

Financial Results for FY2008 (Fiscal year ended March 2009)

May 12, 2009

NEC Corporation

(<http://www.nec.co.jp/ir/en>)

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- I. Summary of Financial Results for FY2008
- II. Full Year Financial Forecast for FY2009
- III. Progress of Management Reforms

《Ref.》 About segment exchange

Financial Results for FY2008 (supplementary note)

I. Summary of Financial Results for FY2008

Summary of Financial Results for FY2008

(Billions of yen)

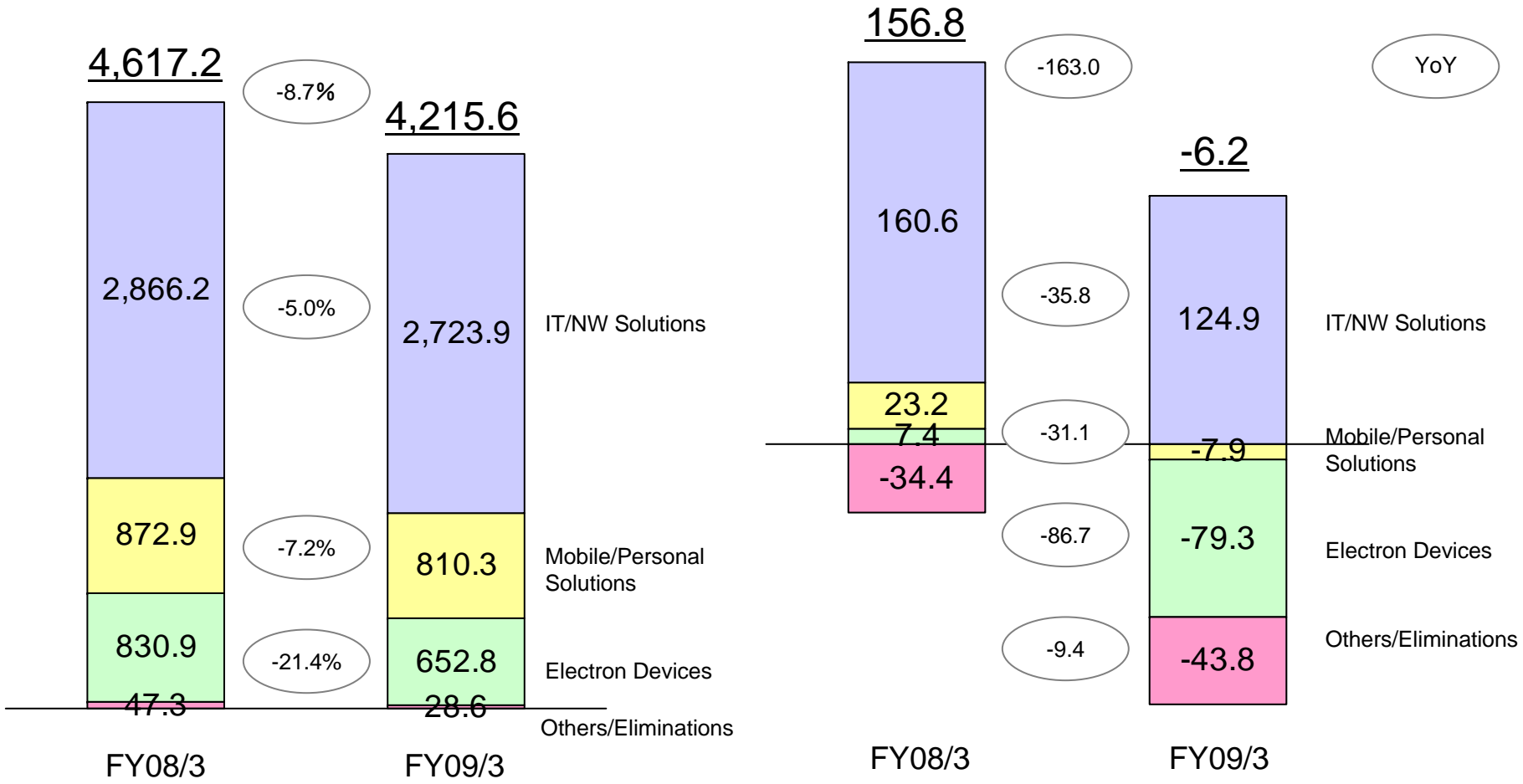
	FY08/3 Actual	FY09/3 Actual	YoY	Difference from Jan. 30 Forecast
Net Sales	4,617.2	4,215.6	-8.7%	15.6
Operating Income/Loss % to Net Sales	156.8 3.4%	-6.2 -	-163.0	23.8
Ordinary Income/Loss % to Net Sales	112.2 2.4%	-93.2 -	-205.4	-3.2
Net Loss % to Net Sales	22.7 0.5%	-296.6 -	-319.3	-6.6
Free Cash Flow	56.5	-145.8	-202.4	44.2

(Ref) Average exchange rate for FY09.3 1\$=¥101.08 €1=¥146.20

Results by Segment

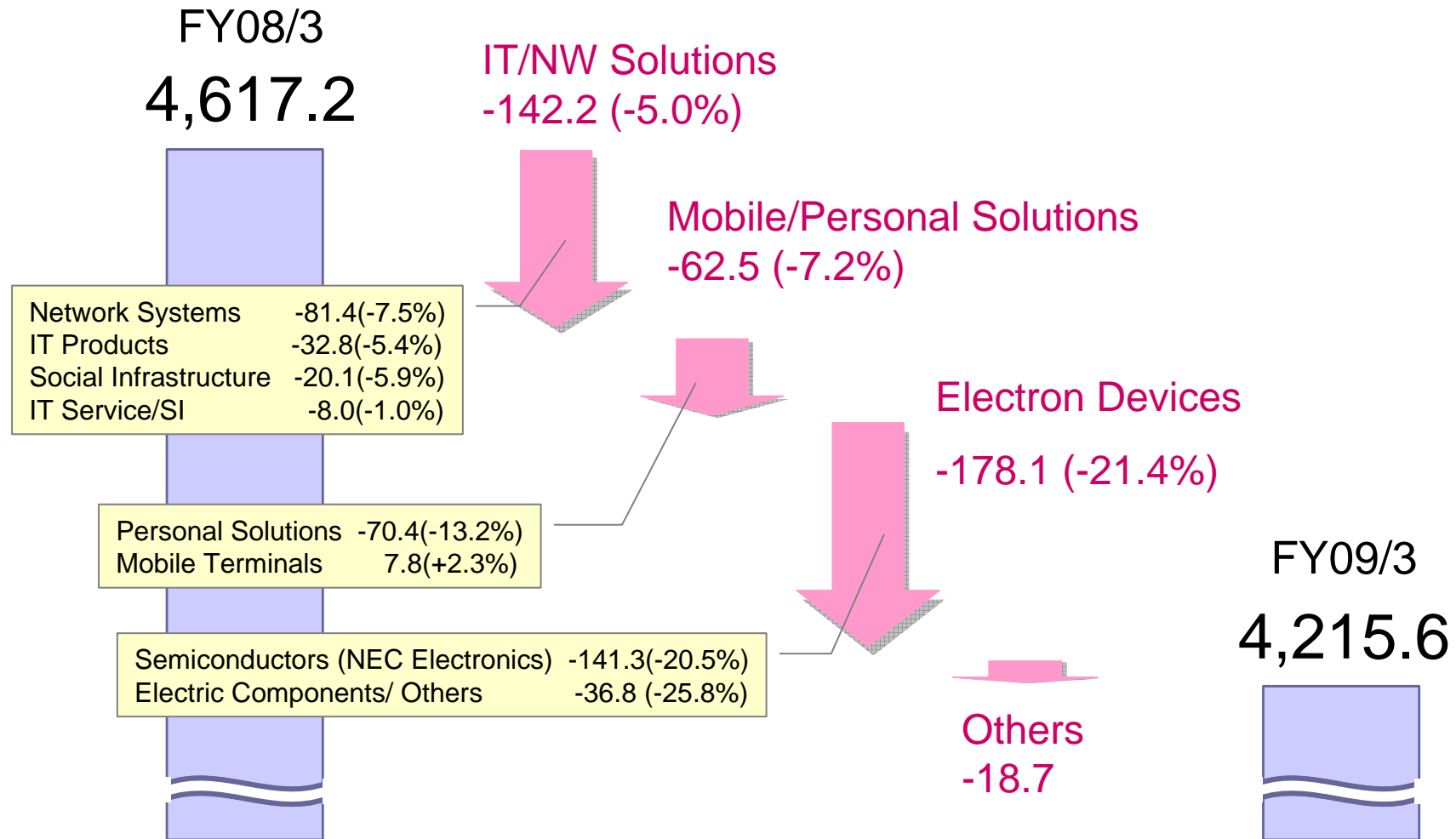
Net Sales

Operating Income/Loss (Billions of yen)



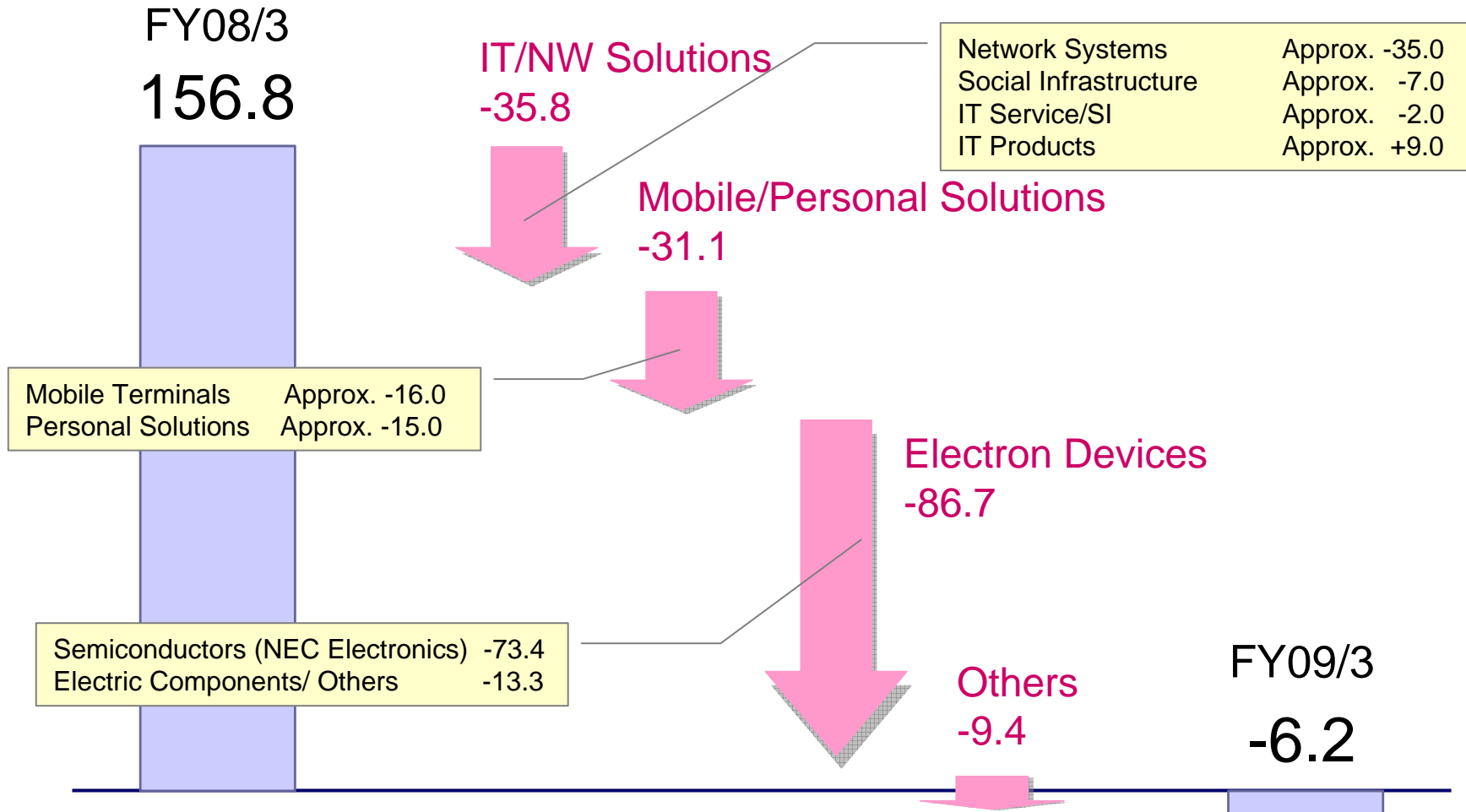
Sales Change (Year on Year)

(Billions of Yen)



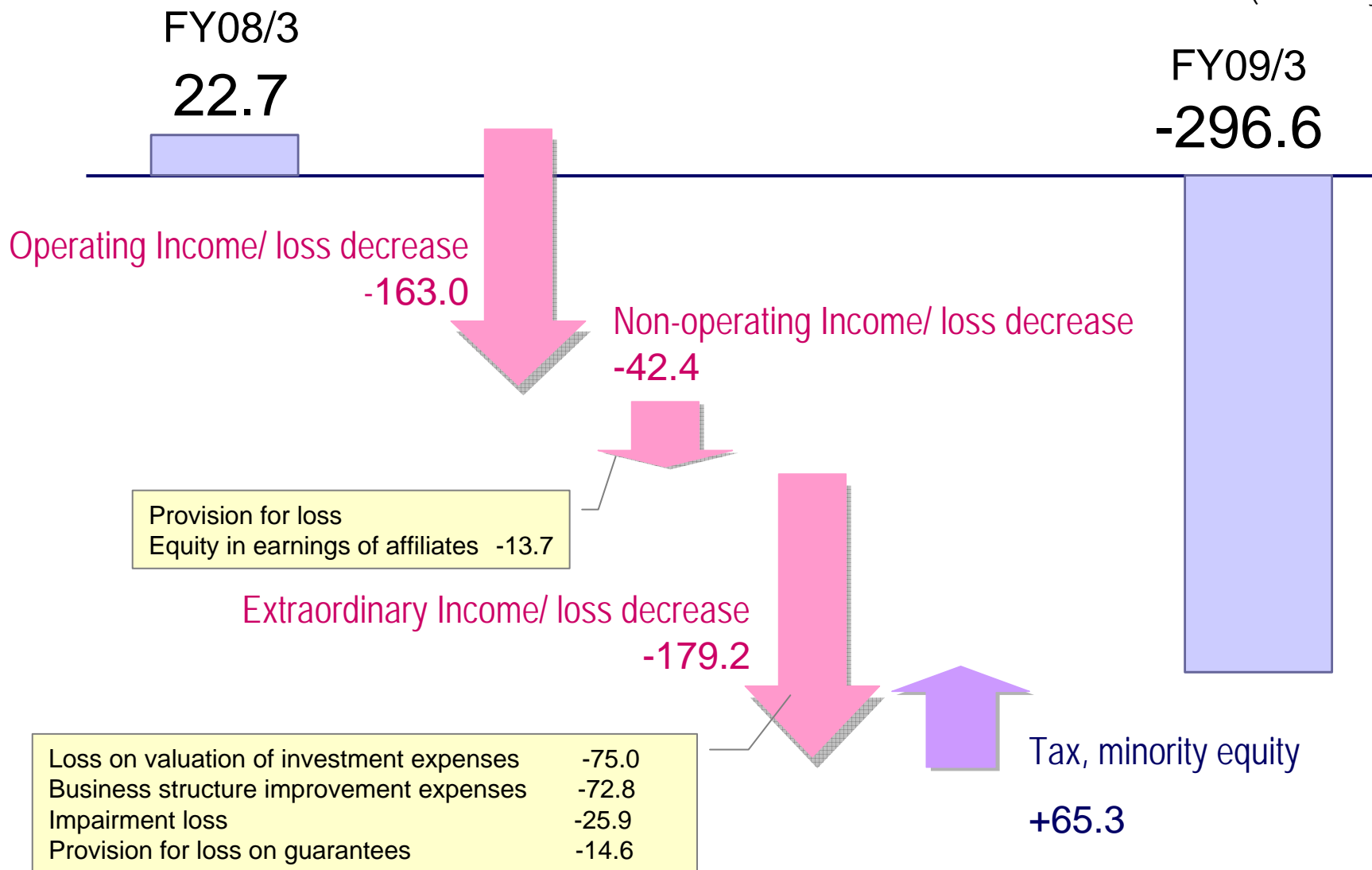
Operating Income Change (Year on Year)

