



# **FY2025/1Q Results and FY2025 Guidance**

Jun 30, 2025

## **NS Solutions Corporation**

# 1. FY2025/1Q Highlights

- Favorable demand conditions led to higher revenues and gross profit.
- Operating profit declined due to business model transformation-related expenses and the absence of one-time factors in the previous fiscal year.

¥ in billions	A FY2024/1Q	B One time factor	C=A+B FY2024/1Q Underlying	D FY2025/1Q	D-A Difference YoY rate	D-C Difference YoY rate
Revenue	76.8	-	76.8	82.7	+5.9 8%	+5.9 8%
Gross Profit <Gross Profit Margin>	18.7 <24.4%>	* -0.2	18.5 <24.1%>	21.0 <25.4%>	+2.3 12% <+1.0%>	+2.5 13% <+1.3%>
SG&A,oters	9.9	** +0.8	10.7	12.5	+2.6 26%	+1.8 17%
Operating Profit <Operating Profit Margin>	8.8 <11.5%>	-1.0	7.8 <10.2%>	8.5 <10.3%>	-0.3 -4% <-1.2%>	+0.7 9% <+0.1%>
Profit before tax	9.0			8.8	-0.2 -2%	
Profit attributable to owners of parent	5.4			5.1	-0.3 -5%	

\* Gross Profit

• Previous year's profit from provision in bonus. -¥0.7bn

• Integration of administrative staff. -¥0.5bn

\*\* SG & A

• Previous year's profit from provision in bonus. +¥0.3bn

• Integration of administrative staff. +¥0.5bn

## 2. FY 2025/1Q Sales by Segment / Customer Industry

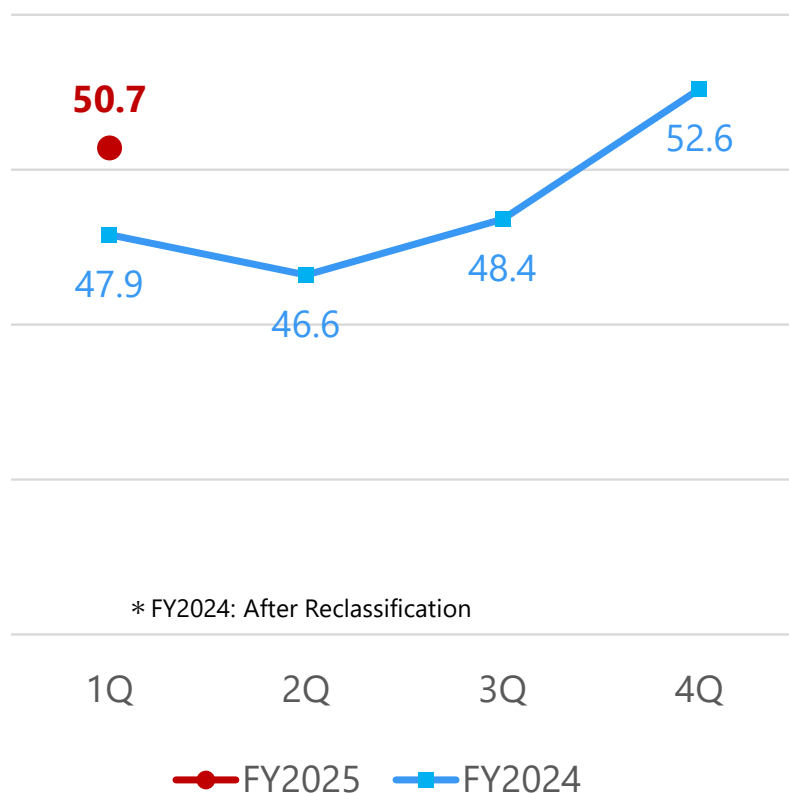
- Revenue increased except in the Financial Service, where there was a large Oracle project in the same period of the previous year.

