NEWS RELEASE

Empowered by Innovation NEC

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Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2012

Consolidated Financial Results

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2011	Change
	In billions of yen	In billions of yen	%
Net Sales	667.5	669.1	0.2
Operating income (loss)	-23.2	-19.4	-
Ordinary income (loss)	-40.5	-29.6	-
Net income (loss)	-43.1	-29.7	-
	Yen	Yen	Yen
Net income (loss) per share:			
Basic	-16.61	-11.43	5.18
Diluted	-	-	-

	As of March 31, 2011	As of June 30, 2011	Change
	In billions of yen	In billions of yen	%
Total assets	2,628.9	2,465.7	-6.2
Net assets	875.4	843.7	-3.6

(Notes)

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

	As of June 30, 2010	As of June 30, 2011	As of March 31, 2011
Consolidated subsidiaries	**288**	**274**	**283**
Affiliated companies accounted for by the equity method	**61**	**55**	**55**

1. Consolidated Business Results

(1) Overview of the first quarter of the fiscal year ending March 31, 2012 (three months ended June 30, 2011)

The worldwide economy during the three months ended June 30, 2011 continued to recover overall, although signs of deceleration appeared through mainly the sudden price increase in gasoline and stagnated consumer spending in the United States, the anxiety over the reemergence of the financial crisis in Europe and inflation pressures in emerging countries mostly in Asia.

The Japanese economy was significantly impacted by the Great East Japan Earthquake of March 2011. Although manufacturing, exports and consumer spending made a brief recovery, challenging issues, including power shortages, remained and sluggish capital investment continued.

Under this business environment, NEC recorded consolidated sales of 669.1 billion yen for the three months ended June 30, 2011, an increase of 1.6 billion yen (0.2%) year-on-year. This increase was mainly due to increased sales from the Carrier Network business, in spite of reduced sales from the Personal Solutions business and IT Services business.

Regarding profitability, consolidated operating income (loss) improved by 3.8 billion yen year-on-year, for an operating loss of 19.4 billion yen, mainly due to increased sales and streamlined selling, general and administrative expenses.

In terms of ordinary income (loss), NEC recorded a loss of 29.6 billion yen, improving by 10.8 billion yen year-on-year, mainly due to improved operating income (loss) and reduced equity in losses of affiliates.

Income (loss) before income taxes and minority interests for the first quarter was a loss of 32.0 billion yen, a year-on-year improvement of 19.5 billion yen. This was mainly due to improved ordinary income (loss) and loss that was recorded from loss on change in equity during the same period of the previous fiscal year.

Net income (loss) for the first quarter was a loss of 29.7 billion yen, a year-on-year improvement of 13.4 billion yen.

(2) Results by main business segment

Sales by segment (sales to external customers):

Segments	Three months ended June 30, 2010	Three months ended June 30, 2011	Change
	In billions of yen	In billions of yen	%
IT Services	161.2	157.5	-2.3
Platform	80.0	79.9	-0.2
Carrier Network	116.8	131.9	12.9
Social Infrastructure	58.4	58.8	0.7
Personal Solutions	193.5	183.5	-5.2
Others	57.6	57.6	0.0
Total	667.5	669.1	0.2

Operating income or loss by segment:

Segments	Three months ended June 30, 2010	Three months ended June 30, 2011	Change
	In billions of yen	In billions of yen	In billions of yen
IT Services	-5.7	-7.4	-1.7
Platform	-4.4	-5.4	-1.0
Carrier Network	-6.0	1.8	7.8
Social Infrastructure	0.3	0.4	0.1
Personal Solutions	-0.4	1.3	1.7
Others	-1.1	-0.5	0.6
Adjustment	-6.0	-9.7	-3.7
Total	-23.2	-19.4	3.8

(Note) Amounts in this section "(2) Results by main business segment" are rounded to 0.1 billion yen. Amounts in millions of yen are shown in section "Segment information."

