

These financial statements have been prepared in accordance with accounting principals generally accepted in Japan.

NEC Networks & System Integration Corporation

Stock exchange listing: Tokyo  
Code number: 1973

<https://www.nesic.co.jp/english/index.html>

### 1. Consolidated Results for the First Half (April 1, 2024 to September 30, 2024)

(Rounded down to the nearest million yen.)

#### (1) Net Sales and Income

	Net sales (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
<b>6 months ended Sep 2024</b>	<b>172,040</b>	<b>10.9</b>	<b>7,832</b>	<b>25.8</b>	<b>7,760</b>	<b>25.9</b>
6 months ended Sep 2023	155,195	8.8	6,224	34.1	6,161	29.4

	Net income attributable to owners of the parent (¥ million)	Year-on-year change (%)	Net income per share (¥)	Net income per share (diluted) (¥)
<b>6 months ended Sep 2024</b>	<b>3,848</b>	<b>6.9</b>	<b>25.83</b>	—
6 months ended Sep 2023	3,600	33.4	24.17	—

c.f. Comprehensive income: 1H/FY Mar 2025: ¥4,337 million <20.3%>; 1H/FY Mar 2024: ¥3,606 million <(2.3%)>

#### (2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Owner's equity ratio (%)	Net assets per share (¥)
<b>30/Sep/2024</b>	<b>278,336</b>	<b>158,053</b>	<b>55.0</b>	<b>1,027.81</b>
31/Mar/2024	284,897	157,481	53.5	1,024.09

c.f. Owner's equity: 30/Sep/2024: ¥153,124 million; 31/Mar/2024: ¥152,556 million

### 2. Dividends

	Dividends per share (¥)				
	1st quarter	Interim	3rd quarter	Year-end	Full year
FY ended Mar. 2024	—	24.50	—	24.50	49.00
<b>FY ending Mar. 2025</b>	—	<b>28.00</b>	—	<b>0.00 ※</b>	<b>28.00 ※</b>

※ Forecast

Note: Revisions to projected dividends for the quarter under review: Yes

### 3. Financial Forecasts for Fiscal Year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages represent change compared to the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
FY ending Mar. 2025	365,000	1.5	29,000	15.4	29,000	17.5	18,000	17.4	120.83

Note: Revisions to projected results for the quarter under review: No

#### Cautionary Statement

Forecasts of results mentioned in this document are future estimates and are thus inclusive of risks and uncertain factors since they are not based on definite facts. Please be aware that a variety of factors could cause actual results to differ significantly from those projected. The major factors affecting actual results include the economic climate and social trends surrounding the business of this Company's group, consumer trends vis-a-vis systems and services provided by this Company's group, as well as pressure to lower prices and ability to cope with the market in response to intensified competition. Factors affecting results are not limited to the ones mentioned above.

## 4. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of Sep 30, 2025
<b>Assets</b>		
Current assets		
Cash and cash equivalents	73,507	93,709
Notes, accounts receivable and contract assets	134,348	105,566
Electronically recorded obligations	2,025	1,567
Purchased goods, materials and supplies	2,441	2,323
Work in process	10,111	10,374
Other	15,069	16,822
Allowance for doubtful accounts	(40)	(34)
Total current assets	<u>237,464</u>	<u>230,330</u>
Non-current assets		
Property and equipment	13,597	14,453
Intangible assets		
Goodwill	85	52
Other	3,297	3,658
Total intangible assets	<u>3,383</u>	<u>3,710</u>
Investments and other assets		
Deferred tax assets	12,962	13,013
Other	17,590	16,931
Allowance for doubtful accounts	(102)	(102)
Total investments and other assets	<u>30,451</u>	<u>29,842</u>
Total non-current assets	<u>47,433</u>	<u>48,006</u>
Total assets	<u>284,897</u>	<u>278,336</u>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	49,176	41,411
Electronically recorded obligations	1,415	1,611
Short-term bank loans	6,230	5,351
Current installments of long-term debt	3,000	3,000
Accrued income taxes	5,048	2,859
Accrued bonuses to directors and corporate auditors	163	59
Accrued warranty on products	182	197
Accrued losses on sales contracts	166	428
Accrued compensation for damage	3	19
Accrued office transfer cost	-	217
Other current liabilities	31,440	33,667
Total current liabilities	<u>96,826</u>	<u>88,824</u>
Long-term liabilities		
Liabilities for retirement benefits	27,663	27,275
Other liabilities	2,925	4,182
Total long-term liabilities	<u>30,589</u>	<u>31,458</u>
Total liabilities	<u>127,416</u>	<u>120,283</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	13,122	13,122
Capital surplus	16,726	16,680
Retained earnings	120,740	120,939
Treasury stock, at cost	(244)	(234)
Total shareholders' equity	<u>150,344</u>	<u>150,506</u>
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	342	558
Deferred gains or losses on hedges	3	(4)
Foreign currency translation adjustments	(177)	(47)
Accumulated adjustments for retirement benefits	2,043	2,111
Total accumulated other comprehensive income	<u>2,211</u>	<u>2,611</u>
Non-controlling interests	4,925	4,929
Total net assets	<u>157,481</u>	<u>158,053</u>
Total liabilities and net assets	<u>284,897</u>	<u>278,336</u>

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

(Millions of yen)

