Financial Results for Q1
Fiscal Year Ending March 31, 2018

July 31, 2017
NEC Corporation
(http://www.nec.com/en/global/ir)
Index

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Ⅱ. Financial Forecasts for FY18/3

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Financial Forecasts for FY18/3 (Appendix)
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* Net profit/loss refers to net profit/loss attributable to owners of the parent for the same period.
** As stated in the July 21, 2017 announcement, “NEC to Revise Business Segments,” NEC has revised its business segments from Q1, FY18/3. Figures for the corresponding period of FY16/3 or FY17/3 have been restated to conform with the new segments.
I. Financial Results for Q1, FY18/3
## Summary of Financial Results for Q1

### Q1 Results

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
<th>FY18/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>518.7</td>
<td>582.5</td>
<td>+12.3%</td>
</tr>
<tr>
<td><strong>Operating Profit/Loss</strong></td>
<td>-29.9</td>
<td>-14.4</td>
<td>+15.5</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>-5.8%</td>
<td>-2.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Income/Loss before Income Taxes</strong></td>
<td>-33.7</td>
<td>7.1</td>
<td>+40.8</td>
</tr>
<tr>
<td><strong>Net Profit/Loss</strong></td>
<td>-20.1</td>
<td>7.8</td>
<td>+27.9</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>-3.9%</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Free Cash Flows</strong></td>
<td>63.7</td>
<td>114.5</td>
<td>+50.8</td>
</tr>
</tbody>
</table>

### Note:
- **Average Exchange Rates** (yen):
  - USD 1: 110.66
  - EUR 1: 124.38

### Adjustment

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
<th>FY18/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Profit/Loss</strong></td>
<td>-10.3</td>
<td>-8.6</td>
<td>+1.7</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>-5.8%</td>
<td>-2.5%</td>
<td></td>
</tr>
</tbody>
</table>

### Total

<table>
<thead>
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</tbody>
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### Public

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
<th>FY18/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>120.7</td>
<td>181.0</td>
<td>+49.9%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>-5.1%</td>
<td>-0.3%</td>
<td></td>
</tr>
</tbody>
</table>

### Enterprise

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
<th>FY18/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>89.2</td>
<td>87.8</td>
<td>-1.5%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>6.4%</td>
<td>5.7%</td>
<td></td>
</tr>
</tbody>
</table>

### Telecom Carrier

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
<th>FY18/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>118.7</td>
<td>123.3</td>
<td>+3.9%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>-5.9%</td>
<td>-2.7%</td>
<td></td>
</tr>
</tbody>
</table>

### System Platform

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
<th>FY18/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>150.2</td>
<td>153.2</td>
<td>+2.0%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>-3.1%</td>
<td>-1.1%</td>
<td></td>
</tr>
</tbody>
</table>

### Others

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
<th>FY18/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>39.9</td>
<td>37.1</td>
<td>-7.1%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>-19.2%</td>
<td>-14.4%</td>
<td></td>
</tr>
</tbody>
</table>

### Adjustment

<table>
<thead>
<tr>
<th></th>
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<th>FY18/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Profit/Loss</strong></td>
<td>-10.3</td>
<td>-8.6</td>
<td>+1.7</td>
</tr>
<tr>
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### Total

<table>
<thead>
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</tr>
<tr>
<td>% to Revenue</td>
<td>-5.8%</td>
<td>-2.5%</td>
<td></td>
</tr>
</tbody>
</table>
### Public Business

**Revenue** 181.0 (+49.9%)
- Public Solutions area: decreased in firefighting and disaster prevention systems
- Public Infrastructure area: increased due to consolidation of Japan Aviation Electronics Industry, Limited

**Operating Profit/Loss** -0.5 (+5.6)
- Improved due to a sales increase

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**FY16/3 Q1**
- Revenue: 143.9
- Operating Profit/Loss: -2.5
- Operating Profit Ratio: -1.8%

**FY17/3 Q1**
- Revenue: 120.7
- Operating Profit/Loss: -6.1
- Operating Profit Ratio: -5.1%

**FY18/3 Q1**
- Revenue: 181.0
- Operating Profit/Loss: -0.5
- Operating Profit Ratio: -0.3%
Revenue 87.8 (-1.5%)
- Decreased in retail and services

Operating Profit 5.0 (-0.7)
- Worsened due to a sales decline, as well as an increase in IoT related investment expenses

*IoT: Internet of Things
**Telecom Carrier Business**

**Revenue** 123.3 (+3.9%)
- Increased in Japan

**Operating Profit/Loss** -3.3 (+3.7)
- Improved due to a sales increase and cost efficiency

<table>
<thead>
<tr>
<th>(Billions of Yen)</th>
<th>Revenue</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16/3 Q1</td>
<td>141.1</td>
<td>-1.7%</td>
</tr>
<tr>
<td>FY17/3 Q1</td>
<td>118.7</td>
<td>-5.9%</td>
</tr>
<tr>
<td>FY18/3 Q1</td>
<td>123.3</td>
<td>-2.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(Billions of Yen (YoY))</th>
<th>Operating Profit/Loss</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16/3 Q1</td>
<td>-2.5</td>
<td>-15.9%</td>
</tr>
<tr>
<td>FY17/3 Q1</td>
<td>-7.0</td>
<td>-5.9%</td>
</tr>
<tr>
<td>FY18/3 Q1</td>
<td>-3.3</td>
<td>-2.7%</td>
</tr>
</tbody>
</table>
System Platform Business

