

Acceleration of DX Business through Collaboration with ABeam Consulting

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Agenda

◇ Introduction of ABeam Consulting

- Company Overview
- Growth Trajectory
- Source of Value Proposition (Human Resource)
- Future Direction
- Track Record (Cases)
- Initiatives to Further Strengthen ABeam's Operations

◇ NEC Group's DX Strategy ~ Towards New Normal ~

◇ Advancement of Value Proposition by Combining Business Processes and Technology

◇ Maximizing Group Capabilities with Strengths of ABeam and NEC

◇ Developing Talent to Capture Potential Needs

◇ Case Initiatives Aimed at Synergies between NEC and ABeam

◇ Synergies Aimed by End-to-End Collaboration

◇ Society 5.0 Realized by Collaboration of NEC and ABeam

◇ Summary

Introduction of ABeam Consulting: Company Overview

Contributes to solving managerial issues as a partner to achieve clients' transformation

Business Summary



Consolidated Sales:
¥93.2 bn



Employees: 6,646

*As of FY 3/2020 or April 1, 2020

Global Network



Proprietary network with a focus on Asia

**13 countries/regions,
29 offices**



Allied partners

**36 countries/regions,
76 offices**

*As of November 1, 2019

Broad Consulting Capabilities

Manufacturing / Consumer Business

Automotive | Electronics | Consumer | Retail | ...

Financial / Social Infrastructure

Banks | Trading Houses | Railways | Energy | Telecom | Real Estate | ...

Public Sector

Public Education | Municipalities

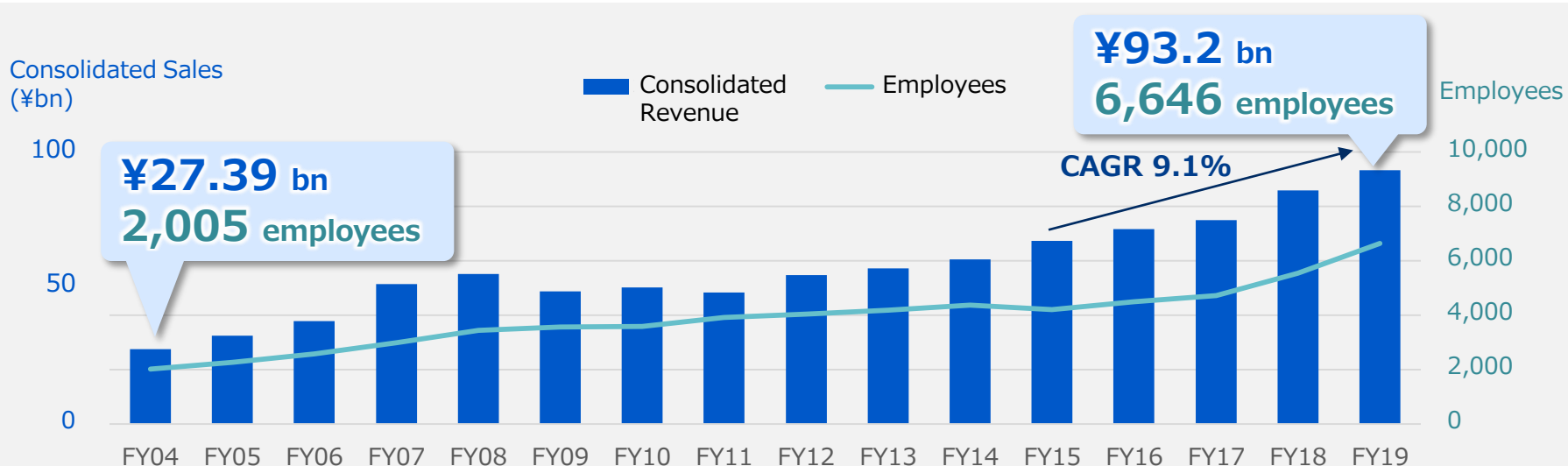
Strategy
Business Process
Digital
Outsourcing

Covers all industries and operation areas
**Supports total DX from strategy to process change,
system establishment, and implementation**

Introduction of ABeam Consulting: Growth Trajectory

Achieving steady growth as a core NEC Group company

3.4x revenue growth / 8.5% annual growth rate and 3.3x increase in headcount since 2004



Strengths

Capability to install core systems based on solid understanding of business processes

