



FY2025/1Q Results and FY2025 Guidance

Jun 30, 2025

NS Solutions Corporation

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Hello everyone. My name is TOJO, Director in charge of finance.

Thank you very much for taking time out of your busy schedule to attend our financial results briefing today.

I would like to explain the details of our First-quarter results , which was announced at 15:30 today.

1. FY2025/1Q Highlights

- Favorable demand conditions led to higher revenues and gross profit.
- Operating profit declined due to business model transformation-related expenses and the absence of one-time factors in the previous fiscal year.

¥ in billions	A FY2024/1Q	B One time factor	C=A+B FY2024/1Q Underlying	D FY2025/1Q	D-A Difference YoY rate	D-C Difference YoY rate
Revenue	76.8	-	76.8	82.7	+5.9 8%	+5.9 8%
Gross Profit <Gross Profit Margin>	18.7 <24.4%>	* -0.2	18.5 <24.1%>	21.0 <25.4%>	+2.3 12% <+1.0%>	+2.5 13% <+1.3%>
SG&A,oters	9.9	** +0.8	10.7	12.5	+2.6 26%	+1.8 17%
Operating Profit <Operating Profit Margin>	8.8 <11.5%>	-1.0	7.8 <10.2%>	8.5 <10.3%>	-0.3 -4% <-1.2%>	+0.7 9% <+0.1%>
Profit before tax	9.0			8.8	-0.2 -2%	
Profit attributable to owners of parent	5.4			5.1	-0.3 -5%	

* Gross Profit

• Previous year's profit from provision in bonus. -¥0.7bn

• Integration of administrative staff. -¥0.5bn

** SG & A

• Previous year's profit from provision in bonus. +¥0.3bn

• Integration of administrative staff. +¥0.5bn

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First, I will provide an overview of the profit and loss statements.

Revenue was 82.7 billion yen, which is an increase of 5.9 billion yen or 8% from the same period last year.

Gross profit was 21.0 billion yen, up 2.3 billion yen, or 12%, from the same period last year. The gross profit margin was 25.4%, improving by 1.0 percentage points from the same period last year.

SG&A expenses increased by 2.6 billion yen year-on-year due to the consolidation of administrative staff into the corporate division from this fiscal year and the provision for bonuses in the same period last year. However, after adjusting for this effect, operating profit increased by 17%, or 1.8 billion yen, primarily due to initial investments in business model reform as outlined in the mid-term plan.

Operating profit decreased by 0.3 billion yen year-over-year to 8.5 billion yen. However, on an underlying basis, excluding one-time effects, operating profit increased by 0.7 billion yen, about 9%.

2. FY 2025/1Q Sales by Segment / Customer Industry

- Revenue increased except in the Financial Service, where there was a large Oracle project in the same period of the previous year.

¥ in billions	A FY2024/1Q	B FY2024/1Q After Reclassifications	B-A	C FY2025/1Q	C-B Change YoY
Business Solutions	49.5	47.9	-1.6	50.7	6% +2.8
Manufacturing, Nippon Steel Group	22.4	22.4		24.6	+2.1
Retail and Service, Digital Platformer	14.6	12.9	-1.6	14.8	+1.9
Financial Service	12.5	12.5		11.3	-1.2
Consulting & Digital Service	16.8	18.4	+1.6	20.2	9% +1.7
Government, Educational and Research Institutions	3.9	3.9		4.3	+0.4
IT Infrastructure Services	12.9	14.6	+1.6	15.9	+1.3
Subsidiaries	10.5	10.5		11.9	13% +1.3
Total	76.8	76.8		82.7	8% +5.9
<FYI> Revenue to Nippon Steel	15.3	15.3		17.8	+2.6

* Some areas have been reclassified from "Retail and Service, Digital Platformer" to "Consulting & Digital Services", and comparisons for the prior period are presented with figures after reclassification.

