Financial Results for Fiscal Year Ended March 31, 2011

May 10, 2011
NEC Corporation
(http://www.nec.co.jp/ir/en)
Index

I. Financial Results for FY11/3
II. Management Policy for FY12/3
III. Measures for Mid-term Growth Plan V2012

- Financial Results for FY11/3 (Appendix)
- Financial Forecasts for FY12/3 (Appendix)
- Mid-term Growth Plan “V2012” Progress
- Reference (Financial data)
Impact of the Great East Japan Earthquake

All quake-stricken manufacturing facilities* restarted on 23rd Mar

- Expanding production and securing supply systems

Just after the earthquake
NEC Network Products
(former NEC Wireless Networks)
《Fukushima, Fukushima Pref.》

Restart on 14th Mar
Assembly/inspection line

On 14th Mar
Production line

NEC Network Products
(former NEC Tohoku)
《Ichinoseki, Iwate Pref.》

Restart on 23rd Mar
Production line

* NEC Network Products (Headquarters, Ichinoseki Plant), NEC Infrontia Tohoku, NEC Tokin
I. Financial Results for FY11/3
## Summary of Financial Results for FY11/3

- Operating profit was in line with the previous forecasts
- However, net loss was recorded due to larger investment loss from the equity method

<table>
<thead>
<tr>
<th></th>
<th>FY10/3 Actual</th>
<th>FY11/3 Actual</th>
<th>YoY</th>
<th>Difference from February 25 Forecasts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>3,583.1</td>
<td>3,115.4</td>
<td>-13.1%</td>
<td>-84.6</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>50.9</td>
<td>57.8</td>
<td>6.9%</td>
<td>-2.2</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>1.4%</td>
<td>1.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td>49.4</td>
<td>0.0</td>
<td>-49.4%</td>
<td>-10.0</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>1.4%</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income/Loss</strong></td>
<td>11.4</td>
<td>-12.5</td>
<td>-23.9%</td>
<td>-12.5</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>0.3%</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income/Loss per Share (Yen)</strong></td>
<td>5.04</td>
<td>-4.82</td>
<td>-9.86</td>
<td>-4.82</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>93.6</td>
<td>-112.6</td>
<td>-206.2</td>
<td></td>
</tr>
</tbody>
</table>

*Note: Average exchange rates for FY11/3: 1$= ¥86.45, 1€= ¥113.83*
Results for FY11/3 by Segment

### Net Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY09/3</th>
<th>FY10/3</th>
<th>FY11/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Services</td>
<td>933.8</td>
<td>3,583.1</td>
<td>3,115.4</td>
</tr>
<tr>
<td>Platform</td>
<td>469.4</td>
<td>866.3</td>
<td>804.2</td>
</tr>
<tr>
<td>Carrier Network</td>
<td>807.0</td>
<td>373.7</td>
<td>605.4</td>
</tr>
<tr>
<td>Social Infrastructure</td>
<td>340.4</td>
<td>627.4</td>
<td>375.8</td>
</tr>
<tr>
<td>Personal Solutions</td>
<td>848.4</td>
<td>316.6</td>
<td>318.8</td>
</tr>
<tr>
<td>Others</td>
<td>816.7</td>
<td>737.7</td>
<td>766.5</td>
</tr>
</tbody>
</table>

### Operating Income/Loss

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY09/3</th>
<th>FY10/3</th>
<th>FY11/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Services</td>
<td>51.8</td>
<td>53.2</td>
<td>57.8</td>
</tr>
<tr>
<td>Platform</td>
<td>11.5</td>
<td>40.7</td>
<td></td>
</tr>
<tr>
<td>Carrier Network</td>
<td>51.6</td>
<td>21.7</td>
<td></td>
</tr>
<tr>
<td>Social Infrastructure</td>
<td>-14.2</td>
<td>-1.7</td>
<td>-33.2</td>
</tr>
<tr>
<td>Personal Solutions</td>
<td>-87.1</td>
<td>-44.9</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-27.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eliminations/Unclassifiable expenses</td>
<td>-27.7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Sales Change (Year on Year)

FY10/3
3,583.1

- Delayed recovery in domestic IT investments, decrease in large scale projects
- Decrease in hardware, solid growth in software
- Decrease in Aerospace and Defense, increase in social systems

FY11/3
3,115.4

- Personal Solutions
  +28.8 (+3.9%)
- Carrier Network
  -22.0 (-3.5%)
- Social Infrastructure
  +2.2 (+0.7%)
- Platform
  +2.1 (+0.6%)
- IT Services
  -62.1 (-7.2%)
- Others
  -416.6

- Deconsolidation of semiconductor business
- Synergy effects from merger of mobile terminal businesses, solid growth in display business

Decrease in Wireless Overseas mainly in mobile backhaul areas

Difference from Feb. 25 Forecasts

-25.8
-34.6
-13.5
-15.3
-22.0
+28.8
+2.2
+3.8
-62.1
-416.6
Operating Income Change (Year on Year)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY10/3</th>
<th>FY11/3</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Services</td>
<td>50.9</td>
<td>57.8</td>
<td>7.9</td>
</tr>
<tr>
<td>Carrier Network</td>
<td>-31.8</td>
<td>-23.2</td>
<td>8.6</td>
</tr>
<tr>
<td>Platform</td>
<td>+10.6</td>
<td>+16.3</td>
<td>+5.7</td>
</tr>
<tr>
<td>Social Infrastructure</td>
<td>+9.4</td>
<td>+8.3</td>
<td>-1.1</td>
</tr>
<tr>
<td>Personal Solutions</td>
<td>-20.8</td>
<td>-22.5</td>
<td>-1.7</td>
</tr>
<tr>
<td>Eliminations/Unclassifiable</td>
<td>-5.6</td>
<td>+3.8</td>
<td>+9.4</td>
</tr>
<tr>
<td>expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deconsolidation of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>semiconductor business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Differences from Feb. 25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forecasts</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Change Breakdown:**
- **Improvement:**
  - Improved profit from sales recovery in 2H (+10.6)
  - High profit project in the previous fiscal year (+9.4)
  - Continuous cost reduction efforts, improved development efficiency (+0.9)
- **Decrement:**
  - Decrease in sales, severe price competition, loss-making projects (-31.8)
  - Deconsolidation of semiconductor business (-5.6)
  - Sluggish sales of feature phones, increase in R&D for new devices (-20.8)

