

Network Solution Business

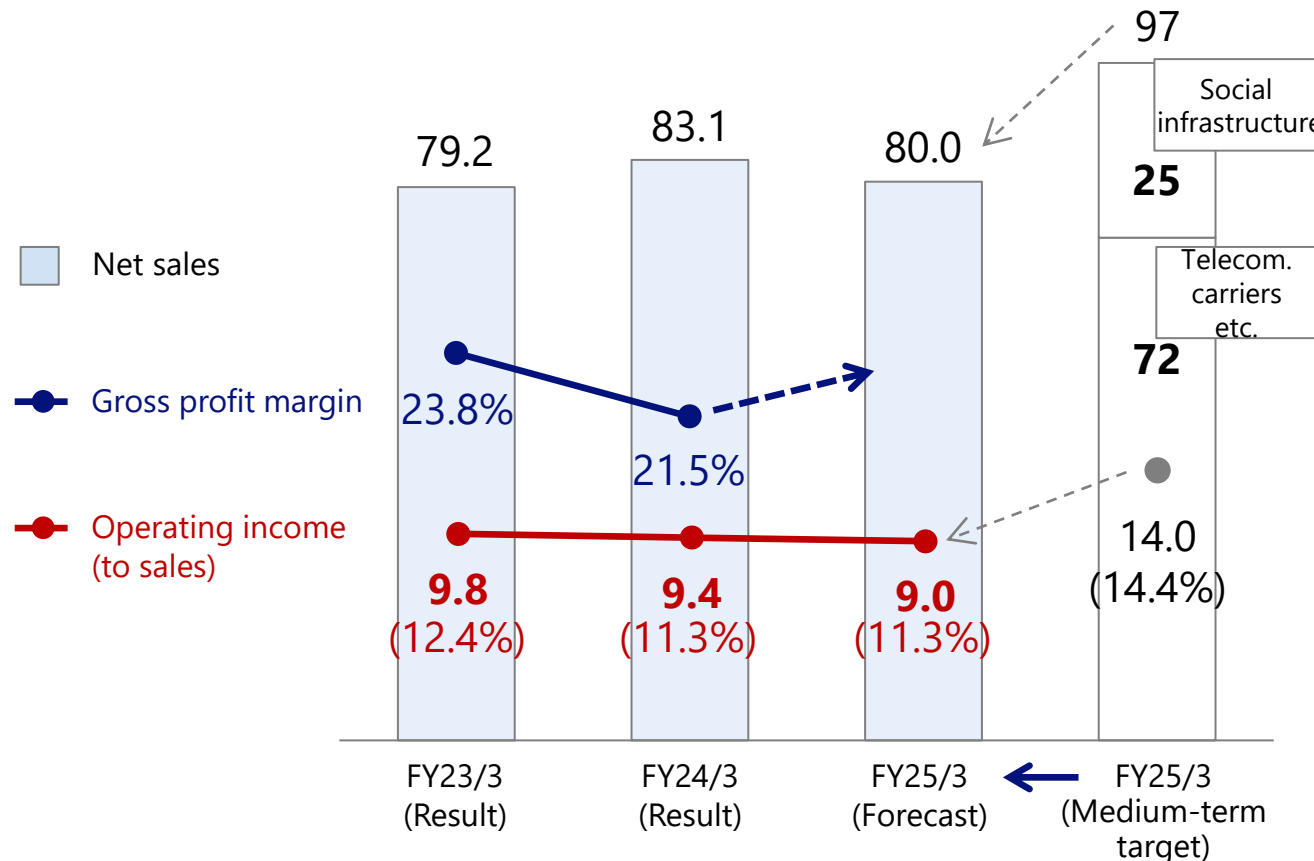
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NEC Networks & System Integration Corporation
(TSE: NESIC, 1973)

Progress of Medium-Term Management Plan

FY25/3 targets have been revised in light of the business environment.

■ Results and forecasts (¥ Bn.)



