

Financial Results for Q1 Fiscal Year Ending March 31, 2021

July 31, 2020

NEC Corporation

(<https://www.nec.com/en/global/ir/>)

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Financial Results for Q1, FY21/3 (Appendix)

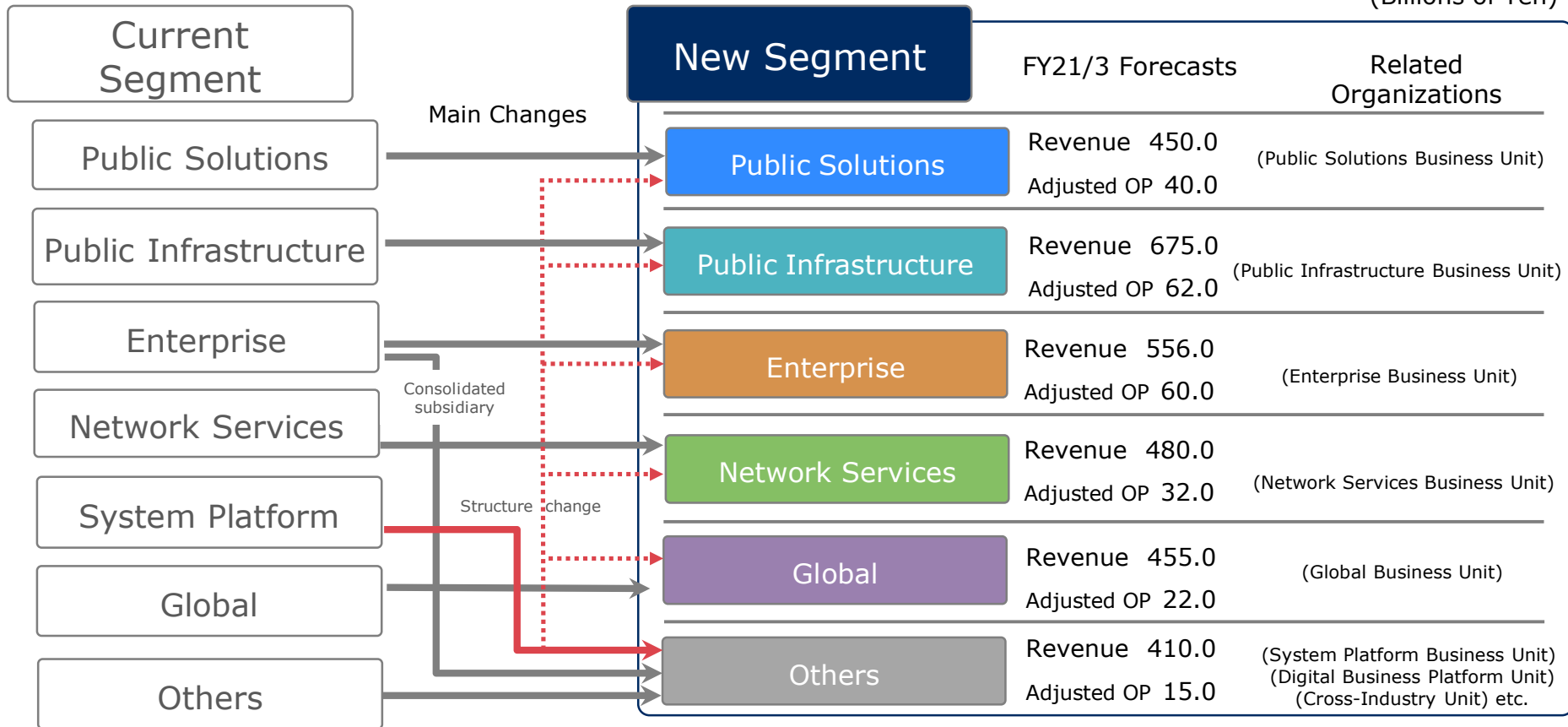
Financial Forecasts for FY21/3 (Appendix)

- * Net profit/loss refers to net profit/loss attributable to owners of the parent for the same period.
- * As stated in the July 21, 2020 announcement, “NEC to Revise Operating Segments”, NEC has revised its operating segments from Q1, FY21/3. Figures for the corresponding period of FY19/3 or FY20/3 have been restated to conform with the new segments.
- * Since the provisional accounting for KMD Holding, which was acquired by NEC in FY19/3, was finalized in Q2, FY20/3, retroactive adjustments were made to the relevant figures for Q1, FY20/3.

I . Financial Results for Q1, FY21/3

Overview of Segment Revision and Organizations

(Billions of Yen)



* Forecasts as of July 31, 2020

Revenue

YoY -10.1%

Decreased due to decline in large projects and business PC replacement demand as well as the deterioration of the macro economy

Adjusted Operating Profit/Loss

YoY -13.4 billion yen

Decreased due to decline in revenue despite recording gain on the sales of subsidiaries' shares and cost reduction

Adjusted Net Profit/Loss

YoY -8.1 billion yen

Decreased due to decline in adjusted operating profit/loss

Summary of Financial Results for Q1

Q1 Results

(Billions of Yen)

	Q1 <April to June>		
	FY20/3 Actual	FY21/3 Actual	YoY
Revenue	653.9	587.7	- 10.1%
Operating Profit/Loss	3.4	- 10.3	- 13.7
% to Revenue	0.5%	-1.7%	
Adjusted Operating Profit/Loss	7.6	- 5.8	- 13.4
% to Revenue	1.2%	-1.0%	
Income/Loss before Income Taxes	3.7	- 9.6	- 13.4
Net Profit/Loss	3.3	- 5.0	- 8.3
% to Revenue	0.5%	-0.9%	
Adjusted Net Profit/Loss	5.9	- 2.3	- 8.1
% to Revenue	0.9%	-0.4%	

Free Cash Flows	83.1	84.2	+ 1.0
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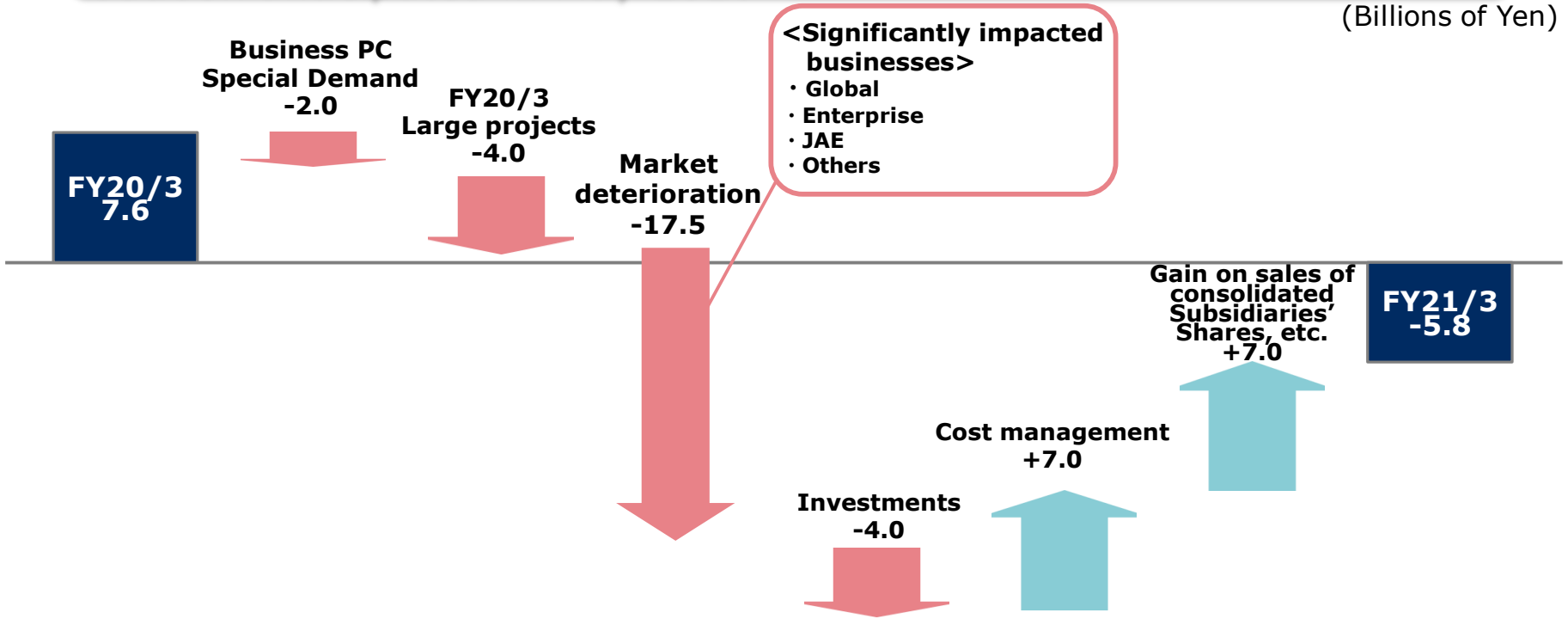
Note: Average Exchange Rates	USD / JPY	110.94	107.57
	EUR / JPY	124.70	117.79

		Q1 <April to June>		
		FY20/3 Actual	FY21/3 Actual	YoY
Public Solutions	Revenue	87.2	74.8	- 14.2%
	Adjusted Operating Profit	- 0.3	- 3.3	- 2.9
	% to Revenue	-0.4%	-4.4%	
Public Infrastructure	Revenue	130.5	122.7	- 6.0%
	Adjusted Operating Profit	7.6	1.8	- 5.7
	% to Revenue	5.8%	1.5%	
Enterprise	Revenue	137.6	115.0	- 16.4%
	Adjusted Operating Profit	8.2	2.7	- 5.6
	% to Revenue	6.0%	2.3%	
Network Services	Revenue	94.8	99.0	+ 4.5%
	Adjusted Operating Profit	- 0.1	- 2.1	- 2.0
	% to Revenue	-0.1%	-2.1%	
Global	Revenue	114.2	97.0	- 15.1%
	Adjusted Operating Profit/Loss	- 0.6	- 3.0	- 2.5
	% to Revenue	-0.5%	-3.1%	
Others	Revenue	89.5	79.1	- 11.6%
	Adjusted Operating Profit	4.9	4.3	- 0.6
	% to Revenue	5.5%	5.5%	
Adjustment	Adjusted Operating Profit/Loss	- 12.1	- 6.2	5.9
Total	Revenue	653.9	587.7	- 10.1%
	Adjusted Operating Profit	7.6	- 5.8	- 13.4
	% to Revenue	1.2%	-1.0%	

Adjusted Operating Profit/Loss Change (Year on Year)

