TSE:2327

1st Quater Results FY2026

July 30, 2026

NS Solution Corporation

Results of FY2026/1Q

1. FY2026/1Q Highlights

¥ in billion

	FY2025/1Q	FY2026/1Q	YoY change	YoY rate
Revenue	82.7	**93.7**	**+11.0**	**+13%**
Gross Profit	21.0	**24.8**	**+3.8**	**+18%**
<Gross Profit Margin>	<25.4%>	**<26.5%>**	**<+1.1%>**	
SG & A and Other Profit	12.5	**15.6**	**+3.0**	**+24%**
Operating Profit	8.5	**9.2**	**+0.7**	**+9%**
<Operating Profit Margin>	<10.3%>	**<9.9%>**	**<-0.4%>**	
Profit before tax	8.8	**9.5**	**+0.7**	**+8%**
Profit attributable to owners of parent	5.1	**5.2**	**+0.1**	**+2%**

Strong Start with Increased Revenue and Profits Amid Robust IT Demand.

・Domestic IT demand remains strong; revenue up 13%

・Gross profit margin improved by 1.1 points due to factors such as business model transformation, increased productivity and a rise in high-value-added projects.

・The increase in SG & A expenses (+3.0 billion yen) was primarily due to the impact of making Infocom a subsidiary (+2.9 billion yen).

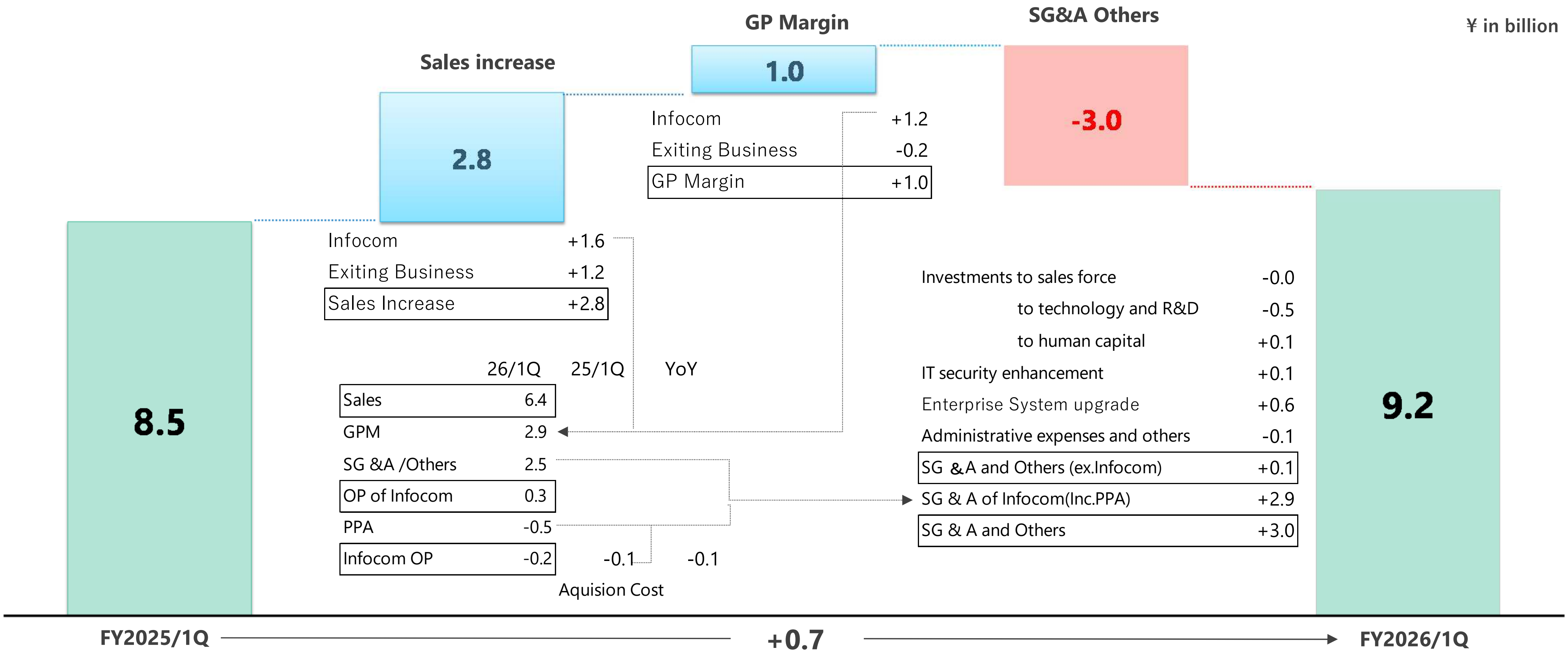
・The costs associated with the enterprise system upgrade (approximately 600 million yen in Q1) were offset by other cost reductions.

・Operating profit came in at 9.2 billion yen (+9%).

・First-quarter orders were up 43%, showing strong performance.

2. Operating Profit Breakdown

Increased revenue and improved gross profit offset the rise in SG&A expenses, resulting in a profit increase of 0.7 billion yen.



