

Realizing an Information Society Friendly to Humans and the Earth

Advancing NEC to the Next Stage of Growth by Sharing Vision and Values



Kaoru Yano
President, NEC Corporation

Reaffirming Our Founding Principles to Explore a New Direction

Q. In April 2008, the start of your third year as president, the NEC Group Vision 2017 and NEC Group Core Values were formulated to express NEC's direction and values. What is the thinking behind this?

A. In 2006, when I was appointed president, I visited various sections of the company to explain our mid-term growth plan. Employees told me that it was unclear where NEC was headed in the future and that values important to NEC needed to be shared by all NEC Group employees. In order to meet the expectations of customers, shareholders and society as a whole, all 150,000 group employees must work as one to drive global growth by leveraging NEC's strengths. In addition, 2007 was a milestone year for NEC, marking the 30th anniversary of our declaration of the "C&C" (the integration of

Computers and Communications) vision. To pave the way for NEC's next era, we thus reflected on and reaffirmed our founding principles to explore a new direction for NEC.

Q. What did you discuss with regard to the company's founding principles and new direction?

A. Ever since NEC was founded 109 years ago, we have developed our business around the concept of "Better Products, Better Services," which embodies the continuous improvement of products and services. This policy was far ahead of its time. NEC was the first company in Japan to be jointly established with foreign capital. NEC poured energy into research and development from a long-term perspective, with the aim of creating a communications network for Japan with NEC's own technology. NEC went on to provide products that have played an important role in the development of Japanese society.

We must now reaffirm our founding principle of "constantly pioneering the future." This is why

I felt we needed to articulate the company's original approach to business in clear language, disseminate it throughout the group and bring it to bear on developing business.

When performance is lackluster, companies often become preoccupied with the pursuit of short-term success. However, this approach can limit growth over time, leading to contraction in business operations. Instead, I believe that growth can be achieved by setting our sights higher and creating our own path to the future. Based on NEC's founding principles, I decided to clarify NEC's vision for the next ten years, which will form the foundation for the next thirty years, and our core values, namely the values and guiding principles that the NEC Group must share to realize this vision. Furthermore, we have organized our Vision and Core Values together with our Corporate Philosophy, Charter of Corporate Behavior and Code of Conduct, into The NEC Way (see page 5), to structure the collective activities of NEC Group management.

Our Aspiration, NEC Group Vision 2017 and Core Values Guiding the Realization of our Vision

Q. What are NEC's Vision and Core Values?

A. This Vision clarifies the type of society that the NEC Group will strive to help realize in 10 years and the type of company we want to be in that context. It expresses our goal of being a leading global company leveraging the power of innovation to realize an information society friendly to humans and the earth.

The Core Values are a set of values and guiding principles embraced and practiced by all NEC Group employees in order to pursue our Corporate Philosophy and realize our Vision. It consists of four Values: "Passion for Innovation,"

"Self-help," "Collaboration" and "Better Products, Better Services." These values have been cultivated by NEC throughout our history of more than 100 years. By continuing to honor them and put them into practice, they will become our distinctive strengths.

Q. Did the first step involve innovation in terms of changing the mindset of employees?

A. Yes. But this does not happen from the top down. This is why we formed a team of about 30 people from the NEC Group and conducted interviews and questionnaires at group companies while promoting broad-ranging, lively discussions within the group. This eight-month process ultimately led to the creation of the Vision and Core Values. I think there is great value in the fact that they were created by everyone in a way that transcended organizational and departmental boundaries.

Separately, I've again requested the NEC Group's various executives not only to explain the Vision and Core Values, but also to talk about them in their own words in light of their own experiences and to engage employees in a dialogue. I will also be personally involved in talking with employees so that everyone in the group comes to share the same Vision and Core Values. My goal is for this process to innovate the NEC Group.

Vision, Core Values and CSR

Q. The Vision and Core Values have further clarified NEC's commitment to CSR-driven management. How do you approach CSR as NEC's president?

A. For the NEC Group, CSR means continuing to properly conduct core businesses to

realize our Vision, based on our Corporate Philosophy, while thoroughly enforcing compliance as a prerequisite. It also means acting on the basis of our Core Values and leveraging our strengths in order to help solve, through our core business, the various issues facing customers and society as a whole. I'm convinced this is the NEC Group's most important social responsibility.

Toward the Realization of an Information Society Friendly to Humans and the Earth

Q. In 2008, Japan will host the G8 Summit, which will discuss themes such as climate change and development in emerging nations, as well as the Tokyo International Conference on African Development (TICAD) together with the United Nations and the World Bank. NEC's vision is "to realize an information society friendly to humans and the earth." How are you planning to tackle such problems as climate change and poverty in developing nations?

A. All of our core businesses, namely information technology, networks and electron devices, consume electricity. Because we consume this valuable resource, environmental issues are important to us. In fiscal 2003, we formulated the NEC Environmental Management Vision 2010, which states our commitment to reducing NEC's overall net impact on CO₂ emissions to zero in fiscal 2011. We are currently developing a number of innovative initiatives in pursuit of this goal. For example, the "REAL IT COOL PROJECT" is a series of activities and programs for developing technology, products, and services

aimed at reducing the power consumption of customer IT platforms and sharply reducing CO₂ emissions from IT devices.

In areas other than core businesses, we are engaged in various environmental initiatives, including forest planting and rice paddy development projects. Our mission is to reduce CO₂ emissions even as we consume electricity. This is one of the meanings of "friendly to the earth."

"Friendly to humans" refers, for example, to eliminating the digital divide. There are two aspects to the digital divide: disparities in terms of regions and generations. Regarding the former, there are many African countries and developing nations elsewhere that have yet to reap the benefits of IT. Even in Japan, sparsely populated areas do not benefit as much from IT as major cities do. As for the latter, there is an information gap between generations that affects the middle aged and senior citizens, as well as people with disabilities. The NEC Group is committed to bringing out every person's full potential and helping people to grow and fully participate in society by leveraging the power of innovation to provide products and services that are easy to use for as many people around the world as possible.

The digital divide is believed to be one of the root causes of poverty in developing countries. This is something NEC has worked to eliminate for some time. By actively providing C&C products and services to developing countries, we aim to help solve various issues faced by local societies through such means as alleviating regional issues attributable to inadequate communication and encouraging self-reliance by empowering people with information.



President Yano explains The NEC Way at NEC Corporation of America in April 2008.

The Importance of Communication

Q. NEC's brand statement is "Empowered by Innovation." Does this mean you plan to leverage innovation in all manner of settings to pursue new growth?

A. Yes, that's exactly what we intend to do. Innovation is written into NEC's DNA. We will continue to innovate for our customers and society in all of our corporate activities, not just technology, but also in production, sales and services. Communication is essential to this task. I feel that communication within the company has weakened amid significant recent changes in society. I doubt that we can truly fulfill our mission of "striving through 'C&C' to help advance societies worldwide" unless we ensure more interactive communication within the company.

I was delighted to find that the participants in the Vision and Core Values project are passionate about NEC and that this passion is shared by many others as well. I would like to extend discussions about NEC to all 150,000 employees of the NEC Group and see everyone engage in a lively exchange of views. This will enable us to better understand one another and better understand ourselves, too. Out of this meshing of ideas, innovation is sure to emerge.

We intend to deepen stakeholder trust and raise the corporate value of the NEC Group. To do so, every employee will strive to act on the basis of the Core Values to realize our Vision while focusing on communication. In this process, we will continuously achieve innovation to help solve problems facing customers and society as a whole. I'm convinced that these sorts of everyday initiatives will lead to the sustained development of both society and the NEC Group.

We look forward to demonstrating what the new NEC Group can accomplish as we advance to a new period of growth.

May 2008

Kaoru Yano
President, NEC Corporation

NEC's Corporate Social Responsibility

At NEC, we view CSR in terms of fulfilling our social responsibilities as a good corporate citizen (as illustrated below).

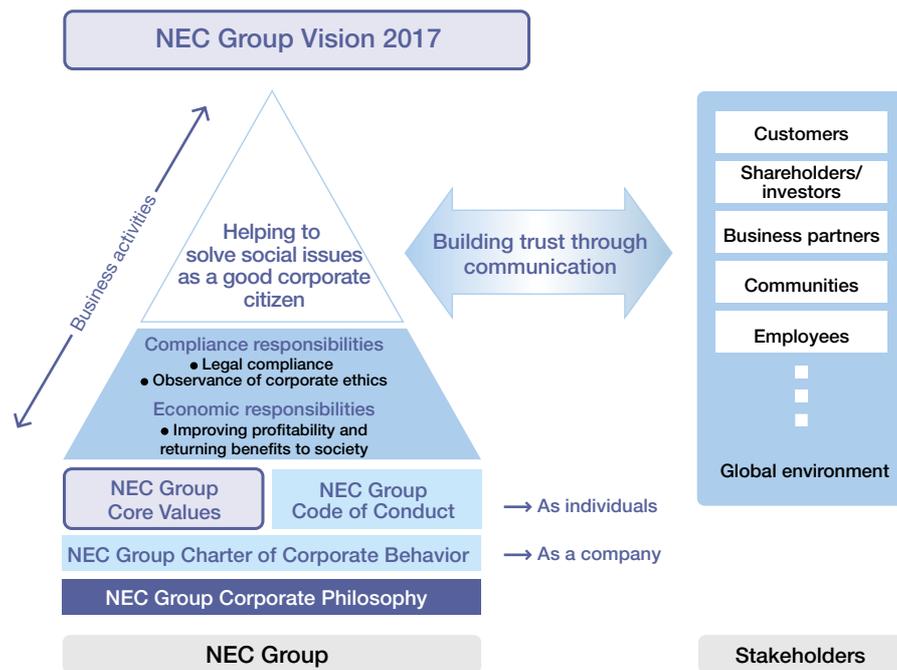
The basic elements of CSR are to fulfill compliance-related responsibilities (ensuring observance of corporate ethics, including legal compliance) and economic responsibility (improving profitability and returning profits to society). Companies have a social responsibility to pursue their corporate philosophies in the course of fulfilling the above responsibilities, meet the expectations of customers through their business activities and contribute to solving various issues faced by society.

Disclosure of CSR activities and related accomplishments to fulfill the company's accountability to stakeholders, as well as improving business operations and earning the trust of stakeholders through communication, are also important social responsibilities.

By steadily implementing measures to fulfill these responsibilities on a daily basis, our belief is that we can increase the corporate value of the NEC Group and enable the "sustainable development of society and the NEC Group."

We refer to management based on this concept as "CSR-driven management."

Sustainable development of society and the NEC Group



Seven CSR initiatives

- Address Climate Change and Environmental Preservation
- Include Everyone in the Digital Society
- Build Reliable Information and Communications Infrastructure
- Provide Multifaceted Security
- Earn Customer Trust
- Empower Our People
- Strengthen Risk Management and Compliance

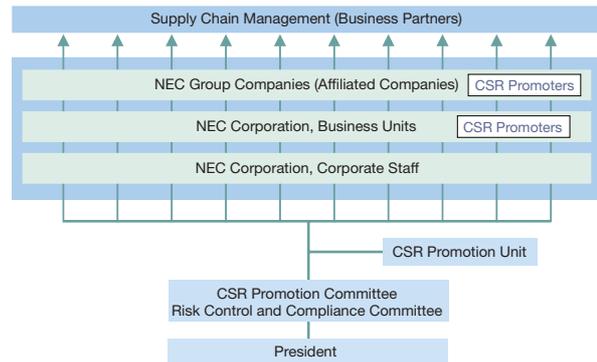
Basic Policies for CSR-driven Management and Promotion Framework

NEC is implementing CSR-driven management based on the following basic policies and promotion framework:

Basic Policies

1. Strengthen risk management and compliance
2. Contribute to solving social issues through business activities
3. Promote communication with stakeholders

CSR Promotion Framework



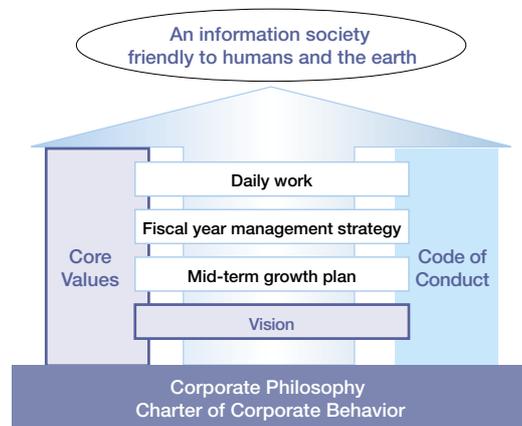
Vision, Core Values and The NEC Way

In April 2008, the NEC Group formulated the NEC Group Vision 2017, which represents what we envision as a company and the society the NEC Group will strive to help realize in 10 years, based on the NEC Group Corporate Philosophy. The year 2017 was chosen because it marks the 40th anniversary of the "C&C" declaration. Separately, to realize our Corporate Philosophy and the NEC Group Vision 2017, we formulated the NEC Group Core Values, which defines important values and principles of behavior that every corporate officer and employee of the NEC Group should share and implement. Additionally, we have organized NEC Group business activities, including the NEC Group Charter of Corporate Behavior and NEC Group Code of Conduct, into a cohesive framework called The NEC Way. The NEC Way will be shared and put in practice throughout the NEC Group to promote CSR management.