Q1 Results

Revenue 153.2 (+2.0%)
- Increased in hardware and services

Operating Profit/Loss -1.7 (+2.9)
- Improved due to a sales increase and cost efficiency

Revenue

160.2

Operating Profit/Loss

150.2 (-6.2%)

153.2 (+2.0%)

Operating Profit Ratio

2.7%

Operating Profit Ratio

4.3

-3.1%

-4.6

-1.1%

-1.7

FY16/3 Q1

FY17/3 Q1

FY18/3 Q1

Billions of Yen

Billions of Yen (YoY)

(Billions of Yen)
### Q1 Results

#### Others

<table>
<thead>
<tr>
<th>Operating Profit Ratio</th>
<th>Revenue</th>
<th>Operating Profit/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16/3 Q1</td>
<td>-10.8%</td>
<td>-5.4 (−20.1%)</td>
</tr>
<tr>
<td>FY17/3 Q1</td>
<td>-19.2%</td>
<td>-7.6 (−7.1%)</td>
</tr>
<tr>
<td>FY18/3 Q1</td>
<td>-14.4%</td>
<td>-5.3 (−7.1%)</td>
</tr>
</tbody>
</table>

#### Revenue

37.1 (−7.1%)  
- Decreased in the energy business

#### Operating Profit/Loss

-5.3 (＋2.3)  
- Improved due to cost efficiency
Net Profit Change (Year on Year)

(Billions of Yen)

Operating Profit +15.5

Public +5.6
Telecom Carrier +3.7
System Platform +2.9
Others +2.3
Adjustment +1.7
Enterprise -0.7

Financial Income/Costs, etc. +25.3

Others -12.8

Income taxes -11.0
Non-controlling interests -1.8

Public +5.6
Telecom Carrier +3.7
System Platform +2.9
Others +2.3
Adjustment +1.7
Enterprise -0.7

Gain on sales of stocks of:
NEC TOKIN Corporation +14.8
Renesas Electronics Corporation +4.3
Foreign exchange gain/losses +5.8
Interest expenses +1.3
Share of profit of entities accounted for using the equity method -1.1

FY17/3
Q1 -20.1

FY18/3
Q1 7.8
Management Topics

Recorded gain on sales of stocks owned by NEC in the consolidated financial statement for Q1, FY18/3

- Sale of all of NEC’s stocks in NEC TOKIN Corporation (April 2017)
  - Recorded 14.8 billion yen in non-operating income, and approximately 40.0 billion yen of cash inflows
  - This transaction is factored into the financial forecasts for 18/3.

- Sale of a portion of NEC’s stocks in Renesas Electronics Corporation (June 2017)
  - Recorded 4.3 billion yen in non-operating income, and approximately 10.0 billion yen of cash inflows
  - This transaction is not yet factored into the financial forecasts for 18/3.
II. Financial Forecasts for FY18/3
## Summary of Financial Forecasts

Achieve 30.0 billion yen in net profit, continue a year end dividend (same as initial forecasts as of April 27, 2017)

### Full Year

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
<th>FY18/3 Forecasts</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,665.0</td>
<td>2,800.0</td>
<td>+5.1%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>41.8</td>
<td>50.0</td>
<td>+8.2%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>1.6%</td>
<td>1.8%</td>
<td></td>
</tr>
<tr>
<td>Net Profit</td>
<td>27.3</td>
<td>30.0</td>
<td>+2.7%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>1.0%</td>
<td>1.1%</td>
<td></td>
</tr>
<tr>
<td>Free Cash Flows</td>
<td>99.0</td>
<td>80.0</td>
<td>-19.0%</td>
</tr>
<tr>
<td>Dividends per Share</td>
<td>6.00</td>
<td>60.00</td>
<td>-</td>
</tr>
</tbody>
</table>

### Note:
- Average Exchange Rates (yen)
  - USD 1: 108.38
  - EUR 1: 119.19

### Forecast as of July 31, 2017

**Forecasts of FY18/3**

### Public

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
<th>FY18/3 Forecasts</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>766.2</td>
<td>915.0</td>
<td>+19.4%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>33.2</td>
<td>55.0</td>
<td>+21.8%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>4.3%</td>
<td>6.0%</td>
<td></td>
</tr>
</tbody>
</table>

### Enterprise

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
<th>FY18/3 Forecasts</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>408.6</td>
<td>415.0</td>
<td>+1.6%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>39.7</td>
<td>36.0</td>
<td>-3.7%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>9.7%</td>
<td>8.7%</td>
<td></td>
</tr>
</tbody>
</table>

### Telecom Carrier

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
<th>FY18/3 Forecasts</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>600.4</td>
<td>595.0</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>18.1</td>
<td>23.0</td>
<td>+4.9%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>3.0%</td>
<td>3.9%</td>
<td></td>
</tr>
</tbody>
</table>

