

FY 12/3 Business Results

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October 26, 2011
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.

1. Operating results

Statements of Income 【Consolidated】					(Units: mln yen)
	09/9	10/3	10/9	11/3	11/9
Net sales	89,484	190,895	90,988	189,107	88,500
Proactive Maintenance	49,368	97,902	47,645	95,569	46,897
Fielding Solutions	40,116	92,993	43,342	93,537	41,602
Cost of sales	73,404	156,592	75,550	157,136	72,738
Proactive Maintenance	39,794	77,968	38,143	76,055	36,806
Fielding Solutions	33,609	78,624	37,407	81,080	35,932
Gross profit	16,080	34,303	15,437	31,970	15,761
Proactive Maintenance	9,573	19,933	9,501	19,513	10,091
Fielding Solutions	6,507	14,369	5,935	12,457	5,669
Selling Expenses	8,067	15,922	8,022	16,005	8,187
Proactive Maintenance	2,080	4,149	2,501	5,011	2,270
Fielding Solutions	5,987	11,772	5,521	10,994	5,917
Operating income by segment	8,012	18,381	7,415	15,964	7,574
Proactive Maintenance	7,492	15,784	7,000	14,502	7,821
Fielding Solutions	520	2,596	414	1,462	-247
General and administrative expenses (common, company-wide expenses)	4,106	8,186	3,957	7,962	3,962
Total SG&A	12,174	24,108	11,979	23,968	12,150
Operating income	3,906	10,194	3,457	8,002	3,611
Non-operating income	272	430	281	636	296
Non-operating expenses	386	513	44	115	69
Ordinary income	3,792	10,111	3,694	8,523	3,838
Extraordinary gains	-	-	-	-	-
Extraordinary losses	-	1,135	103	171	68
Net income before income taxes	3,792	8,975	3,591	8,351	3,770
Income taxes	1,503	3,679	1,531	4,039	1,533
Deferred income taxes	△ 2	429	△ 0	△ 409	△ 0
Minority invests	△ 3	△ 5	-	-	-
Net income	2,294	4,872	2,059	4,722	2,236

1. Operating results

Items in SG&A 【Consolidated】

(Units: mln yen)

	09/9	10/3	10/9	11/3	11/9
Payroll costs	7,262	14,211	7,113	14,564	7,382
Sales promotion expenses	319	663	307	606	285
R&D expenses	45	71	7	18	19
Other	4,547	9,163	4,550	8,779	4,462
Total selling, general and administrative expenses	12,174	24,108	11,979	23,968	12,150

2. Financial position

Balance Sheets 【Consolidated】		(Units: mln yen)				
	09/9	10/3	10/9	11/3	11/9	
Cash and cash equivalents	7,611	6,617	8,317	5,997	8,230	
Deposit to an affiliated Company	15,300	17,601	18,402	20,602	19,502	
Trade notes and accounts receivable	35,914	42,502	36,834	40,525	35,605	
Inventories	25,231	23,959	25,144	22,716	24,106	
Deferred tax assets	7,175	6,755	6,780	7,223	7,224	
Other current assets	2,834	2,270	2,344	2,144	2,419	
Total current assets	94,067	99,707	97,823	99,210	97,088	
Property and equipment	4,993	4,822	4,662	4,721	4,592	
Intangible fixed assets	7,696	7,566	8,570	9,183	10,978	
Investments and other assets	20,130	19,909	19,721	19,674	19,653	
Total fixed assets	32,820	32,298	32,954	33,579	35,225	
Total assets	126,888	132,006	130,778	132,790	132,313	
Trade notes and accounts payable	17,166	20,526	17,729	17,723	16,867	
Short-term borrowings	-	-	-	-	-	
Accrued expenses	2,922	2,738	2,771	2,757	2,808	
Accrued income taxes	1,725	2,227	1,696	2,323	1,703	
Accrued bonus	4,982	4,914	5,463	5,317	5,154	
Other current liabilities	11,630	11,748	12,341	12,694	12,750	
Total current liabilities	38,427	42,155	40,001	40,817	39,284	
Long-term borrowings	-	-	-	-	-	
Accrued retirement benefits for employees	16,328	16,235	16,172	16,082	15,989	
Other long-term liabilities	1,006	1,020	1,047	789	774	
Total long-term liabilities	17,335	17,256	17,220	16,871	16,763	
Minority equity	20	16	-	-	-	
Other	71,105	72,577	73,556	75,101	76,265	
Net assets	71,125	72,593	73,556	75,101	76,265	
Total liabilities and net assets	126,888	132,006	130,778	132,790	132,313	

