TSE:2327

NS Solutions

NIPPON STEEL

FY2024/1Q Results

July 30, 2024

NS Solutions Corporation

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1. FY2024/1Q Highlights

¥ in billions

	FY2023/1Q	FY2024/1Q	Difference	*YoY rate*
Revenue	68.8	76.8	+8.1	*12%*
Gross Profit	16.1	18.7	+2.6	*16%*
<Gross Profit Margin>	<23.4%>	<24.4%>	<+0.9%>	
SG&A	9.6	10.0	+0.4	*4%*
Others	0.0	0.1	+0.0	
Operating Profit	6.6	8.8	+2.2	*34%*
<Operating Profit Margin>	<9.6%>	<11.5%>	<+1.9%>	
Profit before tax	6.9	9.0	+2.1	*31%*
Profit attributable to owners of parent	4.0	5.4	+1.4	*34%*

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2. FY 2024/1Q Sales by Segment / Customer Industry

¥ in billions

	A	B	B-A	C	C-B	
	FY2023/1Q	**FY2023/1Q After Reclassifications**		**FY2024/1Q**	**Change**	YoY
Business Solutions	45.5	44.6	-0.9	**49.5**	**11%**	**+4.9**
Manufacturing, Nippon Steel Group	22.5	21.6	-0.9	**22.4**		**+0.8**
Retail and Service, Digital Platformer	14.4	14.4		**14.6**		**+0.2**
Financial Service	8.7	8.7		**12.5**		**+3.9**
Consulting & Digital Service	14.3	15.2	+0.9	**16.8**	**10%**	**+1.6**
Government, Educational and Research Institutions	3.7	3.7		**3.9**		**+0.1**
IT Infrastructure Services	10.6	11.5	+0.9	**12.9**		**+1.4**
Subsidiaries	9.0	9.0		**10.5**	**18%**	**+1.6**
Total	68.8	68.8		**76.8**	**12%**	**+8.1**
<FYI> Revenue to Nippon Steel	15.3	15.3		**15.3**		**+0.0**

＊Some areas have been reclassified from “Manufacturing, Nippon Steel Group” to “Consulting & Digital Service”, and comparisons for the prior period are presented with figures after reclassification.

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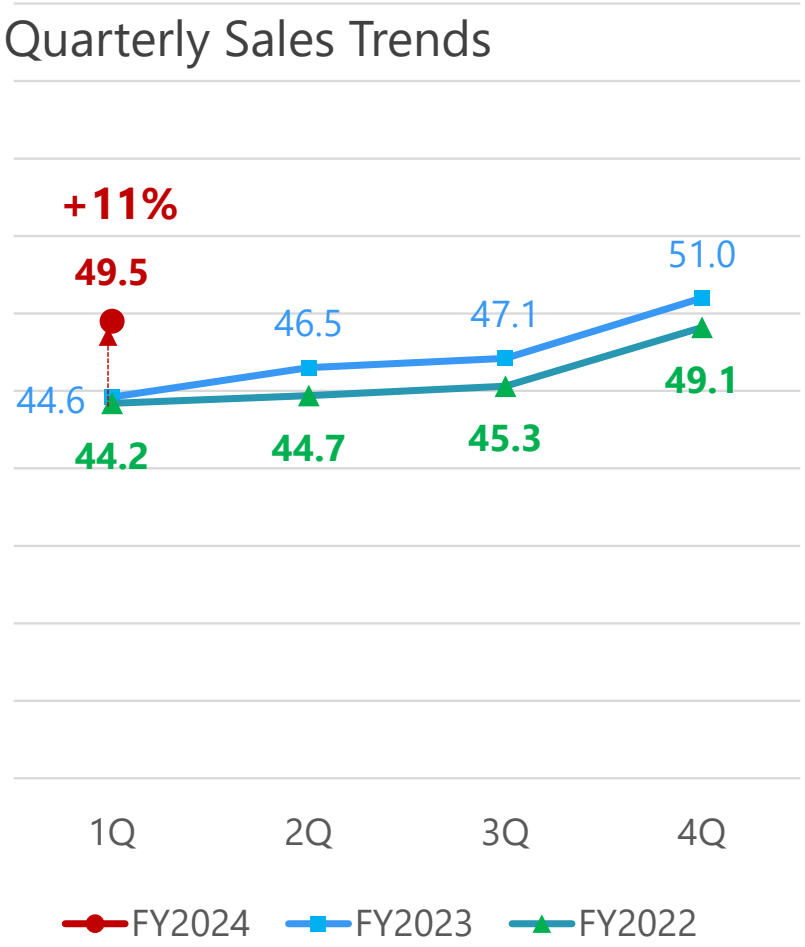
3. Business Solutions Segment

