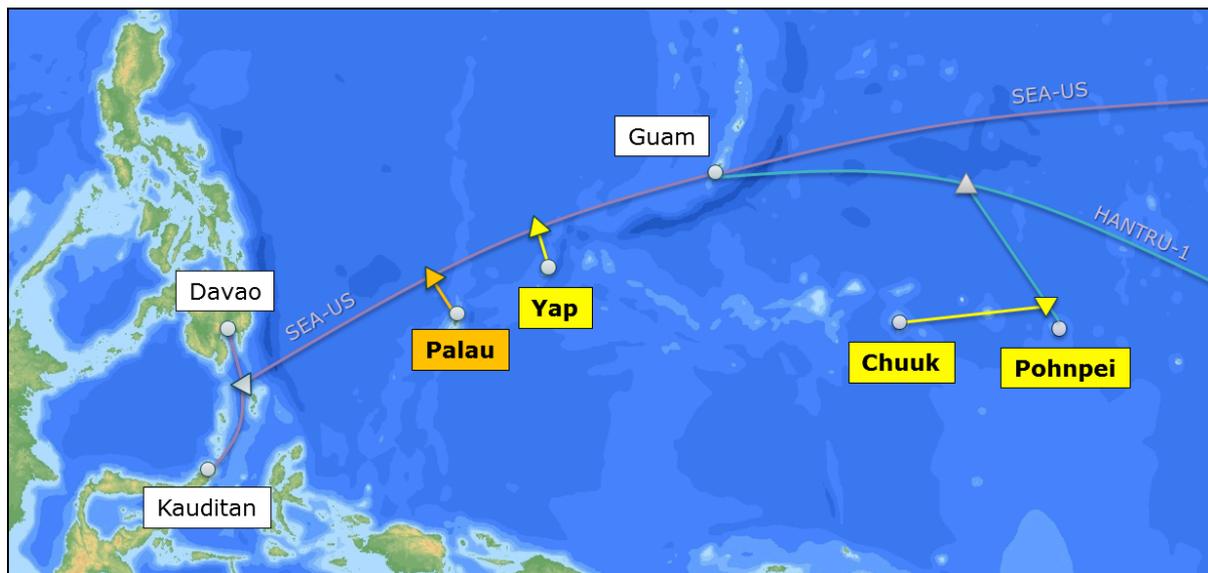


NEC begins Construction of Submarine Cable Links to the Islands of Palau, Yap and Chuuk

- 100Gbps submarine cables connecting Palau and Micronesia -

Tokyo, May 4, 2017 - [NEC Corporation](#) (NEC; TSE: 6701), together with Belau Submarine Cable Corporation (BSCC; Republic of Palau) and the Government of the Federated States of Micronesia (FSM), today announced it has commenced construction of three submarine cable links, that will connect the islands of Palau, Yap and Chuuk to the rest of the world.

BSCC, backed by a loan from the Asian Development Bank (ADB), signed a supply contract with NEC to construct the spur to Palau, while FSM, backed by a grant from the World Bank (WB), signed a supply contract with NEC to construct the spur to Yap, and signed an additional agreement this year for the extension from Pohnpei to Chuuk.



Cable Map for Palau, Yap and Chuuk

The spurs to Palau and Yap both interconnect with the SEA-US cable (under construction by NEC, connecting the Philippines and Indonesia to the west coast of the United States via Guam and Hawaii). The extension from Pohnpei, the capital of FSM, to Chuuk branches out of another existing cable linking FSM, the Marshall Islands and Guam. All three routes feature transmission speeds of 100 Gigabit per second (Gbps) per channel.

"Palau has seen the need for a submarine cable for many years, recognizing the many national and economic benefits such facilities bring," said George Rechucher, Chairman of the Board for BSCC. "However, the scope for a cost-effective connection for Palau was limited until the SEA-US cable was contracted, SEA-US being a major submarine cable express route passing close to the shores of Palau. With the unique opportunity provided by the SEA-US cable, co-operation with our customers, the Palau ICT Service Providers, and funding support from ADB, Palau will now be able to secure abundant capacity to the world and enable broadband Internet access in Palau with better quality and at reduced prices."

