Financial Results for the Fiscal Year Ended March 31, 2020

May 12, 2020
NEC Corporation
(https://www.nec.com/en/global/ir/)
Financial Results for FY20/3 (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 10, 2019 announcement, “NEC to Revise Operating Segments,” NEC has revised its operating segments from Q1, FY20/3. Moreover, as stated in the March 18, 2020 announcement, “NEC to Revise Reportable Segments,” NEC has revised its reportable segments from Q4, FY20/3. Figures for the corresponding period of FY18/3 or FY19/3 have been restated to conform with the new segments.
* NEC applied IFRS 9 and IFRS 15 from Q1, FY19/3 and applied IFRS 16 from Q1, FY20/3. The cumulative effect of the change in accounting policies was recognized at the date of initial application, and the previous period statements were not restated.
* 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 FY19/3.
Filed Form 20-F with the U.S. Securities and Exchange Commission (SEC)

- Aim to remove the restrictions on the purchase, sale, and solicitation of shares of common stock of NEC in the United States

- The Public Business segment has been split into the Public Solutions Business and the Public Infrastructure Business
I. Financial Results for FY20/3
Summary of Financial Results for FY20/3

**Revenue**
- Increased in all reportable segments
- YoY: +6.2%
- *Variance from Forecast*: +145.2

**Adjusted Operating Profit**
- Increased in all reportable segments
- Implemented additional measures to improve profitability in FY21/3 and thereafter
- YoY: +75.9
- *Variance from Forecast*: +20.8

**Adjusted Net Profit**
- Increased due to increase in income before income taxes and decrease in one-time income taxes
- Decided on a 40 Yen year-end dividend per share (annual dividend of 70 Yen)
- YoY: +64.2
- *Variance from Forecast*: +37.2

*Variance from the forecasts as of April 26, 2019*
Summary of Financial Results

Outperformed the forecasts for all categories

<table>
<thead>
<tr>
<th></th>
<th>FY19/3 Actual</th>
<th>FY20/3 Actual</th>
<th>YoY</th>
<th>FY19/3 Actual</th>
<th>FY20/3 Actual</th>
<th>YoY</th>
<th>Variance from Forecast*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>878.8</td>
<td>919.6</td>
<td>+ 4.6%</td>
<td>2,913.4</td>
<td>3,095.2</td>
<td>+6.2%</td>
<td>+ 145.2</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>41.1</td>
<td>49.7</td>
<td>+ 8.6%</td>
<td>57.8</td>
<td>127.6</td>
<td>+69.8</td>
<td>+ 17.6</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>4.7%</td>
<td>5.4%</td>
<td></td>
<td>2.0%</td>
<td>4.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted Operating Profit</strong></td>
<td>45.9</td>
<td>55.2</td>
<td>+ 9.3%</td>
<td>69.9</td>
<td>145.8</td>
<td>+75.9</td>
<td>+ 20.8</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>5.2%</td>
<td>6.0%</td>
<td></td>
<td>2.4%</td>
<td>4.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income before Income Taxes</strong></td>
<td>50.8</td>
<td>45.1</td>
<td>- 5.7%</td>
<td>77.3</td>
<td>124.0</td>
<td>+46.7</td>
<td></td>
</tr>
<tr>
<td>% to Revenue</td>
<td>3.6%</td>
<td>3.5%</td>
<td></td>
<td>1.4%</td>
<td>3.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>32.0</td>
<td>50.8</td>
<td>+ 18.7%</td>
<td>39.7</td>
<td>100.0</td>
<td>+60.3</td>
<td>+ 35.0</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>3.6%</td>
<td>5.5%</td>
<td></td>
<td>1.4%</td>
<td>3.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted Net Profit</strong></td>
<td>35.1</td>
<td>54.3</td>
<td>+ 19.2%</td>
<td>47.0</td>
<td>111.2</td>
<td>+64.2</td>
<td>+ 37.2</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>4.0%</td>
<td>5.9%</td>
<td></td>
<td>1.6%</td>
<td>3.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Free Cash Flows</strong></td>
<td>50.5</td>
<td>128.6</td>
<td>+ 78.1%</td>
<td>-12.4</td>
<td>177.8</td>
<td>+190.3</td>
<td>+ 112.8</td>
</tr>
</tbody>
</table>

*Variance is a difference between actual and forecasts as of April 26, 2019.

Note: Average Exchange Rates (Yen)

<table>
<thead>
<tr>
<th></th>
<th>USD 1</th>
<th>EUR 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 1</td>
<td>110.62</td>
<td>125.89</td>
</tr>
<tr>
<td>EUR 1</td>
<td>109.53</td>
<td>120.87</td>
</tr>
</tbody>
</table>

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Adjusted Operating Profit Change (Year on Year)

Outperformed the forecasts made at the beginning of the fiscal year by implementing additional measures to increase corporate value in the mid-long term

(Billions of Yen)

Transfer of shares in NEC Energy Devices -13.0

FY19/3 One-time Costs +50.0

FY20/3 One-time Costs -27.0

Operational Improvement +35.0

Business PC Special Demand +10.0

COVID-19 Impact -5.0

Effect of Business Structure Improvement +25.5

Increased corporate value in the mid-long term by implementing additional measures.

