Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under IFRS)

October 30, 2025

Company name:	NS Solutions Corporation
Listing:	Tokyo Stock Exchange, Nagoya Stock Exchange, and Fukuoka Stock Exchange
Securities code:	2327
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Scheduled date of filing semi-annual securities report:	November 7, 2025
Scheduled date of commencing dividend payments:	December 1, 2025
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	Yes (for analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2025 (April 1, 2025 to September 30, 2025)

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

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2025	178,375	13.9	18,272	0.8	18,848	3.8	12,007	(1.5)
September 30, 2024	156,612	8.2	18,125	23.8	18,157	21.0	12,186	28.3

	Total comprehensive income		Basic earnings per share	Diluted earnings per share
Six months ended	Million yen	%	Yen	Yen
September 30, 2025	12,309	(54.2)	65.62	–
September 30, 2024	26,873	64.5	66.60	–

(Note) The Company carried out a 2-for-1 stock split of common stock as of July 1, 2024. Basic earnings per share were calculated assuming the stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Million yen	Million yen	Million yen	%
September 30, 2025	405,320	274,940	266,031	65.6
March 31, 2025	421,302	269,815	261,173	62.0

2. Cash Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	–	36.50	–	37.50	74.00
Fiscal year ending March 31, 2026	–	40.00			
Fiscal year ending March 31, 2026 (Forecast)			–	40.00	80.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	377,000	11.4	43,000	11.7	43,700	11.8	29,200	7.9	159.58

(Note) Revision to the financial results forecast announced most recently: Yes

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 6 companies (INFOCOM CORPORATION and its subsidiaries)

Excluded: None

(Note) For further details, please see *Business combination, etc.* under 2 *Condensed Semi-annual Consolidated Financial Statements and Primary Notes (5) Notes to Condensed Semi-annual Consolidated Financial Statements* on page 14 of the attached document.

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies required by IFRS: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):

As of September 30, 2025:	183,002,000 shares
As of March 31, 2025:	183,002,000 shares

2) Total number of treasury shares at the end of the period:

As of September 30, 2025:	20,595 shares
As of March 31, 2025:	27,793 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2025:	182,977,157 shares
Six months ended September 30, 2024:	182,970,475 shares

(Note) The Company carried out a 2-for-1 stock split of common stock as of July 1, 2024. The numbers of shares presented above were calculated assuming the stock split had taken place at the beginning of the previous fiscal year.

* This semi-annual consolidated financial results report is exempt from the review conducted 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.

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1. Qualitative Information on Semi-annual Financial Results

(1) Operating Results

Analysis of operating results

The Japanese economy continued its moderate recovery during the six months ended September 30, 2025. However, uncertainty remains regarding the potential impact on corporate earnings from prolonged geopolitical risks, including ongoing tensions in Russia and Ukraine and in the Middle East, the effects of U.S. tariff policies, and rising domestic prices.

In the business environment surrounding NS Solutions Corporation (hereinafter, the “Company,” and the Company and its subsidiaries are collectively referred to as the “Group”), demand for digital transformation (DX) aimed at business growth, strong competitiveness, and higher added value remained strong, while our customers maintained steady investments in their systems.

The Group has launched the 2025–2027 Mid-term Business Plan (published in February 2025) to realize the NSSOL 2030 Vision announced in April 2024. Based on the plan, the Group is engaged in business activities focusing on four fundamental transformations—transforming our SI business model, transforming our customer approach, transforming the technology and R&D, and transforming in-house operations and management.

In particular, to transform our SI business model, the Group is advancing various initiatives to promote a TAM-type* model.

(* NSSOL’s new business model comprises three revenue models:

- SI Transformation (T-type): Achieving high productivity through the use of innovative technologies
- Asset Driven (A-type): Converting our strengths into assets
- Multi Company Platform (M-type): Providing a platform for multiple companies to use jointly)

Our solutions, leveraging our expertise and strengths, continued to receive many customer inquiries, including those for “PPMP” (Process-manufacturing Production Management Package) for the manufacturing industry, the cloud solution “CloudHarbor,” and the digital twin solution “Geminant.” “Delifit AI,” which features AI-based demand forecasting and optimization capabilities, released new recipe management and ingredient ordering functions. It now provides end-to-end support for prepared food operations, from sales and production planning to ingredient ordering, while helping reduce food waste. We also launched “emerald SaaS,” a service built on our long-standing high-quality IT management know-how, and “NS Craft AI Factory,” a solution that combines our AI expertise with extensive implementation experience to support customized, AI-driven business transformation.

