

## RELEASE

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## Consolidated Financial Results for the Nine Months Ended December 31, 2011

### Consolidated Financial Results

	Nine Months Ended December 31, 2010	Nine Months Ended December 31, 2011	Change
	In billions of yen	In billions of yen	%
Net Sales	2,189.9	2,112.2	-3.5
Operating income (loss)	-12.4	-1.4	—
Ordinary income (loss)	-49.2	-22.0	—
Net income (loss)	-53.6	-97.5	—
	yen	yen	yen
Net income (loss) per share:			
Basic	-20.62	-37.53	-16.91
Diluted	—	—	—

	Three Months Ended December 31, 2010	Three Months Ended December 31, 2011	Change
	In billions of yen	In billions of yen	%
Net Sales	720.7	669.0	-7.2
Operating income (loss)	-13.5	-8.2	—
Ordinary income (loss)	-27.0	-11.6	—
Net income (loss)	-26.5	-86.5	—
	yen	yen	yen
Net income (loss) per share:			
Basic	-10.21	-33.30	-23.09
Diluted	—	—	—

	<b>As of March 31, 2011</b>	<b>As of December 31, 2011</b>	<b>Change</b>
	In billions of yen	In billions of yen	%
Total assets	2,628.9	2,457.9	-6.5
Net assets	875.4	762.3	-12.9

**(Notes)**

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

	<b>As of December 31, 2010</b>	<b>As of December 31, 2011</b>	<b>As of March 31, 2011</b>
Consolidated subsidiaries	284	267	283
Affiliated companies accounted for by the equity method	59	55	55

## **1. Consolidated Business Results**

### *(1) Overview of the third quarter of the fiscal year ending March 31, 2012 (nine months ended December 31, 2011)*

The worldwide economy during the nine months ended December 31, 2011 was characterized by cautious consumer and investor sentiment in developed countries, including the United States and Europe, caused by the financial market turmoil related to the European debt crisis. In emerging countries, growth rates slowed down primarily as a result of the downturn in exports to developed countries and the raising of interest rates to control inflation.

The Japanese economy found itself on a recovery trend from the slump caused by the Great East Japan Earthquake of March 2011. However, progress towards recovery slowed down in and after autumn 2011, due to factors such as a slowdown in external demand resulting from economic stagnation overseas, the appreciation of the yen and supply chain disruption caused by flooding in Thailand.

Under this business environment, NEC recorded consolidated sales of 2,112.2 billion yen for the nine months ended December 31, 2011, a decrease of 77.7 billion yen (-3.5%) year-on-year. This decrease was mainly due to reduced sales from the Personal Solutions business, in spite of increased sales from the Carrier Network business.

Regarding profitability, consolidated operating income (loss) improved by 11.0 billion yen year-on-year, to an operating loss of 1.4 billion yen, mainly due to an improved cost percentage and streamlined selling, general and administrative expenses.

In terms of ordinary income (loss), NEC recorded a loss of 22.0 billion yen, improving by 27.2 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 was a loss of 20.4 billion yen, a year-on-year improvement of 51.8 billion yen. This was primarily due to improved ordinary income (loss) as well as improved extraordinary income from the gain on sales of subsidiaries and affiliates' stocks.

Net income (loss) for the nine months ended December 31, 2011 worsened by 43.9 billion yen year-on-year, to a loss of 97.5 billion yen, mainly due to an increase of income taxes due to the review of deferred tax assets that reflect tax reform and financial forecasts for this fiscal year, in spite of improved income (loss) before income taxes and minority interests.

(2) Results by main business segment

*Sales by segment (sales to external customers):*

<b>Segments</b>	<b>Nine months ended December 31, 2010</b>	<b>Nine months ended December 31, 2011</b>	<b>Change</b>
	In billions of yen	In billions of yen	%
<b>IT Services</b>	542.0	538.5	-0.6
<b>Platform</b>	259.3	254.4	-1.9
<b>Carrier Network</b>	416.7	442.5	6.2
<b>Social Infrastructure</b>	204.5	210.3	2.8
<b>Personal Solutions</b>	585.1	496.3	-15.2
<b>Others</b>	182.4	170.2	-6.7
<b>Total</b>	2,189.9	2,112.2	-3.5

*Operating income or loss by segment:*

<b>Segments</b>	<b>Nine months ended December 31, 2010</b>	<b>Nine months ended December 31, 2011</b>	<b>Change</b>
	In billions of yen	In billions of yen	In billions of yen
<b>IT Services</b>	-3.1	4.3	7.4
<b>Platform</b>	-3.5	-7.1	-3.6
<b>Carrier Network</b>	12.8	24.6	11.8
<b>Social Infrastructure</b>	4.5	7.4	3.0
<b>Personal Solutions</b>	1.3	0.5	-0.8
<b>Others</b>	4.3	5.1	0.7
<b>Adjustment</b>	-28.7	-36.2	-7.5
<b>Total</b>	-12.4	-1.4	11.0

(Note) Amounts in this section 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**

<b>Sales:</b>	538.5 billion yen	(-0.6%)
<b>Operating Income (Loss):</b>	4.3 billion yen	(7.4 billion yen)

In the IT Services business, sales were 538.5 billion yen, a decrease of 3.5 billion yen (-0.6%) year-on-year, mainly impacted by decreased sales for the retail business, despite the steady growth of sales for local government offices, medical institutions and the manufacturing sector.

Operating income (loss) improved by 7.4 billion yen year-on-year, to an operating income of 4.3 billion yen, mainly owing to a decline in unprofitable projects and progress in reducing costs.

