

Financial Information for the Fiscal Year ended March 31, 2017

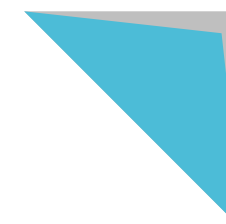
(April 1, 2016 through March 31, 2017)



NS Solutions

April 28, 2017

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.

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I

Consolidated Financial Results for FY2016

I - 1 Highlights of Consolidated Financial Results

FY2016

(Billions of yen)

| | | YoY change | : (Diff. with Co. Est) |
|--------------------|-------|-------------|------------------------|
| ● Sales | 232.5 | +13.8, + 6% | : (+9.5) |
| ● Operating Profit | 21.5 | + 2.3, +12% | : (+0.9) |
| ● Net Income* | 14.0 | + 2.8, +25% | : (+0.5) |

* Net income in this page means Profit attributable to owners of parent

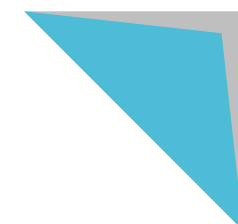
I -2. Consolidated Financial Results

| (Billions of yen) | FY Mar.2016 Actual A | FY Mar.2017 Actual B | Difference B-A | FY Mar.2017 Co. Est C | Difference Vs Co. Est B-C |
|--|----------------------------|----------------------------|-------------------|-----------------------------|---------------------------------|
| Sales | 218.7 | 232.5 | +13.8 | 223.0 | +9.5 |
| Business solutions | 142.5 | 151.8 | +9.3 | 145.0 | +6.8 |
| Service solutions | 76.2 | 80.6 | +4.4 | 78.0 | +2.6 |
| Gross Profit | 43.7 | 46.5 | +2.8 | 45.7 | +0.8 |
| <Gross Profit Margin> | <20.0%> | <20.0%> | <+0.0%> | <20.5%> | <-0.5%> |
| SG&A | 24.4 | 24.9 | +0.5 | 25.1 | -0.2 |
| Operating Profit | 19.3 | 21.5 | +2.3 | 20.6 | +0.9 |
| Recurring Profit | 19.4 | 22.1 | +2.8 | 21.0 | +1.1 |
| Profit attributable to owners of parent | 11.2 | 14.0 | +2.8 | 13.5 | +0.5 |

