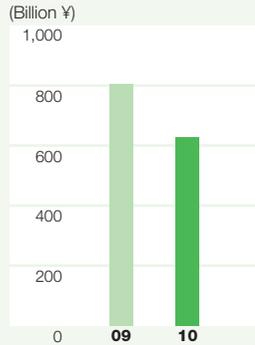
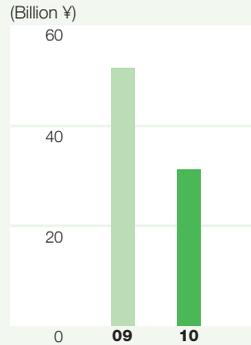


CARRIER NETWORK BUSINESS

SALES



OPERATING INCOME



Femtocell ultra-compact wireless base station designed for use in residential or small business environments



"PASOLINK" ultra-compact microwave communications system

FISCAL 2010 PERFORMANCE AND MAIN ACCOMPLISHMENTS

Business segment sales decreased 22% year on year to ¥627.4 billion. This was mainly due to the restrained investment by telecom carriers worldwide.

Operating income decreased ¥20.2 billion year on year to ¥31.3 billion, mainly reflecting the large drop in sales, despite fixed cost reductions.

Amid difficult market conditions, fiscal 2010 was marked by the emergence of some results from wireless broadband access businesses utilizing new technologies for which growth is anticipated going forward. In Japan, NEC began shipping 3.9G LTE*1 wireless base stations for NTT DOCOMO, Inc., and was selected as a vendor for the development and production by KDDI Corporation. In the overseas market, NEC also participated in trial projects with Telefónica S.A. of Spain and Singapore Telecommunications Limited.

Furthermore, UQ Communications Inc. of Japan and Tatung InfoComm Co., Ltd. of Taiwan have launched commercial services utilizing WiMAX systems which NEC delivered. In addition, SFR of France has begun commercial services using a femtocell solution provided by NEC.

In other areas, cumulative shipments of "PASOLINK," an ultra-compact microwave communications system, reached 1.44 million units, and NEC has secured the top share*2 of the global market in this field for three consecutive calendar years.

FOR FURTHER GROWTH

Investment in network infrastructure is expected to increase backed by the sharp increase in data traffic driven by the rapidly expanding market for smartphones and other data terminals. In the field of the wireless broadband access businesses including LTE, WiMAX and femtocell as the new service platforms for telecom carriers, NEC aims to expand its overseas business by leveraging its strong position in the Japanese market, which is ahead of the rest of the world.

In addition, NEC will focus on expanding the software and services business by strengthening collaboration with NetCracker Technology Corp., which was acquired in 2008. The market for NetCracker's operations support systems has considerable potential to achieve high growth over the medium term. In fiscal 2010, NetCracker won orders and was selected as a vendor from Japanese and overseas telecom carriers of Malaysia, Russia, New Zealand and Germany. Looking ahead, NEC will continue to actively promote operations support systems, including our service platform-related products.

In other areas, NEC will work to develop new businesses and markets, such as the field of smart grid, in addition to winning orders for large-scale projects for submarine cable systems and launching next-generation "PASOLINK."

*1 Long-Term Evolution

*2 Source: Survey by Sky Light Research (From January to December 2009 on a cumulative basis)