Human Resources Development and Training

NEC is developing human resources who can contribute to its operations by utilizing the "NEC Way". This is based on a self-development approach in which employees take the initiative to develop their own skills and capabilities.

In April 2016, NEC established a "human resources philosophy" to train employees to take the initiative from the customer's point of view and continue to create social value, to grow an organizational climate and culture.

**Policy**

At NEC, human resources development is rooted in the self-development approach and is focused on developing employees who contribute to business operations. This type of development is based on three core objectives: "strengthening capabilities", "cultivating professionals" and "developing management personnel."

Management of Human Resources Development at NEC

Based on the following "human resources philosophy", NEC will train employees who have high ethical standards, always act from the customer's point of view by understanding the customer's fundamental issues and the market and continue to create social value.

To realize the social solution business, NEC cares about persons who have high ethical standards, respect diversity, self-reflect from a heightened and broad perspective, successfully challenge boundaries, and achieve goals. NEC values executive officers and managers who think outside the box, and create an organizational climate where they feel free to speak their minds.
Policies and Programs

Human Resources Development

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

Training system at NEC

NEC has common training courses that are highly diverse, ranging from programs intended for all employees to courses taken when an employee is promoted or specially selected. Job-specific courses are also offered to provide employees seeking to become professionals in a specific field the opportunity to enhance and refine their expertise. The following are some of our key programs.

Global Training

As a company that does business all over the world, NEC carries out a variety of programs for global HR enhancement. One of its programs is an English-language program designed to stimulate employees’ interest in other countries while also providing basic skills for doing business overseas. Going beyond the conventional language course, the program focuses on multicultural communication and business skills in a comprehensive manner, and also includes a practical component in which participants work onsite overseas, normally in an emerging country.

A new select training program was established in fiscal 2014 for senior management candidates from overseas subsidiaries and NEC headquarters. It is conducted entirely in English.

For employees working in key overseas locations, we provide Web training contents in English that are common to the whole company, which are regarding CS, human rights and information security.

NEC Certified Professional (NCP) System

Recognizing that people are the most significant resources, NEC believes it is important to develop highly specialized professionals who can deliver true value to customers. The NEC Certified Professional (NCP) system was introduced for this purpose. Approximately 11,000 individuals have been certified as career professionals under the NCP system as of March 2016.

For each personnel category such as SE or service personnel, the NCP system divides qualifications into four grades that define increasing degree of specialization corresponding to higher market value. Within each grade, separate personnel qualifications are defined for each category based on an analysis of which business processes are critical to a field. Qualifications specify in detail the levels of skills and performance required for certification at that grade.
Global Human Resources Information System - "SAKURA"

NEC as well as group companies in Japan use "Global Human Resource Information System (SAKURA)" as the platform to support human resources development. Currently, 23 companies have adopted the system.

HR Utilization Program

Selecting NEC Group Key Positions (GKPs) and Developing Executive-Level Personnel

To ensure that the best people are assigned to important positions throughout the NEC Group regardless of geographic location, key positions are identified, with promotions for those positions and the training of successors conducted in a systematic manner.

In addition, the recruitment system for the NEC Group supports the autonomous career development of individual employees, enhances diversity in personnel assignments, and promotes greater dynamism throughout the organization. Under the system, divisions requiring additional personnel post job descriptions and qualifications on the NEC intranet. Employees are then able to apply for the positions based on their own career aspirations without having to consult with a supervisor. After employees apply, submitted documents are reviewed and interviews are conducted by the recruiting division, and successful applications are then transferred to that division.

Career Development Support Programs - Lifetime Career Support

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

The following are the principle programs.

1. "Work and Life Balance" training: Participants who reach the milestone ages of 30, 40 or 50, review their own career paths and establish additional goals for skill development. Approximately 1,000 employees participated in this training in fiscal 2016.

2. "NEC’s Career Parcel®": This program provides employees at the key intermediate milestone ages of 35, 45 and 55 with the opportunity to assess their future careers and life plans using career-related and other information appropriate to each group. For employees in the age 55 group in particular, we offer the Life Design Seminar, which focuses on Web training on retirement benefits and pension plans.