(Analytical indicators)

Current ratio	244.8%	236.5%	244.5%	243.1%	247.1%
Fixed assets ratio	46.2%	44.5%	44.8%	44.7%	46.2%
Equity ratio	56.0%	55.0%	56.2%	56.6%	57.6%

2. Financial position

Statements of Cash Flows 【Consolidated】

(Units: mln yen)

	09/3	09/9	10/3	10/9	11/3
Income before income taxes	3,792	8,975	3,591	8,351	3,770
Depreciation and amortization	1,075	2,232	1,133	2,168	1,072
Trade notes and accounts receivable	6,692	160	5,650	1,959	4,920
Inventories	△ 781	490	△ 1,274	1,125	△ 1,387
Trade notes and accounts payable	△ 6,136	△ 2,774	△ 2,844	△ 2,850	△ 825
Accrued expenses	△ 203	△ 332	33	0	57
Other	1,018	2,239	1,929	1,551	256
Subtotal	5,456	10,991	8,218	12,304	7,864
Income taxes paid	△ 2,815	△ 4,478	△ 2,084	△ 3,950	△ 2,143
Income tax refund	-	-	-	-	0
Other	31	52	24	34	△ 67
Net cash provided by operating activities	2,672	6,565	6,159	8,388	5,653
Purchases of property and equipment	△ 246	△ 959	△ 37	△ 154	△ 469
Purchases of intangible assets	△ 1,660	△ 2,873	△ 2,604	△ 3,653	△ 2,851
Other	△ 8	559	228	304	73
Net cash used in investing activities	△ 1,915	△ 3,274	△ 2,413	△ 3,503	△ 3,248
Net decrease in short-term borrowings	-	-	-	-	-
Repayment of long-term borrowings	-	-	-	-	-
Proceeds from issuance of common stock	-	-	-	-	-
Cash dividends paid	△ 1,090	△ 2,182	△ 1,090	△ 2,181	△ 1,090
Other	△ 112	△ 239	△ 150	△ 312	△ 181
Net cash used in financing activities	△ 1,202	△ 2,421	△ 1,241	△ 2,494	△ 1,272
Exchange difference of cash and cash equivalents	11	3	△ 2	△ 9	0
Net increase in cash and cash equivalents	△ 433	872	2,501	2,381	1,133
Cash and cash equivalents at the beginning of the term	23,346	23,346	24,219	24,219	26,599
Cash and cash equivalents due to additional consolidation of subsidiaries	-	-	-	-	-
Cash and cash equivalents due to excluding consolidation of subsidiaries	-	-	△ 0	△ 0	-
Cash and cash equivalents at the end of the term	22,912	24,219	26,719	26,599	27,732

3. Capital investment

Purchases【Consolidated】					(Units: mln yen)
	09/9	10/3	10/9	11/3	11/9
Property and equipment	759	944	90	491	131
Intangible fixed assets	1,159	1,872	1,791	3,106	2,498
Total of facilities acquired	1,918	2,816	1,882	3,597	2,630

Leases【Consolidated】					(Units: mln yen)
	09/9	10/3	10/9	11/3	11/9
Buildings and structures	193	244	150	354	256
Intangible fixed assets	-	-	-	-	-
Total leased facilities	193	244	150	354	256

Total capital investment【Consolidated】					(Units: mln yen)
	09/9	10/3	10/9	11/3	11/9
Buildings and structures	952	1,188	240	846	388
Intangible fixed assets	1,159	1,872	1,791	3,106	2,498
Total capital investment	2,111	3,060	2,032	3,952	2,886