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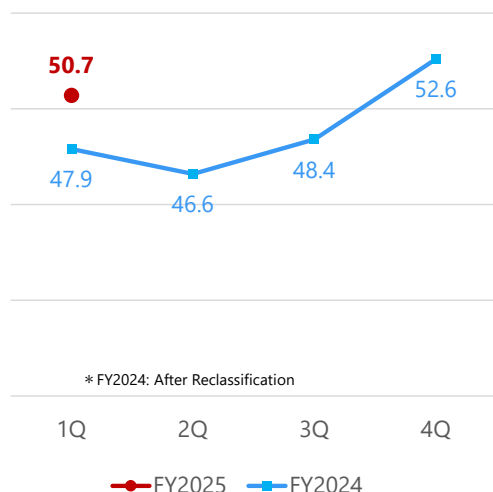
This is revenue from sales by sector.

Except for the Financial Services segment, which had a large Oracle project in the same period of the previous fiscal year, sales in all other segments increased.

The Telecom segment has been reclassified from this fiscal year, so comparisons are shown on a post-reclassification basis.

3. Business Solutions Segment

Quarterly Sales Trends



¥ in billions

	FY2024/1Q After Reclassifications	FY2025/1Q	Change	
			YoY	
Business Solutions	47.9	50.7	+6%	+2.8
Manufacturing, Nippon Steel Group	22.4	24.6		+2.1
Retail and Service, Digital Platformer	12.9	14.8		+1.9
Financial Service	12.5	11.3		-1.2

"Manufacturing" and "Retail" areas are recovering

- ✓ Revenue from Nippon Steel is stable at a high level due to their new facilities, DX measures, etc.
- ✓ Manufacturing increased in industrial machinery and chemical, etc.
- ✓ Retail and Service, Digital Platformer increase in sales mainly in retail.
- ✓ Financial Service declined due to the absence of Oracle projects in the same period of the previous fiscal year.

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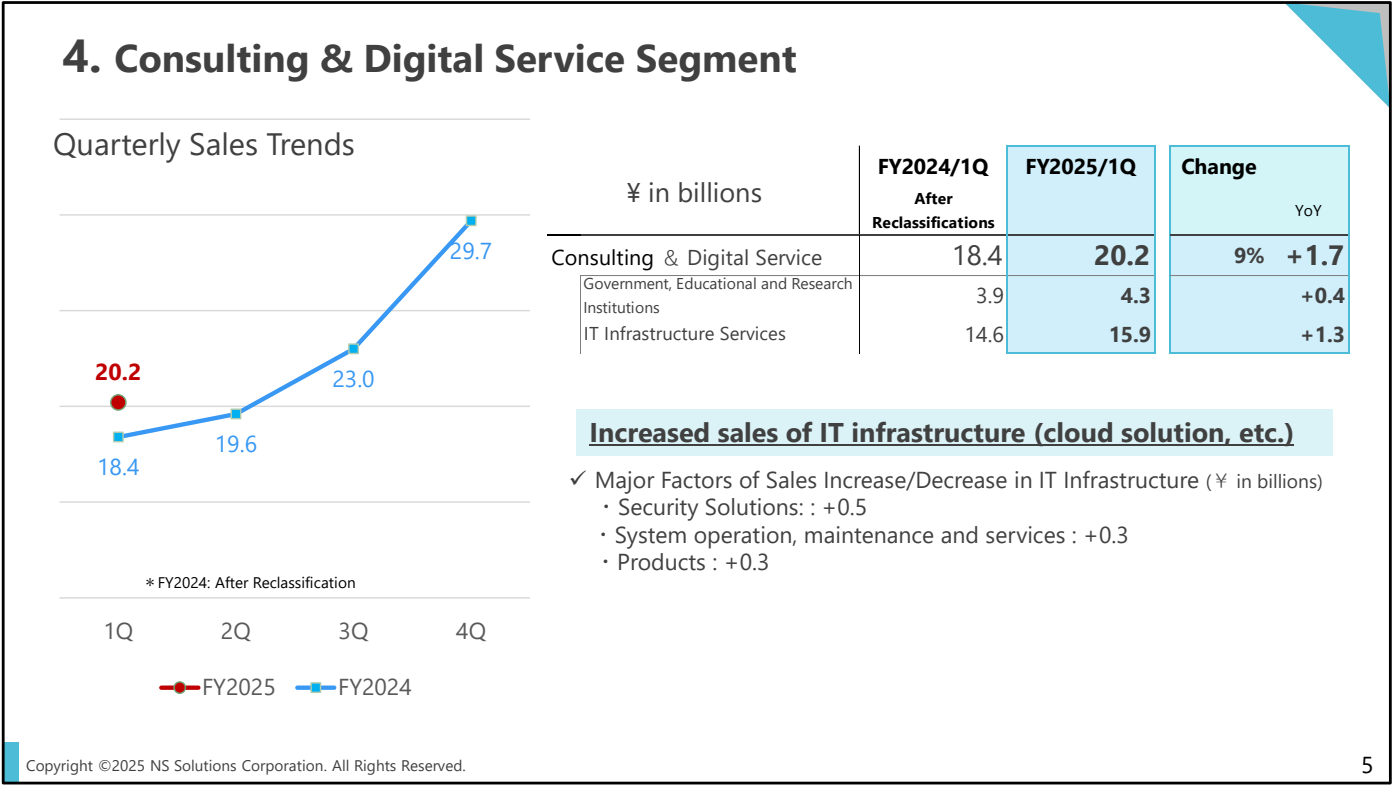
Revenue in the Business Solutions segment increased 6% or ¥2.8 billion from the same period of the previous year.

