

NS Solutions Corporation

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Outline of Consolidated Financial Results for the First Quarter

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Consolidated Results for Three Months ended Jun. 30, 2007

Consolidated operating results

(Millions of yen, except per share amounts and percentages)

	Three Months ended Jun. 30,			Fiscal Year ended
	2006	2007	Difference	Mar. 31, 2006
Sales	¥30,819	¥32,944	+6.9%	¥156,479
Operating income	2,498	2,679	+7.3	14,138
Recurring profit	2,549	2,804	+10.0	14,367
Net income	1,519	1,472	△-3.0	8,120
Net income per share of common stock *				
—Basic	¥28.65	¥27.78		¥153.21
—Diluted	—	—		—

* Average shares used for computation of net income per share of common stock for the three-month period ended Jun. 30, 2006 and 2007, and for the fiscal year ended Mar. 31, 2007 are shown in the chart below.

	(Thousands of shares)		
	Three Months ended Jun. 30,		Fiscal Year ended
	2006	2007	Mar. 31, 2007
Number of average shares	52,998	52,998	52,998

• Consolidated Operating Results

Inquiries and orders from any industry have been moving steadily due to an active demand for IT investment. In addition, NS Solutions has recorded sales smoothly based on sure and steady project implementation.

As a result, both sales and recurring profit increased to ¥32,944 million by ¥2,125 million yen and to ¥2,804 million by ¥254 million, respectively, compared with the same three-month period of the last fiscal year.

Consolidated financial condition

(Millions of yen, except per share amounts and percentages)

	Jun. 30, 2006	Jun. 30, 2007	March 31, 2007
Total assets	¥94,564	¥104,059	¥113,997
Net assets	62,287	68,604	68,118
Equity ratio	64.2%	64.1%	58.1%
Net assets per share of common stock*	¥1,145.51	¥1,258.68	¥1,248.89

* The number of shares at the end of the periods (used for computation of shareholders' equity per share of common stock) for the three-month period ended Jun. 30, 2006 and 2007, and for the fiscal year ended Mar. 31, 2007 is shown in the chart below.

	(Thousands of shares)		
	Three Months ended Jun. 30,		Fiscal Year ended
	2006	2007	Mar. 31, 2007
Number of issued shares at end of period	52,999	52,999	52,999
Number of own shares at end of period	1	1	1

• Assets, liabilities and net assets

1) Total Assets

Total assets as of the end of the current fiscal year ended June 30, 2007 decreased by ¥9,939 million from ¥113,997 million for the last fiscal year ended March 31, 2007 to ¥104,059 million. The principal factors were an increase of ¥3,834 million in deposited money, a decrease of ¥19,110 million in trade notes and account receivable, and a rise of ¥5,644 million in inventories.

2) Liabilities

Total liabilities decreased by ¥10,424 million from ¥45,879 million to ¥35,455 million, mainly because of a decrease of ¥7,246 million in trade notes and accounts payable, and a fall of ¥3,052 million in accrued income taxes. The liabilities of the Group consist chiefly of accounts payable and other inter-company credits, accrued income taxes and allowances, including an accrued employees' retirement benefits. There was no interest-bearing debt, such as borrowings from financial institutions.

3) Net assets

Net assets rose by ¥485 million from ¥68,118 million to ¥68,604 million. Major factors were a net income of ¥1,472 million and dividends of ¥926 million. The equity ratio was 64.1%.

Ref. Consolidated cash flow

	(Millions of yen)			Fiscal Year ended Mar. 31 2007
	Three Months ended Jun. 30			
	2006	2007	Difference	
Cash flow from operating activities	¥2,688	¥5,009	2,321	¥6,331
Cash flow from investing activities	(303)	(3,839)	△3,536	(6,916)
Cash flow from financing activities	(712)	(1,006)	△293	(1,641)
Cash and cash equivalents at end of period	33,398	29,674	△3,724	29,510

Consolidated outlook for the Fiscal Year ending March 31, 2008 (FY2007)

During the three-month period ended Jun. 30, 2007, our businesses moved steadily as forecasted previously. Accordingly, NS Solutions keeps our previous outlook unchanged as shown below:

Current outlook	(Millions of yen)		
	Sales	Recurring profit	Net income
FY2007	¥165,000	15,000	8,300

Ref. Net income per share forecast (full-year) 156.61 yen*

The above statements were prepared, based on the materials available as of the release date. Actual results may vary from the outlook figures by various factors in the future.

Difference caused by significant subsidiaries in Consolidation and Equity Method Scope between the Quarters ended June 30, 2006 and 2007, and the Fiscal Year ended March 31, 2007.

None

Adoption of Concise Accounting Procedure for the Quarterly Period

None.

Accounting Procedure Differences between the Quarters ended Jun. 30, 2006 and 2007, and the Fiscal Year ended March 31, 2007.

None.

