Financial Information for the First Quarter of the Fiscal Year ending March 31, 2024

(April 1, 2023 through June 30, 2023)

NS Solutions

NIPPON STEEL

July 28, 2023

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.

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Ⅰ-1. 1Q of FY ending Mar. 2024 Highlights

¥ in billions

	FY ended Mar. 2023 1 Q	FY ending Mar. 2024 1 Q	Difference	*YoY rate*
Revenue	65.1	68.8	+3.6	*6%*
Gross Profit	14.8	16.1	+1.3	*9%*
<Gross Profit Margin>	<22.7%>	<23.4%>	<+0.8%>	
SG&A	8.3	9.6	+1.3	*16%*
Others	0.0	0.0	+0.0	
Operating Profit	6.5	6.6	+0.1	*1%*
<Operating Profit Margin>	<10.0%>	<9.6%>	<-0.4%>	
Profit before tax	6.7	6.9	+0.2	*3%*
Profit attributable to owners of parent	4.4	4.0	-0.3	*-8%*

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Ⅰ-2. 1Q of FY ending Mar. 2024
Sales by Segment / Customer Industry

¥ in billions

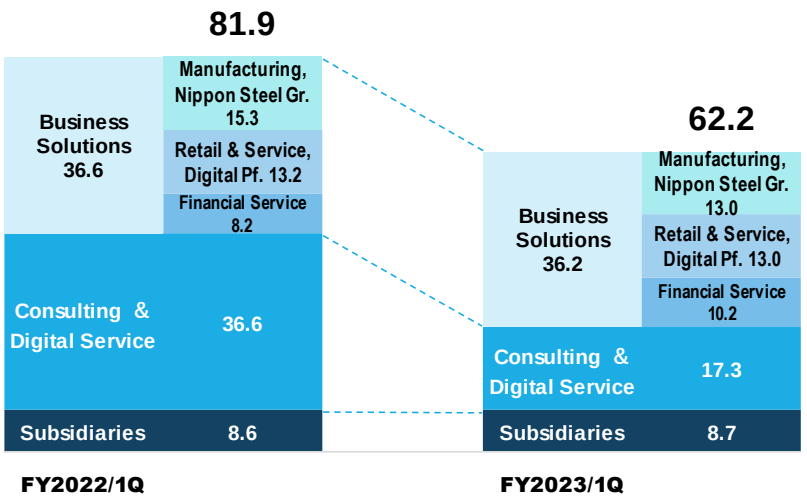
	FY ended Mar. 2023 1Q	<C&D>	FY ending Mar. 2024 1Q	<C&D>	Difference	<C&D>	Possitive Customer/ Product Negative Customer / Product
Business Solutions	44.2	<9.8>	45.5	<9.5>	+1.3	<-0.3>	
Manufacturing, Nippon Steel Group	22.0	<4.2>	22.5	<3.8>	+0.4	<-0.4>	Nippon Steel, Transportation
Retail and Service, Digital Platformer	14.1	<3.3>	14.4	<3.5>	+0.3	<+0.2>	Internet Platformer
Financial Service	8.1	<2.3>	8.7	<2.3>	+0.6	<-0.1>	Mega Banks
Consulting & Digital Service	13.4	<23.2>	14.3	<23.8>	+0.9	<+0.6>	Product Sales, The Cloud Services
Subsidiaries	7.5		9.0		+1.5		
Total	65.1		68.8		+3.6		
Revenue to Nippon Steel	13.9		15.3		+1.4		

