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Consolidated Financial Results for the Six Months Ended June 30, 2025 [Japanese GAAP]



August 12, 2025

Company name: NJS Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 2325
 URL: <https://www.njs.co.jp/>
 Representative: Masaaki Murakami, President & Chief Executive Officer
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 Scheduled date of filing quarterly securities report: August 12, 2025
 Scheduled date of commencing dividend payments: September 11, 2025
 Availability of supplementary explanatory materials on quarterly financial results: None
 Schedule of quarterly financial results briefing session: Yes (For institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2025 (January 1, 2025 – June 30, 2025)

(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	%
Six months ended June 30, 2025	14,293	7.1	3,909	20.5	3,959	18.1	2,684	17.6
June 30, 2024	13,351	5.8	3,243	38.5	3,353	38.2	2,282	38.4

(Note) Comprehensive income: Six months ended June 30, 2025: ¥3,107million [18.3%]

Six months ended June 30, 2024: ¥2,627 million [48.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2025	282.04	—
June 30, 2024	239.61	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2025	36,031	28,840	79.9	3,021.43
As of December 31, 2024	31,122	26,191	83.9	2,745.57

(Reference) Equity: As of June 30, 2025: ¥28,773 million

As of December 31, 2024: ¥26,124 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	—	45.00	—	50.00	95.00
Fiscal year ending December 31, 2025	—	50.00			
Fiscal year ending December 31, 2025 (Forecast)			—	50.00	100.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 - December 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	25,000	10.6	3,050	1.9	3,100	(1.3)	2,150	1.6	226.00

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

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review: Yes
(Changes in specified subsidiaries resulting in changes in scope of consolidation):
Newly included: 2 (Company Name: CDC Aqua Service Co., Ltd., NJSEI AUSTRALIA PTY LTD),
Excluded: – (Company Name -)
- (2) Accounting methods adopted particularly for the preparation of interim consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
June 30, 2025: 10,048,000 shares
December 31, 2024: 10,048,000 shares

2) Total number of treasury shares at the end of the period:
June 30, 2025: 524,888 shares
December 31, 2024: 532,889 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):
Six months ended June 30, 2025: 9,517,996 shares
Six months ended June 30, 2024: 9,525,739 shares

* These quarterly consolidated financial results are outside the scope of interim review by certified public accountants or an audit firm.

* Explanation of appropriate use of earnings forecasts and other special notes:

The forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the six months ended June 30, 2025, the global economy faced increasing risks such as instability in international affairs, tariff measures by the Trump administration in the United States, and a slowdown in the global economy. Meanwhile, climate change-related catastrophic floods, heat waves, and droughts are occurring in many parts of the world, and efforts toward a sustainable society continue to be a top priority.

In Japan, the situation remains uncertain, with high prices along with stagnant economic growth, an aging society with a declining birthrate, and concerns about fiscal soundness. With regard to water infrastructure projects, there is a need to strengthen countermeasures against disasters such as the Noto Peninsula earthquake in 2024, heat waves, droughts, and torrential rains, while aging infrastructure and maintenance issues are becoming more serious, as seen in the road cave-in accident in Yashio City, Saitama Prefecture this past January. In addition to reconstructing infrastructure to meet new social and environmental needs, infrastructure management needs to become more sophisticated and efficient.

In response, the NJS Group (the “Group”) has been working to upgrade infrastructure through consulting and software. In the consulting field, the Group proposes urban development, environmental conservation, and disaster prevention and mitigation to solve regional and environmental issues; proposes strategy development, technological innovation, and management for infrastructure reconstruction; and develops support projects, including local project promotion and human resource development, to solve global issues.

In the software field, we provide systems that promote asset management and disaster countermeasures; in the field of inspection, we innovate inspection and survey technologies using drones, sensors, image AI, etc. And in the customer service field, the Group provides systems to improve customer convenience and foster trust.

For the six months ended June 30, 2025, the Group reported consolidated work orders received of ¥12,211 million (up 24.4% year on year, the same shall apply hereafter) and consolidated net sales of ¥14,293 million (up 7.1%).