I -3. Semiannual Consolidated Results

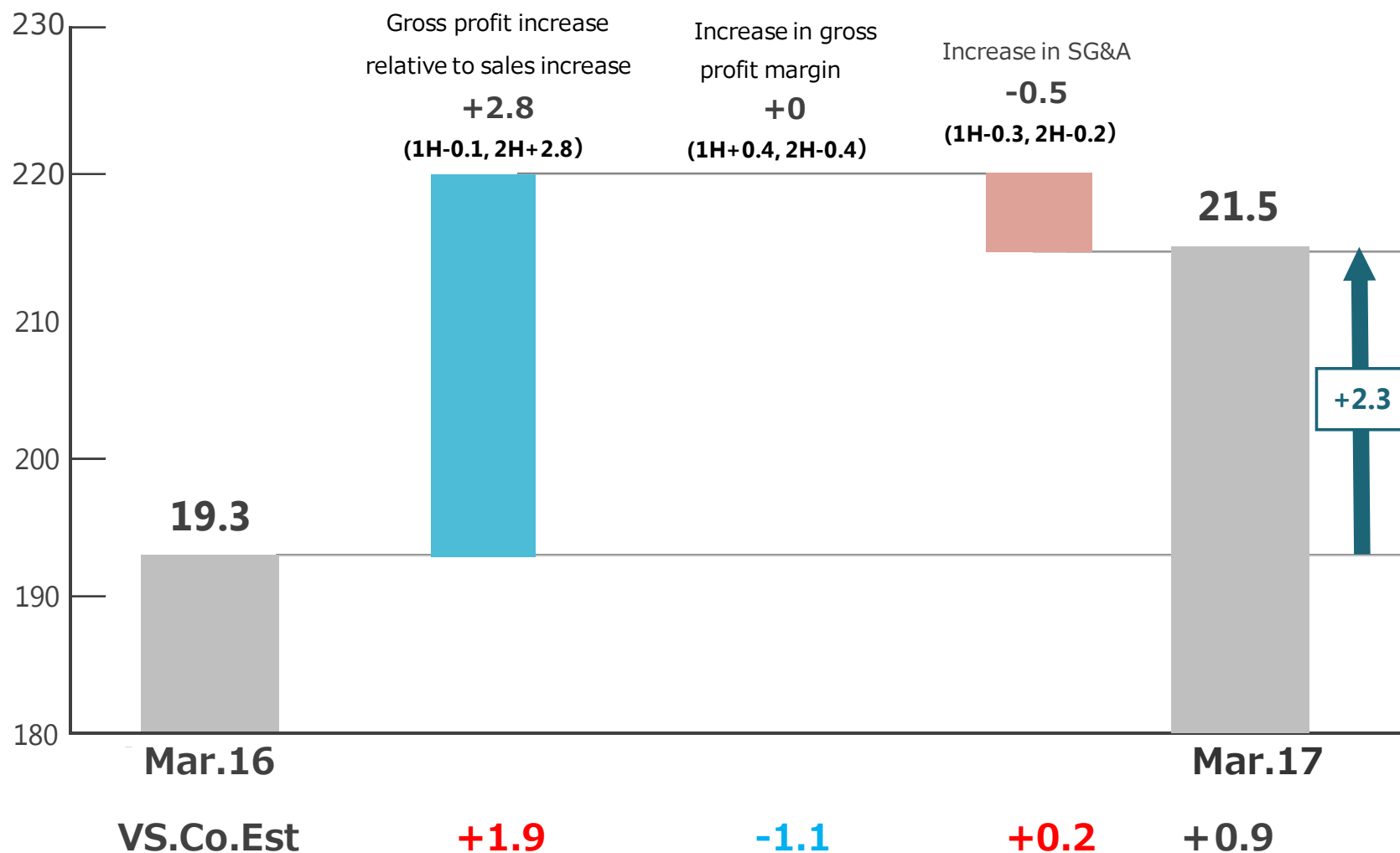
| (Billions of yen) | FY Mar.2016 | | FY Mar.2017 | | Difference | | 2H Co. Est E | Difference w/Co. Est D-E |
|--|--------------|--------------|--------------|--------------|-------------|--------------|--------------------|--------------------------------|
| | 1H | 2H | 1H | 2H | 1H | 2H | | |
| | A | B | C | D | C-A | D-B | | |
| Sales | 106.3 | 112.4 | 105.9 | 126.6 | -0.4 | +14.2 | 117.1 | +9.5 |
| Business Solutions | 67.5 | 75.0 | 68.3 | 83.5 | +0.8 | +8.5 | 76.7 | +6.8 |
| Service Solutions | 38.8 | 37.4 | 37.5 | 43.1 | -1.3 | +5.7 | 40.5 | +2.6 |
| Gross Profit | 22.0 | 21.7 | 22.3 | 24.2 | +0.3 | +2.4 | 23.4 | +0.8 |
| <Gross profit margin> | <20.7%> | <19.3%> | <21.0%> | <19.1%> | <+0.4%> | <-0.2%> | <20.0%> | <-0.9%> |
| SG&A | 12.2 | 12.3 | 12.5 | 12.5 | +0.3 | +0.2 | 12.6 | -0.2 |
| Operating Profit | 9.8 | 9.5 | 9.8 | 11.7 | +0.0 | +2.3 | 10.8 | +0.9 |
| Recurring Profit | 10.1 | 9.3 | 10.2 | 11.9 | +0.2 | +2.6 | 10.8 | +1.1 |
| Profit attributable to owners of parent | 6.0 | 5.1 | 6.6 | 7.4 | +0.6 | +2.2 | 6.9 | +0.5 |
| NSSMC Sales | (24.1) | (22.8) | (22.6) | (24.9) | (-1.5) | (+2.1) | (23.0) | (+1.9) |

I -4. Consolidated Operating Profit Breakdown



YoY

Billions of yen

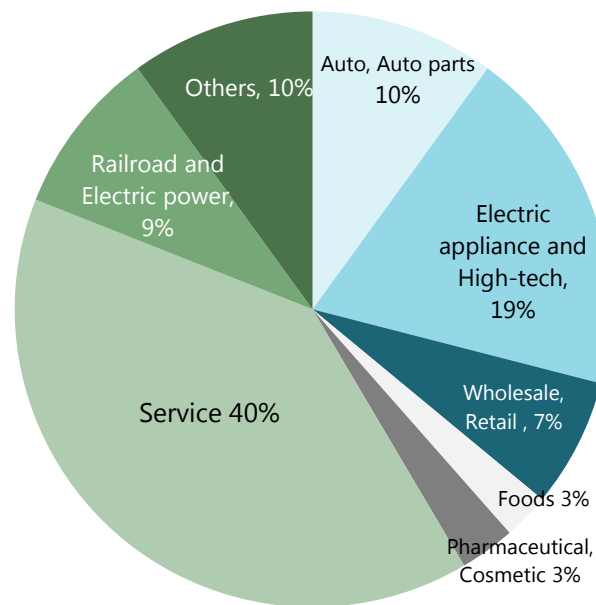
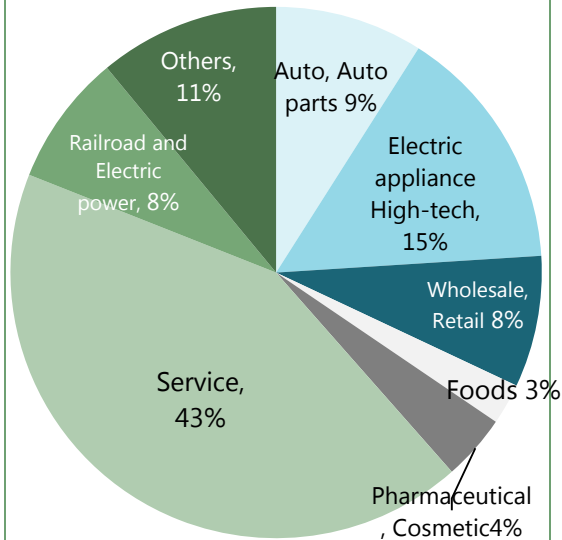
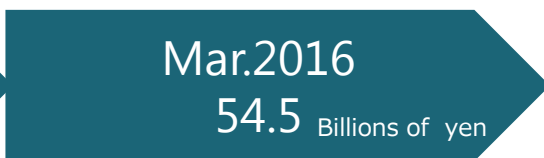
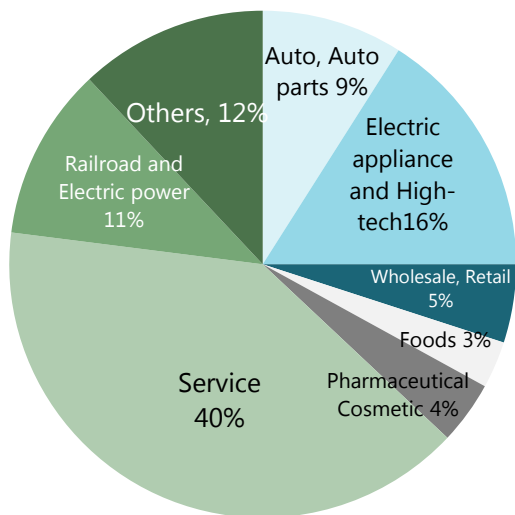
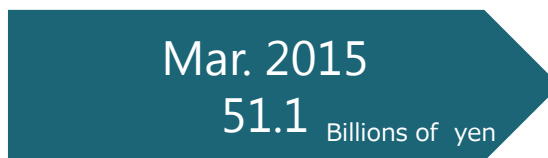


