

Financial Results for 1H Fiscal Year Ending March 31, 2013

October 26, 2012

NEC Corporation

(<http://www.nec.com/en/global/ir>)

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※ As stated in the July 6, 2012 announcement, “NEC Revises Business Segments,” NEC has revised its business segments from the first quarter of the fiscal year ending March 31, 2013. Figures for the corresponding period of the previous fiscal year have been adjusted in accordance with the new segments



I. Financial Results for 1H, FY13/3

Summary of Financial Results for 1H

Sales

YoY +0.3%
Difference from Jul 31
+47.8B Yen

- Increased year on year and achieved forecast

*increase by approximately 3% excluding the impact of deconsolidation of consumer PC and LCD module businesses

- Expanded mainly in IT Solutions and Carrier Network
- Sold LCD patents to Hon Hai Precision Industry Co., Ltd for approximately 9.5B Yen (figures included in Others)

Operating Income

YoY +40.6B Yen
Difference from Jul 31
+46.4B Yen

- Secured operating income in all segments

- Improved in IT Solutions and Carrier Network significantly
- 13.0B Yen effect of restructuring (in line with original plan)
- Invested approximately 4.0B Yen for future growth

Net Income/Loss

YoY +19.0B Yen
Difference from Jul 31
+32.0B Yen

- Turned to the black due to improvement in operating income

- Improved in equity in earnings/losses of affiliates
- Sold Lenovo stakes

Summary of Financial Results for 1H

(Billions of Yen)

	Q2 <Jul-Sep>			1H <Apr-Sep>			Difference from Jul 31
	FY12/3 Actual	FY13/3 Actual	YoY	FY12/3 Actual	FY13/3 Actual	YoY	
Net Sales	774.1	816.3	5.4%	1,443.2	1,447.8	0.3%	47.8
Operating Income	26.2	55.2	29.0	6.8	47.4	40.6	46.4
% to Net Sales	3.4%	6.8%		0.5%	3.3%		
Ordinary Income/Loss	19.2	42.0	22.8	-10.4	29.9	40.3	45.9
% to Net Sales	2.5%	5.2%		-	2.1%		
Net Income/ Loss	18.7	25.9	7.1	-11.0	8.0	19.0	32.0
% to Net Sales	2.4%	3.2%		-	0.6%		
Free Cash Flow	-7.3	-58.6	-51.3	9.2	-32.0	-41.2	

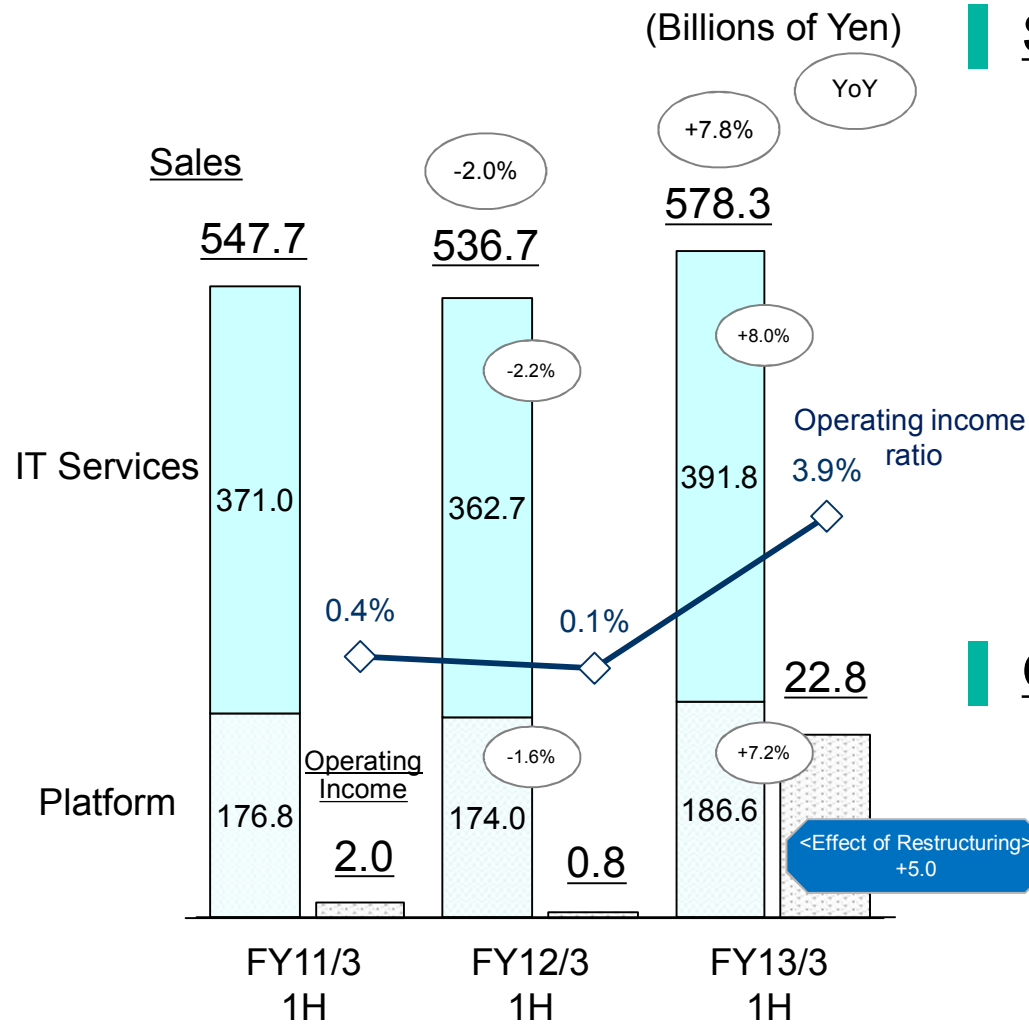
Note: Average exchange rates for 1H, FY13/3: 1\$ = ¥80.13, 1€ = ¥102.06
 (Assumed exchange rates for FY13/3 as of July 31, 2012: 1\$ = ¥75, 1€ = ¥100)

1H Results by Segment

(Billions of Yen)

		Q2 <Jul-Sep>			1H <Apr-Sep>		
		FY12/3 Actual	FY13/3 Actual	YoY	FY12/3 Actual	FY13/3 Actual	YoY
IT Solutions	Net Sales	299.3	329.2	10.0%	536.7	578.3	7.8%
	Operating Income	13.6	28.6	15.1	0.8	22.8	22.1
	% to Net Sales	4.5%	8.7%		0.1%	3.9%	
Carrier Network	Net Sales	156.0	170.7	9.4%	283.5	312.0	10.1%
	Operating Income	12.9	15.7	2.9	15.3	27.0	11.7
	% to Net Sales	8.3%	9.2%		5.4%	8.6%	
Social Infrastructure	Net Sales	81.5	82.7	1.4%	140.3	141.9	1.1%
	Operating Income	5.7	6.8	1.1	6.1	8.2	2.1
	% to Net Sales	6.9%	8.2%		4.3%	5.7%	
Personal Solutions	Net Sales	170.8	170.0	- 0.4%	354.3	302.5	- 14.6%
	Operating Income	2.1	4.2	2.1	3.4	1.2	-2.2
	% to Net Sales	1.2%	2.4%		1.0%	0.4%	
Others	Net Sales	66.5	63.7	- 4.2%	128.5	113.0	- 12.0%
	Operating Income	4.3	14.4	10.0	3.0	13.0	10.0
	% to Net Sales	6.5%	22.5%		2.4%	11.5%	
Eliminations/ Unclassifiable expenses	Operating Loss	-12.3	-14.4	-2.1	-21.8	-24.7	-2.9
Total	Net Sales	774.1	816.3	5.4%	1,443.2	1,447.8	0.3%
	Operating Income	26.2	55.2	29.0	6.8	47.4	40.6
	% to Net Sales	3.4%	6.8%		0.5%	3.3%	

Billions of Yen (YoY)



Sales 578.3 (+7.8%)

△ IT Services
Solid sales in telecom, manufacturing and retail sectors
Consolidation of CSG Limited's Technology Solutions business

△ Platform
Increase in IT hardware and software due to large-scale projects

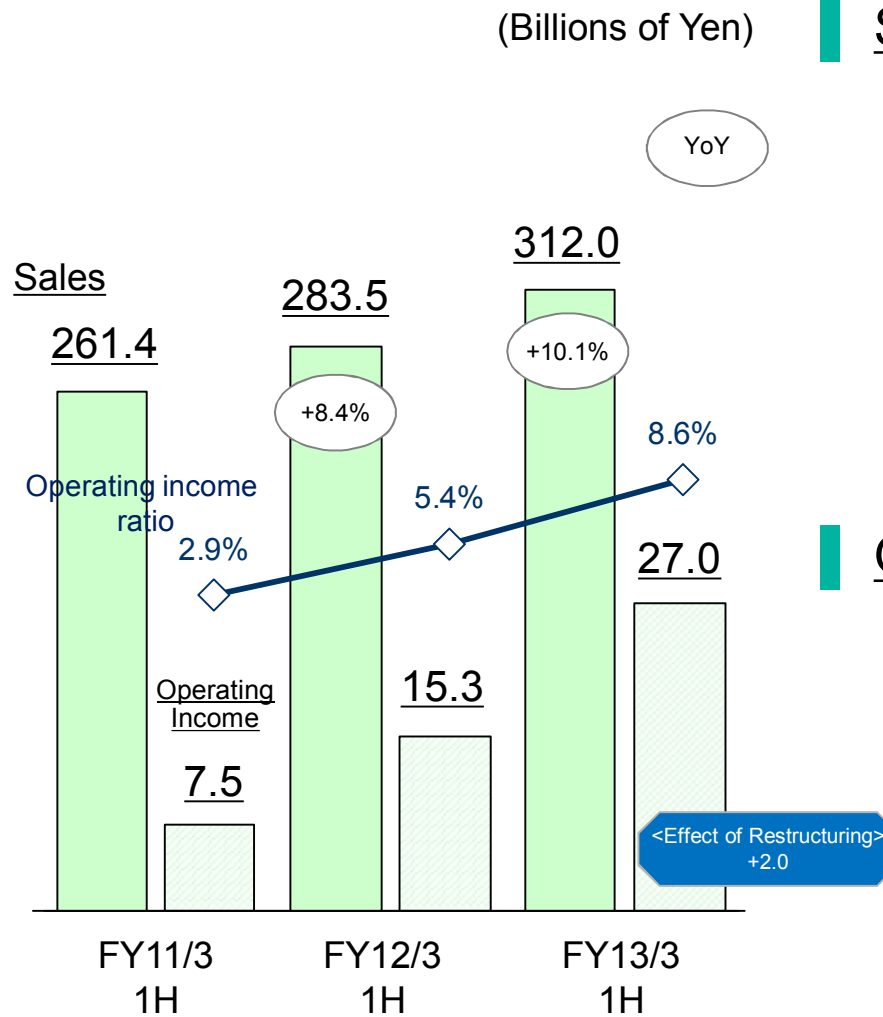
Operating Income 22.8 (+22.1)

△ Improve by sales increase and cost reductions



Carrier Network Business

Billions of Yen (YoY)



Sales 312.0 (+10.1%)

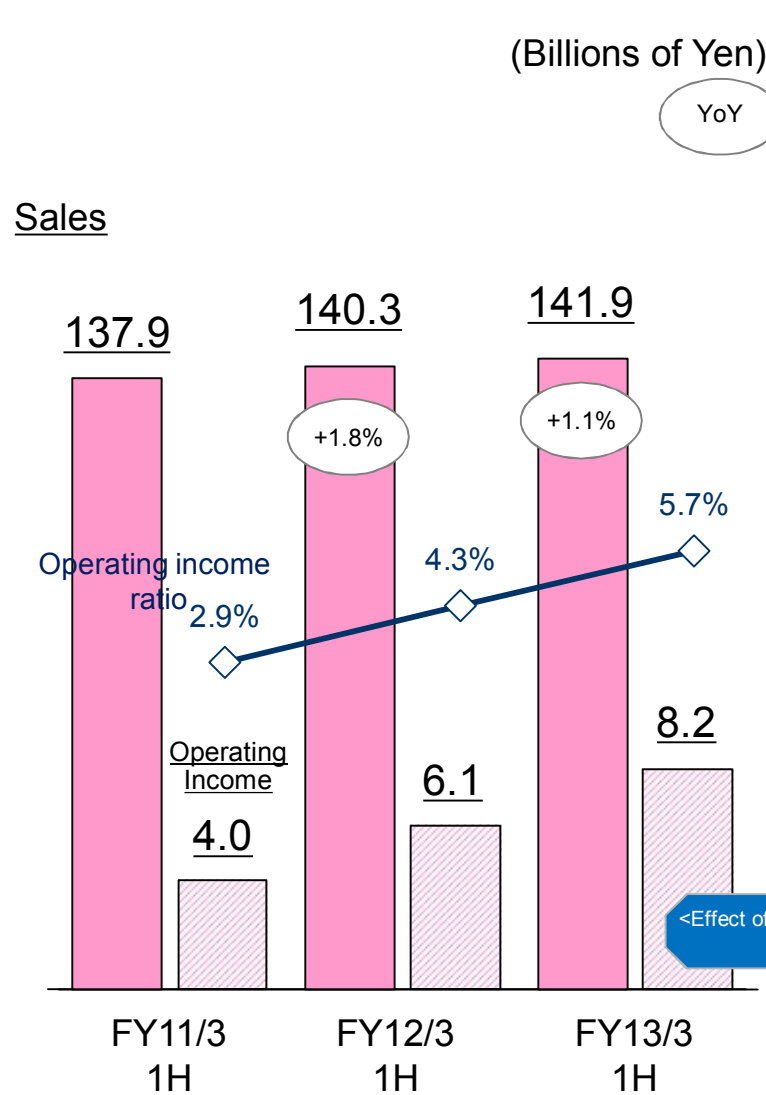
- △ Japan: Healthy sales
- ▽ Overseas: Almost flat by consolidation of Convergys BSS business and sales expansion in submarine cable systems despite decrease in mobile backhaul in sluggish market

Operating Income 27.0 (+11.7)

- △ Increase from sales expansion in Japan and cost reduction despite making an investment for future growth



Social Infrastructure Business



Sales 141.9 (+1.1%)

△ Increase by stable sales in aerospace and defense systems

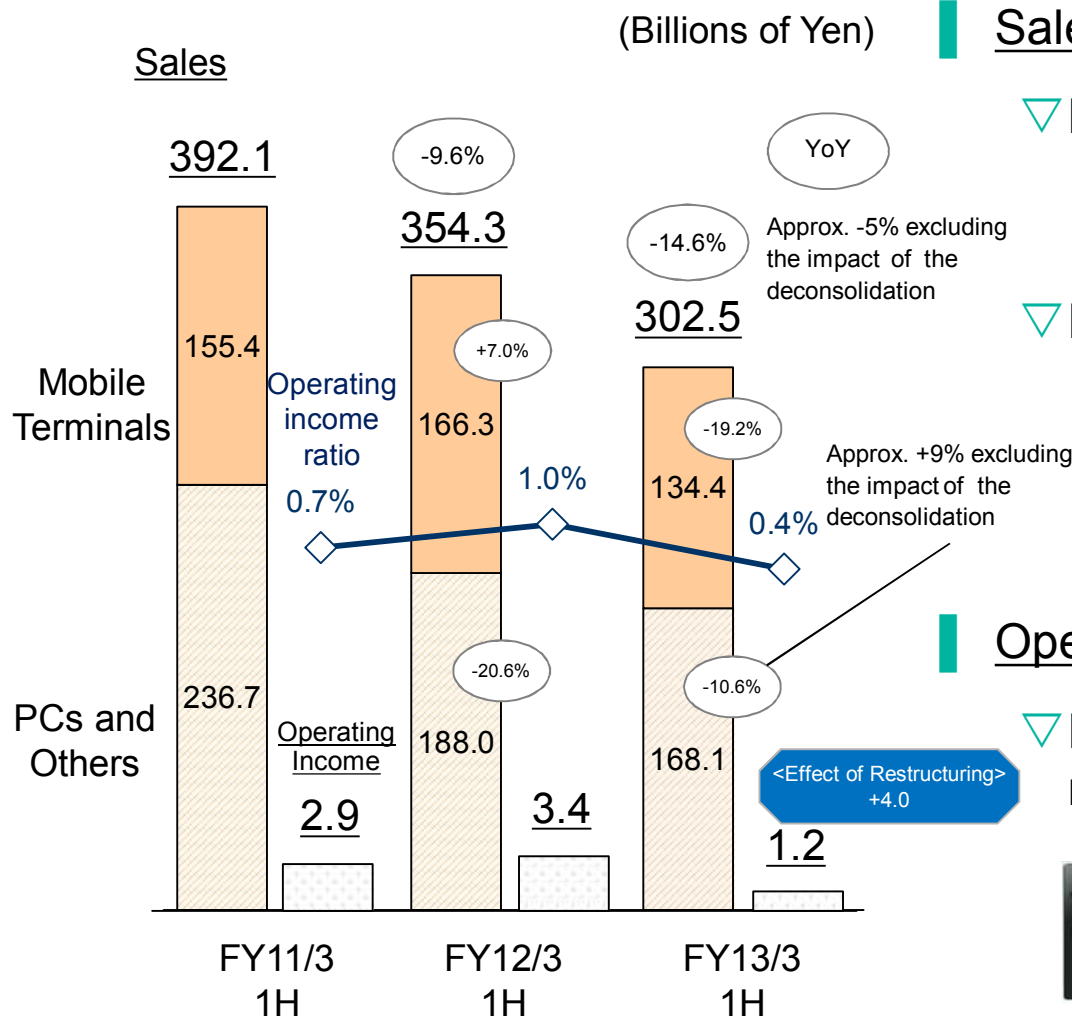
Operating Income 8.2 (+2.1)

