NEC ESG Databook
2026

NEC \Orchestrating a brighter world

Contents

NEC is a signatory to the United Nations Global Compact.

Information Disclosure Policy

Basic Policy

NEC regularly discloses the latest information on its sustainability activities via its sustainability website. Furthermore, it discloses information, with reference to international guidelines such as the Global Reporting Initiative (GRI), while addressing the needs of sustainability professionals, including ESG research institutions, news media, universities, and NPOs/NGOs.
This report, NEC ESG Databook 2026, serves as an annual report on NEC Corporation's and the NEC Group's sustainability philosophy, strategies, and initiatives in fiscal year 2026.

Scope of This Report

This publication focuses on initiatives during fiscal year 2026 (April 1, 2025 to March 31, 2026), but also covers certain events and activities outside that period.

Terminology Used in This Report

The Company or NEC Corporation: NEC Corporation
NEC Group: NEC Corporation and its consolidated subsidiaries in and outside Japan.

Information Disclosure Framework

NEC publishes an Integrated Report, an ESG Databook, and an Annual Securities Report as disclosure materials for investors.
In the Integrated Report, NEC presents a comprehensive picture of its financial and non-financial initiatives (ESG/future financial) from the perspective of management for sustainability, with a focus on initiatives for addressing materiality.
As a supplement to the Integrated Report, the ESG Databook provides more detailed disclosure of sustainability-related initiatives and achievements classified from an ESG perspective.

Reference Guidelines

With the aim of conforming with international reporting initiatives, NEC reports on its sustainability activities using the following guidelines as references. In addition, the report was created with reference to the four thematic areas of the ISSB and SSBJ.

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines Standards
- United Nations Global Compact (UNGC)
- Sustainability Accounting Standards Board (SASB) Standards
- International Organization for Standardization (ISO) 26000
- Japan's Ministry of Economy, Trade and Industry's "Guidance for Collaborative Value Creation"
- International Sustainability Standards Board (ISSB) and Sustainability Standards Board of Japan (SSBJ)

Third-party Assurance

The environmental and social data published in NEC ESG Databook 2026 (PDF) has been verified by a third party. Applicable environmental data is denoted with a ✓. Relevant social data is provided in the corresponding notes.

Date of Issue

September 2026

Contact for Inquiries about This Publication

Sustainability Strategy Planning Office
Stakeholder Relations Department
Corporate Strategy and Sustainability Promotion Division
NEC Corporation
7-1, Shiba 5-chome, Minato-ku,
Tokyo 108-8001, Japan
Email: nec_sus@dmsig.jp.nec.com

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Management for Sustainability

Management for Sustainability

Approach to Management for Sustainability

Since its founding in 1899, the NEC Group has continued to grow by contributing to the realization of a more prosperous society by supporting infrastructure through the use of information and communication technology (ICT). In recent years, the external environment has changed significantly, including the acceleration of climate change, heightened geopolitical risks, and the rapid spread of AI. Under such circumstances, the NEC Group believes that, in order to fulfill its Purpose, it should contribute to improving societal resilience while earning the trust of diverse stakeholders that constitute society, with the aim of realizing a sustainable society.

Based on this approach, the NEC Group will prioritize the following and seek to maximize long-term profit and corporate value.

- Continuously proposing and providing new value for society (Innovation)
- Making employees and stakeholders happier (Well-being)
- Building a resilient organization (Resilience)
- Doing the right thing (Integrity)

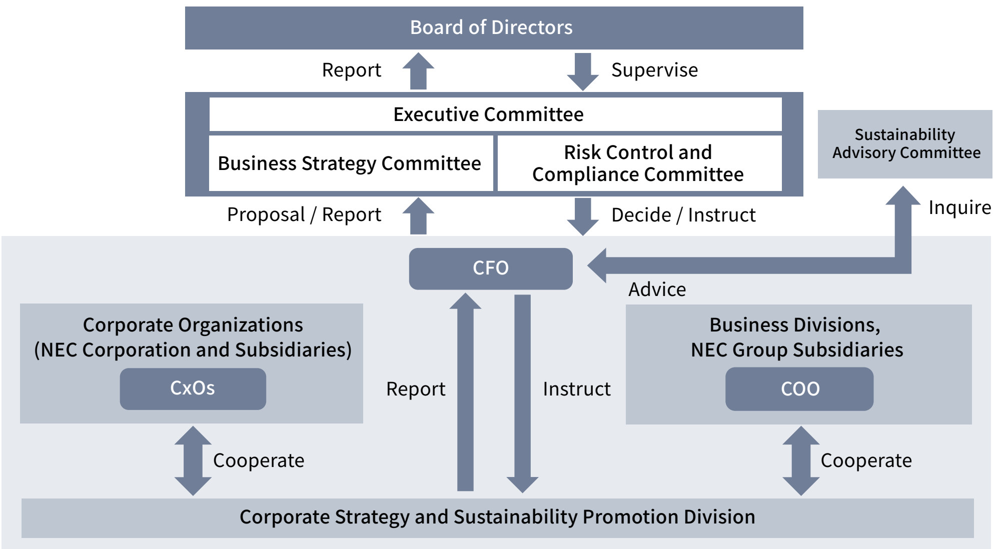
Reference: Message from the President and CEO

Governance

Management Framework for Sustainability GRI 2-12, 2-13, 2-14 , 2-17, 2-18

At the NEC Group, we promote management for sustainability under a corporate governance framework that clearly separates oversight and execution.

Management Implementation Framework for Sustainability



CxOs: Chief x Officer

1. Roles of Board of Directors and Management

1.1 Oversight by the Board of Directors

The Board of Directors oversees the implementation of materiality (management issues of high importance to be prioritized by the NEC Group) and responses to sustainability-related issues by receiving reports, at least once a year, from the Chief Financial Officer (CFO), who is the corporate officer in charge of sustainability promotion, and other officers involved in promoting initiatives addressing sustainability-related risks and opportunities (hereinafter referred to as "officers involved in sustainability promotion"). These reports are based on issues discussed or approved by the executive bodies described in "1.2. Execution Framework" below.

In addition, the NEC Group positions sustainability and ESG (insight into diverse values related to women, foreign nationals, disabilities, etc.; experience as a leader of ESG activities; or specialized insight into ESG management) as one of the career skills that it particularly expects of Directors, and regularly confirms the level of fulfillment for the Board of Directors as a whole.

In fiscal year 2026, the Board of Directors redefined its approach to management for sustainability for the Mid-term Management Plan 2030 period. In addition, the Board of Directors and the Audit Committee discussed the approach to the materiality assessment for re-identifying materiality.

1.2. Execution Framework

The CFO and officers involved in sustainability promotion work together to discuss and deliberate on sustainability-related risks and opportunities in appropriate committees depending on the topic. Opportunities are mainly addressed through the Executive Committee led by the Representative Executive Officer and President and the Business Strategy Committee led by the CFO, while risks are handled through the Risk Control and Compliance Committee led by the Chief Risk and Compliance Officer (CRCO).

In addition, the CFO and officers involved in sustainability promotion have established the Sustainability Advisory Committee, which consults with external experts. This committee engages in objective and expert discussions on NEC's sustainability policies and initiatives in light of the latest trends, helping the Company clarify the management's direction and make improvements in a rapidly changing and uncertain environment.

The Corporate Strategy and Sustainability Promotion Division, overseen by the CFO and composed of departments responsible for corporate strategy, IR, and others, works in close collaboration with the corporate organizations of NEC and its subsidiaries, including departments responsible for people and human resources development, general affairs, legal affairs, risk and compliance, management information systems, and communications, as well as the business segments and divisions responsible for sustainability-related operations, such as AI, security, environment, CS (customer satisfaction), quality assurance, and procurement, to advance management for sustainability. Additionally, the NEC Group is advancing initiatives in collaboration with our suppliers. In fiscal year 2026, sustainability-related "risks" were discussed multiple times at the Risk Control and Compliance Committee, and sustainability-related "opportunities" were discussed at the Executive Committee and the Business Strategy Committee in the form of monitoring the Mid-term Management Plan 2025.

2. Materiality and Sustainability-related Performance Indicators and Remuneration for Directors

The "Company-wide Organizational and Talent Development Based on the NEC Way" and the "Implementation of Materiality Initiatives" are clearly stated in the job descriptions of internal directors, and engagement scores are used as a bonus calculation metric for Corporate SVPs and above (excluding outside directors). In addition, during the Mid-term Management Plan 2030 period, the KPIs of the corporate officers in charge of each materiality will be linked to the KPIs for the relevant materiality.

Participation in International Initiatives GRI 2-28

The Company takes part in a variety of initiatives in pursuit of its goal of helping to achieve the SDGs and creating a sustainable society.

Reference: Participation in International Initiatives

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Dialogue and Co-creation with Our Stakeholders GRI 2-6, 2-28, 2-29

Customers' and society's values are constantly changing. To supply products and services that deliver real value, NEC needs to incorporate processes for dialogue and co-creation with stakeholders into its corporate activities.

Our commitment to promoting dialogue and co-creation with stakeholders is embedded in the concept of "Orchestrating" as stated in our Purpose, "Orchestrating a brighter world," within the NEC Way.

Main Types of Dialogue and Co-creation Cases with Our Stakeholders

	Themes and objectives	Communication method		Reference
Customers	• Contribution to resolving social issues through business activities with customers • Customer satisfaction (CS) activities aligned to customer characteristics • Disclosure of appropriate information about products and services	• Sales activities • CS activities • NEC Customer Communication Centers • Advertising, PR • Holding the NEC Executive Summit		Implementation examples (Environmental Solutions (Japanese language only), SDGs Case Studies) NEC's Customer Satisfaction Enhancement Activities ESG Customer Relationship Management Advertising
Shareholders and investors	• Timely, appropriate provision of information • Promotion of understanding of the Company, acquisition of feedback from capital markets • ESG activity reports and exchanges of opinions	• Financial results presentation meetings (quarterly) • General Meeting of Shareholders (annually) • NEC IR Day	• NEC Innovation Day • Individual meetings with analysts • NEC Sustainability Advisory Committee	Financial Documents Management Strategy Meeting / Business Briefing NEC Sustainability Advisory Committee
Business partners	• Strengthening of partnerships • Construction of better supply chains • Fair procurement activities	• Implementation of Guidelines for Responsible Business Conduct in Supply Chains • Partner exchange meetings • Policy briefings	• Document checks • On-site assessments • Third-party audits, second-party audits • NEC Compliance & Integrity Hotline	ESG Supply Chain Management ESG Respect for Human Rights
Employees	• Understanding the status of employee engagement • Exchange of opinions between employees and management • Human resource development and evaluation • Promoting appropriate treatment and occupational health and safety	• One NEC Survey (annually) • Pulse Survey (every three months) • The NEC Way Day • CEO Town hall meetings with the NEC president (at least once a month)	• One-on-one meetings between supervisors and team members • Health and safety committees • Labour-management councils • NEC Compliance & Integrity Hotline	CEO Town Hall Meetings (Japanese language only) ESG Occupational Health and Safety ESG Compliance
United Nations and international institutions, national and local governments	• Sustainable development of international society and contribution to the SDGs • Compliance with laws and regulations	• Participation in global initiatives to enhance sustainability • The 30th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP30) • The World Economic Forum Annual Meeting (2026) • Public-private sector collaboration projects • Policy declarations		Message from the President and CEO Participation in International Initiatives ESG Environmental Management ESG Carbon Neutrality ESG AI and Human Rights NEC Actions to Achieve SDGs Co-creation with International Organizations
NPOs and NGOs, civil society	• Understanding feedback from society • Co-existence with local communities • Development of young social entrepreneurs	• NEC Sustainability Advisory Committee • Collaboration with international NPOs and NGOs • NEC Make-a-Difference Drive corporate citizenship activity	• NEC Social Entrepreneurship School • NEC Pro Bono Initiative	NEC Sustainability Advisory Committee ESG Corporate Citizenship Activities
Students	• Understanding feedback from society • Supporting the learning of the next generation	• Next-generation education programs • e-Net-Caravan		NEC CAREERS (Japanese language only) NEC Future Creation Program (Japanese language only) ESG Inclusion and Diversity

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Strategy

Approach and Initiatives for Management for Sustainability

1. Basic Principles on Management for Sustainability GRI 2-22

To maintain and strengthen trust with diverse stakeholders and maximize long-term profit and corporate value through the creation of social value, the NEC Group adopts the following three items based on the NEC Way as basic policies of sustainability management.

(1) Contribute to Solving Social Issues through Our Business

As part of our Purpose, we declare our intention to create the social values of safety, security, fairness, and efficiency through our business activities. The SDGs pledge to "leave no one behind" is aligned with the NEC Purpose, "to promote a more sustainable world where everyone has the chance to reach their full potential." In the Mid-term Management Plan 2030, NEC will embody its Purpose by setting forth the Vision for Creating Social Value: Empower Humanity—Delivering innovation and peace of mind.

Reference: Mid-term Management Plan 2030

Reference: Vision for Creating Social Value: Empower Humanity

(2) Strengthen Risk Management and Enforce Compliance

In order to act in accordance with its Principles, which advocate for "uncompromising integrity and respect for human rights," NEC makes sure to conduct its business activities with the highest priority given to thorough risk management and compliance that is mindful not only of employees but also of customers and society. Moreover, the opening statement to the NEC Group Code of Conduct calls for everyone in NEC Group to act in good faith based on high ethical standards.

In 2005, NEC became a signatory to the United Nations Global Compact, which requires corporate activities to be conducted based on the Ten Principles of the UN Global Compact, pertaining to the four fields of human rights, labour, the environment, and anti-corruption. As part of this effort, NEC conducts regular self-assessments of its activities to ensure it stays true to this requirement.

(3) Promote Communication with Stakeholders

Dialogue and co-creation with a variety of stakeholders are important processes for learning about the issues that matter to our customers and society, about what is expected of us, and for building relationships of trust. Our commitment to promoting dialogue and co-creation with stakeholders is embedded in the concept of "Orchestrating" as stated in our Purpose, "Orchestrating a brighter world," within the NEC Way.

This commitment also helps fulfill the requirements of SDG 17, "Partnerships for the goals."

Reference: NEC Way

Approach to Sustainability-related Risks and Opportunities (Materiality)

Based on this basic policy, the NEC Group identified environmental and social issues based on global guidelines such as ISO 26000, GRI Standards, the UN Global Compact, SDGs, and SASB. By assessing the impact of these issues across the NEC Group's value chain and the existence and level of risks and opportunities they present to the NEC Group's finances, the NEC Group identified and responded to management issues of high importance to be prioritized by the NEC Group (hereinafter referred to as "materiality"). In addition, to determine these materiality items, NEC engages in dialogue with experts from various fields and stakeholder representatives, using their input to validate and refine the direction of its initiatives. Materiality is reviewed annually under the oversight of the Board of Directors in response to changes in the Company's business environment and evolving societal expectations, and is also reevaluated during the formulation of the Mid-term Management Plan, which serves as the timing for reviewing the corporate strategy.

Identification Process for Materiality GRI 3-1

1. Materiality identification process through the Mid-term Management Plan 2025 period

NEC ESG Databook 2025, p. 6: Evolution of the Materiality Identification Process

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2. Materiality during the Mid-term Management Plan 2030 period

In practicing the Vision for Creating Social Value “Empower Humanity—Delivering innovation and peace of mind” through Innovation, Well-being, Resilience, and Integrity, we assessed issues in which the latest themes such as AI were added to the conventional materialities in terms of impact on the environment and society and financial risks and opportunities, and determined their importance.

With respect to the impact on the environment and society, in addition to the company-wide risk management standards, we estimate impact based on the scale and scope of impact, likelihood of occurrence, and remediability after risk occurrence, while the impact of financial risks is aligned with the company-wide risk management standards. In addition, the impact of financial opportunities was assessed in the formulation process of the Mid-term Management Plan 2030. Based on these assessments, we classify management issues that we determined to be of high importance to the NEC Group into the following three categories:

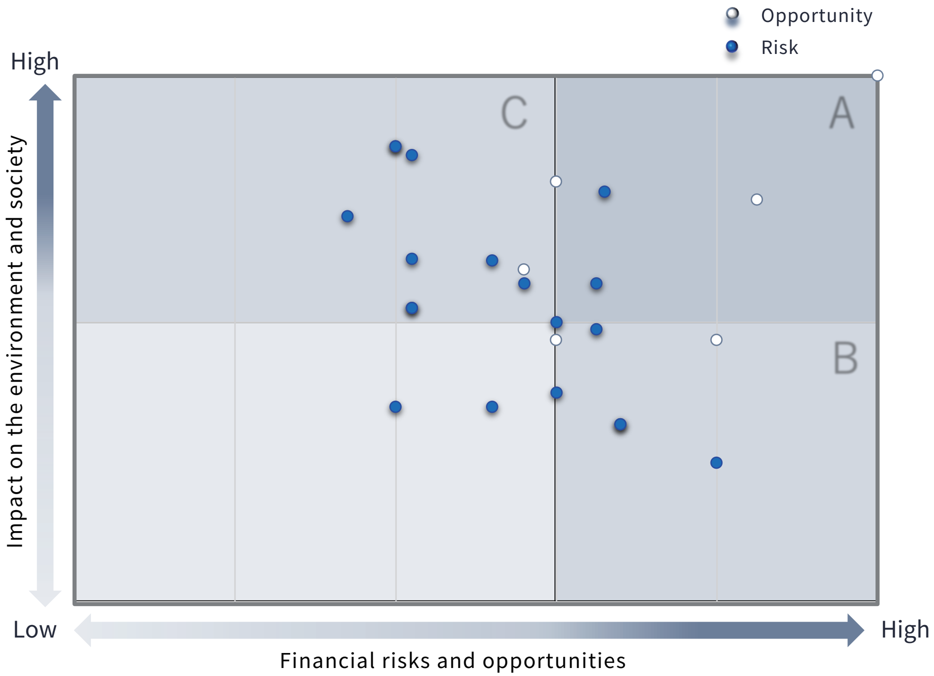
A: Issues for which both impact on the environment and society and financial risks and opportunities are high (issues of the highest importance to the NEC Group)

B: Issues for which financial risks and opportunities are high

C: Issues for which impact on the environment and society is high

In addition, in this identification process, we refer to global guidelines and disclosure standards that we have referenced previously. Further, as in the past, after engaging in dialogue with experts in various fields and representatives of stakeholders, we confirmed the rationality and appropriateness of the evaluation criteria and prioritization.

