Financial Results for Q3
Fiscal Year Ending March 31, 2016

January 28, 2016
NEC Corporation
(http://www.nec.com/en/global/ir)
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II. Financial Forecasts for FY16/3

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Reference (Financial data)

* Net income (actual or forecast) for fiscal year ending March 31, 2016 refers to profit attributable to owners of the parent for the same period
I. Financial Results for Q3, FY16/3
<table>
<thead>
<tr>
<th></th>
<th>Q3 &lt;October to December&gt;</th>
<th>9 months &lt;April to December&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY15/3 Actual</td>
<td>FY16/3 Actual</td>
</tr>
<tr>
<td>Net Sales</td>
<td>677.2</td>
<td>641.0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>14.1</td>
<td>4.9</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>2.1%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>19.7</td>
<td>3.8</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>2.9%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Net Income</td>
<td>10.3</td>
<td>0.1</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>1.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>-62.4</td>
<td>-58.4</td>
</tr>
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</table>

Note: Average Exchange rates

<table>
<thead>
<tr>
<th>USD 1</th>
<th>EUR 1</th>
</tr>
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<tbody>
<tr>
<td>110.42</td>
<td>140.08</td>
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<tr>
<td>120.96</td>
<td>133.82</td>
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<table>
<thead>
<tr>
<th>USD 1</th>
<th>EUR 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>104.97</td>
<td>139.65</td>
</tr>
<tr>
<td>121.53</td>
<td>134.14</td>
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</table>
## Q3 Results by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY15/3 Actual</th>
<th>FY16/3 Actual</th>
<th>YoY</th>
<th>FY15/3 Actual</th>
<th>FY16/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>181.4</td>
<td>161.0</td>
<td>-11.3%</td>
<td>525.9</td>
<td>495.6</td>
<td>-5.8%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>15.8</td>
<td>9.9</td>
<td>-6.0</td>
<td>37.7</td>
<td>22.4</td>
<td>-15.3</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>8.7%</td>
<td>6.1%</td>
<td></td>
<td>7.2%</td>
<td>4.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Enterprise</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>61.2</td>
<td>71.1</td>
<td>+16.2%</td>
<td>187.9</td>
<td>217.7</td>
<td>+15.9%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>0.5</td>
<td>3.6</td>
<td>+3.1</td>
<td>2.8</td>
<td>12.6</td>
<td>+9.8</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>0.9%</td>
<td>5.1%</td>
<td></td>
<td>1.5%</td>
<td>5.8%</td>
<td></td>
</tr>
<tr>
<td><strong>Telecom Carrier</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>170.8</td>
<td>159.2</td>
<td>-6.8%</td>
<td>503.3</td>
<td>486.7</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>8.8</td>
<td>6.1</td>
<td>-2.6</td>
<td>25.4</td>
<td>16.4</td>
<td>-9.0</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>5.1%</td>
<td>3.9%</td>
<td></td>
<td>5.0%</td>
<td>3.4%</td>
<td></td>
</tr>
<tr>
<td><strong>System Platform</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>170.5</td>
<td>170.9</td>
<td>+0.3%</td>
<td>515.9</td>
<td>518.7</td>
<td>+0.6%</td>
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<tr>
<td>Operating Income</td>
<td>4.4</td>
<td>2.4</td>
<td>-2.0</td>
<td>13.1</td>
<td>13.1</td>
<td>+0.0</td>
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<tr>
<td>% to Net Sales</td>
<td>2.6%</td>
<td>1.4%</td>
<td></td>
<td>2.5%</td>
<td>2.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>93.3</td>
<td>78.7</td>
<td>-15.6%</td>
<td>269.1</td>
<td>230.3</td>
<td>-14.4%</td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>-3.1</td>
<td>-6.9</td>
<td>-3.7</td>
<td>-5.9</td>
<td>-11.2</td>
<td>-5.4</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>-3.4%</td>
<td>-8.7%</td>
<td></td>
<td>-2.2%</td>
<td>-4.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Adjustment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>-12.3</td>
<td>-10.3</td>
<td>+2.0</td>
<td>-37.5</td>
<td>-35.1</td>
<td>+2.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>677.2</td>
<td>641.0</td>
<td>-5.4%</td>
<td>2,002.0</td>
<td>1,949.1</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>14.1</td>
<td>4.9</td>
<td>-9.2</td>
<td>35.6</td>
<td>18.3</td>
<td>-17.4</td>
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<tr>
<td>% to Net Sales</td>
<td>2.1%</td>
<td>0.8%</td>
<td></td>
<td>1.8%</td>
<td>0.9%</td>
<td></td>
</tr>
</tbody>
</table>
Business Environment

The order trend for IT investment in services and hardware in Japan remains strong.

