

Financial Results for 1Q for the FY2012 ending March 2013 (Media Meeting)

July 31, 2012

NEC Networks & System Integration Corporation



FY2012/3 1Q Summary

Steady progress

toward the full year target “FY2011/3 and beyond”

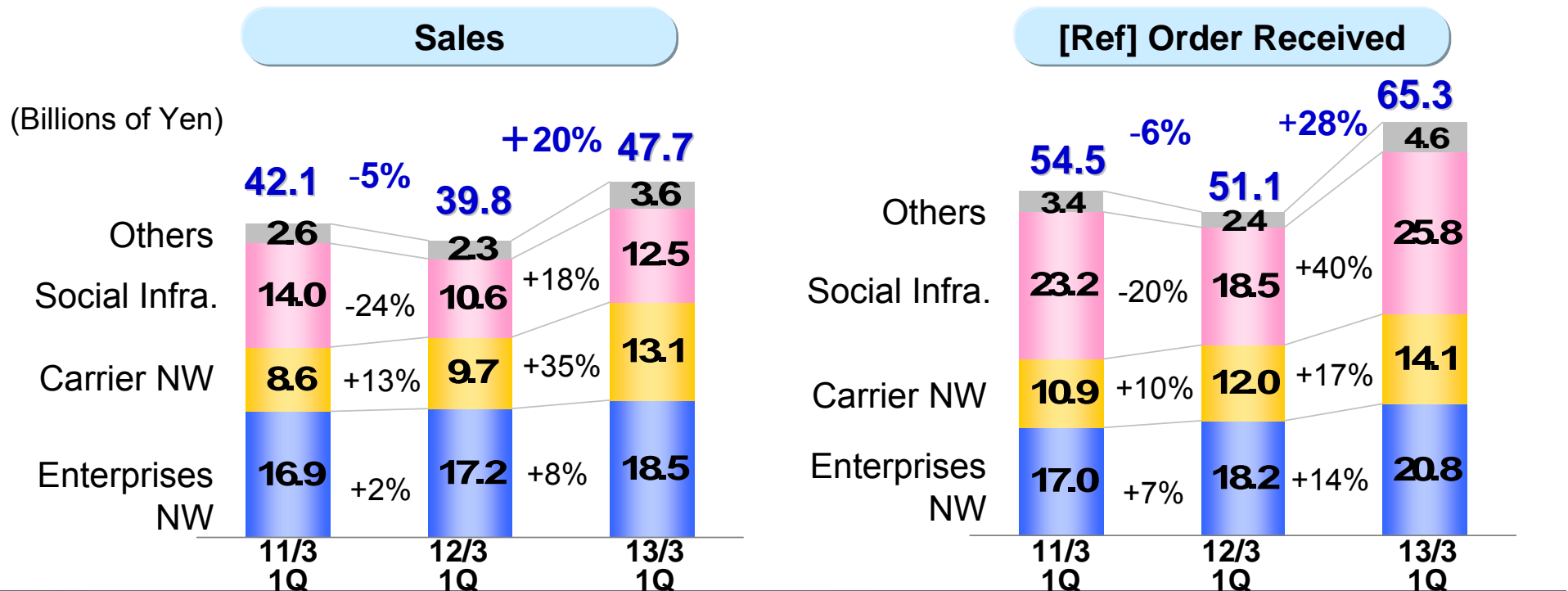
(Billions of Yen)

	1Q FY2012/3 Results	1Q FY2013/3 Results	YoY	[Reference] 1Q FY2011/3
Orders received	51.1	65.3	+28%	54.5
Sales	39.8	47.7	+20%	42.1
Operating income (to sales)	0.15 (0.4%)	0.79 (1.7%)	+0.64 +1.3pt	0.33 (0.8%)
Net Income/Loss (to sales)	0.10 (0.3%)	0.43 (0.9%)	+0.33 +0.6pt	-0.13 -
Free Cash Flows	9.8	8.3	-1.5	

