

Sales Structure for the International Business



Takayuki Morita

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Three Keys to Achieving the Mid-term Management Policy

NEC's mid-term management policy is to create a foundation for growth globally by focusing on Asia and promoting "locally-led" businesses. There are three key points to achieving this and expanding "Solutions for Society" on a global scale. The first point is to create globally

appealing solutions, the second is to enhance our ability to provide engineering services locally, and the third is to foster relationships of trust to provide long-term solutions with our customers.

Focus on Safety and Networks that Leverage the Strengths of NEC

Firstly, in terms of creating solutions, it is important that we define areas that leverage the strengths of NEC in global markets—where environments and income levels are diverse and geographically spread out—and develop business on a priority basis. Specifically, safety and networks are our two areas of focus. In the area of safety, we have expanded business by leveraging NEC's world-leading technologies in facial and fingerprint recognition. Our safety business is centered on the Global Safety Division (GSD) established in Singapore in 2013. In fiscal 2015, our achievements

include winning orders in the Middle East, South America and other new markets.

In the area of networks, NEC leads in the development and provision of solutions and focuses on the areas of SDN/NFV. In preparation for commercialization, we are proactively promoting the new network technologies, and while collaborating with our subsidiary, NetCracker Technology Corporation in application of its extensive global experience, NEC will continue to step up its activities in anticipation of future market expansion.

Strengthening Local Operations

In addition to upgrading and expanding NEC solutions, we are engaging in partnerships as well as mergers and acquisitions in our aim to provide services locally. In Australia, in 2012, we acquired the IT services business of CSG Limited, a company with a well-established IT managed services domain for governments. Through CSG, we provide many government agencies with ICT integrated managed services, including our strong networks solutions. Our

services are highly acclaimed by customers. In South America, we have acquired a video surveillance company and are developing and providing solutions that incorporate our image recognition and behavior analysis technologies. In the area of cloud services, NEC initiated a joint venture with Singapore Technologies Electronics Limited in Singapore and a joint business with the Foxconn Technology Group in Taiwan.

Building Relationships of Trust through Proactive Project Participation

Finally, NEC proactively participates in collaboration and demonstration testing with government agencies in earning trustful relationships. In Singapore, coinciding with the establishment of GSD, we have set up a research laboratory and have expanded collaboration with government agencies including the Singapore Economic Development Board and Singapore's Agency for Science, Technology and Research. In Chongqing China, we have entered into a strategic partnership with the city government and are working on an eco-center project to achieve energy-efficient operation. In addition, we have participated in

several projects in improving the operation and management of social infrastructure. For example, NEC provided solutions for a waste collection system utilizing sensors and Big Data analysis, and established and managed a cloud city operations center in Santander, Spain. We also participated in a water conservation management project in the U.S. state of Texas.

NEC will continue to pursue the steady growth of its global business while taking these initiatives to a deeper level and expanding them.

NEC set global revenue growth as an important theme of its “Mid-term Management Plan 2015.” By quickly responding to the unique needs of each region—North America, Central and South America, EMEA (Europe, the Middle East and Africa), Greater China region and APAC (the Asia/Pacific region)—NEC will generate locally led businesses.

Note: RHQ is the acronym for Regional Headquarters



Shinsuke Takahashi
President & CEO
NEC Corporation of America

Message from the Head of RHQ

NEC Corporation of America provides solutions that improve social infrastructure while providing safety, security, and operational efficiency. From foundational solutions like software-defined networking (SDN) to advanced Biometric security solutions, today's portfolio is focused on improving business productivity while positively impacting society. Complimenting these solutions are unique Big Data and Analytics capabilities adding value and predictability across the entire portfolio. Prioritizing social solutions has already led to new opportunities in Airports, Federal Government and Local Utilities and in the coming years these solutions will present significant growth opportunities.

Main Initiatives

In 2014, NEC Corporation of America expanded its Unified Communications (UC) portfolio by integrating both SDN and biometrics technologies to deliver one of the industries' most innovative communication offering. The Retail solution team also enhanced their portfolio by developing a new point of sale system that integrates hardware, software and services enabling a full life-cycle management retail solution. In addition, Cloud solutions were also expanded and now include UC-as-a-Service and cloud-based contact center solutions. Major advancements were also made in Federal Government signing contracts for both Biometrics and UC solutions.

Looking forward to 2015, NEC Corporation of America will continue to prioritize solutions that provide value to both businesses and individuals.



Masazumi Takata
President & CEO
NEC Latin America

Message from the Head of RHQ

There are great examples of how we contribute to improve the quality of various services of our customers. Our solutions are leveraged by innovative approach that serves to create real social value. We collaborate with our customers and partners closely to prepare better products and services that enable society advancement.

We are very excited with the possibilities NEC will have in near future to further contribute to Latin America in its tremendous growth opportunity to a next stage.

Main Initiatives

NEC has achieved business expectations in Latin America region, with a consistent growth in sales in 2014 and good prospects for 2015.

The positive results come from several projects in which the Company is applying key ICT solutions, such as the digitalization of Mexican passport with highly standards for security, facial recognition for the Brazilian airports to support custom clearance process, virtual classroom e-learning solution in Argentina, biometrics system for a bank in Chile and enablement of Colombian rural area with a quick and easy access to the Internet to narrow the citizen's digital divide.

Looking forward to 2015, NEC Latin America will continue to expand its business and sales in safety, security and other growing areas to strengthen its market presence in Latin America.



