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Notes: 1. U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥120 = U.S.\$1.
2. Please refer to the separate publication "Annual Report 2015 (Financials)" for details of "Note XX" on pages 53 to 60.

Consolidated Balance Sheets

NEC Corporation and Subsidiaries
March 31, 2014 and 2015

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2015	2015
CURRENT ASSETS:			
Cash and cash equivalents (Note 19)	¥ 206,637	¥ 181,132	\$ 1,509,433
Short-term investments (Note 19)	2,322	1,972	16,433
Trade notes and accounts receivable (Note 19)	842,308	928,367	7,736,392
Inventories (Note 7)	214,395	241,146	2,009,550
Deferred tax assets (Note 13)	74,431	65,351	544,592
Other current assets (Notes 19 and 20)	167,626	163,968	1,366,400
Allowance for doubtful accounts	(4,810)	(5,151)	(42,925)
Total current assets	1,502,909	1,576,785	13,139,875
PROPERTY, PLANT AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION (Note 8):			
Land	63,585	57,787	481,558
Buildings and structures	175,570	172,177	1,434,808
Machinery and equipment	17,878	20,189	168,242
Furniture and fixtures	63,075	67,643	563,692
Construction in progress	26,078	20,319	169,325
Total property, plant and equipment	346,186	338,115	2,817,625
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 6 and 19)	147,170	157,078	1,308,983
Investments in affiliated companies (Note 19)	78,293	90,153	751,275
Goodwill	76,203	66,985	558,208
Software	98,285	94,194	784,950
Long-term loans receivable (Note 19)	40,123	39,424	328,534
Deferred tax assets (Note 13)	108,398	85,114	709,283
Net defined benefit asset (Note 9)	10,404	74,622	621,850
Other assets (Notes 19 and 20)	112,897	102,682	855,684
Allowance for doubtful accounts	(15,539)	(4,500)	(37,500)
Total investments and other assets	656,234	705,752	5,881,267
TOTAL ASSETS	¥2,505,329	¥2,620,652	\$21,838,767

See notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2015	2015
CURRENT LIABILITIES:			
Short-term borrowings (Notes 8 and 19)	¥ 32,415	¥ 28,988	\$ 241,567
Current portion of long-term debt (Notes 8 and 19)	66,126	106,267	885,558
Trade notes and accounts payable (Note 19)	446,494	466,677	3,888,975
Accrued expenses (Note 19)	152,792	169,070	1,408,917
Other current liabilities (Notes 10, 13, 19 and 20)	287,758	298,546	2,487,883
Total current liabilities	985,585	1,069,548	8,912,900
LONG-TERM LIABILITIES:			
Long-term debt (Notes 8 and 19)	476,610	385,523	3,212,692
Net defined benefit liability (Notes 3 and 9)	220,457	228,686	1,905,717
Deferred tax liabilities (Note 13)	2,213	2,410	20,083
Other long-term liabilities (Notes 11, 19 and 20)	52,801	50,293	419,108
Total long-term liabilities	752,081	666,912	5,557,600
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 18, 20 and 21)			
NET ASSETS (Notes 12 and 24):			
SHAREHOLDERS' EQUITY:			
Common stock:			
Authorized — 7,500,000 thousand shares			
Issued — 2,604,733 thousand shares in 2014 and 2015	397,199	397,199	3,309,992
Capital surplus	148,402	148,694	1,239,116
Retained earnings (Note 3)	182,570	207,021	1,725,175
Treasury stock—at cost:			
6,515 thousand shares in 2014 and			
5,916 thousand shares in 2015	(2,976)	(3,025)	(25,208)
Total shareholders' equity	725,195	749,889	6,249,075
ACCUMULATED OTHER COMPREHENSIVE INCOME:			
Valuation difference on available-for-sale securities	34,292	47,385	394,875
Deferred gains or losses on hedges	(1,359)	(271)	(2,258)
Foreign currency translation adjustments	(1,521)	12,795	106,625
Remeasurements of defined benefit plans	(60,658)	13,852	115,433
Total accumulated other comprehensive income	(29,246)	73,761	614,675
MINORITY INTERESTS (Note 3)	71,714	60,542	504,517
Total net assets	767,663	884,192	7,368,267
TOTAL LIABILITIES AND NET ASSETS	¥2,505,329	¥2,620,652	\$21,838,767

