Financial Results for Fiscal Year Ended March 31, 2014

April 28, 2014

NEC Corporation

(http://www.nec.com/en/global/ir)
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I . Financial Results for FY14/3

II . Financial Forecasts for FY15/3

III . Progress on Mid-term Management Plan 2015

- Financial Results for FY14/3 (Appendix)
- Financial Forecasts for FY15/3 (Appendix)
- Progress on Mid-term Management Plan 2015 (Appendix)
- Reference (Financial data)

※ As stated in the July 9, 2013 announcement, “NEC to Revise Business Segments,” NEC has revised its business segments from the first quarter of the fiscal year ended March 31, 2014. Figures for the corresponding period of the previous fiscal year have been restated to conform with the new segments.
I. Financial Results for FY14/3
Summary of Financial Results for FY14/3

**Net Sales**
- Achieved company forecast (approx. 6% increase based on existing business)
  - Increased in Public, Enterprise, Telecom Carrier and System Platform
  - Decreased in Others due to deconsolidation of NEC Mobiling, Ltd. etc.
- YoY -0.9%
- Difference from forecast +43.1B Yen

**Operating Income**
- Achieved company forecast for two consecutive years
  - Decreased due to deconsolidation of NEC Mobiling, Ltd. impact from LCD patent sale in the previous year, and a decrease in Telecom Carrier
  - Increased in Public and Enterprise business
- YoY -8.5B Yen
- Difference from forecast +6.2B Yen

**Net Income**
- Achieved company plan for two consecutive years, and increased YoY
  - Recording extraordinary income by selling stocks of NEC Mobiling, Ltd. and NEC BIGLOBE, Ltd.
- Decided on a 4 yen dividend per share
- YoY +3.3B Yen
- Difference from forecast +13.7B Yen
## Summary of Financial Results for FY14/3

### Key Figures (Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>Actual FY13/3</th>
<th>Actual FY14/3</th>
<th>YoY %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>901.8</td>
<td>959.6</td>
<td>6.4%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>4.8%</td>
<td>8.6%</td>
<td></td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>4.5%</td>
<td>6.6%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>19.0</td>
<td>48.8</td>
<td>29.9%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>2.1%</td>
<td>5.1%</td>
<td></td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>134.7</td>
<td>149.3</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

### Year-Over-Year Comparison

<table>
<thead>
<tr>
<th></th>
<th>FY13/3 Actual</th>
<th>FY14/3 Actual</th>
<th>YoY %</th>
<th>Difference from Jan 30</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>3,071.6</td>
<td>3,043.1</td>
<td>-0.9%</td>
<td>43.1</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>3.7%</td>
<td>3.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>3.0%</td>
<td>2.3%</td>
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<tr>
<td><strong>Net Income</strong></td>
<td>30.4</td>
<td>33.7</td>
<td>3.3%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>1.0%</td>
<td>1.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>42.0</td>
<td>55.2</td>
<td>13.2%</td>
<td></td>
</tr>
</tbody>
</table>

### Notes
- Average exchange rates for Q4 of FY14/3: $1= ¥103.18, €1= ¥140.86
- (Assumed exchange rates for FY14/3 $1 = ¥100, €1 = ¥125)
- Average exchange rates for FY14/3: $1= ¥99.61, €1= ¥132.83
- (Average exchange rates for FY13/3 $1= ¥82.08, €1= ¥105.98)
### Results by Segment for FY14/3

#### Q4 <January to March>

<table>
<thead>
<tr>
<th></th>
<th>FY13/3 Actual</th>
<th>FY14/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>254.5</td>
<td>271.0</td>
<td>6.5%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>25.8</td>
<td>26.5</td>
<td>0.7%</td>
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<tr>
<td>% to Net Sales</td>
<td>10.1%</td>
<td>9.8%</td>
<td></td>
</tr>
<tr>
<td>Enterprise</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>73.7</td>
<td>81.5</td>
<td>10.7%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>3.3</td>
<td>6.0</td>
<td>2.7%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>4.5%</td>
<td>7.4%</td>
<td></td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>200.3</td>
<td>219.0</td>
<td>9.4%</td>
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<tr>
<td>Operating Income</td>
<td>22.7</td>
<td>28.5</td>
<td>5.8%</td>
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<td>% to Net Sales</td>
<td>11.3%</td>
<td>13.0%</td>
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<tr>
<td>System Platform</td>
<td></td>
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<tr>
<td>Net Sales</td>
<td>209.9</td>
<td>244.3</td>
<td>16.4%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>16.8</td>
<td>20.9</td>
<td>4.1%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>8.0%</td>
<td>8.6%</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Net Sales</td>
<td>163.4</td>
<td>143.7</td>
<td>-12.1%</td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>-10.1</td>
<td>9.6</td>
<td>19.7%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>-6.2%</td>
<td>6.7%</td>
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<tr>
<td>Adjustment</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Operating Loss</td>
<td>-15.7</td>
<td>-9.1</td>
<td>6.6%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>901.8</td>
<td>959.6</td>
<td>6.4%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>42.8</td>
<td>82.5</td>
<td>39.6%</td>
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<tr>
<td>% to Net Sales</td>
<td>4.8%</td>
<td>8.6%</td>
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</table>

