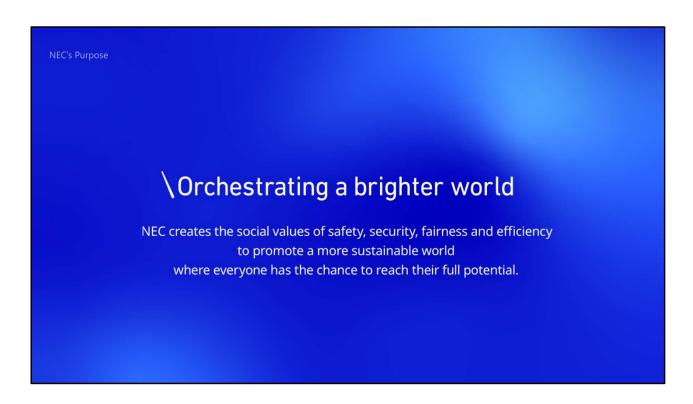
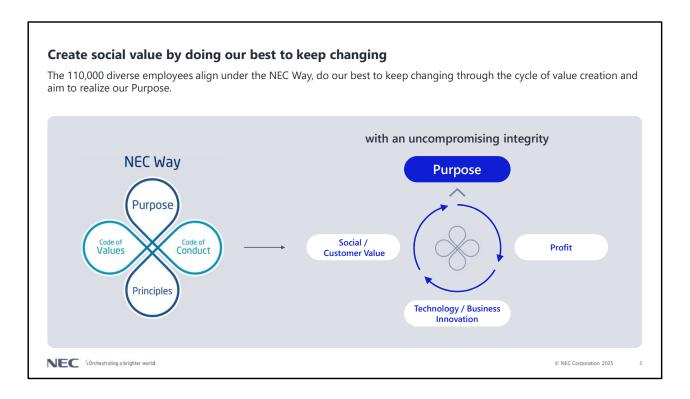


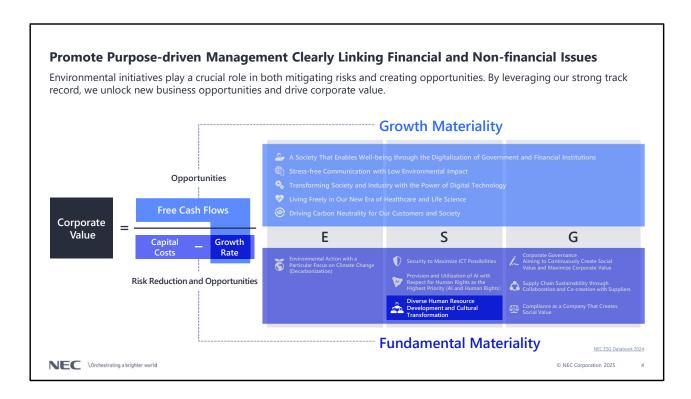
This presentation is an overview of NEC's Human Capital Management focusing on updates since the last fiscal year.



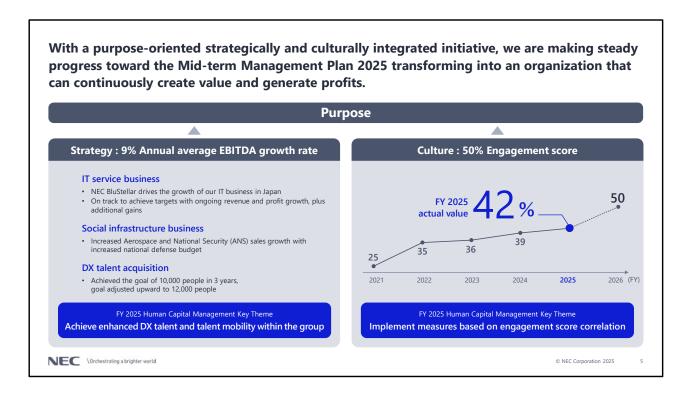
• NEC is committed to creating the social values of safety, security, fairness and efficiency and to realizing a sustainable society where everyone has the chance to reach their full potential.



- To realize our Purpose, it is important that our 110,000 diverse employees align under the NEC Way and translate various innovations into social and customer value that creates a profitable cycle in return for the value provided.
- This is NEC's management for sustainability.
- Integrity stands at the core of it all, including the NEC Way and the value creation cycle.
- Along with compliance, NEC places the greatest priority on always treating customers, society, and colleagues with sincerity.
- Based on this, the ever-evolving NEC aims to continue drawing out the maximum potential of a diverse workforce.



- This slide shows our approach to increasing corporate value and NEC's materiality that has previously been introduced.
- NEC promotes management for sustainability by clearly linking financial and non-financial aspects from the perspectives of both risk and opportunity.
- Within that, human capital management is positioned as an important theme transforming people and culture to draw out the maximum potential of each employee. Through these initiatives, we aim to generate free cash flow.



