IT & YouT^

July 30, 2026

Presentation of Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2027

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※ Amounts less than the display unit are rounded down. Percentage figures are rounded off.

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Summary of Financial Results

Net Sales : Increased by 9.6% to 29.9 billion yen as a result of continued trend of high orders from the previous fiscal year in Financial IT and growth of medical/healthcare in Solution Business.

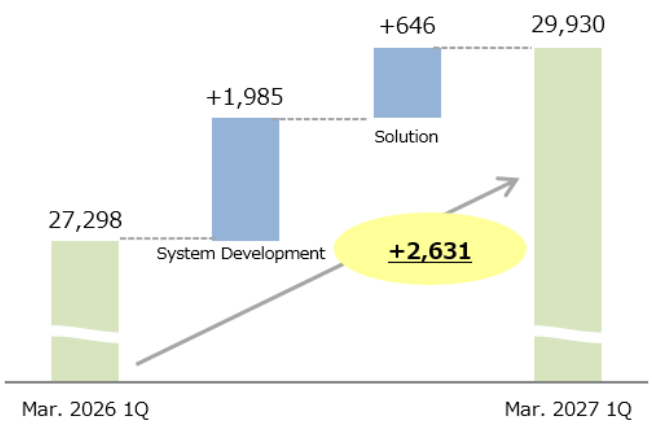
DAS Business (※) : Increased by 29.2% to 16.0 billion yen as a result of the growth of System Development Business related to DX/AI and other new technologies.

Operating Income : Increased by 17.4% to 4.1 billion yen, as a result of improved profitability accompanying the rise in Net Sales.

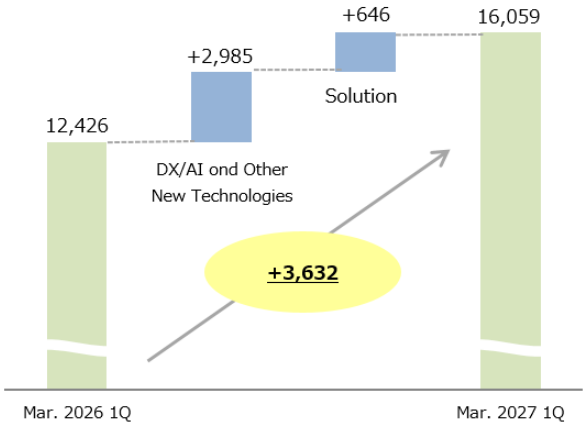
Ordinary Income : Ordinary Income increased by 17.3% to 4.2 billion yen and Net Income increased by 15.2% to 2.5 billion yen.
Net Income

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

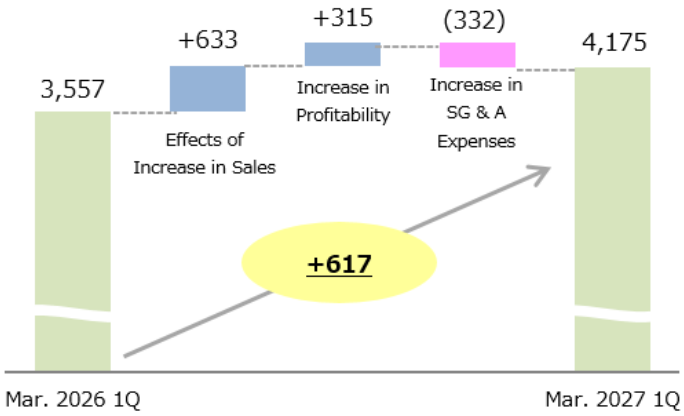
■ Net Sales



■ DAS Business



■ Operating Income (Unit : Millions of yen)



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Summary of Financial Results

(Unit: Millions of yen)

※ The ratio on the upper-left are ratio to sales.	Mar. 2026 1Q Results		Mar. 2027 1Q Results		Mar. 2027 1Q YoY		Mar. 2027 Forecast	
System Development Business		23,879		25,864		1,985	8.3%	-
Solution Business		3,418		4,065		646	18.9%	-
Net Sales		27,298		29,930		2,631	9.6%	126,000
DAS Business		12,426		16,059		3,632	29.2%	63,000
DX/AI and Other New Technologies		9,008		11,993		2,985	33.1%	-
Gross Profit	(22.9%)	6,258	(24.1%)	7,207	(1.2%)	949	15.2%	(25.9%) 32,600
SG & A Expenses	(9.9%)	2,700	(10.1%)	3,032	(0.2%)	332	12.3%	(10.4%) 13,100
Operating Income	(13.0%)	3,557	(13.9%)	4,175	(0.9%)	617	17.4%	(15.5%) 19,500
Ordinary Income		3,635		4,263		627	17.3%	19,700
Net Income Attributable to Owners of the Parent	(8.0%)	2,182	(8.4%)	2,514	(0.4%)	331	15.2%	(10.4%) 13,100
EBITDA	(15.3%)	4,178	(16.1%)	4,828	(0.8%)	649	15.5%	(17.5%) 22,000

※ 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.

