



Financial Results for the First 9 Months ending March 2021

February 1, 2021

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9M FY2021/3 Summery

(¥ Bn.)

	9M			(ref.) 3Q		
	FY2020/3	FY2021/3	Change	FY2020/3	FY2021/3	Change
Orders received	215.2	253.5	+18%	63.5	75.6	+19%
Net sales	214.0	233.5	+9%	77.8	82.3	+6%
Gross margin	16.8%	17.8%	+1.0pt	17.3%	19.9%	+2.6pt
Operating income	8.2	13.8	+5.6	3.8	7.1	+3.2
(to sales)	(3.8%)	(5.9%)	+2.1pt	(4.9%)	(8.6%)	+3.7pt
Extraordinary losses	3.4	0.8	+2.6	1.2	0.3	+0.9
Net income	4.3	8.4	+4.1	1.4	4.4	+3.0
attributable to owners of the parent						
(to sales)	(2.0%)	(3.6%)	+1.6pt	(1.8%)	(5.3%)	+3.5pt
Free cash flows	1.9	13.1	+11.2	-8.9	-1.3	+7.6

Record high performance

• Orders/Sales

- GIGA school projects led the topline increase

*Orders(¥29Bn.) were mainly received in 1H

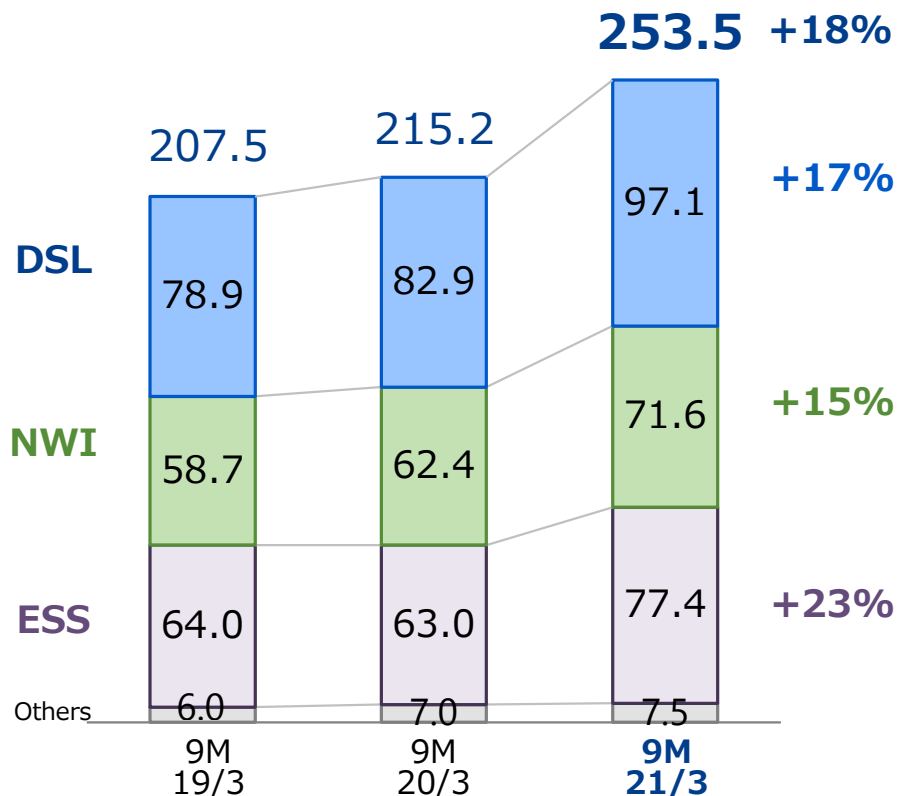
- Strategic areas (DX/Workstyle, telecom) expanded

• Operating income

- Sharply increased due to stronger business capability
 - Sales growth, improved profitability
 - Accelerated growth expenses

9M FY2021/3 Orders Received by Segment

(¥Bn.)