Results FY20/3

FY20/3 145.8

FY19/3 69.9
One-time costs in FY20/3

Implemented measures worth 27.0 billion Yen in order to increase medium- to long-term corporate value

- Upfront investments for DX/5G and reinforcement of security
- Create a friendly working environment and develop human resources (i.e. Work-style reform)
- Profit structure reforms
- Q4 additional measures (16.5 billion Yen)

<table>
<thead>
<tr>
<th>Global</th>
<th>Overseas offices</th>
<th>Business structure improvement and optimizing assets in Latin America, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Energy business</td>
<td>Optimizing assets aiming at partnerships</td>
</tr>
<tr>
<td>Public Infrastructure</td>
<td>Satellite business</td>
<td>Inventories write-down</td>
</tr>
</tbody>
</table>

10.5 billion Yen
## Financial Results by Segment

### Financial Results by Segment (Billions of Yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q4 &lt;January to March&gt;</th>
<th>Full Year</th>
<th>Variance From forecasts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY19/3</td>
<td>FY20/3</td>
<td>YoY</td>
</tr>
<tr>
<td><strong>Public Solutions</strong></td>
<td>Actual</td>
<td>Actual</td>
<td>YoY</td>
</tr>
<tr>
<td>Revenue</td>
<td>108.6</td>
<td>119.3</td>
<td>+ 9.8%</td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>9.2</td>
<td>10.4</td>
<td>+ 1.2%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>8.5%</td>
<td>8.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Public Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>180.1</td>
<td>192.3</td>
<td>+ 6.8%</td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>15.1</td>
<td>14.6</td>
<td>- 0.5%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>8.4%</td>
<td>7.6%</td>
<td></td>
</tr>
<tr>
<td><strong>Enterprise</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>116.4</td>
<td>116.0</td>
<td>- 0.4%</td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>10.2</td>
<td>9.9</td>
<td>- 0.4%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>8.8%</td>
<td>8.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Network Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>151.4</td>
<td>168.4</td>
<td>+ 11.2%</td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>10.9</td>
<td>20.1</td>
<td>+ 9.1%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>7.2%</td>
<td>11.9%</td>
<td></td>
</tr>
<tr>
<td><strong>System Platform</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>153.4</td>
<td>159.5</td>
<td>+ 3.9%</td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>15.2</td>
<td>16.5</td>
<td>+ 1.3%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>9.9%</td>
<td>10.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Global</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>112.1</td>
<td>127.1</td>
<td>+ 13.4%</td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>-16.4</td>
<td>-5.0</td>
<td>+ 11.5%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>-14.6%</td>
<td>-3.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>56.7</td>
<td>37.1</td>
<td>- 34.6%</td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>13.5</td>
<td>0.8</td>
<td>- 12.7%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>23.8%</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Adjustment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>-12.0</td>
<td>-12.2</td>
<td>- 0.2%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>-12.0%</td>
<td>-12.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>878.8</td>
<td>919.6</td>
<td>+ 4.6%</td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>45.9</td>
<td>55.2</td>
<td>+ 9.3%</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>5.2%</td>
<td>6.0%</td>
<td></td>
</tr>
</tbody>
</table>
## Domestic Order Trends

<table>
<thead>
<tr>
<th>Category</th>
<th>FY19/3 (YoY)</th>
<th>FY20/3 (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Solutions</td>
<td>116%</td>
<td>103%</td>
</tr>
<tr>
<td>Public Infrastructure  *</td>
<td>94%</td>
<td>109%</td>
</tr>
<tr>
<td>Enterprise</td>
<td>108%</td>
<td>96% (excluding special factor)</td>
</tr>
<tr>
<td>Network Services</td>
<td>98%</td>
<td>105%</td>
</tr>
<tr>
<td>System Platform</td>
<td>106%</td>
<td>108%</td>
</tr>
<tr>
<td>Reference: IT Services</td>
<td>106%</td>
<td>100%</td>
</tr>
</tbody>
</table>

* Excluding JAE
Public Solutions Business

Revenue **324.6 (+13.4%)**
- Increased primarily in IT services for local governments and healthcare

Adjusted Operating Profit **18.6 (+11.4)**
- Increased due to increased sales as well as improved profitability
Public Infrastructure Business

**Revenue** 631.1 (+1.5%)
- Increased in aerospace/defense areas

**Adjusted Operating Profit** 53.9 (+8.5)
- Increased due to an improvement in profitability in addition to an increase in sales
Revenue $455.5 (+5.5%)$
- Increased due to increase in sales for financial sector and a special factor (the change of divisions recording sales)

Note: +1% if special factor excluded

Adjusted Operating Profit $37.2 (+1.3)$
- Increased due to increase in sales

Revenue
- FY18/3: $405.2 (+6.6%)$
- FY19/3: $431.8 (+5.5%)$
- FY20/3: $455.5

Adjusted Operating Profit
- FY18/3: $36.2$
- FY19/3: $35.8$
- FY20/3: $37.2$

Adjusted Operating Profit Ratio
- FY18/3: 8.9%
- FY19/3: 8.3%
- FY20/3: 8.2%
**Network Services Business**

### Revenue

- **FY18/3**: 442.5
- **FY19/3**: 460.3 (+4.0%)
- **FY20/3**: 509.8 (+10.8%)

Increased in fixed network area in addition to one-time large projects.

