

Orchestrating a brighter world

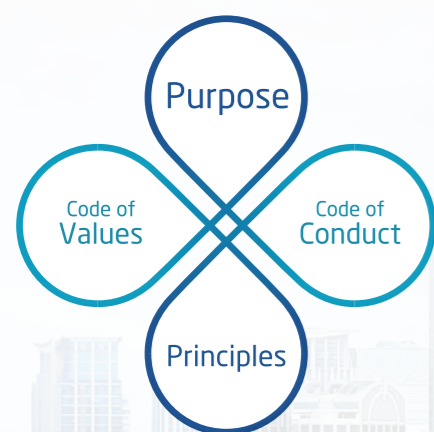
NEC creates the social values of safety, security, fairness and efficiency to promote a more sustainable world where everyone has the chance to reach their full potential.

By putting the NEC Way into practice, we will create social value.

Since its founding, NEC has worked to provide social value by putting forth its own unique approach to each era.

We will pursue innovation and work to realize NEC's Purpose, with the goal of living harmoniously with the earth and creating mutual understanding between people, no matter the era, no matter the conditions.

NEC Way



The NEC Way is a common set of values that form the basis for how the entire NEC Group conducts itself.

Our Stance as a Company

Purpose

Orchestrating a brighter world

NEC creates the social values of safety, security, fairness and efficiency to promote a more sustainable world where everyone has the chance to reach their full potential.

Principles

The Founding Spirit of "Better Products, Better Services," Uncompromising Integrity and Respect for Human Rights, and Relentless Pursuit of Innovation

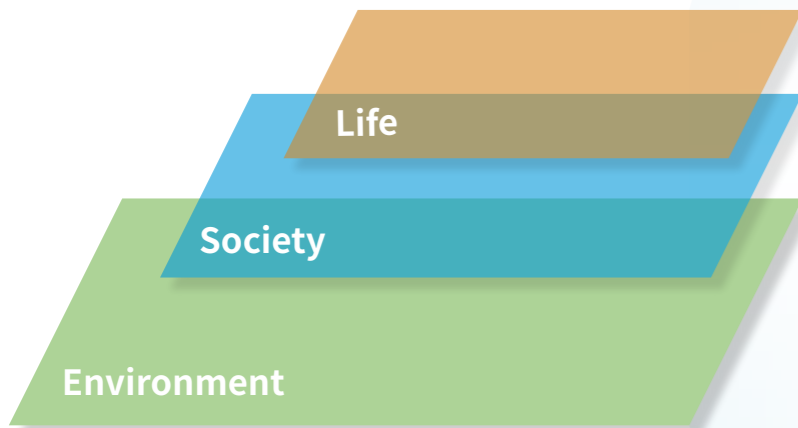
Our Stance as Good Businesspeople

Code of Values

Code of Conduct

NEC 2030VISION

Global warming, the destruction of the environment, food and water shortages, energy issues, economic disparities—these are some of the many global issues that stand in the way of realizing our vision of society. To realize our Purpose in a time of rapid social change, we have put together NEC 2030VISION as a compass to indicate the business direction and path for NEC to follow.



Changing Consumer Needs

Consumer needs can be categorized into three layers. At the base is the “Environment,” which forms the foundation of life for all people and organisms on earth. Above that is “Society,” the basis on which cities, work, and communication are supported. The highest layer is “Life,” which supports and improves the comfort and lifestyles of consumers in their daily lives. These three layers are our starting points for value creation.

Life

Bringing people together and filling each day with inspiration

- Fostering mental and physical well-being and long life
- Improvement of lifestyle
- Free and open learning opportunities

Society

Nurturing prosperous cities with inclusive and harmonious societies

Creating sustainable societies by shaping new industries and workstyles
Sharing hopes that transcend time, space, and generational boundaries

- Democratization of data use
- Cities without traffic congestion and accidents
- Social stability through data democratization
- Government services from the consumer's perspective
- Closing the gap in employment opportunities
- Free and equal communication services
- Safe and secure cyberspace

Environment

Living harmoniously with the earth to secure the future

- Realization of a decarbonized society
- Implementation of global warming countermeasures
- Guaranteeing food and water security

NEC Initiatives for Contributing to the Achievement of the SDGs

In 2005, NEC became a signatory to the United Nations Global Compact, a global initiative aimed at sustainable growth for society and companies. We are now promoting corporate activities based on the Ten Principles of the UN Global Compact pertaining to the four fields of human rights, labor, the environment, and anti-corruption, which align with “uncompromising integrity and respect for human rights,” one of the Principles of the NEC Way. Moreover, each and every member of the NEC Group, from officers to employees, performs their day-to-day activities based on the NEC Group Code of Conduct.

