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Financial Results for Q1
Fiscal Year Ending March 31, 2026

July 29, 2025

NEC Corporation
(https://www.nec.com/en/global/ir/)

Index

* Net profit refers to net profit attributable to owners of the parent for the same period.
* As stated in the July 18, 2025 announcement, "NEC Revises Segments", NEC has revised its operating segments from Q1, FY26/3.
  Figures for the corresponding period of FY24/3 or FY25/3 have been restated to conform with the new segments.

I. Financial Results for Q1, FY26/3

Key Takeaways for Financial Results for Q1, FY26/3

Revenue	Non-GAAP OP
715.7 bil	**40.0 bil**
<YoY> +3.7%	<YoY> +23.7 bil

- **Non-GAAP OP significantly increased by 2.5 times YoY**
- **Domestic IT services benefited from measures to enhance profitability such as BluStellar**
- **Order intake for the Domestic IT services business remained high**

Summary of Financial Results for Q1, FY26/3

(Billions of Yen)		FY25/3 Results	FY26/3 Results	YoY
Revenue		690.3	**715.7**	+3.7%
Adjusted OP		12.7	**41.7**	+29.0
% of Revenue		1.8%	**5.8%**	+4.0%
Non-GAAP OP		16.3	**40.0**	+23.7
% of Revenue		2.4%	**5.6%**	+3.2%
Non-GAAP Net Profit		10.5	**22.3**	+11.8
% of Revenue		1.5%	**3.1%**	+1.6%
Non-GAAP EPS (yen) *		8	**17**	+9
EBITDA **		46.3	**69.9**	+23.6
% of Revenue		6.7%	**9.8%**	+3.1%
Note :	**USD/JPY**	153.15	**146.16**	
Average Exchange Rates (Yen)	**EUR/JPY**	165.45	**162.02**	

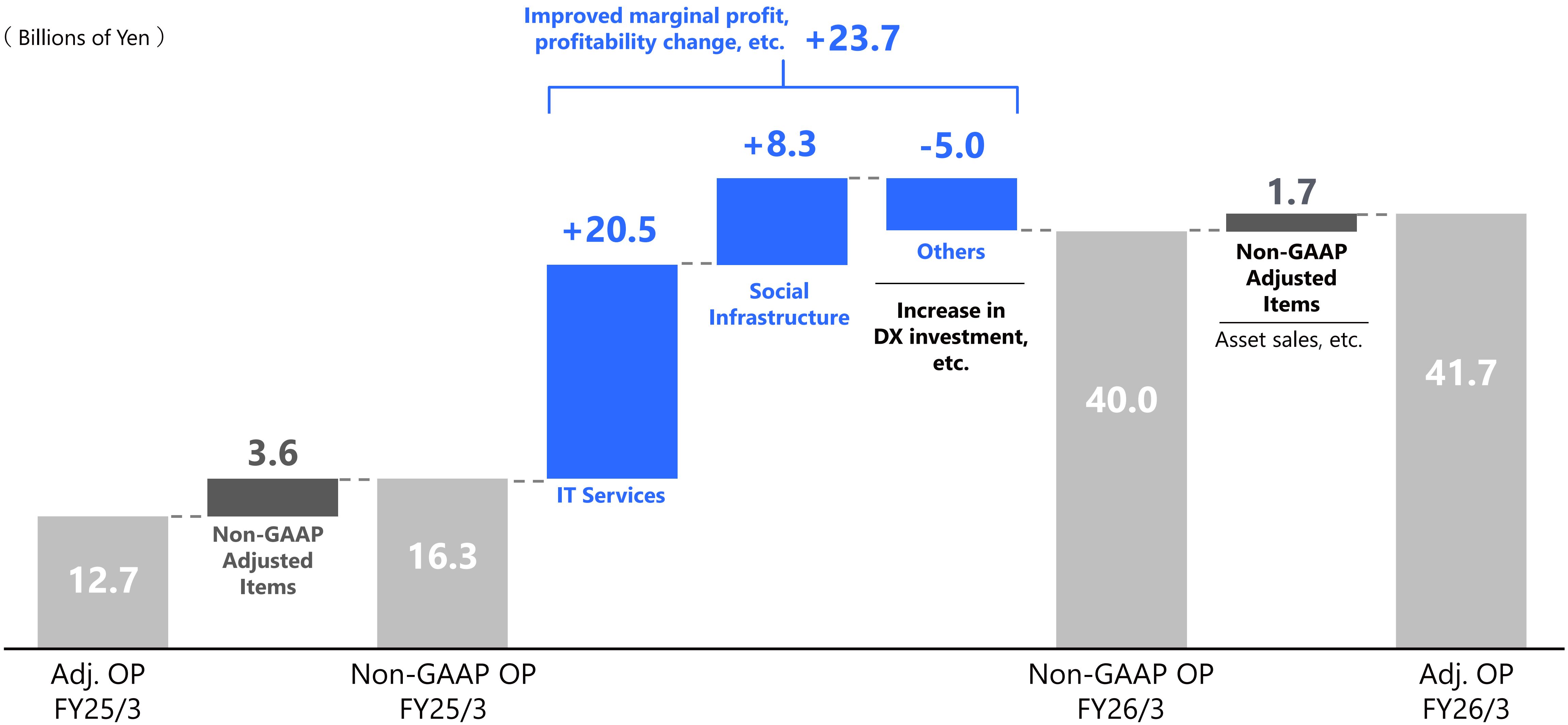
(Billions of Yen)		FY25/3 Results	FY26/3 Results	YoY
IT Services	**Revenue**	501.8	**514.7**	+2.6%
	Adj. OP	11.6	**36.7**	+25.0
	% of revenue	2.3%	**7.1%**	+4.8%
Social Infrastructure	**Revenue**	157.6	**172.8**	+9.6%
	Adj. OP	1.5	**9.8**	+8.3
	% of revenue	1.0%	**5.7%**	+4.7%
Others	**Revenue**	30.8	**28.2**	-8.7%
	Adj. OP	1.2	**-0.5**	- 1.7
	% of revenue	3.9%	**-1.7%**	-5.6%
Adjustments	**Adj. OP**	-1.7	**-4.3**	- 2.6
Total	**Revenue**	690.3	**715.7**	+3.7%
	Adj. OP	12.7	**41.7**	+29.0
	% of revenue	1.8%	**5.8%**	+4.0%