First choice for SAP

Pursuing change /management based on strong commitment for clients

Long Term Real Partner

First Asian global firm which combines the strengths of Japanese and global companies

Global Expansion

Expanding the organization through recruiting and workstyle reforms

Appeal

Recruiting

Attract talent to steadily enhance organizational power

Employees
(Net Increase)

*As of March 31

+ 194

FY17

+ 770

FY18

+ 801

FY19

Rankings

Job satisfaction*1 17th

University of Tokyo/Kyoto 2021 graduates*2 4th

Focus on employee education*3 2nd

*1 Open Work

*2 OneCareer

*3 Rakuten Minshoku

Improving the Work Environment

Workstyle Reform

Maintain retention rate and improve employee education through rewarding projects and comfortable work environment

ABeam Business Athlete™

Work style
"Challenge"

Diverse
"Collaboration"

Awareness and efforts aimed at
"Contribution"


Physical and mental
"Condition"

Smart Work

Diversity & Inclusion

Social Contribution

Well-Being



2020
健康経営優良法人
Health and productivity
ホワイト500

Healthy Corporations 2020
White 500
METI



女性が活躍しています！
"Eruboshi" company
(highest certification)
MHLW

5

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Orchestrating a brighter world

NEC

Introduction of ABeam Consulting: Future Direction

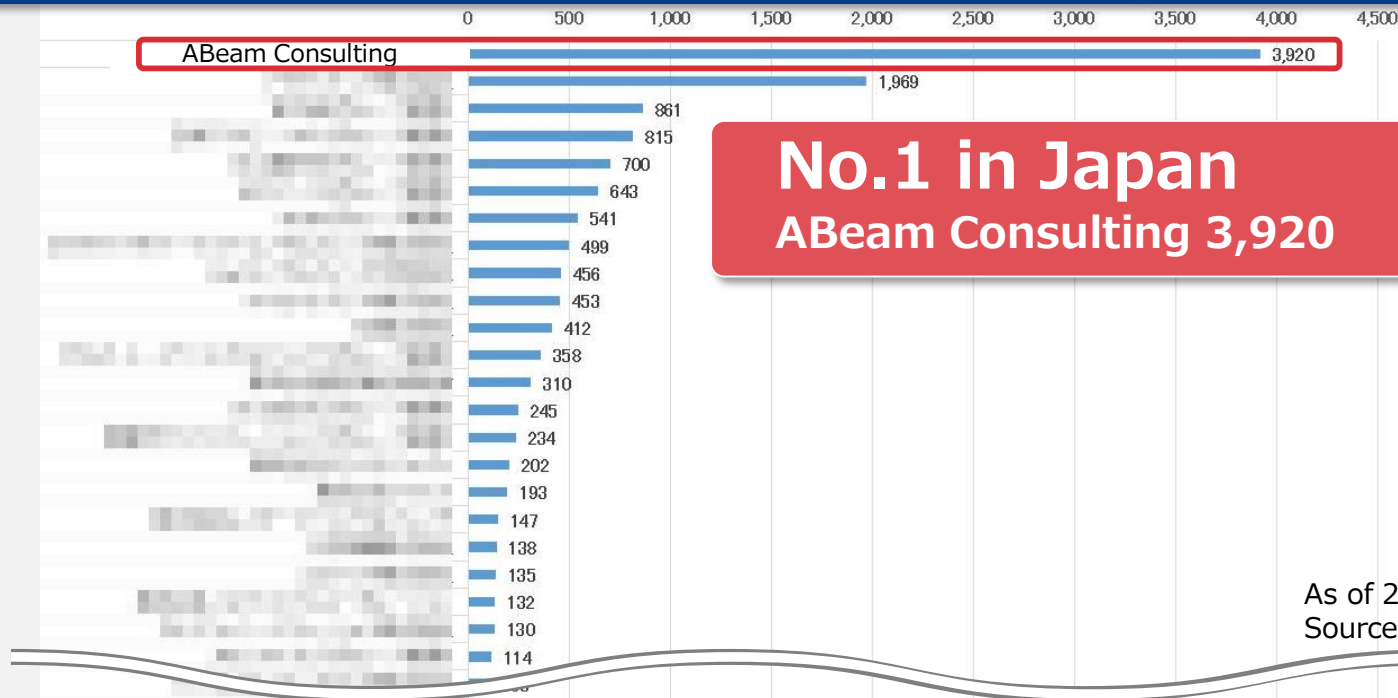
Aiming to achieve unique growth with a focus on offering solutions to customer's issues in DX as a Asia-based global consulting firm

