

Consolidated Financial Results for the Three-month Period Ended June 30, 2025 [IFRS]

July 29, 2025

Listing: Tokyo Stock Exchange

Company name NEC Corporation

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

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Scheduled date of dividend payments —

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 Three-month Period Ended June 30, 2025 (April 1, 2025 – June 30, 2025)

(1) Consolidated Operating Results

(Percentage indicate year-on-year changes.)

	Revenue		Operating profit		Profit before income taxes		Net profit		Net profit attributable to owners of the parent		Total comprehensive income	
	JPY (millions)	%	JPY (millions)	%	JPY (millions)	%	JPY (millions)	%	JPY (millions)	%	JPY (millions)	%
Three-month period ended June 30, 2025	715,658	3.7	35,389	679.5	32,103	—	19,456	—	19,310	—	46,905	5.2
June 30, 2024	690,296	(2.3)	4,540	—	(3,323)	—	(6,039)	—	(5,836)	—	44,588	(32.9)

	Adjusted operating profit		Non-GAAP operating profit		Non-GAAP profit attributable to owners of the parent		Basic earnings per share	Diluted earnings per share	Non-GAAP earnings per share
	JPY (millions)	%	JPY (millions)	%	JPY (millions)	%	JPY	JPY	JPY
Three-month period ended June 30, 2025	41,715	228.8	39,995	145.4	22,281	111.7	14.49	14.49	16.72
June 30, 2024	12,688	—	16,295	—	10,526	—	(4.38)	(4.38)	7.90

Note: NEC Corporation ("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 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
As of	JPY (millions)	JPY (millions)	JPY (millions)	%
June 30, 2025	3,874,944	1,971,760	1,893,294	48.9
March 31, 2025	4,315,368	2,071,511	1,952,018	45.2

2. Dividends

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Total
Years ended	JPY	JPY	JPY	JPY	JPY
March 31, 2025	—	70.00	—	70.00	140.00
March 31, 2026	—	—	—	—	—
March 31, 2026 (forecast)	—	16.00	—	16.00	32.00

Notes:

1. Revision in the dividends forecast from latest announcement: None

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. The dividends for the fiscal year ended March 31, 2025 are stated at the actual amounts prior to the share split.

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

(Percentage indicate year-on-year changes.)

	Revenue		Adjusted operating profit		Non-GAAP operating profit		Non-GAAP profit attributable to owners of the parent		Non-GAAP earnings per share
	JPY (millions)	%	JPY (millions)	%	JPY (millions)	%	JPY (millions)	%	JPY
Year ending March 31, 2026	3,360,000	(1.9)	310,000	8.0	320,000	2.8	230,000	1.9	172.58

*Note-Revision in the consolidated financial results forecast from latest announcement: None

*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 end of period (including treasury stock)	June 30, 2025	1,364,249,315 shares	March 31, 2025	1,364,249,315 shares
2) Number of treasury stock at the end of period	June 30, 2025	31,551,758 shares	March 31, 2025	31,549,847 shares
3) Average number of shares during the period	June 30, 2025	1,332,698,314 shares	June 30, 2024	1,332,270,166 shares

Note: 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. Number of shares outstanding at the end of period (including treasury stock), number of treasury stock at the end of period, and average number of shares during the period have been calculated assuming that the share split had occurred at the beginning of the previous fiscal year.

*Review of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

*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 13.

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

On July 29, 2025, 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. Overview of Business Results

The information regarding overview of business results can be found in “Financial Results for Q1 Fiscal Year Ending March 31, 2026”, which is disclosed today on TDnet and the company website.

