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Mid-term Management Plan 2030

May 12, 2026

NEC Corporation

01

Review of the Mid-term Management Plan 2025 (2025 MTP)

NEC achieved the goals of its 2025 MTP and delivered record-high profit in FY26/3 through the integration of its Purpose, Strategy and Culture

(Billions of yen)

2025 MTP goals

Purpose

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.

Strategy

EBITDA Growth rate 9% Annual average
(FY21/3~26/3)

Accelerate global growth and business transformation in Japan by leveraging strengths in technology
"Maximizing long-term profit" and "Optimizing short-term profit"

Culture

Engagement Score 50%
(FY26/3)

Transformation to a company that pursues innovation and brings together diverse people under the NEC Way (common values) "Employer of Choice"



	FY21/3 Results	FY26/3 Results
Revenue	2,994.0	3,582.7
Adjusted Operating Profit (% of Revenue)	178.2 6.0%	386.8 10.8%
Non-GAAP Operating Profit (% of Revenue)	150.9 5.0%	397.2 11.1%
Non-GAAP Profit (% of Revenue)	144.6 4.8%	279.8 7.8%
EBITDA*1 (% of Revenue)	295.8 9.9%	530.2 14.8%
Growth Rate (2020~2025 Average)	- %	12.4%
ROIC*2	4.7%	9.1%
Engagement Score	25%	48%

"Record profits": Net Profit attributable to owners of the parent company(since the start of IFRS application in FY15/3)

*1 EBITDA = Gross Profit - SG&A expenses + Depreciation/Amortization

*2 ROIC = (Unadjusted operating income - Deemed corporate tax) ÷ (Term-end interest-bearing debt + Term-end net assets)

Realizing NEC's Purpose and implementing initiatives to maximize corporate value

Strategy

Culture

Key Execution

Progress of DX Business

Launched the NEC BluStellar value creation model and positioned it as a growth driver
Commercialized our in-house generative AI, "cotomi" ahead of competitors

Redefining the new security domain as a priority business

Reform of the telecom services business
Shifting resources to the defense business
Strengthening the cybersecurity business

Strengthening International IT Businesses

Promoting PMI and continuous improvement of the three European companies (SWS, KMD, and Avaloq)
Avaloq achieved the Rule of 40
Groundwork for U.S. Business expansion through the acquisition of CSG

Strategic realignment of Global 5G Business

Revised business strategy in light of market changes
Improved profitability through structural reform and shifted focus to the software business

Improving profitability of Base Businesses

Improving profitability in low-profit businesses through tighter management oversight

Simplification of Group Structure

Restructuring of listed subsidiaries and dissolution of parent-child listings

Driving Accelerated Growth in DGDF* Business

Accelerate decision-making by the headquarters to Europe and improved topline growth momentum

*Digital Government and Digital Finance

Enhancing North American Businesses

Steady PMI progress at Netcracker and CSG

Progress in people and cultural transformation

Introduction of job-based human resource management
Strengthening diversity and increasing the proportion of female and non-Japanese executives

Corporate governance enhancement

Transition to a Company with a Nomination Committee
Structural reform of the Board of Directors
Change of corporate governance structure

Organizational transformation

Expedited decision-making by consolidating and flattening the organization

Strengthening the talent portfolio in the AI era Reinforcing global group governance

Sophistication of business management processes

Changes in Reportable Segments
Introduced Non-GAAP metrics and Cash ROIC as management evaluation indicators

Evolution of data-driven management

Execution of KFP (Management and Finance Renovation Project)
Utilization of company-wide KPI dashboards and management cockpits for decision-making

Providing value through "Client Zero"

Maximizing the use of advanced technologies by serving as the first customer

NEC's current position

Over 15 years of transformation, NEC is on a growth trajectory and moving into its next phase in the AI era

Market cap. (trillion yen)

8

7

6

5

4

3

2

1

2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026
(year)

2010~2015

Building the foundation for regrowth

- Reconsider our Purpose
- Team management by the top executives (V12)
- Transformation into a social value creation company
- Business portfolio optimization (sales revenue 5 trillion yen → 3 trillion yen)

2016~2020

Driving cultural transformation

- Promoting execution capabilities (HR/work style/communication)
- Promotion of Inclusion & Diversity
- Recruiting external talent
- Redefinition of the NEC Way

2021~

Maximizing corporate value

- Progress of DX business
- Redefining the new security domain as a priority business
- Strengthening International IT Businesses
- Progress in people and cultural transformation

6.18.2025

Surpassed the all-time high reached during the dot-com bubble

11.21.2025 Exceeded the record high

8.1 T JPY

2025 MTP period

02

External Environment

Paradigm shift

Innovations in AI and shifts in the security environment are fundamentally transforming the global order, creating both threats and opportunities

AI-Driven Social Transformation

AI is transforming the way people live and work, as well as industrial structures and social systems

New security environment

As the global order transforms, Japan has the potential to emerge as a credible third option

Structural changes driven by the evolution of AI

AI-driven disruption is raising concerns about “tech services” companies, wiping out JPY 80 trillion in market capitalization (equivalent to JPY 20 trillion in annual revenue)

Decline in the market capitalization of major “tech services” companies (Anthropic Shock)



