The following is an English translation of the Notice of the 174th Ordinary General Meeting of Shareholders of NEC Corporation (the "Company") to be held on June 22, 2012 (as well as Business Report, the Consolidated Financial Statements, Notes to Consolidated Financial Statements and Non-consolidated Financial Statements with respect to the 174th Business Period from April 1, 2011 to March 31, 2012, and report on the results of the audit conducted on the Consolidated Financial Statements by Independent Auditors and the Board of Corporate Auditors), EXCEPT for the translation of any instructions on voting rights and the access map for the place of the meeting in the Notice and the Notes to Non-consolidated Financial Statements. This translation includes the Notes to Consolidated Financial Statements, Japanese original of which is provided only through the Company's website (http://www.nec.co.jp).
The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise.

NEC Corporation

Securities Code 6701

7-1, Shiba 5-chome,
Minato-ku, Tokyo

Nobuhiro Endo
President

May 31, 2012

To Our Shareholders:

NOTICE OF THE 174TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

This is to inform you that the Hundred and Seventy-Fourth Ordinary General Meeting of Shareholders (the "Meeting") of NEC Corporation (the "Company") will be held as follows:

1. DATE: June 22, 2012 (Friday) at 10:00 a.m. (Japan Standard Time)

2. PLACE: Convention Hall, Second Basement Floor, The Prince Park Tower Tokyo
at 8-1, Shiba Koen 4-chome, Minato-ku, Tokyo

3. AGENDA OF THE MEETING:

MATTERS TO BE REPORTED UPON:
Report on the Business Report, the Consolidated Financial Statements and Financial Statements with respect to the 174th Business Period from April 1, 2011 to March 31, 2012, and report on the results of the audit conducted on the Consolidated Financial Statements by Accounting Auditors and the Board of Corporate Auditors.

MATTERS TO BE VOTED UPON:
Proposal No. 1: Election of Eleven Directors
Proposal No. 2: Election of One Corporate Auditor

In the event that the Company finds any correction that should be made in the Reference Documents for the Meeting, the Business Report, the Consolidated Financial Statements and the Financial Statements (including Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements), such correction will be notified through the Company's website (http://www.nec.com).

REFERENCE DOCUMENTS FOR THE MEETING

Proposals for the matters to be voted upon and reference matters relating to the proposals:

Proposal No. 1: Election of Eleven (11) Directors

Upon the close of the Meeting, the term of office as Director of all thirteen Directors will expire. It is proposed that eleven Directors be elected.

The candidates are as follows:

Name (Date of Birth)	Brief Employment History and Important Concurrent Positions		Number of the Company's Shares Held
1. Kaoru Yano (February 23, 1944)	April 1966	Joined the Company	121,000
	June 1995	Member of the Board	
	June 1999	Senior Vice President and Member of the Board	
	December 2000	Senior Vice President and Member of the Board, Company Deputy President of NEC Networks	
	April 2002	Senior Vice President and Member of the Board, Company President of NEC Networks	
	October 2002	Executive Vice President and Member of the Board, Company President of NEC Networks	
	April 2003	Executive Vice President and Member of the Board	
	June 2004	Senior Executive Vice President and Member of the Board (Representative Director)	
	April 2006	President (Representative Director)	
	April 2010	Chairman of the Board (Representative Director)	
	April 2012	Chairman of the Board (to present)	
2. Nobuhiro Endo (November 8, 1953)	April 1981	Joined the Company	108,000
	July 2005	Senior General Manager, Mobile Network Operations Unit	
	April 2006	Associate Senior Vice President, Executive General Manager, Mobile Network Operations Unit	
	April 2009	Senior Vice President	
	June 2009	Senior Vice President and Member of the Board	
	April 2010	President (Representative Director) (to present)	

Name (Date of Birth)	Brief Employment History and Important Concurrent Positions		Number of the Company's Shares Held
3. Takashi Niino (September 8, 1954)	April 1977	Joined the Company	23,000
	April 2004	Executive General Manager, 2nd Solutions Sales Operations Unit	
	April 2005	Senior General Manager, 3rd Solutions Operations Unit	
	April 2006	Executive General Manager, Financial Solutions Operations Unit	
	April 2008	Associate Senior Vice President, Executive General Manager, Financial Solutions Operations Unit	
	August 2008	Associate Senior Vice President	
	April 2010	Senior Vice President	
	June 2011	Senior Vice President and Member of the Board	
	July 2011	Senior Vice President, CSO (Chief Strategy Officer) and Member of the Board	
	April 2012	Senior Executive Vice President, CSO (Chief Strategy Officer) , CIO (Chief Information Officer) and Member of the Board (Representative Director) (to present)	
	Important Concurrent Positions: Outside Director, Renesas Electronics Corporation		
4. Junji Yasui (January 3, 1951)	April 1973	Joined the Company	45,276
	April 2003	Executive General Manager, Control Systems Operations Unit	
	April 2004	Associate Senior Vice President, Executive General Manager, 3rd Solutions Sales Operations Unit	
	April 2005	Associate Senior Vice President, Executive General Manager, 4th Solutions Operations Unit	
	April 2006	Associate Senior Vice President	
	April 2008	Senior Vice President	
	June 2008	Senior Vice President and Member of the Board	
	April 2010	Executive Vice President and Member of the Board	
	July 2011	Executive Vice President, CSCO (Chief Supply Chain Officer) and Member of the Board	
	April 2012	Senior Executive Vice President, CSCO (Chief Supply Chain Officer) and Member of the Board (Representative Director) (to present)	
5. Toshiyuki Mineno (March 7, 1951)	April 1974	Joined the Company	43,000
	October 2004	Senior General Manager, Mobile Solutions Operations Unit	
	April 2006	Senior General Manager, 2nd Carrier Solutions Operations Unit	
	July 2006	Senior General Manager, International Carrier	

Name (Date of Birth)	Brief Employment History and Important Concurrent Positions		Number of the Company's Shares Held
		Solutions Operations Unit	
	April 2007	Associate Senior Vice President, President & CEO, NEC Europe, Ltd.	
	April 2009	Senior Vice President	
	June 2010	Senior Vice President and Member of the Board	
	July 2011	Executive Vice President, CGBO (Chief Global Business Officer) and Member of the Board	
	April 2012	Executive Vice President, CMO (Chief Marketing Officer) and Member of the Board (to present)	
6. Isamu Kawashima (February 20, 1959)	April 1981	Joined the Company	13,000
	April 2009	General Manager, Corporate Controller Division	
	July 2010	General Manager, Corporate Controller Division, General Manager, Internal Control over Finance Reporting Division	
	June 2011	General Manager, Corporate Controller Division, General Manager, Internal Control over Finance Reporting Division and Member of the Board	
	July 2011	Associate Senior Vice President, CFO (Chief Financial Officer) and Member of the Board (to present)	
7. Kenji Miyahara (November 5, 1935)	April 1958	Joined Sumitomo Shoji Kaisha, Ltd. (currently, Sumitomo Corporation)	0
	June 1986	Director, Sumitomo Corporation	
	June 1990	Managing Director, Sumitomo Corporation	
	June 1993	Senior Managing Director, Sumitomo Corporation	
	June 1995	Executive Vice President, Sumitomo Corporation	
	June 1996	President and Chief Executive Officer, Sumitomo Corporation	
	June 2001	Chairman of the Board, Sumitomo Corporation	
	June 2007	Member of the Board of the Company (to present), Senior Adviser, Sumitomo Corporation	
	June 2010	Honorary Adviser, Sumitomo Corporation (to present)	
	Important Concurrent Positions: Honorary Adviser, Sumitomo Corporation Outside Corporate Auditor, Seiko Epson Corporation		

Name (Date of Birth)	Brief Employment History and Important Concurrent Positions		Number of the Company's Shares Held
8. Hideaki Takahashi (March 22, 1948)	August 1974	Joined NCR Corporation	0
	March 1992	Executive Vice President and Representative Director, NCR Japan, Ltd.	
	December 1997	Senior Vice President, NCR Corporation, Chairman and Representative Director, NCR Japan, Ltd.	
	March 1999	Resigned from Senior Vice President, NCR Corporation, Resigned from Chairman and Representative Director, NCR Japan, Ltd.	
	July 1999	Deputy President, Fuji Xerox Co., Ltd.	
	March 2000	Deputy President and Representative Director, Fuji Xerox Co., Ltd.	
	June 2005	Resigned from Deputy President and Representative Director, Fuji Xerox Co., Ltd.	
	January 2006	Professor, Keio University Graduate School of Media and Governance (to present)	
	June 2007	Member of the Board of the Company (to present)	
	Important Concurrent Positions: Outside Director, Fukuoka Financial Group, Inc.		
9. Takeshi Kunibe (March 8, 1954)	April 1976	Joined the Sumitomo Bank Limited (currently, Sumitomo Mitsui Banking Corporation "SMBC")	0
	June 2003	Director, SMBC	
	October 2006	Managing Director, SMBC	
	June 2007	Director and Member of the Board of Directors, Sumitomo Mitsui Financial Group, Inc.("SMFG") (to present)	
	April 2009	Senior Managing Director and Member of the Board of Directors, SMBC	
	April 2011	President and Chief Executive Officer, SMBC (to present)	
	June 2011	Member of the Board of the Company (to present)	
	Important Concurrent Positions: President and Chief Executive Officer, SMBC Director and Member of the Board of Directors, SMFG		

Name (Date of Birth)	Brief Employment History and Important Concurrent Positions		Number of the Company's Shares Held
10. *Hitoshi Ogita (January 1, 1942)	April 1965	Joined Asahi Breweries, Ltd. (currently, Asahi Group Holdings, Ltd.)	10,000
	March 1997	Director and General Manager of Fukuoka Branch, Asahi Breweries, Ltd.	
	September 1997	Director and Senior General Manager of Kyushu Regional Headquarters, Asahi Breweries, Ltd.	
	March 2000	Managing Corporate Officer and Senior General Manager of Kyushu Regional Headquarters, Asahi Breweries, Ltd.	
	October 2000	Managing Corporate Officer and Senior General Manager of Kanto and Koshinetsu Regional Headquarters, Asahi Breweries, Ltd.	
	March 2002	Senior Managing Corporate Officer and Senior General Manager of Kanto and Koshinetsu Regional Headquarters, Asahi Breweries, Ltd.	
	September 2002	Corporate Officer and Vice President, Asahi Soft Drinks, Ltd.	
	March 2003	President and Representative Director, Asahi Soft Drinks, Ltd.	
	March 2006	President and Representative Director, Asahi Breweries, Ltd.	
	March 2010	Chairman of the Board and Representative Director, Asahi Breweries, Ltd. (to present)	
	Important Concurrent Positions: Chairman of the Board and Representative Director, Asahi Group Holdings, Ltd. Outside Director, Imperial Hotel, Ltd.		
11.*Kaori Sasaki (May 12, 1959)	July 1987	President and CEO, UNICUL International, Inc. (to present)	0
	March 2000	President and CEO, ewoman, Inc. (to president)	
	Important Concurrent Positions: President and CEO, UNICUL International, Inc. President and CEO, ewoman, Inc. Outside Director, Nissen Holdings Co., Ltd.		

Notes: 1. "*" above shows new candidates of Director of the Company.

2. Messrs. Kenji Miyahara, Hideaki Takahashi, Takeshi Kunibe and Hitoshi Ogita and Ms. Kaori Sasaki are candidates for Outside Directors. The Company has nominated them as candidates for Outside Directors expecting that they would sympathize with the NEC Group Corporate Philosophy and act with strong will to realize the Philosophy. In addition, they are independent from the Company's management, and they have the following experience and insight:

Kenji Miyahara	A lot of experience and deep insight as management of general trading company including the management of overseas firms
Hideaki Takahashi	A lot of experience as management of global companies and deep insight into IT business
Takeshi Kunibe	A lot of experience and deep insight as management of bank
Hitoshi Ogita	A lot of experience and deep insight as management of manufacturing company
Kaori Sasaki	Wide range of knowledge on marketing and perspective of consumers

3. The Company has notified the securities exchanges of Tokyo, Osaka, Nagoya, Fukuoka and Sapporo on

which the Company is listing its shares, of each of Messrs. Kenji Miyahara and Hideaki Takahashi, as an independent Director who will have no conflicting interests with the Company's general shareholders, the criteria of which is defined by each of these securities exchanges. In addition, the Company will notify these securities exchanges of each of Mr. Hitoshi Ogita and Ms. Kaori Sasaki as the independent Director.

4. Mr. Takeshi Kunibe has been an Executing Person of SMBC, which is a major business partner of the Company for the last five years.
5. The Company has business relationship with SMBC of which Mr. Takeshi Kunibe is President and Chief Executive Officer, such as for the sales of the Company's products and provision of services including system construction, operation and maintenance, borrowings from SMBC, and provision of guarantees for the debts of the Company's subsidiaries owed to SMBC.
6. Messrs. Kenji Miyahara and Hideaki Takahashi have served for five years, and, Mr. Takeshi Kunibe has served for one year, as Outside Directors of the Company.
7. The Company has entered into agreements with Messrs. Kenji Miyahara and Hideaki Takahashi and Takeshi Kunibe to limit their liabilities as stipulated in Paragraph 1, Article 427 of the Company Law (the "Liabilities Limitation Agreements") pursuant to Article 24 of Articles of Incorporation of the Company. When Mr. Hitoshi Ogita and Ms. Kaori Sasaki are elected as Directors of the Company, the Company will enter into the Liabilities Limitation Agreements with them. The outline of the Liabilities Limitation Agreements is to limit their liabilities as stipulated in Paragraph 1, Article 423 of the Company Law to the higher amount of 20 million yen or the amount provided in the Company Law and the Regulation for Enforcement of the Company Law on condition that they perform their duties as Directors in good faith and without gross negligence.
8. The position and responsibility in the Company of each candidate who is currently Director of the Company are described in "4.(1) Name, Position at the Company, Responsibility and Important Concurrent Positions of Directors and Corporate Auditors" of the Business Report (pages 25 through 26).

Proposal No. 2: Election of one Corporate Auditor

Upon the close of the Meeting, the term of office of Mr. Satoshi Ito as Corporate Auditor will expire. It is proposed that one Corporate Auditor be elected. The consent of the Board of Corporate Auditors for this Proposal has been obtained.