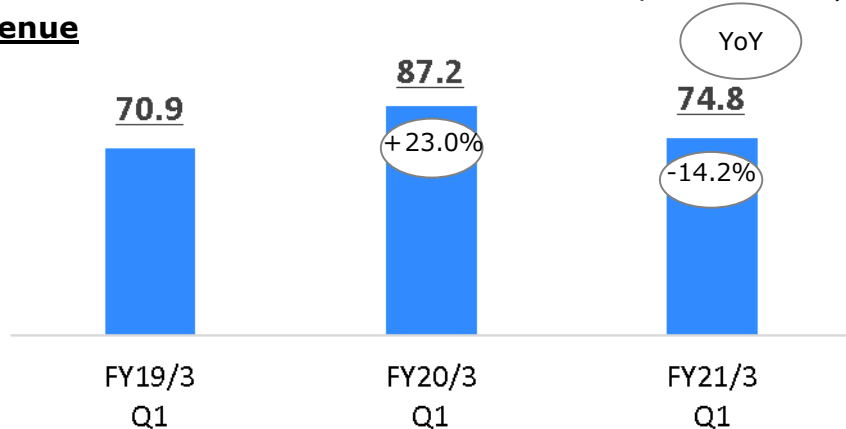
The impact of market deterioration is in line with the company's outlook anticipated in May 2020

(Billions of Yen)



(Billions of Yen)

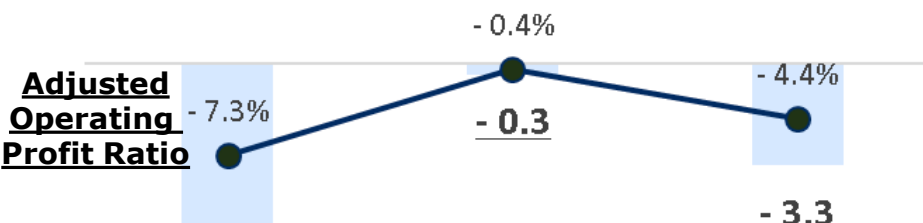
Revenue



Revenue **74.8 (-14.2%)**

- Decreased due to decline in healthcare and local government, as well as decline in demand for business PC replacement

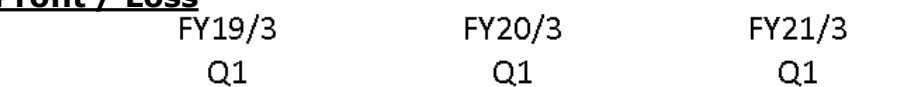
Adjusted Operating Profit Ratio



Adjusted Operating Profit / Loss **-3.3 (-2.9)**

- Decreased due to decline in revenue

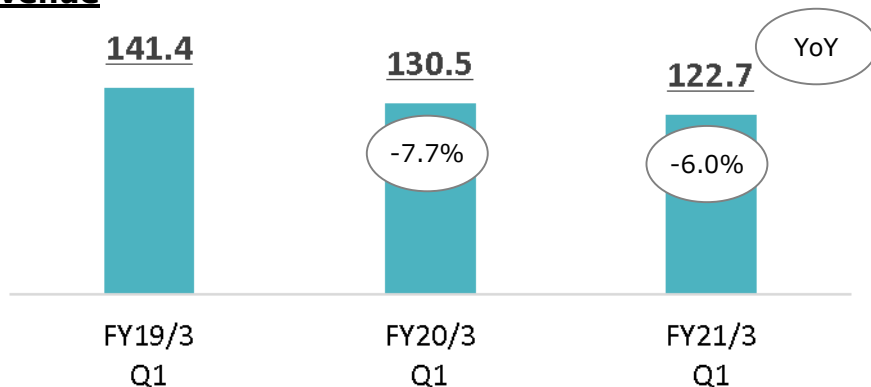
Adjusted Operating Profit / Loss



* Percentage in parentheses is compared to the previous year

Revenue

(Billions of Yen)

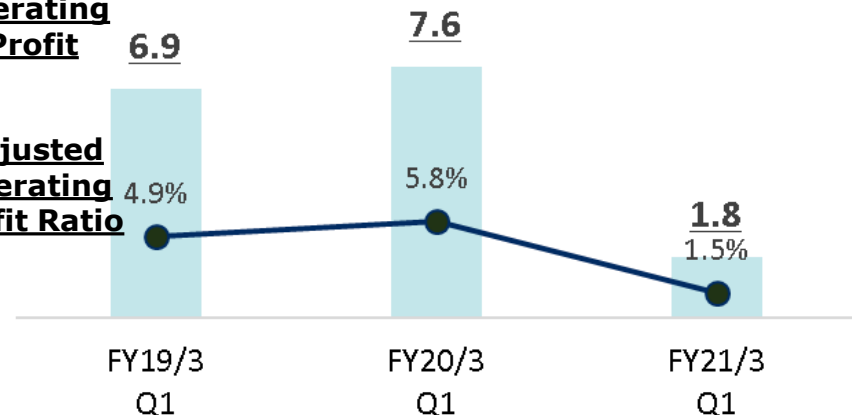


Revenue **122.7** (-6.0%)

- Decreased due to decline in aerospace/defense, as well as to decline in revenue of a consolidated subsidiary

Adjusted Operating Profit

Adjusted Operating Profit Ratio



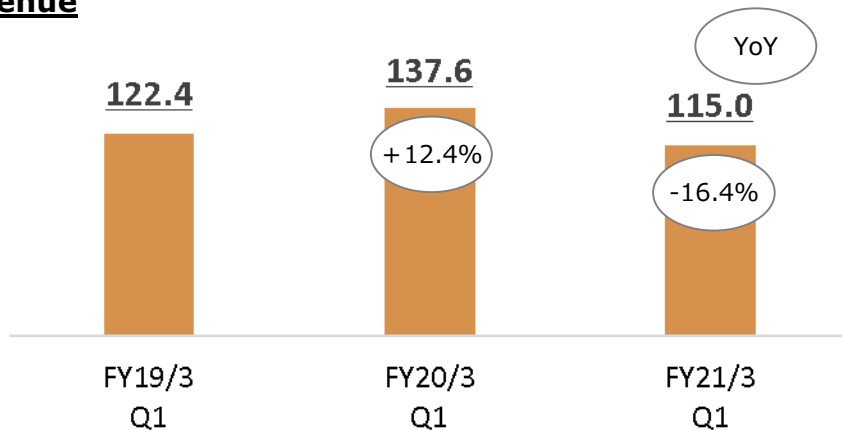
Adjusted Operating Profit **1.8** (-5.7)

- Decreased mainly due to decline in revenue of a consolidated subsidiary

* Percentage in parentheses is compared to the previous year

Revenue

(Billions of Yen)

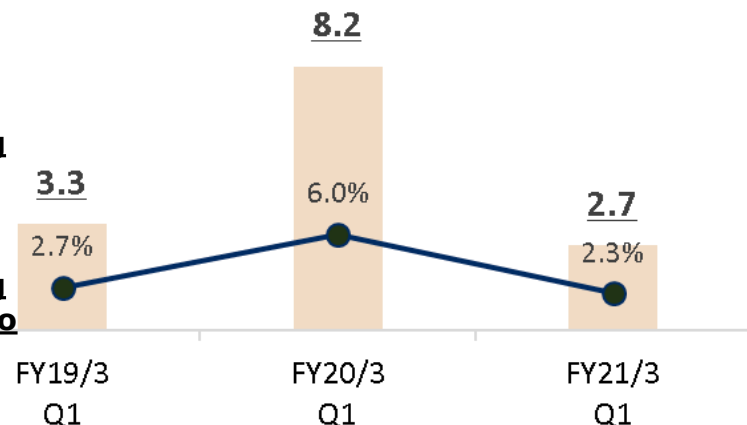


Revenue **115.0** (-16.4%)

- Decreased due to decline in large projects compared to the previous year, as well as decline in demand for business PC replacement

Adjusted Operating Profit

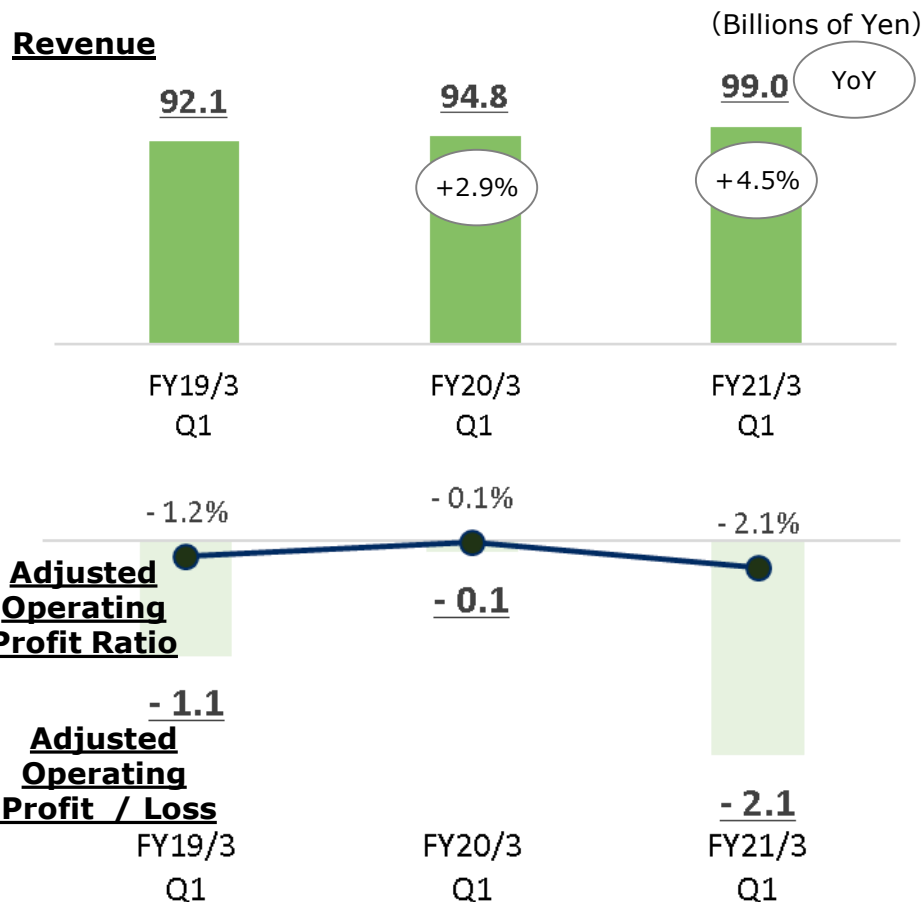
Adjusted Operating Profit Ratio



Adjusted Operating Profit **2.7** (-5.6)

- Decreased due to decline in revenue

* Percentage in parentheses is compared to the previous year



Revenue **99.0 (+4.5%)**

- Increased due primarily to increase in the consolidated subsidiary

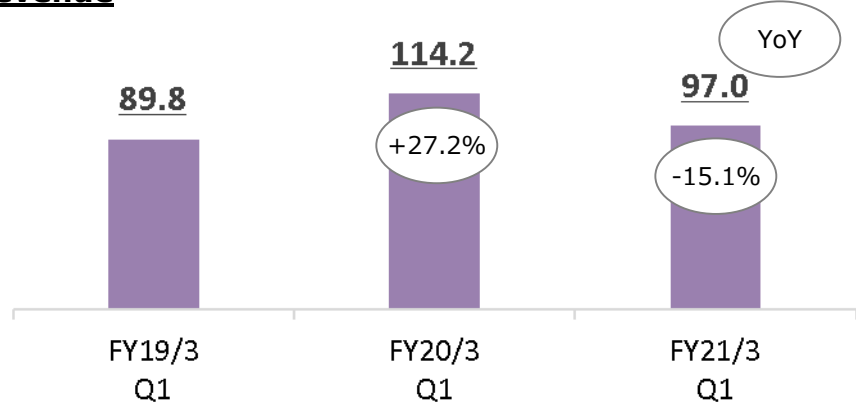
Adjusted Operating Profit / Loss **-2.1 (-2.0)**