Consolidated Statements of Operations

NEC Corporation and Subsidiaries
Years Ended March 31, 2013, 2014 and 2015

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2013	2014	2015	2015
NET SALES	¥3,071,609	¥3,043,114	¥2,935,517	\$24,462,642
COST OF SALES (Note 9)	2,142,243	2,128,457	2,039,499	16,995,825
Gross profit	929,366	914,657	896,018	7,466,817
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 9 and 14)	814,719	808,464	767,934	6,399,450
Operating income	114,647	106,193	128,084	1,067,367
NON-OPERATING INCOME:				
Interest and dividends income	5,247	6,251	5,658	47,150
Equity in earnings of affiliated companies, net	409	2,719	8,126	67,717
Foreign exchange gain, net	446	593	4,468	37,233
Subsidy income	535	2,165	2,361	19,675
Other non-operating income	8,940	6,507	5,879	48,992
Total non-operating income	15,577	18,235	26,492	220,767
NON-OPERATING EXPENSES:				
Interest expense	5,979	10,036	10,066	83,883
Retirement benefit expenses (Note 9)	11,631	11,325	10,357	86,308
Provision for contingent loss	1,327	11,452	5,872	48,934
Other non-operating expenses	19,263	22,463	16,169	134,742
Total non-operating expenses	38,200	55,276	42,464	353,867
Ordinary income	92,024	69,152	112,112	934,267
SPECIAL GAINS (Note 15)	16,780	58,341	7,801	65,008
SPECIAL LOSSES (Note 15)	39,525	43,532	23,176	193,133
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	69,279	83,961	96,737	806,142
INCOME TAXES (Note 13):				
Current	30,724	33,558	31,868	265,567
Deferred	(198)	8,808	8,944	74,533
Total income taxes	30,526	42,366	40,812	340,100
INCOME BEFORE MINORITY INTERESTS	38,753	41,595	55,925	466,042
MINORITY INTERESTS IN NET INCOME (LOSS) OF SUBSIDIARIES	8,319	7,853	(1,377)	(11,475)
NET INCOME	¥ 30,434	¥ 33,742	¥ 57,302	\$ 477,517

	Yen			U.S. Dollars (Note 1)
	2013	2014	2015	2015
PER SHARE OF COMMON STOCK (Note 23):				
Basic net income	¥11.71	¥12.99	¥22.05	\$0.18
Diluted net income	—	—	—	—
Cash dividends applicable to the year	4.00	4.00	4.00	0.03

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

NEC Corporation and Subsidiaries
Years Ended March 31, 2013, 2014 and 2015

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2013	2014	2015	2015
INCOME BEFORE MINORITY INTERESTS	¥38,753	¥41,595	¥ 55,925	\$ 466,042
OTHER COMPREHENSIVE INCOME (Note 16):				
Valuation difference on available-for-sale securities	2,096	15,858	12,028	100,233
Deferred gains or losses on hedges	(845)	(253)	674	5,617
Foreign currency translation adjustments	16,724	4,450	11,218	93,483
Remeasurements of defined benefit plans	—	—	78,611	655,092
Share of other comprehensive income of associates accounted for using equity method	5,690	1,239	4,150	34,583
Total other comprehensive income	23,665	21,294	106,681	889,008
COMPREHENSIVE INCOME	¥62,418	¥62,889	¥162,606	\$1,355,050
Comprehensive income attributable to				
owners of the parent	¥53,468	¥54,917	¥160,309	\$1,335,908
minority interests	8,950	7,972	2,297	19,142

