

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [IFRS]

April 28, 2026

Company name NEC Corporation

Listing: Tokyo Stock Exchange

Securities code 6701 URL <https://www.nec.com/>

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Scheduled date of annual general meeting of shareholders June 19, 2026 Scheduled date of

Scheduled date of Annual Securities Report filing June 18, 2026 dividend payments June 1, 2026

Supplementary materials for financial results Yes

Financial results briefing Yes (for institutional investors and analysts)

(Million JPY, rounded to the nearest million JPY)

1. Consolidated Financial Results for the Year ended March 31, 2026 (April 1, 2025 – March 31, 2026)

(1) Consolidated Operating Results

(Percentage indicate year-on-year changes.)

| | Revenue | | Operating profit | | Profit before income taxes | | Net profit for the year | | Net profit attributable to owners of the parent | | Total comprehensive income for the year | |
|-------------------|----------------|-------|------------------|------|----------------------------|------|-------------------------|------|---|------|---|--------|
| Fiscal Year ended | JPY (millions) | % | JPY (millions) | % | JPY (millions) | % | JPY (millions) | % | JPY (millions) | % | JPY (millions) | % |
| March 31, 2026 | 3,582,733 | 4.7 | 359,913 | 40.3 | 398,175 | 66.1 | 273,324 | 48.0 | 270,228 | 54.3 | 408,410 | 102.0 |
| March 31, 2025 | 3,423,431 | (1.5) | 256,497 | 36.4 | 239,771 | 29.6 | 184,664 | 12.1 | 175,183 | 17.2 | 202,170 | (41.0) |

| | Adjusted operating profit | | Non-GAAP operating profit | | Non-GAAP net profit attributable to owners of the parent | | Basic earnings per share | Diluted earnings per share | Non-GAAP earnings per share |
|-------------------|---------------------------|------|---------------------------|------|--|------|--------------------------|----------------------------|-----------------------------|
| Fiscal Year ended | JPY (millions) | % | JPY (millions) | % | JPY (millions) | % | JPY | JPY | JPY |
| March 31, 2026 | 386,827 | 34.7 | 397,234 | 27.6 | 279,773 | 24.0 | 202.95 | 202.95 | 210.11 |
| March 31, 2025 | 287,159 | 28.4 | 311,301 | 36.8 | 225,688 | 26.9 | 131.50 | 131.49 | 169.40 |

| | Return on equity attributable to owners of the parent | | Ratio of profit before income taxes to total assets | | Ratio of operating profit to revenue | |
|-------------------|---|--|---|--|--------------------------------------|--|
| Fiscal Year ended | % | | % | | % | |
| March 31, 2026 | 13.0 | | 9.1 | | 10.0 | |
| March 31, 2025 | 9.1 | | 5.6 | | 7.5 | |

(Reference) Share of profit (loss) of entities accounted for using the equity method:

Year ended March 31, 2026: 3,481 million JPY

Year ended March 31, 2025: (10,103) million JPY

Note: NEC Corporation ("the Company") conducted a share split at a ratio of five (5) shares for one (1) share of its common shares, effective April 1, 2025. Basic earnings per share, diluted earnings per share, and Non-GAAP earnings per share have been calculated assuming that the share split had occurred at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

| | Total assets | Total equity | Equity attributable to owners of the parent | Ratio of equity attributable to owners of the parent to total assets | Equity per share attributable to owners of the parent |
|----------------|----------------|----------------|---|--|---|
| As of | JPY (millions) | JPY (millions) | JPY (millions) | % | JPY |
| March 31, 2026 | 4,466,784 | 2,281,887 | 2,196,578 | 49.2 | 1,656.11 |
| March 31, 2025 | 4,315,368 | 2,071,511 | 1,952,018 | 45.2 | 1,464.71 |