	1H, FY March 2024 (6 months ended Sep 2023)	1H, FY March 2025 (6 months ended Sep 2024)
Net sales	155,195	172,040
Cost of sales	126,231	140,834
Gross profit	28,964	31,206
Selling, general and administrative expenses	22,739	23,374
Operating income (loss)	6,224	7,832
Non-operating income		
Interest income	5	29
Dividend income of insurance	102	103
Expenses relating to move of the head office	87	—
Other	227	207
Total non-operating income	422	340
Non-operating expenses		
Interest expenses	189	156
Other	296	256
Total non-operating expenses	485	412
Ordinary income (loss)	6,161	7,760
Extraordinary losses		
Loss on valuation of investment securities	—	1,156
Impairment losses	—	321
Provision for loss on sales of subsidiaries and associates	—	217
Total extraordinary losses	—	1,695
Income (loss) before income taxes	6,161	6,064
Income taxes	2,394	2,131
Net income (loss)	3,767	3,933
Net income (loss) attributable to non-controlling interests	166	85
Net income (loss) attributable to owners of the parent	3,600	3,848

(Millions of yen)

	1H, FY March 2024 (6 months ended Sep 2023)	1H, FY March 2025 (6 months ended Sep 2024)
Net income (loss)	3,767	3,933
Other comprehensive income		
Net unrealized holding loss on other securities	(553)	215
Deferred gains or losses on hedges	35	(7)
Foreign currency translation adjustments	182	129
Adjustments for retirement benefit	176	68
Share of other comprehensive income of associates accounted for using equity method	(2)	(1)
Total other comprehensive income	(161)	404
Comprehensive income (loss)	3,606	4,337
Comprehensive income (loss) attributable to:		
Owners of the parent	3,364	4,254
Non-controlling interests	242	83

**(3) Consolidated Statements of Cash Flows**

(Millions of yen)

	1H, FY March 2024 (6 months ended Sep 2023)	1H, FY March 2025 (6 months ended Sep 2024)
Cash flows from operating activities		
Net income (loss) before income taxes	6,161	6,064
Depreciation and amortization	1,992	2,010
Amortization of goodwill	34	33
Impairment losses	—	321
Provision for loss on sales of shares of subsidiaries and associates	—	217
Increase (decrease) in allowance for doubtful receivables	(53)	(41)
Increase (decrease) in asset for retirement benefit	(101)	(220)
Increase (decrease) in liability for retirement benefits	(438)	(405)
Increase (decrease) in accrued bonuses to directors and corporate auditors	(92)	(104)
Increase (decrease) in accrued warranty on products	2	14
Increase (decrease) in accrued losses on sales contracts	(209)	263
Increase (decrease) in provision for compensation for damage	—	16
Interest and dividend income	(30)	(56)
Interest expense	189	156
Loss (gain) on valuation of investment securities	—	1,156
(Increase) decrease in notes and accounts receivable, and contract assets	16,501	29,898
(Increase) decrease in inventories	1,258	(141)
Increase (decrease) in notes and accounts payable	(10,922)	(7,609)
Increase (decrease) in accrued consumption taxes	991	(2,064)
Other, net	784	1,403
Subtotal	16,068	30,912
Interest and dividend income received	30	56
Interest paid	(194)	(160)
Income taxes paid	(4,018)	(4,237)
Net cash provided by (used in) operating activities	11,885	26,571
Cash flows from investing activities		
Purchase of property and equipment	(2,135)	(796)
Proceeds from sale of property and equipment	1	0
Purchase of intangibles	(591)	(920)
Purchase of investment securities	(143)	(222)
Loans receivable made	(20)	(31)
Collection of loans receivable	1	1
Other, net	78	(21)
Net cash used in investing activities	(2,810)	(1,990)
Cash flows from financing activities		
Net increase (decrease) in short-term bank loans	(1,635)	(1,258)
Repayments of long-term debt	(115)	—
Net (increase) decrease in treasury shares	25	34
Dividends paid to shareholders	(3,421)	(3,645)
Dividends paid to minority shareholders of subsidiaries	(25)	(25)
Other, net	—	(121)
Other, net	(89)	586
Net cash provided by used in financing activities	(5,263)	(4,429)
Effect of exchange rate changes on cash and cash equivalents	135	51
Net increase (decrease) in cash and cash equivalents	3,947	20,202
Cash and cash equivalents at beginning of period	68,549	73,507
Cash and cash equivalents at end of period	72,497	93,709

#### (4) Segment Information

##### Business Segment Information

First half for the fiscal March 2025 (6 months ended September 2024)

(Millions of yen)

	DX Solutions	Network Solutions	Environmental & Social Solutions	Others	Adjustments	Total
Sales						
(1) Sales to third parties	65,595	41,470	51,300	13,674	-	172,040
(2) Intersegment sales	-	-	-	-	-	-
Total	65,595	41,470	51,300	13,674	-	172,040
Operating income and loss	6,999	4,281	2,782	618	(6,850)	7,832

First half for the fiscal March 2024 (6 months ended September 2023)

(Millions of yen)

	DX Solutions	Network Solutions	Environmental & Social Solutions	Others	Adjustments	Total
Sales						
(1) Sales to third parties	58,939	45,454	46,845	3,956	-	155,195
(2) Intersegment sales	-	-	-	-	-	-
Total	58,939	45,454	46,845	3,956	-	155,195
Operating income and loss	6,511	3,904	2,001	57	(6,249)	6,224

※Segment information for FY24/3 has been reclassified numbers to reflect the segment change in April 2024.