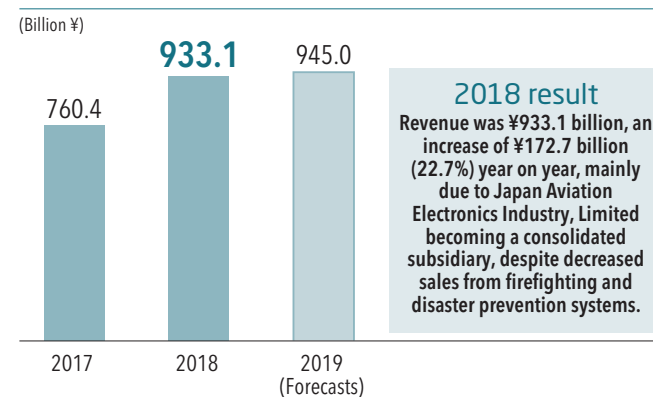


Review of Operations

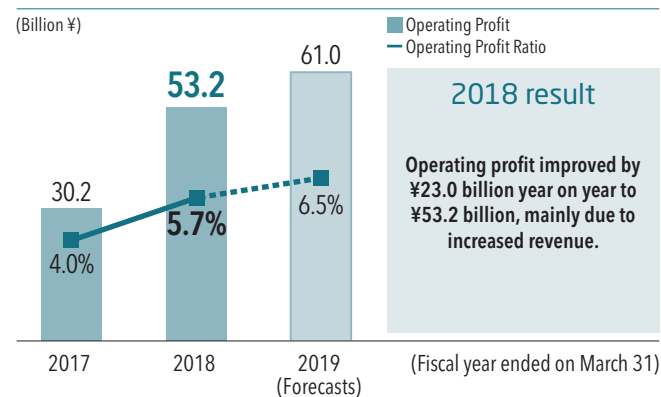
Public Business

In the Public Business, we provide safe, secure and efficient social solutions for governments, governmental agencies, local governments, public institutions and other organizations by combining our distinctive technology assets, including network, sensor and analysis technologies, with a broad expertise in systems integration.

Revenue



Operating Profit, Operating Profit Ratio



Public Business Comprised of Two Areas

Public business consists of "Public Solutions," which is responsible for business involving regional sales functions and local governments in Japan, the "Public Infrastructure," which takes charge of business involving government organizations and enterprises supporting national and social infrastructure.

Based on the new organization established in April 2017, the "Public Solutions" considers both the local needs and the required policy seeds. In this area NEC works together with regional stakeholders, such as local governments, universities, and businesses, to accelerate the development of new regional businesses, such as smart cities and utilization of the Social Security and Tax Number System ("My Number"), and health care. Based on our many years of achievements gained in supporting government agencies, the "Public Infrastructure" further improves the social infrastructure we provide to support a safe and comfortable lifestyle for everyone.

Public Business – SWOT Analysis

STRENGTHS

- Strong track record gaining high credibility, advanced technologies in the process, and high market share in Japan in delivering products and systems that support social infrastructure – such as systems for governmental organizations, broadcasters, power companies, as well as in cyber-security –
- Ability to propose concepts for customers' future based on "domain knowledge," specifically operational expertise and deep understanding of database construction acquired through many years of working with customers.
- Provision of vertically integrated solutions with the "NEC the WISE" lineup of AI technologies, "Bio-IDiom" biometrics, IT and networks including security, and full-layer ICT including sensing technology.

WEAKNESSES

- While there is a high proportion of large-scale projects in Japan, there are fewer projects which provide regular income streams, such as in services, leading to exposure to risk from demand volatility.
- Additional costs result from the complexity of project management for large-scale projects and the issues inherent in system development using cutting-edge technology. These costs can have an impact on business results.

OPPORTUNITIES

- The Japanese government's "Digital Government action plan" will drive the creation of a common platform for government, and wider use of the My Number System is being examined.
- Expectations for safe, secure, efficient administration of the Olympic and Paralympic Games Tokyo 2020 and further investment to respond to increasing number of tourists visiting Japan.
- Cyber-attacks pose a growing threat around the world, gaining attention and increasing demand for reinforcement of systems and monitoring services for cyber security.
- We expect increased investment toward utilization of ICT across a variety of domains, such as health care and education.

THREATS

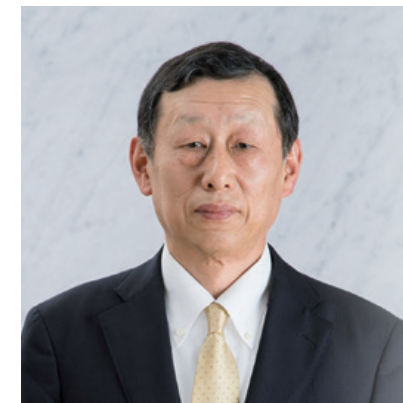
- Competition for orders is intensifying, increasing the number of projects with difficult requirements in cost and delivery. As a result, constant improvement of quality and cost competitiveness is necessary.
- We need a new business structure that can cope with changes in the market environment, such as a shift in the industry itself with the trend towards broadcasting via IP and transformation of the viewer rating and advertising model.