(Billions of Yen)



Net Income Change (Year on Year)

(Billions of yen)



Tasks and Results by Segment

【 IT/NW Solutions 】 : Decreased Network Systems earnings power

Task

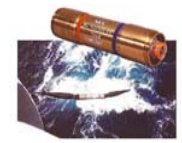
▶ Next Generation Network (NGN) production business enlarged

Result

▶ Execution of M&A to enlarge global business

Result

- Acquisition of software corporation NetCracker in the US. Acquired management rights to optical sea cable maker OCC



▶ Pasolink holds No.1 market share 2007-2008

Result



▶ Strengthen IT Service business centered on next generation Data Centers

Result

- Electric power saving server, Operational management standards, SaaS business systems

● 【 Mobile/Personal Solutions 】 : Lowering the break even point

Task

▶ Stop losses by withdrawing from the overseas PC business

Result

▶ Increase the share of mobile handsets in Japan

Result



【 Electron Devices 】 : Large-scale losses from the rapidly declining market

Task

▶ Structural reforms for business recovery in NEC Electronics, NEC TOKIN

Task

▶ Resolution to develop automobile batteries through a joint venture with Nissan Motor Co.

Result

II. Forecasts for FY2009 (Fiscal Year ending March 2010)

Management Policy for FY2009

● Reinforced earnings structure reform

- ▶ Drastic reduction of expenses including fixed costs
- ▶ Extermination of unprofitable business / Improve profitability of healthy business

● Business portfolio reform toward further growth

- ▶ Accelerate 'Selection and Concentration' of group businesses through business portfolio reform
- ▶ Innovate businesses toward next term of growth



Realize earnings structure reform and business
portfolio reform together



Achieve 100 billion yen operating profit and
restore net profit

※ Forecast as of May 12, 2009

Summary of Forecast for FY10/3

(Billions of Yen)

	FY09/3 Actual	FY10/3 Forecast	YoY
Net Sales	4,215.6	3,730	-11.5%
Operating Income/Loss	-6.2	100	106.2
To net sales(%)	-	2.7%	
Ordinary Income/Loss	-93.2	60	153.2
To net sales(%)	-	1.6%	
Net Income/Loss	-296.6	10	306.6
To net sales(%)	-	0.3%	
Net Income per share(yen)	-146.64	4.94	151.58
FCF	-145.8	0	145.8

(Ref): Assumption of exchange rate for FY10.3 1\$=¥90, 1€=¥120

※ Forecast as of May 12, 2009

Key Point to Achieve FY2009 Forecast

- Complete reduction of all expenses
 - ▶ Implement a strong cost structure that is suitable for decreasing sales

- Extermination of unprofitable business and increase profitability of healthy business
 - ▶ Extermination of unprofitable business
 - Further reduction of fixed costs towards a conclusive turnaround by NEC Electronics
 - Restore profitability of NEC Tokin through its restructuring
 - Structural reform of NEC LCD Technologies
 - Exit from overseas PC business and improve profitability of domestic PC business
 - ▶ Increase profitability of positive business through enhancement of customer relationships

※ Forecast as of May 12, 2009

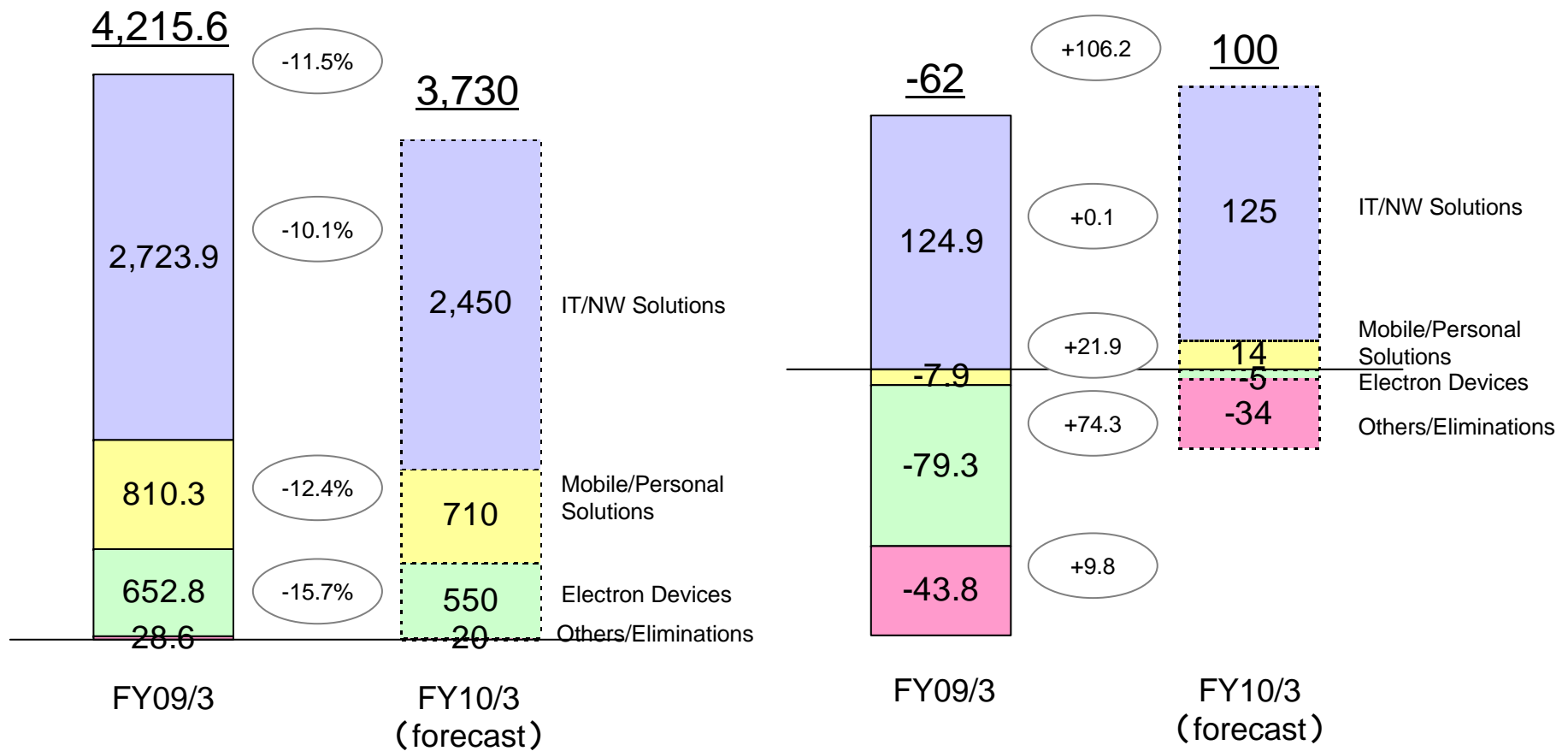
Full Year Forecast by Segment

(Billions of yen)

Net Sales

Operating Income/Loss

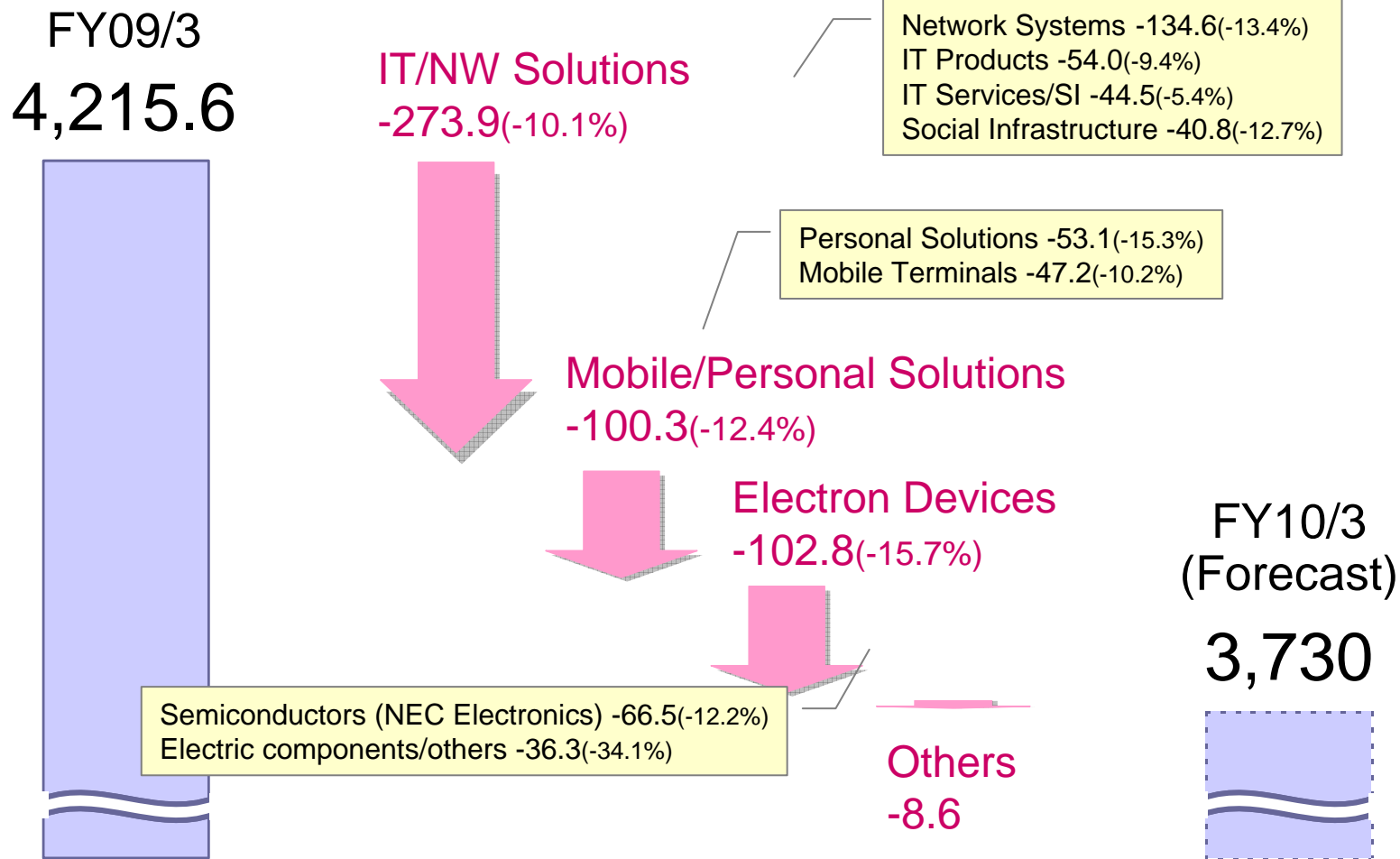
YoY



※ Forecast as of May 12, 2009

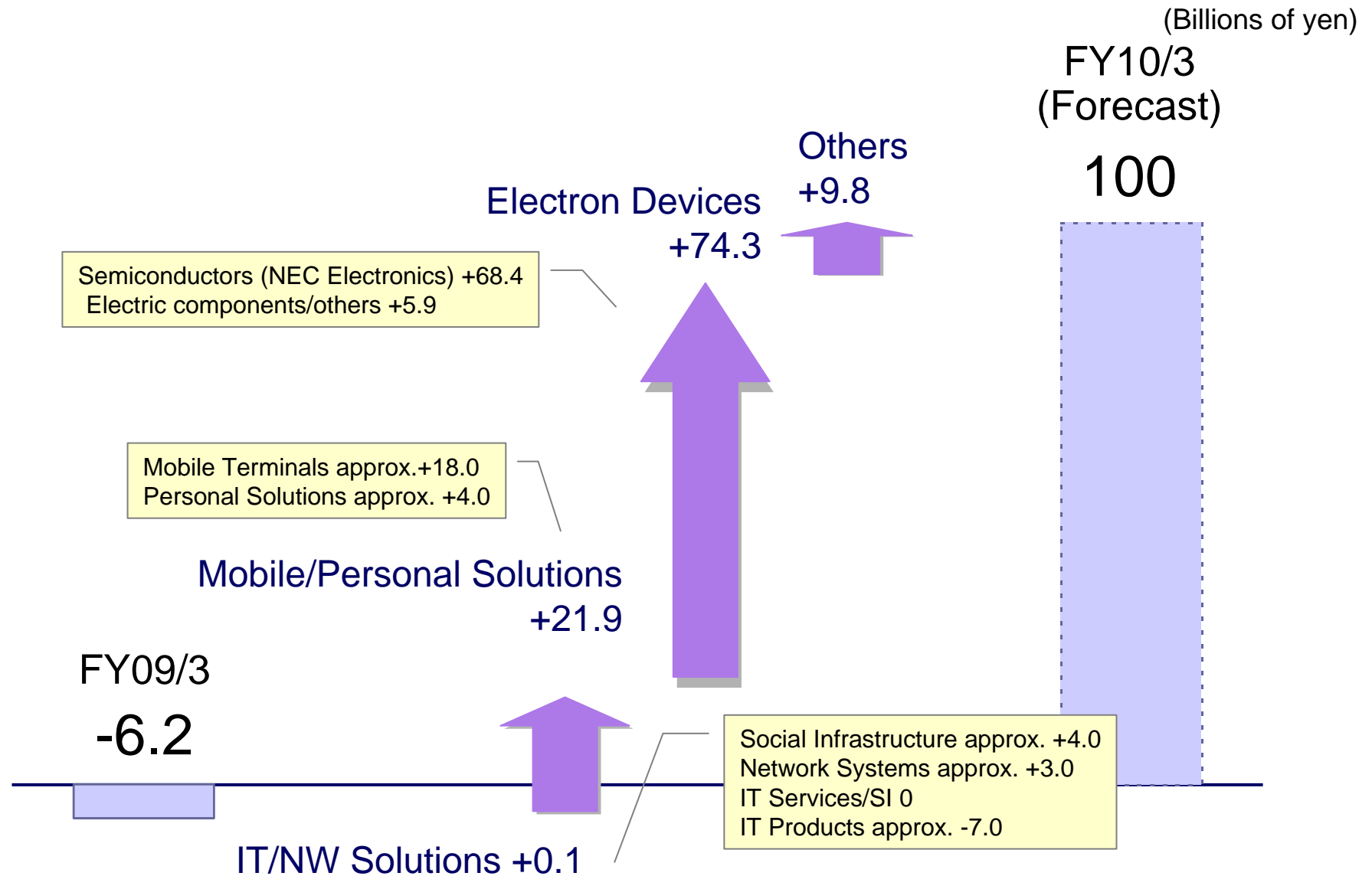
Sales Change (Year on Year)

