

Media Contacts

Kyoko Okamoto
 NEC Electronics Corporation
 +81 44-435-1676
 press@necel.com

Investor Contacts

Nanako Hayashi
 NEC Electronics Corporation
 +81 44-435-1664
 ir@necel.com

NEC Electronics Reports Financial Results for the Third Quarter Ended December 31, 2009

KAWASAKI, Japan, January 27, 2010--NEC Electronics Corporation (TSE: 6723) today announced consolidated financial results for the three months and nine months ended December 31, 2009.

Third Quarter Consolidated Financial Results	2
1. Financial Results	5
2. Financial Condition	10
3. Consolidated Forecasts	11
4. Others	12
5. Consolidated Financial Statements	14
5.1 Consolidated Balance Sheets	14
5.2 Consolidated Statements of Operations (Nine Months)	16
Consolidated Statements of Operations (Three Months)	
5.3 Consolidated Statements of Cash Flows (Nine Months)	18
5.4 Notes on Assumption for Going Concern	20
5.5 Segment Information (Three months and Nine Months)	20
5.6 Notes on Significant changes in NEC Electronics Corp.	21
Shareholders' Equity	
Reference: Summary of Consolidated Financial Results	22

Consolidated Financial Results for the Third Quarter Ended December 31, 2009



English translation from the original Japanese-language document

January 27, 2010

Company name : **NEC Electronics Corporation**
 Stock exchanges on which the shares are listed : Tokyo Stock Exchange, First Section
 Code number : 6723
 URL : <http://www.necel.com>
 Representative : Junshi Yamaguchi, President and CEO
 Contact person : Taizo Endo, General Manager
 Corporate Communications Division
 Tel. +81 (0)44-435-1664
 Filing date of Shihanki Hokokusho (scheduled) : February 9, 2010

(Amounts are rounded to the nearest million yen)

1. Consolidated results for the nine months ended December 31, 2009

1.1 Consolidated financial results

(% of change from corresponding period of the previous year)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Nine months ended December 31, 2009	339,218	(27.0)	(46,239)	---	(49,102)	---	(54,073)	---
Nine months ended December 31, 2008	464,750	---	(13,359)	---	(18,369)	---	(21,040)	---

	Net income (loss) per share: basic	Net income (loss) per share: diluted
	Yen	Yen
Nine months ended December 31, 2009	(437.85)	---
Nine months ended December 31, 2008	(170.37)	---

1.2 Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million Yen	Million Yen	%	Yen
December 31, 2009	469,854	137,967	28.5	1,085.40
March 31, 2009	488,190	194,704	39.0	1,539.87

Reference: Equity at the end of the third quarter ended December 31, 2009: 134,044 million yen
 Equity at the end of the year ended March 31, 2009: 190,170 million yen

Equity = Net assets - Share subscription rights - Minority interests

2. Cash dividends

	Cash dividends per share				
	at the end of first quarter	at the end of second quarter	at the end of third quarter	at the end of year	Total
March 31, 2009	Yen ---	Yen 0.00	Yen ---	Yen 0.00	Yen 0.00
March 31, 2010	---	0.00	---		
March 31, 2010 (forecast)				0.00	0.00

Note: Change in forecasts of cash dividends since the most recently announced forecasts: No

3. Forecast of consolidated results for the year ending March 31, 2010

(% of change from the previous year)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)		Net income (loss) per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Year ending March 31, 2010	462,000	(16.1)	(47,500)	---	(51,500)	---	(59,000)	---	(477.73)

Note: Change in forecast of consolidated results since the most recently announced forecasts: No
Please refer to section "3. Consolidated Forecasts" on page 11 for further information.

4. Others

4.1 Changes in significant subsidiaries in the nine months ended December 31, 2009

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

4.2 Adoption of simplified accounting methods and special accounting methods for the preparation of quarterly consolidated financial statements: Yes

Note: Please refer to section "4. Others" on page 12 for further information.

4.3 Changes in accounting principles, procedures, and presentations, etc.

(Changes indicated to "Basis of Presenting the Consolidated Financial Statements")

1. Changes resulting from revisions in accounting principles, etc. : No
2. Other changes : No

4.4 Number of shares issued and outstanding (common stock)

1. Number of shares issued and outstanding at the end of each period
As of Dec. 31, 2009: 123,500,000 As of Mar. 31, 2009: 123,500,000
2. Number of treasury stock at the end of each period
As of Dec. 31, 2009: 2,448 As of Mar. 31, 2009: 2,306
3. Average number of shares issued and outstanding in each period
As of Dec. 31, 2009: 123,497,686 As of Dec. 31, 2008: 123,497,846

Cautionary Statement

The statements with respect to the financial outlook of NEC Electronics and its consolidated subsidiaries are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results may differ materially from such forward-looking statements due to changes in several important factors.

Reference: Consolidated results for the three months ended December 31, 2009

(Amounts are rounded to the nearest million yen)

(% of change from corresponding period of the previous year)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Three months ended December 31, 2009	117,873	(8.3)	(9,329)	---	(11,321)	---	(14,268)	---
Three months ended December 31, 2008	128,511	---	(16,013)	---	(18,801)	---	(20,199)	---

	Net income (loss) per share: basic	Net income (loss) per share: diluted
	Yen	Yen
Three months ended December 31, 2009	(115.53)	---
Three months ended December 31, 2008	(163.56)	---

1. Financial Results

NEC Electronics changed its accounting principles from accounting principles generally accepted in the United States (U.S. GAAP), to accounting principles generally accepted in Japan (Japanese GAAP) starting from the third quarter ending March 2010. Following figures are all prepared in accordance with Japanese GAAP.