#### Full Year

<table>
<thead>
<tr>
<th></th>
<th>FY13/3 Actual</th>
<th>FY14/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>680.7</td>
<td>738.4</td>
<td>8.5%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>49.0</td>
<td>58.6</td>
<td>9.6%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>7.2%</td>
<td>7.9%</td>
<td></td>
</tr>
<tr>
<td>Enterprise</td>
<td></td>
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</tr>
<tr>
<td>Net Sales</td>
<td>251.6</td>
<td>272.3</td>
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<tr>
<td>Operating Income</td>
<td>5.5</td>
<td>6.5</td>
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<tr>
<td>% to Net Sales</td>
<td>2.2%</td>
<td>2.4%</td>
<td></td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>709.3</td>
<td>725.8</td>
<td>2.3%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>71.6</td>
<td>60.3</td>
<td>-11.2%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>10.1%</td>
<td>8.3%</td>
<td></td>
</tr>
<tr>
<td>System Platform</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>744.4</td>
<td>780.8</td>
<td>4.9%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>32.7</td>
<td>30.7</td>
<td>-2.0%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>4.4%</td>
<td>3.9%</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>685.7</td>
<td>525.9</td>
<td>-23.3%</td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>16.9</td>
<td>-1.4</td>
<td>-18.3%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>2.5%</td>
<td>-0.3%</td>
<td></td>
</tr>
<tr>
<td>Adjustment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Loss</td>
<td>-61.0</td>
<td>-48.6</td>
<td>12.4%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Net Sales</td>
<td>3,071.6</td>
<td>3,043.1</td>
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<td>114.6</td>
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<tr>
<td>% to Net Sales</td>
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</tbody>
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#### Difference from Jan 30

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<tr>
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<td>2.4%</td>
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<td>-0.3%</td>
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<tr>
<td>Adjustment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Loss</td>
<td>-61.0</td>
<td>-48.6</td>
<td>12.4%</td>
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<tr>
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<td>% to Net Sales</td>
<td>3.7%</td>
<td>3.5%</td>
<td></td>
</tr>
</tbody>
</table>
Public Business

Results FY14/3

Sales

738.4 (+8.5%)

△ Increased due to steady sales from government and public areas

Operating Income

58.6 (+9.6)

△ Improved due to sales increase
Enterprise Business

**Results FY14/3**

<table>
<thead>
<tr>
<th>Billions of Yen (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong> 272.3 (+8.2%)</td>
</tr>
<tr>
<td>△ Increased due to steady sales from the retail and services industries</td>
</tr>
</tbody>
</table>

| Operating Income 6.5 (+1.1) |
| △ Improved due to sales increase, despite investment in infrastructure for the retail and logistics industries |

### Enterprise Business

**Sales**

<table>
<thead>
<tr>
<th>Sales 272.3 (Billions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12/3 222.2</td>
</tr>
<tr>
<td>FY13/3 251.6 (+13.2%)</td>
</tr>
<tr>
<td>FY14/3 272.3 (+8.2%)</td>
</tr>
</tbody>
</table>

**Operating Income**

<table>
<thead>
<tr>
<th>Operating Income Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12/3 0.2%</td>
</tr>
<tr>
<td>FY13/3 2.2%</td>
</tr>
<tr>
<td>FY14/3 2.4%</td>
</tr>
</tbody>
</table>
Telecom Carrier Business

**Sales** 725.8 (+2.3%)

- **Japan**: Decreased from the previous fiscal year, where there was strong demand.
- **International**: Increased mainly in TOMS.

**Operating Income** 60.3 (-11.2)

- Decreased due to accelerated investment in SDN, etc. and temporary profit related to intellectual property in the previous fiscal year.

TOMS: Telecom Operations and Management Solutions
SDN: Software-Defined Networking
System Platform Business

Results FY14/3

**Sales** 780.8 (+4.9%)

△ Increased mainly in business PCs, despite the impact of large-scale projects in the previous fiscal year

**Operating Income** 30.7 (-2.0)

▽ Decreased due to project lineup changes
Results FY14/3

Billions of Yen (YoY)

Sales 525.9 (-23.3%)
▶ Decreased in mobile phone shipments
▶ Decreased due to deconsolidation of NEC Mobiling, Ltd. and the electronic components business

Operating Loss -1.4 (-18.3)
▶ Worsened due to the impact of LCD patent sales in the previous fiscal year, deconsolidation of businesses and decreased sales

<table>
<thead>
<tr>
<th></th>
<th>FY12/3</th>
<th>FY13/3</th>
<th>FY14/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>794.9</td>
<td>685.7</td>
<td>525.9</td>
</tr>
<tr>
<td>Operating Loss</td>
<td>10.4</td>
<td>16.9</td>
<td>-1.4</td>
</tr>
<tr>
<td>Operating Income Ratio</td>
<td>1.3%</td>
<td>2.5%</td>
<td>-0.3%</td>
</tr>
</tbody>
</table>
Conventional mobile phones (business policy revision)

- Continue business in Japan utilizing existing technology assets
- Discontinue international business

Additional cost

- Recorded approx. 11.0 billion yen of extraordinary loss (business structure improvement expenses) in the second half
  (Total approx. 22.0 billion yen recorded for the full year of FY2013, including approx. 11.0 billion yen in the first half)

  - Liquidation cost for the overseas subsidiary of NEC CASIO Mobile Communications, Ltd.
  - Expenses related to the discontinuation of new development for international markets under a revised policy for conventional mobile phones, and maintenance costs in Japan

Issues resolved, Minimize operations
Net Income Change (Year on Year)

(Billions of Yen)

<table>
<thead>
<tr>
<th>Difference from Jan 30</th>
<th>FY13/3 30.4</th>
<th>FY14/3 33.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in provision for contingent loss, and increase in interest expenses</td>
<td>-7.0</td>
<td>+14.5</td>
</tr>
<tr>
<td>Decrease in operating income</td>
<td>-8.5</td>
<td>Others</td>
</tr>
<tr>
<td>Decrease in non-operating income/loss</td>
<td>-14.4</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-18.3</td>
<td></td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>-11.2</td>
<td></td>
</tr>
<tr>
<td>System Platform</td>
<td>-2.0</td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>+9.6</td>
<td></td>
</tr>
<tr>
<td>Adjustment</td>
<td>+12.4</td>
<td></td>
</tr>
<tr>
<td>Gain on sales of subsidiaries and affiliates’ stocks</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
II. Financial Forecasts for FY15/3
Market forecast