Results of Evaluation of Impacts, Risks, and Opportunities

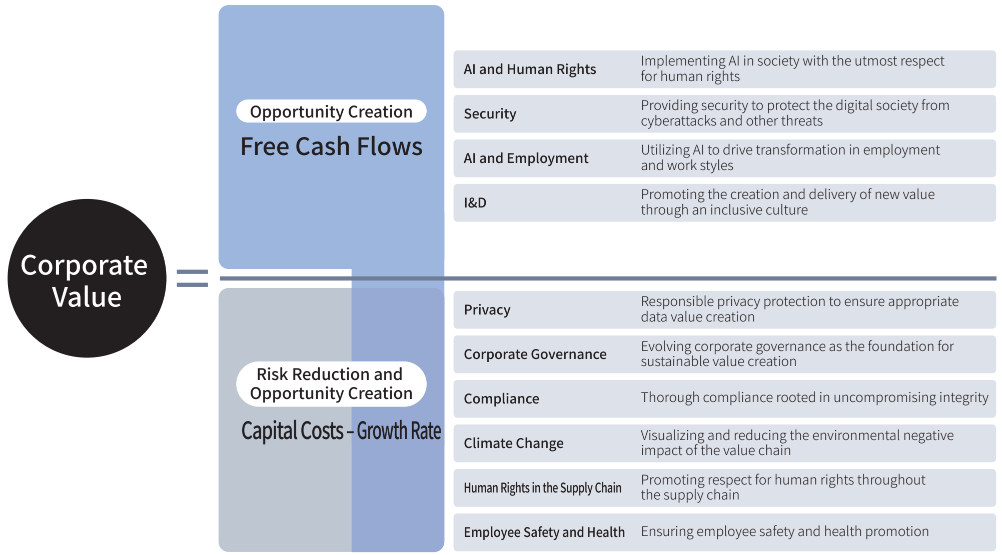


For management issues identified by the NEC Group as highly important, we categorize each issue from the perspective of the corporate value calculation formula as contributing more to opportunity creation and growth enhancement or to risk reduction.

Issues for which both impact on the environment and society and financial risks and opportunities are high (Quadrant A), “AI and Human Rights,” “Security,” “AI and Employment,” and “I&D” (listed by abbreviation) are positioned as contributing primarily to opportunity creation and growth enhancement.

On the other hand, “Privacy” (also listed by abbreviation), which also has a high impact on the environment, society, and financial risks and opportunities, is positioned as contributing primarily to risk reduction and growth enhancement. In addition, issues for which either one of these factors is significant (Quadrants B and C) are also categorized as contributing primarily to risk reduction and growth enhancement.

Materiality Based on the Corporate Value Calculation Formula



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3. Management issues (materialities) determined to be of high importance to the NEC Group GRI 3-2

Materiality (Abbreviation)	Expected timeline of impact	Value chain with major impact	Impact on the environment and society[1] Upper row: Magnitude of negative impact and examples Lower row: Magnitude of positive impact and examples	Financial impact[2] Upper row: Magnitude of risk and examples Lower row: Magnitude of opportunity and examples
A Themes of the highest importance				
Implementing AI in society with the utmost respect for human rights (AI and Human Rights)	Short term (several years) to medium term (5 years)	Especially downstream (customers)	[High] AI is unintentionally used by a third party (direct/indirect customers for the NEC Group) for surveillance, infringing citizens' human rights	[High] If a significant human rights violation is caused, the impact will be large
			[High] In addition to improving and enhancing operational efficiency through AI, provide safety and security to society through the use of biometrics technology	[High] As an AI-native company, AI is a driver of growth
Providing security to protect the digital society from cyberattacks and other threats (Security)	Short term (several years) to medium term (5 years)	Especially downstream (customers)	[High] System shutdown due to cyberattacks, or leakage of customers' system personal information, etc.	[High] If a significant security incident is caused, the impact will be large
			[High] Provide system security at the national and societal level to prevent public services from being disrupted	[High] Security is a key technology and solution for protecting digital infrastructure
Responsible privacy protection to ensure appropriate data value creation (Privacy)	Short term (several years) to medium term (5 years)	Especially downstream (customers)	[High] Leakage of personal data collected from cloud-based services, etc.	[High] If a significant personal information leak incident is caused, the impact will be large
			[High] Enable people to enjoy the benefits of new solutions utilizing personal data	[Medium] Provide new services that generate revenue by using customers' data for innovation
Utilizing AI to drive transformation in employment and work styles (AI and Employment)	Risk aspect: short term (several years) Opportunity aspect: short term (several years) to medium term (5 years)	NEC Group	[High] Inability to secure necessary human resources due to employees' lack of skills to respond to new technologies, etc.	[High] A certain level of investment is required for the utilization of AI to become established
			[High] AI handles routine tasks, allowing humans to focus on higher value-added work	[High] In addition to reducing general and administrative expenses, labor productivity improves through the execution of higher value-added work
Promoting the creation and delivery of new value through an inclusive culture (I&D)	Risk aspect: short term (several years) Opportunity aspect: medium term (5 years)	NEC Group	[High] Due to unconscious bias, etc., vulnerable groups such as mid-career hires and women are not given opportunities, resulting in lost opportunities for talented individuals to play an active role	[High] Gender ratio imbalances adversely affect decision-making processes and quality in management [High] A certain level of investment is required for initiatives such as enabling people with disabilities to thrive and measures to ensure retention of mid-career hires
			[High] Achieve an inclusive culture in which diverse talent thrives and every individual—not only women—can realize their full potential	[High] An inclusive culture contributes to the creation of innovation
B Themes with major financial risks and opportunities				
Evolving corporate governance as the foundation for sustainable value creation (Corporate Governance)	Risk aspect: short term (several years) Opportunity aspect: medium term (5 years)	NEC Group	[Medium] Due to weak internal controls, incidents occur that undermine trust in the NEC Group globally	[High] Temporary cost increases accompanying structural reforms
			[Medium] Avoid undermining trust in the NEC Group globally	[High] In the medium term, improve productivity and profit margins under group governance with appropriate controls, placing high integrity first
Thorough compliance rooted in uncompromising integrity (Compliance)	Short term (several years) to medium term (5 years)	Entire NEC Group value chain	[Medium] The occurrence of violations of competition laws, bribery, etc. causes major losses to the NEC Group's reputation over a long period	[High] The occurrence of violations of competition laws, bribery, etc. leads to major losses. There are adverse effects over the medium to long term, such as being subject to debarment measures
			[Medium] Avoid undermining trust with zero compliance incidents	[High] Avoid losing business opportunities with zero compliance incidents
C Themes with major impact on the environment and society				
Visualizing and reducing the environmental negative impact of the value chain (Climate Change)	Short term (several years) Medium term (5 years) Long term (over 5 years)	Upstream (suppliers) and downstream (customers) NEC Group	[High] With the spread of AI, electricity and water usage at data centers increases	[Medium] Increased costs due to the introduction of carbon pricing, and increased response costs associated with customers' requests for 100% renewable energy production
			[High] By providing new solutions related to climate change, including resource circulation, realize a society in which weather-related disasters are reduced and resources can be used effectively	[Medium] Creation of business opportunities related to climate change measures, including resource circulation, such as visualization of environmental impacts/risks, AI-based analysis and quantification, and solution proposals centered on consulting
Promoting respect for human rights throughout the supply chain (Human Rights in the Supply Chains)	Short term (several years) to medium term (5 years)	Upstream (suppliers)	[High] Human rights risks to workers in manufacturing processes at global plants of suppliers (including outsourced production), risk of long working hours in software development, and occupational health and safety risks during construction, maintenance and inspection	[Medium] We are working in collaboration with suppliers, and while the likelihood of risk occurrence is low, reputational risk can be assumed if human rights violations are caused
			—	—
Ensuring employee safety and health promotion (Employee Health and Safety)	Risk aspect: short term (several years) Continuously implemented over the medium to long term	NEC Group	[High] Illness and workplace accidents caused by long working hours of employees, including temporary staff Resignations due to harassment and declining workplace morale	[Medium] We have been addressing this as a priority risk since the Mid-term Management Plan 2025 period, and while the likelihood of large-scale risk occurrence is low, reputational risk can be assumed if human rights violations are caused
			—	—

1. Impacts on the environment and society are evaluated based on scale and scope of impact, likelihood of occurrence, and remediability (risk only). Scores are based on the Company's standards (15-point scale). [High] is impact of 8 or higher, and [Medium] is impact of less than 8. Because this assessment was conducted by re-evaluating the existing Fundamental Materiality, items with small impact were not evaluated.
2. Financial risks and opportunities are assessed based on the company-wide risk management standards and the risk determination standards within the NEC Group. Scores are based on the Company's standards (5-point scale). [High] is impact of 3 or higher, and [Medium] is impact of less than 3.

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Risk Management GRI 3-3

Sustainability-related risks at the NEC Group are managed as part of the company-wide risk management framework, with each system manager and business manager overseeing their respective areas. These risks are regularly monitored by the Risk Control and Compliance Committee.

In the Mid-term Management Plan 2030, as part of company-wide risk management, the corporate officers in charge of sustainability promotion and the responsible departments, acting as the lead, will promote initiatives for each materiality to avoid and reduce sustainability-related risks for the NEC Group. With respect to the creation of business opportunities, business divisions are responsible for this. In addition, through initiatives to provide customers with the track record and know-how accumulated by mastering the latest technologies in-house as the initial client (“Client Zero”), which we have strengthened during the Mid-term Management Plan 2025 period, we aim to link these to the creation of major opportunities, and will continue such initiatives.

Risk Management During the Mid-term Management Plan 2025 Period

The items promoted as company-wide risk management items, “Cybersecurity,” “Respect for Human Rights,” “Occurrence of Serious Misconduct,” and “Human Capital Management,” have been designated as “Fundamental Materiality” due to their significant impact on both society and the risks they present to the Company’s own finances. They are categorized as: “Security to Maximize ICT Possibilities,” “Provision and Utilization of AI with Respect for Human Rights as the Highest Priority (AI and Human Rights),” “Compliance as a Social Value Innovator,” and “Diverse Human Resource Development and Cultural Transformation,” respectively, and initiatives for risk avoidance and reduction were promoted.

For opportunity creation, in addition to initiatives under “Fundamental Materiality,” NEC also monitored progress on “Growth Materiality” as part of the progress tracking for Mid-term Management Plan 2025. In addition, we advanced the provision of know-how to customers from the Client Zero implementation track record. For example, in the area of cybersecurity, NEC leverages the experience and knowledge gained from practicing security management internally to offer services that support clients in managing security risks.

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Metrics and Targets

Metrics and Targets During the New Mid-term Management Plan Period GRI 3-3

For the materiality during the Mid-term Management Plan 2030 period, we have set the desired state and KPIs as follows. We will focus on initiatives toward practicing our Purpose and realizing the Vision for Creating Social Value: Empower Humanity—Delivering innovation and peace of mind.

A Themes of the highest importance

Materiality (Abbreviation)	Desired state by 2030	Fiscal 2031 KPIs for addressing challenges
Implementing AI in society with the utmost respect for human rights (AI and Human Rights)	• Establishing and rolling out to Group companies a system and operational framework to address human rights risks arising from rapidly advancing AI technology	• Continuous strengthening of risk response capabilities • Evaluation of the effectiveness of training for implementing the "NEC Group Policy on AI and Human Rights" • Maintenance of incident prevention and response systems • Zero occurrences of serious incidents
Providing security to protect the digital society from cyberattacks and other threats (Security)	• Provide security services to clients based on our own initiatives, protecting the digital society from cyberattacks and other threats • Strengthen cybersecurity and AI governance at Group companies and business partners, while implementing advanced security solutions that leverage cutting-edge technologies and AI	• Achieving world-class in-house security measures (Third-party rating score (Bitsight): 800) • Generating and providing proprietary intelligence based on one of Japan's largest security data sets • Providing advanced and reliable security products and services • Major incidents at NEC Corp. and its consolidated subsidiaries: 0
Responsible privacy protection to ensure appropriate data value creation (Privacy)	• All personnel involved in businesses that process personal information understand and comply with laws and regulations regarding the protection of personal information and conduct business activities with due regard for human rights and privacy	• Appropriate operation and improvement of NEC Corp's Personal Information Protection Management System • Zero incidents of serious personal information leaks
Utilizing AI to drive transformation in employment and work styles (AI and Employment)	• Leveraging AI-based operations to drive labor productivity and foster innovation	• Leveraging AI-based operations to drive labor productivity and foster innovation
Promoting the creation and delivery of new value through an inclusive culture (I&D)	• Achieve an inclusive culture in which diverse talent thrives and every individual—not only women—can realize their full potential	• NEC Corp. and five major domestic consolidated subsidiaries Percentage of female managers: 20% (Including personnel changes effective April 1, 2031, that were decided during the fiscal year ended March 31, 2031) • FY2027 Diversity Score: 55% (+2 points) (FY2027 will be measured using the current survey. From FY2028 onward, a new KPI to assess the degree of inclusiveness will be established.)

B Themes with major financial risks and opportunities

Materiality (Abbreviation)	Desired state by 2030	Fiscal 2031 KPIs for addressing challenges
Evolving corporate governance as the foundation for sustainable value creation (Corporate Governance)	• Rebuild and embed a governance framework for NEC Group's global growth	• Establishment and implementation of a company-wide rule system, and application to NEC Group companies • Implementation of appropriate governance practices tailored to the characteristics of NEC Group companies
Thorough compliance rooted in uncompromising integrity (Compliance)	• Number of serious cartel and bid-rigging incidents: 0 • Number of serious bribery incidents: 0	• Number of serious cartel and bid-rigging incidents: 0 • Number of serious bribery incidents: 0

C Themes with major impact on the environment and society

Materiality (Abbreviation)	Desired state by 2030	Fiscal 2031 KPIs for addressing challenges
Visualizing and reducing the environmental negative impact of the value chain (Climate Change)	• In accordance with RE100, aim to achieve 100% renewable energy by 2040. For 2030, the midpoint of this journey, achieve a renewable energy adoption rate aligned with our SBT net-zero target • Promote decarbonization toward achieving SBT targets (reduce Scope 1, Scope 2, and Scope 3 emissions by at least 63.6% each by fiscal year ended March 31, 2035 compared to fiscal year ended March 31, 2025)	• Achieve a 58% renewable energy adoption rate by the fiscal year ended March 31, 2031 (target set in alignment with the SBT Net Zero goal) • Participation rate of major suppliers in NEC Corp's CO_2 reduction support program FY2031: 90%
Promoting respect for human rights throughout the supply chain (Human rights in the supply chain)	• Working with suppliers to prevent and mitigate human rights risks	• 100% completion rate for corrective actions regarding high-risk suppliers (Since our corrective action efforts are a year-long process, the FY2031 KPI is the completion rate of corrective actions by the end of FY2031 for suppliers to whom we requested corrective actions during the fiscal year ended March 31, 2030.)
Ensuring employee safety and promoting health (Employee Safety and Health)	• Where individuals achieve collective results without compromising their individuality • Creating an environment that promotes appropriate working hours and enables individuals to perform at their best in optimal condition	• Engagement Score: Top 25th percentile (Global Top Tier)

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Materiality During the Mid-term Management Plan 2025 Period, Metrics and Targets, and Results

Materiality During the Mid-term Management Plan 2025 Period GRI 3-2

In Mid-term Management Plan 2025, NEC has identified five "Growth Materiality" areas aimed at growth, opportunity generation, and increasing growth rates, as well as seven "Fundamental Materiality" areas focused on risk reduction and increasing growth rates, and implemented them.

NEC ESG Databook 2025, p. 5: Corporate Value Formula and Materiality

Through its efforts in these areas of materiality, NEC met the expectations of various stakeholders, including employees, business partners, and customers, and was continuously included in ESG indices (such as the Dow Jones Best-in-Class World Index and APAC Index, FTSE4Good Index Series, and MSCI ESG Selection Indexes), which reflect trust from society and capital markets.