Non-consolidated Results Information

Non-consolidated operating results

(Millions of yen, except per share amounts and percentages)

	Three Months ended Jun. 30,			Fiscal Year ended
	2006	2007	Difference	Mar. 31 2007
Sales	¥27,933	¥30,103	+7.8%	¥139,752
Operating income	2,150	2,417	+12.4	11,001
Recurring profit	2,429	2,866	+18.0	11,362
Net income	1,555	1,701	+9.4	6,851
Net income per share of common stock				
—Basic	¥29.35	¥32.10		¥129.28
—Diluted	—	—		—

* Average shares used for computation of net income per share of common stock for the three-month period ended Jun. 30, 2006 and 2007, and for the fiscal year ended Mar. 31, 2007 are shown in the chart below.

	(Thousands of shares)		
	Three Months ended Jun. 30,	Fiscal Year ended Mar.	
	2006	2007	31, 2007
Number of average shares	52,998	52,998	52,998

Non-consolidated financial condition

(Millions of yen, except per share amounts and percentages)

	Jun. 30, 2006	Jun. 30, 2007	Mar. 31, 2007
Total assets	¥88,964	¥97,411	¥105,682
Net assets	54,479	59,395	58,647
Equity ratio	61.2%	61.0%	55.5%
Net assets per share of common stock*	¥1,027.94	¥1,120.69	¥1,106.59

*The number of shares at the end of the periods (used for computation of shareholders' equity per share of common stock) for the three-month period ended Jun. 30, 2006 and 2007, and for the fiscal year ended Mar. 31, 2007 is shown in the chart below.

	(Thousands of shares)		
	Three Months ended Jun. 30,	Fiscal Year ended Mar.	
	2006	2007	31, 2007
Number of issued shares at end of period	52,999	52,999	52,999
Number of own shares at end of period	1	1	1

Non-consolidated Outlook for the Fiscal Year ending March 31, 2008 (FY2007)

Current outlook	(Millions of yen)		
	Sales	Recurring profit	Net income
FY2007	¥147,000	12,000	7,200

Ref. Net income per share forecast (full-year) 135.85 yen*

(Note) Figures in this material have been rounded.

The above statements were prepared, based on the materials available as of the release date. Actual results may vary from the outlook figures by various factors in the future.

NS SOLUTIONS CORPORATION
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
As of Jun. 30, 2006, Mar. 31, 2007 and Jun. 30, 2007

	Millions of yen			Thousands of U.S. dollars (Note 2)
	Jun. 30, 2006	Mar. 31, 2007	Jun. 30, 2007	Jun. 30, 2007
Assets				
Current assets:				
Cash and bank deposits (Note4)	¥10,847	¥5,643	¥4,244	\$34,433
Deposited money (Note4)	22,551	15,601	19,436	157,680
Trade notes and accounts receivable.....	19,057	39,236	20,127	163,288
Short-term investments (Note4)	—	8,266	9,003	73,038
Inventories	12,982	10,739	16,383	132,912
Deferred tax assets-current	3,280	3,380	3,490	28,310
Others.....	458	521	573	4,664
Allowance for doubtful accounts.....	(9)	(185)	(175)	(1,421)
Total current assets	69,166	83,201	73,081	592,904
Fixed assets:				
Property and equipment (Note 2(8))	4,726	9,799	9,689	78,603
Intangible fixed assets	483	324	312	2,529
Investments and other assets:				
Long term loan-related party.....	12,000	12,000	12,000	97,355
Others.....	8,189	8,673	8,977	72,831
Total fixed assets	25,398	30,796	30,978	251,318
Total assets	¥94,564	¥113,997	¥104,059	\$844,222
Liabilities				
Current liabilities:				
Trade notes and accounts payable	9,795	17,622	10,375	84,173
Accrued expenses	2,588	2,724	2,874	23,317
Accrued income taxes.....	1,251	4,388	1,336	10,838
Advance received.....	5,083	4,259	6,464	52,440
Accrued bonuses to employees	3,008	5,901	2,980	24,175
Accrued bonuses to directors	—	31	—	—
Allowance for program product warranty.....	346	370	374	3,037
Others (Note 6)	1,821	2,020	2,302	18,678
Total current liabilities.....	23,892	37,315	26,705	216,658
Non-current liabilities:				
Accrued employees' retirement benefits	8,065	8,258	8,462	68,651
Other long-term liabilities	320	306	288	2,333
Total non-current liabilities	8,385	8,564	8,750	70,984
Total liabilities	32,277	45,879	35,455	287,642

	Millions of yen		Thousands of U.S. dollars (Note 2)	
	Jun. 30, 2006	Mar. 31, 2007	Jun. 30, 2007	Jun. 30, 2007
Net Assets				
Shareholders' equity:				
Common stock	12,953	12,953	12,953	105,085
Additional paid-in capital	9,950	9,950	9,950	80,727
Retained earnings	38,456	44,127	44,674	362,435
Treasury stock	(2)	(3)	(3)	(24)
Total shareholders' equity	61,357	67,027	67,574	548,223
Valuation and translation adjustments:				
Unrealized gain on available-for-sale securities	628	433	406	3,294
Unrealized gain on revaluation of land	(1,277)	(1,277)	(1,277)	(10,360)
Foreign currency translation adjustment	2	5	5	39
Total valuation and translation adjustments	(647)	(839)	(866)	(7,027)
Minority interests	1,577	1,930	1,896	15,384
Total net assets	62,287	68,118	68,604	556,580
Total liabilities and net assets	¥94,564	¥ 113,997	¥104,059	\$844,222