Public Solutions Business

Japan is facing social issues arising from declining birthrates and aging population, increasing social security costs, a declining work force, and reduced spending and economic power. NEC's job is to grasp these issues and address them firmly and create sustainable social value. Using our accumulated experience, the latest AI and biometrics technologies, and co-creation, we will tackle these issues as a leader in providing value across industry boundaries.

Executive Vice President
Chikara Nakamata



Public Infrastructure Business

In this area, NEC supports stable operation of key national infrastructure. The experience and trust we have cultivated over the years ensure stable profits in excess of company-wide targets. These profits are continuously invested in advanced technologies including biometric technologies, such as facial recognition, and space-related technologies, such as "Hayabusa 2."

Executive Vice President
Kazuhiro Takada

Expanding the Business Domain to Solve Social Issues

Initiatives in the Medium- to Long-Term

In the environment surrounding the Public Solutions Business, the market in Japan continues to be brisk, with business model changes driven, in particular, by AI and IoT developing on a scale that far exceeds the traditional scope of ICT vendors. Meanwhile, the traditional ICT market is contracting, and we need to expand its opportunities in business domains for solving social issues.

In this environment, the Japanese government's "Digital Government action plan" is promoting a review of government which itself is predicated on digital technology and with a focus on increasing convenience for citizens and business operators. In the government sector and various areas where the government interacts with the private sector, NEC will help to realize "Digital Government action plan" by working to create highly convenient services from a user perspective by leveraging the My Number System and biometrics.

In the area of health care, NEC will contribute to dealing with labor shortages and managing social security costs, for example by developing an endoscopy diagnosis support system that uses AI-driven image analysis technology and an electronic medical record system intended for use with medical data. In this way, we will help to realize a healthy, long-lived society where individually tailored, high-quality healthcare and medical services can be provided to people easily.

In the lead up to the Olympic and Paralympic Games Tokyo 2020, we will ensure safety and security by providing public safety-related solutions such as biometrics and behavior detection and analysis, as well as providing wireless networks for administration use and urban operation centers.

We will focus our efforts on these areas of digital government, healthcare, and public safety, as we build infrastructure to support abundant living for people.

Examples of Initiatives

<p>Healthcare: Real time endoscope diagnosis support system using AI</p>	<p>National Cancer Center Japan and NEC announced the development of a real time endoscopy diagnosis support system using AI in July 2017. We aim to prevent failure to diagnose bowel cancers and precancerous lesions (neoplastic polyps in the bowel) during endoscopy examinations of the bowel by discovering them in real time during the endoscopy.</p>
<p>Digital Government: Contributing to Wider Use of My Number Cards among Local Governments</p>	<p>NEC's system was adopted for the pioneering use of My Number cards as employee identification cards by the Tokushima prefectural government. The system manages room access based on My Number cards to provide secure staff access management within designated areas at government buildings. Meanwhile, in Chiba City, NEC has built a library system that allows patrons to borrow books by simply swiping their My Number card at the library counter. Through initiatives such as these, NEC will contribute to wider use of My Number cards.</p>

Creation of Stable Earnings and Investment in Advanced Technologies to Prepare for the Future

Initiatives in the Medium- to Long-Term

We have a duty to support the stable running of mission critical operations in the field of security using ICT for customers including governments, governmental agencies, broadcasters and power companies. By supporting key national infrastructure over the long term, we will ensure stable profitability. Under the Mid-term Management Plan 2020, we will generate stable operating profits in excess of company-wide targets as an earnings base for the whole company.

To further capture earnings, we will undertake a transformation towards a profitable structure by increasing cost efficiency, including cost reductions. In the space business, which faced profitability issues, we achieved a profit in fiscal 2018 by implementing cost structure reforms and business portfolio selection and concentration.

Through these improvements to our earnings, we will secure funds for investments that we will be focused on advanced

technologies—the supporting core of our business. Specifically, investment targets include biometrics technology, such as fingerprint, facial, and iris recognition that offer world-leading accuracy, satellite-related technologies for carrying out missions in uncharted places in the harsh environment of space, such as "Hayabusa 2," and cyber security technologies including the security field. Continuous investments will enable us to strengthen our competitive advantages in the future and our ability to create value.

To support business expansion over the medium to long term, we will leverage our advanced technologies to provide solutions for the Olympic and Paralympic Games Tokyo 2020. These will include cyber security, security ICT such as image analysis and accident prediction solutions, rigorous and efficient border control using biometrics, and 4K and 8K TV broadcasting systems.

