NEWS RELEASE

Empowered by Innovation NEC

Press Release - Media Contact: Joseph Jasper/Makoto Miyakawa TEL: +81-3-3798-6511

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Consolidated Financial Results for the Nine Months Ended December 31, 2008

Consolidated Financial Results

	Nine Months Ended December 31, 2008	Nine Months Ended December 31, 2007	Change
	In billions of yen	In billions of yen	%
Sales	3,076.1	3,192.8	-3.7
Operating income (loss)	(11.4)	43.4	—
Ordinary income (loss)	(42.8)	19.3	—
Net loss	(129.0)	(10.0)	—
	yen	yen	yen
Net loss per share:			
Basic	(63.77)	(5.05)	(58.72)
Diluted	—	—	—

	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007	Change
	In billions of yen	In billions of yen	%
Sales	948.3	1,052.2	-9.9
Operating income (loss)	(24.8)	16.0	—
Ordinary income (loss)	(49.8)	9.5	—
Net loss	(130.8)	(5.2)	—
	yen	yen	yen
Net loss per share:			
Basic	(64.62)	(2.62)	(62.00)
Diluted	—	—	—

	As of December 31, 2008	As of March 31, 2008	Change
	In billions of yen	In billions of yen	%
Total assets	3,396.1	3,526.8	-3.7
Net assets	982.4	1,185.5	-17.1

(Notes)

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

	As of December 31, 2008	As of December 31, 2007	As of March 31, 2008
Consolidated subsidiaries	337	337	334
Affiliated companies accounted for by the equity method	64	68	66

1. Consolidated Business Results

(1) Overview of the third quarter of the fiscal year ending March 31, 2009 (3 months ended December 31, 2008)

The worldwide economy during the three months ended December 31, 2008 significantly slowed down, mainly in developed countries, such as the U.S. and European countries, triggered by the subprime mortgage loan crisis in the U.S., which negatively impacted the real economy, such as capital expenditures and consumer spending. As for developing countries, the worsening financial environment resulted in decreased exports to developed countries and low consumption, thereby contributing to the spread of a simultaneous worldwide recession.

The Japanese economy also slowed down and the continuing turmoil of financial markets, such as falling stock prices and the rapid increase of concerns over employment and income, rapidly depressed consumer confidence. Capital expenditures also rapidly declined due to poor consumer spending, a decrease in overseas demand and steep appreciation of the Japanese yen.

Amid this business environment, NEC recorded consolidated sales of 948.3 billion yen for the 3 month period ended December 31, 2008, a decrease of 103.9 billion yen (9.9%) year-on-year in the midst of a rapid economic slowdown and declining demand.

Regarding profitability, operating income decreased 40.8 billion yen year-on-year, for an operating loss of 24.8 billion yen. Despite efforts for the reduction of selling, general and administrative expenses, an operating loss was recorded due to reduced gross profit linked to declining consolidated sales.

In terms of ordinary income, worsening operating losses, increasing foreign exchange losses from the steep appreciation of the yen and worsening equity losses from affiliates due to declining performance from a portion of affiliated companies accounted for by the equity method, mainly caused NEC to record a decrease of 59.3 billion yen year-on-year, for a loss of 49.8 billion yen.

Loss before income taxes and minority interests was 69.4 billion yen for the third quarter, a year-on-year increase of 77.2 billion yen in losses. Although extraordinary income was recognized from the sales of subsidiaries and affiliates' stocks, the loss was mainly due to increased extraordinary losses as a result of recording loss on revaluation of investments in securities from the steep fall in stock prices, and business structure improvement expenses related to the Electron

Devices business.

A net loss of 130.8 billion yen for the third quarter was recorded for a year-on-year decline of 125.5 billion yen. This was mainly due to an increase in income taxes as a result of the write-off of a portion of deferred tax assets with no prospect for recovery in accordance with a decline in taxable income related to the rapid economic slowdown.

NEC recorded consolidated sales of 3,076.1 billion yen for the 9 month period ended December 31, 2008, year-on-year for a decline of 3.7%. Although sales in the area of Mobile Terminals in the Mobile/Personal Solutions business increased due to an increase of the total number of mobile handset shipments, the decline was mainly due to a decrease of sales in the area of the Electron Devices business and the IT/Network Solutions business because overall demand suffered in the face of the rapidly declining economy.

Regarding profitability, operating income decreased 54.8 billion yen year-on-year for the nine months ended December 31, 2008, for an operating loss of 11.4 billion yen. In terms of ordinary income, a decrease of 62.1 billion yen year-on-year was recorded, for an ordinary loss of 42.8 billion yen. Loss before income taxes and minority interest was 54.5 billion yen, a year-on-year increase in losses of 71.9 billion yen. NEC also recorded a net loss of 129 billion yen, a year-on-year decline of 119 billion yen.

(2) Results by business segment (including inter-segment transactions and profit/loss figures)

Sales and operating income of NEC's main segments were as follows

IT/Network Solutions Business

(figures in brackets denote increases or decreases as compared with the corresponding period of the previous fiscal year):

Sales:	591.4 billion yen	(-3.6%)
Operating Income:	11.6 billion yen	(-4.4 billion yen)

Sales by Subsegment (including inter-segment transactions)

Subsegment	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007	Change
	In billions of yen	In billions of yen	%
IT Services/System Integration	175.3	177.6	-1.3
IT Products	122.9	127.0	-3.2
Network Systems	228.9	245.0	-6.6
Social Infrastructure	64.3	63.7	+0.9
Total	591.4	613.2	-3.6

Sales of the IT/Network Solutions business for the three months ended December 31, 2008 amounted to 591.4 billion yen, a decrease of 21.9 billion yen (3.6%) year-on-year.

Sales by Subsegment were as follows:

In the area of IT Services/System Integration, sales were 175.3 billion yen, a decrease of 1.3% year-on-year. Sales in the area of IT Products declined to 122.9 billion yen, a 3.2% decrease year-on-year. In the area of Network Systems, sales fell by 6.6% to 228.9 billion yen as a result of the completion of a round of investment in systems by domestic mobile telecom carriers and the effect of slowing investment in systems by corporations. An increase in sales of 0.9% year-on-year took place in the area of Social Infrastructure, amounting to 64.3 billion yen.

Operating income decreased by 4.4 billion yen (27.4%) year-on-year, to 11.6 billion yen, owing to a decrease of sales in the areas of IT Services/System Integration and IT Products.

