

Sustainable Management	Environment	Governance	<b>Social</b>	67-70 Inclusion and Diversity <b>71-74 Human Resources Development and Training</b> 75-76 Creating a Diverse Work Style Environment	77-79 Health and Safety 80 AI and Human Rights 81-83 Personal Information Protection and Privacy	84-86 Information Security and Cyber Security 87-88 Ensuring Quality and Safety 89 CS (Customer Satisfaction) Initiative	90-91 Cooperation with the Local Communities
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# Human Resources Development and Training

## Policy

Recognizing that people are its greatest resource, NEC believes it is important to develop highly specialized professionals who can deliver true value to customers. Based on the [NEC Way](#), we are working to develop human resources and an organizational culture that are able to continuously create value for society, constantly acting from a customer-oriented perspective with a high sense of ethical value and a deep understanding of the essential issues faced by customers and society.

NEC considers “Sustainably and socially literate human resources” as part of its “materiality,” a selection of priority management themes from an ESG perspective, and has implemented various measures organized by role and theme while making strategic investments. With a view to measuring our progress on materiality issues, from fiscal 2019, we have asked NEC Group employees whether they have a strong sense that NEC is changing to create social

value by accepting a diverse range of values, and analyzed the changes in their responses.

Socially literate human resources are curious about our changing society, and have the ability to take the initiative, and think through the essential issues. They are also required to identify simple, clear goals amid the continuously changing times, and identify approaches that leverage their strengths, being agile, never missing an opportunity, embracing risk even if it means failure.

This requires each individual to take ownership of their work and drive relentlessly towards their end goal, resolving challenges as they arise with passion and determination. In addition, we believe it is important that we firmly establish an organizational style and culture where all employees can participate actively and grow based on this stance, helping one another to attain higher levels of achievement regardless of confrontation or status.

These kinds of human resources that are sought by NEC are defined in its Code of Values. By implementing the Code of Values, NEC aims to create strong individuals and strong teams.

In addition, in 2019 we formulated a new HR policy, “NEC, for those who seek challenge.” aimed at clarifying our ideas on a string of measures for transforming our people and our organization so that they can continue to compete successfully in the global arena by implementing the Code of Values to a high standard.

Moreover, NEC’s Learning & Development strategy is to promote the basic approach of “self-development,” in which employees consciously develop their own skills based on the following three core objectives:

- Strengthening execution capabilities
- Cultivating professionals
- Developing the next generation of leaders

▶ [Priority Management Themes from an ESG Perspective - Materiality](#)



### NEC, for those who seek challenge.

#### Diverse opportunities for challenge

Our guiding principle is right time, right position, right person. Diverse opportunities for challenge are provided, which employees can take advantage of to flexibly build their own careers.

#### Unlimited growth opportunities

If your outlook is ambitious, you can continue improving your skills and growing as a professional.

#### Fair appraisal and progressive rewards

Performance is evaluated fairly and rewarded with the appropriate pay and subsequent growth opportunities and positions.

#### Work environments and culture that bring out your best

Systems support good work environments and culture in addition to a fulfilling quality of life, allowing employees to dedicate themselves to taking on challenges.

HR Policy “NEC, for Those Who Seek Challenge.”



### Look Outward. See the Future.

Be curious, take initiative, make a difference. Envision world-changing possibilities for ourselves and our customers.



### Think Simply. Display Clear Strategy.

Identify and clearly communicate critical goals and success factors. Leverage NEC’s strengths.



### Be Passionate. Follow through to the End.

Take ownership of your work. Drive relentlessly towards the end goal, resolving challenges as they arise with passion and determination.



### Move Fast. Never Miss an Opportunity.

Be comfortable making decisions and taking actions – even when there is ambiguity. Be agile. Keep moving forward. Embrace the risk, even if it means failure.



### Encourage Openness. Stimulate the Growth of All.

Cross boundaries and hierarchies; inspire and be inspired. Challenge yourself and others to learn more, do more and become more.