NEC Group Corporate Philosophy, Vision, and Core Values



The NEC Way: Collective Activities of NEC Group Management



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Statements in this report other than historical or current facts are forward-looking statements based on NEC's assumptions and beliefs in light of information currently available. We caution that these forward-looking statements are subject to changes in business conditions and other factors.

Editing Policy

NEC is reporting on CSR activities and achievements mainly for fiscal 2008 (the fiscal year from April 1, 2007 to March 31, 2008) in NEC Annual CSR Report 2008 (website), and the most relevant and significant (material) points of this report are summarized in NEC CSR Digest 2008 (booklet). NEC views these reports as important communication tools essential to earning the trust of all stakeholders.

NEC Annual CSR Report 2008

NEC's CSR activities are disclosed at the following website. Details on policy, framework, activities and results and objectives and achievements are provided for each category of activity and stakeholder.

NEC Annual CSR Report 2008:
<http://www.nec.co.jp/csr/en/>

Please send us your opinions and impressions using the message form provided for every webpage.

NEC CSR Digest 2008

In this CSR Digest, NEC reports on how it is working to address social and CSR-related issues material to our stakeholders and NEC (see page 9) through business activities.

The report provides references to the company's website, indicated by a URL mark, signifying that additional details or relevant information are available electronically.

Scope of Report

The content solely relates to NEC Corporation in certain sections but also includes subsidiary companies in other sections. For information covering a specific set of NEC and subsidiary companies, the scope of such information has been explicitly defined in each relevant section. Unless noted otherwise, NEC refers to NEC Corporation and its subsidiary companies in this report.

Reference Guidelines

GRI Sustainability Reporting Guidelines 2006, the 2006 international guidelines for sustainability reports published by GRI (Global Reporting Initiative).

URL For further details:

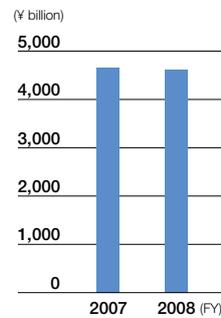
<http://www.nec.co.jp/csr/en/report2008/editorial.html>

Corporate Facts

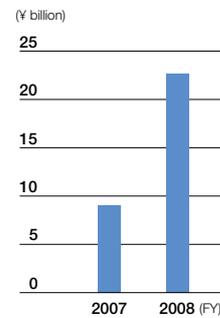
Company name: NEC Corporation
Address: 7-1, Shiba 5-chome, Minato-ku, Tokyo, Japan
Established: July 17, 1899
Capital: ¥337.9 billion*
Number of employees (consolidated): 152,922*
Consolidated subsidiaries: 334*

*As of March 31, 2008

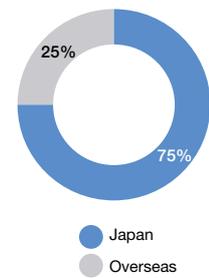
Consolidated Net Sales



Consolidated Net Income



Consolidated Net Sales by Region



Segment Information



IT/Network Solutions Business

This business provides ubiquitous networking solutions, mainly targeting government agencies, communications service providers, and private-sector enterprises. Products and services offered include SI services, servers, computers, and communications network systems.



Mobile/Personal Solutions Business

Mainly targeting individual customers, this business supplies equipment such as mobile handsets and PCs to enable people to benefit from the ubiquitous networking society, as well as various Internet services.

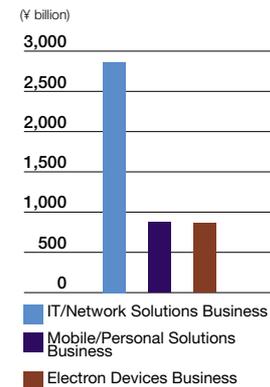


Electron Devices Business

This business provides the semiconductors, liquid crystal displays, electronic components and other products that play a vital role in realizing higher performance devices for digital home electronics, automobile and other manufacturers.

Consolidated Net Sales by Business

(FY2008: the year ended March 31, 2008)



External Ratings and Reviews

Inclusion in Socially Responsible Investment (SRI) Indices and Funds

Principal Stock Indices

- Dow Jones Sustainability World Index
Rated as SAM Silver Class based on 2007 evaluation
- FTSE4Good Global Index
- Morningstar Socially Responsible Investment Index



Major SRI Funds in Japan

- Eco Partners – Midori no Tsubasa (As of April 2008)
- Asahi Life SRI Social Contribution Fund – Asu no Hane (Wings of Tomorrow) (As of April 2008)
- Eco Balance – Umi to Sora (As of March 2008)
- Sumitomo Trust SRI Japan Open – Good Company (As of December 2007)
- Mitsubishi UFJ SRI Fund – Family Friendly (As of November 2007)
- Morningstar SRI Index Open – Tsunagari (As of July 2007)
- Sumitomo Trust Japan Equity SRI Fund (As of June 2007)



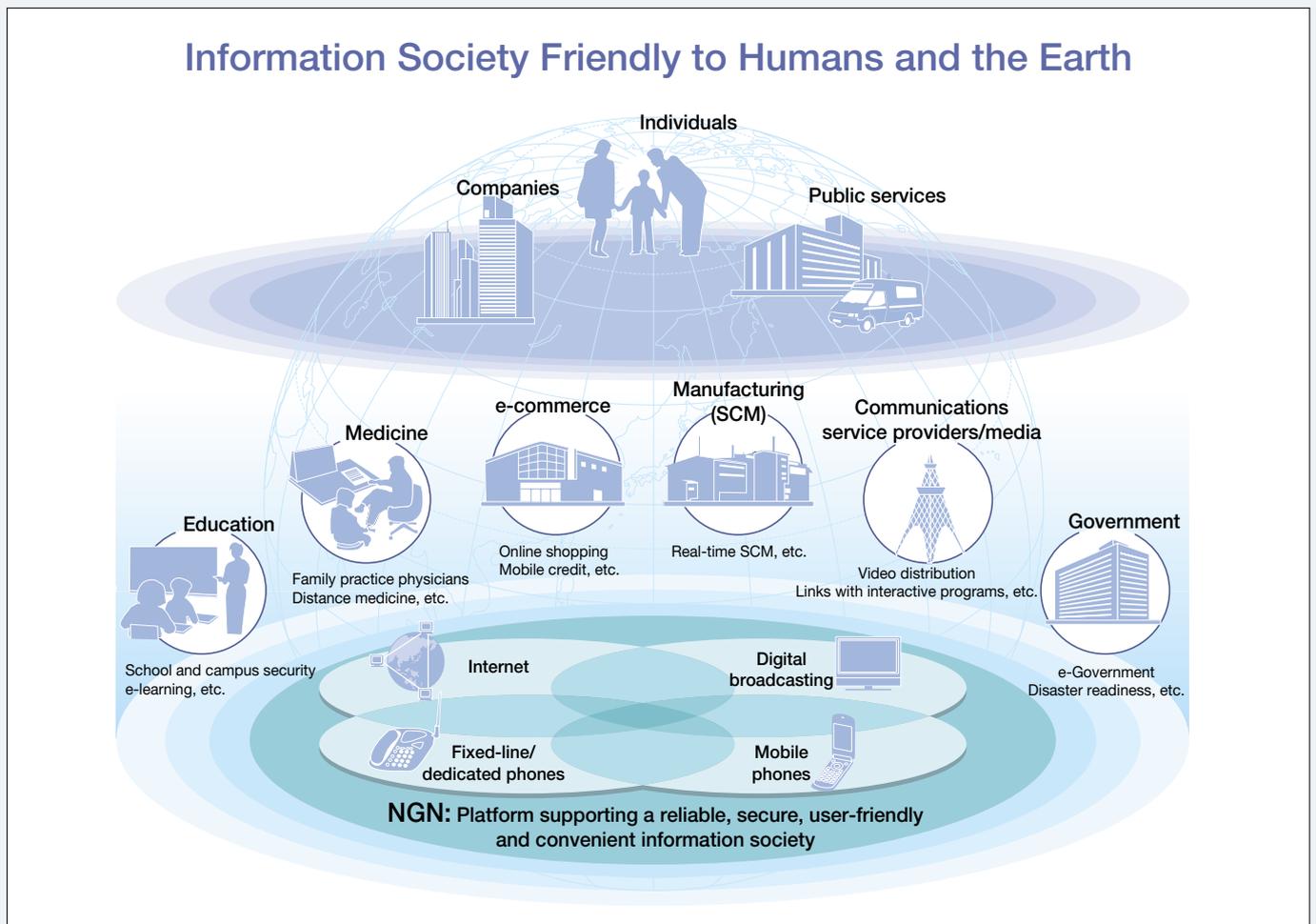
Leveraging the Power of Innovation to Realize an Information Society Friendly to Humans and the Earth

Advances in information technology and networks have transformed society by producing major changes in people's lifestyles, business operations, and social infrastructure. Next Generation Networks (NGN^{*}), a key growth driver for NEC, will significantly enhance the quality and reliability of existing information and network technologies. NGN is set to pave the way for a more secure, reliable, user-friendly and convenient information-based society. In other words, NGN will serve as infrastructure for realizing NEC's vision of "an information society friendly to humans and the earth." In addition to bringing major benefits to enterprises, individuals, and others, NGN has significant potential to solve various issues faced by society and address people's needs. By leveraging information and communications infrastructure based on NGN and the provision of a multitude of applications and services made possible by this infrastructure, NEC aims to actively contribute to society, expand its business globally, and enhance profitability.

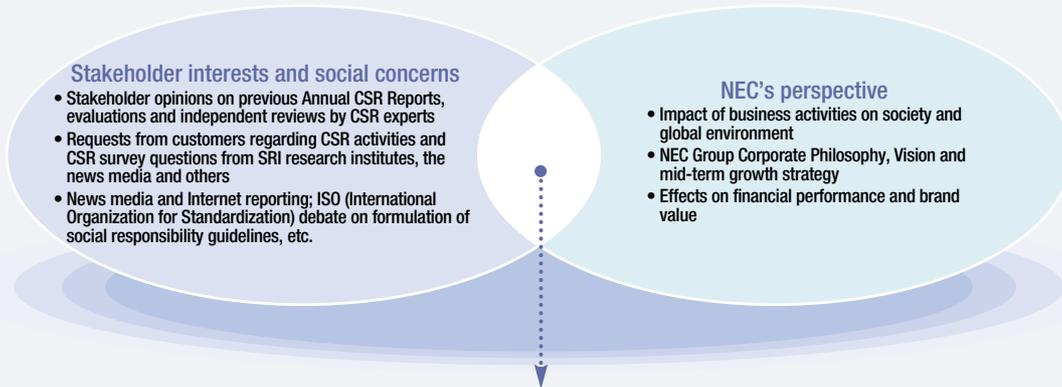
To achieve this goal, we first clarified the most relevant and significant issues and themes for stakeholders and society at large through various forms of communication with stakeholders. These issues and themes were then weighed against NEC's mid-term growth strategies and other factors to identify NEC's seven CSR initiatives. These initiatives are made up of four initiatives for solving issues faced by society and addressing people's needs and three initiatives for internal management in support of those activities (see page to the right).

Together with various stakeholders, NEC will continue to achieve innovation as it implements these seven initiatives.

*NGN (Next Generation Networks): This new information and communications infrastructure, which incorporates IT into networks, will enable people to use information in a reliable, secure, user-friendly and convenient manner while leveraging the strengths of existing networks.



Selecting the Seven CSR Initiatives



Stakeholder interests and social concerns

- Stakeholder opinions on previous Annual CSR Reports, evaluations and independent reviews by CSR experts
- Requests from customers regarding CSR activities and CSR survey questions from SRI research institutes, the news media and others
- News media and Internet reporting; ISO (International Organization for Standardization) debate on formulation of social responsibility guidelines, etc.

NEC's perspective

- Impact of business activities on society and global environment
- NEC Group Corporate Philosophy, Vision and mid-term growth strategy
- Effects on financial performance and brand value

NEC's Seven CSR Initiatives

[Initiatives for Solving Issues Faced by Society and Addressing People's Needs]

Address climate change and environmental preservation

Human activities are now recognized worldwide as a cause of climate change in the form of global warming. The significant link between economic activities and CO₂ emissions has become a particularly serious social issue. NEC is not only reducing internal CO₂ emissions, but also working to supply original IT-driven technologies that help to lower CO₂ emissions across society. NEC is also looking at ways of using IT-based approaches to tackle other effects of climate change. In other areas, NEC is engaged in tree-planting programs.

Include everyone in the digital society

The digital society will highlight economic and digital divides that prevent some people from deriving benefits from its realization of convenient, affluent lifestyles. Through the application of information and network technologies, NEC will remain a good corporate citizen by helping to ensure that the benefits of the digital society enhance the lives of all people irrespective of their circumstances, including seniors, people with disabilities and citizens of developing nations.

Build reliable information and communications infrastructure

The increasing complexity and diversity of various forms of communication are making ultra-reliable information and communications infrastructure one of the key objectives. NEC seeks to apply innovation to develop ultra-reliable information and communications infrastructure centered on NGN, to support an "information society friendly to humans and the earth."

