

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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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

Summary of Financial Results for Q3

Q3 Results
(3/9 months)

(Billions of Yen)

	Q3 <October to December>			9 months <April to December>		
	FY15/3 Actual	FY16/3 Actual	YoY	FY15/3 Actual	FY16/3 Actual	YoY
Net Sales	677.2	641.0	- 5.4%	2,002.0	1,949.1	- 2.6%
Operating Income	14.1	4.9	-9.2	35.6	18.3	-17.4
% to Net Sales	2.1%	0.8%		1.8%	0.9%	
Ordinary Income	19.7	3.8	-15.8	36.4	15.2	-21.1
% to Net Sales	2.9%	0.6%		1.8%	0.8%	
Net Income	10.3	0.1	-10.2	22.8	0.3	-22.4
% to Net Sales	1.5%	0.0%		1.1%	0.0%	

Free Cash Flow	-62.4	-58.4	+4.0	-75.7	-49.0	+26.7
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Note: Average Exchange rates	USD 1	110.42	120.96
	EUR 1	140.08	133.82

	104.97	121.53
	139.65	134.14

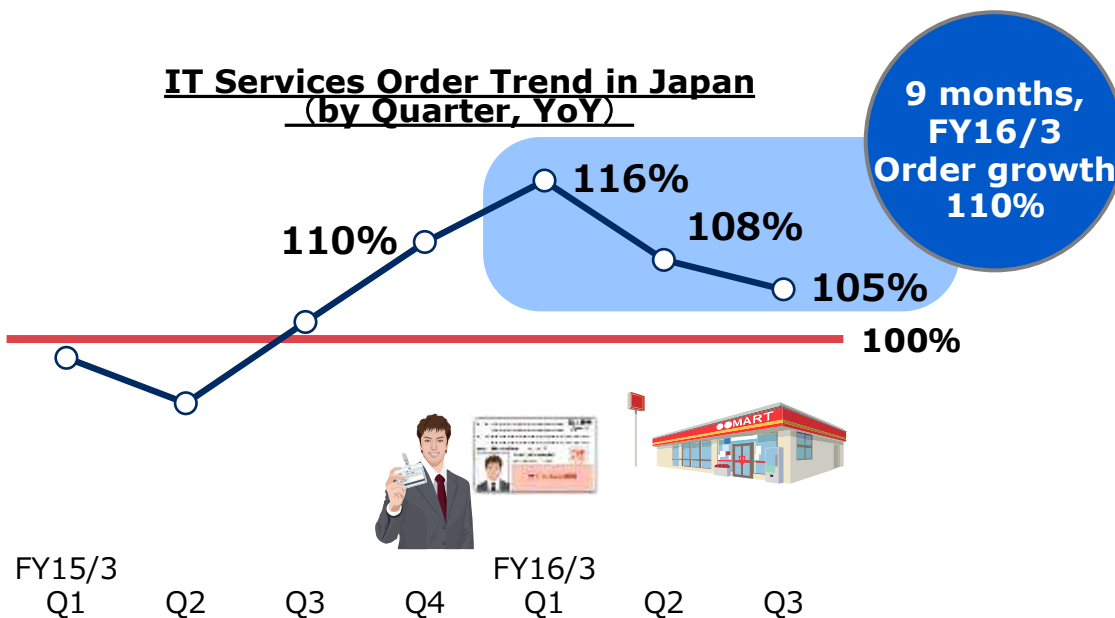
(Billions of Yen)

		Q3 <October to December>			9 months <April to December>		
		FY15/3 Actual	FY16/3 Actual	YoY	FY15/3 Actual	FY16/3 Actual	YoY
Public	Net Sales	181.4	161.0	-11.3%	525.9	495.6	-5.8%
	Operating Income	15.8	9.9	-6.0	37.7	22.4	-15.3
	% to Net Sales	8.7%	6.1%		7.2%	4.5%	
Enterprise	Net Sales	61.2	71.1	+16.2%	187.9	217.7	+15.9%
	Operating Income	0.5	3.6	+3.1	2.8	12.6	+9.8
	% to Net Sales	0.9%	5.1%		1.5%	5.8%	
Telecom Carrier	Net Sales	170.8	159.2	-6.8%	503.3	486.7	-3.3%
	Operating Income	8.8	6.1	-2.6	25.4	16.4	-9.0
	% to Net Sales	5.1%	3.9%		5.0%	3.4%	
System Platform	Net Sales	170.5	170.9	+0.3%	515.9	518.7	+0.6%
	Operating Income	4.4	2.4	-2.0	13.1	13.1	+0.0
	% to Net Sales	2.6%	1.4%		2.5%	2.5%	
Others	Net Sales	93.3	78.7	-15.6%	269.1	230.3	-14.4%
	Operating Income/Loss	-3.1	-6.9	-3.7	-5.9	-11.2	-5.4
	% to Net Sales	-3.4%	-8.7%		-2.2%	-4.9%	
Adjustment	Operating Income/Loss	-12.3	-10.3	+2.0	-37.5	-35.1	+2.4
Total	Net Sales	677.2	641.0	-5.4%	2,002.0	1,949.1	-2.6%
	Operating Income	14.1	4.9	-9.2	35.6	18.3	-17.4
	% to Net Sales	2.1%	0.8%		1.8%	0.9%	

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



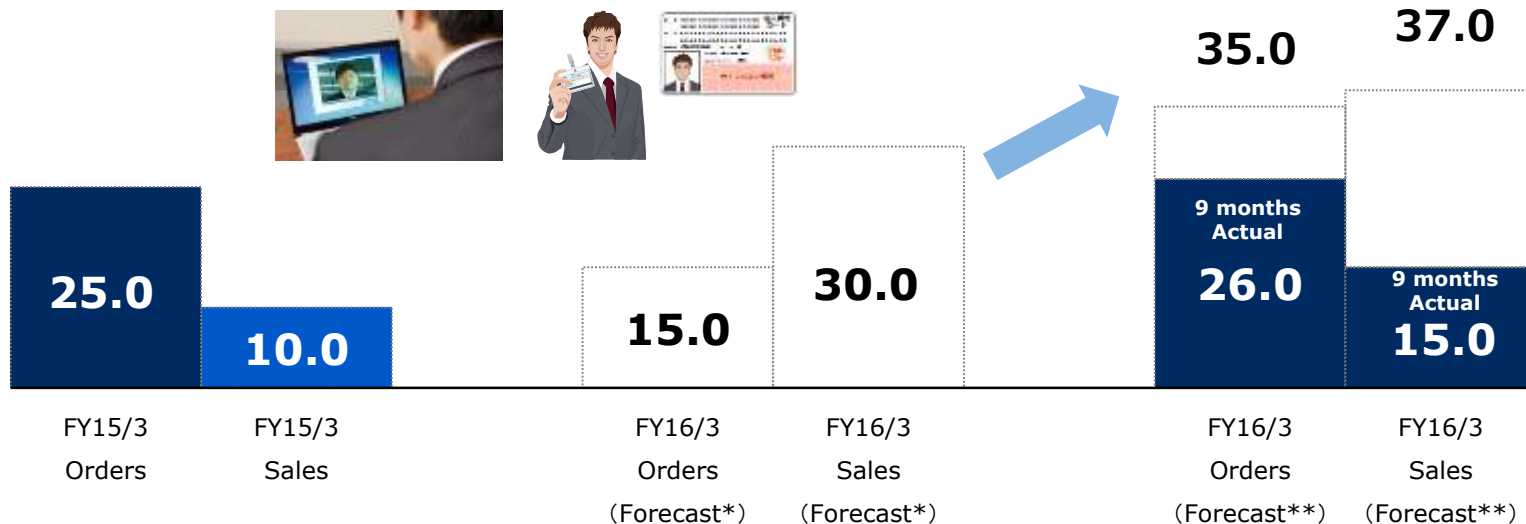
My Number Related Business Update

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

My Number Related Orders/Sales

(Billions of Yen)



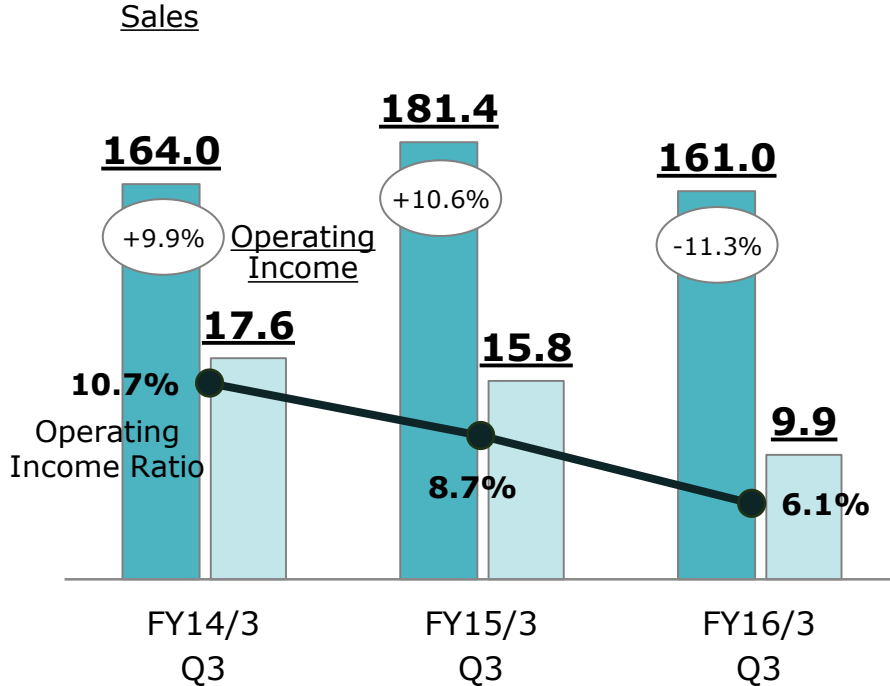
*Forecasts as of April 28, 2015

**Forecasts as of January 28, 2016



(Billions of Yen)

Billions of Yen (YoY)



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)

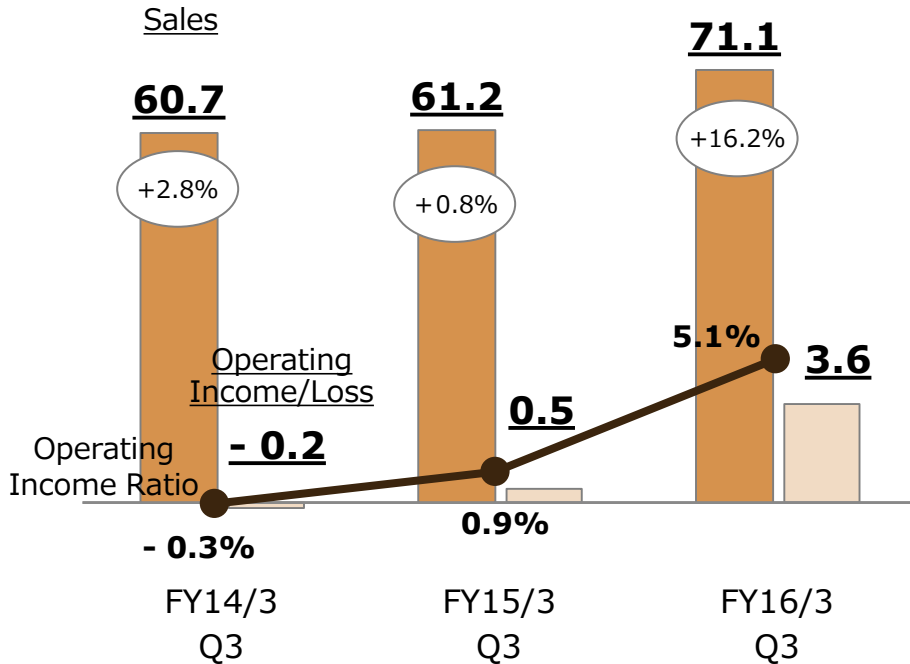
- Decreased due to a sales decline



(Billions of Yen)

Billions of Yen (YoY)

YoY



Sales 71.1 (+16.2%)

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

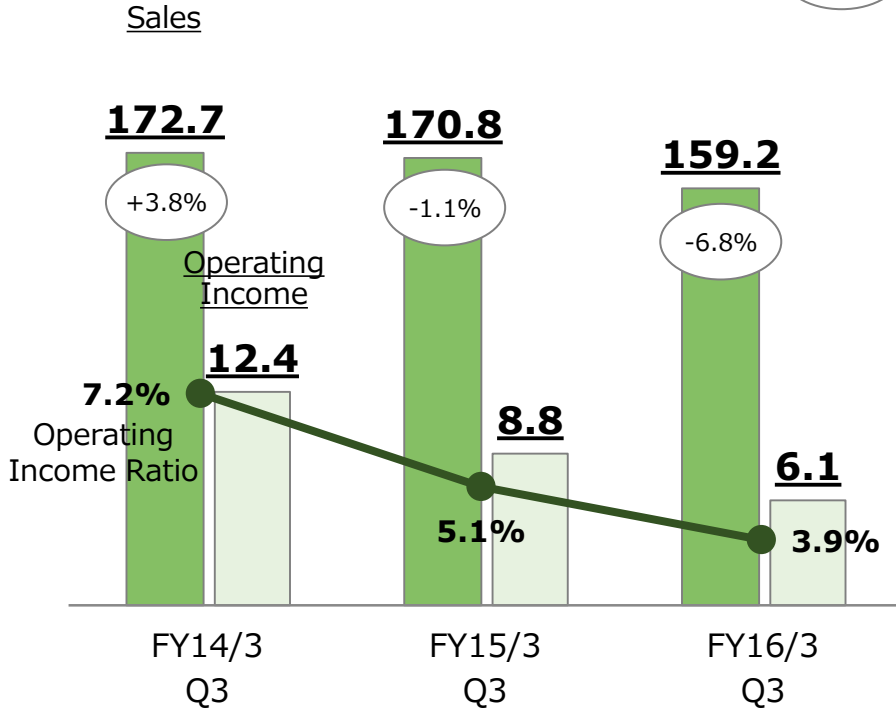
Operating Income 3.6 (+3.1)

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



(Billions of Yen)

Billions of Yen (YoY)



Sales 159.2 (-6.8%)

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

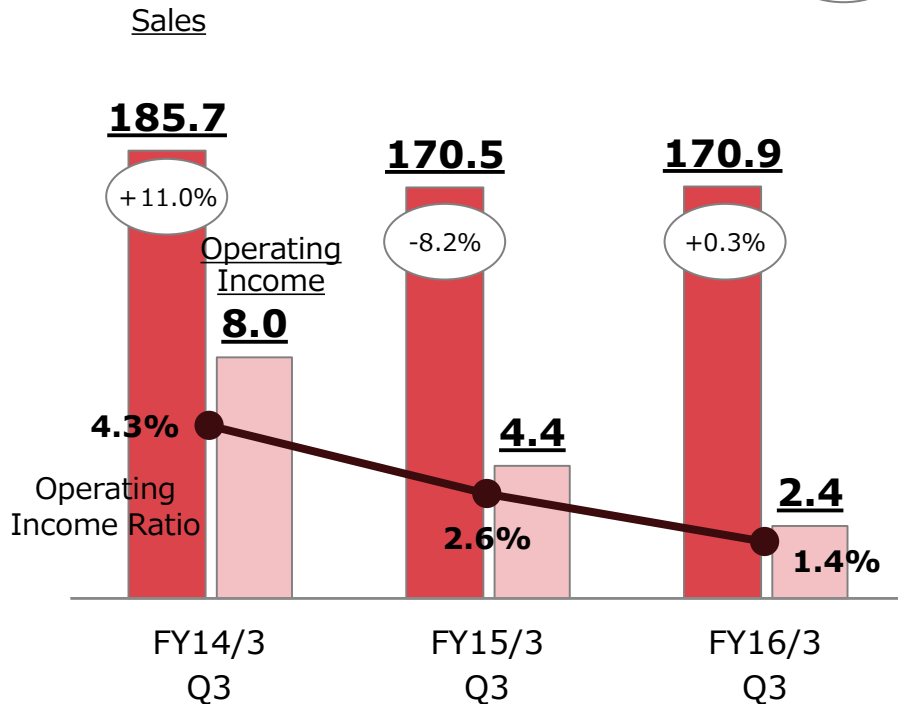
Operating Income 6.1 (-2.6)

- Decreased due to a sales decline



(Billions of Yen)

Billions of Yen (YoY)



Sales 170.9 (+0.3%)

- Increased slightly due to solid performance of hardware

Operating Income 2.4 (-2.0)

- Decreased due to project lineup changes



(Billions of Yen)

Billions of Yen (YoY)

YoY

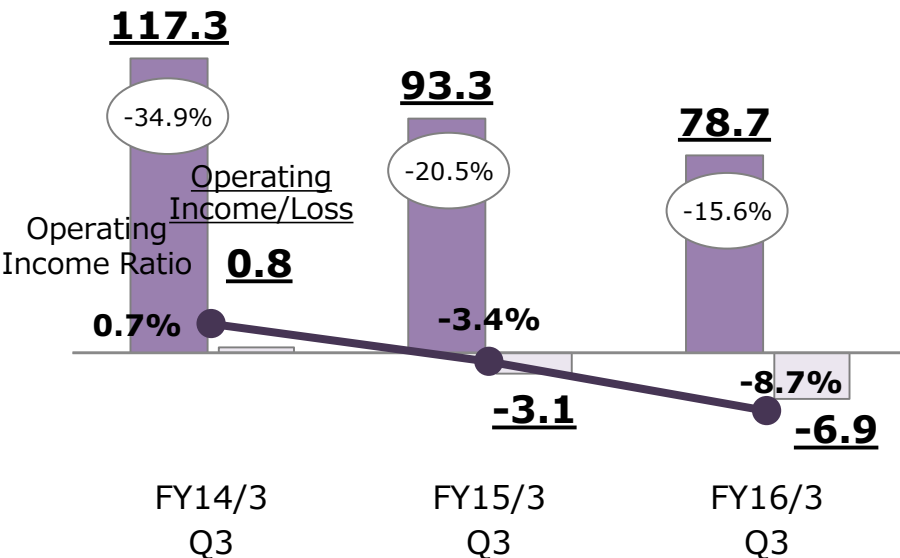
Sales

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)

