

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.

Consolidated Financial Results for the First Quarter of Fiscal 2018 (April 1, 2018 - June 30, 2018) [under Japanese GAAP]

August 2, 2018

Company name: NS Solutions Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 2327
 URL: <https://www.nssol.nssmc.com>
 Representative: Munetaka Shashiki, Representative Director & President
 Contact: Hideki Komatsu, Director, Accounting & Finance Department
 Phone: +81-3-5117-4111
 Scheduled date of filing quarterly securities report: August 10, 2018
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Available
 Schedule of quarterly financial results briefing session: Scheduled (for analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the First Quarter of Fiscal 2018 (April 1, 2018 to June 30, 2018)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2018 1Q	58,434	0.5	5,117	11.3	5,257	7.3	3,001	5.1
FY2017 1Q	58,163	16.3	4,597	(0.3)	4,900	0.6	2,855	(3.9)

(Note) Comprehensive income: FY2018 1Q: 6,557 million yen [94.7%]
 FY2017 1Q: 3,367 million yen [(12.6)%]

	Net income per share	Diluted net income per share
	Yen	Yen
FY2018 1Q	31.70	-
FY2017 1Q	30.16	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
FY2018 1Q	218,582	145,495	64.3
FY2017	221,436	141,528	61.6

(Reference) Equity: FY2018 1Q: 140,596 million yen
 FY2017: 136,473 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2017	-	25.00	-	25.00	50.00
FY2018	-				
FY2018(Forecast)		27.50	-	27.50	55.00

(Notes) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for Fiscal 2018 (April 1, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	118,000	1.2	10,700	6.2	11,000	5.0	7,200	9.6	76.04
Full year	247,000	1.1	23,400	3.2	24,000	3.9	15,700	5.1	165.81

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (4) Total number of issued shares (common stock)
 - 1) Total number of issued shares at the end of the period (including treasury shares):

FY2018 1Q :	94,704,740	shares
FY2017:	94,704,740	shares
 - 2) Total number of treasury shares at the end of the period:

FY2018 1Q :	16,253	shares
FY2017:	16,138	shares
 - 3) Average number of shares during the period:

FY2018 1Q :	94,688,535	shares
FY2017 1Q:	94,689,485	shares

* This quarterly consolidated financial results report is exempt from the audit procedures by certified public accountants or an audit corporation.

* Explanation of the proper use of financial results forecast and other notes

The forecasts stated above are based on information available as of the date of publication of this document. Actual results may differ from these forecasts due to a wide range of factors hereafter.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	March 31, 2018	June 30, 2018
Assets		
Current assets		
Cash and deposits	3,198	3,614
Deposits paid	43,691	46,516
Notes and accounts receivable - trade	56,876	37,901
Securities	2,000	1,000
Work in process	24,498	32,762
Raw materials and supplies	32	26
Short-term loans receivable from subsidiaries and associates	12,000	12,000
Other	1,829	2,027
Allowance for doubtful accounts	(23)	(15)
Total current assets	144,103	135,833
Non-current assets		
Property, plant and equipment	20,368	20,035
Intangible assets		
Goodwill	4,320	4,203
Other	3,392	3,149
Total intangible assets	7,712	7,353
Investments and other assets		
Investment securities	38,693	44,851
Other	10,604	10,556
Allowance for doubtful accounts	(45)	(47)
Total investments and other assets	49,252	55,360
Total non-current assets	77,333	82,749
Total assets	221,436	218,582
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,500	13,401
Income taxes payable	3,573	1,949
Advances received	16,722	21,887
Provision for bonuses	8,484	4,231
Other provision	455	554
Other	12,371	13,155
Total current liabilities	60,109	55,180
Non-current liabilities		
Provision for directors' retirement benefits	141	111
Net defined benefit liability	8,541	8,826
Other	11,114	8,968
Total non-current liabilities	19,798	17,906
Total liabilities	79,907	73,087
Net assets		
Shareholders' equity		
Capital stock	12,952	12,952
Capital surplus	9,950	9,950
Retained earnings	93,244	93,878
Treasury shares	(25)	(25)
Total shareholders' equity	116,122	116,756
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,203	23,758
Foreign currency translation adjustment	147	80
Total accumulated other comprehensive income	20,351	23,839
Non-controlling interests	5,055	4,899
Total net assets	141,528	145,495
Total liabilities and net assets	221,436	218,582

Quarterly Consolidated Statements of Income

	(Millions of yen)	
	FY2017 1Q	FY2018 1Q
Net sales	58,163	58,434
Cost of sales	46,646	46,276
Gross profit	11,517	12,158
Selling, general and administrative expenses	6,919	7,040
Operating profit	4,597	5,117
Non-operating income		
Interest income	35	40
Dividend income	322	194
Other	24	6
Total non-operating income	382	240
Non-operating expenses		
Interest expenses	3	2
Share of loss of entities accounted for using equity method	5	6
Loss on retirement of non-current assets	0	32
Foreign exchange losses	3	8
Cancellation penalty	14	28
Other	52	22
Total non-operating expenses	80	100
Ordinary profit	4,900	5,257
Profit before income taxes	4,900	5,257
Income taxes	1,928	2,185
Profit	2,971	3,072
Profit attributable to non-controlling interests	116	70
Profit attributable to owners of parent	2,855	3,001

Quarterly Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	FY2017 1Q	FY2018 1Q
Profit	2,971	3,072
Other comprehensive income		
Valuation difference on available-for-sale securities	422	3,555
Foreign currency translation adjustment	(26)	(70)
Total other comprehensive income	395	3,485
Comprehensive income	3,367	6,557
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,252	6,490
Comprehensive income attributable to non-controlling interests	114	67