

Financial Results for FY2007 (Fiscal year ended March 2008)

May 15, 2008

NEC Corporation

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

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(Notes)

NEC prepares its consolidated financial statements in accordance with accounting principles generally accepted in Japan ("Japan GAAP").

Results for FY2007(FY March 2008)

Summary of FY2007 Results

<Achievements>

- Operating income: ¥156.8 Billion (more than double from FY2006)
- Regained profitability in Mobile Terminals
& Semiconductors Businesses
- Steady progress of growth strategy
 - Sales of NGN construction business doubled to ¥200 billion
 - Reinforcement of global business foundation
through alliances

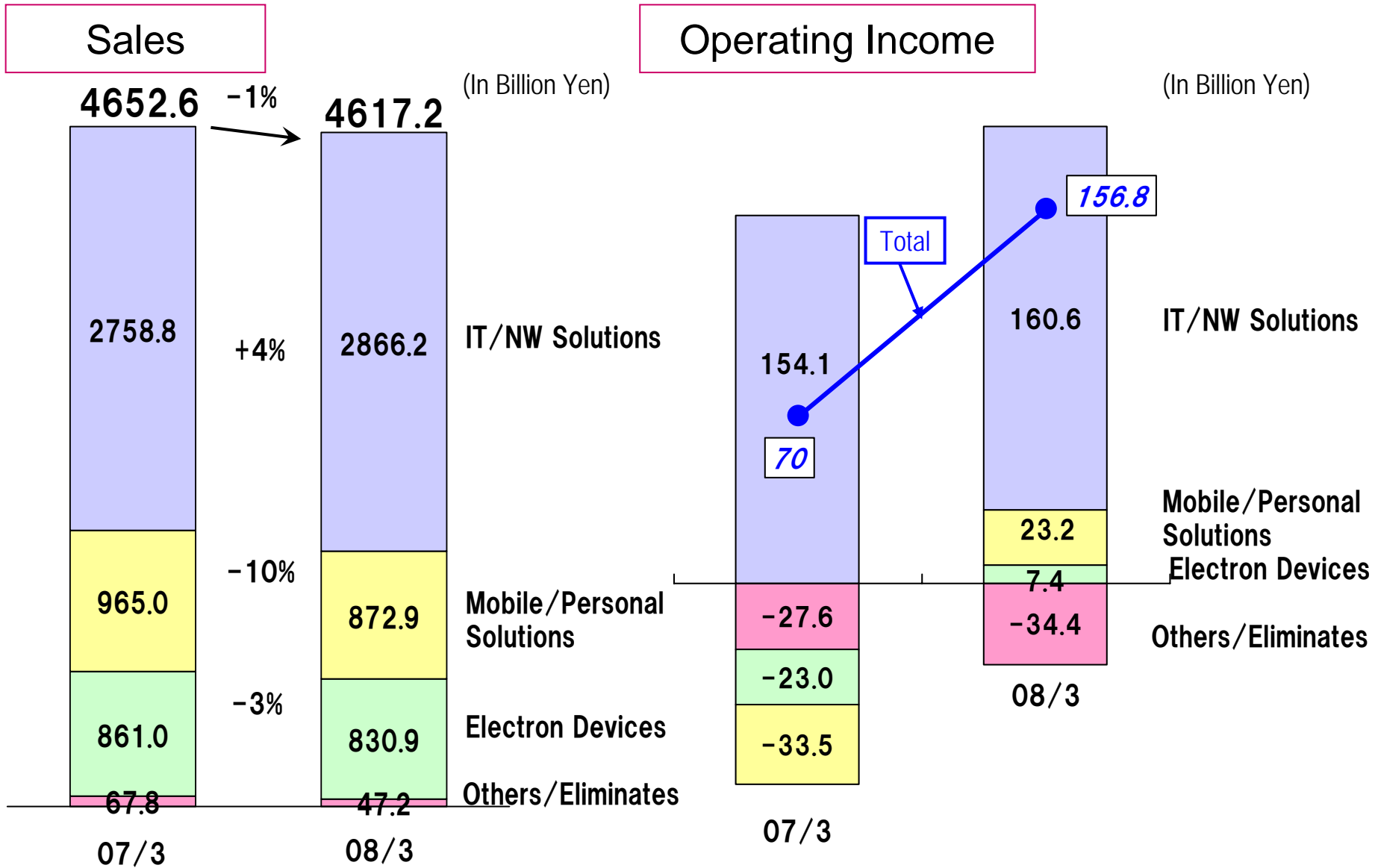
<Challenges>

- Improvement of profit level by acceleration of growth
 - Top-line growth by carrying out announced measures