**Results:**
- **FY11/3 Results:** 57.8 (Billions of Yen)
### Key Points of FY11/3 Results by Segment (Year on Year)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Observations</th>
</tr>
</thead>
</table>
| **IT Services**  | • Delayed recovery in domestic IT investments, decrease in large scale projects  
                   • Lower profits due to decrease in sales, severe price competition, loss-making projects  
                   ✔️                                                                 |
| **Platform**     | • Increase in sales due to solid growth in software, despite decrease in hardware  
                   • Higher profits from continuous cost reduction efforts and improved development efficiency |
| **Carrier Network** | • Decrease in sales due to decrease in wireless overseas, mainly in mobile backhaul areas  
                        • Higher profits from sales recovery in 2H (WBA*, submarine cable systems)  
                        ✔️                                                                 |
| **Social Infrastructure** | • Flat sales due to increase in social systems, offset by a decrease in aerospace and defense  
                           • Lower profit compared with the previous fiscal year with high profit projects |
| **Personal Solutions** | • Increase in sales due to synergy effects from merger of mobile terminal business and solid growth for display  
                           • Stagnant sales of feature phones and larger R&D for new devices  
                           ✔️                                                                 |
| **Others**       | • Decrease in sales due to deconsolidation of semiconductor business  
                   • Higher profits from deconsolidation of loss making semiconductor business |

* WBS: Wireless Broadband Access, including LTE and femtocell

Note: First bullets in the tables refer to changes in sales, second bullets refer to changes in profits
Net Income/Loss Change (Year on Year)

FY10/3
11.4

FY11/3
-12.5

Larger investment loss from the equity method,
Reversal of provision for contingent loss from the previous fiscal year

Larger non-operating loss
-56.3
-7.8

Others
+52.2
Platform
+10.6
Carrier Network
+9.4
Eliminations/Unclassifiable expense
-5.6
Social Infrastructure
-7.1
Personal Solutions
-20.8
IT Services
-31.8

Improvement in operating income
+6.9
-2.2

Others
+25.6

Decrease in tax payments
-2.5

Difference from Feb. 25 Forecasts

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Empowered by Innovation
Challenges and Accomplishments

Challenging performance with downward revisions on year-start forecasts, net loss and passed dividends

- Slower than estimated recovery in domestic IT investments, lower profitability in IT services
- Stagnant investments among global telecom carriers
- Sluggish sales of feature phones, and slow entry to smartphones

Measures to reinforce business competitiveness

- Announcement of strategic alliance with Lenovo Group in PC business

Challenges to tackle V2012 focus areas, “Implementation of C&C Cloud Services”, “Expansion of Global Businesses” and “Creation of New Businesses”, with speed
II. Management Policy for FY12/3
Management Policy for FY12/3

Creating and gaining new business opportunities to expand global businesses

- Provide total solutions, leveraging NEC’s strengths in cloud services
- Accelerate global business expansion through collaboration with partners in emerging countries
- Create new businesses which will follow batteries and new devices

Improving quality and enhancing cost efficiency to maximize profits

- Implement cost reduction measures and control quality related expenses
- Slash selling and general administrative expenses by enhancing back-office efficiency

One NEC to promote “outward” and “inward” efforts, and realize operating profit target* of 90B yen, and net profit target* of 15B yen through operation with speed

*Forecasts as of May 10, 2011
**Summary of Financial Forecast for FY12/3**

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>FY11/3 Actual</th>
<th>FY12/3 Forecast(*)</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>3,115.4</td>
<td>3,300.0</td>
<td>5.9%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>57.8</td>
<td>90.0</td>
<td>32.2%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>1.9%</td>
<td>2.7%</td>
<td></td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>0.0</td>
<td>55.0</td>
<td>55.0%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>0.0%</td>
<td>1.7%</td>
<td></td>
</tr>
<tr>
<td>Net Income/Loss</td>
<td>-12.5</td>
<td>15.0</td>
<td>27.5%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>-</td>
<td>0.5%</td>
<td></td>
</tr>
<tr>
<td>Net Income/Loss per Share(yen)</td>
<td>-4.82</td>
<td>5.77</td>
<td>10.59</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>-112.6</td>
<td>0.0</td>
<td>112.6</td>
</tr>
</tbody>
</table>

Note: Assumed exchange rates for FY12/3 1$=¥80, 1€=¥110

*Forecasts as of May 10, 2011*
Financial Forecasts for FY12/3 by Segment

**Net Sales**

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY10/3</th>
<th>FY11/3</th>
<th>FY12/3 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Services</td>
<td>866.3</td>
<td>804.2</td>
<td>810.0</td>
</tr>
<tr>
<td>Platform</td>
<td>373.7</td>
<td>375.8</td>
<td>400.0</td>
</tr>
<tr>
<td>Carrier Network</td>
<td>627.4</td>
<td>605.4</td>
<td>760.0</td>
</tr>
<tr>
<td>Social Infrastructure</td>
<td>316.6</td>
<td>605.4</td>
<td>760.0</td>
</tr>
<tr>
<td>Personal Solutions</td>
<td>737.7</td>
<td>318.8</td>
<td>325.0</td>
</tr>
<tr>
<td>Others</td>
<td>661.4</td>
<td>766.5</td>
<td>765.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,583.1</td>
<td>3,115.4</td>
<td>3,300.0</td>
</tr>
</tbody>
</table>

**Operating Income/Loss** (Billions of Yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY10/3</th>
<th>FY11/3</th>
<th>FY12/3 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Services</td>
<td>53.2</td>
<td>21.4</td>
<td>57.8</td>
</tr>
<tr>
<td>Carrier Network</td>
<td>31.3</td>
<td>40.7</td>
<td>57.0</td>
</tr>
<tr>
<td>Social Infrastructure</td>
<td>21.7</td>
<td>14.6</td>
<td>15.0</td>
</tr>
<tr>
<td>Personal Solutions</td>
<td>18.9</td>
<td>7.3</td>
<td>15.0</td>
</tr>
<tr>
<td>Platform</td>
<td>1.7</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Eliminations/Unclassifiable expenses</td>
<td>-44.9</td>
<td>-33.2</td>
<td>-50.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>50.9</td>
<td>14.0</td>
<td>90.0</td>
</tr>
</tbody>
</table>

*Forecasts as of May 10, 2011*
### Sales Change (Year on Year)

#### FY11/3
- **IT Services**: +5.8 (+0.7%)
- **Platform**: +24.2 (+6.4%)
- **Carrier Network**: +154.6 (+25.5%)
- **Personal Solutions**: -1.5 (-0.2%)
- **Social Infrastructure**: +6.2 (+1.9%)
- **Others**: -4.7

#### FY12/3 Forecasts
- **Forecast**: 3,300.0

**Increase in sales from cloud related business such as data center services, and energy saving**

**Increase in sales from wireless broadband access, submarine cable systems, mobile backhaul, and network software**

**Strong demand in social systems, mainly in broadcasting, and fire and disaster preventions**

**Deconsolidation of consumer PCs, increase in smartphones**

**Expand new solutions for cloud services, exploit global markets**

*Forecasts as of May 10, 2011*
Operating Income Change (Year on Year)

