

***NEC to Revise Reportable Segments***

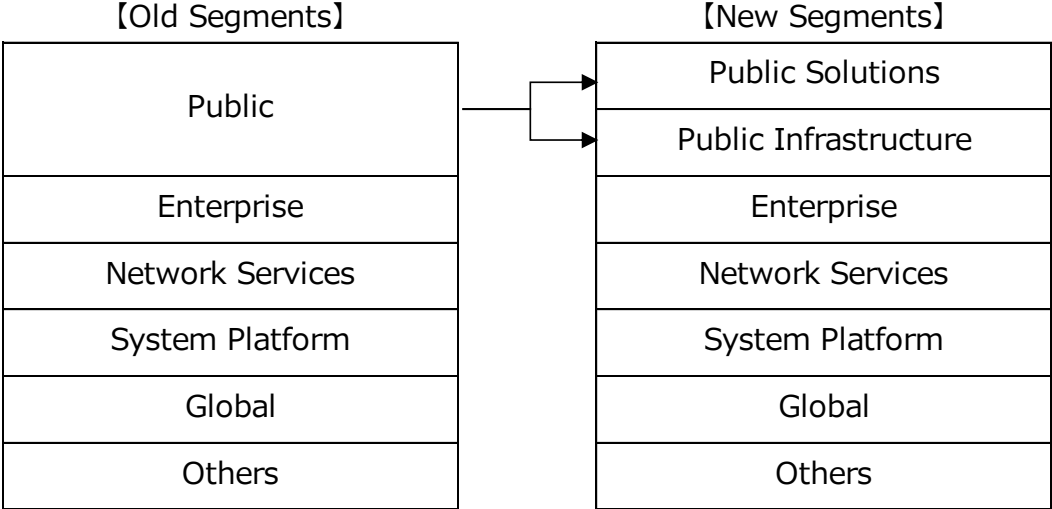
**Tokyo, March 18, 2020** – NEC Corporation (NEC; TSE: 6701) is making the following revisions to its reportable segments in order to enhance information disclosure. Starting from the consolidated financial results for the fiscal year ending March 31, 2020, NEC will announce operating results using the revised reportable segments. On March 17, 2020 (U.S. Eastern Standard Time), NEC filed a registration statement on Form 20-F for NEC’s common stock with the Securities and Exchange Commission in the United States. This statement also discloses NEC’s operating results using the revised reportable segments. For additional details, please refer to “NEC Files Registration Statement on Form 20-F with Securities and Exchange Commission in United States” announced today.

Please also refer to the below sections for more details: “New Reportable Segment Overview,” “Revenue and Segment Profit/Loss (Adjusted Operating Profit/Loss (\*)) by New Reportable Segment.”

Primary revisions

NEC’s “Public Solutions Business” which is responsible for business involving regional sales functions and regional government entities in Japan, and its “Public Infrastructure Business” which is in charge of business involving government organizations and enterprises supporting national and social infrastructure, have been consolidated into the “Public Business” segment because their economic characteristics, products and services are generally similar. NEC will now split each business unit into separate reportable segments, the “Public Solutions Business” segment and the “Public Infrastructure Business” segment.

Comparison of old and new reportable segments



(\*) "Adjusted Operating Profit /Loss" is an indicator for measuring the underlying profitability in order to clarify the contribution of acquired companies to NEC's overall earnings. It is calculated by deducting amortization of intangible assets recognized as a result of M&A and expenses for acquisition of companies (financial advisory fees, etc.) from operating profit and loss.

