

July 31, 2025



Consolidated Summary Report

for the First Quarter of the Fiscal Year Ending March 31, 2026
(under Japanese GAAP)

Company name : **NSD Co., Ltd.**
 Listing : Tokyo Stock Exchange, Prime Market
 Securities code : 9759
 URL : <https://www.nsd.co.jp/>
 Representative : Yoshikazu Imajo, President & CEO
 Scheduled date to commence dividend payments : —
 Preparation of supplementary material on financial results : Yes

(Fractions smaller than a million yen omitted)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to June 30, 2025)

(1) Consolidated Results of Operations (Cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	27,298	8.0	3,557	7.9	3,635	9.0	2,182	4.4
June 30, 2024	25,281	5.3	3,297	0.9	3,335	2.0	2,090	24.9

Note: Comprehensive income First quarter ended June 30, 2025: 2,078 million yen ((2.9%))
 First quarter ended June 30, 2024: 2,140 million yen (11.4%)

	Net income per share	Net income per share (Diluted)
First quarter ended	Yen	Yen
June 30, 2025	28.54	—
June 30, 2024	27.19	27.19

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	83,427	63,727	75.3
March 31, 2025	90,485	68,252	74.5

Reference: Equity As of June 30, 2025: 62,837 million yen
 As of March 31, 2025: 67,416 million yen

2. Dividends

	Annual dividends				
	First quarter end	Second quarter end	Third quarter end	Fiscal year end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2025	—	0.00	—	87.00	87.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		0.00	—	89.00	89.00

Note: Revisions to the forecast of dividends most recently announced: None

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

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter ending September 30, 2025	54,500	4.7	7,600	1.0	7,700	1.4	5,000	2.1	65.39
Fiscal year ending March 31, 2026	113,200	5.0	17,100	1.5	17,300	1.5	12,000	1.7	156.94

Note: Revisions to the consolidated financial forecasts most recently announced: None

***Notes**

- (1) Significant changes in scope of consolidation during the period : None
- (2) Application of accounting methods specific to quarterly consolidated financial statements : Yes
Note: For details, please refer to “(3) Notes on Quarterly Consolidated Financial Statements” in “2. Quarterly Consolidated Financial Statements and Notes” on page 10 of Appendix.
- (3) Changes in accounting policies, changes in accounting estimates, and restatements of financial statements of the prior period after error corrections
 - a. Changes in accounting policies due to revisions of accounting standards and other regulations : None
 - b. Changes in accounting policies due to other reasons : None
 - c. Changes in accounting estimates : None
 - d. Restatement of financial statements of the prior period after error corrections : None
- (4) Number of shares issued (Common stock)
 - a. Total number of shares issued at the end of the period (including treasury stock)

As of June 30, 2025:	86,000,000 shares
As of March 31, 2025:	86,000,000 shares
 - b. Number of treasury stock at the end of the period

As of June 30, 2025:	9,535,947 shares
As of March 31, 2025:	9,535,723 shares
 - c. Average number of shares during the period

First quarter ended June 30, 2025:	76,464,128 shares
First quarter ended June 30, 2024:	76,881,344 shares

*** Quarterly review by certified public accountants or auditing firm : None**
for reports of quarterly financial results

***Explanations relating to the appropriate use of financial forecasts and other important items**

(Notes on Financial Forecasts)

The financial forecasts contained in this document is based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual businesses and other results may differ substantially due to various factors. For premises for financial forecasts and cautions when using financial forecasts, please refer to “(3) Information on Financial Forecasts” in “1. Results of Operations and Financial Conditions” on page 5 of Appendix.

(Supplemental Materials on Results)

Supplemental materials on results will be posted on the Company’s website on July 31, 2025.

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1. Results of Operations and Financial Conditions

(1) Operating Results

【Business Environment】

During the first quarter under review, the Japanese economy gradually recovered, as employment and income environment improved, even though there were uncertainties such as rising prices of energy and raw materials, as well as the agreement details of mutual tariffs with the U.S. However, there remains risks of downward pressure on the Japanese economy, due to the impact of inflation on personal consumption, policy movements in the U.S., and weak economic conditions in China.

