



# NESIC's Mid-range Growth Strategy

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(TSE 1973, NESIC)

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# Forecasts of FY2014/3

# Financial Summary

- FY13/3: Achieved record profits
- FY14/3: Steadily continue increase  
in sales and profits

(Billion yen)

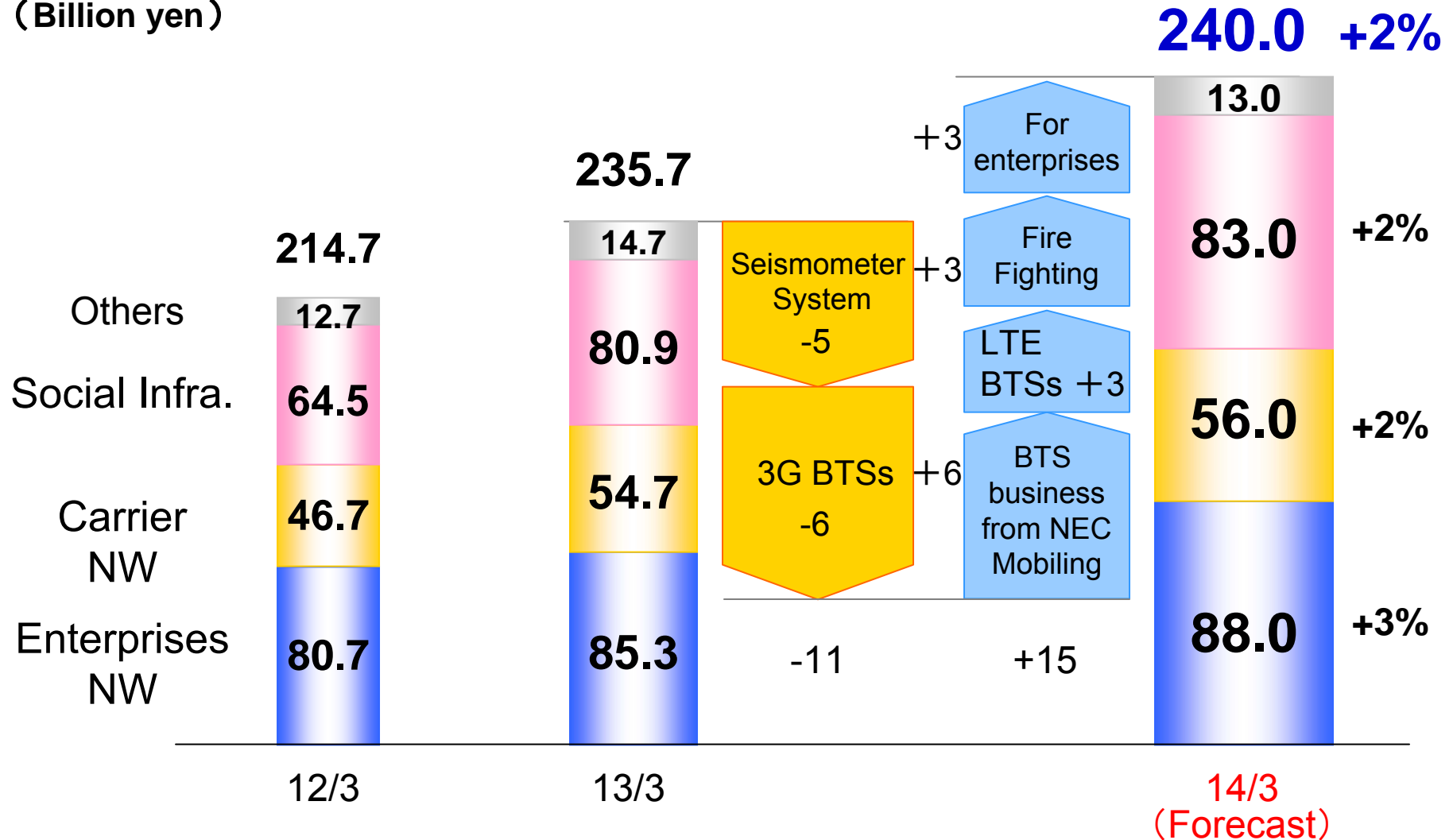
	FY12/3 Actual	FY13/3 Actual		FY14/3 Forecasts	
			YoY		YoY
Net Sales	204.7	235.7	+15%	240	+2%
Operating Income	9.7	12.5	+2.7	13	+0.5
(to Sales)	(4.8%)	(5.3%)	+0.5pt	(5.4%)	+0.1pt
Net Income	4.6	7.5	+2.9	7.8	+0.3
(to Sales)	(2.2%)	(3.2%)	+1.0pt	(3.3%)	+0.1pt