In terms of profits, the Group reported operating profit of ¥3,909 million (up 20.5%), ordinary profit of ¥3,959 million (up 18.1%), and profit attributable to owners of parent of ¥2,684 million (up 17.6%).

Operating results by segment are as follows.

(Domestic operations)

In domestic operations, we have been engaged in research and design projects for the reconstruction of aging infrastructure facilities, disaster response projects, inspection services to raise the efficiency of infrastructure maintenance and management, and PPP services and operations to promote public-private collaborative projects, etc.

As a result, the domestic operations segment reported work orders received of ¥11,336 million (up 27.8%), net sales of ¥13,372 million (up 10.8%), and operating profit of ¥3,972 million (up 18.7%).

(Overseas operations)

In overseas operations, we promoted projects to develop water-related infrastructure in the developing and emerging countries of Asia, the Middle East, and Africa.

As a result, the overseas operations segment reported work orders received of ¥875million (down 7.5%) and net sales of ¥920 million (down 24.4 %), and operating loss of ¥63million (an operating loss of ¥103 million was recorded in the same period of the previous fiscal year).

(2) Explanation of Financial Position

1) Assets, Liabilities and Net Assets

Total assets of the six months ended June 30, 2025, increased by ¥4,909 million from the end of the previous fiscal year to ¥36,031 million. This was mainly attributable to an increase in cash and deposits of ¥6,347 million, and an increase in investment securities of ¥872million, while notes receivable, accounts receivable for completed operations and contract assets decreased by ¥2,536 million.

Total liabilities as of the six months ended June 30, 2025, increased by ¥2,259 million from the end of the previous fiscal year to ¥7,190 million. This was mainly attributable to an increase in contract liabilities of ¥1,548 million.

Total net assets as of the six months ended June 30, 2025, increased by ¥2,649 million from the end of the previous fiscal year to ¥28,840 million. This was mainly attributable to an increase in retained earnings by ¥2,206 million and an increase in valuation difference on available-for-sale securities of ¥584million. As a result, the equity ratio was 79.9%.

2) Cash Flows

Cash and cash equivalents at the end of the six months ended June 30, 2025, increased by ¥6,347 million from the end of the previous fiscal year to ¥24,028 million.

The status of each cash flow and major factors during the current interim consolidated accounting period are as follows.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities amounted to ¥7,233 million (¥6,615 million in the same period of the previous year).

Major sources of income were income before income taxes and minority interests of ¥3,957 million, a decrease of ¥2,775 million in notes receivable, and an increase of ¥1,548 million in contract liabilities. Major outflows included a decrease of ¥370 million in accounts payable-other for operations and ¥574 million in income taxes paid.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities amounted to ¥360 million (¥178 million used in the same period of the previous year).

Major expenditures included ¥130 million for the acquisition of intangible fixed assets and ¥207 million for the purchase of investments in subsidiaries.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities amounted to ¥482 million (¥521 million used in the same period of the previous year).

The main account of cash outflow was ¥476 million for dividend payment.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The consolidated earnings forecast for the fiscal year ending December 31, 2025 remains unchanged from that announced in the "Notice Concerning Revisions of Full-Year Financial Results Forecasts" on May 14, 2025.

2. Interim Consolidated Financial Statements and Principal Notes

(1) Interim Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	17,681,274	24,028,627
Notes, accounts receivable-completed operation and contract assets	6,255,161	3,718,900
Costs on service contracts in progress	965,851	1,034,547
Other	577,019	596,949
Allowance for doubtful accounts	(15,775)	(29,166)
Total current assets	25,463,531	29,349,859
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	630,615	602,430
Land	293,652	293,652
Other, net	199,537	242,362
Total property, plant and equipment	1,123,805	1,138,445
Intangible assets		
Goodwill	63,287	689,456
Other	659,187	711,495
Total intangible assets	722,474	1,400,952
Investments and other assets		
Investment securities	2,111,273	2,983,386
Deferred tax asset	415,610	11,601
Other	1,352,954	1,201,781
Allowance for doubtful accounts	(67,365)	(54,578)
Total investments and other assets	3,812,473	4,142,190
Total non-current assets	5,658,753	6,681,587
Total assets	31,122,285	36,031,446