Summary of FY2007 Results

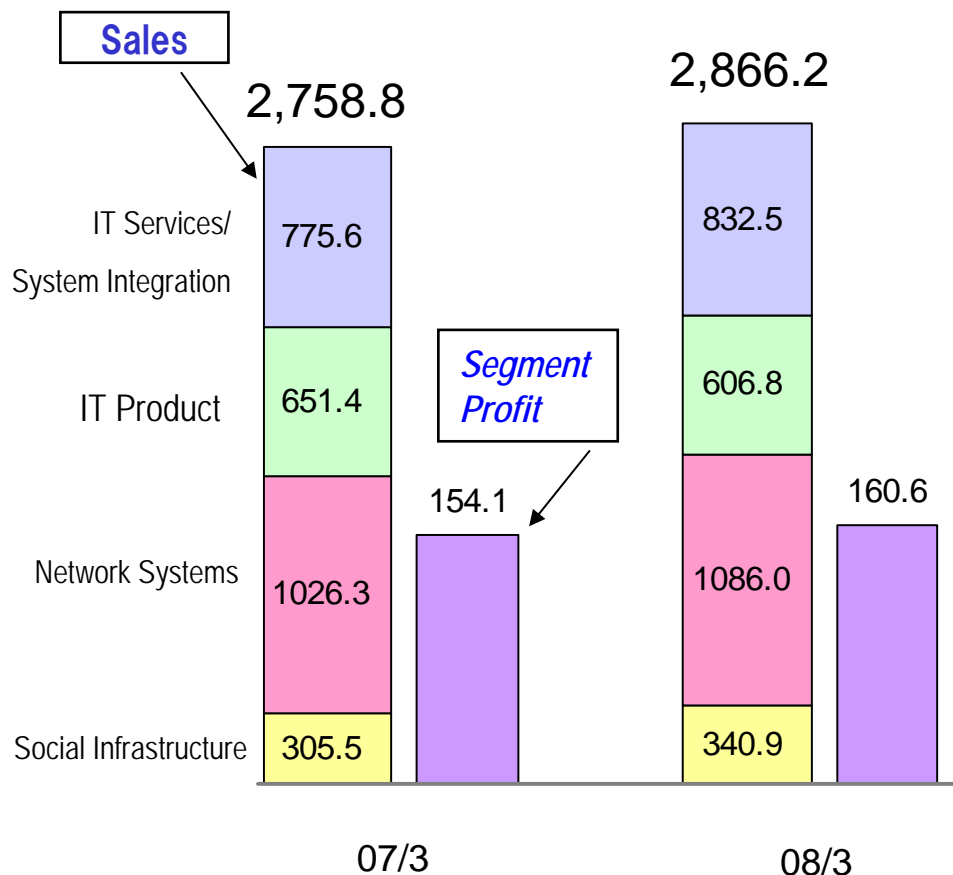
	FY06	FY07	YoY
Sales	4,652.6	4,617.2	- 0.8%
Operating Income (to Sales)	70.0 (1.5%)	156.8 (3.4%)	86.8
Ordinary Income	16.3	112.2	+95.9
Net Income (to Sales)	9.1 (0.2%)	22.7 (0.5%)	+13.6
EPS (Yen)	4.43	11.06	+6.63

FY2007 Financial Summary by Segment



IT/Network Solutions Business

(In Billion Yen)



■ IT Services/System Integration

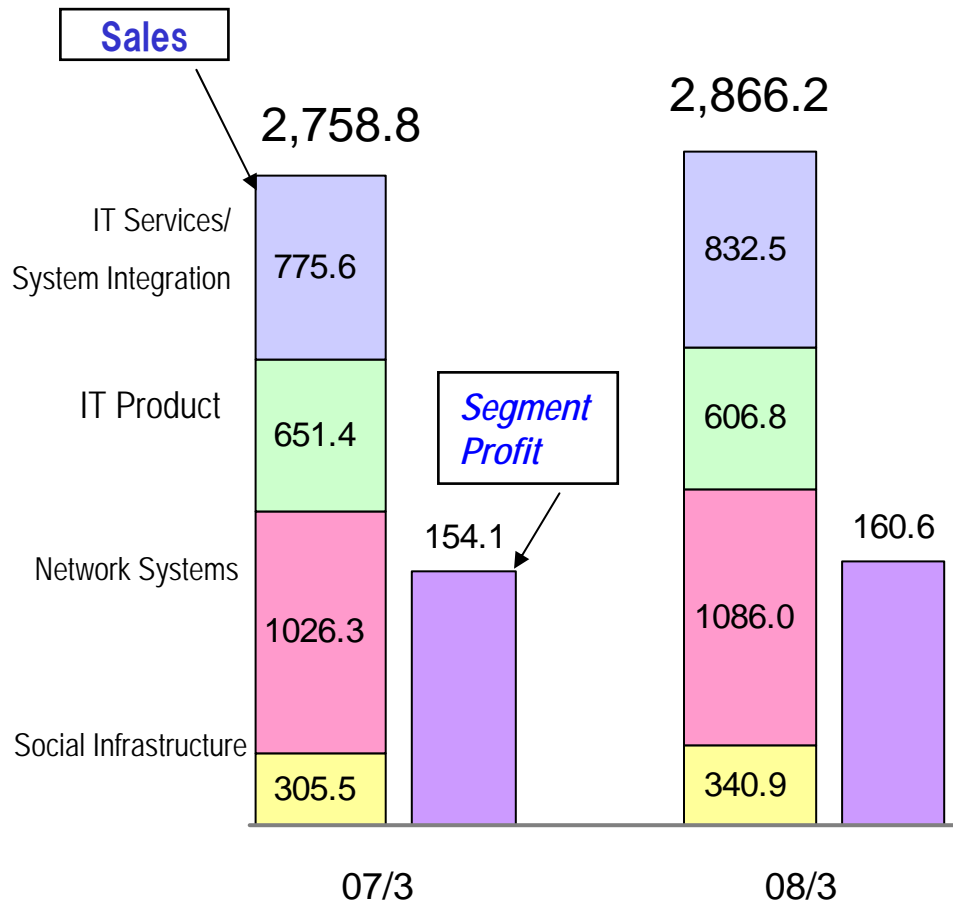
- Sales in almost all areas (finance, communication, government, etc) increased due to brisk domestic IT spending
- Increased profitability due to sales growth and steady result of “SI production innovation”

