

Financial Results for 3Q FY07/3

(Third Quarter of Fiscal Year Ending March 2007)

February 6, 2007

NEC Corporation

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 U.S. Securities and Exchange Commission, and in reports to shareholders and other communications. The U.S. Private Securities Litigation Reform Act of 1995 contains, and other applicable laws may contain, a safe-harbor for forward-looking statements, on which NEC relies 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," 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, and (vii) movement of currency exchange rates, particularly the rate between the yen and the U.S. dollar. 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.

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.

Finally, NEC cautions you that the statements made in this material are not an offer of securities for sale. The securities may not be offered or sold in any jurisdiction in which registration is required absent registration or an exemption from registration under the applicable securities laws. For example, any public offering of securities to be made in the United States must be registered under the U.S. Securities Act of 1933 and made by means of an English language prospectus that contains detailed information about NEC and management, as well as NEC's financial statements.

(Notes)

NEC has changed the accounting principles for preparing its consolidated financial statements from accounting principles generally accepted in the U.S., or U.S. GAAP, to accounting principles generally accepted in Japan, or Japan GAAP. Results for the first half of the fiscal year ended March 31, 2006 have been presented under Japan GAAP for comparison purposes.

Free cash flows equals the sum of cash flows from operating activities plus cash flows from investing activities.

Owners' equity is total net assets less share subscription rights and minority interests.

D/E ratio is interest-bearing debt divided by owners' equity.

Owners' equity ratio is owners' equity divided by total assets.

● Submission of "Improvement Report" to Tokyo Stock Exchange

- ▶ On Jan. 26, NEC submitted an "Improvement Report" to Tokyo Stock Exchange and other stock exchanges in Japan, stating measures to improve our disclosure systems, including:
 - Increasing staff members to handle the preparation of financial statements, and reinforcing checking systems

NEC will exert all its powers to regain trust from capital market

● Current status of annual report 2006 on Form 20-F for Securities Exchange Commission in U.S.

- ▶ NEC is currently collecting and analyzing vendor specific objective evidence (VSOE) of the fair value of support and maintenance services provided as part of multiple element arrangements with respect to IT Solutions.

NEC is making every effort to complete and file 20-F with the SEC

1. Overview of the Financial Results

Financial Summary (Overview)

(Billion Yen)	FY06/3		FY07/3		FY07/3	
	3Q	9 months total	3Q		9 months total	
	Actual	Actual	Actual	YoY	Actual	YoY
Net Sales	1,179.8	3,463.6	1,096.1	-7%	3,317.7	-4%
Operating Profit (Ratio to Net Sales)	23.9 2.0%	28.9 0.8%	35.0 3.2%	11.1	42.5 1.3%	13.6
Ordinary Income	23.3	4.0	22.9	-0.4	11.1	7.1
Net Income (Ratio to Net Sales)	11.8 1.0%	11.5 0.3%	2.6 0.2%	-9.2	-7.3 -0.2%	-18.8
EPS (Basic) in yen	5.92	5.79	1.21	-4.71	-3.73	-9.52
Free Cash Flow	-31.9	-26.3	-87.8	-55.9	-46.7	-20.4
Total Asset	3,927.6		3,743.4	-184.2		
Owner's Equity	1,043.3		1,038.6	-4.7		
Interest-bearing Debt	1,108.6		965.4	143.2 cut		
D/E Ratio (times)	1.06		0.93	0.13 cut		
Owner's Equity Ratio	26.6%		27.7%	+1.1%		

