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

Consolidated Financial Results

	Six Months Ended September 30, 2009	Six Months Ended September 30, 2008	Change
	In billions of yen	In billions of yen	%
Sales	1,653.7	2,127.8	-22.3
Operating income (loss)	-37.7	13.4	—
Ordinary income (loss)	-49.9	7.0	—
Net income (loss)	-43.6	1.8	—
	yen	yen	yen
Net income (loss) per share:			
Basic	-21.60	0.83	-22.43
Diluted	—	0.76	—

	As of September 30, 2009	As of March 31, 2009	Change
	In billions of yen	In billions of yen	%
Total assets	2,898.4	3,075.4	-5.8
Net assets	736.0	785.6	-6.3

(Notes)

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

	As of September 30, 2009	As of September 30, 2008	As of March 31, 2009
Consolidated subsidiaries	319	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 half of the fiscal year ending March 31, 2010 (six-month period ended September 30, 2009)

The worldwide economy during the six-month period ended September 30, 2009 remained severe overall, although economic decline in North America and Europe appeared to be slowing and economic growth took place in emerging countries, mainly in China, as a result of the financial stimulus measures taken by a number of governments.

The Japanese economy also continued to exhibit severe conditions through excesses in employment and production capacity, in addition to low consumer spending, although improvement of manufacturing continued due to the recovery of export demand from Asia and the progress of inventory adjustments.

Amid this business environment, NEC recorded consolidated sales of 1,653.7 billion yen for the six-month period ended September 30, 2009, a decrease of 474.1 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 (loss) worsened by 51.1 billion yen year-on-year, to an operating loss of 37.7 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 49.9 billion yen, worsening by 56.9 billion yen year-on-year, due to worsening operating losses, decreases in equity in earnings of affiliates as a result of declining performance from a portion of affiliated companies accounted for by the equity method and interest income.

Income (loss) before income taxes and minority interests for the six-month period ended September 30, 2009 was a loss of 52.7 billion yen, a worsening of 67.5 billion yen year-on-year. The loss was

mainly due to worsening ordinary losses, and a decrease of gain on sales of subsidiaries and affiliates' stocks recorded over the same period of the previous fiscal year. Net income (loss) for the six-month period ended September 30, 2009 worsened by 45.4 billion yen year-on-year, to a loss of 43.6 billion yen.

(2) Results by main business segment

Sales by segment (sales to external customers):

Segment	Six months ended September 30, 2009	Six months ended September 30, 2008	Change
	In billions of yen	In billions of yen	%
IT Services	382.5	420.9	-9.1
IT Products	88.6	126.3	-29.9
Network Systems	383.1	494.9	-22.6
Social Infrastructure	129.7	148.2	-12.5
Personal Solutions	362.4	454.5	-20.3
Electron Devices	268.6	410.4	-34.6
Others	38.9	72.7	-46.4
Total	1,653.7	2,127.8	-22.3

Operating income or loss by segment

Segment	Six months ended September 30, 2009	Six months ended September 30, 2008	Change
	In billions of yen	In billions of yen	In billions of yen
IT Services	10.5	10.3	0.2
IT Products	-12.3	11.2	-23.5
Network Systems	8.8	14.7	-5.9
Social Infrastructure	2.7	0.3	2.3
Personal Solutions	7.9	-1.5	9.5
Electron Devices	-42.6	-0.6	-42.0
Others	3.1	0.5	2.7
Eliminations / Corporate	-15.7	-21.4	5.6
Total	-37.7	13.4	-51.1

(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:	382.5 billion yen	(-9.1%)
Operating Income:	10.5 billion yen	(+0.2 billion yen)

In the IT Services business, sales were 382.5 billion yen, a decrease of 38.4 billion yen (-9.1%) year-on-year, impacted by IT investment restraint from businesses due to the worsening domestic economy, despite the growth of SI services for governments and distribution businesses.

Operating income increased by 0.2 billion yen year-on-year, to 10.5 billion yen, mainly owing to a reduction of fixed expenses, despite decreased sales.

IT Products Business

Sales:	88.6 billion yen	(-29.9%)
Operating Income (Loss):	-12.3 billion yen	(-23.5 billion yen)

In the IT Products business, sales were 88.6 billion yen, a decrease of 37.8 billion yen (-29.9%) year-on-year, due to reduced shipments of servers and others derived from a reduction in large-scale projects as compared to the corresponding period of the previous fiscal year and IT investment restraint reflected in the worsening domestic economy.