I -5. Sales by Service and Segment

| (Billions of yen) | FY Mar. 2016 | | FY Mar.2017 | | Difference | | Comment |
|-----------------------------------|--------------|---|--------------|---|--------------|---|---|
| | Actual A | Intersegment sales of IT platform | Actual B | Intersegment sales of IT platform | B-A | Intersegment sales of IT platform | |
| Business Solutions | 118.4 | 30.8 | 126.8 | 30.4 | +8.4 | -0.5 | |
| Manufacturing, Retail and Service | 54.5 | 17.6 | 55.4 | 16.2 | +0.9 | -1.3 | Increase in manufacturing (PLM, Production control system). Decrease in retail and services |
| Financial Services | 36.1 | 8.5 | 37.1 | 9.1 | +1.0 | +0.6 | Decrease in Megabank. Securities increase |
| Government, Public organizations | 27.8 | 4.8 | 34.3 | 5.1 | +6.5 | +0.3 | Increase in central government agencies platform orders and sales |
| Service Solutions | 74.7 | | 77.8 | | +3.1 | | |
| IT Platform | 27.0 | <+30.8> | 30.4 | <+30.4> | +3.4 | <-0.5> | Increase in cloud (infrastructure and DaaS). Decrease in onsite operation and housing |
| NSSMC Group | 47.6 | | 47.4 | | -0.3 | | Slightly increase in NSSMC business due to product sales |
| Subsidiaries | 25.6 | | 27.9 | | +2.3 | | Acquiring NVC |
| Total | 218.7 | | 232.5 | | +13.8 | | |
| NSSMC Sales | (46.9) | | (47.5) | | (+0.6) | | |
| Total Order | 229.8 | | 252.9 | | +23.1 | | Business solutions +27.9 Service solutions -4.8 |