#### **Platform Business**

<b>Sales:</b>	254.4 billion yen	(-1.9%)
<b>Operating Income (Loss):</b>	- 7.1 billion yen	(-3.6 billion yen)

In the Platform business, sales were 254.4 billion yen, a decrease of 4.8 billion yen (-1.9%) year-on-year, mainly resulting from the impact of flooding in Thailand, especially on the hardware business, despite the steady growth of software sales.

Operating income (loss) worsened by 3.6 billion yen year-on-year, to an operating loss of 7.1 billion yen, mainly owing to a decrease in sales and the impact of flooding in Thailand.

### **Carrier Network Business**

<b>Sales:</b>	442.5 billion yen	(6.2%)
<b>Operating Income (Loss):</b>	24.6 billion yen	(11.8 billion yen)

In the Carrier Network business, sales were 442.5 billion yen, an increase of 25.8 billion yen (6.2%) year-on-year, mainly due to an increase in sales of wireless communications equipment and submarine network systems.

Operating income (loss) improved by 11.8 billion yen year-on-year, to an operating income of 24.6 billion yen, mainly owing to an increase in sales.

### **Social Infrastructure Business**

<b>Sales:</b>	210.3 billion yen	(2.8%)
<b>Operating Income (Loss):</b>	7.4 billion yen	(3.0 billion yen)

In the Social Infrastructure business, sales were 210.3 billion yen, an increase of 5.8 billion yen (2.8%) year-on-year, mainly due to the steady growth of the social system field, including sales of broadcast and fire and disaster prevention systems.

Operating income (loss) improved by 3.0 billion yen year-on-year, to an operating income of 7.4 billion yen, mainly owing to an increase in sales and a reduction in costs.

### **Personal Solutions Business**

<b>Sales:</b>	496.3 billion yen	(-15.2%)
<b>Operating Income (Loss):</b>	0.5 billion yen	(-0.8 billion yen)

In the Personal Solutions business, sales were 496.3 billion yen, a decrease of 88.7 billion yen (-15.2%) year-on-year, mainly due to the personal computer business for private users no longer being consolidated from the second quarter of this year and a decline in mobile phone shipments.

Operating income (loss) worsened by 0.8 billion yen year-on-year, to an operating income of 0.5 billion yen, mainly owing to a decrease in sales in the display business and an increase in new terminal development costs.

**Others**

<b>Sales:</b>	170.2 billion yen	(-6.7%)
<b>Operating Income (Loss):</b>	5.1 billion yen	(0.7 billion yen)

In Others, sales were 170.2 billion yen, a decrease of 12.2 billion yen (-6.7%) year-on-year, mainly due to the panel business for LCD displays no longer being consolidated from the second quarter of this year and the impact of flooding in Thailand on the electronic components business.

Operating income (loss) improved by 0.7 billion yen year-on-year, to an operating income of 5.1 billion yen, mainly owing to streamlined costs, despite a decrease in sales.

## 2. Consolidated Financial Condition

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

Total assets were 2,457.9 billion yen as of December 31, 2011, a decrease of 171.1 billion yen as compared with the end of the previous fiscal year. Current assets as of December 31, 2011 decreased by 67.1 billion yen compared with the end of the previous fiscal year to 1,375.5 billion yen, mainly due to a decrease in notes and accounts receivable-trade. Noncurrent assets as of December 31, 2011 decreased by 104.0 billion yen compared with the end of the previous fiscal year to 1,082.4 billion yen, mainly due to a decrease in deferred tax assets as well as the continued depreciation of property, plant and equipment.

Total liabilities as of December 31, 2011 decreased by 57.9 billion yen compared with the end of the previous fiscal year, to 1,695.6 billion yen. This was mainly due to the redemption of convertible bonds and a decrease in notes and accounts payable-trade, despite an increase in long-term loans payable. The balance of interest-bearing debt amounted to 734.9 billion yen, an increase of 59.1 billion yen as compared with the end of the previous fiscal year. The debt-equity ratio as of December 31, 2011 was 1.14 (a worsening of 0.25 points compared with the end of the previous fiscal year). The balance of net interest-bearing debt as of December 31, 2011, calculated by offsetting the balance of interest-bearing debt with the balance of cash and cash equivalents, amounted to 542.2 billion yen, an increase of 70.3 billion yen as compared with the end of the previous fiscal year. The net debt-equity ratio as of December 31, 2011 was 0.84 (a worsening of 0.22 points as compared with the end of the previous fiscal year).

Total net assets were 762.3 billion yen as of December 31, 2011, a decrease of 113.2 billion yen as compared with the end of the previous fiscal year, mainly due to recording net losses.

As a result, the owner's equity as of December 31, 2011 was 647.1 billion yen and the owner's equity ratio was 26.3% (a worsening of 2.5 points as compared with the end of the previous fiscal year).

Net cash outflows from operating activities for the nine months ended December 31, 2011 were 35.4 billion yen, an improvement of 29.7 billion yen as compared with the same period of the previous fiscal year, mainly due to an improvement in loss before income taxes and minority interests.

Net cash outflows from investing activities for the nine months ended December 31, 2011 were 29.3 billion yen, a decrease of 100.1 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 and 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 nine months ended December 31, 2011 totaled a cash outflow of 64.7 billion yen, a decrease of 129.8 billion yen year-on-year.

Net cash flows from financing activities for the nine months ended December 31, 2011 totaled a cash inflow of 57.5 billion yen, mainly due to the financing through long-term borrowings and the issuance of bonds, despite the redemption of convertible bonds.

As a result, cash and cash equivalents as of December 31, 2011 amounted to 192.7 billion yen, a decrease of 11.2 billion yen as compared with the end of the previous fiscal year.

