NEWS RELEASE

Empowered by Innovation NEC

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***** For immediate use July 30, 2009

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2010

Consolidated Financial Results

	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Change
	In billions of yen	In billions of yen	%
Sales	778.5	1,001.2	-22.3
Operating income (loss)	-40.0	4.1	-
Ordinary income (loss)	-45.0	7.1	-
Net income (loss)	-33.8	0.5	-
	yen	yen	yen
Net income (loss) per share:			
Basic	-16.74	0.21	-16.95
Diluted	-	0.21	-

	As of June 30, 2009	As of March 31, 2009	Change
	In billions of yen	In billions of yen	%
Total assets	2,884.9	3,075.4	-6.2
Net assets	759.8	785.6	-3.3

(Notes)

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

	As of June 30, 2009	As of June 30, 2008	As of March 31, 2009
Consolidated subsidiaries	**323**	**332**	**328**
Affiliated companies accounted for by the equity method	**63**	**67**	**63**

1. Consolidated Business Results

As stated in the July 16, 2009 announcement, "NEC to Revise its Business Segments", NEC has revised its business segmentation from the first quarter of the fiscal year ending March 31, 2010. Figures for the corresponding period of the previous fiscal year have been adjusted in accordance with the new segments.

(1) Overview of the first quarter of the fiscal year ending March 31, 2010 (three months ended June 30, 2009)

The worldwide economy during the three months ended June 30, 2009 remained severe as a result of the financial crisis and downturn of the real economy mainly in North America and Europe. However, the financial stimulus measures taken by a number of governments began to take effect and signs appeared that worsening of the economy had begun to slow.

The Japanese economy also continued to exhibit a large decrease in corporate profit and low consumer spending, but signs of improvement appeared in exports, manufacturing and partly in consumer spending through the progress of inventory adjustments.

Amid this business environment, NEC recorded consolidated sales of 778.5 billion yen for the three months ended June 30, 2009, a decrease of 222.8 billion yen (22.3%) year-on-year. This was due to reduced demand from the economic downturn, which resulted in sales declines throughout all business segments.

Regarding profitability, operating income worsened by 44.2 billion yen year-on-year, to an operating loss of 40.0 billion yen, due to a decrease in gross operating profit from declining sales, in spite of efforts to reduce selling, general and administrative expenses.

In terms of ordinary income (loss), NEC recorded a loss of 45.0 billion yen, worsening by 52.1 billion yen year-on-year, due to worsening operating losses, equity in losses of affiliates as a result of declining performance from a portion of affiliated companies accounted for by the equity method, and reduced foreign exchange gains.

Income (loss) before income taxes and minority interests for the first quarter was 44.8 billion yen, a year-on-year worsening of 53.8 billion yen. The loss was mainly due to worsening ordinary losses, and a reduction in extraordinary gains. Net loss for the first quarter worsened by 34.3 billion yen year-on-year, to 33.8 billion yen.

(2) Results by main business segment

Sales by segment (sales to external customers):

Segment	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Change
	In billions of yen	In billions of yen	%
IT Services	169.7	183.6	-7.6
IT Products	39.1	62.6	-37.5
Network Systems	175.0	218.7	-20.0
Social Infrastructure	57.2	59.8	-4.3
Personal Solutions	195.0	235.3	-17.1
Electron Devices	122.2	203.7	-40.0
Others	20.2	37.5	-46.1
Total	778.5	1,001.2	-22.3

Operating income or loss by segment

Segment	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Change
	In billions of yen	In billions of yen	In billions of yen
IT Services	-0.1	-3.1	3.0
IT Products	-11.0	12.5	-23.5
Network Systems	-3.5	0.5	-4.0
Social Infrastructure	-0.4	-2.4	2.0
Personal Solutions	8.7	5.9	2.8
Electron Devices	-27.6	-1.7	-26.0
Others	0.3	0	0.4
Eliminations / Corporate	-6.5	-7.6	1.1
Total	-40.0	4.1	-44.2

(Business segment figures in brackets below denote increases or decreases as compared with the corresponding period of the previous fiscal year.)

IT Services Business

Sales:	169.7 billion yen	(-7.6%)
Operating Income (Loss):	-0.1 billion yen	(+3.0 billion yen)

In the IT Services Business, sales were 169.7 billion yen, a decrease of 13.9 billion yen (-7.6%) year-on-year, impacted by the worsening domestic economy and investment restraint from businesses.

Operating loss decreased by 3.0 billion yen year-on-year, to 0.1 billion yen, mainly owing to an improvement of system development efficiency and a reduction of fixed expenses, despite decreased sales.

IT Products Business

Sales:	39.1 billion yen	(-37.5%)
Operating Income (Loss):	-11.0 billion yen	(-23.5 billion yen)

In the IT Products Business, sales were 39.1 billion yen, a decrease of 23.5 billion yen (-37.5%) year-on-year, due to a reduction in large-scale projects as compared to the corresponding period of the previous fiscal year, investment restraint and reduced shipments of servers and others as a result of the worsening domestic economy.

Operating income (loss) worsened by 23.5 billion yen year-on-year, to a loss of 11.0 billion yen, mainly owing to a reduction in large-scale projects as compared to the corresponding period of the previous fiscal year.

Network Systems Business

Sales:	175.0 billion yen	(-20.0%)
Operating Income (Loss):	-3.5 billion yen	(-4.0 billion yen)

In the Network Systems Business, sales were 175.0 billion yen, a decrease of 43.6 billion yen (-20.0%) year-on-year, mainly impacted by investment restraint in systems by communications carriers and other businesses worldwide.

Operating income (loss) worsened by 4.0 billion yen year-on-year, to a loss of 3.5 billion yen, mainly owing to a decrease in sales and exchange rate fluctuations.

Social Infrastructure Business

Sales:	57.2 billion yen	(-4.3%)
Operating Income (Loss):	-0.4 billion yen	(+2.0 billion yen)

In the Social Infrastructure Business, sales were 57.2 billion yen, a decrease of 2.6 billion yen (-4.3%) year-on-year, mainly impacted by capital investment restraint in the commercial broadcasting businesses in the broadcasting field, despite steady progress in the aerospace and defense fields that maintained sales at the same level as compared with the corresponding period of the previous fiscal year.

Operating loss decreased by 2.0 billion yen year-on-year, to 0.4 billion yen, owing to cost reduction effects.

Personal Solutions Business

Sales:	195.0 billion yen	(-17.1%)
Operating Income (Loss):	8.7 billion yen	(+2.8 billion yen)

In the Personal Solutions Business, sales were 195.0 billion yen, a decrease of 40.3 billion yen (-17.1%) year-on-year, mainly impacted by the shrinking domestic mobile handset market of the mobile terminal field, and IT investment restraint from businesses in the personal computer / other fields.

Operating income increased by 2.8 billion yen year-on-year, to 8.7 billion yen, owing to reduction of fixed costs and other expenses.

Electron Devices Business

Sales:	122.2 billion yen	(-40.0%)
Operating Income (Loss):	-27.6 billion yen	(-26 billion yen)

In the Electron Devices Business, sales were 122.2 billion yen, a decrease of 81.5 billion yen (-40.0%) year-on-year, mainly impacted by declining sales of semiconductors for computing and peripherals, and semiconductors for automotive and industrial use, as well as declining sales of general purpose devices such as capacitors and liquid crystal displays for industrial use in the field of electronic components and others.

Operating loss worsened by 26.0 billion yen year-on-year, to 27.6 billion yen, owing to a widespread decline in sales.

2. Consolidated Financial Condition

Analysis of condition of assets, liabilities, net assets, and cash flow

Total assets were 2,884.9 billion yen as of June 30, 2009, a decrease of 190.4 billion yen as compared with the end of the previous fiscal year. Current assets as of June 30, 2009 decreased by 183.0 billion yen compared with the end of the previous fiscal year to 1,488.1 billion yen, largely due to the recovery of notes and accounts receivable-trade. Despite an increase of the value of investment securities in investments and other assets due to rising stock prices, noncurrent assets decreased by 7.4 billion yen compared with the end of the previous fiscal year to 1,396.9 billion yen, mainly due to a decrease in property, plant and equipment, and intangible assets as a result of investment restraint.

