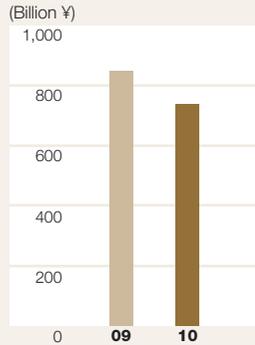
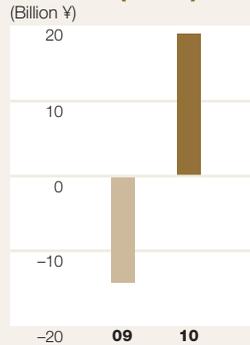


## PERSONAL SOLUTIONS BUSINESS

### SALES



### OPERATING INCOME (LOSS)



### FISCAL 2010 PERFORMANCE AND MAIN ACCOMPLISHMENTS

Business segment sales declined 13% year on year to ¥737.7 billion. This was mainly attributable to decreased sales of mobile handsets in Japan, as well as a drop in Japanese PC sales due to the impact of restrained corporate IT investment and falling prices, primarily in the first half of the fiscal year.

The segment posted operating income of ¥18.9 billion, an improvement of ¥33.0 billion from an operating loss in the previous year. This mainly reflected reductions of fixed costs and other expenses, and more efficient spending on development costs.

In the field of mobile handsets, NEC introduced new models with enhanced functions, including advanced camera functions and waterproof features. In addition to this functionality, NEC also rolled out new models with outstanding design features such as collaboration models with designers and brands.

As for PCs, NEC rolled out new Windows 7®-equipped models with functions that are the first of their kind in the industry, including an integrated audio-visual PC featuring enhanced video and audio features, and a model that allows wireless viewing of three types of digital broadcasting\*1. For enterprises, NEC launched PC models reflecting market needs, including an eco-friendly model featuring sharply reduced power consumption and a model with a standard five-year guarantee for reliable use over extended periods of



Integrated audio-visual PC  
VALUESTAR N

docomo STYLE series™  
N-01B: a slim mobile  
phone featuring a French  
nail polish design



time. As a result, NEC's PCs held on to the top share of the Japanese market\*2. In addition, Internet service "BIGLOBE" developed new businesses targeting the cloud computing era, and in display solutions we achieved steady sales expansion primarily overseas.

### FOR FURTHER GROWTH

NEC's mobile terminals business was integrated with Casio Hitachi Mobile Communications Co., Ltd. in June 2010. Looking ahead, by combining their advanced technological development and product planning capabilities, we intend to capture synergies as we launch attractive new products in the global markets.

Furthermore, under the "C&C Cloud Strategy," NEC is bringing a terminal device to the market that lies between PCs and mobile phones and links users and cloud services. By taking full advantage of its 7-inch screen, we will propose this device to enterprises who are planning to provide vertically integrated services including terminal devices in fields such as electronic books, education, electric power and housing. In this way we aim to develop a new business model for providing everything from systems to terminal devices together.

\*1 Terrestrial digital, BS and 110 degree CS broadcasting

\*2 Based on fiscal 2010 sales volume ranking

Source: IDC Japan, Japan Personal Computing Quarterly Model Analysis, 2010Q1