Naoki Iizuka
President & CEO
NEC Europe

Message from the Head of RHQ

As the final year of “Mid-term Management Plan 2015,” and the year to set the solid basis for the next mid-term management plan, our goal is to establish NEC's broader presence in the EMEA region. We will continue to expand our communication business in SDN, TOMS, and cloud services for telecom carriers. In addition, we will also promote the expansion of the enterprise business in emerging countries. Furthermore, NEC is exploiting biometrics and smart city projects for public sectors and smart energy business in the EMEA region. As a “locally rooted NEC,” we will strengthen these business and contribute to the communities.

Main Initiatives

In fiscal 2015, while we saw geopolitical risk in some areas, we fortified the business foundation across the EMEA region. In the Middle East, we received an order to build a large communications project in Saudi Arabia, and sales have increased at NEC Africa since its establishment in 2011. We will further reinforce our business operations in emerging market.

In Europe and the Middle East, there are global telecom carriers expanding business in Asia, Central and South America, and Africa. We are building strong relationship with them by collaborating with Japan and other RHQs.

Looking ahead, we are actively promoting public safety, smart city and cyber security as growth drivers for the next mid-term management plan. We are marketing face recognition solutions to not only government agencies but to enterprise arena. Moreover, we are engaged in tangible smart city projects in Spain and the U.K. to improve the sustainability of cities by utilizing cloud computing, SDN and other innovative technologies.



Kiyofumi Kusaka
President
NEC (China)

Message from the Head of RHQ

The Greater China region is becoming a key market in the NEC Group. The economic growth rate of the Greater China region, compared to the rapid growth of the past 10 years, has shifted to a “constant speed.” However, the size of China's economy has already surpassed that of Japan's and China has solidified its position as the world's second economic superpower. At the same time, China is rapidly changing its disposition from having being viewed as the world's factory to now being seen as a massive consumer market. NEC China will introduce NEC's advanced technologies and products more rapidly to its ever-changing market and meet diverse and complex customer expectations.

Main Initiatives

In response to interests in security in the Greater China region, we took steps to fortify the facial recognition business. In Hong Kong, we received an order for a large-scale IT solution from the government, and in Taiwan, we delivered an automatic ticket gate system for trains and cutting-edge kiosk terminals for large convenience stores.

In fiscal 2016, we will continue to boost the security business while expanding into energy, healthcare, and other fields. Taking advantage of the relocation of NEC China's Beijing office closer to the city center, we installed the most advanced solutions, such as facial recognition and SDN, thus turning the office into a showroom and creating an environment where customers can directly experience these solutions.

In Taiwan and Hong Kong, we expect to receive orders for large projects and aim for steady business expansion.





Toshiya Matsuki

CEO

NEC Asia Pacific

Message from the Head of RHQ

NEC Asia Pacific is expanding business within the 10 nations of ASEAN, as well as in India and Oceania. The Asia-Pacific market shows strong growth and in addition to ASEAN economic integration, demand for infrastructure in Indonesia, India, the Philippines, Myanmar, and Vietnam, which all face a demographic dividend period, is expected to reach about ¥8 trillion by 2020. NEC Asia-Pacific will focus on the "Solutions for Society" based on ICT and use the advanced technologies of biometrics, cyber security, SDN, Big Data analysis, and smart energy to contribute to the realization of a "Safer City." We will actively promote the development of solutions tailored to local needs and the creation of business models, while taking a leading role in the further growth of NEC's global business.

Promote Locally-led Safety Businesses Centered on GSD

NEC has selected the "safety business" as a pillar of its global growth strategy. In this business, the Global Safety Division (GSD), established in Singapore in April 2013, is the key to achieving growth. GSD is set out for product planning and development, and sales support for the global market. GSD worked closely with NEC Laboratories Singapore, a research lab established in September 2013, to create and expand locally led businesses.

In fiscal 2015, GSD launched the NeoFace solution series, which was developed and rooted in local needs. We won orders in new markets including the Middle East and South America. In fiscal 2016, we will fully expand the safety business by facilitating the success of our inter-agency collaboration system as demonstrated in Singapore in 2014, and by accelerating the horizontal deployment of new solutions that leverage our partnership with INTERPOL in the area of cyber security.

Main Initiatives

In fiscal 2015, we received several orders of large-scale managed service projects for government agencies and enterprises in Australia and Singapore. In the area of public safety, we have delivered facial recognition systems to India, and are taking advantage of our strategic partnership with INTERPOL in the area of cyber security. Further, in Singapore, we have developed an inter-agency collaboration system and have aggressively promoted it to governments in various countries.

In the next fiscal year, we will further expand business in the areas of safety and security, strategic business fields, as well in healthcare, smart energy, retail, logistics and transportation, SDN/NFV, and managed services. As a leading player in the Asia-Pacific region, we are committed to contribute to the region's development.



Accelerating SDN/NFV Solution Deployment with NetCracker Technology

In preparation for the full-scale commercial deployment of SDN/NFV by telecom carriers, NEC is actively marketing to domestic and overseas telecom carriers. In fiscal 2015, to further accelerate this initiative, we strengthened collaboration with our subsidiary NetCracker Technology Corp., in development, sales and marketing in this area, and built a system for global sales expansion of SDN and NFV.

NetCracker Technology has extensive experience with Telecom Operations & Management Solutions (TOMS) for global telecom carriers. It also has development know-how for solutions (MANO) that perform integrated operations of SDN/NFV.

As a pioneer that provides comprehensive SDN/NFV and MANO, we will focus on expanding our presence and performance among global telecom carriers.