Empowered by Innovation NEC

Asian Construction IT Round-table Meeting

Approach to Electronic Bidding System

NEC Corporation

Aug. 6, 2010

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Company Profile

Company Name:	**NEC Corporation**
Address:	**7-1, Shiba 5-chome, Minato-ku, Tokyo, Japan**
Established:	**July 17, 1899**
Chairman of the Board:	**Kaoru Yano**
President:	**Nobuhiro Endo**
Capital:	**¥ 397.2 billion - As of Mar. 31, 2010 -**
Consolidated Net Sales:	**¥ 4,215.6 billion** **- Fiscal year ended Mar. 31, 2009 -** **¥ 3,581.3 billion** **- Fiscal year ended Mar. 31, 2010 -**
Operations of NEC Group:	**IT Service, IT Products, Network Systems, Social Infrastructure, Personal Solutions, Electron Devices**
Employees:	**NEC Corporation** **24,871 - As of Mar. 31, 2010 -** **NEC Corporation and Consolidated Subsidiariesg** **142,358 - As of Mar. 31, 2010 -**
Consolidated Subsidiaries:	**310 (Japan:118, Oversea:192) - As of Mar. 31, 2010 -**

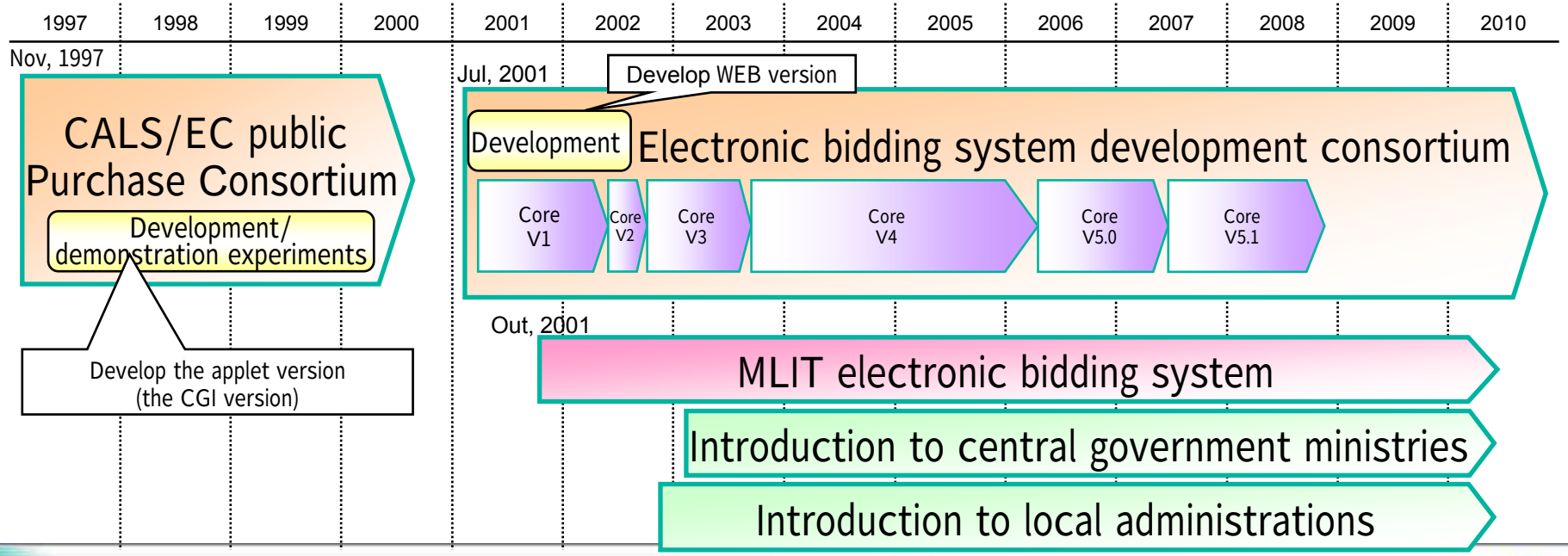
Kaoru Yano

Nobuhiro Endo

Financial results are based on accounting principles generally accepted in Japan.