Operating income (loss) worsened by 23.5 billion yen year-on-year, to a loss of 12.3 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:	383.1 billion yen	(-22.6%)
Operating Income:	8.8 billion yen	(-5.9 billion yen)

In the Network Systems business, sales were 383.1 billion yen, a decrease of 111.8 billion yen (-22.6%) year-on-year, mainly impacted by worldwide investment restraint in systems by communications carriers and other businesses.

Operating income worsened by 5.9 billion yen year-on-year, to 8.8 billion yen, mainly owing to a decrease in sales and exchange rate fluctuations.

Social Infrastructure Business

Sales:	129.7 billion yen	(-12.5%)
Operating Income:	2.7 billion yen	(+2.3 billion yen)

In the Social Infrastructure business, sales were 129.7 billion yen, a decrease of 18.5 billion yen (-12.5%) year-on-year, mainly impacted by a reduction in sales for large-scale projects in the aerospace and defense fields during the corresponding period of the previous fiscal year and capital investment restraint in the commercial broadcasting businesses in the broadcasting field.

Operating income increased by 2.3 billion yen year-on-year, to 2.7 billion yen, owing to cost reduction efforts.

Personal Solutions Business

Sales:	362.4 billion yen	(-20.3%)
Operating Income (Loss):	7.9 billion yen	(+9.5 billion yen)

In the Personal Solutions business, sales were 362.4 billion yen, a decrease of 92.1 billion yen (-20.3%) year-on-year, mainly impacted by the shrinking domestic mobile handset market in the mobile terminal field, and IT investment restraint from businesses in the personal computer / other fields.

Operating income (loss) improved by 9.5 billion yen year-on-year, to an income of 7.9 billion yen, owing to reduction of fixed costs and other expenses.

Electron Devices Business

Sales:	268.6 billion yen	(-34.6%)
Operating Income (Loss):	-42.6 billion yen	(-42.0 billion yen)

In the Electron Devices business, sales were 268.6 billion yen, a decrease of 141.8 billion yen

(-34.6%) year-on-year, impacted by a decline in sales in the field of semiconductors, including semiconductors for computing and peripherals, as well as a decline in 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 42.0 billion yen year-on-year, to a loss of 42.6 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 2,898.4 billion yen as of September 30, 2009, a decrease of 177.0 billion yen as compared with the end of the previous fiscal year. Current assets as of September 30, 2009 decreased by 173.2 billion yen compared with the end of the previous fiscal year to 1,497.9 billion yen, largely due to the recovery of notes and accounts receivable-trade. Noncurrent assets decreased by 3.8 billion yen compared with the end of the previous fiscal year to 1,400.5 billion yen, mainly due to a decrease in property, plant and equipment as a result of investment restraint.

Total liabilities as of September 30, 2009 decreased by 127.4 billion yen as compared with the end of the previous fiscal year, to 2,162.4 billion yen, mainly due to payment of notes and accounts payable-trade and accrued expenses. The balance of interest-bearing debt amounted to 929.8 billion yen, an increase of 4.7 billion yen as compared with the end of the previous fiscal year. The debt-equity ratio as of September 30, 2009 was 1.53 (a worsening of 0.09 points as compared with the end of the previous fiscal year). The balance of net interest-bearing debt as of September 30, 2009, obtained by offsetting the balance of interest-bearing debt with the balance of cash and cash equivalents, amounted to 664.4 billion yen, an increase of 56.5 billion yen as compared with the end of the previous fiscal year. The net debt-equity ratio as of September 30, 2009 was 1.10 (a worsening of 0.15 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 September 30, 2009 decreased by 49.5 billion yen as compared with the end of the previous fiscal year, to 736.0 billion yen mainly due to a net loss for the six-month period ended September 30, 2009. As a result, the owner's equity ratio as of September 30, 2009 was 20.9% (same as the end of the previous fiscal year).

Net cash flows from operating activities for the six-month period ended September 30, 2009 was a cash inflow of 0.7 billion yen, an inflow decrease of 19.8 billion yen year-on-year mainly due to worsening losses before income taxes and minority interests.

Net cash flows from investing activities for the six-month period ended September 30, 2009 was a cash outflow of 54.5 billion yen, an outflow decrease of 25.6 billion yen year-on-year mainly due to 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 six-month period ended September 30, 2009 totaled a cash outflow of 53.8 billion yen, an outflow decrease of 5.8 billion yen year-on-year.

