

Financial Results for the Fiscal Year Ended March 31, 2022

April 28, 2022

NEC Corporation

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

\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.

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- Net profit refers to net profit attributable to owners of the parent for the same period.

I. Financial Results for FY22/3

Summary of Financial Results for FY22/3

Revenue

3,014.1

billion Yen

<YoY>

+0.7%

Expansion of Growth Businesses Contributed to Revenue Increase

- Improvements mainly in growth businesses led to increased revenue, despite adverse impact from a decline of special demand for GIGA school project from FY21/3 and component shortages

Adjusted Operating Profit

171.0

billion Yen

<YoY>

-7.2 billion Yen

Achieved 31.5 Billion Yen of Business Improvements

- Strategic expenses for growth increased by 26.0 billion Yen from FY21/3
- Minimized the impact of component shortages to 8.0 billion Yen with various countermeasures

Adjusted Net Profit

167.2

billion Yen

<YoY>

+1.8 billion Yen

Increased for Third Consecutive Year

- Increased due to a decrease in tax expenses

Summary of Financial Results FY22/3

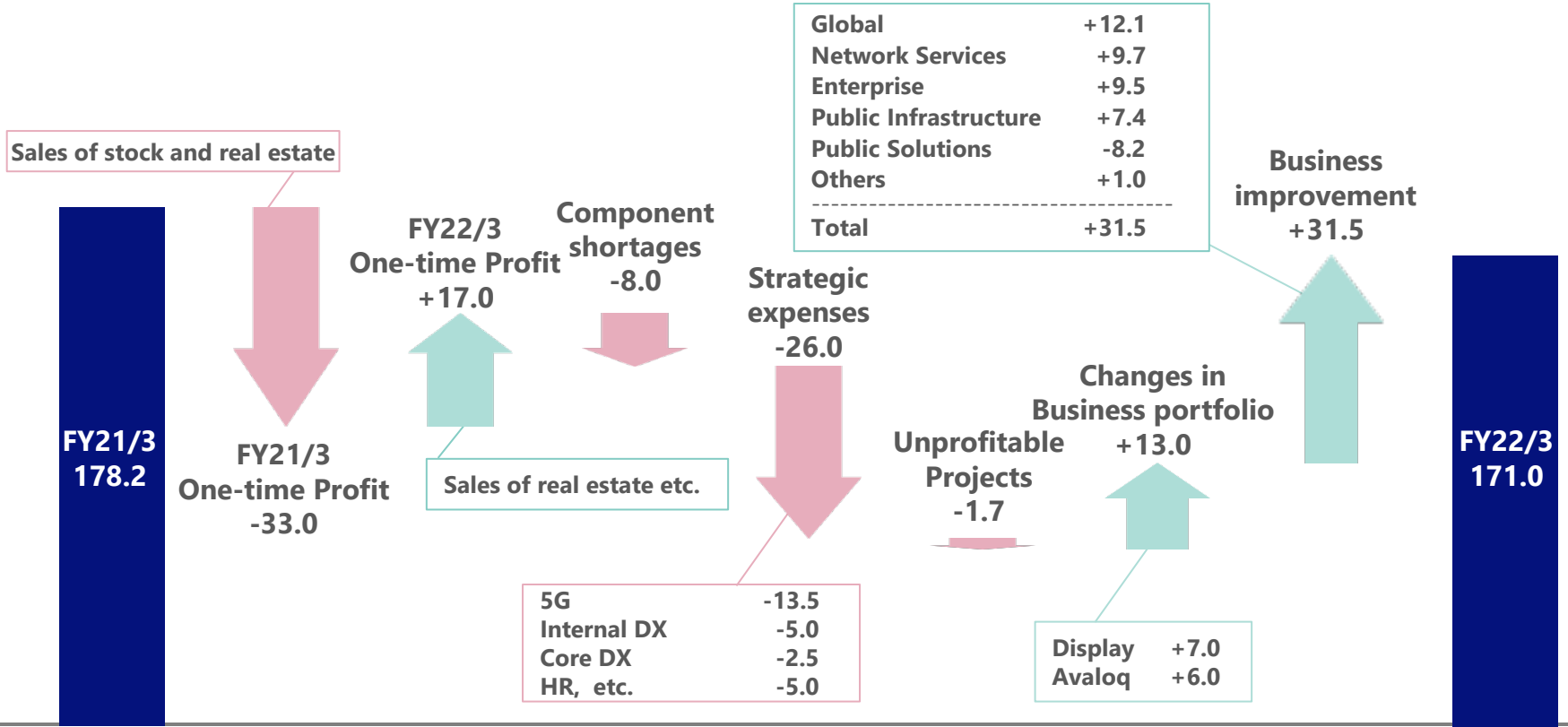
(Billions of Yen)

	Full year			Change from previous forecasts (Jan.31)
	FY21/3 Actual	FY22/3 Actual	YoY	
Revenue	2,994.0	3,014.1	+ 0.7%	+ 14.1
Operating Profit	153.8	132.5	- 21.2	+ 7.5
% to Revenue	5.1%	4.4%		
Adjusted Operating Profit	178.2	171.0	- 7.2	+ 11.0
% to Revenue	6.0%	5.7%		
Net Profit	149.6	141.3	- 8.3	+ 71.3
% to Revenue	5.0%	4.7%		
Adjusted Net Profit	165.4	167.2	+1.8	+ 74.2
% to Revenue	5.5%	5.5%		
EBITDA*	295.8	304.0	+ 8.2	- 1.0
% to Revenue	9.9%	10.1%		
Free Cash Flows	152.4	84.1	- 68.3	- 15.9
Note: Average Exchange Rates	USD / JPY EUR / JPY	105.96 111.55 122.84 130.47		
Dividend per Share (Yen)	90	100	+ 10	-

		Full Year		
		FY21/3 Actual	FY22/3 Actual	YoY
Public Solutions	Revenue	425.1	400.2	- 5.9%
	Adjusted Operating Profit % to Revenue	39.4 9.3%	29.7 7.4%	- 9.6
Public Infrastructure	Revenue	692.9	650.9	- 6.1%
	Adjusted Operating Profit % to Revenue	59.4 8.6%	65.4 10.0%	+ 6.0
Enterprise	Revenue	503.1	574.7	+ 14.2%
	Adjusted Operating Profit % to Revenue	48.2 9.6%	57.5 10.0%	+9.3
Network Services	Revenue	538.8	511.5	- 5.1%
	Adjusted Operating Profit % to Revenue	41.2 7.6%	35.5 6.9%	- 5.7
Global	Revenue	450.0	485.6	+ 7.9%
	Adjusted Operating Profit % to Revenue	7.5 1.7%	26.3 5.4%	+18.8
Others	Revenue	384.2	391.2	+ 1.8%
	Adjusted Operating Profit % to Revenue	7.7 2.0%	13.3 3.4%	+ 5.6
Adjustment	Adjusted Operating Profit/Loss	- 25.1	- 56.7	- 31.5
Total	Revenue	2,994.0	3,014.1	+ 0.7%
	Adjusted Operating Profit % to Revenue	178.2 6.0%	171.0 5.7%	- 7.2

Adjusted Operating Profit Change (Year on Year)

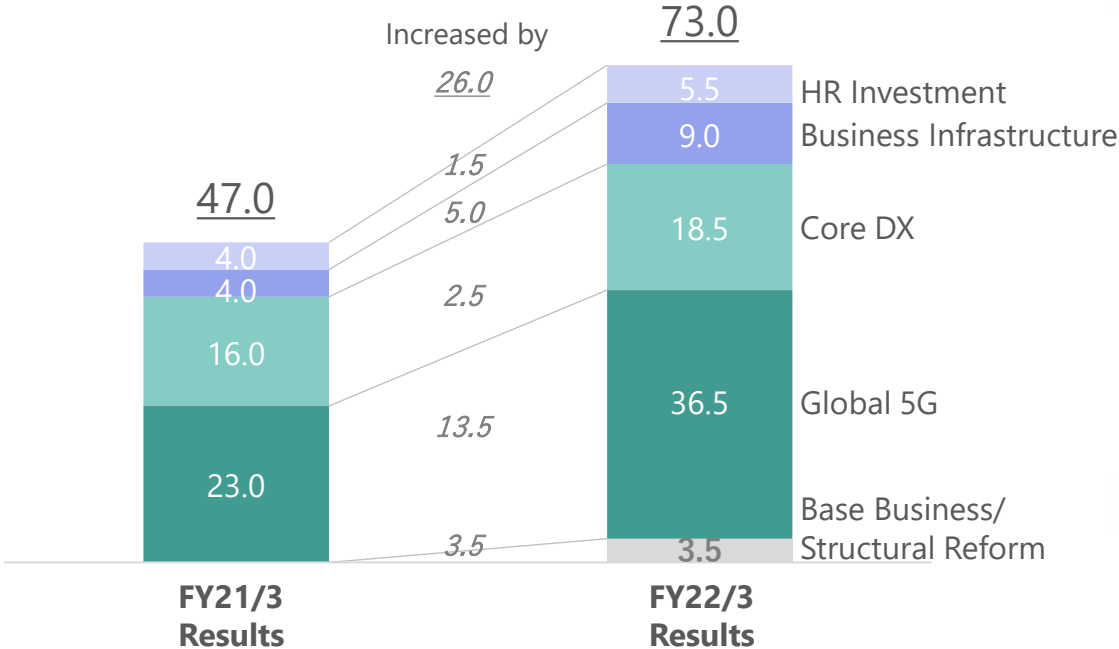
(Billions of Yen)



Strategic Expenses

Strategic Expenses increased by 26.0 billion Yen in FY22/3 from FY21/3
Intend to spend within the scope of profit improvements in each segment beyond FY23/3

(Billions of Yen)



Global 5G

- Enhance sales network abroad
- Improve product lineup

Core DX

- Enhance and expand DX offerings
- Launch businesses in new areas

Business Infrastructure

- Enhance internal IT infrastructure

HR Investment

- Enhance DX personnel, educate next-generation leaders

NEC Order Trends YoY

◆ IT Services: Increased by 3% due to steady corporate demand increase

*Excluding the GIGA School Project demand

◆ 5G Business: Maintained high level due to 5G business demand increase


YoY

+1%  : Decreased for firefighting and disaster prevention, despite an increase for public

± 0%  : Increased for satellite and national defense, despite a decrease for central government *excluding the GIGA school project

+7%  : Steady for all segments such as finance, manufacturing and retail and service industries

-1%  : Demand expanded for 5G business (+71%), decline in large fixed wired network projects

+25%  : Avaloq consolidation contributed and favorable order trend for DG/DF *excluding Submarine systems and Display business

+4%  : *excluding Submarine systems and Display business

(Please refer to page 31 for detailed information on a quarterly basis)

Public Solutions

Public Infrastructure
*Excluding Japan Aviation Electronics Industry (JAE)

Enterprise
*Excluding NEC Facilities Ltd.

