

Financial Results for the Fiscal Year Ended March 31, 2023

April 28, 2023

NEC Corporation

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

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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 FY23/3

Summary of Financial Results for FY23/3

Revenue and Adjusted Operating Profit/Net Profit Significantly Outperformed Forecasts as of January 30, 2023

Revenue

3,313.0

billion Yen

<YoY>

+9.9%

Increased in All Segments

Adjusted Operating Profit

205.5

billion Yen

<YoY> +34.5 billion Yen

Increased in All Segments Excluding Network Services

Adjusted Net Profit

138.6

billion Yen

<YoY> -28.7 billion Yen

Effectively Increased (excluding the impact of tax expenses)

Summary of Financial Results FY23/3

FY23/3
Results

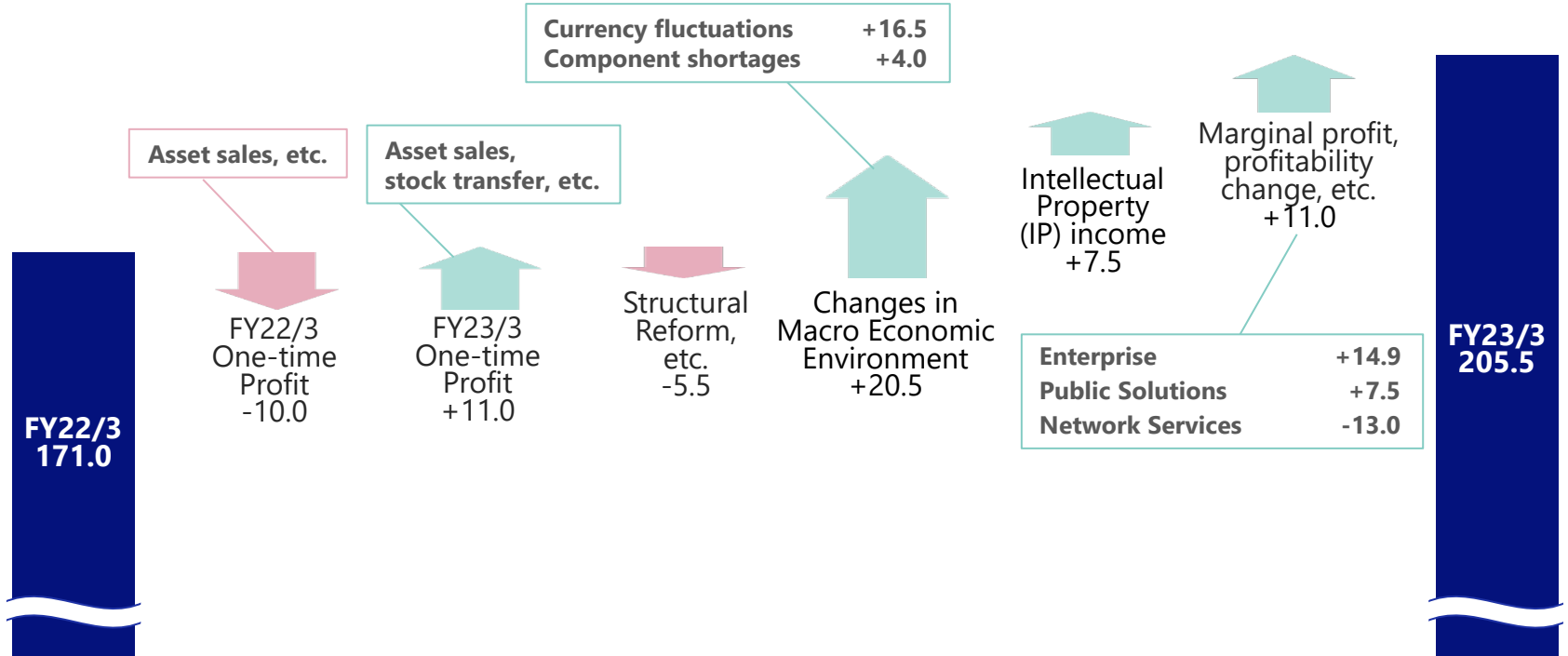
	Full year			Change from previous forecasts (Jan.30)
	FY22/3 Actual	FY23/3 Actual	YoY	
Revenue	3,014.1	3,313.0	+ 9.9%	+183.0
Operating Profit	132.5	170.4	+37.9	
% to Revenue	4.4%	5.1%	+0.7%	
Adjusted Operating Profit	171.0	205.5	+34.5	+20.5
% to Revenue	5.7%	6.2%	+0.5%	+0.3%
Net Profit	141.3	114.5	- 26.8	
% to Revenue	4.7%	3.5%	-1.2%	
Adjusted Net Profit	167.2	138.6	- 28.7	- 23.6
% to Revenue	5.5%	4.2%	-1.4%	+0.5%
Adjusted EPS (Yen)	614	514	- 100	+87
EBITDA*	304.0	347.8	+43.8	+17.8
% to Revenue	10.1%	10.5%	+0.4%	-0.0%
Free Cash Flows	84.1	102.5	+18.4	- 77.5
Note: Average Exchange Rates (Yen)	USD / JPY	111.55	134.19	
	EUR / JPY	130.47	139.90	
Dividend per Share (Yen)	100	110	+ 10	-

(Billions of Yen)

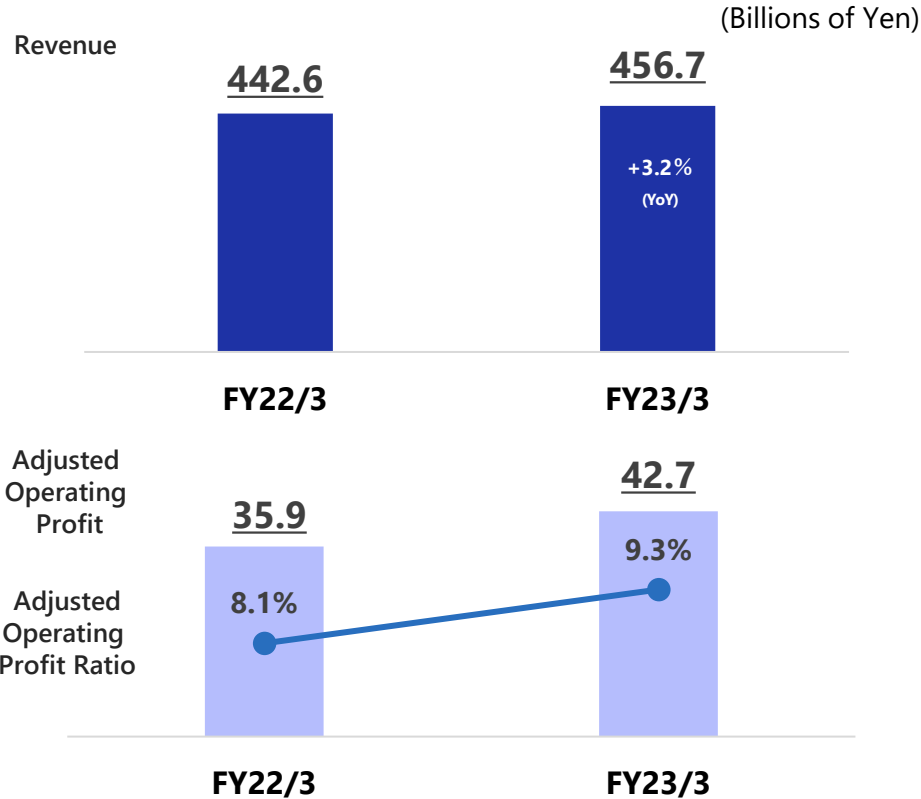
		Full Year		
		FY22/3 Results	FY23/3 Results	YoY
Public Solutions	Revenue	442.6	456.7	+ 3.2%
	Adjusted Operating Profit	35.9	42.7	+6.7
	% to Revenue	8.1%	9.3%	
Public Infrastructure	Revenue	608.4	649.7	+ 6.8%
	Adjusted Operating Profit	59.2	67.3	+8.1
	% to Revenue	9.7%	10.4%	
Enterprise	Revenue	574.7	614.4	+ 6.9%
	Adjusted Operating Profit	57.5	73.4	+15.9
	% to Revenue	10.0%	11.9%	
Network Services	Revenue	511.5	543.4	+ 6.2%
	Adjusted Operating Profit	35.5	24.1	- 11.3
	% to Revenue	6.9%	4.4%	
Global	Revenue	485.6	586.3	+ 20.8%
	Adjusted Operating Profit	26.3	42.9	+16.6
	% to Revenue	5.4%	7.3%	
Others	Revenue	391.2	462.6	+ 18.2%
	Adjusted Operating Profit	13.3	14.7	+1.4
	% to Revenue	3.4%	3.2%	
Adjustment	Adjusted Operating Profit/Loss	- 56.7	- 59.5	- 2.9
Total	Revenue	3,014.1	3,313.0	+ 9.9%
	Adjusted Operating Profit	171.0	205.5	+34.5
	% to Revenue	5.7%	6.2%	