	2004	2020	2025
	IT consulting firm which transforms Japanese companies' operations	Integrated consulting firm which supports globalization of Japan-based multinational companies	Transformation partner which helps to achieve DX for growing Japanese and Asian companies
Core Coverage	Manufacturing, Consumer goods, Trading, Railways, Leasing Firms	Japan-based multinational companies	Japanese and Asian companies promoting reforms
Solutions	Core system installation (ERP)	Change management (IT solutions)	End-to-end DX (digital ecosystems)
Provided Value	Business process optimization	Globalization and pursuing change	DX partner

(Ref) SAP Certified Consultant

Has biggest number of Certified Consultant in Japan.
More than double than the 2nd.

Number of SAP Certified Consultant by Partner



As of 2020/7
Source: SAP Japan

Introduction of ABeam Consulting: Track Record (Cases)

Promoting co-creation within the ABeam ecosystem and digital management in addition to its traditional strengths in process-based global management platform

Core System Installation
& Change Management

Global Management Foundation

Business optimization and
introduction and deployment of
group & global management



Ecosystem Creation towards DX

Co-creation with Startups

Expediting insurance payments
through data analysis such as
satellite images / SNS and AI



東京海上日動

Data-driven Management

Digital x ESG

Enhancing company value by
“visualizing non-financial
data”



Introduction of ABeam Consulting: Initiatives to Further Strengthen ABeam's Operations

Promote end-to-end DX

Expand ABeam DX Ecosystem



- Expand solution services through co-creation and capital tie up with leading IT companies and research institutes
- Strengthen solutions design and architect

Support a new global model

Achieve Differentiation as an Asia-based Global Consulting Firm



- Support the globalization of Japan-based multinational companies
- Strengthen capacity to support the globalization of emerging Asian companies

Enhance quality and scope of value proposition

Diversify Consultant Portfolio



- Increase and educate consultants who have business strategy + IT expertise
- Train and recruit talents with diverse capabilities which can expand solutions provided

NEC Group's DX Strategy ~ Towards New Normal ~

Personal Changes

Change to a new life style for safety and security

- The need for transportation and face-to-face meeting is being questioned
- Identify a different set of values from the past
- Renew lifestyle and life plan based on own values

Societal Changes

Change to a society with more focus on sustainability

- Division of labor between human and machine accelerates so that people can exercise their full potential
- Need for safe and fair social services stronger than ever
- Achieve overall optimization by enhancing visualization of all things

Digital connection which transcends physical boundaries

Increase in digital consumption

49% increase in internet traffic
More than **300 million** participants in online conferences

Digital shift in various settings

Lifestyle

Business style

Workstyle

5 Themes aimed at achieving DX for change

Remote

Workstyle changes by integrating real and digital

Online

Provide services and experiences not constrained by time or place, through digital contact

Touchless

Sanitary and safe lifestyle

Automation

Streamlining/automation for people to live up to their true potential

Transparency/Trust

Use of digital technology which has transparency and trust in the society

NEC Group's DX Strategy: Initiatives to Further Accelerate DX

Value Proposition based on Social Challenges

Value Proposition

Adapting to New Normal

Solutions Provided

NEC
Safer Cities



NEC
Value Chain
Innovation

NEC Smart Connectivity



NEC the WISE

Bio-IDiom

Cyber Security

End-to-End
Capabilities

Consulting

Implementation

Operation

Starting Point:
Social Challenges in
Shifting Towards
New Normal (examples)