“Nestorium,” our proprietary integrated development and operations platform equipped with various development support tools such as generative AI and automation technologies, has been increasingly adopted. In July 2025, Nestorium added “NSDevia,” which features “Jitera,” an AI development agent created by Jitera Inc. to streamline system development. Nestorium will help us improve our solution creation capability and enable high productivity. We will continue to enhance its services with the aim of deploying it as a shared platform for multiple companies.

In addition, we are actively pursuing global and external growth strategies, and have engaged in M&As with domestic and overseas companies. We acquired 100% of the shares of PT.WCS ABYAKTA NAWASENA in Indonesia in June 2025 and of INFOCOM CORPORATION in July. Both companies are now part of our Group and operate as integral members. We also entered into a capital and business alliance with Intelligent Force Co., Ltd., a company recognized for its consulting capabilities, in August, and with Delivery Consulting Inc., a firm known for its expertise in data utilization, in September.

As a result of these efforts, revenue for the six months ended September 30, 2025 amounted to 178,375 million yen, an increase of 21,762 million yen compared to 156,612 million yen for the same period of the previous fiscal year. This was due to higher sales to the manufacturing, Nippon Steel Group field and the retail field, favorable conditions in the cloud solution and security fields, as well as the consolidation of INFOCOM CORPORATION during the six months ended September 30, 2025. Operating profit came in at 18,272 million yen, an increase of 147 million yen compared to 18,125 million yen for the same period of the previous fiscal year. This was due to increased gross profit resulting from higher revenue and improved gross profit margin, despite increased selling, general and administrative expenses resulting from investments for business model transformation.

An overview of the six months ended September 30, 2025 by service field (Business Solutions and Consulting & Digital Service) is as follows. From the six months ended September 30, 2025, due to organizational restructuring, certain fields have been reclassified from Business Solutions to Consulting & Digital Service.

The figures for the six months ended September 30, 2024 disclosed in this document reflect this change.

Business Solutions

Revenue for the six months ended September 30, 2025 amounted to 135,072 million yen, an increase of 18,517 million yen compared to 116,554 million yen for the same period of the previous fiscal year, partly due to the impact of consolidating INFOCOM CORPORATION.

Manufacturing, Nippon Steel Group field

Revenue from this field increased year on year. Both the manufacturing field and Nippon Steel Group field performed well.

Retail and Platform field

Revenue from this field increased year on year, supported by solid performance in the retail field.

Financial Services field

Revenue from this field increased year on year. Software product sales declined, following strong performance in the previous year, but this was offset by other projects.

Consulting & Digital Service

Revenue for the six months ended September 30, 2025 amounted to 43,302 million yen, an increase of 3,244 million yen compared to 40,058 million yen for the same period of the previous fiscal year, owing to favorable sales in the cloud solution and security fields.

(2) Financial Position

1) Analysis of financial position

Total assets at the end of the six months ended September 30, 2025 amounted to 405,320 million yen, a decrease of 15,982 million yen compared to 421,302 million yen at the end of the previous fiscal year. This was mainly due to a decrease of 80,003 million yen in cash and cash equivalents, partly offset by increases of 28,932 million yen in goodwill and 28,712 million yen in intangible assets.

Total liabilities at the end of the six months ended September 30, 2025 amounted to 130,379 million yen, a decrease of 21,107 million yen compared to 151,487 million yen at the end of the previous fiscal year. This was mainly due to a decrease of 24,876 million yen in income taxes payable, partly offset by an increase of 7,020 million yen in deferred tax liabilities.

Total equity at the end of the six months ended September 30, 2025 amounted to 274,940 million yen, an increase of 5,125 million yen compared to 269,815 million yen at the end of the previous fiscal year. The breakdown mainly includes 12,616 million yen of profit and 6,861 million yen of dividends paid. As a result, the ratio of equity attributable to owners of parent to total assets was 65.6%.