Digital Solutions (DSL)

- Large GIGA school projects received by a subsidiary drove an increase in orders.
- DX/Workstyle innovation-related businesses expanded though non-urgent ICT investment slowed down

Network Infra. (NWI)

- Telecom carriers business expanded (KNSI etc.)
- A large submarine seismometers project acquired in 1Q

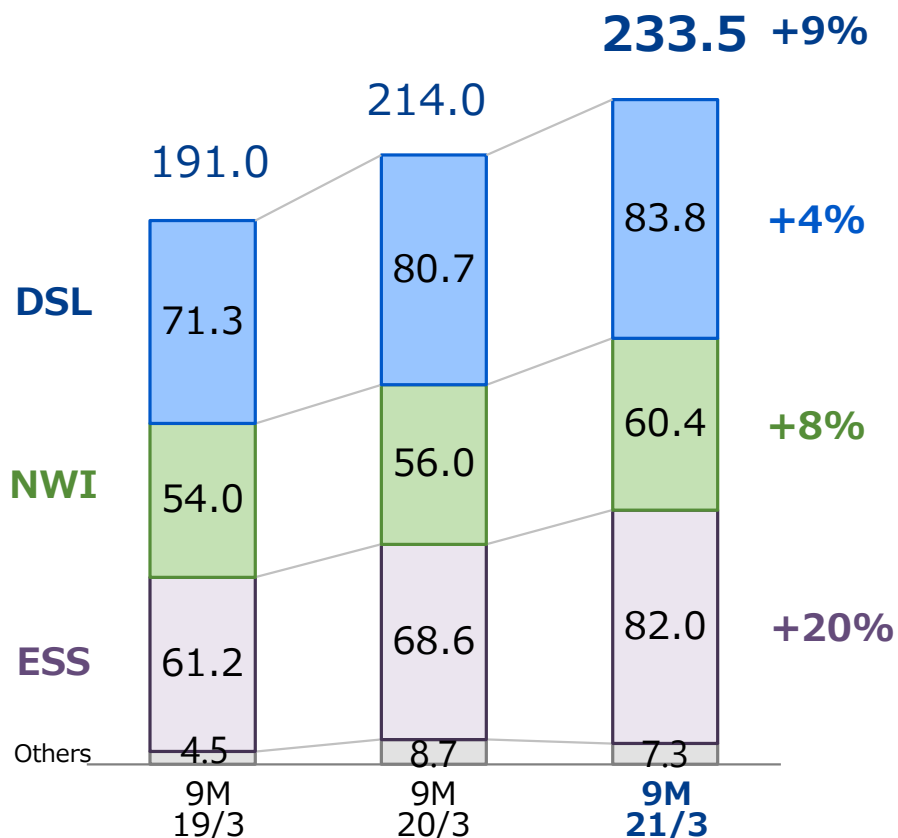
Engineering & Support Services (ESS)

- Regional GIGA school projects led the growth.

※Segment information FY19/3 & FY20/3 has been reclassified to reflect the inter-segment business transfer in April 2020.

9M FY2021/3 Net Sales by Segment

(¥Bn.)



Digital Solutions (DSL)

- DX/Workstyle innovation-related businesses steadily expanded
- GIGA school projects contributed to sales.

Network Infra. (NWI)

