NEWS RELEASE

Empowered by Innovation NEC

Press Release - Media Contacts: Diane Foley/Makoto Miyakawa TEL: +81-3-3798-6511
***** For immediate use July 28, 2005 *****

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2006

I. Consolidated Financial Results

	Three months ended June 30, 2005	Three months ended June 30, 2004	Change
	In billions of yen	In billions of yen	%
Net sales	1,000.9	1,056.2	-5.2
Operating income (loss)	(21.1)	16.5	-
Income (loss) before income taxes	(28.9)	40.4	-
Net income (loss)	(11.0)	20.9	-
	Yen	Yen	Yen
Net income (loss) per share:			
Basic	(5.66)	10.87	-
Diluted	(5.66)	9.95	-

	As of June 30, 2005	As of March 31, 2005	Change
	In billions of yen	In billions of yen	%
Total assets	3,805.4	3,940.7	-3.4
Shareholders' equity	831.8	794.3	+4.7

(Notes)

1.The consolidated financial statements of NEC are prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP.

2. For the three months ended June 30, 2004, net income per share was restated to the dilutive effect from the issuance of convertible bonds.

3. Number of consolidated subsidiaries and affiliated companies accounted for by the equity method is as follows:

	As of June 30, 2005	As of March 31, 2005	As of June 30, 2004
Consolidated subsidiaries	235	225	200
Affiliated companies accounted for by the equity method	59	58	44

II. Business Results

<1> *Overview of the first quarter of the fiscal year ending March 31, 2006 (three months ended June 30, 2005)*

During the three months ended June 30, 2005, although information technology ("IT")-related production adjustment continued as a result of a slowdown in exports, there was sustained growth in the Japanese economy mainly due to an increase in domestic capital expenditures and consumption amid a recovery trend in the business climate. This was due to an improvement in profitability and a weakened sense of overcapacity owing to a recovery in business results, in addition to an improvement in income and employment environments.

In the electronics industry, despite steady demand for computer and software-related products owing to an improvement in business results, a harsh sales figure condition continued due to severe price decline. In addition, as for the semiconductor market that has been in an adjustment phase since last summer, inventory adjustment progressed steadily and there were indications of a bottoming out in quantity. However, prices continued to decline. In the mobile handset market in Japan, despite a rapid increase in demand for 3G mobile handsets, shipment numbers as a whole continued to fall below those of the corresponding period of the previous fiscal year.

Amid this business environment, NEC made efforts to strengthen the structure of its software and services business as announced in December 2004, and made NEC Soft, Ltd. and NEC System Technologies, Ltd. its wholly-owned subsidiaries. Furthermore, for future growth, NEC will concentrate on tackling the task of accelerating the growth of its IT/Network Solutions business, and strengthening the value chain within the NEC Group.

The consolidated net sales for the three months ended June 30, 2005 were 1,000.9 billion yen, a decrease of 55.2 billion yen (5%) as compared with the corresponding period of the previous fiscal year. This was due to a decrease in sales of mobile handsets and semiconductors, although there were steady sales in fixed-line communication systems and mobile communications systems.

Operating loss was 21.1 billion yen, a worsening of 37.6 billion yen as compared with the corresponding period of the previous fiscal year. This was due to a decrease in net sales and an increase in selling, general and administrative expenses as compared with the corresponding period of the previous fiscal year.

Loss before income taxes amounted to 28.9 billion yen, a worsening of 69.3 billion yen as compared with the corresponding period of the previous fiscal year. This was due to a worsening in operating income, in addition to gain on transfer of marketable securities to the pension trust and gain on sales of marketable securities recognized in the corresponding period of the previous fiscal year. Net loss for the three months ended June 30, 2005 was 11.0 billion yen, a worsening of 31.9 billion yen as compared with the corresponding period of the previous fiscal year.

<2> Results by business segments (including inter-segment transactions and profit/loss figures)

Sales and segment profit of NEC's main segments were as follows (figures in brackets denote increases or decreases as compared with the corresponding period of the previous fiscal year):

IT Solutions Business

Sales:	421.0 billion yen (-2%)
Segment profit:	1.0 billion yen (-12.7 billion yen)

Sales for the IT Solutions business for the three months ended June 30, 2005 amounted to 421.0 billion yen, a decrease of 2% as compared with the corresponding period of the previous fiscal year. This was due to large projects completed in the area of computer platforms in the corresponding period of the previous fiscal year, despite a recovery trend in IT investment in Japan.

Net sales by products and services were as follows:
In the area of systems integration ("SI")/services, sales amounted to 149.7 billion yen, an increase of 1% as compared with the corresponding period of the previous fiscal year. In the area of software and the area of computer platforms, sales decreased by 12% to 18.1 billion yen, and 8% to 89.2 billion yen, respectively, as compared with the corresponding period of the previous fiscal year in which large projects were completed. On the other hand, in the area of personal solutions business, owing to an increase in personal computer units that were sold in Japan, sales amounted to 164.0 billion yen, an increase of 1% as compared with the corresponding period of the previous fiscal year.

Regarding profitability, segment profit was 1.0 billion yen, a worsening of 12.7 billion yen as compared with the corresponding period of the previous fiscal year. This was mainly due to a decrease in profitability in the area of SI/services, and the area of computer platforms.

Network Solutions Business

Sales:	379.4 billion yen (-5%)
Segment profit:	3.1 billion yen (-7.8 billion yen)

Sales for the Network Solutions business for the three months ended June 30, 2005 were 379.4 billion yen, a decrease of 5% as compared with the corresponding period of the previous fiscal year.

Net sales by products and services were as follows:

In the area of broadband, due to steady sales to Japanese communication service providers and enterprises in Japan, sales amounted to 123.9 billion yen, an increase of 11% as compared with the corresponding period of the previous fiscal year. As for the mobile area, although sales exceeded those of the corresponding period of the previous fiscal year owing in particular to steady sales to mobile communication service providers abroad in the area of mobile infrastructure, and 3G mobile handset sales in Japan increased in the area of mobile terminals, due to a decrease in sales of 2G mobile handsets in Japan and mobile handsets for the overseas market in the area of mobile terminals, sales, in the mobile area overall, were 212.6 billion yen, a decrease of 12% as compared with the corresponding period of the previous fiscal year.

Regarding profitability, despite progress in development efficiency and efforts to recover profitability, due to the influence of a decrease in sales of mobile terminals, segment profit amounted to 3.1 billion yen, a decrease of 7.8 billion yen as compared with the corresponding period of the previous fiscal year.

Electron Devices Business

Sales:	181.6 billion yen (-26 %)
Segment loss:	9.8 billion yen (-25.5 billion yen)

Sales for the Electron Devices business for the three months ended June 30, 2005 were 181.6 billion yen, a decrease of 26% as compared with the corresponding period of the previous fiscal year. This was mainly due to a significant decrease in sales in the area of semiconductors, a core business.

Net sales by products and services were as follows:
In the area of semiconductors, sales were 146.1 billion yen, a decrease of 21% as compared with the corresponding period of the previous fiscal year. This was due to continuing weak demand, greater than initially predicted. Although the semiconductor market was in a phase

of expansion of global demand during the first half of the same fiscal year, demand dropped sharply since the second half of the fiscal year ended March 31, 2005, and even after the easing of inventory adjustments, unsteady demand continued. In the display area, sales were 15.1 billion yen, a decrease of 34% as compared with the corresponding period of the previous fiscal year. This was mainly due to the transfer of the plasma display business during the first half of the fiscal year ended March 31, 2005. In the area of electronic components and others, sales were 20.4 billion yen, a decrease of 42% as compared with the corresponding period of the previous fiscal year. This was due to weakened demand and an increase in intra-segment eliminations.

Regarding profitability, segment loss was 9.8 billion yen, a worsening of 25.5 billion yen as compared with the corresponding period of the previous fiscal year. This was due to an increase in costs related to equipment of the production line built during the second half of the previous fiscal year, in addition to an inability to compensate for a decrease in sales, despite reducing costs related to outsourcing and sub-contracting in the semiconductor area.

<3> *Cash flows*

Net cash used in operating activities was 73.4 billion yen, an improvement of 34.2 billion yen as compared with the corresponding period of the previous fiscal year. This was mainly due to a decrease in the payment of notes and accounts payable as compared with the corresponding period of the previous fiscal year owing to a reduction in resources procured as a result of inventory efficiency.

Net cash used in investment activities was 45.9 billion yen, a worsening of 24.3 billion yen as compared with the corresponding period of the previous fiscal year. This was mainly due to gain on sales of affiliates' stocks and other marketable securities in the corresponding period of the previous fiscal year. As a result, free cash flows (the total of cash flows from operating activities and cash flows from investing activities) were cash outflows of 119.2 billion yen, an improvement of 10.0 billion yen as compared with the corresponding period of the previous fiscal year.

Net cash provided by financing activities, despite the redemption of certain bonds, amounted to 37.3 billion yen due to the issuance of commercial paper. As a result, cash and cash equivalents amounted to 413.2 billion yen, a decrease of 81.1 billion yen as compared with the end of the previous fiscal year ended March 31, 2005.

The balance of interest-bearing debt amounted to 1,199.4 billion yen, a decrease of 83.7 billion yen as compared with the end of the corresponding period of the previous fiscal year. Debt-equity ratio was 1.44 (an improvement of 0.34 points as compared with the end of the corresponding period of the previous fiscal year).

The balance of interest-bearing debt (net), obtained by offsetting the balance of interest bearing debt with the balance of cash and cash equivalents, decreased by 24.1 billion yen, amounting to 786.2 billion yen, as compared with the end of the corresponding period of the previous fiscal year. Net debt-equity ratio was 0.95 (an improvement of 0.17 points as compared with the end of the corresponding period previous fiscal year).

<4> Financial forecast

Regarding the financial forecast for the fiscal year ending March 31, 2006, there is no change from the forecast announced on April 27, 2005.

***

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(In millions of yen, millions of U.S. dollars)

Three months ended June 30	**2005**	**(% of net sales)**	2004	(% of net sales)	Increase (Decrease)	**2005**
Net sales	**JPY 1,000,944**	**(100.0)**	JPY 1,056,155	(100.0)	(JPY 55,211)	**$9,018**
Cost of sales	**752,405**	**(75.2)**	784,559	(74.3)	(32,154)	**6,779**
Selling, general and administrative expenses	**269,604**	**(26.9)**	255,067	(24.1)	14,537	**2,429**
Operating income (loss)	**(21,065)**	**(-2.1)**	16,529	(1.6)	(37,594)	**(190)**
Non-operating income	**6,451**	**(0.6)**	37,465	(3.5)	(31,014)	**58**
Interest and dividends	**2,547**		3,334		(787)	**23**
Other	**3,904**		34,131		(30,227)	**35**
Non-operating expenses	**14,334**	**(1.4)**	13,611	(1.3)	723	**129**
Interest	**4,145**		5,548		(1,403)	**37**
Other	**10,189**		8,063		2,126	**92**
Income (loss) before income taxes	**(28,948)**	**(-2.9)**	40,383	(3.8)	(69,331)	**(261)**
Provision (benefit) for income taxes	**(15,487)**	**(-1.5)**	20,999	(2.0)	(36,486)	**(140)**
Minority interest in income (losses) of consolidated subsidiaries	**(1,551)**	**(-0.2)**	3,213	(0.3)	(4,764)	**(14)**
Equity in earnings of affiliated companies	**918**	**(0.1)**	4,774	(0.5)	(3,856)	**8**
Net income (loss)	**(JPY 10,992)**	**(-1.1)**	JPY 20,945	(2.0)	(JPY 31,937)	**($99)**

(Notes)

*US dollar amounts are translated from yen, for convenience only, at the rate of US$1 = 111 yen.

*Comprehensive income (loss), adds net income (loss) to change in accumulated other comprehensive income (loss), were 7,894 million yen (decrease) and 9,849 million yen (increase) for the three months ended June 30, 2005 and 2004, respectively. Accumulated other comprehensive income (loss) includes foreign currency translation adjustments, minimum pension liability adjustment, unrealized gains (losses) on marketable securities and unrealized gains (losses) on derivative financial instruments.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions of yen, millions of U.S.dollars)

	June 30, 2005 (Unaudited)	June 30, 2004 (Unaudited)	Increase (Decrease)	March 31, 2005	Increase (Decrease)	**June 30, 2005 (Unaudited)**
Current assets	**JPY 1,915,616**	JPY 2,055,356	(JPY 139,740)	JPY 2,081,562	(JPY 165,946)	**$17,258**
Cash and cash equivalents	**413,153**	472,813	(59,660)	494,284	(81,131)	**3,722**
Notes and accounts receivable, trade	**743,402**	709,774	33,628	901,696	(158,294)	**6,697**
Inventories	**584,380**	669,533	(85,153)	528,923	55,457	**5,265**
Other current assets	**174,681**	203,236	(28,555)	156,659	18,022	**1,574**
Long-term assets	**1,889,820**	1,919,079	(29,259)	1,859,123	30,697	**17,025**
Long-term receivables, trade	**10,042**	10,226	(184)	8,274	1,768	**90**
Investments and advances	**419,152**	402,016	17,136	415,167	3,985	**3,776**
Property, plant and equipment	**710,583**	801,537	(90,954)	726,422	(15,839)	**6,402**
Other assets	**750,043**	705,300	44,743	709,260	40,783	**6,757**
Total assets	**JPY 3,805,436**	JPY 3,974,435	(JPY 168,999)	JPY 3,940,685	(JPY 135,249)	**$34,283**
Current liabilities	**JPY 1,506,273**	JPY 1,654,358	(JPY 148,085)	JPY 1,661,660	(JPY 155,387)	**$13,570**
Short-term borrowings and current portion of long-term debt	**410,429**	455,899	(45,470)	364,969	45,460	**3,698**
Notes and accounts payable, trade	**713,536**	829,202	(115,666)	847,584	(134,048)	**6,428**
Other current liabilities	**382,308**	369,257	13,051	449,107	(66,799)	**3,444**
Long-term liabilities	**1,259,453**	1,372,881	(113,428)	1,260,564	(1,111)	**11,346**
Long-term debt	**788,933**	827,195	(38,262)	791,238	(2,305)	**7,108**
Accrued pension and severance costs	**428,025**	505,303	(77,278)	425,174	2,851	**3,856**
Other	**42,495**	40,383	2,112	44,152	(1,657)	**382**
Minority shareholders' equity in consolidated subsidiaries	**207,921**	225,947	(18,026)	224,187	(16,266)	**1,873**
Total shareholders' equity	**831,789**	721,249	110,540	794,274	37,515	**7,494**
Common stock	**337,820**	337,820	-	337,820	-	**3,043**
Additional paid-in capital	**501,124**	454,305	46,819	455,683	45,441	**4,515**
Retained earnings	**117,212**	92,846	24,366	128,204	(10,992)	**1,056**
Accumulated other comprehensive income (loss)	**(121,298)**	(160,893)	39,595	(124,396)	3,098	**(1,092)**
Treasury stock	**(3,069)**	(2,829)	(240)	(3,037)	(32)	**(28)**
Total liabilities and shareholders' equity	**JPY 3,805,436**	JPY 3,974,435	(JPY 168,999)	JPY 3,940,685	(JPY 135,249)	**$34,283**

Interest-bearing debt (*1)	**JPY 1,199,362**	JPY 1,283,094	(JPY 83,732)	JPY 1,156,207	JPY 43,155	**$10,806**
Net interest-bearing debt (*2)	**786,209**	810,281	(24,072)	661,923	124,286	**7,084**
Shareholders' equity ratio (%) (*3)	**21.9**	18.1	3.8	20.2	1.7	
Debt-equity ratio (times) (*4)	**1.44**	1.78	(0.34)	1.46	(0.02)	
Net debt-equity ratio (times) (*4)	**0.95**	1.12	(0.17)	0.83	0.12	

Accumulated other comprehensive income (loss) breakdown:

Foreign currency translation adjustments	**(JPY 12,823)**	(JPY 16,204)	JPY 3,381	(JPY 14,090)	JPY 1,267	**($115)**
Minimum pension liability adjustment	**(135,954)**	(163,282)	27,328	(137,449)	1,495	**(1,225)**
Unrealized gains (losses) on marketable securities	**29,005**	20,174	8,831	28,889	116	**261**
Unrealized gains (losses) on derivative financial instruments	**(1,526)**	(1,581)	55	(1,746)	220	**(13)**
Total accumulated other comprehensive income (loss)	**(JPY 121,298)**	(JPY 160,893)	JPY 39,595	(JPY 124,396)	JPY 3,098	**($1,092)**

(Notes)
*1 Interest-bearing debt is the sum of short-term borrowings, current portion of long-term debt and long-term debt
*2 Net interest-bearing debt is interest-bearing debt less cash and cash equivalents.
*3 Shareholders' equity ratio is shareholders' equity divided by total assets
*4 Debt-equity ratio and net debt-equity ratio are interest-bearing debt and net interest-bearing debt divided by shareholders' equity, respectively

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In millions of yen, millions of U.S. dollars)

Three months ended June 30	**2005**	2004	Increase (Decrease)	**2005**
I. Cash flows from operating activities				
Net income (loss)	**(JPY 10,992)**	JPY 20,945	(JPY 31,937)	**($99)**
Adjustments to reconcile net income (loss) to net cash used in operating activities:				
Depreciation	**33,913**	41,856	(7,943)	**306**
Equity in earnings of affiliated companies, net of dividends	**(425)**	(4,351)	3,926	**(4)**
Decrease in notes and accounts receivable	**159,099**	142,436	16,663	**1,433**
Increase in inventories	**(54,576)**	(94,398)	39,822	**(492)**
Decrease in notes and accounts payable	**(128,078)**	(139,943)	11,865	**(1,154)**
Other, net	**(72,303)**	(74,143)	1,840	**(651)**
Net cash used in operating activities	**(73,362)**	(107,598)	34,236	**(661)**
II. Cash flows from investing activities				
Proceeds from sales of fixed assets	**13,648**	2,433	11,215	**123**
Additions to fixed assets	**(49,739)**	(52,532)	2,793	**(448)**
Proceeds from sales of marketable securities	**228**	16,163	(15,935)	**2**
Purchase of marketable securities	**(38)**	(78)	40	**0**
Other, net	**(9,983)**	12,405	(22,388)	**(90)**
Net cash used in investing activities	**(45,884)**	(21,609)	(24,275)	**(413)**
Free cash flows （Ⅰ＋Ⅱ）	**(119,246)**	(129,207)	9,961	**(1,074)**
III. Cash flows from financing activities				
Net proceeds from bonds and borrowings	**42,628**	108,836	(66,208)	**384**
Dividends paid	**(5,324)**	(5,432)	108	**(48)**
Other, net	**(34)**	(33)	(1)	**0**
Net cash provided by financing activities	**37,270**	103,371	(66,101)	**336**
Effect of exchange rate changes on cash and cash equivalents	**845**	1,886	(1,041)	**7**
Net decrease in cash and cash equivalents	**(81,131)**	(23,950)	(57,181)	**(731)**
Cash and cash equivalents at beginning of period	**494,284**	496,763	(2,479)	**4,453**
Cash and cash equivalents at end of period	**JPY 413,153**	JPY 472,813	(JPY 59,660)	**$3,722**