- The Japanese economy is expected to grow moderately toward the second half of the fiscal year (In terms of the world economy, a recovery is expected in Europe and the U.S., while emerging markets are expected to have moderate growth)
  - IT investment in Japan is expected to see a steady growth in fields such as system integration and outsourcing
    - Public: Expansion in investment related to social infrastructure such as continuous strong demand for digital wireless fire prevention systems and an increase in investment by Japan’s central and local governments for the national ID number system in the public field
  - Telecom Carrier: Global expansion in investment for the LTE related projects and the TOMS / SDN market
  - Energy: Rechargeable battery market to be stimulated by government subsidies

Business strategy

- Execute strategic investment in focused areas for growth
- Expand GSD business, Improve the profitability of international business, drive cost reduction initiatives

“CS No.1” “Global First” “One NEC”
### Summary of Financial Forecasts for FY15/3

**Achieve 120 billion yen in operating income**  
(Sales increase by approx. 4% based on existing business)

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>FY14/3 Actual</th>
<th>FY15/3 Forecasts</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>3,043.1</td>
<td>3,000.0</td>
<td>-1.4%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>106.2</td>
<td>120.0</td>
<td>13.8%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>3.5%</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td>69.2</td>
<td>90.0</td>
<td>20.8%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>2.3%</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>33.7</td>
<td>35.0</td>
<td>1.3%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>1.1%</td>
<td>1.2%</td>
<td></td>
</tr>
</tbody>
</table>

**Net Income per share (Yen)**

<table>
<thead>
<tr>
<th></th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income per share (Yen)</strong></td>
<td>12.99</td>
<td>13.47</td>
<td>0.48</td>
</tr>
</tbody>
</table>

Note: Assumed exchange rates for FY15/3 $1=¥100, €1=¥130

*Forecasts as of April 28, 2014*
Sales: 800.0 (+8.3%)
△ Increase due to steady sales mainly from the government and public areas such as fire prevention systems and the national ID number system.

Operating Income: 73.0 (+14.4)
△ Improve due to sales increase, cost reductions and a decrease in loss making projects.
Enterprise Business

**Forecasts FY15/3**

**Billions of Yen (YoY)**

### Sales

- **275.0 (+1.0%)**
  - Increase due to steady sales from manufacturing industries

### Operating Income

- **9.0 (+2.5)**
  - Improve due to sales increase

### Forecasts

<table>
<thead>
<tr>
<th></th>
<th>FY13/3</th>
<th>FY14/3</th>
<th>FY15/3 Forecast(*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>251.6</td>
<td>272.3</td>
<td>275.0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>5.5</td>
<td>6.5</td>
<td>9.0</td>
</tr>
<tr>
<td>Ratio</td>
<td>2.2%</td>
<td>2.4%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

* Forecasts as of April 28, 2014
### Telecom Carrier Business

#### Billions of Yen (YoY)

**Sales**
- **770.0 (+6.1%)**
  - △ Japan: Remain same level
  - △ International: Increase mainly in focus areas such as TOMS / SDN, in addition to mobile backhaul

**Operating Income**
- **66.0 (+5.7)**
  - △ Improve due to sales increase mainly in international business

---

**Forecasts FY15/3**

<table>
<thead>
<tr>
<th></th>
<th>FY13/3</th>
<th>FY14/3</th>
<th>FY15/3 Forecast(*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (Billions of Yen)</td>
<td>709.3</td>
<td>725.8</td>
<td>770.0</td>
</tr>
<tr>
<td>Operating Income (Billions of Yen)</td>
<td>71.6</td>
<td>60.3</td>
<td>66.0</td>
</tr>
</tbody>
</table>

* Forecasts as of April 28, 2014

© NEC Corporation 2014
System Platform Business

**Sales** 775.0 (-0.7%)

- Decrease due to declining business PCs, despite an increase in IT demand, such as servers and software

**Operating Income** 35.0 (+4.3)

- Improve due to integration effect from NEC Fielding, Ltd. and sales increase in servers and software

*Forecasts as of April 28, 2014*
Others

**Forecasts FY15/3**

<table>
<thead>
<tr>
<th>Sales</th>
<th>380.0 (-27.7%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>▼ Decrease due to deconsolidation following sale of stock of NEC BIGLOBE, Ltd., etc.</td>
<td></td>
</tr>
</tbody>
</table>

**Operating Income** 1.0 (+2.4)

▲ Improve due to improvement of the mobile phone business and energy business, despite impact from deconsolidating businesses

*Forecasts as of April 28, 2014*
Net Income Change (Year on Year)

(Billions of Yen)

<table>
<thead>
<tr>
<th>FY14/3</th>
<th>FY15/3 Forecast(*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>33.7</td>
<td>35.0</td>
</tr>
</tbody>
</table>

Increase in operating income +13.8
Increase in non-operating income/loss +7.0
Decrease in provision for contingent loss, and decrease in interest expenses

Public +14.4
Telecom Carrier +5.7
System Platform +4.3
Enterprise +2.5
Others +2.4
Adjustment -15.4

Decrease in gain on sales of subsidiaries and affiliates’ stocks

Others -19.6

* Forecasts as of April 28, 2014
Ⅲ. Progress on Mid-term Management Plan 2015
(1) Focus on Solutions for Society

Transformation into a social value innovator
- Focusing of management resources on businesses that advance social infrastructure through ICT
- Create new business models with the understanding that social problems provide an opportunity for growth

(2) Focus on Asia, promotion of “locally-led” business

Creation of a foundation for growth as a company able to compete globally
- Focus on emerging and developing countries, particularly in Asia
- Realization of increased sensitivity to local needs, increased business speed

(3) Stabilize our financial foundation

- Enhanced cost competitiveness
- Creation of an earnings structure that produces operating income of 150 billion yen and free cash flow of 100 billion yen
- Hybrid finance to ensure financial reserve

Achieve 5% in operating margin and 25% in international sales ratio

* Forecasts as of April 26, 2013
Transition in Financial Results and Forecasts

Sales

- NEC Electronics Corporation became equity method company
- PC for consumer use became equity method company
- Sale of NEC Mobiling, Ltd. End new development of Smartphones
- Sale of NEC BIGLOBE, Ltd.