■ IT Product

- Secured profit through concentration of shipment in 2nd half (MF, etc), despite decreased sales owing to transfer of DVD sales

IT/Network Solutions Business

(In Billion Yen)



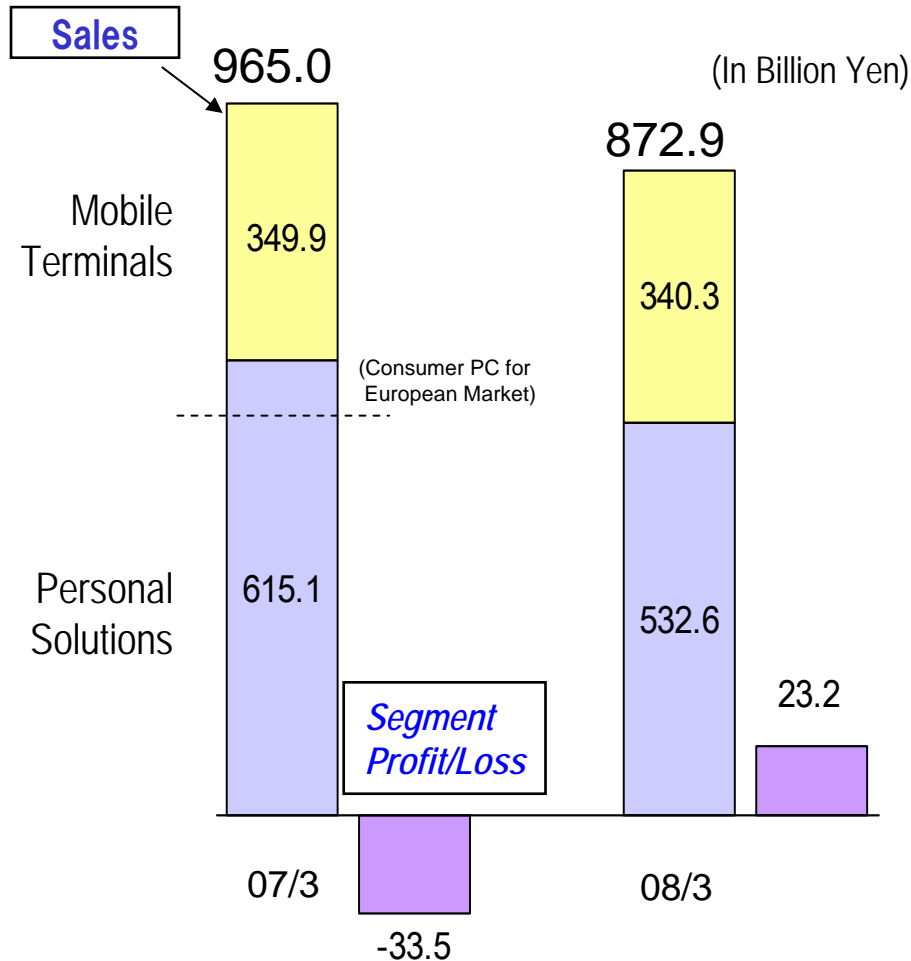
■ Network Systems

- Expanded NGN related businesses and global businesses
- Buoyant overseas businesses (Pasolink and Submarine cable system) more than offset a decrease in sales of domestic mobile infrastructure
- Pasolink ranked No.1 in worldwide market
(CY2007, Source: Sky Light Research)

■ Social Infrastructure

- Sales grew due to an increase in sales of social system projects, despite a decrease in sales of digital terrestrial broadcasting systems