4. Net sales and GP ratio by sub-segment

Net sales and GP ratio by sub-segment [Consolidated]		(Units: mln yen)				
		09/9	10/3	10/9	11/3	11/9
Maintenance Services	Net sales	49,368	97,902	47,645	95,569	46,897
	Cost of sales	39,794	77,968	38,143	76,055	36,806
	Gross profit	9,573	19,933	9,501	19,513	10,091
	Gross profit ratio	19.4%	20.4%	19.9%	20.4%	21.5%
	SG&A	2,080	4,149	2,501	5,011	2,270
	Operation profit	7,492	15,784	7,000	14,502	7,821
	Operation profit ratio	15.2%	16.1%	14.7%	15.2%	16.7%
System Deployment Services	Net sales	14,584	33,621	13,960	30,627	12,860
	Cost of sales	11,991	27,272	11,907	26,080	11,128
	Gross profit	2,592	6,348	2,053	4,546	1,732
	Gross profit ratio	17.8%	18.9%	14.7%	14.8%	13.5%
	SG&A	3,041	5,795	2,782	5,413	3,085
	Operation profit	△448	553	△729	△866	△1,353
	Operation profit ratio	△3.1%	1.6%	△5.2%	△2.8%	△10.5%
Supply Services	Net sales	16,158	40,152	19,655	43,541	19,242
	Cost of sales	14,222	35,914	17,494	39,076	17,044
	Gross profit	1,936	4,238	2,161	4,464	2,197
	Gross profit ratio	12.0%	10.6%	11.0%	10.3%	11.4%
	SG&A	1,882	3,904	1,928	3,987	1,884
	Operation profit	54	333	232	477	312
	Operation profit ratio	0.3%	0.8%	1.2%	1.1%	1.6%
IT Management Services	Net sales	9,374	19,219	9,726	19,369	9,499
	Cost of sales	7,395	15,437	8,005	15,923	7,759
	Gross profit	1,978	3,782	1,721	3,445	1,740
	Gross profit ratio	21.1%	19.7%	17.7%	17.8%	18.3%
	SG&A	1,063	2,072	809	1,593	946
	Operation profit	914	1,709	911	1,851	793
	Operation profit ratio	9.8%	8.9%	9.4%	9.6%	8.4%
Total	Net sales	89,484	190,895	90,988	189,107	88,500
	Cost of sales	73,404	156,592	75,550	157,136	72,738
	Gross profit	16,080	34,303	15,437	31,970	15,761
	Gross profit ratio	18.0%	18.0%	17.0%	16.9%	17.8%
	SG&A	8,067	15,922	8,022	16,005	8,187
	Operation profit	8,012	18,381	7,415	15,964	7,574
	Operation profit ratio	9.0%	9.6%	8.1%	8.4%	8.6%

5. Other indicators

Percentages of net sales by industry [non-consolidated]

	09/9	10/3	10/9	11/3	11/9
Service	24.2%	23.8%	24.1%	23.2%	24.2%
Public sector	16.6%	17.9%	16.1%	18.9%	14.6%
Central government	3.4%	3.5%	4.1%	4.3%	3.5%
Local public entities	13.2%	14.4%	12.0%	14.7%	11.1%
Wholesale, retail, food & beverage	19.8%	19.9%	21.4%	20.4%	21.4%
Finance, real estate	15.2%	15.0%	15.0%	14.3%	15.4%
Transport, communications	6.5%	6.6%	7.0%	6.2%	7.0%
Electronic machinery, devices	5.4%	5.1%	5.2%	5.1%	5.1%
Other	12.3%	11.6%	12.1%	11.8%	12.4%

Percentages of net sales to the NEC Group [non-consolidated]

	09/9	10/3	10/9	11/3	11/9
NEC Group	74.7%	72.8%	70.4%	70.6%	71.0%
(NEC)	56.8%	55.9%	56.4%	55.4%	56.5%
Other than NEC Group	25.3%	27.2%	29.6%	29.4%	29.0%

5. Other indicators

PARC*	(Units: BILLION yen)				
	09/9	10/3	10/9	11/3	11/9
PARC*	21,165	19,838	19,477	18,389	17,779
Open systems devices (%)	46.4%	47.5%	47.1%	48.0%	47.7%
Mainframe devices (%)	25.3%	23.6%	22.6%	20.5%	20.1%
Other devices (%)	28.3%	28.9%	30.3%	31.5%	32.1%

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

Note:

A part of model classification was changed in FY07.