The candidate is as follows:

<table>
<tr><th>Name
(Date of Birth)</th><th colspan="2">Brief Employment History and
Important Concurrent Positions</th><th>Number of the Company's Shares Held</th></tr>
<tr><td rowspan="10">Satoshi Itoh
(July 25, 1942)</td><td>January 1967</td><td>Joined Tokyo Office of Arthur Andersen & Co.</td><td rowspan="10">0</td></tr>
<tr><td>December 1970</td><td>Licensed as Certified Public Accountant (present)</td></tr>
<tr><td>September 1978</td><td>Partner, Arthur Andersen & Co.</td></tr>
<tr><td>October 1993</td><td>Partner, Asahi & Co. (currently, KPMG AZSA LLC.)</td></tr>
<tr><td>August 2001</td><td>Retired from Arthur Andersen & Co. and Asahi & Co.(currently, KPMG AZSA LLC.)</td></tr>
<tr><td>April 2002</td><td>Professor, Chuo University, Graduate School of International Accounting</td></tr>
<tr><td>March 2007</td><td>Resigned from Professor, Chuo University, Graduate School of International Accounting</td></tr>
<tr><td>June 2008</td><td>Corporate Auditor, NEC Corporation (to present)</td></tr>
<tr><td colspan="2">Important Concurrent Positions:
Certified Public Accountant
Outside Corporate Auditor, Sumitomo Mitsui Financial Group, Inc.
Outside Corporate Auditor, Sumitomo Mitsui Banking Corporation
Outside Corporate Auditor, Nisshin Seifun Group Inc.</td></tr>
</table>

Notes: 1 Mr. Satoshi Itoh is the candidate for Outside Corporate Auditor. The Company nominated him as the candidate for Outside Corporate Auditor, considering a lot of auditing experience as a Certified Public Accountant and professional insight in finance and accounting. Although he has never been involved in management of companies except as an Outside Corporate Auditor, the Company has judged that he can perform the duties as an Outside Corporate Auditor of the Company for the reasons described above.

2. The Company has notified the securities exchanges of Tokyo, Osaka, Nagoya, Fukuoka and Sapporo on which the Company is listing its shares, of Mr. Satoshi Itoh, as an independent Corporate Auditor who will have no conflicting interests with the Company's general shareholders, the criteria of which is defined by each of these securities exchanges.
3. Mr. Satoshi Itoh has served for four years, as Outside Corporate Director of the Company.
4. The Company has entered into an agreement with Mr. Satoshi Itoh to limit his liabilities as stipulated in Paragraph 1, Article 427 of the Company Law (the "Liabilities Limitation Agreement") pursuant to Article 31 of Articles of Incorporation of the Company. The outline of the Liabilities Limitation Agreement is to limit his liabilities as stipulated in Paragraph 1, Article 423 of the Company Law to the higher amount of 20 million yen or the amount provided in the Company Law and the Regulation for Enforcement of the Company Law on condition that he performs his duty as Corporate Auditor in good faith and without gross negligence.
5. The position in the Company of Mr. Satoshi Itoh who is currently Corporate Auditor of the Company is as described in "4.(1) Name, Position at the Company, Responsibility and Important Concurrent Positions of Directors and Corporate Auditors" of the Business Report (pages 25 through 26).

BUSINESS REPORT

(For the period from April 1, 2011 to March 31, 2012)

1. Review of Operations

(1) Development and Results of Operations of the NEC Group

Overview

The worldwide economy during the fiscal year ended March 31, 2012 ("this Business Period") was characterized by a slow down in its recovery due to the financial market turmoil resulting from the European debt crisis, flooding in Thailand, the raising of interest rates to control inflation in countries such as China and India and a delay in the recovery of employment and consumer spending in the United States.

The Japanese economy continued to exhibit severe conditions that, despite signs of recovery from the slump caused by the Great East Japan Earthquake of March 2011, were impacted by the slow down of the worldwide economy, prolonged appreciation of the yen and flooding in Thailand.

Under this business environment, the NEC Group took measures to implement the Company's three key strategic policies of its mid-term growth plan - "Promotion of C&C Cloud Strategy," "Global Business Expansion" and "New Business Creation," as well as strived to strengthen profitability.

Firstly, in terms of promoting the Company's C&C Cloud strategy, the NEC Group has enhanced its lineup of cloud services that suit for a wide range of industries, including government offices, the manufacturing industry and the retail field, in addition to working aggressively to provide safe and secure cloud services. Furthermore, the NEC Group drove provision of cloud services for its customers' mission critical businesses, including global accounting systems, by capitalizing technologies and know-how the NEC Group gained from building its own mission-critical IT systems into the cloud. Moreover, the NEC Group started providing CONNEXIVE, a solution using the machine to machine (M2M) technologies that network a wide variety of sensors and devices, and promoted provision of system platforms that support the realization of M2M as well as cloud service applications. At the same time, as part of promoting global sales of cloud services, the NEC Group worked to establish a business base and customer base through collaboration with local IT companies in China and Singapore. In terms of telecommunications carriers, the NEC Group continued to provide communications infrastructure for high speed, high capacity LTE mobile communications services for NTT DOCOMO, INC., and began to provide infrastructure for KDDI Corporation. The NEC Group also reached an agreement with United States-based Cisco Systems, Inc. to collaborate in the construction and sales of commercial LTE networks for global markets.

Regarding the expansion of global business, the NEC Group promoted business expansion through five regional headquarters in North America, Greater China, APAC (Asia Pacific), EMEA (Europe, Middle East and Africa) and Latin America. In addition to expanding sales of submarine cable systems and PASOLINK ultra-compact microwave communications systems and others, in the carrier cloud business, the NEC Group built the foundations for providing cloud services to subscribers of telecommunications carriers in Thailand, Belarus and Argentina and supported the operation of those services. In preparation for the global expansion of the public safety business, the NEC Group acquired Global View S.A., which has a record of accomplishments in the video surveillance service field in Argentina. The NEC Group also agreed to acquire the business support system division of Convergys Corporation, a United States-based company that provides billing management and customer support management foundations, among others, for telecommunications carriers, in order to strengthen services for telecommunications carriers overseas.

In terms of new business creation, the NEC Group made capital investment for expanding the production capabilities of electrodes, a main component of lithium-ion rechargeable batteries for automobiles, which are produced in collaboration with Nissan Motor Co., Ltd. Furthermore, the NEC Group is aggressively taking part in trials for setting standards and improving the usefulness and reliability of charging infrastructure for electric automobiles for its wider deployment with user friendliness and convenience. Moreover, the NEC Group started selling cloud-based charging systems that integrate rapid chargers and cloud services for business customers that install electric automobile chargers. For households, the NEC Group began selling of energy management systems that enable users to "visualize" the volume of their home electricity consumption and billing charges as well as home electricity storage systems that automatically control household electricity use and reduce the volume of its consumption. At the same time, the NEC Group has established "Smart City Promotions Office" aiming to realize new approaches to urban city development with information and communications technology (ICT), and has proactively worked with a wide range of partners towards a new energy society, including participation in a smart city development project planned for a major urban area in Brazil.

In terms of recovery efforts for areas devastated by the Great East Japan Earthquake of March 2011, the NEC Group supported the implementation of reconstruction activities by redeploying communications infrastructure, offering cloud services and providing community support services, among others. In order to leverage its experience and know-how gained from these efforts, the NEC Group established an "Office for Reconstruction Assistance." At the core of this new organization, the NEC Group aims to contribute to the recovery of damaged areas and to make full use of ICT to expand the development of communities that are safe, secure and resistant to disaster both domestically and internationally.

To strengthen profitability, the NEC Group strengthened risk management related to project profitability and contract terms, and made efforts to curb unprofitable projects. At the same time, the NEC Group took activities to reduce costs by expanding overseas procurement, use of offshore development services and promoting quality control.

In addition to these activities, the NEC Group strengthened its competitiveness in the personal computer business by integrating its domestic personal computer business with the Lenovo Group, and in the electronic component business, NEC TOKIN Corporation has agreed to form a capital and business alliance with United States-based KEMET Electronics Corporation.

The Company recorded consolidated sales of 3,036.8 billion yen for this Business Period, a decrease of 78.6 billion yen (-2.5%) year-on-year. This decrease was mainly due to reduced sales from the Personal Solutions business such as non-consolidation of the personal computer business for private users consolidated, in spite of increased sales from the Carrier Network business, IT Services business and Social Infrastructure business.

Regarding profitability, consolidated operating income (loss) improved by 15.9 billion yen year-on-year, to an operating profit of 73.7 billion yen, mainly due to an improved cost percentage and streamlined selling, general and administrative expenses.

In terms of ordinary income (loss), the Company recorded a profit of 42.1 billion yen, improving by 42.0 billion yen year-on-year, mainly due to improved operating income (loss) and reduced equity in losses of affiliates.

Income (loss) before income taxes and minority interests was a profit of 3.3 billion yen, a year-on-year increase of 19.0 billion yen. This was primarily due to improved ordinary income (loss) despite extraordinary losses from business structure improvement expenses.

Consolidated net income (loss) worsened by 97.7 billion yen year-on-year, to a loss of 110.3 billion yen, mainly due to an increase of income taxes due to the review of deferred tax assets that reflect tax reform and financial results for this Business Period, in spite of improved income (loss) before income taxes and minority interests.

<u>Review of Operations by Business Segments and Major Business</u>

The NEC Group's primary business consists of five business segments: IT Services business, Platform business, Carrier Network business, Social Infrastructure business and Personal Solutions business. The following are major services and products, and a review of the financial results for each business segment of the NEC Group for this Business Period.

IT Services Business

Major Services and Products
Systems Integration (Systems Implementation, Consulting), Maintenance and Support, Outsourcing (Data Center Services, IT Operation Management) and Cloud Services

In the IT Services business, sales were 816.9 billion yen, an increase of 12.7 billion yen (+1.6%) year-on-year, mainly due to the steady growth of sales for local government offices, medical institutions and the manufacturing sector.

Operating income (loss) improved by 18.1 billion yen year-on-year, to an operating income of 39.5 billion yen, mainly owing to increased sales, a decline in unprofitable projects and cost reductions.

Platform Business

Major Services and Products
PC Servers, UNIX Servers, Mainframes, Supercomputers, Storage, ATMs, IP Telephony Systems, WAN and Wireless Access Equipment, LAN Products, Computer Software (Integrated Operation Management, Application Server, Security, Operating System (OS), Database Software)

In the Platform business, sales were 372.4 billion yen, a decrease of 3.4 billion yen (-0.9%) year-on-year, mainly resulting from the impact of flooding in Thailand, especially on the hardware business, despite the steady growth of software sales.

Operating income (loss) worsened by 3.6 billion yen year-on-year, to an operating income of 5.2 billion yen, mainly owing to a decrease in sales and the impact of flooding in Thailand.

Carrier Network Business

Major Services and Products
Network Infrastructure for Telecommunications Carriers (Backbone Network Systems, Access Network Systems), Services and Management for Telecommunications Carriers (Network Operation Support Systems (OSS), Business Support Systems (BSS), Network Control Platform Systems, Network Service Delivery Platform Systems)

In the Carrier Network business, sales were 633.0 billion yen, an increase of 27.5 billion yen (+4.5%) year-on-year, mainly due to an increase in sales of wireless communications equipment and submarine network systems.

Operating income (loss) improved by 15.4 billion yen year-on-year, to an operating income of 56.1 billion yen, mainly owing to an increase in sales.

Social Infrastructure Business

Major Services and Products
Broadcasting and Video Distribution Systems (Digital Terrestrial TV Transmitters), Control Systems (Postal and Logistics Automation Systems), Transportation and Public Network Systems (Train Radio Systems), Fire and Disaster Prevention Systems (Fire-fighting Command Systems), Aerospace and Defense Systems (Air Traffic Control Systems, Uncooled Infrared Sensors)

In the Social Infrastructure business, sales were 330.4 billion yen, an increase of 11.6 billion yen (+3.6%) year-on-year, mainly due to the steady growth of the social system field, including sales of broadcast and fire and disaster prevention systems.

Operating income (loss) improved by 1.6 billion yen year-on-year, for an operating income of 16.2 billion yen, mainly owing to an increase in sales and cost reductions.

Personal Solutions Business

Major Services and Products
Mobile Phones, Smartphones, Personal Computers, Tablet Devices, Mobile Routers and Wireless Routers, "BIGLOBE" Internet Services, Display Solutions (Monitors, Projectors, Public Displays for Digital Signage)

In the Personal Solutions business, sales were 661.0 billion yen, a decrease of 105.5 billion yen (-13.8%) year-on-year, mainly due to the personal computer business for private users no longer being consolidated from the second quarter of this year.

Operating income (loss) improved by 2.9 billion yen year-on-year, to an operating income of 1.0 billion yen, mainly due to efficiency in development and cost reductions.

Others

Major Services and Products
Lithium-ion Rechargeable Batteries, Electronic Components, Lighting Equipment

In Others, sales were 223.2 billion yen, a decrease of 21.5 billion yen (-8.8%) year-on-year, mainly due to the panel business for LCD displays no longer being consolidated from the second quarter of this Business period and the impact of flooding in Thailand on the electronic components business.

Operating income (loss) was approximately the same as the previous year, for an operating income of 7.1 billion yen, mainly owing to cost reductions, despite a decrease in sales.

(2) Capital Expenditures of the NEC Group

The total capital expenditures of the NEC Group amounted to 42.0 billion yen during this Business Period. Major capital expenditures included investment in equipment for development of software and networking products, production lines for electrodes of lithium-ion rechargeable batteries for automobiles, equipment for development and production of mobile phones and smartphones, as well as equipment for its "BIGLOBE" Internet services.

(3) Research and Development of the NEC Group

The main achievements in research and development of the NEC Group for this Business Period are as follows:

(i) Development of High-speed and Real-time Stream Processing Technologies for Big Data to Process approximately 2.5 mega events per second

The services, which collect a large amount of data (Big Data) through various sensors and devices connected to the networks, and only provide the most appropriate information through processing and analyzing such collected data to users, are spreading. It has been, however, difficult to provide real-time information to users on time because the dominant approach is to once store and process all of the collected data as a database first and then analyze it.

The Company developed stream processing technologies which make it possible to process only demanded data extracted under predetermined conditions. With these technologies, it becomes possible to process Big Data at high speed, and, for example, users can obtain, on a real-time base, frequently changing information such as traffic jam and train service situation.

Furthermore, using these technologies, the Company constructed a trial system which provides, to 50 million mobile phones updating positioning information every minute, accidental information of transportation and others according to the present locations of those mobile phones. In this trial system, it was confirmed that it is possible to process the Big Data of 2.5 mega events per second with 32 servers.

Note: A part of this achievement is that of "Research and Development of Ubiquitous Platform Technology" which was carried out from 2008 to 2010 based on the consignment by the Ministry of Internal Affairs and Communications.

(ii) Development of Communication Control Technologies to Reduce Transmission Overload associated with Spread of Smartphones

In order to deal with increases of cellular network traffic associated with spread of smartphones, currently, the cellular network traffic is accommodated by distributing communication load to other high-speed wireless networks such as wireless LANs. Wireless LANs are suitable for download of large-volume data such as videos, and, however, its security is weaker than cellular networks.

On the other hand, the technologies currently adopted are to automatically switch communication networks in accordance with the configurations designated at mobile terminals such as smartphones, and, therefore, the technologies are demanded that make it possible to select the most appropriate communication network depending on the use situation of communication networks and the contents of communication.

The Company developed communication control technologies that use OpenFlow controllers, a network control technology that the Company is leading for development. The controllers located in mobile networks control the communications of mobile terminals so that it becomes possible to select the most appropriate communication network depending on the use situation of communication networks and the contents of communication.

With the development of these technologies, it becomes possible, without preconfiguration at mobile terminals, to select the most appropriate communication network, such as wireless LANs for download of large-volume data, and cellular networks for settlement services.