- Decreased due to increase in 5G related investments

* Percentage in parentheses is compared to the previous year

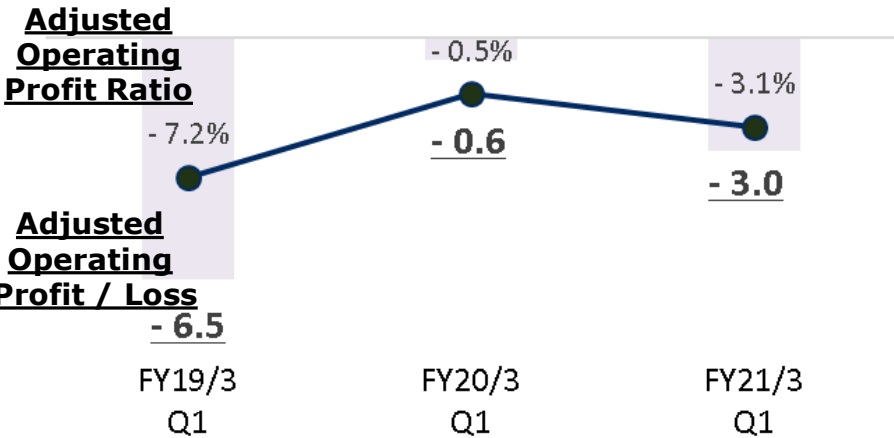
Revenue

(Billions of Yen)



Adjusted Operating Profit Ratio

Adjusted Operating Profit / Loss



Revenue

97.0 (-15.1%)

- Decreased due to a decline in Display, Wireless backhaul and decrease resulting from the termination of a part of KMD businesses, despite an increase in Submarine Systems

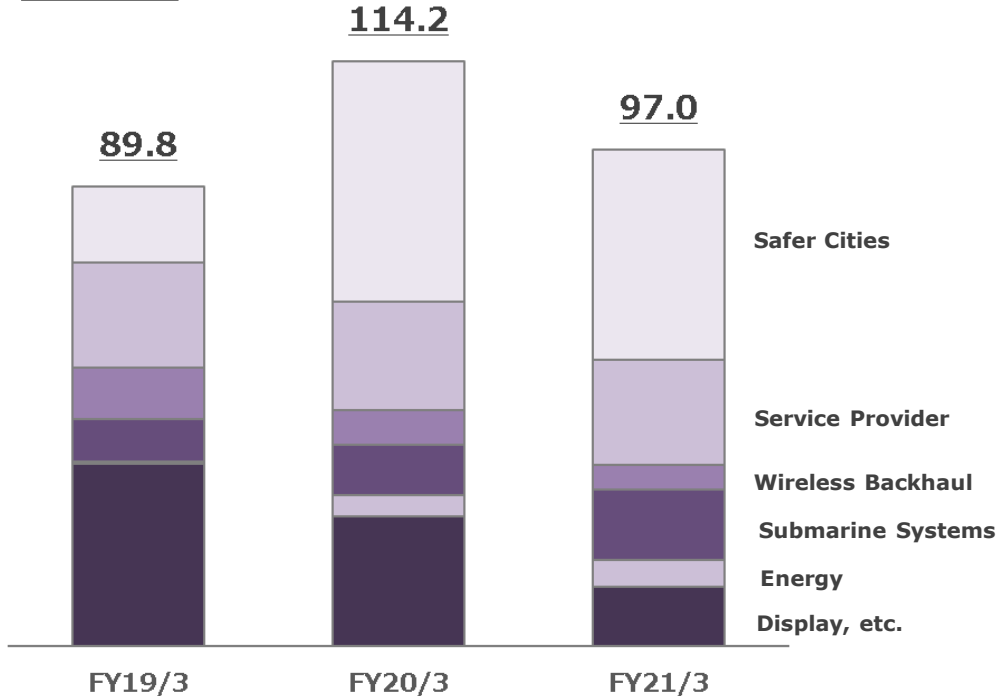
Adjusted Operating Profit/Loss -3.0 (-2.5)

- Decreased due to decline in revenue, despite cost reduction

* Percentage in parentheses is compared to the previous year

Revenue

(Billions of Yen)



Safer Cities

- Decreased due to the impact of deteriorating market conditions as well as the termination of a part of KMD businesses anticipated at the time of acquisition

Service Provider

- Same level as the previous year

Wireless Backhaul

- Decreased due to the impact of deteriorating market conditions

Submarine Systems

- Increased due to the recording of sales for new projects

Energy

- Increased

Display

- Decreased due to the impact of deteriorating market conditions

Display business

- **Forming a joint venture with Sharp Corporation (Under review by administrative agencies)**

Energy business

- **Decided to suspend new orders**
- **Continue to construct systems and provide maintenance support for existing contracts**

FY21/3 Q1
(YoY)

Public Solutions

69%

Public Infrastructure *Excluding JAE

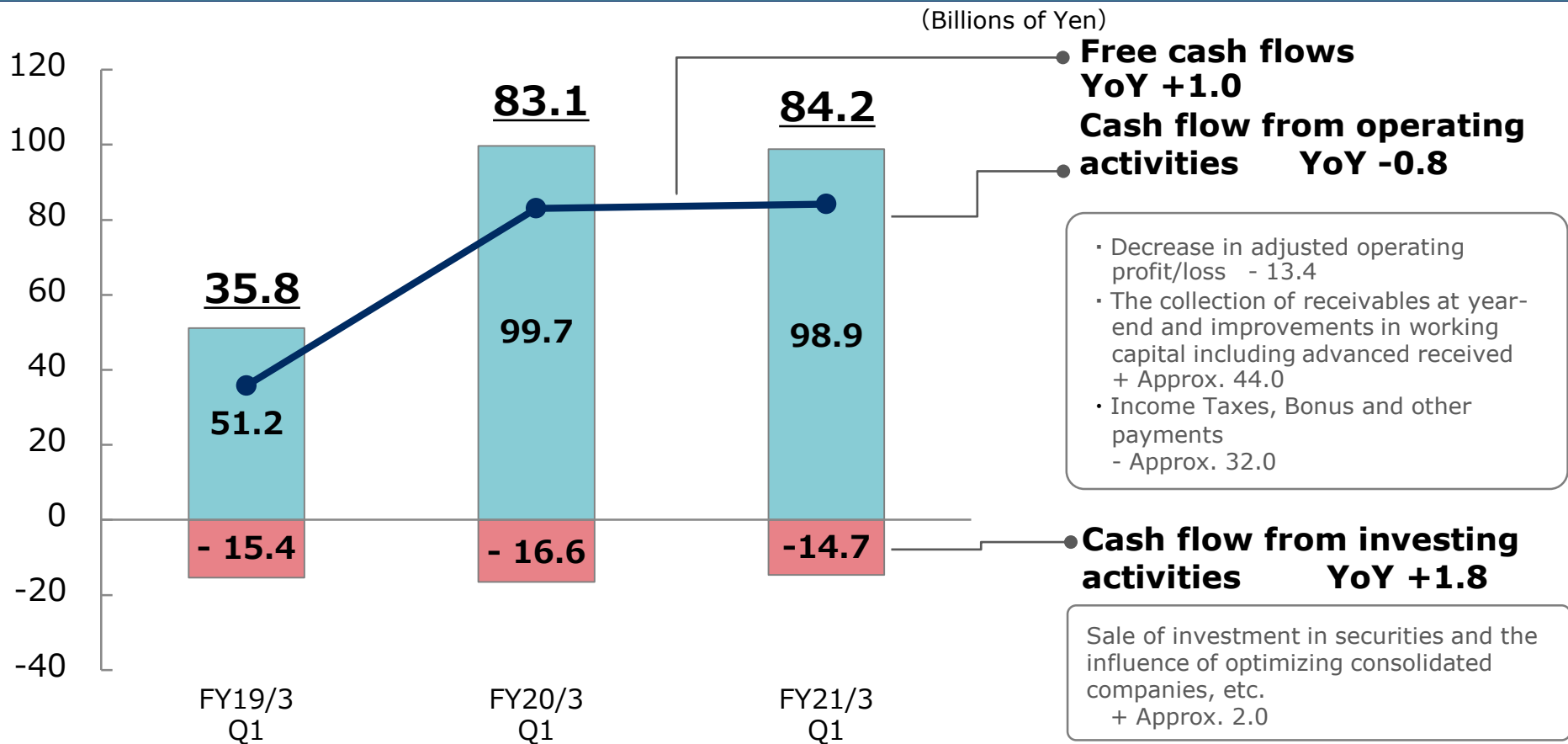
109%

Enterprise

79%

Network Services

101%



II . Financial Forecasts for FY21/3

A decorative graphic consisting of several thin, flowing orange lines that originate from the top right and curve downwards and to the left, crossing the horizontal line that separates the blue header from the white body.

No change in FY21/3 full-year forecasts

(Billions of Yen)

	Full Year		
	FY20/3 Actual	FY21/3 Forecasts	YoY
Revenue	3,095.2	3,030.0	- 2.1%
Operating Profit	127.6	150.0	+ 22.4
% to Revenue	4.1%	5.0%	
Adjusted Operating Profit	145.8	165.0	+ 19.2
% to Revenue	4.7%	5.4%	
Net Profit	100.0	90.0	- 10.0
% to Revenue	3.2%	3.0%	
Adjusted Net Profit	111.2	99.0	- 12.2
% to Revenue	3.6%	3.3%	

Free Cash Flows	177.8	150.0	- 27.8
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Dividend per Share (Yen)	70	80	+ 10
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Note: Average Exchange Rates (Yen)	USD / JPY	109.05	105.00
	EUR / JPY	121.37	120.00

		Full Year		
		FY20/3 Actual	FY21/3 Forecasts	YoY
Public Solutions	Revenue	478.4	450.0	- 5.9%
	Adjusted Operating Profit % to Revenue	34.2 7.2%	40.0 8.9%	+ 5.8
Public Infrastructure	Revenue	678.8	675.0	- 0.6%
	Adjusted Operating Profit % to Revenue	64.2 9.5%	62.0 9.2%	- 2.2
Enterprise	Revenue	549.8	560.0	+ 1.9%
	Adjusted Operating Profit % to Revenue	52.1 9.5%	60.0 10.7%	+ 7.9
Network Services	Revenue	482.7	480.0	- 0.6%
	Adjusted Operating Profit % to Revenue	30.6 6.3%	32.0 6.7%	+ 1.4
Global	Revenue	493.1	455.0	- 7.7%
	Adjusted Operating Profit/Loss % to Revenue	- 3.2 -0.6%	22.0 4.8%	+ 25.2
Others	Revenue	412.6	410.0	- 0.6%
	Adjusted Operating Profit % to Revenue	24.4 5.9%	15.0 3.7%	- 9.4
Adjustment	Adjusted Operating Profit/Loss	- 56.5	- 66.0	- 9.5
Total	Revenue	3,095.2	3,030.0	- 2.1%
	Adjusted Operating Profit	145.8	165.0	+ 19.2
	% to Revenue	4.7%	5.4%	