IT services in Japan show stable growth from Q4, FY15/3, particularly in the retail and services areas, as well as public areas.
Upward revision of targets for orders and sales for FY16/3

Booked orders of 26B Yen, sales of 15B Yen for 9 months, showing stable performance

**My Number Related Orders/Sales**

- **FY15/3** Orders: 25.0
- **FY15/3** Sales: 10.0
- **FY16/3** Orders: 15.0
- **FY16/3** Sales: 30.0

*(Billions of Yen)*

- **FY16/3** Orders (Forecast*): 26.0
- **FY16/3** Sales (Forecast*): 15.0
- **FY16/3** Orders (Forecast**): 35.0
- **FY16/3** Sales (Forecast**): 37.0

*Forecasts as of April 28, 2015

**Forecasts as of January 28, 2016

My Number Related Business Update

- Upward revision of targets for orders and sales for FY16/3
- Booked orders of 26B Yen, sales of 15B Yen for 9 months, showing stable performance

*Forecasts as of April 28, 2015

**Forecasts as of January 28, 2016
Public Business

(Billions of Yen)

**Sales** 161.0 (-11.3%)
- Sales for central government decreased due to decline in large projects in the last fiscal year

**Operating Income** 9.9 (-6.0)
- Decreased due to a sales decline
Enterprise Business

Sales 71.1 (+16.2%) • Increased due to large projects in retail and services, as well as manufacturing

Operating Income 3.6 (+3.1) • Improved due to a sales increase and higher profitability in system construction services
Telecom Carrier Business

<table>
<thead>
<tr>
<th></th>
<th>FY14/3 Q3</th>
<th>FY15/3 Q3</th>
<th>FY16/3 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (Billions of Yen)</td>
<td>172.7</td>
<td>170.8</td>
<td>159.2</td>
</tr>
<tr>
<td>YoY increase/decrease</td>
<td>+3.8%</td>
<td>-1.1%</td>
<td>-6.8%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>12.4</td>
<td>8.8</td>
<td>6.1</td>
</tr>
<tr>
<td>YoY increase/decrease</td>
<td>7.2%</td>
<td>5.1%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Operating Income Ratio</td>
<td>7%</td>
<td>5.1%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

Sales 159.2 (-6.8%)
- Decreased in Japan
- International sales increased in submarine cable systems

Operating Income 6.1 (-2.6)
- Decreased due to a sales decline
### Sales

- **185.7** ➔ **170.5** ➔ **170.9** (YoY: +0.3%)

- Increased slightly due to solid performance of hardware

### Operating Income

- **8.0** ➔ **4.4** ➔ **2.4** (YoY: -2.0)

- Decreased due to project lineup changes
Sales 78.7 (-15.6%)
- Decreased due to deconsolidation of logistics business, a decrease in the energy business and mobile handsets business

Operating Income/Loss -6.9 (-3.7)
- Worsened due to a sales decline in energy business
Variance from Q3 Forecasts by Segment

Enterprise remains strong, while Public and Telecom Carrier missed forecast

Sales
- Public -20.0
- Telecom Carrier -10.0
- Others -10.0
- Energy business
- Social infrastructure area

Operating Income/Loss
- Public -7.0
- Telecom Carrier -3.0
- Others -5.0
- Enterprise +3.0
- Adjustment +2.0

Improved due to a sales increase and higher profitability
Decreased as demand in Japan pushed forward to Q4 and a decline in MBH
Decreased due to a sales decline
Decreased due to a sales decline
Decreased due to a sales decline
Improved due to cost reduction

*MBH: Mobile Backhaul equipment

*Variance from Q3 forecasts as of October 29, 2015
Operating Income
-9.2

Non-operating Income/Loss
-6.7

Foreign exchange gains/losses
-7.3
Equity in earnings of affiliates
-2.6
Retirement benefit expenses
+2.8

Gain on sales of investment securities
+3.8
Income taxes
+1.7

Public
-6.0
Others
-3.7
Telecom Carrier
-2.6
System Platform
-2.0
Adjustment
+2.0
Enterprise
+3.1

Net Income Change (Year on Year)

Public
-6.0
Others
-3.7
Telecom Carrier
-2.6
System Platform
-2.0
Adjustment
+2.0
Enterprise
+3.1

Foreign exchange gains/losses
-7.3
Equity in earnings of affiliates
-2.6
Retirement benefit expenses
+2.8

Gain on sales of investment securities
+3.8
Income taxes
+1.7

 FY15/3 Q3 10.3

 FY16/3 Q3 0.1
II. Financial Forecasts for FY16/3
## Summary of Financial Forecasts for FY16/3

### (Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>Full Year FY15/3</th>
<th>Full Year FY16/3</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Forecasts</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>
<tr>
<td>Ordinary Income</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>Net Income</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>Free Cash Flows</td>
<td>40.4</td>
<td>80.0</td>
<td>+ 39.6%</td>
</tr>
</tbody>
</table>

