

Decision to Support the Japan-Guam-Australia Optical Submarine Cable Business

Fund Corporation for the Overseas Development of Japan's ICT and Postal Services (hereinafter, "JICT") (Chiyoda-ku, Tokyo; President and CEO: Yoshiyuki Fukuda), jointly with NEC Corporation (hereinafter, "NEC") (Minato-ku, Tokyo; President and CEO (Representative Director): Takashi Niino) decided to invest and extend loans of total 44.5 million U.S. dollars maximum in order to become involved in the Japan-Guam-Australia optical submarine cable business planned and promoted by RTI Connectivity Pte. Ltd.* (hereinafter, "RTIC") (Singapore; CEO: Russ Matulich) and today obtained approval from the Minister of Internal Affairs and Communications.

This project involves constructing optical submarine cables that connect Japan, Guam and Australia as well as sales of the asset and rights to its use. The cables are designed to have the maximum transmission capacity of 36 terabits per second, utilizing the state-of-the-art wavelength-division multiplexing system. The construction is scheduled to commence in December 2017 and the cables will begin operation in the fourth quarter of 2019.

The Asia-Pacific region will see a drastically increasing demand for more connectivity in the future. As one of the big three companies constructing optical submarine cables around the world, NEC will participate in this project with the support of JICT and accumulate the know-how in the operation of optical submarine cables. This is expected to lead to the further strengthening of Japan's international competitiveness in the infrastructure business involving optical submarine cables in general.

Moreover, this project, together with the Hong Kong-Guam Optical Submarine Cable Business, which is JICT's first support project, is part of the infrastructure concept comprised of laying new optical submarine cables to connect Japan, the United States, Australia and countries in Asia via Guam. It is expected to contribute to the reduction of disasters and geopolitical risks in the communication infrastructure in the Pacific Rim.

JICT will continue supporting Japanese companies' overseas business development in the areas of information and communications, broadcasting and postal services.

