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Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

January 31, 2025

Company name: NEC Capital Solutions Limited

Listing: Tokyo

Securities code: 8793

URL: <https://www.necap.co.jp/>

Representative: Masaaki Suganuma

President

Inquiries: Seichiro Kodama

Department Manager of IR & PR Department

Telephone: +81-3(6720)8400

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	189,538	1.1	6,405	(11.7)	8,268	19.5	5,932	69.0
December 31, 2023	187,559	(4.4)	7,256	(34.4)	6,921	(40.7)	3,510	(38.0)

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 6,577 million [9.1%]
 Nine months ended December 31, 2023: ¥ 6,026 million [(43.0) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	275.43	-
December 31, 2023	163.04	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	1,098,106	140,290	10.9
March 31, 2024	1,117,363	136,790	10.4

(Reference) Equity: As of December 31, 2024: ¥ 119,636 million
 As of March 31, 2024: ¥ 115,743 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	65.00	-	65.00	130.00
Fiscal year ending March 31, 2025	-	75.00	-		
Fiscal year ending March 31, 2025 (Forecast)				75.00	150.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	260,000	1.6	12,000	2.6	12,500	5.8	8,000	13.7	371.50

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2024: 21,544,538 shares

March 31, 2024: 21,539,071 shares

2) Number of treasury shares at the end of the period:

December 31, 2024: 4,550 shares

March 31, 2024: 4,502 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 21,538,186 shares

Nine months ended December 31, 2023: 21,532,746 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Forecasts are based on the information available to management at the time they were made. Actual results may differ materially from forecasts for a number of reasons.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	53,844	38,711
Installment receivables	36,639	32,222
Lease receivables and investments in leases	489,455	478,825
Accounts receivable - lease	23,814	25,279
Accounts receivable - operating loans	230,267	224,002
Purchased receivables	9,140	9,692
Operational investment securities	25,851	26,604
Real estate for sale	33,969	35,620
Real estate for sale in process	3,285	9,042
Securities	-	546
Other	31,703	12,031
Allowance for doubtful accounts	(8,384)	(8,391)
Total current assets	929,587	884,190
Non-current assets		
Property, plant and equipment		
Assets for lease	84,671	100,505
Other operating assets	7,969	9,089
Own-used assets	312	383
Total property, plant and equipment	92,953	109,978
Intangible assets		
Assets for lease	1,084	818
Goodwill	1,521	1,416
Other	8,543	10,476
Total intangible assets	11,149	12,712
Investments and other assets		
Investment securities	71,113	78,653
Other	17,493	17,139
Allowance for doubtful accounts	(4,934)	(4,567)
Total investments and other assets	83,672	91,226
Total non-current assets	187,775	213,916
Total assets	1,117,363	1,098,106

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes payable - trade	79	177
Accounts payable - trade	12,009	12,053
Short-term borrowings	40,366	30,950
Current portion of long-term borrowings	110,145	133,903
Current portion of bonds payable	15,000	25,000
Commercial papers	272,000	226,000
Payables under securitization of lease receivables	483	432
Income taxes payable	1,047	543
Provision for bonuses	933	1,030
Provision for bonuses for directors (and other officers)	14	10
Other	34,020	27,061
Total current liabilities	486,101	457,163
Non-current liabilities		
Bonds payable	85,750	93,600
Long-term borrowings	392,982	391,633
Long-term payables under securitization of lease receivables	2,215	1,890
Retirement benefit liability	1,914	1,878
Other	11,609	11,651
Total non-current liabilities	494,471	500,653
Total liabilities	980,573	957,816
Net assets		
Shareholders' equity		
Share capital	3,783	3,783
Capital surplus	4,655	4,670
Retained earnings	101,192	104,108
Treasury shares	(9)	(9)
Total shareholders' equity	109,620	112,552
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,600	1,694
Deferred gains or losses on hedges	413	1,212
Foreign currency translation adjustment	4,044	4,162
Remeasurements of defined benefit plans	62	14
Total accumulated other comprehensive income	6,122	7,084
Non-controlling interests	21,047	20,653
Total net assets	136,790	140,290
Total liabilities and net assets	1,117,363	1,098,106

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	187,559	189,538
Cost of sales	165,192	167,353
Gross profit	22,366	22,184
Selling, general and administrative expenses	15,110	15,778
Operating profit	7,256	6,405
Non-operating income		
Interest income	49	28
Dividend income	79	52
Share of profit of entities accounted for using equity method	187	251
Gain on investments in partnerships	343	733
Foreign exchange gains	-	951
Other	106	213
Total non-operating income	766	2,231
Non-operating expenses		
Interest expenses	385	246
Loss on investments in partnerships	55	107
Foreign exchange losses	589	-
Other	70	14
Total non-operating expenses	1,100	368
Ordinary profit	6,921	8,268
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	9	16
Gain on reversal of foreign currency translation adjustment	114	-
Total extraordinary income	124	16
Extraordinary losses		
Loss on liquidation of subsidiaries and associates	-	477
Loss on transfer of bonds of subsidiaries and affiliates	-	50
Loss on sale of shares of subsidiaries and associates	25	16
Loss on debt forgiveness to subsidiaries and affiliates	55	-
Total extraordinary losses	81	544
Profit before income taxes	6,965	7,740
Income taxes - current	1,554	1,227
Income taxes - deferred	953	897
Total income taxes	2,508	2,125
Profit	4,456	5,615
Profit (loss) attributable to non-controlling interests	945	(316)
Profit attributable to owners of parent	3,510	5,932

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	4,456	5,615
Other comprehensive income		
Valuation difference on available-for-sale securities	79	224
Deferred gains or losses on hedges	(174)	685
Foreign currency translation adjustment	1,037	323
Remeasurements of defined benefit plans, net of tax	27	(47)
Share of other comprehensive income of entities accounted for using equity method	599	(223)
Total other comprehensive income	1,569	962
Comprehensive income	6,026	6,577
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,080	6,894
Comprehensive income attributable to non-controlling interests	945	(316)