*Forecasts as of July 31, 2020

Impact of deteriorating macro economy caused by COVID-19 in 2Q and thereafter

- **The outlook remains unchanged from the beginning of this fiscal year when forecasts were announced**
- **Continue managing costs and securing “New Normal” demand**

Cash management

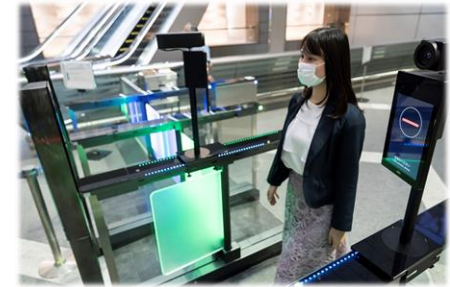
- **Thoroughly secure liquidity and implement sale of assets accordingly**

Initiatives for the “New Normal”

Provision of infectious disease control solution combining biometric and video analytics technologies with thermal cameras to five major airports in Hawaii

- Enables the identification of people with elevated body temperature as well as the visualization of their movement inside the airport
- Contributes to measures aimed at ensuring safety and security for visitors, business travelers, and residents

July 17
announcement



Launching of digital office project to realize a new workstyle through DX

- Started trials at NEC's HQ building for gateless entry/exit and cashierless payment utilizing biometric authentication that can even recognize people wearing a face mask
- Aim to launch the solutions targeting within FY21/3 accordingly

July 13
announcement

Marketing Transformation under the New Normal

Providing customers with new experiences and value by holding a large-scale all-digital exhibition that demonstrates NEC's strengthening global reach and expanding co-creation with partners and customers internationally

NEC iEXPO Digital

(domestic event in July)

- **10 time increase** in participants (30,000)
- 10% increase in target demographic.
6 time increase in VIPs
- **30%** of participating companies are new customers



NEC User Forum & iEXPO 2020 Digital

(global event planned for November)

- All-digital exhibition/seminar
- Strengthen global customer communication with Virtual Networking Lounge
- Global reinforcement attracting customers
2.5 time increase to 50,000

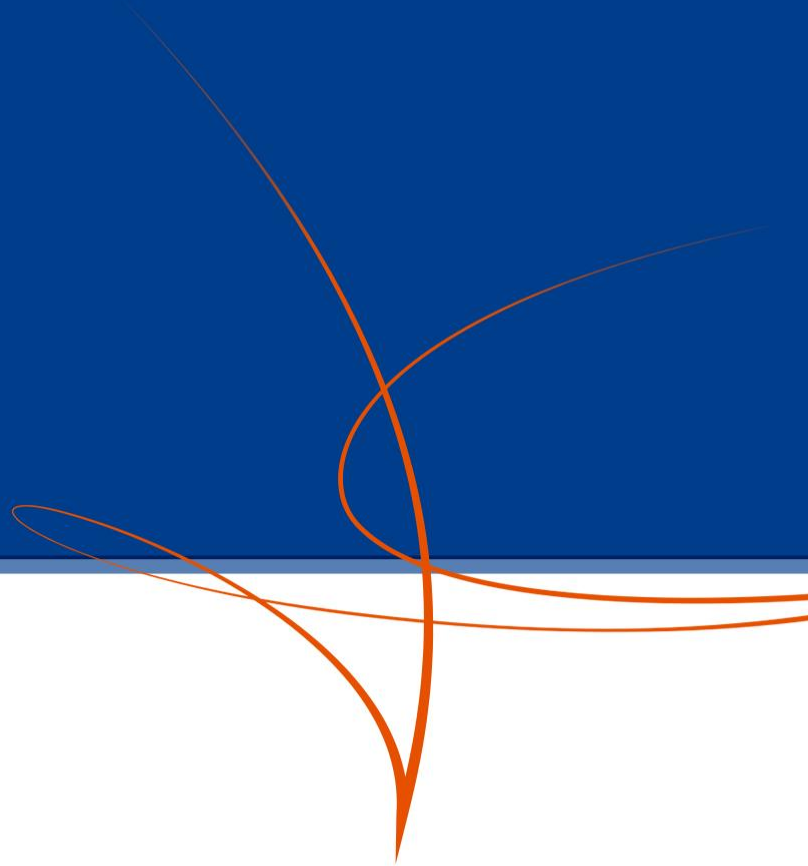


Digital Entrance



Virtual Lecture Hall

III. Topics



Reinforcement of 5G initiatives

Alliance with NTT

June 25
announcement

- Joint R&D and global rollout of ICT products utilizing innovative optical and wireless technologies
- Joint development for realizing O-RAN*1 and IOWN*2



Joint development with Rakuten Mobile

June 3
announcement

- Joint development of standalone 5G core network
- Contribute to realizing the Rakuten Communications Platform (RCP)

*1 Open Radio Access Network

*2 Innovative Optical & Wireless Network

NEC submitted Form 20-F to the U.S. Securities and Exchange Commission (SEC) in March 2020.



The registration has been effective as of June 29, 2020.

The restrictions on transactions in shares of NEC's common stock in the United States have been lifted.

NEC IR Day

■ **Date and time: Monday, September 14, 2020, 10:00 to 16:00 (Tokyo)**

■ **Location: NEC Headquarters Building**

■ **All heads of reporting segments and management responsible for DX promotion explain strategies for achieving the Mid-term business Plan**

Program	Presenter	
Enterprise Business	Executive Vice President	Kazuhiro Sakai
Public Solutions Business	Executive Vice President	Chikara Nakamata
Public Infrastructure Business	Executive Vice President	Noritaka Taguma
R&D Strategy	Executive Vice President	Motoo Nishihara
Network Services Business	Executive Vice President	Atsuo Kawamura
Global Business	Senior Executive Vice President	Akihiko Kumagai
Collaborating with Abeam Consulting	Executive Vice President	Chikara Ishii
Digital Platform Strategy	Executive Vice President	Hiroshi Kodama



\Orchestrating a brighter world

NEC creates the social values of
safety, security, fairness and efficiency
to promote a more sustainable world
where everyone has the chance to reach
their full potential.

 **Orchestrating** a brighter world

NEC

Financial Results for Q1, FY21/3 (Appendix)

Impact of Segment revision

(Billions of Yen)

		FY19/3 Actual			FY20/3 Actual			FY21/3 Forecasts		
		Old Segments	New Segments	Variance	Old Segments	New Segments	Variance	Old Segments	New Segments	Variance
Public Solutions	Revenue	286.2	409.3	+ 123.2	324.6	478.4	+ 153.7	325.0	450.0	+ 125.0
	Adjusted Operating Profit	7.2	13.8	+ 6.6	18.6	34.2	+ 15.6	27.0	40.0	+ 13.0
	% to Revenue	2.5%	3.4%		5.7%	7.2%		8.3%	8.9%	
Public Infrastructure	Revenue	621.9	658.8	+ 36.9	631.1	678.8	+ 47.6	630.0	675.0	+ 45.0
	Adjusted Operating Profit	45.4	50.8	+ 5.5	53.9	64.2	+ 10.3	56.0	62.0	+ 6.0
	% to Revenue	7.3%	7.7%		8.5%	9.5%		8.9%	9.2%	
Enterprise	Revenue	431.8	550.4	+ 118.6	455.5	549.8	+ 94.3	460.0	560.0	+ 100.0
	Adjusted Operating Profit	35.8	46.3	+ 10.5	37.2	52.1	+ 14.9	43.0	60.0	+ 17.0
	% to Revenue	8.3%	8.4%		8.2%	9.5%		9.3%	10.7%	
Network Services	Revenue	460.3	440.7	- 19.6	509.8	482.7	- 27.1	510.0	480.0	- 30.0
	Adjusted Operating Profit	20.7	14.8	- 5.9	38.2	30.6	- 7.6	36.0	32.0	- 4.0
	% to Revenue	4.5%	3.4%		7.5%	6.3%		7.1%	6.7%	
System Platform	Revenue	500.2	0.0	- 500.2	548.7	0.0	- 548.7	500.0	0.0	- 500.0
	Adjusted Operating Profit	20.1	0.0	- 20.1	48.9	0.0	- 48.9	43.0	0.0	- 43.0
	% to Revenue	4.0%			8.9%			8.6%		
Global	Revenue	409.4	409.1	- 0.3	493.8	493.1	- 0.7	460.0	455.0	- 5.0
	Adjusted Operating Profit/Loss	- 22.5	- 21.6	+ 0.9	- 3.8	- 3.2	+ 0.6	20.0	22.0	+ 2.0
	% to Revenue	-5.5%	-5.3%		-0.8%	-0.6%		4.3%	4.8%	
Others	Revenue	203.7	445.1	+ 241.3	131.7	412.6	+ 280.9	145.0	410.0	+ 265.0
	Adjusted Operating Profit	19.0	21.5	+ 2.5	9.4	24.4	+ 15.0	3.0	15.0	+ 12.0
	% to Revenue	9.3%	4.8%		7.1%	5.9%		2.1%	3.7%	
Adjustment	Adjusted Operating Profit/Loss	- 55.7	- 55.7	±0.0	- 56.5	- 56.5	±0.0	- 63.0	- 66.0	- 3.0
Total	Revenue	2,913.4	2,913.4	±0.0	3,095.2	3,095.2	±0.0	3,030.0	3,030.0	±0.0
	Adjusted Operating Profit	69.9	69.9	±0.0	145.8	145.8	±0.0	165.0	165.0	±0.0
	% to Revenue	2.4%	2.4%		4.7%	4.7%		5.4%	5.4%	

*Forecasts as of July 31, 2020

Revised Quarterly Results (FY19/3, FY20/3)

(Billions of Yen)

	FY19/3						
	Q1 Actual	Q2 Actual	1H Actual	Q3	Q4	2H	Full Year Actual
				Actual	Actual	Actual	
Revenue	613.0	723.5	1,336.4	698.2	878.8	1,577.0	2,913.4
Operating Profit/Loss	- 8.3	26.9	18.7	5.4	45.9	51.3	69.9
% to Revenue	-1.3%	3.7%	1.4%	0.8%	5.2%	3.2%	2.4%
Adjusted Operating Profit/Loss	- 4.4	16.3	11.9	- 0.1	35.1	35.1	47.0
% to Revenue	-0.7%	2.2%	0.9%	0.0%	4.0%	2.2%	1.6%