Mobile Terminals /Personal Solutions Business



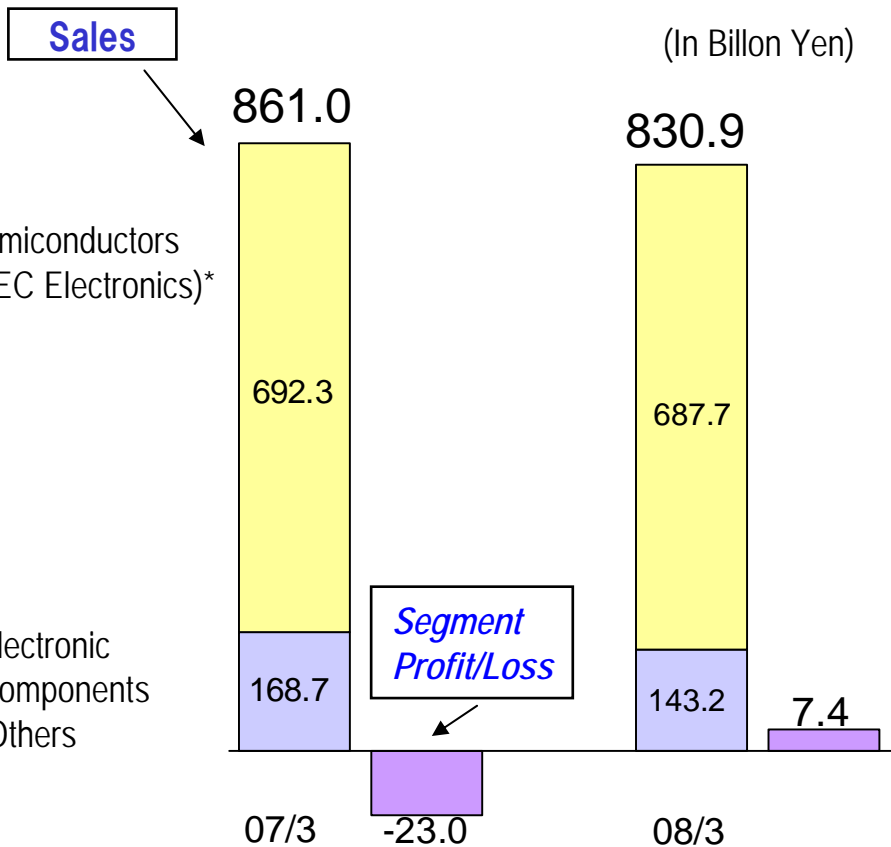
Mobile Terminals

- Recovered to profitable business by focusing on domestic market
- Gradually regaining market share by providing attractive handsets
 - Strong sales of N905/N705 series (launched in 2H)

Personal Solutions

- Secured NO.1 share of Japanese PC market, despite a decrease in total sales due to the impact of the sale of the consumer PC business in Europe
- Increase in profit due to favorable condition of component procurement
- Launched new Lui-branded solutions toward PC-based digital lifestyles in NGN era

Electron Devices Business



■ Semiconductors

- Recovered to black through cutting fixed cost (reduction in R&D expenditure, etc)
- Under business restructuring (consolidation of factory, etc)
- Focus areas such as digital commercial equipment and automotive are growing

■ Electronic Components/Others

