

NS Solutions Corporation

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CONSOLIDATED FINANCIAL RESULTS (From April 1, 2012 to December 31, 2012)

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NS Solutions

- In this material, figures have been rounded down to the nearest millions of yen.
- The financial results have been translated from the Japanese Consolidated Financial Statements, which have been audited in Japan, for reference purposes only.

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NS SOLUTIONS CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEETS
March 31, 2012 and December 31, 2012

	Millions of yen		Thousands of U.S. dollars
	Mar. 31, 2012	Dec. 31, 2012	(Note 2) Dec. 31, 2012
Assets			
Current assets:			
Cash and deposits	¥3,582	¥2,694	\$31,119
Deposits paid	23,390	15,922	183,901
Notes and accounts receivable-trade	34,986	30,168	348,449
Short-term investment securities	11,906	12,399	143,211
Work in process.....	11,363	16,939	195,649
Raw materials and supplies	102	77	897
Other	4,162	4,358	50,344
Allowance for doubtful accounts	(16)	(97)	(1,128)
Total current assets	<u>89,478</u>	<u>82,462</u>	<u>952,442</u>
Noncurrent assets:			
Property, plant and equipment	18,865	21,057	243,214
Intangible assets:			
Goodwill	2,682	2,558	29,550
Other	1,454	1,499	17,319
Total intangible assets	<u>4,137</u>	<u>4,057</u>	<u>46,870</u>
Investments and other assets:			
Long-term loans receivable from subsidiaries and affiliates	12,000	12,000	138,600
Other	16,073	17,594	203,214
Allowance for doubtful accounts	(79)	(86)	(996)
Total investments and other assets	<u>27,994</u>	<u>29,508</u>	<u>340,818</u>
Total noncurrent assets	<u>50,997</u>	<u>54,623</u>	<u>630,902</u>
Total assets	<u>¥140,475</u>	<u>¥137,085</u>	<u>\$1,583,344</u>

The accompanying notes are an integral part of these financial statements.

	Millions of yen		Thousands of U.S. dollars
			(Note 2)
	Mar. 31, 2012	Dec. 31, 2012	Dec. 31, 2012
Liabilities			
Current liabilities:			
Notes and accounts payable-trade	¥13,874	¥11,015	\$127,230
Income taxes payable	3,199	459	5,312
Provision for bonuses	5,762	2,928	33,821
Other provision	613	753	8,708
Other	12,373	14,073	162,549
Total current liabilities	<u>35,823</u>	<u>29,231</u>	<u>337,620</u>
Noncurrent liabilities:			
Provision for retirement benefits	13,123	13,814	159,561
Provision for directors' retirement benefits	183	185	2,140
Other	690	651	7,528
Total noncurrent liabilities	<u>13,997</u>	<u>14,651</u>	<u>169,229</u>
Total liabilities	<u>49,821</u>	<u>43,883</u>	<u>506,849</u>
Net assets			
Shareholders' equity:			
Capital stock	12,952	12,952	149,605
Capital surplus	9,950	9,950	114,928
Retained earnings	66,071	68,420	790,255
Treasury stock	(4)	(4)	(49)
Total shareholders' equity	<u>88,970</u>	<u>91,319</u>	<u>1,054,738</u>
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	(56)	(40)	(466)
Revaluation reserve for land	(1,276)	(1,276)	(14,749)
Foreign currency translation adjustment	(25)	(25)	(291)
Total accumulated other comprehensive income ...	<u>(1,359)</u>	<u>(1,342)</u>	<u>(15,506)</u>
Minority interests	3,042	3,226	37,263
Total net assets	<u>90,654</u>	<u>93,202</u>	<u>1,076,495</u>
Total liabilities and net assets	<u>¥140,475</u>	<u>¥137,085</u>	<u>\$1,583,344</u>

The accompanying notes are an integral part of these financial statements.

NS SOLUTIONS CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
For the nine months ended December 31, 2011 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2011	2012	2012
Net sales	¥110,686	¥121,283	\$1,400,830
Cost of sales (Note 9)	89,028	98,910	1,142,421
Gross profit	21,657	22,373	258,409
Selling, general and administrative expenses (Note 9)	14,840	14,736	170,207
Operating income	6,817	7,636	88,202
Non-operating income:			
Interest income	170	182	2,109
Dividends income	137	135	1,571
Gain on sales of investment securities	—	97	1,124
Other	36	12	149
Total non-operating income	343	428	4,951
Non-operating expenses:			
Interest expenses	40	21	253
Equity in losses of affiliates.....	22	0	1
Loss on retirement of noncurrent assets	11	20	235
Other	39	29	337
Total non-operating expenses	114	71	826
Ordinary income	7,047	7,993	92,328
Income before income taxes and minority interests	7,047	7,993	92,328
Income taxes	3,989	3,261	37,668
Income before minority interests	3,058	4,732	54,660
Minority interests in income	107	264	3,052
Net income	¥2,950	¥4,468	\$51,608

The accompanying notes are an integral part of these financial statements.