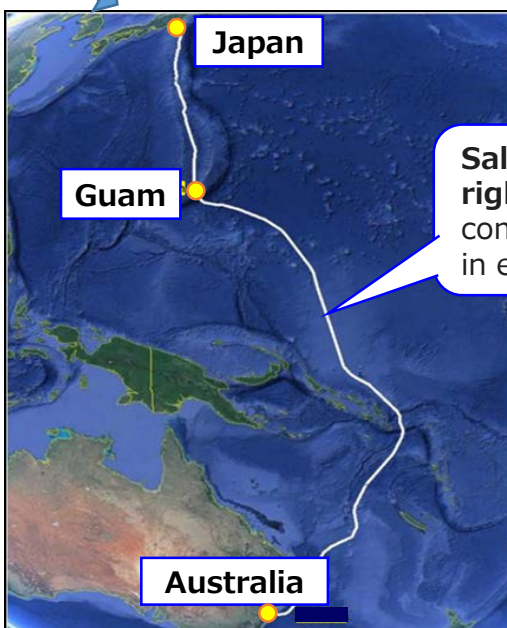
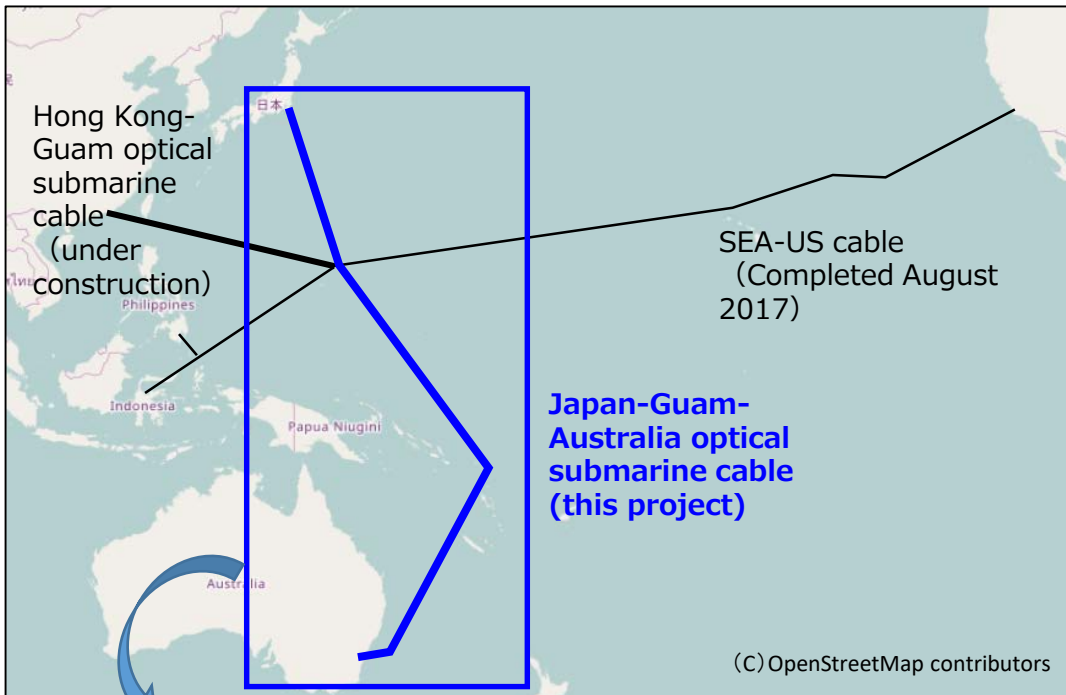
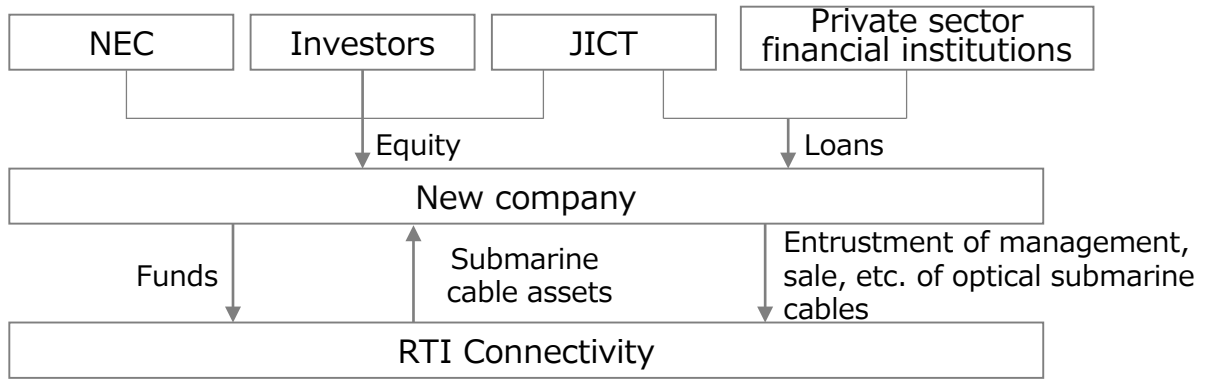
* U.S. capitalized company specialized in optical submarine cables

[Overview of the project to be supported]

- 1 Target business: Construction of optical submarine cables and sales of the asset and rights to its use
- 2 Cable route: Between Japan, Guam and Australia (Approx. 9,500 km)
- 3 Designed transmission capacity: 36 terabits per second maximum
- 4 Total project cost: 183 million U.S. dollars maximum
- 5 Determined amount of funds to be supplied by JICT: 44.5 million U.S. dollars maximum
- 6 Joint equity holders: NEC Corporation and the management of RTIC and other investors
- 7 Commencement of construction: December 2017 (Scheduled)
- 8 Completion of construction: Fourth quarter of 2019 (Scheduled)

* The details including the project scheme shall be described on the following page.

[Project scheme etc.]



Sales of the asset and rights to its use to communication carriers, etc. in each country

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