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NS SOLUTIONS CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended Jun. 30, 2006 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2006	2007	2007
Net sales	¥30,819	¥32,944	\$267,270
Cost of sales	23,646	25,191	204,372
Gross profit.....	7,173	7,753	62,898
Selling, general and administrative expenses (Note 7,8) ..	4,675	5,074	41,161
Operating income.....	2,498	2,679	21,737
Other income (expenses)	63	129	1,041
Income before income taxes and minority interests	2,561	2,808	22,778
Income Taxes	1,038	1,289	10,457
Income before minority interests	1,523	1,519	12,321
Minority interests.....	4	47	376
Net income.....	¥1,519	¥1,472	\$11,945

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NS SOLUTIONS CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF NET ASSETS
For the Three Months Ended Jun. 30, 2006 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2006	2007	2007
Shareholder's equity:			
Common stock:			
Balance at beginning of year	¥12,953	¥12,953	\$105,085
Balance at end of year	12,953	12,953	105,085
Additional paid-in capital:			
Balance at beginning of year	9,950	9,950	80,727
Balance at end of year	9,950	9,950	80,727
Retained earnings:			
Balance at beginning of year	37,600	44,127	358,002
Net income	1,519	1,472	11,945
Cash Dividends	(662)	(926)	(7,512)
Balance at end of year	38,456	44,674	362,435
Treasury stock:			
Balance at beginning of year	(2)	(3)	(24)
Balance at end of year	(2)	(3)	(24)
Total shareholders' equity at end of year	¥61,357	¥67,574	\$548,223

The accompanying notes are an integral part of these financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2006	2007	2007
Valuation and translation adjustments:			
Unrealized gain on available-for-sale securities:			
Balance at beginning of year	780	433	3,515
Net change during the year	(152)	(27)	(221)
Balance at end of year	628	406	3,294
Unrealized loss on revaluation of land:			
Balance at beginning of year	(1,277)	(1,277)	(10,360)
Balance at end of year	(1,277)	(1,277)	(10,360)
Foreign currency translation adjustment:			
Balance at beginning of year	2	5	40
Net change during the year	0	(0)	(1)
Balance at end of year	2	5	39
Total valuation and translation adjustments	(647)	(866)	(7,027)
Minority interests:			
Balance at beginning of year	—	1,930	15,657
Increase due to change of accounting principle	1,623	—	—
Net change during the year	(46)	(34)	(273)
Balance at end of year	1,577	1,896	15,384
Total minority interests at end of year	1,577	1,896	15,384
Total net assets at end of year	¥62,287	¥68,604	\$556,580

The accompanying notes are an integral part of these financial statements.

NS SOLUTIONS CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended Jun. 30, 2006 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2006	2007	2007
Cash flows from operating activities:			
Income before income taxes and minority interests ...	¥2,561	¥2,808	\$22,778
Adjustments to reconcile income before income taxes to net cash provided by operating activities			
Depreciation	329	419	3,403
Decrease in accrued bonuses to employees	(2,816)	(2,952)	(23,950)
Increase in accrued employees' retirement benefits, net of payments.....	255	204	1,659
Decrease in accounts receivable.....	15,177	19,109	155,034
Increase in inventories	(5,348)	(5,644)	(45,788)
Decrease in accounts payable.....	(5,896)	(7,246)	(58,789)
Others, net.....	2,072	2,618	21,230
Sub total	6,334	9,316	75,577
Income taxes paid	(3,668)	(4,384)	(35,565)
Interest and dividends received	22	77	622
Net cash provided by operating activities	2,688	5,099	40,634
Cash flow from investing activities:			
Expenditure for purchase of short-term investments	—	(3,009)	(24,414)
Expenditure for purchase of property and equipment and intangible fixed assets	(333)	(496)	(4,027)
Others, net	30	(334)	(2,701)
Net cash used for investing activities	(303)	(3,839)	(31,142)
Cash flows from financing activities:			
Dividends paid	(662)	(926)	(7,511)
Dividends paid to minority shareholders.....	(50)	(80)	(651)
Net cash used for financing activities	(712)	(1,006)	(8,162)
Effect of exchange rate changes on cash and cash equivalents	0	0	0
Net increase in cash and cash equivalents	1,673	164	1,330
Cash and cash equivalents at beginning of period.....	31,725	29,510	239,415
Cash and cash equivalents at end of period	¥33,398	¥29,674	\$240,745

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of the Company and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Securities and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

2. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of readers. The rate of ¥123.26 = U.S. \$1, the effective rate of exchange prevailing at June 30, 2007, has been used in translation of yen amounts to U.S. dollar amounts. The inclusion of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled in U.S. dollars at this or any other rate.