### (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>Public</td>
<td>Net Sales</td>
<td>821.9</td>
<td>865.0</td>
</tr>
<tr>
<td></td>
<td>Operating Income</td>
<td>74.8</td>
<td>86.0</td>
</tr>
<tr>
<td></td>
<td>% to Net Sales</td>
<td>9.1%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Enterprise</td>
<td>Net Sales</td>
<td>270.5</td>
<td>290.0</td>
</tr>
<tr>
<td></td>
<td>Operating Income</td>
<td>8.3</td>
<td>11.0</td>
</tr>
<tr>
<td></td>
<td>% to Net Sales</td>
<td>3.1%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>Net Sales</td>
<td>740.2</td>
<td>780.0</td>
</tr>
<tr>
<td></td>
<td>Operating Income</td>
<td>62.0</td>
<td>64.0</td>
</tr>
<tr>
<td></td>
<td>% to Net Sales</td>
<td>8.4%</td>
<td>8.2%</td>
</tr>
<tr>
<td>System Platform</td>
<td>Net Sales</td>
<td>728.9</td>
<td>760.0</td>
</tr>
<tr>
<td></td>
<td>Operating Income</td>
<td>31.4</td>
<td>33.0</td>
</tr>
<tr>
<td></td>
<td>% to Net Sales</td>
<td>4.3%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Others</td>
<td>Net Sales</td>
<td>374.1</td>
<td>405.0</td>
</tr>
<tr>
<td></td>
<td>Operating Income</td>
<td>4.0</td>
<td>4.0</td>
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<tr>
<td></td>
<td>% to Net Sales</td>
<td>1.1%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Adjustment</td>
<td>Operating Income/Loss</td>
<td>-52.4</td>
<td>-63.0</td>
</tr>
<tr>
<td>Total</td>
<td>Net Sales</td>
<td>2,935.5</td>
<td>3,100.0</td>
</tr>
<tr>
<td></td>
<td>Operating Income</td>
<td>128.1</td>
<td>135.0</td>
</tr>
<tr>
<td></td>
<td>% to Net Sales</td>
<td>4.4%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

Note: Assumed exchange rates for Q4 16/3  $1=¥115, €1=¥130

*Forecasts as of January 28, 2016 (no difference from forecasts as of October 29, 2015)*
Public Business

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

**sales** 865.0 (+5.2%)
- Increase mainly in the public areas

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

*Forecasts as of January 28, 2016
Enterprise Business

**Forecast FY16/3**

<table>
<thead>
<tr>
<th>(Billions of Yen)</th>
<th>Billions of Yen (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales 272.3</td>
<td>+8.2%</td>
</tr>
<tr>
<td>270.5</td>
<td>-0.7%</td>
</tr>
<tr>
<td>290.0</td>
<td>+7.2%</td>
</tr>
</tbody>
</table>

**Rationale:**
- **Sales**: Increase in manufacturing industries, as well as retail and service industries.
- **Operating Income**: Improve due to a sales increase and higher profitability in system construction services.

**Enterprise Business**

**Operating Income Ratio**

- FY14/3: 2.4%
- FY15/3: 3.1%
- FY16/3 Forecasts*: 3.8%

*Forecasts as of January 28, 2016
Telecom Carrier Business

**Sales**

- **FY14/3:** 725.8
- **FY15/3:** 740.2
- **FY16/3 Forecasts:** 780.0

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (Billions of Yen)</th>
<th>YoY</th>
<th>Operating Income (Billions of Yen)</th>
<th>YoY</th>
<th>Operating Income Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14/3</td>
<td>725.8</td>
<td>+2.3%</td>
<td>60.3</td>
<td>+8.3%</td>
<td>8.3%</td>
</tr>
<tr>
<td>FY15/3</td>
<td>740.2</td>
<td>+2.0%</td>
<td>62.0</td>
<td>+8.4%</td>
<td>8.4%</td>
</tr>
<tr>
<td>FY16/3 Forecasts*</td>
<td>780.0</td>
<td>+5.4%</td>
<td>64.0</td>
<td>+8.2%</td>
<td></td>
</tr>
</tbody>
</table>

**Forecasts FY16/3**

- **Sales** 780.0 (+5.4%)
  - Japan: Slightly decrease
  - International: Increase in submarine cable systems, mobile backhaul and TOMS

**Operating Income** 64.0 (+2.0)

- Improve due to sales increase mainly in international businesses

*TOMS: Telecom Operations & Management Solutions

*Forecasts as of January 28, 2016*
System Platform Business

**Forecasts FY16/3**

<table>
<thead>
<tr>
<th>(Billions of Yen)</th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3 Forecasts*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>780.8</td>
<td>728.9</td>
<td>760.0</td>
</tr>
<tr>
<td>+4.9%</td>
<td>-6.6%</td>
<td>+4.3%</td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>30.7</td>
<td>31.4</td>
<td>33.0</td>
</tr>
<tr>
<td>-6.6%</td>
<td>+4.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Income Ratio</td>
<td>3.9%</td>
<td>4.3%</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

**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

*Forecasts as of January 28, 2016*
Forecasts FY16/3

Sales 405.0 (+8.2%)
- International sales increase while mobile handsets sales decrease

Operating Income 4.0 (+/-0.0)
- Remain flat with improvements through sales increase and cost reduction, offsetting one-time patents-related income for FY15/3

*Forecasts as of January 28, 2016
Net Income Change (Year on Year)

- Operating Income: +6.9
- Non-operating Income/Loss: +1.0
- Others: -0.2

- Decrease in retirement benefit expenses (+10.4), and decrease in foreign exchange gains
- Decrease in profit/loss attributable to non-controlling interests and improvement in extraordinary income/loss

FY15/3
- Public: +11.2
- Enterprise: +2.7
- Telecom Carrier: +2.0
- System Platform: +1.6
- Adjustment: -10.6

Forecast FY16/3
- Forecast as of January 28, 2016

(Billions of Yen)
Sales from focus areas* grew 1.2x in 9 months YoY - now consists of nearly 15% of total sales, up from 10% last year -

**SDN**
- Expanding the number of verification tests for global carriers
- Deployed SDN-based common station network across all 36 stations in the Yamanote train line area in greater Tokyo

**Cloud**
- AOKI Inc. renewed a large-scale core system

**Safety/Cyber Security**
- Launched Cyber Security Factory in Singapore

* Focus areas also include TOMS and Safety business

** SDN: Software-Defined Networking
NEC aims to achieve full-year forecasts for a fourth consecutive year and intends to increase its dividend.