Remote

Online

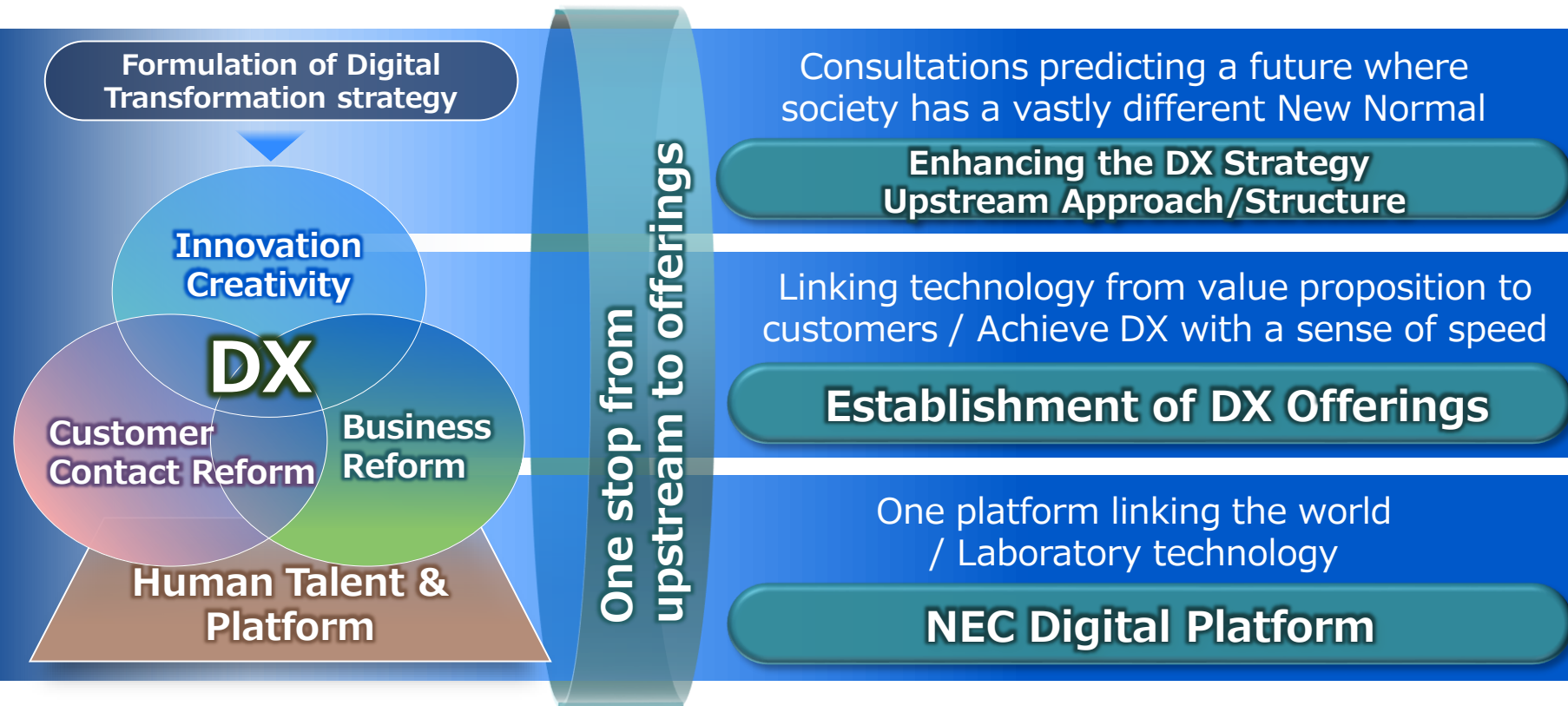
Touchless

Automation

Transparency/Trust

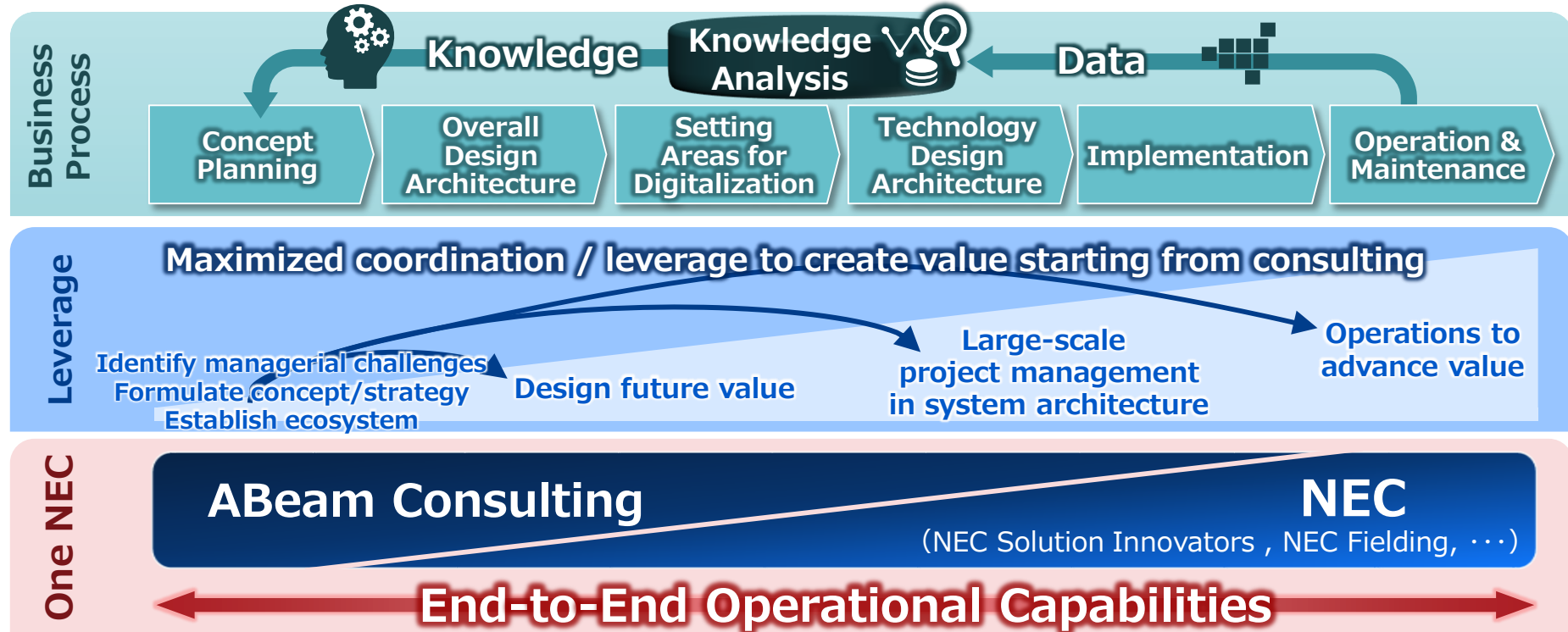
NEC Group's DX Strategy: Strengths to Further Accelerate DX