### 3. Consolidated Financial Forecast

As challenging business conditions continue, NEC forecasts sales of 3,100.0 billion yen, 150.0 billion yen less than the previous forecast, mainly due to a decrease in sales in the Carrier Network business as a result of investment restraint in international markets, a decrease in sales from a decline in mobile phone shipments in the Personal Solutions business and the impact of flooding in Thailand on the Platform business.

NEC forecasts operating income of 70.0 billion yen, 20.0 billion yen less than the previous forecast, mainly due to loss from decreased sales in the Personal Solutions business and Platform business. NEC also forecasts ordinary income of 35.0 billion yen, 20.0 billion yen less than the previous forecast, mainly due to worsening operating income (loss).

NEC forecasts net loss of 100.0 billion yen, 115.0 billion yen less than the previous forecast, mainly due to worsening ordinary income (loss), business restructuring costs for the reform of cost structure, and an increase in income taxes due to the review of deferred tax assets that reflect tax reform and financial forecasts for this fiscal year.

Regrettably, NEC has revised its forecast for year-end dividends for the fiscal year ending March 31, 2012 from undetermined to none, in consideration of the forecast net loss for the fiscal year ending March 31, 2012, and others.

Consolidated financial forecasts for the fiscal year ending March 31, 2012

(April 1, 2011 to March 31, 2012)

(In billions of yen)

	Sales	Operating income (loss)	Ordinary income (loss)	Net income (loss)
Previous Forecast (A) (announced October 27, 2011)	3,250.0	90.0	55.0	15.0
Revised Forecast (B)	3,100.0	70.0	35.0	-100.0
Difference (B) - (A)	-150.0	-20.0	-20.0	-115.0
Change (%)	-4.6	-22.2	-36.4	-
Results for the fiscal year ended March 31, 2011	3,115.4	57.8	0.0	-12.5

#### 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 third 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, NEC Corporation (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 include 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.

Additional information

<Change in effective statutory tax rates>

Following the promulgation on December 2, 2011 of the “Act for Partial Revision of the Income Tax Act etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures” (Act No.114 of 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No.117 of 2011), corporation tax rates will be changed for the fiscal years beginning on or after April 1, 2012. In addition, the Special Reconstruction Corporation Tax, a surtax for reconstruction funding after the Great East Japan Earthquake, will be imposed for the fiscal years beginning in the period from April 1, 2012 to March 31, 2015. In line with these changes, the effective statutory tax rate used to measure deferred tax assets and liabilities were changed from 40.5% to 38.0% for temporary differences expected to be utilized in the fiscal years beginning on or after April 1, 2012. The rate was also changed to 35.5% for temporary differences expected to be utilized in the fiscal years beginning on or after April 1, 2015.

As a result of this change, NEC’s deferred tax assets (net of deferred tax liabilities) as of December 31, 2011 decreased by 28,382 million yen, and income taxes increased by 28,382 million yen.

## CONSOLIDATED QUARTERLY BALANCE SHEETS

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

	March 31, 2011	December 31, 2011	December 31, 2011
<b>Current assets</b>	<b>JPY 1,442,580</b>	<b>JPY 1,375,489</b>	<b>\$ 17,863</b>
Cash and deposits	184,662	150,186	1,950
Notes and accounts receivable-trade	726,355	654,729	8,503
Short-term investment securities	20,757	44,380	576
Merchandise and finished goods	95,567	116,363	1,511
Work in process	99,868	140,776	1,828
Raw materials and supplies	69,308	75,925	986
Deferred tax assets	97,431	69,509	903
Other	153,104	128,136	1,665
Allowance for doubtful accounts	(4,472)	(4,515)	(59)
<b>Noncurrent assets</b>	<b>1,186,351</b>	<b>1,082,379</b>	<b>14,057</b>
Property, plant and equipment	341,175	318,385	4,135
Buildings and structures, net	146,782	136,869	1,778
Machinery and equipment, net	43,933	39,429	512
Tools, furniture and fixtures, net	61,862	59,299	770
Land	75,550	73,047	949
Construction in progress	13,048	9,741	126
Intangible assets	208,202	208,158	2,703
Goodwill	88,941	79,527	1,033
Software	116,169	124,395	1,616
Other	3,092	4,236	54
Investments and other assets	636,974	555,836	7,219
Investment securities	137,692	137,276	1,783
Stocks of subsidiaries and affiliates	133,993	123,355	1,602
Deferred tax assets	174,707	131,955	1,714
Other	207,848	180,357	2,342
Allowance for doubtful accounts	(17,266)	(17,107)	(222)
<b>Total assets</b>	<b>JPY 2,628,931</b>	<b>JPY 2,457,868</b>	<b>\$ 31,920</b>

(Note)

U.S. dollar amounts are translated from yen, for convenience only, at the rate of US\$1 = 77 yen.

