NEWS RELEASE

Empowered by Innovation NEC

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Consolidated Financial Results for the Nine Months Ended December 31, 2012

Consolidated Financial Results

	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012	Change
	In billions of yen	In billions of yen	%
Net Sales	2,112.2	2,169.8	2.7
Operating income (loss)	-1.4	71.8	—
Ordinary income (loss)	-22.0	51.8	—
Net income (loss)	-97.5	11.5	—
	yen	yen	yen
Net income (loss) per share:			
Basic	-37.53	4.41	41.94
Diluted	—	—	—

	Three Months Ended December 31, 2011	Three Months Ended December 31, 2012	Change
	In billions of yen	In billions of yen	%
Net Sales	669.0	722.0	7.9
Operating income (loss)	-8.2	24.4	—
Ordinary income (loss)	-11.6	21.9	—
Net income (loss)	-86.5	3.5	—
	yen	yen	yen
Net income (loss) per share:			
Basic	-33.30	1.33	34.63
Diluted	—	—	—

	As of March 31, 2012	As of December 31, 2012	Change
	In billions of yen	In billions of yen	%
Total assets	2,557.6	2,545.8	-0.5
Net assets	777.6	790.2	1.6

(Notes)

Number of consolidated subsidiaries and affiliated companies accounted for by the equity method is as follows:

	As of December 31, 2011	As of December 31, 2012	As of March 31, 2012
Consolidated subsidiaries	267	288	265
Affiliated companies accounted for by the equity method	55	54	55

1. Consolidated Business Results

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

(1) Overview of the third quarter of the fiscal year ending March 31, 2013 (nine months ended December 31, 2012)

The worldwide economy during the nine months ended December 31, 2012 was characterized by slowing trends in both developed countries and emerging countries, but bright signs began to show from progress in response to the debt crisis in Europe and signs of economic recovery in China.

The Japanese economy was characterized by continued business demand related to recovery efforts from the Great East Japan Earthquake of March 2011, but continued to deteriorate due to sluggish exports and production impacted by the economic slowdown overseas. However, expectations for the new administration's economic policies have resulted in signs of the brakes being applied to the economic downturn.

Under this business environment, NEC recorded consolidated net sales of 2,169.8 billion yen for the nine months ended December 31, 2012, an increase of 57.6 billion yen (2.7%) year-on-year. This increase was mainly due to increased sales from the IT Solutions business and the Carrier Network business, in spite of decreased sales from the Personal Solutions business, attributed mainly to the personal computer business for private users no longer being consolidated.

Regarding profitability, consolidated operating income (loss) improved by 73.2 billion yen year-on-year, for an operating income of 71.8 billion yen, mainly due to increased sales from the IT Solutions business and the Carrier Network business as well as the execution of structural reforms, an improved cost percentage and streamlined selling, general and administrative expenses.

In terms of ordinary income (loss), NEC recorded a profit of 51.8 billion yen, improving by 73.8 billion yen year-on-year, mainly due to the improvement of operating income (loss).

Income (loss) before income taxes and minority interests was a profit of 46.8 billion yen, a year-on-year improvement of 67.2 billion yen. This was primarily due to the improved ordinary income (loss), in spite of decreased gain on sales of subsidiaries and affiliates' stocks.

Net income (loss) for the nine months ended December 31, 2012 was a profit of 11.5 billion yen, a year-on-year improvement of 109.0 billion yen, mainly due to the influence of the revision of deferred tax assets for the corresponding period of the previous fiscal year.

(2) Results by main business segment

Sales by segment (sales to external customers):

Segments	**Nine months ended December 31, 2011**	**Nine months ended December 31, 2012**	**Change**
	In billions of yen	In billions of yen	%
IT Solutions	792.9	859.3	8.4
Carrier Network	425.2	464.7	9.3
Social Infrastructure	210.3	225.6	7.3
Personal Solutions	496.3	452.1	-8.9
Others	187.5	168.2	-10.3
Total	2,112.2	2,169.8	2.7

Operating income (loss) by segment:

Segments	**Nine months ended December 31, 2011**	**Nine months ended December 31, 2012**	**Change**
	In billions of yen	In billions of yen	In billions of yen
IT Solutions	-2.8	30.2	33.0
Carrier Network	23.5	43.5	20.0
Social Infrastructure	7.4	14.1	6.6
Personal Solutions	0.5	6.4	5.9
Others	5.4	17.4	12.0
Adjustment	-35.4	-39.8	-4.4
Total	-1.4	71.8	73.2

(Note) Amounts in this section "(2) Results by main business segment" are rounded to 0.1 billion yen. Amounts in millions of yen are shown in section "Segment information" of this news release.

(Business segment figures in brackets below denote increases or decreases as compared with the corresponding period of the previous fiscal year.)

IT Solutions Business

Sales:	859.3 billion yen	(8.4%)
Operating Income (Loss):	30.2 billion yen	(33.0 billion yen)

In the IT Solutions business, sales were 859.3 billion yen, an increase of 66.3 billion yen (8.4%) year-on-year, mainly due to the steady growth of sales of IT services in the manufacturing and distribution/service fields as well as increased sales of hardware and software from large-scale projects for the platform business.