Mobile/Personal Solutions Business

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

Sales:	199.4 billion yen	(-2.9%)
Operating Income (Loss):	-2.4 billion yen	(-4.8 billion yen)

Sales by Subsegment (including intersegment transactions)

Subsegment	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007	Change
	In billions of yen	In billions of yen	%
Mobile Terminals	91.8	88.0	+4.3
Personal Solutions	107.6	117.4	-8.3
Total	199.4	205.4	-2.9

Sales of the Mobile/Personal Solutions business for the three months ended December 31, 2008 were 199.4 billion yen, a decrease of 6.0 billion yen (2.9%) year-on-year.

Sales by Subsegment were as follows:

In the area of Mobile Terminals, sales were 91.8 billion yen, an increase of 4.3% year-on-year, due to shipment growth by product appeal, despite the overall shrinking of the mobile handset market in Japan. In the area of Personal Solutions, a year-on-year decrease of 8.3%, to 107.6 billion yen was recorded due to a sales decrease of personal computers as a result of a downturn in the overseas market and slowdown in investments by domestic companies.

Operating results worsened by 4.8 billion yen year-on-year, for a loss of 2.4 billion yen, mainly due to an increase of the expenses for diversified models of mobile handsets in order to expand sales in the Mobile Terminals area, and worsening business conditions for overseas personal computer business in the Personal Solutions area.

Electron Devices Business

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

Sales:	155.9 billion yen	(-26.5%)
Operating Income (Loss):	-20.2 billion yen	(-23.4 billion yen)

Sales by Subsegment (including intersegment transactions)

Subsegment	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007	Change
	In billions of yen	In billions of yen	%
Semiconductors	127.3	170.8	-25.5
Electronic Components and Others	28.6	41.2	-30.6
Total	155.9	212.0	-26.5

Sales of the Electron Devices business for the three months ended December 31, 2008 decreased by 56.1 billion yen (26.5%) year-on-year, to 155.9 billion yen.

Sales by Subsegment were as follows:
In the area of Semiconductors, sales fell to 127.3 billion yen, a 25.5% decrease year-on-year, due to declining demand of semiconductors across all fields, including semiconductors for computers and computer peripherals and automobiles, as well as exchange rate fluctuations. In the area of Electronic Components and Others, sales decreases in electronic components and liquid crystal displays resulted in a sales decline of 30.6% year-on-year, to 28.6 billion yen.

Operating income decreased by 23.4 billion yen year-on-year, for an operating loss of 20.2 billion yen, mainly due to decreased sales of semiconductors and electronic components.

Note

The results for the area of Semiconductors are the official public figures of NEC Electronics Corporation, which are prepared in accordance with U.S. GAAP. The differences that arise as a result of adjustment to Japan GAAP are included in the area of Electronic Components and Others.

Regarding consolidated business results of the first quarter and second quarter of the fiscal year ending March 31, 2009, please refer to the “Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2009” disclosed on July 31, 2008 and the “Consolidated

Financial Results for the First Half of the Fiscal Year Ending March 31, 2009” disclosed on October 30, 2008.

*year-on-year rates are described as reference information

2. Consolidated Financial Condition

Analysis of condition of assets, liabilities, net assets, and cash flow

Total assets were 3,396.1 billion yen as of December 31, 2008, a decrease of 130.7 billion yen as compared with the end of the previous fiscal year. Despite an increase in inventory, current assets as of December 31, 2008 decreased by 57.3 billion yen compared with the end of the previous fiscal year, to 1,891.6 billion yen, largely due to the collection of notes and accounts receivable-trade. Noncurrent assets decreased by 73.5 billion yen compared with the end of the previous fiscal year, to 1,504.5 billion yen. Although goodwill included in intangible assets increased, noncurrent assets decreased mainly due to decreasing investment securities caused by declining stock prices and a decrease of deferred tax assets resulting from a write-off.

In terms of total liabilities, despite a decrease from payment of accounts payable-trade, additional interest-bearing debt related mainly to the issuance of commercial papers caused a 72.4 billion yen increase in total liabilities as compared with the end of the previous fiscal year, to 2,413.7 billion yen.

The balance of interest-bearing debt was increased by 258.1 billion yen compared with the end of the previous fiscal year, to 1,058.9 billion yen. The debt-equity ratio as of December 31, 2008 was 1.30 (a worsening of 0.50 points as compared with the end of the previous fiscal year). The balance of net interest-bearing debt as of December 31, 2008, obtained by offsetting the balance of interest-bearing debt with the balance of cash and cash equivalents, amounted to 658.4 billion yen, an increase of 232.4 billion yen as compared with the end of the previous fiscal year. Net debt-equity ratio as of December 31, 2008 was 0.81 (a worsening of 0.39 points as compared with the end of the previous fiscal year).

In addition to a quarterly net loss, mainly due to decreases in the valuation difference on available-for-sale securities, total net assets as of December 31, 2008 amounted to 982.4 billion yen, a decrease of 203.1 billion yen as compared with the end of the previous fiscal year. As a result, owner’s equity ratio as of December 31, 2008 was 24.0% (a worsening of 4.5 points as compared with the end of the previous fiscal year).

Net cash flows from operating activities for the nine months ended December 31, 2008 was a cash outflow of 70.1 billion yen. Due to worsening of losses before income taxes and minority interests, cash outflow increased 45.0 billion yen over the same period of the previous fiscal year, despite an improvement of operating capital.

Net cash flows from investing activities for the nine months ended December 31, 2008 was a cash outflow of 127.7 billion yen, a cash outflow increase of 16.2 billion yen over the same period of the previous fiscal year. While these figures reflect a decrease in cash outflow for the purchase of tangible fixed assets, they also reflect an increase in cash outflow from the acquisition of investment securities.

As a result, free cash flows (the sum of cash flows from operating activities and investing activities for the nine months ended December 31, 2008) totaled a cash outflow of 197.8 billion yen, a cash outflow increase of 61.1 billion yen as compared with the corresponding period of the previous fiscal year.

Although net cash flows from financing activities for the nine months ended December 31, 2008 reflect the redemption of bonds and the payment of dividends, fund-raising including the issuance of commercial papers, bonds and long-term loans, resulted in a cash inflow of 237.3 billion yen. As a result, cash and cash equivalents as of December 31, 2008 amounted to 400.5 billion yen, an increase of 25.7 billion yen as compared with the end of the previous fiscal year.

