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May 8, 2026

Consolidated Summary Report

for the Fiscal Year Ended 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 of annual general meeting of shareholders : June 25, 2026
Scheduled date to commence dividend payments : June 8, 2026
Preparation of supplementary material on financial results : Yes

(Fractions smaller than a million yen omitted)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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	%
March 31, 2026	117,813	9.3	19,073	13.2	19,326	13.4	13,009	10.3
March 31, 2025	107,791	6.4	16,849	11.0	17,038	11.1	11,795	14.9

Note: Comprehensive income Fiscal year ended March 31, 2026: 15,009 million yen (22.3%)
Fiscal year ended March 31, 2025: 12,270 million yen ((1.7%))

	Net income per share	Net income per share (Diluted)	Ratio of net income to net assets attributable to NSD shareholders	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	170.49	—	18.4	20.6	16.2
March 31, 2025	153.61	—	18.2	19.3	15.6

Note: Net income per share (diluted) is not stated as there are no dilutive securities.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	97,442	74,799	75.7	971.43
March 31, 2025	90,485	68,252	74.5	881.67

Reference: Equity As of March 31, 2026: 73,753 million yen
As of March 31, 2025: 67,416 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	16,156	(3,084)	(10,517)	32,491
March 31, 2025	12,298	904	(10,272)	29,903

2. Dividends

	Annual dividends					Total dividends paid (Full year)	Dividends payout ratio (Consolidated)	Dividends paid to net assets (Consolidated)
	First quarter end	Second quarter end	Third quarter end	Fiscal year end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	—	0.00	—	87.00	87.00	6,652	56.6	10.3
March 31, 2026	—	0.00	—	96.00	96.00	7,288	56.3	10.4
Fiscal year ending March 31, 2027 (Forecast)	—	0.00	—	97.00	97.00		55.8	

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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, 2026	61,000	7.8	8,400	2.0	8,500	1.7	5,500	2.4	72.74
Fiscal year ending March 31, 2027	126,000	6.9	19,500	2.2	19,700	1.9	13,100	0.7	173.76

*Notes

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in the change in scope of consolidation) : None

(2) 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

(3) Number of shares issued (Common stock)
- a. Total number of shares issued at the end of the period (including treasury stock)
  - As of March 31, 2026: 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 March 31, 2026: 10,077,689 shares
  - As of March 31, 2025: 9,535,723 shares
- c. Average number of shares during the period
  - Fiscal year ended March 31, 2026: 76,309,794 shares
  - Fiscal year ended March 31, 2025: 76,785,699 shares

(Reference) Summary of non-consolidated financial results

Non-consolidated Financial Results of the Fiscal Year Ended March 31, 2026

(from April 1, 2025 to March 31, 2026)

(1) Non-consolidated Results of Operations (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	91,575	9.5	16,478	9.9	17,675	13.9	12,711	17.1
March 31, 2025	83,610	9.0	15,000	10.3	15,519	1.9	10,857	(3.2)

	Net income per share	Net income per share(Diluted)
Fiscal year ended	Yen	Yen
March 31, 2026	166.57	—
March 31, 2025	141.40	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	80,676	67,655	83.9	891.11
March 31, 2025	75,481	63,344	83.9	828.42

Reference: Equity As of March 31, 2026: 67,655 million yen
As of March 31, 2025: 63,344 million yen

*** Reports of financial results are not subject to review by certified public accountants or auditing firm.**

***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 "(4) Financial Forecasts for the Next Fiscal Year" in "1. Results of Operations and Financial Conditions" on page 6 of Appendix.

(Supplemental Materials on Results)

Supplemental materials on results will be posted on the Company's website on May 8, 2026.

Table of Contents - Appendix

1. Results of Operations and Financial Conditions 2
(1) Operating Results 2
(2) Financial Conditions 5
(3) Cash Flows 5
(4) Financial Forecasts for the Next Fiscal Year 6

2. Status of Corporate Group 7

3. Basic Policy to Selecting Accounting Standards 8

4. Consolidated Financial Statements and Notes 9
(1) Consolidated Balance Sheets 9
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income 11
(3) Consolidated Statements of Changes in Equity 14
(4) Consolidated Statements of Cash Flows 16
(5) Notes on Consolidated Financial Statements 18
Notes on Premise of Going Concern 18
Basis of Consolidated Financial Statements 18
Revenue Recognition 21
Segment and Other Information 23
Per Share Information 26
Significant Subsequent Events 26

1. Results of Operations and Financial Conditions

(1) Operating Results

【Business Environment】

During the fiscal year under review, the Japanese economy gradually recovered, as employment and income environment improved, even though there were uncertainties such as rising prices and impact from fluctuations in financial and capital markets, including interest rate hikes by the Bank of Japan, as well as the agreement details of mutual tariffs with the U.S. However, there remains risks of an economic downturn due to the worsening situation in the Middle East.

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

【Measures and Initiatives】

The NSD Group aimed to achieve the target of posting consolidated net sales of more than 100 billion yen under its five-year Medium-term Management Plan with the current fiscal year as the final year, and has strengthened AI and DX capabilities and expanded its business through M&A. As a result, the Group achieved this target two years ahead of schedule in the fiscal year ended March 31, 2024. During the current fiscal year, as the final year of the Medium-term Management Plan, the Group steadily implemented the measures set out in the strategies to further expand its business.

In the System Development Business, the Group is pursuing sustainable expansion of the business by focusing on systems related to DX utilizing new technologies, as a growth driver, for which there are ever-increasing social needs. During the current fiscal year, the Group created a system to identify and quantify chemical substances in the customer's factories by leveraging own algorithms which utilize AI. The Group also promoted initiatives to utilize new technologies such as automating production planning in the manufacturing industry and creating algorithms for optimal shelf placement in the warehouse and logistics industry. In addition, the Group also identified challenges and considered measures related to the "DX of next-generation water supply operation" initiative being implemented by water utilities.

