

# Financial Results for the 3Q of the Fiscal Year Ending March 31, 2011

January 27, 2011

NEC Corporation

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

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To be a leading global company  
leveraging the power of innovation  
to realize an information society  
friendly to humans and the earth

**NEC Group Vision 2017**

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# I. Financial Results for 3Q

# Summary of Financial Results for 3Q

Declined Sales and Operating Profit due to delay in the recovery of IT investment in Japan and decrease in large-scale projects

(Billions of Yen)

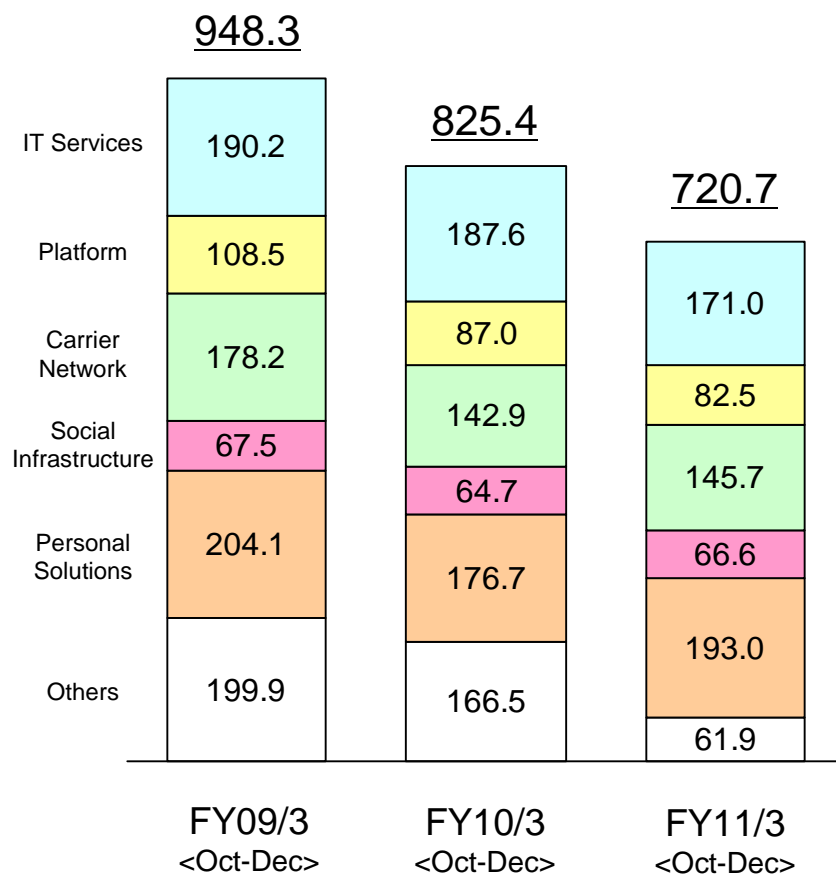
	3Q(October to December)			9 Months(April to December)		
	FY10/3 Actual	FY11/3 Actual	YoY	FY10/3 Actual	FY11/3 Actual	YoY
Net Sales	825.4	720.7	-12.7%	2,479.1	2,189.9	-11.7%
Operating Loss	-7.5	-13.5	-6.0	-45.2	-12.4	32.8
Ordinary Loss	-6.4	-27.0	-20.5	-56.3	-49.2	7.1
Net Loss	-9.6	-26.5	-16.9	-53.2	-53.6	-0.4
FCF	-21.1	-91.7	-70.6	-74.9	-194.5	-119.6

(Ref): Average exchange rate for 3Q(Oct-Dec) of FY11/3 1\$= ¥82.98, 1€= ¥112.17  
 Average exchange rate for 9 month total of FY11/3 1\$= ¥87.64, 1€= ¥114.73  
 (Assumed exchange rate for 3Q of FY11/3 1\$=¥80, 1€=¥115)

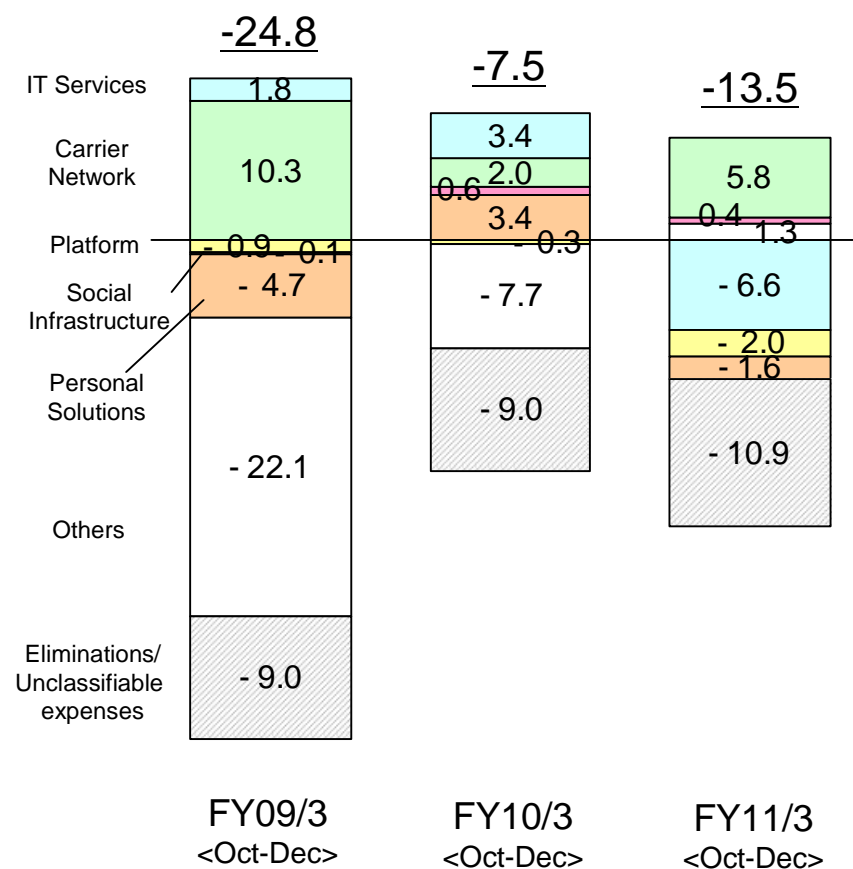
# Results for 3Q by Segment

(Billions of yen)

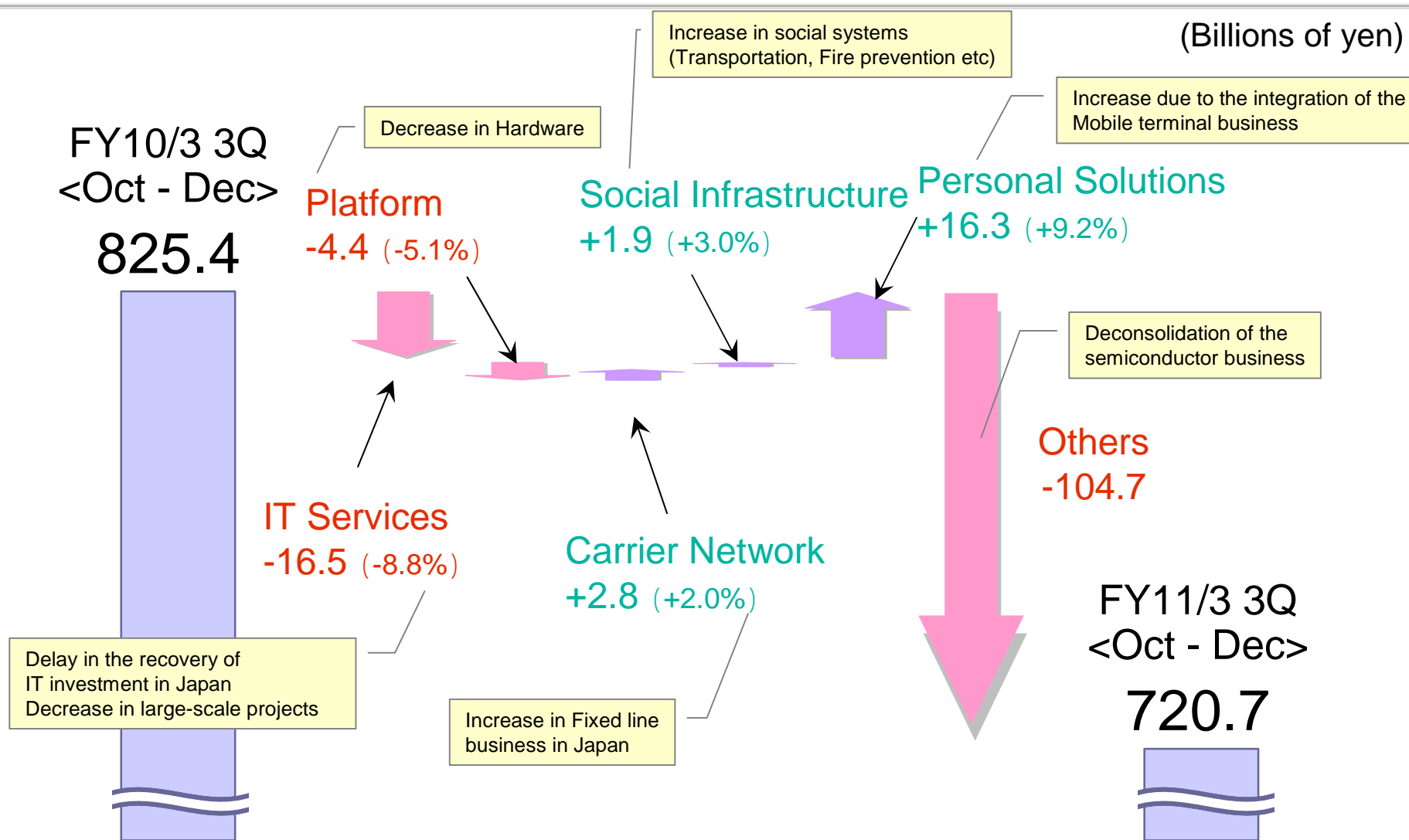
## Net Sales



## Operating Income/Loss

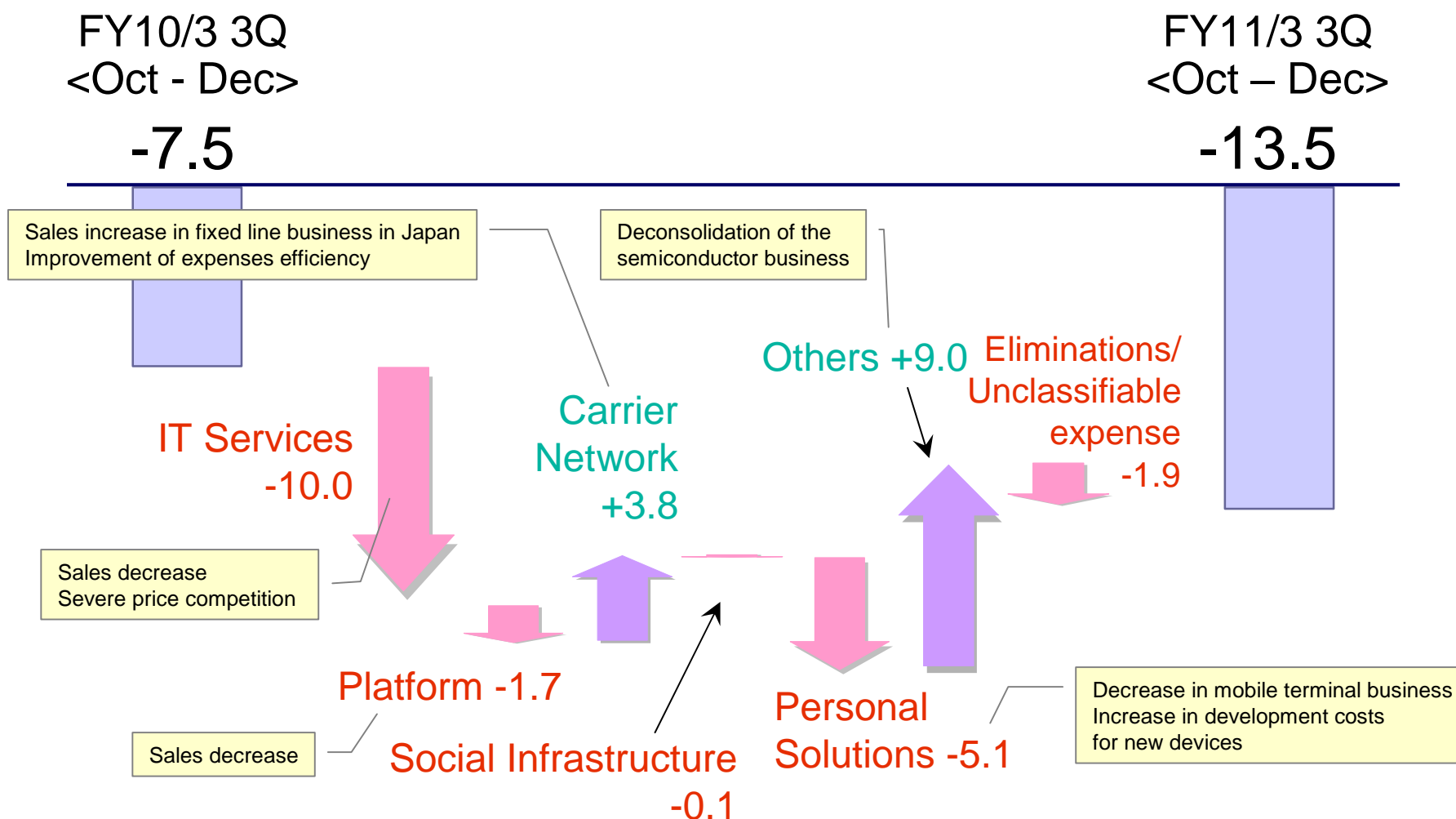


# Sales Change (Year on Year)





# Operating Income/Loss Change (Year on Year)

(Billions of yen)





# Key Points of 3Q Results by Segment (Year on Year)

IT Services	<ul style="list-style-type: none"> <li>● <u>Declined due to the delay in the recovery of IT investment in Japan and the decrease in large-scale projects</u></li> <li>● <u>Declined due to the sales decrease under price competition, etc.</u></li> </ul> 
Platform	<ul style="list-style-type: none"> <li>● Declined due to the sales decrease in Hardware despite steady sales in Software</li> <li>● Declined due to the sales decrease in Hardware</li> </ul>
Carrier Network	<ul style="list-style-type: none"> <li>● Increased due to the sales increase in fixed line business in Japan despite decreased in wireless business overseas</li> <li>● Improved due to the sales increase in fixed line in Japan and promoting cost reduction activities</li> </ul>
Social Infrastructure	<ul style="list-style-type: none"> <li>● Increased in social systems such as transportation and fire prevention</li> <li>● Almost remained at the same level as last year despite the change of project mix</li> </ul>
Personal Solutions	<ul style="list-style-type: none"> <li>● Increased due to the integration of the Mobile Terminal business</li> <li>● <u>Declined in the Mobile Terminal and increased in development cost for new devices</u></li> </ul> 
Others	<ul style="list-style-type: none"> <li>● Declined due to the deconsolidation of semiconductor business</li> <li>● Improved due to the deconsolidation of semiconductor business which recorded operating loss last year</li> </ul>

<comments in each segment> top: sales, bottom: operating income/loss

# Net Income/Loss Change (Year on Year)

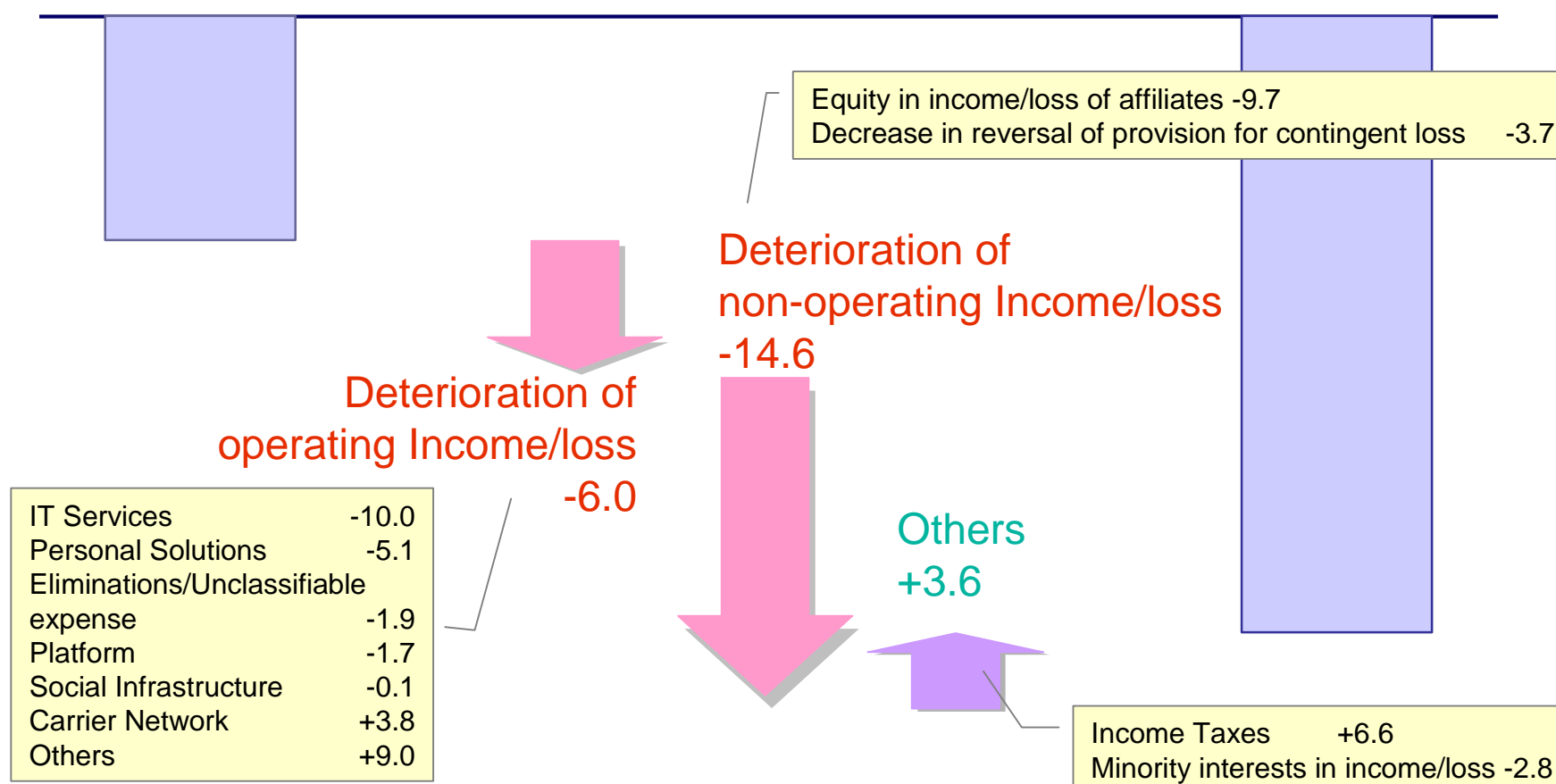
(Billions of yen)

FY10/3 3Q  
<Oct - Dec>

-9.6

FY11/3 3Q  
<Oct - Dec>

-26.5



## II. Financial Forecast for FY11/3

# Summary of Financial Forecast for Full Year

(Billions of Yen)

	4Q(January to March)			Full Year			Difference from Oct 28
	FY10/3 Actual	FY11/3 Forecast(*)	YoY	FY10/3 Actual	FY11/3 Forecast(*)	YoY	
Net Sales	1,104.1	1,110.1	0.5%	3,583.1	3,300.0	- 7.9%	0.0
Operating Income	96.1	112.4	16.3	50.9	100.0	49.1	0.0
% to Net Sales	8.7%	10.1%		1.4%	3.0%		
Ordinary Income	105.7	104.2	-1.5	49.4	55.0	5.6	0.0
% to Net Sales	9.6%	9.4%		1.4%	1.7%		
Net Income	64.6	68.6	3.9	11.4	15.0	3.6	0.0
% to Net Sales	5.9%	6.2%		0.3%	0.5%		
Net Income per Share(yen)				5.04	5.77	0.73	0.00
FCF	168.5	144.5	-24.0	93.6	-50.0	-143.6	0.0

