

Creating a Diverse Work Style Environment

Policy

To carry out the “NEC Way,” the collective activities of NEC Group management, our human resources, who play such an active and important role in our growth, are trained and fairly evaluated to help us realize the ideal work environment.

As a corporation that contributes to society through its business, NEC has established a system that fairly evaluates employees based on their contribution. We are bringing about a friendly work environment through discussions and by working with the workers union and management on issues covering the personnel system, benefit programs, the realization of work-life balance, and a work style by which all employees have the opportunity to reach their full potential.

▶ [NEC Way](#)



Activity Objectives, Achievements and Progress

Objectives for the Mid-term (from fiscal 2019 to 2021)

- Reduction in total work hours and the number of long-hour workers through improvements in productivity
- Establishment of a flexible work style where a diverse people can successfully work
- Establishment of a childcare system and nurse care system that support those employees who continue to pursue their careers.

Objectives, Achievements and Progress, and Degree of Completion

(Degree of completion: ◎Achieved, ○Mostly Achieved, △Some Progress, ×No Progress)

| Objectives for the Mid-term | FY2018 Objectives | FY2018 Achievements and Progress | Degree of Completion | FY2019 Objectives |
|---|---|--|----------------------|--|
| 1. Reduction of total work hours | <ul style="list-style-type: none"> • Reduce average overtime work hours compared to FY2017. • Increase annual rate of taking paid leave and compensatory leave compared to FY2017. • Reduce total work hours to lower than that in FY 2017. | <ul style="list-style-type: none"> • Compared to the previous year, the average monthly overtime decreased (from 17.1 to 16.3 hours). • The annual rate of taking paid leave (from 69.27% to 69.34%), as well as the rate of taking compensatory leave (from 45.3% to 50.3%) increased. • Compared to FY2017, total work hours decreased (from 1930.97 to 1906.64 hours). | ◎ | <ul style="list-style-type: none"> • Reduce average overtime work hours compared to FY2018. • Increase annual rate of taking paid leave and compensatory leave compared to Y2018. • Further reduce total work hours to lower than that in FY2018. |
| 2. Deployment of "Work Style Reform" that should improve productivity | <ul style="list-style-type: none"> • Improve work environment to enable diverse employees to work successfully. Measures include expanding telecommuting and making use of "Secure BYOD (Bring Your Own Device)" to expand work styles with high productivity. | <ul style="list-style-type: none"> • Continued deliberations between workers union and management to improve productivity, and expanded the different internal work systems, such as by lifting restrictions on the number of times employees can use the Telecommuting System. | ◎ | <ul style="list-style-type: none"> • Further enhance "Work Style Reform" through further expansion of telecommuting and Secure BYOD, etc. • Through the above measures, expand highly productive working styles and improve the work environment to enable diverse employees to participate and advance. |
| 3. Expanding of work-life balance support measures | <ul style="list-style-type: none"> • Support continued employment and career formation by monitoring the actual status of achieving a healthy balance between work and childcare/nursing care and through enhancement of work-life balance programs. | <ul style="list-style-type: none"> • Created the "Nursing Care Handbook", which enabled any personnel to have the information needed to balance both work and nursing care. | ○ | <ul style="list-style-type: none"> • To balance both work and childcare, nursing care, and sick leave, support continued employment and career formation by monitoring the actual status of achieving a healthy balance enhancing work' life balance programs, and providing information such as guidelines. |

84-90 Respecting Human Rights
99-106 Diversity and Inclusion
114-119 Human Resources Development and Training

91-98 Personal Information Protection and Privacy
107-113 **Creating a Diverse Work Style Environment**
120-125 Health and Safety

Promotion Framework

Promotion Framework

Human Resources Development Division and business unit are leaders in coordinating workers union and management.

Measures and Systems

Personnel System and Two-Way Communication

Since 1990, NEC has been using the collaboration based on the two-way communication evaluation system. Goals were set for each employee by reviewing and correlating the organization's overall goals and each employee's desires and career expectations, feedback was given about the goal achievement level, and evaluation results were discussed through interviews to assist personal and career development.

