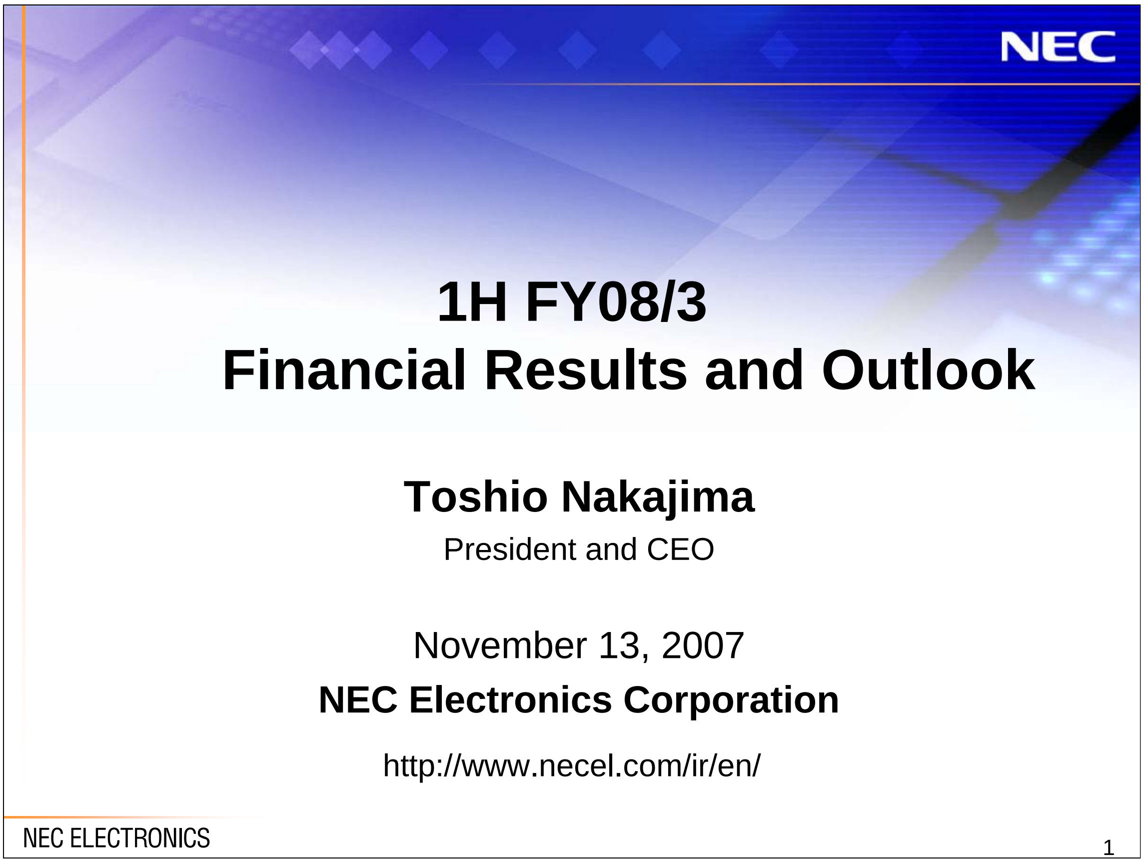

Thank you for joining NEC Electronics' webcast.

Before we begin, please be sure to review the cautionary statements shown on the last slide of the presentation.

Agenda

NEC

I. 1H FY08/3 Financial Results

✓Sales and profits exceeded the original forecasts announced on May 14, 2007

✓Recovered operating income mainly by diligent fixed cost reduction

II. FY08/3 Full-Year Forecasts

✓The full-year forecasts remain unchanged, due to uncertain market conditions in Q4.

✓Committed to secure profits on an operating basis for 2H, and aim for further improvement in financial performance.

III. Measures to Improve Performance

✓Continue to implement new management policies announced on February 22, 2007

NEC ELECTRONICS 2

Slide 2 provides an overview of the points we will discuss today.

First, sales and profits exceeded the original forecasts announced, and notably, we recorded profits on an operating basis.

Second, although the first half results were positive, we did not change the full-year forecasts because of uncertain market conditions, especially in the fourth quarter.

And third, I would like to report progress toward the new management policies announced in February.

NEC

I. 1H FY08/3 Financial Results

II. FY08/3 Full-Year Forecasts

III. Measures to Improve Performance

NEC ELECTRONICS

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Let us first look at the financial results for the first half of the fiscal year, shown on slide 4.

Financial Snapshot

NEC

(B Yen)	FY08/3				
	Q1, June 30	Q2, Sept. 30	1H, Sept. 30		
	Actual	Actual	Actual	YoY	HoH
Net Sales	173.6	177.4	351.0	+8.0	+1.7
Semiconductor Sales	165.0	169.1	334.1	+6.3	+2.2
Operating Income (Loss)	-2.2	4.1	1.9	+8.8	+23.5
Income (Loss) Before Income Taxes	0.4	1.4	1.8	+7.4	+31.6
Net Income (Loss)	-1.3	-1.7	-3.0	+4.4	+31.1
Free Cash Flows	-5.9	16.2	10.3	-3.2	+35.5
D/E Ratio	0.50	-	0.51	-	-
Shareholders' Equity Ratio	39%	-	38%	-	-
Exchange Rates	US$1 = 119 yen 1 Euro = 160 yen	US$1 = 120 yen 1 Euro = 164 yen	US$1 = 120 yen 1 Euro = 162 yen	US$ 4 yen weaker Euro 17 yen weaker	US$ 1 yen weaker Euro 8 yen weaker

Note: NEC Electronics' consolidated information is in accordance with U.S.GAAP. However, the figure for operating income (loss) shown above represents net sales minus the cost of sales, research and development expenses, and selling, general, and administrative expenses.

