

# Financial Results for 3Q for the Fiscal Year Ending March 31, 2008

29 January, 2008

NEC Corporation

(<http://www.nec.co.jp/ir/en/>)

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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 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," "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) impact of NEC's announcement that its previously issued financial statements may not be relied upon and inability to prepare the financial statements for inclusion in the 2006 Form 20-F and to restate historical financial statements, and (ix) uncertainty relating to the ongoing informal inquiry by the SEC. 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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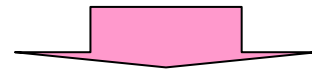
(Notes)

NEC changed the accounting principles for preparing its consolidated financial statements from accounting principles generally accepted in the U.S. ("U.S. GAAP"), to accounting principles generally accepted in Japan ("Japan GAAP") from the first half of the fiscal year ended March 31, 2007.

# I. Overview of Financial Results

# Summary of Results

- Operating Income: 3Q ¥16.0 billion, 9 months(1-3Q) ¥43.4 billion
  - Steady progress toward full year target, despite the expected large no. of sales in the area of Network Systems in the 4Q
- Steady recovery in unprofitable businesses
  - Regained profitability in the Mobile/Personal Solutions business (3Q ¥2.3 billion, 9 months ¥10.4 billion) and the area of Semiconductors (3Q ¥3.0 billion, 9 Months ¥4.9 billion)
- Expansion of NGN construction business
  - NGN construction sales: 3Q ¥50 billion, 9 months ¥130 billion



- Ensure achievement of ¥130 billion full year operating income target
- Strengthen activities for future growth
  - ¥15 billion for strategic expenses  
(additional reallocation of ¥5 billion to IT/Network Solutions)
  - Execute measures to expand overseas businesses

# Financial Summary (Overview)

	9 months total		
	FY07/3 Actual	FY08/3 Actual	YoY
Net Sales	3317.7	3192.8	- 3.8%
Operating Income <i>(% to Net sales)</i>	42.5 1.3%	43.4 1.4%	+0.9
Ordinary Income	11.1	19.3	+8.2
Net Income <i>(% to Net sales)</i>	-7.3 -0.2%	-10.0 -0.3%	-2.7
Net income per share (yen)	-3.73	-5.05	-1.32

3Q		
FY07/3 Actual	FY08/3 Actual	YoY
1096.1	1052.2	- 4.0%
35.0 3.2%	16.0 1.5%	-19.0
22.9	9.5	-13.4
2.6 0.2%	-5.2 -0.5%	-7.8
1.21	-2.62	-3.83

