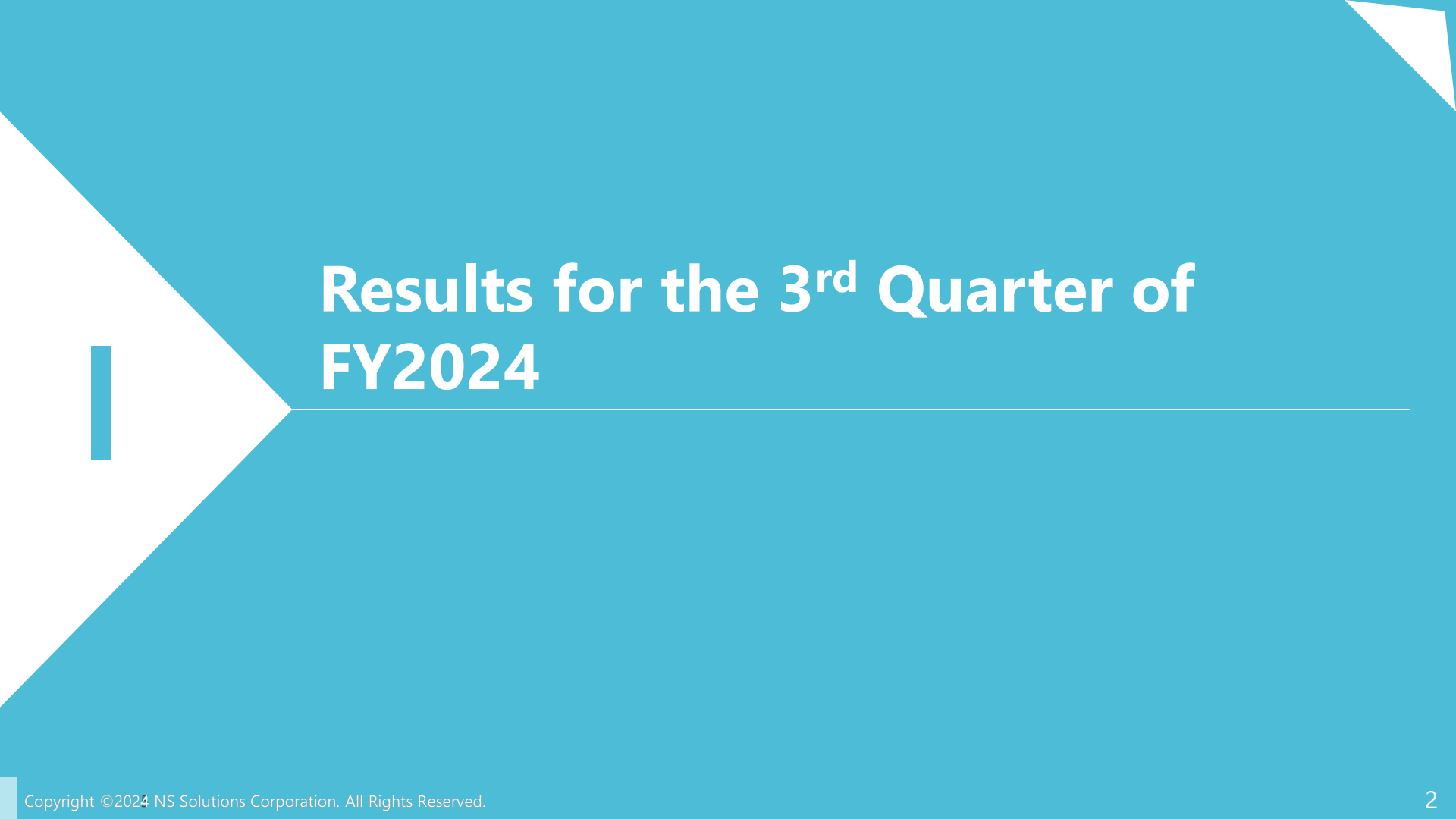




3rd Quarter Results FY2024 and FY2024 Guidance

February 4, 2025

NS Solutions Corporation



Results for the 3rd Quarter of FY2024

I -1. FY2024/3Q Results

¥ in billions

	FY2023/3Q	FY2024/3Q	Difference	
			YoY rate	
Revenue	220.1	240.3	+20.2	9%
Gross Profit	50.9	59.3	+8.4	17%
<Gross Profit Margin>	<23.1%>	< 24.7% >	<+1.6%>	
SG&A	27.5	29.8	+2.4	9%
Others	-0.1	0.1	+0.2	
Operating Profit	23.3	29.6	+6.3	27%
<Operating Profit Margin>	<10.6%>	< 12.3% >	<+1.7%>	
Profit before tax	23.7	30.3	+6.6	28%
Profit attributable to owners of parent	15.5	20.4	+4.9	32%

