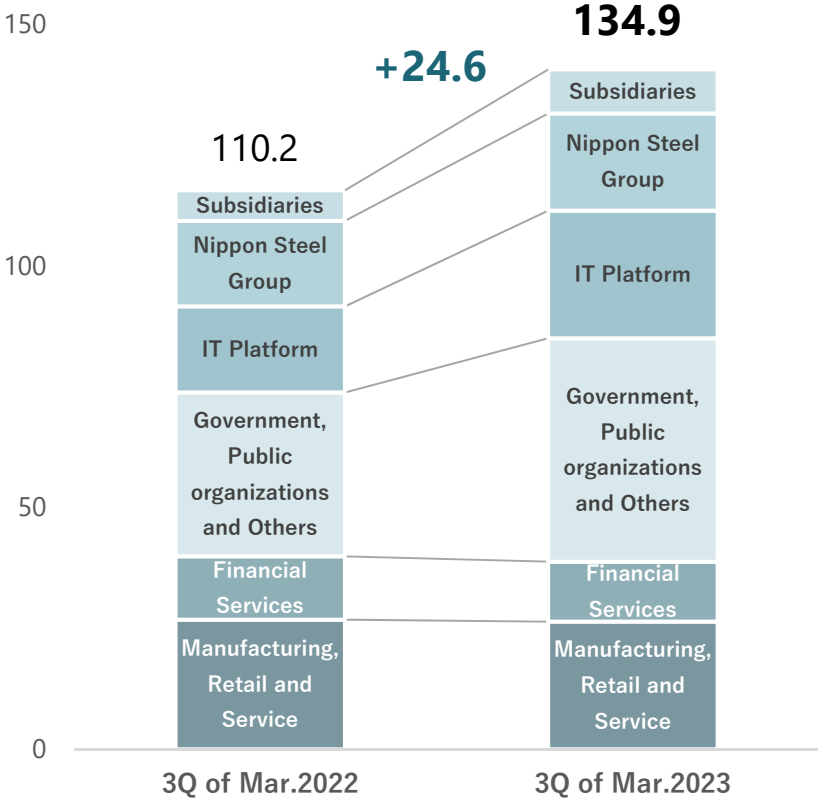


¥ in billions

Order Acceptance



Order backlog



II -1. Outlook for FY Mar. 2023

¥ in billions

| | FY ended Mar.2022 | FY ending Mar. 2023 Co. Est. | Difference | (YoY) |
|--|----------------------|------------------------------------|------------|-------|
| Revenue | 270.3 | 290.0 | +19.7 | +7% |
| Gross Profit | 60.4 | 65.0 | +4.6 | +8% |
| Gross Profit Margin | <22.4%> | <22.4%> | <+0.1%> | |
| SG&A | 30.0 | 34.0 | +4.0 | +13% |
| Others | -0.5 | 0.0 | +0.5 | |
| Operating Profit | 29.9 | 31.0 | +1.1 | +4% |
| Operating Profit Margin | <11.1%> | <10.7%> | <-0.4%> | |
| Profit before tax | 30.7 | 31.5 | +0.8 | +3% |
| Profit attributable to owners of parent | 20.5 | 21.1 | +0.6 | +3% |

II -2. Outlook for FY Mar. 2023

Revenue by Segment / Customer Industry

¥ in billions

| | FY ended Mar. 2022 | | | | FY ending Mar. 2023 | | | | Difference | | | |
|--|-----------------------|-------|-------|-------|------------------------|-------|-------|-------|------------|-------|-------|-------|
| | 1H | 3Q | 4Q | FY | 1H | 3Q | 4Q | FY | 1H | 3Q | 4Q | FY |
| Business Solutions | 71.8 | 34.5 | 39.3 | 145.6 | 71.8 | 38.8 | 48.5 | 159.0 | +0.0 | +4.3 | +9.1 | +13.4 |
| Manufacturing, Retail and Service | 36.5 | 19.8 | 20.0 | 76.2 | 39.0 | 19.1 | 24.4 | 82.5 | +2.5 | -0.7 | +4.4 | +6.3 |
| Financial Services | 19.2 | 7.7 | 8.1 | 35.0 | 16.4 | 8.7 | 7.4 | 32.5 | -2.8 | +0.9 | -0.6 | -2.5 |
| Government, Public organizations | 16.1 | 7.0 | 11.3 | 34.4 | 16.4 | 11.0 | 16.6 | 44.0 | +0.3 | +4.0 | +5.3 | +9.6 |
| Service Solutions | 43.7 | 21.9 | 24.3 | 89.9 | 46.2 | 24.3 | 23.5 | 94.0 | +2.5 | +2.5 | -0.9 | +4.1 |
| IT Platform | 17.1 | 8.8 | 9.3 | 35.2 | 18.4 | 9.7 | 8.9 | 37.0 | +1.3 | +0.9 | -0.4 | +1.8 |
| Nippon Steel Group | 26.7 | 13.1 | 15.0 | 54.7 | 27.8 | 14.7 | 14.5 | 57.0 | +1.1 | +1.6 | -0.5 | +2.3 |
| Subsidiaries | 15.3 | 8.5 | 11.0 | 34.8 | 16.7 | 9.0 | 11.3 | 37.0 | +1.4 | +0.5 | +0.3 | +2.2 |
| Total | 130.8 | 64.8 | 74.7 | 270.3 | 134.7 | 72.1 | 83.2 | 290.0 | +3.9 | +7.3 | +8.5 | +19.7 |
| Nippon Steel Revenue | 26.6 | 13.8 | 14.8 | 55.3 | 27.7 | 14.7 | 13.6 | 56.0 | +1.1 | +0.8 | -1.2 | +0.7 |
| Order backlog | 122.6 | 123.3 | 110.2 | - | 123.8 | 145.9 | 134.9 | - | +1.3 | +22.7 | +24.6 | - |



Answers to power your future

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