Note: The Company conducted a share split at a ratio of five (5) shares for one (1) share of its common shares, effective April 1, 2025. Equity per share attributable to owners of the parent have been calculated assuming that the share split had occurred at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents, at end of the year |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|---|
| Fiscal Year ended | JPY (millions) | JPY (millions) | JPY (millions) | JPY (millions) |
| March 31, 2026 | 438,463 | 33,686 | (417,950) | 659,034 |
| March 31, 2025 | 344,408 | (131,164) | (103,974) | 584,615 |

2. Dividends

| | Annual dividends | | | | | Total dividends | Payout ratio (consolidated) | Ratio of dividends to equity attributable to owners of the parent (consolidated) |
|------------------------------|-------------------------|-----------------------------|-------------------------|---------------------|--------|-----------------|--------------------------------|---|
| | End of first quarter | End of second quarter | End of third quarter | Fiscal year- end | Total | | | |
| Fiscal Year ended | JPY | JPY | JPY | JPY | JPY | JPY (millions) | % | % |
| March 31, 2025 | — | 70.00 | — | 70.00 | 140.00 | 37,367 | 21.3 | 1.9 |
| March 31, 2026 | — | 16.00 | — | 22.00 | 38.00 | 50,592 | 18.7 | 2.4 |
| March 31, 2027 (forecast) | — | 20.00 | — | 20.00 | 40.00 | | — | |

Notes:

1. The year-end dividend per share for the fiscal year ended March 31, 2026, has been revised from 16 JPY to 22 JPY. For the details, please refer to the "Notice Regarding Revision of Dividend Forecasts" released today. The year-end dividend for the fiscal year ended March 31, 2026 is to be finalized by the Board of Directors held on May 2026.
2. The Company conducted a share split at a ratio of five (5) shares for one (1) share of its common shares, effective April 1, 2025. The dividends for the fiscal years ended March 31, 2025, are stated at the actual amounts prior to the share split.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 – March 31, 2027)

(Percentage indicate year-on-year changes.)

| | Revenue | | Non-GAAP operating profit | | Non-GAAP net profit attributable to owners of the parent | | Non-GAAP earnings per share |
|--------------------------------------|-------------------|-------|------------------------------|-----|--|-----|--------------------------------|
| | JPY (millions) | % | JPY (millions) | % | JPY (millions) | % | JPY |
| Fiscal Year ending March 31, 2027 | 3,500,000 | (2.3) | 420,000 | 5.7 | 285,000 | 1.9 | 214.88 |

*Notes

(1) Significant changes in consolidation scope during the period: None

Newly included : None

Excluded : None

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies required by IFRS : None

2) Changes in accounting policies other than 1) : None

3) Changes in accounting estimates : None

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at the year-end
(including treasury stock)

| | | | |
|----------------|----------------------|----------------|----------------------|
| March 31, 2026 | 1,364,249,315 shares | March 31, 2025 | 1,364,249,315 shares |
|----------------|----------------------|----------------|----------------------|

2) Number of treasury stock at the year-end

| | | | |
|----------------|-------------------|----------------|-------------------|
| March 31, 2026 | 37,905,298 shares | March 31, 2025 | 31,549,847 shares |
|----------------|-------------------|----------------|-------------------|

3) Average number of shares during the year

| | | | |
|----------------|----------------------|----------------|----------------------|
| March 31, 2026 | 1,331,527,234 shares | March 31, 2025 | 1,332,240,499 shares |
|----------------|----------------------|----------------|----------------------|

Note: The Company conducted a share split at a ratio of five (5) shares for one (1) share of its common shares, effective April 1, 2025. Number of shares outstanding at the year-end (including treasury stock), number of treasury stock at the year-end, and average number of shares during the year have been calculated assuming that the share split had occurred at the beginning of the previous fiscal year.