Operating income (loss) improved by 33.0 billion yen year-on-year, to an operating income of 30.2 billion yen, mainly owing to increased sales and structural reforms.

Carrier Network Business

Sales:	464.7 billion yen	(9.3%)
Operating Income (Loss):	43.5 billion yen	(20.0 billion yen)

In the Carrier Network business, sales were 464.7 billion yen, an increase of 39.5 billion yen (9.3%) year-on-year, mainly due to the steady growth in domestic business and the consolidation of the business support systems operations of United States-based Convergys Corporation.

Operating income (loss) improved by 20.0 billion yen year-on-year, to an operating income of 43.5 billion yen, mainly owing to an increase in sales.

Social Infrastructure Business

Sales:	225.6 billion yen	(7.3%)
Operating Income (Loss):	14.1 billion yen	(6.6 billion yen)

In the Social Infrastructure business, sales were 225.6 billion yen, an increase of 15.3 billion yen (7.3%) year-on-year, mainly due to the steady growth in the aerospace and defense system fields.

Operating income (loss) improved by 6.6 billion yen year-on-year, to an operating income of 14.1 billion yen, mainly owing to an increase in sales and a reduction in costs.

Personal Solutions Business

Sales:	452.1 billion yen	(-8.9%)
Operating Income (Loss):	6.4 billion yen	(5.9 billion yen)

In the Personal Solutions business, sales were 452.1 billion yen, a decrease of 44.3 billion yen (-8.9%) year-on-year, mainly due to the personal computer business for private users no longer being consolidated from the second quarter of the fiscal year ended March 31, 2012 and a decline in mobile phone shipments.

Operating income (loss) improved by 5.9 billion yen year-on-year, to an operating income of 6.4 billion yen, mainly owing to efficiency in development and structural reforms, despite the decrease in sales.

Others

Sales:	168.2 billion yen	(-10.3%)
Operating Income (Loss):	17.4 billion yen	(12.0 billion yen)

In Others, sales were 168.2 billion yen, a decrease of 19.3 billion yen (-10.3%) year-on-year, mainly due to the panel business for LCD displays no longer being consolidated from the second quarter of the fiscal year ended March 31, 2012 and a decrease in the electronic components business.

Operating income (loss) improved by 12.0 billion yen year-on-year, to an operating income of 17.4 billion yen, mainly owing to the sale of patents related to LCD displays.

2. Consolidated Financial Condition

Analysis of the condition of assets, liabilities, net assets, and cash flows

Total assets were 2,545.8 billion yen as of December 31, 2012, a decrease of 11.8 billion yen as compared with the end of the previous fiscal year. Current assets as of December 31, 2012 decreased by 30.9 billion yen compared with the end of the previous fiscal year to 1,483.5 billion yen, mainly due to the collection of accounts receivable-trade. Noncurrent assets as of December 31, 2012 increased by 19.1 billion yen compared with the end of the previous fiscal year to 1,062.2 billion yen, mainly due to business acquisitions.

Total liabilities as of December 31, 2012 decreased by 24.4 billion yen compared with the end of the previous fiscal year, to 1,755.6 billion yen. This was mainly due to a decrease in notes and accounts payable-trade and a decrease in provision for business structure improvement. The balance of interest-bearing debt as of December 31, 2012 amounted to 741.3 billion yen, an increase of 48.6 billion yen as compared with the end of the previous fiscal year. The debt-equity ratio as of December 31, 2012 was 1.11 (a worsening of 0.06 points as compared with the end of the previous fiscal year). The balance of net interest-bearing debt as of December 31, 2012, calculated by offsetting the balance of interest-bearing debt with the balance of cash and cash equivalents, amounted to 539.8 billion yen, an increase of 98.9 billion yen as compared with the end of the previous fiscal year. The net debt-equity ratio as of December 31, 2012 was 0.81 (a worsening of 0.14 points compared with the end of the previous fiscal year).

Total net assets were 790.2 billion yen as of December 31, 2012, an increase of 12.5 billion yen as compared with the end of the previous fiscal year, mainly due to recording a net income for the nine months ended December 31, 2012.

As a result, the owner's equity as of December 31, 2012 was 669.8 billion yen and owner's equity ratio was 26.3% (an improvement of 0.6 points as compared with the end of the previous fiscal year).

Net cash outflows from operating activities for the nine months ended December 31, 2012 were 3.1 billion yen, an improvement of 32.4 billion yen as compared with the same period of the previous fiscal year, mainly due to improved income (loss) before income taxes and minority interests, despite outflows for voluntary early retirement.

Net cash outflows from investing activities for the nine months ended December 31, 2012 were 89.7 billion yen, an increase of 60.4 billion yen as compared with the same period of the previous fiscal year, mainly due to increased outflows for business acquisitions.