Under these circumstances, in the information service industry, where the NSD Group operates, the order environment remained favorable, due to IT investment in digital transformation (DX) and generative AI to solve management issues, as well as needs for core system renewal remaining strong, underpinned by favorable corporate performances.

【Measures During the First Quarter Under Review】

The NSD Group aims to achieve the target under its five-year Medium-term Management Plan of posting consolidated net sales of more than 100 billion yen by the final fiscal year ending March 31, 2026, and has been strengthening DX capabilities and expanding its business through M&A. Although the Group achieved this target two years ahead of schedule in the fiscal year ended March 31, 2024, the Group continues steadily implementing the measures set out in the strategies to further expand its business in this first quarter, the final year of the Medium-term Management Plan.

In the System Development Business, the Group is pursuing sustainable expansion of the business by focusing on systems related to DX utilizing new technologies and clouds, as a growth driver, for which there are ever-increasing social needs. Furthermore, based on the basic agreement on the business alliance with Hitachi Ltd. in December 2024, both groups are discussing measures to provide services with greater value through utilizing generative AI and strengthening technological capabilities by exchanging engineers, as well as cooperation between overseas group companies.

In the Solution Business, the Group is creating new solutions that meet market needs and bolstering its sales capabilities to make the business into its second earnings pillar under the leadership of Innovation Strategy Business Unit. In this quarter, however, the poor business performance of medical/healthcare category is an issue, and the Group will focus on improving its business.

【Operating Results】

Under the favorable order environment, the operating results become as follows.

(Unit: Millions of yen)

	First quarter ended June, 2024	First quarter ended June, 2025	YoY	
System Development Business	21,779	23,879	2,100	9.6%
Solution Business	3,502	3,418	(83)	(2.4%)
Net sales	25,281	27,298	2,016	8.0%
DAS Business	11,524	12,426	902	7.8%
System Development Business	8,021	9,008	986	12.3%
Operating income	3,297	3,557	259	7.9%
Ordinary income	3,335	3,635	299	9.0%
Net income attributable to owners of the parent	2,090	2,182	92	4.4%

EBITDA	4,001	4,178	177	4.4%
EBITDA margin	15.8%	15.3%	(0.5) points	—

* DAS Business consists of System Development Business related to DX, System Development Business utilizing new technologies such as AI, and Solution Business.

* EBITDA is calculated by operating income + depreciation + amortization of goodwill.

Net sales increased by 8.0% year on year to 27,298 million yen as a result of a significant increase in orders in Industry IT and Social Infrastructure IT in System Development Business. Net sales of DAS Business, which the Group focuses on, increased by 7.8% year on year to 12,426 million yen as a result of a continued growth of System Development Business related to DX utilizing cloud technologies, which increased by 12.3% year on year, while there was a decrease in Solution Business.

Operating income increased by only 7.9% year on year to 3,557 million yen, as a result of the poor performance of Solution Business.

As a result, ordinary income increased by 9.0% year on year to 3,635 million yen and net income attributable to owners of the parent company increased by 4.4% year on year to 2,182 million yen.

【Operating Results by Segment】

Operating Results by Segment are as below.

(Net Sales by Segment)

(Unit: Millions of yen)

		First quarter ended June, 2024	First quarter ended June, 2025	YoY	
System Development Business	Financial IT	7,883	8,358	474	6.0%
	Industry IT	5,957	6,767	810	13.6%
	Social Infrastructure IT	5,101	5,723	621	12.2%
	IT Infrastructure Construction	2,935	3,173	238	8.1%
Solution Business		3,505	3,421	(83)	(2.4%)
Adjustment		(102)	(146)	(44)	—
Total		25,281	27,298	2,016	8.0%

(Operating Income by Segment)

(Unit: Millions of yen)

		First quarter ended June, 2024	First quarter ended June, 2025	YoY	
System Development Business	Financial IT	1,417	1,592	174	12.3%
	Industry IT	703	898	194	27.7%
	Social Infrastructure IT	916	965	48	5.3%
	IT Infrastructure Construction	501	507	6	1.3%
Solution Business		(85)	(220)	(134)	(156.1%)
Adjustment		(155)	(185)	(29)	—
Total		3,297	3,557	259	7.9%

* Numbers are written including inter-segment sales and incomes.