### System Platform

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
<th>FY18/3 Forecasts</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>719.8</td>
<td>685.0</td>
<td>-4.8%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>29.6</td>
<td>29.0</td>
<td>-0.6%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>4.1%</td>
<td>4.2%</td>
<td></td>
</tr>
</tbody>
</table>

### Others

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
<th>FY18/3 Forecasts</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>170.0</td>
<td>190.0</td>
<td>+11.8%</td>
</tr>
<tr>
<td>Operating Profit/Loss</td>
<td>-20.0</td>
<td>-16.0</td>
<td>+4.0%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>-11.8%</td>
<td>-8.4%</td>
<td></td>
</tr>
</tbody>
</table>

### Adjustment

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
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</tr>
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<tbody>
<tr>
<td>Revenue</td>
<td>-58.7</td>
<td>-77.0</td>
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</tr>
<tr>
<td>Operating Profit/Loss</td>
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<td>-16.0</td>
<td>+4.0%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>-11.8%</td>
<td>-8.4%</td>
<td></td>
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</table>

### Total

<table>
<thead>
<tr>
<th></th>
<th>FY17/3 Actual</th>
<th>FY18/3 Forecasts</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,665.0</td>
<td>2,800.0</td>
<td>+5.1%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>41.8</td>
<td>50.0</td>
<td>+8.2%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>1.6%</td>
<td>1.8%</td>
<td></td>
</tr>
</tbody>
</table>

*Taking into account the share consolidation in the ratio of 10:1 effective on October 1, 2017.
Amount of dividends is not changed from initial forecasts as of April 27, 2017.
Background of Segment Revision

Reporting segment is revised in accordance with the organizational change in April 2017

The Corporate Sales and Sales Operations Unit responsible for regional sales functions (i.e., branch divisions and branch offices) in Japan, booked currently in Others, has been incorporated into the Public segment

- New Public business consists of the “Public Solutions Business Unit” responsible for business involving regional sales functions and regional public entities in Japan, as well as the “Public Infrastructure Business Unit” that takes charge of business involving government organizations and enterprises supporting national and social infrastructure
  - The Public Solutions Business Unit accelerates new business development in Smart City, "My Number" utilization, healthcare, and other business domains through collaboration with municipalities, universities, enterprises, and other regional stakeholders based on regional needs and policy needs

Business involving financial institutions has been transferred to the Enterprise segment

- Expanding NEC's lineup of financial settlement and other solutions, as well as boosting investment efficiency by strengthening collaboration with the distribution and service industries in the FinTech domain
Public Business

Revenue

- Public Solutions area: decrease due to the influence from the nomination suspension
- Public Infrastructure area: increase due to consolidation of Japan Aviation Electronics Industry, Limited

Operating Profit

- Improve due to a sales increase and profitability improvement in the space business, as well as a decrease in provision for contingent loss recorded in the previous fiscal year

*Forecasts as of July 31, 2017
Enterprise Business

**Revenue** 415.0 (+1.6%)
- Increase slightly due to increase in manufacturing industries and financial institutions, despite a decline in retail and services

**Operating Profit** 36.0 (-3.7)
- Worsen due to project lineup changes

*Forecasts as of July 31, 2017*
Telecom Carrier Business

Revenue 595.0 (-0.9%)
- Remain flat due to a decline in existing international business such as submarine cable systems, despite expansion of new business

Operating Profit 23.0 (+4.9)
- Improve due to international business, despite an increase in development expenses for 5G

*Forecasts as of July 31, 2017
**System Platform Business**

### Forecasts FY18/3

**Revenue** 685.0 (-4.8%)
- Decrease due to the influence from the nomination suspension, as well as a decline in hardware such as mobile handsets

**Operating Profit** 29.0 (-0.6)
- Worsen due to a sales decline, despite an improvement from cost efficiency, as well as a decrease in provision for contingent loss recorded in the previous fiscal year

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*Forecasts as of July 31, 2017*
Revenue 190.0 (+11.8%)
- Increase in international business and the energy business

Operating Profit/Loss -16.0 (+4.0)
- Improve in the energy business and international business

*Forecasts as of July 31, 2017
Improve management speed and enhance execution power

Achieve 30.0 billion yen in net profit (company forecast), continue a year end dividend

*As of July 31, 2017
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 Q1, FY18/3 (Appendix)
## Financial Results for Q1 by Segment (three-year transition)

### Revenue

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY16/3 Q1</th>
<th>FY17/3 Q1</th>
<th>FY18/3 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>143.9</td>
<td>120.7</td>
<td>181.0</td>
</tr>
<tr>
<td>Enterprise</td>
<td>92.2</td>
<td>89.2</td>
<td>87.8</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>141.1</td>
<td>118.7</td>
<td>123.3</td>
</tr>
<tr>
<td>System Platform</td>
<td>160.2</td>
<td>150.2</td>
<td>153.2</td>
</tr>
<tr>
<td>Others</td>
<td>49.9</td>
<td>39.9</td>
<td>37.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>587.3</strong></td>
<td><strong>518.7</strong></td>
<td><strong>582.5</strong></td>
</tr>
</tbody>
</table>

