I would like to express my sincere appreciation for your continuous support of NEC’s IT and network solution.

It is known that Japan’s broadband service is now offering the world’s fastest speeds and lowest prices. As of September 2004, over 17 million users are enjoying broadband connection, through ADSL (Asymmetric digital subscriber line) / FTTH (Fiber to the Home) / CATV Internet access. Especially, the number of FTTH users has recently expanded quite dramatically. “Optical” era is just around the corner. The world’s first 3rd generation cellular service has already become mainstream for cellular phone users. Personal users in Japan are enjoying broadband access both in fixed and mobile situation. On the contrary, there is a lot of room left for growth in broadband access for business use.

Nowadays, business users must maintain their competitive edge by adapting to dynamic market change, not by reducing cost, but also by changing their business models, and by increasing intellectual productivity. For example, in the introduction of IP telephony system, we should pay more attention to how our business communication capabilities and intellectual productivities can be improved by the voice and data integration other than the telephone cost reduction. In other words, it is the key how we put broadband environment to practical use in our business in order to gain an edge over our competitors.

In your day-to-day work, you may face problems such as, “I need to know his telephone number now, but it is in my PC....” “the person was not available when I made a call....” “Still I have no return call although I asked person to leave memo to call me back....” And holding a meeting can involve massive amount of time and effort, such as adjusting schedule, copying a lot of handouts, and traveling two hours to attend a one-hour meeting. While such waste of time and communications costs obviously vary depending on the scale of the business, some companies have calculated that they might reach to the level of several hundred million yen every year. Moreover, the loss of business opportunity or obstacles of the intellectual productivity if the information in a company cannot be obtained timely or shared when really needed, could be a major impact on business activities.

These obstacles to business have caught NEC’s attention. As aiming at business revolution in broadband era, we have begun advocating the “broadband office,” which could overcome the obstacles, and rich desktop applications that increase employee productivity and help maintain a positive customer experience would increase company’s competitiveness simultaneously. As a means of creating such an office, we have announced the UNIVERGE product family, which migrates both our renowned IT and network technologies.

To verify issues that may arise from the use of various products in the same environment, and to provide our customers with reliable solutions in more user-friendly manner, we opened the NEC Broadband Solutions Center in Shinagawa, Tokyo, in January this year. At the Center, 400 employees make full use of UNIVERGE themselves together with a range of solutions for their own day-to-day work. This has produced some highly visible results, such as reductions in a waste of time through the use of PC-based Web conferencing and cost savings stemming from a roughly 70% reduction in paper usage due to better information sharing in broadband office. The experience and know-how gained at the Center are now being applied to the development...
of new solutions to customers. The Center also features a showroom where customers can actually experience our broadband office. The showroom has attracted over 10,000 visitors, since its opening.

In June 2004, we announced the first line-up of UNIVERGE Solutions - six solutions covering office collaboration, office security, and customer relationship management (CRM).

UNIVERGE Solutions are being started to offer in three different ways, SI configuration suites, Models, and Packs to satisfy the wide-range of our customers’ needs. At the same time, UNIVERGE Support Center was established to offer a level of support to enhance a high reliability. And, the UNIVERGE Partnership Program which is promoted with many sales and applications partners enables us to offer wider range of optimum solutions to customers. Moreover, “UNIVERGE” targets not only domestic market but also global market. Therefore, the customers with global activities can introduce the same UNIVERGE solutions with confidence.

UNIVERGE will continue to be competitive by achieving continuous solution line-up addition, especially taking advantage of NEC’s strength of mobile sector.

It is probably no exaggeration to say that potential winners in a severe competition will be those that are first to adopt broadband and mobile solutions. They will use such solutions for both their intra- and inter-business communications to improve their competitiveness while exploiting broadband and mobile environments to enable them to offer the highest levels of customer service.

NEC offers world-class service and products in both the IT and the network fields. And, by using UNIVERGE Solutions to migrate IT and network technologies, we will continue to strive to offer leading-edge service, and thus contribute to the growth of our customers.

Further UNIVERGE developments are something to eagerly look forward to.