I -2. Sales by Segment / Customer Industry

¥ in billions

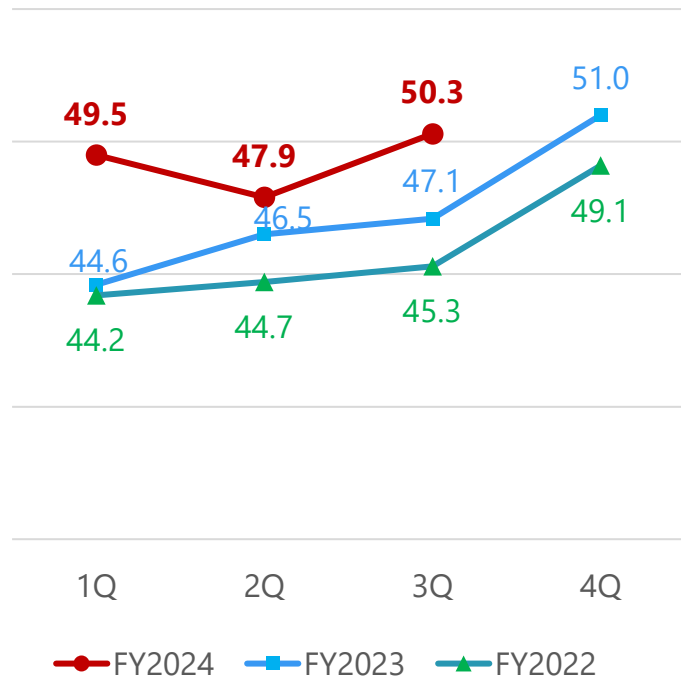
	A	B	B-A	C	C-B	
	FY2023/3Q	FY2023/3Q After Reclassifications		FY2024/3Q	Change	YoY
Business Solutions	140.8	138.2	-2.6	147.6	7%	+9.4
Manufacturing, Nippon Steel Group	68.4	65.8	-2.6	69.3		+3.4
Retail and Service, Digital Platformer	43.7	43.7		44.3		+0.7
Financial Service	28.7	28.7		34.0		+5.3
Consulting & Digital Service	49.7	52.3	+2.6	56.3	8%	+4.1
Government, Educational and Research Institutions	15.1	15.1		14.9		-0.2
IT Infrastructure Services	34.6	37.2	+2.6	41.5		+4.3
Subsidiaries	29.6	29.6		36.4	23%	+6.7
Total	220.1	220.1		240.3	9%	+20.2
<FYI> Revenue to Nippon Steel	46.5	46.5		47.6		+1.1

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

I -3. Business Solutions Segment

¥ in billions

Quarterly Sales Trends (¥ bn)



	FY2023/3Q After Reclassifications	FY2024/3Q	Change YoY	
Business Solutions	138.2	147.6	+7%	+9.4
Manufacturing, Nippon Steel Group	65.8	69.3		+3.4
Retail and Service, Digital Platformer	43.7	44.3		+0.7
Financial Service	28.7	34.0		+5.3

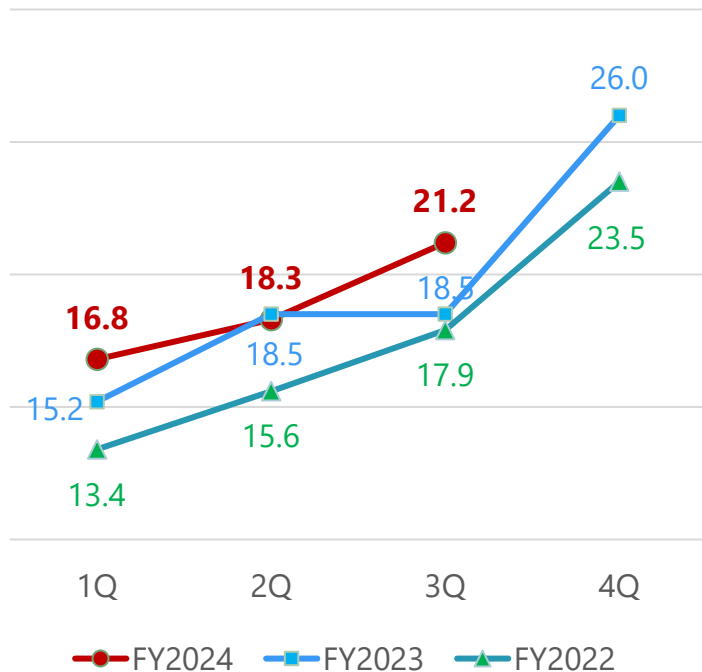
Strong performance in the Financial Service, Manufacturing and NSC

- ✓ Sales to NSC are stable at a high level due to IT investment in new facilities and DX measures, etc.
- ✓ In the manufacturing sector, strong sales were recorded for automobiles and automotive parts, as well as for electrical machinery, precision equipment and Food & beverage manufacturers.
- ✓ Almost flat YoY for Retail and Service, and Digital Platformers Seg.
- ✓ Oracle-related sales to financial institutions continue to be strong.

