Promoting Active Participation of Diverse Talent While Embracing Inclusion and Diversity

NEC’s goal is to become an organization that can overcome challenges by making inclusion and diversity an integral part of its culture and continuing to foster new innovation.

Employees
- Every employee is professional and shows respect for the diverse talents of others.
- A diverse group of human resources work in a way that suits them to carry out their responsibilities.
- The organization respects and utilizes diverse perspectives as something truly vital.
- The organization has an even playing field, is resilient to change, and can win on the global stage.

Organization
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Three Key Concepts and Numerical Targets for Inclusion and Diversity

The Inclusion & Diversity Group, led by a corporate executive, works with related departments within NEC to promote a variety of measures, which include providing support for and promoting the understanding of women’s career advancement and active participation, and the employment of people with disabilities and sexual minorities (LGBTQ). This group is also engaged in measures related to smooth onboarding of non-Japanese employees working in Japan and mid-career hires. In this way, we are fostering our in-house culture by proposing and implementing measures to enable these kinds of diverse internal human resources make full use of their individuality and uniqueness to work and participate at their full potential.

Diversity among Executives

- Appoint diverse officers in terms of gender, nationality, age, and career path, or job title

Giving Everyone a Voice

- Ensure that opinions can be expressed without fear of discrimination, regardless of age, career path, or job title

All-inclusive Community

- Utilize Employee Resource Groups

Specific Initiatives Related to Inclusion and Diversity

- Promotion of women’s empowerment and success
- Employment of people with disabilities
- Diverse workstyles for seniors
- LGBTQ initiatives
- Inclusion of mid-career hires
- Initiatives in local communities worldwide

Evolution in Hiring Ratio (NEC HQ only)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>New graduate hires</th>
<th>Mid-career hires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2019</td>
<td>11%</td>
<td>89%</td>
</tr>
<tr>
<td>Fiscal 2022</td>
<td>52%</td>
<td>48%</td>
</tr>
</tbody>
</table>

*As of April 1, 2026 (NEC HQ only)

HR Policy: NEC, for Those Who Seek Challenge

NEC’s Business Model

NEC, for Those Who Seek Challenge

Four Key Initiatives and KPIs

Active participation of diverse talent
- Ratio of female or non-Japanese to Directors, Audit & Supervisory Board Members*1: 20%*2 (9.4% as of June 30, 2022)
- Ratio of female to all management positions*3: 20%*4 (11% as of April 1, 2022)

Utilization of the right person at the right place and the right time
- Job-based management
- Talent management: Training leaders, grooming the talents
- Work-life balance

Licensed Practical Approaches

- Employee survey scores on work fulfillment, productivity, and physical and mental well-being

*1: Ratio of female or non-Japanese to Directors, Audit & Supervisory Board Members
*2: Goal for April 1, 2020
*3: Goal for Fiscal 2023
*4: High potential human resources, including young people and female and non-Japanese employees, working at all levels and treated with consideration for diversity

Transformation of Culture and How We Work

We aim to be a company that pursues innovation and brings together diverse human resources under the NEC Way, and become the company of choice for employees. Therefore, we are hard at work toward our fiscal 2026 goal of an employee engagement score of 50%. As a pillar of this transformation, we are engaged in efforts to bolster diversity as a source of innovation and implement workforce reforms that support diverse talent.

To accelerate our efforts toward diversity, we will specifically focus on actively recruiting and systematically developing diverse talent, including female and non-Japanese employees. Our officers, which were previously used as our main work space, will now be utilized as a hub for communication and joint creation of innovation through the further refinement of our NEC Digital Workplace and improvements toward location-free productivity. These measures will help us reform workstyles and mindsets which will then improve our engagement score.

We will also engage in job-based management, which aims to fill each position with the right person for the job at the right place and the right time, and human resource development that emphasizes the cultivation of digital talent.

Road Map Toward Increasing Our Engagement Score

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase employee engagement score</th>
<th>Increase productivity by maximizing outcomes</th>
<th>Increase corporate value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>Increase employee engagement score</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021-2023</td>
<td>Increase employee engagement score</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024-2025</td>
<td>Increase employee engagement score</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Based on the Kincentric Survey of a 50% score, which is a Tier 1 level result and in the global top 25 percentile.