As a result, free cash flows (the sum of cash flows from operating activities and investing activities) for the nine months ended December 31, 2012 totaled a cash outflow of 92.7 billion yen, an increase in outflows of 28.0 billion yen year-on-year.

Net cash flows from financing activities for the nine months ended December 31, 2012 totaled a cash inflow of 40.5 billion yen, mainly due to the financing through borrowings, despite the redemption of commercial papers.

As a result, cash and cash equivalents as of December 31, 2012 amounted to 201.5 billion yen, a decrease of 50.3 billion yen as compared with the end of the previous fiscal year.

3. Consolidated Financial Forecast

There is no change to the consolidated financial forecasts for the full fiscal year ending March 31, 2013, previously disclosed on October 26, 2012.

4. Others

Application of accounting procedures specific to the preparation of quarterly consolidated financial statements

Calculation of tax expenses:
After adjustment on individual significant items, tax expenses are calculated by multiplying income before income taxes by effective tax rate, which is estimated reasonably by using tax effect accounting, for the fiscal year including this third quarter.

CONSOLIDATED QUARTERLY BALANCE SHEETS

(In millions of yen, millions of U.S. dollars)

	March 31, 2012	**December 31, 2012**	**December 31, 2012**
Current assets	JPY 1,514,437	**JPY 1,483,519**	**$ 17,052**
Cash and deposits	195,443	**158,978**	**1,827**
Notes and accounts receivable-trade	810,579	**731,410**	**8,407**
Short-term investment securities	58,407	**44,862**	**516**
Merchandise and finished goods	91,898	**120,425**	**1,384**
Work in process	91,408	**136,220**	**1,566**
Raw materials and supplies	66,611	**70,853**	**814**
Deferred tax assets	76,222	**72,830**	**837**
Other	128,522	**152,775**	**1,757**
Allowance for doubtful accounts	(4,653)	**(4,834)**	**(56)**
Noncurrent assets	1,043,133	**1,062,234**	**12,210**
Property, plant and equipment	315,895	**325,460**	**3,741**
Buildings and structures, net	134,618	**131,155**	**1,508**
Machinery and equipment, net	35,445	**37,572**	**432**
Tools, furniture and fixtures, net	60,268	**61,472**	**707**
Land	72,317	**71,783**	**825**
Construction in progress	13,247	**23,478**	**269**
Intangible assets	201,662	**248,287**	**2,854**
Goodwill	75,969	**95,560**	**1,098**
Software	121,541	**127,549**	**1,466**
Other	4,152	**25,178**	**290**
Investments and other assets	525,576	**488,487**	**5,615**
Investment securities	153,688	**123,301**	**1,417**
Stocks of subsidiaries and affiliates	117,635	**85,741**	**986**
Deferred tax assets	96,476	**89,003**	**1,023**
Other	177,064	**212,406**	**2,441**
Allowance for doubtful accounts	(19,287)	**(21,964)**	**(252)**
Total assets	JPY 2,557,570	**JPY 2,545,753**	**$ 29,262**

(Note)

U.S. dollar amounts are translated from yen, for convenience only, at the rate of US$1 = 87 yen.

CONSOLIDATED QUARTERLY BALANCE SHEETS (CONTINUED)

(In millions of yen, millions of U.S. dollars)

	March 31, 2012	**December 31, 2012**	**December 31, 2012**
Current liabilities	JPY 1,058,612	**JPY 1,071,430**	**$ 12,316**
Notes and accounts payable-trade	466,177	**428,990**	**4,931**
Short-term loans payable	28,990	**82,626**	**950**
Commercial papers	97,991	**86,980**	**1,000**
Current portion of long-term loans payable	64,793	**39,194**	**451**
Current portion of bonds	-	**70,000**	**805**
Accrued expenses	156,175	**131,731**	**1,514**
Advances received	57,013	**80,826**	**929**
Provision for product warranties	19,278	**18,208**	**209**
Provision for directors' bonuses	219	**208**	**2**
Provision for loss on construction contracts and others	9,945	**10,207**	**117**
Provision for business structure improvement	25,917	**5,962**	**69**
Provision for contingent loss	2,762	**1,690**	**19**
Other	129,352	**114,808**	**1,320**
Noncurrent liabilities	721,344	**684,173**	**7,864**
Bonds payable	230,000	**160,000**	**1,839**
Long-term loans payable	263,160	**295,459**	**3,396**
Deferred tax liabilities	3,040	**2,884**	**33**
Provision for retirement benefits	182,735	**183,506**	**2,109**
Provision for product warranties	2,676	**2,871**	**33**
Provision for loss on repurchase of computers	6,469	**5,821**	**67**
Provision for business structure improvement	979	**770**	**9**
Provision for contingent loss	8,622	**7,287**	**84**
Other	23,663	**25,575**	**294**
Total liabilities	1,779,956	**1,755,603**	**20,180**
Shareholders' equity	669,753	**681,514**	**7,833**
Capital stock	397,199	**397,199**	**4,565**
Capital surplus	192,834	**148,406**	**1,706**
Retained earnings	82,659	**138,852**	**1,596**
Treasury stock	(2,939)	**(2,943)**	**(34)**
Accumulated other comprehensive income	(12,797)	**(11,672)**	**(134)**
Valuation difference on available-for-sale securities	16,273	**7,407**	**85**
Deferred gains or losses on hedges	(142)	**(578)**	**(7)**
Foreign currency translation adjustment	(28,928)	**(18,501)**	**(212)**
Subscription rights to shares	24	**-**	**-**
Minority interests	120,634	**120,308**	**1,383**
Total net assets	777,614	**790,150**	**9,082**
Total liabilities and net assets	JPY 2,557,570	**JPY 2,545,753**	**$ 29,262**