In the Solution Business, the Group is creating problem-solving solutions that meet market needs and bolstering its sales capabilities to make the business into its second earnings pillar. The Group is particularly focused on utilizing generative AI and as a business efficiency solution, the Group is providing a private generative AI platform "BizInsight" for customers with needs to use generative AI in their own dedicated environment, such as on-premises.

【Operating Results】

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

(Unit: Millions of yen)

	FY ended March, 2025	FY ended March, 2026	YoY	
System Development Business	92,392	100,106	7,713	8.3%
Solution Business	15,398	17,707	2,308	15.0%
Net sales	107,791	117,813	10,022	9.3%
DAS Business	49,702	57,578	7,875	15.8%
DX/AI and other new technologies	34,303	39,870	5,566	16.2%
Operating income	16,849	19,073	2,223	13.2%
Ordinary income	17,038	19,326	2,288	13.4%
Net income attributable to owners of the parent	11,795	13,009	1,214	10.3%

EBITDA	19,472	21,596	2,123	10.9%
EBITDA margin	18.1%	18.3%	0.3 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 9.3% year on year to 117,813 million yen as a result of continued high orders in Financial IT and significant increase in orders in Industry IT in System Development Business, as well as significant growth in orders for security products in Solution Business. Net sales of DAS Business, which the Group focuses on, increased by 15.8% year on year to 57,578 million yen as a result of the growth of System Development Business related to DX utilizing cloud technologies. Operating income increased by 13.2% year on year to 19,073 million yen, as a result of an increased sales in Solution Business, in addition to steady increase in System Development Business. As a result, ordinary income increased by 13.4% year on year to 19,326 million yen and net income attributable to owners of the parent company increased by 10.3% year on year to 13,009 million yen.

In the Medium-term Management Plan (from fiscal year ended March, 2022 to fiscal year ended March, 2026), thanks also to the effects of M&A, the Group achieved the target of 100 billion yen in net sales two years ahead of schedule and operating income also reached a new record high, absorbing expenses associated with M&A and investments in human capital. Operating income margin in the final year was 16.2%, with ROE of 18.4%, demonstrating steady progress in strengthening profitability and improving earnings performance.

(Unit: Millions of yen)

	FY ended March, 2021	FY ended March, 2026	Increase/Decrease	Growth rate	
				Cumulative total	Annual average
Net sales	66,184	117,813	51,629	78.0%	12.2%
DAS Business	18,004	57,578	39,573	219.8%	26.2%
Operating income (Operating income margin)	9,842 (14.9%)	19,073 (16.2%)	9,230 (1.3 points)	93.8% (—)	14.1% (—)
EBITDA (EBITDA margin)	10,509 (15.9%)	21,596 (18.3%)	11,086 (2.5 points)	105.5% (—)	15.5% (—)
ROE	13.7%	18.4%	4.7 points	—	—

【Operating Results by Segment】

Operating Results by Segment are as below.

(Net Sales by Segment) (Unit: Millions of yen)

		FY ended March, 2025	FY ended March, 2026	YoY	
System Development Business	Financial IT	32,487	35,073	2,585	8.0%
	Industry IT	25,635	28,286	2,650	10.3%
	Social Infrastructure IT	22,441	24,200	1,759	7.8%
	IT Infrastructure Construction	12,403	13,296	893	7.2%
Solution Business		15,411	17,720	2,309	15.0%
Adjustment		(588)	(764)	(175)	—
Total		107,791	117,813	10,022	9.3%

(Operating Income by Segment) (Unit: Millions of yen)

		FY ended March, 2025	FY ended March, 2026	YoY	
System Development Business	Financial IT	6,326	6,774	448	7.1%
	Industry IT	3,746	4,410	663	17.7%
	Social Infrastructure IT	4,552	4,759	206	4.5%
	IT Infrastructure Construction	2,167	2,309	142	6.6%
Solution Business		772	1,488	715	92.6%
Adjustment		(715)	(668)	47	—
Total		16,849	19,073	2,223	13.2%

* 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 8.0% year on year to 35,073 million yen and operating income increased by 7.1% to 6,774 million yen due to a significant increase in orders from major banks caused by expansion of existing projects including core system renewal, while there was an end of large-scale projects in insurance companies.

<System Development Business (Industry IT)>

Net sales increased by 10.3% year on year to 28,286 million yen due to a steady increase in orders from manufacturing sector related to automobiles. Operating income increased by 17.7% to 4,410 million yen due in part to improvement of profit margins.

<System Development Business (Social Infrastructure IT)>

Net sales increased by 7.8% year on year to 24,200 million yen due to a steady increase in orders from telecommunication sector, as well as from public and electricity, gas, water sector. Operating income slightly increased by 4.5% to 4,759 million yen partly due to the impact of some less profitable project.

<System Development Business (IT Infrastructure Construction)>

Net sales increased by 7.2% year on year to 13,296 million yen and operating income increased by 6.6% to 2,309 million yen due to a steady increase in orders of infrastructure construction projects across various industries, particularly from financial sector such as banks and public sector.

<Solution Business>

Net sales increased by 15.0% year on year to 17,720 million yen and operating income was 1,488 million yen, approximately double that of the previous period, due to the increased needs for strengthened securities in public organizations and acquisition of major clients in shareholder relation services, in addition to a surge in demand related to promotion of medical DX by the Japanese government.

(2) Financial Conditions

Total assets March 31, 2026 increased by 6,956 million yen from March 31, 2025 to 97,442 million yen due to 3,547 million yen increase of cash and deposits, 772 million yen increase of notes and accounts receivable, 1,000 million yen increase of securities, and 2,688 million yen increase of retirement benefit asset, while there was 1,306 million yen decrease of goodwill.