Integration of Culture—Transforming People and Culture

- High-potential human resources, including young people and female and non-Japanese employees, working at all levels and treated with consideration for diversity

*2: Goal for Fiscal 2024
*3: Three high-potential human resources, including young people and female and non-Japanese employees, working at all levels and treated with consideration for diversity

Fiscal 2024 Goals

- Continue to appoint multiple female officers
- One NEC Survey Diversity Score: 30%

Fiscal 2026 Goals

- Ratio of female to all management positions: 20%*1
- Ratio of female to all employees: 30%*2

HR Policy: NEC, for Those Who Seek Challenge

NEC’s Business Model

NEC, for Those Who Seek Challenge

Human Resources Strategy

Viewing people as its greatest management resource, NEC has been investing in its personnel by transforming systems and improving environments in ways that maximize the capabilities of its people and organization. To be an employer of choice that is always the preferred option not only of markets and customers but also of workers, we have been reforming our workplace environment and culture. The aim of these efforts is to ensure that each employee has a range of opportunities to take on challenges and grow and receives fair evaluations. Moreover, we are creating an atmosphere in which proactive employees can shine. The aforementioned reforms are based on our Human Resources (HR) Policy, “NEC, for those who seek challenge,” established in 2019.

Endnotes

1. Human Resources Strategy
2. Fiscal 2024 Goal
3. High-potential human resources, including young people and female and non-Japanese employees, working at all levels and treated with consideration for diversity

*3 High-potential human resources, including young people and female and non-Japanese employees, working at all levels and treated with consideration for diversity
Utilizing the Right Person at the Right Place and the Right Time with Job-based Management

In order to achieve the goals of the Mid-term Management Plan 2025, NEC is focusing its efforts on ensuring its diverse human resources can play an active role throughout the Group. A part of these efforts involves job-based human resource management that puts the right person in the right place at the right time, and decides on a recruitment plan that will bolster diversity as a source of innovation.

Road Map to Achievement and Specific Initiatives

In fiscal 2019, NEC transitioned to a job-based human resource management system for officers that clarifies their duties and responsibilities. Our goal is to expand this system in stages until it applies to all employees.

Enhancing Our Management Base to Promote Job-based Human Resource Management

- **Initiatives under the Mid-term Management Plan 2020**
  - Position-based personnel plan (Mid-term Management Plan 2020 to 2024)
  
- **Personal Planning**
  - Job setting
  
- **Evaluation of Human Resources**
  
- **Goal Management**
  
- **Compensation**
  
- **Introduction of NEC Growth Careers, NEC’s Internal Job Posting System**
  
- **In Phase 1**, expanding the job-based system to high-level management personnel planning to achieve the next mid-term management plan

- **In Phase 2**, reorganizing the system to align with business transformation goals and update personnel plans

- **In Phase 3**, establishing specific hiring, training, and placement with a path toward a specialized career

Introduction of NEC Growth Careers, NEC’s Internal Job Posting System

In fiscal 2020, we revised our existing job posting system and introduced NEC Growth Careers (NGC), a year-round career matching system that follows an open recruitment model. In fiscal 2021, we introduced AI-generated job recommendations powered by machine learning technology developed by NEC.

Increasing the number of employees who take advantage of this system is a crucial part of increasing career ownership.

We are striving to instill a business mindset and foster expertise, as well as the ability to drive transformation in each and every employee. Moreover, we aim to increase employees’ ability to manage and take ownership while enhancing individual and team capabilities.
NEC is actively promoting communication strategies that include town hall meetings, NEC Way Days, and exposure to mass media with the goal of improving employee engagement scores. Thanks to these efforts, the “management” and “employer as a brand” category scores improved by eight points each, raising the overall engagement score.

**NEC’s Digital Workplace—A Platform That Provides the Optimal Place and Optimal Time to Elicit Optimum Performance**

NEC’s Digital Workplace is rooted in the concepts of Well-being by Design and Security by Design. We plan to employ it at NEC so that the Company can evolve as a workplace that can support a hybrid work culture, and then leverage the know-how gained from this process to provide the NEC Digital Workplace to society.