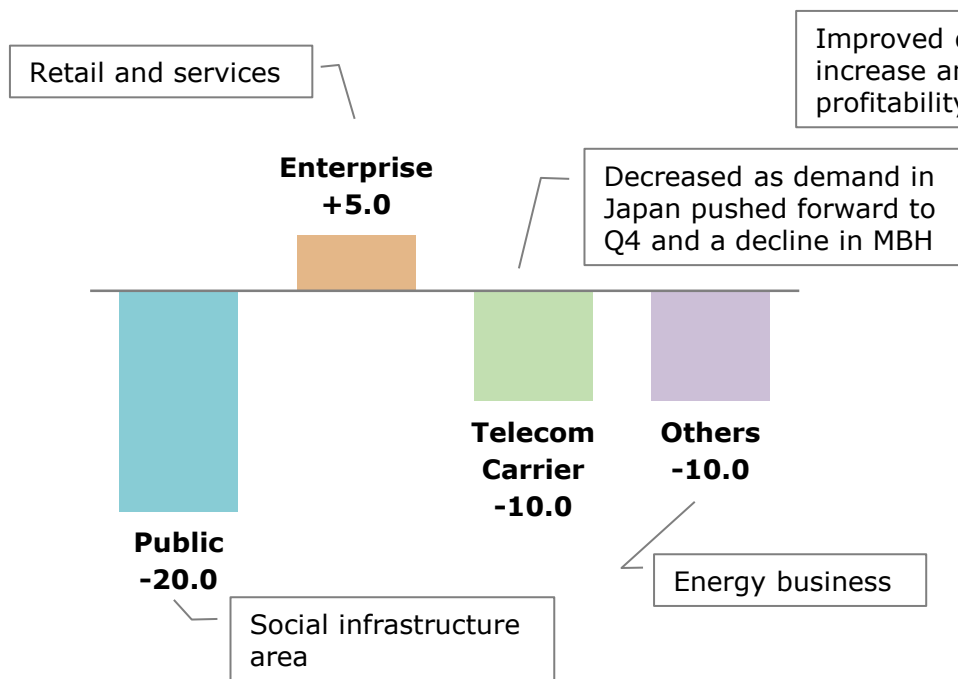
- Worsened due to a sales decline in energy business



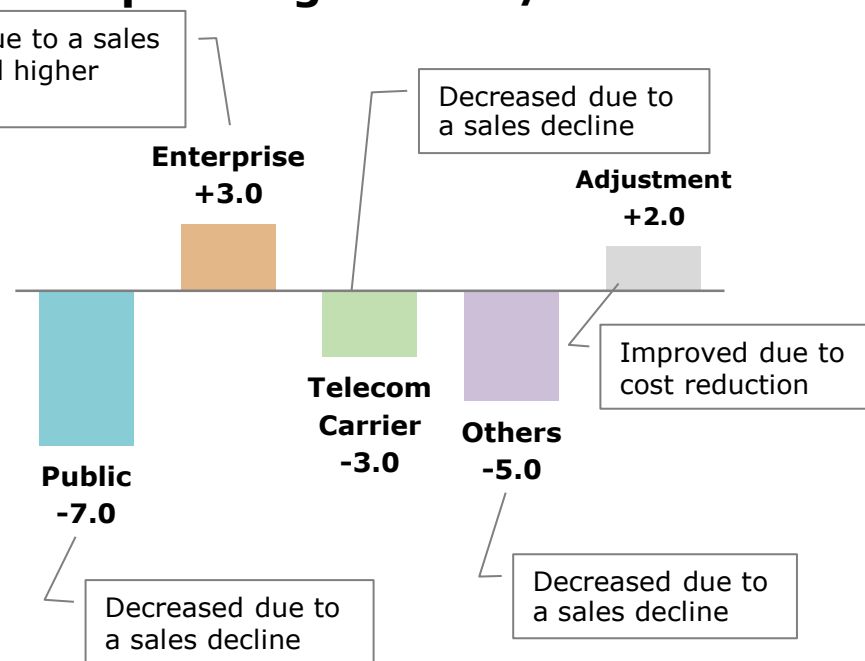
Enterprise remains strong, while Public and Telecom Carrier missed forecast

(Billions of Yen)

Sales



Operating Income/Loss



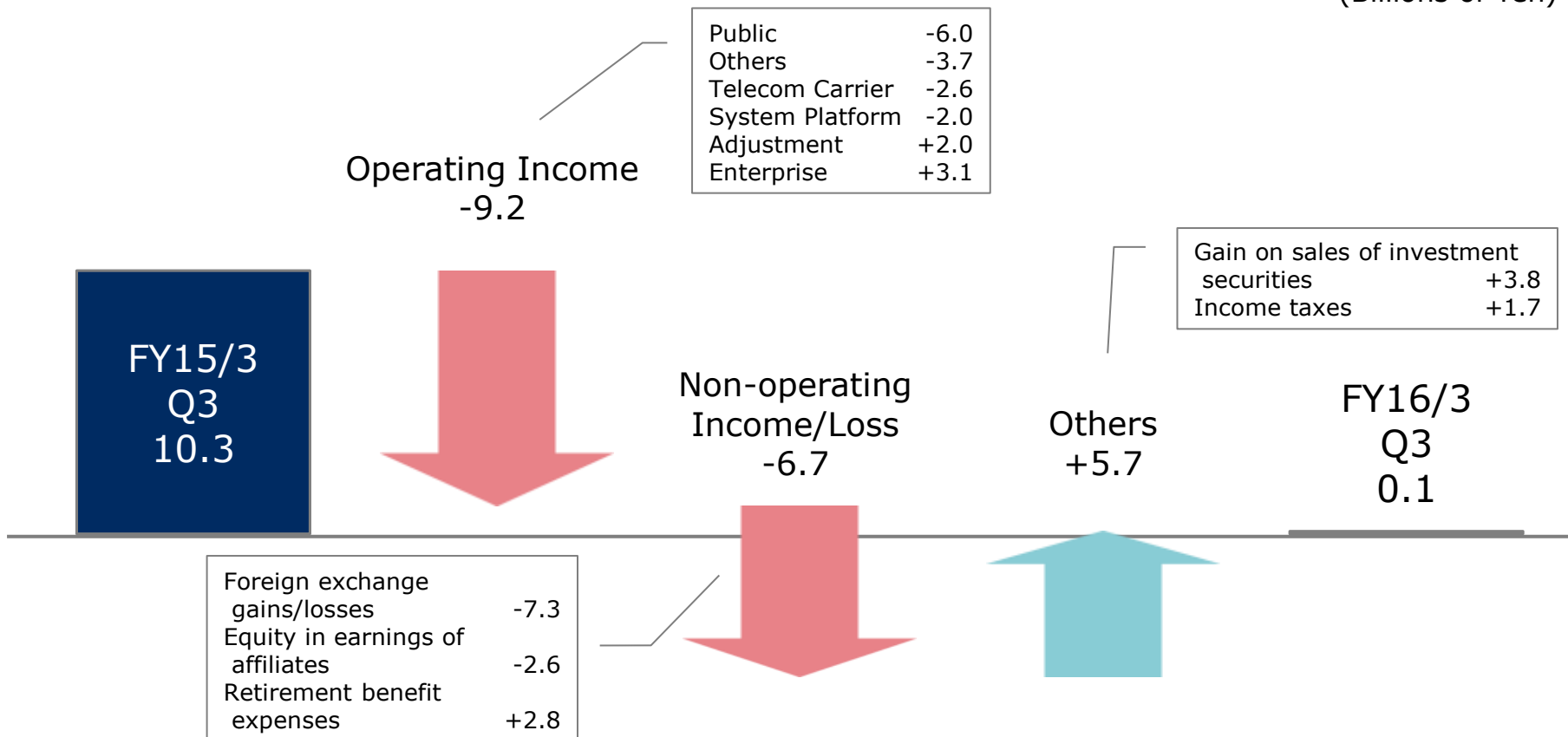
*MBH: Mobile Backhaul equipment

*Variance from Q3 forecasts as of October 29, 2015

Net Income Change (Year on Year)

Q3 Results
(3 months)

(Billions of Yen)



II. Financial Forecasts for FY16/3

Summary of Financial Forecasts for FY16/3

Forecasts
FY16/3

(Billions of Yen)

	Full Year		
	FY15/3 Actual	FY16/3 Forecasts	YoY
Net Sales	2,935.5	3,100.0	+ 5.6%
Operating Income	128.1	135.0	+ 6.9
% to Net Sales	4.4%	4.4%	
Ordinary Income	112.1	120.0	+ 7.9
% to Net Sales	3.8%	3.9%	
Net Income	57.3	65.0	+ 7.7
% to Net Sales	2.0%	2.1%	
Free Cash Flows	40.4	80.0	+ 39.6

(Billions of Yen)

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

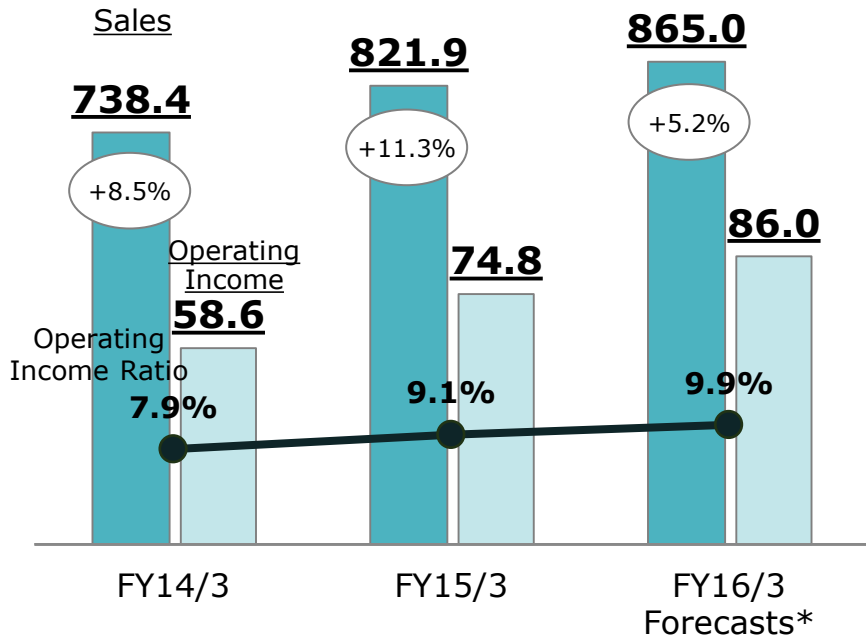
Note: Assumed exchange rates for Q4 16/3 \$1=¥115, €1=¥130

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

(Billions of Yen)

Billions of Yen (YoY)

YoY



Sales 865.0 (+5.2%)

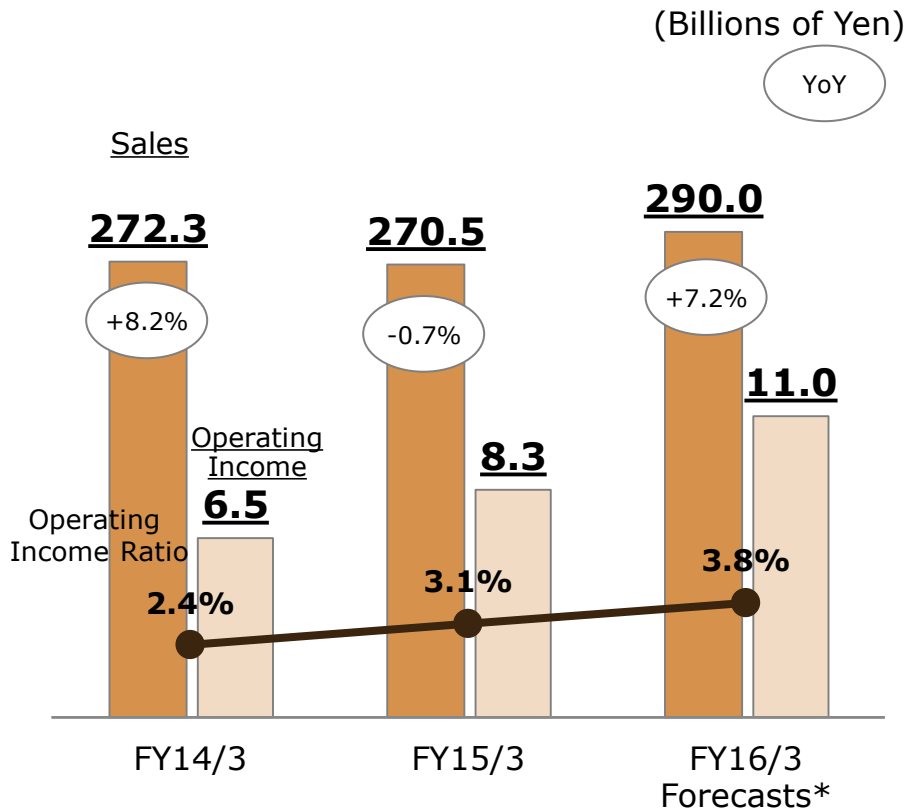
- Increase mainly in the public areas

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



Sales 290.0 (+7.2%)

- Increase in manufacturing industries, as well as retail and service industries

Operating Income 11.0 (+2.7)

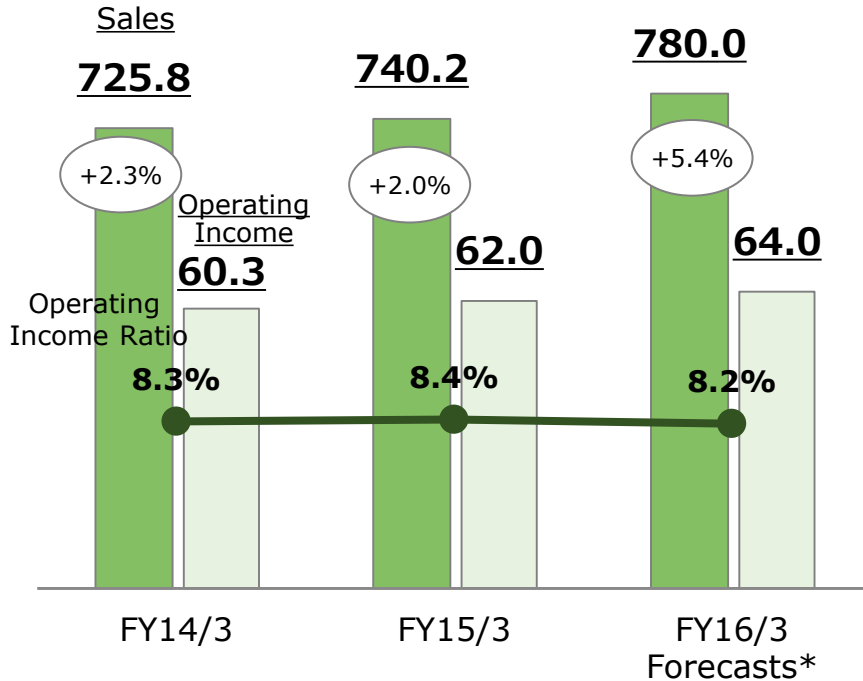
- Improve due to a sales increase and higher profitability in system construction services



*Forecasts as of January 28, 2016

(Billions of Yen)

Billions of Yen (YoY)



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

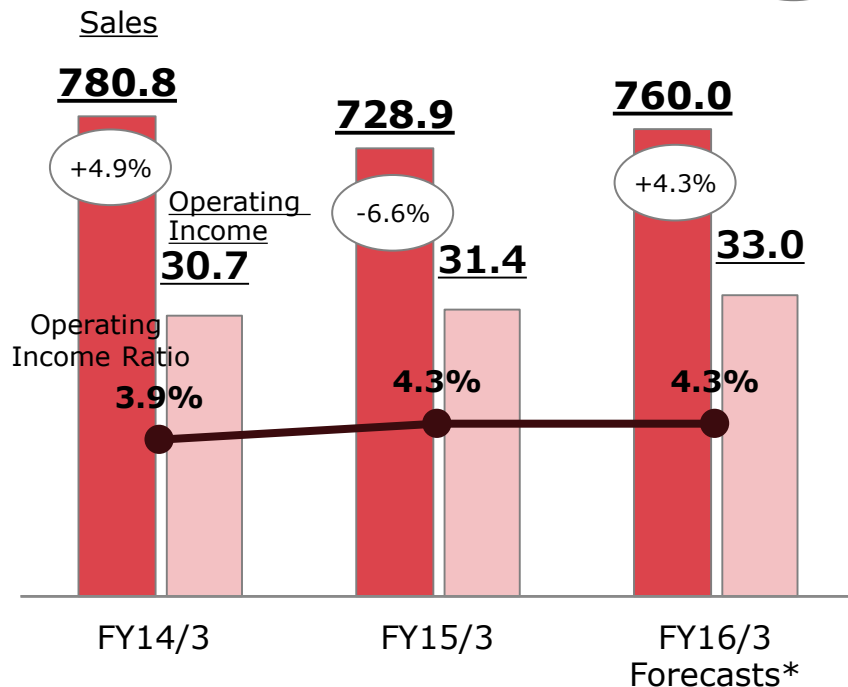
*TOMS: Telecom Operations & Management Solutions



*Forecasts as of January 28, 2016

(Billions of Yen)

Billions of Yen (YoY)



Sales 760.0 (+4.3%)

- Increase in solution platform including servers, network and software

Operating Income 33.0 (+1.6)