### Adjusted Operating Profit

- **FY18/3**: 22.9
- **FY19/3**: 20.7
- **FY20/3**: 38.2 (+17.5)

Improved due to increase in sales.
System Platform Business

Revenue 548.7 (+9.7%)
- Increased in hardware business primarily for business PC

Adjusted Operating Profit 48.9 (+28.8)
- Improved due to the effects of business structure improvement as well as sales increase
Global Business

(Billions of Yen)

Revenue

- Revenue 493.8 (+20.6%)
  - Increased in Safer Cities and submarine systems

- Adjusted Operating Profit/Loss -3.8 (+18.8)
  - Improved in Safer Cities, service provider, wireless backhaul, and submarine systems

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Adjusted Operating Profit/Loss</th>
<th>Adjusted Operating Profit Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18/3</td>
<td>420.5</td>
<td>-24.0</td>
<td>-5.7%</td>
</tr>
<tr>
<td>FY19/3</td>
<td>409.4</td>
<td>-22.5</td>
<td>-5.5%</td>
</tr>
<tr>
<td>FY20/3</td>
<td>493.8</td>
<td>-3.8</td>
<td>-0.8%</td>
</tr>
</tbody>
</table>

YoY
Details of Global Business

Revenue (Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>FY18/3</th>
<th>FY19/3</th>
<th>FY20/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safer Cities</td>
<td>420.5</td>
<td>409.4</td>
<td>493.8</td>
</tr>
<tr>
<td>Service Provider</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wireless backhaul</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submarine systems</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Display and others</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Safer Cities**
- Increased due to new consolidation of KMD

**Service Provider**
- Same level as the previous year

**Wireless backhaul**
- Decreased due to selecting orders with emphasis on profitability

**Submarine systems**
- Increased due to increase in orders from previous year

**Energy**
- Increased due to increase in orders from previous year

**Display**
- Decreased due to continued intensifying competition
Global Business Adjusted Operating Profit / Loss Change (Year on Year)

(Billions of Yen)

- FY19/3 -22.5
  - FY19/3 One-Time Costs +20.0
  - FY19/3 Effects of Business Structure Improvement +5.0
  - FY19/3 Large Projects -3.0

- Operational Improvement +9.0

- FY20/3 One-Time Costs -9.0

- FY20/3 -3.8

Results FY20/3
## PMI Status

<table>
<thead>
<tr>
<th>Acquired company</th>
<th>Timing of completion of acquisition</th>
<th>Business Domains</th>
<th>Bolt-on M&amp;A deals</th>
<th>Adjusted Operating Profit Ratio FY20/3 Actual*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netcracker</td>
<td>June 2008</td>
<td>BSS/OSS</td>
<td>CONVERGYS (BSS)</td>
<td>11%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SUBEX</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>coraltree</td>
<td></td>
</tr>
</tbody>
</table>

**Bolt-on/PMI know-how**

<table>
<thead>
<tr>
<th>Acquired company</th>
<th>Timing of completion of acquisition</th>
<th>Business Domains</th>
<th>Bolt-on M&amp;A deals</th>
<th>Adjusted Operating Profit Ratio FY20/3 Actual*</th>
</tr>
</thead>
<tbody>
<tr>
<td>northgate</td>
<td>January 2018</td>
<td>Safety solutions in the UK and the British Commonwealth</td>
<td>i2N, SNOOK, APD, emis group (Diabetic retinopathy)</td>
<td>13%</td>
</tr>
<tr>
<td>KMD</td>
<td>February 2019</td>
<td>European digital government market</td>
<td>FOQUS, plasdata</td>
<td>7%</td>
</tr>
</tbody>
</table>

*Excluding special factor*
Free Cash Flows

Free cash flows 
YoY +190.3

Cash flow from operating activities 
YoY +197.6

- Adjusted operating profit 
+ 75.9
- The collection of receivables at year-end and improvements in working capital by enhancing the asset efficiency, etc. 
+ Approx. 66.0
- Impact of applying IFRS16 
+ Approx. 56.0

Cash flow from investing activities 
YoY -7.3

- Investments for data centers and new businesses, etc. 
- Approx. 24.0
- Impact of business structure optimization 
+ Approx. 16.5
II. Financial Forecasts for FY21/3
Financial Forecasts Summary

Set a resilient plan against the changes of the macro economy, secure target profits of the Mid-term Management Plan 2020 and plan to increase cash dividends