Adjusted Operating Profit Change (Year on Year)

(Billions of Yen)



Public Solutions Business



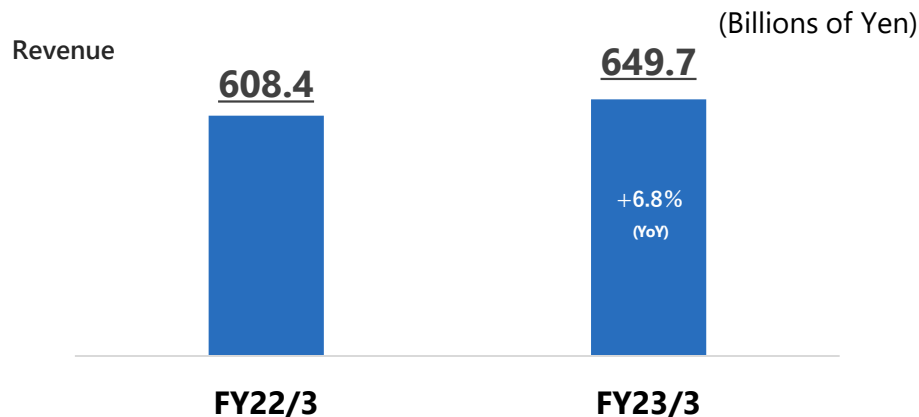
Revenue 456.7 (+3.2%)

- Increased in business for SME* and public / healthcare

* Small and Medium-sized Enterprises

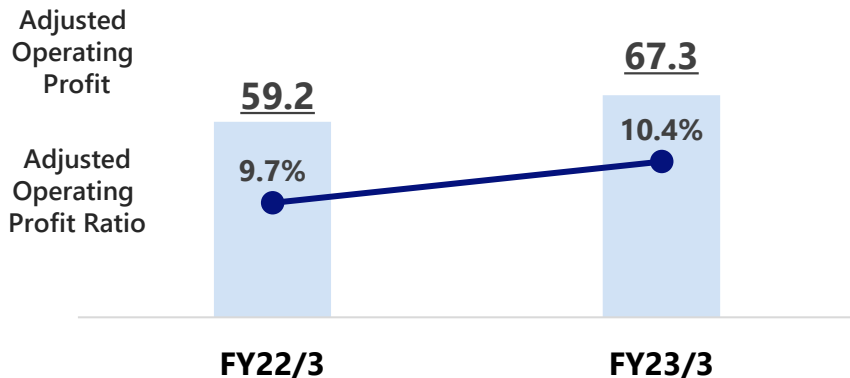
Adjusted Operating Profit 42.7 (+6.7)

- Increased due to increased revenue and optimized expenses



Revenue 649.7 (+6.8%)

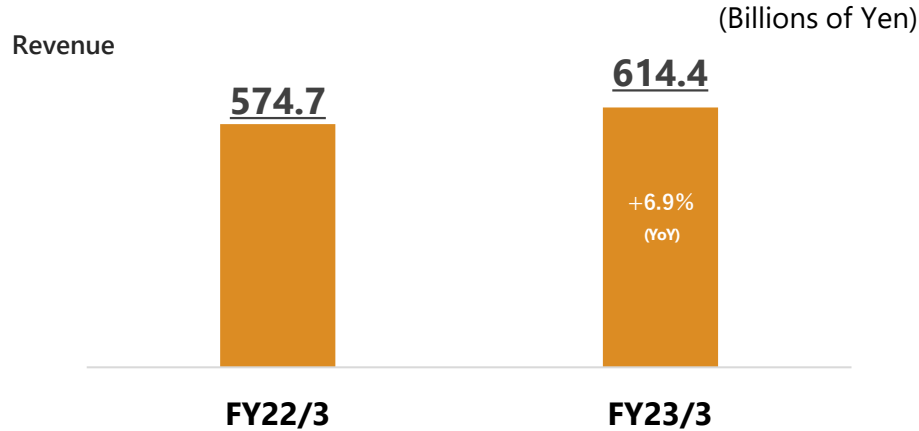
- Increased in business for satellites / defense



Adjusted Operating Profit 67.3 (+8.1)

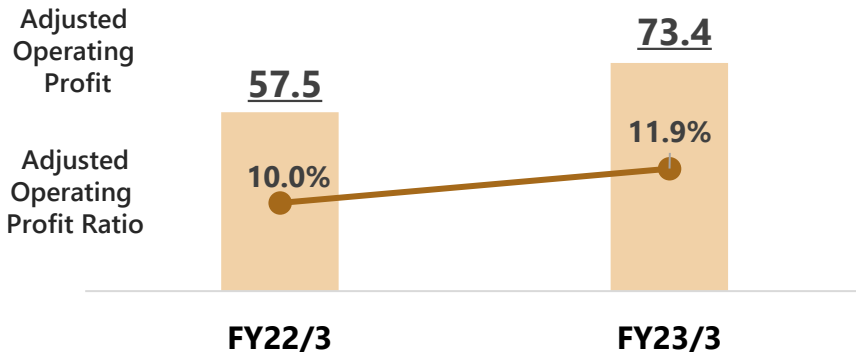
- Increased due to increased revenue
- A decrease in unprofitable projects led by enhanced project management

Enterprise Business



Revenue 614.4 (+6.9%)

- Increased in all domains including business for financial, manufacturing and retail / services



Adjusted Operating Profit 73.4 (+15.9)

- Increased due to increased revenue and profitability in the system integration domains

Network Services Business

(Billions of Yen)

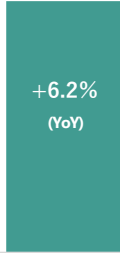
Revenue

511.5



FY22/3

543.4



FY23/3

+6.2%
(YoY)

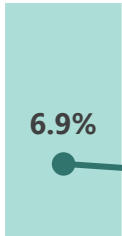
Revenue

543.4 (+6.2%)

- Increased despite investment restraint by telecom carriers
- Intellectual property income of 10.0 billion yen in Q3