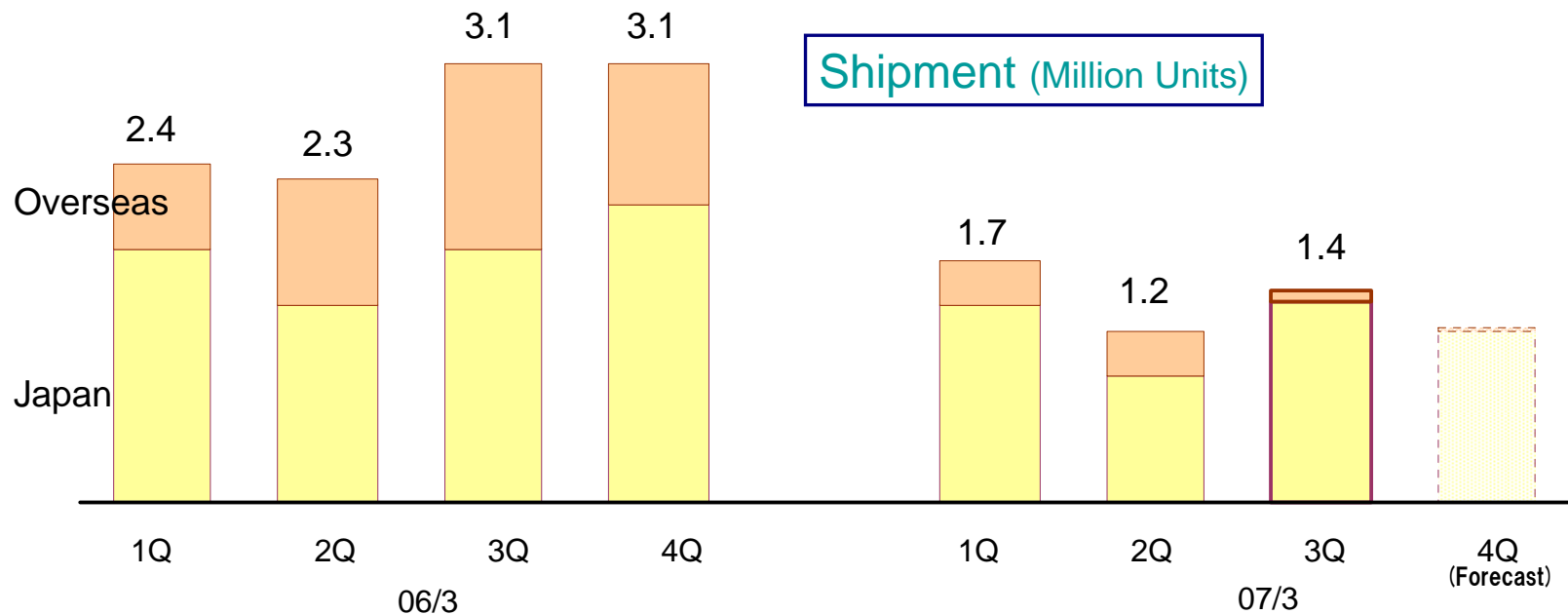
Main Points of 3Q Results

- Operating profit of ¥35 billion (+¥11.1 billion YoY)
 - ▶ Mobile/Personal Solutions business regained profitability
~Mobile terminals business was on course to turnaround
 - ▶ Semiconductors business worsened compared to 2Q
 - Progress of growth strategy toward NGN era
 - ▶ Sustained high Network Systems to carriers
 - ▶ Strengthened NGN-related business activities
- ⇒ Efforts to achieve full year target
- ▶ Evaluating risks of Semiconductor business and examining profitability improvement measures

Progress of Mobile Terminals Business

Improved as planned: Break-even in 3Q

- Overseas: Reduced loss by suspending output of new 2.5G models
- Japan: Shipment increased by approx. 40% with the introduction of mobile number portability



Progress of Mobile Terminals Business (2)

- Strengthened product planning for Japanese market

Improvement in design, weight/size, battery life, and usability

<New models for 4Q>

N703iμ: World's thinnest W-CDMA shell type model at 11.4mm

N703iD: Advanced 2nd model designed by Kashiwa Sato

N903i: Smooth retrieval capability with high resolution display.

Added new model thorough collaboration with Samantha Thavasa

(Kansai area only)

N902iL: Enhanced security, Wireless-LAN, etc.



