Index

I. Financial Results for Q1, FY16/3
II. Financial Forecasts for FY16/3

Financial Results for Q1, FY16/3 (Appendix)
Financial Forecasts for FY16/3 (Appendix)
Reference (Financial data)

* Net income/loss (actual or forecast) for fiscal year ending March 31, 2016 refers to profit/loss attributable to owners of the parent for the same period.
I. Financial Results for Q1, FY16/3
## Summary of Financial Results for Q1

Net loss was better than expected, flat year on year

<table>
<thead>
<tr>
<th>(Billions of Yen)</th>
<th>Q1 &lt;April to June&gt;</th>
<th>FY15/3 Actual</th>
<th>FY16/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>598.7</td>
<td>586.6</td>
<td>-2.0%</td>
<td></td>
</tr>
<tr>
<td>Operating Loss</td>
<td>-7.1</td>
<td>-10.1</td>
<td>-3.0%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>-1.2%</td>
<td>-1.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary Loss</td>
<td>-10.0</td>
<td>-7.7</td>
<td>+2.3%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>-1.7%</td>
<td>-1.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Loss</td>
<td>-10.1</td>
<td>-10.0</td>
<td>+0.1%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>-1.7%</td>
<td>-1.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free Cash Flows</td>
<td>53.3</td>
<td>80.9</td>
<td>+27.6%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(Billions of Yen)</th>
<th>Q1 &lt;April to June&gt;</th>
<th>FY15/3 Actual</th>
<th>FY16/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>146.4</td>
<td>145.5</td>
<td>-0.6%</td>
<td></td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>1.6</td>
<td>-0.5</td>
<td>-2.1%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>1.1%</td>
<td>-0.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise</td>
<td>54.4</td>
<td>68.3</td>
<td>+25.5%</td>
<td></td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>-1.8</td>
<td>2.8</td>
<td>+4.6%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>-3.3%</td>
<td>4.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>151.0</td>
<td>142.6</td>
<td>-5.6%</td>
<td></td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>4.3</td>
<td>-3.3</td>
<td>-7.6%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>2.9%</td>
<td>-2.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>System Platform</td>
<td>166.9</td>
<td>160.2</td>
<td>-4.0%</td>
<td></td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>2.5</td>
<td>4.9</td>
<td>+2.3%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>1.5%</td>
<td>3.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>80.0</td>
<td>70.1</td>
<td>-12.4%</td>
<td></td>
</tr>
<tr>
<td>Operating Loss</td>
<td>-4.9</td>
<td>-7.0</td>
<td>-2.1%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>-6.1%</td>
<td>-9.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment</td>
<td>-8.9</td>
<td>-6.9</td>
<td>+1.9%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>598.7</td>
<td>586.6</td>
<td>-2.0%</td>
<td></td>
</tr>
<tr>
<td>Operating Loss</td>
<td>-7.1</td>
<td>-10.1</td>
<td>-3.0%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>-1.2%</td>
<td>-1.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Average exchange rates for Q1 of FY16/3 $1 = ¥120.23 €1 = ¥131.42
The order trend for IT investment in services and hardware in Japan has improved.

- IT services in Japan have taken an upturn from Q4, FY15/3, particularly in the public, retail and services areas.
- PC servers have improved for four consecutive months since March, 2015.
Public Business

Sales

- **FY14/3 Q1**: 126.6
- **FY15/3 Q1**: 146.4
- **FY16/3 Q1**: 145.5

*Sales for local governments performed well due to higher demand for My Number projects.*

*Sales for central government decreased due to an impact from large projects in the last fiscal year.*

Operating Loss

- **FY14/3 Q1**: 0.4
- **FY15/3 Q1**: 1.6
- **FY16/3 Q1**: -0.5

*Decreased due to a sales decrease and an increase in costs to reinforce operations.*
Enterprise Business

**Q1 Results**

<table>
<thead>
<tr>
<th></th>
<th>FY14/3 Q1</th>
<th>FY15/3 Q1</th>
<th>FY16/3 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>58.7</td>
<td>54.4</td>
<td>68.3</td>
</tr>
<tr>
<td>(Billions of Yen)</td>
<td>+17.4%</td>
<td>-7.4%</td>
<td>+25.5%</td>
</tr>
<tr>
<td>Operating Income/</td>
<td>-2.4</td>
<td>-3.3%</td>
<td>2.8</td>
</tr>
<tr>
<td>Loss</td>
<td>-4.1%</td>
<td>-3.3%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Operating Income Ratio</td>
<td>-7.4%</td>
<td>-3.3%</td>
<td>-1.8%</td>
</tr>
</tbody>
</table>