3. Sales and Operating Profit by Segment / Customer Industry

Q1: A Generally Strong Start Across All Sectors

¥ in billion	FY2025/1Q			FY2026/1Q			YoY		
	Revenue	(OPM) Operating Profit		Revenue	(OPM) Operating Profit		Revenue	(OPM) Operating Profit	
Business Solutions	63.5	(10.9%)	6.9	72.7	(10.3%)	7.5	+9.2	(-0.6%)	+0.6
Manufacturing, Nippon Steel Group	33.5	(12.1%)	4.0	41.5	(11.1%)	4.6	+8.0	(-1.0%)	+0.6
Retail and Service, Digital Platformer	16.6	(9.2%)	1.5	17.4	(7.6%)	1.3	+0.8	(-1.7%)	-0.2
Financial Service	13.4	(10.1%)	1.3	13.7	(11.5%)	1.6	+0.3	(+1.4%)	+0.2
Consulting & Digital Service	37.1	(6.1%)	2.3	37.6	(7.1%)	2.6	+0.4	(+1.0%)	+0.4
Government, Educational and Research Institutions	4.3			5.0			+0.7		
IT Infrastructure Services	32.8			32.6			-0.2		
Adjustments	-18.0		-7.0	-16.6		-9.3	+1.4		-0.2
Total	82.7	(10.3%)	85.0	93.7	(9.9%)	92.4	+11.0	(-0.4%)	+0.7
<FYI> Revenue to Nippon Steel	17.8			16.6			-1.3		

4. Business Solution Segment

¥ in billion	FY2025/1Q Revenue	FY2025/1Q (OPM)	FY2025/1Q Operating Profit	FY2026/1Q Revenue	FY2026/1Q (OPM)	FY2026/1Q Operating Profit	YoY Revenue	YoY (OPM)	YoY Operating Profit
Business Solutions	63.5	(10.9%)	6.9	72.7	(10.3%)	7.5	+9.2	(-0.6%)	+0.6
Manufacturing, Nippon Steel Group	33.5	(12.1%)	4.0	41.5	(11.1%)	4.6	+8.0	(-1.0%)	+0.6
Retail and Service, Digital Platformer	16.6	(9.2%)	1.5	17.4	(7.6%)	1.3	+0.8	(-1.7%)	-0.2
Financial Service	13.4	(10.1%)	1.3	13.7	(11.5%)	1.6	+0.3	(+1.4%)	+0.2

	Revenue	Operating Profit
Manufacturing, Nippon Steel Group	・In the industrial sector, in addition to the impact of Infocom, revenue increased in the electrical equipment, industrial machinery, automotive, and automotive parts sectors, among others. ・Revenue from the steel business declined due to factors such as project timing shifts.	・Profit increase driven primarily by the impact of Infocom. ・OP margin down, partly due to the impact of the Infocom PPA and other factors.
Retail and Service, Digital Platformer	・Although there was a decline in revenue from the Platformer segment, revenue increased primarily due to the impact of Infocom.	・Profit down due to the impact of Infocom's PPA and other factors.
Financial Service	・Revenue was roughly on par with the previous year	・Profit growth driven primarily by group companies

5. Consulting & Digital Service Segment

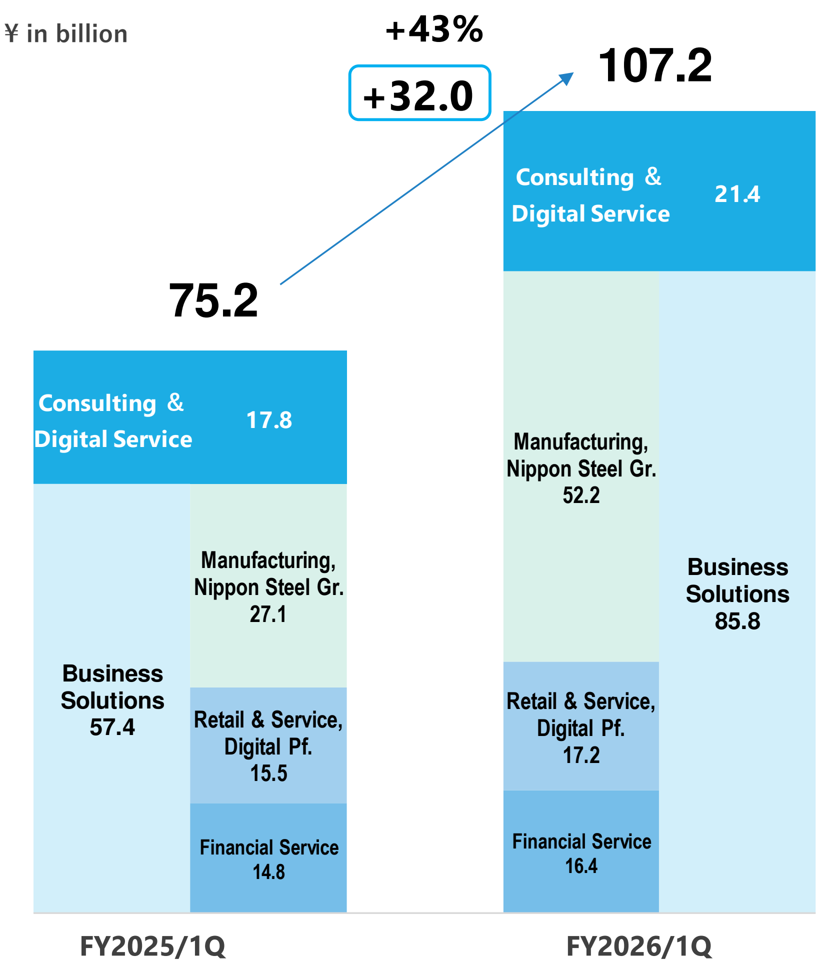
¥ in billion	FY2025/1Q			FY2026/1Q			YoY		
	Revenue	(OPM)	Operating Profit	Revenue	(OPM)	Operating Profit	Revenue	(OPM)	Operating Profit
Consulting & Digital Service	37.1	(6.1%)	2.3	37.6	(7.1%)	2.6	+0.4	(+1.0%)	+0.4