- Structural reform of telecom carrier business completed
Planning to improve gross margin in FY25/3
 - Cross-BU resource shift
 - Streamlining including in-house production and consolidation of floors
- Aiming for targeted growth of the social infrastructure business

Overview of the Network Solutions (NWS) Business

Basic Policies

Providing highly reliable network systems with multi-vendor SI by leveraging comprehensive SI capabilities for diverse network systems to meet high-level demand from customers, together with nationwide maintenance and operation systems

Strengths of the business

- ICT infrastructure comprising highly-skilled engineers (No. of beyond 5G professionals: over 1,000)
- Industry expertise through collaboration with NEC
- Ability to provide comprehensive solutions in a one-stop manner, from SE to maintenance and operations



Business area

- (i) Network business
- (ii) Beyond 5G business
- (iii) Social infrastructure business

Business Strategy

Maximizing the NWS business by focusing on the business of co-creation with customers using unique technologies through cooperation with venture firms in addition to pursuit of deeper cooperation with NEC

Network business

- ✓ Telecom. carrier infrastructure
- ✓ Local NCC
- ✓ Governments and public areas

- Pursuing open system business area, such as O-RAN and Whitebox, in greater depth
- Making it a service business by providing operation DX solutions
- Entering the mission-critical areas by using large-scale network-SI technologies cultivated through the telecom carrier business

Beyond 5G business

- ✓ 5G social implementation

- Launching the business of co-creation with customers by providing industry-specific solutions based on characteristic infrastructure products and wireless technologies

Social infrastructure business

- ✓ Space and national securities
- ✓ Marine ✓ Media

- Entering the area of direct sales in addition to pursuing cooperation with NEC in greater depth
- Expanding from dedicated machines to the open system area by using multi-vendor SI technologies

Network Business

Expanding the business volume by entering new network-SI area

Telecom carrier: O-RAN

Nationwide deployment of
wireless x cloud computing technologies

[Areas where we serve]

Relay stations and
GC stations
Tens of thousands
of bases across Japan

● Areas where we build networks

- Cloud environment
- Site systems
- Verify and evaluate



● Maintenance

- Services provided in fields
- Various documents
- 24/7 year round



Cross-telecom-carrier deployment
through cooperation with KNSI*

Governments and public areas: Mission-critical areas

Making the network more advanced for the DX of operations

Postal
services

Common network infrastructure
(24,000 offices across Japan)

Entries to some deployed
businesses completed

To integrated SI

POST

Electric
power

Network for digitalized control of electric power systems
(Power plants and substations across Japan)

- Advancing the private communication
network of control systems
- DX of operations in power plants and
substations

Differentiation with operation
solutions in addition to optical
x local 5G



Ministries
and agencies

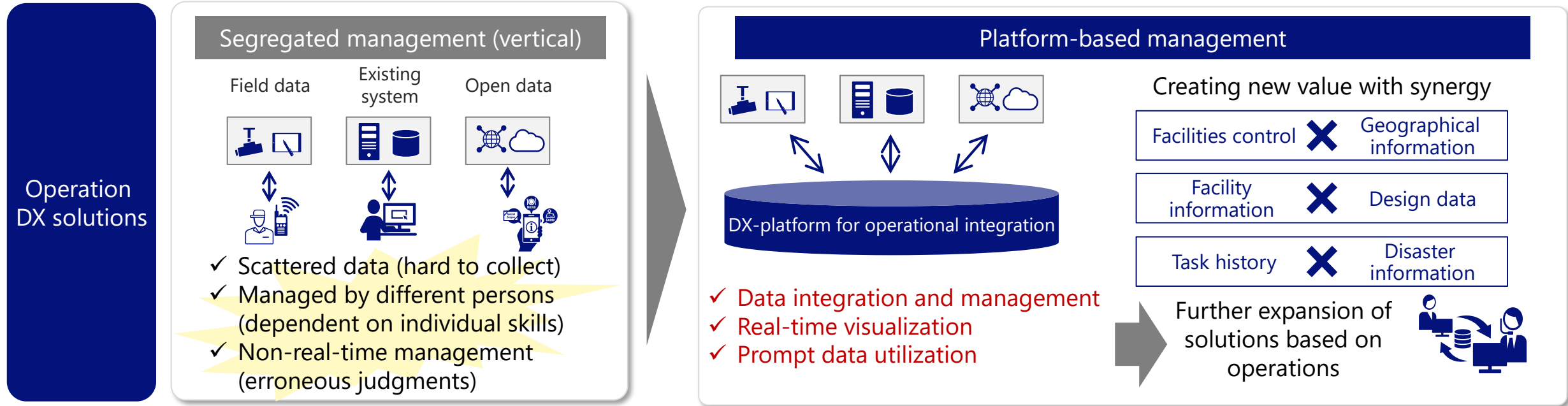
Prefectural information network
(physical and virtual infrastructures)