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Year Ended March 31, 2026 (April 1, 2025 – March 31, 2026)

(1) Non-consolidated Operating Results

(Percentage figures represent year-on-year changes.)

| | Revenue | | Operating profit | | Ordinary profit | | Net profit | |
|-------------------|-------------------|-----|-------------------|-------|-------------------|------|-------------------|-----|
| Fiscal Year ended | JPY (millions) | % | JPY (millions) | % | JPY (millions) | % | JPY (millions) | % |
| March 31, 2026 | 2,094,473 | 5.7 | 231,374 | (7.6) | 258,587 | 2.1 | 250,863 | 7.3 |
| March 31, 2025 | 1,981,159 | 7.8 | 250,457 | 127.1 | 253,345 | 60.0 | 233,705 | 5.9 |

| | Basic earnings per share |
|-------------------|--------------------------|
| Fiscal Year ended | JPY |
| March 31, 2026 | 188.33 |
| March 31, 2025 | 175.39 |

Note: The Company conducted a share split at a ratio of five (5) shares for one (1) share of its common shares, effective April 1, 2025. Basic earnings per share have been calculated assuming that the share split had occurred at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------|----------------|----------------|--------------|----------------------|
| As of | JPY (millions) | JPY (millions) | % | JPY |
| March 31, 2026 | 3,075,556 | 1,317,262 | 42.8 | 993.15 |
| March 31, 2025 | 3,069,616 | 1,415,772 | 46.1 | 1,062.33 |

(Reference) Equity as of March 31, 2026 1,317,262 JPY (millions) as of March 31, 2025 1,415,772 JPY (millions)

Note: The Company conducted a share split at a ratio of five (5) shares for one (1) share of its common shares, effective April 1, 2025. Net assets per share has been calculated assuming that the share split had occurred at the beginning of the previous fiscal year.

*This consolidated financial results are exempt from audit conducted by certified public accountants or an audit firm.

*Explanation concerning the appropriate use of the financial results forecast and other special matters

(Adjusted operating profit)

“Adjusted operating profit” is measured by deducting amortization of intangible assets recognized as a result of M&A and expenses for acquisition of companies (financial advisory fees and other fees) from operating profit.

(Non-GAAP profit)

“Non-GAAP operating profit” is an indicator for measuring underlying profitability. It is measured by deducting amortization of intangible assets recognized as a result of M&A, expenses for acquisition of companies (financial advisory fees and other fees), structural reform expenses, impairment losses, stock compensation and other one-time profits (losses) from operating profit. Also, “Non-GAAP net profit attributable to owners of the parent” is an indicator for measuring underlying profitability attributable to owners of the parent. It is measured by deducting adjustment items of profit before income taxes and corresponding amounts of tax and non-controlling interests from net profit attributable to owners of the parent.

(Cautionary statement with respect to forward-looking statements)

The forward-looking statements such as operating results forecast contained in this statements summary are based on the information currently available to NEC Corporation (“the Company”) and certain assumptions considered reasonable. Actual operating results may differ significantly from these forecasts due to various factors. For details, please refer to “3. Cautionary Statement with Respect to Forward-Looking Statements” on page 14.

(How to obtain supplementary financial materials and information on the financial results briefing)

On April 28, 2026, the Company will hold a financial results briefing for the institutional investors and analysts. Presentation materials will be posted in advance on TDnet and the company website, and the presentation video and Q&A summary will be also posted on the company website promptly after the financial results briefing.

In addition to the above, the Company periodically holds briefings on business and operating results for the individual investors. Presentation materials and Q&A summary will be posted on the company website promptly after the briefing. For the schedule and details, please check the company website.

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1. Consolidated Financial Statements and Notes to Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

JPY (millions)

| | Notes | As of March 31, 2025 | As of March 31, 2026 |
|---|-------|-------------------------|-------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | | 584,615 | 659,034 |
| Trade and other receivables | | 878,434 | 994,066 |
| Contract assets | | 374,511 | 420,278 |
| Inventories | | 184,779 | 171,181 |
| Other financial assets | | 9,830 | 28,461 |
| Other current assets | | 181,883 | 186,073 |
| Subtotal | | 2,214,052 | 2,459,093 |
| Assets held for sale | | 10,942 | — |
| Total current assets | | 2,224,994 | 2,459,093 |
| Non-current assets | | | |
| Property, plant and equipment, net | | 580,165 | 564,064 |
| Goodwill | | 393,881 | 450,501 |
| Intangible assets, net | | 351,904 | 368,945 |
| Investments accounted for using the equity method | | 107,242 | 48,129 |
| Other financial assets | | 221,133 | 228,929 |
| Deferred tax assets | | 177,216 | 186,670 |
| Other non-current assets | | 258,833 | 160,453 |
| Total non-current assets | | 2,090,374 | 2,007,691 |
| Total assets | | 4,315,368 | 4,466,784 |