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS AND CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS

(In millions of yen, millions of U.S. dollars)

Nine months ended December 31	2011	**2012**	**2012**
Net sales	JPY 2,112,213	**JPY 2,169,840**	**$ 24,941**
Cost of sales	1,488,312	**1,499,226**	**17,233**
Gross profit	623,901	**670,614**	**7,708**
Selling, general and administrative expenses	625,317	**598,809**	**6,883**
Operating income (loss)	(1,416)	**71,805**	**825**
Non-operating income	13,545	**10,310**	**119**
Interest income	1,265	**1,016**	**12**
Dividends income	3,398	**2,780**	**32**
Reversal of provision for contingent loss	1,081	**2,100**	**24**
Other	7,801	**4,414**	**51**
Non-operating expenses	34,117	**30,353**	**349**
Interest expenses	4,142	**4,521**	**52**
Retirement benefit expenses	8,892	**8,795**	**101**
Equity in losses of affiliates	5,288	**1,289**	**15**
Foreign exchange losses	4,186	**1,096**	**13**
Other	11,609	**14,652**	**168**
Ordinary income (loss)	(21,988)	**51,762**	**595**
Extraordinary income	15,768	**12,811**	**147**
Gain on sales of investment securities	533	**8,941**	**102**
Gain on sales of noncurrent assets	28	**1,540**	**18**
Gain on sales of subsidiaries and affiliates' stocks	15,181	**1,210**	**14**
Gain on insurance claim	-	**959**	**11**
Gain on change in equity	18	**137**	**2**
Gain on reversal of subscription rights to shares	8	**24**	**0**
Extraordinary loss	14,176	**17,736**	**204**
Loss on contribution of securities to retirement benefit trust	-	**5,898**	**67**
Business structure improvement expenses	644	**5,357**	**62**
Provision of allowance for doubtful accounts for subsidiaries and affiliates	-	**3,818**	**44**
Impairment loss	1,082	**891**	**10**
Loss on sales of stocks of subsidiaries and affiliates	1,087	**637**	**7**
Loss on retirement of noncurrent assets	-	**589**	**7**
Loss on valuation of investment securities	9,612	**502**	**6**
Loss on sales of investment securities	1	**44**	**1**
Loss on disaster	1,024	**-**	**-**
Relocation expenses	648	**-**	**-**
Loss on sales of noncurrent assets	78	**-**	**-**
Income (loss) before income taxes and minority interests	(20,396)	**46,837**	**538**
Income taxes	76,530	**31,893**	**366**
Income (loss) before minority interests	(96,926)	**14,944**	**172**
Minority interests in income	592	**3,486**	**40**
Net income (loss)	(JPY 97,518)	**JPY 11,458**	**$ 132**

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS AND CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME

(In millions of yen, millions of U.S. dollars)

Nine months ended December 31	2011	**2012**	**2012**
Income (loss) before minority interests	(JPY 96,926)	**JPY 14,944**	**$ 172**
Other comprehensive income	(13,020)	**1,072**	**12**
Valuation difference on available-for-sale securities	(3,981)	**(8,726)**	**(101)**
Deferred gains or losses on hedges	(50)	**(355)**	**(4)**
Foreign currency translation adjustment	(7,309)	**7,048**	**81**
Share of other comprehensive income of associates accounted for using equity method	(1,680)	**3,105**	**36**
Comprehensive income	(JPY 109,946)	**JPY 16,016**	**$ 184**
Breakdown:			
Comprehensive income attributable to owners of the parent	(JPY 109,961)	**JPY 12,583**	**$ 145**
Comprehensive income attributable to minority interests	15	**3,433**	**39**

CONDENSED CONSOLIDATED QUARTERLY STATEMENTS OF CASH FLOWS

(In millions of yen, millions of U.S. dollars)