Toward digital shift in New Normal era



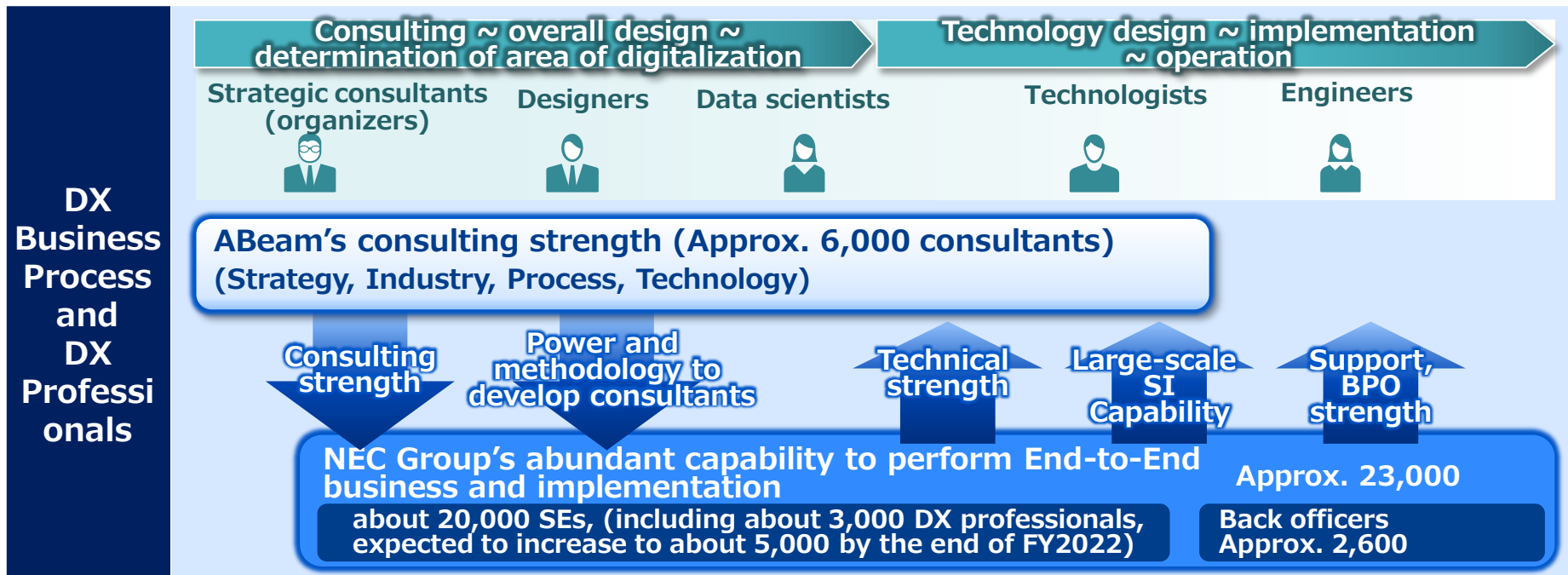
Advancement of Value Proposition by Combining Business Processes and Technology

