



NIPPON STEEL & SUMITOMO METAL CORPORATION GROUP



Financial Information for the First Quarter of the Fiscal Year ending March 31, 2019

(April 1, 2018 through June 30, 2018)

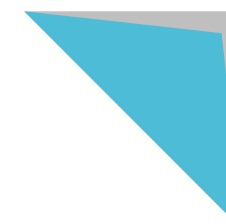


NS Solutions

August 2, 2018

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.

I -1 Consolidated Results for 1Q of FY Mar.2019

(¥ in billions)	FY ended Mar. 2018 1Q (April-June) A	FY ending Mar. 2019 1Q (April-June) B	Difference B-A
Sales	58.2	58.4	+0.3
Business solutions	40.0	37.5	-2.6
Service solutions	18.1	21.0	+2.8
Gross Profit	11.5	12.2	+0.6
<Gross Profit Margin>	<19.8%>	<20.8%>	<+1.0%>
SG&A	6.9	7.0	+0.1
Operating Profit	4.6	5.1	+0.5
Recurring Profit	4.9	5.3	+0.4
Profit attributable to owners of parent	2.9	3.0	+0.1

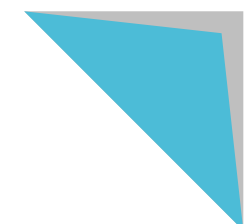
I -2. 1Q of FY Mar. 2019

Sales by Segment / Customer Industry

(¥ in billions)	1Q of FY Mar. 2018		1Q of FY Mar. 2019		Difference		Comments
	Total	IT platform	Total	IT platform	Total	IT platform	
	(Apr.-June.) A		(Apr.-June.) B		(Apr.-June.) B-A		
Business Solutions	34.0	8.0	31.0	9.1	-3.0	+1.0	
Manufacturing, Retail and Service	13.2	4.2	15.3	5.7	+2.1	+1.5	Increase in earnings received in e-commerce, retail and travel related business.
Financial Services	8.1	2.3	6.7	2.3	-1.4	-0.1	System consolidation project for a megabank client peaked out. Aggressive investment in securities.
Government, Public organizations	12.7	1.5	9.1	1.1	-3.7	-0.4	Relative decrease in the number of large scale projects for the government sector.
Service Solutions	17.1		19.9		+2.8		
IT Platform	7.2	<8.0>	6.8	<9.1>	-0.4	<+1.0>	Sales increase in cloud services and products.
NSSMC Group	9.9		13.0		+3.1		NSSMC continues with its aggressive IT investment.
Subsidiaries	7.0		7.5		+0.5		
Total	58.2		58.4		+0.3		
NSSMC Sales	(9.7)		(12.7)		(+3.0)		
Total Order	52.5		55.6		+3.1		Business solutions +4.6 Service solutions -1.5

