

# Medium-Term Strategy of Network Solutions Business

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(TSE: 1973, NESIC)

# Self Introduction



## Kazuhiko Takeuchi

Senior Vice President, Member of the Board, and  
Executive General Manager,  
Network Solutions Business Unit

### Career summary

- Joins the Company in 1985
- Successively held various responsible posts for sales/marketing, social infrastructure business and support service business.
- Assumed his current position in 2020

# Overview of Network Solutions (NWS) Business

Offering construction services for public network infrastructure that requires the latest technological strengths and a high level of reliability

## Main services

- Construction engineering
- System Integration (SI)
- Maintenance and operation services

## Main customers

- Government and public offices
- Telecom carriers
- Broadcasters

## Business strengths and characteristics

- A rich customer base and understanding of their business supporting the public infrastructure
- Multi-vendor systems integration capabilities acquired from long experience in infrastructure construction
- Extensive strength in wireless technologies ranging from Wi-Fi to satellite communication

## Carrier business

## Social infrastructure business

## Relationship with the SDGs



## Recent topics

- Demonstration trial of local 5G services at the Showa Base in Antarctica (Feb. 2022)
- An AI solution partnership deal signed with U.S. company Tupl, Inc. (Feb. 2022)

# Business Environment

## Carrier business

- Growing importance of mobile network construction and improvement
  - Actions aimed at realizing the Digital Rural City Nation concept
    - Quick development of 5G environment (to meet population coverage targets of 95% by March 2024 and 97% by March 2026)
    - Accelerate the spread of local 5G (L5G) services
  - Needs for investments in 5G and fee cuts

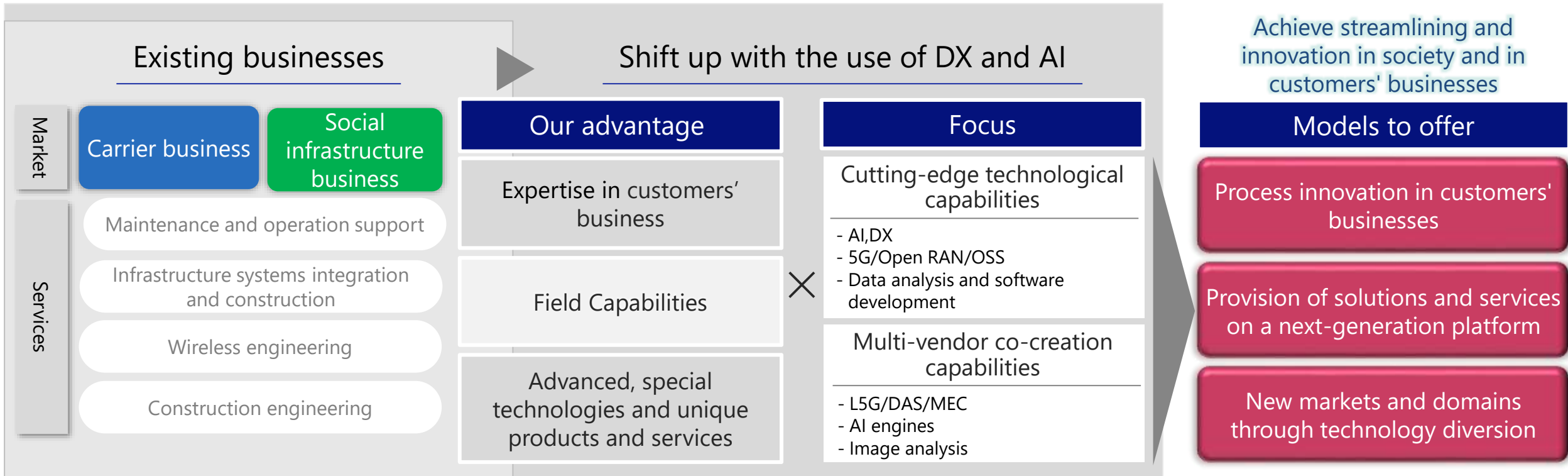
## Social infrastructure business

- Accelerating the construction of social infrastructure to create a sustainable society
  - Expand the use of aerospace in the public and private sectors
  - Strengthen disaster response
  - Mounting demand for clean energy to realize a carbon-free society

# Growth Strategy in the Network Solutions Business

Business vision

We offer advanced technologies with high specialty to connect society from the floor of the ocean to the far reaches of outer space in optimal forms to help realize a digital society with greater security and convenience.