Provide multifaceted security

With the ability to access information networks any time, any place, life has become more convenient. However, providing security to prevent crime, terrorism, information leaks and other problems has become increasingly necessary. Social etiquette and ethical concerns will also assume greater importance. By deploying advanced security technologies and acting as a responsible corporate citizen, NEC aims to help people lead more secure lives.

[Initiatives for Internal Management in Support of Business Activities]

Earn customer trust

Because companies owe their existence to society, NEC must pay attention to society in the course of managing its business operations, taking into account consumers and all other members of society. NEC considers customer value from a social perspective and seeks to work with customers to find solutions to social issues. Accomplishing this goal requires strong customer relationships built on trust. NEC is continually focused on building customer trust through initiatives targeting increased customer satisfaction (CS), quality and security.

Empower our people

Employees form the foundation that underpins NEC's business activities. NEC is working to promote quality workplaces that respect diversity and to cultivate HR on a global basis. Programs to maintain the health and safety of employees are ongoing. NEC also encourages employees to participate in local volunteer activities to promote greater consideration of the relationship with society and sensitivity to social needs.

Strengthen risk management and compliance

Developing more secure internal systems and procedures across the NEC Group and supply chain initiatives is a premise for contributing to finding solutions to social issues. NEC continues to strengthen risk management and compliance practices, including human rights, OH&S, the environment, etc., to ensure that the management of the business is always sound from the standpoint of society.

Address Climate Change and Environmental Preservation

- Reduce net CO₂ emissions to zero in fiscal 2011
- Contribute to environmental management through energy-saving IT platforms for customers
- Provide more eco-friendly Internet services and PCs

Realizing the NEC Environmental Management Vision 2010

NEC formulated the NEC Environmental Management Vision 2010 in fiscal 2003 as a long-term business vision based on the concept of environmental management. Recognizing the need for NEC to make an ongoing contribution to the development of a sustainable society, this vision contains the specific target of helping to prevent global warming by reducing NEC's overall net impact on CO₂ emissions to zero in fiscal 2011. To achieve this goal, NEC is taking the following three courses of action:

- 1) Reduce direct CO₂ emissions in production and other activities
- 2) Promote energy-efficient equipment to reduce CO₂ emissions due to the use of IT equipment by customers
- 3) Reduce CO₂ emissions of customers and society by supplying IT solutions

The Final Three-year Program to 2010

The long-term goals of the NEC Environmental Management Vision 2010 have become medium-term targets with the start of fiscal 2009. To achieve these targets over the next three years, NEC is studying progress made so far against its vision, and promoting a range of measures across the NEC Group to achieve its targets going forward.

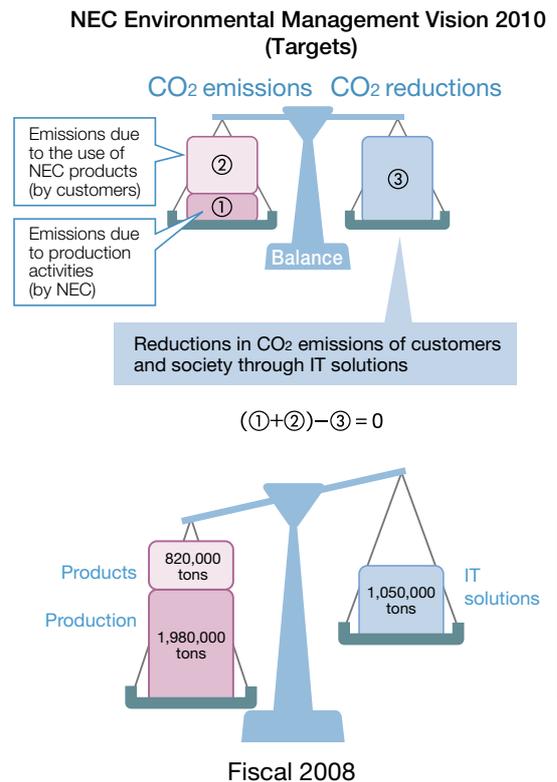
Main Achievements in Fiscal 2008

Since announcing the NEC Environmental Management Vision 2010 in March 2003, NEC has set a series of activity-based targets by using a "backcasting" approach with reference to the original vision.

Overall fiscal 2008 performance in terms of the emissions balance was as follows:

①	Direct CO ₂ emissions due to production and other activities:	1,980,000 tons
②	CO ₂ emissions due to the use of NEC products by customers:	820,000 tons
③	Reductions in CO ₂ emissions of customers and society through IT solutions*:	1,050,000 tons

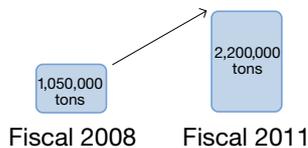
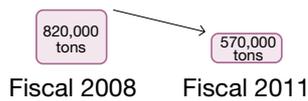
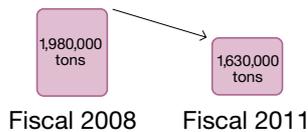
*Notes: 1) NEC developed an internal framework for promoting reductions in CO₂ emissions from the provision of IT solutions in fiscal 2006 and began developing these initiatives across the NEC Group in fiscal 2008.
 2) The calculation for element ③ in the above equation is an estimate for the entire NEC Group based on the actual emissions reductions achieved by specific major solutions supplied by NEC Corporation.



Activities to Realize NEC Environmental Management Vision 2010

1 Reduce CO₂ emissions from production and other activities

NEC aims to cut annual energy-derived CO₂ emissions by 140,000 tons by fiscal 2011 through a combination of production innovation activities and planned introductions of energy-efficient equipment, alongside programs to reduce energy consumption by data centers and energy-saving efforts at NEC Group offices. NEC is also targeting emissions reductions of 200,000 tons by replacing PFCs, HFCs and other greenhouse gases other than CO₂, as well as a further reduction of 10,000 tons in distribution-related emissions through efforts to reduce the use of air transport (especially chartered cargo flights) and promote a shift to mixed-mode distribution. Overall, these programs target a reduction in CO₂ emissions of 350,000 tons during the fiscal 2008-2011 period.

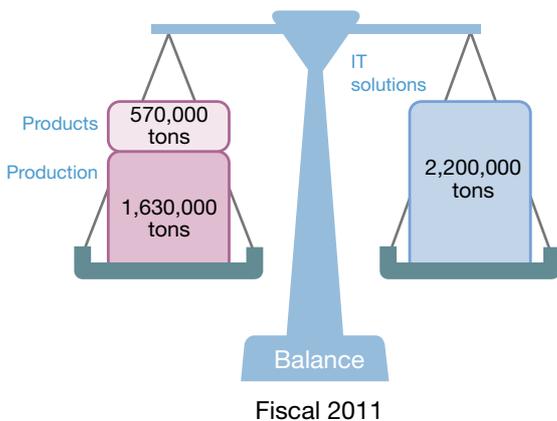


2 Reduce CO₂ emissions by promoting use of energy-efficient products

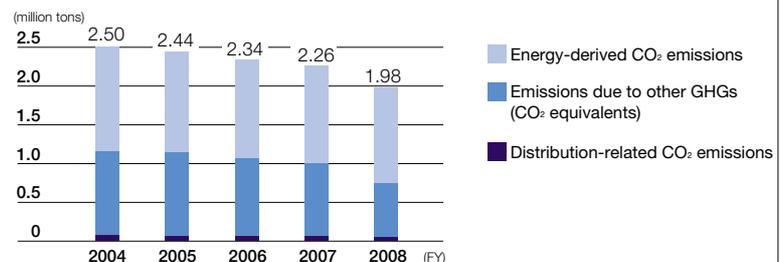
NEC has achieved annual gains in energy efficiency of 10% by improving performance in terms of faster transmission speeds and quicker data processing. Going forward, NEC plans to continue working to achieve 10% annual energy efficiency increases by investing in technical development programs to create high-efficiency devices and energy-saving control software. The aim is to use such advances to develop numerous top-class environmentally friendly products. NEC also plans to promote the use of carbon-offset products and services to complement these efforts. The overall aim is to reduce CO₂ emissions due to the use of NEC products to 570,000 tons by fiscal 2011.

3 Boost CO₂ emissions reductions through IT solutions

NEC has promoted the development and adoption of IT solutions to support more eco-friendly working, living and social infrastructure. This has involved the introduction of an internal system to assess all NEC software and services during the development stage to identify with an eco-symbol those products and services that significantly reduce CO₂ emissions. Going forward, NEC plans to focus on creating and marketing IT solutions that are particularly effective in reducing environmental impact in order to support emissions-reduction efforts by customers and society. The targeted level of contribution for fiscal 2011 is 2,200,000 tons, which would represent a doubling of the benefits accrued in fiscal 2008 due to IT solutions supplied by the NEC Group.



CO₂ and Other GHG* Emissions From NEC Group Production Activities



* Greenhouse gases (GHGs)
Seven types: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃)

URL For further details: <http://www.nec.co.jp/eco/en/annual2008/special/>

Address Climate Change and Environmental Preservation

Fiscal 2008 Highlights

“REAL IT COOL PROJECT”: Promoting Energy Savings for IT Platforms

In November 2007, NEC unveiled the “REAL IT COOL PROJECT,” a series of programs and activities to develop and supply technology, products and services for reducing the power consumption of customer IT platforms.

Through this initiative, NEC aims to cut the power consumption of customer IT platforms by 50% year on year to achieve a cumulative reduction in CO₂ emissions from IT devices of approximately 910,000 tons by the year 2012.

The “REAL IT COOL PROJECT” focuses on three areas: (1) Energy-Saving Platforms, such as power-efficient server storage; (2) Energy-Saving Control Software to reduce power consumption by controlling the efficiency of energy-saving functions in IT devices; and (3) an Energy-Saving Facilities Service Package that streamlines the power consumption of air conditioning and power supply units in such facilities as data centers and machine rooms.

NEC has developed the “ECO CENTER” server to embody the energy-saving technology mapped out in the “REAL IT COOL PROJECT.” The “ECO CENTER” not only reduces the number of components contained



in a device through optimum packaging design, but also achieves power savings of up to 55% over conventional servers by adopting the latest energy-saving technology, including semiconductor disks and highly efficient power supplies.



NEC is involved in all of the above activities.

URL For further details: <http://www.nec.co.jp/eco/en/annual2008/hl/01.html>

Enhanced NEC Group Focus on Environmental Solutions

In May 2007, NEC completed the development of a system of optimized solutions aimed at supporting the environmental activities of customers. Now systematized, expanded and upgraded, this new menu of solutions harnesses the resources of the entire NEC Group to service customer needs in this area.

NEC's environmental solutions have been organized into four areas to clarify their relevance to customer operations: (1) environmental business management; (2) environmental performance management; (3) environmental impact-reduction activities; and (4) environmental preservation and restoration activities.

Separately, NEC announced two new environmental solutions as the first stage in the ongoing expansion of Group offerings in this field. The REACH-based Hazardous Chemicals Management Solution provides support for manufacturers in managing chemical substances regulated by the EU's REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) directive or similar rules over the entire supply chain. The new IT System Environmental Impact Evaluation and Analysis Service Package supplied by NEC allows the IT departments of customers to gauge the potential benefit of introducing web-based teleconferencing or other IT systems in terms of the reduction in environmental impact.

Elsewhere in this field, NEC is promoting software-based solutions that try to combat global warming by monitoring and controlling the power consumption of PCs, such as an automated control system for managing the power consumption of information and communications equipment. Through ongoing development, NEC aims to expand the number of different environmental solutions offered from 37 at present to 60 by 2010.



NEC's environmental solutions were displayed at an exhibition.

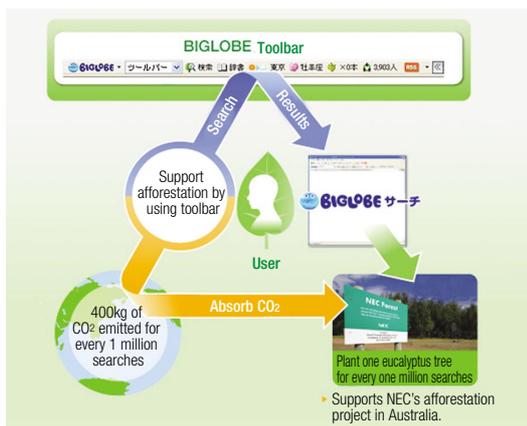
URL For further details: <http://www.nec.co.jp/eco/en/annual2008/hl/02.html>

“BIGLOBE Toolbar” Service Providing Carbon Offsets for Online Searching

In November 2007, as part of efforts to counter growth in CO₂ emissions from the use of IT equipment, NEC’s Internet service provider BIGLOBE began offering a new Japanese-language search service called “BIGLOBE Toolbar” to offset emissions arising from online searches. The carbon offsets offered are based on increased CO₂ absorption from the planting of trees.

This initiative is linked to NEC Forest, an afforestation project based on Kangaroo Island in Australia that NEC began in 2002. Under the scheme, NEC plants one eucalyptus tree in the NEC Forest plantation for every one million searches conducted using the BIGLOBE Toolbar service. The carbon dioxide absorbed by each tree will offset the emissions generated by these searches.

As part of activities to raise the environmental awareness of general PC users, NEC also plans to give users of the BIGLOBE Toolbar service the chance to visit the NEC Forest site as part of an eco-tour.



Comments from the manager

“If everyone does a little bit, it can all add up to a major environmental contribution.”

Tsutomu Matsubara
Manager
Portal Business Division
NEC BIGLOBE, Ltd.



Carbon Offset PCs Developed for NEC Direct ORIGINAL PROJECT “ECO”

NEC Direct, an online PC shopping website managed by NEC Corporation, launched the NEC Direct ORIGINAL PROJECT “ECO” in February 2008 (in Japan only). Under this project, NEC will plan, design and sell to customers original PCs and related goods that are specially tailored to various lifestyle themes.

As the first initiative in this project, NEC is offering custom-designed eco-themed PCs, viewing the desire to purchase a PC matching individual design preferences and rising interest in environmental preservation as a single need. This “ECO” project is a collaborative effort with various environmental conservation groups to supply PCs that are decorated in ecological brand motifs. For example, as part of the “For Beautiful Ocean” theme, consumers can support groups dedicated to protecting the oceans and marine life by purchasing PCs and computer accessories created by various participating designers. Some of the proceeds from sales of these products are being donated to three Japan-based marine conservation groups: I.C.E.R.C. Japan, the Japan Association for Galapagos and AQUAPLANET.

As part of efforts to combat global warming, NEC is also planting one eucalyptus tree in the NEC Forest plantation for every two PCs sold in this project. This action will provide carbon offsets to counter the environmental impact of these PCs due to the CO₂ emissions at both the production and usage stages of the product.

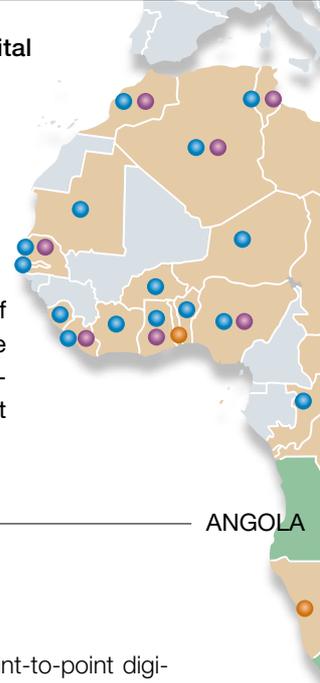


URL For further details: <http://www.nec.co.jp/eco/en/annual2008/hl/03.html>

URL For further details: <http://www.nec.co.jp/eco/en/annual2008/hl/04.html>

Include Everyone in the Digital Society

- Contribute to the development of African countries and eliminate the digital divide between regions
- Develop ATM systems that are easy for people with visual disabilities to use
- Implement social contribution activities that help to promote digital inclusion



Contribution to Africa

Since entering the African market in the 1960s, NEC has developed relationships of trust with African nations by providing products and services based on cutting-edge technologies. By continuing to actively support Africa's development, we aim to contribute to the achievement of the U.N. Millennium Development Goals. Here, we present our activities in three African nations.

Angola:

Rapid Mobile Phone Penetration Driven by the PASOLINK Point-to-point Digital Microwave Access System

The Republic of Angola is now undergoing rapid economic recovery and advancement after a long, economically debilitating civil war fought since the nation gained independence.

One of the most remarkable aspects of the nation's economic recovery has been the rapid uptake of mobile phones. Movitel, an Angolan mobile operator, has seen rapid growth in its subscriber base, which has been doubling year

by year. NEC's PASOLINK, a point-to-point digital microwave access system, has played a crucial role in building the communications network backbones supporting the resulting rapid expansion in local mobile phone networks.

Going forward, NEC will continue to assist in the expansion of these mobile phone networks using PASOLINK, with the aim of facilitating greater communication between people.

Comments from the manager

"Communication is essential to a peaceful society."

Tsutomu Ikenaga
Manager
3rd Wireless Group
Global Network Division
NEC Corporation

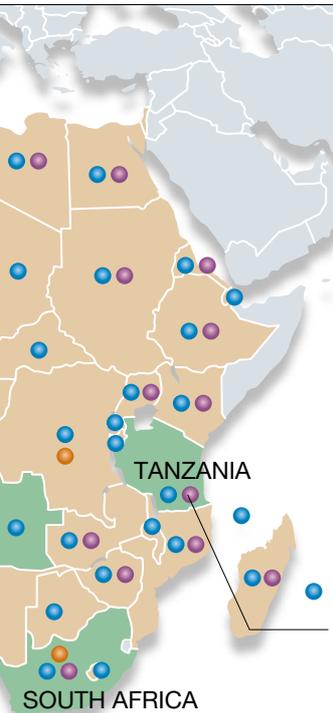




South Africa:

Helping to Build a Better Society With One Fingerprint Matching Systems

The Republic of South Africa issues ID documents to every citizen to ensure fair and equal access to public services, as an important initiative in this racially diverse country. The government chose NEC's Automated Fingerprint Identification System (AFIS), which boasts world-class fingerprint accuracy and system processing speed, as the core platform for the national ID system associated with ID documents. By



Supply record

● PASOLINK

● Broadcasting systems

● Fingerprint matching systems



Tanzania:

Supporting National Radio Broadcasting in Tanzania With Highly Reliable Systems

The government of Tanzania is advocating an important social development policy focused on improving public welfare. Under this policy, the Tanzania Broadcasting Corporation (TBC) is responsible for improving radio programs relating to education and self-improvement. In 1972, NEC supplied TBC with short-wave and medium-wave broadcasting transmitters, followed in 2000 by a transmitter with a longer operating life, better power consumption and other advantages. TBC and various radio listeners have given high marks to NEC for significantly enhancing educational and living standards in the region by introducing this equipment.

NEC has been involved in broadcasting businesses in 20 African countries so far, and people

now hold high expectations for the widespread adoption of NEC products and technologies. By actively meeting these expectations, NEC aims to support the advancement of the African region as a whole.

Comments from the manager

“We will meet society’s expectations by providing highly reliable equipment that can withstand tough operating conditions.”

Susumu Tanaka
Assistant General Manager,
Overseas Sales,
Broadcast and Control Systems
Sales Division, NEC Corporation



Comments from the customer

“NEC’s advanced technologies are going a long way in helping South African citizens to eradicate prejudices and overcome barriers.”

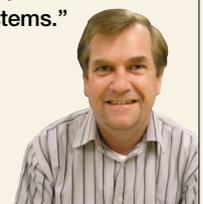
Mr. Vusumuzi Mkhize
Acting Deputy Director
General, Civic Services
South African
Department of
Home Affairs



Comments from the manager

“It’s important for NEC to impart its knowledge to local people and empower them to operate and maintain sophisticated information systems.”

Grahame Saunders
Project Manager
NEC Corporation



of the World’s Most Advanced

introducing AFIS, the government has shortened fingerprint matching processing times and reduced the risk of identity theft. The NEC AFIS has thus helped people to lead safer and more secure lives.

In these ways, this fingerprint-based national ID system is important infrastructure for building a stronger democracy in South Africa.

Include Everyone in the Digital Society

Promoting Universal Design of Convenience Store ATMs ~Voice Guidance System for People With Visual Disabilities~



The system's main feature is that visually disabled people can use ATMs by operating only the numeric keys of an interphone. The voice guidance system provides detailed information to enable people who are not accustomed to operating ATMs to use them on their own. If a problem occurs during a transaction, the ATM automatically connects to a call center and an operator handles the transaction. In addition, to prevent mischief by third persons, consideration has been given to security: the ATMs have been configured to prevent any further operation of the touch panel and numeric keys on the machine when the user has chosen to conduct a transaction using the interphone.

Established in April 2001, Seven Bank Ltd. (called IY Bank when it was founded) is the first bank in Japan whose parent company is a major player in the distribution industry. It is an unprecedented bank even in global terms because its main business is centered on its ATM network. The Seven Bank ATM concept is an ATM that anyone can use reliably anytime, anywhere, 24 hours a day, 365 days a year. To turn this concept into reality, NEC is endeavoring to further advance universal design by supporting the introduction of a voice guidance system for the visually disabled at convenience store ATMs. This initiative makes effective use of NEC's abundant experience and expertise in the financial services and distribution sectors.

The voice guidance system for people with visual disabilities was compatible only with Seven Bank cards as of autumn 2007. However, by May 2008, NEC had steadily made this system compatible with the bank cards of more than 500 partner financial institutions of Seven Bank. NEC plans to fully pursue universal design throughout the Group so that it can accelerate this trend not only in terms of convenience store ATM initiatives, but also in a variety of other contexts in society. In this way, we aim to create a secure, reliable, comfortable, and convenient society for all people.

Monitor evaluation and comments



As of February 12, 2008, there were 12,868 Seven Bank ATMs in Japan, which are mainly installed at Seven-Eleven stores. Because such a large number of ATMs are now easier to use, thanks to voice guidance systems, and accept bank cards issued by partner banks nationwide, I think these ATMs will prove very convenient for people who use them. I strongly hope that all financial institutions' ATMs will be equipped with voice guidance systems going forward.

Mr. Sadao Hasegawa

Comments from the manager

"Infrastructure for the digital society must be usable by everyone."

Naotaka Hinago
Project Manager
1st Financial Systems Division
NEC Corporation



URL For further details: <http://www.nec.co.jp/csr/en/report2008/contribution/con02.html>

A gap has emerged in terms of employment and how people are treated depending on whether or not they are able to effectively use a personal computer and Internet technology. This so-called digital divide is becoming an important issue that must be resolved in order to realize an “information society friendly to humans and the earth.” NEC sponsors a number of programs that try to promote digital inclusion through various social contribution activities. Here, we take a look at programs that help homeless people in Japan and youth in impoverished areas of Brazil gain financial independence.

Helping Homeless People to Regain Employment Through PC Classes



In collaboration with the Big Issue Japan Foundation, an NPO that helps homeless people gain independence, and Shinayaka Net, an NPO that provides assistance to seniors, the disabled and other people to learn computer skills, NEC has organized a series of classes called NEC IT CONNECTION since fiscal 2008. These classes enable sellers of the bimonthly *Big Issue* magazine in Japan to gain skills that can help them regain full-time employment.

Participants learn the basics from starting up a PC to IT-based communications skills such as e-mail and social networking services (SNS). The goal by the end of the course is to be able to use

a PC to access and send e-mail and to maintain a diary using an SNS. Another major aim of the course is to help participants learn how to use IT to reconnect with society. In the program’s first fiscal year, a total of ten people took the course over five days. The program received a strong response from participants, with one saying, “It’s like another world opened up. I’m looking forward to using PCs.”

Supporting Digital Inclusion in Impoverished Areas of Brazil



NEC Brasil S.A. donated obsolete office PCs to an NGO active mainly in offering vocational classes for adolescents in impoverished areas.

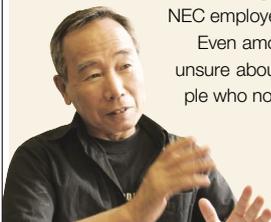
The PCs donated by NEC Brasil are used to give young people an opportunity to learn PC repair skills. The repaired PCs are then sent to needy communities in line with the local state government’s policies for bridging the digital divide. By preventing obsolete office PCs from going to waste, these activities also help to preserve the environment.

This undertaking was part of the NEC Make-a-Difference Drive 2007 program of social contribution activities, which involved the participation of a total of 93,000 NEC Group employees in 26 countries. For further details, please visit our website at the URL below.

Comments from NEC’s partner

Homeless people often find it difficult to use and understand IT because they have lived apart from society for so long. However, some of them want to learn about computers in order to regain financial independence. Hearing about this, NEC immediately responded and took action. The result was the Tokyo Homeless Conference for listening firsthand to the opinions of homeless people and the NEC IT CONNECTION program. I think it would be marvelous for many more NEC employees to become involved in these activities.

Even among class participants who were initially hesitant and unsure about touching a keyboard, we are starting to see people who now want to create their own blog.



Mr. Shoji Sano
Chairman
Big Issue Japan Foundation

URL For further details:
<http://www.nec.co.jp/community/en/index.html>

URL For further details:
<http://www.nec.co.jp/community/necmd/e/index.html>

Build Reliable Information and Communications Infrastructure

- Support the development of customers and society at large by solving issues related to management and storage of vast amounts of information
- Promote global communication through optical submarine cable systems

Building Information Infrastructure to Support Education at a School for Children and Adults With Developmental Disabilities

~Next-generation Storage Systems~



The Anderson Center for Autism (ACA) in the U.S. is a school for people with autism and other developmental disabilities. The school offers opportunities for lifelong learning to its students, relying on an expert team, an evidence-based approach to treatment, and compassionate care.

Educational institutions of this kind must store sensitive records and other information on students in line with compliance regulations. Their archives have thus grown tremendously over the years. In response to a growing store of information day after day, ACA decided to fully overhaul its existing backup system and create a new digital archive system. The school introduced NEC's revolutionary HYDRAsstor™ HS8 next-generation grid storage system.

This new system has enhanced performance in the following ways. The backup window was reduced from 60 hours to 6 hours—just one-tenth the previous time—even with twice as much data under management as before. Enterprise de-duplication technology has reduced data storage by 39:1. Backup and archiving now costs less than \$0.60 per GB. Thanks to HYDRAsstor™ HS8, ACA now performs its duties faster and more effectively. Naturally, this allows the school to devote more staff and resources to meeting the special educational needs of its students.

