Financial Results for 1H Fiscal Year Ending March 31, 2012

October 27, 2011

NEC Corporation

(http://www.nec.co.jp/ir/en)
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II. Financial Forecasts for FY12/3
III. Toward an information society friendly to humans and the earth
I. Financial Results for 1H, FY12/3
Secured operating income, achieved company forecasts

<table>
<thead>
<tr>
<th></th>
<th>FY11/3 Actual</th>
<th>FY12/3 Actual</th>
<th>YoY</th>
<th>Difference from Jul 28</th>
</tr>
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<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>801.6</td>
<td>774.1</td>
<td>-3.4%</td>
<td>-46.8</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>24.3</td>
<td>26.2</td>
<td>1.9</td>
<td></td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>3.0%</td>
<td>3.4%</td>
<td></td>
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<tr>
<td><strong>Ordinary Income/Loss</strong></td>
<td>18.2</td>
<td>19.2</td>
<td>1.1</td>
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</tr>
<tr>
<td>% to Net Sales</td>
<td>2.3%</td>
<td>2.5%</td>
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<tr>
<td><strong>Net Income/Loss</strong></td>
<td>16.1</td>
<td>18.7</td>
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<tr>
<td>% to Net Sales</td>
<td>2.0%</td>
<td>2.4%</td>
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</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>-60.6</td>
<td>-7.3</td>
<td>53.2</td>
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<table>
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<tr>
<th></th>
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<th>FY12/3 Actual</th>
<th>YoY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>1,469.2</td>
<td>1,443.2</td>
<td>-1.8%</td>
<td>-102.8</td>
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<tr>
<td><strong>Operating Income</strong></td>
<td>1.1</td>
<td>6.8</td>
<td>5.7</td>
<td>9.2</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>0.1%</td>
<td>0.5%</td>
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<tr>
<td><strong>Ordinary Income/Loss</strong></td>
<td>-22.3</td>
<td>-10.4</td>
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<td>112.0</td>
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<td>% to Net Sales</td>
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<td><strong>Net Income/Loss</strong></td>
<td>-27.0</td>
<td>-11.0</td>
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<tr>
<td>% to Net Sales</td>
<td>-</td>
<td>-</td>
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Note: Average exchange rates for 1H, FY12/3: 1$ = ¥80.64, 1€ = ¥115.20
(Assumed exchange rates for FY12/3 as of July 28, 2011: 1$ = ¥80, 1€ = ¥110)
# 1H Results by Segment

## Net Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY10/3 1H</th>
<th>FY11/3 1H</th>
<th>FY12/3 1H</th>
</tr>
</thead>
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<td>377.3</td>
<td>1,469.2</td>
<td>1,490.0</td>
</tr>
<tr>
<td>Platform</td>
<td>166.2</td>
<td>371.0</td>
<td>370.0</td>
</tr>
<tr>
<td>Carrier Network</td>
<td>308.6</td>
<td>176.8</td>
<td>185.0</td>
</tr>
<tr>
<td>Social Infrastructure</td>
<td>129.7</td>
<td>271.0</td>
<td>305.0</td>
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<tr>
<td>Personal Solutions</td>
<td>362.3</td>
<td>137.9</td>
<td>140.0</td>
</tr>
<tr>
<td>Others</td>
<td>309.6</td>
<td>392.1</td>
<td>370.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,653.7</strong></td>
<td><strong>1,490.0</strong></td>
<td><strong>1,443.2</strong></td>
</tr>
</tbody>
</table>

## Operating Income/Loss

<table>
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<tr>
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<th>FY11/3 1H</th>
<th>FY12/3 1H</th>
</tr>
</thead>
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<td>IT Services</td>
<td>9.6</td>
<td>12.4</td>
<td>-13.5</td>
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<tr>
<td>Carrier Network</td>
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<tr>
<td>Social Infrastructure</td>
<td>8.2</td>
<td>12.0</td>
<td>3.0</td>
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<tr>
<td>Personal Solutions</td>
<td>3.5</td>
<td>4.5</td>
<td>3.0</td>
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<tr>
<td>Platform</td>
<td>-17.8</td>
<td>-26.5</td>
<td>-22.3</td>
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<tr>
<td>Others</td>
<td>-37.6</td>
<td>-4.0</td>
<td>3.5</td>
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<tr>
<td>Eliminations/Unclassifiable expenses</td>
<td>-19.5</td>
<td>-13.5</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-37.7</strong></td>
<td><strong>15.3</strong></td>
<td><strong>3.0</strong></td>
</tr>
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</table>

*Forecasts as of Jul 28*
## 1H Results by Segment

### (Billions of Yen)

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<thead>
<tr>
<th></th>
<th>FY11/3 Actual</th>
<th>FY12/3 Actual</th>
<th>YoY</th>
<th>FY11/3 Actual</th>
<th>FY12/3 Actual</th>
<th>YoY</th>
<th>Difference from Jul 28</th>
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<tbody>
<tr>
<td><strong>IT Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>209.7</td>
<td>205.2</td>
<td>-2.2%</td>
<td>371.0</td>
<td>362.7</td>
<td>-2.2%</td>
<td>-7.3</td>
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<tr>
<td>Operating Income</td>
<td>9.2</td>
<td>10.3</td>
<td>1.1</td>
<td>3.5</td>
<td>3.0</td>
<td>0.6</td>
<td>-1.0</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>4.4%</td>
<td>5.0%</td>
<td></td>
<td>1.0%</td>
<td>0.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Platform</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>96.7</td>
<td>94.1</td>
<td>-2.7%</td>
<td>176.8</td>
<td>174.0</td>
<td>-1.6%</td>
<td>-11.0</td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>2.9</td>
<td>3.2</td>
<td>0.3</td>
<td>-1.5</td>
<td>-2.2</td>
<td>-0.7</td>
<td>-3.7</td>
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<tr>
<td>% to Net Sales</td>
<td>3.0%</td>
<td>3.4%</td>
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<td></td>
</tr>
<tr>
<td><strong>Carrier Network</strong></td>
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</tr>
<tr>
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<td>154.2</td>
<td>162.3</td>
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<td>294.2</td>
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<tr>
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<td>0.6</td>
<td>7.0</td>
<td>15.3</td>
<td>8.3</td>
<td>3.3</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>8.4%</td>
<td>8.3%</td>
<td></td>
<td>2.6%</td>
<td>5.2%</td>
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<td></td>
</tr>
<tr>
<td><strong>Social Infrastructure</strong></td>
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<td></td>
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</tr>
<tr>
<td>Net Sales</td>
<td>79.5</td>
<td>81.5</td>
<td>2.6%</td>
<td>137.9</td>
<td>140.3</td>
<td>1.8%</td>
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<tr>
<td>Operating Income</td>
<td>3.7</td>
<td>5.7</td>
<td>2.0</td>
<td>4.0</td>
<td>6.1</td>
<td>2.1</td>
<td>2.1</td>
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<tr>
<td>% to Net Sales</td>
<td>4.6%</td>
<td>6.9%</td>
<td></td>
<td>2.9%</td>
<td>4.3%</td>
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</tr>
<tr>
<td><strong>Personal Solutions</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>198.5</td>
<td>170.8</td>
<td>-14.0%</td>
<td>392.1</td>
<td>354.3</td>
<td>-9.6%</td>
<td>-15.7</td>
</tr>
<tr>
<td>Operating Income</td>
<td>3.3</td>
<td>2.1</td>
<td>-1.2</td>
<td>2.9</td>
<td>3.4</td>
<td>0.5</td>
<td>0.4</td>
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<tr>
<td>% to Net Sales</td>
<td>1.6%</td>
<td>1.2%</td>
<td></td>
<td>0.7%</td>
<td>1.0%</td>
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</tr>
<tr>
<td><strong>Others</strong></td>
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<td></td>
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</tr>
<tr>
<td>Net Sales</td>
<td>63.0</td>
<td>60.2</td>
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<td>120.5</td>
<td>117.8</td>
<td>-2.3%</td>
<td>-2.2</td>
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<tr>
<td>Operating Income</td>
<td>4.2</td>
<td>4.0</td>
<td>-0.1</td>
<td>3.0</td>
<td>3.5</td>
<td>0.5</td>
<td>1.5</td>
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<tr>
<td>% to Net Sales</td>
<td>6.6%</td>
<td>6.7%</td>
<td></td>
<td>2.5%</td>
<td>3.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Eliminations/ Unclassifiable expenses</strong></td>
<td></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>Operating Loss</td>
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<td>-12.6</td>
<td>-0.8</td>
<td>-17.8</td>
<td>-22.3</td>
<td>-4.5</td>
<td>4.2</td>
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<td><strong>Total</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>801.6</td>
<td>774.1</td>
<td>-3.4%</td>
<td>1,469.2</td>
<td>1,443.2</td>
<td>-1.8%</td>
<td>-46.8</td>
</tr>
<tr>
<td>Operating Income</td>
<td>24.3</td>
<td>26.2</td>
<td>1.9</td>
<td>11.1</td>
<td>6.8</td>
<td>5.7</td>
<td>6.8</td>
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<tr>
<td>% to Net Sales</td>
<td>3.0%</td>
<td>3.4%</td>
<td></td>
<td>0.1%</td>
<td>0.5%</td>
<td></td>
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</tr>
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</table>
1H FY12/3 Challenges and Accomplishments