* Non-GAAP EPS have been calculated assuming that the share split had occurred at the beginning of FY25/3.

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

Non-GAAP adjustment items are shown on pages 21 and 22

YoY Change in Adjusted/Non-GAAP Operating Profit



Non-GAAP adjustment items are shown on pages 21 and 22

IT Services

Domestic:

- Revenue increase led by a significant increase in orders in FY25/3 for the Public business
- OP increase due to cost improvement as well as revenue growth and profitability enhancement measures such as BluStellar

International (DGDF):

- OP increased due to the reversal impact from restructuring expenses in FY25/3, despite a revenue decrease from KMD resulting from the termination of low profit businesses

(Billions of Yen)		FY24/3 Results	FY25/3 Results	FY26/3 Results	YoY
Domestic IT	Revenue	393.6	422.7	439.3	+3.9%
	Adj. OP	6.6	7.5	30.1	+22.6
	% of revenue	1.7%	1.8%	6.9%	+5.1%
International (DGDF)*	Revenue	65.5	79.1	75.4	-4.7%
	Adj. OP	1.0	4.1	6.5	+2.4
	% of revenue	1.5%	5.2%	8.7%	+3.5%
IT Services	Revenue	459.1	501.8	514.7	+2.6%
	Adj. OP	7.6	11.6	36.7	+25.0
	% of Revenue	1.7%	2.3%	7.1%	+4.8%

* Breakdown figures in each segment is for reference only

* Digital Government / Digital Finance

Domestic IT Services

BluStellar contributed to an increase in revenue/OP for Domestic IT

(Billions of Yen)		FY24/3 Results	FY25/3 Results	FY26/3 Results	YoY
Domestic IT	Revenue	393.6	422.7	439.3	+3.9%
	Adj. OP	6.6	7.5	30.1	+22.6
	% of Revenue	1.7%	1.8%	6.9%	+5.1%
BluStellar	Revenue	58.3	109.2	124.9	+14.4%
	Adj. OP	0.5	9.8	13.9	+4.1
	% of Revenue	0.8%	8.9%	11.1%	+2.1%
Base Business	Revenue	335.3	313.5	314.4	+0.3%
	Adj. OP	6.2	-2.2	16.3	+18.5
	% of Revenue	1.8%	-0.7%	5.2%	+5.9%
Ratio of BluStellar Revenue		15%	26%	28%	