Approach for the electronic bidding system

- Finalized the system design specification at development consortium in 2010 after demonstration experiments, and it is progressing and spread in central government and local administrations.
- NEC takes development role in the electronic bidding system, and conducts introduction of system for MLIT (Ministry of Land, Infrastructure, Transport and Tourism), other central government ministries/agencies, and local administrations.



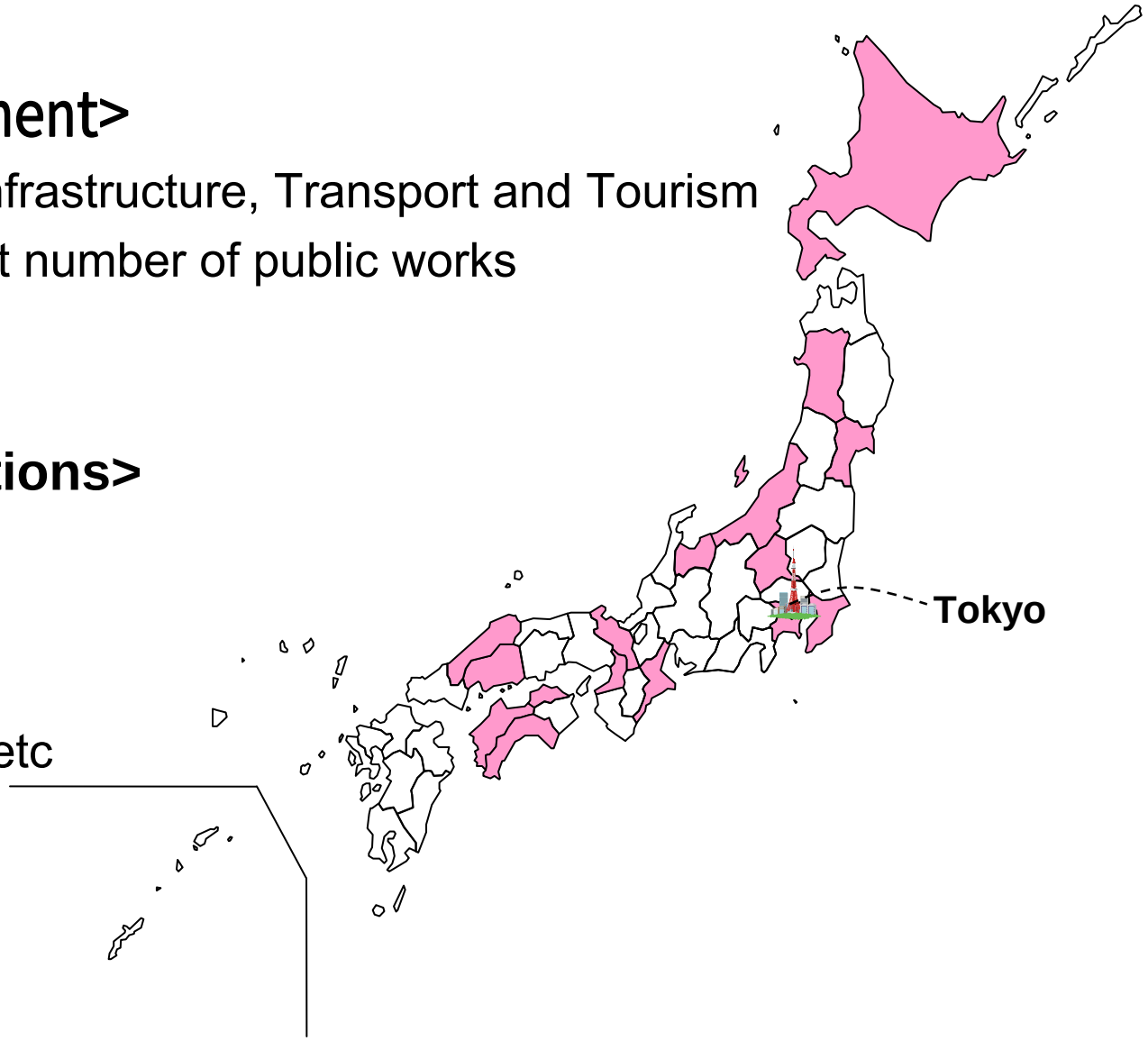
Conmany's participation track record for bidding system

