

03-07	CSR Management Policy	08-09	Business Activities for Value Creation
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Cooperation with the Communities

In 1990, NEC established its "NEC Group Corporate Philosophy" in the belief that "NEC strives through "C&C" to help advance societies worldwide toward a deepened mutual understanding and the fulfillment of human potential". To realize this corporate philosophy, we at NEC strive to promote social contribution activities that consider the benefits and development of all stakeholders, beginning with the local communities, and fulfill our social responsibilities as a "good corporate citizen".

Policy

Working closely together with business, NEC's social contribution activities help to solving the social problems found in these three themes: "Welfare and Diversity", "Environment" and "Education, Culture and Sports". Through community investment and the development of human resources, NEC's objective is to improve brand value and create a business platform that will find not only solutions to social problems with the community but foster community trust as well.

NEC has a further objective to contribute to developing a new business model that is social-problem-driven through joint efforts with its partners (NPOs, NGOs, local governments, universities, etc.) in social contribution activities.

NEC has established basic policies that underlie the creation of our social contribution program so that we can carry out sustainable programs that contribute to society. We have also established the following five criteria to form a relationship with NPOs and NGOs. We will be evaluating the program based on the Social Contribution Program Evaluation System that complies with these criteria.



Basic Policy of Social Contribution Program Creation

1. Effective utilization of management resources

- Management resources: funds, products, human resources, facilities, information/knowledge, etc.
- Relationship with businesses

2. Partnerships with NPOs and NGOs

- Promoting solutions of social problems based on win-win relationships
- Supporting the creation of social businesses
- Strengthening NPO foundation

3. Connections between group companies and employee participation

- Energizing NEC Make-a-Difference Drive (MDD)
- Promoting employee volunteer activities

4. Contributing to improving our corporate value

- Visible activities of NEC's presence
- Cutting-edge volunteer programs
- Promoting information delivery

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Guidelines for Coordination with NPOs

1. Certified by NPO law (in principle)

2. Activity record

- Must have advanced and unique activities, and prior history.
- Must have specialized know-how, the ability to complete projects and the ability to output information

3. Financial details

- Making efforts to disclose the status of financial management, revenue and source of funds.
- Have diverse financial resources.

4. Organizational foundation

- Clear mission, vision, goals and personnel makeup.
- Clear division of labor between management, specialized staff, paid staff, volunteers, etc.

5. Leadership and management

- Clear leadership, enthusiasm, and high quality of responsible personnel.
- Considers governability, transparency, and accountability.

Promotion Framework

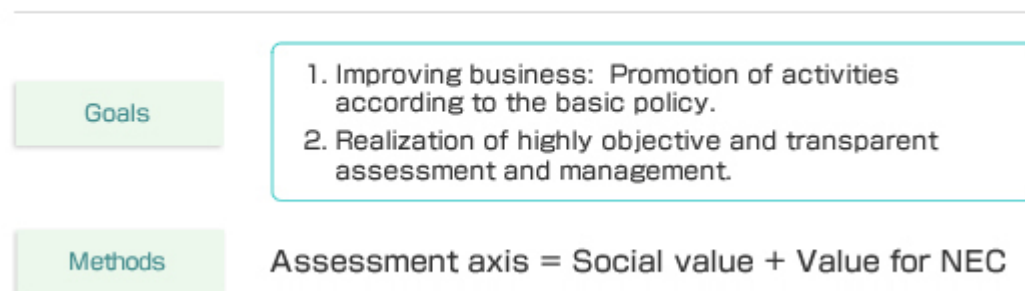
NEC's social contribution activities consist of the following three promotion frameworks:

- Social contribution program: Mainly NEC Corporate Communications Division CSR Promotion and Social Contributions Office & Social Contribution Promotion Departments of NEC Group Companies plan and execute the program.
- "NEC Make-a-Difference Drive (MDD) " - NEC Group employees in the world actively plan and participate.
- Various grants by foundations

Social Contribution Program Assessment System

We assess all social contribution programs each year based on the social contribution program assessment system.

Social Contribution Program Assessment System



* Both "Social value" and "Value for NEC" are quantified and assessed for each item.

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Assessment criteria: Social value

Public Interest	<ol style="list-style-type: none"> 1. Tracking the needs in the community and society. 2. Not limited to a few beneficiaries or participants, but contributes to a wide range of people 3. Working together with NPOs, public administrations and universities. 4. Obtaining opinions (feedback) from program partners.
Effectiveness	<ol style="list-style-type: none"> 1. Specific goals are made for social issues and results are being achieved. <ul style="list-style-type: none"> • Output (Result) • Outcome (Effect) • Impact (Spread) 2. The approaches are being developed effectively. <ul style="list-style-type: none"> • Contains ideas and mechanisms to spread its effect. • Contains global elements.

