



## FY 3/04 Business Results

# Fact Sheet

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April 28, 2004  
NEC Fielding, Ltd.

Unless otherwise indicated, amounts contained in this document are rounded down to the unit. Percentages are rounded up or down to the nearest unit.

**FIELDING**

# 1. Operating results

a. Principal management indicators 【Consolidated】					(¥million)
	02/3	02/9*	03/3	03/9*	04/3
<b>ROA</b> (ratio of ordinary income to total capital)	9.7%	6.7%	13.1%	7.1%	13.3%
<b>ROE</b> (ratio of net income to shareholders' equity)	53.0%	20.1%	26.8%	10.5%	27.1%

Indicators for Sept. 2002 and Sept. 2003 are calculated using interim ordinary income and interim net income. Indicators are calculated using average total capital and average total shareholders' equity during the period.

b. Summarized Statements of Income 【Consolidated】					(¥million)
	02/3	02/9	03/3	03/9	04/3
<b>Net sales</b>	227,266	115,871	240,127	120,664	250,677
Proactive Maintenance Operations	119,562	61,410	122,567	60,378	120,277
Fielding Solutions Operations	107,704	54,460	117,560	60,286	130,400
<b>Cost of sales</b>	194,218	97,009	202,038	99,904	209,487
Proactive Maintenance Operations	103,493	51,942	103,173	48,964	97,717
Fielding Solutions Operations	90,725	45,067	98,864	50,940	111,769
<b>Gross profit</b>	33,047	18,861	38,089	20,760	41,190
Proactive Maintenance Operations	16,068	9,468	19,393	11,413	22,559
Fielding Solutions Operations	16,978	9,392	18,695	9,346	18,630
<b>SG&amp;A</b>	13,971	7,254	14,973	8,418	16,836
Proactive Maintenance Operations	3,851	1,714	3,218	1,762	3,539
Fielding Solutions Operations	10,119	5,540	11,754	6,656	13,296
<b>Operating income by segment</b>	19,076	11,606	23,116	12,341	24,354
Proactive Maintenance Operations	12,217	7,753	16,175	9,651	19,020
Fielding Solutions Operations	6,859	3,852	6,941	2,689	5,333
<b>General and administrative expenses</b> (common, company-wide expenses)	8,417	3,925	7,956	4,157	8,214
Total selling, general and administrative expenses	22,388	11,179	22,929	12,576	25,050
<b>Operating income</b>	10,659	7,681	15,160	8,183	16,139
Non-operating income	150	165	289	145	203
Non-operating expenses	342	224	327	46	168
<b>Ordinary income</b>	10,466	7,622	15,122	8,282	16,174
Extraordinary gains	29	157	184	4	8,483
Extraordinary losses	234	16	324	250	3,166
<b>Net income before income taxes</b>	10,262	7,763	14,982	8,035	21,491
Income taxes	5,550	5,003	9,520	4,065	9,302
Deferred income taxes	960	1,732	2,677	567	287
<b>Net income</b>	5,672	4,492	8,140	4,537	12,477

# 1. Operating results

## c. Principal management indicators 【 Non-consolidated 】 (¥million)

	02/3	02/9*	03/3	03/9*	04/3
<b>ROA</b> (ratio of ordinary income to total capital)	9.7%	6.9%	13.5%	7.2%	13.5%
<b>ROE</b> (ratio of net income to shareholders' equity)	53.0%	20.0%	26.6%	10.5%	27.1%

Indicators for Sept. 2002 and Sept. 2003 are calculated using interim ordinary income and interim net income. Indicators are calculated using average total capital and average total shareholders' equity during the period.