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable – operating	762,531	408,875
Income taxes payable	684,910	1,262,674
Contract liabilities	203,547	1,752,139
Provision for bonuses	792,625	712,666
Provision for loss on order received	88,463	59,055
Provision for shareholder special benefit	27,182	27,035
Other	1,768,192	2,041,041
Total current liabilities	4,327,452	6,263,487
Non-current liabilities		
Retirement benefit liability	403,246	773,872
Provision for retirement benefits to directors and corporate auditors	13,050	5,890
Provision for directors' and corporate auditors' stock benefits	51,134	56,037
Deferred tax liabilities	40,201	8,227
Asset retirement obligations	59,188	54,313
Other	36,759	28,659
Total non-current liabilities	603,580	927,000
Total liabilities	4,931,033	7,190,488
Net assets		
Shareholders' equity		
Share capital	520,000	520,000
Capital surplus	276,555	276,555
Retained earnings	24,960,756	27,167,079
Treasury shares	(874,223)	(854,510)
Total shareholders' equity	24,883,089	27,109,125
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,054,809	1,638,901
Foreign currency translation adjustment	108,444	(12,861)
Remeasurements of defined benefit plans	78,085	38,218
Total accumulated other comprehensive income	1,241,339	1,664,258
Non-controlling interests	66,823	67,574
Total net assets	26,191,252	28,840,958
Total liabilities and net assets	31,122,285	36,031,446

(2) Interim Consolidated Statements of Income and Comprehensive Income
Interim Consolidated Statements of Income

(Thousands of yen)

	Previous six months ended June 30, 2024	Current six months ended June 30, 2025
Net sales	13,351,336	14,293,002
Cost of sales	6,940,590	7,011,821
Gross profit	6,410,745	7,281,180
Selling, general and administrative expenses	3,167,658	3,372,097
Operating profit	3,243,087	3,909,082
Non-operating income		
Interest income	10,453	17,270
Dividend income	37,883	31,705
Foreign exchange gains	37,973	—
Other	24,910	18,730
Total non-operating income	111,220	67,707
Non-operating expenses		
Interest expenses	14	14
Provision for doubtful accounts	—	17,544
Other	571	142
Total non-operating expenses	586	17,701
Ordinary profit	3,353,721	3,959,088
Extraordinary income		
Gain on sales of fixed assets	—	312
Gain on redemption of investment securities	—	91
Gain on negative goodwill	42,549	—
Assets excluding debt returns	—	35,831
Total extraordinary income	42,549	36,234
Extraordinary losses		
Loss on sales and disposal of fixed assets	624	2,909
Provision for loss on guarantees	34,000	35,000
Total extraordinary losses	34,624	37,909
Profit before income taxes	3,361,645	3,957,413
Income taxes - current	975,093	1,172,865
Income taxes - deferred	104,900	99,867
Total income taxes	1,079,994	1,272,733
Interim net profit	2,281,651	2,684,680
Profit (loss) attributable to non-controlling interests	(781)	181
Profit attributable to owners of parent	2,282,433	2,684,498

Interim Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Previous six months ended June 30, 2024	Current six months ended June 30, 2025
Profit	2,281,651	2,684,680
Other comprehensive income		
Valuation difference on available-for-sale securities	197,475	584,092
Foreign currency translation adjustment	167,153	(121,305)
Remeasurements of defined benefit plans, net of tax	(18,772)	(39,867)
Total other comprehensive income	345,857	422,919
Comprehensive income	2,627,508	3,107,599
(attributable to)		
Comprehensive income attributable to owners of parent	2,628,290	3,107,418
Comprehensive income attributable to non-controlling interests	(781)	181

(3) Interim Consolidated Statement of Cash Flows

(Thousands of yen)