Liabilities increased by 409 million yen to 22,642 million yen due to 745 million yen increase of notes and accounts payable – trade (The previous consolidated fiscal year-end is shown as "accounts payable - trade".), 816 million yen increase of other current liabilities, 864 million yen increase of deferred tax liabilities, while there was 705 million yen decrease of short-term borrowings (including current portion of long-term borrowings), and 1,152 million yen decrease of long-term borrowings.

Net assets increased by 6,547 million yen to 74,799 million yen due to 13,009 million yen increase resulting from net income attributable to owners of the parent company, 141 million yen increase resulting from disposal of treasury stock, while there was 6,652 million yen decrease resulting from dividend payout, 2,001 million yen decrease resulting from repurchase of treasury stock (including requests for purchase of shares less than the trading unit).

(3) Cash Flows

Cash and cash equivalents as of March 31, 2026 increased by 2,588 million yen year on year to 32,491 million yen.

Operating activities generated net cash of 16,156 million yen. This mainly reflects income before income taxes of 18,924 million yen, which was offset by an outflow in income taxes payout of 6,035 million yen.

Investing activities used net cash of 3,084 million yen mainly due to outflow for payments into time deposits of 4,113 million yen and outflow for purchase of intangible assets of 507 million yen, and outflow for purchase of property, plant and equipment of 443 million yen while there was inflow for proceeds from withdrawal of time deposits of 2,185 million yen.

Financing activities used net cash of 10,517 million yen mainly due to outflows for dividend payout of 6,652 million yen and for share repurchase of 2,001 million yen (including requests for purchase of shares less than the trading unit).

(Reference) Trends in cash flow indicators

	FY ended March, 2022	FY ended March, 2023	FY ended March, 2024	FY ended March, 2025	FY ended March, 2026
Equity ratio (%)	80.9	80.3	72.2	74.5	75.7
Market value equity ratio (%)	269.7	268.9	264.8	282.6	213.5
Ratio of interest-bearing debt to cash flow (years)	0.0	0.0	0.3	0.2	0.0
Interest coverage ratio (times)	755.3	1,306.1	665.6	480.6	615.8

・Equity ratio: Equity / Total assets
・Market value equity ratio: Market capitalization / Total assets
・Ratio of interest-bearing debt to cash flow: Interest-bearing debt / Cash flow
・Interest coverage ratio: Cash flow / Interest payment
(Note 1) All numbers are calculated from consolidated financial numbers.
(Note 2) Market capitalization is calculated from issued shares excluding treasury stocks.
(Note 3) Cash flow is cash flows from operating activities.
(Note 4) Interest-bearing debt is all liabilities with paying interests among liabilities recorded in the consolidated balance sheets.

(4) Financial Forecasts for the Next Fiscal Year

In the next fiscal year, there are concerns of a downturn in domestic and overseas economies due to the worsening situation in the Middle East and the impact of U.S. trade policy, as well as risks of volatility in the financial and capital markets. However, in the information service industry, order environment is expected to remain strong because strong IT investment is expected to continue, driven by responses to DX aimed at solving management issues and the utilization of generative AI.

Based on the above business environment, for the fiscal year ending March 31, 2027, which is the first year of the Medium-term Management Plan, the Group expects cost of sales and selling, general and administrative expenses to increase in order to invest in research & development and human capital, and forecasts the consolidated financial results as follows.

(Financial Forecasts)

(Unit: Millions of yen)

	FY ending March, 2027	YoY	
Net sales	126,000	8,186	6.9%
DAS Business	63,000	5,421	9.4%
Operating income	19,500	426	2.2%
Ordinary income	19,700	373	1.9%
Net income attributable to owners of the parent	13,100	90	0.7%

2. Status of Corporate Group

The NSD Group is comprised of NSD Co., Ltd., 14 subsidiaries, and three affiliates. Our main business operations center on System Development Business (Financial IT, Industry IT, Social Infrastructure IT, and IT Infrastructure Construction) and Solution Business.

The Group operations and the positioning of NSD and its subsidiaries as it relates to said operations are outlined below.

(1) System Development Business (Financial IT)

- We provide services such as software development and system consulting to financial institutions such as banks, insurance companies, and securities companies.

(2) System Development Business (Industry IT)

- We provide services such as software development and system consulting to companies such as manufacturing and commerce.

(3) System Development Business (Social Infrastructure IT)

- We provide services such as software development and system consulting to companies such as telecommunication, transportation, electricity, gas, water, and public organizations.