Consolidated Statements of Financial Position (Continued)

JPY (millions)

| | Notes | As of March 31, 2025 | As of March 31, 2026 |
|---|-------|-------------------------|-------------------------|
| Liabilities and equity | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 492,833 | 476,503 |
| Contract liabilities | | 405,778 | 463,393 |
| Bonds and borrowings | | 233,886 | 54,966 |
| Accruals | | 249,989 | 255,022 |
| Lease liabilities | | 52,519 | 51,412 |
| Other financial liabilities | | 15,787 | 6,472 |
| Accrued income taxes | | 59,180 | 107,506 |
| Provisions | | 42,415 | 58,857 |
| Other current liabilities | | 74,500 | 89,846 |
| Subtotal | | 1,626,887 | 1,563,977 |
| Liabilities directly associated with assets held for sale | | 6,529 | — |
| Total current liabilities | | 1,633,416 | 1,563,977 |
| Non-current liabilities | | | |
| Bonds and borrowings | | 255,842 | 272,107 |
| Lease liabilities | | 124,112 | 110,730 |
| Other financial liabilities | | 22,168 | 30,008 |
| Net defined benefit liabilities | | 137,916 | 123,162 |
| Provisions | | 26,142 | 36,609 |
| Other non-current liabilities | | 44,261 | 48,304 |
| Total non-current liabilities | | 610,441 | 620,920 |
| Total liabilities | | 2,243,857 | 2,184,897 |
| Equity | | | |
| Share capital | | 427,831 | 427,831 |
| Share premium | | 46,704 | — |
| Retained earnings | | 1,023,945 | 1,216,327 |
| Treasury shares | | (30,725) | (57,584) |
| Other components of equity | | 484,263 | 610,004 |
| Total equity attributable to owners of the parent | | 1,952,018 | 2,196,578 |
| Non-controlling interests | | 119,493 | 85,309 |
| Total equity | | 2,071,511 | 2,281,887 |
| Total liabilities and equity | | 4,315,368 | 4,466,784 |

(2) Consolidated Statements of Profit or Loss and Comprehensive Income

Consolidated Statements of Profit or Loss

| | | | JPY (millions) | |
|--|-------|-----------|----------------|--|
| Fiscal year ended March 31 | Notes | 2025 | 2026 | |
| Revenue | 2 | 3,423,431 | 3,582,733 | |
| Cost of sales | | 2,362,875 | 2,401,437 | |
| Gross profit | | 1,060,556 | 1,181,296 | |
| Selling, general and administrative expenses | | 777,424 | 805,555 | |
| Other operating income (expenses) | | (26,635) | (15,828) | |
| Operating profit | 2 | 256,497 | 359,913 | |
| Finance income | 2,3 | 9,956 | 52,949 | |
| Finance costs | 2 | 16,579 | 18,168 | |
| Share of profit (loss) of entities accounted for using the equity method | 2,4 | (10,103) | 3,481 | |
| Profit before income taxes | 2 | 239,771 | 398,175 | |
| Income taxes | | 55,107 | 124,851 | |
| Net profit | | 184,664 | 273,324 | |
| Net profit attributable to | | | | |
| Owners of the parent | | 175,183 | 270,228 | |
| Non-controlling interests | | 9,481 | 3,096 | |
| Total | | 184,664 | 273,324 | |
| Earnings per share attributable to owners of the parent | | | | |
| Basic earnings per share (JPY) | 5 | 131.50 | 202.95 | |
| Diluted earnings per share (JPY) | 5 | 131.49 | 202.95 | |

Note: The Company conducted a share split at a ratio of five (5) shares for one (1) share of its common shares, effective April 1, 2025. Basic earnings per share and diluted earnings per share have been calculated assuming that the share split had occurred at the beginning of the previous fiscal year.