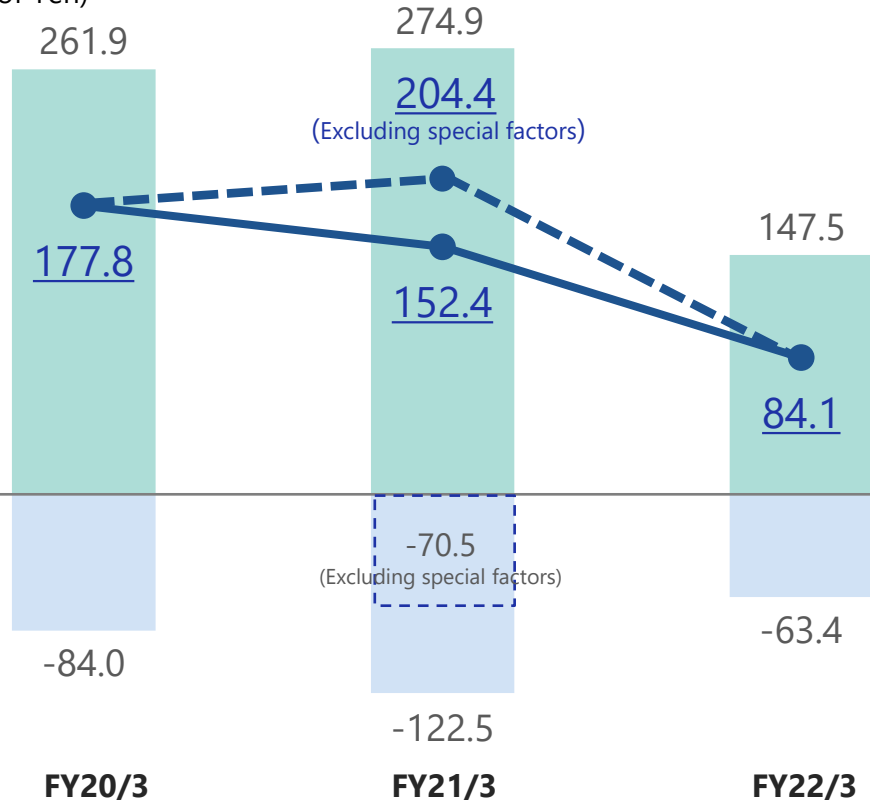
Network Services

Global

Total

Free Cash Flows

(Billions of Yen)



● Cash flow from operating activities

YoY **-127.4**

- Strategically increased inventories due to component shortages, etc.: - Approx. 60.0
- Contracted CCC improvement days with penetration of activity (6days in FY21/3, to 2days in FY22/3): - Approx. 32.0
- Corporate tax payment, etc.: - Approx. 20.0
- Decrease in adjusted operating profit: - 7.2

● Free cash flows

YoY **-68.3**
(Excluding special factors -120.3)

● Cash flow from investing activities

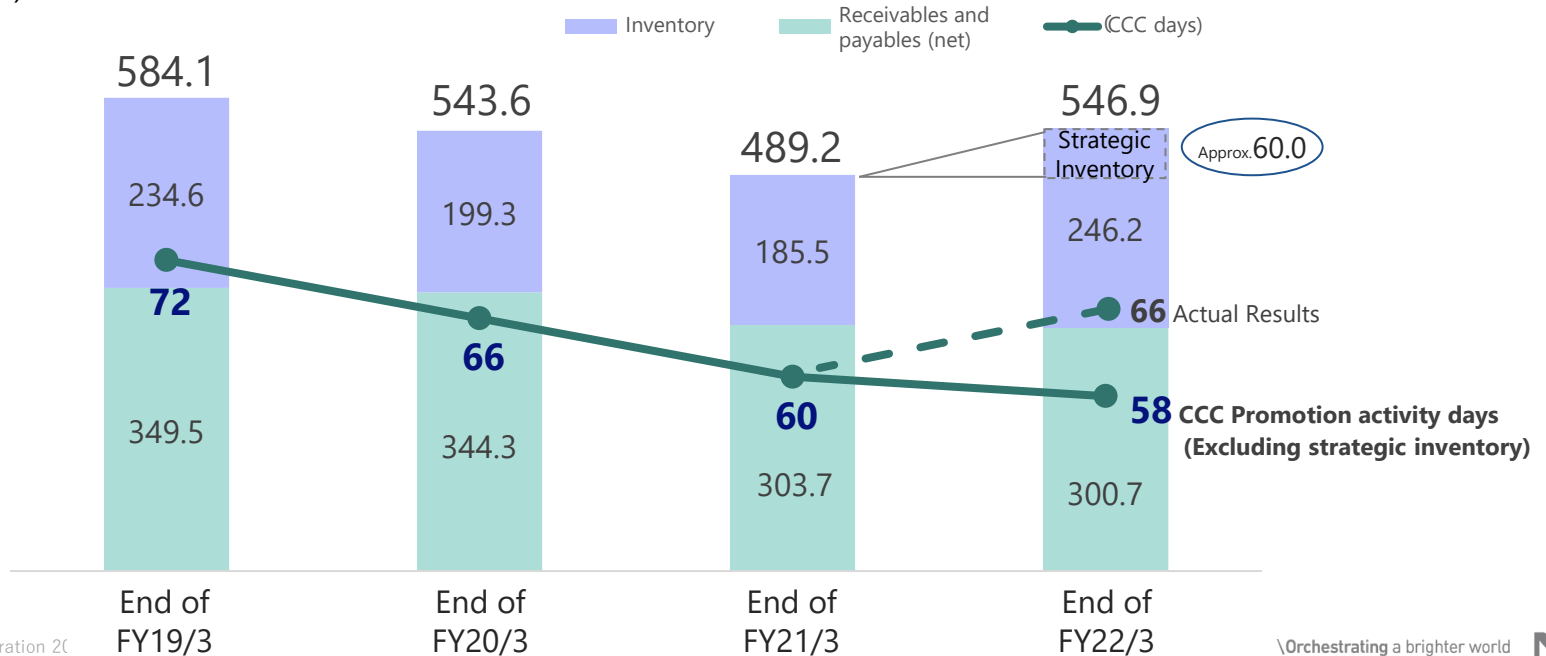
YoY **+59.1**
(Excluding special factors +7.1)

- Avaloq acquisition in FY21/3: + Approx. 198.0
- Sales of assets in FY21/3: - Approx. 146.0
- Sales of assets/Investment to realize Mid-term Management Plan 2025, etc.: + Approx. 7.0

CCC promotion activities and strategically increased inventories

- Improved CCC days by cumulative 14 days from CCC improvement activity since FY19/3
- CCC days deteriorated YoY due to strategically increased inventories, however, the level is expected to be normalized in FY23/3 based on the assumption that component shortage is to be resolved

(Billions of Yen)

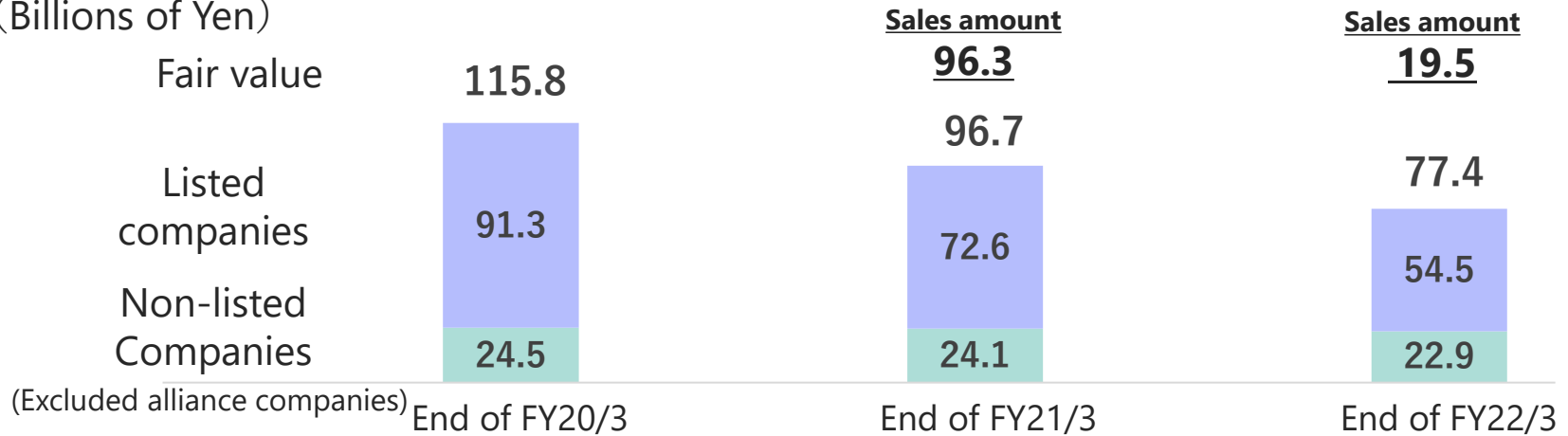


Status on the sale of investment securities

- ◆ Promoting the reduction of the investment securities based on an essential zero policy from April 2020
- ◆ Cumulative sales amounted to 115.8 billion Yen, greatly contributing to free cash flows
- ◆ The number of shares held (listed shares) reduced by 50% from the end of FY20/3

* Fair value and the number of stocks are unconsolidated basis (Excluded alliance companies)

(Billions of Yen)



Number of Shares	Listed companies	108	63	52
	Non-Listed companies	206	193	176

II . Progress of Mid-term Management Plan 2025

Mid-term Management Targets

(Billions of Yen)	FY21/3 Actual	FY22/3 Actual	FY23/3 Forecasts	FY26/3 Targets
Revenue	2,994.0	3,014.1	3,130.0	3,500.0
Adjusted Operating Profit	178.2	171.0	185.0	300.0
% to Revenue	6.0%	5.7%	5.9%	8.6%
Adjusted Net Profit	165.4	167.2	115.0	185.0
% to Revenue	5.5%	5.5%	3.7%	5.3%
EBITDA*	295.8	304.0	330.0	450.0
% to Revenue	9.9%	10.1%	10.5%	12.9%
ROIC**	4.7%	3.9%	4.4%	6.5%

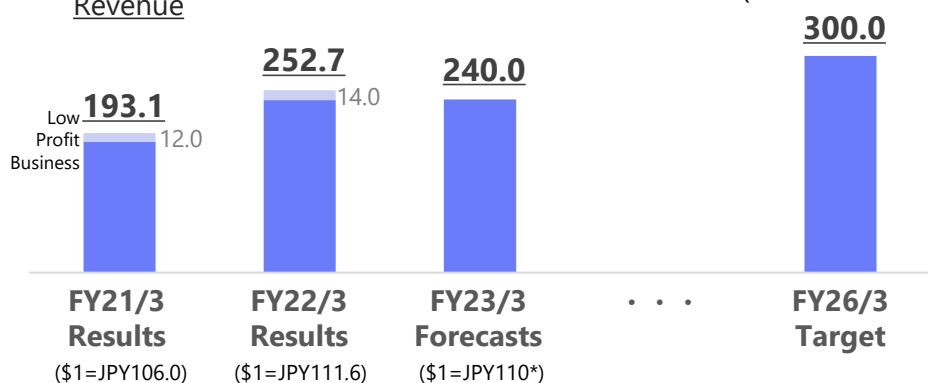
* EBITDA = Gross Profit – SG&A + Depreciation and amortization