We demonstrate the NEC Group’s capability to make solid contributions to society in the final year of our three-year Mid-term Management Plan 2015.

*Forecasts as of January 28, 2016*
Orchestrating a brighter world

NEC brings together and integrates technology and expertise to create the ICT-enabled society of tomorrow.

We collaborate closely with partners and customers around the world, orchestrating each project to ensure all its parts are fine-tuned to local needs.

Every day, our innovative solutions for society contribute to greater safety, security, efficiency and equality, and enable people to live brighter lives.
Financial Results for Q3, FY16/3 (Appendix)
Results for Q3 by Segment (three-year transition)

Net Sales

<table>
<thead>
<tr>
<th></th>
<th>FY14/3 Q3</th>
<th>FY15/3 Q3</th>
<th>FY16/3 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>164.0</td>
<td>181.4</td>
<td>161.0</td>
</tr>
<tr>
<td>Enterprise</td>
<td>60.7</td>
<td>61.2</td>
<td>71.1</td>
</tr>
<tr>
<td>Telecomm Carrier</td>
<td>172.7</td>
<td>170.8</td>
<td>159.2</td>
</tr>
<tr>
<td>System Platform</td>
<td>185.7</td>
<td>170.5</td>
<td>170.9</td>
</tr>
<tr>
<td>Others</td>
<td>117.3</td>
<td>93.3</td>
<td>78.7</td>
</tr>
</tbody>
</table>

Operating Income/Loss

<table>
<thead>
<tr>
<th></th>
<th>FY14/3 Q3</th>
<th>FY15/3 Q3</th>
<th>FY16/3 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others</td>
<td>-0.2</td>
<td>-15.2</td>
<td>-12.3</td>
</tr>
<tr>
<td>Public</td>
<td>17.6</td>
<td>12.4</td>
<td>15.8</td>
</tr>
<tr>
<td>Enterprise</td>
<td>4.9</td>
<td>0.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>8.0</td>
<td>8.8</td>
<td>6.1</td>
</tr>
<tr>
<td>System Platform Others</td>
<td>4.4</td>
<td>-3.1</td>
<td>2.4</td>
</tr>
</tbody>
</table>

(Billions of Yen)
Financial Results for Q3 by Segment

Net Sales

- Public: 25%
- Telecom Carrier: 25%
- Enterprise: 11%
- System Platform: 27%
- Others: 12%

Sales for Q3 FY16/3 641.0

Operating Income/Loss

- Public: 9.9
- Telecom Carrier: 6.1
- System Platform: 2.4
- Enterprise: 3.6
- Others: -6.9

Operating Income for Q3, FY16/3 4.9

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

<table>
<thead>
<tr>
<th>Category</th>
<th>FY15/3 Q3 677.2</th>
<th>FY16/3 Q3 641.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>-20.4</td>
<td></td>
</tr>
<tr>
<td>Enterprise</td>
<td>+9.9</td>
<td></td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>-11.6</td>
<td></td>
</tr>
<tr>
<td>System Platform</td>
<td>+0.5</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-14.6</td>
<td></td>
</tr>
</tbody>
</table>

- **Public** decreased by 20.4% due to deconsolidation of logistics business, a decrease in the energy business and the mobile handsets business.
- **Enterprise** increased by 9.9% due to solid performance of hardware.
- **Telecom Carrier** decreased by 11.6%.
- **System Platform** increased by 0.5%.
- **Others** decreased by 14.6%.

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

Decreased in Japan, while international sales increased in submarine cable systems.

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

Sales for central government decreased due to decline in large projects in the last fiscal year.

Increased due to large projects in manufacturing, as well as retail and services.
Operating Income Change (Year on Year)

Enterprise: +3.1
Telecom Carrier: -2.6
System Platform: -2.0
Others: -3.7
Adjustment: +2.0

FY15/3 Q3: 14.1
FY16/3 Q3: 4.9

Improved due to a sales increase and higher profitability in system construction services
Decreased due to a sales decline
Decreased due to project lineup changes
Worsened due to a sales decline in energy business
Improved due to cost reductions

Decreased due to a sales decline
Decreased due to a sales decline
Improved due to cost reductions

(Billions of Yen)
International Sales

Sales by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>FY14/3 Q3</th>
<th>FY15/3 Q3</th>
<th>FY16/3 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Americas</td>
<td>50.3</td>
<td>52.4</td>
<td>49.2</td>
</tr>
<tr>
<td>Greater China, APAC</td>
<td>54.5</td>
<td>56.2</td>
<td>62.9</td>
</tr>
<tr>
<td>EMEA</td>
<td>33.4</td>
<td>34.0</td>
<td>36.5</td>
</tr>
</tbody>
</table>