FY2013/3 1Q Sales/Orders Received

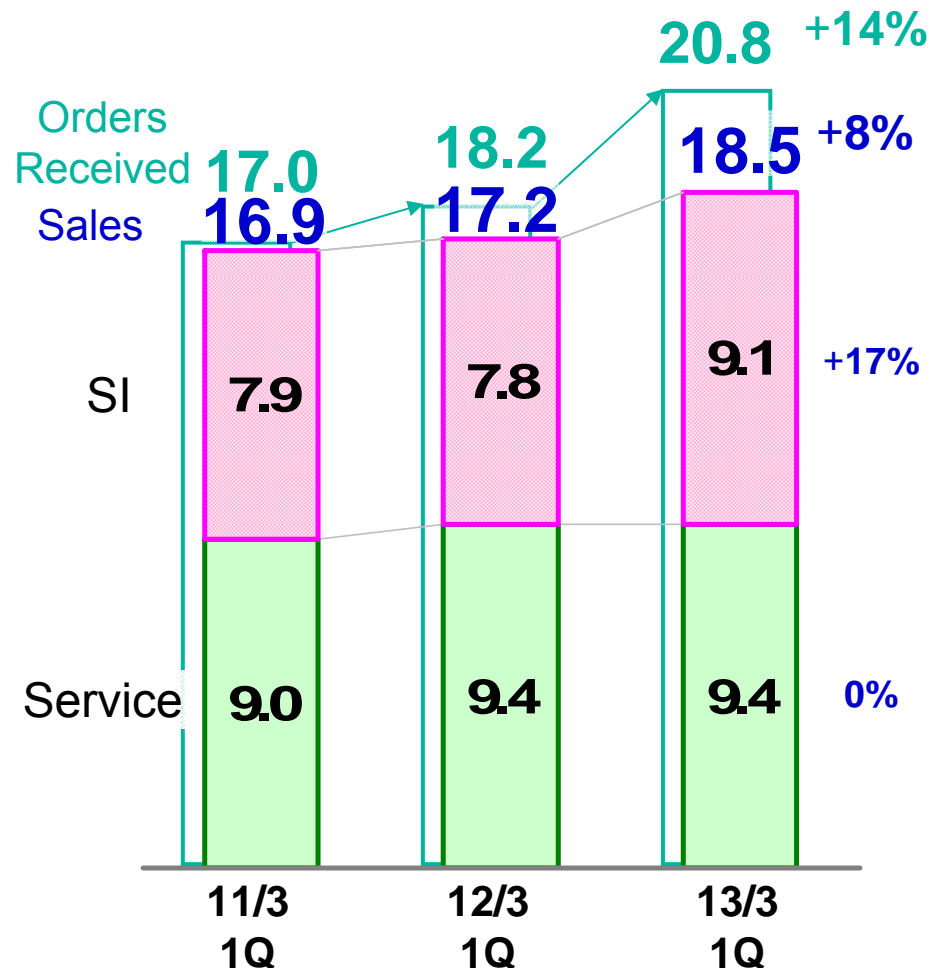
Enterprises NW and Carrier NW enjoyed continued growth.
Social Infra. recovered.

- Enterprises NW :Steadily captured customer demand for ICT for management innovation and continued to increase centering on EmpoweredOffice
- Carrier NW :Increased by capturing market opportunities of investment in response to increasing traffic due to smartphone penetration
- Social infra. :Fire-fighting & disaster prevention systems increased in earnest toward digitalization + Large orders such as mobile base stations and reconstruction projects (CATV networks) were concentrated on 1Q



FY2013/3 1Q Enterprises Networks Business

(Billions of Yen)