△ Increase by sales expansion and cost reductions



Personal Solutions Business

Billions of Yen (YoY)



Sales 302.5 (-14.6%)

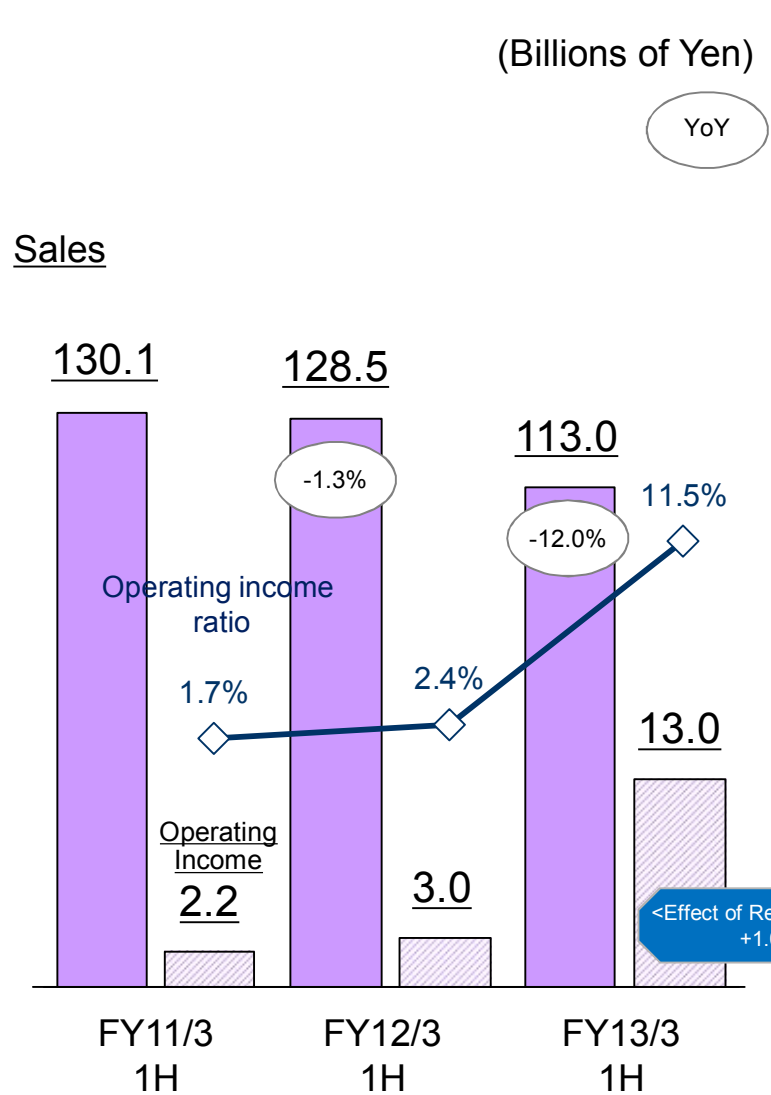
▽ Mobile Terminals:
Decline due to decrease in shipment of mobile handset

▽ PCs and Others:
Decline due to deconsolidation of consumer PC business, despite the rise of tablet devices and increase in business PCs

Operating Income 1.2 (-2.2)

▽ Decrease due to sales decrease in mobile terminals





Sales 113.0 (-12.0%)

▽ Decrease due to deconsolidation of LCD module business and decrease in energy business and electronic component business

△ Sale of LCD patents to Hon Hai Precision Industry Co., Ltd

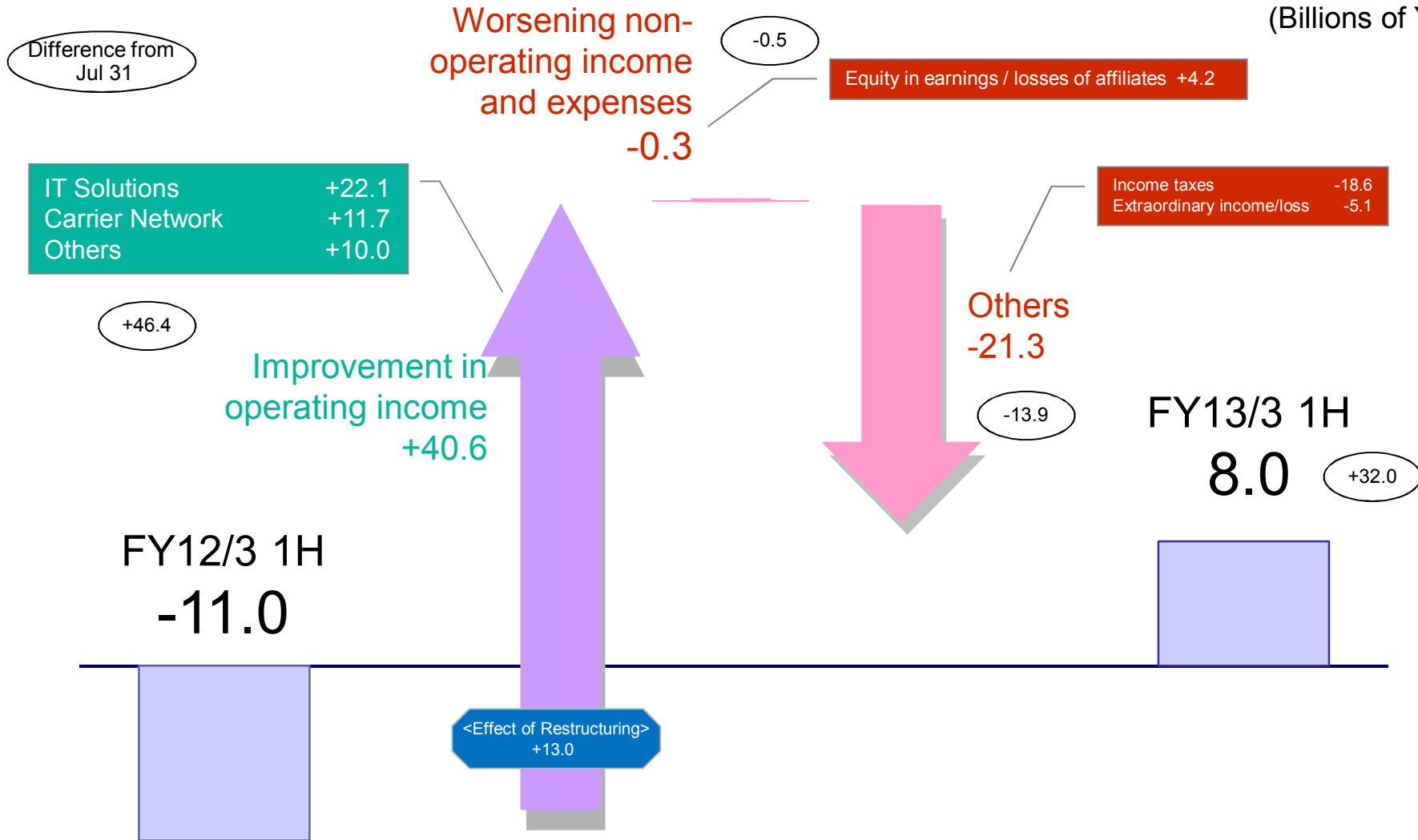
Operating Income 13.0 (+10.0)

△ Improve due to the sale of LCD patents despite sales decrease



Net Income Change (Year on Year)

(Billions of Yen)





II. Progress on Restructuring

Progress on Expenses Restructuring

Expect to secure 40.0B Yen from restructuring and reduce headcount as planned

Business Restructuring + Streamline Corporate staff

Effect in FY13/3: +20.0B Yen

- Employees applying for early retirement program: 2,393 in administrative staff, mobile terminal and platform businesses etc.
 - Additional 2.9B Yen posted in non-operating expenses
 - Reduced employees in NEC TOKIN (early retirement program in Japan / establishment of new plant in Thailand), Nippon Avionics Co., Ltd. (early retirement program)

Reduction of External Resources

Effect in FY13/3 : +4.0B Yen

- Expect to secure results as planned

Immediate Cost Reductions

Effect in FY13/3: +16.0B Yen

- Expect to reduce monthly salary at all levels of staff in Japan as planned

*Forecasts (results for FY13/3) as of Oct 26, 2012

Progress on Business Restructuring

Executing drastic restructuring in Mobile Terminal Business

Mobile Terminal

Effect in FY13/3: +11.0B Yen

- Streamlined resources for development and manufacturing operations in NEC CASIO Mobile Communications Ltd, and NEC Saitama Ltd
(reduced headcount by approx. 500)
- Started to utilize offshore JDM (Joint Design Manufacturer)

Platform

Effect in FY13/3 : +6.0B Yen

- Streamlined administrative staff, hardware development and manufacturing

NEC TOKIN (Electronic component)

- Restructured capacitor business
 - Established new plant in Thailand
Reduced headcount by approx. 3,000
- Capital and business alliance with KEMET Corporation of the U.S. (announced in March)

*Forecasts (results for FY13/3) as of Oct 26, 2012



III. Summary of Financial Forecasts for FY13/3

Toward Achievement of Financial Forecasts



Achieve financial forecasts(*) to resume dividend payments under good business momentum in IT Solutions and Carrier Networks despite economic uncertainty

**Forecasts(*) : 100.0B Yen operating income
20.0B Yen net income
4 Yen year-end dividend**

*Forecasts as of Oct 26, 2012

Summary of Financial Forecasts for FY13/3

(Billions of Yen)

	2H <Oct-Mar>			Full Year			Difference from Jul 31
	FY12/3 Actual	FY13/3 Forecasts	YoY	FY12/3 Actual	FY13/3 Forecasts	YoY	
Net Sales	1,593.6	1,702.2	6.8%	3,036.8	3,150.0	3.7%	0.0
Operating Income	67.0	52.6	-14.3	73.7	100.0	26.3	0.0
% to Net Sales	4.2%	3.1%		2.4%	3.2%		
Ordinary Income	52.5	40.1	-12.3	42.1	70.0	28.0	0.0
% to Net Sales	3.3%	2.4%		1.4%	2.2%		
Net Income/ Loss	-99.3	12.0	111.3	-110.3	20.0	130.3	0.0
% to Net Sales	-	0.7%		-	0.6%		
Free Cash Flow	24.9	32.0	7.0	34.2	0.0	-34.2	

Note: Assumed exchange rates for 2H, FY13/3 1\$=¥75, 1€=¥100

*Forecasts as of Oct 26, 2012

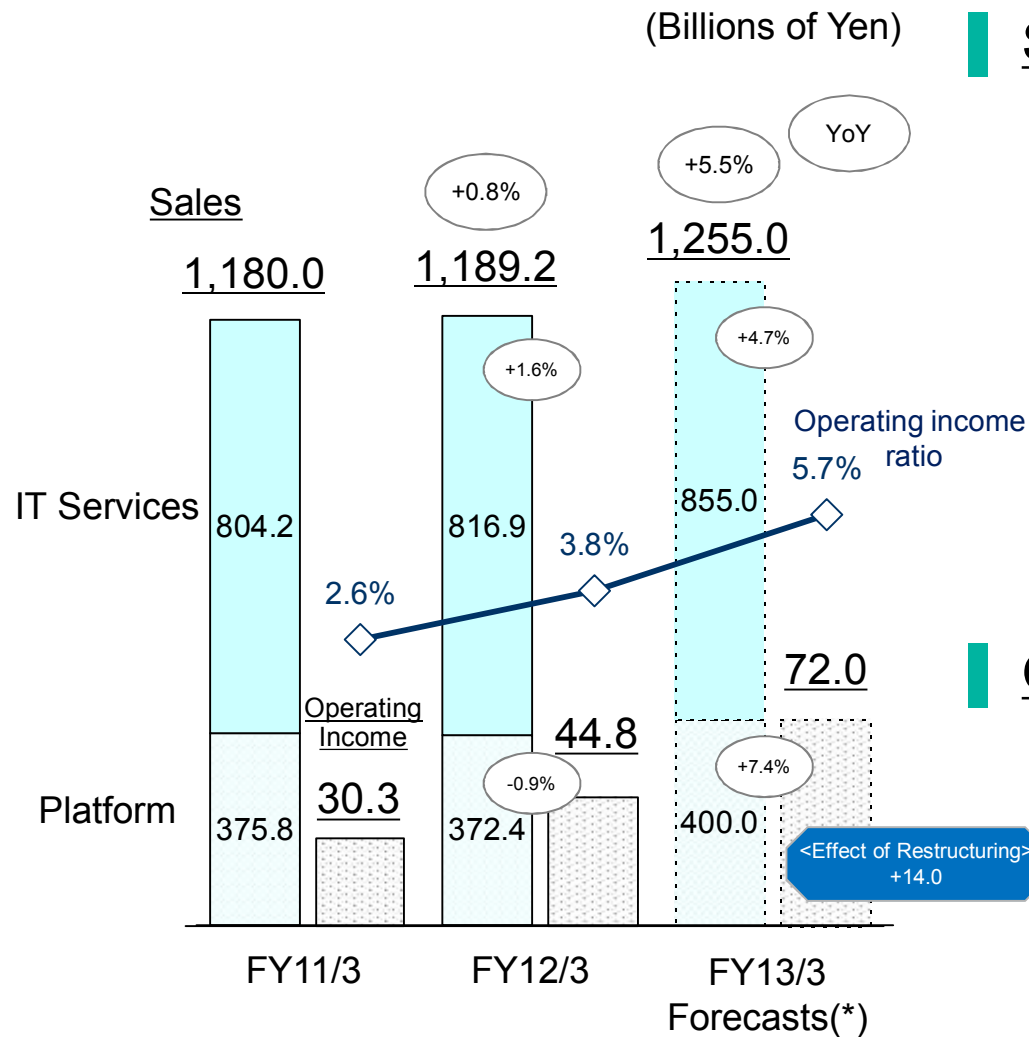
Financial Forecasts for FY13/3 by Segment

(Billions of Yen)

		2H <Oct-Mar>			Full Year			Difference from Jul 31
		FY12/3 Actual	FY13/3 Forecasts	YoY	FY12/3 Actual	FY13/3 Forecasts	YoY	
IT Solutions	Net Sales	652.5	676.7	3.7%	1,189.2	1,255.0	5.5%	0.0
	Operating Income	44.0	49.2	5.2	44.8	72.0	27.2	0.0
	% to Net Sales	6.7%	7.3%		3.8%	5.7%		
Carrier Network	Net Sales	319.3	383.0	20.0%	602.7	695.0	15.3%	0.0
	Operating Income	35.4	26.0	-9.3	50.6	53.0	2.4	0.0
	% to Net Sales	11.1%	6.8%		8.4%	7.6%		
Social Infrastructure	Net Sales	190.1	233.1	22.6%	330.4	375.0	13.5%	0.0
	Operating Income	10.1	10.8	0.8	16.2	19.0	2.8	0.0
	% to Net Sales	5.3%	4.7%		4.9%	5.1%		
Personal Solutions	Net Sales	306.7	307.5	0.3%	661.0	610.0	-7.7%	0.0
	Operating Income/Loss	-2.4	8.8	11.2	1.0	10.0	9.0	0.0
	% to Net Sales	-	2.9%		0.2%	1.6%		
Others	Net Sales	125.0	102.0	-18.4%	253.5	215.0	-15.2%	0.0
	Operating Income	8.1	3.0	-5.1	11.1	16.0	4.9	0.0
	% to Net Sales	6.5%	3.0%		4.4%	7.4%		
Eliminations/ Unclassifiable expenses	Operating Loss	-28.2	-45.3	-17.1	-50.0	-70.0	-20.0	0.0
Total	Net Sales	1,593.6	1,702.2	6.8%	3,036.8	3,150.0	3.7%	0.0
	Operating Income	67.0	52.6	-14.3	73.7	100.0	26.3	0.0
	% to Net Sales	4.2%	3.1%		2.4%	3.2%		

