



NS Solutions

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Appendix at Financial Information Meeting for the fiscal year ended Mar. 31, 2008

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Apr. 25, 2008

新日鉄ソリューションズ株式会社 NS Solutions Corporation

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(Note) In this material, where information is presented in millions of yen or percentages, these amounts have been rounded. Accordingly, these amounts may differ from figures included in financial statements in some cases.

1. Outline of Consolidated Business Results

Millions of Yen, except as otherwise noted

	2004/3	2005/3	2006/3	2007/3	2008/3 2008.1.28 (Previous Outlook)	2008/3	2009/3
	Actual)	Actual)	Actual)	Actual)		Actual)	Outlook)
Amount of order acceptance	147,482	152,210	150,790	162,487		169,295	
Business solutions	79,671	84,363	86,652	98,027		105,522	
Platform solutions	29,648	27,417	24,369	24,874		20,471	
Business services	38,163	40,430	39,769	39,587		43,301	
Order backlog at end of period	21,158	35,516	37,997	44,005		47,900	
Business solutions	10,806	13,213	15,867	21,321		24,968	
Platform solutions	2,802	4,520	4,708	5,067		3,290	
Business services	7,550	17,782	17,422	17,617		19,642	
Net sales	150,844	146,526	148,308	156,479	167,000	165,400	170,000
Business solutions	83,463	81,956	83,999	92,572		101,876	105,500
Platform solutions	29,948	25,700	24,181	24,515		22,248	22,000
Business services	37,433	38,871	40,129	39,392		41,276	42,500
Gross profit	27,485	29,464	30,519	33,361		35,633	37,400
Selling, general and administrative expenses	17,759	17,754	18,402	19,223		20,736	21,800
Operating income	9,726	11,710	12,117	14,138	15,200	14,896	15,600
Recurring profit	9,785	11,791	12,356	14,367	15,500	15,247	16,000
Net income	5,324	6,621	7,482	8,120	8,700	8,425	8,900
(%) Operating income margin (%)	6.4%	8.0%	8.2%	9.0%		9.0%	9.2%
(%) Gross profit margin (%)	18.2%	20.1%	20.6%	21.3%		21.5%	22.0%
1 Net income per share (yen)	100.20	124.52	141.17	153.21		158.96	167.93
Net Assets	49,379	55,520	61,629	68,119		74,675	
Total assets	90,625	98,372	103,117	113,997		120,080	
R&D expenses	989	1,177	1,254	1,248		1,309	
Capital expenditure	1,752	966	1,480	6,573		1,882	2,000
Depreciation and amortization	1,203	1,307	1,329	1,812		1,818	2,000
) Number of employees at end of period (jobs)	4,025	4,009	4,032	4,118		4,347	

1 2004/3 2004/8
Figures for the fiscal years ended in and before Mar. 2004 have been retroactively revised to reflect stock split made in Aug. 2004.