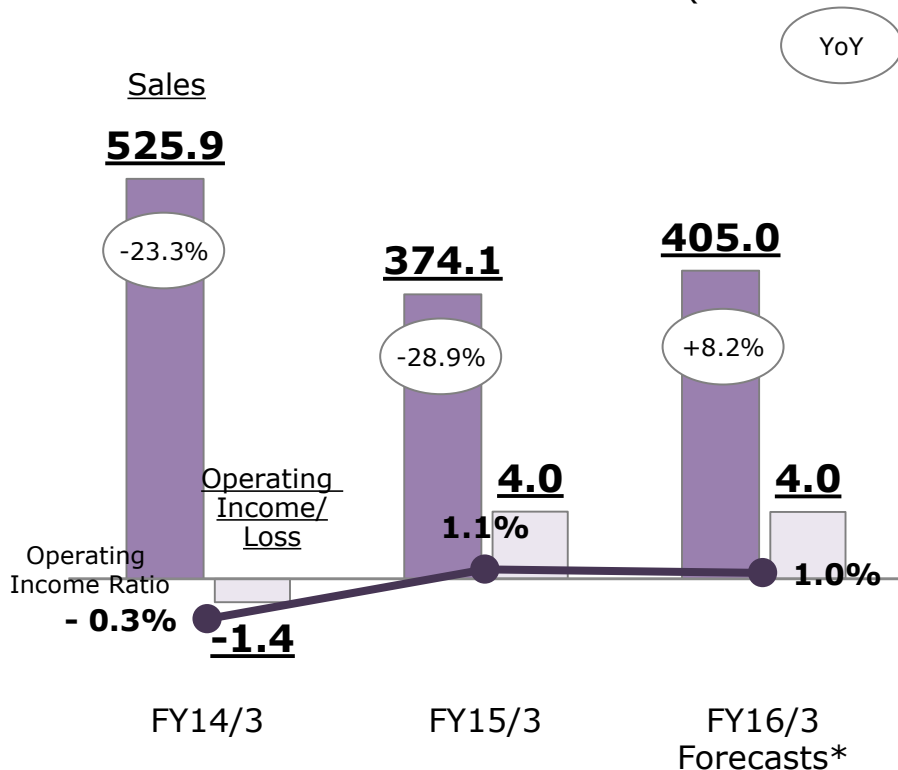
- Improve due to sales increase and cost reduction



*Forecasts as of January 28, 2016

(Billions of Yen)

Billions of Yen (YoY)



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

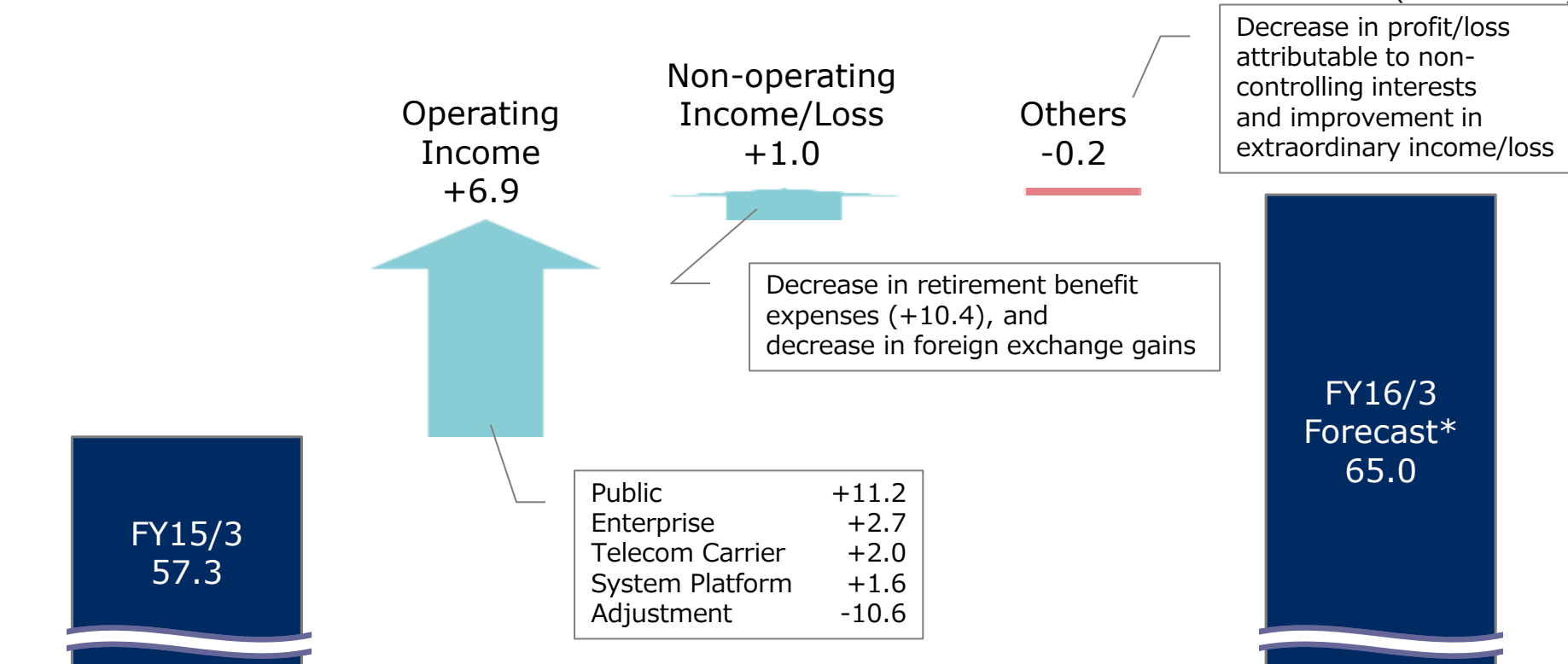


*Forecasts as of January 28, 2016

Net Income Change (Year on Year)

Forecasts
FY16/3

(Billions of Yen)

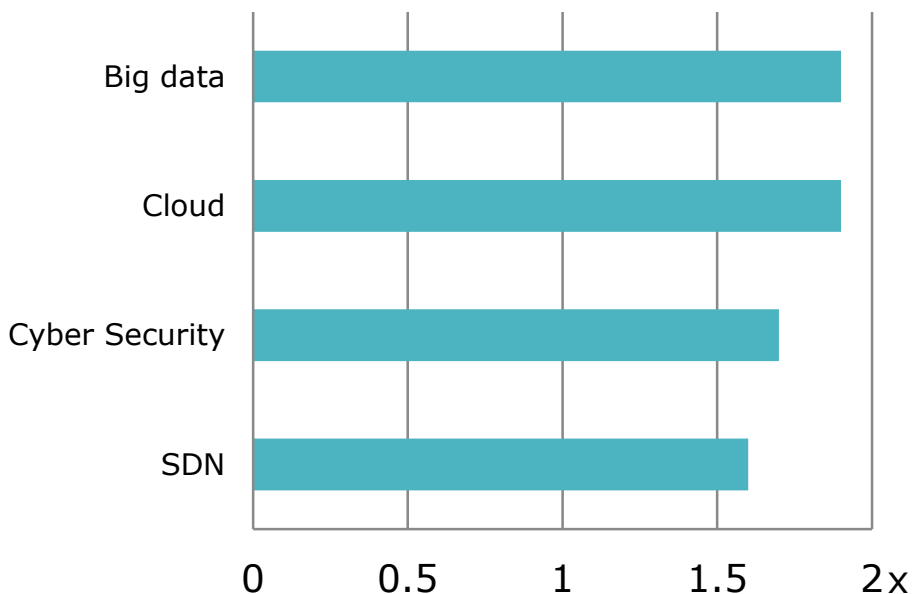


*Forecast as of January 28, 2016

Business Update on Focus Areas

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

Sales growth from focus areas in 9 months
(YoY)



* Focus areas also include TOMS and Safety business

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



** SDN: Software-Defined Networking

A group of people are silhouetted against a bright sunset or sunrise over the ocean. They are standing on a beach, holding hands and raising their arms in a celebratory gesture. The scene is backlit by the low sun, creating a warm, golden glow.

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.

 **Orchestrating** a brighter world

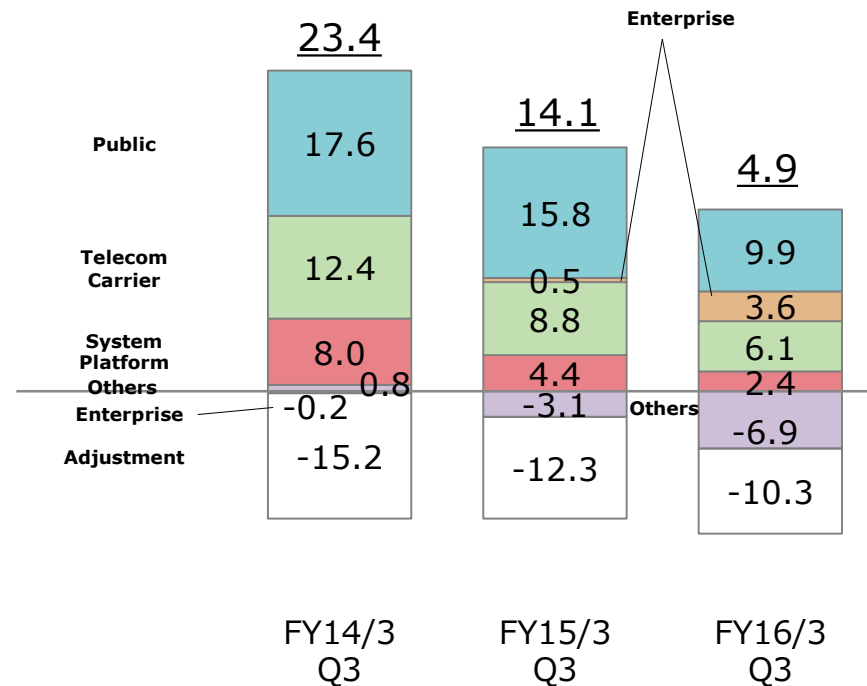
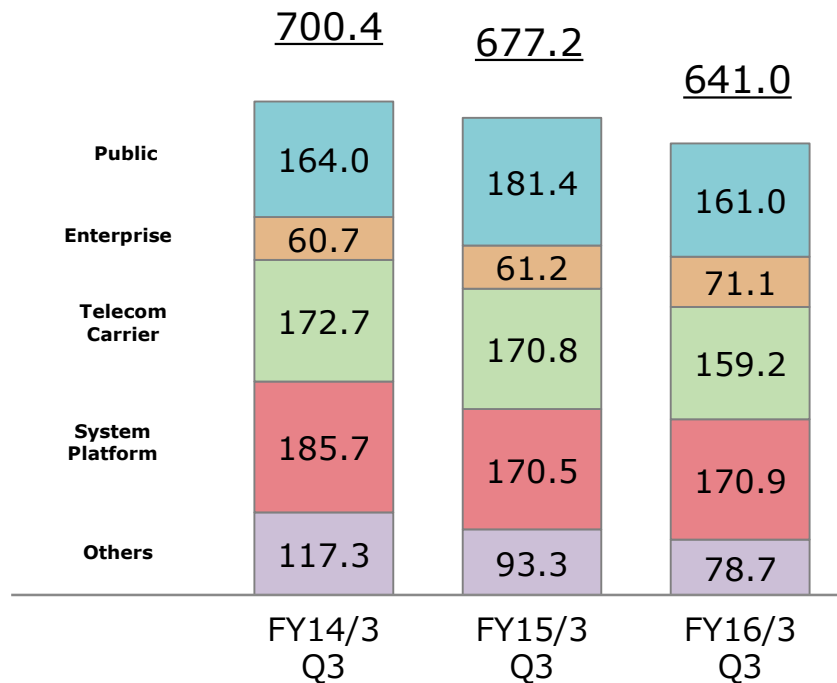
NEC

Financial Results for Q3, FY16/3 (Appendix)

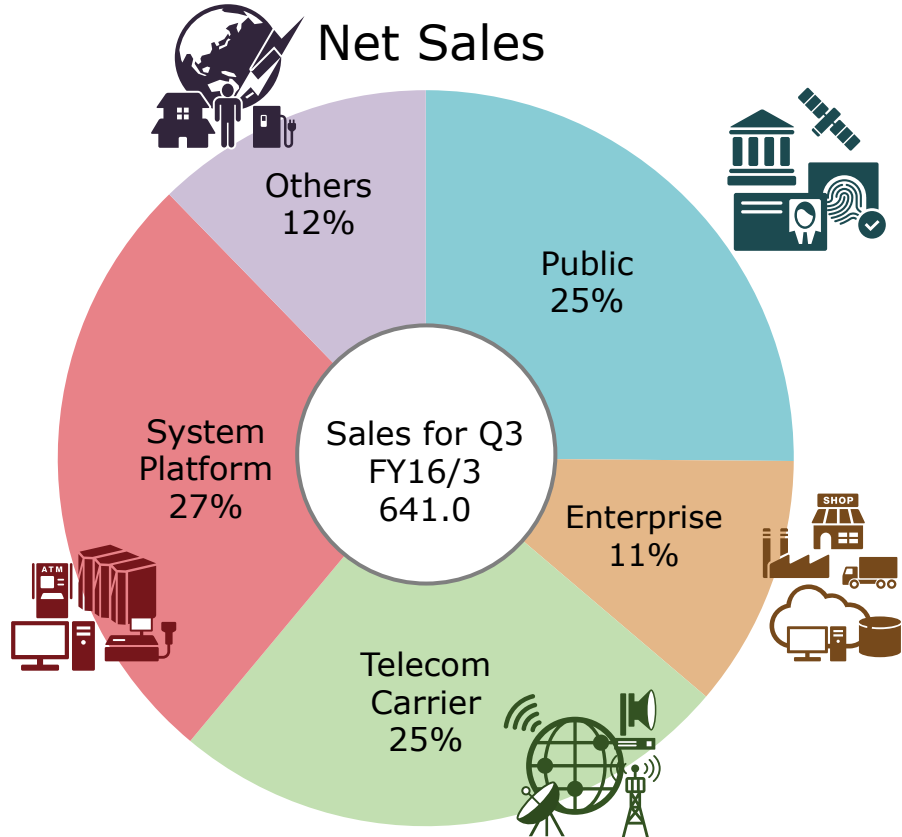
(Billions of Yen)

Net Sales

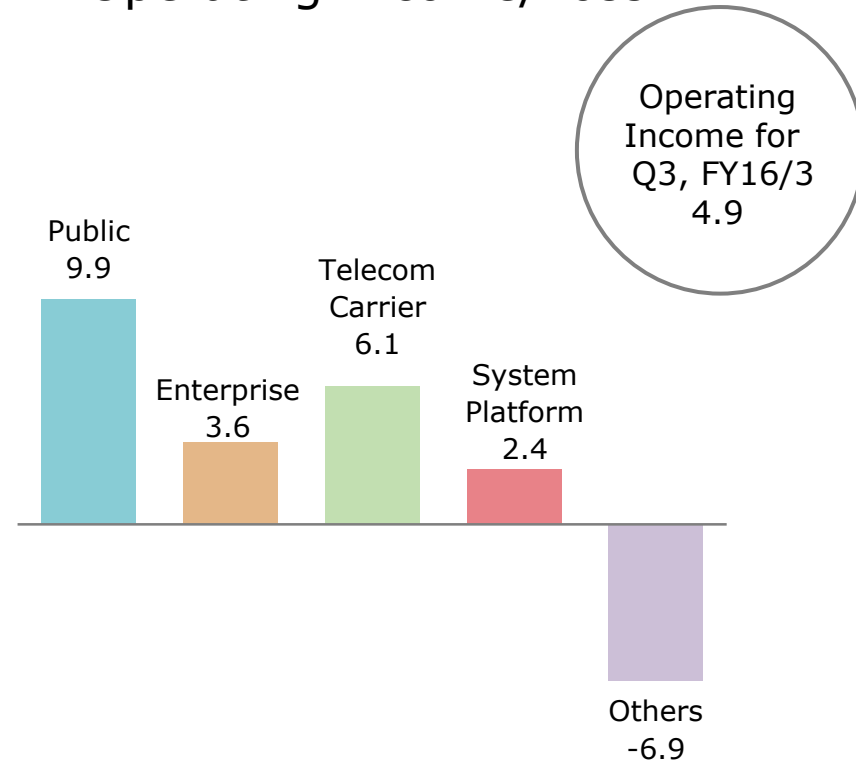
Operating Income/Loss



(Billions of Yen)



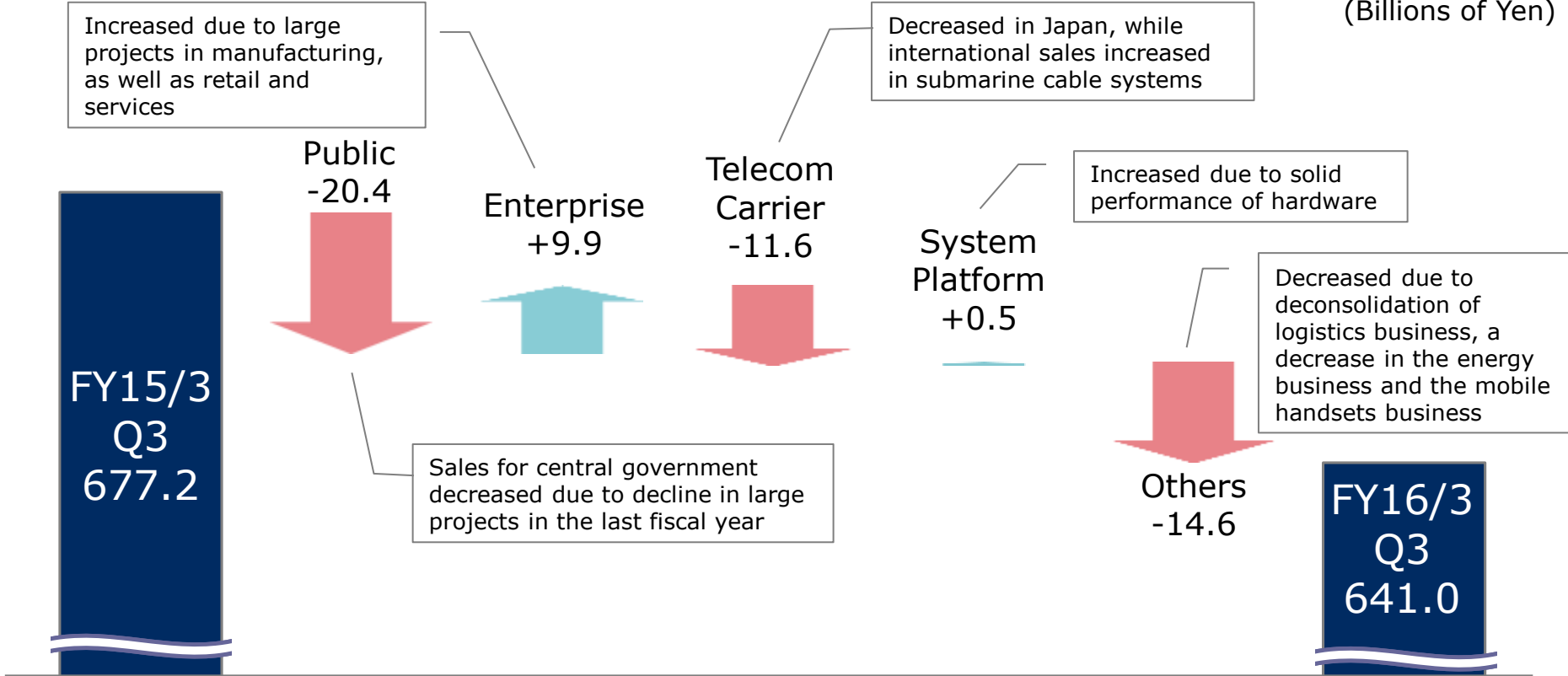
Operating Income/Loss



Sales Change (Year on Year)

