News Release

Orchestrating a brighter world NEC

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***** For immediate use July 30, 2015

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2016

Consolidated Financial Results

	Three months ended June 30, 2014	Three months ended June 30, 2015	Change
	In billions of yen	In billions of yen	%
Net Sales	598.7	586.6	-2.0
Operating income (loss)	-7.1	-10.1	-
Ordinary income (loss)	-10.0	-7.7	-
Net income (loss)	-10.1	-10.0	-
	Yen	Yen	Yen
Net income (loss) per share:			
Basic	-3.89	-3.85	0.04
Diluted	-	-	-

	As of March 31, 2015	As of June 30, 2015	Change
	In billions of yen	In billions of yen	%
Total assets	2,620.7	2,448.4	-6.6
Net assets	884.2	873.6	-1.2

(Notes)
Number of consolidated subsidiaries and affiliated companies accounted for by the equity method is as follows:

	As of June 30, 2014	As of June 30, 2015	As of March 31, 2015
Consolidated subsidiaries	248	231	232
Affiliated companies accounted for by the equity method	51	52	51

1. Consolidated Business Results

(1) Overview of the first quarter of the fiscal year ending March 31, 2016 (three months ended June 30, 2015)

The worldwide economy during the three months ended June 30, 2015 was characterized overall by a very slow pace of growth, mainly owing to sluggish growth in emerging markets, particularly in China, Russia and Brazil, despite steady performance in the United States, Europe and other industrialized nations.

As for the Japanese economy, following the influences from the rise in the consumption tax rate, there was a gradual recovery centered on domestic demand. Signs of recovery were also seen in consumer spending levels and an improving employment environment as well as improved capital spending in the corporate sector, especially focused on the manufacturing industry.

Under this business environment, the NEC Group recorded consolidated net sales of 586.6 billion yen for the three months ended June 30, 2015, a decrease of 12.1 billion yen (-2.0%) year-on-year. This decrease was mainly due to decreased sales from logistics services from Others no longer being consolidated and decreased sales in the Telecom Carrier business, despite increased sales from the Enterprise business.

Regarding profitability, operating income (loss) worsened by 3.0 billion yen year-on-year, to an operating loss of 10.1 billion yen, mainly due to decreased sales in the Telecom Carrier business, despite increased sales in the Enterprise business

In terms of ordinary income (loss), the NEC Group recorded a loss of 7.7 billion yen, improving by 2.3 billion yen year-on-year, mainly due to foreign exchange gain and reduced retirement benefit expenses, despite worsening operating income (loss).

Income (loss) before income taxes was a loss of 7.6 billion yen, a year-on-year improvement of 3.0 billion yen. This was primarily due to improved ordinary income (loss).

Net income (loss) attributable to owners of the parent for the first quarter was a loss of 10.0 billion yen, the same level as the same period of the previous fiscal year, primarily due to an increase in corporation taxes.

(2) Results by main business segment

Sales by segment (sales to external customers):

Segments	Three months ended June 30, 2014	Three months ended June 30, 2015	Change
	In billions of yen	In billions of yen	%
Public	146.4	145.5	-0.6
Enterprise	54.4	68.3	25.5
Telecom Carrier	151.0	142.6	-5.6
System Platform	166.9	160.2	-4.0
Others	80.0	70.1	-12.4
Total	598.7	586.6	-2.0

Operating income (loss) by segment:

Segments	Three months ended June 30, 2014	Three months ended June 30, 2015	Change
	In billions of yen	In billions of yen	In billions of yen
Public	1.6	-0.5	-2.1
Enterprise	-1.8	2.8	4.6
Telecom Carrier	4.3	-3.3	-7.6
System Platform	2.5	4.9	2.3
Others	-4.9	-7.0	-2.1
Adjustment	-8.9	-6.9	1.9
Total	-7.1	-10.1	-3.0

Note:
Amounts in this section "(2) Results by main business segment" are rounded to 0.1 billion yen. Amounts in millions of yen are shown in section "Notes: Segment Information" of this news release.

(Business segment figures in brackets below denote increases or decreases as compared with the corresponding period of the previous fiscal year.)

