

Financial Results for Fiscal Year Ended March 31, 2013

April 26, 2013

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 FY13/3

Summary of Financial Results for FY13/3

Net Sales

YoY +1.1%
Difference from forecast
-78.4B Yen

- Increased year on year despite falling short of sales forecast
(Increase by approximately 3%, excluding the impact of deconsolidated business)
 - Expanded mainly in IT solutions, Carrier Network and Social Infrastructure business
 - Decreased in Personal Solutions

Operating Income

YoY +40.9B Yen
Difference from forecast
+14.6B Yen

- Increased year on year and achieved forecast
 - Improved significantly in IT Solutions, Carrier Network and Social Infrastructure business
 - Decreased in Personal Solutions
 - Secured 40B Yen from restructuring

Net Income

YoY +140.7B Yen
Difference from forecast
+10.4B Yen

- Returned to black and resumed dividend payments
 - Improved equity in earnings/losses of affiliates
(Revision of deferred tax assets in previous fiscal year)

Summary of Financial Results for FY13/3

(Billions of Yen)

	Q4 <January - March>			Full Year			Difference from Jan 31
	FY12/3 Actual	FY13/3 Actual	YoY	FY12/3 Actual	FY13/3 Actual	YoY	
Net Sales	924.6	901.8	- 2.5%	3,036.8	3,071.6	1.1%	-78.4
Operating Income	75.2	42.8	-32.3	73.7	114.6	40.9	14.6
% to Net Sales	8.1%	4.8%		2.4%	3.7%		
Ordinary Income	64.0	40.3	-23.8	42.1	92.0	50.0	22.0
% to Net Sales	6.9%	4.5%		1.4%	3.0%		
Net Income/Loss	-12.7	19.0	31.7	-110.3	30.4	140.7	10.4
% to Net Sales	-	2.1%		-	1.0%		
FCF	98.8	134.7	35.9	34.2	42.0	7.9	42.0

(Ref): Average exchange rates for Q4 of FY13/3 1\$= ¥88.71, 1€= ¥117.61
(Assumed exchange rates for FY13/3 1\$ = ¥75, 1€= ¥100)

Average exchange rates for FY13/3 1\$= ¥82.08, 1€= ¥105.98
(Average exchange rates for FY12/3 1\$= ¥79.03, 1€= ¥109.43)

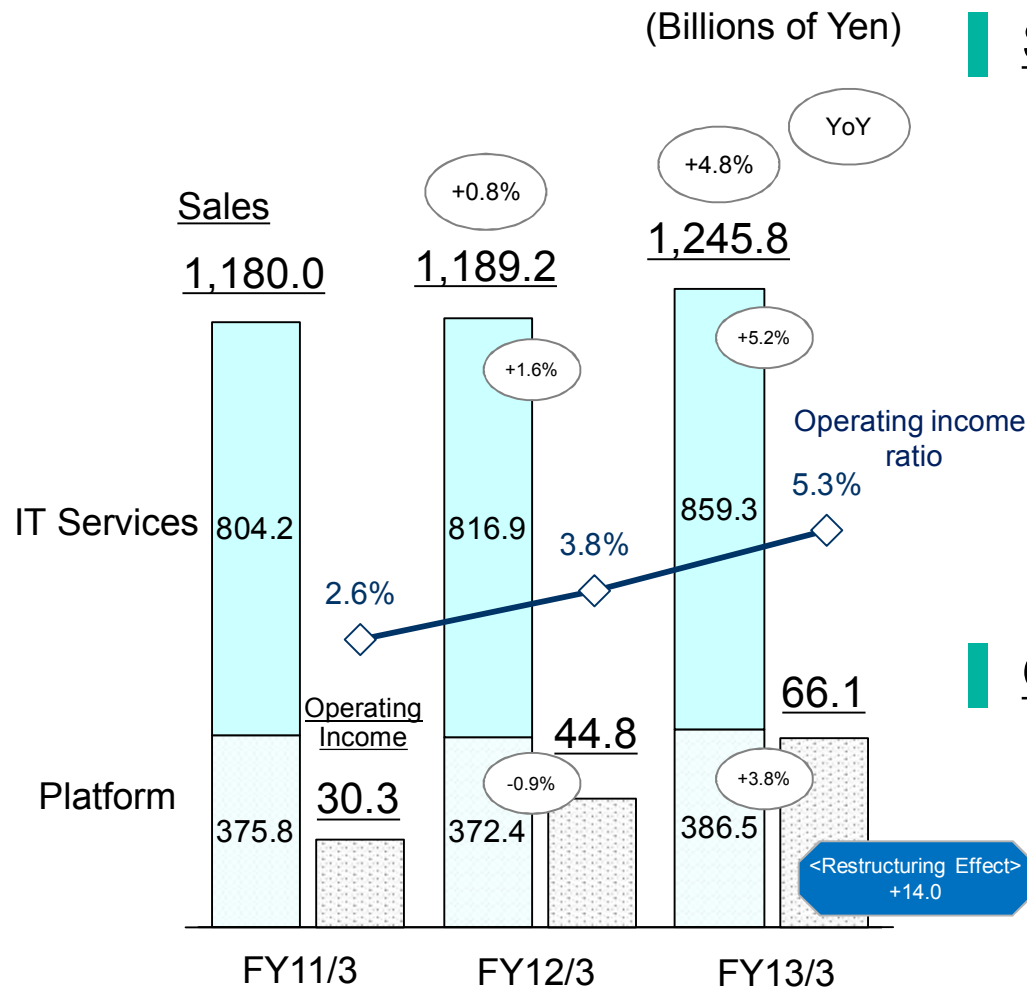
Results by Segment

Results
FY13/3

(Billions of Yen)

		Q4 <January - March>			Full Year			Difference from Jan 31
		FY12/3 Actual	FY13/3 Actual	YoY	FY12/3 Actual	FY13/3 Actual	YoY	
IT Solutions	Net Sales	396.3	386.6	- 2.4%	1,189.2	1,245.8	4.8%	-9.2
	Operating Income	47.6	35.9	-11.7	44.8	66.1	21.3	-5.9
	% to Net Sales	12.0%	9.3%		3.8%	5.3%		
Carrier Network	Net Sales	177.6	183.0	3.1%	602.7	647.7	7.5%	-47.3
	Operating Income	27.1	19.6	-7.5	50.6	63.1	12.5	10.1
	% to Net Sales	15.3%	10.7%		8.4%	9.7%		
Social Infrastructure	Net Sales	120.1	146.7	22.1%	330.4	372.3	12.7%	-2.7
	Operating Income	8.7	13.7	5.0	16.2	27.8	11.6	8.8
	% to Net Sales	7.3%	9.4%		4.9%	7.5%		
Personal Solutions	Net Sales	164.7	137.1	- 16.8%	661.0	589.1	- 10.9%	-20.9
	Operating Income/loss	0.6	-10.1	-10.6	1.0	-3.7	-4.7	-13.7
	% to Net Sales	0.3%	-		0.2%	-		
Others	Net Sales	66.0	48.4	- 26.6%	253.5	216.6	- 14.5%	1.6
	Operating Income	5.8	4.9	-0.9	11.1	22.3	11.2	6.3
	% to Net Sales	8.7%	10.1%		4.4%	10.3%		
Eliminations/ Unclassifiable expenses	Operating Loss	-14.6	-21.3	-6.7	-50.0	-61.0	-11.0	9.0
Total	Net Sales	924.6	901.8	- 2.5%	3,036.8	3,071.6	1.1%	-78.4
	Operating Income	75.2	42.8	-32.3	73.7	114.6	40.9	14.6
	% to Net Sales	8.1%	4.8%		2.4%	3.7%		

Billions of Yen (YoY)



Sales 1,245.8 (+4.8%)

△ IT Services

Solid sales in manufacturing, retail & services and telecom sectors
Consolidation of Australia-based CSG Limited's Technology Solutions business

△ Platform

Increase due to large-scale projects

Operating Income 66.1 (+21.3)

△ Improve due to sales increase and the effect of restructuring

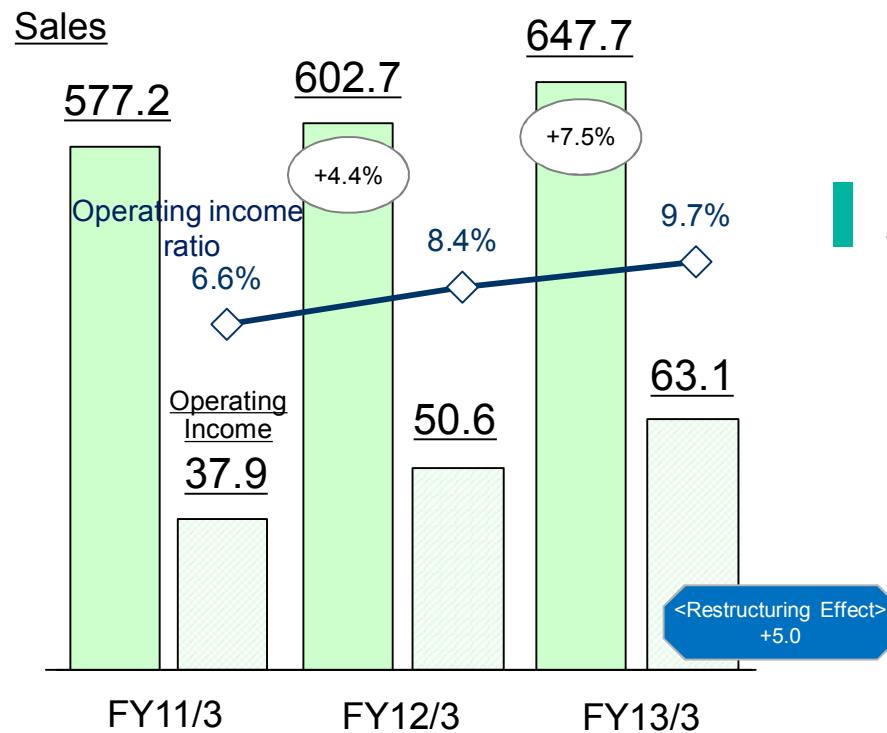


※ Restructuring Effect is compared with FY12/3

Billions of Yen (YoY)

(Billions of Yen)

YoY



Sales 647.7 (+7.5%)

- △ Japan : Increase by steady demand
- △ Overseas : Increase in services & management and submarine cable systems

Operating Income 63.1 (+12.5)

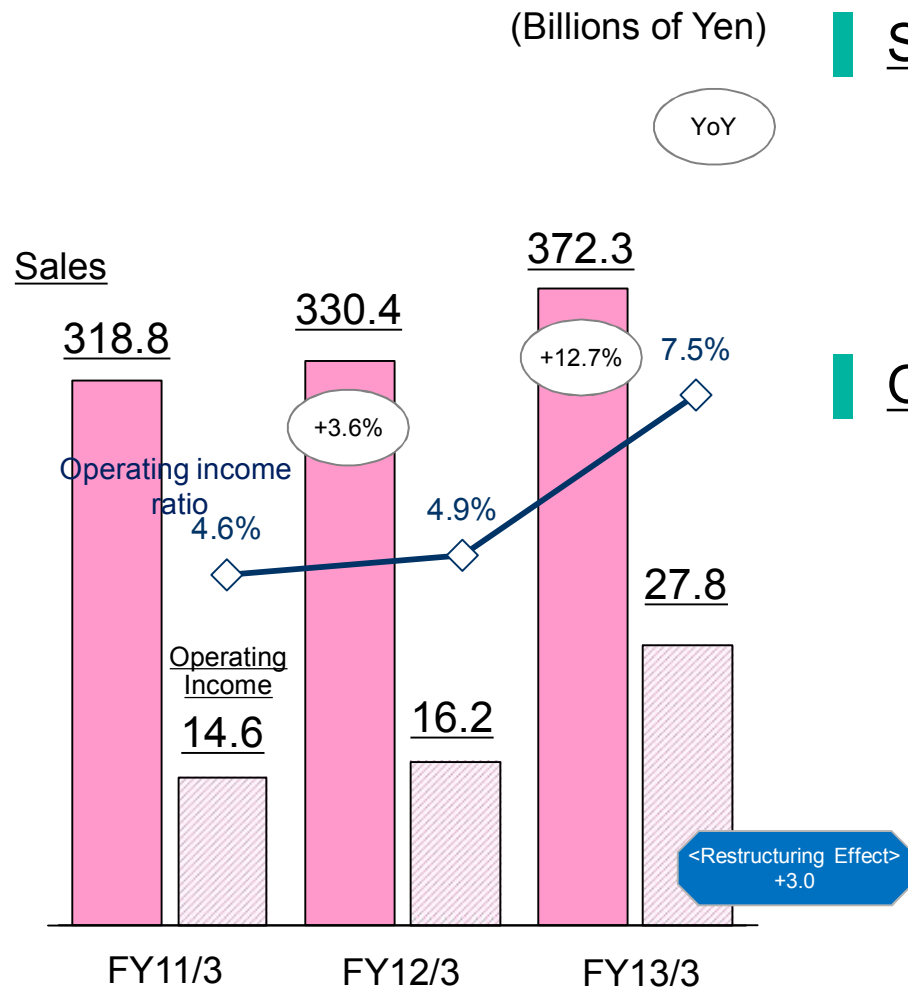
- △ Improve due to sales expansion, cost reductions and one-time profit related to intellectual property



※ Restructuring Effect is compared with FY12/3

Social Infrastructure Business

Billions of Yen (YoY)



Sales 372.3 (+12.7%)

△ Increase from fire and disaster prevention business in social systems and aerospace and defense systems

Operating Income 27.8 (+11.6)

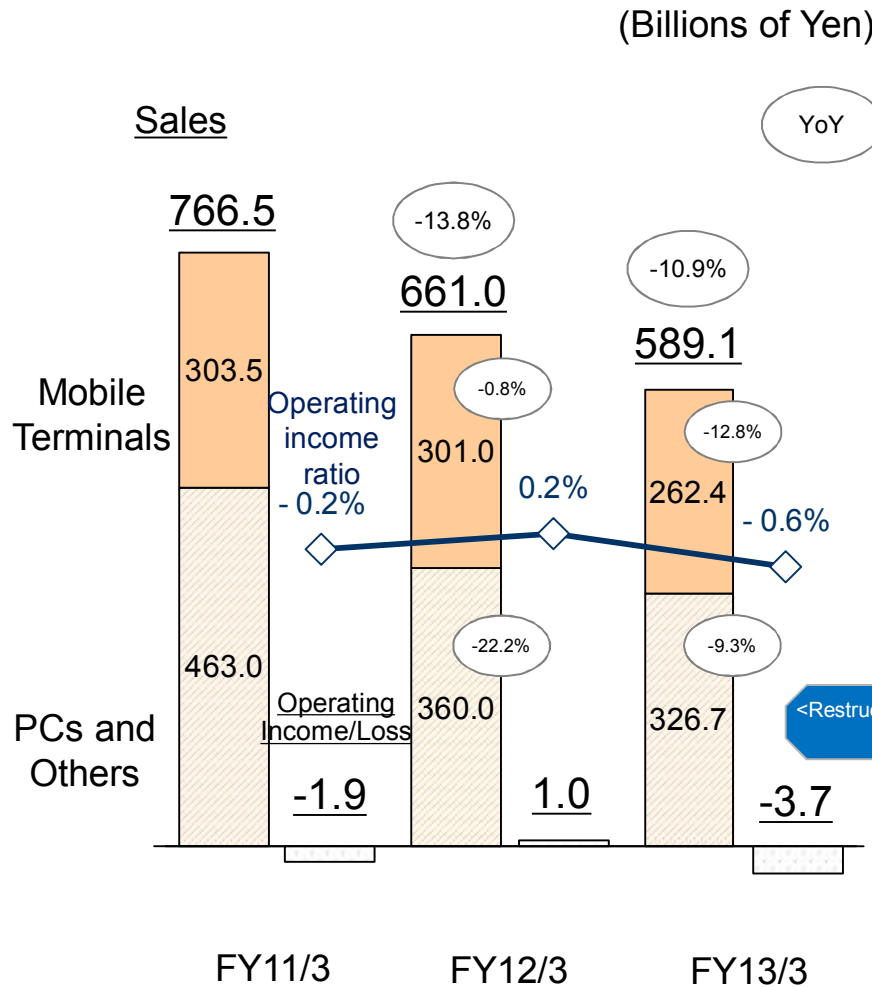
△ Improve due to sales expansion, cost reductions and the effect of restructuring