3. Summary of Significant Accounting Policies

(1) Principles of consolidation

The consolidated financial statements for the fiscal year ended June 30, 2007 include the accounts of the Company and its 13 significant subsidiaries, as listed below:

- Hokkaido NS Solutions Corporation
- Tohoku NS Solutions Corporation
- NS Solutions Tokyo Corporation
- NS Solutions Kansai Corporation
- NS Solutions Chubu Corporation
- NS Solutions Nishinohon Corporation
- NS Solutions Oita Corporation
- NSSLC Service Corporation
- NS Financial Management Consulting Corporation

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Nittetsu Hitachi Systems Engineering, Inc.
NCI Systems Integration, Inc.
NS Solutions Software (Shanghai) Co., Ltd.
NS Solutions USA Corporation

The Company added NS Financial Management Consulting Corporation to the consolidation scope from the fiscal year ended June 30, 2007. NS Financial Management Consulting Corporation was established on April, 2007.

All significant inter-company accounts and transactions and unrealized inter-group profit, if any, have been eliminated on consolidation.

The Company's overseas subsidiaries, NS Solutions Software (Shanghai) Co., Ltd. and NS Solutions USA Corporation, have a fiscal year ending March 31, which differ from that of the Company. These subsidiaries do not prepare financial statements at any date after March 31 or on or before June 30 in the following year. Any material transactions occurring in the period, April 1 to June 30, are adjusted for in these consolidated financial statements.

(2) Investments in affiliates

The Company's investments in the two significant affiliates were accounted for by the equity method for years ended June 30, 2006 and 2007 as listed below:

Solnet Co., Ltd.

Hokkaido High Information Technology Center Co., Ltd.

(3) Cash and cash equivalents

In preparing the consolidated statements of cash flows, cash on hand, readily-available deposits and short-term highly liquid investments with maturity of not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

(4) Allowance for doubtful accounts

Receivables are required to be categorized into "normal receivables" and "doubtful receivables" for the purpose of providing an allowance for doubtful accounts under prevailing accounting practice in Japan. Provision for normal receivables is provided based on the Company's historical write-off experiences. Provision for doubtful receivables is provided based on an estimate of uncollectible amount on an individual doubtful receivables.

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(5) Allowance for program product warranty

Allowance for program product warranty is provided at the estimated amount computed by the actual rate of the past expenditure.

(6) Inventories

Inventories are valued at cost as determined by the following methods:

Work in process.....Individual cost method

Merchandise and suppliesprimarily, the average method

(7) Investments in securities

Investments in securities consist of held-to-maturity investments, available-for-sale securities with market quotation, available-for-sale securities without market quotation.

Held-to-maturity investments are valued at cost, adjusted for the amortization of premium or the accretion of discounts based on straight line method.

Available-for-sale securities with market quotation are valued at market value. Unrealized holding gains and losses, net of tax, are recognized in “Unrealized gain on available-for-sale securities” as a separate component of net assets.

Available-for-sale securities without market quotation are stated at cost.

The cost of available-for-sale securities sold is principally based on the moving average method.

(8) Property and equipment

Property and equipment is recorded at cost, net of accumulated depreciation of ¥6,451 million and ¥7,827 million (\$63,496 thousand) at June 30, 2006 and 2007 respectively. Depreciation on property and equipment is computed principally using the declining-balance method over the estimated useful lives of the assets. However, depreciation of buildings (except for building improvements) acquired on or after April 1, 1998, is computed using the straight line method.

Property and equipment for lease operations are depreciated on the straight line method over the period of the lease contract term with no residual value.

(9) Intangible fixed assets and long-term prepaid expenses

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Amortization of intangible fixed assets and long-term prepaid expenses is computed using the straight line method over the estimated useful lives of the assets. Software costs for internal use are amortized over their estimated useful lives (less than 5 years) on a straight line basis.

(10) Retirement benefits

(a) Accrued employees' retirement benefits

The employees of the Company are generally covered by defined benefit pension plan under which retiring employees are entitled to lump-sum payments determined by reference to current rates of pay, length of service and conditions under which the termination occurs.

Accrued employees' retirement benefits of the Company and its major consolidated subsidiaries are provided based on the estimated present value of projected benefit obligations.

Actuarial gains (losses) are charged to income or expense as incurred.

(b) Allowance for directors' retirement benefits

An allowance for retirement benefits to directors and corporate auditors of the Company and its consolidated subsidiaries is calculated based on the Companies' internal rules and is calculated based on the estimated amount which would be payable if all directors and corporate auditors retired at the relevant balance sheet date.

Allowance system for directors' retirement benefits was abolished by resolution of the Board of Directors held on May 17, 2007. No additional provisions have been recorded for retirement benefits to be paid for the Company's directors and corporate auditors since the end of the Shareholders' meeting held on June 20, 2007.