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## Promotion Framework

NEC has formulated Learning & Development strategies that can adapt quickly to change and assign the right position to the right person.

In addition to establishing a Learning & Development framework based on job category and organization, theme-based task forces are set up to study challenges across job categories and organizations, coordinating with the NEC Group Culture Transformation Division, which is responsible for driving the development of NEC's organizational culture. The task forces hold Companywide business strategy meetings as necessary to discuss issues and make decisions, and advance initiatives.

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

In addition, NEC seeks to evaluate and revise training programs periodically, making reference evaluations by course participants and workplace behavior surveys.

## Strategies and Main Activities and Results for Fiscal 2020

### Strengthening Execution Capabilities

#### Reforming evaluation

In working towards the Mid-term Management Plan 2020 theme of "strengthening execution capabilities," we started reforming the evaluation system in fiscal 2019.

To further strengthen management's commitment to business performance, we introduced a system that links bonuses to the level of achievement of annual key performance indicators (KPIs) that are clearly defined for both the short and medium terms based on role and responsibility.

In fiscal 2021, we will incorporate organizational and human resource development through practical implementation of the NEC Way into the job descriptions of all officers. We will also incorporate the implementation of materiality themes into the descriptions for in-house directors, aiming to strengthen our execution capabilities starting with our officers.

In addition, with a view to improving the performance of the entire organization, we will promote behavioral transformation at the individual level, develop human resources who can take on challenges and see them through, and evaluate such human resources appropriately.

Specifically, in fiscal 2019 we introduced a system of nine blocks and multifaceted evaluation to give a fair evaluation of both performance and behavior. We also aimed to achieve better performance management and support for team member growth by ensuring one-on-one meetings between supervisors and their team members.

To enable appropriate management of this system, in fiscal 2019 we conducted training for all personnel at senior manager rank and above. In fiscal 2020, we took steps to promote further penetration and establishment of the system by expanding the scope of people required to complete this training to include manager-class employees, and started expanding it to Group companies as well.

#### Introduction of NEC Growth Careers – Internal Job Posting Now Year-Round and Job Matching System including Scouts

NEC Corporation has extended internal job posting, previously conducted periodically, to a year-round system, and in fiscal 2020, we introduced NEC Growth Careers (NGC) as an internal job posting system.

By presenting and providing open positions within the Company constantly to all employees, we provide timely opportunities for them to realize attractive in-house careers, helping to promote the right timing, right position, and right person in human resources. Furthermore, we have also introduced a system where employees can register their work history records, allowing recruiting divisions to see the records and scout them. This will open up career options that the employees themselves may not have noticed.

Since the start of the system, over 200 internal job changes have been successfully completed.

With NGC, NEC enhances employees' career progression and job satisfaction, while strengthening the competitiveness and execution capabilities of the Company and its organizations.

## Cultivating Professionals

### Upgrading the Skills Development System

NEC Corporation started systemizing skill maps by job category and position in October 2019, and citing these in the job descriptions for each position. By clearly showing employees which skills are required for each position, they can find positions close to their own envisaged careers, or check the role, responsibilities, and required skills of a position so that they can understand the skills needed to bring them closer to their ideal. By evaluating the status of their skills with a skill assessment, they can continuously develop their capabilities with the support of their supervisors.

We have deployed skill maps and job descriptions Companywide, making them available for anyone to view. The goal is to encourage individual employees to think about what kind of experience they want to accumulate and what skills to develop at NEC Corporation, and to act autonomously. With the additional deployment of a training map for skills development, we have formed a system that enables people to continuously acquire skills.

In this way, we are working to make NEC Corporation a company where people can get a real sense of personal growth as they work, and are able to autonomously choose their careers.

### New Establishment of Chief Professionals

NEC Corporation established "Chief Professionals," an executive and department manager-level professional position, as a system for recognizing people with a high level of expertise and rewarding them appropriately for their contribution to business.