- Sales and profit decreased due to production adjustment of electronic components
- Under business restructuring (battery)

(In Billion Yen)	07/3 Full year	08/3 Full year
Operating Income/Loss in Semiconductor area (NEC Electronics)	-28.6	5.1

*The results of the area of Semiconductors are official figures, which were reported by NEC Electronics Corporation and 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.

Forecasts for FY2008 (FY March 2009)

Challenges in FY2008

■ Realization of top-line growth

& improvement in profitability

- Creation of new businesses/new market based on NGN
 - ~ Enhanced effort for NGN related new solutions
- Business expansion targeting growing markets
 - ~ Acceleration of global expansion
- Realization of results from strategic investments
- Continuous production innovation
 - in both hardware and software
 - ~ Cost-reduction that exceeds price decline

Summary of FY2008 Forecasts

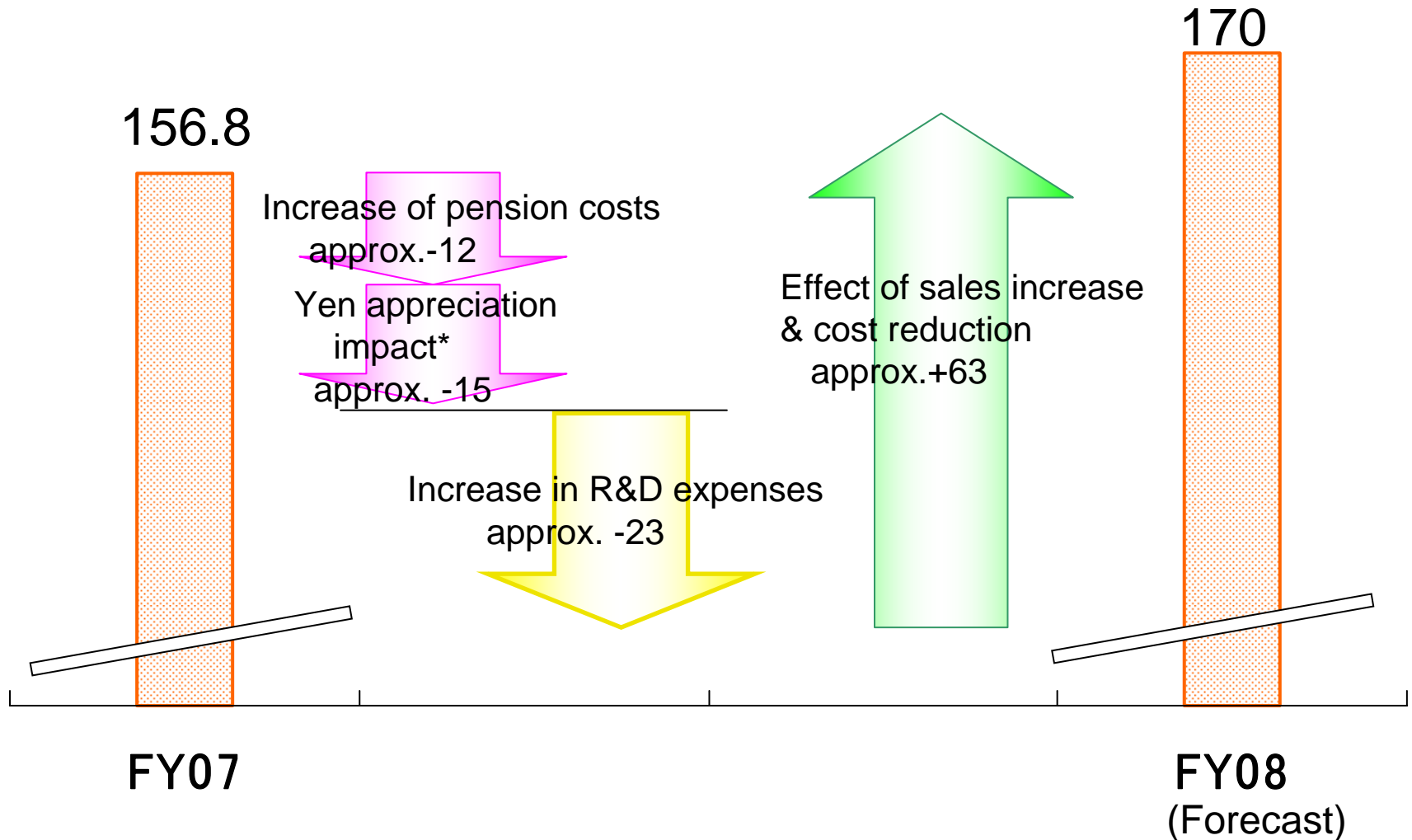
(In Billion Yen)