(iii) Development of Rechargeable Manganese Lithium-ion Battery Technologies with more than Twice the Lifespan

Recently, there is a growing need for storage batteries which support spread of electric automobiles, stability of electrical power supplies and introduction of natural energies such as solar power. Household storage batteries and large scale electricity storage systems for electric power providers are expected to have a high durability (lifespan) for a period such as 10 years or 20 years. However, it is difficult for the existing rechargeable lithium-ion batteries to realize such a long lifespan because electrolyte solutions deteriorate the interface between the negative electrode and electrolytic solutions.

The Company succeeded in suppressing the deterioration of electrolytic solutions with an original electrolyte additive agent developed by the Company.

As a result of lifespan estimation of batteries using these technologies based on the energy consumption patterns for a typical household, the number of years it takes for these batteries' recharge capacity to drop to 60% of their original capacity became approximately 22 years, more than twice the lifespan for the batteries using existing additive agents (tested in the Company's laboratories).

The Company is utilizing the underlying technologies for these storage batteries for the "Development of Safety and Cost Competitive Energy Storage Systems for renewable energy," a new project in 2011 of the New Energy and Industrial Technology Development Organization (NEDO).

(4) Financing Activities of the NEC Group

In June 2011, the Company issued unsecured bonds of 30.0 billion yen in Japan, in order to raise required funds for the redemption of bonds during this Business Period.

(5) Material Reorganization, etc.

(i) In order to strengthen its personal computer business, as of July 1, 2011, the Company integrated the personal computer business of NEC Personal Products, Ltd., and the personal computer business in Japan of the Lenovo Group Limited. As a result of this integration, the Company held for 49% of shares of Lenovo NEC Holdings B.V., the wholly owning parent company of NEC Personal Computers, Ltd. which succeeded the personal computer business of NEC Personal Products, Ltd., and Lenovo NEC Holdings B.V. became an affiliate of the Company applying for the equity method of accounting.

(ii) As of July 1, 2011, NEC LCD Technologies Ltd., became a joint venture company with Shenzhen AVIC Optoelectronic Co., Ltd. which is doing an LCD business in China within the TIENMA

MICROELECTRONICS group and changed its name to NLT Technologies, Ltd.

(iii) In order to strengthen its electronic components business, as of March 12, 2012, NEC TOKIN Corporation entered into a capital and business alliance agreement with the United States-based KEMET Electronics Corporation, a company engaged in electronic components business.

(iv) In order to strengthen its solutions capability for telecommunications carriers, as of March 22, 2012, the Company and NetCracker Technology Corporation, a wholly owned subsidiary of the Company, entered into an agreement to acquire the business support systems business of the United States-based Convergys Corporation.

(6) Challenges to be Addressed by the NEC Group

The NEC Group aims "to be a leading global company leveraging the power of innovation to realize an information society friendly to humans and the earth" in the "NEC Group Vision 2017." In February 2010, the NEC Group outlined in its mid-term growth plan, "V2012 - Beyond boundaries, Toward our Vision -" that it aims to achieve the "NEC Group Vision 2017" through customer-driven solutions leveraging our competitive strength in the integration of IT and networks. The NEC Group continued to take measures in this Business Period to implement its three key strategic policies in support of "V2012," "Promotion of C&C Cloud Strategy," "Global Business Expansion," and "New Business Creation," as well as worked to quickly deal with environmental changes. However, since the economic environment changed rapidly and the business environment surrounding the NEC Group became even more severe, the result of these efforts fell short and it was unable to achieve its original performance targets.

Under the above circumstances, while also carrying out structural reform, the NEC Group aims to implement business reforms that generate stable cash flow, particularly within four business pillars.

1) Regarding structural reform

The NEC Group is taking measures to secure profitability, even while maintaining current sales levels, by implementing personnel reductions and structural reforms within the challenged mobile phone and platform businesses. Regarding the electronic component business, in order to strengthen business competitiveness, in March 2012, NEC TOKIN Corporation agreed to form a capital and business alliance with the United States-based KEMET Electronics Corporation.

In terms of personnel reductions, a total reduction of approximately 10,000 staff is scheduled to be completed by the end of September 2012, including roughly 7,000 staff domestically, including external contractors, and approximately 3,000 staff overseas. In this Business Period, an extraordinary loss of approximately 40 billion yen was recorded for restructuring cost, including staff reductions.

Regarding the mobile phone business, the NEC Group is promoting the outsourcing of a part of its domestic development and production to overseas companies and considering further fundamental structural reforms.

In the platform business, particularly hardware side such as servers, the NEC Group is promoting the establishment of partnerships and collaboration with other companies as a part of efforts to gain a worldwide competitive edge and to streamline the NEC Group's development and production.

2) Four business pillars

Going forward, there is expected to be a large increase in demand for big data processing, which can process and analyze the large volumes of diverse data for predicting human behavior, natural phenomena and social movements, and communications infrastructure for the rapid increase of information transmission volumes. Furthermore, there is great urgency for the construction of safe and secure social infrastructure that achieves not only the prevention of terrorism and crime, but also the most appropriate disaster prevention measures based on natural disaster estimates. Additionally, acceleration in investment is expected towards the realization of a smart future that makes efficient use of limited resources such as electricity.

The NEC Group aims to implement business reforms that generate stable cash flow, particularly from four business pillars that have strength in these infrastructure domains; the IT service business, carrier network business, social infrastructure business and energy business.

In terms of the IT service business, recovery of the domestic market is expected to include the expansion of the service business, such as cloud services that leverage past achievements and know-how, as well as business related to the recovery from the Great East Japan Earthquake and orders for national ID systems both in Japan and emerging countries. Furthermore, in addition to expanding international business through orders to construct global systems for Japan-based companies that are expanding overseas operations, the NEC Group will strengthen its global business foundations through alliances and collaboration with other companies.

In the carrier network business, there is increasing demand for high speed, high capacity communications systems for the rapid increase of information transmission volumes due to the spread of smartphones. Moreover, the business model for the carrier network business is rapidly changing, such as telecommunications carriers moving to provide their own cloud services. Within these circumstances, the NEC Group is expanding sales to domestic telecommunications carriers through such products as communications infrastructure for LTE services, as well as promoting sales to foreign telecommunications carriers through collaboration with other companies. Furthermore, the NEC Group is recovering market share through such measures as strengthening the product competitiveness of its ultra compact microwave communications system, PASOLINK, and steadily carrying out large-scale submarine cable system projects. Additionally, the utilization of such business assets as those acquired from the United States-based Convergys Corporation helps to strengthen the service business for foreign telecommunications carriers.

Regarding the social infrastructure business, orders are steadily being received for the reconstruction of social infrastructure systems in association with disaster recovery efforts, the expanding area of fire department systems and the digitization of wireless communications networks. In terms of international business, the NEC Group is working to expand the public safety business through projects that include disaster prevention systems as well as surveillance systems for key facilities such as airports and harbors. Furthermore, the NEC Group is strengthening its business base by concentrating its resources in order to expand these businesses.

In terms of the energy business, the NEC Group aims to expand business related to the social movement for efficient energy use. Specifically, it is participating aggressively in smart city projects throughout the world, and expanding business for lithium-ion rechargeable batteries for automobiles. Furthermore, the NEC Group is seeking to accelerate the commercialization of new business areas such as scale storage systems that feature electricity transmission and distribution for mass produced household storage systems.

The NEC Group will implement these measures by utilizing the strength of its innovative technologies to generate new business and differentiate itself from the competition.

Additionally, focusing on comprehensive compliance, the NEC Group will continue its ongoing maintenance of internal control systems as well as concentrating on the reinforcement of consolidated operational management as “One NEC.”

The NEC Group will devote its full attention to implementing these measures, aiming to regain trust from shareholders and investors and to reinforce corporate value, while on the path to realizing an "information society friendly to humans and the earth."

(7) Changes in the Results of Operations and the Financial Position

(i) Changes in the Results of Operations and the Financial Position (Consolidated)

(In billions of yen except per share figures)

Fiscal Year / Indices	Fiscal Year ended March 31, 2009 (171st Business Period)	Fiscal Year ended March 31, 2010 (172nd Business Period)	Fiscal Year ended March 31, 2011 (173rd Business Period)	Fiscal Year ended March 31, 2012 (174th Business Period)
Net sales	4,215.6	3,583.1	3,115.4	3,036.8
Ordinary income (loss)	(93.2)	49.4	0	42.1
Net income (loss)	(296.6)	11.4	(12.5)	(110.3)
Net income (loss) per share (yen)	(146.64)	5.04	(4.82)	(42.44)
Total assets	3,075.4	2,937.6	2,628.9	2,557.6
Net assets	785.6	931.9	875.4	777.6

Note: "Net income (loss) per share" is calculated based on the weighted-average number of shares outstanding during each period. In addition, the Company has adopted *"Accounting standard regarding the net income per share"* (Statement No.2 of Accounting Standards Board of Japan) and *"Implementation Guidance for the application of the accounting standard regarding the net income per share"* (Implementation Guideline No.4 of Accounting Standards Board of Japan).

(ii) Changes in the Results of Operations and the Financial Position (Non-Consolidated)

(In billions of yen except per share figures)

Fiscal Year / Indices	Fiscal Year ended March 31, 2009 (171st Business Period)	Fiscal Year ended March 31, 2010 (172nd Business Period)	Fiscal Year ended March 31, 2011 (173rd Business Period)	Fiscal Year ended March 31, 2012 (174th Business Period)
Net sales	2,241.4	1,919.3	1,701.6	1,749.2
Ordinary income (loss)	(21.6)	39.9	(7.8)	13.1
Net income (loss)	(474.8)	39.2	11.4	(84.7)
Net income (loss) per share (yen)	(234.44)	17.48	4.40	(32.57)
Total assets	2,009.7	1,930.1	2,005.0	1,998.9
Net assets	421.2	593.6	589.0	516.2

Note: "Net income (loss) per share" is calculated based on the weighted-average number of shares outstanding during each period.

(8) Parent Company and Principal Subsidiaries

(i) Parent Company

The Company has no parent company.

(ii) Principal Subsidiaries

Name of Subsidiary	Capital	Shareholding Ratio	Main Business
	(Millions of yen)	(%)	
NEC Infrontia Corporation	10,332	100	Development, manufacture and sale of communications systems, POS terminals, etc.
NEC Soft, Ltd.	8,669	100	Provision of systems integration services, etc., and development of software
NEC System Technologies, Ltd.	6,796	100	Provision of systems integration services, etc., and development of software
NEC Access Technica, Ltd.	4,000	100	Development, manufacture, sale and rental of communications equipment and electronic devices
NEC Communication Systems, Ltd.	1,000	100	Development of network systems-related software and equipment
NEC Network Products, Ltd.	400	100	Development, manufacture and maintenance of communications equipment, etc.
NEC CASIO Mobile Communications, Ltd.	5,000	70.7	Development, manufacture, sale and maintenance of mobile phones and smartphones
NEC Networks & System Integration Corporation	13,122	38.4	Design, construction and maintenance of information and communications systems, installation of telecommunications systems, and sale of information and communications equipment, etc.
NEC Fielding, Ltd.	9,670	37.2	Installation and maintenance of computers and network systems
Nippon Avionics Co., Ltd.	5,145	50.0	Development, manufacture and sale of information systems, electronic devices and electronic components
NEC Mobiling, Ltd.	2,371	51.0	Sale and maintenance of mobile phones and smartphones

	(U.S. dollars)	(%)	
NEC Corporation of America (U.S.A.)	25	100	Regional representative and supervising operation in North America, sale of computers-related equipment and communications equipment, and provision of systems integration services, etc.
	(Thousands of Sterling pound)		
NEC Europe Ltd. (U.K.)	65,274	100	Regional representative and supervising operation in Europe, the Middle East and Africa, sale of computers-related equipment and communications equipment, and provision of systems integration services, etc.
	(Thousands of Singapore dollars)		
NEC Asia Pacific Pte. Ltd. (Singapore)	80,280	100	Regional representative and supervising operation in Asia Pacific, sale of computers-related equipment and communications equipment, and provision of systems integration services, etc.
	(Thousands of U.S. dollars)		
NEC (China) Co., Ltd. (People's Republic of China)	157,203	100	Regional representative and supervising operation in Greater China
	(Thousands of Brazilian real)		
NEC Latin America S,A. (Brasil)	199,655	100	Regional representative and supervising operation in Latin America, sale of communications equipment and provision of systems integration services, etc.

Notes: The figures for the Company's shareholding ratio of NEC Networks & System Integration Corporation and NEC Fielding, Ltd. shown above do not account for the following shares that were contributed by the Company as part of employee pension trust. The voting rights of such shares will be exercised at the instruction of the Company pursuant to the terms of the trusts indentures.

NEC Networks & System Integration Corporation	6,400,000 (12.9%)
NEC Fielding, Ltd.	16,300,000 (29.9%)

(9) Principal Offices of the NEC Group, etc.

Head Office	Minato-ku, Tokyo
Branch Divisions	Hokkaido Branch Division (Sapporo) Tohoku Branch Division (Sendai) Kanto-Koshinetsu Branch Division (Saitama) Minami-Kanto Branch Division (Yokohama) Tokai Branch Division (Nagoya) Hokuriku Branch Division (Kanazawa) Kansai Branch Division (Osaka) Chugoku Branch Division (Hiroshima) Shikoku Branch Division (Takamatsu) Kyushu Branch Division (Fukuoka)
Plants	Tamagawa Plant (Kawasaki) Fuchu Plant (Fuchu, Tokyo) Sagamihara Plant (Sagamihara) Abiko Plant (Abiko)
Domestic Manufacturing Center	NEC Computertechno, Ltd. (Kofu, etc) NEC Network Products, Ltd. (Fukushima, etc) OCC Corporation (Kitakyushu, etc) NEC Saitama, Ltd. (Kamikawamachi, Kodama-gun, Saitama) NEC TOKIN Corporation (Shiroishi, etc) NEC Energy Devices, Ltd. (Sagamihara)
Overseas Subsidiaries	NEC Corporation of America (U.S.A.) NEC Europe Ltd. (U.K.) NEC Asia Pacific Pte. Ltd. (Singapore) NEC (China) Co., Ltd. (People's Republic of China) NEC Latin America S,A. (Brasil)

(10) Employees

(i) Employees of the NEC Group

Segment	Number of Employees
IT Services Business	36,585
Platform Business	10,169
Carrier Network Business	19,421
Social Infrastructure Business	9,360
Personal Solutions Business	7,943
Others	25,624
Total	109,102

(ii) Employees of the Company

Number of Employees	Increase (Decrease) from March 31, 2011	Average Age	Average Years of Employment
23,968	33	41.2	16.5

(11) Major Borrowings

(In millions of yen)

Creditors	Balance of Borrowings
Sumitomo Mitsui Banking Corporation	77,621
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	41,076
The Sumitomo Trust and Banking Co., Ltd.	38,932
Mizuho Corporate Bank, Ltd.	18,443
The Bank of Yokohama, Ltd.	12,494

2. Shares and Shareholders of the Company

(1) Total Number of Authorized Shares 7,500,000,000 shares

(2) Total Number of Shares Issued 2,604,732,635 shares (including treasury stock of 5,512,435 shares)

(3) Number of Shareholders 271,589

(4) Major Shareholders (Top 10) (In thousands of shares)

Name of Shareholders	Number of Shares Held	Shareholding Ratio
Japan Trustee Services Bank, Ltd. (Trust Account)	142,433	5.48%
The Master Trust Bank of Japan, Ltd. (Trust Account)	121,633	4.68%
SSBT OD05 Omnibus Account - Treaty Clients	78,312	3.01%
NEC Employee Shareholding Association	52,556	2.02%
Japan Trustee Services Bank, Ltd. (Trust Account No.9)	50,855	1.96%
Nippon Life Insurance Company	41,977	1.62%
Sumitomo Life Insurance Company	41,000	1.58%
Japan Trustee Services Bank, Ltd. (Trust Account No.4)	33,799	1.30%
The Bank of New York Europe Limited 131705	27,617	1.06%
Tam Two	23,417	0.90%

Note: 1 The shareholding ratio is calculated by excluding the number of treasury stock (5,512,435 shares).