NEC ELECTRONICS

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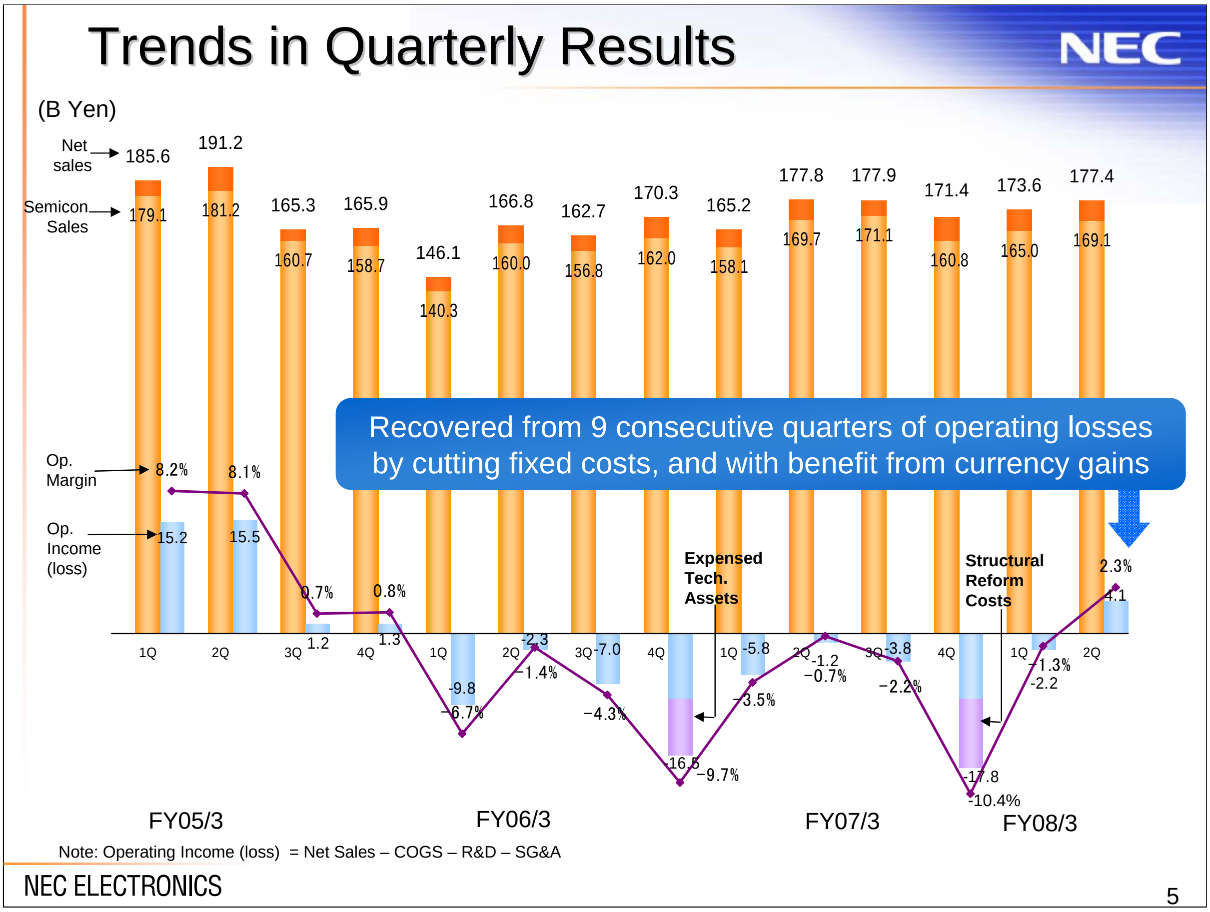
Net sales for the first half of the fiscal year were 351 billion yen, a 2 percent increase year on year.

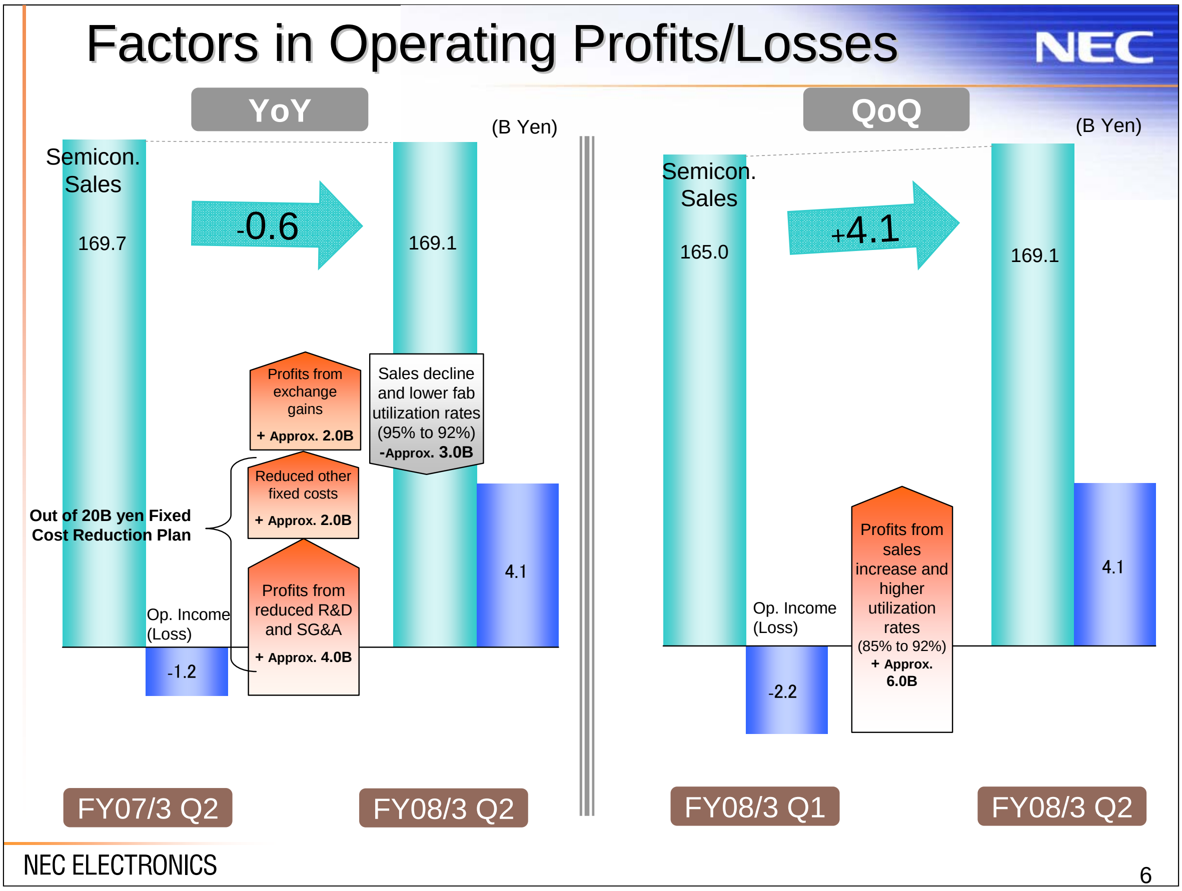
Semiconductor sales also showed 2 percent growth year on year, amounting to 334.1 billion yen. Operating income was 1.9 billion yen, an 8.8 billion yen improvement year on year.

