

Financial Results for Q3 Fiscal Year Ending March 31, 2021

January 29, 2021

NEC Corporation

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

Index

I . Financial Results for Q3, FY21/3

II . Financial Forecasts for FY21/3

Financial Results for the Nine-Month ended December, 2021
(Appendix)

Financial Results for Q3, 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.

I . Financial Results for Q3, FY21/3

Summary of Financial Results for Q3

Revenue

<YoY>
9 months -6.0%
Q3 +0.4%

- 9 months: Decreased due to market deterioration
- Q3: Turned to positive recovery growth supported by solid orders from Q2
(Driven by 5G and GIGA school project)

Adjusted Operating Profit

<YoY>
9 months +6.4 billion Yen
Q3 +32.7 billion Yen

- 9 months: Increased, including special countermeasures
- Q3: Increased, even excluding special countermeasures

Adjusted Net Profit

<YoY>
9 months +6.8 billion Yen
Q3 +24.5 billion Yen

- Increased due to increase in adjusted operating profit

Summary of Financial Results for Q3, FY21/3

9 months
Results

(Billions of Yen)

	1H <6 months>			Q3 <October to December>			9 months <April to December>		
	FY20/3 Actual	FY21/3 Actual	YoY	FY20/3 Actual	FY21/3 Actual	YoY	FY20/3 Actual	FY21/3 Actual	YoY
Revenue	1,449.0	1,315.0	-9.2%	726.6	729.4	+ 0.4%	2,175.6	2,044.4	-6.0%
Operating Profit	46.9	20.0	-26.9	31.1	62.4	+ 31.4	77.9	82.4	+ 4.5
% to Revenue	3.2%	1.5%		4.3%	8.6%		3.6%	4.0%	
Adjusted Operating Profit	55.4	29.0	-26.3	35.3	68.0	+ 32.7	90.6	97.0	+ 6.4
% to Revenue	3.8%	2.2%		4.9%	9.3%		4.2%	4.7%	
Income before Income Taxes	46.1	19.4	-26.8	32.7	66.4	+ 33.7	78.8	85.8	+ 6.9
Net Profit	29.2	11.0	-18.2	20.0	43.5	+ 23.5	49.2	54.5	+ 5.3
% to Revenue	2.0%	0.8%		2.8%	6.0%		2.3%	2.7%	
Adjusted Net Profit	34.3	16.6	-17.7	22.6	47.1	+ 24.5	56.9	63.7	+ 6.8
% to Revenue	2.4%	1.3%		3.1%	6.5%		2.6%	3.1%	

Free Cash Flows	55.6	29.7	-25.9	-6.4	-137.9	- 131.5	49.2	-108.2	-157.4
------------------------	-------------	-------------	--------------	-------------	---------------	----------------	-------------	---------------	---------------

Note: Average Exchange Rates (Yen)	USD / JPY	109.26	107.19	108.16	105.15	108.89	106.51
	EUR / JPY	122.66	120.34	119.31	124.04	121.54	121.57

Financial Results for by Segment

9 months
Results

(Billions of Yen)

		1H <6 months>			Q3 <October to December>			9 months <April to December>		
		FY20/3 Actual	FY21/3 Actual	YoY	FY20/3 Actual	FY21/3 Actual	YoY	FY20/3 Actual	FY21/3 Actual	YoY
Public Solutions	Revenue	207.2	177.1	- 14.5%	108.7	97.1	- 10.7%	316.0	274.2	- 13.2%
	Adjusted Operating Profit	9.9	4.6	- 5.3	8.0	6.8	- 1.2	17.9	11.4	- 6.5
	% to Revenue	4.8%	2.6%		7.4%	7.0%		5.7%	4.2%	
Public Infrastructure	Revenue	299.2	281.6	- 5.9%	166.0	178.9	+ 7.8%	465.2	460.5	- 1.0%
	Adjusted Operating Profit	24.2	16.6	- 7.7	18.1	18.7	+ 0.6	42.4	35.3	- 7.1
	% to Revenue	8.1%	5.9%		10.9%	10.5%		9.1%	7.7%	
Enterprise	Revenue	288.2	238.1	- 17.4%	120.9	116.3	- 3.8%	409.1	354.4	- 13.4%
	Adjusted Operating Profit	25.2	18.0	- 7.3	11.0	8.2	- 2.8	36.3	26.2	- 10.1
	% to Revenue	8.8%	7.5%		9.1%	7.1%		8.9%	7.4%	
Network Services	Revenue	214.4	225.5	+ 5.2%	108.3	140.3	+ 29.5%	322.7	365.8	+ 13.4%
	Adjusted Operating Profit	9.1	6.2	- 2.9	4.7	13.7	+ 9.1	13.8	19.9	+ 6.1
	% to Revenue	4.3%	2.7%		4.3%	9.8%		4.3%	5.4%	
Global	Revenue	243.3	219.3	- 9.9%	123.0	105.9	- 13.9%	366.2	325.2	- 11.2%
	Adjusted Operating Profit/Loss	1.1	- 3.3	- 4.4	0.5	11.4	+ 10.9	1.6	8.1	+ 6.5
	% to Revenue	0.5%	-1.5%		0.4%	10.8%		0.4%	2.5%	
Others	Revenue	196.7	173.4	- 11.8%	99.7	91.0	- 8.8%	296.4	264.4	- 10.8%
	Adjusted Operating Profit	13.9	7.2	- 6.7	9.2	2.4	- 6.8	23.1	9.6	- 13.5
	% to Revenue	7.1%	4.1%		9.2%	2.6%		7.8%	3.6%	
Adjustment	Adjusted Operating Profit/Loss	- 28.1	- 20.2	+ 7.9	-16.2	6.7	+ 23.0	-44.3	-13.4	+ 30.9
Total	Revenue	1,449.0	1,315.0	- 9.2%	726.6	729.4	+ 0.4%	2,175.6	2,044.4	- 6.0%
	Adjusted Operating Profit	55.4	29.0	- 26.3	35.3	68.0	+ 32.7	90.6	97.0	+ 6.4
	% to Revenue	3.8%	2.2%		4.9%	9.3%		4.2%	4.7%	

Quarterly Adjusted Operating Profit / Loss Status

Significantly reduced from the impact of COVID-19

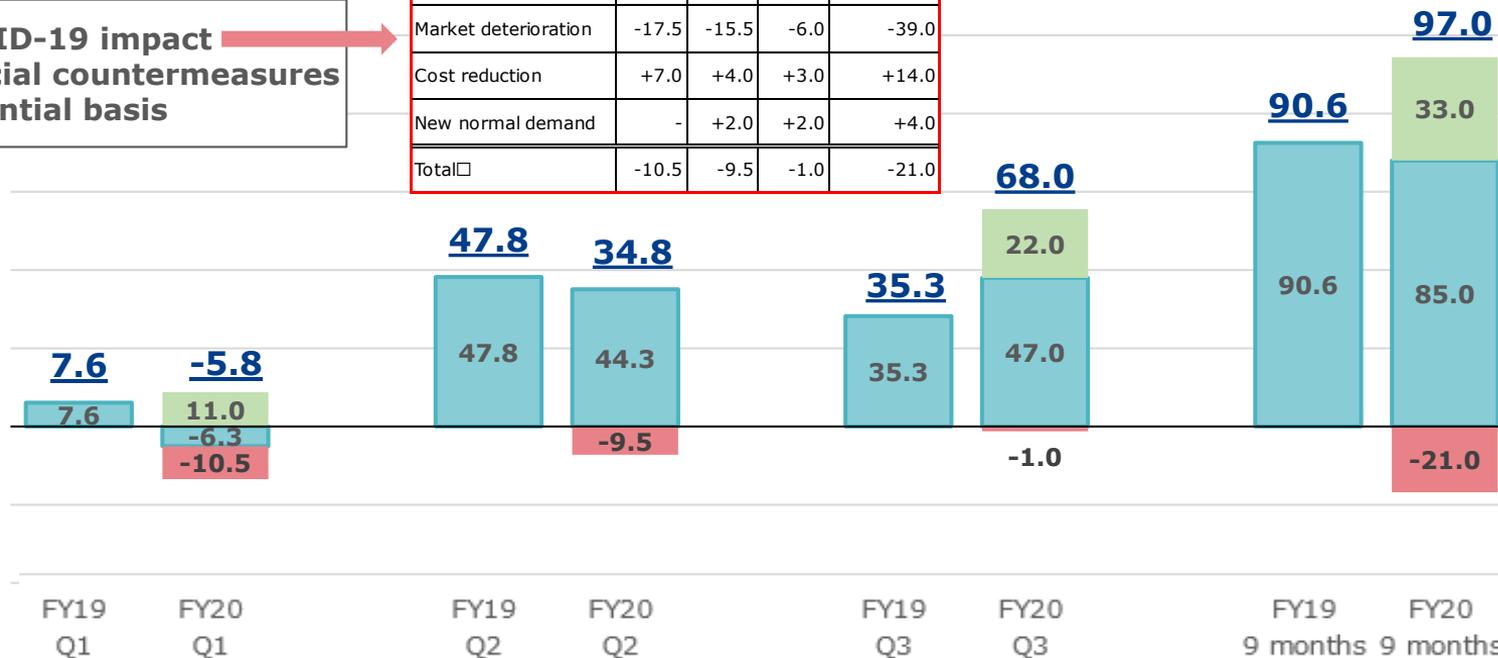
Profit excluding special countermeasures increased in Q3

Adjusted Operating Profit / Loss

(Billions of Yen)

■ COVID-19 impact
■ Special countermeasures
■ Essential basis

<COVID-19 impact>	Q1	Q2	Q3	9 months
Market deterioration	-17.5	-15.5	-6.0	-39.0
Cost reduction	+7.0	+4.0	+3.0	+14.0
New normal demand	-	+2.0	+2.0	+4.0
Total	-10.5	-9.5	-1.0	-21.0



NEC Order Trends (Including hardware)

9 months
Results

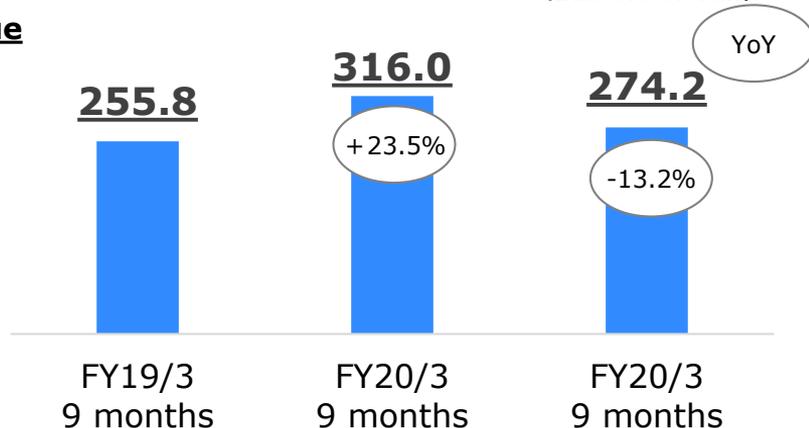
(YoY)	FY21/3 Q1	Q2	Q3	Notes	9 months
Public Solutions	-31%	-12%	-5%	Solid for local governments showing improvement	-18%
Public Infrastructure *Excluding Japan Aviation Electronics Industry (JAE)	+9%	+41%	+20%	GIGA School project contributed	+22%
Enterprise	-21%	-3%	+5%	Turned to positive growth	-7%
Network Services	+1%	+26%	+48%	5G base stations ramp up	+24%
Global	+75%	+38%	-27%	Deconsolidation of Display	+27%
Total	-5%	+10%	+5%		+3%

Ref.) Hardware*	-36%	-8%	-1%		-16%
Hardware (excluding PCs)	-29%	-24%	+6%		-17%

* Products handled by System Platform Business Unit

(Billions of Yen)

Revenue

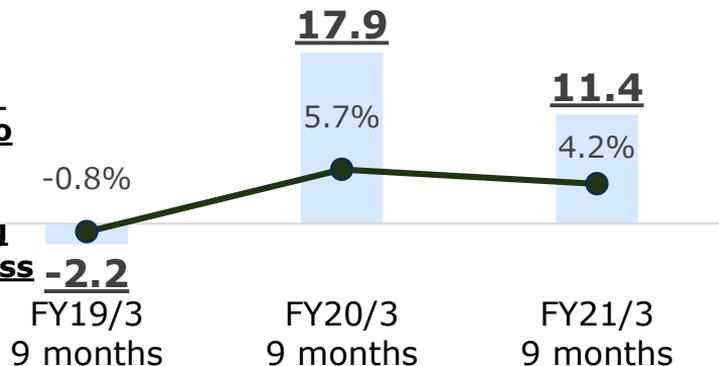


Revenue **274.2 (-13.2%)**

- Decreased due to decline in healthcare and local industry as well as fall in demand for business PC replacement although firefighting / disaster prevention areas were solid

Adjusted Operating Profit Ratio

Adjusted Operating Profit / Loss



Adjusted Operating Profit / Loss **11.4 (-6.5)**

- Decreased due to decline in revenue

* Figures in parentheses are compared to the previous year

Revenue

(Billions of Yen)