Consolidated Statements of Comprehensive Income

JPY (millions)

| Fiscal year ended March 31 | Notes | 2025 | 2026 |
|--|-------|---------|---------|
| Net profit | | 184,664 | 273,324 |
| Other comprehensive income, net of tax | | | |
| Items that will not be reclassified to profit or loss | | | |
| Equity instruments designated as measured at fair value through other comprehensive income | | 1,746 | 8,909 |
| Remeasurements of defined benefit plans | | 14,424 | 21,780 |
| Share of other comprehensive income of entities accounted for using the equity method | | 5 | 551 |
| Total items that will not be reclassified to profit or loss | | 16,175 | 31,240 |
| Items that may be reclassified subsequently to profit or loss | | | |
| Exchange differences on translating foreign operations | | 1,494 | 99,009 |
| Cash flow hedges | | 1,784 | 4,918 |
| Share of other comprehensive income of entities accounted for using the equity method | | (1,947) | (81) |
| Total items that may be reclassified subsequently to profit or loss | | 1,331 | 103,846 |
| Total other comprehensive income, net of tax | | 17,506 | 135,086 |
| Total comprehensive income | | 202,170 | 408,410 |
| Total comprehensive income attributable to | | | |
| Owners of the parent | | 191,471 | 394,979 |
| Non-controlling interests | | 10,699 | 13,431 |
| Total | | 202,170 | 408,410 |

(3) Consolidated Statements of Changes in Equity

(Fiscal year ended March 31, 2025)

JPY (millions)

| Notes | Equity attributable to owners of the parent | | | | | | Non-controlling interests | Total equity |
|--|---|---------------|-------------------|-----------------|----------------------------|-----------|---------------------------|--------------|
| | Share capital | Share premium | Retained earnings | Treasury shares | Other components of equity | Total | | |
| As of April 1, 2024 | 427,831 | 167,451 | 883,453 | (31,097) | 467,975 | 1,915,613 | 173,910 | 2,089,523 |
| Net profit | — | — | 175,183 | — | — | 175,183 | 9,481 | 184,664 |
| Other comprehensive income | — | — | — | — | 16,288 | 16,288 | 1,218 | 17,506 |
| Comprehensive income | — | — | 175,183 | — | 16,288 | 191,471 | 10,699 | 202,170 |
| Purchase of treasury shares | — | — | — | (98) | — | (98) | — | (98) |
| Disposal of treasury shares | — | 10 | — | 470 | — | 480 | — | 480 |
| Share-based payment transactions | — | 533 | — | — | — | 533 | — | 533 |
| Cash dividends | — | — | (34,691) | — | — | (34,691) | (7,011) | (41,702) |
| Put option, written over shares held by a non-controlling interest shareholder | — | (3,865) | — | — | — | (3,865) | — | (3,865) |
| Changes in interests in subsidiaries | — | (117,425) | — | — | — | (117,425) | (58,105) | (175,530) |
| Total transactions with owners | — | (120,747) | (34,691) | 372 | — | (155,066) | (65,116) | (220,182) |
| As of March 31, 2025 | 427,831 | 46,704 | 1,023,945 | (30,725) | 484,263 | 1,952,018 | 119,493 | 2,071,511 |

(Fiscal year ended March 31, 2026)