Income before income taxes was 1.8 billion yen, but there was a net loss of 3 billion yen, mainly due to taxes on income at subsidiaries outside of Japan.



Slide 5 shows trends in quarterly sales.

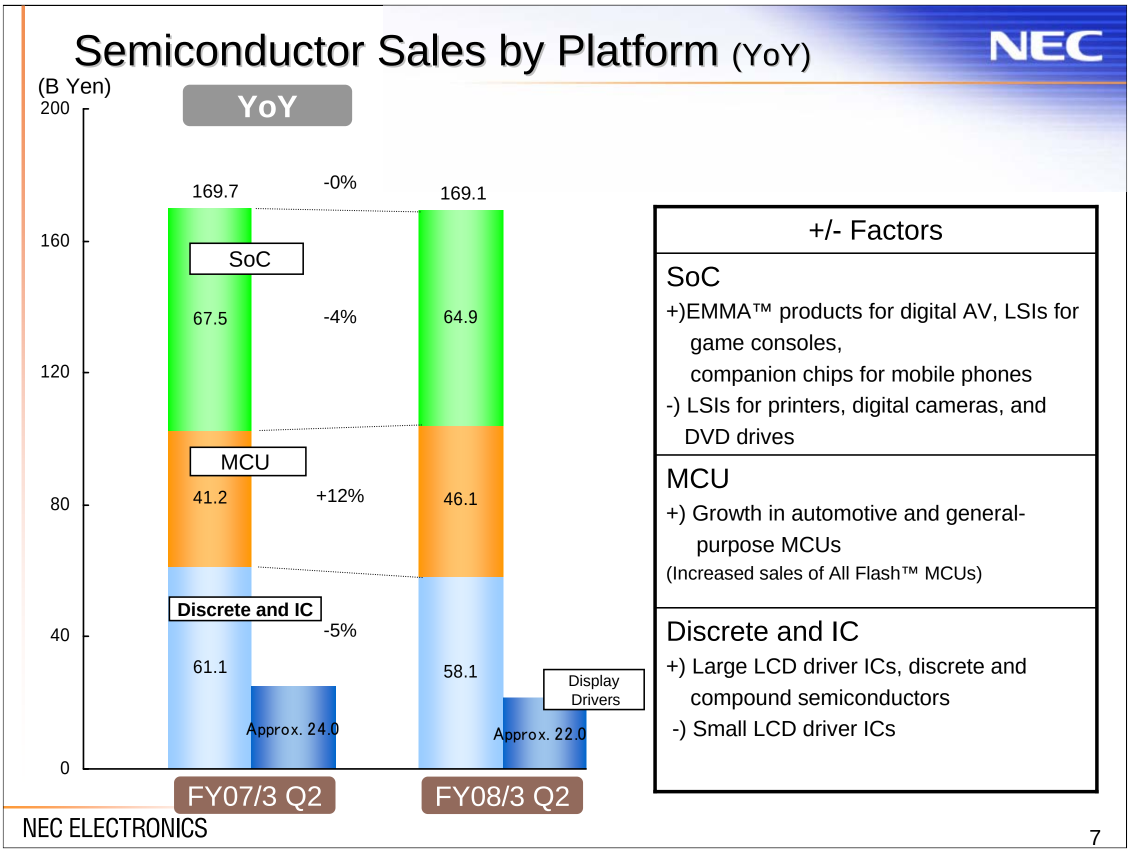
We achieved profits on an operating basis for the second quarter by reducing fixed costs.



Slide 6 shows year-on-year and quarter-on-quarter comparisons of operating profits for the second quarter.

Year on year, there were reductions in costs such as R&D expenses.

Quarter on quarter, there was an increase in sales and production, and the suppression of fixed costs contributed to improved profit levels. As a result, operating income for the second quarter was positive.