Nine months ended December 31	2011	**2012**	**2012**
Ⅰ. Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	(JPY 20,396)	**JPY 46,837**	**$ 538**
Depreciation and amortization	63,343	**62,230**	**715**
Equity in losses of affiliates	5,288	**1,289**	**15**
Gain on change in equity	(18)	**(137)**	**(2)**
Decrease in notes and accounts receivable-trade	61,317	**89,472**	**1,028**
Increase in inventories	(86,109)	**(75,277)**	**(865)**
Decrease in notes and accounts payable-trade	(16,811)	**(40,048)**	**(460)**
Income taxes paid	(20,833)	**(25,166)**	**(289)**
Others, net	(21,226)	**(62,265)**	**(715)**
Net cash used in operating activities	(35,445)	**(3,065)**	**(35)**
Ⅱ. Cash flows from investing activities:			
Net proceeds from (payments of) acquisitions and sales of property, plant and equipment	(22,819)	**(29,153)**	**(335)**
Purchase of intangible assets	(11,035)	**(10,861)**	**(125)**
Net proceeds from (payments of) purchases and sales of securities	2,723	**(30,648)**	**(352)**
Others, net	1,879	**(18,996)**	**(219)**
Net cash used in investing activities	(29,252)	**(89,658)**	**(1,031)**
Ⅲ. Cash flows from financing activities:			
Net proceeds from (payments of) bonds and borrowings	60,533	**44,451**	**511**
Cash dividends paid	(37)	**(4)**	**(0)**
Others, net	(3,002)	**(3,951)**	**(46)**
Net cash provided by financing activities	57,494	**40,496**	**465**
Ⅳ. Effect of exchange rate changes on cash and cash equivalents	(4,002)	**1,898**	**22**
Ⅴ. Net decrease in cash and cash equivalents	(11,205)	**(50,329)**	**(579)**
Ⅵ. Cash and cash equivalents at beginning of period	203,879	**251,843**	**2,895**
Ⅶ. Cash and cash equivalents at end of period	JPY 192,674	**JPY 201,514**	**$ 2,316**

NOTES

[Notes to significant changes in shareholders' equity]

In the first quarter of the fiscal year ending March 31, 2013, NEC Corporation covered deficit in retained earnings brought forward by transferring a part of other capital surplus of 44,426 million yen into retained earnings.

SEGMENT INFORMATION

[Segment information]

Information about sales and segment income (loss) by reportable segments

Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

(In millions of yen)

	Reportable Segments					Others	Adjustment	Consolidated total
	IT Solutions	Carrier Network	Social Infrastructure	Personal Solutions	Total			
Sales								
1. Sales to customers	792,932	425,163	210,295	496,341	1,924,731	187,482	―	2,112,213
2. Intersegment sales and transfers	39,133	21,931	9,623	28,476	99,163	51,435	(150,598)	―
Total sales	832,065	447,094	219,918	524,817	2,023,894	238,917	(150,598)	2,112,213
Segment income (loss) (Operating income (loss))	(2,808)	23,507	7,424	466	28,589	5,382	(35,387)	(1,416)

Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)

(In millions of yen)

	Reportable Segments					Others	Adjustment	Consolidated total
	IT Solutions	Carrier Network	Social Infrastructure	Personal Solutions	Total			
Sales								
1. Sales to customers	**859,252**	**464,693**	**225,644**	**452,072**	**2,001,661**	**168,179**	**―**	**2,169,840**
2. Intersegment sales and transfers	**36,288**	**19,513**	**9,280**	**28,990**	**94,071**	**47,519**	**(141,590)**	**―**
Total sales	**895,540**	**484,206**	**234,924**	**481,062**	**2,095,732**	**215,698**	**(141,590)**	**2,169,840**
Segment income (loss) (Operating income (loss))	**30,219**	**43,487**	**14,073**	**6,381**	**94,160**	**17,414**	**(39,769)**	**71,805**

Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)

(In millions of U.S. dollars)

	Reportable Segments					Others	Adjustment	Consolidated total
	IT Solutions	Carrier Network	Social Infrastructure	Personal Solutions	Total			
Sales								
1. Sales to customers	**9,876**	**5,341**	**2,594**	**5,196**	**23,007**	**1,934**	**―**	**24,941**
2. Intersegment sales and transfers	**418**	**225**	**106**	**333**	**1,082**	**545**	**(1,627)**	**―**
Total sales	**10,294**	**5,566**	**2,700**	**5,529**	**24,089**	**2,479**	**(1,627)**	**24,941**
Segment income (loss) (Operating income (loss))	**347**	**500**	**162**	**73**	**1,082**	**200**	**(457)**	**825**

(Notes)

1. From the first quarter of the fiscal year ending March 31, 2013, the reportable segment has been changed from five reportable segments, which are composed of "IT Services," "Platform," "Carrier Network," "Social Infrastructure" and "Personal Solutions," to four reportable segments, which are composed of "IT Solutions," "Carrier Network," "Social Infrastructure" and "Personal Solutions," due to the organizational reform on April 1, 2012. This change is the integration of "IT Services" and "Platform" into "IT Solutions" to drive the creation of powerful cloud services and the build-up of cloud platforms that enable flexible business procedures, as well as the consolidation of the energy business from "Carrier Network" into "Others" following the setup of the business operation unit, which will supervise the vertical integration of the energy business. With this change, segment information for the nine months ended December 31, 2011 has been reclassified to conform with nine months ended December 31, 2012 presentation.

