Financial Information for the First Quarter of the Fiscal Year Ending March 31, 2023

(April 1, 2022 through June 30, 2022)

August 2, 2022

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.

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.

The financial results have been translated from the Japanese Consolidated Financial Statements for reference purposes only. In the event of any discrepancy between the Japanese version and the English translation the Japanese version will prevail.

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Ⅰ-1. Consolidated Results for 1Q of FY Mar. 2023

¥ in billions

	FY ended Mar.2022 1Q	FY ending Mar. 2023 1Q	Difference	(YoY)
Revenue	65.5	65.1	-0.4	-1%
Gross Profit	14.8	14.8	-0.1	-0%
Gross Profit Margin	<22.6%>	<22.7%>	<+0.0%>	
SG&A	7.6	8.3	+0.7	+9%
Others	0.1	-0.0	-0.1	
Operating Profit	7.4	6.5	-0.9	-12%
Operating Profit Margin	<11.2%>	<10.0%>	<-1.3%>	
Profit before tax	7.6	6.7	-1.0	-13%
Profit attributable to owners of parent	4.8	4.4	-0.4	-8%

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Ⅰ-2. 1Q of FY Mar. 2023
Sales by Segment / Customer Industry

¥ in billions

	FY ended Mar. 2022		FY ending Mar. 2023		Difference		
	1Q	IT platform	1Q	IT platform	1Q	IT platform	Comments
Business Solutions	36.9	12.4	34.8	8.4	-2.1	-4.0	
Manufacturing, Retail and Service	18.3	5.9	19.1	5.2	+0.9	-0.6	Increase in earnings received in platformer
Financial Services	10.4	4.1	8.1	2.2	-2.3	-1.9	Decrease in demand for Libor transition and product sales
Government, Public organizations	8.2	2.4	7.6	1.0	-0.7	-1.4	Decrease in reaction to product sales
Service Solutions	21.4		22.8		+1.4		
IT Platform	7.7	<12.4>	9.0	<8.4>	+1.3	<-4.0>	Increase in security and service business
Nippon Steel Group	13.7		13.8		+0.2		
Subsidiaries	7.2		7.5		+0.3		
Total	65.5		65.1		-0.4		
Nippon Steel Sales	(13.7)		(13.9)		(+0.2)		

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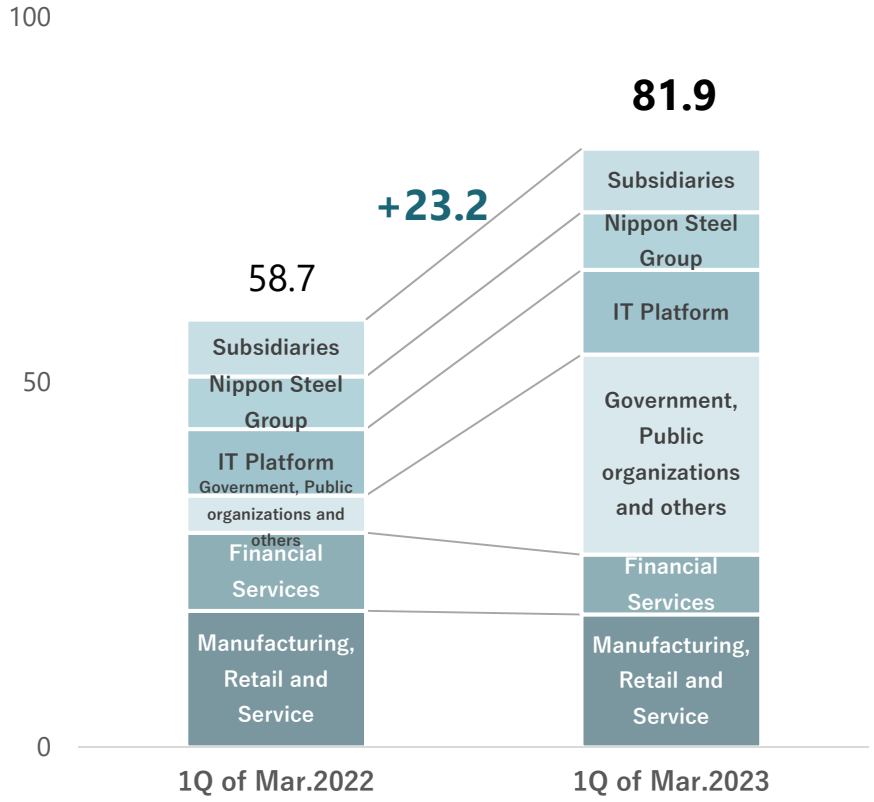
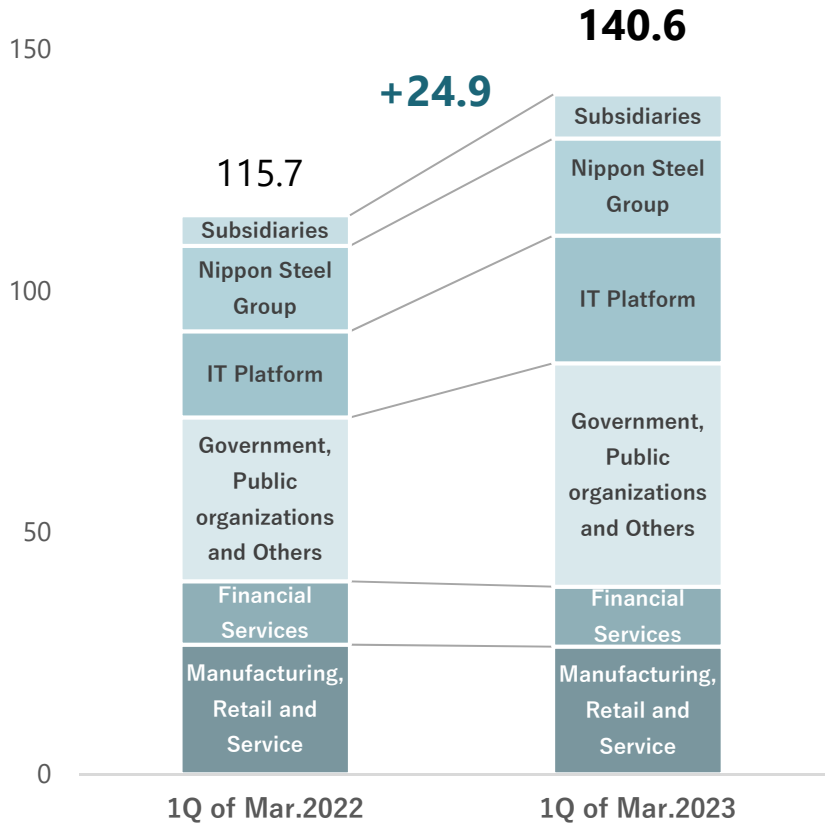
Ⅰ-3. Order Acceptance・Order Backlog