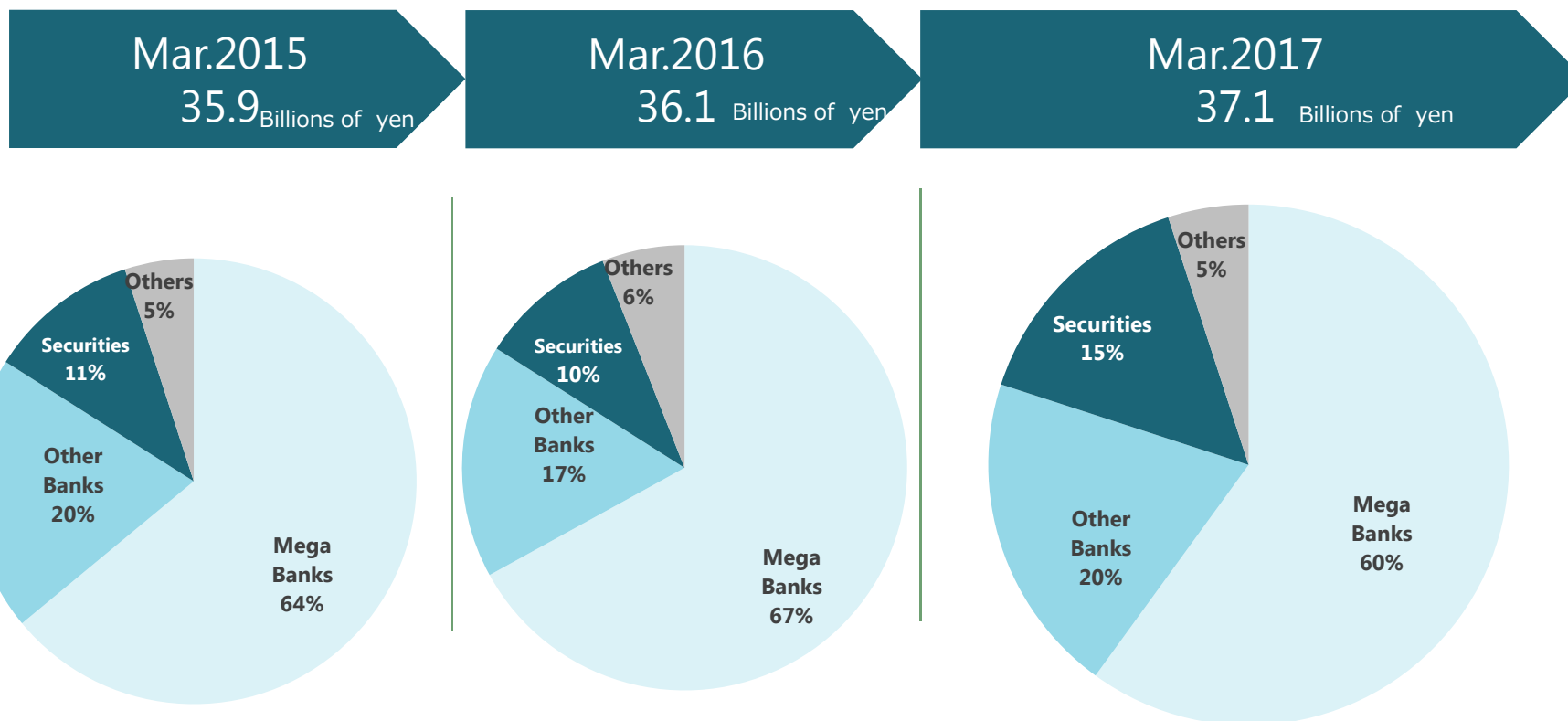
I -6. Breakdown of Sales (Manufacturing, Retail and Service)

Mar.2015~Mar.2017



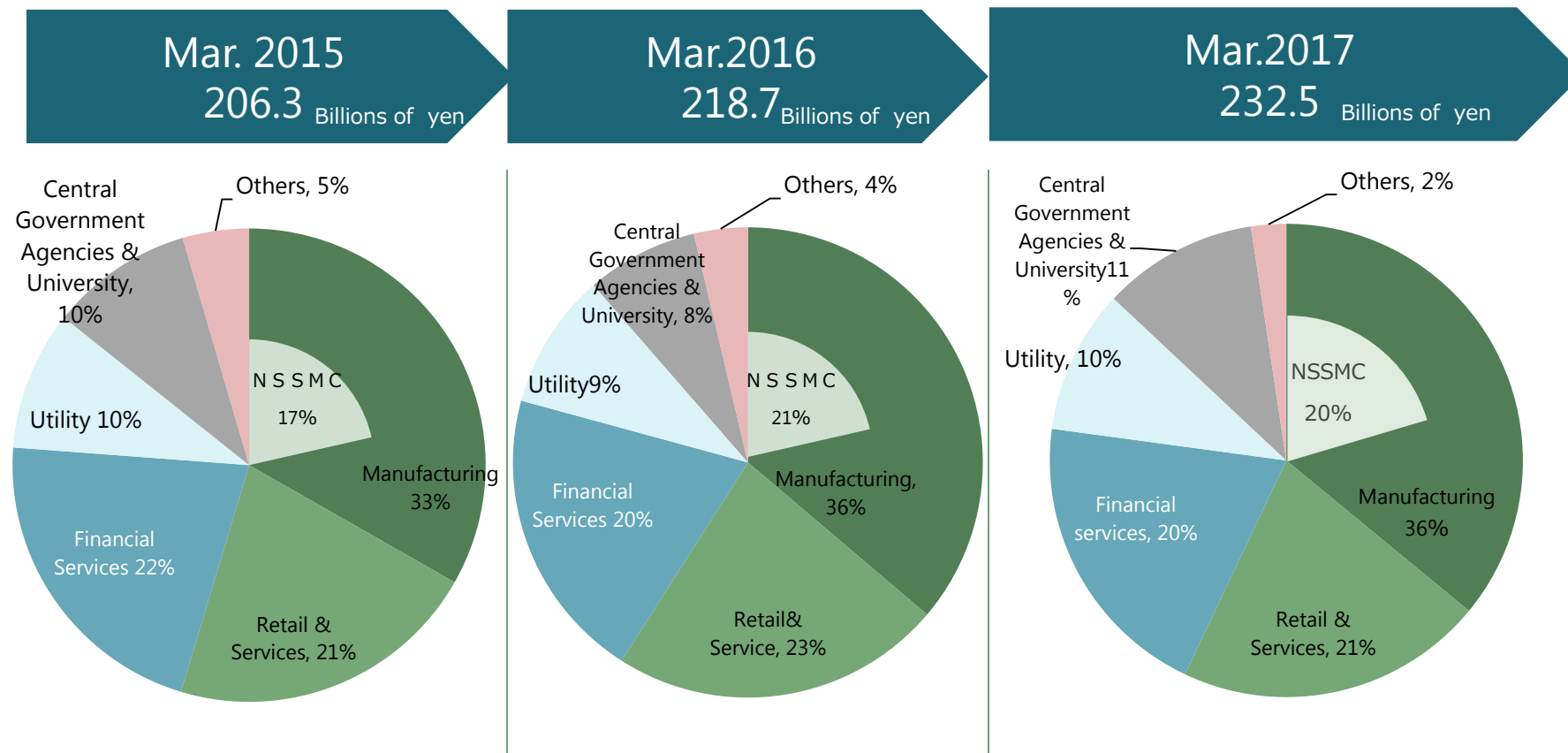
I -7. Breakdown of Sales (Financial Services)