1.1 Summary of Consolidated Financial Results

Nine Months Ended December 31, 2009

	Nine months ended December 31, 2008	Nine Months Ended December 31, 2009	Increase (Decrease)	
	Billion Yen	Billion Yen	Billion Yen	% Change
Net sales	464.8	339.2	(125.5)	(27.0)
Sales from semiconductors	444.9	325.8	(119.0)	(26.8)
Operating income (loss)	(13.4)	(46.2)	(32.9)	---
Ordinary income (loss)	(18.4)	(49.1)	(30.7)	---
Net income (loss)	(21.0)	(54.1)	(33.0)	---
	Yen	Yen		
Exchange rate (USD)	104	95		
Exchange rate (Euro)	154	133		

Consolidated net sales for the nine months ended December 31, 2009 were 339.2 billion yen, down 125.5 billion yen, or 27.0 percent year on year.

Sales of products in all areas decreased. Especially computing and peripherals, consumer electronics decreased by approximate of more than 30 percent year on year.

In addition, the yen became stronger compared to the corresponding period of the previous fiscal year, which contributed to the decrease in net sales.

Consolidated operating loss was 46.2 billion yen, 32.9 billion yen worse year on year. Although fixed cost was reduced significantly by streamlining manufacturing-related costs, R&D cost and personnel costs, operating loss was recorded due to a sharp decline in consolidated net sales year on year.

Consolidated ordinary loss was 49.1 billion yen, 30.7 billion yen worse year on year. This drop was due to an increase in consolidated operating loss.

Consolidated net loss was 54.1 billion yen, 33.0 billion yen worse year on year.

For more information on the consolidated financial results for the three months ended June 30, 2009, please refer to the first quarter financial results announced on July 29, 2009. For more information on the consolidated financial results for the three months ended September 30, 2009,

please refer to the second quarter financial results announced on October 28, 2009. For more information on the consolidated financial results for the first quarter and second quarter financial results prepared under Japanese GAAP, please refer to the press release “NEC Electronics Reports Quarterly Financial Results for the First Quarter Ended June 30, 2009 and the Second Quarter Ended September 30, 2009 Prepared in Accordance with Japanese GAAP” announced on December 24, 2009.

1.2 Overview of the Three Months Ended December 31, 2009

Despite the increasing moves toward recovery, uncertainty over the direction of world economy became prominent during the three months ended December 31, 2009. In the U.S., consumer spending has bottomed and automobile sales increased in Europe fueled by the governments’ subsidy system, while Asian economy, especially China, saw an increase in domestic demand. In the Japanese economy, the governments’ economic stimulus measures boosted consumer spending of durable products. Yet, it is still not clear whether the global economy can recover steadily as many causes for concern remain, including a double-dip recession and deflations resulting from a backlash against the countries’ economic stimulus measures, as well as the harsh employment situation.

Amidst this global economic situation, the semiconductor market in which NEC Electronics operates underwent a continuous recovery trend, fueled by strong demand for large consumer electronics and automobiles. However, the outlook of the economy remains unclear and constant competition for lower prices triggered by the expansion of emerging markets is growing. NEC Electronics therefore forecasts the market condition to remain challenging and unpredictable.

1.3 Summary of Consolidated Financial Results Three Months Ended December 31, 2009

	Three months ended December 31, 2008	Three months ended December 31, 2009	Increase (Decrease)	
	Billion Yen	Billion Yen	Billion Yen	% Change
Net sales	128.5	117.9	(10.6)	(8.3)
Sales from semiconductors	123.8	113.1	(10.7)	(8.6)
Operating income (loss)	(16.0)	(9.3)	6.7	---
Ordinary income (loss)	(18.8)	(11.3)	7.5	---
Net income (loss)	(20.2)	(14.3)	5.9	---
	Yen	Yen		
Exchange rate (USD)	101	90		
Exchange rate (Euro)	137	133		

Consolidated net sales for the three months ended December 31, 2009 were 117.9 billion yen, down 10.6 billion yen, or 8.3 percent, year on year.

Despite the increase in sales of Automotive and Industrial products, Multi-Market ICs, as well as Discrete, Optical, and Microwave devices, sales of Consumer Electronics products decreased by more than 40 percent year on year and sales of Communication products decreased by more than 20 percent year on year.

Consolidated operating loss was 9.3 billion yen, an improvement of 6.7 billion yen year on year. Despite the decline in consolidated net sales year on year, fixed cost was reduced significantly by streamlining manufacturing-related costs, R&D cost, and personnel costs.

Consolidated ordinary loss was 11.3 billion yen, 7.5 billion yen improvement year on year. This was due to an improvement in consolidated operating loss.

Consolidated net loss improved 5.9 billion yen up year on year, to 14.3 billion yen.