(\*Forecasts as of April 26, 2013)

# FY2014/3 Full-Year Forecasts (Sales by Segment)

(\*Forecasts as of April 26, 2013)

(Billion yen)



## Enterprise Networks

- To expand the services business leveraging investment in growth
- To expand synergies with partners  
(Moshimoshi Hotline, Q&A Corporation, Daiichi Ad System)

## Carrier Networks

- To actively acquire continued opportunities from telecom carriers' investments to improve communication traffic  
~ Deriving synergies from BTS integration at an early stage  
(Acquisition of mobile BTS business from NEC Mobiling)

## Social Infrastructure

- To ensure execution of the fire-fighting systems business and installation of LTE BTSs

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# III. Mid-Range Business Plan

# Environment surrounding NESIC

The business environment is improving for now with monetary easing and economic stimulus, among other factors. The impact of the consumption tax hike starting in FY2014 will need to be watched closely.

## ●Enterprises Networks

- While existing types of ICT infrastructure building and hardware maintenance are trending downwards, value-added services areas, which utilize the Internet, etc., are expanding.

## ●Carrier Networks

- Investment will shift from BTS to mobile services in the medium term, although present BTS investment is stable.

## ●Social Infrastructure

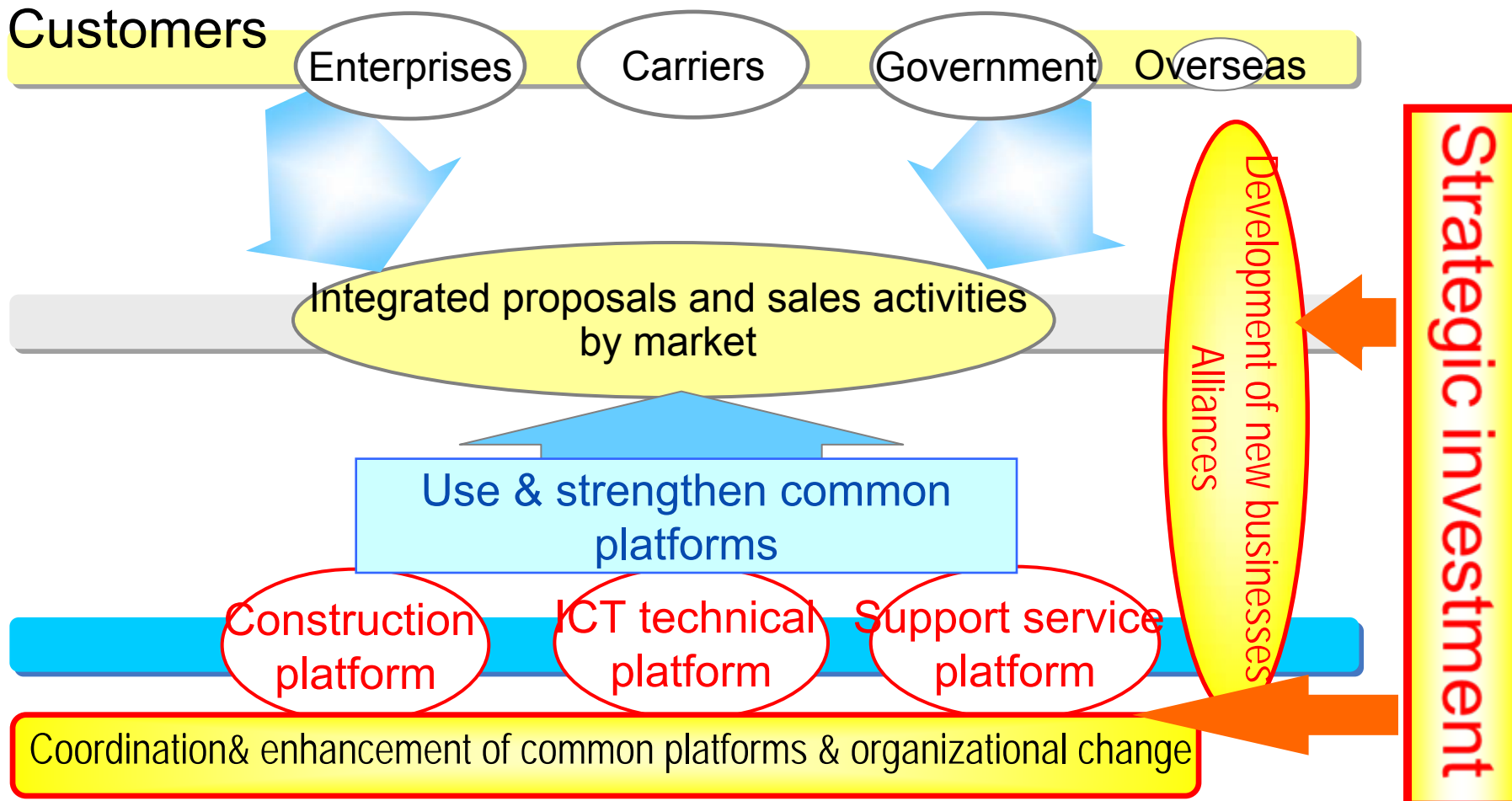
- FY2013, FY2014 will remain firm due to the government's supplementary budget.

