

Summary of Financial Statements (Consolidated) for the First Half of the Fiscal Year Ending March 2004

October 21, 2003

Company name **NEC System Technologies, Ltd.** Listed Exchange: Tokyo Stock Exchange
 Code number 3717 Head office: Osaka Prefecture
 (URL <http://www.necst.co.jp/>)
 Representative Title: President Name: Toshihiko Takahashi
 Inquiries Title: Senior Vice President Name: Hiroshi Minami [TEL(044)435-5641
 Date the Board of Directors' meeting October 21, 2003
 Parent company NEC Corp. (Code number: 6701) Percentage of shares owned: 66.7%
 U.S.GAAP Not adopted

1. Consolidated Financial Results for the Six-Month Period Ended September 30, 2003 (April 1, 2003 – September 30, 2003)

Because this year marks the first year that the Company is preparing consolidated financial statements, comparative items for previous interim period or previous fiscal year are not available

(1) Operating Results (Amounts were rounded down to omit fractions less than 1 million yen)

	Sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
1H FY2003	38,440	-	4,344	-	4,074	-
1H FY2002	-	-	-	-	-	-
FY2003	-	-	-	-	-	-

	Net profit		Net profit per share		Fully diluted net profit per share	
	Millions of yen	%	Yen	Yen	Yen	Yen
1H FY2003	2,315	-	108.52	-	-	-
1H FY2002	-	-	-	-	-	-
FY2003	-	-	-	-	-	-

- (Notes)
- Investment profit (loss) on equity method

1H FY2003	-	million yen
1H FY2002	-	million yen
FY2003	-	million yen
 - Average number of outstanding shares (consolidated) during the period

1H FY2003	21,341,388	shares
1H FY2002	-	shares
FY2003	-	shares
 - Changes to the accounting procedures: None
 - Percentages for sales, operating profit, ordinary profit and net profit represent a change from those of the same period of the year before

(2) Changes in the Financial Position

	Total Assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
1H FY2003	56,535	33,569	59.4	1,371.40
1H FY2002	-	-	-	-
FY2003	-	-	-	-

- (Notes) Outstanding shares (consolidated)
- | | | |
|-----------|------------|--------|
| 1H FY2003 | 24,478,000 | shares |
| 1H FY2002 | - | shares |
| FY2003 | - | shares |

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from Investing activities	Cash flow from financing activities	Cash and cash equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
1H FY2003	1,174	(322)	12,241	24,908
1H FY2002	-	-	-	-
FY2003	-	-	-	-

- (4) Consolidated Subsidiaries and Affiliates Accounted for by the Equity Method
 Number of consolidated subsidiaries: 1
 Number of non-consolidated subsidiaries accounted for by the equity method: 0
 Number of affiliates accounted for by the equity method: 0

- (5) Changes in the Scope of Consolidation and Companies Accounted for by the Equity Method
 Consolidated subsidiaries (newly included): 1
 (excluded): 0
 Companies accounted for by the equity method (newly included): 0
 (excluded): 0

2. Consolidated Earnings Forecast for the Fiscal Year Ending March 2004 (April 1, 2003 – March 31, 2004)

	Sales	Ordinary profit	Net profit
	Millions of yen	Millions of yen	Millions of yen
Full year	80,000	8,600	5,000

(For reference) Net profit per share (for the full year) is forecasted to be 204.27 yen

(* 1) This forecast contains forward-looking statements that are based on managements' estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations