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

(April 1, 2020 through December 31, 2020)

NS Solutions

NIPPON STEEL

January 29 , 2021

NS Solutions Corporation

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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.

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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 (Oct.-Dec.) A	1-3Q (Apr.-Dec.) B	3Q (Oct.-Dec.) C	1-3Q (Apr.-Dec.) D	3Q (Oct.-Dec.) C-A	1-3Q (Apr.-Dec.) 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

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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 (Oct.-Dec.) A	IT platform	Total (Oct.-Dec) B	IT platform	Total (Oct.-Dec) B-A	IT platform	
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		

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

(¥ in billions)	3Q of FY Mar. 2020		3Q of FY Mar. 2021		Difference		Comments
	Total (Apr.-Dec.) A	IT platform	Total (Apr.-Dec) B	IT platform	Total (Apr.-Dec) B-A	IT platform	
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)		

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

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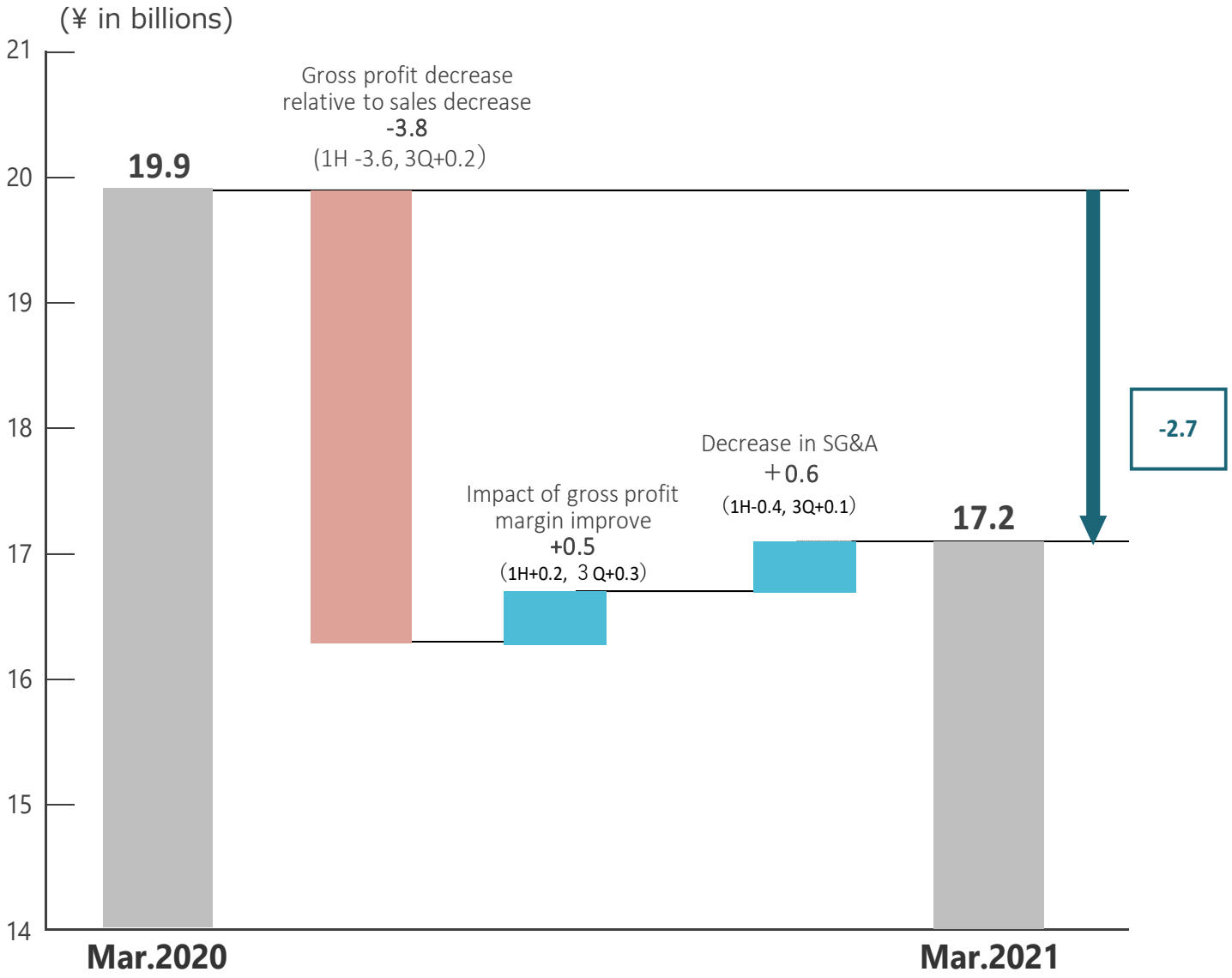

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Ⅰ -5. Outlook for FY ending March 31, 2021

(¥ in billions)	FY Mar. 2020			FY Mar. 2021 Co. Est			Difference		
	1H (Apr. - Sep.) A	2H (Oct.- Mar.) B	FY (Apr.- Mar.) C	1H (Apr. - Sep.) D	2H (Oct.- Mar.) E	FY (Apr.- Mar.) F	1H (Apr. - Sep.) D-A	2H (Oct.- Mar.) E-B	FY (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)

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I -6. Outlook for FY ending March 31, 2021
Sales by Service and Segment

(¥ in billions)	FY Mar. 2020				FY Mar.2021				Difference			
	1H A	3Q B	4Q C	2H D	1H E	3Q F	4Q Company Estimate G	2H Company Estimate H	1H E-A	3Q F-B	4Q G-C	2H 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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