¥ in billions	A FY2024/1Q	B FY2024/1Q After Reclassifications	B-A	C FY2025/1Q	C-B Change YoY
Business Solutions	49.5	47.9	-1.6	50.7	6% +2.8
Manufacturing, Nippon Steel Group	22.4	22.4		24.6	+2.1
Retail and Service, Digital Platformer	14.6	12.9	-1.6	14.8	+1.9
Financial Service	12.5	12.5		11.3	-1.2
Consulting & Digital Service	16.8	18.4	+1.6	20.2	9% +1.7
Government, Educational and Research Institutions	3.9	3.9		4.3	+0.4
IT Infrastructure Services	12.9	14.6	+1.6	15.9	+1.3
Subsidiaries	10.5	10.5		11.9	13% +1.3
Total	76.8	76.8		82.7	8% +5.9
<FYI> Revenue to Nippon Steel	15.3	15.3		17.8	+2.6

\* Some areas have been reclassified from "Retail and Service, Digital Platformer" to "Consulting & Digital Services", and comparisons for the prior period are presented with figures after reclassification.

### 3. Business Solutions Segment

#### Quarterly Sales Trends



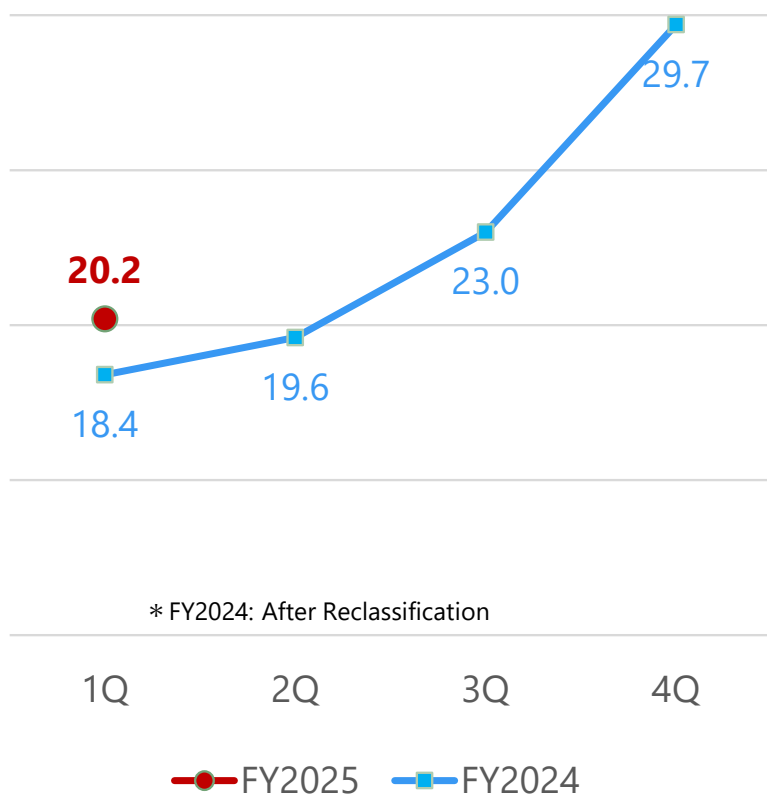
¥ in billions	FY2024/1Q After Reclassifications	FY2025/1Q	Change YoY	
Business Solutions	47.9	50.7	+6%	+2.8
Manufacturing, Nippon Steel Group	22.4	24.6		+2.1
Retail and Service, Digital Platformer	12.9	14.8		+1.9
Financial Service	12.5	11.3		-1.2

#### **“Manufacturing” and “Retail” areas are recovering**

- ✓ Revenue from Nippon Steel is stable at a high level due to their new facilities, DX measures, etc.
- ✓ Manufacturing increased in industrial machinery and chemical, etc.
- ✓ Retail and Service, Digital Platformer increase in sales mainly in retail.
- ✓ Financial Service declined due to the absence of Oracle projects in the same period of the previous fiscal year.