	Previous six months ended June 30, 2024	Current six months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	3,361,645	3,957,413
Depreciation	161,025	189,068
Amortization of goodwill	11,866	28,226
Interest and dividend income	(48,336)	(48,976)
Interest expenses	14	14
Foreign exchange losses (gains)	(66,913)	43,004
Loss (gain) on retirement of non-current asset	624	2,597
Gain on negative goodwill	(42,549)	—
Decrease (increase) in notes, accounts receivable- completed operation and contract assets	2,803,273	2,775,227
Decrease (increase) in costs on uncompleted services	(47,516)	(115,677)
Increase (decrease) in accounts payable-operation	(364,509)	(370,983)
Increase (decrease) in contract liabilities	1,496,445	1,548,591
Increase (decrease) in accrued consumption taxes	252,749	77,655
Increase (decrease) in allowance for doubtful accounts	(9,897)	423
Increase (decrease) in provision for bonuses	(165,687)	(135,899)
Increase (decrease) in retirement benefit liability	(823)	(16,961)
Other, net	(183,853)	(173,168)
Subtotal	7,157,558	7,760,556
Interest and dividends received	49,109	47,725
Interest paid	(14)	(14)
Income taxes paid	(591,281)	(574,945)
Net cash provided by (used in) operating activities	6,615,371	7,233,322
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	688,976	180,771
Payments into time deposits	(779,720)	(135,607)
Purchase of property, plant and equipment	(71,154)	(89,968)
Purchase of intangible assets	(122,641)	(130,802)
Proceeds from redemption of marketable securities	—	10,000
Proceeds from acquisition of shares of subsidiaries resulting in change in scope of consolidation	61,372	—
Purchase of investments in subsidiaries	—	(207,350)
Payments of leasehold and guarantee deposits	6,845	42,373
Proceeds from refund of leasehold and guarantee deposits	(201)	(66,695)
Other, net	38,077	36,872
Net cash provided by (used in) investing activities	(178,444)	(360,406)
Cash flows from financing activities		
Payments for purchase of treasury stock	(89,848)	(435)
Proceeds from sale of treasury stock	2,500	—
Repayments of long-term borrowings	(834)	(1,668)
Dividends paid	(429,597)	(476,484)
Other, net	(3,587)	(3,440)
Net cash provided by (used in) financing activities	(521,367)	(482,029)
Effect of exchange rate change on cash and cash equivalents	62,858	(43,532)
Net increase (decrease) in cash and cash equivalents	5,978,418	6,347,353
Cash and cash equivalents at beginning of period	17,188,267	17,681,274
Cash and cash equivalents at end of period	23,166,686	24,028,627

(4) Notes to Interim Consolidated Financial Statements

(Notes on premise of a going concern)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Change in accounting policy)

(Application of "Accounting Standard for Income Taxes, Inhabitant Taxes and Enterprise Taxes", etc.)

The "Accounting Standard for Corporate, Inhabitant and Enterprise Taxes" (ASBJ Statement No. 27, October 28, 2022), the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, October 28, 2022), and the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022) were applied from the beginning of the period. The "Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 25, October 28, 2022) and the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022) were applied from the beginning of the current fiscal year. This change has no impact on the quarterly consolidated financial results.

(Segment information, etc.)

[Segment information]

I. For the six months ended June 30, 2024 (from January 1, 2024, to June 30, 2024)

1. Information on net sales and profit (loss) by reportable segment and disaggregation of revenue

(Thousands of yen)

	Reportable segments			Total	Adjustments (Note 1)	Amount recorded in Interim Consolidated Statements of Income (Note 2)
	Domestic operations	Overseas operations	Total			
Net sales						
Water supply systems	3,099,653	453,142	3,552,796	3,552,796	—	3,552,796
Sewerage systems	8,608,691	83,486	8,692,177	8,692,177	—	8,692,177
Environmental systems and others	426,517	679,844	1,106,362	1,106,362	—	1,106,362
Revenue from contracts with customers	12,134,863	1,216,473	13,351,336	13,351,336	—	13,351,336
Other revenue	—	—	—	—	—	—
Net sales to outside customers	12,134,863	1,216,473	13,351,336	13,351,336	—	13,351,336
Intersegment net sales or transfers	—	—	—	—	—	—
Total	12,134,863	1,216,473	13,351,336	13,351,336	—	13,351,336
Segment profit (loss)	3,346,470	(103,382)	3,243,087	3,243,087	—	3,243,087

(Notes) 1. The adjustments of segment profit (loss) are partly due to eliminations of intersegment transactions.