International Sales Ratio

- FY14/3 Q3: 19.7%
- FY15/3 Q3: 21.1%
- FY16/3 Q3: 23.2%

Sales for Q3 FY16/3: 641.0 Billion Yen

Japan: 76.8%

Greater China, APAC: 9.8%

The Americas: 7.7%

EMEA: 5.7%

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

(Billions of Yen)
Free Cash Flows

Cash flows from operating activities
Cash flows from investing activities
Free cash flows

(FBillions of Yen)

Q3 Results
(3 months)

FY14/3 Q3
FY15/3 Q3
FY16/3 Q3

-80.0
-60.0
-40.0
-20.0
0.0

0.8
10.8
-10.0

-62.4
-61.1
-1.2

-58.4
-54.9
-3.5

-80.0
-60.0
-40.0
-20.0
0.0
20.0
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>2,620.7</td>
<td>2,497.4</td>
<td>- 123.2</td>
<td>2,534.9</td>
</tr>
<tr>
<td>Net assets</td>
<td>884.2</td>
<td>867.7</td>
<td>- 16.5</td>
<td>783.0</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>520.8</td>
<td>574.2</td>
<td>+ 53.4</td>
<td>636.4</td>
</tr>
<tr>
<td>Shareholders' equity</td>
<td>823.7</td>
<td>807.2</td>
<td>- 16.4</td>
<td>722.0</td>
</tr>
<tr>
<td>Equity ratio (%)</td>
<td>31.4%</td>
<td>32.3%</td>
<td>+ 0.9pt</td>
<td>28.5%</td>
</tr>
<tr>
<td>D/E ratio (times)</td>
<td>0.63</td>
<td>0.71</td>
<td>-0.08pt</td>
<td>0.88</td>
</tr>
<tr>
<td>Net D/E ratio (times)</td>
<td>0.41</td>
<td>0.50</td>
<td>-0.09pt</td>
<td>0.63</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>181.1</td>
<td>171.7</td>
<td>- 9.4</td>
<td>180.5</td>
</tr>
</tbody>
</table>
Current Assets
1,472.4

Noncurrent Assets
1,025.0

Total Assets
2,497.4
(-123.2 compared to end of March 2015)

Liabilities
1,629.7

Net Assets
867.7

Collection of accounts receivable-trade
-104.3

Decrease in trade notes and accounts payable-trade, and accrued expenses
-106.7

Dividends paid, and a decrease in foreign currency translation adjustments
-18.9
-16.5

Compared to end of March 2015
### Results for 9 months by Segment (three-year transition)

#### Net Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY14/3 &lt;Apr-Dec&gt;</th>
<th>FY15/3 &lt;Apr-Dec&gt;</th>
<th>FY16/3 &lt;Apr-Dec&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>467.3</td>
<td>525.9</td>
<td>495.6</td>
</tr>
<tr>
<td>Enterprise</td>
<td>190.8</td>
<td>187.9</td>
<td>217.7</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>506.7</td>
<td>503.3</td>
<td>486.7</td>
</tr>
<tr>
<td>System Platform</td>
<td>536.4</td>
<td>515.9</td>
<td>518.7</td>
</tr>
<tr>
<td>Others</td>
<td>382.2</td>
<td>269.1</td>
<td>230.3</td>
</tr>
</tbody>
</table>

#### Operating Income/Loss

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY14/3 &lt;Apr-Dec&gt;</th>
<th>FY15/3 &lt;Apr-Dec&gt;</th>
<th>FY16/3 &lt;Apr-Dec&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>32.1</td>
<td>0.5</td>
<td>37.7</td>
</tr>
<tr>
<td>Enterprise</td>
<td>0.5</td>
<td>2.8</td>
<td>12.6</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>31.8</td>
<td>25.4</td>
<td>16.4</td>
</tr>
<tr>
<td>System Platform</td>
<td>9.8</td>
<td>13.1</td>
<td>13.1</td>
</tr>
<tr>
<td>Others</td>
<td>-11.0</td>
<td>-5.9</td>
<td>-11.2</td>
</tr>
<tr>
<td>Adjustment</td>
<td>-39.5</td>
<td>-37.5</td>
<td>-35.1</td>
</tr>
</tbody>
</table>

(Billions of Yen)
Financial Results for 9 months by Segment

**Operating Income/Loss**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Operating Income/Loss (Billions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>Public 22.4</td>
</tr>
<tr>
<td>Enterprise</td>
<td>Enterprise 12.6</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>Telecom Carrier 16.4</td>
</tr>
<tr>
<td>System Platform</td>
<td>System Platform 13.1</td>
</tr>
<tr>
<td>Others</td>
<td>Others -11.2</td>
</tr>
</tbody>
</table>

**Net Sales**

- System Platform: 27% (Sales for 9 months, FY16/3: 1,949.1)
- Public: 25%
- Enterprise: 11%
- Telecom Carrier: 25%
- Others: 12%

**Q3 Results (9 months)**

- Operating Income for 9 months, FY16/3: 18.3
**Sales Change (Year on Year)**

**FY15/3 9 months<Apr-Dec> 2,002.0**

- **Public** -30.3
- **Enterprise** +29.9
- **Telecom Carrier** -16.6
- **System Platform** +2.9
- **Others** -38.8

**FY16/3 9 months<Apr-Dec> 1,949.1**

- **Increased due to large projects in retail and services, as well as manufacturing**
- **Increased due to solid performance of hardware**
- **Decreased due to deconsolidation of logistics business, a decrease in the energy business and the mobile handsets business**

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

Sales for central government decreased due to decline in large projects in the last fiscal year.