Domestic IT Services Booking Status (YoY)

Robust DX demand for modernization continued

	Q1 FY25/3	Q2 FY25/3	Q3 FY25/3	Q4 FY25/3	Q1 FY26/3	Notes
Domestic IT Services	+12%	+19%	+8%	+4%	-3%	
Public	+26%	+44%	+38%	-3%	+7%	Steady demand for the standardization of municipal government platforms, firefighting and disaster prevention
Enterprise	+3%	+2%	-10%	+7%	-11%	Same level as Q1 FY25/3, excluding the impact of large projects
Finance	-6%	-10%	-22%	+5%	-7%	
Manufacturing	+14%	+12%	+14%	+3%	-2%	
Retail / Services	+10%	+15%	-9%	+6%	-19%	
Subsidiaries, etc.	+7%	+12%	±0%	+5%	-7%	Impact from restructuring as well as the transfer of sales functions for corporate PCs
ABeam Consulting	+19%	+14%	+10%	+12%	+14%	

* Figures for FY25/3 are for reference only

Social Infrastructure

Telecom Services: OP increased due to development cost reductions and robust demand in the IT domain
ANS*: Both revenue and OP increased due to steady project deliveries, despite investment increases

(Billions of Yen)		FY24/3 Results	FY25/3 Results	FY26/3 Results	YoY
Telecom Services	Revenue	94.0	84.6	84.2	-0.4%
	Adj. OP	-9.4	0.9	6.8	+5.9
	% of revenue	-10.0%	1.1%	8.0%	+7.0%
Aerospace/ Defense	Revenue	43.8	55.6	73.5	+32.2%
	Adj. OP	-0.5	2.9	4.5	+1.6
	% of revenue	-1.2%	5.2%	6.1%	+0.9%
ANS	Revenue	66.6	73.1	88.6	+21.3%
	Adj. OP	1.4	0.6	3.0	+2.4
	% of revenue	2.1%	0.8%	3.4%	+2.6%
Social Infrastructure	Revenue	160.7	157.6	172.8	+9.6%
	Adj. OP	-8.0	1.5	9.8	+8.3
	% of revenue	-5.0%	1.0%	5.7%	+4.7%

* Aerospace and National Security

* Breakdown figures in each segment is for reference only

II. Financial Forecasts for FY26/3

FY25/3 Financial Forecasts

No changes to FY26/3 forecasts from April 28, 2025

(Billions of Yen)	FY22/3 Results	FY23/3 Results	FY24/3 Results	FY25/3 Results	FY26/3 Forecasts	YoY
Revenue	3,014.1	3,313.0	3,477.3	3,423.4	3,360.0	-1.9%
Adjusted Operating Profit	171.0	205.5	223.6	287.2	310.0	+22.8
% of revenue	5.7%	6.2%	6.4%	8.4%	9.2%	+0.8%
Non-GAAP Operating Profit	160.3	197.0	227.6	311.3	320.0	+8.7
% of revenue	5.3%	5.9%	6.5%	9.1%	9.5%	+0.4%
Non-GAAP Net Profit	159.5	132.8	177.8	225.7	230.0	+4.3
% of revenue	5.3%	4.0%	5.1%	6.6%	6.8%	+0.3%
EBITDA *	304.0	347.8	379.5	441.6	445.0	+3.4
% of revenue	10.1%	10.5%	10.9%	12.9%	13.2%	+0.3%
ROIC	3.9%	4.7%	5.0%	6.6%	7.3%	+0.7%
Free Cash Flow	84.1	102.5	195.2	213.2	290.0	+76.8
Dividend per Share (Yen) **	20	22	24	28	32	+4

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

** Dividend per share have been calculated assuming that the share split had occurred at the beginning of FY22/3.

Financial Forecast (By Segment)