Sales from existing business

- 3 trillion yen
- 3,583.1 billion
- 3,115.4 billion
- 3,036.8 billion
- 3,071.6 billion
- 3,043.1 billion
- 3,000.0 billion
- 3,200.0 billion

Operating Income

- FY10/3: 50.9 billion
- FY11/3: 57.8 billion
- FY12/3: 73.7 billion
- FY13/3: 114.6 billion
- FY14/3: 106.2 billion
- FY15/3 Forecast(*): 120.0 billion
- FY16/3 Mid-term Plan: 150.0 billion

* Forecasts as of April 28, 2014

Mid-term Plan 2015

YoY +approx.6% +approx.4%
Topics Discussed by Management this Year

- Central areas in which the NEC group will concentrate as sales remain at 3 trillion yen
- Corporate culture that will serve as a core for the NEC group and its services for society for the next 100 years
- Corporate structure and operation process that will respond to changes in market
- Global competitiveness that will be an essential element demanded by the market
Achievements in FY14/3 and Next Steps

Achievements

- Executed investment in focus area
  - Invested in TOMS, SDN, big data and data centers
  - Acquired energy storage system business from A123 Systems, LLC.
- Revised business portfolio
  - NEC Mobiling, Ltd., NEC BIGLOBE, Ltd. and discontinued mobile phone business
- Strengthened development, production and cost reduction
  - Carried out tender offer for NEC Fielding, Ltd.
  - Rebuilt software development, hardware development / manufacturing and staff services subsidiaries

Next Steps

- Accelerate to materialize growth plans
  - Secure sales growth in focus areas and international markets
- Enhance efforts for improving profitability
  - Improve the profitability of international business, determine the course for low profitability businesses and deliver business integration results
  - Accelerate measures to enhance cost competitiveness
Public Business Growth Strategies

- Secured orders in the social infrastructure domain
  (Transportation, water, communications, urban development / industrial parks, cyber security)

- Secured orders for national ID number related systems

- Air traffic control radar
  (Taiwan, Nepal, Philippines)

- Quasi-zenith satellite system

- Sewage pipe inspection robot
  Field tests using actual sewage pipes
  (Japan Sewage Works Agency, Funabashi City)

- Disaster prevention system
  (Taiwan, Philippines)

- Large-scale plant failure sign monitoring system

Accelerate mid and long term approach for growth
Public Business Growth Strategies (Safety business)

- Launched Global Safety Division in Singapore, established business operation structure on a global base (April 2013)
  - Total of 500 staff to execute business in regional competence centers in Singapore, Argentina and China including safety team members in each country

- Secured orders for facility surveillance (IVS), communication security system (TCS), cyber security and facial recognition systems (FY14/3)

Targeting 130% YoY business expansion in FY15/3

* Forecasts as of April 28, 2014
Demonstrated product competitiveness and global operational strength

- Commercialized “TOMS 9.0” (OSS/BSS integrated solution)
  - Realized system construction / create addition functions in less time and lower cost
- Expanded the new customer base after integration of Convergys’ BSS business (over 250 customers in 58 countries worldwide)
  - Enhanced distribution for new customers such as utility business operators and customers of NEC’s locally-incorporated companies

Expand TOMS business centrally in NetCracker

* Forecasts as of April 28, 2014

OSS : Network Operations Support Systems
BSS : Business Support Systems

FY13/3
FY14/3
FY15/3Forecast(*)

NetCracker®

Sales image
Network Business Growth Strategies (SDN)

Enterprise / Public

- Applied SDN to simplify existing complex networks, for more simple, convenient networks

  - Expanded number of projects by capturing growing demand in enterprise network and Public field, such as network for hospitals and transportation network
    
    Track record in FY14/3
    
    East Japan Railway Company (Tokyo station)
    
    Toyo Seikan Group Holdings, Ltd. tv asahi, Nippon Jimuki Co.,Ltd. ,etc.

- Partnership formed with Hewlett-Packard in the SDN field for Enterprise networks

Telecom Carrier

- Drove the introduction of SDN for upgrading and automating network operation control

  - Promoted cooperative tests with leading global carriers that aim to introduce SDN (more than 10 companies), and accelerate commercialization activities in preparation for full implementation in FY16/3

    Track record in FY14/3
    
    Activated commercial vEPC in Myanmar, first in the world
    
    Drove corroborative trial with Telefónica for commercial use

Accelerate Enterprise, Public and Telecom Activities
Acquired “A123 Energy Solutions” a division that provides energy storage systems for electric utility companies and enterprises for approx. $100 million.

Roll out to the global market and integrate energy storage systems and ICT.
Focusing investment in central fields for growth

Placing highest priority on the international telecom carrier field (SDN/Cloud), concentrating on the launch of big data and cyber security as core differentiators of NEC’s “Solutions for Society”

Planning strategic investment of 15 billion yen, almost twice the previous year

* Excluding the investment for each segment, Forecasts as of April 28, 2014
Stabilize our Financial Foundation

Funding through hybrid financing
- Plan to repay existing interest-bearing liabilities and to finance business operations

Carried out tender offer for the share of NEC Fielding, Ltd.
- Scheduled to become wholly owned company in Q2 FY15/3

Reorganized 7 software development subsidiaries
- Launched “NEC Solution Innovators, Ltd.” on April 1, 2014

Reorganized 4 hardware development / manufacturing subsidiaries
- Launch a new company in July 2014

Reorganized 4 staff services subsidiaries
- Launched “NEC Management Partner, Ltd.” on April 1, 2014
Review Business Portfolio

Executive portfolio management putting “Solutions for Society” at the center

Enhancement of service domains
- 2014 Information security (Infosec Corporation.)
- 2014 Operation / Maintenance services (NEC Fielding, Ltd. TOB)
- 2014 Energy storage systems (A123 systems, LLC.)