*Forecasts as of Oct 26, 2012

Billions of Yen (YoY)



Sales 1,255.0 (+5.5%)

△ IT Services

Increase in telecom sector with continuing healthy market demand and IT investment recovery in manufacturing and retail services sectors

△ Platform

Increase due to large-scale projects

Operating Income 72.0 (+27.2)

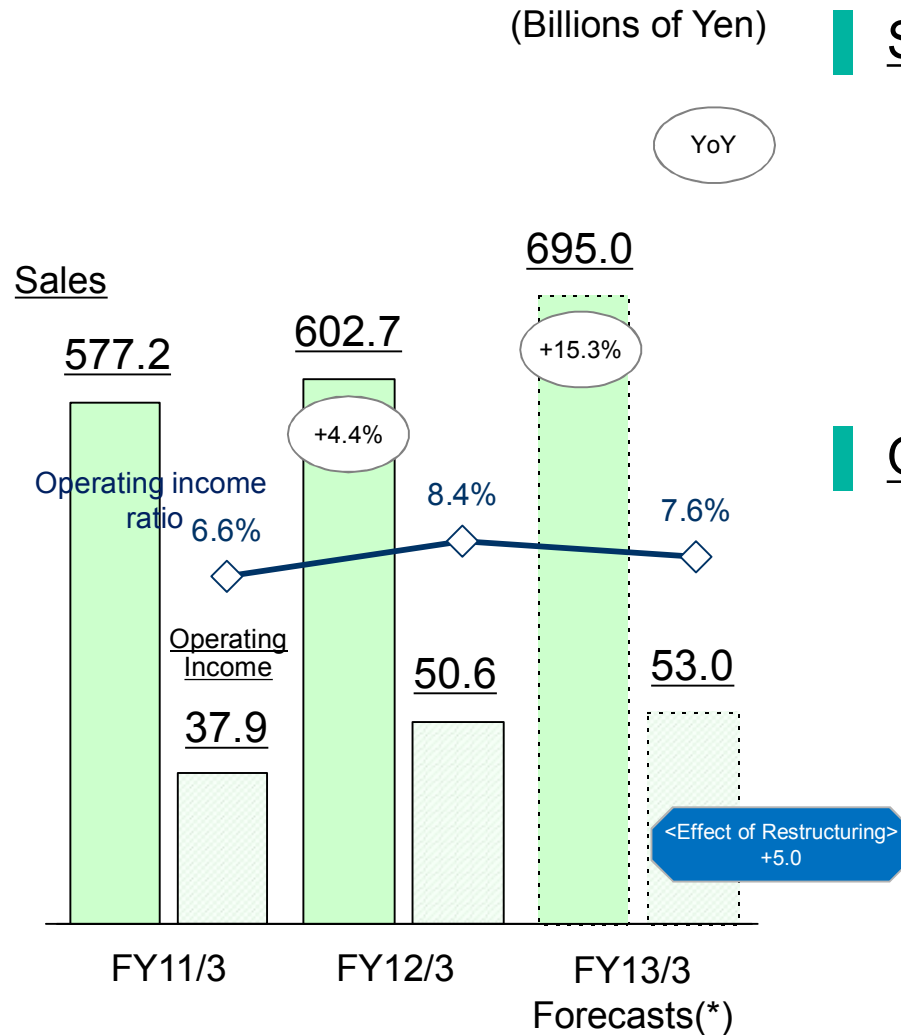
△ Increase due to sales expansion and the effect of restructuring



*Forecasts as of Oct 26, 2012

Carrier Network Business

Billions of Yen (YoY)



Sales 695.0 (+15.3%)

- △ Japan: Expect healthy sales growth
- △ Overseas: Increase due to sales expansion in services & management and submarine cable systems

Operating Income 53.0 (+2.4)

- △ Expect an increase from sales expansion and cost reduction despite making an investment for future growth

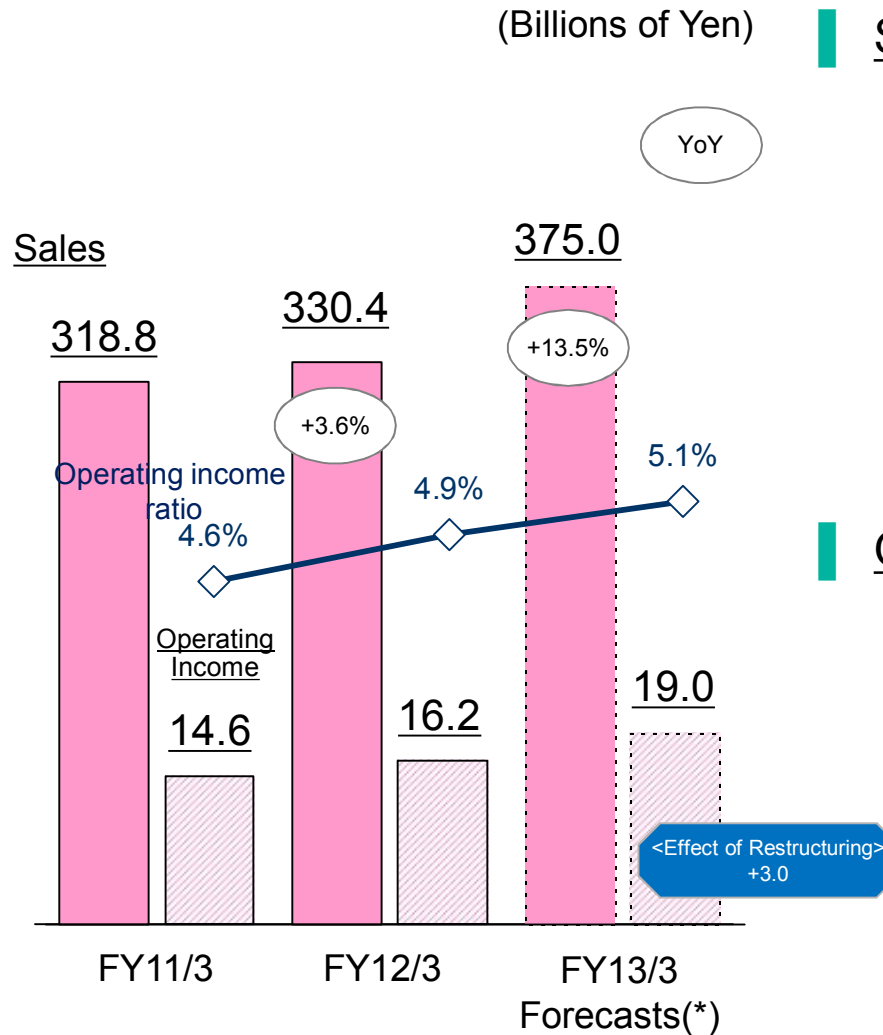


*Forecasts as of Oct 26, 2012

Social Infrastructure Business

Full Year Forecasts

Billions of Yen (YoY)



Sales 375.0 (+13.5%)

- △ Aiming to increase in aerospace and defense systems
- ▷ Social systems will be the same level as the previous year due to the sales increase in fire and disaster prevention systems offset by a decrease in demand for broadcasting systems

Operating Income 19.0 (+2.8)

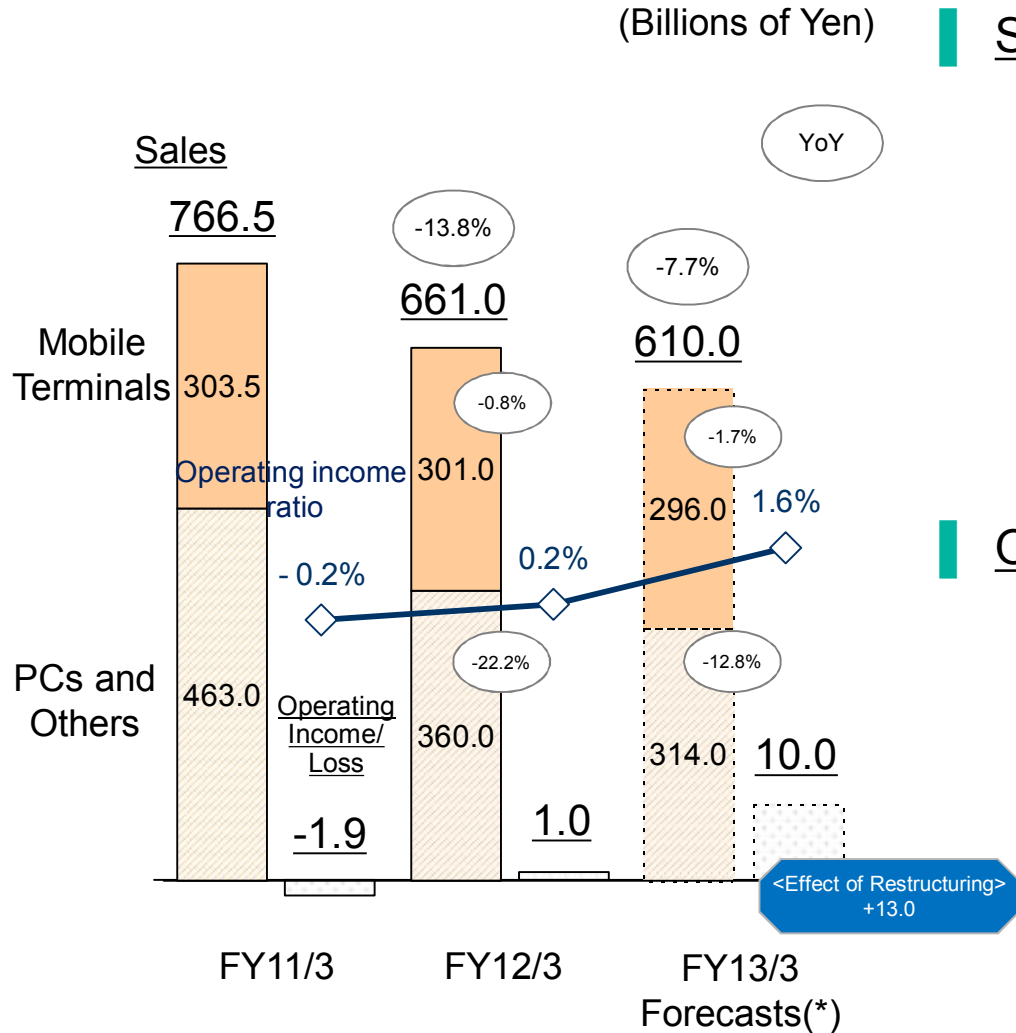
- △ Improve due to sales increase, cost reduction and the effect of restructuring despite making an investment for future growth



*Forecasts as of Oct 26, 2012

Personal Solutions Business

Billions of Yen (YoY)



Sales 610.0 (-7.7%)

▽ Mobile Terminals:
Aim to accumulate greater shipments in Japan with new models despite sales decrease

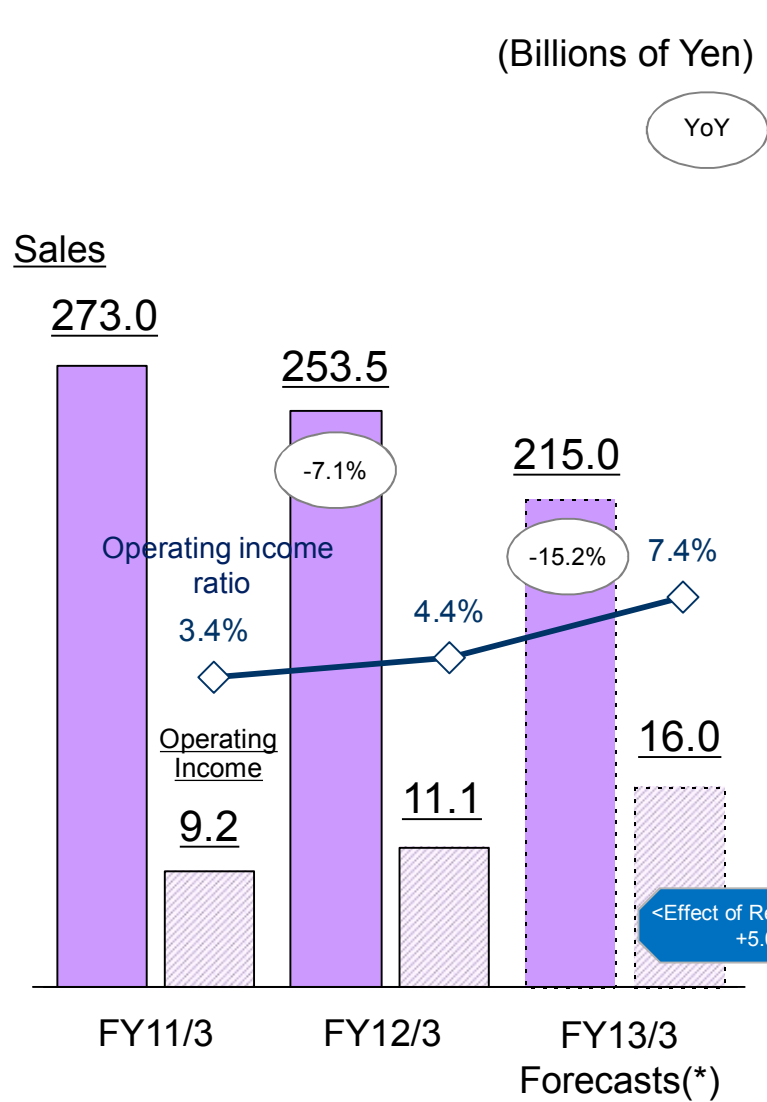
▽ PCs and Others:
Decrease due to the deconsolidation of consumer PCs

Operating Income/Loss 10.0 (+9.0)

△ Improve due to the effect of restructuring in the mobile terminal business despite sales decrease



*Forecasts as of Oct 26, 2012



Billions of Yen (YoY)

Sales 215.0 (-15.2%)

▽ Decrease due to deconsolidation of LCD module business and decrease in electronic component business and energy business

△ Sale of LCD patents to Hon Hai Precision Industry Co., Ltd

Operating Income 16.0 (+4.9)

△ Improve due to the effect of restructuring and sale of LCD patents



**include effect of restructuring in Eliminations/Unclassifiable expenses

*Forecasts as of Oct 26, 2012



IV. Formulating mid-term management plan

NEC's Challenges

NEC's current challenges:

“Need to generate more profit and cash flow”

“Need to strengthen financial structure”

Generate profit and cash flow

- Not enough increase in operating income although improving for 3 consecutive fiscal years (FY10/3-FY12/3)
- Lack of competitiveness in Mobile handset and Platform Businesses (Executing business restructuring to improve profitability)

Strengthen financial structure

- Capital reduction due to the implementation of structural reforms
- Our pension deficit will be shown on our balance sheet at the end of FY14/3.