3. Consolidated Financial Forecast

Change to the forecast for the fiscal year ending March 31, 2009

The current worldwide recession has caused business conditions to rapidly decline, and the situation is aggravated further by the strong yen, heavy price competition and other reasons. As a result, performance has been negatively impacted across the IT/Network Solutions business, Mobile/Personal Solutions business, and Electron Devices business. Therefore, NEC forecasts its sales of 4,200.0 billion yen, 400.0 billion yen less than the previous forecast as of October 30, 2008. NEC expects an operating loss of 30.0 billion yen, 150.0 billion yen worse than the previous forecast.

Ordinary loss is expected to be 90.0 billion yen, 185.0 billion yen worse than previously forecast, owing mainly to the worsening in operating loss, foreign exchange losses, and equity in earnings and losses of affiliates.

Due to the worsening of ordinary loss as well as the recording of business restructuring costs, valuation allowances for deferred taxes, and loss on valuation from falling stock prices, NEC has lowered forecasts of net income for the fiscal year ending March 31, 2009 by 305.0 billion yen, to a net loss of 290.0 billion yen.

In terms of dividend for the fiscal year ending March 31, 2009, since NEC expects significant reduction in shareholder equity due to year-end loss, NEC has regrettably revised its forecasts for year-end dividend and annual dividend for the fiscal year ending March 31, 2009 from undetermined to 0 yen.

Consolidated financial forecast for the fiscal year ending March 31, 2009

(April 1, 2008 – March 31, 2009) (billions of yen)

	Sales	Operating income (loss)	Ordinary income (loss)	Net income (loss)
Forecast as of October 30, 2008 (A)	4,600.0	120.0	95.0	15.0
Forecast as of January 30, 2009 (B)	4,200.0	(30.0)	(90.0)	(290.0)
Difference (B – A)	-400.0	-150.0	-185.0	-305.0
Change (%)	-8.7	-	-	-

Results for the previous fiscal year (April 2007 – March 2008)	4,617.2	156.8	112.2	22.7

4. Others

(1) <u>Significant changes in the scope of consolidation</u>

There is no significant change in the scope of consolidation for this period.

(2) *<u>Application of simplified accounting procedures and accounting procedures specific to the preparation of quarterly consolidated financial statements</u>*

(a) Simplified accounting procedures

Valuation of inventories

Inventories at the end of this period are calculated using a reasonable method based on actual inventories at the end of the previous fiscal year, instead of based on an actual physical inventory.

Calculation of fixed asset depreciation

For the assets depreciated using the declining balance method, depreciation expenses applicable to the fiscal year are allocated to this period on a pro-rata basis.

(b) Accounting procedures specific to the preparation of quarterly consolidated financial statements

Calculation of tax expenses

Tax expenses are calculated, after adjustment on individual significant items, by multiplying income before income taxes for this period by a reasonably estimated effective tax rate for income before income taxes for the fiscal year of this period, while applying tax effect accounting.

Deferred tax expense is included in income taxes.

(3) *<u>Changes in accounting principles and procedures as well as presentation methods related to the preparation of quarterly consolidated financial statements</u>*

(a) Application of “Accounting Standards for Quarterly Financial Reporting”

The “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan (ASBJ) Statements No.12) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14) are applied from this fiscal year. Quarterly financial statements are prepared in accordance with “Rules for Quarterly Consolidated Financial Statements”

(b) Valuation standard and method changes for major assets

Adoption of the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No.9, July 5, 2006) from the first quarter has changed the valuation basis for inventories from the lower-of-cost-or-market method to the cost method (which writes off the book value of inventories based on decreases in profitability). The change has no impact on income.

(c) Depreciation method changes for major depreciable assets

NEC and its subsidiaries had formerly adopted the declining balance method as their depreciation method for property, plant and equipment that is used for outsourcing or other businesses which earn regular income. However, they have adopted the straight line method beginning from the first quarter because the importance of these businesses is increasing and this change clarifies the connection between related revenue and depreciation expenses. The impact of the change on income is immaterial.

(Additional information)

Useful life of tangible fixed assets

NEC and its domestic subsidiaries have changed the length of useful life for a portion of tangible fixed assets in accordance with the revised Corporation Tax Law from the first quarter. The impact of the change on income is immaterial.

(d) Application of “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

The “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No.18, May 17, 2006) is applied from the first quarter and necessary modifications have been made for consolidation. The impact of the change on income is immaterial.

CONSOLIDATED QUARTERLY BALANCE SHEETS

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

	December 31, 2008	December 31, 2007	Increase (Decrease)	March 31, 2008	Increase (Decrease)	**December 31, 2008**
Current assets	**JPY 1,891,550**	JPY 2,030,787	(JPY 139,237)	JPY 1,948,814	(JPY 57,264)	**$20,786**
Cash and deposits	**230,394**	238,714	(8,320)	247,447	(17,053)	**2,531**
Notes and accounts receivable-trade	**688,820**	728,019	(39,199)	853,773	(164,953)	**7,569**
Short-term investment securities	**170,407**	169,648	759	127,908	42,499	**1,873**
Inventories	**576,548**	629,773	(53,225)	457,493	119,055	**6,336**
Deferred tax assets	**99,214**	116,692	(17,478)	120,956	(21,742)	**1,090**
Other	**131,122**	154,725	(23,603)	147,150	(16,028)	**1,441**
Allowance for doubtful accounts	**(4,955)**	(6,784)	1,829	(5,913)	958	**(54)**
Noncurrent assets	**1,504,504**	1,653,608	(149,104)	1,577,981	(73,477)	**16,533**
Property, plant and equipment	**602,568**	660,489	(57,921)	640,747	(38,179)	**6,622**
Buildings and structures	**222,293**	231,053	(8,760)	227,522	(5,229)	**2,443**
Machinery and equipment	**160,944**	191,687	(30,743)	180,866	(19,922)	**1,769**
Tools, furniture and fixtures	**100,183**	109,860	(9,677)	108,174	(7,991)	**1,101**
Land	**93,232**	90,219	3,013	89,224	4,008	**1,025**
Construction in progress	**25,916**	37,670	(11,754)	34,961	(9,045)	**284**
Intangible assets	**252,188**	223,923	28,265	222,635	29,553	**2,771**
Goodwill	**118,990**	94,715	24,275	93,525	25,465	**1,308**
Software	**128,708**	122,449	6,259	123,841	4,867	**1,414**
Other	**4,490**	6,759	(2,269)	5,269	(779)	**49**
Investments and other assets	**649,748**	769,196	(119,448)	714,599	(64,851)	**7,140**
Investment securities	**143,826**	206,408	(62,582)	185,614	(41,788)	**1,581**
Stocks of subsidiaries and affiliates	**221,273**	223,982	(2,709)	223,478	(2,205)	**2,432**
Deferred tax assets	**100,503**	163,294	(62,791)	131,465	(30,962)	**1,104**
Other	**192,129**	193,128	(999)	183,264	8,865	**2,111**
Allowance for doubtful accounts	**(7,983)**	(17,616)	9,633	(9,222)	1,239	**(88)**
Total assets	**JPY 3,396,054**	JPY 3,684,395	(JPY 288,341)	JPY 3,526,795	(JPY 130,741)	**$37,319**

(Notes)

US dollar amounts are translated from yen, for convenience only, at the rate of US$1 = 91 yen.