(Ref): Assumed exchange rate for 4Q of FY11/3 1\$=¥80, 1€=¥110

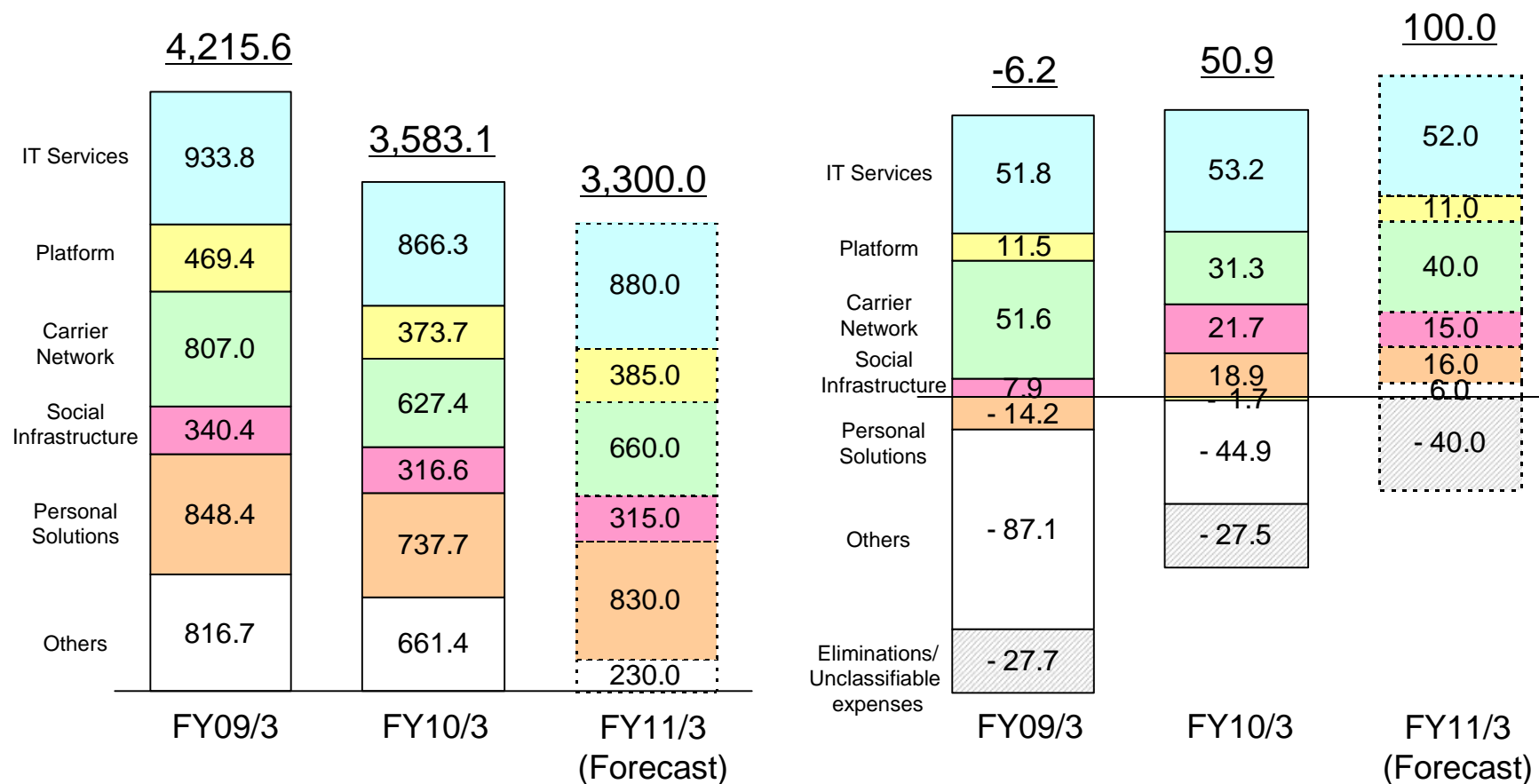
\* Forecast as of Jan 27, 2011

# Financial Forecast for Full Year by Segment

(Billions of yen)

## Net Sales

## Operating Income/Loss



\* Forecast as of Jan 27, 2011 (Note: Unchanged from previous forecasts of Oct 28)

# Summary of Financial Forecast for Full Year by Segment

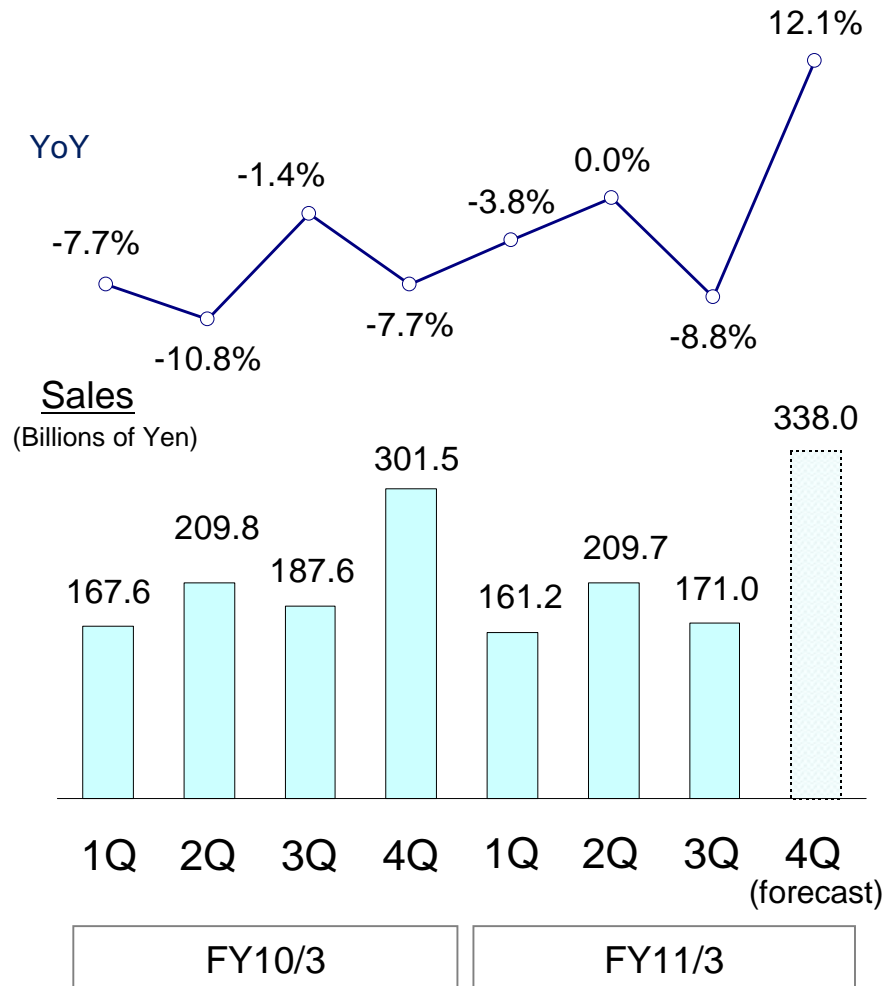
(Billions of Yen)

		4Q(January to March)			Full Year			Difference from Oct 28
		FY10/3 Actual	FY11/3 Forecast(*)	YoY	FY10/3 Actual	FY11/3 Forecast(*)	YoY	
IT Services	Net Sales	301.5	338.0	12.1%	866.3	880.0	1.6%	0.0
	Operating Income	40.2	55.1	14.9	53.2	52.0	-1.2	0.0
	% to Net Sales	13.3%	16.3%		6.1%	5.9%		
Platform	Net Sales	120.6	125.7	4.3%	373.7	385.0	3.0%	0.0
	Operating Income/Loss	12.1	14.5	2.5	-1.7	11.0	12.7	0.0
	% to Net Sales	10.0%	11.6%		-	2.9%		
Carrier Network	Net Sales	175.9	243.3	38.3%	627.4	660.0	5.2%	0.0
	Operating Income	16.9	27.2	10.2	31.3	40.0	8.7	0.0
	% to Net Sales	9.6%	11.2%		5.0%	6.1%		
Social Infrastructure	Net Sales	122.2	110.5	- 9.5%	316.6	315.0	- 0.5%	0.0
	Operating Income	18.4	10.5	-7.9	21.7	15.0	-6.7	0.0
	% to Net Sales	15.1%	9.5%		6.9%	4.8%		
Personal Solutions	Net Sales	198.7	244.9	23.3%	737.7	830.0	12.5%	0.0
	Operating Income	7.2	14.7	7.5	18.9	16.0	-2.9	0.0
	% to Net Sales	3.6%	6.0%		2.6%	1.9%		
Others	Net Sales	185.2	47.6	- 74.3%	661.4	230.0	- 65.2%	0.0
	Operating Income/Loss	0.4	1.7	1.3	-44.9	6.0	50.9	0.0
	% to Net Sales	0.2%	3.5%		-	2.6%		
Eliminations/ Unclassifiable expenses	Operating Income/Loss	0.9	-11.3	-12.2	-27.5	-40.0	-12.5	0.0
Total	Net Sales	1,104.1	1,110.1	0.5%	3,583.1	3,300.0	- 7.9%	0.0
	Operating Income	96.1	112.4	16.3	50.9	100.0	49.1	0.0
	% to Net Sales	8.7%	10.1%		1.4%	3.0%		

\* Forecast as of Jan 27, 2011

# IT Services Business

## Quarterly sales trend



Focus on making proposals to expand customers' sales and to solve customers' business challenges

### SI Business

- Strengthen making proposals for service platform for smartphones
- Expand sales for Japanese companies in Asia
- Expand public safety business in emerging countries

### Services Business

- Capture increasing demand for private cloud by launching "RIACUBE-V"
- Further Expansion of SaaS service menus for certain industries
- Expand on-site LCM services and datacenter services
- Win projects of services for telecom carriers in Europe and Latin America

\* Forecast as of Jan 27, 2011

# Carrier Network Business

Quarterly sales trend



## Expand sales focusing on 4 key business areas

### Wireless Broadband Access

- Steady sales in Wireless business in Japan backed by increasing data traffic
- Secure execution of LTE projects for leading customers in Japan

### Submarine Cable Systems

- Expect a sales increase by receiving large-scale projects

### Mobile Backhaul

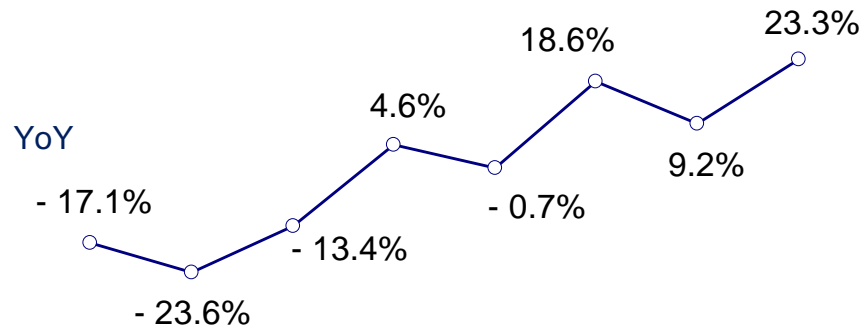
- Aim to recover by executing projects in Turkey, Russia
- Launch iPASOLINK (New Products)

\* Forecast as of Jan 27, 2011



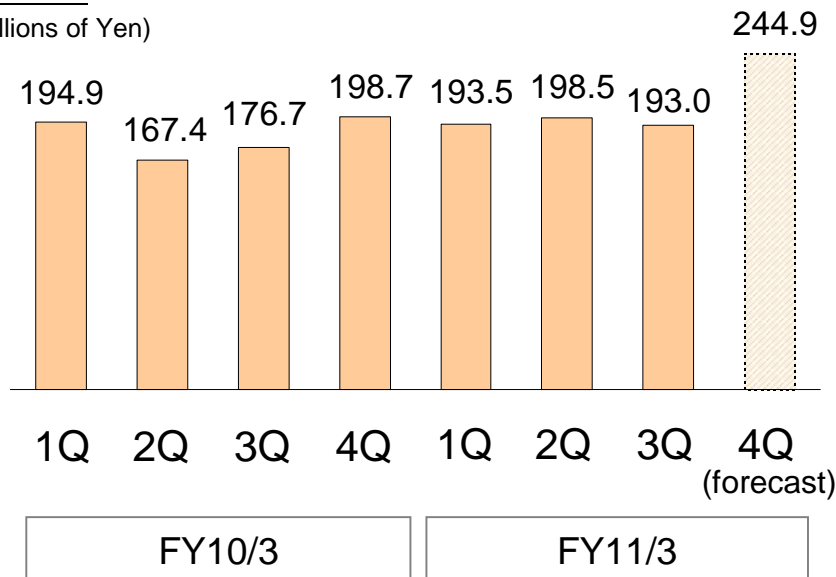
# Personal Solutions Business

## Quarterly sales trend



## Sales

(Billions of Yen)



## Focus on capturing the business opportunities of new devices

### Mobile Terminals

- Launch Android-based smartphone for overseas markets in FY11/3  
Accelerate development activities to launch smartphone for Japanese market as soon as possible

### PC and Others

- Expand sales in products for enterprises (PCs, public displays, digital cinema projectors) and consumers (high-value added PCs, WiMAX routers)
- Expand product lineup of the new device, android-based "LifeTouch"



370g  
7-inch screen



530g  
7-inch dual screen

\* Forecast as of Jan 27, 2011

# Summary

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## Aim to achieve the financial forecast for FY11/3

- 100 billion yen in operating income and 15 billion yen in net income

## Accelerate the implementation of concrete measures in the key areas for achieving V2012

- Build up concrete results step by step in the cloud business, global business and new business
- Focus on developing new business for future growth

**Implement speedy business operations  
for achieving the forecast for FY11/3 as the first year of V2012**

\* Forecast as of Jan 27, 2011(Note: Unchanged from previous forecasts of Oct 28)

## Ref: Progress of “C&C cloud strategy” Related Business

### Release services for each industries

- Cloud oriented accounting service for railway service companies
- SaaS-based library business system for universities
- SaaS-based multi-function credit card system
- SaaS-based sales management system for pharmaceutical companies

### Launch new ERP cloud service systems in cooperation with SAP

### ‘GPRIME for SaaS’ for 7 municipal governments in Nara prefecture

### Establish the datacenter in Chubu region

### Launch cloud platform service “RIACUBE-V”

### Cooperate with KDDI in the mobile cloud services using RFID built-in Mobile Terminals jointly developed

### Contribute Xi, NTT DOCOMO’s New LTE-Based mobile phone service

### Participate in LTE field trial with KDDI

### Collaborate on LTE infrastructure business with WRI of China

# Ref: Progress of “Global Business Expansion”

- Collaborate on LTE infrastructure business with WRI of China

- Success in LTE field trial with Singapore Telecom

- Participate in LTE field trial with Telefonica Moviles Argentina S.A.

- Deliver cloud-based communications service with Swisscom for citizenM Hotel Group in Europe

- Install the core infrastructure system and IP based telephone system in JAL Hotel's Hotel Nikko Wuxi

- Participate in establishment of harbor infrastructure system in Dalian, China with NRI Shanghai

- Launch fingerprint identification products working together with IBM security software

- NEC, Intel and Microsoft form strategic relationship integrated products drive next generation digital signage devices

# Ref: New Business Activities

- Expand the production capacity of electrodes for advanced lithium-Ion batteries

--Supported by the Ministry of Economy, Trade and Industry's "regional development subsidy for enterprises creating employment and adding to a low-carbon society" --

- Promote the commercialization of the membership charging service for electric vehicles (EV)

- Develop the cloud-based EV charging system for wide area



- Introduce a new cloud communicator, the "LifeTouch" tablet terminal



- Exhibit a dual screen model of "LifeTouch" tablet terminal at CES 2011



Empowered by Innovation

**NEC**

# Financial Results for 3Q (Appendix)

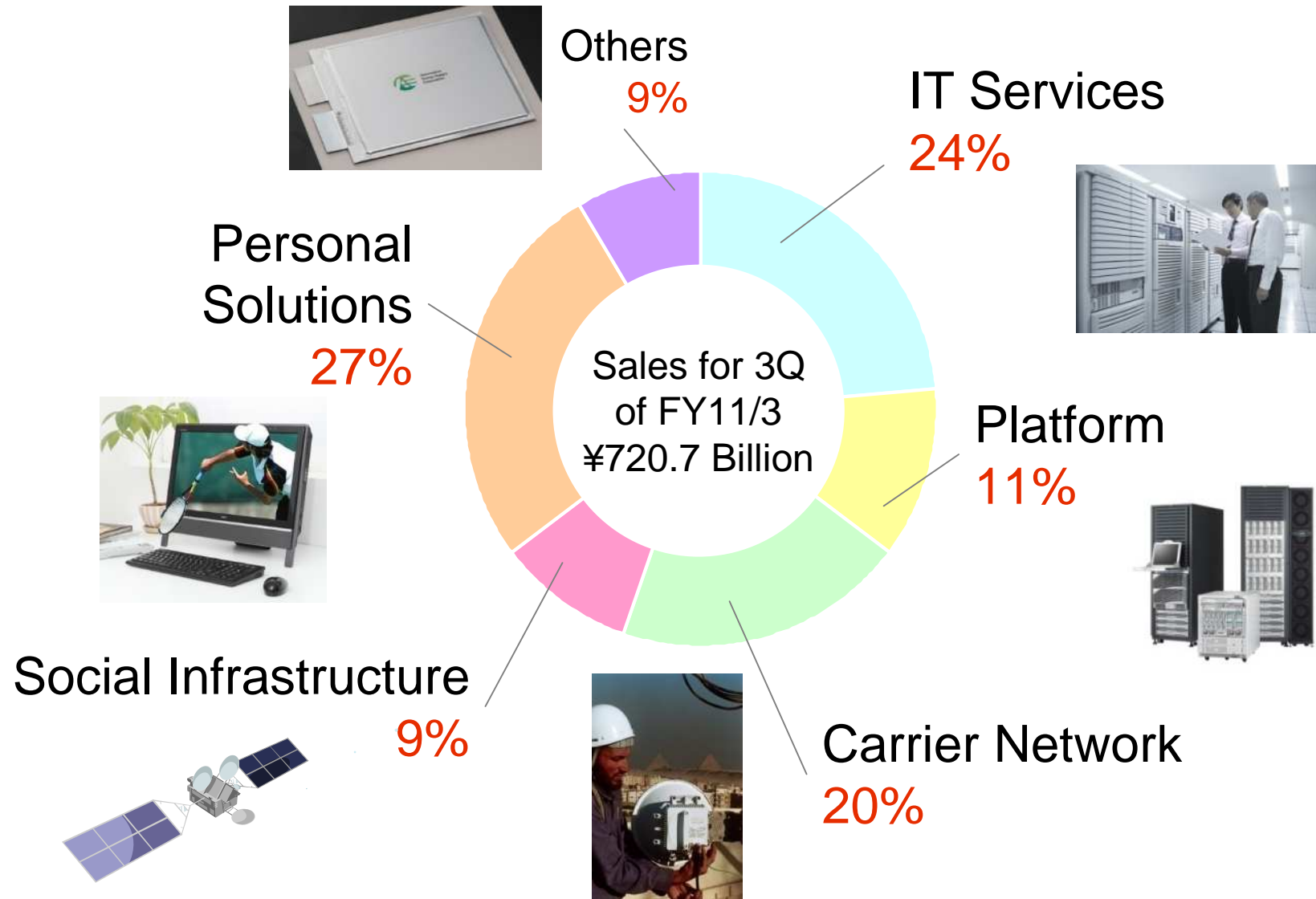
# Results for 3Q by Segment

(Billions of Yen)