Sales to Nippon Steel Corporation remained stable at a high level due to the response to the start-up of new facilities and DX measures.

In the Manufacturing sector, sales to chemical materials and industrial machinery were strong.

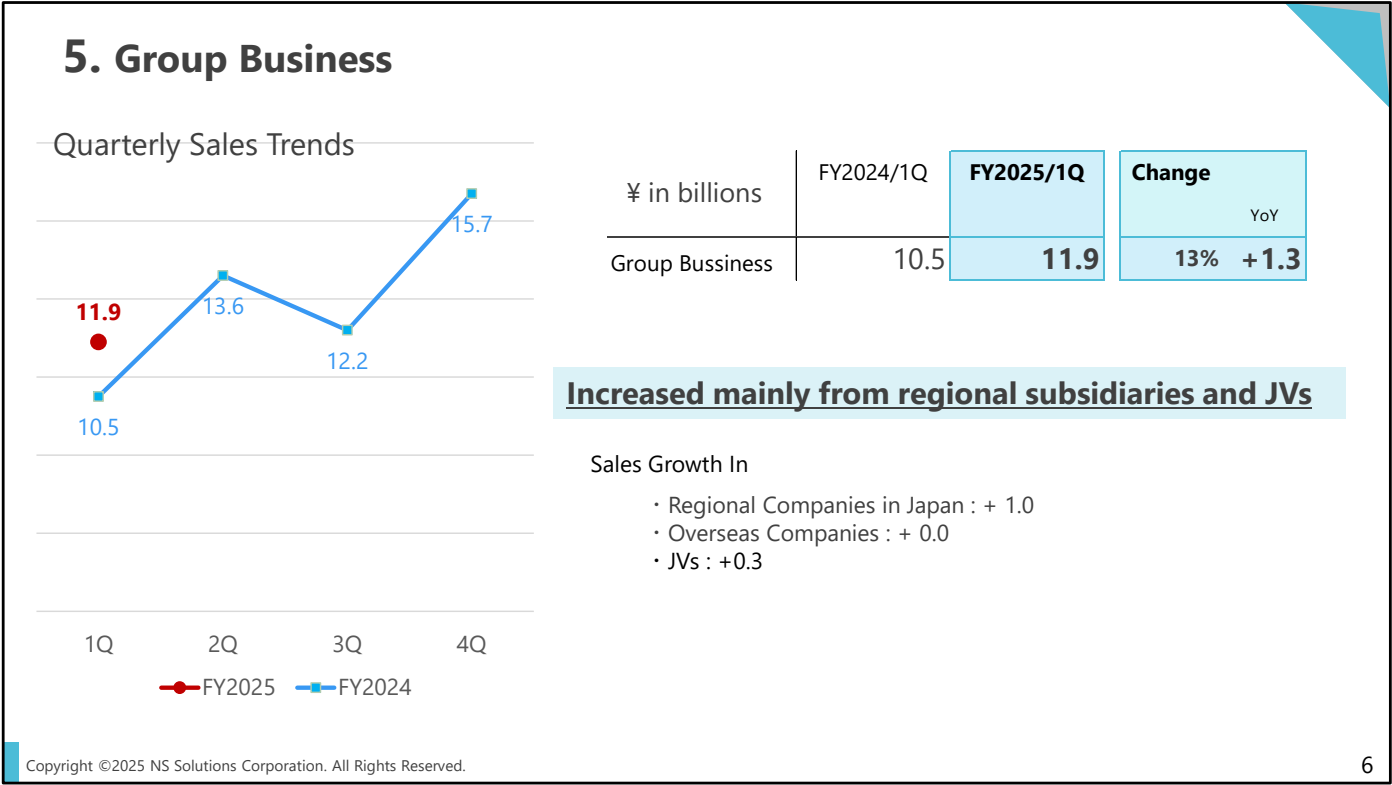
Sales of Retail and Service, Digital Platformer increased mainly in the retail sector.

