

Financial Results for Q3 Fiscal Year Ending March 31, 2013

January 31, 2013

NEC Corporation

(<http://www.nec.com/en/global/ir>)

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※ As stated in the July 6, 2012 announcement, “NEC Revises Business Segments,” NEC has revised its business segments from the first quarter of the fiscal year ending March 31, 2013. Figures for the corresponding period of the previous fiscal year have been adjusted in accordance with the new segments



I. Financial Results for Q3, FY13/3

Summary of Financial Results for Q3

Net income for Q3 :

In the black due to improvement in operating income

(Billions of Yen)

	Q3(October to December)			9 Months(April to December)		
	FY12/3 Actual	FY13/3 Actual	YoY	FY12/3 Actual	FY13/3 Actual	YoY
Net Sales	669.0	722.0	7.9%	2,112.2	2,169.8	2.7%
Operating Income/Loss	-8.2	24.4	32.6	-1.4	71.8	73.2
% to Net Sales	-	3.4%		-	3.3%	
Ordinary Income/Loss	-11.6	21.9	33.5	-22.0	51.8	73.8
% to Net Sales	-	3.0%		-	2.4%	
Net Income/ Loss	-86.5	3.5	90.0	-97.5	11.5	109.0
% to Net Sales	-	0.5%		-	0.5%	
Free Cash Flow	-73.9	-60.8	13.1	-64.7	-92.7	-28.0

(Ref): Average exchange rates for Q3(Oct-Dec) of FY13/3 1\$= ¥79.35, 1€= ¥102.17

Average exchange rates for 9 months of FY13/3 1\$= ¥79.87, 1€= ¥102.10

Restructuring Progress

Q3 Result: 13.0B Yen

9 months: 26.0B Yen (in line with its forecasts)

Item	Q3 Result (9 months)	FY13/3 (forecasts)
Business Restructuring	8.0	20.0
Streamline Corporate staffs	(11.0)	
Reduction of External Resources	1.0 (2.0)	4.0
Immediate Cost Reductions	4.0 (13.0)	16.0
Total	13.0 (26.0)	40.0

Segment	Q3 Result (9 months)	FY13/3 (forecasts)
IT Solutions	5.0 (10.0)	14.0
Carrier Network	1.0 (3.0)	5.0
Social Infrastructure	1.0 (2.0)	3.0
Personal Solutions	4.0 (8.0)	13.0
Others/Eliminations Unclassifiable exp	2.0 (3.0)	5.0
Total	13.0 (26.0)	40.0

(Billions of Yen)

*Forecasts (FY13/3) as of Jan 31, 2013

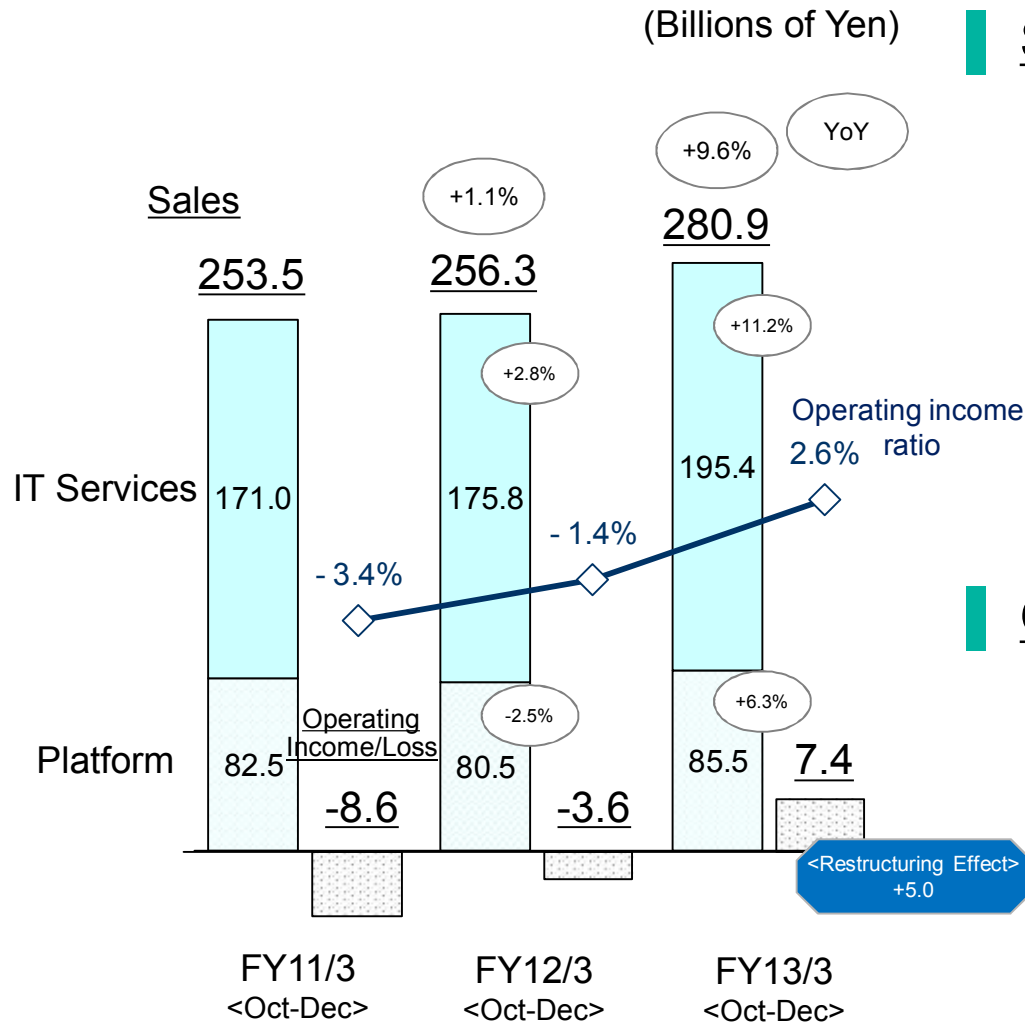
Results for Q3 by Segment

(Billions of Yen)

		Q3(October to December)			9 Months(April to December)		
		FY12/3 Actual	FY13/3 Actual	YoY	FY12/3 Actual	FY13/3 Actual	YoY
IT Solutions	Net Sales	256.3	280.9	9.6%	792.9	859.3	8.4%
	Operating Income/Loss	-3.6	7.4	11.0	-2.8	30.2	33.0
	% to Net Sales	-	2.6%		-	3.5%	
Carrier Network	Net Sales	141.7	152.6	7.7%	425.2	464.7	9.3%
	Operating Income	8.2	16.5	8.3	23.5	43.5	20.0
	% to Net Sales	5.8%	10.8%		5.5%	9.4%	
Social Infrastructure	Net Sales	70.0	83.7	19.6%	210.3	225.6	7.3%
	Operating Income	1.3	5.9	4.6	7.4	14.1	6.6
	% to Net Sales	1.9%	7.1%		3.5%	6.2%	
Personal Solutions	Net Sales	142.0	149.6	5.3%	496.3	452.1	- 8.9%
	Operating Income/Loss	-3.0	5.2	8.2	0.5	6.4	5.9
	% to Net Sales	-	3.5%		0.1%	1.4%	
Others	Net Sales	59.0	55.1	- 6.5%	187.5	168.2	- 10.3%
	Operating Income	2.4	4.4	2.1	5.4	17.4	12.0
	% to Net Sales	4.0%	8.1%		2.9%	10.4%	
Eliminations/ Unclassifiable expenses	Operating Loss	-13.6	-15.0	-1.4	-35.4	-39.8	-4.4
Total	Net Sales	669.0	722.0	7.9%	2,112.2	2,169.8	2.7%
	Operating Income/Loss	-8.2	24.4	32.6	-1.4	71.8	73.2
	% to Net Sales	-	3.4%		-	3.3%	

IT Solutions Business

Billions of Yen (YoY)



Sales 280.9 (+9.6%)

△ IT Services

Solid sales in manufacturing, and retail & services sectors
Consolidation of CSG Limited's Technology Solutions business

△ Platform

Increase due to large-scale projects

Operating Income/Loss 7.4 (+11.0)

△ Improve due to sales increase and the effect of restructuring

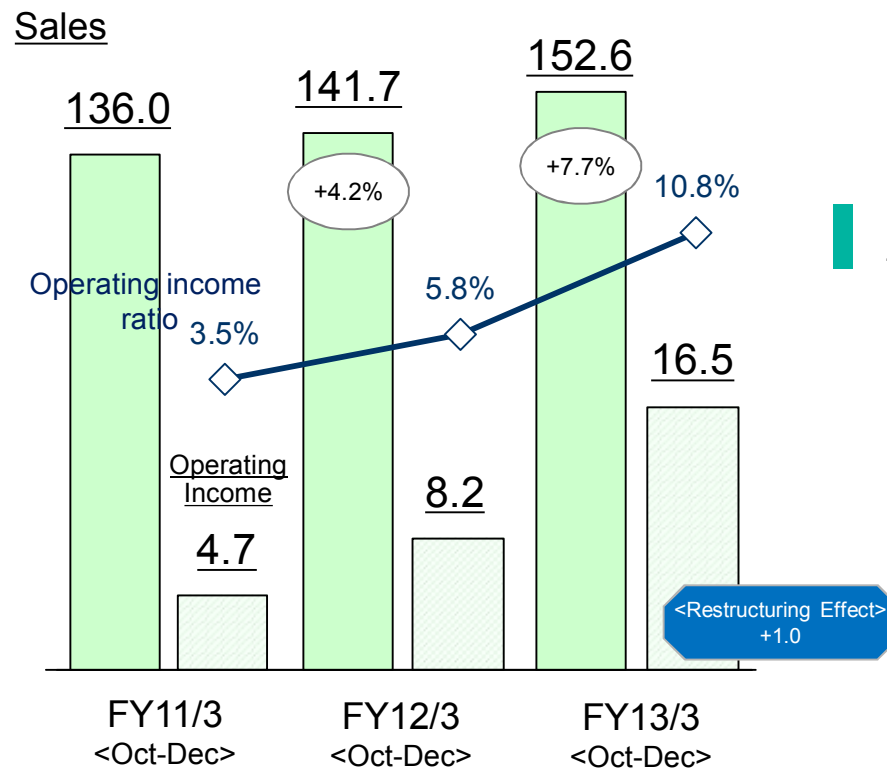


Carrier Network Business

Billions of Yen (YoY)

(Billions of Yen)

YoY



Sales 152.6 (+7.7%)

- △ Japan: Stable sales
- △ Overseas: Increase in services & management, and submarine cable systems

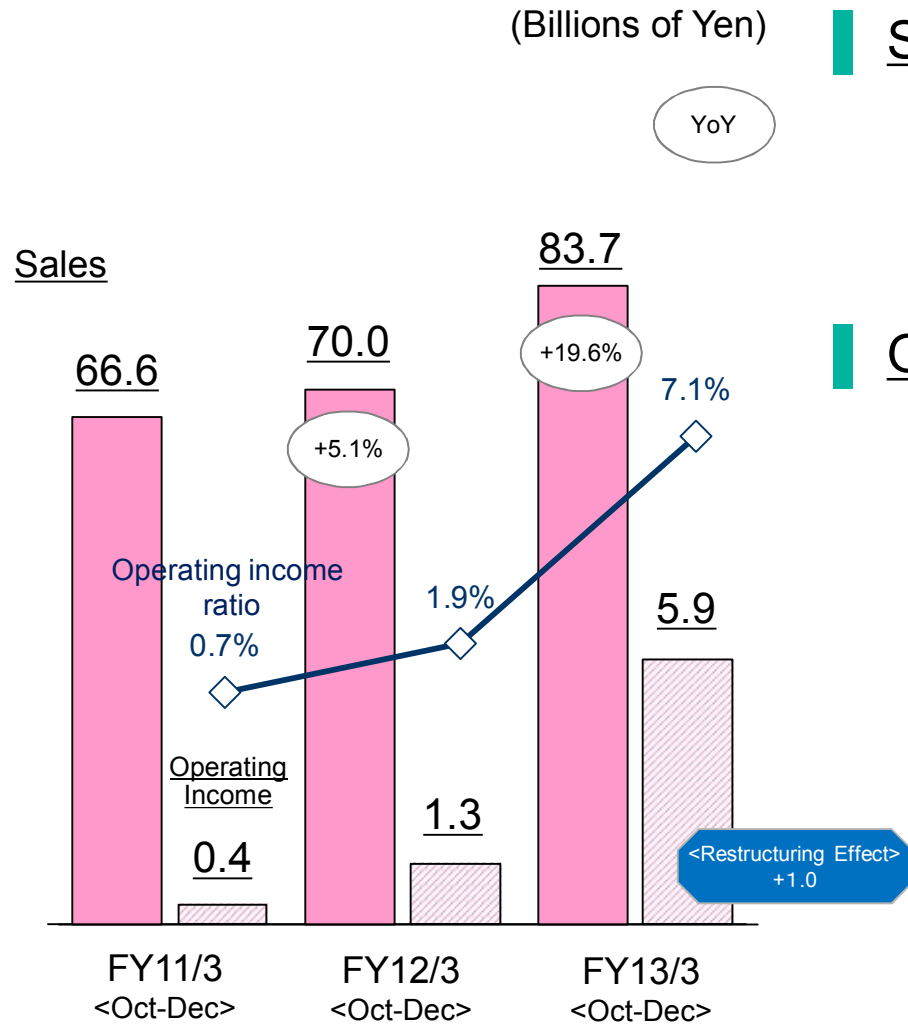
Operating Income 16.5 (+8.3)

- △ Increase from sales expansion and cost reductions



Social Infrastructure Business

Billions of Yen (YoY)



Sales 83.7 (+19.6%)

△ Strong sales in aerospace and defense systems

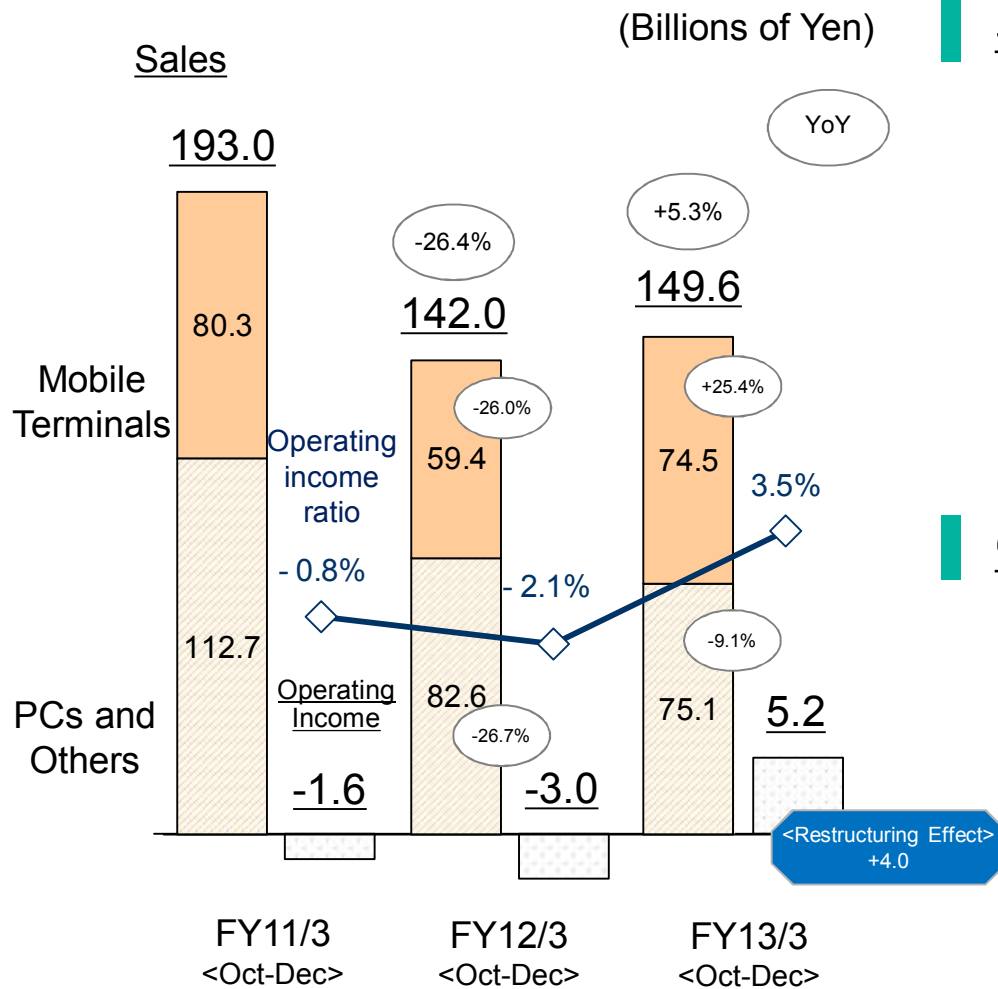
Operating Income 5.9 (+4.6)

△ Increase from sales expansion and cost reductions



Personal Solutions Business

Billions of Yen (YoY)



Sales 149.6 (+5.3%)