JPY (millions)

| Notes | Equity attributable to owners of the parent | | | | | | Non-controlling interests | Total equity |
|--|---|---------------|-------------------|-----------------|----------------------------|-----------|---------------------------|--------------|
| | Share capital | Share premium | Retained earnings | Treasury shares | Other components of equity | Total | | |
| As of April 1, 2025 | 427,831 | 46,704 | 1,023,945 | (30,725) | 484,263 | 1,952,018 | 119,493 | 2,071,511 |
| Net profit | — | — | 270,228 | — | — | 270,228 | 3,096 | 273,324 |
| Other comprehensive income | — | — | — | — | 124,751 | 124,751 | 10,335 | 135,086 |
| Comprehensive income | — | — | 270,228 | — | 124,751 | 394,979 | 13,431 | 408,410 |
| Purchase of treasury shares | — | — | — | (27,329) | — | (27,329) | — | (27,329) |
| Disposal of treasury shares | — | 27 | — | 470 | — | 497 | — | 497 |
| Share-based payment transactions | — | 1,212 | — | — | — | 1,212 | — | 1,212 |
| Cash dividends | — | — | (40,048) | — | — | (40,048) | (1,674) | (41,722) |
| Put option, written over shares held by a non-controlling interest shareholder | — | 50 | — | — | — | 50 | — | 50 |
| Transfer of negative balance of other capital surplus | — | 37,798 | (37,798) | — | — | — | — | — |
| Changes in interests in subsidiaries | — | (85,791) | — | — | 990 | (84,801) | (45,941) | (130,742) |
| Total transactions with owners | — | (46,704) | (77,846) | (26,859) | 990 | (150,419) | (47,615) | (198,034) |
| As of March 31, 2026 | 427,831 | — | 1,216,327 | (57,584) | 610,004 | 2,196,578 | 85,309 | 2,281,887 |

(4) Consolidated Statements of Cash Flows

JPY (millions)

| Fiscal year ended March 31 | Notes | 2025 | 2026 |
|---|-------|-----------|-----------|
| Cash flows from operating activities | | | |
| Profit before income taxes | | 239,771 | 398,175 |
| Depreciation and amortization | | 158,437 | 154,502 |
| Impairment loss | | 9,590 | 7,642 |
| Increase (decrease) in provisions | | (13,864) | 17,834 |
| Finance income | 2,3 | (9,956) | (52,949) |
| Finance costs | 2 | 16,579 | 18,168 |
| Share of profit (loss) of entities accounted for using the equity method | 2,4 | 10,103 | (3,481) |
| (Increase) decrease in trade and other receivables | | (55,795) | (101,432) |
| (Increase) decrease in contract assets | | 36,464 | (43,129) |
| (Increase) decrease in inventories | | 52,731 | 14,729 |
| Increase (decrease) in trade and other payables | | (12,579) | (8,919) |
| Increase (decrease) in contract liabilities | | 15,575 | 44,351 |
| Increase or decrease in net defined benefit liabilities or net defined benefit assets | | (6,916) | 131,937 |
| Others, net | | (48,858) | (34,131) |
| Subtotal | | 391,282 | 543,297 |
| Interest received | | 5,738 | 5,887 |
| Dividends received | | 3,595 | 3,212 |
| Interest paid | | (9,098) | (9,713) |
| Income taxes paid | | (47,109) | (104,220) |
| Net cash provided by (used in) operating activities | | 344,408 | 438,463 |
| Cash flows from investing activities | | | |
| Purchases of property, plant and equipment | | (126,410) | (70,325) |
| Proceeds from sales of property, plant and equipment | | 8,701 | 31,947 |
| Acquisitions of intangible assets | | (24,215) | (21,231) |
| Purchase of equity instruments designated as measured at fair value through other comprehensive income | | (5,804) | (2,021) |
| Proceeds from sales of equity instruments designated as measured at fair value through other comprehensive income | | 7,394 | 16,686 |
| Purchase of shares of newly consolidated subsidiaries | | (878) | (11,987) |
| Proceeds from sales of shares of subsidiaries | | — | 13,821 |
| Disbursement for sales of shares of subsidiaries | | (490) | (789) |
| Purchases of investments in associates or joint ventures | | (5,795) | (683) |
| Proceeds from sales of investments in associates or joint ventures | | 15,874 | 83,003 |
| Others, net | | 459 | (4,735) |
| Net cash provided by (used in) investing activities | | (131,164) | 33,686 |

