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Financial Results for Q1 Fiscal Year Ending March 31, 2027

July 29, 2026

NEC Corporation

(https://group.nec/global/en/about/ir/)

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- Net profit refers to net profit attributable to owners of the parent for the same period.
- As stated in the July 10, 2026 announcement, "NEC Revises Segments", NEC has revised its operating segments from Q1, FY27/3. Figures for the corresponding period of FY26/3 have been restated to conform with the new segments.

I. Financial Results for Q1, FY27/3

Key Takeaways

Significant revenue and profit growth in both IT Services and Social Infrastructure

- **Profitability improvements in Domestic IT and Aerospace / National Security significantly contributed to overall performance**
- **Newly consolidated CSG Systems International, Inc. from May 2026**

Revenue 819.8 bil yen	Non-GAAP OP 74.7 bil yen
<YoY> +14.5%	<YoY> +34.7 bil yen

Revised full-year financial forecasts considering Q1 performance progress

Non-GAAP OP 420.0 bil yen → 430.0 bil yen

Summary of Financial Results for Q1, FY27/3

(Billions of Yen)		FY26/3 Results	FY27/3 Results	YoY
Revenue		715.7	819.8	+14.5%
Non-GAAP OP		40.0	74.7	+34.7
% of revenue		5.6%	9.1%	+3.5%
Non-GAAP Net Profit		22.3	60.9	+38.6
% of revenue		3.1%	7.4%	+4.3%
Non-GAAP EPS (yen)		17	46	+29
Note :	USD/JPY	146.16	158.80	
Average Exchange Rates (Yen)	EUR/JPY	162.02	184.85	

Pro forma basis*

	FY26/3 Results	FY27/3 Results	YoY
Revenue	759.1	833.5	+9.8%
Non-GAAPOperating Profit	46.7	74.0	+27.4
% of revenue	6.1%	8.9%	+2.7%

* Pro forma figures assuming CSG had been consolidated from April 1, 2025.

(Billions of Yen)		FY26/3 Results	FY27/3 Results	YoY
IT Services	Revenue	567.1	621.5	+9.6%
	Non-GAAP OP	40.8	57.8	+17.0
	% of revenue	7.2%	9.3%	+2.1%
Social Infrastructure	Revenue	120.4	165.3	+37.3%
	Non-GAAP OP	3.0	16.1	+13.0
	% of revenue	2.5%	9.7%	+7.2%
Others	Revenue	28.2	33.0	+17.4%
	Non-GAAP OP	0.4	3.4	+3.0
	% of revenue	1.3%	10.3%	+9.0%
Adjustments	Non-GAAP OP	-4.2	-2.5	+1.7
Total	Revenue	715.7	819.8	+14.5%
	Non-GAAP OP	40.0	74.7	+34.7
	% of revenue	5.6%	9.1%	+3.5%

Non-GAAP adjustment items are shown on pages 22 and 23.

IT Services

Domestic: Significant profit growth driven by NEC BluStellar expansion and profitability improvements

International: Both revenue and profit increased due to the new consolidation of CSG

(Billions of Yen)		FY26/3 Results	FY27/3 Results	YoY
Domestic	Revenue	468.4	477.2	+1.9%
	Non-GAAP OP	32.0	45.3	+13.4
	% of revenue	6.8%	9.5%	+2.7%
International	Revenue	98.7	144.3	+46.2%
	Non-GAAP OP	8.9	12.5	+3.6
	% of revenue	9.0%	8.7%	-0.3%
IT Services	Revenue	567.1	621.5	+9.6%
	Non-GAAP OP	40.8	57.8	+17.0
	% of revenue	7.2%	9.3%	+2.1%

Breakdown figures in each segment are for reference only.

Domestic IT Services

NEC BluStellar: Revenue and profit increased due to expanding penetration of “NEC BluStellar Scenarios" in the Government agency and Finance markets

Base Business: Revenue decreased due to the accelerated shift to NEC BluStellar, but profit increased due to profitability improvements, etc.