In the financial sector, sales decreased mainly due to the impact of the reactionary decline from the large-scale projects in the same period of the previous fiscal year as mentioned earlier.



Revenue in the Consulting & Digital Services segment increased 9% or 1.7 billion yen year-on-year to 20.2 billion yen.

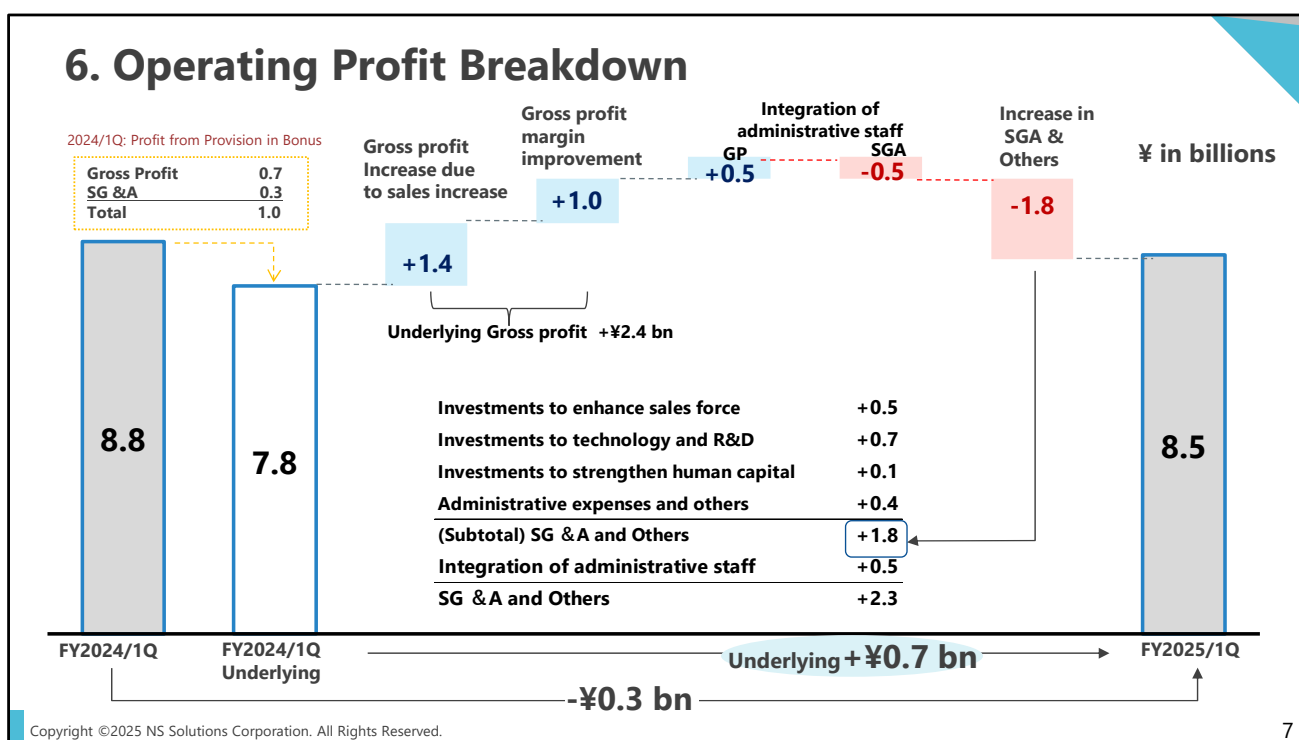
By area, sales in IT infrastructure especially security fields were strong.