## b. Summarized Statements of Income 【 Non-consolidated 】 (¥million)

	02/3	02/9	03/3	03/9	04/3
<b>Net sales</b>	227,266	115,112	238,774	119,926	248,981
Proactive Maintenance Operations	119,562	61,415	122,572	60,379	120,280
Fielding Solutions Operations	107,704	53,697	116,201	59,547	128,701
<b>Cost of sales</b>	194,218	96,486	201,135	99,393	208,280
Proactive Maintenance Operations	103,493	51,947	103,178	48,965	97,720
Fielding Solutions Operations	90,725	44,539	97,957	50,427	110,559
<b>Gross profit</b>	33,047	18,626	37,638	20,533	40,701
Proactive Maintenance Operations	16,068	9,468	19,393	11,413	22,559
Fielding Solutions Operations	16,978	9,157	18,244	9,119	18,142
<b>SG&amp;A</b>	13,971	7,027	14,555	8,203	16,418
Proactive Maintenance Operations	3,851	1,714	3,218	1,762	3,539
Fielding Solutions Operations	10,119	5,312	11,337	6,441	12,878
<b>Operating income by segment</b>	19,076	11,598	23,082	12,329	24,283
Proactive Maintenance Operations	12,217	7,753	16,175	9,651	19,020
Fielding Solutions Operations	6,859	3,845	6,907	2,678	5,263
<b>General and administrative expenses</b> (common, company-wide expenses)	8,417	3,925	7,956	4,157	8,214
Total selling, general and administrative expenses	22,388	10,952	22,511	12,361	24,632
<b>Operating income</b>	10,659	7,673	15,126	8,171	16,069
Non-operating income	150	162	263	135	192
Non-operating expenses	342	222	313	42	164
<b>Ordinary income</b>	10,466	7,613	15,076	8,264	16,097
Extraordinary gains	29	140	140	1	8,480
Extraordinary losses	234	16	323	250	3,166
<b>Net income before income taxes</b>	10,262	7,736	14,892	8,014	21,411
Income taxes	5,550	5,000	9,500	4,050	9,250
Deferred income taxes	960	1,751	2,713	567	280
<b>Net income</b>	5,672	4,487	8,105	4,531	12,441

# 1. Operating results

e. Principal items in SG&A 【Consolidated】					(¥million)
	02/3	02/9	03/3	03/9	04/3
Payroll costs	15,068	7,705	15,847	8,743	17,227
Sales promotion expenses	1,688	890	1,641	648	1,398
R&D expenses	365	93	241	203	399
Other	5,265	2,490	5,198	2,980	6,025
Total selling, general and administrative expenses	22,388	11,179	22,929	12,576	25,050

f. Principal items in SG&A 【Non-consolidated】					(¥million)
	02/3	02/9	03/3	03/9	04/3
Payroll costs	15,068	7,582	15,622	8,625	17,009
Sales promotion expenses	1,688	889	1,638	647	1,393
R&D expenses	365	93	241	203	399
Other	5,265	2,386	5,009	2,885	5,830
Total selling, general and administrative expenses	22,388	10,952	22,511	12,361	24,632