3. "Career Advice": Through this program established in 2002, NEC provides employees with career advice to support self-guided career development. Professional career advisors, from their specialized perspective, consult with employees on career development, including on the issue of "Work and Life Balance" and making objective judgments on values and aptitudes. Four career advisors consult with around 700 employees each year.

* NEC's Career Parcel® is the trademark of NEC in Japan.
Main Activities and Results in Fiscal 2016

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<tr>
<th>Upgrade and Expand the Pool of Global Leaders</th>
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<td>The 27th NEC Management Academy, a key part of the Company's efforts to upgrade HR development programs for GKP candidates, was held from October 2015 to February 2016 for future division manager candidates. The program is designed to help participants acquire management knowledge and a managerial mindset from the standpoint of strategy, people, products and money and promote their evolution from function to management professionals. It begins with having participants think about the meaning to themselves of The NEC Way, NEC Group Vision 2017 and NEC Group Core Values. They then individually propose growth strategies for their own divisions and make recommendations about cross-organizational initiatives for realization of the Mid-term Management Plan 2016 for each group. In addition they completed a &quot;360-degree multi-facet evaluation&quot; and gave feedback, identifying strengths and issues as a global leader.</td>
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In fiscal 2013, NEC also launched follow-up sessions to ensure that the participants had retained valuable personal connections, information, ideas and relationship acquired through the NEC Management Academy after completing the training program. In conjunction with devising a strategy for one's own division, starting in fiscal 2015 the focus of training for new divisional managers shifted from strategic planning to "practice in the field". |

Launched in fiscal 2014, Drive NEC, the overseas version of the NEC Management Academy, was held in Japan for about one week in May 2015. This was for members of overseas subsidiaries who were expected to be the leaders providing the impetus for the global business going forward. This provided an opportunity for candidate leaders from various regions to meet in the same place at the same time and discuss or brush up thoughts about business, strategies and business models while spreading their human network globally. |

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<tr>
<th>Define an HR Ideal for &quot;Solutions for Society&quot;</th>
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<td>NEC's Mid-term Management Plan 2015 set forth the goal of &quot;Becoming a 'social value innovator', and to this end we reformed existing business models, launched &quot;Solutions for Society&quot;, and considered and defined specific job roles and career paths for business development personnel needed to further expand the business. In addition, based on interviews with NEC members already involved in the field, we formulated the aspects of the abilities of &quot;super high level human resources&quot; and a specific job role model with reference to other companies' benchmarks and the conclusions of the Ministry of Economy, Trade and Industry's Frontier HR Research Committee. We intend to utilize this model in creating specific development, programs and systems going forward.</td>
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<tr>
<th>Enhance the Systematic Training of Young Employees</th>
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<td>The 3 YEARS Fundamental Program (3FP) was started in fiscal 2014 with the goal of enabling all young employees to embody the NEC Group Vision 2017 and NEC Group Core Values, in which employees with sufficient basic skills can immediately be effective players or workers by the end of their third year at the company. The program seeks to shore up fundamentals of young employees and get them ready to more fully contribute.</td>
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The program has a variety of components, including milestone training in which employees review their experiences each year, practical onsite training sessions at production facilities and in the sales arena, as well as a program in which employees utilize what they have learned to solve problems at their own workplaces. |

In addition, to foster a culture of young employee development throughout the organization, we have extended the on-the-job development (OJD) period to three years, held seminars for supervisors, and issued an email newsletter with helpful information on training and development. |

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<th>&quot;Visualization&quot; and Development of Global Professionals</th>
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<td>NEC has been creating systems since fiscal 2011 for the development of professional personnel from the standpoint of global optimization to provide HR support for the NEC Group’s global business development. One such system is a Web-based SaaS-style human resources and skill management tool created on the basis of our global standard human resources and skill framework, which is intended to provide a common global metric for assessing human resources. This tool, which can be utilized to create a global, Web-based visualization of the skills of professional personnel at overseas subsidiaries, was instituted at NEC Telecom Software Philippine.</td>
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Skill surveys were also conducted in fiscal 2016 at overseas subsidiaries that had not yet introduced the tool, which has made it possible for us to visualize the skill of approximately 80% of our service personnel, system engineers and software developers both domestically and overseas. |

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<tr>
<th>Cultivate Key Global Personnel</th>
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<td>Since fiscal 2009, NEC has conducted the Global Track to Innovator (GTI) program to foster globally viable innovators by assigning new employees overseas for a period of one to two years. Over 100 employees have been sent overseas.</td>
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The program selects new employees with the potential to become a key part of future global operations and conducts global business skills training in English for around 20 days in Japan. After about one year at NEC, participants are sent to overseas affiliates and other companies to conduct overseas work for one to two years in a specialized field alongside local employees.

