

TO OUR SHAREHOLDERS



In fiscal 2010, the fiscal year ended March 31, 2010, NEC continued to face difficult conditions, mainly in the first half of the fiscal year, due to the impact of the financial crisis in the previous fiscal year. However, the NEC Group sees this difficult business environment as a major opportunity for enhancing its business operations. NEC has made every effort to change its business structure, centered on business portfolio realignment, and implement rigorous profit structure reforms.

As a result, in fiscal 2010, although consolidated net sales were ¥3,583.1 billion, a year-on-year decline of 15.0%, consolidated operating profitability improved ¥57.1 billion from the previous fiscal year to operating income of ¥50.9 billion. Moreover, NEC posted consolidated net income of ¥11.4 billion, an improvement of ¥308.1 billion from the net loss in the previous fiscal year.

NEC has decided to pay an annual dividend of ¥4 per share for fiscal 2010.

In February 2010, NEC unveiled its Mid-Term Growth Plan “V2012—Beyond boundaries, Toward our Vision,” which sets forth NEC’s medium-term management strategy for the next 3 years. The NEC Group sees “V2012” as a milestone for achieving the NEC Group Vision 2017. We will steadily press ahead with three key initiatives—focus on “C&C Cloud Strategy,” expand global business and create new businesses—to sow the seeds of future growth.

Economic conditions remain challenging worldwide. Nevertheless, through the measures outlined above, we are determined to achieve our business targets for fiscal 2011, the first year of the “V2012” Mid-Term Growth Plan. At the same time, we remain committed to pursuing the NEC Group Vision 2017, with the aim of enhancing shareholder and corporate value over the medium and long terms.

We look forward to your continued support and understanding as we work to reach our goals.

June 2010

A handwritten signature in black ink, appearing to read 'N. Endo', with a horizontal line underneath.

NOBUHIRO ENDO
President, NEC Corporation