

Human Resources Development and Training

Policy

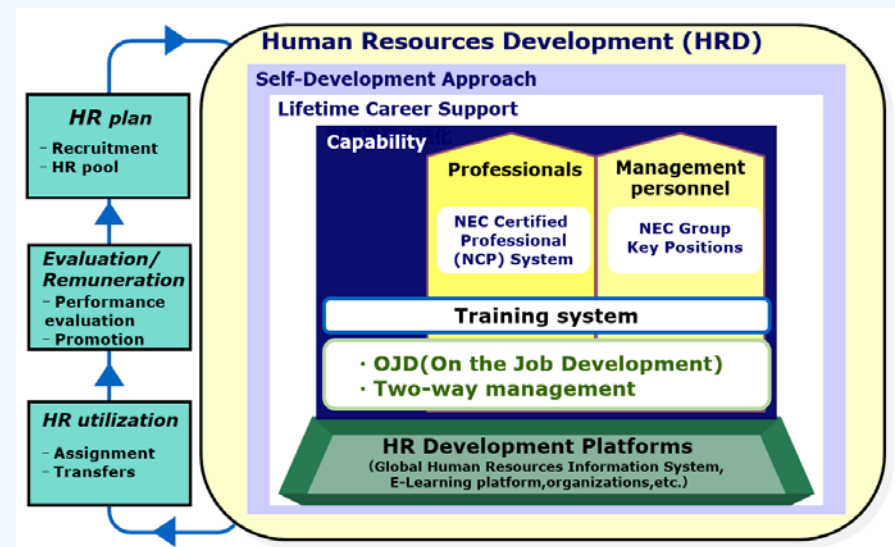
NEC considers “development of Sustainably and socially literate human resources” as one of its “materiality,” the priority management theme from an ESG perspective.

Based on the approach of “self-development,” where employees consciously develop their own skills, NEC is aiming to develop human resources who are able to continuously create value for society, constantly acting a customer-oriented perspective with a high sense of ethical values and a deep understanding of the essential issues faced by customers and society. Also we seek to foster an organizational culture for it and this is based on “NEC Group Core Values,” which encapsulate NEC Group employees’ values and principles of conduct.

To further clarify this philosophy, NEC established its “People Philosophy” in April 2016, summarizes specific behaviors that should be pursued by the employees. Based on this People Philosophy, NEC is advancing three core objectives: “strengthening execution capabilities,” “cultivating professionals,” and “developing business leaders.”



People Philosophy



Management of Human Resources Development at NEC

As society becomes more complex and diverse, the abilities of human beings to think thoroughly about the essence of things and carry out actions to overcome a variety of difficulties will become even more important for providing more value to customers and society. Toward this end, NEC Group seeks to nurture its people as critical assets and resources.

- ▶ [“NEC Group Core Values”](#)
- ▶ [Priority Management Themes from an ESG Perspective - Materiality](#)

Activity Objectives, Achievements and Progress

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

1. Upgrading and expanding the next generation business leaders
2. Upgrading and expanding the highly-skilled professionals who play critical roles in business growth
3. Reconstruct the training system based on NEC's People Philosophy

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. Enhance the training of next generation business leaders, including overseas personnel	Expand "NEC School for Social Value Creation" launched in FY2017 to enhance the next generation business leaders training program on a global scale, including overseas human resources.	<ul style="list-style-type: none"> • The "NEC School for Social Value Creation" was implemented with 2 selected members who advance NEC's business at overseas locations. • Global common talent management processes were trialed. 	△	<ul style="list-style-type: none"> • Expand training programs including the selected members who advance NEC's business at overseas locations. • Improve talent management process including the strengthening of follow-up after training.
2. Enhance the training of advanced professional human resources	Accelerate discussions carried out through the "Community of Senior NCPs" launched in FY2017, and create the process for training professional human resources.	<ul style="list-style-type: none"> • Meetings of Community of Senior NCPs were held three times. Participants discussed systems, frameworks, and value proposition related to human resource development and technologies. • Studies of framework to acquire advanced professional human resources and framework for talent management commenced. Challenges in the NCP system were analyzed and its future direction was examined. • Personnel training was enhanced in key business domains (IoT platform, SS-FW, AI, cybersecurity, cloud). 	△	<ul style="list-style-type: none"> • Prepare framework to assign and acquire advanced professional human resources in a planned manner. • Examine rebuilding the system to train professional human resources and improving its efficiency of the process.
3. Reconstruct the training system based on NEC's People Philosophy	Promote understanding of the People Philosophy throughout the entire NEC Group, reconstruct the training system, and review the training programs.	<ul style="list-style-type: none"> • To evolve the company culture, "NEC Way Sessions" were held during the training of new general managers, department managers and managers to educate the NEC Way as a common subject for all employee levels. • To enhance the capabilities of managers, started to prepare for the systematic trainings for each management layer. Preparations and transition plans after FY2019 were clarified. 	△	<ul style="list-style-type: none"> • Change the name of "NEC Way Session" to "People Philosophy Session." Review the programs, based on the scope of participants' roles of practicing People Philosophy. • For trainings, especially of management layers enhance feedback skill for thorough implementation of 9 Blocks personnel evaluation system.* Carry out regular checks and follow-ups to maintain/improve management capabilities after appointment.

