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***** For immediate use October 30, 2013

Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2014

Consolidated Financial Results

	Six Months ended September 30, 2012	Six Months ended September 30, 2013	Change
	In billions of yen	In billions of yen	%
Net Sales	1,447.8	1,383.1	-4.5
Operating income (loss)	47.4	0.4	-99.2
Ordinary income (loss)	29.9	-14.5	-
Net income (loss)	8.0	-26.2	-
	Yen	Yen	Yen
Net income (loss) per share:			
Basic	3.08	-10.06	-13.14
Diluted	-	-	-

	As of March 31, 2013	As of September 30, 2013	Change
	In billions of yen	In billions of yen	%
Total assets	2,581.0	2,478.3	-4.0
Net assets	836.1	787.8	-5.8

(Notes)

Number of consolidated subsidiaries and affiliated companies accounted for by the equity method is as follows:

	As of September 30, 2012	As of September 30, 2013	As of March 31, 2013
Consolidated subsidiaries	290	269	270
Affiliated companies accounted for by the equity method	54	53	53

1. Consolidated Business Results

As stated in the July 9, 2013 announcement, “NEC to Revise Business Segments,” NEC has revised its business segments from the first quarter of the fiscal year ending March 31, 2014. Figures for the corresponding period of the previous fiscal year have been restated to conform with the new segments.

(1) Overview of the first half of the fiscal year ending March 31, 2014 (six months ended September 30, 2013)

The worldwide economy during the six months ended September 30, 2013 was characterized by (i) a continuing economic recovery in the United States, mainly due to the steady performance of consumer spending in response to the improving employment situation and the stable corporate sector, as well as (ii) a slow economic recovery in emerging countries, such as China, where economic recovery was sluggish mainly due to measures to curb investment by the government.

As for the Japanese economy, although the momentum of the recovery of consumer spending slowed, the recovery of capital investment and increasing exports due to a depreciation of the yen contributed to a trend of continuing recovery.

Under this business environment, the NEC Group recorded consolidated net sales of 1,383.1 billion yen for the six months ended September 30, 2013, a decrease of 64.7 billion yen (-4.5%) year-on-year, mainly due to decreased sales in the System Platform business and decreased sales in Others due to the mobile phone sales business and the electronic components business no longer being consolidated, despite increased sales in the Public business and the Enterprise business.

Regarding profitability, operating income (loss) worsened by 47.0 billion yen year-on-year, to an operating income of 0.4 billion yen, mainly due to the sale of patents related to LCD in the corresponding period of the previous fiscal year, in addition to decreased sales.

In terms of ordinary income (loss), the NEC Group recorded a loss of 14.5 billion yen, declining by 44.4 billion yen year-on-year, mainly due to the worsening of operating income (loss).

Income (loss) before income taxes and minority interests was a loss of 9.7 billion yen,

declining by 39.9 billion yen year-on-year, despite gain on sales of subsidiaries and affiliates' stocks, mainly due to business structure improvement expenses, in addition to the worsening of ordinary income (loss).

Net income (loss) for the first half was a loss of 26.2 billion yen, a year-on-year worsening of 34.1 billion yen.

(2) Results by main business segment

Sales by segment (sales to external customers):

Segments	Six months ended September 30, 2012	Six months ended September 30, 2013	Change
	In billions of yen	In billions of yen	%
Public	276.9	303.3	9.5
Enterprise	118.8	130.1	9.5
Telecom Carrier	342.7	334.0	-2.5
System Platform	367.2	350.7	-4.5
Others	342.2	264.9	-22.6
Total	1,447.8	1,383.1	-4.5

Operating income (loss) by segment:

Segments	Six months ended September 30, 2012	Six months ended September 30, 2013	Change
	In billions of yen	In billions of yen	In billions of yen
Public	14.4	14.5	0.1
Enterprise	1.9	0.7	-1.2
Telecom Carrier	30.9	19.4	-11.5
System Platform	11.7	1.8	-9.9
Others	17.3	-11.8	-29.2
Adjustment	-28.9	-24.3	4.7
Total	47.4	0.4	-47.0

(Note) Amounts in this section “(2) Results by main business segment” are rounded to 0.1 billion yen. Amounts in millions of yen are shown in section “Segment information” of this news release.

