Dialogue with Our Diverse Stakeholders – Case Examples

Dialogue Case Examples in Fiscal 2018

In fiscal 2018, we had a variety of dialogues on materiality with experts and various stakeholders.

As NEC believes that these types of dialogues are part of a process that should always be incorporated into NEC's business activities, this report introduces some case examples.

- Dialogue with the United Nations and international organizations
- World Economic Forum Annual Meeting in Davos
- United Nations High-Level Political Forum / Reception hosted by the Japanese government
- Dialogue with the local communities, NPOs and NGOs
- Pro bono regional revitalization initiative
- Conserving "copera tokyoensis," an endangered species
- · Dialogue with employees
- Seminar to find social issues "Leveraging ICT, Business and Management Learned from the Treatment of Intractable Diseases"
- Secure quality and safety "Dialogue about Quality"
- Click here for dialogue details and with shareholders and investors
- Click <u>here</u> for dialogue details and with customers
- Click here for dialogue details and with business partners



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Dialogue with the United Nations and International Organizations: World Economic Forum in Davos / UN High-Level Political Forum

World Economic Forum Annual Meeting in Davos

Nobuhiro Endo, Chairman of the Board, and Takayuki Morita, Senior Executive Vice President, attended the World Economic Forum Annual Meeting in Davos held January 23 through 26, 2018.

We introduced its security solutions including a demonstration of facial recognition at a various meetings, individual interviews and receptions during the period. We introduced NEC's solutions and how it would contribute to SDGs and international security measures including demonstration and vigorous discussions were held with



Nobuhiro Endo Representative Director and Chairman of the Board, NEC

government officials, international organization officers, global business representatives, etc.

After the main meeting, NEC actively participated in the follow-up meetings held in various areas and established a global human networks. By leveraging this network, NEC will continue to have further dialogues with various stakeholders.

The establishment of the "World Economic Forum Centre for the Fourth Industrial Revolution Japan*1" was announced during this meeting. With those institutions and corporations that were actively involved and participated in this Centre, we will continue discussions on the advantages and disadvantages of demonstrating and implementing new services using leading-edge technologies such as AI and blockchain.

UN High-Level Political Forum Reception Hosted by the Japanese Government

On July 18, 2017, the "United Nations High-Level Political Forum on Sustainable Development (HLPF)" was held in New York. Government officials, corporations and civic groups participated and discussed the Sustainable Development Goals (SDGs) initiative and the progress status.

On the evening of July 17 before the forum was held, the Japanese Foreign Minister hosted a reception under the theme "A Japan Night for a Sustainable Future." At the reception. we exhibited its leading-edge facial recognition technology. Former Foreign Minister Fumio Kishida introduced Japan's joint efforts with the public and private sectors to contribute to SDGs and Japanese entertainer Picotaro, Goodwill Ambassador representing the



Demonstration of facial recognition technology

Japanese Foreign Ministry for SDGs, gave a performance.

At the venue, more than 10 Japanese corporations and organizations including NEC set up booths and introduced what they were doing to achieve SDGs to about 300 people such as United Nations officials, global corporations, governments and civic groups who visited the booths and exchanged opinions.

NEC demonstrated a system that leverages leading-edge facial recognition technology. The system shows how a person can be authenticated quickly and accurately by demonstrating facial recognition in real time based on preregistered face data and displaying the person's name on a screen.

As another application example, NEC introduced a catering management system in Chile. This system is a biometric system that implemented in Chile's public schools to verify and ensure that each student receives

proper meals. This system will contribute as a countermeasures against obesity, which is a big social issue in Chile. NEC also demonstrated how biometric authentication is playing an important role in creating a country/city environment where people can safely enjoy public spaces.

NEC exchanged ideas about those areas in which the company can coordinate efforts to achieve SDGs with people from various sectors such as Japanese Permanent Representative to the United Nations Koro Bessho who visited our booth, international organizations and government officials.

^{*1} As one of hubs of the World Economic Forum Centre for the Fourth Industrial Revolution, Japanese leaders - METI, corporations and experts – established it in Tokyo, Japan. It will actively cooperate with the World Economic Forum Centre for the Fourth Industrial Revolution in San Francisco and other sister hubs that will be established in various cities globally.

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Dialogue with the Local Communities, NPOs and NGOs: Pro Bono Regional Revitalization Initiative

As part of the employee framework concerning volunteer activities, NEC promotes pro bono activities in which employee use their professional skills to help solve social issues.

By leveraging employee skills, the "NEC Pro Bono Initiative," launched in 2010, supports a multitude of NPOs and social entrepreneurs who are working on social issues.

Overview

I Local, Inc., (Sanriku Sekken Koubo KURIYA), one of the organizations the NEC Pro Bono Initiative supported in fiscal 2018, manufactures and sells handmade soap using local natural materials. The company's workshop/store is located in Onagawa Town of Miyagi Prefecture, within the disaster area of the Great East Japan Earthquake. Mayor Yoshiaki Suda and the whole town are working to create a sustainable local community.

Young people in their 30s and 40s in Onagawa have been playing a central role to actively revitalize the town soon after the disaster by coordinating efforts with the private sector and government.

Inspired by this initiative to revitalize the town, I Local opened a shop in a tenant-type commercial facility in Onagawa. NEC's employees helped I Local expand by analyzing the business process and supporting the implementation of a business system.