1.4 Net Sales by Market Application

Three Months Ended December 31, 2009

	Three months ended December 31, 2008	Three months ended December 31, 2009	Increase (Decrease)	
	Billion Yen	Billion Yen	Billion Yen	% Change
Communications	15.5	11.3	(4.3)	(27.5)
Computing and peripherals	17.1	15.8	(1.4)	(8.0)
Consumer electronics	32.3	16.9	(15.4)	(47.6)
Automotive and industrial	20.4	26.8	6.4	31.2
Multi-market ICs	15.9	18.0	2.1	13.1
Discrete, optical, and microwave devices	22.5	24.3	1.8	8.2
Semiconductor total	123.8	113.1	(10.7)	(8.6)
Other	4.7	4.7	0.1	1.5
Total	128.5	117.9	(10.6)	(8.3)

Communications

Products Semiconductors for broadband networking equipment including routers and mobile-phone base stations; semiconductors for mobile handsets.

Net sales 11.3 billion yen (Down 4.3 billion yen, 27.5% year on year)

Sales of baseband LSI chips for mobile handsets and sales of semiconductors for broadband networking equipments decreased year on year.

Computing and Peripherals

Products Semiconductors for servers, workstations, personal computers, and PC peripherals.

Net sales 15.8 billion yen (Down 1.4 billion yen, 8.0% year on year)

Sales of semiconductors for servers and workstations, and LSI chips for printers decreased year on year.

Consumer Electronics

Products Semiconductors for consumer electronics and game consoles.

Net sales 16.9 billion yen (Down 15.4 billion yen, 47.6% year on year)

Sales of semiconductors for game consoles and sales of the company's "EMMA" series, image-processing LSI chips for digital consumer electronics declined year on year.

Automotive and Industrial

Products Semiconductors used in automobiles and industrial systems, including factory automation equipment.

Net sales 26.8 billion yen (Up 6.4 billion yen, 31.2% year on year)

Sales of semiconductors for automobiles increased year on year.

Multi-market ICs

Products General-purpose microcontrollers, gate arrays, and multi-purpose SRAM.

Net sales 18.0 billion yen (Up 2.1 billion yen, 13.1% year on year)

Sales of general-purpose microcontrollers increased year on year as a result of an increase in demand due to the market recovery.

Discrete, Optical and Microwave Devices

Products Discrete devices such as diodes and transistors; optical semiconductors for optical communications equipment and DVD devices; and microwave semiconductors for mobile handsets and other applications.

Net sales 24.3 billion yen (Up 1.8 billion yen, 8.2 % year on year)

Sales of discrete devices and compound semiconductors such as optical and microwave devices increased year on year as a result of an increase in demand due to the market recovery.

Other

Products Non-semiconductor products such as color LCDs, sold on a resale basis by NEC Electronics' sales subsidiaries.

Net sales 4.7 billion yen (Up 0.1 billion yen, 1.5 % year on year)

1.5 Net Sales by Region

Three Months Ended December 31, 2009

	Three months ended December 31, 2008	Three Months Ended December 31, 2009	Increase (Decrease)	
	Billion Yen	Billion Yen	Billion Yen	% Change
Japan	80.8	64.1	(16.7)	(20.7)
Asia	26.4	29.3	2.9	11.1
Europe	13.2	16.0	2.8	21.3
North America	8.2	8.5	0.4	4.3
Total	128.5	117.9	(10.6)	(8.3)

Note:

- Countries and regions are segmented based on their geographical proximity.
- Major countries and regions other than Japan include the following countries:
 - Asia: China, Indonesia, Malaysia, Republic of Korea, Republic of Singapore, and Taiwan
 - Europe: England, Germany, and Ireland
 - North America: The United States of America

Japan

Net sales 64.1 billion yen (Down 16.7 billion yen, 20.7% year on year)

Despite the increase in microcontrollers for automobiles, sales of semiconductors for both game consoles and mobile handsets decreased year on year.

Asia

Net sales 29.3 billion yen (Up 2.9 billion yen, 11.1% year on year)

Sales of general-purpose microcontrollers and microcontrollers for automobiles increased.

Europe

Net sales 16.0 billion yen (Up 2.8 billion yen, 21.3% year on year)

Sales of microcontrollers for automobiles increased.

North America

Net sales 8.5 billion yen (Up 0.4 billion yen, 4.3% year on year)

Sales of general-purpose microcontrollers increased.

2. Financial Condition

2.1 Total Assets and Net Assets

	March 31, 2009	December 31, 2009	Increase (Decrease)
	Billion Yen	Billion Yen	Billion Yen
Total assets	488.2	469.9	(18.3)
Net assets	194.7	138.0	(56.7)
Equity	190.2	134.0	(56.1)
Equity ratio	39.0%	28.5%	(10.5)%
Interest-bearing debt	111.3	141.8	30.5
Debt/equity ratio	0.59	1.06	0.47

Total assets at December 31, 2009 amounted 469.9 billion yen, an 18.3 billion yen decrease from March 31, 2009. This was mainly due to a decrease in net assets from posting net loss, despite the increase in notes and accounts receivable.

Compared to March 31, 2009, net assets were 56.7 billion yen lower at 138.0 billion yen, due to posting net loss of 54.1 billion yen for the nine months ended December 31 2009.

Equity decreased by 56.1 billion yen and the equity ratio decreased by 10.5 points from March 31, 2009, mainly due to posting net loss for the nine months ended December 31, 2009. Interest-bearing debt increased by 30.5 billion yen from March 31, 2009 mainly due to increased borrowings. Consequently, debt to equity ratio increased by 1.06 times, 0.47 points decrease year on year.