2) Cash flows

Statements of cash flows

The balance of cash and cash equivalents at the end of the six months ended September 30, 2025 was 112,927 million yen. Net decrease in cash and cash equivalents for the six months of the current fiscal year was 80,003 million yen, compared to a net increase of 88,311 million yen for the same period of the previous fiscal year. Cash flows by activity type are as follows.

i) Cash flows from operating activities

Cash flows from operating activities for the six months ended September 30, 2024 resulted in a cash inflow of 23,975 million yen. This is mainly attributable to 18,157 million yen of profit before tax, 6,038 million yen of depreciation and amortization, a 17,786 million yen decrease in trade and other receivables, a 4,973 million yen increase in contract assets, a 3,724 million yen increase in inventories, a 2,471 million yen increase in trade and other payables, a 2,970 million yen decrease in consumption tax payable etc., and income taxes paid of 7,551 million yen. On the other hand, cash flows from operating activities for the six months ended September 30, 2025 resulted in a cash outflow of 12,299 million yen. This is mainly attributable to 18,848 million yen of profit before tax, 6,367 million yen of depreciation and amortization, a 10,315 million yen decrease in trade and other receivables, a 8,253 million yen increase in contract assets, a 882 million yen increase in inventories, a 3,336 million yen decrease in trade and other payables, a 838 million yen decrease in consumption tax payable etc., 5,000 million yen of settlement package, and income taxes paid of 30,369 million yen. The negative cash flows from operating activities for the six months ended September 30, 2025 were primarily due to a temporary increase in income taxes paid following the sale of investment securities in the previous fiscal year.

ii) Cash flows from investing activities

Cash flows from investing activities for the six months ended September 30, 2024 resulted in a cash inflow of 72,334 million yen. This is mainly attributable to 77,752 million yen of proceeds from sale and redemption of other financial assets, 4,574 million yen of purchase of other financial assets and 2,033 million yen of purchase of property, plant and equipment, and intangible assets. On the other hand, cash flows from investing activities for the six months ended September 30, 2025 resulted in a cash outflow of 56,716 million yen. This is mainly attributable to 54,397 million yen of payments for acquisition of shares of affiliated companies resulting in change in scope of consolidation and 1,691 million yen of purchase of property, plant and equipment, and intangible assets.

iii) Cash flows from financing activities

Cash flows from financing activities for the six months ended September 30, 2024 resulted in a cash outflow of 8,274 million yen. This is mainly attributable to 3,720 million yen of repayments of lease liabilities and 4,117 million yen of dividends paid. On the other hand, cash flows from financing activities for the six months ended September 30, 2025 resulted in a cash outflow of 10,749 million yen. This is mainly attributable to 6,861 million yen of dividends paid and 3,472 million yen of repayments of lease liabilities.

Information on capital resources and liquidity of funds

i) Basic policy

The Group believes that it is important to continuously maintain and strengthen its competitiveness and increase its corporate value into the future.

Therefore, we seek to maintain sufficient internal reserves to prepare for capital requirements for business growth and business risks such as wide-area disasters. The capital requirements include those for initiatives to achieve further profitability through business model transformation, focus on IT megatrends to achieve higher-than-market growth, make aggressive growth investments, pursue external growth through M&A, and enhance governance and shareholder value. At the same time, regarding profit distribution, our basic policy is to implement appropriate and stable distribution of dividends to shareholders.

We aim for a consolidated dividend payout ratio of 50%, with a focus on returning profits to shareholders in line with consolidated performance.

ii) Capital requirements and financing

Major capital requirements of the Group include operating expenses such as material costs, outsourcing costs, labor costs, overhead costs, and selling, general and administrative expenses, as well as capital expenditures and investments for external growth. Those capital requirements are satisfied by own funds.

As for working capital on hand, the Company concentrates surplus funds from subsidiaries in the Company for centralized management by implementing the cash management system (CMS) and also having certain of its domestic subsidiaries implement the same system. Note that the Company's CMS is administered by Nippon Steel Corporation with 100,204 million yen deposited in the system as of September 30, 2025 being presented as part of cash and cash equivalents.

