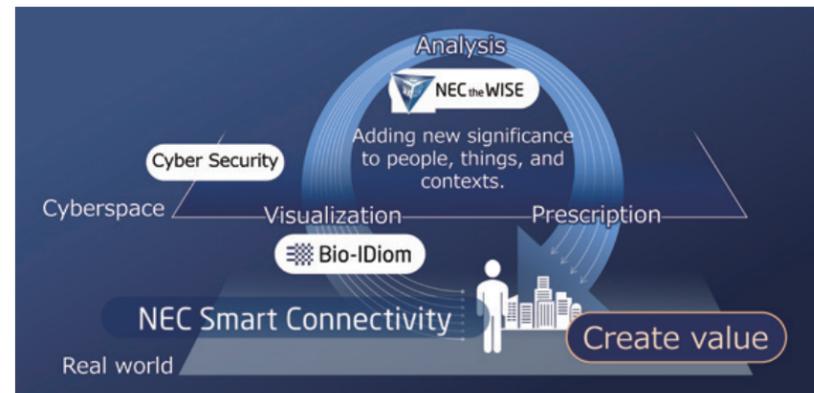


Innovation Management

NEC has adopted “Relentless Pursuit of Innovation” as one of the Principles of the NEC Way. This “innovation” represents not only technological innovation, but also changes in business models and creation of new value that impacts the economy and society. From yesterday to today and from today to tomorrow, our efforts in pursuit of a better society and corporation, in conjunction with our endeavors to co-create with a diverse range of stakeholders, leads to innovation.

NEC has been and will remain passionate about innovation, and will continue to innovate in society by making full use of cutting-edge technologies, extensive knowledge, diverse experiences, and original ideas. As a major part of this, we focus on explaining our initiatives to strengthen our technological capabilities and to pursue innovation through commercialization as the keys for continued provision of value to society.

Concentrated Investment in No.1/Only 1 Core Technologies



With regard to strengthening our technologies, under the direction of our Chief Technology Officer (CTO), we have formulated a technology strategy for the next stage of growth. We will continuously allocate approximately 4% of our revenue to R&D and make concentrated investments in NEC’s proprietary No.1/Only 1 core technologies.

We are concentrating investment in two areas of technology: data science and ICT platforms.

In the area of data science, we are developing AI technologies that contribute to the creation of new value by carrying out visualization, analysis and prescription for the real world.

In the area of ICT platforms, we are developing computing and network technologies that can adapt dynamically and in real-time to changes in the real world, and security technologies that allow social systems to operate securely and stably.

As part of these efforts, we will continue to strengthen “NEC the WISE” as a cutting-edge AI technology brand, along with our “Bio-IDiom” brand for biometric authentication products.

In April 2019, we established a new brand, “NEC Smart Connectivity,” that leverages NEC’s strengths in network technologies. In addition to technologies for visualization, analysis and control/guidance of the real world, networks that connect a large volume of data will also play a significant role in providing value to customers going forward.

At NEC Corporation, because intellectual property is regarded as an essential business resource supporting our Group’s competitiveness and stability, as well as for contributing to co-creation with our customers, we strive to strengthen and protect not only our patents and knowhow but also the designs and trademarks that support our global brand.

Aggressive Push to Commercialize Technologies

We are actively promoting a transition into new business models that transcend existing business frameworks and the development of business from NEC’s core technologies.

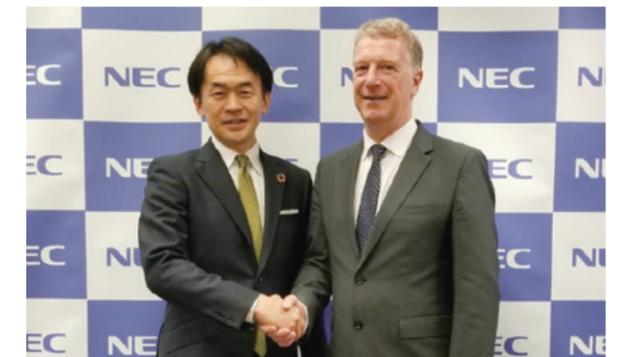
Inspired by social issues and our core technologies, we will formulate hypotheses about issues, undertaking “business exploration” to promote development of business models through practical field testing and “business development” to implement new business models and realize high social value and sustainable growth. Among these activities, we not only establish business within NEC, but also promote business development activities through various schemes that include spin-outs and carve-outs.

In May 2019, we announced our full-scale entry into the drug development business with a focus on advanced immunotherapies, such as for the treatment of cancer, where we can leverage the strengths of our “NEC the WISE” brand. As a first step, we developed an investigational drug jointly with Transgene SA (head office: Strasbourg, France) and became the first Japanese company to begin clinical trials in Europe and the U.S. for personalized neoantigen* vaccines for head & neck cancer and ovarian cancer.

The 181st Ordinary General Meeting of Shareholders, held in June 2019, approved an amendment to the Articles of

Incorporation, establishing a new objective: “To manufacture, sell or otherwise dispose of, medicines, quasi-medicines, reagents, and other chemical products, and to provide medical support services and medical testing services” (Article 2 (5)). We will expand the social solution business by further promoting the medical system business and the drug development business using cutting-edge technologies.

* Neoantigen: Newly generated cancer antigens associated with genetic mutations in cancer cells. Neoantigens are not expressed in normal cells, but are found only in cancer cells, many of which vary from patient to patient.



Éric Quéméneur, Pharm.D., Ph.D., Executive Vice President and Chief Scientific Officer, Transgene, (right) with Osamu Fujikawa, Senior Vice President, NEC Corporation (left).

Tackling Social Issues

Contributing to the Improvement of Lifestyle Habits of India’s Bihar Residents

In February 2020, the Government of Bihar (Republic of India), NEC Corporation, and NEC Technologies India Private Limited concluded a memorandum of understanding (MOU) on collaboration in the area of preventive healthcare services.

This collaboration is aimed at promoting the health and wellness of citizens in the state of Bihar, India. The three parties will collaborate to offer periodic, home-visit health check, and encourage citizens to change their lifestyle habits.

For the first part of this project, a pilot trial was conducted in February 2020.

In this pilot, community healthcare workers known as Accredited Social Health Activists (ASHA), who are appointed by the Government of Bihar, provided complimentary door-to-door health checks for approximately 4,200 citizens in the state and offered advice for improving lifestyle habits. Citizens with the need to make considerable improvements to their lifestyle habits are arranged for consultation with an Auxiliary Nurse Midwife, a village-level health worker, for further examination of blood pressure and blood glucose levels.

NEC developed and provided a health application capable of showing each citizen’s health status and providing advice according to the data recorded by ASHAs. NEC also provided android tablet devices, measuring equipment and training for the ASHAs. Furthermore, we analyzed the collected data from various perspectives and provided the analysis to the Bihar state government in the form of a health status dashboard, which was extremely well received.

Going forward, while continuing to promote job creation and vocational training for ASHA workers, we aim to contribute to the creation of social and economic value by also providing solutions that will allow the state government to use medical examination data for decision making to prevent an increase in social welfare costs.



MOU signing ceremony