2.2 Cash Flows

Three Months Ended December 31, 2009

	Three months ended December 31, 2008	Three months ended December 31, 2009	Increase (Decrease)
	Billion Yen	Billion Yen	Billion Yen
Net cash provided by (used in) operating activities	10.2	13.1	2.9
Net cash provided by (used in) investing activities	(7.2)	(8.2)	(1.0)
Free cash flows	3.0	4.9	2.0
Net cash provided by (used in) financing activities	(1.0)	1.1	2.1
Effect of exchange rate changes on cash and cash equivalents	(3.5)	0.0	3.5
Net increase(decrease) in cash and cash equivalents	(1.5)	6.1	7.6
Cash and cash equivalents at the beginning of the period	158.0	89.5	(68.6)
Cash and cash equivalents at the end of the period	156.5	95.6	(60.9)

Despite recording a net loss, depreciation and amortization in the amount of 13.3 billion yen and increase in notes payable and accounts payable led to net cash provided by operating activities in the amount of 13.1 billion yen for the three months ended December 31, 2009.

Payments for purchase of property, plant, and equipment in the amount of 9.1 billion yen brought the total net cash used in investing activities to 8.2 billion yen.

The foregoing resulted in positive free cash flows of 4.9 billion yen.

Financing activities provided net cash in the amount of 1.1 billion yen due to proceeds from long-term borrowings.

As a result of the above, combined with the positive impact of currency exchange fluctuations, the net increase in cash and cash equivalents was 6.1 billion yen, resulting in cash and cash equivalents at December 31, 2009 totaling 95.6 billion yen.

For more information on cash flows for the three months ended June 30, 2009, please refer to the first quarter financial results announced on July 29, 2009. For more information on cash flows for the three months ended September 30, 2009, please refer to the second quarter financial results announced on October 28, 2009. Please refer to NEC Electronics' press release issued on December 24, 2009 for quarterly financial results for the first quarter ended June 30, 2009 and the second quarter ended September 30, 2009 prepared in accordance with Japanese GAAP.

3. Consolidated Forecasts

As announced on NEC Electronics' "NEC Electronics Revises Full-Year Forecasts In Accordance with Change in Accounting Principles" press release issued on December 24, 2009, NEC Electronics revised its consolidated financial forecasts for the full year (the period from April 1, 2009 to March 31, 2010), which it disclosed on October 28, 2009. The company revised its

financial forecasts following the change in its accounting principles from accounting principles generally accepted in the United States (U.S. GAAP), to accounting principles generally accepted in Japan (Japanese GAAP). Please note that NEC Electronics' financial forecasts were revised in accordance with the change in its accounting principles and there are no other changes from what was announced on October 28, 2009.

	Net sales	Sales from semiconductors	Operating income (loss)	Ordinary income (loss)	Net income (loss)
	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen
Initial forecasts(October 28, 2009)	460,000	445,000	(46,500)	---	(55,000)
Forecasts as of December 24, 2009	462,000	447,000	(47,500)	(51,500)	(59,000)
Increase(decrease)	2,000	2,000	(1,000)	---	(4,000)
Percent of change	0.4%	0.4%	---	---	---

Note:

1. Following the change in its accounting principles from U.S. GAAP to Japanese GAAP, ordinary income (loss) is used to indicate the company's financial forecasts instead of income (loss) before income taxes.
2. Income (loss) before income taxes under U.S. GAAP as of October 28, 2009: (53,500) million yen
Income (loss) before income taxes under Japanese GAAP as of December 24, 2009: (58,000) million yen

The consolidated financial forecasts for the fiscal year are calculated at the rate of 90 yen per USD, and 130 yen per Euro.

The statements with respect to the financial outlook of NEC Electronics and its consolidated subsidiaries are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results may differ materially from such forward-looking statements due to changes in several important factors.

4. Others

- 4.1 Changes in significant subsidiaries in the nine months ended December 31, 2009
(changes in specified subsidiaries resulting in changes in scope of consolidation)

None

- 4.2 Adoption of simplified accounting methods and special accounting methods for the preparation of quarterly consolidated financial statements

4.2.1 Simplified accounting methods

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-rate basis.

4.2.2 Special accounting methods for the preparation of quarterly consolidated financial statements

Calculation of tax expenses

Tax expenses are calculated by, multiplying income before income taxes for the third quarter of the fiscal year ending March 31, 2010 by a reasonably estimated effective tax rate for income before income taxes for the fiscal year including this third quarter, while applying tax effect accounting.

Deferred tax expense is included in income taxes.

4.3 Changes in accounting principles, procedures, and presentations, etc.

None

4.4 Other

As announced on December 15, 2009 in NEC Electronics' "NEC Electronics and Renesas Sign Merger Agreement" press release, NEC Electronics and Renesas Technology Corp. entered into a merger agreement to integrate business operations at NEC Electronics and Renesas on April 1, 2010 (scheduled). In accordance with the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan [ASBJ] Statement No.21, December 26, 2008), NEC Electronics will be identified as an acquirer under purchase method.