FY11/3 57.8

FY12/3 Forecasts

Forecast 90.0

*Forecasts as of May 10, 2011*
## Key Points of FY12/3 Outlook by Segment (Year on Year)

### IT Services
- Reinforce new cloud solutions, sales expansion in global businesses
- **Improve profits by controlling loss-making projects and enhancing production and quality**

### Platform
- Increase in sales from cloud related business such as datacenter services, and energy saving
- Higher profits from sales increase and continuous cost reduction efforts

### Carrier Network
- Increase in sales from WBA*, submarine cable systems, mobile backhaul and network software
- **Higher profits from sales increase due to improved break even point**

### Social Infrastructure
- Increase in sales for social systems including broadcasting, and fire and disaster preventions
- Higher sales from sales increase and lower costs

### Personal Solution
- Flat sales from increase in smartphones, offset by deconsolidation of consumer PC business
- **Higher profits from improved profitability for mobile terminals**

### Others
- Decrease in sales from deconsolidation of LCD module business, despite expansion of battery business
- Lower profits from sales decrease

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*WBS: Wireless Broadband Access, including LTE and femtocell

**Note:** First bullets in the tables refer to changes in sales, second bullets refer to changes in profits
IT Services Business

ús

(Billions of Yen)

YoY

Expand Sales
- Expansion of cloud services
  - Core systems by industry
  - Create new services by collaborating with customers
  - Provide one stop solution for mid to small businesses
- Proposal for Disaster Recovery solutions
  - Review BCP, Datacenter services, Telework, Sharing-type business services, wide-range cooperation between local governments and medical services, Review Global SCM
- Development of global businesses
  - Expand competitive solutions in 5 regions (Public Safety, Healthcare, Signage, POS etc)
  - Support Japanese company with IFRS and enhancing group governance

Improve Profitability
- Control loss-making projects
- Enhance SI innovation and service delivery (utilizing SW factory)

Sales

804.2

810.0

+0.7%

Operating Income

21.4

33.0

FY11/3

FY12/3 Forecast

*Forecasts as of May 10, 2011

FY12/3 Forecasts

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Carrier Network Business

 FY12/3 Forecasts

(Billions of Yen)

Sales
605.4
760.0 +25.5%
Operating Income
40.7
57.0
FY11/3
FY12/3 Forecast

FY12/3 Key Measures

- Sales expansion of new products released in FY11/3 and solid execution of projects already in hand
  - LTE, iPASOLINK, Femtocell
  - Submarine cable system projects

- Winning end-to-end business opportunities from data traffic expansion
  - Wireless broadband access, mobile backhaul, network software, submarine cable systems

- Creation and early launch of new businesses
  - M2M, smartphone solutions, energy
  - Cloud services for telecom carriers

*Forecasts as of May 10, 2011

M2M: Machine to machine
Personal Solutions Business

FY12/3 Forecasts

FY12/3 Key Measures

<table>
<thead>
<tr>
<th>Business expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Business expansion of smartphones</td>
</tr>
<tr>
<td>- Stronger and competitive product lines with thin and toughness technology, cost competitiveness with global model development, business development of smartphone business in Japan and overseas by regionalization approach</td>
</tr>
<tr>
<td>- Starting up of tablet device business</td>
</tr>
<tr>
<td>- Provide competitive tablet devices coupled with services</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Improve profitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Increase overall sales</td>
</tr>
<tr>
<td>- Reduce costs and streamline development in mobile terminals</td>
</tr>
</tbody>
</table>

*Forecasts as of May 10, 2011*

**Sales**
- Mobile Terminals: 303.5
- PC and Others: 463.0
- Total: 766.5

**Operating Income/loss**
- Mobile Terminals: 392.0 (+29.2% YoY)
- PC and Others: 373.0 (-19.4% YoY)
- Total: 15.0

FY11/3 FY12/3 Forecast

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Net Income/Loss Change (Year on Year)

FY11/3  -12.5

Personal Solutions  +16.9
Carrier Network  +16.3
IT Services  +11.6
Platform  +5.1
Social Infrastructure  +0.4
Others  -1.3
Eliminations/unclassifiable expense  -16.8

Improvement in non-operating income/loss  +22.8

Improvement in operating income  +32.2

Narrower investment loss from the equity method

Increase in tax payments

Others  -27.5

FY12/3 Forecast  15.0

*Forecasts as of May 10, 2011
III. Measures for Mid-term Growth Plan
V2012
FY12/3 Business Environment

- **Smartphone boom**
  - Traffic upsurge
  - High value added services/spread of corresponding applications

- Explosive increase of data processing in cloud computing due to digitalized information
  - Stronger needs for “collecting”, “processing”, and “visualization” of information
  - Creation of new businesses across industry sectors by using analyzed data

- Realize “Any place, Any time”, “Real time” cloud services via cloud devices, connecting people and material goods in cloud computing

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IT Services  |  Personal Solutions  |  Social Infrastructure

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Further Development in Cloud Services

Deliver “Mobile Cloud Services” with RFID and “Cloud Work Style” with cloud services, connected everywhere via Cloud Devices

Mobile Cloud Services
- Attendance management AP
- Support management AP
- SFA
- Cloud for business operations

C&C Cloud Work Style
- ID Management Server
- Cloud Desktop service
- Cloud Printing service
- Cloud Devices
- ID Management Server
- Cloud for business operations

BitGate
ID Management Server

RFID mobile phones
RFID tags

Employee ID card + Password

Employee ID card + Password
Development of new devices and vertical integration business

**Offer tablet devices to support various needs by enhancing NEC’s unique “Only One” products and all-purpose products**

- Business status*: Approximately 200 cases under negotiation, focusing on five areas

<table>
<thead>
<tr>
<th>Market</th>
<th>Industry</th>
<th>Proposed solutions and services</th>
</tr>
</thead>
<tbody>
<tr>
<td>e-books/Newspaper</td>
<td>Publishing/Printing/Book store/Carrier</td>
<td>E-books/Newspaper service</td>
</tr>
<tr>
<td>Education</td>
<td>Learning, Coaching school, school</td>
<td>E-learning</td>
</tr>
<tr>
<td>Electric Power/Houses</td>
<td>Power, energy/houses, housing</td>
<td>HEMS/Home electronics/Home security</td>
</tr>
<tr>
<td>Distribution/Retail</td>
<td>Mail order/Department store/Supermarket</td>
<td>Net-shopping/Coupon/Catalog</td>
</tr>
<tr>
<td>Living support</td>
<td>Medical/Health/Local governments/CATV</td>
<td>Photo frame/Remote monitoring/Healthcare/Remote medical care</td>
</tr>
</tbody>
</table>