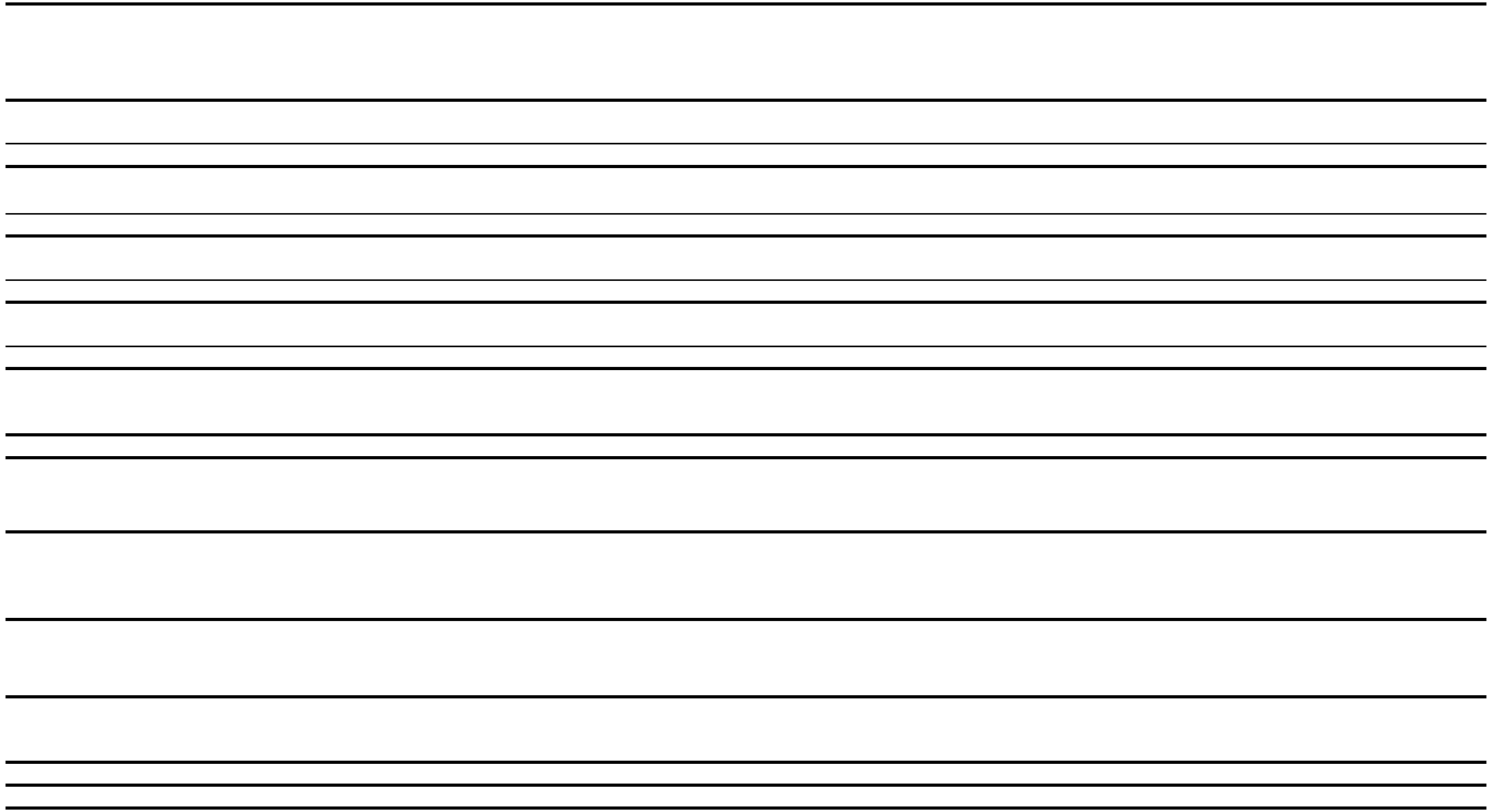
2 2005 2006 1,584
2005 8,673 2006 1,584

In terms of the order acceptance from Nippon Steel Corporation, the company changed its recognition timing from sales-recognition basis to contract-date basis on March 31, 2005. The effect of such change resulted in 8,673 million yen for order backlog on March 31, 2005 minus 1,584 million yen for order acceptance during the fiscal year March 31, 2006.

Please see the important disclosures at the end of this material.

(1) Assets		Millions of Yen, except as otherwise noted				
		2004/3	2005/3	2006/3	2007/3	2008/3
		(Actual)	(Actual)	(Actual)	(Actual)	(Actual)
	Cash and bank deposits	14,605	11,477	12,845	5,643	6,365
	Deposited money	12,914	11,621	18,880	15,602	23,981
	Trade notes and accounts receivable	37,462	37,265	34,234	39,236	34,733
	Short-term investments				8,266	8,810
	Inventories	7,035	7,502	7,633	10,739	10,396
	Deferred tax assets - current	2,859	3,004	3,217	3,380	3,521
	Others	683	480	573	520	696
	Allowance for doubtful accounts	30	23	21	185	200
	Total current assets	75,528	71,327	77,361	83,201	88,302
	Property and Equipment	5,009	4,499	4,861	9,799	9,665
	Intangible fixed assets	982	669	523	324	423
	Investments in securities	3,633	4,496	2,928	2,373	2,203
	Long-term loan-related party		12,000	12,000	12,000	12,000
	Guarantee deposits	2,271	1,837	2,046	2,328	2,767
	Deferred tax assets - non-current	2,887	3,265	3,111	3,668	4,406
	Others	315	279	287	304	314
	Total fixed assets	15,097	27,045	25,756	30,796	31,778
	Total Assets	90,625	98,372	103,117	113,997	120,080
(2) Liabilities and Net Assets		2004/3	2005/3	2006/3	2007/3	2008/3
		(Actual)	(Actual)	(Actual)	(Actual)	(Actual)
	Trade notes and accounts payable	17,232	17,341	15,691	17,622	15,770
	Accrued expenses	4,732	2,826	2,604	2,724	2,351
	Accrued income taxes	3,060	3,767	3,806	4,388	4,500
	Accrued bonuses to employees	5,520	5,713	5,802	5,901	5,978
	Advance receipts	2,588	4,236	3,212	4,259	4,430
	Non-trade accounts payable	1,544	1,498	1,647	1,467	1,729
	Others	230	177	615	954	1,219
	Total current liabilities	34,906	35,558	33,377	37,315	35,977
	Accrued employees' retirement benefits	6,042	6,940	7,811	8,258	9,121
	Others	298	356	300	306	307
	Total non-current liabilities	6,340	7,295	8,111	8,564	9,428
	Common stock	12,953	12,953	12,953	12,953	12,953
	Additional paid-in capital	9,950	9,950	9,950	9,950	9,950
	Retained earnings	25,586	31,266	37,600	44,127	50,564
	Unrealized gain on revaluation of land	757	757	1,277	1,277	1,277
	Unrealized gain on available-for-sale securities and others	413	693	780	435	190
	Minority interests in consolidated subsidiaries	1,234	1,415	1,623	1,930	2,295
	Total Net Assets	49,379	55,520	61,629	68,118	74,675
	Total Liabilities and Net Assets	90,625	98,372	103,117	113,997	120,080
(3) Management Index		2004/3	2005/3	2006/3	2007/3	2008/3
		(Actual)	(Actual)	(Actual)	(Actual)	(Actual)
(%)	Equity ratio (%)	53.1%	55.0%	58.2%	58.1%	60.3%
(%)	Return on Asset (%)	5.9%	7.0%	7.4%	7.5%	7.2%
(%)	Return on Equity (%)	11.6%	13.0%	13.1%	12.9%	12.2%