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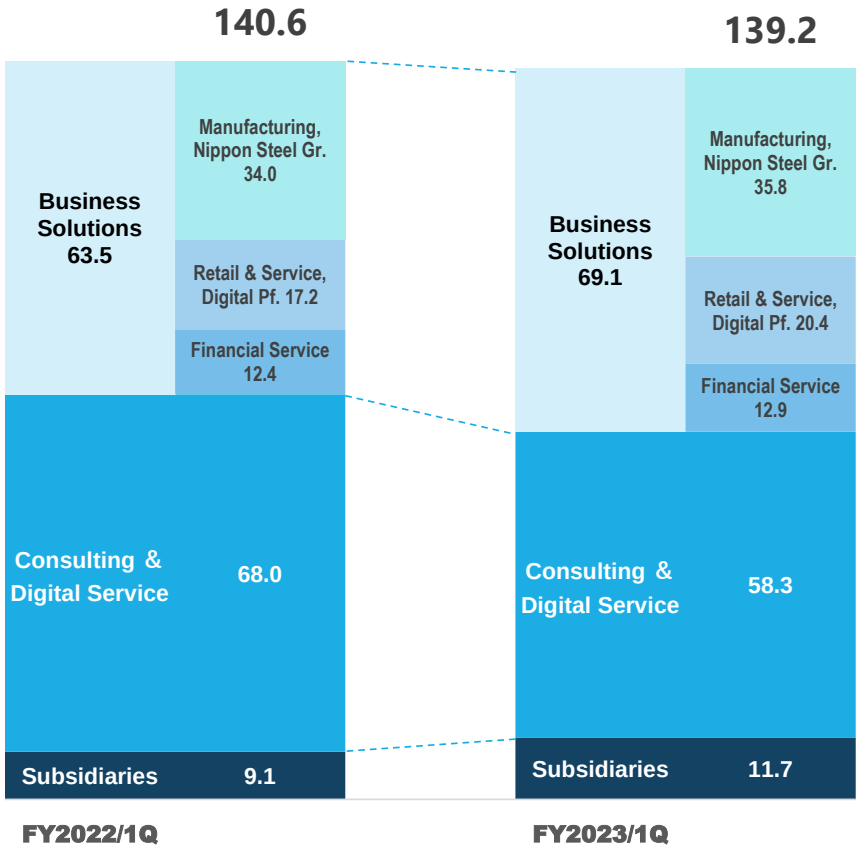
Ⅰ -3. Order Acceptance / Order Backlog