*As of May 10, 2011
Expansion of smartphones by using NEC’s strengths

Expand global business leveraging NEC’s own thin and light technology and toughness technology from CHMC

**NEC’s Strength**

- **Thin and light technology**
  - Based on feature phone business

- **Toughness technology**
  - By merger effect with CHMC
    - (Waterproof, Dust-proof, Toughness)

**Expand Channel by merger effect with CHMC**

1. **NTT Docomo**
2. **KDDI**
3. **Softbank Mobile**
4. **Verizon Wireless**
5. **Other global carriers**
   - (North America, Europe)

**Steps to expand global businesses**

- **First step (-FY2012)**
  - Enter global market with competitive differentiated products
    - (slimness, toughness, and waterproofed)

- **Second step (FY2012-)**
  - Expand business in the global market with volume

**CHMC**: Casio Hitachi Mobile Communications
Established new regional headquarters for Latin America in Brazil on April 2011

- Speedy business operations
  - Competence center for Femtocell in London
  - Competence center for Carrier Cloud in Spain
  - NEC Biometrics Excellence Center in Bangalore, India
  - Competence center for public safety solutions in Singapore

- Clarification of responsibility and authority
  - Aggregate customer needs in each region and provide solutions from Japan
  - Expand business knowhow from the competence center to each region
  - Competence center for public safety solutions in Argentina
  - NEC Latin America in Sao Paulo, Brazil.

Accelerating efforts with One NEC formation in 5 regions.
The world of “C&C Cloud”

Digitization of all information

Data

Services for Carriers

Services for Enterprises

Services for Consumers

Services for Governments

IT Platform/Network

Mobile Cloud Services
through various terminals and devices

An information society friendly to humans and the earth
Summary of FY12/3 Objectives

- Noting that FY12/3 results will affect the outcome of V2012 mid-term growth plan, operate with speed and intensity
- Challenge to create and gain new business opportunities toward global business expansion
- Reinforce business structure to maximize profits

To achieve and overcome FY12/3 targets*
(Operating profit target 90B yen, net profit target 15B yen)

*Forecasts as of May 10, 2011
Efforts to Accelerate Post-quake Reconstruction

NEC Group is aspired to carry out actions

“To realize an information society friendly to humans and the earth”

<table>
<thead>
<tr>
<th>Disaster Recovery PJ</th>
<th>Energy Recovery PJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support continuance of businesses through NEC’s IT platforms, network, solutions including sensors and devices, and cloud services</td>
<td>Contribute to energy saving measures through NEC’s battery, energy management, and knowhow of energy saving products</td>
</tr>
</tbody>
</table>

NEC Group is dedicated to realize a “safe and secure”, “energy-efficient” society, by working with our customers, through ICT technology and C&C cloud.
Financial Results for FY11/3 (Appendix)
Summary of Financial Results for FY11/3

<table>
<thead>
<tr>
<th></th>
<th>Q4 (January to March)</th>
<th>Full Year</th>
<th>Difference from Feb 25</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY10/3 Actual</td>
<td>FY11/3 Actual</td>
<td>YoY</td>
</tr>
<tr>
<td>Net Sales</td>
<td>1,104.1</td>
<td>925.5</td>
<td>-16.2%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>96.1</td>
<td>70.2</td>
<td>-25.9%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>8.7%</td>
<td>7.6%</td>
<td></td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>105.7</td>
<td>49.3</td>
<td>-56.5%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>9.6%</td>
<td>5.3%</td>
<td></td>
</tr>
<tr>
<td>Net Income/Loss</td>
<td>64.6</td>
<td>41.1</td>
<td>-23.6%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>5.9%</td>
<td>4.4%</td>
<td></td>
</tr>
<tr>
<td>Net Income/Loss per Share (yen)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>168.5</td>
<td>81.9</td>
<td>-86.6%</td>
</tr>
</tbody>
</table>

(Ref): Average exchange rate for Q4 (Jan-Mar) of FY11/3 1$= ¥82.88, 1€= ¥111.13
Average exchange rate for full year of FY11/3 1$= ¥86.45, 1€= ¥113.83
(Assumed exchange rate for Q4 of FY11/3 1$=¥80, 1€=¥110)
## Results for FY11/3 by Segment

### Q4 (January to March) and Full Year

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q4 (January to March)</th>
<th>Full Year</th>
<th>Difference from Feb 25</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY10/3 Actual</td>
<td>FY11/3 Actual</td>
<td>YoY</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT Services</td>
<td>301.5</td>
<td>262.2</td>
<td>-13.0%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>40.2</td>
<td>24.5</td>
<td>-15.7%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>13.3%</td>
<td>9.3%</td>
<td></td>
</tr>
<tr>
<td>Platform</td>
<td>120.6</td>
<td>116.5</td>
<td>-3.4%</td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>12.1</td>
<td>12.4</td>
<td>0.4%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>10.0%</td>
<td>10.7%</td>
<td></td>
</tr>
<tr>
<td>Carrier Network</td>
<td>175.9</td>
<td>188.7</td>
<td>7.3%</td>
</tr>
<tr>
<td>Net Sales</td>
<td>16.9</td>
<td>27.9</td>
<td>11.0%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>9.6%</td>
<td>14.8%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>15.1%</td>
<td>8.8%</td>
<td></td>
</tr>
<tr>
<td>Social Infrastructure</td>
<td>122.2</td>
<td>114.3</td>
<td>-6.4%</td>
</tr>
<tr>
<td>Net Sales</td>
<td>18.4</td>
<td>10.1</td>
<td>-8.3</td>
</tr>
<tr>
<td>Operating Income</td>
<td>15.1%</td>
<td>8.8%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>14.1%</td>
<td>3.6%</td>
<td></td>
</tr>
<tr>
<td>Personal Solutions</td>
<td>198.7</td>
<td>181.5</td>
<td>-8.7%</td>
</tr>
<tr>
<td>Net Sales</td>
<td>7.2</td>
<td>-3.2</td>
<td>-10.4</td>
</tr>
<tr>
<td>Operating Income</td>
<td>3.6%</td>
<td>-3.6%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>3.6%</td>
<td>-3.6%</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>185.2</td>
<td>62.3</td>
<td>-66.3%</td>
</tr>
<tr>
<td>Net Sales</td>
<td>0.4</td>
<td>2.9</td>
<td>4.7%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>0.2%</td>
<td>4.7%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>0.2%</td>
<td>4.7%</td>
<td></td>
</tr>
<tr>
<td>Eliminations/ Unclassifiable expenses</td>
<td>0.9</td>
<td>-4.5</td>
<td>-5.4</td>
</tr>
<tr>
<td>Operating Income</td>
<td>0.9</td>
<td>-4.5</td>
<td>-5.4</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>0.9%</td>
<td>-4.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,104.1</td>
<td>925.5</td>
<td>-16.2%</td>
</tr>
<tr>
<td>Net Sales</td>
<td>96.1</td>
<td>70.2</td>
<td>-25.9</td>
</tr>
<tr>
<td>Operating Income</td>
<td>8.7%</td>
<td>7.6%</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>8.7%</td>
<td>7.6%</td>
<td></td>
</tr>
</tbody>
</table>