(Business segment figures in brackets below denote increases or decreases as compared with the corresponding period of the previous fiscal year.)

Public Business

Sales:	303.3 billion yen	(9.5%)
Operating Income (Loss):	14.5 billion yen	(0.1 billion yen)

In the Public business, sales were 303.3 billion yen, an increase of 26.4 billion yen (9.5%) year-on-year, mainly due to the steady sales for government offices and public services.

Operating income (loss) slightly improved by 0.1 billion yen year-on-year, to an operating income of 14.5 billion yen, mainly owing to increased sales, despite increased expenses for strengthening the organization.

Enterprise Business

Sales:	130.1 billion yen	(9.5%)
Operating Income (Loss):	0.7 billion yen	(-1.2 billion yen)

In the Enterprise business, sales were 130.1 billion yen, an increase of 11.2 billion yen (9.5%) year-on-year, mainly due to the steady sales for the distribution and service industries.

Operating income (loss) worsened by 1.2 billion yen year-on-year, to an operating income of 0.7 billion yen, mainly owing to increased investment expenses in distribution and logistics related infrastructure.

Telecom Carrier Business

Sales:	334.0 billion yen	(-2.5%)
Operating Income (Loss):	19.4 billion yen	(-11.5 billion yen)

In the Telecom Carrier business, sales were 334.0 billion yen, a decrease of 8.6 billion yen (-2.5%) year-on-year, despite increased international sales of Telecom Operations and Management Solutions (TOMS), mainly due to decreased domestic sales compared to the strong first half of the previous fiscal year.

Operating income (loss) worsened by 11.5 billion yen year-on-year, to an operating income of 19.4 billion yen, mainly due to increased investment expenses related to Software-Defined Networking (SDN), a next generation networking technology, and TOMS, in addition to decreased sales.

System Platform Business

Sales:	350.7 billion yen	(-4.5%)
Operating Income (Loss):	1.8 billion yen	(-9.9 billion yen)

In the System Platform business, sales were 350.7 billion yen, a decrease of 16.4 billion yen (-4.5%) year-on-year, mainly due to decreased sales in enterprise networks and software when compared to sales for large-scale projects in the first half of the previous fiscal year.

Operating income (loss) worsened by 9.9 billion yen year-on-year, to an operating income of 1.8 billion yen, mainly due to decreased sales.

Others

Sales:	264.9 billion yen	(-22.6%)
Operating Income (Loss):	- 11.8 billion yen	(-29.2 billion yen)

In Others, sales were 264.9 billion yen, a decrease of 77.2 billion yen (-22.6%) year-on-year, mainly due to a decline in mobile phone shipments as well as the mobile phone sales business and the electronic components business no longer being consolidated.

Operating income (loss) worsened by 29.2 billion yen year-on-year, to an operating loss of 11.8 billion yen, mainly owing to the sale of patents related to LCD in the corresponding period of the previous fiscal year, in addition to decreased sales.

2. Consolidated Financial Condition

Analysis of the condition of assets, liabilities, net assets, and cash flows

Total assets were 2,478.3 billion yen as of September 30, 2013, a decrease of 102.7 billion yen as compared with the end of the previous fiscal year. Current assets as of September 30, 2013 decreased by 127.0 billion yen compared with the end of the previous fiscal year to 1,386.8 billion yen, mainly due to the collection of accounts receivable-trade. Noncurrent assets as of September 30, 2013 increased by 24.3 billion yen compared with the end of the previous fiscal year to 1,091.5 billion yen, mainly due to the acquisition of trust beneficiary rights set to land and buildings of the NEC Group's Tamagawa business facilities.

Total liabilities as of September 30, 2013 decreased by 54.4 billion yen compared with the end of the previous fiscal year, to 1,690.5 billion yen. This was mainly due to a decrease in notes and accounts payable-trade and bonds, despite an increase in long-term debt due to financing through hybrid finance (subordinated loan). The balance of interest-bearing debt amounted to 688.7 billion yen, an increase of 85.3 billion yen as compared with the end of the previous fiscal year. The debt-equity ratio as of September 30, 2013 was 1.01 (a worsening of 0.16 points as compared with the end of the previous fiscal year). The balance of net interest-bearing debt as of September 30, 2013, calculated by offsetting the balance of interest-bearing debt with the balance of cash and cash equivalents, amounted to 514.8 billion yen, an increase of 108.4 billion yen as compared with the end of the previous fiscal year. The net debt-equity ratio as of September 30, 2013 was 0.75 (a worsening of 0.18 points as compared with the end of the previous fiscal year).