2 The Company received from Sumitomo Mitsui Trust Holdings, Inc. a copy of a change report (a change report of a report of possession of large volume ("*Tairyo Hoyu Hokokusyo*")) dated April 18, 2012, indicating that, as of April 13, 2012, it held 179,021,000 shares, or 6.87% of the total issued shares, of the Company. The Company is unable to confirm its shareholdings of beneficially owned shares of the Company at the end of this Business Period.

(5) Classification of Shareholders

Classification of Shareholders	Shareholding Ratio
Japanese government and local government	0.00%
Financial Institutions	28.22%
Securities Companies	1.86%
Other Corporations	4.19%
Foreign Investors	24.28%
Japanese Individuals and Others	41.45%
Total	100%

3. Matters concerning stock acquisition rights, etc. (the "Rights")

(1) The Rights held by the Directors and Corporate Auditors of the Company which were granted as compensation for the performance of their duties

As an incentive to promote management highly conscious of shareholder value and to improve the performance of the NEC Group, the Company granted the stock acquisition rights to the Directors and employees of the Company having the important responsibilities. The summary of the stock acquisition rights that are in effect as of March 31, 2012 is as follows:

Year of issuance	Classification of Director and Corporate Auditor	Number of holders	Number of the Rights	Number of shares to be issued or transferred upon exercise of the Rights	Amount to be paid for exercise of the Rights	Exercise period
April 2006-March 2007	Director(except Outside Director)	7	21	21,000	600 yen per share	From August 1, 2008 to July 31, 2012
	Outside Director	2	6	6,000		
	Corporate Auditor	1	2	2,000		

Note: 1 The stock acquisition rights held by the Directors include those granted when they were employees.
2 The stock acquisition rights held by the Corporate Auditor are those granted when he was an employee.

(2) The Rights granted to the employees of the Company during this Business Period as compensation for the performance of their work

Not applicable.

(3) Other material information concerning the Rights

Besides the above, the Company granted the stock acquisition rights to the Directors and employees of the Company having the important responsibilities, and full-time presidents of the Company's subsidiaries in Japan that play an important role in implementing the business strategies of the NEC Group. The summary of the stock acquisition rights that are in effect as of March 31, 2012 is as follows:

Year of issuance	Number of holders	Number of the Rights	Number of shares to be issued or transferred upon exercise of the Rights	Amount to be paid for exercise of the Rights	Exercise period
April 2006-March 2007	78	95	95,000	600 yen per share	From August 1, 2008 to July 31, 2012

4. Matters related to Directors and Corporate Auditors

(1) Name, Position at the Company, Responsibility and Important Concurrent Positions of Directors and Corporate Auditors

Name	Position at the Company	Responsibility and Important Concurrent Position
Kaoru Yano	Chairman of the Board (Representative Director)	Overall management for the operation of fundamental matters of the Company
Nobuhiro Endo	President (Representative Director)	Overall management of execution of the Company's business, and Corporate Auditing
Toshimitsu Iwanami	Senior Executive Vice President and Member of the Board (Representative Director)	CMO (Chief Marketing Officer) Assisting President regarding Sales / Automotive Business Promotion, Export & Import Trade Control, Marketing, and Business Incubation
Yukihiro Fujiyoshi	Senior Executive Vice President and Member of the Board (Representative Director)	CIO (Chief Information Officer) Management Information Systems, and Sales and Service Business Process Management
Junji Yasui	Executive Vice President and Member of the Board	CSCO (Chief Supply Chain Officer) Important matters relating to MONOZUKURI Industrial Innovation and Standardization, Production Engineering Development, Quality Management, and Purchasing
Toshiyuki Mineno	Executive Vice President and Member of the Board	CGBO (Chief Global Business Officer)
Takashi Niino	Senior Vice President and Member of the Board	CSO (Chief Strategy Officer) Assisting president regarding Service Business Strategy and Corporate Auditing / Corporate Strategy and Business Development, Affiliated Company, and Corporate Communications / Important matters relating to Corporate Alliance, and Human Resources Outside Director, Renesas Electronics Corporation
Isamu Kawashima	Associate Senior Vice President and Member of the Board	CFO (Chief Financial Officer) Corporate Controller, Corporate Finance and Sales Business Control
Yoshinari Hara	Member of the Board	Chief Corporate Advisor, Daiwa Securities Group Inc. Outside Corporate Auditor, KYOCERA Corporation
Sawako Nohara	Member of the Board	President, IPSe Marketing, Inc.
Kenji Miyahara	Member of the Board	Honorary Adviser, Sumitomo Corporation Outside Corporate Auditor, Seiko Epson Corporation
Hideaki Takahashi	Member of the Board	Outside Director, Fukuoka Financial Group, Inc.
Takeshi Kunibe	Member of the Board	President and Chief Executive Officer, SMBC Director and Member of the Board of Directors, SMFG
Konosuke Kashima	Corporate Auditor (full-time)	-

Name	Position at the Company	Responsibility and Important Concurrent Position
Takao Ono	Corporate Auditor (full-time)	-
Satoshi Itoh	Corporate Auditor	Certified Public Accountant Outside Corporate Auditor, SMFG Outside Corporate Auditor, SMBC Outside Corporate Auditor, Nisshin Seifun Group Inc.
Ryoji Nakagawa	Corporate Auditor	Attorney at Law
Hideo Tamada	Corporate Auditor	Professor, Waseda University, Graduate School of Commerce Outside Corporate Auditor, Astellas Pharma Inc.

Notes: 1. At the 173rd Ordinary General Meeting of Shareholders held on June 22, 2011, Messrs. Takashi Niino, Isamu Kawashima and Takeshi Kunibe were newly elected as Directors of the Company.

2. At the 173rd Ordinary General Meeting of Shareholders held on June 22, 2011, Messrs. Takao Ono and Hideo Yamada were newly elected as Corporate Auditors of the Company.

3. Messrs. Yoshinari Hara, Kenji Miyahara, Hideaki Takahashi and Takeshi Kunibe and Ms. Sawako Nohara are Outside Directors.

4. Messrs. Satoshi Itoh, Ryoji Nakagawa and Hideo Yamada are Outside Corporate Auditors.

5. The Company has notified the securities exchanges of Tokyo, Osaka, Nagoya, Fukuoka and Sapporo on which the Company is listing its shares, of each of Messrs. Yoshinari Hara, Kenji Miyahara, Hideaki Takahashi, Satoshi Itoh, Ryoji Nakagawa and Hideo Yamada and Ms. Sawako Nohara, as independent Directors/Corporate Auditors who will have no conflicting interests with the Company's general shareholders, the criteria of which is defined by each of these securities exchanges.

6. Messrs. Takao Ono, Satoshi Itoh and Hideo Yamada have considerable expertise in finance and accounting as follows:

Takao Ono	Experience as former General Manager of Corporate Controller Division, Corporate Finance and IR Division and Internal Control Division, and Director responsible for accounting, finance, and internal control over financial reporting affairs
Satoshi Itoh	A lot of auditing experience as a Certified Public Accountant for many years
Hideo Yamada	Experience in teaching and research at universities in the fields of finance and accounting as an expert in management strategy

7. The names of Directors and a Corporate Auditor who retired during this Business Period, their position at the time of the retirement and the date and reasons of their retirement are as follows:

Name	Position at the time of retirement	Date of retirement (reason)
Takao Ono	Executive Vice President and Member of the Board	June 22, 2011 (expiration)
Takemitsu Kunio	Senior Vice President and Member of the Board	June 22, 2011 (expiration)
Takuji Tomiyama	Senior Vice President and Member of the Board	June 22, 2011 (expiration)
Manabu Kinoshita	Senior Vice President and Member of the Board	June 22, 2011 (expiration)
Toshio Morikawa	Member of the Board	June 22, 2011 (expiration)
Kenji Seo	Corporate Auditor	June 22, 2011 (expiration)
Shinichi Yokoyama	Corporate Auditor	June 22, 2011 (expiration)

8. On April 1, 2012, the positions and responsibilities of Directors were changed as follows:

Name	Position after change	Responsibility after change
Kaoru Yano	Chairman of the Board	-
Toshimitsu Iwanami	Senior Executive Vice President and Member of the Board (Representative Director)	Special assignment by President
Yukihiro Fujiyoshi	Senior Executive Vice President and Member of the Board (Representative Director)	Special assignment by President
Takashi Niino	Senior Executive Vice President and Member of the Board (Representative Director)	CSO (Chief Strategy Officer), CIO (Chief Information Officer) Assisting President regarding Service Business Strategy and Corporate Auditing / Corporate Strategy and Business Development, and Corporate Communications / Important matters relating to Business Incubation, Human Resources, General Affairs, Management Information Systems, and Sales and Service Business Process Management
Junji Yasui	Senior Executive Vice President and Member of the Board (Representative Director)	CSCO (Chief Supply Chain Officer) Export & Import Trade Control / Important matters relating to Product Coordination, Quality Management, and Purchasing
Toshiyuki Mineno	Executive Vice President and Member of the Board	CMO (Chief Marketing Officer) Business Incubation

9. The Company has business relationship with SMBC such as borrowings from SMBC and guarantees against the debts of Company’s subsidiaries owed to SMBC.

(2) Remuneration for Directors and Corporate Auditors

(i) Company Policy on Remuneration

(a) Basic Policy

For the purpose of continuously improving corporate value and strengthening its competitiveness, the Company's basic policy of the remuneration for Directors and Corporate Auditors is to set the level and system appropriate for a global company which enables the Company to secure excellent human resources and serves as an incentive to improve performance of the NEC Group.

(b) Remuneration System

1) Remuneration for Directors

Remuneration for Directors consists of fixed monthly remunerations and bonuses linked to the business results.

The fixed monthly remunerations are determined according to the positions of Directors and the distinction of Outside Director or not, to the extent of the maximum amount approved at the General Meeting of Shareholders.

The bonuses are calculated by, adding to the standard amount determined for each positions of Directors, evaluation, under certain rules, of the contribution by Director to the business results during previous fiscal year. No bonuses are paid to Outside Directors from the viewpoint of securing their independences from the Company because the Company expects that Outside Directors play a leading role in supervision over business execution.

2) Remuneration for Corporate Auditors

Remunerations for Corporate Auditors are only fixed monthly remunerations and do not include bonuses linked to the business results because the responsibility of Corporate Auditors is to audit performance of Directors.

The fixed monthly remunerations are determined for a full-time Corporate Auditor or not, respectively, to the extent of the maximum amount approved at the General Meeting of Shareholders.

(c) Process of Determination

1) Remuneration for Directors

Remuneration for Directors is determined by the resolution of Board of Directors, based on the result of deliberation from an objective viewpoint by Nomination and Compensation Committee, the majority of the members of which are the outside members (one of whom is the chairperson).

2) Remuneration for Corporate Auditors

Remuneration for Corporate Auditors is determined through discussions betweens Corporate Auditors.

(d) Links between Remuneration and the Company's Performance

Bonuses to Directors are calculated according to the certain indexes (Net Sales, Operating Incomes and others) that the Company considers are important regarding the consolidated business results of the NEC Group during previous fiscal year.

(e) Determination of the Level of Remuneration

In order to ensure the objectiveness and properness of Remuneration for Directors and Corporate Auditors, the level of the remuneration is determined based on the result of the third party's investigation regarding the remunerations of other companies whose business contents and scale are similar to those of the Company.

(f) Others

1) The Company abolished retirement allowance system for Directors and Corporate Auditors at the close of the 168th Ordinary General Meeting of Shareholders held on June 22, 2006.

2) In order to promote a management improving shareholder value, the Company recommends that Directors (except for Outside Directors) purchase the Company's shares through the Director and Corporate Auditor Shareholding Association and keep the shares through the term of office of Directors and Corporate Auditor.

(ii) Amounts of Remuneration for this Business Period

	Remuneration	
	Headcount	Total Amount (In millions of yen)
Directors (of which Outside Directors)	18 (6)	383 (59)
Corporate Auditors (of which Outside Corporate Auditors)	7 (4)	93 (35)

Notes: 1. The above headcount includes five Directors and two Corporate Auditors who retired at the close of the 173rd Ordinary General Meeting of Shareholders held on June 22, 2011.

2. The maximum monthly remuneration for Directors is 65,000,000 yen (approved at the 153rd Ordinary General Meeting of Shareholders held on June, 27, 1991).

3. The maximum monthly remuneration for Corporate Auditors is 12,000,000 yen (approved at the 170th Ordinary General Meeting of Shareholders held on June 23, 2008).

(3) Major Activities of Outside Directors and Outside Corporate Auditors

Name	Major Activities
Yoshinari Hara	He attended 13 meetings of the Board of Directors out of 14 meetings held during this Business Period and made remarks, including questions and opinions as appropriate mainly based on a lot of experience and deep insight as management of a company.
Sawako Nohara	She attended all of the 14 meetings of the Board of Directors held during this Business Period and made remarks, including questions and opinions as appropriate mainly from a perspective of end user featuring consumers and citizens.
Kenji Miyahara	He attended 13 meetings of the Board of Directors out of 14 meetings held during this Business Period and made remarks, including questions and opinions as appropriate mainly based on a lot of experience and deep insight as management of a company.
Hideaki Takahashi	He attended 13 meetings of the Board of Directors out of 14 meetings held during this Business Period and made remarks, including questions and opinions as appropriate mainly based on a lot of experience and deep insight as management of a company.
Takeshi Kunibe	After the assumption of office as Director of the Company, he attended 8 meetings of the Board of Directors out of 10 meetings held during this Business Period and made remarks, including questions and opinions as appropriate mainly based on a lot of experience and deep insight as management of a bank.
Satoshi Itoh	He attended all of the 14 meetings of the Board of Directors, and all of the 14 meetings of the Board of Corporate Auditors, both held during this Business Period and made remarks, including questions and opinions as appropriate mainly based on a lot of experience and deep insight as a financial and accounting expert.
Ryoji Nakagawa	He attended all of the 14 meetings of the Board of Directors, and all of the 14 meetings of the Board of Corporate Auditors, both held during this Business Period and made remarks, including questions and opinions as appropriate mainly based on a lot of experience and deep insight as a legal expert.
Hideo Ymada	After the assumption of office as Corporate Auditor of the Company, he attended all of the 10 meetings of the Board of Directors, and all of the 11 meetings of the Board of Corporate Auditors, both held during this Business Period and made remarks, including questions and opinions as appropriate mainly based on deep insight regarding management strategy and expertise in finance and accounting.