Net cash flows from financing activities for the six-month period ended September 30, 2009 totaled a cash inflow of 2.9 billion yen, mainly due to financing through the issue of commercial papers. As a result, cash and cash equivalents as of September 30, 2009 amounted to 265.5 billion yen, a decrease of 51.8 billion yen as compared with the end of the previous fiscal year.

3. Consolidated Financial Forecast

Consolidated financial forecasts for the fiscal year ending March 31, 2010

NEC forecasts sales of 3,660.0 billion yen, 70.0 billion yen less than the previous forecast due to a sales decline in nearly all business segments, mainly in the Personal Solutions business, the Network Systems business and the Electron Devices business as the severe business environment continues.

NEC forecasts an operating income of 60.0 billion yen, a decrease of 40.0 billion yen from the previous forecast due to the worsening performance in the field of semiconductors within the Electron Devices business. NEC forecasts an ordinary income of 40.0 billion yen, a decrease of 20.0 billion yen due to worsening operating income, despite the improvement in non-operating income (loss) due to a decrease in interest expenses, losses on abandonment of noncurrent assets and other non-operating losses.

NEC expects net income to remain 10.0 billion yen due to extraordinary income from asset reorganization and a reduction in extraordinary loss and others, despite a decrease in ordinary income.

Revision of consolidated financial forecasts for the fiscal year ending March 31, 2010

(April 1, 2009 to March 31, 2010)

(In billions of yen)

	Sales	Operating income (loss)	Ordinary income (loss)	Net income (loss)
Previous Forecast (A) (announced as of July 30, 2009)	3,730.0	100.0	60.0	10.0
Revised Forecast (B)	3,660.0	60.0	40.0	10.0
Difference (B) - (A)	-70.0	-40.0	-20.0	—
Change (%)	-1.9%	-40.0%	-33.3%	—
Results for the fiscal year ended March 31, 2009	4,215.6	-6.2	-93.2	-296.6

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 second 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 second quarter of the fiscal year ending March 31, 2010 (“this second quarter”) by a reasonably estimated effective tax rate for income before income taxes for the fiscal year including this second 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 the first quarter. The percentage-of-completion method has been applied to the portion of construction performed through the end of the second quarter, in those cases where 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 made-to-order software and construction projects that commenced on or after April 1, 2009. When the outcome of performance activity is not deemed to be 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

Foreign exchange forward contracts were previously measured at fair value and the valuation difference recognized in income and expense. Beginning April 1, 2009, deferred hedge accounting now is being applied to a portion of the foreign exchange forward contracts.

This is mainly due to the realignment of “Risk management policy” related to foreign exchange

forward contracts, which is our internal policy. This change resulted from the expectation of increased sales in foreign currencies for future long-term projects. Accordingly, the hedge effect is recorded in the financial statements and periodic income and loss are more properly calculated. 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 second quarter, though it was presented as part of "Accrued expenses" of current liabilities and "Others" of noncurrent liabilities at the end of the second 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 second quarter of the previous fiscal year were 9,729 million yen and 20,191 million yen, respectively.
2. The amount of expected losses related to construction contract and others included in the "Accrued expenses" at the end of the second quarter of the previous fiscal year (6,354 million yen at the end of the second quarter of the previous fiscal year) is presented in "Provision for loss on construction contract and others" at the end of this second quarter.

CONSOLIDATED QUARTERLY BALANCE SHEETS

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

	September 30, 2009	March 31, 2009	September 30, 2009
Current assets	JPY 1,497,878	JPY 1,671,092	\$16,829
Cash and deposits	199,606	226,601	2,243
Notes and accounts receivable-trade	618,233	746,731	6,946
Short-term investment securities	66,854	91,434	751
Merchandise and finished goods	141,824	139,724	1,594
Work in process	167,491	151,789	1,882
Raw materials and supplies	83,775	86,853	941
Deferred tax assets	97,463	99,657	1,095
Other	128,461	134,254	1,442
Allowance for doubtful accounts	(5,829)	(5,951)	(65)
Noncurrent assets	1,400,536	1,404,286	15,737
Property, plant and equipment	568,066	581,031	6,383
Buildings and structures	216,091	218,983	2,428
Machinery and equipment	133,102	143,269	1,496
Tools, furniture and fixtures	85,420	93,881	960
Land	92,386	91,523	1,038
Construction in progress	41,067	33,375	461
Intangible assets	228,807	224,102	2,571
Goodwill	101,522	93,365	1,141
Software	123,143	125,918	1,384
Other	4,142	4,819	46
Investments and other assets	603,663	599,153	6,783
Investment securities	147,569	143,361	1,658
Stocks of subsidiaries and affiliates	132,832	131,119	1,492
Deferred tax assets	162,685	150,676	1,828
Other	169,580	183,469	1,906
Allowance for doubtful accounts	(9,003)	(9,472)	(101)
Total assets	JPY 2,898,414	JPY 3,075,378	\$32,566