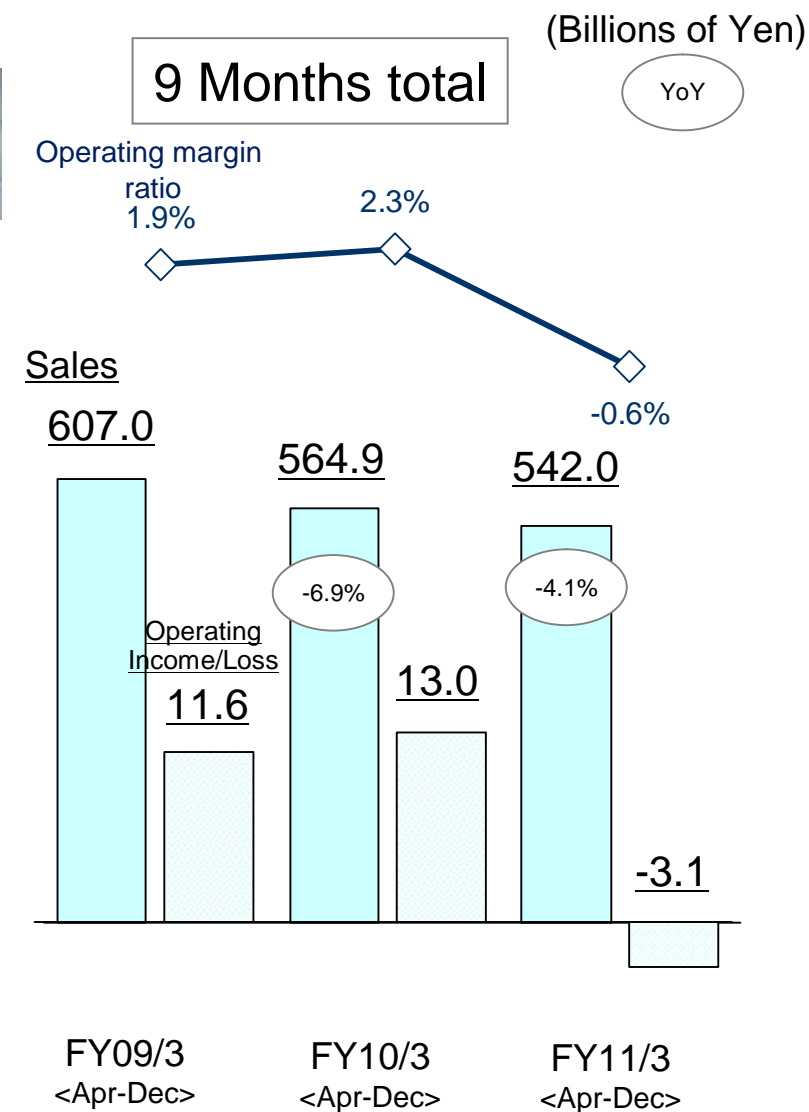
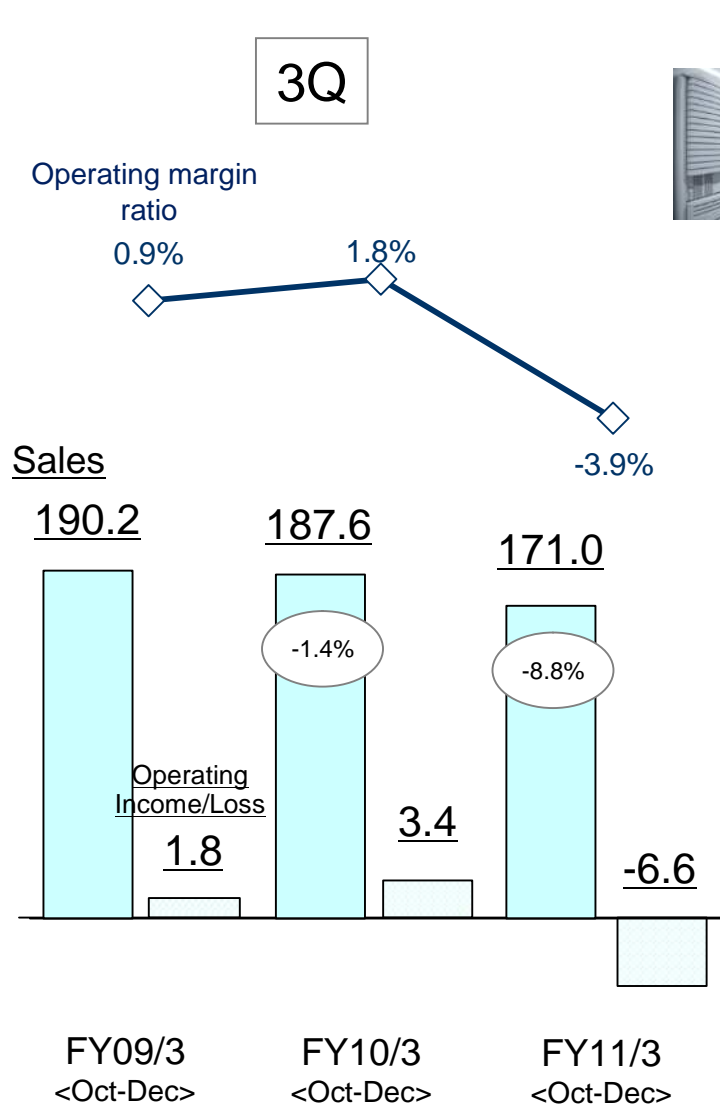
		3Q(October to December)			9 Months(April to December)		
		FY10/3 Actual	FY11/3 Actual	YoY	FY10/3 Actual	FY11/3 Actual	YoY
IT Services	Net Sales	187.6	171.0	- 8.8%	564.9	542.0	- 4.1%
	Operating Income/Loss	3.4	-6.6	-10.0	13.0	-3.1	-16.0
	% to Net Sales	1.8%	-		2.3%	-	
Platform	Net Sales	87.0	82.5	- 5.1%	253.1	259.3	2.4%
	Operating Loss	-0.3	-2.0	-1.7	-13.8	-3.5	10.2
	% to Net Sales	-	-		-	-	
Carrier Network	Net Sales	142.9	145.7	2.0%	451.5	416.7	- 7.7%
	Operating Income	2.0	5.8	3.8	14.4	12.8	-1.6
	% to Net Sales	1.4%	4.0%		3.2%	3.1%	
Social Infrastructure	Net Sales	64.7	66.6	3.0%	194.4	204.5	5.2%
	Operating Income	0.6	0.4	-0.1	3.3	4.5	1.2
	% to Net Sales	0.9%	0.7%		1.7%	2.2%	
Personal Solutions	Net Sales	176.7	193.0	9.2%	539.0	585.1	8.5%
	Operating Income/Loss	3.4	-1.6	-5.1	11.6	1.3	-10.4
	% to Net Sales	2.0%	-		2.2%	0.2%	
Others	Net Sales	166.5	61.9	- 62.8%	476.1	182.4	- 61.7%
	Operating Income/Loss	-7.7	1.3	9.0	-45.3	4.3	49.6
	% to Net Sales	-	2.1%		-	2.4%	
Eliminations/ Unclassifiable expenses	Operating Loss	-9.0	-10.9	-1.9	-28.5	-28.7	-0.2
Total	Net Sales	825.4	720.7	- 12.7%	2,479.1	2,189.9	- 11.7%
	Operating Loss	-7.5	-13.5	-6.0	-45.2	-12.4	32.8
	% to Net Sales	-	-		-	-	



# Sales Proportion By Segment



# IT Services Business



# IT Services Business

Billions of yen (YoY)

**Sales** 171.0 (-8.8%)

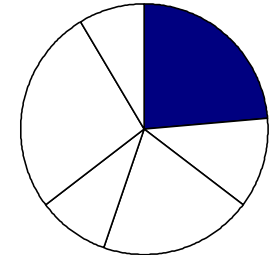
▽ SI Services :

Declined due to the delay in the recovery of IT investment in Japan and the decrease in large scale projects

▽ Outsourcing/Support Services :

Declined in support services  
Stable sales in the cloud services business and outsourcing business

Proportion of sales  
<FY11/3 3Q>  
24%

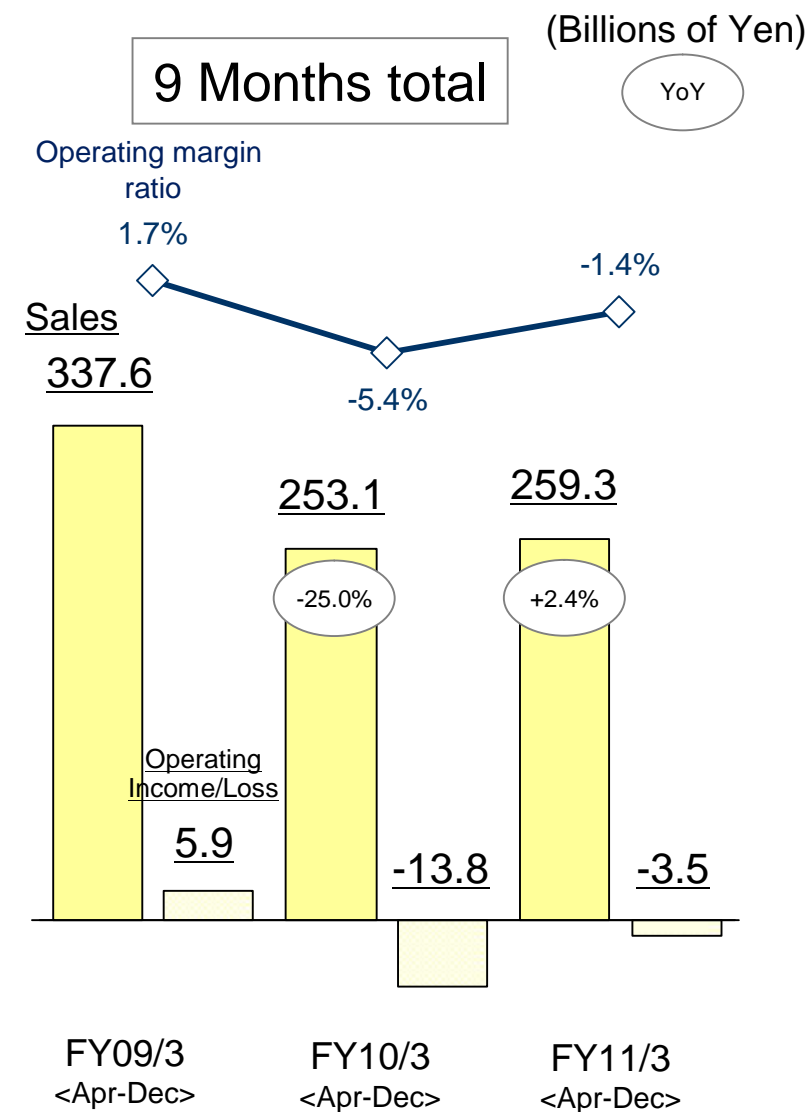
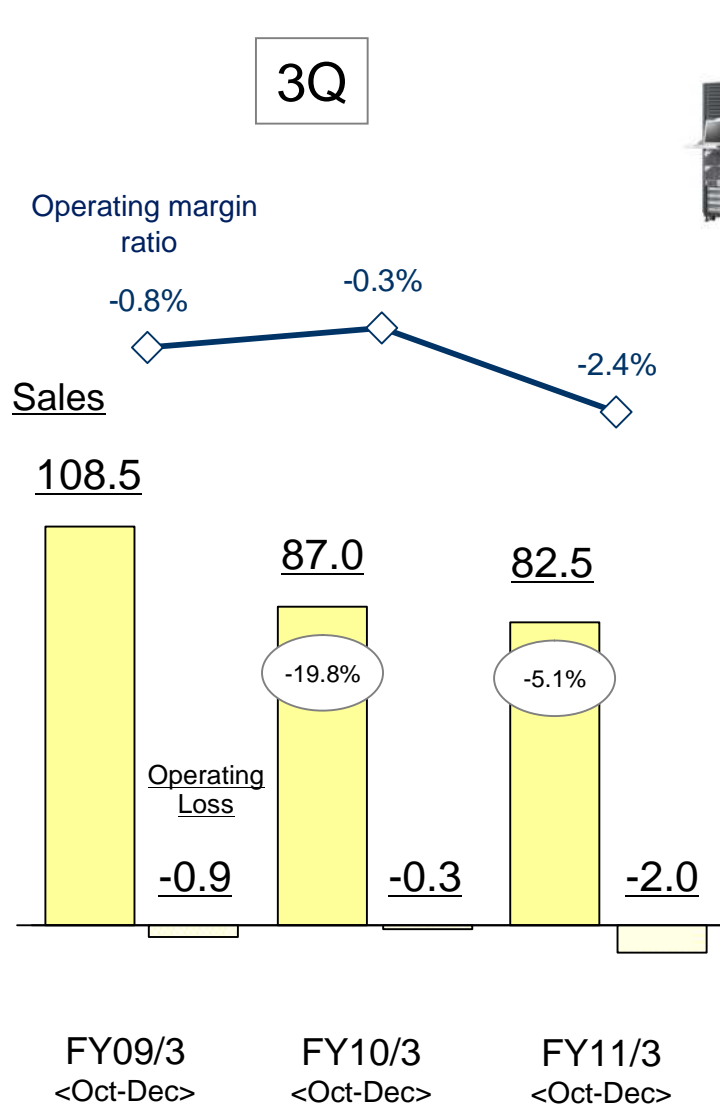


**Operating Loss** -6.6 (-10.0)

- ▽ Declined due to the decrease in sales, the increase in investment for expanding service/global businesses and loss-making projects



# Platform Business



# Platform Business

Billions of yen (YoY)

**Sales** 82.5 (-5.1%)

△ Software :

Increased in system integration through virtualization, operational management and security for compliance

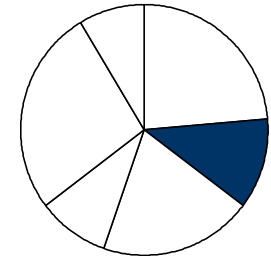
▽ Hardware :

Declined due to a decrease in large-scale projects  
Stable sales in IA servers

▷ Enterprise Network :

Remained at the same level as the previous year due to the gradual recovery of investment in domestic and overseas market

Proportion of sales  
(FY11/3 3Q)  
11%



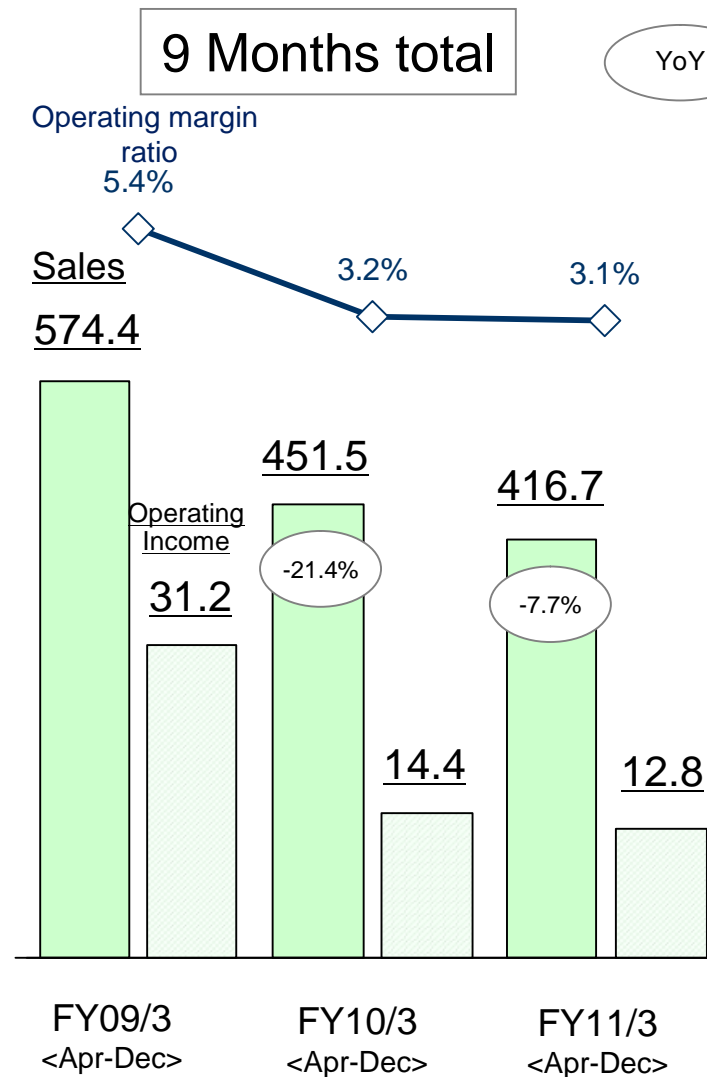
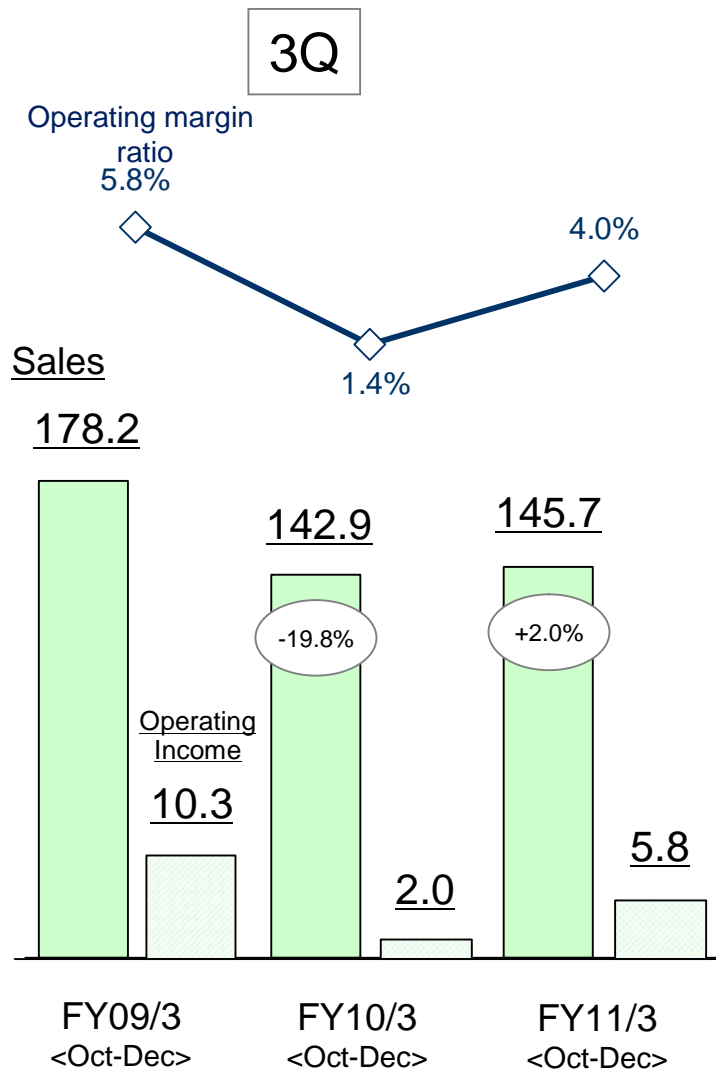
**Operating Loss** -2.0 (-1.7)

▽ Declined due to a sales decrease in Hardware



# Carrier Network Business

(Billions of Yen)



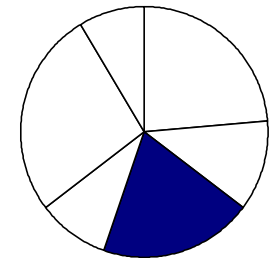
# Carrier Network Business

Billions of yen (YoY)

**Sales** 145.7 (+2.0%)

- △ Increased in Fixed line business in Japan
- ▷ Submarine Cable System :
  - Remained at the same level as the previous year by execution of upgrade project and submarine seismograph system projects, etc
  - (Sales of large-scale projects are expected in 4Q)
- ▽ PASOLINK declined due to the delay in the recovery of the business environment and the impact of exchange rate fluctuations