SEGMENT INFORMATION (CONTINUED)

2. "Others" represents businesses such as Smart Energy (Electrodes/Energy Storage System, Solutions for Utilities, etc.) , Electronic Components and Lighting Equipment, which are not included in reportable segments.
3. "Adjustment" of segment income (loss) for nine months ended December 31, 2011 includes corporate expenses of (32,279) million yen unallocated to each reportable segment and noncurrent assets related adjustment of 1,124 million yen, respectively. "Adjustment" of segment income (loss) for nine months ended December 31, 2012 includes corporate expenses of (32,533) million yen ((374) millions of U.S. dollars) unallocated to each reportable segment and noncurrent assets related adjustment of (1,331) million yen ((15) millions of U.S. dollars), respectively. The corporate expenses, unallocated to each reportable segment, are mainly both general and administrative expenses incurred at NEC headquarters, and research and development expenses.

[Related information]

Information about geographic areas

Sales

Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

(In millions of yen)

Japan	Asia	Europe	Others	Total
1,749,431	112,711	82,581	167,490	2,112,213

Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)

(In millions of yen)

Japan	Asia	Europe	Others	Total
1,815,106	**116,248**	**62,215**	**176,271**	**2,169,840**

Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)

(In millions of U.S. dollars)

Japan	Asia	Europe	Others	Total
20,863	**1,336**	**715**	**2,027**	**24,941**

(Note)

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

[THREE MONTHS PERIOD INFORMATION]

1. Consolidated Business Results

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

(1) Overview of the third quarter of the fiscal year ending March 31, 2013 (three months ended December 31, 2012)

NEC recorded consolidated net sales of 722.0 billion yen for the three months ended December 31, 2012, an increase of 53.0 billion yen (7.9%) year-on-year. This increase was mainly due to increased sales from the IT Solutions business, the Social Infrastructure business and the Carrier Network business.

Regarding profitability, consolidated operating income (loss) improved by 32.6 billion yen year-on-year, for an operating income of 24.4 billion yen, mainly due to the increase of sales as well as the execution of structural reforms, an improved cost percentage and streamlined selling, general and administrative expenses.

In terms of ordinary income (loss), NEC recorded a profit of 21.9 billion yen, improving by 33.5 billion yen year-on-year, mainly due to the improvement of operating income (loss).

Income (loss) before income taxes and minority interests was a profit of 16.6 billion yen, a year-on-year improvement of 32.0 billion yen. This was primarily due to the improved ordinary income (loss).

Net income (loss) for the three months ended December 31, 2012 was a profit of 3.5 billion yen, a year-on-year improvement of 90.0 billion yen, mainly due to the influence of the revision of deferred tax assets for the corresponding period of the previous fiscal year.

(2) Results by main business segment

Sales by segment (sales to external customers):

Segments	Three months ended December 31, 2011	Three months ended December 31, 2012	Change
	In billions of yen	In billions of yen	%
IT Solutions	256.3	280.9	9.6
Carrier Network	141.7	152.6	7.7
Social Infrastructure	70.0	83.7	19.6
Personal Solutions	142.0	149.6	5.3
Others	59.0	55.1	-6.5
Total	669.0	722.0	7.9

Operating income (loss) by segment:

Segments	Three months ended December 31, 2011	Three months ended December 31, 2012	Change
	In billions of yen	In billions of yen	In billions of yen
IT Solutions	-3.6	7.4	11.0
Carrier Network	8.2	16.5	8.3
Social Infrastructure	1.3	5.9	4.6
Personal Solutions	-3.0	5.2	8.2
Others	2.4	4.4	2.1
Adjustment	-13.6	-15.0	-1.4
Total	-8.2	24.4	32.6

(Note) Amounts in this section "(2) Results by main business segment" are rounded to 0.1 billion yen. Amounts in millions of yen are shown in section "Segment information" of this news release.

(Business segment figures in brackets below denote increases or decreases as compared with the corresponding period of the previous fiscal year.)

IT Solutions Business

Sales:	280.9 billion yen	(9.6%)
Operating Income (Loss):	7.4 billion yen	(11.0 billion yen)

In the IT Solutions business, sales were 280.9 billion yen, an increase of 24.7 billion yen (9.6%) year-on-year, mainly due to the steady growth of sales of IT services in the manufacturing and distribution/service fields as well as increased sales of software and enterprise networks from large-scale projects for the platform business.

Operating income (loss) improved by 11.0 billion yen year-on-year, to an operating income of 7.4 billion yen, mainly owing to increased sales and structural reforms.

Carrier Network Business

Sales:	152.6 billion yen	(7.7%)
Operating Income (Loss):	16.5 billion yen	(8.3 billion yen)

In the Carrier Network business, sales were 152.6 billion yen, an increase of 10.9 billion yen (7.7%) year-on-year, mainly due to the steady growth in domestic business and the consolidation of the business support systems operations of United States-based Convergys Corporation.

Operating income (loss) improved by 8.3 billion yen year-on-year, to an operating income of 16.5 billion yen, mainly owing to an increase in sales and a reduction in costs.