### Operating Profit/Loss

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY16/3 Q1</th>
<th>FY17/3 Q1</th>
<th>FY18/3 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise</td>
<td>4.5</td>
<td>-2.5</td>
<td>4.5</td>
</tr>
<tr>
<td>System Platform</td>
<td>4.3</td>
<td>-4.6</td>
<td>5.7</td>
</tr>
<tr>
<td>Public</td>
<td>-2.5</td>
<td>-5.4</td>
<td>-6.0</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>-2.5</td>
<td>-4.6</td>
<td>-7.6</td>
</tr>
<tr>
<td>Others</td>
<td>-5.4</td>
<td>-6.1</td>
<td>-7.0</td>
</tr>
<tr>
<td>Adjustment</td>
<td>-6.0</td>
<td>-5.3</td>
<td>-8.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-7.6</strong></td>
<td><strong>-29.9</strong></td>
<td><strong>-14.4</strong></td>
</tr>
</tbody>
</table>

### Notes
- (Billions of Yen)
- Q1 Results
Revenue for Q1, FY18/3: 582.5 billion yen

Revenue:
- Public: 31% (182.7 billion yen)
- Enterprise: 15% (87.4 billion yen)
- Telecom Carrier: 21% (122.3 billion yen)
- System Platform: 26% (151.4 billion yen)
- Others: 7% (40.9 billion yen)

Operating Profit/Loss:
- Enterprise: 5.0 billion yen
- Public: -0.5 billion yen
- Telecom Carrier: -3.3 billion yen
- System Platform: -1.7 billion yen
- Others: -5.3 billion yen

Operating Profit/Loss for Q1, FY18/3: -14.4 billion yen
**Revenue Change (Year on Year)**

- **Public Solutions area**: decreased in firefighting and disaster prevention systems
- **Public Infrastructure area**: increased due to consolidation of JAE

**Enterprise**: decreased by -1.3

**Telecom Carrier**: increased by +4.6

**System Platform**: increased by +3.0

**Others**: decreased by -2.8

**FY17/3 Q1** 518.7

**FY18/3 Q1** 582.5

*B*JAE: Japan Aviation Electronics Industry, Limited*
Operating Profit Change (Year on Year)

(Billions of Yen)

FY17/3 Q1 -29.9

Public +5.6
Enterprise -0.7

Improved due to a sales increase

Telecom Carrier +3.7

Improved due to a sales increase and cost efficiency

System Platform +2.9

Improved due to cost efficiency

Others +2.3

Adjustment +1.7

Improved due to cost efficiency

Worsened due to a sales decline, as well as an increase in IoT related investment expenses

Improved due to a sales increase and cost efficiency

FY18/3 Q1 -14.4

Improved due to cost efficiency

Operating Profit Change: Worsened due to a sales decline, as well as an increase in IoT related investment expenses. Improved due to cost efficiency.

Q1 Results: Improved due to a sales increase and cost efficiency.
Revenue by Region

Revenue for Q1, FY18/3 582.5

- Japan 72.0%
- The Americas 7.0%
- EMEA 5.7%
- China/East Asia and APAC 15.3%

*Revenue is classified by country or region based on customer locations.*
Free Cash Flows

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

(Q1 Results)

Recording of proceeds from sales of investments in affiliated companies
## Financial Position Data

### (Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>End of March 2017</th>
<th>End of June 2017</th>
<th>Variance from end of March 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>2,684.0</td>
<td>2,662.2</td>
<td>-21.8</td>
</tr>
<tr>
<td>Total equity</td>
<td>1,016.1</td>
<td>1,006.5</td>
<td>-9.6</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>466.9</td>
<td>544.0</td>
<td>+77.1</td>
</tr>
<tr>
<td>Equity attributable to owners of the parent</td>
<td>854.3</td>
<td>844.8</td>
<td>-9.4</td>
</tr>
<tr>
<td>Ratio of equity attributable to owners of the parent (%)</td>
<td>31.8%</td>
<td>31.7%</td>
<td>-0.1pt</td>
</tr>
<tr>
<td>D/E ratio (times)</td>
<td>0.55</td>
<td>0.64</td>
<td>-0.09pt</td>
</tr>
<tr>
<td>Net D/E ratio (times)</td>
<td>0.27</td>
<td>0.15</td>
<td>+0.12pt</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>240.0</td>
<td>414.9</td>
<td>+174.9</td>
</tr>
</tbody>
</table>
## Statements of Financial Position (At the end of June 2017)

### Total Assets

- **Current Assets**: 1,524.8 Billion Yen (Increase of 16.0 Billion Yen compared to end of March 2017)
- **Non-current Assets**: 1,137.4 Billion Yen (Decrease of 37.8 Billion Yen)

### Liabilities

- **Total Liabilities**: 1,655.7 Billion Yen (Decrease of 12.2 Billion Yen)

### Equity

- **Equity**: 1,006.5 Billion Yen (Payment of dividends 9.6 Billion Yen)

**Total Assets**: 2,662.2 Billion Yen

(-21.8 compared to end of March 2017)