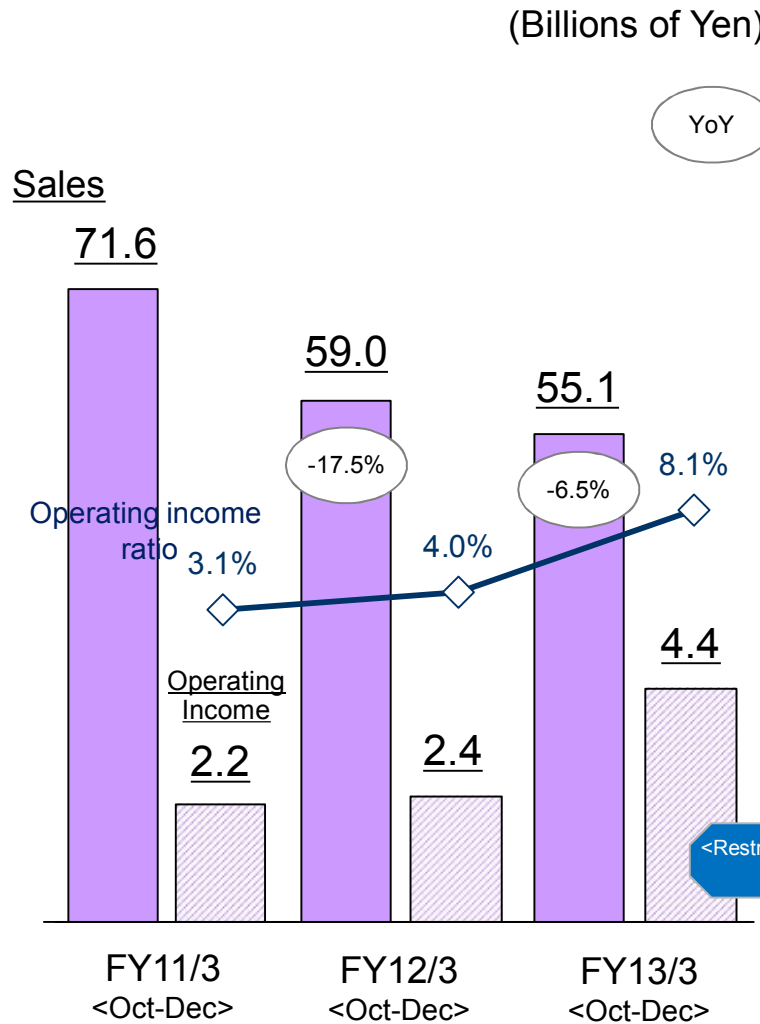
- △ Mobile Terminals:
Increase in sales of mobile handsets and mobile sales business of NEC Mobiling, Ltd.
- ▽ PCs and Others:
Decline due to impact from special demands in the previous year

Operating Income/Loss 5.2 (+8.2)

- △ Improve due to increase in sales of mobile terminals and the effect of restructuring in the mobile handset business



Billions of Yen (YoY)



Sales 55.1 (-6.5%)

▽ Decrease in energy business

Operating Income 4.4 (+2.1)

△ Increase due to the effect of restructuring despite sales decrease

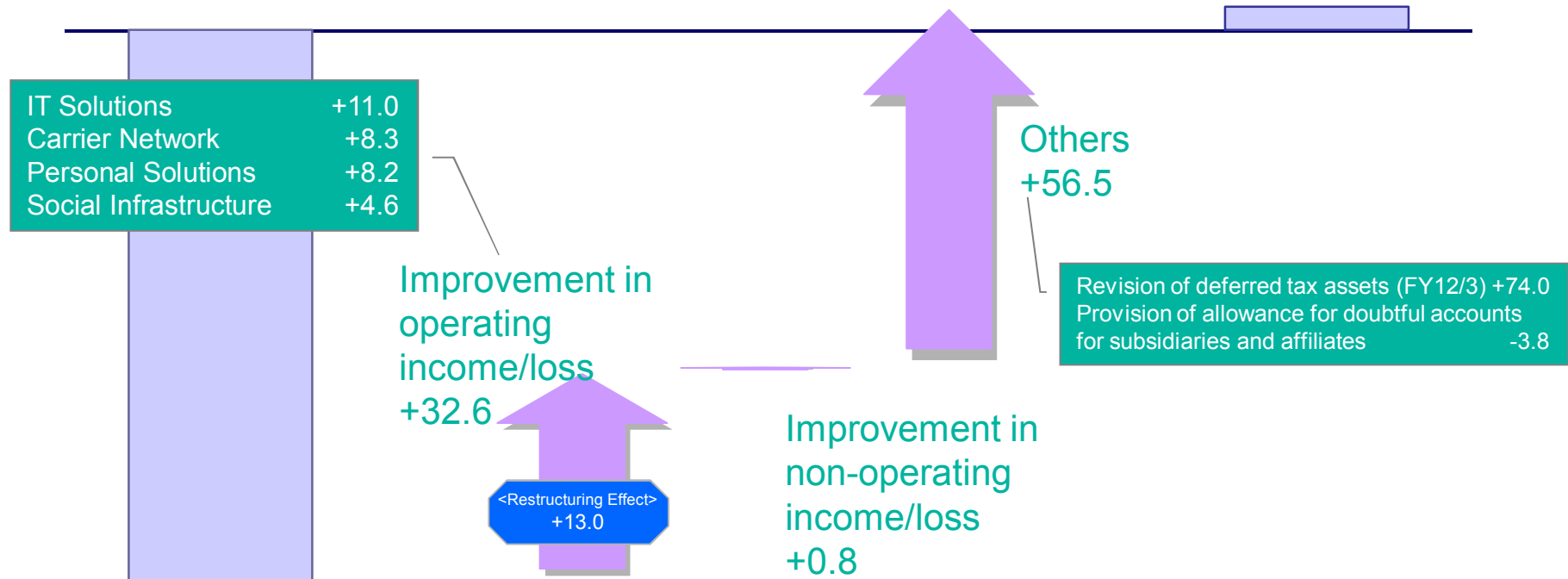


Net Income/Loss Change (Oct-Dec/Year on Year)

(Billions of Yen)

FY12/3 Q3
<Oct-Dec>
-86.5

FY13/3 Q3
<Oct-Dec>
3.5





II. Financial Forecasts for FY13/3

Summary of Financial Forecasts for FY13/3

Forecasts
FY13/3

(Billions of Yen)

	Q4(January to March)			Full Year			Difference from Oct 26
	FY12/3 Actual	FY13/3 Forecasts	YoY	FY12/3 Actual	FY13/3 Forecasts	YoY	
Net Sales	924.6	980.2	6.0%	3,036.8	3,150.0	3.7%	0.0
Operating Income	75.2	28.2	-47.0	73.7	100.0	26.3	0.0
% to Net Sales	8.1%	2.9%		2.4%	3.2%		
Ordinary Income	64.0	18.2	-45.8	42.1	70.0	28.0	0.0
% to Net Sales	6.9%	1.9%		1.4%	2.2%		
Net Income/ Loss	-12.7	8.5	21.3	-110.3	20.0	130.3	0.0
% to Net Sales	-	0.9%		-	0.6%		
Free Cash Flow	98.8	92.7	-6.1	34.2	0.0	-34.2	0.0

Note: Assumed exchange rates for FY13/3 1\$=¥75, 1€=¥100

*Forecasts as of Jan 31, 2013

Financial Forecasts for FY13/3 by Segment

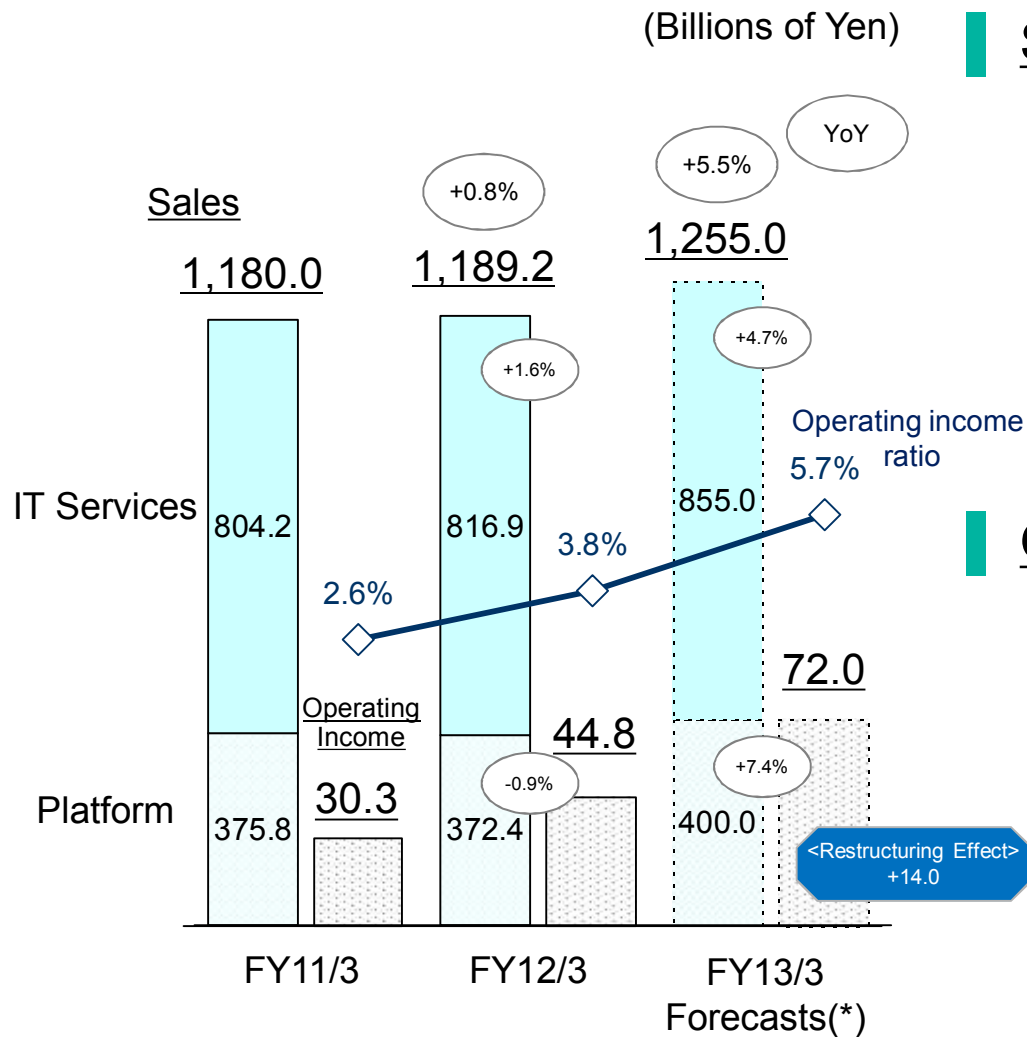
(Billions of Yen)

		Q4(January to March)			Full Year			Difference from Oct 26
		FY12/3 Actual	FY13/3 Forecasts	YoY	FY12/3 Actual	FY13/3 Forecasts	YoY	
IT Solutions	Net Sales	396.3	395.7	- 0.1%	1,189.2	1,255.0	5.5%	0.0
	Operating Income	47.6	41.8	-5.8	44.8	72.0	27.2	0.0
	% to Net Sales	12.0%	10.6%		3.8%	5.7%		
Carrier Network	Net Sales	177.6	230.3	29.7%	602.7	695.0	15.3%	0.0
	Operating Income	27.1	9.5	-17.6	50.6	53.0	2.4	0.0
	% to Net Sales	15.3%	4.1%		8.4%	7.6%		
Social Infrastructure	Net Sales	120.1	149.4	24.3%	330.4	375.0	13.5%	0.0
	Operating Income	8.7	4.9	-3.8	16.2	19.0	2.8	0.0
	% to Net Sales	7.3%	3.3%		4.9%	5.1%		
Personal Solutions	Net Sales	164.7	157.9	- 4.1%	661.0	610.0	- 7.7%	0.0
	Operating Income	0.6	3.6	3.1	1.0	10.0	9.0	0.0
	% to Net Sales	0.3%	2.3%		0.2%	1.6%		
Others	Net Sales	66.0	46.8	- 29.1%	253.5	215.0	- 15.2%	0.0
	Operating Income/Loss	5.8	-1.4	-7.2	11.1	16.0	4.9	0.0
	% to Net Sales	8.7%	-		4.4%	7.4%		
Eliminations/ Unclassifiable expenses	Operating Loss	-14.6	-30.2	-15.6	-50.0	-70.0	-20.0	0.0
Total	Net Sales	924.6	980.2	6.0%	3,036.8	3,150.0	3.7%	0.0
	Operating Income	75.2	28.2	-47.0	73.7	100.0	26.3	0.0
	% to Net Sales	8.1%	2.9%		2.4%	3.2%		

*Forecasts as of Jan 31, 2013

IT Solutions Business

Billions of Yen (YoY)



Sales 1,255.0 (+5.5%)

- △ IT Services
Increase in manufacturing, retail & services and telecom sectors
- △ Platform
Increase due to large-scale projects

Operating Income 72.0 (+27.2)

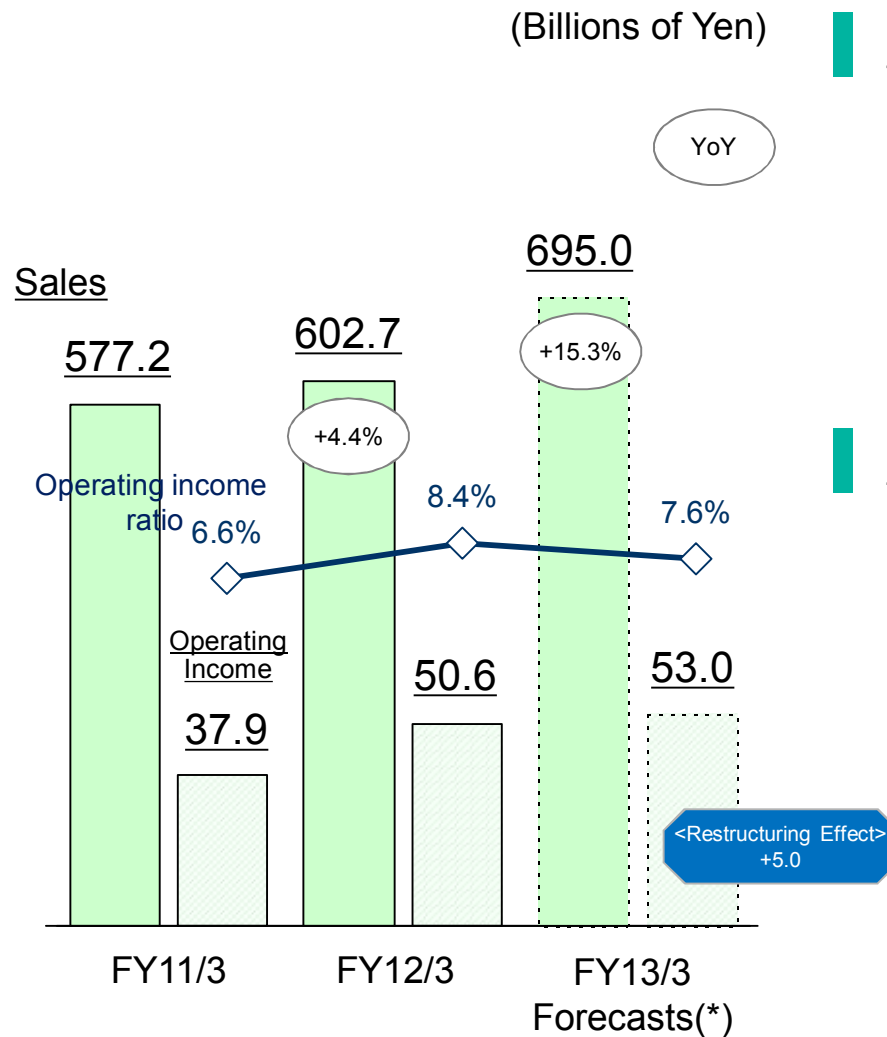
- △ Increase due to sales expansion and the effect of restructuring



*Forecasts as of Jan 31, 2013

Carrier Network Business

Billions of Yen (YoY)



Sales 695.0 (+15.3%)

- △ Japan: Expect stable sales growth
- △ Overseas: Increase due to sales expansion in services & management and submarine cable systems

Operating Income 53.0 (+2.4)

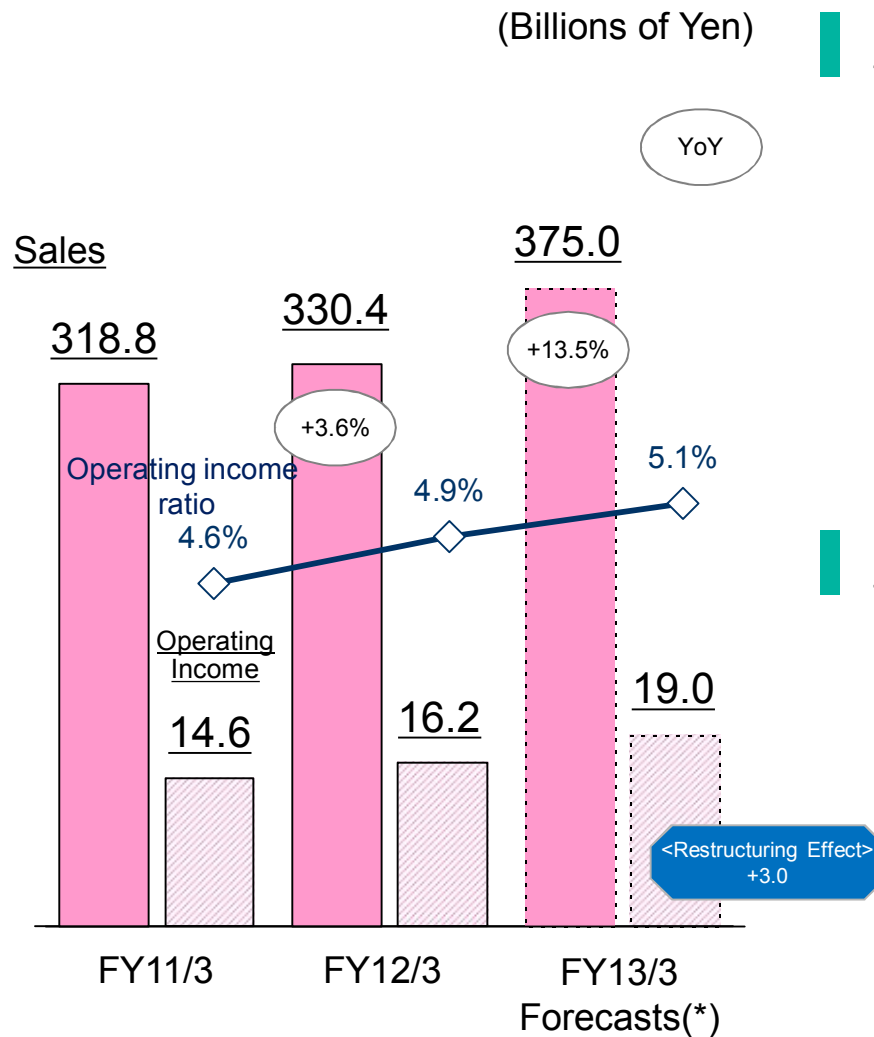
- △ Expect an increase from sales expansion and cost reductions despite making an investment for future growth