**Sales** 68.3 (+25.5%)
- Increased due to large projects in manufacturing, as well as retail and services

**Operating Income** 2.8 (+4.6)
- Improved due to a sales increase and higher profitability in system construction services
Sales

- Decreased in Japan
- International sales increased in submarine cable systems among others

Operating Loss

- Decreased due to a sales decrease and an increase in the SDN-related investment costs

* SDN: Software-Defined Networking
### System Platform Business

#### Q1 Results

<table>
<thead>
<tr>
<th></th>
<th>FY14/3 Q1</th>
<th>FY15/3 Q1</th>
<th>FY16/3 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>157.7</td>
<td>166.9</td>
<td>160.2</td>
</tr>
<tr>
<td><strong>Operating Income/Loss</strong></td>
<td>-3.3%</td>
<td>+5.9%</td>
<td>-4.0%</td>
</tr>
<tr>
<td><strong>Operating Income Ratio</strong></td>
<td>-6.6</td>
<td>2.5</td>
<td>4.9</td>
</tr>
</tbody>
</table>

**Billions of Yen (YoY)**

- **Sales**: 160.2 (-4.0%)
  - Decreased due to a decrease in business PCs while servers saw solid performance

- **Operating Income**: 4.9 (+2.3)
  - Improved due to higher profitability, mainly in hardware, despite a sales decrease
### Sales 70.1 (-12.4%)
- Decreased due to deconsolidation of logistics business and a decrease in the mobile handsets business

### Operating Loss -7.0 (-2.1)
- Decreased due to a sales decrease
Net Loss Change (Year on Year)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY15/3 Q1</th>
<th>FY16/3 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecom Carrier</td>
<td>-7.6</td>
<td>-7.6</td>
</tr>
<tr>
<td>Public</td>
<td>-2.1</td>
<td>-2.1</td>
</tr>
<tr>
<td>Others</td>
<td>-2.1</td>
<td>-2.2</td>
</tr>
<tr>
<td>Adjustment</td>
<td>+1.9</td>
<td></td>
</tr>
<tr>
<td>System Platform</td>
<td>+2.3</td>
<td></td>
</tr>
<tr>
<td>Enterprise</td>
<td>+4.6</td>
<td></td>
</tr>
<tr>
<td>Foreign exchange gain/Loss</td>
<td>+3.8</td>
<td></td>
</tr>
<tr>
<td>Retirement benefit expenses</td>
<td></td>
<td>+2.8</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-2.9</td>
<td></td>
</tr>
<tr>
<td>Business structure improvement expenses</td>
<td>+0.4</td>
<td></td>
</tr>
</tbody>
</table>
Notable Actions and Achievements

Focus on Solutions for Society and expanding SDN and other global/growth areas

- **SDN**
  - Collaborated with Swisscom AG to jointly invest in Cloud Transformation and SDN/NFV Excellence Program
  - Collaborated with Portugal Telecom to test CPE virtualization for residential markets
  - Participated in SDN/NFV trials at KDD R&D Labs
  - Collaborated with HP to advance adoption of NFV for telecom carriers

- **Big Data**
  - Provided Sumitomo Mitsui Banking with system that automatically analyzes customer feedback

- **Cloud**
  - Provided communication platform for Tokai University using cloud services

- **Energy**
  - Reached an agreement to deploy a grid energy storage system for the U.S.A.’s largest independent electric power provider.
  - Completed the installation of a 2.4MW, 3.9MWh grid energy storage system for a large electric company in CA, U.S.A.

* NFV : Network Functions Virtualization
II. Financial Forecasts for FY16/3
**Summary of Financial Forecasts for FY16/3**