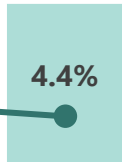
Adjusted
Operating
Profit

35.5



FY22/3

24.1



FY23/3

6.9%

4.4%

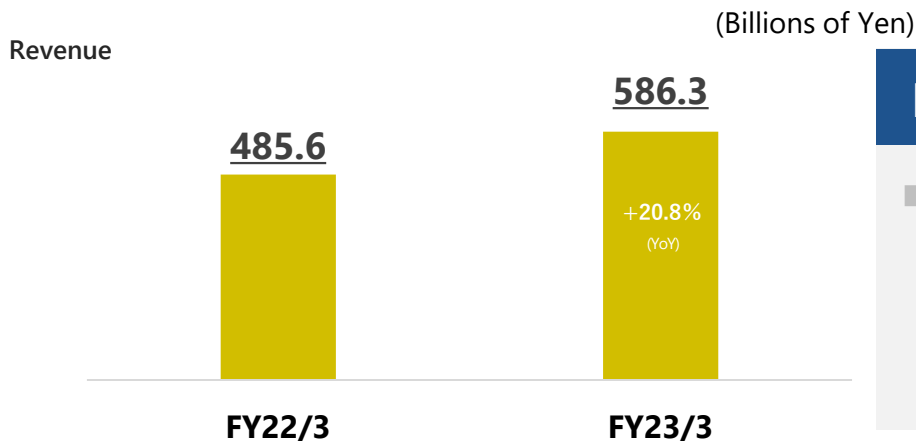
Adjusted Operating Profit 24.1 (-11.3)

⇒ Please refer to the next slide

Network Services Business: Adjusted Operating Profit/Loss: YoY Change Factors

(Billions of Yen)

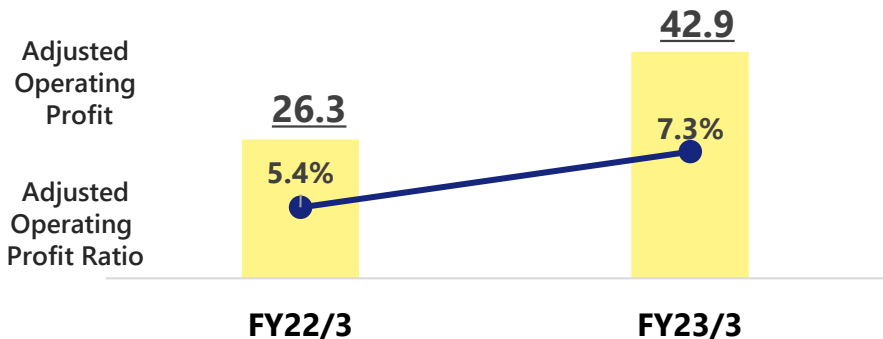
	9 months	Q4	Full Year
FY22/3 Results	15.8	19.7	35.5
Changes in Macro Economic Environment	- 2.0	+ 2.0	-
Business Operation Related			
Streamlining assets	- 7.0	- 1.4	- 8.4
Strategic Projects	- 5.5	-	- 5.5
Strategic Expenditure	- 4.5	-	- 4.5
Others	- 7.4	+ 12.8	+ 5.4
Structural Reform Expenses, etc.	-	- 3.3	- 3.3
IP Income	+10.0	- 5.0	+ 5.0
Total	- 16.4	+ 5.1	- 11.3
FY23/3 Results	- 0.6	24.7	24.1



Revenue 586.3 (+20.8%)

- Increased in major business domains such as software-related businesses* and submarine systems

*OSS/BSS and Digital Government / Digital Finance

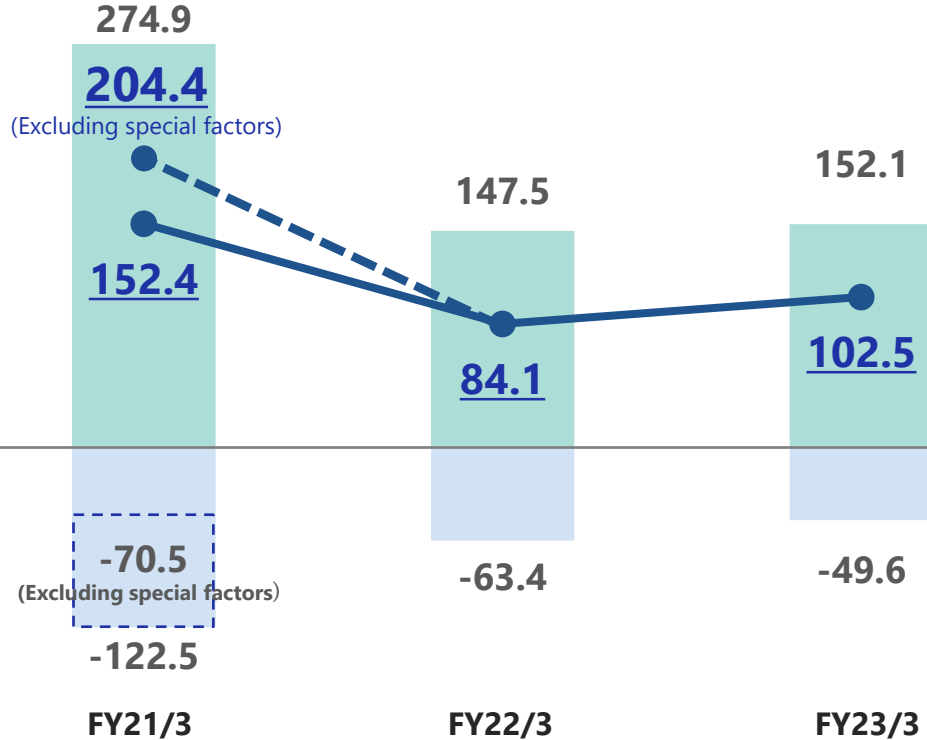


Adjusted Operating Profit 42.9 (+16.6)

- Progress of business portfolio transformation
- Profitability improved in major business domains

Free Cash Flows

(Billions of Yen)



● **Cash flow from operating activities**

YoY +4.6

-Increase in adjusted operating profit	+34.5
-Changes in strategic inventories	approx. +85.0
-Increase in working capital balance due to revenue increase, etc.	approx. -115.0

● **Free cash flows**

YoY +18.4

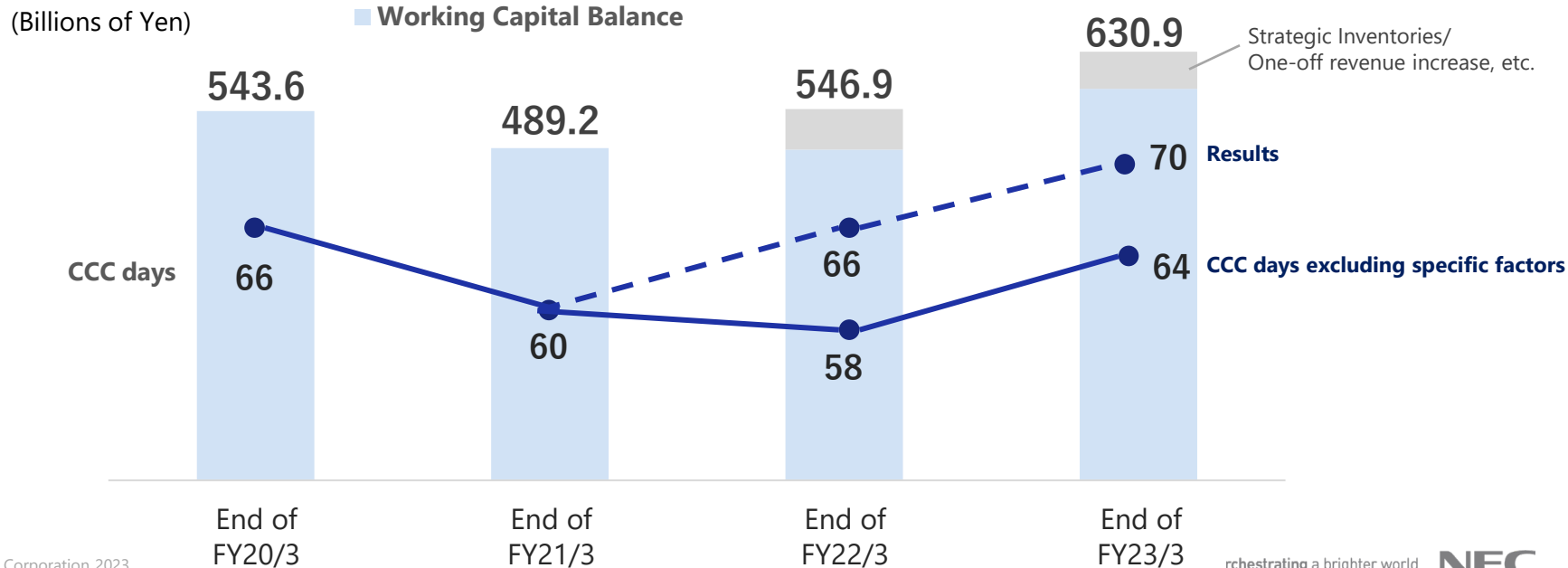
● **Cash flow from investing activities**