Total liabilities as of June 30, 2009 decreased by 164.7 billion yen as compared with the end of the previous fiscal year, to 2,125.1 billion yen, mainly due to payment of notes and accounts payable-trade and accrued expenses. The balance of interest-bearing debt amounted to 922.2 billion yen, a decrease of 2.9 billion yen as compared with the end of the previous fiscal year. The debt-equity ratio as of June 30, 2009 was 1.48 (a worsening of 0.04 points as compared with the end of the previous fiscal year). The balance of net interest-bearing debt as of June 30, 2009, obtained by offsetting the balance of interest-bearing debt with the balance of cash and cash equivalents, amounted to 655.7 billion yen, an increase of 47.9 billion yen as compared with the end of the previous fiscal year. The net debt-equity ratio as of June 30, 2009 was 1.05 (a worsening of 0.10 points as compared with the end of the previous fiscal year).

Despite an increase in the valuation difference on available-for-sale securities from rising stock prices, total net assets as of June 30, 2009 decreased by 25.7 billion yen as compared with the end of the previous fiscal year, to 759.8 billion yen mainly due to a net loss for the three months ended June 30, 2009. As a result, the owner's equity ratio as of June 30, 2009 was 21.6% (an improvement of 0.7 points as compared with the end of the previous fiscal year).

Net cash flows from operating activities for the three months ended June 30, 2009 was a cash outflow of 32.8 billion yen, an outflow increase of 69.4 billion yen year-on-year mainly due to worsening losses before income taxes and minority interests.

Net cash flows from investing activities for the three months ended June 30, 2009 was a cash outflow of 14.6 billion yen, an outflow decrease of 23.9 billion yen year-on-year mainly due to increased proceeds from the sale of investment securities and reduced outflows for the purchase of property, plant and equipment.

As a result, free cash flows (the sum of cash flows from operating activities and investing activities) for the three months ended June 30, 2009 totaled a cash outflow of 47.5 billion yen, an outflow increase of 45.4 billion yen year-on-year.

Net cash flows from financing activities for the three months ended June 30, 2009 totaled a cash outflow of 4.8 billion yen, mainly due to the redemption of bonds. As a result, cash and cash equivalents as of June 30, 2009 amounted to 266.5 billion yen, a decrease of 50.8 billion yen as compared with the end of the previous fiscal year.

3. Consolidated Financial Forecast

There is no change to the consolidated financial forecasts for the fiscal year ending March 31, 2010, previously disclosed on May 12, 2009.

4. Others

(1) Significant changes in the scope of consolidation

There is no significant change in the scope of consolidation for this period.

(2) *Application of simplified accounting procedures and accounting procedures specific to the preparation of quarterly consolidated financial statements*

(a) Simplified accounting procedures

Valuation of inventories:

Inventories at the end of the first quarter are mainly calculated using a reasonable estimate based on actual inventories at the end of the previous fiscal year, in lieu of an actual physical inventory.

Calculation of fixed asset depreciation:

For the assets depreciated using the declining balance method, depreciation expenses applicable to the fiscal year are allocated to this period on a pro-rata basis.

(b) Accounting procedures specific to the preparation of quarterly consolidated financial statements

Calculation of tax expenses:

Tax expenses are calculated, after adjustment on individual significant items, by multiplying income before income taxes for the first quarter of the fiscal year ending March 31, 2010 ("this first quarter") by a reasonably estimated effective tax rate for income before income taxes for the fiscal year including this first quarter, while applying tax effect accounting.

Deferred tax expense is included in income taxes.

(3) *Changes in accounting principles and procedures as well as presentation methods related to the preparation of quarterly consolidated financial statements*

(a) Changes in recognition criteria for completed contract revenue and costs

The “Accounting Standard for Construction Contracts” (Accounting Standards Board of Japan (ASBJ) Statements No.15, December 27, 2007) and “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No.18, December 27, 2007) are applied from this first quarter. As for the made-to-order software and construction project that newly started on or after April 1, 2009, the percentage-of-completion method is applied to the portion performed by the end of this first quarter, in case that the outcome of performance activity is deemed certain (the estimation for the degree of completion of construction is determined by the cost-to-cost method). For the outcome of performance activity not deemed certain, the completed-contract method is applied.

The impact of this change on sales, income and segment information is immaterial.

(b) Treatment of foreign exchange forward contract related to foreign currency future transaction

As for foreign exchange forward contract related to foreign currency future transaction, it had been formerly measured at fair value and the valuation difference recognized in income and expense. However, effective from this first quarter, deferred hedge accounting is applied to a part of foreign exchange forward contracts.

This is mainly due to the realignment of “Risk management policy” related to foreign exchange forward contract, which is our internal policy, as being triggered by the expectation of sales increases in foreign currency for the long-term project thereafter. Accordingly, the hedge effect is reflected to financial statements and periodic income and loss are calculated more properly.

The impact of this change on income and segment information is immaterial.

(c) Changes in presentation method

1. “Provision for contingent loss” is separately presented due to the increase of its significance at the end of this first quarter, though it was presented as part of “Accrued expenses” of current liabilities and “Others” of noncurrent liabilities at the end of the first quarter of the previous fiscal year. The amount of “Provision for contingent loss” in “Accrued expenses” of current liabilities and “Others” of noncurrent liabilities at the end of the first quarter of the previous fiscal year were 9,811 million yen and 17,221 million yen, respectively.

2. The amount of expected losses related to construction contract, etc. included in the “Accrued expenses” at the end of the first quarter of the previous fiscal year (5,624 million yen at the end of the first quarter of the previous fiscal year) is presented in “Provision for loss on construction contract and others” from the end of this first quarter.

CONSOLIDATED QUARTERLY BALANCE SHEETS

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

	June 30, 2009	March 31, 2009	June 30, 2009
Current assets	JPY 1,488,064	JPY 1,671,092	$15,500
Cash and deposits	176,988	226,601	1,844
Notes and accounts receivable-trade	593,973	746,731	6,187
Short-term investment securities	90,291	91,434	941
Merchandise and finished goods	144,181	139,724	1,502
Work in process	180,194	151,789	1,877
Raw materials and supplies	85,401	86,853	890
Deferred tax assets	103,029	99,657	1,073
Other	120,572	134,254	1,254
Allowance for doubtful accounts	(6,565)	(5,951)	(68)
Noncurrent assets	1,396,874	1,404,286	14,551
Property, plant and equipment	575,692	581,031	5,997
Buildings and structures	215,835	218,983	2,248
Machinery and equipment	139,330	143,269	1,451
Tools, furniture and fixtures	89,274	93,881	930
Land	91,409	91,523	952
Construction in progress	39,844	33,375	416
Intangible assets	218,631	224,102	2,277
Goodwill	90,722	93,365	945
Software	123,376	125,918	1,285
Other	4,533	4,819	47
Investments and other assets	602,551	599,153	6,277
Investment securities	150,114	143,361	1,564
Stocks of subsidiaries and affiliates	130,295	131,119	1,357
Deferred tax assets	152,051	150,676	1,584
Other	179,293	183,469	1,868
Allowance for doubtful accounts	(9,202)	(9,472)	(96)
Total assets	JPY 2,884,938	JPY 3,075,378	$30,051

(Note)

U.S. dollar amounts are translated from yen, for convenience only, at the rate of 1 U.S.dollar = 96 yen.