Comparison of 21 companies by market capitalization between Jan 6, 2026 and Apr. 30, 2026

Capital market concerns

- Declining value in system integration work due to automation and efficiency gains
- Increasing in-house system integration is reducing opportunities for tech services companies
- Lower vendor switching costs
- Greater ambiguity in accountability for AI operations and rising risks

Our view of the future (1) - Expansion of the AI service market

The AI industrial revolution accelerates competitive polarization.
A new global AI services market exceeding JPY 45 trillion is emerging

Market layer

Market size

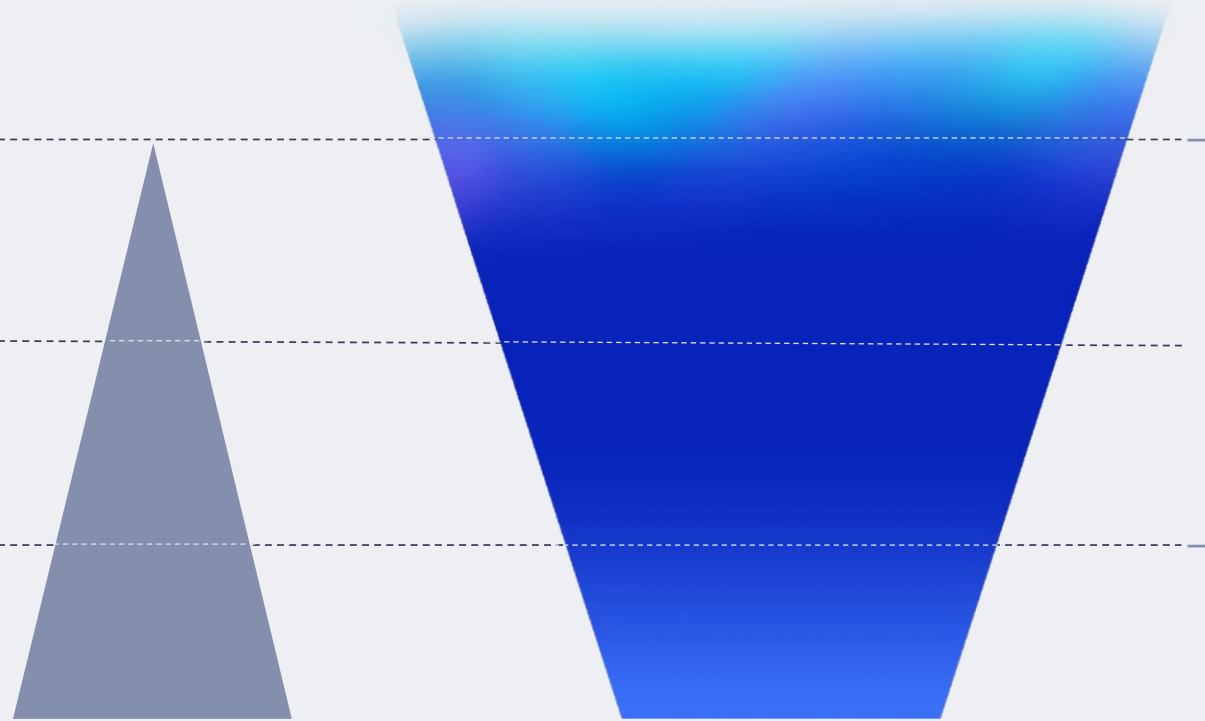
AI services market

AI-Native Society/Industry

AI Applications/
AI Platform

Data Centers/
Cloud Infrastructure

Semiconductors/
Hardware components
(AI-chip, server, storage, GPU, etc.)



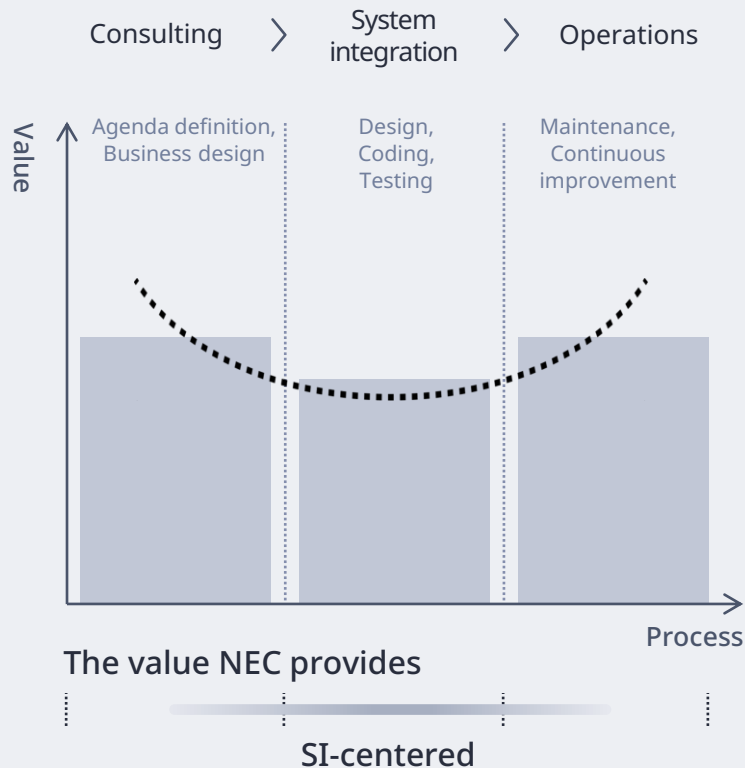
- Physical AI
- **Agentic AI deployment in core operations**
- **AI Platform Services**
- **Data for AI**
- **Modernization powered by AI**