	FY20/3						
	Q1 Actual	Q2 Actual	1H Actual	Q3	Q4	2H	Full Year Actual
				Actual	Actual	Actual	
Revenue	653.9	795.1	1,449.0	726.6	919.6	1,646.2	3,095.2
Operating Profit	7.6	47.8	55.4	35.3	55.2	90.4	145.8
% to Revenue	1.2%	6.0%	3.8%	4.9%	6.0%	5.5%	4.7%
Adjusted Operating Profit	5.9	28.4	34.3	22.6	54.3	76.9	111.2
% to Revenue	0.9%	3.6%	2.4%	3.1%	5.9%	4.7%	3.6%

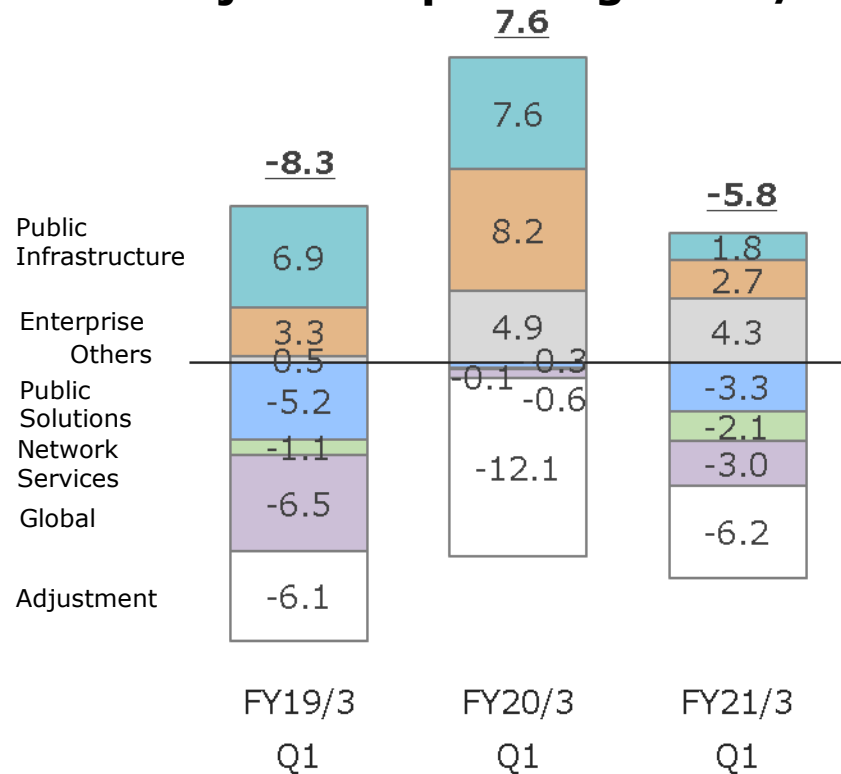
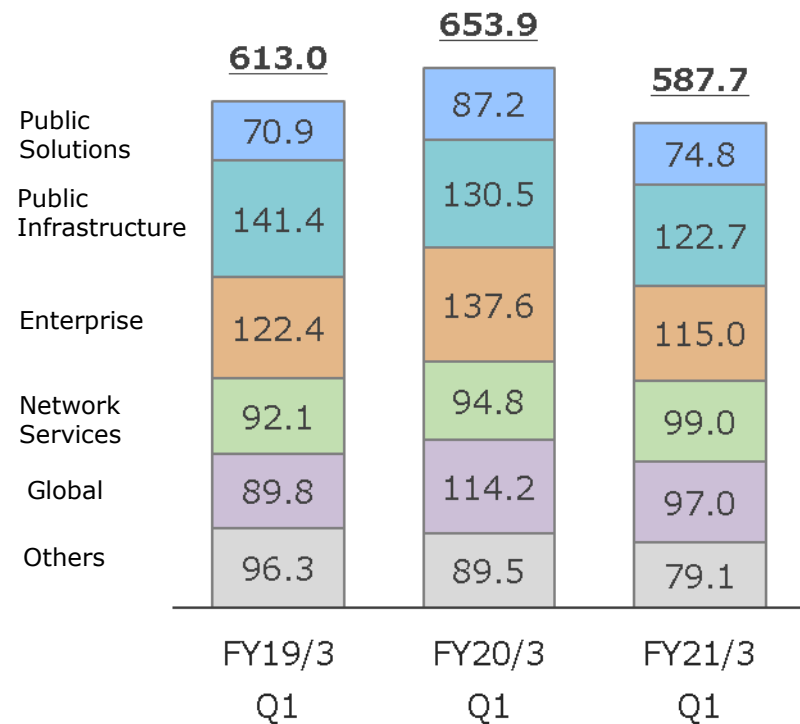
(Billions of Yen)

	FY20/3 1Q	FY21/3 1Q	YoY
Operating Profit/Loss	3.4	-10.3	- 13.7
Adjusted items	4.2	4.5	0.2
Amortization of intangible assets through acquisition	4.2	4.5	0.2
M&A related expenses	-0.0	0.0	0.0
Adjusted Operating Profit/Loss	7.6	-5.8	- 13.4

(Billions of Yen)

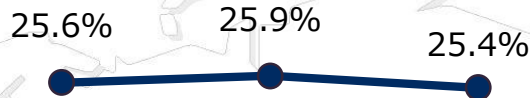
Revenue

Adjusted Operating Profit/Loss



(Billions of Yen)

International Revenue Ratio



North America and Latin America

157.1

38.5

36.0

82.6

FY19/3
Q1

169.6

40.1

55.9

73.5

FY20/3
Q1

149.2

27.5

49.7

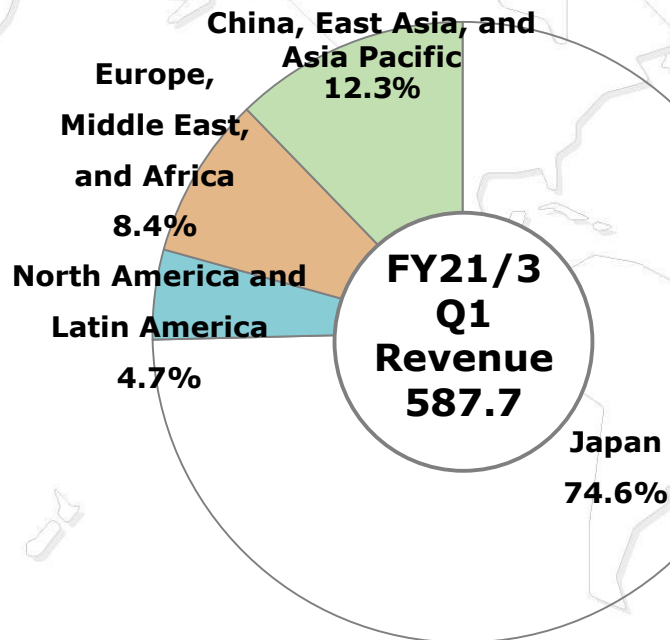
72.0

FY21/3
Q1

Europe, Middle East, and Africa

China, East Asia, and Asia Pacific

Revenue by Region



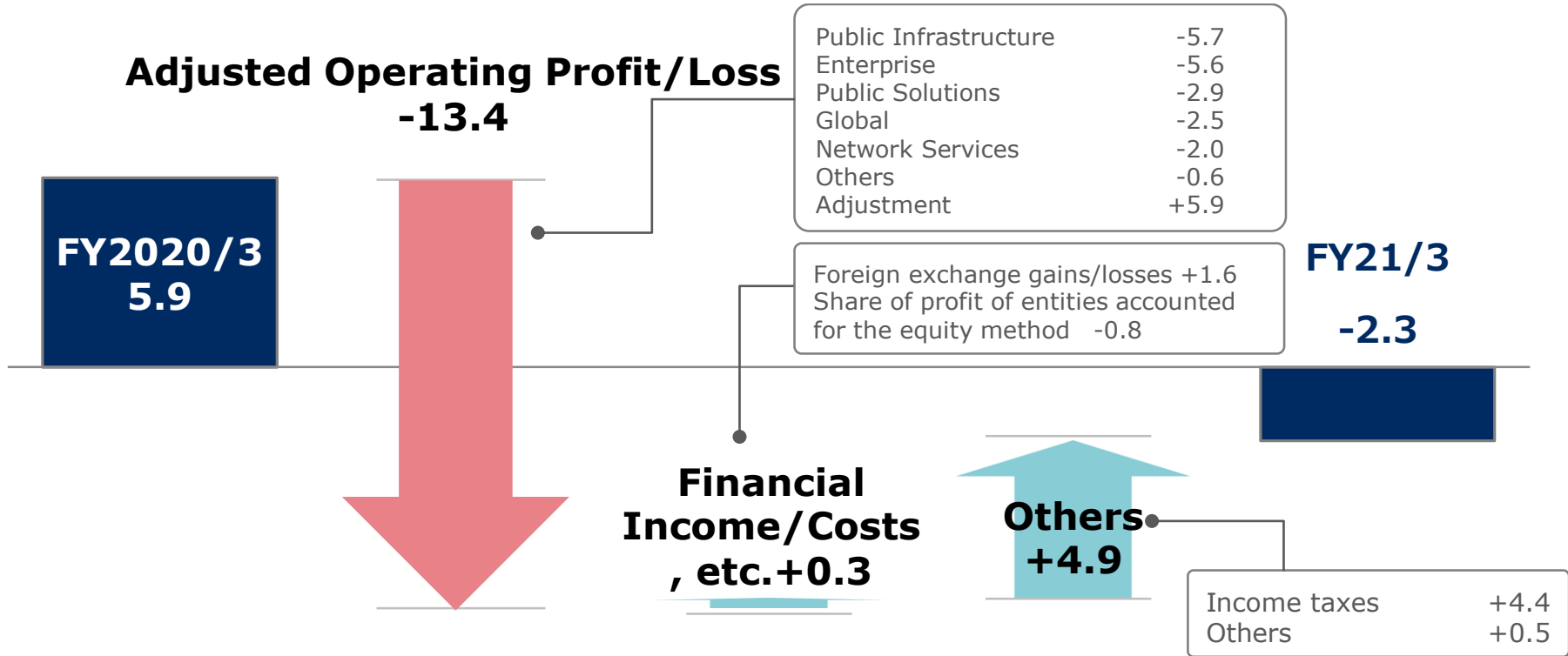
*Revenue is classified by country or region based on customer locations

(Billions of Yen)

	End of March 2020	End of June 2020	Variance from end of March 2020
Total assets	3,123.3	2,969.7	- 153.6
Total equity	1,114.5	1,112.2	- 2.3
Interest-bearing debt	675.4	663.1	- 12.3
Equity attributable to owners of the parent	910.7	912.3	+ 1.7
Ratio of equity attributable to owners of the parent (%)	29.2%	30.7%	+ 1.6pt
D/E ratio (times)	0.74	0.73	+ 0.01pt
Net D/E ratio (times)	0.35	0.28	+ 0.07pt
Cash and cash equivalents	359.3	405.6	+ 46.3

Adjusted Net Profit/Loss Change (Year on Year)

(Billions of Yen)



(Billions of Yen)

Compared to end Of March 2020

Current Assets

1,518.3

- 180.6

Decreased due to the collection of trade and other receivables, etc.