Mar.2015~Mar.2017



I -8. Sales Breakdown by Industry Segment

Mar.2015~Mar.2017








Outlook for FY Mar.2018



II - 1 . Current Business Conditions

Market Trend

Business solutions

| | | |
|--|---|---|
| <p>Manufacturing, Retail and Service</p> | <p>Manufacturing aggressively invests on strategic IT system such as PLM(*1) and Production control Aggressive IT investment in Retail and Services continues</p> |  |
| <p>Financial Services</p> | <p>A part of Major Bank's IT investment peaked out. High level of IT investment continues due to their mid term growth strategy, including global business plan.</p> |  |
| <p>Government, Public organizations and others</p> | <p>Government spending for existing IT investment is still under competitive conditions. We try to acquire order from government platform systems which aim to strengthen security. Telecom area has been severe, however we expect new technology area is expanding.</p> |  |

Service solutions

| | | |
|--------------------|---|---|
| <p>IT Platform</p> | <p>Demand for installment and renewal of unified platform is steady. VDI(*2)/DaaS(*3) demand is strong.</p> |  |
| <p>Steel</p> | <p>IT investment of NSSMC's post merger IT investment (Day2) completed</p> |  |

*1:PLM:Product Lifecycle Management
*2:VDI:Virtual Desktop Infrastructure

*3:DaaS:Desktop as a Service

II - 2 . Outlook for FY Mar.2018

| (Billions of yen) | FY Mar.2017 Actual A | FY Mar.2018 Co. Est B | Difference YoY B-A |
|--|----------------------------|-----------------------------|--------------------------|
| Sales | 232.5 | 235.0 | +2.5 |
| Business solutions | 151.8 | 154.5 | +2.7 |
| Service solutions | 80.6 | 80.5 | -0.1 |
| Gross Profit | 46.5 | 49.2 | +2.7 |
| <Gross Profit Margin> | <20.0%> | <20.9%> | <+1.0%> |
| SG&A | 24.9 | 26.5 | +1.6 |
| Operating Profit | 21.5 | 22.7 | +1.2 |
| Recurring Profit | 22.1 | 23.0 | +0.9 |
| Profit attributable to owners of parent | 14.0 | 15.0 | +1.0 |

II - 3 . Outlook for FY Mar.2018

Sales Outlook by Segment / Customer Industry

| (Billions of yen) | FY Mar.2017 | | FY Mar.2018 | | Difference | | Comment |
|-----------------------------------|--------------|--------------------------------------|--------------|--------------------------------------|-------------|--------------------------------------|--|
| | Actual A | Intersegment sales of IT platform | Co. Est B | Intersegment sales of IT platform | B-A | Intersegment sales of IT platform | |
| Business Solutions | 126.8 | 30.4 | 128.0 | 30.5 | +1.2 | +0.1 | |
| Manufacturing, Retail and Service | 55.4 | 16.2 | 60.5 | 18.0 | +5.1 | +1.8 | Strong demand of IT investment in Manufacturing and Retail continues |
| Financial Services | 37.1 | 9.1 | 35.0 | 9.0 | -2.1 | -0.1 | Decrease in Mega banks |
| Government, Public organizations | 34.3 | 5.1 | 32.5 | 3.5 | -1.8 | -1.6 | Decrease in product sales |
| Service Solutions | 77.8 | | 75.5 | | -2.3 | | |
| IT Platform | 30.4 | <30.4> | 33.0 | <30.5> | +2.6 | <+0.1> | Increase in cloud |
| NSSMC Group | 47.4 | | 42.5 | | -4.9 | | Decrease in NSSMC |
| Subsidiaries | 27.9 | | 31.5 | | +3.6 | | NVC's full year contribution |
| Total | 232.5 | | 235.0 | | +2.5 | | |
| NSSMC Sales | (47.5) | | (41.5) | | (-6.0) | | |