YoY +13.8

-Decrease in M&A related expenditures	approx. +15.0
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CCC (Cash Conversion Cycle) Promotion Activities

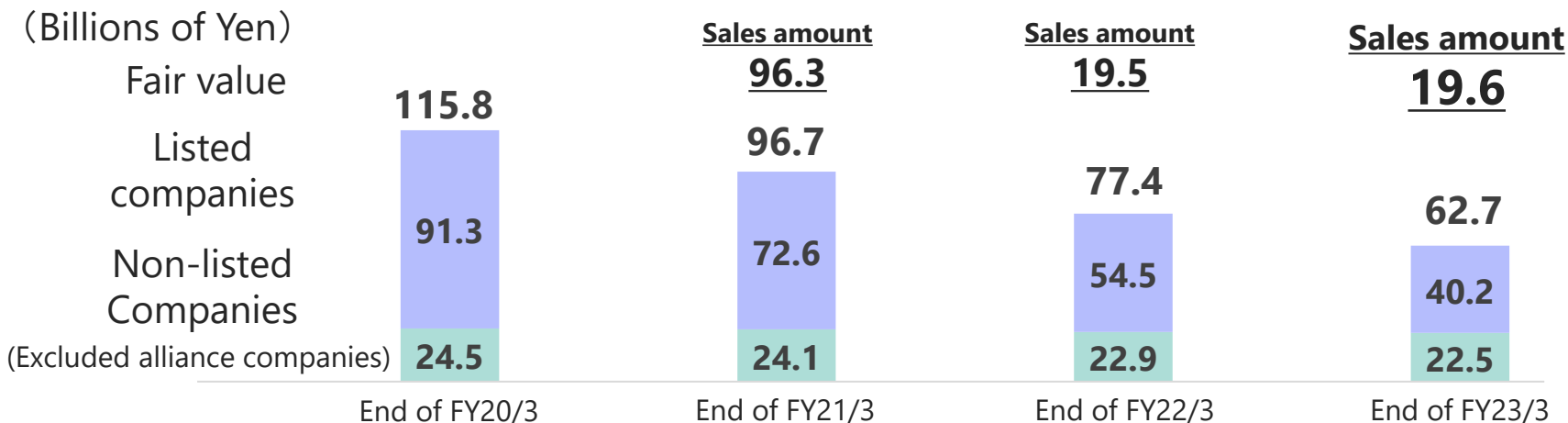
At the end of FY23/3, CCC days excluding specific factors increased by 6 days YoY, due to increased long-term/large projects



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 135.4 billion Yen, greatly contributing to free cash flows
- ◆ The number of shares held (listed shares) reduced by 70% from the end of FY20/3

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



Number of Shares	Listed companies	108	63	52	33
	Non-Listed companies	206	193	176	137

NEC Order Trends YoY

◆ IT Services: Increased by 9% due to steady corporate demand

YoY	Q1	Q2	Q3	Q4	Full Year	Description for FY23/3
Public Solutions	+15%	+13%	+16%	-3%	+10%	Favorable trend continued for urban infrastructure and SME*
Public Infrastructure <small>*Excluding Japan Aviation Electronics Industry (JAE)</small>	+16%	-10%	+25%	+9%	+8%	Increased demand for national defense
Enterprise <small>*Excluding NEC Facilities Ltd.</small>	+17%	+12%	+5%	+15%	+12%	Favorable trend continued due to robust demand
Network Services	-11%	+10%	+22%	+19%	+10%	5G expanded, intellectual property (IP) income in Q3 (Excluding IP income : +13% in Q3, +8% in FY23/3)
Global <small>*Excluding submarine systems</small>	+61%	+8%	+3%	-1%	+15%	Increase led by large projects for Netcracker
Total <small>*Excluding submarine systems</small>	+18%	+14%	+11%	+6%	+12%	

* Small and Medium-sized Enterprises

Ⅱ . Financial Forecasts for FY24/3 and Progress of the Mid-term Management Plan 2025

Financial Forecasts Summary

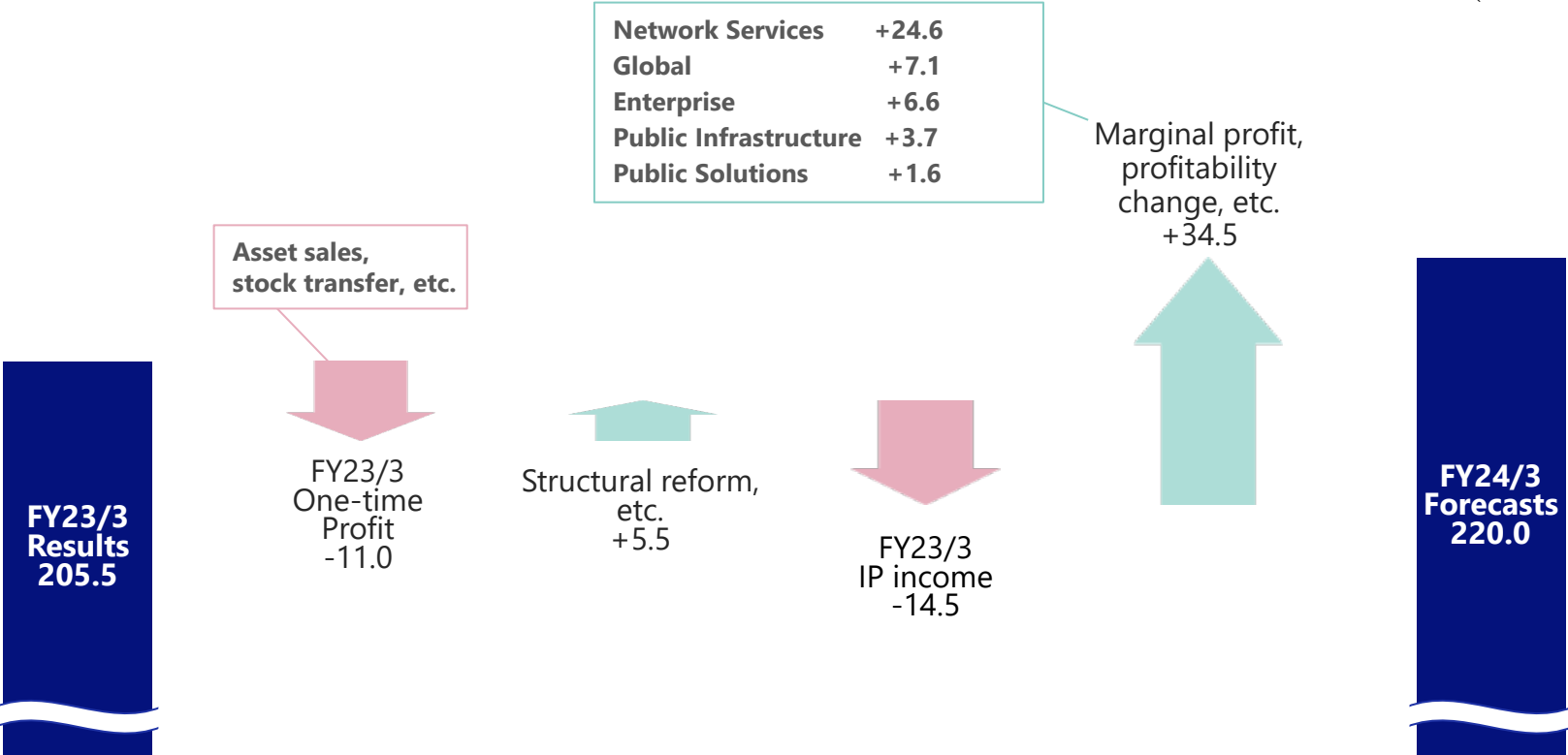
(Billions of Yen)	Full year		
	FY23/3 Actual	FY24/3 Forecasts	YoY
Revenue	3,313.0	3,380.0	+ 2.0%
Adjusted Operating Profit	205.5	220.0	+ 14.5
% to Revenue	6.2%	6.5%	
Adjusted Net Profit	138.6	140.0	+ 1.4
% to Revenue	4.2%	4.1%	
Adjusted Earnings per Share (Yen)	514	526	+ 12
EBITDA*	347.8	360.0	+ 12.2
% to Revenue	10.5%	10.7%	
Free Cash Flows	102.5	150.0	+ 47.5
Dividend per Share (Yen)	110	120	+ 10