Attained operating income and achieved company forecasts. However, challenges remain with 2H centric profit structure.

**Accomplishments**

- Carrier Network increased in sales and profits
  - Secure demand from data traffic upsurge

**Challenges**

- IT Services fell short of forecasts
  - Expand sales and orders, and improve profitability

- Personal Solutions secured profits
  - Expand sales of smartphones (mobile terminals)
II. Financial Forecasts for FY12/3
### Summary of Financial Forecasts for FY12/3

Continue to promote One NEC “outward and inward efforts”

- Realize operating income target* of 90B yen, and net income target* of 15B yen through operation with speed

#### (Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2H (Oct-Mar)</th>
<th>Full Year</th>
<th>Difference from Jul 28</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY11/3 Actual</td>
<td>FY12/3 Forecasts</td>
<td>FY11/3 Actual</td>
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<td>Net Sales</td>
<td>1,646.3</td>
<td>1,806.8</td>
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<td>56.7</td>
<td>83.2</td>
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<td>% to Net Sales</td>
<td>3.4%</td>
<td>4.6%</td>
<td></td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>22.3</td>
<td>65.4</td>
<td>43.1%</td>
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<td>1.4%</td>
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<tr>
<td>Net Income/ Loss</td>
<td>14.5</td>
<td>26.0</td>
<td>11.5%</td>
</tr>
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<td>% to Net Sales</td>
<td>0.9%</td>
<td>1.4%</td>
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</tr>
<tr>
<td>Free Cash Flow</td>
<td>-9.8</td>
<td>-9.2</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Note: Assumed exchange rates for 2H, FY12/3 1$=¥75, 1€=¥105

*Forecasts as of Oct 27, 2011
Financial Forecasts for FY12/3 by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY10/3 (B)</th>
<th>FY11/3 (B)</th>
<th>FY12/3 Forecasts(*) (B)</th>
</tr>
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<tbody>
<tr>
<td>IT Services</td>
<td>866.3</td>
<td>804.2</td>
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<td>Platform</td>
<td>373.7</td>
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<td>Carrier Network</td>
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<th>Segment</th>
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<th>FY11/3 (B)</th>
<th>FY12/3 Forecasts(*) (B)</th>
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<tr>
<td>IT Services</td>
<td>53.2</td>
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<td>Carrier Network</td>
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<td>Personal Solutions</td>
<td>18.9</td>
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<tr>
<td>Platform</td>
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<td>Others</td>
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<td>Eliminations/ Unclassifiable expenses</td>
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<td><strong>Total</strong></td>
<td>50.9</td>
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<td>90.0</td>
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</table>

*Forecasts as of Oct 27, 2011
## Financial Forecasts for 2H, Full year FY12/3 by Segment

### (Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2H &lt;Oct-Mar&gt;</th>
<th>Full Year</th>
<th>Difference from Jul 28</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY11/3 Actual</td>
<td>FY12/3 Forecasts</td>
<td>YoY</td>
</tr>
<tr>
<td><strong>IT Services</strong></td>
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<td></td>
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</tr>
<tr>
<td>Net Sales</td>
<td>433.2</td>
<td>447.3</td>
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</tr>
<tr>
<td>Operating Income</td>
<td>17.9</td>
<td>30.0</td>
<td>12.2%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>4.1%</td>
<td>6.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Platform</strong></td>
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<tr>
<td>Net Sales</td>
<td>199.0</td>
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<td>Operating Income</td>
<td>10.4</td>
<td>16.2</td>
<td>5.8%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>5.2%</td>
<td>7.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Carrier Network</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>334.5</td>
<td>455.8</td>
<td>36.3%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>33.8</td>
<td>41.7</td>
<td>7.9%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>10.1%</td>
<td>9.1%</td>
<td></td>
</tr>
<tr>
<td><strong>Social Infrastructure</strong></td>
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<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>180.9</td>
<td>189.7</td>
<td>4.8%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>10.6</td>
<td>8.9</td>
<td>-1.7%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>5.8%</td>
<td>4.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Personal Solutions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>374.5</td>
<td>375.7</td>
<td>0.3%</td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>-4.8</td>
<td>11.6</td>
<td>16.4%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>-1.3%</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>124.2</td>
<td>122.2</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>4.3</td>
<td>2.5</td>
<td>-1.8%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>3.4%</td>
<td>2.0%</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>-15.3</td>
<td>-27.7</td>
<td>-12.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>1,646.3</td>
<td>1,806.8</td>
<td>9.8%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>56.7</td>
<td>83.2</td>
<td>26.5%</td>
</tr>
<tr>
<td>% to Net Sales</td>
<td>3.4%</td>
<td>4.6%</td>
<td></td>
</tr>
</tbody>
</table>

*Forecasts as of Oct 27, 2011*
2H Key Measures to Achieve Company Forecasts

- Minimize impact from stagnant macro-environment and super strong yen
  - Improve profitability of IT Services
  - Reinforce profit structure of Carrier Network