## II. Segment Information

# Financial Summary by Segment

< 9 month results >

< 3Q results >

Sales

3317.7 3192.8

Others

57.3 55.6

Electron Devices

649.3 632.7

Mobile/Personal Solutions

725.6 617.1

IT/NW Solutions

1885.6 1887.4

07/3 08/3

Operating Income/Loss

105.2 4.7

42.5 43.4

51.1 10.4

-35.0 -22.8

-6.2

-21.5

07/3 08/3

1096.1

26.3 21.5

222.2 212.0

226.6 205.4

621.1 613.2

07/3 08/3

Operating Income/Loss

2.4 2.4

35.0 3.3

49.6 16.0

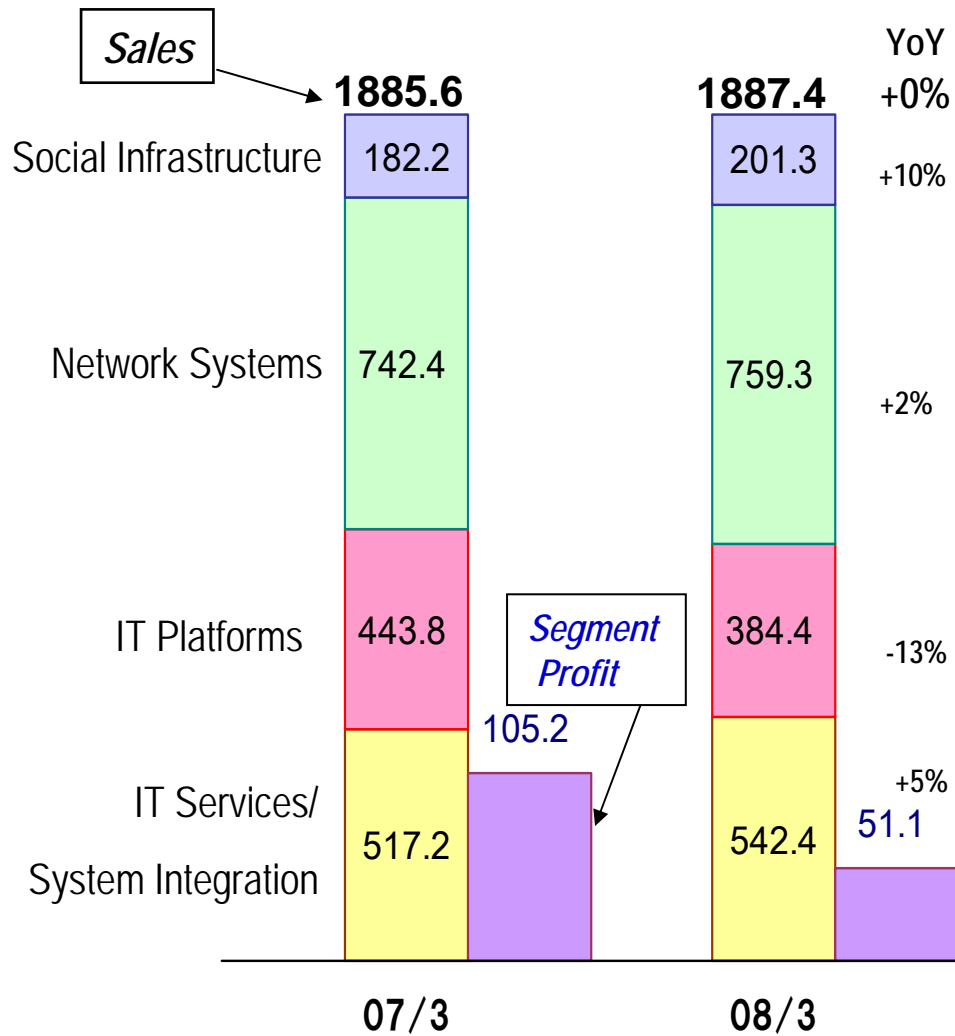
-1.9 -5.6

-15.0

07/3 08/3

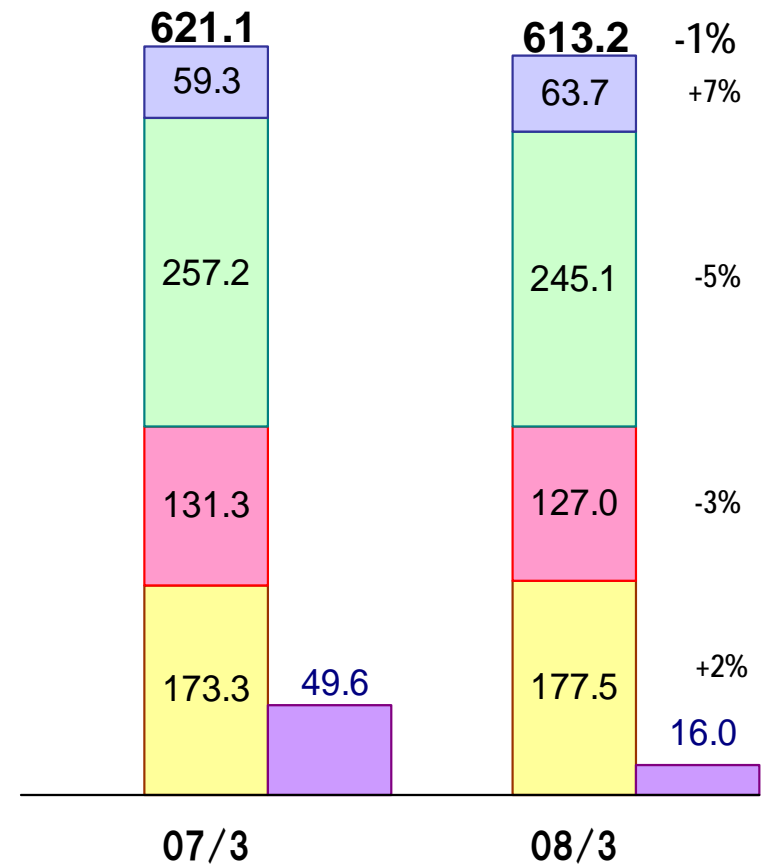
# ① IT/Network Solutions Business

< 9 month results >



< 3Q results >

(In Billion Yen)