- Telecom carriers business expanded

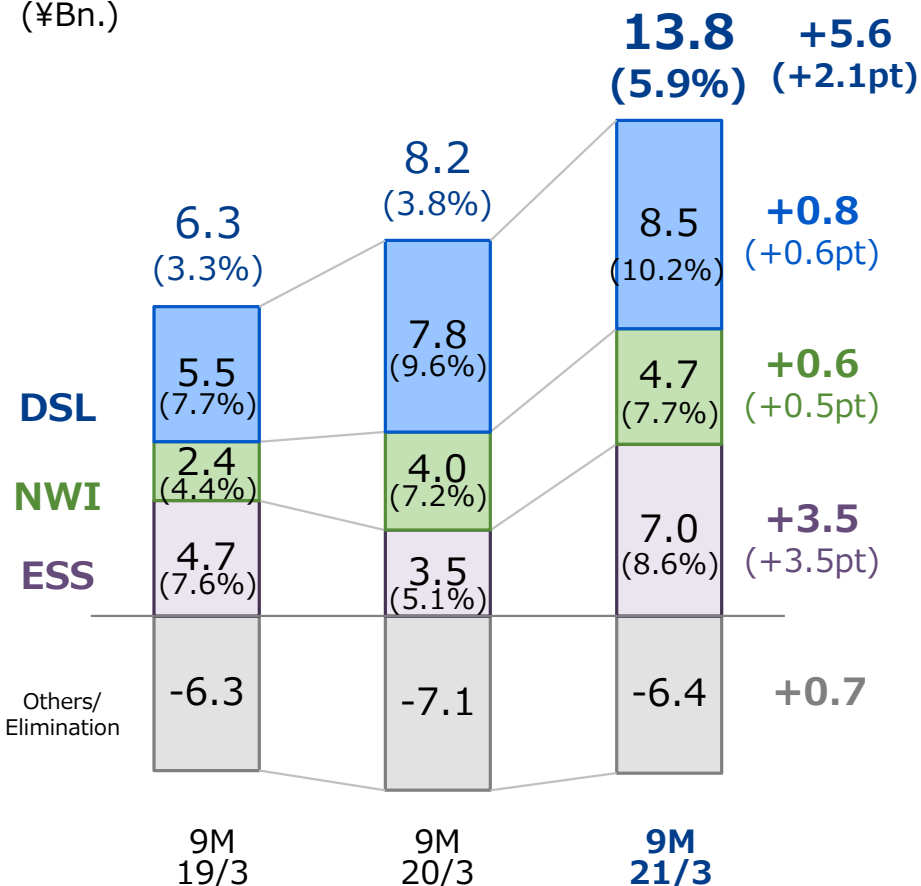
Engineering & Support Services (ESS)

- Regional GIGA school orders and mega-solar projects contributed to sales.

※Segment information FY19/3 & FY20/3 has been reclassified to reflect the inter-segment business transfer in April 2020.

9M FY2021/3 Operating Income by Segment

(¥Bn.)



Digital Solutions (DSL)

- Profit increased thanks to increased sales and improved sales mix (increase of service provision biz.)

Network Infra. (NWI)

- Profit increased due to growth in sales and the effect of reorganization* with larger growth expenses

*Resource efficiency improvement, enhanced PJ management, etc.

Engineering & Support Services (ESS)

- Profit increased because of higher sales and a decrease in provision for loss for unprofitable PJ

Others/elimination

- Administration costs improved

※Segment information FY19/3 & FY20/3 has been reclassified to reflect the inter-segment business transfer in April 2020.

	FY20/3	FY21/3 (Forecasts)	Change	(¥ Bn.)	
				Previous forecasts (2020/10/29)	Difference
Orders Received	305.0	333	+9%	320	+13
Net Sales	303.6	333	+10%	327	+6
Operating Income	16.2	22.0	+5.8	19.0	+3.0
(to Sales)	(5.4%)	(6.6%)	+1.2pt	(5.8%)	+0.8pt
Net income attributable to owners of the parent	9.4	13.5	+4.1	11.3	+2.2
(to Sales)	(3.1%)	(4.1%)	+1.0pt	(3.5%)	+0.6pt

Upward-revision. Forecasting frontloaded achievement of medium- term targets

- Execution of acquired GIGA school PJs
- Expansion centered on telecom carriers and DX/workstyle businesses