Public Business

Sales:	145.5 billion yen	(-0.6%)
Operating Income (Loss):	-0.5 billion yen	(-2.1 billion yen)

In the Public business, sales were 145.5 billion yen, a decrease of 0.9 billion yen (-0.6%) year-on-year, mainly due to decreased sales for government offices and public services from the influence of large-scale projects from the same period of the previous fiscal year, despite steady sales in the public sector from demand related to the implementation of the My Number social security and tax identity system in Japan.

Operating income (loss) worsened by 2.1 billion yen year-on-year, to an operating loss of 0.5 billion yen, mainly owing to decreased sales and increased costs for organizational reinforcement.

Enterprise Business

Sales:	68.3 billion yen	(25.5%)
Operating Income (Loss):	2.8 billion yen	(4.6 billion yen)

In the Enterprise business, sales were 68.3 billion yen, an increase of 13.9 billion yen (25.5%) year-on-year, mainly due to the increased sales from large-scale projects for the logistics/services sector and manufacturing industries.

Operating income (loss) improved by 4.6 billion yen year-on-year, to an operating income of 2.8 billion yen, mainly owing to increased sales and the improved profitability of system construction services.

Telecom Carrier Business

Sales:	142.6 billion yen	(-5.6%)
Operating Income (Loss):	-3.3 billion yen	(-7.6 billion yen)

In the Telecom Carrier business, sales were 142.6 billion yen, a decrease of 8.4 billion yen (-5.6%) year-on-year, mainly due to decreased domestic sales, despite increased international sales of submarine cable systems.

Operating income (loss) worsened by 7.6 billion yen year-on-year, to an operating loss of 3.3 billion yen, mainly due to decreased sales and increased investment costs related to Software-Defined Networking, a next generation networking technology.

System Platform Business

Sales:	160.2 billion yen	(-4.0%)
Operating Income (Loss):	4.9 billion yen	(2.3 billion yen)

In the System Platform business, sales were 160.2 billion yen, a decrease of 6.7 billion yen (-4.0%) year-on-year, mainly due to decreased sales in personal computers for corporate use, despite the steady performance for servers.

Operating income (loss) improved by 2.3 billion yen year-on-year, to an operating income of 4.9 billion yen, mainly due to improved profitability focused on hardware.

Others

Sales:	70.1 billion yen	(-12.4%)
Operating Income (Loss):	-7.0 billion yen	(-2.1billion yen)

In Others, sales were 70.1 billion yen, a decrease of 9.9 billion yen (-12.4%) year-on-year, mainly due to a decline in mobile phone shipments as well as the logistics services business no longer being consolidated.

Operating income (loss) worsened by 2.1 billion yen year-on-year, to an operating loss of 7.0 billion yen, mainly owing to decreased sales.

2. Consolidated Financial Condition

Analysis of the condition of assets, liabilities, net assets, and cash flows

Total assets were 2,448.4 billion yen as of June 30, 2015, a decrease of 172.2 billion yen as compared with the end of the previous fiscal year. Current assets as of June 30, 2015 decreased by 176.0 billion yen compared with the end of the previous fiscal year to 1,400.8 billion yen, mainly due to the collection of accounts receivable-trade. Noncurrent assets as of June 30, 2015 increased by 3.8 billion yen compared with the end of the previous fiscal year to 1,047.6 billion yen.

Total liabilities as of June 30, 2015 decreased by 161.6 billion yen compared with the end of the previous fiscal year, to 1,574.8 billion yen. This was mainly due to a decrease in notes and accounts payable-trade and accrued expenses. The balance of interest-bearing debt amounted to 492.3 billion yen, a decrease of 28.5 billion yen as compared with the end of the previous fiscal year. The debt-equity ratio as of June 30, 2015 was 0.60 (an improvement of 0.03 points as compared with the end of the previous fiscal year). The balance of net interest-bearing debt as of June 30, 2015, calculated by offsetting the balance of interest-bearing debt with the balance of cash and cash equivalents, amounted to 271.1 billion yen, a decrease of 68.6 billion yen as compared with the end of the previous fiscal year. The net debt-equity ratio as of June 30, 2015 was 0.33 (an improvement of 0.08 points as compared with the end of the previous fiscal year).