<Central Government>

- Ministry of Land, Infrastructure, Transport and Tourism (MLIT) *the largest number of public works
- MAFF, MOD, etc

<Local Administrations>

- Tokyo
- Osaka
- Hokkaido
- Yokohama City etc



Types of an electronic bidding system

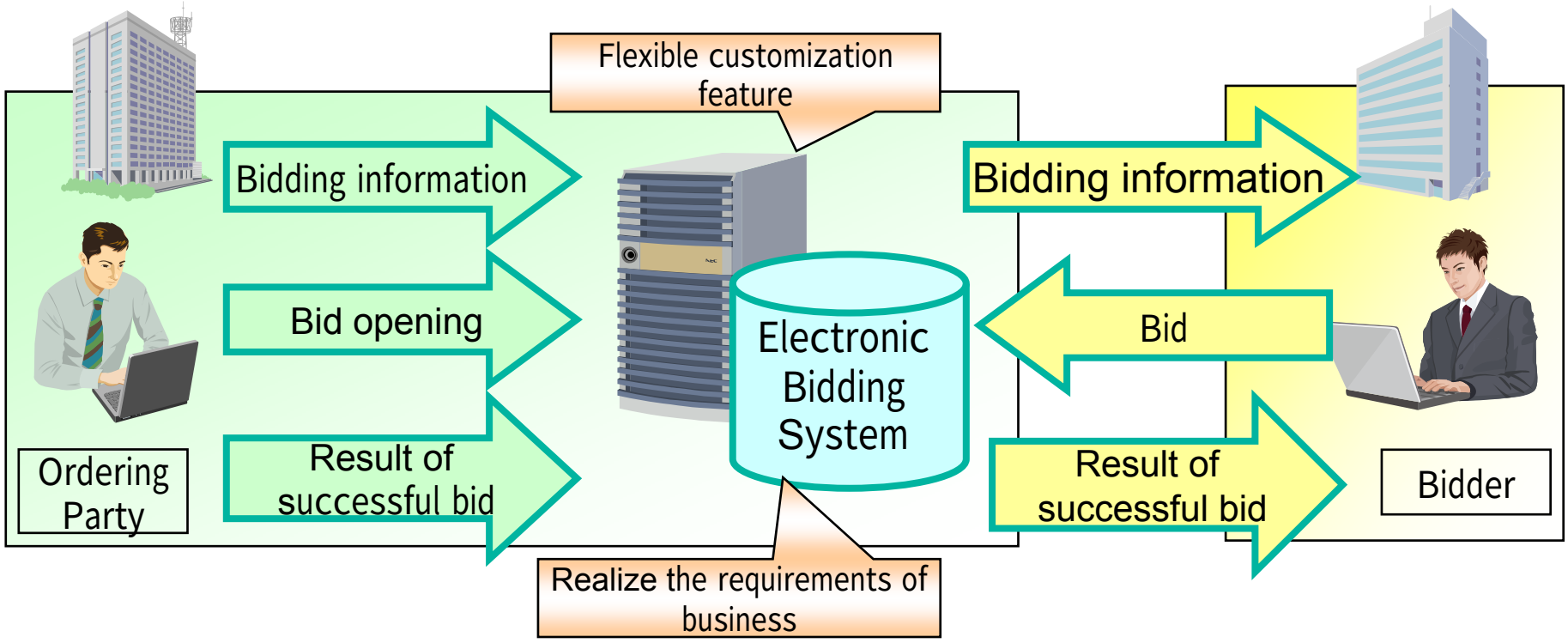
Propose system introduction form based on the scale and number of the projects and provide system appropriate for customer's needs.