Fully integrated services with a nationwide system



Network Business: Local NCC

Accelerating expansion into new areas, including the businesses of supporting worksite DX based on maintenance and operations (equipment management, visualization, automation with AI, etc.) and local DC, in addition to optical network infrastructures



Beyond 5G Business

Focusing efforts on launching a market for the social implementation of next-generation networks, by using characteristic products and companywide assets

Lineup of products tailored to purposes



NEC Magnus

[High-output and integrated]



HFR (South Korea)

[Expandable and discrete]



All-in-one local 5G system integrated with the core network



HYPERNOVA

Portable high-performance base station,
with all elements integrated in a single box

- ✓ One-box
- ✓ Compact and power-saving
- ✓ Non-SI
- ✓ Low price
- ✓ Powerful
- ✓ Compatible with outdoor use

Thoroughly eliminating barriers to the introduction of local 5G to encourage customers to experience the implementation

SI model

Preparing to offer rental equipment in addition to one requiring initial investment

Co-creation model

Implementation of local 5G in practical operations
(Small starts)

Local 5G evaluation and value verification

Expanding areas of applications while checking the effects

Central and local governments
NEC market and others



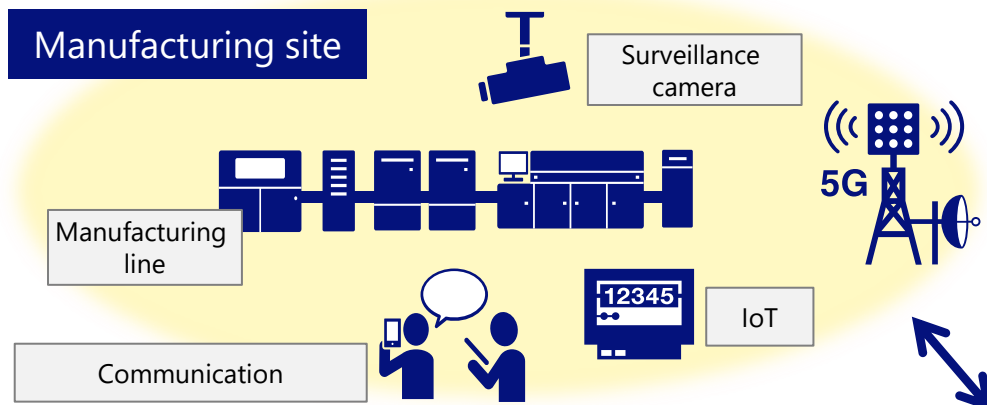
Manufacturing, construction, electric power, transportation, and others



Beyond 5G Business: Use Cases

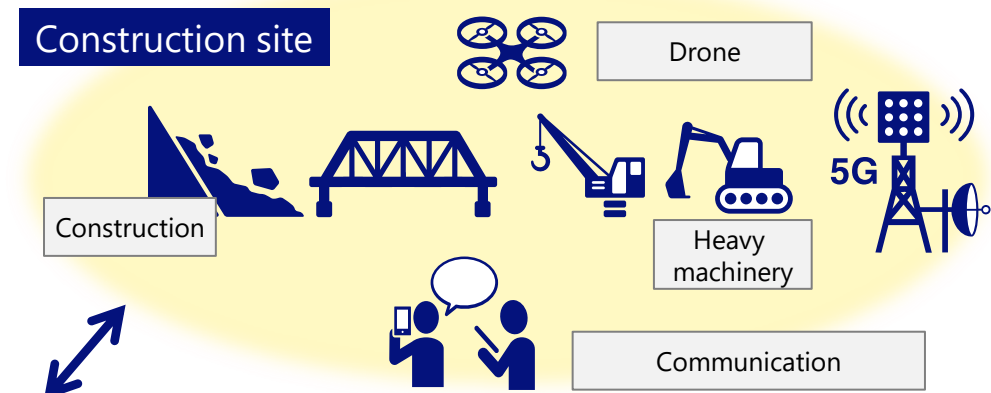
Industry-specific local 5G solutions developed through co-creation with the customers in markets where demand for next-generation networks has been actualized