The "NEC C&C User Forum & iEXPO" was held in November 2017, where a talk session with "Municipalities x Social Entrepreneurs/NPOs and Corporations" was held to discuss the possibility of co-creation for regional revitalization after the Tohoku reconstruction, and Onagawa Mayor Suda took the rostrum.

Comments by Yoshiaki Suda, Onagawa Mayor

Mayor Suda had the following to say about NEC's probono work:

"Onagawa Town raised a slogan to be a 'town born again with the largest number of "new starts" in the world.' This slogan has inspired us to move forward with reconstruction and to look forward to the future of Onagawa. Under this slogan, a diverse group of people from within and outside of Onagawa gathered and interacted, resulting in a 'chemical reaction' that produced many new ideas and actions.

NEC's pro bono work is part of this effort. There is a new possibility for linking young people who start businesses in Onagawa with NEC technology."

NEC Pro Bono Initiative



Meeting in Onagawa town

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Dialogue with the Local Communities, NPOs and NGOs: Conserving "copera tokyoensis," an Endangered Species

On February 23, 2018, stakeholder communications was held under the theme "Conserving copera tokyoensis dragonfly, an endangered species." Seventeen members from the Teganuma Aquatic Organism Research Association (a civil group), the city of Abiko (public administration), the Chiba Biogeocoenosis Research Center (expert), the Chiba Biodiversity Center (expert) and NEC (corporate) gathered for this meeting. This was the fourth dialogue meeting. The first was held in March 2015.

On the grounds of NEC Abiko Plant, there is a spring-fed pond called "Yotsu Ike," which is believed to come from the Tone River. The endangered *copera tokyoensis* dragonfly has been spotted near the pond. The *copera tokyoensis* dragonfly has a ruler-like design on its abdomen. It was designated an endangered species I on the Ministry of the Environment's Red List in April 2000.

In cooperation with the Teganuma Aquatic Organism Research Association, NEC has established artificial dragonfly ponds (biotopes) and is working to eliminate non-native fish as part of efforts to protect the species.

Overview

The Teganuma Aquatic Organism Research Association presented a report on the status of their conservation work in fiscal 2018. The report indicated that by further exterminating largemouth bass (*micropterus salmoides*, a foreign species), red swamp crayfish (*procambarus clarkii*, another foreign species) increased exponentially. This resulted in a broken food chain balance, negatively impacting the dragonfly population and resulting in a decrease in the population of the *copera tokyoensis* dragonfly.

Responding to the report, members discussed how to decrease red swamp crayfish, a problem throughout Japan, and improve the natural environment inhabited by the *copera tokyoensis* dragonfly.

Meeting participants made valuable comments: "This kind of dialogue is very constructive in helping to make our conservation efforts more effective. I hope these meetings will be held regularly in the future"; "Since the natural environment surrounding the plant is precious and visitors are infrequent, it is very important that the environment will be carefully maintained."

Continuing from last year in collaboration with Abiko citizens, NEC provided an opportunity for 13 people from the city to participate in observing *copera tokyoensis* dragonfly on July 8, 2017.



Meeting at Abiko plant

The Future

Based on these suggestions and the comments made by experts, our plan is to upgrade the natural environment at the NEC Abiko plant to continuously conserve *copera tokyoensis* dragonfly including implementing a measure to decrease red swamp crayfish.

Ratings and Evaluation

NEC will promote these activities in the future to contribute to environmental conservation through such efforts as those at the Abiko plant.

- NEC Abiko plant has been selected as one of the "100 locations in the Kanto Water and Green Network" (Japanese press release)
- Biodiversity conservation effort at NEC Abiko plant (Video: 7:55, YouTube)
- **Environment and Biodiversity**

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Dialogue with Employees: Seminar to Find Social Issues – "Leveraging ICT, Business and Management Learned from the Treatment of Intractable Diseases"

So that NEC can promote social solution business on the world stage, it is important for each employee to understand social issues. In February 2018, NEC held a seminar – "Leveraging ICT and Business Management Learned from the Treatment of Intractable Diseases" – on discovery of social issues for employees to think about those issues surrounding intractable diseases and how to leverage ICT.

Overview

Hajime Takano, a former NEC employee and now the president of Emergence Planning, Co., Ltd., gave a lecture on long-term social changes which he, as an ALS patient, felt through the treatment of the disease, the social issues surrounding intractable diseases and how to manage and deal with them. The lecture gave employees an opportunity to learn about the progress and problems of medical care and treatment and to understand that people with disabilities need not only support for survival but also support for self-actualization.

Here are samples of comments from about 60 people attending the lecture:

- Mr. Takano talked about himself facing a difficult situation, battling the disease with many supporters and other patients, and as an ALS patient, knowing a lot about ICT, actively participating in advanced research leveraging ICT and creating a network. I learned about an innovative mind that creates new value.
- Mr. Takano talked about his very real experience with ALS. From his talk, I was able to think again about many issues – the significant burden on his family and how ALS patients deal and communicate with society.
- Looking at Japan's national budget structure and population decline trend, it may be that fewer people will want to become helpers. The issue may be solved by using ICT to subdivide the work of the helpers.
- NEC IT Communication Support Course for People with Severe Disabilities



Mr. Takano (left) and participants