Please see the important disclosures at the end of this material.



4. Condensed Consolidated Cash Flows Statements

Millions of Yen, except as otherwise noted

	2004/3	2005/3	2006/3	2007/3	2008/3
	Actual)	Actual) (Actual) (Actual) (Actual)
Income before income taxes and minority interests	9,772	11,797	12,874	14,360	15,224
Depreciation and amortization	1,203	1,307	1,329	1,812	1,818
Increase in accrued for employees' retirement benefits, net of payments	564	898	871	447	863
Impairment loss of investments in securities		18	116	3	4
Decrease (increase) in accounts receivable	857	196	3,032	5,002	4,503
Decrease (increase) in inventories	2,075	467	131	3,105	343
Decrease (increase) in other current assets	483	205	161	52	197
Decrease (increase) in accounts payable	6,246	43	1,650	1,930	1,851
Others	411	349	1,423	1,430	201
Subtotal	9,119	14,260	15,179	11,927	20,908
Income taxes paid	4,701	5,173	6,193	5,786	6,988
Others	385	101	1,434	190	460
Net cash provided by operating activities	4,033	9,188	10,420	6,331	14,380
Acquisition of short-term investment					5,009
Expenditures for purchase of property and equipment and intangible fixed assets	1,752	966	1,480	6,573	1,882
Acquisition of investments in securities	40	306	1	6	342
Payments of long-term loan		12,000			
Others	676	638	851	337	452
Net cash used for investing activities	1,116	12,634	630	6,916	7,685
Dividends paid	994	927	1,126	1,590	1,987
Others	52	46	47	51	65
Net cash provided by financing activities	1,046	974	1,173	1,641	2,052
Effect of exchange rate changes on cash and cash equivalents	6	1	9	2	1
Net increase (decrease) in cash and cash equivalents	1,865	4,420	8,626	2,224	4,645
Cash and cash equivalents at beginning of year	25,654	27,519	23,099	31,725	29,510
Increase due to change in scope of consolidation				9	
Cash and cash equivalents at end of year	27,519	23,099	31,725	29,510	34,155

Please see the important disclosures at the end of this material.

Millions of Yen, except as otherwise noted

	2004/3	2005/3	2006/3	2007/3	2008/3 2008.1.28 Previous Outlook	2008/3 Actual	2009/3 Outlook
Amount of order acceptance	132,831	137,385	134,374	146,282		149,789	
Business solutions	68,815	72,905	73,456	84,489		89,247	
Platform solutions	26,799	24,821	21,627	22,650		17,608	
Business services	37,217	39,659	39,291	39,143		42,935	
Order backlog at end of period	17,970	32,139	33,370	39,901		42,976	
Business solutions	8,610	10,923	12,359	18,269		21,045	
Platform solutions	1,810	3,433	3,589	4,014		2,289	
Business services	7,550	17,782	17,422	17,617		19,642	
Net sales	136,136	131,889	133,143	139,752	149,500	146,714	151,500
Business solutions	72,659	70,591	72,020	78,578		86,472	89,500
Platform solutions	26,990	23,198	21,471	22,225		19,333	20,000
Business services	36,487	38,100	39,652	38,948		40,910	42,000
Gross profit	22,808	24,705	24,883	26,985		28,999	30,300
Selling, general and administrative expenses	15,157	15,101	15,399	15,984		17,262	18,000
Operating income	7,651	9,604	9,484	11,001	12,300	11,737	12,300
Recurring profit	7,787	9,737	9,794	11,362	12,900	12,381	13,000
Net income	4,496	5,721	6,732	6,851	7,800	7,458	7,700
(%) Operating income margin (%)	5.6%	7.3%	7.1%	7.9%		8.0%	8.1%
(%) Gross profit margin (%)	16.8%	18.7%	18.7%	19.3%		19.8%	20.0%
Business solutions	18.3%	20.7%	20.1%	22.2%		21.6%	21.9%
Platform solutions	12.5%	16.8%	18.4%	18.0%		19.2%	19.2%
Business services	16.8%	16.8%	16.3%	14.3%		16.2%	16.3%
1 Net income per share (yen)	84.57	107.54	127.01	129.28		140.72	145.29
Net Assets	43,552	48,607	53,730	58,647		63,898	
Total assets	84,012	91,467	96,052	105,682		111,068	
1 (Cash dividends per share (yen)	17.50	17.50	25.00	35.00	40.00	40.00	45.00
Dividend payout ratio (%)	20.69%	16.27%	19.68%	27.07%		28.43%	30.97%
R&D expenses	974	1,105	1,210	1,187		1,265	
Capital expenditure	1,605	943	1,386	6,496		1,715	1,900
Depreciation and amortization	1,131	1,237	1,219	1,689		1,709	1,900
) Number of employees at end of period (jobs)	2,050	2,101	2,060	2,128		2,243	