(Billions of Yen)
Sales Proportion By Segment

- **IT Services**: 26%
- **Platform**: 12%
- **Carrier Network**: 19%
- **Social Infrastructure**: 10%
- **Personal Solutions**: 25%
- **Others**: 8%

Sales for FY11/3: ¥3,115.4 Billion
IT Services Business

<table>
<thead>
<tr>
<th>Q4</th>
<th>Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Sales</td>
</tr>
<tr>
<td>FY09/3 &lt;Jan-Mar&gt;</td>
<td>FY10/3 &lt;Jan-Mar&gt;</td>
</tr>
<tr>
<td>Sales</td>
<td>326.8</td>
</tr>
<tr>
<td>Operating Income</td>
<td>40.2</td>
</tr>
<tr>
<td>Operating margin ratio</td>
<td>12.3%</td>
</tr>
<tr>
<td>Operating margin ratio</td>
<td>5.6%</td>
</tr>
<tr>
<td>FY09/3 &lt;Jan-Mar&gt;</td>
<td>FY10/3 &lt;Jan-Mar&gt;</td>
</tr>
<tr>
<td>Sales</td>
<td>933.8</td>
</tr>
<tr>
<td>Operating Income</td>
<td>51.8</td>
</tr>
<tr>
<td>Operating margin ratio</td>
<td>-7.2%</td>
</tr>
</tbody>
</table>

(Billions of Yen)

YoY

Page 37 © NEC Corporation 2011 Empowered by Innovation
IT Services Business

<table>
<thead>
<tr>
<th>Sales</th>
<th>804.2</th>
<th>(-7.2%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SI Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease due to delay in the recovery of IT investments in Japan and decrease in large-scale overseas projects, despite making efforts to propose solutions to expand customers’ sales and solve business challenges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outsourcing/ Support Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stable sales by expanding SaaS menu and the cloud services business</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Income</th>
<th>21.4</th>
<th>(-31.8)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decline due to sales decrease, an increase in investment for expanding service/global businesses and loss-making projects</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Platform Business

Sales 375.8 (YoY) (+0.6%) (Billions of Yen)

△ Software:
Increase in system integration through virtualization, and cloud computing platform for enterprise, government and datacenter

▼ Hardware:
Decline due to downward trend in system renewal cycles, despite an increase in UNIX servers and IA servers

▲ Enterprise Network:
Remain flat from the previous year by focusing on areas where customers invest aggressively (e.g. cost savings solutions) and accomplishment of large scale projects, despite exchange rate fluctuations

Operating Income 8.9 (+10.6)

△ Turn a profit due to continual cost reduction efforts and improvement of development efficiency
Carrier Network Business

**FY11/3 Results**

**Q4**
- Operating Margin Ratio: 8.8% (9.6%)
- Sales: 232.6

**Full Year**
- Operating Margin Ratio: 6.4% (6.7%)
- Sales: 807.0

<table>
<thead>
<tr>
<th></th>
<th>FY09/3 &lt;Jan-Mar&gt;</th>
<th>FY10/3 &lt;Jan-Mar&gt;</th>
<th>FY11/3 &lt;Jan-Mar&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>204</td>
<td>16.9</td>
<td>27.9</td>
</tr>
<tr>
<td>Operating Income</td>
<td>-24.4%</td>
<td>+7.3%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY09/3</th>
<th>FY10/3</th>
<th>FY11/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>627.4</td>
<td>31.3</td>
<td>40.7</td>
</tr>
<tr>
<td>Operating Income</td>
<td>-22.3%</td>
<td>-3.5%</td>
<td></td>
</tr>
</tbody>
</table>
## Carrier Network Business

<table>
<thead>
<tr>
<th>Sales</th>
<th>605.4 (YoY -3.5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>△ Increase in sales in Japan, due to CATV projects with supplementary budgets and sales expansion in wireless broadband access businesses for LTE and Femtocell</td>
<td></td>
</tr>
<tr>
<td>▼ Delay of some submarine cable system projects in hand to next term</td>
<td></td>
</tr>
<tr>
<td>▼ Decrease in sales due to exchange rate fluctuations and slower recovery in markets, despite introduction of new full-IP PASOLINK products</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Income</th>
<th>40.7 (+9.4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>△ Sales and profits turned upward in 2H, leading to increase in overall sales and profits for the full year</td>
<td></td>
</tr>
</tbody>
</table>
Social Infrastructure Business

Q4

Sales
124.7
122.2
114.3

Operating Income
6.9
18.4
10.1

Operating Margin Ratio
5.5%
-2.0%
-6.4%
15.1%
8.8%

Full Year

Sales
340.4
316.6
318.8

Operating Income
7.9
21.7
14.6

Operating Margin Ratio
2.3%
6.9%
4.6%

FY09/3 <Jan-Mar>
FY10/3 <Jan-Mar>
FY11/3 <Jan-Mar>

FY09/3
FY10/3
FY11/3

YoY
-2.0%
-6.4%
-7.0%
+0.7%

(Billions of Yen)
Social Infrastructure Business

Sales

318.8 (+0.7%) (Billions of Yen)

△ Remain flat from the previous year due to an increase in social systems such as transportation and fire prevention offset by a decrease in aerospace and defense systems

Operating Income

14.6 (-7.1) (Billions of Yen)

▽ Decrease from the previous year, where there were high profit projects, and an increase in initial costs for strengthening framework despite enhancing cost reduction activities such as project management
Personal Solutions Business

FY11/3 Results

(Billions of Yen)

Operating Margin Ratio

Q4

<table>
<thead>
<tr>
<th>Mobile Terminals</th>
<th>Sales</th>
<th>Operating Income/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY09/3 &lt;Jan-Mar&gt;</td>
<td>75.1</td>
<td>+15.5%</td>
</tr>
<tr>
<td>FY10/3 &lt;Jan-Mar&gt;</td>
<td>66.1</td>
<td>+12.0%</td>
</tr>
<tr>
<td>FY11/3</td>
<td>67.8</td>
<td>+2.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PC and Others</th>
<th>Sales</th>
<th>Operating Income/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY09/3 &lt;Jan-Mar&gt;</td>
<td>114.8</td>
<td>-7.8</td>
</tr>
<tr>
<td>FY10/3 &lt;Jan-Mar&gt;</td>
<td>132.6</td>
<td>-14.3%</td>
</tr>
<tr>
<td>FY11/3</td>
<td>113.7</td>
<td>-3.2</td>
</tr>
</tbody>
</table>