NEC today (Movement in FY2013)
- Consulting/operational management services, etc.

IN
Consulting/operational management services, etc.

Next-generation network technologies
High-performance/high-reliability core IT technologies
Diverse sensors and human interface technologies

Increased focus on core ICT assets

OUT

Discontinued businesses
- 2013 Mobile sales business (NEC Mobiling, Ltd.)
- 2013 Magneto-resistance sensor business
- 2013 Mobile phone business (End new development of smartphones)
- 2013 Semiconductor business (Exclude from equity method company)
- 2013 Circuit substrate business (Sale of stock, NEC Toppan Circuit Solutions Inc.)
- 2014 Vehicle installation device business (sale of stock Honda Elesys Co., Ltd.)
- 2014 Internet service business (NEC BIGLOBE, Ltd.)

Enhancement of international bases
- 2013 Launched GSD
- 2013 Launched RBSC
- 2013 Launched NEC Laboratories Singapore
- 2013 Launched Naypyidaw office in Myanmar
- 2013 Launched smart city, cloud services business enhancement company in China

RBSC: Regional Retail Business Support Center

* as of April 28, 2014
Achieving the goals for FY15/3 is a necessary step for realization of the Mid-term Management Plan 2015

Accomplish the full-year forecast for the third consecutive year and assure stable dividends

* Forecasts as of April 28, 2014
Financial Results for FY14/3 (Appendix)
Results for FY14/3 by Segment (three-year transition)

### Net Sales

<table>
<thead>
<tr>
<th></th>
<th>FY12/3</th>
<th>FY13/3</th>
<th>FY14/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>649.5</td>
<td>680.7</td>
<td>738.4</td>
</tr>
<tr>
<td>Enterprise</td>
<td>222.2</td>
<td>251.6</td>
<td>272.3</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>659.3</td>
<td>709.3</td>
<td>725.8</td>
</tr>
<tr>
<td>System Platform</td>
<td>711.0</td>
<td>744.4</td>
<td>780.8</td>
</tr>
<tr>
<td>Others</td>
<td>794.9</td>
<td>685.7</td>
<td>525.9</td>
</tr>
</tbody>
</table>

### Operating Income/Loss

<table>
<thead>
<tr>
<th></th>
<th>FY12/3</th>
<th>FY13/3</th>
<th>FY14/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>43.3</td>
<td>0.5</td>
<td>6.5</td>
</tr>
<tr>
<td>Enterprise</td>
<td>54.6</td>
<td>71.6</td>
<td>60.3</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>13.8</td>
<td>32.7</td>
<td>30.7</td>
</tr>
<tr>
<td>System Platform</td>
<td>10.4</td>
<td>16.9</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>48.8</td>
<td>61.0</td>
<td>48.6</td>
</tr>
<tr>
<td>Adjustment</td>
<td>48.8</td>
<td>61.0</td>
<td>48.6</td>
</tr>
</tbody>
</table>

Results (Billions of Yen)

<table>
<thead>
<tr>
<th>FY12/3</th>
<th>FY13/3</th>
<th>FY14/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>73.7</td>
<td>49.0</td>
<td>106.2</td>
</tr>
</tbody>
</table>

FY12/3 FY13/3 FY14/3
Financial Results for FY14/3 by Segment

Net Sales
- Public: 24%
- Telecom Carrier: 24%
- System Platform: 26%
- Others: 17%

Sales for FY14/3: 3,043.1

Operating Income/Loss
- Public: 58.6
- Telecom Carrier: 60.3
- System Platform: 30.7
- Others: -1.4

Operating Income for FY14/3: 106.2

(Billions of Yen)
Sales Change (Year on Year)

Results FY14/3

(Billions of Yen)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY13/3</th>
<th>FY14/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise</td>
<td>+20.7</td>
<td>+20.7 (+8.2%)</td>
</tr>
<tr>
<td>Public</td>
<td>+57.7</td>
<td>+57.7 (+8.5%)</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>+16.5</td>
<td>+16.5 (+2.3%)</td>
</tr>
<tr>
<td>System Platform</td>
<td>+36.4</td>
<td>+36.4 (+4.9%)</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>-159.8</td>
</tr>
</tbody>
</table>

Increased mainly in business PCs, despite impact of large-scale projects in the previous fiscal year.

Decreased in mobile phone shipments.

Deconsolidation of NEC Mobiling, Ltd. and the electronic components business.

Steady sales from the retail and services industries.

Steady sales from government and public areas.

Japan: Decreased from the previous fiscal year, where there was strong demand.

International: Increased mainly in TOMS.
Operating Income Change (Year on Year)

(Billions of Yen)

Enterprise
+1.1

Telecom Carrier
-11.2

System Platform
-2.0

Public
+9.6

Ongoing cost reduction and optimization

Sales Increase

Others
-18.3

Deconsolidation of NEC Mobiling, Ltd. and the electronic components business

Adjustment
+12.4

Improved due to sales increase, despite investment in infrastructure for the retail and logistics industries

Decreased due to the acceleration of investment in SDN, etc., and temporary profit related to intellectual property in the previous fiscal year

Worsening of project mix

The impact of LCD patent sales in the previous fiscal year, decreased sales

Deconsolidation of NEC Mobiling, Ltd. and the electronic components business

Ongoing cost reduction and optimization
International Sales

(Billions of Yen)

Q4 <January to March>

<table>
<thead>
<tr>
<th></th>
<th>FY13/3</th>
<th>FY14/3</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>128.4</td>
<td>157.8</td>
<td>22.9%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>14.2%</td>
<td>16.4%</td>
<td></td>
</tr>
</tbody>
</table>
# Financial Position Data