Basic Policy

Key measures for next 3 years:

“Growth strategy” and “Reinforcement of our business base”

Growth Strategy

- Focus on delivering social infrastructure platforms for governments and corporations worldwide to realize a safe, secure, fair, efficient and affluent society
 - Strengthen existing businesses
 - Expand new business for future growth

Reinforcement of our business base

- Improve profitability through expense restructuring
- Streamline assets to generate cash flow
 - ⇒ Strengthen Balance Sheet

Focus on Four Key Businesses

Strengthen Global Services Businesses

- Expand TOMS* and SDN* Businesses in response to data traffic hikes

- Expand global business in Carrier Network
 - ~ Acquired U.S. based Convergys BSS business ~
 - Started integrated operations with NetCracker OSS business for telecom carriers

*TOMS : Telecom Operations Management Systems
*SDN : Software Defined Network

NetCracker®

- Reinforce Global IT Solutions leveraging our competitive safety, distribution and logistics infrastructure

- Strengthen global business in IT Services
 - ~ Acquired Australia based CSG Technology Solutions business ~
 - Took over competitive services, solutions and customer bases such as governments and major companies



NEC Australia and NEC ITS
(ex CSG Technology Solutions
Business) MD, Alan Hyde

- Expand Social infrastructure business worldwide such as satellite business for emerging countries, railway communication systems and monitoring of important facilities



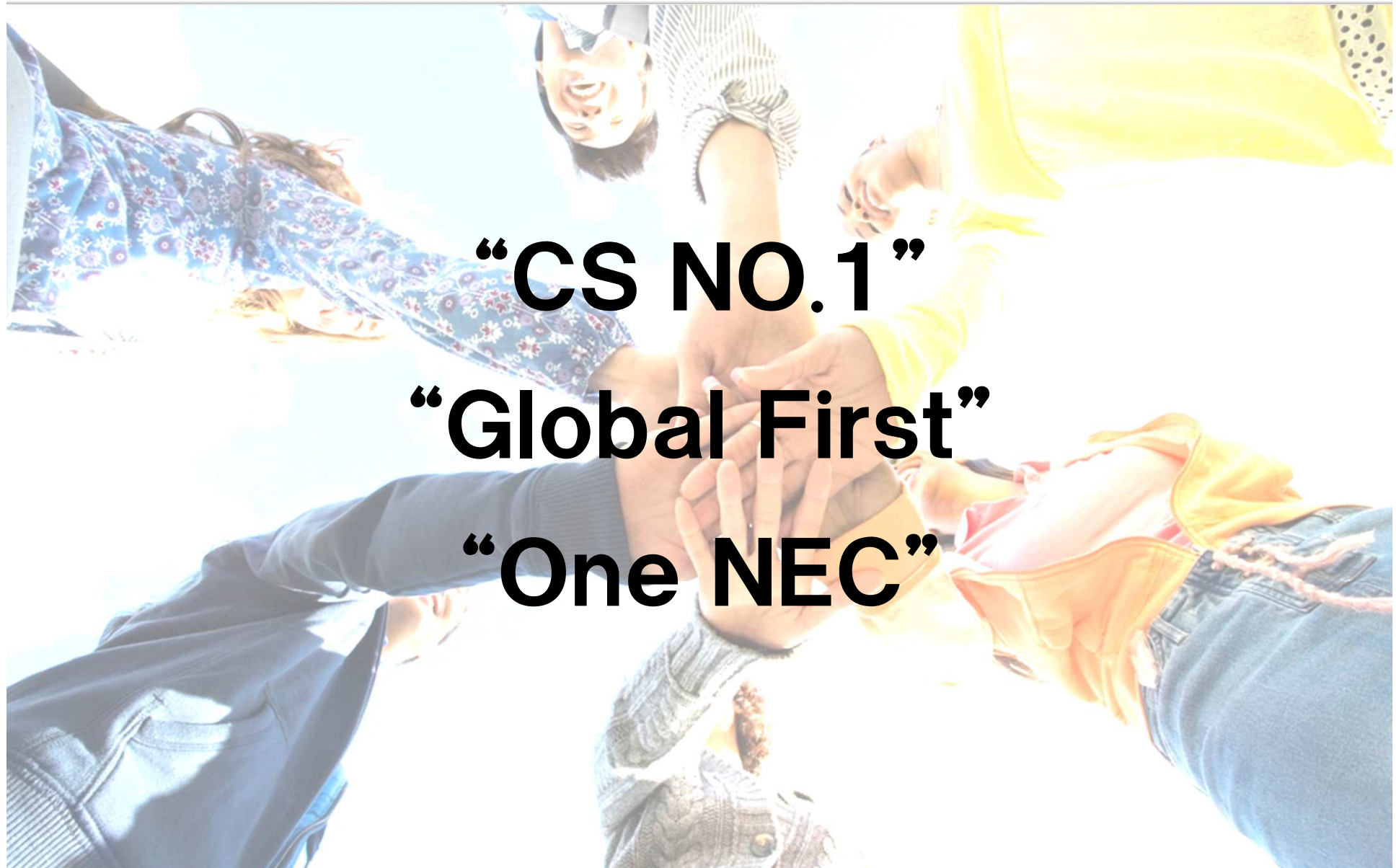
Focus on Four Key Businesses

Strengthen “Energy services” leveraging our competitive electrodes

- Expand electrode and energy storage system businesses
 - ~ Reached agreement on supplying lithium-ion battery components to GS Yuasa ~
- Start consideration of joint energy service business renting residential storage batteries with ORIX and EPCO
 - Newly established company with joint investment aims to provide battery design, construction, repair and maintenance in addition to a service that supports electricity reductions “visually” through the long-term rental of NEC’s grid connected lithium ion storage batteries.
- Awarded contract from Enel (power company in Italy) for providing one of the largest lithium-ion energy storage systems in Europe
 - A first step to providing large-capacity energy storage systems in Europe supporting power systems and electrical distribution networks of utilities



Toward Creation of New Values / Maximization of Values



“CS NO.1”

“Global First”

“One NEC”

Next Mid-Term Management Plan

Our target in the next 3 years (FY14/3 - FY16/3):

“Reconstructing management and generating constant cash flow”

“Securing competitiveness through execution of strategies for future growth”

Empowered by Innovation

NEC



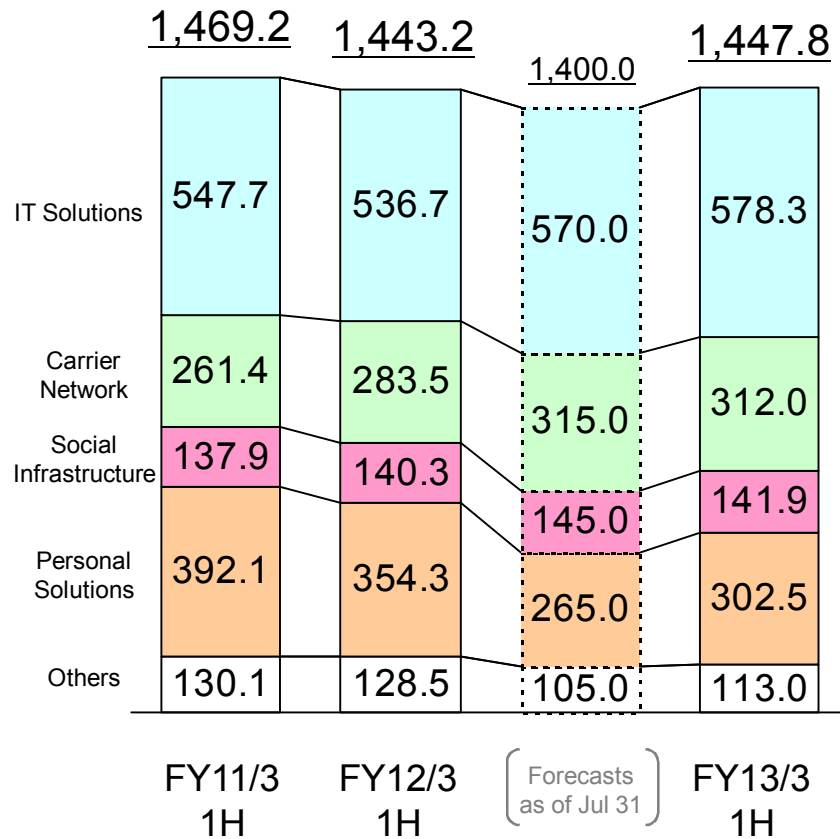
Financial Results for 1H, FY13/3 (Appendix)

1H Results by Segment

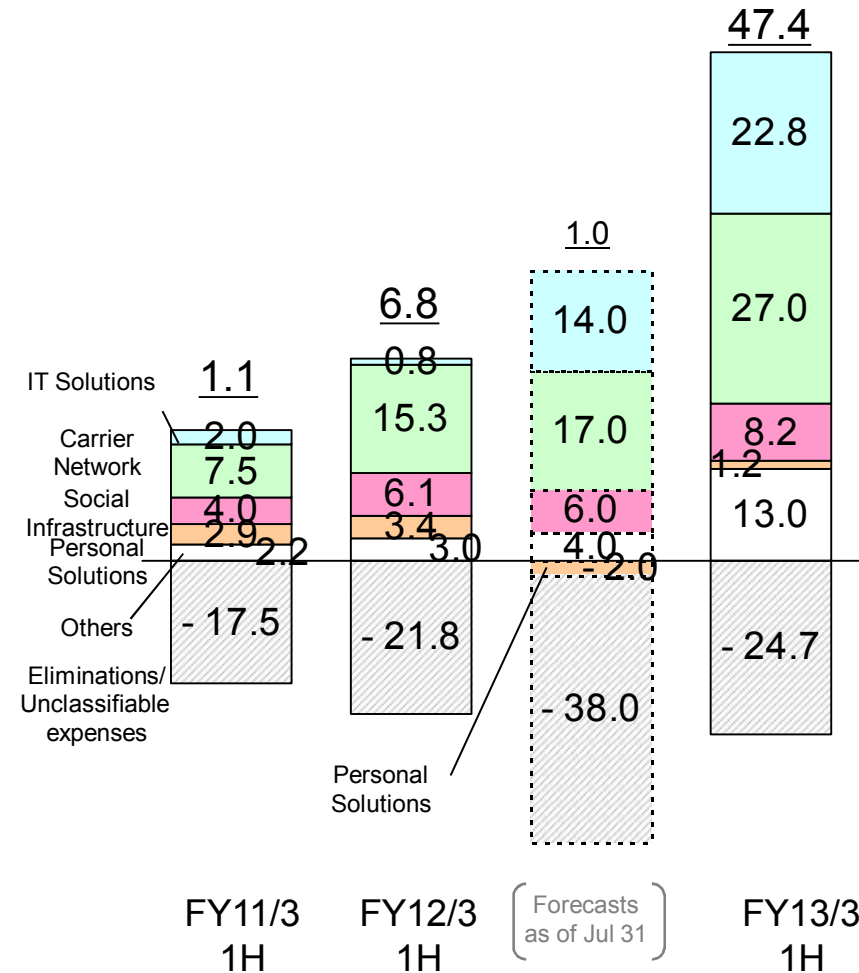
1H Results

(Billions of Yen)

Net Sales



Operating Income/Loss



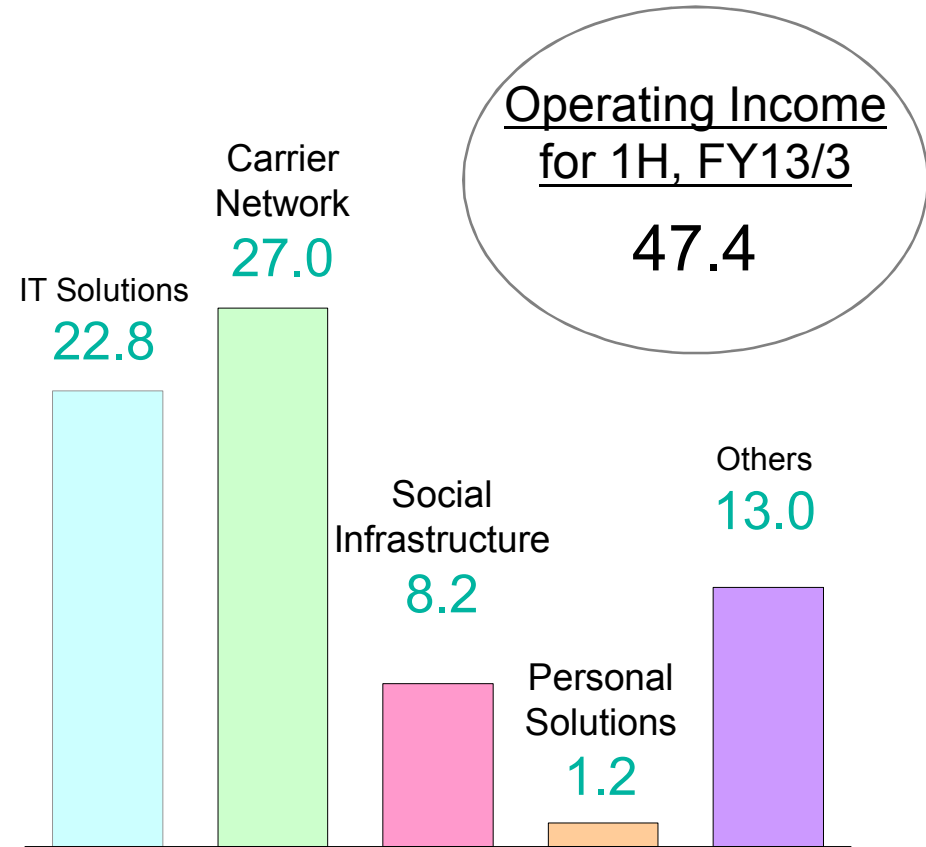
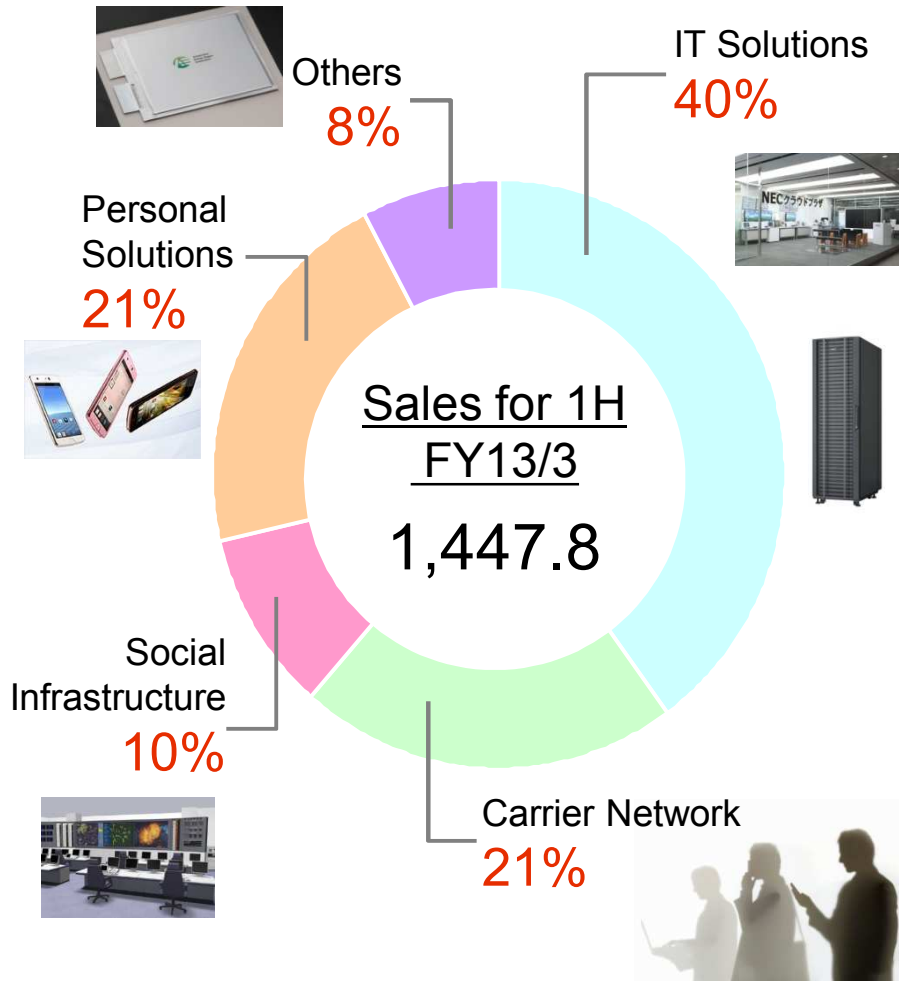
Summary of Financial Results for 1H by Segment

1H Results

(Billions of Yen)

Net Sales

Operating Income



Key Points of Results for 1H by Segment (Year on Year)