Examples of Initiatives

<p>NEC Iris Recognition Technology Ranked First in Accuracy Evaluation by U.S. National Institute of Standards and Technology</p>	<p>In April 2018, NEC's iris recognition technology achieved the highest matching accuracy evaluation in an evaluation test performed by the U.S. National Institute of Standards and Technology (NIST), a world-leading authority. Furthermore, in past testing performed by NIST, NEC's facial recognition was ranked first four consecutive times, and its fingerprint recognition has ranked first eight times in total.</p>
<p>Contributing to 4K and 8K Broadcasts in Japan and Internationally</p>	<p>NEC is contributing to the construction of television master control equipment *1 for a BS4K trial broadcast scheduled to commence in December 2018. Major broadcasters in countries around the world are conducting trial testing of 4K and 8K broadcasts. NEC has been the technical partner for trial testing of an 8K terrestrial broadcast by Brazilian broadcaster TV GLOBO, and NEC's codecs*2 have been used in 4K broadcast trials by BBC of the U.K. and TV Station of South Korea.</p> <p>*1 Television master control equipment: A system for compiling broadcast data, including programs and commercials, and outputting it according to a program *2 Codec: Image compression and decompression equipment</p>

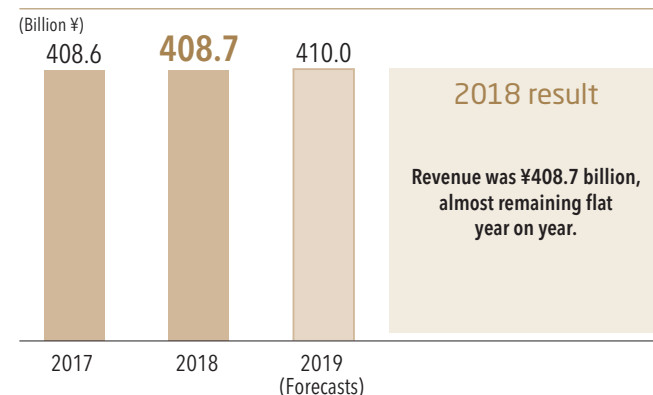
Enterprise Business



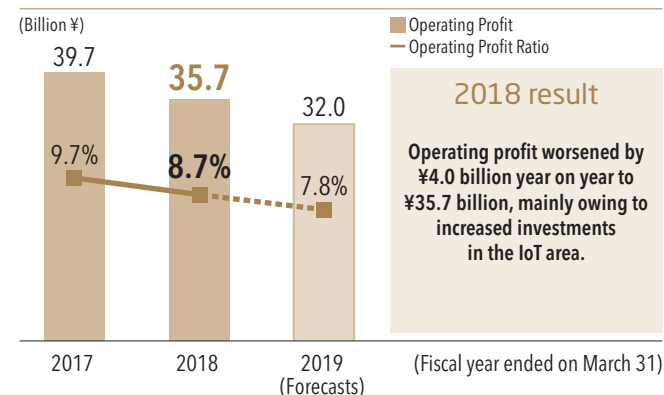
Our society faces various kinds of social issues, such as food waste, labor shortages, changes in the consumption environment, and diversifying threats in both real society and cyber space. NEC will develop cutting-edge technologies and promote co-creation with customers in order to connect people, goods, and processes, reaching across the boundaries between enterprises and industries to draw out the potential of society and create new value across the entire value chain. To realize this goal, we will work rapidly to transform our business into a recurring income stream model.

Executive Vice President
Hiroshi Kodama

Revenue



Operating Profit, Operating Profit Ratio



Enterprise Business – SWOT Analysis

STRENGTHS

- Reliability and achievements cultivated over many years of providing IT services to domestic clients in the manufacturing, retail and service, and financial industries
- Ability to integrate technology and business to create value and respond bimodally to customers' needs in business development and solutions development scenarios
- The knowledge and expertise we have developed in manufacturing innovation at our own plants as a company in the manufacturing industry, as well as SCM transformation for global corporations

OPPORTUNITIES

Our society faces various kinds of social issues, such as global food waste and energy consumption, as well as changes in the human resources environment due to labor shortages, diversification of consumption patterns, including an emphasis on customer experience and a shift towards cashless societies, and fraudulent transactions involving internet banking. AI, IoT, and other advanced digital technologies are increasingly expected to provide solutions for these social issues.

WEAKNESSES

- Need to strengthen initiatives that will impact society positively across the boundaries between enterprises and industries
- In order to achieve further growth, need to transform to a business model that makes use of knowledge and resources accumulated for each industry and client and consolidates them across the organization

TREATS

Although the private sector market in IT is expanding, the acceleration in adoption of cloud computing and the penetration of AI and IoT are bringing dramatic change to NEC's business environment in terms of customers' investment fields and competitors. We expect a decrease in existing solutions businesses in the medium term, and new business model creation and the capability to support customers' digital transformation will be increasingly important for achieving growth.

Shift to a Recurring Income Stream Model through Co-creation

Initiatives in the Medium- to Long-Term

The period through to fiscal 2021 has been positioned as a period of solidifying a base for future growth in the Enterprise Business. Throughout this period, NEC will offer solutions for solving social issues as services through partnering with customers, thereby transforming its business model into a recurring income stream model. Towards this goal, we have been working to establish common business platforms, refine the value of existing businesses where we have strengths, develop human resources, and prepare and strengthen co-creation programs with customers and partners.