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>End of March 2013</th>
<th>End of March 2014</th>
<th>Difference from March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td>2,581.0</td>
<td>2,505.3</td>
<td>-75.6</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>836.1</td>
<td>767.7</td>
<td>-68.5</td>
</tr>
<tr>
<td><strong>Interest-bearing debt</strong></td>
<td>603.5</td>
<td>575.2</td>
<td>-28.3</td>
</tr>
<tr>
<td><strong>Shareholders’ Equity</strong></td>
<td>710.7</td>
<td>695.9</td>
<td>-14.7</td>
</tr>
<tr>
<td><strong>Equity ratio(%)</strong></td>
<td>27.5%</td>
<td>27.8%</td>
<td>0.3pt</td>
</tr>
<tr>
<td><strong>D/E ratio (times)</strong></td>
<td>0.85</td>
<td>0.83</td>
<td>0.02pt</td>
</tr>
<tr>
<td><strong>Net D/E ratio (times)</strong></td>
<td>0.57</td>
<td>0.53</td>
<td>0.04pt</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>197.1</td>
<td>206.6</td>
<td>9.5</td>
</tr>
</tbody>
</table>
Results FY14/3

<Ref.> Balance Sheets (At the end of March, 2014)

(Billions of Yen)

Total Assets 2,505.3
<Compared to end of March 2013> (-75.6)

Current Assets 1,502.9
-10.9

Noncurrent Assets 1,002.4
-64.7

Liabilities 1,737.7
-7.2

Net Assets 767.7
-68.5

Decreased in prepaid pension cost owing to the application of new accounting standards for retirement benefit, despite an increase from the acquisition of trust beneficially rights set to land and buildings.

Decreased in bonds and commercial papers, despite an increase in long-term debt due to financing through hybrid finance (subordinated loan) and an increase in net defined benefit liability.

Recorded remeasurements of defined benefit plans (-60.7) and a decrease in minority interests.

Compared to end of March 2013.
Financial Forecasts for FY15/3 (Appendix)
Financial Forecasts by Segment (three-year transition)

### Net Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY13/3</th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>Forecasts(*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>680.7</td>
<td>738.4</td>
<td>800.0</td>
<td></td>
</tr>
<tr>
<td>Enterprise</td>
<td>251.6</td>
<td>272.3</td>
<td>275.0</td>
<td></td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>709.3</td>
<td>725.8</td>
<td>770.0</td>
<td></td>
</tr>
<tr>
<td>System Platform</td>
<td>744.4</td>
<td>780.8</td>
<td>775.0</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>685.7</td>
<td>525.9</td>
<td>380.0</td>
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</tr>
</tbody>
</table>

### Operating Income/Loss

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY13/3</th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>Forecasts(*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>49.0</td>
<td>5.5</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>Enterprise</td>
<td>71.6</td>
<td>6.5</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>32.7</td>
<td>30.7</td>
<td>30.7</td>
<td></td>
</tr>
<tr>
<td>System Platform</td>
<td>35.0</td>
<td>1.0</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-61.0</td>
<td>-48.6</td>
<td>-64.0</td>
<td></td>
</tr>
<tr>
<td>Adjustment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Forecasts as of April 28, 2014*
Financial Forecasts for FY15/3 by Segment

**Net Sales**
- **Public**: 27%
- **Telecom Carrier**: 26%
- **Others**: 12%
- **System Platform**: 26%

**Sales Forecast for FY15/3**
- **3,000.0**

**Operating Income**
- **Public**: 73.0
- **Telecom Carrier**: 66.0
- **System Platform**: 35.0
- **Enterprise**: 9.0
- **Others**: 1.0

**Operating Income Forecast for FY15/3**: 120.0

*Forecasts as of April 28, 2014*
Sales Change (Year on Year)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY14/3 (Billions of Yen)</th>
<th>FY15/3 Forecast* (Billions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecom Carrier</td>
<td>3,043.1</td>
<td>3,000.0</td>
</tr>
<tr>
<td>System Platform</td>
<td>-5.8 (-0.7%)</td>
<td></td>
</tr>
<tr>
<td>Enterprise</td>
<td>+2.7 (+1.0%)</td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>+61.6 (+8.3%)</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-145.9</td>
<td></td>
</tr>
</tbody>
</table>

* Forecasts as of April 28, 2014

- **Japan**: Remain same level
- **International**: Increase mainly in TOMS/SDN, mobile backhaul
- **Deconsolidation of NEC BIGLOBE, Ltd. and NEC Mobiling, Ltd.**
- **Decrease from a decline in business PCs**, despite an increase in IT demand such as servers
- **Decrease in mobile phone shipments**
- **Steady sales from government and public areas**
- **Steady sales from the manufacture**
Operating Income Change (Year on Year)

(Strategic investment increase)

Deconsolidation of NEC BIGLOBE, Ltd. and NEC Mobiling, Ltd.

- Improve from mobile phone business and Energy business
- Improve due to Integration effect of NEC Fielding, Ltd. and sales increase from servers
- Improve from sales increase

System Platform

Enterprise +2.5

Public +14.4

Telecom Carrier +5.7

Others +2.4

Adjustment -15.4

FY15/3 Forecast*
120.0

- Improve due to sales increase mainly in international business
- Improve due to sales increase, cost reduction and fewer loss-making projects

* Forecasts as of April 28, 2014

Forecasts FY15/3

FY14/3
106.2

(Billions of Yen)
Capital Expenditure, Depreciation and R&D expenses

<table>
<thead>
<tr>
<th></th>
<th>FY13/3 Actual</th>
<th>FY14/3 Actual</th>
<th>YoY</th>
<th>FY15/3 Actual</th>
<th>FY15/3 Forecasts</th>
<th>YoY</th>
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<tr>
<td>Capital Expenditure</td>
<td>45.6</td>
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<td>Depreciation</td>
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<td>R&amp;D expenses</td>
<td>151.7</td>
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<tr>
<td>% to Net Sales</td>
<td>4.9%</td>
<td>4.7%</td>
<td></td>
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<td>5.0%</td>
</tr>
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</table>