ACA is currently working with NEC to update its entire archive system using the HYDRAsstor™ HS8 platform. This platform is set to drive forward ACA's aggressive growth plans, opening the doors to education for even more children and adults with autism and other developmental disabilities.

NEC is committed to supporting ACA's development with revolutionary and highly reliable technologies.



Comments from the customer

"Thanks to NEC, we can now provide even better educational services to our students."

Mr. Gregg Paulk
Director of Information Technologies
Anderson Center for Autism



Comments from the manager

"The system is the perfect fit for progressive, socially significant organizations."

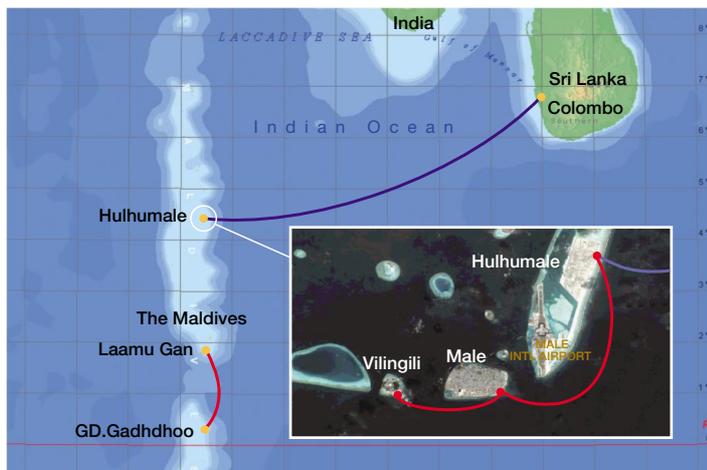
Karen Dutch
Vice President,
Advance Storage Products Group
NEC Corporation of America



URL For further details: <http://www.nec.co.jp/csr/en/report2008/contribution/con03.html>

NEC Enhances International Telecommunications in the Republic of Maldives

~Optical Submarine Cable Systems~



Route Map for
Dhiraagu
Submarine
Cable Network

Located southwest of Sri Lanka, the Republic of Maldives is an island nation blessed with beautiful coral reefs, with a booming tourism industry featuring resorts and diving spots among other attractions. However, the Maldives urgently needed to build better communications infrastructure to support international telecommunications services given the large number of tourists visiting the country from all corners of the world every year. To this end, Dhiraagu (Dhivehi Raajjeyge Gulhun Private Limited), the Maldives' largest telecom carrier, and Sri Lanka Telecom decided to link their two countries and five Maldives islands via an optical submarine cable system (Dhiraagu Submarine Cable Network). NEC was awarded the project based on its experience and track record in this field.

The total length of the new optical submarine cable linking the Maldives and Sri Lanka, and five Maldives islands, is approximately 1,100 km. Projects of this size typically require around 12 months to complete from signing a contract. However, NEC was requested to complete the project in nine months. NEC manufactured submarine repeaters and line terminal equipment in a relatively short period of time, helping to advance the project roughly three weeks ahead of the nine-month schedule and enabling us to complete the project early. Detailed seabed surveys and simulations were carried out to protect the coral reefs surrounding the islands. This allowed us to accomplish sophisticated cable-laying work while giving full consideration to protecting the Maldives' natural environment. By linking the Maldives to Europe, Asia and the rest of the world via a pre-existing international submarine cable landed in Sri Lanka, NEC dramatically enhanced international telecommunications in the Maldives. NEC has earned extremely high marks from Dhiraagu, which said, "Thanks to this state-of-the-art optical fiber network, high-speed Internet services are now accessible to more than 70% of the Maldives' population. This has truly changed people's lives here."

By constructing these types of optical submarine cable systems worldwide, NEC aims to actively help build highly reliable information and communications infrastructure going forward.



Comments from the manager

"NEC will work to satisfy expectations by further raising reliability as infrastructure supporting NGN."

Yoshihiko Nishimura
Chief Manager, Projects
Submarine Network Division
NEC Corporation



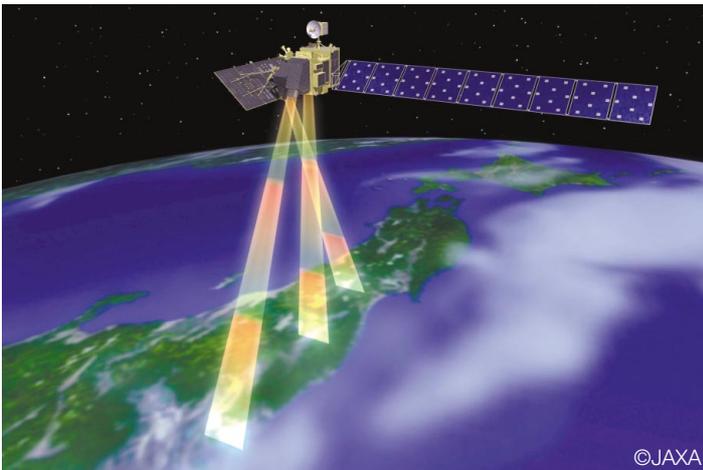
URL For further details: <http://www.nec.co.jp/csr/en/report2008/contribution/con04.html>

Provide Multifaceted Security

- Contribute to enhancing the world's disaster readiness and reducing disaster damage
- Bolster border security to help ensure national safety

Ensuring Safety and Security from Space

~ Advanced Land Observing Satellite (ALOS) "Daichi" ~



©JAXA

In January 2006, the Japan Aerospace Exploration Agency (JAXA) successfully launched the Daichi land observing satellite into orbit. One of the world's largest land observing satellites, Daichi allows high-resolution, global observation of the Earth's land surfaces. NEC has been extensively involved in the Daichi ALOS project, from development to the design, manufacture, testing and operation of the satellite.

Daichi is equipped with two sensors developed by NEC: a high-resolution 3D optical sensor called "PRISM" and a microwave radar sensor called "PALSAR." High-quality images gathered by these two pieces of equipment are transmitted to Earth using a high-speed broadband communications system that is approximately 20 times faster than existing systems.

Computer analysis of the data gathered by the satellite can yield useful information for monitoring possible disaster precursors and making post-disaster damage assessments. For example, after a magnitude 8.4 earthquake occurred offshore of Southern Sumatra, Indonesia in September 2007, Daichi was used to conduct an emergency survey of the affected region five days after the event. The satellite photographed the diastrophism in the disaster area. This information played a vital role in swift disaster recovery efforts and in preventing secondary damage.

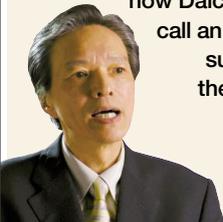
The land observation data gathered by Daichi are also expected to be useful in helping to prevent global warming by monitoring areas of the world that are severely affected by deforestation, such as the Amazon Basin rainforests. In fact, JAXA has been supplying the Brazilian government with Daichi satellite imagery since September 2007.

In these ways, NEC is developing solutions to provide safety and security from space, focusing on themes such as environmental monitoring and reducing disaster damage.



Comments from the manager

"We are all extremely proud of how Daichi, which it would be fair to call an 'all-NEC' project, is making such a visible contribution to the international community."



Kenji Ichikawa
Senior Technology Executive
Space System Division
NEC Corporation

Comments from the customer

"I hope that the growing use of Daichi land observation data will help this satellite to play an invaluable role in society."



Mr. Yuji Osawa
Manager for Disaster Monitoring
Satellites Space Applications Program
Systems Engineering Office
Space Applications Mission Directorate
JAXA

URL For further details: <http://www.nec.co.jp/csr/en/report2008/contribution/con05.html>

Balancing Conflicting Priorities: Speeding Up Border Crossings and Bolstering Security

~Border Control Solution~



The Republic of Chile lies on an extremely long and narrow strip of land extending some 5,000 km from north to south along the South American coast. This unique geography makes border control complex.

In 2007, the Policía de Investigaciones de Chile (Chilean Federal Police) decided to integrate border control services as part of a far-reaching solution to this issue. By 2010, it plans to group its 82 points of entry nationwide into 5 areas, and develop an integrated border control system linking local servers in each area with a central network server. In cooperation with NEC Argentina S.A. in neighboring Argentina, NEC Chile S.A. is providing technological support for this plan.

The Chilean Federal Police introduced NEC's border control solution first as a pilot project in Chacalluta, a northern region along the border with neighboring Peru. This solution allowed border



control officers to verify personal identity by comparing fingerprints with pre-registered digital data on Chilean identity cards.

Following this initial success, NEC's border control solution was fully adopted for use at Chile's largest airport—Santiago International Airport. The solution provides integrated management of approximately 60 immigration control counters at the airport. It has increased immigration screening reliability and efficiency through personal identification using fingerprints and other methods. Identification of forged passports, cross-checking with Interpol (International Criminal Police Organization)-linked international police wanted lists, and other procedures are now much easier. For this reason, we also expect the new technology to help improve public safety in Chile.

Although the integrated border control project for the Chilean Federal Police is still being refined, NEC has already begun studying even more advanced solutions. One involves the use of RFID technology. With the cooperation of one of the largest airlines in Chile, RFID cards were issued to pilots and other flight crew members at Santiago International Airport. Flight crews leaving or entering the country use these RFID cards to speed up fingerprint-based personal identification—cards are instantly read when held over wireless card readers. The need for border control solutions that balance enhanced convenience and security is shared by many South American countries. NEC will press forward to continue satisfying these needs.

Comments from the customer

"We are proud to know that we have a world-class, advanced border control system that is operating smoothly."



Comments from the manager

"We are aiming for a real-time integrated management system linking all border checkpoints."

(From left)
Alejandro Aramburu
Project Manager
NEC Argentina S.A.

Mr. Hugo Miranda Vera
Project Manager, Foreign
National Department
Policía de Investigaciones
de Chile

Mr. Benito Faiña
Project Director
Policía de Investigaciones
de Chile

Jennifer Zabala
Sub-project Manager
NEC Chile S.A.

Sebastian Grove
(Project Director)
Chief Executive Officer
NEC Chile S.A.

URL For further details: <http://www.nec.co.jp/csr/en/report2008/contribution/con06.html>

Earn Customer Trust

Since its founding in 1899, NEC has been developing a corporate culture under the motto “Better Products, Better Services,” in which we create products and services that are more valuable to customers, and in which every one of us understands, considers, and quickly responds to what our customers expect in order to make NEC a company that is trusted and chosen by customers.

Listening to Customer Feedback

In order to satisfy customer expectations, NEC listens carefully not only to customer feedback received in the course of daily business operations, but also to feedback from CS surveys and various communication channels, and the opinions of employees. We have established a mechanism for reflecting this feedback in business activities, so as to enhance products and services.

NEC conducts a broad range of surveys in various contexts. One CS survey is the NEC Group Customer Satisfaction Questionnaire, an annual survey of corporate and public-sector clients (around 2,300 sites were surveyed in fiscal 2008). We also undertake multiple surveys of retail customers each year concerning NEC products such as personal computers (PCs) and mobile phones. Other CS surveys target retailers in Japan. We also conduct the “*shainVoice*” program to gather feedback from employees on NEC products and services.

Furthermore, NEC receives a broad range of communication from customers through various communication channels and the NEC Customer Communication Center (CCC) via telephone, e-mail, or in writing.

Outside Japan, NEC carries out CS enhancement programs grounded on CS surveys tailored to local and regional preferences.

Identifying Issues Using Customer Feedback

In this manner, NEC uses customer feedback received in many different ways to identify relevant CS-related issues and reflect them in improvements to business activities.

For example, as in the previous fiscal year, the NEC Group Customer Satisfaction Questionnaire showed in fiscal 2008 that our customers evaluate “reliability” and “safety” highly. We also learned from this survey that customers were seeking improved quality from NEC in terms of the “ability to propose solutions” as well as basic customer service aspects such as the “ability to

handle inquiries,” “response when problems occur” and “business etiquette.”

Our CS surveys of individual customers revealed that our products have come to be highly rated in terms of design, which now has a major impact on customer satisfaction with respect to mobile phones. In addition, we found that usability also has a significant bearing on overall customer satisfaction.

Besides merely applying statistical analysis to customer feedback, we also try to use feedback to address issues based on a variety of activities from a different perspective.

We believe that replies to CS questionnaires not only directly evaluate NEC but also contain customers’ expectations. By carefully analyzing the replies, we can glean the real messages behind the figures being sent by customers and understand what they expect of NEC. We compile the information gained from such analysis into a “CS Profile-Report” that is fed back to personnel working in the relevant area. In this way, customer feedback can become the basis for discussing what activities will help to improve CS. Complementing the efforts of NEC business divisions, the CS Promotion Division, a corporate staff division, undertakes “Direct CS” activities by visiting corporate clients to directly discuss CS-related issues. Direct exchange of information with customers offers a way to learn something new about CS issues and helps to formulate CS enhancement measures.

Improvements Related to Issues

Regarding CS issues identified through surveys of corporate clients, NEC has reviewed escalation rules in the event of a product issue and reinforced its training relating to aspects of customer service such as inquiry-handling capabilities, business etiquette or solution-proposing capabilities. We also held training courses on preventing human error, and organized the Quality Management Top Seminar for managers. In these ways, NEC holds various training programs for all employees from management to the front-line to resolve issues. In terms of the aforementioned mobile phones, the divisions responsible

for CS promotion, product planning, design and development work together to study functionality, design, usability and other issues raised by CS surveys. Based on customer feedback, these divisions closely examine issues and make continuous improvements.