NEC pays appropriate salaries and bonuses based on ability and performance and various laws and regulations, collective labor agreement and internal regulations. The average annual salary of employees is 7,890,103 yen, and the average length of employment is 19.0 years (As of March 31, 2018).

Work Style Reform

At NEC, workers union and management cooperate to implement flexible working styles, prevent overwork, and promote time off from work. The status of these efforts is confirmed by workers union-management committees in each business unit and office to shorten work hours and ensure employee health while also promoting time off from work. In addition, to respond to the diversifying changes in the business environment and needs of employees, we have expanded the range of employees allowed to telecommute and to "Bring Your Own Device (BYOD)." This has not only contributed to creating a better work-life balance for employees, it has also led to increases in worker productivity.

Main Activities and Results for Fiscal 2018

Two-Way Management

We have continued and repeatedly held deliberations between workers union and management in fiscal 2018 in regard to operations that will further enhance Two-Way Communication and enable effective dialogue. Based on the results of the One NEC Survey (Employee Opinion Survey), we reviewed the management improvement suggestions at each work place, employed them and at the same time held a training session for evaluators in management on a company-wide basis.

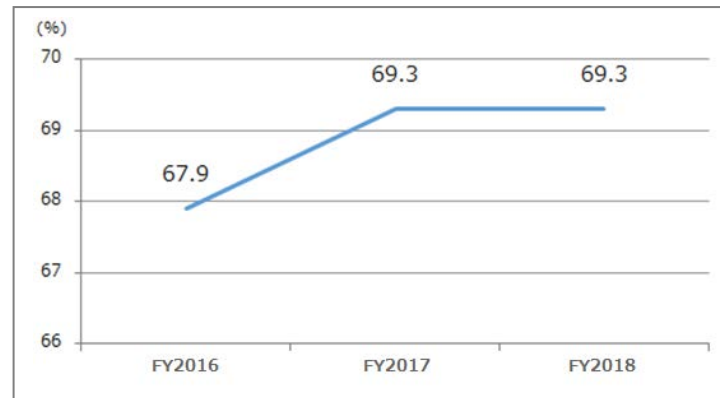
Promoting a Healthy Work-Life Balance (Work Style Reform)

As a result of activating a series of measures created by workers union and management, "shorter work hours" and "taking time off from work" have become prevalent. Following workers union and management deliberations, the coverage of employees required to fill in the Health Check Sheet^{*1} was expanded from fiscal 2017, in efforts to ensure the health of employees. In addition, the number of employees who are allowed to telecommute or work with BYOD has been extended, improving CS (Customer Satisfaction) with faster communication and labor productivity due to efficient use of time.

The rate of taking paid leave at NEC Corporation for fiscal 2018 was 69.34%, which was a little higher than the previous year (69.27%), while the average monthly overtime, 16.3 hours, was lower than the previous year (17.1 hours).

^{*1} The Health Check Sheet is a questionnaire in which employees who work long hours enter their health status. Those who have concerns can consult with an industrial physician.

The Rate of Taking Paid Leave
[Scope: NEC Corporation]



Promoting a Healthy Work-Life Balance (Supporting balance between work and childcare/nursing care)

NEC strives to enhance the programs which provide support to employees achieving a balance between work, childcare and nursing care. It has offered childcare and nursing care leave systems ahead of other companies and since before such systems were mandated by law.

Childcare Support

In addition to its other initiatives intended to support a balance between work and childcare, since fiscal 2006 we have implemented a number of measures based on its own action plan in line with the Act on Advancement of Measures to Support Raising Next-Generation Children.

In particular, NEC has implemented:

- (1) A system to help with the payment of childcare fees at government-run nurseries, Subsidy for Family Support Service
- (2) A system to provide employment support, childcare support system, when relocating in order to raise children.

To increase the number of employees who make use of these systems, NEC relaxed certain conditions for their use in 2012 and again in 2014.