SEGMENT INFORMATION (UNAUDITED)

Business Segment Information

(1) Net Sales (Including internal sales to other segments)

(In millions of yen, millions of U.S. dollars)

Three months ended June 30	**2005**	**(% of total)**	% change	2004	(% of total)	**2005**
IT Solutions business	**JPY 421,004**	**(42.1)**	-1.5	JPY 427,552	(40.5)	**$3,793**
Network Solutions business	**379,410**	**(37.9)**	-5.3	400,714	(37.9)	**3,418**
Electron Devices business	**181,570**	**(18.1)**	-25.6	243,897	(23.1)	**1,636**
Others	**146,082**	**(14.6)**	+15.1	126,878	(12.0)	**1,316**
Eliminations	**(127,122)**	**(-12.7)**	-	(142,886)	(-13.5)	**(1,145)**
Consolidated total	**JPY 1,000,944**	**(100.0)**	-5.2	JPY 1,056,155	(100.0)	**$9,018**

(2) Segment Profit or Loss

(In millions of yen, millions of U.S. dollars)

Three months ended June 30	**2005**	**(% of profit on sales)**	Increase (Decrease)	2004	(% of profit on sales)	**2005**
IT Solutions business	**JPY 1,012**	**(0.2)**	(JPY 12,737)	JPY 13,749	(3.2)	**$9**
Network Solutions business	**3,091**	**(0.8)**	(7,841)	10,932	(2.7)	**28**
Electron Devices business	**(9,842)**	**(-5.4)**	(25,467)	15,625	(6.4)	**(89)**
Others	**(6,751)**	**(-4.6)**	(488)	(6,263)	(-4.9)	**(61)**
Eliminations	**(845)**	**-**	8,192	(9,037)	-	**(8)**
Unallocated corporate expenses*	**(7,730)**	**-**	747	(8,477)	-	**(69)**
	(21,065)	**(-2.1)**	(37,594)	16,529	(1.6)	**(190)**
Other income	**6,451**		(31,014)	37,465		**58**
Other expenses	**(14,334)**		(723)	(13,611)		**(129)**
Consolidated income (loss) before income taxes	**(JPY 28,948)**		(JPY 69,331)	JPY 40,383		**($261)**

(Note)
* Unallocated corporate expenses include general corporate expenses and research and development expenses at NEC Corporation which are not allocated to any business segment.

(3) Net Sales to External Customers

(In billions of yen, millions of U.S. dollars)

Three months ended June 30	**2005**	2004	% change	**2005**
IT Solutions business	**JPY 364.0**	JPY 369.5	-1.5	**$3,280**
Domestic	**292.0**	304.1	-4.0	**2,631**
Overseas	**72.0**	65.4	+10.1	**649**
Network Solutions business	**363.8**	385.4	-5.6	**3,278**
Domestic	**283.9**	293.9	-3.4	**2,558**
Overseas	**79.9**	91.5	-12.7	**720**
Electron Devices business	**170.6**	224.5	-24.0	**1,537**
Domestic	**95.4**	129.2	-26.1	**860**
Overseas	**75.2**	95.3	-21.1	**677**
Others	**102.5**	76.8	+33.6	**923**
Domestic	**62.7**	54.9	+14.3	**565**
Overseas	**39.8**	21.9	+81.9	**358**
Consolidated total	**JPY 1,000.9**	JPY 1,056.2	-5.2	**$9,018**
Domestic	**734.0**	782.1	-6.1	**6,614**
Overseas	**266.9**	274.1	-2.6	**2,404**

(4) Net Sales by Products and Services (Including internal sales to other segments)

(In billions of yen, millions of U.S. dollars)