Total net assets were 787.8 billion yen as of September 30, 2013, a decrease of 48.3 billion yen as compared with the end of the previous fiscal year, mainly due to net loss for the first half and a decrease in minority interests.

As a result, the owner's equity as of September 30, 2013 was 684.1 billion yen and owner's equity ratio was 27.6% (an improvement of 0.1 point as compared with the end of the previous fiscal year).

Net cash outflows from operating activities for the six months ended September 30, 2013 were 27.3 billion yen, a worsening of 54.2 billion yen as compared with the corresponding period of the previous fiscal year, mainly due to a loss in income (loss) before income taxes and minority interests.

Net cash outflows from investing activities for the six months ended September 30, 2013 were 67.6 billion yen, an increase of 8.6 billion yen as compared with the corresponding period of the previous fiscal year, mainly due to increased outflows for the acquisition of the trust beneficiary rights described above, despite decreased outflows for business acquisitions.

As a result, free cash flows (the sum of cash flows from operating activities and investing activities) for the six months ended September 30, 2013 totaled a cash outflow of 94.8 billion yen, an increase in outflows of 62.9 billion yen year-on-year.

Net cash flows from financing activities for the six months ended September 30, 2013 totaled a cash inflow of 69.6 billion yen, mainly due to financing through hybrid finance described above, despite outflow from the redemption of bonds and payment for dividends.

As a result, cash and cash equivalents as of September 30, 2013 amounted to 174.0 billion yen, a decrease of 23.2 billion yen as compared with the end of the previous fiscal year.

3. Consolidated Financial Forecast

There is no change to the consolidated financial forecasts for the full fiscal year ending March 31, 2014, previously disclosed on July 31, 2013.

4. Others

Application of accounting procedures specific to the preparation of quarterly consolidated financial statements

Calculation of tax expenses:

After adjustment on individual significant items, tax expenses are calculated by multiplying income before income taxes by effective tax rate, which is estimated reasonably by using tax effect accounting, for the fiscal year including this second quarter.

CONSOLIDATED QUARTERLY BALANCE SHEETS

(In millions of yen, millions of U.S. dollars)

	March 31, 2013	September 30, 2013	September 30, 2013
Current assets	JPY 1,513,806	JPY 1,386,771	\$ 14,151
Cash and deposits	174,295	166,794	1,702
Notes and accounts receivable-trade	834,052	716,755	7,314
Short-term investment securities	24,666	10,198	104
Merchandise and finished goods	93,776	99,179	1,012
Work in process	86,032	112,126	1,144
Raw materials and supplies	62,831	53,651	547
Deferred tax assets	78,761	76,983	786
Other	164,055	155,580	1,588
Allowance for doubtful accounts	(4,662)	(4,495)	(46)
Noncurrent assets	1,067,160	1,091,509	11,138
Property, plant and equipment	294,767	350,170	3,573
Buildings and structures, net	124,283	178,263	1,819
Machinery and equipment, net	25,586	22,954	234
Tools, furniture and fixtures, net	62,695	62,296	636
Land	66,502	66,649	680
Construction in progress	15,701	20,008	204
Intangible assets	233,786	221,736	2,263
Goodwill	93,895	86,152	879
Software	114,088	110,235	1,125
Other	25,803	25,349	259
Investments and other assets	538,607	519,603	5,302
Investment securities	138,139	151,658	1,548
Stocks of subsidiaries and affiliates	92,668	88,913	907
Long-term loans receivable	44,019	40,165	410
Deferred tax assets	97,570	88,704	905
Other	187,065	166,246	1,696
Allowance for doubtful accounts	(20,854)	(16,083)	(164)
Total assets	JPY 2,580,966	JPY 2,478,280	\$ 25,289

(Note)

U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥98 = U.S.\$1 .