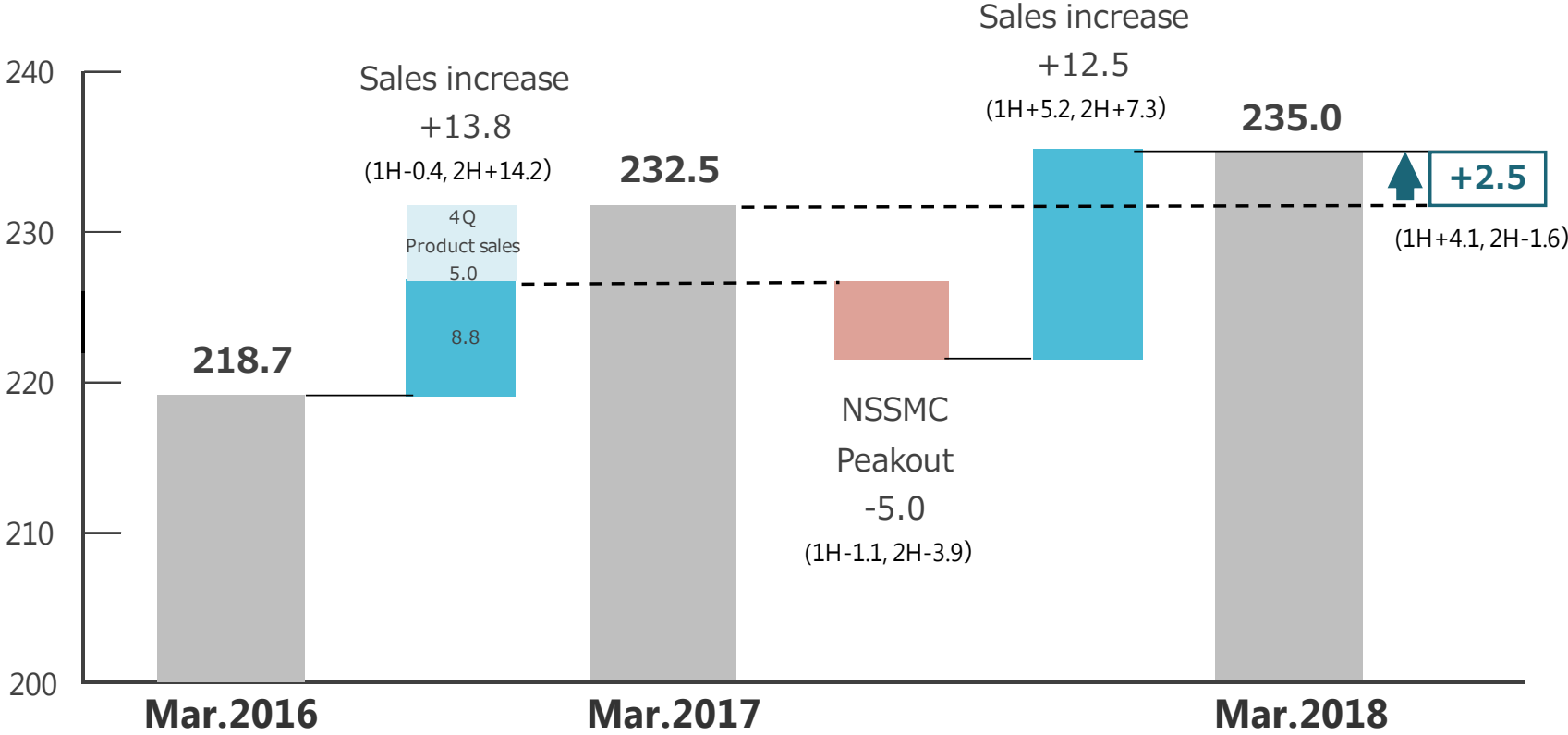
II - 4 . Semiannual Outlook for FY Mar.2018

| (Billions of Yen) | FY Mar.2017 Actual | | | FY Mar.2018 Co. Est | | | Difference | | |
|---|--------------------|---------------|---------------|---------------------|---------------|---------------|---------------|---------------|---------------|
| | 1H | 2H | FY | 1H | 2H | FY | 1H | 2H | FY |
| | A | B | C | D | E | F | D-A | E-B | F-C |
| Sales | 105.9 | 126.6 | 232.5 | 110.0 | 125.0 | 235.0 | +4.1 | -1.6 | +2.5 |
| Business Solutions | 68.3 | 83.5 | 151.8 | 71.0 | 83.5 | 154.5 | +2.7 | +0.0 | +2.7 |
| Service Solutions | 37.5 | 43.1 | 80.6 | 39.0 | 41.5 | 80.5 | +1.5 | -1.6 | -0.1 |
| Gross Profit | 22.3 | 24.2 | 46.5 | 23.2 | 26.0 | 49.2 | +0.9 | +1.8 | +2.7 |
| <Gross profit margin> | <21.0%> | <19.1%> | <20.0%> | <21.1%> | <20.8%> | <20.9%> | <+0.0%> | <+1.7%> | <+1.0%> |
| SG&A | 12.5 | 12.5 | 24.9 | 13.0 | 13.5 | 26.5 | +0.5 | +1.0 | +1.6 |
| Operating Profit | 9.8 | 11.7 | 21.5 | 10.2 | 12.5 | 22.7 | +0.4 | +0.8 | +1.2 |
| Recurring Profit | 10.2 | 11.9 | 22.1 | 10.5 | 12.5 | 23.0 | +0.3 | +0.6 | +0.9 |
| Profit attributable to owners of parent | 6.6 | 7.4 | 14.0 | 6.7 | 8.3 | 15.0 | +0.1 | +0.9 | +1.0 |
| NSSMC Sales | (22.6) | (24.9) | (47.5) | (21.5) | (20.0) | (41.5) | (-1.1) | (-4.9) | (-6.0) |
| Order backlog at the beginning of the period | 97.0 | 106.8 | | 117.4 | | | +20.4 | | |