** ROIC = (Unadjusted operating income - Deemed corporate tax <30.5%>) ÷ (Term-end interest-bearing debt + Term-end net assets <Including minority interest>)

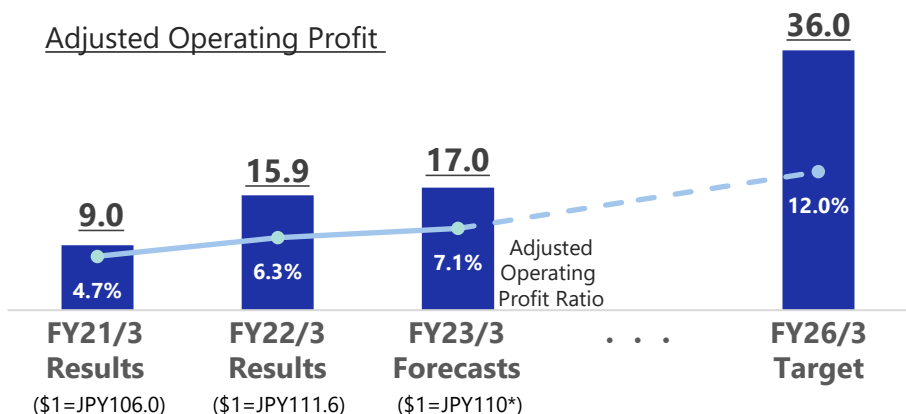
Growth Business: DG/DF

Revenue

(Billions of Yen)



Adjusted Operating Profit



Accomplishments in FY22/3

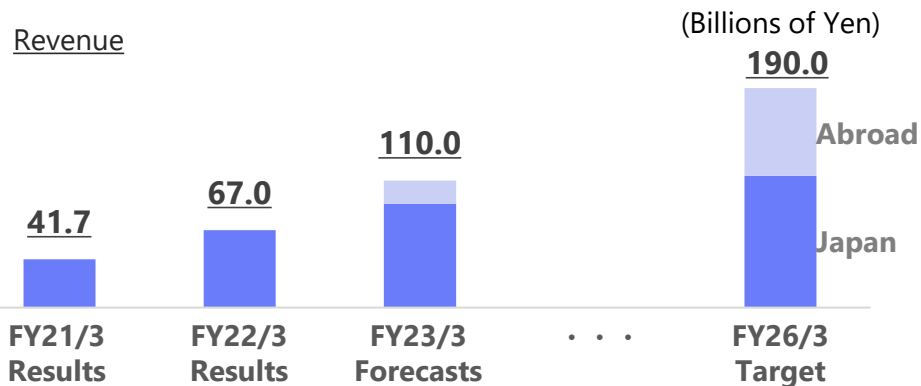
- Acquired business projects in Asia with synergies created between Avaloq and NEC's local subsidiaries
- Enhanced development efficiency by leveraging offshore resources in India
- Completed PMI of Avaloq and bolt-on M&A of NEC Software Solutions UK

Initiatives in FY23/3

- Cultivating markets in Japan and APAC countries, taking advantage of advanced digital governments' assets/know-how
- Expanding market share of digital finance business in Europe as well as in APAC countries including Japan
- Termination of low profit businesses (Avaloq and KMD)

Growth Business: Global 5G

Revenue



Accomplishments in FY22/3

Commercial Projects +3

(2 to 5, from Mar. 31, 2021 To Mar. 31, 2022)

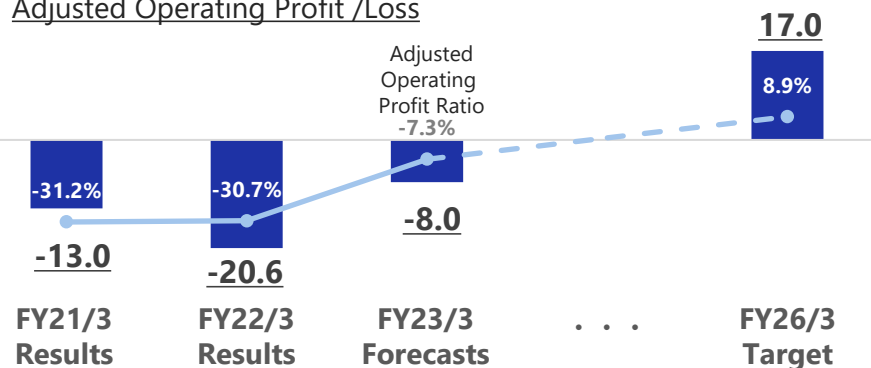
Trials +16

(6 to 22, from Mar. 31, 2021 To Mar. 31, 2022)

Prospects +over 20

(10 to over 30, from Mar. 31, 2021 to Mar. 31, 2022)

Adjusted Operating Profit /Loss



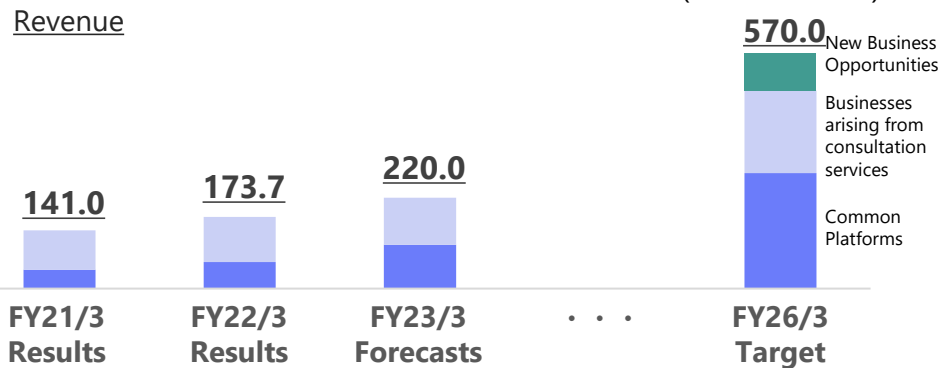
Initiatives in FY23/3

- Steady implementation of commercial projects in Europe
- Capturing new market in North America and Asia, in addition to European markets
- Spending at the same level of strategic expenses in FY23/3 as in FY22/3

Growth Business: Core DX

Revenue

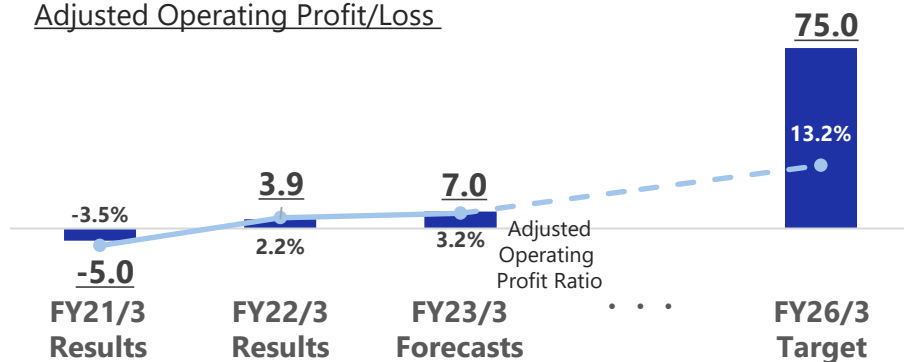
(Billions of Yen)



Accomplishments in FY22/3

- Acquiring superior competitive advantages in cloud businesses through global strategic collaboration with hyperscalers
- Commenced strategic partnership programs with an eye on large-scale project acquisition
- Acquiring large-scale projects by strategic collaboration with ABeam Consulting

Adjusted Operating Profit/Loss



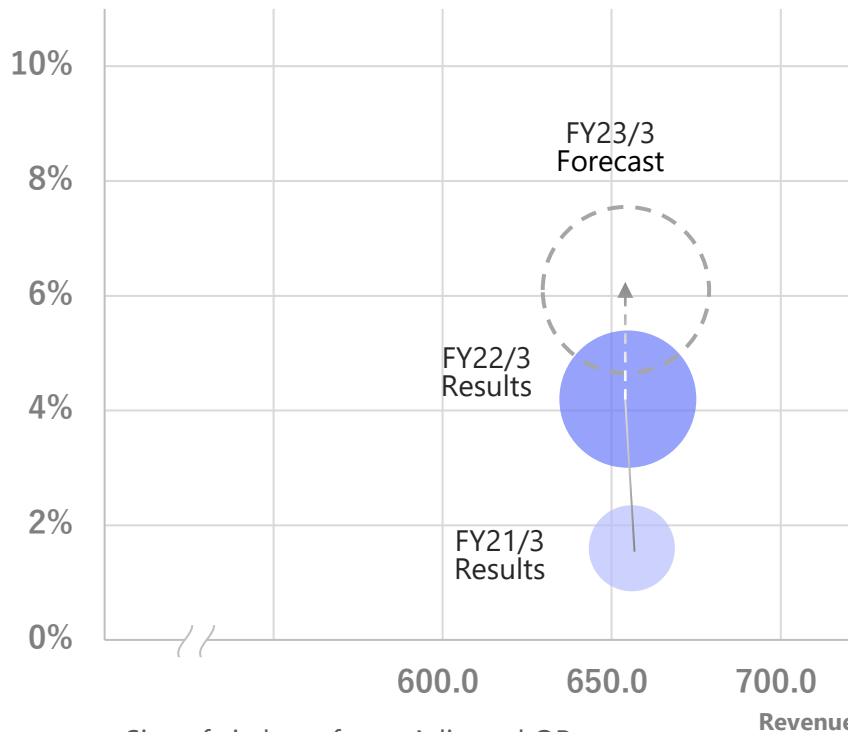
Initiatives in FY23/3

- Acquiring additional projects through strategic partnership programs and strategic collaboration with ABeam Consulting
- Enhancing development and choice menus of DX offerings as a common platform
- Acquisition and development of DX professional personnel

Underperforming Businesses

■ **Adjusted Operating Profit improved by 2.6% in FY22/3, aim to continue towards achieving targets in FY26/3**

Adjusted
OP margin



* Size of circles refer to Adjusted OP

Revenue
(Billions of Yen)

Accomplishments in FY22/3

- Improve profitability with thorough monitoring led by the CFO
- Deconsolidation of NEC Energy Solutions

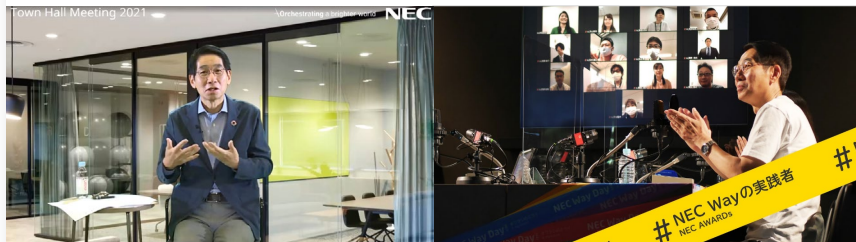
Initiatives in FY23/3

- Accelerate the optimization of business structures, including decisions to reduce some businesses and shift resources