## 2. Financial position

a. Summarized Balance Sheets 【Consolidated】					(¥million)
	02/3	02/9	03/3	03/9	04/3
Cash and cash equivalents	2,786	2,781	5,318	4,275	3,864
Deposit to an affiliated Company	-	-	-	2,000	5,500
Trade notes and accounts receivable	64,902	60,946	65,752	63,074	66,431
Inventories	26,712	26,522	25,814	26,263	26,069
Deferred tax assets	4,033	4,938	5,622	5,651	7,115
Other current assets	1,741	1,868	1,552	1,588	1,331
<b>Total current assets</b>	<b>100,177</b>	<b>97,058</b>	<b>104,061</b>	<b>102,854</b>	<b>110,312</b>
Property and equipment	4,417	4,281	3,928	4,485	5,001
Intangible fixed assets	1,445	1,599	1,871	2,227	2,863
Investments and other assets	11,671	12,760	12,771	13,233	15,313
<b>Total fixed assets</b>	<b>17,535</b>	<b>18,641</b>	<b>18,571</b>	<b>19,945</b>	<b>23,178</b>
<b>Total assets</b>	<b>117,712</b>	<b>115,699</b>	<b>122,632</b>	<b>122,800</b>	<b>133,490</b>
Trade notes and accounts payable	39,139	33,999	38,902	36,604	42,958
Short-term borrowings	24,850	4,395	119	-	-
Accrued expenses	8,169	7,987	8,460	8,445	8,629
Accrued income taxes	2,869	5,023	7,235	4,210	5,386
Other current liabilities	4,078	4,522	4,404	5,198	5,538
<b>Total current liabilities</b>	<b>79,107</b>	<b>55,928</b>	<b>59,122</b>	<b>54,458</b>	<b>62,512</b>
Long-term borrowings	100	-	-	-	-
Accrued retirement benefits for employees	19,860	21,008	21,546	22,231	17,280
Other long-term liabilities	113	70	71	28	47
<b>Total long-term liabilities</b>	<b>20,074</b>	<b>21,079</b>	<b>21,618</b>	<b>22,259</b>	<b>17,327</b>
<b>Total shareholders' equity</b>	<b>18,530</b>	<b>38,692</b>	<b>41,891</b>	<b>46,082</b>	<b>53,650</b>
<b>Total liabilities and shareholders' equity</b>	<b>117,712</b>	<b>115,699</b>	<b>122,632</b>	<b>122,800</b>	<b>133,490</b>

### (Analytical indicators)

Current ratio	126.6%	173.5%	176.0%	188.9%	176.5%
Fixed assets ratio	94.6%	48.2%	44.3%	43.3%	43.2%
Equity ratio	15.7%	33.4%	34.2%	37.5%	40.2%

## 2. Financial position

b. Summarized Balance Sheets 【 Non-consolidated 】					(¥million)
	02/3	02/9	03/3	03/9	04/3
Cash and cash equivalents	1,928	2,467	4,805	3,656	3,141
Deposit to an affiliated Company	-	-	-	2,000	5,500
Trade notes and accounts receivable	63,316	59,677	64,395	61,852	64,510
Inventories	26,491	26,433	25,738	26,192	26,008
Deferred tax assets	3,977	4,905	5,584	5,611	7,065
Other current assets	1,731	1,859	1,498	1,569	1,313
<b>Total current assets</b>	<b>97,445</b>	<b>95,342</b>	<b>102,022</b>	<b>100,882</b>	<b>107,539</b>
Property and equipment	4,382	4,247	3,899	4,465	4,986
Intangible fixed assets	1,439	1,593	1,861	2,219	2,856
Investments and other assets	11,637	12,723	12,732	13,222	15,313
<b>Total fixed assets</b>	<b>17,459</b>	<b>18,564</b>	<b>18,493</b>	<b>19,907</b>	<b>23,157</b>
<b>Total assets</b>	<b>114,904</b>	<b>113,907</b>	<b>120,515</b>	<b>120,789</b>	<b>130,696</b>
Trade notes and accounts payable	36,936	32,672	37,283	35,063	40,732
Short-term borrowings	24,810	4,395	100	-	-
Accrued expenses	8,051	7,865	8,339	8,344	8,507
Accrued income taxes	2,852	5,018	7,235	4,194	5,347
Other current liabilities	3,970	4,455	4,359	5,168	5,494
<b>Total current liabilities</b>	<b>76,621</b>	<b>54,406</b>	<b>57,319</b>	<b>52,769</b>	<b>60,083</b>
Long-term borrowings	100	-	-	-	-
Accrued retirement benefits for employees	19,600	20,755	21,281	21,964	17,019
Other long-term liabilities	52	53	53	12	12
<b>Total long-term liabilities</b>	<b>19,752</b>	<b>20,809</b>	<b>21,334</b>	<b>21,977</b>	<b>17,032</b>
<b>Total shareholders' equity</b>	<b>18,531</b>	<b>38,690</b>	<b>41,861</b>	<b>46,042</b>	<b>53,580</b>
<b>Total liabilities and shareholders' equity</b>	<b>114,904</b>	<b>113,907</b>	<b>120,515</b>	<b>120,789</b>	<b>130,696</b>