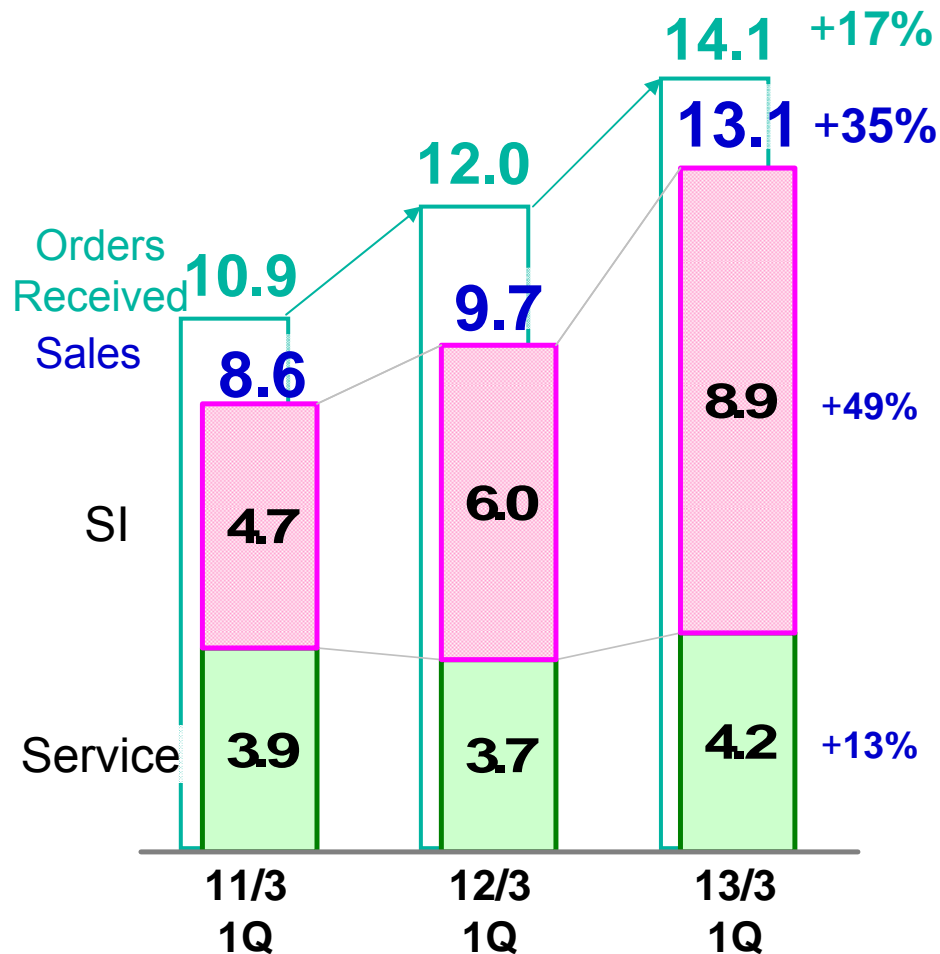


■ Growth accelerated by capturing customer demand for ICT for management innovation

- Greater investment in the cloud platform and sales force produced results
 - EmpoweredOffice increased (Related orders: ¥4.4 billion Doubled from 1Q 12/3)
 - The number of data center users increased (+13% from 1Q 12/3)
- Sought partnerships to bolster the service business

FY2013/3 1Q Carrier Networks Business

(Billions of Yen)