(Note)

U.S. dollar amounts are translated from yen, for convenience only, at the rate of 1 U.S.dollar = 89 yen.

CONSOLIDATED QUARTERLY BALANCE SHEETS (CONTINUED)

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

	September 30, 2009	March 31, 2009	September 30, 2009
Current liabilities	JPY 1,295,377	JPY 1,383,568	\$14,555
Notes and accounts payable-trade	461,948	529,258	5,190
Short-term loans payable	43,156	57,202	485
Commercial papers	137,982	115,930	1,550
Current portion of long-term loans payable	48,553	11,968	546
Current portion of bonds	120,030	118,780	1,349
Accrued expenses	181,274	209,253	2,037
Advances received	67,996	58,701	764
Provision for directors' bonuses	241	302	3
Provision for product warranties	32,938	42,119	370
Provision for business structure improvement	18,616	28,528	209
Provision for contingent loss	39,291	39,377	441
Provision for loss on construction contracts and others	13,166	-	148
Other	130,186	172,150	1,463
Noncurrent liabilities	866,993	906,245	9,741
Bonds payable	257,689	277,504	2,895
Long-term loans payable	284,366	315,753	3,195
Deferred tax liabilities	7,038	8,712	79
Provision for retirement benefits	231,520	224,378	2,601
Provision for loss on repurchase of computers	9,425	10,234	106
Provision for product warranties	1,613	1,798	18
Provision for recycling expenses of personal computers	6,510	6,790	73
Provision for business structure improvement	413	-	5
Provision for contingent loss	15,788	12,244	177
Provision for loss on guarantees	14,375	14,608	162
Other	38,256	34,224	430
Total liabilities	2,162,370	2,289,813	24,296
Shareholders' equity	629,937	673,557	7,078
Capital stock	337,940	337,940	3,797
Capital surplus	133,587	464,875	1,501
Retained earnings	161,417	(126,276)	1,814
Treasury stock	(3,007)	(2,982)	(34)
Valuation and translation adjustments	(23,318)	(31,903)	(262)
Valuation difference on available-for-sale securities	6,567	(6,228)	74
Deferred gains or losses on hedges	(459)	(120)	(5)
Foreign currency translation adjustment	(29,426)	(25,555)	(331)
Subscription rights to shares	94	123	1
Minority interests	129,331	143,788	1,453
Total net assets	736,044	785,565	8,270
Total liabilities and net assets	JPY 2,898,414	JPY 3,075,378	\$32,566

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS

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

Six-month period ended September 30	2008	2009	2009
Net sales	JPY 2,127,800	JPY 1,653,693	\$18,581
Cost of sales	1,444,023	1,163,366	13,072
Gross profit	683,777	490,327	5,509
Selling, general and administrative expenses	670,385	528,030	5,933
Operating income (loss)	13,392	(37,703)	(424)
Non-operating income	15,723	9,826	110
Interest income	3,507	711	8
Dividends income	1,905	2,527	28
Equity in earnings of affiliates	4,042	1,056	12
Foreign exchange gains	687	-	-
Other	5,582	5,532	62
Non-operating expenses	22,114	22,015	247
Interest expenses	5,793	4,925	55
Retirement benefit expenses	6,925	7,210	81
Loss on abandonment of noncurrent assets	2,749	2,844	32
Foreign exchange losses	-	1,194	13
Other	6,647	5,842	66
Ordinary income (loss)	7,001	(49,892)	(561)
Extraordinary income	10,960	2,421	27
Gain on sales of noncurrent assets	9	1,595	18
Reversal of provision for recycling expenses of personal computers	-	670	8
Gain on sales of investment securities	3,445	119	1
Gain on reversal of subscription rights to shares	-	29	0
Gain on sales of subsidiaries and affiliates' stocks	7,506	8	0
Extraordinary loss	3,086	5,185	58
Business structure improvement expenses	804	1,926	22
Cost of corrective measures for products	662	1,398	16
Impairment loss	374	775	9
Loss on retirement of noncurrent assets	210	309	3
Provision for loss on guarantees	-	293	3
Loss on valuation of investment securities	1,035	285	3
Loss on sales of stocks of subsidiaries and affiliates	-	197	2
Loss on sales of investment securities	1	2	0
Income (loss) before income taxes and minority interests	14,875	(52,656)	(592)
Income taxes	9,709	1,115	12
Minority interests in income(loss)	3,406	(10,177)	(114)
Net income (loss)	JPY 1,760	(JPY 43,594)	\$(490)