(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:	157.5 billion yen	(-2.3%)
Operating Income (Loss):	-7.4 billion yen	(-1.7 billion yen)

In the IT Services business, sales were 157.5 billion yen, a decrease of 3.7 billion yen (-2.3%) year-on-year, mainly impacted by decreased sales for the retail and telecommunications business, despite the steady growth of sales for government offices and medical institutions.

Operating income (loss) worsened by 1.7 billion yen year-on-year, to an operating loss of 7.4 billion yen, mainly owing to reduced sales, despite progress in reducing costs.

Platform Business

Sales:	79.9 billion yen	(-0.2%)
Operating Income (Loss):	-5.4 billion yen	(-1.0 billion yen)

In the Platform business, sales were 79.9 billion yen, a decrease of 0.2 billion yen (-0.2%) year-on-year, mainly due to a decrease in hardware sales, despite the steady growth of software and enterprise network sales.

Operating income (loss) worsened by 1.0 billion yen year-on-year, to an operating loss of 5.4 billion yen, mainly owing to an increase in costs for procuring a stable supply of materials.

Carrier Network Business

Sales:	131.9 billion yen	(12.9%)
Operating Income (Loss):	1.8 billion yen	(7.8 billion yen)

In the Carrier Network business, sales were 131.9 billion yen, an increase of 15.1 billion yen (12.9%) year-on-year, mainly due to an increase in sales of submarine network systems, wireless communications equipment in domestic markets and cable television related systems.

Operating income (loss) improved by 7.8 billion yen year-on-year, to an operating income of 1.8 billion yen, mainly owing to an increase in sales.

Social Infrastructure Business

Sales:	58.8 billion yen	(0.7%)
Operating Income (Loss):	0.4 billion yen	(0.1 billion yen)

In the Social Infrastructure business, sales were 58.8 billion yen, an increase of 0.4 billion yen (0.7%) year-on-year, mainly due to the steady growth of the social system field, including sales of broadcast and fire and disaster prevention systems, despite a decrease in sales in the aerospace and defense systems fields.

Operating income (loss) improved by 0.1 billion yen year-on-year, to an operating income of 0.4 billion yen.

Personal Solutions Business

Sales:	183.5 billion yen	(-5.2%)
Operating Income (Loss):	1.3 billion yen	(1.7 billion yen)

In the Personal Solutions business, sales were 183.5 billion yen, a decrease of 10.0 billion yen (-5.2%) year-on-year, mainly impacted by a decrease in the display business for overseas markets and a decrease in personal computer unit prices, despite an increase in mobile phone shipments due to the full-scale rollout of smartphones both domestically and abroad.

Operating income (loss) improved by 1.7 billion yen year-on-year, to an operating income of 1.3 billion yen, despite a decrease in sales, mainly due to an increase in the number of smartphone and other mobile terminal shipments and streamlined terminal development costs.

Others

Sales:	57.6 billion yen	(0.0%)
Operating Income (Loss):	-0.5 billion yen	(0.6 billion yen)

In Others, sales were 57.6 billion yen, nearly the same year-on-year, mainly due to an increase in sales in the lithium-ion rechargeable battery business, despite a decrease in the electronic components business.

Operating income (loss) improved by 0.6 billion yen year-on-year, to an operating loss of 0.5 billion yen, mainly due to an increase in sales in the lithium-ion rechargeable battery business.

2. Consolidated Financial Condition

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

Total assets were 2,465.7 billion yen as of June 30, 2011, a decrease of 163.2 billion yen as compared with the end of the previous fiscal year. Current assets as of June 30, 2011 decreased by 147.5 billion yen compared with the end of the previous fiscal year to 1,295.1 billion yen, mainly due to the decrease in notes and accounts receivable-trade. Noncurrent assets as of June 30, 2011 decreased by 15.7 billion yen compared with the end of the previous fiscal year to 1,170.6 billion yen, mainly due to the continued depreciation of property, plant and equipment, as well as a decrease in stocks of subsidiaries and affiliates from equity in losses of affiliates.