## 4. Consulting & Digital Service Segment

### Quarterly Sales Trends



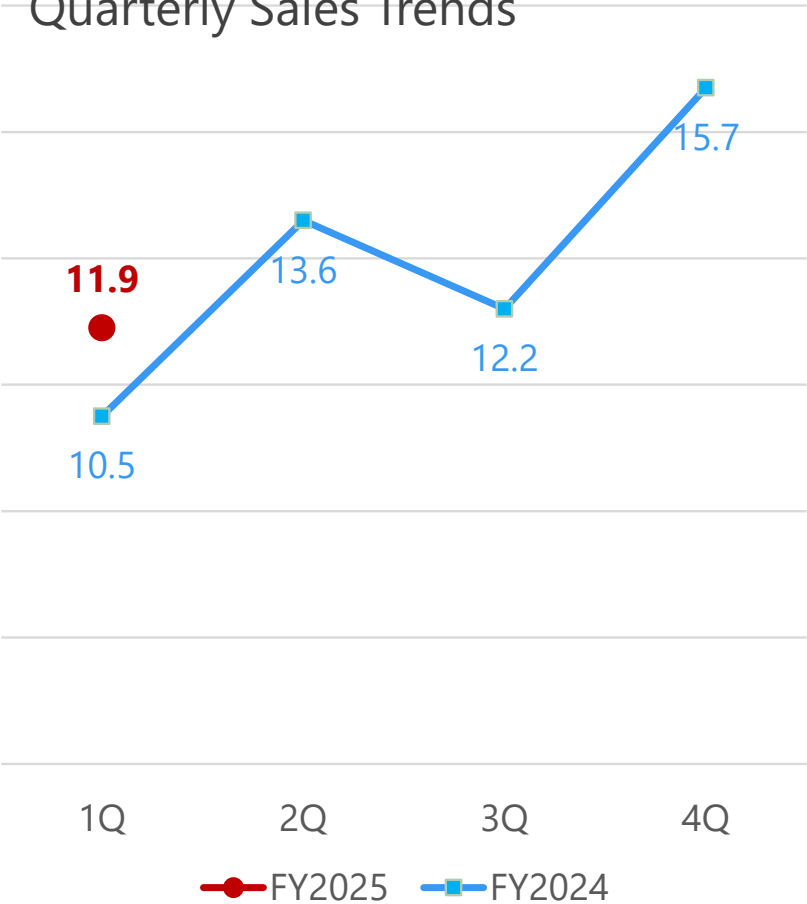
¥ in billions	FY2024/1Q After Reclassifications	FY2025/1Q	Change YoY
Consulting & Digital Service	18.4	20.2	9% +1.7
Government, Educational and Research Institutions	3.9	4.3	+0.4
IT Infrastructure Services	14.6	15.9	+1.3

### Increased sales of IT infrastructure (cloud solution, etc.)

- ✓ Major Factors of Sales Increase/Decrease in IT Infrastructure (¥ in billions)
  - Security Solutions : +0.5
  - System operation, maintenance and services : +0.3
  - Products : +0.3