Today > The Era of the AI Industrial Revolution

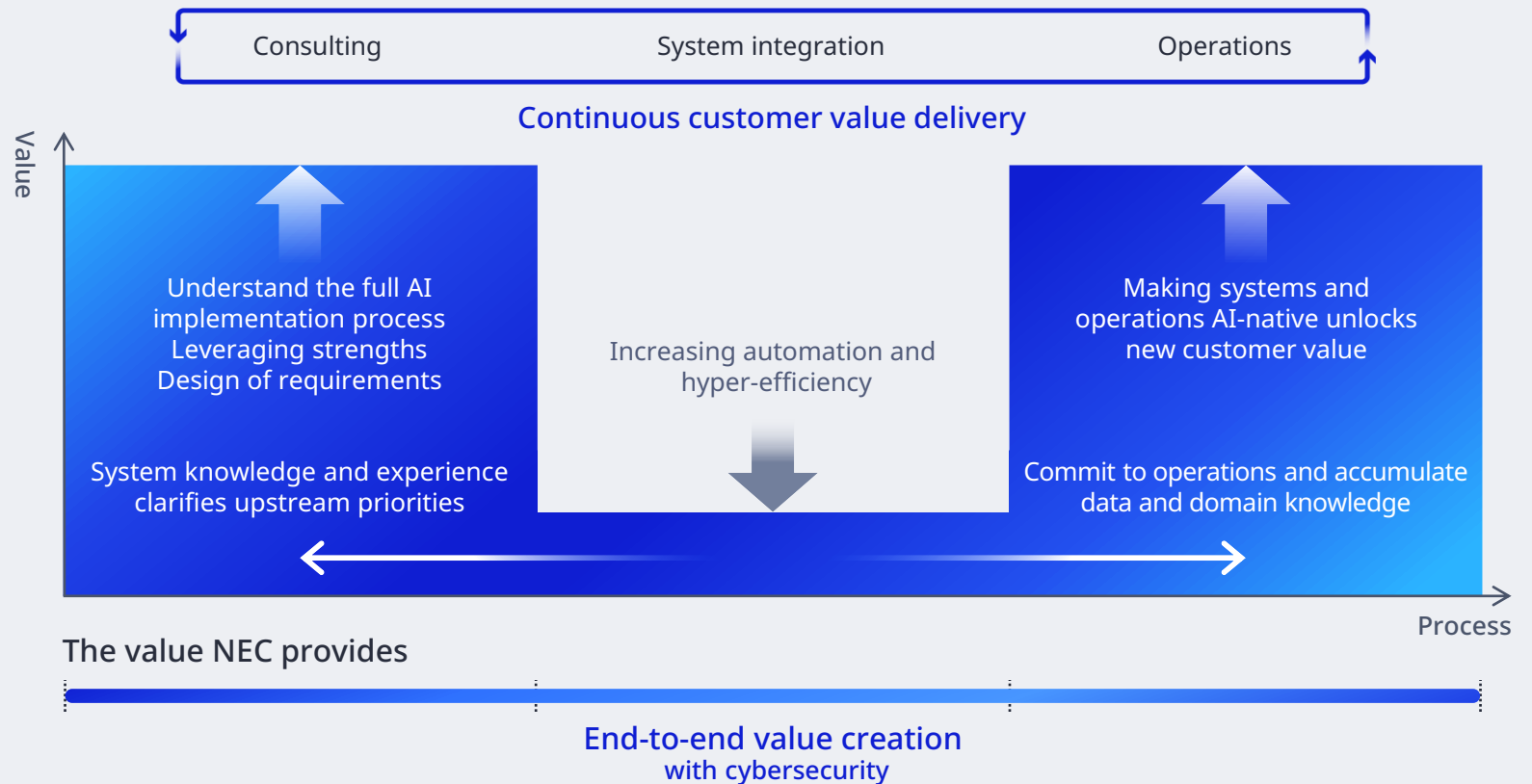
Our view of the future (2) - Shift in the value creation process

AI is shifting value toward upstream consulting and downstream operations.
End-to-end value creators will become increasingly critical

Before the AI Era Three distinct business areas



The AI-Native Era The three business areas are integrated into a single value chain to create customer value

