

Medium-Term Strategy of DX Solutions Business

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(TSE: 1973, NESIC)

Self Introduction



Seiji Shiga

Senior Vice President and Executive General Manager, DX Solutions Business Unit

Career summary

- Joins the Company in 1986
- Has undertaken a wide range of duties over many years, including system engineering for corporate network systems (voice, data and security), marketing/sales promotion of servers and supercomputers, etc.
- Assumed his current position in 2020

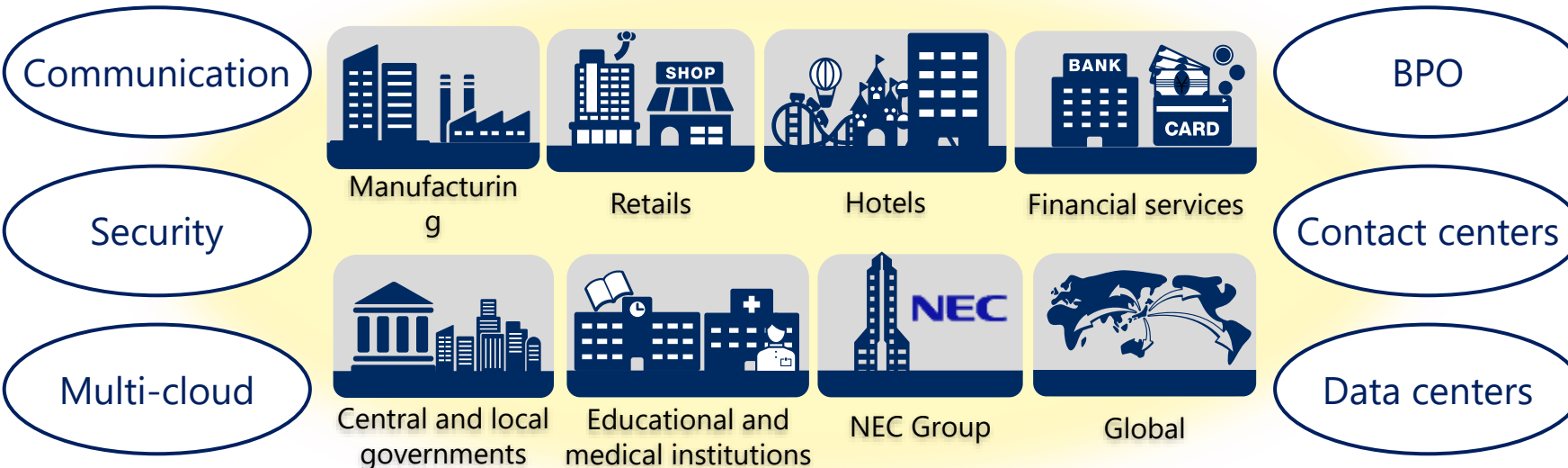
Overview of DX Solutions (DXS) Business

Serving as a strategic partner that assists customers with management strategies in the ICT area

Offering services, systems integration and construction, operation and maintenance of DX and ICT systems

Business strengths and characteristics

Self-implementation expertise and DX service provision



Relationship with the SDGs



Recent topics

- AI-assisted communication services launched under the Canario brand (Feb. 2022)
- Original services based on Zoom Phone (cloud phone system) released (Dec. 2021)

Business Strategies in DX Solutions Business

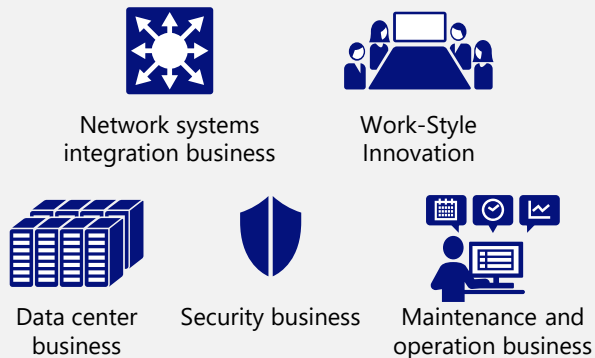
Evolve into the **number one DX service provider** partnering customers
 Operating business with the use of DX services and platform (Symphonict)