## CONSOLIDATED QUARTERLY BALANCE SHEETS (CONTINUED)

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

	March 31, 2011	December 31, 2011	December 31, 2011
Current liabilities	JPY 1,180,528	JPY 1,047,074	\$ 13,598
Notes and accounts payable-trade	464,529	417,982	5,428
Short-term loans payable	48,780	34,480	448
Commercial papers	163,978	224,947	2,921
Current portion of long-term loans payable	13,245	38,525	500
Current portion of convertible bonds	97,669	-	-
Accrued expenses	160,559	122,660	1,593
Advances received	58,437	62,400	810
Provision for product warranties	24,827	19,593	254
Provision for directors' bonuses	266	213	3
Provision for loss on construction contracts and others	9,763	7,999	104
Provision for business structure improvement	7,138	1,620	21
Provision for contingent loss	3,989	2,676	35
Other	127,348	113,979	1,481
Noncurrent liabilities	572,962	648,508	8,422
Bonds payable	200,000	230,000	2,987
Long-term loans payable	137,846	198,379	2,576
Deferred tax liabilities	1,125	1,715	22
Provision for retirement benefits	182,022	180,340	2,342
Provision for product warranties	2,062	1,889	25
Provision for loss on repurchase of computers	7,620	6,761	88
Provision for business structure improvement	1,326	880	11
Provision for contingent loss	8,810	7,492	97
Other	32,151	21,052	274
Total liabilities	1,753,490	1,695,582	22,020
Shareholders' equity	780,045	682,521	8,864
Capital stock	397,199	397,199	5,159
Capital surplus	192,837	192,834	2,504
Retained earnings	192,943	95,425	1,239
Treasury stock	(2,934)	(2,937)	(38)
Accumulated other comprehensive income	(22,991)	(35,434)	(460)
Valuation difference on available-for-sale securities	4,167	920	12
Deferred gains or losses on hedges	132	102	1
Foreign currency translation adjustment	(27,290)	(36,456)	(473)
Subscription rights to shares	33	25	0
Minority interests	118,354	115,174	1,496
Total net assets	875,441	762,286	9,900
Total liabilities and net assets	JPY 2,628,931	JPY 2,457,868	\$ 31,920

**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)

<b>Nine months ended December 31</b>	2010	2011	2011
Net sales	JPY 2,189,884	<b>JPY 2,112,213</b>	<b>\$27,431</b>
Cost of sales	1,555,954	<b>1,488,312</b>	<b>19,328</b>
Gross profit	633,930	<b>623,901</b>	<b>8,103</b>
Selling, general and administrative expenses	646,324	<b>625,317</b>	<b>8,121</b>
Operating loss	(12,394)	<b>(1,416)</b>	<b>(18)</b>
Non-operating income	11,976	<b>13,545</b>	<b>175</b>
Interest income	909	<b>1,265</b>	<b>16</b>
Dividends income	3,022	<b>3,398</b>	<b>44</b>
Other	8,045	<b>8,882</b>	<b>115</b>
Non-operating expenses	48,807	<b>34,117</b>	<b>443</b>
Interest expenses	5,050	<b>4,142</b>	<b>54</b>
Retirement benefit expenses	9,041	<b>8,892</b>	<b>115</b>
Equity in losses of affiliates	20,819	<b>5,288</b>	<b>69</b>
Foreign exchange losses	2,743	<b>4,186</b>	<b>54</b>
Other	11,154	<b>11,609</b>	<b>151</b>
Ordinary loss	(49,225)	<b>(21,988)</b>	<b>(286)</b>
Extraordinary income	6,141	<b>15,768</b>	<b>205</b>
Gain on sales of subsidiaries and affiliates' stocks	1,322	<b>15,181</b>	<b>198</b>
Gain on sales of investment securities	1,215	<b>533</b>	<b>7</b>
Gain on sales of noncurrent assets	1,152	<b>28</b>	<b>0</b>
Gain on change in equity	-	<b>18</b>	<b>0</b>
Gain on reversal of subscription rights to shares	8	<b>8</b>	<b>0</b>
Reversal of provision for loss on guarantees	1,557	-	-
Reversal of provision for recycling expenses of personal computers	713	-	-
Gain on transfer of business	174	-	-
Extraordinary loss	29,087	<b>14,176</b>	<b>184</b>
Loss on valuation of investment securities	4,959	<b>9,612</b>	<b>126</b>
Loss on sales of stocks of subsidiaries and affiliates	368	<b>1,087</b>	<b>14</b>
Impairment loss	1,921	<b>1,082</b>	<b>14</b>
Loss on disaster	-	<b>1,024</b>	<b>13</b>
Relocation expenses	-	<b>648</b>	<b>8</b>
Business structure improvement expenses	10,818	<b>644</b>	<b>8</b>
Loss on sales of noncurrent assets	-	<b>78</b>	<b>1</b>
Loss on sales of investment securities	-	<b>1</b>	<b>0</b>
Loss on change in equity	5,996	-	-
Cost of corrective measures for products	3,390	-	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,434	-	-
Provision for loss on guarantees	201	-	-
Loss before income taxes and minority interests	(72,171)	<b>(20,396)</b>	<b>(265)</b>
Income taxes	(22,407)	<b>76,530</b>	<b>994</b>
Loss before minority interests	(49,764)	<b>(96,926)</b>	<b>(1,259)</b>
Minority interests in income	3,809	<b>592</b>	<b>7</b>
Net loss	(JPY 53,573)	<b>(JPY 97,518)</b>	<b>(\$1,266)</b>

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)

Nine months ended December 31	2010	2011	2011
Loss before minority interests	(JPY 49,764)	<b>(JPY 96,926)</b>	<b>(\$ 1,259)</b>
Other comprehensive income	(13,833)	<b>(13,020)</b>	<b>(169)</b>
Valuation difference on available-for-sale securities	(6,907)	<b>(3,981)</b>	<b>(52)</b>
Deferred gains or losses on hedges	(181)	<b>(50)</b>	<b>(0)</b>
Foreign currency translation adjustment	422	<b>(7,309)</b>	<b>(95)</b>
Share of other comprehensive income of associates accounted for using equity method	(7,167)	<b>(1,680)</b>	<b>(22)</b>
Comprehensive income	(JPY 63,597)	<b>(JPY 109,946)</b>	<b>(\$ 1,428)</b>
Breakdown:			
Comprehensive income attributable to owners of the parent	(JPY 70,297)	<b>(JPY 109,961)</b>	<b>(\$ 1,428)</b>
Comprehensive income attributable to minority interests	6,700	<b>15</b>	<b>0</b>



