

75-84	Respecting Human Rights	85-93	Diversity and Inclusion
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Creating a Diverse Work Style Environment

NEC aims to provide a working environment that will bring value and achieve a successful work-life balance. To that end, our human resources, who play such an active and important role in our growth, are trained and fairly evaluated to help us realize the ideal work environment.

Policy

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

Promotion Framework

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

Measures and Systems

Personnel System and "Two-Way Communication"

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

NEC pays appropriate salaries and bonuses based on ability and performance and various laws and regulations, collective labor agreement and internal regulations. The average annual salary of NEC employees is 8,048,801 yen, and the average length of employment is 18.8 years (As of March 31, 2017).

Work Style Transformation

At NEC, labor and management cooperate to implement flexible working styles, prevent overwork, and promote time off from work.

The status of these efforts is confirmed by labor-management committees in each business unit and office to shorten work hours and ensure employee health while also promoting time off from work. In addition, to respond to changes in the business environment and the diversifying needs of employees, we have expanded the range of employees allowed to work from home and to "bring your own device" (BYOD). This has not only contributed to creating a better work-life balance for employees, it has also led to increases in worker productivity.



Interactive workshop on the theme of "Work Style Transformation" attended by executives and young employees

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Main Activities and Results for Fiscal 2017

Two-way Management

We have continued and repeatedly held deliberations between labor and management in fiscal 2017 in regard to operations that will further enhance two-way communication and enable effective dialog. Based on the results of the “One NEC Survey” (Employee Opinion Survey), we reviewed the management improvement suggestions at each work place, employed them and at the same time held a training session for evaluators in management on a company-wide basis.

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

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

The rate of taking paid leave at NEC for fiscal 2017 was 69.3%, which was higher than the previous year (67.9%), while the average monthly overtime, 17.1 hours, was lower than the previous year (17.4 hours).

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

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

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

Child Support

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

In particular, NEC has implemented: (1) a system to help with the payment of childcare fees at government-run nurseries (Subsidy for Family Support Service), and (2) a system to provide employment support (childcare support system) when relocating in order to raise children. To increase the number of employees who make use of these systems, NEC relaxed certain conditions for their use in 2012 and again in 2014.

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

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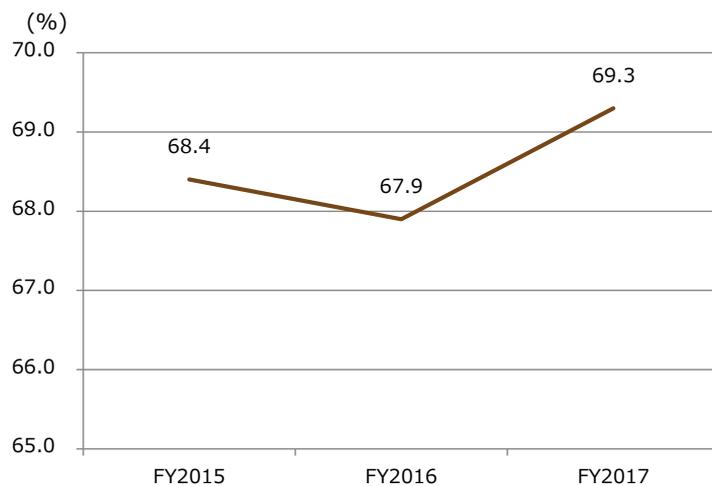
Nursing Care Support

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

- 1) A "Nursing Care Relocation Expense Subsidies" System, under which NEC will provide subsidies for relocation expenses incurred by employees who have their parents move in with them or move nearby so that they can provide nursing care
- 2) A "care environment maintenance funding" system whereby financial support is made available when an employee has to incur major expenditures, such as making structural modifications to the family home or moving to a long-term care facility, as a result of a care review of a parent with a high level of nursing requirements
- 3) NEC Corporation has launched a nursing care support website to help reduce any feelings of isolation or frustration experienced by nursing care providers.

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

Paid leave [Scope: NEC Corporation]



Number of people of utilizing childcare and nursing care leave [Scope: NEC Corporation]

(Number of persons)	FY2015	FY2016	FY2017
Childcare leave	388	395	376
Reduced working hours for childcare	814	850	893
Nursing care leave	16	19	18
Reduced working hours for nursing care	17	16	19

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History of the introduction of systems to support workers responsible for childcare/nursing