Initiatives in Fiscal 2018 to Realize our Goals

Social Issues	Accomplishments in Fiscal 2018
Optimization of Supply and Demand	<ul style="list-style-type: none"> ■ NEC announced the "Demand and Supply Optimization Platform." Through this solution, NEC will contribute to the optimization of demand and supply and reduction of food loss and waste by increasing accuracy in forecasting through the use of white box AI for sharing and utilizing inventory and sales data among all companies comprising the value chain. In this project, NEC collaborates with the Japan Weather Association (JWA), combining the weather data and data analysis technologies of JWA with NEC's technology to create social value together. ■ NEC worked with Seven-Eleven Japan Co., Ltd. to use image data from cameras of store terminals to improve ordering accuracy, and bolster security using face recognition technology while enhancing the convenience. NEC will keep contributing to labor-saving, sophisticated solutions using AI to forecast product demand and IoT to ensure stable operations of all store equipment.
Realizing a Safe, Comfortable Society	Sumitomo Electric Industries, Ltd. and NEC have begun collaborating by using Sumitomo Electric's rich range of in-vehicle products and technologies as well as expertise in traffic infrastructure together with NEC's cutting-edge technologies in security, AI, IoT, and cloud services. The two companies will take full advantage of their strengths to develop products with advanced security and to expand mobility business.
Preventing Diversifying Cyber Space Threats and Digital Fraud	NEC has provided Japan Exchange Regulation with deep learning technology for market surveillance operations, which is used in the initial investigation of suspicious transactions. NEC is conducting test demonstrations with several securities companies aiming to prevent digital fraud, and will help to realize efficient, sophisticated market surveillance operations.
Realizing a Highly Efficient Society through ICT	Japan Airlines Co., Ltd. and NEC conducted test demonstrations using AI to perform predictive analysis for the purchase of airline tickets. These tests confirmed the effectiveness of NEC's Predictive Analytics Automation Technology towards resolving the issues of a scarcity of data scientists with advanced analytical skills and uncertainty as to how best to utilize the enormous amounts of data.

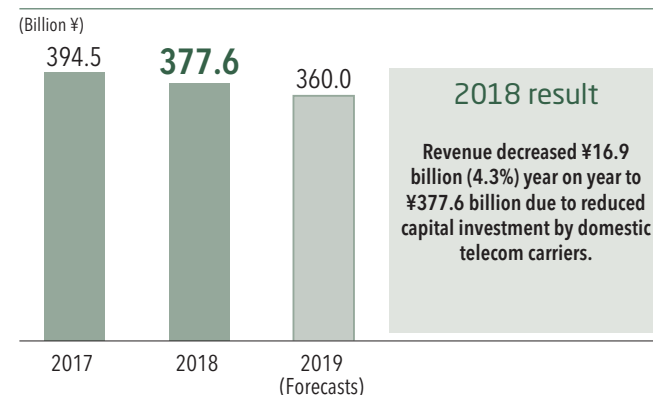
Network Services Business



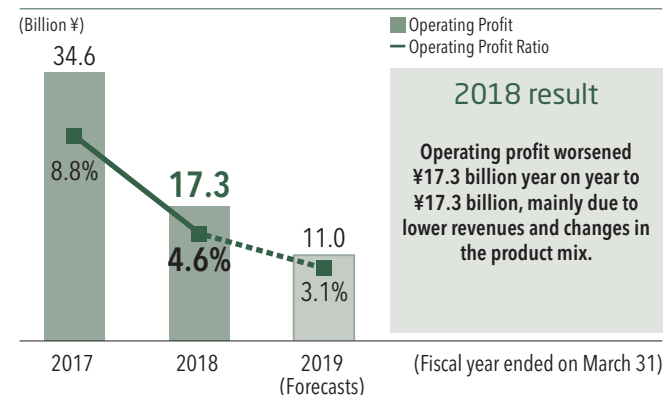
As a partner supporting digital transformation of all industries, we will create new social value by working with various customers to co-create business. NEC's total capability in networks and IT will enable us to expand the value we provide from network infrastructure to services, as we contribute to realizing a society where people, things, and contexts are richly connected.

Executive Vice President
Atsuo Kawamura

Revenue



Operating Profit, Operating Profit Ratio



Network Services Business – SWOT Analysis

STRENGTHS

- Among the best in Japan in terms of track record and accumulated expertise for delivering networks and IT systems for telecom carriers.
- Core technologies in the network area such as 5G, mobile, optical IP and IT, and network system integration capabilities utilizing on these technologies.

WEAKNESSES

- Easily impacted by market trends in capital investment.
- Delay in expanding from business centered on network infrastructure equipment to software/application service area.