Communication engineering business

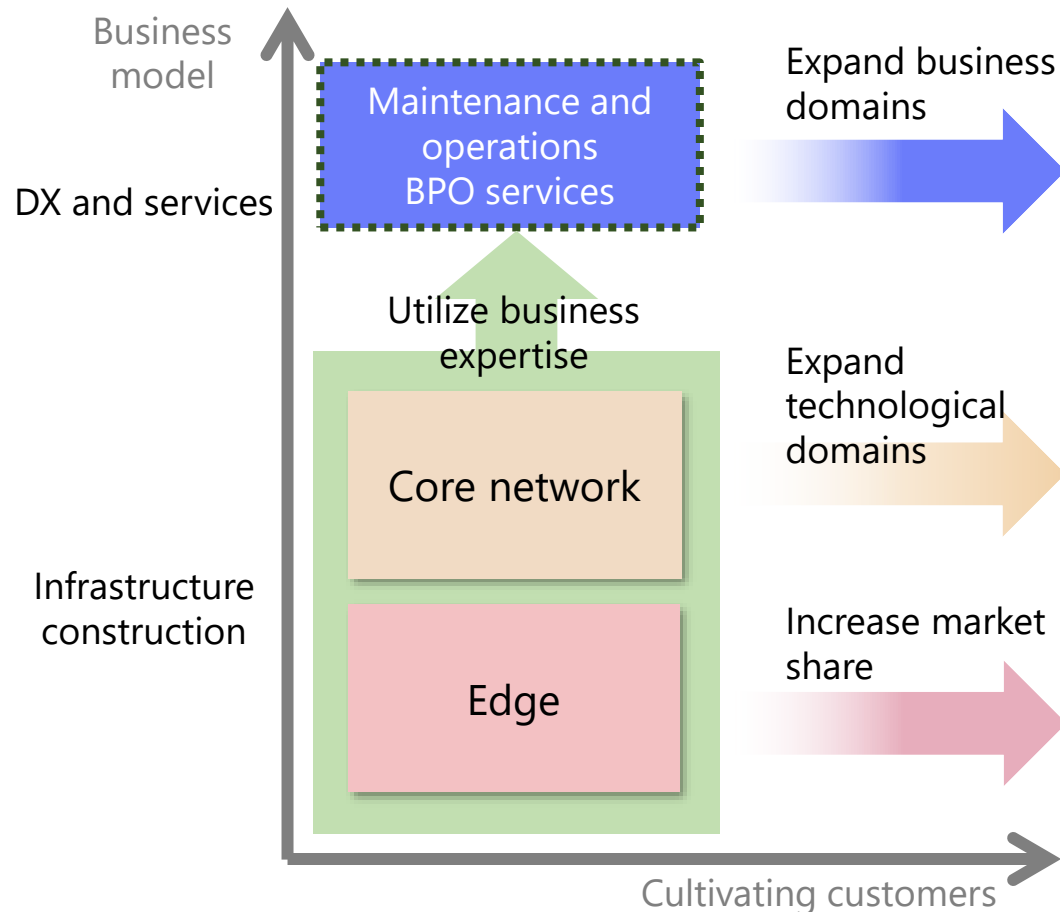
2021

Digital integration business

2024

# Individual Strategies (Carrier Business)

Aim to evolve from an engineering business into a top player in open network domains



## BPO services (operation data with AI)

- Offer OPEX reduction solutions and BPO services by combining business expertise, operation and maintenance data and the utilization of AI

## Core network (open network)

- Expand the solutions business through next-generation network technologies and co-creation with open vendors