Semiconductor Business (NEC Electronics)

- Factors contributing to delay in its financial recovery

- ▶ Lack of competitive products
- ▶ Higher production costs

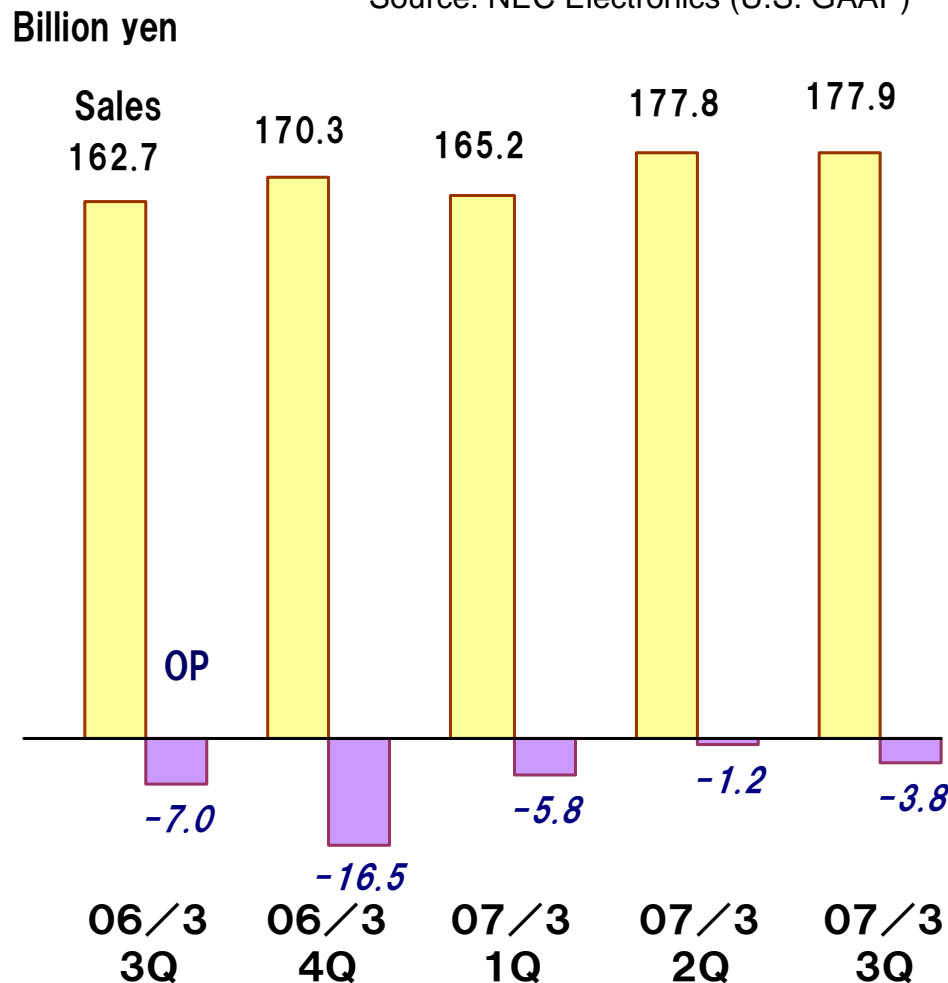


New growth strategy and restructuring

- Re-expansion of sales
 - ▶ Strengthen product development, etc
- Enhance cost competitiveness
 - ▶ Realign factories
 - ▶ Pursue efficiency of Capex and R&D

Financial results of NEC Electronics

Source: NEC Electronics (U.S. GAAP)



Development of NGN business

※ NGN: Next Generation Network

● ITU TELECOM WORLD 2006 (12/4-8)

- ▶ NEC promoted its NGN products and services to the world through exhibit and forums

● Participation in NTT's NGN field trials (12/20-)

- ▶ Exhibit: Robots take good care of you
- ▶ Technology solution: Network service platform software "NC 7000 Series", etc.