CONSOLIDATED QUARTERLY BALANCE SHEETS (CONTINUED)

(In millions of yen, millions of U.S. dollars)

	March 31, 2013	September 30, 2013	September 30, 2013
Current liabilities	JPY 1,123,656	JPY 956,657	\$ 9,762
Notes and accounts payable-trade	458,724	367,016	3,745
Short-term loans payable	26,590	38,172	390
Commercial papers	29,997	43,996	449
Current portion of long-term loans payable	73,486	75,815	774
Current portion of bonds payable	70,000	20,000	204
Accrued expenses	169,221	153,224	1,563
Advances received	122,154	131,268	1,339
Provision for product warranties	18,370	18,411	188
Provision for directors' bonuses	335	221	2
Provision for loss on construction contracts and others	17,955	14,397	147
Provision for business structure improvement	3,993	6,931	71
Provision for contingent loss	1,217	2,904	30
Other	131,614	84,302	860
Noncurrent liabilities	621,163	733,803	7,488
Bonds payable	160,000	140,000	1,429
Long-term loans payable	237,028	365,696	3,732
Deferred tax liabilities	2,231	2,061	21
Provision for retirement benefits	178,868	179,800	1,835
Provision for product warranties	3,049	3,272	33
Provision for loss on repurchase of computers	5,326	6,334	65
Provision for business structure improvement	750	608	6
Provision for contingent loss	6,641	5,806	59
Other	27,270	30,226	308
Total liabilities	1,744,819	1,690,460	17,250
Shareholders' equity	700,429	665,398	6,790
Capital stock	397,199	397,199	4,053
Capital surplus	148,405	148,403	1,514
Retained earnings	157,771	122,754	1,253
Treasury stock	(2,946)	(2,958)	(30)
Accumulated other comprehensive income	10,237	18,734	191
Valuation difference on available-for-sale securities	18,333	27,360	279
Deferred gains or losses on hedges	(1,076)	(1,090)	(11)
Foreign currency translation adjustment	(7,020)	(7,536)	(77)
Minority interests	125,481	103,688	1,058
Total net assets	836,147	787,820	8,039
Total liabilities and net assets	JPY 2,580,966	JPY 2,478,280	\$ 25,289

**CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS AND CONSOLIDATED
QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME**

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS

(In millions of yen, millions of U.S. dollars)

Six months ended September 30	2012	2013	2013
Net sales	JPY 1,447,809	JPY 1,383,104	\$ 14,113
Cost of sales	1,002,212	974,189	9,940
Gross profit	445,597	408,915	4,173
Selling, general and administrative expenses	398,229	408,536	4,169
Operating income	47,368	379	4
Non-operating income	7,677	7,057	72
Interest income	640	941	10
Dividends income	1,996	2,250	23
Equity in earnings of affiliates	-	1,192	12
Other	5,041	2,674	27
Non-operating expenses	25,178	21,977	224
Interest expenses	2,910	4,860	50
Retirement benefit expenses	5,872	5,661	58
Foreign exchange losses	3,821	212	2
Equity in losses of affiliates	969	-	-
Other	11,606	11,244	114
Ordinary income (loss)	29,867	(14,541)	(148)
Extraordinary income	10,873	19,800	202
Gain on sales of subsidiaries and affiliates' stocks	1,064	16,342	166
Gain on sales of investment securities	8,707	2,031	21
Gain on change in equity	-	607	6
Gain on step acquisitions	-	454	5
Gain on transfer of business	-	366	4
Gain on insurance claim	906	-	-
Gain on sales of noncurrent assets	172	-	-
Gain on reversal of subscription rights to shares	24	-	-
Extraordinary loss	10,496	14,946	153
Business structure improvement expenses	1,938	14,236	146
Impairment loss	600	373	4
Loss on change in equity	-	242	2
Loss on valuation of investment securities	1,393	59	1
Loss on sales of investment securities	30	24	0
Loss on sales of noncurrent assets	-	12	0
Loss on contribution of securities to retirement benefit trust	5,898	-	-
Loss on sales of stocks of subsidiaries and affiliates	637	-	-
Income (loss) before income taxes and minority interests	30,244	(9,687)	(99)
Income taxes	21,366	13,350	136
Income (loss) before minority interests	8,878	(23,037)	(235)
Minority interests in income	880	3,113	32
Net income (loss)	JPY 7,998	(JPY 26,150)	(\$ 267)