※ Restructuring Effect is compared with FY12/3

Personal Solutions Business

Billions of Yen (YoY)



Sales 589.1 (-10.9%)

- ▽ Mobile Terminals
Decrease due to drastic drop in mobile handset shipments, despite the strong mobile sales business of NEC Mobiling, Ltd.
- ▽ PCs and Others
Decrease due to the deconsolidation of consumer PCs

Operating Income/Loss -3.7 (-4.7)

- ▽ Decrease due to the fall in mobile terminal sales, despite restructuring mainly in the mobile handset business



※ Restructuring Effect is compared with FY12/3

Mobile Handset Business

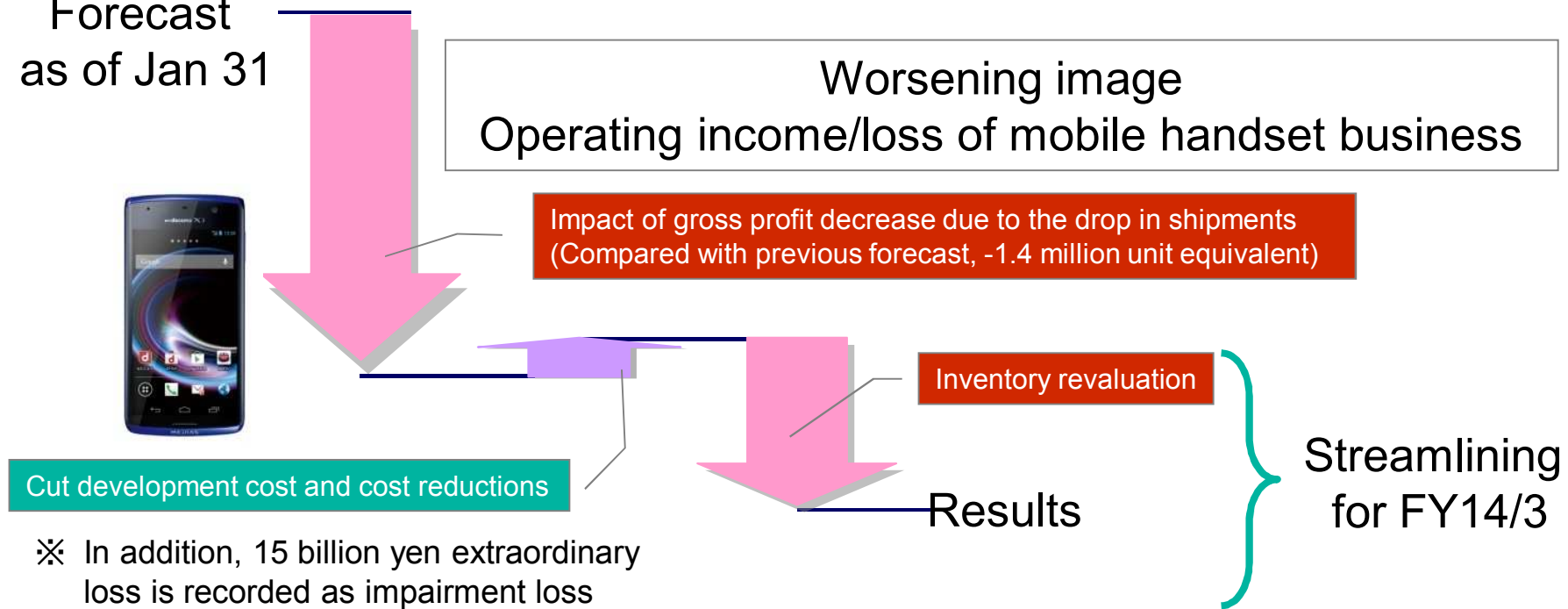
Operating Income/Loss of the Personal Solutions Business worsened by 13.7 billion yen compared with previous forecast

(Forecast as of Jan 31 : 10 billion yen ⇒ Result : -3.7 billion yen)

- Q4 operating income/loss in mobile handset business deteriorated drastically due to the non-achievement of shipment targets, etc.

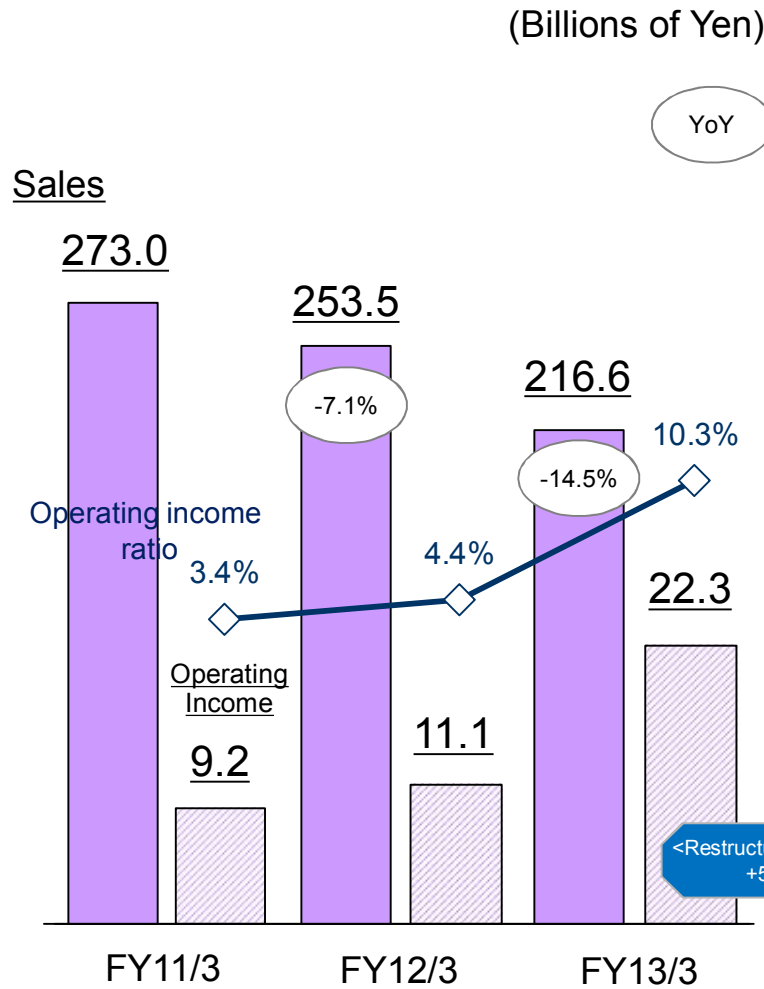
(Full year shipment forecast : 4.3 million units ⇒ Result : 2.9 million units)

Forecast
as of Jan 31



※ In addition, 15 billion yen extraordinary loss is recorded as impairment loss

Billions of Yen (YoY)



Sales 216.6 (-14.5%)

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

Operating Income 22.3 (+11.2)

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

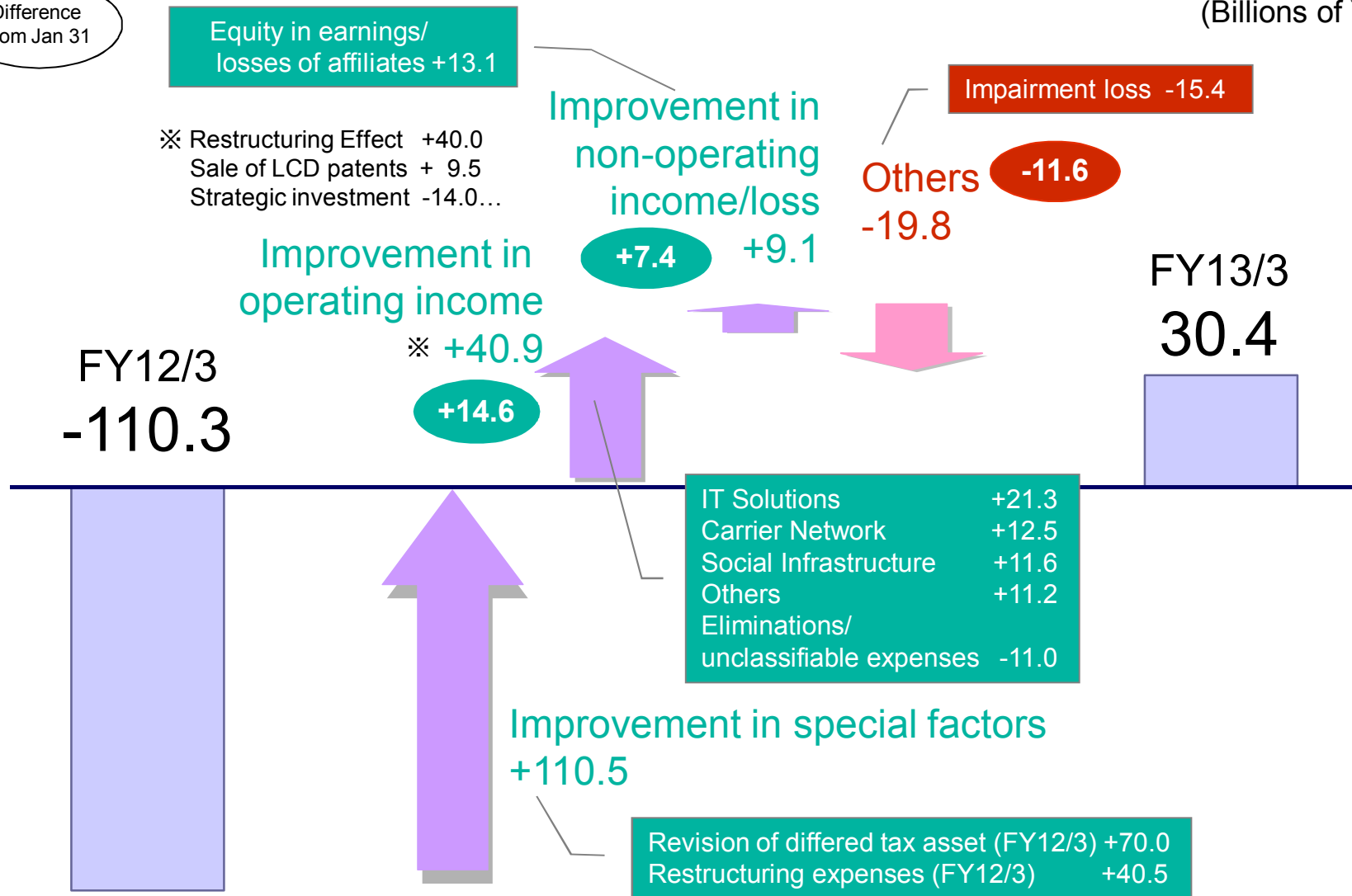
**include the restructuring effect in Eliminations/Unclassifiable expenses

※ Restructuring Effect is compared with FY12/3

Net Income/Loss Change (Year on Year)

Difference from Jan 31

(Billions of Yen)





II . Financial Forecasts for FY14/3

NEC's Management Policy for FY14/3

Market forecast

- The Japanese economy is expected to grow steadily through the recovery of market confidence
(Overseas market growth is still uncertain due to the stagnation of European economy)
- IT investment in Japan will see a recovery trend
- Investment of telecom carriers will be slow, although TOMS/SDN market will expand significantly
- Social infrastructure market will expand along with new government, economic and fiscal policy
- Increase in smart energy related projects

Business strategy

- Focus on Solutions for society/Establish competitive growth platforms in global markets (Public, Enterprise, Telecom Carrier and Smart Energy)
- Continue strategic investment, minimize unprofitable projects and accelerate CCC improvement activities

“CS No.1” “Global First” “One NEC”

※ TOMS : Telecom Operations Management Systems, SDN : Software-Defined Networking, CCC : Cash Conversion Cycle

Summary of Financial Forecasts for FY14/3

Forecasts
FY14/3

Achieve 100 billion yen operating income

(Sales increase by approximately 2%, excluding the impact of deconsolidation)

(Billions of Yen)

	Full Year		
	FY13/3 Actual	FY14/3 Forecasts	YoY
Net Sales	3,071.6	3,000.0	-2.3%
Operating Income	114.6	100.0	-14.6
% to Net sales	3.7%	3.3%	
Ordinary Income	92.0	70.0	-22.0
% to Net sales	3.0%	2.3%	
Net Income	30.4	20.0	-10.4
% to Net sales	1.0%	0.7%	
Net Income per share (Yen)	11.71	7.70	-4.01

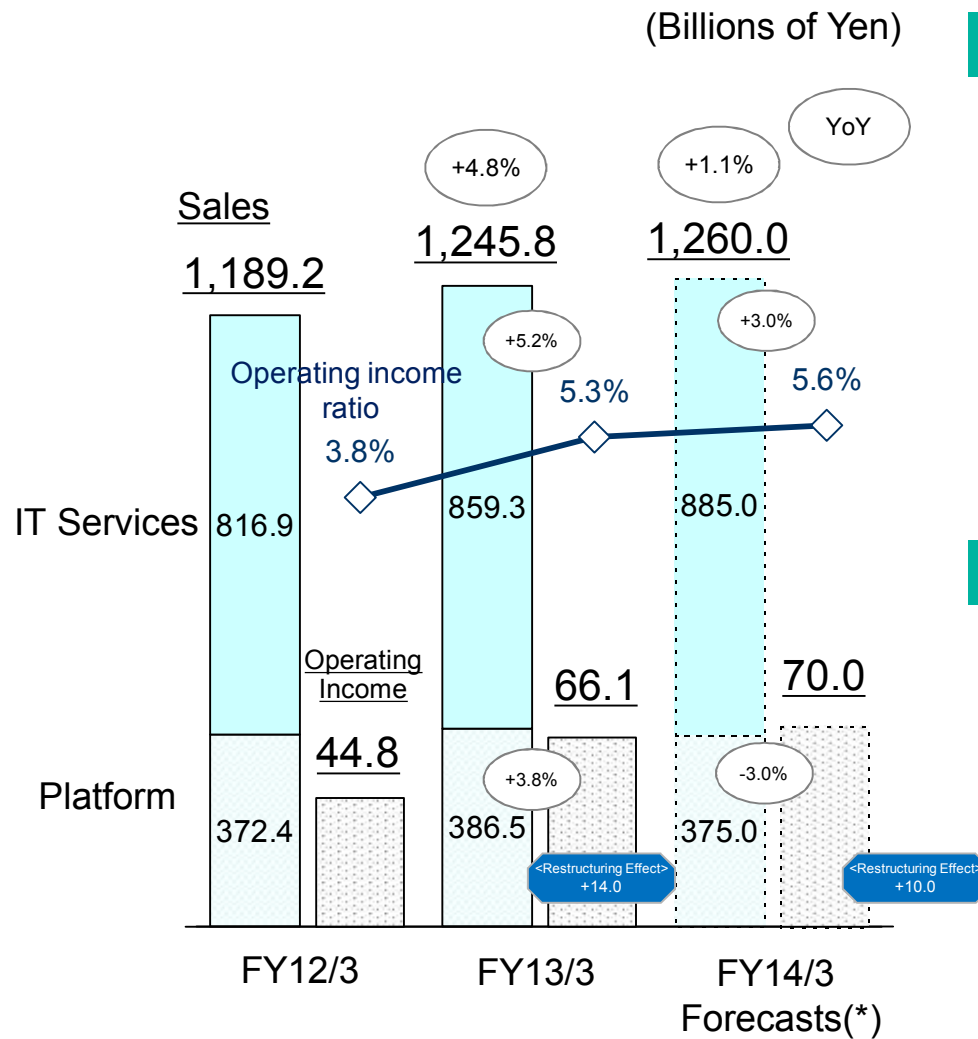
(Billions of Yen)