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>FY20/3 Actual</th>
<th>FY21/3 Forecasts</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,095.2</td>
<td>3,030.0</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>127.6</td>
<td>150.0</td>
<td>+22.4</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>4.1%</td>
<td>5.0%</td>
<td></td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>145.8</td>
<td>165.0</td>
<td>+19.2</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>4.7%</td>
<td>5.4%</td>
<td></td>
</tr>
<tr>
<td>Net Profit</td>
<td>100.0</td>
<td>90.0</td>
<td>-10.0</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>3.2%</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>Adjusted Net Profit</td>
<td>111.2</td>
<td>99.0</td>
<td>-12.2</td>
</tr>
<tr>
<td>% to Revenue</td>
<td>3.6%</td>
<td>3.3%</td>
<td></td>
</tr>
<tr>
<td>Free Cash Flows</td>
<td>177.8</td>
<td>150.0</td>
<td>-27.8</td>
</tr>
<tr>
<td>Dividend per Share (Yen)</td>
<td>70</td>
<td>80</td>
<td>+10</td>
</tr>
</tbody>
</table>

**Revenue**
Decrease due to special demand for business PCs in the previous fiscal year and deconsolidation of the display business

**Adjusted Operating Profit**
Increase due to decrease in one-time costs and prevention of recurring unprofitable projects despite increase in 5G related investments

**Adjusted Net Profit**
Decrease due to a decline in one-time income taxes in the previous fiscal year

**Free Cash Flows**
Decrease due to increase in receivables at the beginning of the previous fiscal year

*Forecasts as of May 12, 2020

<table>
<thead>
<tr>
<th>Note: Average Exchange Rates (Yen)</th>
<th>USD 1</th>
<th>EUR 1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>109.05</td>
<td>121.37</td>
</tr>
<tr>
<td>*Forecasts as of May 12, 2020</td>
<td>105.00</td>
<td>120.00</td>
</tr>
</tbody>
</table>
## Financial Forecasts by Segment

### Segment: Public Solutions
- **Revenue:** 324.6 (FY19/3 Actual), 325.0 (FY20/3 Forecasts), +0.1% YoY
- **Adjusted Operating Profit:** 18.6 (FY19/3 Actual), 27.0 (FY20/3 Forecasts), +8.4% YoY
- **% to Revenue:** 5.7% (FY19/3 Actual), 8.3% (FY20/3 Forecasts)

### Segment: Public Infrastructure
- **Revenue:** 631.1 (FY19/3 Actual), 630.0 (FY20/3 Forecasts), -0.2% YoY
- **Adjusted Operating Profit:** 53.9 (FY19/3 Actual), 56.0 (FY20/3 Forecasts), +2.1% YoY
- **% to Revenue:** 8.5% (FY19/3 Actual), 8.9% (FY20/3 Forecasts)

### Segment:Enterprise
- **Revenue:** 455.5 (FY19/3 Actual), 460.0 (FY20/3 Forecasts), +1.0% YoY
- **Adjusted Operating Profit:** 37.2 (FY19/3 Actual), 43.0 (FY20/3 Forecasts), +5.8% YoY
- **% to Revenue:** 8.2% (FY19/3 Actual), 9.3% (FY20/3 Forecasts)

### Segment: Network Services
- **Revenue:** 509.8 (FY19/3 Actual), 510.0 (FY20/3 Forecasts), +0.0% YoY
- **Adjusted Operating Profit:** 38.2 (FY19/3 Actual), 36.0 (FY20/3 Forecasts), -2.2% YoY
- **% to Revenue:** 7.5% (FY19/3 Actual), 7.1% (FY20/3 Forecasts)

### Segment: System Platform
- **Revenue:** 548.7 (FY19/3 Actual), 500.0 (FY20/3 Forecasts), -8.9% YoY
- **Adjusted Operating Profit:** 48.9 (FY19/3 Actual), 43.0 (FY20/3 Forecasts), -5.9% YoY
- **% to Revenue:** 8.9% (FY19/3 Actual), 8.6% (FY20/3 Forecasts)

### Segment: Global
- **Revenue:** 493.8 (FY19/3 Actual), 460.0 (FY20/3 Forecasts), -6.8% YoY
- **Adjusted Operating Profit / Loss:** -3.8 (FY19/3 Actual), 20.0 (FY20/3 Forecasts), +23.8% YoY
- **% to Revenue:** -0.8% (FY19/3 Actual), 4.3% (FY20/3 Forecasts)

### Segment: Others
- **Revenue:** 131.7 (FY19/3 Actual), 145.0 (FY20/3 Forecasts), +10.1% YoY
- **Adjusted Operating Profit:** 9.4 (FY19/3 Actual), 3.0 (FY20/3 Forecasts), -6.4% YoY
- **% to Revenue:** 7.1% (FY19/3 Actual), 2.1% (FY20/3 Forecasts)

