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October 29, 2026

Consolidated Summary Report

for the Second Quarter (Interim Period) of the Fiscal Year
Ending March 31, 2027 (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 Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to September 30, 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	
Second quarter ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	62,330	10.1	9,063	10.0	9,216	10.3	5,778	7.6
September 30, 2025	56,605	8.8	8,238	9.5	8,353	10.0	5,370	9.6

Note: Comprehensive income Second quarter ended September 30, 2026: 5,732 million yen (6.9%)
Second quarter ended September 30, 2025: 5,360 million yen (13.8%)

	Net income per share	Net income per share (Diluted)
Second quarter ended	Yen	Yen
September 30, 2026	76.40	—
September 30, 2025	70.22	—

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
As of	Millions of yen	Millions of yen	%
September 30, 2026	96,605	71,554	73.0
March 31, 2026	97,442	74,799	75.7

Reference: Equity As of September 30: 70,510 million yen
As of March 31, 2026: 73,753 million yen

2. Dividends

	Annual dividends				
	First quarter end	Second quarter end	Third quarter end	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	0.00	—	96.00	96.00
Fiscal year ending March 31, 2027	—	0.00			
Fiscal year ending March 31, 2027 (Forecast)			—	100.00	100.00

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

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
Fiscal year ending March 31, 2027	128,000	8.6	20,100	5.4	20,400	5.6	13,300	2.2	176.29

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 interim consolidated financial statements : Yes
Note: For details, please refer to "(4) Notes on Interim Consolidated Financial Statements (Application of Accounting Methods Specific to Interim Consolidated Financial Statements)" in "2. Interim Consolidated Financial Statements and Notes" on page 12 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 September 30, 2026: 86,000,000 shares
As of March 31, 2026: 86,000,000 shares

b. Number of treasury stock at the end of the period
As of September 30, 2026: 10,680,935 shares
As of March 31, 2026: 10,077,689 shares

c. Average number of shares during the period
Second quarter ended September 30, 2026: 75,638,141 shares
Second quarter ended September 30, 2025: 76,483,733 shares

*** Reports of interim financial results are not subject to interim review by certified public accountants or an 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 "(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 October 29, 2026.

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1. Results of Operations and Financial Conditions

(1) Operating Results

During the second quarter under review, the Japanese economy gradually recovered, as employment and income environment improved, even though there were downward pressure on the economy such as rising prices and interest rates. However, there remain risks of an economic downturn due to the prolonged impact of the 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, underpinned by favorable corporate performances.

Against this business backdrop, the NSD Group has formulated a three-year Medium-term Management Plan (hereinafter referred to as the "current Plan") commencing in the fiscal year ending March 31, 2027. Under the current Plan, the Group has set key themes such as actively integrating new technologies, especially AI, and cultivating multiple areas of business expertise. The Group considers investments necessary for the Group's sustainable growth as "growth investments" and is prioritizing and actively executing such investments. Through these initiatives, the Group will focus on strengthening its business foundation to enhance future profitability while maintaining a sound financial position.

Regarding System Development Business, the Group's core operation, the Group is aiming for sustainable growth by shifting its focus towards upstream processes, thereby further strengthening its profitability. The Group is also actively engaged in developing systems that leverage new technologies such as AI. For example, the Group utilized optimization AI to automate production planning which has long posed a challenge for a stainless steel pipes and steel materials manufacturer. The Group is actively addressing key management challenges that have a direct impact on customers' business, such as improving operational efficiency and facilitating the transfer of skills.

Furthermore, as a necessary strategy to advance the initiatives of the current Plan, the Group is actively investing in human capital. As part of this effort, the Group is assigning personnel to upstream processes, while also cultivating and strengthening "AI experts" to support its AI businesses.

Regarding Solution Business, the Group is aiming to expand the scale of the business and improve profitability. In particular, the Group will intensively invest resources in research and development of AI solutions to develop and provide compelling solutions. In addition, the Group is implementing PR strategies to increase awareness, with the aim of further expanding sales of the Group's solutions.