	FY07	FY08 forecasts	YoY	1H/FY08 forecasts
Sales	4,617.2	4,800	+ 4%	2,150
Operating Income (to Sales)	156.8 (3.4%)	170 (3.5%)	+13.2	30 (1.4%)
Ordinary Income	112.2	135	+22.8	12
Net Income (to Sales)	22.7 (0.5%)	35 (0.7%)	+12.3	-4 (-0.2%)

*Forecasts as of May 15, 2008

Major Factors of Change in Operating Income for FY2008

(In Billion yen)



*FY2008 exchange rate assumption: \$1=Yen100 for NEC Electronics, \$1=Yen105 for other businesses

Forecasts as of May 15, 2008

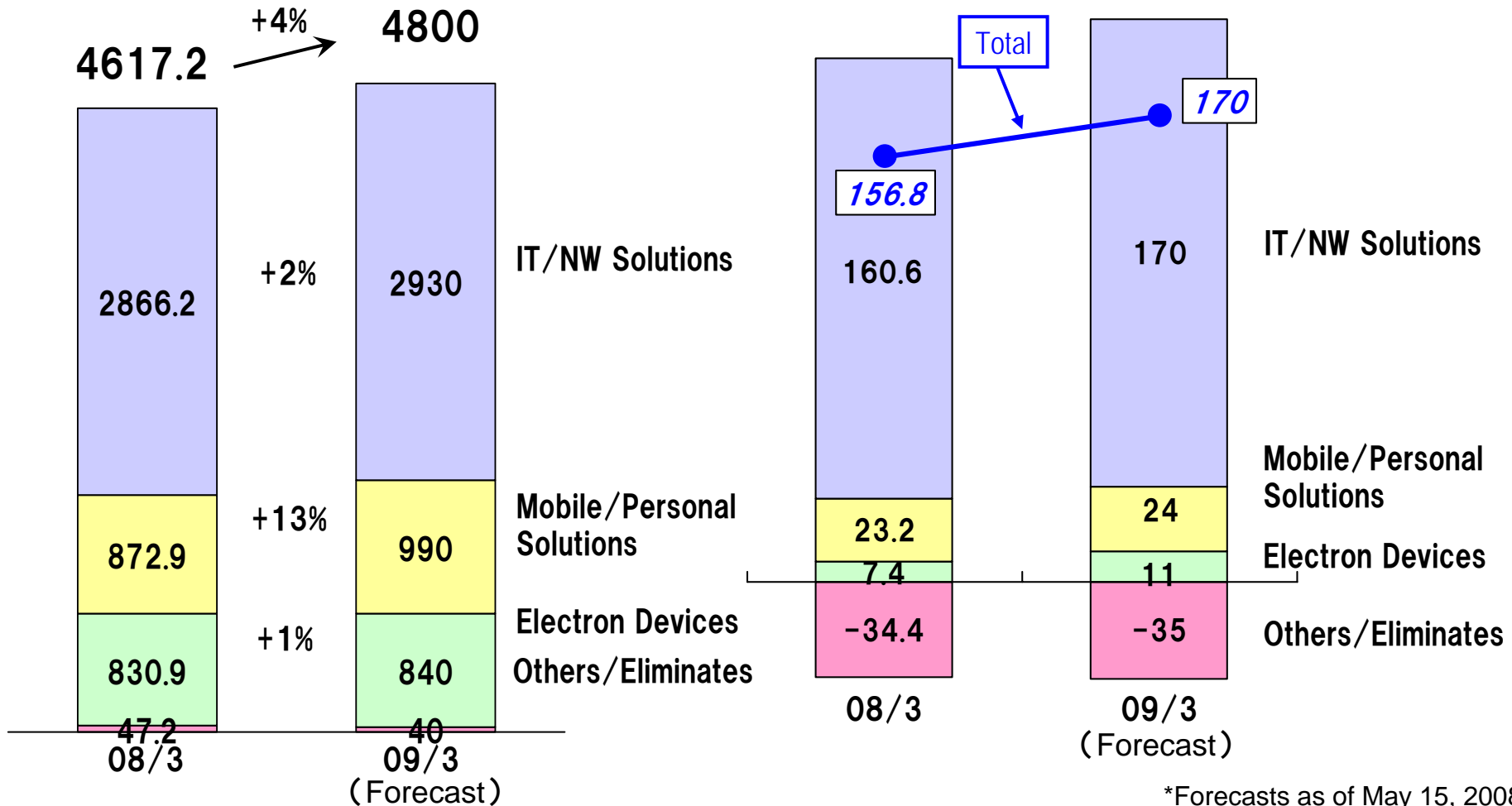
FY08 Sales/Operating Income by Segment

Sales

(In Billion Yen)

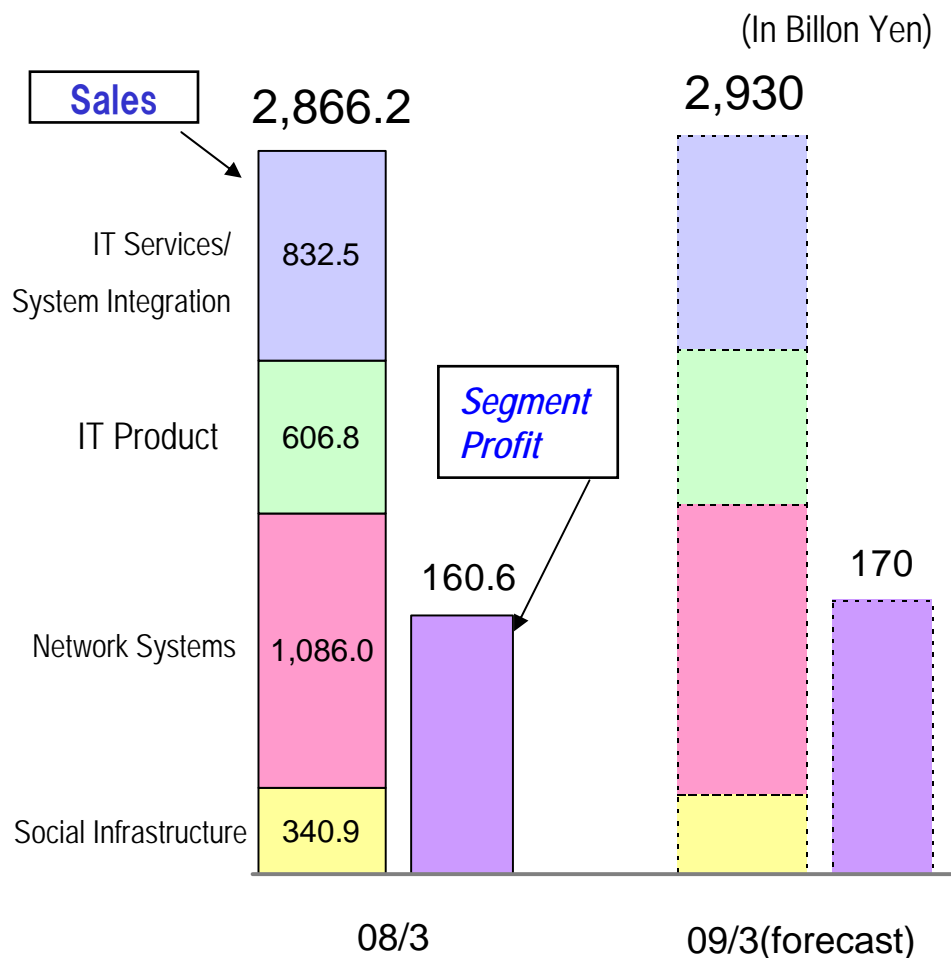
Operating Income

(In Billion Yen)



