

May 30, 2008

NEC Corporation
Kaoru Yano
President

Proposal for Election of Accounting Auditors
at the 170th Ordinary General Meeting of Shareholders

Dear Shareholders,

Reference is made to the “Election of Accounting Auditors” that we are proposing to the 170th Ordinary General Meeting of Shareholders, which will be held on June 23, 2008. We would like to explain the reasons for the proposal.

1. Resignation of Ernst & Young ShinNihon as Accounting Auditors upon expiration of its term of office

Generally, if a single audit firm renders accounting audit services to a company continuously for a long term, the long-term relationship between the company and its accounting auditors might impair the auditor’s independence and reduce the audit quality because the long-term relationship could undermine the sense of tension and deteriorate the checking function of the accounting auditors. Therefore, in many countries throughout the world, including Japan, it is discussed that any company should review and change the company’s accounting auditors periodically, in order to maintain and improve audit quality to enhance the corporate value of the company.

We have engaged Ernst & Young ShinNihon (or its predecessor accounting firm) as our accounting auditors for a long time beginning in the year when accounting audits by independent auditors became mandatory for us. This time our proposal on making a change in our accounting auditors, after our internal deliberation, has been triggered by the change in the accounting principles for preparation of our consolidated financial statements from U.S. GAAP to Japan GAAP in the fiscal year ended March 31, 2007, and by the start of quarterly financial reporting in Japan from the fiscal year ending March 31, 2009, and also by taking into consideration the discussion noted above.

We continuously endeavor to maintain a proper relationship with a sense of tension with our accounting auditors to improve audit quality. In addition, if the term of office of accounting auditors is considered long, where necessary, we will review the relationship with them.

2. Qualification of, and independence of, KPMG AZSA & Co.

Our new accounting auditor candidate is KPMG AZSA & Co. (“AZSA”). AZSA is one of the largest audit firms in Japan and has audited leading global companies in every industry in Japan. In view of AZSA’s track record, abundant expertise, and stable organization staffed with a large number of certified public accountants, we concluded that AZSA is a qualified firm to conduct audits of NEC Group, which operates globally. Furthermore, since AZSA has already been in charge of auditing some of our major subsidiaries and affiliated companies globally, we consider AZSA as having the independence required of our accounting auditors.

We hope the foregoing explanation is helpful for you in understanding and evaluating the proposal. We would be very grateful if you would review the proposal based on our explanation, and vote in favor of our proposal at the 170th Ordinary General Meeting of Shareholders.