Internal appointments to this position were premised on its status as an important professional position for business strategy. The appointments were made by a screening committee made up of multiple executive officers, working through a process for determining whether the candidates were appropriate personnel for holding the position.

As a result, six internal appointments were determined as of April 1, 2020.

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## Developing the Next Generation of Leaders

### Revamping the Talent Management Program

NEC Corporation revamped the processes of its Talent Management Program in fiscal 2020, with a view to training and appointing diverse leaders who are capable of working in a global context.

Specifically, we made a wide-ranging list of high-potential talent including emerging and female candidates, and held a "Talent Talk" as a space for officers to discuss high-potential talent, and a People & Organization Discussion as a space for discussing organization design and human resource assignments based on business strategy.

Through these, we will put selected candidates through training both on and off the job, depending on the situation, and appoint the best talent to key positions.

The training measures for the high-potential talent listed up through this new talent management process include the NEC School for Social Value Creation described below, assignments at external elective training, and the following programs that have been newly launched.

- Group Mentoring Program (48 participants)
- Executive Assessment (23 participants)
- Executive Coaching Program (23 participants)
- Next-generation Management Leader Talent Development Program for Emerging Talent (17 participants)

### Selecting NEC Group Key Positions and Selective Training to Develop Highly Socially Literate Leaders

The NEC School for Social Value Creation was established in fiscal 2017. Headed by the Chairman of NEC Corporation, the school is a training program for nurturing the next generation of leaders.

This executive-level program provides opportunities for the participants to engage in dialogue with various lecturers and stakeholders from outside and inside NEC and gain practical experience at domestic and international sites that are facing social issues. Through the dialogue and experience, the participants reaffirm their personal mission and goals with high ethical standards and broad perspectives, as well as think thoroughly about business ideas and business models for realizing social value.

In fiscal 2020, 37 people, including six participants from local subsidiaries overseas, explored NEC's Purpose and its role in creating social value, and thought through their own business visions. The inclusion of members from overseas locations enabled participants to deepen their global personal networks as well.

At a training program for frontline leaders from June 2019 to March 2020, 93 participants divided into 20 teams to study and create business models for social value creation. Participants not only learned in classrooms, but also refined the hypotheses proposed within each team by testing, examining and revising at actual customer sites.

### Social Issue Experience Human Resource Development Program (SENSE)

The Social Issue Experience Human Resource Development Program (SENSE) was launched in fiscal 2020 with the aim of developing human resources capable of quickly sensing latent social needs and issues and speedily providing solutions.

We conducted six training programs of different types, such as the "learning journey," which emphasized frontline experience of social issues, the "project-type program," where participants gain a deep understanding of a particular social issue and discuss and propose solution strategies, and the "overseas program," where participants are immersed deeply on the frontline of a particular social issue, including overseas, and work out solutions for the problem together with frontline team members. In total, 78 people participated in the programs.

### Coaching Program for Executives

At NEC Corporation, we conducted coaching for all newly appointed executives to provide leadership development support for people and organizations (establishing one's own axis and strengthening understanding and communication with people and the organization). The program started in October 2014 and has had 185 participants in total.

### Drive NEC

In selective training at NEC Corporation's overseas affiliates, NEC launched the "Drive NEC" training program in fiscal 2014 in order to enable participants to refine their leadership capabilities and expand global human networks. Employees from overseas affiliates and NEC participate

together in this program, which is carried out completely in English. In fiscal 2020, the program had 18 participants.

## Developing Human Resources in Key Focus Areas

At NEC, we are developing human resources in our key business areas, in order to strengthen the core technologies that contribute to solutions for society, as well as to sustain these technologies and solutions into the future.