I -4. Consulting & Digital Service Segment

¥ in billions

Quarterly Sales Trends (¥ bn)



	FY2023/3Q After Reclassifications	FY2024/3Q	Change YoY
Consulting & Digital Service	52.3	56.3	8% +4.1
Government, Educational and Research Institutions	15.1	14.9	-0.2
IT Infrastructure Services	37.2	41.5	+4.3

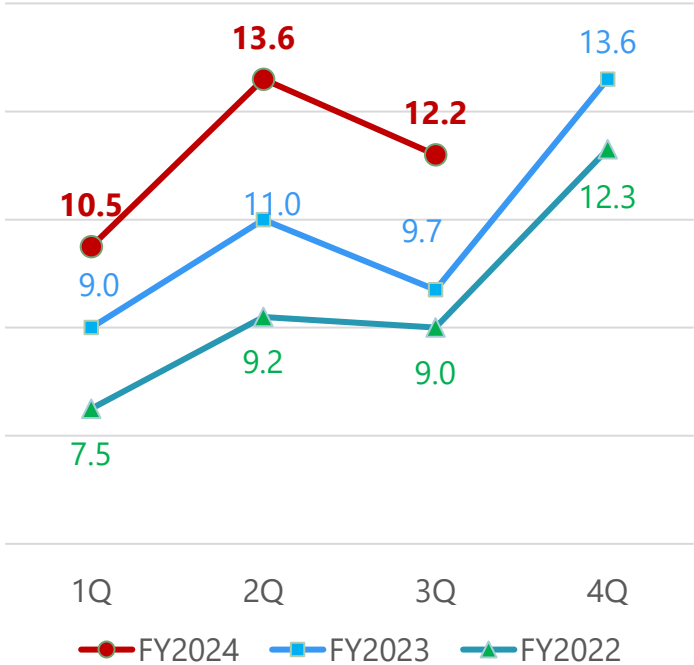
Increased sales of IT infrastructure (cloud solution, etc.) and products such as Oracle

- ✓ Decrease in sales to public sector due to large projects in the same period of the previous year.
- ✓ Major Factors of Sales Increase/Decrease in IT Infrastructure (¥ in billions)
 - Cloud Solutions (+1.7)
 - IT Product Sales (+1.1)
 - Security Solutions (+0.5)
 - Communication Platform (+0.5)
 - Digital Workplace Solution (-1.2) <Impact of large projects in FY2023>

I -5. Subsidiaries

¥ in billions

Quarterly Sales Trends (¥ bn)



	FY2023/3Q	FY2024/3Q	Change
			YoY
Subsidiaries	29.6	36.4	23% +6.7

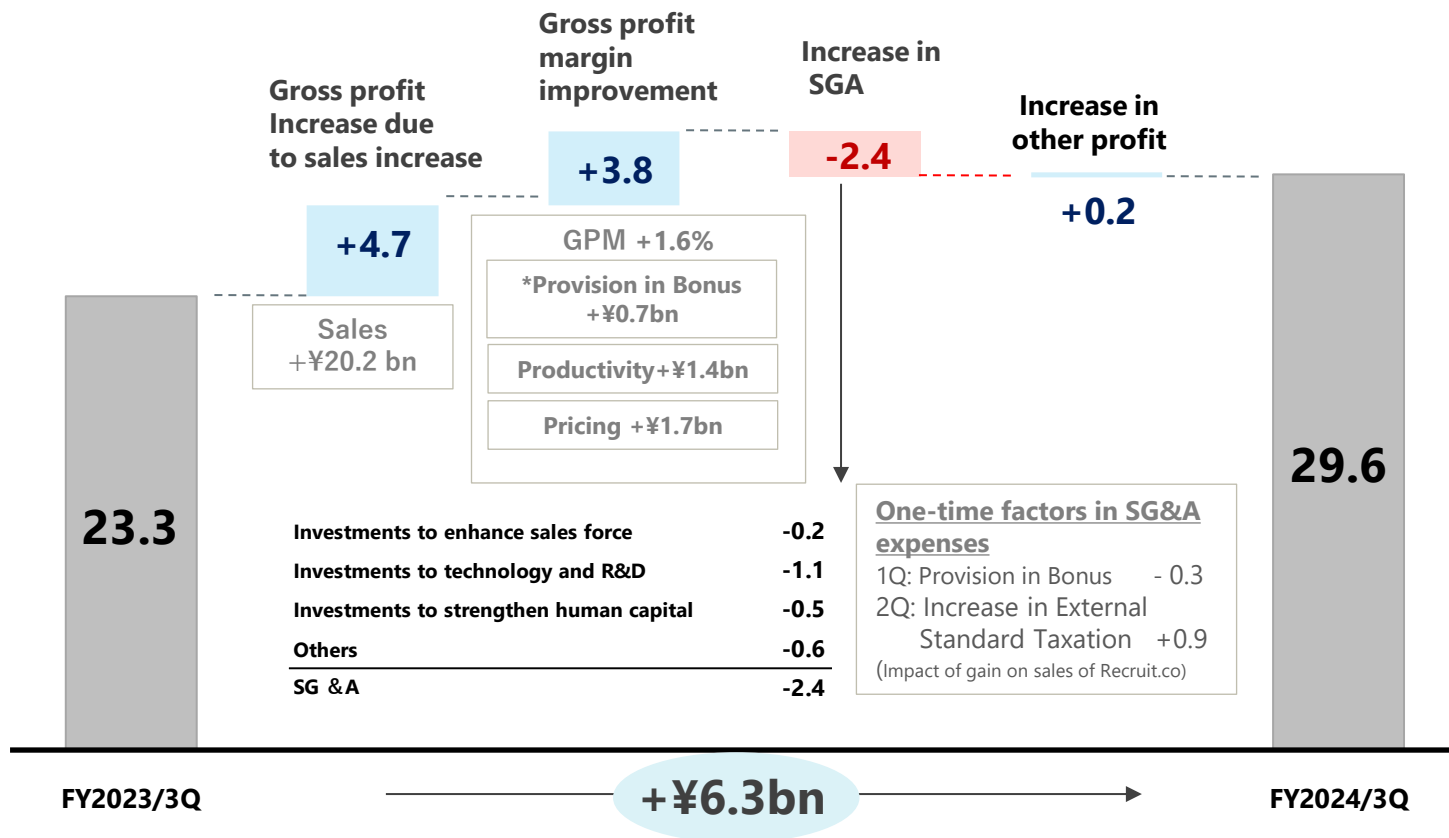
Generally favorable in all sectors.
Increase in sales of newly consolidated subsidiaries.