Total liabilities as of June 30, 2011 decreased by 131.5 billion yen compared with the end of the previous fiscal year, to 1,622.0 billion yen. This was mainly due to a decrease in notes and accounts payable-trade and accrued expenses, despite the issuance of bonds. The balance of interest-bearing debt amounted to 646.1 billion yen, a decrease of 29.7 billion yen as compared with the end of the previous fiscal year. The debt-equity ratio as of June 30, 2011 was 0.89 (nearly the same as compared with the end of the previous fiscal year). The balance of net interest-bearing debt as of June 30, 2011, calculated by offsetting the balance of interest-bearing debt with the balance of cash and cash equivalents, amounted to 458.0 billion yen, a decrease of 13.9 billion yen as compared with the end of the previous fiscal year. The net debt-equity ratio as of June 30, 2011 was 0.63 (a worsening of 0.01 points as compared with the end of the previous fiscal year).

Total net assets were 843.7 billion yen as of June 30, 2011, a decrease of 31.7 billion yen as compared with the end of the previous fiscal year, mainly due to recording net losses for the quarter.

As a result, the owner’s equity as of June 30, 2011 was 726.3 billion yen and owner’s equity ratio was 29.5% (an improvement of 0.7 points as compared with the end of the previous fiscal year).

Net cash inflows from operating activities for the three months ended June 30, 2011 were 23.6 billion yen, a decrease of 16.0 billion yen as compared with the same period of the previous fiscal year, mainly due to an increase in working capital.

Net cash outflows from investing activities for the three months ended June 30, 2011 were 7.0 billion yen, a decrease of 74.8 billion yen as compared with the same period of the previous fiscal year, mainly due to decreased outflows from the purchase of stocks of subsidiaries and affiliates.

As a result, free cash flows (the sum of cash flows from operating activities and investing activities) for the three months ended June 30, 2011 totaled a cash inflow of 16.5 billion yen, an improvement of 58.8 billion yen year-on-year.

Net cash flows from financing activities for the three months ended June 30, 2011 totaled a cash outflow of 32.0 billion yen, mainly due to the redemption of commercial papers and loans payable despite financing from the issuance of bonds.

As a result, cash and cash equivalents as of June 30, 2011 amounted to 188.1 billion yen, a decrease of 15.8 billion yen as compared with the end of the previous fiscal year.

3. Consolidated Financial Forecast

Regarding consolidated financial forecasts for the first half of the fiscal year ending March 31, 2012, although NEC postponed the announcement of first half forecasts as of May 10, 2011 due to the difficulty of gauging the effects on NEC's business from the Great East Japan Earthquake, NEC is now announcing the following first half consolidated financial forecasts based on recent conditions and performance.

There is no change to the consolidated financial forecasts for the full fiscal year ending March 31, 2012.

Regrettably, NEC will not pay an interim dividend for the fiscal year ending March 31, 2012 in consideration of the forecast earnings in the first half of the fiscal year ending March 31, 2012, and others. Year-end dividend has not yet been determined.

Consolidated	Forecasts for the first half ending September 30, 2011 In billions of yen	Comparison with the first half ended September 30, 2010
Net sales	1,490.0	1.4%
Operating income (loss)	0.0	-1.1 billion yen
Ordinary income (loss)	-20.0	2.3 billion yen
Net income (loss)	-15.0	12.0 billion yen

4. Others

(1) *Application of accounting procedures specific to the preparation of quarterly consolidated financial statements*

Calculation of tax expenses:

After adjustment on individual significant items, tax expenses are calculated by multiplying income before income taxes by effective tax rate, which is estimated reasonably by using tax effect accounting, for the fiscal year including this first quarter.

(2) *Changes to accounting policies, changes in financial estimates and restatements*

<Change in the depreciation method for property, plant and equipment and useful lives>

From the three-month period ended June 30, 2011, the Company and its consolidated subsidiaries changed the depreciation method and revised the useful lives of a portion of assets based on actual utilization.