● Launch of new products supporting NGN

CX2600/200

- ▶ Services aggregation switch "CX2600/200 series" enhancement

(announced on Feb. 5)

- ▶ Hybrid multiplexer "SpectralWave UN5000" (announced on Dec. 1)

< NGN-related orders > We are making gains toward the goal of achieving over 100 billion yen in orders annually

2.Segment Information

Financial Summary by Segment

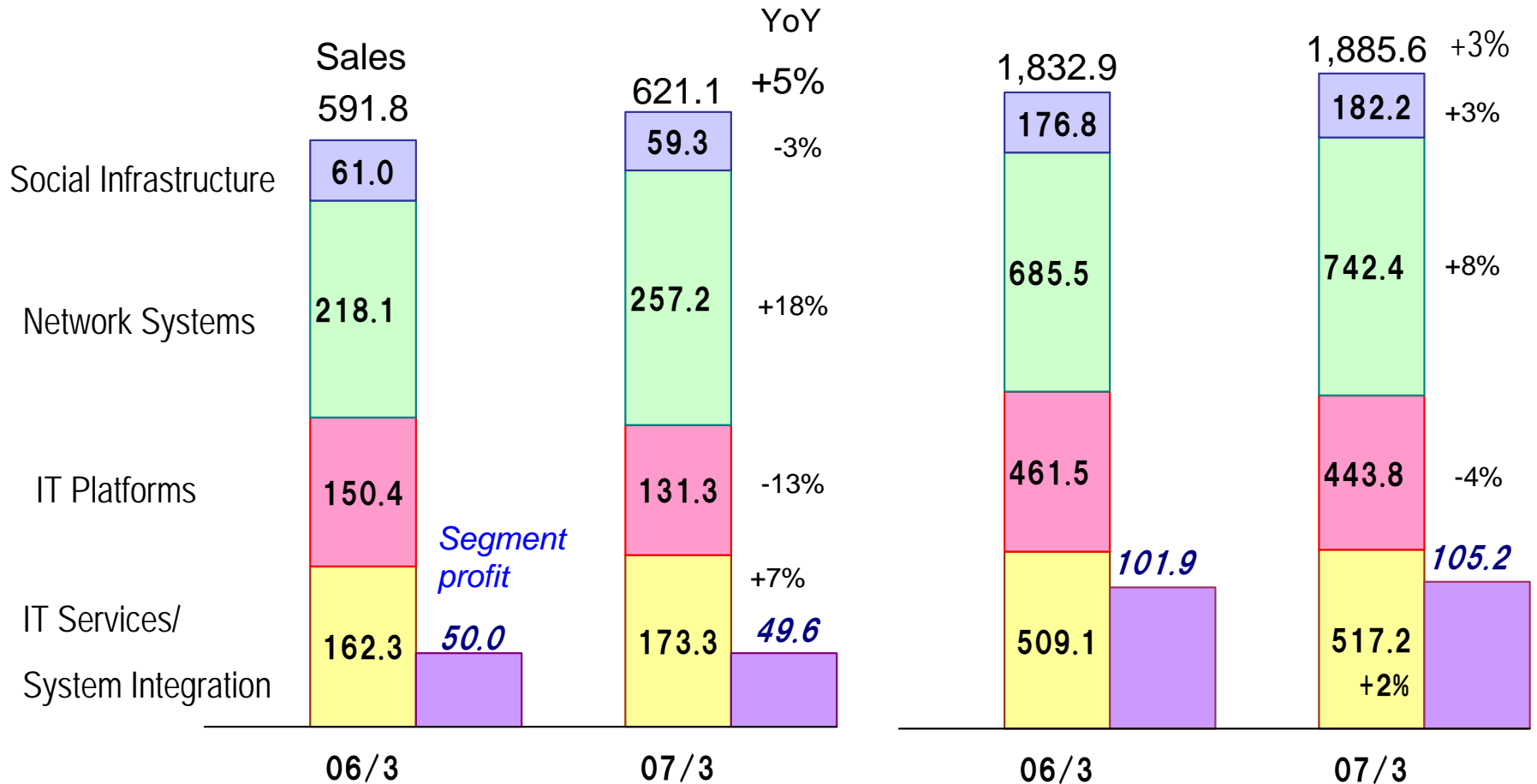
(Billion Yen)		FY06/3		FY07/3		FY07/3	
		3Q	9 months total	3Q	YoY	9 months total	YoY
IT/NW Solutions	Net sales	591.8	1,832.9	621.1	+5%	1,885.6	+3%
	Profit/Loss (to sales)	50.0 8.4%	101.9 5.6%	49.6 8.0%	-0.4	105.2 5.6%	+3.3
Mobile/Personal Solutions	Net sales	340.6	920.7	226.6	-33%	725.6	-21%
	Profit/Loss (to sales)	-14.8 -4.3%	-30.5 -3.3%	2.4 1.1%	+17.2	-35.0 -4.8%	-4.5
Electron Devices	Net sales	208.0	606.5	222.2	+7%	649.3	+7%
	Profit/Loss (to sales)	-4.5 -2.2%	-14.8 -2.4%	-1.9 -0.9%	+2.6	-6.2 -1.0%	+8.6
Others/Eliminations etc.	Net sales	39.4	103.5	26.2	-	57.2	-
	Profit/Loss (to sales)	-6.8 -	-27.7 -	-15.1 -	-8.3	-21.5 -	+6.2
TOTAL	Net sales	1,179.8	3,463.6	1,096.1	-7%	3,317.7	-4%
	Profit/Loss (to sales)	23.9 2.0%	28.9 0.8%	35.0 3.2%	+11.1	42.5 1.3%	+13.6