For unexpected capital requirements, the Company has overdraft arrangements with major banks and Nippon Steel Corporation, its parent company, to prepare for liquidity risks.

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

The following revisions have been made to the consolidated financial results forecast for the fiscal year ending March 31, 2026, announced on April 28, 2025, as revenue is expected to increase compared to the most recent forecast due to the impact of making INFOCOM CORPORATION a consolidated subsidiary.

Revised forecast of the consolidated financial results for the full year of the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced forecast (A)	357,000	43,000	43,700	29,200	159.59
Revised forecast (B)	377,000	43,000	43,700	29,200	159.58
Difference (B-A)	20,000	–	–	–	(0.01)
Change (%)	5.6%	–	–	–	(0.0)%
(Reference) Results of the previous fiscal year ended March 31 2025	338,301	38,497	39,076	27,049	147.84

(Note) The Company carried out a 2-for-1 stock split of common stock as of July 1, 2024. Basic earnings per share for the fiscal year ended March 31, 2025 were calculated assuming the stock split had taken place at the beginning of the previous fiscal year.

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

2. Condensed Semi-annual Consolidated Financial Statements and Primary Notes

(1) Condensed Semi-annual Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and cash equivalents	192,931	112,927
Trade and other receivables	70,210	62,361
Contract assets	22,719	31,903
Inventories	32,083	33,135
Other financial assets	2,796	7,866
Other current assets	4,082	5,419
Total current assets	324,824	253,614
Non-current assets		
Property, plant and equipment	15,568	16,913
Right-of-use assets	29,148	27,302
Goodwill	2,923	31,856
Intangible assets	4,039	32,751
Investments accounted for using equity method	191	207
Other financial assets	29,315	26,986
Deferred tax assets	15,165	15,466
Other non-current assets	125	218
Total non-current assets	96,477	151,705
Total assets	421,302	405,320

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Trade and other payables	30,690	28,897
Contract liabilities	27,504	32,470
Lease liabilities	6,061	6,385
Other financial liabilities	732	714
Income taxes payable	31,864	6,987
Provisions	4,004	2,160
Other current liabilities	18,317	15,402
Total current liabilities	119,175	93,018
Non-current liabilities		
Lease liabilities	23,158	20,839
Other financial liabilities	–	148
Retirement benefit liability	4,938	5,068
Provisions	2,869	2,879
Deferred tax liabilities	–	7,020
Other non-current liabilities	1,346	1,405
Total non-current liabilities	32,312	37,361
Total liabilities	151,487	130,379
Equity		
Share capital	12,952	12,952
Capital surplus	3,642	3,635
Retained earnings	242,900	248,042
Treasury shares	(63)	(47)
Other components of equity	1,741	1,448
Total equity attributable to owners of parent	261,173	266,031
Non-controlling interests	8,641	8,908
Total equity	269,815	274,940
Total liabilities and equity	421,302	405,320

(2) Condensed Semi-annual Consolidated Statements of Profit or Loss and Condensed Semi-annual Consolidated Statements of Comprehensive Income

Condensed Semi-annual Consolidated Statements of Profit or Loss

Six months ended September 30, 2024 and 2025

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Revenue	156,612	178,375
Cost of sales	(118,241)	(132,242)
Gross profit	38,371	46,132
Selling, general and administrative expenses	(20,289)	(28,042)
Share of profit (loss) of investments accounted for using equity method	(10)	15
Other income	111	253
Other expenses	(57)	(87)
Operating profit	18,125	18,272
Finance income	423	692
Finance costs	(391)	(116)
Profit before tax	18,157	18,848
Income tax expense	(5,500)	(6,232)
Profit	12,656	12,616
Profit attributable to		
Owners of parent	12,186	12,007
Non-controlling interests	470	608
Earnings per share		
Basic earnings per share (yen)	66.60	65.62