Total net assets were 873.6 billion yen as of June 30, 2015, a decrease of 10.6 billion yen as compared with the end of the previous fiscal year, mainly due to a decrease associated with the payment of dividends and the recording of net loss attributable to owners of the parent for the first quarter, despite rising stock prices and an increase in the valuation difference on available-for-sale securities.

As a result, the owner's equity (total net assets less non-controlling interests) as of June 30, 2015 was 814.2 billion yen, and the owner's equity ratio was 33.3% (an improvement of 1.9 points as compared with the end of the previous fiscal year).

Net cash inflows from operating activities for the three months ended June 30, 2015 were 92.5 billion yen, an improvement of 13.0 billion yen as compared with the same period of the previous fiscal year, mainly due to improved working capital.

Net cash outflows from investing activities for the three months ended June 30, 2015 were 11.6 billion yen, a decrease of 14.6 billion yen as compared with the same period of the previous fiscal year, mainly due to decreased outflows for business acquisitions.

As a result, free cash flows (the sum of cash flows from operating activities and investing activities) for the three months ended June 30, 2015 totaled a cash inflow of 80.9 billion yen, an improvement of 27.6 billion yen year-on-year.

Net cash flows from financing activities for the three months ended June 30, 2015 totaled a cash outflow of 41.7 billion yen, mainly due to outflow from the redemption of bonds and the payment of dividends.

As a result, cash and cash equivalents as of June 30, 2015 amounted to 221.2 billion yen, an increase of 40.0 billion yen as compared with the end of the previous fiscal year.

3. Consolidated Financial Forecast

There is no change to the consolidated financial forecasts for the full fiscal year ending March 31, 2016, as previously disclosed on April 28, 2015.

4. Others

(1) Application of accounting procedures specific to the preparation of quarterly consolidated financial statements

Calculation of tax expenses:
After adjustment on individual significant items, tax expenses are calculated by multiplying income before income taxes by effective tax rate, which is estimated using tax effect accounting, for the fiscal year including this first quarter.

(2) Changes to accounting policies, changes in financial estimates and restatements

Application of "Accounting Standard for Business Combinations" and other applicable standards.

From the beginning of the fiscal year ending March 31, 2016, the NEC Group has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013), and other applicable standards. Accordingly, the Company has applied these accounting standards. As a result, the method of recording the amount of difference caused by changes in the Company's ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to record as capital surplus, and the method of recording acquisition-related costs has been changed to recognize as period expenses for the fiscal year in which they are incurred. Furthermore, for business combinations that are carried out on or after the beginning of this first quarter, the accounting method has been changed to an adjusted acquisition cost allocation updated from the tentative accounting treatment and is reflected in the quarterly consolidated financial statements for the quarter period in which the business combination occurs. In addition, the change in the presentation method of net income (loss) and minority interests to non-controlling interests have been applied from the beginning of the first quarter. To reflect these changes, consolidated quarterly statements of operations and consolidated balance sheets for the previous fiscal year have been reclassified.
Also from this first quarter, disbursements for acquisitions or proceeds from sales of shares of subsidiaries without change of scope of consolidation have been presented in cash flows from financing activities, and cash out flows from acquisition related costs for acquisitions of shares of subsidiaries with change of scope of consolidation and cash out flows from acquisition or sale related costs for shares of subsidiaries without change of scope of consolidation have been presented in cash flows from operating activities on consolidated quarterly statements of cash flows.

Application of the Accounting Standard for Business Combinations and other applicable standards is in line with the transitional measures that are provided in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures, and is effective from the beginning of this first quarter.

As a result, there is no impact on operating income (loss), ordinary income (loss), and income (loss) before income taxes for the three months ended June 30, 2015 and there is no impact on capital surplus for the period ended June 30, 2015.

