

**Earnings Presentation Q&A
for the Third Quarter of Fiscal 2010, the Year Ending March 2011**

- : Question
- : NEC's answer

* Fiscal Year 2010: Year ending March 31, 2011

Fiscal Year 2011 Year ending March 31, 2012

Fiscal Year 2012 Year ending March 31, 2013

*“Previous forecasts” refers to forecasts announced on October 28, 2010 (at the second-half earnings presentation).

Results for 3Q and business situation

•How much were the differences of the net sales and operating income/loss between the results and your expectation by the business segments?

→We do not disclose the exact figures of our budget, while both of net sales and operating income/loss did not reach our expectations.

→Net sales did not reach by tens of billions yen. The half of the decline came from the Carrier Network Business and the rest came from the IT Services Business and the Personal Solutions Business.

→Operating income/loss was short by approximately 13.0 billions yen. This shortage mainly came from the IT Services Business due to the sales decrease and loss-making projects. Also, the Carrier Network Business and the Personal Solutions Business did not reach our expectation.

•How was the profit of the mobile terminals?

→Severe conditions continue due to the increase in the development costs for smartphone and new device “LifeTouch”.

Financial forecasts for fiscal year 2010

•Do you have a confidence in achieving the financial forecast of IT Services Business?

→While our order status in 3Q decreased year on year, we endeavor to get orders which link to sales in 4Q. Moreover, we will save the expenses to achieve our forecast.

•Please explain the current situation of the PASOLINK Business?

→We revised down the sales forecast for fiscal year 2010 under the stagnant conditions until 3Q.

Regarding the new model of PASOLINK, we have already got orders.

We also have many inquiries from telecom carriers.

•Please explain the current situation of the Submarine Cable Systems Business?

→As we expect to record the sales of large-scale projects in 4Q, we do not change the sales forecasts for fiscal year 2010 from the previous forecasts.

•What is the reason of downward revision of annual shipments forecast (from 6million to 5million units) in the mobile terminals?

→Out of this revision, 70-80% downward comes from terminals for overseas. The main reason is the delay for launching smartphone.

Future forecasts

•How is the market outlook for Japanese IT services in fiscal year 2011?

→Following this year, we foresee Fiscal year 2011 will continue severe situation. However, as the enterprises, central and local governments have restrained their IT investments for a long time, we think they have to invest in improving their management efficiency near future.

Currently, though they may worry about the political situation or appreciation of the yen, we estimate the IT investment in Japan will recover in the second half of Fiscal year 2011.

•I heard that the mass production of electrodes for automotive lithium-ion batteries is working well.

Do you have a confidence to achieve your plan of fiscal year 2012?

→We want to achieve ¥100 billion sales in the batteries business in fiscal year 2012 by capturing business opportunities for all uses including other than automotive.