### Adjustment
- **Adjusted Operating Profit / Loss:** -56.5 (FY19/3 Actual), -63.0 (FY20/3 Forecasts), -6.5% YoY

### Total
- **Revenue:** 3,095.2 (FY19/3 Actual), 3,030.0 (FY20/3 Forecasts), -2.1% YoY
- **Adjusted Operating Profit:** 145.8 (FY19/3 Actual), 165.0 (FY20/3 Forecasts), +19.2% YoY
- **% to Revenue:** 4.7% (FY19/3 Actual), 5.4% (FY20/3 Forecasts)

### Main reasons for Adjusted Operating Profit / Loss changes (YoY)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Main reasons</th>
</tr>
</thead>
</table>
| Public Solutions      | ● Improvement of profitability  
                      | ● Decrease of one-time costs                                               |
| Public Infrastructure | ● Decrease of one-time costs                                                |
| Enterprise            | ● Prevention of the recurrence of unprofitable projects                      |
| Network Services      | ● Increase of 5G related investments                                        |
| System Platform       | ● Decrease of business PC replacement demand                                 |
| Global                | ● Decrease of one-time costs and effects of business structure improvement  
                      | ● Improvement of profitability in Safer Cities                             |

### Forecasts

- **Revenue:** 324.6 (FY19/3 Actual), 325.0 (FY20/3 Forecasts), +0.1% YoY
- **Adjusted Operating Profit / Loss:** -56.5 (FY19/3 Actual), -63.0 (FY20/3 Forecasts), -6.5% YoY
- **% to Revenue:** 5.7% (FY19/3 Actual), 8.3% (FY20/3 Forecasts)
Free Cash Flows

Free cash flows YoY -27.8

Cash flow from operating activities YoY -11.9

Free cash flows
(Billions of Yen)

Cash flow from investing activities YoY -16.0

- Adjusted operating profit + 19.2
- Worsen in working capital due to special factor on the receivables at the beginning of FY20/3 - Approx. 30.0

*Forecasts as of May 12, 2020
Cash management during the crisis

Minimize the business impact

- Thorough cost control
- Active development of new business opportunities with a view to the “New Normal”
Cash management under a critical situation

● Ensure sufficient liquidity with cash and cash equivalents
  ➢ Secure necessary funds early on through flexible financing (Issued unsecured straight bonds on April 23, 2020, 35.0 Billion Yen)
  ➢ Commitment lines (328.0 Billion Yen*) *Consolidated-basis, Total

● Prioritize the destination of funds
  ➢ Thoroughly control spending

● Generate cash through disposal of assets
  ➢ In principle, not holding shares for the purpose of cross-shareholdings
  ➢ Examine assets available for sales and liquidate receivables flexibly
COVID-19 changing society

- Making progress in digitalization, remote, online, labor saving and contactless activities

- Contribute to the “New Normal” of society by leveraging NEC’s technologies (DX, biometrics, AI, 5G, etc.) and solution capabilities

**Government**
- Online applications
- Digitalization support for small – mid sized companies

**Education & Healthcare**
- Online classes
- Video/Tablet devices
- Remote healthcare
- Regional medical NW

**Manufacturing**
- Supply chain reforms
- Smart factory
- Remote construction

**Retail & Logistics**
- Online sales
- Labor saving convenience store
- EC / Delivery
- Labor saving logistics

**Corporate Work-Style**
- Business continuity
- Telecommuting
- Automated responses
## NEC’s Solutions for the “New Normal”

<table>
<thead>
<tr>
<th>Telecommuting</th>
<th>Facial recognition system compatible with masks</th>
<th>Efforts to create a vaccine to combat COVID-19</th>
</tr>
</thead>
</table>
| Provide various services (telecommuting environments, security measures, responses by AI-enabled “Chatbot,” etc.) | ・Identify people without removing masks  
 ・Introduced at NEC HQ for employees in March  
 ・Plan to commercialize in 1st half of this fiscal year. | ・Using AI prediction platform in the development of personalized cancer vaccines  
 ・Start collaborations to accelerate creating a vaccine |

Forecasts FY21/3
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.
Financial Results for FY20/3 (Appendix)
<Ref.> Adjustments to Operating Profit

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>FY19/3</th>
<th>FY20/3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4Q</td>
<td>Full Year</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>41.1</td>
<td>57.8</td>
</tr>
<tr>
<td>Adjusted items</td>
<td>4.8</td>
<td>12.1</td>
</tr>
<tr>
<td>Amortization of intangible assets through acquisitions</td>
<td>3.1</td>
<td>10.4</td>
</tr>
<tr>
<td>M&amp;A related expenses</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>4.6</td>
<td>69.9</td>
</tr>
</tbody>
</table>
# Financial Results by Segment (three-year transition)