5. Consolidated Financial Statements (Nine Months)

5.1 Consolidated Balance Sheets

As of December 31, 2009

(In millions of yen)

	December 31, 2009	March 31, 2009 (Condensed)
Assets		
Current assets		
Cash and deposits	34,190	48,698
Notes and accounts receivable-trade	61,162	46,372
Short-term investment securities	61,376	52,581
Merchandise and finished goods	15,283	14,453
Work in process	32,012	38,377
Raw materials and supplies	9,813	10,390
Accounts receivable-other	6,205	6,300
Other	6,127	5,193
Allowance for doubtful accounts	(160)	(202)
Total current assets	226,008	222,162
Long-term assets		
Property, plant and equipment		
Buildings and structures, net	69,850	74,167
Machinery and equipment, net	84,541	90,593
Vehicles, tools, furniture and fixtures, net	17,140	18,603
Land	15,084	15,136
Construction in progress	18,387	17,589
Total property, plant and equipment	205,002	216,088
Intangible assets		
Software	14,439	19,510
Other	709	787
Total intangible assets	15,148	20,297
Investments and other assets		
Investment securities	356	1,769
Long-term prepaid expenses	7,775	10,464
Prepaid pension cost	6,888	9,046
Long-term accounts receivable-other	5,783	6,048
Other	2,894	2,316
Total investments and other assets	23,696	29,643
Total long-term assets	243,846	266,028
Total assets	469,854	488,190

(In millions of yen)

	December 31, 2009	March 31, 2009 (Condensed)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	78,138	61,175
Short-term borrowings	2,450	1,135
Current portion of long-term borrowings	2,554	—
Current portion of lease obligations	3,218	76
Accounts payable-other	19,257	33,219
Accrued expenses	19,798	18,633
Accrued income taxes	2,655	1,462
Provision for product warranties	330	468
Provision for contingent loss	976	—
Other	7,396	4,688
Total current liabilities	136,772	120,856
Long-term liabilities		
Bonds with share subscription rights	110,000	110,000
Long-term borrowings	12,168	—
Lease obligations	11,440	134
Accrued retirement benefits	39,636	37,168
Provision for contingent loss	12,227	12,603
Other	9,644	12,725
Total long-term liabilities	195,115	172,630
Total liabilities	331,887	293,486
Net assets		
Shareholders' equity		
Common stock	85,955	85,955
Capital surplus	242,586	242,586
Retained earnings	(180,252)	(126,179)
Treasury stock	(11)	(11)
Total shareholders' equity	148,278	202,351
Valuation and translation adjustments		
Unrealized gains (losses) on securities	(13)	2
Foreign currency translation adjustments	(14,221)	(12,183)
Total valuation and translation adjustment	(14,234)	(12,181)
Share subscription rights	52	67
Minority interests	3,871	4,467
Total net assets	137,967	194,704
Total liabilities and net assets	469,854	488,190

5.2 Consolidated Statements of Operations

Nine Months Ended December 31, 2009

(In millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Net sales	464,750	339,218
Cost of sales	324,131	260,974
Gross profit	140,619	78,244
Selling, general and administrative expenses	153,978	124,483
Operating income (loss)	(13,359)	(46,239)
Non-operating income		
Interest income	1,375	203
Gain on sales of securities	159	—
Compensation income	—	881
Subsidy income	—	708
Other	603	592
Total non-operating income	2,137	2,384
Non-operating expenses		
Interest expenses	103	369
Loss on valuation of securities	62	6
Foreign exchange losses	2,424	243
Loss on disposal of long-term assets	1,418	1,955
Retirement benefit expenses	1,892	1,767
Other	1,248	907
Total non-operating expenses	7,147	5,247
Ordinary income (loss)	(18,369)	(49,102)
Special income		
Gain on sales of property, plant, and equipment	1,150	354
Total special income	1,150	354
Special loss		
Loss on sales of property, plant, and equipment	101	9
Impairment loss	—	146
Loss on sales of investment securities	—	171
Business structure improvement expenses	1,962	3,035
Provision for contingent loss	—	770
Total special losses	2,063	4,131
Income (loss) before income taxes and minority interests	(19,282)	(52,879)
Income taxes	1,594	1,790
Minority interests in income (loss) of consolidated subsidiaries	164	(596)
Net income (loss)	(21,040)	(54,073)

Three Months Ended December 31, 2009

(In millions of yen)

	Three months ended December 31, 2008	Three months ended December 31, 2009
Net sales	128,511	117,873
Cost of sales	95,610	88,325
Gross profit	32,901	29,548
Selling, general and administrative expenses	48,914	38,877
Operating income (loss)	(16,013)	(9,329)
Non-operating income		
Interest income	356	56
Compensation income	—	881
Subsidy income	—	13
Other	230	113
Total non-operating income	586	1,063
Non-operating expenses		
Interest expenses	6	215
Loss on valuation of securities	60	6
Foreign exchange losses	1,968	917
Loss on disposal of long-term assets	286	1,070
Retirement benefit expenses	631	588
Other	423	259
Total non-operating expenses	3,374	3,055
Ordinary income (loss)	(18,801)	(11,321)
Special income		
Gain on sales of property, plant, and equipment	516	224
Total special income	516	224
Special loss		
Loss on sales of property, plant, and equipment	10	8
Loss on sales of investment securities	—	171
Business structure improvement expenses	1,962	1,916
Total special losses	1,972	2,095
Income (loss) before income taxes and minority interests	(20,257)	(13,192)
Income taxes	(97)	1,083
Minority interests in income (loss) of consolidated subsidiaries	39	(7)
Net income (loss)	(20,199)	(14,268)

