

Platform Business Growth Strategy Presentation Q&A

Key:

• : Question

→ : NEC's answer

- Please show the breakdown of 180 billion yen sales of key business area. How does it positioned in operating profit target of total Platform Business (20 billion yen) in FY2012?
 - The sales breakdown is; 90 billion yen in Unified Communication Business, 20 billion yen in Common Infrastructure for Cloud Business, and 70 billion yen in Server Business.
 - As these key businesses are in the investment phase, we don't expect large profit at this moment.
Our operating profit target, 20 billion yen in FY2012, mainly comes from existing business by leveraging measures such as "Common Platform" and "Software Factory".

- Please divide the operating profit target in Platform Business into Software, Hardware and Network. How does this composition change in FY2012?
 - The operating profit mainly comes from Software at this moment.
 - In FY2012, this composition does not change largely.
We expect Unified Communication Business becomes a cash cow for the future because this business mainly consisted of Software.

- Which area do you expect to expand sales from FY2009 to FY2012 among Hardware, Software, and Network?
 - We expect to expand sales all of these 3 areas.
From FY2009 to FY2012, as the sales composition of Software will be increase from 23% to 25%, we think Software sales will be the most expanding.
As for Hardware, though the sales composition will decrease, the sales itself will increase. As for Network, this is the second-most-expanding area, we aim to expand sales steadily.

- How do you expand server business globally?
 - Since we changed our organization in April 2010, we have made up a framework to sell servers by utilizing global sales channel of Network business.
We are going to continue to reinforce this framework for expansion of sales unit.

- With the increase in Cloud Computing, the importance of storage business will become greater. How do you plan the storage business?
 - When Cloud Computing becomes widespread, as amount of data increases explosively, large-scale storage system is needed for keeping such enormous data.
However, under the environment of increasing nonstructural data such as voices, movies and images in the Cloud Computing era, it is required different feature of storages from the past.
We will enhance Storage product suitable for Cloud Computing by leveraging “Common Platform”.