**Compared to end of March 2017**

- Decrease in cash and cash equivalents: +16.0 Billion Yen
- Decrease in trade and other payables: -37.8 Billion Yen
- Decrease in other financial assets: -9.6 Billion Yen
- Payment of dividends: -9.6 Billion Yen
IT services in Japan for Q1, FY18/3 showed stable performance in the retail and services, as well as telecommunication areas, while it decreased in the central government and financial areas due to a decline in large-scale projects compared to the previous fiscal year.
Financial Forecasts for FY18/3 (Appendix)
Financial Results/Forecasts by Segment (three-year transition)

Revenue

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY16/3</th>
<th>FY17/3</th>
<th>FY18/3 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>786.5</td>
<td>766.2</td>
<td>915.0</td>
</tr>
<tr>
<td>Enterprise</td>
<td>399.2</td>
<td>408.6</td>
<td>415.0</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>689.0</td>
<td>600.4</td>
<td>595.0</td>
</tr>
<tr>
<td>System Platform</td>
<td>728.6</td>
<td>719.8</td>
<td>685.0</td>
</tr>
<tr>
<td>Others</td>
<td>221.5</td>
<td>170.0</td>
<td>190.0</td>
</tr>
</tbody>
</table>

Operating Profit/Loss

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY16/3</th>
<th>FY17/3</th>
<th>FY18/3 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>53.4</td>
<td>41.8</td>
<td>55.0</td>
</tr>
<tr>
<td>Enterprise</td>
<td>29.0</td>
<td>33.2</td>
<td>36.0</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td>45.6</td>
<td>39.7</td>
<td>23.0</td>
</tr>
<tr>
<td>System Platform</td>
<td>31.6</td>
<td>18.1</td>
<td>29.0</td>
</tr>
<tr>
<td>Others</td>
<td>-23.6</td>
<td>-20.0</td>
<td>-16.0</td>
</tr>
<tr>
<td>Adjustment</td>
<td>-44.6</td>
<td>-58.7</td>
<td>-77.0</td>
</tr>
</tbody>
</table>

*Forecasts as of July 31, 2017
Financial Forecasts by Segment

Revenue Forecast for FY18/3 2,800.0

- Public 33%
- Enterprise 15%
- Telecom Carrier 21%
- System Platform 24%
- Others 7%

Operating Profit/Loss Forecast for FY18/3

- Public 55.0
- Enterprise 36.0
- Telecom Carrier 23.0
- System Platform 29.0
- Others -16.0

*Forecasts as of July 31, 2017

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

<table>
<thead>
<tr>
<th>Category</th>
<th>FY17/3</th>
<th>Change (Year on Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Solutions</td>
<td>2,665.0</td>
<td>+148.8</td>
</tr>
<tr>
<td>Enterprise</td>
<td></td>
<td>+6.4</td>
</tr>
<tr>
<td>Telecom Carrier</td>
<td></td>
<td>-5.4</td>
</tr>
<tr>
<td>System Platform</td>
<td></td>
<td>-34.8</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>+20.0</td>
</tr>
</tbody>
</table>

**Public Solutions area:** decrease due to the influence from the nomination suspension
**Public Infrastructure area:** increase due to consolidation of JAE

**Enterprise**
- Increase slightly due to increase in manufacturing industries and financial institutions, despite a decline in retail and services

**Telecom Carrier**
- Decrease due to the influence from the nomination suspension, as well as a decline in hardware such as mobile handsets

**System Platform**
- Increase in international business and the energy business

**Others**
- Increase in international business and the energy business

**Remain flat due to a decline in existing international business such as submarine cable systems, despite expansion of new business**

**Forecasts FY18/3**
- Forecast: 2,800.0

*Forecasts as of July 31, 2017*
Operating Profit Change (Year on Year)

(Billions of Yen)

**Worsen due to a sales decline, despite an improvement from cost efficiency, as well as a decrease in provision for contingent loss recorded in the previous fiscal year**

- **Public** +21.8
- **Enterprise** -3.7
- **Telecom Carrier** +4.9
- **System Platform** -0.6
- **Adjustment** -18.3
- **Others** +4.0

**Improve due to international business, despite an increase in development expenses for 5G**

**Factor business structure improvement expenses and strategic investments for growth**

<table>
<thead>
<tr>
<th>FY17/3 Forecast</th>
<th>FY18/3 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>41.8</td>
<td>50.0</td>
</tr>
</tbody>
</table>

*Forecasts as of July 31, 2017*
Net Profit Change (Year on Year)

Operating Profit

+8.2

Financial Income/Costs, etc.

Gain on sales of stocks in NEC TOKIN Corporation (+14.8), decrease in gain on sales of affiliates’ stocks and gain on step acquisitions (the previous fiscal year), etc.

Public +21.8
Telecom Carrier +4.9
Others +4.0
Enterprise -3.7
System Platform -0.6
Adjustment -18.3

Others

Decrease in income taxes, etc.