Cash and cash equivalents in CONSOLIDATED STATEMENTS OF CASH FLOWS are calculated as follows.

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

Cash and deposits	**JPY 230,394**	JPY 238,714	(JPY 8,320)	JPY 247,447	(JPY 17,053)	**$2,531**
Short-term investment securities	**170,407**	169,648	759	127,908	42,499	**1,873**
Time deposits and short-term investment securities with maturities of more than three months	**(270)**	(512)	242	(517)	247	**(3)**
Cash and cash equivalents	**JPY 400,531**	JPY 407,850	(JPY 7,319)	JPY 374,838	JPY 25,693	**$4,401**

CONSOLIDATED QUARTERLY BALANCE SHEETS (CONTINUED)

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

	December 31, 2008	December 31, 2007	Increase (Decrease)	March 31, 2008	Increase (Decrease)	**December 31, 2008**
Current liabilities	**JPY 1,488,487**	JPY 1,730,222	(JPY 241,735)	JPY 1,549,306	(JPY 60,819)	**$16,357**
Notes and accounts payable-trade	**597,352**	676,033	(78,681)	700,797	(103,445)	**6,564**
Short-term loans payable	**104,342**	76,359	27,983	89,632	14,710	**1,147**
Commercial papers	**281,325**	300,590	(19,265)	80,955	200,370	**3,091**
Current portion of long-term loans payable	**11,020**	42,699	(31,679)	23,907	(12,887)	**121**
Current portion of bonds	**19,250**	109,450	(90,200)	89,250	(70,000)	**212**
Accrued expenses	**209,327**	232,821	(23,494)	274,044	(64,717)	**2,300**
Advances received	**74,586**	79,684	(5,098)	67,924	6,662	**820**
Provision for directors' bonuses	**190**	309	(119)	488	(298)	**2**
Provision for product warranties	**33,679**	38,938	(5,259)	40,032	(6,353)	**370**
Other	**157,416**	173,339	(15,923)	182,277	(24,861)	**1,730**
Noncurrent liabilities	**925,174**	764,995	160,179	791,968	133,206	**10,167**
Bonds payable	**377,704**	353,784	23,920	353,784	23,920	**4,151**
Long-term loans payable	**233,990**	84,463	149,527	121,249	112,741	**2,571**
Deferred tax liabilities	**12,785**	15,463	(2,678)	14,031	(1,246)	**140**
Provision for retirement benefits	**231,530**	227,477	4,053	224,143	7,387	**2,544**
Provision for loss on repurchase of computers	**11,926**	14,505	(2,579)	12,496	(570)	**131**
Provision for product warranties	**1,917**	1,298	619	918	999	**21**
Provision for recycling expenses of personal computers	**6,503**	5,411	1,092	5,726	777	**71**
Other	**48,819**	62,594	(13,775)	59,621	(10,802)	**538**
Total liabilities	**2,413,661**	2,495,217	(81,556)	2,341,274	72,387	**26,524**
Shareholders' equity	**841,228**	946,327	(105,099)	978,973	(137,745)	**9,244**
Capital stock	**337,940**	337,940	-	337,940	-	**3,714**
Capital surplus	**464,875**	464,875	-	464,875	-	**5,108**
Retained earnings	**41,373**	146,788	(105,415)	179,391	(138,018)	**455**
Treasury stock	**(2,960)**	(3,276)	316	(3,233)	273	**(33)**
Valuation and translation adjustments	**(24,684)**	50,963	(75,647)	25,248	(49,932)	**(271)**
Valuation difference on available-for-sale securities	**4,457**	41,848	(37,391)	29,898	(25,441)	**49**
Deferred gains or losses on hedges	**170**	679	(509)	(283)	453	**2**
Foreign currency translation adjustment	**(29,311)**	8,436	(37,747)	(4,367)	(24,944)	**(322)**
Subscription rights to shares	**123**	107	16	115	8	**1**
Minority interests	**165,726**	191,781	(26,055)	181,185	(15,459)	**1,821**
Total net assets	**982,393**	1,189,178	(206,785)	1,185,521	(203,128)	**10,795**
Total liabilities and net assets	**JPY 3,396,054**	JPY 3,684,395	(JPY 288,341)	JPY 3,526,795	(JPY 130,741)	**$37,319**

Interest-bearing debt	**JPY 1,058,924**	JPY 1,009,593	JPY 49,331	JPY 800,843	JPY 258,081	**$11,637**
Net interest-bearing debt (*Ⅰ)	**658,393**	601,743	56,650	426,005	232,388	**7,235**
Owner's equity (*Ⅱ)	**816,544**	997,290	(180,746)	1,004,221	(187,677)	**8,973**
Owner's equity ratio (%) (*Ⅲ)	**24.0**	27.1	(3.1)	28.5	(4.5)	
Shareholders' equity ratio (%) (*Ⅲ)	**24.8**	25.7	(0.9)	27.8	(3.0)	
Debt-equity ratio (times) (*Ⅳ)	**1.30**	1.01	0.29	0.80	0.50	
Net debt-equity ratio (times) (*Ⅳ)	**0.81**	0.60	0.21	0.42	0.39	

(Notes)

*Ⅰ Net interest-bearing debt is interest-bearing debt less cash and cash equivalents.
*Ⅱ Owner's equity is total net assets less subscription rights to shares and minority interests.
*Ⅲ Owner's equity ratio is owner's equity divided by total assets. Shareholders' equity ratio is shareholders' equity divided by total assets.
*Ⅳ Debt-equity ratio and net debt-equity ratio are interest-bearing debt and net interest-bearing debt divided by owner's equity, respectively.

CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

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

Nine months ended December 31	**2008**	**% of sales**	2007	% of sales	Increase (Decrease)	**2008**
Net sales	**JPY 3,076,140**	**100.0**	JPY 3,192,808	100.0	(JPY 116,668)	**$33,804**
Cost of sales	**2,102,087**	**68.3**	2,165,179	67.8	(63,092)	**23,100**
Gross profit	**974,053**	**31.7**	1,027,629	32.2	(53,576)	**10,704**
Selling, general and administrative expenses	**985,413**	**32.1**	984,180	30.8	1,233	**10,829**
Operating income (loss)	**(11,360)**	**(0.4)**	43,449	1.4	(54,809)	**(125)**
Non-operating income	**15,920**	**0.5**	21,406	0.6	(5,486)	**175**
Interest income	**4,710**		6,180		(1,470)	**52**
Dividends income	**2,795**		2,794		1	**31**
Equity in earnings of affiliates	**702**		1,062		(360)	**8**
Other	**7,713**		11,370		(3,657)	**84**
Non-operating expenses	**47,314**	**1.5**	45,547	1.4	1,767	**520**
Interest expenses	**9,467**		11,093		(1,626)	**104**
Foreign exchange losses	**11,780**		4,966		6,814	**129**
Retirement benefit expenses	**10,349**		10,365		(16)	**114**
Loss on abandonment of noncurrent assets	**3,538**		5,025		(1,487)	**39**
Other	**12,180**		14,098		(1,918)	**134**
Ordinary income (loss)	**(42,754)**	**(1.4)**	19,308	0.6	(62,062)	**(470)**
Extraordinary income	**20,083**	**0.6**	8,604	0.2	11,479	**221**
Gain on sales of subsidiaries and affiliates' stocks	**15,910**		159		15,751	**175**
Gain on sales of investment securities	**3,775**		2,046		1,729	**42**
Gain on sales of noncurrent assets	**398**		1,340		(942)	**4**
Gain on transfer of business	**-**		3,216		(3,216)	**-**
Reversal of provision for recycling expenses of personal computers	**-**		924		(924)	**-**
Gain on change in equity	**-**		919		(919)	**-**
Extraordinary loss	**31,856**	**1.0**	10,559	0.3	21,297	**350**
Business structure improvement expenses	**19,333**		3,937		15,396	**213**
Loss on valuation of investment securities	**10,445**		1,244		9,201	**115**
Cost of corrective measures for products	**1,232**		2,823		(1,591)	**14**
Impairment loss	**581**		561		20	**6**
Loss on retirement of noncurrent assets	**210**		1,586		(1,376)	**2**
Loss on sales of investment securities	**31**		-		31	**0**
Loss on sales of stocks of subsidiaries and affiliates	**24**		408		(384)	**0**
Income (loss) before income taxes and minority interests	**(54,527)**	**(1.8)**	17,353	0.5	(71,880)	**(599)**
Income taxes	**81,942**	**2.7**	32,407	1.0	49,535	**901**
Minority interests in loss	**(7,462)**	**(0.3)**	(5,077)	(0.2)	(2,385)	**(82)**
Net loss	**(JPY 129,007)**	**(4.2)**	(JPY 9,977)	(0.3)	(JPY 119,030)	**$(1,418)**

CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

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

Three months ended December 31	2008	% of sales	2007	% of sales	Increase (Decrease)	2008
Net sales	JPY 948,340	100.0	JPY 1,052,215	100.0	(JPY 103,875)	$10,421
Cost of sales	658,064	69.4	707,205	67.2	(49,141)	7,231
Gross profit	290,276	30.6	345,010	32.8	(54,734)	3,190
Selling, general and administrative expenses	315,028	33.2	328,997	31.3	(13,969)	3,462
Operating income (loss)	(24,752)	(2.6)	16,013	1.5	(40,765)	(272)
Non-operating income	4,278	0.5	7,386	0.7	(3,108)	47
Interest income	1,203		1,554		(351)	13
Dividends income	890		758		132	10
Equity in earnings of affiliates	-		1,070		(1,070)	-
Other	2,185		4,004		(1,819)	24
Non-operating expenses	29,281	3.1	13,859	1.3	15,422	322
Interest expenses	3,674		3,479		195	40
Foreign exchange losses	12,467		1,311		11,156	137
Retirement benefit expenses	3,424		3,454		(30)	38
Equity in losses of affiliates	3,340		-		3,340	37
Loss on abandonment of noncurrent assets	789		493		296	9
Other	5,587		5,122		465	61
Ordinary income (loss)	(49,755)	(5.2)	9,540	0.9	(59,295)	(547)
Extraordinary income	9,123	0.9	122	0.0	9,001	100
Gain on sales of subsidiaries and affiliates' stocks	8,404		-		8,404	92
Gain on sales of noncurrent assets	389		-		389	4
Gain on sales of investment securities	330		129		201	4
Gain on change in equity	-		(7)		7	-
Extraordinary loss	28,770	3.0	1,845	0.2	26,925	316
Business structure improvement expenses	18,529		1,201		17,328	204
Loss on valuation of investment securities	9,410		36		9,374	104
Cost of corrective measures for products	570		-		570	6
Impairment loss	207		32		175	2
Loss on sales of investment securities	30		-		30	0
Loss on sales of stocks of subsidiaries and affiliates	24		-		24	0
Loss on retirement of noncurrent assets	-		576		(576)	-
Income (loss) before income taxes and minority interests	(69,402)	(7.3)	7,817	0.7	(77,219)	(763)
Income taxes	72,233	7.6	16,507	1.5	55,726	794
Minority interests in loss	(10,868)	(1.1)	(3,460)	(0.3)	(7,408)	(120)
Net loss	(JPY 130,767)	(13.8)	(JPY 5,230)	(0.5)	(JPY 125,537)	$(1,437)