Examples of Improvements

Here are several examples of what we have accomplished through these and other improvement activities.

Improving mobile phone usability

(November 2007)

In response to customer feedback, the “N905i” model features not only advanced technologies such as digital TV broadcasts, but also a keypad with greater button relief (like that of a proper keyboard). This improved design makes buttons easier to press. The handset also uses improved character fonts that display better on the high-performance LCD screen. These and a number of other improvements make the handset easier for customers to use in various contexts.



Internal Awards

NEC provides awards to groups and individuals whose customer-oriented efforts, like those described so far, have garnered praise from customers.

As an example of CS-oriented activities of NEC’s overseas subsidiaries, NEC Brasil S.A. has initiatives in place to guarantee problem-free operation of communications systems that it has installed for corporate customers with the aim of boosting customer satisfaction. As part of these activities, NEC Brasil has conducted monthly surveys of operators, contract managers and other employees working in different divisions of client companies in an attempt to obtain useful information on which to base systems or service improvements.



Department Manager Luiz Carlos Gomez da Silva receiving an award on behalf of NEC Brasil S.A.

“Lui” home client/server solution

(December 2007)

The “Lui” home client/server solution is an example of a product developed by NEC that reflects feedback from customers and employees. Customer surveys confirmed demand for a product that could be used with PCs simply, irrespective of time and place. This customer feedback and suggestions concerning product specifications were communicated to the relevant business divisions and reflected in NEC’s product specification reviews.



Outlook for CS Activities

In fiscal 2009, NEC will work to improve CS activities by returning to the basics and conducting educational and training activities for all employees from management to the frontline. This effort will be based on the themes of “increased CS awareness,” “improved CS” and “improvement of products and services from consumer and environmental perspectives.”

NEC will also focus on CS improvement activities overseas, based on plans to expand global business and support the overseas business development of its customers in Japan. By having overseas affiliates conduct CS surveys and through other measures, NEC will assist overseas affiliates in their effort to improve CS.

Empower Our People

Employees constitute the foundation supporting NEC's aim of contributing to the development of an "information society friendly to humans and the earth." We also seek to create a health-oriented, stimulating, and diversified work environment that allows people to demonstrate their abilities to the full. As responsible members of society, NEC Group employees are actively engaged in community activities that provide them with an opportunity for self-discovery and a stronger social awareness.

Promoting a Healthy Work-life Balance Through Childcare Support

NEC Corporation has pioneered programs that provide periods of leave for employees combining work with caring for young children or elderly relatives before legislation to support such programs was introduced. The Company has continued to expand and improve various programs designed to support employees in balancing the demands of work with caring functions. In fiscal 2008, NEC expanded services subject to fee subsidies payable to employees using local public childcare support services and extended the subsidy period (to the end of third grade). We also introduced a financial support system for fertility treatment (up to ¥200,000 a year).

NEC also conducts community involvement activities. For example, working in collaboration with Madre Bonita, an NPO that offers a physical and emotional self-care program for mothers, we conduct a program called NEC Working Mothers Salon. The program not only supports women looking to return to work smoothly after taking maternity leave, but also helps to improve the quality of life of working women. During fiscal 2008, 100 women, including NEC employees, participated in a total of three seminars that were held. The seminars were well received by participants. One participant said, "It was great that we could find out things that we really wanted to know rather than just the usual information. I was



NEC Working Mothers Salon

URL For further details: <http://www.nec.co.jp/csr/en/report2008/employee/index.html>

really glad that daycare facilities were provided so that we could take the time to talk to people."

In January 2008, NEC Corporation received the Nikkei Child-Raising Support Award, which recognizes companies that are conducting excellent child-raising support measures and NEC's many and varied programs in this area, from Nikkei Inc.

Global Human Rights Activities

NEC regards human rights issues as an important CSR theme, and carries out human rights awareness raising and educational programs globally. Here, we introduce our HIV/AIDS activities in Thailand.

Based on a non-discrimination policy, NEC Infrontia Thai Limited has established proper internal HIV/AIDS prevention measures and other programs, and conducts employee training courses to help prevent the spread of HIV and give employees correct knowledge about HIV/AIDS. This company received the ASO (AIDS-response Standard Organization) Award Gold Level in 2007, as in 2006. This award is granted to companies with outstanding HIV/AIDS-related programs. In addition to educational programs, the Company also carries out social contribution activities, including those where employees visit AIDS patients at treatment facilities.



Employees visiting an HIV/AIDS treatment facility in Thailand

URL For further details: <http://www.nec.co.jp/csr/en/report2008/social/index.html>

Health Management Activities

NEC Corporation has focused attention on metabolic syndrome since 2004. In 2007, partly in response to government policy, we decided to further reinforce these efforts through a program of activities named NEC Health Innovation 21 (NHI 21).

NHI 21 activities are broadly divided into two categories: 1) Legally required measures and 2) NEC's voluntary measures. Regarding the former, in fiscal 2008, we developed a reliable system for providing Specified Health Examinations and Specified Health Guidance beginning in fiscal 2009. Regarding the latter, we have implemented 1) dietary measures 2) smoking cessation measures and 3) exercise measures. For example, NEC held a family friendly walking event as an exercise measure.



Furthermore, NEC participated in a program called TABLE FOR TWO that aims to contribute to society by enabling people in developed countries to eat healthy meals and in doing so raise enough money (around 20 yen) per meal to fund the provision of school meals in developing nations. More than 1.6 billion people in developed countries are overweight, a condition that is linked to many lifestyle-related diseases. In contrast, over 850 million people living in developing nations suffer from starvation and malnutrition.

NEC has embraced the principles behind this movement. During fiscal 2008, a total of about 1,700 people took part in the program at the NEC Headquarters building. Proceeds were



donated to the school meals program in developing nations run by TABLE FOR TWO International, an NPO. The target for

URL For further details: <http://www.nec.co.jp/csr/en/report2008/employee/emp03.html>

fiscal 2009 is to gain the participation of 10,000 people in various TABLE FOR TWO events.

Mental Health Care Initiatives

NEC is building healthy workplaces by maintaining the mental health of employees. In fiscal 2008, with the aim of reinforcing stress management, the NEC Health Care Center conducted independently designed web-based mental health education programs (including a self stress check) for all employees of NEC Corporation and employees of about 30 Group companies in Japan. In addition to program content for all employees on learning to recognize day-to-day stress and methods for coping with stress, we created a program for managers that is applicable to workplace management and includes instruction in the role of managers and the proper response to workplace stress using case examples from NEC.

Global Cultivation of Human Resources

NEC conducts a broad range of training programs to develop human resources globally, with the aim of becoming a leading global company.

For example, in 2007, a total of 21 managers at the senior divisional level from 11 NEC Group subsidiaries based in China took part in a training course for senior management held in Beijing. The training program focused on NEC's future overseas business strategy and other topics. In another program, NEC Corporation held a training program in India for its newly recruited employees in Japan. By working together with local engineers, deepening cross-cultural understanding and taking part in other activities, participants acquired the basic experience and expertise needed to support NEC's global business development.



Training for senior managers in China

Training of new recruits in India

URL For further details: <http://www.nec.co.jp/csr/en/report2008/employee/emp02.html>

Strengthen Risk Management and Compliance

In accordance with the Company Law of Japan, NEC Corporation has stipulated its Basic Policy on Internal Control Systems for ensuring proper operations of the company and has established and operates internal control systems including those for 1) risk management, 2) compliance, and 3) information security. Under these systems, NEC Corporation has continuously striven to strengthen and improve its activities in these areas.

Promoting Risk Management and Priority Risks

NEC comprehensively compiles risk examples for each risk category and feeds this information back to various other divisions. At the same time, the Risk Control and Compliance Division also provides guidelines to serve as a model for risk management activities, such as the Risk Management PDCA Implementation Guidelines and a worksheet based on the implementation guidelines. Furthermore, each year, the division conducts a risk management survey of business divisions and corporate staff divisions (including consolidated subsidiaries in Japan and overseas).

Every year, NEC identifies important, group-wide risks selected from the perspective of the need for countermeasures and magnitude of impact on business continuity, on the basis of risk assessments for each organization obtained through questionnaires and interviews in the abovementioned risk management survey, the risk management effectiveness evaluation of the Corporate Auditing Bureau, findings of the corporate auditors and outside corporate auditors, and other information. From among those risks, NEC Corporation selects priority risks through deliberations by the Risk Control and Compliance Committee and the Executive Committee of risks deemed to require new countermeasures including improvement of existing countermeasures and having a significant impact on the NEC Group's continuity. The involved divisions then take the lead in devising countermeasures.

Compliance

Education to Ensure Thorough Compliance

NEC is working to ensure that all of its employees are aware of and place maximum priority on compliance. It has established a variety of training courses, including web-based training programs on the NEC Group Code of Conduct. Also, as a measure to disclose and share internal

compliance incidents within the NEC Group to prevent recurrences, we held executive meetings on compliance for overseas consolidated subsidiaries in four regions: Southeast Asia, Greater China, the Americas, and Europe and Russia. (134 individuals from 115 companies participated in these meetings.)



Executive meetings on compliance held in February 2008 in Moscow

NEC Help Line

NEC believes in the importance of creating a positive working environment for all. We are raising employees' awareness so that they can freely discuss any issues with their superiors, colleagues, and people from related divisions. At the same time, the Corporate Auditing Bureau established an NEC Help Line in 1999 to provide a system that makes it easy for all employees to report or to seek advice in cases of known or suspected violations of the NEC Group Code of Conduct. Similar consultation and reporting systems have been established at various NEC Group companies.

Since November 2003, the service has been operated jointly with an independent third-party organization to boost convenience and to respond at an earlier stage to a wider range of compliance risks. Another goal was to make this consultation and reporting system available not only to employees and officers of NEC Corporation, but also to NEC Group companies in Japan and materials suppliers. In February 2008 we posted on the NEC intranet examples of cases where contact with the NEC Help Line triggered fact-finding inquiries that led to the correction of problems.

NEC Corporation does not encourage overseas NEC Group companies to use the NEC

URL For further details: <http://www.nec.co.jp/csr/en/report2008/riskmanagement/index.html>

URL For further details: <http://www.nec.co.jp/csr/en/report2008/compliance/index.html>

Help Line in addition to their own internal consultation and reporting systems, as it does in the case of Group companies in Japan. However, third-party consultation and reporting systems have been established in North America, Australia, and Europe and have been made available to officers and employees of overseas subsidiaries in these regions.

Information Security

Multifaceted Activities (Internal Security, Suppliers and Customers)

Principal Activities for Internal Security

● Reinforcement of information-leakage countermeasures

In fiscal 2008, NEC reinforced the capabilities of a system for preventing the leakage of customer information, personal information, and other critical information without relying solely on employees' efforts to reduce the risk of information leakage from personal computers or removable recording media. The information-leakage prevention system (New InfoCage Series) has functions such as automatic file encryption, restrictions on removable storage media connections, operation logging, and concentrated management of security policies. These functions are realized using servers for policy, file and log management and PC client software.

Furthermore, NEC installed thin client terminals (terminals containing no storage device) at workplaces where PCs must not store any information whatsoever and there is no difficulty in connecting terminals to a server.

Principal Activities at Suppliers

● Implementation of electronic document clearance campaign

To reduce the risk of improper disclosure of the NEC Group's and its customers' personal information and business information stored on PCs and removable storage devices of our suppliers, we conducted an electronic document clearance campaign targeting approximately 5,000 suppliers to which NEC Group companies had outsourced work in the areas of software development, service provision (including construction, on-site adjustment, and maintenance), or hardware design during the past two years.

We requested that suppliers delete unnecessary information from all personal computers

(whether company-owned or privately owned) and removable storage devices that had been used for NEC Group business or on which the NEC Group's data had been kept, store necessary information on secure servers, and encode any information that must be retained.

Activities Concerning Systems and Services Provided to Customers

NEC engaged in vulnerability prevention activities, including the application of a vulnerability prevention and control system to various projects, to strengthen the capability for vulnerability prevention with respect to systems and services we provide to customers.

Collaboration With Suppliers

CSR-related Activity Status Surveys of Suppliers

NEC conducted a supplier deployment program of surveying suppliers with regard to their CSR-related activities using the Supply-Chain CSR Check Sheet based on the Supply-Chain CSR Deployment Guidebook published by the Japan Electronics and Information Technology Industries Association (JEITA). In fiscal 2008, we requested 41 additional suppliers to complete the survey and received completed surveys from all of them. Analysis of the survey data from 61 suppliers, including 20 companies that completed the survey in fiscal 2007, produced the results outlined below. Based on these results, NEC will formulate and promote plans for communication with suppliers, including establishing a system for supporting improvements at priority suppliers.

● Compliance-related status

All companies reported zero compliance breaches with respect to the six priority risk categories (product quality/safety, the environment, information security, fair trading, occupational health and safety, and human rights).

● Analysis by priority risk category

The greatest advances in CSR-related activities among suppliers were in the areas of product quality/safety and the environment.

● Analysis by CSR management item

We found that issue recognition and CSR promotion structure are almost complete at all suppliers. However, ascertaining the current status of compliance and internal promotion, and internal enforcement were weak across the board and need improvement.

