



NS Solutions

 **NIPPON STEEL**

Financial Information for the Third Quarter of the Fiscal Year ending March 31, 2021

(April 1, 2020 through December 31, 2020)

January 29 , 2021

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. 3Q of FY 2020 (ending March 31, 2021) Consolidated Financial Results

(¥ in billions)	FY ended Mar. 2020		FY ending Mar. 2021		Difference	
	3Q	1-3Q	3Q	1-3Q	3Q	1-3Q
	(Oct.-Dec.)	(Apr.-Dec.)	(Oct.-Dec.)	(Apr.-Dec.)	(Oct.-Dec.)	(Apr.-Dec.)
	A	B	C	D	C-A	D-B
Sales	61.7	198.4	60.9	180.0	-0.7	-18.4
Business solutions	40.0	129.8	40.9	114.9	+0.9	-14.9
Service solutions	21.6	68.6	20.0	65.1	-1.6	-3.5
Gross Profit	12.4	40.9	12.6	37.6	+0.2	-3.3
<Gross Profit Margin>	<20.2%>	<20.6%>	<20.7%>	<20.9%>	<+0.5%>	<+0.3%>
SG&A	6.7	21.0	6.6	20.4	-0.1	-0.6
Operating Profit	5.7	19.9	6.0	17.2	+0.3	-2.7
Recurring Profit	6.0	20.2	6.3	17.6	+0.3	-2.5
Profit attributable to owners of	4.3	13.0	4.1	12.0	-0.2	-1.0