Reference: External Ratings and Evaluations (Inclusion in ESG Indices)

Main Risks and Opportunities of Each Materiality and Related Initiatives

	Materiality	Risk	Opportunity	Initiatives
Growth Materiality	A Society That Enables Well-being Through the Digitalization of Government and Financial Institutions	• Widening regional differences in government services due to Japan's aging population and the so-called "digital divide," as well as increasing wealth polarization and disparity	• Collaboration and integration with government, finance, and various other industries • Expansion of user base for advanced asset management advice and asset transactions	• Building an infrastructure that enables highly transparent and fair use of government and financial services through the use of highly reliable digital technology.
	Stress-free Communication with Low Environmental Impact	• Environmental burden due to increased energy consumption by telecommunications equipment	• Increasing demand for solutions that enable efficient traffic accommodation, network construction, flexible network operation, and carbon neutrality • Increased emphasis on secure communications	• Providing high-speed, large-capacity, low-latency communications environments.
	Transforming Society and Industry with the Power of Digital Technology	• Delays in implementation in actual business due to a lack of human resources with DX expertise and difficulty in creating road maps	• Continued IT demand due to digitalization of both society and enterprises • Increased adoption of cloud-based services that use digital technologies	• Promoting digital transformation in both society and industry by leveraging our technological strengths in AI, biometrics, and security, as well as our abundant expertise in human resources in areas such as cloud services, agile development, and data science.
	Living Freely in Our New Era of Healthcare and Life Science	• Delays in collaborations and market growth	• Increasing demand for healthcare that uses cutting-edge technologies such as AI	• Achieving advanced personalized treatment, comprehensive medical services, and lifestyle support, promoting new business development with AI and image recognition technology.
	Driving Carbon Neutrality for Our Customers and Society	• Increased costs due to the introduction of carbon pricing and CO_2 emission levels • System failure from natural disasters	• Increasing demand for ICT solutions to realize carbon neutrality	• Contributing to carbon neutrality throughout society by digitally supporting our customers' decarbonization efforts by leveraging our knowledge and experience in reducing our own CO_2 emissions.
Fundamental Materiality	Environmental Action with a Particular Focus on Climate Change (Decarbonization)			• Reducing CO_2 emissions from the Company and the entire supply chain. • Providing solutions to prepare for the risks of weather-related disasters such as floods and droughts.
	Security to Maximize ICT Possibilities	• Information leaks, unauthorized access, system failure	• Development of security professionals • Provision and operation of robust information systems	• Ensuring the steady promotion of information security measures and providing products, systems, and services that incorporate security measures and case studies taken from NEC Group's own information security practices as a reference. • Strengthening development of information security professionals.
	Provision and Utilization of AI with Respect for Human Rights as the Highest Priority (AI and Human Rights)	• Invasion of privacy-related risks accompanying new technologies • Risks of human rights violations in the value chain	• Strengthening competitiveness	• Promoting the provision and utilization of AI with human rights as the highest priority based on the "NEC Group AI and Human Rights Principles." • Strengthening AI governance in light of trends in laws and regulations in Japan and overseas, and continuing dialogue with various stakeholders.
	Diverse Human Resource Development and Cultural Transformation	• Difficulty in securing and developing human resources • Long working hours • Harassment	• Greater organizational strength through improved employee engagement	• Based on the NEC Way and NEC's HR Policy, advocate "transformation of people and culture" in Mid-term Management Plan 2025. • Accelerating diversity, which is the source of innovation, and implementing workstyle reforms that support the working styles of diverse talent.
	Corporate Governance Aiming to Continuously Create Social Value and Maximize Corporate Value	• Inadequate accounting processes • Mismanagement of confidential information	• Acquisition of trust from society	• Promoting corporate governance based on the following basic policies: 1. Assurance of transparency and sound management 2. Realization of prompt decision-making and business execution 3. Clarification of accountability 4. Timely, appropriate and fair disclosure of information
	Supply Chain Sustainability Through Collaboration and Co-creation with Suppliers	• Risks of human rights violations in the value chain	• Collaboration and co-creation with suppliers	• Promoting activities to ensure that suppliers are aware of the Guidelines for Responsible Business Conduct in Supply Chains and submit declarations pledging to uphold their contents.
	Compliance as a Social Value Innovator	• Compliance breaches (illegal acts, fraudulent acts) • Laws and regulations related to quality and safety • Quality improvement costs for project contracts	• Acquisition of trust from society	• All corporate officers and employees have signed the Statement of Agreement for the NEC Group Code of Conduct. Each and every one of us recognizes compliance as a personal matter and acts in accordance with the code every day.

Management for Sustainability
Management for Sustainability

Metrics and Results During the Mid-term Management Plan 2025 Period GRI 3-3

In Mid-term Management Plan 2025, NEC established KPIs for fiscal year 2026 as benchmarks to measure progress on materiality, reviewed the results and challenges annually, and considered additional measures or revised targets as needed. The KPIs for each materiality item in fiscal year 2026 and the results of initiatives are as follows. The engagement score, which is a KPI for "diverse human resource development and cultural transformation," was 48%, falling slightly short of the target value of 50%, but improved to a domestically top-level standard. In addition, the ratio of female managers was 12.1%, which did not reach the target value of 20%.

	Materiality	KPIs for Fiscal Year 2026	Results for Fiscal Year 2026
Growth Materiality	A Society That Enables Well-being Through the Digitalization of Government and Financial Institutions	• DGDF revenue: 320.0 billion yen Adjusted operating profit margin: 11.9%[3]	• DGDF revenue: 333.5 billion yen Adjusted operating profit margin: 9.5%
	Stress-free Communication with Low Environmental Impact	-[4]	-[4]
	Transforming Society and Industry with the Power of Digital Technology	• NEC BluStellar revenue: 624.0 billion yen Adjusted operating profit margin: 13.2%[3] • Total human resources involved with DX: 12,000	• NEC BluStellar revenue: 705.0 billion yen Adjusted operating profit margin: 14.5% • Total human resources involved with DX: 13,492
	Living Freely in Our New Era of Healthcare and Life Science	• Continuously create new businesses in healthcare and life sciences to achieve a business value of 500.0 billion yen by fiscal year 2031	• Confirmation of immunogenicity of personalized cancer vaccines and commencement of joint research with a major pharmaceutical company toward creating cancer vaccines • In collaboration with universities, commencement of research on a virtual medical platform toward realizing patient-centered healthcare • Verification of the effectiveness of technology to support doctors' operation of electronic medical records through generative AI
	Driving Carbon Neutrality for Our Customers and Society	• Business expansion in areas such as carbon management to support corporate decarbonization	• Release of solutions for promoting decarbonization including the supply chain • Expansion of AI-based analysis of risks and opportunities related to corporate natural capital from environmental Client Zero to customer services • Promotion of collaboration with universities and partner companies regarding calculation of decarbonization effects in agriculture and forestry
Fundamental Materiality	Environmental Action with a Particular Focus on Climate Change (Decarbonization)	• 25.0% reduction in Scope 1 and Scope 2 CO_2 emissions (compared with fiscal year 2021) to achieve carbon neutrality by the fiscal year ended March 31, 2041	• Approximately 55.8% reduction in Scope 1 and Scope 2 CO_2 emissions (compared with fiscal year 2021)
	Security to Maximize ICT Possibilities	• Three times the number of internationally certified personnel[5] (compared with fiscal year 2021)	• More than a total of 670 internationally certified personnel[6], approximately 4.5 times the number in fiscal year 2021
	Provision and Utilization of AI with Respect for Human Rights as the Highest Priority (AI and Human Rights)	• Application of the NEC Group AI and Human Rights Principles	• Application of the NEC Group AI and Human Rights Principles
	Diverse Human Resource Development and Cultural Transformation	• Engagement score: 50% • Ratio of female managers to all managers: 20%[6]; Ratio of female or non-Japanese officers to all officers: 20%[7]	• Engagement score: 48% • Ratio of female managers to all managers: 12.1%[8]; Ratio of female or non-Japanese officers to all officers: 17.2%[9]
	Corporate Governance Aiming to Continuously Create Social Value and Maximize Corporate Value	• Increase sophistication of governance by transitioning to a company with a Nomination Committee, etc., with a majority of independent outside directors	• Strengthened the monitoring function of the Board of Directors • Ratio of independent outside directors: 72.7%[10]
	Supply Chain Sustainability Through Collaboration and Co-creation with Suppliers	• Suppliers agreeing to the Procurement Guidelines: 75%[10]	• Suppliers who have agreed to the Procurement Guidelines: 88%[11]
	Compliance as a Social Value Innovator	• Zero cases of serious involvement with cartels and/or bid-rigging	• Zero cases of serious involvement with cartels and/or bid-rigging

3. Target changed in fiscal year 2026.
4. Removed from KPIs due to changes in the external environment.
5. CISSP (Certified Information Systems Security Professional)
6. Includes transfers effective April 1, 2026 determined within fiscal year 2026.
7. Directors, executive officers, corporate senior executive vice presidents, corporate executive vice presidents and corporate senior vice presidents of the Company as of March 31, 2026 (including executive officers, corporate senior executive vice presidents, corporate executive vice presidents and corporate senior vice presidents whose appointment was determined during fiscal year 2026 and transferred on April 1, 2026).
8. As of March 31, 2026. The ratio of female managers to all managers was 13.0% as of April 1, 2026.
9. Directors, executive officers, corporate senior executive vice presidents, corporate executive vice presidents and corporate senior vice presidents as of March 31, 2026. The ratio of female and non-Japanese officers to all officers was 17.5% as of April 1, 2026.
10. As of March 31, 2026.
11. Percentage based on procurement amount.

Environment

Environmental Management

Governance

Environmental Management Promotion Framework

1. Overview

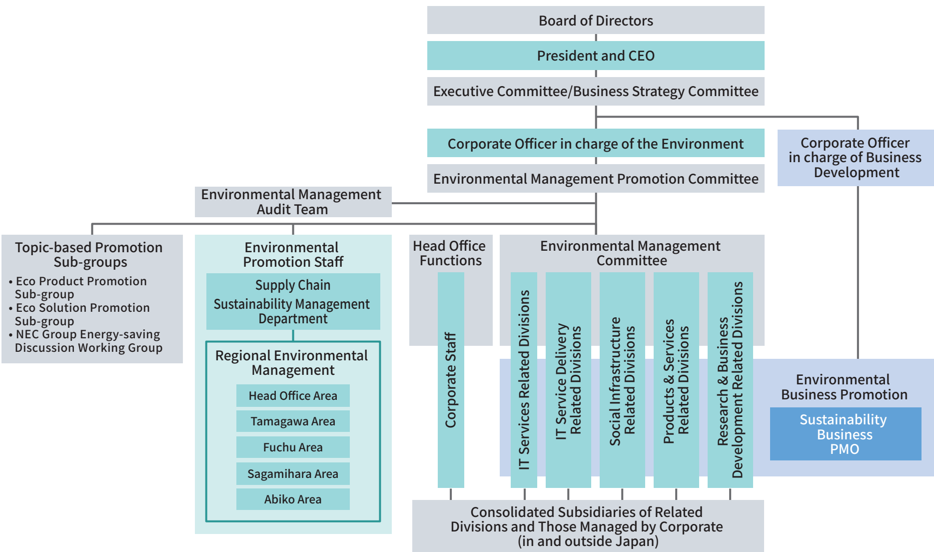
NEC Corporation established a specialized environmental department in 1970, one year before Japan's Environment Agency was established, and for more than 50 years has worked to address pollution prevention and environmental conservation while promoting the creation of social value through the practice of environmental management.

Important environmental matters are discussed by either the Executive Committee or the Business Strategy Committee. Discussions are limited to those deemed important based on deliberations by the environmental management committees in each relevant department, topic-based promotion sub-groups for each topic, and the Environmental Management Promotion Committee, which comprises managers in charge of the environment in each relevant division. Furthermore, issues that may have a particularly significant impact on the NEC Group's businesses are reported to the Board of Directors.

Each relevant division has established environmental management committees. In addition, a system has been established for carrying out specific measures by each business unit, its divisions, affiliated companies, and subsidiaries of NEC in and outside Japan. By formulating and implementing specific action plans based on the environmental strategy devised by either the Executive Committee or by the Business Strategy Committee, we can implement consistent environmental management throughout the NEC Group under the supervision of the Board of Directors.

For business development activities in which the environment is a new business opportunity, we have established a dedicated team called the Sustainability Business Project Management Office (PMO) to promote collaboration among all companies, including Group companies, and to accelerate commercialization.

Environmental Management Promotion Framework Diagram



2. Pollution Prevention and Chemical Substance Management

Each of the Company's plants conducts a preliminary evaluation of the chemical substances used and the facilities and equipment that generate wastewater or exhaust gases by establishing a preliminary evaluation system to assess the potential environmental impact. We have also established environmental analysis and measurement regulations to appropriately monitor the environmental load of exhaust gases, wastewater, odors, and other substances to prevent pollution.

3. Water Resource Management

As a measure to prevent water pollution, each office and plant sets and manages internal standards to ensure that wastewater does not exceed legal limits set by the national and local governments in each region. Our internally controlled standards are stricter than externally mandated standards. We are also working to reduce the amount of chemical substances used during water treatment to reduce the impact of chemical trade-offs. Specifically, we prevent the input of more chemical substances than necessary by constantly monitoring water quality.

4. Resource Circulation and the Circular Economy

The Company holds circular economy activity sharing meetings on a regular basis to improve synergy between circular-related businesses and create new business opportunities. Through this meeting, we share initiatives and knowledge across the Company while also promoting collaboration among businesses and linking this to the creation of new value.

External Engagement to Promote Environmental Management

In promoting environmental management, the Company positions alignment with initiatives, policy trends, and efforts across the industry as an important element. Accordingly, through participation in industry associations and policy engagement, we participate in discussions on environmental issues such as climate change and natural capital, and confirm alignment with the Company's policies and thinking.

1. Participation in Initiatives

The Company is participating in environmental initiatives to build a sustainable business foundation for itself and promote the realization of a sustainable society through co-creation.

Category	Initiatives	Description
Natural capital	The TNFD Forum/Early Adopter	NEC is a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum and has registered as an Early Adopter to implement TNFD disclosures at an early stage.
Water resource management	Water Project	NEC participates in initiatives aimed at creating sustainable local communities through the consideration of the relationship between people and water, as well as the use and conservation of sound water environments, in collaboration with various stakeholders including government, academia, and the public.
Biodiversity and ecosystems	30by30 Alliance	NEC participates as a founding member of the "30by30 Alliance[1]" in Japan.
	Biodiversity Working Groups	NEC participates in biodiversity preservation activities as a member of a biodiversity working group made up of four organizations[2] from the electrical and electronics industries.
Resource circulation and the circular economy	CLOMA	NEC participates in the "Japan Clean Ocean Material Alliance" and promotes initiatives to address the global issue of marine plastic waste.
	Circular Partners (CPs)	NEC collaborates with national and local governments, universities, companies, industry associations, and related organizations and agencies as part of Circular Partners (CPs), which ambitiously and proactively promote the circular economy and develop necessary policies for its realization in Japan.

1. An alliance to achieve the biodiversity goal of conserving at least 30% of land and ocean areas as natural environments by 2030. Committed to at the G7 Summit in 2021 and formally structured at the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15) in 2022.
2. The four organizations are The Japan Electrical Manufacturers' Association (JEMA), Japan Electronics and Information Technology Industries Association (JEITA), Communications and Information Network Association of Japan (CIAJ), and Japan Business Machine and Information System Industries Association (JBMIA).

Environment
Environmental Management

2. Involvement with Industry Associations

To ensure consistency between the Company's own position and that of industry associations, NEC participates in various organizations as a committee member and engages in active discussions. In discussions, we keep in mind whether the position aligns with NEC's values and whether it follows global initiatives such as the Paris Agreement. If any discrepancies arise, the matter is brought back internally and adjustments are made through the Environmental Management Promotion Committee and other relevant bodies, based on the environmental management system, to clarify the Company's position. Through this process, NEC aligns its initiatives related to climate change, natural capital, and other sustainability issues with the activities of industry associations.

Major Industry Associations in Which We Participate

Organization (Secretariat)	Committee name	Activities
Japan Business Federation (Keidanren)	Committee on Energy and Resources: Planning Subcommittee Committee on Environment and Safety: Subcommittee on Global Environment / Working Group on Global Environment Strategy / Subcommittee on Waste & Recycling / Subcommittee on Environmental Risk Response Nature Conservation Council	The Company's corporate officer in charge of the environment participates as a member of the Committee on Environment and Safety and the Committee on Energy and Resources. We formulate policy proposals on global warming countermeasures and energy measures utilizing IT.
Japan Electronics and Information Technology Industries Association (JEITA)	Environmental Subcommittee, Environmental Promotion Committee, Environmental Management Committee, Sustainable IT Promotion Committee, Impact Assessment Committee, Advanced Topics Study Group	This is the primary environmental organization for IT companies. It covers a wide range of topics including chemical substances and climate change.
Japan Environmental Management Association for Industry, Japan LCA Forum	LIME3[3] Utilization Working Group	Conducts environmental impact assessments that include natural capital using LIME3.
Four electrical and electronic industry associations: JEITA, JEMA, JBMIA, CIAJ	Environmental Strategy Liaison Committee, Liaison Group of Japanese Electrical and Electronics Industries for Global Warming Prevention, Steering Committee, Product Contribution Expert Committee, etc.	Conduct deliberation and guidance from a managerial and strategic perspective through each committee and working group regarding global issues in the electrical and electronics industry and policy proposals to governments in and outside Japan.
Green x Digital Consortium (JEITA)	Visualization Working Group	Activities toward establishing a mechanism to visualize CO_2 data across the global supply chain as a whole in order to reduce Scope 3 Category 1
	Environmental Activity Data Value Creation Working Group	Consideration and proposals toward establishing a mechanism under which green value is appropriately evaluated in the market
RE100	Advisory Committee	Participates in international discussions on rules and procurement approaches, etc. toward achieving 100% renewable energy.
The World Economic Forum	Committee member, "Nature Positive: Role of the Technology Sector"	Formulates guidance on priority initiatives for the IT sector.
	Committee member, "Green Data Center Playbook" development	Organizes approaches to environmental considerations for data centers.
TNFD	Committee member, "Technology and communications Sector Guidance" formulation	Formulates proposals for indicators for initiatives in the IT sector.
	Pilot member, "Nature Data Public Facility"	Pilots a platform to enable centralized access to global natural environment data.
	Advisor, "Nature Intelligence for Business Grand Challenge"	Serves as an advisor for a digital tool development competition to enable SMEs to work on TNFD.

3. Life cycle Impact assessment Method based on Endpoint modeling 3: A method for analyzing global environmental impacts, such as effects on human health and species extinction.

3. Policy Engagement

NEC Europe's Brussels office plays a central role within the NEC Group in monitoring and responding to environmental trends in the EU, such as climate change, chemical substance management, and the circular economy. In coordination with the NEC head office, it has been involved in the policymaking process for major environmental regulations such as the WEEE Directive, RoHS Regulation, REACH Regulation, and Eco-design for many years, acting as a chair or member of related committees in the Japan Business Council in Europe (JBCE) and DigitalEurope. In addition, with respect to sustainability-related regulations and systems such as the EU Taxonomy Regulation, the Corporate Sustainability Reporting Directive (CSRD), and the Corporate Sustainability Due Diligence Directive (CSDDD), it supports NEC headquarters in considering measures by monitoring trends, conducting impact analyses, and organizing legal interpretations. Furthermore, in cooperation with Japan's electrical and electronics industry associations, it also works to reflect Japan's views in the EU environmental policy formulation process, promotes understanding of EU laws, regulations, and requirements, and engages in advocacy with EU institutions. Through these activities, it contributes to advancing EU environmental policies while also fulfilling a role as a bridge connecting Japan and the EU.