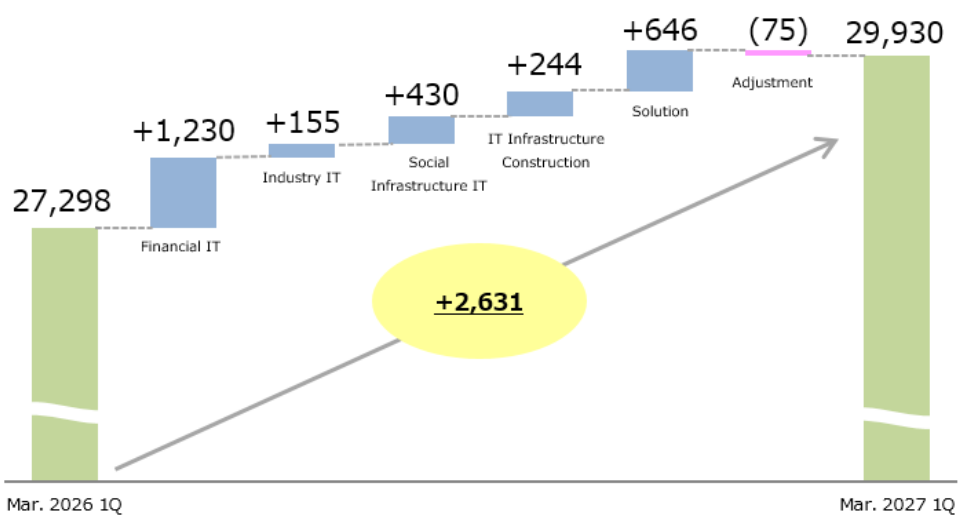
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Net Sales and Operating Income by Segment

System Development Business

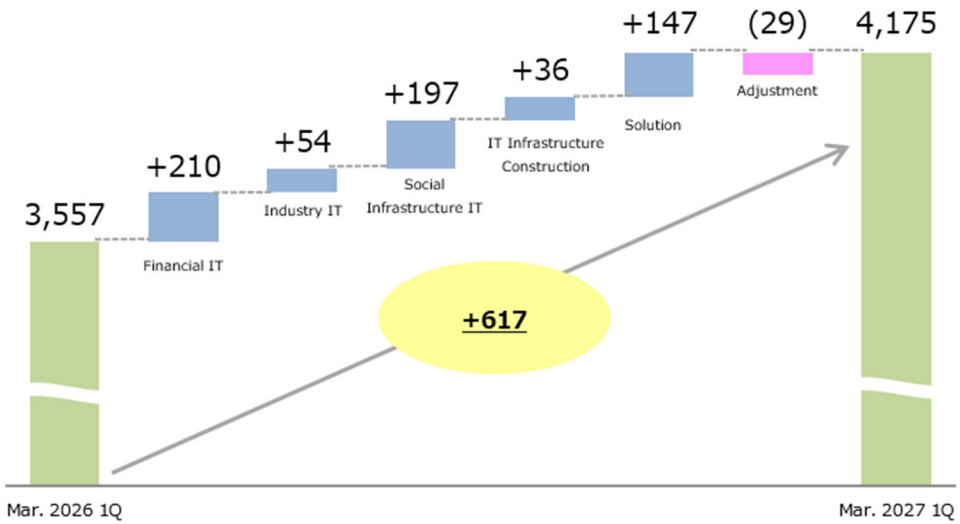
Financial IT:	Net Sales increased by 14.7% and Operating Income increased by 13.2% due to a significant increase in orders from major banks caused by expansion of existing projects including core system renewal, as well as the expansion of existing projects in insurance companies.
Industry IT:	Net Sales increased by 2.3% and Operating Income increased by 6.1% due to an expansion of orders from commerce and construction sector, while there was impact of winding down large projects in service sector.
Social Infrastructure IT:	Net Sales increased by 7.5% due to an increase in orders from telecommunication sector, as well as from public and electricity, gas, water sector. Operating Income increased by 20.4% due to the settlement of some less profitable project in the previous fiscal year.
IT Infrastructure Construction:	Net Sales increased by 7.7% and Operating Income increased by 7.2% due to a steady increase in orders of infrastructure construction projects across various industries, particularly from financial and public sector.
Solution Business:	Net Sales increased by 18.9% due to the increased needs for strengthened securities in public organizations and acquisition of new clients in shareholder relation services, in addition to a year on year increase in medical/healthcare sales. Operating income/loss resulted in a loss of 0.07 billion yen, although it improved year on year, due to an increase in SG & A Expenses associated with strengthening the sales structure in medical/healthcare solution.

■ Net Sales



■ Operating Income

(Unit : Millions of yen)



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Net Sales and Operating Income by Segment

(Unit: Millions of yen)

■ Net Sales

※ The ratio on the upper-left are ratio to sales.

	Mar. 2026 1Q Results		Mar. 2027 1Q Results		Mar. 2027 1Q YoY		Mar. 2027 Forecast	
System Development Business	(88.0%)	24,023	(87.1%)	26,083	2,059	8.6%	(85.4%)	107,600
Financial IT	(30.6%)	8,358	(32.0%)	9,589	1,230	14.7%	(30.0%)	37,800
Industry IT	(24.8%)	6,767	(23.1%)	6,923	155	2.3%	(23.7%)	29,900
Social Infrastructure IT	(21.0%)	5,723	(20.6%)	6,153	430	7.5%	(20.5%)	25,800
IT Infrastructure Construction	(11.6%)	3,173	(11.4%)	3,418	244	7.7%	(11.2%)	14,100
Solution Business	(12.5%)	3,421	(13.6%)	4,068	646	18.9%	(15.1%)	19,000
Adjustment		(146)		(221)	(75)	-		(600)
Net Sales		27,298		29,930	2,631	9.6%		126,000

(Unit: Millions of yen)

■ Operating Income

※ The ratio on the upper-left are Operating margin.

	Mar. 2026 1Q Results		Mar. 2027 1Q Results		Mar. 2027 1Q YoY		Mar. 2027 Forecast	
System Development Business	(16.5%)	3,963	(17.1%)	4,462	499	12.6%	(17.9%)	19,300
Financial IT	(19.0%)	1,592	(18.8%)	1,802	210	13.2%	(19.0%)	7,200
Industry IT	(13.3%)	898	(13.8%)	953	54	6.1%	(15.4%)	4,600
Social Infrastructure IT	(16.9%)	965	(18.9%)	1,162	197	20.4%	(19.0%)	4,900
IT Infrastructure Construction	(16.0%)	507	(15.9%)	544	36	7.2%	(18.4%)	2,600
Solution Business	((6.4%))	(220)	((1.8%))	(72)	147	67.1%	(6.8%)	1,300
Adjustment		(185)		(215)	(29)	-		(1100)
Operating Income	(13.0%)	3,557	(13.9%)	4,175	617	17.4%	(15.5%)	19,500

※ 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).