Consolidated Quarterly Balance Sheets

(In millions of yen, millions of U.S.dollars)

	March 31, 2015	**June 30, 2015**	**June 30, 2015**
Current assets	JPY 1,576,785	**JPY 1,400,799**	**$ 11,482**
Cash and deposits	159,764	**182,008**	**1,492**
Notes and accounts receivable-trade	928,367	**657,449**	**5,389**
Short-term investment securities	23,340	**41,113**	**337**
Merchandise and finished goods	88,301	**105,340**	**863**
Work in process	101,989	**129,625**	**1,063**
Raw materials and supplies	50,856	**55,867**	**458**
Deferred tax assets	65,351	**66,845**	**548**
Other	163,968	**169,548**	**1,389**
Allowance for doubtful accounts	(5,151)	**(6,996)**	**(57)**
Noncurrent assets	1,043,867	**1,047,644**	**8,587**
Property, plant and equipment	338,115	**331,756**	**2,719**
Buildings and structures, net	172,177	**172,324**	**1,412**
Machinery and equipment, net	20,189	**19,422**	**159**
Tools, furniture and fixtures, net	67,643	**67,400**	**552**
Land	57,787	**57,690**	**473**
Construction in progress	20,319	**14,920**	**123**
Intangible assets	188,409	**185,725**	**1,522**
Goodwill	66,985	**64,449**	**528**
Software	94,194	**94,249**	**773**
Other	27,230	**27,027**	**221**
Investments and other assets	517,343	**530,163**	**4,346**
Investment securities	157,078	**170,106**	**1,394**
Stocks of subsidiaries and affiliates	90,153	**95,697**	**784**
Long-term loans receivable	39,424	**39,400**	**323**
Deferred tax assets	85,114	**78,561**	**644**
Net defined benefit asset	74,622	**76,730**	**629**
Other	75,452	**74,165**	**609**
Allowance for doubtful accounts	(4,500)	**(4,496)**	**(37)**
Total assets	JPY 2,620,652	**JPY 2,448,443**	**$ 20,069**

Note:

U.S. dollar amounts are translated from yen, for convenience of the reader, at the rate of ¥122 = U.S.$1 .

Consolidated Quarterly Balance Sheets (Continued)

(In millions of yen, millions of U.S.dollars)

	March 31, 2015	**June 30, 2015**	**June 30, 2015**
Current liabilities	JPY 1,069,548	**JPY 918,258**	**$ 7,526**
Notes and accounts payable-trade	466,677	**390,119**	**3,198**
Short-term loans payable	28,988	**40,759**	**334**
Current portion of long-term loans payable	14,407	**14,320**	**117**
Current portion of bonds payable	90,000	**60,000**	**492**
Accrued expenses	169,070	**122,959**	**1,008**
Advances received	122,714	**139,784**	**1,146**
Provision for product warranties	17,031	**16,763**	**137**
Provision for directors' bonuses	331	**140**	**1**
Provision for loss on construction contracts and others	5,596	**4,505**	**37**
Provision for business structure improvement	8,627	**6,947**	**57**
Provision for contingent loss	13,526	**13,540**	**111**
Other	132,581	**108,422**	**888**
Noncurrent liabilities	666,912	**656,567**	**5,382**
Bonds payable	50,000	**40,000**	**328**
Long-term loans payable	332,404	**332,165**	**2,723**
Deferred tax liabilities	2,410	**2,558**	**21**
Provision for product warranties	2,943	**2,986**	**24**
Provision for loss on repurchase of computers	6,445	**5,542**	**45**
Provision for business structure improvement	5,867	**5,418**	**44**
Provision for contingent loss	5,480	**5,524**	**45**
Net defined benefit liability	228,686	**230,083**	**1,886**
Other	32,677	**32,291**	**266**
Total liabilities	1,736,460	**1,574,825**	**12,908**
Shareholders' equity	749,889	**729,459**	**5,980**
Capital stock	397,199	**397,199**	**3,256**
Capital surplus	148,694	**148,694**	**1,219**
Retained earnings	207,021	**186,609**	**1,530**
Treasury stock	(3,025)	**(3,043)**	**(25)**
Accumulated other comprehensive income	73,761	**84,716**	**694**
Valuation difference on available-for-sale securities	47,385	**56,309**	**462**
Deferred gains or losses on hedges	(271)	**(548)**	**(5)**
Foreign currency translation adjustments	12,795	**14,617**	**119**
Remeasurements of defined benefit plans	13,852	**14,338**	**118**
Non-controlling interests	60,542	**59,443**	**487**
Total net assets	884,192	**873,618**	**7,161**
Total liabilities and net assets	JPY 2,620,652	**JPY 2,448,443**	**$ 20,069**

