

Financial Results for 1Q

for the Fiscal Year Ending March 31, 2009

July 31, 2008
NEC Corporation

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I. Overview of Financial Results

Financial Results for 1Q

■ On target to meet goals of FY March 2009

- Operating income: 4.1 billion yen
 - Surpassed 1Q target: IT Products, Semiconductors
 - Short of 1Q target: Network Systems

■ Realization of growth strategy measures

- Promoted alliances and M&A for global expansion
 - Acquisitions: NetCracker, OCC, Linecom
 - Established “SAP Global Competence Center”
- Expanded the number of new mobile handset models
 - > Achieved 1Q target of 1.6 million units

Financial Summary (Overview)

(Billions of yen)

	1Q			1H		
	FY08/3 Actual	FY09/3 Actual	YOY	FY08/3 Actual	FY09/3 Forecast	YOY
Net sales	1,007.8	1,001.2	- 0.7%	2,140.6	2,150	+0.4%
Operating income	11.3	4.1	-7.2	27.4	30	+2.6
<i>(% to Net sales)</i>	1.1%	0.4%		1.3%	1.4%	
Ordinary income	8.2	7.1	-1.2	9.8	12	+2.2
Net income	1.0	0.5	-0.5	-4.7	-4	+0.7

*Forecasts as of July 31, 2008

II. Segment Information

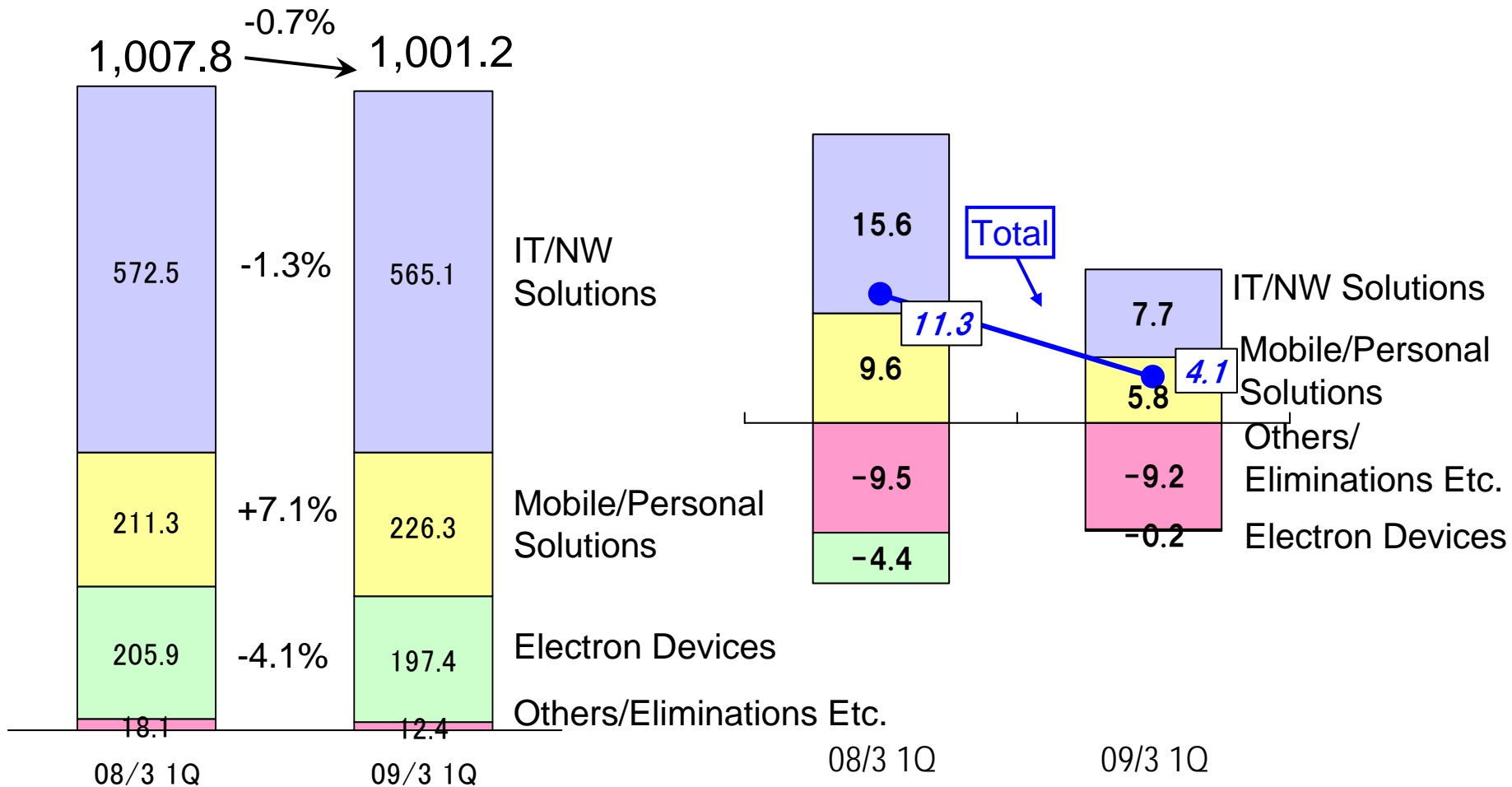
1Q Financial Performance by Segment

Net sales

(Billions of yen)

Operating income/loss

(Billions of yen)