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Order Received and Order Backlog by Segment

■ Order Received

(Unit: Millions of yen)

※ The ratio on the upper-left are ratio to order received.

	Mar. 2026 1Q		Mar. 2027 1Q			
	Results		Results		YoY	
System Development Business	(84.5%)	23,664	(84.4%)	25,169	1,504	6.4%
Financial IT	(25.4%)	7,117	(24.2%)	7,218	101	1.4%
Industry IT	(23.7%)	6,648	(22.8%)	6,811	162	2.4%
Social Infrastructure IT	(20.4%)	5,719	(22.3%)	6,641	922	16.1%
IT Infrastructure Construction	(14.9%)	4,178	(15.1%)	4,497	318	7.6%
Solution Business	(15.5%)	4,356	(15.6%)	4,652	296	6.8%
Order Received		28,020		29,821	1,800	6.4%

■ Order Backlog

(Unit: Millions of yen)

※ The ratio on the upper-left are ratio to order backlog.

	Mar. 2026 1Q		Mar. 2027 1Q			
	Results		Results		YoY	
System Development Business	(86.7%)	24,878	(87.8%)	28,086	3,208	12.9%
Financial IT	(32.9%)	9,427	(36.4%)	11,653	2,226	23.6%
Industry IT	(19.1%)	5,483	(17.0%)	5,439	(44)	(0.8%)
Social Infrastructure IT	(21.2%)	6,081	(22.0%)	7,019	937	15.4%
IT Infrastructure Construction	(13.5%)	3,885	(12.4%)	3,974	89	2.3%
Solution Business	(13.3%)	3,800	(12.2%)	3,887	87	2.3%
Order Backlog		28,678		31,974	3,296	11.5%

※ Numbers are written based on order received and order backlog to external customers.

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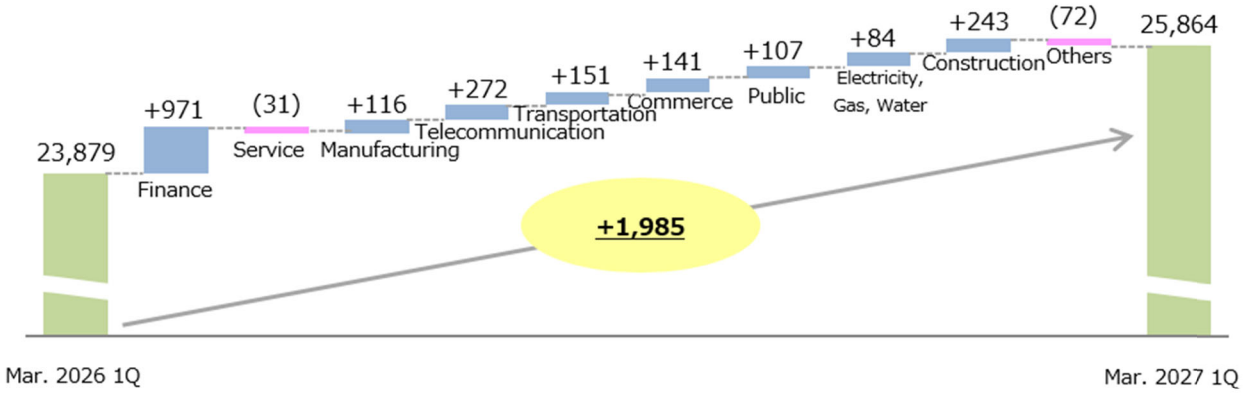
System Development Business - Net Sales by End-user Sector

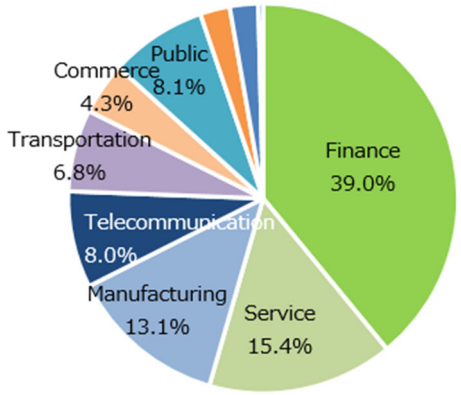
(Unit: Millions of yen)

※ The ratio on the upper-left are ratio to sales.	Mar. 2026 1Q Results		Mar. 2027 1Q Results		Mar. 2027 1Q YoY	
Finance	(38.2%)	9,124	(39.0%)	10,096	971	10.6%
Service	(16.8%)	4,013	(15.4%)	3,981	(31)	(0.8%)
Manufacturing	(13.7%)	3,273	(13.1%)	3,390	116	3.6%
Telecommunication	(7.5%)	1,798	(8.0%)	2,071	272	15.2%
Transportation	(6.8%)	1,610	(6.8%)	1,761	151	9.4%
Commerce	(4.1%)	970	(4.3%)	1,111	141	14.6%
Public	(8.3%)	1,976	(8.1%)	2,084	107	5.4%
Electricity, Gas, Water	(2.3%)	552	(2.5%)	637	84	15.2%
Construction	(1.5%)	367	(2.4%)	610	243	66.2%
Others	(0.8%)	191	(0.4%)	119	(72)	(37.7%)
Total		23,879		25,864	1,985	8.3%

※ External sales of System Development Business (total of Financial IT, Industry IT, Social Infrastructure IT, and IT Infrastructure Construction) are recorded for each customer's sector.