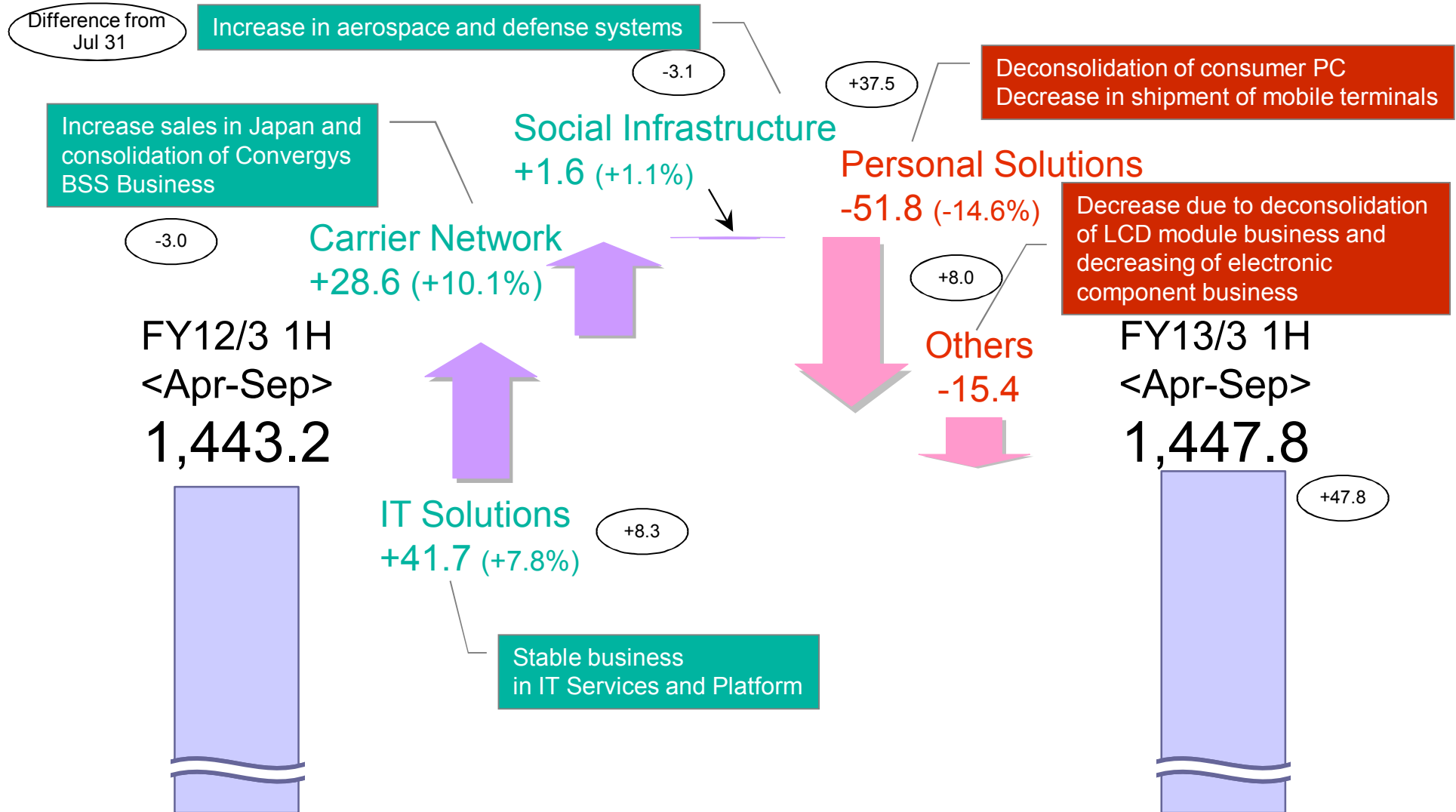
IT Solutions	<ul style="list-style-type: none">● Increase due to solid sales in IT services and Platform● Improve by sales increase and cost reductions
Carrier Network	<ul style="list-style-type: none">● Increase due to solid sales in Japan and consolidation of Convergys BSS Business● Increase from sales expansion and cost reductions despite making an investment for future growth
Social Infrastructure	<ul style="list-style-type: none">● Increase due to solid sales in aerospace and defense systems● Improve by sales increase and cost reductions
Personal Solutions	<ul style="list-style-type: none">● Decline due to deconsolidation of consumer PC business and decrease in shipment of mobile terminals● Decrease due to sales decrease in mobile terminal business
Others	<ul style="list-style-type: none">● Decline due to deconsolidation of LCD module business and decrease in electronic component business● Improve due to sale of LCD patents

Note: First bullet refer to changes in sales, second bullet refer to changes in operating income/loss

Sales Change (Year on Year)

1H Results

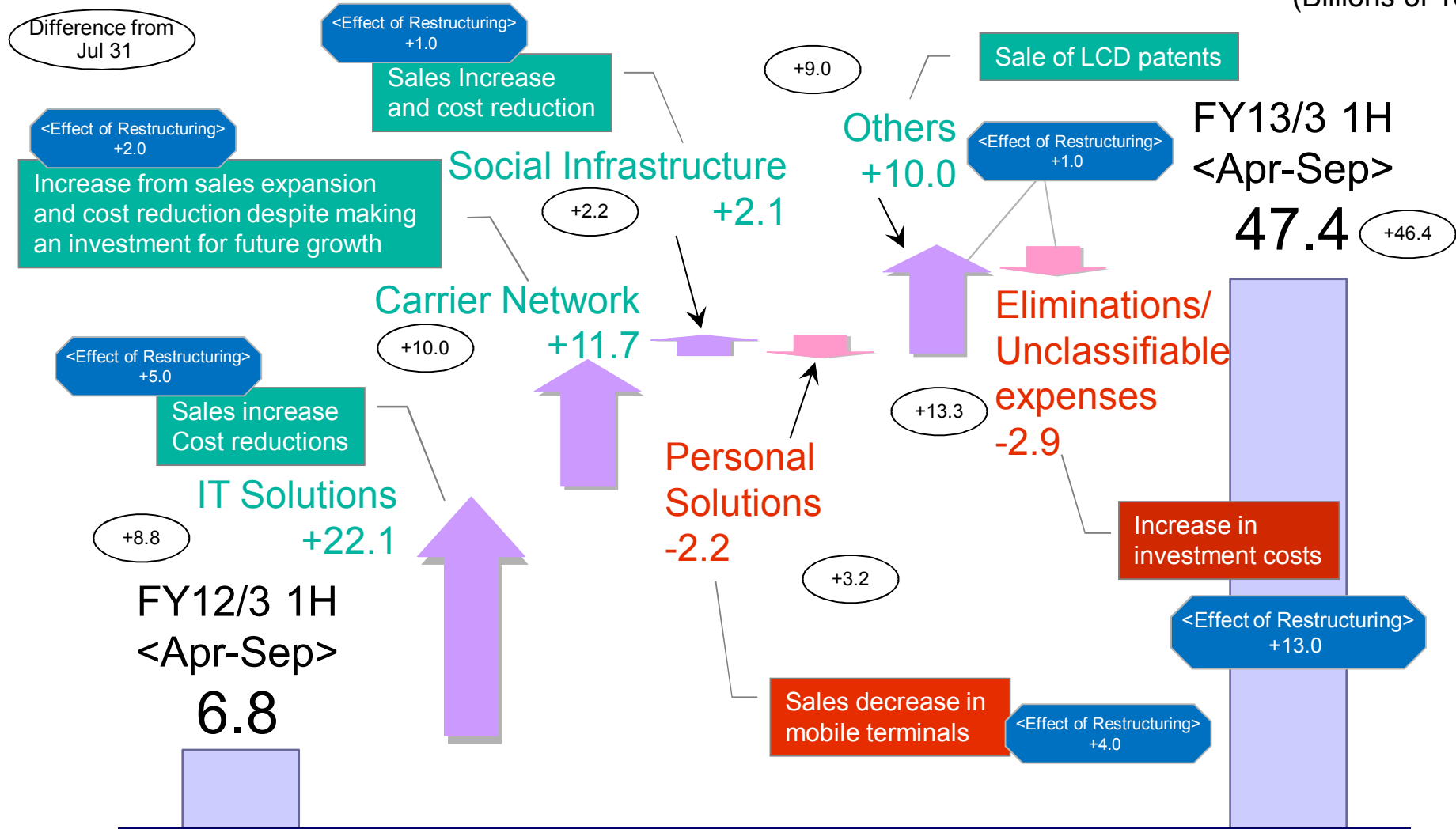
(Billions of Yen)



Operating Income/Loss Change (Year on Year)

1H Results

(Billions of Yen)



Progress on Restructuring

Effect in 1H Result 13.0B Yen (almost in line with forecasts)

(Billions of Yen)

Item	Effect in 1H Result	Effect in FY13/3 (forecasts)
Business Restructuring	3.0	20.0
Streamline Corporate staffs		
Reduction of External Resources	1.0	4.0
Immediate Cost Reductions	9.0	16.0
Total	13.0	40.0

Segment	Effect in 1H Result	Effect in FY13/3 (forecasts)
IT Solutions	5.0	14.0
Carrier Network	2.0	5.0
Social Infrastructure	1.0	3.0
Personal Solutions	4.0	13.0
Others/Eliminations Unclassifiable exp	1.0	5.0
Total	13.0	40.0

*Forecasts (effect in FY13/3) as of Oct 26, 2012

Overseas Sales

(Billions of Yen)

		Q2 <Jul - Sep>			1H <Apr - Sep>			<u>Major countries and regions</u>
		FY12/3 Actual	FY13/3 Actual	YoY	FY12/3 Actual	FY13/3 Actual	YoY	
Asia	Net Sales	48.7	43.1	- 11.6%	79.7	79.1	- 0.8%	China,Chinese Taipei,India, Singapore and Indonesia
	To consolidated total sales(%)	6.3%	5.3%		5.5%	5.5%		
Europe	Net Sales	31.5	23.0	- 26.9%	55.8	40.8	- 26.9%	UK,France,Netherlands, Germany,Italy and Spain
	To consolidated total sales(%)	4.1%	2.8%		3.9%	2.8%		
Others	Net Sales	58.6	70.2	19.8%	118.4	113.8	- 3.9%	U.S.A
	To consolidated total sales(%)	7.6%	8.6%		8.2%	7.9%		
Total	Net Sales	138.8	136.2	- 1.9%	253.9	233.6	- 8.0%	
	To consolidated total sales(%)	17.9%	16.7%		17.6%	16.1%		

* Sales are classified into country or region based on the locations of customers

Financial Positions

(Billions of Yen)

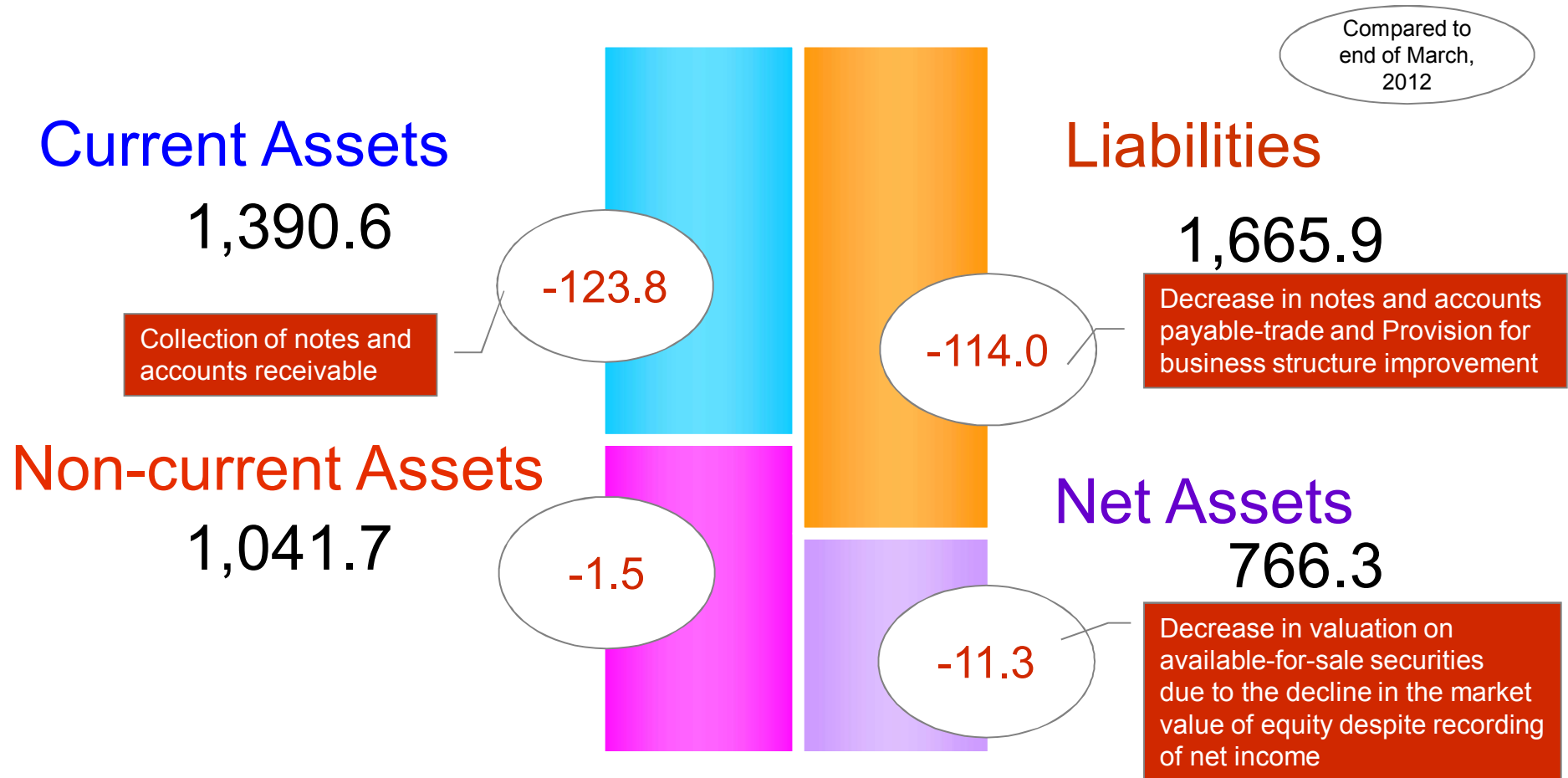
	End of Mar 2012	End of Sep 2012	Difference from Mar 2012	End of Sep 2011
Total Assets	2,557.6	2,432.2	-125.3	2,450.6
Net Assets	777.6	766.3	-11.3	853.9
Interest-bearing debt	692.7	683.3	-9.4	647.0
Shareholder's Equity	657.0	647.1	-9.8	734.2
Equity ratio(%)	25.7%	26.6%	0.9pt	30.0%
D/E ratio (times)	1.05	1.06	- 0.01pt	0.88
Net D/E ratio (times)	0.67	0.74	- 0.07pt	0.64
Balance of cash and cash equivalents	251.8	204.4	-47.4	178.6

<Ref.> Balance Sheets (At the end of Sep, 2012)

(Billions of Yen)

<Compared to end of March, 2012>

Total Assets 2,432.2 (-125.3)





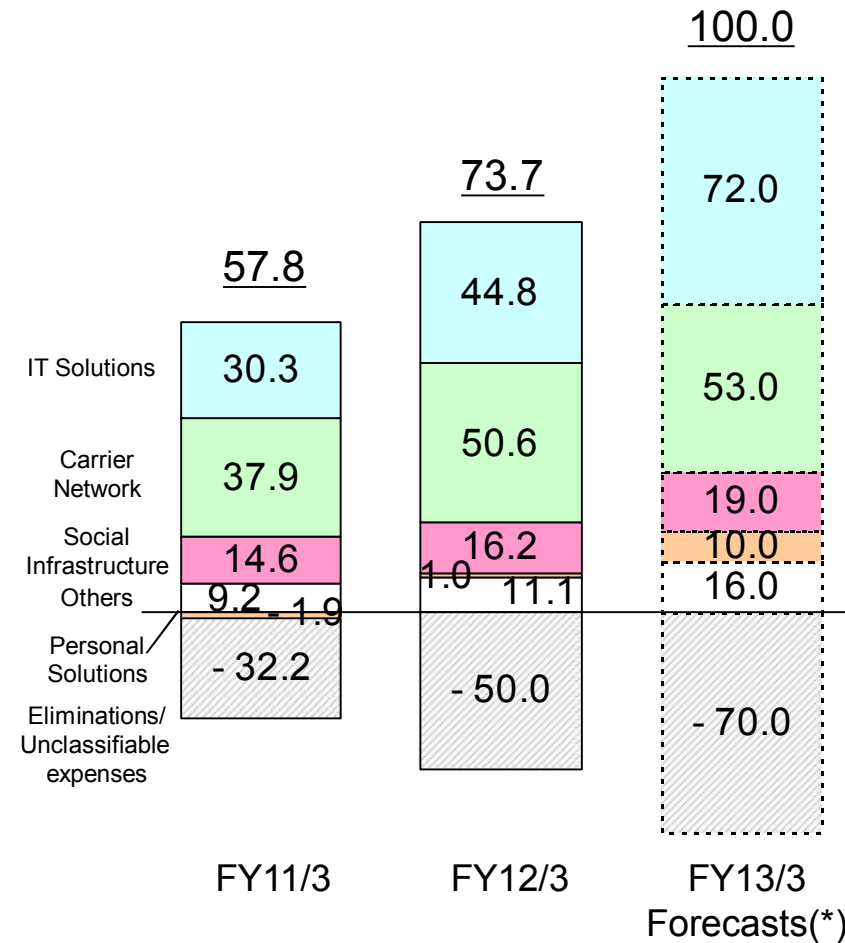
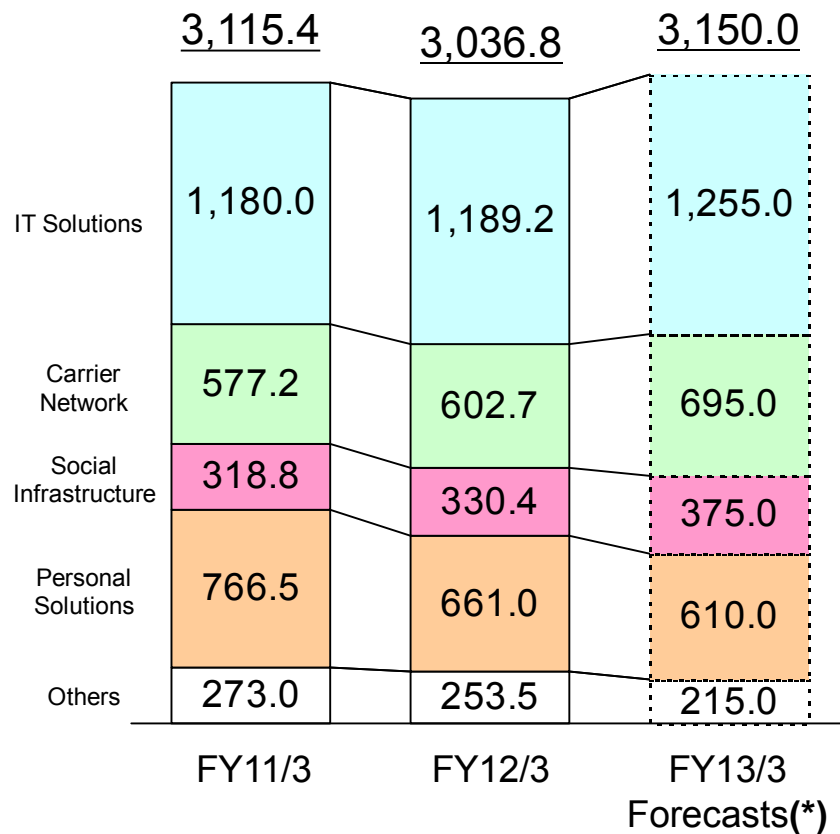
Financial Forecasts for FY13/3 (Appendix)