(4) Outline of agreements entered into with Outside Directors and Outside Corporate Auditors to limit their liabilities as stipulated in Paragraph 1, Article 427 of the Company Law

Pursuant to Articles 24 and 31 of the Articles of Incorporation of the Company, the Company entered into agreements with Messrs. Yoshinari Hara, Kenji Miyahara, Hideaki Takahashi and Takeshi Kunibe and Ms. Sawako Nohara, who are Outside Directors, and Messrs. Satoshi Itoh, Ryoji Nakagawa and Hideo Yamada, who are Outside Corporate Auditors, to limit their liabilities as stipulated in Paragraph 1, Article 427 of the Company Law. The outline of such agreements is to limit their liabilities as stipulated in Paragraph 1, Article 423 of the Company Law to the higher of 20 million yen or the amount provided in the Company Law and the Regulation for Enforcement of the Company Law on condition that they perform their duties as Directors or Corporate Auditors in good faith and without gross negligence.

5. Accounting Auditors

(1) Name of the Accounting Auditors

KPMG AZSA LLC

(2) The Amount of Compensation to the Accounting Auditors

Classification	Amount（In million of yen）
(i) The total fees paid to the Accounting Auditors by the Company as compensation for their duties under the Company Law	650
(ii) Total amount of money and other property benefit paid to the Accounting Auditors by the Company and its subsidiaries	1,785

Notes: 1. The fees set forth in column (i) above include the fees for audit under the Financial Instruments and Exchange Law and other laws because there are no separate provisions in the audit contract with the Accounting Auditors between the fees for audit under the Company Law and the fees for audit under the Financial Instruments and Exchange Law, and it is impracticable to distinguish between these two types of fees.

2. Of the Company's subsidiaries listed in "1.(8)(ii) Principal Subsidiaries" above, those subject to audit by certified public accountants or audit firm other than the Accounting Auditors are as follows:

Name of Subsidiary	Certified Public Accountant
Nippon Avionics Co., Ltd.	Ernst & Young ShinNihon LLC
NEC Corporation of America	KPMG LLP
NEC Europe Ltd.	KPMG LLP
NEC Asia Pacific Pte. Ltd.	KPMG LLP
NEC (China) Co., Ltd.	KPMG Huazhen
NEC Latin America S.A.	KPMG Auditores Independentes

(3) Non-audit services rendered by the Accounting Auditors

In addition to the work stipulated in Paragraph 1, Article 2 of the Certified Public Accountants Law, during this Business Period, the Company engaged the Accounting Auditors for, among others, advisory service for implementing the International Financial Reporting Standards.

(4) Company Policy regarding dismissal or decision not to reappoint the Accounting Auditors

Subject to the prior consent of the Board of Corporate Auditors, the Board of Directors will propose a dismissal or disapproval of the reappointment of the Accounting Auditors to the shareholders meeting when the situation arises where the Accounting Auditors are no longer able to execute their duties in a proper manner or the Board of Directors decides that it is appropriate to dismiss or disapprove the reappointment of the Accounting Auditors.

6. System and Policy of the Company

(1) System to ensure the properness of operations

The Company has established and implemented its internal control system based on the basic policy for maintenance of the system of the Company to ensure the properness of operations as provided in Item 6, Paragraph 4 of Article 362 of the Company Law adopted by resolution of the Board of Directors (the "Policy"). The Company assessed the status of the implementation of its internal control system for this Business Period and confirmed that it has established and implemented its internal control system properly based on the Policy. A summary of the Policy is as follows:

The Company shall endeavor to establish and implement its internal control system more effectively, through continuous evaluation of the implementation of its internal control system under the Policy as well as taking measures necessary for its improvement, and conducting consistent reviews of the

Policy responding to changes in the business environment.

(i) In order to ensure the compliance with the laws, regulations and the Company's Articles of Incorporation in the performance of duties by Directors and employees, Directors and corporate officers shall take the lead in practicing NEC Group Charter of Corporate Behavior and NEC Group Code of Conduct that were adopted to establish business ethics standards for the NEC Group and to ensure compliance with laws, regulations, the Articles of Incorporation and its internal rules, and promote thorough understanding on these charter and code within the NEC Group. If any material violation of laws, regulations, Articles of Incorporation or internal rules is found, the Company shall investigate the cause of such violation and formulate and implement preventative measures. In addition, the Company shall prompt the use of "Compliance Hotline".

(ii) The Company shall properly retain and manage information in accordance with applicable laws, regulations and the Company's internal rules.

(iii) The Company shall implement risk management systems effectively and comprehensively under the consistent policy throughout the NEC Group in accordance with the Company's internal rules. Business divisions shall properly conduct risk management related to their assignment and corporate staff divisions shall support such business divisions' activities. The Company shall deliberate fully on such matters of importance from a perspective of risk management, such as the strategy to control important management risk, and the matters of particular importance shall be reported to the Board of Directors. The internal auditing division shall, through cooperation with internal auditing section of subsidiaries, conduct audits of NEC Group's enterprise risk management system and the status of implementation of risk management.

(iv) In order to ensure the efficient performance of duties by Directors, the Board of Directors shall delegate its authorities to corporate officers and promote timely decision-making and effective performance of duties. Corporate officers shall, under the direction of the Board of Directors, efficiently conduct businesses in accordance with midterm corporate management goals and budgets.

(v) In order to ensure the proper operation of the NEC Group, the Company shall, through NEC Group Management Policy, give instructions and assistance to the subsidiaries for the establishment of the systems ensuring compliance with laws, regulations and properness of the operation of business. In order to improve soundness and efficiency of management systems in NEC Group, the Company shall dispatch directors and corporate auditors where necessary and decide on a division in charge of supervising each of the subsidiaries, and such division in charge shall exchange information, and consult with such subsidiary regarding matters of importance on business operations. The internal auditing division shall conduct audits of the subsidiaries through cooperation with their internal auditing sections to ensure their proper operations.

(vi) From the perspective of proper and efficient operations of NEC Group, the Company shall endeavor to conduct improvement and standardization of business processes, and further strengthen its internal control by utilizing information systems.

(vii) Internal control over financial reporting of the NEC Group shall be evaluated, maintained and improved in accordance with applicable laws and regulations.

(viii) The Company shall assign full-time employees to assist Corporate Auditors in performing their duties. Matters regarding such employees, including performance review, personnel change and disciplinary action, shall be approved by Corporate Auditors.

(ix) Directors and employees shall report to Corporate Auditors on the status of the performance of their duties.

(x) In order to ensure the effective audit, meetings of the Board of Corporate Auditors shall be held and Corporate Auditors shall exchange information and consult with each other on the status of audits. Furthermore, Corporate Auditors shall periodically receive reports on financial audit from the Accounting Auditors and exchange opinions with them.

(2) Policy on the Control over the Company

The Company believes that the ultimate decision as to the person who should control the financial and business policy of the Company shall be made by the shareholders of the Company. However, in the event that a person or entity (the "Proposer") proposes to purchase the substantial number of the shares of the Company with an intent to control the Company or proposes the takeover of the Company, the Company believes it is the responsibilities of the Board of Directors (i) to request the Proposer to provide appropriate information on the reasonableness of the consideration and other conditions of the proposal and the influence such action may have on the management policy and business plan of the Company, (ii) to evaluate the information provided and consider whether such proposal has merit in promoting the corporate value of the Company and the common interest of the shareholders, and (iii) to express the opinion of the Company for purposes of assisting the shareholders to make decisions whether or not to accept the proposal. In addition, the Company believes that, in particular the circumstances, it may be required to negotiate with the Proposer or to present alternative proposals to the shareholders.

Currently, the Company has not adopted a policy of defensive measures that will become effective when a proposal is made by a Proposer. It is the Company's intention, however, that if (i) the sufficient information is not provided by the Proposer, (ii) the shareholders are not afforded the time sufficient to consider the proposal or (iii) the Company decides that the proposal would have an adverse effect on the corporate value of the Company or the common interest of the shareholders, the Company will decide and implement reasonable countermeasures that are practicable at the time of the proposal and acceptable to the shareholders. Further, the Company may consider the introduction of defensive measures based on the business environment, the market trend, the trends of laws and regulations etc. if it is considered appropriate to do so for purposes of promoting the corporate value of the Company and the common interest of the shareholders.

(3) Policy on the determination of distribution of surplus

As the Company needs to adopt a flexible policy in order to better respond to the rapidly changing business environment, the Company considers, among other factors, the following factors in determining its distribution of surplus: the profits earned in the relevant fiscal period; the financial outlook for the following fiscal periods, the dividend payout ratio, and the internal demand for funds such as capital expenditures.

Regrettably, the Company decided not to pay any dividend for this Business Period in consideration of net loss and others.

In addition, the Company stipulates in its Articles of Incorporation that it may determine distribution of surplus flexibly through resolutions of the Board of Directors, and that record dates of distribution of surplus shall be March 31 and September 30 of each year.

CONSOLIDATED BALANCE SHEET

(As of March 31, 2012)

(In millions of yen)

Account	Amount
Assets	
Current assets	**1,514,437**
Cash and deposits	195,443
Notes and accounts receivable-trade	810,579
Short-term investment securities	58,407
Merchandise and finished goods	91,898
Work in process	91,408
Raw materials and supplies	66,611
Deferred tax assets	76,222
Other	128,522
Allowance for doubtful accounts	(4,653)
Noncurrent assets	**1,043,133**
Property, plant and equipment	**315,895**
Buildings and structures, net	134,618
Machinery and equipment, net	35,445
Tools, furniture and fixtures, net	60,268
Land	72,317
Construction in progress	13,247
Intangible assets	**201,662**
Goodwill	75,969
Software	121,541
Other	4,152
Investments and other assets	**525,576**
Investment securities	153,688
Stocks of subsidiaries and affiliates	117,635
Deferred tax assets	96,476
Other	177,064
Allowance for doubtful accounts	(19,287)
Total assets	**2,557,570**

(In millions of yen)

Account	Amount
Liabilities	
Current liabilities	**1,058,612**
Notes and accounts payable-trade	466,177
Short-term loans payable	28,990
Commercial papers	97,991
Current portion of long-term loans payable	64,793
Accrued expenses	156,175
Advances received	57,013
Provision for product warranties	19,278
Provision for directors' bonuses	219
Provision for loss on construction contracts and others	9,945
Provision for business structure improvement	25,917
Provision for contingent loss	2,762
Other	129,352
Noncurrent liabilities	**721,344**
Bonds payable	230,000
Long-term loans payable	263,160
Deferred tax liabilities	3,040
Provision for retirement benefits	182,735
Provision for product warranties	2,676
Provision for loss on repurchase of computers	6,469
Provision for business structure improvement	979
Provision for contingent loss	8,622
Other	23,663
Total liabilities	**1,779,956**
Net Assets	
Shareholders' equity	**669,753**
Capital stock	**397,199**
Capital surplus	**192,834**
Retained earnings	**82,659**
Treasury stock	**(2,939)**
Accumulated other comprehensive income	**(12,797)**
Valuation difference on available-for-sale securities	**16,273**
Deferred gains or losses on hedges	**(142)**
Foreign currency translation adjustment	**(28,928)**
Subscription rights to shares	**24**
Minority interests	**120,634**
Total net assets	**777,614**
Total liabilities and net assets	**2,557,570**

CONSOLIDATED STATEMENT OF OPERATIONS

(For the fiscal year ended March 31, 2012)

(In millions of yen)

Account	Amount
Net Sales	3,036,836
Cost of sales	2,128,920
Gross profit	**907,916**
Selling, general and administrative expenses	834,174
Operating income	**73,742**
Non-operating income	**18,616**
Interest income	1,654
Dividends income	4,454
Other	12,508
Non-operating expenses	**50,308**
Interest expenses	5,446
Equity in losses of affiliates	12,705
Retirement benefit expenses	11,867
Foreign exchange losses	2,672
Other	17,618
Ordinary income	**42,050**
Extraordinary income	**28,375**
Gain on sales of subsidiaries and affiliates’ stocks	15,376
Gain on insurance adjustment	10,648
Gain on sales of investment securities	1,357
Gain on sales of noncurrent assets	966
Gain on change in equity	18
Gain on reversal of subscription rights to shares	10
Extraordinary loss	**67,124**
Business structure improvement expenses	40,535
Loss on valuation of investment securities	16,037
Impairment loss	6,501
Loss on disaster	2,131
Loss on sales of stocks of subsidiaries and affiliates	1,118
Relocation expenses	713
Loss on sales of noncurrent assets	78
Loss on sales of investment securities	11
Income before income taxes and minority interests	**3,301**
Income taxes	**108,194**
Income taxes – current	23,911
Income taxes – deferred	84,283
Loss before minority interests	**(104,893)**
Minority interests in income	5,374
Net loss	**(110,267)**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(For the fiscal year ended March 31, 2012)

(In millions of yen)

Account	Amount
Shareholders' equity	
Capital stock	
Balance at the beginning of current period	397,199
Changes of items during the period	
Total changes of items during the period	-
Balance at the end of current period	397,199
Capital surplus	
Balance at the beginning of current period	192,837
Changes of items during the period	
Disposal of treasury stock	(3)
Total changes of items during the period	(3)
Balance at the end of current period	192,834
Retained earnings	
Balance at the beginning of current period	192,943
Changes of items during the period	
Net loss	(110,267)
Change of scope of equity method	(17)
Total changes of items during the period	(110,284)
Balance at the end of current period	82,659
Treasury stock	
Balance at the beginning of current period	(2,934)
Changes of items during the period	
Purchase of treasury stock	(10)
Disposal of treasury stock	5
Total changes of items during the period	(5)
Balance at the end of current period	(2,939)
Total shareholders' equity	
Balance at the beginning of current period	780,045
Changes of items during the period	
Net loss	(110,267)
Purchase of treasury stock	(10)
Disposal of treasury stock	2
Change of scope of equity method	(17)
Total changes of items during the period	(110,292)
Balance at the end of current period	669,753

(In millions of yen)

Account	Amount
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	
Balance at the beginning of current period	4,167
Changes of items during the period	
Net changes of items other than shareholders’ equity	12,106
Total changes of items during the period	12,106
Balance at the end of current period	16,273
Deferred gains or losses on hedges	
Balance at the beginning of current period	132
Changes of items during the period	
Net changes of items other than shareholders’ equity	(274)
Total changes of items during the period	(274)
Balance at the end of current period	(142)
Foreign currency translation adjustments	
Balance at the beginning of current period	(27,290)
Changes of items during the period	
Net changes of items other than shareholders’ equity	(1,638)
Total changes of items during the period	(1,638)
Balance at the end of current period	(28,928)
Total accumulated other comprehensive income	
Balance at the beginning of current period	(22,991)
Changes of items during the period	
Net changes of items other than shareholders’ equity	10,194
Total changes of items during the period	10,194
Balance at the end of current period	(12,797)
Subscription rights to shares	
Balance at the beginning of current period	33
Changes of items during the period	
Net changes of items other than shareholders’ equity	(10)
Total changes of items during the period	(10)
Balance at the end of current period	24
Minority interests	
Balance at the beginning of current period	118,354
Changes of items during the period	
Net changes of items other than shareholders’ equity	2,280
Total changes of items during the period	2,280
Balance at the end of current period	120,634