Revenue	Operating Profit
・Increase in Product Sales.	・Increased profits due to higher sales and lower SG&A expenses.

(Reference) Breakdown of Infocom's Revenue

	FY2026/1Q
Revenue of Infocom by Segment	6.4
Manufacturing, NSG	4.7
Retail and Service, Digital Pf	1.8

6. Order Acceptance



Orders are strong, up 43% YoY

Manufacturing, NSC

+93% Significant increase driven primarily by a major order for Oracle licenses (PULA) and the impact of Infocom (+3.8 billion yen); orders from Nippon Steel also increased.

Retail & Service, Digital Pf.

+11% Increase in Entities Affected by Infocom

Financial Service

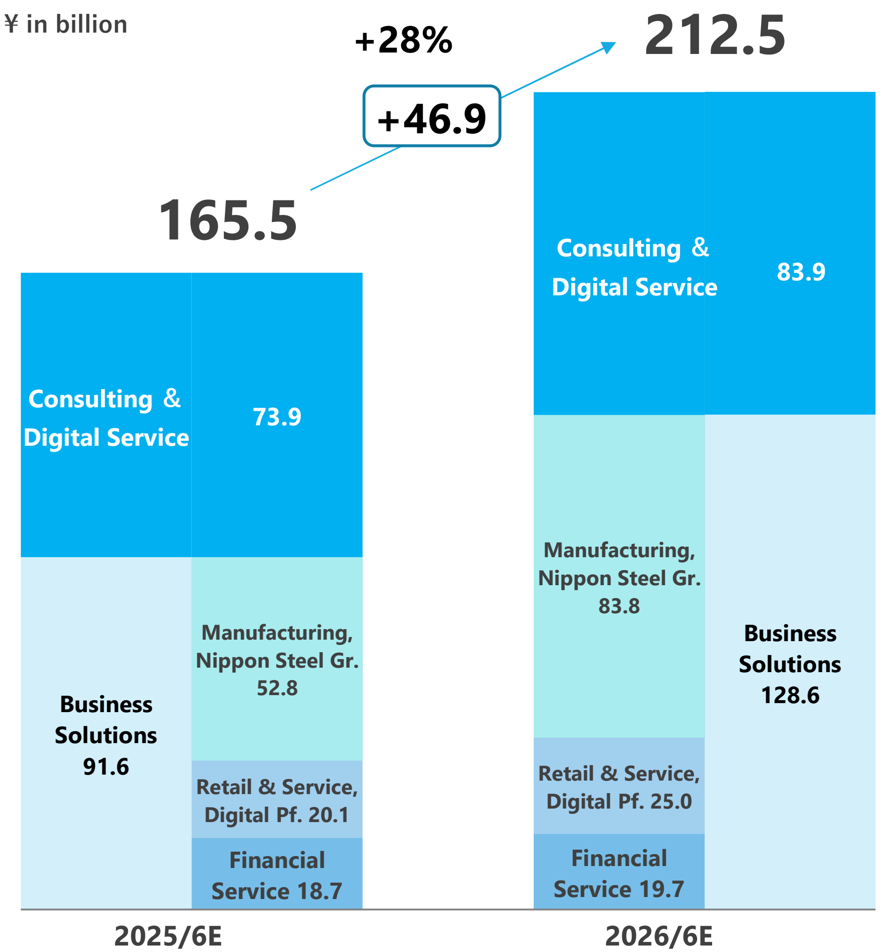
+11% Increase in Orders Primarily from Major

Consulting & Digital Service

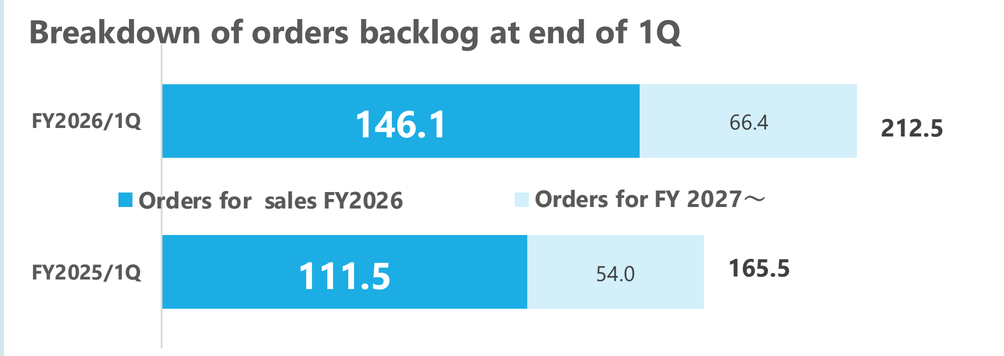
+20% Orders for IT infrastructure are strong.