(Billions of Yen)		Full year		
		FY23/3 Results	FY24/3 Forecasts	YoY
Public Solutions	Revenue	456.7	480.0	+ 5.1%
	Adjusted Operating Profit	42.7	45.0	+ 2.4
	% to Revenue	9.3%	9.4%	
Public Infrastructure	Revenue	649.7	660.0	+ 1.6%
	Adjusted Operating Profit	67.3	71.0	+ 3.7
	% to Revenue	10.4%	10.8%	
Enterprise	Revenue	614.4	640.0	+ 4.2%
	Adjusted Operating Profit	73.4	79.0	+5.6
	% to Revenue	11.9%	12.3%	
Network Services	Revenue	543.4	575.0	+ 5.8%
	Adjusted Operating Profit	24.1	42.0	+ 17.9
	% to Revenue	4.4%	7.3%	
Global	Revenue	586.3	560.0	- 4.5%
	Adjusted Operating Profit	42.9	50.0	+7.1
	% to Revenue	7.3%	8.9%	
Others	Revenue	462.6	465.0	+ 0.5%
	Adjusted Operating Profit	14.7	11.0	- 3.7
	% to Revenue	3.2%	2.4%	
Adjustment	Adjusted Operating Profit/Loss	- 59.5	- 78.0	- 18.5
Total	Revenue	3,313.0	3,380.0	+ 2.0%
	Adjusted Operating Profit	205.5	220.0	+14.5
	% to Revenue	6.2%	6.5%	

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

Adjusted Operating Profit Change (Year on Year)

(Billions of Yen)



Progress of the Mid-term Management plan 2025 (Main Indicators)

(Billions of Yen)	FY21/3 Results	FY22/3 Results	FY23/3 Results	FY24/3 Forecasts	FY26/3 Targets
Revenue	2,994.0	3,014.1	3,313.0	3,380.0	3,500.0
Adjusted Operating Profit	178.2	171.0	205.5	220.0	300.0
% to Revenue	6.0%	5.7%	6.2%	6.5%	8.6%
Adjusted Net Profit	165.4	167.2	138.6	140.0	185.0
% to Revenue	5.5%	5.5%	4.2%	4.1%	5.3%
EBITDA*	295.8	304.0	347.8	360.0	450.0
% to Revenue	9.9%	10.1%	10.5%	10.7%	12.9%
ROIC**	4.7%	3.9%	4.7%	5.1%	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>)

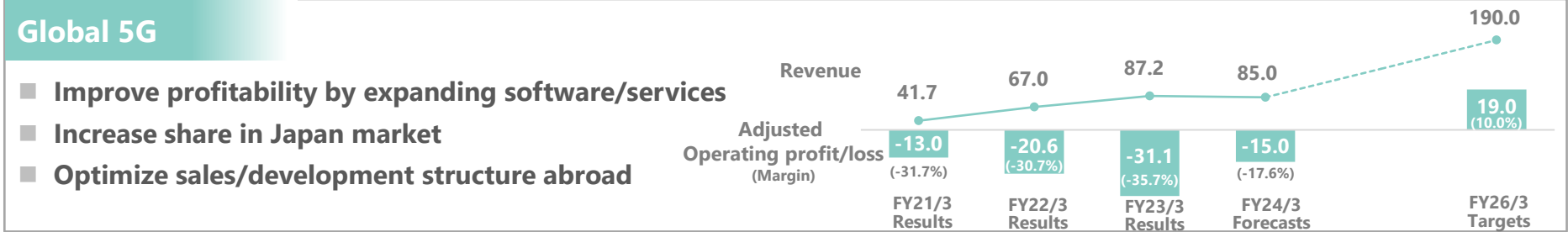
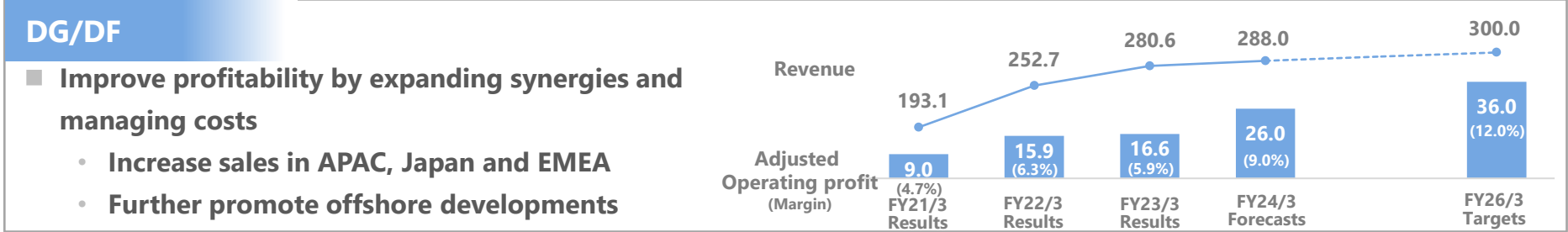
Progress of the Mid-term Management Plan 2025 (by Segment)

Making Good Progress with the Mid-term Management Plan 2025

(Billions of Yen)		FY22/3 Results	FY23/3 Results	FY24/3 Forecasts	FY26/3 Targets (Base-case*)
Public Solutions	Revenue	442.6	456.7	480.0	500.0
	Adjusted Operating Profit	35.9	42.7	45.0	50.0
	% to Revenue	8.1%	9.3%	9.4%	10.0%
Public Infrastructure	Revenue	608.4	649.7	660.0	720.0
	Adjusted Operating Profit	59.2	67.3	71.0	73.5
	% to Revenue	9.7%	10.4%	10.8%	10.2%
Enterprise	Revenue	574.7	614.4	640.0	600.0
	Adjusted Operating Profit	57.5	73.4	79.0	80.0
	% to Revenue	10.0%	11.9%	12.3%	13.3%
Network Services	Revenue	511.5	543.4	575.0	700.0
	Adjusted Operating Profit	35.5	24.1	42.0	70.0
	% to Revenue	6.9%	4.4%	7.3%	10.0%
Global	Revenue	485.6	586.3	560.0	550.0
	Adjusted Operating Profit	26.3	42.9	50.0	57.5
	% to Revenue	5.4%	7.3%	8.9%	10.5%
Total	Revenue	3,014.1	3,313.0	3,380.0	3,500.0
	Adjusted Operating Profit	171.0	205.5	220.0	300.0
	% to Revenue	5.7%	6.2%	6.5%	8.6%