5.3 Consolidated Statements of Cash Flows

Nine Months Ended December 31, 2009

(In millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(19,282)	(52,879)
Depreciation and amortization	44,357	38,485
Amortization of long-term prepaid expenses	3,819	3,866
Impairment loss	—	146
Increase (decrease) in accrued retirement benefits	2,498	4,626
Increase (decrease) in provision for contingent loss	—	610
Interest income	(1,375)	(203)
Interest expenses	103	369
Loss (gain) on sales and valuation of investment securities	(97)	177
Loss (gain) on sales of property, plant and equipment	(1,049)	(345)
Loss on disposal of long-term assets	1,418	1,955
Business structure improvement expenses	1,962	3,035
Decrease (increase) in notes and accounts receivable-trade	13,093	(15,953)
Decrease (increase) in inventories	(10,042)	5,403
Decrease (increase) in accounts receivable-other	9,094	(144)
Increase (decrease) in notes and accounts payable-trade	1,626	18,002
Increase (decrease) in accounts payable-other and accrued expenses	(9,598)	(4,806)
Increase (decrease) in accrued consumption taxes	(1,537)	1,653
Other, net	(2,284)	(3,335)
Subtotal	32,706	662
Interest and dividends received	1,387	232
Interest paid	(103)	(370)
Income taxes paid	(2,860)	(697)
Payments for extra retirement benefits	(2,313)	(582)
Payments for loss on litigation and others	(270)	—
Net cash provided by (used in) operating activities	28,547	(755)

(In millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(30,681)	(33,957)
Proceeds from sales of property, plant and equipment	4,690	3,114
Purchase of intangible assets	(2,580)	(1,390)
Purchase of long-term prepaid expenses	(1,057)	(1,246)
Proceeds from sales of investment securities	—	1,229
Other, net	(922)	(609)
Net cash provided by (used in) investing activities	(30,550)	(32,859)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(4)	1,323
Proceeds from long-term borrowings	—	15,000
Repayment of long-term borrowings	(604)	(278)
Purchase of treasury stock	(1)	—
Repayments of finance lease obligations	(106)	(1,561)
Repayments of installment payables	(2,148)	(2,349)
Proceeds from sale-and-leaseback transactions	—	15,992
Net cash provided by (used in) financing activities	(2,863)	28,127
Effect of exchange rate change on cash and cash equivalents	(4,110)	(226)
Net increase (decrease) in cash and cash equivalents	(8,976)	(5,713)
Cash and cash equivalents at the beginning of the period	165,472	101,279
Cash and cash equivalents at the end of the period	156,496	95,566

5.4 Notes on Assumption for Going Concern

None

5.5 Segment Information

[Business Segment Information]

The operating segment of NEC Electronics Group is focused on only the semiconductor business centering on System LSI. The information by business segment is thereby omitted.

[Geographical Segment Information]

Three months ended December 31, 2008

(In millions of yen)

	Japan	Asisa	Europe	North America	Total	Eliminations/ Corporate	Consolidated total
Sales							
(1)Sales to third partis	80,798	26,353	13,203	8,157	128,511	—	128,511
(2)Inter-segment sales and transfers	40,434	10,351	122	2,344	53,251	(53,251)	—
Total sales	121,232	36,704	13,325	10,501	181,762	(53,251)	128,511
Operating income (loss)	12,823	195	(485)	(1,834)	10,699	(26,712)	(16,013)

Three months ended December 31, 2009

(In millions of yen)

	Japan	Asisa	Europe	North America	Total	Eliminations/ Corporate	Consolidated total
Sales							
(1)Sales to third partis	64,068	29,274	16,020	8,511	117,873	—	117,873
(2)Inter-segment sales and transfers	38,140	12,625	48	3,439	54,252	(54,252)	—
Total sales	102,208	41,899	16,068	11,950	172,125	(54,252)	117,873
Operating income (loss)	8,694	2,507	167	(274)	11,094	(20,423)	(9,329)

Nine months ended December 31, 2008

(In millions of yen)

	Japan	Asisa	Europe	North America	Total	Eliminations/ Corporate	Consolidated total
Sales							
(1)Sales to third partis	257,804	114,483	60,306	32,157	464,750	—	464,750
(2)Inter-segment sales and transfers	150,132	39,408	372	9,808	199,720	(199,720)	—
Total sales	407,936	153,891	60,678	41,965	664,470	(199,720)	464,750
Operating income (loss)	66,469	5,402	694	(2,492)	70,073	(83,432)	(13,359)

Nine months ended December 31, 2009

(In millions of yen)

	Japan	Asisa	Europe	North America	Total	Eliminations/ Corporate	Consolidated total
Sales							
(1)Sales to third partis	185,332	87,526	45,099	21,261	339,218	—	339,218
(2)Inter-segment sales and transfers	109,209	32,014	195	9,026	150,444	(150,444)	—
Total sales	294,541	119,540	45,294	30,287	489,662	(150,444)	339,218
Operating income (loss)	20,183	4,617	(24)	(2,203)	22,573	(68,812)	(46,239)