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS

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

Three-month period ended September 30	2008	2009	2009
Net sales	JPY 1,126,558	JPY 875,228	\$9,834
Cost of sales	772,327	609,101	6,844
Gross profit	354,231	266,127	2,990
Selling, general and administrative expenses	344,948	263,783	2,964
Operating income	9,283	2,344	26
Non-operating income	7,471	6,164	69
Interest income	1,742	152	2
Dividends income	563	1,343	15
Equity in earnings of affiliates	2,384	2,422	27
Other	2,782	2,247	25
Non-operating expenses	16,803	13,368	150
Interest expenses	2,548	2,106	24
Retirement benefit expenses	3,473	3,604	41
Loss on abandonment of noncurrent assets	2,363	2,261	25
Foreign exchange losses	4,122	1,457	16
Other	4,297	3,940	44
Ordinary loss	(49)	(4,860)	(55)
Extraordinary income	8,456	820	10
Reversal of provision for recycling expenses of personal computers	-	670	8
Gain on sales of investment securities	950	113	2
Gain on reversal of subscription rights to shares	-	29	0
Gain on sales of subsidiaries and affiliates' stocks	7,506	8	0
Extraordinary loss	2,543	3,823	43
Cost of corrective measures for products	662	1,398	16
Business structure improvement expenses	713	1,337	15
Impairment loss	269	528	6
Provision for loss on guarantees	-	279	3
Loss on valuation of investment securities	760	209	2
Loss on sales of stocks of subsidiaries and affiliates	-	70	1
Loss on sales of investment securities	1	2	0
Loss on retirement of noncurrent assets	138	-	-
Income (loss) before income taxes and minority interests	5,864	(7,863)	(88)
Income taxes	1,565	4,776	54
Minority interests in income(loss)	3,022	(2,888)	(32)
Net income (loss)	JPY 1,277	(JPY 9,751)	\$(110)

CONDENSED CONSOLIDATED QUARTERLY STATEMENTS OF CASH FLOWS

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

Six-month period ended September 30	2008	2009	2009
I . Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	JPY 14,875	(JPY 52,656)	(\$592)
Depreciation and amortization	86,585	70,481	792
Equity in (earnings) losses of affiliates	(4,042)	(1,056)	(12)
Decrease in notes and accounts receivable-trade	138,088	127,684	1,435
Increase in inventories	(66,482)	(15,555)	(175)
Decrease in notes and accounts payable-trade	(98,452)	(67,176)	(755)
Income taxes paid	(23,767)	(17,447)	(196)
Others, net	(26,278)	(43,567)	(489)
Net cash provided by operating activities	20,527	708	8
II . Cash flows from investing activities:			
Net proceeds from (payment of) acquisitions and sales of property, plant and equipment	(53,399)	(37,073)	(417)
Purchase of intangible assets	(20,723)	(15,426)	(173)
Net proceeds from (payment of) purchases and sales of securities	(5,594)	(6,997)	(79)
Others, net	(386)	4,966	56
Net cash used in investing activities	(80,102)	(54,530)	(613)
III . Cash flows from financing activities:			
Net proceeds from (payment of) bonds and borrowings	48,598	4,320	49
Cash dividends paid	(8,047)	(33)	0
Others, net	(2,216)	(1,359)	(16)
Net cash provided by financing activities	38,335	2,928	33
IV . Effect of exchange rate changes on cash and cash equivalents	(746)	(911)	(10)
V . Net decrease in cash and cash equivalents	(21,986)	(51,805)	(582)
VI . Cash and cash equivalents at beginning of period	374,838	317,271	3,565
VII . Cash and cash equivalents at end of period	JPY 352,852	JPY 265,466	\$2,983