(Billions of Yen)

FY17/3
27.3

FY18/3 Forecast
30.0

*Forecasts as of July 31, 2017
Capital Expenditure, Depreciation and R&D Expenses

(Billions of Yen)

Capital Expenditure

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actual</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16/3</td>
<td>36.3</td>
<td></td>
</tr>
<tr>
<td>FY17/3</td>
<td>31.5</td>
<td></td>
</tr>
<tr>
<td>FY18/3</td>
<td>60.0</td>
<td></td>
</tr>
</tbody>
</table>

Depreciation

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actual</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16/3</td>
<td>50.5</td>
<td></td>
</tr>
<tr>
<td>FY17/3</td>
<td>49.9</td>
<td></td>
</tr>
<tr>
<td>FY18/3</td>
<td>65.0</td>
<td></td>
</tr>
</tbody>
</table>

R&D Expenses

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actual</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16/3</td>
<td>123.6</td>
<td></td>
</tr>
<tr>
<td>FY17/3</td>
<td>109.3</td>
<td></td>
</tr>
<tr>
<td>FY18/3</td>
<td>116.0</td>
<td></td>
</tr>
</tbody>
</table>

% to Revenue

- FY16/3: 4.4%
- FY17/3: 4.1%
- FY18/3: 4.1%

*Forecasts as of July 31, 2017*
Reference (Financial data)
Revenue, Operating Profit/Loss

Revenue (Billions of Yen)
- FY16/3: 587.3
- FY17/3: 722.4
- FY18/3: 644.9

Operating Profit/Ratio
- Q1: -1.3%
- Q2: 3.7%
- Q3: 7.3%
- Q4: -5.8%

Operating Profit/Profit
- Q1: -7.6
- Q2: 26.6
- Q3: 8.7
- Q4: 63.7

YoY
- Revenue: FY17/3 vs FY16/3 11.7%
- Operating Profit: FY17/3 vs FY16/3 5.5%

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>
FY16/3  FY17/3  FY18/3
International Revenue

International Revenue Ratio

23.1% 22.5% 23.1% 22.8% 20.1% 20.9% 22.0% 28.0%

International Revenue

<table>
<thead>
<tr>
<th>Quarter</th>
<th>International Revenue</th>
<th>International Revenue Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 (Apr-Jun)</td>
<td>135.9</td>
<td>-13.0%</td>
</tr>
<tr>
<td>Q2 (Jul-Sep)</td>
<td>162.5</td>
<td>+22.8%</td>
</tr>
<tr>
<td>Q3 (Oct-Dec)</td>
<td>148.7</td>
<td>+38.0%</td>
</tr>
<tr>
<td>Q4 (Jan-Mar)</td>
<td>156.1</td>
<td></td>
</tr>
<tr>
<td>FY16/3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1 (Apr-Jun)</td>
<td>118.2</td>
<td>-13.0%</td>
</tr>
<tr>
<td>Q2 (Jul-Sep)</td>
<td>136.9</td>
<td>-15.7%</td>
</tr>
<tr>
<td>Q3 (Oct-Dec)</td>
<td>124.2</td>
<td>-16.5%</td>
</tr>
<tr>
<td>Q4 (Jan-Mar)</td>
<td>191.8</td>
<td>+22.8%</td>
</tr>
<tr>
<td>FY17/3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1 (Apr-Jun)</td>
<td>163.1</td>
<td>+38.0%</td>
</tr>
<tr>
<td>FY18/3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

YoY
Revenue, Operating Profit/Loss (Public)

Operating Profit Ratio
-1.8% 7.7% 3.7% 12.4% -5.1% -1.8% 8.8% -0.3%

Revenue
143.9 193.6 167.3 281.6 120.7 172.8 157.6 181.0
-2.5 14.9 6.3 -6.1 14.4 -2.9 27.8 -0.5

Operating Profit/Loss
-2.5 14.9 6.3 -6.1 14.4 -2.9 27.8 -0.5

YoY
+49.9% +11.9% -16.1% -10.8% -5.8% +11.9% +49.9%

FY16/3 FY17/3 FY18/3
Revenue, Operating Profit (Enterprise)

Operating Profit Ratio
4.9% 7.4% 6.5% 9.8% 6.4% 11.9% 7.4% 12.1% 5.7%

Revenue
92.2 103.5 95.2 108.3 89.2 114.9 94.7 109.9 87.8

Operating Profit
4.5 7.7 6.2 10.6 5.7 13.7 7.0 13.3 5.0

YoY
-3.3% +11.0% -0.6% +1.4% -1.5%

(Billions of Yen)

Revenue, Operating Profit (Enterprise)

Operating Profit Ratio
4.9% 7.4% 6.5% 9.8% 6.4% 11.9% 7.4% 12.1% 5.7%

Revenue
92.2 103.5 95.2 108.3 89.2 114.9 94.7 109.9 87.8

Operating Profit
4.5 7.7 6.2 10.6 5.7 13.7 7.0 13.3 5.0

YoY
-3.3% +11.0% -0.6% +1.4% -1.5%

(Billions of Yen)

Revenue, Operating Profit (Enterprise)

Operating Profit Ratio
4.9% 7.4% 6.5% 9.8% 6.4% 11.9% 7.4% 12.1% 5.7%

Revenue
92.2 103.5 95.2 108.3 89.2 114.9 94.7 109.9 87.8

Operating Profit
4.5 7.7 6.2 10.6 5.7 13.7 7.0 13.3 5.0

YoY
-3.3% +11.0% -0.6% +1.4% -1.5%

(Billions of Yen)
Revenue, Operating Profit/Loss (Telecom Carrier)