Increase sales and profits, achieve 65.0 billion yen in net income

### (Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>FY15/3 Actual</th>
<th>FY16/3 Forecasts</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>2,935.5</td>
<td>3,100.0</td>
<td>+ 5.6%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>128.1</td>
<td>135.0</td>
<td>+ 6.9%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>4.4%</td>
<td>4.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td>112.1</td>
<td>120.0</td>
<td>+ 7.9%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>3.8%</td>
<td>3.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>57.3</td>
<td>65.0</td>
<td>+ 7.7%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>2.0%</td>
<td>2.1%</td>
<td></td>
</tr>
<tr>
<td><strong>Free Cash Flows</strong></td>
<td>40.4</td>
<td>80.0</td>
<td>+ 39.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY15/3 Actual</th>
<th>FY16/3 Forecasts</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>821.9</td>
<td>865.0</td>
<td>+ 5.2%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>74.8</td>
<td>86.0</td>
<td>+ 11.2%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>9.1%</td>
<td>9.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Enterprise</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>270.5</td>
<td>290.0</td>
<td>+ 7.2%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>8.3</td>
<td>11.0</td>
<td>+ 2.7%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>3.1%</td>
<td>3.8%</td>
<td></td>
</tr>
<tr>
<td><strong>Telecom Carrier</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>740.2</td>
<td>780.0</td>
<td>+ 5.4%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>62.0</td>
<td>64.0</td>
<td>+ 2.0%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>8.4%</td>
<td>8.2%</td>
<td></td>
</tr>
<tr>
<td><strong>System Platform</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>728.9</td>
<td>760.0</td>
<td>+ 4.3%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>31.4</td>
<td>33.0</td>
<td>+ 1.6%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>4.3%</td>
<td>4.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>374.1</td>
<td>405.0</td>
<td>+ 8.2%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>4.0</td>
<td>4.0</td>
<td>0.0</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>1.1%</td>
<td>1.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Adjustment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Loss</td>
<td>- 52.4</td>
<td>- 63.0</td>
<td>- 10.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>2,935.5</td>
<td>3,100.0</td>
<td>+ 5.6%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>128.1</td>
<td>135.0</td>
<td>+ 6.9%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>4.4%</td>
<td>4.4%</td>
<td></td>
</tr>
</tbody>
</table>

**Note1:** Assumed exchange rates for FY16/3 $1=¥115, €1=¥130

**Note2:** FY15/3 1H net sales of 1,324.8 billion yen, operating income of 21.5 billion yen

*Forecasts as of July 30, 2015*
Public Business

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (Billions of Yen)</th>
<th>Operating Income (Billions of Yen)</th>
<th>Operating Income Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14/3</td>
<td>738.4 (+8.5%)</td>
<td>58.6 (7.9%)</td>
<td></td>
</tr>
<tr>
<td>FY15/3</td>
<td>821.9 (+11.3%)</td>
<td>74.8 (9.1%)</td>
<td></td>
</tr>
<tr>
<td>FY16/3</td>
<td>865.0 (+5.2%)</td>
<td>86.0 (9.9%)</td>
<td></td>
</tr>
</tbody>
</table>

**Forecasts FY16/3**

- **Sales**: 865.0 (+5.2%)
  - Increase in the government and public areas

- **Operating Income**: 86.0 (+11.2%)
  - Improve due to sales increase, cost reduction and a decrease in loss making projects

**Note**: FY15/3 1H net sales of 344.5 billion yen, operating income of 21.9 billion yen

*Forecasts as of July 30, 2015*
Enterprise Business

**Forecasts FY16/3**

**Sales**
- **290.0** (YoY +7.2%)
  - Increase in manufacturing, retail and service industries

**Operating Income**
- **11.0** (YoY +2.7%)
  - Improve due to sales increase and better profitability

---

<table>
<thead>
<tr>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3 Forecasts*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>272.3</td>
<td>270.5</td>
</tr>
<tr>
<td>Operating Income</td>
<td>6.5</td>
<td>8.3</td>
</tr>
<tr>
<td>Operating Income Ratio</td>
<td>2.4%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

*Forecasts as of July 30, 2015

Note: FY15/3 1H net sales of 126.7 billion yen, operating income of 2.3 billion yen
Telecom Carrier Business

Sales

- Japan: Slightly decrease
- International: Increase in mobile backhaul, TOMS and submarine cable systems

Operating Income

- Improve due to sales increase mainly in international businesses

*TOMS: Telecom Operations and Management Solutions

Note: FY15/3 1H net sales of 332.5 billion yen, operating income of 16.6 billion yen

*Forecasts as of July 30, 2015
System Platform Business

Sales

<table>
<thead>
<tr>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3 Forecasts*</th>
</tr>
</thead>
<tbody>
<tr>
<td>780.8</td>
<td>728.9</td>
<td>760.0</td>
</tr>
</tbody>
</table>

Operating Income

<table>
<thead>
<tr>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3 Forecasts*</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.7</td>
<td>31.4</td>
<td>33.0</td>
</tr>
</tbody>
</table>

Operating Income Ratio

<table>
<thead>
<tr>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3 Forecasts*</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.9%</td>
<td>4.3%</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

Billions of Yen (YoY)

- **Sales** 760.0 (+4.3%)
  - Increase in solution platform including servers, network and software

- **Operating Income** 33.0 (+1.6)
  - Improve due to sales increase and cost reduction