Q3 Results
(3 months)

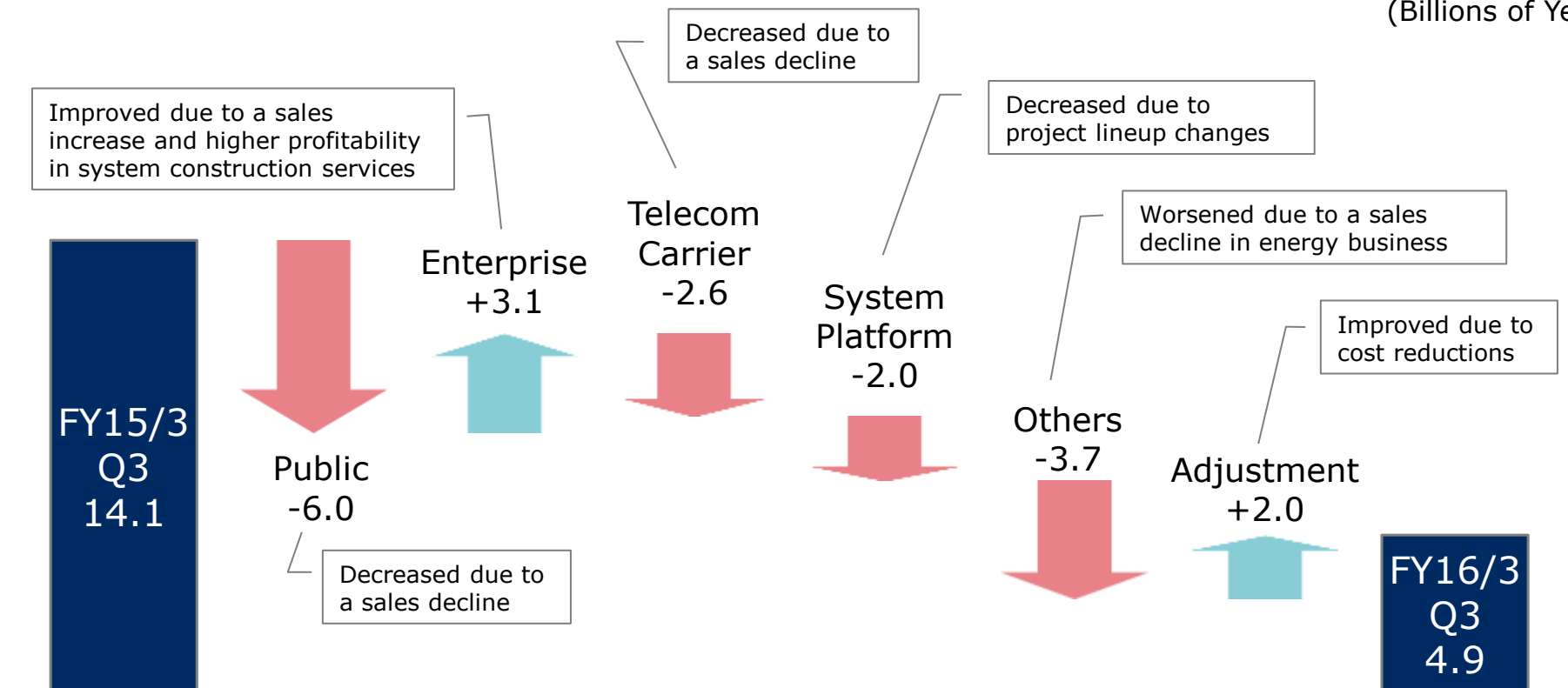
(Billions of Yen)



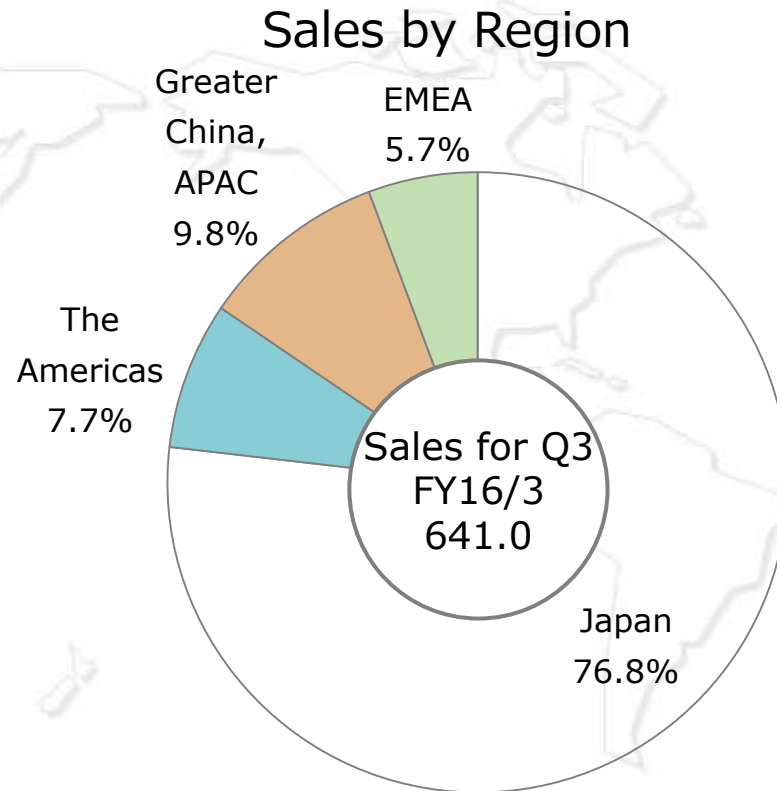
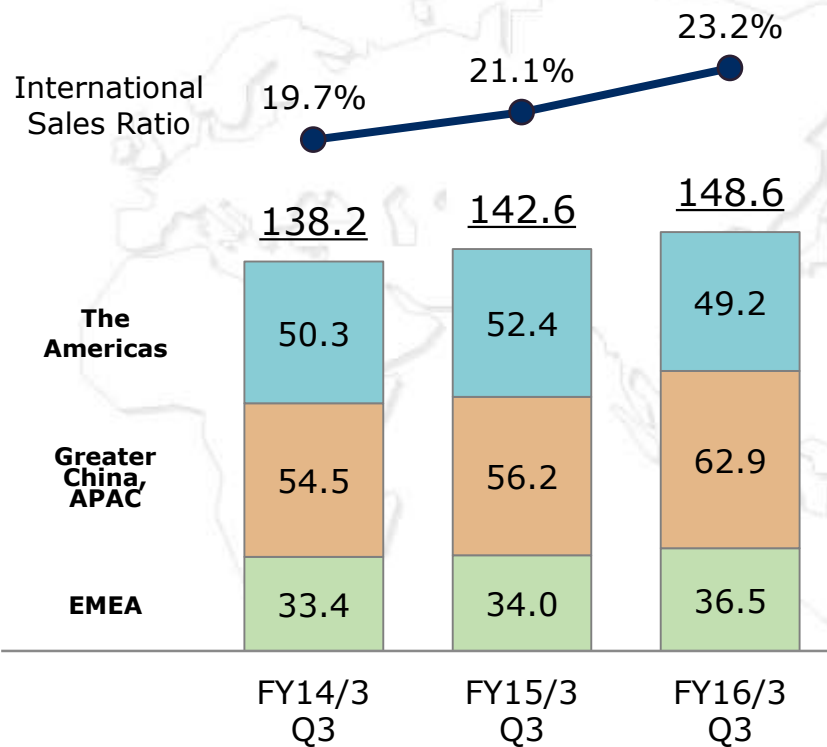
Operating Income Change (Year on Year)

Q3 Results
(3 months)

(Billions of Yen)



(Billions of Yen)

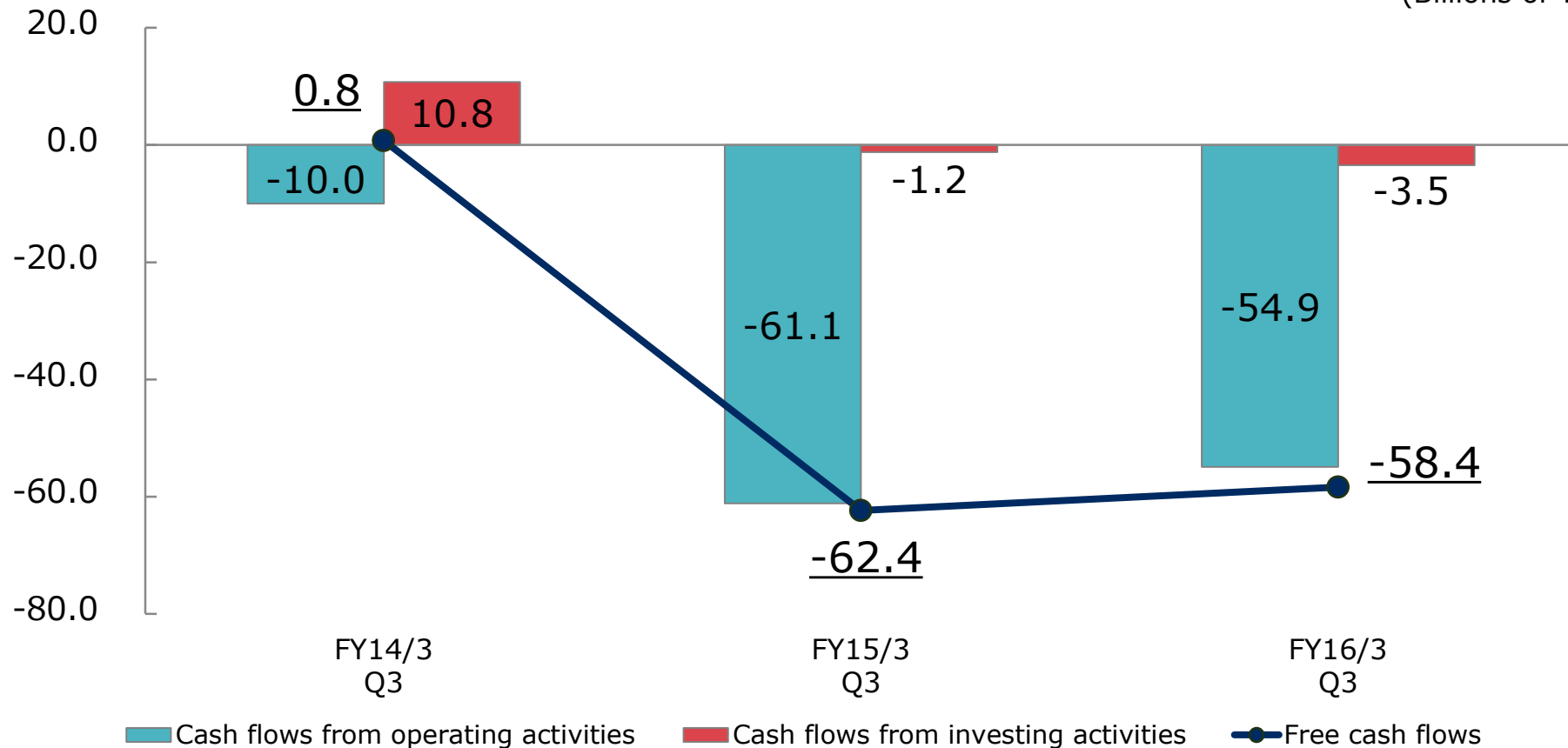


*Sales are classified by country or region based on customer locations.

Free Cash Flows

Q3 Results
(3 months)

(Billions of Yen)



(Billions of Yen)

	End of March 2015	End of Dec 2015	Difference from end of March 2015	End of Dec 2014
Total assets	2,620.7	2,497.4	- 123.2	2,534.9
Net assets	884.2	867.7	- 16.5	783.0
Interest-bearing debt	520.8	574.2	+ 53.4	636.4
Shareholders' equity	823.7	807.2	- 16.4	722.0
Equity ratio (%)	31.4%	32.3%	+ 0.9pt	28.5%
D/E ratio (times)	0.63	0.71	-0.08pt	0.88
Net D/E ratio (times)	0.41	0.50	-0.09pt	0.63
Cash and cash equivalents	181.1	171.7	- 9.4	180.5

(Billions of Yen)

Compared to
end of March
2015

Current Assets
1,472.4

Liabilities
1,629.7

Collection of
accounts
receivable-trade

-104.3

-106.7

Total Assets
2,497.4

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

(-123.2 compared to
end of March 2015)

Dividends paid, and
a decrease in foreign currency
translation adjustments

Noncurrent Assets
1,025.0

-18.9

-16.5

Net Assets
867.7

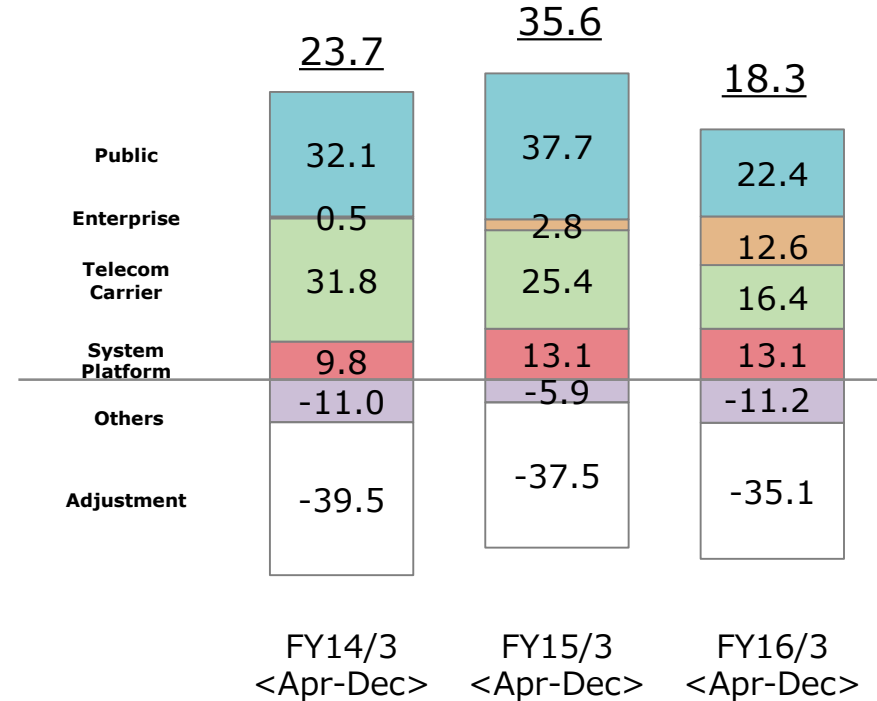
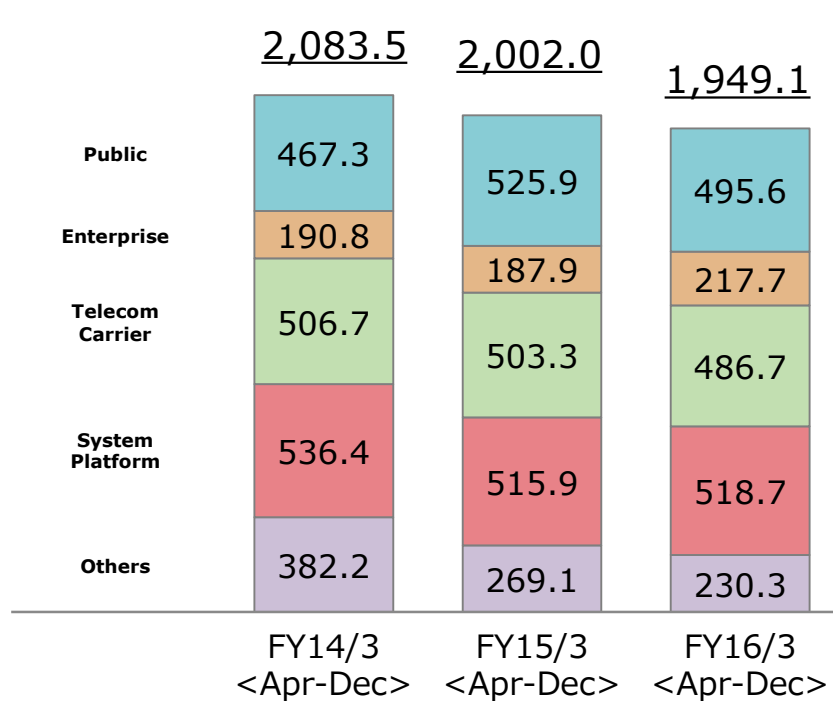
Results for 9 months by Segment (three-year transition)

Q3 Results
(9 months)