New Reportable Segment Overview

Segment	Main Customers / Major Products and Services	Organization
Public Solutions	<For Public, Healthcare, Regional Industries> Systems Integration (Systems Implementation, Consulting), Maintenance and Support, Outsourcing / Cloud Services, and System Equipment	Public Solutions Business Unit
Public Infrastructure	<For Government, Media> Systems Integration (Systems Implementation, Consulting), Maintenance and Support, Outsourcing / Cloud Services, and System Equipment	Public Infrastructure Business Unit
Enterprise	<For Manufacturing, Retail and Services, Finance> Systems Integration (Systems Implementation, Consulting), Maintenance and Support, and Outsourcing / Cloud Services	Enterprise Business Unit
Network Services	Network Infrastructure (Core Network, Mobile Phone Base Stations, Optical Transmission Systems, Routers / Switches), Systems Integration (Systems Implementation, Consulting), Services & Management (OSS*1/BSS*2, Service Solutions) , and Enterprise Network Solutions (IP Telephony Systems, WAN / Wireless Access Equipment, LAN Products)	Network Services Business Unit
System Platform	Hardware (Servers, Mainframes, Supercomputers, Storage, Business PCs, POS, ATMs, Control Equipment, Wireless LAN Routers), Software (Integrated Operation Management, Application Servers, Database Software), and Maintenance and Support	System Platform Business Unit
Global	Safety (Biometric Solutions, Surveillance and others), Software Services for Service Providers (OSS/BSS, SDN*3/NFV*4), Network Infrastructure (Submarine Systems, Mobile Backhaul), System Devices (Displays, Projectors), and Energy Storage System	Global Business Unit

\*1 OSS: Operation Support System

\*2 BSS : Business Support System

\*3 SDN: Software-Defined Networking

\*4 NFV : Network Functions Virtualization

Revenue and Segment Profit/Loss (Adjusted Operating Profit/Loss) by New Reportable Segment  
(Fiscal Year ended March 31, 2017 to Fiscal Year ending March 31, 2020)

(1) Revenue by segment (revenue from customers) Billions of yen

Segment	Fiscal year ended March 31,2017	Fiscal year ended March 31,2018	Fiscal year ended March 31,2019	Fiscal year ending March 31,2020
	Actual	Actual	Actual	Forecasts
Public Solutions	291.8	268.3	286.2	285.0
Public Infrastructure	431.0	624.8	621.9	610.0
Enterprise	408.6	405.2	431.8	430.0
Network Services	452.3	442.5	460.3	455.0
System Platform	514.2	488.6	500.2	480.0
Global	398.2	420.5	409.4	550.0
Others	169.0	194.6	203.7	140.0
Total	2,665.0	2,844.4	2,913.4	2,950.0

(2) Segment profit/loss (Adjusted operating profit/loss) by segment Billions of yen

Segment	Fiscal year ended March 31,2017	Fiscal year ended March 31,2018	Fiscal year ended March 31,2019	Fiscal year ending March 31,2020
	Actual	Actual	Actual	Forecasts
Public Solutions	1.7	4.4	7.2	15.0
Public Infrastructure	26.3	50.6	45.4	54.0
Enterprise	39.7	36.2	35.8	39.0
Network Services	42.3	22.9	20.7	30.0
System Platform	29.5	29.3	20.1	38.0
Global	△ 34.5	△ 24.0	△ 22.5	17.0
Others	△ 3.5	△ 3.1	19.0	5.0
Adjustment	△ 54.7	△ 43.8	△ 55.7	△ 73.0
Total	46.9	72.5	69.9	125.0

※ Forecasts by segment as of March 18, 2020

Revenue and Segment Profit/Loss (Adjusted Operating Profit/Loss)  
by New Reportable Segment (Fiscal Year ended March 31, 2018)

(1) Revenue by segment (revenue from customers)

Billions of yen

Segment		Fiscal year ended March 31, 2018			
		Q1	Q2	Q3	Q4
	Public Solutions	48.1	66.3	59.4	94.5
	Public Infrastructure	123.1	149.3	153.6	198.9
	Enterprise	87.0	103.1	98.6	116.6
	Network Services	90.4	109.9	105.2	136.9
	System Platform	101.6	125.5	120.1	141.5
	Global	88.6	106.9	99.6	125.3
	Others	43.7	44.6	46.8	59.4
	Total	582.5	705.6	683.3	873.2

(2) Segment profit/loss (Adjusted operating profit/loss) by segment

Billions of yen

Segment		Fiscal year ended March 31, 2018			
		Q1	Q2	Q3	Q4
	Public Solutions	△4.9	1.8	△1.9	9.4
	Public Infrastructure	4.7	14.1	8.1	23.8
	Enterprise	5.1	11.0	9.5	10.7
	Network Services	0.1	7.1	4.3	11.5
	System Platform	△1.1	7.5	8.8	14.0
	Global	△6.9	△3.2	△4.7	△9.1
	Others	△2.5	0.6	△3.6	2.5
	Adjustment	△7.2	△15.4	△11.7	△9.5
	Total	△12.8	23.4	8.7	53.2