Consolidated Quarterly Statements of Operations and Consolidated Quarterly Statements of Comprehensive Income

Consolidated Quarterly Statements of Operations

(In millions of yen, millions of U.S. dollars)

Three months ended June 30	2014	**2015**	**2015**
Net sales	JPY 598,701	**JPY 586,591**	**$ 4,808**
Cost of sales	422,458	**412,258**	**3,379**
Gross profit	176,243	**174,333**	**1,429**
Selling, general and administrative expenses	183,302	**184,407**	**1,512**
Operating loss	(7,059)	**(10,074)**	**(83)**
Non-operating income	7,381	**7,668**	**63**
Interest income	425	**441**	**4**
Dividends income	1,538	**1,740**	**14**
Equity in earnings of affiliates	1,541	**2,707**	**22**
Foreign exchange gains	-	**1,311**	**11**
Other	3,877	**1,469**	**12**
Non-operating expenses	10,313	**5,314**	**43**
Interest expenses	2,475	**2,378**	**19**
Retirement benefit expenses	2,815	**-**	**-**
Foreign exchange losses	2,535	**-**	**-**
Other	2,488	**2,936**	**24**
Ordinary loss	(9,991)	**(7,720)**	**(63)**
Extraordinary income	179	**268**	**2**
Gain on sales of investment securities	179	**241**	**2**
Gain on sales of noncurrent assets	-	**27**	**0**
Extraordinary loss	803	**127**	**1**
Impairment loss	352	**101**	**1**
Loss on valuation of investment securities	15	**26**	**0**
Business structure improvement expenses	436	**-**	**-**
Loss before income taxes	(10,615)	**(7,579)**	**(62)**
Income taxes	(404)	**2,507**	**21**
Profit (loss)	(10,211)	**(10,086)**	**(83)**
Profit (loss) attributable to non-controlling interests	(111)	**(70)**	**(1)**
Profit (loss) attributable to owners of the parent	(JPY 10,100)	**(JPY 10,016)**	**($ 82)**

Consolidated Quarterly Statements of Operations and Consolidated Quarterly Statements of Comprehensive Income (Continued)

Consolidated Quarterly Statements of Comprehensive Income

(In millions of yen, millions of U.S. dollars)

Three months ended June 30	2014	**2015**	**2015**
Profit (loss)	(JPY 10,211)	**(JPY 10,086)**	**($ 83)**
Other comprehensive income	5,247	**10,973**	**90**
Valuation difference on available-for-sale securities	1,844	**8,970**	**74**
Deferred gains or losses on hedges	622	**55**	**0**
Foreign currency translation adjustments	(1,299)	**1,545**	**13**
Remeasurements of defined benefit plans	4,288	**330**	**3**
Share of other comprehensive income of associates accounted for using equity method	(208)	**73**	**0**
Comprehensive income	(JPY 4,964)	**JPY 887**	**$ 7**
Breakdown:			
Comprehensive income attributable to owners of the parent	(JPY 5,739)	**JPY 939**	**$ 7**
Comprehensive income attributable to non-controlling interests	775	**(52)**	**(0)**

Condensed Consolidated Quarterly Statements of Cash Flows

(In millions of yen, millions of U.S. dollars)