- (1) Occupancy use type
  - For central and prefectural governments which have many projects.
  - Easy to customize the system because it is an independent system.
- (2) Sharing use type
  - For local administrations which have less projects than central governments.
  - Easy to introduce the system from the viewpoint of cost performance by using in multiple partners,

(1) Occupancy use type

Operational efficiency improvement by individual customization

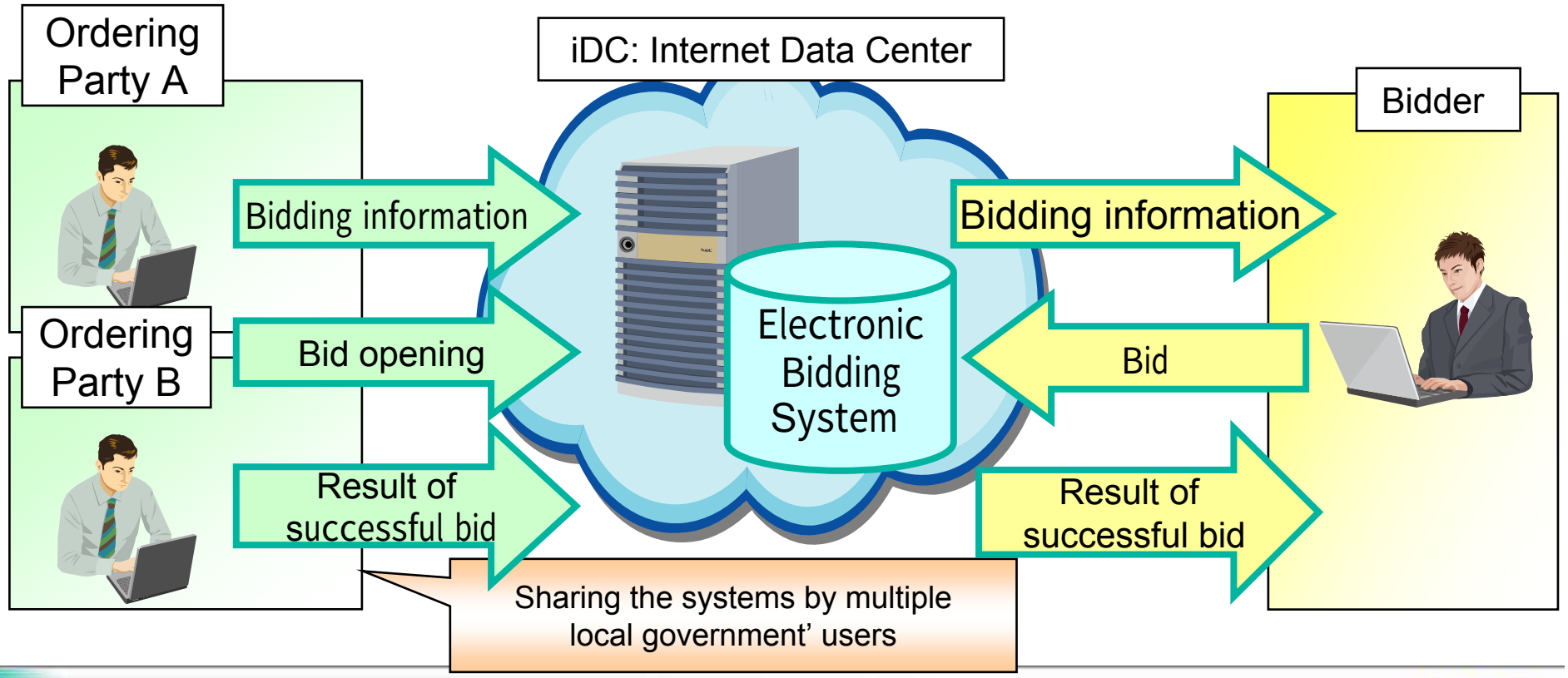
- Provide optimum system for operational efficiency improvement by building own system for each local administrations and customizing the system based on their needs.



(2) Sharing use type

Cost reduction is easily achievable by sharing systems.