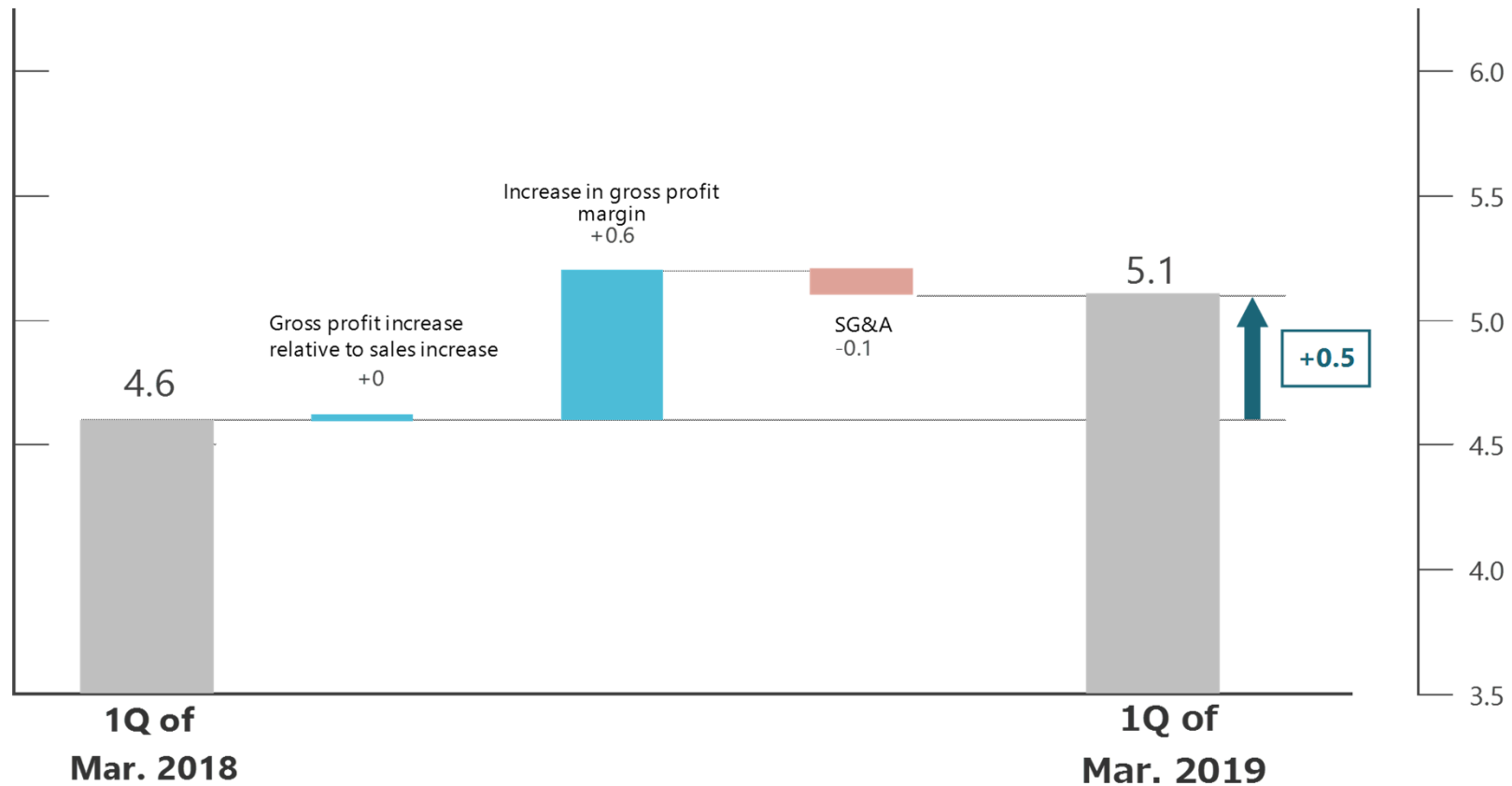
I -3. 1Q of FY Mar. 2019

Consolidated Operating Profit Breakdown



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(¥ in billions)



II -1. Outlook for FY Mar.2019 (1Q/2Q)

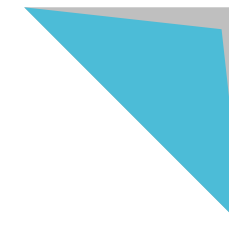
Sales by Service and Segment

(¥ in billions)	FY ended Mar. 2018			FY ending Mar. 2019 Company Estimate			Difference		
	1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H
	A	B	C	D	E	F	D-A	E-B	F-C
Sales	58.2	58.4	116.6	58.4	59.6	118.0	+0.3	+1.2	+1.4
Business Solutions	40.0	36.8	76.8	37.5	37.5	75.0	-2.6	+0.8	-1.8
Service Solutions	18.1	21.6	39.8	21.0	22.0	43.0	+2.8	+0.4	+3.2
Gross Profit	11.5	12.1	23.6	12.2	12.6	24.8	+0.6	+0.6	+1.2
<Gross profit margin>	<19.8%>	<20.7%>	<20.2%>	<20.8%>	<21.2%>	<21.0%>	<+1.0%>	<+0.5%>	<+0.8%>
SG&A	6.9	6.6	13.5	7.0	7.1	14.1	+0.1	+0.5	+0.6
Operating Profit	4.6	5.5	10.1	5.1	5.6	10.7	+0.5	+0.1	+0.6
Recurring Profit	4.9	5.6	10.5	5.3	5.7	11.0	+0.4	+0.2	+0.5
Profit attributable to owners of parent	2.9	3.7	6.6	3.0	4.2	7.2	+0.1	+0.5	+0.6
NSSMC Sales	(9.7)	(12.2)	(21.9)	(12.7)	(11.3)	(24.0)	(+3.0)	(-0.9)	(+2.1)
Order backlog at the beginning of the period	117.4	111.7	-	121.1	118.3	-	+3.7	+6.6	-

II -2. Semiannual Outlook for FY Mar.2019

(¥ in billions)	FY ended Mar. 2018			FY ending Mar. 2019 Company Estimate			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
	A	B	C	D	E	F	D-A	E-B	F-C
Sales	116.6	127.7	244.2	118.0	129.0	247.0	+1.4	+1.3	+2.8
Business Solutions	76.8	84.3	161.1	75.0	85.5	160.5	-1.8	+1.2	-0.6
Service Solutions	39.8	43.4	83.1	43.0	43.5	86.5	+3.2	+0.1	+3.4
Gross Profit	23.6	25.5	49.1	24.8	26.0	50.8	+1.2	+0.5	+1.7
<Gross profit margin>	<20.2%>	<19.9%>	<20.1%>	<21.0%>	<20.2%>	<20.6%>	<+0.8%>	<+0.3%>	<+0.5%>
SG&A	13.5	12.9	26.4	14.1	13.3	27.4	+0.6	+0.4	+1.0
Operating Profit	10.1	12.6	22.7	10.7	12.7	23.4	+0.6	+0.1	+0.7
Recurring Profit	10.5	12.6	23.1	11.0	13.0	24.0	+0.5	+0.4	+0.9
Profit attributable to owners of parent	6.6	8.4	14.9	7.2	8.5	15.7	+0.6	+0.1	+0.8
NSSMC Sales	(21.9)	(23.7)	(45.7)	(24.0)	(23.5)	(47.5)	(+2.1)	(-0.2)	(+1.8)

III. Acquisition of Treasury Stock



<Overview of acquisition of treasury stock>

Total number of shares to be acquired	Up to 4,700,000 shares ※Percentage out of total number of issued shares (excluding treasury stock) : 4.96%
Total amount of acquisition	Up to ¥10,000 million
Acquisition period	August 6 th , 2018 to March 22 nd , 2019
Acquisition method	Market purchase through the Tokyo Stock Exchange



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