While a sense of uncertainty exists thereafter, expectations exist on trends in the government's new IT strategy.

 Need to focus on strategic areas in new and existing businesses

# Mid-Range Business Policy

- Expand new businesses, services business that outstrip the declines in existing businesses
- Strengthen common platforms that support businesses





■ Improve both of top-line and bottom-line while making a structural change to the services business

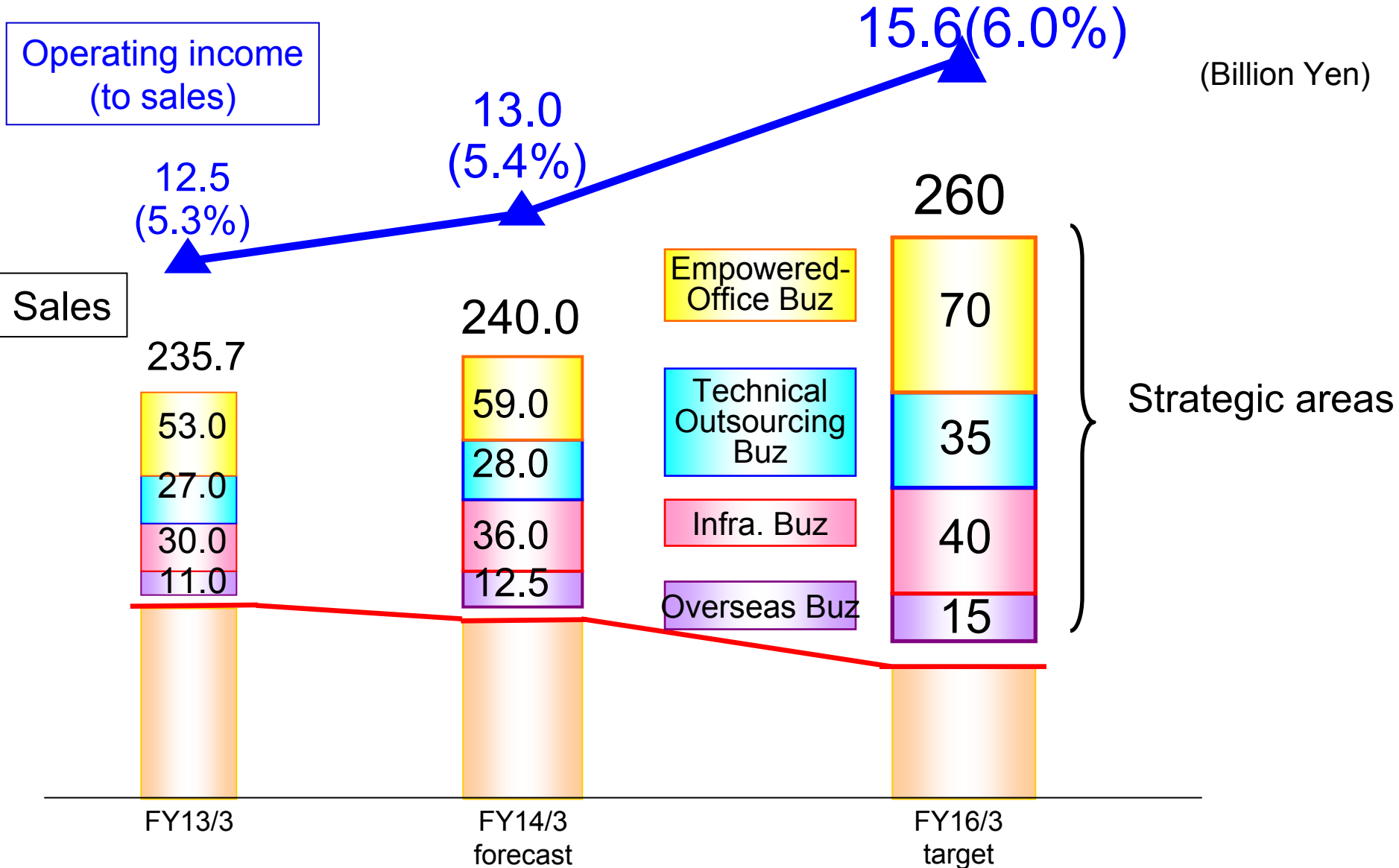
- Sales over ¥260 billion
- Operating margin over 6%
- ROE over 10%