(Analytical indicators)

Current ratio	127.2%	175.2%	178.0%	191.2%	179.0%
Fixed assets ratio	94.2%	48.0%	44.2%	43.2%	43.2%
Equity ratio	16.1%	34.0%	34.7%	38.1%	41.0%

## 2. Financial position

c. Summarized Statements of Cash Flows 【Consolidated】					(¥million)
	02/3	02/9	03/3	03/9	04/3
Income before income taxes	10,262	7,763	14,982	8,035	21,491
Depreciation and amortization	892	401	851	464	1,035
Trade notes and accounts receivable	5,804	4,211	849	2,678	678
Inventories	657	189	989	448	254
Trade notes and accounts payable	4,160	5,146	227	2,306	4,047
Accrued expenses	570	172	300	14	170
Other	2,991	1,086	2,469	996	7,693
Subtotal	12,588	8,333	18,516	9,405	18,119
Income taxes paid	8,933	2,850	5,153	7,091	11,151
Other	188	94	386	2	5
Net cash provided by operating activities	3,466	5,388	12,976	2,316	6,973
Purchases of property and equipment	859	87	244	438	1,082
Purchases of intangible assets	347	152	571	542	951
Other	628	297	89	149	45
Net cash used in investing activities	578	537	906	831	1,989
Net decrease in short-term borrowings	5,175	20,260	24,240	19	19
Repayment of long-term borrowings	180	295	590	100	100
Proceeds from issuance of common stock	2,973	15,757	15,757	-	-
Cash dividends paid	110	58	464	408	817
Net cash used in financing activities	2,132	4,856	9,537	528	937
Net increase in cash and cash equivalents	756	4	2,532	956	4,045
Cash and cash equivalents at the beginning of the term	2,030	2,786	2,786	5,318	5,318
Cash and cash equivalents at the end of the term	2,786	2,781	5,318	6,275	9,364

### 3. Capital investment

a. Acquisitions 【 Consolidated 】					(¥million)
	02/3	02/9	03/3	03/9	04/3
Property and equipment	525	172	291	870	1,788
Depreciation	716	282	583	277	616
Intangible fixed assets	347	292	711	540	1,407
Amortization	186	116	263	186	415
Total of facilities acquired	873	464	1,002	1,410	3,195
Total depreciation and amortization	902	399	847	463	1,031

b. Leases 【 Consolidated 】					(¥million)
	02/3	02/9	03/3	03/9	04/3
Buildings and structures	3,969	1,606	2,965	1,162	1,515
Lease payments	3,112	1,517	3,158	1,869	3,711
Intangible fixed assets	-	-	-	-	-
Lease payments	-	-	-	-	-
Total leased facilities	3,969	1,606	2,965	1,162	1,515
Total lease payments	3,112	1,517	3,158	1,869	3,711

c. Total capital investment 【 Consolidated 】					(¥million)
	02/3	02/9	03/3	03/9	04/3
Buildings and structures	4,494	1,778	3,256	2,032	3,303
Depreciation and lease payments	3,828	1,799	3,741	2,146	4,327
Intangible fixed assets	347	292	711	540	1,407
Amortization and lease payments	186	116	263	186	415
Total capital investment	4,842	2,070	3,967	2,572	4,710
Total depreciation, amortization and lease payments	4,014	1,916	4,005	2,332	4,742