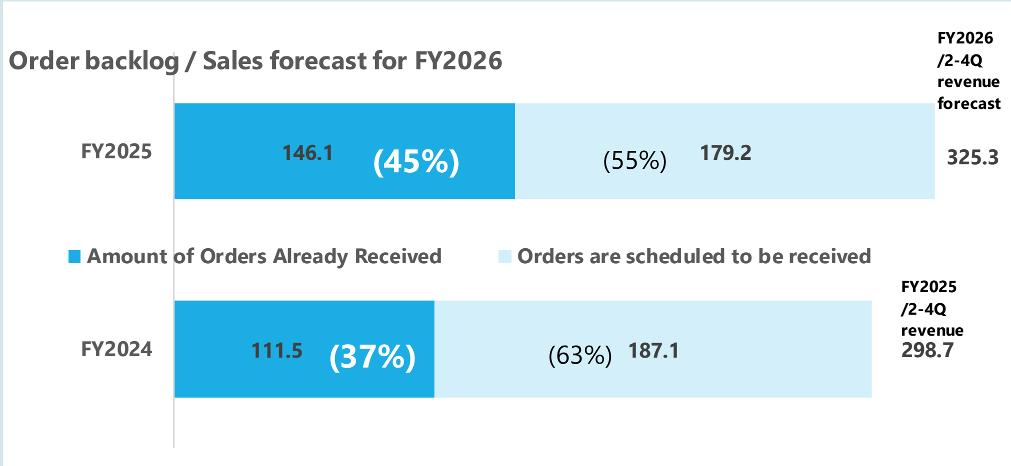
(Reference)
Of the 32 billion yen increase in orders, 7.5 billion yen is attributable to Infocom.

7. Order Backlog



- Order backlog as of the end of June was up YoY 28%
- The order backlog coverage rate relative to the full-year revenue forecast as of the end of June was 45%





FY2026 Guidance

8. FY2026 Guidance

Revenue 419.0 ¥bn
YoY +10% +37.7 ¥bn
vs. previous forecast +2.0 ¥bn

Operating Profit 48.5 ¥bn
YoY +10% +4.3 ¥bn
vs. previous forecast +1.0 ¥bn

***Net Profit** 32.3 ¥bn
YoY +5% +1.5 ¥bn
vs. previous forecast +0.7 ¥bn

- Promoting the transition to a new business model (TAM model); the TAM ratio was approximately 40% in Q1, with a target of around 50% for fiscal year 2026.
- Revised full-year forecast upward based on Q1 results, order trends, and other factors.

Dividend Forecast

The dividend outlook is scheduled to be revised at the time of the second-quarter earnings announcement.

		FY2025	(Previous forecast)	**FY2026 forecast**	Change YoY	Change Prv.forecast
Profit attributable to Owners of parent (¥ in billions)		30.8	(31.6)	**32.3**	+1.5	+0.7
EPS (Yen per Share)		168.5	(172.7)	**176.5**	+8.0	+3.8
	Interim	40.0	(43.5)	**43.5**	+3.5	-
	Year end	45.0	(43.5)	**43.5**	-1.5	-
Dividends (Yen per Share)		85.0	(87.0)	**87.0**	+2.0	-
POR		50.4%	(50.4%)	**49.3%**		