	Yen		U.S. dollars (Note 2)
	2011	2012	2012
Net income per share	¥55.68	¥84.31	\$0.97

NS SOLUTIONS CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the nine months ended December 31, 2011 and 2012

	Millions of yen		Thousands of U.S. dollars
	2011	2012	(Note 2) 2012
Income before minority interests	¥3,058	¥4,732	\$54,660
Other comprehensive income:			
Valuation difference on available-for-sale securities.....	(81)	16	191
Foreign currency translation adjustment.....	(4)	0	0
Total other comprehensive income	(86)	16	191
Comprehensive income	¥2,971	¥4,748	\$54,851
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent.....	2,865	4,484	51,801
Comprehensive income attributable to minority interests.....	¥106	¥264	\$3,050

The accompanying notes are an integral part of these financial statements.

NS SOLUTIONS CORPORATION

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of NS Solutions Corporation and its consolidated subsidiaries (together, referred to as the “Companies”) 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.

The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Companies prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

2. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of readers. The rate of ¥86.58 = U.S. \$1, the effective rate of exchange prevailing on December 28, 2012, has been used in translation of yen amounts to U.S. dollar amounts. The inclusion of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled in U.S. dollars at this or any other rate.

3. Going Concern Assumption

None

4. Notes in case of significant changes to shareholders' equity

None

5. Change in Scope of Consolidated Subsidiaries and Applications of the Equity Method

None

6. Change in accounting policy

In accordance with the amendment of the Corporation Tax Law, effective from the first quarter of fiscal year ending March 31, 2013, the Companies have changed their depreciation method for those property and equipment acquired on or after April 1, 2012.

As a result of this change, operating income, ordinary income and income before income taxes and minority interests increased by ¥117 million (\$1,355 thousand).

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

7. Special Accounting Treatment for the Quarterly Consolidated Financial Statements

Income taxes were computed by multiplying consolidated quarterly income before income taxes and minority interests by a rational estimate of the effective tax rate on consolidated income before income taxes and minority interests for the fiscal year including the quarterly period under review after adjustments for the application of tax-effect accounting.

8. Notes to Consolidated Balance Sheets

None

9. Notes to Consolidated Statements of Income

Research and Development Costs

Research and development costs are charged to expense as incurred. The expense were recorded as general and administrative expenses and manufacturing costs for the nine months ended December 31, 2011 and 2012 amounting to ¥1,112 million and ¥1,048 million (\$12,106 thousand), respectively.

10. Notes to Consolidated Statements of Cash Flows

Depreciation and amortization and Amortization of goodwill

The Companies do not prepare a cumulative Quarterly Consolidated Statement of Cash Flows for the third quarter of the fiscal year.

Depreciation and amortization (including intangible fixed assets amortization other than goodwill) and Amortization of goodwill on December 31, 2011 and 2012 were as follows:

December 31,	Millions of yen		Thousands of U.S.
	2011	2012	dollars (Note 2)
Depreciation and amortization	¥ 1,774	¥ 2,314	\$ 26,730
Amortization of goodwill	¥ 123	¥ 123	\$ 1,430

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

11. Net Assets

(For the nine months ended December 31, 2011)

The Company paid cash dividends on June 2, 2011 and December 2, 2011 as follows:

Date of board resolution	Class of stock	Total dividend amount	Dividend per share	Reference date	Effective date	Source of dividends
May 17, 2011	Common stock	¥1,059 million	¥20.00	March 31, 2011	June 2, 2011	Retained earnings
October 26, 2011	Common stock	¥1,059 million	¥20.00	September 30, 2011	December 2, 2011	Retained earnings

(For the nine months ended December 31, 2012)

The Company paid cash dividends on June 1, 2012 and December 4, 2012 as follows:

Date of board resolution	Class of stock	Total dividend amount	Dividend per share	Reference date	Effective date	Source of dividends
May 15, 2012	Common stock	¥1,059 million	¥20.00	March 31, 2012	June 1, 2012	Retained earnings
October 26, 2012	Common stock	¥1,059 million	¥20.00	September 30, 2012	December 4, 2012	Retained earnings

12. Consolidated Segment Information

Based on the similarities in the type and nature of business, business of the Companies constitutes a single segment and accordingly, segment information is not disclosed.

13. Per Share Information

December 31,	yen		U.S. dollars
	2011	2012	(Note 2) 2012
Net income per share.....	¥ 55.68	¥ 84.31	\$ 0.97

(Notes) The basis for calculating net income per share were as follows:

December 31,	Millions of yen		Thousands of U.S. dollars
	2011	2012	(Note 2) 2012
Net income.....	¥ 2,950	¥ 4,468	\$ 51,608
Net income attributable to common stock.....	¥ 2,950	¥ 4,468	\$ 51,608
The average number of common stocks (shares).....	52,997,630	52,997,574	

14. Subsequent Events

There have been no material events subsequent to December 31, 2012.