

**Earnings Presentation Q&A for the Revision of Financial Forecasts
for the Fiscal Year Ended March 31, 2011**

•: Question

→: NEC's answer

Fiscal Year 2010: Year ending March 31, 2011

Fiscal Year 2011: Year ending March 31, 2012

Financial forecasts for fiscal year 2010

- Please explain the background of revision of financial forecasts.
 - Though we are endeavoring to increase sales and profit in each business, we decided to revise financial forecasts because it is difficult to achieve original target.
- Please comment on dividend forecast for the fiscal year 2010.
 - We have to refrain from making a comment whether we pay dividend or not at the moment because it is not decided yet. We recognize a dividend is very important for shareholders.
- Please explain the current business environment of IT Services Business.
 - As the recovery of IT investment in Japan is slower than we expected, sales for public and retail sectors were sluggish. Also, as loss-making projects are increasing, we will enhance the project management to reduce these projects for fiscal year 2011.
- How much do you expect the operating profit in Mobile Terminal Business in fiscal year 2010?
 - We revised the operating profit in Personal Solutions from 16 Billions Yen to zero.
As two-thirds of this revision come from Mobile Terminal Business, we expect the operating loss in this business in fiscal year 2010.
The main reason is the delay for launching smartphone.
- Do Political uncertainties in Middle East and Africa have an influence on PASOLINK Business?
 - As sales in these areas are not so big, it has little impact on financial forecasts.

Future forecasts

- How is business outlook for the fiscal year 2011?
 - Regarding Carrier Network Business, we expect to increase in CAPEX among telecom carriers backed by data traffic increase. As for Global business, one of the large-scale submarine cable system projects was launched in 3Q, and another one will start shortly. Also, we launched new model of PASOLINK. We expect these businesses will surely contribute to the sales growth in fiscal year 2011.
 - Regarding Personal Solutions Business, we will launch new smartphone (7.7mm-thinness) in March. In the field of IT Services Business, we think if customers confirm the recovery of economy and the yen appreciation correct, IT investment in Japan will increase. We will endeavor to capture business opportunities for the fiscal year 2011 by utilizing our strengths.