Condensed Semi-annual Consolidated Statements of Comprehensive Income

Six months ended September 30, 2024 and 2025

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	12,656	12,616
Other comprehensive income, net of tax effect		
Items that will not be reclassified to profit or loss		
Remeasurement of net defined benefit liability (asset)	0	4
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	13,828	107
Total of items that will not be reclassified to profit or loss	13,829	112
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	387	(419)
Total of items that may be reclassified to profit or loss	387	(419)
Total other comprehensive income, net of tax effect	14,216	(306)
Comprehensive income	26,873	12,309
Comprehensive income attributable to		
Owners of parent	26,392	11,709
Non-controlling interests	481	599

(3) Condensed Semi-annual Consolidated Statements of Changes in Equity

Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(Millions of yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Remeasurement of net defined benefit liability (asset)
Balance at beginning of period	12,952	9,953	174,625	(32)	38,611	–
Profit	–	–	12,186	–	–	–
Other comprehensive income	–	–	–	–	13,828	0
Comprehensive income	–	–	12,186	–	13,828	0
Dividends of surplus	–	–	(4,117)	–	–	–
Purchase of treasury shares	–	–	–	(61)	–	–
Share-based payment transactions	–	(17)	–	31	–	–
Transfer from other components of equity to retained earnings	–	–	51,530	–	(51,529)	(0)
Change by business combination	–	(6,320)	–	–	–	–
Total transactions with owners	–	(6,338)	47,412	(30)	(51,529)	(0)
Balance at end of period	12,952	3,614	234,224	(63)	911	–

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	719	39,330	236,829	7,954	244,783
Profit	–	–	12,186	470	12,656
Other comprehensive income	376	14,205	14,205	10	14,216
Comprehensive income	376	14,205	26,392	481	26,873
Dividends of surplus	–	–	(4,117)	(374)	(4,491)
Purchase of treasury shares	–	–	(61)	–	(61)
Share-based payment transactions	–	–	13	–	13
Transfer from other components of equity to retained earnings	–	(51,530)	–	–	–
Change by business combination	–	–	(6,320)	–	(6,320)
Total transactions with owners	–	(51,530)	(10,486)	(374)	(10,860)
Balance at end of period	1,095	2,006	252,735	8,060	260,796

Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(Millions of yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Remeasurement of net defined benefit liability (asset)
Balance at beginning of period	12,952	3,642	242,900	(63)	568	–
Profit	–	–	12,007	–	–	–
Other comprehensive income	–	–	–	–	107	4
Comprehensive income	–	–	12,007	–	107	4
Dividends of surplus	–	–	(6,861)	–	–	–
Purchase of treasury shares	–	–	–	–	–	–
Share-based payment transactions	–	(7)	–	16	–	–
Transfer from other components of equity to retained earnings	–	–	(3)	–	7	(4)
Change by business combination	–	–	–	–	–	–
Total transactions with owners	–	(7)	(6,865)	16	7	(4)
Balance at end of period	12,952	3,635	248,042	(47)	684	–

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity				
	Exchange differences on translation of foreign operations	Total	Total		
Balance at beginning of period	1,173	1,741	261,173	8,641	269,815
Profit	–	–	12,007	608	12,616
Other comprehensive income	(409)	(297)	(297)	(9)	(306)
Comprehensive income	(409)	(297)	11,709	599	12,309
Dividends of surplus	–	–	(6,861)	(410)	(7,271)
Purchase of treasury shares	–	–	–	–	–
Share-based payment transactions	–	–	9	–	9
Transfer from other components of equity to retained earnings	–	3	–	–	–
Change by business combination	–	–	–	78	78
Total transactions with owners	–	3	(6,852)	(331)	(7,184)
Balance at end of period	764	1,448	266,031	8,908	274,940