# Sales, Operating Income and Business for 3Q

## - IT/Network Solutions Business -

### IT Services/System Integration

- ◇ Brisk IT spending, sales of Service Platforms
- Strengthening of SAP solutions for manufacturing sector

### IT Platforms

- ◇ Steady progress for 2H business plan
- although sales decreased yoy due to transfer of sales function of DVD drivers



iStorage E1

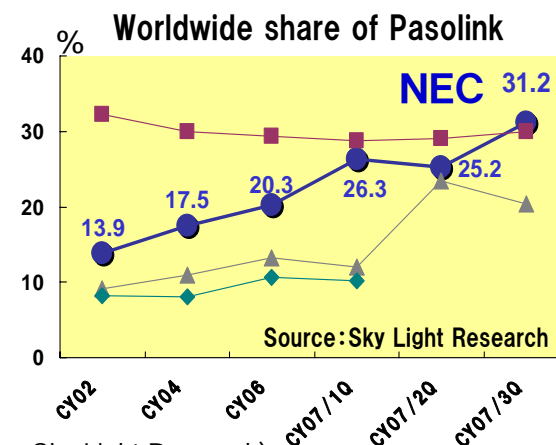
### Network Systems

- ◇ Mobile network system: Sales decreased YoY due to reduction of investments for MNP from telecom carriers, and 2H sales concentrated in 4Q

- ◇ Pasolink: Sales growth in Asia and Middle East

Achieved No.1 global market share in 3Q of CY2007 (Source: Sky Light Research)