Reference: Policy Engagement

Strategy

NEC Environmental Policy

As part of its corporate social responsibility activities, the Company engages in environmental management. The Company seeks to reduce environmental impact across society by providing products and services, as well as reducing the environmental impact of its own business activities by conserving energy at its business sites, equipment, and during transportation and by reducing the chemical substances it uses. To promote environmental management groupwide— including at NEC on a non-consolidated basis, affiliated companies, production bases, and research facilities— the Company has established the NEC Environmental Policy, which sets out action guidelines. We work to ensure that all actions of employees and corporate officers comply with this policy. Furthermore, we require all suppliers, contractors, and other stakeholders in our supply chains to behave in a manner consistent with relevant guidelines and agreements while considering the environment. In addition, taking into account the mutual impacts among environmental issues, we manage them in an integrated manner while also being mindful of trade-off relationships in which responses to specific fields may impair other environmental issues.

Reference: NEC Environmental Policy

Environmental Education and Awareness

1. Environmental Training for All Employees

NEC conducts environment-related web-based training (in Japanese, English, Chinese, Spanish, and Portuguese) for all employees at offices around the world. In order to understand the importance of creating positive value for the environment and society, we added new content regarding the Company's materialities and its approach to corporate value creation. Through this, in addition to promoting awareness of NEC's environmental policies and targets and ensuring thorough legal compliance, we aim to raise awareness of reducing CO_2 emissions among suppliers, customers, and society. Completion rates for the NEC Group in fiscal year 2026 were 96.5% in Japan (target: at least 95%) and 97.6% outside Japan (target: at least 95%).

2. Environment Day

In conjunction with June 5, "World Environment Day," we distributed a video message to Group employees in and outside Japan. In the video, we explained the importance of promoting both "defense (risk response and legal compliance)" and "offense (value creation and expansion of business opportunities)" in sustainability management, and also shared the direction of initiatives to enhance the value provided to customers by utilizing knowledge and data accumulated through "defense" and, as "offense," promoting proposals through the use of AI, etc. We deepened employees' understanding of the relationship between their work and sustainability, including the environment, while also promoting specific and practical actions.

Environment
Environmental Management

Environmental Management Strategy

The Company promotes and strengthens environmental management from two angles: by reducing our own environmental footprint and by helping customers reduce their environmental impact through the use of NEC Group products and services.

To reduce our environmental footprint, the NEC Group conducts a wide range of activities, including reducing CO_2 emissions across the supply chain, expanding the use of renewable energy, cutting water consumption and waste output, promoting resource circulation, preserving endangered species, and ensuring compliance with environmental laws. We are also involved in creating environmental rules and policy proposals through industry-academia-government collaboration.

Starting in fiscal year 2025, we are placing special emphasis on the “Client Zero” initiative, which leverages our value creation model, NEC BluStellar, to solve customer issues while reducing environmental impact through our products and services. “Client Zero” is the idea of using NEC Group itself as the initial client field to test and implement the latest technologies, driving internal transformation and using the firsthand knowledge and experience gained as a reference to create solutions that help customers tackle environmental challenges. NEC BluStellar is a value creation model that starts with the customer’s management challenges and provides end-to-end business solutions to help solve them.

1. Environmental Client Zero Strategy

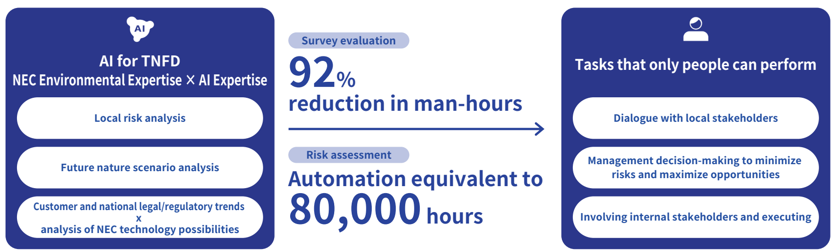
In the past, addressing environmental issues was hindered by problems such as overly individualized know-how and reliance on manual processes. The Company is taking the lead in using digital transformation (DX) to quantify data and reform operations, aiming to resolve these challenges and tackle environmental issues. We aim to integrate non-financial data with financial data through DX, embedding environmental perspectives into all supply chain processes as a matter of course, and ensuring access to necessary information to achieve sustainable, data-driven management.
The knowledge gained through this initiative will also help customers overcome challenges in advancing their own environmental management.

With the introduction of various environmental regulations and carbon taxes, customers are facing increasingly complex environmental management challenges. In Japan, some companies are beginning to see regulations and decarbonization as business opportunities and are placing sustainability at the core of their management strategies. Since around 2021, the number of inquiries we receive from customers about environmental issues has surged. Initially, demand focused on visualization tools for Scope 3 emissions, but over time, customer needs have shifted toward visualizing CO_2 emissions at the product level and identifying non-financial risks and opportunities linked to financial affairs, which cannot be addressed with tools alone.

As an ICT company, the Company sees business opportunities in helping customers address their management challenges. We offer services tailored to each customer’s stage of progress, leveraging the know-how gained as Client Zero in our consulting services, and work alongside customers to solve their challenges.

2. Utilizing AI for Natural Capital Risk/Opportunity Assessment (TNFD × AI)

Natural capital cannot be measured with a single indicator such as CO_2 emissions, and as international rule development is still in progress, many companies face challenges in assessing business risks and opportunities. By utilizing generative AI and agentic AI, the Company has significantly improved the amount of information and the accuracy of analysis. As a result, personnel have become able to focus on essential work such as building relationships of trust with stakeholders and formulating and executing strategies, and by combining the capabilities of AI and people, we are linking this to the creation of management value. This AI is included in the TNFD Accompaniment Support Service that the Company has been providing since 2023, and is currently provided as a consulting service. We have secured inquiries and orders from dozens of companies, generating results that steadily contribute to business from Client Zero.



3. Utilizing AI for ESG Survey Response Operations (CDP × AI)

The Company is promoting operational reform utilizing generative AI to improve efficiency in responding to CDP, which is an important indicator of ESG evaluations. By utilizing AI for work requiring advanced expertise, such as understanding complex standards, information gathering and analysis, and document preparation, we achieve both improved efficiency and enhanced quality. In particular, in the response drafting process, we have built a mechanism that enables responses to be prepared efficiently and at a consistent quality level. This has achieved an approximately 30% reduction in response man-hours and an improvement in response quality. We will reduce workload and advance standardization, and will proceed with expanding this to future information disclosure operations.

4. Utilizing AI for SSBJ Compliance Operations (SSBJ × AI)

In preparation for preparing securities reports compliant with SSBJ standards, which will be applied from the fiscal year ending March 2027, we are working to improve the efficiency and sophistication of disclosure operations through the use of generative AI. Under the Client Zero concept, we ourselves take the lead in confronting issues in disclosure operations and return the insights gained there to support society and companies. Disclosure operations span a wide range, from understanding standards to collecting and analyzing information and drafting text in accordance with frameworks. In addition, under limited staffing and organizational structures, leveling quality and addressing labor shortages have become issues. Leveraging knowledge cultivated through TNFD initiatives and responses to external evaluations, we developed AI that supports (1) interpreting requirements, (2) collecting and analyzing internal and external public information, and (3) drafting, targeting the climate standard (S2). In trials within the Company, we confirmed a 93% reduction in man-hours compared with conventional processes centered on manual work, and confirmed that even less-experienced personnel can prepare disclosures at a certain level of quality.

5. Utilizing AI for Compliance with Product Environmental Laws and Regulations (Environmental Laws and Regulations × AI)

Environmental laws and regulations related to products have become more complex in their institutional frameworks and increased in information to be referenced, as the target regions and product domains have expanded. In addition to the high level of specialization of legal documents and the inclusion of abstract expressions, many are also published in local languages; as a result, translation, reading, and interpretation impose a significant burden.

Within the Company, we organize such laws and regulations and create internal guidelines summarizing the response items required for compliance. On the other hand, differences in legal interpretation and guideline descriptions tend to arise depending on the experience of the person in charge, which leads to person-dependent operations and variations in the quality of deliverables. In addition, creating guidelines requires a wide range of tasks, including summarizing key points, formatting adjustments, adding citations of provisions, and confirming specific information such as penalties.

Accordingly, we are working to improve the efficiency of routine operations using AI, including information collection, translation and summarization, draft creation, presenting check viewpoints, and organizing information in table format. On the other hand, for work requiring advanced expertise—such as identifying applicable laws and regulations, organizing issues where interpretations differ, and making final judgments—people are responsible, thereby advancing an appropriate division of roles between AI and people.

Through this, we aim to improve efficiency and standardization of operations related to compliance with product environmental laws and regulations, and to enhance guideline quality and sophistication of review.

Environment

Environmental Management

Supplier Engagement

1. Green Procurement

Compliance with product-related environmental regulations is an important requirement for risk management within the supply chain. The requirements for each regulation are diverse, including the restriction on the content of certain chemical substances as typified by the EU RoHS Directive, the provision of information on specified chemical substances in products based on the EU REACH Regulation, and the eco-design requirements based on the EU ESPR Regulation.

The Company positions products that comprehensively comply with these environmental laws and regulations as environmentally conscious products, and promotes the green procurement necessary to realize them. Specifically, in the Guidelines for Responsible Business Conduct in Supply Chains, we position each of items (V-1) through (V-14), stipulated as an environmental code of conduct, as the Green Procurement Standards, and request suppliers to comply with them.

Especially to comply with regulations that cover chemical substances, we ask the NEC Group's suppliers to properly manage the chemical substances contained in the products they deliver, and to cooperate in surveys for verifying the information on such chemical substances. For proper management of chemical substances in products, please also refer to the "Managing Chemical Substances Contained in Products" section.

Guidelines for Responsible Business Conduct in Supply Chains

ESG Managing Chemical Substances Contained in Products

2. Environmental Risk Assessment Upstream in the Supply Chain

The Company conducts annual assessments of the NEC Group's suppliers to evaluate and identify risks across the entire supply chain. Through the Sustainable Procurement Self-Assessment, we confirm the status of environmental management system implementation and proper management of chemical substances. The Survey on Decarbonization and Natural Capital Initiatives reviews efforts to reduce environmental burdens such as CO_2 emissions, water use and discharge, and plastic consumption. With respect to mineral procurement, we also conduct investigations that trace back upstream in the supply chain. Details of these assessments are provided in the "Supply Chain Management (Risk Management)" section. In fiscal year 2026, we also conducted upstream risk assessments based on the concept of environmental due diligence.

ESG Environmental Due Diligence

3. Engagement Related to Climate Change

The NEC Group is strengthening collaborative initiatives with suppliers to reduce Scope 3 Category 1 emissions, which account for a significant share of the Company's total greenhouse gas emissions. Starting in fiscal year 2025, the NEC Group has identified suppliers with high CO_2 emissions and significant environmental impact within its supply chain as priority engagement targets. CO_2 reduction activities are being promoted in line with the steps outlined in the Guidelines for Responsible Business Conduct in Supply Chains (V-6). In fiscal year 2026, we held decarbonization briefing sessions for management of suppliers, with 668 companies participating. We presented the NEC Green Partner Award to eight suppliers that promoted proactive initiatives related to decarbonization, and also developed a decarbonization support program for suppliers as the NEC Green Supplier Program. Under this program, we provide support mainly for SME suppliers in visualizing CO_2 emissions (approximately 800 companies covered), and provide hands-on support toward obtaining SME SBT certification. As a result of activities through fiscal year 2026, four companies have obtained SBT certification, and three companies are in the process of applying (expected to obtain). In addition, we have incorporated the continued implementation of the decarbonization support program into the NEC Eco Action Plan 2030.

Reference: NEC Stories (Supply Chain Sustainability)

Scene from a CO_2 emissions calculation workshop for business partners

Contribution through Our Businesses

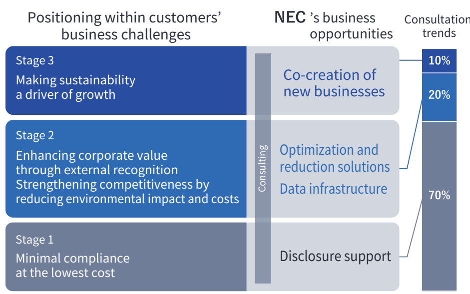
1. Contributing to Customers' Environmental Management Challenges

In the "Environmental Management Strategy" section, we outlined the Company's approach and goals in addressing environmental management challenges, and we recognize that our customers face similar issues.

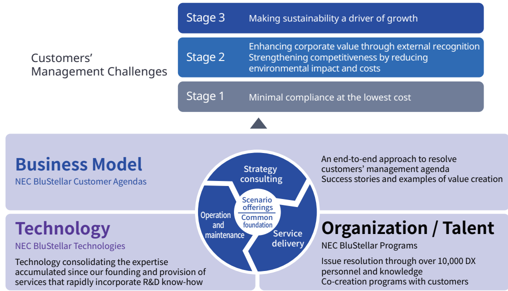
We recognize that customers are at varying stages in their efforts to address management issues: Stage 1, where they are responding with minimal cost to meet customer demands and regulatory requirements; Stage 2, where they aim to reduce environmental impact and improve competitiveness while enhancing corporate value through earning external recognition, in light of rising carbon taxes and energy costs; and Stage 3, where environmental initiatives are integrated into their growth strategies, going beyond cost savings and value enhancement. The Company believes it can contribute in various ways tailored to each customer's stage, drawing on its own experience.

In 2024, the Company introduced NEC BluStellar, an end-to-end business model that creates value starting from customers' management challenges. The Company applies the NEC BluStellar value creation model in its environmental business as well. By leveraging technologies such as sensing, AI, and security, along with highly regarded external experts and knowledge, we visualize and analyze complex environmental issues to clarify the challenges that need to be addressed. Through the Client Zero approach, which treats NEC itself as the first client for value verification, and co-creation with clients, we clarify issues and effects, contributing to the establishment of industry standards.

Understanding the Environmental Business Market



Solving Environmental Management Issues Through the NEC BluStellar Model



2. Key Environmental Solutions

The NEC Group provides a wide range of solutions for environmental issues surrounding corporate customers, ranging from consulting services to products and services for resolving individual issues.

Reference: NEC Group Environmental Solutions (Japanese language only)

Reference: NEC Technical Journal: Special Issue on Green Transformation (NEC Technical Journal Vol. 18 No. 1)

External Ratings and Evaluations

We have been selected by CDP, an international environmental rating organization, for the highest "A List" in both Climate Change and Water Security for seven consecutive years.

ESG Third-party Assurance, External Ratings and Evaluations

Reference: NEC Named to CDP's "A List" for Climate Change and Water Security for the Seventh Consecutive Year

Environment

Environmental Management

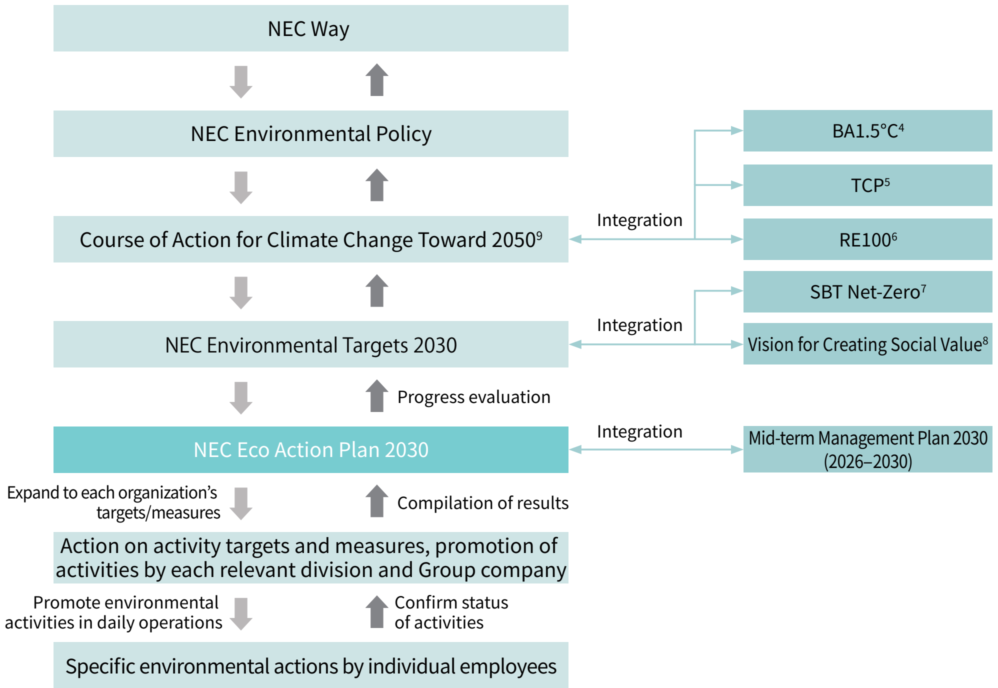
Risk Management

Environmental Management Promotion Process

The Company has established the NEC Environmental Policy based on the NEC Way, and has determined long-term action guidelines and medium- to long-term milestones. With respect to addressing climate change, we have set forth the realization of carbon neutrality by 2040. Including this target, NEC has formulated NEC Eco Action Plan 2030, which sets out the environmental goals and targets that the NEC Group will work toward over the five-year period from fiscal year 2027 through 2031, and we are connecting this to the promotion of initiatives and behavioral changes of each employee.

In formulating NEC Eco Action Plan 2030, we organized the potential impacts (risks and opportunities) on the NEC Group based on major internal and external environmental trends and the results of climate scenario analyses, and extracted the targets to be addressed. The extracted targets are classified into three domains—carbon neutrality (CN), circular economy (CE), and nature positive (NP)—and we set specific targets after defining basic policies for each domain. In addition, each target is classified into priority items and management items and organized systematically.

NEC Eco Action Plan 2030 is rolled out to each relevant division and Group company and translated into specific actionable goals based on the characteristics of each business, so that the actions of all employees lead to the achievement of the goals. The progress of these activities is monitored through environmental management audits, and remedial measures are taken as needed to ensure steady progress.