*Forecasts as of Jan 31, 2013

Social Infrastructure Business

Billions of Yen (YoY)



Sales 375.0 (+13.5%)

- △ Increase in aerospace and defense systems
- ▷ Social systems will be the same level as the previous year due to the sales increase in fire and disaster prevention systems offset by a decrease in demand for broadcasting systems

Operating Income 19.0 (+2.8)

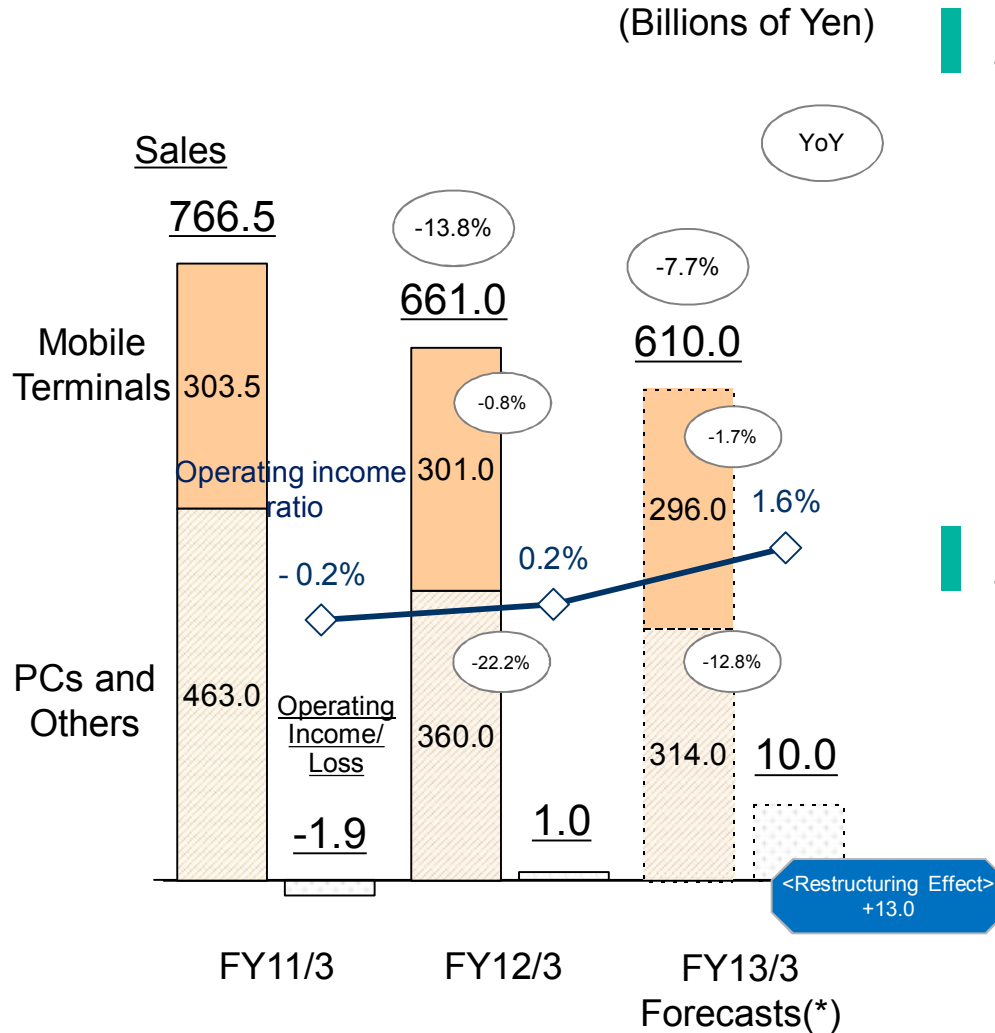
- △ Improve due to sales increase, cost reductions and the effect of restructuring despite making an investment for future growth



*Forecasts as of Jan 31, 2013

Personal Solutions Business

Billions of Yen (YoY)



Sales 610.0 (-7.7%)

- ▽ Mobile Terminals:
Focus on further sales expansion activities in Japan despite sales decrease
- ▽ PCs and Others:
Decrease due to the deconsolidation of consumer PCs

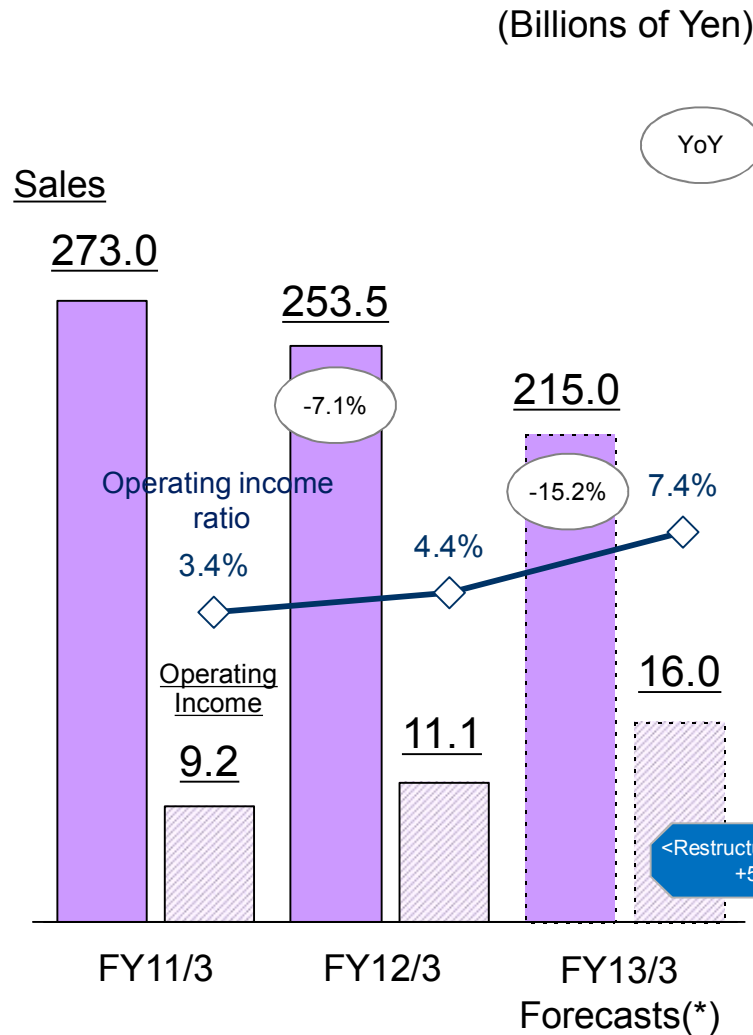
Operating Income/Loss 10.0 (+9.0)

- △ Improve due to the effect of restructuring in the mobile terminal business despite sales decrease



*Forecasts as of Jan 31, 2013

Billions of Yen (YoY)



Sales 215.0 (-15.2%)

▽ Decrease due to deconsolidation of LCD module business, and decrease in electronic component business and energy business

Operating Income 16.0 (+4.9)

△ Improve due to the effect of restructuring

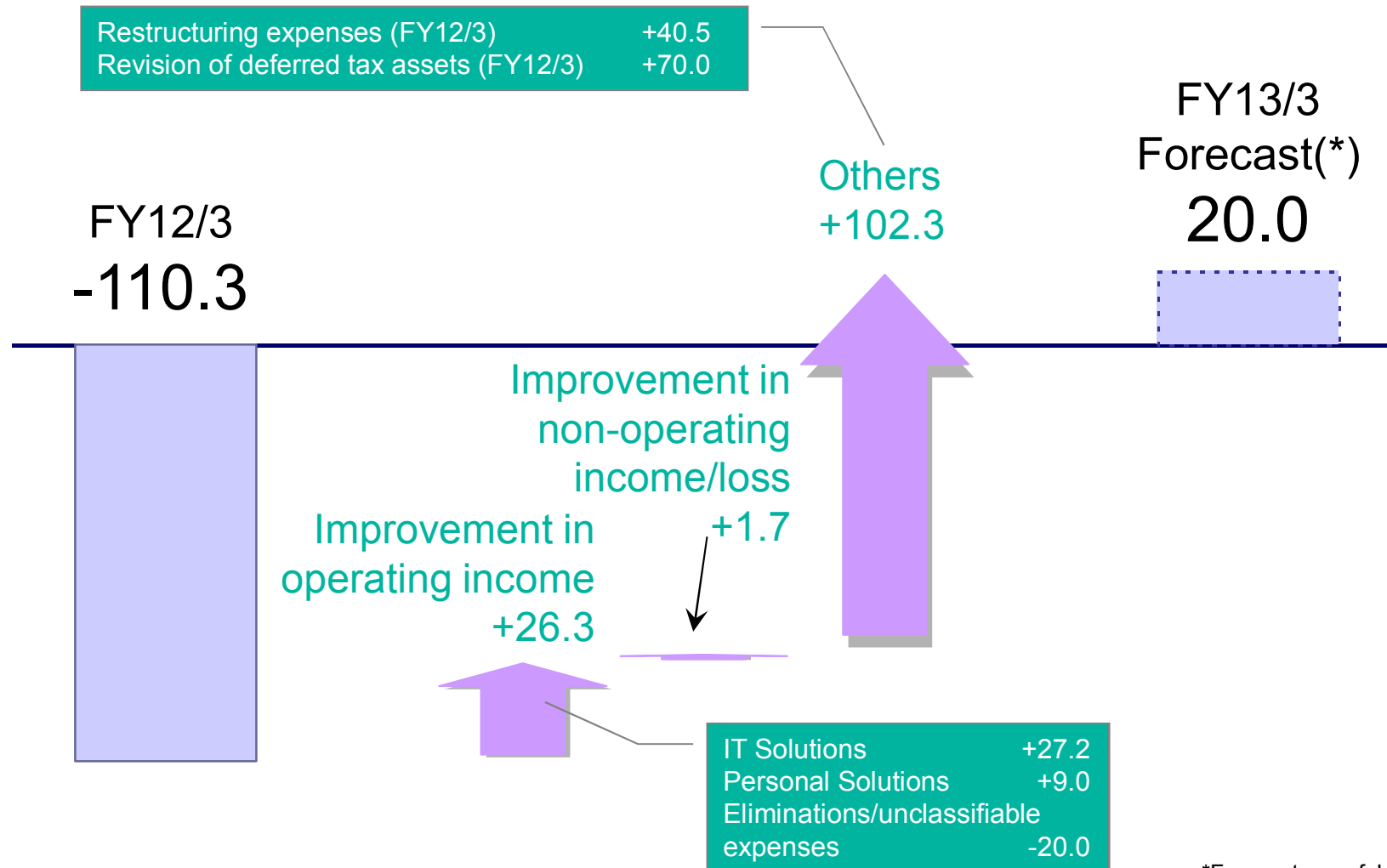


**include the restructuring effect in Eliminations/Unclassifiable expenses

*Forecasts as of Jan 31, 2013

Net Income/Loss Change (Year on Year)

(Billions of Yen)



*Forecasts as of Jan 31, 2013

Business Portfolio Restructuring Progress

NEC TOKIN (a consolidated subsidiary)

- Execute capital and business alliance with KEMET Corporation of the U.S. in Q4 FY13/3 (Already completed Antitrust investigations)
 - ⇒ To be an affiliated company accounted for by the equity method from Q4 FY13/3

Renesas Electronics (an affiliated company accounted for by the equity method)

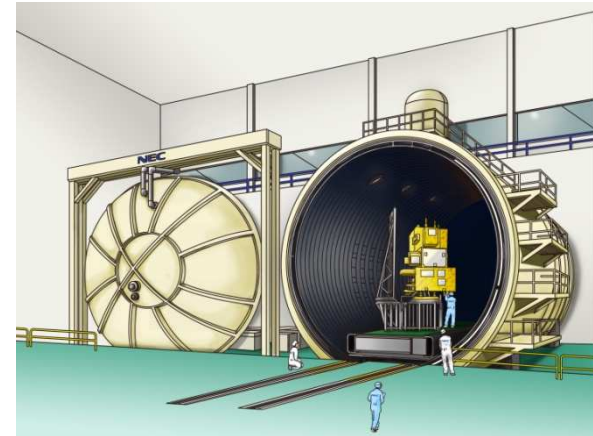
- Decided to issue new shares through a third-party allotment to the Innovation Network Corporation of Japan (INCJ) and 8 companies
 - ⇒ Renesas Electronics will no longer be an affiliated company accounted for by the equity method after the execution of their capital increase

NEC's Activities to Enhance Social Infrastructure

- INTERPOL and NEC sign partnership agreement to enhance cyber security
- Execute a Program to Upgrade and Operate X-Band Satellite Communications Functions
- Won Submarine cable project in Taiwan
- Awarded next core banking system of Sumitomo Mitsui Banking Corporation



Alliance with INTERPOL in cyber security



Satellite assembly plant in Fuchu
Rendering of large space chamber

Toward future growth



Resume dividend payments in FY13/3
4 Yen year-end dividend (forecast)

Formulate mid-term management plan
(will be announced this spring)

*Forecasts as of Jan 31, 2013

Empowered by Innovation

NEC



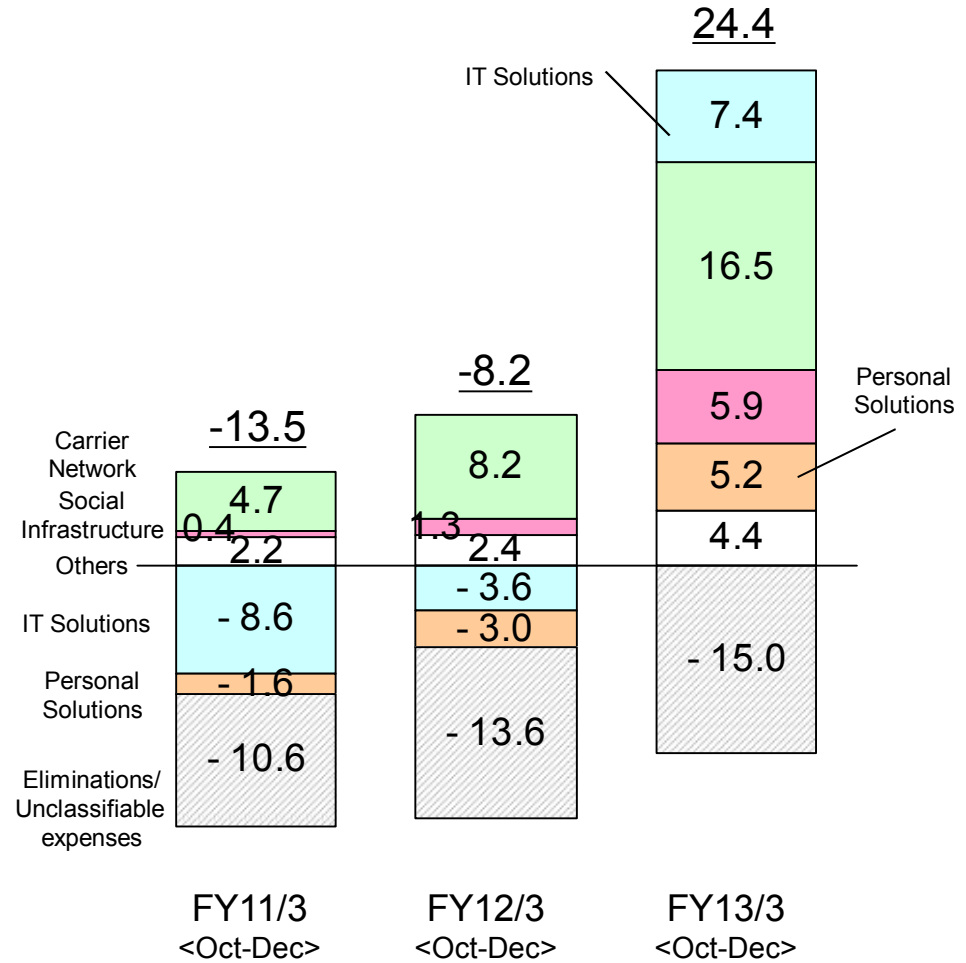
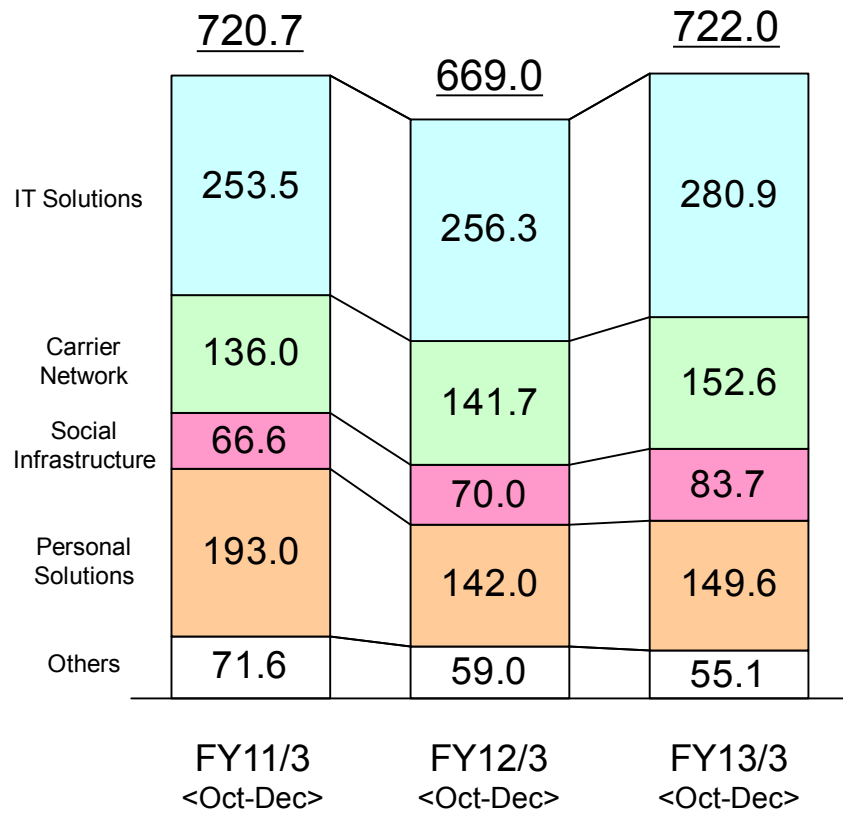
Financial Results for Q3, FY13/3 (Appendix)