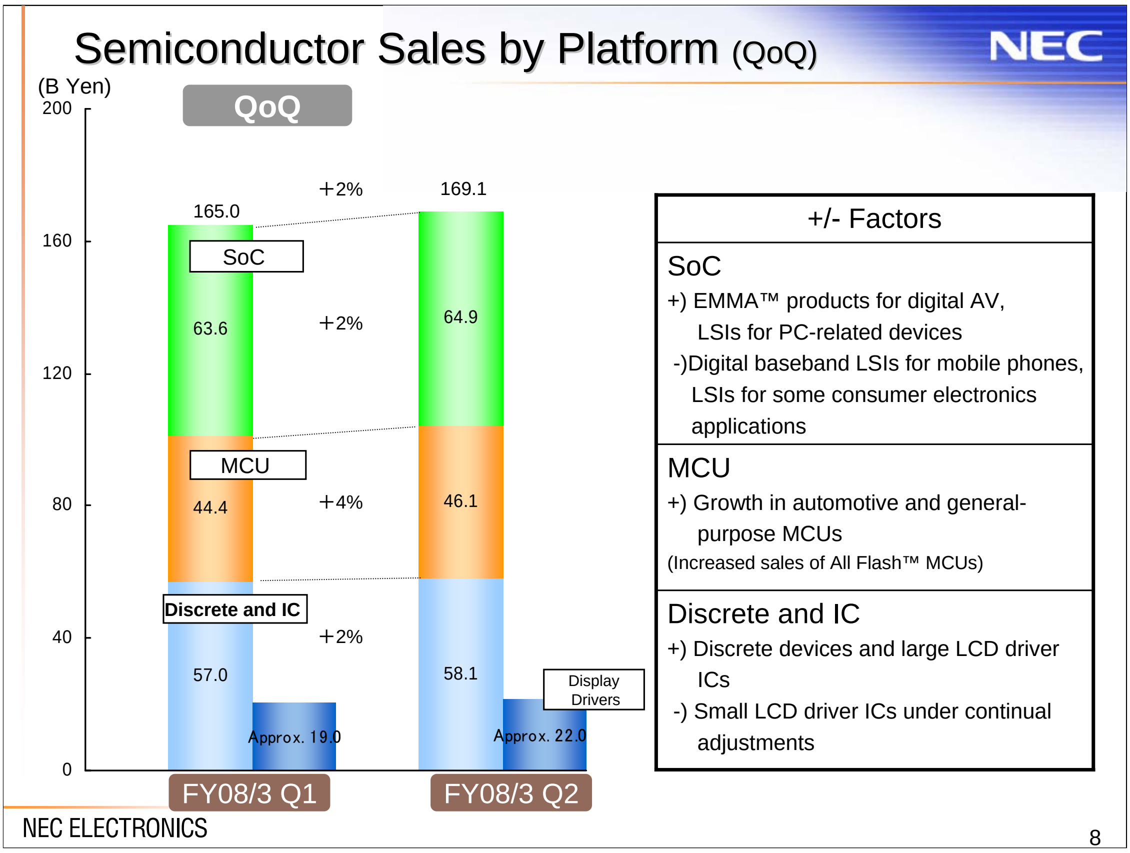


The next slide shows a year-on-year comparison of second quarter semiconductor sales, according to platform.

The SoC (system-on-chip) platform showed a strong increase in sales of EMMA products for digital AV applications such as digital televisions and DVD-related devices. On the other hand, sales of LSIs for printers and digital cameras declined, mainly due to a transition toward newer models.

In MCU, expanding sales of body-related products in the automotive market, and an increase in sales of general-purpose All Flash microcontrollers, led to a double-digit increase in overall MCU platform sales.

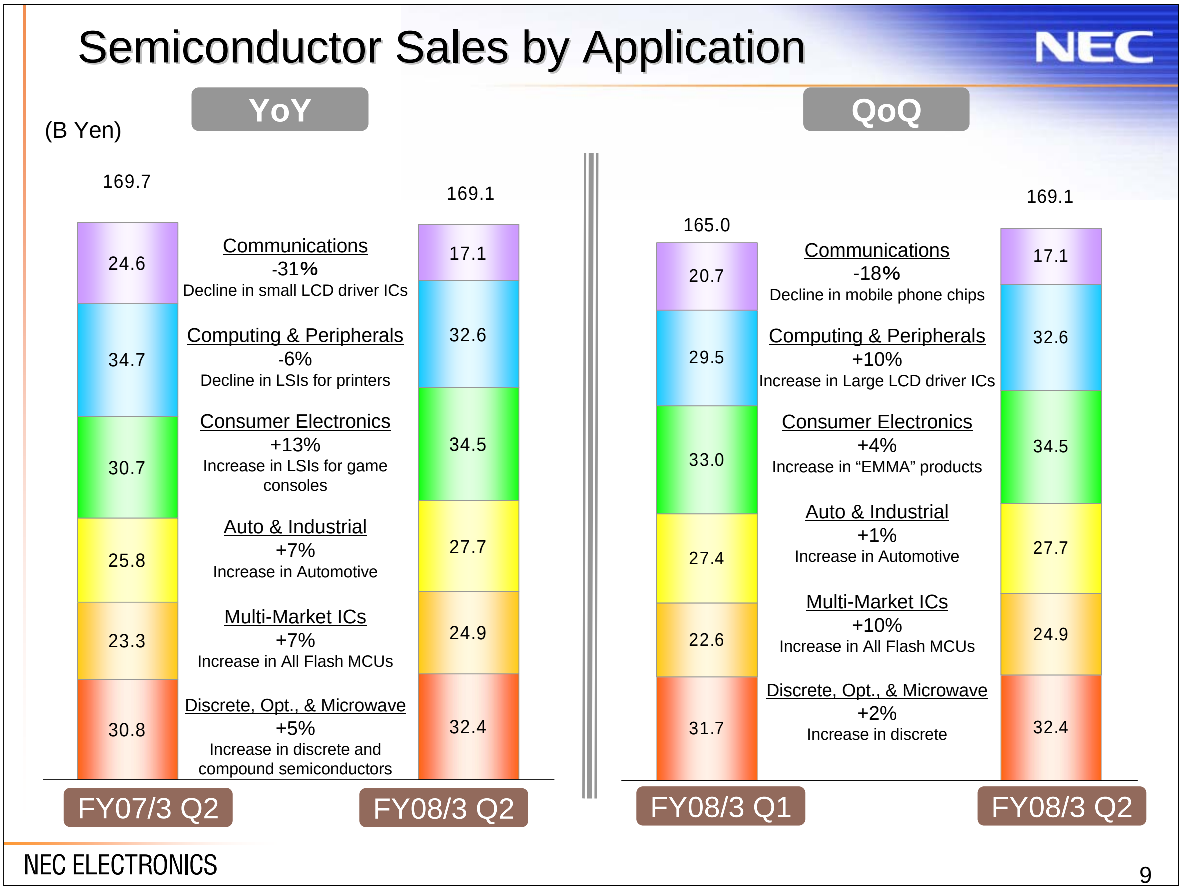
In Discrete and IC, although large LCD driver ICs recorded the highest sales ever, the small LCD driver IC business saw a large decrease in sales.