- First, I would like to share our progress on the Mid-term Management Plan 2025.
- We are making solid progress in our efforts in both strategy and culture.
- In terms of strategy, NEC BluStellar is propelling IT growth in Japan, our social infrastructure business is also performing well due to an increase in Japan's defense budget, and we have already reached our goal number for human resource acquisition related to our expanding DX initiatives.
- Linked to strategy, along with enhanced DX talent, talent mobility within the group also made progress.
- In terms of culture, the FY2025 actual value engagement score has grown three points to 42% over the year before.
- Though this number has shown solid improvement, we still have issues that need to be resolved to reach an engagement score of 50%, which was put forth in the Mid-term Management Plan 2025.
- In the final year of the mid-term plan, we will select and focus on areas that are highly correlated to the engagement score to accelerate our efforts, which will be explained later.



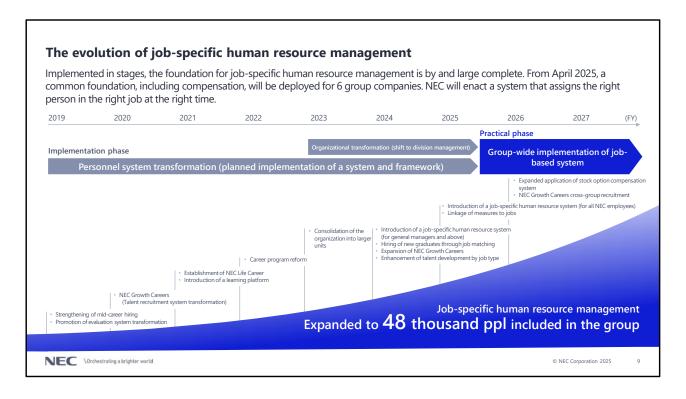
- NEC previously experienced some difficult times, but since the start of the transformation of people and culture in 2018, we have been able to reshape our structure to continuously generate profits.
- In fiscal year 2025, NEC revised its performance forecast upward, and is now forecasting adjusted operating profit of 260 billion yen for the year.
- Stock prices and corporate value continue to increase, and coming into this year the aggregate market value exceeded four trillion yen. Expectations from the market are also on the rise.
- The engagement score is also rising steadily in tandem with this, but the issue seems to be that this rate of increase is insufficient.



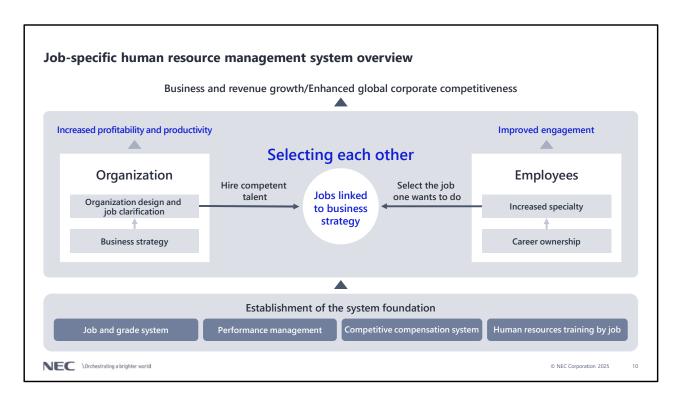
- NEC seeks to be a company that can once again win on the global stage.
- From a human capital perspective, strategically, we focus on achieving an optimal talent portfolio to enhance execution capabilities, while culturally, we recognize the importance of empowering each employee to fully utilize their strengths and find meaningful engagement in their work.
- To that end, we have fully launched job-specific human resource management at NEC starting this fiscal year.
- Today, I would like to discuss how job-specific human resource management has contributed to strategic execution and NEC's growth over the past year.



First, I will discuss job-specific human resource management and strategy.



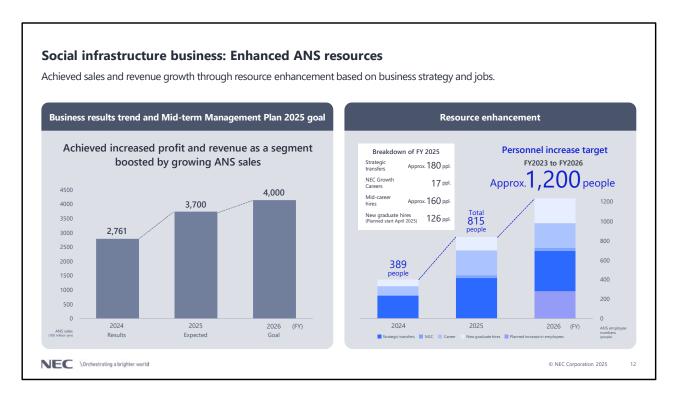
- · Since 2018, NEC has been preparing a job-specific foundation in stages.
- A division-based organizational shift started in 2022, and we have now entered the practical phase linking business and human resource strategies geared toward achieving division-based strategies.
- To establish an even stronger foundation, we are planning further enhancements such as thorough implementation of the nine-block evaluation model and strengthening compensation competitiveness with measures such as a stock compensation system.
- This year we have continued to deploy the system in phases in each group company. From April 2025 a common foundation of a scale of 48 thousand people will be in place. The internal human resource recruitment system, NEC Growth Careers recruiting talent across the entire group will undergo a full-scale deployment.



