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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

April 25, 2025

Company name: NEC Capital Solutions Limited

Listing: Tokyo Stock Exchange

Securities code: 8793

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

Representative: Masaaki Suganuma

President

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Scheduled date of annual general meeting of shareholders: June 25, 2025

Scheduled date to commence dividend payments: June 5, 2025

Scheduled date to file annual securities report: June 26, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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

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

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	254,879	(0.4)	7,782	(33.5)	9,437	(20.1)	6,611	(6.0)
March 31, 2024	255,857	(0.9)	11,694	(0.2)	11,818	(5.0)	7,034	9.6

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 7,813 million [(22.5) %]
Fiscal year ended March 31, 2024: ¥ 10,082 million [(7.6) %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	306.98	-	5.6	0.8	3.1
March 31, 2024	326.66	-	6.2	1.1	4.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 687 million
Fiscal year ended March 31, 2024: ¥ 53 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	1,224,797	142,385	9.9	5,617.59
March 31, 2024	1,117,363	136,790	10.4	5,374.76

(Reference) Equity: As of March 31, 2025: ¥ 121,002 million
As of March 31, 2024: ¥ 115,743 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	(34,005)	(15,010)	105,641	110,097
March 31, 2024	(21,344)	(8,313)	49,343	53,722

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	65.00	-	65.00	130.00	2,799	39.8	2.5
March 31, 2025	-	75.00	-	75.00	150.00	3,231	48.9	2.7
Fiscal year ending March 31, 2026 (Forecast)	-	75.00	-	75.00	150.00		32.3	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(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	295,000	15.7	15,500	99.2	16,000	69.5	10,000	51.2	464.25

* Notes:

- (1) Significant changes in the scope of consolidation during the period: Yes
- Newly included: 1 (Company name: NCS RE Capital Limited)
- Excluded: - (Company name:)
- (2) 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
- (3) Number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):
- March 31, 2025: 21,544,538 shares
- March 31, 2024: 21,539,071 shares
- 2) Number of treasury shares at the end of the period:
- March 31, 2025: 4,596 shares
- March 31, 2024: 4,502 shares
- 3) Average number of shares outstanding during the period:
- Fiscal Year ended March 31, 2025: 21,538,632 shares
- Fiscal Year ended March 31, 2024: 21,533,204 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* 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.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	53,844	110,298
Installment receivables	36,639	31,602
Lease receivables and investments in leases	489,455	512,090
Accounts receivable - lease	23,814	25,560
Accounts receivable - operating loans	230,267	220,537
Purchased receivables	9,140	10,709
Operational investment securities	25,851	26,556
Real estate for sale	33,969	51,005
Real estate for sale in process	3,285	4,211
Securities	-	546
Prepaid expenses	3,276	2,279
Income taxes refund receivable	253	273
Other	28,173	14,868
Allowance for doubtful accounts	(8,384)	(8,235)
Total current assets	929,587	1,002,303
Non-current assets		
Property, plant and equipment		
Assets for lease	84,671	99,461
Other operating assets	7,969	10,646
Own-used assets		
Buildings, net	172	160
Equipment, net	100	192
Construction in progress	-	64
Other, net	39	16
Total own-used assets	312	433
Total property, plant and equipment	92,953	110,542
Intangible assets		
Assets for lease	1,084	768
Other intangible assets		
Software	885	1,335
Software in progress	6,017	7,464
Goodwill	1,521	1,304
Other	1,640	2,093
Total other intangible assets	10,064	12,197
Total intangible assets	11,149	12,966

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Investments and other assets		
Investment securities	71,113	85,090
Distressed receivables	5,154	4,686
Long-term prepaid expenses	2,302	2,639
Retirement benefit asset	449	374
Deferred tax assets	6,923	5,617
Other	2,663	5,069
Allowance for doubtful accounts	(4,934)	(4,491)
Total investments and other assets	83,672	98,985
Total non-current assets	187,775	222,494
Total assets	1,117,363	1,224,797
Liabilities		
Current liabilities		
Notes payable - trade	79	166
Accounts payable - trade	12,009	13,113
Short-term borrowings	40,366	88,520
Current portion of long-term borrowings	110,145	151,367
Current portion of bonds payable	15,000	20,000
Commercial papers	272,000	266,000
Payables under securitization of lease receivables	483	420
Accounts payable - other	1,281	2,015
Accrued expenses	7,320	7,707
Income taxes payable	1,047	1,443
Advances received - lease	20,215	13,872
Deposits received	2,441	3,538
Unearned revenue	278	356
Provision for bonuses	933	926
Provision for bonuses for directors (and other officers)	14	44
Other	2,483	2,257
Total current liabilities	486,101	571,751
Non-current liabilities		
Bonds payable	85,750	93,600
Long-term borrowings	392,982	402,613
Long-term payables under securitization of lease receivables	2,215	1,794
Retirement benefit liability	1,914	1,885
Other	11,609	10,767
Total non-current liabilities	494,471	510,661
Total liabilities	980,573	1,082,412