Proportion of sales  
(FY11/3 3Q)  
20%



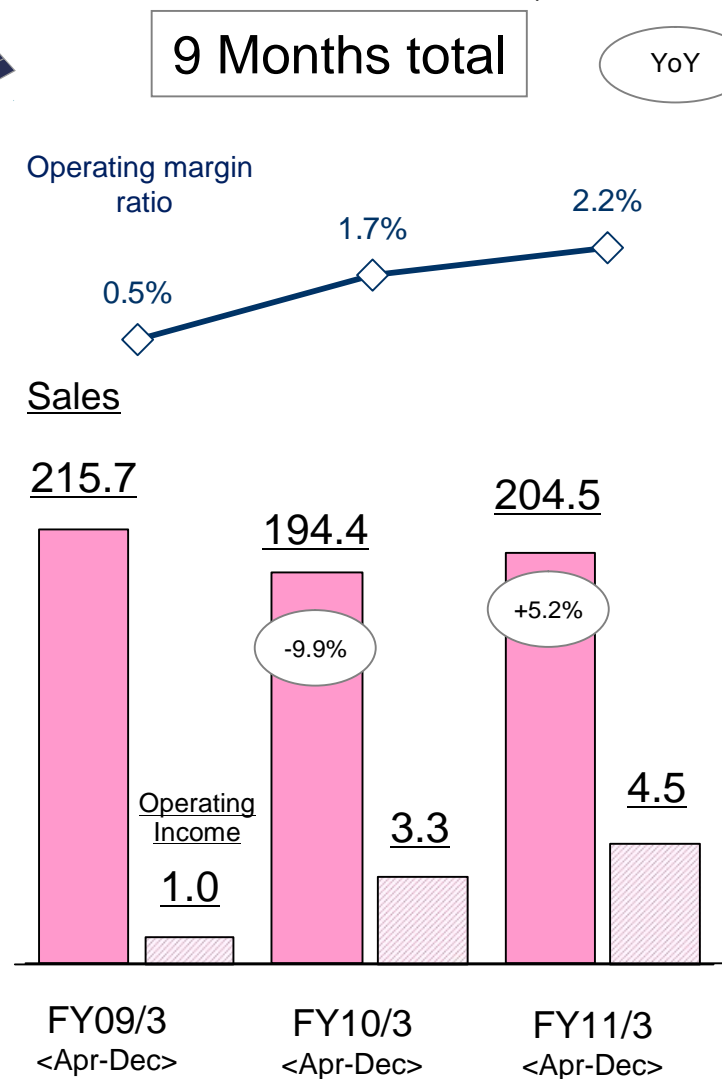
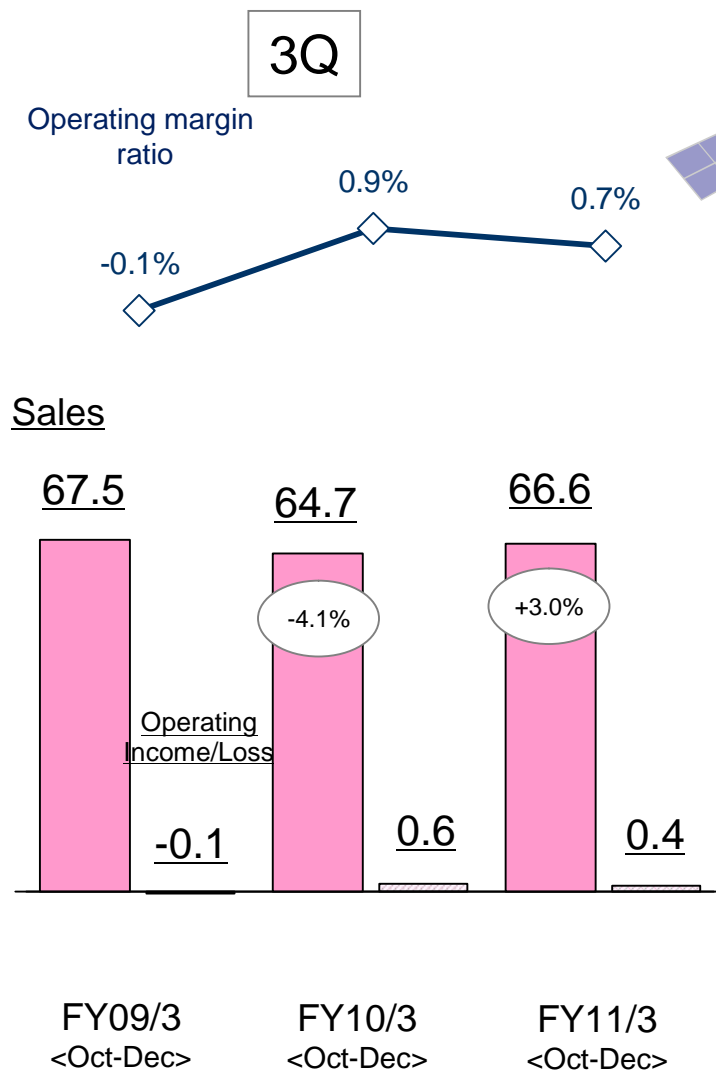
**Operating Income** 5.8 (+3.8)

- △ Improved due to the sales increase and the fixed cost reduction improving cost efficiency such as cutting outsourcing



# Social Infrastructure Business

(Billions of Yen)





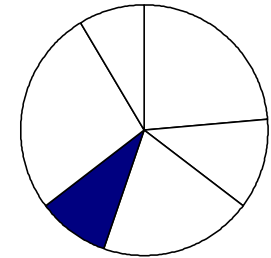
# Social Infrastructure Business

Billions of yen (YoY)

**Sales** 66.6 (+3.0%)

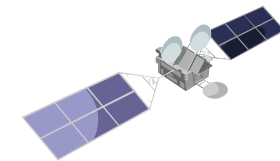
- △ Increased in social systems such as transportation and fire prevention, etc

Proportion of sales  
(FY11/3 3Q)  
9%

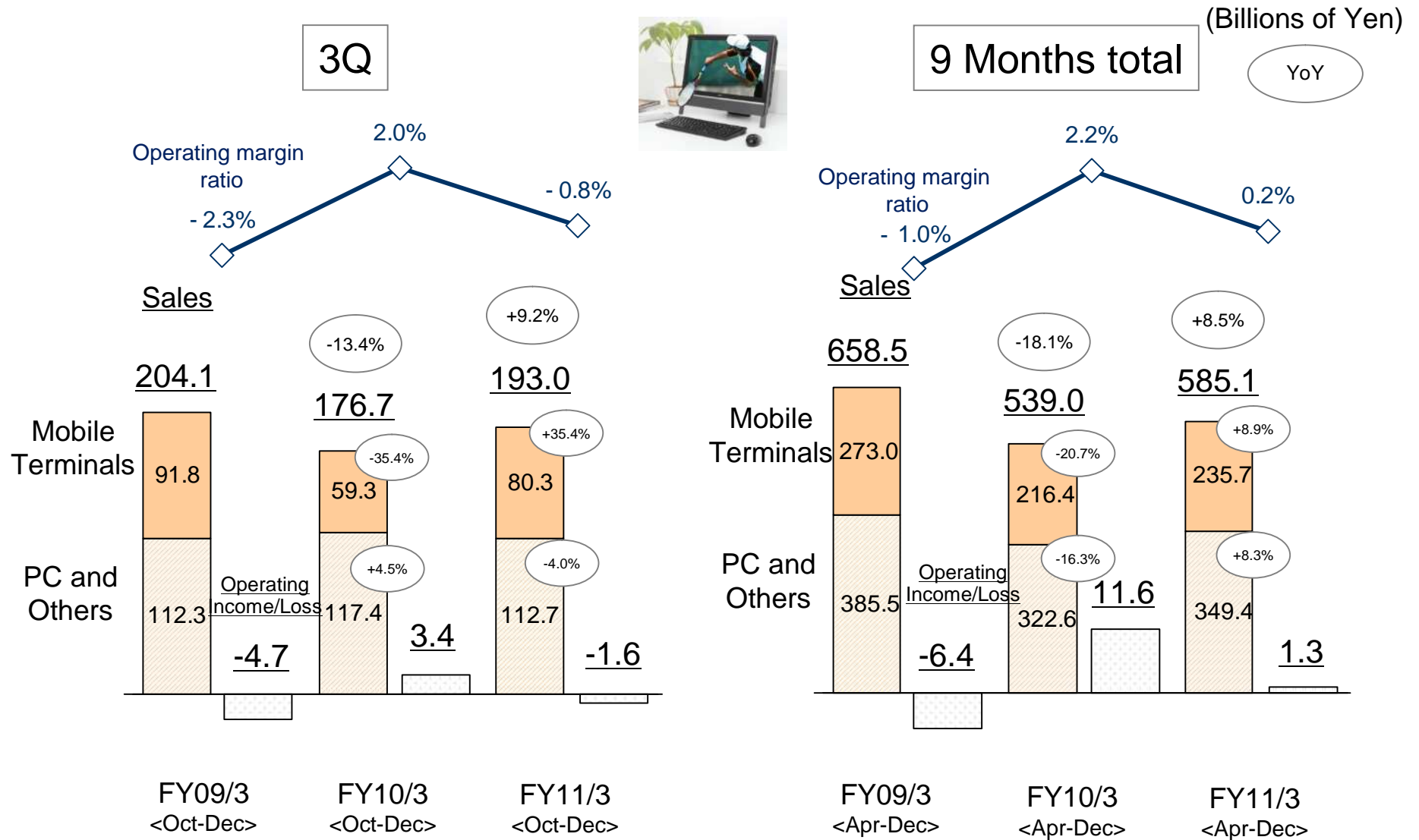


**Operating Income** 0.4 (-0.1)

- ▷ Almost remained at the same level as the previous year due to the change of project mix despite sales increase



# Personal Solutions Business



# Personal Solutions Business

**Sales** 193.0 (+9.2%)

Billions of yen (YoY)

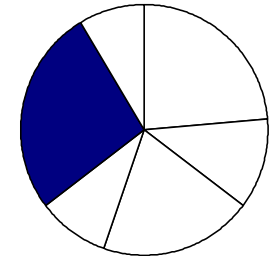
△ Mobile Terminals :

Increased due to the business integration despite sluggish sales in the featured-phones as the demand in global market shifts to smartphones

▽ PC and Others :

Decreased due to the price erosion despite the PC shipments were flat in units

Proportion of sales  
(FY11/3 3Q)  
27%



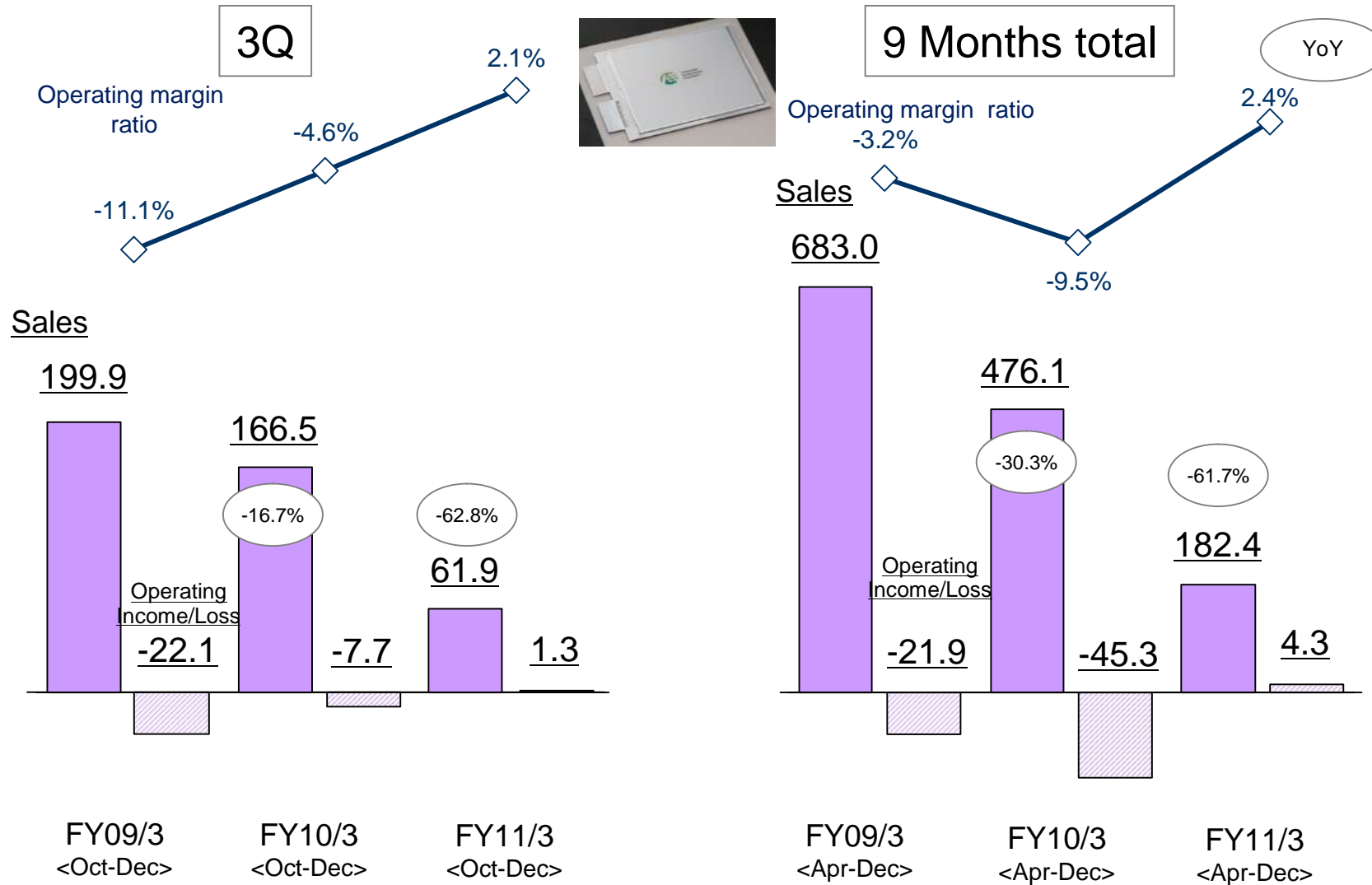
**Operating Loss** -1.6 (-5.1)

- ▽ Decreased due to the loss in the Mobile Terminals business and increase in development costs for new devices such as LifeTouch and Smartphones



# Others

(Billions of Yen)



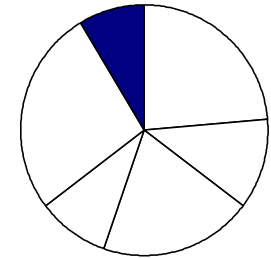
# Others

Billions of yen (YoY)

**Sales** 61.9 (-62.8%)

- ▽ Decreased due to the deconsolidation of the NEC Electronics (current Renesas Electronics)
- △ Smooth start of Electrode business for lithium-ion rechargeable batteries

Proportion of sales  
(FY11/3 3Q)  
9%



**Operating Income** 1.3 (+9.0)

- △ Improved due to the deconsolidation of the NEC Electronics (current Renesas Electronics) which recorded operating loss in the previous year



# <Ref.> Financial Position Data

(Billions of Yen)

	End of Mar 2010	End of Dec 2010	Difference from Mar 2010	End of Dec 2009
Total Assets	2,937.6	2,613.3	-324.4	2,938.3
Net Assets	931.9	827.5	-104.4	844.1
Interest-bearing debt	729.5	726.8	-2.7	833.2
Shareholder's Equity	790.9	709.8	-81.1	718.0
Equity ratio(%)	26.9%	27.2%	0.3pt	24.4%
D/E ratio	0.92	1.02	- 0.10pt	1.16
Net D/E ratio	0.50	0.78	- 0.28pt	0.79
Balance of cash and cash equivalents	330.5	171.6	-159.0	265.4

# <Ref.> Capital Expenditures and Others

(Billions of Yen)

	FY09/3 Actual	FY10/3 Actual	YoY	FY11/3 Forecast	YoY	Difference from Oct 28
Capial Expenditure	103.1	83.1	- 19.4%	75.0	- 9.7%	0.0
Depreciations	133.6	111.2	- 16.8%	75.0	- 32.6%	0.0
R&D expenses	346.5	276.0	- 20.3%	200.0	- 27.5%	0.0

(Billions of Yen)

	FY10/3 3Q Actual	YoY	FY11/3 3Q Actual	YoY
R&D expenses	64.4	- 22.4%	45.9	- 28.7%



\* Forecast as of Jan 27, 2011 (Note: Unchanged from previous forecasts of Oct 28)

# <Ref.> Overseas sales

(Billions of Yen)

		3Q(October to December)			9 Months(April to December)		
		FY10/3 Actual	FY11/3 Actual	YoY	FY10/3 Actual	FY11/3 Actual	YoY
Asia	Net Sales	80.0	36.4	- 54.5%	237.5	119.5	- 49.7%
	To consolidated total sales (%)	9.7%	5.0%		9.6%	5.5%	
Europe	Net Sales	41.3	29.7	- 28.3%	123.0	80.1	- 34.9%
	To consolidated total sales (%)	5.0%	4.1%		5.0%	3.7%	
Others	Net Sales	53.9	51.5	- 4.4%	165.6	160.9	- 2.8%
	To consolidated total sales (%)	6.5%	7.1%		6.6%	7.3%	
Total	Net Sales	175.2	117.5	- 32.9%	526.1	360.6	- 31.5%
	To consolidated total sales (%)	21.2%	16.3%		21.2%	16.5%	

Major countries and regions

China,Chinese  
Taipei,India,  
Singapore and IndonesiaUK,France,Netherlands,  
Germany,Italy and Spain

U.S.A

Japan

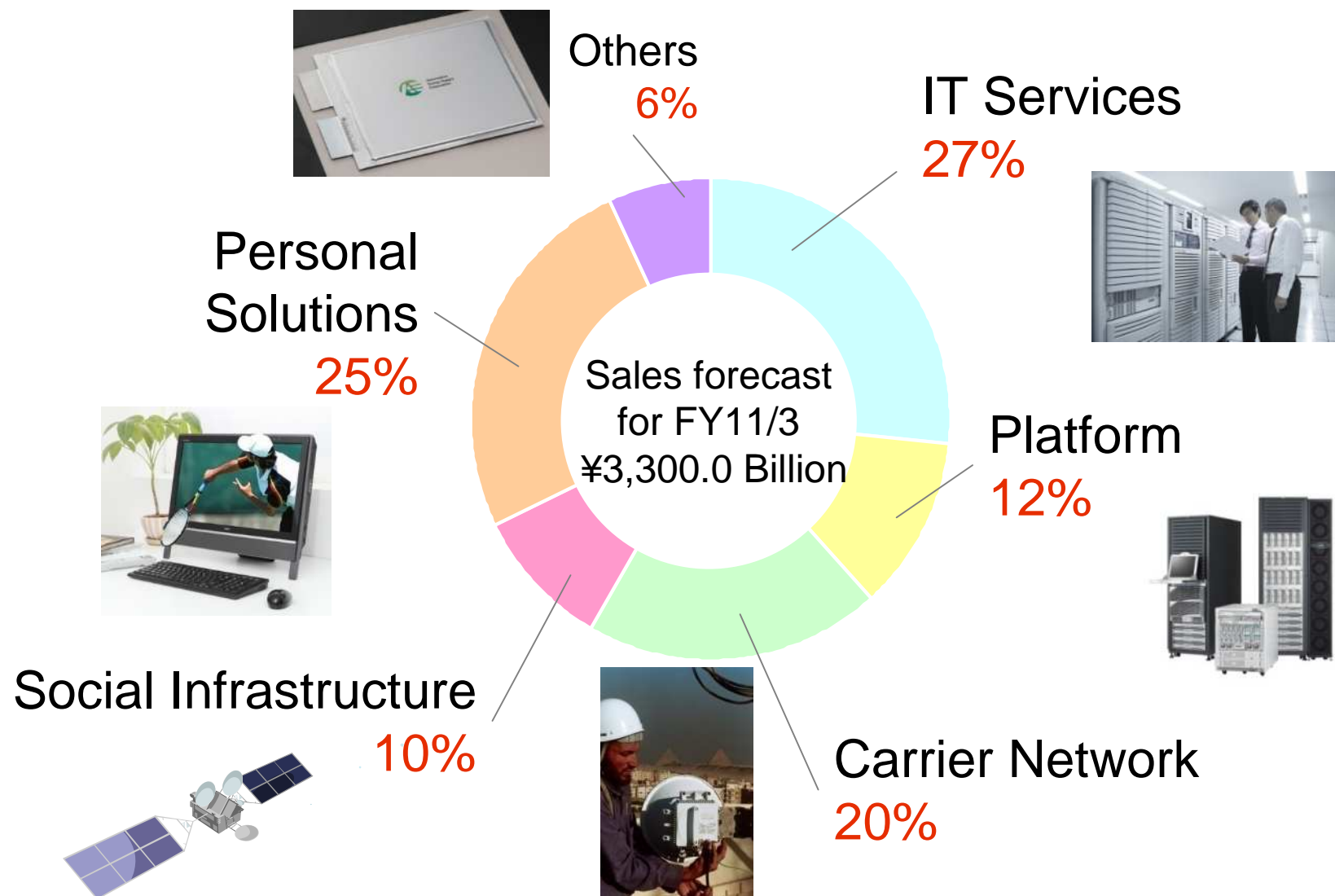
Sales  
for 9months  
of FY11/3  
¥2,189.9 BillionAsia  
Europe  
OthersOverseas Sales  
¥ 360.6 BillionOverseas Sales Ratio  
16.5%