CONSOLIDATED QUARTERLY BALANCE SHEETS (CONTINUED)

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

	June 30, 2009	March 31, 2009	**June 30, 2009**
Current liabilities	**JPY 1,212,647**	JPY 1,383,568	**$12,631**
Notes and accounts payable-trade	**440,277**	529,258	**4,586**
Short-term loans payable	**60,751**	57,202	**633**
Commercial papers	**118,976**	115,930	**1,239**
Current portion of long-term loans payable	**14,755**	11,968	**154**
Current portion of bonds	**100,280**	118,780	**1,045**
Accrued expenses	**148,299**	209,253	**1,545**
Advances received	**74,499**	58,701	**776**
Provision for directors' bonuses	**157**	302	**2**
Provision for product warranties	**36,493**	42,119	**380**
Provision for business structure improvement	**23,925**	28,528	**249**
Provision for contingent loss	**39,161**	39,377	**408**
Provision for loss on construction contracts and others	**14,443**	-	**150**
Other	**140,631**	172,150	**1,464**
Noncurrent liabilities	**912,456**	906,245	**9,505**
Bonds payable	**277,489**	277,504	**2,891**
Long-term loans payable	**311,058**	315,753	**3,240**
Deferred tax liabilities	**7,171**	8,712	**75**
Provision for retirement benefits	**227,980**	224,378	**2,375**
Provision for loss on repurchase of computers	**10,131**	10,234	**106**
Provision for product warranties	**1,707**	1,798	**18**
Provision for recycling expenses of personal computers	**7,032**	6,790	**73**
Provision for business structure improvement	**334**	-	**3**
Provision for contingent loss	**13,850**	12,244	**144**
Provision for loss on guarantees	**14,622**	14,608	**152**
Other	**41,082**	34,224	**428**
Total liabilities	**2,125,103**	2,289,813	**22,136**
Shareholders' equity	**639,698**	673,557	**6,663**
Capital stock	**337,940**	337,940	**3,520**
Capital surplus	**464,875**	464,875	**4,842**
Retained earnings	**(160,120)**	(126,276)	**(1,668)**
Treasury stock	**(2,997)**	(2,982)	**(31)**
Valuation and translation adjustments	**(15,974)**	(31,903)	**(166)**
Valuation difference on available-for-sale securities	**7,766**	(6,228)	**81**
Deferred gains or losses on hedges	**(271)**	(120)	**(3)**
Foreign currency translation adjustment	**(23,469)**	(25,555)	**(244)**
Subscription rights to shares	**123**	123	**1**
Minority interests	**135,988**	143,788	**1,417**
Total net assets	**759,835**	785,565	**7,915**
Total liabilities and net assets	**JPY 2,884,938**	JPY 3,075,378	**$30,051**

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS

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

Three months ended June 30	2009	2008	2009
Net sales	JPY 778,465	JPY 1,001,242	$8,109
Cost of sales	554,265	671,696	5,774
Gross profit	224,200	329,546	2,335
Selling, general and administrative expenses	264,247	325,437	2,752
Operating income (loss)	(40,047)	4,109	(417)
Non-operating income	5,628	12,374	59
Interest income	559	1,765	6
Dividends income	1,184	1,342	12
Foreign exchange gains	263	4,809	3
Equity in earnings of affiliates	-	1,658	-
Other	3,622	2,800	38
Non-operating expenses	10,613	9,433	111
Interest expenses	2,819	3,245	29
Retirement benefit expenses	3,606	3,452	38
Equity in losses of affiliates	1,366	-	14
Other	2,822	2,736	30
Ordinary income (loss)	(45,032)	7,050	(469)
Extraordinary income	1,601	2,504	16
Gain on sales of noncurrent assets	1,595	9	16
Gain on sales of investment securities	6	2,495	0
Extraordinary loss	1,362	543	14
Business structure improvement expenses	589	91	6
Loss on retirement of noncurrent assets	309	72	3
Impairment loss	247	105	3
Loss on sales of stocks of subsidiaries and affiliates	127	-	1
Loss on valuation of investment securities	76	275	1
Provision for loss on guarantees	14	-	0
Income (loss) before income taxes and minority interests	(44,793)	9,011	(467)
Income taxes	(3,661)	8,144	(38)
Minority interests in income(loss)	(7,289)	384	(76)
Net income (loss)	(JPY 33,843)	JPY 483	$(353)