¥ in billions



	FY2023/1Q After Reclassifications	FY2024/1Q	Change	YoY
Business Solutions	44.6	**49.5**	+11%	**+4.9**
Manufacturing, Nippon Steel Group	21.6	**22.4**		**+0.8**
Retail and Service, Digital Platformer	14.4	**14.6**		**+0.2**
Financial Service	8.7	**12.5**		**+3.9**

Strong start, mainly in the Financial Service

・Sales to NSC are stable at a high level due to IT investment in new facilities and DX measures, etc.
・Strong sales in Electrical machinery and precision equipment sector and Transportation sector.
・Almost flat YoY for Retail and Service, and Digital Platformers Seg.
・Oracle-related sales to financial institutions continue to be strong.

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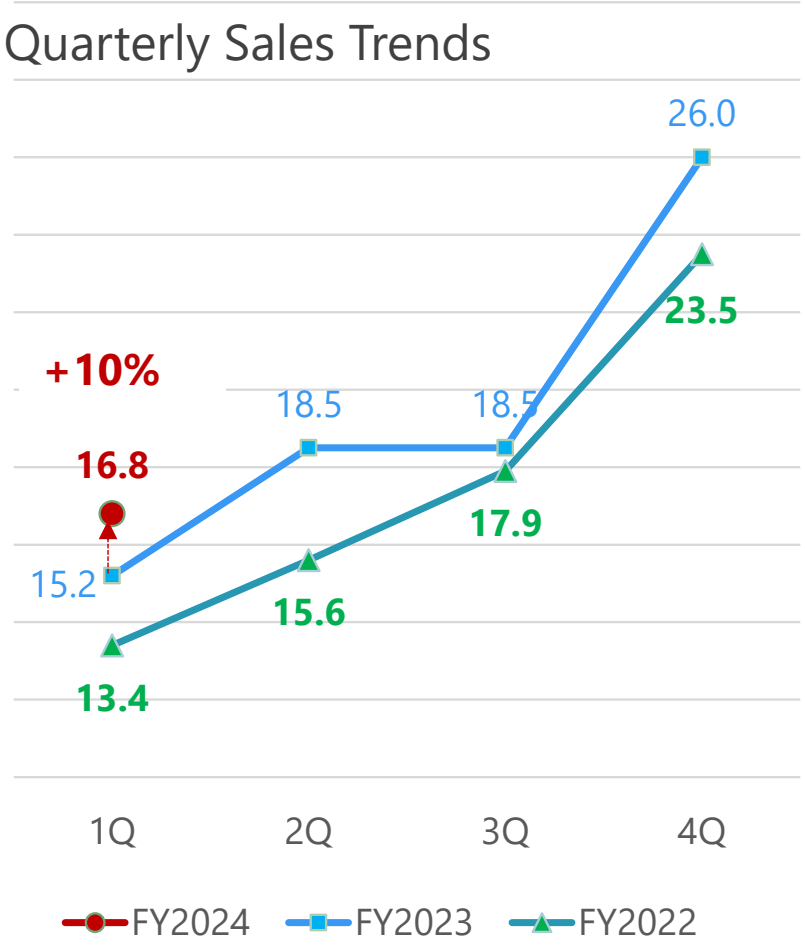
4. Consulting & Digital Service Segment

¥ in billions



	FY2023/1Q After Reclassifications	FY2024/1Q	Change YoY	
Consulting & Digital Service	15.2	**16.8**	10%	**+1.6**
Government, Educational and Research Institutions	3.7	**3.9**		**+0.1**
IT Infrastructure Services	11.5	**12.9**		**+1.4**