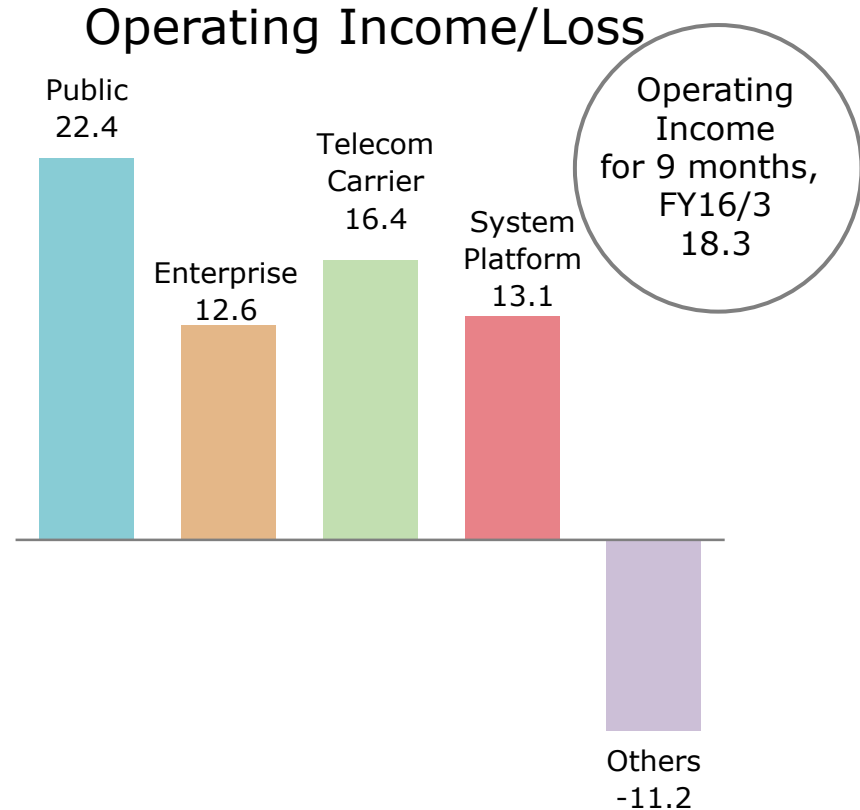
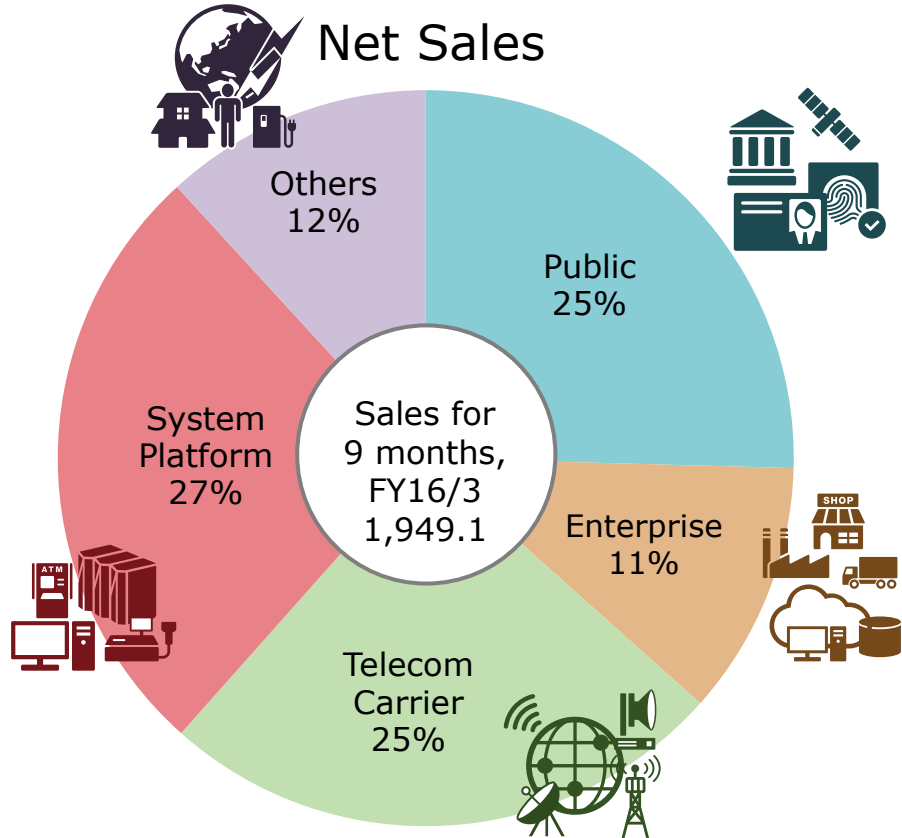
(Billions of Yen)

Net Sales

Operating Income/Loss



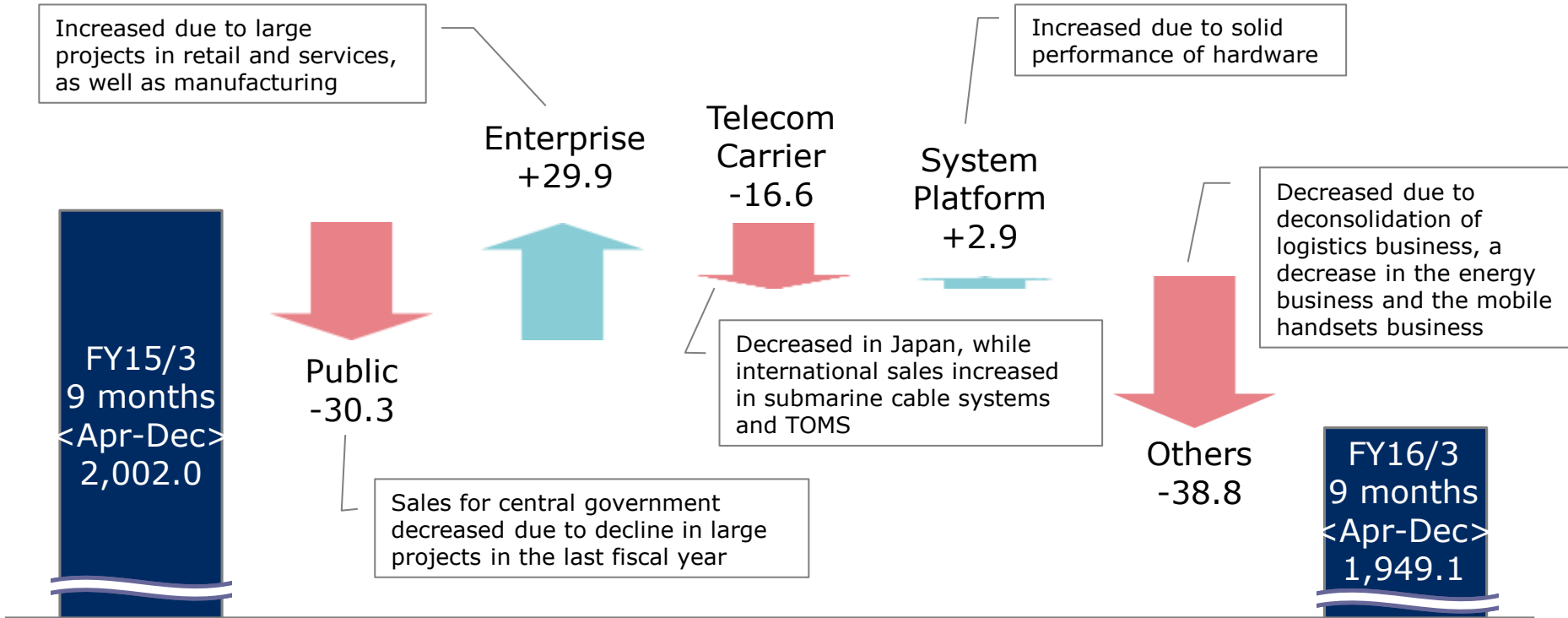
(Billions of Yen)



Sales Change (Year on Year)

Q3 Results
(9 months)

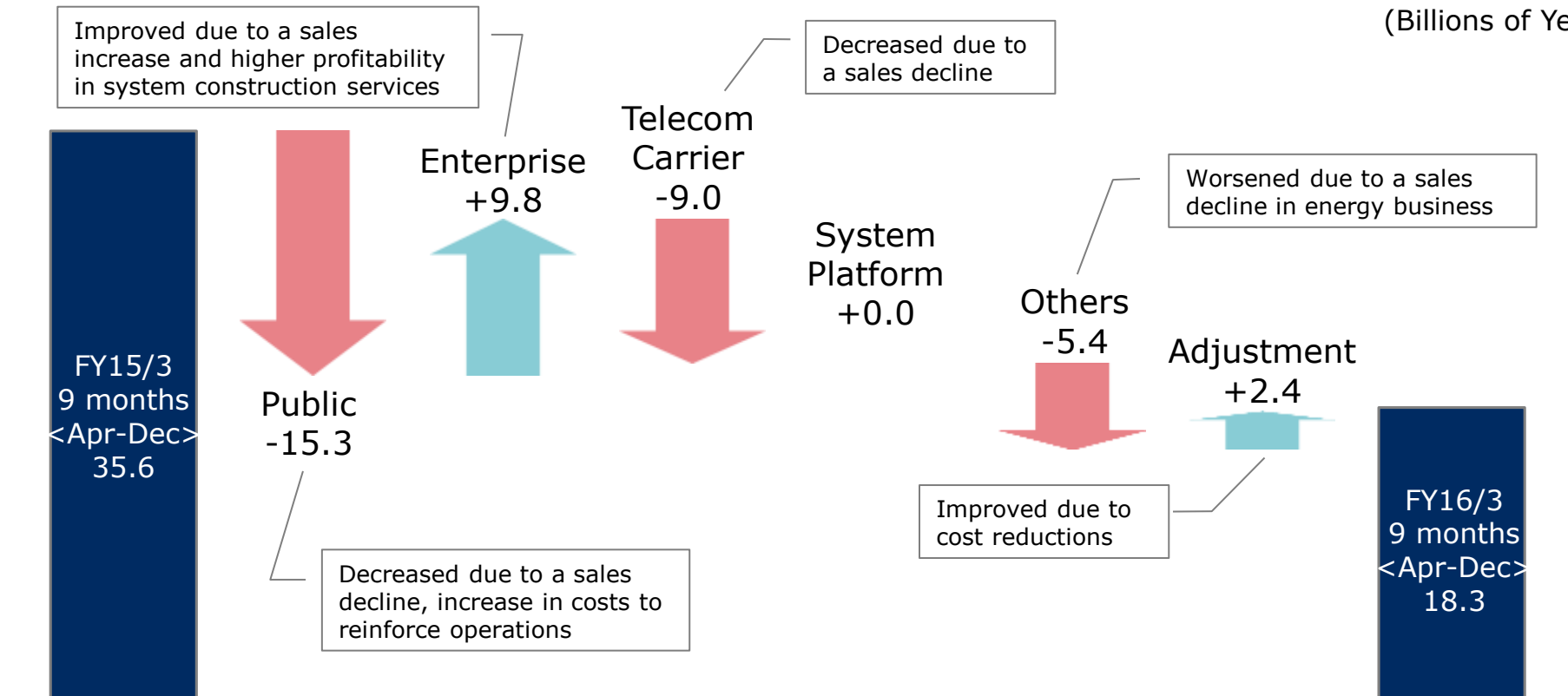
(Billions of Yen)



Operating Income Change (Year on Year)

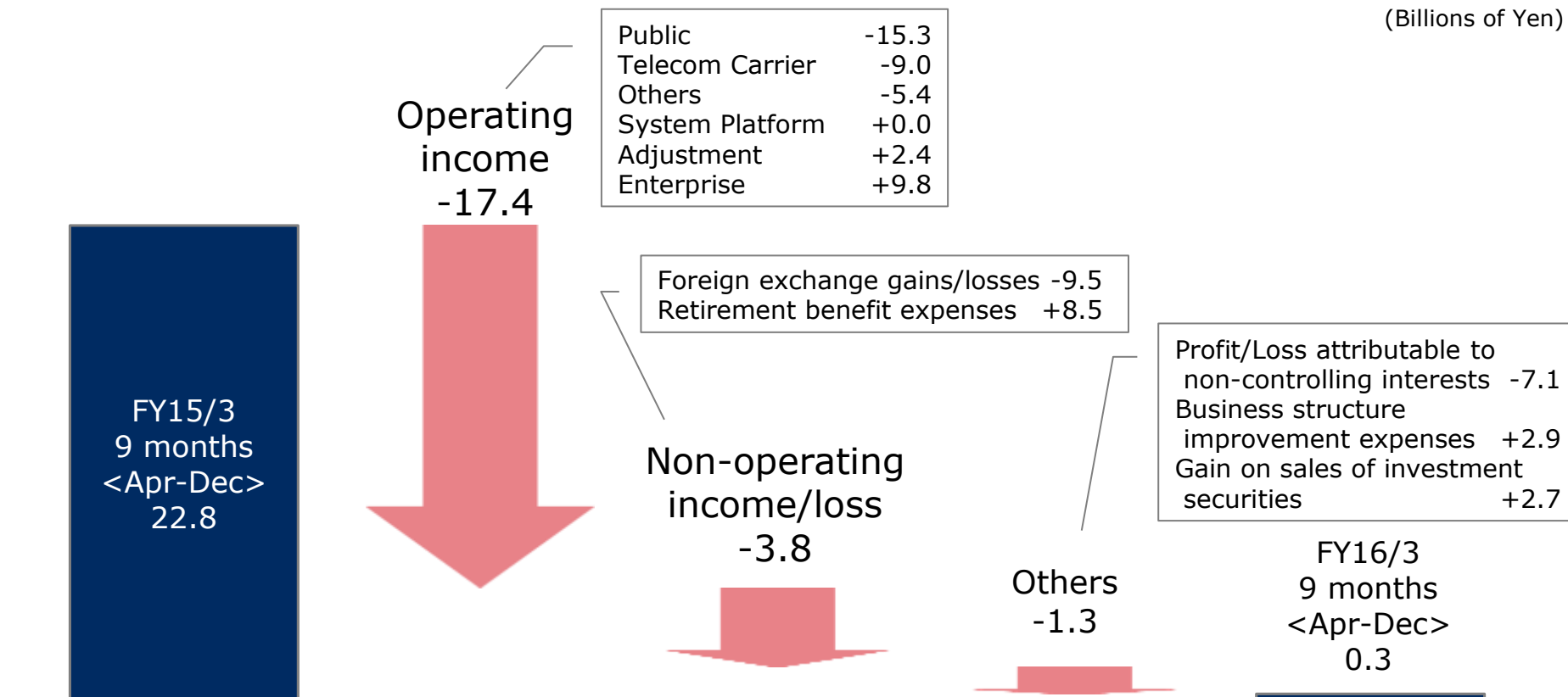
Q3 Results
(9 months)

(Billions of Yen)

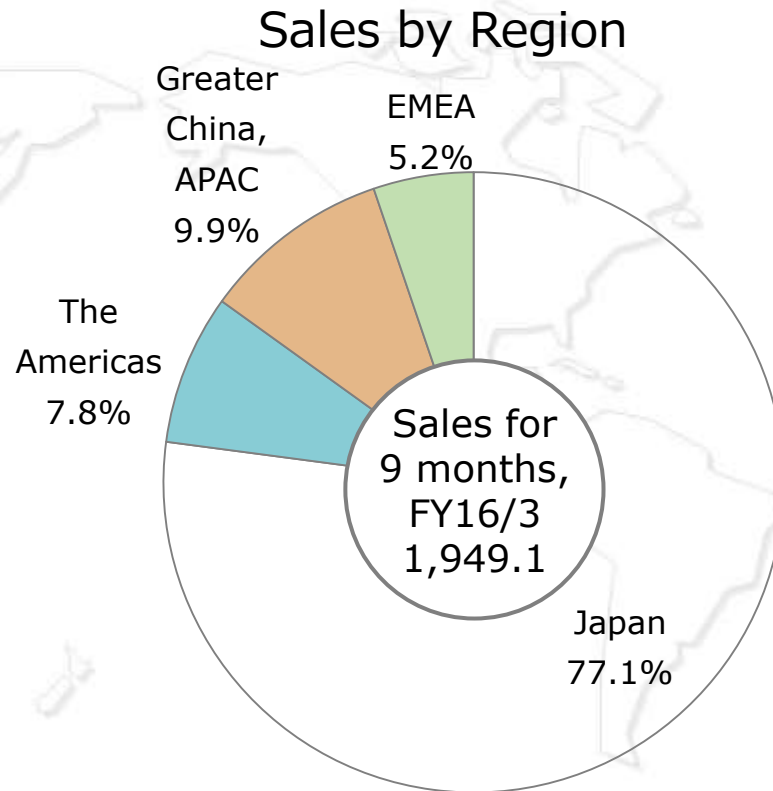
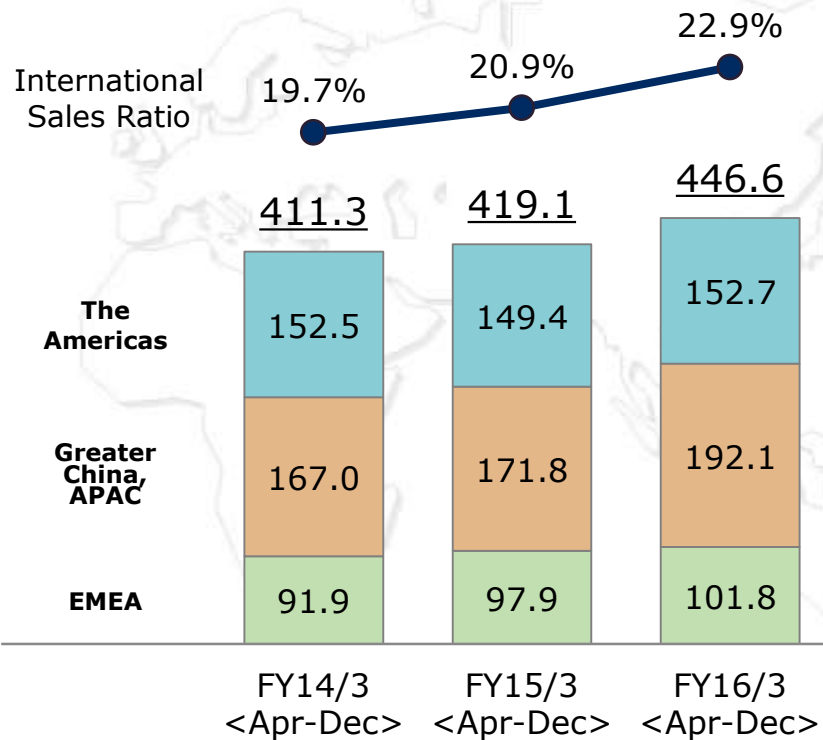


Net Income Change (Year on Year)

(Billions of Yen)