<Segment>		Full Year		
		FY13/3 Actual	FY14/3 Forecasts	YoY
IT Solutions	Net Sales	1,245.8	1,260.0	1.1%
	Operating Income	66.1	70.0	3.9
	% to Net sales	5.3%	5.6%	
Carrier Network	Net Slaes	647.7	650.0	0.4%
	Operating Income	63.1	55.0	-8.1
	% to Net sales	9.7%	8.5%	
Social Infrastructure	Net Sales	372.3	420.0	12.8%
	Operating Income	27.8	27.0	-0.8
	% to Net sales	7.5%	6.4%	
Personal Solution	Net Sales	589.1	485.0	-17.7%
	Operating Loss	-3.7	-10.0	-6.3
	% to Net sales	-	-	
Others	Net Sales	216.6	185.0	-14.6%
	Operating Income	22.3	10.0	-12.3
	% to Net sales	10.3%	5.4%	
Eliminations/ Unclassifiable expenses	Operating Loss	-61.0	-52.0	9.0
Total	Net Sales	3,071.6	3,000.0	-2.3%
	Operating Income	114.6	100.0	-14.6
	% to Net sales	3.7%	3.3%	

Note: Assumed exchange rates for FY14/3 1\$=¥90, 1€=¥115

*Forecasts as of April 26, 2013

Billions of Yen (YoY)



Sales 1,260.0 (+1.1%)

- △ IT Services
Steady increase supported by recovering momentum in IT investment
- ▽ Platform
Decline due to the decrease of large-scale projects

Operating Income 70.0 (+3.9)

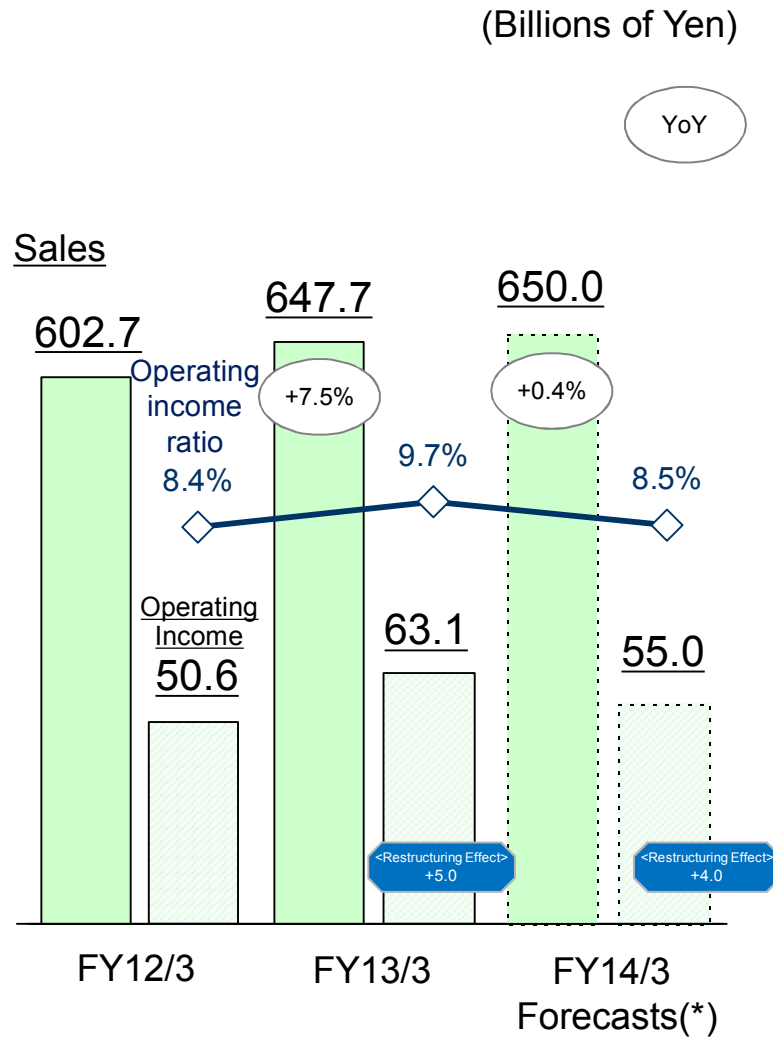
- △ Improve margins by continuous cost reductions in addition to the sales growth



*Forecasts as of Apr 26, 2013, Restructuring Effects are compared with FY12/3

Carrier Network Business

Billions of Yen (YoY)



Sales 650.0 (+0.4%)

- ▽ Japan : Decrease from the previous fiscal year, when there was steady demand
- △ Overseas : Increase in services & management and mobile backhaul businesses

Operating Income 55.0 (-8.1)

- ▽ Decrease due to the acceleration of investment in SDN, etc., and one-time profit related to intellectual property in the previous fiscal year

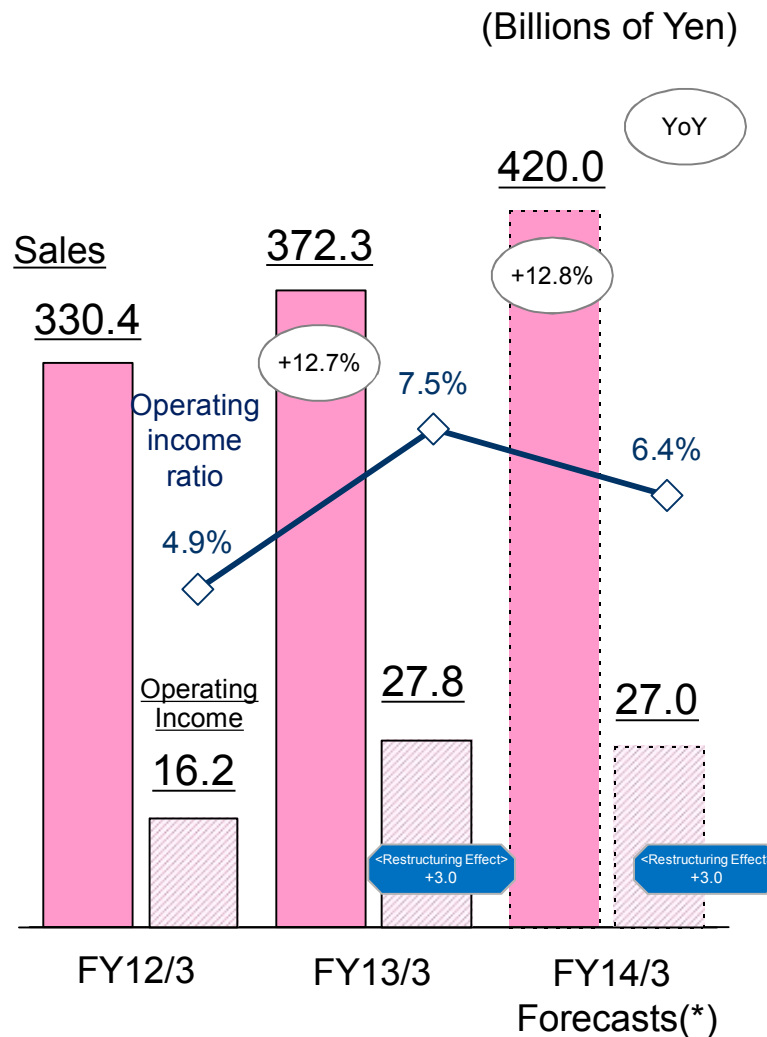


*Forecasts as of Apr 26, 2013, Restructuring Effects are compared with FY12/3

Social Infrastructure Business

Forecasts
FY14/3

Billions of Yen (YoY)



Sales 420.0 (+12.8%)

- △ Increase by healthy sales of aerospace and defense systems due to large-scale projects and social systems mainly in fire and disaster prevention systems

Operating Income 27.0 (-0.8)

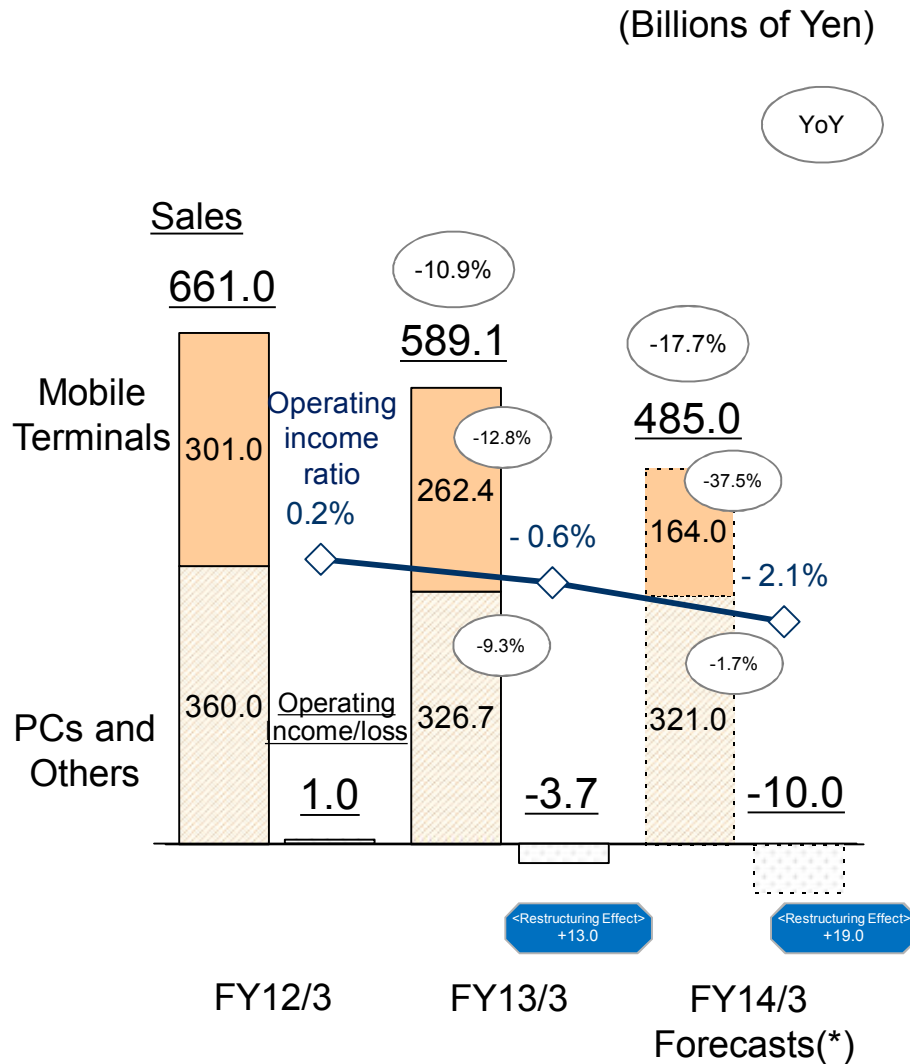
- ▽ Same level as previous fiscal year due to the investment for future growth, in spite of sales increase



*Forecasts as of Apr 26, 2013, Restructuring Effects are compared with FY12/3

Personal Solutions Business

Billions of Yen (YoY)



Sales 485.0 (-17.7%)

▽ Mobile Terminals
Decrease due to the deconsolidation of NEC Mobiling, Ltd. Mobile handset sales remain flat from the previous fiscal year

▽ PCs and Others
Slight decrease due to the declining of Business PCs

Operating Loss -10.0 (-6.3)

▽ Decrease due to the deconsolidation of NEC Mobiling, Ltd., despite reduced losses in the mobile handset business



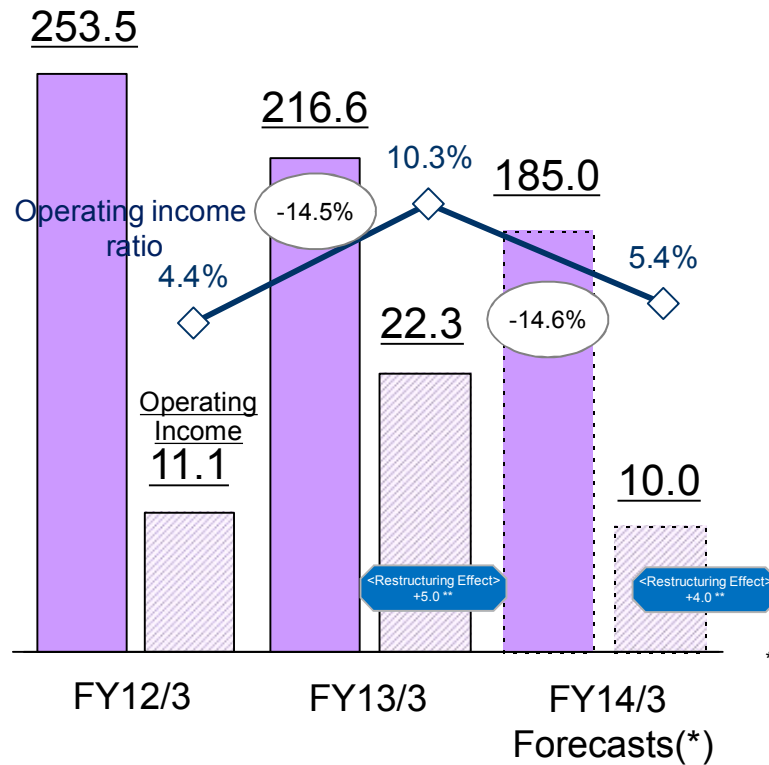
*Forecasts as of Apr 26, 2013, Restructuring Effects are compared with FY12/3

Billions of Yen (YoY)

(Billions of Yen)

YoY

Sales



Sales 185.0 (-14.6%)

▽ Decrease due to the deconsolidation of electronic component business

Operating Income 10.0 (-12.3)

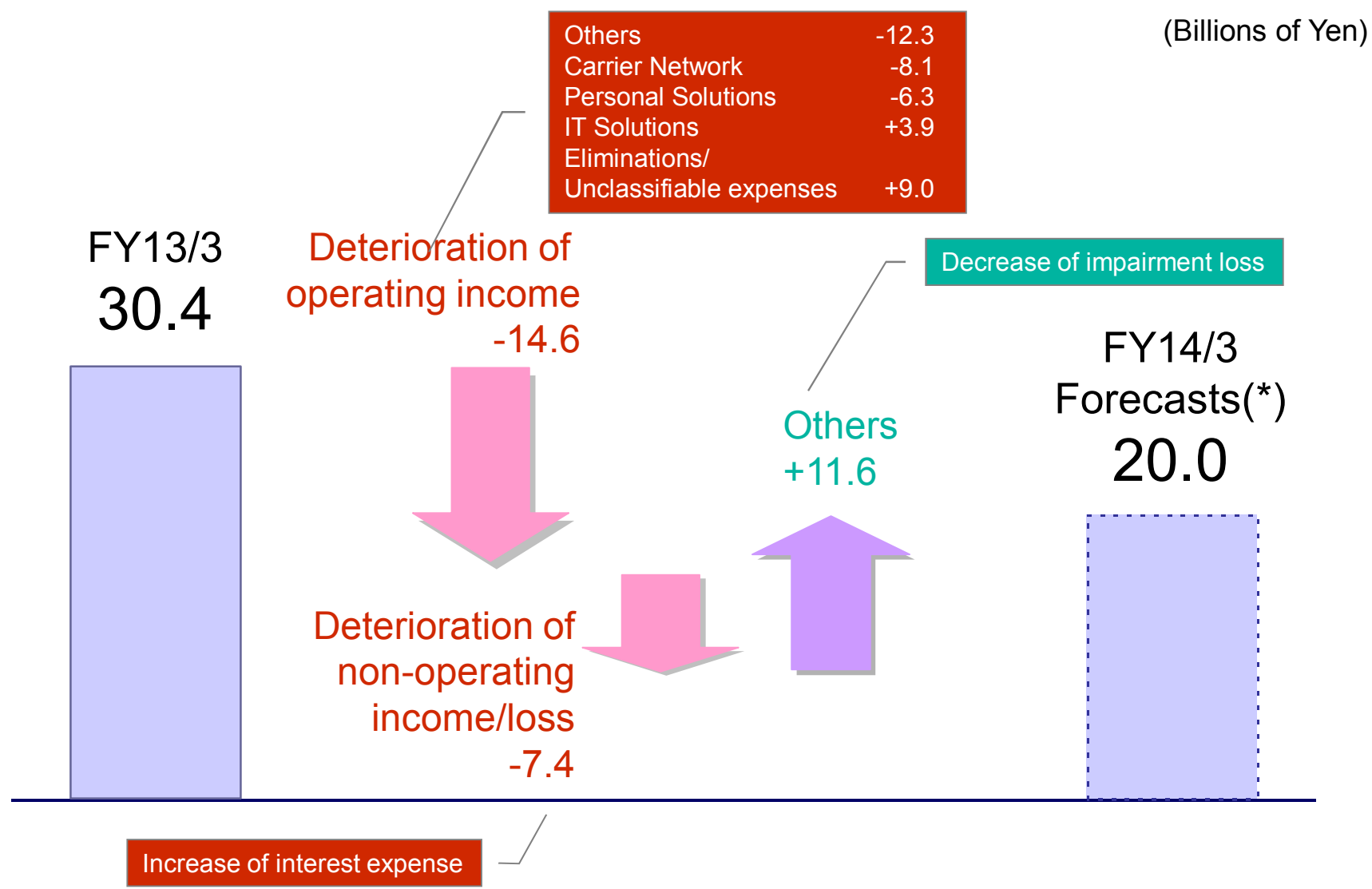
▽ Decrease by the impact of the sale of LCD patents in the previous fiscal year