(Billions of Yen)		FY26/3 Results	FY27/3 Results	YoY
NEC BluStellar (IT Services)	Revenue	124.7	166.1	+33.2%
	Non-GAAP OP	15.0	22.7	+7.6
	% of revenue	12.1%	13.7%	+1.6%
Base Business	Revenue	343.7	311.1	-9.5%
	Non-GAAP OP	16.9	22.6	+5.7
	% of revenue	4.9%	7.3%	+2.4%
Domestic IT Services	Revenue	468.4	477.2	+1.9%
	Non-GAAP OP	32.0	45.3	+13.4
	% of revenue	6.8%	9.5%	+2.7%
	Ratio of NEC BluStellar Revenue	27%	35%	

Domestic IT Services Booking Status on a Real Basis* (YoY)

- Demand remained robust, centered on modernization
- Effective order backlog coverage ratio** progressed at +2% YoY

	1Q FY27/3	Notes
Domestic IT Services	**+3%**	
Public (Government agencies, Municipalities, Telecom)	**+3%**	In addition to digitalization projects for Government agencies, Telecom remained robust
Enterprise (Finance, Manufacturing, Retail / Services)	**+6%**	Growth in the Finance and Retail / Services sectors
ABeam Consulting	**+16%**	Strong demand with double-digit growth continued
Others	**-1%**	

* Excluding the impact of large-scale projects, temporary special demand, and the termination of low-profit businesses

** (Q1 Revenue + Portion of order backlog to be recognized as revenue in the current fiscal year) / Annual Revenue

Social Infrastructure

Aerospace / National Security: Continued to perform strongly, achieving significant growth in both revenue and profit

Submarine Systems: Achieved significant revenue growth and turned profitable due to the start of revenue recognition for projects ordered in the previous fiscal year

Network Infrastructure: Same level as the previous year, in line with the original plan

(Billions of Yen)		FY26/3 Results	FY27/3 Results	YoY
Aerospace / National Security	Revenue	74.1	110.8	+49.6%
	Non-GAAP OP	4.5	13.7	+9.2
	% of revenue	6.1%	12.4%	+6.2%
Submarine Systems	Revenue	15.1	23.0	+52.3%
	Non-GAAP OP	-1.5	2.8	+4.2
	% of revenue	-9.6%	12.1%	+21.7%
Network Infrastructure	Revenue	31.2	31.4	+0.8%
	Non-GAAP OP	-0.0	-0.4	-0.4
	% of revenue	-0.2%	-1.4%	-1.2%
Social Infrastructure	Revenue	120.4	165.3	+37.3%
	Non-GAAP OP	3.0	16.1	+13.0
	% of revenue	2.5%	9.7%	+7.2%

Breakdown figures in each segment are for reference only.

II. Financial Forecasts for FY27/3

FY27/3 Financial Forecasts

Revised revenue upward by 40.0 billion yen and Non-GAAP OP by 10.0 billion yen (The impact of the new consolidation of CSG is not reflected in these figures, and is planned to be incorporated in the Q2 financial results announcement)

(Billions of Yen)	FY26/3 Results	FY27/3 Forecasts as of Apr. 28	Changes	FY27/3 Forecasts as of Jul. 29
Revenue	3,582.7	3,500.0	+40.0	3,540.0
Non-GAAP OP	397.2	420.0	+10.0	430.0
% of Revenue	11.1%	12.0%		12.1%
Non-GAAP Net Profit	279.8	285.0	+5.0	290.0
% of Revenue	7.8%	8.1%		8.2%
Free Cash Flow	472.1	300.0	±0	300.0
Dividend per Share (Yen)	38	40	±0	40

FY27/3 Financial Forecasts (By Segment)