* Adjustments are the total of inter-segment sales eliminations and costs of whole company (mainly G&A costs which do not attribute to the segments).

<System Development Business (Financial IT)>

Net sales increased by 6.0% year on year to 8,358 million yen and operating income increased by 12.3% to 1,592 million yen due to a steady increase in orders from major banks caused by expansion of existing projects including core system renewal as well as an increase in orders from online banks and credit card companies.

<System Development Business (Industry IT)>

Net sales increased by 13.6% year on year to 6,767 million yen and operating income increased by 27.7% to 898 million yen due to a steady increase in orders from manufacturing sector related to automobiles.

<System Development Business (Social Infrastructure IT)>

Net sales increased by 12.2% year on year to 5,723 million yen and operating income increased by 5.3% to 965 million yen due to a favorable increase in orders from telecommunication and transportation sector, and a steady increase in orders from public and electricity, gas, water sector.

<System Development Business (IT Infrastructure Construction)>

Net sales increased by 8.1% year on year to 3,173 million yen due to a steady increase in orders of infrastructure construction projects from financial sector such as banks and public sector. Operating income slightly increased by 1.3% year on year to 507 million yen due to delays of major projects at a subsidiary.

<Solution Business>

Net sales decreased 83 million yen year on year to 3,421 million yen due to decrease in medical/healthcare, while orders of security and shareholder relation services increased. Operating income/loss worsened by 134 million yen to loss of 220 million yen due to the decline in net sales.

(2) Financial Conditions

Total assets in the end of this quarter decreased by 7,057 million yen from March 31, 2025 to 83,427 million yen due to 3,735 million yen decrease of cash and deposits, 5,057 million yen decrease of notes, accounts receivable.

Liabilities decreased by 2,533 million yen to 19,699 million yen due to 602 million yen decrease of notes and accounts payable (shown as “accounts payable” at the end of the previous consolidated fiscal year), 1,784 million yen decrease of income taxes payable.

Net assets decreased by 4,524 million yen to 63,727 million yen due to 6,652 million yen decrease resulting from dividend payout, while there was 2,182 million yen increase resulting from net income attributable to owners of the parent company.

(3) Information on Financial Forecasts

No revision to the consolidated financial forecasts announced on May 8, 2025.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	27,358	23,623
Notes and accounts receivable - trade, and contract assets	22,783	17,726
Securities	3,000	5,001
Merchandise and finished goods	430	536
Work in process	5	12
Raw materials and supplies	187	186
Other	734	707
Allowance for doubtful accounts	(66)	(50)
Total current assets	54,432	47,743
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,931	2,021
Land	2,598	2,598
Other, net	778	716
Total property, plant and equipment	5,308	5,336
Intangible assets		
Goodwill	9,500	9,167
Customer-related intangible assets	7,791	7,683
Other	1,111	1,122
Total intangible assets	18,404	17,973
Investments and other assets		
Investment securities	1,785	1,779
Retirement benefit assets	8,307	8,346
Other	2,248	2,249
Allowance for doubtful accounts	(1)	(2)
Total investments and other assets	12,340	12,373
Total non-current assets	36,052	35,683
Total assets	90,485	83,427