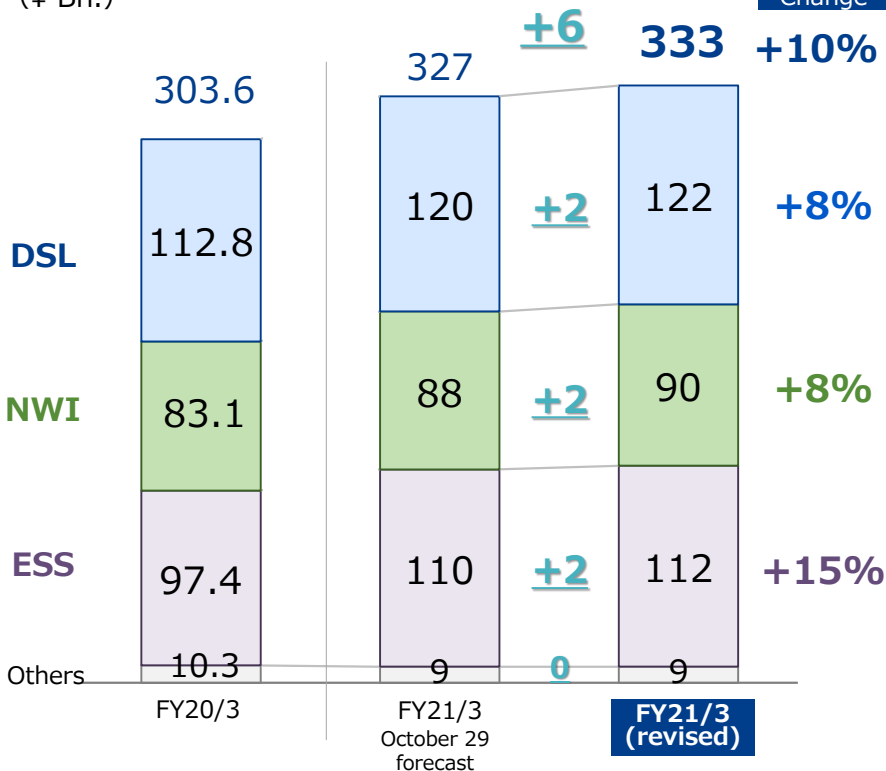
FY2021/3 Forecasts by Segment

(Forecasts as at January 29, 2021)

Net Sales

(¥ Bn.)

YoY
Change

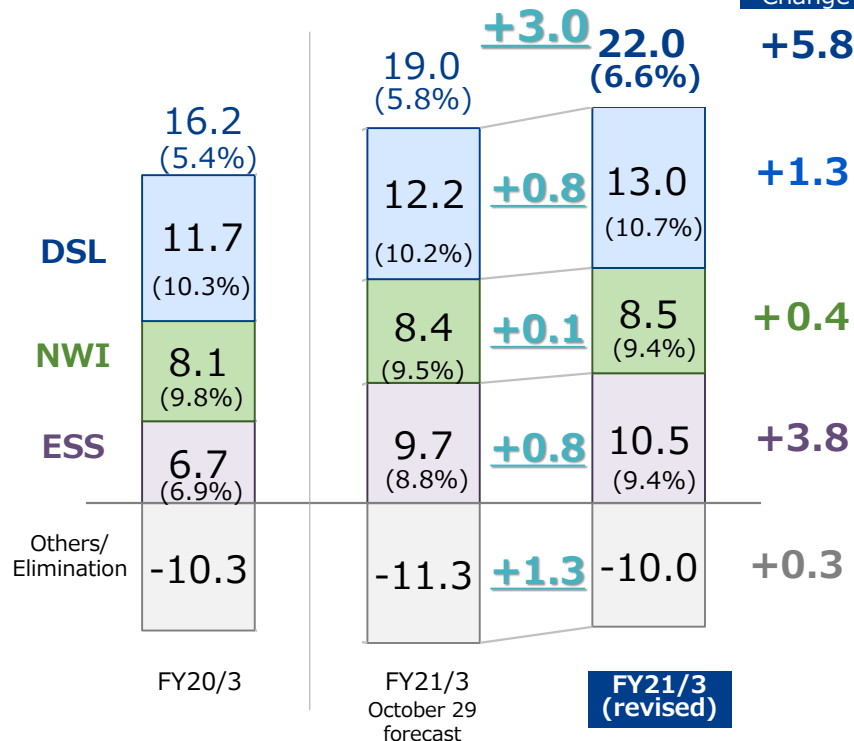


Operating Income

(¥ Bn.)