SEGMENT INFORMATION

[Business segment information]

Three-month period ended September 30, 2009 (From July 1, 2009 to September 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	212,789	49,460	208,053	72,431	167,389	146,393	18,713	875,228	—	875,228
2. Intersegment sales and transfers	13,336	9,013	12,872	4,670	13,522	5,227	30,179	88,819	(88,819)	—
Total sales	226,125	58,473	220,925	77,101	180,911	151,620	48,892	964,047	(88,819)	875,228
Operating income (loss)	10,533	(1,313)	12,349	3,074	(804)	(14,988)	2,769	11,620	(9,276)	2,344

Three-month period ended September 30, 2008 (From July 1, 2008 to September 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	237,215	63,773	276,187	88,386	219,198	206,677	35,122	1,126,558	—	1,126,558
2. Intersegment sales and transfers	18,155	12,259	12,921	6,356	18,583	7,602	42,505	118,381	(118,381)	—
Total sales	255,370	76,032	289,108	94,742	237,781	214,279	77,627	1,244,939	(118,381)	1,126,558
Operating income (loss)	13,352	(1,334)	14,177	2,737	(7,453)	1,095	494	23,068	(13,785)	9,283

Three-month period ended September 30, 2009 (From July 1, 2009 to September 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	2,391	556	2,338	814	1,881	1,645	209	9,834	—	9,834
2. Intersegment sales and transfers	150	101	144	52	152	59	340	998	(998)	—
Total sales	2,541	657	2,482	866	2,033	1,704	549	10,832	(998)	9,834
Operating income (loss)	118	(15)	139	35	(9)	(168)	31	131	(105)	26

SEGMENT INFORMATION (CONTINUED)

[Business segment information]

Six-month period ended September 30, 2009 (From April 1, 2009 to September 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	382,506	88,551	383,091	129,677	362,376	268,559	38,933	1,653,693	—	1,653,693
2. Intersegment sales and transfers	25,638	15,766	24,006	8,019	25,875	13,044	55,642	167,990	(167,990)	—
Total sales	408,144	104,317	407,097	137,696	388,251	281,603	94,575	1,821,683	(167,990)	1,653,693
Operating income (loss)	10,460	(12,308)	8,802	2,653	7,923	(42,604)	3,109	(21,965)	(15,738)	(37,703)

Six-month period ended September 30, 2008 (From April 1, 2008 to September 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	420,862	126,335	494,850	148,217	454,494	410,373	72,669	2,127,800	—	2,127,800
2. Intersegment sales and transfers	33,553	23,690	30,992	11,823	33,618	16,212	76,655	226,543	(226,543)	—
Total sales	454,415	150,025	525,842	160,040	488,112	426,585	149,324	2,354,343	(226,543)	2,127,800
Operating income (loss)	10,253	11,154	14,665	339	(1,535)	(559)	458	34,775	(21,383)	13,392

Six-month period ended September 30, 2009 (From April 1, 2009 to September 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	4,298	995	4,304	1,457	4,072	3,018	437	18,581	—	18,581
2. Intersegment sales and transfers	288	177	270	90	290	146	626	1,887	(1,887)	—
Total sales	4,586	1,172	4,574	1,547	4,362	3,164	1,063	20,468	(1,887)	18,581
Operating income (loss)	118	(138)	99	30	89	(479)	34	(247)	(177)	(424)

(Notes)

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

2 Beginning the first quarter, the number of business segments has been changed to 7, which are composed of IT Services, IT Products, Network Systems, Social Infrastructure, Personal Solutions, Electron Devices and Others, due to the organizational reform.

As a result of these changes, segment information for three-month and six-month periods ended September 30, 2008 has been reclassified in a manner consistent with that used for the three-months and six-months ended September 30, 2009.