4. Business Ambition for 1.5°C
5. The Climate Pledge
6. An international initiative in which companies aim to use 100% renewable energy to produce the electricity used in their businesses
7. Science Based Targets. Greenhouse gas (GHG) emission reduction targets that align with the levels required by the Paris Agreement. NEC obtained approval for its SBT Net-Zero target in April 2024. In May 2026, NEC updated its targets and received validation and approval again from the SBTi for the updated targets.
8. Newly formulated in line with the environment surrounding NEC and NEC's business as of the time of the announcement of the Mid-term Management Plan 2030, as five years had elapsed since the formulation of NEC 2030 VISION in May 2021
9. We have moved our target for achieving Net-Zero up to 2040 because we have joined The Climate Pledge. Accordingly, the contents of the Course of Action for Climate Change have been reinterpreted as the Action Guidelines on Climate Change toward 2040.

Other Risk Management Processes

The Company has established a Risk Control and Compliance Committee under the supervision of the Board of Directors to manage risks based on its directives. The committee fulfills a supervisory function for specific risk measures by monitoring the results of activities, problems, and future plans and by issuing directives on where measures should focus.

Additionally, within the company-wide environmental management system, risks and opportunities are identified annually based on internal and external trends, and these are reflected in revisions to the NEC Eco Action Plan 2030.

1. Pollution Prevention and Chemical Substance Management

When an incident with potential for environmental pollution occurs, the party who discovers it must contact the environmental manager of the relevant management unit. The environmental manager takes emergency measures and prevents escalation, and reports the incident to the company-wide environmental management officer and the site manager of each office, in accordance with the Criteria for Determining the Necessity of Information Escalation in an Emergency Situation. Upon receiving the report, the company-wide environmental management officer contacts the police, fire department, or relevant authorities as necessary, and reports to the corporate officer in charge of the environment. Concurrently, the environmental manager of the management unit investigates the cause and implements corrective actions. Once corrective actions are completed and confirmed to be effective, thorough measures are taken to prevent recurrence.

2. Water Resource Management GRI 303-1, 303-2

Water is an essential resource for all of humankind. However, there are concerns about the increasing risks posed by growing demand due to population growth, and water shortages around the world resulting from climate change.

Based on the NEC Environmental Policy, we comply with environmental laws and regulations and work to reduce our water consumption and environmental impact. We are also employing water risk management practices, which include addressing the issues of water shortages, water pollution, and flooding.

In addition, the NEC Environmental Policy clearly states that "We will comply with environmental laws and regulations associated with our business activities, honor agreements with stakeholders, and strive to conserve energy, save resources, and prevent environmental pollution caused by chemical substances and waste throughout the entire supply chain." Resource conservation includes water resources, and pollution prevention includes water quality.

By reducing water consumption and thoroughly managing wastewater quality in our business activities, we mitigate impacts on water usage and sanitary conditions in our operating regions, and also strive not to cause negative impacts on regions from the perspective of safely managed water and sanitation (WASH: Water, sanitation and hygiene).

Floods and other risks could harm business if they affect certain facilities. In such cases, the division overseeing the supply chain sustainability predicts the impact of these risks and formulates countermeasures. These countermeasures are reported to and discussed by the Business Strategy Committee and the Board of Directors when necessary, after which the division implements and supervises their execution.

3. Resource Circulation

We identify risks and opportunities related to resources that we deem to have a significant impact based on legal and regulatory trends in and outside Japan, policy trends related to the circular economy, and customer responses to these issues. We report these at the Business Strategy Committee and disclose them publicly as needed.

Environment
Environmental Management

Development of Environmentally Friendly Products and Services

1. Framework for Developing Eco Products

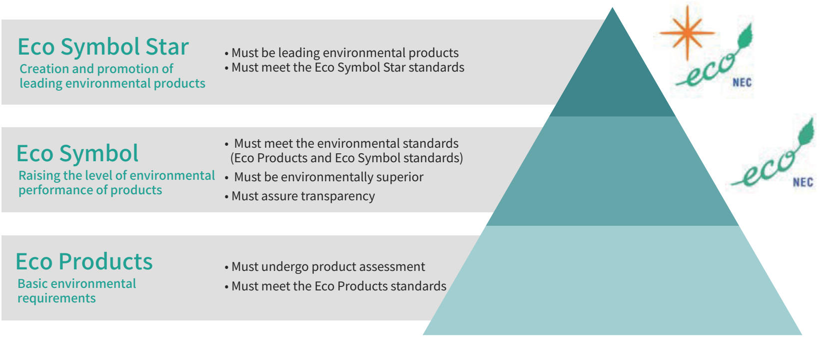
In addition to "Quality, Cost, and Delivery," the Company places importance on environmental considerations and legal compliance, and promotes the reduction of environmental burdens across the entire lifecycle of products and services, from procurement through use and disposal. Products and services that meet the Company's standards are certified in three levels—Eco Products, Eco Symbol, and Eco Symbol Star—and the Eco Symbol and Eco Symbol Star are displayed in catalogs and on the web as marks indicating environmentally conscious design products.

Reference: List of Eco Symbol Star Products (Hardware)

Reference: List of Eco Symbol Star Products (Software and Services)

Reference: Environmentally Friendly Product List (Japanese language only)

Eco Symbol System



2. Managing Chemical Substances Contained in Products

The Company established the Environmental Specifications Pertaining to Procurement Restrictions for the Inclusion of Chemical Substances in Products (For Suppliers) in response to the global expansion of chemical substance regulations. We have specified banned substances that we do not allow our products to contain, as well as conditionally banned substances that must not exceed maximum defined values, and we require suppliers to comply with our restrictions. Through this, NEC ensures that all NEC brand products are compliant with the EU RoHS Directive in principle, while maintaining zero violations of regulations for chemical substances contained in products. We use chemSHERPA-CI[11] and chemSHERPA-AI[12] provided by chemSHERPA[10] for surveys to verify regulated substances contained in procured items. We do so in consideration of reducing supplier response times. The Declarable Substance List (DSL) of chemSHERPA-AI (Compliance Information) adopts the international standard IEC 62474[13], and because it is updated in a timely manner in line with revisions to laws and regulations, investigations that are always compliant with the latest laws and regulations are possible.

- Environmental Specifications Pertaining to Procurement Restrictions for the Inclusion of Chemical Substances in Products, Ver. 16 (For Suppliers; Japanese)
- Environmental Specifications Pertaining to Procurement Restrictions for the Inclusion of Chemical Substances in Products, Ver. 16 (For Suppliers; English)
- Environmental Specifications Pertaining to Procurement Restrictions for the Inclusion of Chemical Substances in Products, Ver. 16 (For Suppliers; Chinese)

Surveys of chemical substance information use ProChemist/AS, a cloud service built and provided by the Company. ProChemist/AS links with the systems of other ProChemist users to streamline tasks such as requesting surveys and obtaining responses, and achieves further sophistication and efficiency through the utilization of optional functions.

Reference: CMP - Chemical and Circular Management Platform

Reference: International standard IEC 62474

Environmental Audit and ISO 14001 Inspection

Based on ISO 14001, the Company promotes the establishment and operation of an environmental management system across the entire Group.

To confirm the operating status of the environmental management system, we conduct in-house environmental audits implemented by each NEC Group company in Japan and environmental management audits implemented by the Company's Environment Management Department for the Group as a whole.

In environmental management audits, auditors with specialized expertise, including certified environmental management system auditors, confirm the operating status and effectiveness of in-house environmental audits, and also focus on confirming the relationship between each department's operations and the environment. In addition, they comprehensively confirm the implementation status of overall environmental activities, including the development of environmentally conscious products, initiatives to reduce environmental burdens, environmental risk management, and compliance status with ISO 14001.

The results of these confirmations are also verified through ISO 14001 audits undertaken by an external third-party certification body.

ISO 14001 Standard for Environmental Management Systems: Certification (As of April 2026)

Japan (NEC Corporation and consolidated subsidiaries in Japan)	Consolidated subsidiaries outside Japan	Total
21 companies	11 companies	32 companies

- NEC Group Companies with ISO 14001 Certification
- ISO 14001 Certification Registrations in the NEC Group

Environmental Due Diligence

The NEC Group promotes environmental due diligence based on international norms such as the OECD Due Diligence Guidance for Responsible Business Conduct. The NEC Group's environmental due diligence aims for efficient operation by integrating it with existing environmental management systems and environmental information disclosure frameworks such as ISO 14001 (EMS), TCFD, and TNFD, as well as sustainable procurement activities.

In fiscal year 2026, the Company participated in the Ministry of the Environment's support project for promoting environmental due diligence, and worked to further strengthen its activities. The scope covers not only the Company's own business but also focuses on identifying, evaluating, and mitigating environmental risks across the entire value chain (climate change, water, soil, air, chemical substances, biodiversity, etc.). In activities in fiscal year 2026, we utilized United Nations Environment Programme Finance Initiative (UNEP FI) tools and CSR Risk Check to conduct upstream supply chain risk assessments in business domains with high environmental burdens. In addition, to address these risks, we also considered stakeholder engagement, the appropriate form of corrective actions, and strengthening grievance mechanisms. Going forward, we plan to proceed step-by-step in addressing identified environmental risks, starting with those of higher priority.

10. chemSHERPA: A common communication scheme for information on chemical substances contained in products, developed by the Ministry of Economy, Trade and Industry and provided by the CMP consortium. It offers a communication framework usable throughout the entire supply chain.
11. Sheet for entering information on the chemical substances contained in a substance or preparation, as required to ensure compliance with laws and regulations
12. Sheet for entering information on the chemical substances contained in an article, as required to ensure compliance with laws and regulations
13. International standard for material declaration issued by the International Electrotechnical Commission (IEC)

Environment
Environmental Management

Metrics and Targets

Establishment of the NEC Eco Action Plan 2030

1. Priority Items: Environmental activities on which the NEC Group should focus company-wide in order to create value for society and customers

CN/CE/NP	Themes		Evaluation metrics	Targets				
				FY2027	FY2028	FY2029	FY2030	FY2031
CN	Reduce CO_2 emissions	Scope 1 and 2	Reduction rate (compared with FY2025)[14]	13%	21%	27%	33%	39%
			Ratio of renewable energy introduced as a percentage of electricity usage	38%	44%	49%	54%	58%
		Scope 3	Participation rate of major suppliers in NEC Corp's CO_2 reduction support program (including responses to environmental surveys)	86%	87%	88%	89%	90%
			Ratio of proposals with eco-related appeal to customers	At least 51%				
CE	Reduce waste emissions		Reduction rate (compared with FY2019)	30.8%	31.6%	32.4%	33.2%	34.0%
	Expand the use of recycled materials		Recycled material usage rate	9%	13%	17%	21%	25%
NP	Visualize environmental impacts in the supply chain		Evaluate the degree of achievement of action targets by fiscal year	• Identification of significant nature risks[15] • Creation of a supplier priority map	• Selection of companies targeted (also taking into account procurement countries and the need to visualize Tier N) • Formulation of the survey plan	Initiation of supplier engagement	50% achievement of supplier engagement	• 100% completion of supplier engagement • Establishment of a continuous risk management process

2. Management Items: Items for which efforts are made to maintain or improve the activity level, or items that have already reached the target level and are addressed within ordinary environmental activities

CN/CE/NP	Management contents	Targets
CN	Understanding of business sales with significant environmental impacts (risks/opportunities) (green revenue, etc.)	Extraction of eligible businesses and confirmation of sales results (once per year)
	Reduction of Scope 3 Category 11 (improving the energy efficiency of each product)	Proportion of products with improved energy efficiency: 100% (Newly developed successor models. Comparison with previous models)
	Reduction of energy usage (consumption intensity)	Achieve 1% decrease year on year
	Number of products obtaining the Eco Symbol	Achieve 100% acquisition
	Eco Symbol Star registration	Registration of eligible products Conduct 1 activity per year

CN/CE/NP	Management contents	Targets
CE	Reduction of waste plastic generated	• Set reduction targets • Disclose results
	Reuse of collected used products	Achieve reuse rate of 90% or more
–	Preliminary evaluation of equipment and chemical substances	Achieve 100% implementation rate
	Environmental assessments when constructing factories and buildings	Achieve 100% implementation rate
	Implementation of environmental education	Implement once per year

CN/CE/NP	Management contents	Targets
NP	Chemical substance balance management	Achieve 100% implementation rate
	Chemical substance purchasing regulations	Achieve 100% implementation rate
	RoHS conformance status of all products	Achieve 100% compliance
	Percentage of devices that do not use brominated flame retardant in their plastic casing	At least 95%
	BOD and COD emissions	Reduce by 1% or more compared with FY2018
	VOC emissions	FY2011 results: 26.3 tons or less
	Implementation of biodiversity conservation efforts	Number of biodiversity conservation activities Conduct 10 activities per year
	Reduce water consumption	Reduction rate compared with FY2019 FY2027: 30.8% Reduce by 0.8% each year thereafter
	Supply of hygienic water	The target covers NEC-owned sites and leased offices under NEC's operational control.

CN: Carbon Neutrality
CE: Circular Economy
NP: Nature Positive

14. In accordance with the SBTi Corporate Net-Zero Standard v1.3 and Corporate Near-Term Criteria v5.3, the target was recalculated and revalidated, and the base year was updated to fiscal year 2025 because the change in the organizational boundary resulting from the exclusion of Japan Aviation Electronics Industry, Ltd. from the scope of consolidation met the materiality threshold (5% or more). The fiscal year 2031 target (39% reduction from fiscal year 2025) is equivalent to the previous target (50% reduction from fiscal year 2021) and does not represent a reduction in ambition.
15. Drought, flooding, biodiversity/pollution, resources

Environment
Environmental Management

Environmental Management Promotion Plan

1. Final Results of the NEC Eco Action Plan 2025 GRI 302-4, 305-1, 305-2, 305-3, 305-5

The NEC Group compiled environmental targets to be addressed over the five-year period from fiscal year 2022 through 2026 as the NEC Eco Action Plan 2025, deployed them to each business unit and Group company, and carried out activities.
As outlined below we determined priority initiatives from three perspectives: 1. Reduce own risks and environmental footprint 2. Increase contributions through businesses 3. Build foundations to promote environmental management.
For the five-year period from fiscal year 2027 through 2031, we will continue activities in accordance with the newly formulated NEC Eco Action Plan 2030.

1.1. Reduce Own Risks and Environmental Footprint

	Themes			Indicators		FY2026 (Targets)	FY2026 (Results)	Evaluation	FY2027 (Targets)	FY2031 (Targets)
(1)	Reduce CO_2 emissions	Scope 1 and 2	Reduce total emissions (absolute value) (SBT)	Reduction rate of energy-derived CO_2 emissions (absolute value) (compared with FY2021)		25%	55.8%	Achieved	13% (compared to FY2025)	39%
(2)			Expand use of renewable energy	Renewable energy used (MWh)		114,000	190,000	Achieved	38% (introduction rate)	58%
(3)		Scope 3	Reduce Category 1 emissions (SBT)	Implement supplier engagement (thoroughly communicated to all major suppliers)		Implement reduction measures	Carried out on-site inspections and diagnostic support for suppliers	Achieved	Participation rate of major suppliers in NEC Corp's CO_2 reduction support program (including responses to environmental surveys): 86%	90%
(4)			Reduce Category 11 emissions (SBT)	Proportion of products with improved energy efficiency (Newly developed successor models. Comparison with previous models)		100%	100%	Achieved	Go to management items	
(5)				Ratio of proposals with eco-related appeal		15%	15%	Achieved	At least 51%	
(6)	Reduce water consumption			Reduction rate (compared with FY2019)		10.5%	29.7%	Achieved	Go to management items	
(7)	Reduce waste emissions			Reduction rate (compared with FY2019)		4.8%	30.8%	Achieved	30.8%	34.0%
(8)	Encourage recycling of plastic resources			Reduce plastic waste output[16]	Reduction targets (compared with FY2020)	4.2%	53.1%	Achieved	Go to management items	
					Information disclosure	Disclosure	Disclosure	Achieved		

1.2. Expanding Our Contribution Through Our Businesses

	Themes	Indicators	FY2026 (Targets)	FY2026 (Results)	Evaluation	FY2027 (Targets)	FY2031 (Targets)
(9)	Create a system to expand environmental value (reducing CO_2 emissions by promoting DX among customers, etc.) and sales from environmental contribution-related business (green revenue, etc.)	• Establish processes for each business unit and Group company to understand green revenue and manage results • Set targets for FY2026		Reviewed processes and identified issues across BUs and companies to track green revenue	Achieved	Go to management items	

1.3. Build Foundations to Promote Environmental Management

	Themes	Indicators		FY2026 (Targets)	FY2026 (Results)	Evaluation	FY2027 (Targets)	FY2031 (Targets)
(10)	Increase environmental awareness among all employees	Completion rate	Japan	At least 95%	96.5%	Achieved	Go to management items	
			Outside Japan	At least 95%	97.6%	Achieved		

16. Targets are set for each relevant company. Figures in this chart are the targets of NEC Corporation.

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Environment

Environmental Management

2. Management Items GRI 305-7, 306-1

In addition to "priority items," NEC has defined "management items." Although these do not require setting targets or plans, NEC still works to improve their activity levels, thereby advancing environmental management.