**Initiatives Going Forward**

Smart Work 2.0 is a concept based on the principle of being “location free.” As such, employees are encouraged to design their own workstyle, with locations, work hours, and other variables that best suit them. We have redefined the office as a place where people gather, making the office a “communication hub,” a home base where employees combine their forces, and an “innovation hub” where customers, partners, and other people from inside and outside NEC can come together. We intend to help employees stay motivated as they perform their duties by providing them with working systems based on the idea of combining cutting-edge technology with hybrid workstyles that take elements from “location free,” “communication hub,” and “innovation hub” concepts.

Smart Work 2.0, a workstyle that brings together these three concepts, embodies the “Code of Values” that expresses the shared values of NEC Group employees. We believe that through the spread of Smart Work 2.0, employees will put the Code of Values into practice and draw motivation from experiences that make them proud to be part of the NEC Group.

In addition, as a company that pursues innovation fueled by a diverse pool of talent, coupled with the ability to respond flexibly in the face of social change, NEC will be able to leverage the power of digital technology to help society and leverage the power of co-creation to promote a more sustainable society where everyone has the chance to reach their full potential.

**NEC’s Business Model**

NEC, for Those Who Seek Challenge

**Human Resources Strategy**

**Workstyle and Office Reforms with Smart Work 2.0**

**Achievements to Date**

**Our Work Environment**

<table>
<thead>
<tr>
<th>Office Reforms</th>
<th>System Reforms</th>
<th>IT Transformation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Establishment of system, office, and IT-based infrastructure</td>
<td>• Remote and on-site workplace</td>
<td>• People and cultural innovation</td>
</tr>
<tr>
<td>• Concierge desk</td>
<td>• Telework security</td>
<td>• Value through digital tools</td>
</tr>
<tr>
<td>• Online workroom</td>
<td></td>
<td>• Digital signatures and contracts</td>
</tr>
<tr>
<td>• Cognitive work tools</td>
<td></td>
<td>• Results-oriented work environment</td>
</tr>
<tr>
<td>• Value chain mapping</td>
<td></td>
<td>• Digital well-being</td>
</tr>
<tr>
<td>• Knowledge management</td>
<td></td>
<td>• Digital IDs</td>
</tr>
<tr>
<td>• Team collaboration tools</td>
<td></td>
<td>• Digital signatures and contracts</td>
</tr>
</tbody>
</table>

**Teleworking Ratio**

Up to 85% as of April 2020
22% in October 2018, up to 55% in September 2022

**Conferences per Day**

<table>
<thead>
<tr>
<th>Number of Online</th>
<th>September 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>35,000</td>
<td>Vast improvement in satisfaction with workstyles according to employee survey</td>
</tr>
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**NEC’s Digital Workplaces—Well-being by Design x Security by Design**

**Communication Hubs**

Increase the power of teams

**Innovation Hubs**

Create innovation

**The Office, Redefined for the Future**

Increasing team cohesion

Communication Hubs

The traditional office will be a “communication hub” where the energy of the team can be brought together without fear of discrimination. Using an unassigned seating system, we will evolve the office into the perfect space for open-minded communication with an optimum size.

**Extending and strengthening connections beyond teams, to outside the Company and greater society**

Innovation Hubs

We want customers, partners, and other people inside and outside NEC to interact with one another so that every day we are nurturing an ecosystem that will generate innovation. With this in mind, we have redesigned meeting rooms and cafes to look like “innovation hubs.” To coincide with this new definition, we have redesigned these rooms, expanding them to eight times their original size.
We have established an HR policy under the banner “NEC, for those who seek challenge.” Under this policy, we are promoting human- and culture-centric reforms to optimize employee potential. Here, we will share some messages from a few of our employees who are working to create social value.