3 Major services and products for each business segment :

IT Services	Systems Integration (Ssystem 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	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-month period ended September 30, 2009 (From July 1, 2009 to September 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	730,325	57,375	37,858	49,670	875,228	—	875,228
2. Intersegment sales and transfers	73,750	29,453	1,980	5,760	110,943	(110,943)	—
Total sales	804,075	86,828	39,838	55,430	986,171	(110,943)	875,228
Operating income (loss)	7,767	3,971	(244)	(56)	11,438	(9,094)	2,344

Three-month period ended September 30, 2008 (From July 1, 2008 to September 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	907,683	76,508	74,349	68,018	1,126,558	—	1,126,558
2. Intersegment sales and transfers	114,100	44,531	3,315	7,489	169,435	(169,435)	—
Total sales	1,021,783	121,039	77,664	75,507	1,295,993	(169,435)	1,126,558
Operating income (loss)	22,062	4,816	516	(1,700)	25,694	(16,411)	9,283

Three-month period ended September 30, 2009 (From July 1, 2009 to September 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	8,206	645	425	558	9,834	—	9,834
2. Intersegment sales and transfers	829	331	23	64	1,247	(1,247)	—
Total sales	9,035	976	448	622	11,081	(1,247)	9,834
Operating income (loss)	87	45	(3)	0	129	(103)	26

SEGMENT INFORMATION (CONTINUED)

[Geographical segment]

Six-month period ended September 30, 2009 (From April 1, 2009 to September 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	1,386,543	99,643	74,325	93,182	1,653,693	—	1,653,693
2. Intersegment sales and transfers	135,242	52,400	2,736	8,909	199,287	(199,287)	—
Total sales	1,521,785	152,043	77,061	102,091	1,852,980	(199,287)	1,653,693
Operating income (loss)	(16,602)	3,468	(870)	(4,809)	(18,813)	(18,890)	(37,703)

Six-month period ended September 30, 2008 (From April 1, 2008 to September 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	1,713,918	137,363	140,335	136,184	2,127,800	—	2,127,800
2. Intersegment sales and transfers	210,920	83,292	4,924	12,876	312,012	(312,012)	—
Total sales	1,924,838	220,655	145,259	149,060	2,439,812	(312,012)	2,127,800
Operating income (loss)	34,482	7,691	(1,496)	(4,415)	36,262	(22,870)	13,392

Six-month period ended September 30, 2009 (From April 1, 2009 to September 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	15,579	1,120	835	1,047	18,581	—	18,581
2. Intersegment sales and transfers	1,520	588	31	100	2,239	(2,239)	—
Total sales	17,099	1,708	866	1,147	20,820	(2,239)	18,581
Operating income (loss)	(187)	39	(10)	(53)	(211)	(213)	(424)

(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-month period ended September 30, 2009 (From July 1, 2009 to September 30, 2009) (In millions of yen)

	Asia	Europe	Others	Total
Overseas sales	86,595	40,686	59,652	186,933
Consolidated sales	—	—	—	875,228
Percentage of overseas sales to consolidated sales (%)	9.9	4.6	6.9	21.4

Three-month period ended September 30, 2008 (From July 1, 2008 to September 30, 2008) (In millions of yen)

	Asia	Europe	Others	Total
Overseas sales	117,816	85,517	81,952	285,285
Consolidated sales	—	—	—	1,126,558
Percentage of overseas sales to consolidated sales (%)	10.5	7.6	7.2	25.3

Three-month period ended September 30, 2009 (From July 1, 2009 to September 30, 2009) (In millions of U.S. dollars)

	Asia	Europe	Others	Total
Overseas sales	973	457	670	2,100
Consolidated sales	—	—	—	9,834

Six-month period ended September 30, 2009 (From April 1, 2009 to September 30, 2009) (In millions of yen)

	Asia	Europe	Others	Total
Overseas sales	157,501	81,670	111,701	350,872
Consolidated sales	—	—	—	1,653,693
Percentage of overseas sales to consolidated sales (%)	9.5	4.9	6.8	21.2

Six-month period ended September 30, 2008 (From April 1, 2008 to September 30, 2008) (In millions of yen)

	Asia	Europe	Others	Total
Overseas sales	213,659	153,930	167,000	534,589
Consolidated sales	—	—	—	2,127,800
Percentage of overseas sales to consolidated sales (%)	10.0	7.2	7.9	25.1

Six-month period ended September 30, 2009 (From April 1, 2009 to September 30, 2009) (In millions of U.S. dollars)

	Asia	Europe	Others	Total
Overseas sales	1,770	918	1,254	3,942
Consolidated sales	—	—	—	18,581

(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.

Notes to significant changes in shareholders' equity

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
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Increased amount of surplus:

Retained surplus brought forward	¥ 331,287,110,883
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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.