Note: FY15/3 1H net sales of 345.4 billion yen, operating income of 8.7 billion yen

* Forecasts as of July 30, 2015
Forecasts FY16/3

Sales 405.0 (+8.2%)
- Increase in energy business while sales for mobile handsets decrease

Operating Income 4.0 (+/-0.0)
- Remain flat with a profitability improvement in energy business offsetting one-time, patents-related income for FY15/3

Note: FY15/3 1H sales of 175.8 billion yen, operating loss of 2.7 billion yen

* Forecasts as of July 30, 2015
Net Income Change (Year on Year)

Operating income: +6.9
Non-operating income: +1.0
Others: -0.2

FY15/3 57.3

FY16/3 Forecast* 65.0

*Benchmark as of July 30, 2015

Increase in profits/loss attributable to the non-controlling interests and improvement in extraordinary income/loss

Decrease in retirement benefit expenses (+10.4), and decrease in equity in earnings of affiliates and foreign exchange gains

Public: +11.2
Enterprise: +2.7
Telecom Carrier: +2.0
System Platform: +1.6
Adjustment: -10.6

| FY16/3 Forecast* | 65.0 |

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Orchestrating a brighter world

NEC
NEC aims to achieve full-year forecasts for a fourth consecutive year and intends to increase its dividend.

We strive for growth in the final year of our three-year Midterm Management Plan 2015.

* Forecasts as of July 30, 2015
Orchestrating a brighter world
Financial Results for Q1, FY16/3 (Appendix)
### Results for Q1 by Segment (three-year transition)

#### Net Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY14/3 Q1</th>
<th>FY15/3 Q1</th>
<th>FY16/3 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>126.6</td>
<td>146.4</td>
<td>145.5</td>
</tr>
<tr>
<td>Enterprise</td>
<td>58.7</td>
<td>54.4</td>
<td>68.3</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>154.0</td>
<td>151.0</td>
<td>142.6</td>
</tr>
<tr>
<td>System Platform</td>
<td>157.7</td>
<td>166.9</td>
<td>160.2</td>
</tr>
<tr>
<td>Others</td>
<td>143.1</td>
<td>80.0</td>
<td>70.1</td>
</tr>
</tbody>
</table>

#### Operating Income/Loss

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY14/3 Q1</th>
<th>FY15/3 Q1</th>
<th>FY16/3 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>0.4</td>
<td>1.6</td>
<td>-2.8</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>5.6</td>
<td>4.3</td>
<td>4.9</td>
</tr>
<tr>
<td>Enterprise</td>
<td>-2.4</td>
<td>-1.8</td>
<td>-0.5</td>
</tr>
<tr>
<td>System Platform</td>
<td>-6.6</td>
<td>-4.9</td>
<td>-3.3</td>
</tr>
<tr>
<td>Others</td>
<td>-9.9</td>
<td>-8.9</td>
<td>-6.9</td>
</tr>
<tr>
<td>Adjustment</td>
<td>-8.9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Billions of Yen)
Financial Results for Q1 by Segment

**Net Sales**
- Public: 25%
- System Platform: 27%
- Telecom Carrier: 24%
- Enterprise: 12%
- Others: 12%
- Sales for Q1 FY16/3: 586.6

**Operating Income/Loss**
- Public: -0.5
- Enterprise: 2.8
- Telecom Carrier: -3.3
- System Platform: 4.9
- Others: -7.0
- Operating Income/Loss for Q1, FY16/3: -10.1

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

Sales for local governments performed well due to higher demand for My Number projects while sales for central government decreased due to an impact from large projects in the last fiscal year.

Enterprise
+13.9

Public
-0.9

Telecom Carrier
-8.4

System Platform
-6.7

Others
-9.9

FY15/3 Q1
598.7

FY16/3 Q1
586.6

Decreased due to deconsolidation of logistics business and a decrease in the mobile handsets business.

Decreased due to a decrease in business PCs while servers saw solid performance.

Sales for local governments performed well due to large projects in manufacturing, as well as retail and services.

Increased due to large projects in manufacturing, as well as retail and services.

Decreased in Japan, and international sales increased in submarine cable systems among others.