2. Segment profit (loss) is adjusted to correspond with operating profit reported on the interim consolidated statements of income.

2. Information on impairment loss on non-current assets and goodwill by reportable segment

(Significant gain on negative goodwill)

In the current interim consolidated accounting period, a gain on negative goodwill of ¥42,549 thousand was recognized in the "Domestic operations" segment due to the acquisition of all shares of Doto Corporation and its inclusion in the scope of consolidation.

Gain on negative goodwill is not included in the above segment income because it is an extraordinary gain.

II. For the six months ended June 30, 2025 (from January 1, 2025, to June 30, 2025)

1. Information on net sales and profit (loss) by reportable segment and disaggregation of revenue

(Thousands of yen)

	Reportable segments			Total	Adjustments (Note 1)	Amount recorded in Interim Consolidated Statements of Income (Note 2)
	Domestic operations	Overseas operations	Total			
Net sales						
Water supply systems	3,547,648	308,974	3,856,623	3,856,623	—	3,856,623
Sewerage systems	9,465,631	82,690	9,548,321	9,548,321	—	9,548,321
Environmental systems and others	359,464	528,592	888,057	888,057	—	888,057
Revenue from contracts with customers	13,372,744	920,257	14,293,002	14,293,002	—	14,293,002
Other revenue	—	—	—	—	—	—
Net sales to outside customers	13,372,744	920,257	14,293,002	14,293,002	—	14,293,002
Intersegment net sales or transfers	—	—	—	—	—	—
Total	13,372,744	920,257	14,293,002	14,293,002	—	14,293,002
Segment profit (loss)	3,972,996	(63,913)	3,909,082	3,909,082	—	3,909,082

(Notes) 1. The adjustments of segment profit (loss) are partly due to eliminations of intersegment transactions.

2. Segment profit (loss) is adjusted to correspond with operating profit reported on the interim consolidated statements of income.

2. Information on impairment loss on non-current assets and goodwill by reportable segment

(Significant change in goodwill amount)

In the current interim consolidated accounting period, goodwill has been recognized in the "Domestic operations" segment due to the acquisition of all shares of CDC Aqua Service Co., Ltd. and its inclusion in the scope of consolidation. The increase in goodwill due to this event was ¥654 million for the current interim consolidated accounting period.

(Company Acquisitions, etc.)

1. Outline of acquisition

(1) Name of acquired company and description of its business

Name of acquired company CDC Aqua Service Co., Ltd.

Business description Business outsourcing of water supply operations, water and sewage rate management and related system development and maintenance.

(2) Main reason for business acquisition

CDC Aqua Service Co., Ltd. provides customer services related to water and wastewater business, including tariff management, applications, and customer service centers. The company also provides municipal DX services such as mobile systems, smart meters, and electronic contracts. We have decided to acquire the company based on our belief that the combination of the consulting and software services of NJS and the customer services provided by CDC Aqua Service Co., Ltd. will create further customer value and advance the water and sewage business.

(3) Date of acquisition

April 1, 2025

(4) Legal form of business combination

Acquisition of shares for cash.

(5) Company name after acquisition

No change.

(6) Percentage of voting rights acquired

100%

(7) Main basis for determining the acquiring company

The Company acquired the shares for cash consideration.

2. Period of the acquired company's results included in the interim consolidated statement of income for the interim consolidated accounting period.

From April 1, 2025, to June 30, 2025

3. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	700 million yen
Acquisition cost		700 million yen

4. Description and amount of major acquisition-related expenses

Fees and commissions for advisory services 72 million yen

5. Amount of goodwill incurred and reason for incurrence

(1) Amount of goodwill incurred

654 million yen

(2) Reason for incurrence of negative goodwill

This was generated from the excess earning power expected from future business development.

(3) Amortization method and period

Equal amortization over 10 years