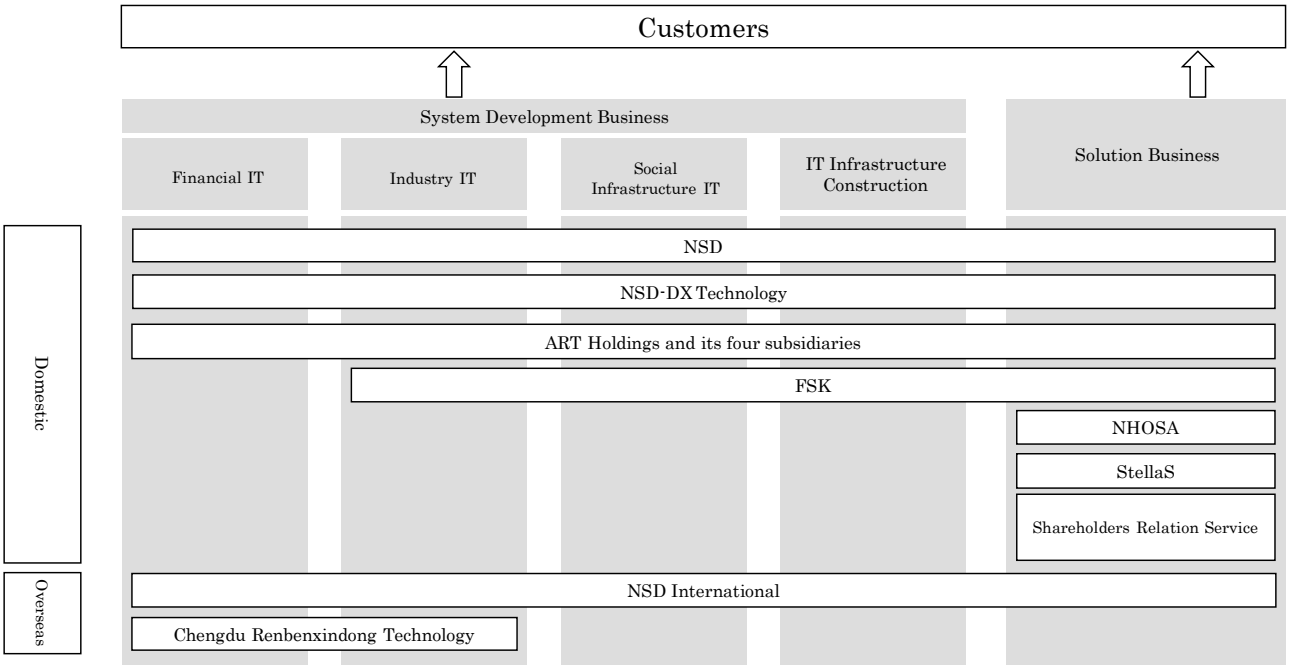
(4) System Development Business (IT Infrastructure Construction)

- We provide services such as IT backbone and network development, system consulting, and system maintenance and operation.

(5) Solution Business

- We offer system-based services and sell system products to provide solutions ranging from generic packages to customized solutions.

The following organizational chart indicates how NSD and the major subsidiaries provide the abovementioned operations. (As of March 31, 2026)



(Note 1) Effective April 1, 2026, "NSD-DX Technology Co., Ltd." changed its name to "NSD AI Technology Co., Ltd."

(Note 2) Effective April 1, 2026, ART Holdings Co., Ltd., are dissolved through an absorption-type merger with ART Technology Co., Ltd. (wholly owned subsidiary of ART Holdings Co., Ltd.) as the surviving company.

(Note 3) Effective April 1, 2026, "StellaS Co., Ltd." changed its name to "NSD Digital Solutions Co., Ltd."

3. Basic Policy to Selecting Accounting Standards

We create consolidated financial statements based on Japanese standards (JGAAP) to enable comparability among competitors or past years.

Our policy on the application of International Financial Reporting Standards (IFRS) is to respond appropriately based on consideration of conditions in Japan and overseas.

4. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	27,358	30,905
Notes and accounts receivable - trade, and contract assets	22,783	23,555
Lease receivables and investments in leases	20	9
Securities	3,000	4,000
Merchandise and finished goods	430	606
Work in process	5	13
Raw materials and supplies	187	189
Other	713	790
Allowance for doubtful accounts	(66)	(74)
Total current assets	54,432	59,995
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,931	1,832
Land	2,598	2,592
Other, net	778	930
Total property, plant and equipment	5,308	5,355
Intangible assets		
Goodwill	9,500	8,194
Software	831	962
Customer-related intangible assets	7,791	7,359
Other	279	290
Total intangible assets	18,404	16,806
Investments and other assets		
Investment securities	1,785	1,664
Retirement benefit asset	8,307	10,995
Deferred tax assets	192	204
Other	2,056	2,421
Allowance for doubtful accounts	(1)	(2)
Total investments and other assets	12,340	15,284
Total non-current assets	36,052	37,446
Total assets	90,485	97,442

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	-	6,126
Accounts payable - trade	5,381	-
Short-term borrowings	400	-
Current portion of long-term borrowings	305	-
Income taxes payable	3,512	3,200
Provision for bonuses	566	588
Provision for shareholder benefit program	68	69
Provision for loss on orders received	15	-
Other	4,475	5,292
Total current liabilities	14,725	15,278
Non-current liabilities		
Long-term borrowings	1,152	-
Retirement benefit liability	1,488	1,453
Deferred tax liabilities	4,399	5,264
Other	466	647
Total non-current liabilities	7,507	7,364
Total liabilities	22,233	22,642
Net assets		
Shareholders' equity		
Share capital	7,205	7,205
Capital surplus	6,811	6,898
Retained earnings	62,655	69,012
Treasury shares	(13,386)	(15,332)
Total shareholders' equity	63,286	67,784
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	590	702
Revaluation reserve for land	(8)	(8)
Foreign currency translation adjustment	504	607
Remeasurements of defined benefit plans	3,043	4,668
Total accumulated other comprehensive income	4,129	5,969
Non-controlling interests	836	1,045
Total net assets	68,252	74,799
Total liabilities and net assets	90,485	97,442

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

(Consolidated Statements of Income)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	107,791	117,813
Cost of sales	80,257	87,989
Gross profit	27,534	29,824
Selling, general and administrative expenses		
Salaries and allowances	3,642	3,765
Provision for bonuses	106	116
Retirement benefit expenses	86	74
Welfare expenses	969	938
Rent expenses	679	727
Depreciation	669	696
Research and development expenses	501	383
Amortization of goodwill	1,454	1,312
Provision for shareholder benefit program	30	30
Provision of allowance for doubtful accounts	13	9
Other	2,529	2,696
Total selling, general and administrative expenses	10,684	10,751
Operating income	16,849	19,073
Non-operating income		
Interest income	29	80
Dividend income	41	44
Dividend income of insurance	107	101
Other	160	98
Total non-operating income	338	325
Non-operating expenses		
Interest expenses	26	22
Foreign exchange losses	-	27
Settlement payments	55	-
Office relocation expenses	34	-
Other	33	22
Total non-operating expenses	149	72
Ordinary income	17,038	19,326
Extraordinary income		
Gain on sale of investment securities	49	66
Gain on liquidation of subsidiaries and associates	-	12
Other	1	1
Total extraordinary income	51	80
Extraordinary losses		
Impairment losses	8	215
Loss on valuation of investment securities	-	266
Loss on valuation of golf club membership	1	-
Other	0	-
Total extraordinary losses	9	482
Income before income taxes	17,080	18,924
Income taxes - current	5,544	5,711
Income taxes - deferred	(393)	53
Total income taxes	5,150	5,764
Net income	11,929	13,159