- Capture demand from smartphone boom and hikes in data traffic
  - Expand sales of Carrier Network
  - Reinforce domestic business and accelerate overseas business for smartphones
Key Measures in IT Services Business

Outward efforts
<Order/Sales Expansion>
- Focus on high demand areas such as local government, medical and manufacturing sectors
- Order for 1H: 103% (YoY)

Inward efforts
<Profitability Improvement>
- Control loss-making projects by reducing risks from planning phase
- Decrease loss in 2H from unprofitable projects by half (YoY)

Loss from unprofitable projects

*Forecasts as of Oct 27, 2011
Key Measures in Platform Business

Outward efforts
< Sales Expansion >

- Capture demand for data centers responsive to the widespread of cloud computing
- Promote value-added proposals such as virtualization, ECO, BCP
- Roll out new servers and storages with superior power-saving performance

Inward efforts
< Profitability Improvement >

- Promote cost reduction by utilizing common platform and offshoring
- Enhance profitability by improving investment and cost efficiency

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Operating income ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY11/3</td>
<td>- 5.5%</td>
</tr>
<tr>
<td>Q2</td>
<td>- 2.4%</td>
</tr>
<tr>
<td>Q3</td>
<td>3.0%</td>
</tr>
<tr>
<td>Q4</td>
<td>10.7%</td>
</tr>
<tr>
<td>Q1 FY12/3</td>
<td>- 6.8%</td>
</tr>
<tr>
<td>Q2</td>
<td>3.4%</td>
</tr>
</tbody>
</table>
Key Measures in Carrier Network Business

Outward efforts
<Sales Expansion, New Customers>

- Domestic mobile traffic upsurge by double in one year*

- Expansion of Services and Management Business

Inward efforts
<Profitability Improvement>

- Increase overseas procurement ratio

- To launch production of PASOLINK in India

*Monthly Traffic volume by 5 Japanese wireless telecom carriers (Source: Ministry of Internal Affairs and Communications August 2011)

*Forecasts as of Oct 27, 2011
Key Measures in Personal Solutions Business

Outward efforts
<Global, New Business Expansion>
- Expand smartphone business by shipping to 3 operators in Japan and expand in overseas market

<Smartphone shipment ratio>
- 50% (Actual)
- 60% (forecast)

Mobile phone shipments
- Japan
- Overseas
  1H (Previous forecast)
  1H (Actual)
  2H (previous forecast)
  2H (Forecasts*)

Smartphone new model
- 2

Inward efforts
<Resilient Structure>
- Enhance efficiency in development costs for mobile terminals

<Ratio of development expenses to sales>
- 10 pt Improvement

*Forecasts as of Oct 27, 2011
III. Toward an information society friendly to humans and the earth
An information society friendly to humans and the earth

Realize a “smart” society by utilizing our strengths in ICT and energy technologies
Public Safety Business

Established Public Safety Business Promotion Office

- Promote public safety business as one of key strategies for global business expansion
  - Focus on developing new solutions and expanding global business by harnessing each business, regional headquarters and overseas affiliates

AFIS for police  National ID  Border Control
Healthcare Business

e-Pathologist Cancer Diagnosis Assistance System

- NEC and Royal Philips Electronics agreed to jointly develop and market highly integrated digital pathology solutions

- Jointly evaluated e-Pathologist system with SRL, Inc., the largest laboratory test center in Japan, and the Massachusetts General Hospital in the U.S.
Cloud Devices

Provide services through cloud devices, connecting everything and everyone

- Smartphones
- Tablet Devices
- Sensors
- Digital Signage
- Wearable Computers
Programmable Flow

Introduced to Nippon Express and Genesis Hosting Solutions of U.S.

- Reduced operating cost by presenting network structure more simple, virtualized and visible

Programmable Flow Controllers

Programmable Flow Switch

Centralized control and configuration

Grand Prix
M2M Service “CONNEXIVE”

- A world that connects with anything, and anything connects with everything

<CNNEXIVE Agricultural ICT Services>

- Field work journal
- 3G or LAN
- Journal
- Image data
- Sensing data
- Image data
- Temperature, insolation, etc.

Field work journal (Audio input, images)

User

Agricultural sensor

Provide advice to users based on the received images and journal

Advisor

Advice via the telephone

*Forecasts as of Oct 27, 2011
Smart Energy Business

Diverging from electrodes/ power storage to service business with cloud

- Home Energy Management System on sale
- Multiple power storage system development (Yokohama, Japan)
- HEMS
- BEMS
- Power Storage System
- Power Storage and rechargeable system field trails (Yokohama, Japan)
- Recharge
- Batteries
- Electrodes
- Tokyo Univ, AIST*, Smart grid concept
- ENEL (Italy) Next-generation smart grid system
- Smart city projects in Brazil and China
- Infrastructure for recharge

* AIST: the National Institute Advanced Industrial Science and Technology
Realize an information society friendly to humans and the earth

- **Electricity**
  - Visualize and estimate electricity power usage
  - Control optimal electricity power supply

- **Water**
  - Monitor quality, exposure and abuse
  - Predict flood, drought

- **Medical Field**
  - Advance at-home/remote medical care
  - Preventive care

- **Education**
  - Advance distant learning
  - Provide optimal learning tools

- **Agriculture**
  - Estimate harvesting
  - Advice optimal dose of water/fertilizer

- **Traffic**
  - Charge by time period
  - Predict traffic jam

- **Trains**
  - Detect defective train parts
  - Promote optimal operation by multiple operators

- **Environment**
  - Analyze environment and natural disaster
  - Explore underground resources

◆ Provide dynamic service optimal for customers
◆ Enhance efficiency by visualizing real-time information
◆ Offer security against disasters and quick recovery
Financial Results for 1H, FY12/3 (Appendix)
Summary of Financial Results for 1H by Segment

**Net Sales**

- **IT Services**: 25%
- **Platform**: 12%
- **Carrier Network**: 20%
- **Social Infrastructure**: 10%
- **Personal Solutions**: 25%
- **Others**: 8%

**Operating Income/Loss**

- **Carrier Network**: ¥15.3 Billion
- **Social Infrastructure**: ¥6.1 Billion
- **Personal Solutions**: ¥3.4 Billion
- **Others**: ¥3.5 Billion

**Sales for 1H FY12/3**

- ¥1,443.2 Billion

**Operating Income for 1H, FY12/3**

- ¥6.8 Billion
## Key Points of 1H, FY12/3 Results by Segment (Year on Year)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Changes in Sales</th>
<th>Changes in Operating Income/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Services</td>
<td>Decrease in retail and telecom, while local government and medical sectors were solid</td>
<td>Remain flat due to cost reductions despite sales decrease</td>
</tr>
<tr>
<td>Platform</td>
<td>Decrease from hardware despite solid software and enterprise network</td>
<td>Remain flat from cost efficiency while sales decrease</td>
</tr>
<tr>
<td>Carrier Network</td>
<td>Increase from data traffic hikes in domestic market and submarine cable systems</td>
<td>Higher profits from sales increase in domestic business and submarine cable systems</td>
</tr>
<tr>
<td>Social Infrastructure</td>
<td>Increase in social systems, despite decrease in aerospace and defense systems</td>
<td>Higher profits from sales increase and lower costs</td>
</tr>
<tr>
<td>Personal Solutions</td>
<td>Decrease due to deconsolidation of consumer PC business, despite increase in mobile terminal business</td>
<td>Remain flat with improvement in mobile terminal business</td>
</tr>
<tr>
<td>Others</td>
<td>Decrease due to deconsolidation of LCD module business, despite increase in battery business</td>
<td>Remain flat from cost efficiency while sales decrease</td>
</tr>
</tbody>
</table>