Coordinate end-to-end operational capabilities based on ABeam's consulting expertise to enhance leverage in themes (businesses) of NEC and ABeam



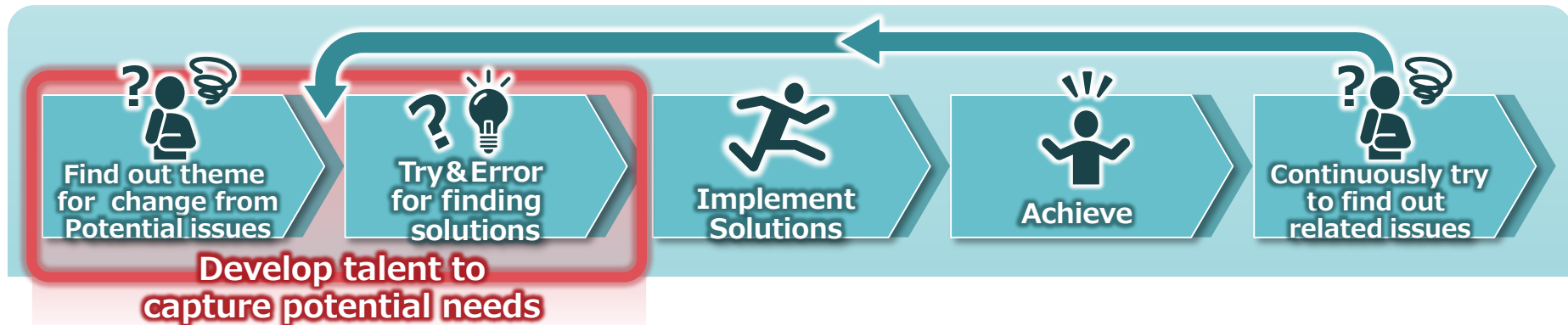
Maximizing Group Capabilities with Strengths of ABeam and NEC

Maximize our value proposition by mutually supplementing both ABeam and NEC's capability and strength, such as, ABeam's consulting strength & methodology of developing talented consultants, and NEC's capability and strength of technology, large-scale SI, support and BPO.



Developing Talent to Capture Potential Needs

Acquire and accelerate to develop talent specialized in business producing
Who can find out customers' and societal issues and tackle these issues together
→ Aim to become the first choice for customers in DX era



Consulting Services

Knowledge in specialized area

Analytical Skill

Project management

Providing resources

Transformation Partner

Conventional Consulting Services

+

Business produce

Outsourcing for data utilization

Technology differentiated from others

Sharing of business achievements

Case Initiatives Aimed at Synergies between NEC and ABeam: Seven Eleven Japan

From creation of the DX concept for store operations to design, implementation, and operation