- ◎ Selected as vendor for NTT DoCoMo's super 3G wireless base station equipment

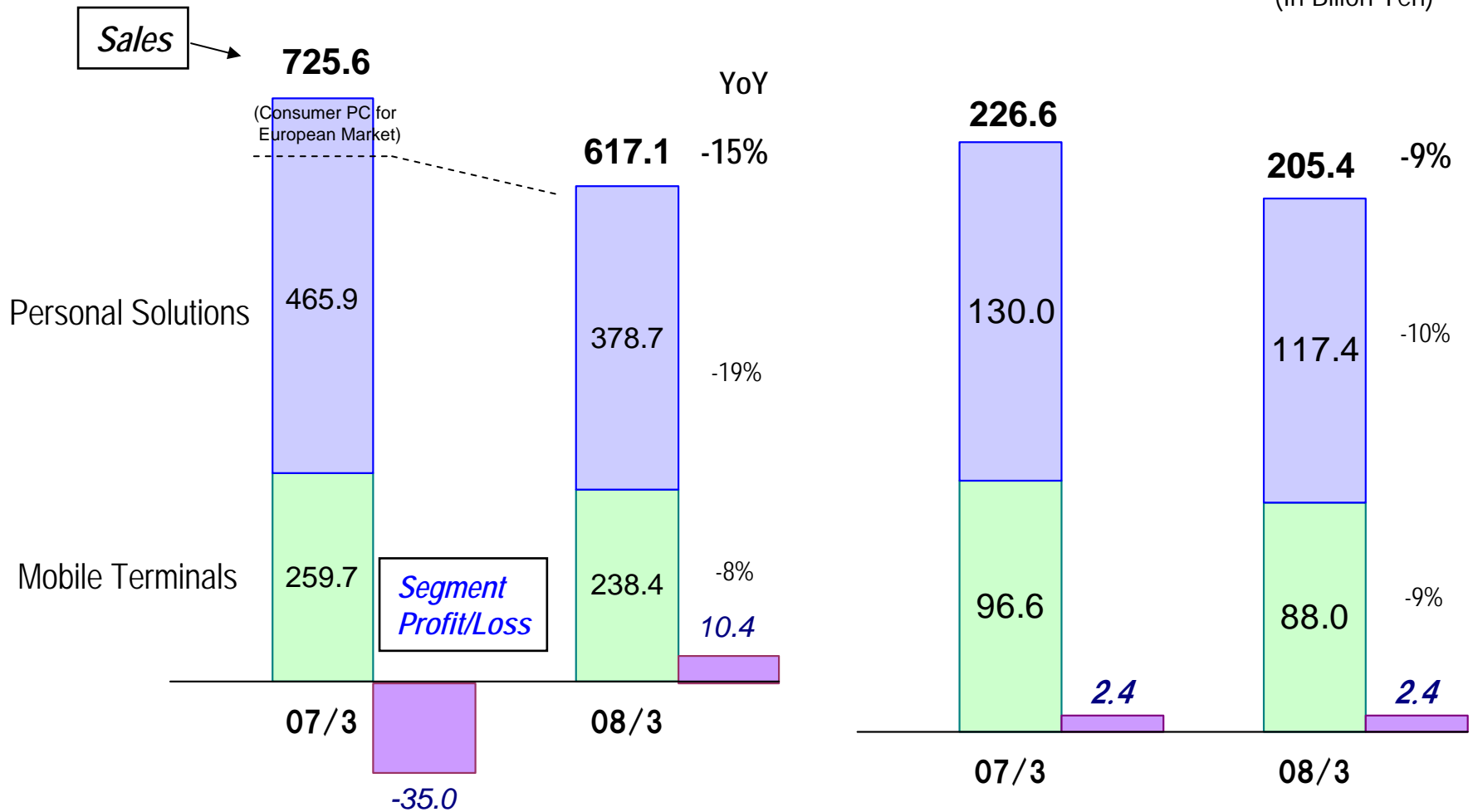


## ② Mobile Terminals /Personal Solutions Business

< 9 month results >

< 3Q results >

(In Billion Yen)



# Sales, Operating Income and Business for 3Q - Mobile Terminals /Personal Solutions Business -

## ■ Mobile Terminals

- ◇ Shipped 1.1 million handsets
  - Robust sales of new N905 series
  - Secured operation profit
- > Continue to provide new attractive handsets for recovery of market share



High performance  
"amadana" model,  
N705i



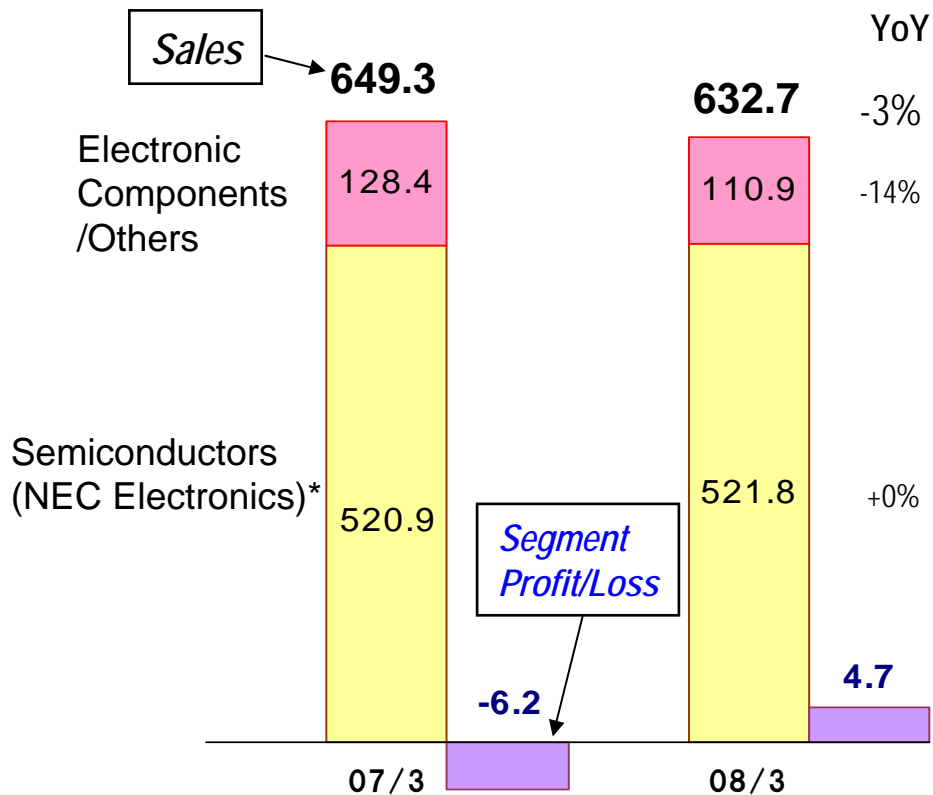
World's thinnest,  
9.8mm extremely  
slim model N705i μ