Sales Growth In

- Newly consolidated subsidiaries +3.7
- Regional Companies in Japan +1.0
- Overseas Companies + 0.9
- JVs +1.1

I -6. Operating Profit Breakdown

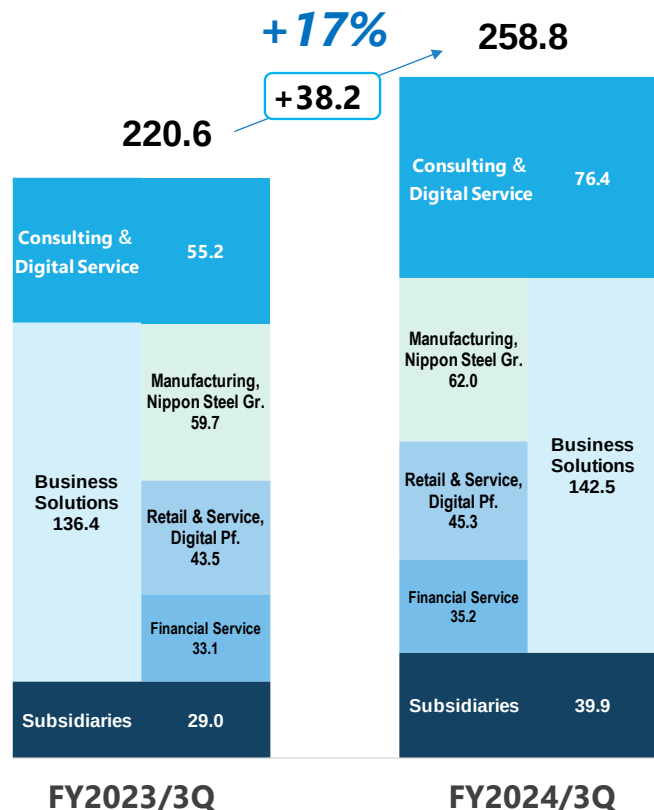
¥ in billions



I -7. FY2024/ 3Q Order Acceptance

¥ in billions

Order Acceptance



Consulting & Digital Service Segment

YoY+¥21.2 bn

- ✓ Increase mainly in security projects for Nippon Steel Corporation and projects for Digital Agencies.

Business Solutions Segment

YoY+¥6.1 bn

- ✓ Manufacturing & NSC +2.3
Increased mainly in NSC. Manufacturing declined slightly in reaction to the large Oracle project in the previous year's 3Q.
- ✓ Retail & Service, Digital Pf. +1.8
Telecom reductions are covered by the travel sector, retail sector, and other distribution sectors.
- ✓ Financial Service +2.0
Increase mainly in Oracle projects for Megabanks.