Culture: Transformation of People and Culture

Engagement Score*

25%  35% (+10%)
FY21/3 FY22/3



Town Hall Meeting

Constant communication between CEO and employees

Japan: 10 times, total attendees: 120,000 employees
Abroad: 26 times, total attendees: 50,000 employees
Degree of Satisfaction: above 95%

Ensuring excellent performance of Diversified Personnel

- Launched Inclusion & Diversity Committee
- Expanded mid-career recruitment
Ratio of new graduates versus mid-career recruitment: 1:1
- Diversity of Board Members
Increase the ratio of independent members and maintain more diversified structure

Workstyle Reform

- Provide work environment for employees to achieve their best performance at their best time and place
- Workplace where people can demonstrate their creativity

Co-creation
Space

FIELD



Opened at NEC Headquarters
in October 2021

*Based on the Kincentric Survey of a 50% score which is a Tier 1 Level and in the Global top 25 Percentile

Culture: Creating a shared vision for a brighter future

-Thought Leadership-

Deliver messages for social system transformation



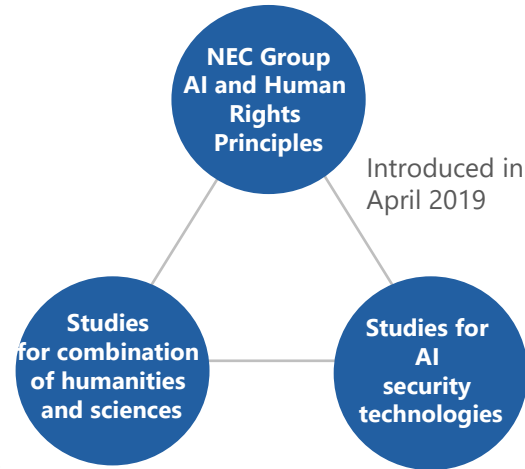
NEC Fellow
Hitoshi Imaoka



NEC
Managing Executive

Eiki Monotani

Enhance AI ethics by combining the humanities and sciences



東京大学
THE UNIVERSITY OF TOKYO

- Liveness / fraudulent image detection
- Privacy protection learning
- Universal learning

Strengthen functions for effective proposals that transcend industry boundaries

- Newly established Thought Leadership division
- New Chairperson of the Institute for International Socio-Economic Studies, Ltd.



Kumi Fujisawa

Open co-creations and standardization

- Rule making
 - Enhance global collaborations by utilizing data



Participated in
Gaia-X in Nov. 2021

- Global collaborations with universities

III. Financial Forecasts for FY23/3

Financial Forecasts Summary

(Billions of Yen)	Full year		
	FY22/3 Actual	FY23/3 Forecasts	YoY
Revenue	3,014.1	3,130.0	+ 3.8%
Adjusted Operating Profit (Non-GAAP) % to Revenue	171.0 5.7%	185.0 5.9%	+ 14.0
Adjusted Net Profit (Non-GAAP) % to Revenue	167.2 5.5%	115.0 3.7%	- 52.2
Adjusted Earnings per Share (Non-GAAP) (Yen)	61.4	42.2	-19.2
EBITDA* % to Revenue	304.0 10.1%	330.0 10.5%	+ 26.0
Free Cash Flows	84.1	180.0	+ 95.9
Note: Average Exchange Rates (Yen)	USD / JPY EUR / JPY	111.55 125.00	110.00
Dividend per Share (Yen)	100	110	+ 10

Revenue

- Expansion driven by Global 5G and Core DX

Adjusted Operating Profit

- Increase due to increased sales

Adjusted Net Profit

- Decrease due to the one-time decrease of tax expenses in FY22/3
- Plan to increase cash dividends by 10 Yen from FY22/3 to 110 Yen per share

Free Cash Flows

- Increase due to normalizing the level of strategic inventories under the expectation that component shortages improve

* Forecasts as of April 28, 2022

Financial Forecasts by Segment

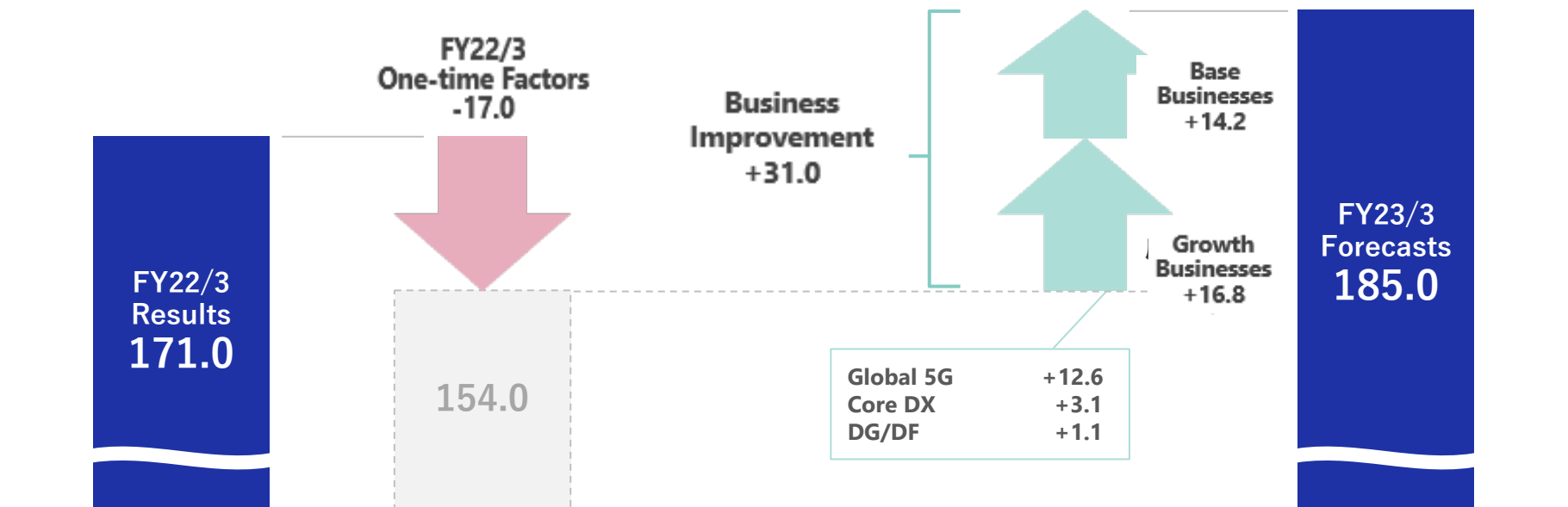
(Billions of Yen)		Full Year			
		FY21/3 Actual	FY22/3 Actual	FY23/3 Forecasts	YoY
Public Solutions	Revenue	425.1	400.2	440.0	+ 9.9%
	Adjusted Operating Profit	39.4	29.7	40.0	+ 10.3
	% to Revenue	9.3%	7.4%	9.1%	
Public Infrastructure	Revenue	692.9	650.9	695.0	+ 6.8%
	Adjusted Operating Profit	59.4	65.4	72.0	+ 6.6
	% to Revenue	8.6%	10.0%	10.4%	
Enterprise	Revenue	503.1	574.7	575.0	+ 0.1%
	Adjusted Operating Profit	48.2	57.5	63.0	+5.5
	% to Revenue	9.6%	10.0%	11.0%	
Network Services	Revenue	538.8	511.5	575.0	+ 12.4%
	Adjusted Operating Profit	41.2	35.5	46.0	+ 10.5
	% to Revenue	7.6%	6.9%	8.0%	
Global	Revenue	450.0	485.6	470.0	- 3.2%
	Adjusted Operating Profit	7.5	26.3	33.0	+6.7
	% to Revenue	1.7%	5.4%	7.0%	
Others	Revenue	384.2	391.2	375.0	- 4.2%
	Adjusted Operating Profit	7.7	13.3	5.0	- 8.3
	% to Revenue	2.0%	3.4%	1.3%	
Adjustment	Adjusted Operating Profit/Loss	- 25.1	- 56.7	- 74.0	- 17.3
Total	Revenue	2,994.0	3,014.1	3,130.0	+ 3.8%
	Adjusted Operating Profit	178.2	171.0	185.0	+14.0
	% to Revenue	6.0%	5.7%	5.9%	

* Forecasts as of April 28, 2022

Adjusted Operating Profit Change (Year on Year)

Plan to improve business operations by 31.0 billion Yen driven by growth businesses

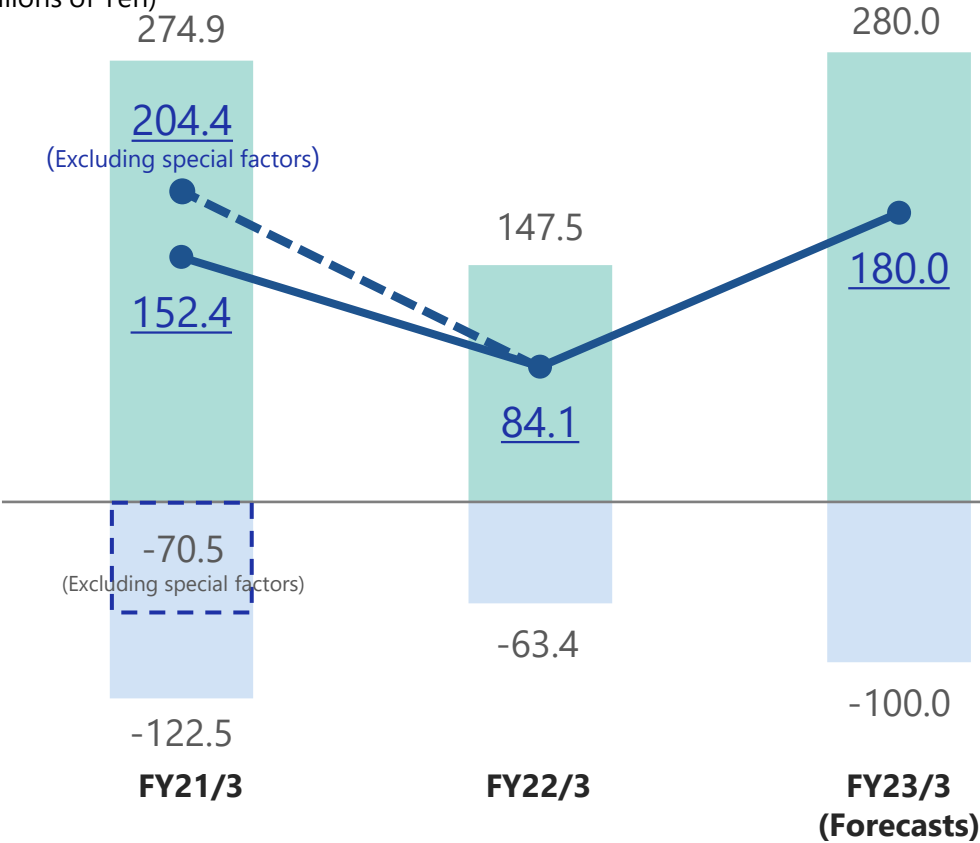
(Billions of Yen)



* Forecasts as of April 28, 2022

Free Cash Flows

(Billions of Yen)