Q3 Results by Segment

(Billions of Yen)

Net Sales

Operating Income/Loss



Summary of Financial Results for Q3 by Segment

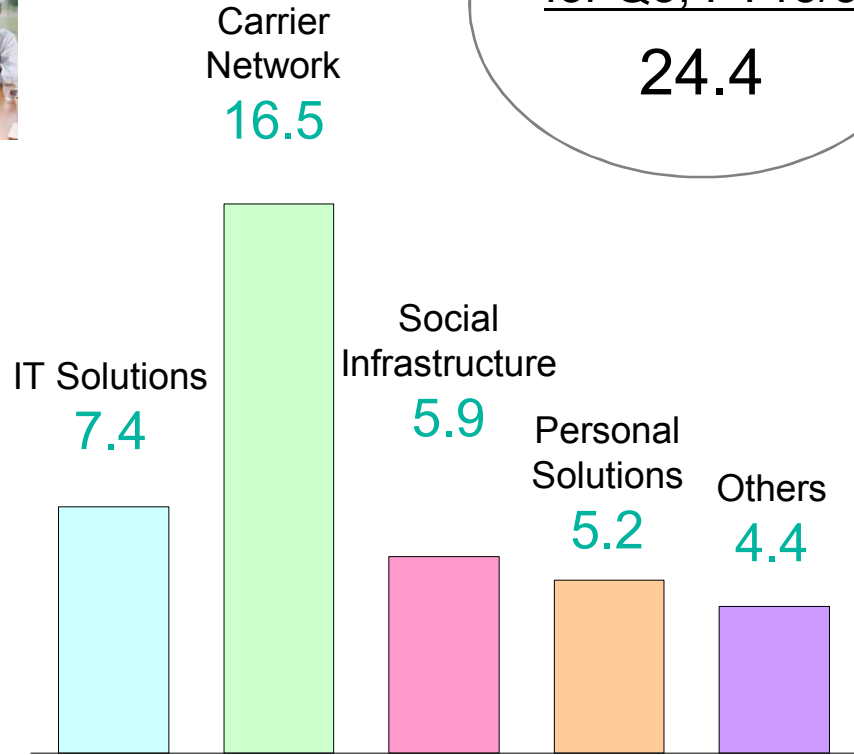
Net Sales

Operating Income

(Billions of Yen)

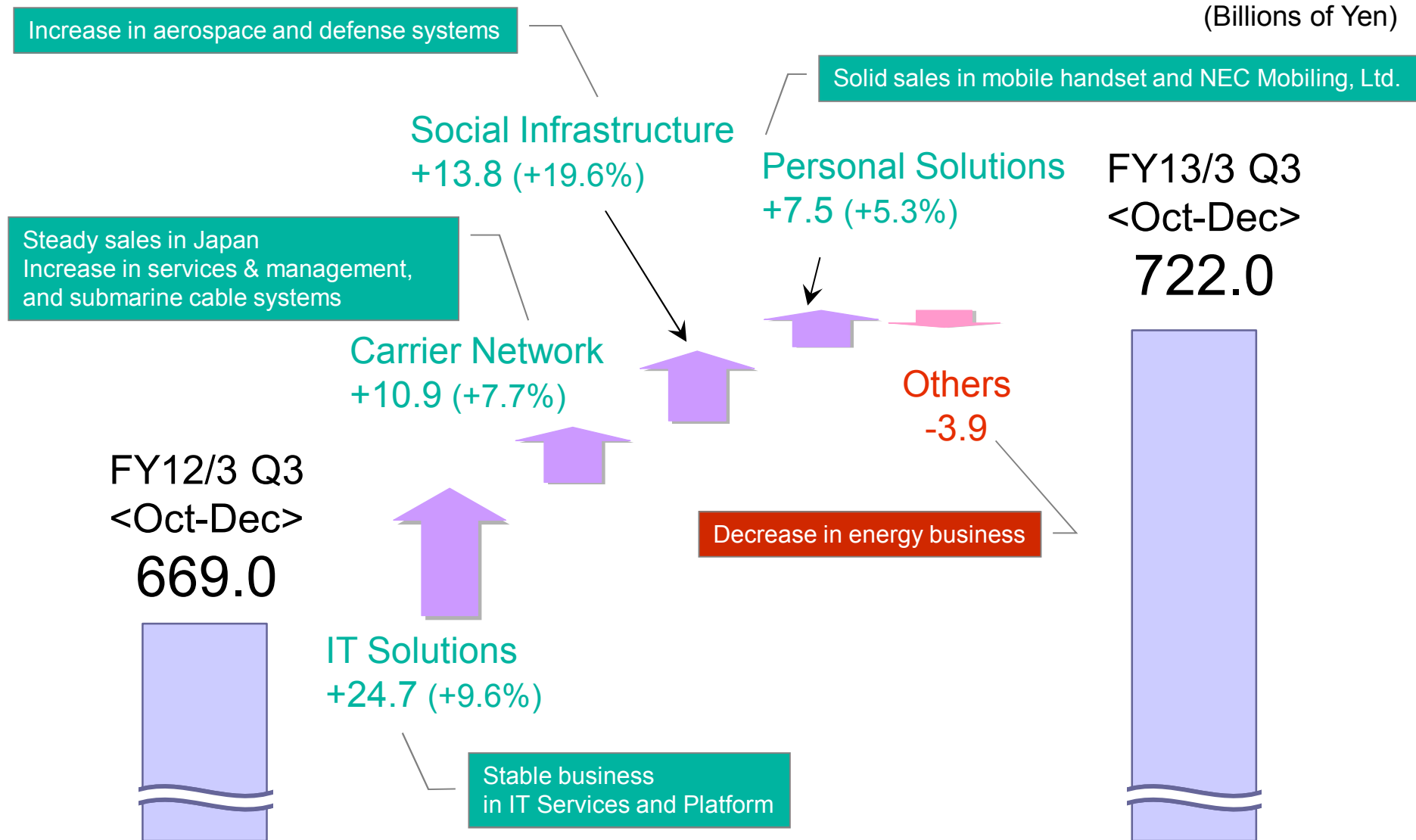


Operating Income for Q3, FY13/3
24.4



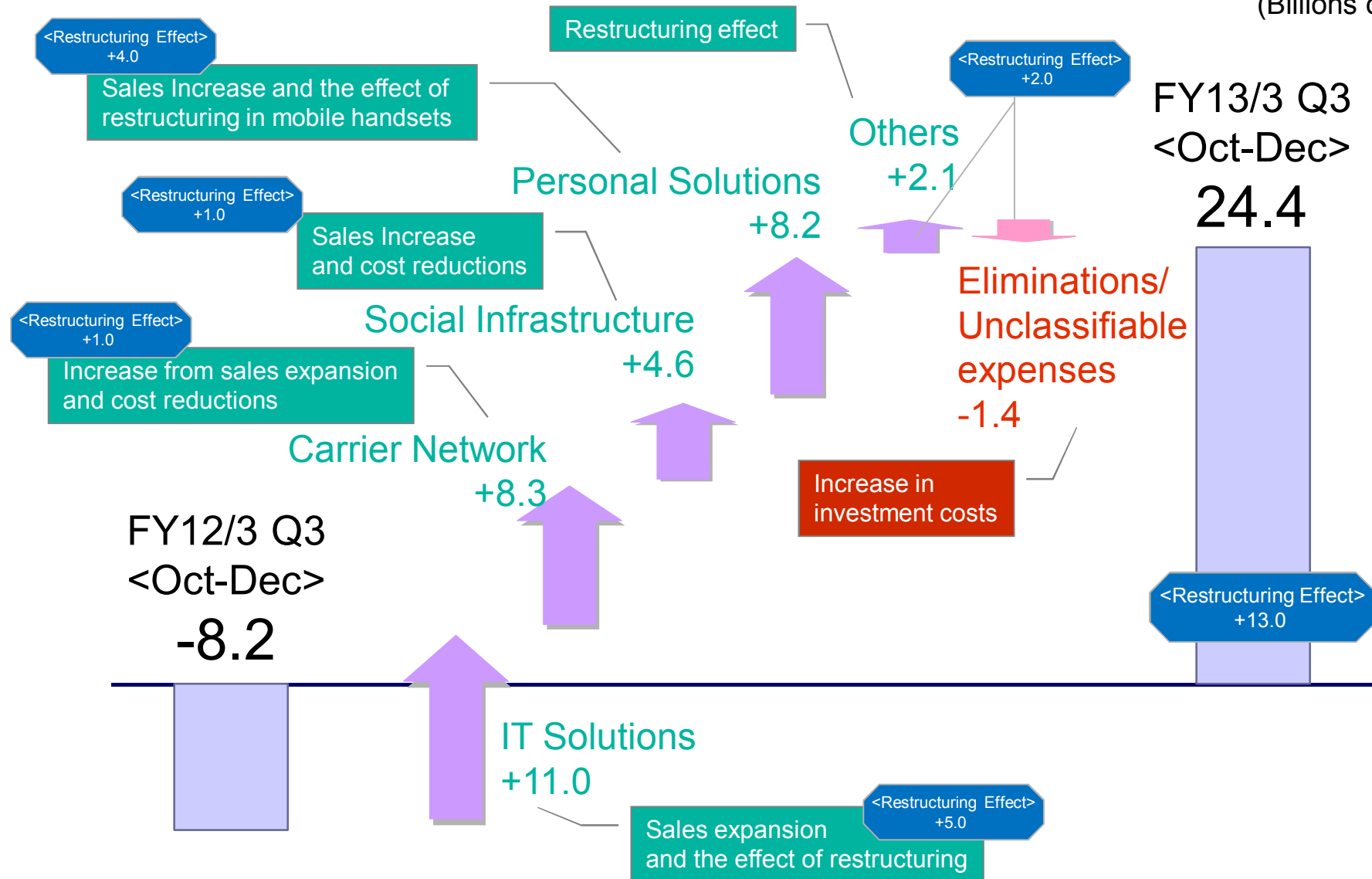
Sales Change (Oct-Dec/Year on Year)

(Billions of Yen)



Operating Income/Loss Change (Oct-Dec/Year on Year)

(Billions of Yen)

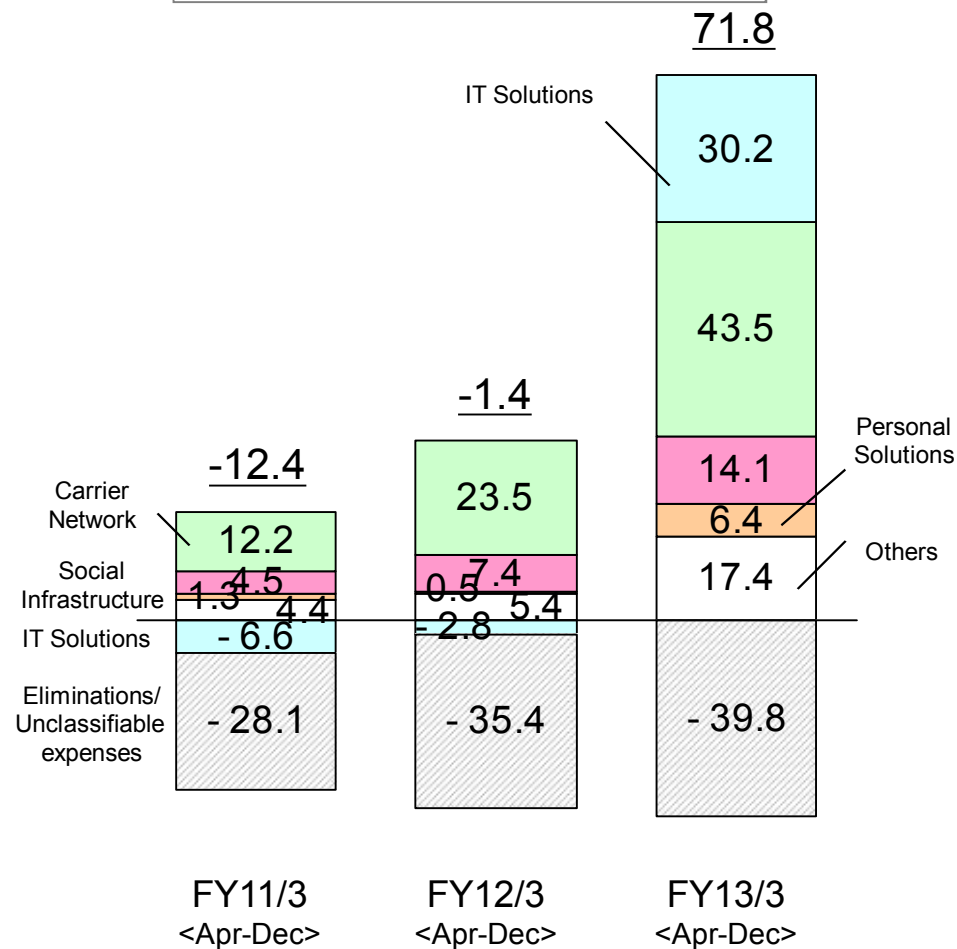
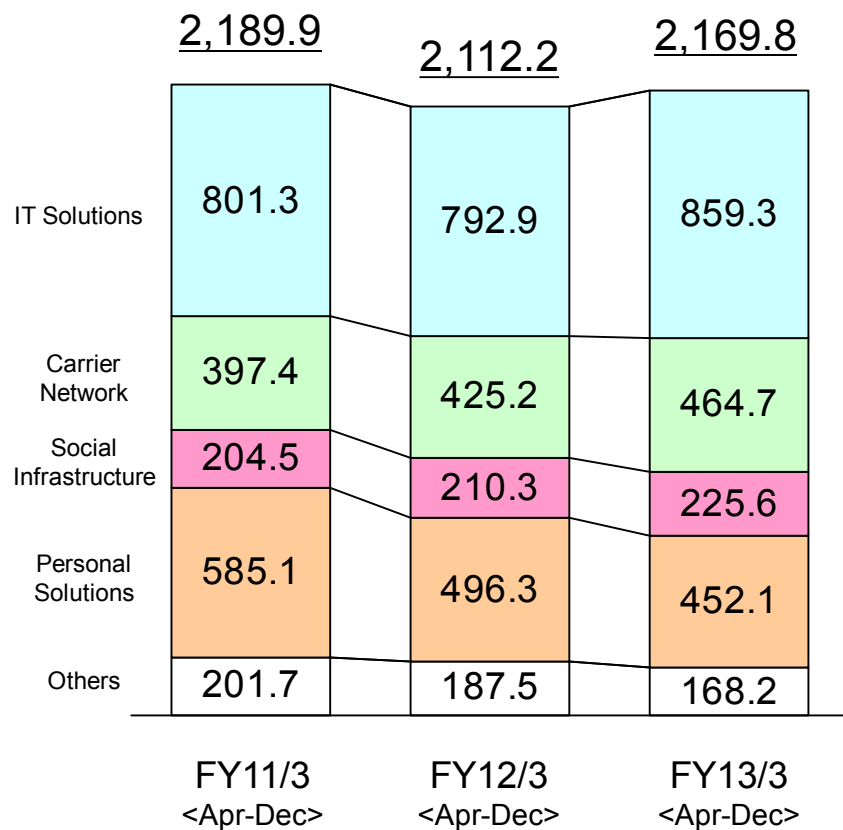


Results for 9 months by Segment

(Billions of yen)