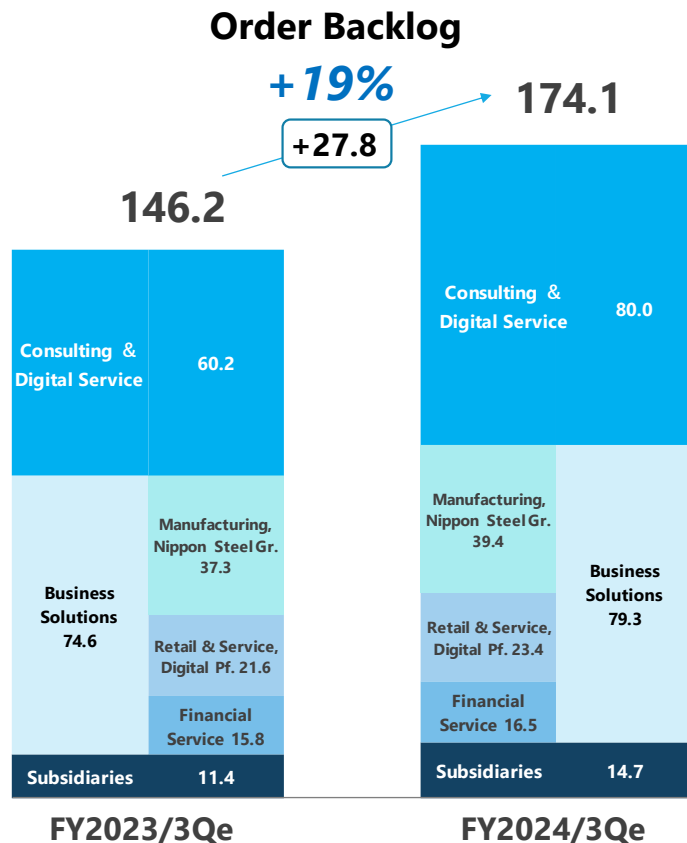
Subsidiaries

YoY+¥10.9 bn

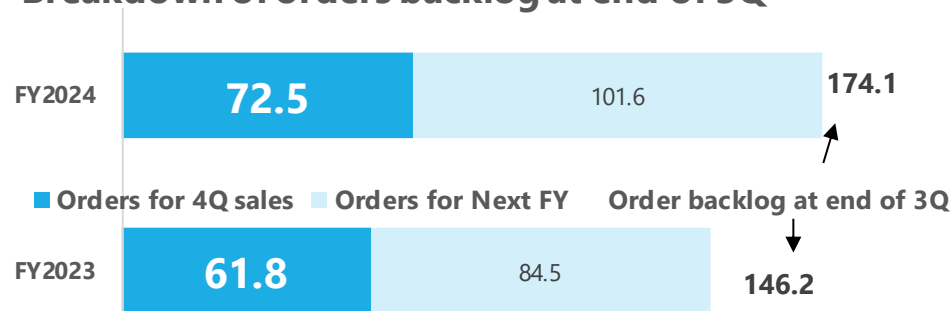
- ✓ Increase from newly acquired companies through M&A. : +4.8
- ✓ JVs, Overseas and Domestic Regional Subsidiaries also enjoyed strong orders.