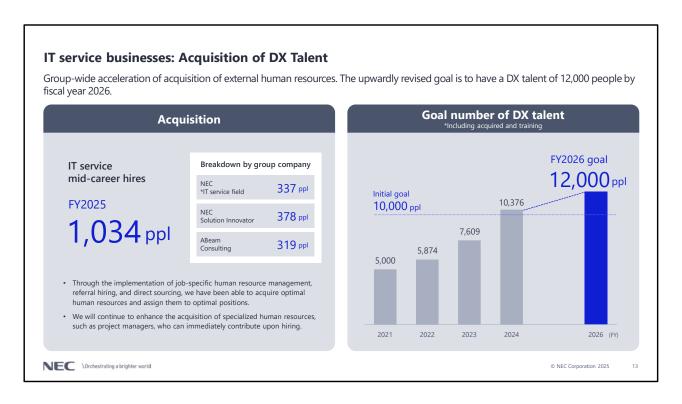
- As explained last year, shifting to a job-specific human resource system is merely a method for NEC.
- The goal is to be able to respond rapidly to change and for continued success on the global stage.
- Through job-specific human resource system, the company can strategically place the right people in the right roles at the right time, while employees achieve career autonomy.
- It is important to deepen the mutual 'choose and be chosen' relationship between the company and its employees, fostering a cycle of growth for both parties.



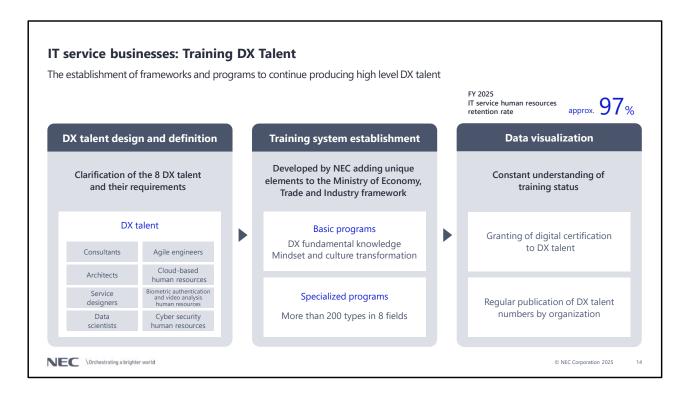
- It has been a year since the job-specific human resource system underwent full-scale deployment.
- What I most want to communicate is that we are starting to see the jobspecific human resource management system geared toward strategy execution succeed due to flexibly assigning the right people to the right jobs at the right time.
- In fiscal year 2025, of the 20,000 employees at NEC, 5,000 transferred within the company.
- In addition to steady talent acquisition of new graduate and mid-career hires, the reskilling programs, structures, and mechanisms offered by the internal human resource recruitment system NEC Growth Careers and NEC Life Career, are functioning to place the optimal human resources in optimal positions.
- Additionally, we have made progress in clarifying jobs and giving employees a sense of career ownership, and an increasing number of employees are taking the initiative in taking on new positions.
- · We are gradually seeing results.



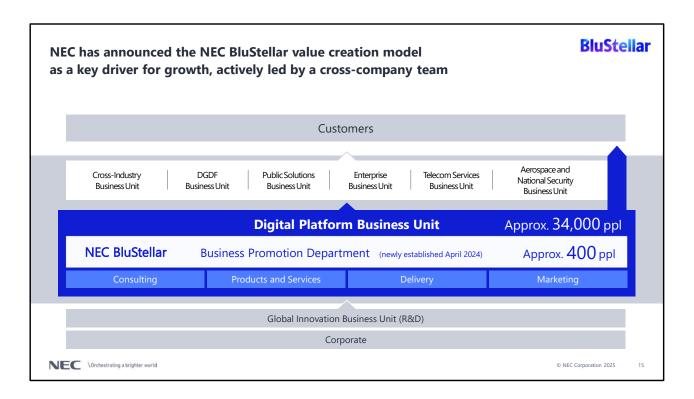
- It is especially noteworthy to mention the enhancement of Aerospace and National Security (ANS) resources.
- Due to the increase in the national budget for defense, ANS sales grew to boost the social infrastructure business, and, as a segment, we are aiming for increased profit and revenue in the Mid-term Management Plan 2025.
- In connection with this, we are rapidly and reliably expanding jobspecific human resource system by shifting resources from low-profit businesses to ANS, matching, and mid-career hiring.
- We are planning for an increase of 1200 employees in the next four years.



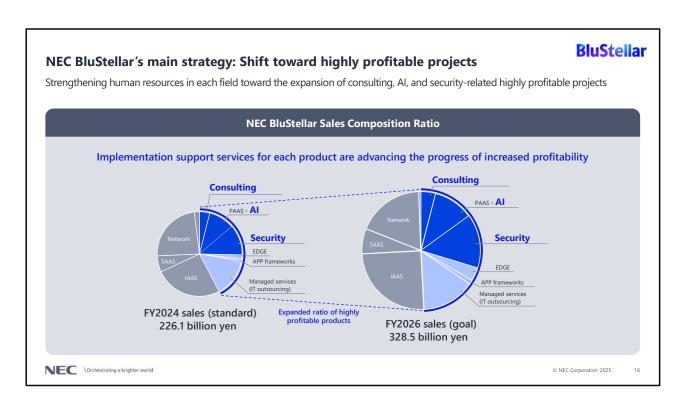
- Next, let's take a look at IT service businesses.
- Mid-career hiring in the field of IT services is going well, and we hired 1,034 new people this fiscal year across the entire group. The expert human resources able to contribute immediately upon hiring that we have acquired have been assigned across the entire group, which includes NES and ABeam in addition to NEC.
- Regarding the enhancement of DX talent, we had planned to acquire 10,000 people in the field by fiscal year 2026, but we met that goal in fiscal year 2024. Currently, we are on track to reach our new goal of 12,000 people by fiscal year 2026.