Net Sales

Operating Income/Loss

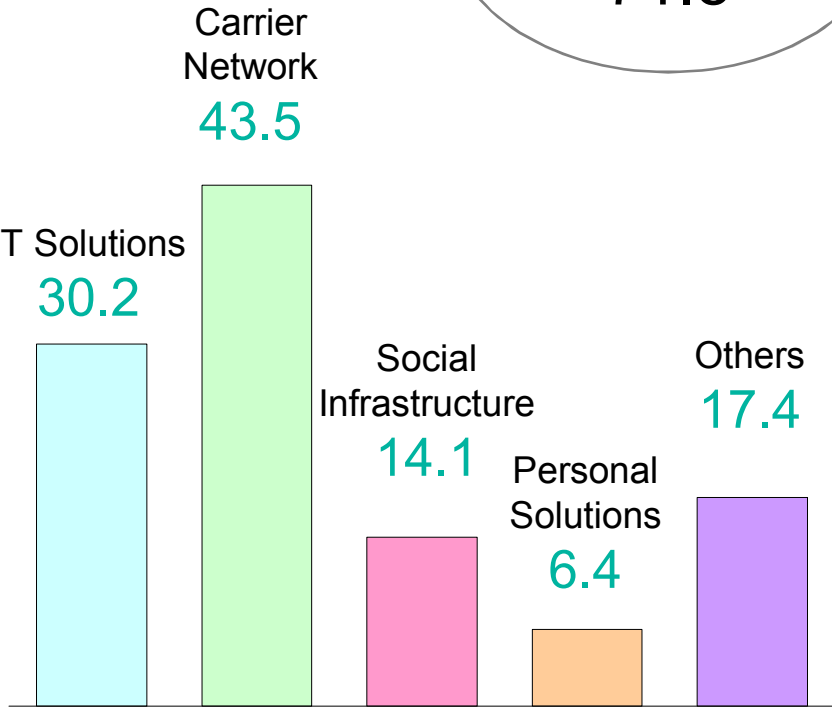
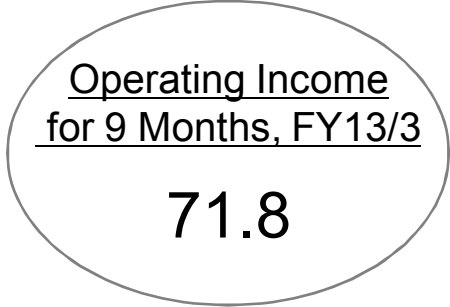


Summary of Financial Results for 9 Months by Segment

Net Sales

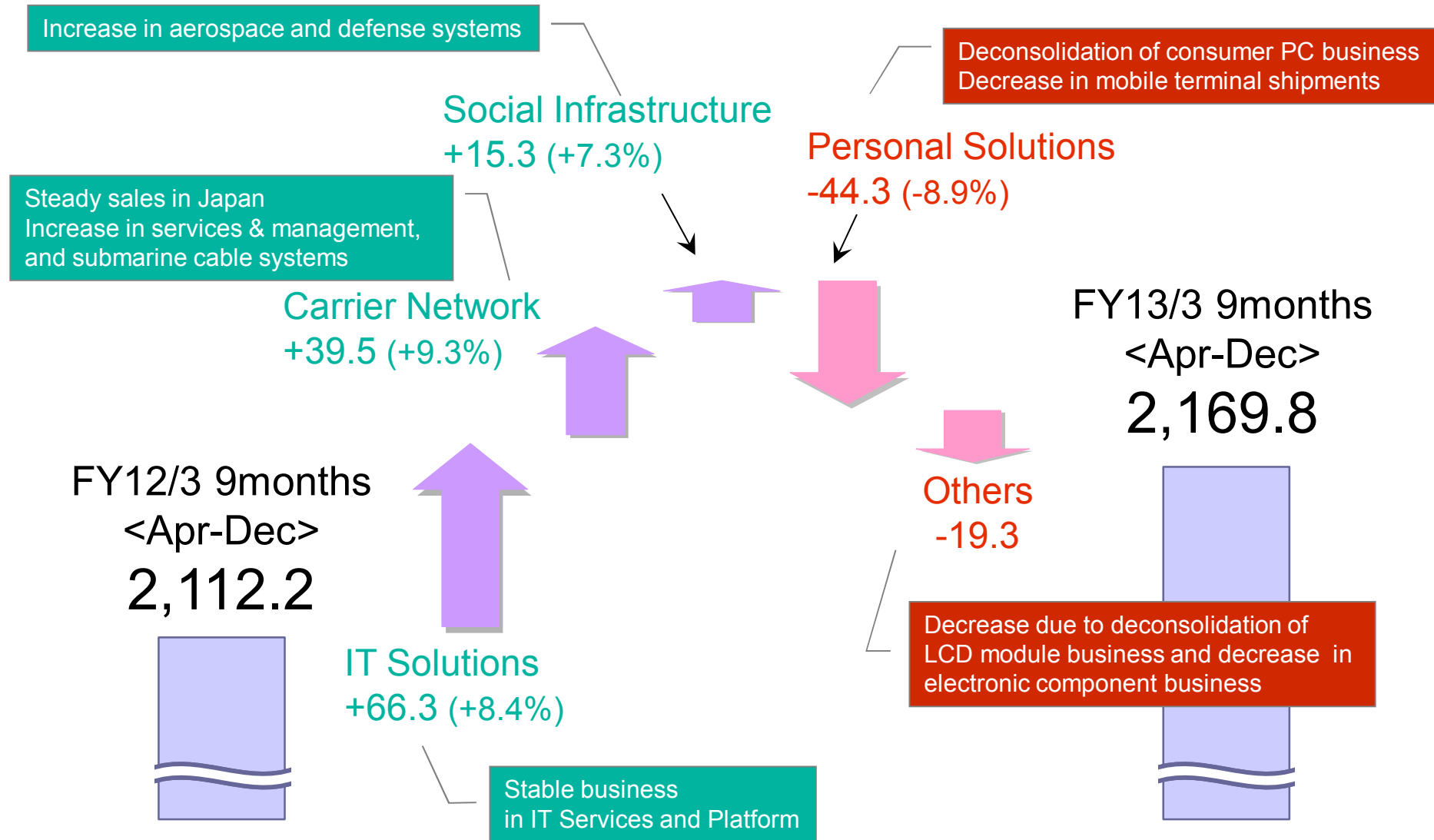
Operating Income

(Billions of Yen)



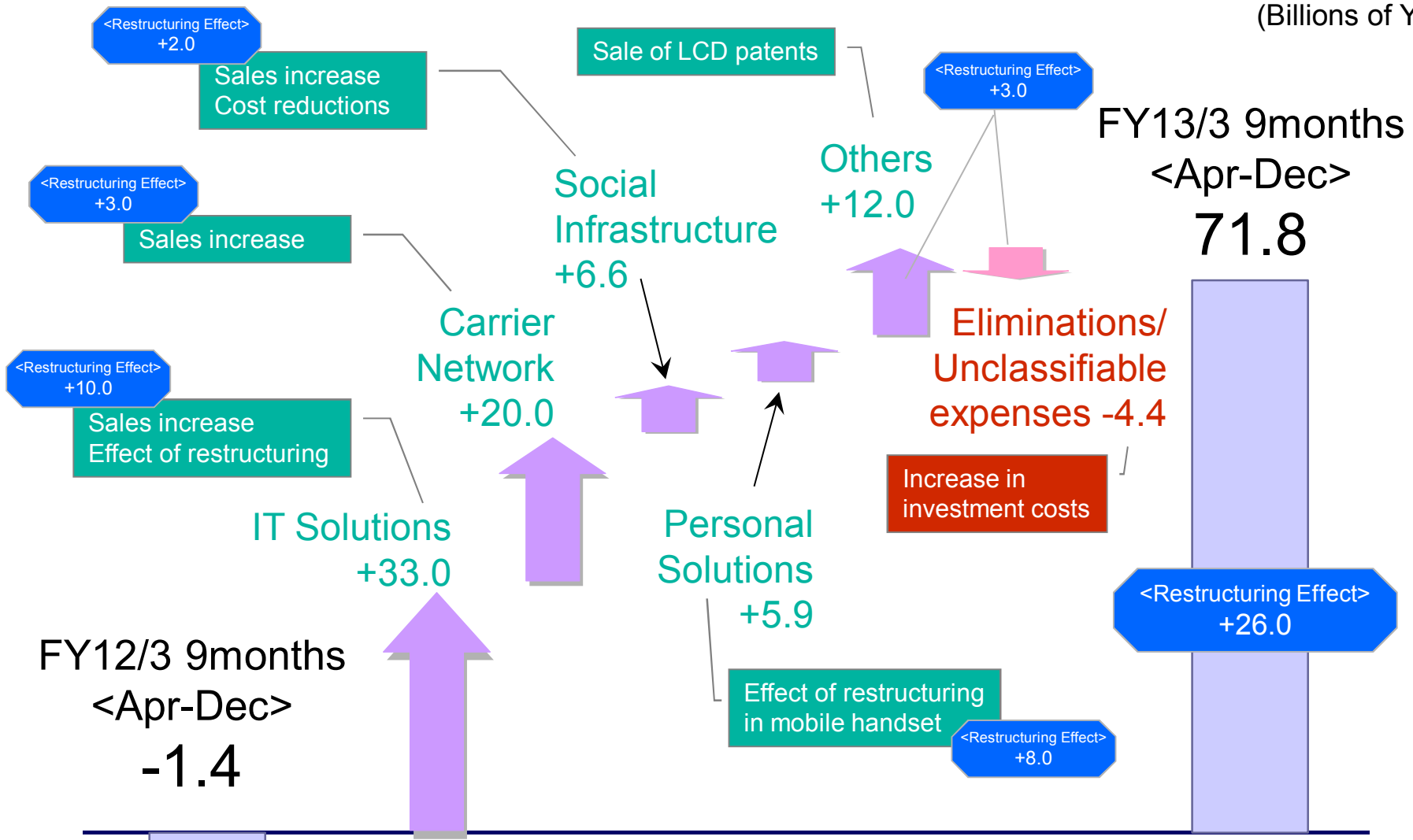
Sales Change (Apr-Dec/Year on Year)

(Billions of Yen)



Operating Income/Loss Change (Apr-Dec/Year on Year)

(Billions of Yen)

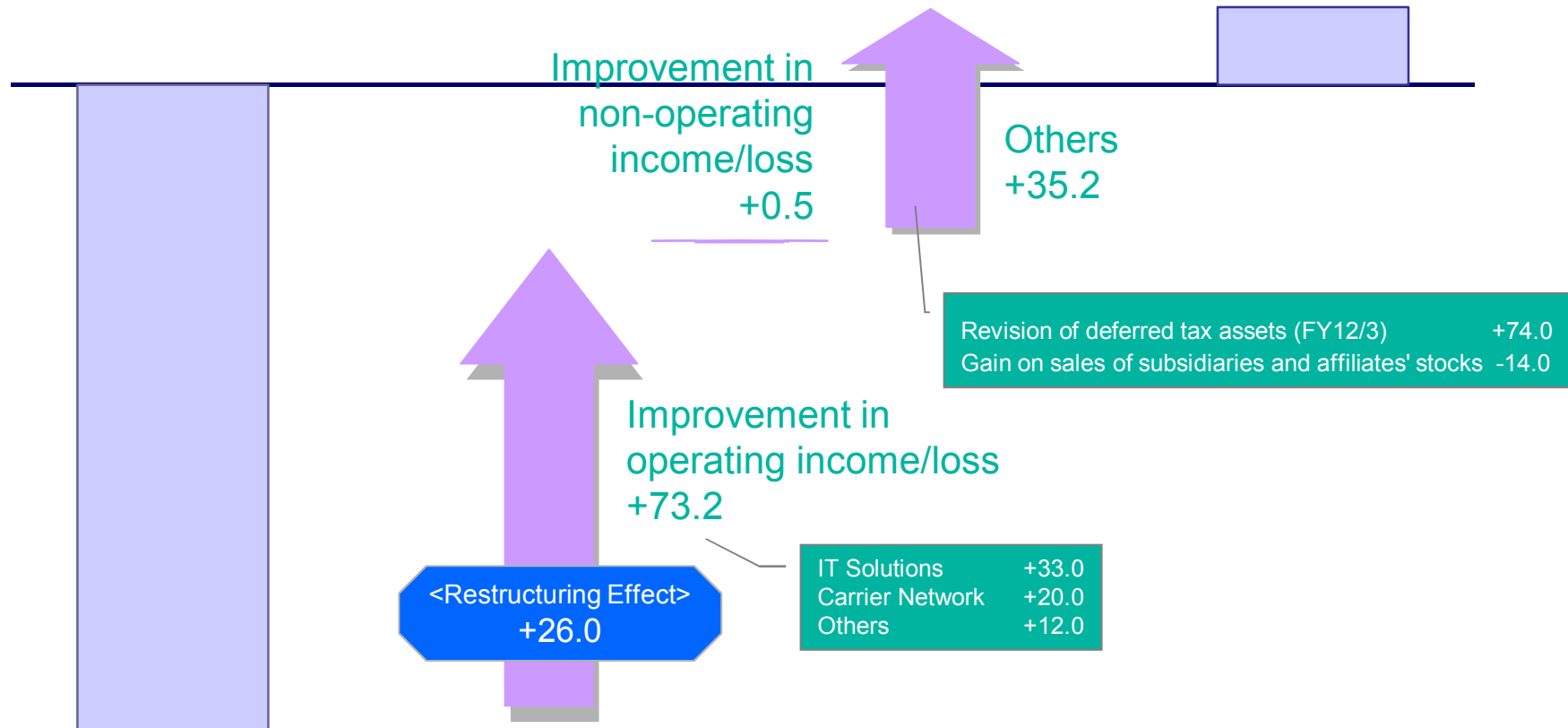


Net Income/Loss Change (Apr-Dec/Year on Year)

(Billions of Yen)

FY12/3 9months
<Apr-Dec>
-97.5

FY13/3 9months
<Apr-Dec>
11.5



Overseas Sales

(Billions of Yen)

		Q3(October to December)			9 Months(April to December)			Major countries and regions
		FY12/3 Actual	FY13/3 Actual	YoY	FY12/3 Actual	FY13/3 Actual	YoY	
Asia	Net Sales	33.0	37.1	12.6%	112.7	116.2	3.1%	China,Chinese Taipei,India, Singapore and Indonesia
	To consolidated total sales(%)	4.9%	5.1%		5.3%	5.4%		
Europe	Net Sales	26.8	21.5	- 19.9%	82.6	62.2	- 24.7%	UK,France,Netherlands, Germany,Italy and Spain
	To consolidated total sales(%)	4.0%	3.0%		3.9%	2.9%		
Others	Net Sales	49.1	62.5	27.3%	167.5	176.3	5.2%	U.S.A
	To consolidated total sales(%)	7.3%	8.7%		7.9%	8.1%		
Total	Net Sales	108.9	121.1	11.2%	362.8	354.7	- 2.2%	
	To consolidated total sales(%)	16.3%	16.8%		17.2%	16.3%		

* Sales are classified into country or region based on the locations of customers

Financial Position Data

(Billions of Yen)

	End of Mar 2012	End of Dec 2012	Difference from Mar 2012	End of Dec 2011
Total Assets	2,557.6	2,545.8	-11.8	2,457.9
Net Assets	777.6	790.2	12.5	762.3
Interest-bearing debt	692.7	741.3	48.6	734.9
Shareholder's Equity	657.0	669.8	12.9	647.1
Equity ratio(%)	25.7%	26.3%	0.6pt	26.3%
D/E ratio (times)	1.05	1.11	- 0.06pt	1.14
Net D/E ratio (times)	0.67	0.81	- 0.14pt	0.84
Balance of cash and cash equivalents	251.8	201.5	-50.3	192.7