Consolidated Statements of Changes in Net Assets

NEC Corporation and Subsidiaries
Years Ended March 31, 2013, 2014 and 2015

	Thousands						Millions of Yen							
	Outstanding number of shares of common stock	Shareholders' equity					Accumulated other comprehensive income					Stock subscription rights	Minority interests	Total net assets
		Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total			
BALANCE, MARCH 31, 2012	2,604,733	¥397,199	¥192,834	¥ 82,659	¥ (2,939)	¥669,753	¥16,273	¥ (142)	¥ (28,928)	¥ —	¥ (12,797)	¥ 24	¥120,634	¥777,614
Deficit disposition			(44,426)	44,426		—								—
Net income				30,434		30,434								30,434
Purchases of treasury stock					(11)	(11)								(11)
Disposals of treasury stock			(3)		4	1								1
Change of scope of equity method				252		252								252
Net changes in items other than shareholders' equity during the year						—	2,060	(934)	21,908	—	23,034	(24)	4,847	27,857
BALANCE, MARCH 31, 2013	2,604,733	397,199	148,405	157,771	(2,946)	700,429	18,333	(1,076)	(7,020)	—	10,237	—	125,481	836,147
Net income				33,742		33,742								33,742
Cash dividends paid, ¥4 per share				(10,394)		(10,394)								(10,394)
Purchases of treasury stock					(35)	(35)								(35)
Disposals of treasury stock			(2)		5	3								3
Change of scope of equity method				1,451		1,451								1,451
Net changes in items other than shareholders' equity during the year						—	15,959	(283)	5,499	(60,658)	(39,483)	—	(53,767)	(93,250)
BALANCE, MARCH 31, 2014	2,604,733	397,199	148,402	182,570	(2,976)	725,195	34,292	(1,359)	(1,521)	(60,658)	(29,246)	—	71,714	767,663
Cumulative effects of changes in accounting policies				(22,458)		(22,458)						—	(1,608)	(24,066)
Restated balance		397,199	148,402	160,112	(2,976)	702,737	34,292	(1,359)	(1,521)	(60,658)	(29,246)	—	70,106	743,597
Net income				57,302		57,302								57,302
Cash dividends paid, ¥4 per share				(10,393)		(10,393)								(10,393)
Purchases of treasury stock					(54)	(54)								(54)
Disposals of treasury stock			(2)		5	3								3
Change of scope of equity method				294		294								294
Net changes in items other than shareholders' equity during the year						—	13,093	1,088	14,316	74,510	103,007	—	(9,564)	93,443
BALANCE, MARCH 31, 2015	2,604,733	¥397,199	¥148,694	¥ 207,021	¥ (3,025)	¥749,889	¥47,385	¥ (271)	¥ 12,795	¥ 13,852	¥ 73,761	¥ —	¥ 60,542	¥884,192

	Thousands of U.S. Dollars (Note 1)						Thousands of U.S. Dollars (Note 1)						
	Shareholders' equity					Accumulated other comprehensive income					Stock subscription rights	Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total			
BALANCE, MARCH 31, 2014	\$3,309,992	\$1,236,683	\$1,521,416	\$ (24,800)	\$6,043,291	\$285,767	\$(11,325)	\$ (12,675)	\$(505,484)	\$(243,717)	\$ —	\$597,617	\$6,397,191
Cumulative effects of changes in accounting policies			(187,150)		(187,150)						—	(13,400)	(200,550)
Restated balance	3,309,992	1,236,683	1,334,266	(24,800)	5,856,141	285,767	(11,325)	(12,675)	(505,484)	(243,717)	—	584,217	6,196,641
Net income			477,517		477,517								477,517
Cash dividends paid, \$0.03 per share			(86,608)		(86,608)								(86,608)
Purchases of treasury stock				(450)	(450)								(450)
Disposals of treasury stock			(17)		42	25							25
Change of scope of equity method				2,450	2,450								2,450
Net changes in items other than shareholders' equity during the year					—	109,108	9,067	119,300	620,917	858,392	—	(79,700)	778,692
BALANCE, MARCH 31, 2015	\$3,309,992	\$1,239,116	\$1,725,175	\$ (25,208)	\$6,249,075	\$394,875	\$(2,258)	\$106,625	\$115,433	\$614,675	\$ —	\$504,517	\$7,368,267

Conforming to separate financial statements, total translated amounts seem to be inconsistent with calculation in some cases.
See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