2. Condensed Interim Consolidated Financial Statements and Notes to Condensed Interim Consolidated Financial Statements

(1) Condensed Interim Consolidated Statements of Financial Position

		JPY (millions)	
	Notes	As of March 31, 2025	As of June 30, 2025
Assets			
Current assets			
Cash and cash equivalents		584,615	526,692
Trade and other receivables		878,434	489,507
Contract assets		374,511	398,085
Inventories		184,779	250,483
Other financial assets		9,830	10,974
Other current assets		181,883	219,416
Subtotal		2,214,052	1,895,157
Assets held for sale		10,942	10,076
Total current assets		2,224,994	1,905,233
Non-current assets			
Property, plant and equipment, net		580,165	577,635
Goodwill		393,881	412,091
Intangible assets, net		351,904	358,935
Investments accounted for using the equity method		107,242	106,921
Other financial assets		221,133	215,653
Deferred tax assets		177,216	178,066
Other non-current assets		258,833	120,410
Total non-current assets		2,090,374	1,969,711
Total assets		4,315,368	3,874,944

Condensed Interim Consolidated Statements of Financial Position (Continued)

JPY (millions)

	Notes	As of March 31, 2025	As of June 30, 2025
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		492,833	429,020
Contract liabilities		405,778	423,463
Bonds and borrowings		233,886	81,651
Accruals		249,989	167,693
Lease liabilities		52,519	53,108
Other financial liabilities		15,787	12,071
Accrued income taxes		59,180	18,574
Provisions		42,415	40,226
Other current liabilities		74,500	62,085
Subtotal		1,626,887	1,287,891
Liabilities directly associated with assets held for sale		6,529	6,069
Total current liabilities		1,633,416	1,293,960
Non-current liabilities			
Bonds and borrowings		255,842	256,658
Lease liabilities		124,112	122,068
Other financial liabilities		22,168	22,546
Net defined benefit liabilities		137,916	135,220
Provisions		26,142	26,709
Other non-current liabilities		44,261	46,023
Total non-current liabilities		610,441	609,224
Total liabilities		2,243,857	1,903,184
Equity			
Share capital		427,831	427,831
Share premium		46,704	—
Retained earnings		1,023,945	987,371
Treasury shares		(30,725)	(30,731)
Other components of equity		484,263	508,823
Total equity attributable to owners of the parent		1,952,018	1,893,294
Non-controlling interests		119,493	78,466
Total equity		2,071,511	1,971,760
Total liabilities and equity		4,315,368	3,874,944

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

Condensed Interim Consolidated Statements of Profit or Loss

JPY (millions)

Three-month period ended June 30	Notes	2024	2025
Revenue	2	690,296	715,658
Cost of sales		500,126	499,470
Gross profit		190,170	216,188
Selling, general and administrative expenses		184,086	183,681
Other operating income (expenses)		(1,544)	2,882
Operating profit	2	4,540	35,389
Finance income	2	5,585	3,302
Finance costs	2	3,667	7,660
Share of profit (loss) of entities accounted for using the equity method	2,3	(9,781)	1,072
Profit (loss) before income taxes	2	(3,323)	32,103
Income taxes		2,716	12,647
Net profit (loss)		(6,039)	19,456
Net profit (loss) attributable to			
Owners of the parent		(5,836)	19,310
Non-controlling interests		(203)	146
Total		(6,039)	19,456
Earnings per share attributable to owners of the parent			
Basic earnings per share (JPY)		(4.38)	14.49
Diluted earnings per share (JPY)		(4.38)	14.49

Note: 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 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.

Condensed Interim Consolidated Statements of Comprehensive Income

JPY (millions)

Three-month period ended June 30	Notes	2024	2025
Net profit (loss)		(6,039)	19,456
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		2,051	1,843
Remeasurements of defined benefit plans		—	(22)
Share of other comprehensive income of entities accounted for using the equity method		(172)	12
Total items that will not be reclassified to profit or loss		1,879	1,833
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		48,836	23,966
Cash flow hedges		(1,474)	2,114
Share of other comprehensive income of entities accounted for using the equity method		1,386	(464)
Total items that may be reclassified subsequently to profit or loss		48,748	25,616
Total other comprehensive income, net of tax		50,627	27,449
Total comprehensive income		44,588	46,905
Total comprehensive income attributable to			
Owners of the parent		40,582	43,006
Non-controlling interests		4,006	3,899
Total		44,588	46,905

(3) Condensed Interim Consolidated Statements of Changes in Equity

(Three-month period ended June 30, 2024)