¥ in billions

Order Acceptance



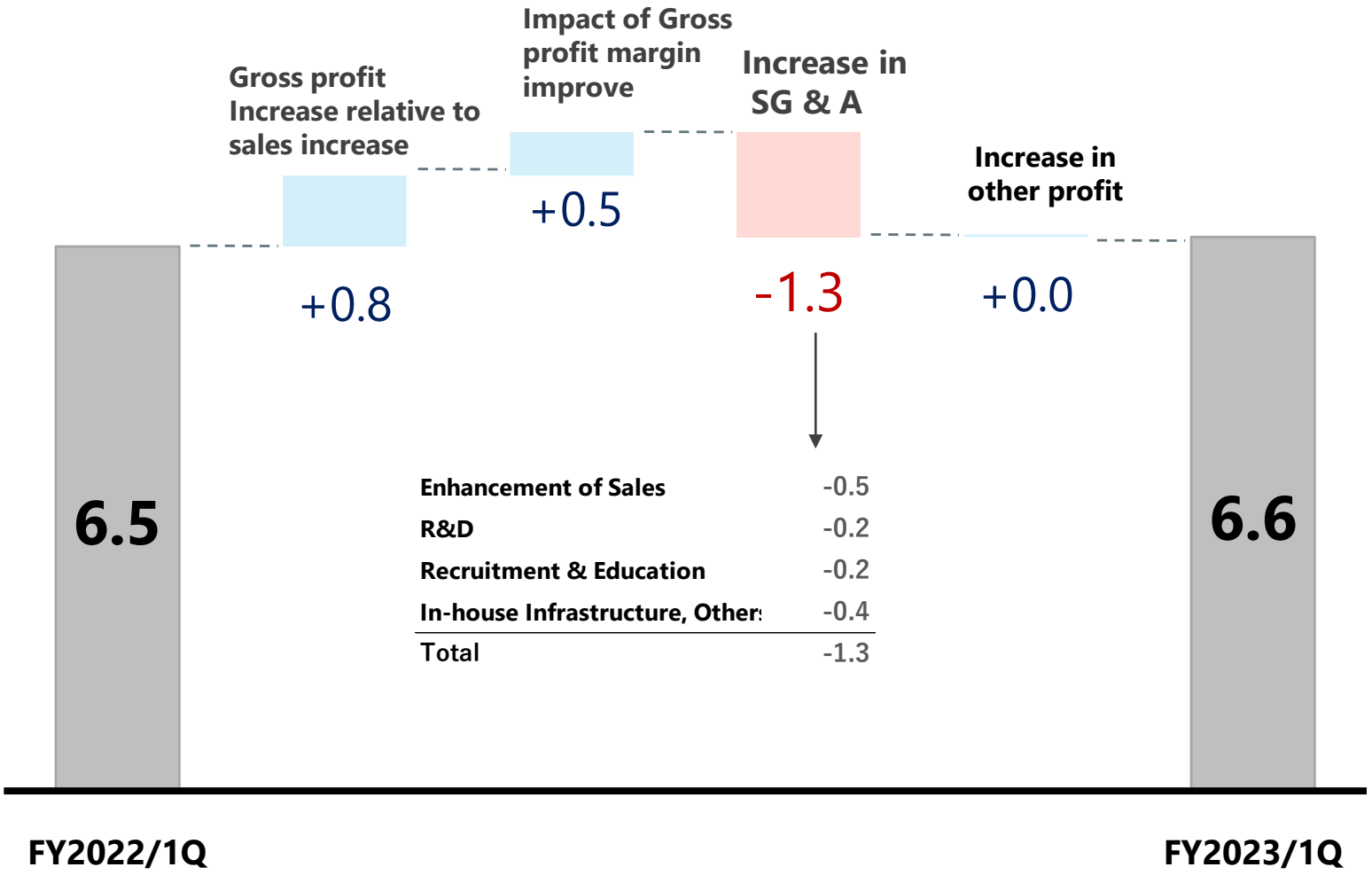
Order Backlog



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Ⅰ-3. 1Q of FY ending Mar. 2024
Consolidated Operating Profit Breakdown

¥ in billions



Enhancement of Sales	-0.5
R&D	-0.2
Recruitment & Education	-0.2
In-house Infrastructure, Others	-0.4
Total	-1.3

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Ⅱ-1. Outlook for 1H of FY ending Mar. 2024

¥ in billions

No change in earnings forecast as of Apr 28, 2023.

	FY ended Mar. 2023			FY ending Mar.2024			Difference		
	1Q	2Q	1H	1Q	2Q (est.)	1H (est.)	1Q	2Q	1H
Revenue	65.1	69.6	134.7	68.8	71.2	140.0	+3.6	+1.7	+5.3
Gross Profit	14.8	15.7	30.4	16.1	15.9	32.0	+1.3	+0.2	+1.6
<Gross Profit Margin>	<22.7%>	<22.5%>	<22.6%>	<23.4%>	<22.3%>	<22.9%>	<+0.8%>	<-0.2%>	<+0.3%>
SG&A	8.3	8.2	16.5	9.6	8.4	18.0	+1.3	+0.3	+1.5
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
Operating Profit	6.5	7.5	14.0	6.6	7.4	14.0	+0.1	-0.1	0.0
<Operating Profit Margin>	<10.0%>	<10.8%>	<10.4%>	<9.6%>	<10.4%>	<10.0%>	<-0.4%>	<-0.4%>	<-0.4%>
Profit before tax	6.7	7.6	14.2	6.9	7.3	14.2	+0.2	-0.3	0.0
Profit attributable to owners of parent	4.4	5.0	9.4	4.0	5.4	9.4	-0.3	+0.3	0.0

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Ⅱ-2. Outlook for Sales by Segment / Customer Industry

¥ in billions

	FY ended Mar. 2023			FY ending Mar.2024			Difference		
	1Q	2Q	1H	1Q	2Q (est.)	1H (est.)	1Q	2Q	1H
Business Solutions	44.2	44.7	89.0	45.5	47.5	93.0	+1.3	+2.8	+4.0
Manufacturing, Nippon Steel Group	22.0	21.7	43.7	22.5	22.5	45.0	+0.4	+0.9	+1.3
Retail and Service, Digital Platformer	14.1	14.8	28.9	14.4	15.1	29.5	+0.3	+0.4	+0.6
Financial Service	8.1	8.3	16.4	8.7	9.8	18.5	+0.6	+1.6	+2.1
Consulting＆Digital Service	13.4	15.6	29.0	14.3	13.7	28.0	+0.9	-1.9	-1.0
Subsidiaries	7.5	9.2	16.7	9.0	10.0	19.0	+1.5	+0.8	+2.3
Total	65.1	69.6	134.7	68.8	71.2	140.0	+3.6	+1.7	+5.3
Revenue to Nippon Steel	13.9	13.9	27.7	15.3	15.2	30.5	+1.4	+1.4	+2.8