\* Sales, based on the location of customers, are classified by country or region



# Financial Forecast for FY11/3 (Appendix)

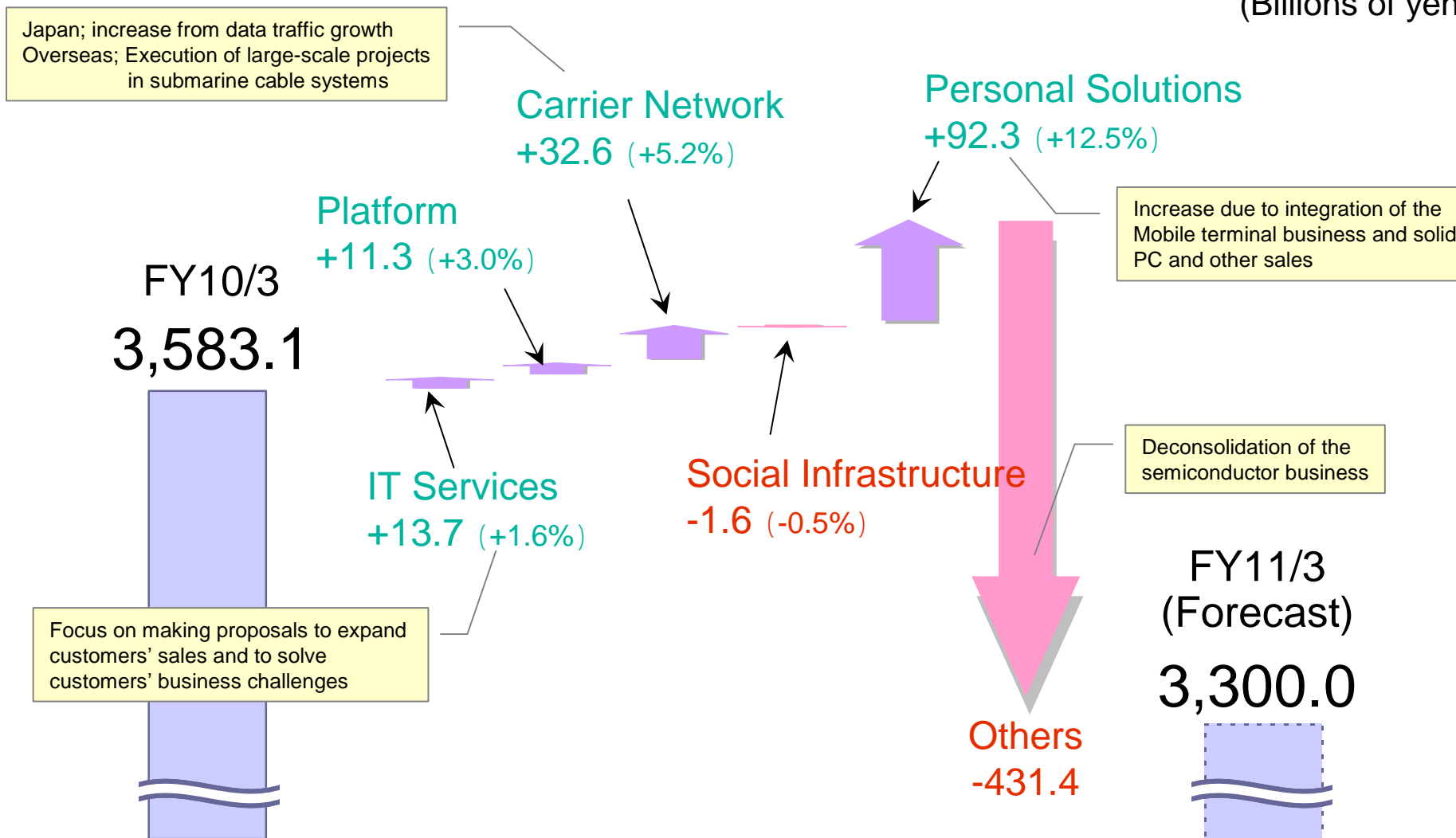
# Sales Proportion Forecast By Segment



\* Forecast as of Jan 27, 2011 (Note: Unchanged from previous forecasts of Oct 28)

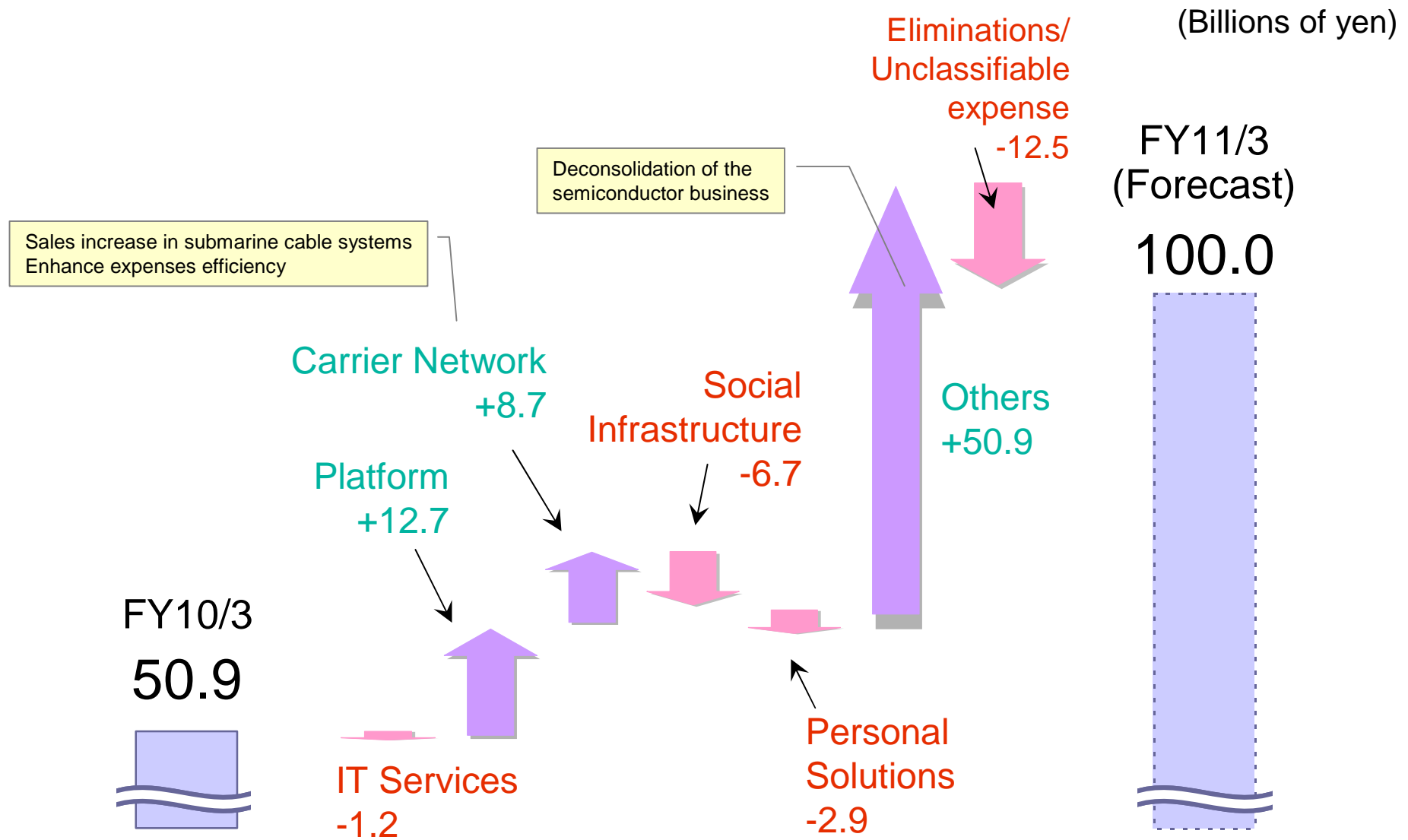
# Sales Change (Year on Year)

(Billions of yen)



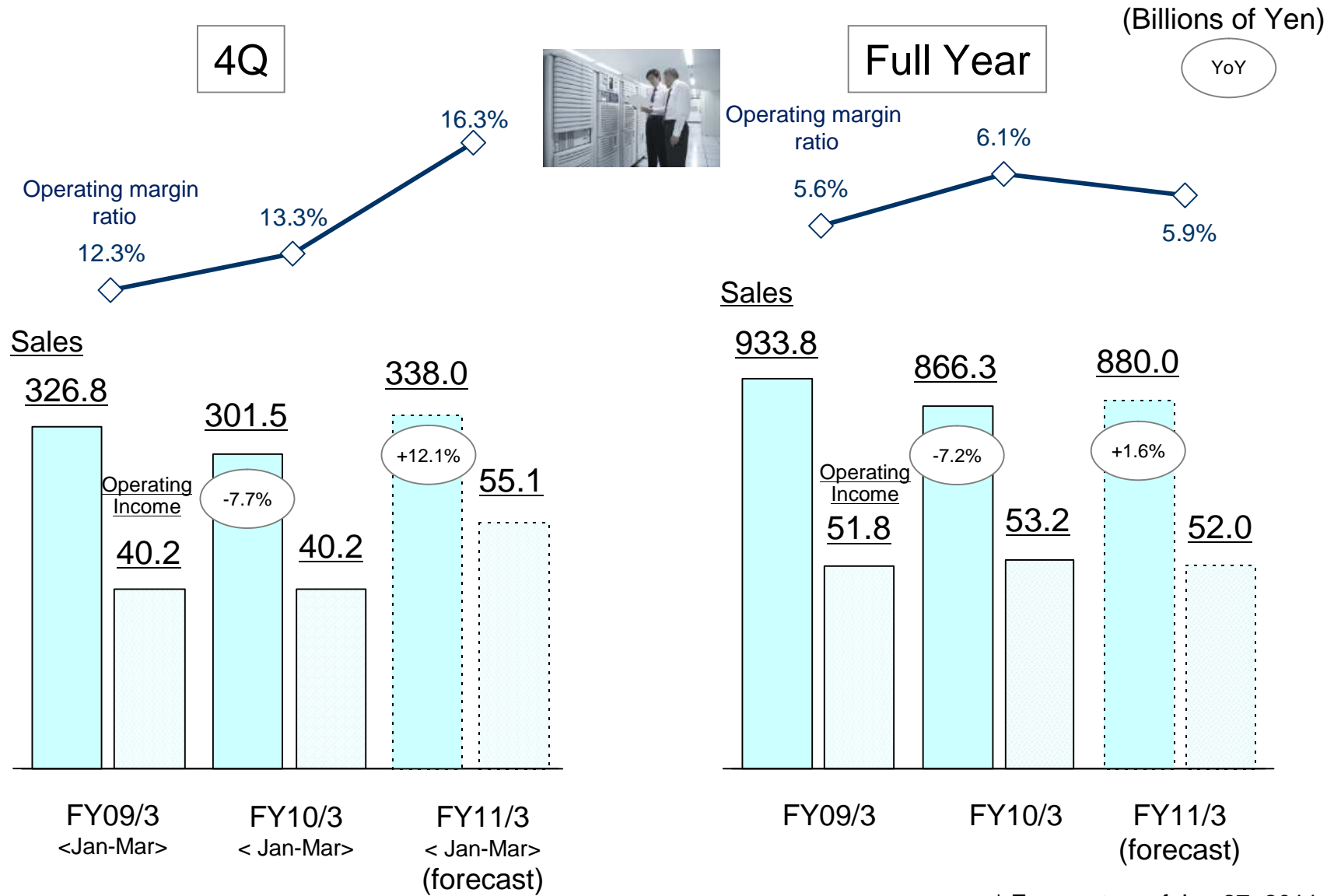
\* Forecast as of Jan 27, 2011 (Note: Unchanged from previous forecasts of Oct 28)

# Operating Income/Loss Change (Year on Year)



\* Forecast as of Jan 27, 2011 (Note: Unchanged from previous forecasts of Oct 28)

# IT Services Business



\* Forecast as of Jan 27, 2011

# IT Services Business

Billions of yen (YoY)

**Sales** 880.0 (+1.6%)

△ SI Services :

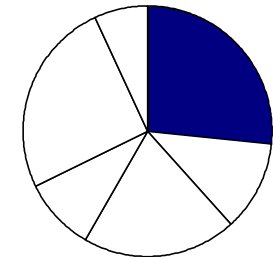
Aim to increase by focusing on proposals to expand customers' sales and to solve customers' business challenges

△ Outsourcing/Support Services :

Aim for a steady increase through deployment of “cloud-oriented services” and the expansion of SaaS solution menus

Proportion of sales  
(FY11/3 Forecast)

27%



**Operating Income** 52.0 (-1.2)

- ▽ Expect to maintain almost same level as the previous year by enhancing SI innovation and thorough cost reductions



\* Forecast as of Jan 27, 2011 (Note: Unchanged from previous forecasts of Oct 28)

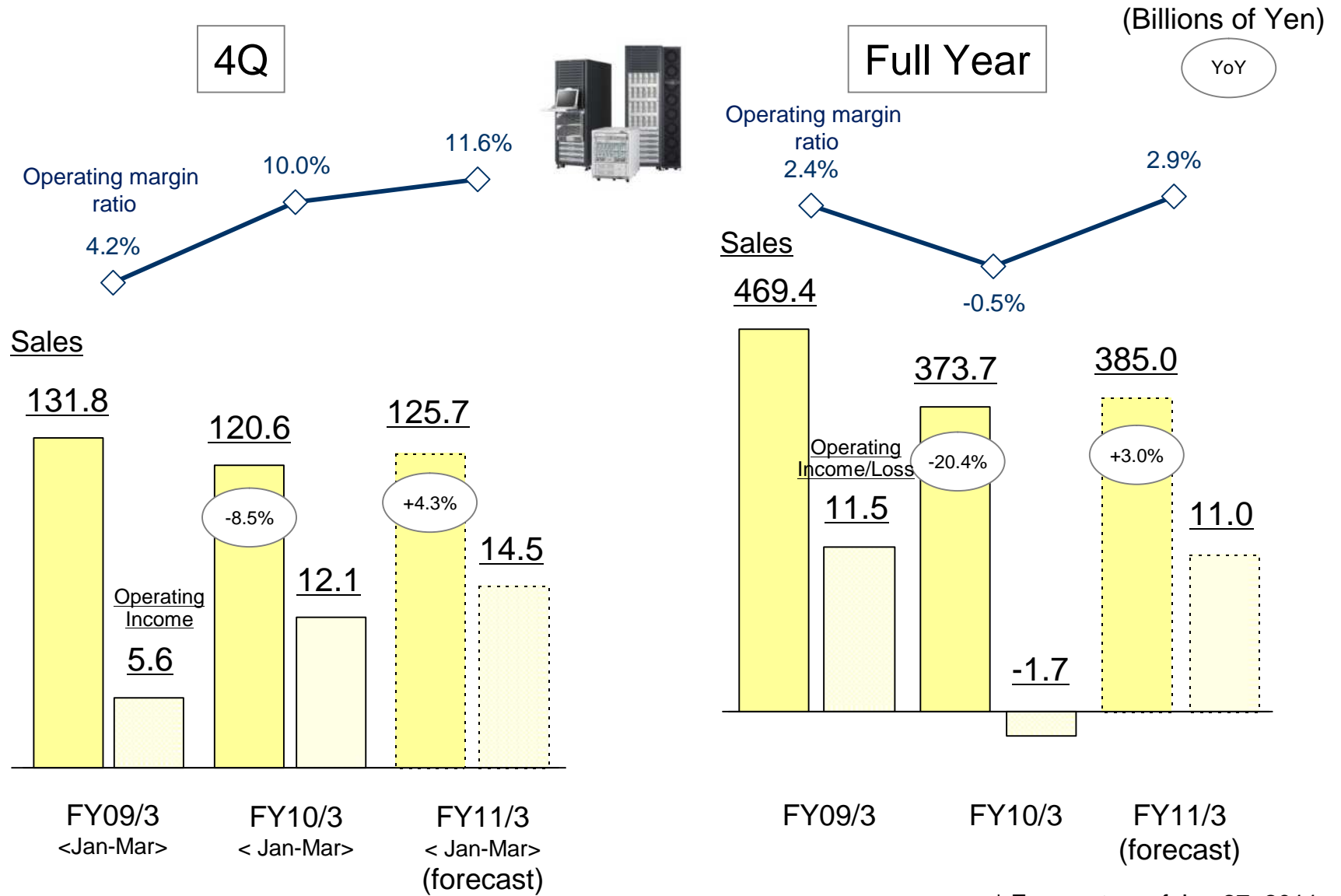
# Ref: IT Services Business Situation by Sector

Accelerate deployment of service business and globalization by focusing on improving sectors such as manufacturing and finance

Sector	Key focus area
Government	<ul style="list-style-type: none"> <li>Strengthen proposals about “New Growth Strategy” and economic policy related business, Win large scale projects</li> <li>Further expansion of public safety business based on superior biometrics technology</li> </ul>
Public/Medical	<ul style="list-style-type: none"> <li>Expand market share by proposing to restructure mission critical systems, including utilization of cloud technology</li> <li>Further development of new business by the cooperation with global partners</li> </ul>
Finance	<ul style="list-style-type: none"> <li>Propose large scale services such as systems designed for joint use. Strengthen sales of the next-generation store terminals</li> <li>Further expansion of global business centered on Asia (e.g. SWIFT(*1) connecting service)</li> </ul>
Telecom/Media	<ul style="list-style-type: none"> <li>Horizontal deployment of cloud business for global telecom carriers. Win large scale projects in Digital signage</li> <li>Strengthen proposals for mission critical systems for domestic telecom carriers and broadcasters</li> </ul>
Manufacturing	<ul style="list-style-type: none"> <li>Expand cloud-oriented accounting services, further expand SaaS service menus for certain industries</li> <li>Expand business in Greater China and APAC by focusing on local business in addition to business with Japanese companies abroad</li> </ul>
Retail/Service	<ul style="list-style-type: none"> <li>Expand service business such as the NeoSarf series and integrated cloud services for the hotel industry</li> <li>Develop global markets by launching POS systems</li> </ul>

\*1 Common network for interbank cash transfer, settlement etc.