● **Cash flow from operating activities**
YoY +132.5

- Normalization of strategically increased inventories with component shortages being resolved, etc.: + Approx. 120.0
- Increase in working capital due to revenue increase: - Approx. 15.0
- Increase in adjusted operating profit: + 14.0

● **Free cash flows**
YoY +95.9

● **Cash flow from investing activities**
YoY -36.6

- Sales of assets in FY22/3: - 30.0
- Investment to realize Mid-term Management Plan 2025: - 10.0

* Forecasts as of April 28, 2022

Countermeasures for Uncertain Business Environments

■ FY22/3: Minimized the impact of component shortages on financial results

- Minimized the impact for financial results (Adjusted OP: -8.0 billion Yen) by mitigating the impact of component shortages (Adjusted OP: -29.0 billion Yen *1) through countermeasures (Adjusted OP: +21.0 billion Yen *2)

FY22/3 Results		Adjusted OP (Change from forecasts as of Q3)
Negative impact (*1)		-29.0 (-2.0)
Countermeasures (*2)		+21.0 (+2.0)
Net	(*1+*2)	-8.0 (±0.0)

■ FY23/3 : Aim to minimize the impact on financial results despite the expectation of uncertain conditions

- Continue to implement various countermeasures against component shortages
- Properly address geopolitical risks by observing the regulations of each region

Non-GAAP based Financial Forecasts Disclosure

■ Revisions

- **Financial forecasts are Non-GAAP based only**
 - ✓ **M&A is a cornerstone of the growth strategy in the Mid-term Management Plan 2025**
 - ✓ **NEC's top management emphasizes Non-GAAP based indicators considering Purchase Price Allocation (PPA) amortization to measure underlying profitability**

* No changes in adjustment items from GAAP (amortization of intangible assets recognized as a result of M&A and expenses for acquisition of companies. Regarding financial results, both GAAP and Non-GAAP based figures continue to be disclosed

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IV. Financial Results for FY22/3 (Appendix)

Adjusted Operating Profit and Adjusted items, etc.

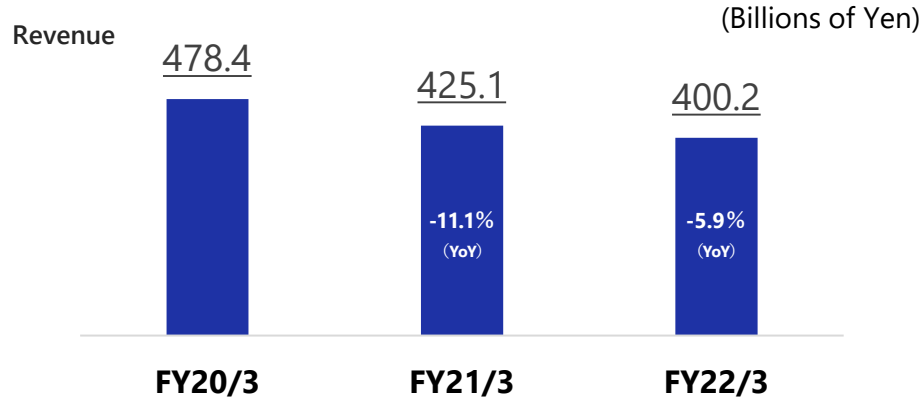
(Billions of Yen)

	FY20/3		FY21/3		FY22/3		YoY	
	4Q	Full year	4Q	Full year	4Q	Full year	4Q	Full year
Operating Profit	49.7	127.6	71.4	153.8	85.3	132.5	13.9	-21.2
Adjusted items	5.4	18.2	9.8	24.5	9.8	38.5	-0.1	14.0
Amortization of intangible assets through acquisition	4.5	17.0	9.0	22.8	9.5	37.8	0.5	15.1
M&A related expenses	1.0	1.2	0.8	1.7	0.3	0.6	-0.6	-1.1
Adjusted Operating Profit (Non-GAAP)	55.1	145.8	81.2	178.2	95.0	171.0	13.8	-7.2

NEC Order Quarterly Trends (Including Hardware)

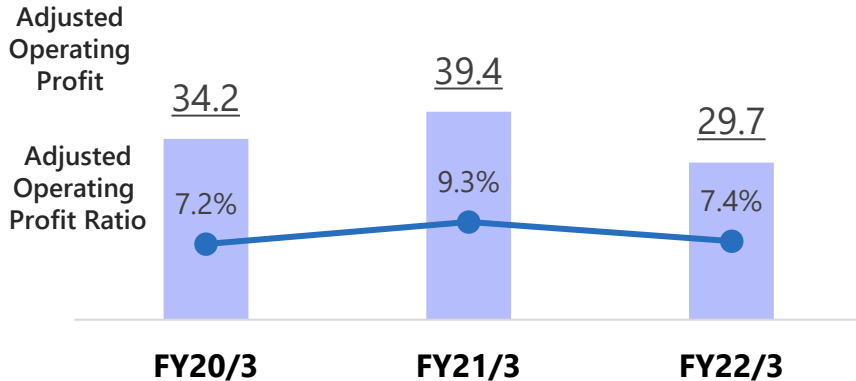
(YoY)	FY21/3				FY22/3				Q4 Comment
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Public Solutions	-31%	-12%	-5%	+16%	+4%	-9%	-3%	+11%	
Public Infrastructure <small>*Excluding Japan Aviation Electronics Industry (JAE)</small>	+9%	+41%	+20%	-12%	-4%	-7%	-28%	-4%	
Enterprise <small>*Excluding NEC Facilities Ltd.</small>	-22%	-15%	-2%	+8%	+10%	+2%	+10%	+5%	
Network Services	+1%	+26%	+48%	-6%	+19%	-5%	-12%	-3%	
Global	+75%	+38%	-27%	-32%	-47%	-7%	+94%	+8%	+9%, excluding Submarine systems and Display business
Total	-5%	+10%	+5%	-2%	-2%	-5%	+6%	+4%	+4%, excluding Submarine systems and Display business
Ref.) Hardware*	-36%	-8%	-1%	-1%	+13%	-12%	-15%	-15%	

Public Solutions Business



Revenue 400.2 (-5.9%)

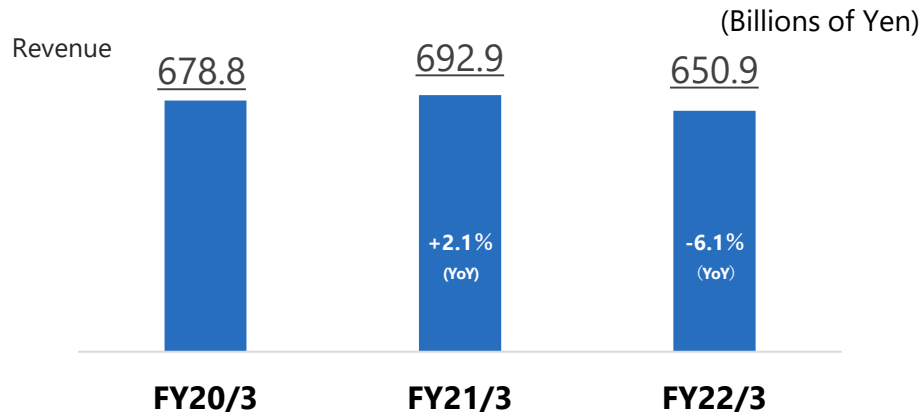
- Decreased due to a decline in special demand from business for firefighting / disaster prevention last year and slow recovery in regional industries



Adjusted Operating Profit 29.7 (-9.6)

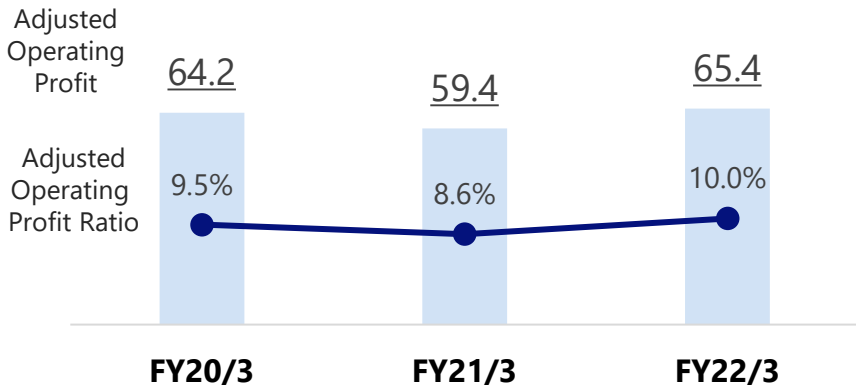
- Decreased mainly due to decreased revenue

Public Infrastructure Business



Revenue 650.9 (-6.1%)

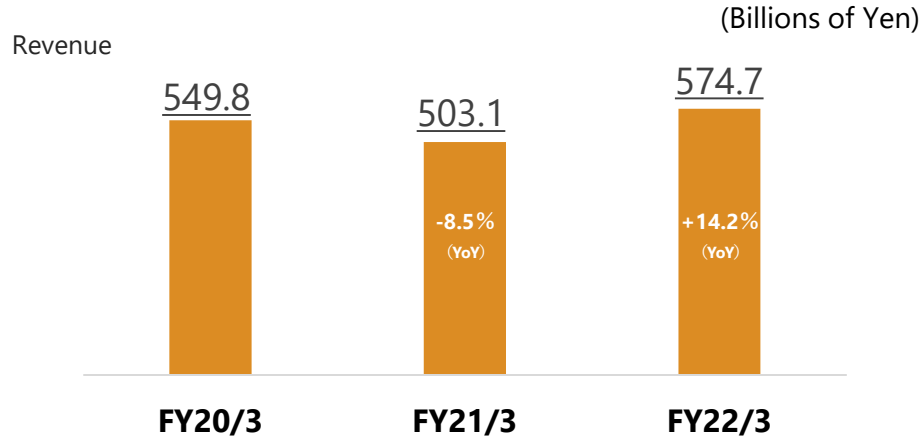
- Decreased due to a decrease in special demand for PCs from the GIGA school projects last year
- Sales in a consolidated subsidiary* increased



Adjusted Operating Profit 65.4 (+6.0)

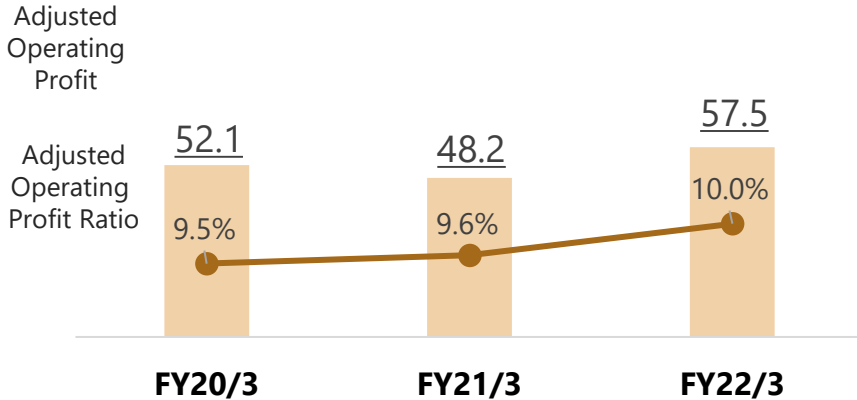
- Increased due to increased profit in a consolidated subsidiary* although profit in NEC Corporation decreased as revenue declined