## CONDENSED CONSOLIDATED QUARTERLY STATEMENTS OF CASH FLOWS

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

Nine months ended December 31	2010	2011	2011
<b>I . Cash flows from operating activities:</b>			
Loss before income taxes and minority interests	(JPY 72,171)	<b>(JPY 20,396)</b>	<b>(\$ 265)</b>
Depreciation and amortization	66,123	<b>63,343</b>	<b>823</b>
Equity in losses of affiliates	20,819	<b>5,288</b>	<b>69</b>
Loss (gain) on change in equity	5,996	<b>(18)</b>	<b>(0)</b>
Decrease in notes and accounts receivable-trade	55,664	<b>61,317</b>	<b>796</b>
Increase in inventories	(79,529)	<b>(86,109)</b>	<b>(1,118)</b>
Decrease in notes and accounts payable-trade	(11,971)	<b>(16,811)</b>	<b>(218)</b>
Income taxes paid	(23,829)	<b>(20,833)</b>	<b>(271)</b>
Others, net	(26,288)	<b>(21,226)</b>	<b>(276)</b>
<b>Net cash used in operating activities</b>	<b>(65,186)</b>	<b>(35,445)</b>	<b>(460)</b>
<b>II . Cash flows from investing activities:</b>			
Net proceeds from (payments of) acquisitions and sales of property, plant and equipment	(40,934)	<b>(22,819)</b>	<b>(296)</b>
Purchase of intangible assets	(22,994)	<b>(11,035)</b>	<b>(143)</b>
Net proceeds from (payments of) purchases and sales of securities	(57,121)	<b>2,723</b>	<b>35</b>
Others, net	(8,271)	<b>1,879</b>	<b>24</b>
<b>Net cash used in investing activities</b>	<b>(129,320)</b>	<b>(29,252)</b>	<b>(380)</b>
<b>III . Cash flows from financing activities:</b>			
Net proceeds from (payments of) bonds and borrowings	135,857	<b>60,533</b>	<b>786</b>
Cash dividends paid	(10,362)	<b>(37)</b>	<b>(0)</b>
Others, net	(1,510)	<b>(3,002)</b>	<b>(39)</b>
<b>Net cash provided by financing activities</b>	<b>123,985</b>	<b>57,494</b>	<b>747</b>
<b>IV . Effect of exchange rate changes on cash and cash equivalents</b>	<b>(5,357)</b>	<b>(4,002)</b>	<b>(53)</b>
<b>V . Net decrease in cash and cash equivalents</b>	<b>(75,878)</b>	<b>(11,205)</b>	<b>(146)</b>
<b>VI . Cash and cash equivalents at beginning of period</b>	<b>330,548</b>	<b>203,879</b>	<b>2,648</b>
<b>VII . Decrease in cash and cash equivalents resulting from change of scope of consolidation</b>	<b>(92,787)</b>	<b>-</b>	<b>-</b>
<b>VIII . Increase in cash and cash equivalents resulting from merger</b>	<b>9,700</b>	<b>-</b>	<b>-</b>
<b>IX . Cash and cash equivalents at end of period</b>	<b>JPY 171,583</b>	<b>JPY 192,674</b>	<b>\$ 2,502</b>

## SEGMENT INFORMATION

[Segment information]

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

Nine months ended December 31, 2010 (From April 1, 2010 to December 31, 2010)

(In millions of yen)

	Reported Segments						Others	Adjustment	Consolidated total
	IT Services	Platform	Carrier Network	Social Infrastructure	Personal Solutions	Total			
<b>Sales</b>									
1. Sales to customers	541,991	259,281	416,686	204,478	585,051	2,007,487	182,397	—	2,189,884
2. Intersegment sales and transfers	34,640	33,460	22,159	10,657	32,982	133,898	52,975	(186,873)	—
<b>Total sales</b>	<b>576,631</b>	<b>292,741</b>	<b>438,845</b>	<b>215,135</b>	<b>618,033</b>	<b>2,141,385</b>	<b>235,372</b>	<b>(186,873)</b>	<b>2,189,884</b>
<b>Segment income (loss)</b>									
<b>(Operating income (loss))</b>	<b>(3,060)</b>	<b>(3,532)</b>	<b>12,821</b>	<b>4,466</b>	<b>1,266</b>	<b>11,961</b>	<b>4,346</b>	<b>(28,701)</b>	<b>(12,394)</b>

Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

(In millions of yen)

	Reported Segments						Others	Adjustment	Consolidated total
	IT Services	Platform	Carrier Network	Social Infrastructure	Personal Solutions	Total			
<b>Sales</b>									
1. Sales to customers	538,500	254,432	442,493	210,295	496,341	1,942,061	170,152	—	2,112,213
2. Intersegment sales and transfers	29,041	30,131	19,888	9,623	28,476	117,159	48,359	(165,518)	—
<b>Total sales</b>	<b>567,541</b>	<b>284,563</b>	<b>462,381</b>	<b>219,918</b>	<b>524,817</b>	<b>2,059,220</b>	<b>218,511</b>	<b>(165,518)</b>	<b>2,112,213</b>
<b>Segment income (loss)</b>									
<b>(Operating income (loss))</b>	<b>4,308</b>	<b>(7,116)</b>	<b>24,632</b>	<b>7,424</b>	<b>466</b>	<b>29,714</b>	<b>5,093</b>	<b>(36,223)</b>	<b>(1,416)</b>

Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

(In millions of U.S. dollars)

	Reported Segments						Others	Adjustment	Consolidated total
	IT Services	Platform	Carrier Network	Social Infrastructure	Personal Solutions	Total			
<b>Sales</b>									
1. Sales to customers	6,994	3,304	5,747	2,731	6,446	25,222	2,209	—	27,431
2. Intersegment sales and transfers	377	392	258	125	370	1,522	629	(2,151)	—
<b>Total sales</b>	<b>7,371</b>	<b>3,696</b>	<b>6,005</b>	<b>2,856</b>	<b>6,816</b>	<b>26,744</b>	<b>2,838</b>	<b>(2,151)</b>	<b>27,431</b>
<b>Segment income (loss)</b>									
<b>(Operating income (loss))</b>	<b>56</b>	<b>(92)</b>	<b>320</b>	<b>96</b>	<b>6</b>	<b>386</b>	<b>66</b>	<b>(470)</b>	<b>(18)</b>