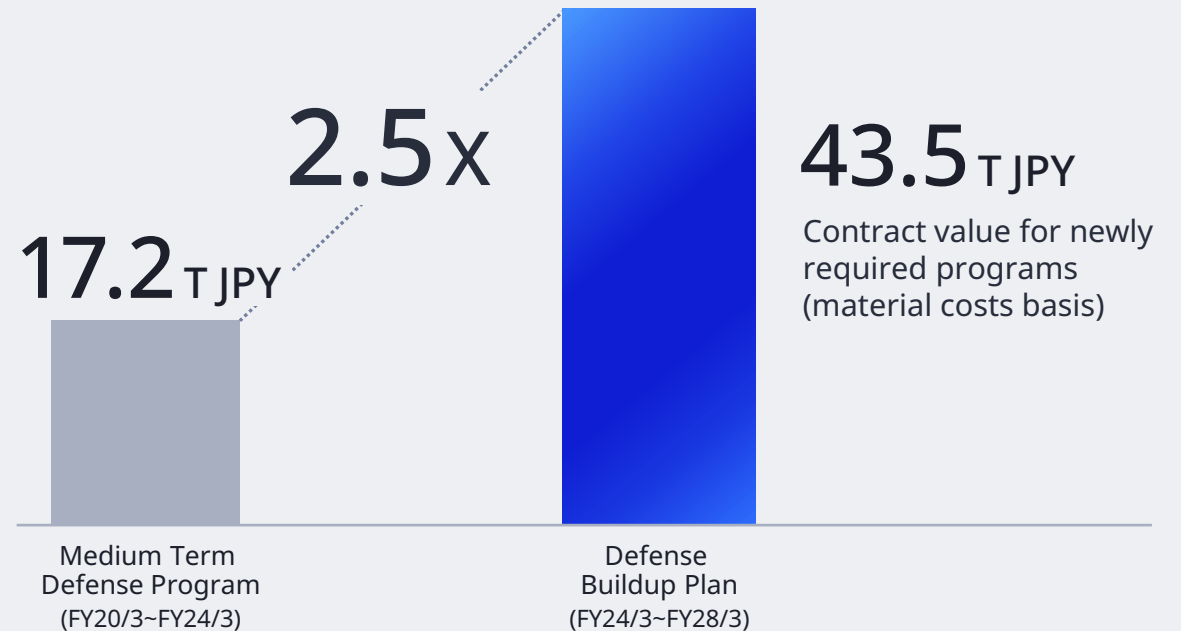


Persistent geopolitical tensions and innovations in AI are driving not only defense market growth, but also a broadening of the security landscape

Broadening of the security landscape

- The blurring of the line between peacetime and contingencies
- The convergence of civilian and defense technologies and markets
- The growing importance of digital infrastructure

Expansion of the defense-related market



*NEC based on the Ministry of Defense's "Medium Term Defense Program (FY20/3~FY24/3)" and "Defense Buildup Plan"

Our view of the future (4) - The growing importance of digital infrastructure

Business opportunities are expanding in comprehensive security, including economic security and cybersecurity



What it takes to win in a new era

Winning amid structural change requires a combination of domain knowledge, system architecture, and foundational capabilities



Domain Knowledge

that drives decision-making and sustained value delivery

Industrial knowledge

Cross-industry knowledge



System Architecture

designed to deliver customer outcomes

AI governance

AI platform

AI-ready data preparation

Cloud IT infrastructure with security



Foundational Capabilities

that create value in the AI era

Cutting-edge AI technology

Dual-use technology* development

AI-native processes and culture

Partnerships

*Dual-use technology: Technology that may be used for both civilian and security purposes

03

NEC's Strategy

NEC's strategy to win

NEC combines "AI throughout Society" with "Comprehensive Security Technologies", creating a mutually reinforcing cycle that drives growth

IT Services

Implementing AI throughout Society

- Domain knowledge cultivated through co-creation with customers
- Knowledge that has supported mission-critical operations across a wide range of fields
- End-to-end implementation capabilities covering planning, build, and operations
- "NEC BluStellar", an AI-native value creation model

Social Infrastructure

Implementing Comprehensive Security Technologies

- Security domain knowledge across maritime, communications, space, and cyber
- A trusted track record built through long-term support for safety and security
- Comprehensive services integrating defense and digital infrastructure
- Cybersecurity that integrates intelligence and AI



Domain Knowledge

Knowledge and experience in creating outcomes through AI implementation



System Architecture

Leveraging dual-use technology to accelerate AI transformation



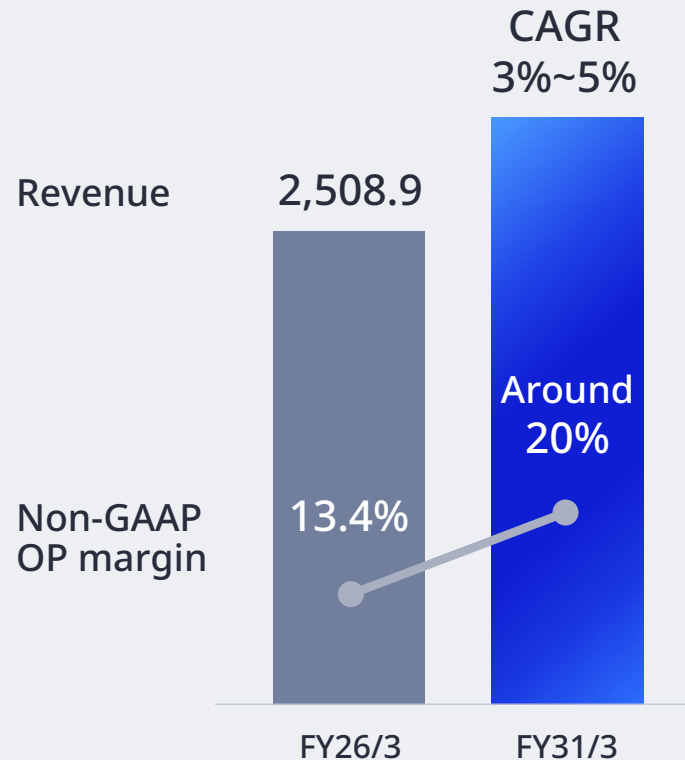
Foundational Capabilities

Transformation of culture and management, and development of cutting-edge technologies