Notes

- Countries and regions are segmented based on their geographical proximity.
- Major countries and regions other than Japan are as follows:
 - Asia: China, Indonesia, Malaysia, Republic of Korea, Republic of Singapore and Taiwan
 - Europe: England, Germany and Ireland
 - North America: The United States of America

[Overseas Sales]

Three months ended December 31, 2008

(In millions of yen)

	Asia	Europe	North America	Others	Total
I Overseas sales	29,769	11,417	5,419	361	46,966
II Consolidated sales	—	—	—	—	128,511
III Percentage of overseas sales to consolidated sales (%)	23.1	8.9	4.2	0.3	36.5

Three months ended December 31, 2009

(In millions of yen)

	Asia	Europe	North America	Others	Total
I Overseas sales	34,222	13,354	5,640	349	53,565
II Consolidated sales	—	—	—	—	117,873
III Percentage of overseas sales to consolidated sales (%)	29.0	11.3	4.8	0.3	45.4

Nine months ended December 31, 2008

(In millions of yen)

	Asia	Europe	North America	Others	Total
I Overseas sales	124,239	53,929	21,466	1,706	201,340
II Consolidated sales	—	—	—	—	464,750
III Percentage of overseas sales to consolidated sales (%)	26.7	11.6	4.6	0.4	43.3

Nine months ended December 31, 2009

(In millions of yen)

	Asia	Europe	North America	Others	Total
I Overseas sales	97,620	38,416	14,532	1,233	151,801
II Consolidated sales	—	—	—	—	339,218
III Percentage of overseas sales to consolidated sales (%)	28.8	11.3	4.3	0.4	44.8

Notes

1. Countries and regions are segmented based on their geographical proximity.
2. Major countries and regions other than Japan are as follows:
 - (1) Asia: China, Republic of Singapore, Taiwan and others
 - (2) Europe: Germany, England, France and others
 - (3) North America: The United States of America and Canada
3. Overseas sales represent sales of NEC Electronics and its consolidated subsidiaries outside of Japan.

5.6 Notes on Significant changes in NEC Electronics' Corp. Shareholders' Equity

None

Reference: Summary of Consolidated Financial Results

Nine months ended December 31, 2009

	Nine months ended December 31, 2008		Nine months ended December 31, 2009		Increase (Decrease)	
	Billion Yen	% of Net Sales	Billion Yen	% of Net Sales	Billion Yen	% Change
Net sales	464.8	100.0	339.2	100.0	(125.5)	(27.0)
Sales from semiconductors	444.9		325.8		(119.0)	(26.8)
Operating income (loss)	(13.4)	(2.9)	(46.2)	(13.6)	(32.9)	---
Ordinary income (loss)	(18.4)	(4.0)	(49.1)	(14.5)	(30.7)	---
Net income (loss)	(21.0)	(4.5)	(54.1)	(15.9)	(33.0)	---
Net income (loss) per share	Yen (170.37)		Yen (437.85)		Yen (267.48)	% Change ---
Capital expenditures	39.4		24.1		(15.4)	(39.0)
Depreciation and others	48.2		42.4		(5.8)	(12.1)
R&D expenses	83.4		68.8		(14.6)	(17.5)
Exchange rate (USD)	Yen 104		Yen 95			
Exchange rate (Euro)	154		133			

Three months ended December 31, 2009

	Three months ended December 31, 2008		Three months ended December 31, 2009		Increase (Decrease)	
	Billion Yen	% of Net Sales	Billion Yen	% of Net Sales	Billion Yen	% Change
Net sales	128.5	100.0	117.9	100.0	(10.6)	(8.3)
Sales from semiconductors	123.8		113.1		(10.7)	(8.6)
Operating income (loss)	(16.0)	(12.5)	(9.3)	(7.9)	6.7	---
Ordinary income (loss)	(18.8)	(14.6)	(11.3)	(9.6)	7.5	---
Net income (loss)	(20.2)	(15.7)	(14.3)	(12.1)	5.9	---
Net income (loss) per share	Yen (163.56)		Yen (115.53)		Yen 48.03	% Change ---

	Billion Yen	Billion Yen	Billion Yen	% Change
Capital expenditures	11.4	6.3	(5.1)	(45.0)
Depreciation and others	16.6	14.6	(2.0)	(12.3)
R&D expenses	26.7	20.4	(6.3)	(23.5)
Exchange rate (USD)	Yen 101	Yen 90		
Exchange rate (Euro)	137	133		

	March 31, 2009	December 31, 2009	Increase (Decrease)		December 31, 2008
	Billion Yen	Billion Yen	Billion Yen	% Change	Billion Yen
Total assets	488.2	469.9	(18.3)	(3.8)	588.2
Net assets	194.7	138.0	(56.7)	(29.1)	258.3
Equity ratio	39.0%	28.5%	(10.5)	---	43.0
Interest-bearing debt	111.3	141.8	30.5	27.4	111.2

	Persons	Persons	Persons	% Change	Persons
Number of employees	22,476	22,211	(265)	(1.2)	23,184

Notes

1. All figures are rounded to the nearest 100 million yen.
2. The quarterly review by the external auditor for financial information in this fiscal result is not completed. After release of the financial result, subsequent event or quarterly review by the external auditor could change financial information. In such a case, corrected information will be promptly press released.
3. Capital expenditures refer to the cost of additions to property, plant and equipment (excluding software).
4. Depreciation and others includes depreciation and amortization, and amortization of long-term prepaid expense.