OPPORTUNITIES

- As traffic expands with sophistication of services, telecom carriers have increasing needs to improve the sophistication and efficiency of their infrastructure.
- Expected expansion of business opportunities due to connection of people, things, and contexts with the digital transformation at companies, including operation reforms.

THREATS

- Capital investment by Japanese telecom carriers is in a low-season awaiting full-scale investment in 5G.
- Possibility that overseas vendors will further increase their share of the domestic market in the commodities area.

Providing Network Services That Can Support Digital Transformation

Initiatives in the Medium- to Long-Term

Recently, a host of industries have been promoting the use of new technologies such as AI and the IoT to resolve increasingly serious social issues such as environmental problems and labor shortages. The digital transformation is accelerating in the form of new business creation through the use of technology and work style reform through management.

NEC has been contributing to the evolution of telecommunications infrastructure by providing telecom carriers with network control platform systems and services for operations management, along with equipment for network implementation.

Now, in the age of IoT, where everything is connected wirelessly, NEC is leveraging its strengths, including in sophisticated wireless technologies developed in the telecom carrier market, to realize flexible, efficient networks that can support digital transformation and networks that can comfortably handle huge data volumes from 5G high-speed, large-capacity, ultra-low latency, multiple device connections. We are also working to automate and simplify service operations, provide solutions for efficiently operating networks, and to provide service platforms that will enable and optimize networks and IT environments for flexibly handling various 5G-era services. By utilizing these, NEC will co-create sophisticated services with telecom carriers and partners from various industries by combining intelligent networks and advanced IT.

Recently, NEC and a major Japanese telecom carrier agreed on the provision of 5G base station equipment aiming for the commercialization of 5G services. NEC is also working in the following domains on co-creation products with partners from various industries in preparation for the 5G era.

- Security:** By combining AI for abnormality detection through image analysis with 5G's characteristic ultra-high speed, large capacity, low latency communications, NEC is taking steps to create a safe, secure society through trials for realizing security services for preventing crimes and accidents.
- Construction:** NEC is working to solve issues at construction sites, such as a shortage of engineers and workers, by conducting trials of advanced construction technologies such as unmanned construction machinery and real-time remote construction using 5G.
- Healthcare:** Local government and telecom carrier with NEC conducted field trials of remote medical examinations using large-capacity 5G transmission to connect local medical institutions with a medical university, enabling them to communicate in real time and share images taken by a 4K close-up camera, high-definition echocardiographic video and MRI images. The trial is part of efforts to realize a society where everyone has equal access to healthcare.

Through these efforts, NEC will create new value for society by co-creation with telecom carriers and partners from various industries to prepare for the 5G era.

Looking ahead, NEC will provide richly connected value to contribute to the successful digital transformation of society and our customers.

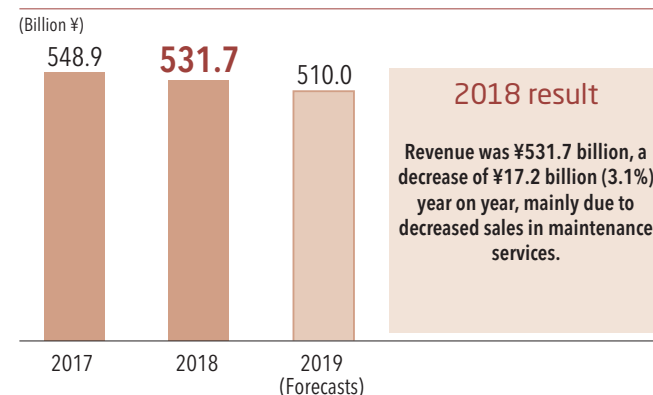
System Platform Business



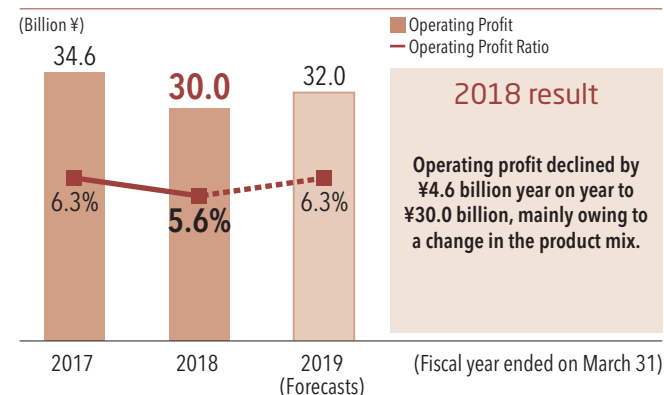
There is a growing move towards proactively using ICT for operational innovation, such as work style transformation, and operational expansion to capture increasing demand from inbound tourism. NEC is directly experiencing these global trends as it constantly reviews its platforms to strengthen products and services centered around AI, IoT image analysis, and security.

Executive Vice President
Kimihiko Fukuda

Revenue



Operating Profit, Operating Profit Ratio



System Platform Business – SWOT Analysis

STRENGTHS

- Reliability and high quality cultivated under an intensely competitive domestic market; high share in Japan for IT platform products
- Distinguished group of technologies*, including AI, IoT image analysis and security

* Image recognition technology including face recognition, heterogeneous mixture learning, textual entailment recognition technology, etc.

