

**FY07/3 1Q**  
**Financial Results**  
**Presentation**  
(April 1, 2006 - June 30, 2006)

July 27, 2006

**NEC Fielding, Ltd.**

# Index

## 1. Consolidated Financial Results

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## 2. Topics (April-June)

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## 3. Consolidated Interim Forecasts

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# 1. Consolidated Financial Results (April-June)

## Major Management Indicators

Units: Billions of Yen

	FY 07/3 1Q Results		Compared to FY 06/3 1Q	
		% of Sales	Change	Growth Rate
➔ Net Sales	50.6	-	- 0.1	- 0.2%
➔ Proactive Maintenance	23.2	45.9%	- 1.4	- 5.8%
➔ Fielding Solutions	27.4	54.1%	+1.3	+ 5.2%
➔ Operating Income	1.4	2.9%	- 0.2	- 10.6%
➔ Ordinary Income	1.6	3.2%	- 0.2	- 9.8%
➔ Quarterly Net Income	0.8	1.7%	- 0.3	- 26.9%
➔ Quarterly Net Income per Share (Yen)	15.91	-	- 5.84	- 26.9%
➔ Free Cash Flow	+2.6	-	- 0.9	-

# Causes of Fluctuation in Sales

- Sales in existing maintenance areas continue to decline (down 3.4 billion yen from FY 04/3 1Q to FY 05/3 Q1 and down 1.7 billion yen from FY 05/3 Q1 to FY 06/3 Q1)
- Sales increase in focus areas in maintenance business and large project orders kept sales at Y/Y levels

Down 100 million yen (0.2%) Y/Y

## Maintenance (Focus areas)

- Increase due to software support, collaborations and entry into IT/NW integration

## Operation support

- Increase in operation support services through use of iSolution centers

-1.7

+0.3

+0.3

+1.0

50.7 billion

## Maintenance (Existing Area)

- Decrease in repair contracts due to shift to open architecture (-1.2 billion)
- Decrease in repairs through improved product quality (-500 million)

- System development and supplies
- Security/VoIP, large development projects (+1.3 billion)
- Price cuts in face of heightened competition (-300 million)