**include the restructuring effect in Eliminations/Unclassifiable expenses

*Forecasts as of Apr 26, 2013, Restructuring Effects are compared with FY12/3

Net Income/Loss Change (Year on Year)

Forecasts
FY14/3



*Forecasts as of April 26, 2013

Summary



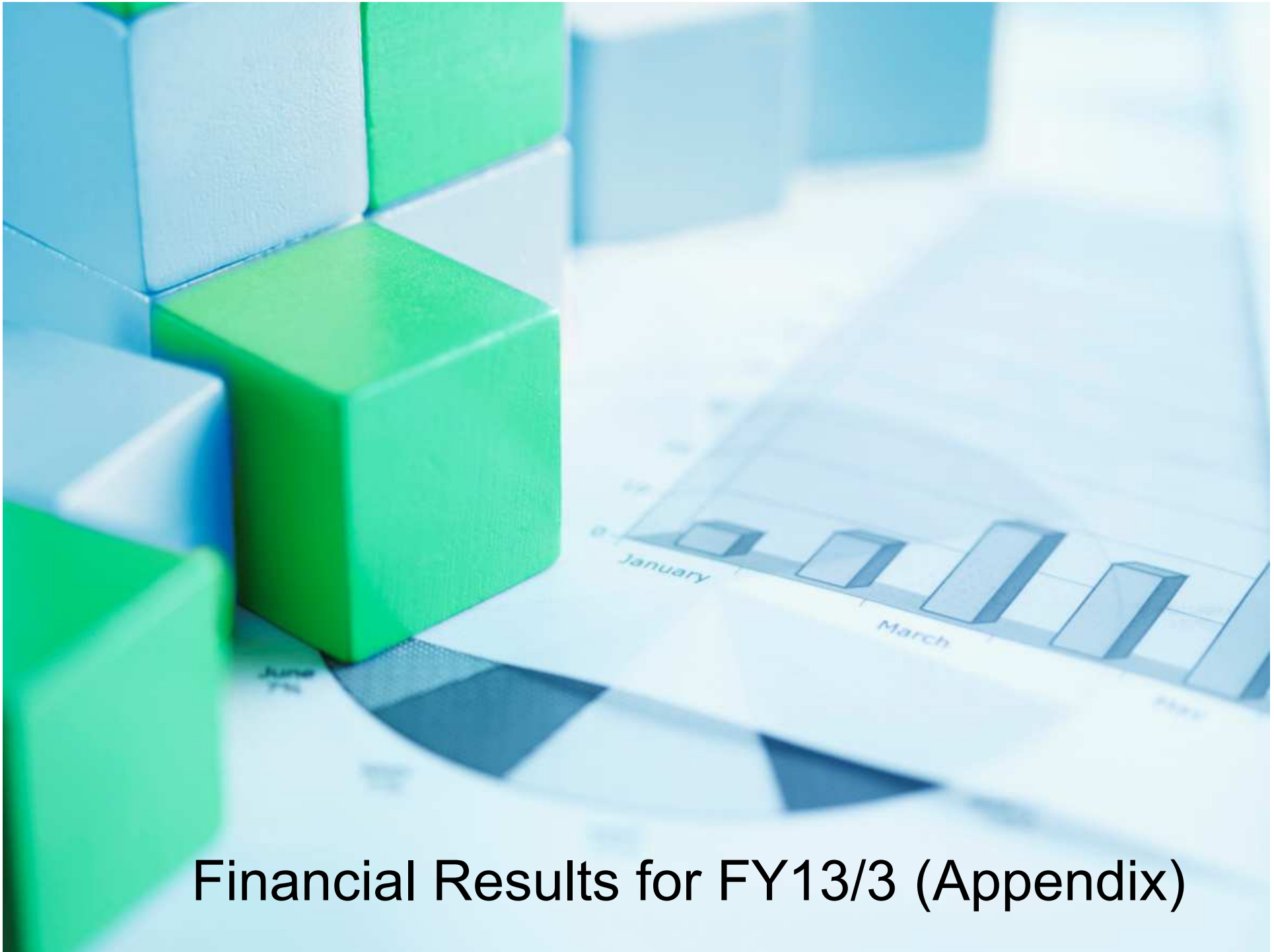
Achieving FY14/3 forecasts is the minimum goal for the first year of the Mid-term Management Plan 2015

Aim to achieve financial forecasts just as FY13/3, and continue dividend payments to shareholders

*Forecasts as of April 26, 2013

Empowered by Innovation

NEC



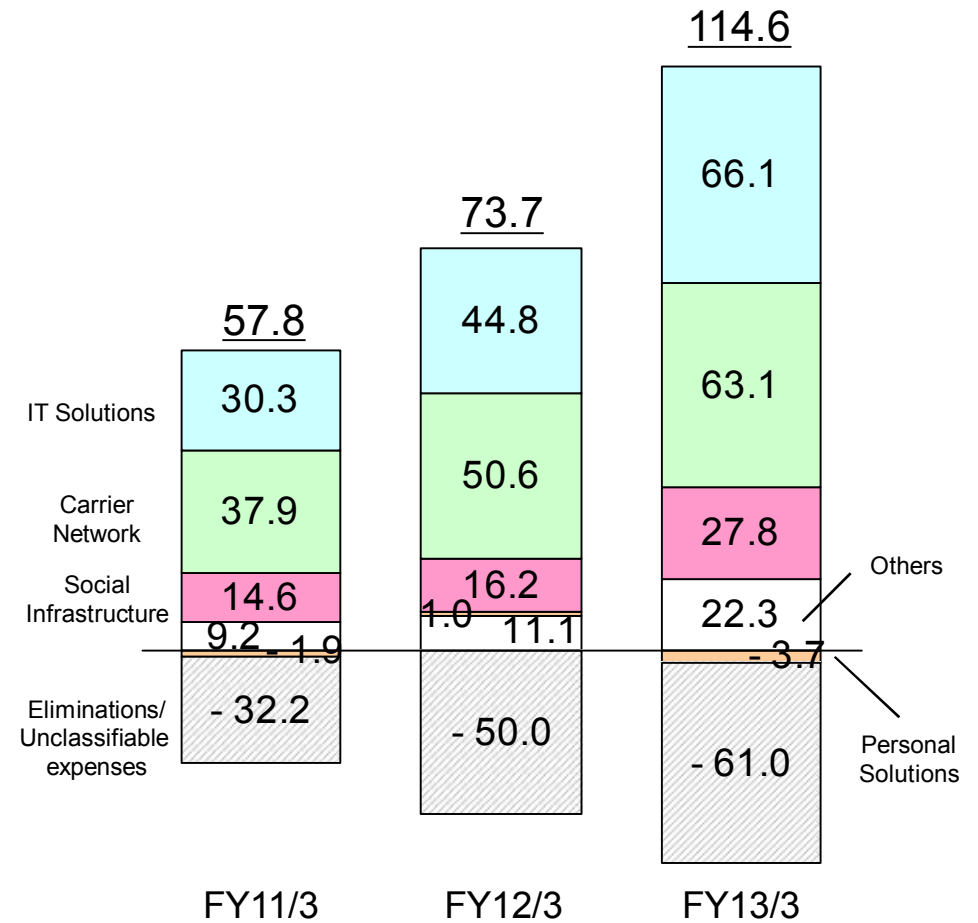
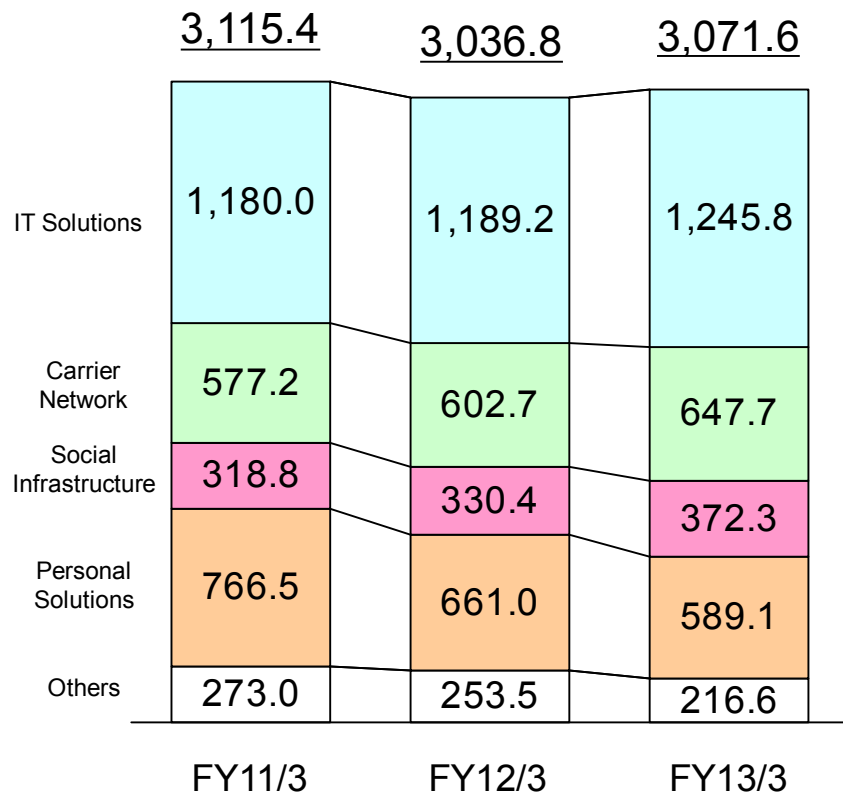
Financial Results for FY13/3 (Appendix)

Results for FY13/3 by Segment

(Billions of yen)

Net Sales

Operating Income/Loss

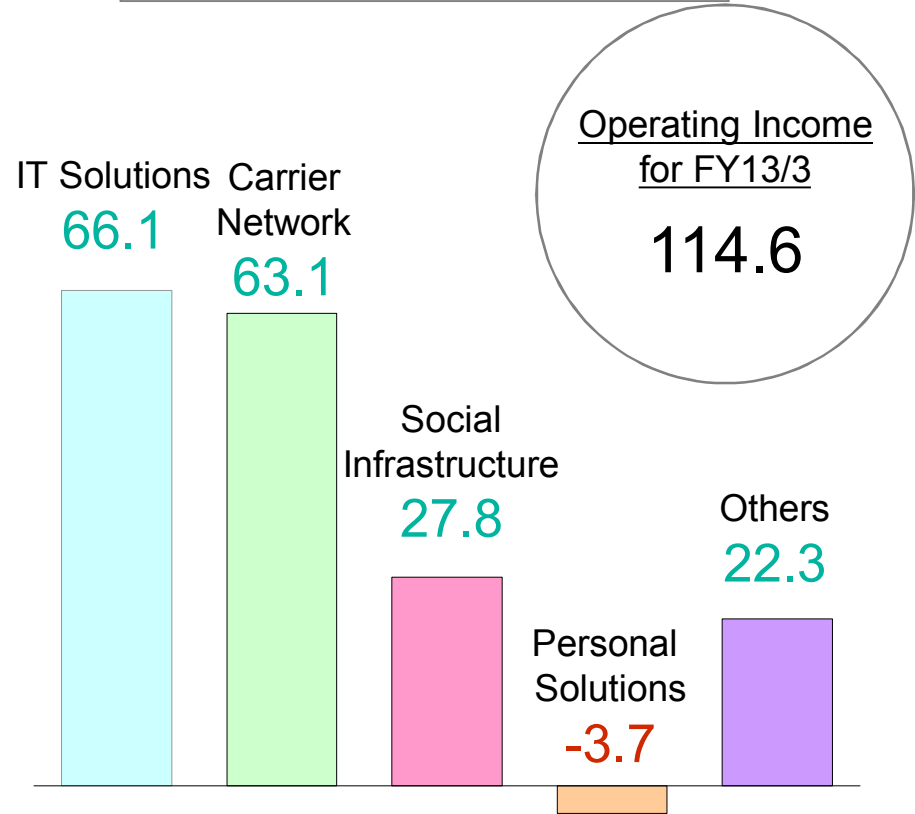
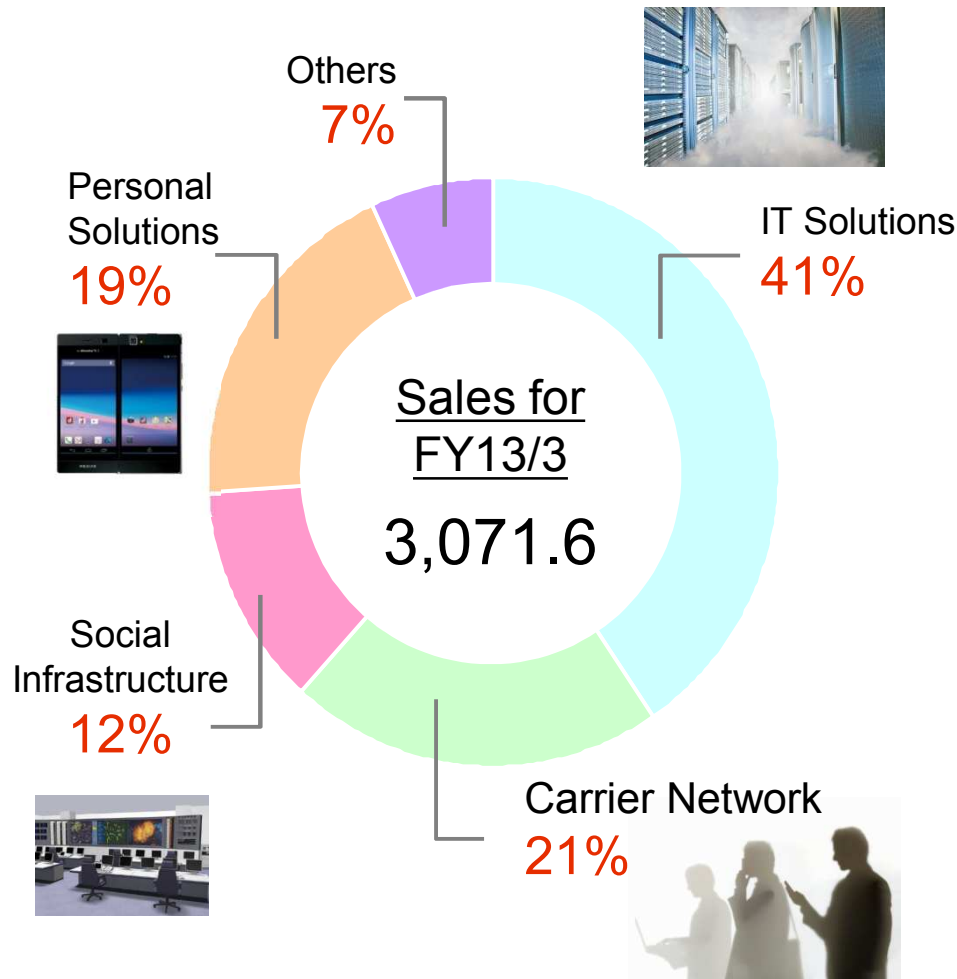