Liabilities

1,857.5

-151.3

Decreased due to a decrease in trade and other payables from the payment of materials cost and a decrease in accruals from bonus payments

Total Assets
2,969.7

(-153.6 compared to end of March 2020)

Increased due to an increase in other financial assets from rising stock market prices

+27.0

Decreased mainly due to the payment of dividends, etc.

-2.3

Non-current Assets

1,451.4

Equity

1,112.2

Financial Forecasts for FY21/3 (Appendix)

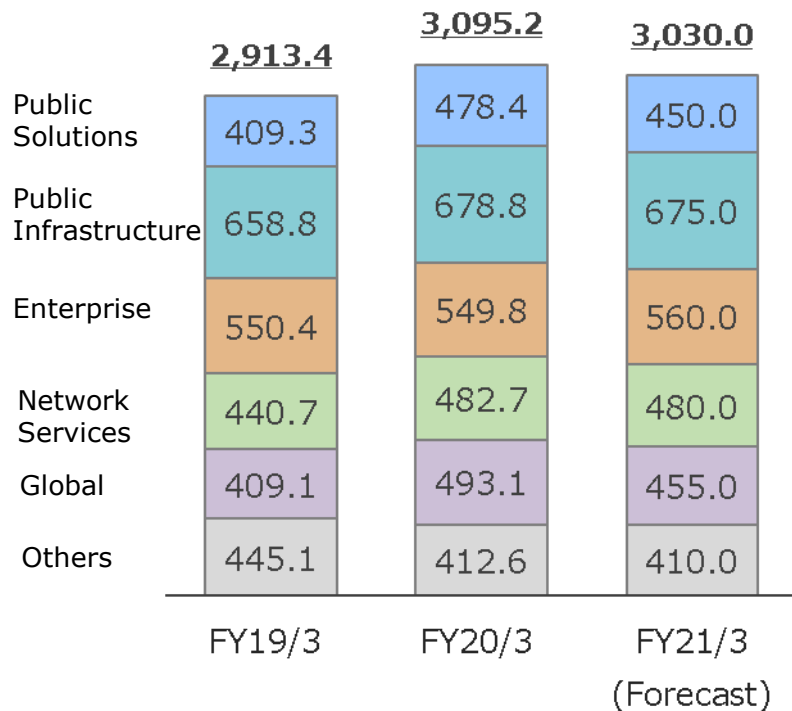
(Billions of Yen)

	FY20/3 Actual	FY21/3 Forecasts	YoY
Operating Profit/Loss	127.6	150.0	+22.4
Adjusted items	18.2	15.0	-3.2
Amortization of intangible assets through acquisition	17.0	n/a	n/a
M&A related expenses	1.2	n/a	n/a
Adjusted Operating Profit/Loss	145.8	165.0	+19.2

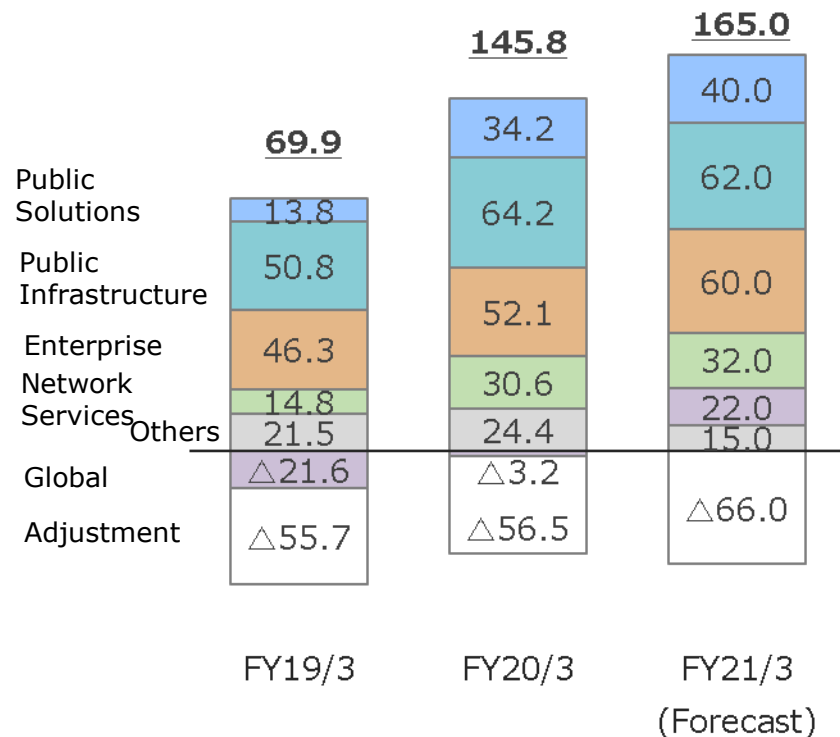
Financial Results / Forecasts by Segment (three-year transition)

(Billions of Yen)

Revenue



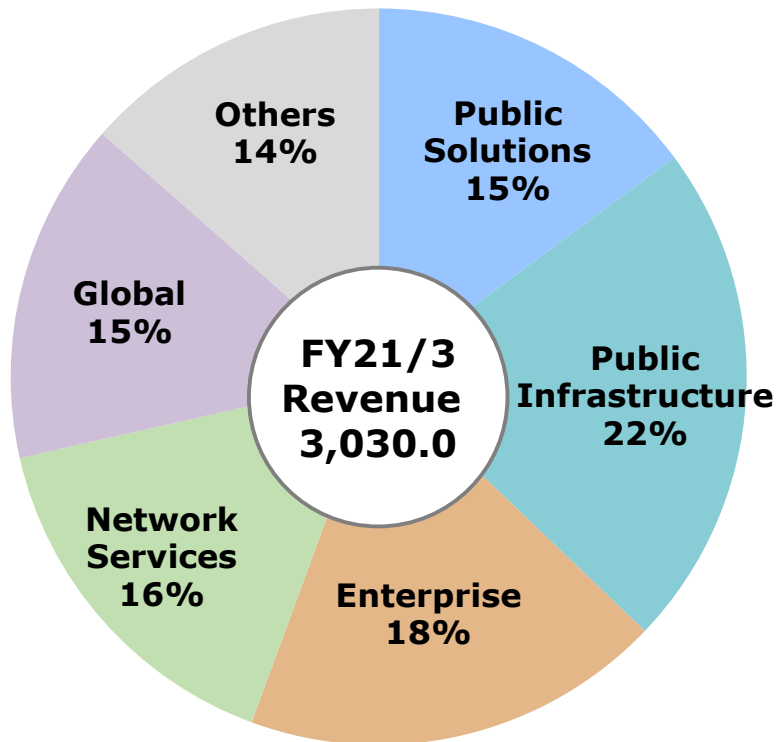
Adjusted Operating Profit/Loss



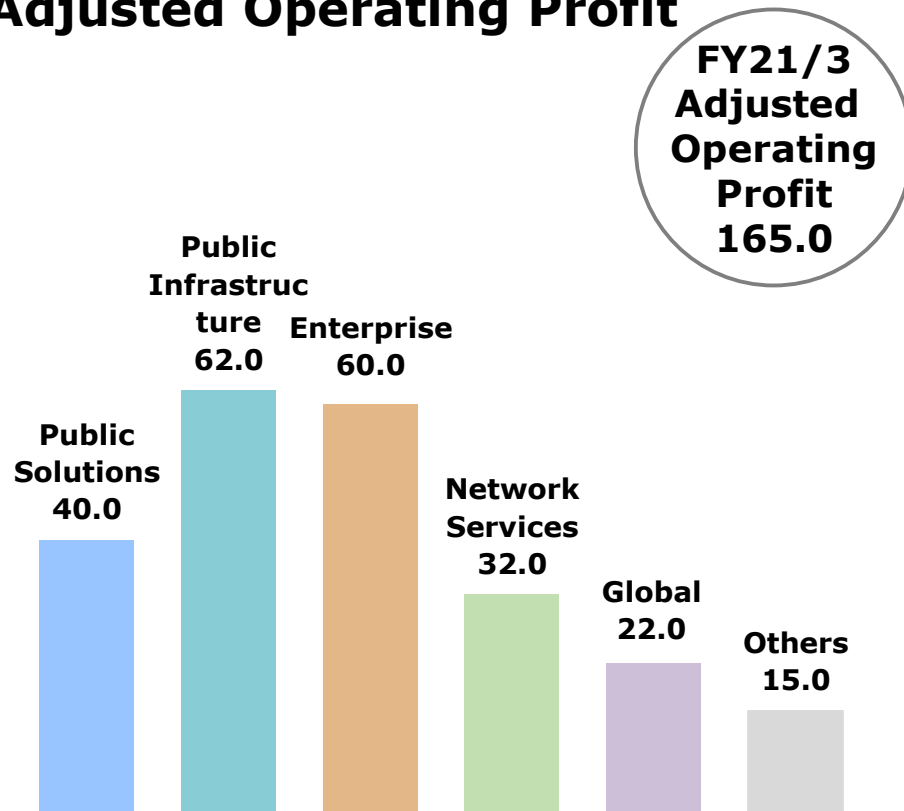
*Forecasts as of July 31, 2020

(Billions of Yen)

Revenue



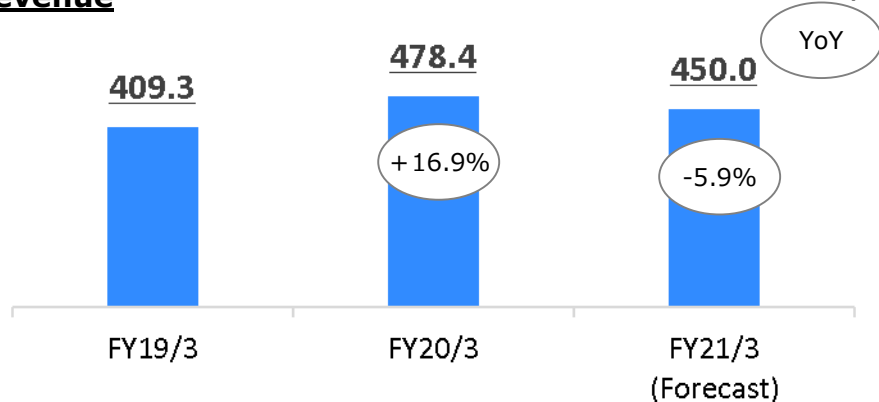
Adjusted Operating Profit



*Forecasts as of July 31, 2020

Revenue

(Billions of Yen)