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS AND CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME

(In millions of yen, millions of U.S. dollars)

Six months ended September 30	2012	2013	2013
Income (loss) before minority interests	JPY 8,878	(JPY 23,037)	(\$ 235)
Other comprehensive income	(18,232)	8,701	89
Valuation difference on available-for-sale securities	(14,573)	8,975	91
Deferred gains or losses on hedges	177	(4)	(0)
Foreign currency translation adjustment	(5,895)	(733)	(7)
Share of other comprehensive income of associates accounted for using equity method	2,059	463	5
Comprehensive income	(JPY 9,354)	(JPY 14,336)	(\$ 146)
Breakdown:			
Comprehensive income attributable to owners of the parent	(JPY 10,145)	(JPY 17,653)	(\$ 180)
Comprehensive income attributable to minority interests	791	3,317	34

CONDENSED CONSOLIDATED QUARTERLY STATEMENTS OF CASH FLOWS

(In millions of yen, millions of U.S. dollars)

Six months ended September 30	2012	2013	2013
I . Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	JPY 30,244	(JPY 9,687)	(\$ 99)
Depreciation and amortization	41,073	37,321	381
Equity in (earnings) losses of affiliates	969	(1,192)	(12)
Loss (gain) on change in equity	-	(365)	(4)
Decrease in notes and accounts receivable-trade	104,076	110,872	1,131
Increase in inventories	(29,358)	(27,464)	(280)
Decrease in notes and accounts payable-trade	(57,874)	(84,108)	(858)
Income taxes paid	(16,137)	(17,647)	(180)
Others, net	(46,030)	(35,009)	(357)
Net cash provided by (used in) operating activities	26,963	(27,279)	(278)
II . Cash flows from investing activities:			
Net proceeds from (payments of) acquisitions and sales of property, plant and equipment	(20,694)	(70,427)	(719)
Purchase of intangible assets	(8,398)	(5,846)	(60)
Net proceeds from (payments of) purchases and sales of securities	(28,640)	8,655	88
Others, net	(1,189)	50	2
Net cash used in investing activities	(58,921)	(67,568)	(689)
III . Cash flows from financing activities:			
Net proceeds from (payments of) bonds and borrowings	(10,015)	82,264	839
Cash dividends paid	(2)	(10,357)	(106)
Others, net	(2,219)	(2,288)	(23)
Net cash provided by (used in) financing activities	(12,236)	69,619	710
IV . Effect of exchange rate changes on cash and cash equivalents	(3,242)	2,049	20
V . Net decrease in cash and cash equivalents	(47,436)	(23,179)	(237)
VI . Cash and cash equivalents at beginning of period	251,843	197,132	2,012
VII . Cash and cash equivalents at end of period	JPY 204,407	JPY 173,953	\$ 1,775

SEGMENT INFORMATION

[Segment information]

Information about sales and segment income (loss) by reportable segment

Six months ended September 30, 2012 (From April 1, 2012 to September 30, 2012)

(In millions of yen)

	Reportable Segments					Others	Adjustment	Consolidated total
	Public	Enterprise	Telecom Carrier	System Platform	Total			
Sales								
1. Sales to customers	276,949	118,848	342,687	367,163	1,105,647	342,162	—	1,447,809
2. Intersegment sales and transfers	7,694	1,669	13,060	28,885	51,308	21,952	(73,260)	—
Total sales	284,643	120,517	355,747	396,048	1,156,955	364,114	(73,260)	1,447,809
Segment income (loss) (Operating income (loss))	14,418	1,942	30,921	11,698	58,979	17,330	(28,941)	47,368

Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)

(In millions of yen)

	Reportable Segments					Others	Adjustment	Consolidated total
	Public	Enterprise	Telecom Carrier	System Platform	Total			
Sales								
1. Sales to customers	303,310	130,093	334,041	350,739	1,118,183	264,921	—	1,383,104
2. Intersegment sales and transfers	7,623	2,562	12,918	30,340	53,443	21,731	(75,174)	—
Total sales	310,933	132,655	346,959	381,079	1,171,626	286,652	(75,174)	1,383,104
Segment income (loss) (Operating income (loss))	14,533	727	19,382	1,837	36,479	(11,828)	(24,272)	379

Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)

(In millions of U.S. dollars)

	Reportable Segments					Others	Adjustment	Consolidated total
	Public	Enterprise	Telecom Carrier	System Platform	Total			
Sales								
1. Sales to customers	3,095	1,327	3,409	3,579	11,410	2,703	—	14,113
2. Intersegment sales and transfers	78	27	131	310	546	222	(768)	—
Total sales	3,173	1,354	3,540	3,889	11,956	2,925	(768)	14,113
Segment income (loss) (Operating income (loss))	148	7	198	19	372	(121)	(247)	4

SEGMENT INFORMATION (CONTINUED)

(Notes)

1. From the first quarter of the fiscal year ending March 31, 2014, the reportable segment has been changed to four reportable segments, "Public," "Enterprise," "Telecom Carrier" and "System Platform," due to the organizational reform on April 1, 2013. Previously, the reportable segments were "IT Solutions," "Carrier Network," "Social Infrastructure" and "Personal Solutions".

The contents of new reportable segments are as follows:

"Public" mainly renders System Integration, Maintenance and Support, Outsourcing, Cloud Services and System Equipment for Government, Public, Healthcare, Finance and Media.

"Enterprise" mainly renders System Integration, Maintenance and Support, Outsourcing and Cloud Services for Manufacturing, Distribution and Services.

"Telecom Carrier" mainly renders Network Infrastructure, Services and Management for Telecom Carriers.

"System Platform" mainly renders Hardware, Software, Enterprise Networks Solutions and Services (Data Center Infrastructure and Support).

With this change, segment information and related information about geographic areas for the six months ended September 30, 2012 have been reclassified to conform with the six months ended September 30, 2013 presentation.

2. "Others" for the six months ended September 30, 2012 represents businesses such as Smart Energy (Electrodes/Energy Storage System, Solutions for Utilities, etc.), Smartphones, Mobile Phones, Electronic Components and "BIGLOBE" Internet Services, which are not included in reportable segments. "Others" for the six months ended September 30, 2013 represents businesses such as Smart Energy (Electrodes/Energy Storage System, Solutions for Utilities, etc.), Mobile Phones and "BIGLOBE" Internet Services, which are not included in reportable segments.
3. "Adjustment" of segment income (loss) for the six months ended September 30, 2012 includes corporate expenses of (24,367) million yen and noncurrent assets related adjustment of (958) million yen, unallocated to each reportable segment. "Adjustment" of segment income (loss) for the six months ended September 30, 2013 includes corporate expenses of (22,743) million yen ((232) millions of U.S. dollars) and noncurrent assets related adjustment of 920 million yen (9 millions of U.S. dollars), unallocated to each reportable segment. The corporate expenses, unallocated to each reportable segment, are mainly general and administrative expenses incurred at headquarters of NEC, and research and development expenses.

SEGMENT INFORMATION (CONTINUED)

[Related information]

Information about geographic areas

Sales

Six months ended September 30, 2012 (From April 1, 2012 to September 30, 2012)

(In millions of yen)

Japan	The Americas	Greater China, APAC	EMEA	Total
1,214,163	83,799	102,792	47,055	1,447,809

Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)

(In millions of yen)

Japan	The Americas	Greater China, APAC	EMEA	Total
1,109,969	102,195	112,412	58,528	1,383,104

Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)

(In millions of U.S. dollars)

Japan	The Americas	Greater China, APAC	EMEA	Total
11,326	1,043	1,147	597	14,113

(Notes)

1. Sales are classified into country or region based on the locations of customers.
2. Major regions in segments other than Japan:
 - (1) The Americas: North America and Latin America
 - (2) Greater China, APAC: Greater China and Asia Pacific (Asia, Oceania)
 - (3) EMEA: Europe, Middle East and Africa

[THREE MONTHS PERIOD INFORMATION]
CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS AND CONSOLIDATED
QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS

(In millions of yen, millions of U.S. dollars)