## ■ Personal Solutions

- ◇ Secured profitability and No.1 share in domestic PC market
- > Launched new Lui-branded personal solutions toward PC-based digital lifestyles in NGN era

# ③ Electron Devices Business

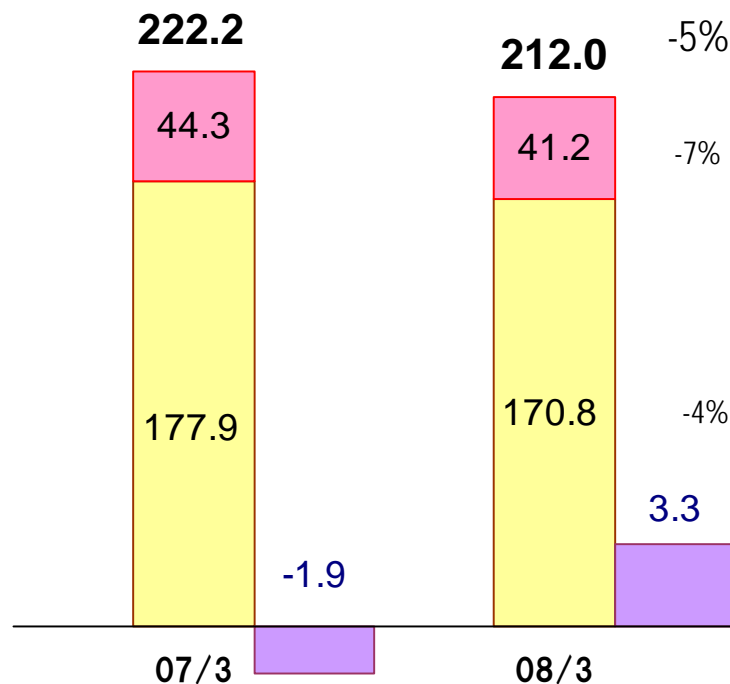
< 9 month results >



(In Billion Yen)	07/3	08/3
	9 months	9 months
Operating Income/Loss in Semiconductor area (NEC Electronics)	-10.7	4.9

< 3Q results >

(In Billion Yen)



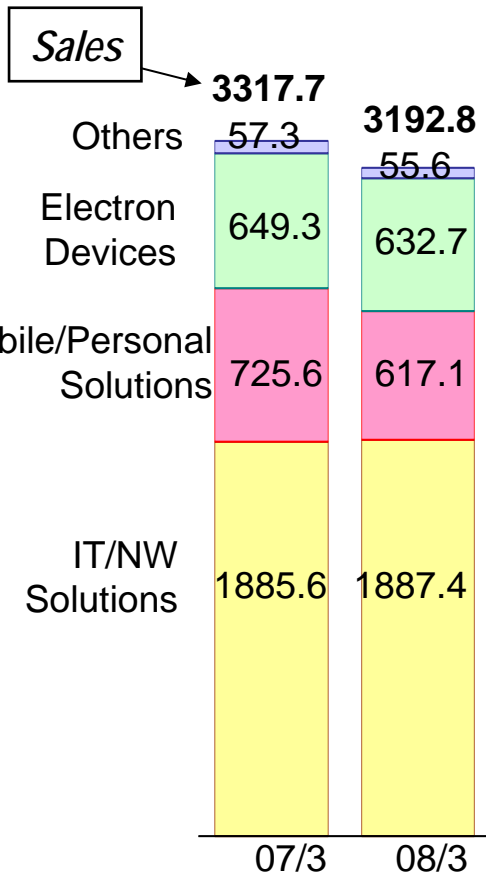
(In Billion Yen)	07/3	08/3
	3Q	3Q
Operating Income/Loss in Semiconductor area (NEC Electronics)	-3.8	3.0