* NEC's personnel evaluation system. Employees are evaluated according to two axes: "Recent achievements" and "Conduct according to NEC Group Core Values," and each axis is further divided into three levels.

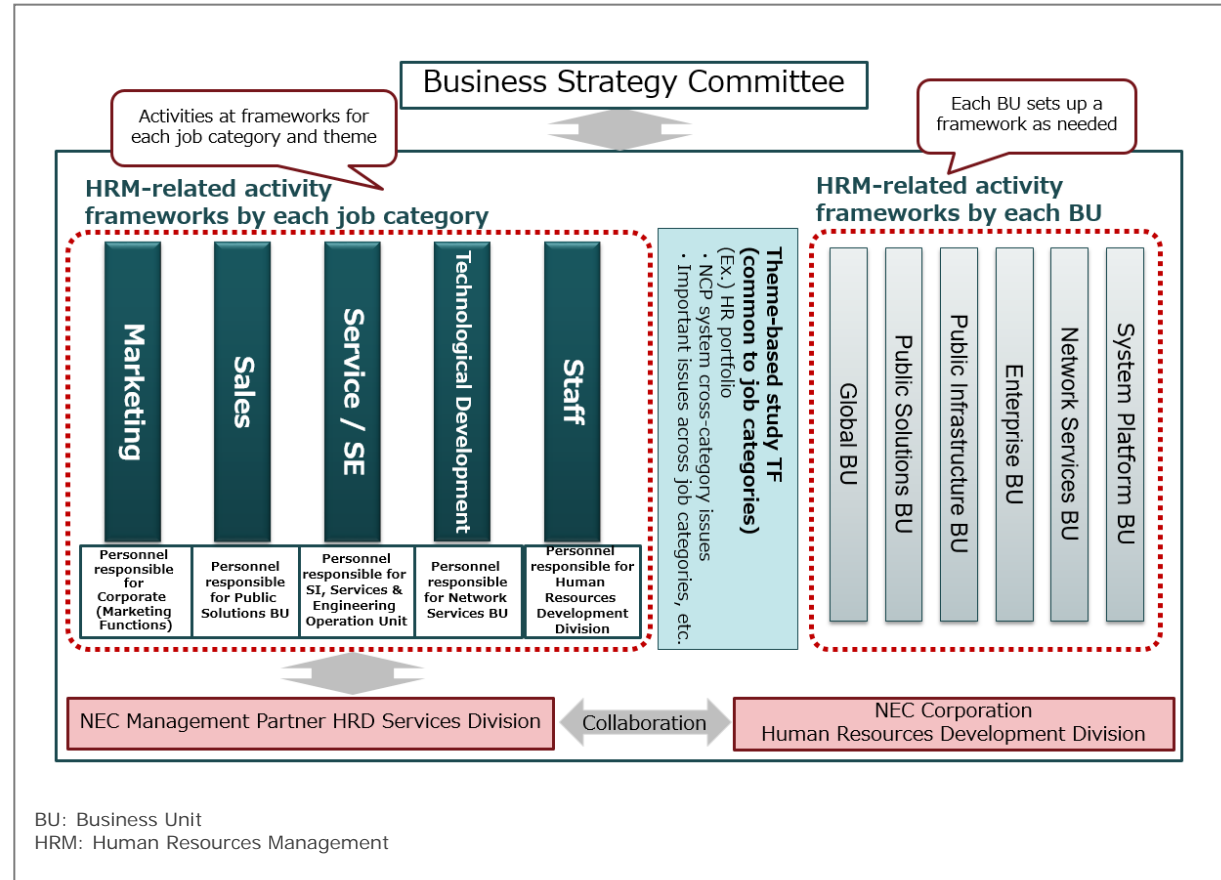
Promotion Framework

In collaboration with NEC Management Partner, Ltd., NEC is carrying out human resources development and training measures based on Human Resources Management (HRM)-related activity frameworks for each job category and for each organization.

Job category-based HRM-related activity frameworks implement personnel and human resources development measures for each job category and focused theme.