In prior periods, the Company and its consolidated subsidiaries depreciated property, plant and equipment with the declining-balance method. From the three-month period ended June 30, 2011, the Company and its consolidated subsidiaries uniformly adopted straight-line depreciation over the estimated useful lives of the assets.

The reason for this change is due to a shift in business conditions that includes the exclusion of NEC's semiconductor business from consolidation and a stronger business focus towards services where stable long-term revenues can be expected, such as "Cloud Computing Services." This shift in business conditions resulted in an increase in the ratio of assets more suitably depreciated by the straight-line method, which enables depreciation costs to be equally allocated over its useful lives.

Compared to the previous method of accounting, the impacts of these changes and revisions on income (loss) and segment information are immaterial.

CONSOLIDATED QUARTERLY BALANCE SHEETS

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

	March 31, 2011	**June 30, 2011**	**June 30, 2011**
Current assets	JPY 1,442,580	**JPY 1,295,058**	**$ 15,989**
Cash and deposits	184,662	**162,293**	**2,004**
Notes and accounts receivable-trade	726,355	**554,586**	**6,847**
Short-term investment securities	20,757	**27,719**	**342**
Merchandise and finished goods	95,567	**117,542**	**1,451**
Work in process	99,868	**123,341**	**1,523**
Raw materials and supplies	69,308	**71,887**	**887**
Deferred tax assets	97,431	**92,958**	**1,148**
Other	153,104	**149,571**	**1,847**
Allowance for doubtful accounts	(4,472)	**(4,839)**	**(60)**
Noncurrent assets	1,186,351	**1,170,625**	**14,452**
Property, plant and equipment	341,175	**333,192**	**4,113**
Buildings and structures, net	146,782	**144,339**	**1,782**
Machinery and equipment, net	43,933	**42,198**	**521**
Tools, furniture and fixtures, net	61,862	**60,753**	**750**
Land	75,550	**75,302**	**930**
Construction in progress	13,048	**10,600**	**130**
Intangible assets	208,202	**208,717**	**2,577**
Goodwill	88,941	**85,847**	**1,060**
Software	116,169	**119,765**	**1,479**
Other	3,092	**3,105**	**38**
Investments and other assets	636,974	**628,716**	**7,762**
Investment securities	137,692	**137,598**	**1,699**
Stocks of subsidiaries and affiliates	133,993	**128,032**	**1,581**
Deferred tax assets	174,707	**184,969**	**2,284**
Other	207,848	**195,344**	**2,411**
Allowance for doubtful accounts	(17,266)	**(17,227)**	**(213)**
Total assets	JPY 2,628,931	**JPY 2,465,683**	**$ 30,441**

(Note)

U.S. dollar amounts are translated from yen, for convenience only, at the rate of US$1 = 81 yen.

CONSOLIDATED QUARTERLY BALANCE SHEETS (CONTINUED)