(Billions of Yen)		FY26/3 Results	FY27/3 Forecasts as of Apr. 28	Changes	FY27/3 Forecasts as of Jul. 29
IT Services	Revenue	2,736.1	2,605.0	+20.0	2,625.0
	Non-GAAP OP	359.3	376.0	+5.0	381.0
	% of revenue	13.1%	14.4%		14.5%
Social Infrastructure	Revenue	708.4	760.0	+20.0	780.0
	Non-GAAP OP	53.4	94.0	+5.0	99.0
	% of revenue	7.5%	12.4%		12.7%
Others	Revenue	138.3	135.0	±0	135.0
	Non-GAAP OP	4.6	4.0	±0	4.0
	% of revenue	3.4%	3.0%		3.0%
Adjustments	Non-GAAP OP	-20.2	-54.0	±0	-54.0
Total	Revenue	3,582.7	3,500.0	+40.0	3,540.0
	Non-GAAP OP	397.2	420.0	+10.0	430.0
	% of revenue	11.1%	12.0%		12.1%

IT Services

Domestic: Despite the peak-out of projects in the Public sector, profitability improved due to NEC BluStellar expansion
Revised upward financial forecasts considering Q1 progress

International: Profit increased due to continuous profitability improvements and the curbing of unprofitable projects

(Billions of Yen)		FY26/3 Results	FY27/3 Forecasts as of Apr. 28	Changes	FY27/3 Forecasts as of Jul. 29
Domestic	Revenue	2,301.0	2,155.0	+20.0	2,175.0
	Non-GAAP OP	316.6	324.0	+5.0	329.0
	% of revenue	13.8%	15.0%		15.1%
International	Revenue	435.1	450.0	±0	450.0
	Non-GAAP OP	42.8	52.0	±0	52.0
	% of revenue	9.8%	11.6%		11.6%
IT Services	Revenue	2,736.1	2,605.0	+20.0	2,625.0
	Non-GAAP OP	359.3	376.0	+5.0	381.0
	% of revenue	13.1%	14.4%		14.5%

Domestic IT Services

NEC BluStellar contributed to further profit margin improvement by expanding NEC scenarios leveraging AI and improving software productivity

(Billions of Yen)		FY26/3 Results	FY27/3 Forecasts as of Apr. 28	Changes	FY27/3 Forecasts as of Jul. 29
NEC BluStellar (IT Services)	Revenue	638.3	760.0	±0	760.0
	Non-GAAP OP	94.1	132.0	±0	132.0
	% of revenue	14.7%	17.4%		17.4%
Base Business	Revenue	1,662.7	1,395.0	+20.0	1,415.0
	Non-GAAP OP	222.5	192.0	+5.0	197.0
	% of revenue	13.4%	13.8%		13.9%
Domestic IT Services	Revenue	2,301.0	2,155.0	+20.0	2,175.0
	Non-GAAP OP	316.6	324.0	+5.0	329.0
	% of revenue	13.8%	15.0%		15.1%
Ratio of NEC BluStellar Revenue		28%	35%		35%

NEC BluStellar (By Segment)

Disclosed the breakdown for Domestic IT and Social Infrastructure from this fiscal year

(Billions of Yen)		Q1 FY26/3 Results	Q1 FY27/3 Results	Q1 YoY	Full Year FY26/3 Results	Full Year FY27/3 Results	Full Year YoY
Domestic IT Services	Revenue	124.7	166.1	+33.2%	638.3	760.0	+19.1%
	Non-GAAP OP	15.0	22.7	+7.6	94.1	132.0	+37.9
	% of revenue	12.1%	13.7%	+1.6%	14.7%	17.4%	+2.6%
Social Infrastructure	Revenue	3.7	13.7	+273.3%	66.7	80.0	+19.9%
	Non-GAAP OP	0.6	2.2	+1.7	7.9	11.0	+3.1
	% of revenue	15.1%	16.2%	+1.1%	11.9%	13.8%	+1.9%
NEC BluStellar	Revenue	128.3	179.8	+40.1%	705.0	840.0	+19.1%
	Non-GAAP OP	15.6	24.9	+9.3	102.0	143.0	+41.0
	% of revenue	12.1%	13.8%	+1.7%	14.5%	17.0%	+2.6%

Social Infrastructure

Aerospace / National Security: Profit increased through the further expansion of the defense business

Submarine Systems: Turned profitable due to revenue recognition of projects ordered in the previous fiscal year and reduction of additional costs

Network Infrastructure: Profit increased through reaping the benefits of structural reforms implemented in the previous fiscal year