Decreased in Japan, and international sales increased in submarine cable systems among others.
Operating Loss Change (Year on Year)

FY15/3 Q1
-7.1

Public
-2.1

Enterprise
+4.6

Telecom Carrier
-7.6

System Platform
+2.3

Others
-2.1

Adjustment
+1.9

FY16/3 Q1
-10.1

Improved due to a sales increase and higher profitability in system construction services

Decreased due to a sales decrease and an increase in the SDN-related investment costs

Improved due to higher profitability, mainly in hardware, despite a sales decrease

Decreased due to a sales decrease

Decreased in personnel expenses in back-office

Improved due to a sales decrease and an increase in costs to reinforce operations

Operating Loss Change (Year on Year)

(Billions of Yen)

Decreased due to a sales decrease and an increase in costs to reinforce operations

Operating Loss Change (Year on Year)

(Billions of Yen)

Improved due to a sales increase and higher profitability in system construction services

Decreased due to a sales decrease and an increase in the SDN-related investment costs

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Decreased due to a sales decrease

Decreased in personnel expenses in back-office

Operating Loss Change (Year on Year)

(Billions of Yen)

Improved due to a sales increase and higher profitability in system construction services

Decreased due to a sales decrease and an increase in the SDN-related investment costs

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Decreased due to a sales decrease

Decreased in personnel expenses in back-office

Operating Loss Change (Year on Year)

(Billions of Yen)

Improved due to a sales increase and higher profitability in system construction services

Decreased due to a sales decrease and an increase in the SDN-related investment costs

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Decreased in personnel expenses in back-office

Operating Loss Change (Year on Year)

(Billions of Yen)

Improved due to a sales increase and higher profitability in system construction services

Decreased due to a sales decrease and an increase in the SDN-related investment costs

Improved due to higher profitability, mainly in hardware, despite a sales decrease

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Decreased in personnel expenses in back-office

Operating Loss Change (Year on Year)

(Billions of Yen)

Improved due to a sales increase and higher profitability in system construction services

Decreased due to a sales decrease and an increase in the SDN-related investment costs

Improved due to higher profitability, mainly in hardware, despite a sales decrease

Decreased due to a sales decrease

Decreased in personnel expenses in back-office
International Sales

Sales by Region

(Billions of Yen)

International Sales Ratio
18.9% 20.9% 23.1%

The Americas

Greater China, APAC

EMEA

International Sales

sales for Q1 FY16/3 586.6

Japan 76.9%

Greater China, APAC 9.7%
EMEA 4.5%
The Americas 8.9%

*Sales are classified by country or region based on customer locations.

Sales are classified by country or region based on customer locations.

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Orchestrating a brighter world

NEC
### Financial Position Data

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>2,620.7</td>
<td>2,448.4</td>
<td>- 172.2</td>
<td>2,378.1</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>884.2</td>
<td>873.6</td>
<td>- 10.6</td>
<td>726.5</td>
</tr>
<tr>
<td><strong>Interest-bearing debt</strong></td>
<td>520.8</td>
<td>492.3</td>
<td>- 28.5</td>
<td>554.1</td>
</tr>
<tr>
<td><strong>Shareholders' equity</strong></td>
<td>823.7 (31.4%)</td>
<td>814.2 (33.3%)</td>
<td>- 9.5 (1.9pt)</td>
<td>657.3 (27.6%)</td>
</tr>
<tr>
<td><strong>Equity ratio (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>D/E ratio (times)</strong></td>
<td>0.63</td>
<td>0.60</td>
<td>+ 0.03pt</td>
<td>0.84</td>
</tr>
<tr>
<td><strong>Net D/E ratio (times)</strong></td>
<td>0.41</td>
<td>0.33</td>
<td>+ 0.08pt</td>
<td>0.50</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>181.1</td>
<td>221.2</td>
<td>+ 40.0</td>
<td>226.4</td>
</tr>
</tbody>
</table>
<Ref.> Balance Sheets (At the end of June, 2015)

Current Assets
1,400.8

Noncurrent Assets
1,047.6

Total Assets
2,448.4
(-172.2 compared to end of March, 2015)

Liabilities
1,574.8

Net Assets
873.6

(Billions of Yen)

Decrease in trade notes and accounts payable-trade, and accrued expenses

Dividends paid, and net loss attributable to owners of the parent for the period

Collection of accounts receivable-trade

-176.0

+3.8

-161.6

-10.6

Compared to end of March 2015
Free Cash Flows

(Q1 Results)

(Billions of Yen)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Free Cash Flows</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14/3 Q1</td>
<td>41.9</td>
</tr>
<tr>
<td>FY15/3 Q1</td>
<td>53.3</td>
</tr>
<tr>
<td>FY16/3 Q1</td>
<td>80.9</td>
</tr>
</tbody>
</table>

- **Improvement in operating income/loss**
- **Improvement in working capital**
- **Increase in investment in business acquisition**
- **Decrease in investment in business acquisition**