I -8. FY2024/3Q Order Backlog

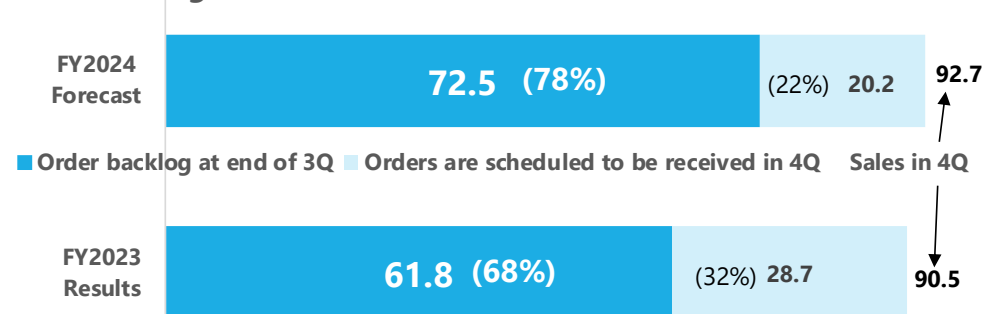
¥ in billions



Breakdown of orders backlog at end of 3Q



Order backlog / Sales forecast for 3Q





FY2024 Forecast

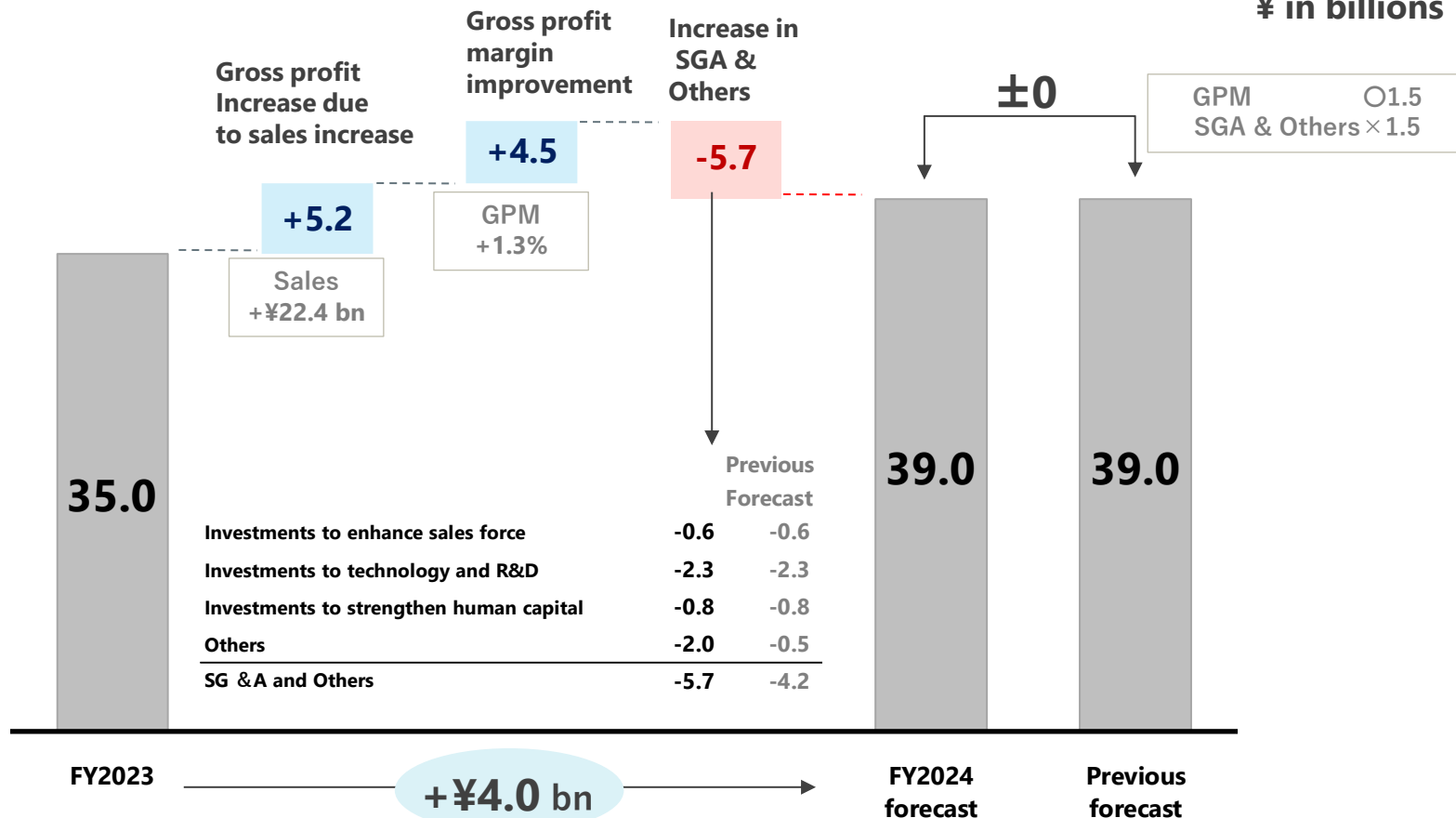
II -1. FY2024 Forecast

¥ in billions

	FY2023			FY2024 Forecast			YoY	
	3Q(9mo)	4Q	Full Year	3Q(9mo)	4Q	Full Year	vs. FY2023	vs. Previous Forecast
Revenue	220.1	90.5	310.6	240.3	92.7	333.0	+22.4	-
Gross Profit	50.9	20.9	71.8	59.3	22.2	81.5	+9.7	+1.5
<Gross Profit Margin>	<23.1%>	<23.1%>	<23.1%>	<24.7%>	<23.9%>	<24.5%>	<1.3%>	<+0.5%>
SG & A and Othr Profit	27.6	9.2	36.8	29.7	12.8	42.5	+5.7	+1.5
Operating Profit	23.3	11.7	35.0	29.6	9.4	39.0	+4.0	-
<Operating Profit Margin>	<10.6%>	<12.9%>	<11.3%>	<12.3%>	<10.2%>	<11.7%>	<0.4%>	-
Profit before tax	23.7	11.7	35.4	30.3	9.2	39.5	+4.1	-
Profit attributable to owners of parent	15.5	8.8	24.2	20.4	6.1	26.5	+2.3	-

II -2. Operating Profit Breakdown <FY2024 Forecast>

¥ in billions



II -3. Dividend Forecast

1. Dividend Policy

We believe it is important to maintain and strengthen our competitiveness and increase our shareholder value in the future. Our basic policy for distributing profits is to pay appropriate and stable dividends to shareholders and to secure internal reserves for investment in business growth and to prepare for business risks.