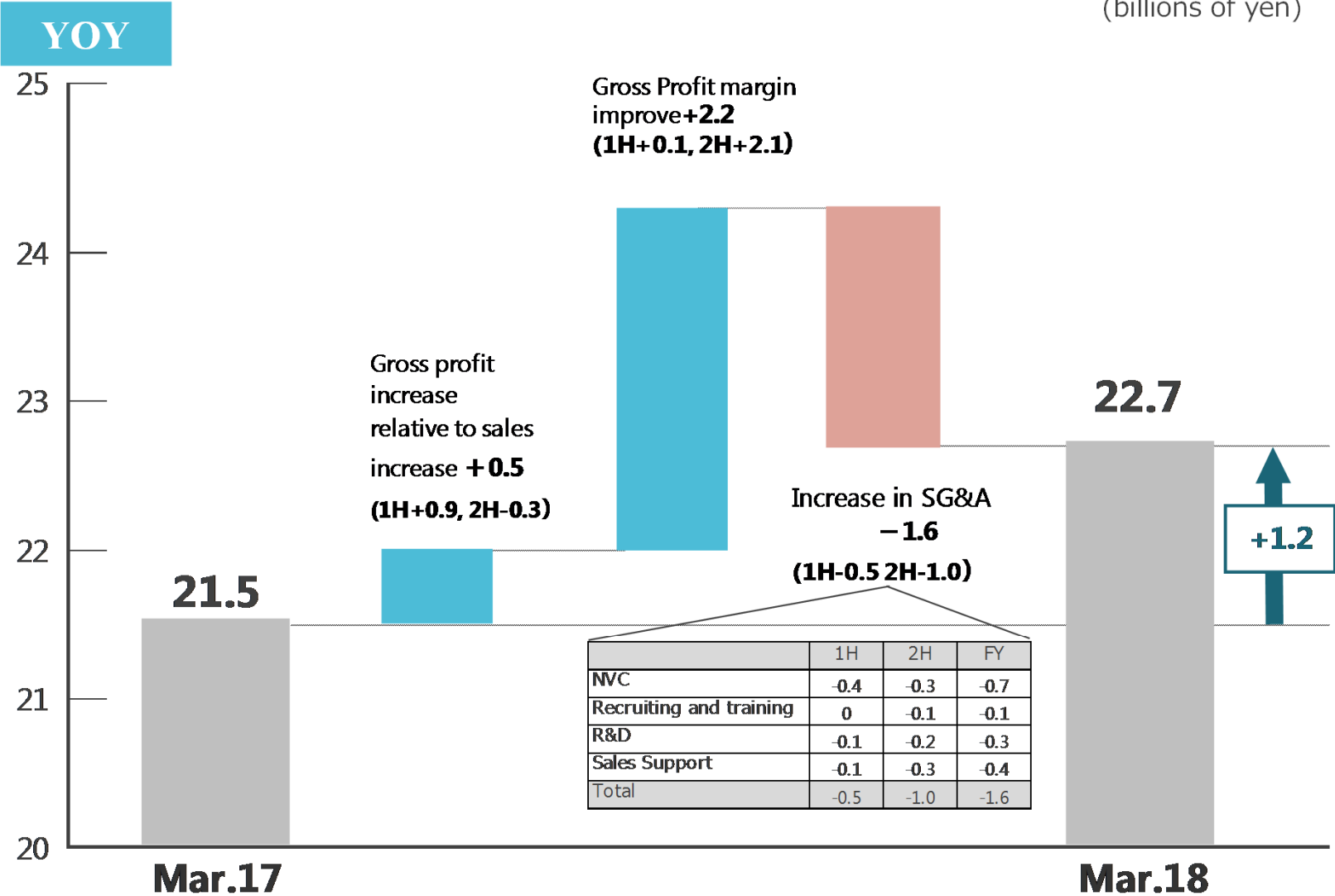
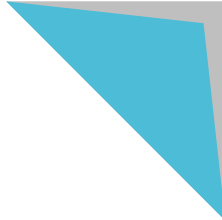
II - 5 . Sales Breakdown

YOY

(billions of yen)



II -6. FY Mar.2018 OP Outlook Breakdown



II – 6 . Shareholders Return Policy

We highly value to maintain and strengthen our competitiveness and improve our corporate value in the long run. As for profit sharing, we pay stable dividends mindful of linkage with performance. Our basic policy is appropriate and stable dividend and secure internal reserve. As for dividend we target dividend payout ratio of 30% according to our consolidated earnings.