## Revenue

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY18/3</th>
<th>FY19/3</th>
<th>FY20/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Solutions</td>
<td>2,844.4</td>
<td>2,913.4</td>
<td>3,095.2</td>
</tr>
<tr>
<td>Public Infrastructure</td>
<td>268.3</td>
<td>286.2</td>
<td>324.6</td>
</tr>
<tr>
<td></td>
<td>624.8</td>
<td>621.9</td>
<td>631.1</td>
</tr>
<tr>
<td>Enterprise</td>
<td>405.2</td>
<td>431.8</td>
<td>455.5</td>
</tr>
<tr>
<td>Network Services</td>
<td>442.5</td>
<td>460.3</td>
<td>509.8</td>
</tr>
<tr>
<td>System Platform</td>
<td>488.6</td>
<td>500.2</td>
<td>548.7</td>
</tr>
<tr>
<td>Global</td>
<td>420.5</td>
<td>409.4</td>
<td>493.8</td>
</tr>
<tr>
<td>Others</td>
<td>194.6</td>
<td>203.7</td>
<td>131.7</td>
</tr>
</tbody>
</table>

## Adjusted Operating Profit/Loss

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY18/3</th>
<th>FY19/3</th>
<th>FY20/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Solutions</td>
<td>72.5</td>
<td>69.9</td>
<td>145.8</td>
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<tr>
<td>Public Infrastructure</td>
<td>50.6</td>
<td>45.4</td>
<td>37.2</td>
</tr>
<tr>
<td>Enterprise</td>
<td>36.2</td>
<td>35.8</td>
<td>38.2</td>
</tr>
<tr>
<td>Network Services</td>
<td>22.9</td>
<td>20.7</td>
<td>48.9</td>
</tr>
<tr>
<td>System Platform</td>
<td>29.3</td>
<td>20.1</td>
<td>19.0</td>
</tr>
<tr>
<td>Global</td>
<td>-24.0</td>
<td>-22.5</td>
<td>9.4</td>
</tr>
<tr>
<td>Others</td>
<td>-43.8</td>
<td>-55.7</td>
<td>-56.5</td>
</tr>
<tr>
<td>Adjustment</td>
<td>-3.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Financial Results by Segment

**Revenue**

- Public Solutions: 11%
- Public Infrastructure: 20%
- Enterprise: 15%
- Network Services: 16%
- System Platform: 18%
- Global: 16%
- Others: 4%

FY20/3 Revenue: 3,095.2

**Adjusted Operating Profit / Loss**

- Public Infrastructure: 53.9
- Enterprise: 37.2
- Network Services: 38.2
- System Platform: 48.9
- Public Solutions: 18.6
- Others: 9.4
- Global: -3.8

FY20/3 Adjusted Operating Profit / Loss: 145.8 (Billions of Yen)
Results FY20/3

International Revenue

(Billions of Yen)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY18/3</th>
<th>FY19/3</th>
<th>FY20/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America and Latin America</td>
<td>185.3</td>
<td>174.4</td>
<td>164.1</td>
</tr>
<tr>
<td>Europe, Middle East, and Africa</td>
<td>154.8</td>
<td>161.1</td>
<td>234.1</td>
</tr>
<tr>
<td>China, East Asia, and Asia Pacific</td>
<td>400.1</td>
<td>353.6</td>
<td>353.8</td>
</tr>
</tbody>
</table>

International Revenue Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>26.0%</th>
<th>23.7%</th>
<th>24.3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20/3</td>
<td>740.2</td>
<td>689.1</td>
<td>752.0</td>
</tr>
</tbody>
</table>

Revenue by Region

- **Japan**: 75.7%
- **Europe, Middle East, and Africa**: 5.3%
- **North America and Latin America**: 11.4%
- **China, East Asia, and Asia Pacific**: 7.6%

*Revenue is classified by country or region based on customer locations*
<table>
<thead>
<tr>
<th>Financial Position Data</th>
<th>End of March 2019</th>
<th>End of March 2020</th>
<th>Variance from end of March 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>2,963.2</td>
<td>3,123.3</td>
<td>+ 160.0</td>
</tr>
<tr>
<td>Total equity</td>
<td>1,059.7</td>
<td>1,114.5</td>
<td>+ 54.8</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>552.5</td>
<td>675.4</td>
<td>+ 122.9</td>
</tr>
<tr>
<td>Equity attributable to owners of the parent</td>
<td>858.9</td>
<td>910.7</td>
<td>+ 51.7</td>
</tr>
<tr>
<td>Ratio of equity attributable to owners of the parent (%)</td>
<td>29.0%</td>
<td>29.2%</td>
<td>+ 0.2pt</td>
</tr>
<tr>
<td>D/E ratio (times)</td>
<td>0.64</td>
<td>0.74</td>
<td>- 0.10pt</td>
</tr>
<tr>
<td>Net D/E ratio (times)</td>
<td>0.32</td>
<td>0.35</td>
<td>- 0.03pt</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>278.3</td>
<td>359.3</td>
<td>+ 80.9</td>
</tr>
</tbody>
</table>

*Total assets and liabilities (interest-bearing debt) at the end of March, 2020 increased by approximately 155.0 billion yen mainly due to a recording of lease liabilities in applying IFRS 16.
Adjusted Net Profit Change (Year on Year)