(Billions of yen)



※ Forecast as of May 12, 2009

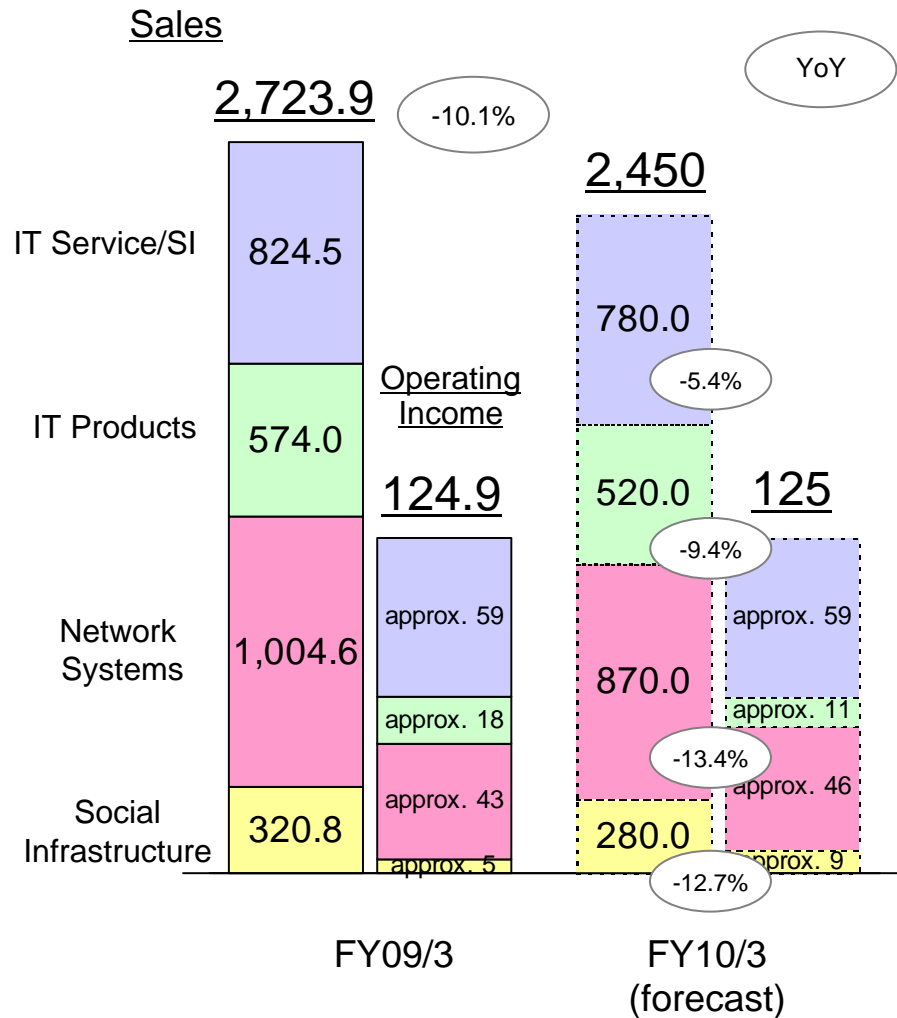
Operating Income Change (Year on Year)



※ Forecast as of May 12, 2009

IT/NW Solutions Business

(Billions of Yen)



● **Sales: 2,450 (-10.1%)**

- ▽ IT Service/SI:
Expected decline in sales due to downturn of IT investment
Strengthen cloud oriented service business etc.
- ▽ IT products:
Ongoing severe global competition
Accelerate new ECO product development by concentrating IT/NW technologies
- ▽ Network systems:
Expected sales decrease due to cutbacks in CAPEX
Steady in NGN related business

● **Operating Income 125 (+0.1)**

- △ IT Service/SI:
Further optimization of development resource allocation
- ▽ IT products:
Expected to keep a certain margin by profitability reform
- ▽ Network systems:
Improve profitability through enhancement of project management and cost reduction in enterprise network business







※ Forecast as of May 12, 2009

SI Business Trends by Sector

(IT Service/SI, IT Products)

Operating Income: approx. -7 (Billions of Yen) yoy

- Maintain profitability through SI innovation and drastic cost reduction during an expected sales decrease
- Expansion of services and global business towards further growth in the future

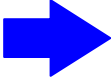




Sector	Sales forecast (year on year)	Background and NEC Approach
Government		IT related budget will be flat or slightly decrease yoy. Economic measures (IT related) to meet budget. Expansion of global business by utilizing our core competencies such as fingerprint identification systems and immigration management systems.
Public sector /Medical		Deep investment from cost reduction and workplace streamlining demand even as local governments cut back on budgets due to declining tax revenues. Medical sector is unaffected by the economic downturn. Focus on service businesses such as ASP.
Finance		Stagnation of IT investment especially in the securities industry. Possibility of business chances from the merger of financial groups. Promote service related business and expand business of co-operation systems.
Telecom/ Media		Continuous trends of CAPEX cutbacks. New business market expands such as digital signage and archiving. Expand data center business and global business.
Manufacturing		Significant reduction of IT investment. Focus on existing areas of deep investment demand such as environment, compliance, and cost reduction areas through server consolidation. Promote global business mainly in SAP related business.
Retail/ Service		Downward trend of IT investment due to slowdown in consumption. Continuous investment exists in CRM and personnel reduction area. Expand global business by offering solutions for convenience stores.

※ Forecasts as of May 12, 2009. Arrows in figure represent year on year

Network System Business Trends

Operating Income: +3 (Billions of Yen) yoy

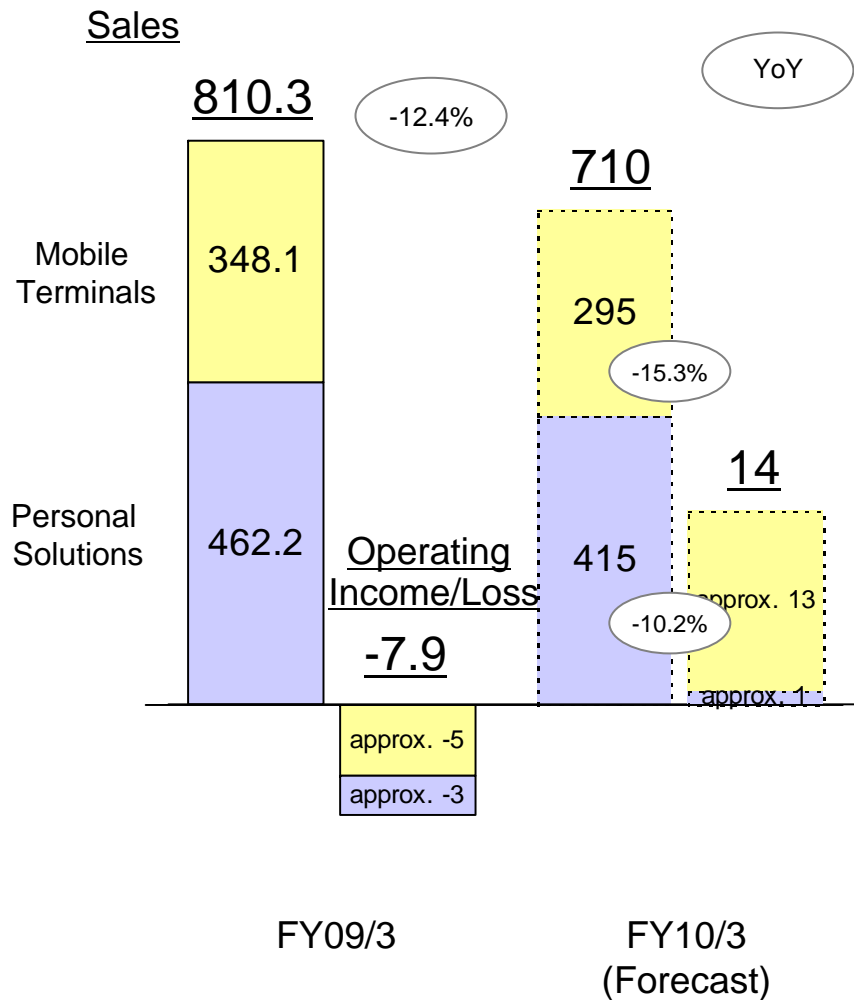
- Expected sales decrease due to cutbacks in CAPEX of carriers and enterprises.
- Improve profitability through enhancement of project management and cost reduction in business for enterprises.

		Sales forecast (year on year)	Business situation
Telecom Carriers Business for	Fixed line (in Japan)		Steady sales of switch/router and optical transmission systems with NGN area expansion.
	Wireless (in Japan)		Expected sales decrease due to CAPEX cutbacks of mobile operators.
	Fixed line (overseas)		Expected sales decrease such as optical telecommunication systems. Steady sales in submarine cable systems.
	Wireless (overseas)		Expected sales decrease by decline of base station shipment. Decrease in sales of PASOLINK due to CAPEX cutbacks, however maintain flat in unit basis.
			Continuous impact of the appreciating yen
Business for Enterprises			Expected sales decrease due to continuous CAPEX cutbacks especially in overseas market (North America, Europe)

※ Forecasts as of May 12, 2009. Arrows in figure represent year on year

Mobile/Personal Solutions Business

(Billions of yen)



● Sales 710 (-12.4%)

▽ Mobile Terminals:

Handset market is in a downward trend in Japan
 Aim to expand market share by maintaining the same shipment levels as the previous year (5 million units)

▽ Personal Solutions:

Decrease in sales due to withdrawal from overseas business and further price competition in the Japanese PC market

● Operating Income 14 (+21.9)

△ Mobile terminals:

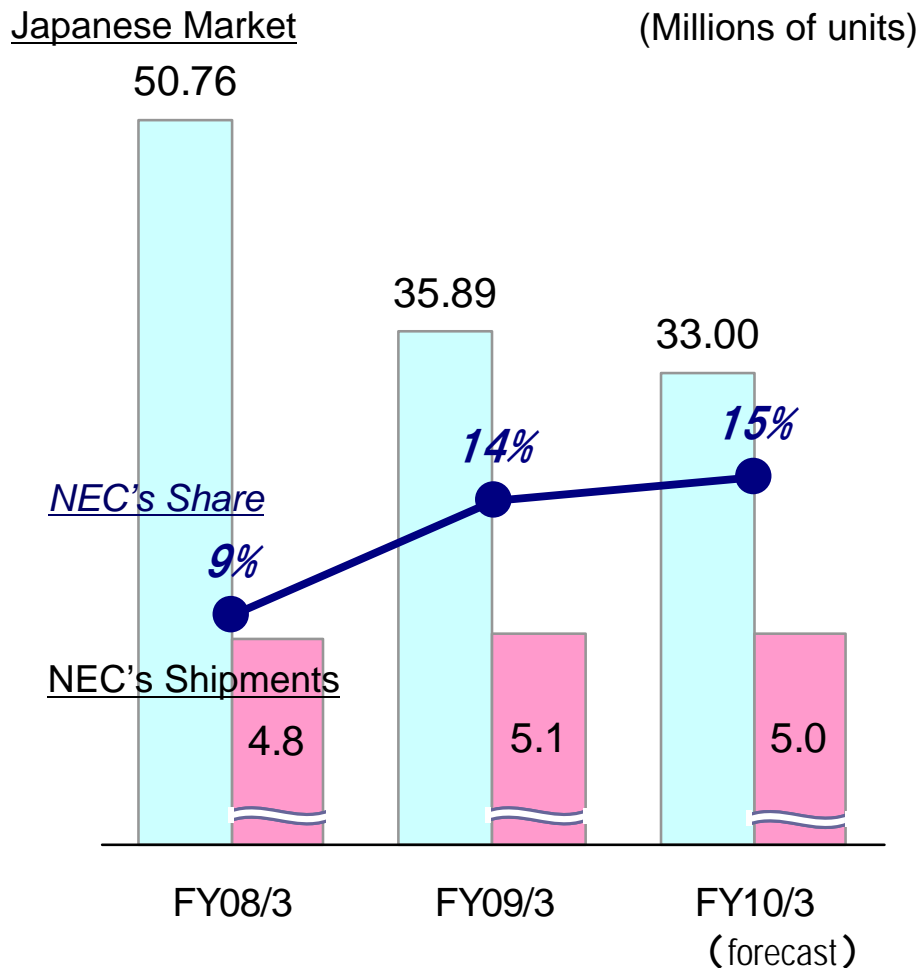
Aim for a turnaround by decreasing development and other costs

△ Personal Solutions:

Aim for a turnaround by withdrawal from overseas PC business, cutting costs (including operation costs)

※ Forecast as of May 12, 2009

Mobile Terminal Business Trends



※ Source: MM Research Institute (FY08/3-FY09/3), NEC (FY10/3)

- Continuation of severe conditions in the Japanese market (Market size forecast: 33M units in FY2009, -8% yoy)
- Aim to expand market share by maintaining same level of shipments as last year (5M units)
- Improve profitability by reforming earnings structure and reducing the break-even point
 - ▶ Maximize the use of master development effect
 - ▶ Execution of thorough cost reduction



※ Forecast as of May 12, 2009

Personal Solution Business Trends

- Earnings reform of domestic PC business
 - ▶ Increase in-house development, and further streamline development and manufacturing costs
- Support of new market development
 - ▶ Formed a “New business development group” from April 1, to create synergies between the PC and mobile handsets
 - Launch of new business in the fusion of PCs and mobile handsets
 - Developing new products for the smart phone market
 - Plan to launch new devices for specific markets through cooperation with NEC’s solution team

