

NEC IR Day 2020 Q&A

Accelerating the DX Business Through Collaboration with ABeam Consulting

Date/Time: September 14, 2020 14:50-15:20 JST

Location: NEC Headquarters, Tokyo

Presenters: Chikara Ishii, Executive Vice President, CDO (Chief Digital Officer)

Questioner A

Q. What is the current scale of internal transactions between ABeam Consulting ("ABeam") and NEC Group? To what extent will they grow in the future?

A. While it varies by fiscal year, in the near term they amount to between 10% and 20% of overall sales. As explained in the briefing materials, ABeam is prominent for its strength in the domestic SAP domain. Traditionally, ABeam has conducted its own business, but with the vigorous demand for SAP upgrades, it expects to expand its business going forward by also utilizing NEC resources at the implementation stage. As we are still formulating the mid-term plan, we cannot provide detailed numbers, but clearly NEC's business with ABeam will expand beyond current levels.

Q. What is the ratio of ABeam's international revenue? What can you tell us about the status of the collaboration between ABeam and BearingPoint?

A. Over the most recent five-year period, international revenue has represented about 20% of sales of approximately 90.0 billion yen. BearingPoint and ABeam are engaged in a two-way collaboration, with ABeam providing support to European companies expanding to Asia and Japan, while BearingPoint supports local delivery for

Japanese-owned companies entering Europe.