1 2004/3 2004/8
Figures for the fiscal years ended in and before Mar. 2004 have been retroactively revised to reflect stock split made in Aug. 2004.

2 2005

2005 8,673 2006 1,584
In terms of the order acceptance from Nippon Steel Corporation, the company changed its recognition timing from sales-recognition basis to contract-date basis on March 31, 2005.

Please see the important disclosures at the end of this material.

(1)	Assets	Millions of Yen, except as otherwise noted				
		2004/3 Actual)	2005/3 Actual)	2006/3 (Actual)	2007/3 (Actual)	2008/3 (Actual)
	Cash and bank deposits	13,652	10,374	11,595	3,529	3,820
	Deposited money	12,510	10,925	18,251	15,402	23,961
	Trade notes and accounts receivable	33,647	33,604	30,420	34,957	30,758
	Short-term investments				7,996	8,000
	Inventories	6,462	7,155	7,253	10,465	9,762
	Deferred tax assets - current	1,802	1,975	2,087	2,136	2,250
	Others	908	724	943	904	1,177
	Allowance for doubtful accounts	21	17	16	179	196
	Total current assets	68,960	64,740	70,533	75,210	79,552
	Property and Equipment	4,842	4,263	4,573	9,514	9,331
	Intangible fixed assets	939	646	485	303	412
	Investments in securities	2,085	2,834	2,768	2,187	2,149
	Long term loan-related party		12,000	12,000	12,000	12,000
	Guarantee deposits	1,932	1,504	1,709	1,933	2,317
	Deferred tax assets - non-current	2,446	2,712	2,475	2,986	3,653
	Others	2,808	2,768	1,509	1,499	1,653
	Total fixed assets	15,052	26,727	25,519	30,472	31,515
	Total Assets	84,012	91,467	96,052	105,682	111,068
(2)	Liabilities and Net Assets					
		2004/3 Actual)	2005/3 Actual)	2006/3 (Actual)	2007/3 (Actual)	2008/3 (Actual)
	Trade notes and accounts payable	17,207	17,955	16,236	16,125	14,629
	Accrued expenses	4,288	2,337	2,202	4,031	3,424
	Accrued income taxes	2,438	3,241	2,904	3,429	3,644
	Accrued bonuses to employees	3,404	3,603	3,439	3,469	3,501
	Advance receipts	2,578	4,225	3,194	4,251	4,422
	Non-trade accounts payable	402	184	273	455	263
	Others	4,878	5,324	7,420	8,293	9,543
	Total current liabilities	35,195	36,869	35,668	40,053	39,426
	Accrued employees' retirement benefits	5,084	5,776	6,483	6,846	7,637
	Others	181	215	171	136	107
	Total non-current liabilities	5,265	5,991	6,654	6,982	7,744
	Common stock	12,953	12,953	12,953	12,953	12,953
	Additional paid-in capital	9,950	9,950	9,950	9,950	9,950
	Retained earnings	20,991	25,771	31,355	36,616	42,087
	Unrealized gain on revaluation of land	757	757	1,277	1,277	1,277
	Unrealized gain on available-for-sale securities and others	415	690	749	405	185
	Total Net Assets	43,552	48,607	53,730	58,647	63,898
	Total Liabilities and Net Assets	84,012	91,467	96,052	105,682	111,068
(3)	Management index					
		2004/3 Actual)	2005/3 Actual)	2006/3 (Actual)	2007/3 (Actual)	2008/3 (Actual)
(%)	Equity ratio (%)	51.8%	53.1%	55.9%	55.5%	57.5%
(%)	Return on Asset (%)	5.4%	6.5%	7.2%	6.8%	6.9%
(%)	Return on Equity (%)	10.8%	12.4%	13.2%	12.2%	12.2%

Please see the important disclosures at the end of this material.