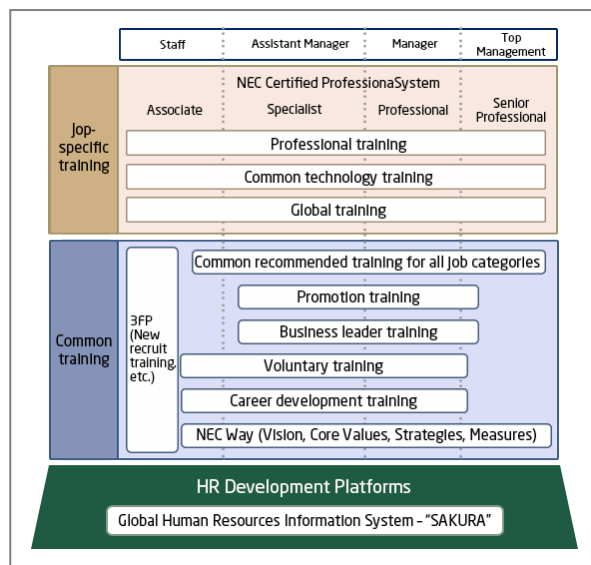
Business Unit-based HRM-related activity frameworks implement personnel and human resources development measures for each organization and function.

Theme-based task forces study challenges across job categories and organizations. Measures are then implemented with deliberation and decision-making carried out as needed by the company-wide Business Strategy Committee.



Measures and Systems

Our training organization, which plays an important role in achieving the above objectives, is comprised of job-specific courses that are prepared for each type of job category to develop job-specific professional skills and common training courses for all employees of NEC Corporation.



Job-specific Training

Job-specific training are offered to provide employees seeking to become professionals in a specific field with the opportunity to enhance and refine their expertise.

NEC Certified Professional (NCP) System

Recognizing that people are the most significant resources, NEC believes it is important to develop highly

specialized professionals who can deliver true value to customers. With this view, the "NEC Certified Professional (NCP) system" was introduced.

For each personnel category, such as SE or service personnel, the NCP system divides qualifications into four grades that define increasing degree of specialization corresponding to higher market value. Within each grade, separate personnel qualifications are defined for each category based on an analysis of which business processes are critical to a field. Qualifications specify in detail the levels of skills and performance required for each personnel category. Approximately 9,100 individuals have been certified as career professionals under the NCP system as of April 2018.

Global Training

As a company that does business all over the world, NEC carries out a variety of programs for global human resource development. These include programs that focus on building comprehensive skills in language, multicultural communication and business, as well as practical programs in which participants engage in onsite field work overseas, usually in an emerging country.

Common Training

NEC has a diverse menu of common training, ranging from those aimed at the personal growth and skill enhancement of individual employees to those taken when an employee is promoted or specifically selected to participate.

Training for Each Management Layer

Training for newly assumed positions at each management layer is prepared when personnel are promoted. Based on the NEC Way and People Philosophy, the training for newly promoted personnel equips them with the knowledge, skills, and mindset needed for roles at each management layer. To put their training into

practice, participants create action plans applying what they learned to their everyday work.

Selecting NEC Group Key Positions and Selective Training to Develop Business Leaders

To ensure that the appropriate people are assigned to important positions throughout the NEC Group regardless of geographic location, key positions (NEC Group Key Positions: GKPs) are identified. Promotions for GKPs and the training of successors are conducted in a systematic manner. As part of a set of processes for this goal, selective trainings to develop business leaders are held.

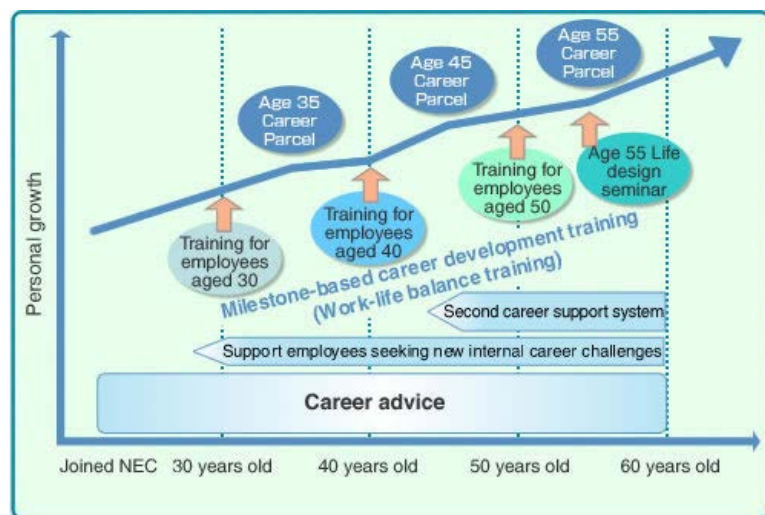
NEC launched NEC School for Social Value Creation, which was improved from the existing selective training based on the principles of its People Philosophy, in fiscal 2017. Headed by the Chairman of NEC Corporation, it is a program for training next-generation leaders. The program provides opportunities for the participants to dialogue with various lecturers and stakeholders from outside and inside NEC and experiences in the domestic and international fields which contain social issues. Through the dialogues and experiences, the participants reaffirm their personal mission and goals with high ethical standards and broad perspectives, as well as think thoroughly about NEC's future vision and business models for realizing social values.