Net Sales by Market Application

Three months ended December 31, 2009

	Three Months Ended December 31, 2008		Three Months Ended December 31, 2009		Increase (Decrease)	
	Million Yen	% of Total	Million Yen	% of Total	Million Yen	% Change
Communications	15,520	12.1	11,256	9.5	(4,264)	(27.5)
Computing and peripherals	17,144	13.3	15,775	13.5	(1,369)	(8.0)
Consumer electronics	32,301	25.1	16,910	14.3	(15,391)	(47.6)
Automotive and industrial	20,447	15.9	26,831	22.8	6,384	31.2
Multi-market ICs	15,929	12.5	18,022	15.3	2,093	13.1
Discrete, optical, and microwave devices	22,498	17.5	24,338	20.6	1,840	8.2
Semiconductor total	123,839	96.4	113,132	96.0	(10,707)	(8.6)
Other	4,672	3.6	4,741	4.0	69	1.5
Total	128,511	100.0	117,873	100.0	(10,638)	(8.3)

Nine months ended December 31, 2009

	Nine Months Ended December 31, 2008		Nine Months Ended December 31, 2009		Increase (Decrease)	
	Million Yen	% of Total	Million Yen	% of Total	Million Yen	% Change
Communications	48,351	10.4	39,354	11.6	(8,997)	(18.6)
Computing and peripherals	78,077	16.8	46,135	13.6	(31,942)	(40.9)
Consumer electronics	97,120	20.9	62,604	18.5	(34,516)	(35.5)
Automotive and industrial	79,497	17.1	65,703	19.4	(13,794)	(17.4)
Multi-market ICs	60,374	13.0	46,877	13.8	(13,497)	(22.4)
Discrete, optical, and microwave devices	81,432	17.5	65,159	19.2	(16,273)	(20.0)
Semiconductor total	444,851	95.7	325,832	96.1	(119,019)	(26.8)
Other	19,899	4.3	13,386	3.9	(6,513)	(32.7)
Total	464,750	100.0	339,218	100.0	(125,532)	(27.0)

Net Sales by Platform

In addition to reporting sales by market application, NEC Electronics also reports sales by platform.

Three months ended December 31, 2009

	Three Months Ended December 31, 2008		Three Months Ended December 31, 2009		Increase (Decrease)	
	Million Yen	% of Total	Million Yen	% of Total	Million Yen	% Change
SoC platform	56,250	43.8	35,254	29.9	(20,996)	(37.3)
MCU platform	31,570	24.6	41,204	35.0	9,634	30.5
Discrete and IC	36,019	28.0	36,674	31.1	655	1.8
Semiconductor total	123,839	96.4	113,132	96.0	(10,707)	(8.6)
Other	4,672	3.6	4,741	4.0	69	1.5
Total	128,511	100.0	117,873	100.0	(10,638)	(8.3)

Nine months ended December 31, 2009

	Nine Months Ended December 31, 2008		Nine Months Ended December 31, 2009		Increase (Decrease)	
	Million Yen	% of Total	Million Yen	% of Total	Million Yen	% Change
SoC platform	185,156	39.8	118,300	34.9	(66,856)	(36.1)
MCU platform	121,880	26.2	105,386	31.1	(16,494)	(13.5)
Discrete and IC	137,815	29.7	102,146	30.1	(35,669)	(25.9)
Semiconductor total	444,851	95.7	325,832	96.1	(119,019)	(26.8)
Other	19,899	4.3	13,386	3.9	(6,513)	(32.7)
Total	464,750	100.0	339,218	100.0	(125,532)	(27.0)

Notes

System-on-Chip (SoC) Platform: application specific integrated circuits (ASIC), application specific standard products (ASSP),
memory

Microcomputer (MCU) Platform: microcontrollers, car audio controllers

Discrete and IC: display drivers, analog ICs, discrete, optical and microwave devices

Forward-Looking Statements

The statements in this press release with respect to the plans, strategies and financial outlook of NEC Electronics and its consolidated subsidiaries (collectively "NEC Electronics") are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results may differ materially from such forward-looking statements due to several important factors including, but not limited to, general economic conditions in our markets, which are primarily Japan, North America, Asia, and Europe; demand for, and competitive pricing pressure on, products and services in the marketplace; ability to continue to win acceptance of products and services in these highly competitive markets; and fluctuations in currency exchange rates, particularly between the yen and the U.S. dollar. Among other factors, downturn of the world economy; deteriorating financial conditions in world markets, or deterioration in domestic and overseas stock markets, may cause actual results to differ from the projected results forecast.

About NEC Electronics

NEC Electronics Corporation (TSE: 6723) specializes in semiconductor products encompassing advanced technology solutions for the high-end computing and broadband networking markets, system solutions for the mobile handsets, PC peripherals, automotive and digital consumer markets, and multi-market solutions for a wide range of customer applications. NEC Electronics Corporation has subsidiaries worldwide including NEC Electronics America, Inc. (www.am.necel.com) and NEC Electronics (Europe) GmbH (www.eu.necel.com). For additional information about NEC Electronics worldwide, visit www.necel.com.

###