7. Condensed Non-consolidated Income Statements

Millions of Yen, except as otherwise noted

	2004/3	2005/3	2006/3	2007/3	2008/3 2008.1.28	2008/3	2009/3
	(Actual)	(Actual)	(Actual)	(Actual)	(Previous Outlook)	(Actual)	(Outlook)
Net sales	136,136	131,889	133,143	139,752	149,500	146,714	151,500
Cost of sales	113,328	107,184	108,260	112,767		117,715	121,200
Gross profit	22,808	24,705	24,883	26,985		28,999	30,300
Selling, general and administrative expenses	15,157	15,101	15,399	15,984		17,262	18,000
Operating income	7,651	9,604	9,484	11,001	12,300	11,737	12,300
Non-operating income	257	297	384	423		694	
Non-operating expenses	121	164	74	62		50	
Recurring profit	7,787	9,737	9,794	11,362	12,900	12,381	13,000
Extraordinary profit	717	188	1,402	69		88	
Extraordinary loss	697	172	484	51		11	
Income before income taxes	7,807	9,753	10,712	11,380		12,458	13,000
Income taxes: Current	4,028	4,660	4,416	4,853		5,631	
Income taxes: Deferred	717	628	436	324		630	
Net income	4,496	5,721	6,732	6,851	7,800	7,458	7,700

Breakdown of cost of sales

Labor cost	14,901	15,071	14,871	15,020		16,325	
Material cost	39,364	38,395	33,073	37,382		35,501	
Subcontract cost	39,906	43,190	51,023	53,864		55,487	
Rental expense	4,991	4,376	4,198	4,504		4,267	
Others	14,166	6,152	5,095	1,997		6,135	

Breakdown of selling, general and administrative expenses

Labor cost	6,178	5,876	5,762	5,981		6,457	
Operating expense for acceptance of orders	2,634	2,477	2,679	2,888		3,288	
Subcontract cost	1,513	1,644	1,843	1,815		2,068	
Depreciation and amortization	167	123	144	172		181	
Others	4,665	4,981	4,971	5,128		5,268	
R&D expenses	974	1,105	1,210	1,187		1,265	

Please see the important disclosures at the end of this material.

Ref. First Half Financial Information

1. Outline of Consolidated Business Results

Millions of Yen, except as otherwise noted

	2003/9	2004/9	2005/9	2006/9	2007/9	2008/9
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Outlook)
Amount of order acceptance	71,630	76,289	74,602	79,972	86,566	
Business solutions	40,063	41,153	41,870	48,313	55,210	
Platform solutions	11,349	14,156	11,528	10,953	9,584	
Business services	20,218	20,979	21,205	20,705	21,772	
Order backlog at end of period	31,577	31,724	45,354	47,880	54,616	
Business solutions	20,351	18,545	21,542	24,785	31,841	
Platform solutions	2,666	3,207	3,713	3,596	4,470	
Business services	8,560	9,972	20,099	19,499	18,305	
Net sales	64,574	65,723	64,764	70,089	75,955	74,000
Business solutions	34,312	33,414	33,541	39,395	44,690	42,500
Platform solutions	11,784	13,752	12,334	12,066	10,181	10,000
Business services	18,478	18,557	18,888	18,628	21,084	21,500
Gross profit	12,635	12,914	13,429	14,553	16,531	16,400
Selling, general and administrative expenses	8,976	8,701	8,840	9,409	10,184	10,600
Operating income	3,659	4,212	4,589	5,144	6,347	5,800
Recurring profit	3,691	4,272	4,752	5,238	6,528	6,000
Net income	1,935	2,287	2,706	3,026	3,538	3,300
(%) Operating income margin (%)	5.7%	6.4%	7.1%	7.3%	8.4%	7.8%
(%) Gross profit margin (%)	19.6%	19.6%	20.7%	20.8%	21.8%	22.2%
1 Net income per share (yen)	36.51	43.15	51.06	57.11	66.76	62.27
Net Assets	46,208	51,597	57,694	63,832	70,755	
Total assets	77,937	82,607	93,509	99,733	108,929	
R&D expenses	457	500	582	609	615	
Capital expenditure	1,136	625	714	5,913	900	800
Depreciation and amortization	553	638	627	700	920	800
) Number of employees at end of period (jobs)	4,160	4,087	4,094	4,156	4,328	

1 2004/3 2004/8
 Figures for the fiscal years ended in and before Mar. 2004 have been retroactively revised to reflect stock split made in Aug. 2004.

2 2005 2005 320
 8,353

In terms of the order acceptance from Nippon Steel Corporation, the company changed its recognition timing from sales-recognition basis to contract-date basis on March 31, 2005. Such change had a 320 million yen negative impact on order acceptance for the six-month period ended Sep. 2005 and an 8,353 million yen positive impact on order backlog at the end of the same period.