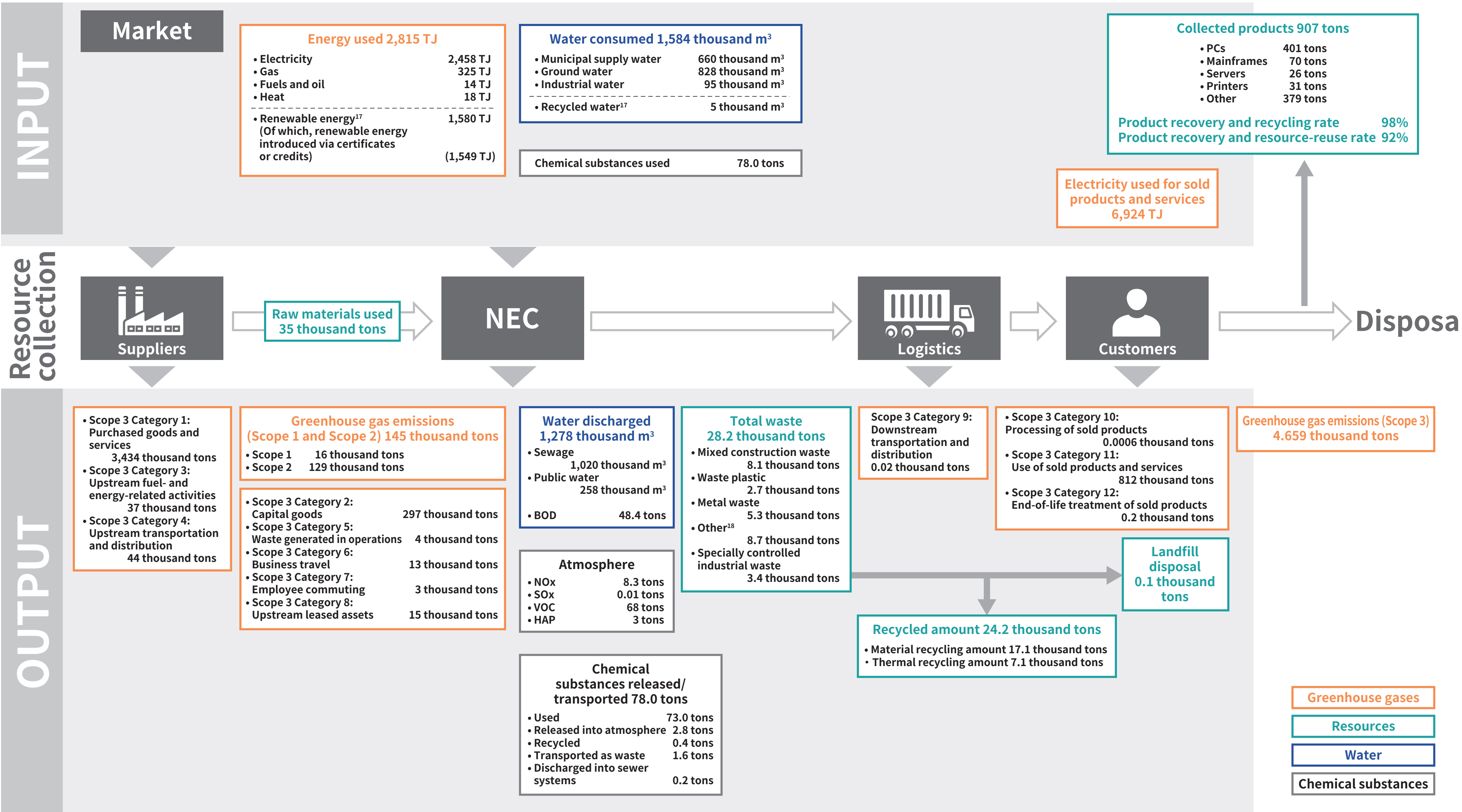
Major category	Area	Themes	Management contents	Targets
Pollution prevention and chemical substance management	Reduction of own environmental impact	Preventing pollution (air and water quality)	NOx and SOx emissions	Reduce by 1% or more compared with FY2018
			BOD and COD emissions	Reduce by 1% or more compared with FY2018
		Reducing chemical substance usage	Amount of chemical substances purchased	Reduce by 1% or more compared with FY2018
			VOC emissions	Reduce by 1% or more compared with FY2018
	Risk countermeasures	Legal compliance (for notification, reporting, and emissions)	Chemical substance balance management	Achieve 100% implementation rate
			Chemical substance purchasing regulations	Achieve 100% implementation rate
		Compliance with RoHS Directive	Conformance status of all products	Achieve 100% compliance
		Environmental assessments	Preliminary evaluation of equipment, chemical substances, and new waste/assessment of manufacturing methods	Achieve 100% implementation rate
			Environmental assessments when constructing or demolishing factories and buildings	Achieve 100% implementation rate
	Reduction of environmental impact of products and solutions	Hardware products	Percentage of devices that do not use brominated flame retardant in their plastic casing	At least 95%
			Percentage of devices that use eco-plastics in their plastic casing	-
Water resource management	Reduction of own environmental impact	Preventing pollution (air and water quality)	BOD and COD emissions	Reduce by 1% or more compared with FY2018
Biodiversity and ecosystems	Biodiversity	Ecosystem conservation activities in and around plants	Number of conservation measures implemented in collaboration with experts and local NPOs	Conduct 10 or more activities per year
Resource circulation and the circular economy	Reduction of own environmental impact	Promoting effective use of resources	Zero emissions	Continue to meet target
			Amount of paper purchased (copy paper, EDP paper)	Maintain or reduce levels from FY2006 (by subsidiary)
			Reuse of collected used products	Achieve reuse rate of 90% or more
Other	Reduction of own environmental impact	Preventing global warming	Reduction rate of energy usage (consumption intensity)	Achieve 1% decrease year on year
			Reduction rate of energy usage intensity from logistics	Achieve 1% decrease year on year
	Reduction of environmental impact of products and solutions	Hardware products	Continued acquisition of Eco Symbol certification	Achieve 100% implementation rate
		Software products	Implementation rate of environmental assessments	Achieve 100% implementation rate
			Assessment rate of products subject to environmental impact evaluation	Achieve 100% implementation rate
		Hardware and software	Applications for Eco Symbol Star certification	-
	Environmental communication	Transmission of environmental activities information	Number of publicity campaigns/activities	-
		Promoting contribution to local communities	Number of local community activities	-

Environment

Environmental Management

Overview of Environmental Impact GRI 301-1, 301-2, 301-3, 302-1, 302-2, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-5, 306-3, 306-5

Overview of Environmental Impact



17. Not included in total consumption.
18. Wood chips, sludge, rubble, etc.

Environment
Environmental Management

Environmental Data
GRI 302-1, 302-2, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-5, 306-3, 306-5

Greenhouse gas emissions[19]	FY2023	FY2024	FY2025	FY2026
Scope 1	21	20	16	16
Scope 2	238	206	165	129
Scope 3	6,894	5,738	5,234	4,659
Total greenhouse gas emissions (Thousand tons)	7,152	5,964	5,415	4,804

Energy used[20]		FY2023	FY2024	FY2025	FY2026
Electricity	TJ	5,411	4,172	3,416	2,458
	MWh	542,732	482,869	395,321	284,498
Fuel (gas)	TJ	329	326	316	325
	MWh	91,339	90,546	87,682	90,279
Fuels (heavy oil and kerosene, etc.)	TJ	60	53	21	14
	MWh	16,608	14,716	5,802	3,971
Heat (steam/hot water/cold water)	TJ	13	13	10	18
	MWh	3,677	3,683	2,840	4,951
Total energy used (TJ/MWh)	TJ	5,813	4,564	3,762	2,815
	MWh	654,356	591,812	491,646	383,698

Renewable energy used[21]	FY2023	FY2024	FY2025	FY2026
Amount used (MWh)	180,072	245,448	150,272	190,204

Data Collection (Scope of Environmental Data)

Water consumed	FY2023	FY2024	FY2025	FY2026
Public water supply	901	867	560	660
Ground water	985	966	842	828
Industrial water	181	206	188	95
Recycled water	4	21	21	5
Total water consumed (Thousand m^3)[22]	2,067	2,040	1,591	1,584

Water discharged	FY2023	FY2024	FY2025	FY2026
Sewage-related	1,370	1,393	1,023	1,020
Public water-related	288	263	279	258
Total water discharged (Thousand m^3)	1,658	1,656	1,302	1,278

Waste generated	FY2023	FY2024	FY2025	FY2026
Total waste emissions (Thousand tons)	42.2	38.5	28.5	28.2
Recycling (Thousand tons)[23]	36.7	28.1	25.6	24.2

Air pollutant emissions	FY2023	FY2024	FY2025	FY2026
NOx emissions (Tons)	13.7	11.6	7.5	8.3
SOx emissions (Tons)	0.01	0.01	0.01	0.01
VOC emissions (Tons)	86	79	56	68

Chemical substances handled	FY2023	FY2024	FY2025	FY2026
Chemicals subject to PRTR (Thousand tons)	0.2	0.2	0.2	0.1

19. Calculations are based on the Act on Promotion of Global Warming Countermeasures.
 • Greenhouse gases include CO_2 (carbon dioxide), CH_4 (methane), N_2O (dinitrogen monoxide), HFCs (hydrofluorocarbons), PFCs (perfluorocarbons), SF_6 (sulfur hexafluoride) and NF_3 (nitrogen trifluoride).
 • Calculated by scope according to the Greenhouse Gas Protocol Initiative classification, as follows.
 Scope 1: Direct emissions of greenhouse gases generated from emission sources owned or controlled by the company
 Scope 2: Indirect emissions of greenhouse gases from the use of electricity, steam, and heat
 Scope 3: Except for Scope 1 and Scope 2, other indirect emissions covering the upstream and downstream processes of the company
20. Calculations are based on the Act on Rationalizing Energy Use.
21. Renewable energy used is not included in energy used above.
22. Recycled water is not included in total water consumed.
23. Recycling is the amount of recycled general waste, recycled industrial waste (including specially controlled industrial waste), and waste recycled outside Japan.

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Environment
Carbon Neutrality

Governance

Climate Change Countermeasure Implementation Framework

Within the framework described in Environmental Management Promotion Framework, we are also implementing climate change measures. The NEC Group's environmental policies and goals regarding climate change are discussed and formulated by the Environmental Management Promotion Committee, which is made up of the managers in charge of the environment from each relevant division. The corporate officer in charge of the environment confirms the committee's proposals and reports them to the Business Strategy Committee, serving as a superior body. Risks related to climate change are also shared at the Environmental Management Promotion Committee. The corporate officer in charge of the environment confirms those risks that could have a significant impact on businesses and, as necessary, deliberates these risks at the Risk Control and Compliance Committee in accordance with the risk management process. In particular, climate risks and opportunities that could significantly affect businesses are also reported to the Board of Directors, as necessary. Through deliberation, the Board of Directors gives instructions on relevant measures, thereby providing supervision that ensures that the Company advances appropriate climate change measures. In addition, as part of our climate change measures, we are advancing groupwide measures to reduce our in-house CO_2 emissions by addressing specific aspects of the issue through topic-based promotion sub-groups. By reporting and submitting proposals to the Environmental Management Promotion Committee from each sub-group, these special committees facilitate the groupwide pursuit of energy-saving initiatives. Decisions made at the Environmental Management Promotion Committee are reported and instructed at each relevant division and plant committee, and are then communicated to and thoroughly implemented by all employees.

1. Reports and Deliberations by the Major Meetings

Since climate change is positioned as one of the issues in NEC's materiality, committees attended by the President deliberate, supervise and report on initiatives, risks and opportunities related to the environment, including climate change. The committees met four times in fiscal year 2026.

- April 2025 Discussion of the Company's sustainability management policy
- July 2025 Ranked 7th in TIME's "World's Most Sustainable Companies of 2025"
- October 2025 Reported that we obtained the highest "AAA" rating in the "MSCI ESG Rating"
- March 2026 Discussion on priority initiatives for realizing our sustainability to achieve the Vision for Creating Social Value

In addition, since fiscal year 2022 NEC executives have engaged in dialogue with outside experts through the Sustainability Advisory Committee.

Participation in Initiatives

The Company is participating in climate change initiatives to build a sustainable business foundation for itself and promote the realization of a sustainable society through co-creation.

Category	Initiatives		Description
Climate Change	TCFD (Endorsed in 2018)	TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	Disclose information in line with the TCFD recommendations regarding risks and opportunities related to climate change, and anticipate and manage their potential financial impacts on future business.
	SBT Net-Zero (Approval of updated targets in May 2026)	SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION	Based on the SBTi Net-Zero Standard, NEC aims to reduce Scope 1, 2, and 3 greenhouse gas emissions by 63.6% by FY2035 from a FY2025 base year, and by more than 90% by FY2041. NEC aims to achieve Net-Zero by prioritizing deep emissions reductions and neutralizing only residual emissions that are extremely difficult to reduce.
	RE100 (Joined in May 2021)	CLIMATE GROUP RE100	Switch to renewable energy for 100% of the electricity consumed at locations inside and outside Japan by 2040
	BA1.5°C (Became a signatory in September 2021)	BUSINESS AMBITION FOR 1.5°C	Net zero greenhouse gas emissions from the entire supply chain by 2050
	The Climate Pledge (Became a signatory in September 2022)	THE CLIMATE PLEDGE	Net zero greenhouse gas emissions from the entire supply chain by 2040

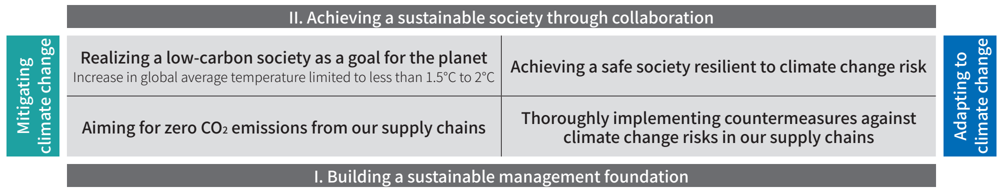
Strategy

The Company conducts evaluations from the perspectives of both "impact on the environment and society" and "risks and opportunities for its own finances," and identifies themes where both of these impacts are high as those of the highest importance to the NEC Group, disclosing them in the Annual Securities Report.

On the other hand, with respect to climate change, we recognize it as a theme with a large impact on the environment and society, and we currently expect that the risks and opportunities to our own finances will have only a limited impact on business performance at this time. In this ESG Databook, including such themes, we broadly disclose to stakeholders our Group's initiatives on climate change.

Climate Change Countermeasure Policy

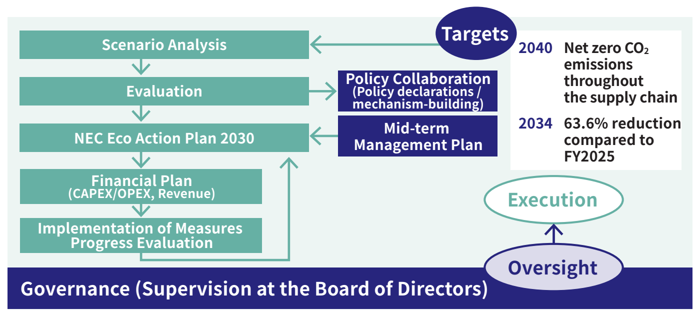
The Company has positioned "Visualizing and reducing the environmental negative impact of the value chain" as one of its priority management themes from an ESG perspective—materiality. As a result, NEC will not only work to reduce the environmental impact of its own operations and those of its suppliers, but also support customers and society in their decarbonization efforts by utilizing ICT. Based on this approach, NEC formulated the Course of Action for Climate Change Toward 2050 as a long-term environmental goal. At present, we have moved up our carbon neutrality target to 2040 pursuant to signing The Climate Pledge, and are implementing initiatives after changing the language of our climate change guidelines to move up the year for achieving our carbon neutrality target to 2040.



Aiming for reductions to achieve zero CO_2 emissions from our supply chain by 2040, we renewed our SBT Net-Zero certification in May 2026 and have intensified action. Given the global goal of achieving a low-carbon society, we established the SX Business Promotion PMO and are implementing initiatives throughout the Group that involve reducing energy use in our ICT infrastructure, visualizing solutions for CO_2 emissions, resource aggregation businesses, and environmental consulting.

1. Climate Transition Plan

The Company has formulated a climate transition plan by organizing existing guidelines and initiatives to enable a transition to a business model in alignment with the 2050 net-zero society consistent with the goals of the Paris Agreement. The process involves a PDCA cycle that includes forecasting via scenario analysis, clarification of business risks and opportunities, formulation of a medium- to long-term plan, and implementation and evaluation of measures. In addition, we report on the progress of these initiatives to the Board of Directors and disclose information in line with TCFD recommendations. In advancing our climate transition plan, we engage in collaborative policymaking as needed to achieve policies aligned with the Paris Agreement.



Environment
Carbon Neutrality

NEC Initiatives

Committed to reducing direct CO_2 emissions (Scope 1 and 2), the Company is assiduously promoting energy-saving measures, upgrading to highly efficient equipment, and increasing the use of renewable energy.

1. RE100

In May 2021, the Company joined RE100, which aims for a significant increase in the use of renewable energy globally. Aiming to use only renewable electricity, we are moving forward with activities based on a policy of installing solar power generation equipment on roofs wherever possible while procuring more green electricity. In fiscal year 2026, renewable energy was used to generate 40% of the electricity we consumed. We aim to increase this ratio to 100% by fiscal year 2041.

Reference: Targets and Achievement

・Renewable Energy Results / Plan

2. Head Office Building and Data Center Run on 100% Renewable Energy

To accelerate our greenhouse gas reduction activities, since fiscal year 2023 we have effectively transitioned to 100% renewable energy for all electricity used to operate our head office building in Minato-ku, Tokyo and the data centers for our NEC Cloud IaaS cloud infrastructure service.

Performance of Data Centers in Japan and Goals for Fiscal Year 2027

Item / Fiscal year	FY2023	FY2024	FY2025	FY2026	FY2027 Targets
Average power usage efficiency (PUE)	1.45	1.44	1.47	1.51	1.50
Total energy usage (MWh)	147,910	145,727	134,505	122,147	120,244
Renewable energy usage rate (%)	18.3	41.9	45.7	50.1	65.0

* Data for NEC data centers only.
* NEC Cloud IaaS uses 100% renewable energy.

3. Internal Validation of Product Carbon Footprint (CFP) Calculation Begins

Toward realizing a decarbonized society, societal demand is increasing to visualize CO_2 emissions across the entire product lifecycle. In light of these trends, we are advancing the development of a CFP calculation solution. For this development, we formed a working group spanning various internal domains, including consideration of application, tool development, and production sites, and are conducting internal verification.

In fiscal year 2026, we established a mechanism to consolidate internally scattered data required for CFP calculation and to organize it in a form that can be easily linked to emission factors and used for calculation. While many tools in the market focus mainly on calculation and visualization, we will contribute to solving customers' issues toward decarbonization through practical solutions that simplify data linkage processes.