CONDENSED CONSOLIDATED QUARTERLY STATEMENTS OF CASH FLOWS

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

Nine months ended December 31	2008	2007	Increase (Decrease)	2008
Ⅰ. Net cash provided by (used in) operating activities:				
Income before income taxes and minority interests	**(JPY 54,527)**	JPY 17,353	(JPY 71,880)	**($599)**
Depreciation and amortization	**130,052**	147,399	(17,347)	**1,429**
Equity in (earnings) losses of affiliates	**(702)**	(1,062)	360	**(8)**
Gain on change in interests in consolidated subsidiaries and affiliated companies	–	(919)	919	–
Decrease (increase) in notes and accounts receivable-trade	**153,779**	146,710	7,069	**1,690**
Decrease (increase) in inventories	**(134,264)**	(144,542)	10,278	**(1,475)**
Increase (decrease) in notes and accounts payable-trade	**(102,516)**	(111,677)	9,161	**(1,127)**
Income taxes paid	**(34,697)**	(33,180)	(1,517)	**(381)**
Other, net	**(27,176)**	(45,170)	17,994	**(299)**
Net cash provided by (used in) operating activities	**(70,051)**	(25,088)	(44,963)	**(770)**
Ⅱ. Net cash provided by (used in) investment activities:				
Net proceeds from (payment of) purchases and sales of property, plant and equipment	**(67,103)**	(79,060)	11,957	**(737)**
Purchase of intangible assets	**(30,836)**	(25,343)	(5,493)	**(339)**
Net proceeds from (payment of) purchases and sales of securities	**(29,597)**	(14,692)	(14,905)	**(325)**
Other, net	**(193)**	7,548	(7,741)	**(3)**
Net cash provided by (used in) investment activities	**(127,729)**	(111,547)	(16,182)	**(1,404)**
Ⅲ. Net cash provided by (used in) financing activities :				
Net increase (decrease) in bonds and loans	**248,840**	136,852	111,988	**2,735**
Cash dividends paid	**(8,137)**	(15,935)	7,798	**(89)**
Other, net	**(3,425)**	(2,356)	(1,069)	**(39)**
Net cash provided by (used in) financing activities	**237,278**	118,561	118,717	**2,607**
Ⅳ. Effect of exchange rate change on cash and cash equivalents	**(13,805)**	2,555	(16,360)	**(151)**
Ⅴ. Net increase (decrease) in cash and cash equivalents	**25,693**	(15,519)	41,212	**282**
Ⅵ. Cash and cash equivalents at beginning of period	**374,838**	423,369	(48,531)	**4,119**
Ⅶ. Cash and cash equivalents at end of period	**JPY 400,531**	JPY 407,850	(JPY 7,319)	**$4,401**

Free cash flows （Ⅰ+Ⅱ）	**(JPY 197,780)**	(JPY 136,635)	(JPY 61,145)	**$(2,174)**

SEGMENT INFORMATION

[Business segment information]

Nine months ended December 31, 2008 (From April 1, 2008 to December 31, 2008) (In millions of yen)

	IT/Network Solutions Business	Mobile/ Personal Solutions Business	Electron Devices Business	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	**1,803,720**	**537,082**	**530,362**	**204,976**	**3,076,140**	**—**	**3,076,140**
2. Intersegment sales and transfers	**63,967**	**93,194**	**22,335**	**104,006**	**283,502**	**(283,502)**	**—**
Total sales	**1,867,687**	**630,276**	**552,697**	**308,982**	**3,359,642**	**(283,502)**	**3,076,140**
Operating income (loss)	**44,985**	**(3,589)**	**(19,806)**	**(1,402)**	**20,188**	**(31,548)**	**(11,360)**

Nine months ended December 31, 2007 (From April 1, 2007 to December 31, 2007) (In millions of yen)

	IT/Network Solutions Business	Mobile/ Personal Solutions Business	Electron Devices Business	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	1,816,363	501,102	602,933	272,410	3,192,808	—	3,192,808
2. Intersegment sales and transfers	71,005	116,046	29,718	101,918	318,687	(318,687)	—
Total sales	1,887,368	617,148	632,651	374,328	3,511,495	(318,687)	3,192,808
Operating income (loss)	51,140	10,446	4,660	10,729	76,975	(33,526)	43,449

Nine months ended December 31, 2008 (From April 1, 2008 to December 31, 2008) (In millions of U.S. dollars)

	IT/Network Solutions Business	Mobile/ Personal Solutions Business	Electron Devices Business	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	**19,821**	**5,902**	**5,828**	**2,253**	**33,804**	**—**	**33,804**
2. Intersegment sales and transfers	**703**	**1,024**	**246**	**1,142**	**3,115**	**(3,115)**	**—**
Total sales	**20,524**	**6,926**	**6,074**	**3,395**	**36,919**	**(3,115)**	**33,804**
Operating income (loss)	**494**	**(39)**	**(218)**	**(15)**	**222**	**(347)**	**(125)**

(Notes)

1 The business segments are defined based on similarity of types, characteristics, and affinity of sales market of products and services.

2 Major services and products for each business segment

IT/Network Solutions Business	System Construction, Consulting, Outsourcing, Support (Maintenance), Servers, Storage products, Professional workstations, Business PCs, IT software, Enterprise network systems, Network systems for telecommunication carriers, Broadcast video systems, Control systems, Aerospace/Defense systems
Mobile/Personal Solutions Business	Mobile handsets, Personal computers, Personal communication devices, BIGLOBE
Electron Devices Business	System LSI and other semiconductors, Electronic components, LCD modules
Others	Lighting Equipment Business, Logistics Business, Projector Business, Display Business

3 Changes in accounting policies

(Nine months ended December 31, 2008 (From April 1, 2008 to December 31, 2008))

Valuation standard and method changes for major assets

The "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9, July 5, 2006) is applied from this period.
The change has no impact on each of the business segment information.

Depreciation method changes for major depreciable assets

The straight line method has been adopted beginning from this period as depreciation method for property, plant and equipment that is used for outsourcing or other businesses which earn regular income, while the declining balance method had been formerly adopted.
There is little effect on each of the business segment information.

Application of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

The "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No.18, May 17, 2006) is applied from this period.
There is little effect on each of the business segment information.