IT Sourcing demand continues to expand
Government sourcing demand Also steady

Major Factors of Sales Increase/Decrease in IT Infrastructure
(¥ in billions)
- Cloud Solutions (+0.6)
- IT Product Sales (+0.3)
- Operation Services (+0.2)

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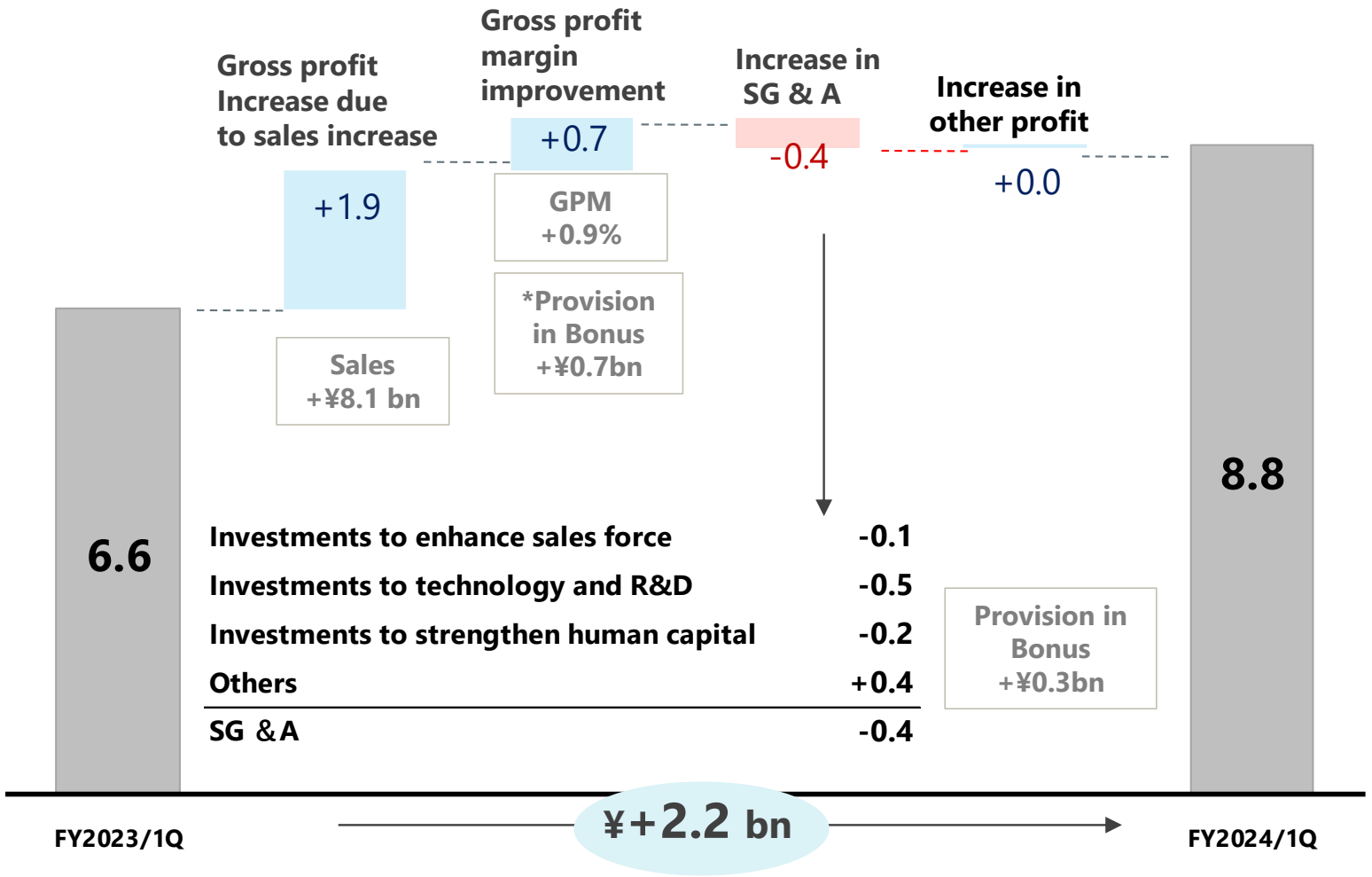
5. Consolidated Operating Profit Breakdown

¥ in billions



NSSOL has revised the salary system, reallocating funds from the bonus portion to the salary portion.
As a result, the difference in bonus reserves was larger than expected. This impact will no longer be present from the second quarter onward.