# 5. Group Business

Quarterly Sales Trends



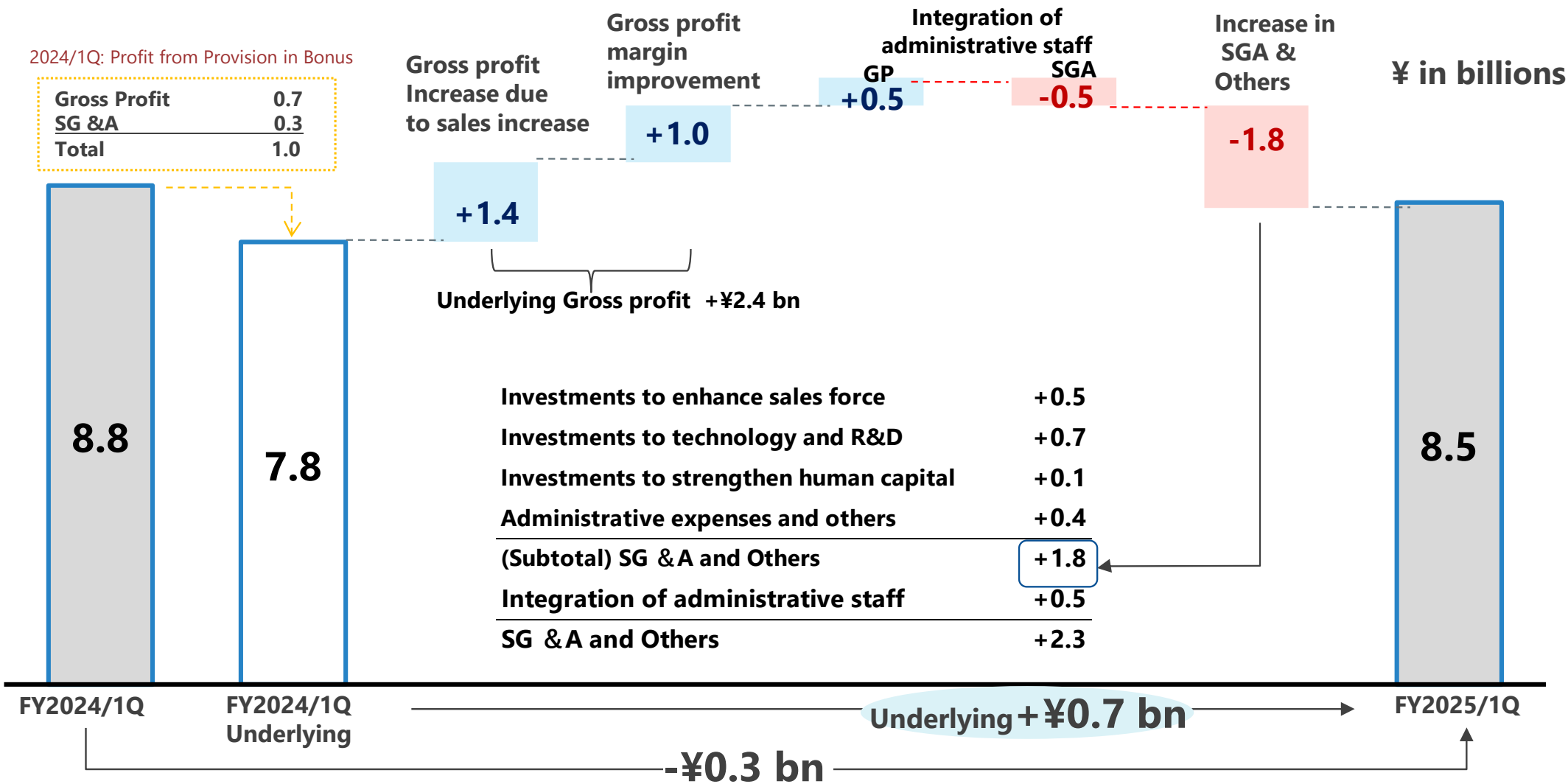
¥ in billions	FY2024/1Q	FY2025/1Q	Change
			YoY
Group Bussiness	10.5	11.9	13% +1.3

Increased mainly from regional subsidiaries and JVs

Sales Growth In

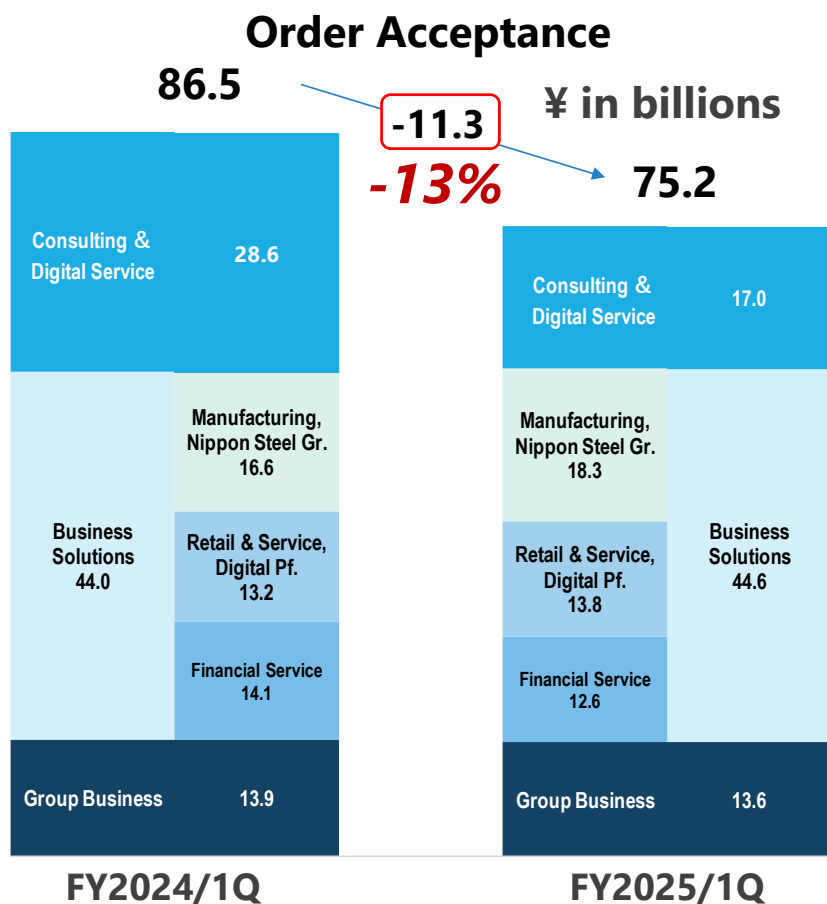
- Regional Companies in Japan : + 1.0
- Overseas Companies : + 0.0
- JVs : +0.3