Use case (1): Manufacturing industry



- Manufacturing and quality control
- Centralized management of events
- Real-time data sharing

Use case (2): Construction industry



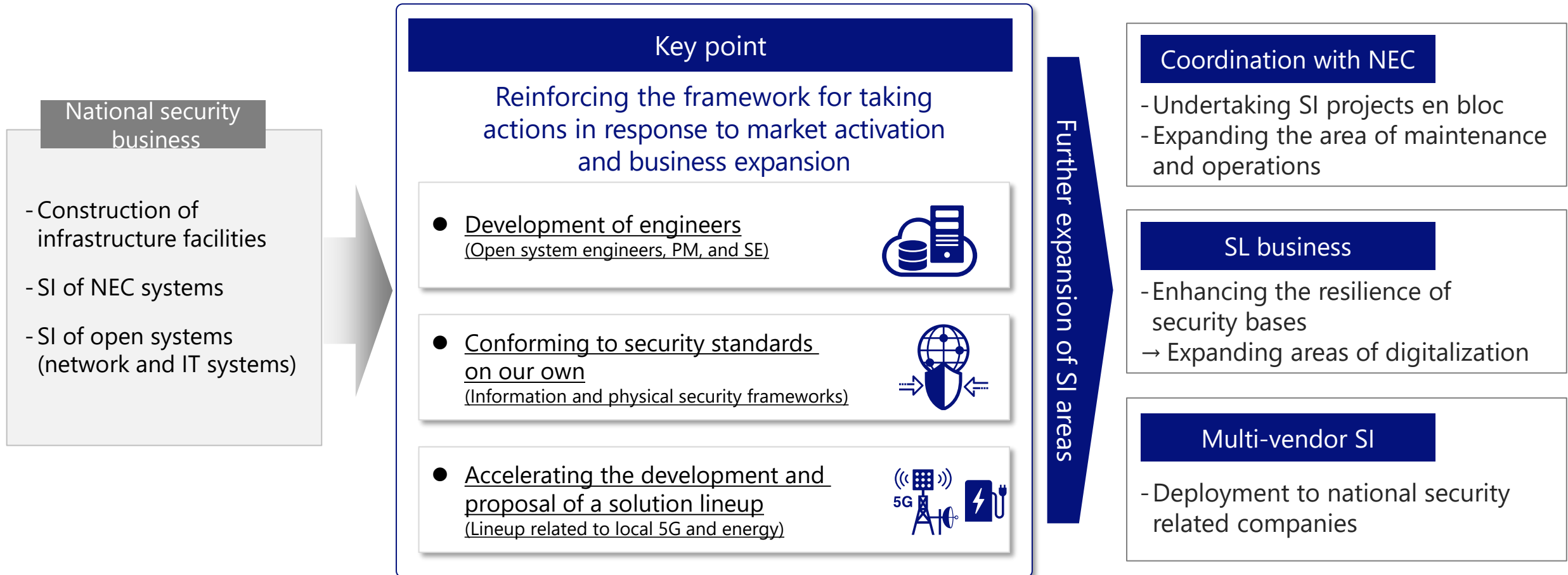
- Checking conditions of remote control, etc.
- Workers' communication
- Management of design and work data



Social Infrastructure Business: Space and National Securities (1)