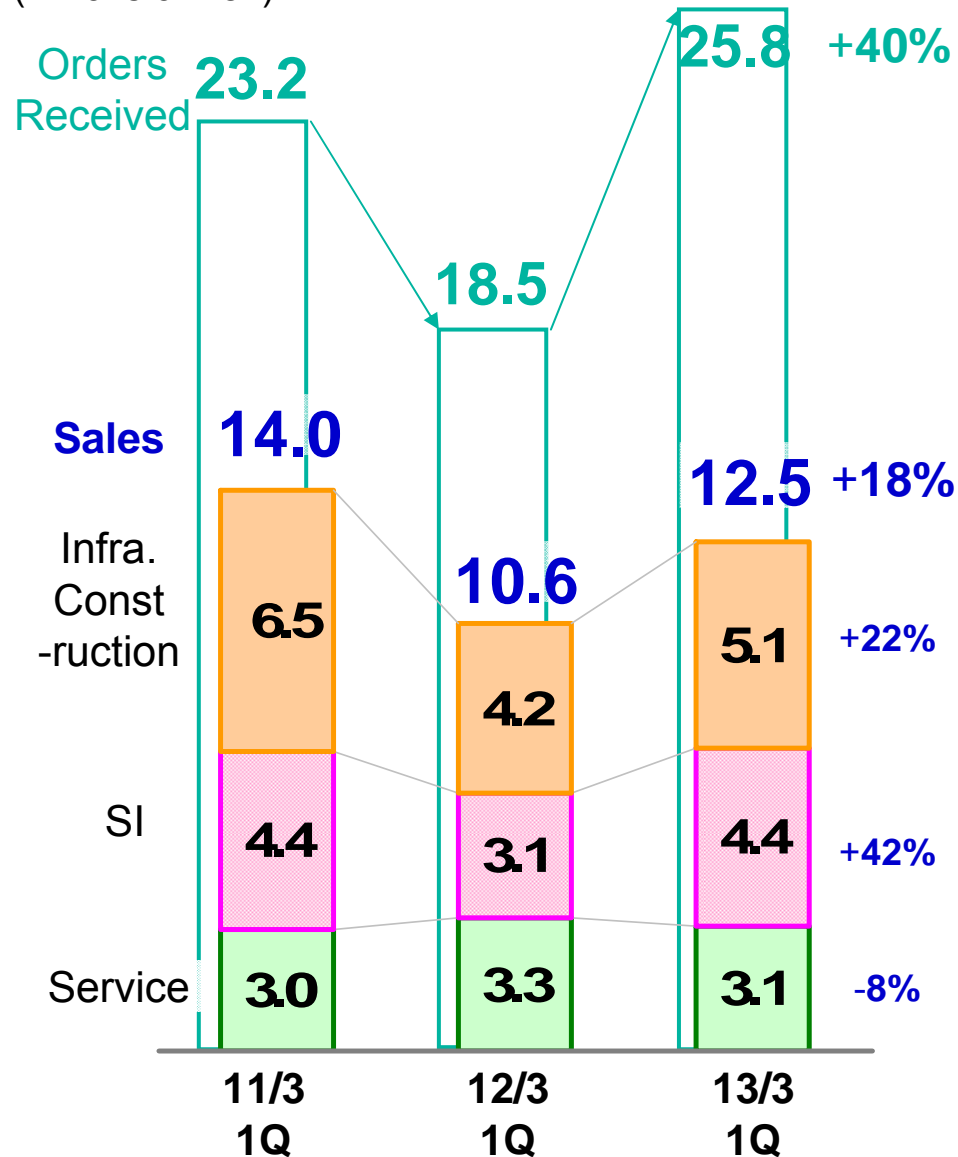


Achieved robust sales growth along with sustained investment in response to rising traffic due to smartphone penetration

- More network design and integration
- Continuous and steady expansion of multi vendor system integration
- Steadily progress in local community info. services using smart devices in cooperation with telecom. carriers
 - Won new orders, following on last fiscal year.
- Increased revenue in the service business with the expansion of maintenance customers and service area

FY2013/3 1Q Social Infrastructures Business

(Billions of Yen)