Enterprise Business



Revenue 574.7 (+14.2%)

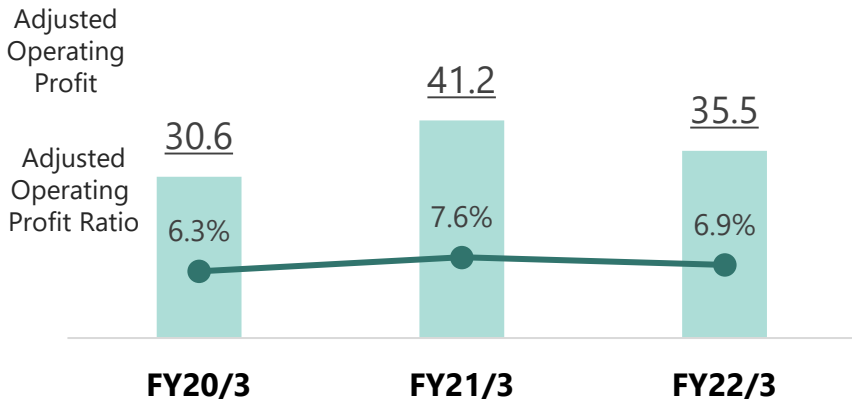
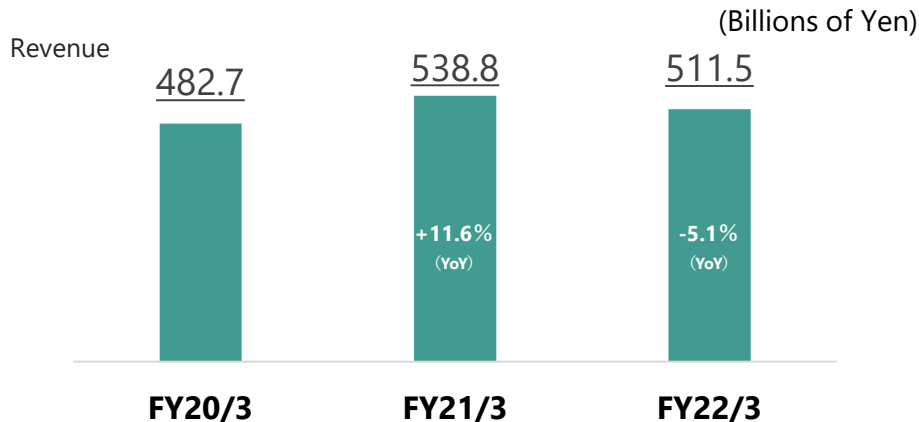
- Increased sales for all domains



Adjusted Operating Profit 57.5 (+9.3)

- Increased due to revenue increase

Network Services Business



Revenue 511.5 (-5.1%)

- 5G business in Japan expanded, although there was an impact from component shortages
- Sales in a consolidated subsidiary* decreased

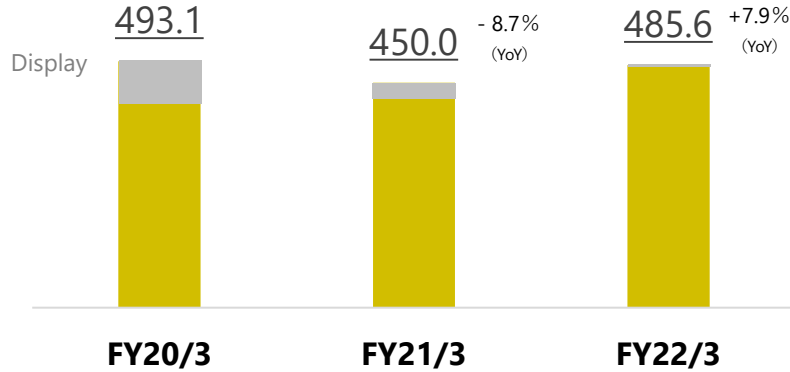
* NEC Networks & System Integration Corporation

Adjusted Operating Profit 35.5 (-5.7)

- Decreased due to an increase in strategic expenditure for global 5G business

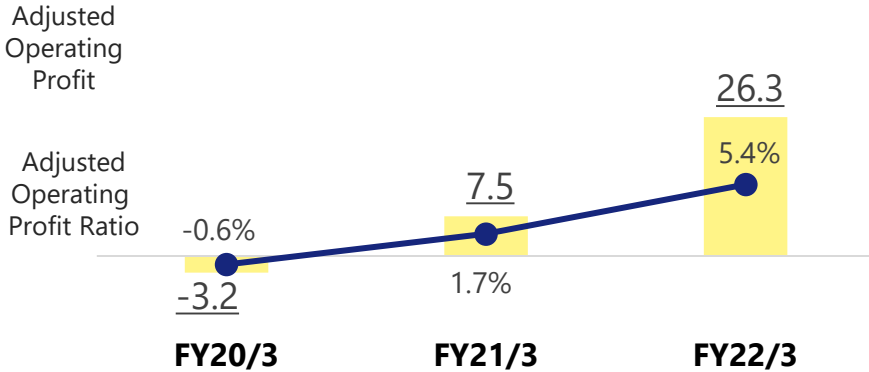
Global Business

Revenue (Billions of Yen)



Revenue 485.6 (+7.9%)

- Increased mainly in Digital Government / Digital Finance (DG/DF) areas



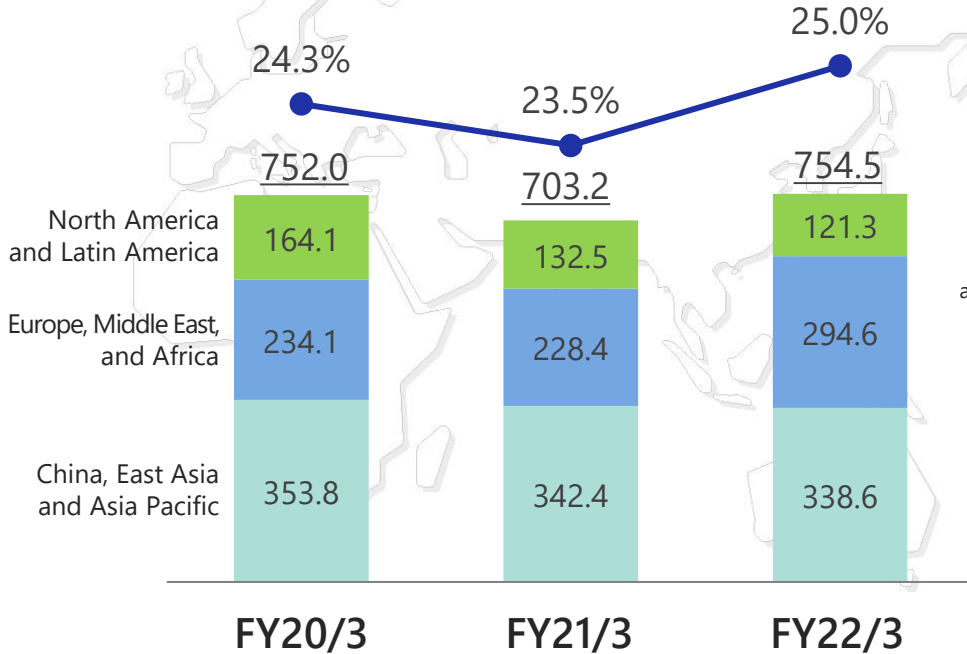
Adjusted Operating Profit 26.3 (+18.8)

- Increased as a result of portfolio optimization and a revenue increase

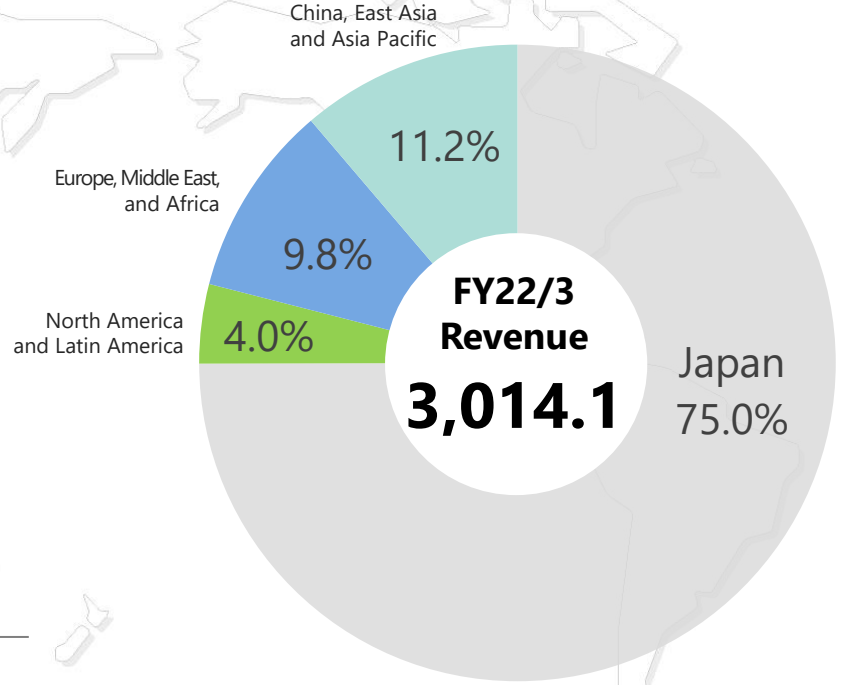
International Revenue

(Billions of Yen)