Social Infrastructure Business

Sales:	83.7 billion yen	(19.6%)
Operating Income (Loss):	5.9 billion yen	(4.6 billion yen)

In the Social Infrastructure business, sales were 83.7 billion yen, an increase of 13.8 billion yen (19.6%) year-on-year, mainly due to the strong growth in the aerospace and defense system fields.

Operating income (loss) improved by 4.6 billion yen year-on-year, to an operating income of 5.9 billion yen, mainly owing to an increase in sales and a reduction in costs.

Personal Solutions Business

Sales:	149.6 billion yen	(5.3%)
Operating Income (Loss):	5.2 billion yen	(8.2 billion yen)

In the Personal Solutions business, sales were 149.6 billion yen, an increase of 7.5 billion yen (5.3%) year-on-year, mainly due to increased sales in the mobile terminal fields.

Operating income (loss) improved by 8.2 billion yen year-on-year, to an operating income of 5.2 billion yen, mainly owing to increased sales and structural reforms.

Others

Sales:	55.1 billion yen	(-6.5%)
Operating Income (Loss):	4.4 billion yen	(2.1 billion yen)

In Others, sales were 55.1 billion yen, a decrease of 3.9 billion yen (-6.5%) year-on-year, mainly due to a decrease in the energy business.

Operating income (loss) improved by 2.1 billion yen year-on-year, to an operating income of 4.4 billion yen, mainly owing to structural reforms, despite a decrease in sales.

[THREE MONTHS PERIOD INFORMATION]

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS AND CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS

(In millions of yen, millions of U.S. dollars)

Three months ended December 31	2011	2012	2012
Net sales	JPY 669,008	**JPY 722,031**	**$ 8,299**
Cost of sales	474,238	**497,014**	**5,713**
Gross profit	194,770	**225,017**	**2,586**
Selling, general and administrative expenses	202,975	**200,580**	**2,305**
Operating income (loss)	(8,205)	**24,437**	**281**
Non-operating income	3,318	**5,358**	**62**
Interest income	282	**376**	**4**
Dividends income	855	**784**	**9**
Foreign exchange gains	-	**2,725**	**31**
Other	2,181	**1,473**	**18**
Non-operating expenses	6,695	**7,900**	**91**
Interest expenses	1,209	**1,611**	**19**
Retirement benefit expenses	2,933	**2,923**	**34**
Equity in losses of affiliates	99	**320**	**4**
Foreign exchange losses	139	**-**	**-**
Other	2,315	**3,046**	**34**
Ordinary income (loss)	(11,582)	**21,895**	**252**
Extraordinary income	155	**2,829**	**33**
Gain on sales of noncurrent assets	1	**1,368**	**15**
Gain on reversal of loss on valuation of investment securities	-	**891**	**10**
Gain on sales of investment securities	7	**234**	**3**
Gain on sales of subsidiaries and affiliates' stocks	146	**146**	**2**
Gain on change in equity	-	**137**	**2**
Gain on insurance claim	-	**53**	**1**
Gain on reversal of subscription rights to shares	1	**-**	**-**
Extraordinary loss	4,028	**8,131**	**94**
Provision of allowance for doubtful accounts for subsidiaries and affiliates	-	**3,818**	**45**
Business structure improvement expenses	4	**3,419**	**39**
Loss on retirement of noncurrent assets	-	**589**	**7**
Impairment loss	462	**291**	**3**
Loss on sales of investment securities	-	**14**	**0**
Loss on valuation of investment securities	1,348	**-**	**-**
Loss on sales of stocks of subsidiaries and affiliates	1,027	**-**	**-**
Loss on disaster	1,024	**-**	**-**
Relocation expenses	109	**-**	**-**
Loss on sales of noncurrent assets	54	**-**	**-**
Income (loss) before income taxes and minority interests	(15,455)	**16,593**	**191**
Income taxes	73,782	**10,527**	**121**
Income (loss) before minority interests	(89,237)	**6,066**	**70**
Minority interests in income (loss)	(2,701)	**2,606**	**30**
Net income (loss)	(JPY 86,536)	**JPY 3,460**	**$ 40**

[THREE MONTHS PERIOD INFORMATION]

CONSOLIDATED QUARTERLY STATEMENTS OF OPERATIONS AND CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME

(In millions of yen, millions of U.S. dollars)

Three months ended December 31	2011	**2012**	**2012**
Income (loss) before minority interests	(JPY 89,237)	**JPY 6,066**	**$ 70**
Other comprehensive income	(903)	**19,304**	**222**
Valuation difference on available-for-sale securities	(2,115)	**5,847**	**67**
Deferred gains or losses on hedges	(80)	**(532)**	**(6)**
Foreign currency translation adjustment	872	**12,943**	**149**
Share of other comprehensive income of associates accounted for using equity method	420	**1,046**	**12**
Comprehensive income	(JPY 90,140)	**JPY 25,370**	**$ 292**
Breakdown:			
Comprehensive income attributable to owners of the parent	(JPY 87,142)	**JPY 22,728**	**$ 262**
Comprehensive income attributable to minority interests	(2,998)	**2,642**	**30**