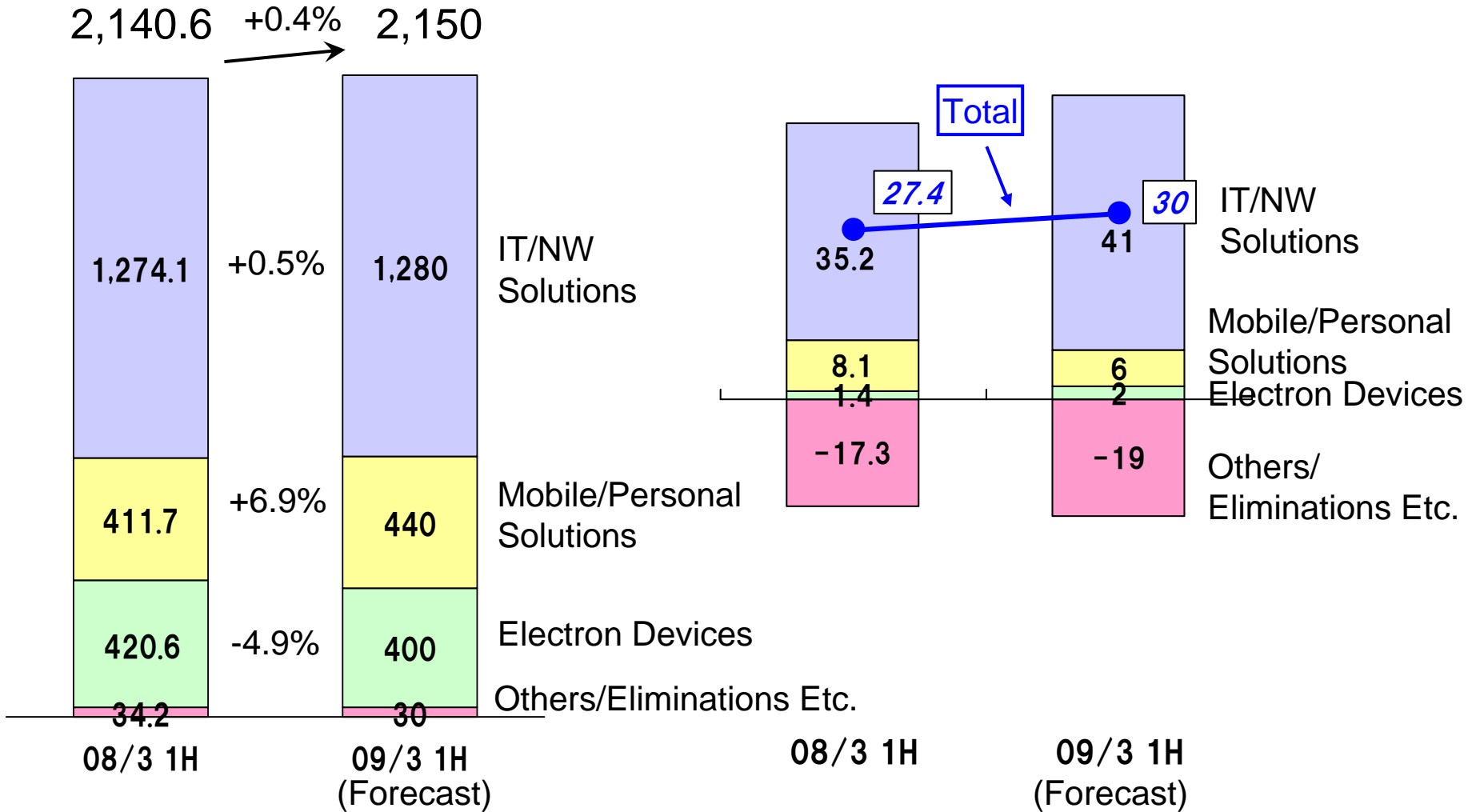
1H Financial Forecast by Segment

Net sales

Operating income/loss

(Billions of yen)

(Billions of yen)