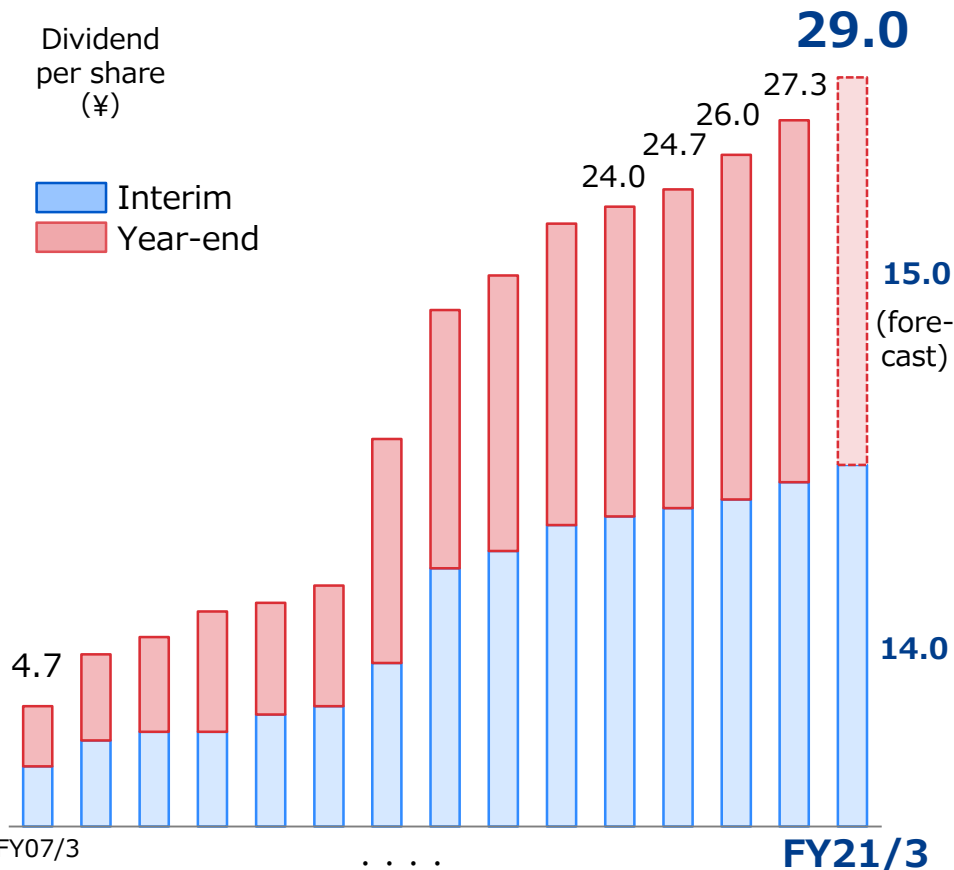
(): to sales

YoY
Change



Dividend
per share
(¥)

Interim
Year-end



Changed dividend plan according to business forecasts

- Year-end dividend: **¥15/share**
(Year total: **¥29/share**)
- Considering DOE

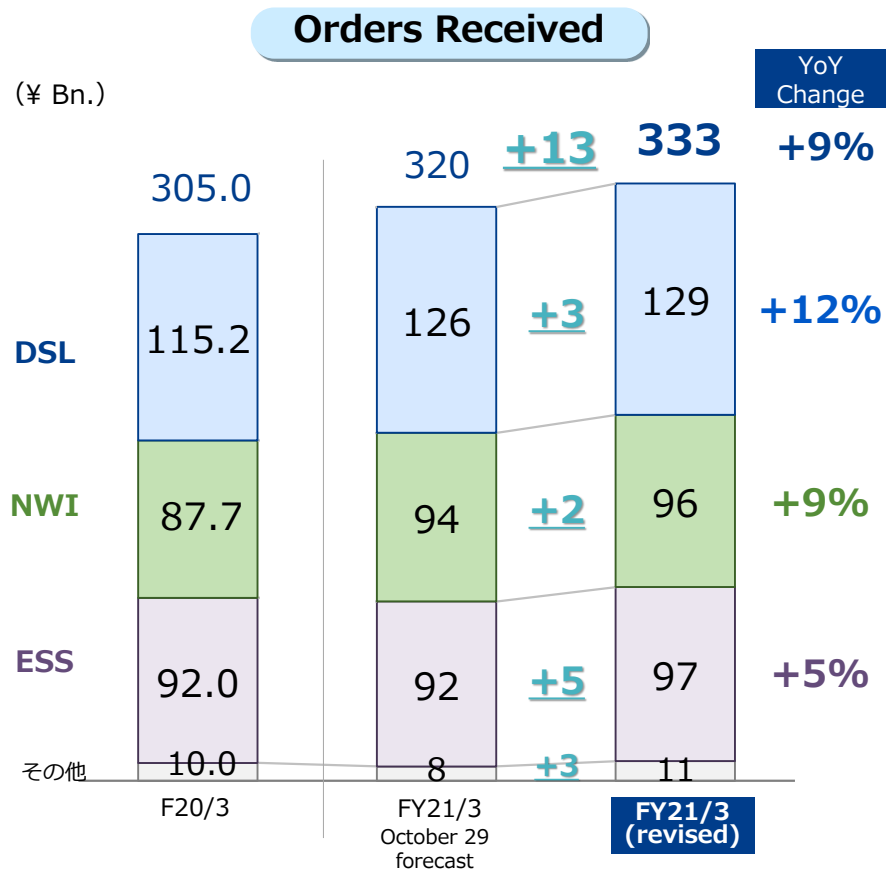
**increasing for the
14th year un a row**