Financial Income /Costs, etc. -29.2

Adjusted Operating Profit +75.9

Gain on sales of affiliates’ stocks -12.5
(Recorded gain on sales of AESC’s stock in FY19/3)
Foreign exchange gains/losses -3.8
Interest expenses -3.0
Others -9.9

Income taxes +14.1
Others +3.4

System Platform +28.8
Global +18.8
Network Services +17.5
Public Solutions +11.4
Public Infrastructure +8.5
Enterprise +1.3
Others -9.6
Adjustment -0.8

Results FY20/3

(Billions of Yen)

FY19/3 47.0

FY20/3 111.2
<Ref.> Statements of Financial Position (At the end of March 2020)

Current Assets 1,698.9

- Inventories decreased due to the sales at the end of the fiscal year
- Cash and cash equivalents increased due to the collection of trade and other receivables

Non-current Assets 1,424.3

Increased due to an increase in property, plant and equipment due to the recording of right-of-use assets associated with the adoption of IFRS 16

Liabilities 2,008.7

- Increased mainly due to the recording of a lease liability associated with the adoption of IFRS 16
- Trade and other payables decreased due to the payment of materials cost

Equity 1,114.5

- The payment of dividends and a decrease in other components of equity due to market price fluctuations of securities and the appreciation of Yen
- Increased mainly due to the recording net profit attributable to owners of the parent

Total 3,123.3

(+160.0 compared to end of March 2019)
Financial Forecasts for FY21/3 (Appendix)
### Financial Results / Forecasts by Segment (three-year transition)

#### (Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>FY19/3</th>
<th>FY20/3</th>
<th>FY21/3 (Forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Solutions</td>
<td>286.2</td>
<td>324.6</td>
<td>325.0</td>
</tr>
<tr>
<td>Public Infrastructure</td>
<td>621.9</td>
<td>631.1</td>
<td>630.0</td>
</tr>
<tr>
<td>Enterprise</td>
<td>431.8</td>
<td>455.5</td>
<td>460.0</td>
</tr>
<tr>
<td>Network Services</td>
<td>460.3</td>
<td>509.8</td>
<td>510.0</td>
</tr>
<tr>
<td>System Platform</td>
<td>500.2</td>
<td>548.7</td>
<td>500.0</td>
</tr>
<tr>
<td>Global</td>
<td>409.4</td>
<td>493.8</td>
<td>460.0</td>
</tr>
<tr>
<td>Others</td>
<td>203.7</td>
<td>131.7</td>
<td>145.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjusted Operating Profit / Loss</th>
<th>FY19/3</th>
<th>FY20/3</th>
<th>FY21/3 (Forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Solutions</td>
<td>7.2</td>
<td>45.4</td>
<td>53.9</td>
</tr>
<tr>
<td>Public Infrastructure</td>
<td>45.4</td>
<td>37.2</td>
<td>43.0</td>
</tr>
<tr>
<td>Enterprise</td>
<td>35.8</td>
<td>38.2</td>
<td>36.0</td>
</tr>
<tr>
<td>Network Services</td>
<td>20.7</td>
<td>48.9</td>
<td>43.0</td>
</tr>
<tr>
<td>System Platform Others</td>
<td>20.1</td>
<td>9.4</td>
<td>20.0</td>
</tr>
<tr>
<td>Global</td>
<td>-22.5</td>
<td>-55.7</td>
<td>-63.0</td>
</tr>
</tbody>
</table>

*Forecasts as of May 12, 2020*
Financial Forecasts by Segment

Revenue

- Public Solutions: 11%
- Public Infrastructure: 21%
- Enterprise: 15%
- Network Services: 17%
- System Platform: 16%
- Global: 15%
- Others: 5%

FY21/3 Revenue Forecast: 3,030.0

Adjusted Operating Profit

- Public Infrastructure: 56.0
- Enterprise: 43.0
- System Platform: 43.0
- Network Services: 36.0
- Public Solutions: 27.0
- Global: 20.0
- Others: 3.0

*Forecasts as of May 12, 2020
**Public Solutions Business**

**Revenue** 325.0 (+0.1%)
- Maintain the same favorable level as the previous year, with a decrease in IT services for local governments and healthcare, while increasing disaster prevention and traffic control systems.

**Adjusted Operating Profit** 27.0 (+8.4)
- Increase due to improved profitability and a decrease in one-time costs recorded in the previous fiscal year.