*Forecasts as of July 31, 2008

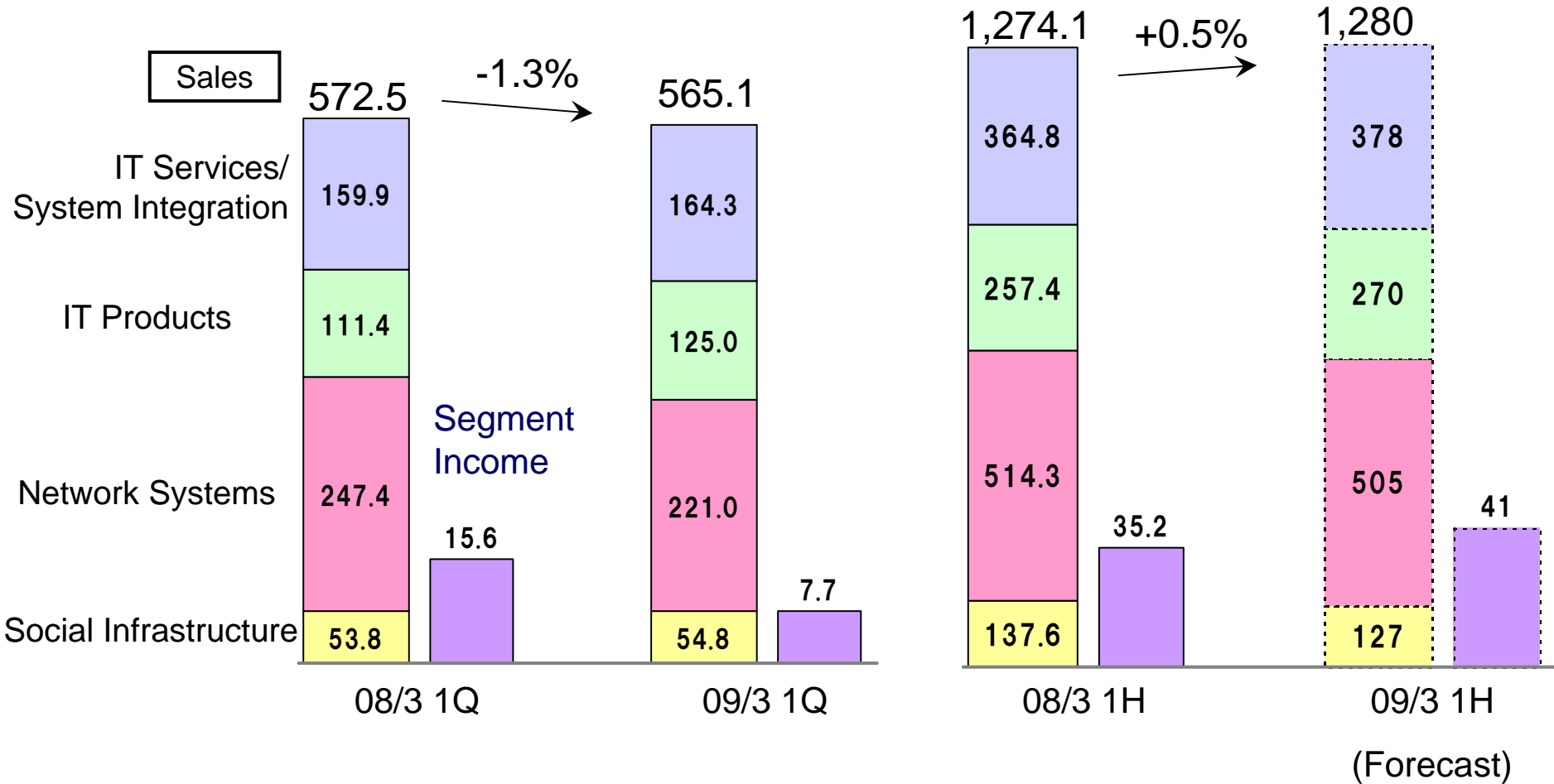
IT/Network Solutions Business

1Q

(Billions of yen)

1H

(Billions of yen)



*Forecasts as of July 31, 2008

IT/Network Solutions Business

■ IT Services/System Integration

◇Market Conditions

- Steady IT investment in Japan despite an uncertain economy

◇NEC Business

- Sales increased mainly in manufacturing and public sectors
- Continued efforts to improve profitability through “SI Innovation”

■ IT Products

◇Market Conditions

- Steady demand under continued pricing pressures

◇NEC Business

- Profits from mainframe sales through IT system renewal
- Continued strengthening of innovative new products



ECO CENTER

IT/Network Solutions Business

Network Systems

◇Market Conditions

- Construction of Next Generation Networks progressing favorably
- Continued cutbacks in Capex by domestic mobile operators
- Stronger yen, fierce competition and price reductions advanced in global markets

◇NEC Business

- Increase in NGN related sales including network software, optical transport, routers and switches
- Stronger yen and fierce competition negatively impact overseas sales
- A stronger yen and focus on developing new products for global markets influences sales and profit declines