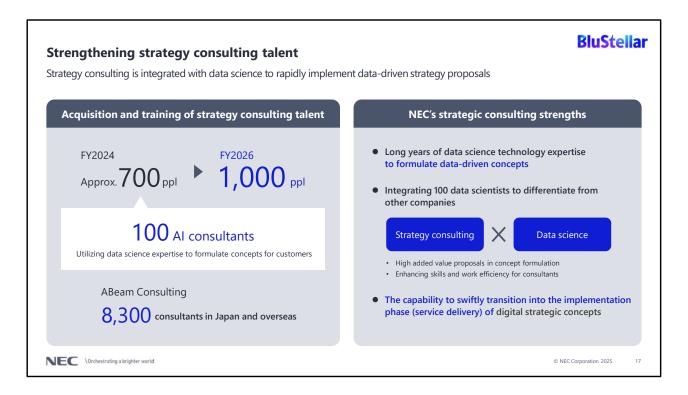
- In terms of training after talent is acquired, we are strengthening human resources by establishing frameworks and programs to a produce high-level workforce.
- First, we have divided human resources into a total of 8 categories including cloud-based, biometric authentication, video analysis, and cyber security. We have defined each category and clarified their requirements.
- Based on that, we have systemized and established programs based on the Ministry of Economy, Trade and Industry's framework with additional unique NEC elements.
- We are also promoting the visualization of the training status by constantly publishing DX talent numbers by organization on the management dashboard.
- The human resources retention rate in the IT service fields is 97% demonstrating that we are steadily acquiring human resources who are actively contributing.



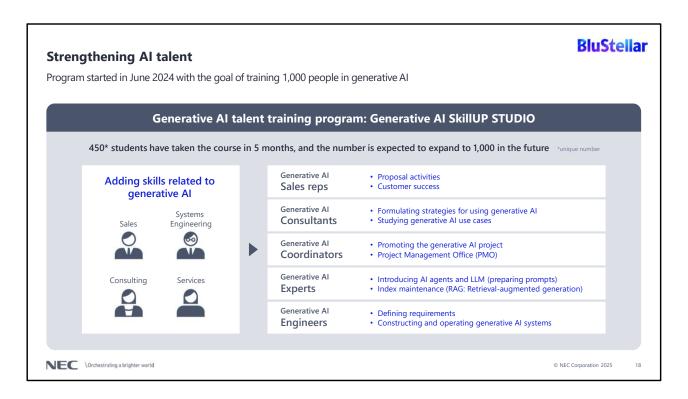
- Next I will discuss NEC BluStellar, which was launched in May of 2024.
- It is being positioned as a key driver leading the growth of the IT business in Japan.
- Accordingly, a specialized company-wide cross-functional organization has been newly established to take the lead in the robust promotion of NEC BluStellar. This organization works in collaboration with the central business lines integrating marketing, consulting, products and services, and delivery.



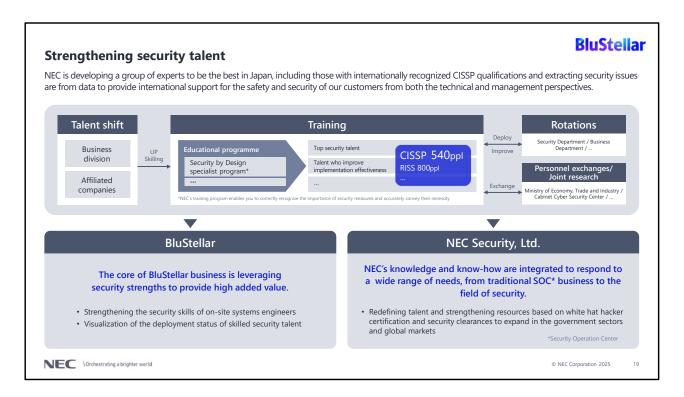
• NEC BluStellar is one of NEC's highly profitable strengths enhancing human resources focusing mainly on AI, consulting, and security. On the following slides I will explain which specific points will be enhanced.



- In the consulting field, the company is strengthening its human resources development by combining strategy consulting with data science.
- At NEC, 100 data scientists have joined the strategy consulting organization, and the company is differentiating itself from other companies as a data-driven consulting firm.
- ABeam has 8,300 consultants in Japan and abroad, and is a company that is ranked highly in student employment rankings, so it is able to continuously acquire excellent consulting talent.



