

Human Resource Strategy: NEC, for Those Who Seek Challenge

NEC's Approach to Human Capital Management

Viewing people as its greatest management resource, NEC has been promoting investment in order to maximize the capabilities of its people and organization through system and environmental transformation. To be an employer of choice that is always the preferred option not only of market and customers but also of workers, we have been transforming 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 as well as receive fair and honest recognition. Moreover, we are working to change our environment and culture so that employees who are up to the challenge can do their best. The aforementioned transformations are based on our Human Resources Policy, "NEC, for those who seek challenge," established in 2019.

It is people who carry out our business and work to realize our Purpose, and we believe that a strong culture that supports highly motivated personnel is essential. Accordingly, Mid-term Management Plan 2025 includes the employment engagement score as an indicator of corporate culture.

We will strive to realize our Purpose by nurturing human resources who have the passion and ambition to create new businesses, and who are able to go beyond boundaries to take on new challenges and carry them through to the end, while fostering an organizational environment and culture that will enable us to achieve our goals.

Transformation of People and Culture

To achieve the target employee engagement score of 50% set forth in Mid-term Management Plan 2025, NEC conducted its own cause-and-effect analysis in relation to the employee engagement survey and identified three key themes: Employee awareness of Company-wide policies and strategies; evaluation, compensation, promotion, and career growth; and work styles and mental and physical condition.

In fiscal 2024, we strengthened the communication infrastructure that facilitates the dissemination of Company-wide policies and strategies, revised our compensation system as part of our gradual transition to job-based human resource management and developed systems and mechanisms to

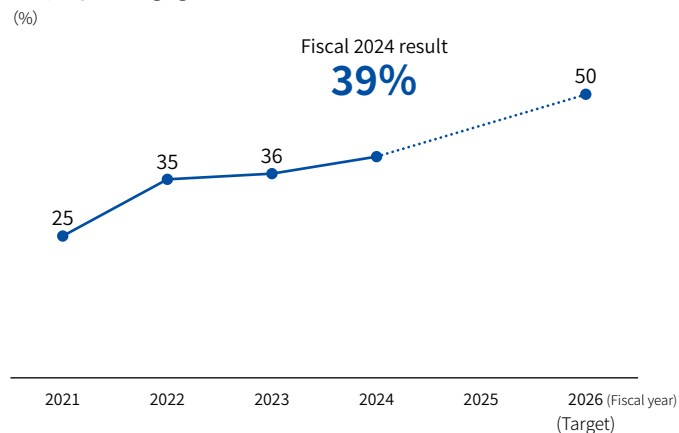
realize the well-being and growth of our employees. As a result, we were able to confirm that undertaking measures based on the three key themes were effective in improving the employee engagement score.

In fiscal 2025, we will further strengthen our communication infrastructure, foster a culture of career autonomy and proactive learning, and continue to update our work styles to accelerate the enhancement of management execution and employee engagement.

Starting in fiscal 2024, we have been measuring our employee engagement score using a quarterly pulse survey in addition to the annual OneNEC survey. This has enabled us to obtain timely feedback from employees on our initiatives and to ascertain the effectiveness of our measures. We aim to implement measures based on employee feedback to an unprecedented degree based on the abovementioned three key themes.

🌐 For the latest information on NEC's human capital management initiatives, please refer to the presentation materials from our ESG Day, which can be found on the website below.
https://www.nec.com/en/global/ir/pdf/library/240315/240315_02.pdf

Employee Engagement Score*



* In a survey conducted by global HR consulting company Kincentric; a score of 50% is roughly within the global top 25 percentile and is classed as Tier 1 level.

Key Themes and Summary of Fiscal 2024 Results

| | Employee awareness of Company-wide policies and strategies | Evaluation, compensation, promotion, and career growth | | Work styles and mental and physical condition | | |
|---|--|--|------------------------------------|--|---|----------------------------|
| | Activities for communicating and spreading awareness of the Company's direction so that employees can understand and embrace it and take pride in their work | Establishment of appropriate systems and processes that give employees hope for the future and lead to higher motivation | | Creation of environments in which employees can continue to work productively in good physical and mental health | | |
| Survey Category | Senior management | Human resource utilization and allocation | Career growth and self-development | Teamwork | Delegation of authority and level of autonomy | Decision-making |
| Score (compared to the fiscal 2023 OneNEC survey) | +3 pt 34% (Scores are for NEC Corporation on a non-consolidated basis.) | +6 pt 22% | +3 pt 31% | +4 pt 46% | +6 pt 51% | +8 pt 26% |
| | | (Scores are for NEC Corporation on a non-consolidated basis.) | | | | |

Note: Year-on-year comparisons are conducted by comparing the OneNEC survey scores for fiscal 2023 and fiscal 2024.

Main Initiatives in Fiscal 2025 in Relation to the Three Key Themes

Employee awareness of Company-wide policies and strategies

- Strengthening of communication from top-level management
- Development of foundations for both horizontal and cascade communication

We are aiming to strengthen horizontal communication between different organizations, with a focus on the senior management level, while promoting the development of best practices and personnel transfers across organizational boundaries. We are also working to encourage a sense of ownership among employees of Company-wide policies and strategies through cascade communication. With this two-pronged approach, we will accelerate our efforts as a unified group.



Evaluation, compensation, promotion, and career growth

- Implementation of a job-based human resource management system

In April 2024, we revised our job grading and compensation systems, and are now working to create an environment in which all employees can play an active role as professionals through the full-scale implementation of a job-based human resource management system. We are working continuously to strengthen our ability to execute our strategies, while also striving to build a system that puts The Right Person at the Right Job and the Right Time, and that allows Employees' Career Ownership. We are also working to build a relationship in which the Company and its employees can both choose and be chosen.

Work styles and mental and physical condition

- Adoption of work styles that help employees achieve well-being and growth

Initiative aimed at individuals: Creation of environments that support the autonomous self-realization of employees

Initiative to increase organizational performance: Creation of environments that maximize teams' strengths and raise execution capabilities

Project Members Tell Their Stories

**Our Human Resources Departments:
Driving NEC's Major Organizational Reforms 🌐**
(in Japanese only)

Since 2018, NEC has been working on the transformation of People and Culture. This section features the stories of two employees of our human resources departments who led the reforms, explaining why NEC decided to undergo the changes, how they were achieved, and what makes working at the reformed NEC so appealing.

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