Full Year

<table>
<thead>
<tr>
<th>Mobile Terminals</th>
<th>Sales</th>
<th>Operating Income/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY09/3</td>
<td>348.1</td>
<td>-18.8%</td>
</tr>
<tr>
<td>FY10/3</td>
<td>282.5</td>
<td>-9.0%</td>
</tr>
<tr>
<td>FY11/3</td>
<td>303.5</td>
<td>+1.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PC and Others</th>
<th>Sales</th>
<th>Operating Income/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY09/3 &lt;Jan-Mar&gt;</td>
<td>500.3</td>
<td>-14.2</td>
</tr>
<tr>
<td>FY10/3 &lt;Jan-Mar&gt;</td>
<td>455.2</td>
<td>+3.9%</td>
</tr>
<tr>
<td>FY11/3</td>
<td>463.0</td>
<td>-1.9</td>
</tr>
</tbody>
</table>

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Personal Solutions Business

Sales 766.5 (YoY +3.9%)

△ Mobile Terminals:
Increase due to synergy effects from business integration, despite sluggish sales of feature phones

△ PC and Others:
Increase from overseas business, such as public displays and digital cinema projectors, despite lower sales from price declines in PCs

Operating Loss -1.9 (-20.8)

▼ Decrease due to higher development costs for smartphones and new devices, in addition to sluggish sales of feature phones
Others

**Q4**

- **Sales**
  - FY09/3: 133.6
  - FY10/3: 185.2
  - FY11/3: 816.7

- **Operating Income/Loss**
  - FY09/3: -65.2
  - FY10/3: 0.4
  - FY11/3: 2.9

- **Operating margin ratio**
  - FY09/3: -48.8%
  - FY10/3: 0.2%
  - FY11/3: 4.7%

**Full Year**

- **Sales**
  - FY09/3: 816.7
  - FY10/3: 661.4
  - FY11/3: 244.7

- **Operating Income/Loss**
  - FY09/3: -87.1
  - FY10/3: -44.9
  - FY11/3: 7.3

- **Operating margin ratio**
  - FY09/3: -19.0%
  - FY10/3: -6.8%
  - FY11/3: 3.0%

**YoY**

- Sales: 63.0%
- Operating margin ratio: 3.0%
Others

**Sales** 244.7 (YoY) (-63.0%)
- Decrease due to deconsolidation of NEC Electronics (current Renesas Electronics)

**Operating Income** 7.3 (+52.2)
- Improve due to deconsolidation of NEC Electronics (current Renesas Electronics) which recorded operating loss in the previous year
<Ref.> Financial Positions

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>End of Mar 2010</th>
<th>End of Mar 2011</th>
<th>Difference from Mar 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>2,937.6</td>
<td>2,628.9</td>
<td>-308.7</td>
</tr>
<tr>
<td>Net Assets</td>
<td>931.9</td>
<td>875.4</td>
<td>-56.5</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>729.5</td>
<td>675.8</td>
<td>-53.8</td>
</tr>
<tr>
<td>Shareholder's Equity</td>
<td>790.9</td>
<td>757.1</td>
<td>-33.9</td>
</tr>
<tr>
<td>Equity ratio(%)</td>
<td>26.9%</td>
<td>28.8%</td>
<td>1.9pt</td>
</tr>
<tr>
<td>D/E ratio</td>
<td>0.92</td>
<td>0.89</td>
<td>0.03pt</td>
</tr>
<tr>
<td>Net D/E ratio</td>
<td>0.50</td>
<td>0.62</td>
<td>-0.12pt</td>
</tr>
<tr>
<td>Balance of cash and cash</td>
<td>330.5</td>
<td>203.9</td>
<td>-126.7</td>
</tr>
<tr>
<td>equivalents</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
<Ref.> Capital Expenditures and Others

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>FY10/3 Actual</th>
<th>FY11/3 Actual</th>
<th>YoY</th>
<th>Difference from Feb 25</th>
<th>FY12/3 Forecast</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capial Expenditure</td>
<td>83.1</td>
<td>52.9</td>
<td>-36.4%</td>
<td>-22.2</td>
<td>80.0</td>
<td>51.4%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>111.2</td>
<td>62.1</td>
<td>-44.2%</td>
<td>-12.9</td>
<td>65.0</td>
<td>4.7%</td>
</tr>
<tr>
<td>R&amp;D expenses</td>
<td>276.0</td>
<td>176.5</td>
<td>-36.0%</td>
<td>-23.5</td>
<td>185.0</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>FY10/3 Q4 Actual</th>
<th>FY11/3 Q4 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D expenses</td>
<td>68.5</td>
<td>39.8</td>
<td>-41.9%</td>
</tr>
</tbody>
</table>

*Forecasts as of May 10, 2011*
## <Ref.> Overseas sales

*(Billions of Yen)*

### Q4 (January to March)

<table>
<thead>
<tr>
<th></th>
<th>FY10/3 Actual</th>
<th>FY11/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>84.3(7.6%)</td>
<td>38.9(4.2%)</td>
<td>-53.8%</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>41.7(3.8%)</td>
<td>29.7(3.2%)</td>
<td>-28.8%</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>60.9(5.5%)</td>
<td>50.2(5.4%)</td>
<td>-17.5%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>186.8(16.9%)</td>
<td>118.8(12.8%)</td>
<td>-36.4%</td>
</tr>
</tbody>
</table>

### Full Year

<table>
<thead>
<tr>
<th></th>
<th>FY10/3 Actual</th>
<th>FY11/3 Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>321.8(9.0%)</td>
<td>158.5(5.1%)</td>
<td>-50.8%</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>164.7(4.6%)</td>
<td>109.8(3.5%)</td>
<td>-33.3%</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>226.4(6.3%)</td>
<td>211.1(6.8%)</td>
<td>-6.8%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>712.9(19.9%)</td>
<td>479.3(15.4%)</td>
<td>-32.8%</td>
</tr>
</tbody>
</table>

### Major countries and regions

- **Asia**: China, Chinese Taipei, India, Singapore and Indonesia
- **Europe**: UK, France, Netherlands, Germany, Italy and Spain
- **Others**: U.S.A

*Sales, based on customer locations, are classified by country or region*
Financial Forecasts for FY12/3 (Appendix)
## Summary of Financial Forecasts for FY12/3 by Segment