Note: First bullets refer to changes in sales, second bullets refer to changes in operating income/loss.
Sales Change (Year on Year)

FY11/3 1H
1,469.2

Increase from data traffic hikes in domestic market and submarine cable systems

IT Services
-8.3 (-2.2%)

Decrease in retail and telecom, while local government and medical sectors were solid

Carrier Network
+23.2 (+8.6%)

Increase in social systems, despite decrease in aerospace and defense systems

Social Infrastructure
+2.5 (+1.8%)

Decrease due to deconsolidation of consumer PC business, despite increase in mobile terminal business

Personal Solutions
-37.8 (-9.6%)

Decrease in retail and telecom, while local government and medical sectors were solid

Platform
-2.8 (-1.6%)

Decrease from hardware despite solid software and enterprise network

Others
-2.8

Decrease due to deconsolidation of LCD module business, despite increase in battery business

FY12/3 1H
1,443.2
Sales Change (from Forecasts as of Jul 28)

FY12/3 1H Forecasts as of Jul 28
1,490.0

FY12/3 1H Results
1,443.2

- IT Services
  -7.3

- Carrier Network
-10.8

- Platform
-11.0

- Personal Solutions
-15.7

- Social Infrastructure
+0.3

- Others
-2.2

- Decrease in mobile terminal shipments and falling unit price of business PC
- Some projects of domestic fixed-line business delay to 2H
- Some projects delay to 2H while falling short of forecast
- Decrease in electronic components
- Increase in social systems, despite decrease in aerospace and defense
- Increase in social systems, despite decrease in aerospace and defense

(Billions of Yen)
Operating Income Change (Year on Year)

1H Results

(Billions of Yen)

Increase in investment costs

Eliminations/Unclassifiable expenses -4.5

Higher profits from sales increase in domestic business and submarine cable systems

Higher profits from improved mobile terminal business, despite heavier investments for new devices

Flat profits due to cost reductions despite sales decrease

Higher profits from sales increase in domestic business and submarine cable systems

Higher profits from sales increase and lower costs

Flat profits due to cost reductions despite sales decrease

Remain flat from cost efficiency while sales decrease

Higher profits from improved mobile terminal business, despite heavier investments for new devices

Higher profits from sales increase in domestic business and submarine cable systems

Higher profits from improved mobile terminal business, despite heavier investments for new devices

Higher profits from sales increase and lower costs

Remain flat from cost efficiency while sales decrease

Operating Income Change (Year on Year)

Carrier Network +8.3

Social Infrastructure +2.1

Personal Solutions +0.5

Others +0.5

IT Services -0.6

Platform -0.7

FY12/3 1H 6.8

FY11/3 1H 1.1
Operating Income Change (from Forecasts as of Jul 28)

- Improve from cost efficiency efforts despite falling short of mobile terminal shipment forecast
- Lower costs
- Sales increase in social systems and lower costs
- Improve profitability from product mix

<table>
<thead>
<tr>
<th>Category</th>
<th>FY12/3 1H Forecasts as of Jul 28</th>
<th>FY12/3 1H Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Services</td>
<td>-1.0</td>
<td></td>
</tr>
<tr>
<td>Social Infrastructure</td>
<td>+2.1</td>
<td></td>
</tr>
<tr>
<td>Carrier Network</td>
<td>+3.3</td>
<td></td>
</tr>
<tr>
<td>Platform</td>
<td>-3.7</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>+1.5</td>
<td></td>
</tr>
<tr>
<td>Personal Solutions</td>
<td>+0.4</td>
<td></td>
</tr>
<tr>
<td>Eliminations/Unclassifiable expenses</td>
<td>+4.2</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>0.0</td>
<td>6.8</td>
</tr>
</tbody>
</table>

Sales decrease in hardware

Cost efficiency efforts

Sales decrease in hardware
IT Services Business

Sales 362.7 (-2.2%)

- Decrease in retail and telecom, while local government and medical sectors were solid
- Solid Outsourcing Business for BCP
  Established new Data Center in Kansai

Operating Income 3.0 (-0.6)

- Almost flat profits due to cost reductions despite sales decrease
Platform Business

1H Results

Sales 174.0 (-1.6%)

△ Software:
Increase in operation management software such as virtualization, cloud computing platform

▽ Hardware:
Decline due to a decrease in large-scale project and revised introduction schedule of dedicated hardware

△ Enterprise Network:
Increase due to the large-scale project

Operating Loss -2.2 (-0.7)

▽ Remain same level as the previous year by cost efficiency efforts despite sales decrease

Platforms Business

Operating income ratio

Operating Loss

(Billions of Yen)

FY10/3 1H
FY11/3 1H
FY12/3 1H

Operating income ratio

-8.1%
+6.4%
-0.9%
-1.3%

Operating Loss

-13.5
-1.5
-2.2
Carrier Network Business

Sales 294.2 (+8.6%)

△ Japan: Increase due to increase in demand from data traffic hikes

△ Overseas: Increase due to solid execution of submarine cables systems and increase in mobile backhaul (PASOLINK)

Operating Income 15.3 (+8.3)

△ Higher profits from solid sales in Japan and increase in submarine cable systems
Social Infrastructure Business

(Billions of Yen) (Billions of Yen) (Billions of Yen) (Billions of Yen)

Sales 140.3 (+1.8%)
△ Increase in social systems such as broadcasting, fire and disaster prevention, despite decrease in aerospace and defense systems

Operating Income 6.1 (+2.1)
△ Increase by sales expansion and cost reductions
Personal Solutions Business

<table>
<thead>
<tr>
<th>Sales</th>
<th>Billions of Yen (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>354.3 (-9.6%)</td>
</tr>
</tbody>
</table>

△ Mobile Terminals:
Increase due to custom development and improvement of product mix
(shipment: same level as previous year)

▽ PCs and Others:
Decrease due to the deconsolidation of consumer PCs

<table>
<thead>
<tr>
<th>Operating Income</th>
<th>3.4 (+0.5)</th>
</tr>
</thead>
</table>
△ Increase due to profit improvement in Mobile Terminals, despite increase in development costs of new devices
Net Loss Change (Year on Year)

(Billions of Yen)