Its payment will be ended at the time all of the present directors and corporate auditors are retired.

(11) Accrued bonuses

Accrued bonuses to employees are provided at the estimated amount which the Company is obliged to pay employees after period-end, based on their service for the six-month period ended on the relevant balance sheet date.

(12) Accounting for finance lease transactions

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Finance lease transactions, except for those which are deemed to transfer ownership of the leased assets to lessees, are accounted for as operating lease transactions.

(13) Per share information

Net income per share of common stock is computed based on the weighted average number of outstanding shares of common stock during the respective periods. Under the Statement of Financial Accounting Standard No. 2 “Net income per Share” issued by the Accounting Standards Board of Japan, net income should be adjusted by deducting the payment of dividends to shareholders of preferred stocks to be recognized as an appropriation of retained earnings, from net income shown in the statements of income, and the computation of net income per share be made on that adjusted net income basis. Since no convertible bonds or warrants were issued and outstanding, there was no dilutive effect on net income per share during these periods.

The average number of shares used in the computation was 52,998 thousand for the fiscal years ended June 30, 2006 and 2007, respectively.

Net assets per share is computed without Minority interests.

4. Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2006 and 2007 and March 31, 2007 are as follows:

	Millions of yen			Thousands of U.S. dollars (Note 2)
	June 30, 2006	March 31, 2007	June 30, 2007	June 30, 2007
Cash and bank deposits.....	¥ 10,847	¥ 5,643	¥ 4,244	\$ 34,433
Deposited money	22,551	15,601	19,436	157,680
Debt securities held-to-maturity within three months.....	—	8,266	5,994	48,631
Cash and cash equivalents	¥ 33,398	¥ 29,510	¥ 29,674	\$ 240,745

5. Leases

Leased assets, and related expenses in respect of the Company’s finance leases, other than those which transfer ownership of the leased assets, are accounted for using a method similar to that used for regular operating leases. Finance lease expenses recognized for the fiscal years ended June 30, 2006 and 2007 were ¥86 million and ¥59 million (\$481

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

thousand), respectively. Had they been capitalized, the following items would have been recognized on the consolidated balance sheets and the consolidated statements of income as at and for the fiscal years ended June 30, 2006 and 2007:

June 30, 2006	Millions of yen		
	Acquisition	Accumulated	Net balance
	Cost	Depreciation	
Machinery and equipment	¥ 17	¥ 9	¥ 8
Tools, furniture and fixtures	1,257	789	468
Software	345	231	114
Total	¥ 1,619	¥ 1,029	¥ 590

March 31, 2007	Millions of yen		
	Acquisition	Accumulated	Net balance
	Cost	Depreciation	
Machinery and equipment	¥ 17	¥ 11	¥ 6
Tools, furniture and fixtures	1,105	816	290
Software	167	103	64
Total	¥1,289	¥ 930	¥ 359

June 30, 2007	Millions of yen		
	Acquisition	Accumulated	Net balance
	Cost	Depreciation	
Machinery and equipment	¥ 17	¥ 12	¥ 5
Tools, furniture and fixtures	864	471	393
Software	162	73	88
Total	¥1,043	¥ 556	¥ 487

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June 30, 2007	Thousands of U.S. dollars (Note 2)		
	Acquisition	Accumulated	Net balance
	Cost	Depreciation	
Machinery and equipment	\$ 138	\$ 98	\$ 40
Tools, furniture and fixtures	7,010	3,818	3,192
Software	1,312	595	717
Total	\$8,460	\$4,511	\$3,949

	Millions of Yen			Thousands of U.S. dollars (Note 2)
	June 30,	March	June30,	June30,
	2006	31, 2007	2007	2007
Depreciation expense	¥ 77	¥229	¥ 52	\$419
Interest expense	4	13	3	25

Depreciation is computed using the straight-line method over the lease period of leased assets, with no residual value at the end of the lease period. The interest expense portion is determined by subtracting an amount equivalent to the acquisition cost from the total lease fee. Total interest payments over the lease period are allocated to each period using the interest method.

The present values of future lease payments at June 30, 2006 and 2007 and March 31, 2007 are as follows:

	Millions of Yen			Thousands of U.S. dollars (Note 2)
	June 30,	March	June30,	June30,
	2006	31, 2007	2007	2007
Within one year	¥256	¥151	¥204	\$ 1,657
Over one year	354	244	297	2,406
Total	¥610	¥396	¥501	\$4,063

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Future operating lease payments under non-cancelable lease contracts at June 30, 2006 and 2007 and March 31, 2007 are as follows:

	Millions of Yen		Thousands of U.S. dollars (Note 2)	
	June 30, 2006	March 31, 2007	June30, 2007	June30, 2007
Within one year	¥1	¥1	¥0	\$3
Over one year.....	0	0	—	—
Total.....	¥2	¥1	¥0	\$3

6. Contingent Liabilities

The Company's loss contingencies for guaranteeing the indebtedness of other parties were none and ¥ 37 million (\$297 thousand) at June 30, 2006 and 2007, respectively, each of which are Guarantees for bank loans of the Hokkaido High Information Technology Center Co. Ltd.