Extending our proven system delivery capabilities into consulting and operations Delivering customer outcomes through end-to-end value for the AI-native era

Mid-term target
(Billions of yen)

*Excludes the impact of the CSG acquisition



Deliver value across the end-to-end process

- **Connecting three domains to operate as one, creating integrated value for customers**

Consulting	<ul style="list-style-type: none"> • Strengthening our AX (AI Transformation) consultants to leverage AI and data to quickly deliver customer outcomes • Strategic alliance between ABeam and BearingPoint to strengthen services globally
System integration	<ul style="list-style-type: none"> • Using AI to drive productivity in SI and significantly improve efficiency and delivery optimization • Developing and enhancing the end-to-end delivery system across the NEC Group
Operation & Maintenance	<ul style="list-style-type: none"> • Commit to operations and accumulate data and domain knowledge • Enhancing capabilities in AI operations, security governance, and operational control, as well as compatibility with sovereign clouds • Creating synergies across NESIC Holdings and strengthening ABeam's BPO business • By structuring data and knowledge into a form that AI can understand and leverage, we will unlock new value from data

- **Deepening domain knowledge to expand our footprint and wallet share**

- Domestic — Expanding market share in both enterprise and public sectors, with NEC BluStellar at the core
- International — Expanding industry-focused DX in Europe and North America through DGDF and Netcracker/CSG

Leveraging NEC's AI transformation (AX) expertise and cutting-edge technologies to create customer value and enhance competitiveness in an AI-driven world

Mid-term target
(Billions of yen)

*Excludes the impact of acquisition

Revenue

1,300.0

705.0

25%

14.5%

Non-GAAP
OP margin

FY26/3

FY31/3

Business Model

- NEC BluStellar Scenario — Apply AI across all scenarios
Drive more advanced business automation and functional expansion
- AX Consulting — Leveraging AI and data to quickly deliver positive customer outcomes
- New AI-enabled service — Dramatically accelerate implementation speed development process

Technology

- AI Platform Service — Provides a full stack of services that customers need to become AI-native
- Alliances — Providing cutting-edge AI technologies through collaboration with leading global partners
- Specialized AI models — Enhancing AI supercomputing capabilities to expand the resources available for AI implementation
- Governance and security — Supporting the safe implementation and operation of AI

Organization and human resources

- "Client Zero" — Turn lessons learned from NEC's own AI-native transformation into repeatable, scalable offerings for customers
- Development of AX talent — Providing programs to support the AX across organizations

