**Process** 

Overview of NEC

# **NEC's Value Creation Process**

Under Mid-term Management Plan 2025, NEC aims to connect its Purpose with strategy and culture based on the Company's unique tangible and intangible assets, and to realize value creation through corporate action by putting its materiality into practice. By prioritizing material issues that contribute to the sustainable growth of the Company and greater society, NEC will provide value to various stakeholders and realize the NEC 2030VISION while contributing to the achievement of the Sustainable Development Goals (SDGs).

For more details on the NEC 2030VISION, please visit the website below. https://www.nec.com/en/global/about/vision/

# **Capital**

## **Financial**

Operating cash flow: ¥1.3 trillion1

1 From fiscal 2022 to fiscal 2026

## Manufacturing

Business process / IT establishment

#### Intellectual

R&D expenses: Approximately 2.9% of revenue

## Human

Consolidated number of employees: 104,194 (as of March 31, 2025)

## Social and relationship

Maintain and develop deep domain knowledge based on long-term customer relationships

> Generate global synergies through M&As

#### Natural

Expand renewable energy installations Purchase renewable power

## **Strategy and Culture**

## **Strategy**

- NEC's growth model
- "Maximizing long-term profit" and "Optimizing short-term profit"
- Non-financial measurement methodologies to underpin sustainable growth

## Culture

- Transformation of people and culture
- Establishment of business infrastructure
- Creation of shared vision for a brighter future with customers

## Materiality

## **Growth Materiality**

- A Society That Enables Well-being through the Digitalization of Government and **Financial Institutions**
- Stress-free Communication with Low **Environmental Impact**
- Transforming Society and Industry with the Power of Digital Technology
- Living Freely in Our New Era of Healthcare and Life Science
- Driving Carbon Neutrality for Our Customers and Society

## **Fundamental Materiality**

- Environmental Action with a Particular Focus on Climate Change (Decarbonization)
- Security to Maximize ICT Possibilities
- Provision and Utilization of AI with Respect for Human Rights as the Highest Priority (AI and Human Rights)
- Diverse Human Resource Development and **Cultural Transformation**
- Corporate Governance Aiming to Continuously Create Social Value and Maximize Corporate Value
- Supply Chain Sustainability through Collaboration and Co-creation with Suppliers
- Compliance as a Company That Creates Social Value

# **Value Creation**

### **Investors**

Balance business growth and improve financial soundness

#### Customers

Provide safe & secure social infrastructure and services by leveraging strengths in technology

## Suppliers

Create sustainable social value through collaboration and co-creation with suppliers

## **Employees**

Transform into a company that pursues innovation and brings together diverse human resources: "Employer of Choice"

## Society / Environment

Contribute to climate change measures (Decarbonization)

# 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.

## **NEC 2030VISION**

Life

Society

**Environment** 