Summary of Financial Results for FY13/3 by Segment

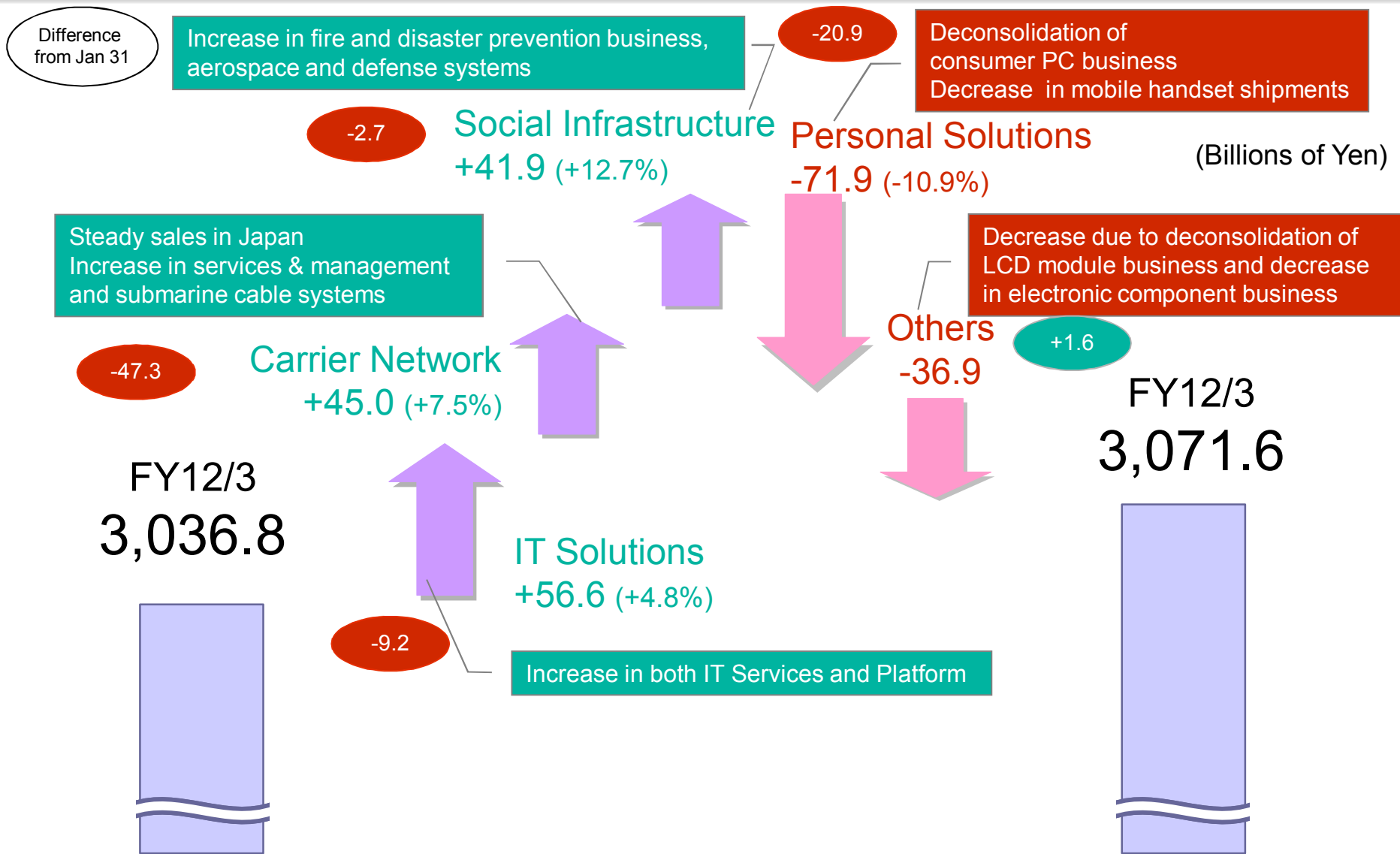
(Billions of Yen)

Net Sales

Operating Income/Loss



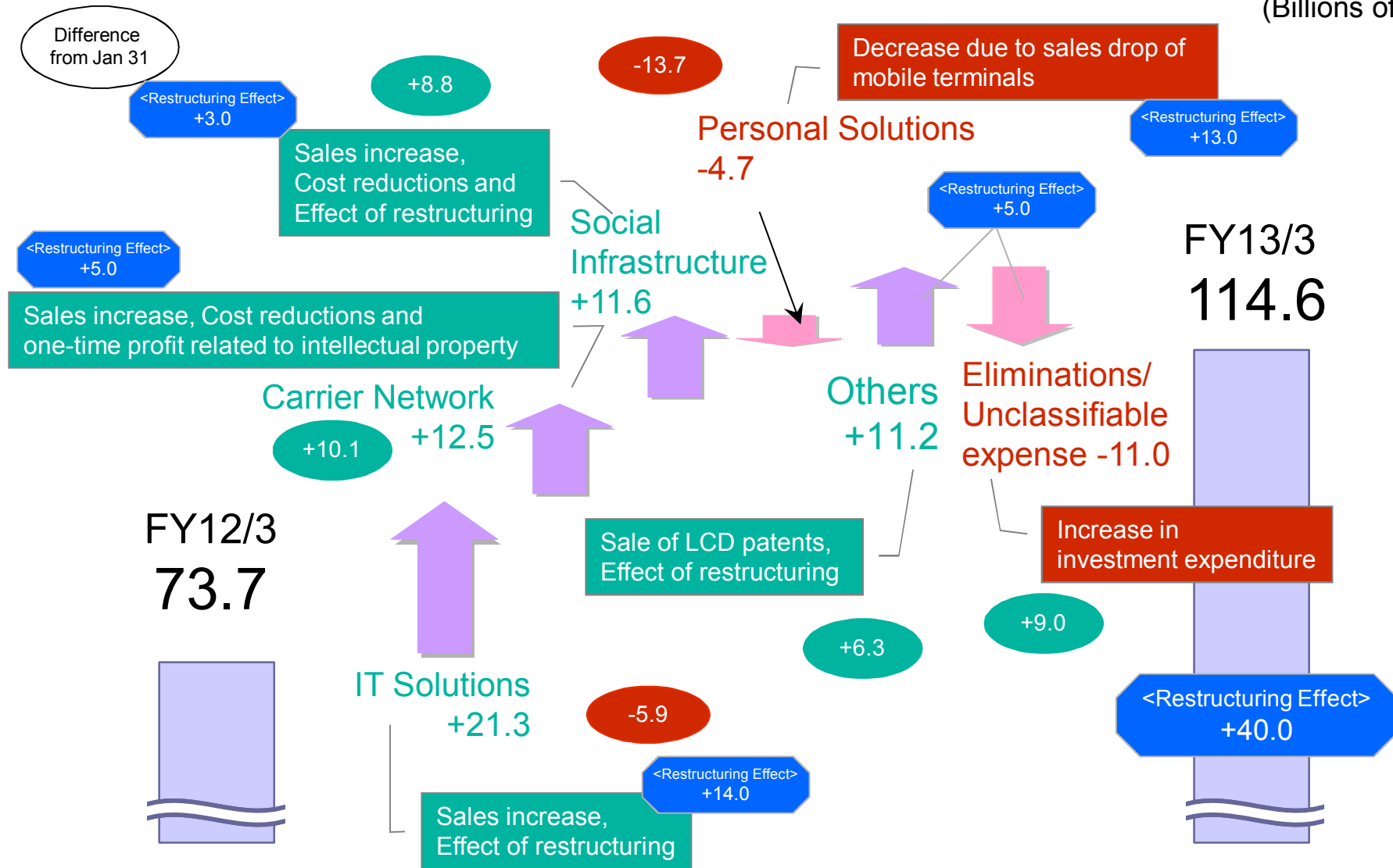
Sales Change (Year on Year)



Operating Income/Loss Change (Year on Year)

Results
FY13/3

(Billions of Yen)



Restructuring Progress

FY13/3 Results : 40.0B Yen (achieve the initial plan)

(Billions of Yen)

Item	FY13/3 Result (Jan to Mar)	FY14/3 (forecasts)	Segment	FY13/3 Result (Jan to Mar)	FY14/3 (forecasts)
Business Restructuring	20.0 (9.0)	34.0	IT Solutions	14.0 (4.0)	10.0
Streamline Corporate staff			Carrier Network	5.0 (2.0)	4.0
Reduction of External Resources	4.0 (2.0)	6.0	Social Infrastructure	3.0 (1.0)	3.0
Immediate Cost Reductions	16.0 (3.0)	0.0	Personal Solutions	13.0 (5.0)	19.0
Total	40.0 (14.0)	40.0	Others/Eliminations Unclassifiable exp	5.0 (2.0)	4.0
			Total	40.0 (14.0)	40.0

*Forecasts as of Apr 26, 2013, Restructuring Effects are compared with FY12/3

Overseas sales

(Billions of Yen)

		Q4 <January - March>			Full Year			Major countries and regions
		FY12/3 Actual	FY13/3 Actual	YoY	FY12/3 Actual	FY13/3 Actual	YoY	
Asia	Net Sales	40.2	46.1	14.5%	153.0	162.3	6.1%	China, Chinese Taipei, India, Singapore and Indonesia
	To consolidated total sales(%)	4.4%	5.1%		5.0%	5.3%		
Europe	Net Sales	21.8	22.0	0.6%	104.4	84.2	- 19.4%	UK, France, Netherlands, Germany, Italy and Spain
	To consolidated total sales(%)	2.4%	2.4%		3.4%	2.7%		
Others	Net Sales	56.6	60.4	6.6%	224.1	236.6	5.6%	U.S.A
	To consolidated total sales(%)	6.1%	6.7%		7.4%	7.7%		
Total	Net Sales	118.7	128.4	8.1%	481.5	483.1	0.3%	
	To consolidated total sales(%)	12.8%	14.2%		15.9%	15.7%		

* Sales, based on customer locations, are classified by country or region

Financial Position Data

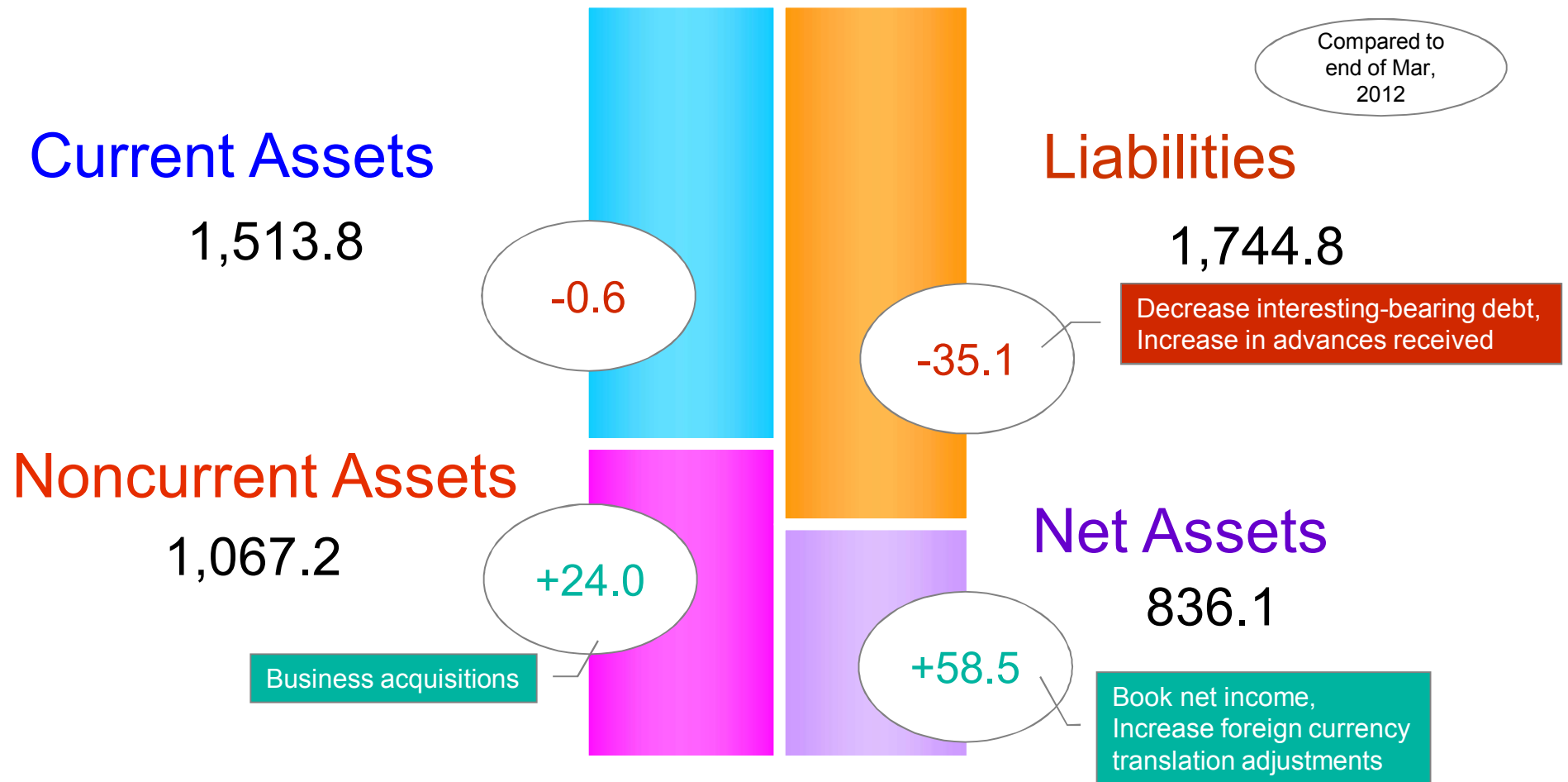
(Billions of Yen)

	End of Mar 2012	End of Mar 2013	Difference from Mar 2012
Total Assets	2,557.6	2,581.0	23.4
Net Assets	777.6	836.1	58.5
Interest-bearing debt	692.7	603.5	-89.3
Shareholder's Equity	657.0	710.7	53.7
Equity ratio(%)	25.7%	27.5%	1.8pt
D/E ratio (times)	1.05	0.85	0.20pt
Net D/E ratio (times)	0.67	0.57	0.10pt
Balance of cash and cash equivalents	251.8	197.1	-54.7

<Ref.> Balance Sheets (At the end of Mar, 2013)

(Billions of Yen)

Total Assets 2,581.0 <Compared to end of Mar, 2012>
(+23.4)





Financial Forecasts for FY14/3 (Appendix)