Please see the important disclosures at the end of this material.

(1) Assets	Millions of Yen, except as otherwise noted				
	2003/9	2004/9	2005/9	2006/9	2007/9
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)
Cash and bank deposits	13,024	11,682	11,199	6,512	6,800
Deposited money	9,236	6,676	12,951	19,567	17,216
Trade notes and accounts receivable	25,049	23,311	25,955	27,211	28,743
Short-term investments					8,339
Inventories	12,332	10,456	12,599	11,934	12,712
Deferred tax assets - current	2,684	2,736	2,867	3,033	3,155
Others	958	688	438	582	877
Allowance for doubtful accounts	22	17	16	14	212
Total current assets	63,261	55,532	65,993	68,825	77,630
Property and Equipment	4,987	4,760	4,555	10,029	9,574
Intangible fixed assets	971	859	658	396	322
Investments in securities	3,415	4,638	4,387	2,583	2,563
Long term loan-related party		12,000	12,000	12,000	12,000
Guarantee deposits	2,136	1,702	2,039	2,135	2,696
Deferred tax assets - non-current	2,285	2,787	3,614	3,442	3,829
Others	882	330	263	323	315
Total fixed assets	14,676	27,075	27,516	30,908	31,299
Total Assets	77,937	82,607	93,509	99,733	108,929
(2) Liabilities and Net Assets					
	2003/9	2004/9	2005/9	2006/9	2007/9
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)
Trade notes and accounts payable	10,190	10,672	12,141	10,757	11,563
Accrued expenses	3,753	1,976	2,369	2,405	2,265
Accrued income taxes	2,092	1,933	2,133	2,270	2,620
Accrued bonuses to employees	4,846	5,565	5,584	5,595	5,818
Advance receipts	3,564	3,252	5,128	4,805	5,267
Non-trade accounts payable	959	749	678	493	901
Others	223	213	217	956	764
Total current liabilities	25,627	24,360	28,251	27,281	29,198
Accrued employees' retirement benefits	5,822	6,318	7,305	8,279	8,687
Others	280	332	260	342	289
Total non-current liabilities	6,102	6,650	7,565	8,621	8,976
Common stock	12,953	12,953	12,953	12,953	12,953
Additional paid-in capital	9,950	9,950	9,950	9,950	9,950
Retained earnings	22,660	27,396	33,487	39,964	46,738
Unrealized gain on revaluation of land	755	757	757	1,277	1,277
Unrealized gain on available-for-sale securities and others	294	803	609	552	354
Minority interests in consolidated subsidiaries	1,106	1,252	1,453	1,690	2,037
Total Net Assets	46,208	51,597	57,694	63,832	70,755
Total Liabilities and Net Assets	77,937	82,607	93,509	99,733	108,929

Please see the important disclosures at the end of this material.

3 Ref. First Half Financial Information
Condensed Consolidated Income Statements

Millions of Yen, except as otherwise noted

	2003/9	2004/9	2005/9	2006/9	2007/9	2008/9
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Outlook)
Net sales	64,574	65,723	64,764	70,089	75,955	74,000
Cost of sales	51,939	52,810	51,334	55,536	59,424	57,600
Gross profit	12,635	12,914	13,429	14,553	16,531	16,400
Selling, general and administrative expenses	8,976	8,701	8,840	9,409	10,184	10,600
Operating income	3,659	4,212	4,589	5,144	6,347	5,800
Non-operating income	43	98	187	111	199	
Non-operating expenses	11	38	23	17	18	
Recurring profit	3,691	4,272	4,752	5,238	6,528	6,000
Extraordinary profit		14	3	7		
Extraordinary loss		10		5	5	
Income before income taxes and minority interests	3,691	4,276	4,756	5,241	6,523	6,000
Income taxes:Current	2,253	1,970	2,113	2,095	2,679	
Income taxes:Deferred	578	44	145	2	119	
Minority interests	81	63	82	117	186	
Net income	1,935	2,287	2,706	3,026	3,538	3,300
Breakdown of cost of sales						
Labor cost	14,266	13,966	13,854	14,357	15,197	
Material cost	16,818	19,463	16,339	18,614	17,123	
Subcontract cost	15,062	16,027	21,238	21,319	22,858	
Others	5,793	3,353	298	1,246	4,246	
Breakdown of selling, general and administrative expenses						
Labor cost	4,049	3,688	3,870	4,066	4,338	
Operating expense for acceptance of orders	1,310	1,405	1,421	1,455	1,737	
Others	3,617	3,608	3,550	3,888	4,109	
R&D expenses	457	500	582	609	615	

Please see the important disclosures at the end of this material.