Three months ended June 30	**2005**	2004	% change	**2005**
IT Solutions business	**JPY 421.0**	JPY 427.6	-1.5	**$3,793**
SI / Services	**149.7**	148.3	+0.9	**1,349**
Software	**18.1**	20.5	-11.7	**163**
Computers Platforms	**89.2**	97.1	-8.1	**804**
Personal Solutions	**164.0**	161.7	+1.4	**1,477**
Network Solutions Business	**JPY 379.4**	JPY 400.7	-5.3	**$3,418**
Broadband	**123.9**	111.8	+10.8	**1,116**
Mobile	**212.6**	241.1	-11.8	**1,915**
Social Infrastructure	**42.9**	47.8	-10.3	**387**
Electron Devices business	**JPY 181.6**	JPY 243.9	-25.5	**$1,636**
Semiconductors	**146.1**	185.7	-21.3	**1,316**
Displays	**15.1**	22.9	-34.1	**136**
Electronic Components	**20.4**	35.3	-42.2	**184**

(Note)

"Operating income (loss)" set forth above is a measure commonly used by other Japanese companies that report their financial results in accordance with generally accepted financial reporting practices in Japan. "Operating income (loss)" is calculated by deducting cost of sales and selling, general and administrative expenses from net sales. Management believes this measure is useful to investors in comparing NEC's results of operations to other Japanese companies. This measure, however, should not be construed as an alternative to "income (loss) before income taxes" or "net income (loss)" as determined in accordance with U.S. GAAP. Please refer to the condensed consolidated statement of operations for the calculation of the operating income (loss).

CAUTIONARY STATEMENTS:

This material contains forward-looking statements pertaining to strategies, financial targets, technology, products and services, and business performance of NEC Corporation and its consolidated subsidiaries (collectively "NEC"). Written forward-looking statements may appear in other documents that NEC files with stock exchanges or regulatory authorities, such as the U.S. Securities and Exchange Commission, and in reports to shareholders and other communications. The U.S. Private Securities Litigation Reform Act of 1995 contains, and other applicable laws may contain, a safe-harbor for forward-looking statements, on which NEC relies in making these disclosures. Some of the forward-looking statements can be identified by the use of forward-looking words such as "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates," "aims," or "anticipates," or the negative of those words, or other comparable words or phrases. You can also identify forward-looking statements by discussions of strategy, beliefs, plans, targets, or intentions. Forward-looking statements necessarily depend on currently available assumptions, data, or methods that may be incorrect or imprecise and NEC may not be able to realize the results expected by them. You should not place undue reliance on forward-looking statements, which reflect NEC's analysis and expectations only. Forward-looking statements are not guarantees of future performance and involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. Among the factors that could cause actual results to differ materially from such statements include (i) global economic conditions and general economic conditions in NEC's markets, (ii) fluctuating

demand for, and competitive pricing pressure on, NEC's products and services, (iii) NEC's ability to continue to win acceptance of NEC's products and services in highly competitive markets, (iv) NEC's ability to expand into foreign markets, such as China, (v) regulatory change and uncertainty and potential legal liability relating to NEC's business and operations, (vi) NEC's ability to restructure, or otherwise adjust, its operations to reflect changing market conditions, and (vii) movement of currency exchange rates, particularly the rate between the yen and the U.S. dollar. Any forward-looking statements speak only as of the date on which they are made. New risks and uncertainties come up from time to time, and it is impossible for NEC to predict these events or how they may affect NEC. NEC does not undertake any obligation to update or revise any of the forward-looking statements, whether as a result of new information, future events, or otherwise.

The management targets included in this material are not projections, and do not represent management's current estimates of future performance. Rather, they represent targets that management will strive to achieve through the successful implementation of NEC's business strategies.

Finally, NEC cautions you that the statements made in this material are not an offer of securities for sale. The securities may not be offered or sold in any jurisdiction in which registration is required absent registration or an exemption from registration under the applicable securities laws. For example, any public offering of securities to be made in the United States must be registered under the U.S. Securities Act of 1933 and made by means of an English language prospectus that contains detailed information about NEC and management, as well as NEC's financial statements.

***