[THREE MONTHS PERIOD INFORMATION]

SEGMENT INFORMATION

[Segment information]

Information about sales and segment income (loss) by reportable segments

Three months ended December 31, 2011 (From October 1, 2011 to December 31, 2011)

(In millions of yen)

	Reportable Segments					Others	Adjustment	Consolidated total
	IT Solutions	Carrier Network	Social Infrastructure	Personal Solutions	Total			
Sales								
1. Sales to customers	256,269	141,701	69,985	142,047	610,002	59,006	—	669,008
2. Intersegment sales and transfers	11,674	6,912	3,369	8,826	30,781	16,386	(47,167)	—
Total sales	267,943	148,613	73,354	150,873	640,783	75,392	(47,167)	669,008
Segment income (loss) (Operating income (loss))	(3,562)	8,237	1,326	(2,963)	3,038	2,360	(13,603)	(8,205)

Three months ended December 31, 2012 (From October 1, 2012 to December 31, 2012)

(In millions of yen)

	Reportable Segments					Others	Adjustment	Consolidated total
	IT Solutions	Carrier Network	Social Infrastructure	Personal Solutions	Total			
Sales								
1. Sales to customers	**280,920**	**152,645**	**83,737**	**149,587**	**666,889**	**55,142**	**—**	**722,031**
2. Intersegment sales and transfers	**13,589**	**6,439**	**2,696**	**9,254**	**31,978**	**16,031**	**(48,009)**	**—**
Total sales	**294,509**	**159,084**	**86,433**	**158,841**	**698,867**	**71,173**	**(48,009)**	**722,031**
Segment income (loss) (Operating income (loss))	**7,400**	**16,530**	**5,914**	**5,189**	**35,033**	**4,442**	**(15,038)**	**24,437**

Three months ended December 31, 2012 (From October 1, 2012 to December 31, 2012)

(In millions of U.S. dollars)

	Reportable Segments					Others	Adjustment	Consolidated total
	IT Solutions	Carrier Network	Social Infrastructure	Personal Solutions	Total			
Sales								
1. Sales to customers	**3,229**	**1,755**	**962**	**1,719**	**7,665**	**634**	**—**	**8,299**
2. Intersegment sales and transfers	**156**	**74**	**31**	**107**	**368**	**184**	**(552)**	**—**
Total sales	**3,385**	**1,829**	**993**	**1,826**	**8,033**	**818**	**(552)**	**8,299**
Segment income (loss) (Operating income (loss))	**85**	**190**	**68**	**60**	**403**	**51**	**(173)**	**281**

(Notes)

1. From the first quarter of the fiscal year ending March 31, 2013, the reportable segment has been changed from five reportable segments, which are composed of "IT Services," "Platform," "Carrier Network," "Social Infrastructure" and "Personal Solutions," to four reportable segments, which are composed of "IT Solutions," "Carrier Network," "Social Infrastructure" and "Personal Solutions," due to the organizational reform on April 1, 2012. This change is the integration of "IT Services" and "Platform" into "IT Solutions" to drive the creation of powerful cloud services and the build-up of cloud platforms that enable flexible business procedures, as well as the consolidation of the energy business from "Carrier Network" into "Others" following the setup of the business operation unit, which will supervise the vertical integration of the energy business. With this change, segment information for the three months ended December 31, 2011 has been reclassified to conform with three months ended December 31, 2012 presentation.

[THREE MONTHS PERIOD INFORMATION]

SEGMENT INFORMATION (CONTINUED)

2. "Others" represents businesses such as Smart Energy (Electrodes/Energy Storage System, Solutions for Utilities, etc.) , Electronic Components and Lighting Equipment, which are not included in reportable segments.
3. "Adjustment" of segment income (loss) for three months ended December 31, 2011 includes corporate expenses of (10,927) million yen unallocated to each reportable segment and noncurrent assets related adjustment of (479) million yen, respectively. "Adjustment" of segment income (loss) for three months ended December 31, 2012 includes corporate expenses of (12,376) million yen ((142) millions of U.S. dollars) unallocated to each reportable segment and noncurrent assets related adjustment of (373) million yen ((4) millions of U.S. dollars), respectively. The corporate expenses, unallocated to each reportable segment, are mainly both general and administrative expenses incurred at NEC headquarters, and research and development expenses.

[Related information]

Information about geographic areas

Sales

Three months ended December 31, 2011 (From October 1, 2011 to December 31, 2011)

(In millions of yen)

Japan	Asia	Europe	Others	Total
560,134	32,972	26,799	49,103	669,008

Three months ended December 31, 2012 (From October 1, 2012 to December 31, 2012)

(In millions of yen)

Japan	Asia	Europe	Others	Total
600,943	**37,120**	**21,462**	**62,506**	**722,031**

Three months ended December 31, 2012 (From October 1, 2012 to December 31, 2012)

(In millions of U.S. dollars)

Japan	Asia	Europe	Others	Total
6,907	**427**	**247**	**718**	**8,299**

(Note)

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

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