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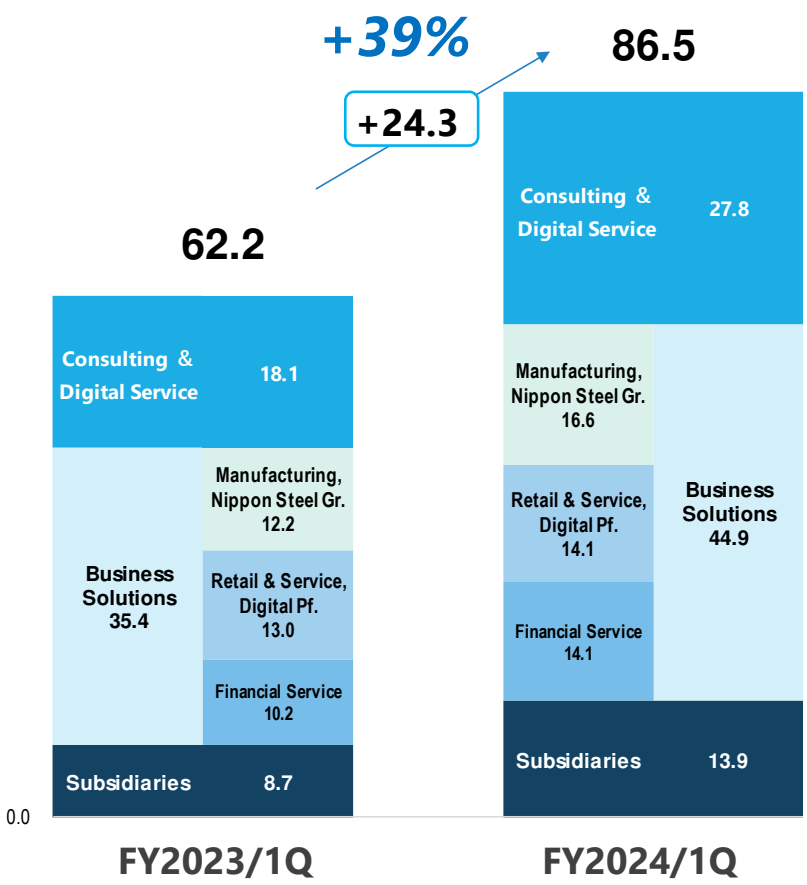
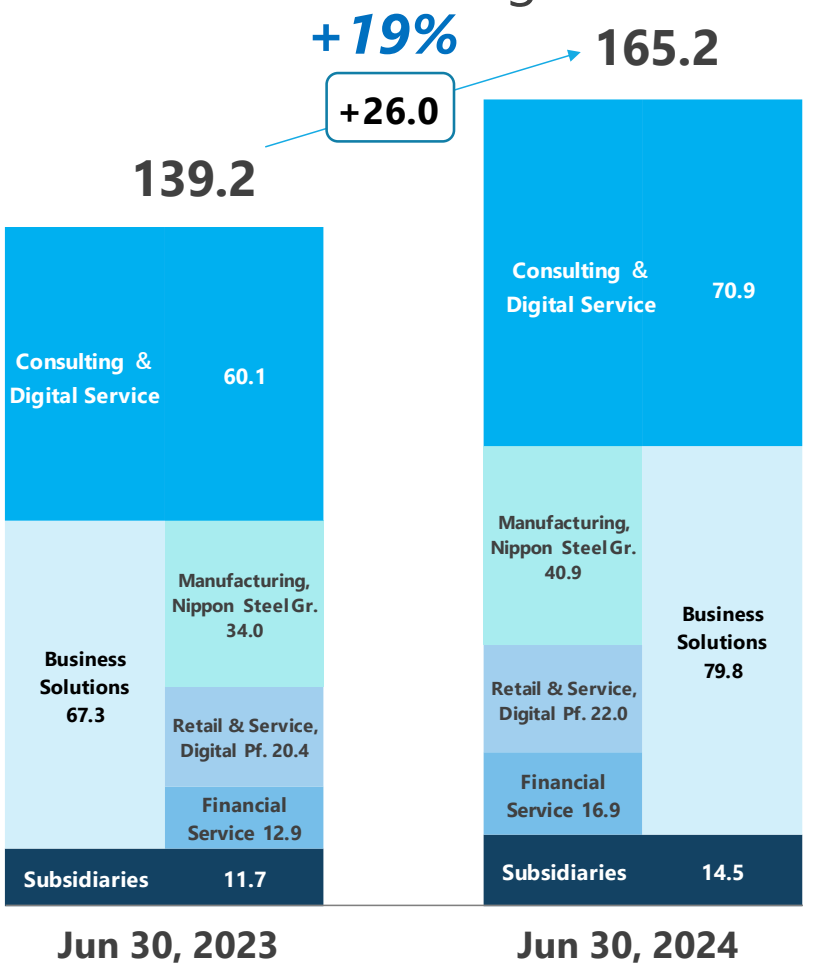
6. Order Acceptance / Order Backlog