（Billions of Yen）

		FY24/3 Results	FY25/3 Results	FY26/3 Forecasts	YoY
IT Services	Revenue	2,267.8	2,459.8	2,340.0	-4.9%
	Adj. OP	185.7	251.8	301.0	+49.2
	% of revenue	8.2%	10.2%	12.9%	+2.6%
Social Infrastructure	Revenue	812.8	832.1	885.0	+6.4%
	Adj. OP	32.9	60.5	69.0	+8.5
	% of revenue	4.0%	7.3%	7.8%	+0.5%
Others	Revenue	396.7	131.5	135.0	+2.7%
	Adj. OP	23.9	-3.0	-8.0	- 5.0
	% of revenue	6.0%	-2.3%	-5.9%	-3.7%
Adjustments	Adjusted Operating Profit	-18.9	-22.1	-52.0	- 29.9
Total	Revenue	3,477.3	3,423.4	3,360.0	-1.9%
	Adj. OP	223.6	287.2	310.0	+22.8
	% of revenue	6.4%	8.4%	9.2%	+0.8%

IT Services

Domestic: Adj. OP is expected to increase through continuous improvements in profitability, although revenue is expected to decrease due to the transfer of the sales functions for business PCs and termination of some subsidiary businesses

International (DGDF): Adj. OP is expected to increase due to improved profitability and the elimination of one-off expenses from FY25/3

(Billions of Yen)

		FY24/3 Results	FY25/3 Results	FY26/3 Forecasts	YoY
Domestic IT	Revenue	1,966.3	2,135.8	2,020.0	-5.4%
	Adj. OP	166.7	232.5	263.0	+30.5
	% of revenue	8.5%	10.9%	13.0%	+2.1%
International (DGDF)	Revenue	301.5	324.0	320.0	-1.2%
	Adj. OP	18.9	19.3	38.0	+18.7
	% of revenue	6.3%	6.0%	11.9%	+5.9%
IT Services	Revenue	2,267.8	2,459.8	2,340.0	-4.9%
	Adj. OP	185.7	251.8	301.0	+49.2
	% of revenue	8.2%	10.2%	12.9%	+2.6%

* Figures for FY25/3 are for your reference only

Social Infrastructure

Telecom Services: Adj. OP is expected to decrease due to a rebound from one-off factors in FY25/3

ANS: Both Adj. OP and revenue are expected to increase through steady deliveries of received orders and the elimination of one-off expenses from FY25/3 in submarine systems. Investments for aerospace and defense are being made to acquire future business opportunities

(Billions of Yen)

		FY24/3 Results	FY25/3 Results	FY26/3 Forecasts	YoY
Telecom Services	Revenue	439.9	411.8	360.0	-12.6%
	Adj. OP	2.0	50.6	35.0	+15.6
	% of revenue	0.5%	12.3%	9.7%	-2.6%
Aerospace/ Defense	Revenue	277.3	371.6	431.0	+16.0%
	Adj. OP	28.8	43.2	44.0	+0.8
	% of revenue	10.4%	11.6%	10.2%	-1.4%
ANS	Revenue	372.9	420.3	525.0	+24.9%
	Adj. OP	30.8	9.9	34.0	+24.1
	% of revenue	8.3%	2.4%	6.5%	+4.1%
Social Infrastructure	Revenue	812.8	832.1	885.0	+6.4%
	Adj. OP	32.9	60.5	69.0	+8.5
	% of revenue	4.0%	7.3%	7.8%	+0.5%

* Figures for FY25/3 are for your reference only

III. Topics

Topics on BluStellar

BluStellar

"Client Zero," NEC's experience and achievement by being a testbed for its own DX initiatives, have been highly appreciated by stakeholders (customers and business partners), leading business expansion

Ratings and Awards

- **2025 DX Brand**
- **2025 Grand Prize, MM Research Institute** (DX Support)
- **2025 Grand Prize in BtoB Marketing, Nikkei xTREND** (Branding)

Enhancing Partnerships

- **KDDI** (Cybersecurity)
- **IFS** (Manufacturing and Aviation industries, etc.)
- **Box** (AI Agent Utilization)

Project Gains from the "Scenario" Approach

- **Large Modernization** (Retail and Finance sectors, etc.)
- **Data Driven Management**
- **AI Agent**

