

Symphonict Business

December 4, 2023

Osamu Kikuchi, Senior Vice President & CDO
Executive General Manager, DX Solutions Business Unit
NEC Networks & System Integration Corporation
(TSE: NESIC, 1973)

Self Introduction



Osamu Kikuchi

Senior Vice President & CDO

Executive General Manager, DX Solutions Business Unit

Career profile

Joined the Company in 1990.

Mr. Kikuchi engaged in the development of software for central switching system before being assigned to the workstyle innovation related business in 2015.

He became involved in SmoothSpace, which connects remote offices in a life-sized manner and the launch of Zoom's Japanese operations.

In 2019, he was stationed in the United States to strengthen collaborations with startups.

In 2022, he became the Executive General Manager of the former Business Design Operations Unit.

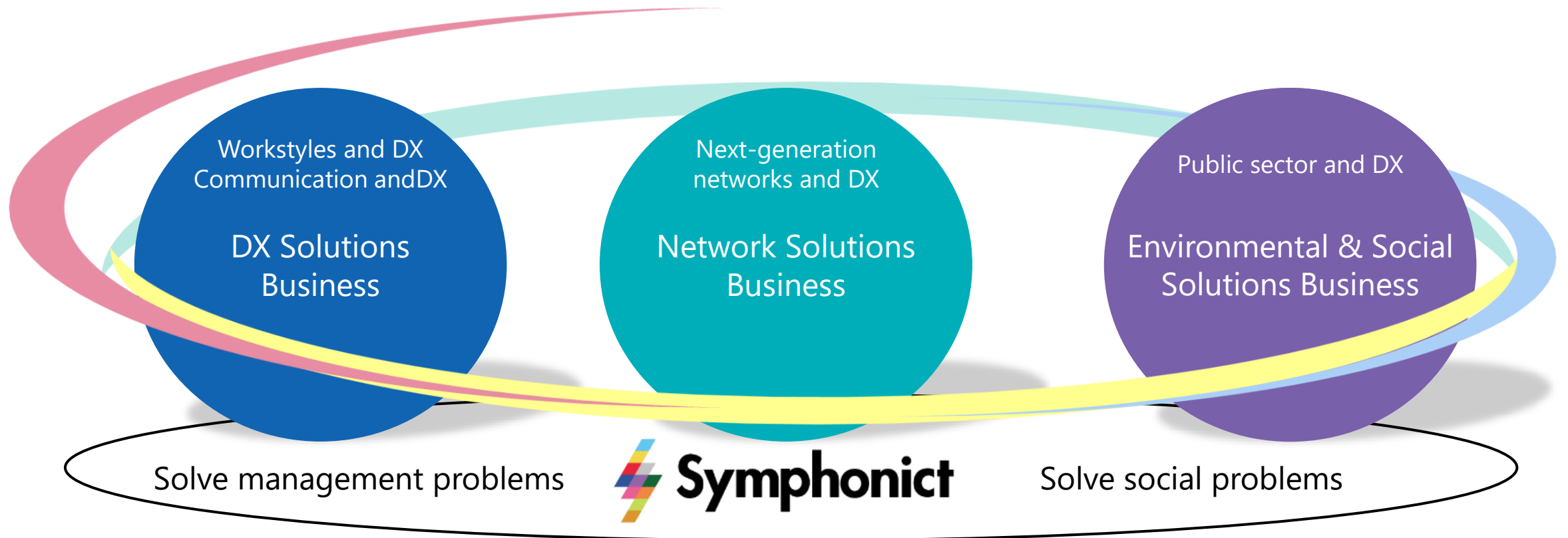
Assumed his current position in 2023

Favorite proverb

If you want to go fast, go alone. If you want to go far, go together.