(Unit: Millions of yen)





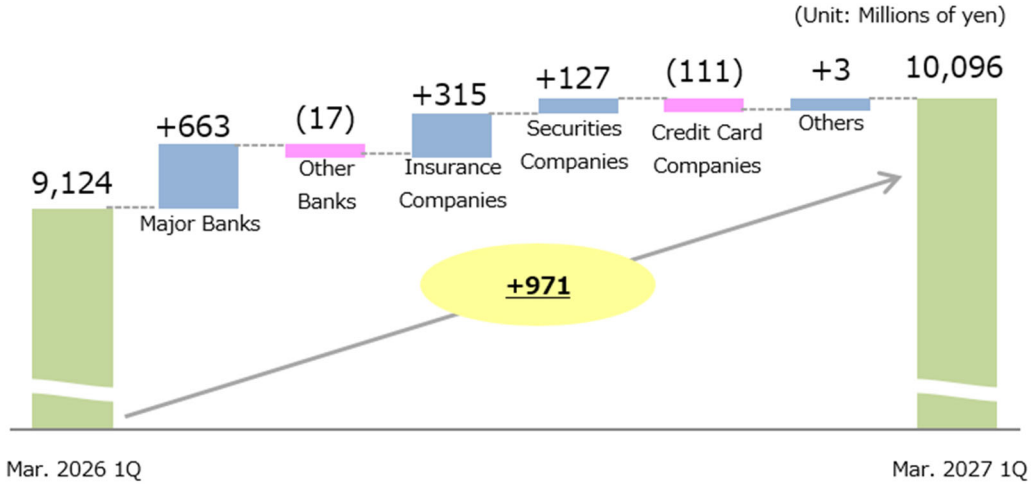
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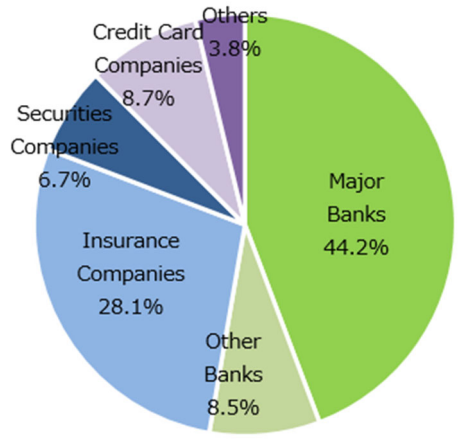
System Development Business - Net Sales by End-user Sector (Breakdown of Financial Sector)

(Unit: Million of yen)

※ The ratio on the upper-left are ratio to sales.	Mar. 2026 1Q Results		Mar. 2027 1Q Results		Mar. 2027 1Q YoY	
Major Banks	(41.8%)	3,813	(44.2%)	4,467	653	17.1%
Other Banks	(9.6%)	872	(8.5%)	855	(17)	(2.0%)
Insurance Companies	(27.6%)	2,521	(28.1%)	2,837	315	12.5%
Securities Companies	(6.0%)	546	(6.7%)	674	127	23.4%
Credit Card Companies	(10.9%)	991	(8.7%)	879	(111)	(11.2%)
Others	(4.1%)	379	(3.8%)	382	3	0.9%
Total		9,124		10,096	971	10.6%

※ External sales of System Development Business (total of Financial IT, Industry IT, Social Infrastructure IT, and IT Infrastructure Construction) are recorded for each customer's sector.





Mar. 2027 1Q

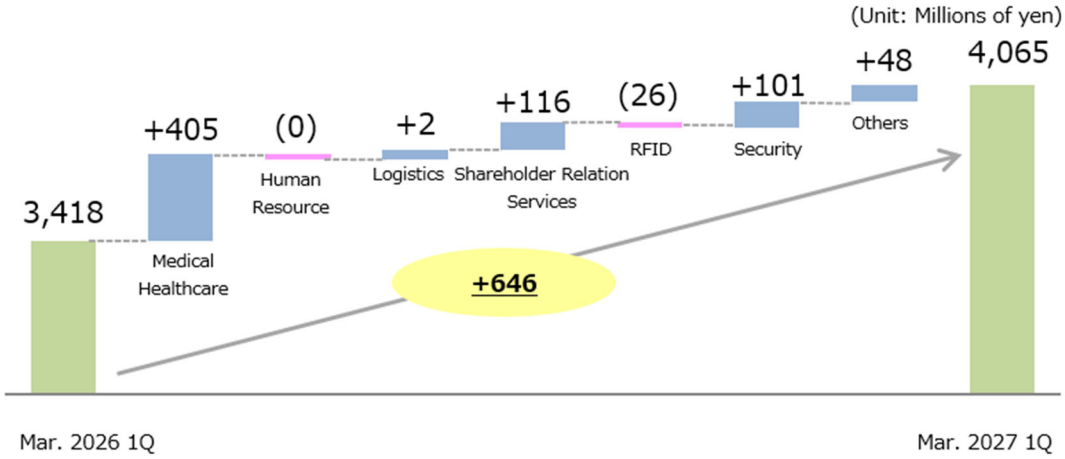
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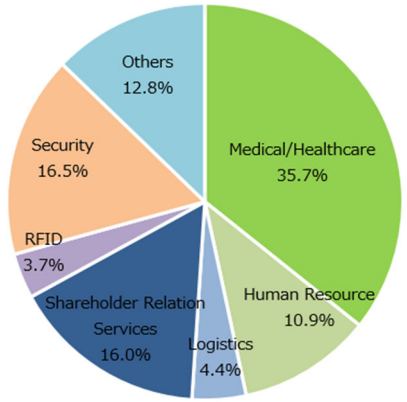
Solution Business – Net Sales by Solution Category