CONDENSED CONSOLIDATED QUARTERLY STATEMENTS OF CASH FLOWS

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

Three months ended June 30	2009	2008	2009
Ⅰ. Net cash provided by (used in) operating activities:			
Income (loss) before income taxes and minority interests	(JPY 44,793)	JPY 9,011	($467)
Depreciation and amortization	35,050	43,352	365
Equity in (earnings) losses of affiliates	1,366	(1,658)	14
Decrease in notes and accounts receivable-trade	152,336	176,826	1,587
Increase in inventories	(30,381)	(87,884)	(316)
Decrease in notes and accounts payable-trade	(89,867)	(72,282)	(936)
Income taxes paid	(15,815)	(23,084)	(165)
Others, net	(40,724)	(7,748)	(424)
Net cash provided by (used in) operating activities	(32,828)	36,533	(342)
Ⅱ. Net cash provided by (used in) investing activities:			
Net proceeds from (payment of) acquisitions and sales of property, plant and equipment	(17,985)	(23,254)	(187)
Purchase of intangible assets	(6,532)	(10,176)	(68)
Net proceeds from (payment of) purchases and sales of securities	9,586	(3,904)	100
Others, net	303	(1,218)	3
Net cash provided by (used in) investing activities	(14,628)	(38,552)	(152)
Ⅲ. Net cash provided by (used in) financing activities:			
Net proceeds from (payment of) bonds and borrowings	(3,396)	(15,248)	(35)
Cash dividends paid	(8)	(7,199)	0
Others, net	(1,348)	(1,582)	(15)
Net cash provided by (used in) financing activities	(4,752)	(24,029)	(50)
Ⅳ. Effect of exchange rate changes on cash and cash equivalents	1,440	1,195	15
Ⅴ. Net increase (decrease) in cash and cash equivalents	(50,768)	(24,853)	(529)
Ⅵ. Cash and cash equivalents at beginning of period	317,271	374,838	3,305
Ⅶ. Cash and cash equivalents at end of period	JPY 266,503	JPY 349,985	$2,776

SEGMENT INFORMATION

[Business segment information]

Three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009) (In millions of yen)

	IT Services	IT Products	Network Systems	Social Infrastructure	Personal Solutions	Electron Devices	Others	Total before Eliminations/ Corporate	Eliminations / Corporate	Consolidated total
Sales and Operating Income										
1. Sales to customers	**169,717**	**39,091**	**175,038**	**57,246**	**194,987**	**122,166**	**20,220**	**778,465**	**—**	**778,465**
2. Intersegment sales and transfers	**12,302**	**6,753**	**11,134**	**3,349**	**12,353**	**7,817**	**25,463**	**79,171**	**(79,171)**	**—**
Total sales	**182,019**	**45,844**	**186,172**	**60,595**	**207,340**	**129,983**	**45,683**	**857,636**	**(79,171)**	**778,465**
Operating income (loss)	**(73)**	**(10,995)**	**(3,547)**	**(421)**	**8,727**	**(27,616)**	**340**	**(33,585)**	**(6,462)**	**(40,047)**

Three months ended June 30, 2008 (From April 1, 2008 to June 30, 2008) (In millions of yen)

	IT Services	IT Products	Network Systems	Social Infrastructure	Personal Solutions	Electron Devices	Others	Total before Eliminations/ Corporate	Eliminations / Corporate	Consolidated total
Sales and Operating Income										
1. Sales to customers	183,647	62,562	218,663	59,831	235,296	203,696	37,547	1,001,242	—	1,001,242
2. Intersegment sales and transfers	15,398	11,431	18,071	5,467	15,035	8,610	34,150	108,162	(108,162)	—
Total sales	199,045	73,993	236,734	65,298	250,331	212,306	71,697	1,109,404	(108,162)	1,001,242
Operating income (loss)	(3,099)	12,488	488	(2,398)	5,918	(1,654)	(36)	11,707	(7,598)	4,109