### Human Resource Development Aimed at Strengthening Core Technologies and Enhancing Diversity

To reinforce our researchers in the key areas, we have been working at the Central Research Laboratories to further bolster the research teams working in the fields of data science, security, and biometrics. Our overseas research laboratories are actively recruiting top local talent while our research labs in Japan are continuing to step up recruitment of doctoral degree holders. In fiscal 2022, we will continue with our policy of hiring applicants with PhDs at around 50% of new hires, and will be recruiting more graduates from leading overseas graduate schools such as the Indian Institute of Technology. As a result of these policies, 20-30% of our new recruits have been made up of "global human resources" over the past few years.

We are also instituting organizational reforms that will facilitate major innovations by engaging in multi-faceted and mutually respectful discussions with specialists in a wide range of fields, regardless of their gender or nationality.

For example, for Japanese researchers, we are promoting a shift to global human resources by using training programs inside and outside NEC, such as assignment to US graduate schools to undertake research and work-study programs and overseas training in emerging countries in cooperation with NPOs. We are also strengthening recruitment not only in information science but also in the physical sciences, which provide excellent training in the proper processing and use of data. Likewise, we are also strengthening recruitment of diverse talent in the humanities, law, and other fields to realize solutions to issues based on cooperation between humans and AI.

### Innovation Management - "Human Resource Development and Training"

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## Development of Information Security Professionals

NEC puts serious effort into developing security professionals. For instance, NECs' system/service integration service not only incorporates security from the implementation phase, but utilizes the "security by design" practice in the early system requirements design phase.

Recognizing the importance of incorporating security from the early design phase, in fiscal 2020, we established the Security By Design Specialist (SBDS) Program for system engineers. Through intensive on-the-job training by specialized security teams, we are developing system engineers who are able to integrate security measures into each stage of the development process.

We established the NEC Cyber Security Training Ground as a training range for system engineers. Here, we provide system security hardening courses to strengthen their practical security skills.

We are also taking steps to develop highly skilled security professionals. Our NEC CISO Aide Training Program (NCAT) is structured to include a wide range of high-level training such as security analysis and incident handling. The programs provide classroom lectures as well as hands-on training working with specialized security teams to develop top-level talent in the security industry.

We are also making efforts to broaden the base of security personnel. These include providing online training to give sales and system engineers basic security knowledge and raise the overall level of security skills across the entire NEC Group. Since fiscal 2016, we have held the NEC Security Skill Challenge internal security contest, with around 1,000 participants each year.

Moreover, we strongly encourage employees to acquire public security qualifications, such as the internationally recognized CISSP qualification and the Registered Information Security Specialist national qualification. This way, we have prepared a framework so that security professionals can provide customers with system integration and services.

## Career Development Support Programs - Lifetime Career Support

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

The typical programs are shown in the diagram below.

- 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 800 employees participated in this training in fiscal 2020.
- NEC's Career Parcel®: This program provides employees at the key intermediate milestone ages of 35, 45 and 55 in work-life balance training with career-related and other information appropriate to each age group. Participants in this program have the opportunity to assess their future careers and life plans. For employees in the age 55 group in particular, we offer the "Life Design Seminar," online training focusing on retirement benefits and pension plans.
- Career Advice: Through this program established in 2002, NEC provides employees with career advice to support self-guided career development. Professional career advisors, from their specialized perspective, consult with employees on career development, including on the issue of work-life balance and making objective judgments on values and aptitudes. Six career advisors counsel around 500 employees each year.

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

NEC Corporation has prepared retirement allowances and defined contribution pension plans as retirement benefit and pension programs. These respond to changes in lifestyle and employment type at different ages, while also providing motivation for people to develop their careers with a long-term perspective.

## Global Human Resources Information System – "SAKURA"

NEC uses the "Global Human Resources Information System (SAKURA)" as the training platform to support human resources development activities. The system imports and utilizes personnel information from NEC's 25 consolidated subsidiaries in Japan, and 57 overseas affiliates (as of March 2020).

In fiscal 2020, diverse training programs were registered on SAKURA, covering human rights, compliance, information security, and the environment, among others. On a per-employee basis, 5.8 days were spent on training at NEC Corporation, and 5.0 days at its domestic consolidated subsidiaries.