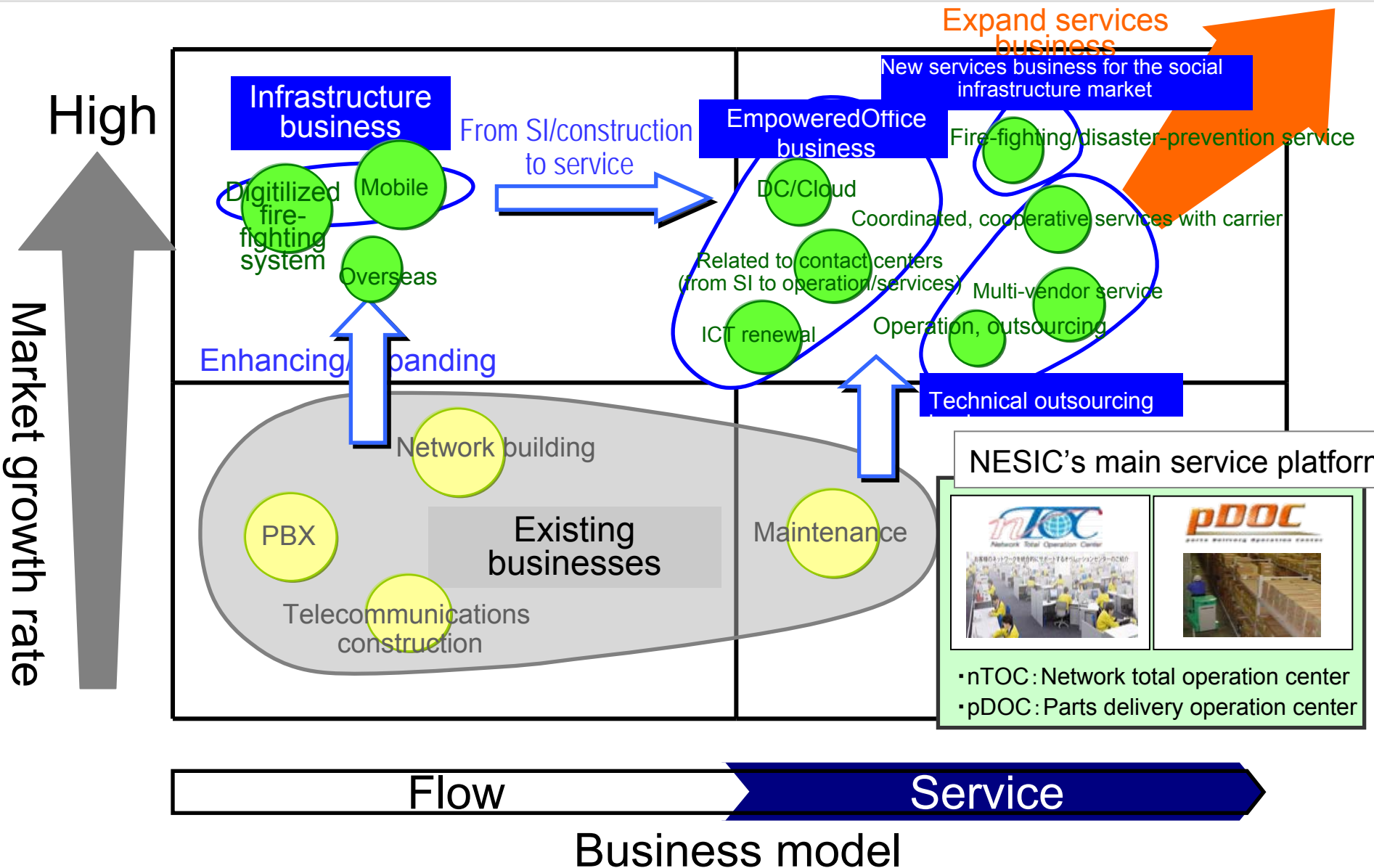
Improve shareholder value as a listed company

# Mid-Term Business Target

(\*Targets are as of May 9, 2013)