YoY

463.3

465.2

460.5

+0.4%

-1.0%

FY19/3
9 months

FY20/3
9 months

FY21/3
9 months

Adjusted Operating Profit

32.6

42.4

35.3

7.0%

9.1%

7.7%

Adjusted Operating Profit Ratio

FY19/3
9 months

FY20/3
9 months

FY21/3
9 months

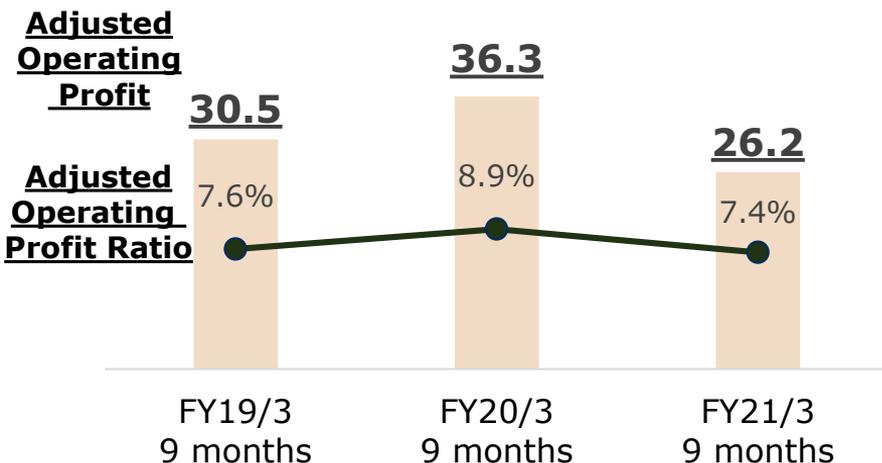
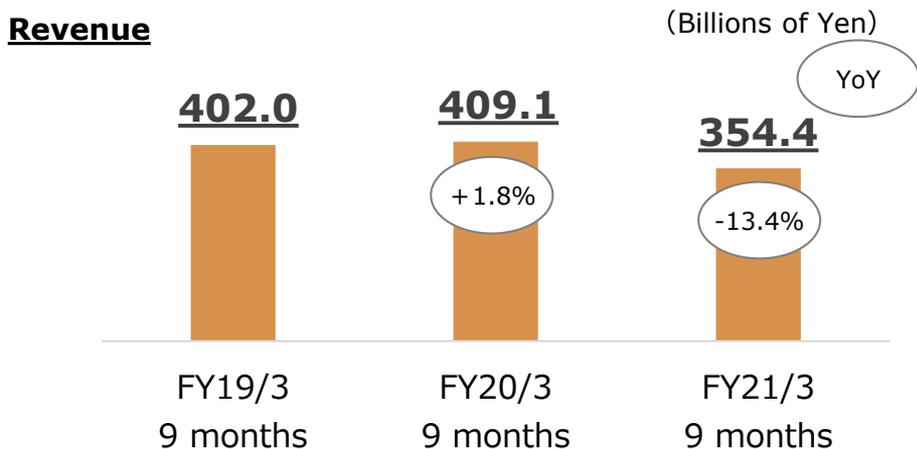
Revenue **460.5 (-1.0%)**

- Increased in NEC Corporation due to increase in IT services for central governments and PCs for educational institutes with "GIGA school project"
- Decreased in a consolidated subsidiary

Adjusted Operating Profit **35.3 (-7.1)**

- Increased in NEC Corporation due to the increased sales and improvement of unprofitable projects
- Decreased in a consolidated subsidiary

* Figures in parentheses are compared to the previous year



Revenue 354.4 (-13.4%)

- Decreased due to declines in large projects compared to the previous year and demand for business PC replacement as well as restraint of corporate IT investment in manufacturing, retail and service industries

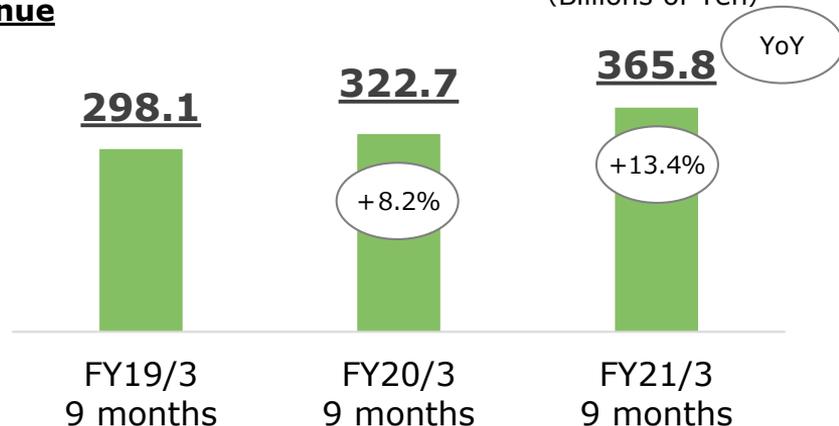
Adjusted Operating Profit 26.2 (-10.1)

- Decreased due to decline in revenue

* Figures in parentheses are compared to the previous year

Revenue

(Billions of Yen)



Revenue 365.8 (+13.4%)

- Increased due to increase in mobile network and fixed wired network in light of 5G introduction
- Shipment of 5G base stations significantly increased from Q3

Adjusted Operating Profit

Adjusted Operating Profit Ratio

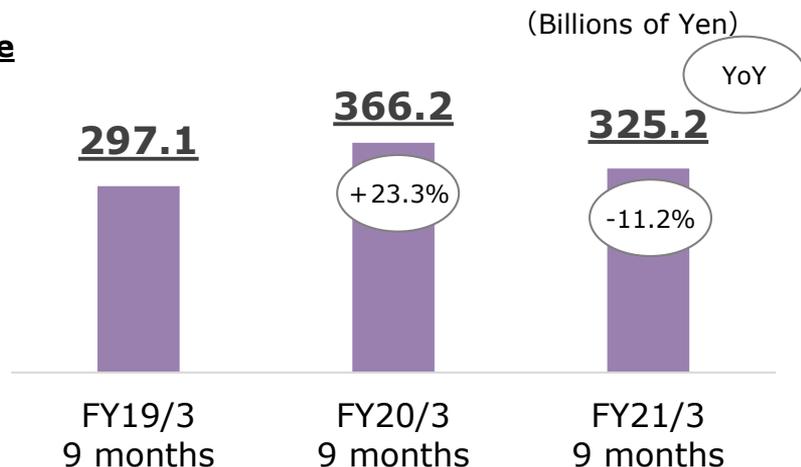


Adjusted Operating Profit 19.9 (+6.1)

- Increased due to increase in revenue

* Figures in parentheses are compared to the previous year

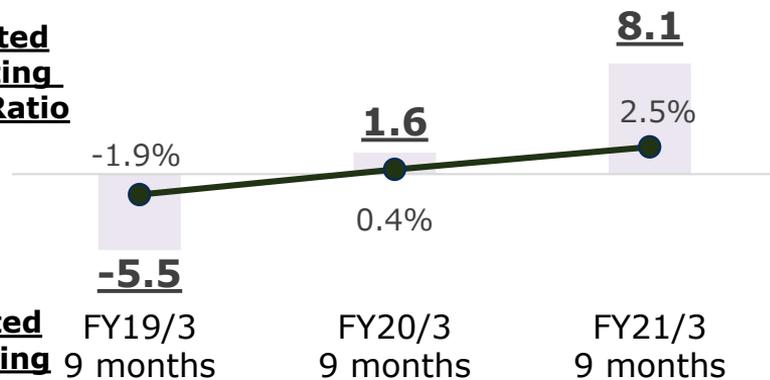
Revenue



Revenue **325.2 (-11.2%)**

- Decreased due to a decline and the deconsolidation of Display and a fall resulting from the termination of a part of KMD businesses despite an increase in Submarine Systems

Adjusted Operating Profit Ratio



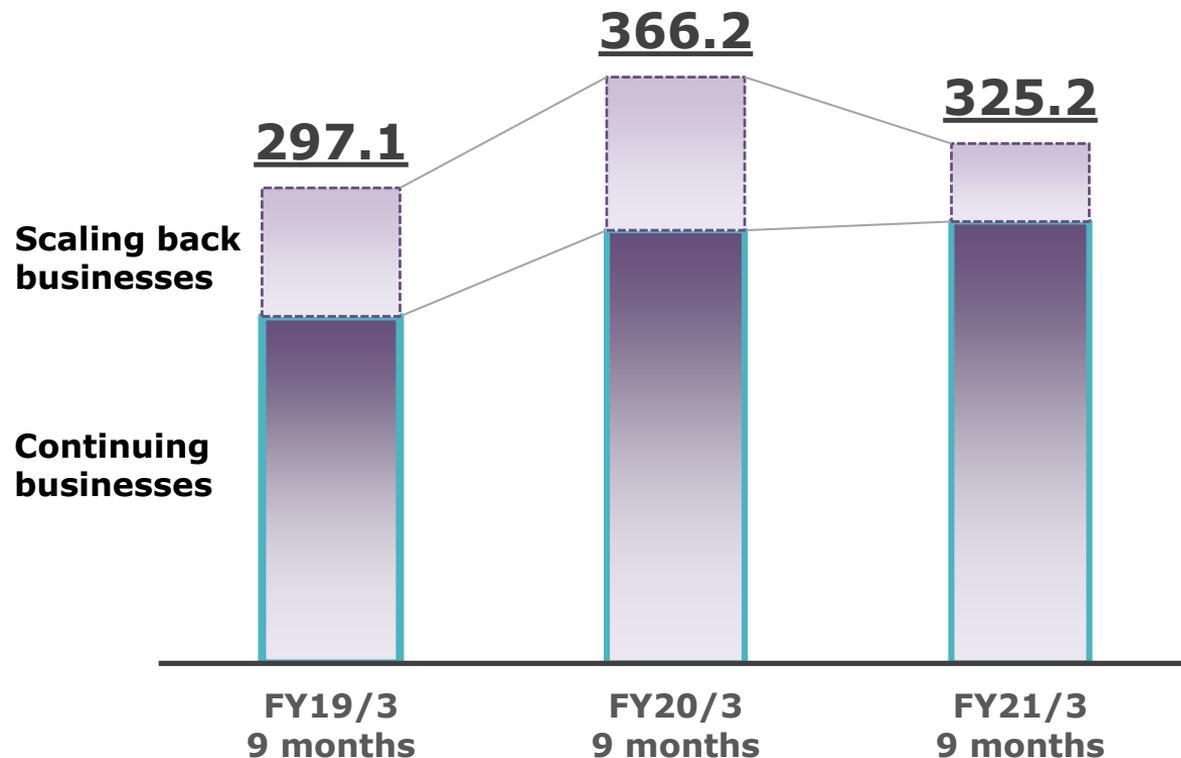
Adjusted Operating Profit / Loss **8.1 (+6.5)**

- Increased due to improvement of profitability in the Service Provider and an increase in revenue in Submarine Systems

* Figures in parentheses are compared to the previous year

(Billions of Yen)

Revenue



Scaling back businesses

- Energy
- Display
- A part of KMD: the terminated business anticipated at the time of acquisition (*)

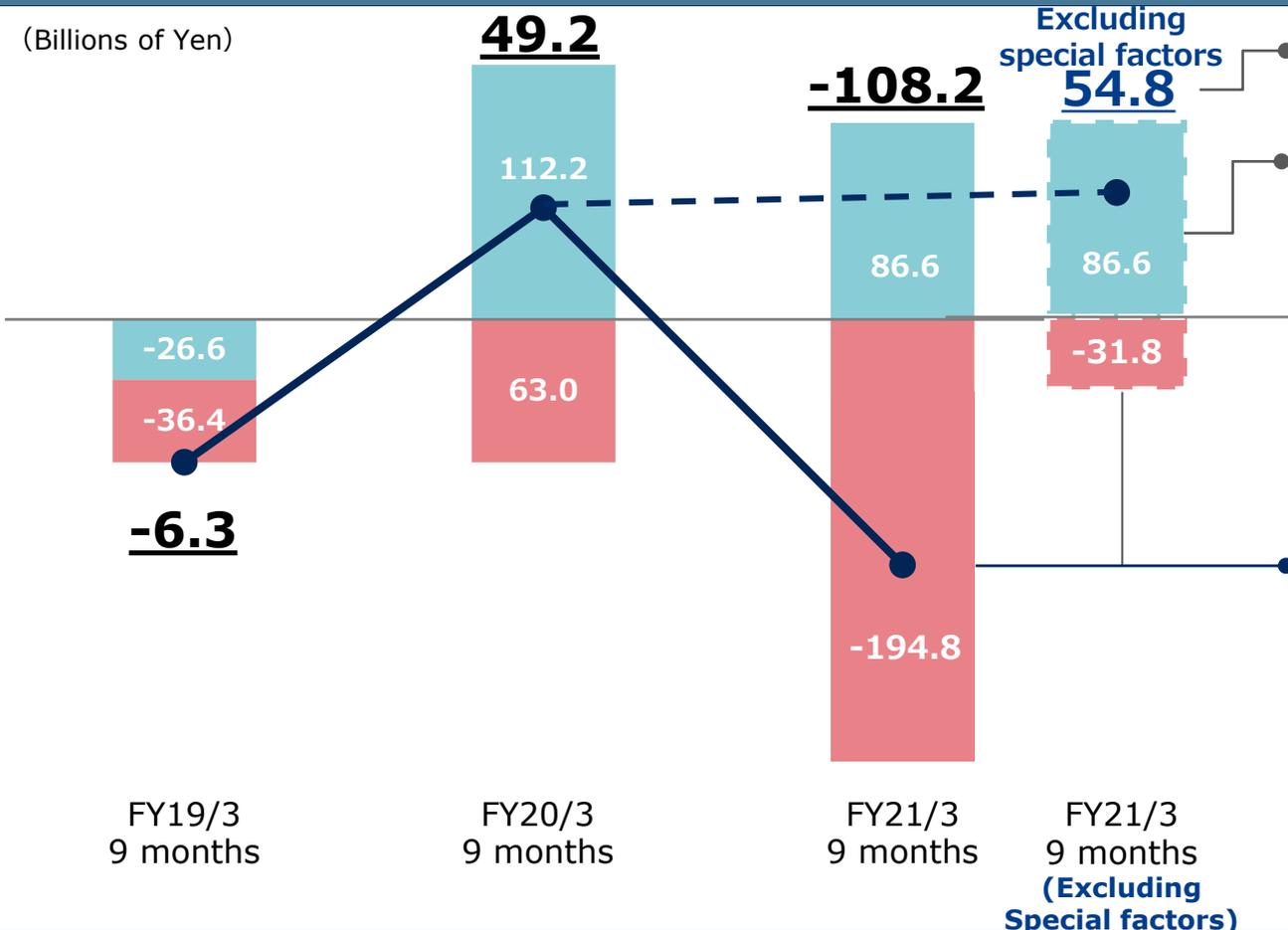
Continuing businesses

- Safer Cities (except above *)
- Service Provider
- Wireless Backhaul
- Submarine Systems