\*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.

# Full-Year Target

Aim to achieve ¥130 billion in full year operating income based on steady receipt of orders

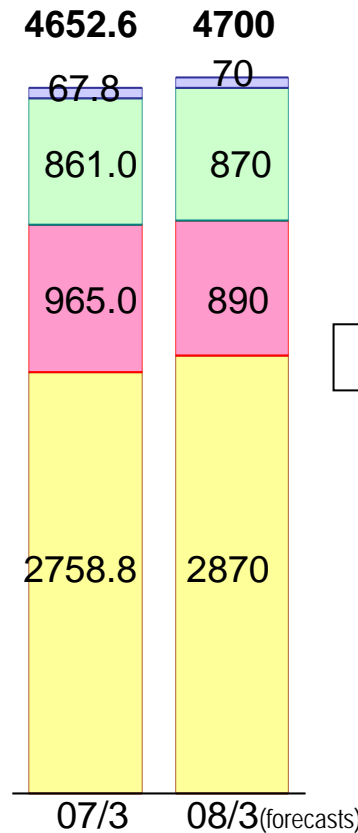
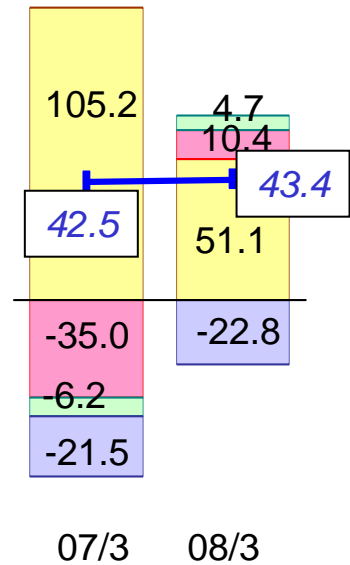
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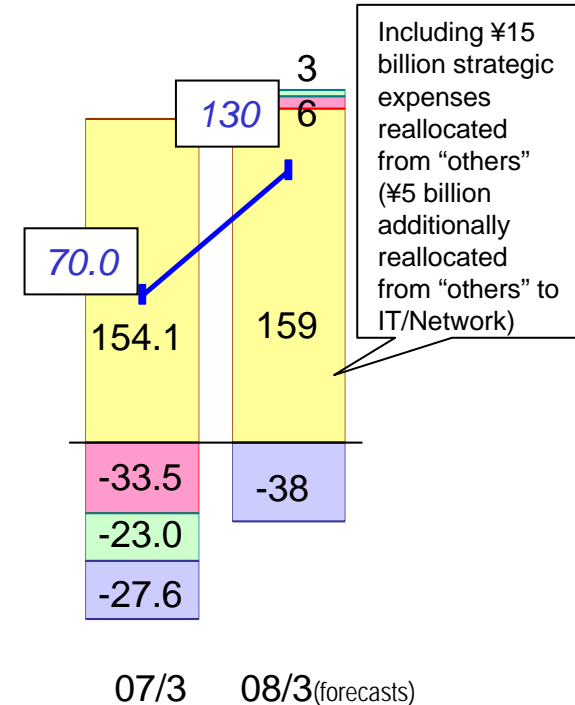
< Full year >

(In Billion Yen)

Operating Income/Loss



Operating Income/Loss



Including ¥15 billion strategic expenses reallocated from "others" (¥5 billion additionally reallocated from "others" to IT/Network)

\*Forecasts as of January 29, 2008

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