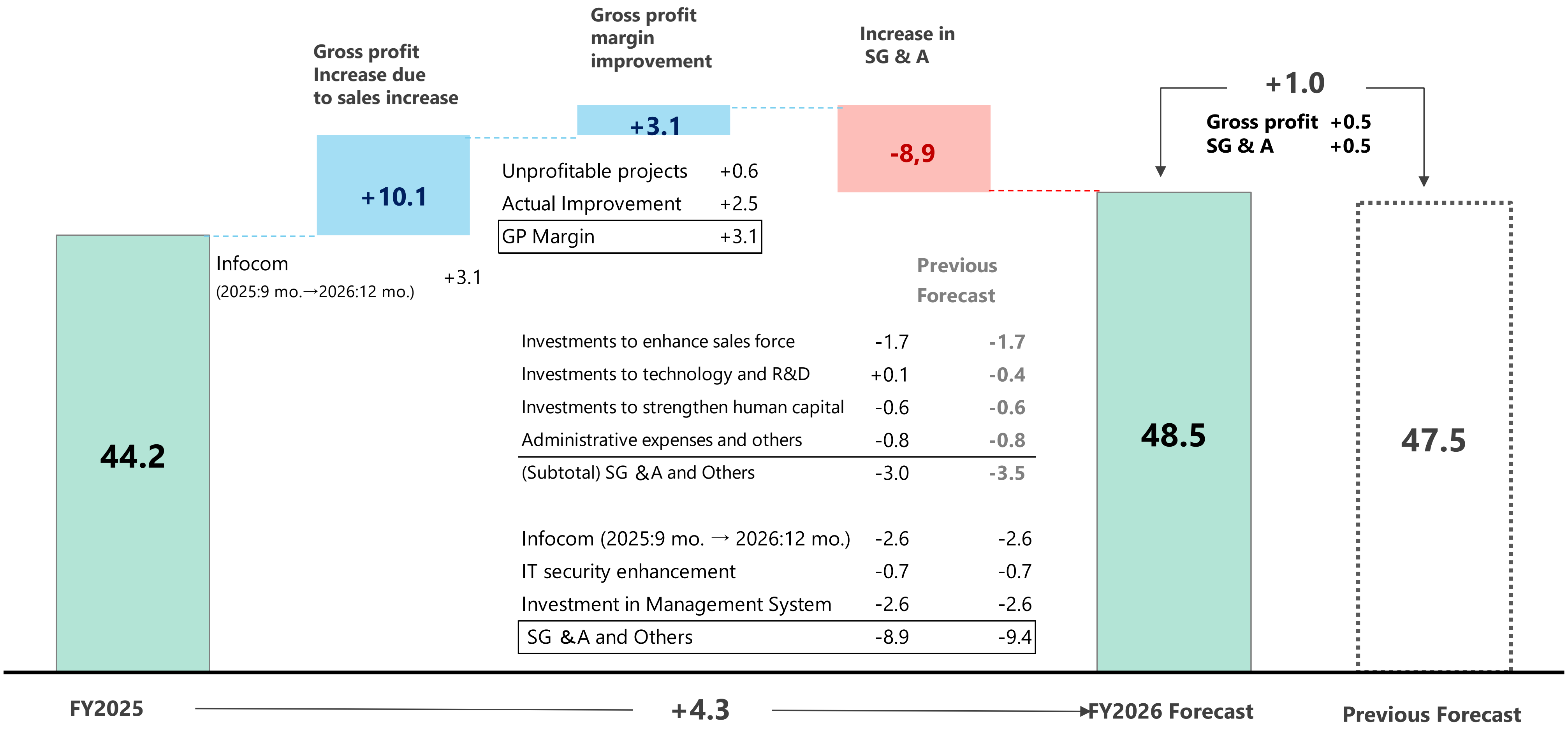
9. FY2026 Half-Yearly Earnings Forecast

Operating Profit Forecast Revised Upward by ¥1.0bn

¥ in billion	FY2025			FY2026(e)			Difference *YoY rate*			Difference vs Previous forecast		
	1H	2H	FY	1H(e)	2H(e)	**FY (e)**	1H	2H	**FY**	1H	2H	**FY**
							12%	*8%*	***10%***			
Revenue	178.4	203.0	381.3	200.0	219.0	**419.0**	+21.6	+16.0	**+37.7**	+2.0	-	**+2.0**
							18%	*9%*	***13%***			
Gross Profit	46.1	55.7	101.8	54.5	60.5	**115.0**	+8.4	+4.8	**+13.2**	+0.5	-	**+0.5**
<Gross Profit Margin>	<25.9%>	<27.4%>	<26.7%>	<27.3%>	<27.6%>	**<27.4%>**	<+1.4%>	<+0.2%>	**<+0.8%>**			
							18%	*13%*	***16%***			
SG & A and Other Profit	27.9	29.7	57.6	33.0	33.5	**66.5**	+5.1	+3.8	**+8.9**	-0.5	-	**-0.5**
							18%	*4%*	***10%***			
Operating Profit	18.3	26.0	44.2	21.5	27.0	**48.5**	+3.2	+1.0	**+4.3**	+1.0	-	**+1.0**
<Operating Profit Margin>	<10.2%>	<12.8%>	<11.6%>	<10.8%>	<12.3%>	**<11.6%>**	<0.5%>	<-0.5%>	**<-0.0%>**			
							16%	*4%*	***9%***			
Profit before tax	18.8	26.4	45.3	21.9	27.4	**49.3**	+3.1	+1.0	**+4.0**	+1.0	-	**+1.0**
							11%	*1%*	***5%***			
Profit attributable to owners of parent	12.0	18.8	30.8	13.3	19.0	**32.3**	+1.3	+0.2	**+1.5**	+0.7	-	**+0.7**

10. FY2026 Forecast : Operating Profit Breakdown

¥ in billion



Unprofitable projects	+0.6
Actual Improvement	+2.5
GP Margin	+3.1

		Previous Forecast
Investments to enhance sales force	-1.7	-1.7
Investments to technology and R&D	+0.1	-0.4
Investments to strengthen human capital	-0.6	-0.6
Administrative expenses and others	-0.8	-0.8
(Subtotal) SG &A and Others	-3.0	-3.5
Infocom (2025:9 mo. → 2026:12 mo.)	-2.6	-2.6
IT security enhancement	-0.7	-0.7
Investment in Management System	-2.6	-2.6
SG &A and Others	-8.9	-9.4

