

**Wireless Broadband Business Growth Strategy Presentation Q&A**

Key:

- : Question
- : NEC's answer

**LTE Business**

- How much is sales target in Wireless Broadband Access Business and LTE Business in FY2012? What is expected overseas sales ratio in LTE Business in FY2012?
  - Our target sales of Wireless Broadband Access Business is 100 Billion yen in FY2012. Out of this, about 70% comes from LTE Business.  
Regarding overseas sales in LTE Business, as we think FY2012 is in the early stage of growth in oversea market, we expect our overseas sales ratio is about 20%.
- What is the merit of alliance with WRI?
  - WRI group is the one of top vendors in the field of network infrastructure equipment in China.
  - WRI has abundant sales channels and maintenance locations scattered in China.  
As WRI has good track records in 3G sales in China, we are confident that we can complement each other by combining two companies strength.

## **PASOLINK Business**

- What is NEC's strength in new product(iPASOLINK)?
  - In addition to short delivery time (2 weeks) and high quality, we have the strength in terms of compact, space-saving product from our competitors.  
We have already received several inquiries from European telecom carriers which we anticipate will lead to sales.
- Please explain the countermeasures against yen appreciation in terms of manufacturing and designing.
  - Although we are under severe environment due to yen appreciation, we will continuously strengthen cost competitiveness by enhancing the production innovation including by increasing overseas procurement of components and materials.
- Did you achieve concrete result in improving productivity?
  - To produce 30 thousands units of PASOLINK monthly, the number of production lines has decreased by around 40% from the end of 2007 to 2009. We believe we have achieved positive results in improving productivity.

## **Femtocell Business**

- Please explain the current situation of Femtocell business.
  - Global telecom carriers are interested in introducing Femtocell solution in terms of expanding mobile network coverage and data traffic offload from wireless to wired network from telecom carriers both from domestic and abroad. And the demand for Femtocell is expanding rapidly
  - As of Jan 2011, we have signed commercial service contracts with 9 telecom carriers. Moreover, we are currently conducting trial services with 24 telecom carriers and negotiating a business deal with more than 30 telecom carriers.
  - We anticipate the number of business deal will increase hereafter.