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net income attributable to non-controlling interests	134	150
Net income attributable to owners of the parent	11,795	13,009

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net income	11,929	13,159
Other comprehensive income		
Valuation difference on available-for-sale securities	(115)	112
Foreign currency translation adjustment	(32)	113
Remeasurements of defined benefit plans, net of tax	489	1,624
Total other comprehensive income	341	1,849
Comprehensive income	12,270	15,009
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,134	14,849
Comprehensive income attributable to non-controlling interests	136	159

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2025

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	7,205	6,773	56,395	(11,794)	58,580
Changes during the period					
Dividends of surplus			(5,535)		(5,535)
Net income attributable to owners of the parent			11,795		11,795
Repurchase of treasury stock				(1,701)	(1,701)
Disposal of treasury stock		137		109	247
Change in ownership interest of parent due to transactions with non-controlling interests		(99)			(99)
Capital increase of consolidated subsidiaries					–
Net changes in items other than shareholders' equity					
Total changes during the period	–	38	6,259	(1,591)	4,706
Balance at the end of the period	7,205	6,811	62,655	(13,386)	63,286

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains or losses on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of retirement benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	709	(8)	534	2,554	3,790	1,661	64,032
Changes during the period							
Dividends of surplus							(5,535)
Net income attributable to owners of the parent							11,795
Repurchase of treasury stock							(1,701)
Disposal of treasury stock							247
Change in ownership interest of parent due to transactions with non-controlling interests							(99)
Capital increase of consolidated subsidiaries							–
Net changes in items other than shareholders' equity	(119)	–	(30)	489	339	(825)	(486)
Total changes during the period	(119)	–	(30)	489	339	(825)	4,219
Balance at the end of the period	590	(8)	504	3,043	4,129	836	68,252

Fiscal year ended March 31, 2026

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	7,205	6,811	62,655	(13,386)	63,286
Changes during the period					
Dividends of surplus			(6,652)		(6,652)
Net income attributable to owners of the parent			13,009		13,009
Repurchase of treasury stock				(2,001)	(2,001)
Disposal of treasury stock		85		55	141
Change in ownership interest of parent due to transactions with non-controlling interests					–
Capital increase of consolidated subsidiaries		0			0
Net changes in items other than shareholders' equity					
Total changes during the period	–	86	6,357	(1,946)	4,497
Balance at the end of the period	7,205	6,898	69,012	(15,332)	67,784

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains or losses on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustments	Remeasure-ments of retirement benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	590	(8)	504	3,043	4,129	836	68,252
Changes during the period							
Dividends of surplus							(6,652)
Net income attributable to owners of the parent							13,009
Repurchase of treasury stock							(2,001)
Disposal of treasury stock							141
Change in ownership interest of parent due to transactions with non-controlling interests							–
Capital increase of consolidated subsidiaries							0
Net changes in items other than shareholders' equity	112	–	103	1,624	1,839	209	2,049
Total changes during the period	112	–	103	1,624	1,839	209	6,547
Balance at the end of the period	702	(8)	607	4,668	5,969	1,045	74,799

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	17,080	18,924
Depreciation	1,167	1,210
Impairment losses	8	215
Amortization of goodwill	1,454	1,312
Increase (decrease) in provision for bonuses	(64)	22
Increase (decrease) in allowance for doubtful accounts	13	9
Increase (decrease) in provision for shareholder benefit program	0	0
Increase (decrease) in retirement benefit liability	220	199
Decrease (increase) in retirement benefit asset	29	(547)
Interest and dividend income	(70)	(125)
Loss (gain) on valuation of investment securities	-	266
Interest expenses	26	22
Loss (gain) on sale of investment securities	(49)	(66)
Net decrease (increase) in lease receivables and investments in leases	22	11
Decrease (increase) in trade receivables	(3,381)	(750)
Decrease (increase) in inventories	(78)	(186)
Decrease (increase) in other current assets	(45)	(79)
Increase (decrease) in trade payables	781	745
Increase (decrease) in accrued consumption taxes	(147)	227
Increase (decrease) in other current liabilities	(458)	610
Other, net	68	70
Subtotal	16,579	22,093
Interest and dividends received	64	124
Interest paid	(25)	(26)
Income taxes refund	34	-
Income taxes paid	(4,353)	(6,035)
Net cash provided by (used in) operating activities	12,298	16,156
Cash flows from investing activities		
Payments into time deposits	(454)	(4,113)
Proceeds from withdrawal of time deposits	230	2,185
Purchase of securities	-	(500)
Proceeds from redemption of securities	2,200	500
Purchase of property, plant and equipment	(589)	(443)
Purchase of intangible assets	(280)	(507)
Purchase of investment securities	(350)	-
Proceeds from sale of investment securities	97	71
Payments of leasehold and guarantee deposits	(61)	(324)
Other, net	112	47
Net cash provided by (used in) investing activities	904	(3,084)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(850)	(400)
Repayments of long-term borrowings	(512)	(1,458)
Dividends paid	(5,535)	(6,652)
Dividends paid to non-controlling interests	(35)	(33)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Purchase of treasury shares	(1,701)	(2,001)
Proceeds from share issuance to non-controlling shareholders	-	84
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,551)	-
Other, net	(86)	(56)
Net cash provided by (used in) financing activities	(10,272)	(10,517)
Effect of exchange rate change on cash and cash equivalents	(13)	33
Net increase (decrease) in cash and cash equivalents	2,915	2,588
Cash and cash equivalents at beginning of period	26,987	29,903
Cash and cash equivalents at end of period	29,903	32,491

(5) Notes on Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable.

