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NEC Networks & System Integration Corporation

NESIC Establishes CVC Fund to Develop New Businesses through Open Innovations with Venture Companies

NEC Networks & System Integration Corporation (Tokyo Stock Exchange code: 1973; hereinafter “NESIC”) will start operating the NESIC Innovation Venture Limited Liability Partnership (hereinafter the “Fund”), a CVC^{*1} fund established for developing new businesses through open innovations with venture companies, in February 2018.

NESIC will operate the Fund in partnership with NEC Capital Solutions Ltd. (Tokyo Stock Exchange code: 8793; hereinafter “NEC Capital”), that has Know-how of venture investment business.

In addition to internal efforts, external approaches for open innovations have become essential for developing new services with a sense of speed in recent years. Up to this point, NESIC has offered ICT solutions combining distinguished products and services in Japan and overseas with its system integration (SI) services. This time, NESIC decided to establish the CVC fund in partnership with NEC Capital to accelerate the launch of new businesses and the introduction of new solutions for its medium- and long-term growth in the future.

Through the Fund, NESIC will invest in startup companies in Japan and overseas. At the same time, as a partner NESIC will provide the supply chains that invested venture companies need for their businesses by making the most of its nationwide sales, SI and installation capabilities and its various service platforms, including its 24-7 maintenance system and repairs and logistics system, where it has advantages.

Through these activities, NESIC will build a system for introducing the outstanding technologies and services of venture companies to customers and users rapidly, and will contribute to the development of these companies.

NESIC will speed up the discovery of superior venture companies and cooperation with them by combining its knowledge in the ICT field and NEC Capital's venture fund operating knowhow.

The outline of the Fund is as follows.

Name	NESIC Innovation Venture Limited Liability Partnership
Investment targets	Venture companies operating in fields where NESIC can cooperate, such as IoT, AI, working style reforms, and other services and BPO
Total amount managed	500 million yen

Reference: Initiatives taken by NEC Capital

As a financial service provider in the NEC Group, NEC Capital undertakes leasing and financing businesses. In 2012, NEC Capital launched venture investment business and has invested in more than 20 startup companies in cutting-edge technological field and CSV area which aim to solve social problems with advanced service.

Note 1: CVC is an abbreviation for corporate venture capital. CVC firms are operating companies that invest in startup firms for the purpose of synergy with their main businesses. They differ from venture capital (VC) firms, which are investment

companies that utilize their money to achieve capital gains.

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