Until 2018

ICT systems integration and work-style innovation

Carry out EO*-based work-style innovation centering on systems integration

Business intended mainly for enterprises

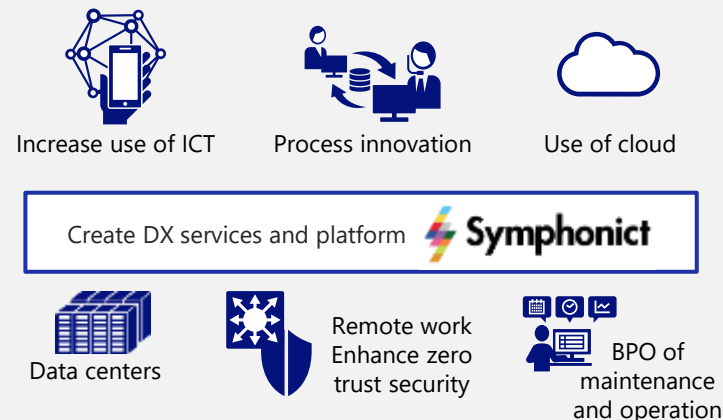


2019 to 2021

... and business process innovation

Utilize DX to accelerate work-style innovation

Expand to enterprises and local governments

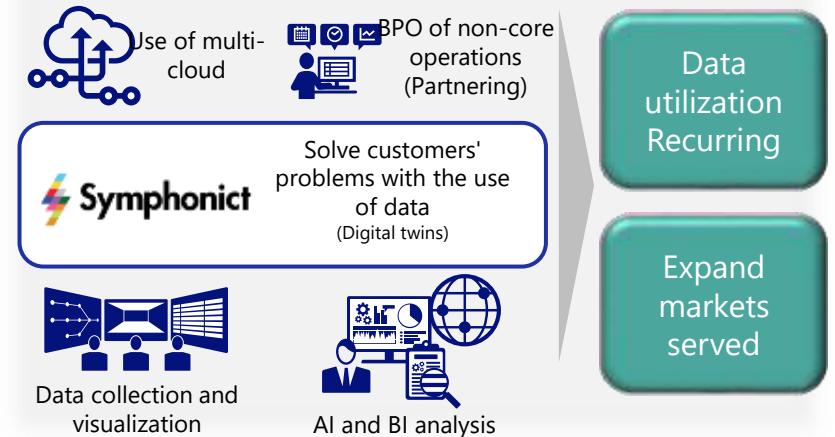


2022 and later

Services partnering customers with the use of multiple data

Help customers expand their business with the use of data

Offered to enterprises, local governments and public-interest companies
 (e.g. electric power, rail transport, education, medical care)



* EO stands for EmpoweredOffice.

Basic Policies

Accelerate customers' **process innovation**
by leveraging DX and data utilization cultivated with work-style innovation
Support customers in business model innovation and sustainability management matched with market changes

Visualize and analyze working-level issues

with DX and data use and **offer solutions on Symphonict**

Turn this **cycle** (Recurring) to **run business accompanying** (Advanced ICT operation) **customers**

Data utilization and recurring

(1) Partner-type smart recurring business

(2) Advanced ICT operation business

Sales target
for FY March
2025
¥30Bn.