I -2. 3Q of FY ending March 31, 2021 Quarterly Consolidated Results

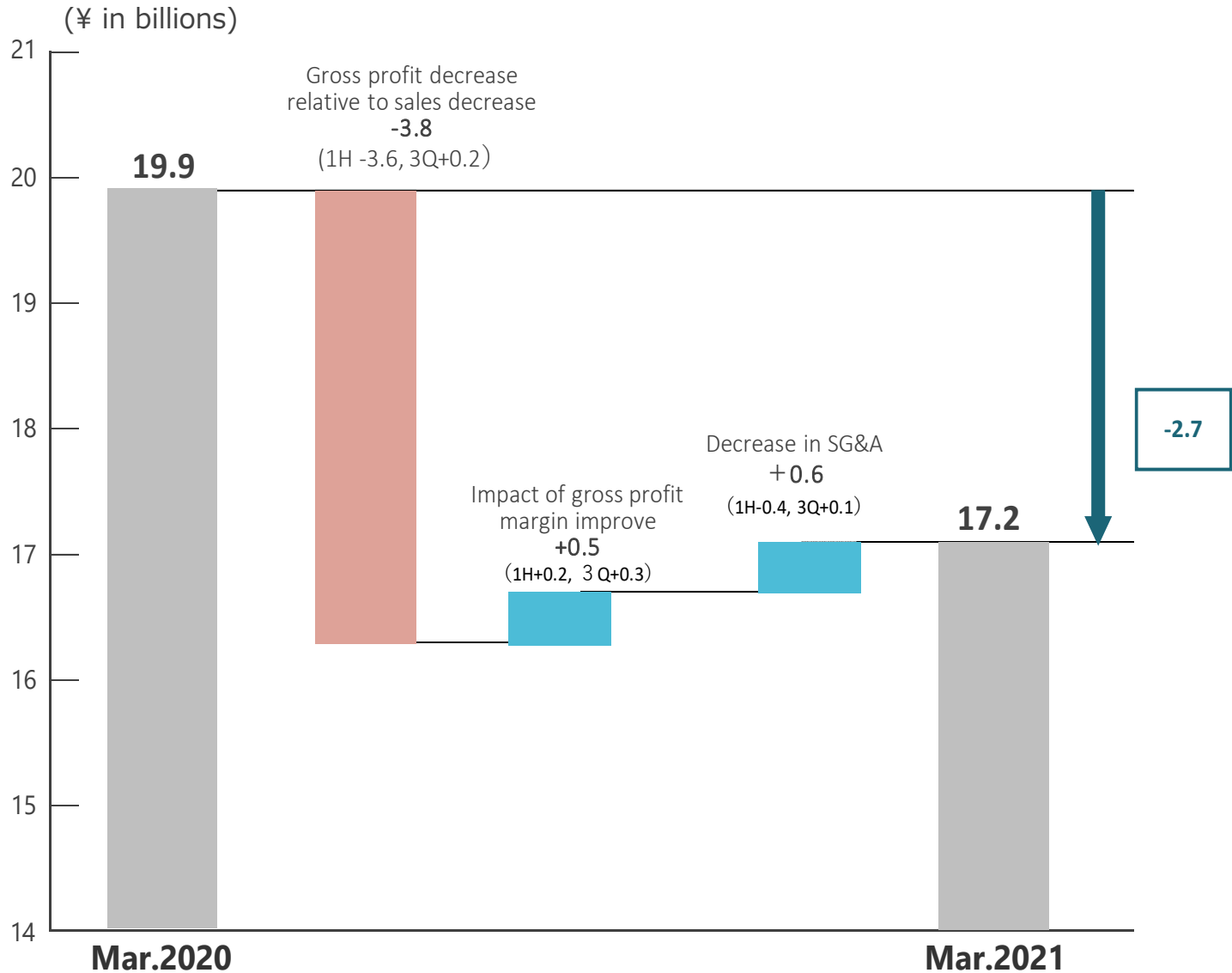
(¥ in billions)	3Q of FY Mar. 2020		3Q of FY Mar. 2021		Difference		Comments
	Total	IT platform	Total	IT platform	Total	IT platform	
	(Oct.-Dec.) A		(Oct.-Dec.) B		(Oct.-Dec.) B-A		
Business Solutions	32.5	7.5	34.1	8.3	+1.6	+0.8	
Manufacturing, Retail and Service	16.1	4.6	17.1	5.1	+0.9	+0.5	Sales increase in e-commerce, retail and transportation
Financial Services	6.2	1.6	8.4	2.4	+2.2	+0.8	Orders for regulation change are added up
Government, Public organizations and Others	10.1	1.3	8.5	0.8	-1.6	-0.5	
Service Solutions	20.7		18.9		-1.8		
IT Platform	7.3	<7.5>	7.2	<8.3>	-0.1	<+0.8>	
Nippon Steel Group	13.3		11.7		-1.7		Decrease in sales to Nippon Steel
Subsidiaries	8.5		7.9		-0.6		
Total	61.7		60.9		-0.7		
Nippon Steel Sales	(13.0)		(11.7)		(-1.3)		
Total Order	50.1		59.4		+9.3		

I -3. Sales by Service and Segment (3Q total)

(¥ in billions)	3Q of FY Mar. 2020		3Q of FY Mar. 2021		Difference		Comments
	Total	IT platform	Total	IT platform	Total	IT platform	
	(Apr.-Dec.) A		(Apr.-Dec.) B		(Apr.-Dec.) B-A		
Business Solutions	107.6	33.7	94.3	24.7	-13.3	-9.0	
Manufacturing, Retail and Service	58.5	22.8	51.4	16.2	-7.1	-6.6	Decline in last year's large platform project sales
Financial Services	22.1	6.9	22.3	6.0	+0.3	-0.8	
Government, Public organizations and Others	27.1	4.0	20.6	2.4	-6.5	-1.6	
Service Solutions	64.6		62.1		-2.5		
IT Platform	23.9	<33.7>	23.9	<24.7>	-0.0	<-9.0>	
Nippon Steel Group	40.6		38.2		-2.5		Decrease in sales to Nippon Steel
Subsidiaries	26.2		23.6		-2.7		
Total	198.4		180.0		-18.4		
Nippon Steel Sales	(40.2)		(38.1)		(-2.2)		