Symphonict Leads Company-wide DX Business

Starting with Symphonict, we connect company-wide operations to expand our DX business
Realize a growth spiral through the creation of opportunities to make proposals and establish a recurring relationship with customers



Our Goal with Symphonict

The goal is to change from being an Nler/Sler to being a DX partner

Become more than just a system integrator:
the one and only company for our customers



What Customers Want to Do in the DX Age

- ✓ Achieve the most advanced DX quickly and change our business model
 - Utilize data analysis, AI and the other latest technologies to change our business model, increase customers' evaluations of us and establish competitive advantages in the market

- ✓ Efficiently and effectively promote DX in preparation for future changes
 - Optimize CAPEX and OPEX to continue to change our business model
 - Additionally, utilize existing systems well
 - Quickly and effectively achieve DX in preparation for unexpected changes in the future

- ✓ Ensure the advanced use and safety of network security
 - Use high-speed and low-latency networks comfortably to facilitate the use of multi-cloud systems
 - Stabilize network operation and protect information against security threats

The Way Services are Supposed to be Provided in the DX Age



New technologies and products are successively created in the DX age
Even AI is taken for granted



Irrespective of the size of the company,
systems for quickly and easily connecting
new technologies and services to customers' existing
environments will be in demand

What is Symphonict? (Concept)



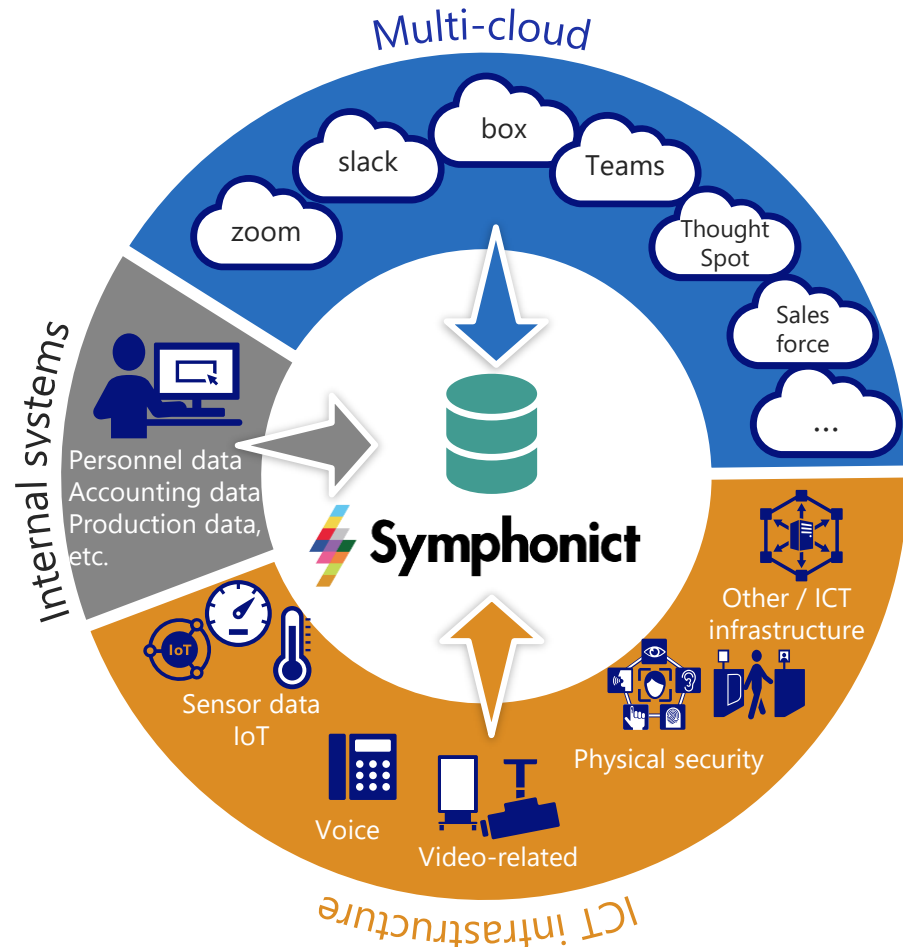
A DX service supporting customers in their solving their management problems based on our self-implementation experience in harnessing DX solutions.

By connecting services, functions, existing businesses, etc., Symphonict can be:

- quickly introduced, starting small; and
- flexibly adapted to the customer's situation

What Symphonict Connects

It quickly and easily **connects** multi-cloud systems, ICT infrastructure and internal systems



Multi-cloud system (API)

De-facto standard cloud services

ICT infrastructure (network)

Cameras, sensors, terminals and other existing ICT equipment

Internal systems (data)

Existing internal systems for personnel affairs, accounting, placing/receiving orders, etc.