CSR Promotion Activities: Performance and Objectives

The table below provides an overview of the status of NEC's CSR promotion activities, including fiscal 2008 objectives and achievements, and the degree of completion, and objectives for the medium term and fiscal 2009. Disclosing progress helps to raise transparency for all stakeholders and also provides a useful internal tool for self-checking and improvement.

For more details on particular programs and initiatives, please refer to the NEC Annual CSR Report 2008 at the NEC website. [URL http://www.nec.co.jp/csr/en/](http://www.nec.co.jp/csr/en/)

Basic Policy	Key Points	Fiscal 2008 Activities and Objectives
1. Strengthen risk management and compliance	Risk management focused on priority areas	<ul style="list-style-type: none"> Implement an integrated risk management PDCA cycle for the NEC Group as a whole
	Business continuity	<ul style="list-style-type: none"> Formulate value chain BCP: 9 plans (H1), 27 plans (H2)
	Information security	<ul style="list-style-type: none"> Reinforce information-leakage prevention systems and install thin client terminals Establish overseas information security infrastructure Promote the acquisition of ISO/IEC certification
	Supply chain-related developments	<ul style="list-style-type: none"> Continue the CSR Activities Survey of priority suppliers and develop improvement and support structures
2. Contribute to solving social issues through business activities	CSR-driven core business activities to create social value	<ul style="list-style-type: none"> Establish main priority areas relating to business activities for realizing an "information society friendly to humans and the earth" and raise internal awareness Compile examples relating to each priority area and use them in various contexts as an employee training resource
	For customers	<ul style="list-style-type: none"> Collect and analyze feedback from customers and incorporate it into business activities Extend our CS activities to overseas affiliates
		<ul style="list-style-type: none"> Increase the number of Universal Design (UD) group workshops and seminars for employees, and conduct related web-based training Strengthen the usability of web-related products Apply our web accessibility evaluation tool to external NEC sites
	For shareholders and investors	<ul style="list-style-type: none"> Strive to facilitate a deep understanding of NEC among investors by holding various presentations and utilizing the website to more proactively disclose information
	For communities	<ul style="list-style-type: none"> Increase numbers of participating employees and sites across all programs compared with fiscal 2007 and create qualitative improvements NEC Make-a-Difference Drive (MDD) 2007: Achieve gains relative to MDD2006 in terms of numbers of participating sites, programs, participants and hours volunteered
	For employees	<ul style="list-style-type: none"> Expand fee subsidies payable to employees using local public childcare support services. Introduce a support system for employees undergoing fertility treatments Expand the scope of web-based human rights awareness training courses Target for participants in group training: 5,000 Target for participants in web-based training: 20,000 Promote the employment of people with disabilities: Targeted proportion of employees with disabilities at NEC Corporation: 1.98%
		<ul style="list-style-type: none"> Cultivate leadership Cultivate advanced experts Cultivate employees for global operation Establish a strong base for human resource development activities
<ul style="list-style-type: none"> Create a company-wide program providing guidance regarding exercise, nutrition, and smoking cessation Implement mental health education for all employees of NEC Corporation Prepare to adapt to the reform of the medical care system due to the revision of the Japanese Health Insurance Law in fiscal 2009 		
For the environment	<ul style="list-style-type: none"> Develop at least one top-class environmentally friendly product Achieve recycling rate of 90% Reduce energy-derived CO₂ emissions per unit of adjusted actual sales by 23% compared with fiscal 1991 	
3. Promote communication with stakeholders	Promote information disclosure centered on the CSR Report and rapidly obtain stakeholder views and reflect them in daily business activities	<ul style="list-style-type: none"> Compile NEC Group guidelines on disclosure of CSR-related information Create effective, efficient processes for gathering opinions from stakeholders reading the web-based edition of the NEC Annual CSR Report 2007; use feedback to improve activities Reinforce CSR-related initiatives based on processes linked to CSR report production and SRI evaluations

(Degree of completion: ◎ achieved ○ mostly achieved △ some progress × no progress)

Fiscal 2008 Activities and Results	Degree of Completion
<ul style="list-style-type: none"> The Risk Control and Compliance Division has issued risk examples for each risk category, guidelines such as Risk Management PDCA Implementation Guidelines, and a worksheet based on the implementation guidelines. The Risk Control and Compliance Division has conducted a risk management survey and centrally verified the implementation status of risk management PDCA cycles by each division. 	<ul style="list-style-type: none"> ◎ ◎
<ul style="list-style-type: none"> Formulated 12 plans (H1) and 44 plans (H2) 	<ul style="list-style-type: none"> ◎
<ul style="list-style-type: none"> We reduced the risk of information leakage from PCs by upgrading the functions of a system that prevents information leakage. We installed thin client terminals at workplaces which require high-level security and whose businesses they are compatible with (approximately 7,000 units). We developed an information security infrastructure for our overseas companies on which information access control based on individual authentication will be realized. We acquired ISO/IEC 15408 certification for five security-related products and systems. 	<ul style="list-style-type: none"> ○ ○ ◎
<ul style="list-style-type: none"> We requested 41 suppliers in Japan and overseas to complete a questionnaire based on the Supply-Chain CSR Check Sheet, obtained responses from all of the suppliers, and are issuing feedback reports to each supplier. We have comprehensively analyzed the responses and identified tasks for capacity building. 	<ul style="list-style-type: none"> ○
<ul style="list-style-type: none"> Seven priority areas established for CSR-related initiatives as part of business activities and disclosed internally/externally (including specific examples listed in NEC CSR Digest 2007); used as educational materials internally and by some business partners Educational video produced to raise CSR awareness among employees 	<ul style="list-style-type: none"> ○ ○
<ul style="list-style-type: none"> Improvements made based on customer feedback—Mobile phones: after feedback collected from different user surveys indicated that usability was a key issue, we improved character fonts and changed the shape of keypad buttons. NEC provided tools and analytical support for CS surveys, among other assistance, to Quality Promoters at overseas subsidiaries, as part of efforts to reinvigorate CS improvement activities in various regions worldwide and extend these activities globally. 	<ul style="list-style-type: none"> ○ △
<ul style="list-style-type: none"> We conducted an e-learning activity for all employees in the Marketing Unit of NEC Corporation and NEC Design, Ltd, and held six new workshops. With regard to package systems for local governments and the collaborativeware StarOffice X Series, we developed products aimed at user interface integration and the enhancement of usability. We started applying the tool to external sites. 	<ul style="list-style-type: none"> ◎ ○ ○
<ul style="list-style-type: none"> NEC held various briefings, including presentations of management strategies and posted briefing information on its website. 	<ul style="list-style-type: none"> ◎
<ul style="list-style-type: none"> Numbers of participating employees and sites higher than in fiscal 2007 for about 60% of programs. Qualitative improvements implemented in fiscal 2007 for about 70% of programs Although numbers of participating sites, programs and hours volunteered were higher than for MDD2006, the number of participants was not. 	<ul style="list-style-type: none"> ○ ○
<ul style="list-style-type: none"> Expanded services subject to fee subsidies (such as nursing care services for sick children) and extended subsidy period (to end of third grade). Introduced a financial support system for fertility treatment applicable to 110,000 employees at Group companies in Japan who are affiliated with the NEC Health and Welfare Mutual Aid Association Number of participants in group training: 4,381 Number of participants in web-based training: 22,331 (Extended scope of web-based training to temporary employees) Proportion of employees with disabilities at NEC Corporation: 1.93% 	<ul style="list-style-type: none"> ◎ ○ △
<ul style="list-style-type: none"> New rank-based leadership training program established for general managers of business divisions. Revised program of selective training courses introduced to help develop the next generation of leaders through discussions of company-wide issues Steps taken to make the training system for different job streams more explicit while investing in training. Global HR development program initiated Measures implemented to encourage more overseas experience for young executives and to promote overseas-related training Provided e-learning platform for overseas NEC Group operations and the development of content relating to common global issues. Established Integrated NEC Group database for HR development-related information 	<ul style="list-style-type: none"> ◎ ◎ ◎ ◎
<ul style="list-style-type: none"> Legally required measures and NEC's voluntary measures were formulated for NEC Health Innovation 21 program activities. We conducted education for all employees of NEC Corporation (participation rate of over 90%). We put in place a system for conducting legally prescribed Specified Health Examinations and Specified Health Guidance for employees aged 40 or over and for voluntarily conducting equivalent examinations and guidance for employees aged 30 and 35. We put in place a support environment for efficiently conducting health examinations and health guidance by upgrading the web-based health management system. 	<ul style="list-style-type: none"> ◎ ◎ ◎
<ul style="list-style-type: none"> Developed two top-class environmentally friendly products: iStorage HS8 and the "M" series processor for mobile phones Achieved a recycling rate of 91.3% mainly by promoting the recycling of plastic materials Reduced energy-derived CO₂ emissions per unit of adjusted actual sales by 61% compared with the fiscal 1991 level through the planned introduction of high-efficiency energy generation equipment and energy saving measures based on production innovation activities 	<ul style="list-style-type: none"> ◎ ◎ ◎
<ul style="list-style-type: none"> No progress: carried over to fiscal 2009 Web-based process created to collect online comments/opinions; 180 feedback messages collected and analyzed; improvements reflected in NEC Annual CSR Report 2008 Strengths and weaknesses of initiatives analyzed using results of interviews conducted by independent body for NEC Annual CSR Report and SRI/media-related assessments; information shared with related divisions and senior management. Improvements to internal CSR-related initiatives made based on this information, including NEC Annual CSR Report 2008 	<ul style="list-style-type: none"> × ◎ ○

Medium-term Objectives (to Fiscal 2010)	Fiscal 2009 Activities and Objectives
<ul style="list-style-type: none"> Implement effective and comprehensive risk management activities, with the view to achieving the NEC Group's business objectives, earnings targets and to ensure continuous business development 	<ul style="list-style-type: none"> Entrench risk management PDCA cycles at every NEC division Coordinate and synchronize PDCA activities for internal control systems prescribed by the Japanese Company Law and PDCA activities for internal control systems prescribed by the Japanese Financial Instruments and Exchange Law
<ul style="list-style-type: none"> Complete BCPs for almost all NEC Group companies in Japan; institute BCM 	<ul style="list-style-type: none"> Implement training programs for formulated BCPs; institute BCM and complete BCPs for businesses that have yet to be undertaken
<ul style="list-style-type: none"> Implement comprehensive information security measures covering policies and rules, management systems and training, and information systems. Based on these measures, protect customer information, personal information, and trade secrets and supply safer and more reliable products and services to customers as a product, service and solutions provider. 	<ul style="list-style-type: none"> Successively install within the NEC Group and at NEC Group suppliers an enhanced version of the New InfoCage Series of information-leakage prevention systems and thin client terminals. Increase the number of overseas subsidiaries that use the information security infrastructure that allow personal authentication-based information access control Incorporate ISO 15408 secure development methodology into development processes and efficiently provide customers with more secure SI solutions
<ul style="list-style-type: none"> Promote thorough risk management and compliance at suppliers 	<ul style="list-style-type: none"> Develop CSR improvement and support structures for major suppliers
<p>To realize an information society friendly to humans and the earth:</p> <ul style="list-style-type: none"> Incorporate CSR-related elements (environmental protection and UD, etc.) into business processes (including definition of standards and incorporation into medium-term business planning) Ensure that individual executive officers and employees of NEC can verbalize what practical measures need to be taken 	<ul style="list-style-type: none"> Construct framework to promote environmental and UD aspects as critical elements of competitiveness Promote business studies of developing nations under the theme of the digital inclusion Promote greater awareness of CSR-driven core business activities (that can help solve social issues) among senior managers (general managers, etc.) of NEC business divisions (for example, using seminars) Promote greater awareness among employees on an ongoing basis (for example, through CSR conventions, poster campaigns, educational videos, etc.)
<ul style="list-style-type: none"> NEC gives top priority to providing products that can be used by customers with peace of mind. We therefore strive to improve the quality of employees, products and services, and business processes from the customer's point of view, with the aim of becoming the industry No. 1 in CS. 	<ul style="list-style-type: none"> Overall dissatisfaction rating (slightly dissatisfied + dissatisfied) from CS surveys of corporate and public-sector clients Fiscal 2008: 16% → Fiscal 2009: 13% NEC will work to promote CS improvement activities at overseas consolidated subsidiaries.
<ul style="list-style-type: none"> Conduct initiatives in all business processes to deepen awareness of UD Expand product development that incorporates a UD viewpoint Reinforce accessibility and usability Enhance communication regarding NEC's UD initiatives 	<ul style="list-style-type: none"> Conduct e-learning activities for all NEC corporation employees Develop training systems, including workshops and seminars Survey application status of UD and strengthen UD promotion framework Develop proprietary guidelines to reinforce usability Strengthen communicative capability through the website Announce NEC's UD achievements at outside exhibitions
<ul style="list-style-type: none"> Further enhance communication with shareholders and investors 	<ul style="list-style-type: none"> Proactively provide information about growth strategies to shareholders and investors
<ul style="list-style-type: none"> Make an active contribution to solving social issues based on the following themes: a) Contributing to the realization of a ubiquitous networking society at a grassroots level b) Educational support for the next generation c) Achieving an affluent and diverse society d) Environmental protection 	<ul style="list-style-type: none"> Implement improvements (especially IT-based improvements) for at least one program in each of the areas identified in the medium-term objectives Commence at least two new programs as fresh initiatives MDD2008: Achieve gains over MDD2007 in terms of numbers of participating sites, programs, participants and total hours of participation. Gain fresh participation by at least two domestic and two overseas NEC Group sites
<ul style="list-style-type: none"> Promote work-life balance (e.g., implement the Action Plan to Help Nurture the Next Generation) Employ people with disabilities and further promote human rights awareness training 	<ul style="list-style-type: none"> Introduce a re-employment system for people who have left NEC Corporation for reasons such as childcare and nursing care Revise systems at NEC Corporation aimed at encouraging male employees to take leave or shorter working hours for childcare Reinforce the provision of information to students with disabilities to promote employment of people with disabilities at NEC Corporation
<ul style="list-style-type: none"> Company-wide measures to expand business and achieve further growth: cultivate leadership, cultivate advanced experts, cultivate employees for global operations, and establish a strong base of human resource development activities. In conjunction with these measures, NEC Corporation will be developing human resource programs customized for the special business features of each business unit and common programs for all occupations. 	<ul style="list-style-type: none"> Expand and upgrade rank-based training Expand and upgrade HR development programs for advanced experts Step up training of software development personnel in China Undertake full-scale global deployment of e-learning platform Use HR development data effectively by linking information provided in training to the Self Innovation and Empowerment System
<ul style="list-style-type: none"> OH&S: As the basis for legal compliance, establish a daily inspection function in workplaces and further reinforce management systems for auditing, monitoring, etc. Health management: Not only to provide health care for high risk employees, but also to prevent healthy employees from becoming unhealthy by strengthening measures to promote improved mental and physical health. 	<ul style="list-style-type: none"> OH&S activities: Establishment of a daily activities inspection system in workplaces and rigorous cross-checking. Implement cross-checking between NEC Group companies in Japan. Mental healthcare: Review the content of web-based education first conducted in fiscal 2008 and continue to conduct education for all employees of NEC Corporation. Prevention of health impairment: Introduce at Group companies in Japan with 1,000 or more employees a framework for preventing health impairment involving countermeasures to the risk of cerebrovascular and heart disease and to long working hours. NEC Health Innovation 21: Implement health mileage activities for the purpose of raising awareness of health promotion.
<ul style="list-style-type: none"> Halve CO₂ emissions from products in fiscal 2011, compared with fiscal 2006 Develop seven top-class environmentally friendly products (Eco Symbol Star) in fiscal 2011 Reduce total GHG emissions (in absolute terms) by 30% in fiscal 2011, compared with fiscal 2006 	<ul style="list-style-type: none"> Reduce CO₂ emissions from products by 30% compared with fiscal 2006 Develop three top-class environmentally friendly products (Eco Symbol Star) Reduce total GHG emissions (in absolute terms) by 9% compared with fiscal 2006
<ul style="list-style-type: none"> Disclose CSR-related information on a consolidated basis Establish improvement cycles for CSR-related initiatives derived from stakeholder opinions or other society-derived requests 	<ul style="list-style-type: none"> Formulate CSR-related information disclosure guidelines for the NEC Group and disseminate within the Group Promote NEC Group guidelines on disclosure of CSR-related information Establish an effective process for responding to society-derived requests (including SRI/media-related external evaluations, customer requests to address CSR-related issues, CSR Report-related feedback, and third-party opinions) and promote related internal improvements

