



CEO Roundtable of ITU TELECOM WORLD 2006 Empowering Future Society with Information and Networking Technology Innovation

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1. The Concept of “C&C”

Almost 30 years ago, our former Chairman, Koji Kobayashi presented the concept of “C&C,” the integration of Computers and Communications. This was done at the keynote speech of “INTELCOM 1977,” an exhibition held in Atlanta.

In this speech, Kobayashi expressed the views shown as Fig. 1. This concept clearly indicates how NEC had foreseen the current internet society developed over the years.

Since then, we have been pursuing our business goals on the basis of this C&C concept. And today, it has become a reality. To realize today’s society enabling various means of communications, we have brought into the market, our leading-edge products, leveraged by this concept.

“If I am asked about my vision for communications in the future, and if I am allowed to talk beyond my ability, my imagination goes to such extent that social needs for communications might be ‘to talk and see between any persons, at any time, at any place on the earth, in the early days of the next century.’”

Assuming that this comes true, all technology, communications, computer and television will be, and should be, integrated for such needs at such time. And therefore, it is important to help developing countries to be able to participate in such a world telecommunications system.”

Koji Kobayashi, former Chairman of NEC Corporation speech at “International Telecommunication Exposition (INTELCOM)”, 1977



Fig. 1 C&C (Computers & Communications).

2. Integration of IT and Network for “NGN”

Nowadays, telecommunication carriers in the world are beginning to build Next Generation Network, the “NGN.” We believe NGN is not just a transition or replacement of the current network, to an IP-based network.

We perceive it in a much more broad, comprehensive way. NGN will realize greater values for our society.

- It will provide dependable IT and Network infrastructure
- And it will enable new services for greater convenience and flexibility, for consumers, enterprises, and public agencies.

In every aspect of NGN, it is inevitable to have the integration of Computers & Communications. This can be said in today’s terms, as “integration of information and networking technology” (Fig. 2). And this is the exact area which NEC can

- NEC will fully leverage our expertise of Information and Networking Technology to realize NGN

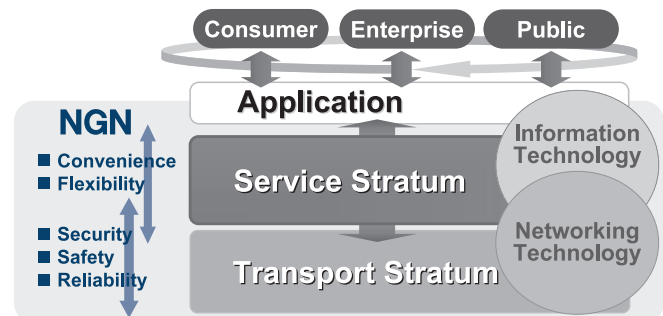


Fig. 2 Integration of IT and Network for NGN.

greatly contribute to. Our competitive advantage is in the Information and Networking technology, along with our strength in semi-conductors. We have been accumulating our expertise and know-how over the years. NEC will fully leverage our potential, to continue our innovation in the NGN era.

3. Leading Examples of IT and Network Integration

The key aspect of NGN is its ability to create and handle many different services.

This has driven the preceding implementation of service platforms. It enables much better user accessibility and convenience (Fig. 3).

For example, there is a service platform that can handle tens of thousands of data transactions per second, supporting the mobile internet service. There is also a service platform that enables mobile terminals to be used as credit cards. These are already installed and implemented.

We have supported these services with our outstanding capability to integrate Information and networking technology, and our abundant experience to build large-scale systems that requires high-reliability.

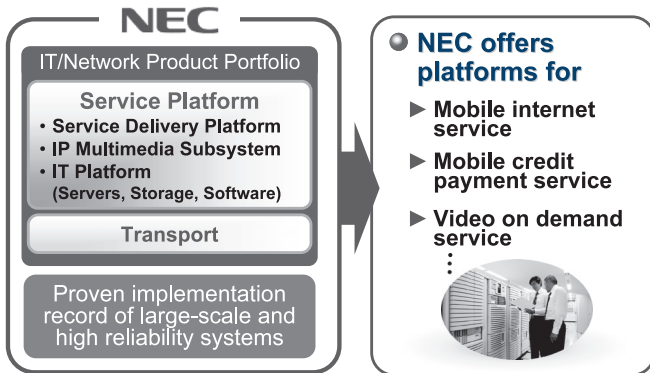


Fig. 3 Leading examples of IT and Network Integration.

4. New Services Enabled by NGN

Once NGN is developed, we can surely expect to have variety of different services that enriches our lives and innovate our lifestyles (Fig. 4).

1) An example of new service is IPTV.

The dependable, reliable network realized by NGN, assures guaranteed Quality of Service. As a result, the end-user would be able to view high-quality video streaming without interruption. It will also enable better value-added services. More user-focused advertisement coordinated with the user profile, and more personalized TV programming, are some examples.

● IPTV

- ▶ High-quality video streaming with guaranteed Quality of Service
- ▶ Personalized, value-added services



● Multimedia Group Communication

- ▶ Effective and efficient group communication on multiple devices



● Thin Client Computer System

- ▶ Ultimately secure, mobile office



Fig. 4 New services enabled by NGN.

2) Another example is multimedia group communication.

In addition to the voice-only service available now, live images and web contents can be shared, on multiple devices, for more effective and efficient group communication.

· For business use, the members can share images, data and voice, for multiple communication, for better collaboration in the workplace.

· For Personal use, the users can enjoy group conversation sharing the same image on their terminals, even at distant places.

3) Additionally, NGN will resolve the current network limitations, creating an environment which accelerates the usage of thin client computer systems.

It will realize work style with ultimate mobility. Security will improve, and total cost of ownership will dramatically decrease.

● Leverage our Information and Networking Technology advantage for further advancement of the society

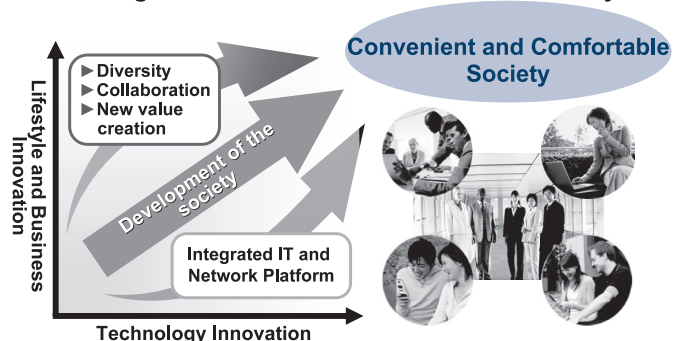


Fig. 5 Driving innovation for the future.

5. Driving Innovation for the Future

NEC is accelerating our innovation towards the future even beyond NGN.

The Economist, Joseph Schumpeter referred to innovation as “new combinations.” In order to create these “new combinations,” collaborations become extremely important.

I would like to stress here, that NEC will :

- Integrate our competence of IT and Networking technology to pursue evolution of technology platform. This will contribute to enable collaboration more easily.
- And with the integrated IT and Network platform, we will provide comprehensive solutions to carriers, to consumers, to enterprises, and to public agencies.

We will promote further collaboration on a global scale, and dynamically drive new value creation to support overcoming social and environmental problems and enrich people’s lives (Fig. 5).

We will continue to drive the advancement of digital world for more convenient, comfortable society.

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