Group business revenue increased by 1.3 billion yen or 12% y-o-y to 11.9 billion yen.

By area, the domestic regional subsidiaries performed well.

“Infocom Corporation” became a consolidated subsidiary of the Company on this July, and is therefore not included in these financial results.



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This is an analysis of changes in operating profit.

Operating profit for the first quarter of FY2024 included a one-time gain of about 1.0 billion yen due to the impact of the provision for bonuses, so the above figures are excluded.

Operating profit increased by 0.7 billion yen on an underlying basis, of which gross profit increased by 2.4 billion yen on an ability basis: +1.4 billion yen due to an increase in sales and +1.0 billion yen due to an improvement in the gross profit margin.

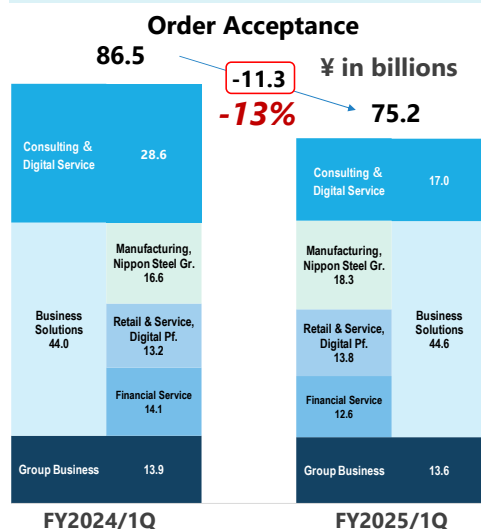
The integration of administrative staff of each division into the corporate division had a positive impact of 0.5 billion yen on gross profit and a negative impact of 0.5 billion yen on SG&A expenses, which is neutral as an impact on operating profit.

Other SG&A expenses increased by 1.8 billion yen, mainly due to up-front investment in technological R&D to reform the business model.

In order to achieve our operating profit target of 43 billion yen for fiscal 2025, we will continue to strive to expand sales and improve gross profit margins.

7. FY2025/1Q Order Acceptance

Orders decreased due to the impact of large-scale projects for government agencies in the same period of the previous year.



Consulting & Digital Service Segment

YoY-¥11.6 bn

- ✓ Decreased mainly due to the absence of public-sector projects in the same period of the previous fiscal year

Business Solutions Segment

YoY+¥0.6 bn

- ✓ Manufacturing & NSC +1.7
Increased mainly in NSC and Food Industries.
- ✓ Retail & Service, Digital Pf. +0.5
Increased in retail sector, etc.
- ✓ Financial Service -1.6
Decreased mainly due to Oracle projects for megabanks during the same period of the previous fiscal year.

Group Business

YoY-¥0.3 bn

- ✓ Increased in regional subsidiaries, decreased in overseas.

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Next is the status of orders received for the first quarter.

Orders decreased 13% in the first quarter of last year, mainly due to a reactionary drop from the large orders for the Digital Agency and multiple orders for Oracle in the first quarter of last year.

By business segment, in the Consulting & Digital Services segment, in addition to the impact of the reactionary decline in large-scale projects mentioned above, the failure to win projects that had been expected to be received in the first quarter also had a significant impact.

In Business Solutions, Manufacturing & NSC and Retail & Service, Digital Pf. are increasing, while Financial Service is in decline due to the absence of the Oracle project in the same period of the previous year.

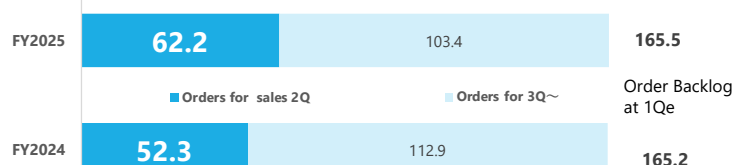
8. FY2025/1Q Order Backlog

¥ in billions

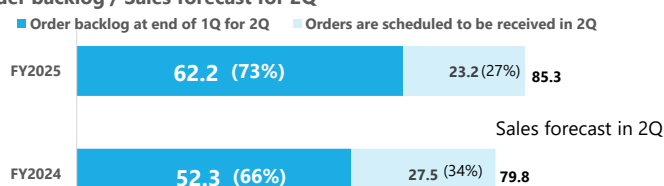


- Backlog at the end of 1Q remained almost flat YoY.
- Order backlog coverage ratio against 2Q sales revenue forecast increased.