No. 1

## Edge (business expertise with DX)

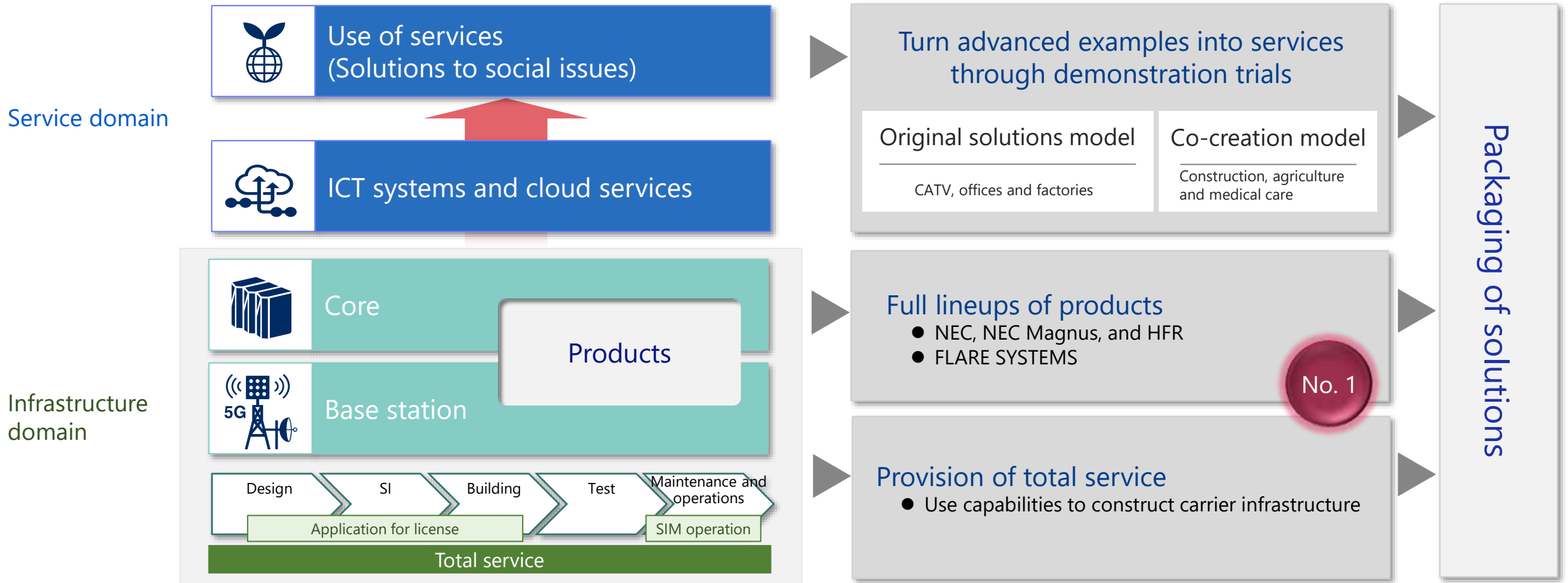
- Increase profitability by streamlining through DX and secure the largest market share
- Apply the process DX implemented by ourselves to customers' processes

No. 1

# Individual Strategies (Carrier Business)

Multi-connectivity sales  
for FY March 2025  
¥10Bn.

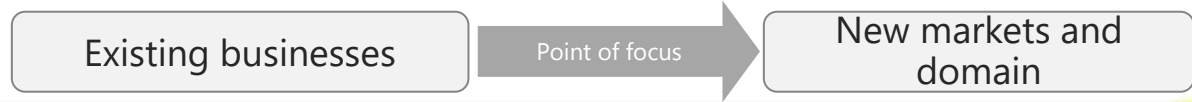
Introduce solutions developed using expertise of carrier business to other markets (L5G model)



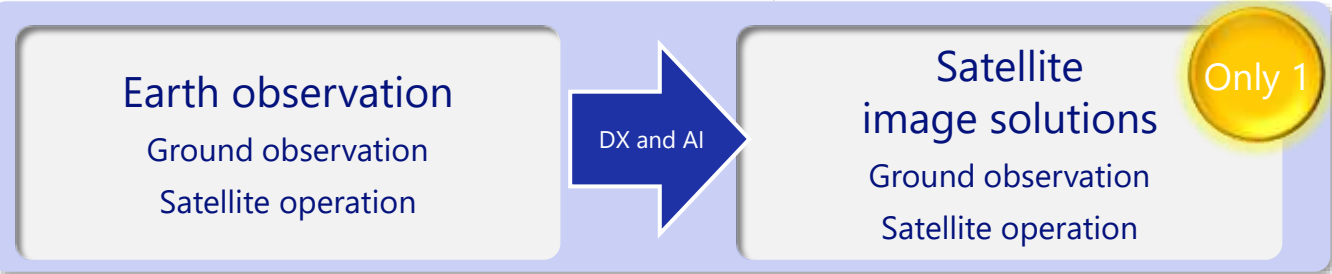
# Individual Strategies (Social Infrastructure Business)

Social infrastructure business sales for FY March 2025  
¥25Bn.

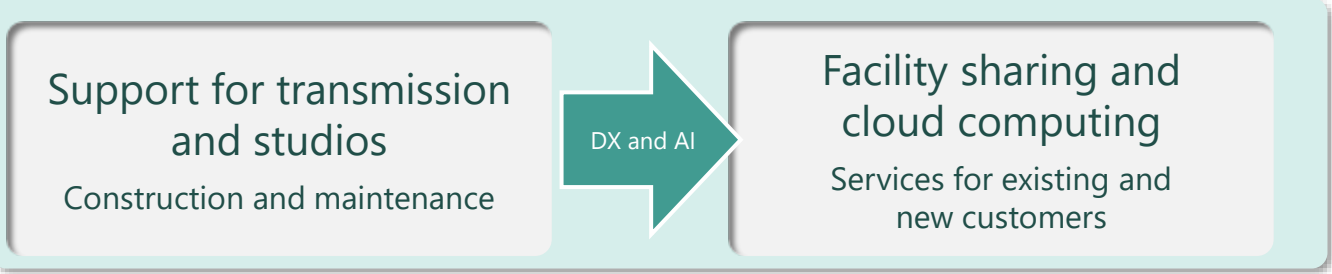
Operate a business of solving issues confronting society by combining existing technologies with DX and AI