Free Cash Flows

9 months Results

(Billions of Yen)



Free cash flows
YoY **-157.4**

(Excluding special factors +5.6)

Cash flow from operating activities YoY **-25.6**

- Increase in adjusted operating profit: + 6.4
- Improvements in working capital due to decreased sales and increased efficiencies: + Approx. 38.0
- Income Taxes, payments and reclassification of gains on asset sales, etc.: - Approx. 70.0

Cash flow from investing activities YoY **-131.8**
(Excluding special factors +31.2)

- Completion of the investment for data centers and gain on sales of stocks, etc.: + Approx. 31.2
- **Proceeds from property, plant and equipment: + Approx. 35.0**
- **Avaloq acquisition: - Approx. 198.0**

II . Financial Forecasts for FY21/3

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
------------------------	-------	-------	--------

Dividend per Share (Yen)	70	80	+ 10
---------------------------------	----	----	------

Note:	USD / JPY	109.05	105.00
Average Exchange Rates (Yen)	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	34.2	40.0	+ 5.8
	% to Revenue	7.2%	8.9%	
Public Infrastructure	Revenue	678.8	675.0	- 0.6%
	Adjusted Operating Profit	64.2	62.0	- 2.2
	% to Revenue	9.5%	9.2%	
Enterprise	Revenue	549.8	560.0	+ 1.9%
	Adjusted Operating Profit	52.1	60.0	+ 7.9
	% to Revenue	9.5%	10.7%	
Network Services	Revenue	482.7	480.0	- 0.6%
	Adjusted Operating Profit	30.6	32.0	+ 1.4
	% to Revenue	6.3%	6.7%	
Global	Revenue	493.1	455.0	- 7.7%
	Adjusted Operating Profit/Loss	- 3.2	22.0	+ 25.2
	% to Revenue	-0.6%	4.8%	
Others	Revenue	412.6	410.0	- 0.6%
	Adjusted Operating Profit	24.4	15.0	- 9.4
	% to Revenue	5.9%	3.7%	
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 January 29, 2021

Addressing changes caused by the spread of COVID-19

The impact of market deterioration by COVID-19 is decreasing

(As of Oct 2020: Approx. -65.0 billion Yen → As of Jan 2021: Approx. -50.0 billion Yen)

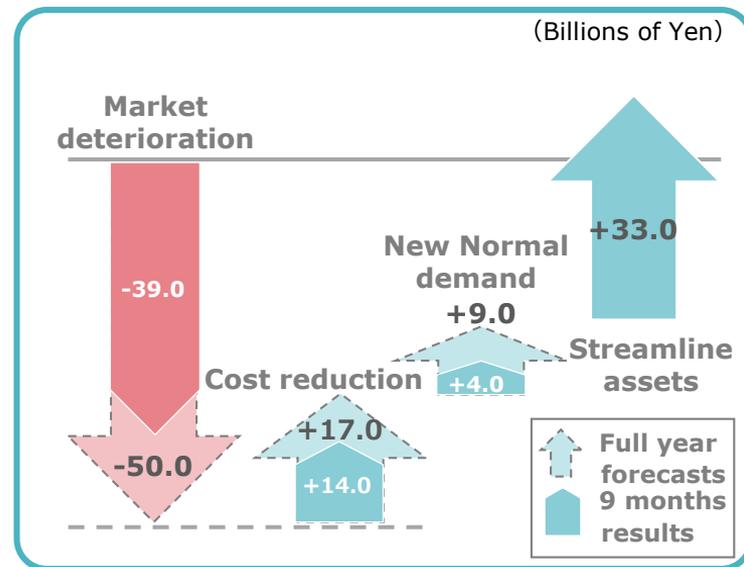
Cost reduction

- Transform to a new cost structure to meet remote environments
- Cost reduction became smaller compared to the company forecasts as businesses in Network services and Public infrastructure expanded

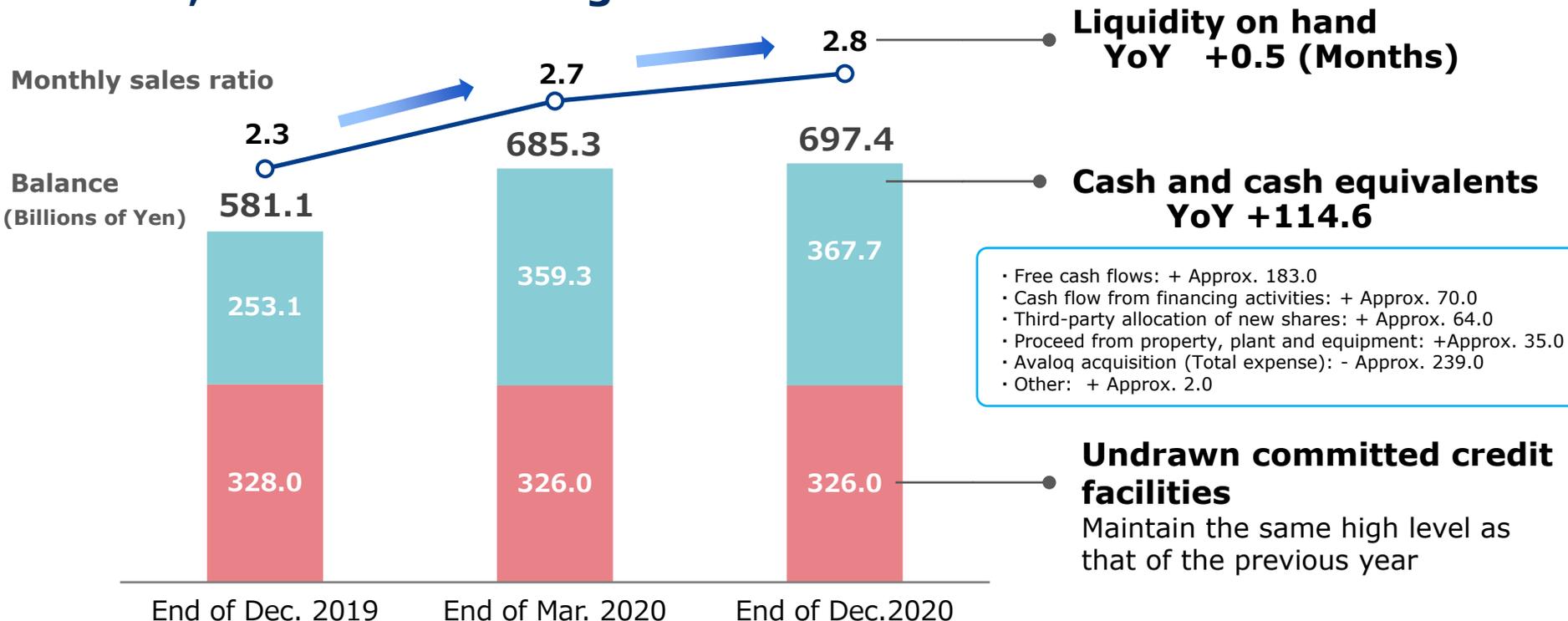
New Normal demand*

- Track record expanding in 5G and digitalization in government and finance for next year and beyond

* Contactless solutions, remote-work solutions (excluding PC), and educational solutions expanded by the spread of COVID-19



Continue to thoroughly secure liquidity after completing the acquisition of Avaloq. Maintain investment capability by asset sales, etc. to continue growth investments



Completed the acquisition of Avaloq

- Closed the acquisition in December and will contribute to NEC's financial results from Q4, FY2020

Accept investment from JICT*

- Investment amount is planned to be 300 million Swiss Franc (35.0 billion Yen**) after February 2021

* JICT: Fund Corporation for the Overseas Development of Japan's ICT and Postal Services Inc.

** 1 Swiss Franc = 115 Yen

Japan : 5G networks are significantly expanding

- **Base stations** : NEC started to ship 5G base station Central Units (CU) in large volume as well as Radio Units (RU)
- **Core networks** : NTT Docomo and Rakuten Mobile adopted NEC's 5G core network

International : Enhance activities for global expansion

- **U.K.** : Established the Global Open RAN Center of Excellence (CoE) and participating U.K. government-led 5G Open RAN trial
- **Germany** : Selected by Telefónica Germany as system integrator for Open RAN pilot

Aggressively participate in advanced projects

- Provide solutions for educational institutes with “GIGA school project”
- Selected by the Japanese government as a managed services provider for the second common government platform

Enhance proposal and implementation structure

- Make proposals to governments on usages of the “My Number Card”*
- Provide “NEC Cloud IaaS” compliant the Japanese government’s new evaluation system, “ISMAP”**
- Established the internal cross-over implementation structure

* My Number Card: ID number issued to all residents of Japan used for taxation, social security and disaster response purposes

** ISMAP: Information system Security Management and Assessment Program



\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 the Nine-Month ended December 31, 2020 (Appendix)

Adjustments to Operating Profit

9 months
Results

(Billions of Yen)

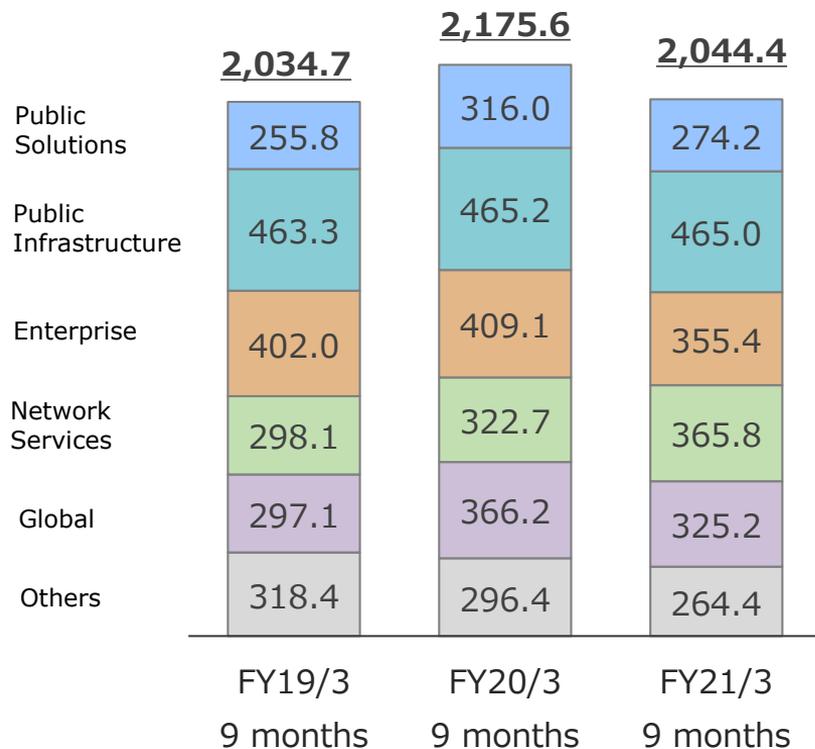
	FY20/3			FY21/3			YoY		
	1H	3Q	9 months	1H	3Q	9 months	1H	3Q	9 months
Operating Profit	46.9	31.1	77.9	20.0	62.4	82.4	-26.9	+31.4	+4.5
Adjusted items	8.5	4.2	12.7	9.1	5.6	14.6	+0.5	+1.4	+1.9
Amortization of intangible assets through acquisition	8.3	4.2	12.5	9.1	4.7	13.7	+0.7	+0.5	+1.2
M&A related expenses	0.2	0.0	0.2	0.0	0.9	0.9	-0.2	+0.8	+0.6
Adjusted Operating Profit	55.4	35.3	90.6	29.0	68.0	97.0	-26.3	+32.7	+6.4

Financial Results by Segment (three-year transition)

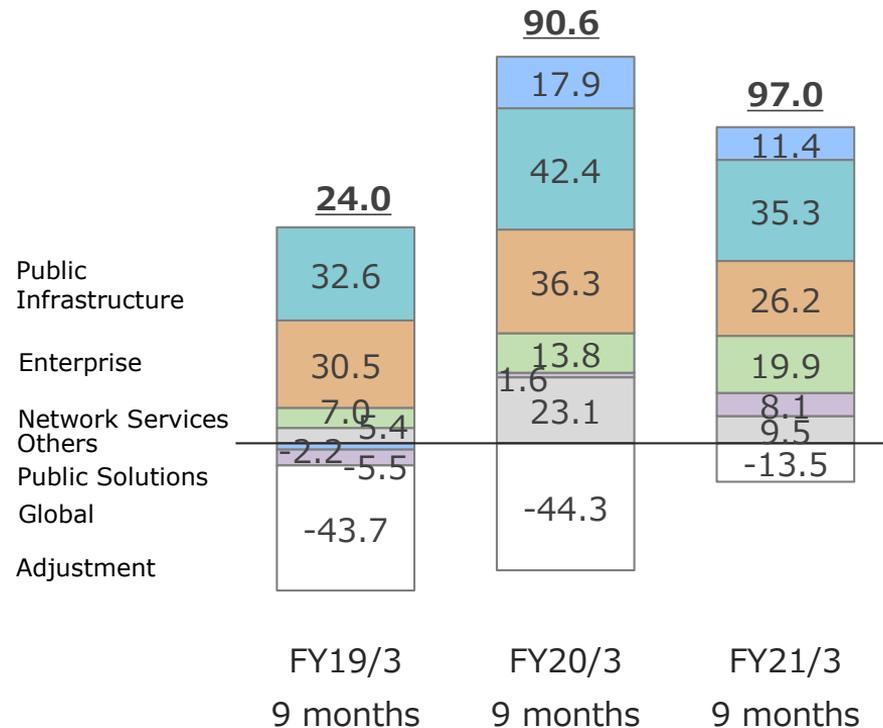
9 months
Results

(Billions of Yen)

