

**Main Q&A from the Conference Call on Feb. 22, 2006**  
**~ Expanding NEC Electronics' Automotive MCU Business ~**

**1. How much costs are involved in closing NEC Semiconductors Ireland's plant and how cost effective is the decision?**

- A. We will post costs in the amount of about 3 billion yen for this fiscal year ending March 2006, and another 2 billion yen for the next fiscal year. The full-year financial forecasts ending March 2006, announced on October 26<sup>th</sup> include the costs for this fiscal year. We expect to see cut-down in costs in the amount of about 1 billion yen per half-year, starting from the second half of next fiscal year.

**2. How much costs are involved in closing the 8-inch protocol line in Sagamihara and how cost effective is the decision?**

- A. We will post costs in the amount of about 1 billion yen for this fiscal year ending March 2006 and another 1 billion yen for the next fiscal year. The full-year forecasts ending March 2006, announced on October 26<sup>th</sup> include the costs for this fiscal year. We expect to see cut-down in costs in the amount 1.5 billion yen per half-year, starting from the first half of next fiscal year.

**3. How much costs are involved in establishing the new 8-inch line in the Roseville plant?**

- A. We will establish the new line at minimal cost by transferring manufacturing equipment from the existing Sagamihara pilot line; however, we may spend 10 billion yen or more in total to ramp up the line to 6,000 wafers per month by 2008.

**4. How does NEC Electronics achieve its target share of 20%? By increasing the number of customers or by expanding share within the existing customers?**

- A. We will increase the number of customers, but more effectively, we plan to expand our share within the existing customers. We are working closely with the industry leading companies and we believe we can provide improved services to the customers through the measures introduced today.

By application, we expect to see revenue growth especially in body-related microcontrollers, such as microcontrollers for power windows and wiper controls.