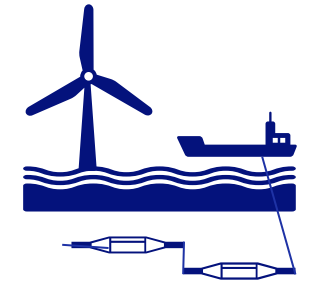
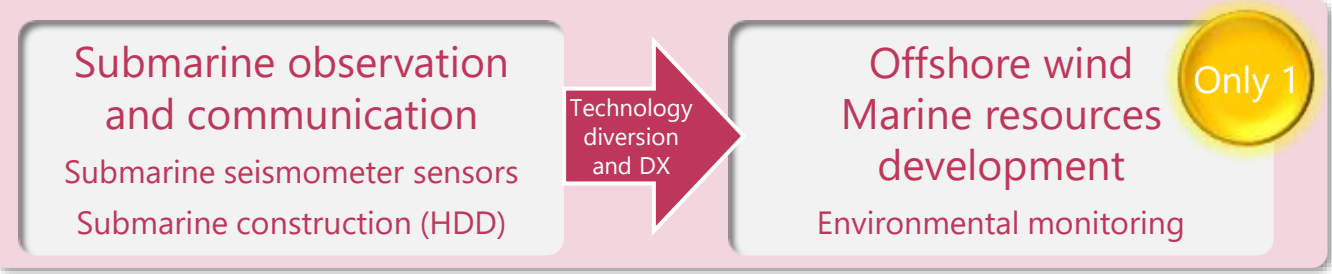
Aerospace business



Broadcasting business



Marine business



Value provided

**Sustainable Symphonic Society**  
Realization of a sustainable and prosperous society

The only-1 technology for observing the earth from outer space and from the ocean floor to resolve issues for society



# Strengthening of Business Foundations

Personnel supporting businesses, safety and quality, and productivity improvements

## Develop DX and next-generation network engineers

-DX personnel that use AI, IT and data to solve variety of problems

Human  
resource  
development

## Improve safety and quality

-Safety and quality based on the use of DX (data utilization, remote management and AI determination)