(Basis of Consolidated Financial Statements)

1. Scope of Consolidation

Number of consolidated subsidiaries: 14

Names of consolidated subsidiaries

NSD-DX Technology Co., Ltd.
ART Holdings Co., Ltd.
NHOSA Corporation
FSK Co., Ltd.
StellaS Co., Ltd.
Shareholders Relation Service, Inc.
NSD International, Inc.
Chengdu Renbenxindong Technology Ltd.
Six other subsidiaries

(Note 1) Effective April 1, 2026, "NSD-DX Technology Co., Ltd." changed its name to "NSD AI Technology Co., Ltd."

(Note 2) Effective April 1, 2026, ART Holdings Co., Ltd., are dissolved through an absorption-type merger with ART Technology Co., Ltd. (wholly owned subsidiary of ART Holdings Co., Ltd.) as the surviving company.

(Note 3) Effective April 1, 2026, "StellaS Co., Ltd." changed its name to "NSD Digital Solutions Co., Ltd."

2. Application of Equity Method

(1) Equity Method Affiliate

Not applicable.

(2) Affiliates Not Subject to the Equity Method

Number of affiliates: Three

Names of major affiliates

KONOIKE IT Solutions Co., Ltd.
Winnersoft Co., Ltd.
One other affiliate

(3) Reasons for not Applying Equity Method

We removed the abovementioned companies subject to the equity method as their impact on consolidated financial statements is minor from the aspect of factors such as net gains or losses and retained earnings (amounts proportionate to equity).

3. Fiscal Year of Consolidated Subsidiaries

Of our consolidated subsidiaries, the closing date for Chengdu Renbenxindong Technology Ltd. is December 31.

In preparing the consolidated financial statements, we used financial statements made using provisional settlement of accounts conducted based on the consolidated closing date.

The final day of the fiscal year for other consolidated subsidiaries is the same as the consolidated closing date.

4. Accounting Policies

(1) Valuation Standards and Method for Significant Assets

① Securities

・Available-for-sale securities

Securities with market value

Market value method (valuation differences are included directly in net assets, and selling costs are calculated using the moving average method.)

Securities without market value

Cost method using the moving average method

Investments in limited partnerships (those deemed to be securities as defined under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act)

Net amount equivalent to equity indicated in the most recent financial statements available as of the settlement report date stipulated in the partnership agreement

② Inventories

Cost method using mainly the specific identification method (Balance sheet values are calculated using the devaluation of book value due to decreased profitability)

(2) Depreciation Method of Significant Depreciable Assets

① Property and Equipment, and Investments and Other Assets (Excluding Leased Assets)

Straight-line method

The service life used for buildings and structures: 8 to 60 years

② Intangible Assets (Excluding Leased Assets)

Software

For commercial software, the larger amount of either the amortization amount based on the estimated sales volume or the even distribution amount for the estimated effective period (within 3 years)

For software used in-house, the straight-line method based on the expected usage period (within 5 years).

Customer-related assets

In principle, the straight-line method based on the period during which the effects are estimated from the recognition.

Others

Straight-line method

③ Leased Assets

Leased assets related to finance lease without transfer of ownership

Straight-line method with the lease term as the service life and the residual value as zero

(3) Standards for Recording Allowances/Provisions

① Allowance for Doubtful Accounts

To prepare for bad debt losses such as receivables or loans, for ordinary claims, we record allowance based on the historical rate of uncollectables. For doubtful claims such as debt with a pos
sibility of default, we record allowance equivalent to estimated amount of losses examining the collectability individually.

② Provision for Bonuses

To prepare for the payment of bonuses to the employees of the Company and its consolidated subsidiaries, we record provisions based on the estimated amount of payment.

③ Provision for Shareholder Benefit Program

To prepare for the use of points allocated to shareholders based on the shareholder benefits points system, we record provision based on the amounts expected to be used in the future.

④ Provision for Loss on Order Received

To prepare for future losses related to software development contracts, for the future losses are expected to

occur at the end of the current fiscal year and whose amount can be reasonably estimated, we record provision based on the estimated losses.

(4) Accounting for Retirement Benefits

① Period Attribution for Projected Retirement Benefits

When calculating retirement benefit obligations, the method of attributing the estimated retirement benefit amount for the period up to the end of the current consolidated fiscal year is based on the benefit calculation formula standard.

② Expense Recognition for Actuarial Gains/Losses and Past Service Costs

Actuarial gains/losses are amortized by the straight-line method over a certain number of years (12 years) within the average remaining service period of employees at the time of occurrence for each consolidated fiscal year from the next consolidated fiscal year.

Past service costs amortized by the straight-line method over a certain number of years (12 years) within the average remaining service period of employee at the time of occurrence.

③ Application of Simplified Method in Small Enterprises

Some consolidated subsidiaries are applied the simplified method to calculate retirement benefit liabilities and retirement benefit expenses, in which the amount required to be paid for voluntary retirement at the end of the fiscal year is treated as the retirement benefit liabilities.

(5) Standards for Recognition of Significant Revenues and Expenses

Revenues are recognized as follows according to the type of business.

Revenue is measured at the amount specified in a contract with the customer and includes no important interest rate components because the consideration is received within one year of the fulfillment of performance obligations.