Along with the introduction of these systems, we conducted management training on supporting work-life balance and skills improvement training for employees on childcare leave, enabling us to acquire the "Kurumin" Next-generation Support Certification Mark in fiscal 2008, fiscal 2013, and fiscal 2016. We implemented a series of measures, even including measures that are not incorporated in the action plan: in 2014, we extended the duration of our system of reduced working hours for people looking after children, and from fiscal 2017 we further improved the work-life balance of our employees by adding "looking after one's children or grandchildren before they go to elementary school" as one of the reasons for which employees can use the Family Friendly Leave System, and by increasing the number of times employees responsible for childcare/nursing care can arrive late to work from eight times per month to ten times per month. Through these measures, NEC acquired the "Platinum Kurumin" certification in fiscal 2018.

Nursing Care Support

Now that people are living longer and there are more people requiring care, either informally or from qualified caregivers, it is becoming harder for working people to care for their older family members. We have therefore been working at expanding our care support system with the aim of supporting workers who have to balance their care-giving and work responsibilities. More specifically, we have established the following systems:

- (1) A "Nursing Care Relocation Expense Subsidies" System, under which NEC will provide subsidies for relocation expenses incurred by employees who have their parents move in with them or move nearby so that they can provide nursing care
- (2) A "Care Environment Maintenance Funding" system whereby financial support is made available when an employee has to incur major expenditures, such as making structural modifications to the family home or moving to a long-term care facility, as a result of a care review of a parent with a high level of nursing requirements
- (3) A "Nursing Care Support Website" where detailed information and actual opinion are shared to help reduce any feelings of isolation or frustration of caregiver.

We have also implemented web-based training to promote these systems and to teach all employees how to use them.

Number of People of Utilizing Childcare and Nursing Care Leave [Scope: NEC Corporation]

| | FY2016 | FY2017 | FY2018 |
|--|--------|--------|--------|
| Childcare leave | 395 | 376 | 358 |
| Reduced working hours for childcare | 850 | 893 | 882 |
| Nursing care leave | 19 | 18 | 32 |
| Reduced working hours for nursing care | 16 | 19 | 25 |



History of the Introduction of Systems to Support Workers Responsible for Childcare/Nursing

| FY | Systems Introduced |
|------|--|
| 2018 | <ul style="list-style-type: none"> Revised Telecommuting System – Eligible personnel expanded to “all employees.” The number of times employees can telecommute is changed to “no restrictions.” “Parents’ home” is added as a place of work. |
| | <ul style="list-style-type: none"> Expanded the coverage of children’s age for whom care of children leave system applies – Children for whom days of care leave can be taken are expanded from “pre-elementary school age children” to “children in the 6th grade or younger.” |
| | <ul style="list-style-type: none"> Revised the Childcare Leave System – Childcare leave can be taken until the child is 2 years of age. Restrictions in the number of times the scheduled end of childcare leave can be changed are abolished. |
| 2017 | <ul style="list-style-type: none"> Added “looking after one’s children or grandchildren before they go to elementary school” as one of the reasons for which employees can use the Family Friendly Leave System |
| 2015 | <ul style="list-style-type: none"> Extended applicable period for reduced working hours for child care – (The applicable period is extended to the end of 6th grade; currently it is at the end of 3rd grade.) |
| | <ul style="list-style-type: none"> Enhanced Subsidy for Family Support Service (Private facilities under contract with or introduced by national or municipal governments added to subsidy eligibility). |
| 2013 | <ul style="list-style-type: none"> Extended applicable period for telecommuting system – (Extend from the end of third grade to the end of sixth grade) |
| | <ul style="list-style-type: none"> Extended applicable period for Subsidy for Family Support Service – (Extend from the end of third grade to the end of sixth grade) |
| | <ul style="list-style-type: none"> Enhanced Childcare Support System – (Revised requirements for the application of the system to “day-care centers providing childcare until 20:00”) |
| 2011 | <ul style="list-style-type: none"> Introduced Nursing Care Leave – (Employees can obtain up to 5 days multiplied by the number of family members requiring nursing care) |
| | <ul style="list-style-type: none"> Added reasons of sickness prevention for children before entering elementary school to the Family Friendly Leave System |
| | <ul style="list-style-type: none"> Exempted employees raising children under the age of 3 from overtime work |
| | <ul style="list-style-type: none"> Offered Subsidy for Relocation Expenses incurred to provide nursing care |