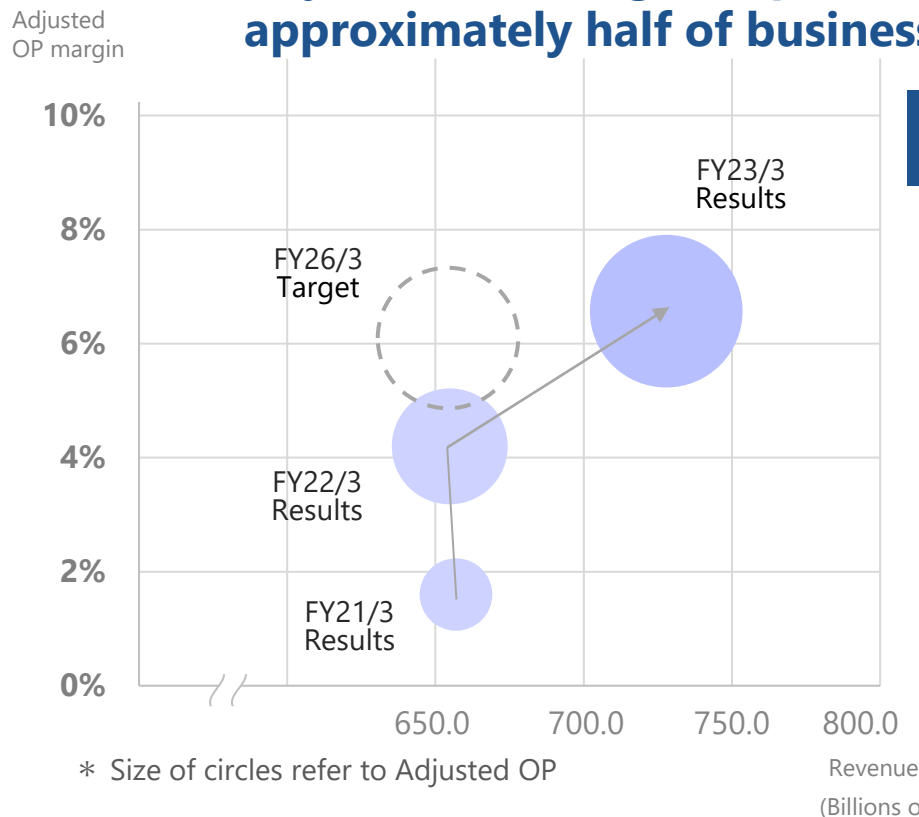
Growth Businesses

(Billions of Yen)



Underperforming Businesses

■ **Adjusted OP margin improved by 2.4% in FY23/3 contributing approximately half of business improvement**



Measures to maximize business value

- 4 businesses have moved out from low-profit domain in FY23/3 with thorough monitoring led by the CFO
- Continue to implement measures and monitor results
- As for non-core businesses, aiming to turn around by divestiture, JV, etc.

Engagement score* rose from 25% in FY21/3 to 36% in FY23/3

Transformation of People and Culture

■ Job-based Management

Ensure the “right person in the right place at the right time” linked with business strategies

- Introduce for general managers and above in FY24/3 and for all employees in FY25/3

■ RISE Fast

Accelerate transformation through issue resolution practices

- Initiatives for quicker decision making and actions to realize speedy management
- Simplify working processes to accelerate speed and raise employees’ independence
- Resolved issues under 200 themes in 48 divisions in FY23/3: Approx. 1,300 employees participated to generate a 1.7 billion Yen effect

* Based on a survey by Kincentric, a global human resources consulting firm. A score of 50% is a Tier 1 Level and corresponds to the top 25th percentile globally

Smart Work 2.0

Accelerate Work Style Reforms as COVID-19 settles down

- Selecting optimal work styles to maximize team productivity -

- Take full advantage of “Real” communication opportunities
- Location independent and flexible work schedules

Reinforcement of Internal Business Infrastructure

Reform of Management and financial processes

- Digitalize all information on business processes by renewing systems
- Promote data-driven management that flexibly adapts to environmental changes
- Aim to build a globally top-level management foundation

III. Topics

Overview of Segment Revision

From Q1, FY24/3, the conventional market/customer segmentation will be changed to segmentation by business area

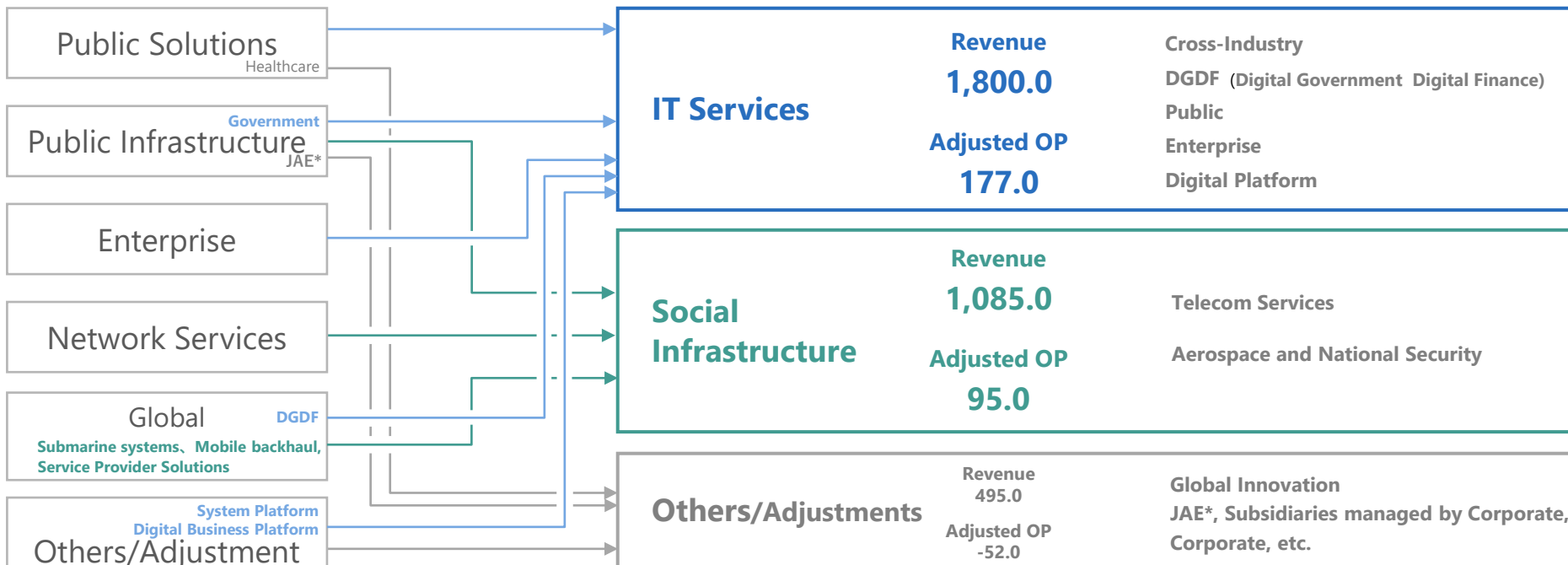
Current Segment

New Segment**

FY24/3 Forecasts (Approx.)

Organization

(Billions of Yen)



Disclosure of Non-GAAP Indicators

From Q1, FY24/3, NEC will newly disclose “Non-GAAP Profit/Loss” in addition to the conventional Adjusted Operating Profit/Loss

Purpose

Disclose NEC’s underlying profitability excluding one-time profits/losses by adopting global standard adjustment items to enhance comparability with global competitors

Adjustment items from GAAP OP

Amortization of intangible assets	M&A Financial advisory fees
Structural reform expenses	Impairment losses
Stock compensation	Other one-time profits/losses (Gain/Loss on sale of land, businesses, etc.)