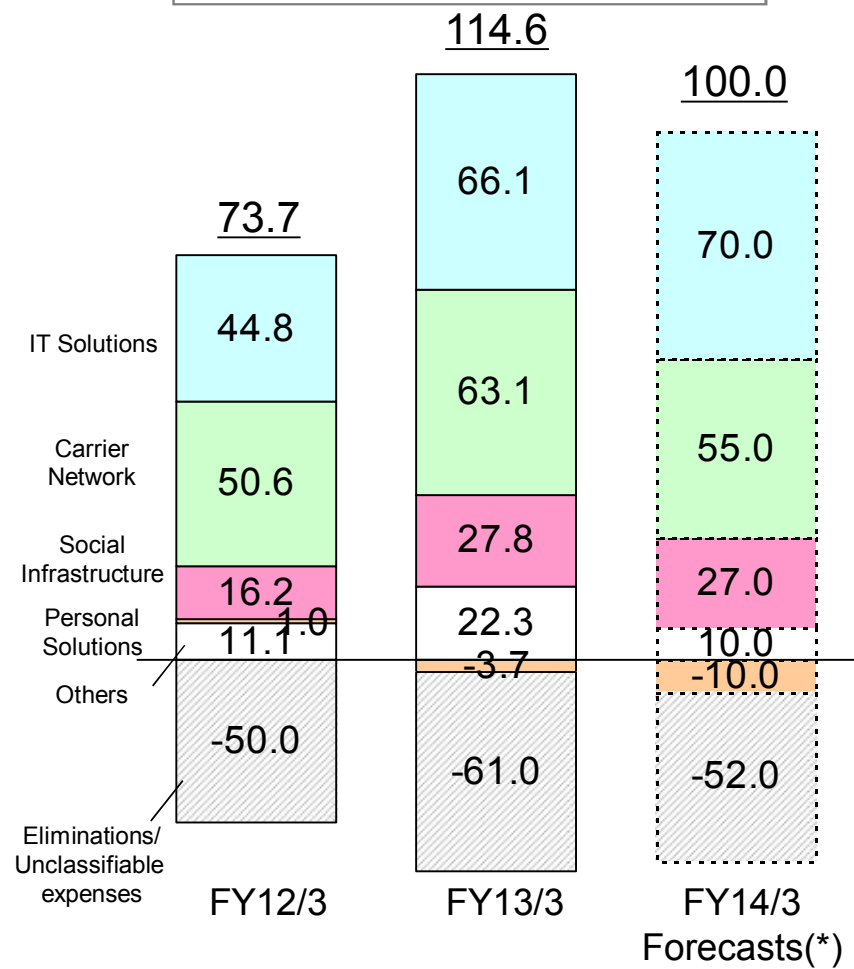
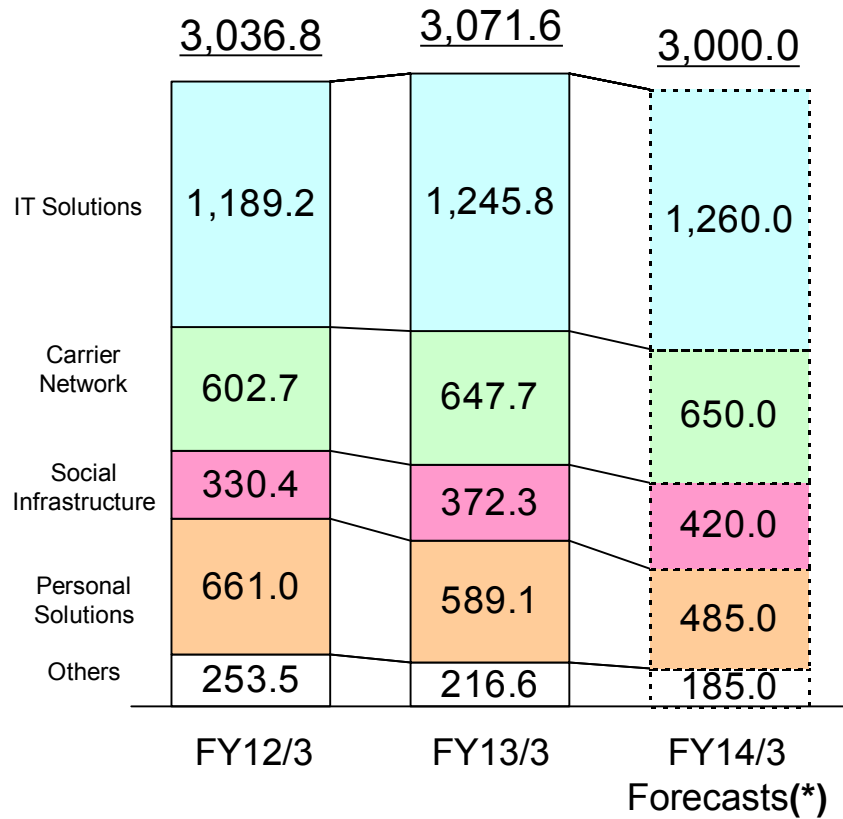
Financial Forecasts for FY14/3 by Segment

Forecasts
FY14/3

(Billions of yen)

Net Sales

Operating Income/Loss



*Forecasts as of April 26, 2013

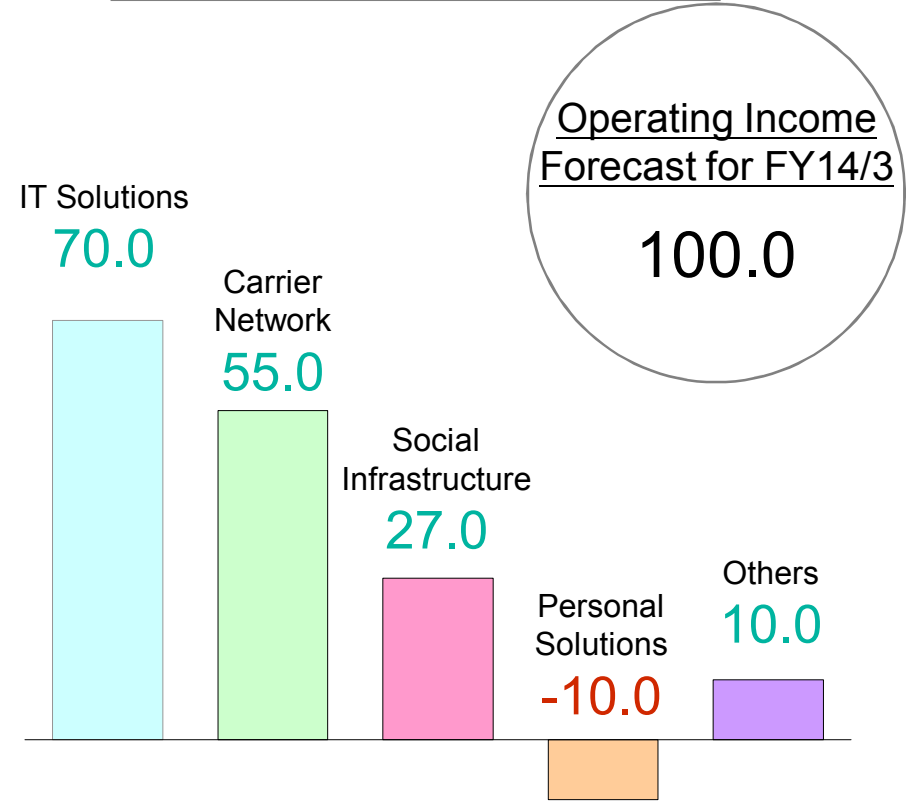
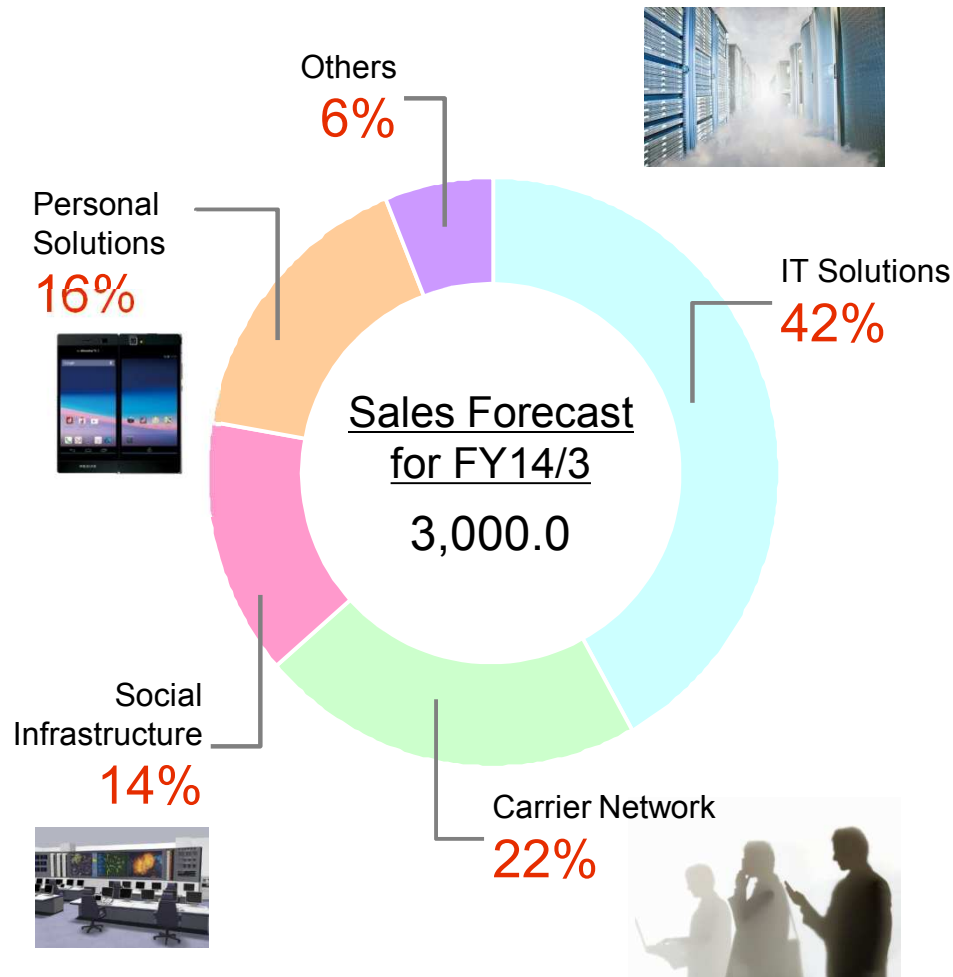
Summary of Financial Forecasts for FY14/3 by Segment

Forecasts
FY14/3

(Billions of Yen)

Net Sales

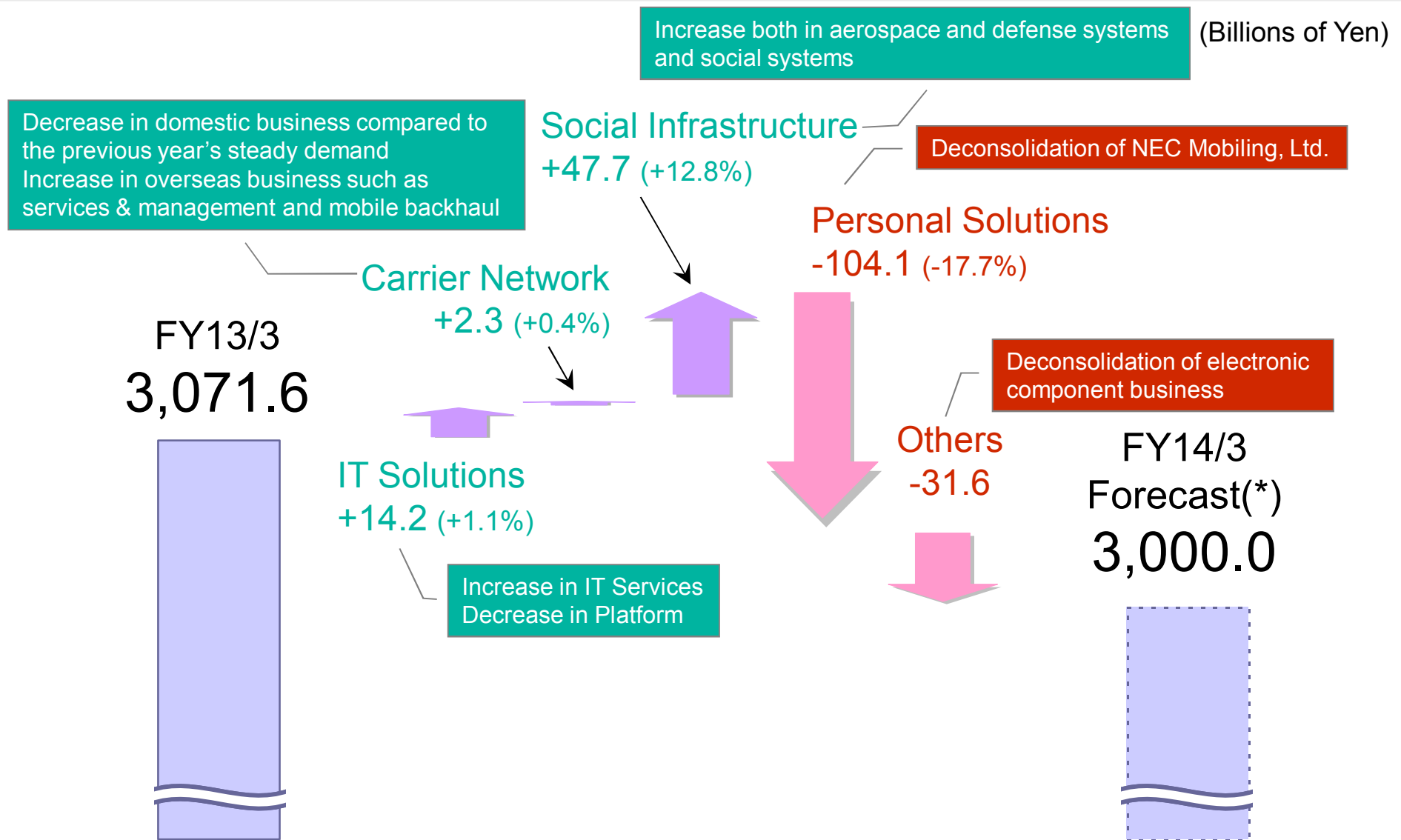
Operating Income/Loss



*Forecasts as of April 26, 2013

Sales Change (Year on Year)

Forecasts
FY14/3

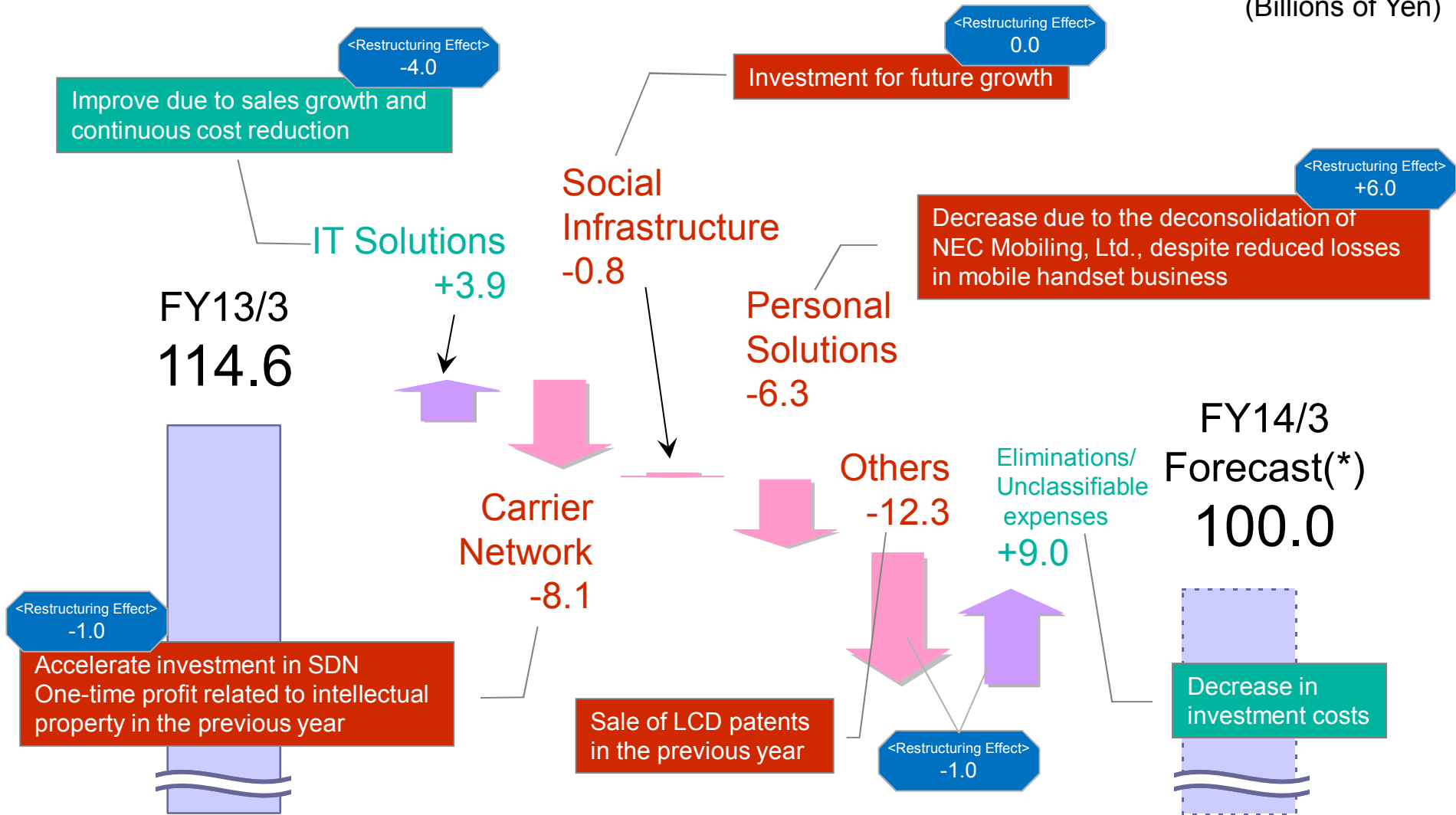


*Forecasts as of April 26, 2013

Operating Income/Loss Change (Year on Year)