# Platform Business



\* Forecast as of Jan 27, 2011



# Platform Business

Billions of yen (YoY)

**Sales** 385.0 (+3.0%)

△ Software :

Aim to increase by focusing on growing market such as system integration through virtualization and cloud computing platform for enterprise, government and datacenter

▽ Hardware :

Expect a decline due to the shift to low-price products

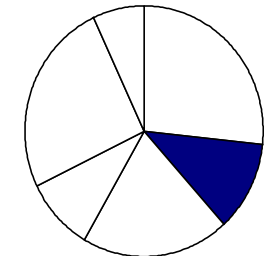
Aim to minimize the decline by the increase in IA servers and thin-client systems

△ Enterprise Network :

Aim to increase by focusing on areas where customers invest aggressively (e.g. cost reduction, global sales expansion)

Proportion of sales  
(FY11/3 Forecast)

12%



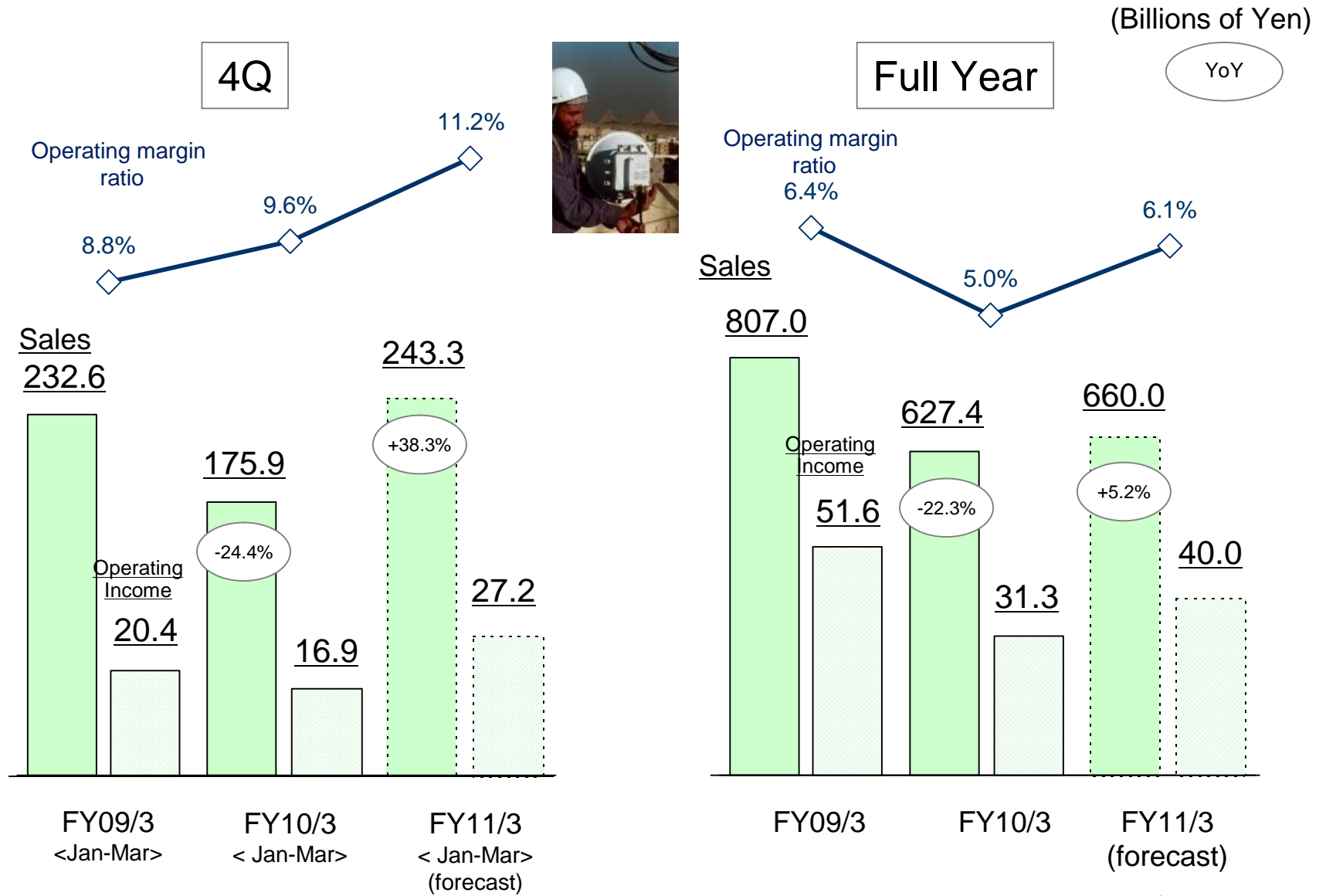
**Operating Income** 11.0 (+12.7)

- △ Expect to improve significantly through an increase in sales and continual cost reductions



\* Forecast as of Jan 27, 2011 (Note: Unchanged from previous forecasts of Oct 28)

# Carrier Network Business



\* Forecast as of Jan 27, 2011

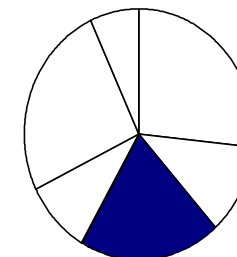
# Carrier Network Business

Billions of yen (YoY)

**Sales** 660.0 (+5.2%)

- △ Focus on business opportunities supported by increased data traffic from the rapid spread of smart phones in Japan
- △ Aim to increase through secure execution of large-scale Submarine Cable System projects
- ▽ Aim to ensure sales by expanding IP-enabled new models of PASOLINK

Proportion of sales  
(FY11/3 Forecast)  
20%



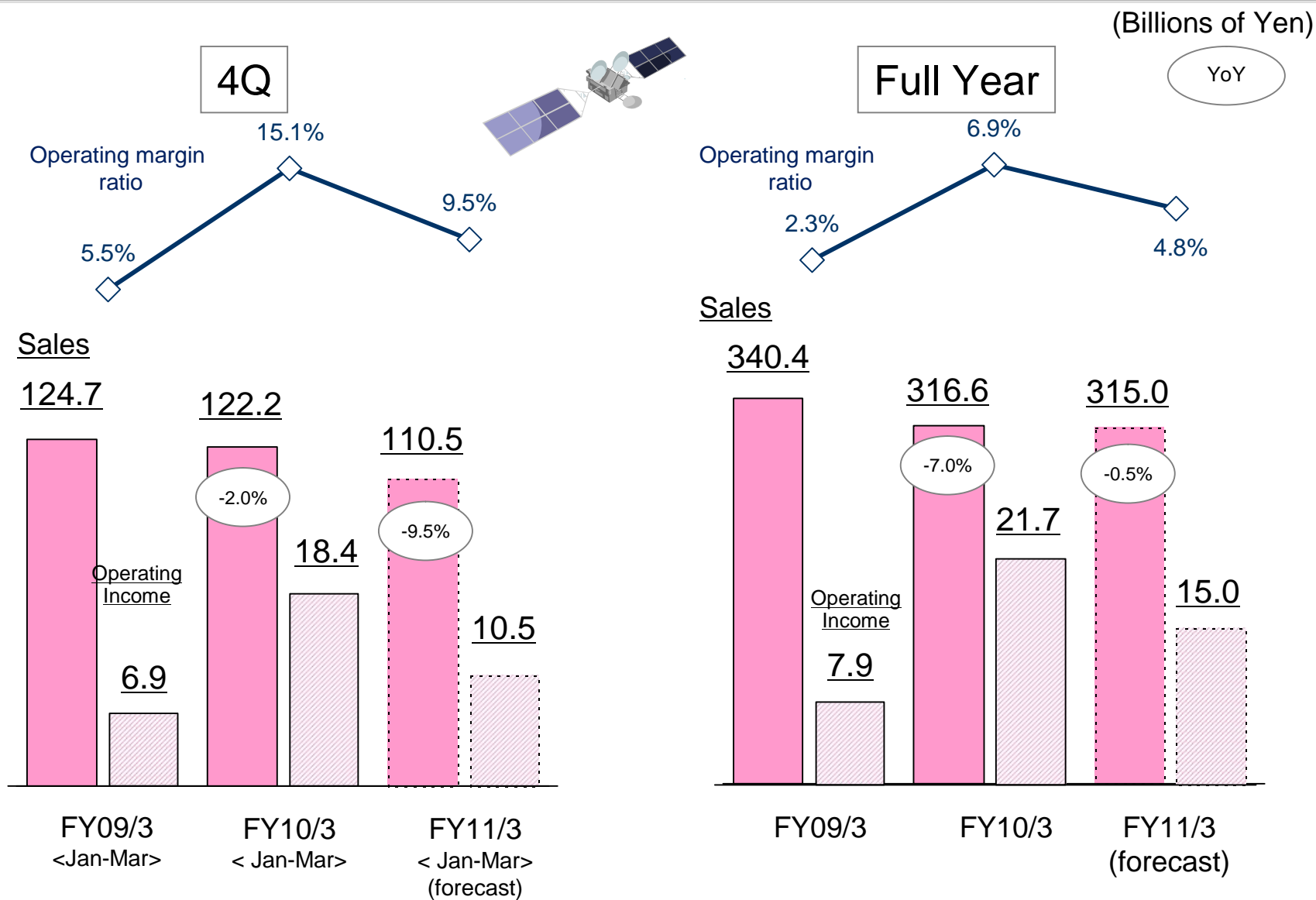
**Operating Income** 40.0 (+8.7)

- △ Aim to increase profit from the sales increase in Wireless Business in Japan and Submarine Cable System in addition to the improvement of cost efficiency



\* Forecast as of Jan 27, 2011 (Note: Unchanged from previous forecasts of Oct 28)

# Social Infrastructure Business



\* Forecast as of Jan 27, 2011

# Social Infrastructure Business

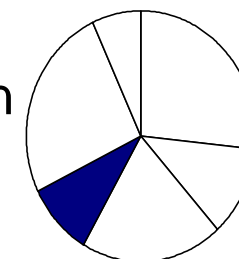
Billions of yen (YoY)

**Sales** 315.0 (-0.5%)

- ▶ Expect same level as last year due to increase projects in social systems such as transportation and fire prevention despite the severe situation in aerospace and defense systems

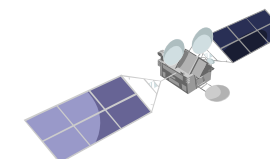
Proportion of sales  
(FY11/3 Forecast)

10%



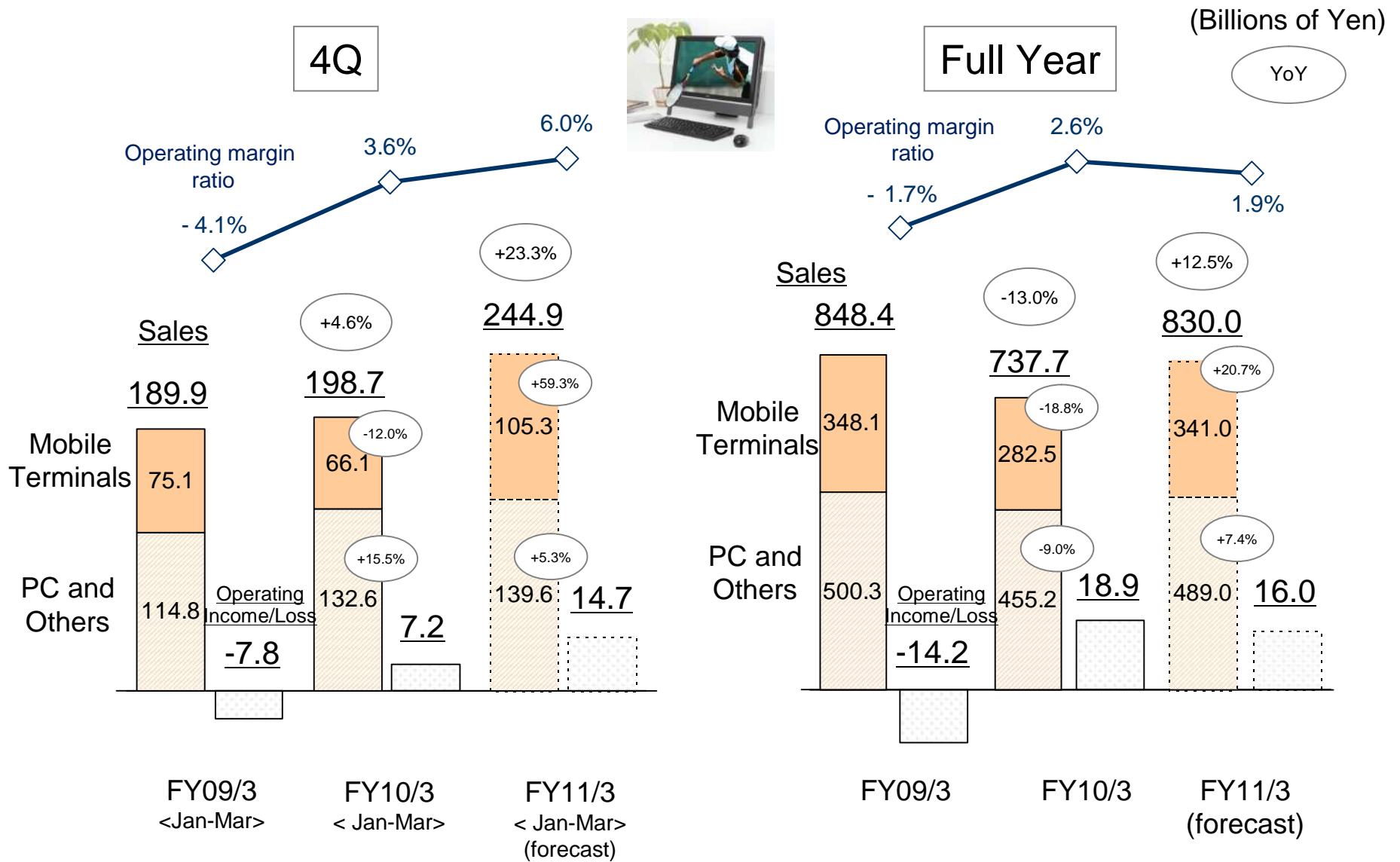
**Operating Income** 15.0 (-6.7)

- ▽ Expect a decline due to a decrease in profitable projects compared with the previous year, despite enhancing cost reduction activities such as project management



\* Forecast as of Jan 27, 2011 (Note: Unchanged from previous forecasts of Oct 28)

# Personal Solutions Business



\* Forecast as of Jan 27, 2011

# Personal Solutions Business

Forecast

**Sales** 830.0 (+12.5%)

Billions of yen (YoY)

△ Mobile Terminals :

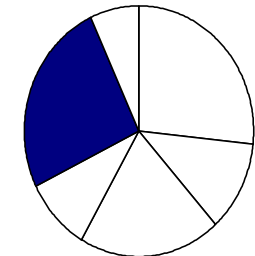
Expect an increase due to the business integration and the launch of new products

△ PC and Others :

Expect an increase in products for enterprises (PCs, public displays, digital cinema projectors) backed by a market recovery and an increase in products for consumers (high-value added PCs, WiMAX routers) backed by steady demand

Proportion of sales  
(FY11/3 Forecast)

25%



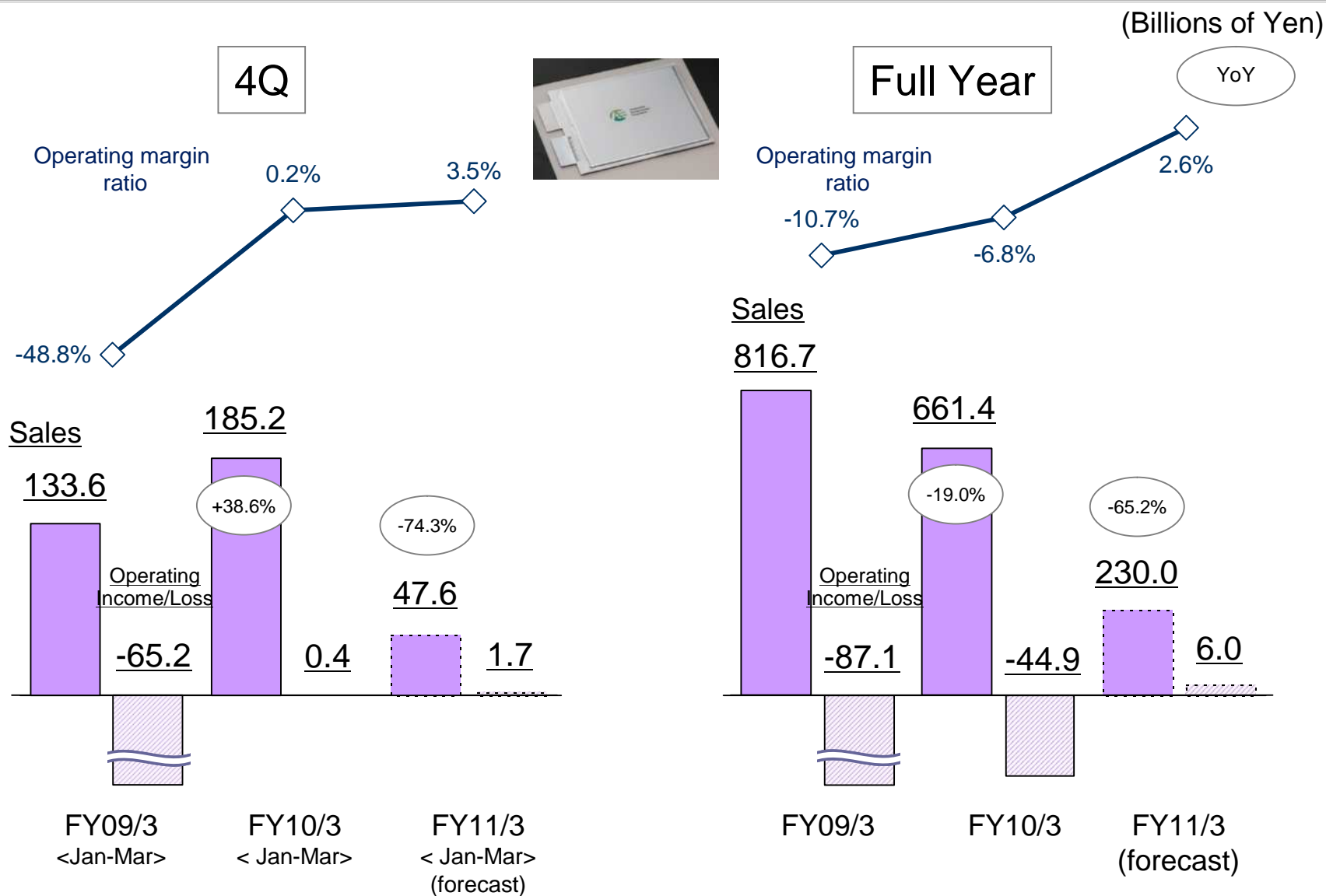
**Operating Income** 16.0 (-2.9)

▽ Expect a decrease due to an increase in development costs for new devices such as LifeTouch and smartphones, despite the fixed cost reduction and improvement of development efficiency



\* Forecast as of Jan 27, 2011 (Note: Unchanged from previous forecasts of Oct 28)

# Others



\* Forecast as of Jan 27, 2011



# Others

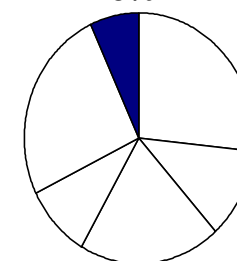
Billions of yen (YoY)

**Sales** 230.0 (-65.2%)

- ▽ Expect a decrease due to the deconsolidation of the NEC Electronics (current Renesas Electronics)

Proportion of sales  
(FY11/3 Forecast)