FY	Systems Introduced
2017	<ul style="list-style-type: none"> Added "looking after one's children or grandchildren before they go to elementary school" as one of the reasons for which employees can use the Family Friendly Leave System
2015	<ul style="list-style-type: none"> Changed the number of times employees responsible for childcare/nursing care can arrive late to work from eight times per month to ten times per month Enhanced Subsidy for Family Support Service (Private facilities under contract with or introduced by national or municipal governments added to subsidy eligibility).
2013	<ul style="list-style-type: none"> Extended applicable period for telecommuting system – (Extend from the end of third grade to the end of sixth grade) Extended applicable period for Subsidy for Family Support Service – (Extend from the end of third grade to the end of sixth grade) Enhanced Childcare Support System – (Revised requirements for the application of the system to "day-care centers providing childcare until 20:00")
2011	<ul style="list-style-type: none"> Introduced Nursing Care Leave – (Employees can obtain up to 5 days multiplied by the number of family members requiring nursing care) Added reasons of sickness prevention for children before entering elementary school to the Family Friendly Leave System Exempted employees raising children under the age of 3 from overtime work Offered Subsidy for Relocation Expenses incurred to provide nursing care Introduced a subsidy program for expenses (up to ¥200,000 a year) related to changes in nursing care methods, such as home renovations or relocation into a nursing home Launched Intranet website on a nursing care support
2009	<ul style="list-style-type: none"> Introduced Retiree re-entry system—a re-employment system for people who have left the Company for reasons such as spouse relocation, childcare and nursing care, provided certain requirements are met.
2008	<ul style="list-style-type: none"> Introduced financial support system for fertility treatment (up to ¥200,000 a year)
2006	<ul style="list-style-type: none"> Offered Subsidy for Relocation Expenses for childcare
2005	<ul style="list-style-type: none"> Introduced Parent Fund: Payments to employee or dependent giving birth of ¥550,000 per child
2003	<ul style="list-style-type: none"> Revised Family Friendly Leave System: Medical and nursing care leave system revised. In addition to existing reasons for medical care and nursing, added reasons of birth by spouse, sickness prevention for employees and family members, including immunization, nursing care of family members, family members' school events such as parents' days, and volunteer activities.
2001	<ul style="list-style-type: none"> Introduced Telecommuting System
1999	<ul style="list-style-type: none"> Introduced Childcare Coupon System: Provision of discount coupons of babysitter services by All Japan Childcare Service Association.
1998	<ul style="list-style-type: none"> Introduced Nursing Care Coupon System: Provision of discount coupons for nursing care services provided by nursing assistants registered at nurse and housekeeper agencies nationwide.
1993	<ul style="list-style-type: none"> Introduced reduced working hours for nursing care Introduced reduced working hours for childcare Introduced Medical and Nursing Care Leave: Leave system that are separated from the annual leave system; It enables employees to take leave for the purpose of treatment of sickness and injuries and medical care as well as to care for family members.
1991	<ul style="list-style-type: none"> Introduced Childcare Leave System Introduced Nursing Care Leave System

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Objectives and Achievements

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

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

Fiscal 2017 Objectives, Achievements and Progress, and Degree of Completion

Objectives	Achievements and Progress	Degree of Completion
<p>1. Reduction of total work hours</p> <ul style="list-style-type: none"> • The goal for the average overtime work hours is a reduction in hours from fiscal 2016. The goal for taking more paid leave and taking compensatory leave is an increased rate over fiscal 2016. • A revision of the Health Check Sheet (fiscal 2017) (criteria to select overtime workers) and setting the criteria at 70 hours or more per month to reduce the number of overtime workers. 	<ul style="list-style-type: none"> • Compared to the previous year, the average monthly overtime decreased (from 17.4 to 17.1 hours), and the annual rate of taking paid leave (from 67.9% to 69.3%), as well as the rate of taking compensatory day off (from 38.2% to 45.3%) increased. • We endeavored to ensure the health of employees by moving the finishing time by which employees can avail of the "rest interval system"* to an hour earlier. <p>* A system wherein employees can delay the time for starting work the next time day depending on the time for finishing work the previous day, in case they expect to work beyond 22:30, as a means to ensure the health of employees working overtime until late at night.</p>	Achieved
<p>2. Deployment of "Work Style Transformation" that should improve productivity</p> <ul style="list-style-type: none"> • Flexibly operate the "Work at Home" system or "Secure BYOD" and extend the number of users of those systems to promote a "work style" by which a wide range of employees can successfully work. 	<ul style="list-style-type: none"> • We continued deliberations between labor and management to improve productivity, and decided to revise and expand the different internal work systems, such as the Telecommuting System, within fiscal 2018. 	Some progress
<p>3. Increase in the number of users of childcare and nursing care services.</p> <ul style="list-style-type: none"> • Increase the number of users of childcare and nursing care services (childcare coupon, taking leave for childcare or nursing care), support employees who wish to pursue their careers, and encourage employees to pursue a satisfactory work- life balance. (These services will be enhanced in fiscal 2017.) 	<ul style="list-style-type: none"> • We enhanced the services to support a healthy work-life balance, such as leaves for childcare and nursing care, childcare coupons, etc. 	Mostly achieved

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Fiscal 2018 Objectives

<p>1. Reduction of total work hours</p>	<ul style="list-style-type: none"> • Aim to achieve an average monthly overtime lower than in fiscal 2017. • Aim to increase the annual rate for taking paid leave and rate for taking compensatory day off to higher than those in fiscal 2017. • Aim to further reduce total work hours to lower than that in fiscal 2017.
<p>2. Implementing “Work Style Transformation” that leads to improvement of productivity</p>	<ul style="list-style-type: none"> • Enhance work styles to enable high productivity through expansion of telecommuting and use of Secure BYOD, and improve the work environment to enable diverse employees to participate and advance in the workplace.
<p>3. Expansion of services supporting work-life balance</p>	<ul style="list-style-type: none"> • Support continued employment and career formation by monitoring the actual status of achieving a healthy balance between work and childcare/nursing care and through enhancement of work-life balance programs.