# Focus Business Domains (Strategic Map)



NESIC's main service platform



• nTOC: Network total operation center

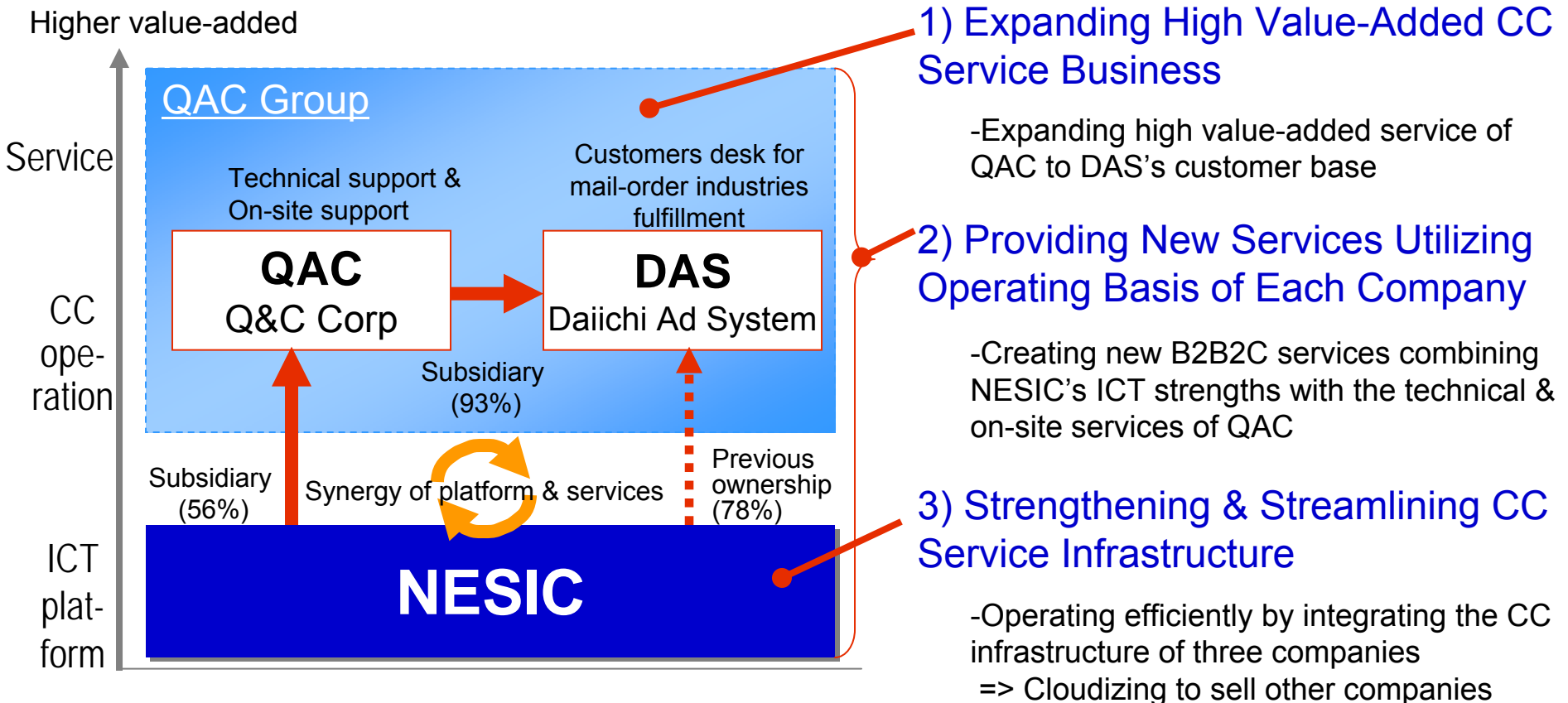


• pDOC: Parts delivery operation center

# Measures for Expanding Services Businesses

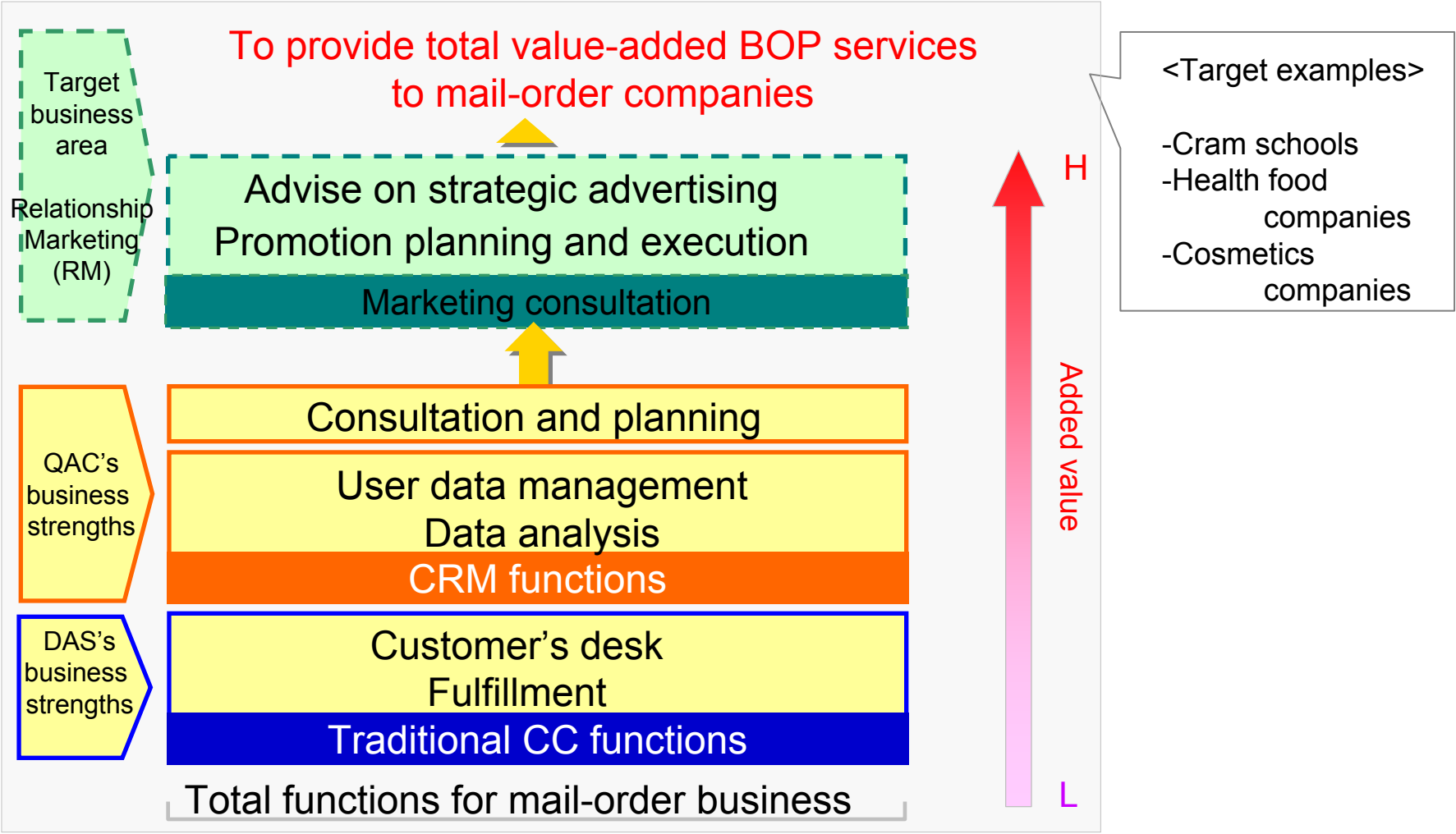
■ NESIC made QAC a consolidated subsidiary (and made DAS a QAC subsidiary) to enhance the Contact Center (CC) business