Revenue

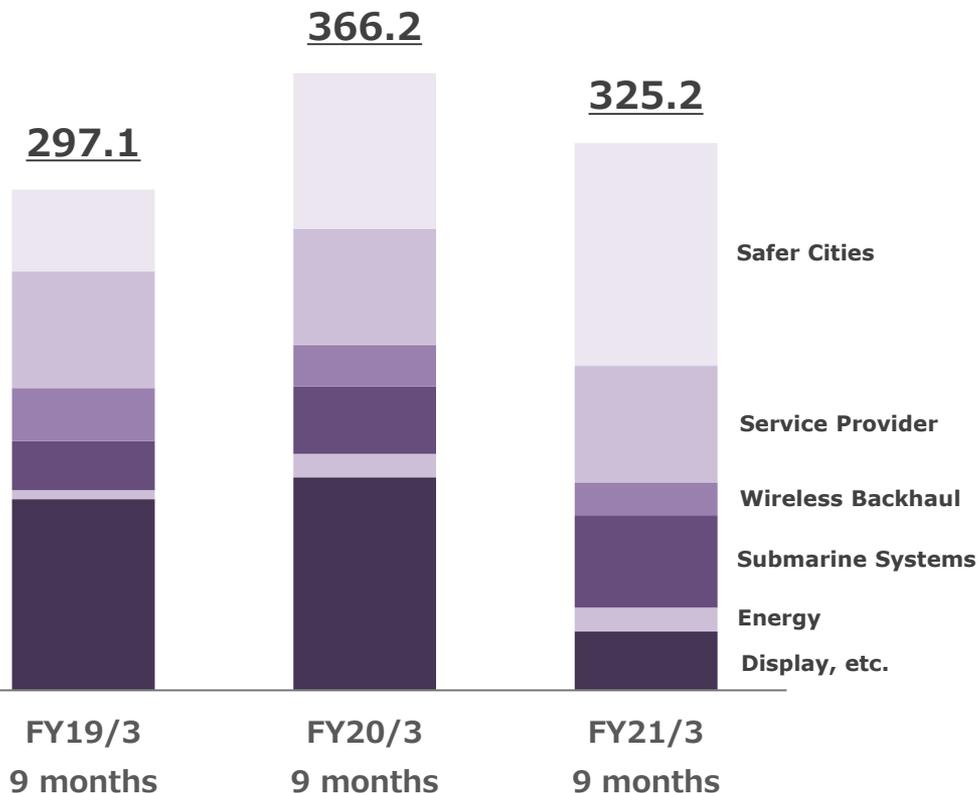


Adjusted Operating Profit



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

- Same level as the previous year

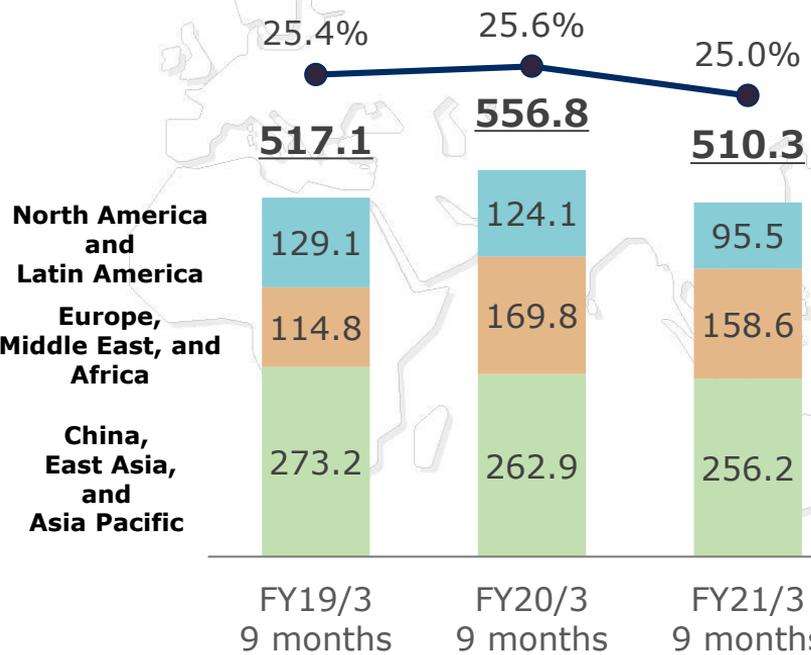
Display

- Decreased due to the deconsolidation and the impact of deteriorating market conditions

(Billions of Yen)

Revenue by Region

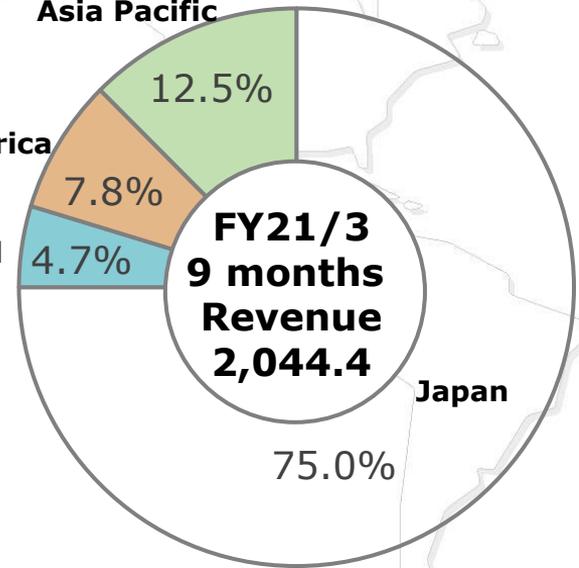
International Revenue Ratio



China, East Asia, and Asia Pacific

Europe, Middle East, and Africa

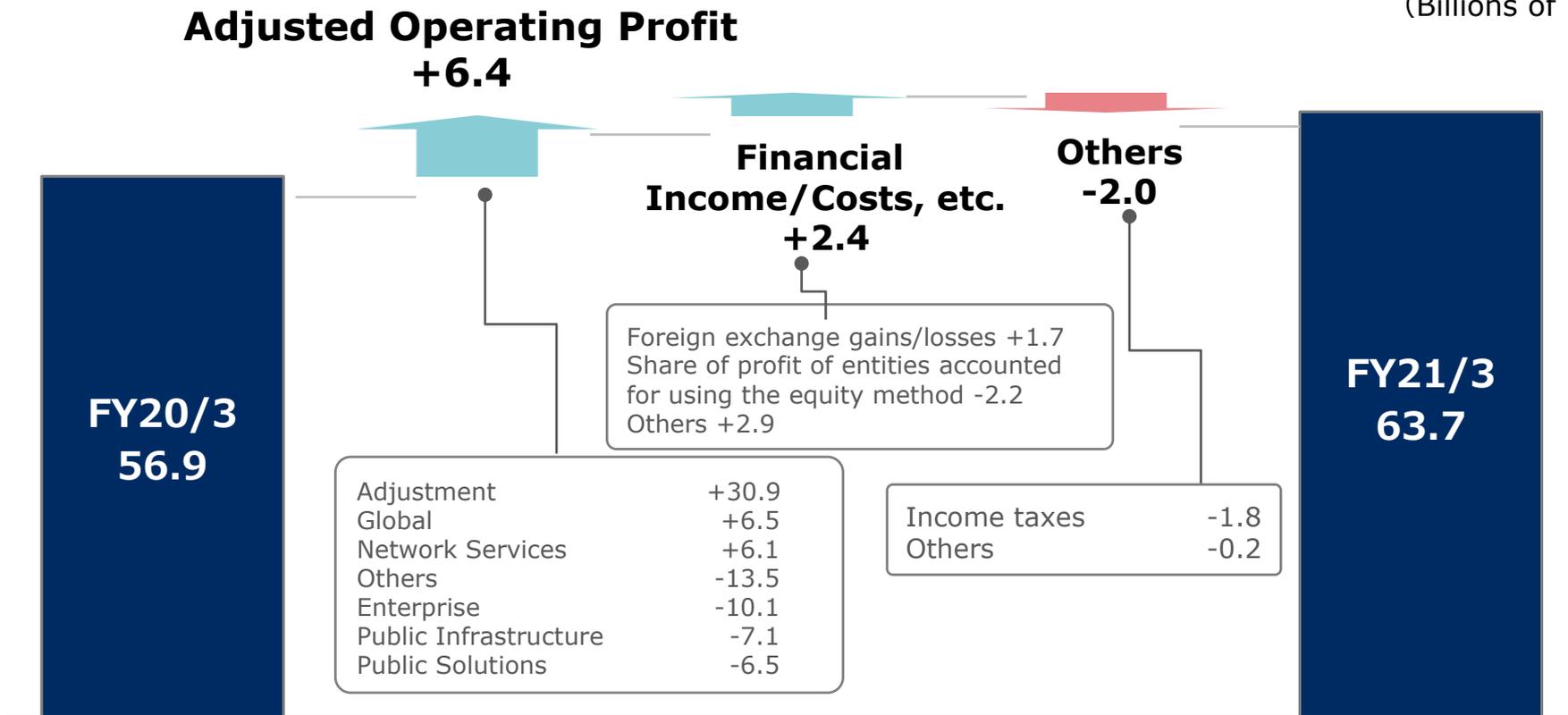
North America and Latin America



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

Adjusted Net Profit Change (Year on Year)

(Billions of Yen)



(Billions of Yen)

	End of March 2020	End of December 2020	Variance from end of March 2020
Total assets	3,123.3	3,343.9	+ 220.6
Total equity	1,114.5	1,255.7	+ 141.1
Interest-bearing debt	675.4	833.6	+ 158.2
Equity attributable to owners of the parent	910.7	1,049.4	+ 138.8
Ratio of equity attributable to owners of the parent (%)	29.2%	31.4%	+ 2.2pt
D/E ratio (times)	0.74	0.79	- 0.05pt
Net D/E ratio (times)	0.35	0.44	- 0.09pt
Cash and cash equivalents	359.3	367.7	+ 8.5

(Billions of Yen)

Compared to end of March 2020

Current Assets

1,631.8

Decreased due to the collection of trade and other receivables despite increased inventories

- 67.1

Increased due to an increase in goodwill resulting from acquisition of Avaloq Group and an increase in other financial assets resulting from the rising market value of equity securities.

+287.7

Liabilities

2,088.2

Increased due to an increase in interest-bearing debt from issuance of commercial paper, etc.

+79.5

Increased due to the execution of issuance of new shares by way of third-party allotment to NTT and the increase in other components of equity resulting from the rising market value of equity securities and the recognition of net profit.

+141.1

Total Assets

3,343.9

(+220.6 compared to end of March 2020)

Equity

1,255.7

Non-current Assets

1,712.1

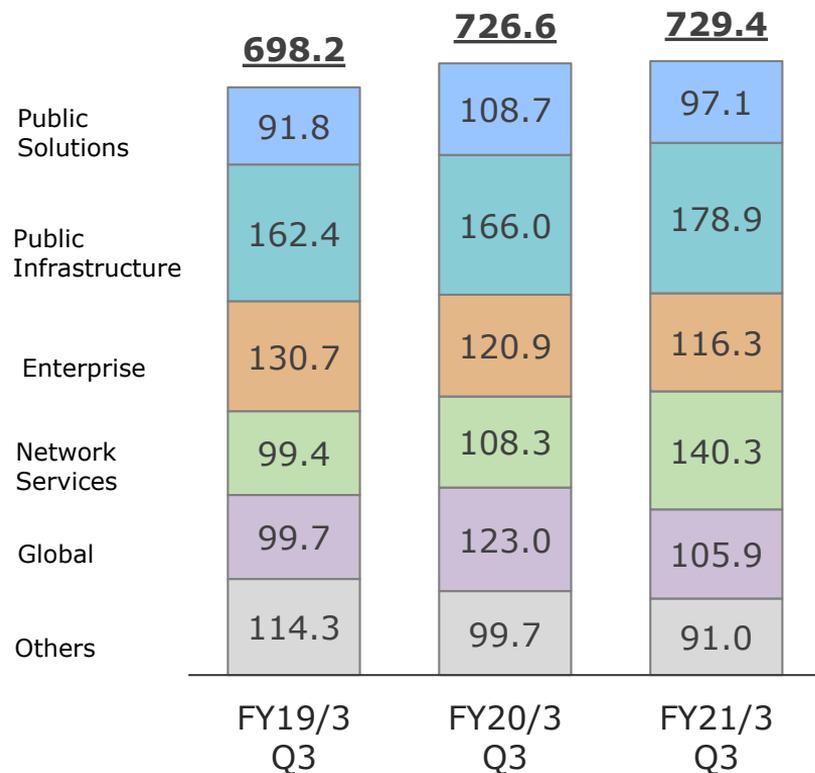
Financial Results for 3Q, FY21/3 (Appendix)

Financial Results by Segment (three-year transition)

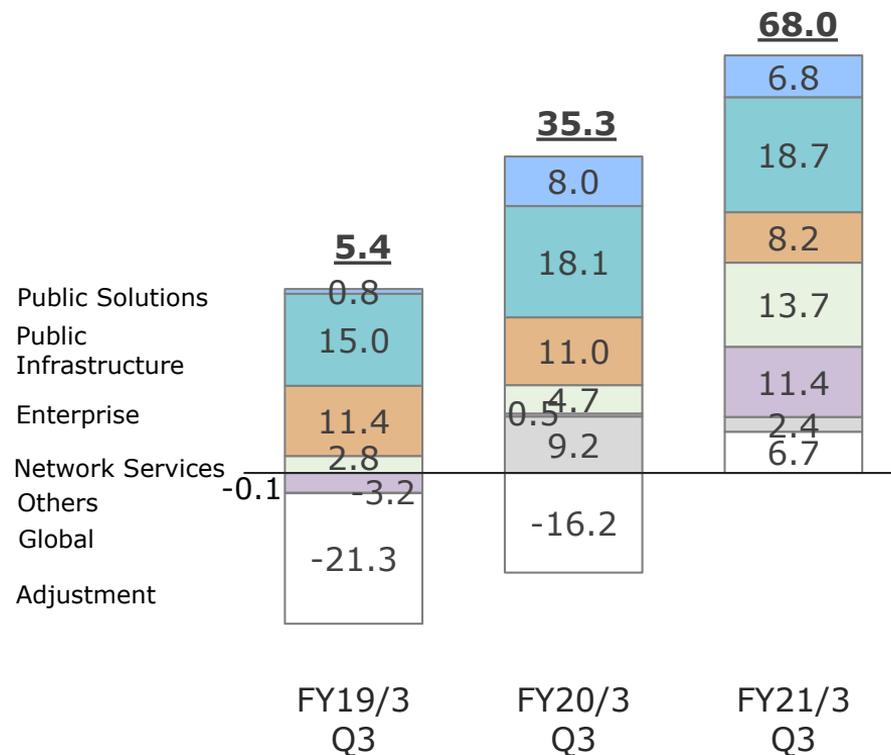
Q3
Results

(Billions of Yen)