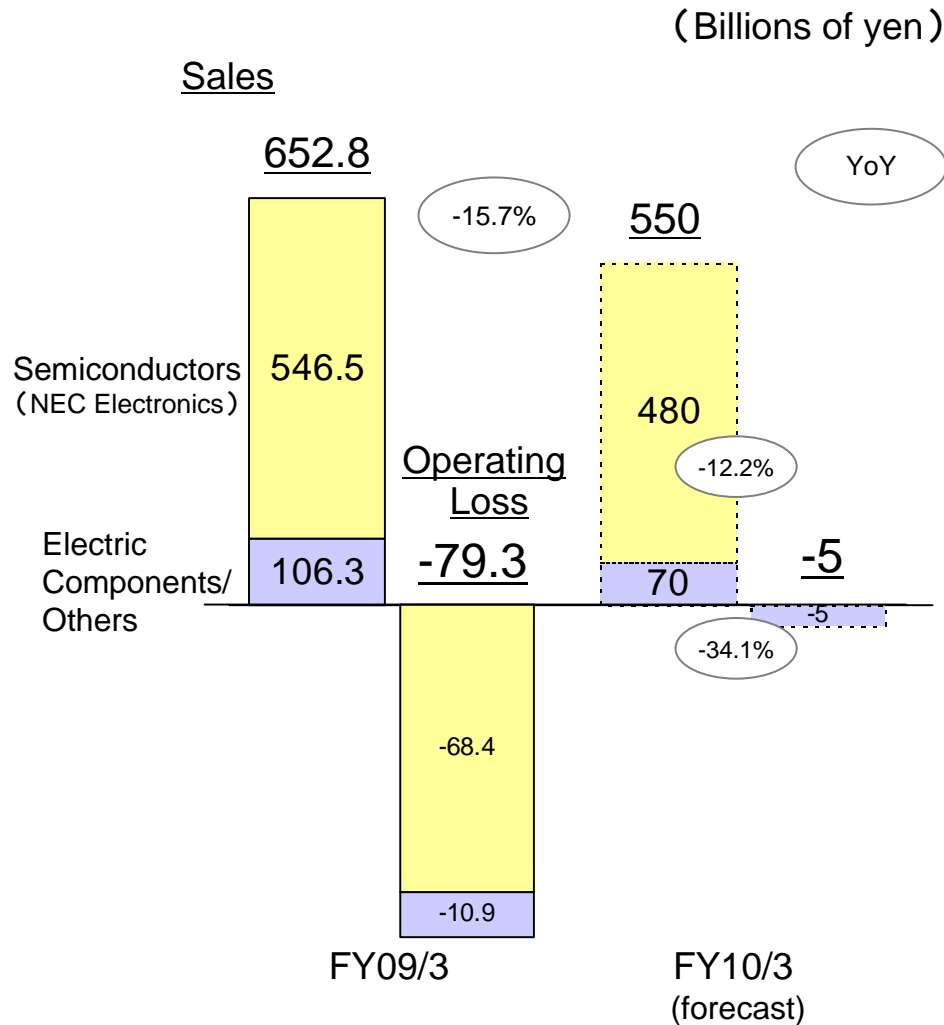
Expected FY09 shipment
Over 2.5 million units
(same level as the
previous year)



Aim to create new business models
which include next generation
information terminals and services

※ Forecast as of May 12, 2009

Electron Device Business



● Sales 550 (-15.7%)

- ▽ Semiconductors :
Drop in sales in all products such as SoC, MCU, and discrete products
- ▽ Electric Components/Others :
Forecast for continuous severe market conditions
Large decline of sales, growth in demand not expected

● Operating Loss -5 (+74.3)

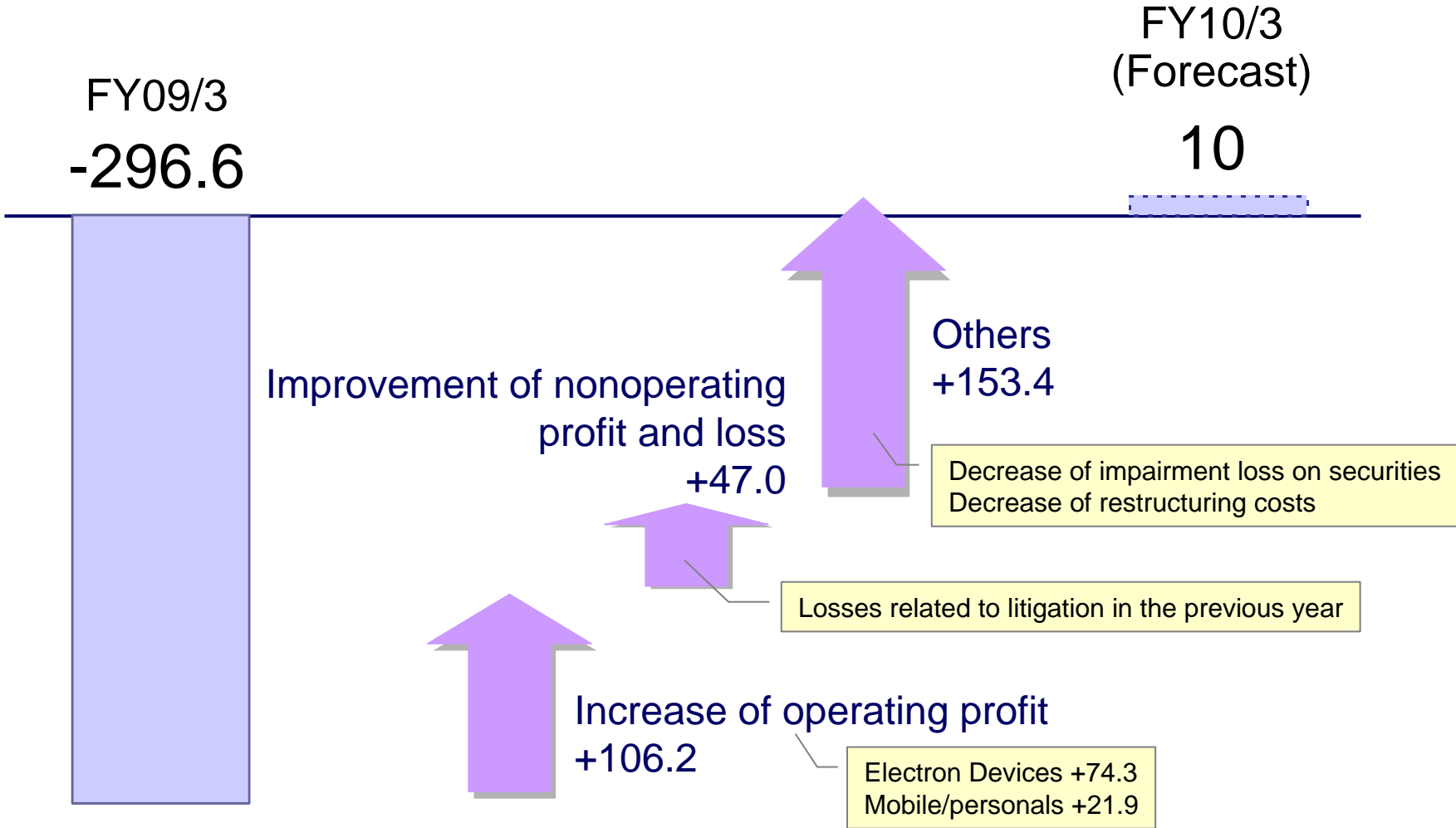
- ▽ Semiconductors :
Expected to achieve break-even through drastic cost reduction even in decline of gross profit via sales drop
- ▽ Electric Components/Others :
Improve by structure reform in the electric components area

*The results for the area of Semiconductors are the official public figures of NEC Electronics Corporation, which are prepared in accordance with U.S. GAAP. The difference that arises as a result of the adjustment to Japan GAAP is included in Electronic Components and Others.

※ Forecast as of May 12, 2009

Net Income Change (Year on Year)

(Billions of yen)



※ Forecast as of May 12, 2009

《Ref.》 Capital Expenditures and Others

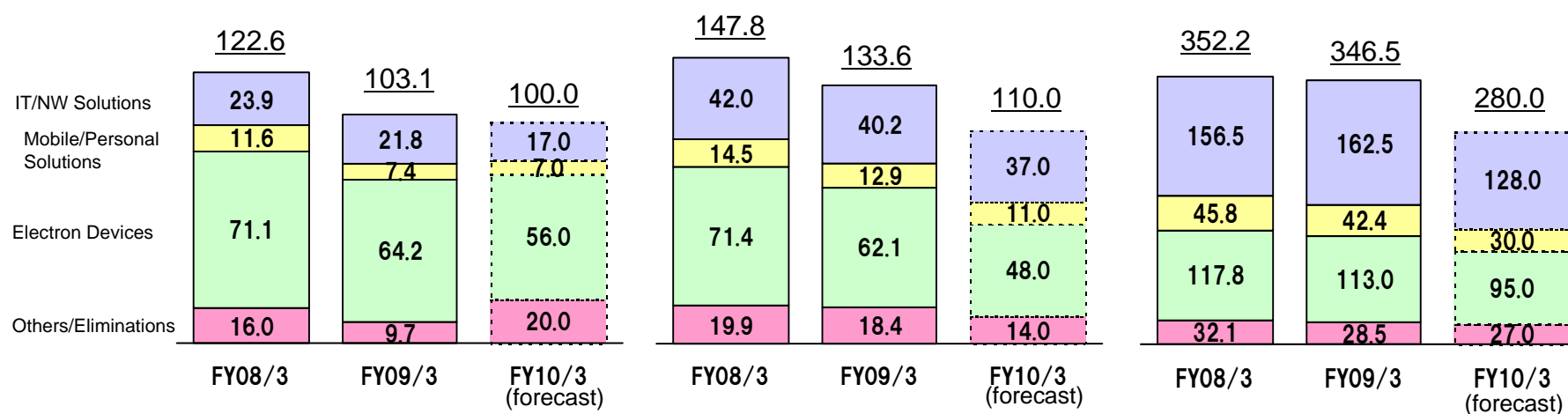
(Billions of yen)

	FY08/3 Actual	FY09/3 Actual	YoY	FY10/3 Forecast	YoY
Capital expenditures	122.6	103.1	-15.9%	100	-3.0%
Depreciation	147.8	133.6	-9.6%	110	-17.7%
R&D expenses	352.2	346.5	-1.6%	280	-19.2%

Capital Expenditures

Depreciation

R&D expenses



* Forecast as of May 12, 2009

Summary of Non-Consolidated Financial Forecast

09 Forecast

(Billions of Yen)

	FY09/3 Actual	YoY	Difference from Jan. 30 forecast	FY10/3 Forecast	YoY
Net Sales	2,241.4	-4.7%	-18.6	2,020	-9.9%
Operating Income/Loss	-1.2	-49.6	18.8	33	34.2
Ordinary Income/Loss	-21.6	-74.8	3.4	35	56.6
Net Income/Loss	-474.8	-465.6	15.2	20	494.8

NEC plans to pay dividends of 4 yen per share in FY10/3 (Interim 0/ Year end 4)

※ Forecasts as of May 12, 2009

III. Management Reforms for the Next Term

① Progress of Business Portfolio Reform

● Business Portfolio Reform

Business Portfolio	Direction on Jan.30 th 2009	Status (After Jan.30 th 2009)
NEC Electronics	Further restructuring to improve profitability	<ul style="list-style-type: none"> • Business merger with Renesas technology (Apr.27th 09) <NEC Electronics becomes an equity method affiliate>
NEC TOKIN	Selection & concentration for capital efficiency	<ul style="list-style-type: none"> • Transfer the read switch business (Mar.26th 09) • Institute early retirement (Apr.24th) • Sign agreement to make NEC TOKIN a wholly owned NEC subsidiary through a stock swap (May 8th)
NEC LCD Technologies	Selection & concentration for capital efficiency	<ul style="list-style-type: none"> • Strengthening management foundation with structural reforms (Mar.4th 09) - close Kagoshima plant, merging manufacture to Akita
Environment and energy business	Focus as a new core area	<ul style="list-style-type: none"> • Create business through establishing a Smart Energy and Green Business Development Division (Feb.25th 09)
Personal solutions	Drastic measures for overseas PC business	<ul style="list-style-type: none"> • Withdraw from European commercial PC business (Feb.5th.09) • Withdraw from Asian PC business (Mar.27th 09)

※ Forecast as of May 12, 2009

Integrate Business Operations with Renesas

- **NEC Electronics and Renesas technology agreed to start discussing terms to integrate business operations**

- The preconditions for holding future negotiations are to integrate business operations on April 1, 2010, and to maintain public listing for the new company.

- Each company will promote structural reforms which are determined step by step, and improve management foundations

- Through integration and structural reform the companies bring about synergies and enhance earnings power through a new company aiming to build a "strong specialized semiconductor producer" that can maintain stable profit despite market changes

※ These conditions are undefined: the ownership ratio of the integrated company, the company name, the location of its headquarters, the corporate representative, the board members, capitalization, total assets, and financial forecasts shall be determined following the integration.

(NEC Electronics and Renesas plan to sign an agreement at the end of July, 2009 to integrate their business operations.)



With 3 product families; the microcomputer, system LSI, and discrete products
The world's 3rd largest semiconductor company will be established

※ Announced Apr.27 2009

NEC Semiconductor Business

- Towards persevering and reconstructing the semiconductor business, NEC electronics continues carrying out reform. Recognizing the current severe business conditions, NEC decided the best option was to dramatically reform the semiconductor field through business integration

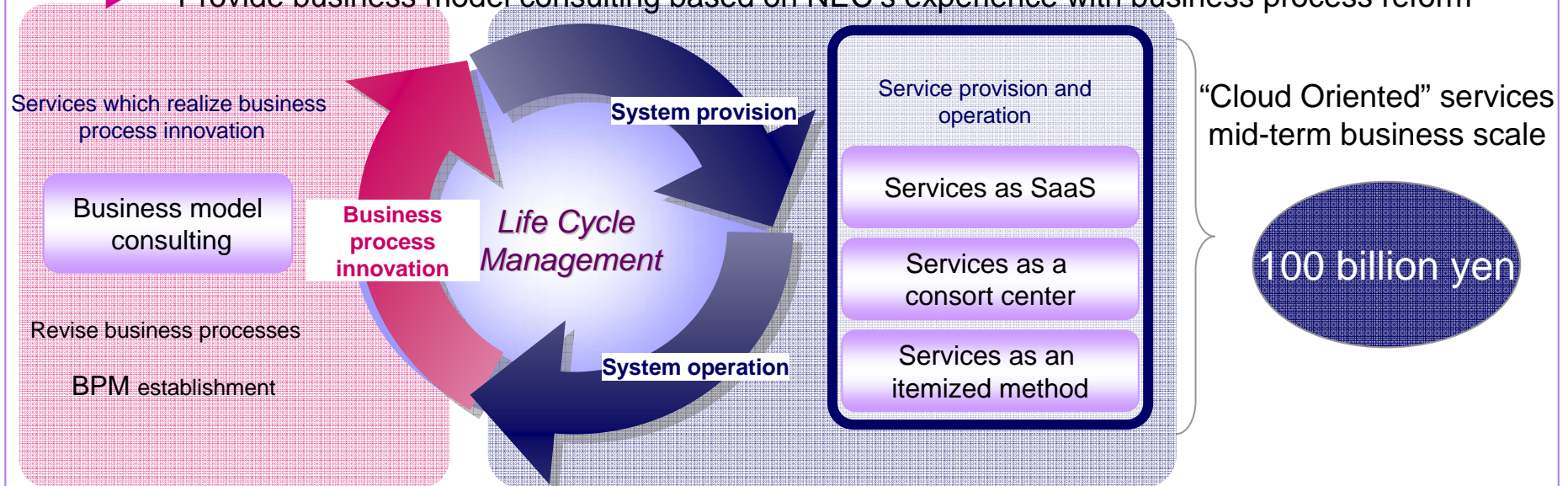
《Revised portfolio of NEC Group》

Semiconductor business significantly impacts the NEC Group's consolidated financial results, shift to unconsolidated subsidiary
(expect synergies as a strategic partner)

※ As of May 12, 2009

Enhancement of the Services Business

- Cloud computing service platform (announced on Apr.23th)
- Supporting system life cycle management from business process reform to system deployment, operations and maintenance
 - ▶ Provide customers with infrastructure systems as a service ahead of the competition
 - ▶ Services supporting mission critical tasks for a variety of businesses, prepare delivery model separately
 - ▶ Provide business model consulting based on NEC's experience with business process reform