Operating Profit Ratio
-1.7%
8.2%
5.3%
11.9%
-5.9%
6.9%
-1.1%
8.5%
-2.7%

Revenue
141.1
183.0
157.2
207.6
118.7
159.0
138.3
184.4
123.3

Operating Profit/Loss
-2.5
15.0
8.4
24.7
-7.0
10.9
-1.5
15.7
-3.3

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>

FY16/3 FY17/3 FY18/3

(Billions of Yen) YoY

Revenue, Operating Profit/Loss (Telecom Carrier)
Revenue, Operating Profit/Loss (System Platform)

Operating Profit Ratio

2.7%  2.6%  1.4%  9.6%  6.5%  10.2%  -3.1%  -0.1%  -1.1%

Revenue

160.2  187.6  171.0  209.7  150.2  189.6  164.3  215.7  153.2

Operating Profit/Loss

4.3  4.9  2.4  20.1  12.4  -4.6  -0.1  -1.7

YoY

+2.9%  +2.0%  +1.0%  -6.2%  -4.0%  -0.1%  -1.1%

Revenue, Operating Profit/Loss (System Platform)

(Billions of Yen)

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

FY16/3  FY17/3  FY18/3

Revenue, Operating Profit/Loss (System Platform)

(Billions of Yen)

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

FY16/3  FY17/3  FY18/3

Operating Profit Ratio

2.7%  2.6%  1.4%  9.6%  6.5%  10.2%  -3.1%  -0.1%  -1.1%

Revenue

160.2  187.6  171.0  209.7  150.2  189.6  164.3  215.7  153.2

Operating Profit/Loss

4.3  4.9  2.4  20.1  12.4  -4.6  -0.1  -1.7

YoY

+2.9%  +2.0%  +1.0%  -6.2%  -4.0%  -0.1%  -1.1%

Revenue, Operating Profit/Loss (System Platform)

(Billions of Yen)

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

FY16/3  FY17/3  FY18/3

Operating Profit Ratio

2.7%  2.6%  1.4%  9.6%  6.5%  10.2%  -3.1%  -0.1%  -1.1%

Revenue

160.2  187.6  171.0  209.7  150.2  189.6  164.3  215.7  153.2

Operating Profit/Loss

4.3  4.9  2.4  20.1  12.4  -4.6  -0.1  -1.7

YoY

+2.9%  +2.0%  +1.0%  -6.2%  -4.0%  -0.1%  -1.1%

Revenue, Operating Profit/Loss (System Platform)

(Billions of Yen)

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

FY16/3  FY17/3  FY18/3

Operating Profit Ratio

2.7%  2.6%  1.4%  9.6%  6.5%  10.2%  -3.1%  -0.1%  -1.1%

Revenue

160.2  187.6  171.0  209.7  150.2  189.6  164.3  215.7  153.2

Operating Profit/Loss

4.3  4.9  2.4  20.1  12.4  -4.6  -0.1  -1.7

YoY

+2.9%  +2.0%  +1.0%  -6.2%  -4.0%  -0.1%  -1.1%

Revenue, Operating Profit/Loss (System Platform)

(Billions of Yen)

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

FY16/3  FY17/3  FY18/3

Operating Profit Ratio

2.7%  2.6%  1.4%  9.6%  6.5%  10.2%  -3.1%  -0.1%  -1.1%

Revenue

160.2  187.6  171.0  209.7  150.2  189.6  164.3  215.7  153.2

Operating Profit/Loss

4.3  4.9  2.4  20.1  12.4  -4.6  -0.1  -1.7

YoY

+2.9%  +2.0%  +1.0%  -6.2%  -4.0%  -0.1%  -1.1%

Revenue, Operating Profit/Loss (System Platform)

(Billions of Yen)

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

FY16/3  FY17/3  FY18/3

Operating Profit Ratio

2.7%  2.6%  1.4%  9.6%  6.5%  10.2%  -3.1%  -0.1%  -1.1%

Revenue

160.2  187.6  171.0  209.7  150.2  189.6  164.3  215.7  153.2

Operating Profit/Loss

4.3  4.9  2.4  20.1  12.4  -4.6  -0.1  -1.7

YoY

+2.9%  +2.0%  +1.0%  -6.2%  -4.0%  -0.1%  -1.1%

Revenue, Operating Profit/Loss (System Platform)

(Billions of Yen)