Assessment criteria: Value for NEC

Strategy	<ol style="list-style-type: none"> 1. Continuously improving programs based on PDCA management. 2. Utilizing resources (human resources, products, funds, facilities, and information). 3. Collaborating with NPOs. <ul style="list-style-type: none"> • A win-win relationship is established. • Supporting a stronger NPO foundation. • Promoting communications with NPOs.
Effectiveness	<ol style="list-style-type: none"> 1. Contributing to businesses (business creation and sales contribution). 2. Contributing to nurturing employee human resources. 3. Contributing to improving corporate reputation and building trust from the community and society. <ul style="list-style-type: none"> • Program participants are greatly satisfied. • The amount of advertisement cost conversion for PR results exceeds investment cost. • Programs are introduced in seminars, forums, symposiums, popular SNS, etc., as case studies. • Awards given by external organizations or programs are evaluated by SRI, etc.

Social Contribution Expenses

In fiscal 2016 the total social contribution expenses for the NEC Group were approximately 430 million yen. We were involved in various regions around the world following three main themes in five areas, including "Academia, Research and Education" and "Arts, Culture and Sports". Social contribution expenses included the following:

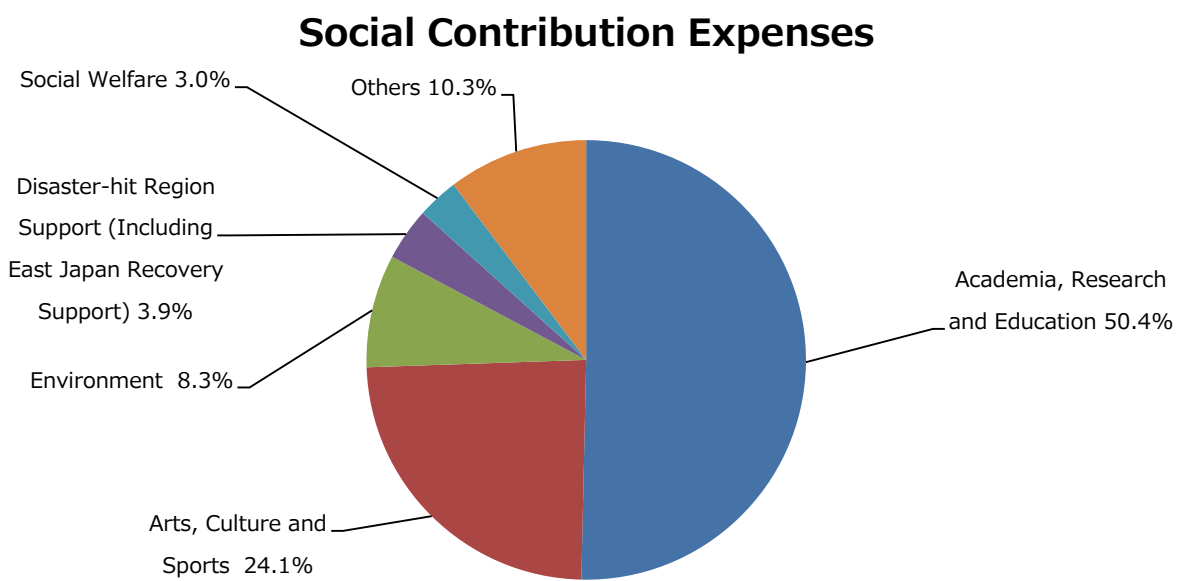
- 1) Financial assistance
- 2) Charitable donations of products (quoted on a unit price basis)
- 3) Public use of NEC facilities (converted into monetary amounts based on the unit price of using equivalent external facilities to quantify the cost of using NEC facilities for socially beneficial purposes)

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Expense changes

Fiscal 2014	Fiscal 2015	Fiscal 2016
440 million yen	540 million yen	430 million yen

Fiscal 2016 Expenses breakdown



Fiscal 2016 Activity Details

▶ For activity details, see the "[Social Contribution Activities](#)" page.

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Objectives and Achievements

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

Promote programs that contribute to solving social issues based on the following themes:

- Establishing a safe and secure society
- Addressing climate change and environmental protection
- Eliminating the digital divide
- Nurturing diverse human resources

Fiscal 2016 Objectives, Achievements and Progress, and Degree of Completion

(Degree of completion: Achieved ◎/ Mostly achieved ○/ Some progress △/ No progress ×)