- · Next, the field of Al.
- Regarding generative AI in particular, the market is changing rapidly, and generative AI talent must be developed in a very short period of time. So, we have launched the Generative AI SkillUP STUDIO.
- We want to rapidly increase the amount of generative AI talent who can support the entire lifecycle of a client's digital transformation, or DX, from acquiring the project to consulting and delivery. Programs for five different types of talent have been created, and 450 people took part between when it started in June and October.
- This program is expected to expand to 1000 graduates in the future.



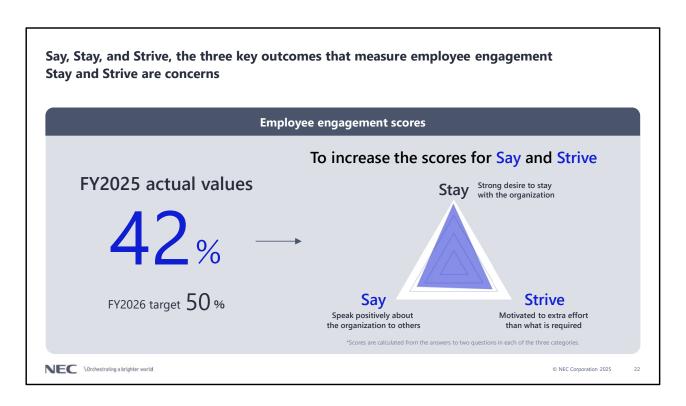
- In the security domain, NEC is shifting personnel from business divisions and group companies, and is developing and training security personnel through a program to strengthen security personnel
- NEC is working to strengthen its human resources through measures such as rotation between specialized organizations and business divisions and group companies, and recruiting top-level students.
- In terms of training, the number of employees who have passed the CISSP (Certified Information Systems Security Professional) exam, an internationally recognized qualification, has exceeded 540 in total as of fiscal 2025, making NEC one of the top Japanese companies in terms of the number of employees with this qualification.
- Fuchigami, the CISO, is a certified instructor and is responsible for training personnel, which is one of the company's strengths

Strategy			
Build the o	ptimal talent portfolio to en	hance capability to carry ou	t strategy
Social infrastructure business Accelerate the performance of growth businesses with the right people in the right place at the right time		IT service business Acquire, develop, and utilize DX talent	
By FY2026 ANS talent +1,200 Target	Cumulative total for FY2023 to 2025 +815	By FY2026 DX talent +12,000 Target	Total in FY2025 + 1,034 *NEC, NEC Solution innovators, and ABeam
	BluStered talent base to strengthen tal		

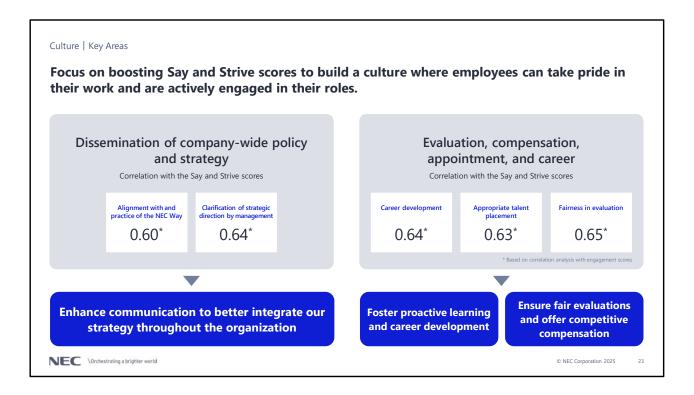
- One year has passed since the full-scale rollout of job-specific human resource management.
- The dynamic mobilization of human resources in alignment with our business strategies has enabled NEC to grow into a flexible organization that can adapt to change.
- As mentioned earlier, the headcount of ANS talent is being increased by 1200, and in the IT service field, DX talent is being increased by 12,000.
- BluStellar is taking definitive action to strengthen its AI, consulting, and security talent.
- In NEC's 2025 mid-term plan, in line with the circumstances and characteristics of each business and with Job-specific human resource management as a foundation, we will build the optimal talent portfolio and enhance our abilities to carry out strategies.



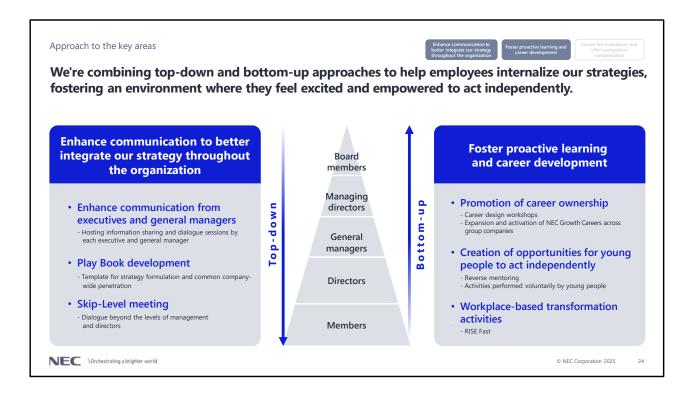
 $\boldsymbol{\cdot}$ Next, I will talk about cultural aspects, focusing on changes from last year.



• Of the three key outcomes that measure employee engagement, the NEC Group has a high score for Stay but must improve its scores for Say and Strive to achieve an engagement score of 50%.