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

(Unit: Millions of yen)

	Second quarter ended September, 2025	Second quarter ended September, 2026	YoY	
System Development Business	48,641	53,205	4,563	9.4%
Solution Business	7,964	9,125	1,161	14.6%
Net sales	56,605	62,330	5,724	10.1%
DAS Business	26,313	34,234	7,920	30.1%
DX/AI and other new technologies	18,348	25,108	6,759	36.8%
Operating income	8,238	9,063	825	10.0%
Ordinary income	8,353	9,216	862	10.3%
Net income attributable to owners of the parent	5,370	5,778	408	7.6%
EBITDA	9,485	10,383	898	9.5%
EBITDA margin	16.8%	16.7%	(0.1 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 10.1% year on year to 62,330 million yen as a result of continued trend of high orders in Financial IT and sales growth of medical/healthcare and security products in Solution Business. Net sales of DAS Business, which the Group focuses on, increased by 30.1% year on year to 34,234 million yen as a result of the growth of System Development Business related to DX/AI and other new technologies. Operating income increased by 10.0% year on year to 9,063 million yen, as a result of an increase in net sales, despite an increase in selling, general and administrative expenses associated with the growth investments outlined in the current Plan. As a result, ordinary income increased by 10.3% year on year to 9,216 million yen and net income attributable to owners of the parent company increased by 7.6% year on year to 5,778 million yen.

Operating Results by Segment are as below.

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

	Second quarter ended September, 2025	Second quarter ended September, 2026	YoY	
System Development Business	48,976	53,621	4,645	9.5%
Financial IT	16,908	19,575	2,667	15.8%
Industry IT	13,870	14,340	470	3.4%
Social Infrastructure IT	11,714	12,722	1,008	8.6%
IT Infrastructure Construction	6,483	6,982	498	7.7%
Solution Business	7,969	9,138	1,168	14.7%
Adjustment	(340)	(428)	(88)	—
Total	56,605	62,330	5,724	10.1%

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

	Second quarter ended September, 2025	Second quarter ended September, 2026	YoY	
System Development Business	8,373	9,097	723	8.6%
Financial IT	3,204	3,561	357	11.1%
Industry IT	1,972	2,020	48	2.4%
Social Infrastructure IT	2,088	2,396	308	14.8%
IT Infrastructure Construction	1,108	1,118	10	0.9%
Solution Business	149	430	280	187.4%
Adjustment	(284)	(463)	(179)	—
Total	8,238	9,063	825	10.0%

* 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 15.8% year on year to 19,575 million yen and operating income increased by 11.1% to 3,561 million yen 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.

<System Development Business (Industry IT)>

Net sales increased by 3.4% year on year to 14,340 million yen and operating income increased by 2.4% to 2,020 million yen due to an expansion of orders from logistics in transportation sector and from construction sector, while there was impact of winding down large projects in service sector.

<System Development Business (Social Infrastructure IT)>

Net sales increased by 8.6% year on year to 12,722 million yen due to an increase in orders from telecommunication sector, as well as from aviation in transportation sector and from public sector. Operating income increased by 14.8% to 2,396 million yen due to the settlement of some less profitable project in the previous fiscal year.

<System Development Business (IT Infrastructure Construction)>

Net sales increased by 7.7% year on year to 6,982 million yen due to a steady increase in orders of infrastructure construction projects across various industries, particularly from financial and public sector. Operating income remained almost flat at 1,118 million yen due to a decline in operating margins resulting from increase in selling, general and administrative expenses and the impact of the hardware procurement environment.

<Solution Business>

Net sales increased by 14.7% year on year to 9,138 million yen due to the increased needs for strengthened securities in public organizations, in addition to a year on year increase in medical/healthcare sales. Operating income increased approximately 2.8 times year on year, due to strong sales of high-margin products as well as an improvement in income margins resulting from increased sales.

(2) Financial Conditions

【Conditions of Assets, Liabilities, and Net Assets】

Total assets in the end of this quarter decreased by 836 million yen from March 31, 2026 to 96,605 million yen due to 604 million yen decrease of cash and deposits, 1,125 million yen decrease of notes, accounts receivable, while there was 460 million yen increase of buildings and structures.

Liabilities increased by 2,408 million yen to 25,051 million yen due to 570 million yen increase of income taxes payable, and 1,965 million yen increase of provision for bonuses.

Net assets decreased by 3,244 million yen to 71,554 million yen due to 7,288 million yen decrease resulting from dividend payout, 1,796 million yen decrease resulting from repurchase of treasury stock, while there was 5,778 million yen increase resulting from net income attributable to owners of the parent company.

【Conditions of Cash Flows】

Cash and cash equivalents in the end of this quarter were 27,679 million yen, decreased by 4,794 million yen from the end of the previous consolidated fiscal year.

Cash flows from operating activities were inflows of 9,063 million yen mainly due to 9,217 million yen inflow of income before income taxes.