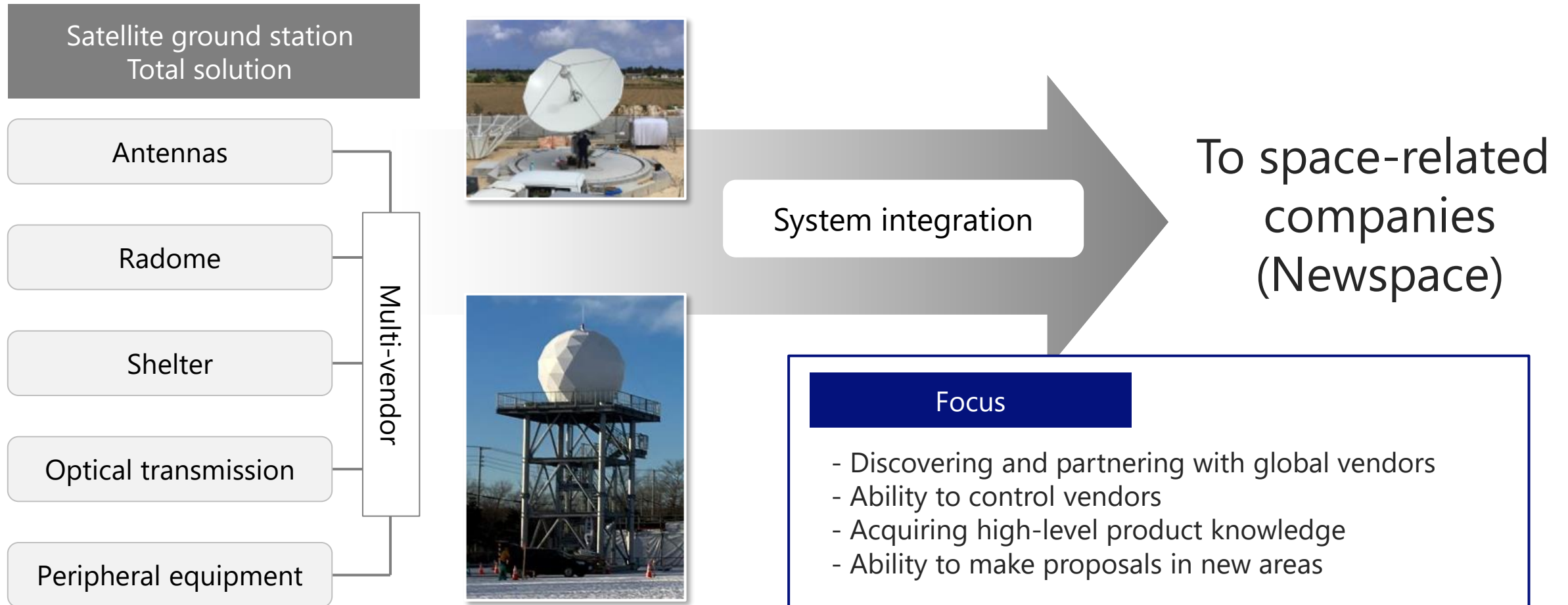
Expanding the business on an ongoing basis by pursuing cooperation with NEC in greater depth in light of the activation of the security area

Further, expanding the direct sales area with open systems, aiming to maximize the business of the Group



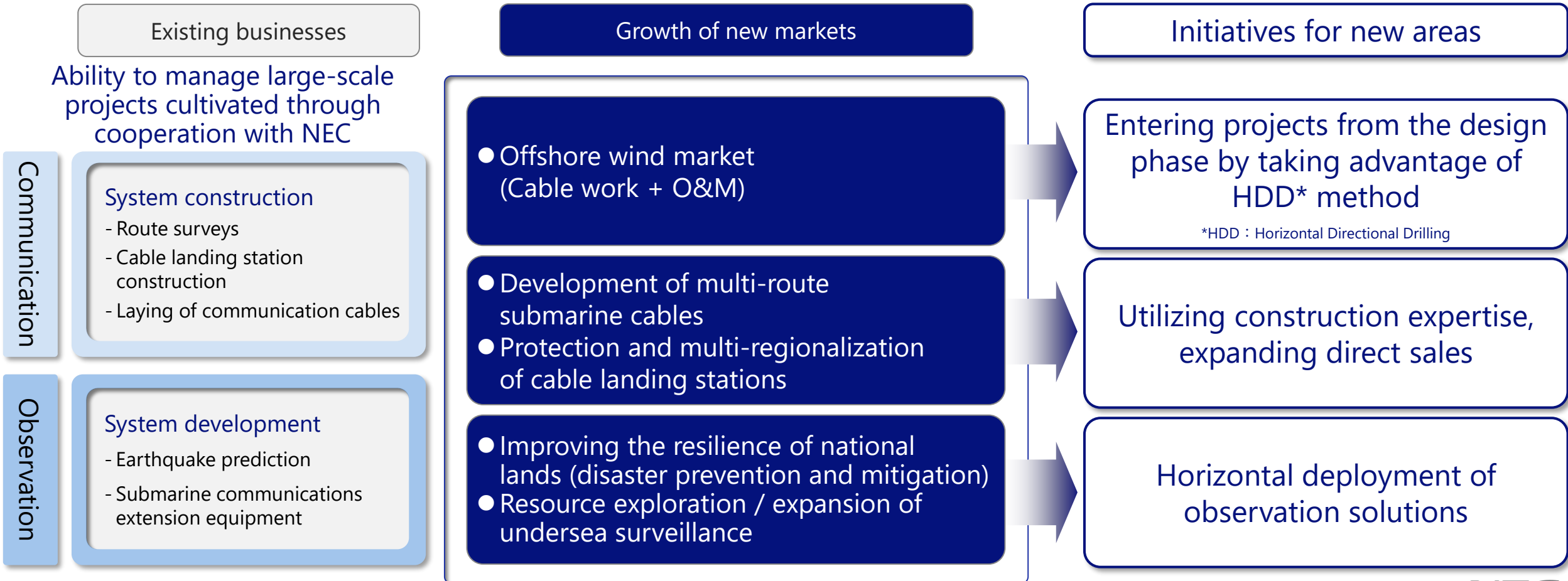
Social Infrastructure Business: Space and National Securities (2)