Slide 8 shows a quarter-on-quarter comparison of semiconductor sales by platform.

All three platforms showed an increase in sales, resulting in an overall 2 percent growth.

In particular, EMMA products for digital AV, All Flash microcontrollers, and LCD driver ICs for large panels contributed to the sales increase.



The next slide shows second quarter sales by application.

Second quarter sales for the Communications area declined both year on year and quarter on quarter, but products such as semiconductors for consumer electronics and automotive applications, as well as the Multi-Market ICs area, showed healthy growth.

Balance Sheet

(B Yen)		Sept. 30, 2006	Mar. 31, 2007	Sept. 30, 2007
	Cash and Cash Equivalents	222.0	185.4	191.4
	Accounts Receivable	116.7	99.5	100.3
	Inventories	80.3	79.2	80.2
	PP&E	308.6	296.2	282.5
	Other Assets	49.4	35.6	33.6
Total Assets		777.0	695.9	687.9
	Accounts Payable	169.2	132.5	130.0
	Debt Payable	146.0	136.0	132.9
	Other Liabilities	159.5	157.5	158.7
Liabilities		474.8	426.0	421.6
Minority Shareholders' Equity		4.2	4.8	5.3
Shareholders' Equity		298.0	265.1	261.1
Liabilities and Shareholders' Equity		777.0	695.9	687.9

D/E Ratio (Gross)	0.49	0.51	0.51
Equity Ratio	38%	38%	38%

References

Deferred Tax Assets	11.8	10.7	11.2
Deferred Tax Liabilities	10.8	10.9	13.7

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Slide 10 shows the balance sheet.

Total assets at the end of September were 687.9 billion yen, an 8.0 billion yen decrease from the end of March.

Shareholders' equity was 261.1 billion yen, a decrease of 4.0 billion yen from the end of March.

The debt to equity ratio (D/E ratio) was 0.51, and the equity ratio was 38 percent._Both remain at the same levels as at the end of March.

Cash Flows

NEC

(B Yen)	FY07/3 1H	FY08/3 1Q	FY08/3 2Q	FY08/3 1H
Cash Flows from Operating Activities	34.6	1.5	27.7	29.1
Cash Flows from Investing Activities	-21.1	-7.3	-11.5	-18.8
Free Cash Flows	13.4	-5.9	16.2	10.3

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Slide 11 shows cash flows.

Cash flows from operating activities for the first half were 29.1 billion yen.

Cash flows from investing activities were negative 18.8 billion yen. Despite gains from the transfer of the photomask business and assets, there was payment for purchasing property, plant and equipment.

Free cash flows for the first half of the fiscal year were 10.3 billion yen.

I. 1H FY08/3 Financial Results

II. FY08/3 Full-Year Forecasts

III. Measures to Improve Performance

NEC ELECTRONICS 12

Next, we will discuss the full-year financial forecasts for the fiscal year ending March 31, 2008.

FY08/3 Full-Year Forecasts

NEC

The full-year forecasts remain unchanged, due to uncertain market conditions in Q4, however, we are committed to securing operating profits in 2H as well, and aim for further improvements in financial performance

(B Yen)	FY07/3 Full-Year Actual	FY08/3 1H Original Forecasts (as of May 14)	FY08/3 1H Actual	FY08/3 1H Difference	FY08/3 Full-Year Original Forecasts (as of May 14)	FY08/3 Full-Year Forecasts (as of Nov. 13)	FY08/3 Full-Year Difference
Net Sales	692.3	335.0	351.0	+16.0	690.0	690.0	0
Semiconductor Sales	659.6	325.0	334.1	+9.1	670.0	670.0	0
Operating Income (Loss)	-28.6	-5.0	1.9	+6.9	0	0	0
Income (Loss) Before Income Taxes	-35.4	-12.0	1.8	+13.8	-10.0	-10.0	0
Net Income (Loss)	-41.5	-15.0	-3.0	+12.0	-15.0	-15.0	0

Exchange Rates

US$1=	117 yen	115 yen	120 yen	5 yen weaker	115 yen	2H 115 yen	
Euro1=	149 yen	150 yen	162 yen	12 yen weaker	150 yen	2H 155 yen	

Note 1: Operating Income (Loss) = Net Sales – COGS – R&D – SG&A.
Note 2: Forecasts as of November 13, 2007.