We also worked on obtaining primary data from our business partners. To conduct hotspot analysis based on CFP calculation results and to formulate effective reduction measures, it is essential to increase the ratio of primary data that can directly reflect emissions reduction efforts across the supply chain. Going forward, we will continue to obtain primary data in cooperation with our business partners and aim to reduce environmental burdens across the entire supply chain.

4. Initiatives to Reduce Scope 3 Category 11 Emissions

The Company's CO_2 emissions for its products (Scope 3, Category 11) are estimated based on scenarios set using catalog values and other data. As a result, it is difficult to grasp CO_2 emissions that reflect actual customer usage conditions. On the other hand, some customers use renewable energy, and therefore actual CO_2 emissions are considered to have been reduced. Such information is being published on each customer's website.

NEC proposed at the Product Contribution Expert Committee of the Liaison Group of Japanese Electrical and Electronics Industries for Global Warming Prevention that we develop a calculation method for Scope 3 Category 11 that reflects actual customer conditions. In fiscal year 2026, the calculation methods were summarized in the "Report on Study of Scope 3 Category 11 Calculation Method Reflecting Actual Customer Conditions."

Currently, we are conducting trial calculations of CO_2 emissions that reflect customer usage based on this report.

5. Scope 3 Category 1 Initiatives

With respect to Scope 3 Category 1, we are working with our suppliers to encourage them to calculate their CO_2 emissions and support their emissions-reduction through engagement with suppliers. Category 1 emissions that we have disclosed to date were calculated using an emission factor database. However, this method did not adequately reflect suppliers' emissions-reduction efforts.

To resolve this issue, we developed an in-house calculation methodology compliant with the GHG Protocol Scope 3 Standard. This methodology enables CO_2 emissions reported by suppliers through self-assessment questionnaires (SAQs) to be incorporated into the calculation of our Scope 3 Category 1 emissions. This methodology has been reviewed by an independent third-party assurance provider regarding conformity with the Standard, and we have begun applying it to calculation from the fiscal year 2026 results onward.

As a result, it became possible to calculate emissions reflecting supplier-specific data. In the fiscal year 2026 results, emissions based on such data accounted for approximately 11% of total Category 1 emissions. In addition, the calculated amount of Category 1 emissions was approximately 13% lower than the value disclosed in the previous fiscal year, partly due to the application of the new calculation methodology.

Going forward, we will strengthen data collection through engagement with suppliers and provide the insights gained through this initiative to customers facing similar issues.

■ Column

In addition to initiatives to mitigate climate change toward achieving carbon neutrality, the Company is also working on climate change adaptation.

Contribution to Climate Change Adaptation Through Our Business

In regions highly susceptible to the impacts of climate change, we are promoting initiatives that leverage digital technologies to achieve both reduced environmental burdens and improved resilience of local communities through agricultural efficiency improvements and the advancement of adaptation measures. We position these initiatives as contributing to realizing a just and inclusive transition.

[Visualize Climate Change Adaptation Value and Discussions Begin on Developing a Sustainable Revenue Model in BSD City, Indonesia]

A joint proposal submitted by NEC and our domestic partner was selected for the "Smart JAMP" initiative—a program promoted by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) to support overseas smart cities through mutual cooperation between Japan and ASEAN. Through this initiative, we visualized the adaptation value of disaster prevention measures (climate change adaptation measures) against flood risks in BSD City, an emerging city located on the outskirts of Jakarta, Indonesia. This initiative demonstrates the cost-effectiveness of these measures and marks the start of efforts to develop a business model utilizing the acquired data and routine monitoring data. The goal is to create a model that fosters a virtuous economic cycle through the implementation, operation, enhancement, and expansion of adaptation measures. Through these efforts, we aim to promote capital inflows and economic growth related to climate change adaptation, thereby contributing to the improvement of societal resilience. NEC positions these initiatives as aligned with the concept of a Just Transition, taking into consideration the impacts of climate change measures on local communities.

Reference: NEC Indonesia and Sinar Mas Land Enter into a Strategic Partnership to Promote the Adoption of Adaptation Finance in Indonesia

Environment
Carbon Neutrality

Risks and Opportunities GRI 201-2

In order to build a sustainable management foundation for NEC and promote the realization of a sustainable society through co-creation, we analyze the risks and opportunities that affect the environment and are implementing measures to reduce risks and increase opportunities.

In fiscal year 2025, we utilized AI for the first time to reassess company-wide and business-specific risks.

1. Risks Presented by Scenario Analysis

Risk	Scenarios (+1.5°C or 4.0°C)[1]	Description	Timeline[2]	Financial impact/Year	Measures
Transitional[3]	+1.5°C	Cost increases due to carbon pricing	Medium term	3.3 billion yen	Increase use of renewable energy and achieve thorough gains in efficiency to achieve net zero CO_2 emissions target by 2040
		Lower sales due to reputation risk	Short term	3.4 billion yen	SBT Initiative[4] certification, increased use of renewable energy, and purchases of green electricity
Physical[5]	+4.0°C	Decrease in sales due to business suspension resulting from the impact of weather disasters (floods, landslides, water shortages, etc.) on data centers	Short term	4.0 billion yen	Reinforce emergency power supply facilities and other power generation facilities (stockpiling fuel for 5 days of operation, etc.)
		Sales decline due to production halt caused by flooding at manufacturing sites	Medium term	7.5 billion yen	Raise floor height, install flood barriers and watertight doors, and stockpile sandbags

2. Scenario Analysis

The Company analyzes risks and opportunities relevant to the impact of climate change from a long-term perspective. No matter what the future has in store, based on multiple scenarios we are examining steps that we should take to enable us to help realize a safe and secure society while ensuring NEC's survival and growth.

In 2019, we conducted scenario analyses, and in two different scenarios we analyzed potential changes in risks and opportunities. Since fiscal year 2022, we have been conducting scenario analysis for each of our various business fields because the climate change risks and opportunities differ depending on the field.

Reference: Scenario Analysis

- Reference: Referenced Published Scenarios
- Reference: Past scenario analysis results

1. 1.5°C: A scenario in which a decarbonized society is realized and temperatures have risen by 1.5°C in 2100
   4.0°C: A scenario in which society does not sufficiently decarbonize and temperatures have risen by 4°C in 2100
2. Short-term = 0–3 years, medium term = 4–10 years, long term = 11–20 years
3. Risks arising from changes in policies, laws and regulations, technological innovations, and market/customer needs during the transition to a decarbonized society
4. An initiative established by four organizations: Carbon Disclosure Project (CDP), United Nations Global Compact (UNGC), World Resources Institute (WRI), and World Wide Fund for Nature (WWF). The initiative encourages companies to set science-based targets for reducing CO_2 emissions
5. Acute risks from events caused by abnormal weather (floods, landslides, etc.) and chronic risks from long-term changes in weather patterns (rise in sea level, heat waves, changes in suitable land for cultivation, etc.)

Risk Management

Risks and Opportunities Related to Climate Change

1. Identifying Climate Scenarios

The Company conducts scenario analyses to understand the impact of climate change on our businesses and evaluate the resilience of our strategies for climate-related risks and opportunities. Our analysis focuses on the 1.5°C scenario, which involves the transition to a low-carbon economy based on the Paris Agreement and the demands of stakeholders; and the 4°C scenario, in which implementation of climate change measures fall short of current expectations.
The scenarios we referred to during scenario analyses are as follows:

Referenced Published Scenarios

1.5°C scenario	4°C scenario
• IPCC AR6 WG1 SSP1-1.9 • IPCC 1.5°C Special Report • IPCC AR5 RCP2.6 • IEA World Energy Outlook 2025 Net Zero Emissions by 2050 Scenario (NZE) • National Institute for Environmental Studies, Japan Version SSP+SSP1: Sustainable SSP5: Reliance on Fossil Fuels	• IPCC AR6 WG1 SSP5-8.5 • IPCC AR5 RCP 8.5 • IEA World Energy Outlook 2025 Stated Policies Scenario (STEPS) • National Institute for Environmental Studies, Japan Version SSP+SSP3: Regional Divisions SSP4: Disparities

2. Timeline

To address the Paris Agreement and stakeholder demands, we recognized the need to evaluate the long-term impacts of climate change and therefore conducted our analysis up to the year 2050. We also made 2030 an interim milestone to align with the SBT targets we set.

3. Analysis Steps

In fiscal year 2025, we utilized AI for the first time to reassess company-wide and business-specific risks, through the following steps.

Step 1	Identification of core businesses	Based on business overview materials, identify the core businesses of each business
Step 2	Risk importance assessment First screening	Taking market and technology trends into account, select businesses with significant climate change impact from among the core businesses (qualitative assessment by the Environment Management Department)
Step 3	Risk importance assessment Second screening	Using AI, evaluate high-priority businesses selected in Step 2 ⇒ Decide on target businesses for scenario analyses
Step 4	1.5°C/4.0°C scenario creation	The Company creates our own scenarios by incorporating future projections specific to each business, such as key customer and competitor trends, into international climate-related scenarios
Step 5	Scenario analysis	Using the Company's unique scenarios, we assess detailed business models, financial impacts, and countermeasures for the risks to the target businesses (qualitative + quantitative analysis)

Environment
Carbon Neutrality

As a result of the steps shown on the previous page, we identified carbon pricing as a company-wide risk, and the data center and telecom services businesses as business-specific risks.

Type		Description	Timeline
Company-wide risk		Increased costs due to implementation of carbon pricing	Short, medium, and long term
Business-specific risk	Telecom services business	Meeting customer demands for 100% renewable energy-based production	Short to medium term
	Data center business	Revenue loss due to data center shutdowns	Short term

4. Summary

In fiscal year 2025, the Company conducted a scenario analysis-based risk assessment across all its businesses. By applying AI for the first time and screening by the Environment Management Department, NEC identified company-wide and business-specific climate-related risks that could reasonably be expected to impact the Company's outlook. The Environment Management Department led the assessment, and confirmed that the Company could continue and grow its business under any scenario by taking appropriate measures. From fiscal year 2026, we are challenging ourselves to conduct efficient and effective scenario analyses by maximizing the use of AI.

Metrics and Targets

Objectives of Climate Change Measures

The Company is targeting carbon neutrality by fiscal year 2041. We have set targets for fiscal year 2041 and fiscal year 2035, and are taking action.

Year achieved	Initiatives	Indicators	
FY2041	The Climate Pledge, SBT Net-Zero and RE100	Scope 1, 2, and 3 reduction rates	100%
		Renewable energy adoption rate	100%
FY2035	SBT Net-Zero	Scope 1 and 2 reduction rates	63.6% (compared to FY2025)
		Scope 3 reduction rate	63.6% (compared to FY2025)

Scope 1, 2 and 3 Emissions GRI 305-1, 305-2, 305-3

1. Breakdown of Scope 1, 2, and 3 Results

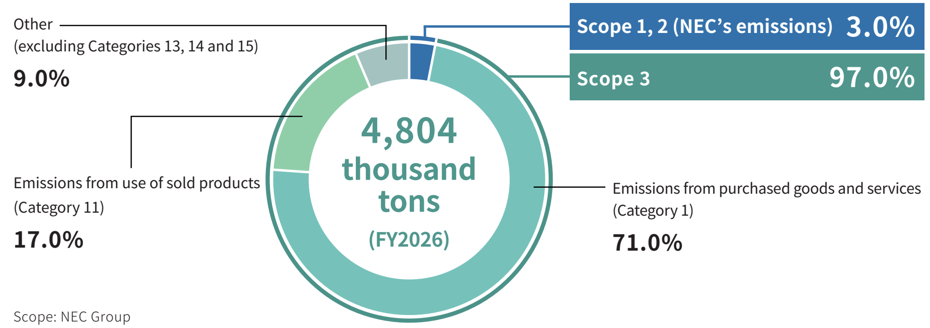
(Thousand tons)

					Emissions
Scope 1					16
Scope 2 (market-based)					129
Scope 2 (location-based)					193
Scope 3					4,659
Category 1	Purchased goods and services	3,434	Category 9	Downstream transportation and distribution	0
Category 2	Capital goods	297	Category 10	Processing of sold products	0
Category 3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	37	Category 11	Use of sold products	812
Category 4	Upstream transportation and distribution	44	Category 12	End-of-life treatment of sold products	0
Category 5	Waste generated in operations	4	Category 13	Downstream leased assets	—
Category 6	Business travel	13	Category 14	Franchises	—
Category 7	Employee commuting	3	Category 15	Other	—
Category 8	Upstream leased assets	15			

ESG Third-party Assurance, External Ratings and Evaluations

Data Collection (Scope of Environmental Data)

2. Greenhouse Gas Emissions (Scope 1, 2 and 3) * Market-based data for Scope 2



Scope: NEC Group

Environment
Carbon Neutrality

3. Calculation Method

We determine greenhouse gas emissions for the NEC Group on a financial consolidated basis. Scope 2 market-based calculations are based on the Act on Promotion of Global Warming Countermeasures, and location-based calculations are based on the country-specific emission factors in International Energy Agency (IEA) Emissions Factors 2025.

Scope 3 calculations are based on the GHG Protocol Scope 3 Standard.

Scope 1, 2, and 3 calculation results have all been verified by a third party.

4. Progress Towards Our SBT Net-Zero Goal

The NEC Group has the goal of achieving carbon neutrality by 2040, which has been certified as a Net-Zero goal by SBTi. To achieve this goal, we aim to reduce Scope 1, Scope 2 and Scope 3 emissions by at least 63.6% each by fiscal year 2035 compared to fiscal year 2025.

To achieve our goals, for Scope 2 we are increasing the use of renewable energy that meets the RE100 standard. For Scope 3, we are engaging with our suppliers to reduce Category 1 emissions, which is the category with the highest emission volume. Furthermore, in order to reduce Category 11 emissions, we are working to improve the energy efficiency of our products and proposing the use of green data centers that use 100% renewable energy to our customers. However, Scope 3 emissions have increased as our business has expanded because the calculation of Scope 3 does not yet reflect the results of the above measures. To resolve this issue, we are currently reviewing our calculations to base them on primary data.

Assets and Business Activities Exposed to Physical Risks

The Company operates data centers in 11 locations throughout Japan, including Kobe and Kanagawa. Data centers provide cloud services and data warehousing services to government agencies and companies, and are important facilities that operate multiple information systems. The operational continuity of data centers is critical to providing uninterrupted services to customers.

Meanwhile, in recent years, natural disasters have become more frequent in Japan. In 2019, a typhoon that brought record-breaking rainfall impacted a wide area of Japan. This rain caused major damage to lifelines, including power outages and broken water mains. River flooding caused widespread damage. Abnormal weather caused by climate change could increase the frequency of disasters, which could pose a risk to the continued operation of data centers.

With this in mind, the Company builds data centers in areas that are less susceptible to flooding and tsunamis to prevent water damage to facilities. Our data centers are equipped with emergency power sources with enough fuel to operate generators for at least 72 hours. This would allow information systems to continue to operate even in the event of a power outage. We have concluded priority fuel supply contracts with fuel suppliers to ensure that we receive priority fuel supplies in the event of an emergency.

In addition, to enable NEC to proactively respond to climate change in the future, we have decided to conduct annually the reevaluation of the natural disaster resilience of all data centers and load tests that involve start-up tests of emergency generators simulating actual power outages, and are taking action accordingly.

Internal Carbon Pricing

With the aim of improving energy efficiency and promoting the introduction of low-carbon facilities and equipment, the Company has set internal carbon pricing to convert CO_2 emission reductions from capital investment into monetary values and utilizes this as information for investment decisions. The aforementioned carbon pricing mechanism will drive our decarbonization activities going forward and reduce the risk associated with potential increases in carbon taxes and emissions trading in a decarbonized society of the future. The Company has set its internal carbon price at 3,000 yen/t-CO_2.

Reflecting Climate Change in Corporate Officer Compensation

In fiscal year 2023, NEC determined key performance indicators (KPIs) and sustainability performance targets (SPTs) that reflect NEC's initiatives for "Environmental Action with a Particular Focus on Climate Change (Decarbonization)," and issued sustainability-linked bonds with maturities of five, seven, and ten years. Failure to achieve all SPTs will require NEC to purchase emission rights (CO_2 avoidance or reduction converted into credits or certificates) equivalent to 0.1% of the bond issuance amount prior to redemption, which will affect earnings. This will also significantly impact the Company's reputation, and will directly affect the evaluation of corporate officers, including directors. The impact is less than 5%.

The Chief Business Process Transformation Officer (CBXO) is responsible for the entire supply chain. The Company has formulated climate change guidelines with a long-term perspective to 2040, determined medium-term goals to 2030, and integrated short-term and medium-term goals that are reviewed annually. The CBXO is responsible for the NEC Group's medium- to long-term goals, and is working on functional reforms to promote environmental management. Progress toward these goals factors into bonus assessment in the annual performance evaluation to reflect the significance of progress towards achieving the CO_2 emission goals of the entire NEC Group. The impact is 10%.

Carbon Credits

In the Tokyo Cap-and-Trade Program (Tokyo Metropolitan Government Mandatory Total Reduction and Emissions Trading Scheme), we transferred the banked reduction amount at the Fuchu Plant to the Daito Tamachi Building and applied it to fulfillment of the obligation for that building. Note that this is an internal transfer under the scheme and is not an offset through procurement of external credits.

With a view to achieving carbon neutrality by 2040, NEC plans to use carbon credits in the future to neutralize residual emissions, but has not yet considered specific details.

Environment

Circular Economy

Circular Economy Guidelines GRI 306-2

In March 2025, the Company established its Circular Economy Guidelines. These guidelines address circular economy challenges such as natural resource shortages, which pose global risks on par with climate change and impacts on natural capital. They outline NEC's commitment to promoting resource circulation in its business activities and contributing to a sustainable circular economy society through technological innovation and the creation of new business models.

NEC will advance its circular economy initiatives guided by these principles.