**Cash Flows from Operating Activities**
- FY14/3 Q1: 41.9 (Billions of Yen)
- FY15/3 Q1: 79.6 (Billions of Yen)
- FY16/3 Q1: 92.5 (Billions of Yen)

**Cash Flows from Investing Activities**
- FY14/3 Q1: -0.9 (Billions of Yen)
- FY15/3 Q1: -26.2 (Billions of Yen)
- FY16/3 Q1: -11.6 (Billions of Yen)

**Free Cash Flows**
- FY14/3 Q1: 41.0 (Billions of Yen)
- FY15/3 Q1: 53.3 (Billions of Yen)
- FY16/3 Q1: 80.9 (Billions of Yen)
Financial Forecasts for FY16/3 (Appendix)
### Financial Forecasts by Segment (three-year transition)

#### Net Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3 Forecast*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>738.4</td>
<td>821.9</td>
<td>865.0</td>
</tr>
<tr>
<td>Enterprise</td>
<td>272.3</td>
<td>270.5</td>
<td>290.0</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>725.8</td>
<td>740.2</td>
<td>780.0</td>
</tr>
<tr>
<td>System Platform</td>
<td>780.8</td>
<td>728.9</td>
<td>760.0</td>
</tr>
<tr>
<td>Others</td>
<td>525.9</td>
<td>374.1</td>
<td>405.0</td>
</tr>
</tbody>
</table>

#### Operating Income/Loss

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3 Forecast*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>58.6</td>
<td>74.8</td>
<td>86.0</td>
</tr>
<tr>
<td>Enterprise</td>
<td>6.5</td>
<td>8.3</td>
<td>11.0</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>60.3</td>
<td>62.0</td>
<td>64.0</td>
</tr>
<tr>
<td>System Platform</td>
<td>30.7</td>
<td>31.4</td>
<td>33.0</td>
</tr>
<tr>
<td>Others Adjustment</td>
<td>-1.4</td>
<td>-52.4</td>
<td>-63.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Forecasts as of July 30, 2015*
Financial Forecasts for FY16/3 by Segment

**Net Sales**

- **Public** 28%
- **Enterprise** 9%
- **Telecom Carrier** 25%
- **System Platform** 25%
- **Others** 13%

**Sales Forecast for FY16/3** 3,100.0 (Billions of Yen)

**Operating Income**

- **Public** 86.0
- **Telecom Carrier** 64.0
- **System Platform** 33.0
- **Enterprise** 11.0
- **Others** 4.0

*Forecasts as of July 30, 2015*
Sales Change (Year on Year)

- Public: +43.1
- Enterprise: +39.9
- Telecom Carrier: +31.1
- System Platform: +30.9
- Others: +30.9

** Forecast as of July 30, 2015

- Increase in solution platform (servers, network and software)
- Increase in energy business while mobile handset business decreases
- Increase in manufacturing, retail and services
- A slight decrease in sales in Japan
- Increase in MBH, TOMS, and submarine cable systems in international markets

FY15/3: 2,935.5
FY16/3 Forecast**: 3,100.0

* MBH: Mobile Backhaul * Toms: Telecom Operations and Management Solutions

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Operating Income Change (Year on Year)

**Public**
- Improve due to sales increase in the international business
- +11.2

**Enterprise**
- Improve due to sales increase and better profitability
- +2.7

**Telecom Carrier**
- Improve due to sales increase, cost efficiency and a decrease in loss making projects
- +2.0

**System Platform**
- Remain flat with a profitability improvement in energy business offsetting one-time, patents-related income in FY15/3
- +1.6

**Others**
- Improve due to a sales increase and more cost efficiency
- +/-0

**Adjustment**
- -10.6

**FY15/3**
- 128.1

**FY16/3 Forecast**
- 135.0

* Forecast as of July 30, 2015

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

**Forecasts FY16/3**

(Billions of Yen)

### Capital Expenditure

<table>
<thead>
<tr>
<th></th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3 Forecast**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>16.0</td>
<td>16.1</td>
<td>16.1</td>
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<tr>
<td>Enterprise</td>
<td>1.8</td>
<td>0.3</td>
<td>0.6</td>
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<tr>
<td>Telecom</td>
<td>6.8</td>
<td>5.9</td>
<td>7.6</td>
</tr>
<tr>
<td>Carrier</td>
<td>5.3</td>
<td>7.6</td>
<td>9.0</td>
</tr>
<tr>
<td>System</td>
<td>10.8</td>
<td>7.5</td>
<td>11.5</td>
</tr>
<tr>
<td>Platform</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Not including acquisition of trust beneficiary rights