7. Selling, General and Administrative Expenses

The main components of selling, general and administrative expenses for the three-month period ended June 30, 2006 and 2007 are as follows:

June 30	Millions of Yen		Thousands of U.S. dollars (Note 2)
	2006	2007	2007
Payroll and bonuses.....	¥ 1,879	¥ 1,981	\$16,070
Provision for accrued employees' retirement benefits	104	101	821
Provision for allowance for directors' retirement benefits.....	19	19	156
Depreciation expense.....	52	51	416
Operating expense for acceptance of orders	800	933	7,569

8. Research and Development Costs

Research and development costs charged to income for the three-month period ended June 30, 2006 and 2007 were ¥281 million and ¥301 million (\$2,441 thousand), respectively.



NS Solutions

平成20年3月期 第1四半期財務・業績の概況 補足資料

Appendix of Financial Information and Business Results Outline for the Quarterly Period ended Jun. 30, 2007

2007年7月30日

July 30, 2007

新日鉄ソリューションズ株式会社 NS Solutions Corporation

(注)この資料において百万円もしくはパーセントで記載してある情報は四捨五入しておりますので、第1四半期財務・業績の概況と数値が異なる場合があります。

(Note) In this material, where information is presented in millions of yen or percentages, these amounts have been rounded. Accordingly, these amounts may differ from figures included in *outline of consolidated financial results for the first quarter* in some cases.

1.連結業績概要 Outline of Consolidated Business Results

(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)

	2007/3					2008/3				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
受注高 Amount of order acceptance	39,314	40,658	32,559	49,956	162,487	43,506				43,506
業務ソリューション Business solutions	25,336	22,977	19,259	30,455	98,027	29,956				29,956
基盤ソリューション Platform solutions	5,008	5,945	5,107	8,814	24,874	5,376				5,376
ビジネスサービス Business services	8,970	11,735	8,194	10,688	39,587	8,173				8,173
期末受注残高 Order backlog at end of period	46,492	47,880	49,395	44,005	44,005	54,568				54,568
業務ソリューション Business solutions	24,680	24,785	25,869	21,321	21,321	32,338				32,338
基盤ソリューション Platform solutions	4,154	3,596	4,067	5,067	5,067	5,208				5,208
ビジネスサービス Business services	17,658	19,499	19,459	17,617	17,617	17,022				17,022
売上高 Net sales	30,819	39,270	31,044	55,346	156,479	32,944				32,944
業務ソリューション Business solutions	16,522	22,873	18,175	35,002	92,572	18,940				18,940
基盤ソリューション Platform solutions	5,562	6,504	4,636	7,813	24,515	5,235				5,235
ビジネスサービス Business services	8,734	9,894	8,233	12,531	39,392	8,769				8,769
売上総利益 Gross profit	7,173	7,380	6,688	12,120	33,361	7,753				7,753
販売費及び一般管理費 Selling, general and administrative expenses	4,675	4,734	4,544	5,270	19,223	5,074				5,074
営業利益 Operating income	2,498	2,646	2,143	6,851	14,138	2,679				2,679
経常利益 Recurring profit	2,549	2,689	2,174	6,955	14,367	2,804				2,804
当期純利益 Net income	1,519	1,507	1,051	4,043	8,120	1,472				1,472
売上高営業利益率(%) Operating income margin (%)	8.1%	6.7%	6.9%	12.4%	9.0%	8.1%				8.1%
新日鉄向け売上高 Sales to Nippon Steel Corp.	4,454	4,741	4,513	6,094	19,802	4,565				4,565

	2004/3	2005/3	2006/3	2007/3	2008/3
	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通し Outlook)
受注高 Amount of order acceptance	147,482	152,210	150,790	162,487	—
業務ソリューション Business solutions	79,671	84,363	86,652	98,027	—
基盤ソリューション Platform solutions	29,648	27,417	24,369	24,874	—
※ ビジネスサービス Business services	38,163	40,430	39,769	39,587	—
期末受注残高 Order backlog at end of period	21,158	35,516	37,997	44,005	—
業務ソリューション Business solutions	10,806	13,213	15,867	21,321	—
基盤ソリューション Platform solutions	2,802	4,520	4,708	5,067	—
※ ビジネスサービス Business services	7,550	17,782	17,422	17,617	—
売上高 Net sales	150,844	146,526	148,308	156,479	165,000
業務ソリューション Business solutions	83,463	81,956	83,999	92,572	—
基盤ソリューション Platform solutions	29,948	25,700	24,181	24,515	—
ビジネスサービス Business services	37,433	38,871	40,129	39,392	—
売上総利益 Gross profit	27,485	29,464	30,519	33,361	—
販売費及び一般管理費 Selling, general and administrative expenses	17,759	17,754	18,402	19,223	—
営業利益 Operating income	9,726	11,710	12,117	14,138	—
経常利益 Recurring profit	9,785	11,791	12,356	14,367	15,000
当期純利益 Net income	5,324	6,621	7,482	8,120	8,300
売上高営業利益率(%) Operating income margin (%)	6.4%	8.0%	8.2%	9.0%	—