¥ in billions

Order Acceptance



Order backlog



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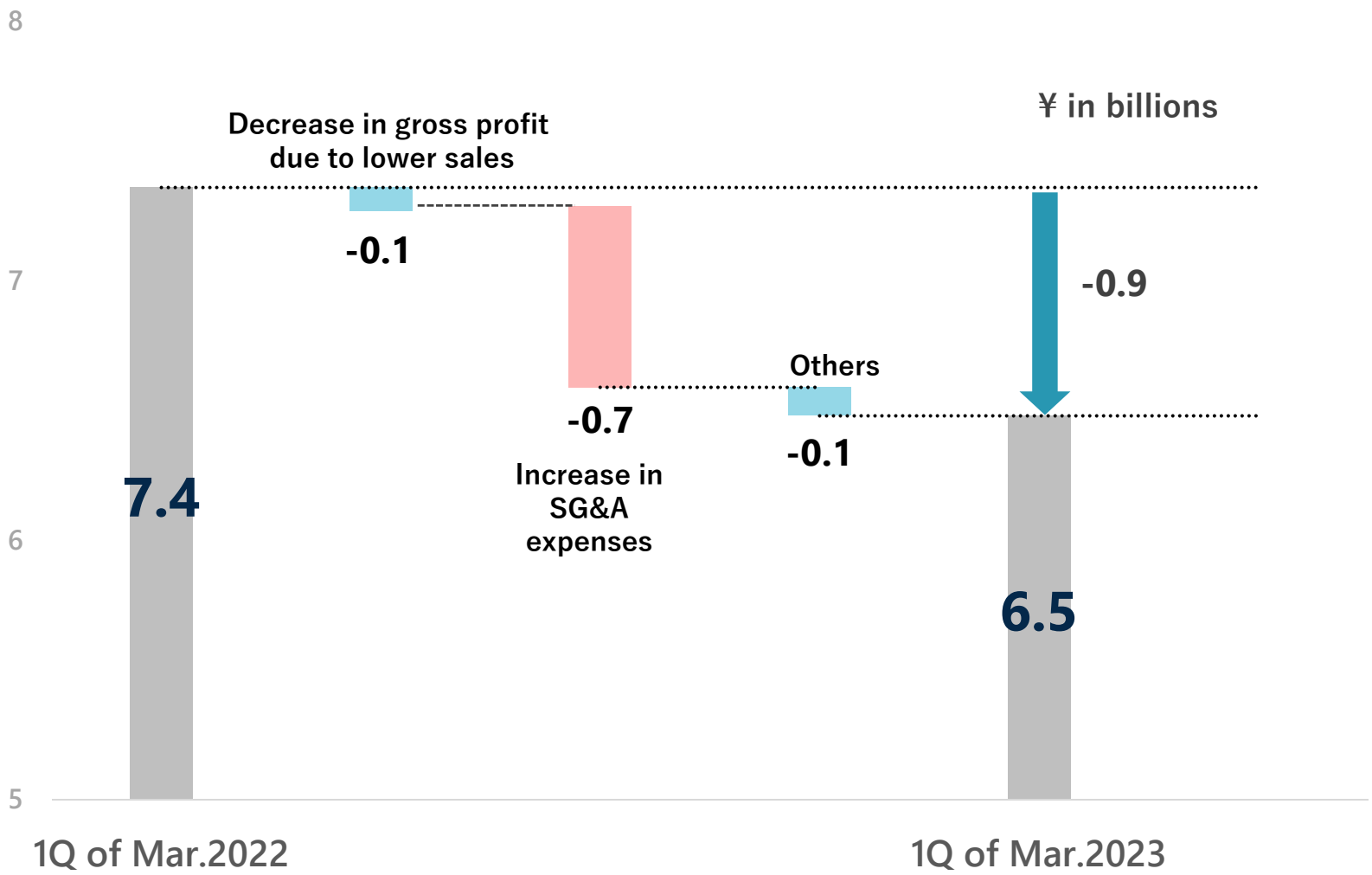
Ⅰ-4. 1Q of FY Mar. 2023
Consolidated Operating Profit Breakdown