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 (loss)	—	—	(5,836)	—	—	(5,836)	(203)	(6,039)
Other comprehensive income	—	—	—	—	46,418	46,418	4,209	50,627
Comprehensive income	—	—	(5,836)	—	46,418	40,582	4,006	44,588
Purchase of treasury shares	—	—	—	(19)	—	(19)	—	(19)
Share-based payment transactions	—	102	—	—	—	102	—	102
Cash dividends	—	—	(16,007)	—	—	(16,007)	(2,489)	(18,496)
Changes in interests in subsidiaries	—	125	—	—	—	125	(200)	(75)
Total transactions with owners	—	227	(16,007)	(19)	—	(15,799)	(2,689)	(18,488)
As of June 30, 2024	427,831	167,678	861,610	(31,116)	514,393	1,940,396	175,227	2,115,623

(Three-month period ended June 30, 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, 2025	427,831	46,704	1,023,945	(30,725)	484,263	1,952,018	119,493	2,071,511
Net profit (loss)	—	—	19,310	—	—	19,310	146	19,456
Other comprehensive income	—	—	—	—	23,696	23,696	3,753	27,449
Comprehensive income	—	—	19,310	—	23,696	43,006	3,899	46,905
Purchase of treasury shares	—	—	—	(6)	—	(6)	—	(6)
Disposal of treasury shares	—	0	—	0	—	0	—	0
Share-based payment transactions	—	217	—	—	—	217	—	217
Cash dividends	—	—	(18,683)	—	—	(18,683)	(295)	(18,978)
Transfer of negative balance of other capital surplus	—	37,201	(37,201)	—	—	—	—	—
Changes in interests in subsidiaries	—	(84,122)	—	—	864	(83,258)	(44,631)	(127,889)
Total transactions with owners	—	(46,704)	(55,884)	(6)	864	(101,730)	(44,926)	(146,656)
As of June 30, 2025	427,831	—	987,371	(30,731)	508,823	1,893,294	78,466	1,971,760

(4) Condensed Interim Consolidated Statements of Cash Flows

JPY (millions)

Three-month period ended June 30	Notes	2024	2025
Cash flows from operating activities			
Profit (loss) before income taxes		(3,323)	32,103
Depreciation and amortization		40,231	37,383
Impairment loss		1,284	294
Increase (decrease) in provisions		(1,492)	(4,315)
Finance income		(5,585)	(3,302)
Finance costs		3,667	7,660
Share of profit (loss) of entities accounted for using the equity method	3	9,781	(1,072)
(Increase) decrease in trade and other receivables		333,089	392,280
(Increase) decrease in inventories		(55,185)	(66,834)
Increase (decrease) in trade and other payables		(71,848)	(66,966)
Increase or decrease in net defined benefit liabilities or net defined benefit assets		(2,657)	137,322
Others, net		(125,953)	(157,724)
Subtotal		122,009	306,829
Interest received		1,168	1,368
Dividends received		2,065	2,773
Interest paid		(3,565)	(2,344)
Income taxes paid		(17,936)	(55,561)
Net cash provided by (used in) operating activities		103,741	253,065
Cash flows from investing activities			
Purchases of property, plant and equipment		(18,228)	(4,358)
Proceeds from sales of property, plant and equipment		2,804	2,549
Acquisitions of intangible assets		(5,304)	(5,489)
Purchase of equity instruments designated as measured at fair value through other comprehensive income		(230)	(3)
Proceeds from sales of equity instruments designated as measured at fair value through other comprehensive income		9	6,810
Purchase of shares of newly consolidated subsidiaries		—	(2,312)
Proceeds from sales of shares of subsidiaries		—	2,824
Proceeds from sales of investments in associates or joint ventures		20	—
Others, net		(797)	79
Net cash provided by (used in) investing activities		(21,726)	100

Condensed Interim Consolidated Statements of Cash Flows (Continued)