Consolidated Statements of Cash Flows (Continued)

| | | | JPY (millions) | |
|--|-------|------------------|------------------|--|
| Fiscal year ended March 31 | Notes | 2025 | 2026 | |
| Cash flows from financing activities | | | | |
| Net increase (decrease) in short-term borrowings | | 134,217 | (147,629) | |
| Proceeds from long-term borrowings | | 1,962 | 27,508 | |
| Repayments of long-term borrowings | | (36,231) | (49,903) | |
| Proceeds from issuance of bonds | | 30,000 | 30,000 | |
| Redemption of bonds | | (25,000) | (25,000) | |
| Payments of lease liabilities | | (56,596) | (54,890) | |
| Payments for acquisition of interests in subsidiaries from non-controlling interests | | (111,003) | (129,832) | |
| Dividends paid | | (34,682) | (40,043) | |
| Dividends paid to non-controlling interests | | (7,013) | (1,685) | |
| Purchase of treasury shares | | (98) | (27,329) | |
| Others, net | | 470 | 853 | |
| Net cash provided by (used in) financing activities | | (103,974) | (417,950) | |
| Effect of exchange rate changes on cash and cash equivalents | | (1,145) | 20,220 | |
| Net increase (decrease) in cash and cash equivalents | | 108,125 | 74,419 | |
| Cash and cash equivalents, at the beginning of the year | | 476,490 | 584,615 | |
| Cash and cash equivalents, at the end of the year | | 584,615 | 659,034 | |

(5) Notes to Consolidated Financial Statements

1. Going Concern Assumptions

Not applicable.

2. Segment Information

(1) Information about revenue, profit or loss by reportable segments

(Fiscal Year ended March 31, 2025)

JPY (millions)

| | Reportable Segments | | | Others | Reconciling Items (Note 2) | Consolidated Total |
|---|---------------------|--------------------------|-----------|---------|-------------------------------|--------------------|
| | IT Services | Social Infrastructure | Total | | | |
| Revenue | | | | | | |
| External customers | 2,459,820 | 832,102 | 3,291,922 | 131,509 | — | 3,423,431 |
| Intersegment | 1,565 | 3,449 | 5,014 | 7,355 | (12,369) | — |
| Total | 2,461,385 | 835,551 | 3,296,936 | 138,864 | (12,369) | 3,423,431 |
| Segment profit (loss) | 251,822 | 60,456 | 312,278 | (2,972) | (22,147) | 287,159 |
| Acquisition-related amortization of intangible assets | | | | | | (30,660) |
| Expenses for M&A | | | | | | (2) |
| Operating profit | | | | | | 256,497 |
| Finance income | | | | | | 9,956 |
| Finance costs | | | | | | (16,579) |
| Share of loss of entities accounted for using the equity method | | | | | | (10,103) |
| Profit before income taxes | | | | | | 239,771 |

(Fiscal Year ended March 31, 2026)

JPY (millions)

| | Reportable Segments | | | Others | Reconciling Items (Note 2) | Consolidated Total |
|---|---------------------|--------------------------|-----------|---------|-------------------------------|--------------------|
| | IT Services | Social Infrastructure | Total | | | |
| Revenue | | | | | | |
| External customers | 2,508,925 | 935,302 | 3,444,227 | 138,506 | — | 3,582,733 |
| Intersegment | 1,959 | 3,109 | 5,068 | 7,844 | (12,912) | — |
| Total | 2,510,884 | 938,411 | 3,449,295 | 146,350 | (12,912) | 3,582,733 |
| Segment profit (loss) | 336,704 | 74,318 | 411,022 | (4,146) | (20,049) | 386,827 |
| Acquisition-related amortization of intangible assets | | | | | | (24,435) |
| Expenses for M&A | | | | | | (2,479) |
| Operating profit | | | | | | 359,913 |
| Finance income | | | | | | 52,949 |
| Finance costs | | | | | | (18,168) |
| Share of profit of entities accounted for using the equity method | | | | | | 3,481 |
| Profit before income taxes | | | | | | 398,175 |

Notes:

1. Segment profit (loss) is measured by deducting amortization of intangible assets recognized as a result of M&A and expenses for acquisition of companies (financial advisory fees and other fees) from operating profit (loss).
2. "Reconciling Items" in segment profit (loss) includes amounts not allocated to each reportable segment that consist principally of corporate expenses of 22,501 million JPY, and 31,291 million JPY for the fiscal years ended March 31, 2025, and 2026, respectively. Corporate expenses are mainly research and development expenses for advanced technology.