(In millions of yen)

Account	Amount
Total net assets	
Balance at the beginning of current period	875,441
Changes of items during the period	
Net loss	(110,267)
Purchase of treasury stock	(10)
Disposal of treasury stock	2
Change of scope of equity method	(17)
Net changes of items other than shareholders’ equity	12,465
Total changes of items during the period	(97,827)
Balance at the end of current period	777,614

<Reference Document>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

(For the fiscal year ended March 31, 2012)

(In millions of yen)

Account	Amount
Net cash provided by (used in) operating activities:	
Income before income taxes and minority interests	3,301
Depreciation and amortization	83,058
Equity in losses of affiliates	12,705
Gain on change in equity	(18)
Increase in notes and accounts receivable-trade	(88,216)
Increase in inventories	(150)
Increase in notes and accounts payable-trade	28,976
Income taxes paid	(22,650)
Others, net	66,851
Net cash provided by operating activities	83,857
Net cash provided by (used in) investing activities:	
Net proceeds from (payment of) acquisitions and sales of property, plant and equipment	(35,013)
Purchase of intangible assets	(17,421)
Net proceeds from (payment of) purchases and sales of securities	968
Others, net	1,760
Net cash used in investing activities	(49,706)
Net cash provided by (used in) financing activities:	
Net proceeds from (payment of) bonds and borrowings	17,742
Cash dividends paid	(39)
Others, net	(3,011)
Net cash provided by financing activities	14,692
Effect of exchange rate changes on cash and cash equivalents	(879)
Net increase in cash and cash equivalents	47,964
Cash and cash equivalents at beginning of period	203,879
Cash and cash equivalents at end of period	251,843

Notes to Consolidated Financial Statements

I Significant Items for Presenting Consolidated Financial Statements, etc.

1. Scope of consolidation

Number of consolidated subsidiaries 265 companies

Major consolidated subsidiaries

NEC Corporation of America, NEC Europe Ltd., NEC Asia Pacific Pte. Ltd., NEC (China) Co., Ltd., NEC Latin America S.A.(Note 1), NEC Fielding, Ltd., NEC Infrontia Corporation, NEC Networks & System Integration Corporation, Nippon Avionics Co., Ltd., NEC CASIO Mobile Communications, Ltd., NEC Mobiling, Ltd., and NEC TOKIN Corporation

Change in the scope of consolidation includes additions of 8 and exclusions of 26 subsidiaries. Significant changes were as follows:

Consolidated subsidiaries included in the consolidation scope as a result of acquisitions and incorporation, etc.
8 subsidiaries

Consolidated subsidiaries excluded from the consolidation scope as a result of sales and liquidation, etc.
14 subsidiaries

Consolidated subsidiaries excluded from the consolidation scope as a result of decline in shareholding ratio.
2 subsidiaries
Major companies
NEC LCD Technologies, Ltd.(Note 2), and the other

Subsidiaries excluded from the consolidation scope due to merger.
10 subsidiaries as follows:

(Previous)	(New)
NEC Tohoku Ltd. NEC ANTEN Ltd. NEC Wireless Networks, Ltd.	NEC Network Products. Ltd.
NEC Unified Solutions Nederland B.V. NEC Unified Solutions B.V.	NEC Nederland B.V.

And 7 subsidiaries.

Notes: 1. NEC Brasil S.A. changed its name to NEC Latin America S.A. on April 1, 2011.
2. NEC LCD Technologies, Ltd. changed its name to NLT Technologies, Ltd. on July 1, 2011.

2. Items related to application of equity method

(1) Number of companies accounted for by the equity method

There are no subsidiaries accounted for by the equity method instead of consolidation.

Number of affiliated companies accounted for by the equity method 55 companies

Major companies

Nippon Computer Systems Corporation, Keyware Solutions Inc., ALAXALA Networks Corporation, Lenovo NEC Holdings B.V., Renesas Electronics Corporation, NEC TOPPAN Circuit Solutions, Inc., Honda Elesys Co., Ltd., NLT Technologies, Ltd., NEC SCHOTT Components Corporation, NEC Capital Solutions Limited, Japan Aviation Electronics Industry, Limited, Automotive Energy Supply Corporation, and Sincere Corporation.

4 affiliated companies, including Lenovo NEC Holdings B.V. and NLT Technologies, Ltd. were newly accounted for by the equity method.

4 affiliated companies, including Adcore-Tech Co., Ltd. and JICD Corporation were excluded from the

affiliated companies accounted for by the equity method.

(2) There are no unconsolidated subsidiaries and affiliated companies, to which the equity method is not applied.

(3) Names of the companies that were not accounted for as affiliated companies in spite of the voting right that we own between 20/100 and 50/100 based on our account.

Name of the company

Japan Electronic Computer Co., Ltd. (hereinafter referred to as the "JECC")

Reason for not being included in affiliated companies

NEC Corporation ("The Company" hereafter) owns more than 20% of the total number of outstanding stocks of JECC. However, JECC was excluded from affiliated companies, because it is jointly owned and managed by 6 domestic electronic computer manufacturers to promote the data-processing industry.

3. Items related to the fiscal year of consolidated subsidiaries

The fiscal year of consolidated subsidiaries ends on March 31 except for 20 companies.

The fiscal year of these 20 subsidiaries mainly ends on December 31, and the financial statements as of and for the year ended December 31 were included in the NEC consolidation.

The Company made adjustments for material transactions between the fiscal year of the subsidiaries and the fiscal year of the Company, as needed.

4. Items related to accounting standards

(1) Valuation basis and method of major assets

(a) Marketable and investment securities

Available-for-sale securities

-Securities with market prices

Securities with market prices are valued at the quoted market prices prevailing at fiscal year end. Unrealized gains or losses are included in a component of net assets. The cost of securities sold is determined based on the moving-average cost method.

-Securities without market prices

Moving-average cost method

-Investments in limited partnership, etc.

Based on the latest available financial statements, the investments in limited partnerships were accounted for by the equity method.

(b) Derivatives

Market value method

(c) Inventories

Inventories are stated at the cost method (which writes off the book value of inventories based on decreases in profitability), determined by the following valuation methods:

Valuation method	
Merchandise and finished goods	Custom-made products: Mainly, specific identification method
	Mass produced standard products: Mainly, first-in, first-out method
Work in process	Custom-made products: Mainly, specific identification method
	Mass produced standard products: Mainly, average cost method
Raw materials and supplies	Mainly, first-in, first-out method

(2) Depreciation and amortization method of major noncurrent assets

(a) Property, plant and equipment

Depreciation is computed by the straight-line method

Estimated useful lives are as follows:

Buildings and structures: 7 - 60 years

Machinery and equipment, Tools, furniture and fixtures: 2 - 22 years

Leased assets are depreciated by the straight-line method over the respective lease periods.

(b) Intangible assets

Software

Software for sale to the market is amortized either based on projected sales volumes or projected sales amounts (Mainly the estimated useful life is within 2 years). Software for internal use is amortized on a straight-line basis over the estimated useful lives of up to 5 years.

Goodwill

Goodwill is amortized on a straight-line basis over the periods within 20 years.

(c) Investments and other assets

Long-term prepaid expenses

Long-term prepaid expenses are amortized on a straight-line basis, or amortized based on the actual sales volume.

(Changes in accounting policies)

From this fiscal year, the Company and its consolidated subsidiaries changed the depreciation method and revised the useful lives of a portion of assets based on actual utilization.

In prior periods, the Company and its consolidated subsidiaries depreciated property, plant and equipment with the declining-balance method. From this fiscal year, the Company and its consolidated subsidiaries uniformly adopted straight-line depreciation over the estimated useful lives of the assets.

The reason for this change is due to a shift in business conditions that include the exclusion of NEC's semiconductor business from consolidation and a stronger business focus towards services where stable long-term revenues can be expected, such as "Cloud Computing Services." This shift in business conditions resulted in an increase in the ratio of assets more suitably depreciated by the straight-line method, which enables depreciation costs to be equally allocated over its useful lives.

Compared to the previous method of accounting, the impacts of these changes and revisions on income (loss) are immaterial.

(3) Accounting standards for significant reserves

Allowance for doubtful accounts

An allowance for doubtful accounts is provided against potential losses on collection at an amount determined using a historical bad debt ratio for normal receivables, plus an amount individually estimated on the collectibility of receivables that are expected to be uncollectible due to bad financial condition or insolvency.

Provision for product warranties

The Company and its consolidated subsidiaries accrue a provision for product warranties for estimated future warranty costs using the historical ratio of warranty costs to sales, plus an amount individually measured on the incremental costs that are expected to be incurred, in expectation of expenditures for warranty costs after sale of products, or upon delivery of developed software.

Provision for directors' bonuses

Provision for directors' bonuses is recognized in consolidated financial statements as expected payment amount due to that some domestic subsidiaries provide bonuses to their directors next year.

Provision for loss on construction contracts and others

Provision for loss on construction contracts and others is recognized against future losses resulted from made-to-order software, construction projects and others.

Provision for business structure improvement

The Company provides provision for losses and expenses to be incurred in connection with business structure improvement.

Provision for contingent loss

The amount of expected losses, which is reasonably estimable, considering individual risks with respect to each contingent events, is made by provision for contingent loss against possible expenses related to such as proceedings and matters in litigation.

Provision for retirement benefits or prepaid pension expenses

Provision for retirement benefits or prepaid pension expenses are provided for employees' pension and severance payments based on the estimated retirement benefit obligations and the estimated fair value of plan assets as of this fiscal year end.

Transitional obligation is amortized on a straight-line basis over mainly 15 years.

Prior service costs are amortized on a straight-line basis over the employees' estimated average remaining service periods (mainly 13 years).

Actuarial gains and losses are amortized on a straight-line basis over the employees' estimated average remaining service periods (mainly 13 years), starting the following year after incurrence.

Provision for loss on repurchase of computers

The Company provides provision for the estimated losses arising from the repurchase of computers based on the actual loss incurred in the past.

(4) Significant criteria for revenue and expenses recognition

Recognition criteria for completed contract revenue and costs

Percentage-of-completion accounting method was applied to made-to-order software and construction projects that completion percentage can be reasonably measured.

To other construction projects that completion percentage can not be reasonably measured, completed-contract accounting method was applied.

The estimation for the degree of completion of construction is determined by the percentage of the cost incurred to the estimated total cost.

(5) Other significant accounting method

(a) Standard for converting major foreign assets or liabilities to domestic currency

Foreign currency denominated assets and liabilities are translated into Japanese yen at the current exchange rate prevailing at the fiscal year end. Translation gains and losses are recognized in income. In addition, assets and liabilities of consolidated overseas subsidiaries are translated into Japanese yen at the current exchange rate prevailing at the respective fiscal year ends. Income and expenses are translated into Japanese yen at the average exchange rate of the fiscal year. The translation differences are included in foreign currency translation adjustments and minority interests in net assets.

(b) Accounting for significant hedging activities

Method of hedge accounting

Derivative transactions that are utilized to hedge interest rate risk and foreign exchange risk are measured at fair value at the balance sheet date and the unrealized gains or losses are deferred until the maturity of such derivatives.

Hedging instruments and hedged items

Hedging instruments: Interest rate swaps and foreign exchange forward contracts

Hedged items: Bonds and long-term loans payable, foreign currency debts and credits, forecasted transaction denominated in foreign currency.

The Company’s policy for hedging

Derivative transactions are entered into in accordance with “Risk management policy”, which is the internal policy of the Company and its consolidated subsidiaries, to offset market fluctuations or to fix the cash flows of the hedged items.

Assessment of hedge effectiveness

The Company assesses the hedge effectiveness by comparing the changes in fair value or the cumulative changes in cash flows of hedging instruments with the corresponding changes of hedged items.

(c) Accounting for Deferred assets

Bond issuance cost is expensed when payment is made.

(d) Accounting for Consumption taxes

Consumption taxes are excluded from each transaction amount and accounted for separately.

(e) Application of consolidated corporate-tax return system

The Company files its tax return under the consolidated corporate-tax return system.

(Additional Information)

From this fiscal year, the ”Accounting Standard for Accounting Changes and Error Corrections”(ASBJ Statement No.24, December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections”(ASBJ Guidance No.24, December 4, 2009) has been applied to accounting changes and corrections of prior period errors.

II Changes in Presentation Method

The amount of “Provision for recycling expenses of personal computers” which was separately disclosed in prior fiscal years, is immaterial on this fiscal year, thus the amount has been included in “Noncurrent liabilities - Other” as of the end of this fiscal year.

The balance of “Provision for recycling expenses of personal computers” which is included in “Noncurrent liabilities - Other” as of March 31, 2012 is 142 million yen.

III Notes to Consolidated Balance Sheet

1. Assets pledged as and debts secured by collateral

(1) Balances - assets pledged as collateral

	(In millions of yen)
Buildings and structures	589
Machinery and equipment	16
Land	4,671
Others	7
Total	5,283

(2) Balances - debts secured by collateral

	(In millions of yen)
Short-term loans payable	2,491
Long-term loans payable	300
Others	47
Total	2,838

2. Net presentation of inventories and provision for loss on construction contracts and others

Inventories related to construction contracts and others which are expected to be resulted in a loss are presented at net of provision for loss on construction contracts and others of 5,258 million yen (the sum of following provision for loss on construction contracts and others; 535 million yen for merchandise and finished goods, 4,723 million yen for work in process).

3. Accumulated depreciation of property, plant and equipment

	(In millions of yen)
Accumulated depreciation	786,212

4. Contingent liabilities

Guarantees for bank loans and others

The Company guarantees bank loans of the other companies and others

	(In millions of yen)
Automotive Energy Supply Corporation	6,881
Employees	3,791
Others	805
Total	11,477

IV Notes to Consolidated Statement of Changes in Net Assets

1. Stocks, issued

Common stock	2,604,732,635 shares

2. Dividends

Not applicable

3. Class and number of shares to be issued or acquired upon exercise of the Stock subscription rights (the "Rights") as of March 31, 2012 (Except for the Rights whose exercise period is not coming).

Resolution in June 22, 2006	
Number of the Rights	124
Class and number of shares to be issued or acquired upon exercise of the Rights	Common Stock 124,000 shares
Exercise price per share	600 yen
Exercise period	From August 1, 2008 to July 31, 2012

V Notes : Financial Instruments

1. Summary of financial instruments

(1) Policy of financial instruments

NEC group operates its surplus funds by depositing its funds with major banks or investing into short-term financial assets with lower volatility risk. For the purpose of financing long-term capital, NEC group primarily make loans from banks and issue corporate bonds. For the purpose of financing short-term fund, the Company mainly makes loans from banks or issue commercial papers. Derivatives are generally used to hedge the risks further described below, and not for the purpose of speculative investments.