➔ To quintuple CC business from FY13/3 to FY16/3



# 1) Expanding High Value-Added CC Service Business

- High value-added service with “data-analysis & consultation” and “promotion-planning & operation” functions on top of traditional CC operations



## 2) Providing New Services Utilizing the Operating Basis of Each Company

### New services utilizing the technical support capability of QAC

- Rich records to responses at contact center and on-site support for individual users regarding ICT equipment and broadband network provided by major telecom carriers and PC vendors, etc.

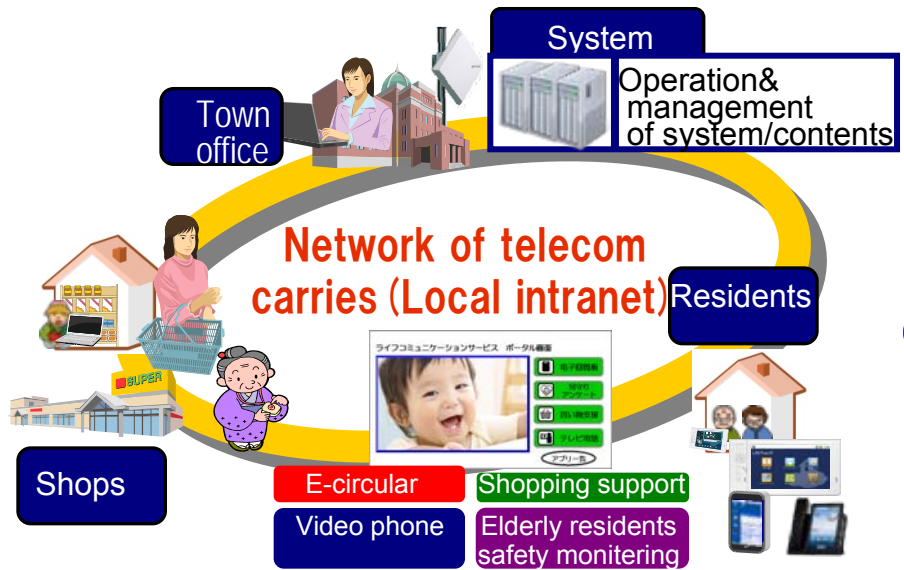
➔ New services combined with ICT solution of NESIC

(\*Business with services for individual users using smart terminals are expected)

\*Education, Medical, local communities, etc.