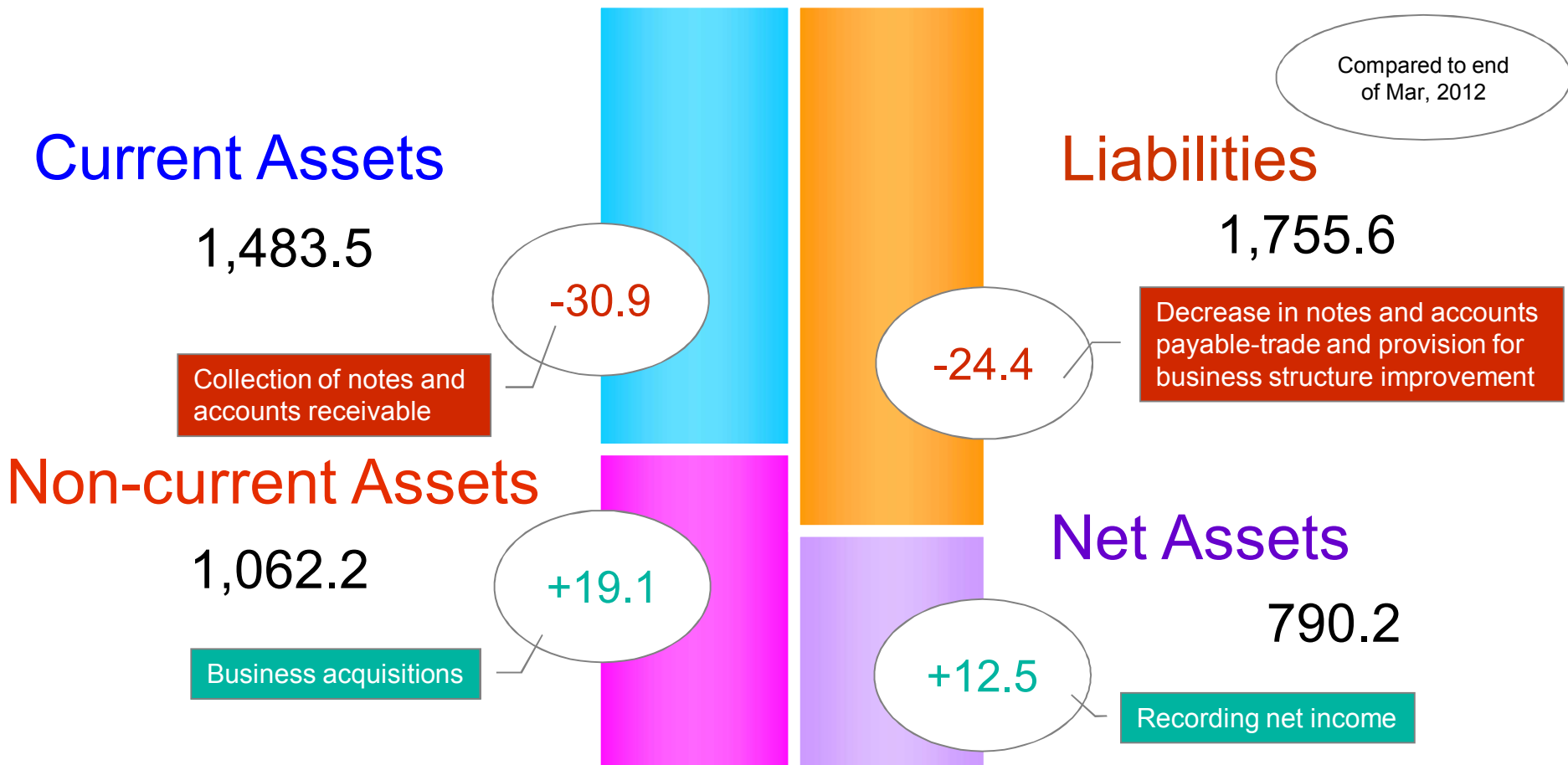
<Ref.> Balance Sheets (At the end of Dec, 2012)

(Billions of Yen)

<Compared to the end of Mar, 2012>

Total Assets 2,545.8 (-11.8)

Compared to end of Mar, 2012





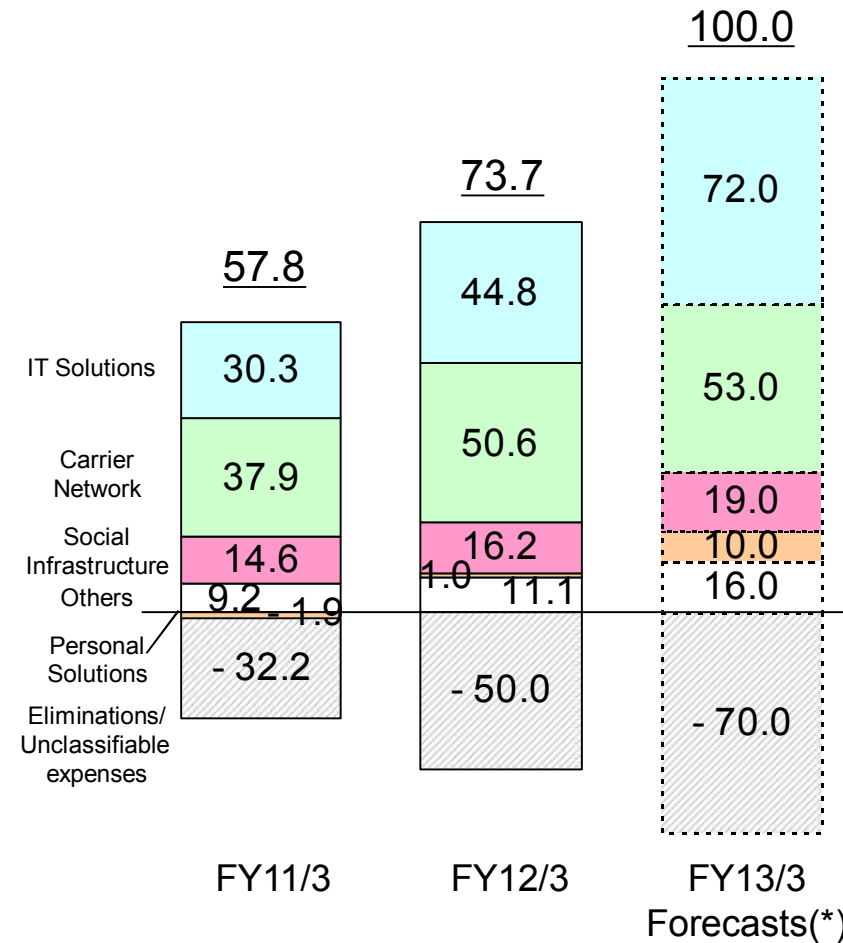
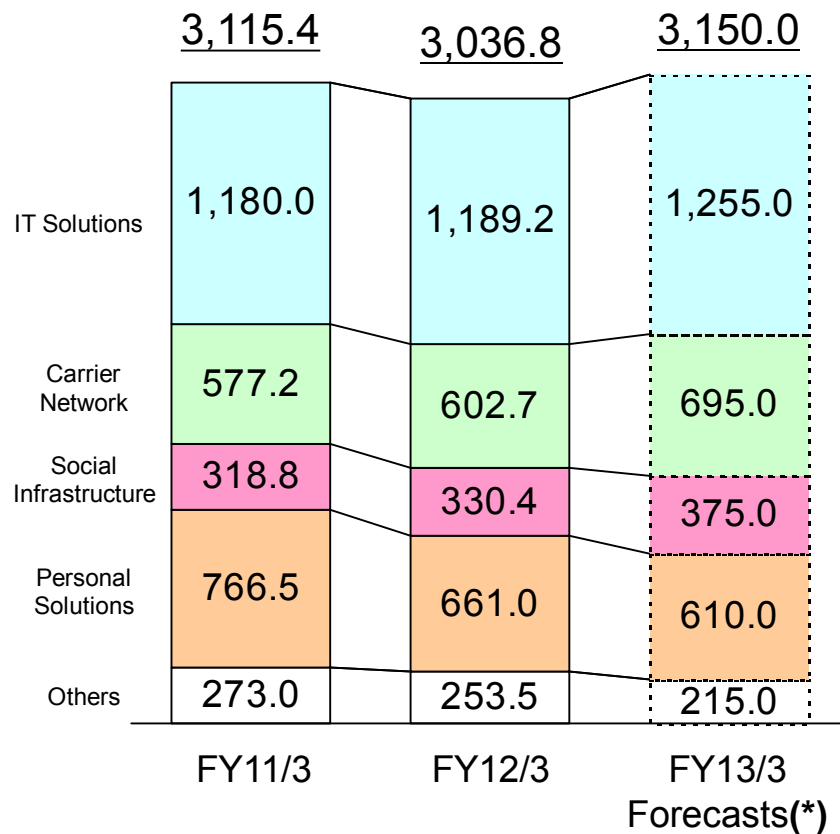
Financial Forecasts for FY13/3 (Appendix)

Financial Forecasts for FY13/3 by Segment

(Billions of yen)

Net Sales

Operating Income/Loss



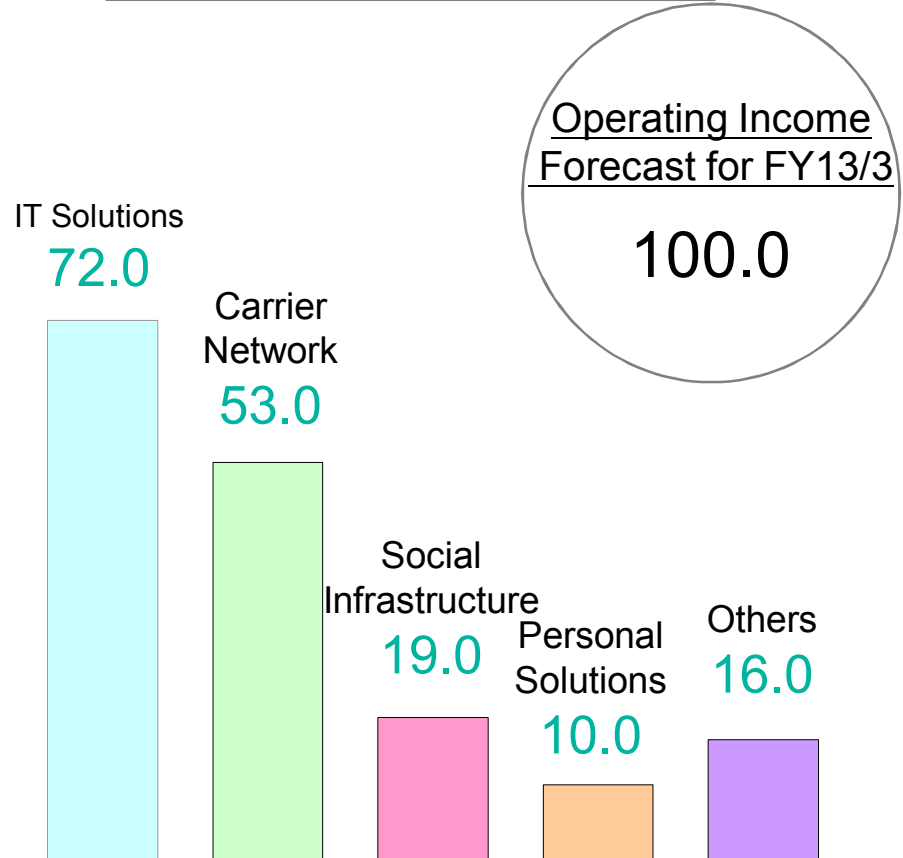
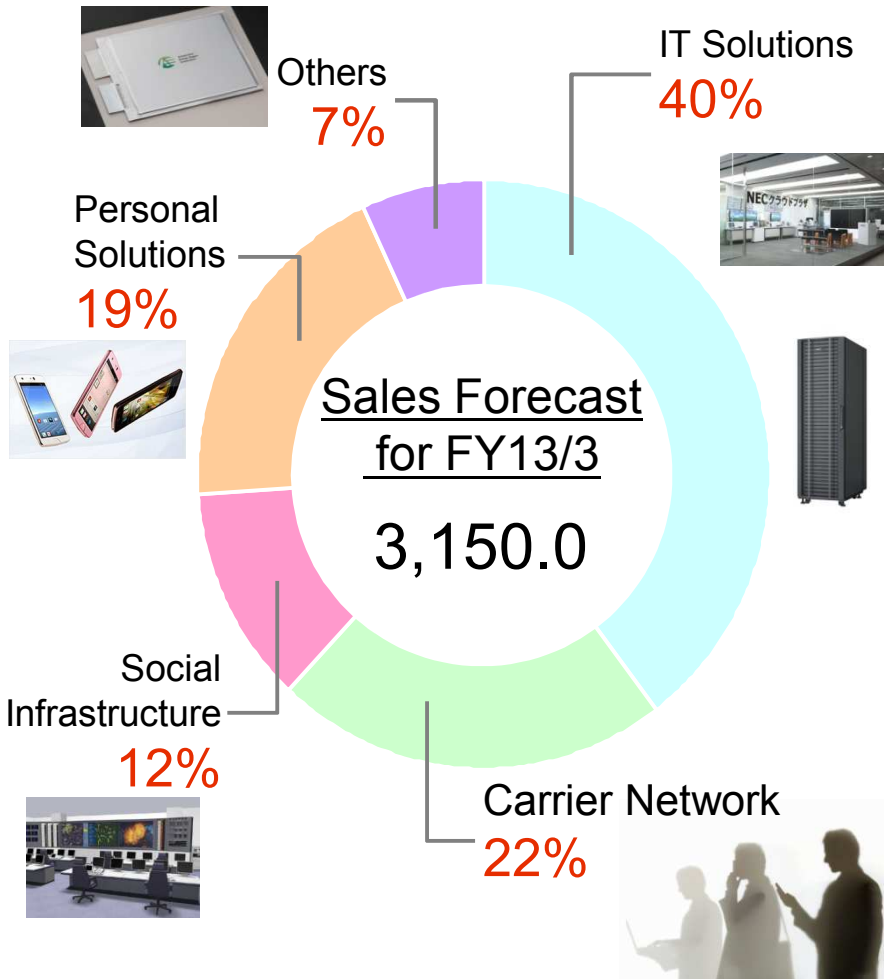
*Forecasts as of Jan 31, 2013

Summary of Financial Forecasts for FY13/3 by Segment

(Billions of Yen)

Net Sales

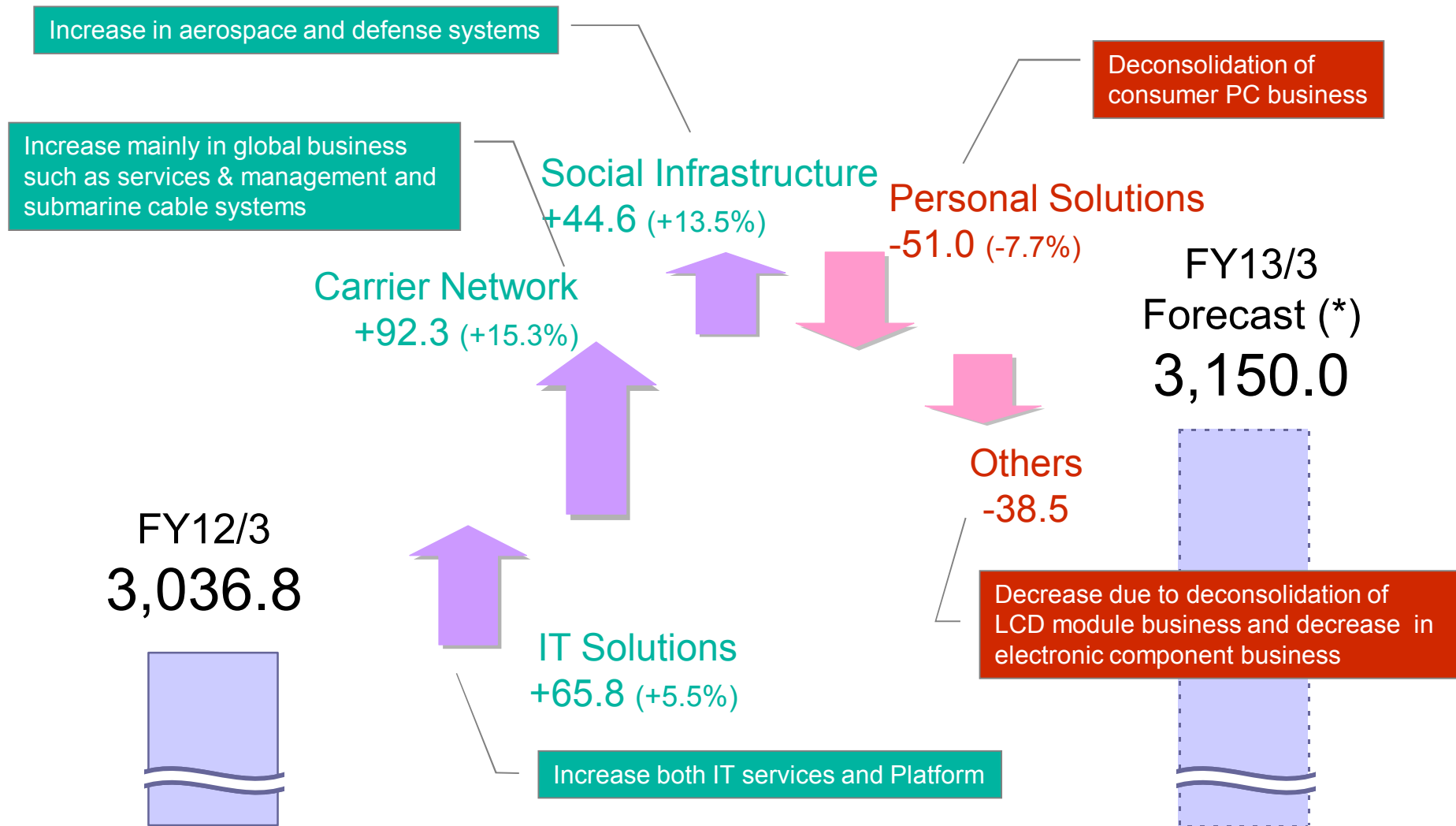
Operating Income



*Forecasts as of Jan 31, 2013

Sales Change (Year on Year)