(Notes)

- "Others" for nine months ended December 31, 2010 represents businesses such as Lithium-ion Rechargeable Batteries, Electronic Components, LCD Panels and Lighting Equipment, which are not included in reported segments. "Others" for nine months ended December 31, 2011 represents businesses such as Lithium-ion Rechargeable Batteries, Electronic Components and Lighting Equipment, which are not included in reported segments.
- "Adjustment" of segment income (loss) for nine months ended December 31, 2010 includes corporate expenses of (27,907) million yen unallocated to each reported segment and noncurrent assets related adjustment of 2,739 million yen, respectively. "Adjustment" of segment income (loss) for nine months ended December 31, 2011 includes corporate expenses of (33,115) million yen ((430) millions of U.S. dollars) unallocated to each reported segment and noncurrent assets related adjustment of 1,124 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

Nine months ended December 31, 2010 (From April 1, 2010 to December 31, 2010)

Sales (In millions of yen)

Japan	Asia	Europe	Others	Total
1,829,324	119,533	80,124	160,903	2,189,884

Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

Sales (In millions of yen)

Japan	Asia	Europe	Others	Total
1,749,431	112,711	82,581	167,490	2,112,213

Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

Sales (In millions of U.S. dollars)

Japan	Asia	Europe	Others	Total
22,720	1,464	1,072	2,175	27,431

(Note)

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

## **[THREE MONTHS PERIOD INFORMATION]**

### **1. Consolidated Business Results**

*(1) Overview of the third quarter of the fiscal year ending March 31, 2012 (three months ended December 31, 2011)*

NEC recorded consolidated sales of 669.0 billion yen for the three months ended December 31, 2011, a decrease of 51.7 billion yen (-7.2%) year-on-year. This was mainly due to decreased sales from the Personal Solutions business.

Regarding profitability, consolidated operating income (loss) improved by 5.3 billion yen year-on-year, to an operating loss of 8.2 billion yen, mainly owing to an improved cost percentage and streamlined selling, general and administrative expenses.

In terms of ordinary income (loss), NEC recorded a loss of 11.6 billion yen, improving by 15.4 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 was a loss of 15.5 billion yen, a year-on-year improvement of 13.2 billion yen, mainly owing to improved ordinary income (loss).

Net income (loss) for the three months ended December 31, 2011 worsened by 60.0 billion yen year-on-year, to a loss of 86.5 billion yen, mainly due to an increase of income taxes due to the review of deferred tax assets that reflect tax reform and financial forecasts for this fiscal year, in spite of improved income (loss) before income taxes and minority interests.

(2) Results by main business segment

*Sales by segment (sales to external customers):*

<b>Segments</b>	<b>Three months ended December 31, 2010</b>	<b>Three months ended December 31, 2011</b>	<b>Change</b>
	In billions of yen	In billions of yen	%
<b>IT Services</b>	171.0	175.8	2.8
<b>Platform</b>	82.5	80.5	-2.5
<b>Carrier Network</b>	145.7	148.3	1.8
<b>Social Infrastructure</b>	66.6	70.0	5.1
<b>Personal Solutions</b>	193.0	142.0	-26.4
<b>Others</b>	61.9	52.4	-15.3
<b>Total</b>	720.7	669.0	-7.2

*Operating income or loss by segment:*

<b>Segments</b>	<b>Three months ended December 31, 2010</b>	<b>Three months ended December 31, 2011</b>	<b>Change</b>
	In billions of yen	In billions of yen	In billions of yen
<b>IT Services</b>	-6.6	1.3	7.9
<b>Platform</b>	-2.0	-4.9	-2.9
<b>Carrier Network</b>	5.8	9.3	3.5
<b>Social Infrastructure</b>	0.4	1.3	0.9
<b>Personal Solutions</b>	-1.6	-3.0	-1.3
<b>Others</b>	1.3	1.6	0.2
<b>Adjustment</b>	-10.9	-13.9	-3.0
<b>Total</b>	-13.5	-8.2	5.3

(Note) Amounts in this section 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**

<b>Sales:</b>	175.8 billion yen	(2.8%)
<b>Operating Income (Loss):</b>	1.3 billion yen	(7.9 billion yen)

In the IT Services business, sales were 175.8 billion yen, an increase of 4.8 billion yen (2.8%) year-on-year, mainly due to the steady growth of sales for local government offices, medical institutions, the manufacturing sector and the telecommunications field.

Operating income (loss) improved by 7.9 billion yen year-on-year, to an operating income of 1.3 billion yen, mainly owing to increased sales and a decline in unprofitable projects.

#### **Platform Business**

<b>Sales:</b>	80.5 billion yen	(-2.5%)
<b>Operating Income (Loss):</b>	- 4.9 billion yen	(-2.9 billion yen)

In the Platform business, sales were 80.5 billion yen, a decrease of 2.0 billion yen (-2.5%) year-on-year, mainly resulting from the impact of flooding in Thailand, especially on the hardware business, despite the steady growth of software sales.

Operating income (loss) worsened by 2.9 billion yen year-on-year, to an operating loss of 4.9 billion yen, mainly owing to a decrease in sales and the impact of flooding in Thailand.