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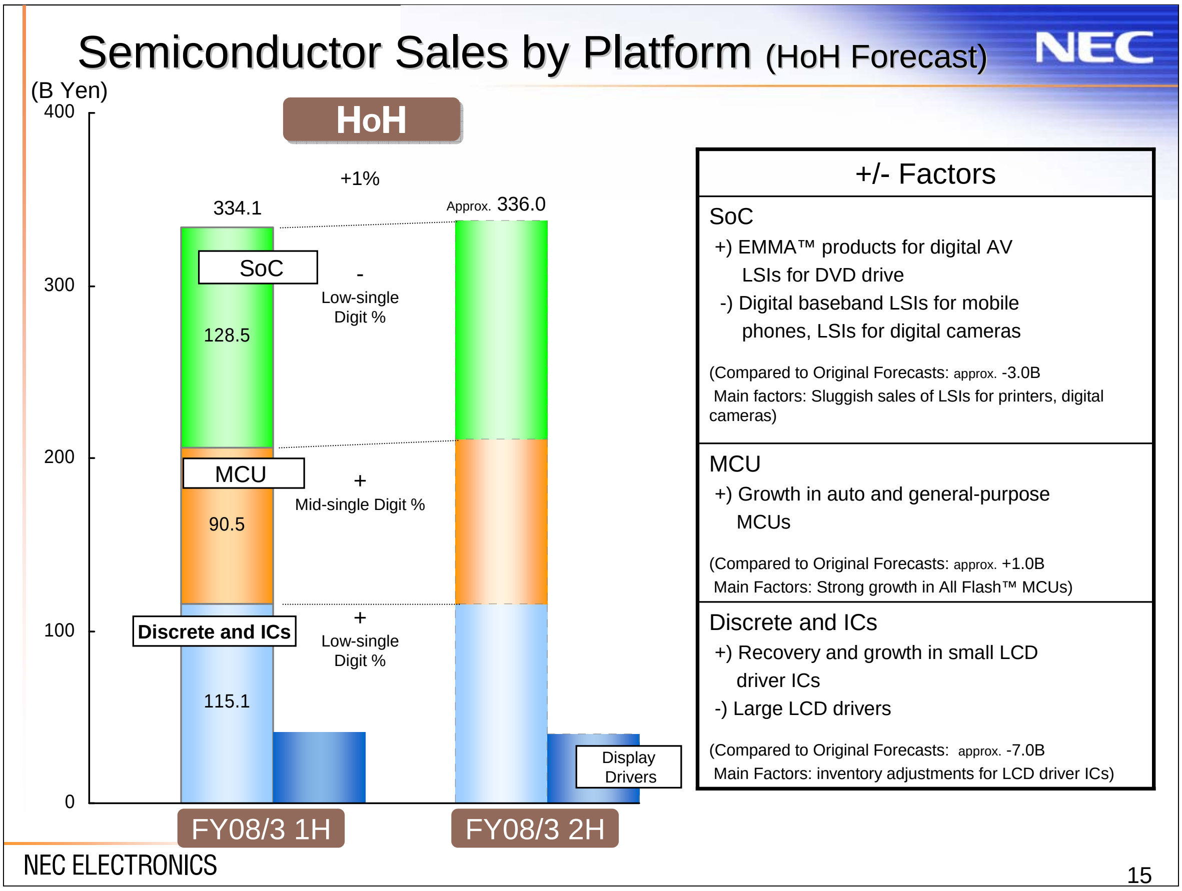
As we have discussed earlier in the presentation, results for the first half exceeded our initial expectations. However, due to uncertain market conditions, particularly in the fourth quarter, we did not change the full-year forecasts.

For the second half, we are committed to achieving operating profits and to further improving our financial performance.

Slide 14 shows monthly trends in orders.

Orders for general-purpose products, which tend to move in sync with semiconductor market trends, showed steady growth. However, there are factors affecting orders of LCD driver ICs and LSIs for mobile handsets.

Considering these factors, we are careful in assessing our business conditions.

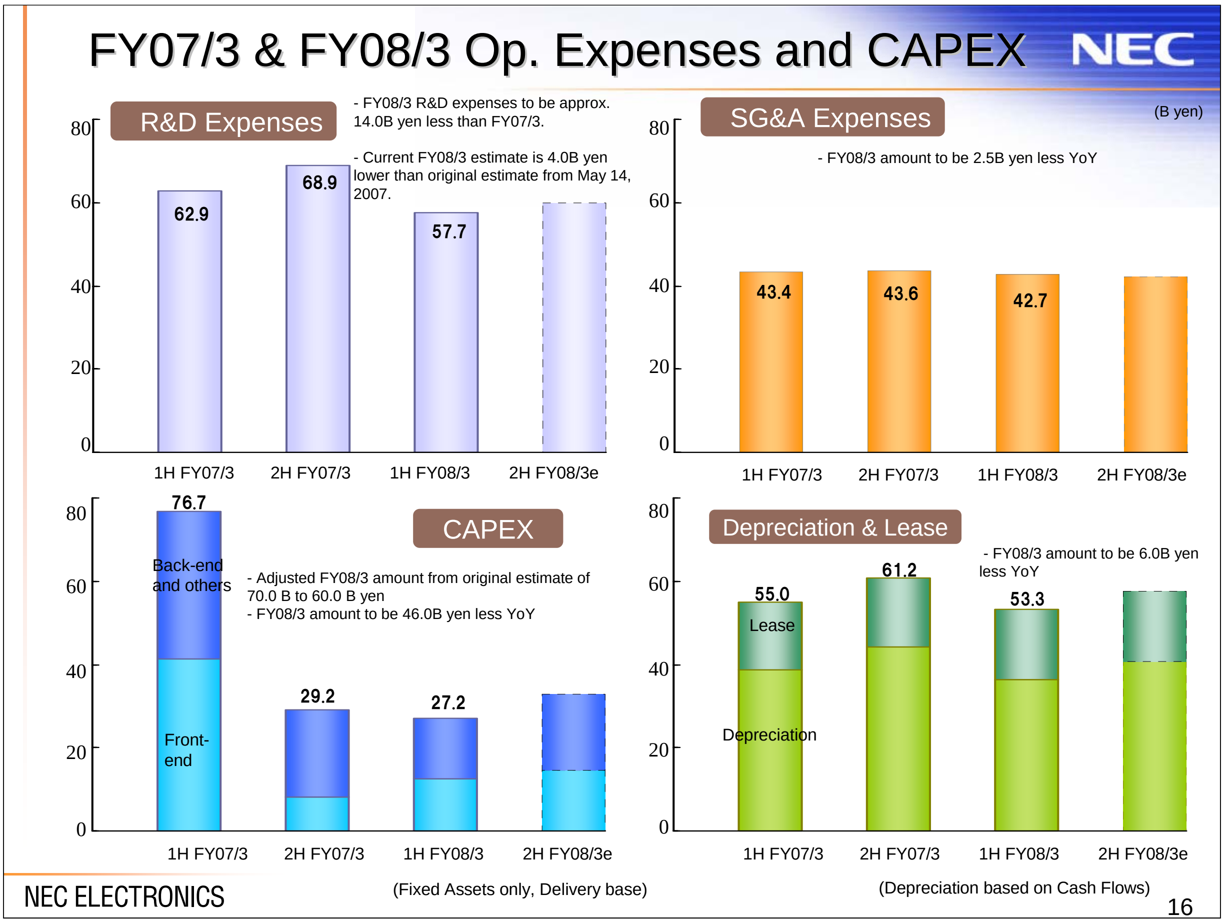


Slide 15 shows forecasts for the second half semiconductor sales by platform, compared to the first half results.