① System Development Business

(Financial IT, Industry IT, Social Infrastructure IT, IT Infrastructure Construction)

The main business activities in the System Development Business are providing software development services and consulting services, building IT infrastructure and networks, and the maintenance and operation of systems for financial institutions, including banks, insurance companies, and securities companies, companies in the manufacturing, communications, and transportation industries, and public entities.

The main performance obligations in providing software development services or consulting services are providing software development services, including the definition of requirements, construction, testing and installation, or consulting services including advice and research, to meet the requests of the customer under contracts and quasi-mandate agreements.

In transactions under contracts, revenue is recognized according to progress, because deliverables are transferred to the customer according to progress in development work and performance obligations are fulfilled in a certain period. Revenue is recognized by measuring progress reasonably using an input method based on the ratio of actual costs incurred to total estimated cost on the last day of the fiscal year. If the estimated order amount or the estimated total costs may change, the estimated amounts are reviewed as necessary.

In transactions under quasi-mandate agreements, revenue is recognized according to work delivered during the work period because performance obligations are fulfilled in a certain period through the delivery of work to customers.

In providing maintenance and operation services, performance obligations are providing technologies and solutions necessary for center management, primarily the operation management of systems, system management, data management, and facilities management. Revenue is recognized according to work delivered during the agreement period because performance obligations are fulfilled in a certain period through the delivery of maintenance and operation services during the agreement period.

② Solution Business

The main business activities in the Solution Business are providing services using systems and selling system products, including general-purpose products for security and human resources management and products for specific operations for the medical/healthcare, logistics industry, and rental business.

In providing solution services, performance obligations are providing services using systems and provide solutions to solve customers' problems. Revenue is recognized according to work delivered during the agreement period because performance obligations are fulfilled according to services provided to the customer in a certain period. Furthermore, in providing setup work associated with providing solution services, performance obligations are configuring systems so that the customer can reap the solution services. Revenue is recognized when the setup is complete and the customer can reap the solution services because performance obligations are fulfilled upon completion of the setup.

In the sale of solution products, performance obligations are delivering products and product installation and configuration according to customers' requests. Revenue is recognized when the products are delivered because the customer obtains control of the products and performance obligations are fulfilled by the delivery. In part of the product business, net revenue amounts are recognized in agency transactions.

(6) Goodwill Amortization Method and Amortization Period

Goodwill is amortized using the straight-line method for 10 years.

(7) Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flow

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term, highly liquid investments with maturities of three months or less at the time of acquisition that involve little risk of changes in value.

(Revenue Recognition)

Information on Revenue by Contracts

Fiscal year ended March 31, 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	31,830	23,893	21,719	10,115	—	87,559
Operation and maintenance	—	209	117	1,266	—	1,592
Others	656	1,079	561	943	—	3,240
Service	—	—	—	—	11,784	11,784
Product	—	—	—	—	3,614	3,614
Revenue from contracts	32,487	25,182	22,398	12,324	15,398	107,791
Net sales from external customers	32,487	25,182	22,398	12,324	15,398	107,791

Fiscal year ended March 31, 2026

(Unit: Millions of yen)

	Reporting segment					Total
	System Development Business				Solution Business	
	Financial IT	Industry IT	Social Infrastructure IT	IT Infrastructure Construction		
System development	34,154	26,483	23,594	11,150	—	95,381
Operation and maintenance	2	205	126	1,134	—	1,468
Others	916	982	426	929	—	3,255
Service	—	—	—	—	12,910	12,910
Product	—	—	—	—	4,797	4,797
Revenue from contracts	35,073	27,671	24,147	13,214	17,707	117,813
Net sales from external customers	35,073	27,671	24,147	13,214	17,707	117,813

2. Information on the Basis for Revenue Recognition

Please refer to notes of 4. Accounting Policies, (5) Standards for Recognition of Significant Revenues and Expenses, under "(Basis of Consolidated Financial Statements)".

3. Contract Assets/Liabilities and Performance Obligations as of End of the Fiscal Year (Order Backlog)

(1) Contract Assets and Contract Liabilities

(Unit: Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Receivables from contracts (Balance at the beginning of the period)	17,131	19,840
Receivables from contracts (Balance at the end of the period)	19,840	20,959
Contract assets (Balance at the beginning of the period)	2,274	2,942
Contract assets (Balance at the end of the period)	2,942	2,596
Contract liabilities (Balance at the beginning of the period)	605	615
Contract liabilities (Balance at the end of the period)	615	941

(2) Performance Obligations as of End of the Fiscal Year (Order Backlog)

(Unit: Millions of yen)

Segment		Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
System Development Business	Financial IT	10,669	14,023
	Industry IT	5,496	5,368
	Social Infrastructure IT	6,072	6,515
	IT Infrastructure Construction	2,856	2,875
Solution Business		2,862	3,300
Total		27,956	32,083

(Note) The total amount of performance obligations as of end of the consolidated accounting period is 32,083 million yen, and 98% of the amount is expected to be recognized as revenue within one year.

(Segment and Other Information)

【Segment Information】

1. Reporting Segment

As it is possible to obtain financial information at the structural component level for the Company and the Group, the reporting segments are subject to regular evaluation to enable the Board of Directors to make decisions on management resource allocation and to evaluate performance.

In particular, business divisions and Group companies are organized into five segments based on offered services and business type of customers: System Development Business (Financial IT), System Development Business (Industry IT), System Development Business (Social Infrastructure IT), System Development Business (IT Infrastructure Construction), and Solution Business.

2. Method for Calculation of Segment-specific Net Sales, Income or Losses, Assets, Liabilities, and Other Matters

Accounting for reporting segments are as indicated in Basis of Consolidated Financial Statements.