(4) Condensed Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before tax	18,157	18,848
Depreciation and amortization	6,038	6,367
Impairment losses	11	–
Interest income	(264)	(573)
Dividend income	(156)	(63)
Interest expenses	113	98
Share of loss (profit) of investments accounted for using equity method	10	(15)
Decrease (increase) in trade and other receivables	17,786	10,315
Decrease (increase) in contract assets	(4,973)	(8,253)
Decrease (increase) in inventories	(3,724)	(882)
Increase (decrease) in trade and other payables	2,471	(3,336)
Increase (decrease) in bonus payable	(1,054)	350
Increase (decrease) in consumption tax payable etc.	(2,970)	(838)
Other	(237)	495
Subtotal	31,207	22,512
Interest received	276	606
Dividends received	156	63
Interest paid	(113)	(111)
Payment of settlement	–	(5,000)
Income taxes paid	(7,551)	(30,369)
Net cash provided by (used in) operating activities	23,975	(12,299)
Cash flows from investing activities		
Payments into time deposits	(401)	(495)
Proceeds from withdrawal of time deposits	326	400
Purchase of property, plant and equipment, and intangible assets	(2,033)	(1,691)
Purchase of other financial assets	(4,574)	(547)
Proceeds from sale and redemption of other financial assets	77,752	138
Payments for acquisition of shares of affiliated companies resulting in change in scope of consolidation	–	(54,397)
Proceeds from acquisition of shares of affiliated companies resulting in change in scope of consolidation	1,289	–
Other	(24)	(124)
Net cash provided by (used in) investing activities	72,334	(56,716)
Cash flows from financing activities		
Repayments of lease liabilities	(3,720)	(3,472)
Dividends paid	(4,117)	(6,861)
Dividends paid to non-controlling interests	(374)	(410)
Purchase of treasury shares	(61)	–
Other	–	(5)
Net cash provided by (used in) financing activities	(8,274)	(10,749)
Effect of exchange rate changes on cash and cash equivalents	275	(238)
Net increase (decrease) in cash and cash equivalents	88,311	(80,003)
Cash and cash equivalents at beginning of period	103,975	192,931
Cash and cash equivalents at end of period	192,286	112,927

(5) Notes to Condensed Semi-annual Consolidated Financial Statements

Going concern assumption

Not applicable.

Segment information, etc.

A reportable segment is a component of the Group for which discrete financial information is available, and which is subject to regular review by the Board of Directors to make decisions about the allocation of management resources and assess its performance.

The Company and its consolidated subsidiaries operate in a single business segment, which is the information services business. This segment provides comprehensive services such as information systems planning, software development, hardware and equipment selection, and system operation and maintenance. Consequently, no segmentation breakdown is available.

Thus, segment information is omitted.

Business combination, etc.

The Company has entered into a share transfer agreement on April 23, 2025, pursuant to a resolution of the Board of Directors' meeting held on March 31, 2025, for the purpose of acquiring all of the issued shares of INFOCOM CORPORATION ("INFOCOM") and making it a subsidiary. In accordance with the agreement, the Company acquired all of the issued shares of INFOCOM on July 1, 2025, and INFOCOM became a consolidated subsidiary of the Company.

Prior to the share acquisition, and pursuant to the share transfer agreement, INFOCOM issued a dividend in kind to INFOCOM HOLDINGS CORPORATION (currently "Amutus Corporation") in the form of all the issued shares of Amutus Corporation (including its associates), which was a wholly-owned subsidiary of INFOCOM and operates the online business (provision of electronic comic distribution service "Mecha Comic") (hereinafter, the "advance restructuring"). In accordance with the advance restructuring, INFOCOM has operated solely in the IT services business since the date of the share acquisition.

1. Outline of the business combination

(1) Name of the acquired company and details of business

Name of the acquired company	:	INFOCOM CORPORATION
Details of business	:	Provision of IT services, including planning, development, operation, and management of information systems for companies, medical institutions, pharmaceutical companies, public institutions, etc.

(2) Reasons for business combination

The Company has provided high-quality IT services ranging from consulting to development, construction, and operation to customers in a wide variety of industries, including process manufacturers such as NIPPON STEEL CORPORATION; customers in assembly manufacturing, distribution and services, finance, and telecommunications; and government agencies, by combining its extensive business expertise and advanced technical capabilities. Promoting in-house development and collaboration and co-creation with companies that possess competitive assets are essential to the launch and expansion of asset-driven businesses. The NSSOL 2030 Vision sets forth our goal of becoming a “Social Value Producer with Digital” that creates value on its own and takes the initiative in solving social and corporate issues. To achieve this goal, we are determined to expand our business fields and transform our business model.