I -4. 3Q total of FY ending March 31, 2021 Consolidated Operating Profit Breakdown

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I -5. Outlook for FY ending March 31, 2021

(¥ in billions)	FY Mar. 2020			FY Mar. 2021 Co. Est			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
	(Apr. - Sep.) A	(Oct.- Mar.) B	(Apr.- Mar.) C	(Apr. - Sep.) D	(Oct.- Mar.) E	(Apr.- Mar.) F	(Apr. - Sep.) D-A	(Oct.- Mar.) E-B	(Apr.- Mar.) F-C
Sales	136.8	138.1	274.8	119.1	135.9	255.0	-17.7	-2.2	-19.8
Business Solutions	89.8	90.3	180.1	74.0	90.0	164.0	-15.8	-0.3	-16.1
Service Solutions	47.0	47.8	94.8	45.1	45.9	91.0	-1.9	-1.8	-3.8
Gross Profit	28.5	28.1	56.6	25.0	27.6	52.6	-3.5	-0.5	-4.0
<Gross profit margin>	<20.8%>	<20.3%>	<20.6%>	<21.0%>	<20.3%>	<20.6%>	<+0.2%>	<-0.1%>	<+0.0%>
SG&A	14.3	13.9	28.2	13.9	14.8	28.7	-0.4	+0.9	+0.5
Operating Profit	14.2	14.2	28.4	11.1	12.8	23.9	-3.0	-1.4	-4.5
Recurring Profit	14.2	14.1	28.3	11.4	12.6	24.0	-2.8	-1.4	-4.3
Profit attributable to owners of parent	8.7	9.8	18.6	7.9	8.1	16.0	-0.8	-1.7	-2.6
Nippon Steel Sales	(27.3)	(28.7)	(56.0)	(26.4)	(23.6)	(50.0)	(-0.9)	(-5.1)	(-6.0)

I -6. Outlook for FY ending March 31, 2021

Sales by Service and Segment

(¥ in billions)	FY Mar. 2020				FY Mar.2021				Difference			
	1H	3Q	4Q	2H	1H	3Q	4Q Company Estimate	2H Company Estimate	1H	3Q	4Q	2H
	A	B	C	D	E	F	G	H	E-A	F-B	G-C	H-D
Business Solutions	75.1	32.5	41.0	73.5	60.3	34.1	40.7	74.7	-14.9	+1.6	-0.3	+1.3
Manufacturing, Retail and Service	42.3	16.1	18.4	34.6	34.3	17.1	19.6	36.7	-8.0	+0.9	+1.2	+2.1
Financial Services	15.8	6.2	8.8	15.1	13.9	8.4	7.7	16.1	-1.9	+2.2	-1.2	+1.0
Government, Public organizations and Others	17.0	10.1	13.7	23.8	12.1	8.5	13.4	21.9	-4.9	-1.6	-0.3	-1.9
Service Solutions	43.9	20.7	25.3	45.9	43.2	18.9	23.9	42.8	-0.7	-1.8	-1.4	-3.1
IT Platform	16.6	7.3	10.1	17.4	16.7	7.2	11.1	18.3	+0.1	-0.1	+1.0	+0.9
Nippon Steel Group	27.3	13.3	15.1	28.5	26.5	11.7	12.8	24.5	-0.8	-1.7	-2.3	-4.0
Subsidiaries	17.7	8.5	10.2	18.7	15.6	7.9	10.4	18.4	-2.1	-0.6	+0.3	-0.3
Total	136.8	61.7	76.4	138.1	119.1	60.9	75.0	135.9	-17.7	-0.7	-1.4	-2.2
Nippon Steel Sales	(27.3)	(13.0)	(15.7)	(28.7)	(26.4)	(11.7)	(11.9)	(23.6)	(-0.9)	(-1.3)	(-3.8)	(-5.1)
Order backlog at the beginning of the period	133.4	132.7	121.1	-	126.9	124.1	122.6	-	-6.5	-8.6	+1.5	-



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