

Message from the President



Sustainable Development

At NEC, we ensure continual development of the NEC Group and contribute to a sustainable society by implementing The NEC Way, a cohesive framework that outlines the NEC Group's management practices and operations.

NEC is working to realize "an information society friendly to humans and the earth" as asserted in the NEC Group Vision 2017, based on NEC's Corporate Philosophy. With belief that enterprises must contribute to the well-being of society, everyone at NEC values moral and is committed to meeting compliance standards in daily business operations and putting into practice the NEC Group Core Values. In doing so, the NEC Group aims to solve social and environmental issues which affect people's lives. It is also important to maintain proactive disclosure of activities and challenges to our stakeholders and fulfill

accountability. The Corporate Governance Code was adopted in June, and the NEC Group will continue to bolster initiatives emphasizing dialogue with stakeholders as we aim to ensure highly-effective corporate governance. We are also committed to keeping open communications with stakeholders to improve our operations and build relationships of trust.

One of the ongoing practices began in 2005, when NEC became a signatory to the United Nations Global Compact (UNGC). NEC continues to conduct corporate business activities in compliance with the ten principles in the areas of human rights, labor, the environment, and anti-corruption based on the UNGC framework.

NEC is also participating proactively in international frameworks such as "Transforming our world: the 2030

Agenda for Sustainable Development” that will be adopted by the United Nations this September, and we are striving to solve social issues through our “Solutions for Society.”

The concept of innovation takes on a very important meaning in the context of NEC’s efforts to solve social

issues. To be an innovative company, it is vital to establish a diverse culture where people from different backgrounds and different ideas can collaborate. Going forward, NEC will promote innovation as well as global leaders who will lead innovation to enhance societal value.

Value Creation through Information and Communications Technology

In line with the “Mid-term Management Plan 2015,” we declared our commitment to transforming the NEC Group into a “Social Value Innovator.” Through our “Solutions for Society,” we are working to provide the values of safety, security, efficiency and equality.

Observing the megatrends in the world, we see some social problems are emerging, such as resources and environmental issues, as well as growth in emerging countries. In the fiscal year under review, we have selected the areas in which we can contribute to solving problems, and we have established seven themes for social value creation. Formulating these seven themes enables us to further clarify the direction the NEC Group should pursue,

as well as provide additional clarity for the “Solutions for Society.”

The NEC Group takes full advantage of Information and Communications Technology, or ICT to provide value, such as safety, security, efficiency and equality through the “Solutions for Society.” We place particular importance on three keywords: “real-time,” “dynamic,” and “remote.” This is because these are strengths rooted in the technologies and know-how that we have cultivated over the years, and the source of the value the NEC Group provides.

For example, in the field of Big Data utilization, new services leveraging ICT are being created. In these services, massive amounts of data are processed and analyzed in real



time, and the analytics are applied to forecast future events and create dynamic solutions for our customers. Moreover, these services can be provided to the customers remotely.

By pursuing the real-time nature of ICT, as well as its dynamism and remote properties, we provide social solutions that contribute to the world through values of safety, security, efficiency and equality.

NEC possesses many powerful technologies and solutions in ICT, including face recognition technology with the world's most accuracy, as well as in domains such as analytic engines, Big Data, SDN, cloud platform and safety. We will utilize ICT to link these technologies with individual infrastructure systems and continue to contribute to the building of infrastructure that offers new value.

Maximizing Corporate Value

In April 2013, we announced our "Mid-term Management Plan 2015." The first year of the plan was positioned as a year for preparation, the second set as a year for delivering results, and the third positioned as a year for growth. In the fiscal year ending March 31, 2016 (the upcoming fiscal year), as the year of growth, we will focus on initiatives aimed at accelerating our growth strategy and improving our profitability.

In addition, we believe it is necessary to reform our corporate culture to increase corporate value over the long-term horizon. At the NEC Group, there is a deeply-rooted culture of providing prominent value to each client in a customized manner. However, to be competitive on a global scale and grow our business, we must build up a single, common platform that we provide to multiple customers. Therefore, we will also work on establishing a business model that will be integrated into our corporate culture.

In terms of our initiatives over the medium to long-term span, we have concluded a partnership agreement with the Tokyo Organising Committee of the Olympic and Paralympic Games, and NEC has become a Gold Partner for the Tokyo 2020 Olympic and Paralympic Games (Tokyo 2020). Tokyo 2020 is an opportunity for Japan to evolve into a mature society, and also represents a chance for NEC to accelerate its transformation into a social value innovator through contributions primarily to Tokyo 2020's Specialist Public Safety Equipment & Software and Network Equipment that will help create a legacy* for solving social problems.

NEC provides biometric authentication technologies including the face recognition technology, and the world's first commercialized SDN-based network solutions. We will leverage our track record in providing technologies as well

as its know-how and cooperate with a variety of partners to build a social infrastructure in 2020. Furthermore, we will focus on legacy-building achievements while accelerating the development and expansion of "Solutions for Society" that aims to create a more advanced social infrastructure through ICT.

As a social value innovator, NEC is committed to delivering safety, security, efficiency and equality worldwide to connect to our own growth. We will continue to create new value to achieve our mid-term management plan and realize our Group vision, together with the sustainable growth of society and the NEC Group in the future.

I look forward to your continued understanding and support as we endeavor to reach our goals.

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Nobuhiro Endo
President, NEC Corporation

* Legacy: Tangible and intangible assets in sports, society(culture, education), environment, urban development, and economy that are built in cities and countries for the hosting of the Olympics and Paralympic Games