<table>
<thead>
<tr>
<th>Classification</th>
<th>FY11/3 H1</th>
<th>FY12/3 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carry Network</td>
<td>+8.3</td>
<td></td>
</tr>
<tr>
<td>Social Infrastructure</td>
<td>+2.1</td>
<td></td>
</tr>
<tr>
<td>Eliminations/unclassifiable expenses</td>
<td>-4.5</td>
<td></td>
</tr>
<tr>
<td>Improvement in operating income/loss</td>
<td>+5.7</td>
<td></td>
</tr>
<tr>
<td>Gain on sales of shares of affiliates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>+4.2</td>
<td></td>
</tr>
<tr>
<td>Improvement in non-operating income/loss</td>
<td>+6.2</td>
<td></td>
</tr>
<tr>
<td>Increase in equity in losses of affiliates etc.</td>
<td></td>
<td>-11.0</td>
</tr>
</tbody>
</table>

1H Results
Net Loss Change (from Forecasts as of Jul 28)

(Billions of Yen)

FY12/3 1H Forecasts as of Jul 28: -15.0

- Improvement in operating income/loss: +6.8
- Improvement in non-operating income/loss: +2.8
- Eliminations/unclassifiable expenses: +4.2
- Carrier Network: +3.3
- Social Infrastructure: +2.1
- Platform: -3.7
- Others: -5.6

FY12/3 1H Results: -11.0
# Overseas Sales

<table>
<thead>
<tr>
<th>Major countries and regions</th>
<th>Q2 &lt;Jul-Sep&gt;</th>
<th>1H &lt;Apr-Sep&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY11/3 Actual</td>
<td>FY12/3 Actual</td>
</tr>
<tr>
<td>Asia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>45.0</td>
<td>48.7</td>
</tr>
<tr>
<td>To consolidated total sales (%)</td>
<td>5.6%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>26.4</td>
<td>31.5</td>
</tr>
<tr>
<td>To consolidated total sales (%)</td>
<td>3.3%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>57.4</td>
<td>58.6</td>
</tr>
<tr>
<td>To consolidated total sales (%)</td>
<td>7.2%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Total</td>
<td>128.8</td>
<td>138.8</td>
</tr>
<tr>
<td>To consolidated total sales (%)</td>
<td>16.1%</td>
<td>17.9%</td>
</tr>
</tbody>
</table>

* Sales, based on customer locations, are classified by country or region.
## Financial Positions

<table>
<thead>
<tr>
<th></th>
<th>End of Mar 2011</th>
<th>End of Sep 2011</th>
<th>Difference from Mar 2011</th>
<th>End of Sep 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>2,628.9</td>
<td>2,450.6</td>
<td>-178.3</td>
<td>2,522.1</td>
</tr>
<tr>
<td>Net Assets</td>
<td>875.4</td>
<td>853.9</td>
<td>-21.5</td>
<td>853.8</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>675.8</td>
<td>647.0</td>
<td>-28.8</td>
<td>618.6</td>
</tr>
<tr>
<td>Shareholder's Equity</td>
<td>757.1</td>
<td>734.2</td>
<td>-22.8</td>
<td>735.4</td>
</tr>
<tr>
<td>Equity ratio(%)</td>
<td>28.8%</td>
<td>30.0%</td>
<td>1.2pt</td>
<td>29.2%</td>
</tr>
<tr>
<td>D/E ratio (times)</td>
<td>0.89</td>
<td>0.88</td>
<td>0.01pt</td>
<td>0.84</td>
</tr>
<tr>
<td>Net D/E ratio (times)</td>
<td>0.62</td>
<td>0.64</td>
<td>-0.02pt</td>
<td>0.63</td>
</tr>
<tr>
<td>Balance of cash and cash</td>
<td>203.9</td>
<td>178.6</td>
<td>-25.3</td>
<td>158.8</td>
</tr>
<tr>
<td>equivalents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: (Billions of Yen)*
<Ref.> Balance Sheets (At end of Sep, 2011)

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>Noncurrent Assets</th>
<th>Liabilities</th>
<th>Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,299.2 Billion Yen</td>
<td>1,151.4 Billion Yen</td>
<td>1,596.7 Billion Yen</td>
<td>853.9 Billion Yen</td>
</tr>
<tr>
<td><strong>Collecting accounts receivable</strong></td>
<td><strong>-143.4 Billion yen</strong></td>
<td><strong>-156.8 Billion yen</strong></td>
<td><strong>-21.5 Billion yen</strong></td>
</tr>
<tr>
<td><strong>Decrease in property, plant and equipment, and decrease in stocks of subsidiaries and affiliates</strong></td>
<td><strong>-34.9 Billion yen</strong></td>
<td></td>
<td><strong>Recording net loss for 1H, FY12/3</strong></td>
</tr>
</tbody>
</table>

Total Assets 2,450.6 Billion Yen (-178.3 Billion yen)

Compared to end of Mar, 2011
Financial Forecasts for FY12/3 (Appendix)
## Key Points to Achieve Financial Forecasts

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
</table>
| IT Services          | • Secure business opportunities from investment recovery in manufacturing and demand involving law amendments  
                       | • Improve by controlling loss-making projects, higher productivity and quality                                                          |
| Platform             | • Increase cloud-related services for data centers and energy saving solutions  
                       | • Higher profits from sale increase, cost efficiency and cost reductions                                                                  |
| Carrier Network      | • Secure business opportunities arising from data traffic hikes  
                       | • Higher profits from sales increase, overcoming incremental investments for future growth                                             |
| Social Infrastructure| • Secure steady sales from increase in social systems, including broadcasting, fire and disaster prevention  
                       | • Higher profits with sales increase and cost efficiency                                                                                  |
| Personal Solutions   | • Decrease due to deconsolidation of consumer PC business, despite increase in smartphones  
                       | • Higher profits from improved mobile terminal business                                                                                  |
| Others               | • Decrease due to deconsolidation of LCD module business, despite increase in battery business  
                       | • Lower profits from sales decrease in electronic component business                                                                       |

Note: First bullets refer to changes in sales, second bullets refer to changes in operating income/loss
Secure steady sales from increase in social systems, including broadcasting, fire and disaster prevention.

Secure business opportunities from investment recovery in manufacturing and demand involving law amendments.

Increase from cloud-related business for data center services and energy saving solutions.

Deconsolidation of consumer PC business, increase in smartphones.

Sales Change (Year on Year)

(Billions of Yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY11/3</th>
<th>FY12/3 Forecast(*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrier Network</td>
<td>+144.6 (+23.9%)</td>
<td>+35.0</td>
</tr>
<tr>
<td>Personal Solutions</td>
<td>-36.5 (-4.8%)</td>
<td>-35.0</td>
</tr>
<tr>
<td>Social Infrastructure</td>
<td>+11.2 (+3.5%)</td>
<td>5.0</td>
</tr>
<tr>
<td>Platform</td>
<td>+14.2 (+3.8%)</td>
<td></td>
</tr>
<tr>
<td>IT Services</td>
<td>+5.8 (+0.7%)</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-10.0</td>
<td>-4.7</td>
</tr>
<tr>
<td>Others</td>
<td>-4.7</td>
<td></td>
</tr>
<tr>
<td>Secure business opportunities arising from data traffic hikes</td>
<td>-10.0</td>
<td></td>
</tr>
<tr>
<td>FY11/3 Forecast(*)</td>
<td>3,115.4</td>
<td>3,250.0</td>
</tr>
</tbody>
</table>

Changes from forecasts as of Jul 28.