Financial Forecasts for FY13/3 by Segment

(Billions of yen)

Net Sales

Operating Income/Loss



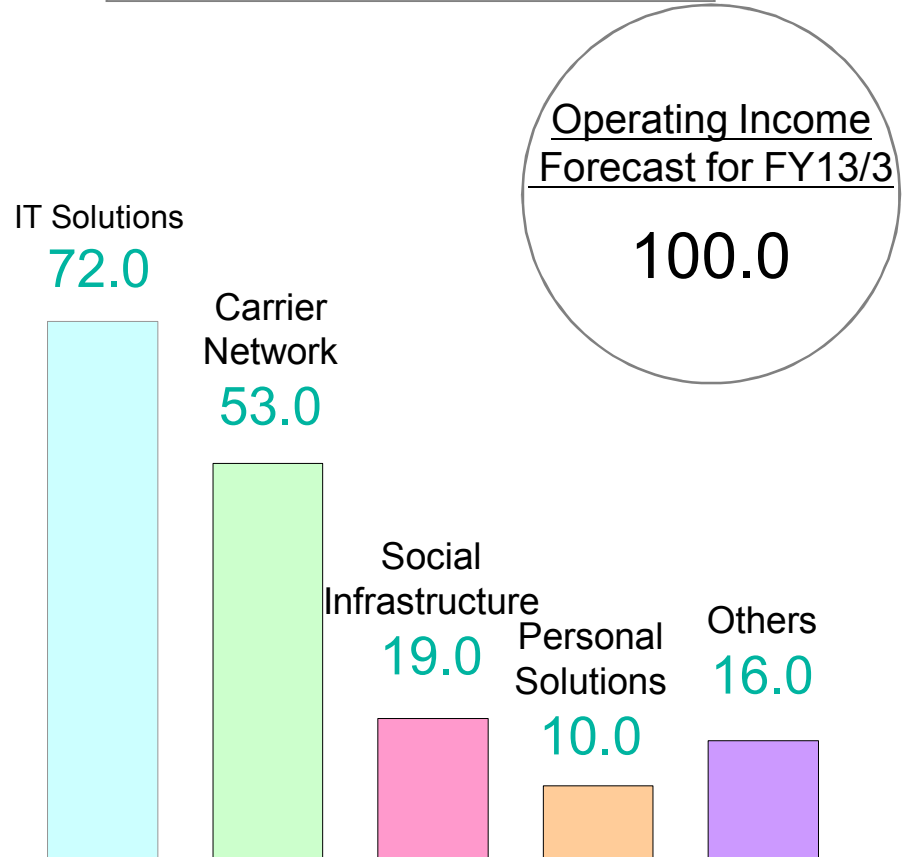
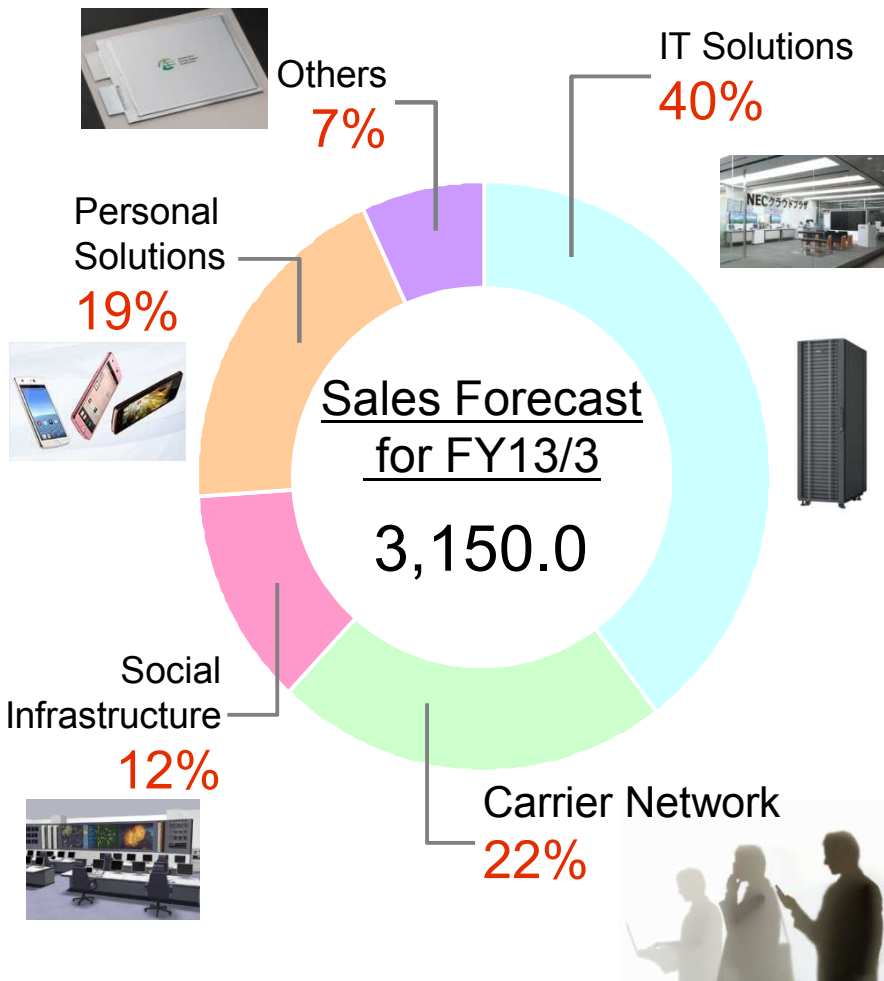
*Forecasts as of Oct 26, 2012

Summary of Financial Forecasts for FY13/3 by Segment

(Billions of Yen)

Net Sales

Operating Income



*Forecasts as of Oct 26, 2012

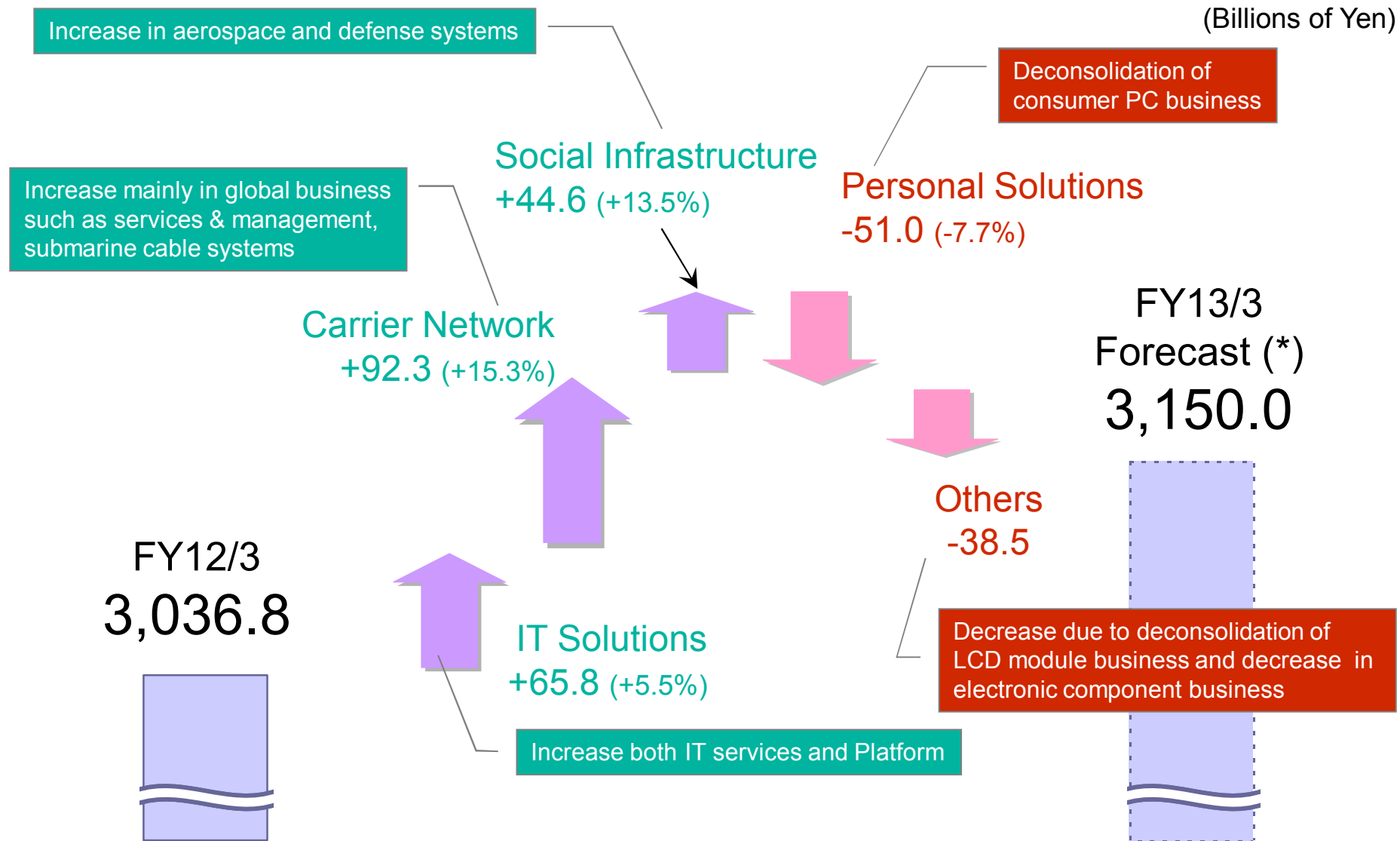
Key Points of FY13/3 Forecasts by Segment (Year on Year)

<p>IT Solutions</p>	<ul style="list-style-type: none"> ● Increase steadily both in IT services and Platform ● Improve by sales expansion and the effect of restructuring
<p>Carrier Network</p>	<ul style="list-style-type: none"> ● Increase mainly in global business such as services & management, submarine cable systems ● Expect to increase from sales expansion and cost reductions despite making an investment for future growth
<p>Social Infrastructure</p>	<ul style="list-style-type: none"> ● Increase in aerospace and defense systems ● Improve due to sales increase, cost reduction and effect of restructuring despite making an investment for future growth
<p>Personal Solutions</p>	<ul style="list-style-type: none"> ● Decrease due to deconsolidation of consumer PC business ● Improve due to the effect of restructuring mainly in mobile terminal business
<p>Others</p>	<ul style="list-style-type: none"> ● Decrease due to deconsolidation of LCD module business and decreasing of electronic component business ● Improve due to the effect of restructuring and sale of LCD patents

Note: Top bullet refers to changes in sales, Bottom bullet refers to changes in operating income/loss

Sales Change (Year on Year)

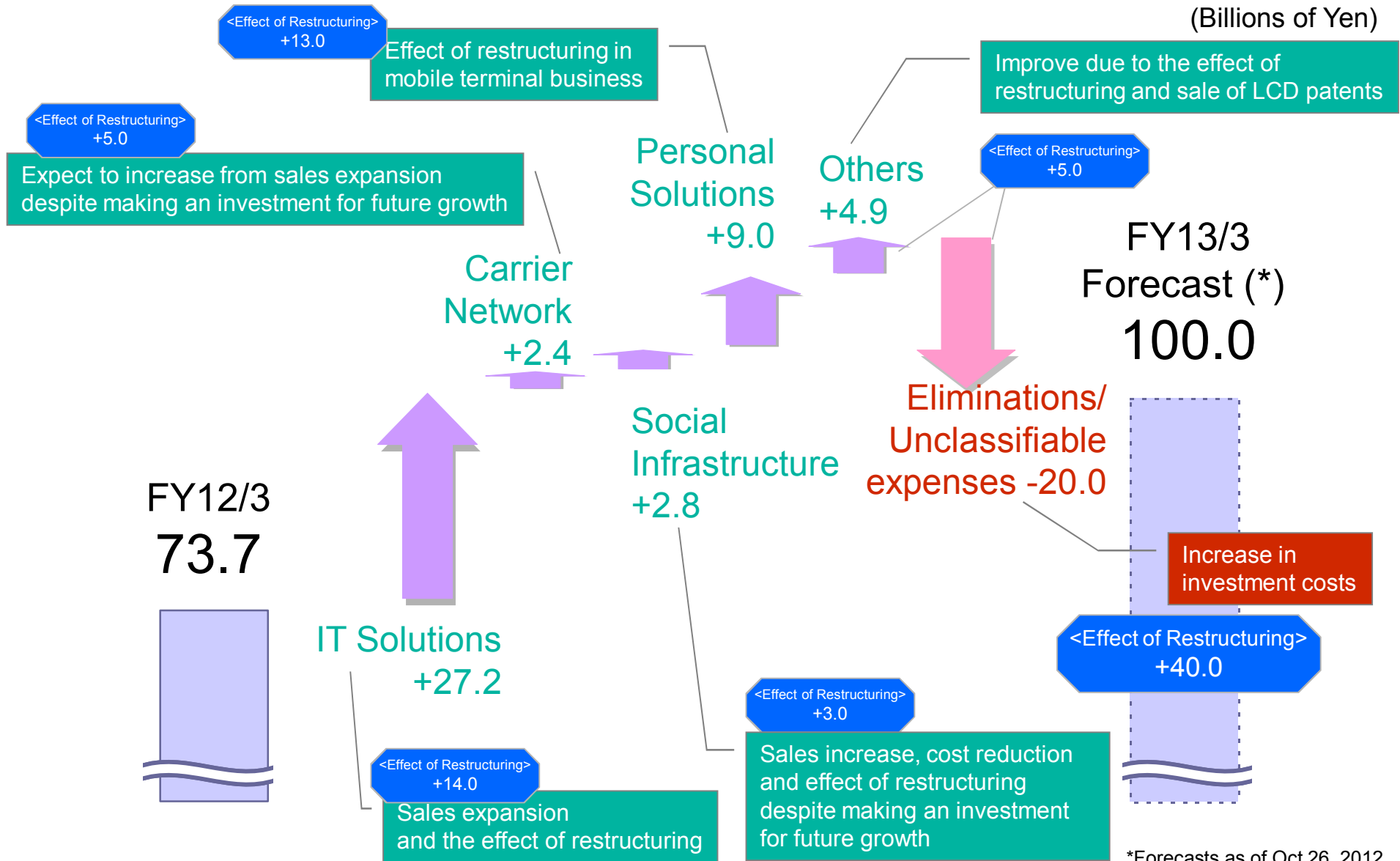
(Billions of Yen)



*Forecasts as of Oct 26, 2012

Operating Income/Loss Change (Year on Year)