<Services Image>

Community communication system for local governments



NESIC

System integration and provision of terminals and application

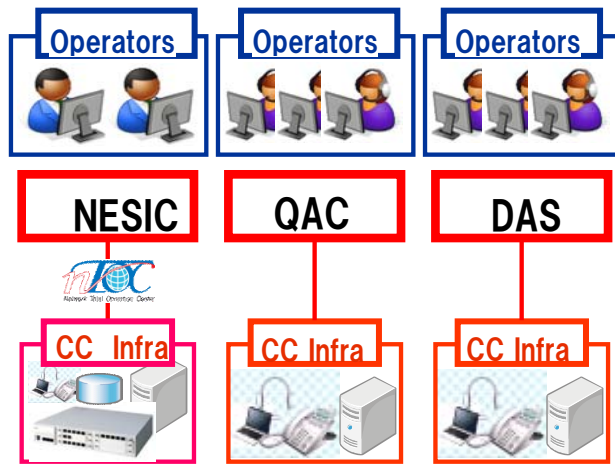
QAC group

Response to questions (e.g., how to use the terminals) and repair and on-site services for citizens

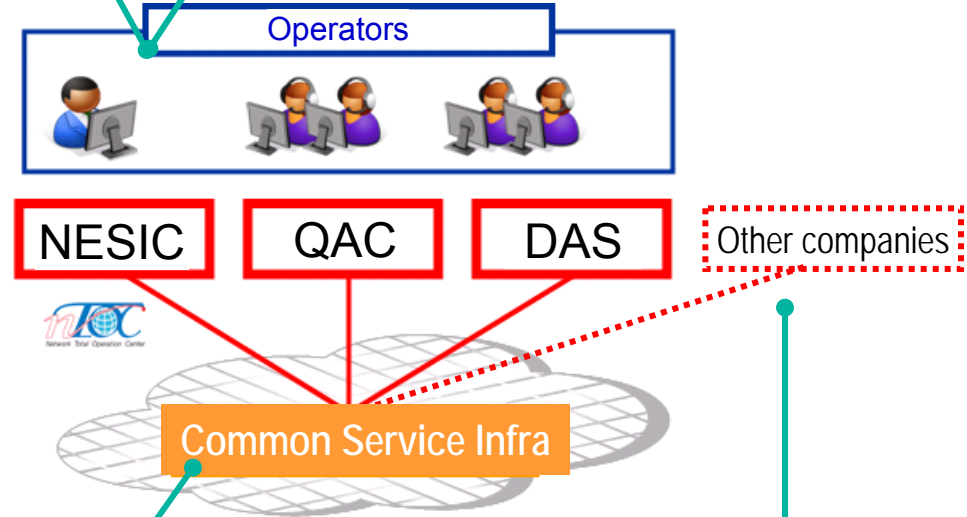
# 3) Strengthening & Streamlining CC Service Infrastructure

Commonalizing operators for efficiency

Sharing CC operation knowhow to standardize



Integrating



Integrating CC infrastructures of NESIC, QAC and DAS and reducing cost

Cloudizing CC common infrastructure and selling to other CC operation companies

## 60<sup>th</sup> Anniversary in 2013

Achieving medium-term targets  
with the ultimate aim of becoming the  
leading system integrator


Business growth

Organizational  
growth

Human growth

Improving value for shareholders





# Re-designing your Communication

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



# Cautionary Statement

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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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# NEC

NEC Networks & System Integration Corporation

<http://www.nesic.co.jp/english/ir/index.htm>