The figure in the () is a total result by the classification until FY06.

Certifications held

	09/9	10/3	10/9	11/3	11/9
No. of certifications	25,891	26,084	25,999	25,864	25,731
Vendor certifications*	13,550	13,713	13,736	13,681	13,626
Information, installation, electric*	12,341	12,371	12,263	12,183	12,105
CE per-person training days	8.6days	19.3days	10.8days	24.5days	13.0days

"Vendor certifications" are certified by software and hardware vendors like Microsoft, Oracle, HP and Cisco.

"Information, installation, electric" shows number of those who have national certifications on specialties such as information processing and electrical installation.

No. of employees /Service network

	09/9	10/3	10/9	11/3	11/9
Employees (Consolidated)	6,474	6,362	6,317	6,237	6,256
Employees (Non-cons.)	5,855	5,751	5,687	5,576	5,576
Service network (Cos.)	486	439	436	447	443
Service network (Non-cons.)	409	409	406	409	405

Quarterly Results (FY2003/3~FY2011/3)

FY 03/3 Quarterly Financial Results 【Consolidated】 (Units: mln yen)

	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Net Sales	53,689	62,181	58,020	66,236
Proactive Maintenance	28,812	31,504	30,277	29,750
Fielding Solutions	24,876	30,677	27,742	36,485
Gross profit	8,371	10,489	8,122	11,105
Operating income	2,948	4,733	2,220	5,258
Ordinary income	2,927	4,695	2,203	5,296
Net income	1,647	2,844	1,188	2,459
Total Assets	109,300	115,699	117,065	122,632
Total Net assets	20,129	38,692	39,454	41,891
Cash Flow				
Operating activities	1,619	3,769	841	6,746
Investing activities	-80	-456	-154	-214
Financing activities	-2,235	-2,620	-824	-3,856

FY 04/3 Quarterly Financial Results 【Consolidated】 (Units: mln yen)

	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Net Sales	55,074	65,590	59,932	70,080
Proactive Maintenance	28,981	29,806	28,747	29,279
Fielding Solutions	26,093	35,784	31,185	40,800
Gross profit	9,306	11,454	8,886	11,543
Operating income	3,024	5,159	2,484	5,471
Ordinary income	3,117	5,164	2,417	5,474
Net income	1,614	2,923	1,489	6,449
Total Assets	111,116	122,800	125,035	133,490
Total Net assets	43,125	46,082	47,174	53,650
Cash Flow				
Operating activities	-1,129	3,446	-3,176	7,832
Investing activities	-642	-188	-650	-507
Financing activities	-510	-17	-404	-4

Quarterly Results (FY2007/3~FY2011/3)

FY 07/3 Quarterly Financial Results 【Consolidated】 (Units: mln yen)

	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Net Sales	50,669	53,892	50,195	57,838
Proactive Maintenance	23,245	23,611	23,392	23,580
Fielding Solutions	27,423	30,280	26,802	34,257
System Deployment Services	10,035	11,684	10,277	14,269
Supply Services	12,455	13,370	11,504	14,176
IT Management Services	4,933	5,225	5,020	5,811
Gross profit	8,144	8,313	8,402	9,387
Operating income	1,473	1,914	1,947	2,914
Ordinary income	1,630	1,986	1,953	2,961
Net income	867	818	1,072	1,686
Total Assets	117,862	121,360	118,639	125,530
Total Net assets	61,065	61,887	62,151	63,784

Cash Flow

Operating activities	3,170	2,052	705	2,987
Investing activities	△567	△42	△442	△173
Financing activities	△765	△50	△807	△8

FY 08/3 Quarterly Financial Results 【Consolidated】 (Units: mln yen)

	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Net Sales	46,774	53,463	52,657	61,223
Proactive Maintenance	22,910	24,932	24,829	25,091
Fielding Solutions	23,864	28,530	27,828	36,132
System Deployment Services	8,117	11,638	10,768	16,544
Supply Services	9,978	11,273	11,525	13,948
IT Management Services	5,770	5,620	5,535	5,640
Gross profit	8,046	8,605	8,618	9,529
Operating income	1,502	2,159	1,955	3,251
Ordinary income	1,719	2,252	2,004	3,381
Net income	923	1,250	1,022	1,848
Total Assets	119,483	123,969	123,752	131,497
Total Net assets	63,887	65,284	65,457	67,304