Revenue

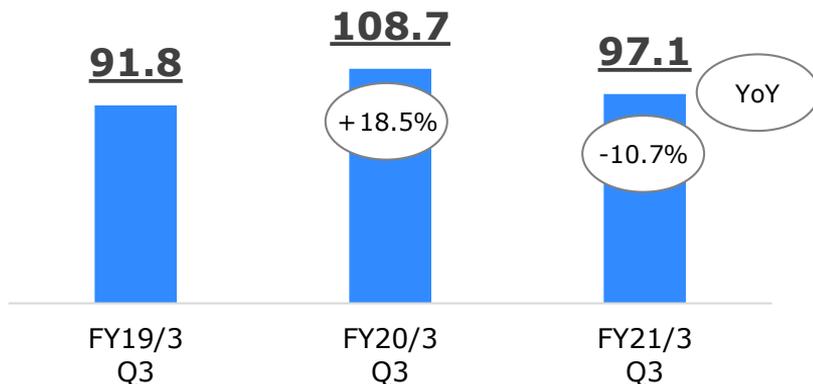


Adjusted Operating Profit



Revenue

(Billions of Yen)

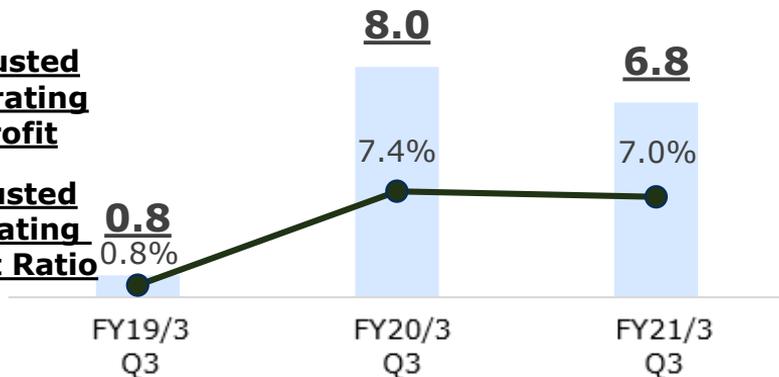


Revenue 97.1 (-10.7%)

- Decreased due to fall in demand for business PC replacement

Adjusted Operating Profit

Adjusted Operating Profit Ratio



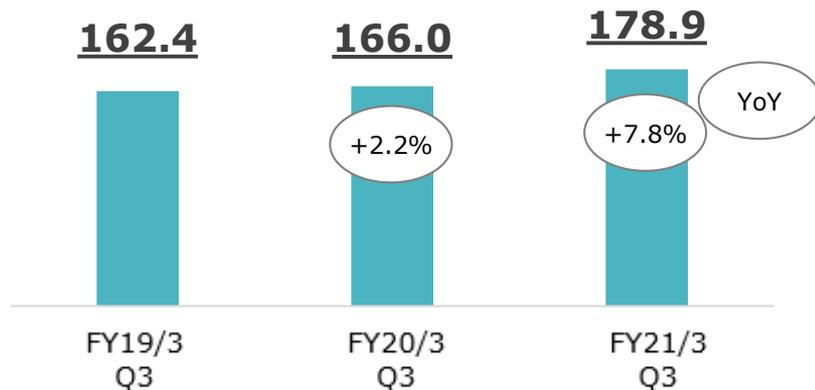
Adjusted Operating Profit 6.8 (- 1.2)

- Decreased due to decline in revenue

* Figures in parentheses are compared to the previous year

Revenue

(Billions of Yen)

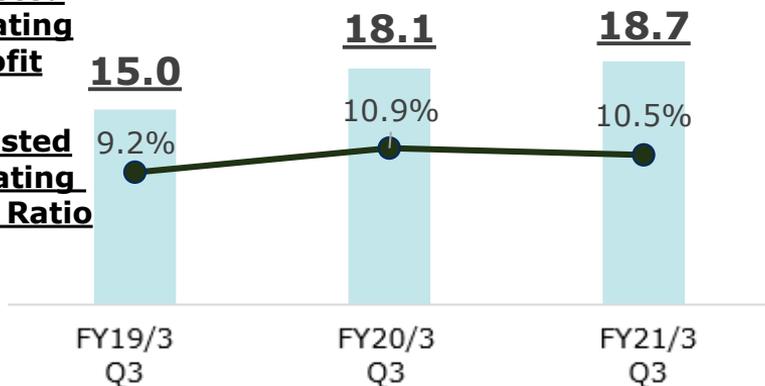


Revenue 178.9 (+7.8%)

- Increased due to an increase in PC under "GIGA school project"

Adjusted Operating Profit

Adjusted Operating Profit Ratio



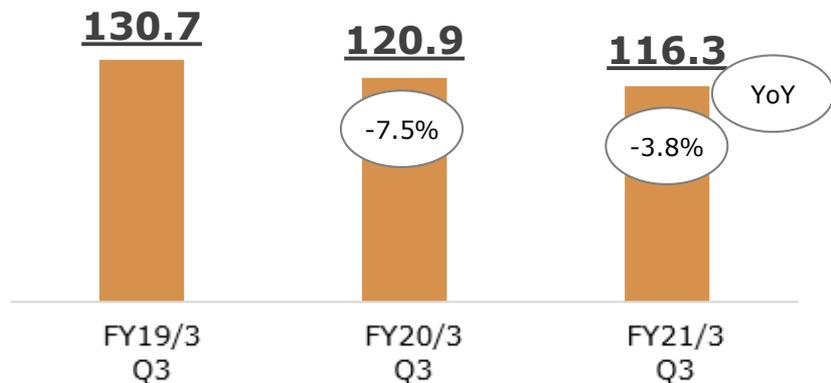
Adjusted Operating Profit 18.7 (+0.6)

- Increased due to an increase in revenue

* Figures in parentheses are compared to the previous year

Revenue

(Billions of Yen)

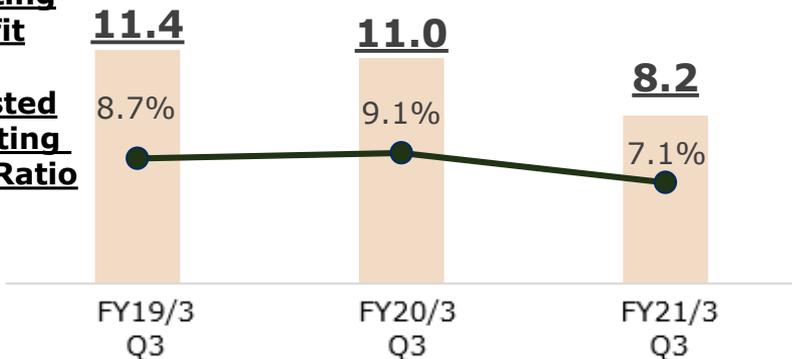


Revenue **116.3** (-3.8%)

- Decreased due to declines in demand for business PC replacement compared to the previous year as well as restraint of corporate IT investment in manufacturing, retail and service industries

Adjusted Operating Profit

Adjusted Operating Profit Ratio



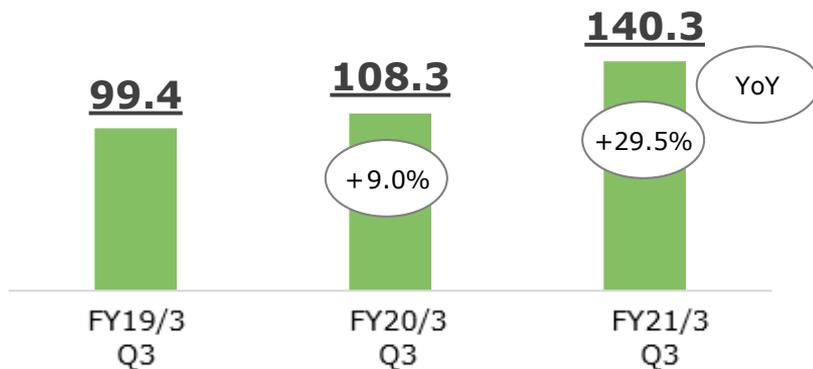
Adjusted Operating Profit **8.2** (-2.8)

- Decreased due to decline in revenue

* Figures in parentheses are compared to the previous year

Revenue

(Billions of Yen)

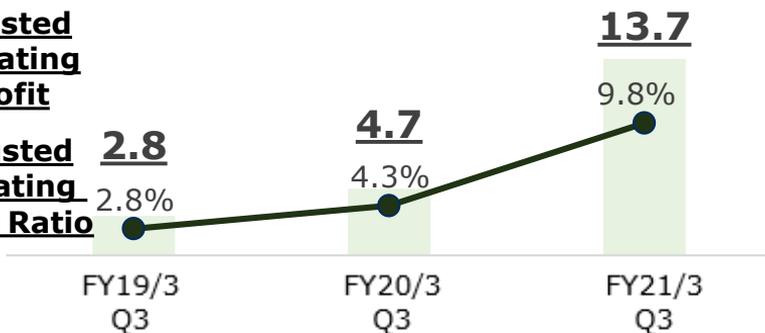


Revenue **140.3 (+29.5%)**

- Increased due primarily to increase in mobile network and fixed wired network areas driven by 5G deployment

Adjusted Operating Profit

Adjusted Operating Profit Ratio



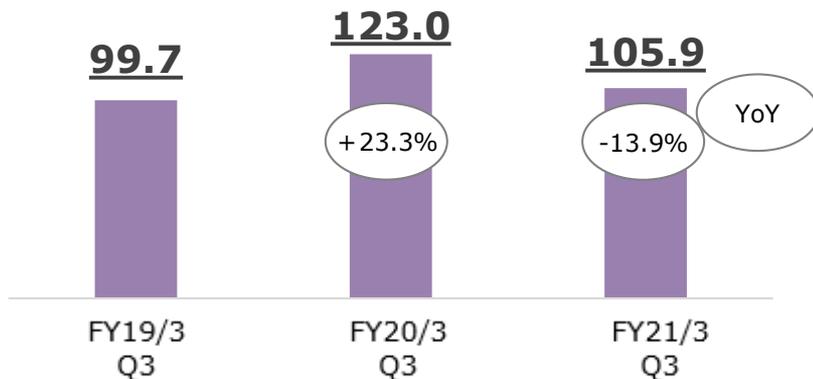
Adjusted Operating Profit **13.7 (+9.1)**

- Increased due to an increase in revenue

* Figures in parentheses are compared to the previous year

Revenue

(Billions of Yen)



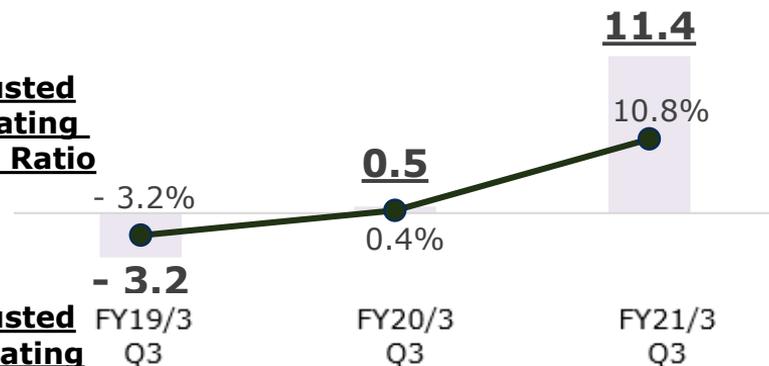
Revenue **105.9 (-13.9%)**

- Decreased due to deconsolidation of Display business

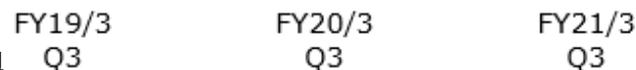
Adjusted Operating Profit **11.4 (+10.9)**

- Increased due to improvement of profitability in Service Provider and an increase in revenue in Submarine Systems

Adjusted Operating Profit Ratio



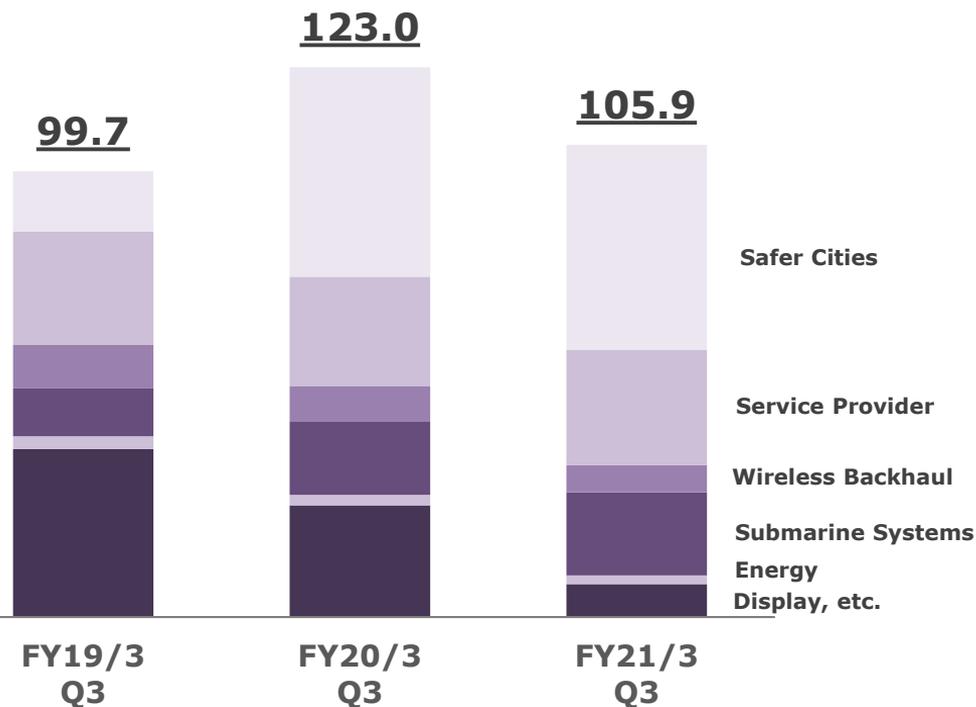
Adjusted Operating Profit / Loss



* Figures in parentheses are compared to the previous year

(Billions of Yen)