### Depreciation

<table>
<thead>
<tr>
<th></th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3 Forecast**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platform</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>54.0</td>
<td>52.6</td>
<td></td>
</tr>
<tr>
<td>Carrier</td>
<td>16.1</td>
<td>18.0</td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>142.7</td>
<td>134.2</td>
<td>145.0</td>
</tr>
</tbody>
</table>

**Forecasts as of July 30, 2015**

### R&D Expenses

<table>
<thead>
<tr>
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<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3 Forecast**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others</td>
<td>32.0</td>
<td>22.5</td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>40.1</td>
<td>39.8</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>54.0</td>
<td>52.6</td>
<td></td>
</tr>
<tr>
<td>Carrier</td>
<td>16.1</td>
<td>18.0</td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>142.7</td>
<td>134.2</td>
<td>145.0</td>
</tr>
</tbody>
</table>

* Not including acquisition of trust beneficiary rights

4.7% 4.6% 4.7%
Reference (Financial data)
Net Sales, Operating Income/Loss

- Net Sales
  - Q1 <Apr-Jun>: 640.1 (YoY +1.4%)
  - Q2 <Jul-Sep>: 743.0 (YoY -9.0%)
  - Q3 <Oct-Dec>: 700.4 (YoY -3.0%)
  - Q4 <Jan-Mar>: 825.5 (YoY +6.4%)

- Operating Income/Loss
  - Q1 <Apr-Jun>: 22.2
  - Q2 <Jul-Sep>: 23.4
  - Q3 <Oct-Dec>: 82.5 (YoY -6.5%)
  - Q4 <Jan-Mar>: 28.6 (YoY -2.3%)

Operating Income Ratio
- FY14/3: 3.0%
- FY15/3: 3.3%
- FY16/3: 8.6%

YOY
- FY15/3 vs. FY14/3
  - Q1: -3.4%
  - Q2: 3.0%
  - Q3: 3.3%
  - Q4: 8.6%

- FY16/3 vs. FY15/3
  - Q1: -1.2%
  - Q2: 3.9%
  - Q3: 2.1%
  - Q4: 9.9%

(Billions of Yen)
International Sales

International Sales Ratio

18.9% 20.5% 19.7% 16.4% 20.9% 20.8% 21.1% 18.0% 23.1%

International Sales

120.8 152.3 138.2 157.8 125.3 151.1 142.6 167.8 135.6

(+24.0%) (+11.8%) (+14.1%) (+22.9%) (+3.7%) (-0.8%) (+3.2%) (+6.3%) (+8.2%)

FY14/3 FY15/3 FY16/3

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Sales, Operating Income/Loss (Public)

Operating Income Ratio

Q1 <Apr-Jun> Q2 <Jul-Sep> Q3 <Oct-Dec> Q4 <Jan-Mar>

FY14/3 FY15/3 FY16/3

Sales (Billions of Yen)

 FY14/3: 126.6 +10.1%
          176.7 +9.1%
          164.0 +9.9%
          146.4 +15.7%

 FY15/3: 164.0 +9.8%
          164.0 +9.8%
          271.0 +10.2%
          295.9 +12.5%

 FY16/3: 164.0 +10.7%
          164.0 +10.7%
          271.0 +1.1%
          295.9 -0.4%

Operating Income (Billions of Yen)

 FY14/3: 0.4 +14.2%
          14.2 +10.1%
          17.6 +10.7%
          18.1 +10.6%

 FY15/3: 14.2 +9.8%
          17.6 +9.8%
          26.5 +12.1%
          37.1 +9.2%

 FY16/3: 14.2 +9.8%
          17.6 +9.8%
          26.5 +12.1%
          37.1 +9.2%
Sales, Operating Income/Loss (Enterprise)

Operating Income Ratio

-4.1%  4.4%  7.4%  -0.3%  -3.3%  5.6%  0.9%  6.7%  4.1%

Sales

58.7  71.3  60.7  81.5  54.4  72.3  61.2  82.6  68.3

Operating Income/Loss

+17.4%  +3.7%  +2.8%  +10.7%  +1.3%  +0.8%  +1.3%  +25.5%

Year-Over-Year (YoY)

-2.4  3.1  6.0  -0.2  6.7%  4.1%  4.4%  7.4%  -0.3%  -3.3%  5.6%  0.9%  6.7%  4.1%

Q1 <Apr-Jun>  Q2 <Jul-Sep>  Q3 <Oct-Dec>  Q4 <Jan-Mar>  Q1 <Apr-Jun>  Q2 <Jul-Sep>  Q3 <Oct-Dec>  Q4 <Jan-Mar>  Q1 <Apr-Jun>