Expanding high-quality, cost-competitive solution business by taking advantage of our capability of identifying qualities and multi-vendor SI capabilities, which were cultivated through cooperation with NEC



Social Infrastructure Business: Marine

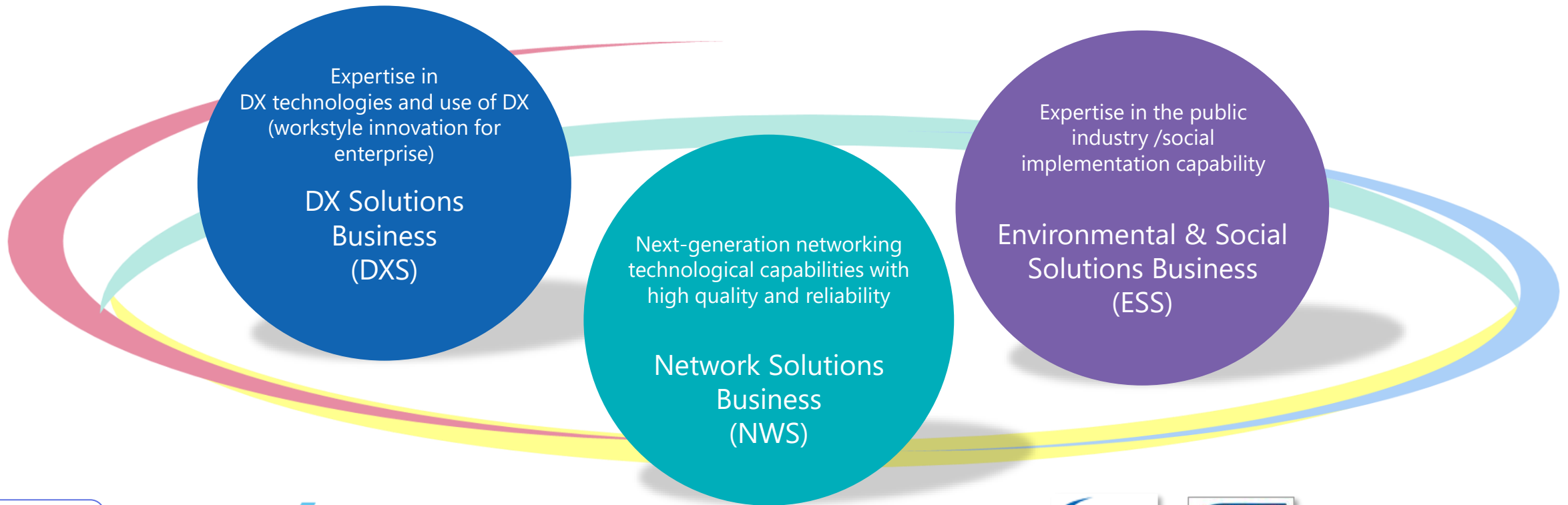
Leveraging marine-related experience spanning more than five decades together with the technological capabilities to enhance activities targeting new growth markets, including offshore wind power generation



Increasing the Competitiveness of the Entire Company with Advanced Network Technologies

Capturing leading-edge network technologies ahead of others,
thus helping differentiate all businesses of the company

Example: Smart security services for electric companies using local 5G technologies



Company-
wide business
foundation



(Foundation for nationwide support services)



Re-designing your Communication



NEC Networks & System Integration Corporation will be committed to increasing customer value by redesigning future communications from the user's perspective.

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