Revenue



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

- Same level as the previous year

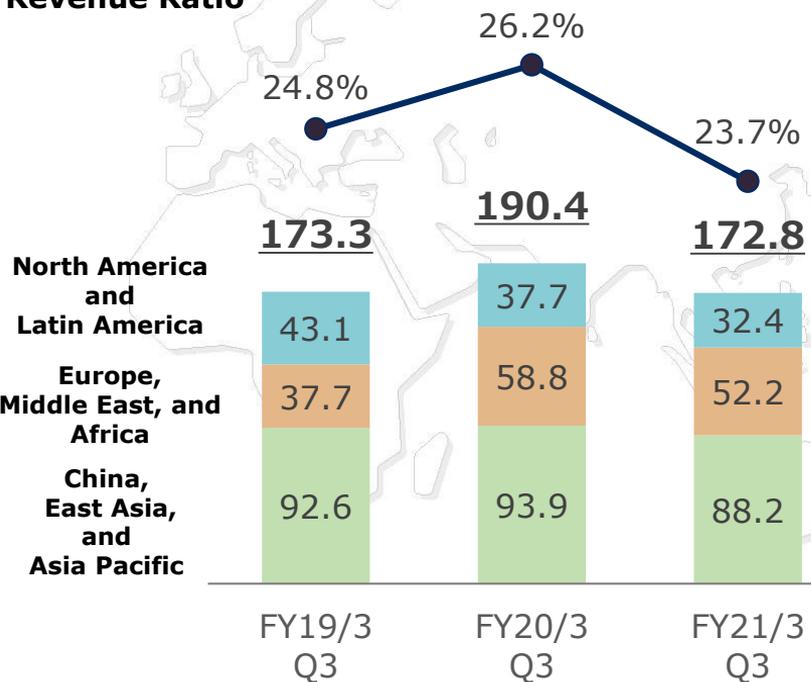
Display

- Decreased due to the deconsolidation

(Billions of Yen)

Revenue by Region

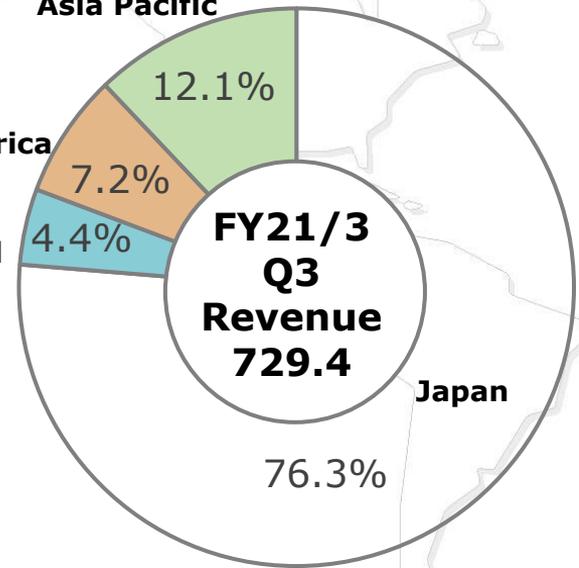
International Revenue Ratio



China, East Asia, and Asia Pacific

Europe, Middle East, and Africa

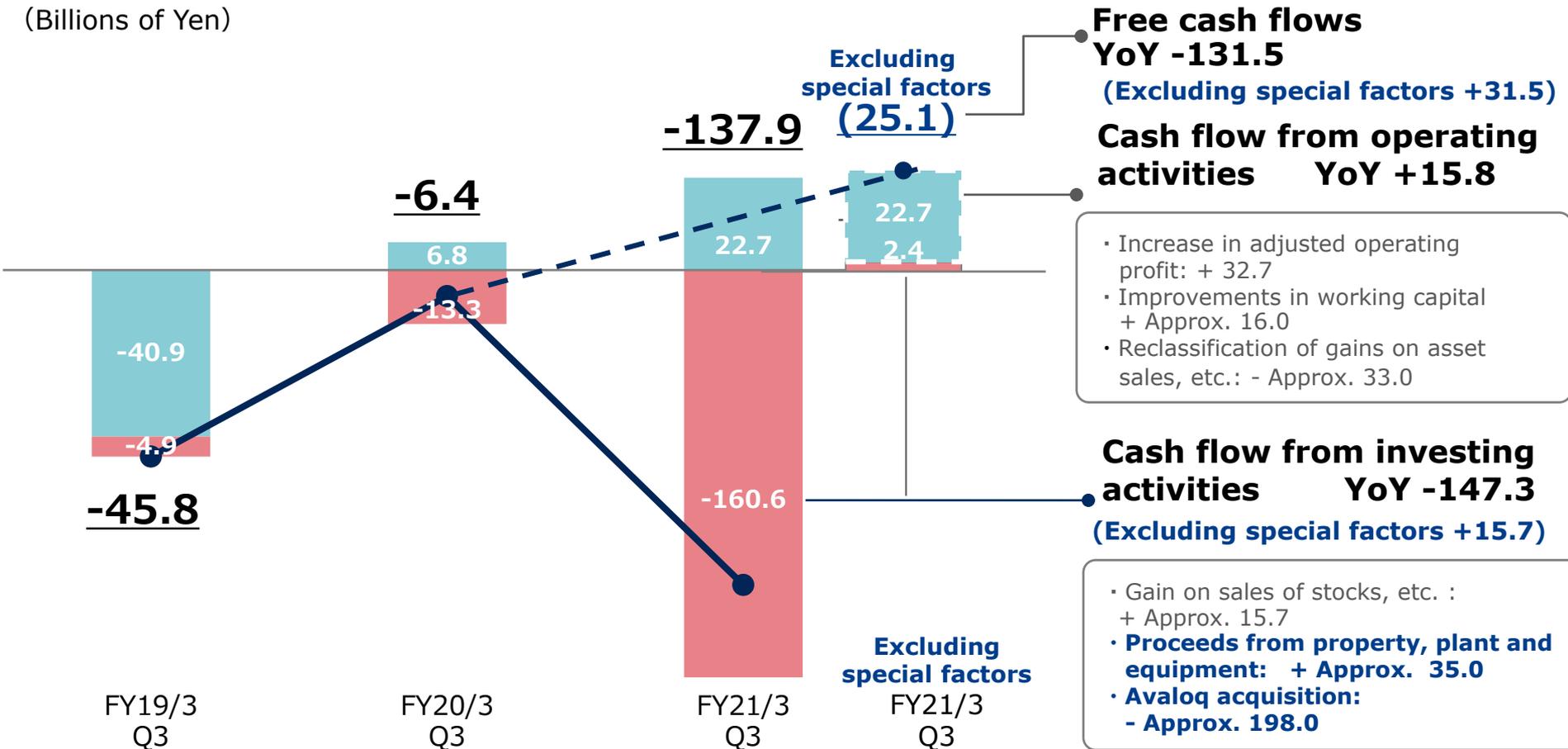
North America and Latin America



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

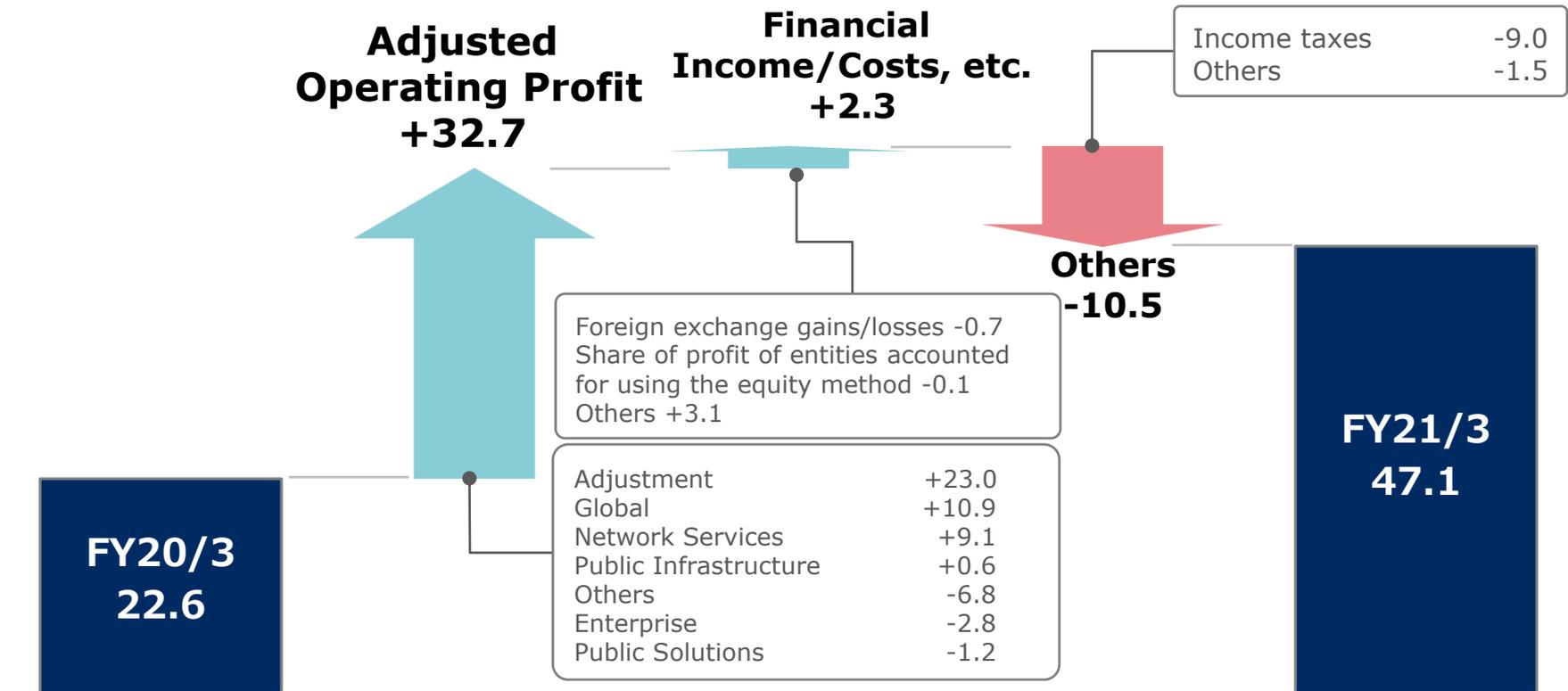
Free Cash Flows

(Billions of Yen)



Adjusted Net Profit Change (Year on Year)

(Billions of Yen)



Financial Forecasts for F21/3 (Appendix)

(Billions of Yen)

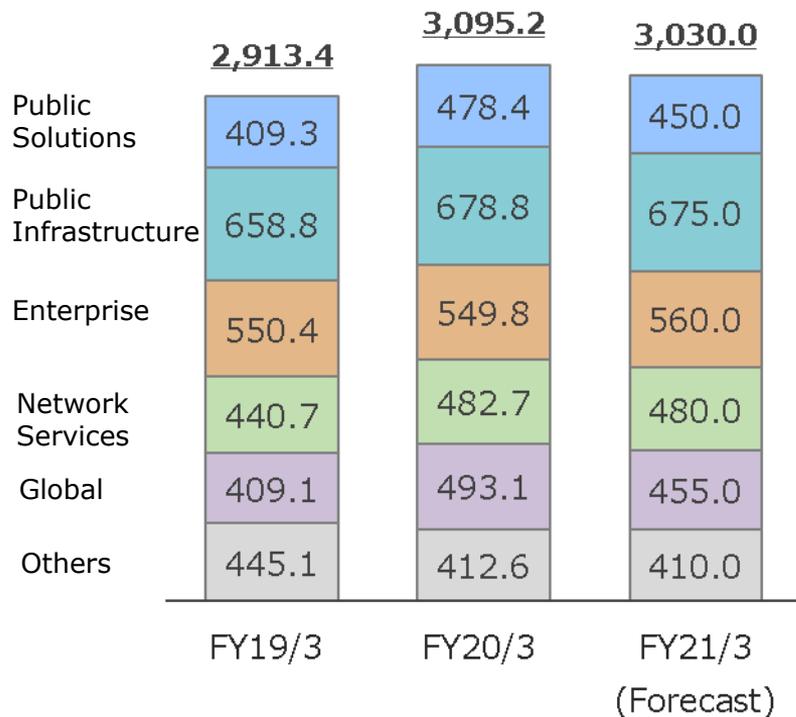
	FY20/3 Actual	FY21/3 Forecasts	YoY
Operating Profit/Loss	127.6	150.0	+22.4
Adjusted items	18.2	15.0	-3.2
Amortization of intangible assets through acquisition	17.0	n/a	n/a
M&A related expenses	1.2	n/a	n/a
Adjusted Operating Profit/Loss	145.8	165.0	+19.2