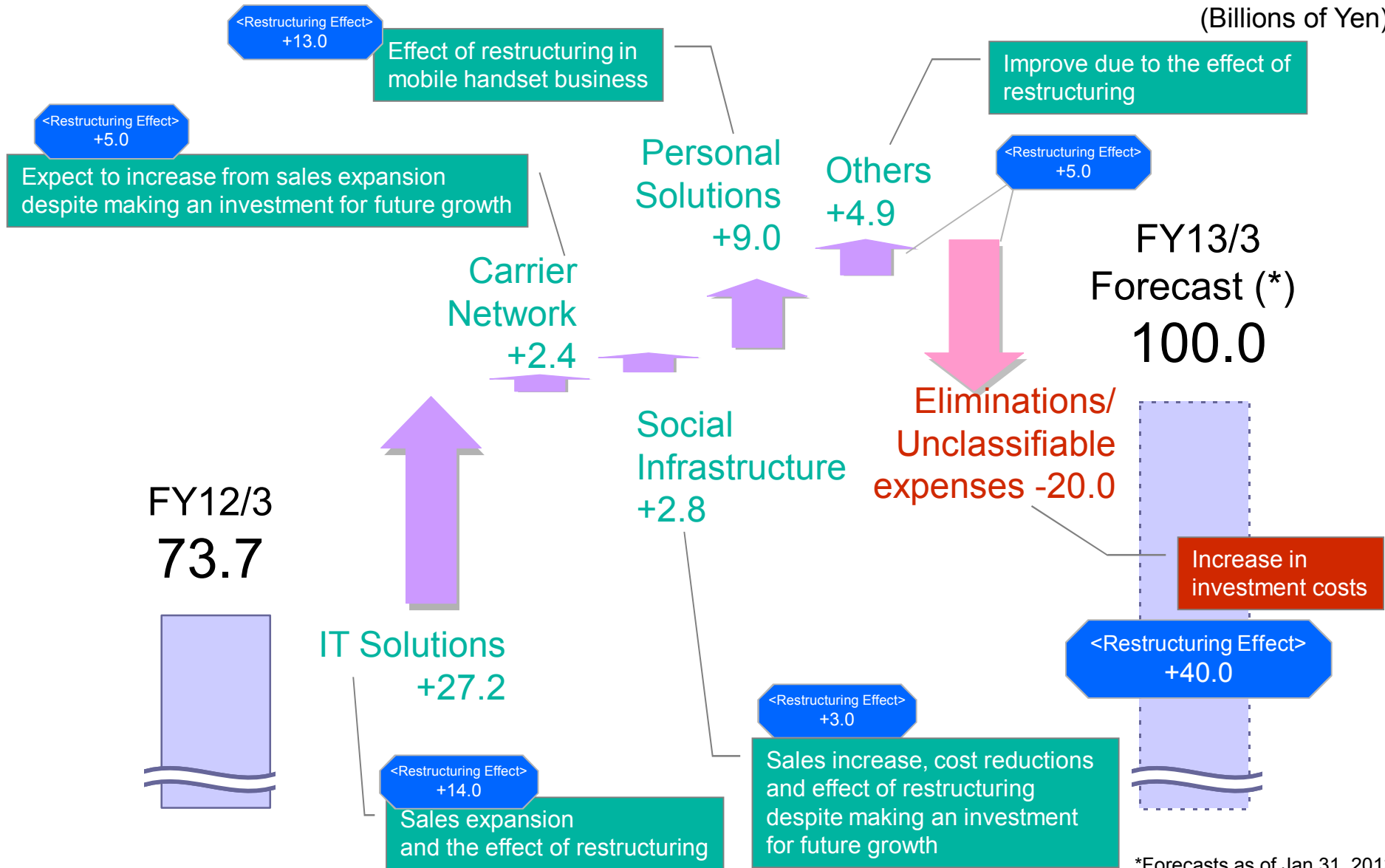
(Billions of Yen)



*Forecasts as of Jan 31, 2013

Operating Income/Loss Change (Year on Year)

(Billions of Yen)



*Forecasts as of Jan 31, 2013

Capital Expenditure, Depreciation and R&D expenses

(Billions of Yen)

	FY12/3 Actual	FY13/3 Forecasts	YoY
Capital Expenditure	42.0	50.0	19.1%
Depreciation	53.3	55.0	3.2%
R&D expenses	162.0	170.0	5.0%
To consolidated total sales (%)	5.3%	5.4%	



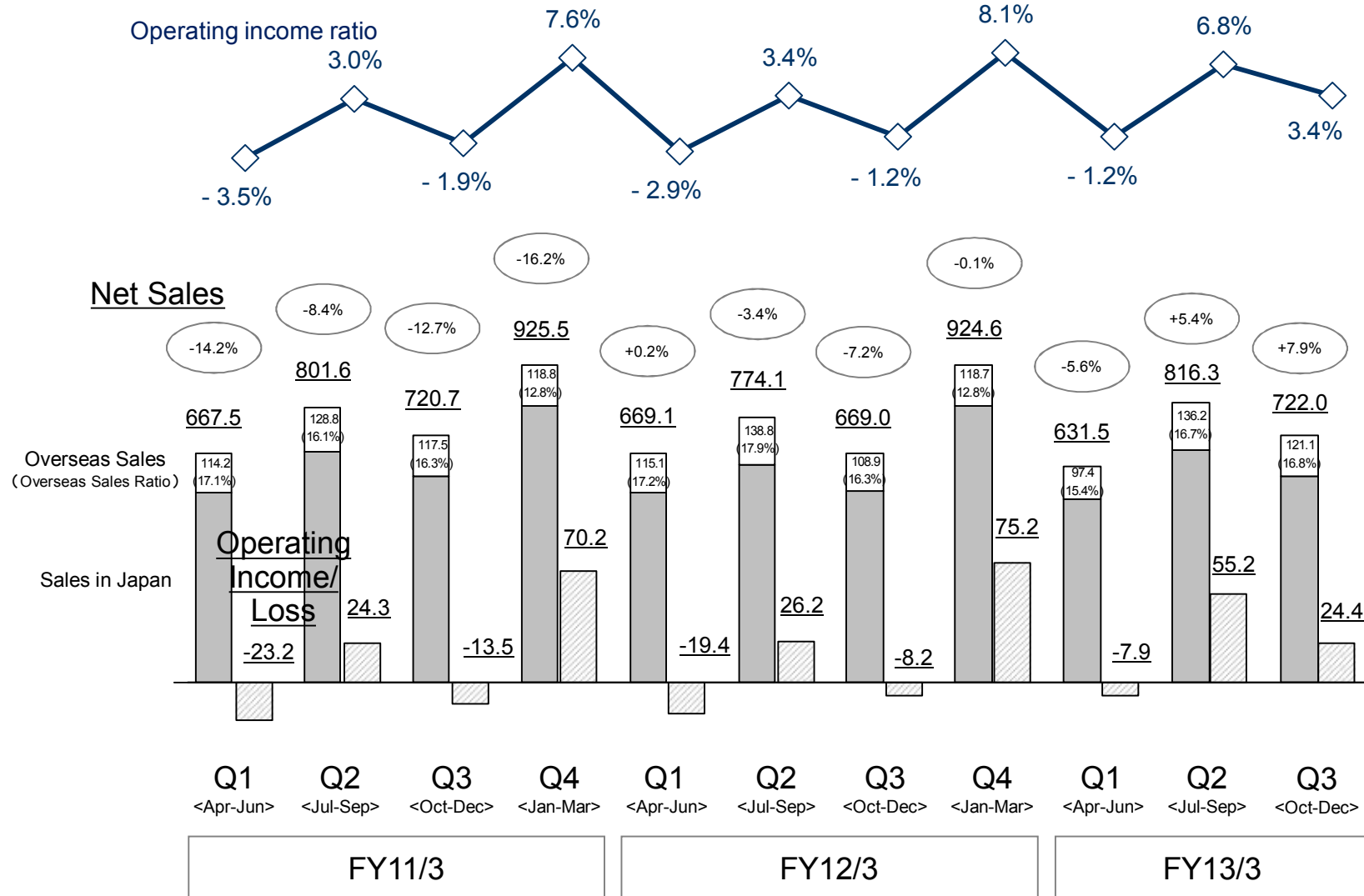
* Forecasts as of Jan 31, 2013 (Note: Unchanged from forecasts announced on Oct 26)



Reference (Financial data)

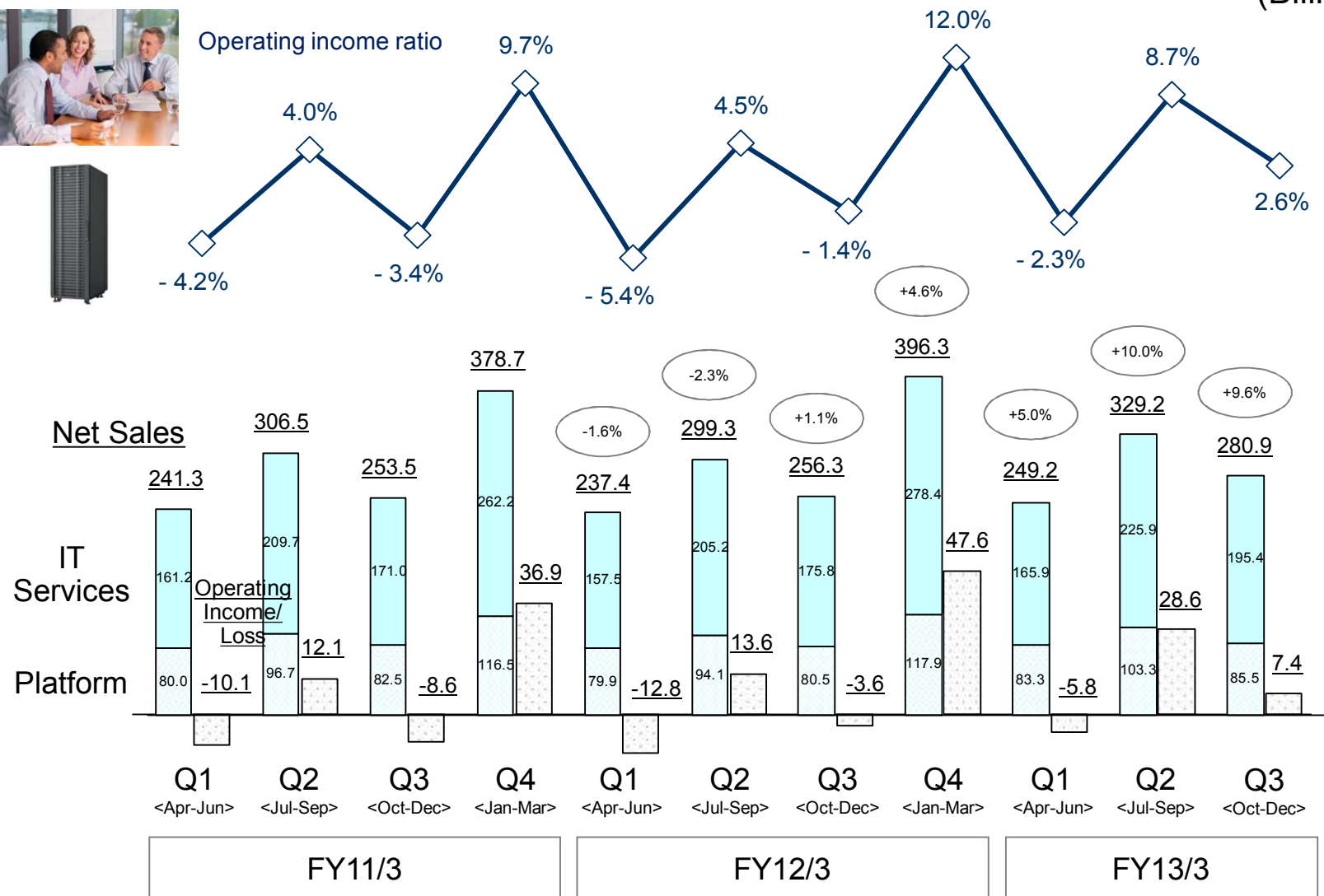
Net Sales, Operating Income/Loss

(Billions of Yen)



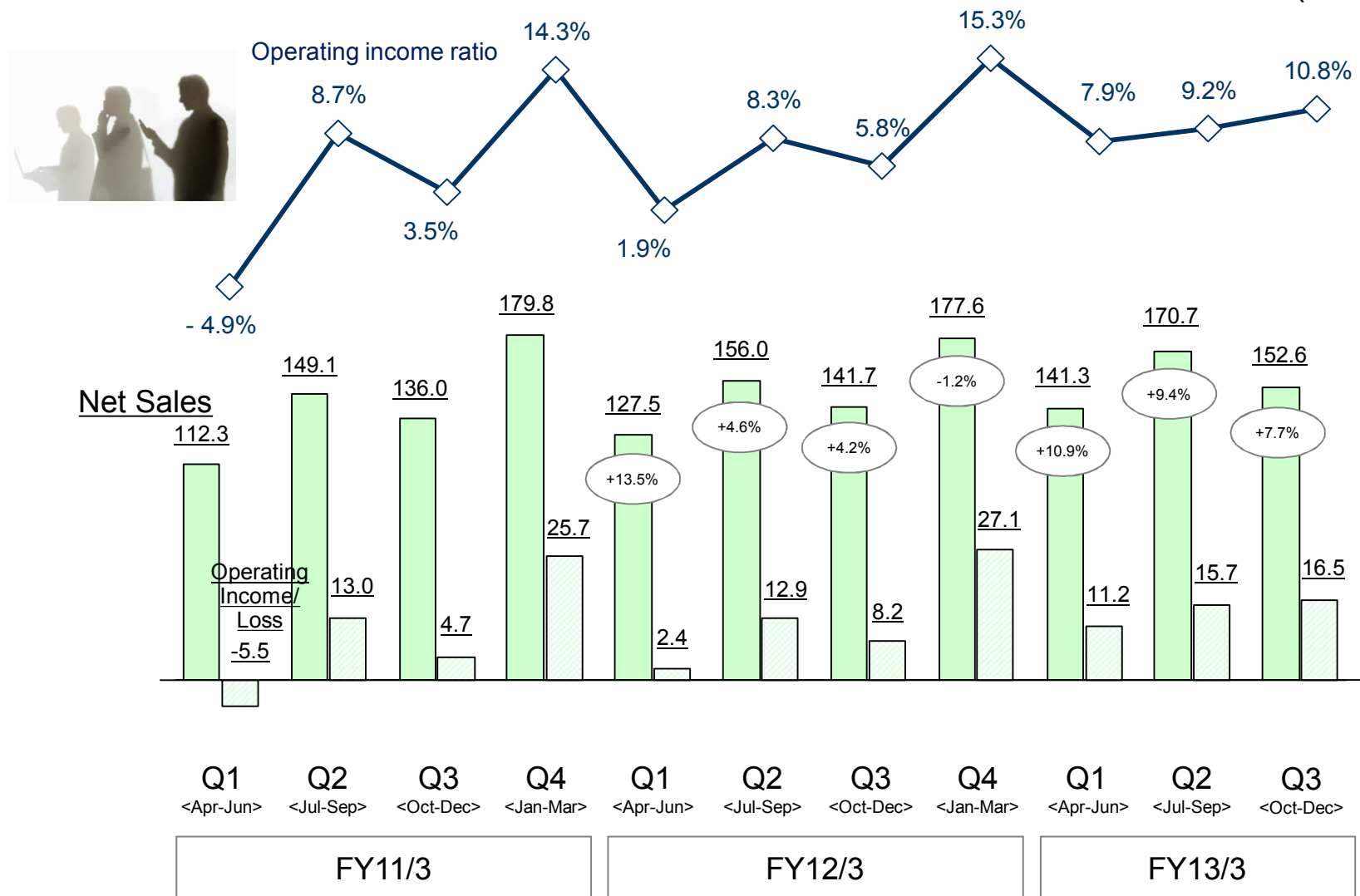
Sales, Operating Income/Loss (IT Solutions)

(Billions of Yen)



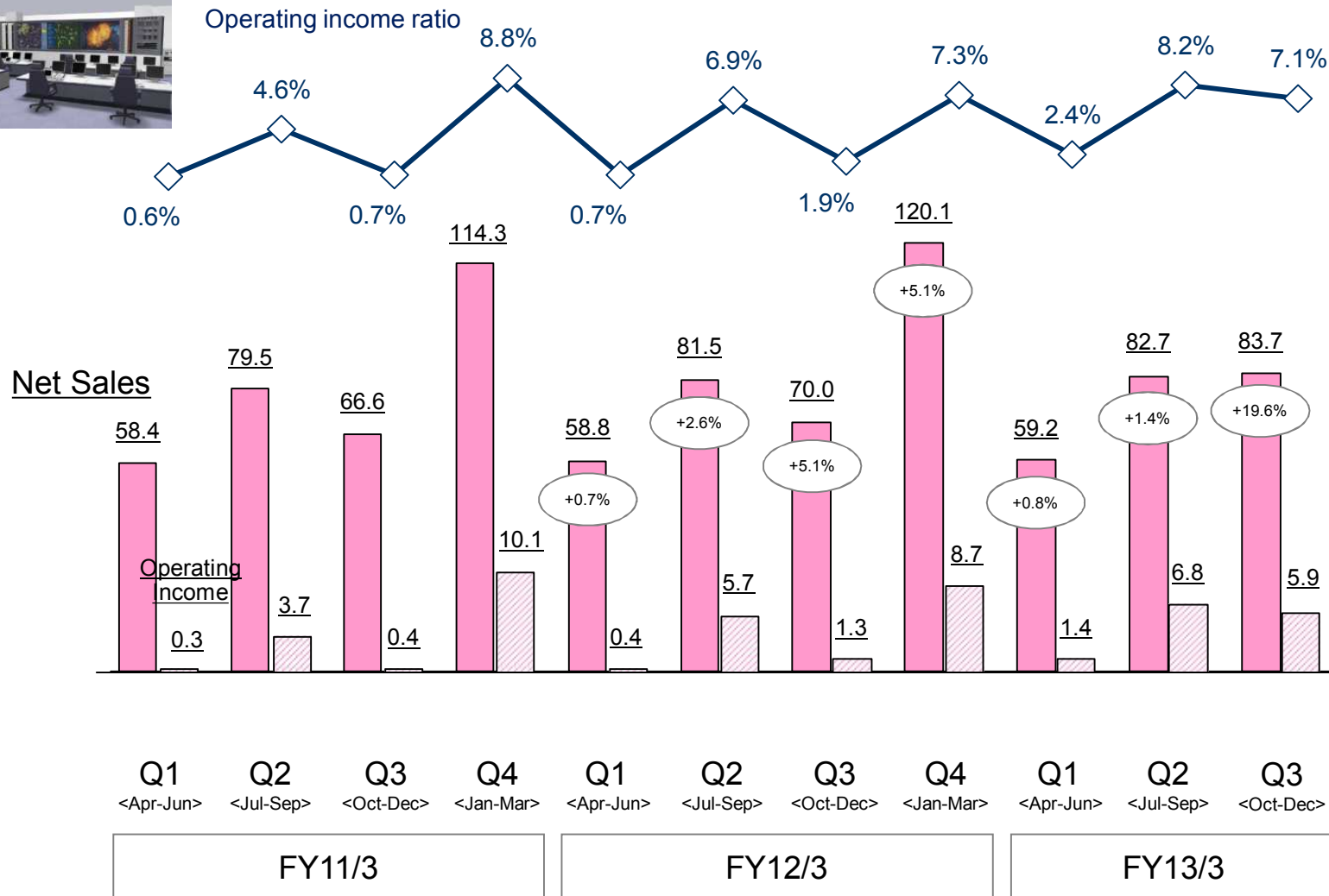
Sales, Operating Income/Loss (Carrier Network)