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

FY16/3  FY17/3  FY18/3

Operating Profit Ratio

2.7%  2.6%  1.4%  9.6%  6.5%  10.2%  -3.1%  -0.1%  -1.1%

Revenue

160.2  187.6  171.0  209.7  150.2  189.6  164.3  215.7  153.2

Operating Profit/Loss

4.3  4.9  2.4  20.1  12.4  -4.6  -0.1  -1.7

YoY

+2.9%  +2.0%  +1.0%  -6.2%  -4.0%  -0.1%  -1.1%
Revenue, Operating Profit/Loss (Others)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY16/3</th>
<th>FY17/3</th>
<th>FY18/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 (Apr-Jun)</td>
<td>Q1 (Apr-Jun)</td>
<td>Q1 (Apr-Jun)</td>
<td>Q1 (Apr-Jun)</td>
</tr>
<tr>
<td>Revenue</td>
<td>49.9</td>
<td>39.9</td>
<td>-5.4</td>
</tr>
<tr>
<td>Operating Profit/Loss</td>
<td>54.6</td>
<td>46.2</td>
<td>0.3</td>
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<tr>
<td>Operating Profit Ratio</td>
<td>54.0</td>
<td>-4.7</td>
<td>-13.8</td>
</tr>
<tr>
<td>YoY%</td>
<td>-10.8%</td>
<td>-8.8%</td>
<td>-21.8%</td>
</tr>
<tr>
<td>Q2 (Jul-Sep)</td>
<td>Q2 (Jul-Sep)</td>
<td>Q2 (Jul-Sep)</td>
<td>Q2 (Jul-Sep)</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td>38.6</td>
<td>45.4</td>
</tr>
<tr>
<td>Operating Profit/Loss</td>
<td></td>
<td>-20.1%</td>
<td>-27.9%</td>
</tr>
<tr>
<td>Operating Profit Ratio</td>
<td></td>
<td>-15.4%</td>
<td>-7.1%</td>
</tr>
<tr>
<td>Q3 (Oct-Dec)</td>
<td>Q3 (Oct-Dec)</td>
<td>Q3 (Oct-Dec)</td>
<td>Q3 (Jan-Mar)</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td>39.9</td>
<td>38.6</td>
</tr>
<tr>
<td>Operating Profit/Loss</td>
<td></td>
<td>-20.1%</td>
<td>-28.6%</td>
</tr>
<tr>
<td>Operating Profit Ratio</td>
<td></td>
<td>-15.4%</td>
<td>-27.9%</td>
</tr>
<tr>
<td>Q4 (Jan-Mar)</td>
<td>Q4 (Jan-Mar)</td>
<td>Q4 (Jan-Mar)</td>
<td>Q4 (Apr-Jun)</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td>46.2</td>
<td>45.4</td>
</tr>
<tr>
<td>Operating Profit/Loss</td>
<td></td>
<td>-20.1%</td>
<td>-27.9%</td>
</tr>
<tr>
<td>Operating Profit Ratio</td>
<td></td>
<td>-15.4%</td>
<td>-7.1%</td>
</tr>
</tbody>
</table>

(Billions of Yen)

YoY
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

(Yen)
The Nikkei Stock Average

Apr 27 Full Year Earnings Release

Jun 22 Ordinary General Meeting of Shareholders

NEC Stock Price (Yen)
Cautionary Statement with Respect to Forward-Looking Statements

This material contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of the NEC Group (the "forward-looking statements"). The forward-looking statements are made based on information currently available to NEC and certain assumptions considered reasonable as of the date of this material. These determinations and assumptions are inherently subjective and uncertain. These forward-looking statements are not guarantees of future performance, and actual operating results may differ substantially due to a number of factors.

The factors that may influence the operating results include, but are not limited to, the following:

- Effects of economic conditions, volatility in the markets generally, and fluctuations in foreign currency exchange and interest rate
- Trends and factors beyond the NEC Group's control and fluctuations in financial conditions and profits of the NEC Group that are caused by external factors
- Risks arising from acquisitions, business combinations and reorganizations, including the possibility that the expected benefits cannot be realized or that the transactions may result in unanticipated adverse consequences
- Developments in the NEC Group's alliances with strategic partners
- Effects of expanding the NEC Group's global business
- Risk that the NEC Group may fail to keep pace with rapid technological developments and changes in customer preferences
- Risk that the NEC Group may lose sales due to problems with the production process or due to its failure to adapt to demand fluctuations
- Defects in products and services
- Shortcomings in material procurement and increases in delivery cost
- Acquisition and protection of intellectual property rights necessary for the operation of business
- Risk that intellectual property licenses owned by third parties cannot be obtained and/or are discontinued
- Risk that the NEC Group may be exposed to unfavorable pricing environment due to intensified competition
- Risk that a major customer changes investment targets, reduces capital investment and/or reduces the value of transactions with the NEC Group
- Risk that the NEC Group may be unable to provide or facilitate payment arrangements (such as vendor financing) to its customers on terms acceptable to them or at all, or risk that the NEC Group's customers are unable to make payments on time, due to the customers' financial difficulties or otherwise
- Risk that the NEC Group may experience a substantial loss of, or inability to attract, talented personnel
- Risk that the NEC Group’s ability to access the commercial paper market or other debt markets are adversely affected due to a downgrade in its credit rating
- Risk that the NEC Group may incur large costs and/or liabilities in relation to internal control, legal proceedings, laws and governmental policies, environmental laws and regulations, tax practice, information management, and human rights and working environment
- Consequences of natural and fire disasters
- Changes in methods, estimates and judgments that the NEC Group uses in applying its accounting policies
- Risk that the NEC Group may incur liabilities and losses in relation to its retirement benefit obligations

The forward-looking statements contained in this material are based on information that NEC possesses as of the date hereof. 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 the NEC Group. NEC does not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Note: In this presentation, the accounting periods of the fiscal years for March 31, 2016 and 17 were referred as FY16/3 and FY17/3 respectively. Any other fiscal years would be referred similarly.