

June 6, 2013

NEC Networks & System Integration Corporation

NEC Networks & System Integration to Make Q&A a
Consolidated Subsidiary to Strengthen Contact Center Business

NEC Networks & System Integration Corporation (Head Office: Bunkyo-ku, Tokyo; President: Masao Wada; TSE: NESIC/1973; “NESIC,” hereafter) has decided to acquire additional shares in Q&A Corporation (Head Office: Shibuya-ku, Tokyo, President and CEO: Yuichi Kanagawa; “Q&A,” hereafter) up to 56% from its previous capital participation of 22% and make the company a consolidated subsidiary to bolster its capital alliance, with the aim of strengthening its contact center business. In an effort to expand business operations utilizing synergy with Q&A, on the same day (June 7), NESIC shareholdings in subsidiary DAIICHI AD SYSTEM CO., LTD. (Head office: Shibuya-ku, Tokyo, President: Kenichi Masutani; “Daiichi Ad System,” hereafter) will be sold to Q&A, making Daiichi Ad System a consolidated subsidiary of Q&A.

NESIC is characterized by diverse operating bases that include a high reliability network-oriented ICT technologies, construction bases for social infrastructure, facilities for offices, as well as a service infrastructure including data centers, operations centers engaged in services such as monitoring for network systems and parts centers with a nationwide response time of under two hours. By further strengthening these operating bases with a focus on the service infrastructure and seeking greater utilization, NESIC aims to achieve medium-term growth with service businesses attuned to changing customer needs at its core. Under this policy, in November 2010 NESIC made Daiichi Ad System, which excels in mail order-oriented contact center outsourcing services, a consolidated subsidiary. In June 2012, NESIC strengthened its service infrastructure by undertaking a capital alliance with Q&A, which is involved with technical contact centers and on-site support services (field support) capable of handling ICT and other technical areas. As well as making Q&A a consolidated subsidiary, this enhanced capital alliance will unify the two affiliate companies associated with

the contact center services under Q&A, establishing a framework for expanding new services with Q&A at their core.

The following points outline the aims of this strengthened capital alliance.

(1) Strengthening and Expanding the Contact Center Service Business with the Relationship Marketing (RM) Business at its Core:

Through enhanced coordination between Q&A and Daiichi Ad System, the contact center service business will be strengthened and expanded. In particular, in addition to conventional outsourcing-based contact center services, Q&A has sought to expand its operations with a focus on its relationship marketing (RM) business, where it is entrusted with the planning and operation of marketing analyses and sales promotion measures for corporate clients. By strengthening coordination with one another, the two companies can take advantage of economies of scale while expanding the RM business field in which Q&A specializes using the mail-order-centric client base of Daiichi Ad Systems, thereby expanding operations into comprehensive outsourcing services with high added value.

(2) Strengthening and Streamlining the Contact Center Service Infrastructure:

NESIC has made progress in strengthening its contact center infrastructure at the Network Total Operation Center (nTOC), which fulfills a customer reception function, and will integrate the contact center systems of Q&A and Daiichi Ad System on this basis. Since these contact center systems are traditionally developed to accommodate individual customers, their integration and standardization can bring about a significant boost in efficiency. Moreover, NESIC will adapt these infrastructure elements to cloud computing and provide this as a standardized service infrastructure to various contact center service providers in the future.

(3) Provision of New Services Utilizing the Three Companies' Operating Bases:

NESIC has developed a B-to-B ICT business that utilizes diverse operating bases aimed at medium-to-large-sized customers. Meanwhile, Q&A enjoys strengths in delivering B-to-B-to-C and B-to-C technical services to solve failures and other trouble, issues with connection, operation and questions

over usage and utilization to the end users of ICT digital products (PCs, printers, information appliances, communication devices, etc.) in the fields of both on-site (field) support services and contact center services. Further, Daiichi Ad System specializes in fulfillment-oriented B-to-B-to-C services with a focus on mail-order operations, handling everything from order receipt to product delivery and payment processing. Utilizing a BPO infrastructure able to handle such B-to-B-to-C and B-to-C services in the B-to-B ICT business in which NESIC excels will not only provide ICT systems and services to customers such as telecommunications carriers and service providers, but it will also accelerate the creation of new services aimed at end users that combine everything with detailed technical support and services.

Through this reorganization and strengthening of its contact center business framework, NESIC will seek to expand its contact center business and achieve medium-to-long-term growth by producing synergy between two essential elements, the provision of a competitive contact center infrastructure and provision of high-value added contact center services.