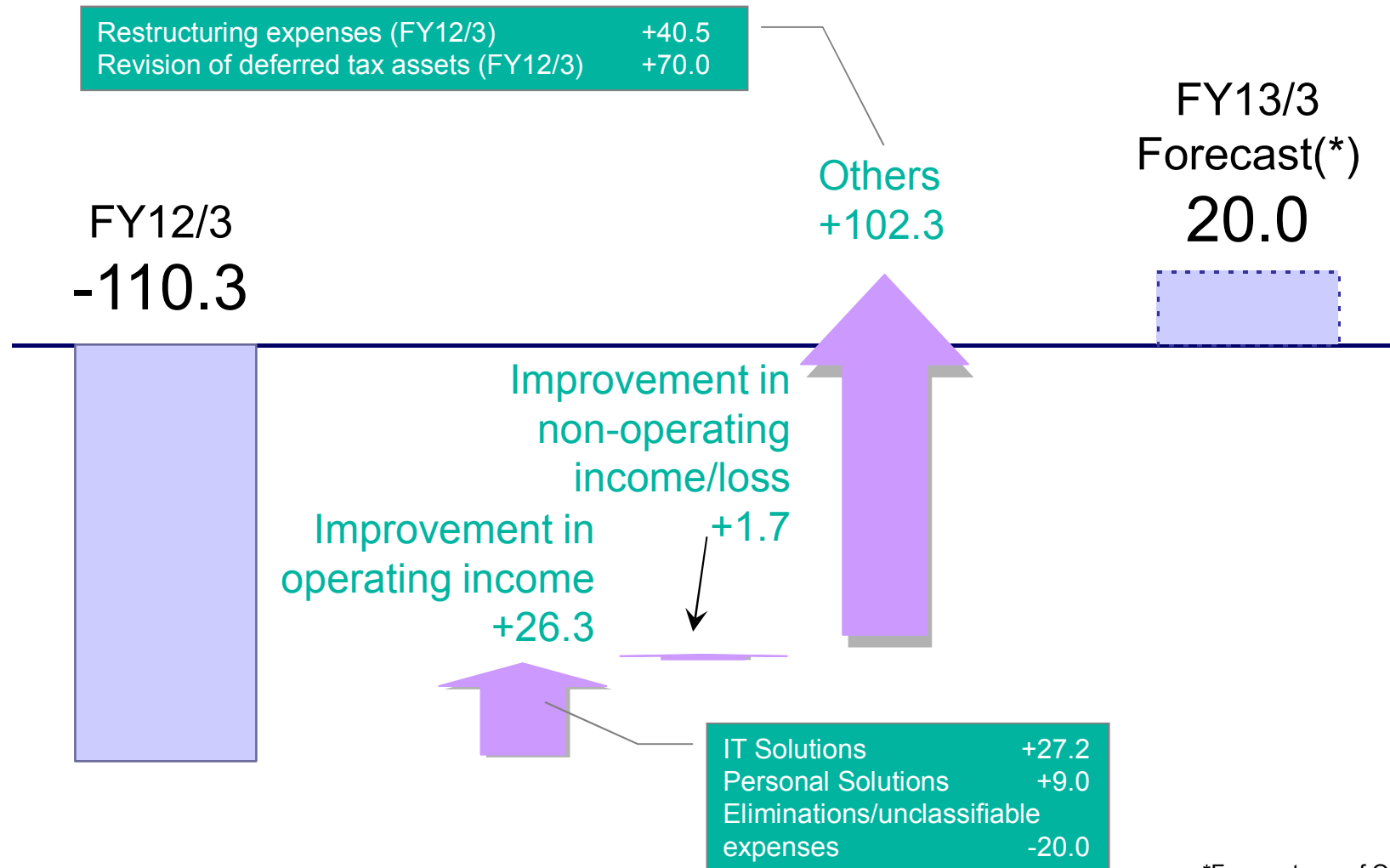
(Billions of Yen)



*Forecasts as of Oct 26, 2012

Net Income/Loss Change (Year on Year)

(Billions of Yen)



*Forecasts as of Oct 26, 2012

Capital Expenditure, Depreciation and R&D expenses

(Billions of Yen)

	FY12/3 Actual	FY13/3 Forecasts	YoY
Capital Expenditure	42.0	50.0	19.1%
Depreciation	53.3	55.0	3.2%
R&D expenses	162.0	170.0	5.0%
To consolidated total sales (%)	5.3%	5.4%	



* Forecasts as of Oct 26, 2012 (Note: Unchanged from forecasts announced on Jul 31)



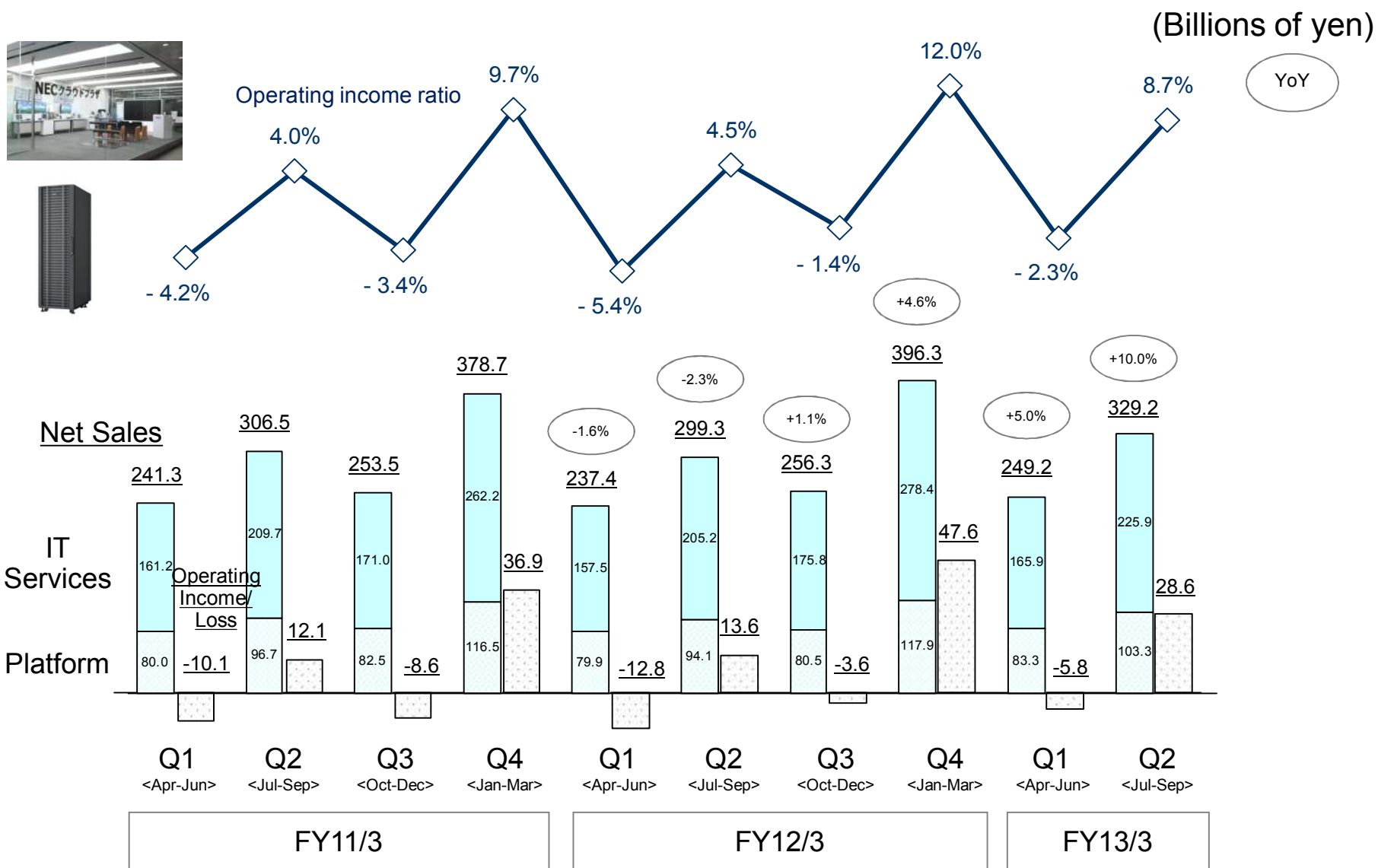
Reference (Financial data)

Net Sales, Operating Income/Loss

(Billions of yen)



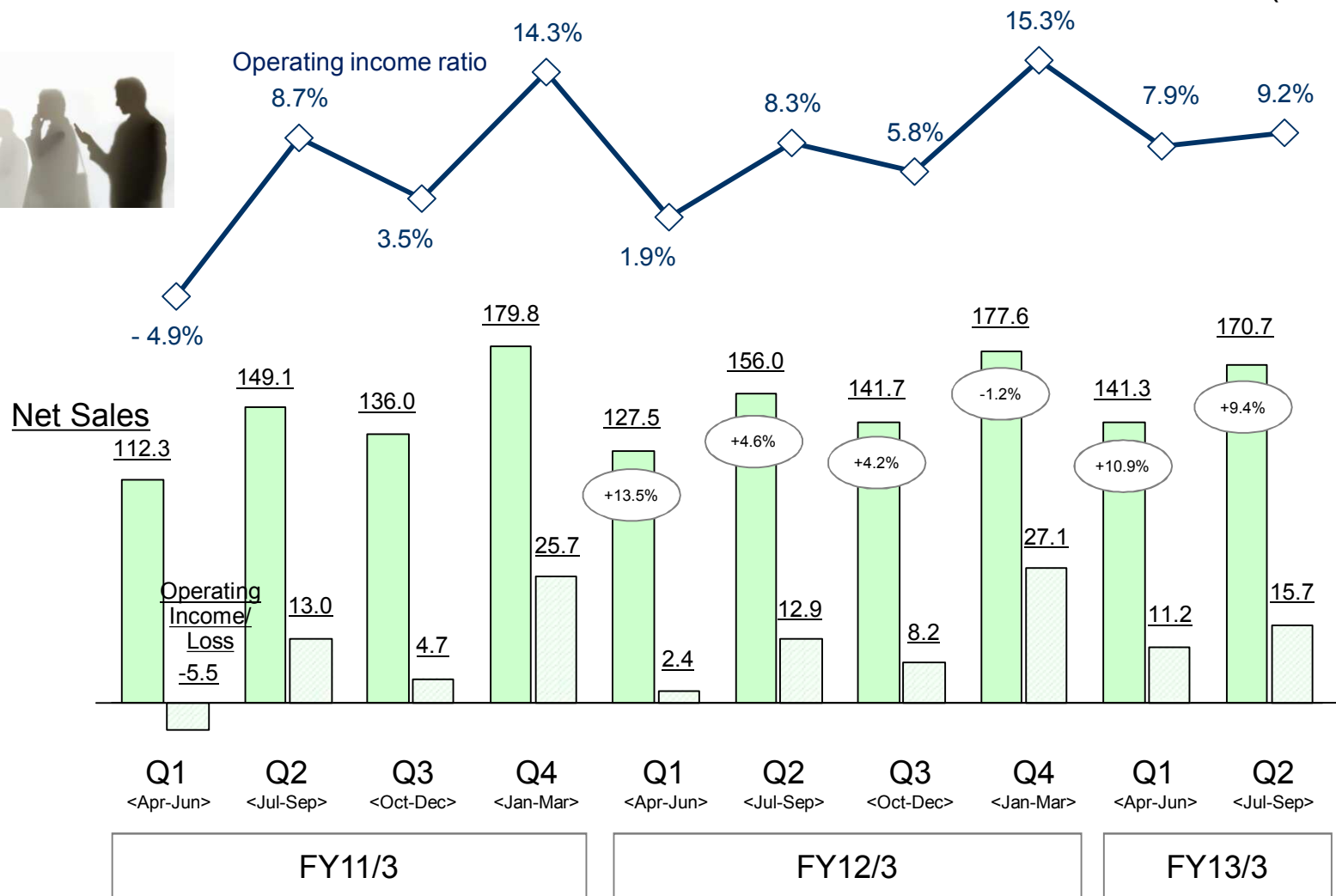
Sales, Operating Income/Loss (IT Solutions)



Sales, Operating Income/Loss (Carrier Network)

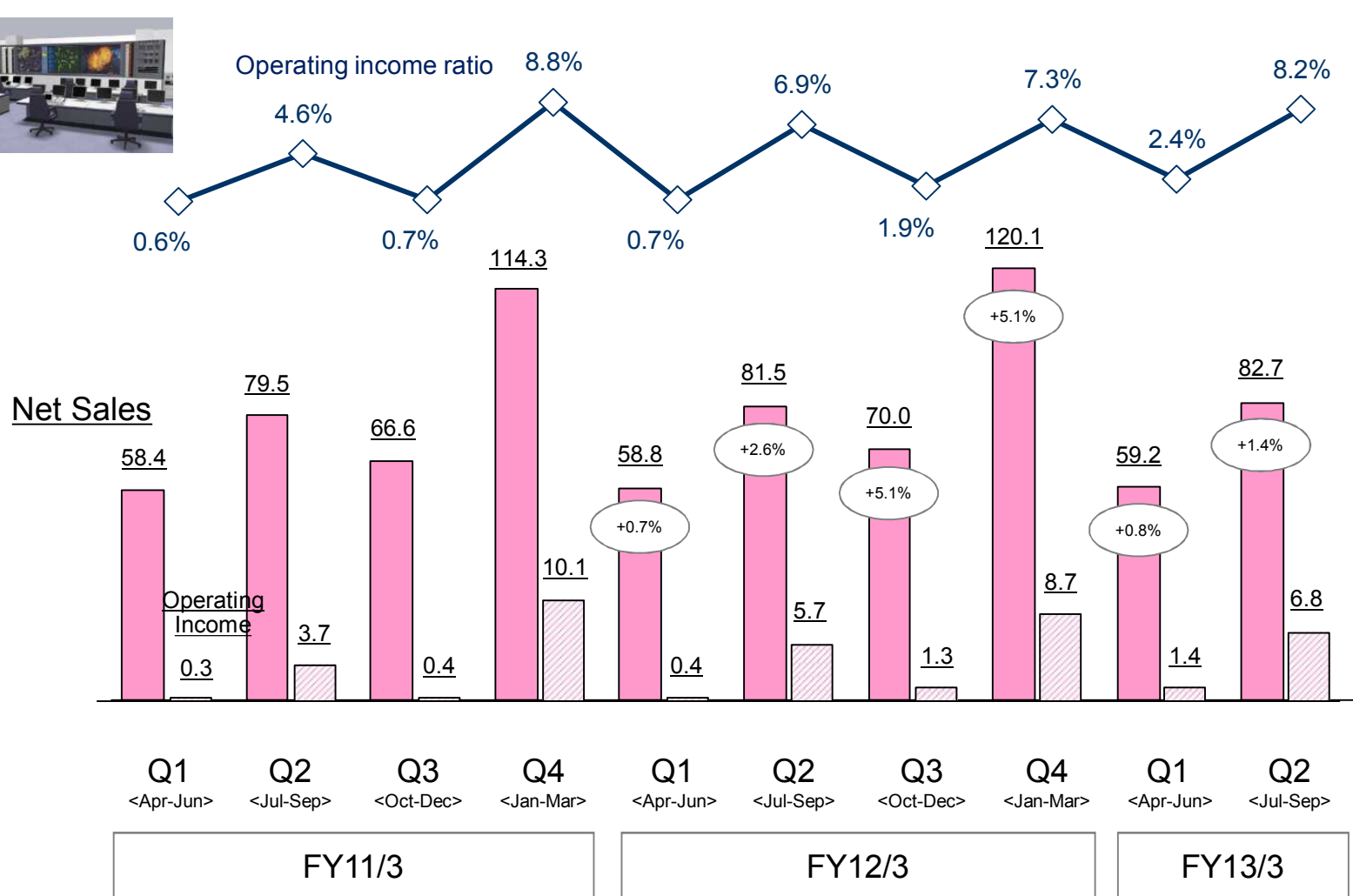
(Billions of yen)

YoY



Sales, Operating Income/Loss (Social Infrastructure)

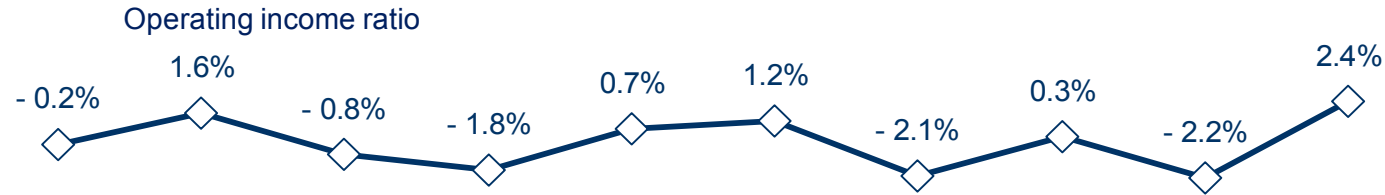
(Billions of yen)