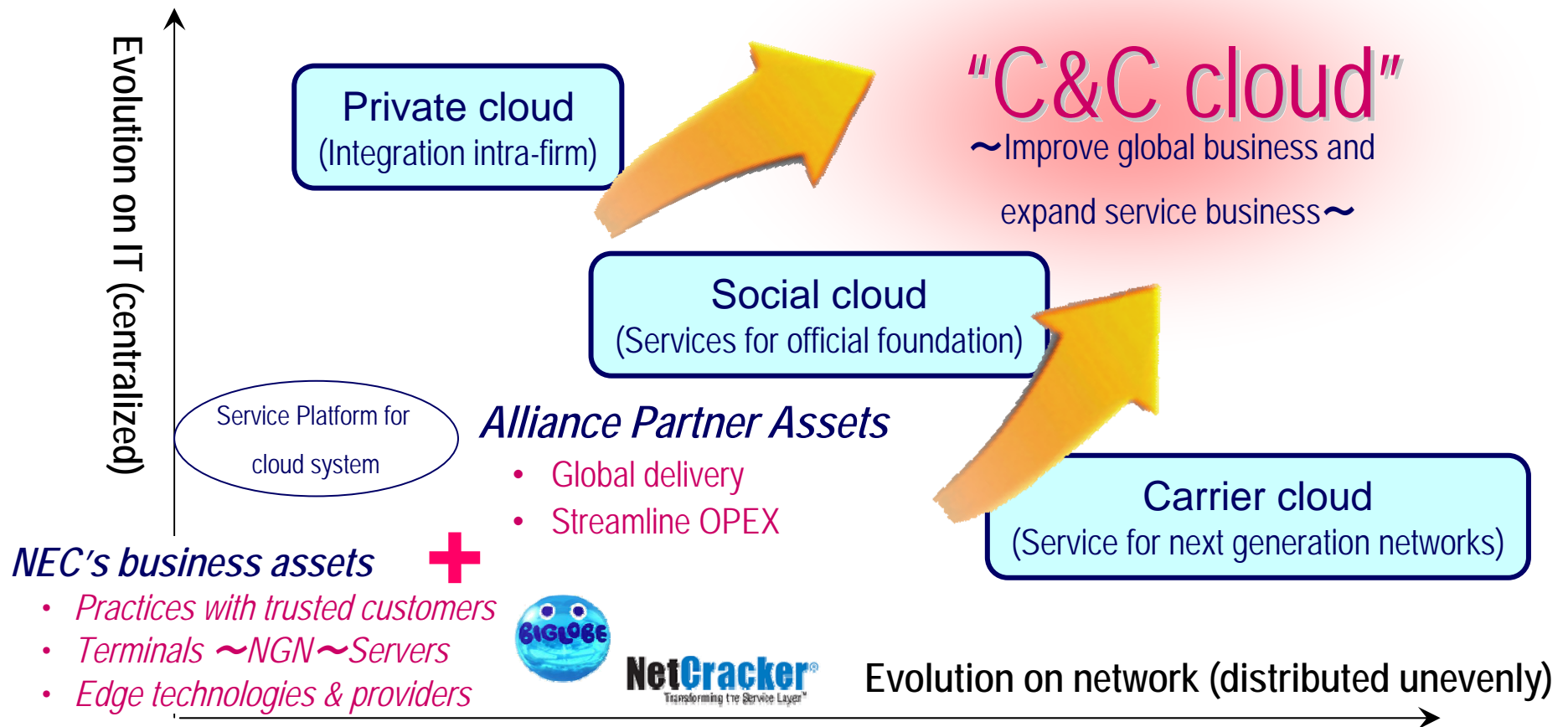


Mid-term target on service business: Over 500 billion yen in sales

※ Forecast as of May 12, 2009

“C&C Cloud” Concept & Strategy

- IT (centralized) + network (distributed) = “C&C cloud”
- NEC promotes “C&C cloud” through alliance partners



Promotion of Environmental and Energy Business

- Established “Smart Energy and Green Business Development Division” on Apr.2009

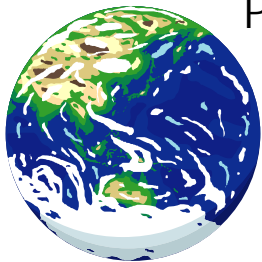
【Short-term target】

- ▶ Focus on lithium-ion battery for automobiles



【Target in middle to long-term】

- ▶ Create business which takes advantage of NEC Group strengths (for non-automobiles)
- ▶ Capitalize on new environment or energy solutions to solve problems of growing importance, including electric power conservation and reduction of CO2 emissions. Promote business plans as a new growth engine for the NEC Group.



Mid-term business plan: Over 100 billion yen in sales



※ Forecast as of May 12, 2009

② Progress of Profitability Reform

● Reinforced earnings structure reform

measures	Status (After Jan.30 th .2009)
New admin systems/ maintain organization control	<ul style="list-style-type: none"> • Build the NEC Group by revising the stance of affiliate companies • Decrease business/staff department by removing overlapping company functions (Decrease the number of departments on the operation level by 20%)
Reduction of SG&A, procurement costs, outsourcing cost. etc	<ul style="list-style-type: none"> • Enhance cost control (shift overtime rate to legal standard, freeze subsidy fee for affiliated company benefit packages, cut day wage on business trips, etc.) • Keep a lid on development costs, enlarge in-house-manufacture/off-shore development, reinforce central purchasing
Reduction of compensation for officers and managers	<ul style="list-style-type: none"> • 【Compensation for officers】 Cut 50-25% per year • 【Payment for managers】 Cut 7-5% per month (From April)
NEC Group work force reduced by over 20,000	<ul style="list-style-type: none"> • 9,984 persons in NEC TOKIN (domestic 984, overseas 9,000) • 1,200 persons in NEC Electronics • 690 persons in overseas PC business • 590 persons in LCD business • Planned work force reduction of over 20,000, including outsourced staff reductions due to renewed in-house manufacturing.

※ As of May 12, 2009

All-out Reduction of Costs

Reduce fixed costs by 270 billion yen (yoy)

(Billions of yen)

Business segment	Reducing fixed cost
IT/network solution	104
Mobile/personal solution	30
Electron device	115
Other	21
Total	270

NEC Electronics 90

(Billions of yen)

Cost item	Reducing fixed cost
Labor cost	72
Outsourcing engineering, consignment of activities	124
Depreciation, lease ,etc	28
Other	46
Total	270

Electron device about 50

Electron device about 28

Electron device about 18

※ Forecast as of May 12, 2009

Summary

- Reinforced earnings structure reform
- Reinforced business structure for growth

Realization of NEC Group Core Values

Aim to meet the earnings forecast for FY09, reinforce the selection & concentration of business in order to support the next phase of growth

Seeking the NEC Group Vision 2017

Empowered by Innovation

NEC

《Ref.》 New Segments

The Aim for New Segments

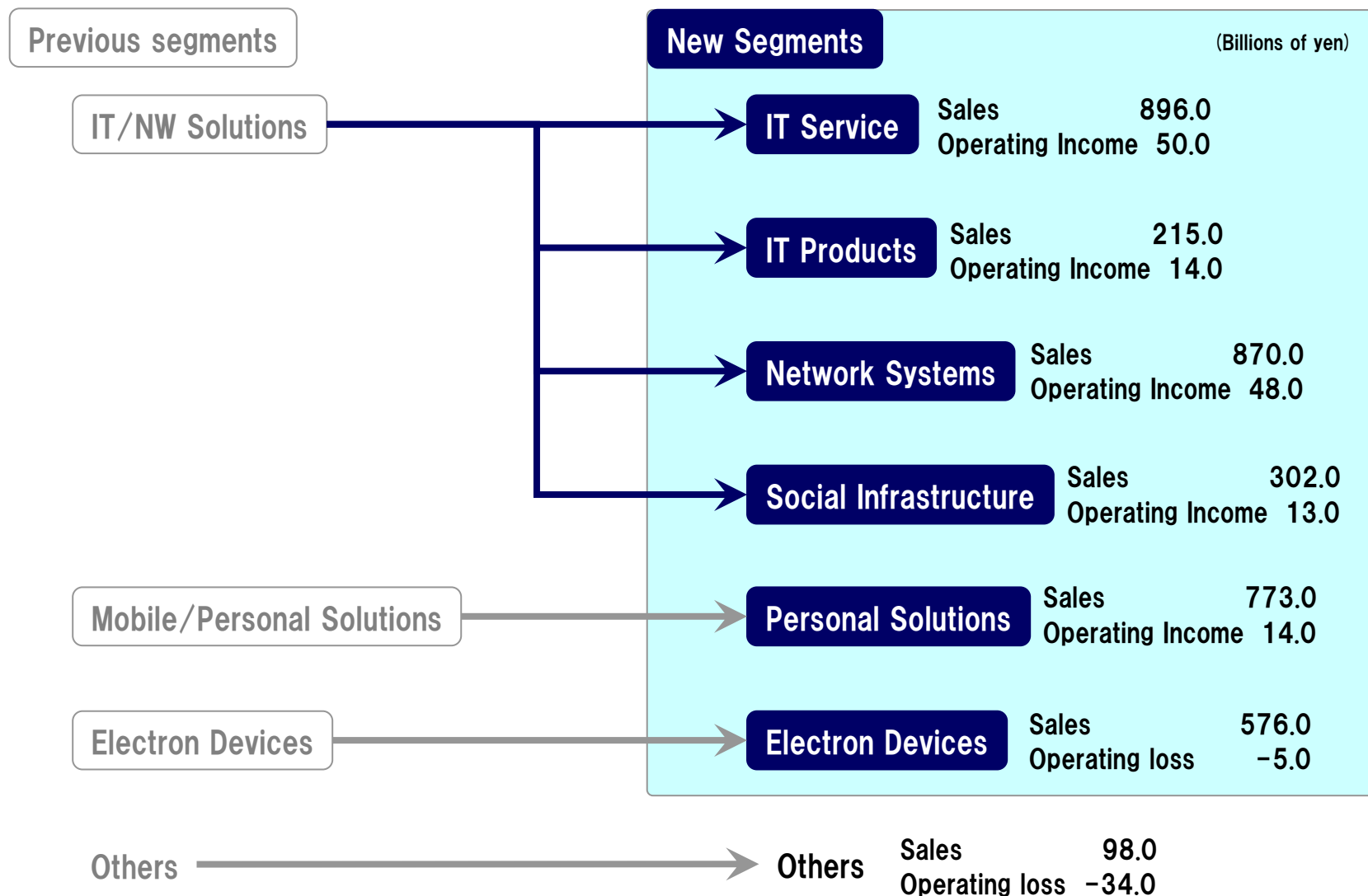
- Improvements in Accountability for Disclosed Information
 - ▶ Conform to management's structure for disclosed segments
 - Specify business responsibility
- Fulfilling Disclosed Information
 - ▶ Break up the disclosed segments and sub segments
 - Break up from 3 segments to 6 segments by raising previous sub-segments of "IT/NW Solutions" segment into new segments



Linked Organizational Reform from Apr. 1, 2009

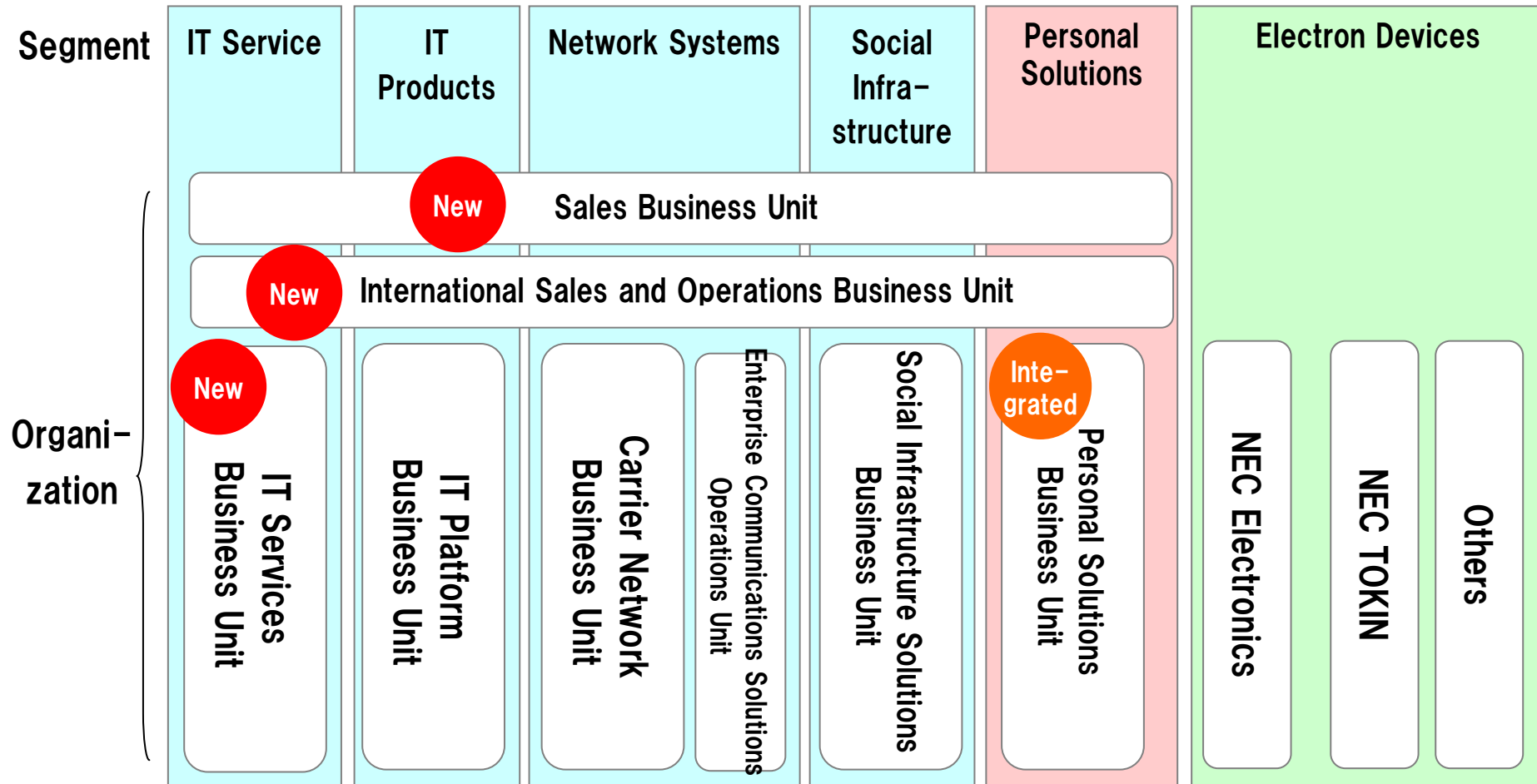
- In mid-July (before announcement of financial results for 1Q of FY10/3) NEC will disclose past results (full year, half year and quarter-results of FY08/3 and 09/3) with full year forecast for FY10/3

《Ref.》 New and Previous Segments



※ Forecast as of May 12, 2009

《Ref.》 New Segments and Corporate Organization



《Ref.》 Organizational Reform Overview and the Aims

- **Strengthens Management Structure to Improve Profitability and Drive New Growth**
 - ▶ **Streamlining the organization and strengthening company-wide business process innovation**
 - Structural reduction to a new streamlined organization of 7 business units, 1 business support unit, and corporate staff
(Reduced the number of departments by approximately 20%)
 - ▶ **Strengthening sales operations**
 - Establish satisfactory progress of customers and improve proposal technique and sales operations by establishment of Sales Business Unit
 - Accelerate business growth on a global scale by establishment of International Sales and Operations Business Unit
 - ▶ **Creating a framework for new solutions that accelerate growth**
 - Strengthening business structures that support the cloud computing era by establishment IT Services Business Unit
 - Strengthened new personal solutions business for a ubiquitously networking society by the unification of mobile terminal and PC businesses etc.
 - Promoted innovative new services by the establishment of a Smart Energy and Green Business Development Division