* The results for the fiscal years ended March 2020 and prior thereto presented below reflect the three-for-one stock split conducted on June 1, 2020.

APPENDIX

FY2021/3 Forecasts by Segment

(Forecasts as at January 29, 2021)



3Q FY2021/3 (End of Dec. 2020) Balance Sheet

(¥ Bn.)

	End of Mar.20	End of Dec.20	Diff.
Cash and cash equivalents	58.3	67.9	9.6
Notes & accounts receivable	113.1	105.7	-7.4
Inventories	13.2	14.2	1.1
Others	7.3	8.2	0.9
Current Assets	191.8	196.0	4.2
Noncurrent Assets	38.4	39.8	1.4
Assets	230.2	235.8	5.5

Notes and accounts payable	43.1	46.8	3.7
Loans	8.7	9.6	0.9
Others	64.9	61.5	-3.4
Liabilities	116.7	117.9	1.1
Shareholders' equity	114.5	118.7	4.3
Accumulated other comprehensive income	-4.1	-4.0	0.1
Non-controlling interests	3.1	3.2	0.1
Net Assets	113.5	117.9	4.4
Liabilities & Net Assets	230.2	235.8	5.5

Owner's Equity Ratio	47.9%	48.7%	+0.8pt
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3Q FY2021/3 Cash Flows

(¥ Bn.)

	9M FY20/3	9M FY21/3
Operating Cash Flow (A)	6.7	16.6
Investment Cash Flow(B)	-4.8	-3.5
Free Cash Flows (A)+(B)	1.9	13.1
Financial Cash Flow	-2.7	-2.9

Cautionary Statement

Forecasts and targets of results mentioned in this document are future estimates and are thus inclusive of risks and uncertain factors since they are not based on definite facts. Please be aware that a variety of factors could cause actual results to differ significantly from those projected. The major factors affecting actual results include the economic climate and social trends surrounding the business of this Company's group, consumer trends vis-a-vis systems and services provided by this Company's group, as well as pressure to lower prices and ability to cope with the market in response to intensified competition.

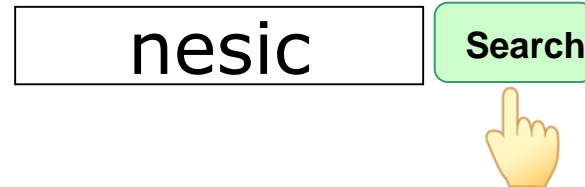
Factors affecting results are not limited to the ones mentioned above.

There were inter-segment transfer of some businesses and other changes in April 2020. Segment information for the FY 2019/3 and FY 2020/3 has been recalculated to reflect the change in the content of business segments. (FY2019/3 figures are un-audited)



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The logo consists of the letters "NEC" in a bold, blue, sans-serif font. The letters are closely spaced and have a slight shadow effect.

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