

75-84	Respecting Human Rights	85-93	Diversity and Inclusion
94-99	Creating a Diverse Work Style Environment		
100-105	Human Resources Development and Training		
106-111	Health and Safety	112-115	CS (Customer Satisfaction)
116-119	Ensuring Quality and Safety		

Ensuring Quality and Safety

Since its founding in 1899, NEC has continued to develop a corporate culture based on “Better Products, Better Services.” This means creating products and services that meet the expectations of and are more valuable to our customers. It also means that every one of us at NEC understands, considers, and quickly responds to what our customers expect in order to make NEC a company that is trusted and chosen by customers.

The word “Better,” not “Best,” in our statement of “Better Products, Better Services” embodies our desire to “continuously make improvements to achieve our very best in providing better products for customers.”

Based on these values, we hope that all our employees will be confident in NEC’s quality policy by raising the quality of their own work, the products they create, and the services they provide.

Policy

NEC’s Quality and Safety Principles and Code of Conduct require strict adherence. They are defined as follows.

Quality and Safety Principles

NEC puts CS (Customer Satisfaction) first and continues to provide “Better Products, Better Services.”

Code of Conduct

1. Quality management

- 1) Think about the new values of customers and society and act accordingly.
- 2) Maintain and develop the NEC brand.
- 3) Raise awareness in everyone about the importance of quality and the necessity of striving to make improvements.
- 4) Ensure the quality of products and services and comply with product-related laws and regulations.
- 5) Address issues related to product quality and services with integrity.

2. Safety management

- 1) Raise awareness in everyone about the importance of product safety.
- 2) Ensure the safety of products and services and comply with safety-related laws and regulations.
- 3) Address issues related to product safety and services with integrity.

Promotion Framework

Quality and Safety Risk Management System

One of the most important management issues is how to deal with quality and safety risks in products, systems and services. In October 2000, NEC reconfigured the company-wide quality and safety risk management systems to ensure a smooth and carefully monitored operation.

NEC is working specifically to clarify a range of actions for this system by defining company-wide rules and standards and ensuring that these are disseminated by appointing quality/safety management officers for each business division. In this way – improving the safety and reliability of our technology, standardizing key components and sharing know-how – we can prevent errors from occurring or recurring.

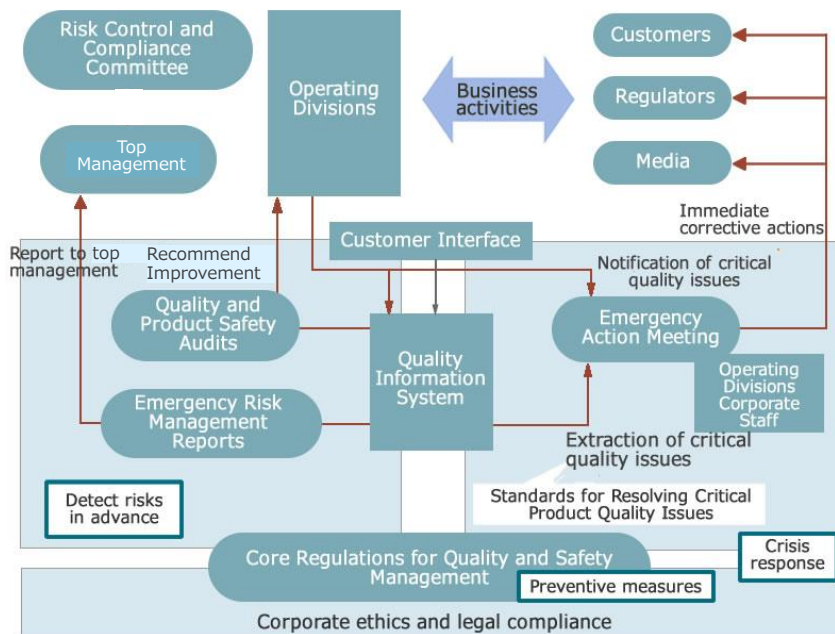
To deal with any large-scale social impact that could occur in the unlikely event of a major system outage or the failure of a major component, an urgent risk management report (immediate escalation to top management) is submitted and an

75-84	Respecting Human Rights	85-93	Diversity and Inclusion
94-99	Creating a Diverse Work Style Environment		
100-105	Human Resources Development and Training		
106-111	Health and Safety	112-115	CS (Customer Satisfaction)
116-119	Ensuring Quality and Safety		

emergency troubleshooting meeting is held. The business division in charge and the specialist staff division confer and reach a quick decision on how customers are to be treated, the response of those in authority and whatever other publicity measures might be appropriate. The consultations are rapid and decisions are made concerning the most appropriate overall policy. This implementation is also used to construct and operate an auditing framework that meets the standards of NEC's auditing department.

As a way to strengthen the company's response to escalation of important quality issues, in October 2010, NEC revised the rules whereby major product failures and system issues facing customers can be escalated directly to top management from the relevant business sector; this has been operating as "One NEC."