- Last year we identified three key focus areas "dissemination of company-wide policy and strategy," "evaluation, compensation, appointment, and career," and "workstyle and mental/physical conditions." This year, we are prioritizing the first two—"dissemination of company-wide policy and strategy," and "evaluation compensation, appointment, and career"—as they strongly correlate with our Say and Strive scores. Our goal is to achieve a 50% engagement score.
- We're committed to building a culture where employees truly connect with our company's policies and strategies. We want them to take charge of their own learning and career growth, and feel free to bring their authentic selves to their roles, knowing they'll be evaluated fairly.
- To reach these goals, we're focusing on enhancing communication to better integrate our strategy throughout the organization. We're also implementing initiatives aimed at fostering proactive learning and career growth, as well as ensuring fair evaluations, appointments, and competitive compensation structures.



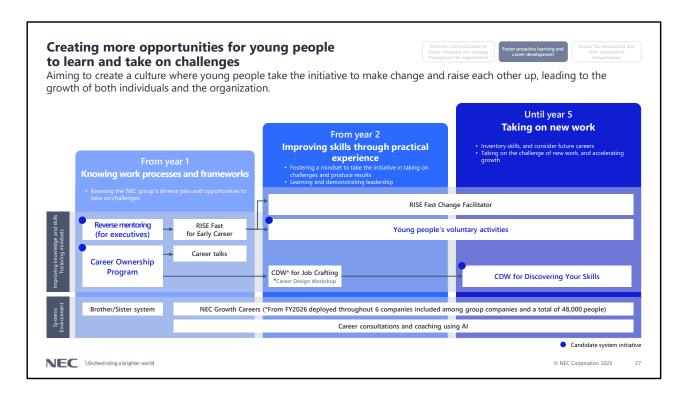
- The key aspect is our combined top-down, bottom-up approach.
- The top-down approach enhances the communication of messages from the CEO, executives, and general managers and fosters an environment for communication with employees, such as THM.
- Additionally, regarding strategy formulation, which is the starting point, we are developing a common, company-wide PlayBook template for strategy formulation as part of an effort to enhance division management, and we will augment communication in each division based on this going forward.
- For the director-level, who are key players in strategy execution, we are planning diverse approaches, such as implementing skip-level management meetings to encourage dialogue with management.
- In terms of bottom-up, NEC Life Career and the internal human resource recruitment system, NEC Growth Careers are the foundation for enhancing the promotion of career ownership, workplace-based transformation activities, and other opportunities for employees to take the lead in learning and taking on challenges.
- Our aim in enabling both of these functions is for our workforce to take ownership over strategy and increase the number of employees who are able to think and act independently.



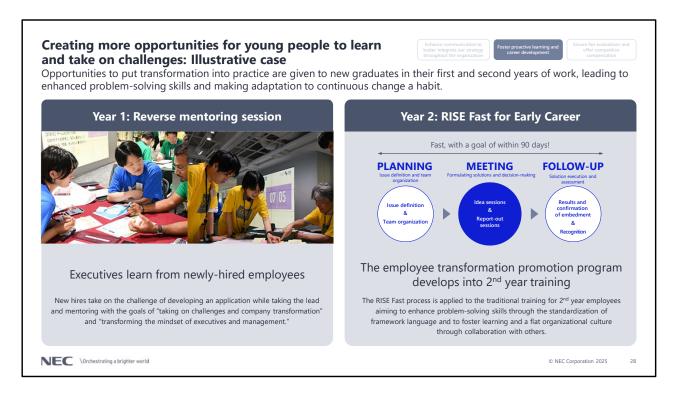
- Here I would like to introduce our initiative to enhance the penetration and communication of strategies.
- First, I'll discuss promoting sympathizing with the NEC Way and putting it into practice.
- Based on the company-wide event annually held on our foundation day to deepen understanding of the NEC Way, NEC Way sessions are being held in each team.
- In fiscal year, 2025, sessions were held to look at where the aspirations of the NEC Way and those of the team and individuals intersected.
- The group manager class and above gave positive feedback that this has led to communication penetrating the company's vision throughout the team. However, among those in the member level, it has become apparent that there are issues in linking Purpose and work and with expectations for the future. We plan on tackling those issues this fiscal year.



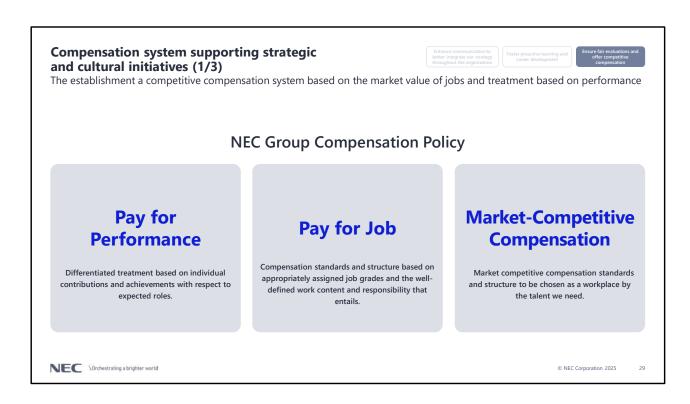
- This is another initiative to enhance penetration and communication of company strategies.
- Conversations are held between board members and 1,500 NEC directors, who are instrumental in executing strategies.
- The goal is to foster understanding of company-wide strategies and policies and to provide opportunities that create a sense of ownership and bring about behavioral transformation.
- Each session was attended by 20-100 people, and it became a meaningful place where mutual understanding deepened
- Many directors are taking action with the motivation to "become the starting point and bring about change" in order to strengthen their ability to execute, through direct dialogue with executives.
- A total of 31 sessions were held, and I myself spoke at 8 of them, and I felt that "NEC has really changed". The distance between management and the front line is definitely shrinking.
- We will continue to increase opportunities in the future.