*Forecasts as of Oct 27, 2011.
Operating Income Change (Year on Year)

(Billions of Yen)

**Aim for higher profits with sales increase and cost efficiency**

**Higher profits from improved mobile terminal business**

**Higher profits from sales increase, overcoming incremental investments for future growth**

**Personal Solutions**

+16.9

**Social Infrastructure**

+0.4

**Others**

-1.3

**Carrier Network**

+16.3

**Platform**

+5.1

**IT Services**

+11.6

**Eliminations/Unclassifiable expenses**

-16.8

**FY12/3 Forecast(*)**

90.0

*Forecasts as of Oct 27, 2011*

**FY11/3**

57.8

**Full Year Forecasts**

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Empowered by Innovation
IT Services Business

Full Year
(Billions of Yen)

Partial Year

Sales

Operating income ratio

FY10/3
2H 489.0
FY11/3 2H 433.2
FY12/3 2H 447.3

Forecast(*)

Operating Income

-11.4% 43.6
+3.2% 17.9
30.0

Forecasts(*)

Operating Income

-11.4% 43.6
+3.2% 17.9
30.0

*Forecasts as of Oct 27, 2011

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Empowered by Innovation
IT Services Business

- **Sales**: 810.0 (+0.7%)
  - Secure business opportunities from investment recovery in manufacturing, demand involving law amendments and introducing electronic health record systems in medical services
  - Promote solid cloud services for enterprises and organizations

- **Operating Income**: 33.0 (+11.6)
  - Improve by controlling loss-making projects, higher productivity and quality such as enhancement of services delivery efficiency

*Forecasts as of Oct 27, 2011*
Platform Business

2H

Sales

- Operating income ratio
- 5.7%
- 5.2%
- 7.5%

Sales

- FY10/3 2H
  - 207.5
  - 11.8
  - -4.1%

- FY11/3 2H
  - 199.0
  - 10.4
  - +8.6%

- FY12/3 2H
  - 216.0
  - 16.2

Full Year

Sales

- Operating income ratio
- 2.4%
- 3.6%

Sales

- FY10/3
  - 373.7
  - 8.9
  - -1.7

- FY11/3
  - 375.8
  - 8.9
  - +0.6%

- FY12/3
  - 390.0
  - 14.0
  - +3.8%

Forecasts(*)

*Forecasts as of Oct 27, 2011
# Platform Business

<table>
<thead>
<tr>
<th>Category</th>
<th>Forecast</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>390.0</td>
<td>(+3.8%)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>14.0</td>
<td>(+5.1)</td>
</tr>
</tbody>
</table>

**Software:**
- Expect to increase in operation management software mainly for data centers, such as server integration, virtualization and cloud computing platform.

**Hardware:**
- Focus on products for energy saving, for BCP such as backup and thin-clients, to respond to demand for datacenters.

**Enterprise Network:**
- Aim to increase sales by solution for work-style innovation with smartphones and deploying low-capacity communication server UNIVERGE “SL1000” for emerging markets.

*Forecasts as of Oct 27, 2011*
Carrier Network Business

2H

- Operating income ratio: 10.1%
- Sales: 318.8 billion yen (YoY 5.9%)
- Operating Income: 19.0 billion yen (YoY +4.9%)
- Forecast: 334.5 billion yen (+36.3%)
- Forecast (2H): 455.8 billion yen (9.1%)

Full Year

- Operating income ratio: 6.7%
- Sales: 627.4 billion yen (YoY 5.0%)
- Operating Income: 31.3 billion yen (YoY -3.5%)
- Forecast: 750.0 billion yen (+23.9%)
- Forecast: 57.0 billion yen

*Forecasts as of Oct 27, 2011
Carrier Network Business

### Sales
750.0 (+23.9%)

- Achieve additional sales growth in Japan by capturing business opportunities arising from data traffic hikes
- Attain sales increase by solid execution and securing additional projects of submarine cable systems
- Achieve business expansion for mobile backhaul, mainly in Russia and Latin America, with new full-IP PASOLINK products
- Attain business growth in service and management, including carrier cloud

### Operating Income
57.0 (+16.3)

- Expect to increase profits from sales expansion in domestic business and submarine cable systems, and sales recovery in mobile backhaul

*Forecasts as of Oct 27, 2011*
Social Infrastructure Business

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Operating Income</th>
<th>Operating Income Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY10/3 2H</strong></td>
<td>186.9</td>
<td>19.0</td>
<td>10.2%</td>
</tr>
<tr>
<td><strong>FY11/3 2H</strong></td>
<td>180.9</td>
<td>10.6</td>
<td>5.8%</td>
</tr>
<tr>
<td><strong>FY12/3 2H</strong></td>
<td>189.7</td>
<td>8.9</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

**Full Year Forecasts (Billions of Yen):**

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Operating Income</th>
<th>Operating Income Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY10/3</strong></td>
<td>316.6</td>
<td>21.7</td>
<td>6.9%</td>
</tr>
<tr>
<td><strong>FY11/3</strong></td>
<td>318.8</td>
<td>14.6</td>
<td>4.6%</td>
</tr>
<tr>
<td><strong>FY12/3</strong></td>
<td>330.0</td>
<td>15.0</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

*Forecasts as of Oct 27, 2011*
Social Infrastructure Business

<table>
<thead>
<tr>
<th>Sales</th>
<th>330.0 (+3.5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>△ 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</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Income</th>
<th>15.0 (+0.4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>△ Expect higher profits due to sales increase and cost reductions</td>
<td></td>
</tr>
</tbody>
</table>

*Forecasts as of Oct 27, 2011*
Personal Solutions Business

Sales 730.0 (-4.8%)

△ Mobile Terminals:
  Increase from expansion of smartphone business in Japan and overseas

▼ PC and Others:
  Decrease due to the deconsolidation of consumer PCs

Operating Income 15.0 (+16.9)

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

*Forecasts as of Oct 27, 2011
Net Income/Loss Change (Year on Year)

(Billions of Yen)

Improvement in operating income +32.2

Improvement in non-operating income/loss +22.8

Narrower investment loss from the equity method

Increase in tax payments

Others -27.5

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

FY11/3 -12.5
FY12/3 Forecast 15.0

*Forecasts as of Oct 27, 2011
## Capital Expenditure, Depreciation and R&D expenses

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>FY11/3 Actual</th>
<th>FY12/3 Forecasts</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capial Expenditure</td>
<td>52.9</td>
<td>80.0</td>
<td>51.4%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>62.1</td>
<td>65.0</td>
<td>4.7%</td>
</tr>
<tr>
<td>R&amp;D expenses</td>
<td>176.5</td>
<td>185.0</td>
<td>4.8%</td>
</tr>
<tr>
<td>To consolidated total sales (%)</td>
<td>5.7%</td>
<td>5.7%</td>
<td></td>
</tr>
</tbody>
</table>

Note: Unchanged from full year forecasts announced on Jul 28
Progress on Mid-Term Growth Plan V2012
## Progress to Achieve V2012 Target

