

2. Miscellaneous Forecasts for FY 2012

a. R&D Expenses

	Yen (Billions)		Yen (Billions)		Yen (Billions)
	FY2011		FY2012		Change vs.
	1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	previous forecast*
	116.5	238.3	114.6	240.0	5.0
As % of sales	5.6%	5.3%	5.5%	5.4%	0.2%

b. Capital Expenditures and Depreciation

	Yen (Billions)		Yen (Billions)		Yen (Billions)
	FY2011		FY2012		Change vs.
	1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	previous forecast*
Capital Expenditures					
Technology Solutions	Y 35.7	73.4	29.1	85.0	-
Ubiquitous Solutions	7.0	15.6	7.0	15.0	-
Device Solutions	22.1	47.2	19.6	35.0	-
Other/Corporate	0.3	4.3	3.6	5.0	-
Total	<u>65.3</u>	<u>140.6</u>	<u>59.5</u>	<u>140.0</u>	-
Depreciation	Y 64.3	131.5	57.8	130.0	-

c. Cash Flows

	Yen (Billions)		Yen (Billions)		Yen (Billions)	
	FY2011		FY2012		Change vs.	
	1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	previous forecast*	
(A) Cash flows from operating activities	Y 55.2	240.0	60.2	150.0	-140.0	***
[Net income]	[5.7]	[42.7]	[-11.0]	[25.0]	-35.0	
[Depreciation & goodwill amortization**]	[102.1]	[209.5]	[95.4]	[210.0]	-	
[Others]	[-52.6]	[-12.2]	[-24.1]	[-85.0]	-105.0	
(B) Cash flows from investing activities	(92.6)	(190.8)	(77.7)	(190.0)	-	
(C) Free cash flow (A)+(B)	(37.4)	49.1	(17.5)	(40.0)	-140.0	
(D) Cash flows from financing activities	27.5	(138.9)	28.4	60.0	140.0	***
(E) Total (C)+(D)	Y (9.9)	(89.7)	10.8	20.0	-	

Notes:

* Previous forecast as of July 27, 2012.

** Depreciation & goodwill amortization include amortization of intangible assets.

*** Change vs previous forecast

Cash flows from operating activities : -140.0

[Contributing factors]

Special contribution to the pension fund of a UK subsidiary, expenditure related to the transfer of ownership of LSI assembly and test facilities and a decline in cash flow due to deterioration in earnings.

Cash flows from financing activities : 140.0

[Contributing factors]

Issuance of bonds and increase in borrowings

d. Exchange Rates

Average rate:

	(Yen)		(Yen)		(Yen)
	FY 2011		FY 2012		Change vs.
	1H (Actual)	2H (Actual)	1H (Actual)	2H (Forecast)	previous forecast*
U.S. dollar	80	78	79	77	-3
euro	114	104	101	100	-
British pound	129	123	126	125	-5

Reference information: A 1 yen fluctuation (depreciation/appreciation) is expected to have the following effect on operating income in 1H FY 2012.

U.S. dollar : Increase/decrease by approximately 0.2 billion yen.

euro : Increase/decrease by approximately 0 billion yen.

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

A 1 yen fluctuation (depreciation/appreciation) is expected to have the following effect on operating income in 2H FY 2012.

U.S. dollar : Increase/decrease by approximately 0.5 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)
	FY2011		FY2012		Change vs.
	1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	previous forecast*
	2.71	6.02	2.87	7.00	-

f. Mobile Phone Shipments

	(Million Units)		(Million Units)		(Million Units)
	FY2011		FY2012		Change vs.
	1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	previous forecast*
	3.40	8.00	3.80	8.00	-

Notes:

* Previous forecast as of July 27, 2012.