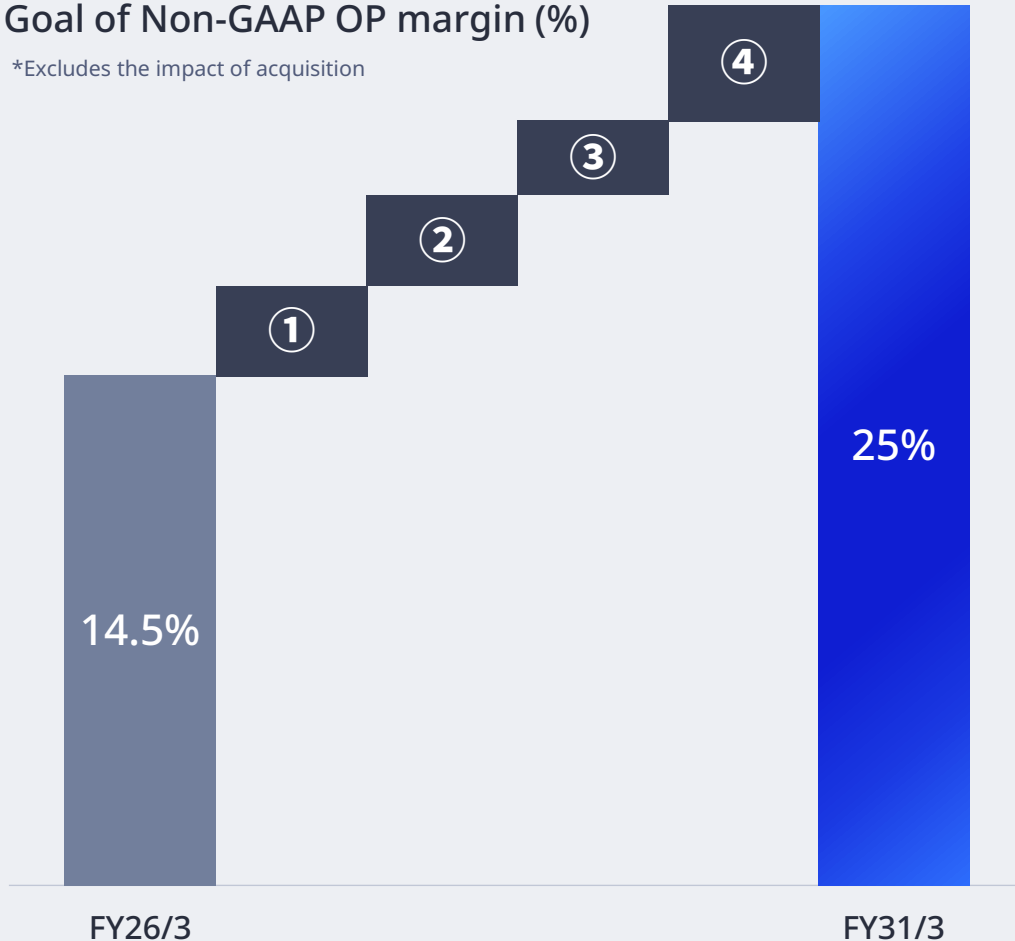
R&D

- R&D — Strengthening collaboration with businesses in key areas such as AI and security
- Intellectual property — Providing IP management DX services through SaaS, BPO, and consulting
- New business development — Focusing on areas where existing business strengths can be better leveraged, while making effective use of CVC

Improve profitability through AX while balancing customer value creation and cost optimization

Goal of Non-GAAP OP margin (%)

*Excludes the impact of acquisition



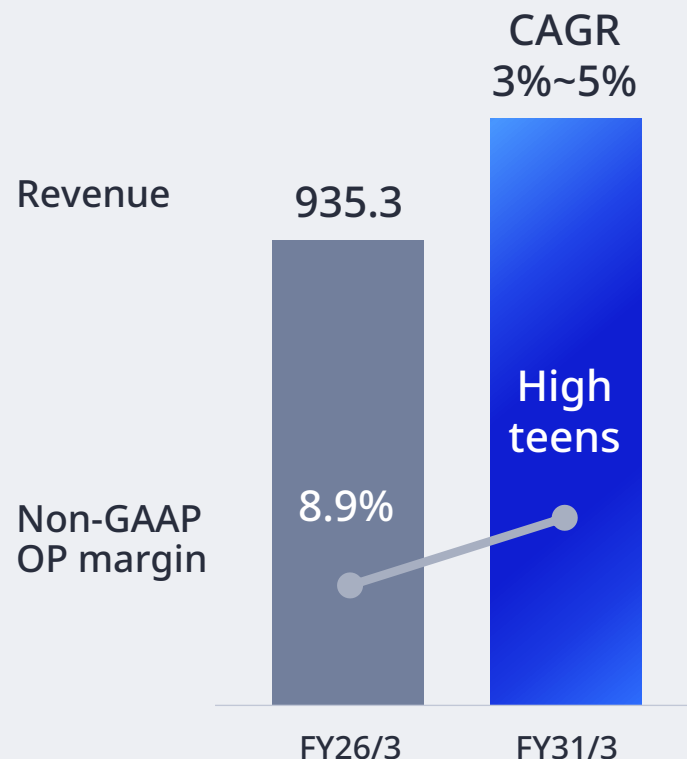
- ① Impact of value-added services and productivity improvements through consulting-led NEC BluStellar scenario
- ② Increase in incremental profit driven by revenue growth from NEC BluStellar Scenario
- ③ Expanded revenue and incremental profit driven by strengthened collaboration with NEC Group companies and sales partners
- ④ Impact of SG&A ratio improvement through AX

*The impact is expected to occur mainly in labor-intensive businesses outside NEC BluStellar

Building end-to-end economic security capabilities across defense and digital infrastructure, further reinforcing our unique position via IT services integration

Mid-term target
(Billions of yen)

*Excludes the impact of acquisition



Defense Business

- As a leading company in the defense ICT domain, NEC will steadily expand its business in priority areas such as cross-domain operational capabilities, command and control, and information-related capabilities
- Pursuing global expansion through equipment transfers and expanded sales of dual-use products in line with government policy
- Strengthening competitiveness through global technology sourcing and acquisitions
- Enhancing production capacity while improving efficiency

Digital Infrastructure (Submarine/ Communication Infrastructure/ Aerospace)

- Communications — Secure communications are increasingly important for economic security
 - Submarine — The market is expanding rapidly. With geographic advantages and a strong track record, we are targeting a 35% market share
 - Communications — Focusing on fixed networks* and software domains
- Aerospace — Expanding sales in overseas markets with growing demand, including Southeast Asia, in addition to the domestic market. From a medium- to long-term perspective, we are also exploring the commercialization of satellite constellation businesses

*Fixed networks: fixed-line telephony and optical transmission systems

Cybersecurity (ACD/CyIOC)

- Developing "CyIOC" which combines proprietary intelligence with AI technology, while strengthening our overseas presence
- Pursuing new market opportunities under the ACD Act* by leveraging CyIOC and "Client Zero" as differentiators

*ACD Act: The Act on the Enhancement of Cyber Response Capabilities and Related Implementation Acts

Transforming our people and culture for value creation and becoming an AI-native company, while enhancing and streamlining our management foundation



Strong corporate culture

- **Becoming a strong organization that continues to evolve**
Fostering a corporate culture in which every employee embraces self-transformation and quickly contributes to organizational value creation
(Shifting to a job-based talent and organizational model built on human-AI collaboration)