Revenue and Segment Profit/Loss (Adjusted Operating Profit/Loss)  
by New Reportable Segment (Fiscal Year ended March 31, 2019)

(1) Revenue by segment (revenue from customers)

Billions of yen

Segment	Fiscal year ended March 31, 2019			
	Q1	Q2	Q3	Q4
Public Solutions	48.6	66.6	62.3	108.6
Public Infrastructure	137.2	148.1	156.5	180.1
Enterprise	95.4	114.7	105.2	116.4
Network Services	89.7	113.4	105.8	151.4
System Platform	100.3	125.8	120.7	153.4
Global	89.8	107.7	99.8	112.1
Others	52.0	47.1	47.9	56.7
Total	613.0	723.5	698.2	878.8

(2) Segment profit/loss (Adjusted operating profit/loss) by segment

Billions of yen

Segment	Fiscal year ended March 31, 2019			
	Q1	Q2	Q3	Q4
Public Solutions	△3.5	1.0	0.5	9.2
Public Infrastructure	6.5	8.8	14.9	15.1
Enterprise	3.8	12.2	9.6	10.2
Network Services	△2.4	7.4	4.8	10.9
System Platform	△2.7	7.7	△0.2	15.2
Global	△6.8	4.0	△3.4	△16.4
Others	3.0	2.1	0.4	13.5
Adjustment	△6.1	△16.3	△21.3	△12.0
Total	△8.3	26.9	5.4	45.9

Revenue and Segment Profit/Loss (Adjusted Operating Profit/Loss)  
by New Reportable Segment (Fiscal Year ended March 31, 2020)

(1) Revenue by segment (revenue from customers) Billions of yen

Segment	Fiscal year ended March 31,2020		
	Q1	Q2	Q3
Public Solutions	55.3	79.4	70.6
Public Infrastructure	125.0	158.4	155.5
Enterprise	114.3	120.6	104.7
Network Services	100.1	125.5	115.9
System Platform	114.3	149.5	125.5
Global	114.2	129.3	123.1
Others	30.6	32.5	31.5
Total	653.9	795.1	726.6

(2) Segment profit/loss (Adjusted operating profit/loss) by segment Billions of yen

Segment	Fiscal year ended March 31,2020		
	Q1	Q2	Q3
Public Solutions	△1.7	5.4	4.5
Public Infrastructure	6.8	15.7	16.7
Enterprise	6.7	10.8	9.8
Network Services	1.2	10.3	6.6
System Platform	4.7	16.1	11.5
Global	△0.7	1.6	0.3
Others	2.7	3.8	2.1
Adjustment	△12.1	△16.0	△16.2
Total	7.6	47.8	35.3

## **Cautionary Statement with Respect to Forward-Looking Statements**

This material contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of the NEC Group (the "forward-looking statements"). The forward-looking statements are made based on information currently available to NEC and certain assumptions considered reasonable as of the date of this material. These determinations and assumptions are inherently subjective and uncertain. These forward-looking statements are not guarantees of future performance, and actual operating results may differ substantially due to a number of factors.

The factors that may influence the operating results include, but are not limited to, the following:

- adverse economic conditions in Japan or internationally;
- foreign currency exchange and interest rate risks;
- changes in the markets in which we operate;
- potential inability to achieve the goals in our medium-term management plan;
- fluctuations in our revenue and profitability from period to period;
- difficulty achieving the benefits expected from acquisitions, business combinations and reorganizations;
- potential deterioration in our relationships with strategic partners or problems relating to their products or services;
- difficulty achieving our growth strategies outside Japan;
- potential inability to keep pace with rapid technological advancements in our industry and to commercialize new technologies;
- intense competition in the markets in which we operate;
- risks relating to our concentrated customer base;
- difficulties with respect to new businesses;
- potential failures in the products and services we provide;
- potential failure to procure components, equipment or other supplies;
- difficulties protecting our intellectual property rights;
- potential inability to obtain certain intellectual property licenses;
- our customers may encounter financial difficulties;



- difficulty attracting, hiring and retaining skilled personnel;
- difficulty obtaining additional financing to meet our 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 our 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.

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