6%



**Operating Income** 6.0 (+50.9)

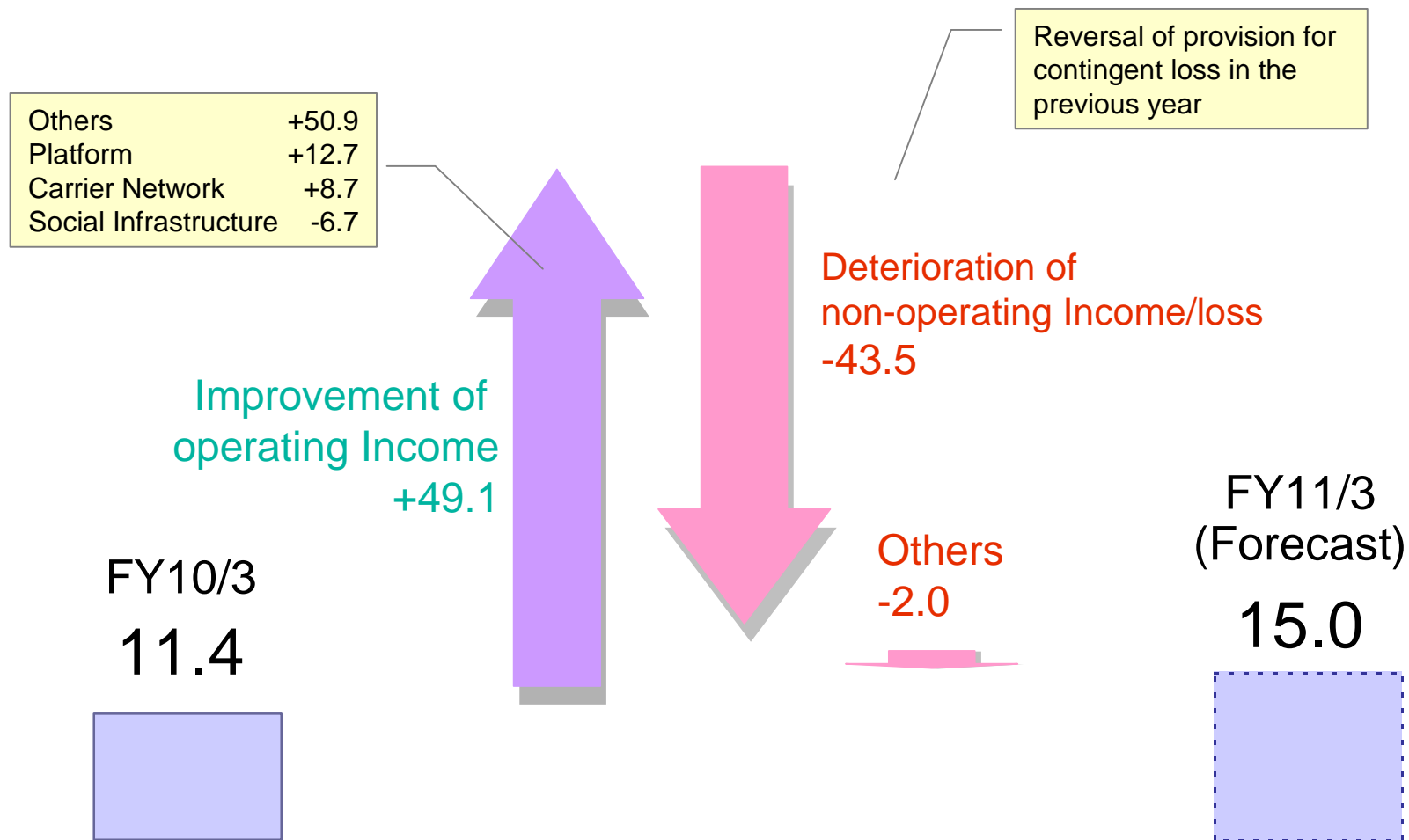
- △ Expect an improvement due to the deconsolidation of the NEC Electronics (current Renesas Electronics) which marked operating loss in the previous year



\* Forecast as of Jan 27, 2011 (Note: Unchanged from previous forecasts of Oct 28)

# Net Income Change (Year on Year)

(Billions of yen)



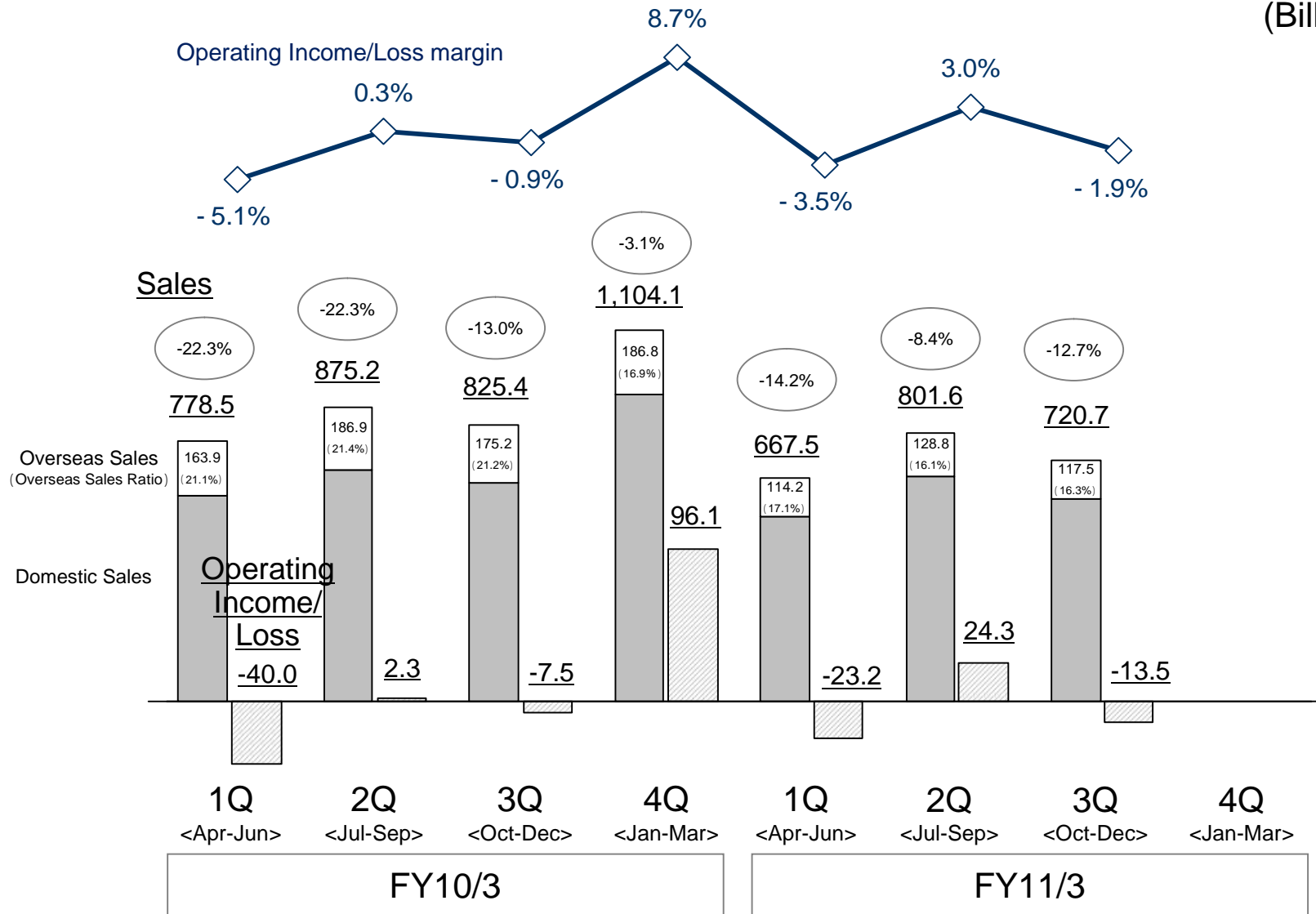
\* Forecast as of Jan 27, 2011 (Note: Unchanged from previous forecasts of Oct 28)

# Reference

# Sales, Operating Income/Loss (NEC Total)

(Billions of yen)

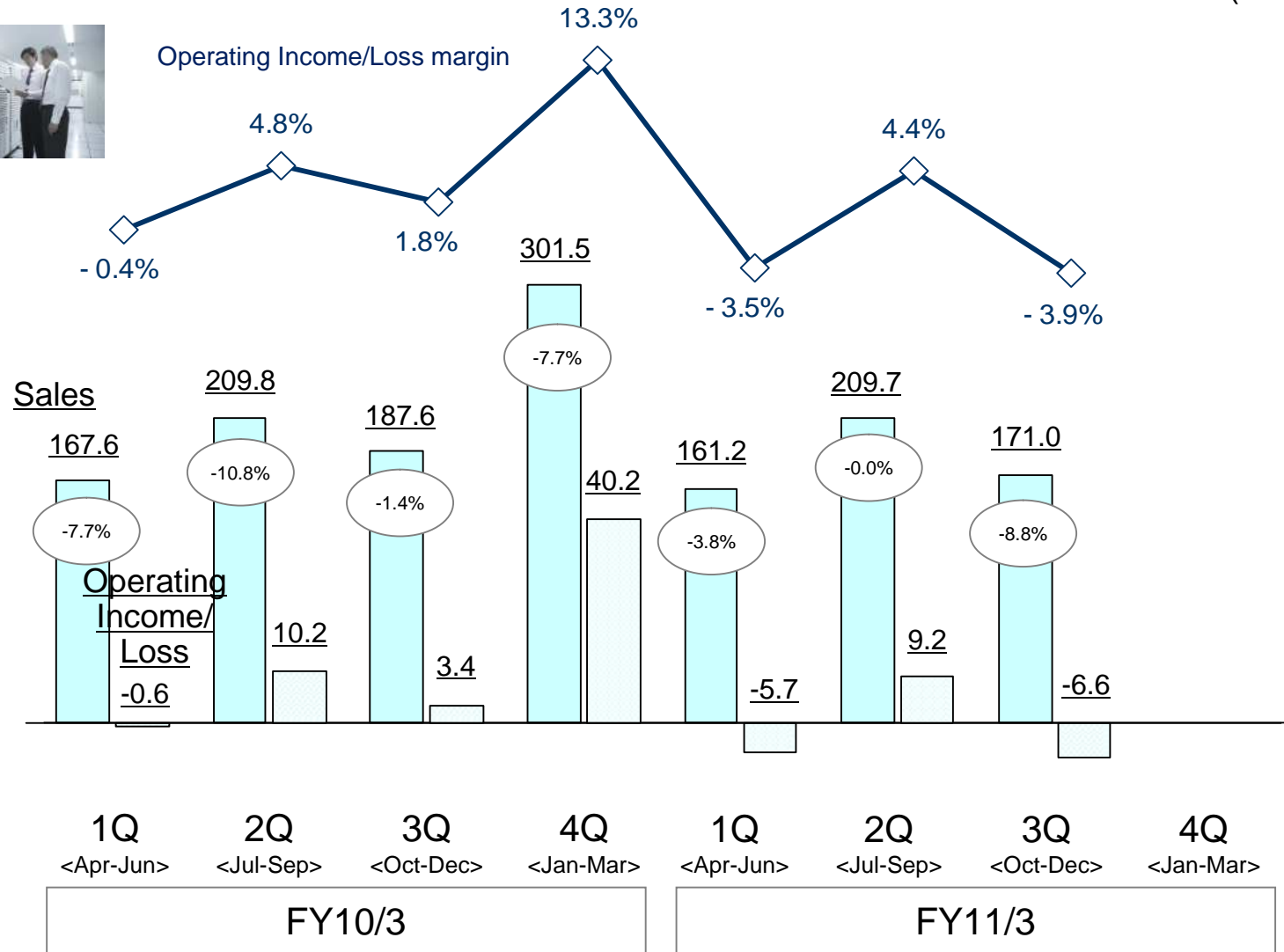
YoY



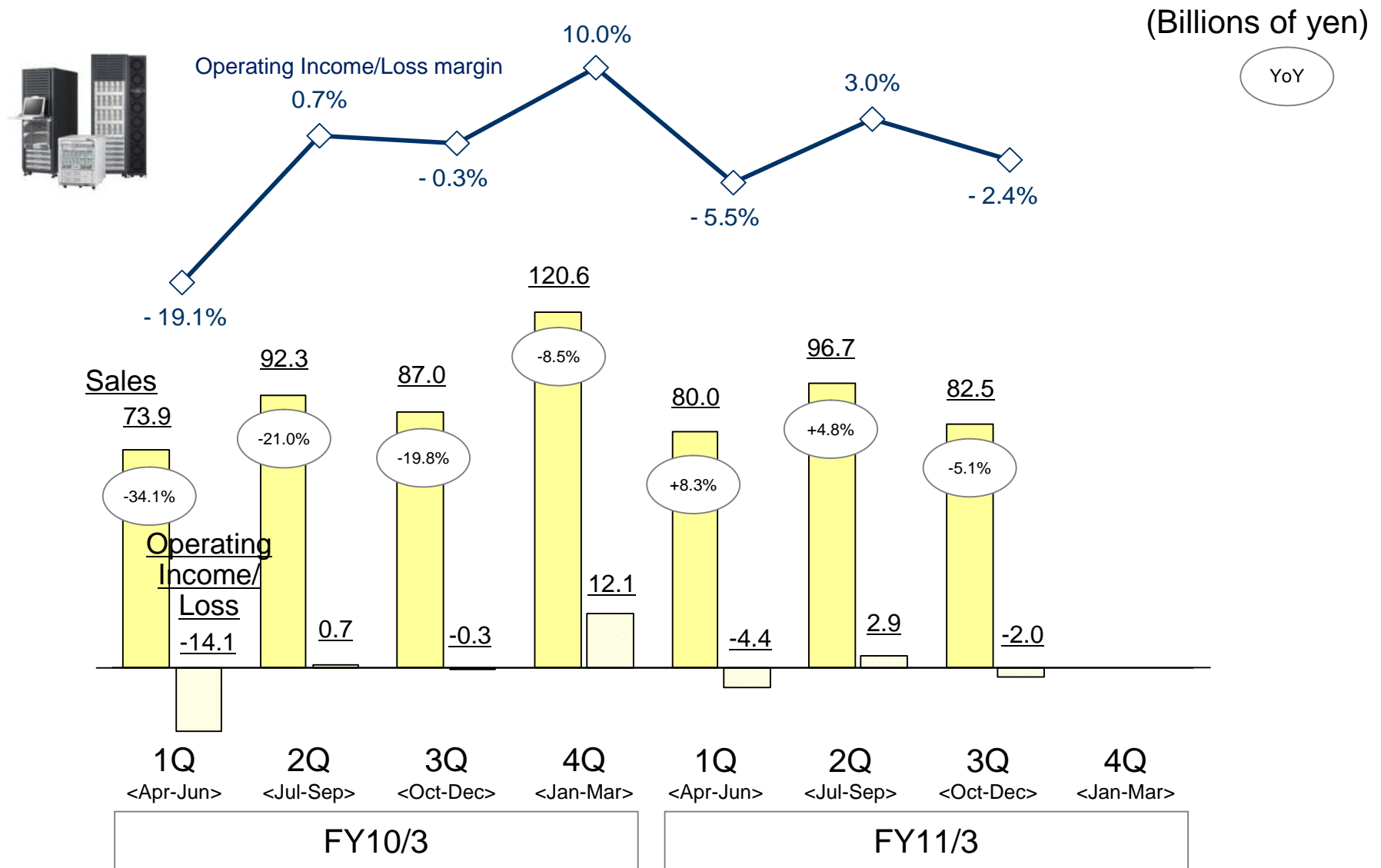
# Sales, Operating Income/Loss (IT Services)

(Billions of yen)

YoY

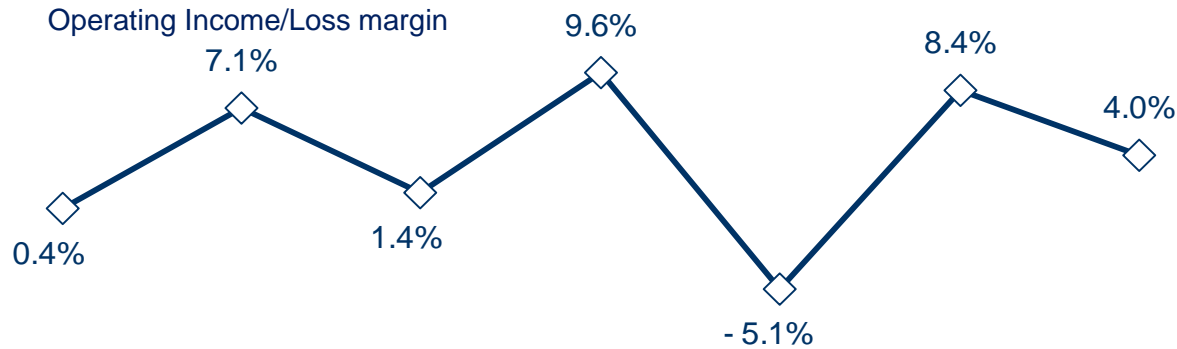


# Sales, Operating Income/Loss (Platform)

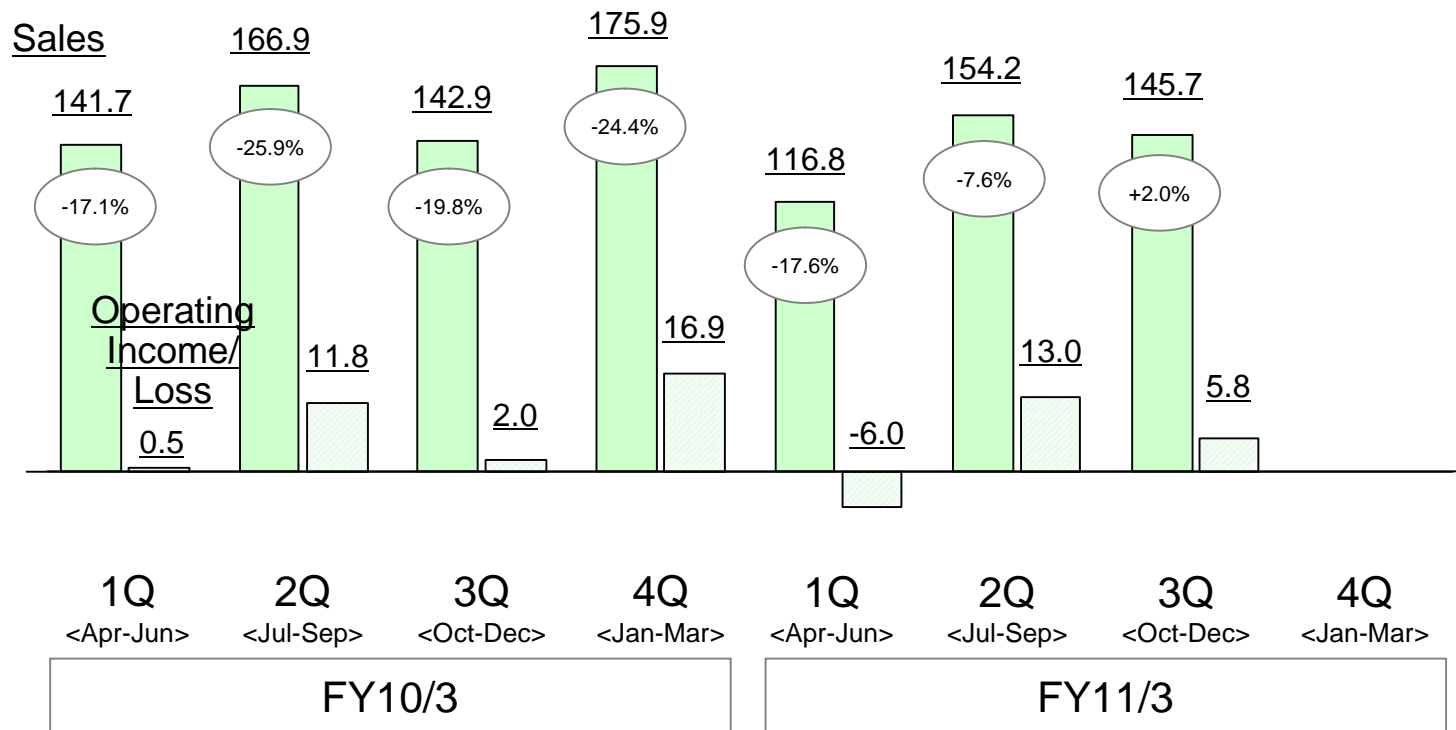


# Sales, Operating Income/Loss (Carrier Network)

(Billions of yen)