(Billions of Yen)



Sales, Operating Income/Loss (Social Infrastructure)

(Billions of Yen)

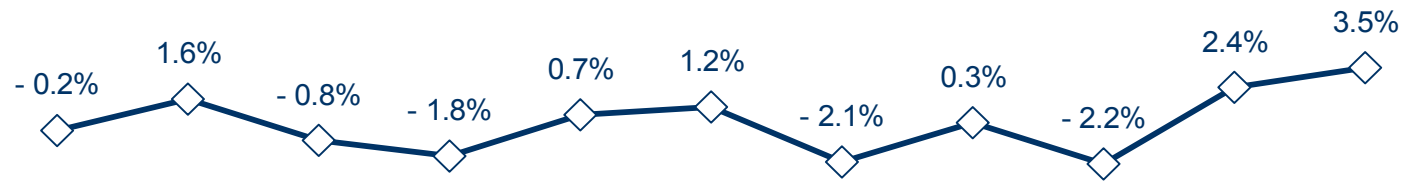


Sales, Operating Income/Loss (Personal Solutions)

(Billions of Yen)

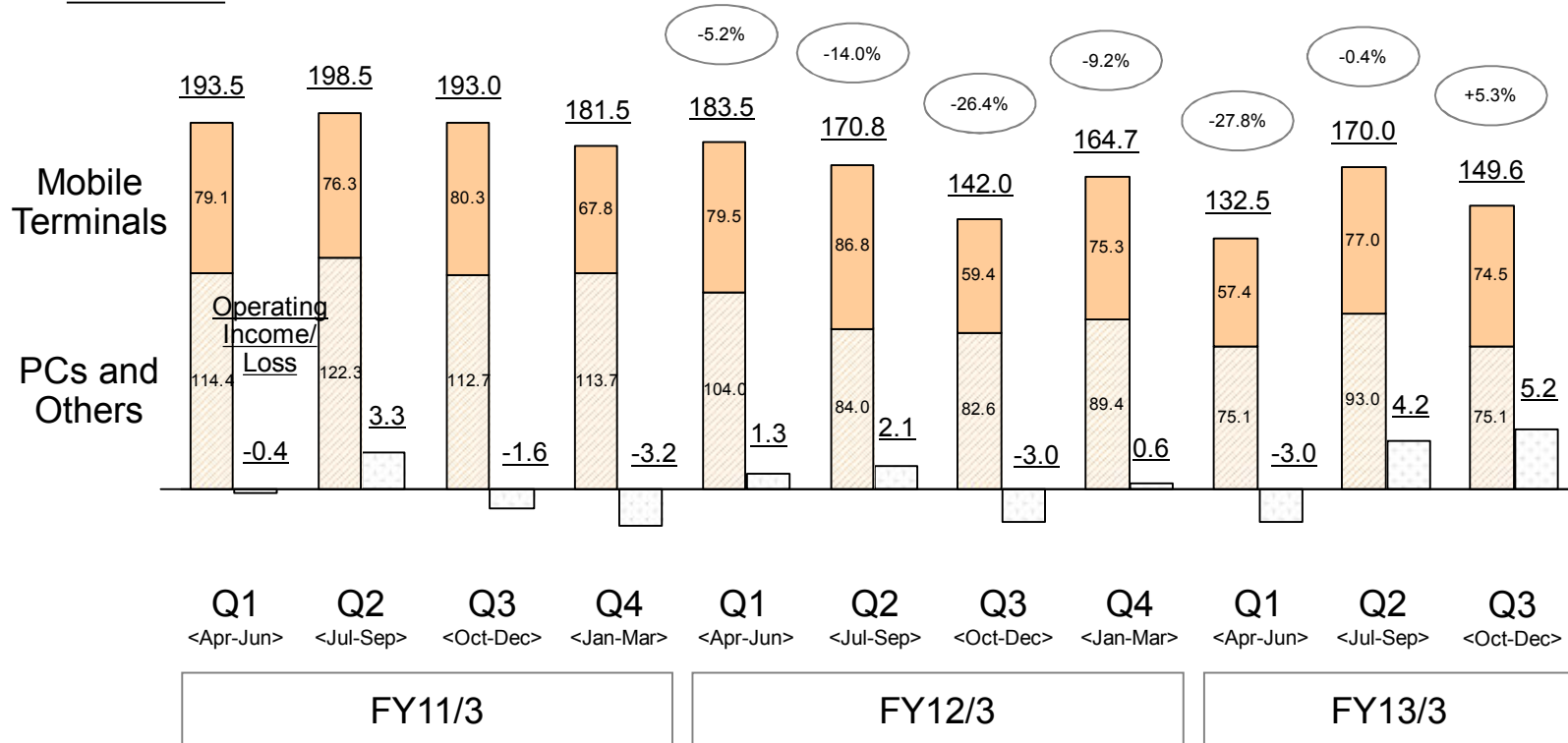


Operating income ratio

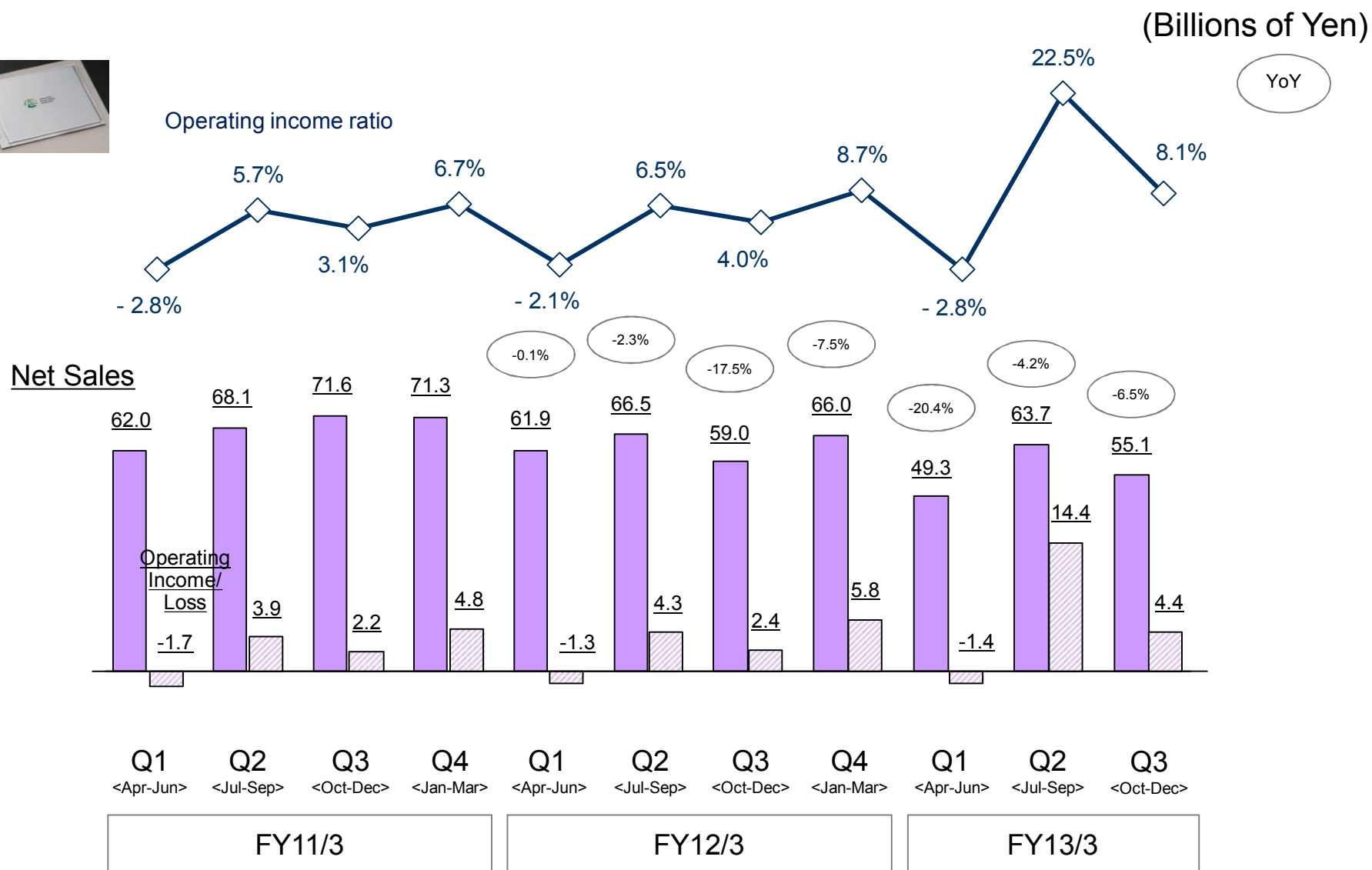


YoY

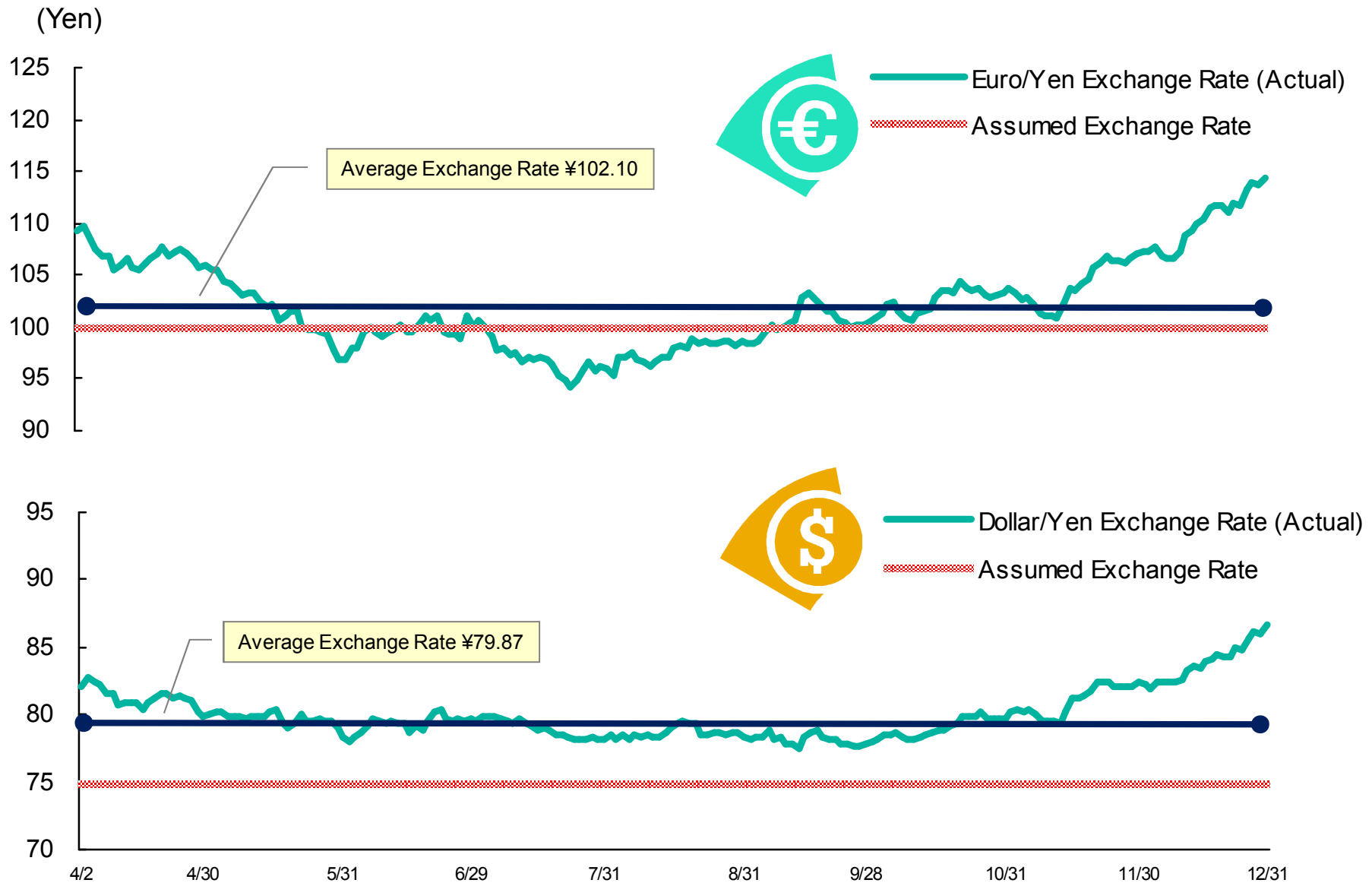
Net Sales



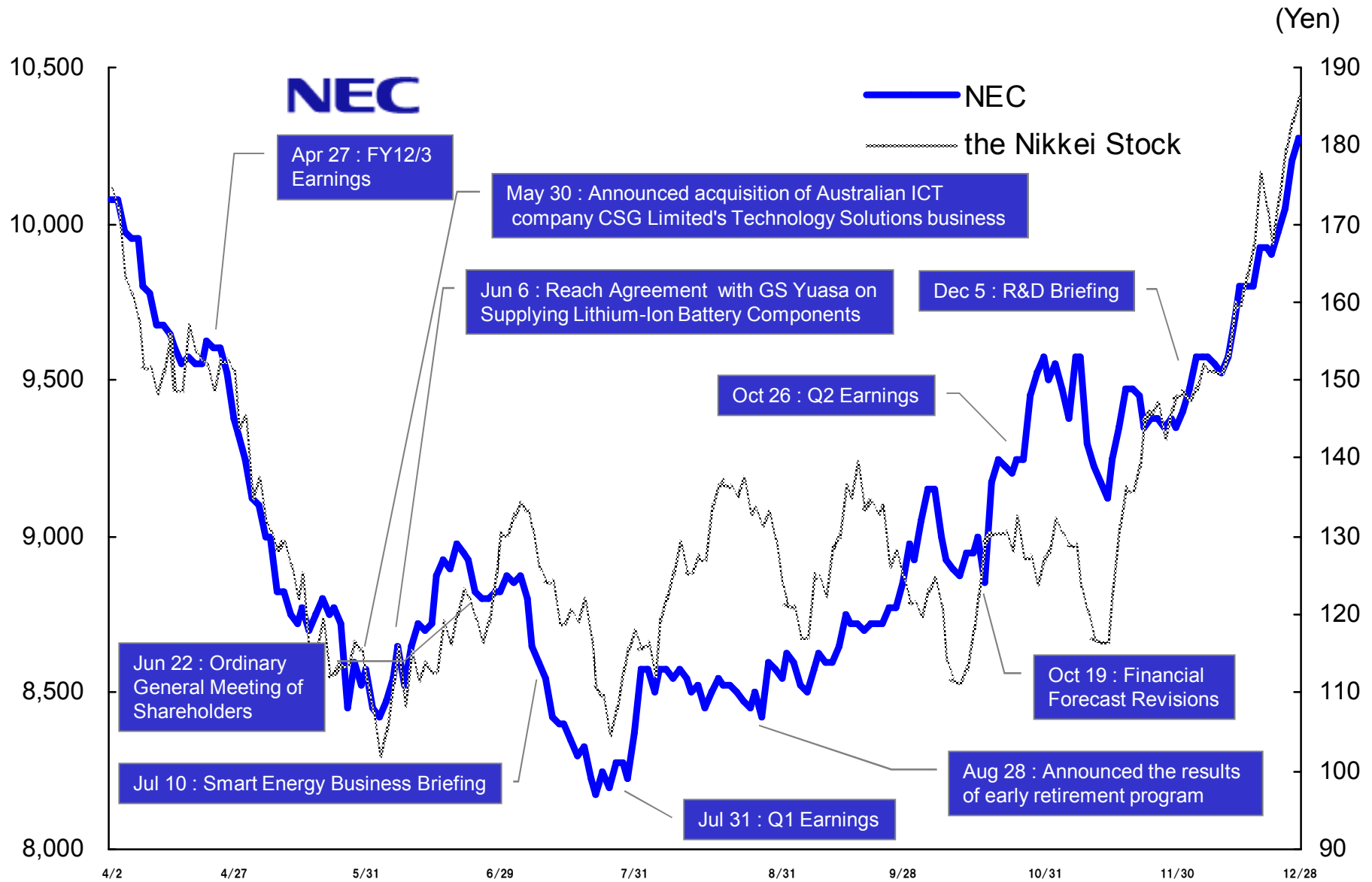
Sales, Operating Income/Loss (Others)



Exchange Rate



Stock Price



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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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