Evolution of group management Enhancement of headquarters functions

- **Evolution of group management**
Optimizing the balance between group-wide discipline and company autonomy through appropriate delegation of authority
- **Enhancement of headquarters functions**
Enhance and streamline headquarters functions based on AI, moving toward an AI-native company



Thought Leadership

- **Catalyst for societal transformation**
Establishing a platform-based think tank to integrate expert knowledge and accelerate societal transformation

04

NEC's Vision

Medium- to long-term management goals

Long-term Management Goals

Non-GAAP OP Growth (CAGR)

15%

Market capitalization
Global Top Tier

Non-GAAP EPS Growth (CAGR)

15%+

Engagement
Global Top Tier

Global expansion (overseas profit ratio)

50%

FY31/3 Mid-term Management Goals

Financial Goals*
(Pro forma basis)

Non-GAAP OPM

15%+

*Sales CAGR 3%+ / GP margin 3%+ improvement / (S)G&A 3% improvement

Non-GAAP OP

2x (FY26/3 ratio)

Non-GAAP EPS Growth (CAGR)

15%+

Non-Financial Goals

Engagement Score
Top quartile* (Global Top Tier)

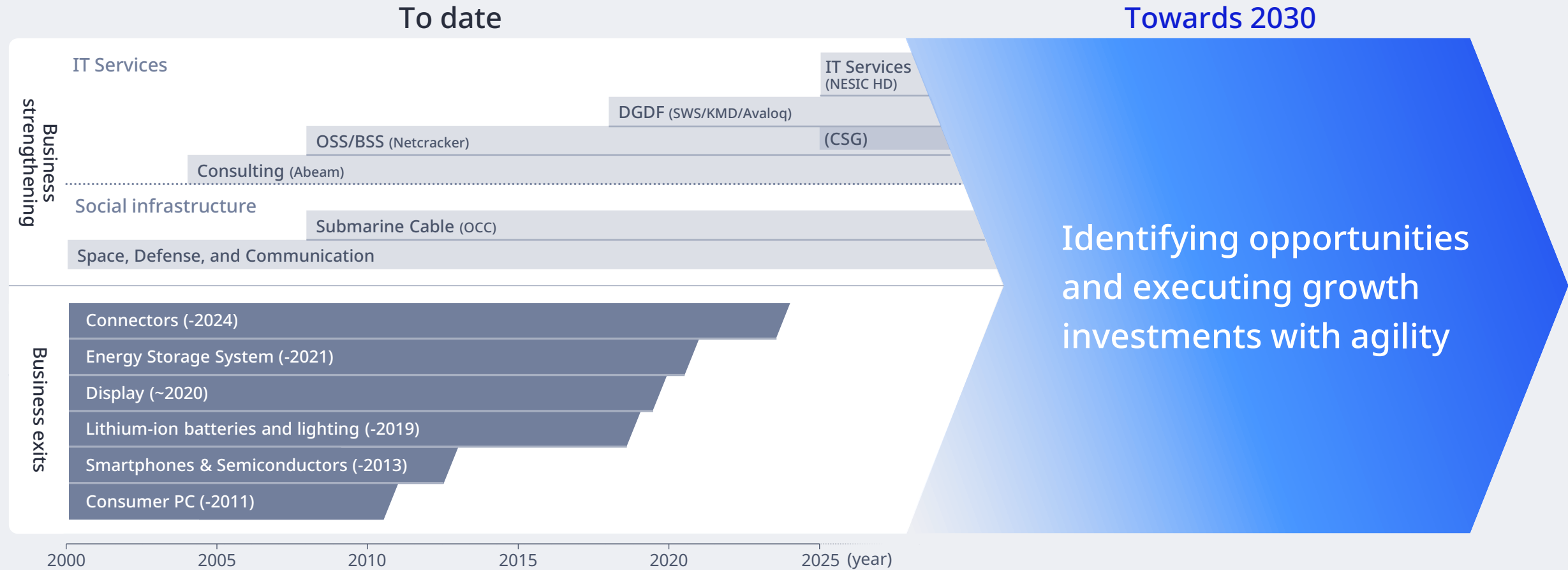
*Transitioning to Qualtrics survey from FY27/3

NEC will strengthen capabilities and invest for growth investments to enhance corporate value in the AI era



- Maintaining a basic shareholder return policy of stable dividend growth and opportunistic share repurchases
- Estimating growth investment capacity of approximately JPY 1.2–1.3 trillion by the end of FY31/3 (post-CSG acquisition). Ensuring capital allocation discipline by applying Cash ROIC in acquisition decisions and post-acquisition monitoring
*Excludes the impact of acquisition
- In principle, treasury shares exceeding 5% of total shares outstanding will be retired

NEC will continue portfolio optimization under the Mid-term Management Plan 2030, leveraging its strengths, capturing growth areas, and addressing non-core operations



An era of AI-driven social transformation and a new security environment unfolds. NEC will accelerate its transformation.

By leveraging its strengths in implementing both “AI throughout Society” and “Comprehensive Security Technologies”, NEC will continue shaping a more sustainable world where everyone can reach their full potential.