Breakdown of orders backlog at end of 1Q



Order backlog / Sales forecast for 2Q



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Next is the status of order backlogs at the end of June.

The left graph shows that the order backlog was 165.5 billion yen, almost unchanged from the same period last year.

The graph on the right shows a comparison of the 2Q sales plan with the sales plan for the same period last year.

The order backlog coverage ratio against the 2Q sales plan is 73%, an improvement of 7 percentage points from the previous year.

We will link our pipeline to orders. This will help us achieve our earnings target for the full year.

9.FY2025 Forecast by Half Year

(No change from the previous forecast.)

	FY2024			FY2025(e)			Difference YoY rate		
	1H	2H	FY	1H(e)	2H(e)	FY (e)	1H	2H	FY
Revenue	156.6	181.7	338.3	168.0	189.0	357.0	7% +11.4	4% +7.3	6% +18.7
Gross Profit <Gross Profit Margin>	38.4 <24.5%>	43.3 <23.9%>	81.7 <24.2%>	42.6 <25.4%>	48.4 <25.6%>	91.0 <25.5%>	11% +4.2 <+0.9%>	12% +5.1 <+1.7%>	11% +9.3 <+1.3%>
SG & A and Other Profit	20.2	23.0	43.2	23.6	24.4	48.0	17% +3.4	6% +1.4	11% +4.8
Operating Profit <Operating Profit Margin>	18.1 <11.6%>	20.4 <11.2%>	38.5 <11.4%>	19.0 <11.3%>	24.0 <12.7%>	43.0 <12.0%>	5% +0.9 <-0.3%>	18% +3.6 <+1.5%>	12% +4.5 <+0.7%>
Profit before tax	18.2	20.9	39.1	19.4	24.3	43.7	7% +1.2	16% +3.4	12% +4.6
Profit attributable to owners of parent	12.2	14.9	27.0	12.6	16.6	29.2	3% +0.4	11% +1.7	8% +2.2

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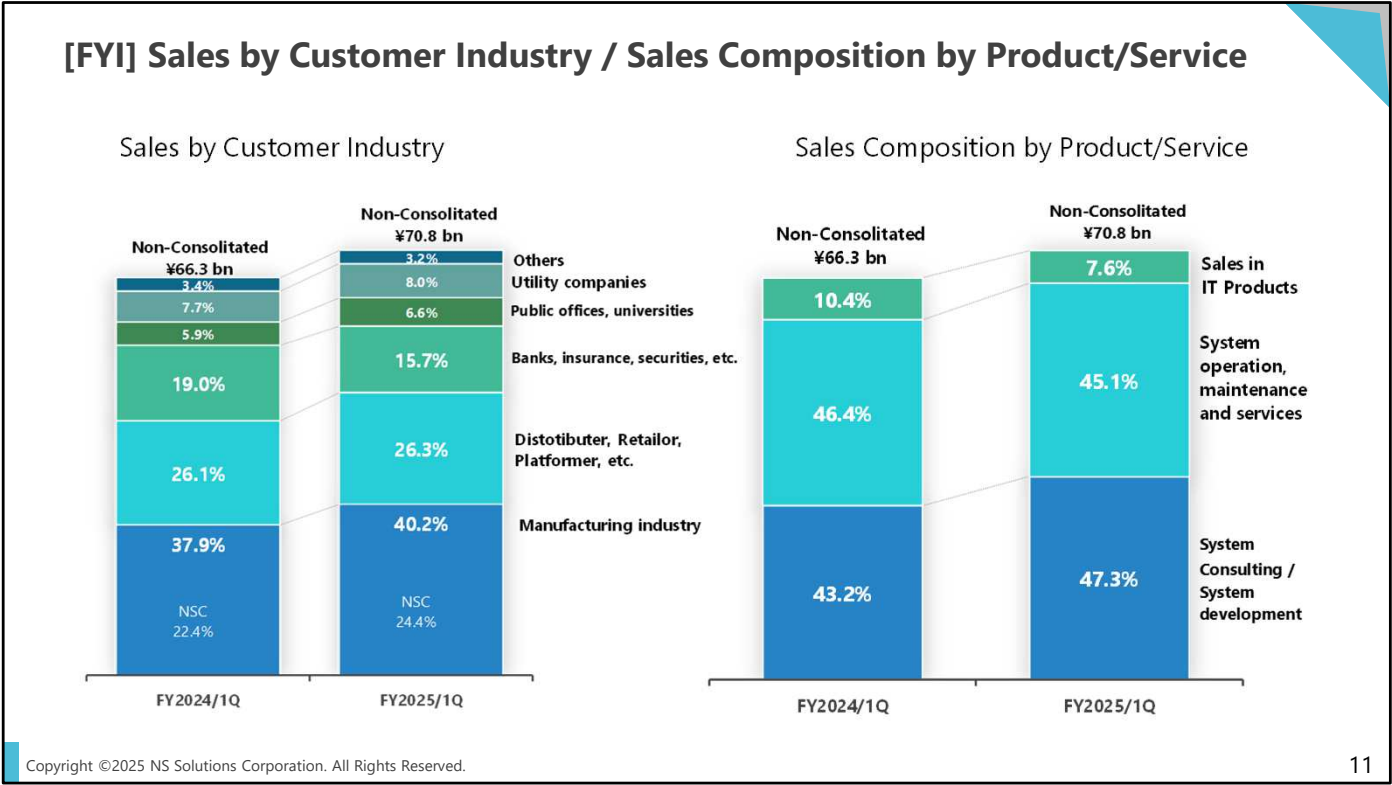
Finally, I would like to present our forecasts for the first half and the full year.