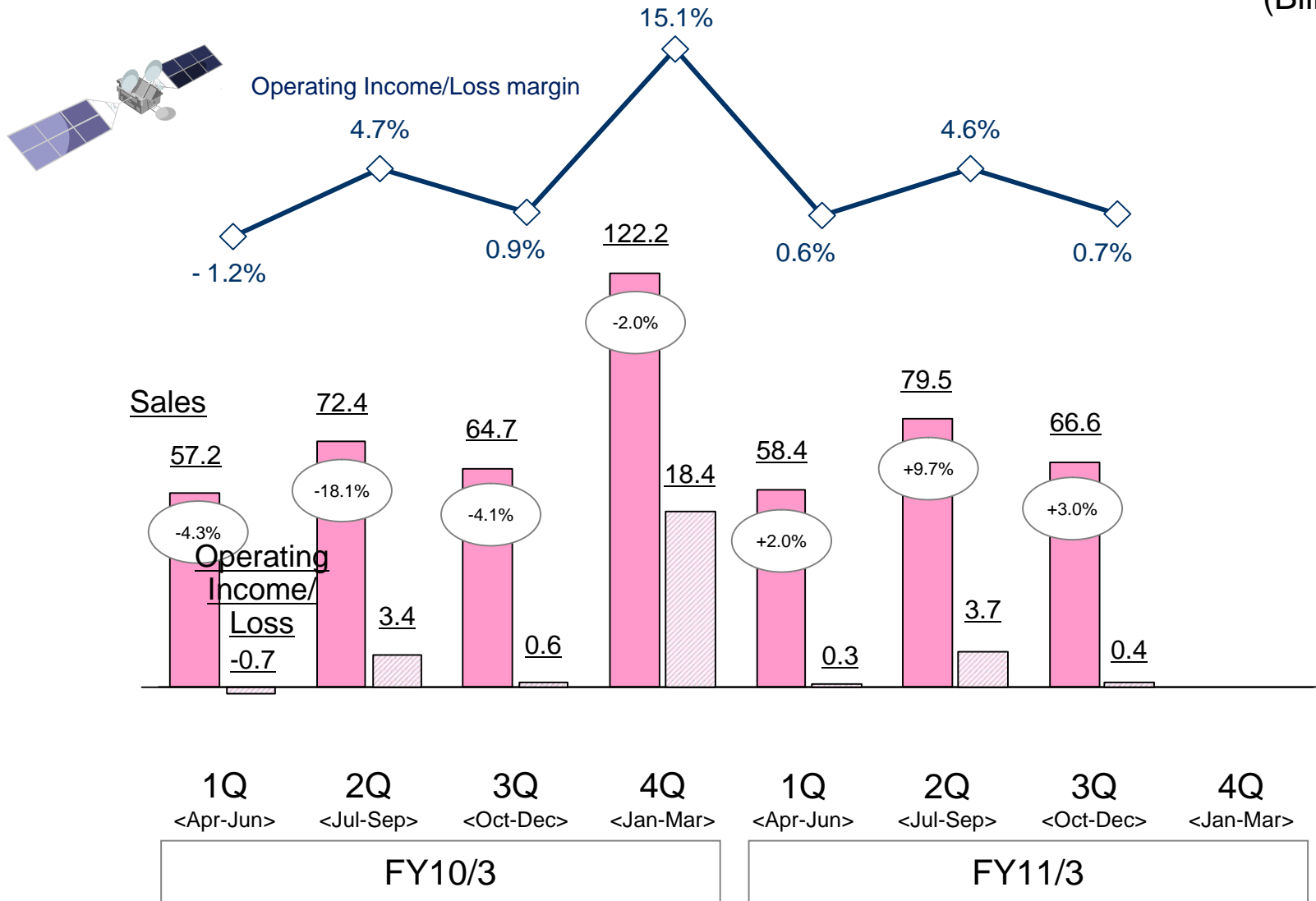
YoY



# Sales, Operating Income/Loss (Social Infrastructure)

(Billions of yen)

YoY





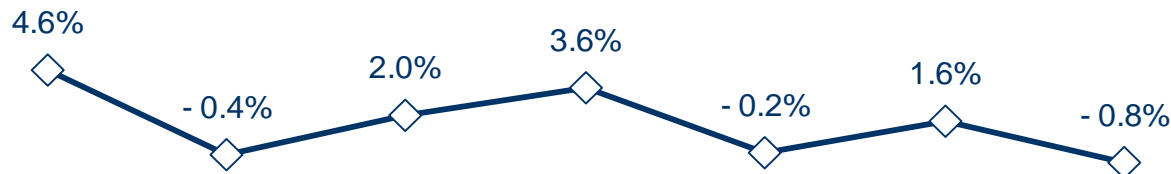
# Sales, Operating Income/Loss (Personal Solutions)

(Billions of yen)

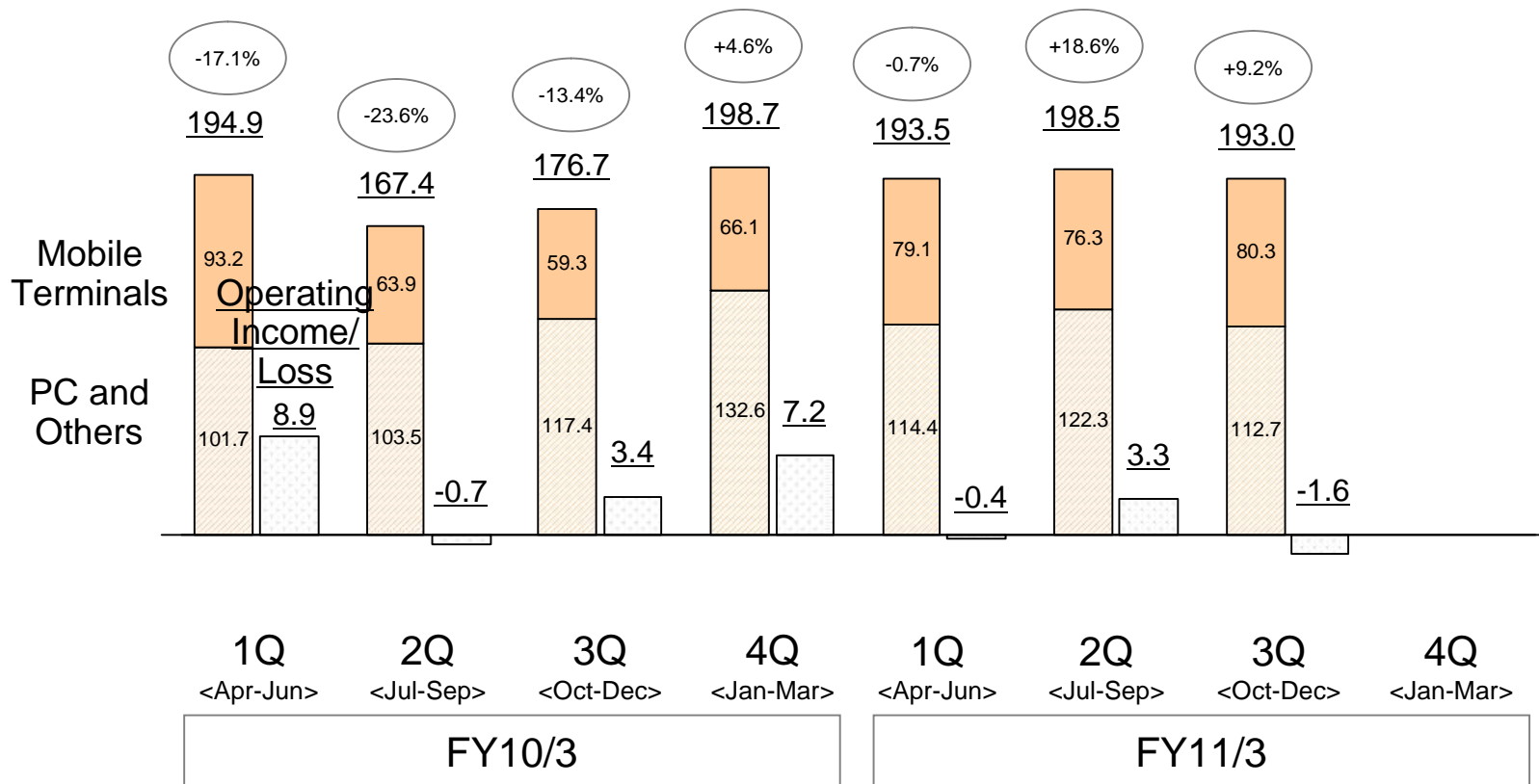
YoY



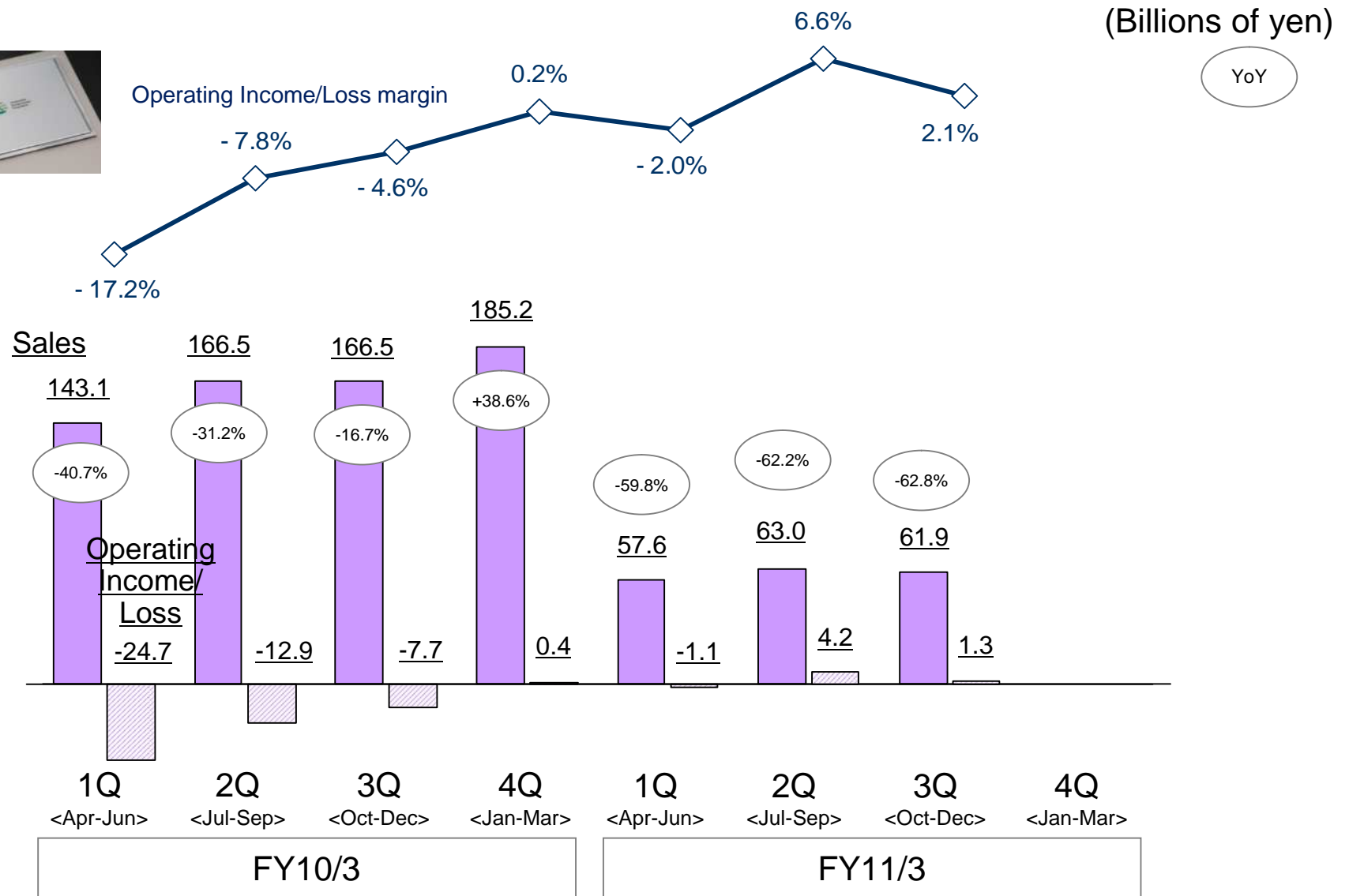
Operating Income/Loss margin



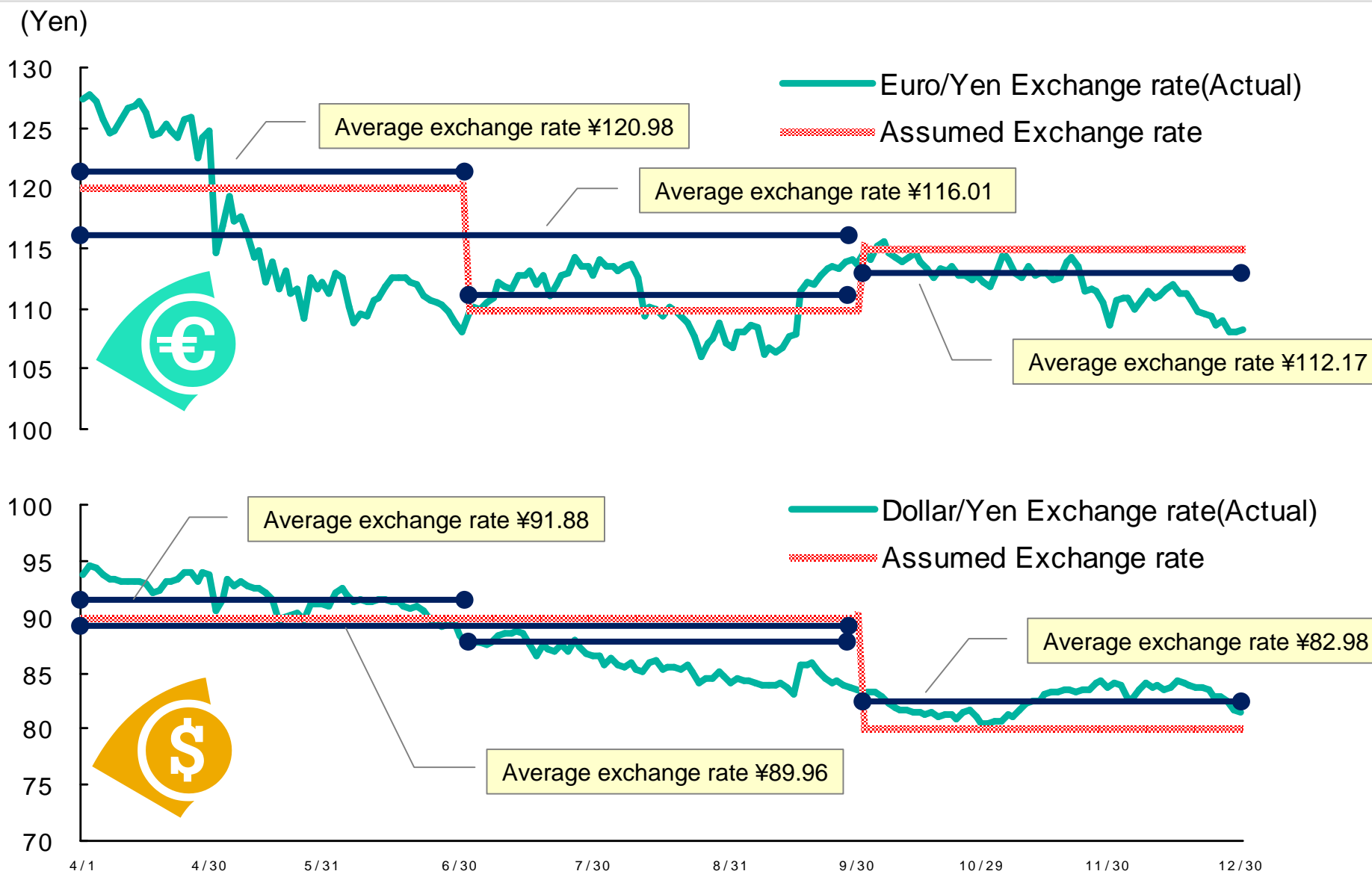
Sales



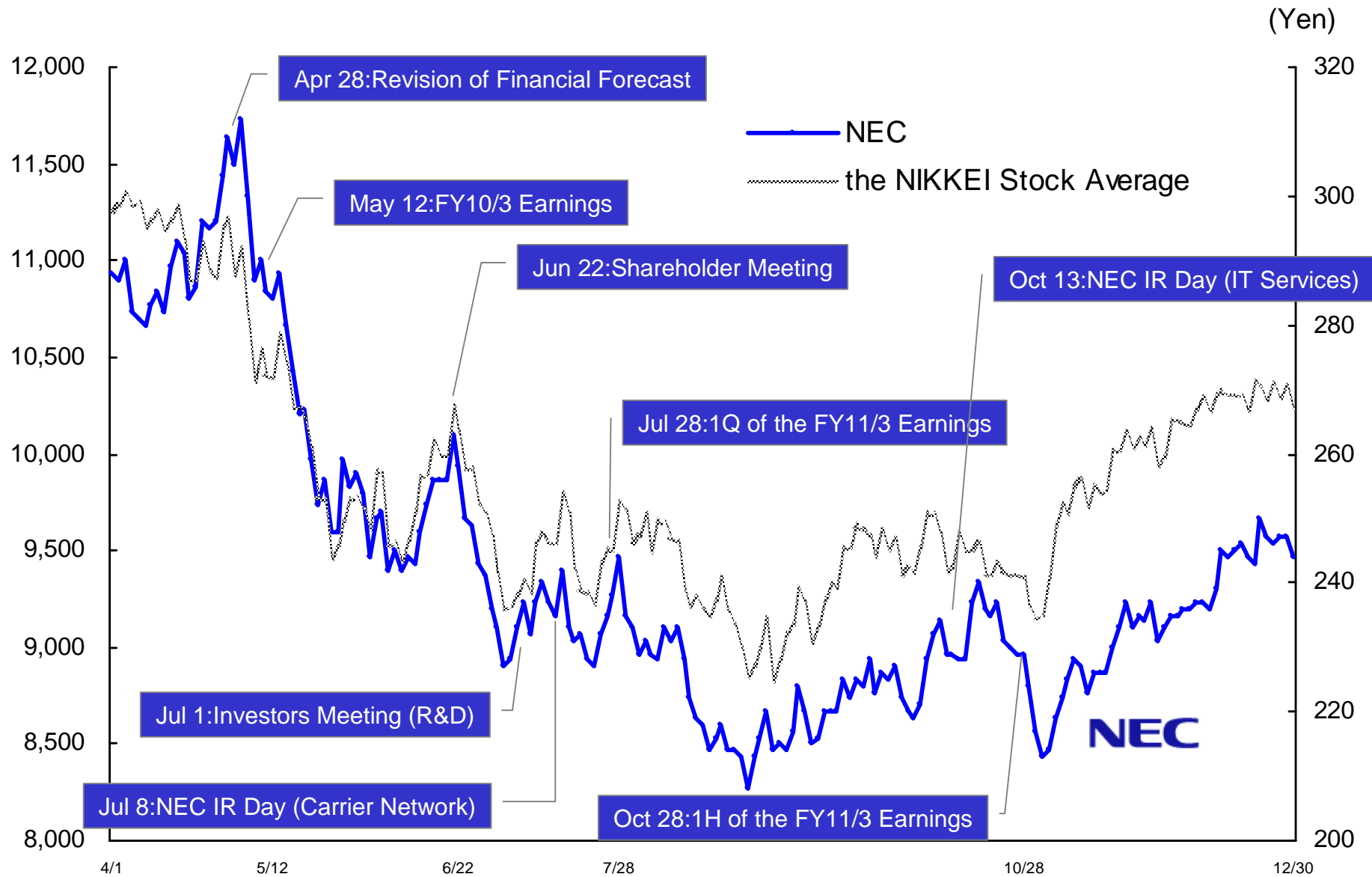
# Sales, Operating Income/Loss (Others)



# Exchange Rate



# Stock Price



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