# 6. Operating Profit Breakdown



# 7. FY2025/1Q Order Acceptance

Orders decreased due to the impact of large-scale projects for government agencies in the same period of the previous year.



## Consulting & Digital Service Segment

### YoY-¥11.6 bn

- ✓ Decreased mainly due to the absence of public-sector projects in the same period of the previous fiscal year

## Business Solutions Segment

### YoY+¥0.6 bn

- ✓ Manufacturing & NSC +1.7  
Increased mainly in NSC and Food Industries.
- ✓ Retail & Service, Digital Pf. +0.5  
Increased in retail sector, etc.
- ✓ Financial Service -1.6  
Decreased mainly due to Oracle projects for megabanks during the same period of the previous fiscal year.

## Group Business

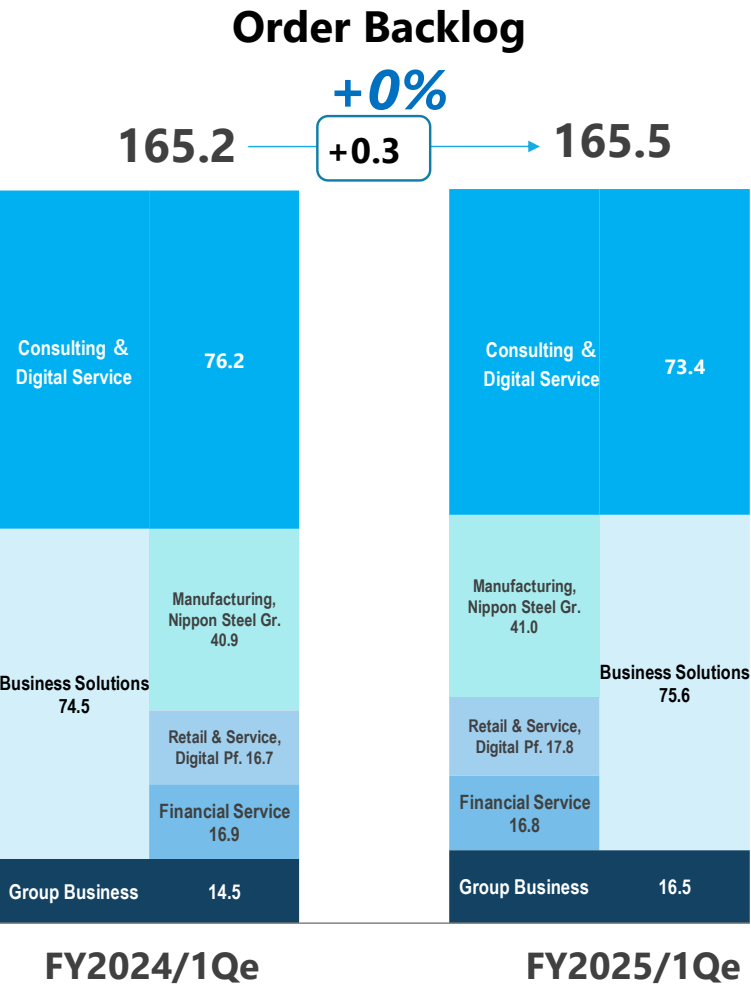
### YoY-¥0.3 bn

- ✓ Increased in regional subsidiaries, decreased in overseas.