INFOCOM has extensive business expertise in IT services for customers including process manufacturers and trading companies, and provides system integration services to major corporations. As the original developer of GRANDIT, an ERP system for medium-sized companies, INFOCOM offers its own services and products that address social issues such as healthcare, crisis management, and business continuity planning (BCP), and is actively developing own assets and turning them into businesses.

With the addition of INFOCOM to our Group, we believe we can further accelerate growth by making use of the strengths and know-how the two companies have accumulated so far and thereby complementing each other.

Specifically, we will (1) strengthen service capabilities for customers of both companies and expand SI businesses in the process manufacturing field by combining the business expertise and technological capabilities of both companies in the same field; (2) expand our asset-driven business for medium-sized companies by leveraging the sales channels and development and implementation resources of our regional companies, with GRANDIT at the core; and (3) engage in cross-selling and joint development of services and products that address social issues, starting with healthcare. In addition, by sharing our human resource recruitment and development measures and research and development outcomes, we will strengthen INFOCOM’s business foundation to further accelerate the aforementioned initiatives.

Going forward, the Company and INFOCOM will work together to achieve the NSSOL 2030 Vision.

(3) Date of acquisition
July 1, 2025

(4) Method used to obtain control of the acquiree
Share acquisition with cash as consideration

(5) Percentage of voting equity interests
100%

2. Consideration for acquisition
55,088 million yen

3. Details and amount of major acquisition related costs
Advisory fees and commissions: 821 million yen

(Note) Of this amount, 116 million yen was recorded in selling, general and administrative expenses in the consolidated statement of profit or loss for the fiscal year ended March 31, 2025, and 704 million yen in the condensed semi-annual consolidated statement of profit or loss for the six months ended September 30, 2025.

4. Fair value of assets acquired and liabilities assumed, non-controlling interests, and goodwill at the date of business combination

(Millions of yen)

Fair value of consideration paid (cash)	55,088
Fair value of assets acquired and liabilities assumed	
Current assets (Note 1)	7,369
Property, plant and equipment	1,422
Intangible assets (Note 2)	28,691
Other non-current assets	5,105
Total assets	42,589
Current liabilities	(5,853)
Non-current liabilities	(10,002)
Total liabilities	(15,855)
Fair value of assets acquired and liabilities assumed, net	26,733
Non-controlling interests (Note 3)	(78)
Goodwill (Note 4)	28,432

Notes: 1. The fair value of the acquired trade and other receivables is 3,110 million yen. The contractual amounts receivable are 3,121 million yen, and no significant uncollectible amounts are expected.

2. Intangible assets include identifiable customer-related assets of 26,963 million yen.

3. Non-controlling interests relate to INFOCOM's subsidiaries and are measured at the proportionate share of the subsidiaries' identifiable net assets at the date of business combination.

4. Goodwill mainly represents expected synergies with existing businesses and excess earning power arising from the acquisition. No amount of goodwill is expected to be deductible for tax purposes.

5. As of September 30, 2025, the amounts of goodwill arising from the business combination, as well as the assets acquired and liabilities assumed at the business combination date, are subject to provisional accounting treatment. This is because the identification of identifiable assets and liabilities at the business combination date is still under review, and the allocation of the acquisition consideration has not yet been finalized.

5. Breakdown of cash flows from acquisition

(Millions of yen)

Breakdown	Six months ended September 30, 2025
Cash and cash equivalents paid for acquisition	55,088
Cash and cash equivalents held by the acquired company at the time of acquisition	(2,086)
Payments for acquisition of shares of affiliated companies resulting in change in scope of consolidation	53,001

6. Profit or loss information after the acquisition date relating to the business combination

   The performance of INFOCOM included in the condensed semi-annual consolidated statement of profit or loss since the acquisition date is as follows:

(Millions of yen)

	Six months ended September 30, 2025
Revenue	6,959
Profit	218

7. Pro forma information

   The following pro forma information presents the Group’s consolidated results for the six months ended September 30, 2025, as if the acquisition of INFOCOM had occurred at the beginning of the current fiscal year.

(Millions of yen)

	Six months ended September 30, 2025
Revenue	184,790
Profit	12,925