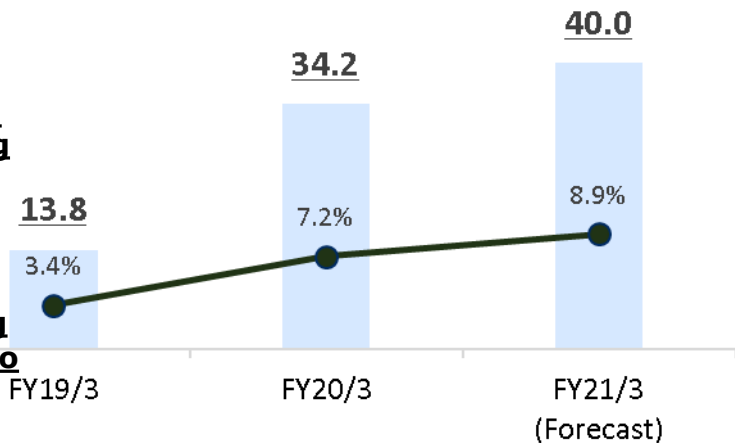


Revenue 450.0 (-5.9%)

- Decrease due to decline in business PCs and IT services for local governments and healthcare, despite increase in disaster prevention and traffic control systems

Adjusted Operating Profit

Adjusted Operating Profit Ratio



Adjusted Operating Profit 40.0 (+5.8)

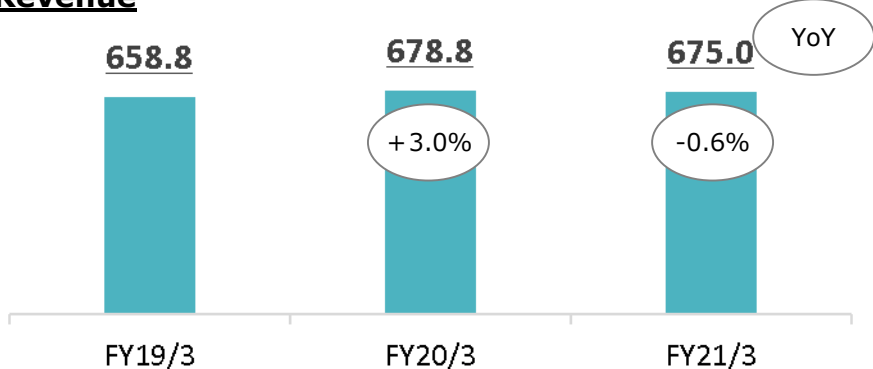
- Increase due to improved profitability and a decrease in one-time costs recorded in the previous fiscal year

*Forecasts as of July 31, 2020

* Percentage in parentheses is compared to the previous year

Revenue

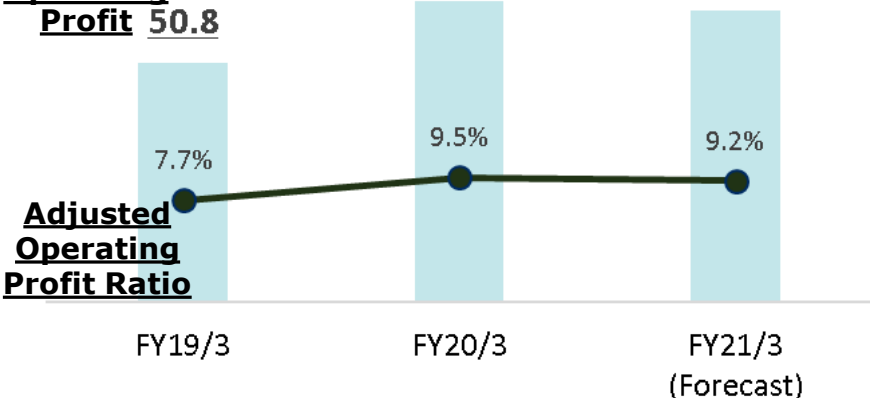
(Billions of Yen)



Revenue 675.0 (-0.6%)

- Maintain the same level as the previous year

Adjusted Operating Profit 50.8



Adjusted Operating Profit 62.0 (-2.2)

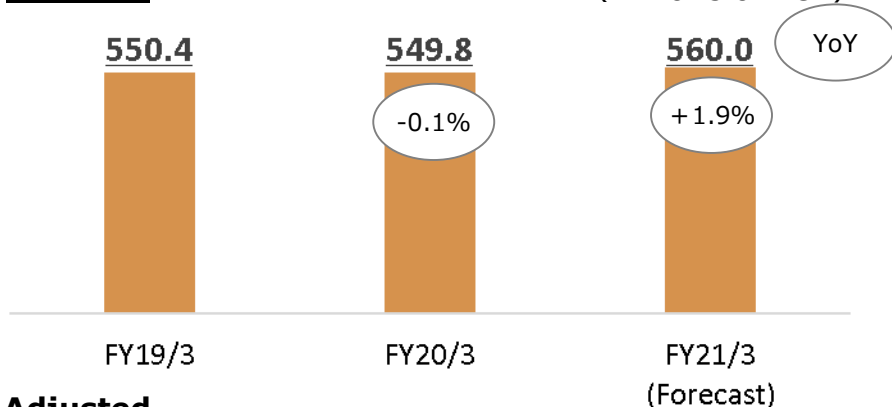
- Increase due to decrease in one-time costs

*Forecasts as of July 31, 2020

* Percentage in parentheses is compared to the previous year

Revenue

(Billions of Yen)



Revenue 560.0 (+1.9%)

- Slightly increase

Adjusted Operating Profit

46.3

8.4%

Adjusted Operating Profit Ratio

FY19/3

52.1

9.5%

FY20/3

60.0

10.7%

FY21/3 (Forecast)

Adjusted Operating Profit 60.0 (+7.9)

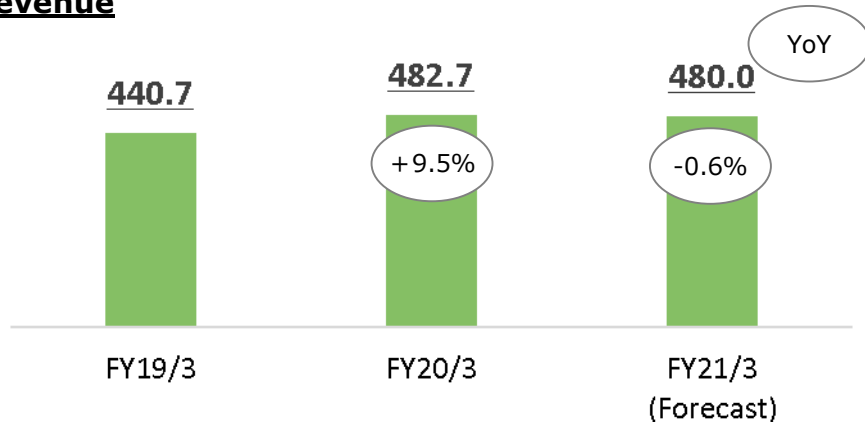
- Increase due to preventing the recurrence of unprofitable projects and improved cost efficiency

*Forecasts as of July 31, 2020

* Percentage in parentheses is compared to the previous year

Revenue

(Billions of Yen)

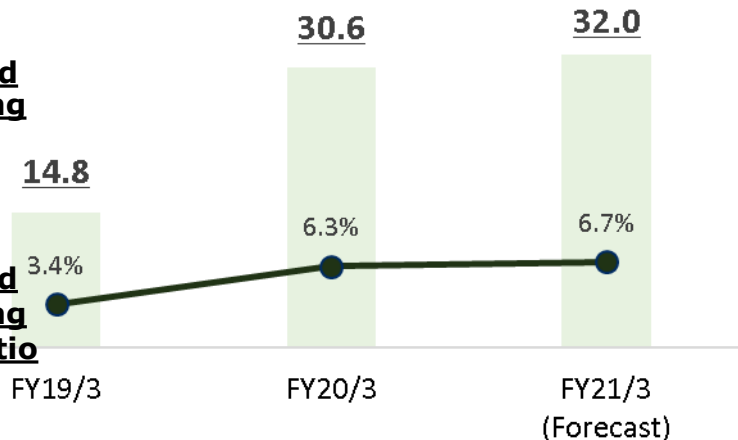


Revenue **480.0** (-0.6%)

- Maintain the same level as the previous year with an increase in fixed network and mobile network, despite one-time large projects in the previous year

Adjusted Operating Profit

Adjusted Operating Profit Ratio



Adjusted Operating Profit **32.0** (+1.4)

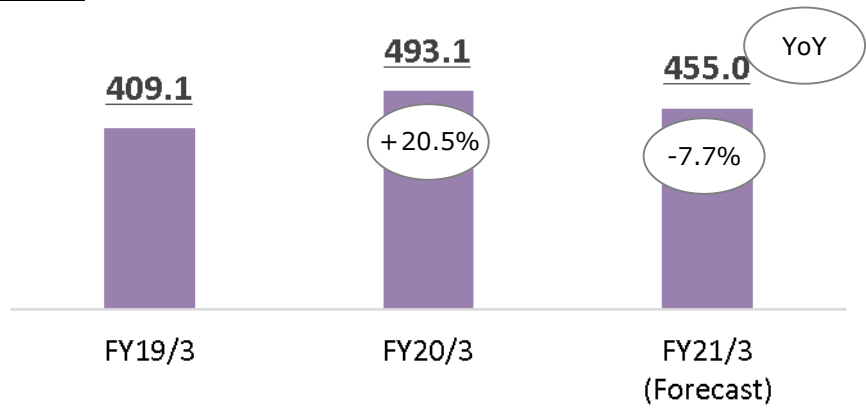
- Increase due to rise in 5G related investments as well as an increase in mobile network sales

*Forecasts as of July 31, 2020

* Percentage in parentheses is compared to the previous year

Revenue

(Billions of Yen)



Revenue **455.0 (-7.7%)**

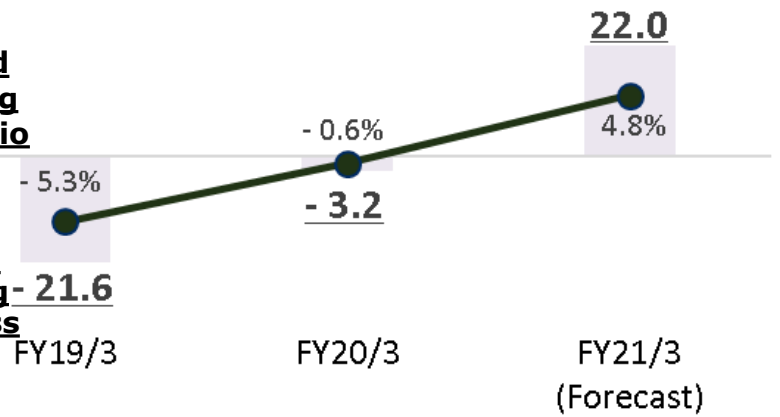
- Decrease due to deconsolidation of display business, despite increase in service provider solutions, submarine systems, etc.