*Forecasts as of January 29, 2021

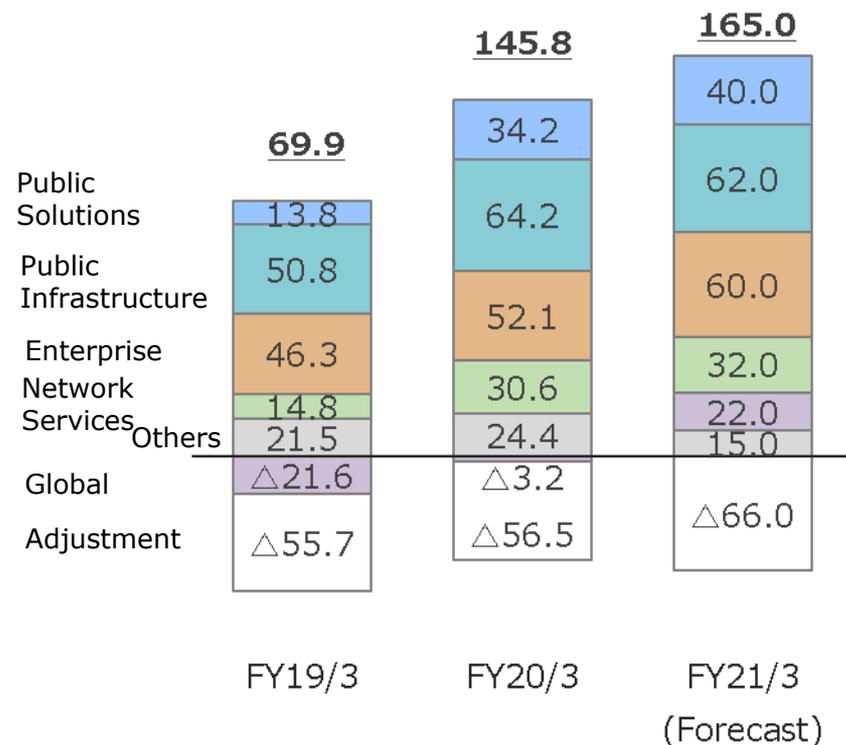
Financial Results / Forecasts by Segment (three-year transition)

(Billions of Yen)

Revenue



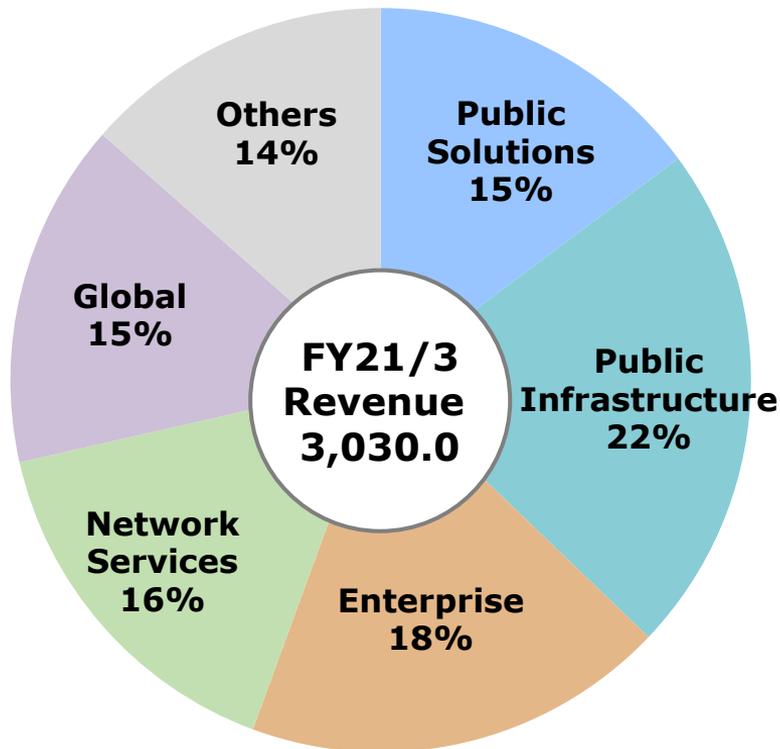
Adjusted Operating Profit/Loss



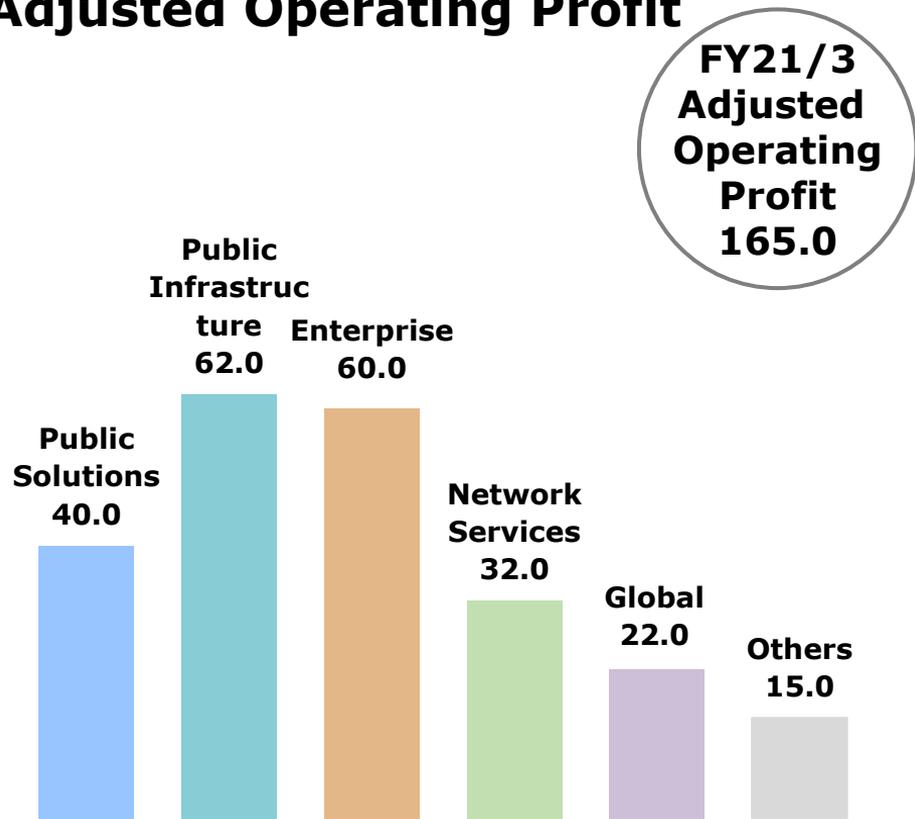
*Forecasts as of January 29, 2021

(Billions of Yen)

Revenue



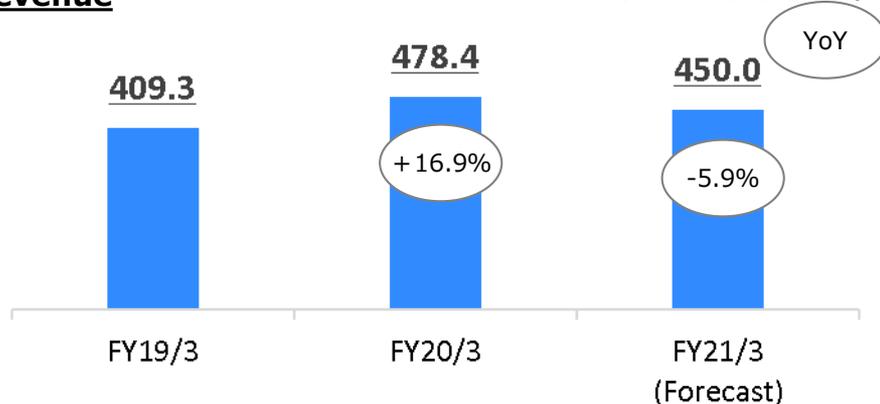
Adjusted Operating Profit



*Forecasts as of January 29, 2021

Revenue

(Billions of Yen)

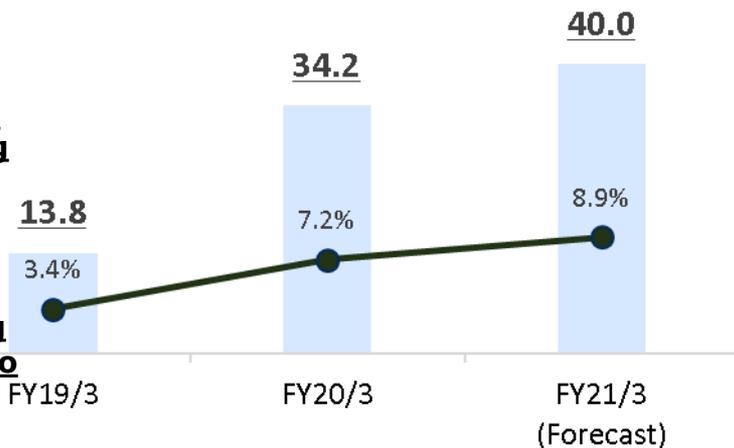


Revenue **450.0** (-5.9%)

- 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

* Figures in parentheses are compared to the previous year

*Forecasts as of January 29, 2021

Revenue

(Billions of Yen)

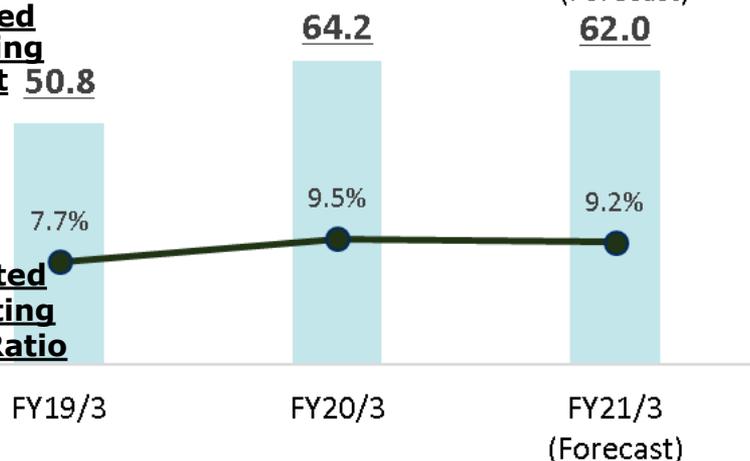


Revenue 675.0 (-0.6%)

- Slightly decrease

Adjusted Operating Profit

Adjusted Operating Profit Ratio

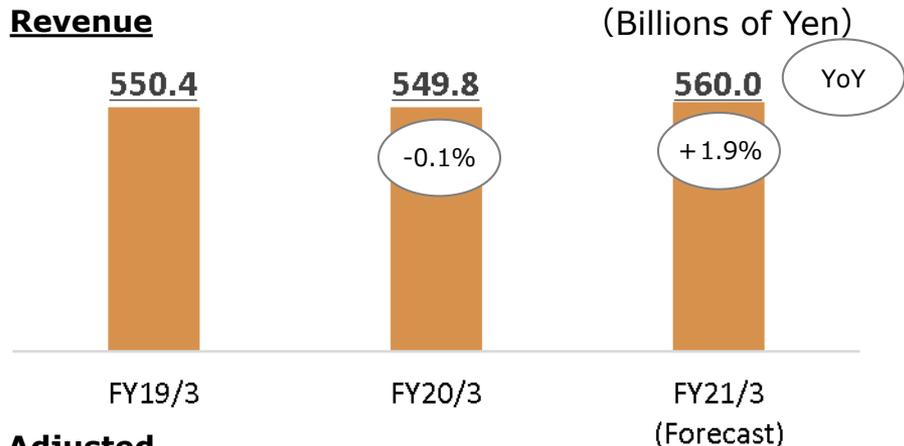


Adjusted Operating Profit 62.0 (-2.2)

- Decrease due to decline in revenue

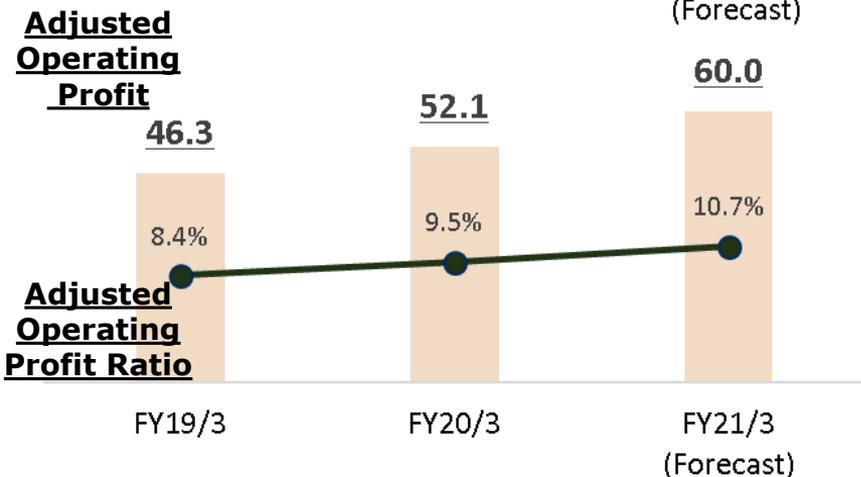
* Figures in parentheses are compared to the previous year

*Forecasts as of January 29, 2021



Revenue 560.0 (+1.9%)

- Slightly increase



Adjusted Operating Profit 60.0 (+7.9)

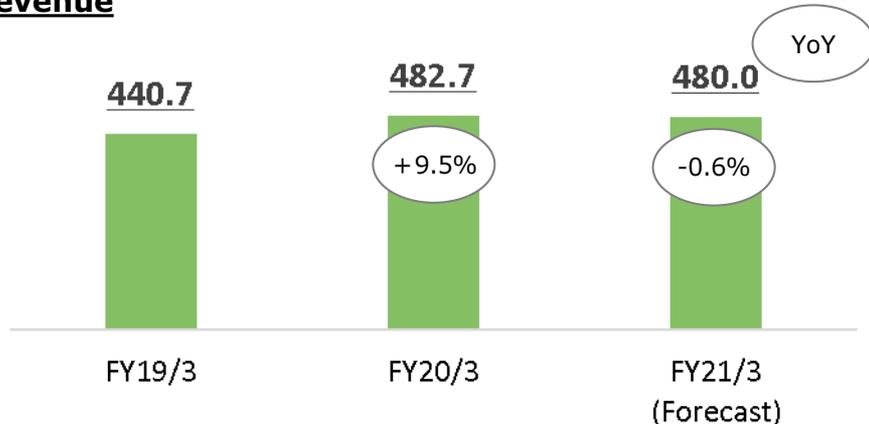
- Increase due to preventing the recurrence of unprofitable projects and improved cost efficiency