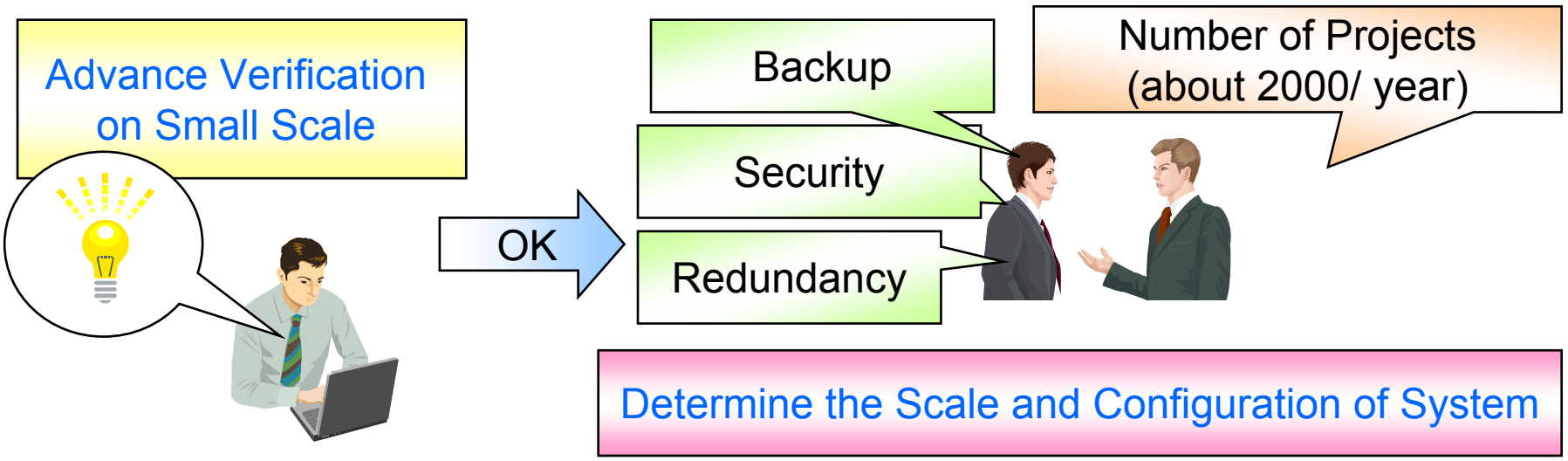
- Consolidate the management of system and customer information
- Synergistic effect by sharing other services via iDC.