| FY | Systems Introduced |
|------|---|
| 2011 | <ul style="list-style-type: none"> Introduced a subsidy program for expenses (up to ¥200,000 a year) related to changes in nursing care methods, such as home renovations or relocation into a nursing home |
| | <ul style="list-style-type: none"> Launched Intranet website on a nursing care support |
| 2009 | <ul style="list-style-type: none"> Introduced Retiree re-entry system – a re-employment system for people who have left the Company for reasons such as spouse relocation, childcare and nursing care, provided certain requirements are met. |
| 2008 | <ul style="list-style-type: none"> Introduced financial support system for fertility treatment (up to ¥200,000 a year) |
| 2006 | <ul style="list-style-type: none"> Offered Subsidy for Relocation Expenses for childcare |
| 2005 | <ul style="list-style-type: none"> Introduced Parent Fund: Payments to employee or dependent giving birth of ¥550,000 per child |
| 2003 | <ul style="list-style-type: none"> Revised Family Friendly Leave System: Medical and nursing care leave system revised. In addition to existing reasons for medical care and nursing, added reasons of birth by spouse, sickness prevention for employees and family members, including immunization, nursing care of family members, family members’ school events such as parents’ days, and volunteer activities. |
| 2001 | <ul style="list-style-type: none"> Introduced Telecommuting System |
| 1999 | <ul style="list-style-type: none"> Introduced Childcare Coupon System: Provision of discount coupons of babysitter services by All Japan Childcare Service Association. |
| 1998 | <ul style="list-style-type: none"> Introduced Nursing Care Coupon System: Provision of discount coupons for nursing care services provided by nursing assistants registered at nurse and housekeeper agencies nationwide. |
| 1993 | <ul style="list-style-type: none"> Introduced reduced working hours for nursing care |
| | <ul style="list-style-type: none"> Introduced reduced working hours for childcare |
| | <ul style="list-style-type: none"> Introduced Medical and Nursing Care Leave: Leave system that are separated from the annual leave system; It enables employees to take leave for the purpose of treatment of sickness and injuries and medical care as well as to care for family members. |
| 1991 | <ul style="list-style-type: none"> Introduced Childcare Leave System |
| | <ul style="list-style-type: none"> Introduced Nursing Care Leave System |

External Ratings and Evaluation

External Ratings and Evaluation about Our Working Environment

| | | |
|--|---|--|
| <p>"L-boshi" Certification</p> | <p>Certification recognizing companies for outstanding compliance with the Act of Promotion of Women's Participation and Advancement in the Workplace. By meeting all the five criteria for certification, namely recruitment, continued employment, working hours, percentage of women in managerial positions, and diversity of career courses, NEC Corporation became the first company in April 2016 to receive the "3-star" mark, the highest level under the "L-boshi" certification program.</p> |  |
| <p>Next-generation Support Certification Mark "Platinum Kurumin"</p> | <p>NEC received the "Kurumin" certification, given by the Minister of Health, Labour and Welfare, in recognition as a child-rearing support company, in FY2008, FY2013, and FY2016. In FY2018, NEC Corporation received the "Platinum Kurumin" certification for carrying out higher levels of effort in introducing and using considerable measures to child-rearing support. To receive the "Platinum Kurumin", "Kurumin" certification is needed.</p> |  |
| <p>Certified Health and Productivity Management Organization Recognition Program ("White 500")</p> | <p>The program recognizes companies and organizations for outstanding health and productivity management. Certified organizations are divided into large enterprises and small and medium-sized enterprises. NEC Corporation was certified as a 2018 health and productivity management "White 500" company.</p> |  |