Income of reporting segment are based on operating income.

Inter-segment revenues and transfer balances are based on prevailing market prices.

3. Information on Net Sales, Profit/Loss, Assets, Liabilities and Other Items by Reporting Segment

Fiscal year ended March 31, 2025

(Unit: Millions of yen)

	Reporting segment						Adjustment (Note 1)	Amount reported on the consolidated financial statements (Note 2)
	System Development Business				Solution Business	Total		
	Financial IT	Industry IT	Social Infrastructure IT	IT Infrastructure Construction				
Net sales								
Sales to external customers	32,487	25,182	22,398	12,324	15,398	107,791	—	107,791
Intersegment sales or transfers	—	453	43	78	12	588	(588)	—
Total	32,487	25,635	22,441	12,403	15,411	108,380	(588)	107,791
Segment income	6,326	3,746	4,552	2,167	772	17,565	(715)	16,849
Other								
Depreciation expenses	167	288	78	74	526	1,136	31	1,167
Amortization of goodwill	402	419	27	32	572	1,454	—	1,454
Impairment losses	—	—	—	—	—	—	8	8

(Note) 1. Adjustment is as below.

Adjustment of segment income is as below.

Inter-segment sales eliminations	— million yen
Costs of whole company *	(715) million yen
Total	(715) million yen

* Costs of whole company are mainly G&A costs which do not attribute to the segments.

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

3. Assets are not allotted to business segments.

Fiscal year ended March 31, 2026

(Unit: Millions of yen)

	Reporting segment						Adjustment (Note 1)	Amount reported on the consolidated financial statements (Note 2)
	System Development Business				Solution Business	Total		
	Financial IT	Industry IT	Social Infrastructure IT	IT Infrastructure Construction				
Net sales								
Sales to external customers	35,073	27,671	24,147	13,214	17,707	117,813	—	117,813
Intersegment sales or transfers	—	615	53	82	12	764	(764)	—
Total	35,073	28,286	24,200	13,296	17,720	118,577	(764)	117,813
Segment income	6,774	4,410	4,759	2,309	1,488	19,741	(668)	19,073
Other								
Depreciation expenses	177	301	79	75	547	1,180	29	1,210
Amortization of goodwill	323	397	25	32	534	1,312	—	1,312
Impairment losses	—	—	—	—	—	—	215	215

(Note) 1. Adjustment is as below.

Adjustment of segment income is as below.

Inter-segment sales eliminations	— million yen
Costs of whole company *	(668) million yen
Total	(668) million yen

* Costs of whole company are mainly G&A costs which do not attribute to the segments.

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

3. Assets are not allotted to business segments.

【Related Information】

Fiscal year ended March 31, 2025

1. Information by Product and Service

This information is omitted as the reporting segment categories and the product and service categories are the same.

2. Information by Geographical Area

(1) Net Sales

This information is omitted as net sales to external customers in Japan exceed 90% of net sales recorded on the consolidated statements of income.

(2) Property and Equipment

This information is omitted as the amount for property and equipment held in Japan exceeds 90% of the amount for property and equipment recorded on the consolidated balance sheet.

3. Information on Major Customer

This information is omitted as there are no sales to external customers which is 10% or more of the sales on the consolidated statements of income.

Fiscal year ended March 31, 2026

1. Information by Product and Service

This information is omitted as the reporting segment categories and the product and service categories are the same.

2. Information by Geographical Area

(1) Net Sales

This information is omitted as net sales to external customers in Japan exceed 90% of net sales recorded on the consolidated statements of income.

(2) Property and Equipment

This information is omitted as the amount for property and equipment held in Japan exceeds 90% of the amount for property and equipment recorded on the consolidated balance sheet.

3. Information on Major Customer

This information is omitted as there are no sales to external customers which is 10% or more of the sales on the consolidated statements of income.

【Information on Impairment Losses on Non-current Assets by Reporting Segment】

Fiscal year ended March 31, 2025

This information is omitted as similar information is provided in the segment information.

Fiscal year ended March 31, 2026

This information is omitted as similar information is provided in the segment information.

【Information on Amortization and Unamortized Balance of Goodwill by Reporting Segment】

Fiscal year ended March 31, 2025

(Unit: Millions of yen)

	System Development Business				Solution Business	Subtotal	Adjustment	Total
	Financial IT	Industry IT	Social Infrastructure IT	IT Infrastructure Construction				
Amortization during the period	402	419	27	32	572	1,454	－	1,454
Unamortized balance at the end of the period	2,549	3,100	201	190	3,458	9,500	－	9,500

Fiscal year ended March 31, 2026

(Unit: Millions of yen)

	System Development Business				Solution Business	Subtotal	Adjustment	Total
	Financial IT	Industry IT	Social Infrastructure IT	IT Infrastructure Construction				
Amortization during the period	323	397	25	32	534	1,312	－	1,312
Unamortized balance at the end of the period	2,227	2,702	176	163	2,924	8,194	－	8,194

【Information on Gain on Bargain Purchase by Reporting Segment】

Fiscal year ended March 31, 2025

Not applicable.

Fiscal year ended March 31, 2026

Not applicable.

(Per Share Information)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	881.67 yen	971.43 yen
Net income per share	153.61 yen	170.49 yen

(Note 1) The diluted net income per share is omitted as there are no dilutive shares.
(Note 2) The basis of calculating net income per share and diluted net income per share are as below.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net income per share		
Net income attributable to owners of the parent company (Millions of yen)	11,795	13,009
Amount not attributable to shareholder related to common stock (Millions of yen)	—	—
Net income attributable to owners of the parent company related to common stock (Millions of yen)	11,795	13,009
Average number of outstanding shares of common stock during the period (Shares)	76,785,699	76,309,794

(Significant Subsequent Events)

Not applicable.