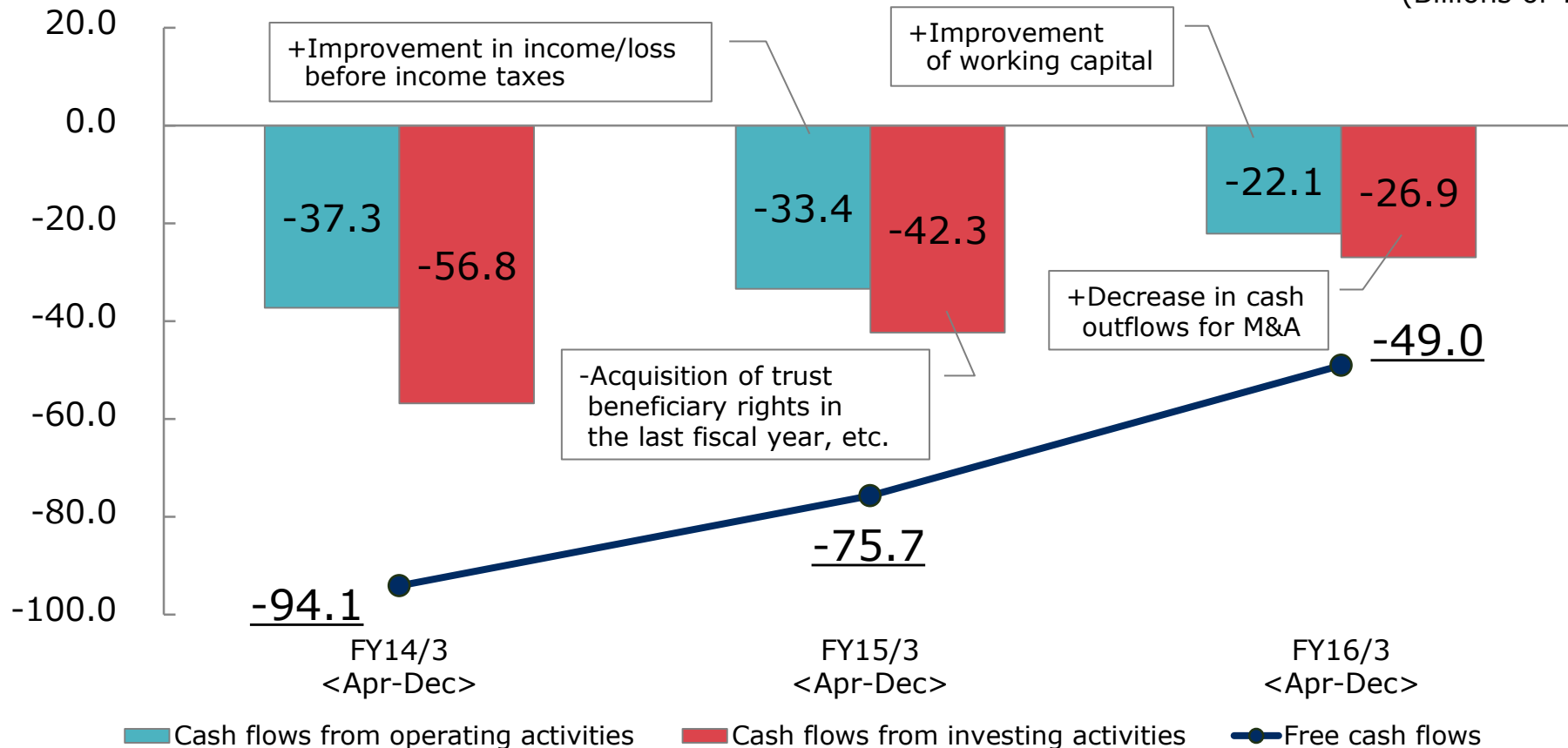


(Billions of Yen)



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

(Billions of Yen)

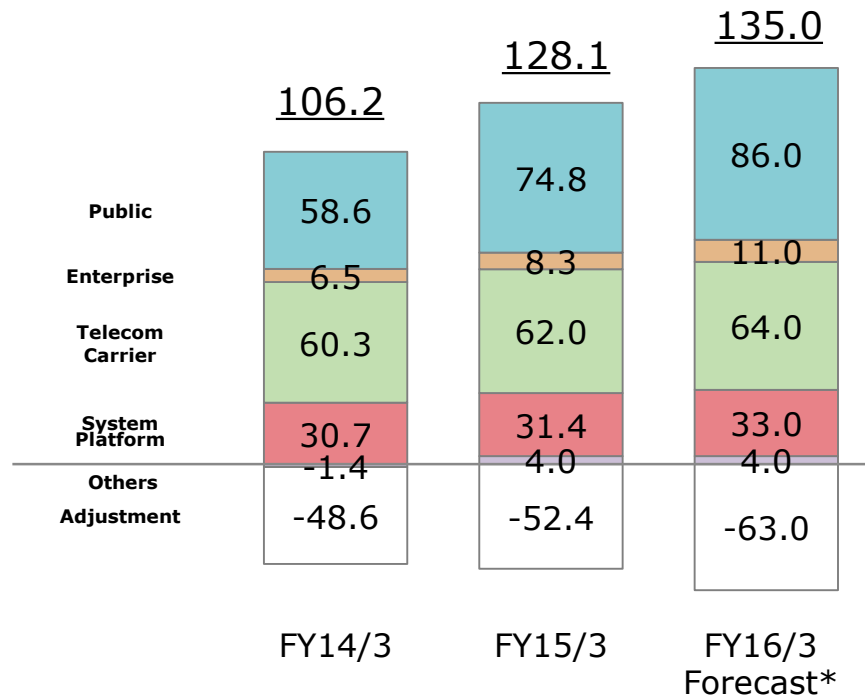
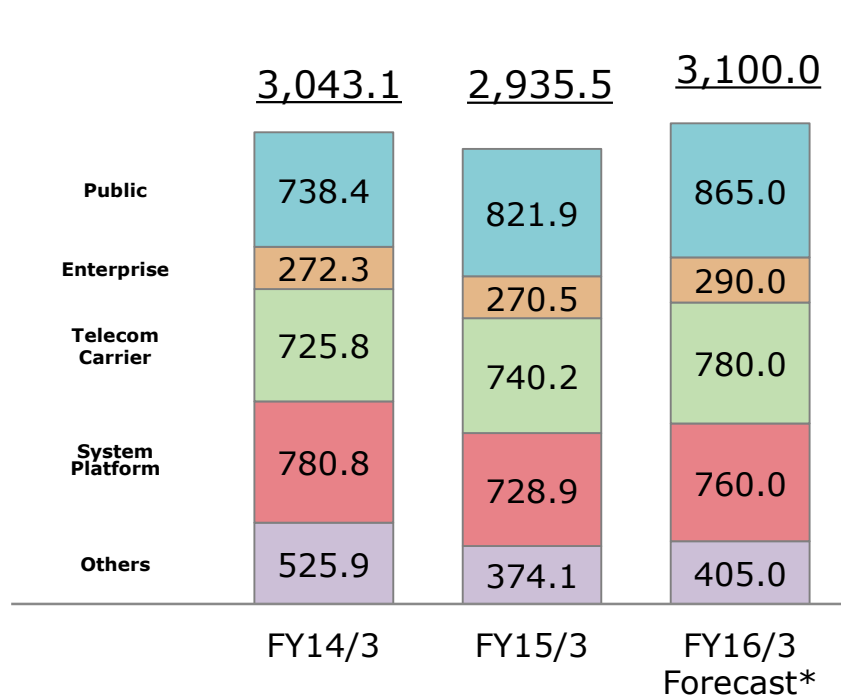


Financial Forecasts for FY16/3 (Appendix)

(Billions of Yen)

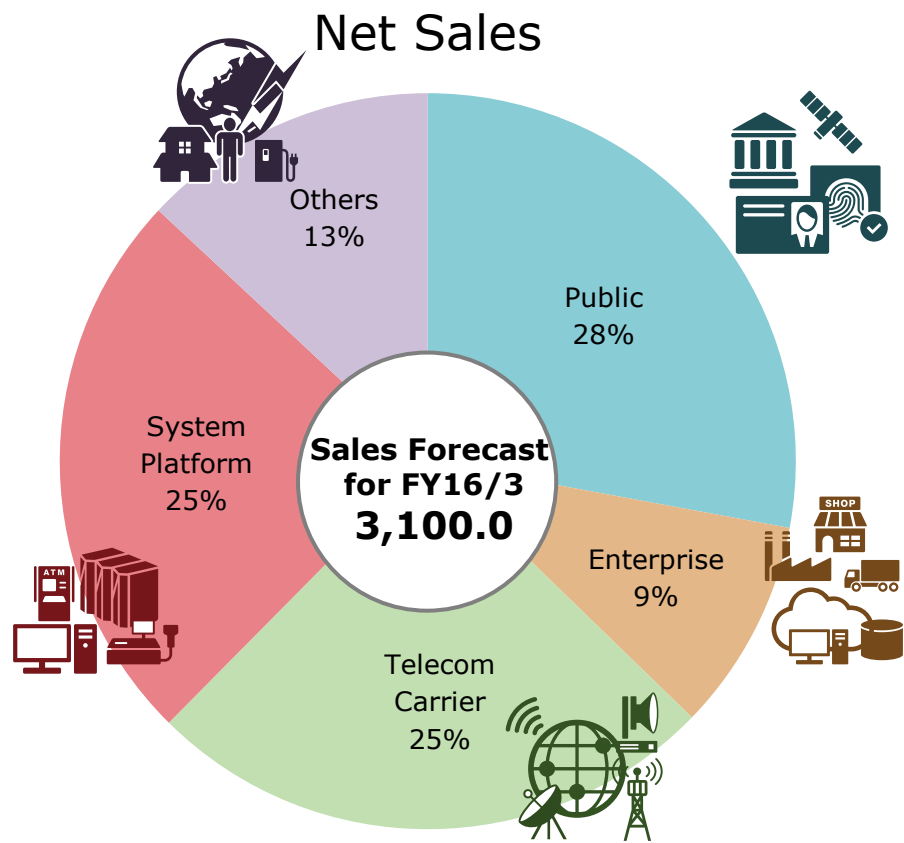
Net Sales

Operating Income/Loss

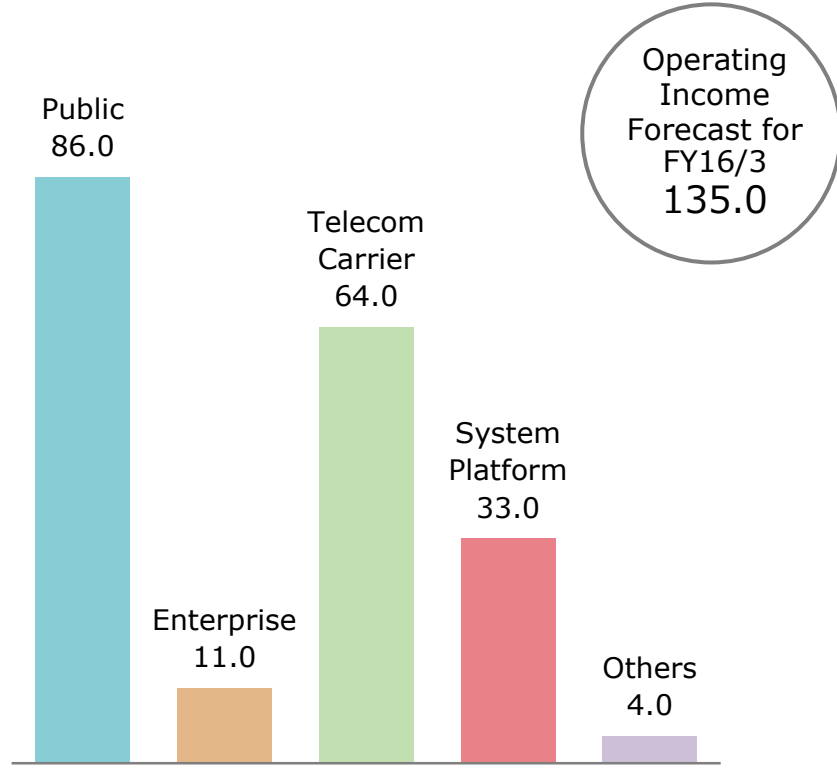


* Forecasts as of January 28, 2016

(Billions of Yen)



Operating Income

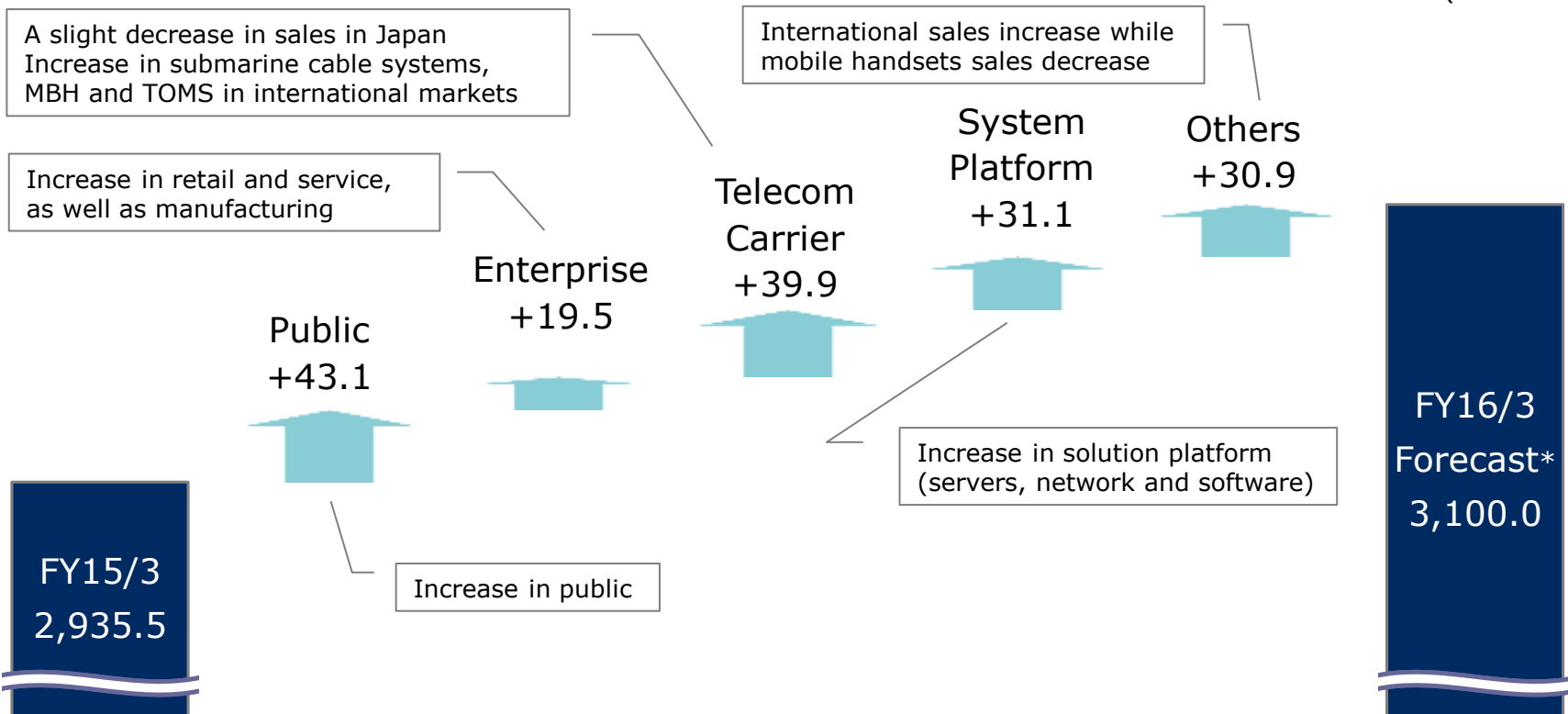


Operating Income Forecast for FY16/3 135.0

* Forecasts as of January 28, 2016

Sales Change (Year on Year)

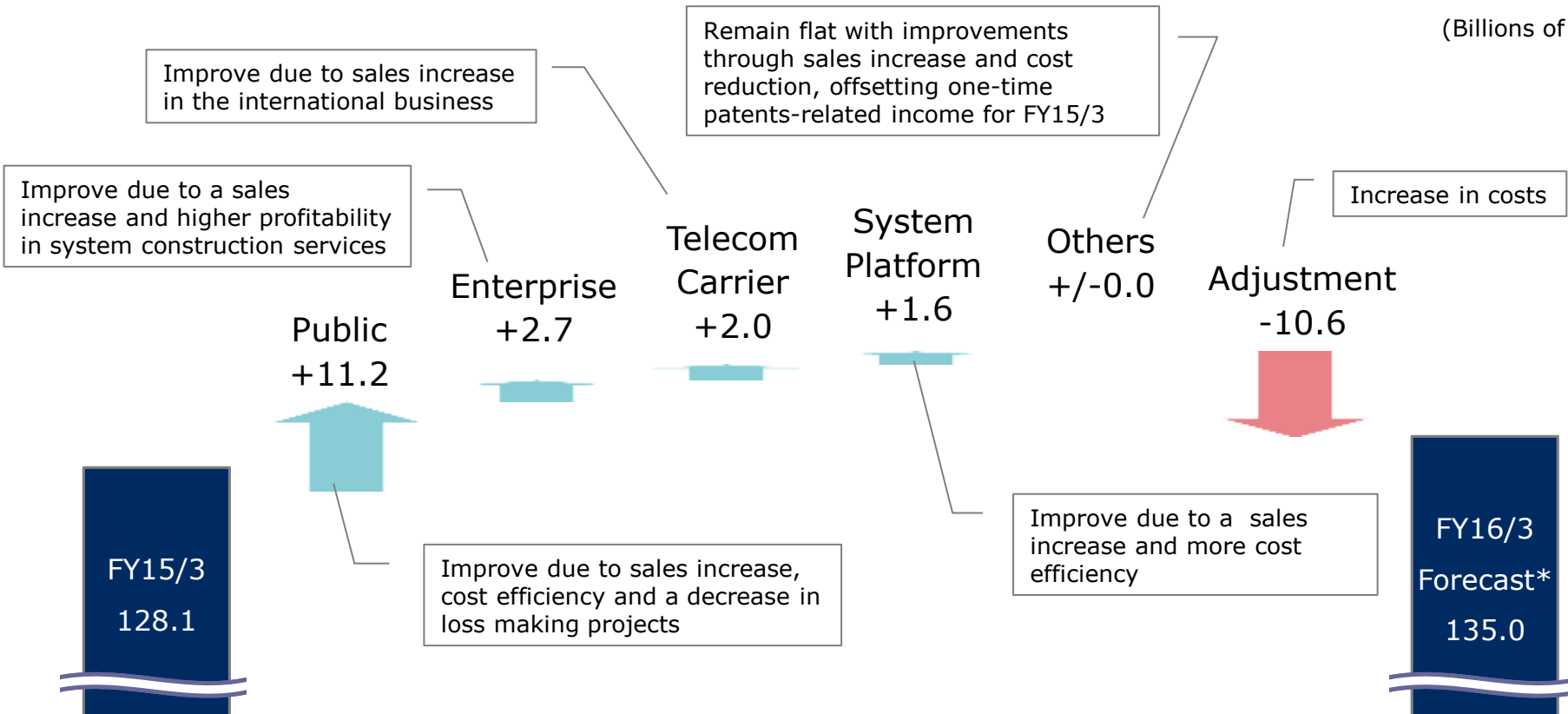
(Billions of Yen)