Client Zero Initiatives

Upcoming Events

Nov. 13th Thu AM

NEC IR Day 2025

Online webinar

Planned theme:
BluStellar & National Security

Dec. 3rd Wed

NEC Innovation Day 2025

NEC Tamagawa Plant

\Orchestrating a brighter world

IV. Financial Results (Appendix)

Non-GAAP Operating Profit Adjustment Items

(Billions of Yen)		FY25/3 Results	FY26/3 Results	YoY
Operating Profit		4.5	35.4	+30.8
Adjusted Items	**M&A Related Amortization of Intangible Assets**	8.1	6.3	- 1.8
	M&A Related Expenses	-	0.0	+0.0
Adjusted Operating Profit		12.7	41.7	+29.0
Adjusted Items	**Structural Reform Expenses and Impairment Losses**	3.4	-	- 3.4
	Stock Compensation	0.2	0.5	+0.2
	Other One-time Profits/Losses (Gain/Loss on sale of land, businesses, etc.)	-	-2.2	- 2.2
Non-GAAP Operating Profit		16.3	40.0	+23.7

Non-GAAP Net Profit Adjustment Items

(Billions of Yen)		FY25/3 Results	FY26/3 Results	YoY
Net Profit		-5.8	19.3	+25.1
Adjusted Items	**M&A related Amortization of Intangible Assets and M&A related Expenses**	5.9	4.2	- 1.7
	Structural Reform Expenses and Impairment Losses	2.5	-	- 2.5
	Stock Compensation	0.2	0.3	+0.2
	Other One-time Profits/Losses (Gain/Loss on sale of land, businesses, etc.)	7.9	-1.5	- 9.4
Non-GAAP Net Profit		10.5	22.3	+11.8

Financial Position Data

(Billions of Yen)	As of March 31, 2025	As of June 30, 2025	Change from March 31, 2025
Total Assets	4,315.4	3,874.9	- 440.4
Total Equity	2,071.5	1,971.8	- 99.8
Interest-bearing Debt	666.4	513.5	- 152.9
Equity Attributable to Owners of the Parent	1,952.0	1,893.3	- 58.7
% of Equity Attributable to Owners of the Parent	45.2%	48.9%	+3.6pt
D/E Ratio (times)	0.34	0.27	+0.07pt
Net D/E Ratio (times)	0.04	-0.01	+0.05pt
Cash and Cash Equivalents	584.6	526.7	- 57.9

	FY25/3 Results	FY26/3 Results	YoY
Cash flows from operating activities	103.7	253.1	+149.3
Cash flows from investing activities	-21.7	0.1	+21.8
Free Cash flows	82.0	253.2	+171.2

V. Historical Data (Appendix)

New Segment Overview

			Main Businesses, Markets, Customers
IT Services	Domestic	Public	Central and Local Government, Healthcare, Infrastructure-DX (Fire-fighting / Disaster prevention Systems, Transportation, Media)
		Enterprise	Enterprise (Finance, Manufacturing, Retail / Services)
		Subsidiaries, etc.	Abeam Consulting, NEC Networks & System Integration Corporation, NEC Fielding, NEC Platforms, and distribution sales
	International (DGDF)		NEC Software Solutions UK, KMD, Avaloq, and Digital ID/DX abroad business
Social Infrastructure	Telecom Services		Network Infrastructure (including Global 5G) for Telecom Operators, OSS/BSS*
	ANS		Aerospace / Satellite and Defense, Submarine Systems
Others			Subsidiaries managed by Corporate HQ
Adjustments			R&D, other adjustments