(Nine months ended December 31, 2007 (From April 1, 2007 to December 31, 2007))

None

SEGMENT INFORMATION

[Business segment information]

Three months ended December 31, 2008 (From October 1, 2008 to December 31, 2008) (In millions of yen)

	IT/Network Solutions Business	Mobile/ Personal Solutions Business	Electron Devices Business	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	**572,208**	**170,739**	**147,766**	**57,627**	**948,340**	**—**	**948,340**
2. Intersegment sales and transfers	**19,175**	**28,653**	**8,122**	**32,207**	**88,157**	**(88,157)**	**—**
Total sales	**591,383**	**199,392**	**155,888**	**89,834**	**1,036,497**	**(88,157)**	**948,340**
Operating income (loss)	**11,612**	**(2,440)**	**(20,159)**	**(4,781)**	**(15,768)**	**(8,984)**	**(24,752)**

Three months ended December 31, 2007 (From October 1, 2007 to December 31, 2007) (In millions of yen)

	IT/Network Solutions Business	Mobile/ Personal Solutions Business	Electron Devices Business	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	590,396	166,888	203,733	91,198	1,052,215	—	1,052,215
2. Intersegment sales and transfers	22,841	38,532	8,303	32,539	102,215	(102,215)	—
Total sales	613,237	205,420	212,036	123,737	1,154,430	(102,215)	1,052,215
Operating income (loss)	15,985	2,361	3,272	5,116	26,734	(10,721)	16,013

Three months ended December 31, 2008 (From October 1, 2008 to December 31, 2008) (In millions of U.S. dollars)

	IT/Network Solutions Business	Mobile/ Personal Solutions Business	Electron Devices Business	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	**6,288**	**1,876**	**1,624**	**633**	**10,421**	**—**	**10,421**
2. Intersegment sales and transfers	**211**	**315**	**89**	**354**	**969**	**(969)**	**—**
Total sales	**6,499**	**2,191**	**1,713**	**987**	**11,390**	**(969)**	**10,421**
Operating income (loss)	**128**	**(27)**	**(222)**	**(52)**	**(173)**	**(99)**	**(272)**

(Notes)

1 The business segments are defined based on similarity of types, characteristics, and affinity of sales market of products and services.

2 Major services and products for each business segment

IT/Network Solutions Business	System Construction, Consulting, Outsourcing, Support (Maintenance), Servers, Storage products, Professional workstations, Business PCs, IT software, Enterprise network systems, Network systems for telecommunication carriers, Broadcast video systems, Control systems, Aerospace/Defense systems
Mobile/Personal Solutions Business	Mobile handsets, Personal computers, Personal communication devices, BIGLOBE
Electron Devices Business	System LSI and other semiconductors, Electronic components, LCD modules
Others	Lighting Equipment Business, Logistics Business, Projector Business, Display Business

3 Changes in accounting policies

(Three months ended December 31, 2008 (From October 1, 2008 to December 31, 2008))

Valuation standard and method changes for major assets

The "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9, July 5, 2006) is applied from this period.
The change has no impact on each of the business segment information.

Depreciation method changes for major depreciable assets

The straight line method has been adopted beginning from this period as depreciation method for property, plant and equipment that is used for outsourcing or other businesses which earn regular income, while the declining balance method had been formerly adopted.
There is little effect on each of the business segment information.

Application of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

The "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No.18, May 17, 2006) is applied from this period.
There is little effect on each of the business segment information.

(Three months ended December 31, 2007 (From October 1, 2007 to December 31, 2007))

None

SEGMENT INFORMATION (CONTINUED)

[Geographical segment]

Nine months ended December 31, 2008 (From April 1, 2008 to December 31, 2008) (In millions of yen)

	Japan	Asia	Europe	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	**2,503,400**	**187,550**	**188,530**	**196,660**	**3,076,140**	**—**	**3,076,140**
2. Intersegment sales and transfers	**286,645**	**116,741**	**6,199**	**17,036**	**426,621**	**(426,621)**	**—**
Total sales	**2,790,045**	**304,291**	**194,729**	**213,696**	**3,502,761**	**(426,621)**	**3,076,140**
Operating income (loss)	**20,647**	**8,438**	**(2,147)**	**(8,764)**	**18,174**	**(29,534)**	**(11,360)**

Nine months ended December 31, 2007 (From April 1, 2007 to December 31, 2007) (In millions of yen)

	Japan	Asia	Europe	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	2,530,313	200,748	218,858	242,889	3,192,808	—	3,192,808
2. Intersegment sales and transfers	327,104	139,299	7,757	19,993	494,153	(494,153)	—
Total sales	2,857,417	340,047	226,615	262,882	3,686,961	(494,153)	3,192,808
Operating income (loss)	77,961	10,556	(595)	(7,857)	80,065	(36,616)	43,449

Nine months ended December 31, 2008 (From April 1, 2008 to December 31, 2008) (In millions of U.S. dollars)

	Japan	Asia	Europe	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	**27,510**	**2,061**	**2,072**	**2,161**	**33,804**	**—**	**33,804**
2. Intersegment sales and transfers	**3,150**	**1,283**	**68**	**187**	**4,688**	**(4,688)**	**—**
Total sales	**30,660**	**3,344**	**2,140**	**2,348**	**38,492**	**(4,688)**	**33,804**
Operating income (loss)	**227**	**93**	**(24)**	**(96)**	**200**	**(325)**	**(125)**

(Notes)

1 Geographical distances are considered in classification of country or region.

2 Major countries and regions in segments other than Japan

(1) Asia ･･･China, Chinese Taipei, India, Singapore and Indonesia

(2) Europe･･･U.K., France, the Netherlands, Germany, Italy and Spain

(3) Others ･･･U.S.A.

3 Changes in accounting policies

(Nine months ended December 31, 2008 (From April 1, 2008 to December 31, 2008))

Valuation standard and method changes for major assets

The "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9, July 5, 2006) is applied from this period.
The change has no impact on each of the business segment information.

Depreciation method changes for major depreciable assets

The straight line method has been adopted beginning from this period as depreciation method for property, plant and equipment that is used for outsourcing or other businesses which earn regular income, while the declining balance method had been formerly adopted.
There is little effect on each of the business segment information.

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There is little effect on each of the business segment information.

(Nine months ended December 31, 2007 (From April 1, 2007 to December 31, 2007))

None

SEGMENT INFORMATION (CONTINUED)

[Geographical segment]

Three months ended December 31, 2008 (From October 1, 2008 to December 31, 2008) (In millions of yen)

	Japan	Asia	Europe	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	**789,482**	**50,187**	**48,195**	**60,476**	**948,340**	**—**	**948,340**
2. Intersegment sales and transfers	**75,725**	**33,449**	**1,275**	**4,160**	**114,609**	**(114,609)**	**—**
Total sales	**865,207**	**83,636**	**49,470**	**64,636**	**1,062,949**	**(114,609)**	**948,340**
Operating income (loss)	**(13,835)**	**747**	**(651)**	**(4,349)**	**(18,088)**	**(6,664)**	**(24,752)**

Three months ended December 31, 2007 (From October 1, 2007 to December 31, 2007) (In millions of yen)

	Japan	Asia	Europe	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	829,381	65,530	77,506	79,798	1,052,215	—	1,052,215
2. Intersegment sales and transfers	109,461	46,395	2,384	6,237	164,477	(164,477)	—
Total sales	938,842	111,925	79,890	86,035	1,216,692	(164,477)	1,052,215
Operating income (loss)	27,993	3,847	(965)	(2,656)	28,219	(12,206)	16,013

