

Mid-term Management Plan 2025

Achievement of NEC's Purpose—A Combination of Strategy and Culture

The NEC Group has formulated the Mid-term Management Plan 2025, which concludes in fiscal 2026, with the aim of realizing the NEC 2030VISION and NEC's Purpose set within the NEC Way. This Purpose calls for a combination of strategy and culture, and therefore the Mid-term Management Plan 2025 promotes Purpose-driven Management with indicators set for strategy- and culture-based targets.

Strategy: We will achieve growth through acceleration of global growth and transformation of domestic businesses by providing customer value through NEC technology. In

financial terms, our financial strategy is integrated with our business strategy, with the first priority being to maximize long-term profit, followed by optimizing short-term profit.

Culture: We believe that our cultural strength is the strength of people to implement our strategies and realize our Purpose. We aim to transform ourselves into a company that pursues innovation and brings together diverse people under the NEC Way—the NEC Group's common set of values that form the basis for how the Group conducts itself.



Mid-term Management Targets

(Billions of yen)	FY2021 Results	FY2022 Results	FY2023 Results	FY2026 Targets
Revenue	2,994.0	3,014.1	3,313.0	3,500.0
(Growth rate from FY2021)	—	0.7%	5.2%	3.2%
Adjusted operating profit	178.2	171.0	205.5	300.0
(Percentage of revenue)	6.0%	5.7%	6.2%	8.6%
Adjusted net profit	165.4	167.2	138.6	185.0
(Percentage of revenue)	5.5%	5.5%	4.2%	5.3%
EBITDA ¹	295.8	304.0	347.8	450.0
(Percentage of revenue)	9.9%	10.1%	10.5%	12.9%
ROIC ²	4.7%	3.9%	4.7%	6.5%

¹ EBITDA = Gross profit – SG&A expenses + Depreciation/Amortization

² ROIC = (Unadjusted operating income – Deemed corporate tax [30.5%]) ÷ (Term-end interest-bearing debt + Term-end net assets [including minority interest])

Achieving Earnings Growth through Both Growth Businesses and Base Businesses

Growth businesses are classified as Digital Government/Digital Finance, global 5G, core DX, and future growth businesses, whereas base businesses are all other businesses.

In growth businesses, the NEC Group will prioritize the allocation of resources in order to acquire and strengthen its competitive advantage, with the aim of driving growth in revenue and profits.

In base businesses, given the cautious business environment, the focus will be on improving profitability and aiming to steadily increase profits.

Strategy	Business Strategy	Digital Government / Digital Finance	<ul style="list-style-type: none"> Transform into a top-class vertical SaaS vendor in the global DG/DF market
		Global 5G business	<ul style="list-style-type: none"> Aim for 20% market share in the Open RAN market in 2030, including expansion in the Japanese market from primarily a base station hardware provider to a full software and hardware solutions provider
Strategy	Business Strategy	Core DX business	<ul style="list-style-type: none"> Expand our value proposition through a comprehensive approach encompassing consulting to delivery Implement price strategy and improve gross profit through common ICT platform technologies and offerings Strengthen competitiveness through hybrid IT (Cloud/DC/On-Premises) alliances and in-house optimization Create new business opportunities (social, enterprise transformation). Expand the DX domain by leveraging the implementation capabilities of technology/policy linkage/end to end
		Future growth businesses	<ul style="list-style-type: none"> Create growth businesses that will realize the NEC 2030VISION with strong technologies and inbound innovation
		Base businesses	<ul style="list-style-type: none"> Maintain profitability above our competitors for our high- and medium-profit base businesses Improve profitability by establishing a monitoring system for low-profit businesses
Strategy	Financial Strategy	Maximizing long-term profit and Optimizing short-term profit	<ul style="list-style-type: none"> Use continuously generated cash flow to fund sustainable growth and enhance corporate value through optimal capital allocation and by building robust financial and non-financial measurement methodologies
		Culture	Transformation of culture and how we work