API: Application Programming Interface

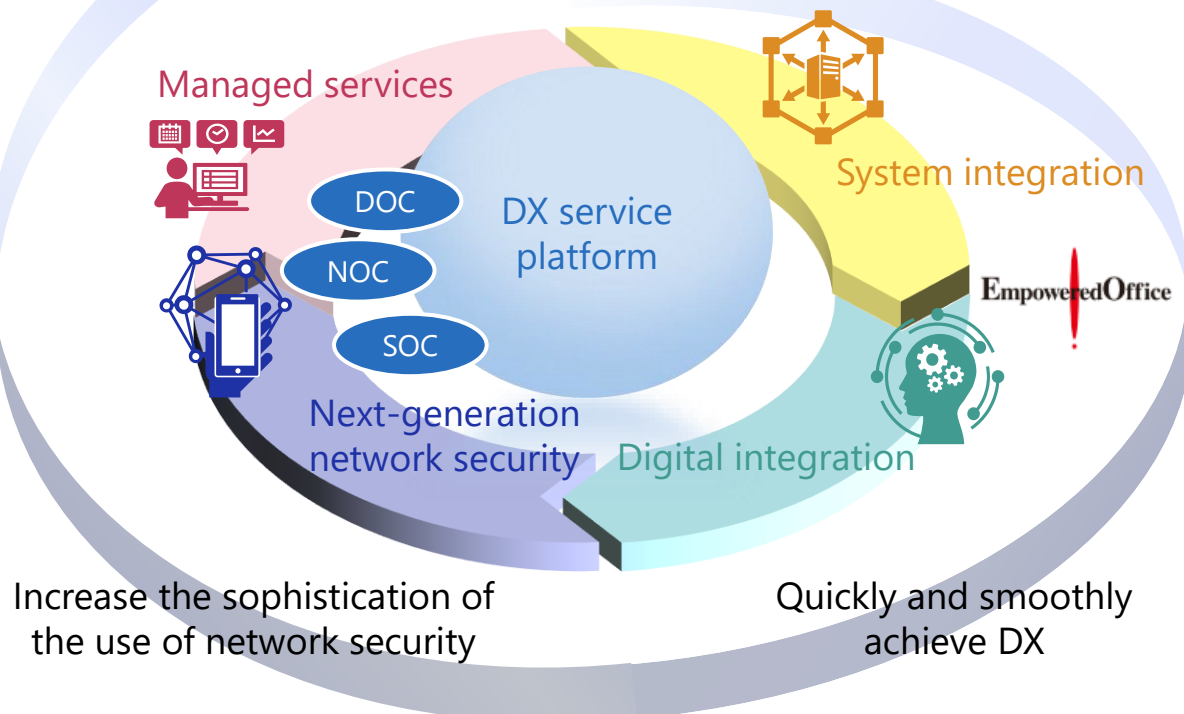
DX Services Provided by Symphonict

This is an integration service promoting customers' DX
It can help customers quickly develop, safely introduce and efficiently operate DX



Continuously support customers' business reforms

Efficiently and effectively promote DX



Increase the sophistication of the use of network security

Quickly and smoothly achieve DX

System integration

ICT infrastructure, physical security and other SI services

Digital integration

SI services for the introduction of digital technologies, such as cloud computing, AI and the use of data