Millions of Yen, except as otherwise noted

	2003/9	2004/9	2005/9	2006/9	2007/9
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)
Income before income taxes and minority interests	3,691	4,276	4,756	5,241	6,523
Depreciation and amortization	553	638	627	700	920
Increase in accrued for employees' retirement benefits, net of payments	343	276	365	469	429
Impairment loss of investments in securities		10		3	5
Decrease (increase) in accounts receivable	13,230	14,151	11,311	7,023	10,495
Decrease (increase) in inventories	3,223	3,421	5,097	4,300	1,973
Decrease (increase) in other current assets	209	3	42	11	346
Decrease (increase) in accounts payable	13,288	6,560	5,200	4,934	6,059
Others	453	2,577	615	591	243
Subtotal	1,062	6,789	6,188	4,782	9,751
Income taxes paid	2,769	3,097	3,844	3,737	4,447
Others	22	40	104	94	184
Net cash provided by operating activities	1,685	3,732	2,448	1,139	5,488
Payments for time deposits					1,000
Acquisition of short-term investment securities					3,006
Expenditures for purchase of property and equipment and intangible fixed assets	1,135	625	714	5,913	900
Acquisition of investments in securities	40	305	1	1	341
Payments of long-term loan		12,000			
Others	48	546	176	158	395
Net cash used for investing activities	1,127	12,384	890	6,072	5,642
Dividends paid	530	464	510	662	927
Others	52	46		51	81
Net cash provided by financing activities	582	509	510	713	1,008
Effect of exchange rate changes on cash and cash equivalents		0	3	0	2
Net increase (decrease) in cash and cash equivalents	3,394	9,162	1,051	5,646	1,161
Cash and cash equivalents at beginning of year	25,654	27,519	23,099	31,725	29,510
Cash and cash equivalents at end of period	22,260	18,357	24,150	26,079	28,349

Please see the important disclosures at the end of this material.

5. Outline of Non-consolidated Business Results

Millions of Yen, except as otherwise noted

	2003/9	2004/9	2005/9	2006/9	2007/9	2008/9
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Outlook)
Amount of order acceptance	65,493	69,298	67,718	72,801	78,098	
Business solutions	35,057	35,423	36,171	41,900	47,951	
Platform solutions	10,602	13,311	10,596	10,447	8,583	
Business services	19,834	20,564	20,951	20,454	21,564	
Order backlog at end of period	29,112	28,634	42,187	43,623	50,127	
Business solutions	18,402	16,027	19,009	21,290	28,293	
Platform solutions	2,150	2,635	3,079	2,834	3,529	
Business services	8,560	9,972	20,099	19,499	18,305	
Net sales	57,656	58,634	57,670	62,549	67,871	65,500
Business solutions	29,109	28,006	28,086	32,970	37,927	35,500
Platform solutions	10,453	12,486	10,950	11,202	9,068	9,000
Business services	18,094	18,142	18,634	18,377	20,876	21,000
Gross profit	10,433	10,885	11,201	11,744	13,599	13,200
Selling, general and administrative expenses	7,635	7,350	7,598	7,784	8,512	8,800
Operating income	2,798	3,535	3,603	3,960	5,087	4,400
Recurring profit	3,041	3,729	3,898	4,281	5,588	4,900
Net income	1,747	2,148	2,381	2,698	3,331	2,900
(%) Operating income margin (%)	4.9%	6.0%	6.2%	6.3%	7.5%	6.7%
(%) Gross profit margin (%)	18.1%	18.6%	19.4%	18.8%	20.0%	20.2%
Business solutions	20.4%	20.9%	20.5%	22.2%	21.7%	22.0%
Platform solutions	14.6%	14.7%	19.9%	17.9%	20.8%	21.0%
Business services	16.5%	17.6%	17.6%	13.1%	16.6%	16.6%
1 Net income per share (yen)	32.97	40.53	44.92	50.90	62.84	54.72
Net Assets	41,148	45,610	50,406	55,549	60,969	
Total assets	72,105	76,371	86,709	92,574	101,095	
1 (Cash dividends per share (yen)	8.75	8.75	12.50	17.50	20.00	22.50
R&D expenses	446	453	547	588	601	
Capital expenditure	1,025	371	656	5,839	833	700
Depreciation and amortization	520	611	580	617	872	700
) Number of employees at end of period (jobs)	2,124	2,128	2,125	2,155	2,256	

1 2004/3 2004/8
Figures for the fiscal years ended in and before Mar. 2004 have been retroactively revised to reflect stock split made in Aug. 2004.

2 2005 2005 320

8,353

In terms of the order acceptance from Nippon Steel Corporation, the company changed its recognition timing from sales-recognition basis to contract-date basis on March 31, 2005. Such change had a 320 million yen negative impact on order acceptance for the six-month period ended Sep. 2005 and an 8,353 million yen positive impact on order backlog at the end of the same period.

Please see the important disclosures at the end of this material.