Decreased in Japan, while international sales increased in submarine cable systems and TOMS.

Q3 Results (9 months)

(Billions of Yen)
Operating Income Change (Year on Year)

(Q3 Results (9 months))

(Billions of Yen)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY15/3 9 months &lt;Apr-Dec&gt;</th>
<th>FY16/3 9 months &lt;Apr-Dec&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>-15.3</td>
<td>18.3</td>
</tr>
<tr>
<td>Enterprise</td>
<td>+9.8</td>
<td></td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>-9.0</td>
<td></td>
</tr>
<tr>
<td>System Platform</td>
<td>+0.0</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-5.4</td>
<td></td>
</tr>
<tr>
<td>Adjustment</td>
<td>+2.4</td>
<td></td>
</tr>
</tbody>
</table>

**Operating Income Change (Year on Year):**

- **Improved due to a sales increase and higher profitability in system construction services**
- **Decreased due to a sales decline**
- **Worsened due to a sales decline in energy business**

**Decreased due to a sales decline, increase in costs to reinforce operations**

**Improved due to cost reductions**

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

**Decreased due to a sales decline,**

**Improved due to**

**Decreased due to a sales decline,**

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

**Decreased due to a sales decline,**

**Improved due to cost reductions**

**Decreased due to a sales decline,**

**Improved due to a sales increase and higher profitability in system construction services**
Net Income Change (Year on Year)

Operating income
-17.4

Non-operating income/loss
-3.8

Public
Telecom Carrier
Others
System Platform
Adjustment
Enterprise
-15.3
-9.0
-5.4
+0.0
+2.4
+9.8

Foreign exchange gains/losses
-9.5

Retirement benefit expenses
+8.5

Profit/Loss attributable to non-controlling interests
-7.1

Business structure improvement expenses
+2.9

Gain on sales of investment securities
+2.7

Others
-1.3

FY15/3 9 months <Apr-Dec> 22.8

FY16/3 9 months <Apr-Dec> 0.3

(Q3 Results (3 months) (Billions of Yen))
International Sales

Sales by Region (Billions of Yen)

- **Greater China, APAC**: 9.9%
- **EMEA**: 5.2%
- **The Americas**: 7.8%
- **Japan**: 77.1%

Sales for 9 months, FY16/3: 1,949.1

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

International Sales Ratio:
- FY14/3 <Apr-Dec>: 19.7%
- FY15/3 <Apr-Dec>: 20.9%
- FY16/3 <Apr-Dec>: 22.9%

Sales by Region:
- **The Americas**:
  - FY14/3 <Apr-Dec>: 152.5
  - FY15/3 <Apr-Dec>: 149.4
  - FY16/3 <Apr-Dec>: 152.7
- **Greater China, APAC**:
  - FY14/3 <Apr-Dec>: 167.0
  - FY15/3 <Apr-Dec>: 171.8
  - FY16/3 <Apr-Dec>: 192.1
- **EMEA**:
  - FY14/3 <Apr-Dec>: 91.9
  - FY15/3 <Apr-Dec>: 97.9
  - FY16/3 <Apr-Dec>: 101.8

International Sales (Billions of Yen):
- FY14/3 <Apr-Dec>: 411.3
- FY15/3 <Apr-Dec>: 419.1
- FY16/3 < Apr-Dec>: 446.6

Q3 Results (9 months)
Free Cash Flows

Q3 Results
(9 months)

(Billions of Yen)

- Improvement in income/loss before income taxes
- Acquisition of trust beneficiary rights in the last fiscal year, etc.
- Improvement of working capital
- Decrease in cash outflows for M&A

FY14/3 <Apr-Dec>
-94.1

FY15/3 <Apr-Dec>
-75.7

FY16/3 <Apr-Dec>
-49.0

Cash flows from operating activities
Cash flows from investing activities
Free cash flows
Financial Forecasts for FY16/3 (Appendix)
### Financial Forecasts by Segment (three-year transition)

#### Net Sales (Billions of Yen)

<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 (Billions of Yen)

<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>8.3</td>
<td>11.0</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</td>
<td>-1.4</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Adjustment</td>
<td>-48.6</td>
<td>-52.4</td>
<td>-63.0</td>
</tr>
</tbody>
</table>

* Forecasts as of January 28, 2016
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 January 28, 2016*

© NEC Corporation 2016
Sales Change (Year on Year)

A slight decrease in sales in Japan
Increase in submarine cable systems, MBH and TOMS in international markets

Increase in retail and service, as well as manufacturing

Public
+43.1

Enterprise
+19.5

Telecom Carrier
+39.9

System Platform
+31.1

Others
+30.9

International sales increase while mobile handsets sales decrease

Increase in solution platform (servers, network and software)

FY15/3
2,935.5

FY16/3
3,100.0

Forecasts
FY16/3

*Forecast as of January 28, 2016
Operating Income Change (Year on Year)