(Billions of Yen)	FY23/3 Results	FY24/3 Forecasts
Non-GAAP OP	197.0	220.0
% to Revenue	5.9%	6.5%
Non-GAAP Net Profit	132.8	140.0
% to Revenue	4.0%	4.2%

* Non-GAAP indicators will be disclosed for company total only.
Each segment will be disclosed by adjusted OP only.

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IV. Financial Results for FY23/3 (Appendix)

Financial Results by Segment (3 years)

(Billions of Yen)		Full Year			
		FY21/3 Results	FY22/3 Results	FY23/3 Results	YoY
Public Solutions	Revenue	483.5	442.6	456.7	+ 3.2%
	Adjusted Operating Profit	49.6	35.9	42.7	+ 6.7
	% to Revenue	10.3%	8.1%	9.3%	
Public Infrastructure	Revenue	634.4	608.4	649.7	+ 6.8%
	Adjusted Operating Profit	49.2	59.2	67.3	+ 8.1
	% to Revenue	7.7%	9.7%	10.4%	
Enterprise	Revenue	503.1	574.7	614.4	+ 6.9%
	Adjusted Operating Profit	48.2	57.5	73.4	+15.9
	% to Revenue	9.6%	10.0%	11.9%	
Network Services	Revenue	538.8	511.5	543.4	+ 6.2%
	Adjusted Operating Profit	41.2	35.5	24.1	- 11.3
	% to Revenue	7.6%	6.9%	4.4%	
Global	Revenue	450.0	485.6	586.3	+ 20.8%
	Adjusted Operating Profit	7.5	26.3	42.9	+16.6
	% to Revenue	1.7%	5.4%	7.3%	
Others	Revenue	384.2	391.2	462.6	+ 18.2%
	Adjusted Operating Profit	7.7	13.3	14.7	+1.4
	% to Revenue	2.0%	3.4%	3.2%	
Adjustment	Adjusted Operating Profit/Loss	- 25.1	- 56.7	- 59.5	- 2.9
Total	Revenue	2,994.0	3,014.1	3,313.0	+ 9.9%
	Adjusted Operating Profit	178.2	171.0	205.5	+34.5
	% to Revenue	6.0%	5.7%	6.2%	

Financial Results by Segment (Q4, FY23/3)

(Billions of Yen)		9 months <April to December>			Q4 <January to March>			Full Year		
		FY22/3 Results	FY23/3 Results	YoY	FY22/3 Results	FY23/3 Results	YoY	FY22/3 Results	FY23/3 Results	YoY
Public Solutions	Revenue	290.4	286.1	- 1.5%	152.3	170.6	+ 12.0%	442.6	456.7	+ 3.2%
	Adjusted Operating Profit	11.7	12.5	+ 0.9	24.2	30.1	+ 5.9	35.9	42.7	+ 6.7
	% to Revenue	4.0%	4.4%		15.9%	17.6%		8.1%	9.3%	
Public Infrastructure	Revenue	414.4	449.7	+ 8.5%	194.0	200.0	+ 3.1%	608.4	649.7	+ 6.8%
	Adjusted Operating Profit	30.8	38.1	+7.3	28.4	29.2	+ 0.8	59.2	67.3	+ 8.1
	% to Revenue	7.4%	8.5%		14.6%	14.6%		9.7%	10.4%	
Enterprise	Revenue	413.8	431.5	+ 4.3%	160.9	182.8	+ 13.6%	574.7	614.4	+ 6.9%
	Adjusted Operating Profit	34.4	42.1	+7.7	23.1	31.3	+8.2	57.5	73.4	+15.9
	% to Revenue	8.3%	9.8%		14.4%	17.1%		10.0%	11.9%	
Network Services	Revenue	350.1	361.0	+ 3.1%	161.5	182.4	+ 13.0%	511.5	543.4	+ 6.2%
	Adjusted Operating Profit	15.8	- 0.6	- 16.4	19.7	24.7	+ 5.1	35.5	24.1	- 11.3
	% to Revenue	4.5%	-0.2%		12.2%	13.5%		6.9%	4.4%	
Global	Revenue	354.5	422.8	+ 19.3%	131.1	163.5	+ 24.8%	485.6	586.3	+ 20.8%
	Adjusted Operating Profit	18.1	21.5	+3.4	8.2	21.4	+13.2	26.3	42.9	+16.6
	% to Revenue	5.1%	5.1%		6.3%	13.1%		5.4%	7.3%	
Others	Revenue	273.2	318.1	+ 16.4%	118.0	144.4	+ 22.4%	391.2	462.6	+ 18.2%
	Adjusted Operating Profit	1.4	7.1	+5.7	11.9	7.6	- 4.2	13.3	14.7	+1.4
	% to Revenue	0.5%	2.2%		10.1%	5.3%		3.4%	3.2%	
Adjustment	Adjusted Operating Profit/Loss	- 36.3	- 37.3	- 1.0	- 20.4	- 22.2	- 1.8	- 56.7	- 59.5	- 2.9
Total	Revenue	2,096.4	2,269.3	+ 8.2%	917.7	1,043.8	+ 13.7%	3,014.1	3,313.0	+ 9.9%
	Adjusted Operating Profit	76.0	83.4	+7.5	95.0	122.1	+27.0	171.0	205.5	+34.5
	% to Revenue	3.6%	3.7%		10.4%	11.7%		5.7%	6.2%	

Adjusted Operating Profit and Adjusted items, etc.

(Billions of Yen)

	FY22/3					FY23/3					YoY				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Operating Profit/Loss	1.1	22.1	24.1	85.3	132.5	-15.3	29.2	43.2	113.3	170.4	-16.5	+7.1	+19.2	+28.1	+37.9
Adjusted Items	9.3	9.6	9.8	9.8	38.5	8.4	9.0	9.0	8.7	35.1	-1.0	-0.6	-0.8	-1.0	-3.4
Amortization of intangible assets through acquisition	9.3	9.5	9.5	9.5	37.8	8.1	8.5	8.8	8.2	33.5					
M&A related expenses	0.0	0.1	0.2	0.3	0.6	0.3	0.5	0.2	0.6	1.6					
Adjusted Operating Profit/Loss (Non-GAAP)	10.5	31.7	33.8	95.0	171.0	-7.0	38.2	52.2	122.1	205.5	-17.4	+6.5	+18.4	+27.0	+34.5

NEC Order Quarterly Trends (Including Hardware)