(Unit: Million of yen)

※ The ratio on the upper-left are ratio to sales.	Mar. 2026 1Q Results		Mar. 2027 1Q Results		Mar. 2027 1Q YoY	
Medical/Healthcare	(30.6%)	1,044	(35.7%)	1,449	405	38.8%
Human Resource	(13.0%)	444	(10.9%)	443	(0)	(0.2%)
Logistics	(5.3%)	182	(4.4%)	184	2	1.3%
Shareholder Relation Services	(15.6%)	532	(16.0%)	649	116	21.8%
RFID ※	(5.1%)	176	(3.7%)	149	(26)	(15.2%)
Security	(16.6%)	568	(16.5%)	669	101	17.8%
Others	(13.8%)	470	(12.8%)	519	48	10.4%
Total		3,418		4,065	646	18.9%

※ External Sales of Solution Business are recorded for each solution category.
※ RFID (Radio Frequency Identification) is a solution that uses small radio chips to identify and manage people and things.





Mar. 2027 1Q

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Financial Position

■ Financial Position

(Unit : Millions of yen)

	as of Mar. 31 2026	as of Jun. 30 2026	
	Results	Results	Increase/Decrease
Current Assets	59,995	52,847	(7,148)
Cash and Deposits	30,905	29,478	(1,426)
Non-Current Assets	37,446	37,176	(269)
Property and Equipment	5,355	5,321	(33)
Intangible Assets	16,806	16,426	(380)
Investments and Other Assets	15,284	15,428	143
Total Assets	97,442	90,024	(7,418)
Total Liabilities	22,642	20,599	(2,043)
Shareholders' Equity	67,784	62,451	(5,333)
Capital Stock	7,205	7,205	-
Capital Surplus	6,898	6,898	-
Retained Earnings	69,012	64,238	(4,774)
Treasury Stock	(15,332)	(15,891)	(558)
Accumulated Other Comprehensive Income	5,969	5,962	(7)
Non-Controlling Interests	1,045	1,011	(33)
Total Net Assets	74,799	69,425	(5,374)

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Reference1 : Trends of Financial Results

(Unit: Millions of yen)

※ The ratio on the upper-left are YoY percentage change.	Mar. 2022 Results	Mar. 2023 Results	Mar. 2024 Results	Mar. 2025 Results	Mar. 2026 Results	Mar. 2027 Forecast	Mar. 2027 YoY
Net Sales	[7.6%] 71,188	[9.5%] 77,982	[29.9%] 101,263	[6.4%] 107,791	[9.3%] 117,813	[6.9%] 126,000	8,186
Gross Profit	15,837	17,550	24,961	27,534	29,824	32,600	2,775
SG & A Expenses	4,422	5,025	9,781	10,684	10,751	13,100	2,348
Operating Income	[16.0%] 11,414	[9.7%] 12,524	[21.2%] 15,180	[11.0%] 16,849	[13.2%] 19,073	[2.2%] 19,500	426
Operating Margin	16.0%	16.1%	15.0%	15.6%	16.2%	15.5%	(0.7 point)
Ordinary Income	11,654	12,662	15,340	17,038	19,326	19,700	373
Net Income Attributable to Owners of the Parent	7,823	10,219	10,262	11,795	13,009	13,100	90
EBITDA ※	[15.7%] 12,156	[9.8%] 13,351	[32.9%] 17,751	[9.7%] 19,472	[10.9%] 21,596	[1.9%] 22,000	403
EBITDA Margin	17.1%	17.1%	17.5%	18.1%	18.3%	17.5%	(0.8) points
ROE	15.7%	19.3%	17.5%	18.2%	18.4%	17.3%	(1.1) points
Net Income per Share (yen)	99.37	132.31	133.29	153.61	170.49	173.67	3.18
DPS (yen)	52	67	72	87	96	97	-
Dividend Payout Ratio	52.3%	50.6%	54.0%	56.6%	56.3%	55.9%	-
PBR(x)	3.33	3.35	3.67	3.79	2.82	-	-

※ EBITDA is calculated by Operating Income + Depreciation + Amortization of Goodwill.

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Reference2 : Summary of Medium-Term Management Plan (Mar. 2027 – Mar. 2029)

Sought-after "Uniquely NSD touch"

A group of IT engineers who leverage their knowledge of customer operations and close customer relationships in continuing to support essential social infrastructure across the finance, manufacturing, and public sectors through the power of IT

Medium-Term Management Plan

Themes in the New MTP for pursuing the "unique NSD touch"

1. **Implement a strategy of "going on the offensive" and cultivate multiple areas of business expertise.**
2. **Actively integrate new technologies, especially AI.**
3. **Actively deliver returns to stakeholder, such as employees and shareholders.**

Upstream Processes — Shift towards business focused on upstream processes

- The **System Development Business** is NSD's core service line, and we will aim for **sustainable growth** even in the AI era.
- By shifting **personnel and sales** away from business focused on midstream processes towards **upstream processes** (such as in the consulting domain), we will seek to further strengthen our profitability and enhance our corporate value.

Strategic areas — Aggressively invest in DX, especially AI, as well as solutions (DAS).

- We will build on previous efforts to **further strengthen the DAS business.**
- In particular, we will **focus on the area of AI** while also aiming to increase the scale and profitability of the Solution Business.
- Internally, we will launch the "AI Expert Certification System" and develop 70% of mid-level employees (engineers) as experts.