50.6 billion

FY 06/3 Q1 Results

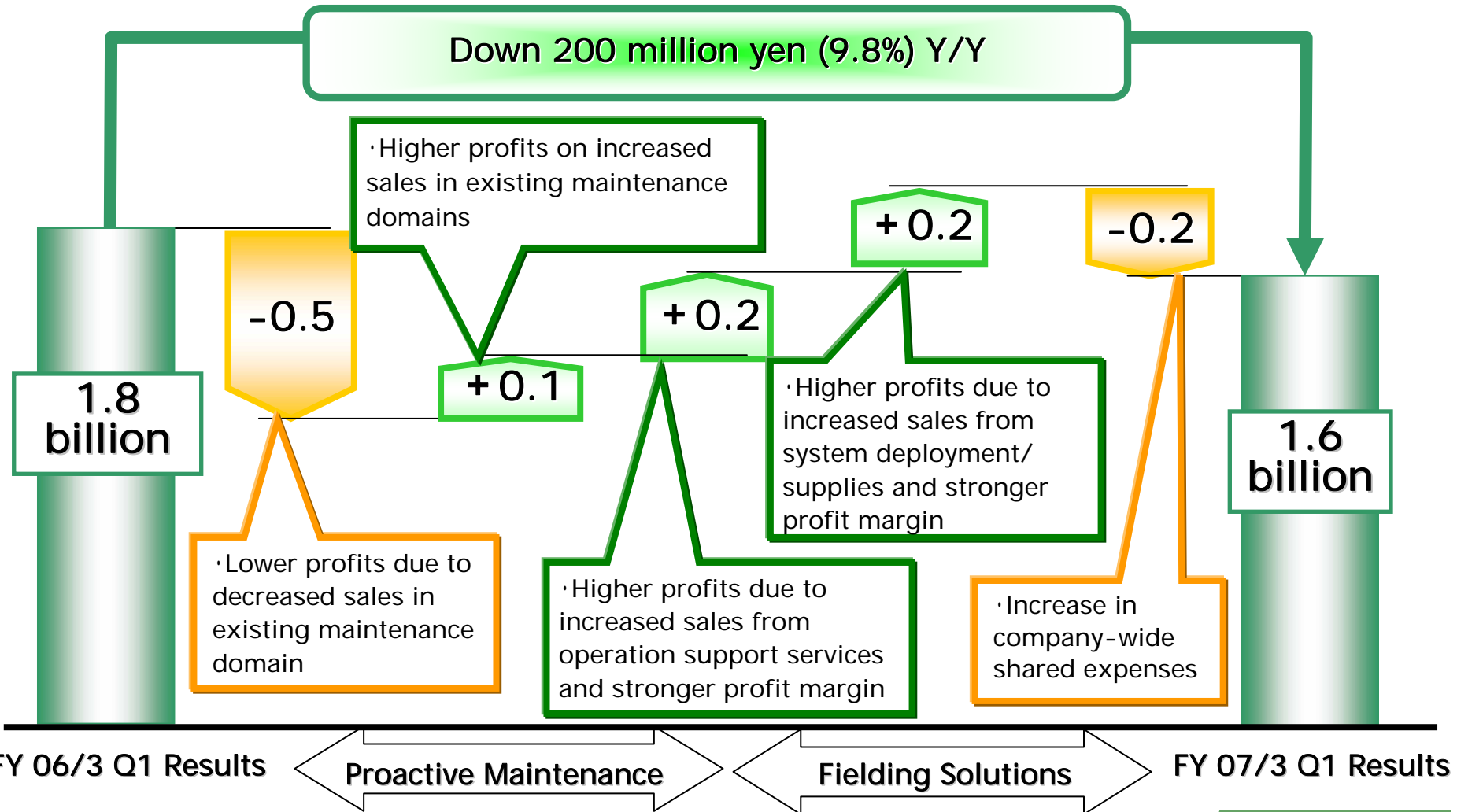
Proactive Maintenance

Fielding Solutions

FY 07/3 Q1 Results

# Causes of Fluctuation in Operating Income

- Higher profit on back of expansion in main areas of business focus and efforts to decrease cost of materials
- Profit undercut year-on-year levels due to lower sales from existing maintenance areas and an increase in company-wide shared expenses



## 2 . Topics (April – June)

### ➤ New management system

- Toru Katayama appointed as President on June 23

### ➤ Social responsibility activities

- Sponsored World Heritage Theater, taking place throughout Japan to conserve and utilize world heritage sites with a particular emphasis on tangible and intangible cultural heritage

- Provided assistance to the “Short Shorts Film Festival,” Asia’s largest short film festival, which is recognized by the Academy of Motion Picture Arts and Sciences as a qualifying festival in short films category for the annual Academy Awards®

### ➤ Continued acclaim from external organizations

- Chosen again for inclusion in the FTSE4 Good Global Index by the UK company FTSE International in recognition of environmental conservation efforts and efforts to build constructive relationships with stakeholders

- Selected by Daiwa Investor Relations Corporation for the ‘Internet IR Best Company Award’ for the fourth consecutive year for online PR activities aimed at current investors

# 3. Consolidated Interim Forecasts

Note: There are no changes to the forecasts announced in April.

## Major Management Indicators

Units: Billions of Yen

	Interim Forecast		Compared to FY 06/3 1Q	
		% of Sales	Change	Growth Rate
➔ Net Sales	113	-	+1.6	+1.4%
➔ Operating Income	2.5	2.2%	- 2	- 44.3%
➔ Ordinary Income	2.5	2.2%	- 2.2	- 46.9%
➔ Interim Net Income	1.2	1.1%	- 2	- 62.6%
➔ Interim Net Earnings per Share (Yen)	22.00	-	- 36.97	- 62.6%

## Caution regarding forward-looking statements

Statements in this document with respect to NEC Fielding's strategies, plans, beliefs, and other statements related to future trends and performance are not historical facts, and as such involve risks and uncertainties. Projections may differ materially from actual results due to a number of factors. Key factors that could affect actual results include, but are not limited to: general economic conditions and social trends in NEC Fielding's markets as well as fluctuations in NEC Fielding's relative competitiveness due to changes in demand for services provided by NEC Fielding.