* OSS: Operation Support Systems BSS: Business Support Systems

Revenue Breakdown

(Billions of Yen)	FY24/3 Results Q1	FY24/3 Results 1H	FY24/3 Results Q3	FY24/3 Results 2H	FY24/3 Results Full Year	FY25/3 Results Q1	FY25/3 Results 1H	FY25/3 Results Q3	FY25/3 Results 2H	FY25/3 Results Full Year	FY26/3 Results Q1
Public	105.3	254.3	143.6	388.5	642.9	109.5	261.6	158.4	449.4	711.1	128.7
Enterprise	132.1	269.6	140.7	305.3	574.9	143.8	294.6	145.4	306.3	600.9	141.4
Subsidiaries, etc.	156.2	336.2	185.6	412.4	748.6	169.4	366.8	204.1	457.1	823.9	169.2
Domestic	393.6	860.2	469.9	1,106.2	1,966.3	422.7	923.0	507.9	1,212.8	2,135.8	439.3
International (DGDF)	65.5	137.6	78.2	163.8	301.5	79.1	157.1	78.8	166.9	324.0	75.4
IT Services	459.1	997.8	548.1	1,270.0	2,267.8	501.8	1,080.1	586.7	1,379.7	2,459.8	514.7
Telecom Services	94.0	199.3	101.2	240.6	439.9	84.6	182.7	101.1	229.1	411.8	84.2
ANS	66.6	162.0	89.2	210.9	372.9	73.1	167.5	113.4	252.8	420.3	88.6
Social Infrastructure	160.7	361.3	190.4	451.5	812.8	157.6	350.2	214.5	481.9	832.1	172.8
Others	86.8	189.7	105.9	207.0	396.7	30.8	56.4	34.0	75.2	131.5	28.2
Total	706.5	1,548.8	844.5	1,928.5	3,477.3	690.3	1,486.7	835.1	1,936.8	3,423.4	715.7

Adjusted OP Breakdown

(Billions of Yen)

		FY24/3 Results					FY25/3 Results					FY26/3 Results
		Q1	1H	Q3	2H	Full Year	Q1	1H	Q3	2H	Full Year	Q1
Domestic	**Adjusted Operating Profit**	6.6	40.2	40.6	126.5	166.7	7.5	49.0	58.6	183.5	232.5	30.1
	% of revenue	1.7%	4.7%	8.6%	11.4%	8.5%	1.8%	5.3%	11.5%	15.1%	10.9%	6.9%
International (DGDF)	**Adjusted Operating Profit**	1.0	4.6	3.7	14.3	18.9	4.1	7.3	4.1	12.0	19.3	6.5
	% of revenue	1.5%	3.4%	4.7%	8.7%	6.3%	5.2%	4.6%	5.2%	7.2%	6.0%	8.7%
IT Services	**Adjusted Operating Profit**	7.6	44.9	44.3	140.8	185.7	11.6	56.2	62.7	195.6	251.8	36.7
	% of revenue	1.7%	4.5%	8.1%	11.1%	8.2%	2.3%	5.2%	10.7%	14.2%	10.2%	7.1%
Telecom Services	**Adjusted Operating Profit**	-9.4	-10.9	-2.8	12.9	2.0	0.9	6.3	28.1	44.2	50.6	6.8
	% of revenue	-10.0%	-5.4%	-2.7%	5.4%	0.5%	1.1%	3.5%	27.8%	19.3%	12.3%	8.0%
ANS	**Adjusted Operating Profit**	1.4	11.8	7.4	19.0	30.8	0.6	5.4	-0.6	4.4	9.9	3.0
	% of revenue	2.1%	7.3%	8.3%	9.0%	8.3%	0.8%	3.3%	-0.5%	1.8%	2.4%	3.4%
Social Infrastructure	**Adjusted Operating Profit**	-8.0	1.0	4.7	31.9	32.9	1.5	11.8	27.6	48.7	60.5	9.8
	% of revenue	-5.0%	0.3%	2.5%	7.1%	4.0%	1.0%	3.4%	12.8%	10.1%	7.3%	5.7%
Others	**Adjusted Operating Profit**	2.5	8.0	7.1	15.9	23.9	1.2	0.2	-0.2	-3.1	-3.0	-0.5
	% of revenue	2.9%	4.2%	6.7%	7.7%	6.0%	3.9%	0.3%	-0.7%	-4.2%	-2.3%	-1.7%
Adjustments	**Adjusted Operating Profit**	-1.7	-8.1	-4.9	-10.8	-18.9	-1.7	-7.2	-0.7	-15.0	-22.1	-4.3
Total	**Adjusted Operating Profit**	0.5	45.8	51.2	177.7	223.6	12.7	61.0	89.2	226.1	287.2	41.7
	% of revenue	0.1%	3.0%	6.1%	9.2%	6.4%	1.8%	4.1%	10.7%	11.7%	8.4%	5.8%

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.

Note: In this presentation, the accounting periods of the fiscal years for March 31,2024, 2025, and 2026 were referred as FY24/3, FY25/3, and FY26/3, respectively. Any other fiscal years would be referred similarly.