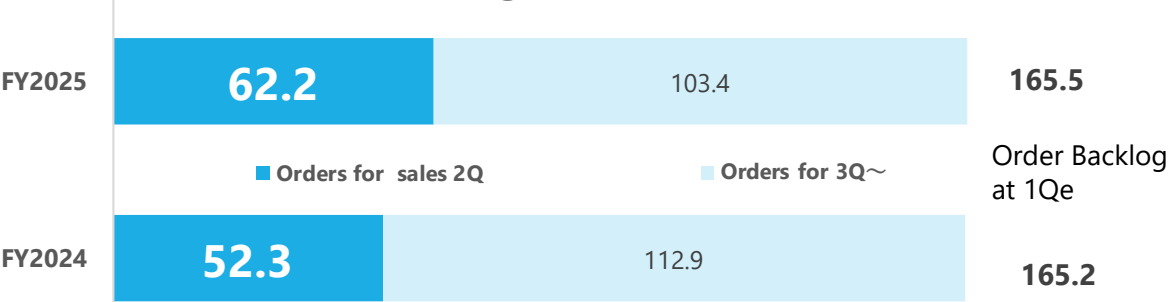
# 8. FY2025/1Q Order Backlog

¥ in billions

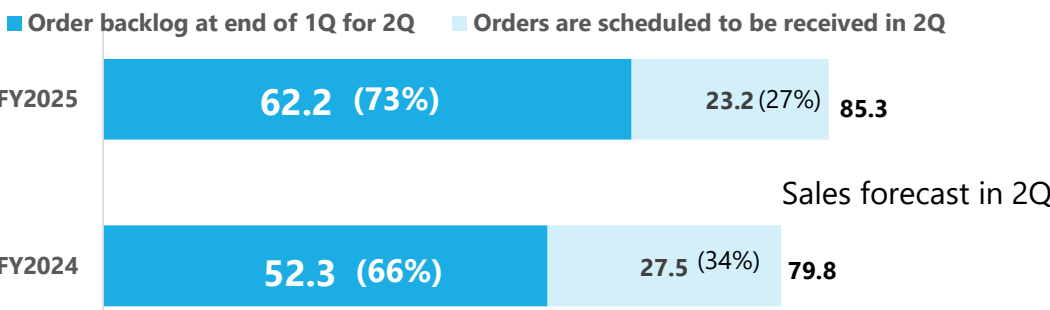


- Backlog at the end of 1Q remained almost flat YoY.
- Order backlog coverage ratio against 2Q sales revenue forecast increased.