### **Carrier Network Business**

<b>Sales:</b>	148.3 billion yen	(1.8%)
<b>Operating Income (Loss):</b>	9.3 billion yen	(3.5 billion yen)

In the Carrier Network business, sales were 148.3 billion yen, an increase of 2.6 billion yen (1.8%) year-on-year, mainly due to an increase in sales of wireless communications equipment and submarine network systems.

Operating income (loss) improved by 3.5 billion yen year-on-year, to an operating income of 9.3 billion yen, mainly owing to an increase in sales.

### **Social Infrastructure Business**

<b>Sales:</b>	70.0 billion yen	(5.1%)
<b>Operating Income (Loss):</b>	1.3 billion yen	(0.9 billion yen)

In the Social Infrastructure business, sales were 70.0 billion yen, an increase of 3.4 billion yen (5.1%) year-on-year, mainly due to the steady growth of the social system field, including sales of broadcast and fire and disaster prevention systems.

Operating income (loss) improved by 0.9 billion yen year-on-year, to an operating income of 1.3 billion yen, mainly owing to an increase in sales and a reduction in costs.

### **Personal Solutions Business**

<b>Sales:</b>	142.0 billion yen	(-26.4%)
<b>Operating Income (Loss):</b>	- 3.0 billion yen	(-1.3 billion yen)

In the Personal Solutions business, sales were 142.0 billion yen, a decrease of 50.9 billion yen (-26.4%) year-on-year, mainly due to the personal computer business for private users no longer being consolidated starting from the second quarter of this year and a decline in mobile phone shipments.

Operating income (loss) worsened by 1.3 billion yen year-on-year, to an operating loss of 3.0 billion yen, mainly owing to a decrease in sales in the display business and an increase in new terminal development costs.

### **Others**

<b>Sales:</b>	52.4 billion yen	(-15.3%)
<b>Operating Income (Loss):</b>	1.6 billion yen	(0.2 billion yen)

In Others, sales were 52.4 billion yen, a decrease of 9.5 billion yen (-15.3%) year-on-year, mainly due to the panel business for LCD displays no longer being consolidated starting from the second quarter of this year and the impact of flooding in Thailand on the electronic components business.

Operating income (loss) improved by 0.2 billion yen year-on-year, to an operating income of 1.6 billion yen, mainly due to streamlined costs, despite a decrease in sales.



**[THREE MONTHS PERIOD INFORMATION]**  
**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 December 31	2010	2011	2011
Net sales	JPY 720,724	<b>JPY 669,008</b>	<b>\$8,688</b>
Cost of sales	516,510	<b>474,238</b>	<b>6,159</b>
Gross profit	204,214	<b>194,770</b>	<b>2,529</b>
Selling, general and administrative expenses	217,693	<b>202,975</b>	<b>2,636</b>
Operating loss	(13,479)	<b>(8,205)</b>	<b>(107)</b>
Non-operating income	3,245	<b>3,318</b>	<b>44</b>
Interest income	315	<b>282</b>	<b>4</b>
Dividends income	689	<b>855</b>	<b>11</b>
Other	2,241	<b>2,181</b>	<b>29</b>
Non-operating expenses	16,718	<b>6,695</b>	<b>87</b>
Interest expenses	1,550	<b>1,209</b>	<b>16</b>
Retirement benefit expenses	3,015	<b>2,933</b>	<b>38</b>
Foreign exchange losses	483	<b>139</b>	<b>2</b>
Equity in losses of affiliates	6,094	<b>99</b>	<b>1</b>
Other	5,576	<b>2,315</b>	<b>30</b>
Ordinary loss	(26,952)	<b>(11,582)</b>	<b>(150)</b>
Extraordinary income	3,488	<b>155</b>	<b>2</b>
Gain on sales of subsidiaries and affiliates' stocks	1,270	<b>146</b>	<b>2</b>
Gain on sales of investment securities	352	<b>7</b>	<b>0</b>
Gain on sales of noncurrent assets	1,152	<b>1</b>	<b>0</b>
Gain on reversal of subscription rights to shares	1	<b>1</b>	<b>0</b>
Reversal of provision for recycling expenses of personal computers	713	-	-
Extraordinary loss	5,221	<b>4,028</b>	<b>53</b>
Loss on valuation of investment securities	1,758	<b>1,348</b>	<b>19</b>
Loss on sales of stocks of subsidiaries and affiliates	-	<b>1,027</b>	<b>13</b>
Loss on disaster	-	<b>1,024</b>	<b>13</b>
Impairment loss	89	<b>462</b>	<b>6</b>
Relocation expenses	-	<b>109</b>	<b>1</b>
Loss on sales of noncurrent assets	-	<b>54</b>	<b>1</b>
Business structure improvement expenses	1,458	<b>4</b>	<b>0</b>
Cost of corrective measures for products	1,715	-	-
Provision for loss on guarantees	201	-	-
Loss before income taxes and minority interests	(28,685)	<b>(15,455)</b>	<b>(201)</b>
Income taxes	(3,008)	<b>73,782</b>	<b>958</b>
Loss before minority interests	(25,677)	<b>(89,237)</b>	<b>(1,159)</b>
Minority interests in income (loss)	854	<b>(2,701)</b>	<b>(35)</b>
Net loss	(JPY 26,531)	<b>(JPY 86,536)</b>	<b>(\$1,124)</b>