			JPY (millions)
Three-month period ended June 30	Notes	2024	2025
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings		(954)	(136,831)
Proceeds from long-term borrowings		1,502	1,008
Repayments of long-term borrowings		(92)	(168)
Redemption of bonds		(25,000)	(15,000)
Payments of lease liabilities		(15,241)	(14,205)
Payments for acquisition of interests in subsidiaries from non-controlling interests		—	(126,567)
Dividends paid		(15,806)	(18,506)
Dividends paid to non-controlling interests		(2,475)	(300)
Others, net		(141)	350
Net cash provided by (used in) financing activities		(58,207)	(310,219)
Effect of exchange rate changes on cash and cash equivalents		9,478	(869)
Net increase (decrease) in cash and cash equivalents		33,286	(57,923)
Cash and cash equivalents, at the beginning of period		476,490	584,615
Cash and cash equivalents, at the end of period		509,776	526,692

(5) Notes to Condensed Interim Consolidated Financial Statements

1. Going Concern Assumptions

Not applicable.

2. Segment Information

(1) Information about revenue, profit or loss by reportable segments
(Three-month period ended June 30, 2024)

JPY (millions)

	Reportable Segments			Others	Reconciling Items (Note 2)	Consolidated Total
	IT Services	Social Infrastructure	Total			
Revenue						
External customers	501,845	157,629	659,474	30,822	—	690,296
Intersegment	283	825	1,108	1,717	(2,825)	—
Total	502,128	158,454	660,582	32,539	(2,825)	690,296
Segment profit (loss)	11,650	1,511	13,161	1,211	(1,684)	12,688
Acquisition-related amortization of intangible assets						(8,148)
Expenses for M&A						—
Operating profit						4,540
Finance income						5,585
Finance costs						(3,667)
Share of loss of entities accounted for using the equity method						(9,781)
Profit (loss) before income taxes						(3,323)

(Three-month period ended June 30, 2025)

JPY (millions)

	Reportable Segments			Others	Reconciling Items (Note 2)	Consolidated Total
	IT Services	Social Infrastructure	Total			
Revenue						
External customers	514,690	172,817	687,507	28,151	—	715,658
Intersegment	346	515	861	2,009	(2,870)	—
Total	515,036	173,332	688,368	30,160	(2,870)	715,658
Segment profit (loss)	36,677	9,789	46,466	(484)	(4,267)	41,715
Acquisition-related amortization of intangible assets						(6,325)
Expenses for M&A						(1)
Operating profit						35,389
Finance income						3,302
Finance costs						(7,660)
Share of profit of entities accounted for using the equity method						1,072
Profit before income taxes						32,103

Notes:

- 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).
- "Reconciling Items" in segment profit (loss) includes amounts not allocated to each reportable segment that consist principally of corporate expenses of 2,267 million JPY and 4,576 million JPY for the three-month period ended June 30, 2024 and 2025, respectively. Corporate expenses are mainly research and development expenses for advanced technology.

(2) Information about revising segments

From the three-month period ended June 30, 2025, 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 three-month period ended June 30, 2024 is reclassified to conform to the presentation of the revised segments for the three-month period ended June 30, 2025.

(3) Information about geographic areas

Revenue from external customers

	JPY (millions)	
	Three-month period ended June 30, 2024	Three-month period ended June 30, 2025
Japan	520,876	563,993
North America and Latin America	28,710	21,547
Europe, Middle East, and Africa	85,782	75,244
China, East Asia, and Asia Pacific	54,928	54,874
Total	690,296	715,658

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

An impairment loss of 11,101 million JPY on the investment accounted for using the equity method regarding NEC Capital Solutions Limited is included in “Share of profit (loss) of entities accounted for using the equity method” for the three-month period ended June 30, 2024.

4. Subsequent Events

Issuance of Unsecured Straight Bonds (Sustainability-Linked Bonds)

The Company decided the issuance of 66th and 67th series of Unsecured Straight Bonds (Sustainability-Linked Bonds) on July 18, 2025 for the purpose of repayments of borrowings and redemption of the outstanding straight bonds. All series were issued with a due date of payment on July 25, 2025, and have, as a financial covenant, a negative pledge clause (with an inter-bond pari passu clause). The information about the aggregate notional amount, coupon rate and maturity date is as follows.

Series	Aggregate notional amount (million JPY)	Coupon rate (per annum)	Maturity date
66th	20,000	1.387%	July 25, 2030
67th	10,000	2.046%	July 25, 2035

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.