**Entering the Global Market with a Positive Outlook on the Challenges That Come Our Way**

In previous years, I was in charge of overseas sales for countries in Europe and the ASEAN region, and now I am in charge of NEC’s Global 5G Business. This business is said to be NEC’s first venture-based business in the global market. When launching a new business, things do not often go according to plan, but you will never move forward if you get discouraged with every single setback. Instead, you need to go in knowing that there will be challenges that come your way and see the day-to-day snags as interesting experiences. thankfully, we have a diverse team that can do just that.

Our members in the United States and Europe have a particularly strong desire to flourish in the global market. When I asked them why they chose NEC instead of other global companies, many said that living up to NEC’s standard of trust and integrity backed by its quality gave them motivation. I believe that the presence of these sort of people is one of the strengths of the organization.

The entire team is on a playing field, so anyone can ask anybody for help if they run into trouble. of course, as leader of the team, I bear the ultimate responsibility for what goes on, but everyone is held accountable for their actions, regardless of their position, and the other members of the team will let me know when I am doing something wrong. This has a positive effect, and I feel that everyone takes ownership of themselves while fighting as a team.

When I returned to Japan from abroad as a high school student, the positives of Japanese society really stood out to me, but I also felt that the people and industry in general could play a more active role globally. To make that wish a reality, I want to contribute to the development of the world market under the banner of Japan, and do so with confidence, fairness, and openness. That is what motivates me. I hope to draw upon the strengths of NEC’s substantial strength and transparency that engenders the trust of society as well as its commitment toward improving not only its standing within Japanese industry but the position of Japanese industry in the world market.

**What Changing Careers Has Taught Me**

I joined NEC as a new graduate hire in 2004. After gaining experience in sales for major telecom carriers, I shifted to sales aimed at retailers. now, we are developing digital solution services for retailers that utilize video.

Retail needs to be able to respond to change more than any other industry, so much so that we call it a change-responsive industry. This means that vendors have to provide flexible systems that can withstand these changes.

I have noticed some major themes appear in recent years, specifically the improvement of operations and customer experience. I believe that the customers associate with NEC on the basis of numerical information to ascertain a greater understanding of the sales floor, which can help shorten work time. I also see great potential in using visualization and analysis of customer purchasing habits to better match their interests and preferences.

Previously, most of our business was conducted by listening to customer concerns and addressing them on a one-to-one basis, but to succeed in the future, NEC needs to make its technology-based services simpler, with wider access. We repeatedly step up our services by thoroughly interviewing a variety of customers about what they need, verifying these needs, and then addressing them.

Above all, what’s important is that you enjoy what you do. This is no different for shoppers or the people working at the stores. Customers will come if the people behind the counter enjoy what they do. I hope we can achieve this with the power of technology.

**Resolving Social Issues with Data Analysis and AI**

Ever since joining NEC, I have worked in my role as a data scientist to solve problems using customer data. I joined NEC because I had majored in machine learning and data analysis as a student and wanted to help solve real-life problems, and at the time, it was one of the few places where I could find work as a data scientist. In addition, NEC’s AI technology is not a black box. Instead it uses proprietary, white box technology that makes it possible to understand how a certain result was obtained. I think this is an appealing point for customers and one of the reasons they recommend us to new customers.

To me, NEC’s strengths are its proprietary technologies, the employees, who are active in a wide range of areas outside the Company, and the deep well of knowledge and expertise that the Company has built up through the people who have come through its doors.

Right now, we are extending our range beyond data analysis to support system integration in light of customer concerns. We are also trying to address an issue that has come to light in recent years, specifically, the issue of developing human resources. The belief among many companies is that there is a particular need for personnel with DX literacy, so we are proposing educational consulting to help these companies learn how to develop such competency. I find work like this to be very meaningful in that we are not just verifying the validity of AI, but we are actually putting it into practice.

I would like people to feel more comfortable with AI in the future. I think that for this to happen, we need to get AI to a place where it can play an active role in benefiting our lives, in places we wouldn’t think of, and in ways we don’t notice. I’m also interested in AI applied to law enforcement and other areas related to safety and security. I would also like to see AI used for disaster prevention, partly because Kyushu, where I’m from, has had a lot of flood damage in recent years. I believe, if used right, AI could save lives.