Appendix

11. Quarterly Consolidated Results

¥ in billion

	FY2024				FY2025				**FY2026**
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	**1Q**
Revenue	76.8	79.8	83.7	98.0	82.7	95.7	97.0	105.9	**93.7**
Gross Profit	18.7	19.6	21.0	22.4	21.0	25.1	27.0	28.7	**24.8**
<Gross Profit Margin>	<24.4%>	<24.6%>	<25.0%>	<22.8%>	<25.4%>	<26.3%>	<27.8%>	<27.1%>	**<26.5%>**
SG & A and Other Profit	9.9	10.3	9.5	13.5	12.4	15.4	14.2	15.5	**15.6**
Operating Profit	8.8	9.3	11.5	8.9	8.5	9.8	12.7	13.3	**9.2**
<Operating Profit Margin>	<11.5%>	<11.7%>	<13.7%>	<9.1%>	<10.3%>	<10.2%>	<13.1%>	<12.5%>	**<9.9%>**
Profit before tax	9.0	9.1	12.1	8.8	8.8	10.0	13.0	13.5	**9.5**
Profit attributable to owners of parent	5.4	6.8	8.2	6.6	5.1	6.9	9.1	9.7	**5.2**

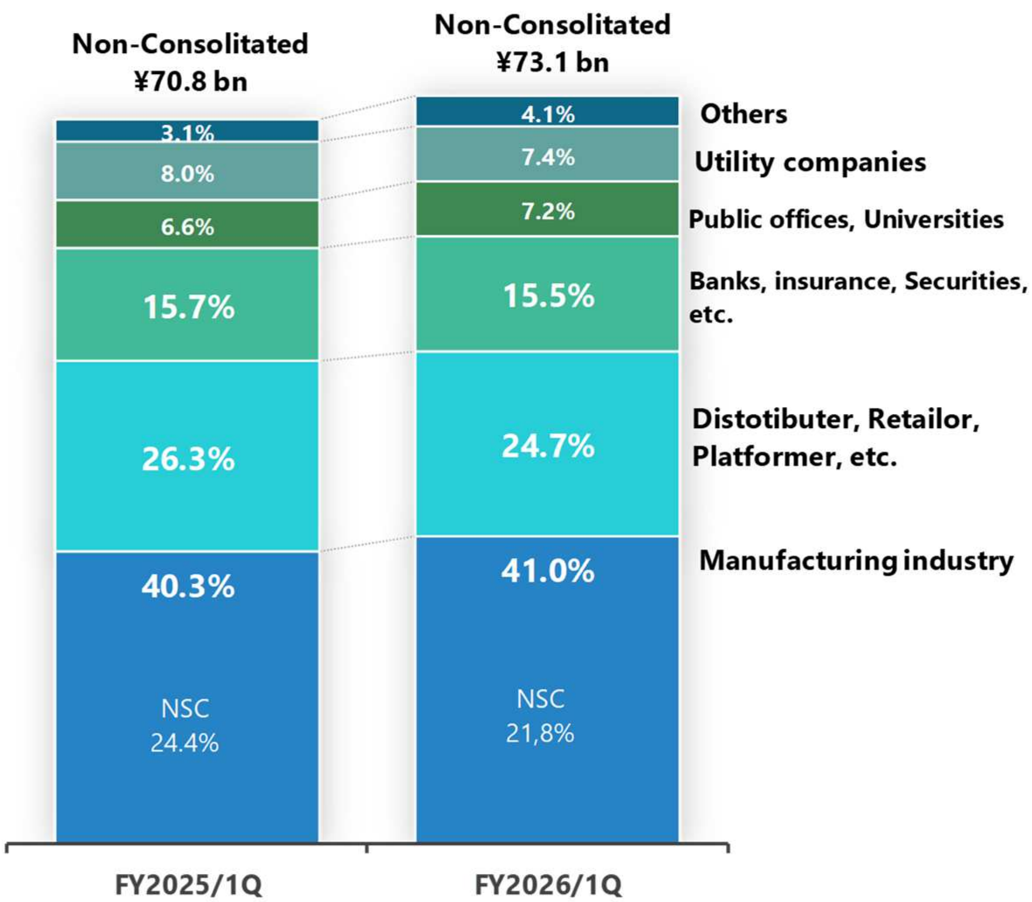
12. Quarterly Sales and Operating Profit by Segment / Customer Industry