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	3,783	3,794
Capital surplus	4,655	4,665
Retained earnings	101,192	104,788
Treasury shares	(9)	(10)
Total shareholders' equity	109,620	113,237
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,600	1,685
Deferred gains or losses on hedges	413	2,179
Foreign currency translation adjustment	4,044	3,981
Remeasurements of defined benefit plans	62	(80)
Total accumulated other comprehensive income	6,122	7,764
Non-controlling interests	21,047	21,382
Total net assets	136,790	142,385
Total liabilities and net assets	1,117,363	1,224,797

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	255,857	254,879
Cost of sales	223,267	225,218
Gross profit	32,589	29,660
Selling, general and administrative expenses	20,894	21,878
Operating profit	11,694	7,782
Non-operating income		
Interest income	44	38
Dividend income	82	54
Share of profit of entities accounted for using equity method	53	687
Gain on investments in partnerships	469	1,154
Gain on sale of investment securities	436	-
Other	178	244
Total non-operating income	1,264	2,179
Non-operating expenses		
Interest expenses	490	281
Loss on investments in partnerships	159	64
Foreign exchange losses	401	160
Other	89	17
Total non-operating expenses	1,140	524
Ordinary profit	11,818	9,437
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	9	23
Gain on reversal of foreign currency translation adjustment	114	-
Total extraordinary income	124	23
Extraordinary losses		
Loss on liquidation of subsidiaries and associates	-	477
Loss on sale of shares of subsidiaries and associates	27	66
Loss on transfer of bonds of subsidiaries and affiliates	-	51
Loss on debt forgiveness to subsidiaries and affiliates	55	-
Loss on change in equity	25	-
Loss on reversal of foreign currency translation adjustment due to liquidation of overseas subsidiary	7	-
Loss on liquidation of subsidiaries	1	-
Total extraordinary losses	118	595
Profit before income taxes	11,824	8,864
Income taxes - current	2,101	2,136
Income taxes - deferred	1,818	557
Total income taxes	3,919	2,693
Profit	7,905	6,170
Profit (loss) attributable to non-controlling interests	870	(440)
Profit attributable to owners of parent	7,034	6,611

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	7,905	6,170
Other comprehensive income		
Valuation difference on available-for-sale securities	(86)	(67)
Deferred gains or losses on hedges	185	1,672
Foreign currency translation adjustment	1,215	811
Remeasurements of defined benefit plans, net of tax	100	(143)
Share of other comprehensive income of entities accounted for using equity method	761	(629)
Total other comprehensive income	2,177	1,642
Comprehensive income	10,082	7,813
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,211	8,254
Comprehensive income attributable to non-controlling interests	870	(440)

Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,776	4,646	97,131	(9)	105,545
Changes during period					
Dividends of surplus			(2,971)		(2,971)
Profit attributable to owners of parent			7,034		7,034
Purchase of treasury shares				(0)	(0)
Restricted stock compensation	6	8			15
Other			(1)	(0)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	6	8	4,060	(0)	4,075
Balance at end of period	3,783	4,655	101,192	(9)	109,620

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,627	91	2,262	(36)	3,944	19,325	128,815
Changes during period							
Dividends of surplus							(2,971)
Profit attributable to owners of parent							7,034
Purchase of treasury shares							(0)
Restricted stock compensation							15
Other							(1)
Net changes in items other than shareholders' equity	(26)	322	1,782	99	2,177	1,721	3,899
Total changes during period	(26)	322	1,782	99	2,177	1,721	7,974
Balance at end of period	1,600	413	4,044	62	6,122	21,047	136,790