Expand markets served

(3) DX-based industry business

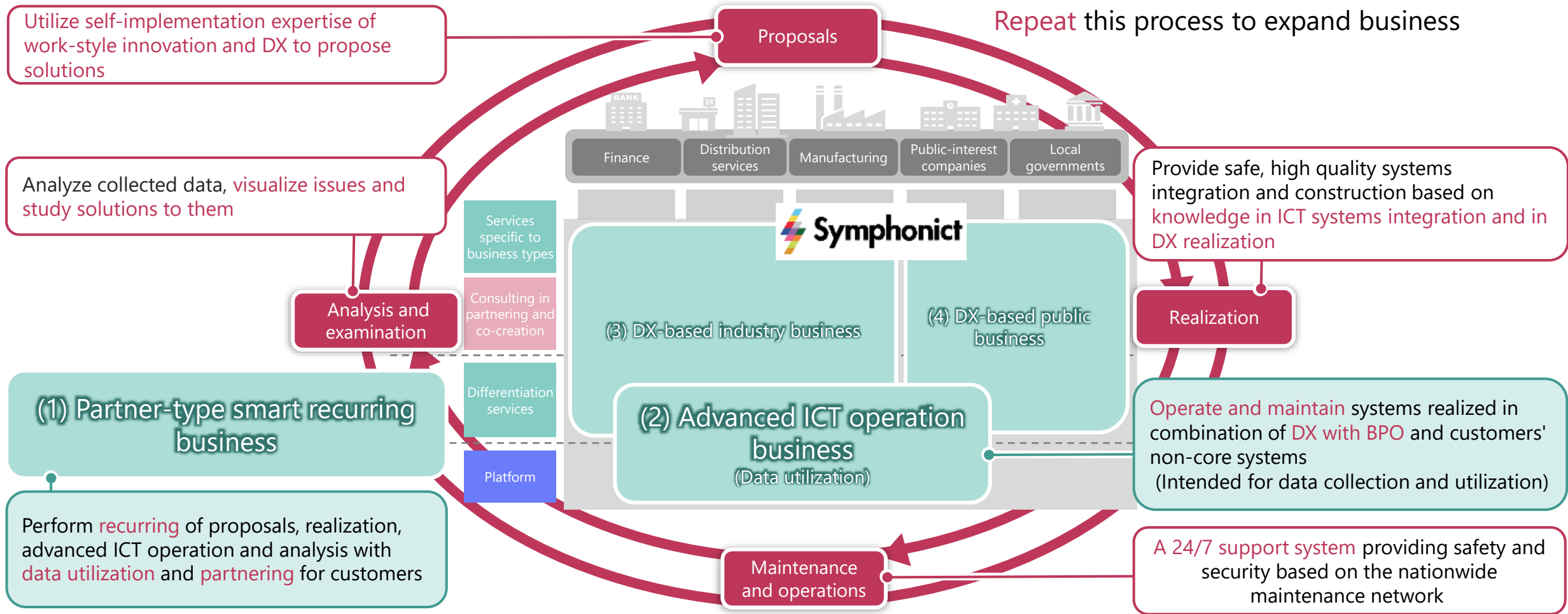
(4) DX-based public business

Sales target
for FY March
2025
¥10Bn.

Key Strategies: (1) Partner-type smart recurring business (2) Advanced ICT operation business

Make active use of data in advanced ICT operation and propose improvements in partner-type smart recurring

Offer DX services for businesses of customers ranging from enterprises to local governments and public-interest companies