¥ in billions

Order Acceptance



Order Backlog



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7. Outlook for FY 2024

¥ in billions

	FY2023		FY2024 Forecast		YoY		vs. Previous Forecast	
	H1	Full Year	H1	Full Year	H1	Full Year	H1	Full Year
Revenue	144.8	310.6	**153.0**	**330.0**	+8.2	+19.4	**-**	**-**
Gross Profit	33.4	71.8	**36.0**	**77.5**	+2.6	+5.7	**+0.5**	**+0.5**
<Gross Profit Margin>	<23.1%>	<23.1%>	**<23.5%>**	**<23.5%>**	<+0.5%>	<+0.4%>		
SG&A	18.7	36.6	**20.0**	**40.5**	+1.3	+3.9	**-0.5**	**-0.5**
Others	-0.1	-0.2	**0.0**	**0.0**	+0.1	+0.2	**-**	**-**
Operating Profit	14.6	35.0	**16.0**	**37.0**	+1.4	+2.0	**+1.0**	**+1.0**
<Operating Profit Margin>	<10.1%>	<11.3%>	**<10.5%>**	**<11.2%>**	<+0.3%>	<-0.1%>		
Profit before tax	15.0	35.4	**16.2**	**37.5**	+1.2	+2.1	**+1.0**	**+1.0**
Profit attributable to owners of parent	9.5	24.2	**10.5**	**25.2**	+1.0	+1.0	**+0.7**	**+0.7**