*Forecasts as of May 15, 2008

IT/Network Solutions Business



■ IT Services/System Integration

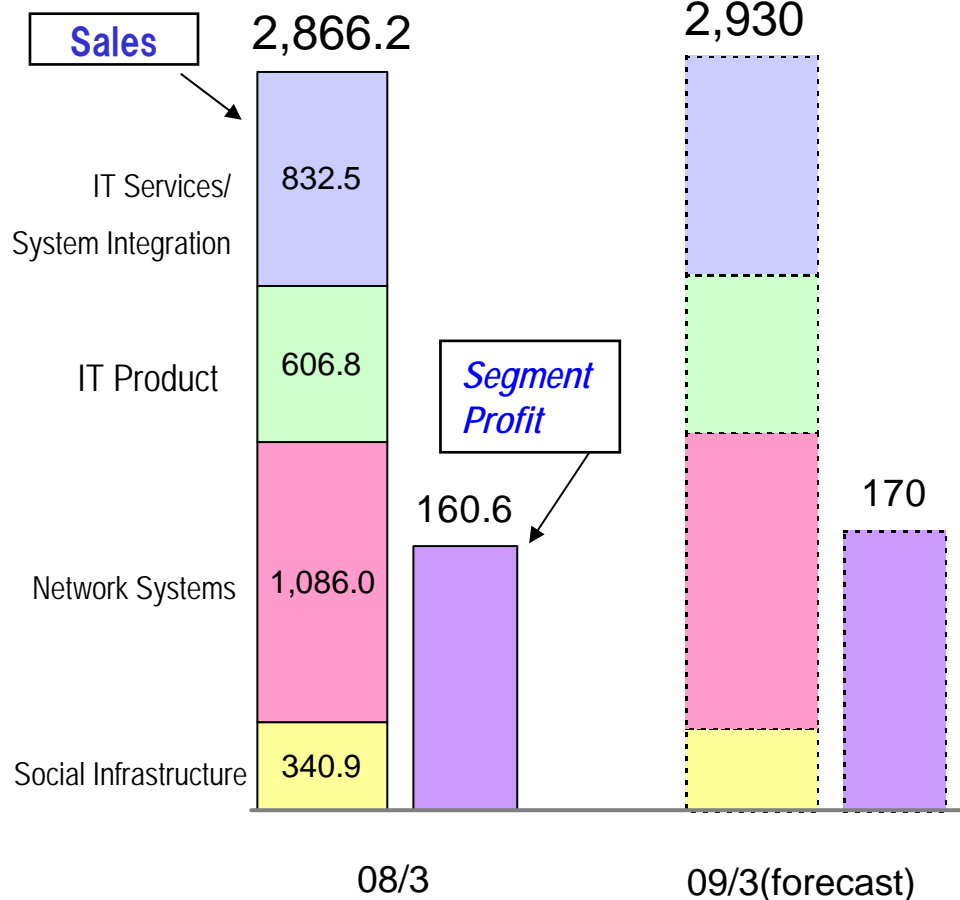
- Aim at higher growth in sales and profit than previous year, despite concerns about downturn in IT spending
- Sales growth driven by Service Platform, etc
- Improvement in earnings through “SI production innovation”

■ IT Product

- Strive for growth by offering unique products and software, despite severe market condition of hardware
 - Promote reinforcement in global expansion
- *Forecasts as of May 15, 2008

IT/Network Solutions Business

(In Billion Yen)



■ Network Systems

- Domestic carriers hold down their capex
- Accelerating NGN installation in market
- Realization of wireless broadband market
- Expansion of sales and profit from domestic NGN related businesses
- Growth of the overseas businesses
- Implementation of cost-cutting measures

■ Social Infrastructure

- Focusing on video solution and security solution
- Implementation of cost-cutting measures

*Forecasts as of May 15, 2008

Mobile Terminals /Personal Solutions Business

(In Billion Yen)

Mobile Terminals

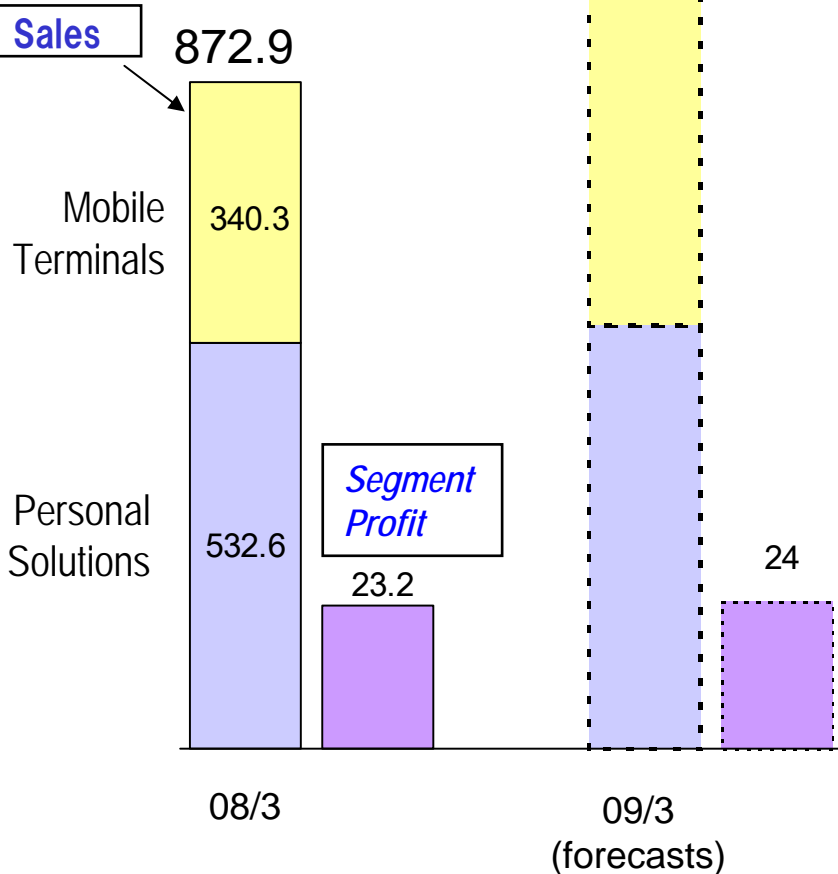
- Expansion of sales and strengthening of revenue base
- Aim to expand total sales through continuous enhancement of handsets and increase in the number of carrier customers