(Billions of Yen)		FY26/3 Results	FY27/3 Forecasts as of Apr. 28	Changes	FY27/3 Forecasts as of Jul. 29
Aerospace / National Security	Revenue	478.4	525.0	+20.0	545.0
	Non-GAAP OP	74.9	77.0	+4.0	81.0
	% of revenue	15.7%	14.7%		14.9%
Submarine Systems	Revenue	71.2	100.0	±0	100.0
	Non-GAAP OP	-18.5	3.0	+1.0	4.0
	% of revenue	-26.0%	3.0%		4.0%
Network Infrastructure	Revenue	158.7	135.0	±0	135.0
	Non-GAAP OP	-2.9	14.0	±0	14.0
	% of revenue	-1.9%	10.4%		10.4%
Social Infrastructure	Revenue	708.4	760.0	+20.0	780.0
	Non-GAAP OP	53.4	94.0	+5.0	99.0
	% of revenue	7.5%	12.4%		12.7%

III. Topics

NEC BluStellar

Topics on NEC BluStellar

Launched a strategic collaboration with Anthropic in April, steadily making progress in initiatives with customers
Jointly developed highly secure and reliable domain-specific AI solutions

Launched initiatives with 8 financial institutions

Launched in Jun. 2026

Promoting AI utilization in the financial industry

・Promoting the utilization and implementation of reliable AI, starting with the financial industry where high security and accuracy are required

・Strengthening cybersecurity measures and promoting IT modernization

Launched the first service based on a strategic collaboration

Launched in Jul. 2026

NEC AI Insight Reporting Service

・Launched "NEC AI Insight Reporting Service," which fully automates the creation of product planning and promotional plans based on consumer purchase data

Rolling out Claude to 30,000 NEC Group employees

Launched in Apr. 2026

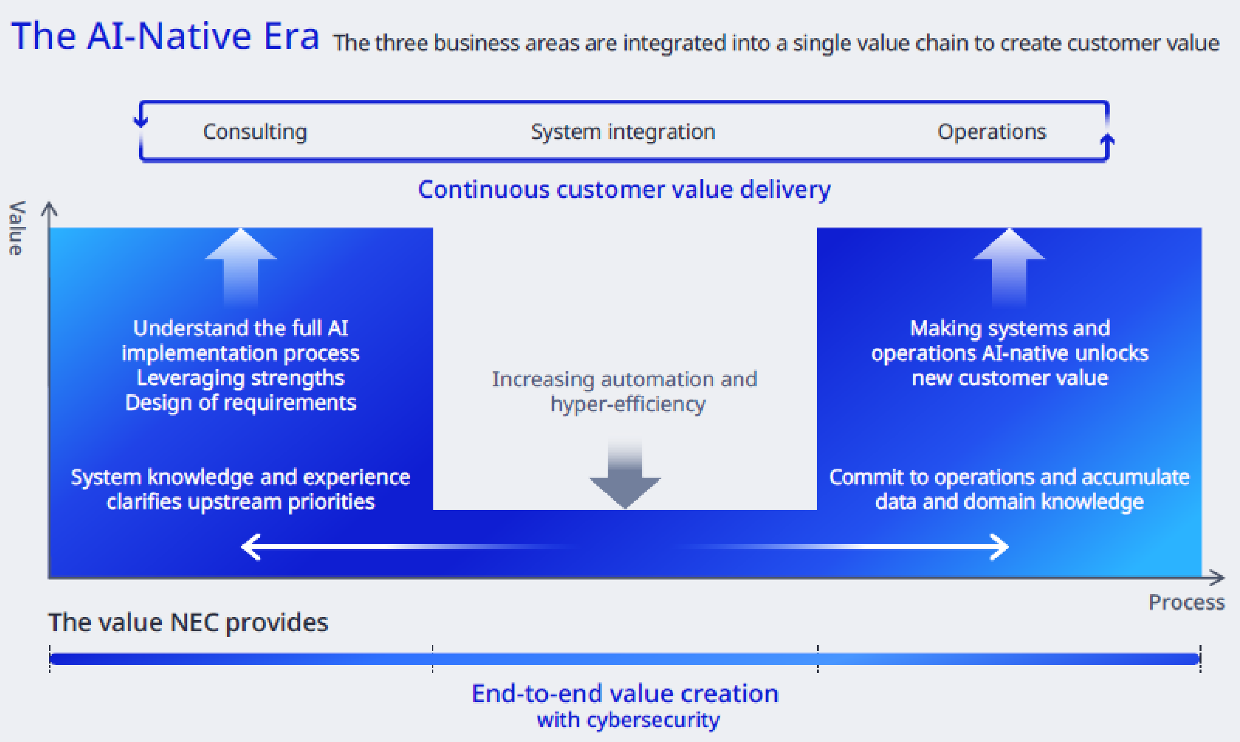
The largest AI-native engineering workforce in Japan