Plan for Mar.2018 Divedend

Mar.2018

50.00 yen

(Reference)

Mar.2017

45.00 yen

II – 8. Cancellation of Treasury Stock

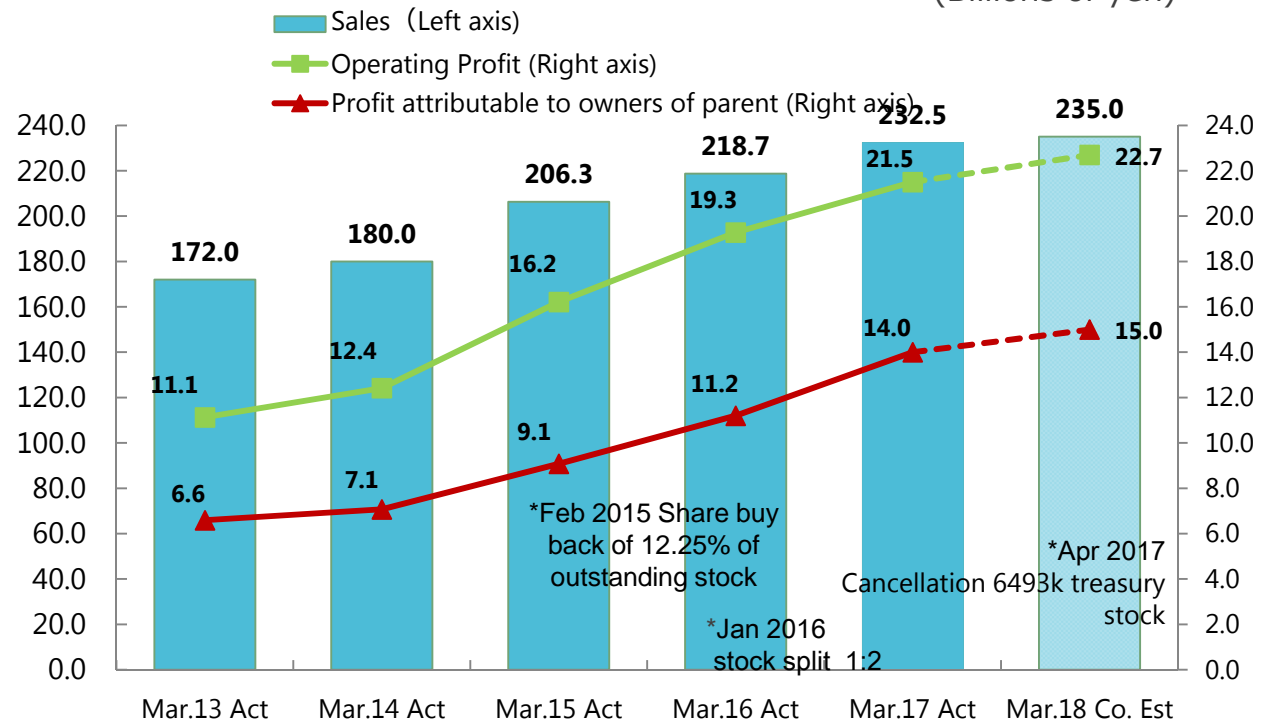
March 28, 2017

NSSOL announced to cancel a portion of its treasury stock

| | | |
|---------------|---------------------------------------|---------------------------|
| ①Dec 31, 2016 | Total issued shares | 105,998,240 |
| | Total treasury stock | 12,991,444 |
| | | (12.26% of issued shares) |
| ②Jan 1, 2017 | Treasury stock for acquisition of NVC | |
| | Number of treasury stock used | 1,683,596 |
| ③Mar 31, 2017 | Total issued shares | 105,998,240 |
| | Total treasury stock | 11,308,612 |
| | | (10.67% of issued shares) |
| ④Apr 14, 2017 | Cancel 6,493,500 of treasury stock | |
| | Total issued shares | 99,504,740 |
| | Total treasury stock | 4,815,112 |
| | | (4.84% of issued shares) |

II -Reference Major KPI Trends

(Billions of yen)



| | | | | | | |
|-----------------------------|-------|-------|-------|--------|--------|--------|
| EPS(yen) | 62.20 | 66.72 | 87.34 | 120.08 | 149.48 | 158.41 |
| Dividend (yen) | 20.00 | 20.00 | 22.50 | 42.50 | 45.00 | 50.00 |
| Payout ratio(%) | 32.2 | 30.0 | 25.8 | 35.4 | 30.1 | 31.6 |
| ROA(%) | 8.1 | 8.3 | 10.0 | 11.3 | 11.7 | — |
| ROE(%) | 7.3 | 7.5 | 9.5 | 11.5 | 12.6 | — |
| Share holder's equity ratio | 63.6 | 59.8 | 56.3 | 57.3 | 60.3 | — |

※We calculate EPS and Dividend based on the assumptions that we did equity split of 1:2 at the beginning of the Jan 2016.



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