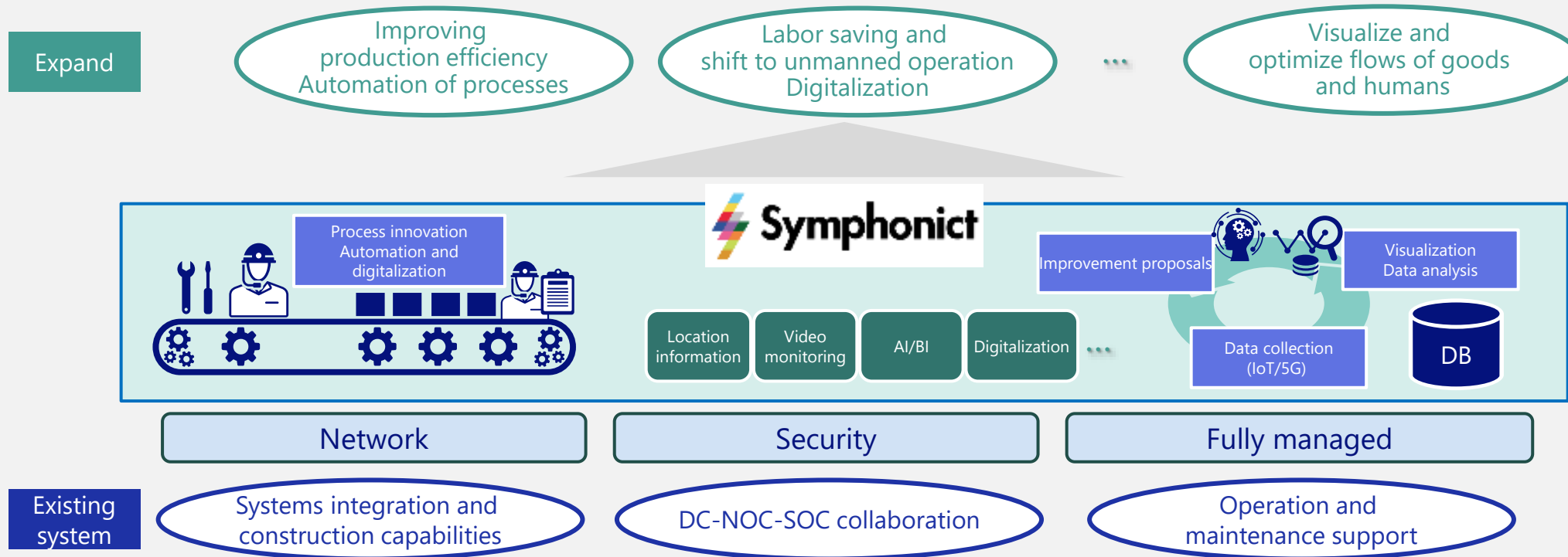


Key Strategies: (3) DX-based industry business (smart industry)

Spread **work-style innovation and process innovation** to **shop floors in the industry sector**
 Utilize DX services cultivated in work-style innovation to enable innovation in shop floor processes and business innovation

■ A model of DX on manufacturing shop floors with Symphonic

Start with ICT systems integration, construction, operation and maintenance to expand into innovation and the digitalization of customers' work-styles and processes



Introduced to other business types
 e.g. models for distribution and practical operations in stores

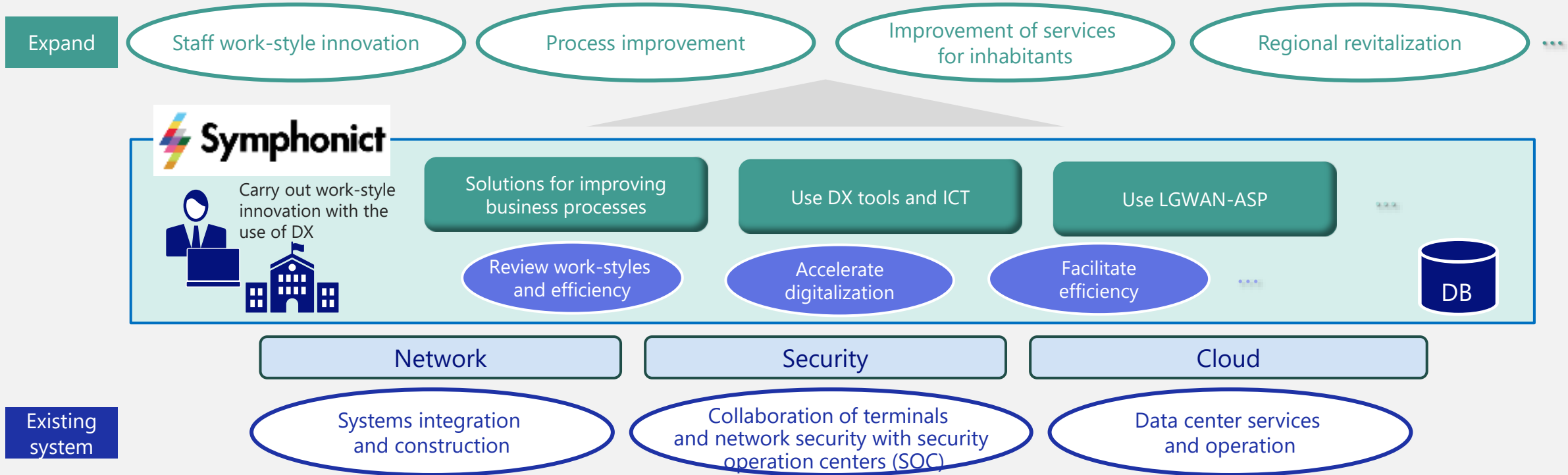
Key Strategies: (4) DX-based public business