Objective	Achievements and Progress	Degree of completion
<p>1. Engage in business activities and help improve brand value throughout the social contribution program</p> <ul style="list-style-type: none"> • Strengthen collaboration with projects focusing on Tohoku reconstruction and building barrier-free cities • Strengthen collaboration between businesses and between projects by stepping up cooperation with NPOs and NGOs. • Conduct in-house lobbying and promote the understanding of such promotion. 	<p>1. Strengthened business platform by collaboration between public and civilian sectors.</p> <p>(1) Minamisanriku town, Miyagi Prefecture</p> <ul style="list-style-type: none"> • A reconstruction cooperation agreement was concluded between NEC and Minamisanriku town. <p>(2) Tokyo Metropolitan Government</p> <ul style="list-style-type: none"> • The "TOKYO Sign Language College" (An awareness campaign to understand the disabled - Collaborative project with Tokyo Metropolitan Government and Tokyo Metropolitan University) was held for the first time. • The workshop was held for the first time to identify issues by coordinating with the Welfare Service for the Disabled of the Tokyo Metropolitan Government. <p>2. Strengthened cooperation with internal divisions (contributing to create a business, embedding programs in in-house training)</p> <ul style="list-style-type: none"> • Implemented in-house LGBT training with "ReBIT" (NPO established by the graduates of the "NEC Social Entrepreneurship School") by coordinating with the HR department. <p>3. Embedded a "dialog" with program partners of the "NEC Social Entrepreneurship School" and its graduates (social entrepreneurs, NPOs) in the "New business creation publicly-offered program" to brush up on new business.</p> <p>4. Performed a trial "CSV Model Creation" that was combined with business and social contribution activities by collaborating with the sales department.</p> <p>5. Improved the brand through awards by external organizations</p> <ul style="list-style-type: none"> • The NEC Para-sports Support Project was certified as "Model Corporation Promoting Sports in Tokyo". • NEC's pro bono initiative received the "Make a CHANGE Day Grand Award". • NEC's Paddy Making Project was certified as the collaborative activities with "United Nations Decade on Biodiversity - Japan Committee (UNDB-J)". 	◎

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Objective	Achievements and Progress	Degree of completion
<p>2. Foster a culture of volunteerism within the NEC Group</p> <ul style="list-style-type: none"> • Bolster "NEC Make-a-Difference Drive (MDD)" in Parasports (sports for persons with a disability), Tohoku reconstruction, biodiversity, and the unpaid volunteer initiatives. • Create a volunteer network encompassing current and former employees • Extensively leverage the intranet 	<ul style="list-style-type: none"> • The number of employees who participated in biodiversity conservation was 9,931, exceeding the goal of 9,700. • No. of participants in NEC Pro bono Initiative was 29, exceeding the target number in the past. • No. of MDD promoters increased because the MDD's participation range was extended. * No. of MDD promoters was 428 (any individuals or groups can participate regardless of organization (department, company, etc.)) • MDD performance remained at the same level even though new initiatives (e.g., workshop, etc.) were implemented. No. of participants: 32,444 / Participation hours: 60,403 • Held a meeting to collect information from group companies and other companies to network the volunteers of current and former employees. • Updated the Intranet for more practical usage to improve the PR of volunteer activities. • Started trial usage of the Intranet so group companies can recruit participants for volunteer activities. • A project to create a scheme to collect and share information globally is still ongoing. 	<p>△</p>
<p>3. Expand Group and global development</p> <ul style="list-style-type: none"> • Optimally position and deploy social contribution programs as part of the One NEC commitment • Deploy and globalize existing programs, centered in Asia 	<ul style="list-style-type: none"> • Some departments responsible for some social contribution programs have been changed to optimally position the NEC Group's social contribution programs. • A social contribution pamphlet was published describing activities relating to the whole NEC Group including overseas subsidiaries. • "NEC World Children's Nature Club" was set up in other regions. It was set up in Indonesia for the first time. • The scale of overseas MDD was expanded. No. of participants: 4,437 / Participation hours: 4,330 No. of MDD promoters: 93 	<p>○</p>

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Objectives for the New Medium Term (From fiscal 2017 to fiscal 2019)

Establish social contribution activities that create a synergy effect (brand improvement, nurturing human resources) with business activities:

1. Human resource nurturing with high social sensitivity and contribution to business creation that is social-issue driven.
2. Establish an activity process and the "visualization" of results.
3. Create a promotion platform.
4. Optimize activities from the whole NEC Group point of view.

Fiscal 2017 Objectives

1. Human resource nurturing with high social sensitivity and contribution to business creation that is social-issue-driven.	<ul style="list-style-type: none"> · Collaboration with the system of "New business creation publicly-offered program and creation of a model by collaborating with NPOs. · Establishing a volunteer culture with the Para-sports Support Project with pro bono as the core.
2. Establish an activity process and the "visualization" of the results.	<ul style="list-style-type: none"> · Enhance PR on the Web for activity results. · Awareness campaign to improve planning ability, execution power and installation of guidelines.
3. Create the promotion platform.	<ul style="list-style-type: none"> · Establish a promotion system within the NEC Group and the network with public administration, local governments, corporations, universities. · Global social contribution program trial in Asia
4. Optimize the activities from the point of view of the total NEC Group.	<ul style="list-style-type: none"> · Review the social contribution activities (including foundation activities) of the NEC Group and prioritize the issues. · Review the approaches to the solution of issues.