WEAKNESSES

- Smaller business scale compared with global mega-vendors due to many areas being specialized for the Japanese market, leading to relatively lower profit margins
- A need to expand the proportion of software and services as a large proportion of the business comprise of conventional sales for standalone hardware

OPPORTUNITIES

- With the rapid advance of digitalization, an increase in customers' use of AI in actual business is expected, and there are rising expectations for new value creation using AI technology.
- As customers increasingly utilize data, they will need to respond to security risks such as increasingly sophisticated cyber-attacks and information leakages; increasing demand for advanced security is therefore expected.

THREATS

- The advance of commoditization mainly of general products in the hardware domain is driving increased global competition.
- In areas such as IoT image analysis and AI, more companies are entering the market, including those from other industries, making it necessary to establish points of differentiation.

Providing Platforms to Support Business Innovation through Digitalization

Initiatives in the Medium- to Long-Term

In System Platform Business, there is a need to transform the conventional business model. We aim to do more than simply streamline customers' business operations by providing highly reliable ICT products; we will work to increase the capabilities of our customers and contribute to solving their issues by providing NEC's solutions and services as a comprehensive package.

The key to realizing this transformation is to leverage NEC's strengths, such as AI, IoT image analysis, and cyber security, to establish platforms that provide unique value. To achieve this, the System Platform Business will first pursue maximization of profit by increasing efficiency in every aspect of its existing businesses and reforming its cost structure through operational reforms. We will then focus our management resources on areas such as AI, IoT image analysis, and security and concentrate on developing a platform lineup to support digitalization. In this way, we will realize a business portfolio aligned with the needs of today.

Initiatives in Fiscal 2018 for Achieving Our Vision for the Medium to Long Term

In fiscal 2018, we made continuous efforts to improve our costs with a view to improving profits in a harshly competitive business environment. Specifically, we integrated five companies and departments, including NEC Network Products, Ltd., with NEC Platforms, Ltd. in April 2017 to streamline our production and development systems and took steps to implement sharing of materials procurement and resources.

Furthermore, on the business front, as an initiative to build platforms utilizing AI, we started providing a big data analysis platform that enables an integrated approach from data collection to accumulation, processing, and analysis. We also launched sales of the SX-Aurora TSUBASA platform, which can be used in new areas such as AI and big data analytics, resource exploration, image analysis, and security. In addition, we made efforts to maintain our position in existing product areas, achieving the No. 1 share of the domestic PC server market for the 22nd consecutive year*.

In fiscal 2019 and beyond, we expect the System Platform Business to continue facing a harsh business environment, but we will streamline our existing businesses while strengthening and expanding our focus businesses.

* CY1996-2017 Japan Product Category: x86 server, Units
Source: IDC Quarterly Server Tracker 2018Q1

Note: IDC declares a statistical tie in the server market when there is less than one percent difference in the revenues or the unit shipment of two or more vendors.

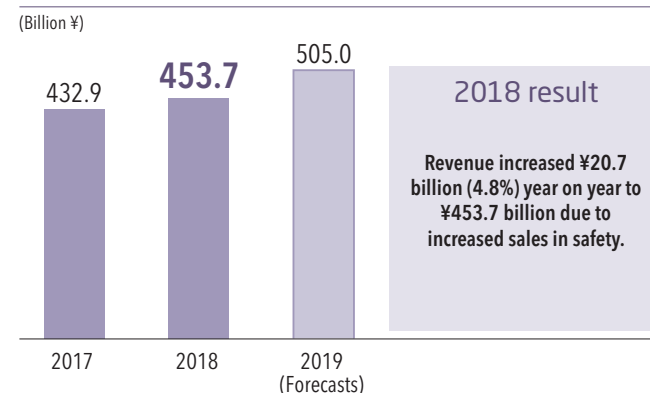
Global Business



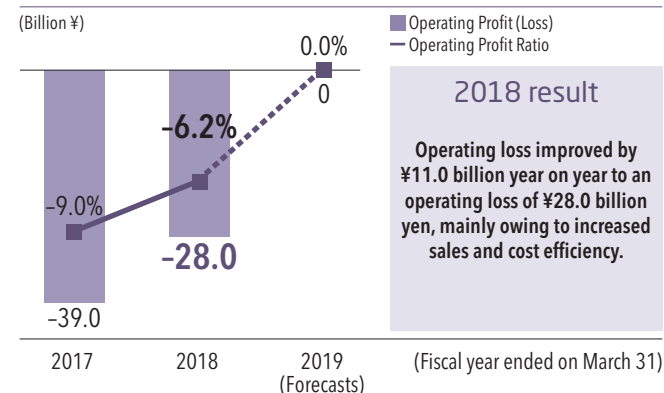
To accelerate the growth of global business, NEC business divisions that are primarily tasked with expanding in global markets were newly incorporated into the Global Business Unit, which was launched in April 2018. The dedicated global structure will improve management speed and strengthen links between local subsidiaries to provide real solutions for social issues.