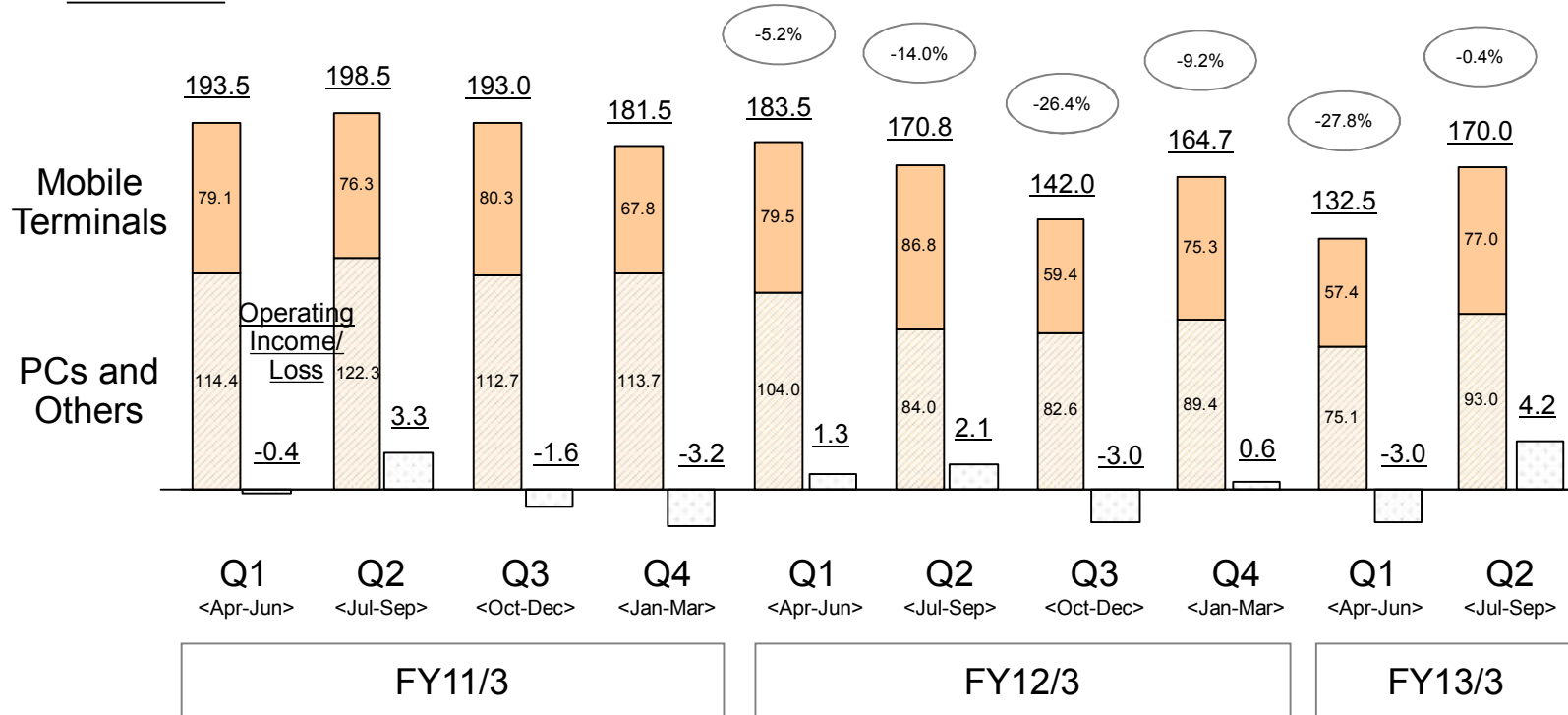
Sales, Operating Income/Loss (Personal Solutions)

(Billions of yen)

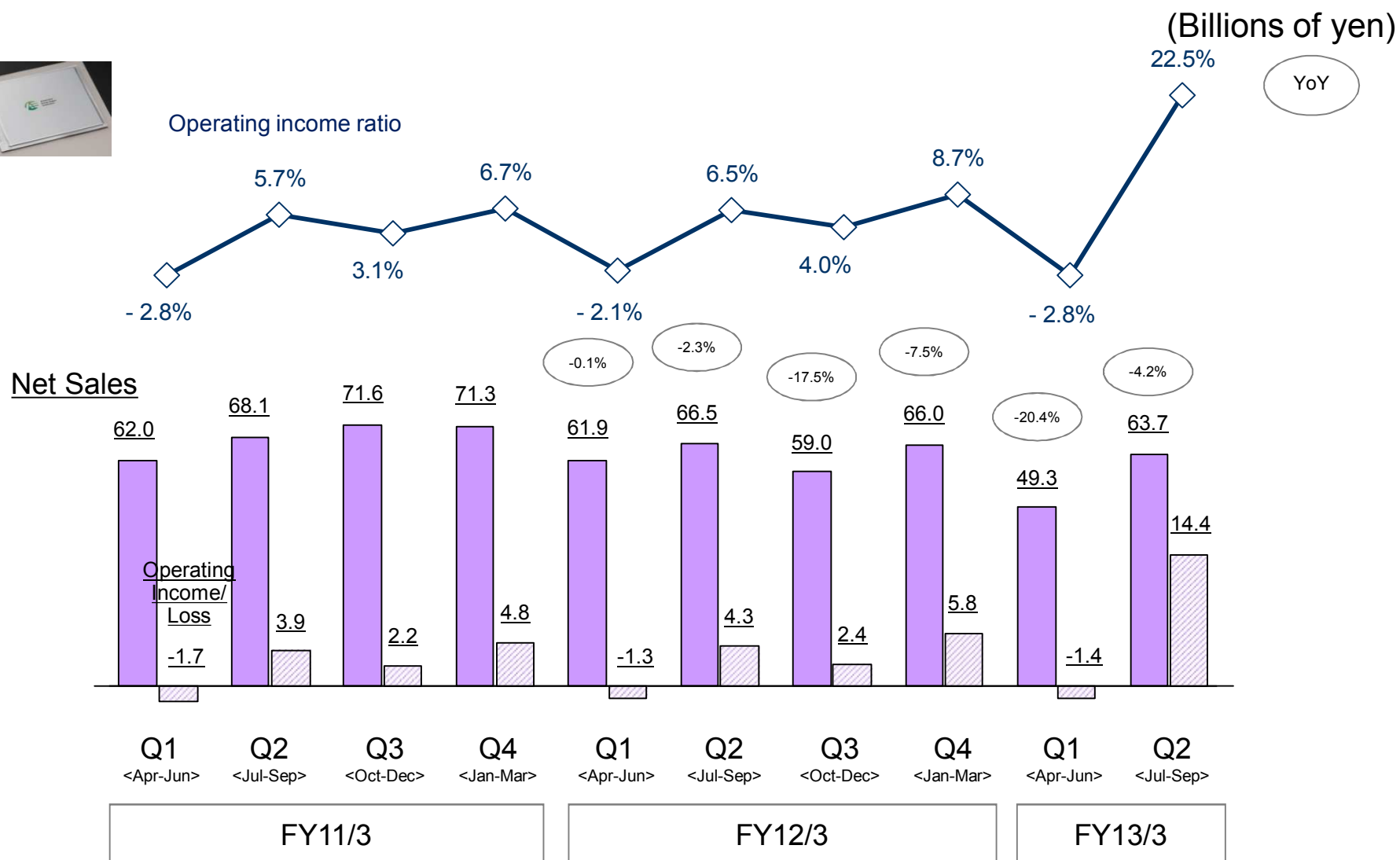
YoY



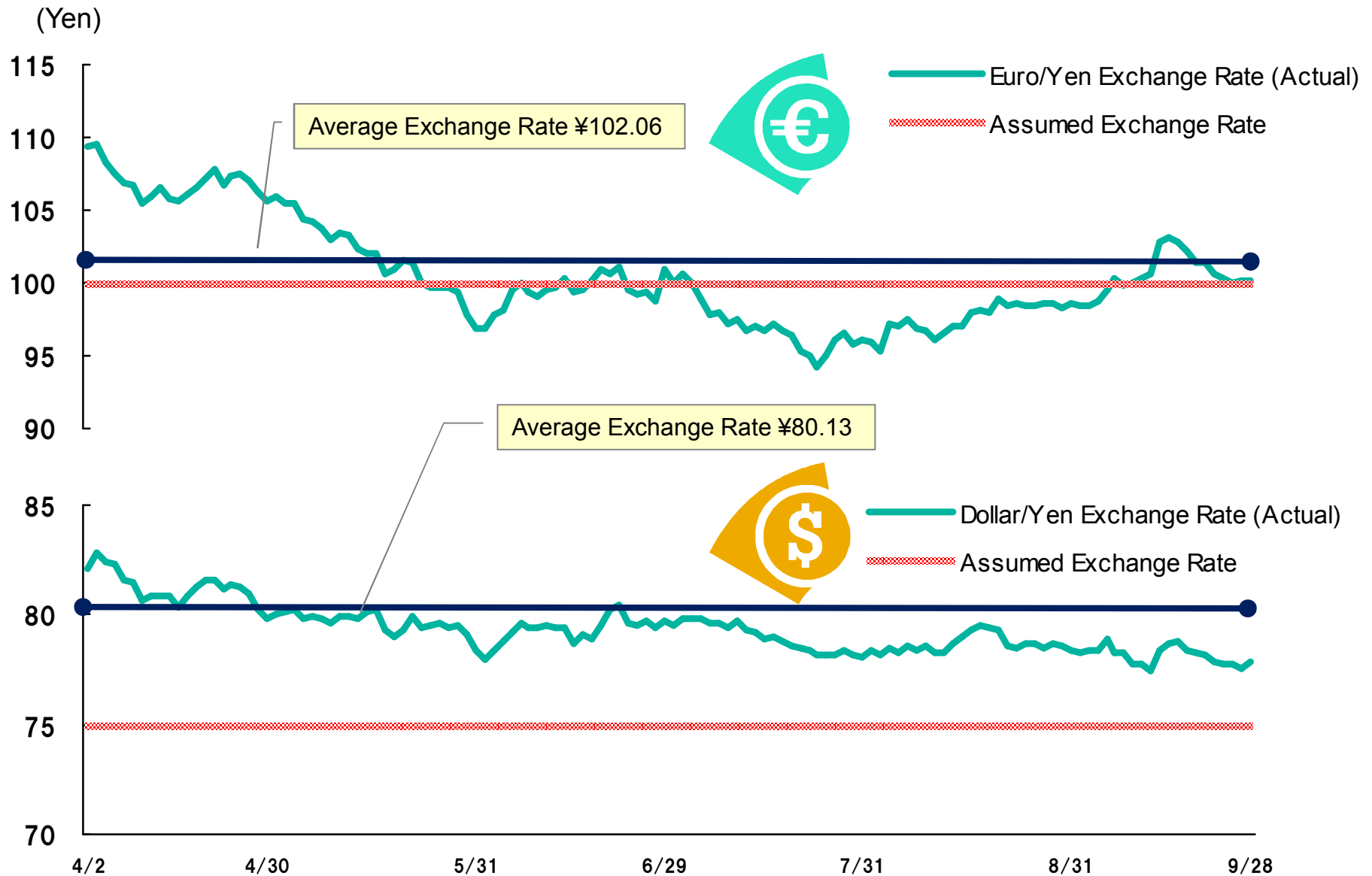
Net Sales



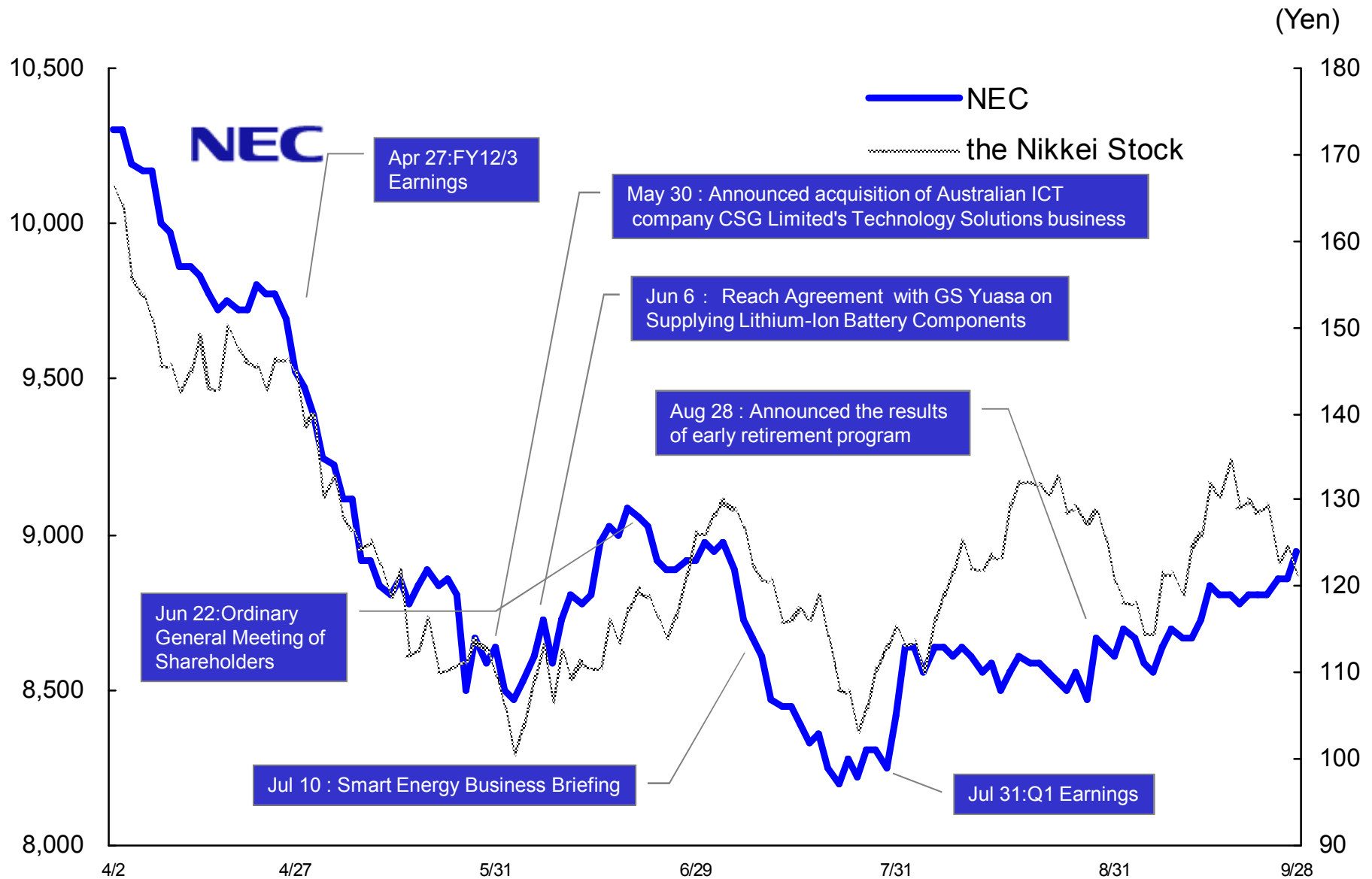
Sales, Operating Income/Loss (Others)



Exchange Rate



Stock Price



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This material contains forward-looking statements pertaining to strategies, financial targets, technology, products and services, and business performance of NEC Corporation and its consolidated subsidiaries (collectively "NEC"). Written forward-looking statements may appear in other documents that NEC files with stock exchanges or regulatory authorities, such as the Director of the Kanto Finance Bureau, and in reports to shareholders and other communications. NEC is relying on certain safe-harbors for forward-looking statements in making these disclosures. Some of the forward-looking statements can be identified by the use of forward-looking words such as "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates," "targets," "aims," or "anticipates," or the negative of those words, or other comparable words or phrases. You can also identify forward-looking statements by discussions of strategy, beliefs, plans, targets, or intentions. Forward-looking statements necessarily depend on currently available assumptions, data, or methods that may be incorrect or imprecise and NEC may not be able to realize the results expected by them. You should not place undue reliance on forward-looking statements, which reflect NEC's analysis and expectations only. Forward-looking statements are not guarantees of future performance and involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. Among the factors that could cause actual results to differ materially from such statements include (i) global economic conditions and general economic conditions in NEC's markets, (ii) fluctuating demand for, and competitive pricing pressure on, NEC's products and services, (iii) NEC's ability to continue to win acceptance of NEC's products and services in highly competitive markets, (iv) NEC's ability to expand into foreign markets, such as China, (v) regulatory change and uncertainty and potential legal liability relating to NEC's business and operations, (vi) NEC's ability to restructure, or otherwise adjust, its operations to reflect changing market conditions, (vii) movement of currency exchange rates, particularly the rate between the yen and the U.S. dollar, (viii) the impact of unfavorable conditions or developments, including share price declines, in the equity markets which may result in losses from devaluation of listed securities held by NEC, and (iv) impact of any regulatory action or legal proceeding against NEC. Any forward-looking statements speak only as of the date on which they are made. New risks and uncertainties come up from time to time, and it is impossible for NEC to predict these events or how they may affect NEC. NEC does not undertake any obligation to update or revise any of the forward-looking statements, whether as a result of new information, future events, or otherwise.

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