As for the selected personnel from overseas affiliates, NEC launched the "Drive NEC" training program in fiscal 2014 in order to enable them to refine their leadership capabilities and expand global human networks. Employees from overseas affiliates and NEC participate together in this program, which is carried out completely in English.

Career Development Support Programs - Lifetime Career Support

Self-development and autonomous growth at the level of individual employees require a continual process of self-analysis, personal change, and skills redevelopment. NEC Corporation has introduced the “lifetime career support” system (career design support) since 2002 with the aim of helping individual employees to take spontaneous actions to promote career-long personal growth.

The typical programs are shown in the diagram below.



Lifetime Career Support Flow

1. Work and Life Balance Training: Participants who reach the milestone ages of 30, 40 or 50, review their own career paths and establish additional goals for skill development. Approximately 1,000 employees participated in this training in FY2018.
2. NEC's Career Parcel®: This program provides employees at the key intermediate milestone ages of 35, 45 and 55 with career-related and other information appropriate to each age group. Participants in this program have the opportunity to assess their future careers and life plans. For employees in the age 55 group in particular, we offer the "Life Design Seminar," on online training focusing on retirement benefits and pension plans.
3. Career Advice: Through this program established in 2002, NEC provides employees with career advice to support self-guided career development. Professional career advisors, from their specialized perspective, consult with employees on career development, including on the issue of work-life balance and making objective judgments on values and aptitudes. Four career advisors counsel around 600 employees each year.

* NEC's Career Parcel® is a trademark of NEC Corporation in Japan.

Global Human Resources Information System – “SAKURA”

NEC uses the “Global Human Resources Information System (SAKURA)” as the training platform to support human resources development activities. The system imports and utilizes personnel information from 24 NEC group companies in Japan, and 57 overseas (as of April 2018).

Main Activities and Results for Fiscal 2018

Expansion of Training for Selected Personnel for Business Leaders, including Overseas Member

In fiscal 2018, "NEC School for Social Value Creation" was implemented from June/July 2017 to February 2018 with two selected personnel from overseas locations.

In the executive-level training program, 34 personnel, including two overseas members, explored NEC's reason for existence and its role in creating social value, and thought about NEC's future vision thoroughly. Due to the inclusion of members from overseas locations, participants deepened their global personal networks as well.

Meanwhile, the training program for younger personnel was carried out from June 2017 to February 2018. 102 participants were divided into 18 teams and studied and created business models for social value creation. Participants not only learned in classrooms, but also refined their hypotheses proposed within each team by testing, examining and revising at actual customer sites.

Cultivate Key Global Personnel

In order to expand business in the global market, NEC is implementing various programs to reinforce global skills. In particular, we have increased the number of personnel sent to practical training programs where participants gain actual experience in the overseas market and learn to formulate business ideas and plans. In fiscal 2018, 12 personnel, including employees selected for GKPs, underwent training in Asian emerging countries. In addition, other than the different business skill enhancement programs, we also actively send employees abroad for job training and studies.

Strategic Investments in Training

In fiscal 2018, compared with the previous fiscal year, NEC invested five times as much in personnel training in business areas such as AI, cybersecurity, IoT, and the cloud in which the company is strategically expanding. As a result, more than 1,500 personnel earned qualifications such as Certified Information Systems Security Professional (CISSP) and AWS Certified Solutions Architect, and more than 66,000 personnel as a total received trainings such as AI /analytics application and hands-on training for NEC IoT platform system engineers.

Education Performance

NEC utilizes the Global Human Resource Information System (SAKURA), which manages the individual cultivation plan and result information and also serves as the platform for human resource development activities, throughout the entire company. The number of training days per employee of NEC Corporation and NEC Group companies registered in the system in fiscal 2018 was 5.7 and 4.9 days respectively.

Monitoring and Improvement

NEC's human resource development programs reflect the needs of each business division through organization and job category-based human resource management activities. These measures are continually evaluated and improved for each job category.

In addition, in cooperation with NEC Management Partner, Ltd., responsible for NEC's human resource development, NEC seeks to evaluate and revise training programs periodically based on evaluations by course participants and workplace behavior surveys.