Public: local governments and public-interest companies

Introduce **work-style innovation and process improvements** to the public sector
Use LGWAN-ASP and other DX services for digitalization and for improving staff's workstyles and services for inhabitants

Public DX model with the use of Symphonic

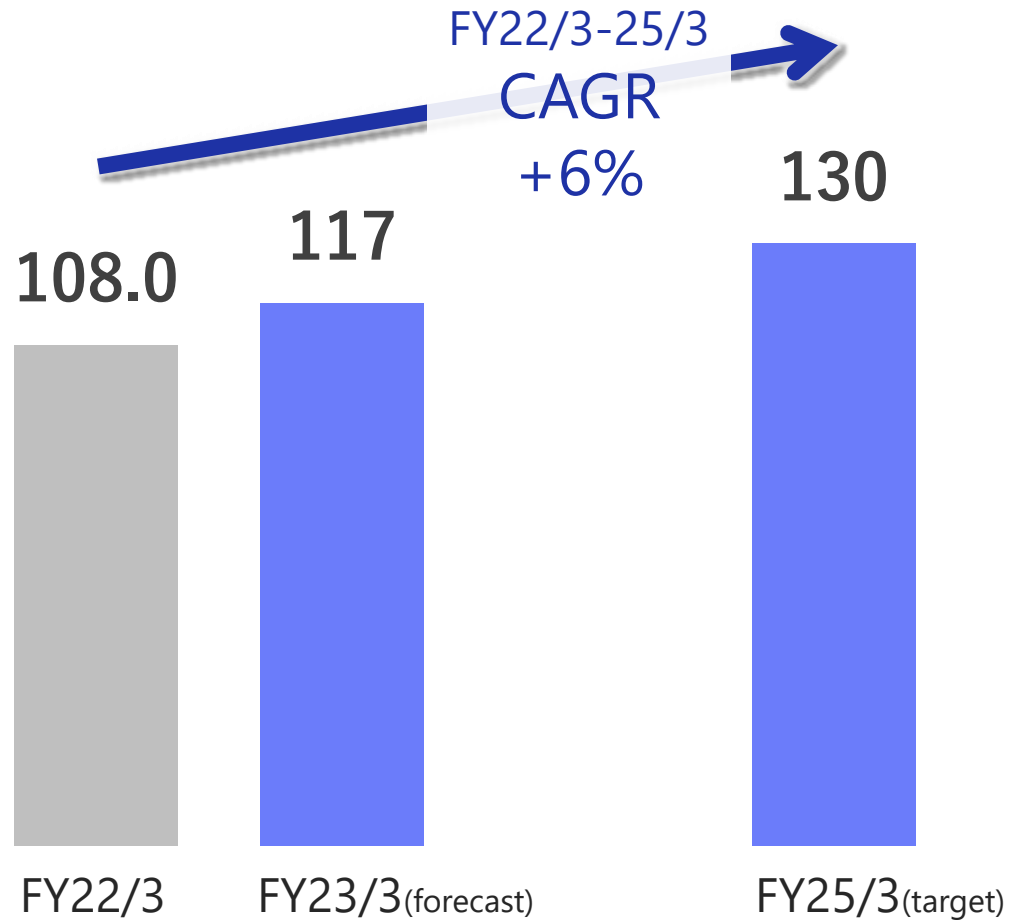
Achieve staff work-style innovation, operational innovation, safe, secure and quick services for inhabitants (digitalization of the public sector) and regional revitalization