Personal Solutions

- Secure steady profitability
- Aim to create new market and further sales with launch of new Lui-branded solutions

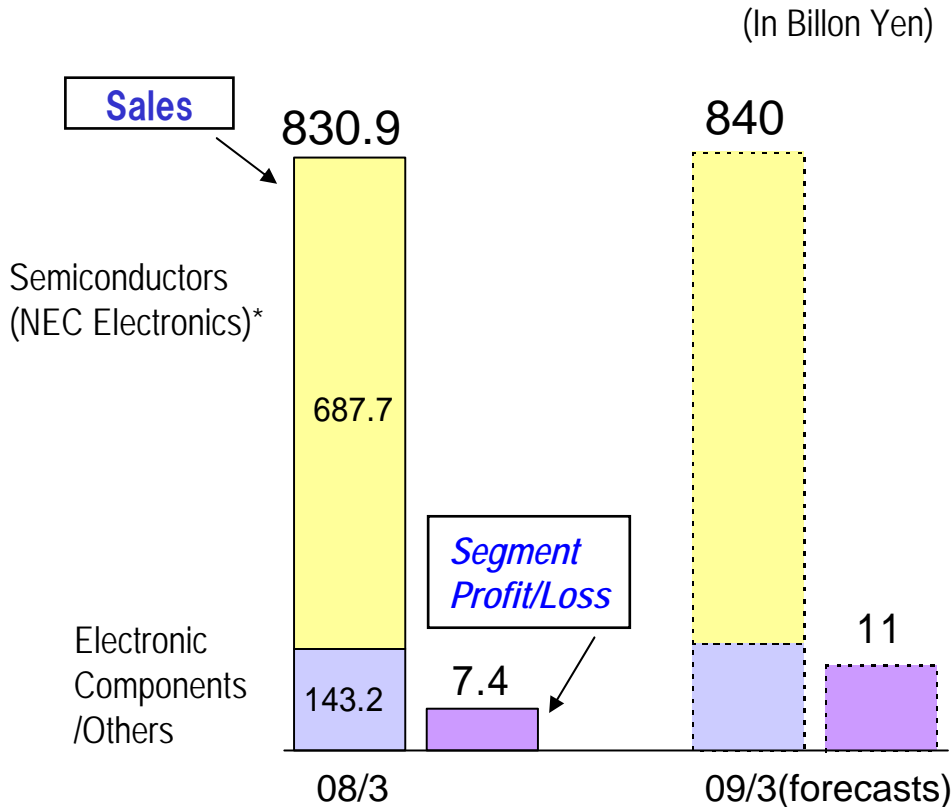
LUI

New personal solution



*Forecasts as of May 15, 2008

Electron Devices Business



■ Semiconductors

- Sales level as 08/3 due to exchange rate
- Continue business structural reforms

■ Electronic Components/Others

- Strengthen product portfolio
- Expect results of fixed and other cost-reductions
- Plan growth of industrial LCDs

(In Billion Yen)	08/3 Full year	09/3e Full year
Operating Income/Loss in Semiconductor area (NEC Electronics)	5.1	10

*Forecasts as of May 15, 2008

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Empowered by Innovation

NEC

Segment Information

In Billion Yen		FY2006		FY2007		FY2008	
		First Half	Full Year	First Half	Full Year	First Half	Full Year
		Actual	Actual	Actual	Actual	Forecast	Forecast
IT Services/SI		343.9	775.6	364.8	832.5	375	850
	IT Product	312.5	651.4	257.4	606.8	270	610
	Network Systems	485.2	1,026.3	514.3	1,086.0	515	1,150
	Social Infrastructure	122.9	305.5	137.6	340.9	120	320
IT/NW Solutions Business	Sales	1,264.5	2,758.8	1,274.1	2,866.2	1,280	2,930
	Oper.Income/Loss	55.6	154.1	35.2	160.6	41	170
	to sales	4.4%	5.6%	2.8%	5.6%	3.2%	5.8%
Mobile Terminals		163.1	349.9	150.4	340.3	190	435
	Personal Solutions	335.9	615.1	261.3	532.6	250	555
Mobile Terminals/Personal Solutions business	Sales	499.0	965.0	411.7	872.9	440	990
	Oper.Income/Loss	-37.3	-33.5	8.1	23.2	6	24
	to sales	-7.5%	-3.5%	2.0%	2.7%	1.4%	2.4%
Electron Devices Business	Sales	427.0	861.0	420.6	830.9	400	840
	Oper.Income/Loss	-4.2	-23.0	1.4	7.4	2	11
	to sales	-1.0%	-2.7%	0.3%	0.9%	0.5%	1.3%
Others/Eliminations etc.	Sales	31.1	67.8	34.2	47.2	30	40
	Oper.Income/Loss	-6.6	-27.6	-17.3	-34.4	-19	-35
Total	Sales	2,221.6	4,652.6	2,140.6	4,617.2	2,150	4,800
	Oper.Income/Loss	7.5	70.0	27.4	156.8	30	170
	to sales	0.3%	1.5%	1.3%	3.4%	1.4%	3.5%

*Forecasts as of May 15, 2008