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

	March 31, 2011	**June 30, 2011**	**June 30, 2011**
Current liabilities	JPY 1,180,528	**JPY 1,022,635**	**$ 12,625**
Notes and accounts payable-trade	464,529	**404,973**	**5,000**
Short-term loans payable	48,780	**28,390**	**350**
Commercial papers	163,978	**125,984**	**1,555**
Current portion of long-term loans payable	13,245	**15,852**	**196**
Current portion of convertible bonds	97,669	**97,669**	**1,206**
Accrued expenses	160,559	**127,267**	**1,571**
Advances received	58,437	**77,161**	**953**
Provision for product warranties	24,827	**23,713**	**293**
Provision for directors' bonuses	266	**175**	**2**
Provision for loss on construction contracts and others	9,763	**8,834**	**109**
Provision for business structure improvement	7,138	**2,697**	**33**
Provision for contingent loss	3,989	**3,611**	**45**
Other	127,348	**106,309**	**1,312**
Noncurrent liabilities	572,962	**599,352**	**7,400**
Bonds payable	200,000	**230,000**	**2,840**
Long-term loans payable	137,846	**135,127**	**1,668**
Deferred tax liabilities	1,125	**1,123**	**14**
Provision for retirement benefits	182,022	**183,032**	**2,260**
Provision for product warranties	2,062	**1,920**	**24**
Provision for loss on repurchase of computers	7,620	**6,851**	**85**
Provision for recycling expenses of personal computers	6,004	**6,180**	**76**
Provision for business structure improvement	1,326	**1,058**	**13**
Provision for contingent loss	8,810	**9,221**	**114**
Other	26,147	**24,840**	**306**
Total liabilities	1,753,490	**1,621,987**	**20,025**
Shareholders' equity	780,045	**750,341**	**9,264**
Capital stock	397,199	**397,199**	**4,904**
Capital surplus	192,837	**192,836**	**2,381**
Retained earnings	192,943	**163,240**	**2,015**
Treasury stock	(2,934)	**(2,934)**	**(36)**
Accumulated other comprehensive income	(22,991)	**(24,064)**	**(297)**
Valuation difference on available-for-sale securities	4,167	**4,977**	**61**
Deferred gains or losses on hedges	132	**60**	**1**
Foreign currency translation adjustment	(27,290)	**(29,101)**	**(359)**
Subscription rights to shares	33	**26**	**0**
Minority interests	118,354	**117,393**	**1,449**
Total net assets	875,441	**843,696**	**10,416**
Total liabilities and net assets	JPY 2,628,931	**JPY 2,465,683**	**$ 30,441**

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS AND CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS

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

Three months ended June 30	2010	**2011**	**2011**
Net sales	JPY 667,541	**JPY 669,115**	**$ 8,261**
Cost of sales	475,825	**475,580**	**5,872**
Gross profit	191,716	**193,535**	**2,389**
Selling, general and administrative expenses	214,947	**212,975**	**2,629**
Operating loss	(23,231)	**(19,440)**	**(240)**
Non-operating income	4,562	**4,839**	**60**
Interest income	276	**533**	**7**
Dividends income	1,027	**1,279**	**16**
Other	3,259	**3,027**	**37**
Non-operating expenses	21,792	**15,046**	**186**
Interest expenses	1,762	**1,441**	**18**
Equity in losses of affiliates	11,888	**4,716**	**58**
Retirement benefit expenses	3,014	**3,013**	**37**
Foreign exchange losses	2,321	**715**	**9**
Other	2,807	**5,161**	**64**
Ordinary loss	(40,461)	**(29,647)**	**(366)**
Extraordinary income	930	**151**	**2**
Gain on sales of subsidiaries and affiliates' stocks	-	**113**	**2**
Gain on change in equity	-	**18**	**0**
Gain on sales of investment securities	749	**13**	**0**
Gain on reversal of subscription rights to shares	7	**7**	**0**
Gain on transfer of business	174	**-**	**-**
Extraordinary loss	11,929	**2,463**	**31**
Loss on valuation of investment securities	1,571	**1,546**	**19**
Impairment loss	206	**536**	**7**
Business structure improvement expenses	2,584	**378**	**5**
Loss on sales of stocks of subsidiaries and affiliates	-	**3**	**0**
Loss on change in equity	5,996	**-**	**-**
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,434	**-**	**-**
Provision for loss on guarantees	138	**-**	**-**
Loss before income taxes and minority interests	(51,460)	**(31,959)**	**(395)**
Income taxes	(9,172)	**(3,188)**	**(40)**
Loss before minority interests	(42,288)	**(28,771)**	**(355)**
Minority interests in income	854	**932**	**12**
Net loss	(JPY 43,142)	**(JPY 29,703)**	**($ 367)**

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS AND CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME

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

Three months ended June 30	2010	**2011**	**2011**
Loss before minority interests	(JPY 42,288)	**(JPY 28,771)**	**($ 355)**
Other comprehensive income	(8,732)	**(1,124)**	**(14)**
Valuation difference on available-for-sale securities	(7,807)	**989**	**12**
Deferred gains or losses on hedges	(181)	**(60)**	**(1)**
Foreign currency translation adjustment	4,262	**(1,479)**	**(18)**
Share of other comprehensive income of associates accounted for using equity method	(5,006)	**(574)**	**(7)**
Comprehensive income	(JPY 51,020)	**(JPY 29,895)**	**($ 369)**
Breakdown:			
Comprehensive income attributable to owners of the parent	(JPY 54,905)	**(JPY 30,776)**	**($ 380)**
Comprehensive income attributable to minority interests	3,885	**881**	**11**

CONDENSED CONSOLIDATED QUARTERLY STATEMENTS OF CASH FLOWS

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

Three months ended June 30	2010	2011	2011
Ⅰ. Cash flows from operating activities:			
Loss before income taxes and minority interests	(JPY 51,460)	**(JPY 31,959)**	**($ 395)**
Depreciation and amortization	19,736	**22,126**	**273**
Equity in losses of affiliates	11,888	**4,716**	**58**
Loss (gain) on change in equity	5,996	**(18)**	**(0)**
Decrease in notes and accounts receivable-trade	171,615	**169,757**	**2,096**
Increase in inventories	(45,586)	**(48,558)**	**(599)**
Decrease in notes and accounts payable-trade	(62,324)	**(59,058)**	**(729)**
Income taxes paid	(12,347)	**(12,477)**	**(154)**
Others, net	2,069	**(20,952)**	**(259)**
Net cash provided by operating activities	39,587	**23,577**	**291**
Ⅱ. Cash flows from investing activities:			
Net proceeds from (payments of) acquisitions and sales of property, plant and equipment	(18,289)	**(8,084)**	**(100)**
Purchase of intangible assets	(9,218)	**(5,315)**	**(66)**
Net proceeds from (payments of) purchases and sales of securities	(55,872)	**(327)**	**(4)**
Others, net	1,553	**6,693**	**83**
Net cash used in investing activities	(81,826)	**(7,033)**	**(87)**
Ⅲ. Cash flows from financing activities:			
Net proceeds from (payments of) bonds and borrowings	34,058	**(30,295)**	**(374)**
Cash dividends paid	(9,711)	**(6)**	**(0)**
Others, net	85	**(1,650)**	**(20)**
Net cash provided by (used in) financing activities	24,432	**(31,951)**	**(394)**
Ⅳ. Effect of exchange rate changes on cash and cash equivalents	(2,553)	**(397)**	**(5)**
Ⅴ. Net decrease in cash and cash equivalents	(20,360)	**(15,804)**	**(195)**
Ⅵ. Cash and cash equivalents at beginning of period	330,548	**203,879**	**2,517**
Ⅶ. Decrease in cash and cash equivalents resulting from change of scope of consolidation	(92,787)	**-**	**-**
Ⅷ. Increase in cash and cash equivalents resulting from merger	9,700	**-**	**-**
Ⅸ. Cash and cash equivalents at end of period	JPY 227,101	**JPY 188,075**	**$ 2,322**

SEGMENT INFORMATION

[Segment information]

1. Information about sales and segment income (loss) by reported segments

Three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010) (In millions of yen)

	Reported Segments						Others	Adjustment	Consolidated total
	IT Services	Platform	Carrier Network	Social Infrastructure	Personal Solutions	Total			
Sales									
1. Sales to customers	161,235	80,044	116,766	58,392	193,537	609,974	57,567	–	667,541
2. Intersegment sales and transfers	9,999	9,682	5,938	2,848	9,794	38,261	16,374	(54,635)	–
Total sales	171,234	89,726	122,704	61,240	203,331	648,235	73,941	(54,635)	667,541
Segment income (loss) (Operating income (loss))	(5,691)	(4,408)	(5,988)	348	(374)	(16,113)	(1,132)	(5,986)	(23,231)

Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011) (In millions of yen)