(2) Contents and risks of financial instruments

Receivables from ordinary course of business such as notes and accounts receivable-trade are exposed to credit risk of customers.

Receivables and payables from ordinary course of business denominated in foreign currency are exposed to foreign exchange risk.

Marketable securities and investment securities, excluding financial instruments held for short-term investment, relate to investment activities aimed at strengthening the Company’s operational or financial alliance with the investees. These marketable securities and investment securities are exposed to market risk.

Long-term borrowings, bonds payable and finance lease liabilities are generally made for the purpose of financing capital investments. The latest redemption date of such liabilities is in seven years. These interest-bearing debts with floating interest rate are exposed to interest rate risks.

Derivatives consist of forward exchange contracts, currency options and interest rate swaps. Forward exchange contracts and currency options are used to hedge foreign exchange risk of foreign currency denominated receivables and payables occurred during ordinary course of businesses. Interest rate swaps are used to hedge the effect from interest rate and market value movements for bank loans and corporate bonds issued.

The hedging instruments, hedged items, policies and assessment of effectiveness concerning the hedge accounting are described at I 4.(5) Other significant accounting method (b) Accounting for significant hedging activities.

(3) Risk management for financial instruments

(a) Management of credit risk (risk of customer’s default)

NEC and its subsidiaries regularly monitor the financial position of significant customers and manage the due dates and its receivables balance due from each customer to minimize the risk of defaults resulting from deterioration of a customers’ financial position at a periodical basis.

Financial institutions with higher credit capabilities are selected as counterparties while dealing in derivative transactions, deposit transactions and purchase of financial assets for short-term investments in order to reduce the counterparty risk.

(b) Management of market risk (foreign exchange risk, interest rate risk and others)

NEC group manages foreign exchange risk by currency in each due month, and to minimize its risk by utilizing netting settlement of foreign currency receivables and payables, and by utilizing forward exchange contracts and currency options.

Interest rate swap contracts are also used to control interest rate volatility risk in our bank loans and corporate bonds.

Regarding the market price risk of investment securities, NEC group regularly monitors the fair value of such securities as well as financial positions of the issuers (customer enterprises). NEC group also continuously reviews effectiveness of possessing such securities taking into consideration of business relationship with customer enterprises.

NEC group trades derivatives based on the corporate policy which governs risk management, approval, reporting and verification process.

(c) Management of liquidity risk (risk of impracticability to execute payment)

Liquidity risk is managed by frequent update of the cash-flow budget and maintaining level of liquidity represented by current cash balance and unused lines of credit.

(4) Surplus explanation of the fair value of financial instruments

The fair value of a financial instrument is based on the current market price or using reasonable estimates in case of no readily available market price. Such estimates include various underlying factors and assumptions and may subject to change if other reliable assumptions may be used for the calculation.

2. Fair value of financial instruments

Fair value and its variance from the balance sheet value at March 31, 2012 are as follows.

(In millions of yen)

	Balance sheet value	Fair value	Difference
(1)Cash and deposits	195,443	195,443	-
(2)Notes and accounts receivable-trade	810,579	810,307	(272)
(3)Short-term investment securities	58,407	58,407	-
(4)Investment securities	94,657	94,657	-
(5)Stocks of subsidiaries and affiliates	79,295	68,784	(10,511)
Total assets	1,238,381	1,227,598	(10,783)
(1)Notes and accounts payable-trade	466,177	466,177	-
(2)Short-term loans payable	28,990	28,990	-
(3)Commercial papers	97,991	97,991	-
(4)Current portion of long-term loans payable	64,793	64,793	-
(5)Accrued expenses	156,175	156,175	-
(6)Bonds payable	230,000	231,583	1,583
(7)Long-term loans payable	263,160	262,895	(265)
Total liabilities	1,307,286	1,308,604	1,318
Derivatives(*1)	(1,992)	(1,992)	-

(*1) Derivatives are presented as net amount of assets and liabilities, and amounts in parentheses are liabilities as the results of netting.

Notes:

1. Measurement of fair value of financial instruments and information related to securities and derivatives trade

Assets

(1) Cash and deposits

Fair value equals to balance sheet value, since they are to be settled in short term.

(2) Notes and accounts receivable-trade

For which are to be settled in short term, fair value equals to balance sheet value. For others, to be settled in long term, fair value is measured by using discount rate considering credit and other risk.

(3) Short-term investment securities

Fair value equals to balance sheet value, since short-term investment securities mainly consists of CD and commercial papers, which are to be settled in short term.

(4) Investment securities and (5) Stocks of subsidiaries and affiliates

Fair value equals to price at financial instrument exchange.

Liabilities

(1) Notes and accounts payable-trade,(2) Short-term loans payable,(3) Commercial papers,(4) Current portion of long-term loans payable, and (5) Accrued expenses

Fair value equals to balance sheet value, since they are to be settled in short term.

(6) Bonds payable

Fair value equals to market price.

(7) Long-term loans payable

Fair value is measured by using discount rate to be applied in case of financing same amount with sum of principal and interest.

Derivatives

Fair value of forward exchange contracts are based on forward exchange rate.

2. The followings are not included in "(4) Investment securities" or "(5) Stocks of subsidiaries and affiliates" table above – due to lack of their available market price and not being able to estimate the future cash flows reasonably:

Classification	Balance sheet value (In millions of yen)
Investment securities Unlisted stocks	54,547
Stocks of subsidiaries and affiliates Unlisted stocks	38,340
Investment in limited partnerships and similar partnerships under foreign laws	4,157
Others	327
Total	97,371

VI Notes : Per Share Information

Net assets per share 252.83 yen

Net loss per share (42.44) yen

Ⅶ Notes : Others

1. Lease transactions

Operating leases (lessee)

Obligations under non-cancellable operating leases (In millions of yen)

Due within one year	19,494
Due over one year	84,806
Total	104,300

2. Marketable and Investment securities

(1) Available-for-sale securities

(In millions of yen)

	Description	Balance sheet value	Acquisition cost	Unrealized gains (losses)
Securities with balance sheet value exceeding acquisition cost	(1) Stocks	77,287	45,801	31,486
	(2) Bonds			
	(a) Governmental and municipal bonds	-	-	-
	(b) Corporate bonds	-	-	-
	(3) Others	32	11	21
	Sub-total	77,319	45,812	31,507
Securities with balance sheet value not exceeding acquisition cost	(1) Stocks	14,546	17,220	(2,674)
	(2) Bonds			
	(a) Governmental and municipal bonds	-	-	-
	(b) Corporate bonds	845	1,000	(155)
	(3) Others	60,354	60,365	(11)
	Sub-total	75,745	78,585	(2,840)
Total		153,064	124,397	28,667

Notes:

The followings are not included in “(1) Available-for-sale securities” table above - due to lack of their available market price and not being able to estimate the future cash flows reasonably:
Unlisted stocks (balance sheet value of 54,547 million yen),
Investments in limited partnerships and similar partnerships under foreign laws
(balance sheet value of 4,157 million yen), and Others (balance sheet value of 327 million yen).

(2) Available-for-sale securities sold during the fiscal year ended March 31, 2012

(In millions of yen)

Description	Proceeds from sales	Gross realized gains	Gross realized losses
(1) Stocks	1,937	1,340	10
(2) Bonds			
(a)Governmental and municipal bonds	-	-	-
(b) Corporate bonds	-	-	-
(3) Others	62	17	1
Total	1,999	1,357	11

(3) Impairment of available-for-sale securities

With regard to stocks included in available-for-sale securities, impairment losses of 16,037 million yen were recorded in this fiscal year.

3. Retirement benefits

(1) Overview of the retirement benefit plans

The Company and its domestic consolidated subsidiaries have defined benefit plans, which include the defined benefit pension plans and the lump-sum severance payment plans. Additional retirement benefits are paid in certain circumstances. Most of overseas consolidated subsidiaries have various types of pension benefit plans which cover substantially all employees. Those plans are mainly defined contribution plans and defined benefit plans.

The NEC Welfare Pension Fund, established by the Company and certain domestic consolidated subsidiaries, received approval from the Minister of Health, Labor and Welfare with respect to its application for exemption from the benefit obligation related to future employee services under the substitutional portion of the pension fund in September 2002 and the portion related to past services in December 2003. Following the approval, the Company and certain domestic consolidated subsidiaries implemented the defined benefit pension plan and terminated the welfare pension fund plans.

After the fiscal year ended March 31, 2004, the Company and certain domestic consolidated subsidiaries implemented point-based plans, under which benefits are calculated based on accumulated points allocated to employees according to their class of positions and evaluations.

The Company and certain domestic consolidated subsidiaries terminated their welfare pension fund plans and tax-qualified pension plans and implemented cash-balance plans. Under these plans, benefits are calculated based on both accumulated points allocated to employees according to their class of positions and accumulated interest points recalculated based on the market interest rates.

(2) Retirement benefit obligations

(In millions of yen)

A. Retirement benefit obligations	(929,558)
B. Plan assets	627,504
C. Unfunded retirement benefit obligations (A+B)	(302,054)
D. Unrecognized transitional obligation	34,068
E. Unrecognized actuarial gains and losses	231,659
F. Unrecognized prior service costs (reduction in obligations)	(63,164)
G. Net amounts recognized in the consolidated balance sheet (C+D+E+F)	(99,491)
H. Prepaid pension expenses	83,244
I. Provision for retirement benefits (G-H)	(182,735)

Notes: 1. Certain consolidated subsidiaries adopted the simplified method in calculating the retirement benefit obligations.

2. Prepaid pension expenses are included in “Other” of investments and other assets in the consolidated balance sheets.

(3) Retirement benefit expenses

(In millions of yen)

A. Service cost	30,762
B. Interest cost	23,051
C. Expected return on plan assets	(12,030)
D. Amortization of transitional obligation	11,867
E. Amortization of actuarial gains and losses	27,921
F. Amortization of prior service costs	(8,882)
G. Other (Note 2)	6,596
H. Retirement benefit expenses (A+B+C+D+E+F+G)	79,285

Notes: 1. Retirement benefit expenses of consolidated subsidiaries adopting the simplified method are included in “A. Service cost”.

2. “G. Other” represents the amount of premiums paid for defined contribution pension plans.

3. In addition to the above retirement benefit expenses, expenses mainly for early retirement of employees due to business restructuring were recognized as ”Business structure improvement expenses” in extraordinary loss, in the amount of 29,830 million yen for the year ended March 31, 2012.

(4) Basis for calculation of retirement benefit obligations

A. Allocation method for projected retirement benefit cost	Mainly, point basis
B. Discount rate	Mainly, 2.5%
C. Expected rate of return on plan assets	Mainly, 2.5%
D. Period for amortization of prior service costs	Mainly, 13 years (Prior service costs are amortized on a straight-line basis over certain years within employees’ average remaining service periods as incurred.)
E. Period for amortization of actuarial gains and losses	Mainly, 13 years (Actuarial gains and losses are amortized on a straight-line basis over certain years within employees’ average remaining service periods, starting from the following year after incurred.)
F. Period for amortization of transitional obligation	Mainly, 15 years

4. Impairment losses on noncurrent assets

(1) Summary of assets or asset groups for which impairment losses were recognized

Use	Type	Location
Assets for business use	•Buildings and structures •Machinery and equipment •Software and others	Kawasaki City, Kanagawa Prefecture, and others
Idle assets	•Buildings and structures •Machinery and equipment •Tools, furniture and fixtures •Construction in progress	Shimoniikawa County, Toyama Prefecture, and others
Idle assets	•Buildings and structures •Land	Tatsuno City, Hyogo Prefecture
Others	•Goodwill	-

(2) Background to the recognition of impairment loss

Investments in certain fixed assets for business use and goodwill were not expected to be recoverable due to lower profitability of assets for business use and market value declines of idle assets.

Therefore the Company groups recognized impairment loss as extraordinary loss.

(3) Amounts of impairment loss

	(In millions of yen)
Buildings and structures	452
Machinery and equipment	1,347
Tools, furniture and fixtures	716
Land	507
Construction in progress	290
Goodwill	2,792
Software	220
Intangible assets - other	29
Others	148
Total	6,501

(4) Method for grouping assets

In principle, the Company groups assets for business use based on its business units and managerial accounting segments. The Company groups idle assets into a single asset group.

(5) Measurement of recoverable amounts

The higher of the net realizable value and value in use is used for the recoverable amounts of fixed assets for business use. Net realizable value is used for the recoverable amounts of idle assets.

Net realizable value is estimated based on the assessed value for list of land prices, etc. The value in use is assessed at 1 yen because the total of future cash flow is a negative amount.

5. Business Combinations

On July 1, 2011, in order to strengthen its personal computer business, the Company divided personal computer business of NEC Personal Products, Ltd. (currently NEC Embedded Products, Ltd.) and established NEC Personal Computers, Ltd. by means of company split. On the same day, the Company transferred all the shares of NEC Personal Computers, Ltd. to Lenovo NEC Holdings B.V. and 49% shares in Lenovo NEC Holdings B.V. were allotted to the Company. As a result, Lenovo NEC Holdings B.V. has become an affiliate of the Company accounted for by the equity method.
Outline of the transaction is as follows.

(1) Outline of the business combination
Name of the business: personal computer business
Major operation: Development, manufacture, sale and related business of personal computers

(2) Reason for the business combination
Strengthening of personal computer business

(3) Date of the business combination
July 1, 2011

(4) Legal form of the business combination
(a) Incorporation-type company split, in which NEC Personal Products, Ltd. was the splitting company and NEC Personal Computers, Ltd. that was newly incorporated was the succeeding company.
(b) Transfer of all the shares of NEC Personal Computers, Ltd. from the Company to Lenovo NEC Holdings B.V. and allotment of 49% shares of Lenovo NEC Holdings B.V.

(5) Outline of accounting method
The Company applies accounting procedures stipulated by Articles 45, of the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7 of December 26, 2008) to acquisition of shares of Lenovo NEC Holdings B.V. accounted for by the equity method.