Example of X ministry

Occupancy use type: Electronic Bidding System for Ministry of X

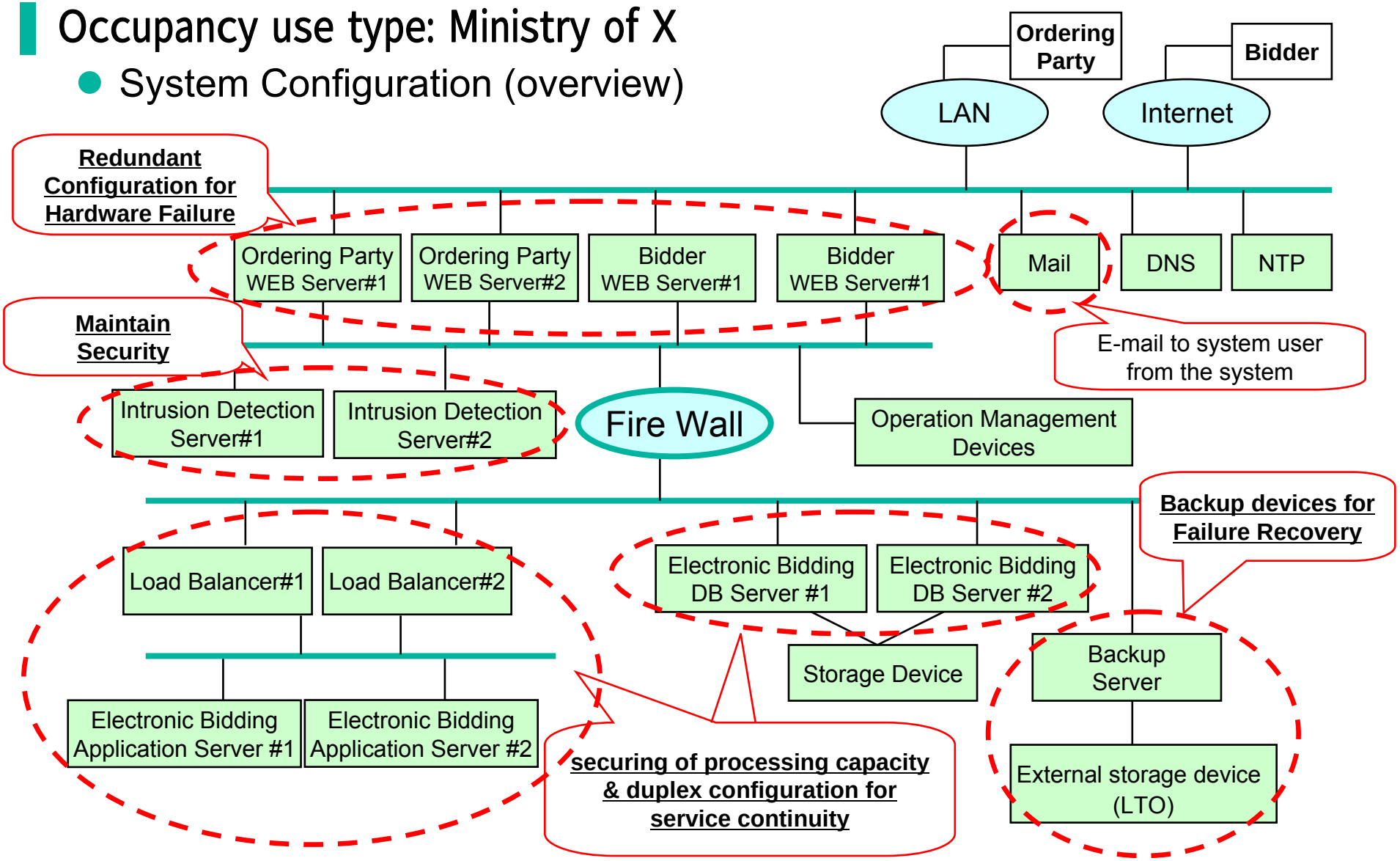
- Advance verification
  - Before being put into operation, it is conducted advance operation verification by developing the system on small scale.
- Determine the Scale and Configuration of System
  - On study of the scale of system, we proposed the system configuration for stable operation based on the consideration of the performance of hardware devices, the security of the system to handle about 2000 projects / year.



Ex. Introduction of Electronic Bidding System

Occupancy use type: Ministry of X

- System Configuration (overview)



Ex. Introduction of Electronic Bidding System

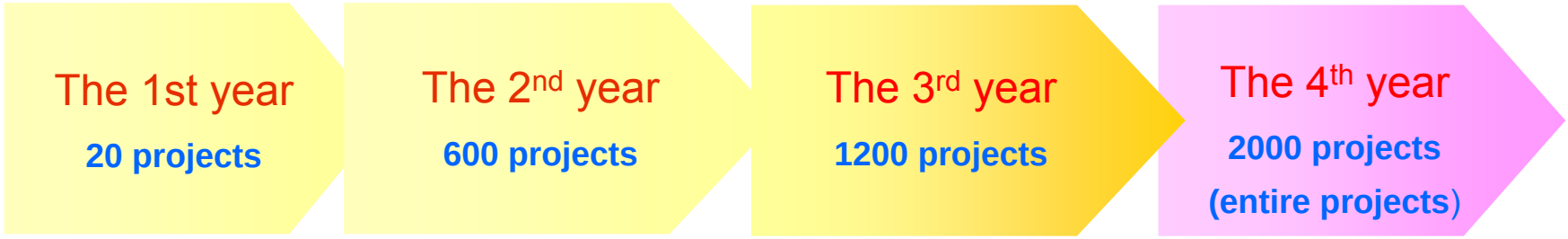
Occupancy use type: Ministry of X

- Procurement of Equipments, Establishment the System
  - Based on the equipment configuration we agreed with customer, we established the system by actual equipment.
    - Period of developing system: about 4 months
    - Cost of procurement/establishment of system: about 200M yen (includes H/W and S/W)
- Operation Support System
  - System Engineers are always on duty for operations support and handling of the system failures
- Trial Operation
  - In the first year, it conducts trial operation on electronic bidding system by using some of projects (about 20 projects, mainly target big projects based on procurement cost)

Ex. Introduction of Electronic Bidding System

Occupancy use type: Ministry of X

- Step-by-step timetable for introduction of Electronic Bidding System
  - In respond to first year's result, we tried to promote expansion of the project for Electronic Bidding System, and then we start full-scale operation 4years after the introduction.