Financial Capital — Maintain a sound financial position, and focus on returns to employees and shareholders

- The "**knowledge of customers' business processes**" we have built up since our foundation is the **source of NSD's source of profitability**, and cannot be easily replaced with AI.
- Leveraging this, we will maintain a sound financial position, while on the non-financial front, we will **focus on investing in people**, especially improving the technical capabilities of employees.
- We will maintain our existing dividend payout ratio, and deliver **high returns to shareholders**, including purchases of treasury shares.

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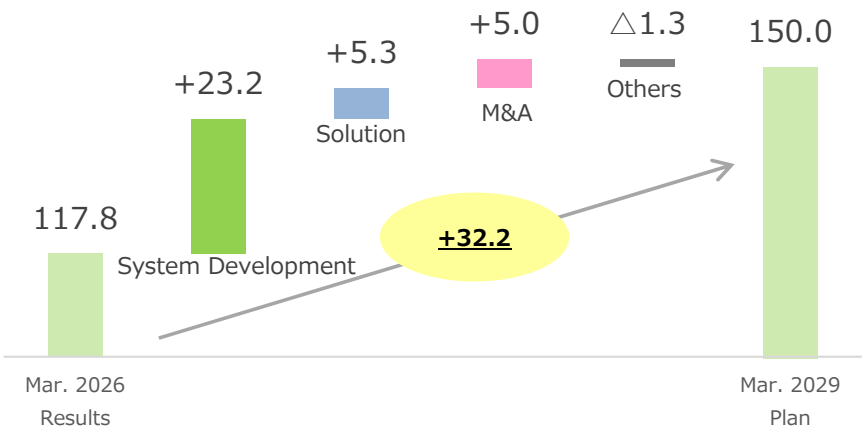
Reference2 : Summary of Medium-Term Management Plan (Mar. 2027 – Mar. 2029)

(billions of yen)

	Previous MTP Final fiscal year results Mar. 2026	New MTP Final fiscal year results Mar. 2029
Net Sales	117.8	150.0
DAS Business	57.5	80.0
Operating Income	19.0	23.4
Operating Margin	16.2%	15.6%
Net Income	13.0	15.4
EBITDA	21.5	26.4
EBITDA Margin	18.3%	17.6%
ROE	18.4%	18.5%

■Net Sales

(billions of yen)



■Operating Income

(billions of yen)

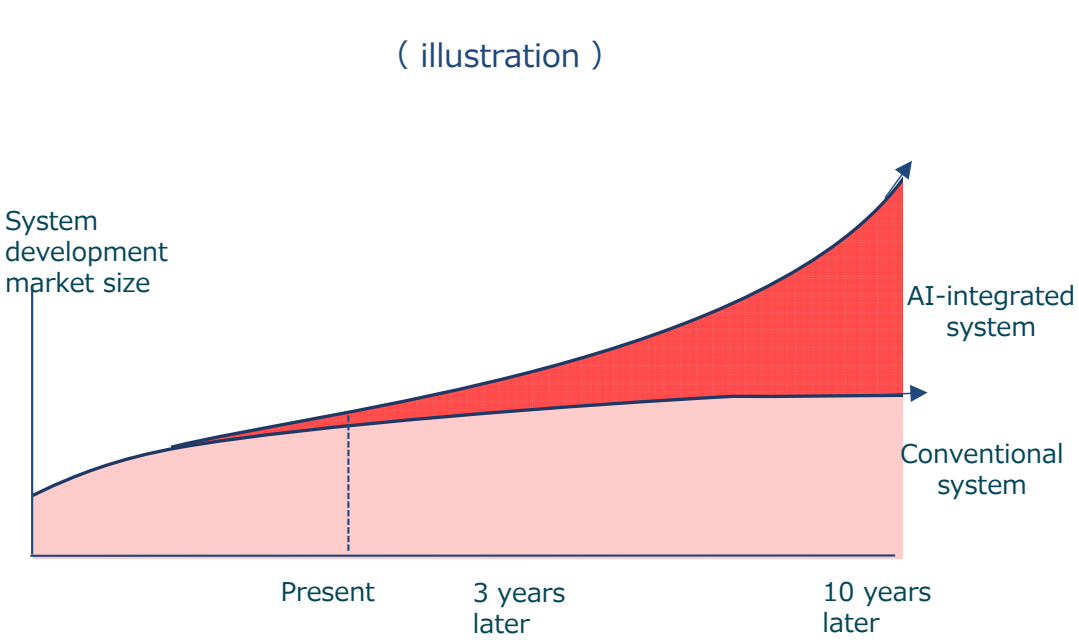


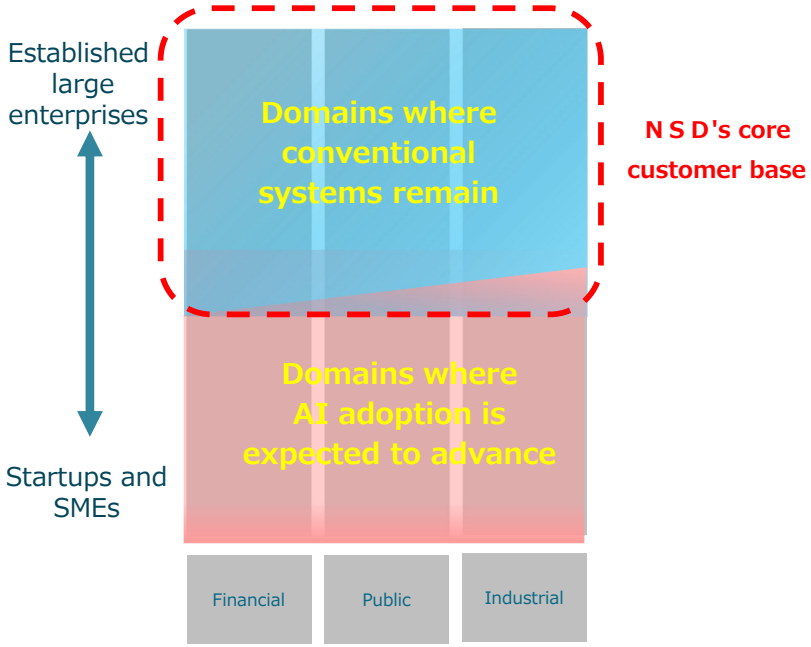
※ DAS Business consists of System Development Business related to DX, System Development Business utilizing new technologies such as AI, and Solution Business.
※ EBITDA is calculated by Operating Income + Depreciation + Amortization of Goodwill.
※ "Others" in the graph includes inter-group sales eliminations and costs of whole company (mainly G&A costs which do not attribute to the segments).

