

2. Miscellaneous Forecasts for FY 2011

a. R&D Expenses

	Yen (Billions)		Yen (Billions)		Yen (Billions)
	FY 2010		FY 2011		Change vs. previous forecast*
	1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
	113.5	236.2	116.5	250.0	-
As % of sales	5.3%	5.2%	5.6%	5.5%	0.1%

b. Capital Expenditures and Depreciation

	Yen (Billions)		Yen (Billions)		Yen (Billions)
	FY 2010		FY 2011		Change vs. previous forecast*
	1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
Capital Expenditures					
Technology Solutions	Y 29.6	67.2	35.7	85.0	-
Ubiquitous Solutions	7.3	15.5	7.0	15.0	-
Device Solutions	18.6	39.4	22.1	55.0	-
Other/Corporate	3.5	8.0	0.3	5.0	-
Total	<u>59.2</u>	<u>130.2</u>	<u>65.3</u>	<u>160.0</u>	-
Depreciation	Y 69.8	141.6	64.3	140.0	-

c. Cash Flows

	Yen (Billions)		Yen (Billions)		Yen (Billions)
	FY 2010		FY 2011		Change vs. previous forecast*
	1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
(A) Cash flows from operating activities	Y 84.1	255.5	55.2	300.0	-
[Net income]	[19.0]	[55.0]	[5.7]	[60.0]	-
[Depreciation & goodwill amortization]	[109.5]	[223.3]	[102.1]	[220.0]	-
[Others]	[(44.4)]	[(22.9)]	[(52.6)]	[20.0]	-
(B) Cash flows from investing activities	(56.3)	(142.1)	(92.6)	(200.0)	-
(C) Free cash flow (A)+(B)	27.8	113.4	(37.4)	100.0	-
(D) Cash flows from financing activities	(124.9)	(166.9)	27.5	(110.0)	-
(E) Total (C)+(D)	Y <u>(97.0)</u>	<u>(53.5)</u>	<u>(9.9)</u>	<u>(10.0)</u>	-

Notes:

* Previous forecast as of July 28, 2011.

d. Exchange Rates

Average rates:

	Yen		Yen		Yen
	FY 2010		FY 2011		Change vs.
	1H	2H	1H	2H	previous
	(Actual)	(Actual)	(Actual)	(Forecast)	forecast*
U.S. dollar	89	82	80	77	-3
Euro	114	112	114	105	-5
British pound	135	131	129	120	-10

Reference information: A 1 yen fluctuation (depreciation/appreciation) is expected to have the following effect on operating income in 2H FY 2011.

U.S. dollar : Increase/decrease by approximately 0.6 billion yen.

Euro : Increase/decrease by approximately 0.2 billion yen.

British pound : Increase/decrease by approximately 0 billion yen.

e. PC Shipments

(Million Units)		(Million Units)		(Million Units)
FY 2010		FY 2011		Change vs.
1H	Full-year	1H	Full-year	previous
(Actual)	(Actual)	(Actual)	(Forecast)	forecast*
2.48	5.42	2.71	6.60	-

f. Mobile Phone Shipments

(Million Units)		(Million Units)		(Million Units)
FY 2010		FY 2011		Change vs.
1H	Full-year	1H	Full-year	previous
(Actual)	(Actual)	(Actual)	(Forecast)	forecast*
3.00	6.70	3.40	7.00	-

Notes:

* Previous forecast as of July 28, 2011.