Senior Executive Vice President
Akihiko Kumagai

Revenue



Operating Profit (Loss), Operating Profit Ratio



Global Business – SWOT Analysis

STRENGTHS

- Safety business: Integrated systems that fuse world-leading biometric authentication technology with urban surveillance operation expertise and analysis technologies (status recognition, crowd behavior analysis, indication detection, etc.), and enable not only past event analysis but also the ability to grasp phenomena in real time.
- Software services for service providers: In addition to product competitiveness and track records at Netcracker Technology Corporation, product capabilities and advanced solutions provided through links with SDN/NFV.
- Strong presence and adoption results in the markets for network equipment (mobile backhaul), submarine cable, displays and projectors, and unified communications products.

OPPORTUNITIES

- Expanding opportunities to realize solutions through ICT, such as skilled labor shortages in advanced countries and emergence of social issues due to rapid urbanization in emerging countries.
- Expansion in demand for safety solutions in countries where there is growing interest in safety and security.
- Expansion in demand for software services for service providers following advancement of network services.
- The smart energy market is expected to expand following the spread of renewable energy use, bringing growth in business opportunities in Europe and North America.

WEAKNESSES

- Need to strengthen the structure to enable expansion of the scope for providing value in the area of safety to customers beyond governments and police in the domains requiring safety, security, efficiency and equality.
- Need to accelerate shift of business model from equipment sales to a solutions business.

THREATS

- Aggressive approach by emerging-market vendors and others in the field of biometric authentication.
- Intensified competition in the field of software services for service providers due to the rise of the network virtualization market.
- Though our mobile backhaul business is in the global market leaders group, price competition is increasing due to market maturity.

Expansion of Safety Business and Profit Structure Reforms of Issues Businesses

Initiatives in the Medium- to Long-Term

Realizing “NEC Safer Cities” based on the safety business is the main growth engine for the Global Business. Amid demand for responses to global issues such as labor shortages, rapid urbanization, geopolitical risk and the risk of spreading terrorism, NEC will continue to provide traditional solutions in public safety involving recognition and urban surveillance, while expanding its business scope to encompass digital government, where it will provide asset management and fee payment platforms to national and local governments, and smart transportation, where it will provide traffic congestion alleviation and public service improvements that will form the core of smart cities. Through these efforts, we will contribute to realizing a safe, secure, efficient and equal society.

Looking ahead, we will increase our presence globally by expanding the digital government sector from regions where we have a track record in the public safety field, such as Singapore, Hong Kong, North America, and Argentina, into the British Commonwealth and the United States using Northgate Public Services Limited, acquired in January 2018, as a base. In addition, we will make aggressive use of M&As and partnerships, aiming to achieve revenue of ¥200 billion by fiscal 2021.

In software service for service providers, investment aimed at increasing the sophistication of customer billing and operation management systems and for establishing new businesses utilizing digitalization and new technologies is accelerating. We will work with NEC’s subsidiary Netcracker Technology Corporation, leveraging the high competitiveness and customer satisfaction of its charging and operation management solutions, and its multivendor handling capabilities to provide diverse solutions utilizing our own track record in advanced virtualization in the field of SDN/NFV. In doing so, we will respond to customers who need to rapidly start up services associated with digital transformation and expand investments for operational streamlining and profit increase.

In submarine cable, displays and projectors, and unified communications product business, we aim to maintain and expand our industry presence and business scale, including examining new business models.

In mobile backhaul, where we face challenges, we have assumed increasing price competition and market contraction. We are therefore implementing selection and concentration measures, including organizations, processes, and resources, and will carry out structural reforms to restore profitability with a view to securing profits even with a conservative revenue scale. In the same way, within smart energy, we will focus on Europe and North America, where liberalization of power networks is advanced while progressively optimizing our operations to improve profits.

International Business Structure

(As of July 1, 2018)

Strengthening Our Ability to Provide Solutions for Society in Countries and Regions around the World

NEC will work to strengthen its local proposal and service provision capabilities, enabling it to provide advanced technologies such as biometric authentication as solutions for individual customers. We will expand our network of five regional headquarters and local subsidiaries in each country and region, while strengthening our links with Netcracker Technology Corporation and Northgate Public Services Limited, which was acquired in January 2018. Particularly, in the safety business we will continue to accelerate our business expansion utilizing M&As, aiming to contribute to solutions and social value creation for even more customers worldwide.