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	-	4,779
Accounts payable - trade	5,381	-
Short-term borrowings	400	200
Current portion of long-term borrowings	305	295
Income taxes payable	3,512	1,727
Provision for bonuses	566	585
Provision for bonuses for directors (and other officers)	-	20
Provision for shareholder benefit program	68	63
Provision for loss on orders received	15	27
Other	4,475	4,777
Total current liabilities	14,725	12,477
Non-current liabilities		
Long-term borrowings	1,152	1,014
Retirement benefit liability	1,488	1,539
Other	4,866	4,667
Total non-current liabilities	7,507	7,222
Total liabilities	22,233	19,699
Net assets		
Shareholders' equity		
Share capital	7,205	7,205
Capital surplus	6,811	6,812
Retained earnings	62,655	58,185
Treasury shares	(13,386)	(13,387)
Total shareholders' equity	63,286	58,816
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	590	587
Revaluation reserve for land	(8)	(8)
Foreign currency translation adjustment	504	455
Remeasurements of defined benefit plans	3,043	2,986
Total accumulated other comprehensive income	4,129	4,020
Non-controlling interests	836	890
Total net assets	68,252	63,727
Total liabilities and net assets	90,485	83,427

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

Quarterly Consolidated Statements of Income (Cumulative)

(Millions of yen)

	First quarter ended June 30, 2024	First quarter ended June 30, 2025
Net sales	25,281	27,298
Cost of sales	19,101	21,039
Gross profit	6,179	6,258
Selling, general and administrative expenses		
Salaries and allowances	866	852
Provision for bonuses	83	93
Provision for bonuses for directors (and other officers)	22	20
Retirement benefit expenses	23	20
Welfare expenses	320	262
Rent expenses	168	184
Depreciation	162	170
Research and development expenses	107	120
Amortization of goodwill	414	330
Other	712	645
Total selling, general and administrative expenses	2,882	2,700
Operating income	3,297	3,557
Non-operating income		
Interest income	3	10
Dividend income	18	16
Other	48	57
Total non-operating income	70	84
Non-operating expenses		
Interest expenses	6	4
Foreign exchange losses	12	-
Office relocation expenses	10	-
Other	3	1
Total non-operating expenses	32	6
Ordinary income	3,335	3,635
Extraordinary income		
Gain on sale of investment securities	-	3
Other	-	0
Total extraordinary income	-	3
Income before income taxes	3,335	3,639
Income taxes	1,218	1,450
Net income	2,116	2,189
Net income attributable to non-controlling interests	26	6
Net income attributable to owners of the parent company	2,090	2,182

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	First quarter ended June 30, 2024	First quarter ended June 30, 2025
Net income	2,116	2,189
Other comprehensive income		
Valuation difference on available-for-sale securities	(46)	(3)
Foreign currency translation adjustment	104	(50)
Remeasurements of defined benefit plans, net of tax	(33)	(57)
Total other comprehensive income	23	(111)
Comprehensive income	2,140	2,078
(Composition)		
Comprehensive income attributable to owners of the parent company	2,109	2,073
Comprehensive income attributable to non-controlling interests	31	4

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable.

(Notes on Substantial Changes in the Amount of Shareholder's Equity)

Not applicable.

(Application of Accounting Methods Specific to Quarterly Consolidated Financial Statements)

[Calculation of Income Taxes]

Income taxes are calculated by multiplying income before income taxes of this quarter by the estimated effective tax rate, which is reasonably estimated by applying tax effect accounting to income before income taxes for the consolidated fiscal year including this quarter.

For some subsidiaries, the actual effective tax rate of the previous consolidated fiscal year is applied.

(Notes on Segment and Other Information)

【Segment Information】

I. First quarter ended June 30, 2024

1. Information on Net Sales and Income/Loss by Reportable Segment

(Unit: Millions of yen)

	Reporting segment						Adjustment (Note i)	Amount reported on the consolidated financial statements (Note ii)
	System Development Business				Solution Business	Total		
	Financial IT	Industry IT	Social Infrastructure IT	IT Infrastructure Construction				
Net sales								
Sales to external customers	7,883	5,879	5,091	2,924	3,502	25,281	-	25,281
Intersegment sales or transfers	-	78	10	10	2	102	(102)	-
Total	7,883	5,957	5,101	2,935	3,505	25,383	(102)	25,281
Segment income	1,417	703	916	501	(85)	3,453	(155)	3,297

(Note) i. Adjustment of segment income of (155) million yen are costs of whole company.