*Informed Feb. 25, 2009

(Appendix)

Financial Results for FY2008
(Fiscal Year ended March 2009)

Summary of FY2008 Results

(Billions of yen)

	4Q Result			FY08		
	FY08/3 Actual	FY09/3 Actual	YoY	FY08/3 Actual	FY09/3 Actual	YoY
Net Sales	1,424.3	1,139.5	-20.0%	4,617.2	4,215.6	-8.7%
Operating Income/Loss (% to Net Sales)	113.3 8.0%	5.2 0.5%	-108.2	156.8 3.4%	-6.2 -	-163.0
Ordinary Income/Loss (% to Net Sales)	92.9 6.5%	-50.4 -	-143.3	112.2 2.4%	-93.2 -	-205.4
Net Income/Loss (% to Net Sales)	32.7 2.3%	-167.6 -	-200.3	22.7 0.5%	-296.6 -	-319.3
FCF	193.2	52.0	-141.2	56.5	-145.8	-202.4

(Ref): Average exchange rate for 4Q/FY09.3 1\$= ¥91.91, 1€= ¥119.73
 Average exchange rate for FY09.3 1\$= ¥101.08, 1€= ¥146.20
 (Assumption of exchange rate for 4Q/FY09.3 1\$=¥90, 1€=¥120)

FY08/3 Results Overview

(Billions of Yen)

- **Net Sales** 4,215.6 (yoy -8.7%)
 - ▽ Electron Devices (yoy -21.4%, -178.1) , Network Systems (yoy -7.5%, -81.4) , Personal Solution (yoy -13.2%, -70.4) decreased
 - △ Mobile Terminals (yoy +2.3%, +7.8) increased

- **Operating Loss** -6.2 (yoy -163.0)
 - ▽ Electron Devices (yoy -86.7) , Network Systems (yoy approx. -35.0) , Mobile/Personal Solutions (yoy -31.1) decreased

(Gross operating profit decreased due to the drop of net sales despite a decrease in general administrative and selling expenses)

- **Ordinary Loss** -93.2 (yoy -205.4)
 - ▽ Operating income decline
 - ▽ The provision for a loss possibility from a disputed item, the adding up of the investment loss by the share method

- **Net Income** -296.6 (yoy -319.3)
 - ▽ Increased extraordinary loss
(Restructuring cost for Electron Devices, loss on revaluation of investments in securities)
 - ▽ Liquidation of the deferred tax assets which we couldn't expect to collect

Other Financial Data

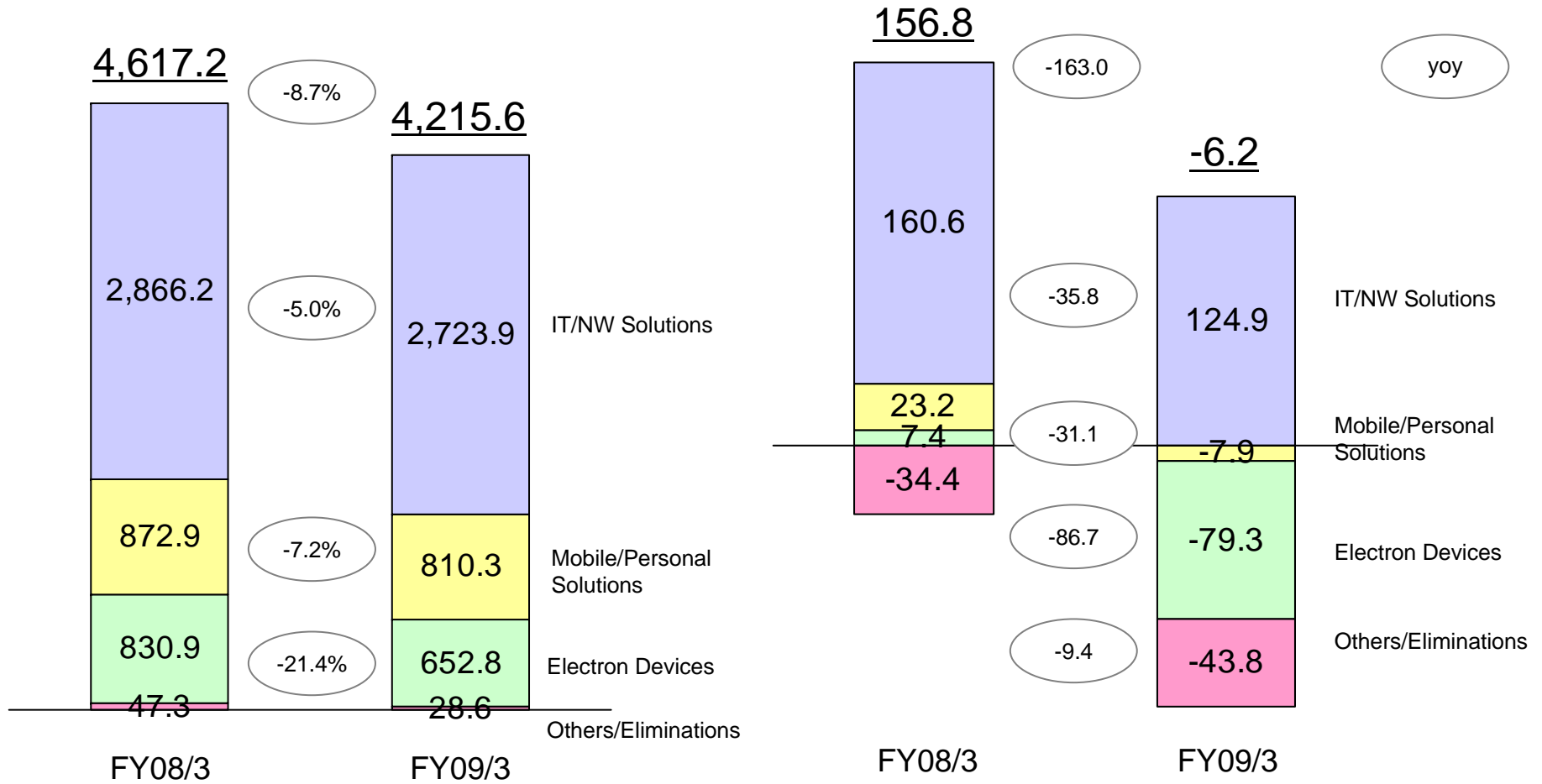
(Billions of yen)

	08/3	09/3	YoY	08/12
Total Assets	3,526.8	3,075.4	-451.4	3,396.1
Net Assets	1,185.5	785.6	-400.0	982.4
Interest-bearing debt	800.8	925.2	124.3	1,058.9
Shareholder's Equity	1,004.2	6,417	-362.6	816.5
Equity ratio (%)	28.5%	20.9%	- 7.6pt	24.0%
D/E ratio	0.80	1.44	- 0.64pt	1.30
Net D/E ratio	0.42	0.95	- 0.53pt	0.81

Results by Segment

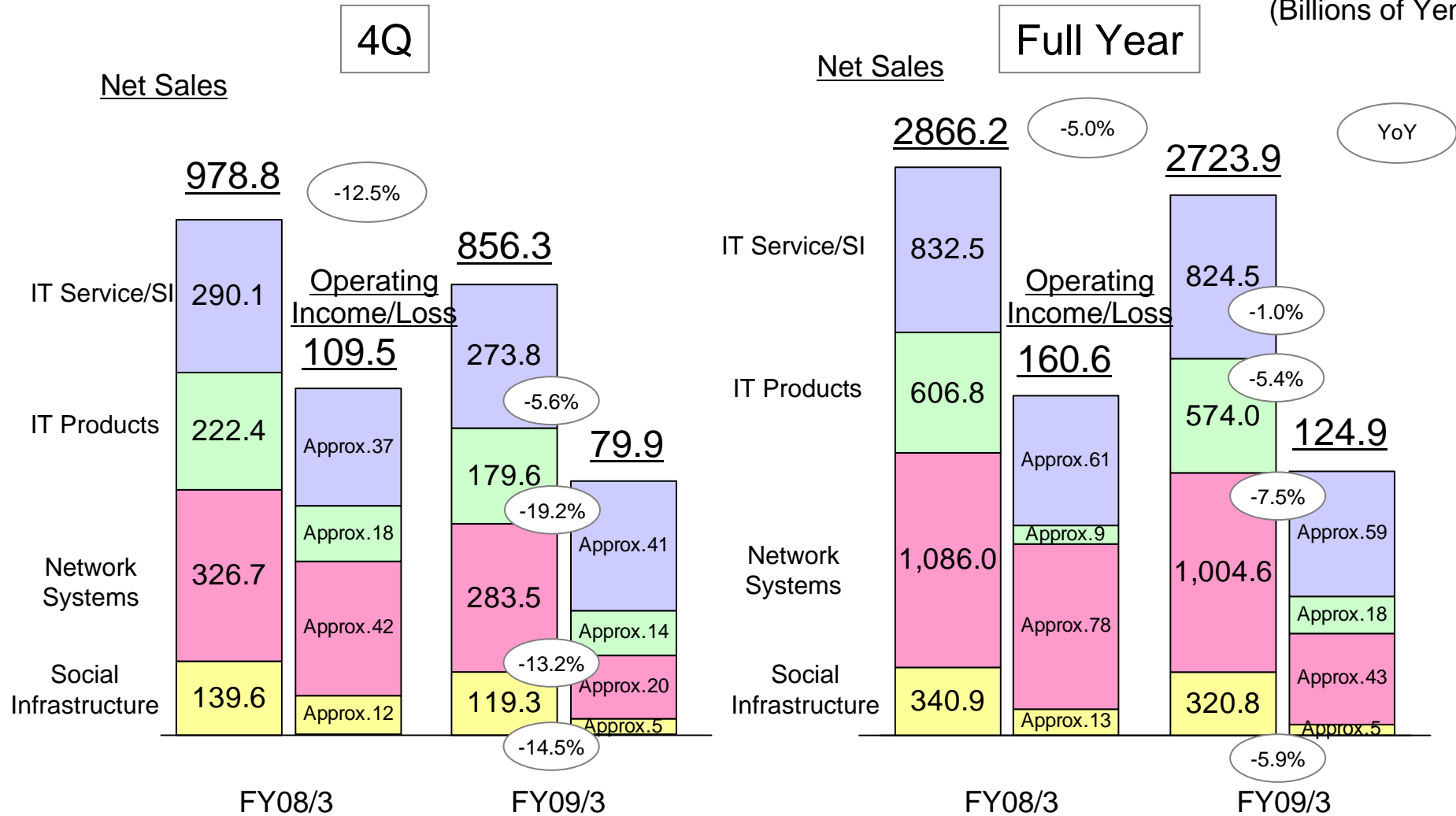
Net Sales

Operating Income/Loss (Billions of Yen)



IT/NW Solutions Business

(Billions of Yen)



IT/NW Solutions Business

(Billions of Yen)

● Net Sales 2,723.9 (-5.0%)

- ▽ IT Service/SI :
Decreased by rapid slowdown of IT investment
Sales for government entities are stable, but there is an influence from investment freezes in some industries
- ▽ IT Products :
Decreased mainly on business PCs and servers by the decline of the investment environment
- ▽ Network Systems :
NGN related businesses are stable, but as a whole, it has decreased due to a break of investment by domestic mobile carriers and a reduction of enterprise investment for networks

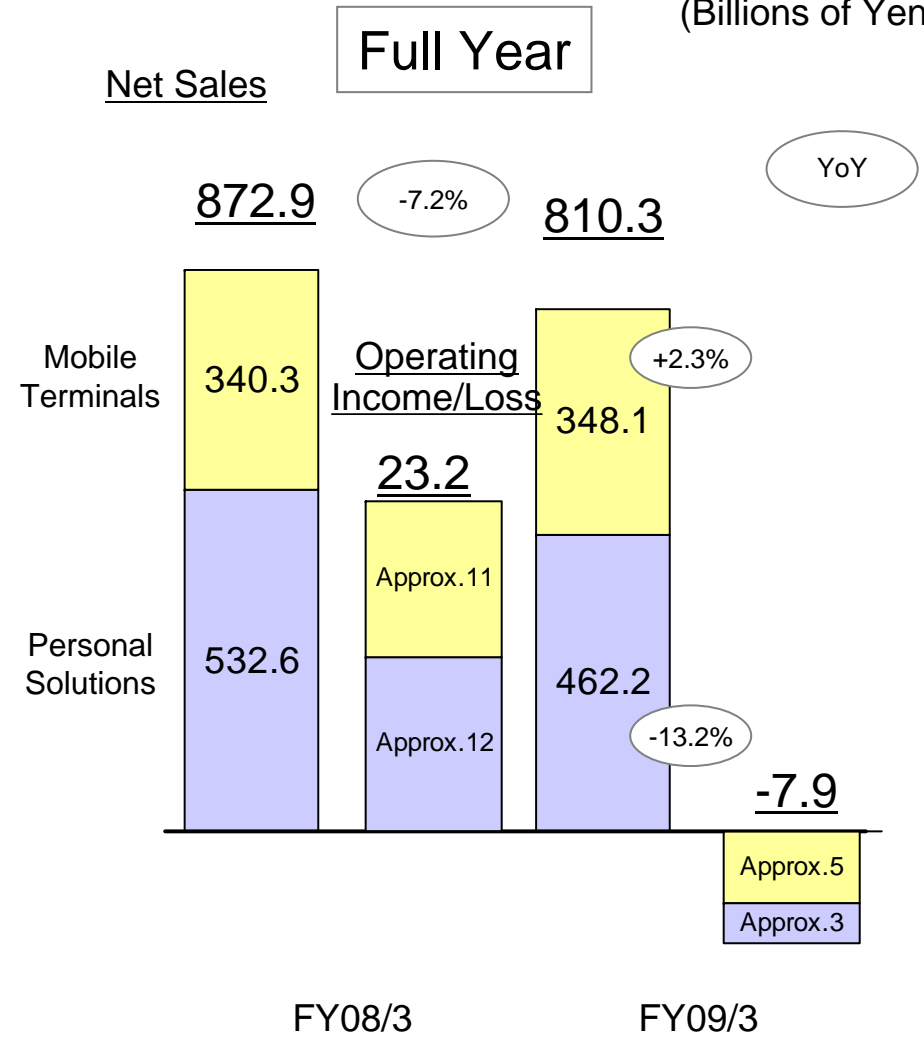
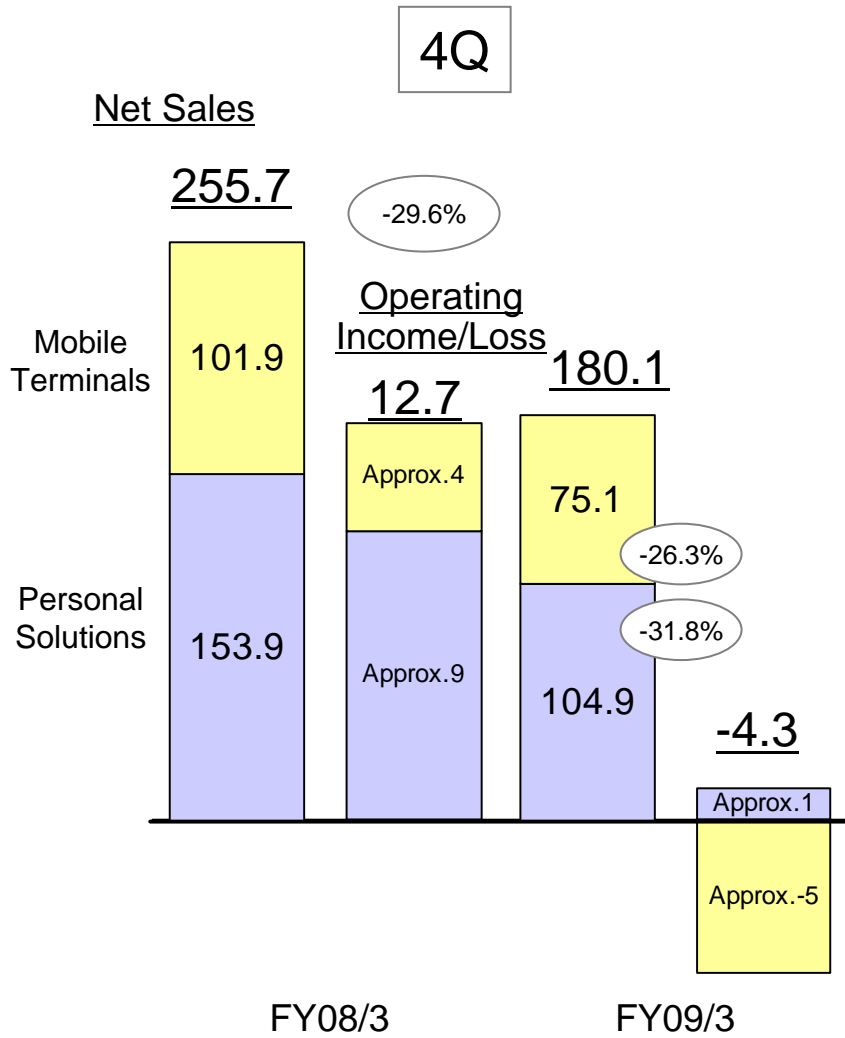
● Operating Profit 124.9 (-35.8)