① -1. IT/NW Solutions Business

(In Billion Yen)

<3Q>

<9 months results>



①-2. IT/NW Solutions Business

Sales and operating profit <07/3 3Q>

■ IT Services/System Integration

◇ Profit increased through sales expansion & cost reductions

- <Favorable areas>
- Service Platforms for telecommunication carriers
 - Strategic IT investment in the area of finance and distribution / retail
 - Projects to optimize systems and construct new systems in the government and public sectors

■ IT Platforms

◇ Software and servers remain steady, although sales decreased due to the large projects in the previous fiscal year.

■ Network Systems

◇ Further growth in PASOLINK sales, mainly in Asia and Russia

◇ Almost the same level of domestic investment in base stations as 2Q even after MNP service started

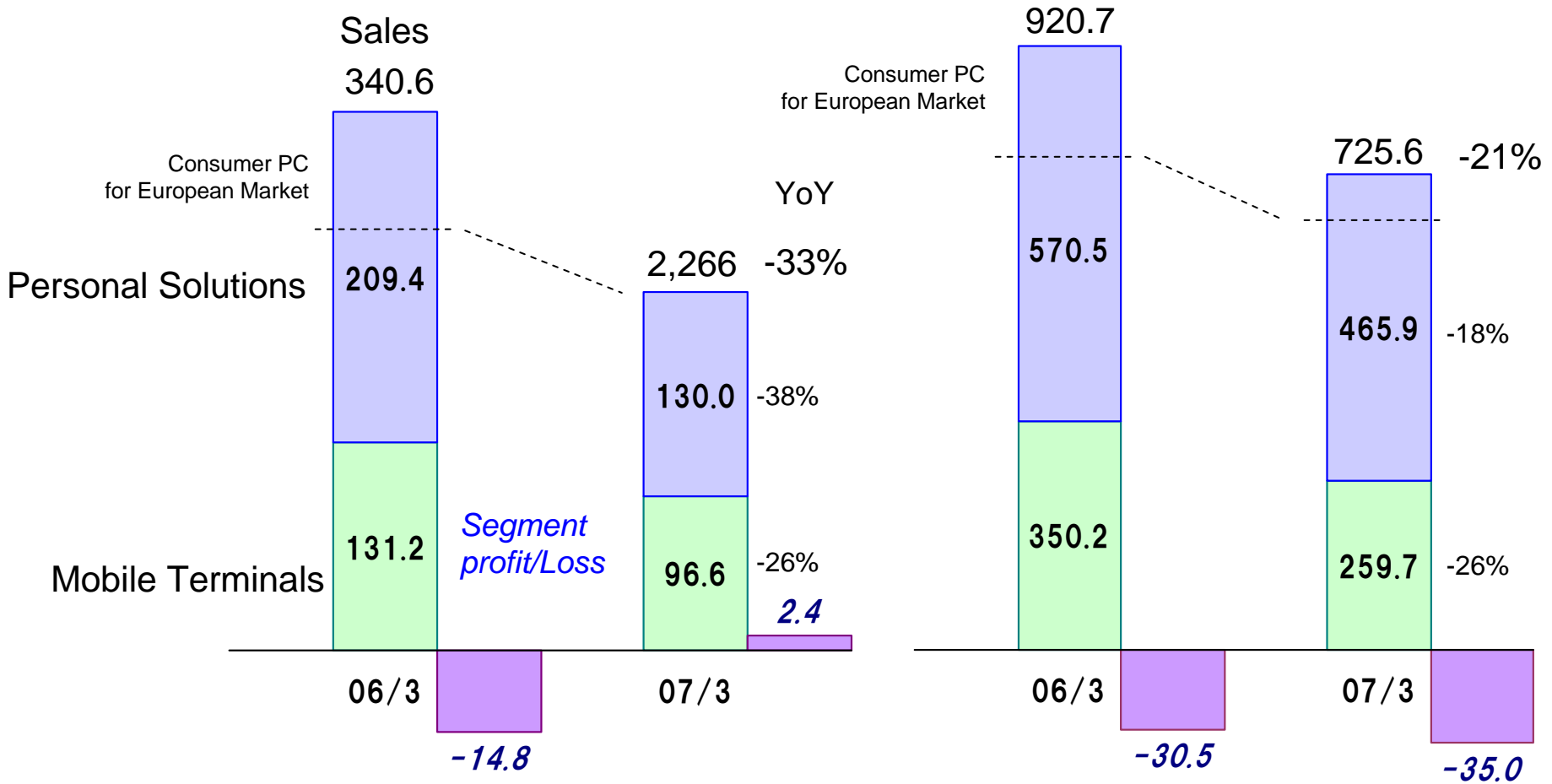
◇ Sales increase in enterprise business, backed by strong demand in Japan and effect of consolidating NEC Philips Unified Solutions

②-2. Mobile Terminals / Personal Solutions Business

(In Billion Yen)

<3Q>

<9 months results>



②-2. Mobile Terminals / Personal Solutions Business Sales and operating profit <07/3 3Q>