### SAKURA Results

NEC utilizes the Global HR Information System (SAKURA), which manages the individual cultivation plan or result information also serves as a platform for HR development activities. The number of training days per NEC employee and per NEC Group employee registered in the system in fiscal 2016 was 4.9 and 4.0 days respectively.

### Monitoring and Improvement

The HR development programs in which the needs of each business division are also reflected are evaluated and improved.

In addition, in cooperation with NEC Management Partner, Ltd., NEC seeks to evaluate and revise training courses periodically based on evaluations by course participants.

### Objectives and Achievements

#### Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

- Upgrade and expand the pool of global leaders
- Strengthen professionals
- Strengthen training of young employees who can act autonomously with enthusiasm
- Develop a global human resources development platform

#### Fiscal 2016 Objectives, Achievements and Progress, and Degree of Completion

(Degree of completion: © Achieved / ○ Mostly achieved / △ Some progress / X No progress)

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<tr>
<th>Objective</th>
<th>Achievements and Progress</th>
<th>Degree of completion</th>
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| 1. Further expand and globalize the training program for executive officer | • Held NEC Management Academy from October 2015 to February 2016 and continuously produced executive officer.  
• Through discussions with executive candidates from other companies, extended "Opportunity for an Exchange Opinions with Other Companies" that extends the vision and personal connection as a management leader.  
• Promoted a project to implement a personal network beyond generations of senior-level management candidates and held a "Management Session (Session J)" where division managers in particular can communicate with other managers crossing divisions and raise their awareness and motivation.  
• Held a coaching session with an internal coach for mainly new division managers. | ○ |
| 2. Accelerate training for personnel who will lead "Solutions for Society" | • Held basic training sessions (Web training sessions) such as "Business model review", "Lean start-up", etc., in which all employees must participate. (About 22,000 participated in the training sessions.)  
• Furthermore, held a workshop to practice the above sessions. (Web training sessions: About 650 participants / Workshops: About 3,500 participants.) | ○ |
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| 3. Strengthen training to enable young employees to experience NEC Group Vision 2017 & Core Values | · At the NEC Group common training for new employees, the Vision and Value Workshop (1 day) was conducted where employees could learn NEC history and how “Vision Value” was born.  
· New NEC Group employees (about 1,200) assembled under one roof and the ONE NEC Program (1 day) was conducted. Understanding was deepened with respect to the “Vision Value” through group work and a talk by the president.  
· Milestone training was conducted for early development of human resources, specifically employees in their first, second and third years at the company, so that they come to embody the NEC Values. | ☰ |
| 4. Maintain a globally unified personnel training platform | · Released the Global HR Information System (SAKURA) under the following purposes:  
- Contribute to each employee’s growth and the organization’s growth,  
- Improve the ease by which employees can take the training by centrally managing the qualification/training information or personnel information,  
- Streamline and standardize the HR system and business processes of the whole NEC Group. | ◎ |

**Objectives for the New Medium Term (From fiscal 2017 to fiscal 2019)**

1. Upgrading and expanding the next generation of business managers
2. Upgrading and expanding the highly-skilled professionals who play a critical role in business growth
3. Maintaining the platform to strengthen human resources

**Fiscal 2017 Objectives**

1. Upgrading and expanding the next generation of business managers: Launch “NEC Social Value Creation Seminar” and upgrade and expand the training program to cultivate the next generation of business managers.
2. Upgrading and expanding the highly-skilled professionals: Upgrade and expand ways to cultivate highly skilled professionals.
3. Maintaining the platform to strengthen human resources: Implement the Global HR Information System (SAKURA).