	Reported Segments						Others	Adjustment	Consolidated total
	IT Services	Platform	Carrier Network	Social Infrastructure	Personal Solutions	Total			
Sales									
1. Sales to customers	**157,507**	**79,885**	**131,856**	**58,777**	**183,540**	**611,565**	**57,550**	**–**	**669,115**
2. Intersegment sales and transfers	**11,499**	**9,850**	**6,845**	**2,479**	**10,825**	**41,498**	**16,861**	**(58,359)**	**–**
Total sales	**169,006**	**89,735**	**138,701**	**61,256**	**194,365**	**653,063**	**74,411**	**(58,359)**	**669,115**
Segment income (loss) (Operating income (loss))	**(7,381)**	**(5,423)**	**1,796**	**433**	**1,339**	**(9,236)**	**(495)**	**(9,709)**	**(19,440)**

Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011) (In millions of U.S. dollars)

	Reported Segments						Others	Adjustment	Consolidated total
	IT Services	Platform	Carrier Network	Social Infrastructure	Personal Solutions	Total			
Sales									
1. Sales to customers	**1,945**	**986**	**1,628**	**726**	**2,266**	**7,551**	**710**	**–**	**8,261**
2. Intersegment sales and transfers	**141**	**122**	**84**	**30**	**134**	**511**	**209**	**(720)**	**–**
Total sales	**2,086**	**1,108**	**1,712**	**756**	**2,400**	**8,062**	**919**	**(720)**	**8,261**
Segment income (loss) (Operating income (loss))	**(91)**	**(67)**	**22**	**5**	**17**	**(114)**	**(6)**	**(120)**	**(240)**

(Notes)

1. "Others" represents businesses such as Lithium-ion Rechargeable Batteries, Electronic Components, LCD Panels and Lighting Equipment, which are not included in reported segments.
2. "Adjustment" of segment income (loss) for three months ended June 30, 2010 includes corporate expenses of (7,351) million yen unallocated to each reported segment and noncurrent assets related adjustment of 1,580 million yen, respectively. "Adjustment" of segment income (loss) for three months ended June 30, 2011 includes corporate expenses of (9,974) million yen ((123) millions of U.S. dollars) unallocated to each reported segment and noncurrent assets related adjustment of 1,224 million yen (15 millions of U.S. dollars), respectively. The corporate expenses, unallocated to each reported segment, are mainly both general and administrative expenses incurred at headquarters of the Company, and research and development expenses.

SEGMENT INFORMATION (CONTINUED)

[Related information]

Information about geographic areas

Three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)

Sales (In millions of yen)

Japan	Asia	Europe	Others	Total
553,342	38,160	24,030	52,009	667,541

Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)

Sales (In millions of yen)

Japan	Asia	Europe	Others	Total
553,988	**31,004**	**24,299**	**59,824**	**669,115**

Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)

Sales (In millions of U.S. dollars)

Japan	Asia	Europe	Others	Total
6,839	**383**	**300**	**739**	**8,261**

(Note)

Sales, based on the locations of customers, are classified by country or region.

SUBSEQUENT EVENT

On July 1, 2011, pursuant to the business integration agreement between the Company and Lenovo Group Limited on January 27, 2011, in order to strengthen its personal computer business, the Company divided personal computer business of NEC Personal Products, Ltd. (segment: personal solutions, main business: personal computer) and established NEC Personal Computers, Ltd. by means of company split. On the same day, the Company transferred all the shares of NEC Personal Computers, Ltd. to Lenovo NEC Holdings B.V. and 49% shares in Lenovo NEC Holdings B.V. were allotted to the Company. As a result, Lenovo NEC Holdings B.V. has become an affiliate of the Company accounted for using the equity method. In relation to this transaction, the Company further received the shares in Lenovo Group Limited equivalent to US$ 175million that Lenovo Group Limited had newly issued.

After this integration, the Company will continue to sell commercial PCs purchased from NEC Personal Computers, Ltd.

For this transaction, the Company will apply the business combination accounting for shareholders stipulated in the Paragraph 45 of “Accounting Standard for Business Divestitures (Accounting Standards Board of Japan – ASBJ Statement No.7)”.

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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