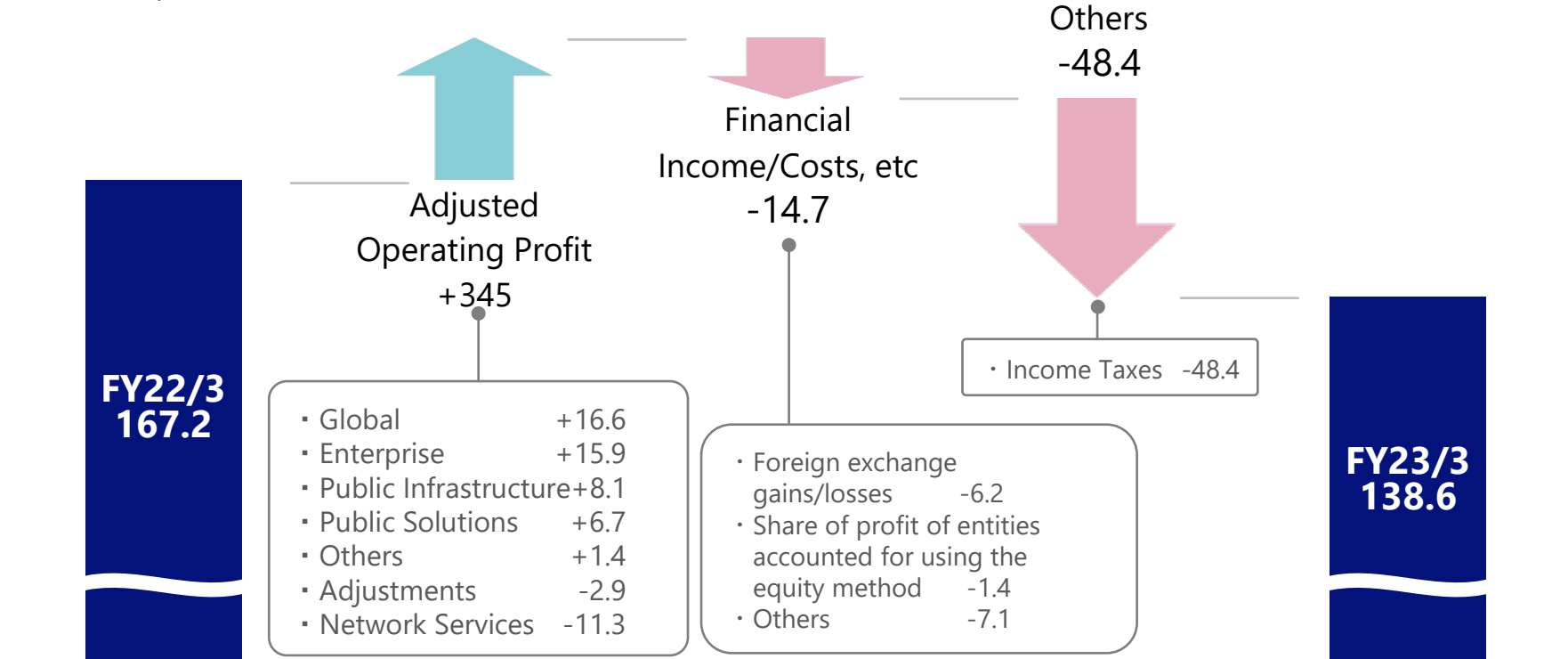
(YoY)

	FY22/3				FY23/3				Description
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Public Solutions	-2%	-4%	-3%	+9%	+15%	+13%	+16%	-3%	
Public Infrastructure <small>*Excluding JAE</small>	+1%	-12%	-30%	-3%	+16%	-10%	+25%	+9%	
Enterprise <small>*Excluding NEC Facilities Ltd.</small>	+10%	+2%	+10%	+5%	+17%	+12%	+5%	+15%	
Network Services	+19%	-5%	-12%	-3%	-11%	+10%	+22%	+19%	
Global	-47%	-7%	+94%	+8%	+106%	+16%	-2%	-4%	Q4: ±0%, excluding Submarine systems and Display business*
Total	-2%	-5%	+6%	+4%	+23%	+15%	+12%	+6%	Q4: +6%, excluding Submarine systems and Display business*

*Unconsolidated from November 2020

Adjusted Net Profit Change (Year on Year)

(Billions of Yen)



Financial Position Data

FY23/3
Results

(Billions of Yen)

	End of March 2022	End of March 2023	Change from End of March 2022
Total assets	3,761.7	3,984.1	+222.3
Total equity	1,786.6	1,912.7	+126.1
Interest-bearing debt	597.4	608.5	+11.1
Equity attributable to owners of the parent	1,513.5	1,623.8	+110.3
Ratio of equity attributable to owners of the parent (%)	40.2%	40.8%	+ 0.5pt
D/E ratio (times)	0.39	0.37	+ 0.02pt
Net D/E ratio (times)	0.11	0.12	- 0.01pt
Cash and cash equivalents	430.8	419.5	- 11.3

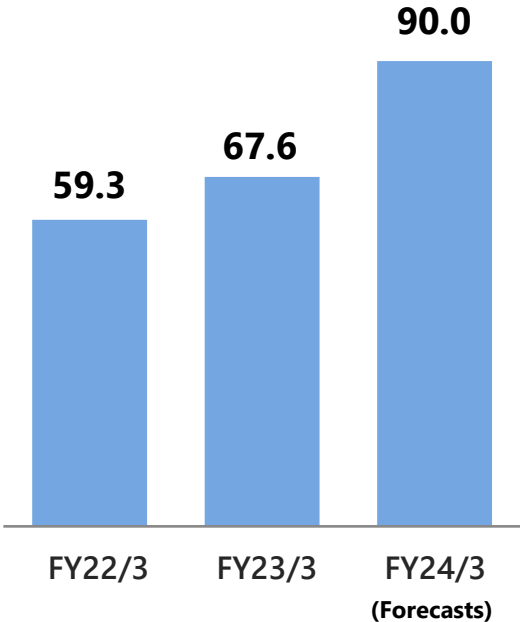
V. Financial Forecasts for FY24/3 and Progress of the Mid-term Management Plan 2025 (Appendix)

Capital Expenditures, Depreciation and R&D Expenses

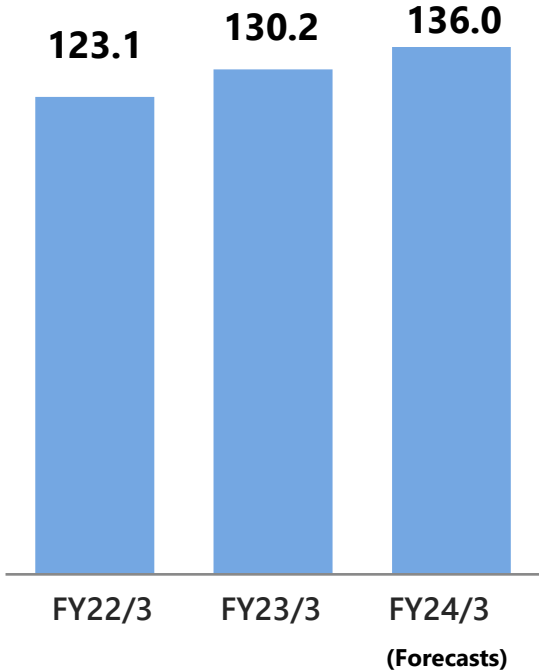
(Billions of Yen)

Capital Expenditure

(Property, Plant, and Equipment)

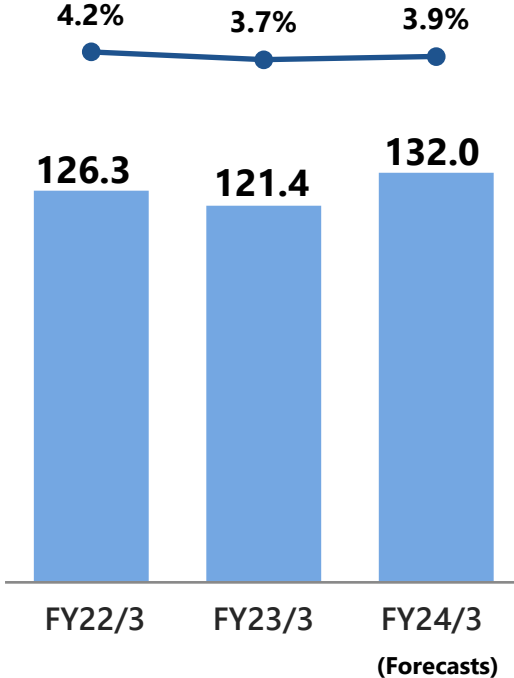


Depreciation



R&D Expenses

% to Revenue



* Forecasts as of April 28, 2023

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, 2023, and 2024 were referred as FY22/3, FY23/3, and FY24/3 respectively. Any other fiscal years would be referred similarly.