	2003/9	2004/9	2005/9	2006/9	2007/9
	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通し Outlook)
受注高 Amount of order acceptance	71,630	76,289	74,602	79,972	—
業務ソリューション Business solutions	40,063	41,153	41,870	48,313	—
基盤ソリューション Platform solutions	11,349	14,156	11,528	10,953	—
※ ビジネスサービス Business services	20,218	20,979	21,205	20,705	—
期末受注残高 Order backlog at end of period	31,577	31,724	45,354	47,880	—
業務ソリューション Business solutions	20,351	18,545	21,542	24,785	—
基盤ソリューション Platform solutions	2,666	3,207	3,713	3,596	—
※ ビジネスサービス Business services	8,560	9,972	20,099	19,499	—
売上高 Net sales	64,574	65,723	64,764	70,089	75,000
業務ソリューション Business solutions	34,312	33,414	33,541	39,395	—
基盤ソリューション Platform solutions	11,784	13,752	12,334	12,066	—
ビジネスサービス Business services	18,478	18,557	18,888	18,628	—
売上総利益 Gross profit	12,635	12,914	13,429	14,553	—
販売費及び一般管理費 Selling, general and administrative expenses	8,976	8,701	8,840	9,409	—
営業利益 Operating income	3,659	4,212	4,589	5,144	—
経常利益 Recurring profit	3,691	4,272	4,752	5,238	6,000
当期純利益 Net income	1,935	2,287	2,706	3,026	3,100
売上高営業利益率(%) Operating income margin (%)	5.7%	6.4%	7.1%	7.3%	—

※ 2005年3月末に、新日本製鐵㈱向けサービスの受注高の把握方法を売上高計上時点での把握から、契約締結時点での把握に変更しております。

In terms of the order acceptance from Nippon Steel Corporation, the company changed its recognition timing from sales-recognition basis to contract-date basis on March 31, 2005.

巻末の開示事項をご覧ください。 Please see the important disclosures at the end of this material.

2.単独業績概要 Outline of Non-consolidated Business Results

(単位:百万円(他に指定ない限り) Millions of Yen, except as otherwise noted)

	2007/3					2008/3				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
受注高 Amount of order acceptance	36,714	36,087	29,466	44,015	146,282	40,760				40,760
業務ソリューション Business solutions	22,872	19,028	16,870	25,719	84,489	27,612				27,612
基盤ソリューション Platform solutions	5,008	5,439	4,500	7,703	22,650	5,097				5,097
ビジネスサービス Business services	8,834	11,620	8,096	10,593	39,143	8,052				8,052
期末受注残高 Order backlog at end of period	42,151	43,623	45,578	39,901	39,901	50,557				50,557
業務ソリューション Business solutions	21,090	21,290	22,759	18,269	18,269	29,182				29,182
基盤ソリューション Platform solutions	3,403	2,834	3,360	4,014	4,014	4,354				4,354
ビジネスサービス Business services	17,658	19,499	19,459	17,617	17,617	17,022				17,022
売上高 Net sales	27,933	34,616	27,510	49,693	139,752	30,103				30,103
業務ソリューション Business solutions	14,140	18,830	15,400	30,208	78,578	16,700				16,700
基盤ソリューション Platform solutions	5,194	6,008	3,974	7,049	22,225	4,757				4,757
ビジネスサービス Business services	8,598	9,779	8,136	12,435	38,948	8,647				8,647
売上総利益 Gross profit	6,063	5,681	5,406	9,835	26,985	6,732				6,732
販売費及び一般管理費 Selling, general and administrative expenses	3,912	3,872	3,818	4,382	15,984	4,315				4,315
営業利益 Operating income	2,150	1,810	1,587	5,454	11,001	2,417				2,417
経常利益 Recurring profit	2,429	1,852	1,615	5,466	11,362	2,866				2,866
当期純利益 Net income	1,555	1,143	797	3,356	6,851	1,701				1,701