Quality and Safety Risk Management System



Education (Human Resources Development – Safety and Peace of Mind)

Improving product safety and quality requires a focus on improvements in employee training and skills. NEC offers 16 training classes that focus on job roles and field of specialization to improve practical skills in design and construction and provide basic and specialist knowledge related to quality and safety management standards and technical standards. In particular, NEC offers specialist education to all quality and safety management officers who are responsible for managing quality and safety risks.

NEC is also training more safety technology specialists by holding safety review workshops where safety technology is taught using actual equipment.



Testing the strength of a locked power cable (Safety Review Workshop)



Measuring voltage (Safety Review Workshop)

75-84	Respecting Human Rights	85-93	Diversity and Inclusion
94-99	Creating a Diverse Work Style Environment		
100-105	Human Resources Development and Training		
106-111	Health and Safety	112-115	CS (Customer Satisfaction)
116-119	Ensuring Quality and Safety		

Ensuring Product Safety

Based on the concept of ensuring customer safety, the NEC Group has adopted a basic “global first” policy. This policy focuses on increasing a product’s international value by conforming to international standards while designing products and services. NEC is working to ensure the safety of its hardware products by basing designs on IEC-60950-1, the widely recognized global standard for information technology equipment.

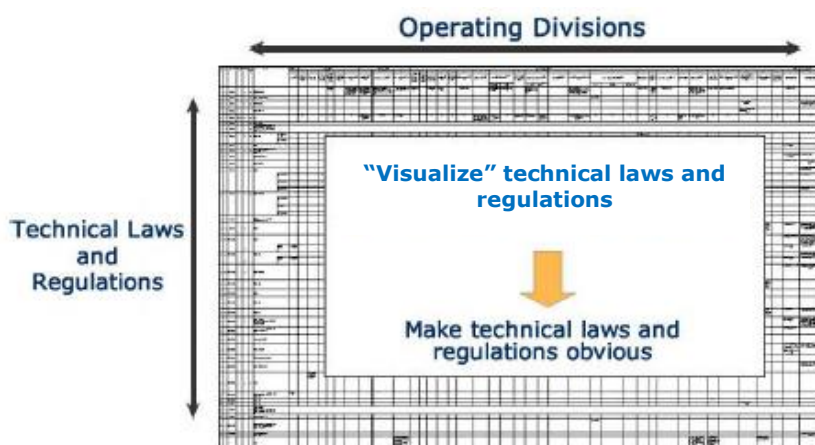
Reinforcing the IEC 60950-1 standard required NEC to establish a group safety standard that incorporates the company’s own safety measures. To prevent product safety incidents, NEC’s objective is to ensure product safety by establishing basic safety rules, performing risk assessments and specifying safety standards requirements across the entire NEC Group.



NEC’s safe technology standards system

Compliance with Relevant Acts and Regulations

To “visualize” the technical laws and regulations with which those products of NEC Group companies must comply, NEC developed a map of technology laws and regulations (44 product-related regulations and 901 staff-related regulations) to make it easier to identify what kind of laws and regulations are applied to which divisions’ products. By using this map, we strive to comply with those technical laws and regulations by precisely conforming with the Electrical Appliance and Material Safety Act and various domestic laws and regulations, including Japan’s Radio Act and Telecommunications Business Act and the laws and regulations of other countries.



Map of technology laws and regulations

75-84	Respecting Human Rights	85-93	Diversity and Inclusion
94-99	Creating a Diverse Work Style Environment		
100-105	Human Resources Development and Training		
106-111	Health and Safety	112-115	CS (Customer Satisfaction)
116-119	Ensuring Quality and Safety		

Main Activities for Fiscal 2017

NEC Group Quality Promotion Meeting



NEC Group Quality Promotion Meeting is held twice a year. Meetings are held with the quality and safety management staff responsible for constructing and operating the NEC Group's systems and compliance frameworks with laws and regulations relating to product quality and safety.

The meeting's purpose is to share information among parties concerned and horizontally spread it within the organization through explanation of quality policy and cases. The meeting was held twice this year in June and November.

NEC operates while actively discussing the matter frequently based on the belief that quality must be built in upstream process – not be assured in downstream process.

Project Management Award



NEC holds an annual presentation of outstanding cases and presents a project management award to the organization or group that demonstrated the best project support, or a project team that tackled a difficult project and achieved a particularly outstanding result.

This award was designed to honor the achievements of teams that have demonstrated outstanding performance by:

- (1) Taking on risky projects and overcoming whatever issues arose
- (2) Managing to recover from a project that entailed a significant amount of risk
- (3) Supporting a project by *genbaryoku* (capabilities to find and solve problems in the field)

The intent of this award is to raise awareness of the importance of project management among all NEC Group employees and to demonstrate the significance of accomplishment and recovery in those projects that have a high level of risk. NEC also recognizes that the penetration of award-winning cases will be useful in preventing risk in new projects through the horizontal spread of risk management practices throughout the NEC Group.