Three months ended June 30	2014	2015	2015
Ⅰ. Cash flows from operating activities:			
Loss before income taxes	(JPY 10,615)	**(JPY 7,579)**	**($ 62)**
Depreciation and amortization	19,770	**19,515**	**160**
Equity in earnings of affiliates	(1,541)	**(2,707)**	**(22)**
Decrease in notes and accounts receivable-trade	217,695	**278,209**	**2,280**
Increase in inventories	(60,251)	**(48,070)**	**(394)**
Decrease in notes and accounts payable-trade	(62,139)	**(77,642)**	**(636)**
Income taxes paid	(14,287)	**(12,901)**	**(106)**
Others, net	(9,050)	**(56,281)**	**(461)**
Net cash provided by operating activities	79,582	**92,544**	**759**
Ⅱ. Cash flows from investing activities:			
Net proceeds from (payments of) acquisitions and sales of property, plant and equipment	(14,154)	**(7,249)**	**(59)**
Purchase of intangible assets	(1,611)	**(2,289)**	**(19)**
Net proceeds from (payments of) purchases and sales of securities	(10,319)	**(3,212)**	**(26)**
Others, net	(156)	**1,138**	**9**
Net cash used in investing activities	(26,240)	**(11,612)**	**(95)**
Ⅲ. Cash flows from financing activities:			
Net proceeds from (payments of) bonds and borrowings	(21,292)	**(30,553)**	**(250)**
Cash dividends paid	(9,903)	**(9,997)**	**(82)**
Others, net	(1,610)	**(1,163)**	**(10)**
Net cash used in financing activities	(32,805)	**(41,713)**	**(342)**
Ⅳ. Effect of exchange rate changes on cash and cash equivalents	(797)	**807**	**6**
Ⅴ. Net increase in cash and cash equivalents	19,740	**40,026**	**328**
Ⅵ. Cash and cash equivalents at beginning of period	206,637	**181,132**	**1,485**
Ⅶ. Cash and cash equivalents at end of period	JPY 226,377	**JPY 221,158**	**$ 1,813**

Segment Information

[Segment information]

Information about sales and segment income (loss) by reportable segment

Three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)

(In millions of yen)

	Reportable Segments					Others	Adjustment	Consoli-dated total
	Public	Enterprise	Telecom Carrier	System Platform	Total			
Sales								
1. Sales to customers	146,400	54,397	151,004	166,926	518,727	79,974	-	598,701
2. Intersegment Sales and transfers	8,251	1,115	4,894	15,708	29,968	7,396	(37,364)	-
Total sales	154,651	55,512	155,898	182,634	548,695	87,370	(37,364)	598,701
Segment income (loss) (Operating income (loss))	1,601	(1,777)	4,333	2,548	6,705	(4,879)	(8,885)	(7,059)

Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)

(In millions of yen)

	Reportable Segments					Others	Adjustment	Consoli-dated total
	Public	Enterprise	Telecom Carrier	System Platform	Total			
Sales								
1. Sales to customers	145,467	68,253	142,582	160,216	516,518	70,073	-	586,591
2. Intersegment Sales and transfers	7,874	1,482	5,485	16,903	31,744	3,582	(35,326)	-
Total sales	153,341	69,735	148,067	177,119	548,262	73,655	(35,326)	586,591
Segment income (loss) (Operating income (loss))	(536)	2,790	(3,308)	4,876	3,822	(6,951)	(6,945)	(10,074)

Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)

(In millions of U.S. dollars)

	Reportable Segments					Others	Adjustment	Consoli-dated total
	Public	Enterprise	Telecom Carrier	System Platform	Total			
Sales								
1. Sales to customers	1,192	560	1,169	1,313	4,234	574	-	4,808
2. Intersegment Sales and transfers	65	12	44	139	260	30	(290)	-
Total sales	1,257	572	1,213	1,452	4,494	604	(290)	4,808
Segment income (loss) (Operating income (loss))	(4)	22	(27)	40	31	(57)	(57)	(83)

Notes:

1. "Others" for the three months ended June 30, 2014 represents businesses such as Smart Energy (Electrodes/Energy Storage System, Solutions for Utilities, etc.), Mobile Phones , which are not included in reportable segments. "Others" for the three months ended June 30, 2015 represents businesses such as Smart Energy (Electrodes/Energy Storage System, Solutions for Utilities, etc.) and Mobile Phones, which are not included in reportable segments.
2. "Adjustment" of segment income (loss) for the three months ended June 30, 2014 includes corporate expenses of (8,860) million yen and noncurrent assets related adjustment of 304 million yen, unallocated to each reportable segment. "Adjustment" of segment income (loss) for the three months ended June 30, 2015 includes corporate expenses of (6,917) million yen ((57) million U.S. dollars) and noncurrent assets related adjustment of 910 million yen (7 million U.S. dollars), unallocated to each reportable segment. The corporate expenses, unallocated to each reportable segment, are mainly general and administrative expenses incurred at headquarters of NEC, and research and development expenses.