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Ⅱ-1. Outlook for FY Mar. 2023 1H (1Q/2Q)

¥ in billions

	FY ended Mar.2022			FY ending Mar. 2023			Difference		
	1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H
Revenue	65.5	65.3	130.8	65.1	78.9	144.0	-0.4	+13.6	+13.2
Gross Profit	14.8	14.0	28.8	14.8	16.2	31.0	-0.1	+2.3	+2.2
Gross Profit Margin	<22.6%>	<21.4%>	<22.0%>	<22.7%>	<20.6%>	<21.5%>	<+0.0%>	<-0.8%>	<-0.5%>
SG&A	7.6	7.2	14.8	8.3	8.2	16.5	+0.7	+1.0	+
Others	0.1	0.0	0.1	-0.0	0.0	0.0	-0.1	-0.0	-0.1
Operating Profit	7.4	6.8	14.2	6.5	8.0	14.5	-0.9	+1.2	+0.3
Operating Profit Margin	<11.2%>	<10.4%>	<10.8%>	<10.0%>	<10.2%>	<10.1%>	<-1.3%>	<-0.3%>	<-0.8%>
Profit before tax	7.6	6.9	14.5	6.7	8.1	14.8	-1.0	+1.3	+0.3
Profit attributable to owners of parent	4.8	4.7	9.5	4.4	5.3	9.7	-0.4	+0.6	+0.2

Amounts shown for 2Q March 2022 financial results according to IFRS are unaudited reference values and are subject to change depending on the results of accounting audits.

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Ⅱ-2. Outlook for FY March 2023

Revenue by Service and Segment

¥ in billions

	FY ended Mar. 2021			FY ending Mar. 2022			Difference		
	1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H
Business Solutions	36.9	34.8	71.8	34.8	44.7	79.5	-2.1	+9.9	+7.7
Manufacturing, Retail and Service	18.3	18.2	36.5	19.1	19.9	39.0	+0.9	+1.7	+2.5
Financial Services	10.4	8.8	19.2	8.1	9.4	17.5	-2.3	+0.6	-1.7
Government, Public organizations	8.2	7.8	16.1	7.6	15.4	23.0	-0.7	+7.6	+6.9
Service Solutions	21.4	22.4	43.7	22.8	24.7	47.5	+1.4	+2.3	+3.8
IT Platform	7.7	9.4	17.1	9.0	10.5	19.5	+1.3	+1.2	+2.4
Nippon Steel Group	13.7	13.0	26.7	13.8	14.2	28.0	+0.2	+1.2	+1.3
Subsidiaries	7.2	8.1	15.3	7.5	9.5	17.0	+0.3	+1.4	+1.7
Total	65.5	65.3	130.8	65.1	78.9	144.0	-0.4	+13.6	+13.2
Nippon Steel Sales	(13.7)	(13.0)	(26.6)	(13.9)	(13.6)	(27.5)	(+0.2)	(+0.7)	(+0.9)

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Ⅱ-3. Outlook 1H/2H

¥ in billions

	FY 2021		FY 2022		Increase		YoY	
	1H	2H	1H	2H	1H	2H	1H	2H
Revenue	130.8	139.5	144.0	151.0	+13.2	+11.5	+10%	+8%
Gross Profit	28.8	31.7	31.0	34.0	+2.2	+2.3	+8%	+7%
Gross Profit Margin	22.0%	22.7%	21.5%	22.5%	-0.5%	-0.2%		
SG&A	14.8	15.2	16.5	17.5	+1.7	+2.3	+12%	+15%
Others	0.1	-0.7	0.0	0.0	-0.1	+0.7		
Operating Profit	14.2	15.7	14.5	16.5	+0.3	+0.8	+2%	+5%
Operating Profit Margin	10.8%	11.3%	10.1%	10.9%	-0.8%	-0.3%		
Profit before tax	14.5	16.2	14.8	16.7	+0.3	+0.5	+2%	+3%
Profit attributable to owners of parent	9.5	11.1	9.7	11.4	+0.2	+0.3	+3%	+3%

Amounts shown March 2022 financial results according to IFRS are unaudited reference values and are subject to change depending on the results of accounting audits.

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