- ▽ IT Service/SI :
Maintaining an equal profitability as the previous year by improving productivity through SI innovation under a severe business environment
- △ IT Products :
In spite of a sales decrease, profits increased overall due to the sales increase of high profit products
- ▽ Network Systems :
Profits decline from decreasing sales and appreciation of the yen

* () indicates year on year

Mobile/Personal Solutions Business

(Billions of Yen)



Mobile/Personal Solutions Business

(Billions of Yen)

- Net Sales **810.3** (-7.2%)

- △ Mobile Terminals :

- Domestic market had shrunk about 30% in comparison with the last year
NEC increased shipment by competitive new products

- ▽ Personal Solutions :

- Large decrease by reduction of enterprise investment for PCs in Japan and
environmental degradation of overseas PC market

- Operating Loss **-7.9** (-31.1)

- ▽ Mobile Terminals :

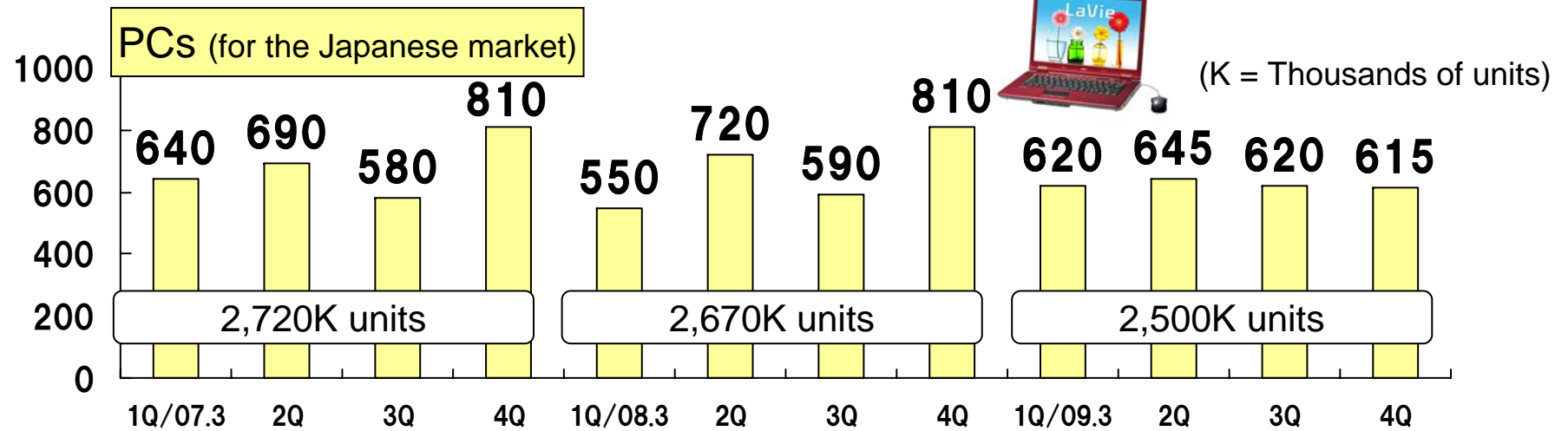
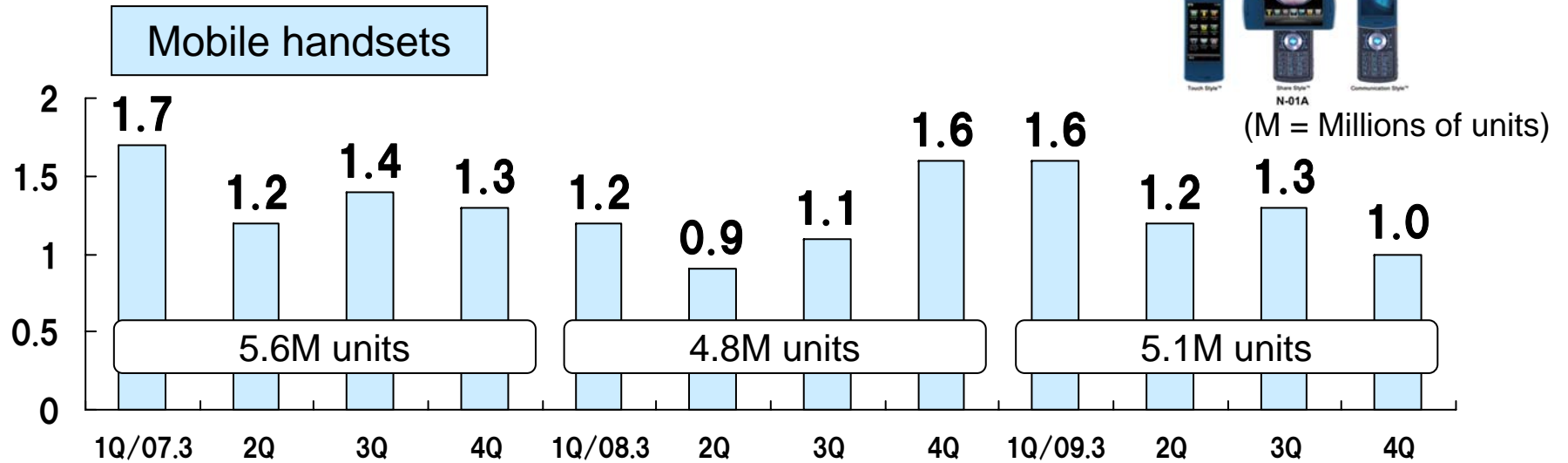
- Profits decreased due to the increase of development expenses for launching a
variety of models and the development investment for the future

- ▽ Personal Solutions :

- Profits decreased due to the intense price competition in the Japanese PC market
and the decline of the overseas PC business

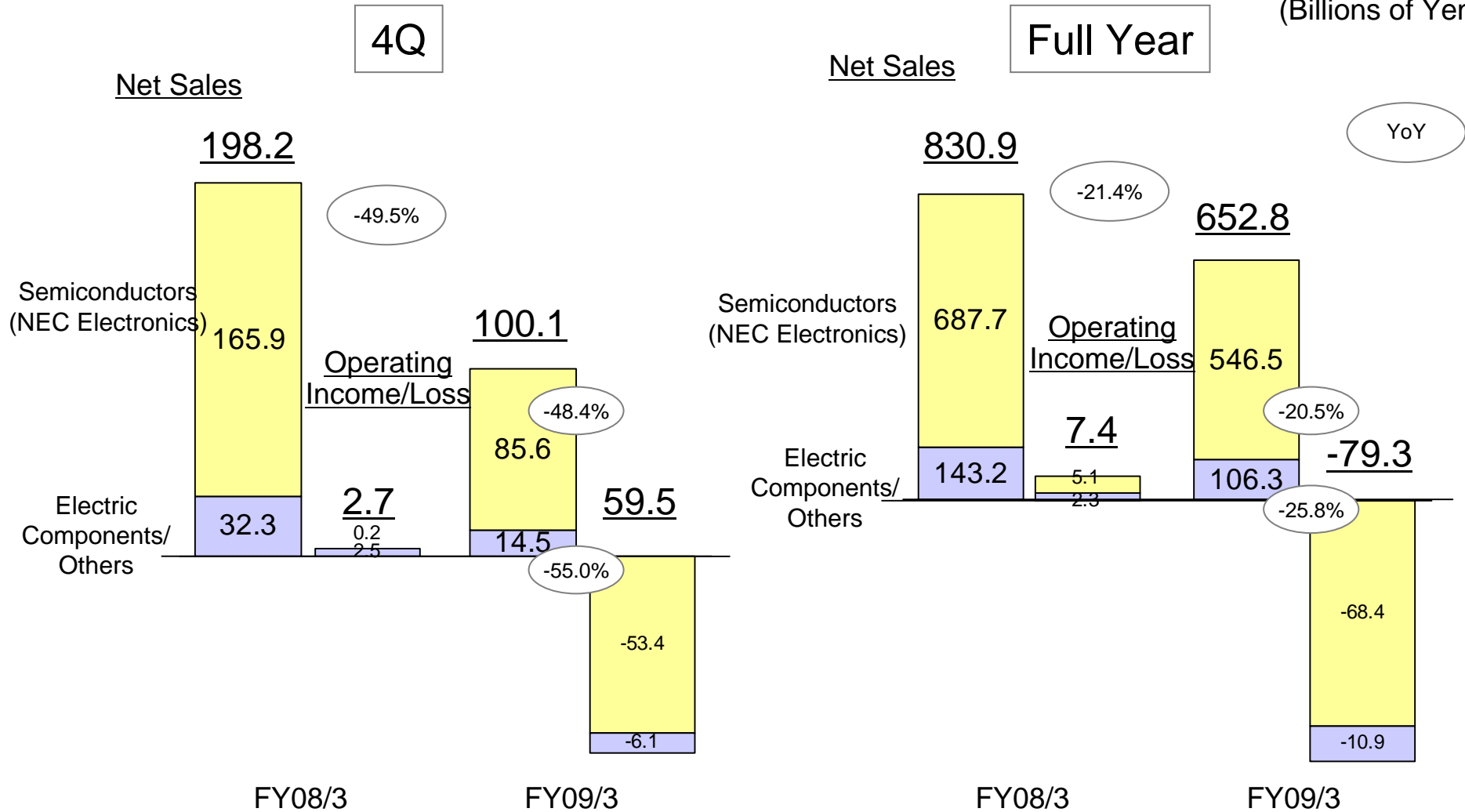
* () indicates year on year

Mobile Handset & PC Shipments



Electron Device Business

(Billions of Yen)



*The results for the area of Semiconductors are the official public figures of NEC Electronics Corporation, which are prepared in accordance with U.S. GAAP. The difference that arises as a result of the adjustment to Japan GAAP is included in Electronic Components and Others.

Electron Device Business

(Billions of Yen)

● Net Sales 652.8 (-21.4%)

▽ Semiconductors :

Sales decreased largely due to the rapid deterioration of semiconductor demand

(general-purpose products like discrete devices, LSIs for computer and peripheral equipment, cars, and industrial instrument)

▽ Electric Components/Others :

Sales decreased largely due to customer's rapid adjustment of products and inventory, which was caused by the market stagnation after 3Q

(general-purpose products like capacitors and LCD for industry markets)

● Operating Loss -79.3 (-86.7)

▽ Semiconductors :

Accelerated cost cutting unable to overcome decreasing sales

▽ Electric Components/Others :

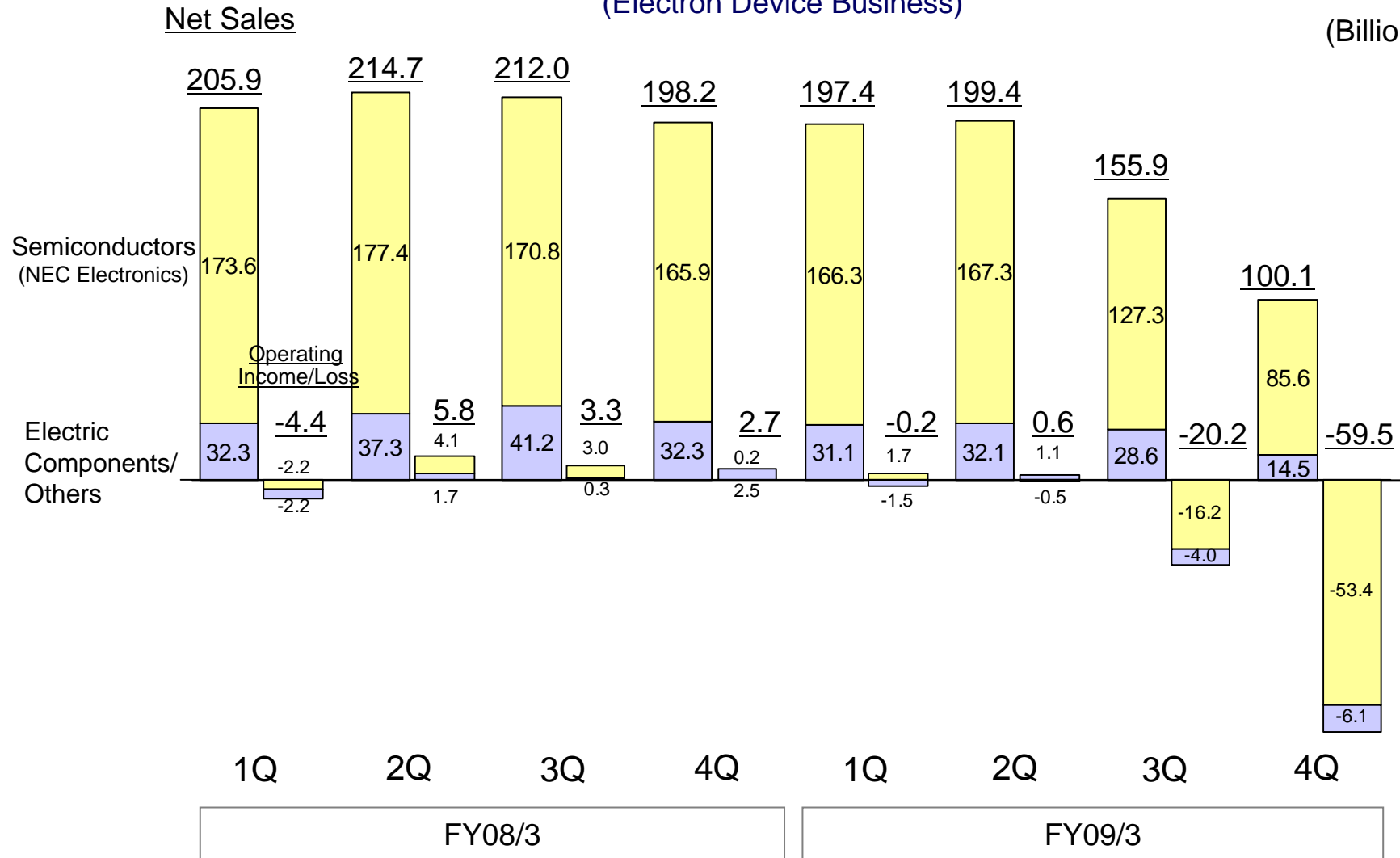
Impacted by rapid fall of sales and the currency exchange