This forecast is unchanged from that announced in April.

Although not stated, the dividend forecast is also the same as previously announced.

That concludes my explanation.

Thank you very much.



[FYI] Major One-Time Factors, Major Projects by Quarter					
					¥ in billions
	FY2024				FY2025
	1Q	2Q	3Q	4Q	1Q
Sales	76.8	79.8	83.7	98.0	82.7
Major Projects	Ⓑ O 3.0 Ⓢ Newly subsidiaries 1.2	Ⓢ Newly subsidiaries 1.2	Ⓢ Newly subsidiaries 1.3	Ⓢ Newly subsidiaries 1.4	
O.P.	8.8	9.3	11.5	8.9	8.5
One-Time	Provision for bonuses +1.0	Dual corporate tax -1.0		Litigation-related reserves -2.3	
Order	86.5	87.2	85.2	97.0	75.2
Major Projects	Ⓑ O 3.0 Ⓒ G 7.3 Ⓢ Newly subsidiaries 2.2	Ⓒ G 4.0 Ⓢ Newly subsidiaries 1.4	Ⓒ G 5.0 Ⓢ Newly subsidiaries 1.2	Ⓢ Newly subsidiaries 1.4	
Ⓑ: Business Solutions, Ⓒ:Consulting & Digital Service, Ⓢ: Subsidiaries 、 O:Oracle, G:Government Project					
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[FYI] Summary of 2025-2027 MTBP



The FY2025-FY2027 Medium-Term Business Plan is positioned as a foundation period for achieving significant profit growth in the next Medium-Term Business Plan, and we will strive to implement four fundamental transformations.

1	Transforming our SI Business Model	
2	Transforming our Customer Approach	3 Transforming the Technology and R&D
4	Transforming In-house Operations and Management	

	FY2024 Results	FY2027 plan	NSSOL 2030 Vision
Revenue	¥338.3 bn	¥450.0 bn	¥500.0 bn
Operating profit (Operating margin)	¥38.5 bn (11.4%)	¥60.0 bn (13%)	¥100.0 bn (20%)
ROE	10.9%	Approx. 13%	Approx. 15%
M&A	¥1.6 bn	¥150.0 bn / 3 years	N/A
Shareholder returns	Payout ratio 50.1%	Payout ratio 50%	Payout ratio 50%
TAM-type/Sales Ratio	3.6%	Approx. 75%	-
Growth investments/Sales Ratio (excluding M&A)	2.7%	Approx. 5%	-

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Social Value Producer with Digital

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

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