売上高営業利益率(%) Operating income margin (%)	7.7%	5.2%	5.8%	11.0%	7.9%	8.0%				8.0%
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新日鉄向け売上高 Sales to Nippon Steel Corp.	4,192	4,469	4,293	5,565	18,519	4,317				4,317
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	2004/3	2005/3	2006/3	2007/3	2008/3
	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	(見通し Outlook)
受注高 Amount of order acceptance	132,831	137,385	134,374	146,282	—
業務ソリューション Business solutions	68,815	72,905	73,456	84,489	—
基盤ソリューション Platform solutions	26,799	24,821	21,627	22,650	—
※2 ビジネスサービス Business services	37,217	39,659	39,291	39,143	—
期末受注残高 Order backlog at end of period	17,970	32,139	33,370	39,901	—
業務ソリューション Business solutions	8,610	10,923	12,359	18,269	—
基盤ソリューション Platform solutions	1,810	3,433	3,589	4,014	—
※2 ビジネスサービス Business services	7,550	17,782	17,422	17,617	—
売上高 Net sales	136,136	131,889	133,143	139,752	147,000
業務ソリューション Business solutions	72,659	70,591	72,020	78,578	—
基盤ソリューション Platform solutions	26,990	23,198	21,471	22,225	—
ビジネスサービス Business services	36,487	38,100	39,652	38,948	—
売上総利益 Gross profit	22,808	24,705	24,883	26,985	—
販売費及び一般管理費 Selling, general and administrative expenses	15,157	15,101	15,399	15,984	—
営業利益 Operating income	7,651	9,604	9,484	11,001	—
経常利益 Recurring profit	7,787	9,737	9,794	11,362	12,000
当期純利益 Net income	4,496	5,721	6,732	6,851	7,200
売上高営業利益率(%) Operating income margin	5.6%	7.3%	7.1%	7.9%	—
売上高売上総利益率(%) Gross profit margin (%)	16.8%	18.7%	18.7%	19.3%	—
業務ソリューション Business solutions	18.3%	20.7%	20.1%	22.2%	—
基盤ソリューション Platform solutions	12.5%	16.8%	18.4%	18.0%	—
ビジネスサービス Business services	16.8%	16.8%	16.3%	14.3%	—
一株当たり配当金(円) Cash dividends per share (yen)	17.50	17.50	25.00	35.00	40.00

	2003/9	2004/9	2005/9	2006/9	2007/9
	(実績 Actual)	(実績 Actual)	(実績 Actual)	(実績 Actual)	Outlook
受注高 Amount of order acceptance	65,493	69,298	67,718	72,801	—
業務ソリューション Business solutions	35,057	35,423	36,171	41,900	—
基盤ソリューション Platform solutions	10,602	13,311	10,596	10,447	—
※2 ビジネスサービス Business services	19,834	20,564	20,951	20,454	—
期末受注残高 Order backlog at end of period	29,112	28,634	42,187	43,623	—
業務ソリューション Business solutions	18,402	16,027	19,009	21,290	—
基盤ソリューション Platform solutions	2,150	2,635	3,079	2,834	—
※2 ビジネスサービス Business services	8,560	9,972	20,099	19,499	—
売上高 Net sales	57,656	58,634	57,670	62,549	66,500
業務ソリューション Business solutions	29,109	28,006	28,086	32,970	—
基盤ソリューション Platform solutions	10,453	12,486	10,950	11,202	—
ビジネスサービス Business services	18,094	18,142	18,634	18,377	—
売上総利益 Gross profit	10,433	10,885	11,201	11,744	—
販売費及び一般管理費 Selling, general and administrative expenses	7,635	7,350	7,598	7,784	—
営業利益 Operating income	2,798	3,535	3,603	3,960	—
経常利益 Recurring profit	3,041	3,729	3,898	4,281	4,800
当期純利益 Net income	1,747	2,148	2,381	2,698	2,800
売上高営業利益率(%) Operating income margin	4.9%	6.0%	6.2%	6.3%	—
売上高売上総利益率(%) Gross profit margin (%)	18.1%	18.6%	19.4%	18.8%	—
業務ソリューション Business solutions	20.4%	20.9%	20.5%	22.2%	—
基盤ソリューション Platform solutions	14.6%	14.7%	19.9%	17.9%	—
ビジネスサービス Business services	16.5%	17.6%	17.6%	13.1%	—
一株当たり配当金(円) Cash dividends per share (yen)	8.75	8.75	12.50	17.50	20.00

※1 2004/3期以前は2004/8月に実施した株式分割を考慮し、遡及修正後の数値を記載しております。
 Figures for the fiscal years ended in and before Mar. 2004 have been retroactively revised to reflect stock split made in Aug. 2004.

※2 2005年3月末に、新日本製鐵㈱向けサービスの受注高の把握方法を売上高計上時点での把握から、契約締結時点での把握に変更しております。
 In terms of the order acceptance from Nippon Steel Corporation, the company changed its recognition timing from sales-recognition basis to contract-date basis on March 31, 2005.

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本資料には当社又は当社役員の当社の営業成績及び財政状態に関する意図、意見又は現時点の予想と関連する将来予想が記載されております。従って、この将来予想は、歴史的事実でも将来の業績を保証するものでもないため、リスクと不確定な要素を含んでおります。実際の業績は様々な要因により異なる可能性があります。当社は、この将来予想を、これらの変化要因を反映するために修正することを保証するものではありません。

財務諸表の開示について

当社連結財務諸表及び、個別財務諸表につきましては、日本の証券取引法及びそれに関連する会計規則、日本基準における一般会計原則に従って作成されております。そのため国際財務報告基準とは開示方法が異なる部分がありますのでご注意ください。

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.

Basis of Presenting Financial Statements

The accompanying financial statements of the Company and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.