Costs of whole company are G&A costs not attribute to the segments.

ii. Operating income in the quarterly consolidated financial statements consists of segment income and adjustments.

2. Information on Impairment Losses of Non-current Assets and Goodwill by Reportable Segment

[Significant Impairment Losses of Non-current Assets]

Not applicable.

[Significant Changes of Goodwill]

ART Holdings Co., Ltd.'s shares are additionally acquired in the first consolidated accounting period.

Goodwill of each segment increased as follows:

254 million yen : System Development Business (Financial IT)
187 million yen : System Development Business (Industry IT)
20 million yen : System Development Business (Social Infrastructure IT)
11 million yen : System Development Business (IT Infrastructure Construction)
98 million yen : Solution Business

II. First quarter ended June 30, 2025

1. Information on Net Sales and Income/Loss by Reportable Segment

(Unit: Millions of yen)

	Reporting segment						Adjustment (Note i)	Amount reported on the consolidated financial statements (Note ii)
	System Development Business				Solution Business	Total		
	Financial IT	Industry IT	Social Infrastructure IT	IT Infrastructure Construction				
Net sales								
Sales to external customers	8,358	6,661	5,710	3,149	3,418	27,298	-	27,298
Intersegment sales or transfers	-	106	13	23	2	146	(146)	-
Total	8,358	6,767	5,723	3,173	3,421	27,445	(146)	27,298
Segment income	1,592	898	965	507	(220)	3,743	(185)	3,557

(Note) i. Adjustment of segment income of (185) million yen are costs of whole company.

Costs of whole company are G&A costs not attribute to the segments.

ii. Operating income in the quarterly consolidated financial statements consists of segment income and adjustments.

2. Information on Impairment Losses of Non-current Assets and Goodwill by Reportable Segment

[Significant Impairment Losses of Non-current Assets]

Not applicable.

[Significant Changes of Goodwill]

Not applicable.

(Notes on Statements of Quarterly Consolidated Cash Flows)

The quarterly consolidated statements of cash flows are not prepared for the first quarter.

Depreciation (including depreciation of intangible assets except goodwill) and amortization of goodwill for the first quarter are as follows.

	First quarter ended June 30, 2024	First quarter ended June 30, 2025
Depreciation	289 million yen	290 million yen
Amortization of goodwill	414 million yen	330 million yen

(Revenue Recognition)

Information on Revenue by Contracts

First quarter ended June 30, 2024

(Unit: Millions of yen)

	Reporting segment					Total
	System Development Business				Solution Business	
	Financial IT	Industry IT	Social Infrastructure IT	IT Infrastructure Construction		
System development	7,758	5,559	4,905	2,430	-	20,653
Operation and maintenance	-	53	29	269	-	352
Others	125	267	155	224	-	773
Service	-	-	-	-	2,729	2,729
Product	-	-	-	-	772	772
Revenue from contracts	7,883	5,879	5,091	2,924	3,502	25,281
Net sales from external customers	7,883	5,879	5,091	2,924	3,502	25,281

First quarter ended June 30, 2025

(Unit: Millions of yen)

	Reporting segment					Total
	System Development Business				Solution Business	
	Financial IT	Industry IT	Social Infrastructure IT	IT Infrastructure Construction		
System development	8,130	6,353	5,564	2,655	-	22,705
Operation and maintenance	0	62	29	282	-	375
Others	227	245	115	211	-	799
Service	-	-	-	-	2,560	2,560
Product	-	-	-	-	858	858
Revenue from contracts	8,358	6,661	5,710	3,149	3,418	27,298
Net sales from external customers	8,358	6,661	5,710	3,149	3,418	27,298