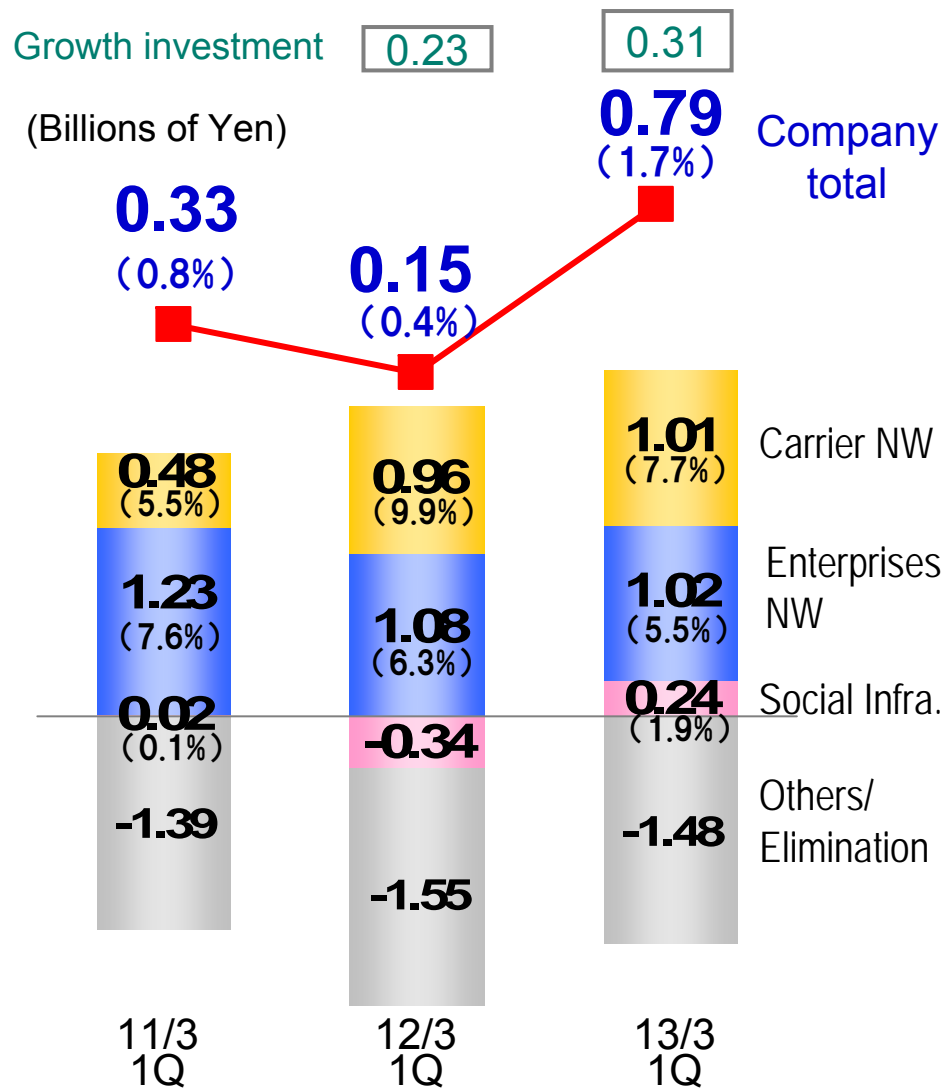


Investment in fire-fighting & disaster prevention systems became full scale

- Related sales & orders doubled yoy thanks to supplemental budgets

Orders jumped with a rush of large projects such as the reconstruction of CATV or mobile BTS installation

FY2013/3 1Q Operating Income/Loss by Segment



- Enterprises NW:
 - Operating income decreased slightly with greater investment in growth (¥ -0.1 Bn) despite the positive effect of sales growth
- Carrier NW:
 - Income increased with sales growth
 - The profit ratio fell temporarily due to some low-margin projects
- Social Infrastructure:
 - Returned to profit due to sales increase and reform done last FY
- Others:
 - Improved with the profits of a subsidiary

*Segment P/L are reclassified for comparison in connection with the change of the method of "Elimination"

Balance Sheet (End of June, 2012)

(Billions of Yen)

	End of 12/6	End of 13/3	Diff.
Cash and cash equivalents	42.2	37.6	4.6
Notes and accounts receivable	54.4	73.2	-18.8
Inventories	11.6	8.0	3.6
Other	7.2	6.4	0.8
Current Assets	115.5	125.2	-9.8
Noncurrent Assets	25.3	24.5	0.8
Assets	140.7	149.7	-0.9
Notes and accounts payable	27.4	30.3	-2.9
Loans	1.0	4.0	-3.0
Other	31.8	34.7	-2.9
Liabilities	60.2	69.1	-8.9
Shareholders' equity	80.4	80.7	-0.3
Valuation and translation adjustments	-0.5	-0.6	0.1
Minority interests	0.6	0.6	0.1
Net Assets	80.5	80.7	-0.1
Liabilities & Net Assets	140.7	149.7	-9.0
Owner's Equity Ratio	56.8%	53.5%	+ 3.3pt