¥ in billion

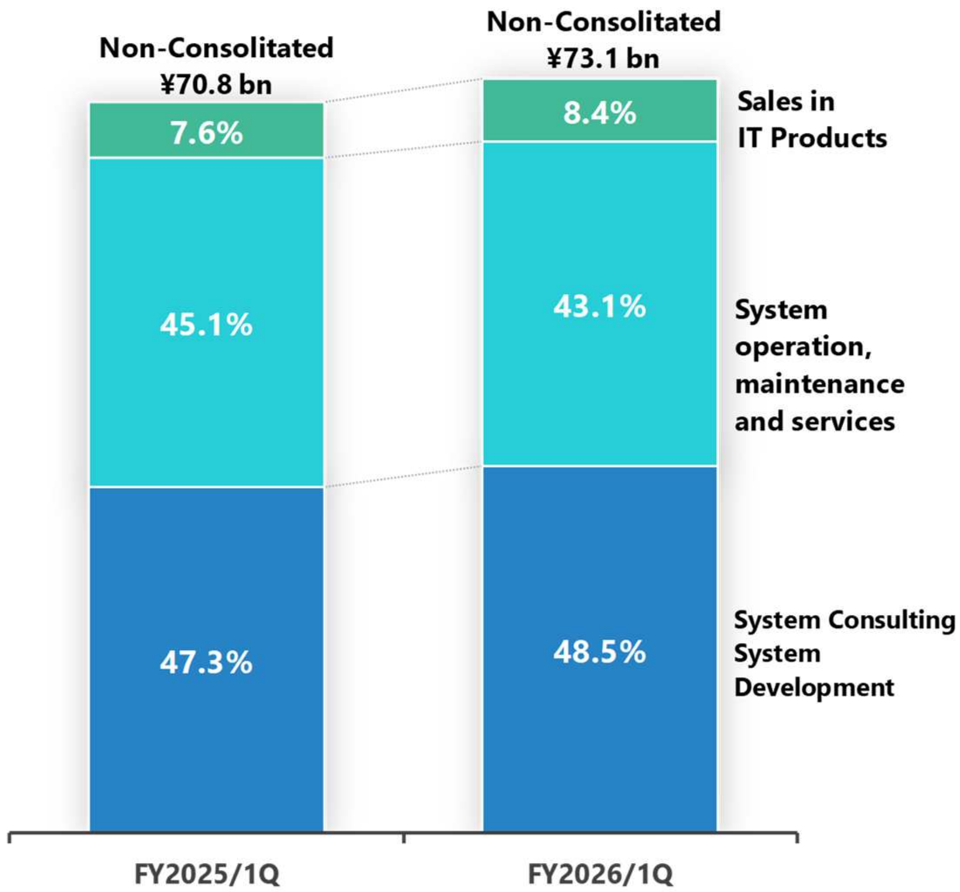
	FY2025/1Q			FY2025/2Q			FY2025/3Q			FY2025/4Q			**FY2026/1Q**		
	Revenue	(OPM) Operating Profit		Revenue	(OPM) Operating Profit		Revenue	(OPM) Operating Profit		Revenue	(OPM) Operating Profit		Revenue	(OPM) Operating Profit	
Business Solutions	63.5	(10.9%)	6.9	75.3	(11.7%)	8.8	74.6	(13.0%)	9.7	81.1	(12.4%)	10.1	72.7	(10.3%)	7.5
Manufacturing, Nippon Steel Group	33.5	(12.1%)	4.0	41.4	(12.7%)	5.3	40.2	(14.1%)	5.7	45.0	(12.2%)	5.5	41.5	(11.1%)	4.6
Retail and Service, Digital Platformer	16.6	(9.2%)	1.5	19.4	(9.8%)	1.9	20.8	(12.4%)	2.6	20.8	(14.6%)	3.0	17.4	(7.6%)	1.3
Financial Service	13.4	(10.1%)	1.3	14.4	(11.2%)	1.6	13.6	(10.8%)	1.5	15.3	(10.5%)	1.6	13.7	(11.5%)	1.6
Consulting & Digital Service	37.1	(6.1%)	2.3	32.4	(2.9%)	0.9	35.6	(9.0%)	3.2	38.3	(10.2%)	3.9	37.6	(7.1%)	2.6
Adjustment	-18.0		-0.7	-12.0		0.1	-13.2		-0.2	-13.4		-0.8	-16.6		-0.9
Total	82.7	(10.3%)	8.5	95.7	(10.2%)	9.8	97.0	(13.1%)	12.7	105.9	(12.5%)	13.3	93.7	(9.9%)	9.2