In terms of dividends, we aim for a consolidated dividend **payout ratio of 50%**, placing an emphasis on returning profits to shareholders in line with consolidated business performance.

2. Dividend Forecast

	FY2023*	FY2024 forecast	Change	vs. Previous forecast
Profit attributable to Owners of parent (¥ in billions)	24.2	26.5	+2.3	-
EPS (Yen per Share)	132.48	144.83	+12.35	-
Interim	20.0	36.5	+16.5	-
Year end	22.5	36.5	+14.0	-
Dividends (Yen per Share)	42.5	73.0	+30.5	-
POR	32.1%	50.4%	18.3%	-

*Adjusted after stock split



Appendix

III -1. New Mid-Term Management Plan to be announced on February 28

February 4, 2025 15:30 (JST) Disclosed to the TSE (Scheduled)
// 16:30 (JST) Online Meeting by Mr. TAMAOKI
Representative Director, President



Left: Real President Tamaki, Right: Digital President Tamaki

III -2. Quarterly Consolidated Results

¥ in billions

	FY2023				FY2024			Change
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	3Q
Revenue	68.8	76.0	75.3	90.5	76.8	79.8	83.7	+8.3
Gross Profit	16.1	17.3	17.5	20.9	18.7	19.6	21.0	+3.5
<Gross Profit Margin>	<23.4%>	<22.7%>	<23.2%>	<23.1%>	<24.4%>	<24.6%>	< 25.0% >	<+1.8%>
SG&A	9.6	9.1	8.8	9.2	10.0	10.3	9.5	+0.7
Others	0.0	-0.1	-0.0	-0.1	0.1	-0.0	0.0	+0.1
Operating Profit	6.6	8.1	8.7	11.7	8.8	9.3	11.5	+2.8
<Operating Profit Margin>	<9.6%>	<10.6%>	<11.5%>	<12.9%>	<11.5%>	<11.7%>	< 13.7% >	<+2.2%>
Profit before tax	6.9	8.1	8.7	11.7	9.0	9.1	12.1	+3.4
Profit attributable to owners of parent	4.0	5.5	6.0	8.8	5.4	6.8	8.2	+2.2

III-3. Quarterly Sales by Segment / Customer Industry

¥ in billions

	FY2023			FY2024			Difference		
	1Q	2Q	3Q	1Q	2Q	3Q	1Q	2Q	3Q
Business Solutions	44.6	46.5	47.1	49.5	47.9	50.3	+4.9	+1.4	+3.1
Manufacturing, Nippon Steel Group	21.6	22.2	22.1	22.4	23.1	23.8	+0.8	+0.9	+1.7
Retail and Service, Digital Platformer	14.4	14.8	14.5	14.6	14.5	15.3	+0.2	-0.3	+0.8
Financial Service	8.7	9.5	10.6	12.5	10.3	11.2	+3.9	+0.8	+0.6
Consulting & Digital Service	15.2	18.5	18.5	16.8	18.3	21.2	+1.6	-0.2	+2.7
Government, Educational and Research Institutions	3.7	5.4	5.9	3.9	5.0	6.0	+0.1	-0.4	+0.1
IT Infrastructure Services	11.5	13.1	12.6	12.9	13.3	15.2	+1.4	+0.2	+2.6
Subsidiaries	9.0	11.0	9.7	10.5	13.6	12.2	+1.6	+2.6	+2.5
Total	68.8	76.0	75.3	76.8	79.8	83.7	+8.1	+3.8	+8.3
<FYI> Revenue to Nippon Steel	15.3	15.3	16.0	15.3	15.3	17.1	+0.0	-0.0	+1.1