FY2013/3 1Q Cash Flows

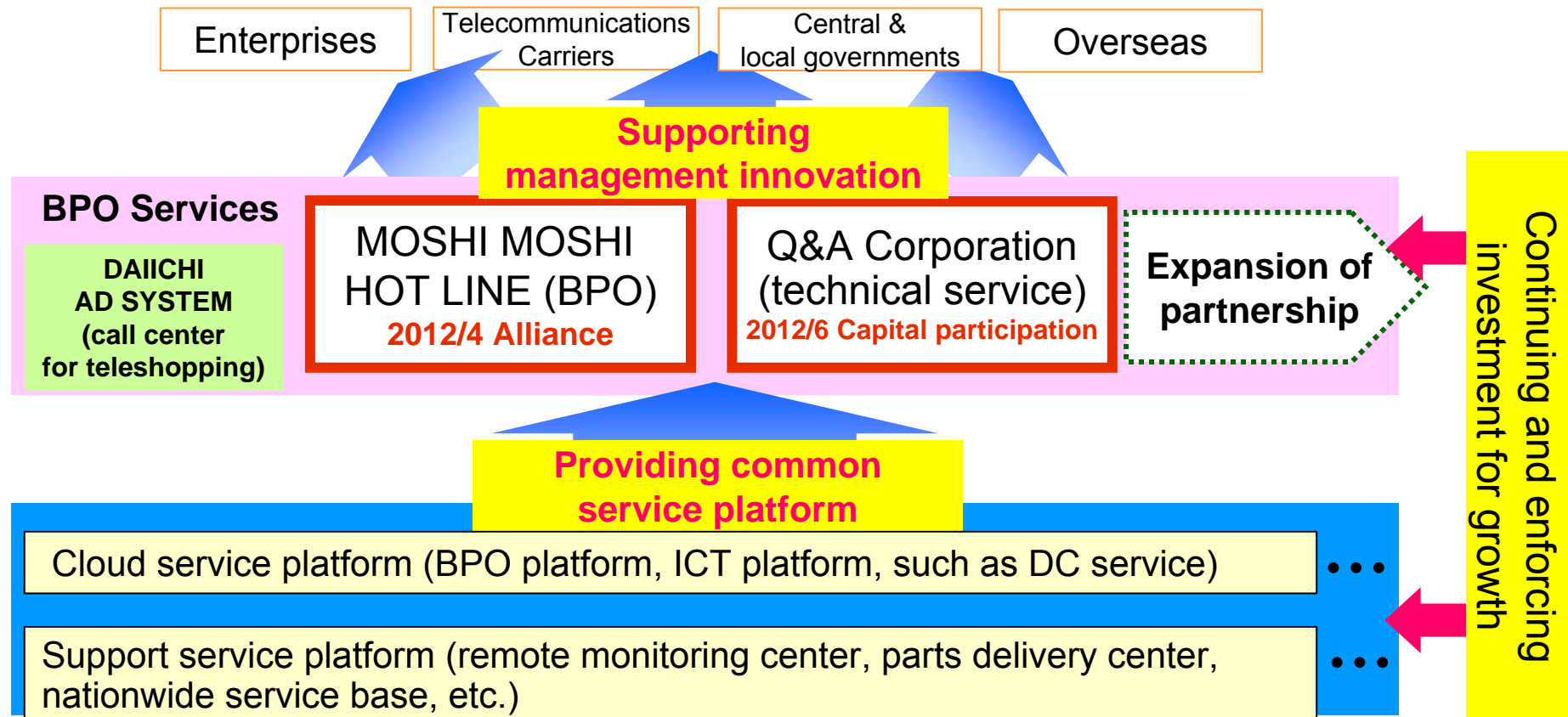
(Billions of Yen)

	1Q 13/3	1Q 12/3
Operating cash flow (a)	9.3	10.3
Investment cash flow (b)	-0.9	-0.5
Free cash flows (a)+(b)	8.3	9.8
Financial cash flow	-3.8	-1.5
Cash and cash equivalents at the end of the period	42.2	33.9