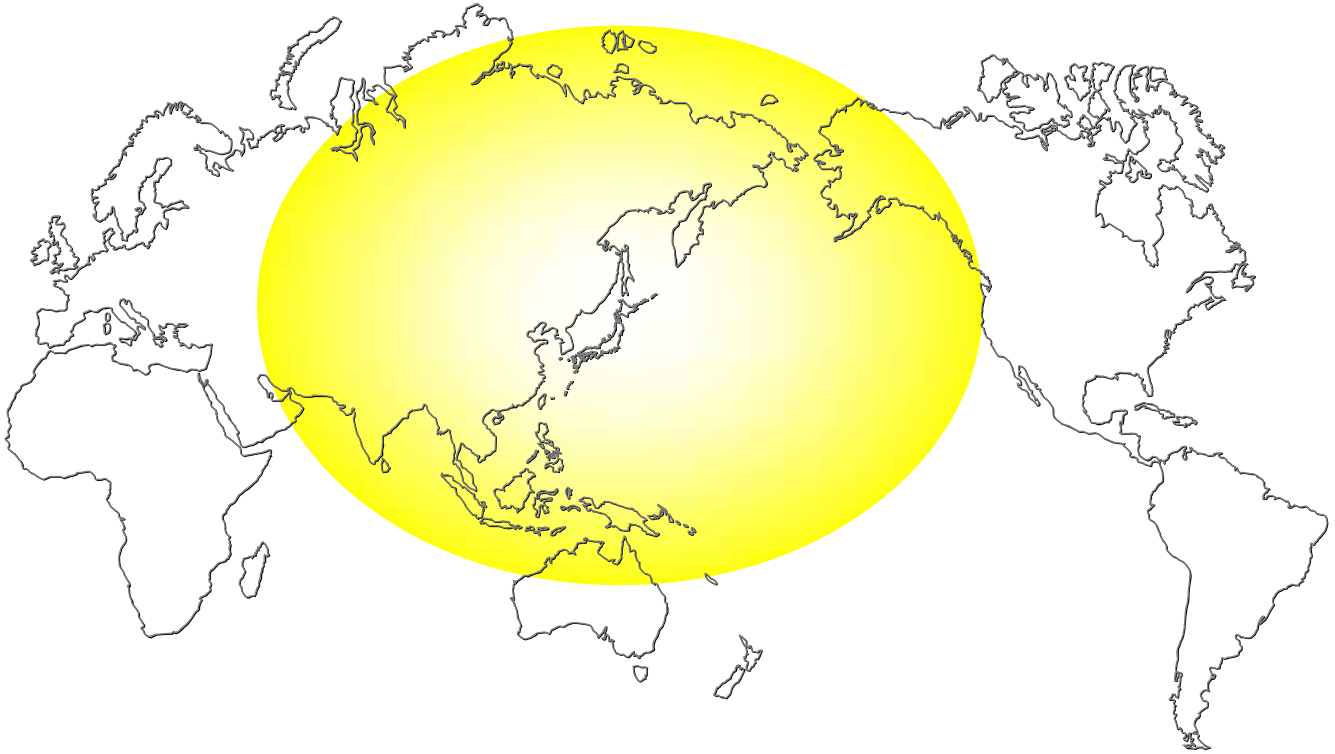


- Expand the operation system
  - Depending on the expansion of scale of operation, it has improved the operation system by establishing the helpdesks for users and so on
- Improvement of functions and Expansion of the Scale
  - Depending on the expansion of scale of operation, we provide additional function and customization such as the redundancy of network devices and changes for the configuration based on the customer's needs.