Public
+11.2

Enterprise
+2.7

Telecom Carrier
+2.0

System Platform
+1.6

Others
+/-0.0

Adjustment
-10.6

Improve due to sales increase in the international business

Remain flat with improvements through sales increase and cost reduction, offsetting one-time patents-related income for FY15/3

Improve due to sales increase and higher profitability in system construction services

Improve due to a sales increase and more cost efficiency

Improve due to sales increase, cost efficiency and a decrease in loss making projects

Improve due to sales increase and more cost efficiency

Increase in costs

FY15/3
128.1

FY16/3
135.0

*Forecast as of January 28, 2016

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

Forecasts FY16/3

(Billions of Yen)

Capital Expenditure

<table>
<thead>
<tr>
<th>Category</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>20.0</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>6.8</td>
<td>0.3</td>
<td>9.0</td>
</tr>
<tr>
<td>System Platform</td>
<td>5.3</td>
<td>7.6</td>
<td>9.0</td>
</tr>
<tr>
<td>Others</td>
<td>*10.8</td>
<td>7.5</td>
<td>11.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>40.8</td>
<td>37.4</td>
<td>50.0</td>
</tr>
</tbody>
</table>

*Not including acquisition of trust beneficiary rights

Depreciation

<table>
<thead>
<tr>
<th>Category</th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3 Forecast**</th>
</tr>
</thead>
<tbody>
<tr>
<td>System</td>
<td>5.3</td>
<td>40.1</td>
<td>45.2</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>6.8</td>
<td>54.0</td>
<td>48.5</td>
</tr>
<tr>
<td>Public</td>
<td>16.0</td>
<td>4.7%</td>
<td>50.0</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>6.8</td>
<td>5.9</td>
<td>9.0</td>
</tr>
<tr>
<td>Enterprise</td>
<td>1.8</td>
<td>0.3</td>
<td>9.0</td>
</tr>
<tr>
<td>Others</td>
<td>**10.8</td>
<td>7.5</td>
<td>11.5</td>
</tr>
</tbody>
</table>

**Forecasts as of January 28, 2016

R&D Expenses

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

**Forecasts as of January 28, 2016

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Orchestrating a brighter world
Reference (Financial data)
Net Sales, Operating Income/Loss

(Billions of Yen)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net Sales</th>
<th>Operating Income/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 &lt;Apr-Jun&gt;</td>
<td>640.1</td>
<td>+1.4%</td>
</tr>
<tr>
<td>Q2 &lt;Jul-Sep&gt;</td>
<td>743.0</td>
<td>-9.0%</td>
</tr>
<tr>
<td>Q3 &lt;Oct-Dec&gt;</td>
<td>700.4</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Q4 &lt;Jan-Mar&gt;</td>
<td>959.6</td>
<td>+6.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net Sales</th>
<th>Operating Income/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 &lt;Apr-Jun&gt;</td>
<td>598.7</td>
<td>-6.5%</td>
</tr>
<tr>
<td>Q2 &lt;Jul-Sep&gt;</td>
<td>726.1</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Q3 &lt;Oct-Dec&gt;</td>
<td>677.2</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Q4 &lt;Jan-Mar&gt;</td>
<td>933.5</td>
<td>-1.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net Sales</th>
<th>Operating Income/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 &lt;Apr-Jun&gt;</td>
<td>586.6</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Q2 &lt;Jul-Sep&gt;</td>
<td>721.5</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Q3 &lt;Oct-Dec&gt;</td>
<td>641.0</td>
<td>-5.4%</td>
</tr>
</tbody>
</table>

-21.8% to -10.1%
International Sales

International Sales Ratio

Q1 <Apr-Jun>  Q2 <Jul-Sep>  Q3 <Oct-Dec>  Q4 <Jan-Mar>
18.9%  20.5%  19.7%  16.4%
20.9%  20.8%  21.1%  18.0%
20.9%  20.8%  21.1%  18.0%
23.1%  22.5%  23.2%  23.2%

International Sales

FY14/3  FY15/3  FY16/3
120.8  152.3  138.2  157.8  125.3  151.1  142.6  167.8  135.6  162.3  148.6
+24.0%  +11.8%  +14.1%  +22.9%  +12.3%  +3.7%  +0.8%  +3.2%  +6.3%  +3.2%  +6.3%

YoY

+7.4%  +4.2%  +3.2%  +6.3%  +8.2%  +7.4%  +4.2%
Sales, Operating Income/Loss (Public)

(Billions of Yen)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>126.6</td>
<td>164.0</td>
<td>189.2</td>
</tr>
<tr>
<td>Q2</td>
<td>176.7</td>
<td>198.1</td>
<td>145.5</td>
</tr>
<tr>
<td>Q3</td>
<td>164.0</td>
<td>181.4</td>
<td>137.1</td>
</tr>
<tr>
<td>Q4</td>
<td>271.0</td>
<td>295.9</td>
<td>161.0</td>
</tr>
</tbody>
</table>

Sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>14.2</td>
<td>17.6</td>
<td>13.1</td>
</tr>
<tr>
<td>Q2</td>
<td>14.2</td>
<td>17.6</td>
<td>13.1</td>
</tr>
<tr>
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<td>14.2</td>
<td>17.6</td>
<td>13.1</td>
</tr>
<tr>
<td>Q4</td>
<td>14.2</td>
<td>17.6</td>
<td>13.1</td>
</tr>
</tbody>
</table>