* Not including acquisition of trust beneficiary rights

* Forecasts as of April 28, 2014
Progress on Mid-term Management Plan 2015 (Appendix)
Results, Forecasts and Mid-term Management Plan by Segment

### Net Sales

- **Public**
  - FY13/3: 680.7
  - FY14/3: 735.0
  - FY14/3 (initial plan): 735.0
  - FY15/3: 738.4
  - FY15/3 (Mid-term Plan): 800.0
  - FY16/3: 780.0
- **Enterprise**
  - FY13/3: 251.6
  - FY14/3: 255.0
  - FY14/3 (initial plan): 255.0
  - FY15/3: 272.3
  - FY15/3 (Mid-term Plan): 275.0
  - FY16/3: 300.0
- **Telecom Carrier**
  - FY13/3: 709.3
  - FY14/3: 715.0
  - FY14/3 (initial plan): 715.0
  - FY15/3: 725.8
  - FY15/3 (Mid-term Plan): 800.0
  - FY16/3: 800.0
- **System Platform**
  - FY13/3: 744.4
  - FY14/3: 705.0
  - FY14/3 (initial plan): 705.0
  - FY15/3: 780.8
  - FY15/3 (Mid-term Plan): 775.0
  - FY16/3: 800.0
- **Others**
  - FY13/3: 685.7
  - FY14/3: 590.0
  - FY14/3 (initial plan): 590.0
  - FY15/3: 525.9
  - FY15/3 (Mid-term Plan): 380.0
  - FY16/3: 520.0

### Operating Income/Loss

- **Public**
  - FY13/3: 49.0
  - FY14/3: 57.0
  - FY15/3: 58.6
  - FY15/3 (Mid-term Plan): 73.0
  - FY16/3: 73.0
- **Enterprise**
  - FY13/3: 5.5
  - FY14/3: 3.0
  - FY15/3: 6.3
  - FY15/3 (Mid-term Plan): 66.0
  - FY16/3: 66.0
- **Telecom Carrier**
  - FY13/3: 71.6
  - FY14/3: 3.0
  - FY15/3: 6.3
  - FY15/3 (Mid-term Plan): 66.0
  - FY16/3: 66.0
- **System Platform**
  - FY13/3: 32.7
  - FY14/3: 29.0
  - FY15/3: 30.7
  - FY15/3 (Mid-term Plan): 35.0
  - FY16/3: 35.0
- **Others**
  - FY13/3: 16.9
  - FY14/3: 2.0
  - FY15/3: 1.4
  - FY15/3 (Mid-term Plan): 1.0
  - FY16/3: 1.0
- **Adjustment**
  - FY13/3: -61.0
  - FY14/3: -54.0
  - FY15/3: -48.6
  - FY15/3 (Mid-term Plan): -64.0
  - FY16/3: -64.0

*Forecasts as of April 28, 2014*
Focus on Solutions for Society

- Start construction of the Japan Trench undersea earthquake tsunami observation network
- Won SEA-ME-WE 5 Contract to strengthen ultra-broadband undersea connectivity between Singapore and France
- Build ICT systems for stadiums in Brazil
- Provide urban surveillance solution for the province of Santa Fe, Argentina
- Delivery of “Field Communication System” to Ground Self-Defense Force
- Launched ‘Cyber Security Strategy Office’
- Established "National ID Business Promotion Department"
- Contribute to JAXA’s “Hisaki (SPRINT-A”)" launch \* Spectroscopic Planet Observatory for Recognition of Interaction of Atmosphere
- Develop failure sign monitoring system for large-scale plants
- Order receipt of communication unit of smart meter, for TEPCO
- Start energy service for households through a battery rental model
- Delivery of large capacity Lithium-ion battery storage system for Enel
- Acquired energy storage systems business of A123 Systems, LLC.
- Released TOMS9.0
- Released NEC SDN Solutions
- Collaborate with HP at Networking Solutions for Enterprise customers in SDN field
- Build a common station network utilizing SDN at Tokyo Station, for JR East.
- Integrate fire emergency digital radio and common fire command systems in Chiba, Japan
- Order receipt related to the national ID number system
- Launched ‘Cyber Security Strategy Office’
- Established "National ID Business Promotion Department"
Focus on Asia: Promotion of “Locally-led” Business

- Strategic partnership with Chongqing City for smart city and cloud development
- Integrated mission-critical systems for Hotel New Otani Chang Fu Gong, Beijing, China
- Construction for communication infrastructure in Myanmar
- Order receipt for supply of airport/aviation security infrastructure in Myanmar
- Order receipt of IT infrastructure construction project, for State Bank of Vietnam
- Launched RBSC in Malaysia
- Support HALALINK’s expansion throughout Malaysia by providing headquarter systems and convenience store systems
- Selected by CP ALL, operator of approximately 7,500 7-Eleven stores in Thailand to provide next-generation POS terminals
- Selected by the Civil Aviation Authority of Nepal to support modernization of the nation’s international airport
- Won country-wide cable system in Indonesia
- Won order for cloud-based disaster and emergency information system in Taiwan
- Integrate common back-up system for bank accounting systems in Taiwan
- Provide air traffic control radar for Taiwan's Air Navigation and Weather Services
- Launched “Global Safety Division” in Singapore
- Launched NEC Laboratories Singapore
- Joined “Singapore Safe City Test Bed”
- Won Wide-area disaster prevention system in Philippines
- Won country-wide cable system in Indonesia
- Launched CLOUD
- Enhanced Retail
- Enhanced Communications
- Enhanced SDN
- Enhanced Government
- Enhanced Airports
- Enhanced Banks
- Enhanced Retail
- Enhanced Airports
- Enhanced Banks
- Enhanced Retail
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- Enhanced Retail
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- Enhanced Banks
Realization of a stable financial foundation (Enhancement of cost Competition)

- **Expansion of global Supply Chain Management (SCM) system**
  - Strengthen and optimize product organization (Reorganize 4 hardware development and product subsidiaries)
  - Global optimization of logistics network (Launched “Nittsu NEC Logistics, Ltd.” In December)
  - Construction activities for SCM framework combining the 5 RHQ and facilities in Japan