FY14/3  FY15/3  FY16/3
Sales, Operating Income (Telecom Carrier)

Operating Income Ratio

Sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales (Billions of Yen)</th>
<th>Operating Income (Billions of Yen)</th>
<th>Operating Income Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 &lt;Apr-Jun&gt;</td>
<td>154.0</td>
<td>5.6</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Q2 &lt;Jul-Sep&gt;</td>
<td>180.0</td>
<td>13.8</td>
<td>+3.8%</td>
</tr>
<tr>
<td>Q3 &lt;Oct-Dec&gt;</td>
<td>172.7</td>
<td>12.4</td>
<td>+9.4%</td>
</tr>
<tr>
<td>Q4 &lt;Jan-Mar&gt;</td>
<td>219.0</td>
<td>28.5</td>
<td>+2.0%</td>
</tr>
<tr>
<td>Q1 &lt;Apr-Jun&gt;</td>
<td>151.0</td>
<td>12.3</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Q2 &lt;Jul-Sep&gt;</td>
<td>181.5</td>
<td>4.3</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Q3 &lt;Oct-Dec&gt;</td>
<td>170.8</td>
<td>8.8</td>
<td>+8.2%</td>
</tr>
<tr>
<td>Q4 &lt;Jan-Mar&gt;</td>
<td>236.9</td>
<td>36.6</td>
<td>+5.6%</td>
</tr>
<tr>
<td>Q1 &lt;Apr-Jun&gt;</td>
<td>142.6</td>
<td>-3.3</td>
<td>-5.6%</td>
</tr>
</tbody>
</table>

FY14/3 FY15/3 FY16/3

Operating Income Ratio YoY
Sales, Operating Income/Loss (System Platform)

Operating Income Ratio
- 4.2%

Sales
157.7
193.1
185.7
244.3
166.9
178.5
170.5
213.0
160.2

Operating Income/Loss
-3.3%
-5.4%
+11.0%
+16.4%
+5.9%
-7.5%
-8.2%
-12.8%
-4.0%

YoY
-6.6
8.4
8.0
20.9
2.5
6.2
4.4
18.3
4.9

Q1 <Apr-Jun> Q2 <Jul-Sep> Q3 <Oct-Dec> Q4 <Jan-Mar>
FY14/3 FY15/3 FY16/3
Sales, Operating Income/Loss (Others)

Sales

Operating Income Ratio

-6.9% -1.6% 0.7% 6.7% -6.1% 2.3% -3.4% 9.4% -9.9%

**(Billions of Yen)**

**YoY**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales</th>
<th>Operating Income/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 &lt;Apr-Jun&gt;</td>
<td>143.1</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Q2 &lt;Jul-Sep&gt;</td>
<td>121.8</td>
<td>-37.2%</td>
</tr>
<tr>
<td>Q3 &lt;Oct-Dec&gt;</td>
<td>117.3</td>
<td>-34.9%</td>
</tr>
<tr>
<td>Q4 &lt;Jan-Mar&gt;</td>
<td>143.7</td>
<td>-12.1%</td>
</tr>
<tr>
<td>Q1 &lt;Apr-Jun&gt;</td>
<td>80.0</td>
<td>-44.1%</td>
</tr>
<tr>
<td>Q2 &lt;Jul-Sep&gt;</td>
<td>95.8</td>
<td>-21.3%</td>
</tr>
<tr>
<td>Q3 &lt;Oct-Dec&gt;</td>
<td>93.3</td>
<td>-20.5%</td>
</tr>
<tr>
<td>Q4 &lt;Jan-Mar&gt;</td>
<td>105.1</td>
<td>-26.9%</td>
</tr>
<tr>
<td>Q1 &lt;Apr-Jun&gt;</td>
<td>70.1</td>
<td>-12.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>-9.9</td>
<td>-2.0</td>
<td>0.8</td>
</tr>
<tr>
<td>-4.9</td>
<td>2.2</td>
<td>-3.1</td>
</tr>
<tr>
<td>-7.0</td>
<td>9.9</td>
<td>-7.0</td>
</tr>
</tbody>
</table>

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- April 28: Full year earnings release
- June 22: Ordinary general Meeting of shareholders
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Note: The consolidated financial statements in this presentation have been prepared in conformity with the Japanese GAAP. In this presentation, the accounting periods of the fiscal years for March 31, 2014 and 15 were referred as FY14/3 and FY15/3 respectively. Any other fiscal years would be referred similarly.

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