(Billions of Yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY11/3 Actual</th>
<th>FY12/3 Forecast(*)</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IT Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>804.2</td>
<td>810.0</td>
<td>0.7%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>21.4</td>
<td>33.0</td>
<td>11.6</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>2.7%</td>
<td>4.1%</td>
<td></td>
</tr>
<tr>
<td><strong>Platform</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>375.8</td>
<td>400.0</td>
<td>6.4%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>8.9</td>
<td>14.0</td>
<td>5.1%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>2.4%</td>
<td>3.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Carrier Network</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>605.4</td>
<td>760.0</td>
<td>25.5%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>40.7</td>
<td>57.0</td>
<td>16.3</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>6.7%</td>
<td>7.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Social Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>318.8</td>
<td>325.0</td>
<td>1.9%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>14.6</td>
<td>15.0</td>
<td>0.4%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>4.6%</td>
<td>4.6%</td>
<td></td>
</tr>
<tr>
<td><strong>Personal Solutions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>766.5</td>
<td>765.0</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>-1.9</td>
<td>15.0</td>
<td>16.9</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>-</td>
<td>2.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>244.7</td>
<td>240.0</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>7.3</td>
<td>6.0</td>
<td>-1.3</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>3.0%</td>
<td>2.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Eliminations/ Unclassifiable expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Loss</td>
<td>-33.2</td>
<td>-50.0</td>
<td>-16.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>3,115.4</td>
<td>3,300.0</td>
<td>5.9%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>57.8</td>
<td>90.0</td>
<td>32.2</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>1.9%</td>
<td>2.7%</td>
<td></td>
</tr>
</tbody>
</table>

*Forecasts as of May 10, 2011*
Sales Proportion Forecast By Segment

- Personal Solutions: 23%
- Social Infrastructure: 10%
- Carrier Network: 23%
- Platform: 12%
- IT Services: 25%
- Others: 7%

Sales forecast for FY12/3: ¥3,300.0 Billion

*Forecasts as of May 10, 2011*
IT Services Business

Sales 810.0 (+0.7%)
- Outlook for IT investments in Japan is unclear
- Aim to increase with disaster recovery solutions and global business, in addition to proposals to expand customers’ sales and raise business efficiency

Operating Income 33.0 (+11.6)
- Aim to increase profit by controlling loss-making projects, and enhancing SI innovation and service delivery

*Forecasts as of May 10, 2011
Platform Business

Sales 400.0 (+6.4%)

△ Software:
Expect to increase sales in server integration, virtualization and cloud computing platform by focusing on continual demands on datacenter

△ Hardware:
Aim to increase sales by focusing on the products which meet the needs for datacenters and energy saving

△ Enterprise Network:
Aim to increase sales by deploying office solutions worldwide, which contribute to energy saving and innovative work styles for customers

Operating Income 14.0 (+5.1)

△ Expect to improve through sales increase and continual cost reductions

*Forecasts as of May 10, 2011
Carrier Network Business

Sales 760.0 (+25.5%)
△ Focus on wireless broadband access, network software, and new businesses in energy related areas in Japan
△ Aim to increase by submarine cable systems through solid execution of large scale projects in hand
△ Aim to expand sales in India, Latin America, Middle East, Russia with new full-IP PASOLINK products

Operating Income 57.0 (+16.3)
△ Anticipate higher profits from an increase in sales in Japan, and sales recovery of submarine cable systems and PASOLINK

*Forecasts as of May 10, 2011
Social Infrastructure Business

(Billions of Yen)

Sales 325.0 (+1.9%)
△ Expect to increase due to an increase in social systems such as broadcast, fire and disaster preventions, despite a decrease in aerospace and defense systems

Operating Income 15.0 (+0.4)
△ Expect higher profits due to sales increase and cost reductions

<table>
<thead>
<tr>
<th>Sales (Billions of Yen)</th>
<th>FY10/3</th>
<th>FY11/3</th>
<th>FY12/3 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Margin Ratio</td>
<td>6.9%</td>
<td>4.6%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Sales</td>
<td>316.6</td>
<td>318.8</td>
<td>325.0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>21.7</td>
<td>14.6</td>
<td>15.0</td>
</tr>
</tbody>
</table>

*Forecasts as of May 10, 2011*
Personal Solutions Business

(Billions of Yen)

Sales 765.0 (-0.2%)

△ Mobile Terminals:
Expect to increase by launching full-scale smartphone business in Japan and overseas

▽ PC and Others:
Expect decrease due to the deconsolidation of consumer PCs

Operating Income 15.0 (+16.9)

△ Expect higher profits due to sales increase in mobile terminals from shift to smartphones, and improvements in cost performance from slashing fixed costs, expenses and enhanced R&D efficiency.

*Forecasts as of May 10, 2011
Others

(Billions of Yen)

Sales 240.0 (-1.9%)

- Decrease from deconsolidation of NEC LCD Technologies
- Expand business of Lithium-ion rechargeable batteries for automotive application

Operating Income 6.0 (-1.3)

- Expect a slight decline due to a decrease in sales

*Forecasts as of May 10, 2011
Mid-term Growth Plan “V2012” Progress
## Progress in Focus Areas

<table>
<thead>
<tr>
<th>Focus Areas</th>
<th>Main Accomplishments and Efforts in FY11/3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cloud</strong></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>- Core business operations in focus domains, new businesses with customers, rich service menu for mid to small businesses/organizations, establish and introduce preceding business track records</td>
</tr>
<tr>
<td></td>
<td>- Provide total solution for LTE services</td>
</tr>
<tr>
<td><strong>Global</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Reinforce operation framework for global business expansion</td>
</tr>
<tr>
<td><strong>Global</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Establish new regional headquarters for Latin America</td>
</tr>
<tr>
<td></td>
<td>- Set up competence centers in key business</td>
</tr>
<tr>
<td><strong>New Businesses</strong></td>
<td></td>
</tr>
<tr>
<td>Batteries</td>
<td>- Launch mass production of lithium-ion rechargeable batteries for automotives</td>
</tr>
<tr>
<td></td>
<td>- Participation in various field trials for smartgrid</td>
</tr>
<tr>
<td>Devices</td>
<td>- Launch smartphones and tablet devices</td>
</tr>
</tbody>
</table>
Cloud Business Activities / Achievements

- Financial accounting cloud service for 10 cities, Yamanashi Pref.
- Core system on cloud service for 7 cities, Nara Pref.
- Ticketless service for Shiki Theatre Company
- Integrated hotel cloud service for Nippon View Hotel
- CRM Cloud for Sugi Holdings
- Core system on cloud service for 3 cities Kasuya, Fukuoka Pref.
- SaaS-based electric medical records system for Tamashima Daiichi Hospital in Kurashiki-city, Okayama Pref.
- Collaboration with Sanyo on a regional medical care solution
- Education cloud for Sennan-city, Osaka Pref.
- Collaboration with Sumitomo Life Insurance Company on cloud service
- Private cloud for Sumitomo Mitsui Banking
- Collaboration with Telefonica on cloud business in Latin America
- Collaboration with South Korea’s Shinsegae Group in digital signage
- Contributions to NTT DOCOMO’s LTE-based mobile phone service, "Xi™"
- Core system on cloud service for 7 cities, Nara Pref.
- Participations in KDDI’s field trial of LTE
- Collaboration with KDDI on mobile cloud service