(1) Assets	Millions of Yen, except as otherwise noted				
	2003/9 Actual)	2004/9 Actual)	2005/9 Actual)	2006/9 Actual)	2007/9 Actual)
Cash and bank deposits	12,274	10,531	10,050	5,149	4,552
Deposited money	8,903	6,020	12,337	18,876	17,016
Trade notes and accounts receivable	21,704	20,506	22,916	23,863	25,313
Short-term investments					7,999
Inventories	11,805	9,887	11,880	11,230	12,413
Deferred tax assets - current	1,579	1,673	1,691	1,861	1,889
Others	1,188	830	769	962	1,224
Allowance for doubtful accounts	14	13	12	9	209
Total current assets	57,439	49,435	59,631	61,932	70,197
Property and Equipment	4,786	4,602	4,289	9,728	9,268
Intangible fixed assets	882	818	603	370	306
Investments in securities	1,938	3,033	2,649	2,401	2,376
Long term loan-related party		12,000	12,000	12,000	12,000
Guarantee deposits	1,793	1,372	1,709	1,800	2,290
Deferred tax assets - non-current	2,397	2,305	3,051	2,787	3,101
Others	2,870	2,806	2,777	1,556	1,557
Total fixed assets	14,666	26,936	27,078	30,642	30,898
Total Assets	72,105	76,371	86,709	92,574	101,095
(2) Liabilities and Net Assets					
	2003/9 Actual)	2004/9 Actual)	2005/9 Actual)	2006/9 Actual)	2007/9 Actual)
Trade notes and accounts payable	10,641	11,163	12,577	10,816	12,715
Accrued expenses	3,145	1,495	2,088	2,512	1,794
Accrued income taxes	1,507	1,560	1,526	1,670	1,986
Accrued bonuses to employees	2,986	3,394	3,334	3,245	3,439
Advance receipts	3,558	3,225	5,086	4,631	5,241
Non-trade accounts payable	186	135	90	116	95
Others	3,903	4,289	5,381	6,964	7,518
Total current liabilities	25,926	25,262	30,082	29,954	32,788
Accrued employees' retirement benefits	4,867	5,301	6,067	6,882	7,231
Others	164	198	154	188	106
Total non-current liabilities	5,031	5,499	6,221	7,070	7,337
Common stock	12,953	12,953	12,953	12,953	12,953
Additional paid-in capital	9,950	9,950	9,950	9,950	9,950
Retained earnings	18,706	22,661	27,666	33,390	39,019
Unrealized gain on revaluation of land	755	757	757	1,277	1,277
Unrealized gain on available-for-sale securities and others	294	803	594	533	324
Total Net Assets	41,148	45,610	50,406	55,549	60,969
Total Liabilities and Net Assets	72,105	76,371	86,709	92,574	101,095

Please see the important disclosures at the end of this material.

Ref. First Half Financial Information

7. Condensed Non-consolidated Income Statement s

Millions of Yen, except as otherwise noted

	2003/9	2004/9	2005/9	2006/9	2007/9	2008/9 (Outlook)
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	
Net sales	57,656	58,634	57,670	62,549	67,871	65,500
Cost of sales	47,223	47,749	46,469	50,805	54,272	52,300
Gross profit	10,433	10,885	11,201	11,744	13,599	13,200
Selling, general and administrative expenses	7,635	7,350	7,598	7,784	8,512	8,800
Operating income	2,798	3,535	3,603	3,960	5,087	4,400
Non-operating income	248	231	311	327	530	
Non-operating expenses	5	37	16	6	29	
Recurring profit	3,041	3,729	3,898	4,281	5,588	4,900
Extraordinary profit		8	5	7		
Extraordinary loss		10		5	5	
Income before income taxes	3,041	3,727	3,903	4,283	5,582	4,900
Income taxes:Current	1,653	1,577	1,511	1,522	2,064	
Income taxes:Deferred	359	3	11	63	187	
Net income	1,747	2,148	2,381	2,698	3,331	2,900

Breakdown of cost of sales

Labor cost	7,460	7,329	7,116	7,395	7,964	
Material cost	15,250	17,860	14,711	17,190	16,233	
Subcontract cost	19,350	19,881	24,950	25,276	27,528	
Rental expense	2,640	2,265	2,062	2,302	2,120	
Others	2,523	414	2,370	1,358	427	

Breakdown of selling, general and administrative expenses

Labor cost	3,220	2,888	2,974	3,078	3,280	
Operating expense for acceptance of orders	1,250	1,327	1,334	1,455	1,636	
Subcontract cost	765	788	939	835	928	
Depreciation and amortization	83	56	65	80	84	
Others	2,317	2,291	2,286	2,336	2,584	
R&D expenses	446	453	547	588	601	

Please see the important disclosures at the end of this material.

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.

Basis of Presenting Financial Statements

The accompanying financial statements of the Company and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.