Three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009) (In millions of U.S. dollars)

	IT Services	IT Products	Network Systems	Social Infrastructure	Personal Solutions	Electron Devices	Others	Total before Eliminations/ Corporate	Eliminations / Corporate	Consolidated total
Sales and Operating Income										
1. Sales to customers	**1,768**	**407**	**1,823**	**596**	**2,031**	**1,273**	**211**	**8,109**	**—**	**8,109**
2. Intersegment sales and transfers	**128**	**71**	**116**	**35**	**129**	**81**	**265**	**825**	**(825)**	**—**
Total sales	**1,896**	**478**	**1,939**	**631**	**2,160**	**1,354**	**476**	**8,934**	**(825)**	**8,109**
Operating income (loss)	**(1)**	**(115)**	**(37)**	**(4)**	**91**	**(288)**	**4**	**(350)**	**(67)**	**(417)**

(Notes)

1 The business segments are defined based on similarity of types, characteristics, and affinity of sales market of products and services.

2 From this first quarter, the business segment has been changed to 7 business segments, which are composed of IT Services, IT Products, Network Systems, Social Infrastructure, Personal Solutions, Electron Devices and Others, due to the organizational reform.
In this changes, segment information for the three months ended June 30, 2008 has been reclassified in a manner used for the three months ended June 30, 2009 because of difficulties in comparison with the fomer business segment.

3 Major services and products for each business segment

IT Services	Systems Integration (Sysytem Construction, Consulting), Support Service (Maintenance), Outsourcing
IT Products	PC Servers, Mainframe Computers, UNIX Servers, Supercomputers, Storage Products, Professional Workstations, Computer Software (OS, Middleware, Application Software)
Network Systems	Network Systems for Communication Service Providers (Mobile Communication Systems, Fixed-line Communication Systems), Enterprise Network Systems (IP Telephony Systems)
Social Infrastructure	Broadcasting Systems and Video Equipment, Control Systems, Transportation Systems, Aerospace and Defense Systems, Fire and Disaster Prevention Systems
Personal Solutions	Mobile Handsets, Personal Computers, Personal Communication Equipment, "BIGLOBE" Internet Services, Monitors, Projectors
Electron Devices	Semiconductors (System LSIs (For Use in Communications Equipment, Computing and Peripheral Products, Consumer Electronics Products, Automotive and Industrial Products), Microcontrollers, Discrete Devices, Optical and Microwave Devices), Capacitors, Lithium-ion Rechargeable Batteries, Piezoelectric Devices, Relays, IC Cards, IC Tags, LCD Displays, Lighting Equipment, Cold Cathode Fluorescent Lamps (CCFL)

SEGMENT INFORMATION (CONTINUED)

[Geographical segment]

Three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009) (In millions of yen)

	Japan	Asia	Europe	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	**656,218**	**42,268**	**36,467**	**43,512**	**778,465**	**—**	**778,465**
2. Intersegment sales and transfers	**61,492**	**22,947**	**756**	**3,149**	**88,344**	**(88,344)**	**—**
Total sales	**717,710**	**65,215**	**37,223**	**46,661**	**866,809**	**(88,344)**	**778,465**
Operating income (loss)	**(24,369)**	**(503)**	**(626)**	**(4,753)**	**(30,251)**	**(9,796)**	**(40,047)**

Three months ended June 30, 2008 (From April 1, 2008 to June 30, 2008) (In millions of yen)

	Japan	Asia	Europe	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	806,235	60,855	65,986	68,166	1,001,242	—	1,001,242
2. Intersegment sales and transfers	96,820	38,761	1,609	5,387	142,577	(142,577)	—
Total sales	903,055	99,616	67,595	73,553	1,143,819	(142,577)	1,001,242
Operating income (loss)	12,420	2,875	(2,012)	(2,715)	10,568	(6,459)	4,109

Three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009) (In millions of U.S. dollars)