Operating Income Ratio

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>0.3%</td>
<td>10.7%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Q2</td>
<td>8.0%</td>
<td>9.8%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Q3</td>
<td>10.2%</td>
<td>8.7%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Q4</td>
<td>1.1%</td>
<td>0.5%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

YoY

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>+10.1%</td>
<td>+9.1%</td>
<td>+9.9%</td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>+6.5%</td>
<td>+12.1%</td>
<td>-0.6%</td>
</tr>
</tbody>
</table>

Sales, Operating Income/Loss (Public)

(Billions of Yen)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3</th>
</tr>
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<tbody>
<tr>
<td>Q1</td>
<td>126.6</td>
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<td>176.7</td>
<td>198.1</td>
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<tr>
<td>Q3</td>
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<tr>
<td>Q4</td>
<td>271.0</td>
<td>295.9</td>
<td>161.0</td>
</tr>
</tbody>
</table>

Sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>14.2</td>
<td>17.6</td>
<td>13.1</td>
</tr>
<tr>
<td>Q2</td>
<td>14.2</td>
<td>17.6</td>
<td>13.1</td>
</tr>
<tr>
<td>Q3</td>
<td>14.2</td>
<td>17.6</td>
<td>13.1</td>
</tr>
<tr>
<td>Q4</td>
<td>14.2</td>
<td>17.6</td>
<td>13.1</td>
</tr>
</tbody>
</table>

Operating Income Ratio

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>0.3%</td>
<td>10.7%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Q2</td>
<td>8.0%</td>
<td>9.8%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Q3</td>
<td>10.2%</td>
<td>8.7%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Q4</td>
<td>1.1%</td>
<td>0.5%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

YoY

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY14/3</th>
<th>FY15/3</th>
<th>FY16/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>+10.1%</td>
<td>+9.1%</td>
<td>+9.9%</td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>+6.5%</td>
<td>+12.1%</td>
<td>-0.6%</td>
</tr>
</tbody>
</table>
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% 7.9% 5.1% YOY
(Billions of Yen)

Sales
58.7 71.3 60.7 81.5 72.3 82.6 68.3 78.4 71.1
+17.4% +3.7% +2.8% +10.7% +1.3% +1.3% +25.5% +8.4% +16.2%

Operating Income/Loss
-2.4 -0.2 -1.8 6.0 4.0 0.5 2.8 6.2 3.6
+7.4% +10.7% +1.3% -0.8% +1.3% +25.5% +8.4% +16.2%

Operational Income Ratio
4.1% 7.4% 6.7% 4.1% 5.1%

Sales, Operating Income/Loss (Enterprise)

(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> Q2 <Jul-Sep> Q3 <Oct-Dec>)
Sales, Operating Income/Loss (Telecom Carrier)

(Billions of Yen)

Sales

Operating Income Ratio

3.6%  7.7%  7.2%  13.0%  2.9%  6.8%  5.1%  15.4%  -2.3%  7.3%  3.9%

Sales

Operating Income/Loss

154.0  180.0  172.7  219.0  151.0  181.5  170.8  236.9  142.6  184.9  159.2

Operating Income/Loss

5.6  13.8  12.4  28.5  4.3  12.3  8.8  36.6  13.6  6.1  -3.3

YoY

-0.7%  -4.0%  +3.8%  +9.4%  -2.0%  +0.8%  -1.1%  +8.2%  -5.6%  +1.9%  -6.8%

YoY

-0.7%  -4.0%  +3.8%  +9.4%  -2.0%  +0.8%  -1.1%  +8.2%  -5.6%  +1.9%  -6.8%

Operating Income Ratio

FY14/3  FY15/3  FY16/3
Sales, Operating Income/Loss (Others)

(Billions of Yen)

Operating Income Ratio
-6.9%
-6.1%
-3.4%
-9.9%
-8.7%
-3.2%
-8.7%
-9.9%
-3.4%
-6.1%
-0.7%
6.7%
2.3%
9.4%
3.2%

Sales

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> Q2 <Jul-Sep> Q3 <Oct-Dec>

FY14/3 FY15/3 FY16/3

Sales

-9.9 -2.0 0.8 -4.9 -3.1 -7.0 -6.9

Operating Income/Loss

-3.5% -37.2% -12.1% 9.6 2.2 9.9 2.6 -15.6%

YoY

-3.5% -37.2% -12.1% -44.1% -21.3% -20.5% -26.9% -12.4% -14.9% -15.6%

Sales, Operating Income/Loss (Others)
Exchange Rate

Dollar/Yen Exchange Rate (Actual)
Dollar/Yen Assumed Exchange Rate
Dollar/Yen Average Exchange Rate

Euro/Yen Exchange Rate (Actual)
Euro/Yen Assumed Exchange Rate
Euro/Yen Average Exchange Rate

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NEC

The Nikkei Stock

NEC

April 28: Full Year Earnings Release

July 30: Q1 Earnings Release

October 29: Q2 Earnings Release

June 22: Ordinary General Meeting of Shareholders

September 29: Public Business Briefing

December 10: R&D Briefing

Stock Price
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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.