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Reference3 :Business Issues

- Going forward, generative AI is expected to be used extensively in Japan's system development sector.
  While we still expect to see a certain level of deep-rooted demand for conventional system development, growing demand for the utilization of AI, especially in midstream processes (programming and testing), is anticipated.
- While the utilization of AI will likely transform and increase the efficiency of business flows, we will take measures such as the retraining and reassignment of personnel centered on "midstream processes".

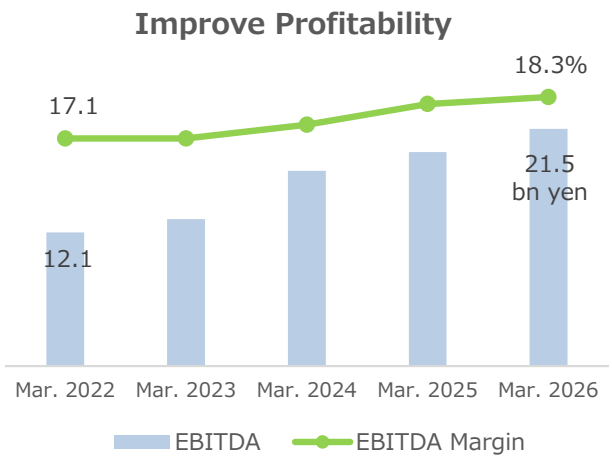


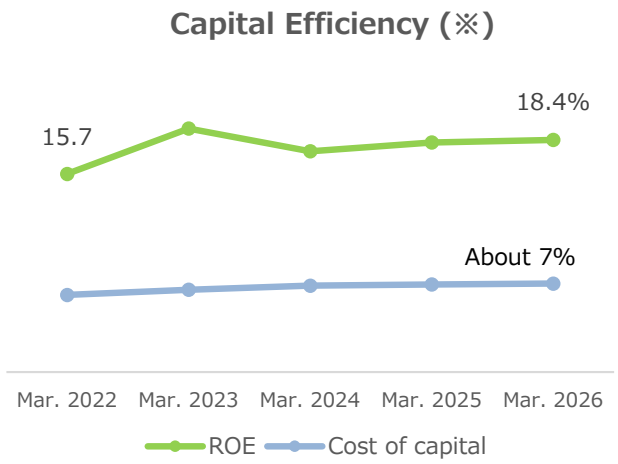


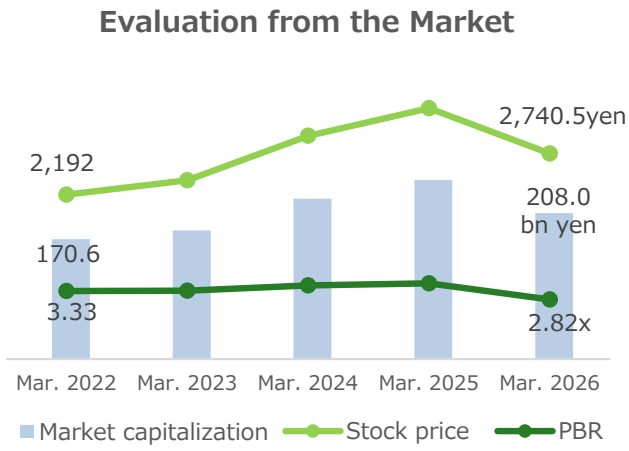
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Reference4 : Management based on Cost of Capital and Stock Price

Basic Policies	Measures
Achieve ROE that exceeds cost of capital	● **Increase profits by improving profitability and maintain an appropriate size of net assets by fulfilling shareholder returns** **Improve profitability** Adopt operating profit margin and EBITDA margin as KPIs, and practice efficient business operations Set the lower bound of profit margin when receiving orders, maintain continuous orders, minimize unprofitable projects, reduce SG&A expenses **Fulfill shareholder returns** Set basic policy as a total return ratio of more than 70% and avoid excessive accumulation of capital ● **Investment activities utilizing concept of cost of capital** **M&A** Decide acquisition based on evaluations using methods and indicators according to the characteristics of target companies **Cross-shareholdings** Make it one of the conditions that the ROE of the investee exceeds NSD's cost of capital and verify the validity of holdings every year
Increase stock price through appropriate pricings	● **Deepen understanding of NSD through constructive dialogue with shareholders and investors** ● **Pursue shareholder profits through fulfilled shareholder returns**







※ ROE of March 2023 temporary increased due to a significant increase in Net Income because of special factors such as the recording of gain on sales of shares resulting from the termination of strategic alliance.