<table>
<thead>
<tr>
<th>Focus Areas</th>
<th>Key Measures</th>
</tr>
</thead>
</table>
| **Cloud**   | ● Deliver cloud services for local governments  
              ● Create new business with cloud  
              ● Promote data center and platform strategies  
              ● Promote commercial LTE systems in Japan |
| **Global**  | ● Launch CODC (Cloud Oriented Data Center) business  
              ● Expand mobile backhaul and submarine cable systems  
              ● Expand carrier cloud business  
              ● Promote and expand wireless broadband access |
| **New Business** | ● Reinforce manufacturing to respond to demand in automotive batteries  
                        ● Develop and sale of home-use power storage systems  
                        ● Expand alliance strategy in smart energy  
                        ● Serve smartphone MEDIAS to 3 Japanese telecom carriers |
Measures and achievements in Cloud Business

- Accounting system for COOKPAD Inc.
- Cloud services of Internet reservation data exchange for HOTEL CENTURY SOUTHERN TOWER
- Saas-based e-ticket issuance and authentication services for Entertainment Plus Inc.
- Indirect material procurement services for Cecile Co., Ltd.
- Financial accounting cloud services for 10 cities in Kanagawa
- Unified communication system for Ishigaki City and Taketomi town in Okinawa
- Saas-based electric medical records system for Tamashima Daiichi Hospital in Kurashiki City, Okayama
- Accounting system for COOKPAD Inc.
- Cloud services of Internet reservation data exchange for HOTEL CENTURY SOUTHERN TOWER
- Saas-based e-ticket issuance and authentication services for Entertainment Plus Inc.
- Indirect material procurement services for Cecile Co., Ltd.
- Financial accounting cloud services for 10 cities in Kanagawa
- Unified communication system for Ishigaki City and Taketomi town in Okinawa
- Saas-based electric medical records system for Tamashima Daiichi Hospital in Kurashiki City, Okayama
- Collaboration with Mitsubishi Electronic Corporation in cloud service business for manufacturing management systems
- Alliance with OBAYASHI CORPORATION and GRAPHISOFT SE in Smart BIM Cloud
- Shipping LTE base stations for KDDI
- Launched M2M Solution “CONNEXIVE”
- Established new Data Center in Kansai
- Began construction of new Data Center in Hokkaido
Measures and achievements in Global Business

- Collaboration with Royal Philips Electronics in digital pathology systems
- Provide Swiss Post with the Latest Mail Processing Systems
- Femtocell systems for Kuwait Zain
- NetCracker acquired activation business from India Subex
- Launch production of PASOLINK in India
- Partnership with India Trimax on cloud services
- Collaboration with Neusoft Corporation on cloud services
- Transport Management System for logistics company in China
- Collaboration with Jointown Pharmaceutical Group on Medical logistics solution
- Collaboration with Singapore STEE on cloud services
- Deployed advanced postal automation system in Malaysia
- POS system for Alfamart, one of Indonesia's retailers
- South-East Asia Japan Cable (SJC) system
- Maldives' domestic submarine cable system
- Orders for iPASOLINK over 110,000 units by 100 operators in 55 countries
- Digital Signage for UNIQLO
- Collaboration with Cisco to build commercial LTE Networks
- ProgrammableFlow for Genesis Hosting
- Participated in Smart City development in Brazil
- Established NEC Latin America S.A.
Measures and achievements in Smart Energy Business

- Strategic partnership with Enel Distribuzione on the development of Next-Generation Smart Grid system
- Launch of household energy storage system
- Launch of Home Energy Management System (HEMS)
- Began demonstration project for Battery and Charger Integration Systems for next generation service stations as part of Yokohama City’s “Yokohama Smart City Project”
- Developed new technology which doubles life of manganese Li-ion rechargeable battery
- Developed new power grid to introduce renewable energy easily with Tokyo Univ. and the National Institute of Advanced Industrial Science and Technology
- Basic research to realize green township in Malaysia
- Feasibility study of smart community for overseas market in Indonesia
- Participated in Smart City development in Brazil
Reference (Financial data)
Net Sales, Operating Income/Loss

(Billions of yen)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10/3</td>
<td>-22.3%</td>
<td>-22.3%</td>
<td>-13.0%</td>
<td>-3.1%</td>
</tr>
<tr>
<td>FY11/3</td>
<td>1104.1</td>
<td>875.2</td>
<td>825.4</td>
<td>1186.8</td>
</tr>
<tr>
<td>FY12/3</td>
<td>778.5</td>
<td>163.9</td>
<td>175.2</td>
<td>186.8</td>
</tr>
</tbody>
</table>

Overseas Sales (Overseas Sales Ratio)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10/3</td>
<td>-40.0</td>
<td>2.3</td>
<td>-7.5</td>
<td>-14.2%</td>
</tr>
<tr>
<td>FY11/3</td>
<td>96.1</td>
<td>14.0</td>
<td>17.1%</td>
<td>14.3%</td>
</tr>
<tr>
<td>FY12/3</td>
<td>1186.8</td>
<td>118.8</td>
<td>17.2%</td>
<td>17.5%</td>
</tr>
</tbody>
</table>

Sales in Japan (Operating Income/Loss)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10/3</td>
<td>-23.2</td>
<td>24.3</td>
<td>-13.5</td>
<td>70.2</td>
</tr>
<tr>
<td>FY11/3</td>
<td>1186.8</td>
<td>118.8</td>
<td>17.2%</td>
<td>17.5%</td>
</tr>
<tr>
<td>FY12/3</td>
<td>1186.8</td>
<td>118.8</td>
<td>17.2%</td>
<td>17.5%</td>
</tr>
</tbody>
</table>

Net Sales

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10/3</td>
<td>-19.4</td>
<td>-14.2%</td>
<td>-13.5</td>
<td>70.2</td>
</tr>
<tr>
<td>FY11/3</td>
<td>138.8</td>
<td>115.1</td>
<td>17.2%</td>
<td>17.5%</td>
</tr>
<tr>
<td>FY12/3</td>
<td>138.8</td>
<td>115.1</td>
<td>17.2%</td>
<td>17.5%</td>
</tr>
</tbody>
</table>
Sales, Operating Income/Loss (IT Services)

Operating income ratio

- 0.4%  1.8%  13.3%  - 3.5%  - 3.9%  - 4.7%  5.0%

167.6 (Billions of yen)
209.8
187.6
-7.7%
-10.8%
-1.4%
40.2
10.2
3.4
161.2
171.0
-5.7
9.2
-6.6
24.5
157.5
205.2
-7.4
10.3
-2.2%