Topics: Activities for Growth

Promoted partnership for bolstering the service business

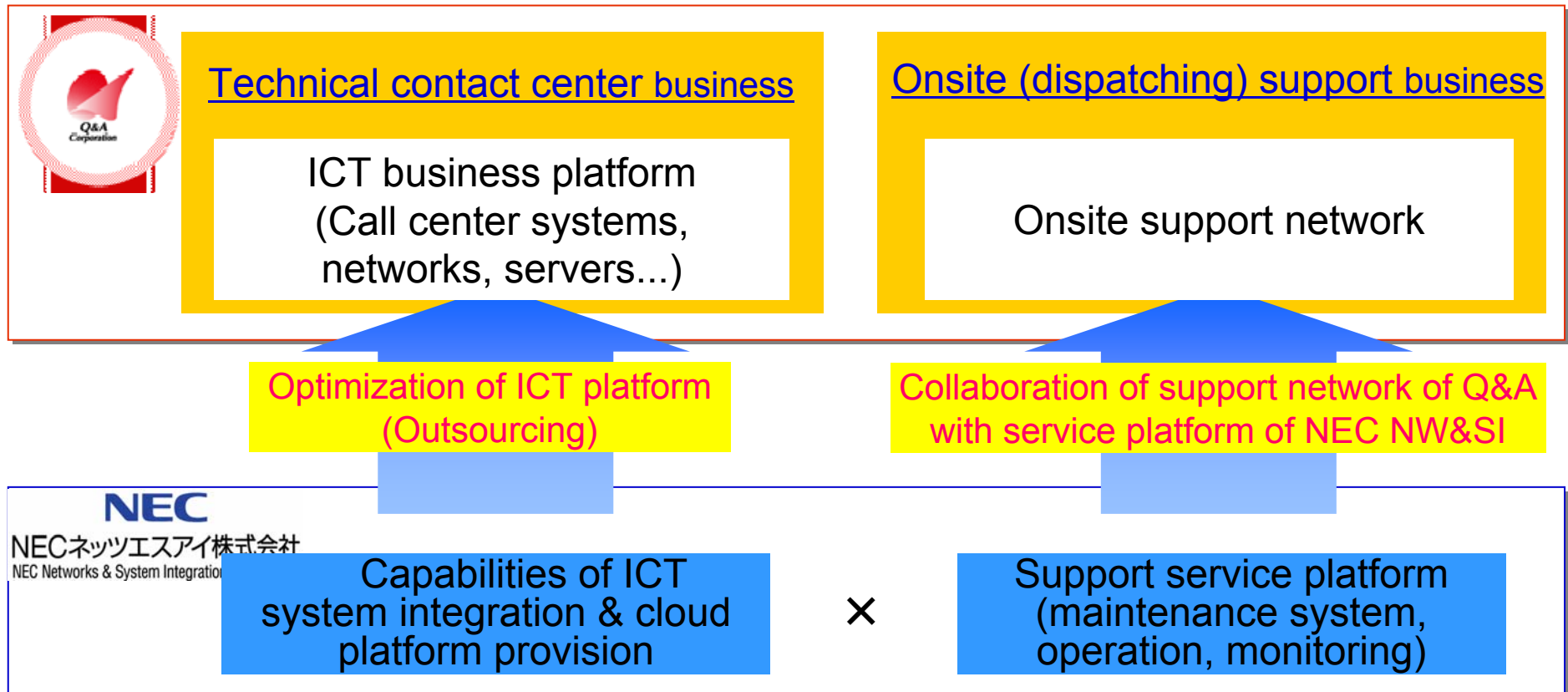
- Enhancing support menus for management innovation by ICT+BPO
- Expanding cloud business by providing common service platform



Topics: Recent Concrete Partnership

Capital alliance with Q&A Corp.

- Optimization (outsourcing) of ICT business platform of Q&A Corp.
- Cost cutting through collaboration between the support service platforms of both companies