International Revenue Ratio



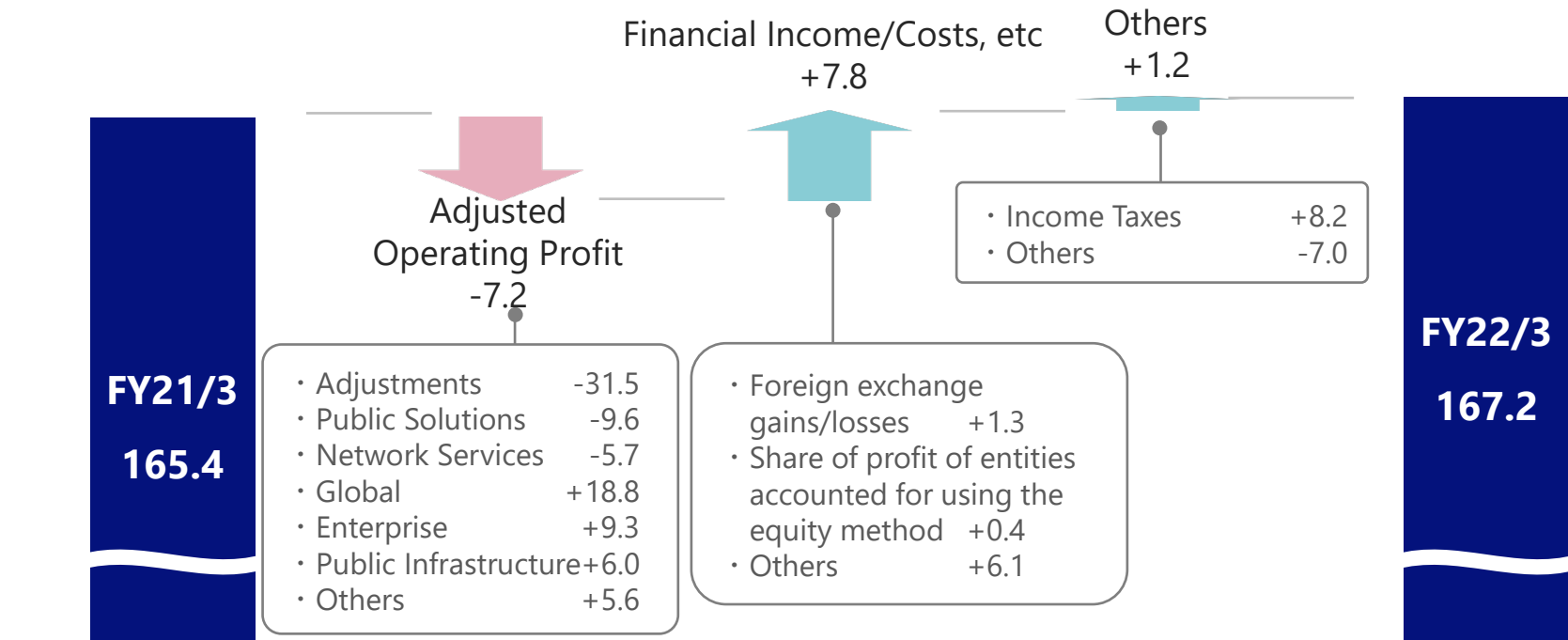
Revenue by Region (Billions of Yen)



* Revenue, based on the location of customers, are classified by country or region.

Adjusted Net Profit Change (Year on Year)

(Billions of Yen)



Financial Position Data

(Billions of Yen)

	End of March 2021	End of March 2022	Change from End of March 2021
Total assets	3,668.6	3,761.7	+ 93.2
Total equity	1,561.8	1,786.6	+ 224.8
Interest-bearing debt	702.9	597.4	- 105.5
Equity attributable to owners of the parent	1,308.2	1,513.5	+ 205.4
Ratio of equity attributable to owners of the parent (%)	35.7%	40.2%	+ 4.6pt
D/E ratio (times)	0.54	0.39	+ 0.15pt
Net D/E ratio (times)	0.14	0.11	+ 0.03pt
Cash and cash equivalents	523.3	430.8	- 92.6

V. Financial Results for Q4, FY22/3 (Appendix)

Financial Forecasts Summary Q4, FY22/3

(Billions of Yen)

	Q4 <January to March>		
	FY21/3 Actual	FY22/3 Actual	YoY
Revenue	949.6	917.7	- 3.4%
Operating Profit	71.4	85.3	+ 13.9
%to Revenue	7.5%	9.3%	
Adjusted Operating Profit	81.2	95.0	+ 13.8
%to Revenue	8.6%	10.4%	
Net Profit	95.1	116.3	+ 21.3
%to Revenue	10.0%	12.7%	
Adjusted Net Profit	101.7	123.0	+ 21.3
%to Revenue	10.7%	13.4%	

EBITDA*	123.8	126.9	+ 3.1
%to Revenue	13.0%	13.8%	

Free Cash Flows	260.6	111.6	- 149.0
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Note:			
Average Exchange Rates	USD / JPY	104.30	114.65
	EUR / JPY	126.62	129.77

Dividend per Share (Yen)	50	50	+ 0
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		Q4 <January to March>		
		FY21/3 Actual	FY22/3 Actual	YoY
Public Solutions	Revenue	150.9	140.7	- 6.8%
	Adjusted Operating Profit	27.9	22.1	- 5.8
	% to Revenue	18.5%	15.7%	
Public Infrastructure	Revenue	232.4	205.6	- 11.5%
	Adjusted Operating Profit	24.1	30.5	+ 6.4
	% to Revenue	10.4%	14.8%	
Enterprise	Revenue	148.7	160.9	+ 8.2%
	Adjusted Operating Profit	22.0	23.1	+1.0
	% to Revenue	14.8%	14.4%	
Network Services	Revenue	173.0	161.5	- 6.7%
	Adjusted Operating Profit	21.3	19.7	- 1.6
	% to Revenue	12.3%	12.2%	
Global	Revenue	124.8	131.1	+ 5.0%
	Adjusted Operating Profit/Loss	- 0.6	8.2	+8.8
	% to Revenue	-0.5%	6.3%	
Others	Revenue	119.8	118.0	- 1.5%
	Adjusted Operating Profit/Loss	- 1.9	11.9	+13.7
	% to Revenue	-1.6%	10.1%	
Adjustment	Adjusted Operating Profit/Loss	- 11.7	- 20.4	- 8.7
Total	Revenue	949.6	917.7	- 3.4%
	Adjusted Operating Profit	81.2	95.0	+13.8
	% to Revenue	8.6%	10.4%	

* EBITDA = Gross Profit – SG&A + Depreciation and amortization

NEC Q4 Order Trends (Three Month Results) YoY

YoY

Public Solutions

+11%  Increased for public

Public Infrastructure

*Excluding Japan Aviation
Electronics Industry (JAE)-2%  Decreased for central government *excluding the GIGA school project

Enterprise

*Excluding NEC Facilities Ltd.

+5%  Increased for manufacturing, a slight increase for the finance,
and retail and service industries

Network Services

-3%  Decline in large projects for fixed wired networks

Global

+9%  Favorable order trend for DG/DF
*excluding Submarine systems and Display business

Total

+4%  *excluding Submarine systems and Display business

International Revenue

(Billions of Yen)

International Revenue Ratio

21.2%

20.3%

22.4%

195.2

192.9

205.5

North America
and Latin America

40.0

Europe, Middle East,
and Africa

37.0

China, East Asia
and Asia Pacific

64.3

69.8

86.1

North America
and Latin America

40.0

37.0

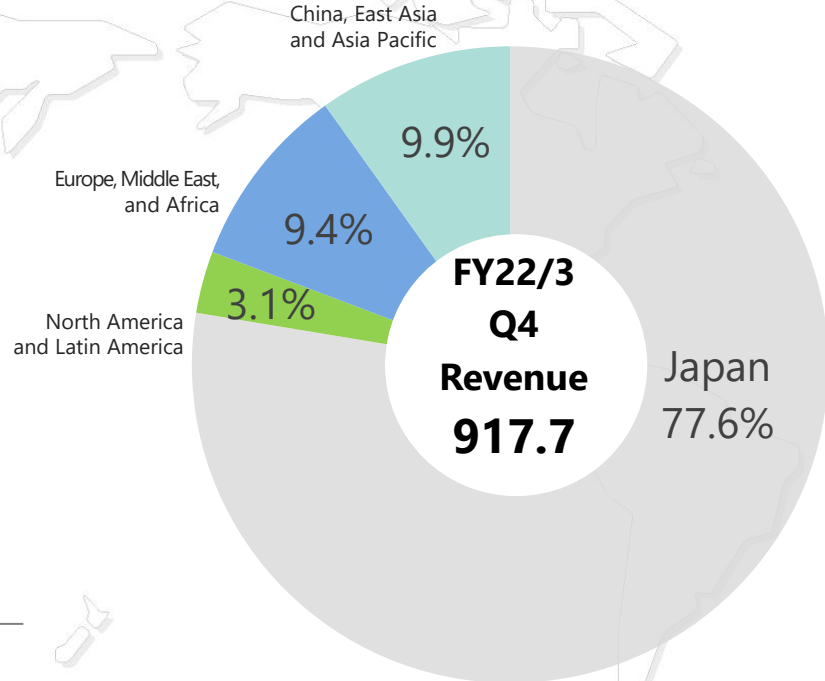
86.1

FY20/3
Q4

FY21/3
Q4

FY22/3
Q4

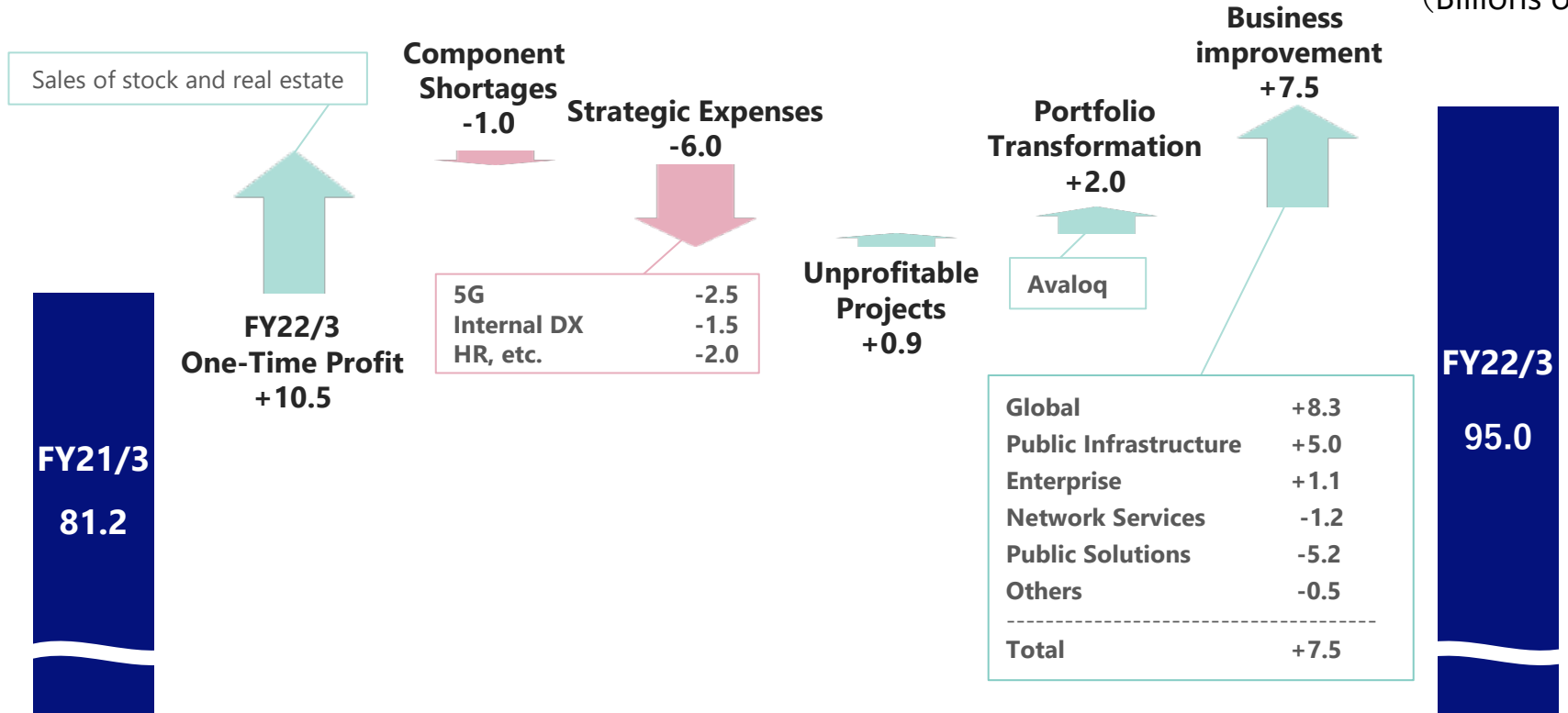
Revenue by Region (Billions of Yen)



* Revenue, based on the location of customers, are classified by country or region.

