**NEC IR Day 2020 Q&A**  
**Network Services Business**

Date/Time: September 14, 2020 13:20-13:50 JST  
Location: NEC Headquarters, Tokyo  
Presenters: Atsuo Kawamura Executive Vice President

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**Questioner A**

Q. Media reports say that Rakuten Mobile will move up its considerable investment in 5G infrastructure. Will this impact NEC’s earnings this fiscal year or next?

A. We will refrain from commenting on specific customers, but the domestic 5G market as a whole will be affected by government tax incentives, and NEC recognizes that the trend is to move projects up. NEC will work to expand its business based on a solid understanding of market conditions.

**Questioner B**

Q. How was NEC’s actual performance in terms of cumulative 4G/LTE sales and profitability? Based on that, what is the outlook for 5G?

A. In terms of products offered, we think the level of sales will be slightly lower for 5G compared to 4G. With 5G, NEC does expect further growth in providing end-to-end services, expanding business centered around the shift to open architecture.

**Questioner C**

Q. What do you see as the peak period for sales in the domestic 5G base station business, and what level of sales do you expect?

A. NEC believes that fiscal 2025 will be the peak. We expect NEC’s cumulative sales in the domestic 5G business to reach more than 500.0 billion yen.
Q. There are moves to exclude specific vendors from the overseas base station market. Is NEC seeing an increase in inquiries? What are the opportunities for overseas business expansion going forward?

A. NEC is promoting open architecture for 5G, and we are currently fielding inquiries from a variety of customers. We are proceeding with a target of capturing about 20% of the global base station market for open architecture by fiscal 2030.