* () indicates year on year

Ref. Quarterly Performance

(Electron Device Business)

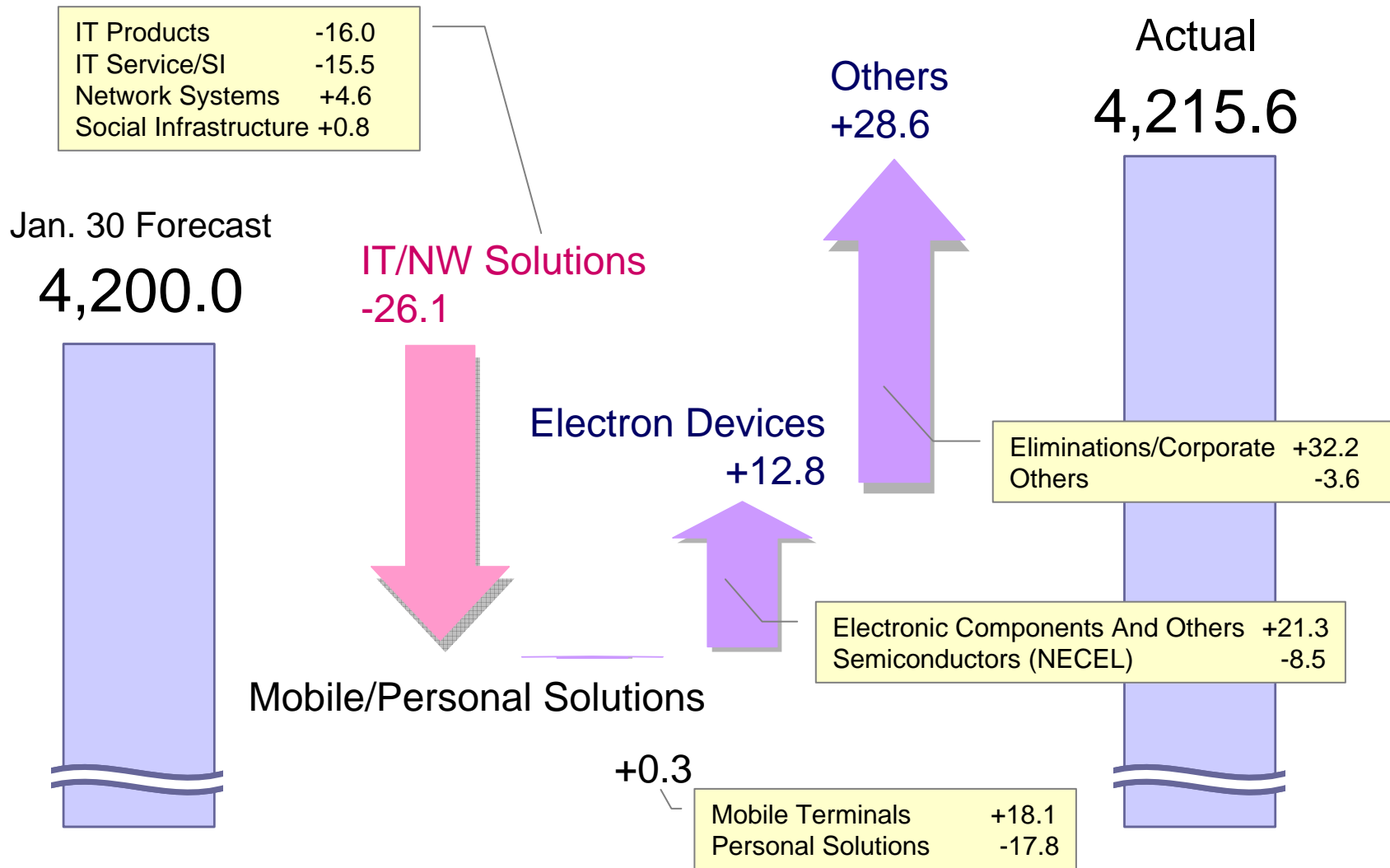
(Billions of Yen)



*The results for the area of Semiconductors are the official public figures of NEC Electronics Corporation, which are prepared in accordance with U.S. GAAP. The difference that arises as a result of the adjustment to Japan GAAP is included in Electronic Components and Others.

Sales Change (from Jan. 30 Forecast)

(Billions of yen)



Operating Income Change (from Jan. 30 forecast)

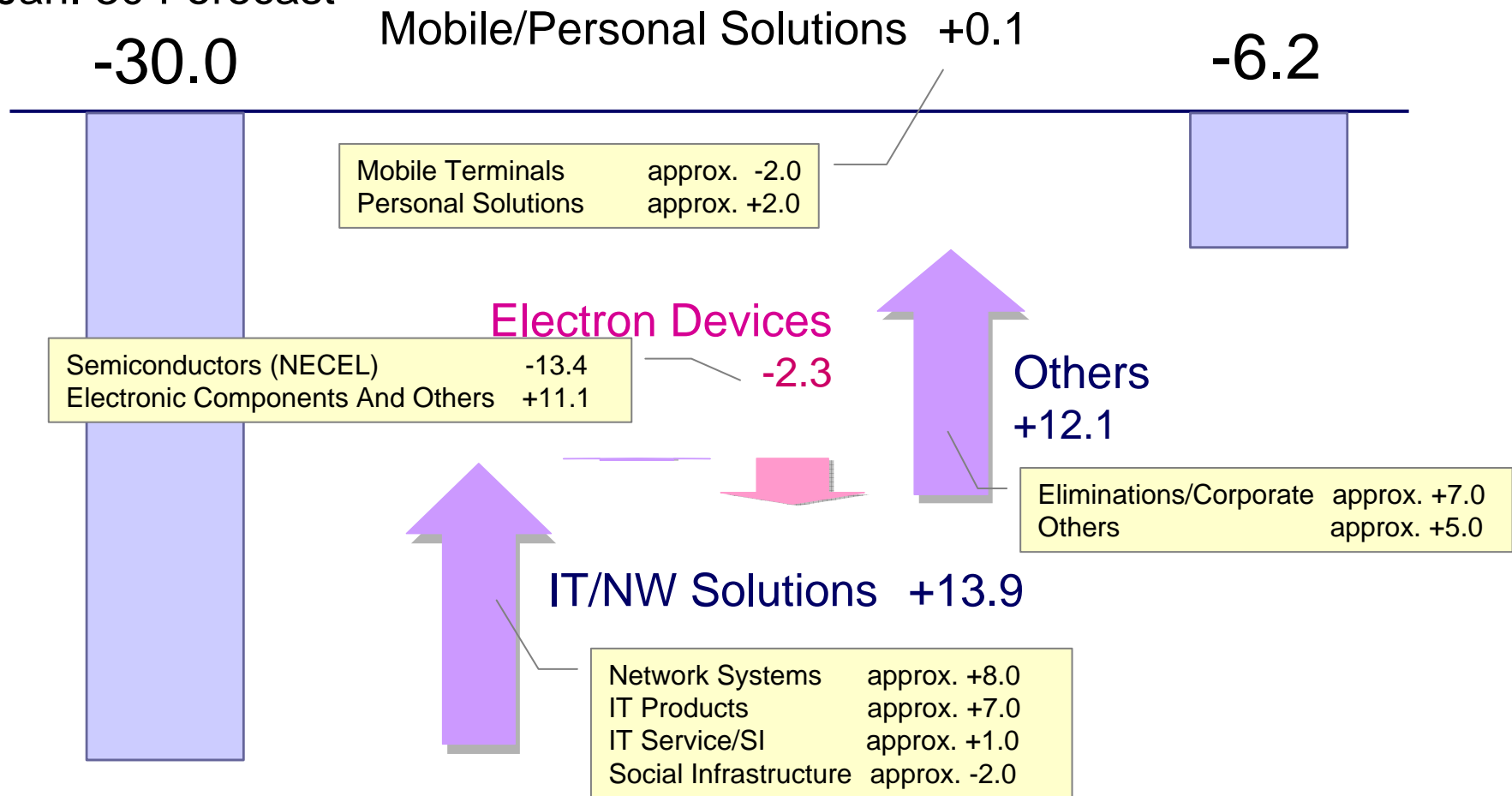
(Billions of yen)

Jan. 30 Forecast

-30.0

Actual

-6.2



Net Income Change (from Jan. 30 forecast)

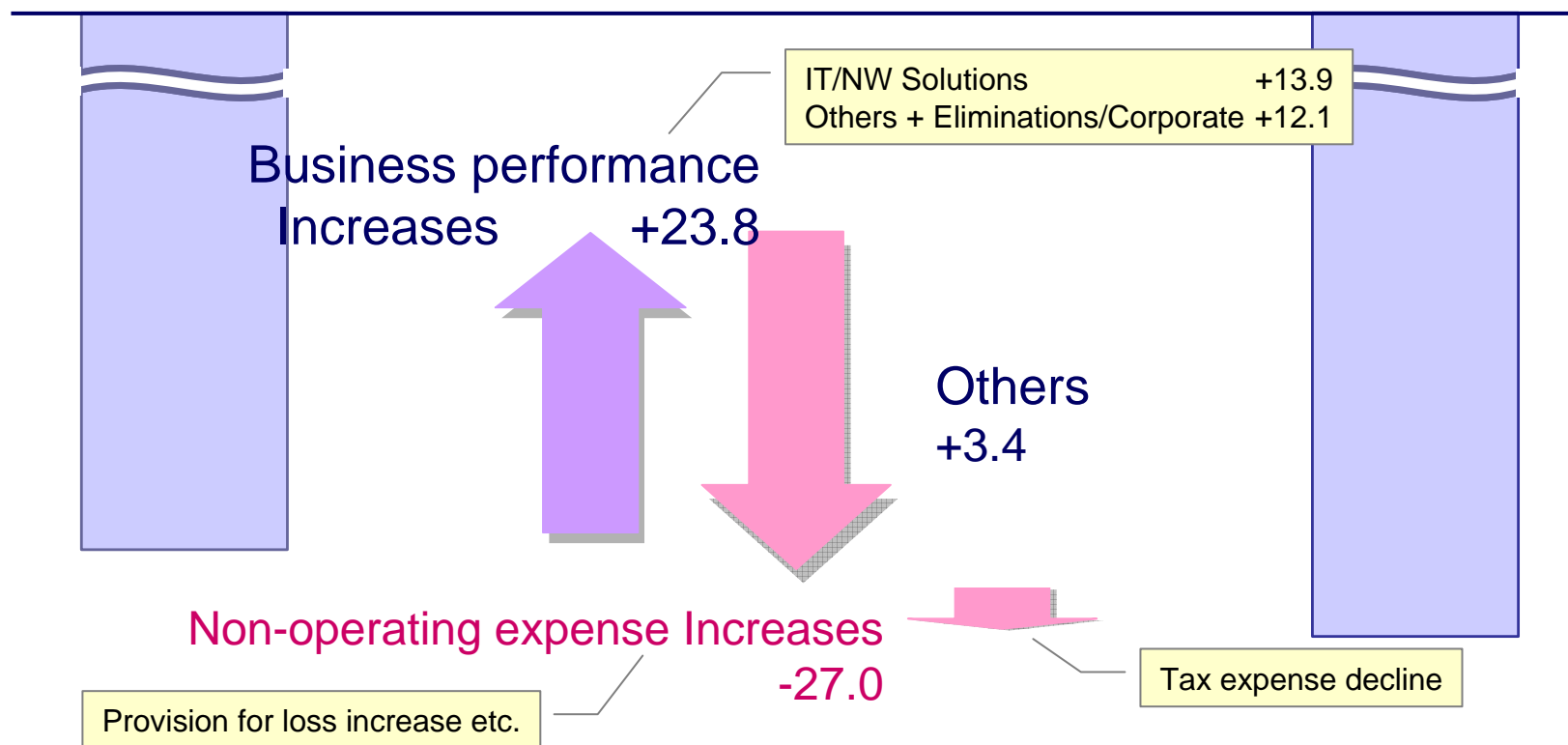
(Billions of yen)

Jan. 30 Forecast

-290.0

Actual

-296.6



Ref. Segment Information

(Billions of yen)		FY08/3		FY09/3		FY10/3	
		First Half Actual	Full Year Actual	First Half Actual	Full Year Actual	First Half Forecast	Full Year Forecast
IT Service/SI IT Products Network Systems Social Infrastructure	Sales	364.8	832.5	375.4	824.5	345.0	780.0
		257.4	606.8	271.5	574.0	215.0	520.0
		514.3	1,086.0	492.2	1,004.6	390.0	870.0
		137.6	340.9	137.2	320.8	100.0	280.0
IT/NW Solutions	Sales	1,274.1	2,866.2	1,276.3	2,723.9	1,050.0	2,450.0
	Oper.Income/Loss to sales	35.2 2.8%	160.6 5.6%	33.4 2.6%	124.9 4.6%	11.0 1.0%	125.0 5.1%
	Mobile Terminals Personal Solutions	150.4 261.3	340.3 532.6	181.2 249.7	348.1 462.2	145.0 195.0	295.0 415.0
Mobile/Personal Solutions	Sales	411.7	872.9	430.9	810.3	340.0	710.0
	Oper.Income/Loss to sales	8.1 2.0%	23.2 2.7%	-1.1 -0.3%	-7.9 -1.0%	1.0 0.3%	14.0 2.0%
Electron Device	Sales	420.6	830.9	396.8	652.8	245.0	550.0
	Oper.Income/Loss to sales	1.4 0.3%	7.4 0.9%	0.4 0.1%	-79.3 -12.1%	-29.0 -11.8%	-5.0 -0.9%
Others/Elimination etc.	Sales	34.2	47.2	23.8	28.6	15.0	20.0
	Oper.Income/Loss	-17.3	-34.4	-19.3	-43.8	-23.0	-34.0
Total	Sales	2,140.6	4,617.2	2,127.8	4,215.6	1,650.0	3,730.0
	Oper.Income/Loss	27.4	156.8	13.4	-6.2	-40.0	100.0
	to sales	1.3%	3.4%	0.6%	-0.1%	-2.4%	2.7%

* Forecast as of May 12, 2009