*(Added after Q2 of FY11/3 financial announcement)*
Global Business Activities / Achievements

- Mail Processing Systems for Norway Post
- CFCR in Netherlands
- Transmitter for digital broadcasting in Bulgaria
- SaaS services for Telefonica
- Visa information systems
  Fingerprint identification system for Ministry of Foreign Affairs of Greece
- Asia Submarine-cable Express (ASE)
- South-East Asia Japan Cable (SJC) system
- Success in LTE field trial with Singapore Telecom
- Collaboration with Neusoft for Cloud services
- Medical solutions for Hospital in Chongqing
- RFID Temperature Traceability System for Jointown Pharmaceutical Group
- POS system for the Guangzhou Baiyun International Airport
- IP Telephony system for InterContinental Hotels & Resorts Shanghai EXPO
- IP based telephone and IPTV system solutions for Mandarin Oriental, Macau
- Collaborate on LTE infrastructure business with WRI of China
- Global information system for Shiseido
- Collaboration with SAP on cloud services
- Collaboration with SomaLogic in aptamer related business
- Collaboration with Intel and Microsoft in digital signage
- Cloud Computing Based Education System for Argentina’s San Juan Province Ministry of Education
- Medical equipments location management of system for Albert Einstein Hospital

CFCR: Culler Facer Cancelling and Revenue protection system

(Added after Q2 of FY11/3 financial announcement)
New Business Activities (Battery, Smart Grid)

Heat, Hydro, Nuclear Power

Distribution, Substation

Commercial Bldg, Factory, Data center

Apartment Bldg

Housing, Stores

Renewable Energy

Activities in ICT

- Start field trial of transfer blocking system for distributed power with Chugoku Electric Power
- Form a business partnership with SEKISUI CHEMICAL CO., LTD in the field of Smart House
- Promote Membership-based Charging Service for EV
- Start EV car sharing field trial with driving information

Activities in Power Storage

- Works with Electric Power Research Institute (EPRI) to test large-scale electricity storage system using NEC’s Lithium-ion rechargeable battery
- Agreed to Co-operate with Enel Distribuzione on Next-Generation Smart Grid and Smart Cities
- Joint development of a Building Energy Management Systems using lithium-ion rechargeable batteries with Meidensha

Activities in EV

- Rapid charge trials in the United States (Oregon)
- Rapid charge trials with ENEOS and others
- Electrodes for automotive lithium-ion rechargeable batteries are in mass production

<EV Infrastructure>
Commercial Facilities
(convenience stores, gas stations, etc)

Rapid chargers

NEW

NEW

NEW

NEW

NEW
Reference (Financial data)
Net Sales, Operating Income/Loss

Operating margin ratio

8.7%
3.0%
7.6%
-5.1%
-0.9%
-3.5%
-1.9%

Net Sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY10/3</th>
<th>FY11/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>778.5</td>
<td>925.5</td>
</tr>
<tr>
<td>Q2</td>
<td>875.2</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>825.4</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>1,104.1</td>
<td></td>
</tr>
</tbody>
</table>

Overseas Sales

Overseas Sales Ratio

-22.3%
-16.2%

Domestic Sales

Operating Income/Loss

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY10/3</th>
<th>FY11/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>163.9</td>
<td>118.8</td>
</tr>
<tr>
<td>Q2</td>
<td>186.9</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>175.2</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>186.8</td>
<td></td>
</tr>
</tbody>
</table>

YoY

-22.3%
-40.0
-12.7%
-16.2%

YoY (Billions of yen)
Sales, Operating Income/Loss (IT Services)

Operating margin ratio

Operating Income/Loss

Sales

(Billions of yen)

Q1 <Apr-Jun>  Q2 <Jul-Sep>  Q3 <Oct-Dec>  Q4 <Jan-Mar>

FY10/3

FY11/3

- 0.4%  4.8%  1.8%  13.3%

- 3.5%  4.4%  9.3%  262.2

167.6  209.8  187.6  301.5

-10.8%  -1.4%  -7.7%  -0.6

10.2  3.4  40.2  161.2

-1.4%  -3.8%  -0.0%  -5.7

3.4  10.2  9.2  24.5

-6.6  -13.0%
Sales, Operating Income/Loss (Platform)

Operating margin ratio

Sales (Billions of yen)

Operating Income/Loss (Billions of yen)

Q1 <Apr-Jun> Q2 <Jul-Sep> Q3 <Oct-Dec> Q4 <Jan-Mar>
FY10/3
FY11/3

YoY
Sales, Operating Income/Loss (Carrier Network)

(Q1 <Apr-Jun>  Q2 <Jul-Sep>  Q3 <Oct-Dec>  Q4 <Jan-Mar>  
FY10/3

Sales: 141.7 (YoY -17.1%)
166.9 (YoY -25.9%)
142.9 (YoY -19.8%)
175.9 (YoY -24.4%)
116.8 (YoY -7.6%)
154.2 (YoY +2.0%)
145.7 (YoY +7.3%)
188.7

Operating Income/Loss: 0.5 (YoY -17.1%)
11.8 (YoY -19.8%)
2.0 (YoY -17.6%)
16.9 (YoY -17.6%)
13.0
5.8
27.9
Sales, Operating Income/Loss (Social Infrastructure)

Operating margin ratio

(Billions of yen)

Sales

Operating Income/Loss

Q1 <Apr-Jun> Q2 <Jul-Sep> Q3 <Oct-Dec> Q4 <Jan-Mar>

FY10/3

FY11/3

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Empowered by Innovation
Sales, Operating Income/Loss (Personal Solutions)

Operating margin ratio

(Billions of yen)

YoY

Sales

Mobile Terminals

PC and Others

Operating Income/Loss (Billions of yen)

Sales

Q1 <Apr-Jun> Q2 <Jul-Sep> Q3 <Oct-Dec> Q4 <Jan-Mar>

Q1 <Apr-Jun> Q2 <Jul-Sep> Q3 <Oct-Dec> Q4 <Jan-Mar>

FY10/3

FY11/3

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Exchange Rate

Euro/Yen Exchange rate (Actual)
Assumed Exchange rate

Average exchange rate ¥113.83

Dollar/Yen Exchange rate (Actual)
Assumed Exchange rate

Average exchange rate ¥86.45
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