In SoC, EMMA products for digital AV show strong momentum, and LSIs for DVD drives are expected to grow. However, digital baseband LSIs for mobile handsets are expected to decline.

In MCU, we expect both automotive and general-purpose microcontrollers to grow steadily.

In Discrete and IC, LCD driver ICs for small panels are expected to recover, but for large panels we expect to see a decline in the second half of the fiscal year.



Slide 16 shows operating expenses and CAPEX in the fiscal years 2007 and 2008.

First, R&D expenses for this fiscal year are expected to decrease by approximately 14 billion yen compared to the last fiscal year. We will cut R&D expenses by approximately 4 billion yen from the original estimates announced on May 14, 2007.

Second, CAPEX for this fiscal year is expected to be 60 billion yen, an additional 10 billion yen reduction from the original estimate of 70 billion yen.

These reductions in expenses are a part of fixed cost reduction measures, in which we aim to cut 20 billion yen in fixed costs compared to the last fiscal year.

We will implement these measures diligently and strive to improve cost efficiency. Moreover, we continue to review additional measures to cut costs further.

Non-Operating Income/Loss

NEC

Book Structural Reform Costs mainly in 2H

(B Yen)	FY07/3 Full-year	FY08/3								
		1H			2H			Full-Year		
	Actual	Original Forecasts (As of May 14, 2007)	Actual	Difference	Original Forecasts (As of May 14, 2007)	Present Forecasts (As of Nov. 13, 2007)	Difference	Original Forecasts (as of May 14, 2007)	Present Forecasts (As of Nov. 13, 2007)	Difference
Non-OP. Income (Loss)	-6.8	-7.0	±0	+7.0	-3.0	Approx. -10.0	Approx. -7.0	-10.0	-10.0	0
Income		**Transfer of the photomask business and assets** •NEC Fabserve, a wholly-owned subsidiary, transferred its photomask business to Dai Nippon Printing Co., Ltd. in June, 2007								
Loss					**Closure of Indonesia Plant** •Test and Assembly utilizing through-hole packaging •Enter liquidation in Nov. 2007 **Costs related to Consolidation of manufacturing lines** •Loss from disposal or sale of fixed assets **Recording costs related to litigations** **Other Costs related Structural Reforms**					

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Note 1: Operating Income (Loss) = Net Sales – COGS – R&D – SG&A.
Note 2: Forecasts as of November 13, 2007.

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Slide 17 shows forecasts for non-operating income (loss) for the second half and full year.

We did not change our full-year forecasts, and we expect to record operating loss of 10 billion yen for the fiscal year.

The table shows the items of operating income (loss) that we expect to record for the fiscal year.

In the first quarter, there were profits from the transfer of the photomask business. In addition, some structural reform costs which were expected to be recorded in the first half were pushed into the second half. As a result, we expect to book larger non-operating expenses in the second half from the original estimates announced on May 14, 2007.

For the second half, we expect to book non-operating loss mainly from expenses involving the closure of the Indonesia plant, costs related to consolidation of manufacturing lines, litigation fees for antitrust lawsuits, and other additional structural reform costs.

I. 1H FY08/3 Financial Results

II. FY08/3 Full-Year Forecasts

III. Measures to Improve Performance

NEC ELECTRONICS

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Now I will discuss progress on implementing our new management policies on slide 19.

Progress of New Management Policies

NEC

(Announced on Feb. 22, 2007)

Executing New Management Policies

Items and Primary Measures			Status (as of Nov. 13, 2007)
Reallocate development resources		Reduce technology outsourcing costs roughly equivalent to 600 people	Completed
		Shift development equivalent to approx. 400 employees	Halfway Complete (Expect to complete all 400 by the end of the fiscal year)
Manufacturing		Reorganization and consolidation	Negotiating with Customers Shifting equipment and production underway
	Front-end	•Expand capacity at 8-inch lines in Kyushu and Kansai •Consolidate and shift to larger wafer production lines 8-inch line in Yamagata, 6-inch lines in Kansai and Kyushu	
	Back-end	Shifting production of some general-purpose products overseas	
Corporate Reorganization		Established 3 business units (SoC, Microcomputer, and Discrete and IC), and enhance profit management by business units	Reorganization complete; new business units operational
Reduce Fixed Costs for FY08/3		Reduce technology outsourcing, fixed production costs by limiting CAPEX etc, and other fixed costs including personnel costs	Underway Aim to reduce by 20B yen from FY07/3

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First, I would like to report our progress on items and primary measures announced on February 22.

Regarding reallocation of development resources, we are on schedule to reduce technology outsourcing costs and shifting development resources.

As for reorganization and consolidation of manufacturing lines, we are currently working with customers and have begun shifting equipment and production at some lines.

The corporate reorganization, in which we established three business units by product types in May, is beginning to show effects on profit management, where we begin to see improvements in investment efficiency and cost reductions.

We are implementing measures diligently to reduce fixed costs by 20 billion yen from the previous fiscal year, and we are reviewing additional ways to cut costs even further.

Advanced Process Technology Dev't and Mfg.

NEC

Accelerate development of fundamental process technology and focus on differentiated process technology

- 40nm Process Technology (NEC Electronics' next generation after 55nm)
  - Plan to begin mass production at NEC Yamagata from the end of FY09/3
- 32nm Process Technology
  - Development: Decide and announce strategy by the end of CY2007 (collaboration with strategic partners).
  - Manufacturing: In discussion

NEC ELECTRONICS 20

In the next few slides, I would like to discuss some of the key decisions we have reached in our business operations.

