

## NEC IR Day 2022 Public Solutions Business Q&A

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Presenter: Kunikazu Amemiya, Executive Vice President

### **Questioner A**

*Q: NEC is aiming for growth exceeding the market in the urban infrastructure domain, but I get the impression that this is a highly volatile business, and in the past, revenue has increased with large-scale projects and upgrade projects, but then decreased once those projects were completed. Are you moving forward with efforts to stabilize the business through platforming, as in the case of municipalities, small and medium-sized enterprises and healthcare?*

A: Urban infrastructure is generally a business of 10-year cycles, and revenue tends to decline when we hit the off-season, as has been the case for the past several years. For example, in the case of wireless communication for fire prevention, there used to be a deadline for deploying digital radio equipment, which drove temporary special demand, but there is currently no longer a deadline for updating that equipment, and demand has basically leveled off. To stabilize the business, we are working to develop offerings in the form of high value-added businesses, including ancillary businesses such as creating new links between fire prevention systems and disaster prevention systems.

### **Questioner B**

*Q: How do you plan to address the government's Vision for a Digital Garden City Nation?*

A: Fire prevention, disaster prevention, healthcare and other functions required in cities are the responsibility of the Public Solutions Business. In digitalizing these systems, we will also collaborate with the Cross-Industry Unit, an organization that works across each of our businesses, and with other business units.

### **Questioner C**

*Q: Can you tell us about progress in your efforts to roll out the solutions of KMD, which you have acquired, for local governments in Japan and elsewhere?*

A: We are considering deployment of KMD's solutions in the Japanese market in the areas of workflow and environmental solutions, but currently the most viable of these is a solution called KDM Connect (digital invoicing), where we believe we can use the original Danish system as is. A key point will be how well it can be integrated with customers' accounting systems. KDM's cloud services can basically be applied without changes in the Japanese market, and we are currently awaiting approval.