・Established the largest AI-native engineering workforce among Japanese companies

・Developing core talent by leveraging high-level training and certification programs provided by Anthropic

Merger with NEC Solution Innovators, Ltd. (Effective October 1)

Consolidating the NEC Group's strengths in domain knowledge and technical implementation capabilities to drive the application of AI throughout society
Accelerating the transformation to an end-to-end value delivery model ahead of market changes



(From the Mid-term Management Plan 2030 Material)

Objectives of the Merger

Strengthening End-to-End Value Delivery

Leveraging domain knowledge and technical implementation capabilities to provide continuous services from consulting to system integration and operations

Dramatically Improving Productivity of System Integration

Delivering overwhelming speed and quality through AI-driven development

Accelerating the Development of AX (AI Transformation) Talent

- Strengthening high-value-added areas through reskilling and resource optimization
- Continuous investment in human resources and active promotion of top talent

\Orchestrating a brighter world

IV. Financial Results (Appendix)

Non-GAAP Operating Profit Adjustment Items

(Billions of Yen)		FY26/3 Results	FY27/3 Results	YoY
Operating Profit		35.4	58.8	+23.4
Adjusted Items	Amortization of Intangible Assets for M&A	6.3	5.8	-0.6
	Expenses for M&A	0.0	7.5	+7.5
	Structural Reform Expenses and Impairment Losses	-	2.1	+2.1
	Stock Compensation	0.5	0.7	+0.2
	Other One-time Profits/Losses (Gain/Loss on sale of land, businesses, etc.)	-2.2	-	+2.2
Non-GAAP Operating Profit		40.0	74.7	+34.7

Non-GAAP Net Profit Adjustment Items

(Billions of Yen)		FY26/3 Results	FY27/3 Results	YoY
Net Profit		19.3	49.7	+30.4
Adjusted Items	Amortization of Intangible Assets for M&A	4.2	3.8	-0.4
	Expenses for M&A	0.0	5.4	+5.4
	Structural Reform Expenses and Impairment Losses	-	1.5	+1.5
	Stock Compensation	0.3	0.5	+0.1
	Other One-time Profits/Losses (Gain/Loss on sale of land, businesses, etc.)	-1.5	-	+1.5
Non-GAAP Net Profit		22.3	60.9	+38.6

Financial Position Data

(Billions of Yen)	As of March 31, 2026	As of June 30, 2026	Change from March 31, 2026
Total Assets	4,466.8	4,506.8	+40.0
Total Equity	2,281.9	2,319.7	+37.8
Interest-bearing Debt	489.2	591.4	+102.2
Equity Attributable to Owners of the Parent	2,196.6	2,234.1	+37.5
% of Equity Attributable to Owners of the Parent	49.2%	49.6%	+0.4pt
D/E Ratio (times)	0.22	0.26	-0.04pt
Net D/E Ratio (times)	-0.08	0.07	-0.15pt
Cash and Cash Equivalents	659.0	434.7	-224.3

	FY25/3 Results	FY26/3 Results	YoY
Cash Flows from Operating Activities	253.1	160.2	-92.9
Cash Flows from Investing Activities	0.1	-401.4	-401.5
Free Cash Flows	253.2	-241.2	-494.3

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 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.