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Reference5 : Return to Shareholders

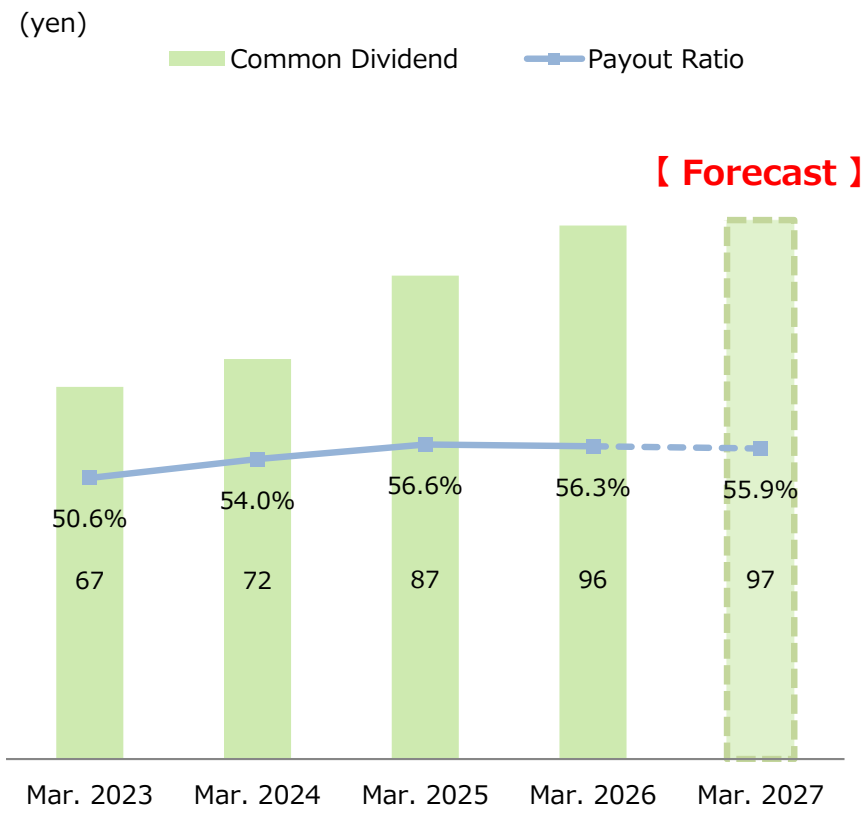
■Policies of Return to Shareholders

"Consolidated payout ratio of **50% or more** and total return ratio of **70% or more**" is our basic policy.

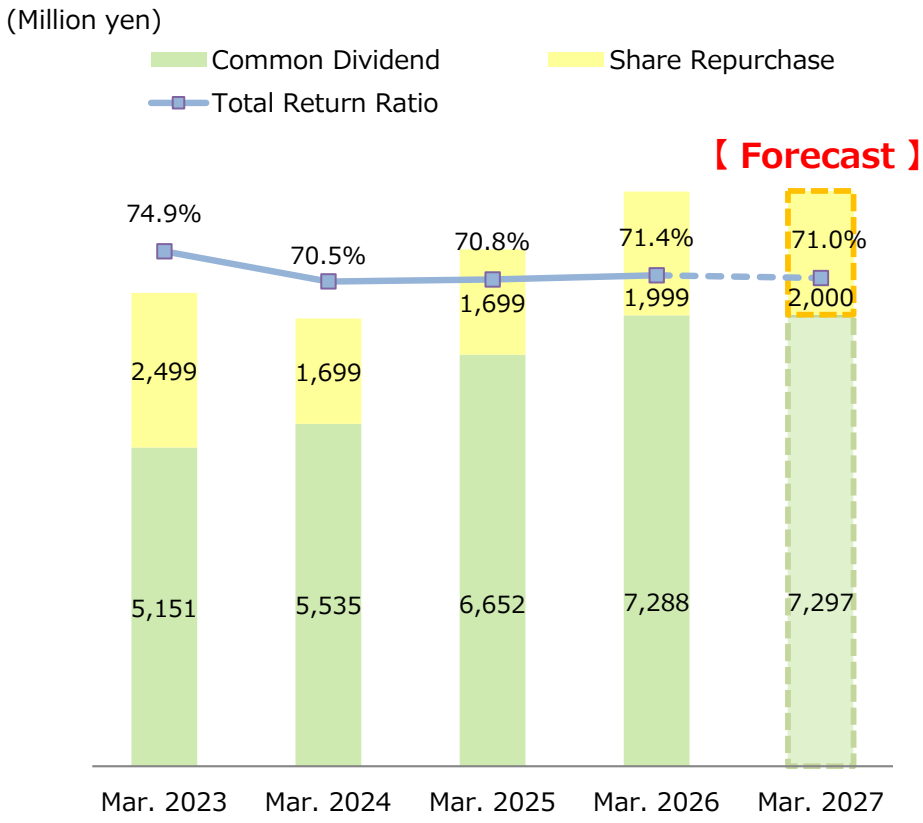
※ The holding ratio of treasury stock is set at approx. 10% of the total number of shares issued, and if it exceeds 15%, it will be retired up to about 10%.

～ Treasury stock of 1,000 thousand shares in March 2024 was retired.

Dividend per Share and Payout Ratio



Total Payout of Dividends and Share Repurchase



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Reference6 : Major Press Releases

Release Date	Category	Details
May / 8 / 2026	Management	Announced Medium-term Management Plan (from Mar. 2027 to Mar. 2029) ・Shift System Development Business to upstream processes, further strengthen DAS Business, and implement proactive investments in research & development and human capital. Continue shareholder returns policies.
May / 8 / 2026	Financial	Resolved share repurchase ・Planned total number: 750 thousand shares (maximum) Total amount: 2,000 million yen (maximum) ・ Repurchase period: From May 11, 2026 to October 9, 2026
May / 18 / 2026	Management	Launched business in NSD Sapporo office ・Promote the recruitment of IT professionals willing to work in the region and foster collaboration with business partners
July / 29 / 2026	Business	Automated stainless steel strip slitting plans using optimization AI ・Created an algorithm for production planning at a stainless steel pipes and steel materials manufacturer and contributed to greater efficiency and solving challenges regarding skill transfers.

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MEMO

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