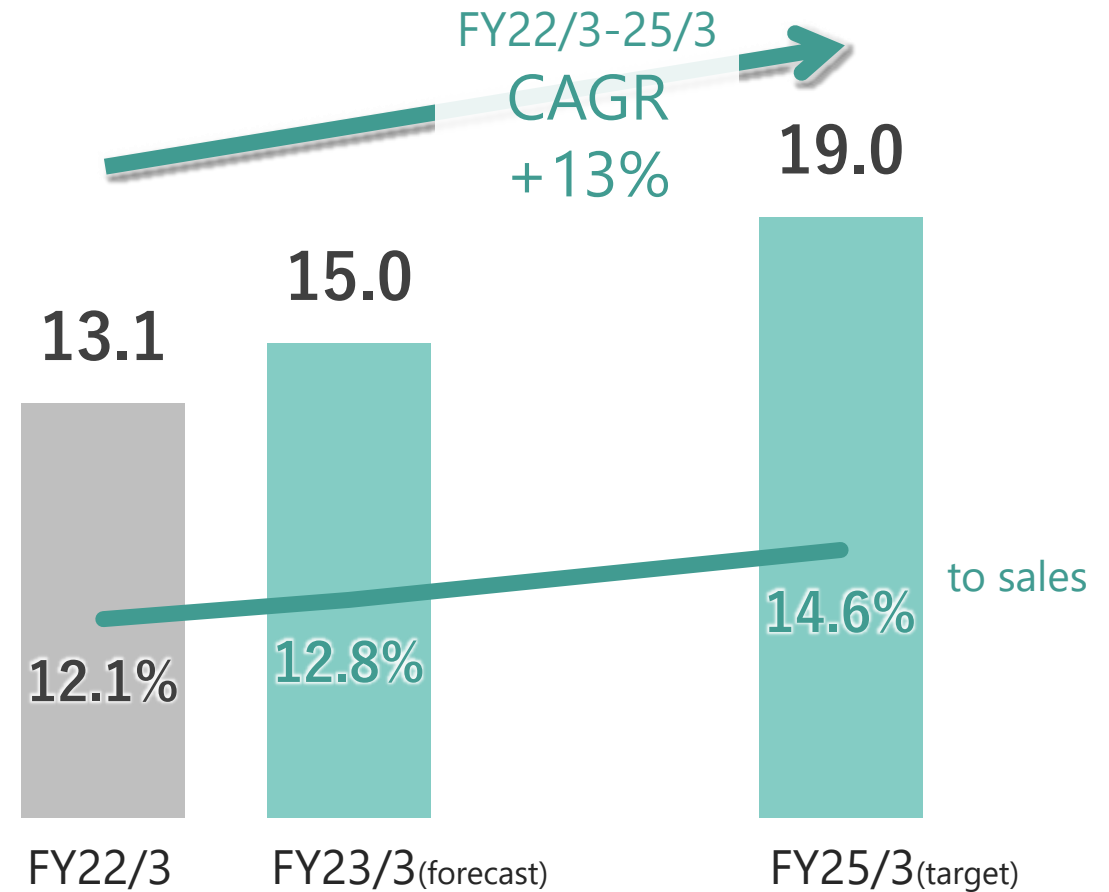
Medium Range Targets of DSL

¥Bn.

Net sales



Operating income



*FY22/3 figures are numbers for reference by rough reclassification. Audited figures will be disclosed.
 FY23/3 forecasts and FY25/3 targets are as at May 2022.

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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.

There will be some change in our business segment according to a refine in our organization in April 2022. The new segment figures shown in these slides are numbers for reference by rough reclassification.