Cash Flow

Operating activities	3,430	283	26	4,054
Investing activities	△1,772	△212	△1,238	△606
Financing activities	△801	△239	△811	△30

Quarterly Results (FY2007/3~FY2011/3)

FY 09/3 Quarterly Financial Results 【Consolidated】 (Units: mln yen)

	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Net Sales	48,236	54,961	52,403	55,486
Proactive Maintenance	24,893	26,146	25,602	25,410
Fielding Solutions	23,343	28,814	26,801	30,076
System Deployment Services	8,300	11,154	10,512	13,669
Supply Services	10,030	12,253	11,432	11,312
IT Management Services	5,013	5,408	4,857	5,095
Gross profit	7,266	9,320	9,014	10,226
Operating income	867	2,914	2,581	4,120
Ordinary income	1,128	2,952	2,552	3,451
Net income	291	1,741	1,429	1,814

Total Assets	122,936	129,028	126,344	131,912
Total Net assets	66,203	67,974	68,320	69,919

Cash Flow	2,475	931	92	6,485
Operating activities	△1,029	△1,005	△873	△915
Investing activities	△1,365	△53	△1,152	△52
Financing activities	48,236	54,961	52,403	55,486

FY 10/3 Quarterly Financial Results 【Consolidated】 (Units: mln yen)

	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Net Sales	43,416	46,068	46,100	55,310
Proactive Maintenance	24,454	24,913	24,129	24,404
Fielding Solutions	18,962	21,154	21,970	30,905
System Deployment Services	6,698	7,886	7,741	11,297
Supply Services	7,662	8,497	9,391	14,603
IT Management Services	4,602	4,772	4,840	5,006
Gross profit	7,851	8,229	8,315	9,906
Operating income	1,630	2,275	2,213	4,074
Ordinary income	1,516	2,275	2,265	4,052
Net income	990	1,304	1,315	1,262

Total Assets	124,557	126,888	126,549	132,006
Total Net assets	69,839	71,125	71,319	72,577

Cash Flow	1,116	1,556	△162	4,054
Operating activities	△1,346	△568	△960	△397
Investing activities	△1,141	△61	△1,145	△73
Financing activities	43,416	46,068	46,100	55,310

Quarterly Results (FY2007/3~FY2011/3)

FY 11/3 Quarterly Financial Results 【Consolidated】 (Units: mln yen)

	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Net Sales	43,161	47,827	45,007	53,110
Proactive Maintenance	23,543	24,102	23,888	24,035
Fielding Solutions	19,617	23,725	21,119	29,075
System Deployment Services	5,916	8,044	6,643	10,023
Supply Services	9,008	10,646	9,924	13,961
IT Management Services	4,692	5,033	4,551	5,091
Gross profit	7,315	8,122	7,911	8,621
Operating income	1,191	2,266	1,824	2,720
Ordinary income	1,392	2,302	1,856	2,971
Net income	720	1,339	1,083	1,578
Total Assets	126,236	130,778	128,726	132,790
Total Net assets	72,214	73,556	73,539	75,101
Cash Flow	4,659	1,500	△1,242	3,471
Operating activities	△ 1,462	△ 951	△ 792	△ 297
Investing activities	△ 1,150	△ 90	△ 1,163	△ 89
Financing activities	43,161	47,827	45,007	53,110

FY 12/3 Quarterly Financial Results 【Consolidated】 (Units: mln yen)

	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Net Sales	42,378	46,121		
Proactive Maintenance	23,264	23,633		
Fielding Solutions	19,113	22,488		
System Deployment Services	5,590	7,270		
Supply Services	8,735	10,507		
IT Management Services	4,788	4,710		
Gross profit	7,683	8,078		
Operating income	1,576	2,034		
Ordinary income	1,769	2,068		
Net income	1,034	1,201		
Total Assets	127,583	132,313		
Total Net assets	75,060	76,265		
Cash Flow	2,694	2,958		
Operating activities	△ 2,486	△ 762		
Investing activities	△ 1,168	△ 103		
Financing activities	42,378	46,121		