Cash flows from investing activities were outflows of 4,699 million yen due to 6,216 million yen outflow of payments into time deposits and 365 million yen outflow of purchase of intangible assets.

Cash flows from financing activities were outflows of 9,150 million yen due to 7,288 million yen outflow of dividend payout and 1,796 million yen outflow of repurchase of treasury stock.

(3) Information on Financial Forecasts

There is no revision to the consolidated financial forecasts of the fiscal year ending March 31, 2027 from the “Notice of Forecast Revision of the Second Quarter (Interim Period) and the Full-Year of the Fiscal Year Ending March 31, 2027” announced on September 28, 2026.

2. Interim Consolidated Financial Statements and Notes

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	30,905	30,300
Notes and accounts receivable - trade, and contract assets	23,555	22,429
Securities	4,000	4,000
Merchandise and finished goods	606	937
Work in process	13	9
Raw materials and supplies	189	195
Other	799	1,213
Allowance for doubtful accounts	(74)	(65)
Total current assets	59,995	59,020
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,832	2,292
Land	2,592	2,592
Other, net	930	1,026
Total property, plant and equipment	5,355	5,911
Intangible assets		
Goodwill	8,194	7,539
Customer-related intangible assets	7,359	7,143
Other	1,252	1,392
Total intangible assets	16,806	16,076
Investments and other assets		
Investment securities	1,664	1,856
Retirement benefit asset	10,995	11,183
Other	2,626	2,560
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	15,284	15,598
Total non-current assets	37,446	37,585
Total assets	97,442	96,605

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,126	6,233
Income taxes payable	3,200	3,771
Provision for bonuses	588	2,554
Provision for bonuses for directors (and other officers)	-	43
Provision for shareholder benefit program	69	137
Other	5,292	4,844
Total current liabilities	15,278	17,583
Non-current liabilities		
Retirement benefit liability	1,453	1,570
Other	5,911	5,896
Total non-current liabilities	7,364	7,467
Total liabilities	22,642	25,051
Net assets		
Shareholders' equity		
Share capital	7,205	7,205
Capital surplus	6,898	6,949
Retained earnings	69,012	67,502
Treasury shares	(15,332)	(17,036)
Total shareholders' equity	67,784	64,621
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	702	840
Revaluation reserve for land	(8)	(8)
Foreign currency translation adjustment	607	587
Remeasurements of defined benefit plans	4,668	4,471
Total accumulated other comprehensive income	5,969	5,889
Non-controlling interests	1,045	1,043
Total net assets	74,799	71,554
Total liabilities and net assets	97,442	96,605

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

Interim Consolidated Statements of Income (Cumulative)

(Millions of yen)

	Second quarter ended September 30, 2025	Second quarter ended September 30, 2026
Net sales	56,605	62,330
Cost of sales	43,086	47,012
Gross profit	13,519	15,318
Selling, general and administrative expenses		
Salaries and allowances	1,655	1,810
Provision for bonuses	211	257
Provision for bonuses for directors (and other officers)	40	43
Retirement benefit expenses	35	31
Welfare expenses	481	529
Rent expenses	364	451
Depreciation	345	360
Research and development expenses	153	316
Amortization of goodwill	657	653
Provision for shareholder benefit program	69	72
Other	1,265	1,728
Total selling, general and administrative expenses	5,280	6,254
Operating income	8,238	9,063
Non-operating income		
Interest income	39	62
Dividend income	26	28
Other	66	81
Total non-operating income	132	172
Non-operating expenses		
Interest expenses	9	4
Loss on investments in investment partnerships	2	7
Commission expenses	0	4
Other	4	4
Total non-operating expenses	17	19
Ordinary income	8,353	9,216
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	47	-
Total extraordinary income	48	0
Profit before income taxes	8,401	9,217
Income taxes	2,986	3,406
Net income	5,415	5,811
Net income attributable to non-controlling interests	45	32
Net income attributable to owners of the parent company	5,370	5,778

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Second quarter ended September 30, 2025	Second quarter ended September 30, 2026
Net income	5,415	5,811
Other comprehensive income		
Valuation difference on available-for-sale securities	62	137
Foreign currency translation adjustment	(3)	(19)
Remeasurements of defined benefit plans, net of tax	(114)	(196)
Total other comprehensive income	(55)	(78)
Comprehensive income	5,360	5,732
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent company	5,314	5,698
Comprehensive income attributable to non-controlling interests	45	33

(3) Interim Consolidated Statements of Cash Flows

(Millions of yen)