*Forecast as of January 28, 2016

Operating Income Change (Year on Year)

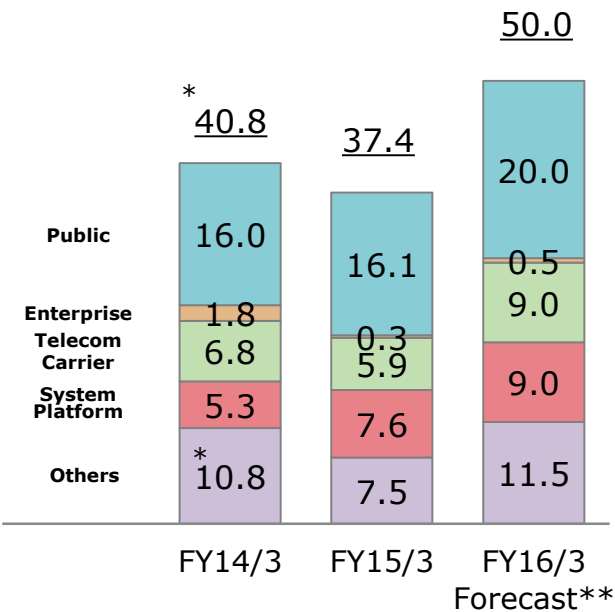
(Billions of Yen)



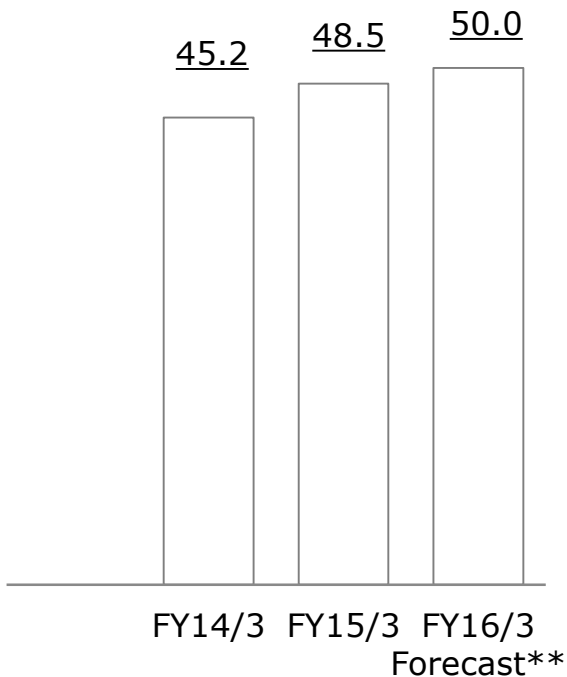
*Forecast as of January 28, 2016

(Billions of Yen)

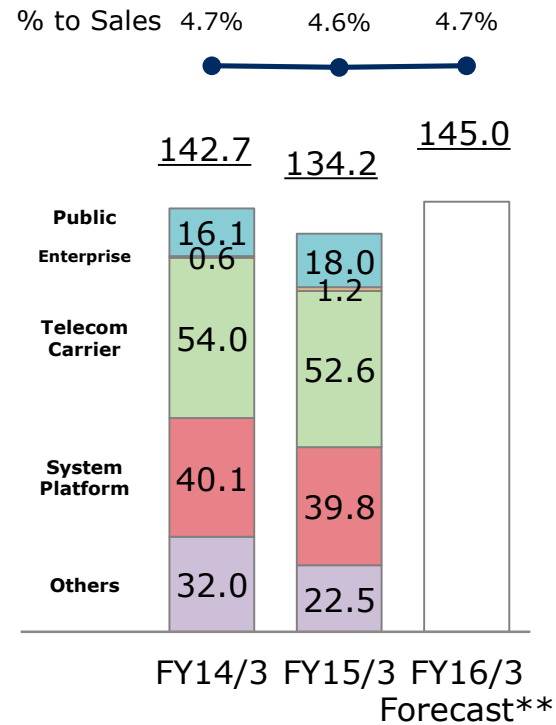
Capital Expenditure



Depreciation



R&D Expenses



*Not including acquisition of trust beneficiary rights

**Forecasts as of January 28, 2016

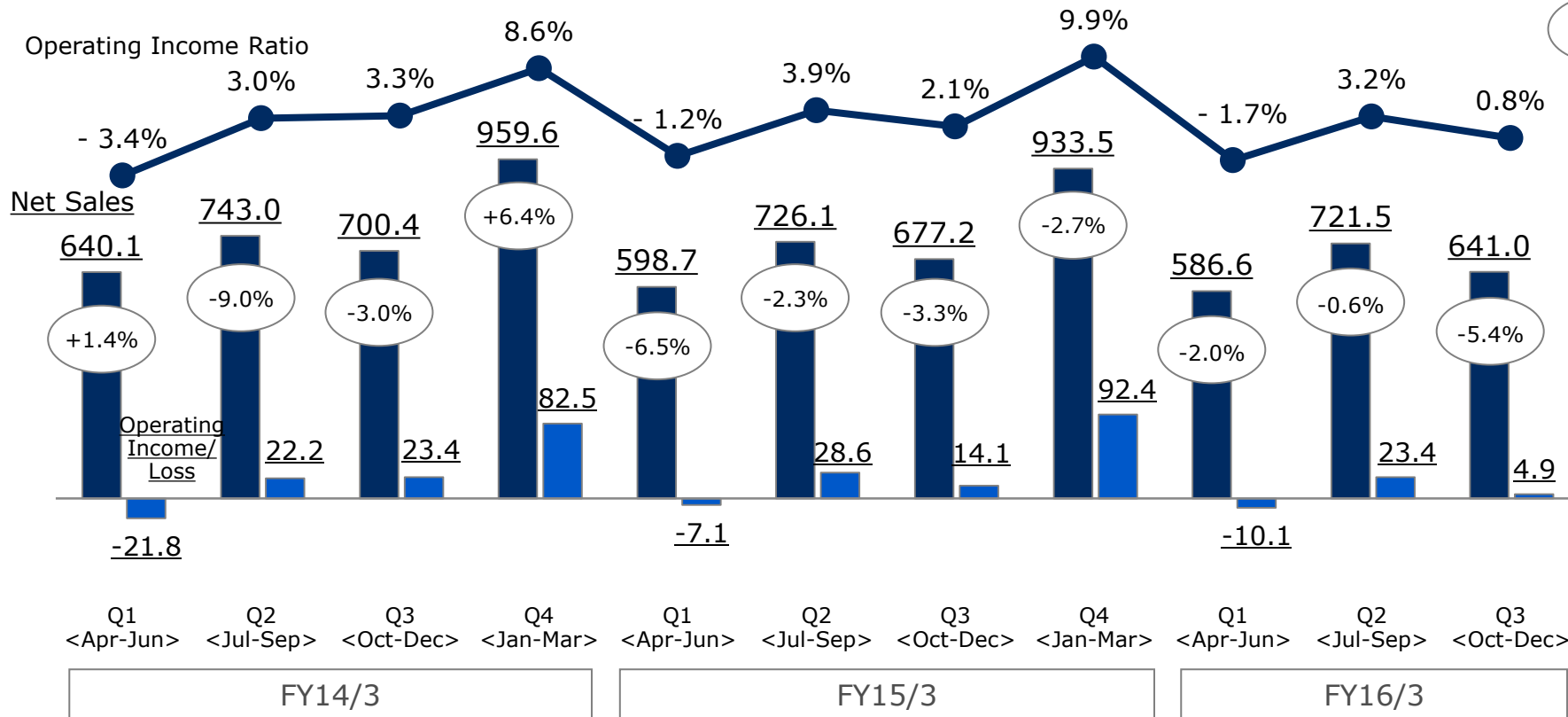
Reference (Financial data)



Net Sales, Operating Income/Loss

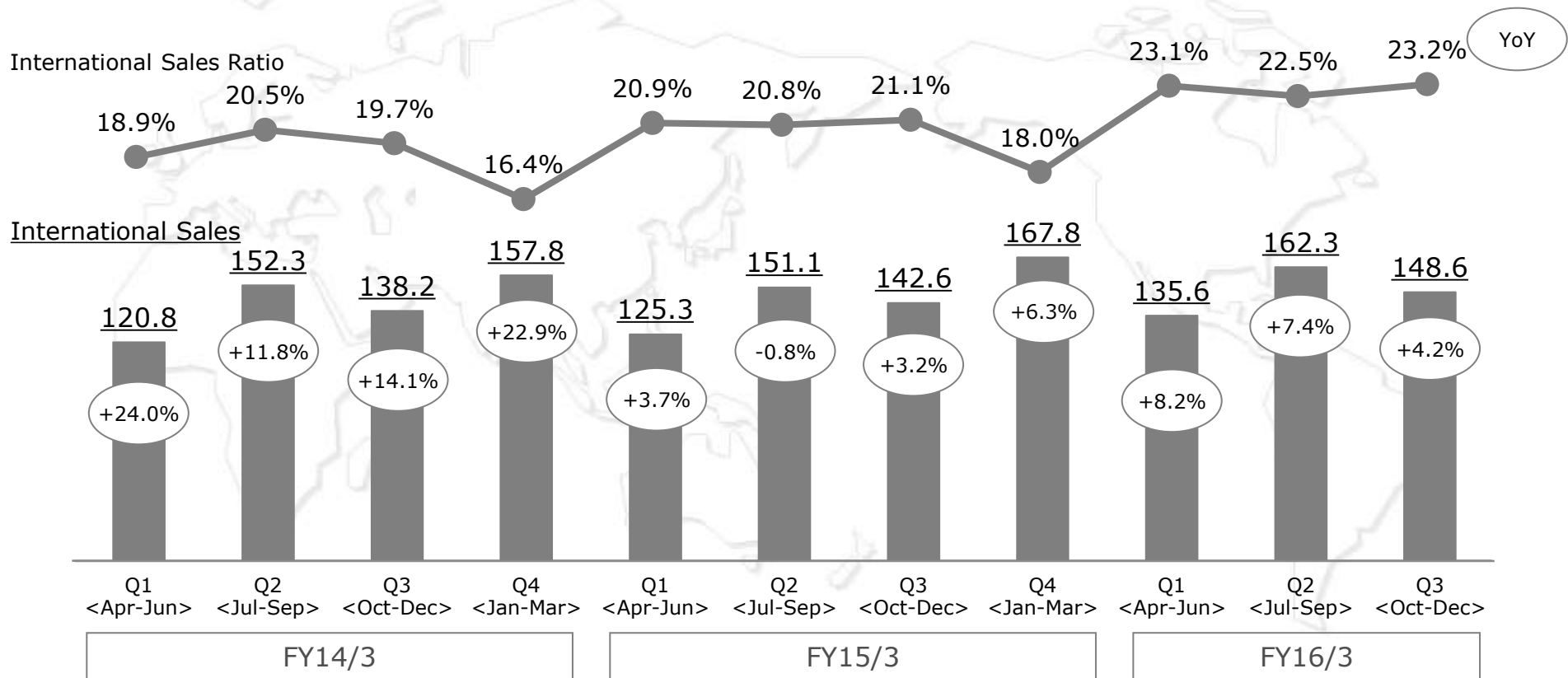
(Billions of Yen)

YoY



International Sales

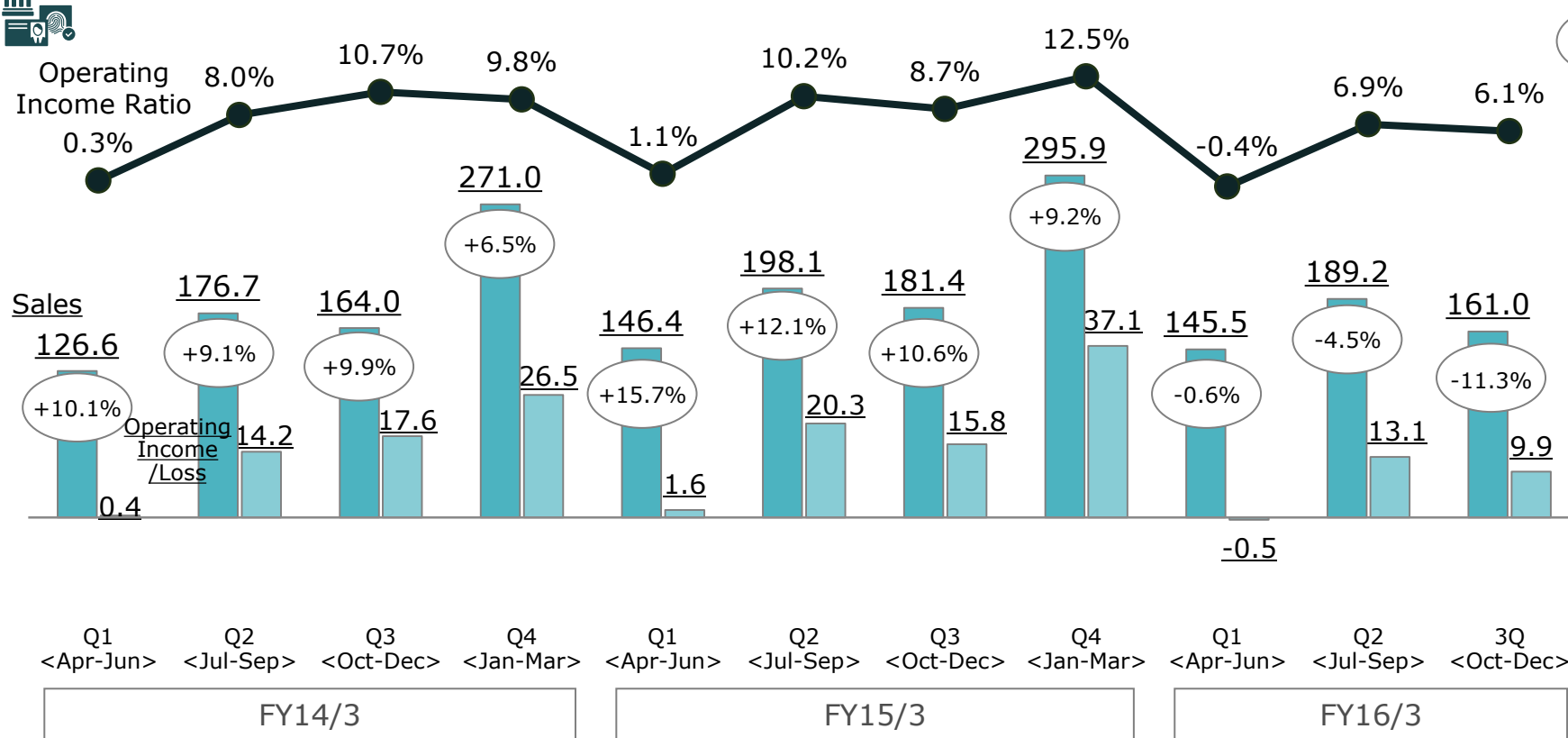
(Billions of Yen)



Sales, Operating Income/Loss (Public)

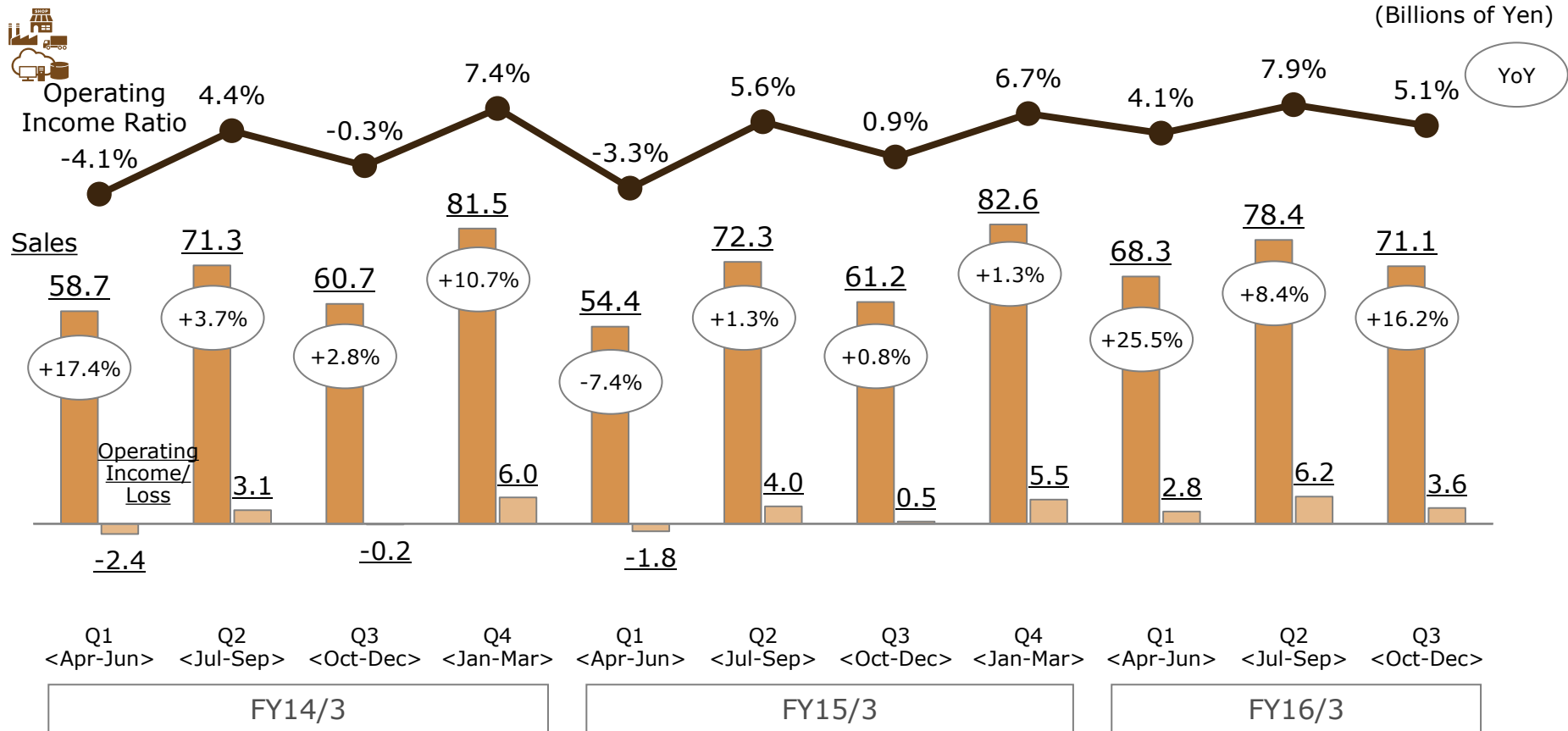


(Billions of Yen)