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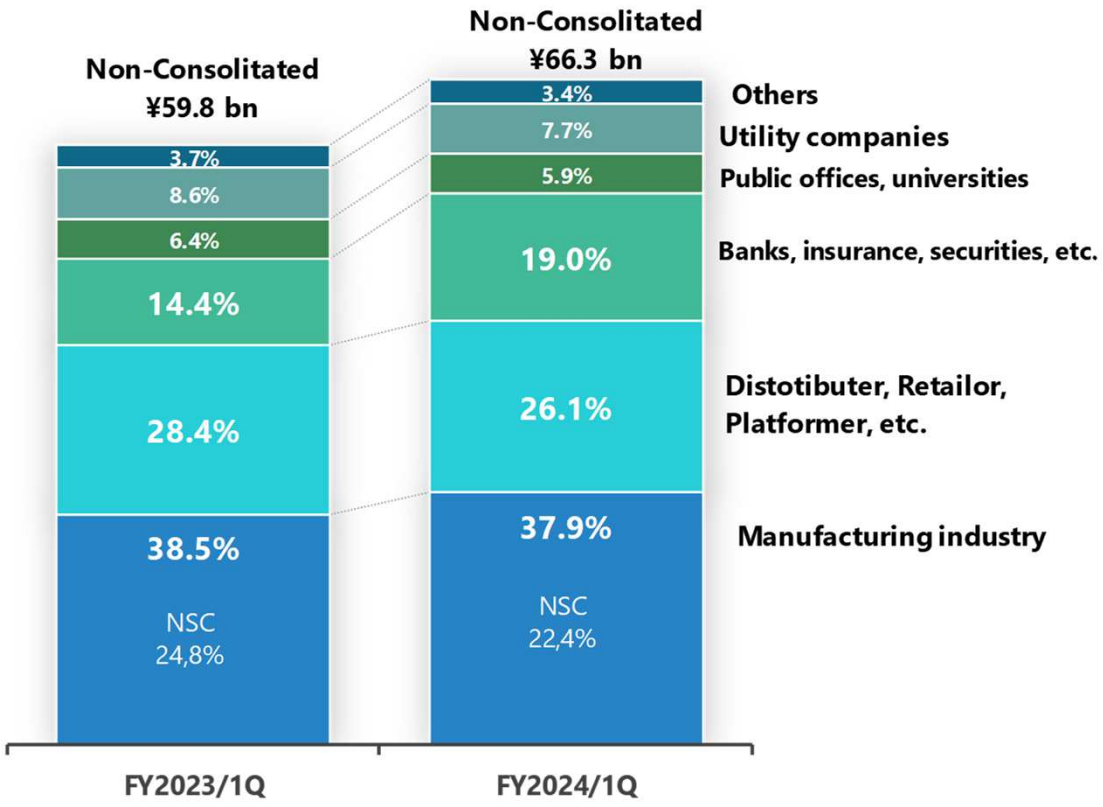
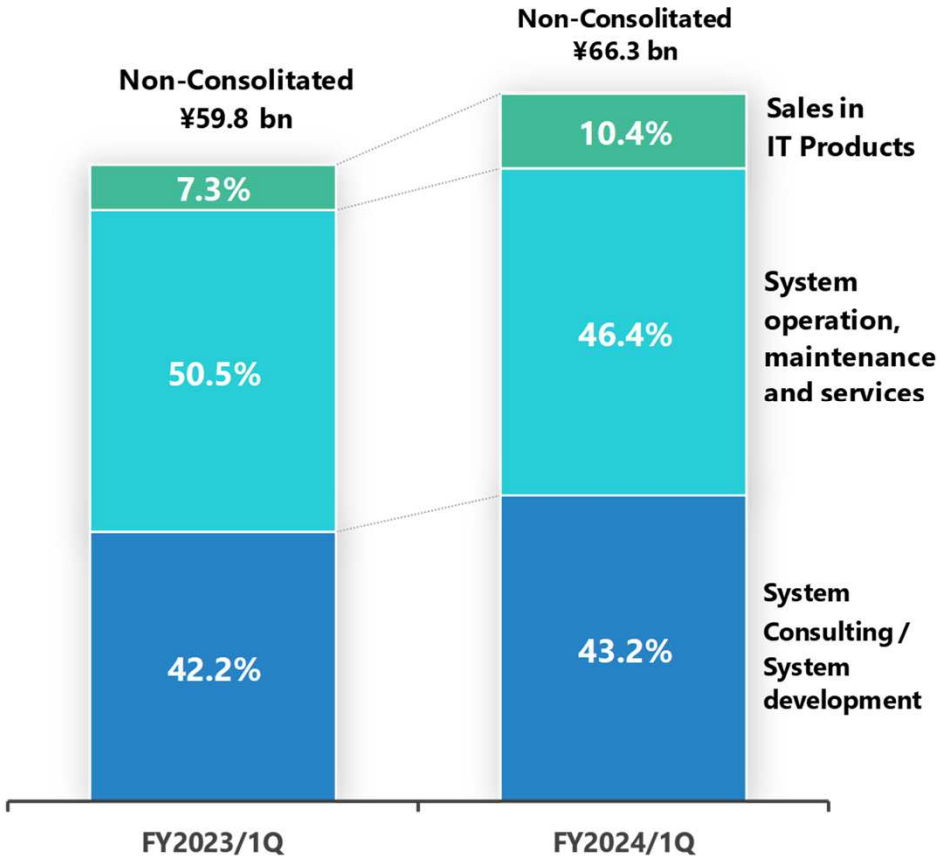
(FYI) Sales by Customer Industry



Sales Composition by Product/Service



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NS Solutions

NIPPON STEEL

Dream our future

Unleash the possibilities of society,

With technology and passion

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