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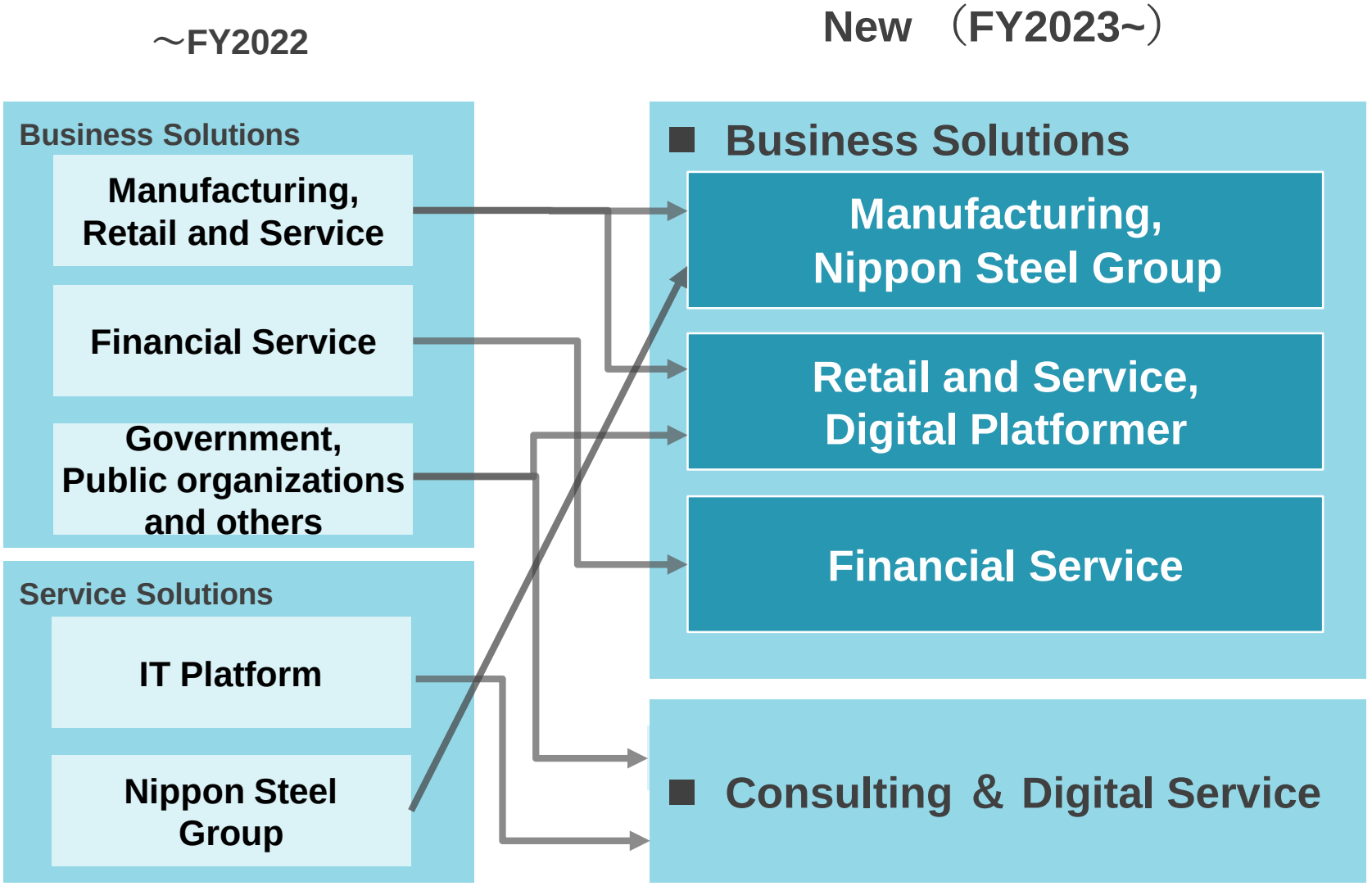
Ⅱ-3. Outlook for Full Year

¥ in billions

	FY ended Mar. 2023			FY ending Mar.2024			Difference *YoY rate*		
	1H	2H	FY	1H	2H (est.)	FY (est.)	1H	2H	FY
Revenue	134.7	157.0	291.7	140.0	165.0	305.0	*4%* +5.3	*5%* +8.0	*5%* +13.3
Gross Profit	30.4	35.5	65.9	32.0	38.0	70.0	*5%* +1.6	*7%* +2.5	*6%* +4.1
<Gross Profit Margin>	<22.6%>	<22.6%>	<22.6%>	<22.9%>	<23.0%>	<23.0%>	<+0.3%>	<+0.4%>	<+0.3%>
SG&A	16.5	16.5	33.0	18.0	18.5	36.5	*9%* +1.5	*12%* +2.0	*11%* +3.5
Others	0.0	-1.2	-1.2	0.0	0.0	0.0	0.0	+1.2	+1.2
Operating Profit	14.0	17.7	31.7	14.0	19.5	33.5	*0%* 0.0	*10%* +1.8	*6%* +1.8
<Operating Profit Margin>	<10.4%>	<11.3%>	<10.9%>	<10.0%>	<11.8%>	<11.0%>	<-0.4%>	<+0.5%>	<+0.1%>
Profit before tax	14.2	17.9	32.1	14.2	19.8	34.0	*0%* 0.0	*11%* +1.9	*6%* +1.9
Profit attributable to owners of parent	9.4	12.6	22.0	9.4	13.4	22.8	*0%* 0.0	*7%* +0.8	*4%* +0.8

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Cf.) Changing the classification from FY2023



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NS Solutions

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With technology and passion

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