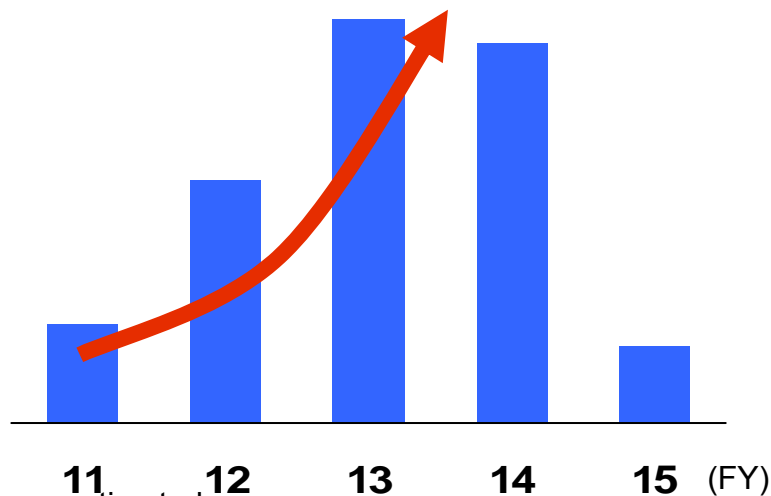
Topics: Fire-Fighting & Disaster Prevention Systems Business

Strengthening business execution capability for full scale investment for digitalization

- Expanding investment ahead of the termination of analogue fire-fighting systems in 2016
⇒ Bolstering project management capability for the solid execution of big projects

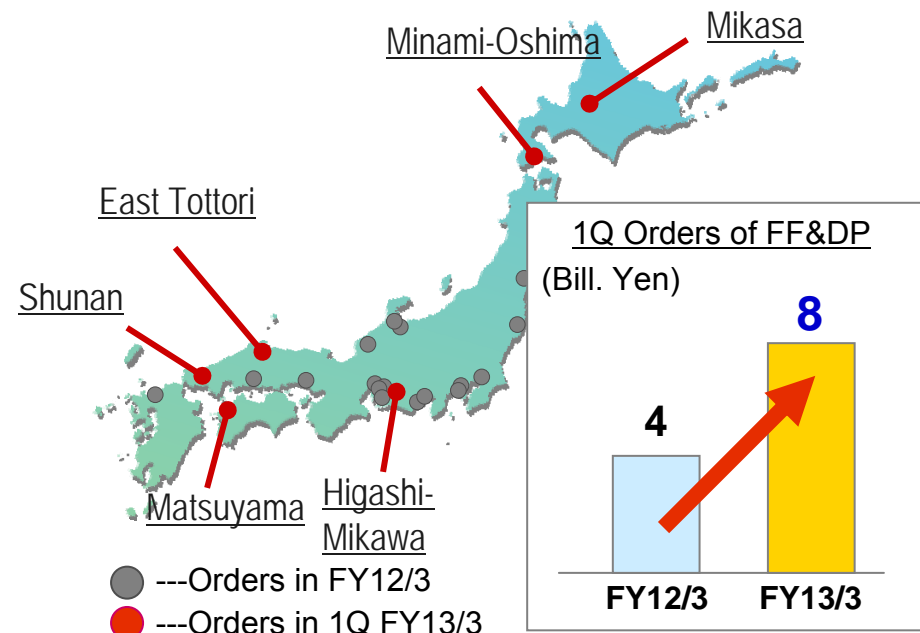
Investment scale (fire-fighting systems)

<Total size: ¥300 billion>



*Company estimated

Major order record



FY2013/3 Full-Year Forecasts

Progress is as planned for the full-year target despite a firmer tone for 1H.

(Billions of Yen)

	13/3 Forecasts	12/3 Results	YoY	【Reference】 11/3 Results
Sales	220.0	204.7	+7.5%	217.9
Operating income <i>(to sales)</i>	10.5 (4.8%)	9.7 (4.8%)	+0.8 ±0.0pt	10.8 (5.0%)
Net income <i>(to sales)</i>	6.2 (2.8%)	4.6 (2.2%)	+1.6 +0.6pt	4.7 (2.2%)

*Forecasts as of July 31, 2012, same as previous forecasts

Cautionary Statement

Forecasts of results mentioned in this document are future estimates and are thus inclusive of risks and uncertain factors since they are not based on definite facts. Please be aware that a variety of factors could cause actual results to differ significantly from those projected. The major factors affecting actual results include the economic climate and social trends surrounding the business of this Company's group, consumer trends vis-a-vis systems and services provided by this Company's group, as well as pressure to lower prices and ability to cope with the market in response to intensified competition. Factors affecting results are not limited to the ones mentioned above.

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