6. Income taxes

(1) Breakdown of major factors of deferred tax assets and liabilities

(Deferred tax assets)	(In millions of yen)
Tax loss carry forwards	219,368
Pension and severance expenses	115,681
Accrued expenses and product warranty liabilities	46,625
Loss on devaluation of inventories	37,214
Depreciation	33,437
Investments in affiliated companies	17,111
Provision for business structure improvement	10,263
Loss on devaluation of investment securities	8,024
Elimination of unrealized profit through intercompany transactions among consolidated companies	4,241
Provision for contingent loss	4,006
Provision for loss on construction contracts and others	3,755
Research and development expenses	1,182
Others	43,773
Sub-total	544,680
Less: valuation allowance	(326,029)
Total	218,651
(Deferred tax liabilities)	
Gain on transfer of securities to the pension trust	(19,317)
Undistributed earnings of affiliated companies	(15,074)
Unrealized gains on available-for-sale securities	(7,165)
Reserves under special taxation measures law	(180)
Others	(7,289)
Total	(49,025)
Net deferred tax assets	169,626

Note: Net deferred tax assets are included in the consolidated balance sheet as follows:

Current assets - deferred tax assets	76,222
Noncurrent assets - deferred tax assets	96,476
Current liabilities - other	(32)
Noncurrent liabilities - deferred tax liabilities	(3,040)

(2) The reconciliation between the effective tax rate reflected in the consolidated financial statements and the statutory tax rate is summarized as follows:

	(%)
Statutory tax rate	40.5
(Reconciliation)	
Changes in valuation allowance	1,786.3
Adjustments of deferred tax assets due to change in statutory tax rate	749.7
Undistributed earnings of affiliated companies	247.2
Amortization of goodwill	179.4
Equity in earnings(losses) of affiliated companies	152.1
Non-deductible expenses for tax purposes	31.2
Tax rates difference relating to overseas subsidiaries	(14.6)
Others	105.8
Effective tax rate	3,277.6

(3) Impact due to the change in statutory tax rate and other

Following the promulgation on December 2, 2011 of the “Act for Partial Revision of the Income Tax Act etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures” (Act No.114 of 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No.117 of 2011), corporation tax rates will be changed for the fiscal years beginning on or after April 1, 2012. In addition, the Special Reconstruction Corporation Tax, a surtax for reconstruction funding after the Great East Japan Earthquake, will be imposed for the fiscal years beginning in the period from April 1, 2012 to March 31, 2015. In line with these changes, the effective statutory tax rate used to measure deferred tax assets and liabilities was changed from 40.5% to 38.0% for temporary differences expected to be utilized in the fiscal years beginning on or after April 1, 2012. The rate was also changed to 35.5% for temporary differences expected to be utilized in the fiscal years beginning on or after April 1, 2015.

As a result of this change, NEC’s deferred tax assets (net of deferred tax liabilities) as of March 31, 2012 decreased by 24,749 million yen, and income taxes increased by 24,749 million yen.

BALANCE SHEET

(Non-consolidated)

(As of March 31, 2012)

(In millions of yen)

Account	Amount
Assets	
Current assets	**960,251**
Cash and deposits	63,592
Notes receivable-trade	3,730
Accounts receivable-trade	532,492
Lease investment assets	2,973
Short-term investment securities	43,000
Merchandise and finished goods	30,149
Work in process	43,979
Raw materials and supplies	16,090
Advance payments-trade	20,506
Prepaid expenses	12,272
Deferred tax assets	33,332
Short-term loans receivable to subsidiaries and affiliates	66,618
Accounts receivable-other	88,009
Other	3,804
Allowance for doubtful accounts	(294)
Noncurrent assets	**1,038,601**
Property, plant and equipment	**170,899**
Buildings, net	75,364
Structures, net	3,435
Machinery and equipment, net	8,194
Vehicles, net	291
Tools, furniture and fixtures, net	32,472
Land	46,046
Construction in progress	5,097
Intangible assets	**89,201**
Patent right	598
Leasehold right	117
Software	88,205
Right of using facilities	148
Other	134
Investments and other assets	**778,501**
Investment securities	145,495
Stocks of subsidiaries and affiliates	406,318
Investments in capital	302
Long-term loans receivable	122
Long-term loans receivable from employees	79
Long-term loans receivable from subsidiaries and affiliates	42,570
Claims provable in bankruptcy, claims provable in rehabilitation and other	16,699
Long-term prepaid expenses	10,910
Deferred tax assets	26,383
Lease and guarantee deposits	11,142
Prepaid pension cost	124,905
Other	9,198
Allowance for doubtful accounts	(15,624)
Total assets	**1,998,852**

(In millions of yen)

Account	Amount
Liabilities	
Current liabilities	**934,771**
Notes payable-trade	182
Accounts payable-trade	430,820
Commercial papers	97,991
Current portion of long-term loans payable	56,983
Lease obligations	321
Accounts payable-other	27,832
Accrued expenses	58,654
Income taxes payable	1,102
Advances received	41,143
Deposits received	167,429
Provision for product warranties	10,265
Provision for loss on construction contracts and others	8,001
Provision for loss on guarantees	2,680
Provision for business structure improvement	8,954
Provision for contingent loss	2,573
Asset retirement obligations	517
Other	19,322
Noncurrent liabilities	**547,870**
Bonds payable	230,000
Long-term loans payable	259,565
Lease obligations	811
Provision for loss on repurchase of computers	6,469
Provision for loss on guarantees	42,309
Provision for contingent loss	2,385
Asset retirement obligations	286
Other	6,046
Total liabilities	**1,482,641**
Net Assets	
Shareholders' equity	**500,329**
Capital stock	**397,199**
Capital surplus	**150,454**
Legal capital surplus	59,260
Other capital surplus	91,194
Retained earnings	**(44,426)**
Legal retained earnings	1,040
Other retained earnings	(45,466)
Retained earnings brought forward	(45,466)
Treasury stock	**(2,898)**
Valuation and translation adjustments	**15,859**
Valuation difference on available-for-sale securities	**16,030**
Deferred gains or losses on hedges	**(171)**
Subscription rights to shares	**24**
Total net assets	**516,211**
Total liabilities and net assets	**1,998,852**

STATEMENT OF OPERATIONS

(Non-consolidated)

(For the fiscal year ended March 31, 2012)

(In millions of yen)

Account	Amount
Net Sales	1,749,188
Cost of sales	1,306,787
Gross profit	**442,401**
Selling, general and administrative expenses	438,351
Operating income	**4,050**
Non-operating income	**31,830**
Interest income	596
Dividends income	27,836
Other	3,398
Non-operating expenses	**22,823**
Interest expenses	4,831
Retirement benefit expenses	8,281
Foreign exchange losses	488
Other	9,223
Ordinary income	**13,058**
Extraordinary income	**12,129**
Gain on sales of subsidiaries and affiliates' stocks	10,616
Gain on sales of investment securities	1,304
Reversal of provision for loss on guarantees	172
Gain on sales of noncurrent assets	28
Gain on reversal of subscription rights to shares	10
Extraordinary loss	**85,889**
Loss on valuation of stocks of subsidiaries and affiliates	29,052
Provision for loss on guarantees	23,458
Business structure improvement expenses	15,462
Loss on valuation of investment securities	14,697
Loss on business of subsidiaries and affiliates	1,771
Impairment loss	1,449
Loss on sales of investment securities	1
Loss before income taxes	**(60,702)**
Income taxes	**23,956**
Income taxes - current	(9,344)
Income taxes - deferred	33,300
Net loss	**(84,659)**

STATEMENT OF CHANGES IN NET ASSETS

(Non-consolidated)

(For the fiscal year ended March 31, 2012)

(In millions of yen)

Account	Amount
Shareholders' equity	
Capital stock	
Balance at the beginning of current period	397,199
Changes of items during the period	
Total changes of items during the period	-
Balance at the end of current period	397,199
Capital surplus	
Legal capital surplus	
Balance at the beginning of current period	59,260
Changes of items during the period	
Total changes of items during the period	-
Balance at the end of current period	59,260
Other capital surplus	
Balance at the beginning of current period	91,197
Changes of items during the period	
Disposal of treasury stock	(3)
Total changes of items during the period	(3)
Balance at the end of current period	91,194
Total capital surplus	
Balance at the beginning of current period	150,457
Changes of items during the period	
Disposal of treasury stock	(3)
Total changes of items during the period	(3)
Balance at the end of current period	150,454

(In millions of yen)

Account	Amount
Retained earnings	
Legal retained earnings	
Balance at the beginning of current period	1,040
Changes of items during the period	
Total changes of items during the period	-
Balance at the end of current period	1,040
Other retained earnings	
Retained earnings brought forward	
Balance at the beginning of current period	39,193
Changes of items during the period	
Net loss	(84,659)
Total changes of items during the period	(84,659)
Balance at the end of current period	(45,466)
Total retained earnings	
Balance at the beginning of current period	40,233
Changes of items during the period	
Net loss	(84,659)
Total changes of items during the period	(84,659)
Balance at the end of current period	(44,426)
Treasury stock	
Balance at the beginning of current period	(2,893)
Changes of items during the period	
Purchase of treasury stock	(10)
Disposal of treasury stock	5
Total changes of items during the period	(5)
Balance at the end of current period	(2,898)
Total shareholders' equity	
Balance at the beginning of current period	584,996
Changes of items during the period	
Net loss	(84,659)
Purchase of treasury stock	(10)
Disposal of treasury stock	2
Total changes of items during the period	(84,667)
Balance at the end of current period	500,329

(In millions of yen)

Account	Amount
Valuation and translation adjustments	
Valuation difference on available-for-sale securities	
Balance at the beginning of current period	3,999
Changes of items during the period	
Net changes of items other than shareholders' equity	12,030
Total changes of items during the period	12,030
Balance at the end of current period	16,030
Deferred gains or losses on hedges	
Balance at the beginning of current period	-
Changes of items during the period	
Net changes of items other than shareholders' equity	(171)
Total changes of items during the period	(171)
Balance at the end of current period	(171)
Total valuation and translation adjustments	
Balance at the beginning of current period	3,999
Changes of items during the period	
Net changes of items other than shareholders' equity	11,860
Total changes of items during the period	11,860
Balance at the end of current period	15,859
Subscription rights to shares	
Balance at the beginning of current period	33
Changes of items during the period	
Net changes of items other than shareholders' equity	(10)
Total changes of items during the period	(10)
Balance at the end of current period	24
Total net assets	
Balance at the beginning of current period	589,028
Changes of items during the period	
Net loss	(84,659)
Purchase of treasury stock	(10)
Disposal of treasury stock	2
Net changes of items other than shareholders' equity	11,850
Total changes of items during the period	(72,817)
Balance at the end of current period	516,211

Independent Auditor's Report

April 25, 2012

The Board of Directors
NEC Corporation

KPMG AZSA LLC

Hideki Amano (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yasushi Hamada (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masafumi Tanabu (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the CONSOLIDATED BALANCE SHEET, the CONSOLIDATED STATEMENT OF OPERATIONS, the CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS and the related notes of NEC Corporation (the "Company") as at March 31, 2012 and for the year from April 1, 2011 to March 31, 2012 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to otain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor’s Report:
The Independent Auditor’s Report herein is the English translation of the Independent Auditor’s Report as required by the Companies Act.

Independent Auditor's Report

April 25, 2012

The Board of Directors
NEC Corporation

KPMG AZSA LLC

Hideki Amano (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yasushi Hamada (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masafumi Tanabu (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the BALANCE SHEET, the STATEMENT OF OPERATIONS, the STATEMENT OF CHANGES IN NET ASSETS and the related notes, and the supplementary schedules of NEC Corporation (the "Company") as at March 31, 2012 and for the 174th year from April 1, 2011 to March 31, 2012 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to otain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

REPORT OF THE BOARD OF CORPORATE AUDITORS

With respect to the performance of duties by the Directors for the 174th business period from April 1, 2011 to March 31, 2012, the Board of Corporate Auditors has prepared this audit report through deliberation based on the audit reports prepared by the respective Corporate Auditors and hereby reports, as follows:

1. Audit method by Corporate Auditors and the Board of Corporate Auditors and details thereof

The Board of Corporate Auditors has determined, among other things, the auditing policies and plans, received reports regarding the status of conduct of audit and its results from each Corporate Auditor, received reports from Directors, other relevant employees and the Accounting Auditors concerning the performance of their duties, and, when necessary, requested them to provide explanations.

Pursuant to the Code of *Kansayaku* Auditing Standards and in accordance with the auditing policies and plans determined by the Board of Corporate Auditors, each Corporate Auditor has ensured to communicate effectively with Directors, employees including those in the internal auditing division and other relevant personnel, made efforts to collect necessary information and improve auditing environment, attended the meetings of the Board of Directors and other important meetings, received reports from Directors, employees and other relevant personnel regarding the performance of their duties, requested them to provide explanations when necessary, examined important authorization documents and associated information, and investigated the operations and financial conditions at the headquarters and other principal offices. Furthermore, we have monitored and verified the contents of resolutions of the Board of Directors regarding the enhancement of system required to be implemented to ensure the proper operations of corporation under Paragraphs 1 and 3, Article 100 of the Regulation for Enforcement of the Company Law (internal control system) including a system to ensure that the performance of duties by Directors is in compliance with the laws, regulations and the Articles of Incorporation, and the status of the internal control system established and operated according to the said resolutions. With regard to “Policy on the Control over the Company” stated in the business report, we have examined the contents of the said policy considering, among others, the status of deliberation in the Board of Directors. As for the subsidiaries, we have ensured to communicate with the Directors and Corporate Auditors and other personnel of the subsidiaries and to exchange information therewith, and, when necessary, received reports from the subsidiaries with regard to their business. Based on the aforementioned methods, we have examined the business report and supplementary schedules for this business period.

In addition, we have monitored and verified whether the Accounting Auditors were maintaining their independence and properly performing audits, received reports from the Accounting Auditors on the performance of their duties, and, when necessary, requested them to provide explanations. We have also received from the Accounting Auditors a notice confirming that “the systems for ensuring proper performance of duties of the Accounting Auditors” was properly implemented pursuant to the laws and regulations, and standards released by Business Accounting Deliberation Council and others, and, when necessary, requested them to provide explanations. Based on the aforementioned methods, we have examined the consolidated financial statements (consolidated balance sheet, consolidated statement of operations, consolidated statement of changes in net assets and notes to consolidated financial statements) as well as non-consolidated financial statements (balance sheet, statement of operations, statement of changes in net assets and notes to non-consolidated financial statements) and supplementary schedules.

2. Results of audit

(1) Audit results concerning the business reports, etc.

a. We confirm that the business report and the supplementary schedules fairly present the conditions of the Company in conformity with applicable laws, regulations and its Articles of Incorporation.

b. We have found no improper acts by Directors in the performance of their duties or any material facts in connection with the performance by Directors of their duties that constitute any violation of applicable laws, regulations or the Articles of Incorporation.

c. We confirm that the contents of the resolution of the Board of Directors on the internal control system of the Company are fair and appropriate. Furthermore, we confirm that the establishment and operation of the internal control system, which are described as appropriate in the business report, are fair and appropriate.

d. We have found no matters that must be pointed out with regards to “Policy on the Control over the Company” stated in the business report.

(2) Audit results concerning non-consolidated financial statements and supplementary schedules

We confirm that the procedures and results of the audit conducted by KMPG AZSA LLC the Accounting Auditors, are fair and appropriate.

(3) Audit results concerning consolidated financial statements

We confirm that the procedures and results of the audit conducted by KPMG AZSA LLC the Accounting Auditors, are fair and appropriate.

April 27, 2012

Board of Corporate Auditors
NEC Corporation

Full-time Corporate Auditor	Konosuke Kashima (Seal)
Full-time Corporate Auditor	Takao Ono (Seal)
Outside Corporate Auditor	Satoshi Itoh (Seal)
Outside Corporate Auditor	Ryoji Nakagawa (Seal)
Outside Corporate Auditor	Hideo Yamada (Seal)