	Second quarter ended September 30, 2025	Second quarter ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	8,401	9,217
Depreciation	589	666
Amortization of goodwill	657	653
Increase (decrease) in provision for bonuses	1,429	1,965
Increase (decrease) in provision for bonuses for directors (and other officers)	40	43
Increase (decrease) in allowance for doubtful accounts	(5)	(8)
Increase (decrease) in provision for shareholder benefit program	65	67
Increase (decrease) in retirement benefit liability	116	110
Decrease (increase) in retirement benefit asset	(266)	(467)
Interest and dividend income	(65)	(91)
Interest expenses	9	4
Decrease (increase) in trade receivables	1,966	1,123
Decrease (increase) in inventories	(291)	(332)
Decrease (increase) in other current assets	(58)	(338)
Increase (decrease) in trade payables	320	106
Increase (decrease) in accrued consumption taxes	(334)	(654)
Increase (decrease) in other current liabilities	(455)	(242)
Other, net	(44)	99
Subtotal	12,074	11,922
Interest and dividends received	64	80
Interest paid	(9)	(4)
Income taxes refund	-	2
Income taxes paid	(3,246)	(2,937)
Net cash provided by (used in) operating activities	8,883	9,063
Cash flows from investing activities		
Payments into time deposits	(1,998)	(6,216)
Proceeds from withdrawal of time deposits	298	2,015
Purchase of securities	(500)	-
Purchase of property, plant and equipment	(226)	(102)
Purchase of intangible assets	(249)	(365)
Proceeds from sale of investment securities	51	-
Other, net	39	(30)
Net cash provided by (used in) investing activities	(2,585)	(4,699)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(400)	-
Repayments of long-term borrowings	(194)	-
Dividends paid	(6,652)	(7,288)
Proceeds from share issuance to non-controlling shareholders	84	-
Dividends paid to non-controlling interests	(33)	(35)
Purchase of treasury shares	(1)	(1,796)
Other, net	(23)	(30)
Net cash provided by (used in) financing activities	(7,221)	(9,150)
Effect of exchange rate change on cash and cash equivalents	(3)	(7)

(Millions of yen)

	Second quarter ended September 30, 2025	Second quarter ended September 30, 2026
Net increase (decrease) in cash and cash equivalents	(926)	(4,794)
Cash and cash equivalents at beginning of period	29,903	32,491
Cash and cash equivalents at end of period	28,977	27,697

(4) Notes on Interim 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 Interim Consolidated Financial Statements)

[Calculation of Income Taxes]

Income taxes are calculated by multiplying income before income taxes of the second 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.

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. Second quarter ended September 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	16,908	13,605	11,689	6,438	7,964	56,605	-	56,605
Intersegment sales or transfers	-	264	24	45	5	340	(340)	-
Total	16,908	13,870	11,714	6,483	7,969	56,946	(340)	56,605
Segment income	3,204	1,972	2,088	1,108	149	8,522	(284)	8,238

(Note) i. Adjustment of segment income of (284) 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 interim consolidated financial statements consists of segment income and adjustments.

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

Not applicable.

II. Second quarter ended September 30, 2026

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	19,575	14,000	12,690	6,938	9,125	62,330	-	62,330
Intersegment sales or transfers	-	340	32	44	12	428	(428)	-
Total	19,575	14,340	12,722	6,982	9,138	62,759	(428)	62,330
Segment income	3,561	2,020	2,396	1,118	430	9,527	(463)	9,063

(Note) i. Adjustment of segment income of (463) 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 interim consolidated financial statements consists of segment income and adjustments.

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

Not applicable.

(Revenue Recognition)

Information on Revenue by Contracts

Second quarter ended September 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	16,447	12,993	11,406	5,407	-	46,254
Operation and maintenance	1	126	62	578	-	768
Others	459	485	220	452	-	1,618
Service	-	-	-	-	5,890	5,890
Product	-	-	-	-	2,074	2,074
Revenue from contracts	16,908	13,605	11,689	6,438	7,964	56,605
Net sales from external customers	16,908	13,605	11,689	6,438	7,964	56,605

Second quarter ended September 30, 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	19,169	13,388	12,406	5,819	—	50,784
Operation and maintenance	0	82	66	651	—	800
Others	405	529	217	467	—	1,620
Service	—	—	—	—	6,713	6,713
Product	—	—	—	—	2,412	2,412
Revenue from contracts	19,575	14,000	12,690	6,938	9,125	62,330
Net sales from external customers	19,575	14,000	12,690	6,938	9,125	62,330