	Japan	Asia	Europe	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	**6,836**	**440**	**380**	**453**	**8,109**	**—**	**8,109**
2. Intersegment sales and transfers	**640**	**239**	**8**	**33**	**920**	**(920)**	**—**
Total sales	**7,476**	**679**	**388**	**486**	**9,029**	**(920)**	**8,109**
Operating income (loss)	**(254)**	**(5)**	**(7)**	**(49)**	**(315)**	**(102)**	**(417)**

(Notes)

1 Geographical distances are considered in classification of country or region.

2 Major countries and regions in segments other than Japan

(1) Asia ・・・China, Chinese Taipei, India, Singapore and Indonesia

(2) Europe・・・U.K., France, the Netherlands, Germany, Italy and Spain

(3) Others ・・・U.S.A.

SEGMENT INFORMATION (CONTINUED)

[Overseas sales]

Three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009) (In millions of yen)

	Asia	Europe	Others	Total
Overseas sales	**70,906**	**40,984**	**52,049**	**163,939**
Consolidated sales	**—**	**—**	**—**	**778,465**
Percentage of overseas sales to consolidated sales (%)	**9.1**	**5.3**	**6.7**	**21.1**

Three months ended June 30, 2008 (From April 1, 2008 to June 30, 2008) (In millions of yen)

	Asia	Europe	Others	Total
Overseas sales	95,843	68,413	85,048	249,304
Consolidated sales	—	—	—	1,001,242
Percentage of overseas sales to consolidated sales (%)	9.6	6.8	8.5	24.9

Three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009) (In millions of U.S. dollars)

	Asia	Europe	Others	Total
Overseas sales	**739**	**427**	**542**	**1,708**
Consolidated sales	**—**	**—**	**—**	**8,109**

(Notes)

1 Geographical distances are considered in classification of country or region.

2 Major countries and regions in segments other than Japan

(1) Asia ・・・China, Chinese Taipei, India, Singapore and Indonesia

(2) Europe・・・U.K., France, the Netherlands, Germany, Italy and Spain

(3) Others ・・・U.S.A.

3 Overseas sales represent sales to countries and regions outside of Japan.

SUBSEQUENT EVENT

On July 30, 2009, NEC Corporation reduced its legal capital surplus and legal retained earnings and appropriated its surplus as follows, based on the resolution at its Ordinary General Meeting of Shareholders held on June 22, 2009.

Details of reduction of legal capital surplus and legal retained earnings and appropriation of surplus

(1) In accordance with Paragraph 1, Article 448 of the Company Law, NEC Corporation reduced the entire amount of its legal capital surplus and legal retained earnings as of March 31, 2009 and transferred them into other capital surplus and retained surplus brought forward, respectively.

Decreased amounts of legal capital surplus and legal retained earnings:

Legal capital surplus	¥ 422,495,506,916
Legal retained earnings	¥ 35,615,033,371

Increased amounts of other capital surplus and retained surplus brought forward:

Other capital surplus	¥ 422,495,506,916
Retained surplus brought forward	¥ 35,615,033,371

(2) In accordance with Article 452 of the Company Law, NEC Corporation dissolved the remaining deficit in retained surplus brought forward by a part of other capital surplus after the transfer of legal capital surplus described above.

Decreased amount of surplus:	
Other capital surplus	¥ 331,287,110,883 of ¥ 422,495,506,916
Increased amount of surplus:	
Retained surplus brought forward	¥ 331,287,110,883

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 Director of the Kanto Finance Bureau, and in reports to shareholders and other communications. NEC is relying on certain safe-harbors for forward-looking statements 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," "targets," "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, (vii) movement of currency exchange rates, particularly the rate between the yen and the U.S. dollar, (viii) the impact of unfavorable conditions or developments, including share price declines, in the equity markets which may result in losses from devaluation of listed securities held by NEC, and (ix) impact of any regulatory action or legal proceeding against NEC. 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. Securities may not be offered or sold in any jurisdiction in which required registration is absent or an exemption from registration under the applicable securities laws is not granted.

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