Empower Humanity

Delivering innovation and peace of mind

Creating value
from data

Implementing AI throughout Society

Protecting Japan's Digital Infrastructure
and contributing to the safety and security
of the world

Implementing Comprehensive Security Technologies

NEC will become
an AI-native company

Transforming Culture and Management

NEC

\Orchestrating a brighter world

Medium- to long-term management goals by segment

(Billions of yen)

			FY26/3 Results	FY31/3 Goals
Domestic IT	Revenue		2,175.5	CAGR 4-6%
	Non-GAAP Operating Income margin		13.9%	Around 20%
International (DGDF)	Revenue		333.5	CAGR 3-5%
	Non-GAAP Operating Income margin		10.1%	Middle teens
IT Services	Revenue		2,508.9	CAGR 3-5%
	Non-GAAP Operating Income margin		13.4%	Around 20%
Telecom Services	Revenue		390.5	CAGR 3-5%
	Non-GAAP Operating Income margin		7.4%	Middle teens
ANS	Revenue		544.8	CAGR 4-6%
	Non-GAAP Operating Income margin		10.0%	In the upper teens
Social Infrastructure	Revenue		935.3	CAGR 3-5%
	Non-GAAP Operating Income margin		8.9%	In the upper teens
Others / Adjustments	Revenue		138.5	
	Non-GAAP Operating Income margin		-	
Total	Revenue		3,582.7	CAGR 3%+
	Non-GAAP Operating Income margin		11.1%	15%+

*Excludes the impact of the CSG acquisition

IT Services

(Billions of yen)

		FY26/3 Results		FY31/3 Goals	
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	Non-GAAP Operating Income margin	13.4%		Around 20%	

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Domestic IT

We target revenue growth in line with or above the market

- Public Sector ——— In FY27/3, one-off demand related to municipal systems standardization and fire/disaster prevention is expected to peak and then taper off. Even so, revenue is expected to grow faster than the market, driven by increasing demand for government DX
- Enterprise Sector ——— In addition to continued strong modernization demand, we aim to grow at or above market rates by capturing high-growth demand for digital services
- Increase the share of high value-added NEC BluStellar business (from 32% in FY26/3 to the mid-40% range by FY31/3)

International (DGDF)

Leveraging deep domain knowledge, data, and reliability as key strengths, we deliver mission-critical software services

- Avaloq ——— Driven primarily by revenue growth supported by steady market expansion, we target a Non-GAAP operating margin of over 20%
- SWS-UK and KMD ——— With moderate revenue growth and improved profitability, we target a Non-GAAP operating margin in the middle teens

Social Infrastructure

(Billions of yen)

		FY26/3 Results		FY31/3 Goals	
Telecom Services	Revenue		390.5	CAGR	3-5%
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Social Infrastructure	Revenue		935.3	CAGR	3-5%
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*Excludes the impact of acquisition

Telecom Services

In addition to profitability improvements from the structural reforms implemented in FY26/3, we aim to achieve an operating margin in the upper teens by expanding revenue in the IT domain

- IT Business ————— We aim to grow both revenue and profit, supported by steady IT demand
- Telecommunications Infrastructure Business ——— Assuming capex remains flat, we will generate stable profits

Aerospace and National Security

Defense ————— Drive revenue growth in line with the increase in Japan's defense budget
Expand production capacity and strengthen talent

Aerospace ————— Improve profitability by strengthening project management and rigorously enhancing risk management

Submarine Network ————— Drive top-line growth as the market expands, and increase market share to 35%, mainly in Asia
Strengthen production and cable-laying capability in preparation for future demand growth
Improve operating margin through strengthened risk management

NEC BluStellar: Details

(Billions of yen)

			FY26/3 Results
	Scenarios/Offerings	Revenue	215.7
		Non-GAAP Operating Income margin	17.0%
	Products & Services	Revenue	309.8
		Non-GAAP Operating Income margin	14.0%
	ABeam	Revenue	179.6
		Non-GAAP Operating Income margin	12.3%
NEC BluStellar	Revenue	705.0	
	Non-GAAP Operating Income margin	14.5%	

FY31/3 Goals	
CAGR	Around 25% High 20s
CAGR	3-4% Low 20s
CAGR	10-11% Around 20%
CAGR	13% 25%

*Excludes the impact of acquisition

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:

- occurrence of quality and safety problems concerning products and services;
- risks related to cybersecurity;
- difficulty attracting, hiring and retaining skilled personnel;
- failure to appropriately respond to human rights issues in the value chain, including employees;
- occurrence of serious misconduct such as bribery, fraudulent accounting, and violations of personal data protection laws and regulations;
- impact of climate change, natural disasters, and environmental issues;
- adverse changes in foreign currency exchange rates or interest rates, and other economic conditions;
- difficulty achieving acquisitions and business alliances;
- political and social environment in countries and regions in which the NEC Group operates;
- impact of technological innovation and risks related to Intellectual Property Rights;
- natural disasters, pandemics and other hazard risks; and
- occurrence of compliance issues related to violations of competition laws and export control laws.

The Forward-Looking Statements contained in this material are based on information that the Company possesses as of the date hereof. New risks and uncertainties come up from time to time, and it is impossible for the Company to predict these events or how they may affect the NEC Group. The Company does not intend to update or revise any Forward-Looking Statements, whether as a result of new information, future events or otherwise.