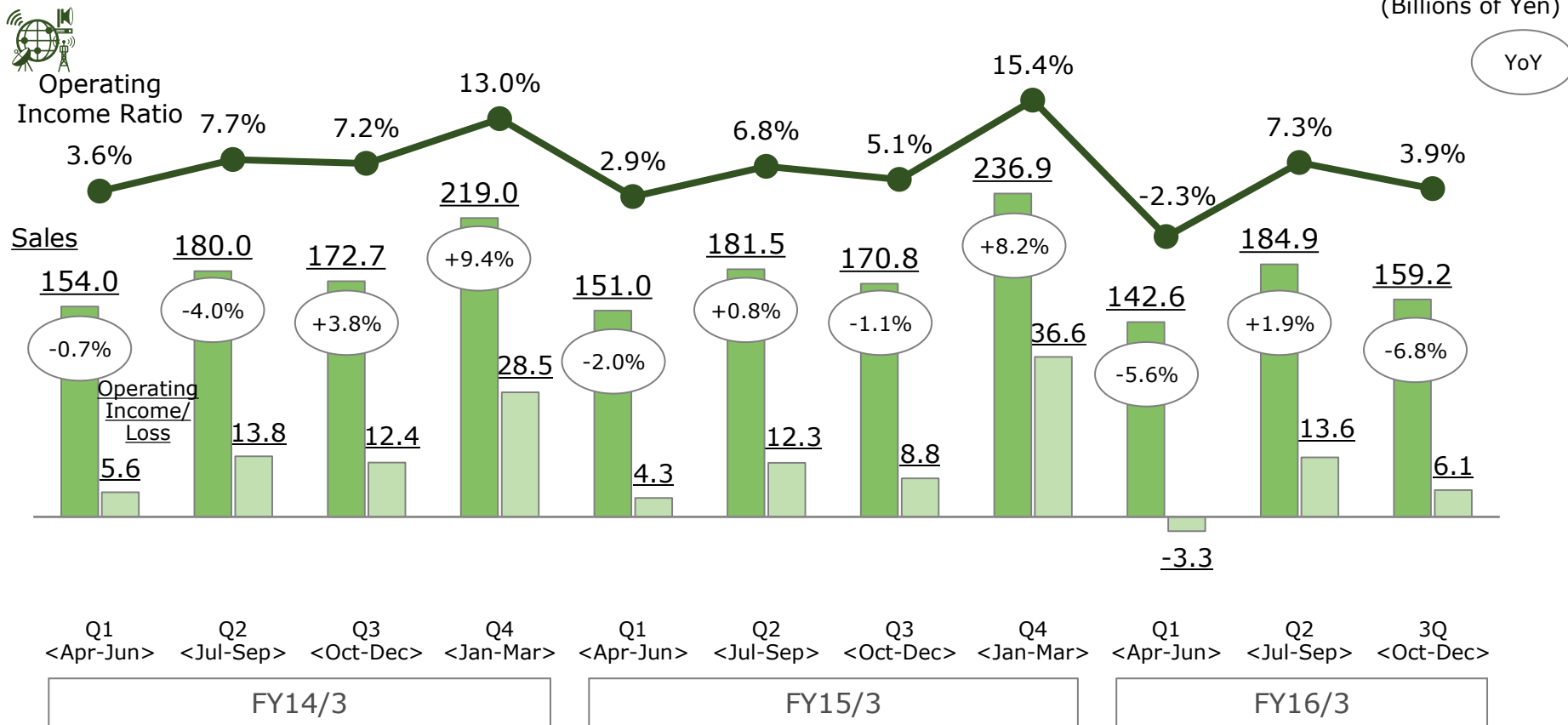
YoY

Sales, Operating Income/Loss (Enterprise)



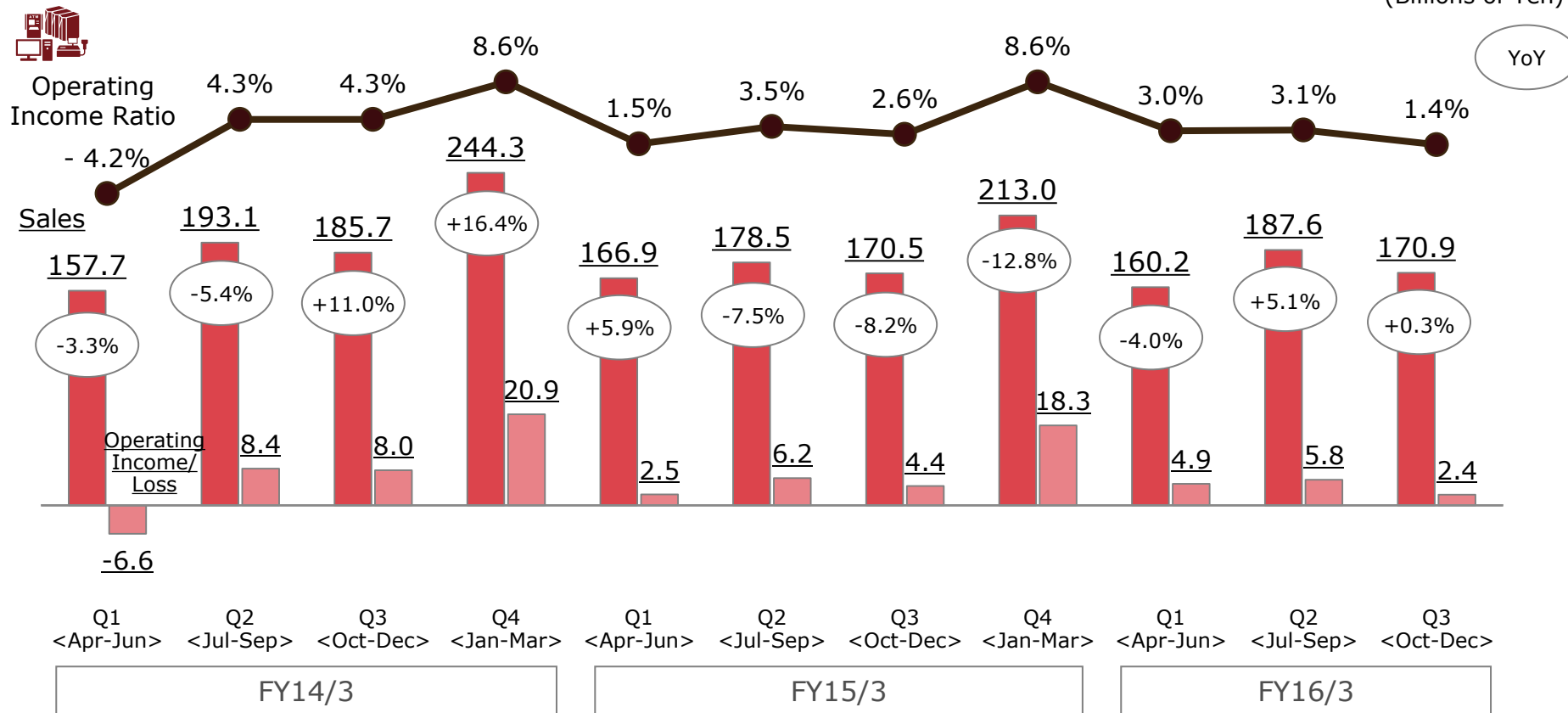
Sales, Operating Income/Loss (Telecom Carrier)

(Billions of Yen)



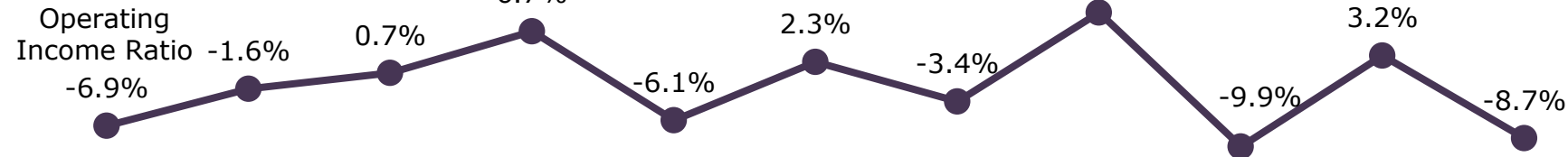
Sales, Operating Income/Loss (System Platform)

(Billions of Yen)

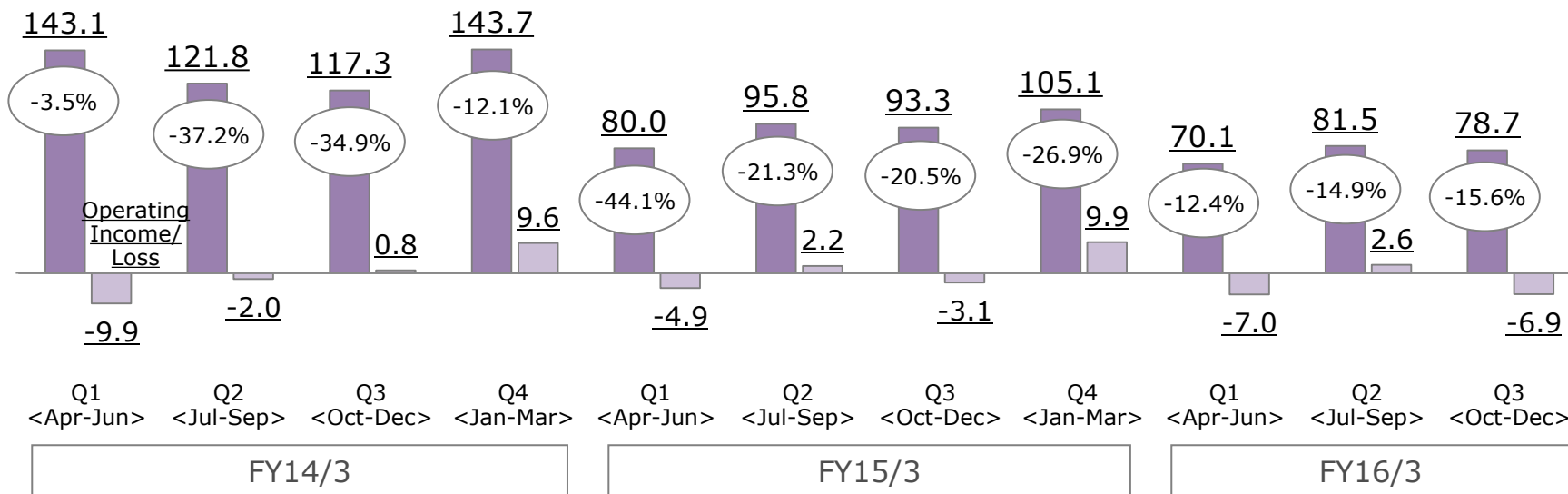


Sales, Operating Income/Loss (Others)

(Billions of Yen)



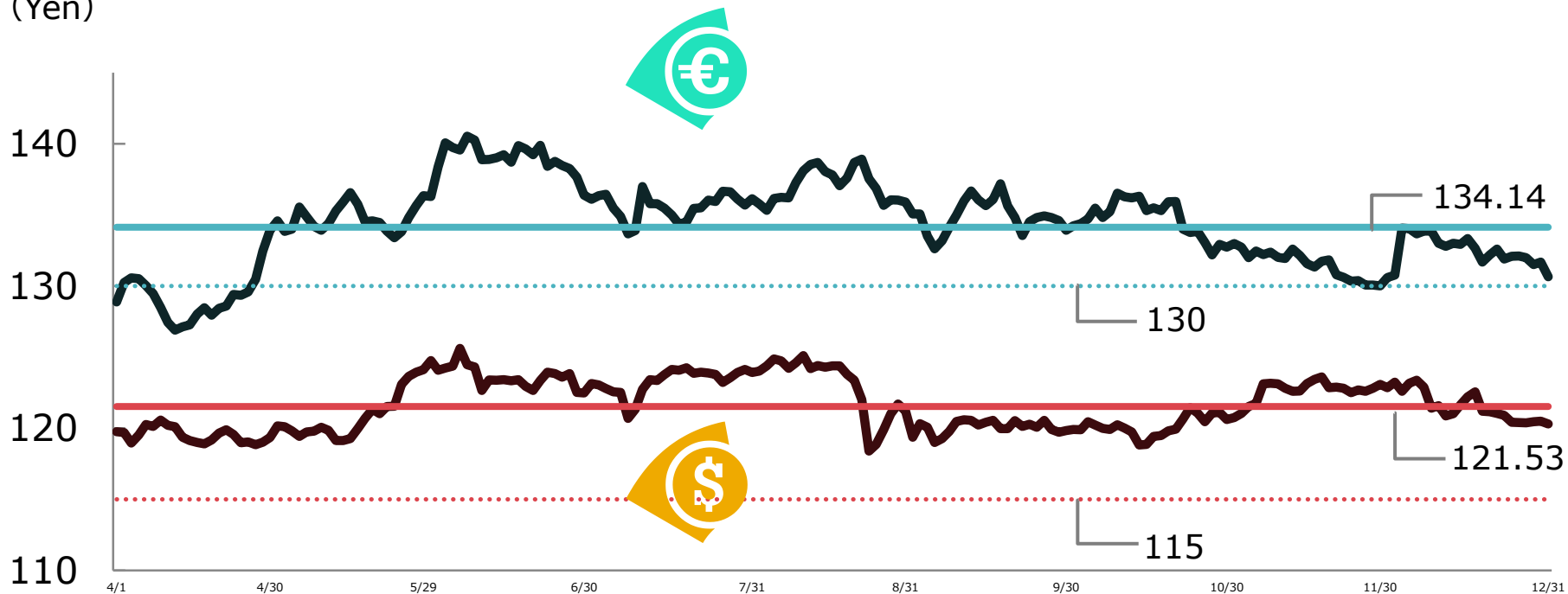
Sales



YoY

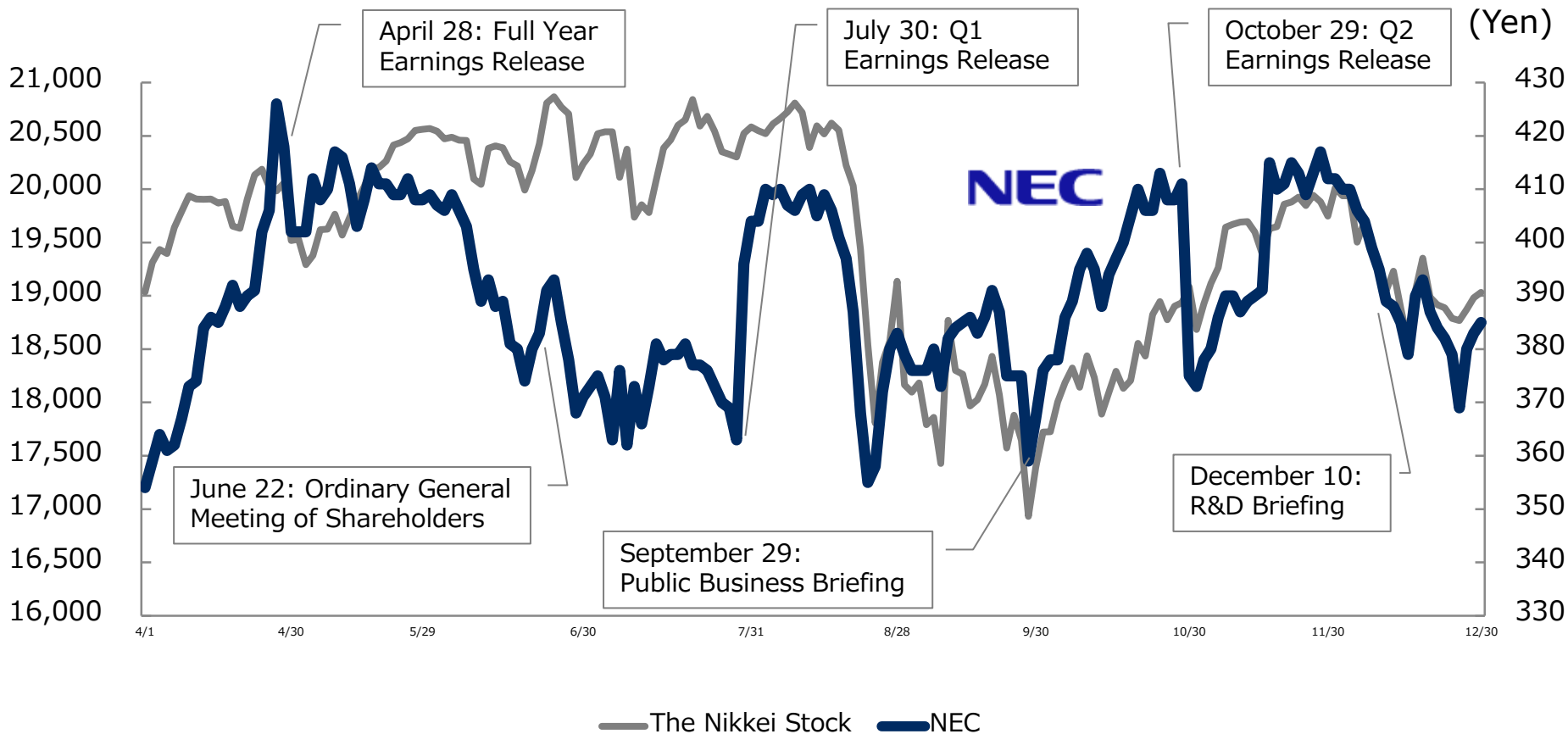
Exchange Rate

(Yen)



- 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

Stock Price



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.

Finally, NEC cautions you that the statements made in this material are not an offer of securities for sale. Securities may not be offered or sold in any jurisdiction in which required registration is absent or an exemption from registration under the applicable securities laws is not granted.

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.