Three months ended September 30	2012	2013	2013
Net sales	JPY 816,276	JPY 742,958	\$ 7,581
Cost of sales	557,576	518,734	5,293
Gross profit	258,700	224,224	2,288
Selling, general and administrative expenses	203,452	202,032	2,062
Operating income	55,248	22,192	226
Non-operating income	2,941	2,622	27
Interest income	363	468	5
Dividends income	576	229	2
Equity in earnings of affiliates	-	478	5
Other	2,002	1,447	15
Non-operating expenses	16,140	11,188	114
Interest expenses	1,509	2,641	27
Retirement benefit expenses	2,937	2,831	29
Foreign exchange losses	1,073	961	10
Equity in losses of affiliates	1,708	-	-
Other	8,913	4,755	48
Ordinary income	42,049	13,626	139
Extraordinary income	6,689	611	6
Gain on change in equity	-	603	6
Gain on sales of investment securities	4,196	6	0
Gain on sales of subsidiaries and affiliates' stocks	1,053	2	0
Gain on insurance claim	1,273	-	-
Gain on sales of noncurrent assets	147	-	-
Gain on reversal of subscription rights to shares	20	-	-
Extraordinary loss	3,972	13,325	136
Business structure improvement expenses	1,938	13,053	133
Impairment loss	438	266	3
Loss on valuation of investment securities	1,104	4	0
Loss on sales of investment securities	30	2	0
Loss on sales of stocks of subsidiaries and affiliates	462	-	-
Income before income taxes and minority interests	44,766	912	9
Income taxes	18,690	3,266	33
Income (loss) before minority interests	26,076	(2,354)	(24)
Minority interests in income	218	2,320	24
Net income (loss)	JPY 25,858	(JPY 4,674)	(\$ 48)

(Note)

U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥98 = U.S.\$1 .

[THREE MONTHS PERIOD INFORMATION]**CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS AND CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)****CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME**

(In millions of yen, millions of U.S. dollars)

Three months ended September 30	2012	2013	2013
Income (loss) before minority interests	JPY 26,076	(JPY 2,354)	(\$ 24)
Other comprehensive income	(5,247)	3,950	40
Valuation difference on available-for-sale securities	(4,703)	6,409	66
Deferred gains or losses on hedges	36	33	0
Foreign currency translation adjustment	(273)	(2,322)	(24)
Share of other comprehensive income of associates accounted for using equity method	(307)	(170)	(2)
Comprehensive income	JPY 20,829	JPY 1,596	\$ 16
Breakdown:			
Comprehensive income attributable to owners of the parent	JPY 20,557	(JPY 739)	(\$ 8)
Comprehensive income attributable to minority interests	272	2,335	24

[THREE MONTHS PERIOD INFORMATION]

SEGMENT INFORMATION

[Segment information]

Information about sales and segment income (loss) by reportable segment

Three months ended September 30, 2012 (From July 1, 2012 to September 30, 2012)

(In millions of yen)

	Reportable Segments					Others	Adjustment	Consolidated total
	Public	Enterprise	Telecom Carrier	System Platform	Total			
Sales								
1. Sales to customers	162,042	68,805	187,545	204,090	622,482	193,794	—	816,276
2. Intersegment sales and transfers	4,390	1,060	7,305	12,649	25,404	11,767	(37,171)	—
Total sales	166,432	69,865	194,850	216,739	647,886	205,561	(37,171)	816,276
Segment income (loss) (Operating income (loss))	14,333	4,610	18,241	13,463	50,647	20,950	(16,349)	55,248

Three months ended September 30, 2013 (From July 1, 2013 to September 30, 2013)

(In millions of yen)

	Reportable Segments					Others	Adjustment	Consolidated total
	Public	Enterprise	Telecom Carrier	System Platform	Total			
Sales								
1. Sales to customers	176,740	71,344	180,023	193,064	621,171	121,787	—	742,958
2. Intersegment sales and transfers	4,450	1,474	7,370	16,055	29,349	11,641	(40,990)	—
Total sales	181,190	72,818	187,393	209,119	650,520	133,428	(40,990)	742,958
Segment income (loss) (Operating income (loss))	14,183	3,148	13,775	8,395	39,501	(1,976)	(15,333)	22,192

Three months ended September 30, 2013 (From July 1, 2013 to September 30, 2013)

(In millions of U.S. dollars)