**[THREE MONTHS PERIOD INFORMATION]****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)

<b>Three months ended December 31</b>	<b>2010</b>	<b>2011</b>	<b>2011</b>
Loss before minority interests	(JPY 25,677)	<b>(JPY 89,237)</b>	<b>(\$1,159)</b>
Other comprehensive income	950	<b>(903)</b>	<b>(12)</b>
Valuation difference on available-for-sale securities	3,807	<b>(2,115)</b>	<b>(27)</b>
Deferred gains or losses on hedges	59	<b>(80)</b>	<b>(1)</b>
Foreign currency translation adjustment	(1,836)	<b>872</b>	<b>11</b>
Share of other comprehensive income of associates accounted for using equity method	(1,080)	<b>420</b>	<b>5</b>
Comprehensive income	(JPY 24,727)	<b>(JPY 90,140)</b>	<b>(\$1,171)</b>
Breakdown:			
Comprehensive income attributable to owners of the parent	(JPY 25,551)	<b>(JPY 87,142)</b>	<b>(\$1,132)</b>
Comprehensive income attributable to minority interests	824	<b>(2,998)</b>	<b>(39)</b>

**[THREE MONTHS PERIOD INFORMATION]**

**SEGMENT INFORMATION**

[Segment information]

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

Three months ended December 31, 2010 (From October 1, 2010 to December 31, 2010) (In millions of yen)

	Reported Segments						Others	Adjustment	Consolidated total
	IT Services	Platform	Carrier Network	Social Infrastructure	Personal Solutions	Total			
<b>Sales</b>									
1. Sales to customers	171,010	82,520	145,714	66,618	192,989	658,851	61,873	—	720,724
2. Intersegment sales and transfers	11,609	10,990	8,326	3,442	11,096	45,463	17,829	(63,292)	—
<b>Total sales</b>	<b>182,619</b>	<b>93,510</b>	<b>154,040</b>	<b>70,060</b>	<b>204,085</b>	<b>704,314</b>	<b>79,702</b>	<b>(63,292)</b>	<b>720,724</b>
<b>Segment income (loss)</b> <b>(Operating income (loss))</b>	<b>(6,603)</b>	<b>(1,996)</b>	<b>5,848</b>	<b>444</b>	<b>(1,630)</b>	<b>(3,937)</b>	<b>1,310</b>	<b>(10,852)</b>	<b>(13,479)</b>

Three months ended December 31, 2011 (From October 1, 2011 to December 31, 2011) (In millions of yen)

	Reported Segments						Others	Adjustment	Consolidated total
	IT Services	Platform	Carrier Network	Social Infrastructure	Personal Solutions	Total			
<b>Sales</b>									
1. Sales to customers	175,791	80,478	148,314	69,985	142,047	616,615	52,393	—	669,008
2. Intersegment sales and transfers	8,276	9,827	6,212	3,369	8,826	36,510	15,117	(51,627)	—
<b>Total sales</b>	<b>184,067</b>	<b>90,305</b>	<b>154,526</b>	<b>73,354</b>	<b>150,873</b>	<b>653,125</b>	<b>67,510</b>	<b>(51,627)</b>	<b>669,008</b>
<b>Segment income (loss)</b> <b>(Operating income (loss))</b>	<b>1,340</b>	<b>(4,902)</b>	<b>9,324</b>	<b>1,326</b>	<b>(2,963)</b>	<b>4,125</b>	<b>1,551</b>	<b>(13,881)</b>	<b>(8,205)</b>

Three months ended December 31, 2011 (From October 1, 2011 to December 31, 2011) (In millions of U.S. dollars)

	Reported Segments						Others	Adjustment	Consolidated total
	IT Services	Platform	Carrier Network	Social Infrastructure	Personal Solutions	Total			
<b>Sales</b>									
1. Sales to customers	2,283	1,045	1,926	909	1,845	8,008	680	—	8,688
2. Intersegment sales and transfers	107	128	81	44	114	474	197	(671)	—
<b>Total sales</b>	<b>2,390</b>	<b>1,173</b>	<b>2,007</b>	<b>953</b>	<b>1,959</b>	<b>8,482</b>	<b>877</b>	<b>(671)</b>	<b>8,688</b>
<b>Segment income (loss)</b> <b>(Operating income (loss))</b>	<b>17</b>	<b>(64)</b>	<b>121</b>	<b>17</b>	<b>(38)</b>	<b>53</b>	<b>20</b>	<b>(180)</b>	<b>(107)</b>

(Notes)

- "Others" for three months ended December 31, 2010 represents businesses such as Lithium-ion Rechargeable Batteries, Electronic Components, LCD Panels and Lighting Equipment, which are not included in reported segments. "Others" for three months ended December 31, 2011 represents businesses such as Lithium-ion Rechargeable Batteries, Electronic Components and Lighting Equipment, which are not included in reported segments.
- "Adjustment" of segment income (loss) for three months ended December 31, 2010 includes corporate expenses of (9,044) million yen unallocated to each reported segment and noncurrent assets related adjustment of 586 million yen, respectively. "Adjustment" of segment income (loss) for three months ended December 31, 2011 includes corporate expenses of (11,205) million yen ((146) millions of U.S. dollars) unallocated to each reported segment and noncurrent assets related adjustment of (479) million yen ((6) 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.

**[THREE MONTHS PERIOD INFORMATION]**

**SEGMENT INFORMATION (CONTINUED)**

[Related information]

Information about geographic areas

Three months ended December 31, 2010 (From October 1, 2010 to December 31, 2010)

Sales (In millions of yen)

Japan	Asia	Europe	Others	Total
603,191	36,396	29,661	51,476	720,724

Three months ended December 31, 2011 (From October 1, 2011 to December 31, 2011)

Sales (In millions of yen)

Japan	Asia	Europe	Others	Total
<b>560,134</b>	<b>32,972</b>	<b>26,799</b>	<b>49,103</b>	<b>669,008</b>

Three months ended December 31, 2011 (From October 1, 2011 to December 31, 2011)

Sales (In millions of U.S. dollars)

Japan	Asia	Europe	Others	Total
<b>7,274</b>	<b>428</b>	<b>348</b>	<b>638</b>	<b>8,688</b>

(Note)

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

**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.

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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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