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,783	4,655	101,192	(9)	109,620
Changes during period					
Dividends of surplus			(3,015)		(3,015)
Profit attributable to owners of parent			6,611		6,611
Purchase of treasury shares				(0)	(0)
Restricted stock compensation	10	10			21
Other					-
Net changes in items other than shareholders' equity					
Total changes during period	10	10	3,596	(0)	3,616
Balance at end of period	3,794	4,665	104,788	(10)	113,237

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,600	413	4,044	62	6,122	21,047	136,790
Changes during period							
Dividends of surplus							(3,015)
Profit attributable to owners of parent							6,611
Purchase of treasury shares							(0)
Restricted stock compensation							21
Other							-
Net changes in items other than shareholders' equity	84	1,765	(63)	(143)	1,642	335	1,978
Total changes during period	84	1,765	(63)	(143)	1,642	335	5,595
Balance at end of period	1,685	2,179	3,981	(80)	7,764	21,382	142,385

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	11,824	8,864
Depreciation	27,207	30,253
Amortization of goodwill	197	206
Increase (decrease) in allowance for doubtful accounts	1,467	(592)
Increase (decrease) in provision for bonuses	86	(6)
Increase (decrease) in provision for bonuses for directors (and other officers)	(18)	30
Increase (decrease) in net defined benefit asset and liability	(138)	(69)
Interest and dividend income	(126)	(92)
Capital costs and interest expenses	7,891	10,388
Share of loss (profit) of entities accounted for using equity method	(53)	(687)
Foreign exchange losses (gains)	8,145	(19)
Loss (gain) on sale of investment securities	(835)	-
Loss (gain) on sale of shares of subsidiaries and associates	18	43
Loss on liquidation of subsidiaries and associates	-	477
Reversal of provision incurred from foreign currency translation adjustment	(107)	-
Decrease (increase) in installment receivables	2,189	5,037
Net decrease (increase) in lease receivables and investments in leases	30,091	(22,635)
Decrease (increase) in accounts receivable - operating loans	2,600	9,730
Decrease (increase) in trade receivables	(1,779)	(1,746)
Decrease (increase) in purchased receivable-trade	3,279	(1,569)
Decrease (increase) in operational investment securities	(3,190)	(704)
Decrease (increase) in real estate for sale	(10,583)	(17,629)
Decrease (increase) in real estate for sale in process	(3,285)	(925)
Purchase of assets for lease	(46,066)	(37,745)
Proceeds from sale of assets for lease	6,043	3,289
Increase in other operating assets by purchase	(1,341)	(4,622)
Increase (decrease) in trade payables	(5,520)	2,221
Increase (decrease) in advances received-lease	(3,271)	(6,343)
Decrease (increase) in advances for purchases at property for lease	(20,563)	21,071
Other, net	(17,666)	(18,005)
Subtotal	(13,507)	(21,778)
Interest and dividends received	444	148
Interest paid	(7,425)	(10,632)
Income taxes paid	(855)	(1,743)
Net cash provided by (used in) operating activities	(21,344)	(34,005)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from investing activities		
Purchase of own-used assets	(3,015)	(3,216)
Purchase of investment securities	(21,351)	(30,987)
Proceeds from sale of investment securities	3,152	81
Proceeds from redemption of investment securities	13,089	19,205
Proceeds from liquidation of affiliates	355	-
Other, net	(544)	(94)
Net cash provided by (used in) investing activities	(8,313)	(15,010)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,939	51,299
Net increase (decrease) in commercial papers	29,000	(6,000)
Proceeds from long-term borrowings	167,162	229,750
Repayments of long-term borrowings	(151,478)	(178,645)
Repayments of payables under securitization of lease receivables	(1,286)	(483)
Proceeds from issuance of bonds	20,600	28,000
Redemption of bonds	(20,000)	(15,150)
Dividends paid	(3,060)	(3,217)
Dividends paid to non-controlling interests	(2,646)	(690)
Proceeds from share issuance to non-controlling shareholders	3,105	756
Other, net	6	22
Net cash provided by (used in) financing activities	49,343	105,641
Effect of exchange rate change on cash and cash equivalents	(1,458)	(250)
Net increase (decrease) in cash and cash equivalents	18,226	56,374
Cash and cash equivalents at beginning of period	35,557	53,722
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(61)	-
Cash and cash equivalents at end of period	53,722	110,097