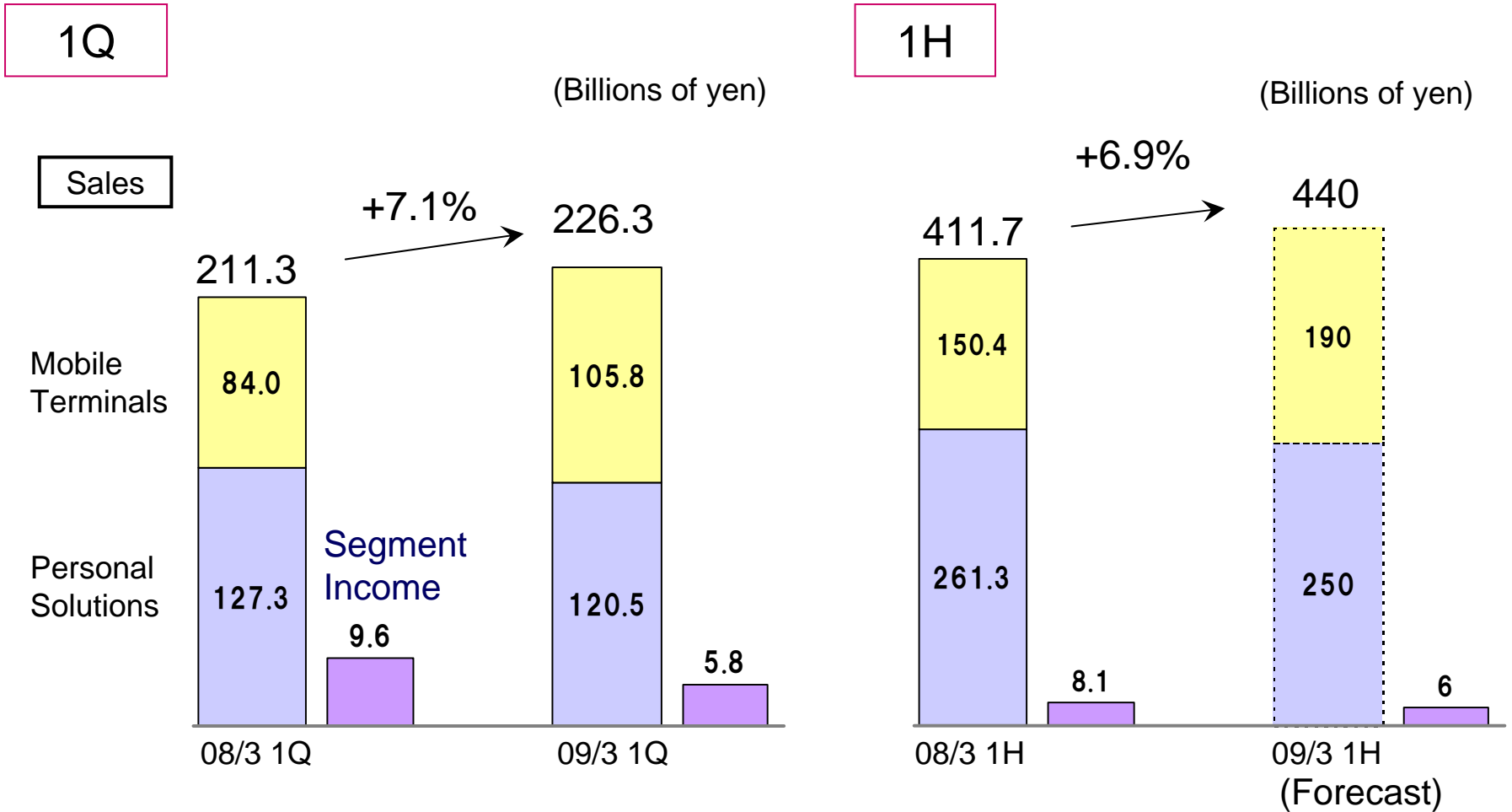


NEC started construction of an optical submarine cable system called "Unity"

<Highlights of 1Q>

- Acquisition of NetCracker: aiming to globally expand management systems business
- Acquisition of OCC: stabilizing the provision of submarine cable systems
- Provide platform supporting NTT DOCOMO's "Home U" FMC services

Mobile/Personal Solutions Business



*Forecasts as of July 31, 2008

Mobile/Personal Solutions Business

Mobile Terminals:

◇Market Conditions

- Prolonged handset renewal cycle constricts market size
- Greater handset diversification (e.g. adoption of full-size touch screens, brand-collaboration models)

◇NEC Business

- 1.6 million units shipped in 1Q (30% increase from the same period last year)
Enhanced development capabilities and announced 8 new models to meet diversifying user needs
 - Garnered strong customer response; especially in 'slim one-seg' handsets
- Restart handset sales to SOFTBANK MOBILE

Personal Solutions:

◇Market Conditions

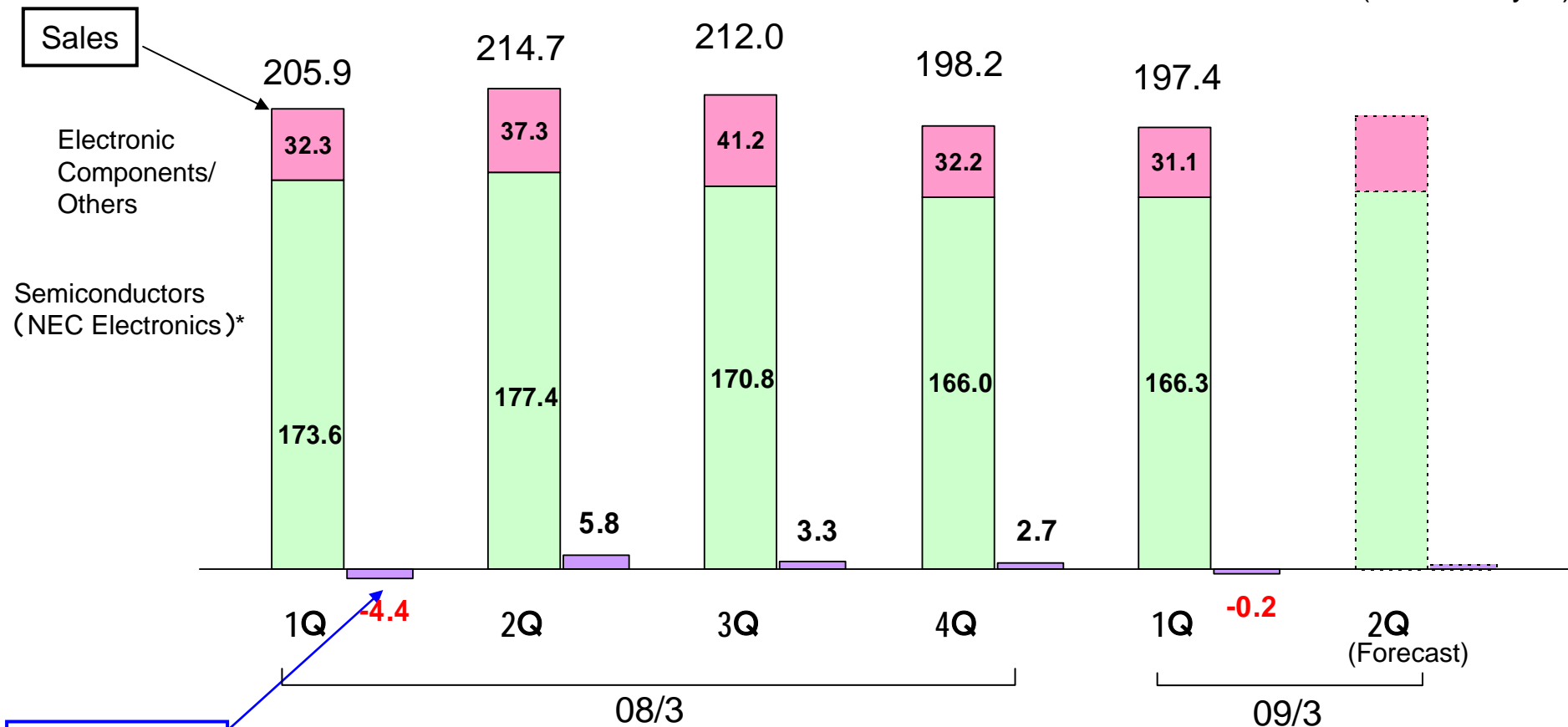
- Japanese PC market expanded slightly yoy in both consumer and enterprise areas
- Competition intensified and price reductions advanced

◇NEC Business

- Secured profitability in domestic PC business

Electron Devices Business

(Billions of yen)



(Billions of yen)	08/3				09/3
	1Q	2Q	3Q	4Q	1Q
Operating Profit in Semiconductor area (NEC Electronics)	-2.2	4.1	3.0	0.2	1.7

*Forecasts as of July 31, 2008

*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.

Empowered by Innovation

NEC