Independent Review of NEC Annual CSR Report 2008

This review was written based on an examination of NEC Annual CSR Report 2008 and on interviews with relevant NEC personnel with responsibilities in areas such as the environment, human resources, occupational health and safety (OH&S), procurement, customer satisfaction (CS), universal design (UD), compliance, information security, business continuity plans (BCPs) and social contribution activities. In my opinion, NEC's CSR activities involve the appropriate application of PDCA management cycles across a broad range of items, from measures to reduce the environmental impact of operations to efforts to involve suppliers. NEC has also made steady progress in developing Group-wide initiatives.

Areas of Excellence

- NEC continues to make progress using PDCA-based management techniques that are applied across all CSR-related activities, as evidenced by the identified fiscal 2008 objectives, fiscal 2008 progress and achievements, medium-term objectives to fiscal 2010 and fiscal 2009 objectives.
- In terms of reducing its environmental impact, NEC is reducing overall emissions by managing and sharing Group-wide energy conservation activities on a quarterly basis through production innovation activities, and through steady progress in the implementation of more mixed-mode distribution, office-based activity programs and other measures.
- Using a Supply Chain CSR Checklist based on its Supply-chain CSR Guidelines, NEC has begun to understand the status of and to promote suppliers' activities centered on six priority risk categories.
- To improve the security of information received from customers and suppliers, NEC has requested approximately 5,000 suppliers to delete unnecessary information and store necessary information on secure servers. Around 2,700 employees of NEC's suppliers have been trained as instructors in information security.
- To promote employee health and safety, NEC has reinforced its health guidance systems by grouping regional bases into 10 blocks in Japan and appointing industrial physicians and health professionals to each block. NEC has also revised the contents of its Web-based interview sheet (health check sheet) on which employees who work long hours describe their own health condition, making it possible to ascertain accumulated fatigue. Lifestyle improvement guidance is provided to employees aged 30 or over to prevent metabolic syndrome.
- Steadily increasing numbers of employees of NEC Corporation are taking leave or reducing their working hours for childcare or nursing care purposes, with the total percentage now up to 5% of all employees. We would like to see such systems adopted across the entire NEC Group.
- NEC is enhancing support measures for employees caring for children by expanding their scope to include private-sector childcare services, such as those offered by NPOs. NEC also introduced a financial support system for employees undergoing fertility treatment.
- NEC posts on its intranet examples of cases where contact with the NEC Help Line led to the correction of problems.

- Natural disaster-related BCPs have been created for 61 NEC Group businesses and group training sessions were held in May 2008. Going forward, I hope to see NEC develop BCPs against risks such as cyber attacks and outbreaks of infectious diseases and apply BCP thinking to develop workplace structures promoting greater interchangeability of personnel in a crisis (making it easier for employees to take leave even in ordinary circumstances).
- NEC is actively promoting the adoption of UD principles for PCs, ATMs and other products. We would also like to see NEC extend such thinking to software usability and incorporate the needs of people with disabilities at an earlier stage of product development.
- The NEC Make-a-Difference Drive program of social contribution activities, in which NEC group employees participate around the world, continues to see increases in terms of total hours of participation and number of programs.

Areas Requiring Greater Effort

- With regard to the promotion of CSR-related activities by business partners, we would like to see NEC provide business partners with information about trends and issues identified by Supply Chain CSR Checklist-based evaluations, and further encourage them to implement appropriate actions not only in terms of environmental measures, but also in OH&S, management of working hours and other human-rights related issues. For example, NEC could create a platform for promoting voluntary CSR improvements across the supplier base, by establishing working groups for various issues or regions, or by instituting an award system to recognize excellence.
- For companies operating in the global marketplace, employment of a diverse personnel base is an essential basic strategy for raising the value of products and services on an ongoing basis. We hope that NEC will review and enhance measures to support those in the minority at present, while deepening cooperation with NPOs in related areas so that the upper levels of management can also start to reflect greater diversity in human resources.

International Institute for Human, Organization and the Earth (IIHOE)



Chief Executive Officer: Hideto Kawakita

川北 秀人

Organization Profile:

Established in 1994, IIHOE is a non-profit organization (NPO) dedicated to promoting "balanced and democratic development for all life on earth." Alongside its main activity of providing management support to civic groups and social entrepreneurs, IIHOE also offers CSR-related support to leading companies. URL: <http://blog.canpan.info/iihoe/> (Japanese only)

Measures Implemented in "Areas Requiring Greater Effort" Identified in NEC Annual CSR Report 2007

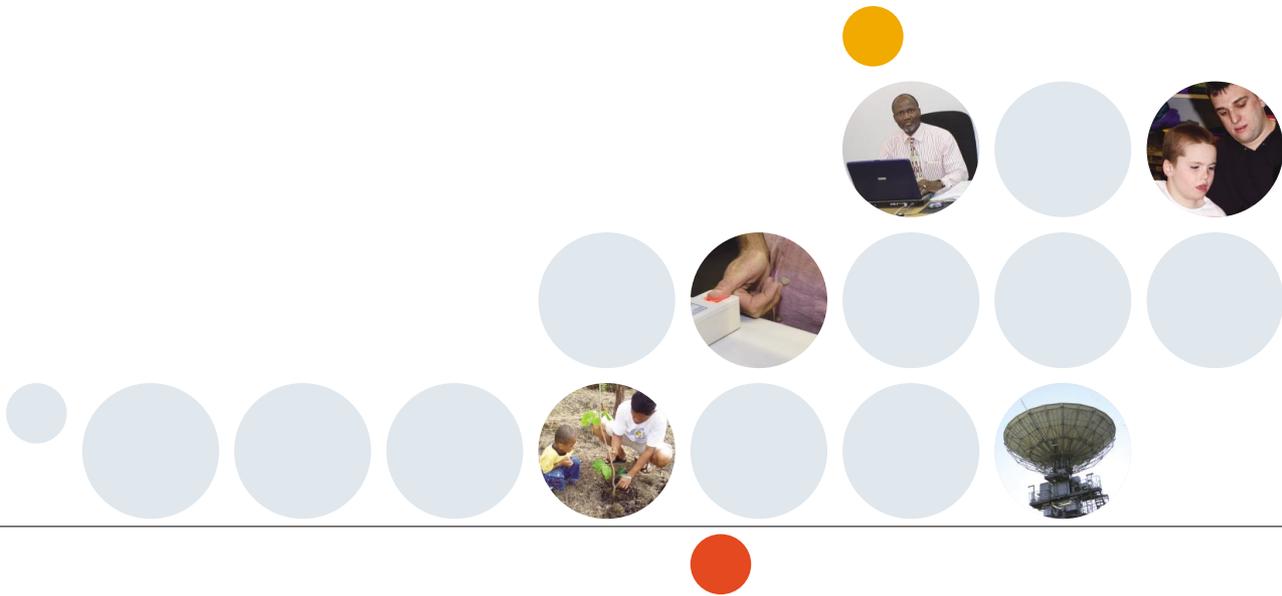
- On the environmental impact-reduction front, NEC could expand its environmental solutions business to offer assistance to customers, suppliers, retailers and other business partners in introducing essential energy-saving measures being implemented across the NEC Group.
- ▶ NEC supplies environmental solutions based on expertise acquired over many years of related activities. In fiscal 2008, we organized NEC Group initiatives related to environmental solutions more systematically. Going forward, besides developing advanced environmental activities, we plan to contribute to customers' environmental management programs through businesses utilizing related expertise.
- In terms of business continuity planning (BCP) for emergencies, we believe that NEC should also create contingency plans to prepare for risks other than natural disasters, such as outbreaks of infectious diseases and cyber attacks. We also think that BCP activities should consider various social aspects, such as providing assistance for any affected communities that are close to NEC sites.
- ▶ Members of corporate staff divisions of NEC established a project in December 2007 to formulate a BCP relating to potential outbreaks of new strains of influenza. Corporate staff deliberations on this issue are now virtually complete, and business divisions will start to consider this issue from fiscal 2009. We are also making plans to upgrade and expand the support provided by NEC to local communities close to NEC sites in the event of any disaster.
- With regard to the promotion of CSR-related activities by business partners, we would like to see NEC expand significantly the number of companies in NEC's supply chain being surveyed using the Supply Chain CSR Checklist. We also think that NEC should provide case studies, guidance and other forms of assistance to suppliers on issues besides environmental measures. This could help NEC business partners to implement appropriate actions relating to areas such as employee OH&S, management of working hours and other human rights-related issues. For example, NEC could create a platform for such programs by establishing working groups for various issues or regions, or by instituting awards to recognize excellence.
- ▶ We are regularly gathering case examples and information about problems concerning not only environmental measures, but also about human rights and OH&S. We are analyzing the results of the CSR Activities Survey and considering programs for jointly addressing important issues with suppliers.
- We think that management systems to prevent work-related health problems should be organized on a project basis as well as by company and site. We would also like to see NEC introduce a system that encourages employees to voluntarily take greater responsibility for their own health management.
- ▶ NEC will successively introduce its framework for prevention of health impairment beginning with NEC Group companies in Japan. In addition, in future we will put in place environments for Group companies to engage in health management using the same standards as NEC Corporation, such as in projects in which employees from various companies participate.
- For companies operating in the global marketplace, employment of a diverse personnel base is an essential basic strategy for raising the value of products and services on an ongoing basis. We hope that NEC will continue to focus on making this basic strategy work more effectively so that the upper levels of management can also start to reflect greater diversity in human resources.
- ▶ NEC has already been expanding human diversity at the upper management level through such endeavors as the appointment of women as directors, business division managers, and presidents of affiliated companies and the reinforcement of leadership by locally employed executives at various subsidiaries around the world. The Company will continue striving to increase the appointment and nurturing of personnel based on their ability and achievements, regardless of their gender or other such attributes.

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This report is printed using environmentally friendly soybean oil ink.

Issued in July 2008
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Printed in Japan