Safety and  
quality  
Realize Safety 2.0

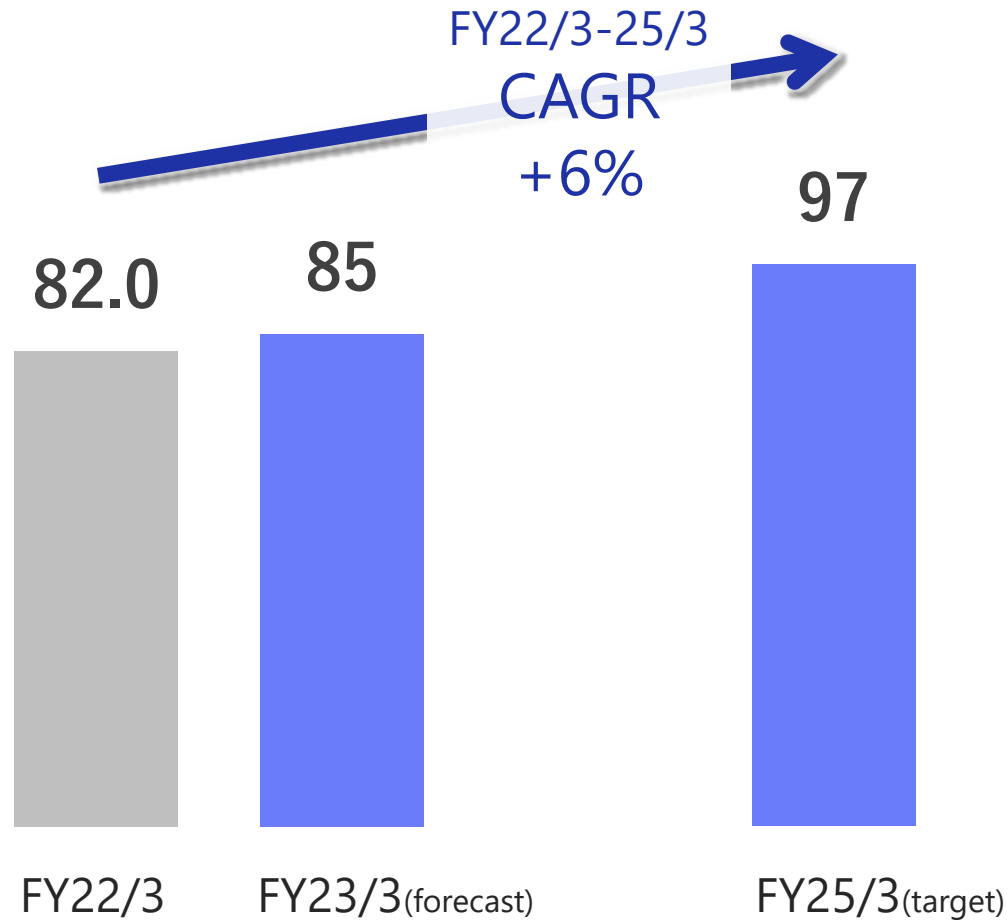
Productivity  
improvement

## Accelerate streamlining with the use of DX

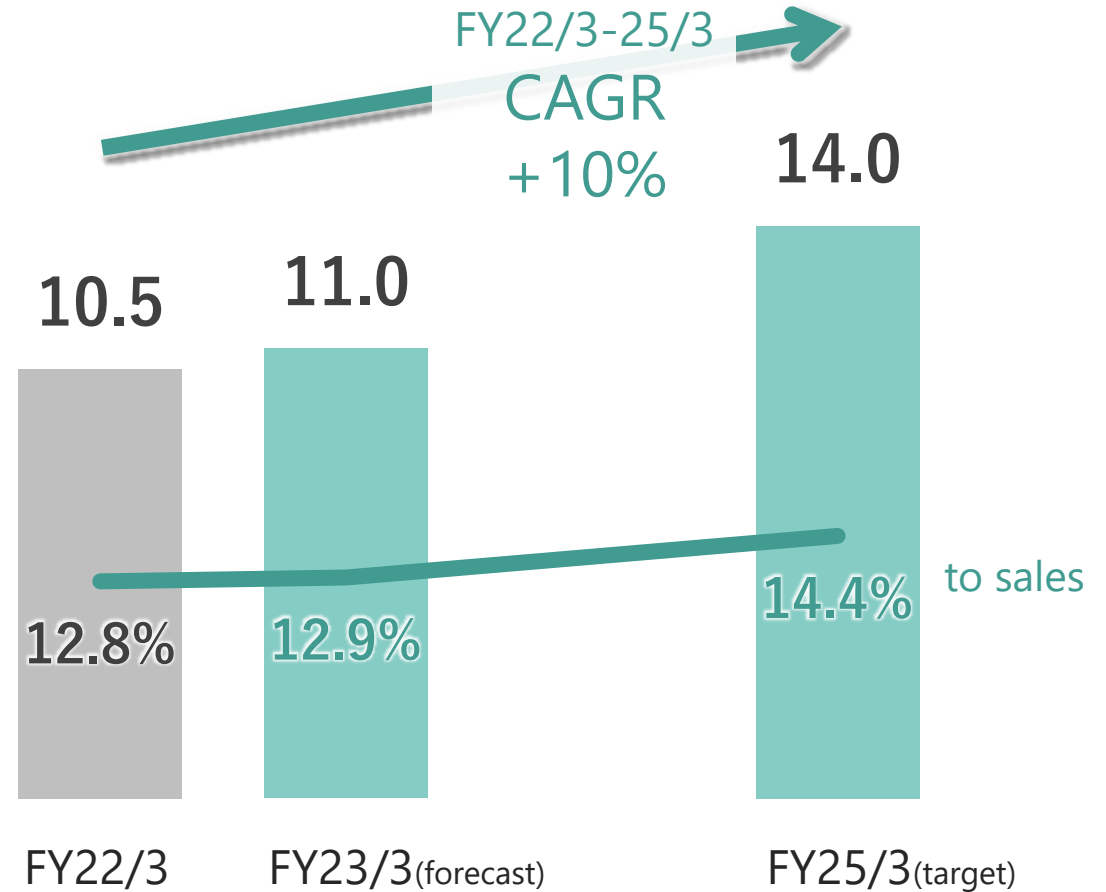
-Streamline business with AI and automation  
-Improve digital literacy to develop personnel into strategic staff

# Medium Range Targets of NWS

## 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.

# NEC

NEC Networks & System Integration Corporation

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

# 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.