Furthermore, based on the Ten Principles of the UN Global Compact, the SDGs pledge that “no one will be left behind” is aligned with the NEC Purpose, to “promote a more sustainable world where everyone has the chance to reach their full potential.”

Information and communications technology (ICT) has the potential for responding to a variety of issues. Therefore, we believe that we can contribute significantly to all of the targets set out in the SDGs by drawing on our leading-edge technologies in such fields as AI (biometrics, etc.) and 5G, as well as our competence in R&D and implementation as we engage in dialogue and co-creation with a range of stakeholders.

NEC 2030VISION and Areas of Contribution (Fiscal 2022 and Onward)

We believe that by working to fulfill the NEC 2030VISION, we can contribute to the achievement of the following SDGs in particular. We take hints from the SDGs to point out the issues and challenges facing society and use the SDGs as a guide when setting targets for creating social value—which we aim to do through our business—and also for managing progress.

	1 No Poverty	2 Zero Hunger	3 Good Health and Well-being	4 Quality Education	5 Gender Equality	6 Clean Water and Sanitation	7 Affordable and Clean Energy	8 Decent Work and Economic Growth	9 Industry, Innovation and Infrastructure	10 Reduced Inequalities	11 Sustainable Cities and Communities	12 Responsible Consumption and Production	13 Climate Action	14 Life Below Water	15 Life on Land	16 Peace, Justice and Strong Institutions	17 Partnerships for the Goals
Living harmoniously with the earth to secure the future	●	●				●	●		●			●	●				●
Nurturing prosperous cities with inclusive and harmonious societies									●		●		●				●
Creating sustainable societies by shaping new industries and workstyles								●	●	●	●					●	●
Sharing hopes that transcend time, space, and generational boundaries								●	●	●			●				●
Bringing people together and filling each day with inspiration			●	●					●							●	●

Editorial Policy

NEC has published annual reports containing both financial and non-financial information since 2013. Starting in 2018, having defined its materiality, NEC has changed the name of its annual report to the “Integrated Report.”

Integrated Report 2021 comprises initiatives for achieving the NEC 2030VISION and the Mid-term Management Plan 2025, which are based on NEC’s “Purpose.” NEC has also compiled a section on extremely high-profile human resources, focusing on the appeal of said human resources as well as NEC’s culture.

The Message from the President explains the philosophy behind the NEC Way and the NEC 2030VISION, and the Mid-term Management Plan 2025 explains the strategic and cultural aspects. Furthermore, this report focuses on people, who are the driving force behind management implementation of NEC’s “Purpose,” and features roundtable discussions with young researchers and messages from our employees who are at the forefront of creating value. The report also summarizes the management that supports the creation of corporate value, focusing on “materiality”—management priority themes from an ESG perspective.

NEC will keep endeavoring to provide increasingly transparent and continuous information while incorporating feedback from various stakeholders.

Reporting Period

April 1, 2020 to March 31, 2021 (hereinafter referred to as “fiscal 2021”; all other fiscal years are referred to similarly). This report also includes information obtained after this reporting period.

Scope of Report

NEC Corporation and its consolidated subsidiaries

Reference Guidelines

- ISO 26000
- GRI Standards
- United Nations Global Compact
- International Integrated Reporting Council’s “International Integrated Reporting Framework”
- Japan’s Ministry of Economy, Trade and Industry’s “Guidance for Collaborative Value Creation”



NEC is a signatory to the United Nations Global Compact.



Other Related Information

- Earnings Releases/Annual Securities Report
- Corporate Governance Report
- Sustainability Report
- Information Security Report

Contents

Cover Story

NEC’s Past, Present, and Future

- 06 Message from the President
- 14 NEC’s Value Creation Journey
- 16 What is NEC

NEC’s Business Model

- 18 Value Creation Process
- 20 Review of the Mid-term Management Plan 2020
- 22 Mid-term Management Plan 2025
- 30 CFO Message
- 34 R&D and Business Development
- 38 Roundtable: Creating Social Value through NEC’s R&D
- 40 NEC, for Those Who Seek Challenge
- 43 CHRO Message
- 44 Messages from Employees
- 46 Living Harmoniously with the Earth to Secure the Future
- 50 At a Glance
- 52 Business Overview

Management That Supports Corporate Value Creation

- 58 Risks and Opportunities
- 60 Respecting Human Rights
- 62 Supply Chain Sustainability
- 64 Corporate Governance
- 69 Messages from Outside Directors
- 70 Directors and Audit & Supervisory Board Members
- 72 Cross-Company Corporate Strategy Promotion Framework

Corporate Data

- 74 Financial and Non-Financial Highlights
- 76 Corporate Overview