Sales
Operating Income/Loss
-0.6
-1.4%
-0.6
3.4
-3.8%
-5.7
-5.7
-6.6
-7.7%
-13.0%
-0.6
6.0%
-6.6
-1.4%
-8.8%
-6.6
-7.4
-0.6
1.0%
1.0%
-7.7%
-10.8%
-1.4%
-3.8%
-5.7
-5.7
-6.6
-7.7%
-13.0%
-0.6
1.0%
1.0%
-7.7%
-10.8%
-1.4%
-3.8%
-5.7
-5.7
-6.6
-7.7%
-13.0%
-0.6
1.0%
1.0%
-7.7%
-10.8%
-1.4%
-3.8%
-5.7
-5.7
-6.6
-7.7%
-13.0%
-0.6
1.0%
1.0%
-7.7%
-10.8%
-1.4%
-3.8%
-5.7
-5.7
-6.6
-7.7%
-13.0%
-0.6
1.0%
1.0%
-7.7%
-10.8%
-1.4%
-3.8%
-5.7
-5.7
-6.6
-7.7%
-13.0%
-0.6
1.0%
1.0%
-7.7%
-10.8%
-1.4%
-3.8%
-5.7
-5.7
-6.6
-7.7%
-13.0%
-0.6
1.0%
1.0%
-7.7%
-10.8%
-1.4%
-3.8%
-5.7
-5.7
-6.6
-7.7%
-13.0%
-0.6
1.0%
1.0%
-7.7%
-10.8%
-1.4%
-3.8%
-5.7
-5.7
-6.6
-7.7%
-13.0%
-0.6
1.0%
1.0%
Sales, Operating Income/Loss (Platform)

(Billions of yen)

Operating income ratio

- 19.1%
- 0.3%
- 5.5%
- 2.4%
- 6.8%
- 19.1%
- 8.5%
- 4.8%
- 5.1%
- 2.0%
- 0.3%
- 0.7%

Sales
73.9
87.0
80.0
82.5
96.7
120.6
116.5
94.1

Operating Income/Loss
-34.1%
-19.8%
+8.3%
-5.1%
+4.8%
-8.5%
-14.1%
-2.7%

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

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

Q1 <Apr-Jun> Q2 <Jul-Sep>
FY12/3
### Sales, Operating Income/Loss (Carrier Network)

(Billions of yen)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY10/3</th>
<th>FY11/3</th>
<th>FY12/3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>141.7</td>
<td>166.9</td>
<td>175.9</td>
</tr>
<tr>
<td><strong>Operating income/Loss</strong></td>
<td></td>
<td>142.9</td>
<td>-25.9%</td>
</tr>
<tr>
<td></td>
<td>11.8</td>
<td>-19.8%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.0</td>
<td>-24.4%</td>
<td>-24.4%</td>
</tr>
<tr>
<td></td>
<td>16.9</td>
<td>-17.6%</td>
<td>-17.6%</td>
</tr>
<tr>
<td></td>
<td>2.0</td>
<td>-6.0</td>
<td>-6.0</td>
</tr>
<tr>
<td></td>
<td>13.0</td>
<td>13.0</td>
<td>13.0</td>
</tr>
<tr>
<td></td>
<td>5.8</td>
<td>5.8</td>
<td>5.8</td>
</tr>
<tr>
<td></td>
<td>1.8</td>
<td>27.9</td>
<td>27.9</td>
</tr>
<tr>
<td></td>
<td>13.5</td>
<td>13.5</td>
<td>13.5</td>
</tr>
</tbody>
</table>

**Operating income ratio**

- Q1: 9.6%
- Q2: 8.4%
- Q3: 14.8%
- Q4: 8.3%

**YoY**

- Q1: 0.4%
- Q2: 1.4%
- Q3: 14.8%
- Q4: 1.4%
Sales, Operating Income/Loss (Social Infrastructure)

Operating income ratio
-1.2% 4.7% 0.9% 0.6% 0.7% 8.8% 0.7% 6.9%

(Billions of yen)

Sales
-4.3% 72.4 64.7 18.4 58.4 79.5 66.6 58.8 81.5

Operating Income/Loss
-0.7 -4.1% 3.4 0.6 0.3 3.7 0.4 0.4 5.7

YoY

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

FY10/3 FY11/3 FY12/3
Sales, Operating Income/Loss (Personal Solutions)

Operating income ratio

Sales

Mobile Terminals

PCs and Others

Operating Income/Loss

(Billions of yen)

YoY

<table>
<thead>
<tr>
<th>Q1 &lt;Apr-Jun&gt;</th>
<th>Q2 &lt;Jul-Sep&gt;</th>
<th>Q3 &lt;Oct-Dec&gt;</th>
<th>Q4 &lt;Jan-Mar&gt;</th>
<th>Q1 &lt;Apr-Jun&gt;</th>
<th>Q2 &lt;Jul-Sep&gt;</th>
<th>Q3 &lt;Oct-Dec&gt;</th>
<th>Q4 &lt;Jan-Mar&gt;</th>
<th>Q1 &lt;Apr-Jun&gt;</th>
<th>Q2 &lt;Jul-Sep&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10/3</td>
<td>FY11/3</td>
<td>FY12/3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Empowered by Innovation
Sales, Operating Income/Loss (Others)

Operating income ratio
- 17.2%
- 7.8%
- 4.6%
- 0.2%
- 2.0%
2.1%
4.7%
6.7%
(YoY)

Sales
143.1\(\times\) 166.5\(\times\) 166.5\(\times\) 185.2\(\times\)
- 40.7%
- 31.2%
- 16.7%
+ 38.6%
- 59.8%
- 62.2%
- 62.8%
- 66.3%
0.0%
- 4.4%

Operating income/loss
- 24.7
- 12.9
- 7.7
0.4
- 1.1
4.2
1.3
2.9
- 0.5
4.0

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

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

Q1 <Apr-Jun> Q2 <Jul-Sep>
FY12/3
Exchange Rate

Euro/Yen Exchange rate (Actual)

Assumed Exchange rate

Average exchange rate ¥115.20

Dollar/Yen Exchange rate (Actual)

Assumed Exchange rate

Average exchange rate ¥80.64
Stock Price

Apr 11: NEC IR Day (Personal Solutions)

May 10: FY11/3 Earnings

Jun 22: Ordinary General Meeting of Shareholders

Jul 28: Q1 Earnings

NEC

the Nikkei Stock

8,000 8,500 9,000 9,500 10,000 10,500


145 150 155 160 165 170 175 180 185 190 195

(Yen)
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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. You should not place undue reliance on forward-looking statements, which reflect NEC’s analysis and expectations only. Forward-looking statements are not guarantees of future performance and involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. Among the factors that could cause actual results to differ materially from such statements include (i) global economic conditions and general economic conditions in NEC’s markets, (ii) fluctuating demand for, and competitive pricing pressure on, NEC’s products and services, (iii) NEC’s ability to continue to win acceptance of NEC’s products and services in highly competitive markets, (iv) NEC’s ability to expand into foreign markets, such as China, (v) regulatory change and uncertainty and potential legal liability relating to NEC’s business and operations, (vi) NEC’s ability to restructure, or otherwise adjust, its operations to reflect changing market conditions, (vii) movement of currency exchange rates, particularly the rate between the yen and the U.S. dollar, (viii) the impact of unfavorable conditions or developments, including share price declines, in the equity markets which may result in losses from devaluation of listed securities held by NEC, and (iv) impact of any regulatory action or legal proceeding against NEC. Any forward-looking statements speak only as of the date on which they are made. New risks and uncertainties come up from time to time, and it is impossible for NEC to predict these events or how they may affect NEC. NEC does not undertake any obligation to update or revise any of the forward-looking statements, whether as a result of new information, future events, or otherwise.

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