- · Next, I will discuss proactive learning and career development.
- We are strengthening our initiatives geared toward younger employees, who comparatively have a lower engagement score, and we have organized a road map to foster opportunities for learning and taking on challenges.
- We are training them to get into the habit of initiating change on their own while they are young and encouraging them to stimulate and lift each other up, which leads to the growth of both individuals and the organization.
- · We have organized programs ranging from voluntary to compulsory.
- NEC Growth Careers, which facilitates proactive career development among employees, will be expanded to group companies in fiscal year 2026 in alignment with the full-scale implementation of the Job-specific human resource management system at major group companies. Inter-group recruitment has already begun enabling employees to choose their own careers from across the entire NEC group.



- Please allow me to introduce some specific initiatives.
- On the left is reverse mentoring that we held this year for newly hired employees.
- This is a candidate-system program where new graduate employees use DX to solve executive issues and develop apps.
- On the right is the RISE Fast for Early Career program, which is a required training program that started this year aimed at 2nd year employees.
- RISE Fast draws out leadership skills in employees in addition to helping them acquire problem-solving and transformational leadership skills using NEC-style problem-solving methods.
- This process was applied to the 500 employees in their second year who were hired as new graduates as they worked with the managers of their organizations to take on the challenge of resolving organizational issues.
- This program gives them the opportunity to put transformation into practice from the initial stage of their careers and has developed into various opportunities for young employees to take on challenges.



- Finally, I would like to discuss compensation and job assignments.
- First, I will explain the NEC group's compensation concept.
- Our compensation policy has three aspects (1) Pay for Performance, (2) Pay for Job and (3) Market-Competitive Compensation. Its basic premise is to offer market-competitive treatment adjusted to contributions and achievements against the background of an individual's expected role.

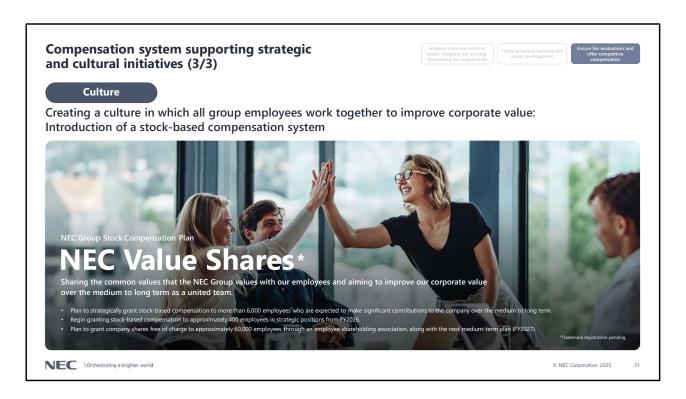


- Based on this concept, first from a strategic standpoint, we are achieving a compensation system that is highly competitive in the job market to support the acquisition, assignment, and appointment of the superior talent required to execute strategies.
- Allow me to introduce the most recent specific initiatives.
- The first is an increase in compensation that includes stock options for strategic positions.
- The second is augmented investment in the younger generation, who are the future leaders of the NEC group.

At last week's spring negotiations with the labor union, we agreed to the full amount that the union demanded wages be raised by. In order to enhance our competitiveness in hiring, we also agreed to the full amount of 294,000 yen as the initial salary for fresh university graduate hires. Additionally, to keep the performance of our younger generation of employees highly motivated, we are going to raise the compensation standard of a certain number of the roughly 9,000 employees in the younger generation who joined the company as new graduates.

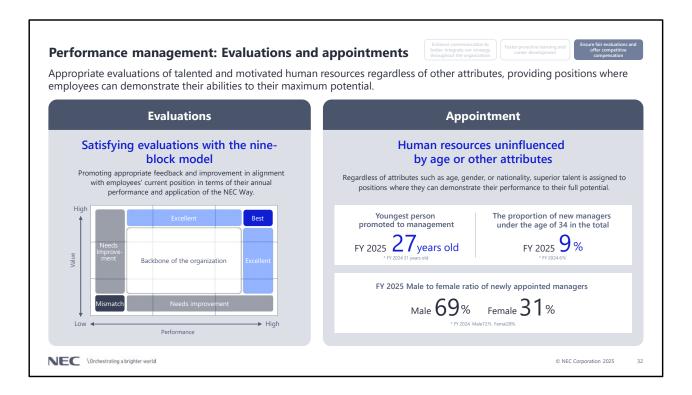
• Finally, we are going to make effective use of the profound expertise of our more senior employees. We are also going to raise the compensation standards for the approximately 6,600 elder generation employees based on the system of

Pay for Performance, Pay for Jobs.