Segment Information(Continued)

[Related information]

Information about geographic areas

Sales

Three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)

(In millions of yen)

Japan	The Americas	Greater China, APAC	EMEA	Total
473,377	44,031	52,597	28,696	598,701

Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)

(In millions of yen)

Japan	The Americas	Greater China, APAC	EMEA	Total
450,963	**52,276**	**57,037**	**26,315**	**586,591**

Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)

(In millions of U.S. dollars)

Japan	The Americas	Greater China, APAC	EMEA	Total
3,696	**428**	**468**	**216**	**4,808**

Notes:

1. Sales are classified into country or region based on the locations of customers.
2. Major regions in segments other than Japan:
   (1)The Americas: North America and Latin America
   (2)Greater China, APAC: Greater China and Asia Pacific (Asia, Oceania)
   (3)EMEA: Europe, Middle East and Africa

Subsequent Event

NEC Corporation issued 47th and 48th series of Unsecured Straight Bonds on July 17, 2015.

1. 47th Series Unsecured Straight Bonds

(1)	Aggregate nominal amount	30 billion yen
(2)	Issue price	100 % of the principal amount
(3)	Coupon rate (per annum)	0.412%
(4)	Payment date	July 17, 2015
(5)	Redemption on maturity	July 17, 2020
(6)	Redemption price	100 % of the principal amount
(7)	Use of proceeds	A part of redemption of straight bonds
(8)	Financial covenants	Negative pledge clause (with inter-bond pari passu clause) attached

2. 48th Series Unsecured Straight Bonds

(1)	Aggregate nominal amount	20 billion yen
(2)	Issue price	100 % of the principal amount
(3)	Coupon rate (per annum)	0.658%
(4)	Payment date	July 17, 2015
(5)	Redemption on maturity	July 15, 2022
(6)	Redemption price	100 % of the principal amount
(7)	Use of proceeds	A part of redemption of straight bonds
(8)	Financial covenants	Negative pledge clause (with inter-bond pari passu clause) attached

CAUTIONARY STATEMENTS:

This material contains forward-looking statements pertaining to strategies, financial targets, technology, products and services, and business performance of NEC Corporation and its consolidated subsidiaries (collectively "NEC"). Written forward-looking statements may appear in other documents that NEC files with stock exchanges or regulatory authorities, such as the Director of the Kanto Finance Bureau, and in reports to shareholders and other communications. NEC is relying on certain safe-harbors for forward-looking statements in making these disclosures. Some of the forward-looking statements can be identified by the use of forward-looking words such as "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates," "targets," "aims," or "anticipates," or the negative of those words, or other comparable words or phrases. You can also identify forward-looking statements by discussions of strategy, beliefs, plans, targets, or intentions. Forward-looking statements necessarily depend on currently available assumptions, data, or methods that may be incorrect or imprecise and NEC may not be able to realize the results expected by them.

You should not place undue reliance on forward-looking statements, which reflect NEC's analysis and expectations only. Forward-looking statements are not guarantees of future performance and involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. Among the factors that could cause actual results to differ materially from such statements include (i) global economic conditions and general economic conditions in NEC's markets, (ii) fluctuating demand for, and competitive pricing pressure on, NEC's products and services, (iii) NEC's ability to continue to win acceptance of NEC's products and services in highly competitive markets, (iv) NEC's ability to expand into foreign markets, such as China, (v) regulatory change and uncertainty and potential legal liability relating to NEC's business and operations, (vi) NEC's ability to restructure, or otherwise adjust, its operations to reflect changing market conditions, (vii) movement of currency exchange rates, particularly the rate between the yen and the U.S. dollar, (viii) the impact of unfavorable conditions or developments, including share price declines, in the equity markets which may result in losses from devaluation of listed securities held by NEC, and (ix) impact of any regulatory action or legal proceeding against NEC. Any forward-looking statements speak only as of the date on which they are made. 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 NEC. NEC does not undertake any obligation to update or revise any of the forward-looking statements, whether as a result of new information, future events, or otherwise.

The management targets included in this material are not projections, and do not represent management's current estimates of future performance. Rather, they represent targets that management will strive to achieve through the successful implementation of NEC's business strategies.

Finally, NEC cautions you that the statements made in this material are not an offer of securities for sale. Securities may not be offered or sold in any jurisdiction in which required registration is absent or an exemption from registration under the applicable securities laws is not granted.

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