III -4. Sales Forecast by Segment / Customer Industry

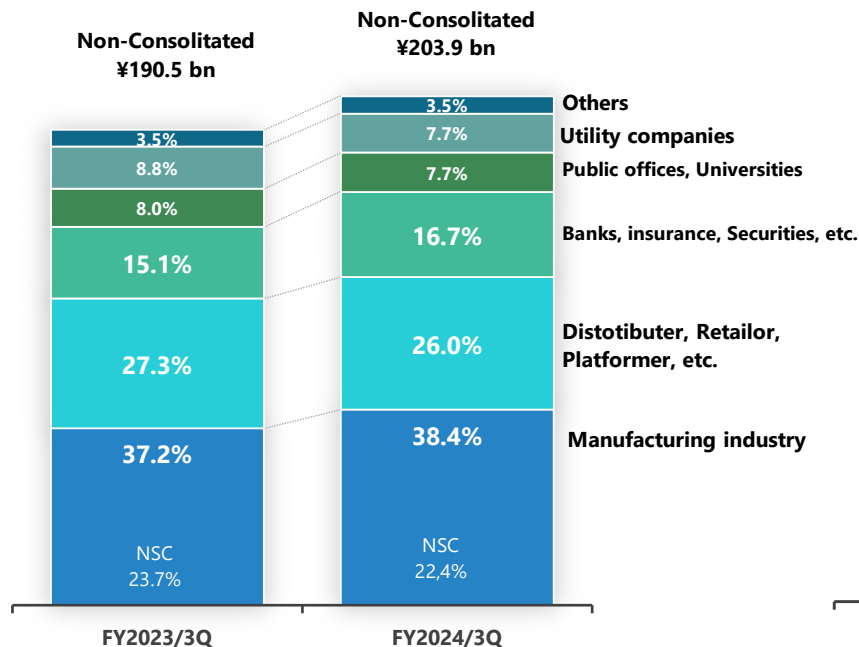
¥ in billions

	A	B	B-A	C	C-B
	FY2023	FY2023		FY2024	Change
		After Reclassifications		Forecast	
Business Solutions	192.6	189.2	-3.4	201.0	+11.8
Manufacturing, Nippon Steel Group	92.6	89.2	-3.4	92.5	+3.3
Retail and Service, Digital Platformer	60.5	60.5		63.5	+3.0
Financial Service	39.5	39.5		45.0	+5.5
Consulting & Digital Service	74.8	78.2	+3.4	80.0	+1.8
Government, Educational and Research Institutions	27.0	27.0		25.0	-2.0
IT Infrastructure Services	47.8	51.2	+3.4	55.0	+3.8
Subsidiaries	43.2	43.2		52.0	+8.8
Total	310.6	310.6		333.0	+22.4
<FYI> Revenue to Nippon Steel	62.5	62.5		64.0	+1.5

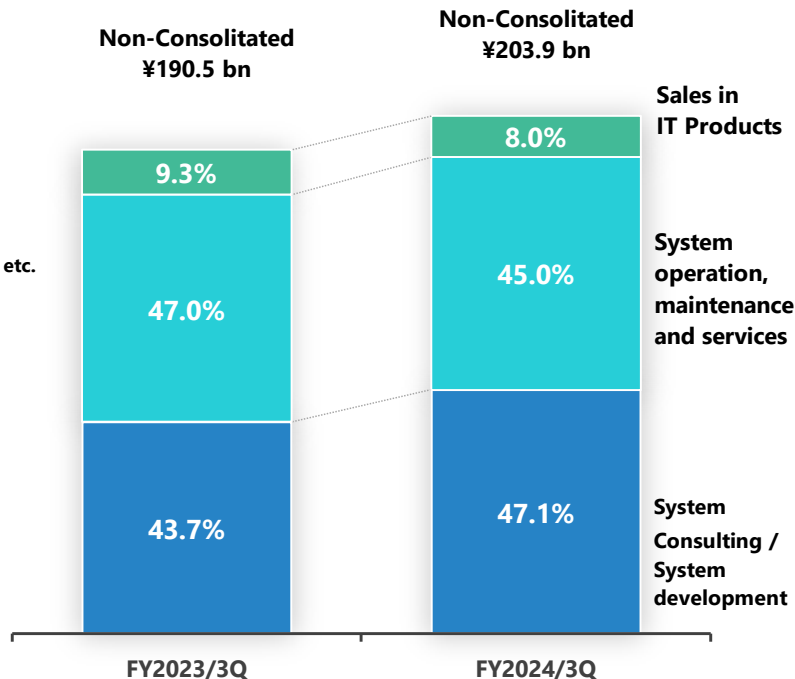
* Some areas have been reclassified from "Manufacturing, Nippon Steel Group" to "Consulting & Digital Services", and comparisons for the prior period are presented with figures after reclassification.

III -5. Sales by Customer Industry / Sales Composition by Product/Service

Sales by Customer Industry



Sales Composition by Product/Service



III -6. Major One-Time Factors, Major Projects by Quarter

¥ in billions

	FY2023				FY2024		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Sales	68.8	76.0	75.3	90.5	76.8	79.8	83.7
Major Projects		© G 1.3	© G 2.3 B O 1.0	© G 4.8	© G 3.0 S Newly subsidiaries 1.2	S Newly subsidiaries 1.2	S Newly subsidiaries 1.3
O.P.	6.6	8.1	8.7	11.7	8.8	9.3	11.5
One-Time					Provision for bonuses+1.0	Dual corporate tax -0.9	
Order	62.2	83.6	74.8	99.8	86.5	87.2	85.2
Major Projects	© G 3.4	© G 3.1	© G 4.5 B O 4.2	© G 6.1	© G 7.3 S Newly subsidiaries 2.2	© G 4.0 S Newly subsidiaries 1.4	© G 5.0 S Newly subsidiaries 1.2

©: Business Solutions, ©:Consulting & Digital Service, ©: Subsidiaries 、 O:Oracle, G:Government Project



Dream our future
Unleash the possibilities of society,
With technology and passion

<https://www.nssol.nipponsteel.com/en/>

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