Optimization/DX

**Contribute to establishing
platform to focus on advanced
business operations**

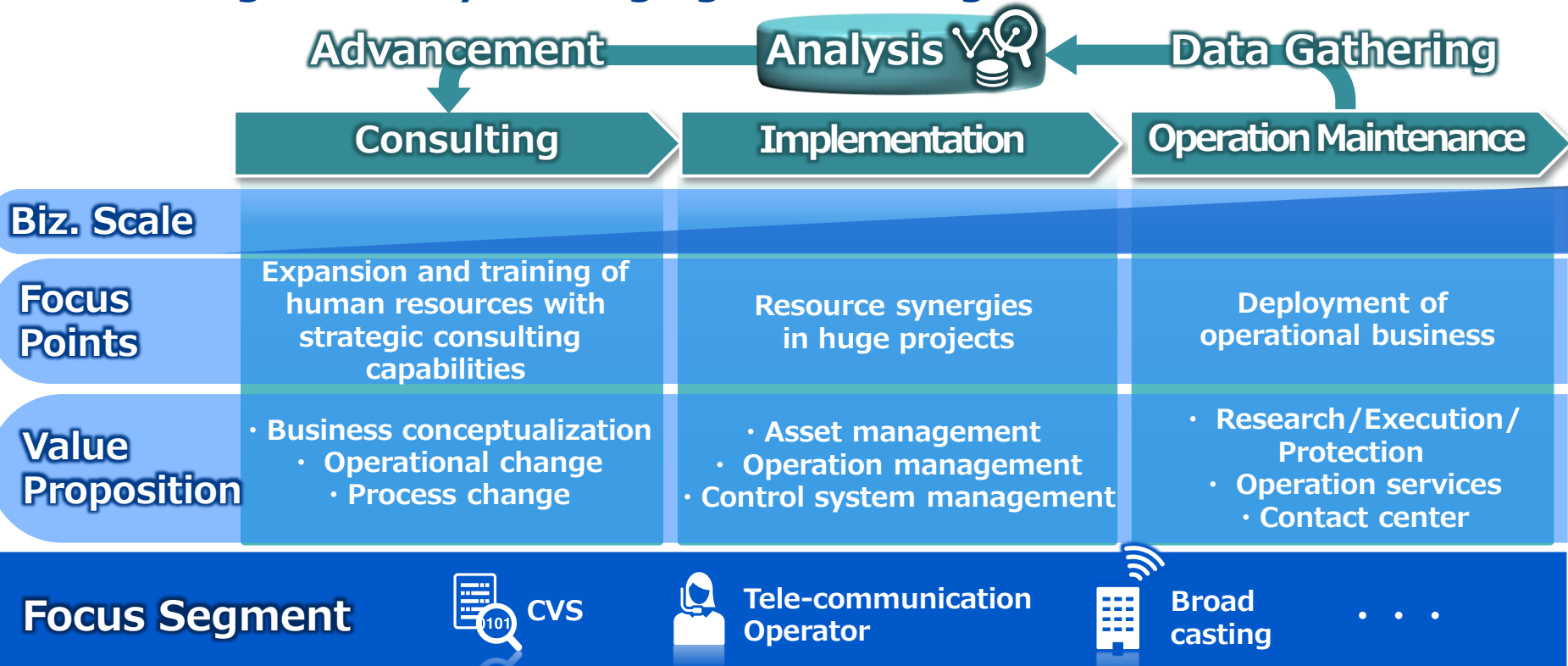
**Improve business process by
digitalization from paper-based
operation**

**Achieved reductions in
man-hours and paperless**

**By monitoring fixtures
Supported to provide
Safe and Tasty Products**

Synergies Aimed by End-to-End Collaboration

Expand business in selective area where NEC and ABeam can maximize the offering values by leveraging both strengths



Society 5.0 Realized by Collaboration of NEC and ABeam

Establish ecosystem to support sustainable society in New Normal Era



Organize collaboration scheme
Promote innovation for more activation

DX Grand Design
/ system
establishment

Process
Innovation

Change
Management

Orchestrating a brighter world

NEC

Implement urban operating system
Launch new services with data sharing

Networking

Computing

Security

Establish new local ecosystem
Optimize urban management

Disasters

Population
aging

Declining
birth rates

Local
transportation

Industrial
development

Realize Society 5.0

Summary

Maximize the Group's capability to provide end-to-end solutions to societal and corporate challenges in the new normal era, from conceptualization to implementation and standardization

Combining ABeam's DX upstream assets and NEC's digital technology to achieve digital process innovation

Proactively invest in diverse human talent in order to maximize client value

Group-wide HR synergies and proactive investments in recruiting and talent development

Strengthen competitiveness and expand globally by contributing to the realization of Society 5.0

Disseminate social solutions from Asia to the world as the first case in Japan



\Orchestrating a brighter world

NEC creates the social values of
safety, security, fairness and efficiency
to promote a more sustainable world
where everyone has the chance to reach
their full potential.