Future Efforts/Approach

Consideration of globalization of a public services/systems

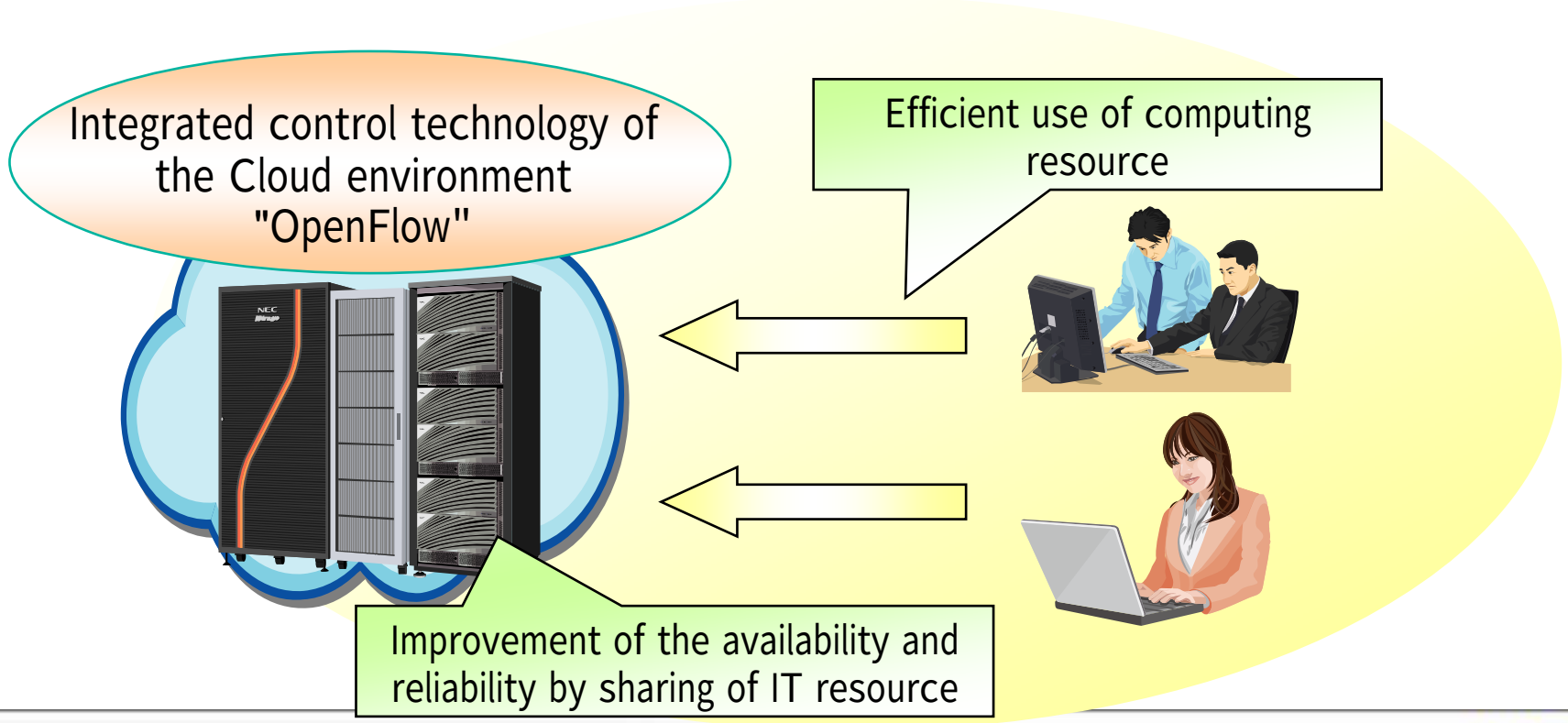
- As stated in “New ICT strategy“, it has been planned to extend the range of service deployment to overseas with cloud technology



Future Efforts/Approach

Cloud computing

- Engaged in researches about the cloud environment technologies.
- Working on the commercialization of the technology by announcing the results of research such as dynamic control technology of a server resource.
- Contributes to globalization of a public supply market through the efforts.



NEC group vision 2017

To be a leading Global Company
leveraging the power of innovation
to realize an information society
friendly to humans and the earth

Empowered by Innovation