	Reportable Segments					Others	Adjustment	Consolidated total
	Public	Enterprise	Telecom Carrier	System Platform	Total			
Sales								
1. Sales to customers	1,803	728	1,837	1,970	6,338	1,243	—	7,581
2. Intersegment sales and transfers	46	15	75	164	300	119	(419)	—
Total sales	1,849	743	1,912	2,134	6,638	1,362	(419)	7,581
Segment income (loss) (Operating income (loss))	145	32	141	86	404	(20)	(158)	226

[THREE MONTHS PERIOD INFORMATION]

SEGMENT INFORMATION (CONTINUED)

(Notes)

1. From the first quarter of the fiscal year ending March 31, 2014, the reportable segment has been changed to four reportable segments, "Public," "Enterprise," "Telecom Carrier" and "System Platform," due to the organizational reform on April 1, 2013. Previously, the reportable segments were "IT Solutions," "Carrier Network," "Social Infrastructure" and "Personal Solutions".

The contents of new reportable segments are as follows:

"Public" mainly renders System Integration, Maintenance and Support, Outsourcing, Cloud Services and System Equipment for Government, Public, Healthcare, Finance and Media.

"Enterprise" mainly renders System Integration, Maintenance and Support, Outsourcing and Cloud Services for Manufacturing, Distribution and Services.

"Telecom Carrier" mainly renders Network Infrastructure, Services and Management for Telecom Carriers.

"System Platform" mainly renders Hardware, Software, Enterprise Networks Solutions and Services (Data Center Infrastructure and Support).

With this change, segment information and related information about geographic areas for the three months ended September 30, 2012 have been reclassified to conform with the three months ended September 30, 2013 presentation.

2. "Others" for the three months ended September 30, 2012 represents businesses such as Smart Energy (Electrodes/Energy Storage System, Solutions for Utilities, etc.), Smartphones, Mobile Phones, Electronic Components and "BIGLOBE" Internet Services, which are not included in reportable segments. "Others" for the three months ended September 30, 2013 represents businesses such as Smart Energy (Electrodes/Energy Storage System, Solutions for Utilities, etc.), Mobile Phones and "BIGLOBE" Internet Services, which are not included in reportable segments.
3. "Adjustment" of segment income (loss) for the three months ended September 30, 2012 includes corporate expenses of (13,334) million yen and noncurrent assets related adjustment of (1,223) million yen, unallocated to each reportable segment. "Adjustment" of segment income (loss) for the three months ended September 30, 2013 includes corporate expenses of (12,974) million yen ((132) millions of U.S. dollars) and noncurrent assets related adjustment of (276) million yen ((3) millions of U.S. dollars), unallocated to each reportable segment. The corporate expenses, unallocated to each reportable segment, are mainly general and administrative expenses incurred at headquarters of NEC, and research and development expenses.

[THREE MONTHS PERIOD INFORMATION]**SEGMENT INFORMATION (CONTINUED)**

[Related information]

Information about geographic areas

Sales

Three months ended September 30, 2012 (From July 1, 2012 to September 30, 2012)

(In millions of yen)

Japan	The Americas	Greater China, APAC	EMEA	Total
680,063	48,117	61,528	26,568	816,276

Three months ended September 30, 2013 (From July 1, 2013 to September 30, 2013)

(In millions of yen)

Japan	The Americas	Greater China, APAC	EMEA	Total
590,631	54,664	63,771	33,892	742,958

Three months ended September 30, 2013 (From July 1, 2013 to September 30, 2013)

(In millions of U.S. dollars)

Japan	The Americas	Greater China, APAC	EMEA	Total
6,027	558	651	345	7,581

(Notes)

1. Sales are classified into country or region based on the locations of customers.
2. Major regions in segments other than Japan:
 - (1) The Americas: North America and Latin America
 - (2) Greater China, APAC: Greater China and Asia Pacific (Asia, Oceania)
 - (3) EMEA: Europe, Middle East and Africa

CAUTIONARY STATEMENTS:

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.

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any obligation to update or revise any of the forward-looking statements, whether as a result of new information, future events, or otherwise.

The management targets included in this material are not projections, and do not represent management's current estimates of future performance. Rather, they represent targets that management will strive to achieve through the successful implementation of NEC's business strategies.

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