* Figures in parentheses are compared to the previous year

*Forecasts as of January 29, 2021

Revenue

(Billions of Yen)

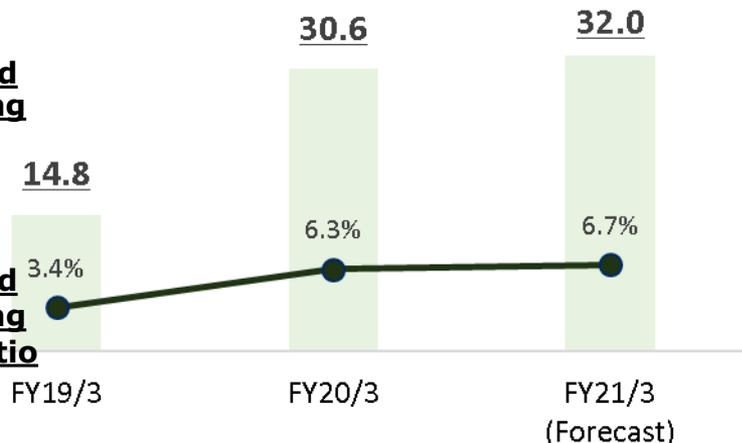


Revenue **480.0** (-0.6%)

- 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)

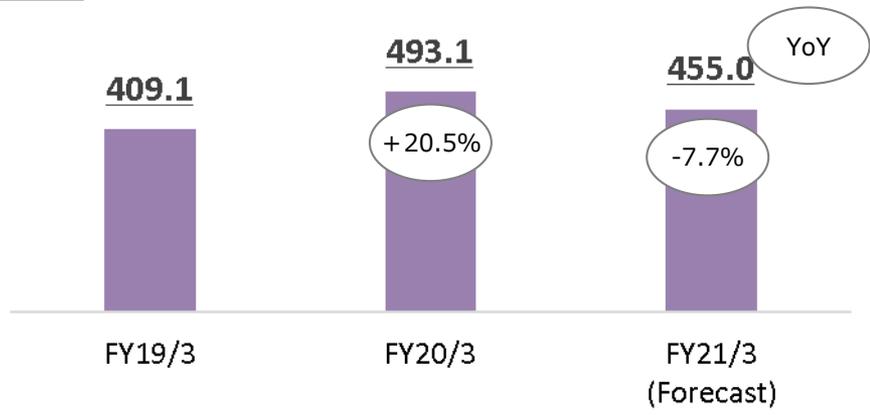
- Increase due to rise in 5G related investments as well as an increase in mobile network sales

* Figures in parentheses are compared to the previous year

*Forecasts as of January 29, 2021

Revenue

(Billions of Yen)



Revenue **455.0 (-7.7%)**

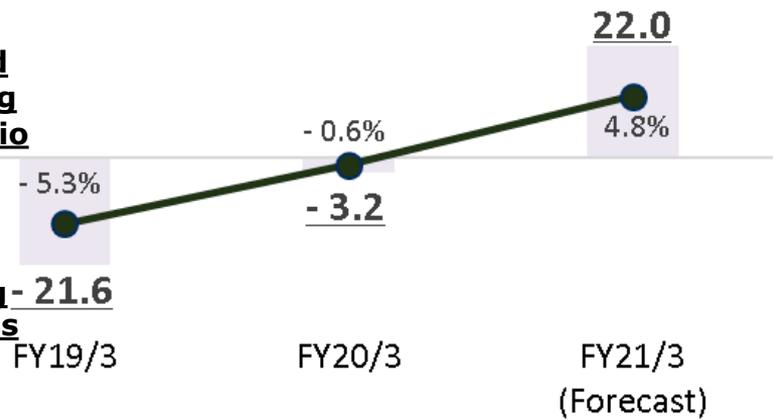
- Decrease due to deconsolidation of display business, despite increase in service provider solutions, submarine systems, etc.

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

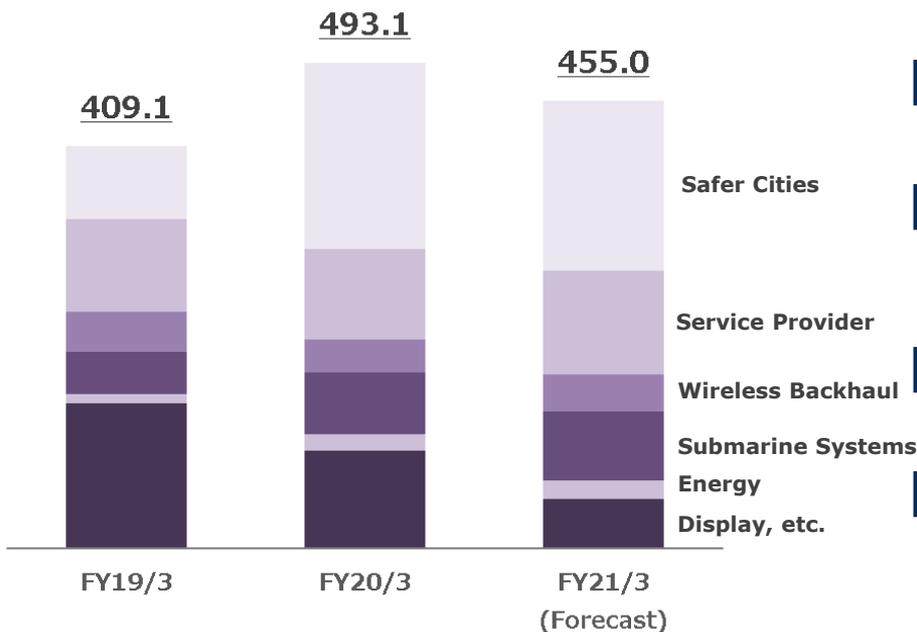


* Figures in parentheses are compared to the previous year

*Forecasts as of January 29, 2021

(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

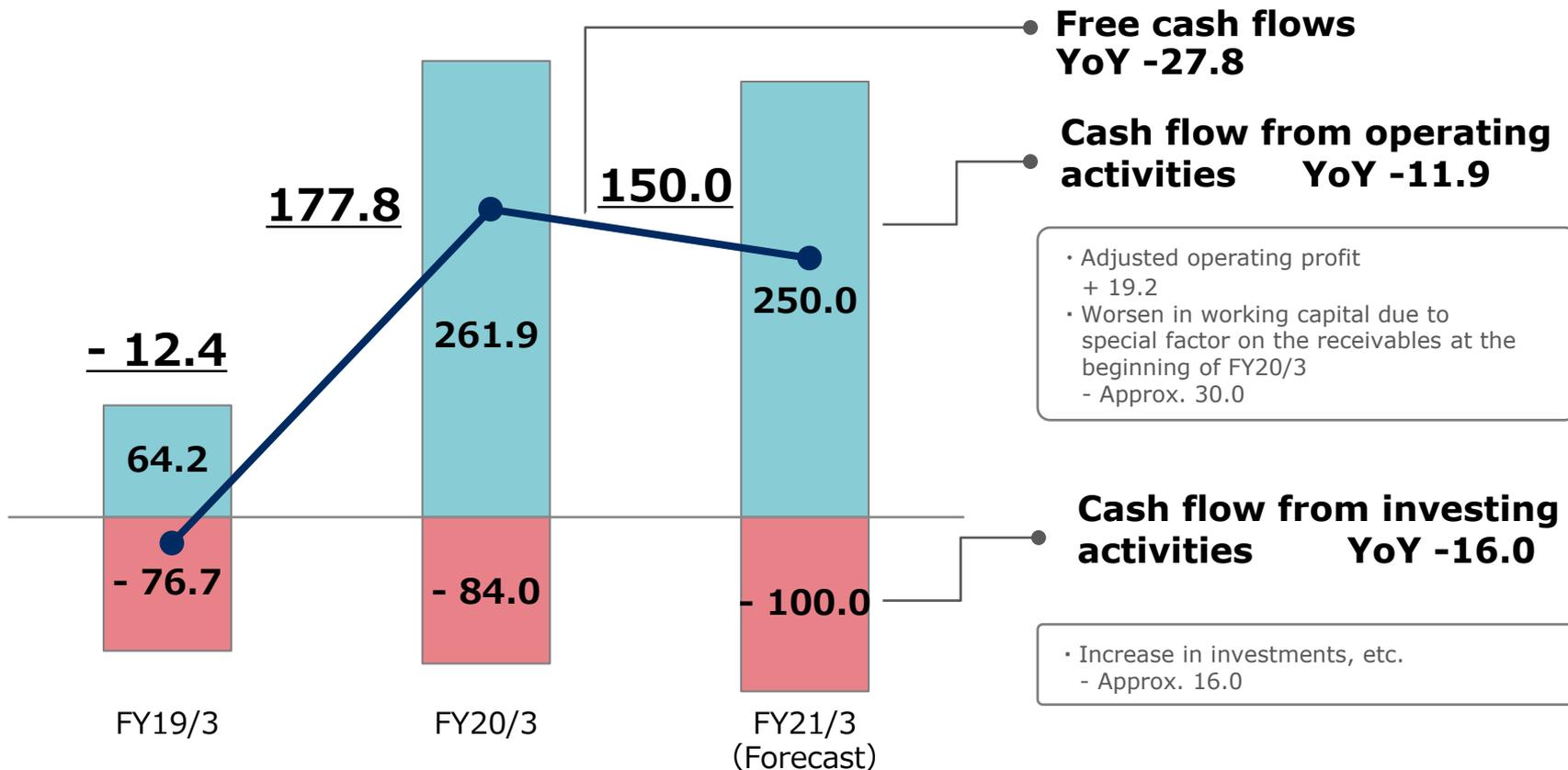
- Maintain the same level as the previous year

Display

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

*Forecasts as of January 29, 2021

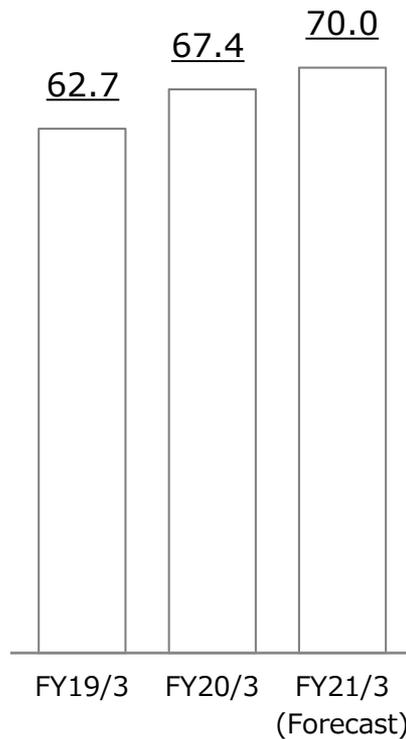
(Billions of Yen)



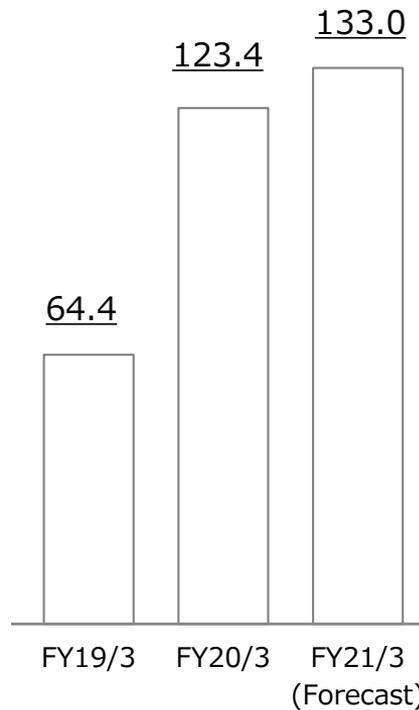
*Forecasts as of January 29, 2021

(Billions of Yen)

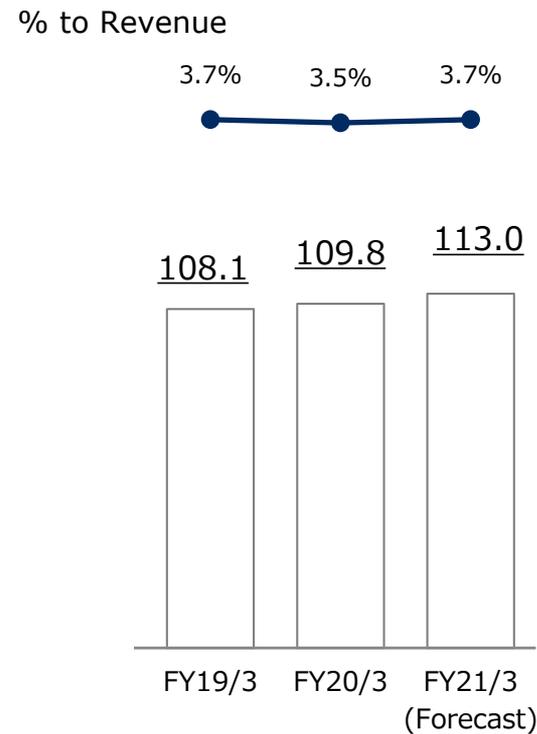
Capital Expenditure



Depreciation



R&D Expenses



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

*Forecasts as of January 29, 2021

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, 2020 and 2021 were referred as FY19/3 , FY20/3 and FY21/3 respectively. Any other fiscal years would be referred similarly.