Breakdown of orders backlog at end of 1Q



Order backlog / Sales forecast for 2Q



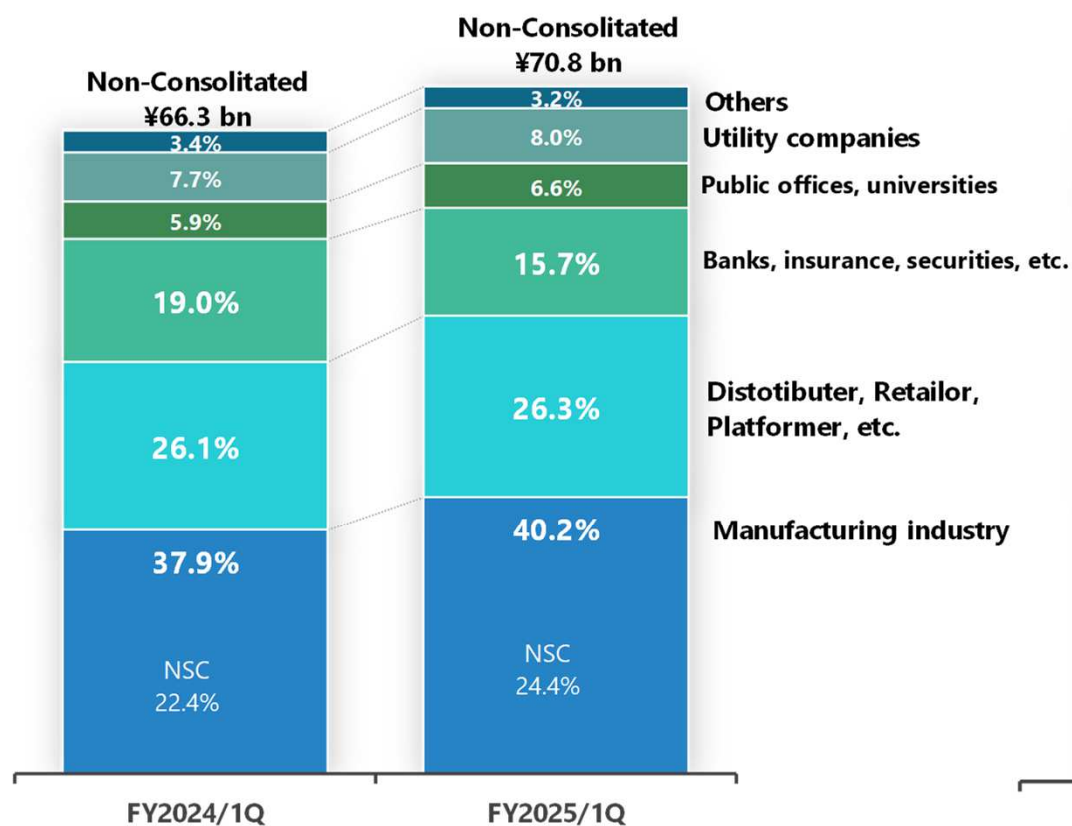
## 9.FY2025 Forecast by Half Year

(No change from the previous forecast.)

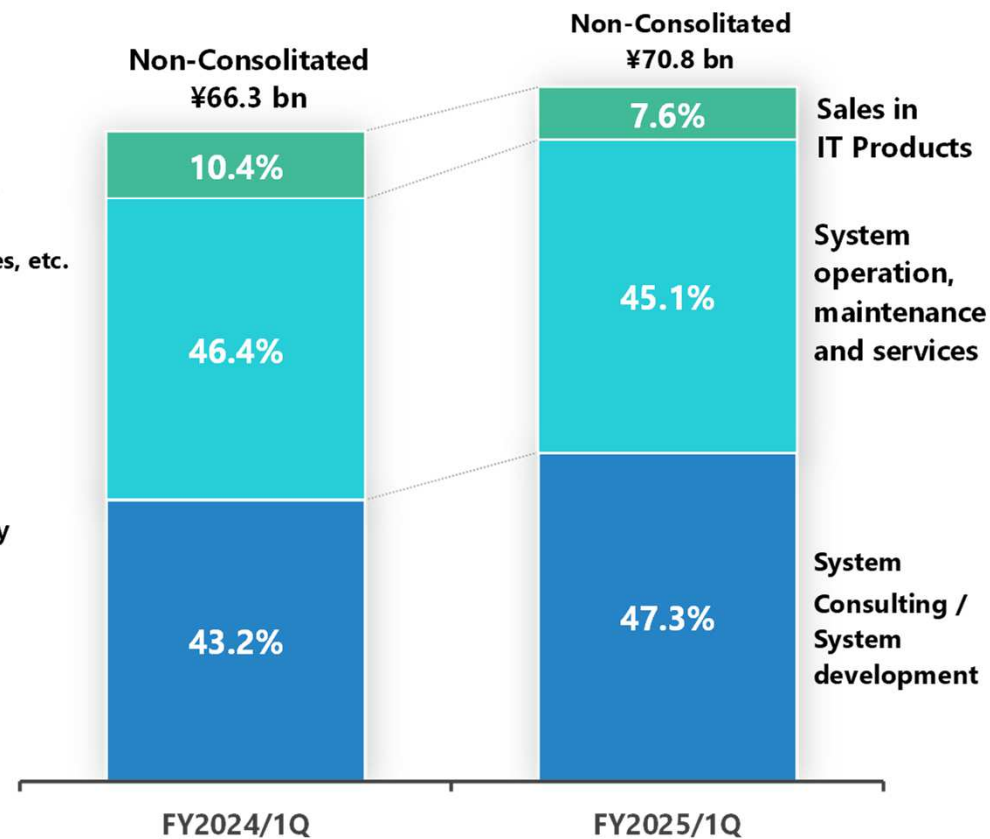
	FY2024			FY2025(e)			Difference YoY rate		
	1H	2H	FY	1H(e)	2H(e)	FY (e)	1H	2H	FY
Revenue	156.6	181.7	338.3	168.0	189.0	<b>357.0</b>	7% +11.4	4% +7.3	<b>6% +18.7</b>
Gross Profit <Gross Profit Margin>	38.4 <24.5%>	43.3 <23.9%>	81.7 <24.2%>	42.6 <25.4%>	48.4 <25.6%>	<b>91.0</b> <b>&lt;25.5%&gt;</b>	11% +4.2 <+0.9%>	12% +5.1 <+1.7%>	<b>11% +9.3 &lt;+1.3%&gt;</b>
SG & A and Other Profit	20.2	23.0	43.2	23.6	24.4	<b>48.0</b>	17% +3.4	6% +1.4	<b>11% +4.8</b>
Operating Profit <Operating Profit Margin>	18.1 <11.6%>	20.4 <11.2%>	38.5 <11.4%>	19.0 <11.3%>	24.0 <12.7%>	<b>43.0</b> <b>&lt;12.0%&gt;</b>	5% +0.9 <-0.3%>	18% +3.6 <+1.5%>	<b>12% +4.5 &lt;+0.7%&gt;</b>
Profit before tax	18.2	20.9	39.1	19.4	24.3	<b>43.7</b>	7% +1.2	16% +3.4	<b>12% +4.6</b>
Profit attributable to owners of parent	12.2	14.9	27.0	12.6	16.6	<b>29.2</b>	3% +0.4	11% +1.7	<b>8% +2.2</b>