Adjusted Operating Profit/Loss **22.0 (+25.2)**

- Make a profit due to a decrease in one-time costs recorded in the previous year and the effects of business structure improvement measures

Adjusted Operating Profit Ratio

Adjusted Operating Profit/Loss

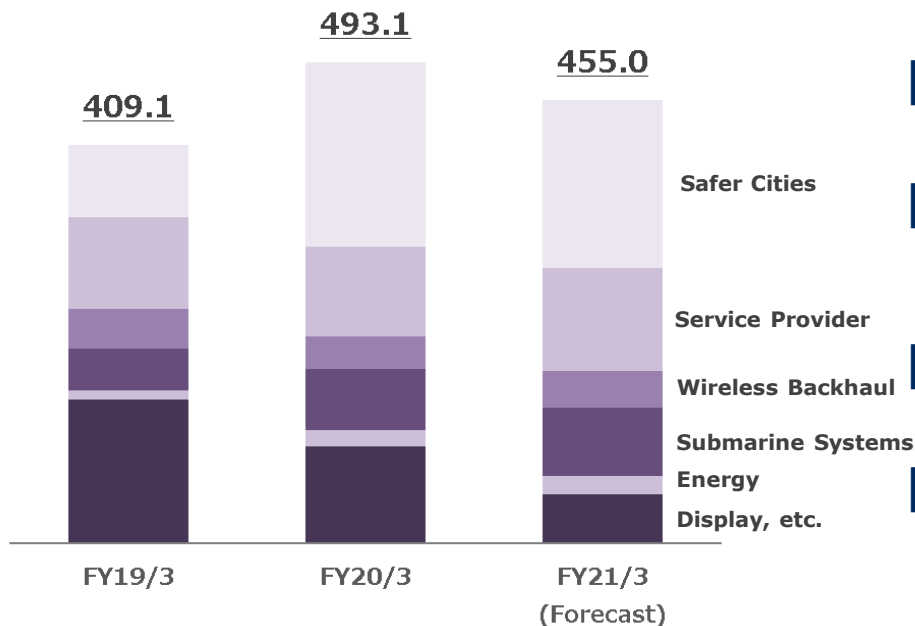


*Forecasts as of July 31, 2020

* Percentage in parentheses is compared to the previous year

(Billions of Yen)

Revenue



Safer Cities

- Maintain the same level as the previous year

Service Provider

- Increase in sales for both software services and optical IP systems

Wireless backhaul

- Increase in sales due to expansion of service business

Submarine systems

- Increase in sales due to contribution of orders received in previous year

Energy

- Maintain the same level as the previous year

Display

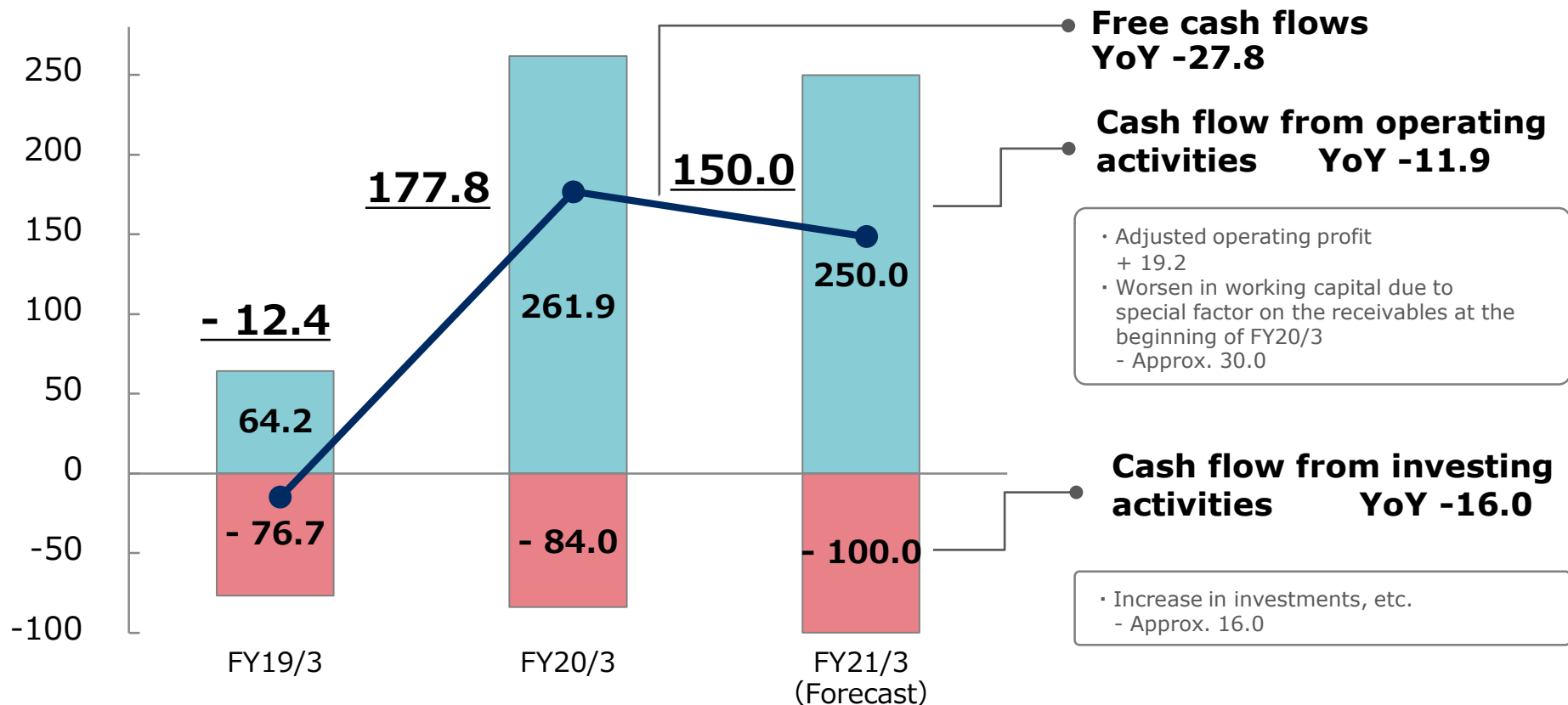
- Decrease in sales due to deconsolidation by forming a joint venture with Sharp Corporation

*Forecasts as of July 31, 2020

Free Cash Flows

Forecasts
FY21/3

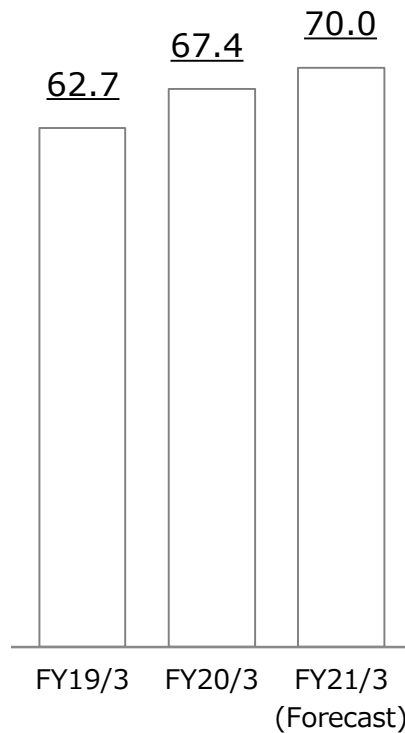
(Billions of Yen)



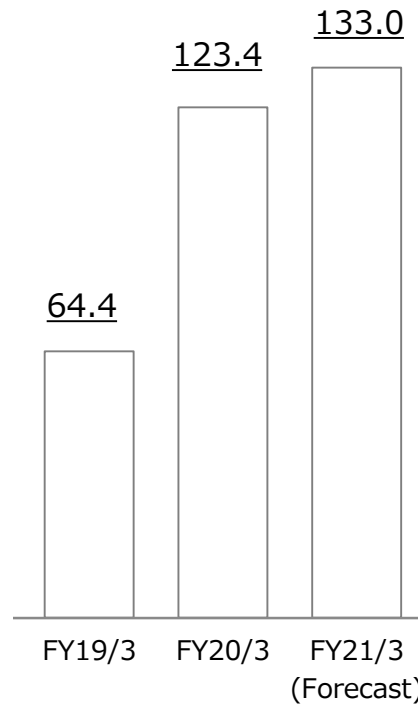
*Forecasts as of July 31, 2020

(Billions of Yen)

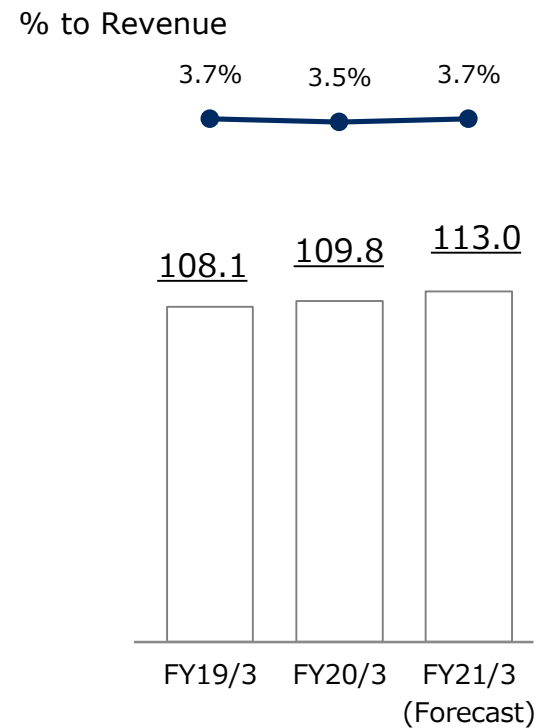
Capital Expenditure



Depreciation



R&D Expenses



* Depreciation in FY19/3 does not include the impact of applying IFRS 16 Lease

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:

- adverse economic conditions in Japan or internationally;
- foreign currency exchange and interest rate risks;
- changes in the markets in which the NEC Group operates;
- the recent outbreak of the novel coronavirus;
- potential inability to achieve the goals in the NEC Group's medium-term management plan;
- fluctuations in the NEC Group's revenue and profitability from period to period;
- difficulty achieving the benefits expected from acquisitions, business combinations and reorganizations;
- potential deterioration in the NEC Group's relationships with strategic partners or problems relating to their products or services;
- difficulty achieving the NEC Group's growth strategies outside Japan;
- potential inability to keep pace with rapid technological advancements in the NEC Group's industry and to commercialize new technologies;
- intense competition in the markets in which the NEC Group operates;
- risks relating to the NEC Group's concentrated customer base;
- difficulties with respect to new businesses;
- potential failures in the products and services the NEC Group provides;
- potential failure to procure components, equipment or other supplies;
- difficulties protecting the NEC Group's intellectual property rights;
- potential inability to obtain certain intellectual property licenses;
- the NEC Group's customers may encounter financial difficulties;
- difficulty attracting, hiring and retaining skilled personnel;
- difficulty obtaining additional financing to meet the NEC Group's funding needs;
- potential failure of internal controls;
- potentially costly and time-consuming legal proceedings;
- risks related to regulatory change and uncertainty;
- risks related to environmental laws and regulations;
- information security and data protection concerns and restrictions;
- potential changes in effective tax rates or deferred tax assets, or adverse tax examinations;
- risks related to corporate governance and social responsibility requirements;
- risks related to natural disasters, public health issues, armed hostilities and terrorism;
- risks related to the NEC Group's pension assets and defined benefit obligations; and
- risks related to impairment losses with regard to goodwill.

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, 2019 and 20 were referred as FY19/3 and FY20/3 respectively. Any other fiscal years would be referred similarly.