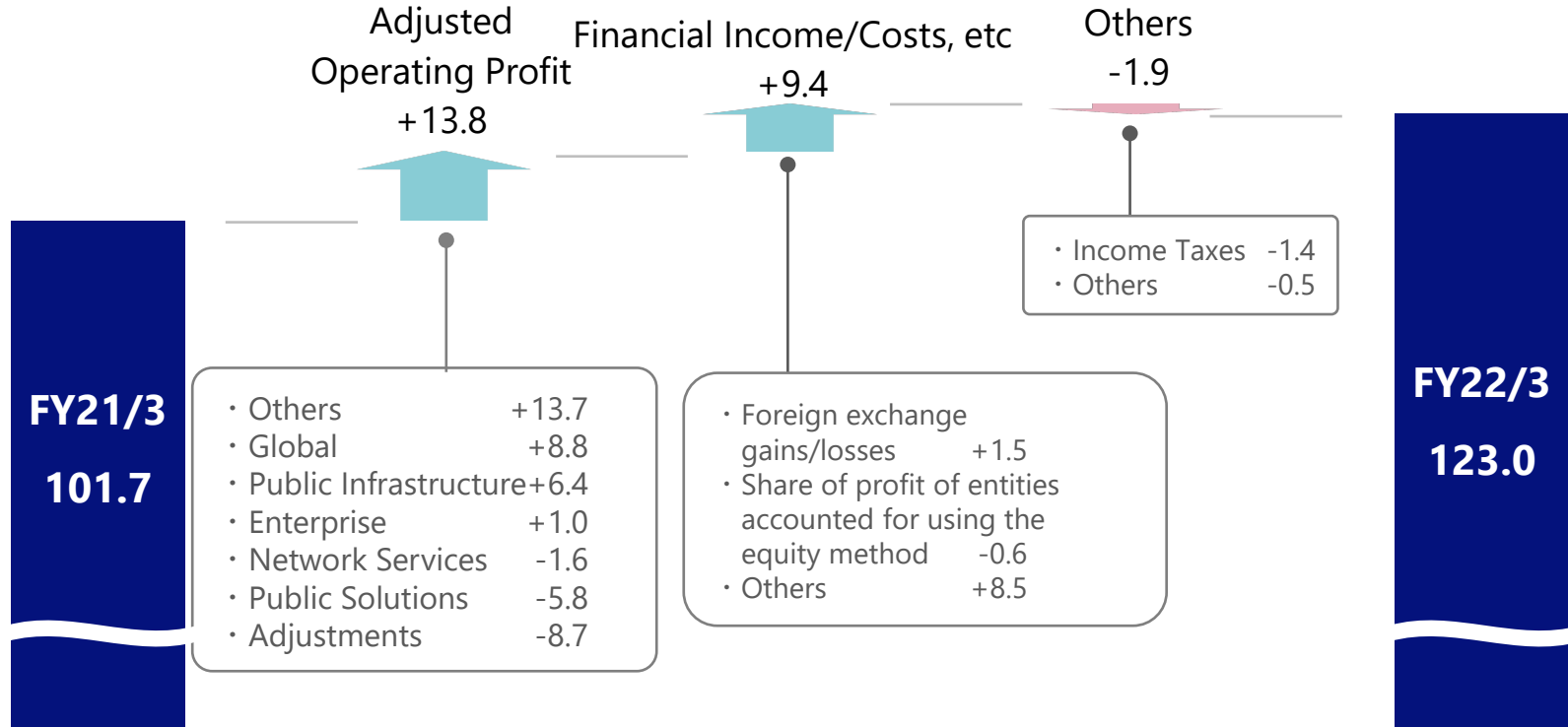
Adjusted Operating Profit Change (Year on Year)

(Billions of Yen)



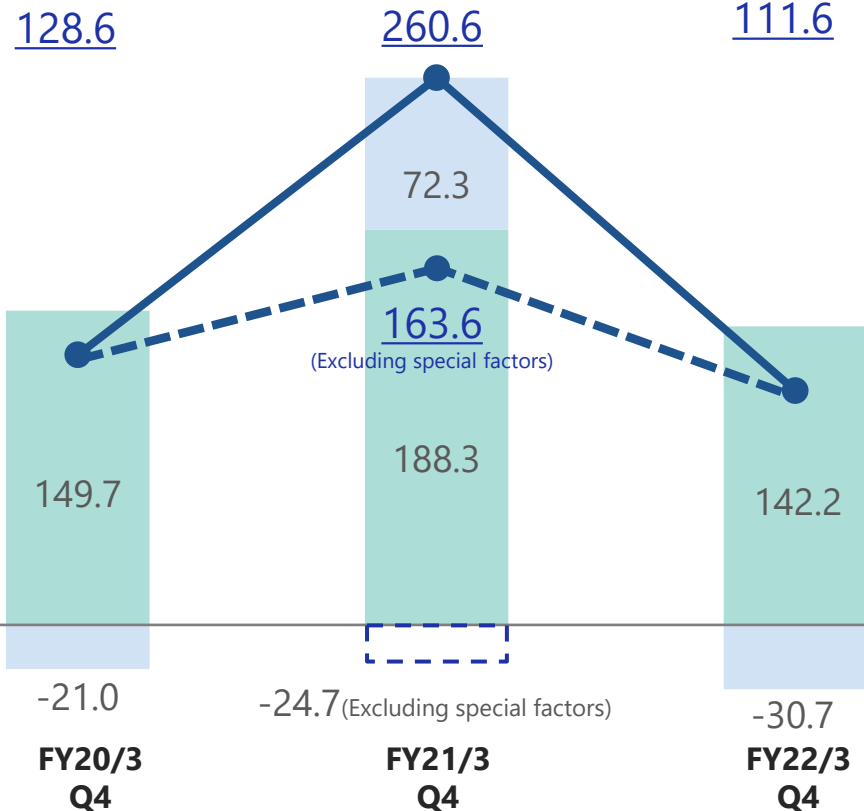
Adjusted Net Profit Change (Year on Year)

(Billions of Yen)



Free Cash Flows

(Billions of Yen)



Free cash flows
YoY **-149.0**
(Excluding special factors -52.0)
Cash flow from operating activities

YoY **-46.0**

- Non-cash items/Adjustments to gain on sales, etc.:
- Approx. 35.0
- Decreased effect of CCC improvement activities/Strategically increased inventories:
- Approx. 25.0
- Increase in adjusted operating profit: + 13.8

Cash flow from investing activities
YoY **-103.0**
(Excluding special factors -6.0)

- Sales of investment securities in FY22/3:- Approx. 97.0

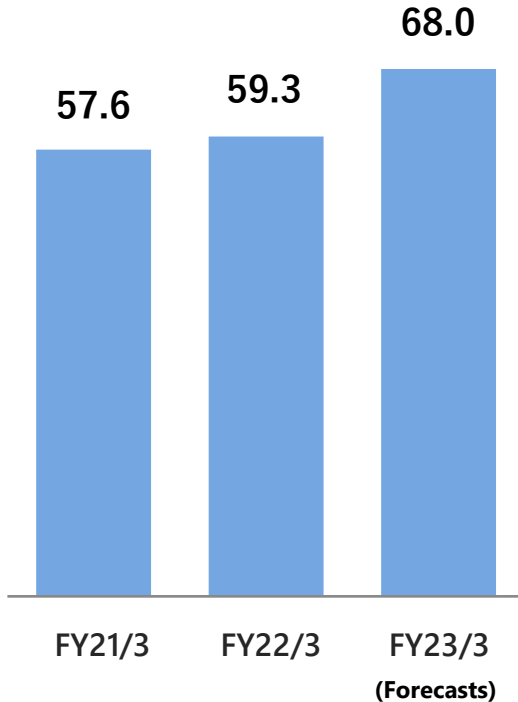
VI. Financial Forecasts for FY23/3 (Appendix)

Capital Expenditures, Depreciation and R&D Expenses

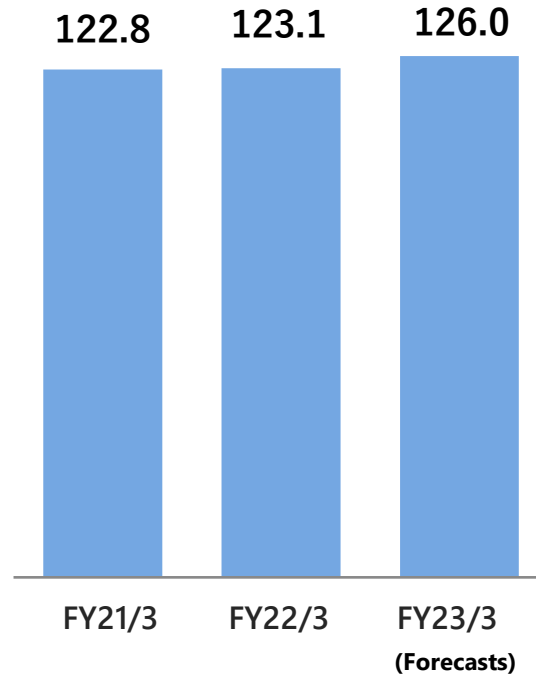
(Billions of Yen)

Capital Expenditure

(Property, Plant, and Equipment)

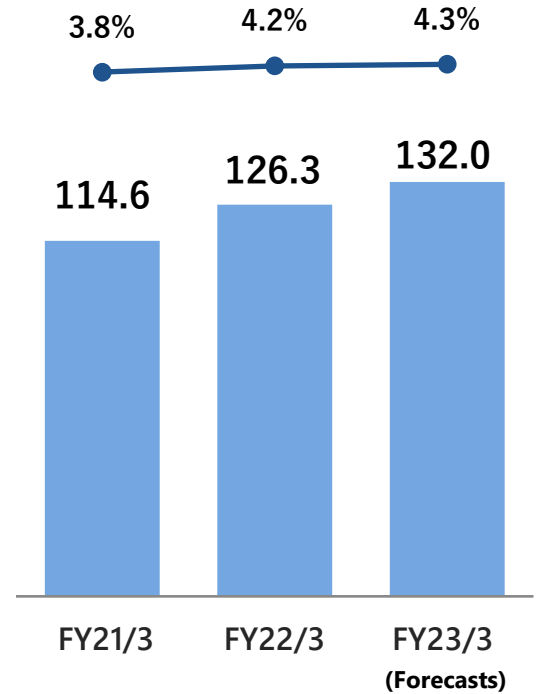


Depreciation



R&D Expenses

% to Revenue



* Forecasts as of April 28, 2022

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 the Company 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 and business withdrawals;
- 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 31,2022 and 2023 were referred as FY22/3 and FY23/3 respectively. Any other fiscal years would be referred similarly.