- **Increased use of offshore resources**
  - Greater use of development facilities in India

- **Further reduction of Group indirect costs**
  - Driving expense management activities on a company-wide level (Centralized group management of important commodities, reorganize staff services subsidiaries)

- **Realization of further efficiency in cost of quality**
  - Through execution of risk analysis, countermeasure planning and project management execution
Reliably generate over 100 billion plus yen per year

Operating Cash Flow
- Investing Cash Flow
  - Acquisition of trust beneficially rights
  - Sale of NEC Mobiling, Ltd. and NEC BIGLOBE, Ltd.
  - Tender offer for NEC Fielding, Ltd.
  - M&A expenses
  - Sale of stock Fund for Renesas Electronics Corp.
  - Restructuring expenses

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* Forecasts as of April 28, 2014
Reference (Financial data)
International Sales

International Sales Ratio

International Sales

(Billions of Yen)

YoY

International Sales Ratio

International Sales

(Billions of Yen)

YoY

International Sales

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International Sales

(Billions of Yen)
Sales, Operating Income/Loss (Public)

(Billions of Yen)

Operating Income Ratio

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<th>FY13/3</th>
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<td>158.2</td>
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<td>245.4</td>
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<td>Q4</td>
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Net Sales

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<th>FY14/3</th>
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<td>Q4</td>
<td>-1.9%</td>
<td>149.2</td>
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</table>

YoY

Operating Income Ratio

- 1.7%  7.9%  11.4%  8.8%  10.1%  8.0%  10.7%  9.8%
Sales, Operating Income/Loss (Enterprise)

Operating Income Ratio

- 6.0%  7.8%  6.7%  4.5%  4.4%  7.4%
- 2.9% - 5.3%  0.3% - 4.1% - 0.3%

Net Sales

(Q1 <Apr-Jun> <Jul-Sep> <Oct-Dec> <Jan-Mar> Q1 <Apr-Jun> <Jul-Sep> <Oct-Dec> <Jan-Mar> Q1 <Apr-Jun> <Jul-Sep> <Oct-Dec> <Jan-Mar> Q1 <Apr-Jun> <Jul-Sep> <Oct-Dec> <Jan-Mar>

FY12/3 FY13/3 FY14/3

Operating Income/Loss

-2.7 -0.7 -1.5 5.4 4.6 0.2 3.3 -2.4 3.1 -0.2 6.0

(Billions of Yen)

YoY

44.7 57.9 68.7 68.8 73.7 71.3 81.5

50.0 +18.9% 50.0 +16.1% 59.0 +7.2% 58.7 +3.7% 60.7 +10.7%
Sales, Operating Income (Telecom Carrier)

Operating Income Ratio

(Billions of Yen)

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<tr>
<th>Quarter</th>
<th>FY12/3</th>
<th>FY13/3</th>
<th>FY14/3</th>
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<tbody>
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<td>Q4</td>
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</table>
Sales, Operating Income/Loss (Others)

(Billions of Yen)

Net Sales

Operating Income Ratio

YoY

Operating Income/Loss

Q1 <Apr-Jun> | Q2 <Jul-Sep> | Q3 <Oct-Dec> | Q4 <Jan-Mar>
---|---|---|---
FY12/3 | FY13/3 | FY14/3

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Exchange Rate

Euro/Yen Exchange Rate (Actual)

Assumed Exchange Rate

Average Exchange Rate ¥132.83

Dollar/Yen Exchange Rate (Actual)

Assumed Exchange Rate

Average Exchange Rate ¥99.61
CAUTIONARY STATEMENTS:
This material contains forward-looking statements pertaining to strategies, financial targets, technology, products and services, and business performance of NEC Corporation and its consolidated subsidiaries (collectively "NEC"). Written forward-looking statements may appear in other documents that NEC files with stock exchanges or regulatory authorities, such as the Director of the Kanto Finance Bureau, and in reports to shareholders and other communications. NEC is relying on certain safe-harbors for forward-looking statements in making these disclosures. Some of the forward-looking statements can be identified by the use of forward-looking words such as "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates," "targets," "aims," or "anticipates," or the negative of those words, or other comparable words or phrases. You can also identify forward-looking statements by discussions of strategy, beliefs, plans, targets, or intentions. Forward-looking statements necessarily depend on currently available assumptions, data, or methods that may be incorrect or imprecise and NEC may not be able to realize the results expected by them. You should not place undue reliance on forward-looking statements, which reflect NEC’s analysis and expectations only. Forward-looking statements are not guarantees of future performance and involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. Among the factors that could cause actual results to differ materially from such statements include (i) global economic conditions and general economic conditions in NEC’s markets, (ii) fluctuating demand for, and competitive pricing pressure on, NEC’s products and services, (iii) NEC’s ability to continue to win acceptance of NEC’s products and services in highly competitive markets, (iv) NEC’s ability to expand into foreign markets, such as China, (v) regulatory change and uncertainty and potential legal liability relating to NEC’s business and operations, (vi) NEC’s ability to restructure, or otherwise adjust, its operations to reflect changing market conditions, (vii) movement of currency exchange rates, particularly the rate between the yen and the U.S. dollar, (viii) the impact of unfavorable conditions or developments, including share price declines, in the equity markets which may result in losses from devaluation of listed securities held by NEC, and (iv) impact of any regulatory action or legal proceeding against NEC. Any forward-looking statements speak only as of the date on which they are made. New risks and uncertainties come up from time to time, and it is impossible for NEC to predict these events or how they may affect NEC. NEC does not undertake any obligation to update or revise any of the forward-looking statements, whether as a result of new information, future events, or otherwise.

The management targets included in this material are not projections, and do not represent management’s current estimates of future performance. Rather, they represent targets that management will strive to achieve through the successful implementation of NEC’s business strategies.

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