Forecasts
FY14/3

(Billions of Yen)



*Forecasts as of Apr 26, 2013, Restructuring Effects are compared with FY13/3

Capital Expenditure, Depreciation and R&D expenses

(Billions of yen)

	FY12/3 Actual	FY13/3 Actual	YoY	Difference from Jan 31	FY14/3 Forecast	YoY
Capital Expenditure	42.0	45.6	8.7%	-4.4	50.0	9.6%
Depreciation	53.3	51.2	-4.0%	-3.8	50.0	-2.3%
R&D expenses	162.0	151.7	-6.4%	-18.3	160.0	5.5%
To consolidated total sales(%)	5.3%	4.9%			5.3%	



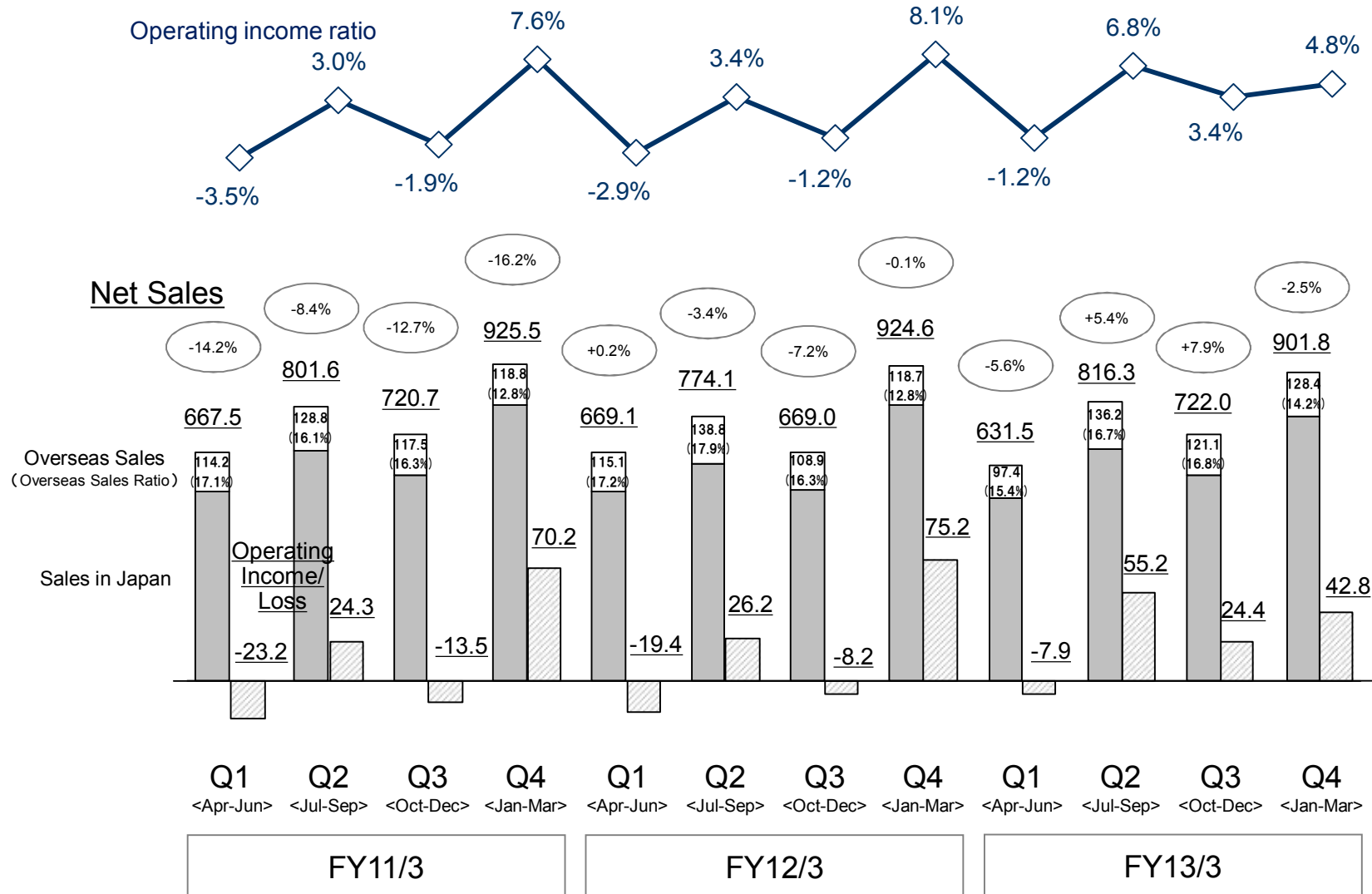
*Forecasts as of April 26, 2013



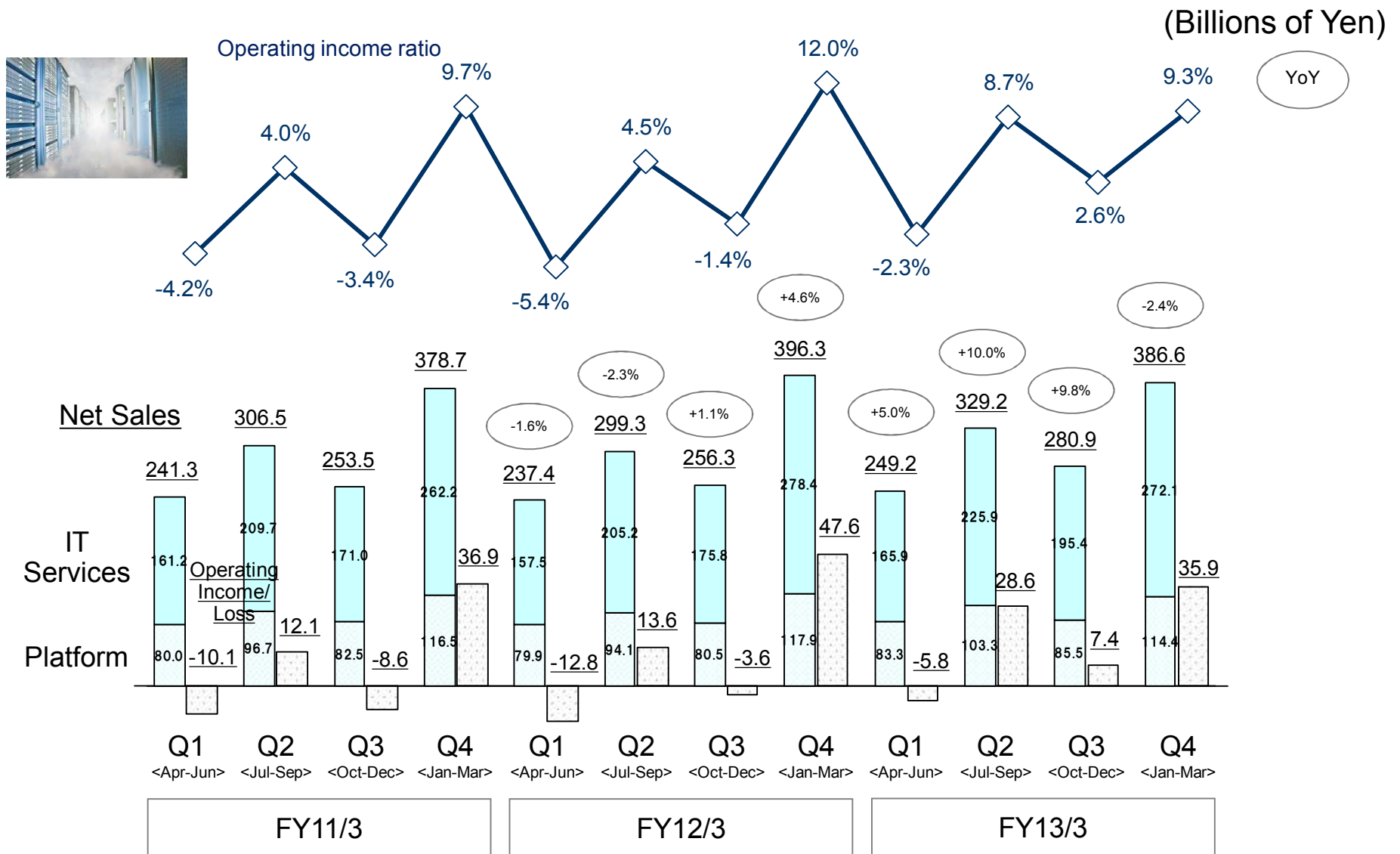
Reference (Financial data)

Net Sales, Operating Income/Loss

(Billions of Yen)

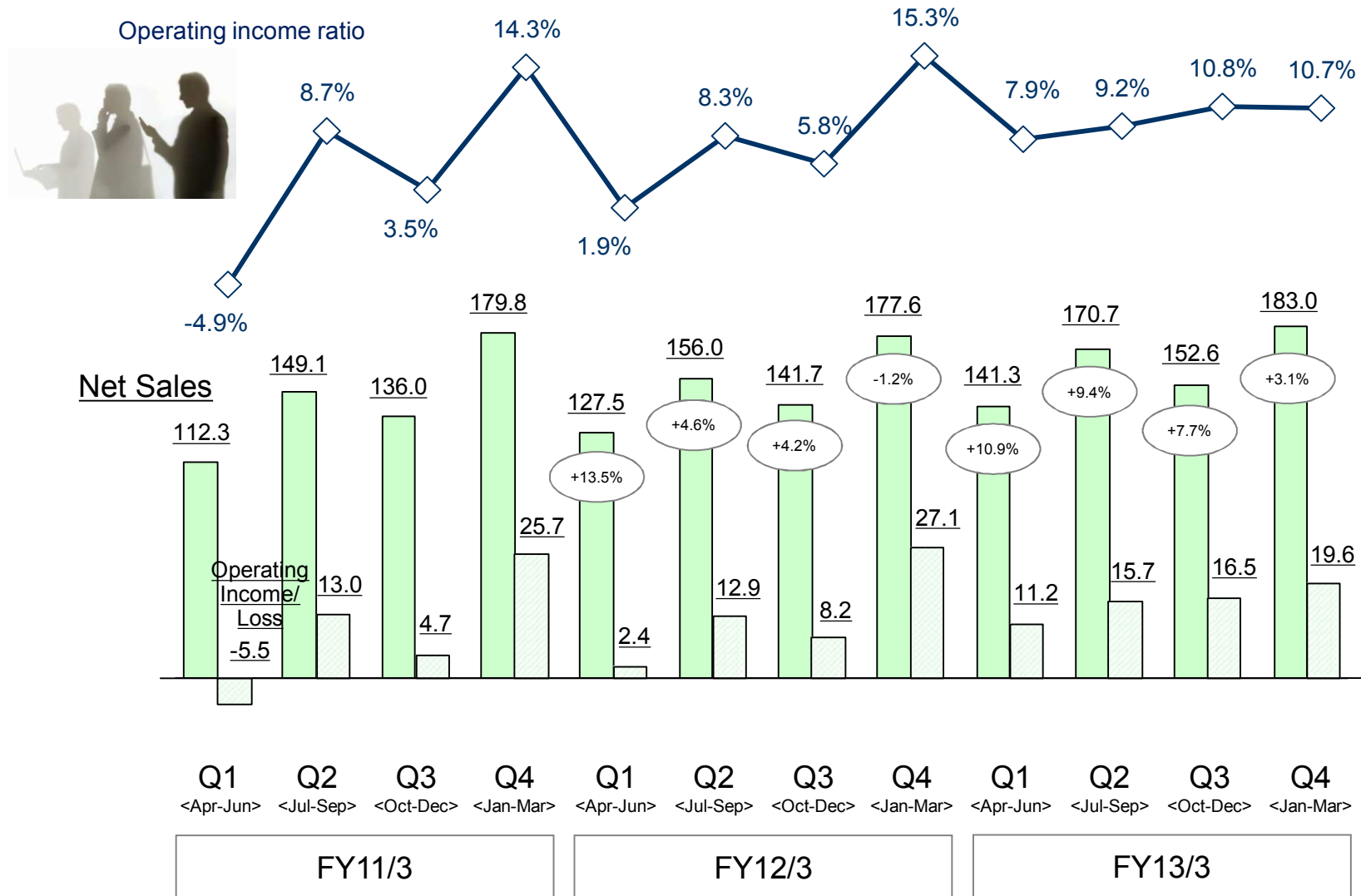


Sales, Operating Income/Loss (IT Solutions)



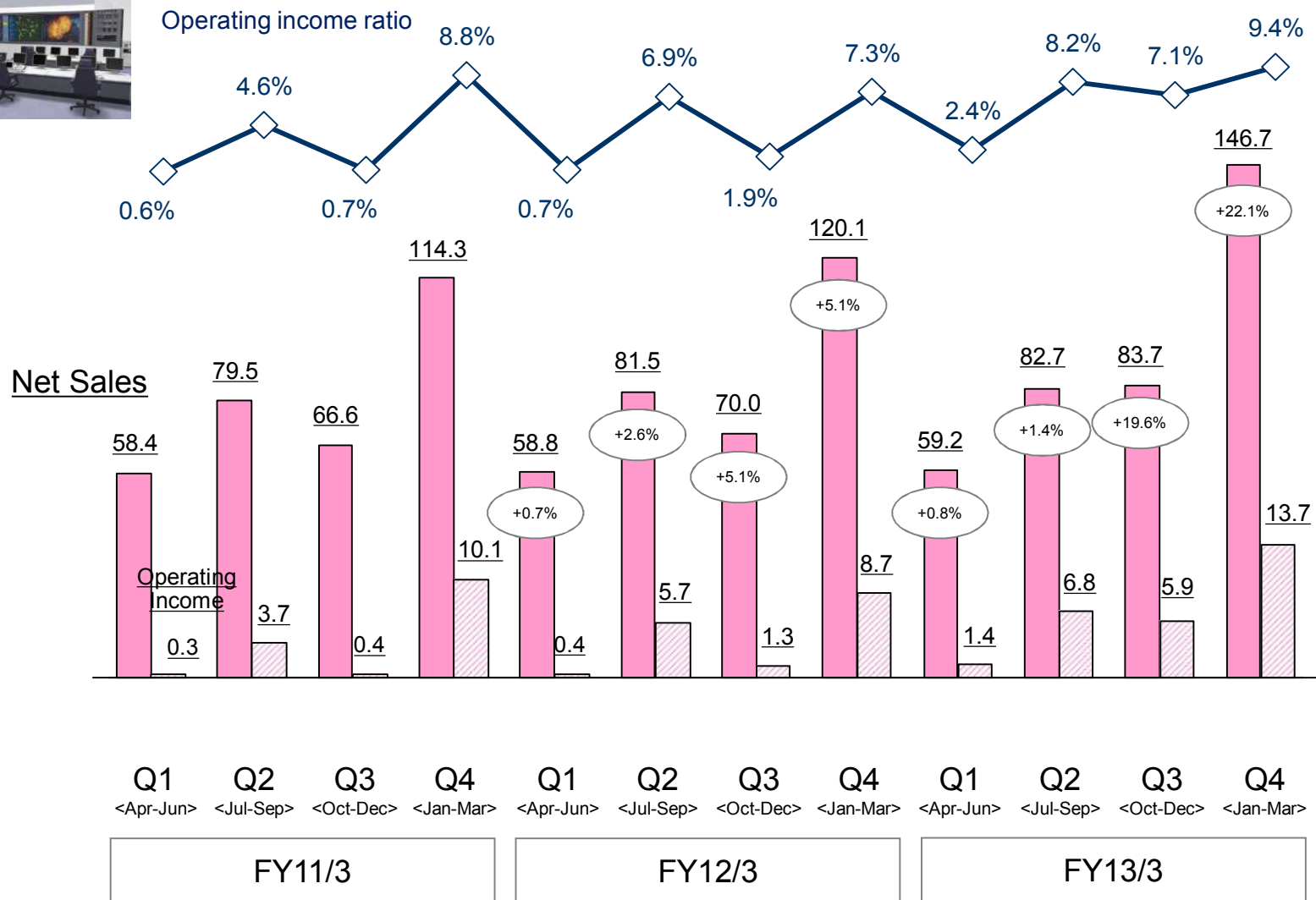
Sales, Operating Income/Loss (Carrier Network)