NEC Corporation and Subsidiaries
Years Ended March 31, 2013, 2014 and 2015

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2013	2014	2015	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income taxes and minority interests	¥ 69,279	¥ 83,961	¥ 96,737	\$ 806,142
Depreciation	83,612	76,977	78,717	655,975
Amortization of long-term prepaid expenses	6,748	4,972	5,126	42,717
Impairment losses on property, plant and equipment, and other assets	21,949	15,934	8,932	74,433
Amortization of goodwill	15,428	17,085	16,814	140,117
Increase (decrease) in allowance for doubtful accounts	591	(4,163)	(11,030)	(91,917)
Decrease in product warranty liabilities	(1,183)	(1,220)	(979)	(8,158)
Increase (decrease) in provision for loss on construction contracts and others	7,987	(6,634)	(5,763)	(48,025)
Increase (decrease) in provision for business structure improvement	(22,644)	9,086	392	3,267
Increase (decrease) in provision for contingent loss	(3,575)	10,476	787	6,558
Increase (decrease) in provision for loss on repurchase of computers	(1,143)	1,583	(464)	(3,867)
Interest and dividends income	(5,247)	(6,251)	(5,658)	(47,150)
Interest expense	5,979	10,036	10,066	83,883
Equity in earnings of affiliated companies	(409)	(2,719)	(8,126)	(67,717)
Gain on change in equity	(2,657)	(365)	—	—
Gain on sales of property, plant and equipment	(1,569)	(368)	(3,276)	(27,300)
Loss on retirement of property, plant and equipment	636	—	—	—
Gain on sales of investment securities	(9,057)	(2,698)	(2,216)	(18,466)
Loss on sales of investment securities	2	23	10	83
Write-off of investment securities	804	1,738	1,044	8,700
Gain on sales of investments in affiliated companies	(1,728)	(53,923)	(1,706)	(14,217)
Loss on sales of investments in affiliated companies	880	64	—	—
Loss on contribution of securities to retirement benefit trust	5,898	—	—	—
Gain on insurance claim	(1,625)	—	—	—
Increase in trade notes and accounts receivable	(9,600)	(22,680)	(74,822)	(623,516)
(Increase) decrease in inventories	5,496	24,327	(21,830)	(181,917)
(Increase) decrease in accounts receivable, other	(2,792)	3,380	5,665	47,208
Increase (decrease) in trade notes and accounts payable	(8,548)	(4,034)	16,668	138,900
Others—net (Note 5)	18,328	(26,937)	21,635	180,292
Subtotal	171,840	127,650	126,723	1,056,025
Interest and dividends received	4,481	6,216	5,721	47,675
Interest paid	(5,928)	(8,914)	(10,132)	(84,433)
Income taxes paid	(28,653)	(30,828)	(34,395)	(286,625)
Proceeds from insurance income	2,008	—	—	—
Net cash provided by operating activities	¥143,748	¥ 94,124	¥ 87,917	\$ 732,642

See notes to consolidated financial statements.

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2013	2014	2015	2015
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property, plant and equipment	¥ (46,012)	¥ (89,458)	¥ (42,461)	\$ (353,842)
Proceeds from sales of property, plant and equipment	5,208	5,440	13,790	114,917
Acquisitions of intangible assets	(14,556)	(12,327)	(8,974)	(74,783)
Purchases of investment securities	(1,159)	(995)	(1,367)	(11,392)
Proceeds from sales of investment securities	27,601	14,907	8,729	72,742
Disbursements for acquisitions of shares of newly consolidated subsidiaries	(58,072)	(806)	(10,518)	(87,650)
Proceeds from acquisitions of shares of newly consolidated subsidiaries	—	116	—	—
Proceeds from sales of shares of subsidiaries being excluded from the consolidation	553	42,504	33	275
Disbursements for sales of shares of subsidiaries being excluded from the consolidation	(524)	—	(3,378)	(28,150)
Purchases of investments in affiliated companies	(582)	(27,693)	(7,127)	(59,392)
Proceeds from sales of investments in affiliated companies	1,151	26,515	—	—
(Increase) decrease in short-term loans receivable, net	187	(50)	63	525
Disbursements for loans receivable	(17,543)	(169)	(155)	(1,292)
Collection of loans receivable	195	247	907	7,558
Others—net	1,811	2,876	2,948	24,567
Net cash used in investing activities	(101,742)	(38,893)	(47,510)	(395,917)
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in short-term borrowings, net	(70,289)	(26,745)	(2,275)	(18,958)
Proceeds from long-term borrowings	58,456	138,630	9,875	82,292
Repayments of long-term borrowings	(82,996)	(76,239)	(46,933)	(391,108)
Redemption of bonds	—	(70,000)	(20,000)	(166,667)
Dividends paid	(4)	(10,378)	(10,358)	(86,317)
Dividends paid to minority shareholders	(3,949)	(5,218)	(2,579)	(21,492)
Others—net	(25)	(33)	243	2,025
Net cash used in financing activities	(98,807)	(49,983)	(72,027)	(600,225)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	6,200	4,257	6,115	50,958
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(50,601)	9,505	(25,505)	(212,542)
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	251,843	197,132	206,637	1,721,975
DECREASE IN CASH AND CASH EQUIVALENTS RESULTING FROM CHANGE OF SCOPE OF CONSOLIDATION	(4,110)	—	—	—
CASH AND CASH EQUIVALENTS, AT END OF YEAR	¥197,132	¥206,637	¥181,132	\$1,509,433
NON-CASH INVESTING AND FINANCING ACTIVITIES				
Finance leases	¥1,670	¥1,326	¥781	\$6,508
Contribution of securities to retirement benefit trust	26,437	—	—	—