Three months ended December 31, 2008 (From October 1, 2008 to December 31, 2008) (In millions of U.S. dollars)

	Japan	Asia	Europe	Others	Total before Eliminations/ Corporate	Eliminations/ Corporate	Consolidated total
Sales and Operating Income							
1. Sales to customers	**8,676**	**552**	**530**	**663**	**10,421**	**—**	**10,421**
2. Intersegment sales and transfers	**832**	**367**	**14**	**47**	**1,260**	**(1,260)**	**—**
Total sales	**9,508**	**919**	**544**	**710**	**11,681**	**(1,260)**	**10,421**
Operating income (loss)	**(152)**	**8**	**(7)**	**(48)**	**(199)**	**(73)**	**(272)**

(Notes)

1 Geographical distances are considered in classification of country or region.

2 Major countries and regions in segments other than Japan

(1) Asia ・・・China, Chinese Taipei, India, Singapore and Indonesia

(2) Europe・・・U.K., France, the Netherlands, Germany, Italy and Spain

(3) Others ・・・U.S.A.

3 Changes in accounting policies

(Three months ended December 31, 2008 (From October 1, 2008 to December 31, 2008))

Valuation standard and method changes for major assets

The "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9, July 5, 2006) is applied from this period.
The change has no impact on each of the business segment information.

Depreciation method changes for major depreciable assets

The straight line method has been adopted beginning from this period as depreciation method for property, plant and equipment that is used for outsourcing or other businesses which earn regular income, while the declining balance method had been formerly adopted.
There is little effect on each of the business segment information.

Application of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

The "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No.18, May 17, 2006) is applied from this period.
There is little effect on each of the business segment information.

(Three months ended December 31, 2007 (From October 1, 2007 to December 31, 2007))

None

SEGMENT INFORMATION (CONTINUED)

[Overseas sales]

Nine months ended December 31, 2008 (From April 1, 2008 to December 31, 2008) (In millions of yen)

	Asia	Europe	Others	Total
Overseas sales	**303,245**	**213,252**	**240,985**	**757,482**
Consolidated sales	**—**	**—**	**—**	**3,076,140**
Percentage of overseas sales to consolidated sales (%)	**9.9**	**6.9**	**7.8**	**24.6**

Nine months ended December 31, 2007 (From April 1, 2007 to December 31, 2007) (In millions of yen)

	Asia	Europe	Others	Total
Overseas sales	351,773	250,069	279,244	881,086
Consolidated sales	—	—	—	3,192,808
Percentage of overseas sales to consolidated sales (%)	11.0	7.8	8.8	27.6

Nine months ended December 31, 2008 (From April 1, 2008 to December 31, 2008) (In millions of U.S. dollars)

	Asia	Europe	Others	Total
Overseas sales	**3,332**	**2,343**	**2,649**	**8,324**
Consolidated sales	**—**	**—**	**—**	**33,804**

(Notes)

1 Geographical distances are considered in classification of country or region.

2 Major countries and regions in segments other than Japan

(1) Asia ･･･China, Chinese Taipei, India, Singapore and Indonesia

(2) Europe･･･U.K., France, the Netherlands, Germany, Italy and Spain

(3) Others ･･･U.S.A.

3 Overseas sales represent sales to countries and regions outside of Japan.

SEGMENT INFORMATION (CONTINUED)

[Overseas sales]

Three months ended December 31, 2008 (From October 1, 2008 to December 31, 2008) (In millions of yen)

	Asia	Europe	Others	Total
Overseas sales	**89,586**	**59,322**	**73,985**	**222,893**
Consolidated sales	**—**	**—**	**—**	**948,340**
Percentage of overseas sales to consolidated sales (%)	**9.4**	**6.3**	**7.8**	**23.5**

Three months ended December 31, 2007 (From October 1, 2007 to December 31, 2007) (In millions of yen)

	Asia	Europe	Others	Total
Overseas sales	107,469	92,548	93,165	293,182
Consolidated sales	—	—	—	1,052,215
Percentage of overseas sales to consolidated sales (%)	10.2	8.8	8.9	27.9

Three months ended December 31, 2008 (From October 1, 2008 to December 31, 2008) (In millions of U.S. dollars)

	Asia	Europe	Others	Total
Overseas sales	**984**	**652**	**813**	**2,449**
Consolidated sales	**—**	**—**	**—**	**10,421**

(Notes)

1 Geographical distances are considered in classification of country or region.

2 Major countries and regions in segments other than Japan

(1) Asia ･･･China, Chinese Taipei, India, Singapore and Indonesia

(2) Europe･･･U.K., France, the Netherlands, Germany, Italy and Spain

(3) Others ･･･U.S.A.

3 Overseas sales represent sales to countries and regions outside of Japan.

Material subsequent events

NEC TOKIN Corporation (hereafter "NEC TOKIN") forecasts the recording of extraordinary loss of 26.0 billion yen for the fiscal year ending March 31, 2009 in relation to implementation of fundamental business restructuring and as a part of it, recorded extraordinary loss of 11.4 billion yen for the third quarter of the fiscal year ended December 31, 2008 mainly due to loss on impairment of equipment and loss from devaluation of inventories as a result of withdrawing from the business of rectangular types of rechargeable batteries.

Amid this environment, NEC and NEC TOKIN resolved at the meeting of their respective board of directors held on January 27, 2009 to implement a policy whereby NEC will receive a third-party allocation of new shares from NEC TOKIN (Total amount: 38.0 billion yen, Number of allocated new shares: 152 million shares, Stock payment date: February 20, 2009), making NEC TOKIN a wholly owned subsidiary of NEC, with an exchange of shares. Accordingly the two companies have concluded a memorandum of understanding concerning the share exchange, provided that there is a possibility to implement other schemes in order to make NEC TOKIN a wholly owned subsidiary of NEC, depending on domestic and international regulations and market conditions.

CAUTIONARY STATEMENTS:

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

The management targets included in this material are not projections, and do not represent management's current estimates of future performance. Rather, they represent targets that management will strive to achieve through the successful implementation of NEC's business strategies.

Finally, NEC cautions you that the statements made in this material are not an offer of securities for sale. Securities may not be offered or sold in any jurisdiction in which required registration is absent or an exemption from registration under the applicable securities laws is not granted.