■ Personal Solutions

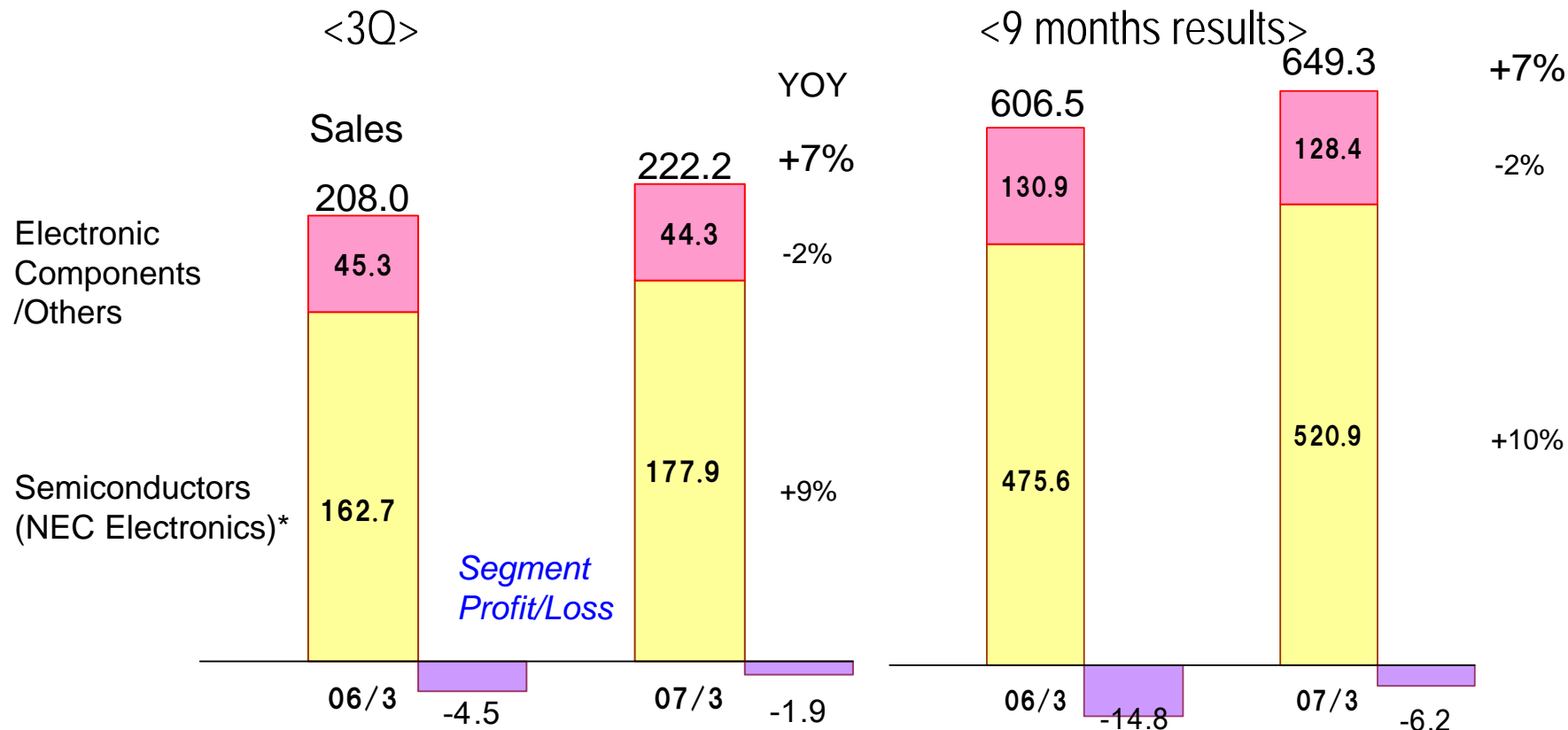
- ◇ Secured profit as planned despite the difficult market condition
 - Sales : Decreased due to the impact of the sale of consumer PC business in Europe and the difficult domestic PC market condition.
 - Profit : Secured through cost reductions including material costs
- ◇ Launched Windows Vista PC on January 30

■ Mobile Terminals

- ◇ Improved as expected: Break-even in 3Q
 - Overseas: Reduced loss by suspending output of new 2.5G models
 - Japan: Shipment increased by approx.40%
with the introduction of mobile number portability system

③ Electron Devices Business

(In Billion Yen)



(In Billion Yen)	06/3	07/3
	3Q	3Q
Operating Profit in Semiconductor area (NEC Electronics)	-7.0	-3.8

(In Billion Yen)	06/3	07/3
	9months	9months
Operating Profit in Semiconductor area (NEC Electronics)	-19.2	-10.8

*The results for the area of Semiconductors are the official public figures of NEC Electronics Corporation, which are prepared in accordance with U.S. GAAP. The difference that arises as a result of the adjustment to Japan GAAP is included in Electronic Components and Others.

Conclusion

- Evaluating risks of semiconductor business
and examining profitability improvement plans
- Accomplishing turnaround of Mobile Terminals business
 - ▶ Achieve breakeven target in 2H
(excluding extraordinary items such as overseas restructuring cost)
 - ▶ Offer competitive models
- Expansion of NGN related business

Empowered by Innovation

NEC