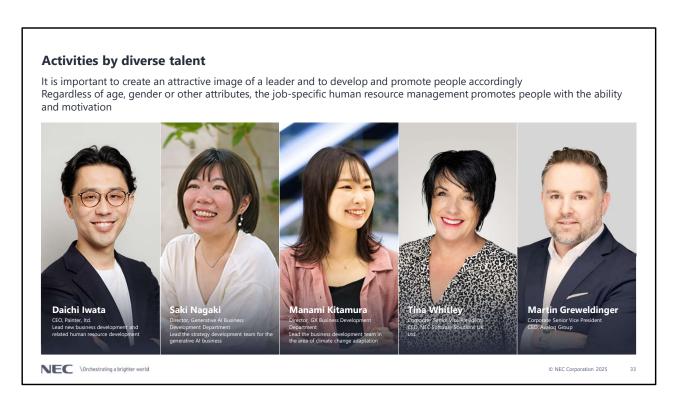


- In terms of culture, a new stock-based compensation system called NEC Value Shares will be introduced.
- This system will enable the NEC to share its common values with employees, and by bringing together all group employees, it will aim to improve corporate value through measures such as raising awareness of the company's performance and stock price.
- Specifically, we plan to grant stock-based compensation that is not linked to performance to more than 6,000 employees, including employees of group companies, who are expected to make a significant contribution to the company over the medium to long term.
- Prior to this, a stock-based compensation system will be introduced for around 400 employees, mainly in strategic positions such as general managers, from FY2026.
- Furthermore, the employee shareholding system will be expanded, and from FY 2027, when the next medium-term plan starts, in addition to the fixed percentage incentive that has been granted to participating employees, the company plans to grant its own shares free of charge to around 60,000 employees of NEC and some group companies.
- · In this way, we plan to develop a compensation system that will maximize the

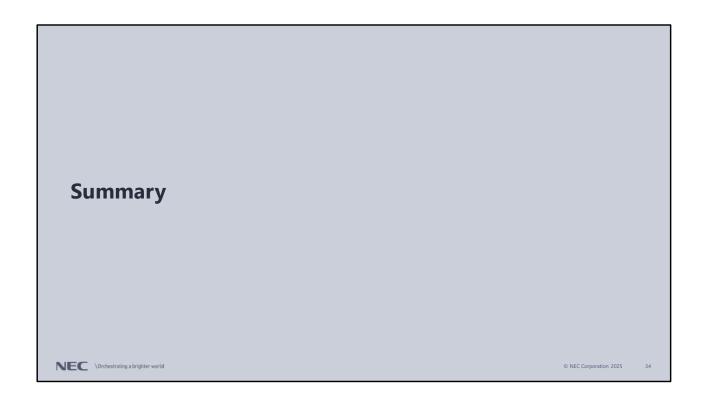
potential of all employees, from young to senior, and enable the NEC Group to grow over the medium to long term.

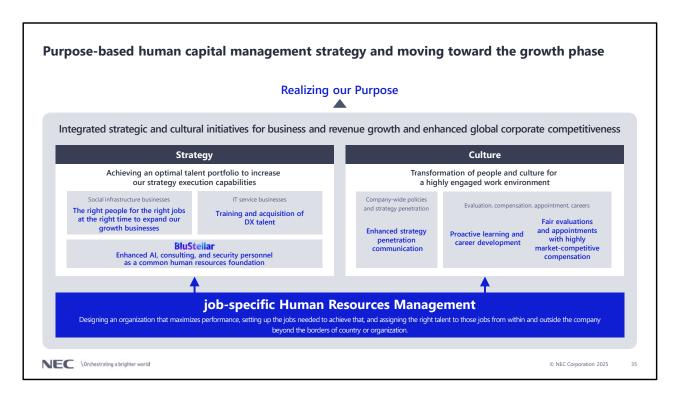


- · Next, I will discuss evaluations and appointments
- With the shift Job-specific human resource management, talented and motivated human resources are being offered and appointed to positions where they can play more active roles and demonstrate their abilities regardless of attributes such as age, company history, gender, or nationality.
- Evaluations are based on the nine-block evaluation model.
- Starting with the appointment of our first manager in their 20s, we are seeing younger people being promoted to management.



• We aim to foster a culture where diverse talent can definitively take on active roles, and we leverage our various strengths and characteristics to elevate our organization with our ability to continue changing, to create an NEC Group that is successful on the global stage.





- Due to the diligent and continuous efforts to transform people and culture, NEC is finally standing on the starting line as a standard company that can continuously generate profits.
- Now, we are shifting gears to accelerate our growth so that we can continue succeeding on the global stage. It is people who underpin that effort, and to that end, it is key that job-specific human resources management functions as a foundation.
- We are aiming to realize our Purpose by linking strategies and maximizing the capabilities of our people and organizations while responding to change.



• It is important that our commitment to continue to change remains unchanged without stopping our transformation process.