*Forecasts as of May 12, 2020*
Public Infrastructure Business

(Billions of Yen)

Revenue

- **Revenue**: 630.0 (-0.2%)
  - Maintain the same level as the previous year

- **Adjusted Operating Profit**: 56.0 (+2.1)
  - Increase due to the decrease in one-time expense

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (Billions of Yen)</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19/3</td>
<td>621.9</td>
<td></td>
</tr>
<tr>
<td>FY20/3</td>
<td>631.1</td>
<td>+1.5%</td>
</tr>
<tr>
<td>FY21/3 (Forecast)</td>
<td>630.0</td>
<td>-0.2%</td>
</tr>
</tbody>
</table>

Adjusted Operating Profit Ratio

- FY19/3: 7.3%
- FY20/3: 8.5%
- FY21/3 (Forecast): 8.9%

*Forecasts as of May 12, 2020*
Enterprise Business

- **Revenue**: 460.0 (+1.0%)
  - Maintain the same level as the previous year for manufacturing, retail / services and financial sectors

- **Adjusted Operating Profit**: 43.0 (+5.8%)
  - Increase due to the prevention of the recurrence of unprofitable projects and improved cost efficiency

*Forecasts as of May 12, 2020*
**Network Services Business**

(Billions of Yen)

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Adjusted Operating Profit</th>
<th>Adjusted Operating Profit Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>460.3</td>
<td>20.7</td>
<td>4.5%</td>
</tr>
<tr>
<td>509.8</td>
<td>38.2</td>
<td>7.5%</td>
</tr>
<tr>
<td>510.0</td>
<td>36.0</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

**Revenue** 510.0 (+0.0%)
- Maintain the same level as the previous year with an increase in fixed network and mobile network areas while there were one-time large projects in the previous year.

**Adjusted Operating Profit** 36.0 (-2.2)
- Decrease due to the acceleration of future investment for 5G.

*Forecasts as of May 12, 2020*
System Platform Business

Revenue __500.0 (-8.9%)__
- Decrease due to a decline in business
  PCs compared to the previous year
  when there was replacement demand

Adjusted Operating Profit __43.0 (-5.9)___
- Decrease due to a decline in sales

-Forecasts as of May 12, 2020-
### Global Business

#### Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (Billions of Yen)</th>
<th>YoY</th>
<th>Adjusted Operating Profit/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19/3</td>
<td>409.4</td>
<td>-5.5%</td>
<td>-22.5</td>
</tr>
<tr>
<td>FY20/3</td>
<td>493.8 (6.8%)</td>
<td>20.6%</td>
<td>-3.8</td>
</tr>
<tr>
<td>FY21/3 (Forecast)</td>
<td>460.0 (6.8%)</td>
<td>-6.8%</td>
<td>20.0 (23.8%)</td>
</tr>
</tbody>
</table>

- **Revenue 460.0 (-6.8%)**
  - Decrease due to deconsolidation of display business despite increase in service provider solutions, submarine systems, etc.

- **Adjusted Operating Profit /Loss 20.0 (+23.8)**
  - Make profit due to the decrease in one-time costs recorded in the previous year and the effects of business structure improvement measures

*Forecasts as of May 12, 2020*
### Details of Global Business

<table>
<thead>
<tr>
<th>Category</th>
<th>FY19/3</th>
<th>FY20/3</th>
<th>FY21/3 (Forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Safer Cities</strong></td>
<td>409.4</td>
<td>493.8</td>
<td>460.0</td>
</tr>
<tr>
<td><strong>Service Provider</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Wireless backhaul</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Submarine systems</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Energy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Display and others</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Forecasts FY21/3

*Forecasts as of May 12, 2020

- **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
<Ref.> Overview of Segment Revision and Organizations

Current Segment

- Public Solutions
- Public Infrastructure
- Enterprise
- Network Services
- System Platform
- Global
- Others

New Segment

Main Changes

- Public Solutions
- Public Infrastructure
- Enterprise
- Network Services
- Global
- Others

FY21/3 Forecasts (roughly estimated)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue</th>
<th>Adjusted OP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Solutions</td>
<td>450.0</td>
<td>40.0</td>
</tr>
<tr>
<td>Public Infrastructure</td>
<td>675.0</td>
<td>62.0</td>
</tr>
<tr>
<td>Enterprise</td>
<td>556.0</td>
<td>60.0</td>
</tr>
<tr>
<td>Network Services</td>
<td>480.0</td>
<td>32.0</td>
</tr>
<tr>
<td>Global</td>
<td>450.0</td>
<td>22.0</td>
</tr>
<tr>
<td>Others</td>
<td>410.0</td>
<td>15.0</td>
</tr>
</tbody>
</table>

Related Organizations

- (Public Solutions Business Unit)
- (Public Infrastructure Business Unit)
- (Enterprise Business Unit)
- (Network Services Business Unit)
- (Global Business Unit)
- (System Platform Business Unit)
- (Digital Business Platform Unit)
- (Cross-Industry Unit) etc.

*Roughly estimated as of May 12, 2020
Capital Expenditure, Depreciation and R&D Expenses

**Capital Expenditure**

- FY19/3: 62.7
- FY20/3: 67.4
- FY21/3 (Forecast): 70.0

**Depreciation**

- FY19/3: 64.4
- FY20/3: 123.4
- FY20/3 (Forecast): 133.0

**R&D Expenses**

- FY19/3: 108.1
- FY20/3: 109.8
- FY21/3 (Forecast): 113.0

*Forecasts as of May 12, 2020*
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.