# [FYI] Sales by Customer Industry / Sales Composition by Product/Service

## Sales by Customer Industry



## Sales Composition by Product/Service



# [FYI] Major One-Time Factors, Major Projects by Quarter

¥ in billions

	FY2024				FY2025
	1Q	2Q	3Q	4Q	1Q
<b>Sales</b>	<b>76.8</b>	<b>79.8</b>	<b>83.7</b>	<b>98.0</b>	<b>82.7</b>
<b>Major Projects</b>	㊟ O 3.0 ㊟ Newly subsidiaries 1.2	㊟ Newly subsidiaries 1.2	㊟ Newly subsidiaries 1.3	㊟ Newly subsidiaries 1.4	
<b>O.P.</b>	<b>8.8</b>	<b>9.3</b>	<b>11.5</b>	<b>8.9</b>	<b>8.5</b>
<b>One-Time</b>	Provision for bonuses+1.0	Dual corporate tax -1.0		Litigation-related reserves -2.3	
<b>Order</b>	<b>86.5</b>	<b>87.2</b>	<b>85.2</b>	<b>97.0</b>	<b>75.2</b>
<b>Major Projects</b>	㊟ O 3.0 ㊟ G 7.3 ㊟ Newly subsidiaries 2.2	㊟ G 4.0 ㊟ Newly subsidiaries 1.4	㊟ G 5.0 ㊟ Newly subsidiaries 1.2	㊟ Newly subsidiaries 1.4	

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

# [FYI] Summary of 2025-2027 MTBP

 The FY2025-FY2027 Medium-Term Business Plan is positioned as a foundation period for achieving significant profit growth in the next Medium-Term Business Plan, and we will strive to implement four fundamental transformations.

1	Transforming our SI Business Model	
2	Transforming our Customer Approach	3 Transforming the Technology and R&D
4	Transforming In-house Operations and Management	

	FY2024 Results	FY2027 plan	NSSOL 2030 Vision
Revenue	¥338.3 bn	<b>¥450.0</b> bn	¥500.0 bn
Operating profit (Operating margin)	¥38.5 bn (11.4%)	<b>¥60.0</b> bn (13%)	¥100.0 bn (20%)
ROE	10.9%	Approx. <b>13%</b>	Approx. 15%
M&A	¥1.6 bn	<b>¥150.0</b> bn / 3 years	N/A
Shareholder returns	Payout ratio 50.1%	Payout ratio <b>50%</b>	Payout ratio 50%
TAM-type/Sales Ratio	3.6%	Approx. <b>75%</b>	-
Growth investments/Sales Ratio (excluding M&A)	2.7%	Approx, <b>5%</b>	-



# Social Value Producer with Digital

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

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