(Billions of Yen)



Sales, Operating Income/Loss (Social Infrastructure)

(Billions of Yen)



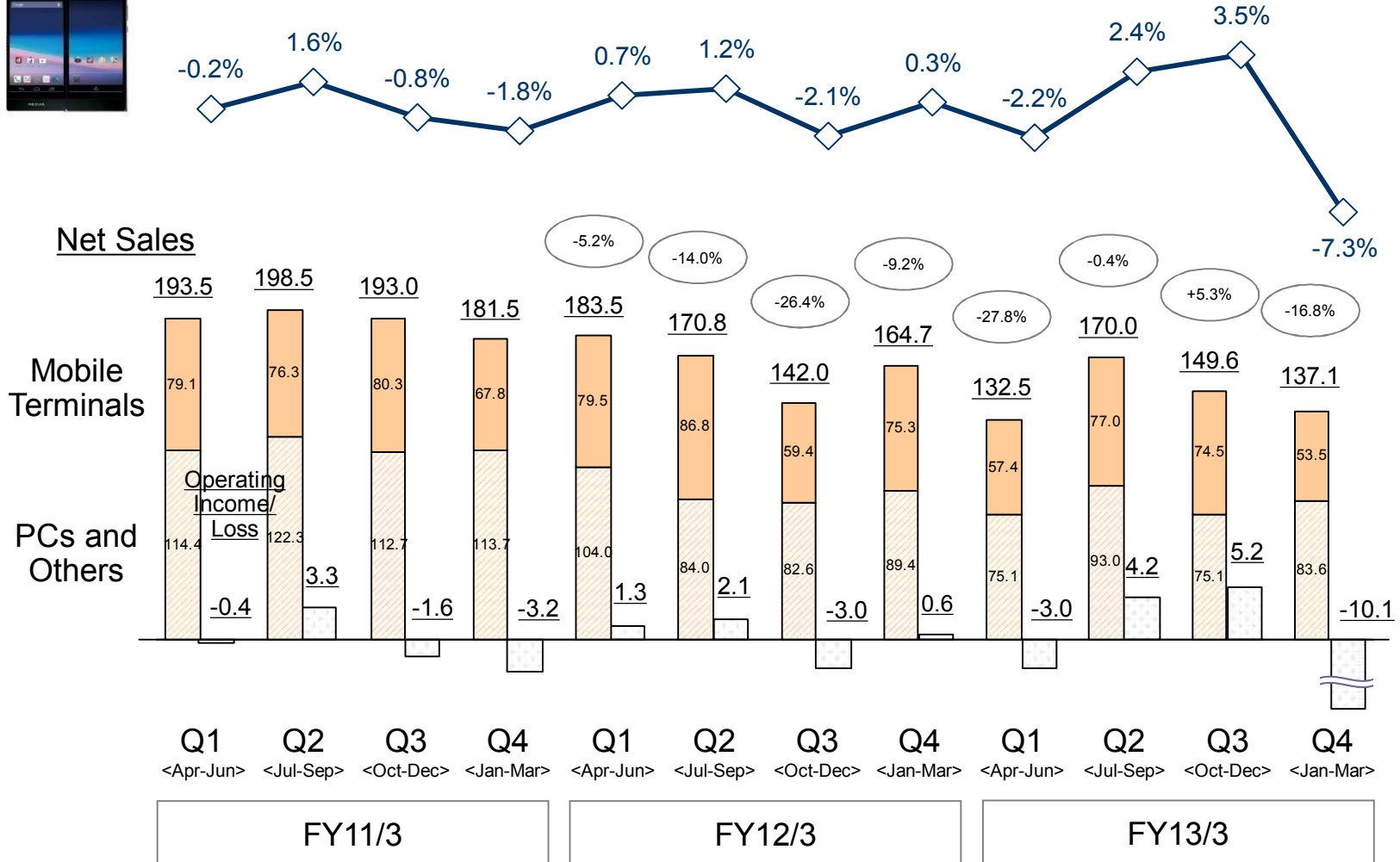
Sales, Operating Income/Loss (Personal Solutions)

(Billions of Yen)

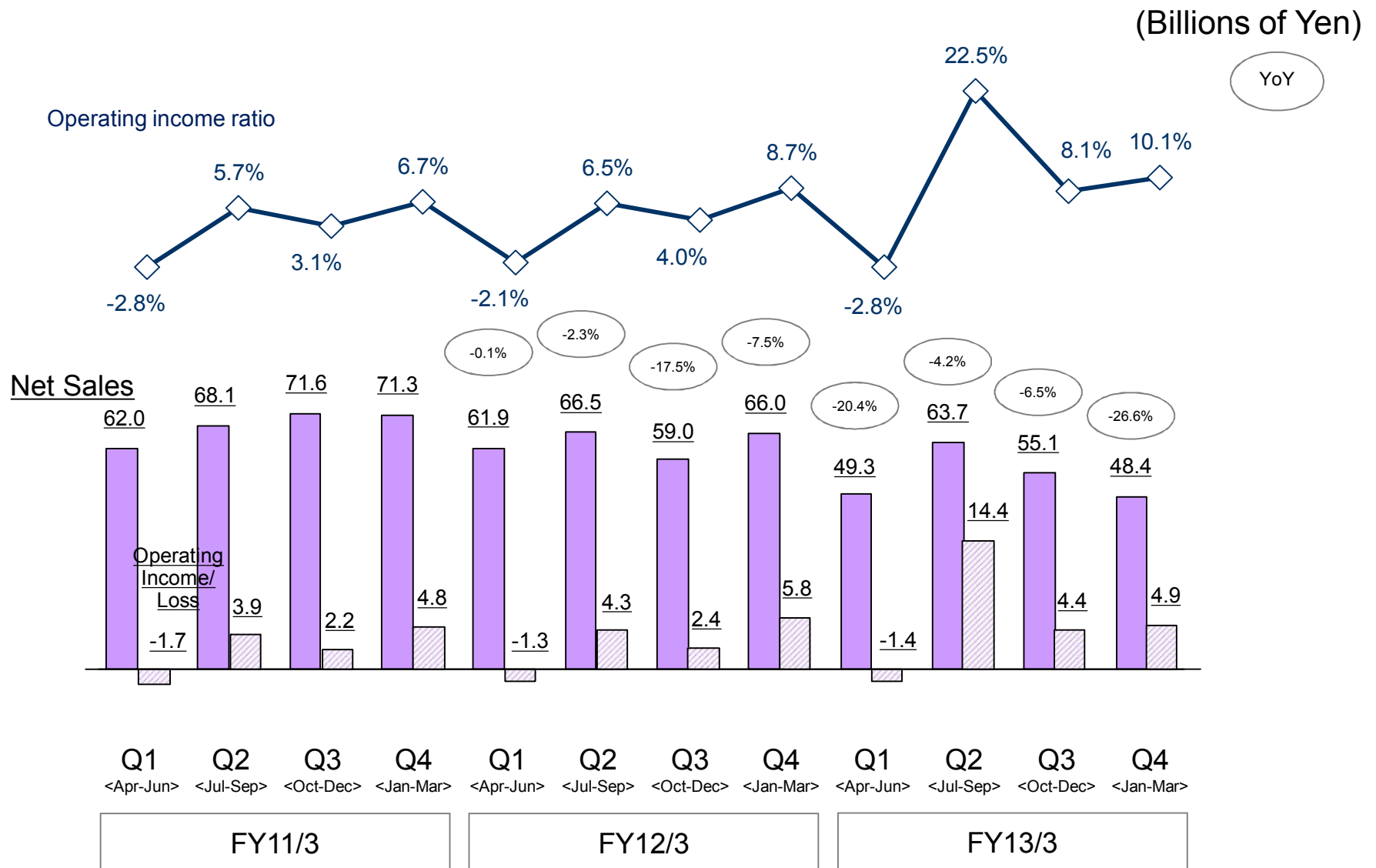


Operating income ratio

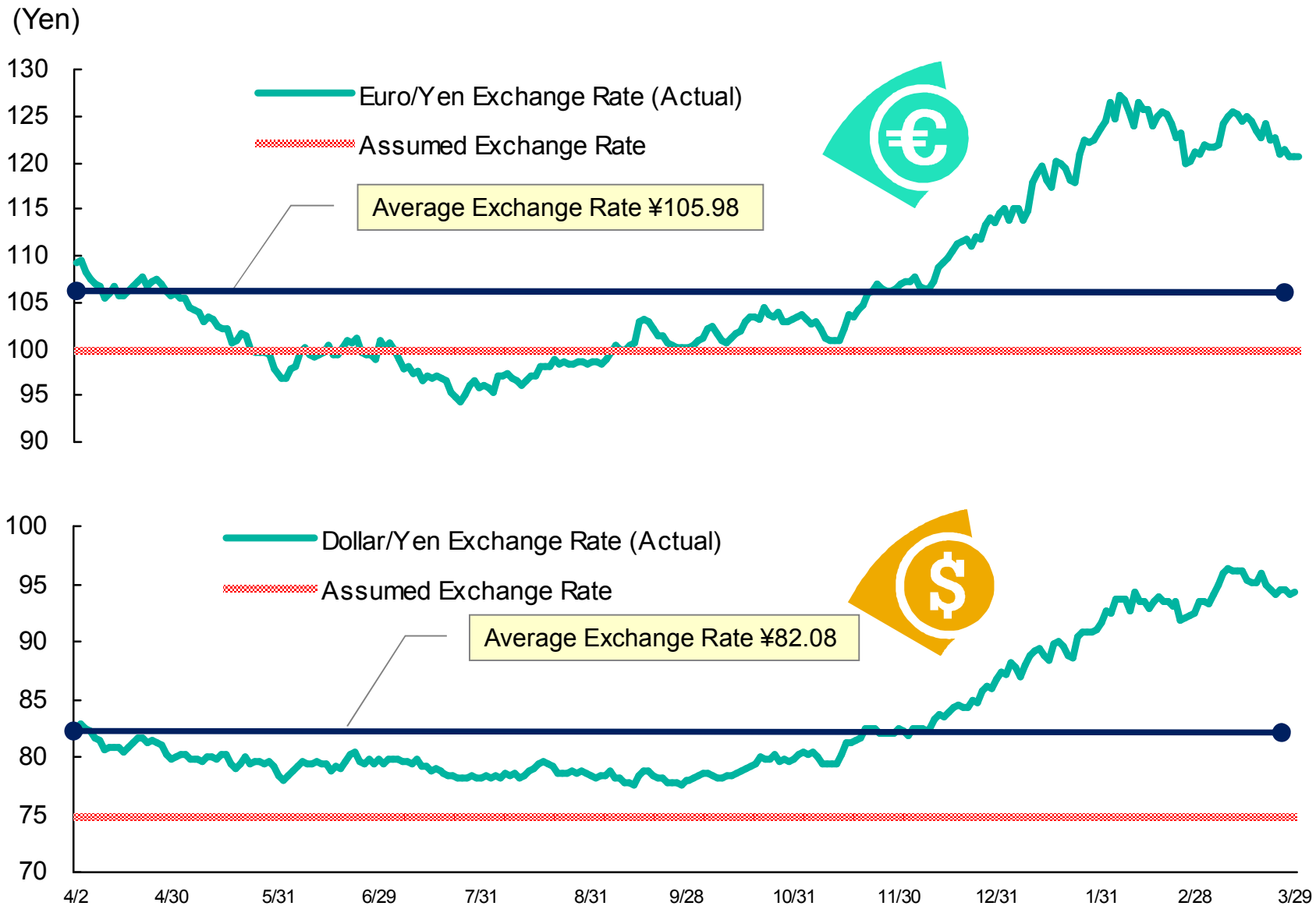
YoY



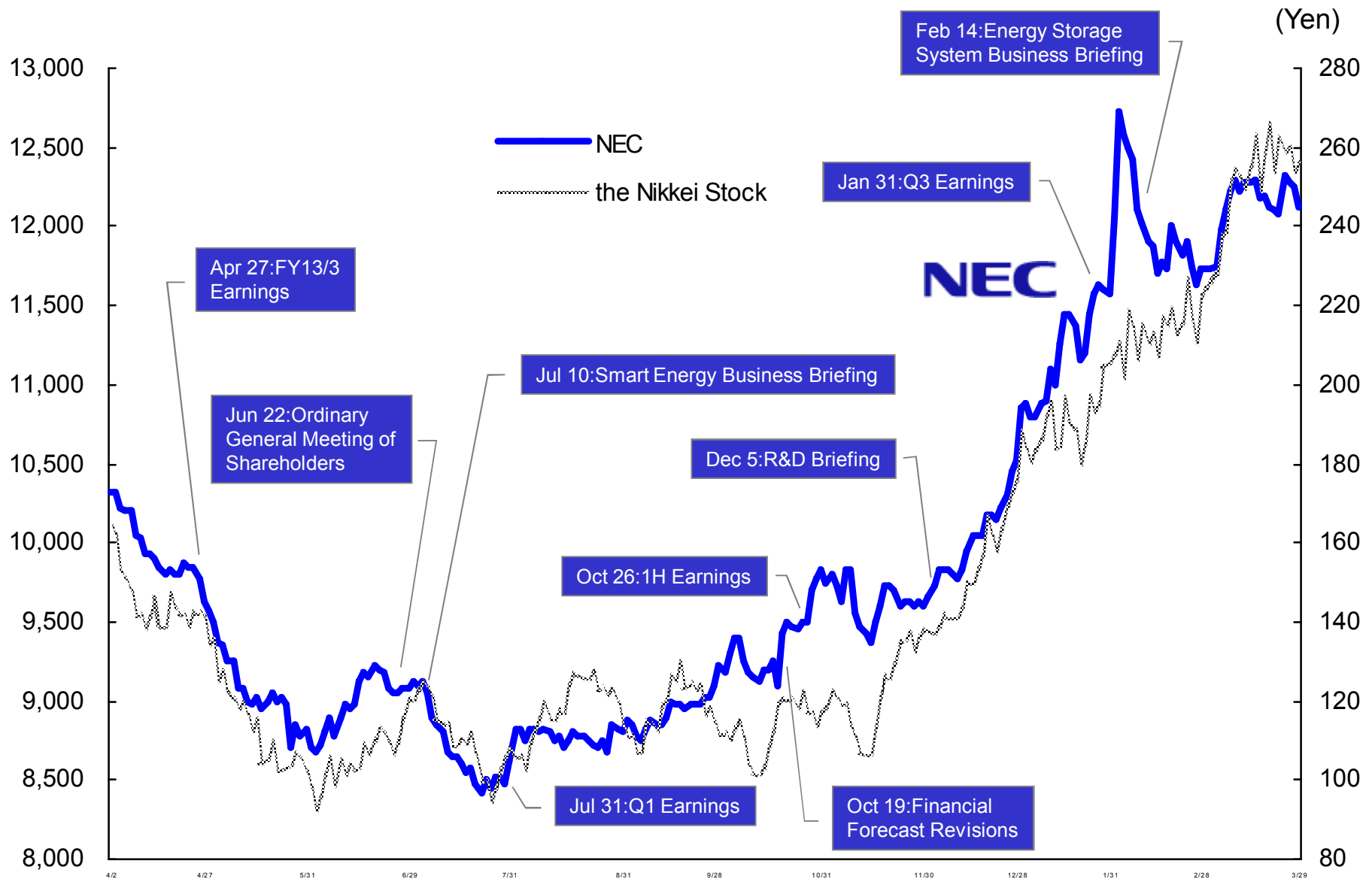
Sales, Operating Income/Loss (Others)



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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