Slide 20 describes our plans for advanced process technologies.

NEC Electronics holds unique technologies that differentiate us from our competitors, such as embedded-DRAM, embedded-Flash logic, and high-reliability technologies. We will accelerate development by collaborating with partners to achieve significant savings in R&D expenses.

Following on our current 55 nanometer process technology, we plan to introduce a new 40 nanometer technology, which is based on the 45 nanometer joint development with Toshiba. This 40 nanometer technology is expected to be the next standard for low power consumption.

40 nanometer manufacturing will begin on the 300mm line at NEC Yamagata by the end of the next fiscal year ending March, 2009. Much of the equipment currently installed for 55 nanometer manufacturing can be applied to 40 nanometer manufacturing as well.

The first 40-nanometer product is expected to be an embedded-DRAM ASIC product. We will also utilize outside resources as needed.

For 32 nanometer <u>development</u>, we are close to finalizing plans with partner companies and decisions will be made by the end of the year. We will share our decisions as soon as plans are finalized.

We are also considering various options for 32 nanometer <u>manufacturing</u>.

Slide 21 describes our mobile handset business.

We have completed development of M2, a dual-mode platform, and it is in mass production.

M2 is unique in that it achieves low power consumption based on its logic design. We will focus on selling M2 chips for more design-ins both inside and outside of Japan, to capitalize on its unique features.

With the completion of the development of the M2 platform, we can reduce R&D expenses this fiscal year and next fiscal year, contributing to improvements in profitability in the mobile business from the next fiscal year.

Display Driver Business

NEC

Enhance competitiveness of this core business, which has a large share in the growing display driver market.

- In negotiations to establish strategic alliances.
  - ➢Maintain technological advantages
  - ➢In discussions to establish alliances with partners with production capabilities and strengthen NEC Electronics' market position

Help improve cost competitiveness by reducing wafer procurement costs

NEC ELECTRONICS 22

Next, I would like to discuss our display driver IC business.

NEC Electronics has the second largest share of the display driver market, and it is a core business where we expect to see market expansion, especially for large LCD panels.

Although profitability is not as strong as we would like, we believe our backlight control technology and high image quality are superior to rivals in Taiwan.

We plan to establish strategic alliances with partners with production capacities, and by leveraging our technological advantages, we aim to strengthen our position in the market.

Through alliances, we can cut future CAPEX for capacity expansion of driver IC production, and further improve cost competitiveness. We are currently in discussions concerning possible alliances.

Automotive Semiconductor Business

NEC

Entering Market for Car Navigation Applications

- Achieved world-leading performance of 1920MIPS utilizing ARM11 quad core parallel processing technology
- Sales target: 10B yen in 2010, 30B yen in 2015
- Mass Production: Begins in 2H FY09/3

Reinforcing Power MOSFET Business

- Establishing 8-inch dedicated line at NEC Kansai
- Mass production: Begins in 2H FY09/3
- Production Capacity: Max. approx. 10K wafers/month
- Estimated CAPEX: approx. 10B yen

NEC ELECTRONICS 23

On slide 23, I will discuss our core automotive semiconductor business.

First, we have entered the market for car navigation applications. We introduced the industry's most powerful product utilizing parallel processing technology. Mass production will begin in the latter half of next fiscal year, and we aim to achieve sales targets of 10 billion yen in 2010 and 30 billion yen in 2015.

Second, we are expanding capacity of the 8-inch line at NEC Kansai to strengthen the power MOSFET business, including automotive applications. We will expand capacity up to 10,000 wafers per month.

NEC

Notice Concerning the NEC Electronics' Shares Lifted from Grace Period for Delisting

As announced by the Tokyo Stock Exchange (TSE) on July 10, 2007, the ratio of the number of the company' shares held by the "special few" as of March 31, 2007, exceeded the TSE's previous listing criteria, and the company's shares were placed in a grace period for the purpose of delisting from April 1, 2007 to March 31, 2008.

According to the TSE, on November 1, 2007, NEC Electronics' shares were lifted from the grace period, no longer meeting the TSE's new criteria for delisting.

NEC ELECTRONICS 24

Before we close, I would like to briefly mention the company's listing status on the Tokyo Stock Exchange.

Please note that, as shown on slide 24, NEC Electronics' shares were lifted from the grace period for delisting on November 1, 2007.

Conclusions

NEC

- 1H financial results exceeded the original forecasts announced on May 14, 2007, and operating profits recovered
- We are committed to **securing operating profits in 2H**, and strive to improve financial performance further; however, **the full-year forecasts remain unchanged** due to uncertainties in Q4 market conditions.
- Improve development efficiency and establish strategic alliances with partners to sustain growth in FY09/3 and beyond

NEC ELECTRONICS

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In closing, although our results for the first half exceeded our original expectations and we recorded operating profits, we have not made changes to the full-year financial forecasts for the fiscal year ending March 2008, due to uncertain market conditions, particularly in the fourth quarter.

We are, however, committed to securing operating profits in the second half, and strive to improve financial performance further.

In addition, we will continue to implement the new management policies announced on February 22, and accelerate structural reforms by improving development efficiency and establishing strategic alliances with partners to sustain growth in the next fiscal year and beyond.

NEC

NEC Electronics Corporation

Cautionary Statements

The statements in this presentation with respect to the plans, strategies and forecasts of NEC Electronics and its consolidated subsidiaries (collectively "we") are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results could differ materially from such forward-looking statements due to several factors. The important factors that could cause actual results to differ materially from such statements include, but are 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, our products and services in the marketplace; our ability to continue to win acceptance of its products and services in these highly competitive markets; and movements in currency exchange rates, particularly the rate between the yen and the U.S. dollar. Among other factors, a worsening of the world economy; a worsening of financial conditions in the world markets, and a deterioration in the domestic and overseas stock markets, would cause actual results to differ from the projected results forecast.

NEC ELECTRONICS 26

Thank you very much for joining us today.