13. Sales by Customer Industry / Sales Composition by Product/Service

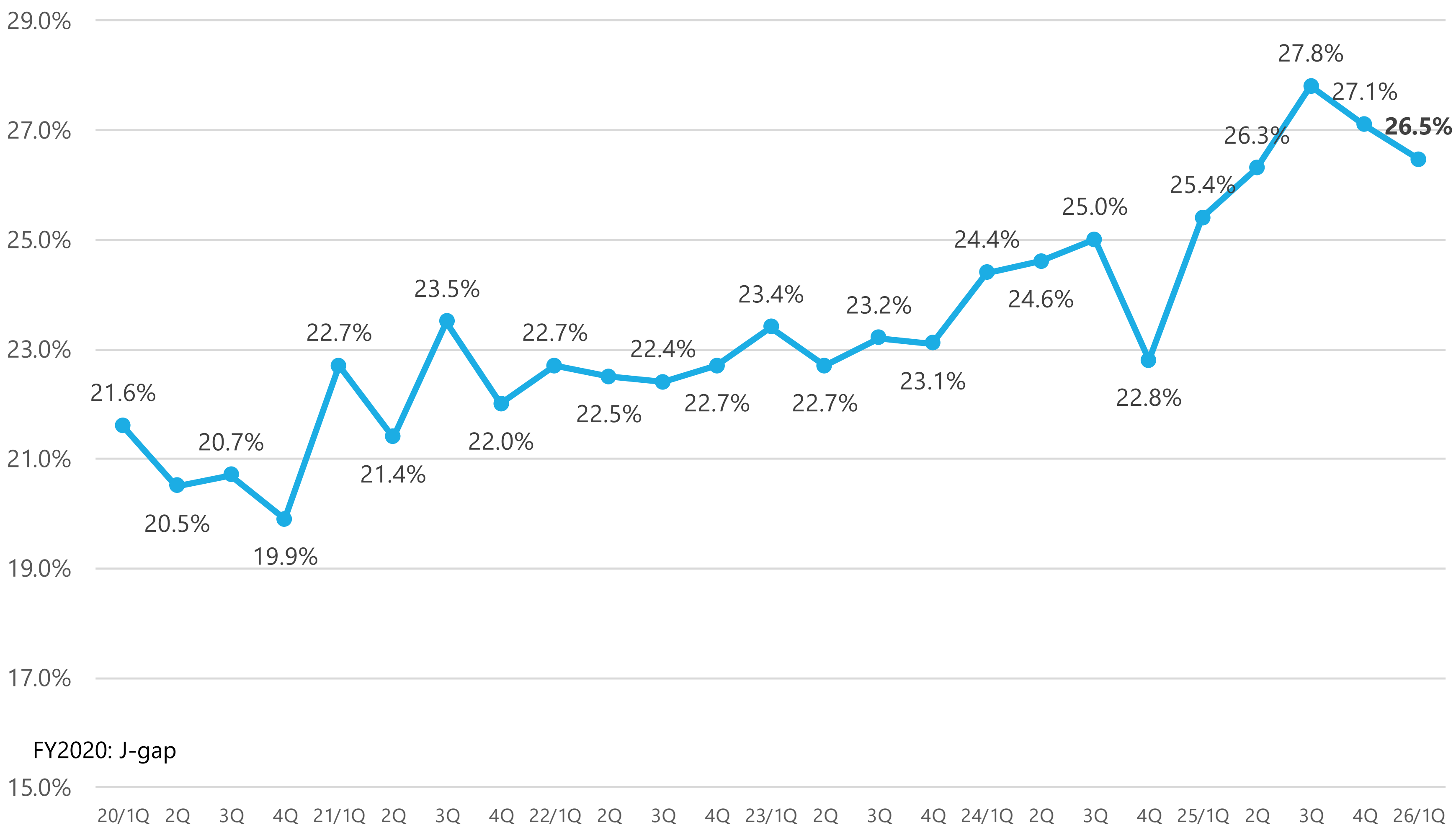
Sales by Customer Industry



Sales Composition by Product/Service



14. Trends in Gross Profit Margin



15. Major One-Time Factors, Major Projects by Quarter

¥ in billion

	FY2025				FY2026
	1Q	2Q	3Q	4Q	1Q
Sales	82.7	95.7	97.0	105.9	93.7
Major Projects		ⓈNewly subsidiaries 7.0	ⓈNewly subsidiaries 6.8	ⓈNewly subsidiaries 8.8	ⓈNewly subsidiaries 6.4
O.P.	8.5	9.8	12.7	13.3	9.2
One-Time		Acquisition Cost -0.7			
Order	75.2	111.2	108.5	112.4	107.2
One-Time		ⓈNewly subsidiaries 24.8	© G 26.8 ⓈNewly subsidiaries 3.8	ⓈNewly subsidiaries 11.8	Ⓑ O 15.2 ⓈNewly subsidiaries 7.5

Ⓑ: Business Solutions, Ⓒ:Consulting & Digital Service,Ⓢ: Subsidiaries 、 O:Oracle, G:Government Project

16. NSSOL's Generative AI Track Record

Internal Achievements

123,900 hrs./month saved

Survey of 6,468 employees,
equiv. 774 person-months

· 2025 FY internal survey results
· NSSOLAS (internal generative AI platform) deployed company-wide
Generative AI utilization contest - 73 entries (2025)

SI Project Achievements

Gen AI usage rate over 50%

Requirements 36%, Coding 45%
productivity gains

- Driving AI-driven development
- NSDevia aids design & test doc creation

Recent Press Release

JAL and NSSOL enhance airport safety management with Gen AI

· JAL's airport safety system "FALCON" build support
Approx. 10 years, approx. 220k near-miss cases analyzed by gen AI

Support: risk ID to countermeasure proposals
· NSSOL's "NS Craft AI Factory" real project example

AI Agent x Fin. Trading WG participation

· MUFG-led consortium participation
· AI Agent-driven future of financial trading under study
Delegation, governance, VC utilization joint research

NSSOL's strength: unifying in-house practice x SI delivery x client business transformation

NS Solutions

Starting with business transformation,
toward a sustainable future

CorePeak

NS Solutions

NIPPON STEEL

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