Toshiya Matsuki
Executive Vice President
NEC Corporation
Vice President of the Global Business Unit

North America



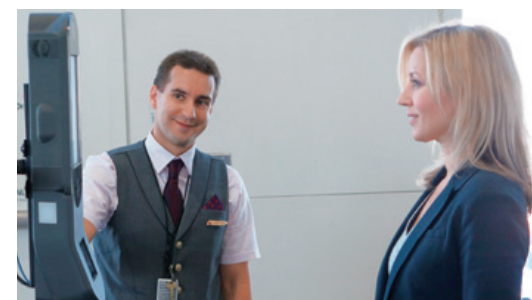
Masahiro (Mark) Ikeno
President & CEO
NEC Corporation of America

NEC Corporation of America has been focused on delivering solutions for society, especially in the areas of safety, security and operational efficiency for the North America market. This has traditionally included information and communications technology (ICT) for service providers, enterprises, and retail, as well as biometrics authentication solutions for government agencies.

In the fiscal year ended March 31, 2018, we accelerated our strategic pivot toward digital transformation and delivering solutions to enhance the customer experience across industries. As a result, while continuing to supply traditional customers among law enforcement and federal agencies, we expanded our biometric solutions footprint in airports, stadiums, theme parks, hotels, casinos, and other spaces.

In the coming year, we will focus on customer

experience solutions along with the enterprise architecture and core ICT technology that has evolved to support them. In doing so, we will create new business opportunities as we transition from the realm of content processing to context processing.



An example of easing the flight boarding process using optional facial recognition technology

Central and South America



Masazumi Takata
Senior Vice President
NEC Corporation,
President & CEO
NEC Latin America

NEC Latin America has its businesses strongly aligned with the needs of Central and South America and is promoting business based on deep ties with the local community. Here in the Latin America/Caribbean area, there is a demand for environments that enable people to live more safely and securely. In order to fulfill these demands, technology such as biometrics plays an extremely important role in cities with efficiency and equality.

In the fiscal year ended March 31, 2018, we utilized various biometrics technologies to provide solutions and add value to police and border control systems in Mexico, Costa Rica and Argentina. NEC Latin America will continue

to collaborate with its customers and partners to orchestrate a brighter world for the people of Central and South America.



An immigration e-gate that uses biometrics

EMEA (Europe, the Middle East and Africa)



Hironobu Kurosaki
President & CEO
NEC Europe

NEC Europe promotes a sustainable society by providing solutions tailored to regional needs in Europe, the Middle East, Africa and Russia.

During the fiscal year ended March 31, 2018, NEC Europe received orders for biometrics systems from the South Wales Police in the U.K. and at various airports, as well as for smart city projects from local governments in the U.K. and Portugal. In the Middle East, we won contracts from major telecommunications operators in the UAE and Saudi Arabia, which further expanded our achievements in the network field. To accelerate our business expansion in Africa, we increased our investment in the South African company XON Holdings Proprietary Limited to make it a subsidiary. This has already resulted in the acquisition of a major project.

Looking ahead, we will continue to contribute to enhancing social infrastructure in EMEA by providing cutting-edge technologies and solutions including biometrics and telecommunications solutions in the areas of safety, smart cities, and energy. Moreover, in response to emerging demand in the energy and data center areas in the Middle East and Africa, we will work with XON Holdings Proprietary Limited and regional partners to expand our business.



A police vehicle fitted with a facial recognition system

China/East Asia



Takeshi Tsukamoto
President
NEC (China)

NEC (China) Co., Ltd. provides solutions in security and retail as well as telecommunication and IT systems, tailored to meet the needs of local markets in China, Hong Kong/Macao, Taiwan, and South Korea.

In the area of security, NEC supplies biometrics systems, gate systems, and other solutions using fingerprint and facial recognition technology to national and regional police and airports, contributing to safe, stress-free movement. In the area of retail, NEC supplies cutting-edge solutions to retail stores such as convenience store chains, enabling unattended operation, and efficient ordering that helps to reduce food waste losses. In this way, NEC is contributing to solutions to social issues facing this region, which has a vast population.

NEC also provides Bus Rapid Transit (BRT) systems for monitoring, management and payment in various regions including India and Hong Kong, where its development center is located. Through these and other activities, we will continue to contribute to realizing an affluent society.



Image recognition self-checkout POS system

APAC (Asia Pacific)



Tetsuro Akagi
Senior Vice President
NEC Corporation,
CEO
NEC Asia Pacific

NEC Asia Pacific operates business in 14 countries across the Asia-Pacific region, helping to solve social challenges in each country by delivering advanced ICT solutions.

During the fiscal year ended March 31, 2018, in the field of public safety, NEC Asia Pacific received orders from multiple governments and law enforcement organizations in ASEAN for biometrics systems for use in criminal investigations, border control, and surveillance of critical infrastructures. In the area of transportation, we provided BRT systems to the Indian cities of Ahmedabad and Surat, bringing its track record of BRT solutions in India to four cities. We also won large-scale managed services contracts from multiple state governments in Australia and from a Singaporean government institution.

In the fiscal year ending March 31, 2019, we will

further accelerate the development of innovative solutions by capitalizing on our regional assets such as the Advanced Centre for Experimentation, which was established in 2017 in Singapore, to realize "NEC Safer Cities" together with our customers.



People using the BRT system provided to Surat City