Next-generation network security

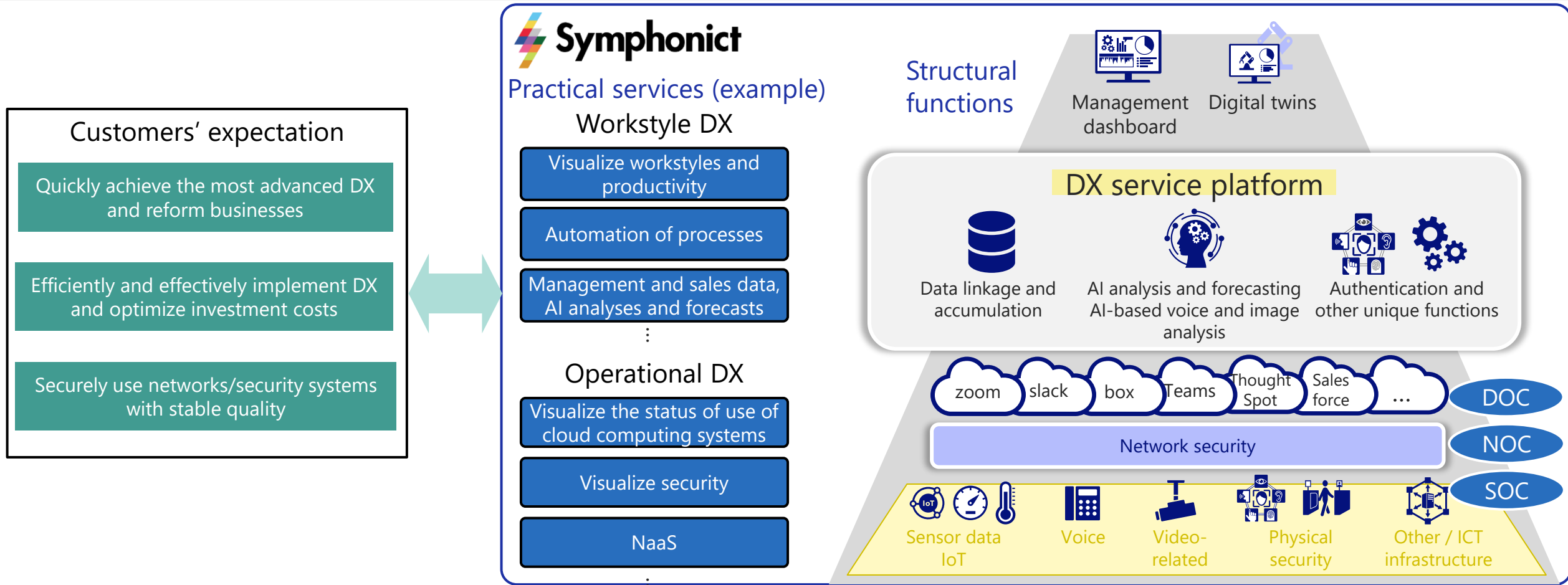
Secure network SI service compatible with the use of the cloud