(2) Information about revising segments

From the fiscal year ended March 31, 2026, the Company has revised its reporting segments in accordance with the organizational restructuring implemented on April 1, 2025. The main change is the reclassification of NEC Networks & System Integration Corporation ("NESIC"), which was previously included in the "Social Infrastructure Business" segment, into the "IT Services Business" segment. This change was made due to the conversion of NESIC into a wholly-owned subsidiary and a group business reorganization targeting municipalities and SMEs (small and medium-sized enterprises), with the aim of strengthening the business foundation for domestic and regional businesses, as well as digital social infrastructure businesses. Segment information for the fiscal year ended March 31, 2025 is reclassified to conform to the presentation of the revised segments for the fiscal year ended March 31, 2026.

(3) Information about geographic areas

Revenue from external customers

JPY (millions)

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|------------------------------------|-------------------------------------|-------------------------------------|
| Japan | 2,716,019 | 2,868,569 |
| North America and Latin America | 116,097 | 106,199 |
| Europe, Middle East, and Africa | 343,111 | 391,949 |
| China, East Asia, and Asia Pacific | 248,204 | 216,016 |
| Total | 3,423,431 | 3,582,733 |

3. Finance Income

A gain on sales of associates of 20,226 million JPY from the sale of shares of Japan Aviation Electronics Industry, Limited is included in “Finance income” in the consolidated statements of profit or loss for the fiscal year ended March 31, 2026.

4. Share of profit (loss) of entities accounted for using the equity method

An impairment loss of 14,335 million JPY on the investment in NEC Capital Solutions Limited is included in “Share of profit (loss) of entities accounted for using the equity method” in the consolidated statements of profit or loss for the fiscal year ended March 31, 2025.

5. Earnings Per Share

The calculation of basic earnings per share (“EPS”) and diluted EPS has been based on the following profit attributable to ordinary shareholders of the parent company for the fiscal years ended March 31, 2025, and 2026:

| | JPY (millions) | |
|---|----------------|-----------|
| | 2025 | 2026 |
| Net profit attributable to owners of the parent | 175,183 | 270,228 |
| Net profit attributable to ordinary shareholders of the parent to calculate basic EPS | 175,183 | 270,228 |
| Net profit attributable to ordinary shareholders of the parent after adjustment for the effects of dilutive potential ordinary shares | 175,183 | 270,228 |
| Weighted-average number of ordinary shares to calculate basic EPS (in thousands of shares) | 1,332,240 | 1,331,527 |
| Weighted-average number of ordinary shares (diluted) (in thousands of shares) | 1,332,240 | 1,331,527 |
| Basic EPS (JPY) | 131.50 | 202.95 |
| Diluted EPS (JPY) | 131.49 | 202.95 |

Notes:

1. Net profit attributable to ordinary shareholders of the parent after adjustment for the effects of dilutive potential ordinary shares includes the effect of share options issued by associates accounted for using the equity method.
2. The Company conducted a share split at a ratio of five (5) shares for one (1) share of its common share, effective April 1, 2025. Basic EPS and diluted EPS have been calculated assuming that the share split had occurred at the beginning of the previous fiscal year.

6. Subsequent Events

There are no significant subsequent events.

2. Basic View of Selected Accounting Standards

The NEC Group has applied International Financial Reporting Standards (IFRS) since the fiscal year ended March 31, 2017 in order to enhance the international comparability of its financial information in capital markets.

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.