"FSM has adopted a national policy to connect all four FSM states (Yap, Chuuk, Pohnpei, and Kosrae) with fiber optic cable systems. In 2009, the HANTRU-1 cable system landed in the state of Pohnpei. With the WB grant funded project that became effective in March 2015, and through FSM's collaboration and partnership with Palau and SEA-US, FSM is now on the cusp of securing cable connections to all of the FSM states" said Department of Transportation, Communication & Infrastructure (DTCI) Secretary Lukner B. Weilbacher. "By the completion of this project, service providers in the FSM will be able to offer broadband connectivity to virtually the entire population of the FSM at competitive prices. The impact of this project cannot be underestimated, as it will provide the core infrastructure and services that will be a foundation for future development."

"NEC is honored to have been selected as a partner for this significant project for the Republic of Palau and the Federated States of Micronesia, addressing the needs for faster connectivity throughout the island nations," said Toru Kawauchi, General Manager and head of the Submarine Network Division at NEC Corporation. "We take pride in delivering these new optical links to communities which had been dependent on satellite communications until now. We are confident these new extensions will contribute to improving the quality of life to those living in and traveling to these islands."

NEC has been involved in the submarine cable system business for more than 40 years and is now recognized as one of the world's top submarine cable vendors. Including the current construction of the SEA-US cable, the first 100Gbps trans-Pacific cable, NEC has laid a total of more than 250,000 kilometers of cable—the equivalent of six trips around the earth's equator.

About Belau Submarine Cable Corporation

BSCC is an entity established in Palau as a statutory corporation, with its principal office at P.O. Box 6051, Koror, Palau 96940. BSCC is a 100% state-owned entity of the Republic of Palau and the implementing agency for the submarine cable project. BSCC has signed (i) an IRU agreement with GTI Corporation (an indirect wholly-owned subsidiary of Globe Telecom, Inc.) to provide an IRU of wavelengths (5 x 100Gbps) and a Branching Unit (BU) on the main trunk of the SEA-US West Subsystem (connecting Indonesia, the Philippines and Guam) and (ii) a supply contract with NEC, the supplier for the SEA-US cable, for a spur cable linking the BU on the SEA-US West Subsystem to Palau. BSCC, as owner of the spur and the IRU, will provide open bandwidth access to the international cable system for all domestic telecommunications operators. For more information, visit <http://belaucable.com>.

About the Federated States of Micronesia Department of Transportation, Communication & Infrastructure and the FSM Telecommunications Cable Corporation

The FSM Government with funding from the WB is implementing the largest donor funded telecom project in the Pacific which includes implementation of market liberalization and regulatory reforms in tandem with new investments in the delivery of broadband connectivity to the FSM states of Yap, Chuuk, and Kosrae. Overall project implementation responsibilities resides in the DTCI with its principal office at P.O. Box PS-2, Palikir, Pohnpei, FSM 96941. For more information visit www.ict.fm.

DTCI has signed (i) an IRU agreement with Telkom Indonesia (Telin) to provide an IRU of wavelengths (5 x 100Gbps) and a Branching Unit (BU) on the main trunk of the SEA-US West Subsystem (connecting Indonesia, the Philippines and Guam) and (ii) a supply contract with NEC, the supplier for the SEA-US cable, for a spur cable linking the BU on the SEA-US West Subsystem to Yap, along with a contract extension that includes a cable linking Weno Island Chuuk to the existing spur on to the HANTRU-1 cable system in Pohnpei to Guam.

Ownership and implementation responsibilities for the fiber optic cable systems is transferring from DTCI to the newly established FSM Telecommunications Cable Corporation (FSMTCC). FSMTCC, as owner of the Yap and Chuuk cable systems, will provide open bandwidth access to the international cable systems for all domestic telecommunications operators.

About NEC Corporation

NEC Corporation is a leader in the integration of IT and network technologies that benefit businesses and people around the world. By providing a combination of products and solutions that cross utilize the company's experience and global resources, NEC's advanced technologies meet the complex and ever-changing needs of its customers. NEC brings more than 100 years of expertise in technological innovation to empower people, businesses and society. For more information, visit NEC at <http://www.nec.com>.

The NEC Group globally provides "Solutions for Society" that promote the safety, security, efficiency and equality of society. Under the company's corporate message of "Orchestrating a brighter world," NEC aims to help solve a wide range of challenging issues and to create new social value for the changing world of tomorrow. For more information, please visit <http://www.nec.com/en/global/about/solutionsforsociety/message.html>.

The logo features a stylized blue and orange graphic element resembling a musical instrument or a signal, followed by the text "Orchestrating a brighter world" in a sans-serif font. "Orchestrating" is in blue, and "a brighter world" is in orange.

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