Managed services

Digital BPO service supporting customers' DX

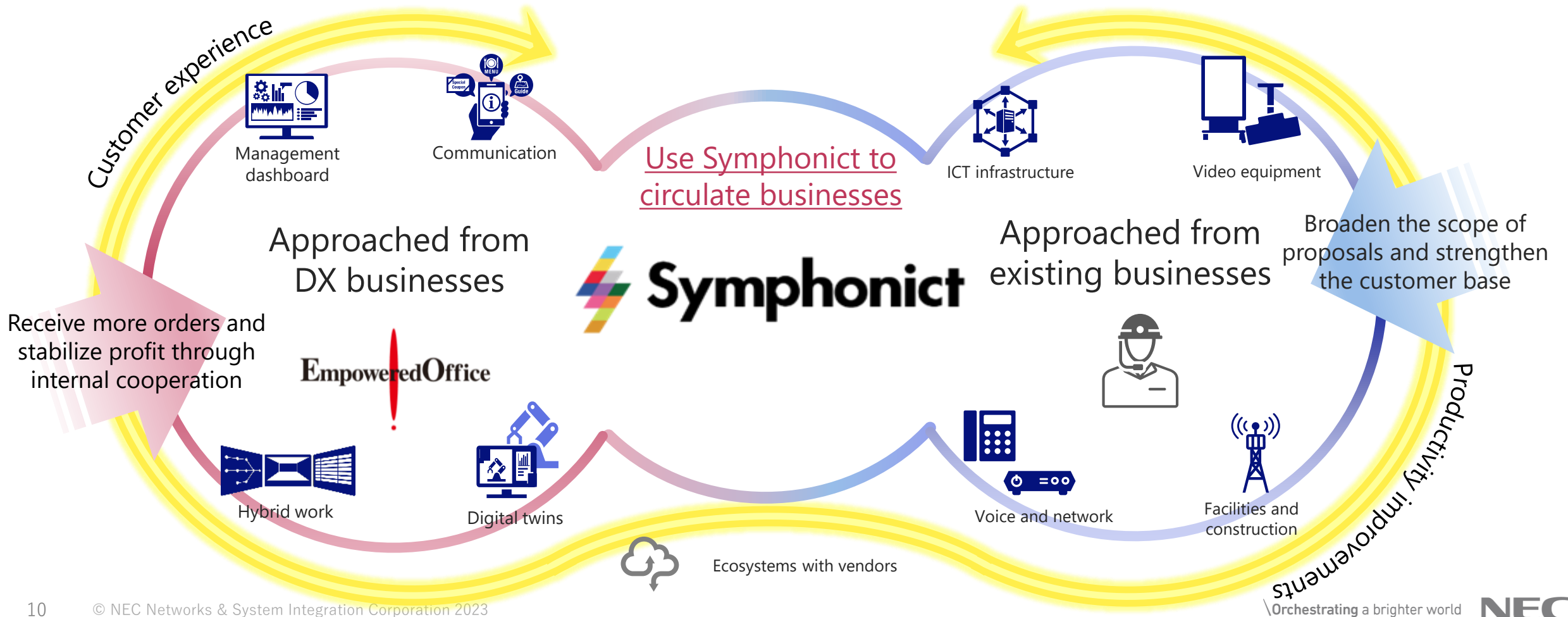
Symphonict Services

Combine services and functions demonstrated through self-implementation, and use integration services



Symphonict's Goals and Roles (Shift to a Recurring-Type Business Model)

Facilitate a hybrid business combining project-type existing businesses with DX services
Approached flexibly from any phase ⇒ Accelerating the transition to recurring-type business model



Symphonict's Goals and Roles (Impact on NESIC)

Facilitate the change to a recurring-type business model, increase added value and stabilize and increase profit

Expand profit opportunities

Expand businesses in a hybrid project-type-service-type manner and increase opportunities to make proposals

Combine existing businesses with digital technologies to make proposals
Accompany customers and propose improvements



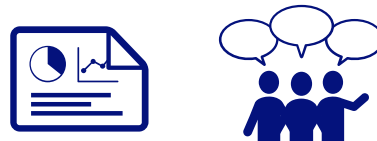
business size per customer increases

Create opportunities to propose solutions to customers

Streamline/Speed-up

Standardize independent company-wide services
Speed up the provision of services to customers

Standardize services and share expertise throughout the company
Effectively utilize and properly allocate human resources



Streamline development and speed up the provision of services

Improve safety and quality

Accelerate DX

Connect all data to increase the sophistication of NESIC and inform customers of results to promote sales

Shift the internal ICT system to a system using cloud computing and increase its sophistication by connecting data.



Modernization

Increase and improve DX services

Factors Differentiating NESIC from Competitors

1. DX services provided in a one-stop manner from the worksite to the cloud

Efficient services backed by a history of self-implementation, the optimal introduction of DX based on a thorough understanding of customers' on-site environments

2. Flexibility and agility (always using the most advanced, optimal cloud services)

Agility independent of specific products or vendors and an assortment of DX services with new venture discovery systems in North America and other regions

