

# Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2005

Company name **NEC System Technologies, Ltd.** Listed Stock Exchange: October 27, 2004  
 Security code number 3717 Headquarters: Tokyo Stock Exchange  
 (URL <http://www.necst.co.jp/>) Osaka Prefecture  
 Representative Toshihiko Takahashi, President  
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 Date of the Board of Directors' meeting October 27, 2004  
 Parent company NEC Corp. (Security code number: 6701) Portion of shares owned by the Parent company: 66.7%  
 U.S. GAAP Not adopted

## 1. Consolidated Financial Results for the Six-Month Period Ended September 30, 2004 (April 1, 2004 –September 30, 2004)

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
1H FY2004	42,712	11.1	4,169	(4.0)	4,148	1.8
1H FY2003	38,440	-	4,344	-	4,074	-
FY2003	83,394		8,985		8,622	

	Net income		Net income per share	Fully diluted net income per share
	Millions of yen	%	Yen	Yen
1H FY2004	2,478	7.0	101.23	-
1H FY2003	2,315	-	108.52	-
FY2003	5,598		244.38	-

- (Notes) 1. Investment income (loss) on equity method
- |           |   |             |
|-----------|---|-------------|
| 1H FY2004 | - | million yen |
| 1H FY2003 | - | million yen |
| FY2003    | - | million yen |
2. Average number of outstanding shares (consolidated) during the period
- |           |            |        |
|-----------|------------|--------|
| 1H FY2004 | 24,477,993 | shares |
| 1H FY2003 | 21,341,388 | shares |
| FY2003    | 22,909,694 | shares |
3. Changes to the accounting procedures: None
4. Percentages for sales, operating income, ordinary income and net income, respectively, represent the change from those of the same period the year before.
5. Because the last fiscal year was the first year that the Company prepared consolidated financial statements, comparative items for percentage of change from the same period the year before are not available.

### (2) Financial Position

	Total Assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
1H FY2004	61,660	38,226	62.0	1,561.66
1H FY2003	56,535	33,569	59.4	1,371.40
FY2003	63,225	36,283	57.4	1,482.28

- (Notes) Outstanding shares (consolidated) at the end of the period
- |           |            |        |
|-----------|------------|--------|
| 1H FY2004 | 24,477,910 | shares |
| 1H FY2003 | 24,478,000 | shares |
| FY2003    | 24,478,000 | shares |

### (3) 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 FY2004	(1,031)	(564)	(551)	23,094
1H FY2003	1,174	(322)	12,241	24,908
FY2003	2,925	(1,101)	11,611	25,206

**(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:	-
Number of affiliates accounted for by the equity method:	-

**(5) Changes in the Scope of Consolidation and Companies Accounted for by the Equity Method**

Consolidated subsidiaries	(newly included):	-
	(excluded):	-
Companies accounted for by the equity method	(newly included):	-
	(excluded):	-

**2. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2005 (April 1, 2004-March 31, 2005)**

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Full year	90,000	9,000	5,270

(Reference) Net income per share (for the full year) is forecast to be 215.30 yen

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