### 3. Capital investment

d. Acquisitions 【non-consolidated】					(¥million)
	02/3	02/9	03/3	03/9	04/3
Property and equipment	514	168	284	870	1,788
Depreciation	704	277	572	273	608
Intangible fixed assets	347	292	704	540	1,407
Amortization	185	116	260	184	412
Total of facilities acquired	862	460	989	1,410	3,195
Total depreciation and amortization	890	393	833	457	1,020

e. Leases 【non-consolidated】					(¥million)
	02/3	02/9	03/3	03/9	04/3
Buildings and structures	3,969	1,606	2,965	1,139	1,481
Lease payments	3,112	1,517	3,158	1,867	3,687
Intangible fixed assets	-	-	-	-	-
Lease payments	-	-	-	-	-
Total leased facilities	3,969	1,606	2,965	1,139	1,481
Total lease payments	3,112	1,517	3,158	1,867	3,687

f. Total capital investment 【non-consolidated】					(¥million)
	02/3	02/9	03/3	03/9	04/3
Buildings and structures	4,483	1,774	3,249	2,009	3,269
Depreciation and lease payments	3,816	1,794	3,730	2,140	4,296
Intangible fixed assets	347	292	704	540	1,407
Amortization and lease payments	185	116	260	184	412
Total capital investment	4,831	2,066	3,954	2,549	4,677
Total depreciation, amortization and lease payments	4,002	1,910	3,991	2,324	4,708

## 4. Net sales and gross profit ratio by sub-segment

a. Net sales and gross profit ratio by sub-segment 【consolidated】		(¥million)				
		02/3	02/9	03/3	03/9	04/3
<b>Business Maintenance Services</b>	Net sales	92,332	47,332	94,995	46,245	92,999
	Cost of sales	78,036	39,324	78,400	37,006	73,942
	Gross profit	14,295	8,008	16,595	9,239	19,057
	Gross profit ratio	15.5%	16.9%	17.5%	20.0%	20.5%
<b>Personal Maintenance Services</b>	Net sales	27,229	14,078	27,572	14,132	27,277
	Cost of sales	25,456	12,618	24,773	11,957	23,775
	Gross profit	1,772	1,459	2,798	2,174	3,502
	Gross profit ratio	6.5%	10.4%	10.2%	15.4%	12.8%
<b>Proactive Maintenance Operations</b>	Net sales	119,562	61,410	122,567	60,378	120,277
	Cost of sales	103,493	51,942	103,173	48,964	97,717
	Gross profit	16,068	9,468	19,393	11,413	22,559
	Gross profit ratio	13.4%	15.4%	15.8%	18.9%	18.8%
<b>Installation Services</b>	Net sales	6,903	2,858	5,494	2,044	4,598
	Cost of sales	5,199	2,042	4,041	1,573	3,296
	Gross profit	1,703	816	1,453	471	1,301
	Gross profit ratio	24.7%	28.6%	26.5%	23.0%	28.3%
<b>Network Facilities Services</b>	Net sales	30,863	13,399	27,914	10,684	27,015
	Cost of sales	27,383	11,603	24,178	9,047	23,605
	Gross profit	3,479	1,796	3,736	1,636	3,410
	Gross profit ratio	11.3%	13.4%	13.4%	15.3%	12.6%
<b>Supply Services</b>	Net sales	36,348	17,134	35,800	17,399	36,324
	Cost of sales	30,154	14,249	30,044	14,666	30,819
	Gross profit	6,193	2,884	5,755	2,732	5,505
	Gross profit ratio	17.0%	16.8%	16.1%	15.7%	15.2%
<b>Solutions Services</b>	Net sales	33,589	21,067	48,350	30,158	62,461
	Cost of sales	27,987	17,171	40,600	25,652	54,048
	Gross profit	5,602	3,895	7,749	4,506	8,412
	Gross profit ratio	16.7%	18.5%	16.0%	14.9%	13.5%
<b>Fielding Solutions Operations</b>	Net sales	107,704	54,460	117,560	60,286	130,400
	Cost of sales	90,725	45,067	98,864	50,940	111,769
	Gross profit	16,978	9,392	18,695	9,346	18,630
	Gross profit ratio	15.8%	17.3%	15.9%	15.5%	14.3%
<b>Total</b>	Net sales	227,266	115,871	240,127	120,664	250,677
	Cost of sales	194,218	97,009	202,038	99,904	209,487
	Gross profit	33,047	18,861	38,089	20,760	41,190
	Gross profit ratio	14.5%	16.3%	15.9%	17.2%	16.4%

## 5. Other indicators

a. Principal items in cost of sales 【non-consolidated】					(¥million)
	02/3	02/9	03/3	03/9	04/3
Net sales	227,266	115,112	238,774	119,926	248,981
Materials costs	70,147	35,760	76,428	38,474	83,745
Payroll costs	45,958	23,339	46,959	23,761	46,985
General expenses	78,113	37,386	77,747	37,157	77,548
Cost of sales	194,218	96,486	201,135	99,393	208,280
Gross profit	33,047	18,626	37,638	20,533	40,701

b. Percentages of net sales by industry 【non-consolidated】					
	02/3	02/9	03/3	03/9	04/3
Service	17.5%	19.6%	19.1%	19.2%	20.4%
Public sector	14.6%	19.2%	18.1%	19.7%	19.9%
Central government	-%	-%	6.3%	5.8%	5.2%
Local public entities	-%	-%	11.8%	13.9%	14.7%
Wholesale, retail, food & beverage	15.3%	13.3%	16.8%	15.6%	16.4%
Finance, real estate	16.4%	14.3%	12.2%	13.1%	14.2%
Transport, communications	7.1%	8.0%	6.8%	7.9%	8.2%
Electronic machinery, devices	7.0%	6.4%	6.4%	6.1%	6.3%
Other	22.1%	19.2%	20.6%	18.5%	14.6%

c. Percentages of net sales to the NEC Group 【non-consolidated】					
	02/3	02/9	03/3	03/9	04/3
NEC Group	77.1%	76.3%	75.5%	73.8%	73.2%
(NEC)	64.0%	57.4%	56.3%	53.3%	54.4%
Other than NEC Group	22.9%	23.7%	24.5%	26.2%	26.8%

d. Consolidated subsidiary NDEC					(¥million)
	02/3	02/9	03/3	03/9	04/3
Net sales	9,279	4,329	9,001	4,203	9,218
Ordinary income	233	9	33	22	83
Net income	95	5	36	15	47

## 5. Other indicators

### e. PARC\*

	02/3	02/9	03/3	03/9	04/3
PARC* (¥ billion)	394.38	387.41	376.29	360.57	335.04
Open systems devices (%)	31.0%	32.1%	33.5%	34.5%	38.1%
Mainframe devices (%)	41.4%	40.2%	39.2%	37.9%	35.2%
Other devices (%)	27.5%	27.7%	27.2%	27.6%	26.7%

PARC refers to purchased and rented computers. It is the total standard value of customer computer devices subject to Support Services contracted by NEC.

### f. Certifications held

	02/3	02/9	03/3	03/9	04/3
No. of certifications	19,520	21,371	22,151	23,330	25,016
Vendor certifications*	7,246	8,224	8,911	10,004	11,619
Information, installation, electric*	12,274	13,147	13,240	13,326	13,397
CE per-person training days	25.0 days	11.9 days	25.5 days	14.6 days	27.8 days

Vendor certifications are certifications given by software and hardware vendors like Microsoft, Oracle, HP and Cisco.  
Expert certifications given by the government to information processing technician, installation specialist and electrical and electrical installations.

### g. Personnel

	02/3	02/9	03/3	03/9	04/3
Number of employees 【Consolidated】	7,141	7,140	6,994	6,947	6,953
FILDG 【Non-consolidated】	6,968	6,964	6,820	6,775	6,789
NDEC	173	176	174	172	164