3. Speed (It is possible to connect systems to the cloud services that the customer is using.)

Projects can start small, maximally using the customer's environment

4. Secure (customers' data can be managed in our data center)

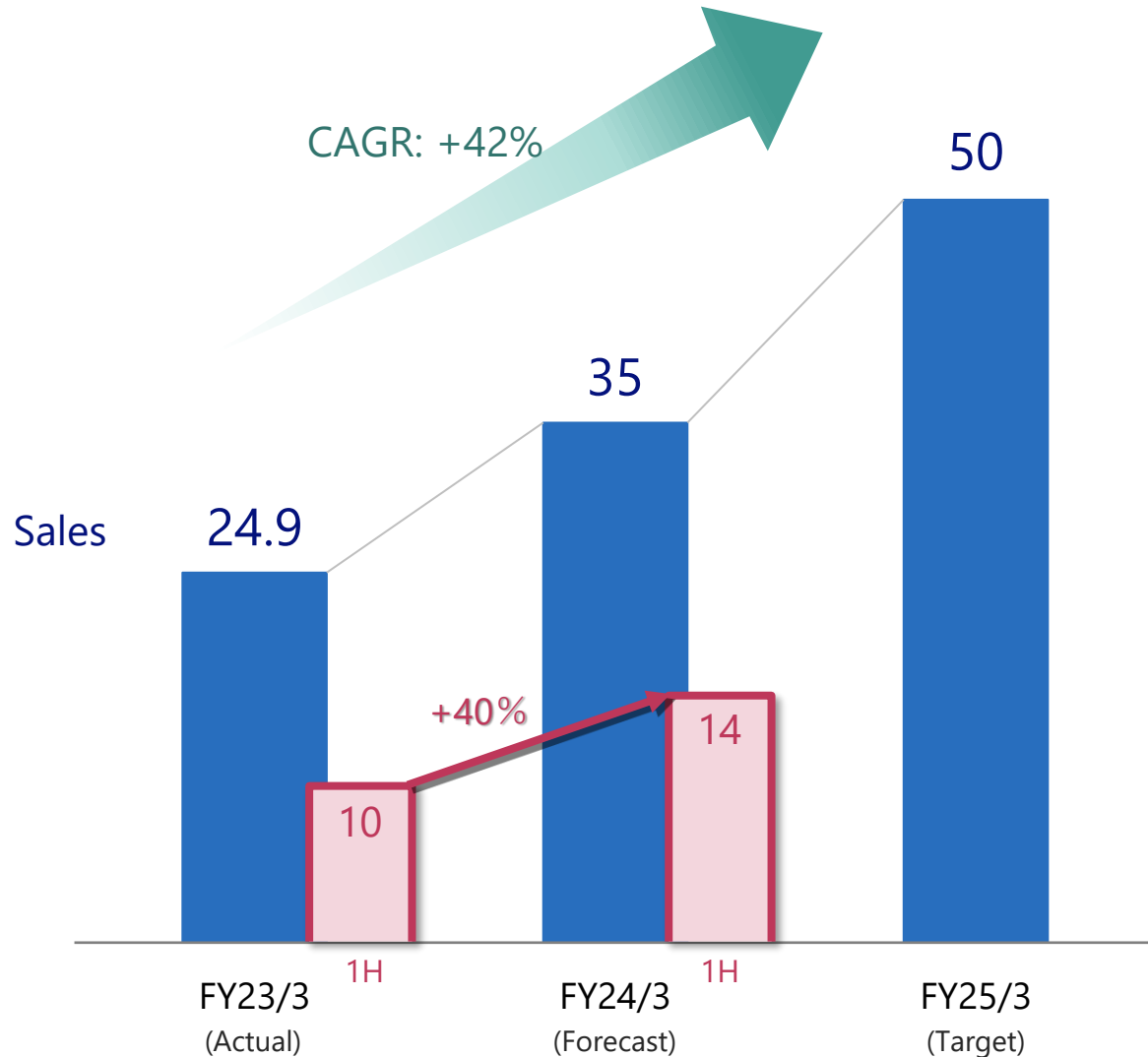
Utilize abundant expertise in SI and integrated public and private hybrid environments



Self-implementation and branding (workstyle innovation),
extensive industries/large-scale SI capabilities, advanced DX/network professionals

Symphonict Business KPIs (Sales from the DX Solutions Business in Strategic Areas)*

(¥Bn.)



Use Symphonict to reform existing businesses
Regard high value-added strategic areas as KPIs
and focus on them

* Strategic areas: Workstyle DX, next-generation network security, municipal DX, data analysis/utilization, digital twins

- Existing businesses and high value-added services
Note: This does not merely involve selling platforms
- Build recurring relationships with customers

Note: Symphonict leads a company-wide DX business. In the current Medium-term Management Plan, sales of strategic areas in the DX solution business are regarded as Symphonict's KPIs.

Cautionary Statement

Forecasts and targets of results mentioned in this document are future estimates and are thus inclusive of risks and uncertain factors since they are not based on definite facts. Please be aware that a variety of factors could cause actual results to differ significantly from those projected. The major factors affecting actual results include the economic climate and social trends surrounding the business of this Company's group, consumer trends vis-a-vis systems and services provided by this Company's group, as well as pressure to lower prices and ability to cope with the market in response to intensified competition.

Factors affecting results are not limited to the ones mentioned above.

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<https://www.nesic.co.jp/english/ir/>