Reference: Circular Economy Guidelines

Initiatives for Risk Reduction GRI 306-2

1. Collection and Recycling of Used Products

Since 1969, the Company has been collecting used IT devices such as computers from corporate customers for reuse and recycling, and since 2001, it has utilized its certification as a certified cross-regional management business operator. In fiscal year 2026, we collected about 573 tons of computers, PCs, printers, and other IT devices from corporations, a decrease of about 18% compared with the previous fiscal year. The recycling rate[1] was 98%, about the same as in the previous fiscal year. In addition, the resource-reuse rate[2] as defined by the Law for the Promotion of Effective Utilization of Resources was 92%, also about the same as in the previous fiscal year. Going forward, we will promote further improvements in resource recycling through the recycling of plastics and other resources.

Used-IT-Product Collection and Recycling Rates

2. State of Collection and Recycling of PCs

In fiscal year 2026, NEC collected approximately 67,000 used PCs, including desktop PCs, notebook PCs, CRT displays and liquid crystal displays, an increase of approximately 20% from the previous fiscal year. We achieved the effective resource utilization rate prescribed by law (as a target to be achieved by 2003) for all of our products.

State of Collection and Recycling of PCs

3. Responding to the Plastic Resource Circulation Act

In 2021, prompted by the need to respond to issues such as marine plastic waste, climate change, and the tightening of waste import regulations by other countries, Japan enacted the Plastic Resource Circulation Act to further promote the domestic circulation of plastic resources. Under this law, businesses that generate industrial waste from products that use plastic (the Company is a large-volume waste generator) are required to promote the reduction and recycling of such waste. The Company aims to reduce the amount of industrial waste generated from products that use plastic and promote recycling. We have set waste reduction targets and are implementing relevant initiatives.

- Fiscal year 2027 target: Reduce waste plastic generated[3] by 4.9% compared with fiscal year 2020 (per unit of sales)
- Fiscal year 2026 result: 53% reduction per unit of sales (target achieved)
- Fiscal year 2026 waste plastic generated: 599 tons

1. The ratio of the weight of reused, material-recycled, and thermal-recycled items to the total weight of collected IT devices
2. The ratio of the weight of materials that can be used as recycled products (parts reuse) or resources (material recycling) to the total weight of collected IT devices (as defined by the Law for the Promotion of Effective Utilization of Resources)
3. Waste plastic generated and targets exclude special factors (irregular waste plastic generation associated with redevelopment of plants, etc.).

Contribution to Reducing Environmental Burdens

1. Construction of the Plastic Information Distribution Platform (PLA-NETJ)

The Company is participating in the government's Strategic Innovation Promotion Program (SIP) Phase Three, focusing on the issue "Construction of a Circular Economy System," and is developing the Plastic Information Distribution Platform (PLA-NETJ).

PLA-NETJ is a digital management and information sharing system for the circulation of plastic materials used in products throughout their life cycles. In particular, we are conducting research and development with the aim of improving the use of recycled plastic materials. PLA-NETJ records trace data, such as where raw materials were mined, where they were processed, where final products were made, how much CO_2 was emitted, how much recycled material is included, and information on durability. PLA-NETJ will connect to data spaces (spaces for sharing and using data across borders and fields, such as Ouranos Ecosystem, DATA-EX, and Gaia-X) developed both in and outside Japan. It will also distribute information between data registered in PLA-NETJ and data registered in other systems, and will operate as a digital product passport (DPP).

Reference: The Role of Digital Product Passports (DPPs) in Plastic Recycling and the Technologies That Support It (NEC Technical Journal Vol. 18 No. 1)

2. Advancing Recycled Plastic Production Using Materials Informatics

To promote resource circulation, the Company is working to advance recycled plastic production through the use of Materials Informatics (MI). In producing recycled plastics, as the types, quality, and inventory status of collected waste plastics fluctuate daily, it is necessary to optimize blending and color matching in order to meet required performance such as strength, flowability, and color, and a challenge has been the heavy reliance on the knowledge and experience of skilled workers. Accordingly, initially, together with MARUKI SANGYO Co., Ltd., we developed a system that uses blending data accumulated by MARUKI SANGYO, our materials development expertise, and MI technology to present blending and color-matching proposals in accordance with inventory status by inputting target performance and color. In a demonstration experiment in September 2024, we confirmed that the time required for blending and color matching could be reduced by approximately 33% for skilled workers and by approximately 50% for less-experienced workers.

Furthermore, in October 2025, we began a four-company collaboration with Mitsui Chemicals, Inc., HAGIHARA INDUSTRIES INC., and MARUKI SANGYO Co., Ltd. By combining an extruder that controls the amount of additive input while measuring viscosity during the manufacturing of recycled plastics with our MI technology, we are working to transform the recycled plastic production process itself and are taking on the challenge of realizing labor savings at manufacturing sites through stabilized quality, expanded manufacturing capacity, and improved work efficiency. Through this, we aim to eliminate the tumbling process, which has been required to stabilize quality at companies that manufacture and use recycled plastics, and aim to reduce the time required for the overall manufacturing process by 25% compared with the conventional process.

Reference: Mitsui Chemicals, Hagihara Industries, Maruki Sangyo, and NEC to utilize materials informatics for stabilizing recycled plastic quality and improving manufacturing efficiency

3. Promote the Use of Recycled Materials

From fiscal year 2027, the Company will promote the use of recycled plastics in products company-wide. This initiative is also positioned in the company-wide environmental mid-term plan, and we will advance consideration and implementation in each business and product. To date, we have advanced the use of recycled plastics and initiatives that consider resource circulation in certain products, but going forward, we will deploy these initiatives under a company-wide policy and link them to promoting resource circulation through products.

Environment

Nature Positive

Assessing and Addressing Natural Capital (Water, Pollution, Biodiversity) Risks and Opportunities — Excerpts from the TNFD Report

According to "The Future of Nature and Business," a report published by the World Economic Forum in 2020, approximately half of the world's GDP depends on natural capital, and a report by the World Bank estimates that the collapse of ecosystem services could result in an annual economic loss of 2.7 trillion dollars. TNFD (Taskforce on Nature-related Financial Disclosures) is an important framework for correctly understanding dependencies/impacts, risks, and opportunities between the natural environment/ecosystems and corporate activities, and for incorporating them into management and investment decision-making. The NEC Group recognized its importance early and has advanced activities accordingly. We are broadening the scope of our activities through initiatives such as releasing a report ahead of the rest of the world in July 2023 and, the following year, issuing a second edition that reflects the insights we gained.

In preparing the third edition issued in August 2025, we utilized generative AI and agentic AI as an initiative unique to a technology company. Using the power of AI, we analyzed the relationship between business and the natural environment and, based on this, conducted site visits and confirmed even measures at each site and initiatives by local governments. By combining the capabilities of AI and people, we were able to achieve both efficiency and sophistication while organizing and understanding important information. This ESG Databook provides excerpts from the TNFD Report Third Edition, particularly its Strategy section.

Governance and risk and opportunity management	Environmental Management Promotion Framework, NEC Environmental Policy, Human Rights Policy
Strategy	Risks and opportunities listed below
Indicators and targets	NEC Eco Action Plan 2030 (refer to the metrics and targets of environmental management)

As outlined below, the Company has participated in the TNFD Forum, the Nature-related Data Catalyst, the SBT for Nature Corporate Engagement Program, and other initiatives, and has contributed to the creation of global mechanisms in the field of natural capital. The World Economic Forum has been creating industry-specific guidelines toward realizing a nature-positive economy, and our members contributed as expert committee members to the creation of the IT industry guidelines issued in December 2025. We have also incorporated the knowledge gained through that experience into this report.

Initiatives in Which the Company Participates

Participating Initiatives	Description
The TNFD Forum / Early Adopters	Joins the TNFD Forum as a member and contributes to discussions. Registered as an Early Adopter and makes disclosures based on TNFD
TNFD Nature Data Public Facility (NDPF)	Activities to make nature-related data, which exists in large quantities worldwide, easier to use. As a pilot company, currently proposing opinions on necessary functions
Science Based Targets Network	A method for setting targets related to water, biodiversity, land, and oceans, enabling companies to act in line with sustainability goals within planetary boundaries. The Company participates in the Corporate Engagement Program and contributes to global mechanism-building
The World Economic Forum (WEF) Nature Positive Technology Working Group	Together with companies worldwide, identifies the environmental impacts and priority initiatives of the ICT sector. Issued guidance in December 2025
Sector Guidance for TNFD Technology Sector	Together with companies worldwide, considers initiative indicators for the ICT sector
Keidanren Nature Conservation Council	As a planning committee member, conducts initiatives such as collaboration with international initiatives including TNFD, policy proposals, and support for nature conservation projects
Four Electrical and Electronics Industry Associations: Biodiversity Working Group	Analyzes coexistence and impacts with natural capital in the electrical and electronics industry, and develops various tools for mainstreaming biodiversity. Participates as a working group member
Nature Positive Sustainable Development Hub	Selected for the full-scale track of the Japan Science and Technology Agency (JST) "Program on Open Innovation Platforms for Industry-academia Co-creation (COI-NEXT)," and participates in a hub led by Professor Michio Kondoh of the Graduate School of Life Sciences, Tohoku University. In collaboration with various stakeholders, aims to realize a society that develops while restoring nature.
Programs for Bridging the gap between R&D and the IDeal society (society 5.0) and Generating Economic and social value (BRIDGE) Development and demonstration project of Nature Footprint for promoting Nature-related Financial Disclosures by investors and financial institutions and international standardization	Develop a methodology (nature footprint) to quantitatively evaluate environmental impacts that focus on natural capital and biodiversity from the perspective of global value chains, and implement initiatives necessary for international standardization. The Company participates as a business operator

1. Exploring Natural Capital Opportunities, Risks and Exposure: Led by the Natural Capital Finance Alliance and developed jointly with the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), etc. A tool for helping users understand and visualize the impacts of environmental change on the economy.

Risks (Direct Operations) GRI 101-2、101-4

We assess and disclose the NEC Group's risks and opportunities from the perspective of natural capital. With respect to direct operational risks, we identified NEC Group business activities (55 types) and, based on the degree of potential dependency and impact on natural capital, as well as the scale and nature of the business, determined the business activities for which we will conduct a deeper analysis.

How the Risk Analysis Is Conducted

Understanding Dependencies and Impacts

Step 1	Make a list of the Company's business activities	From the International Standard Industrial Classification (ISIC) (a total of 271 types of economic activities), broadly select and list the NEC Group's relevant business activities
Step 2	Extraction of business activities that are considered to have significant dependencies and impacts on natural capital	Using ENCORE[1], which was substantially updated in July 2024, create a heat map of each business activity's dependency on ecosystem services (25 types) and the degree of impact from impact drivers (12 types), and extract business activities considered to have high dependency/impact
Step 3	Identifying of business activities based on the Company's actual situation	Based on the extracted business activities, identify those for which risks should be explored in depth, taking into account the scale of sales, focus businesses, and the specific details of the Company's business. Even for businesses not extracted in ENCORE and businesses with small sales, select those considered important based on in-house knowledge and examples disclosed by other companies, and conduct a comprehensive evaluation
Step 4	Identifying of material regions and regions requiring attention	Regarding the natural capital risks that intersect with the identified business activities (water shortages, flooding/storm surges, biodiversity), identify high-priority areas based on the characteristics of business sites and the evaluation results from specialized tools
Step 5	On-site investigations and engagement with local communities	Utilize AI to analyze local risks in the regions where sites are located and conduct site visits and dialogue with stakeholders

Risk Determination

Optical Submarine Cable Business Risks and Countermeasures

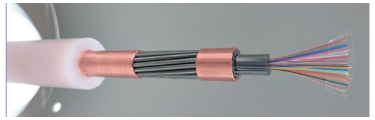
		Dependency and impact	Risk
Physical	Acute & Chronic	Dependence on sea state stability function	Extended installation times and increased costs due to unstable sea conditions caused by climate change
Transitional	Policy & Law	Impacts on marine ecosystems and water quality	Stricter regulations and, in some cases, increased costs
	Market		Stricter customer requirements and, in some cases, increased costs
	Technology		In case that technological development is delayed, competitiveness will be reduced
	Reputation		In case of ecological impact, The Company's brand value will decrease

Environment
Nature Positive

In laying submarine cables, the Company takes into account the effects of weather. For example, in the North Pacific region, the weather tends to be rough during the winter season. To avoid construction during this period, NEC plans for prior permission and cable production in consultation with cable owners. In addition, by conducting oceanographic surveys, we propose routes to cable owners that avoid areas prone to undersea earthquakes and landslides, thereby increasing resilience to natural disasters.

The submarine cable is as thin as 17 mm in diameter, yet strong enough to withstand 8,000 m on the seafloor. In addition, the development of multi-core fiber cables with multiple transmission paths in one fiber has enabled us to expand the transmission capacity without changing the cable thickness. This has made it possible to provide cable owners with a system that offers a higher return on investment while limiting the environmental impact.

The Company has held numerous discussions with submarine cable owners and the national and local governments where the cables are installed and complies with local laws and ordinances while laying the cables in an environmentally conscious manner. For example, in Florida, U.S.A., the cable installation was scheduled in compliance with the law so that it avoids the sea turtle spawning season. Also, depending on the environment in which the cables are to be installed, we conduct preliminary surveys of marine organisms and install silt curtains to prevent sand from being stirred up when installing the cables.



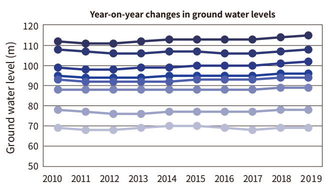
OCC SC530 LW Cable

Data Center Business Risks and Countermeasures

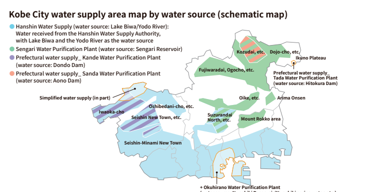
		Dependency and impact	Risk
Physical	Acute & Chronic	Water consumption	Halt due to inability to operate cooling towers due to drought
Transitional	Policy & Law		Decrease in sales in case that water withdrawal restrictions become more severe and cannot be met
	Market		Decrease in sales in case that customer requirements become more demanding and cannot be met
	Technology		In case that technological development is delayed, competitiveness will be reduced
	Reputation		In case that the Company causes regional drought, its brand value will decrease

Of the 11 sites operated by the Company in Japan, the Kanagawa Data Center and the Kobe Data Center are the ones that use air-conditioning systems that consume water in cooling towers. With respect to water shortages risk, in collaboration with the National Institute of Advanced Industrial Science and Technology (AIST), we quantitatively evaluated the level of water stress, taking into account the volume of water resources necessary for conservation of the watershed ecosystem. With respect to flood risk as well, using specialized tools, we quantitatively evaluated inundation depth in the event of a future 4°C temperature increase due to climate change.

In addition, we used AI to identify local risks including water infrastructure, and after identifying priority confirmation items, conducted site visits and dialogue with relevant stakeholders. As a result, we confirmed that the sites are connected to water sources with abundant water volumes and that there is little concern regarding water shortages. Furthermore, in addition to the redundant structure of tap water and groundwater, because we are equipped with water storage facilities capable of continuing operations for 72 hours, we have determined that the risks of operational stoppage and regional impacts are minimized. In regions with little concern regarding water shortages, using water within a sustainable range can reduce the amount of energy required for air conditioning. In addition, the NEC Eco Action Plan 2030 incorporates conducting water risk assessments in advance when constructing new sites.



Water source for the Kanagawa Data Center: Stable year-on-year changes in groundwater levels
(Source: Prepared by NEC based on data from an administrative report for 2020)



Water supply area map by water source for the Kobe Data Center
(Source: Waterworks Bureau website)

Equipment Manufacturing Business (Communications & Aerospace) Risks and Countermeasures

		Dependency and impact	Risk
Physical	Acute & Chronic	Water consumption Flood and storm protection	Plant shutdowns due to drought and flood damage
Transitional	Policy & Law	Wastewater Waste Soil contamination	Decrease in sales in case that pollution regulations become more stringent and cannot be met
	Market		Decrease in sales in case that customer requirements become more demanding and cannot be met
	Technology		In case that technological development is delayed, competitiveness will be reduced
	Reputation		In case that the Company causes pollution, its reputation and brand value will decrease

As with the data center business, we evaluate water-related risks using high-precision specialized tools, and for biodiversity risks, we utilize IBAT (Integrated Biodiversity Assessment Tool) to multifacetedly understand the importance of ecosystems around sites. We compiled water consumption information using the Company's environmental performance management solution, GreenGlobeX.

As a result of quantitative analysis using the tools, it was found that four sites—the Pathum Thani site in Thailand, the Jiangsu site, in China, the Abiko Plant, and the Tamagawa Plant—are located in areas requiring attention; therefore, we conducted risk assessments aligned with actual conditions through on-site investigations and interviews.

Pathum Thani Province in Thailand is an area where risks such as water shortages, flooding, and biodiversity are anticipated. With respect to water shortages risk, water is used only for air conditioning in production buildings and for cafeterias and toilets, and water scarcity will not cause production processes to stop. In addition, the site is equipped with a 400 m^3 water storage tank equivalent to three days' supply, and both direct intake from the Chao Phraya River by the industrial estate and municipal water supply sourced from three upstream dams are also available.

With respect to flood risk, following the large-scale flood damage in 2011, flood BCP measures have been implemented, including installing transformers and electrical equipment at elevated locations and monitoring upstream dam water levels. Furthermore, a 2.5 m-high flood barrier has been installed over a 20 km perimeter around the industrial estate, and operation and management is carried out 24 hours a day, 365 days a year using large drainage pumps.

As a biodiversity risk, according to IBAT, birds, reptiles, and freshwater organisms categorized as Critically Endangered (CR) on the IUCN Red List have been confirmed within a 50 km radius of the site.

At existing manufacturing sites, there is no new land alteration, and impacts on surrounding biodiversity occur through wastewater, exhaust gas, and waste, etc. Our manufacturing sites are ISO 14001 certified and have established appropriate management frameworks in accordance with environmental laws and regulations. In addition, we have set voluntary standards stricter than legal requirements for exhaust gas and wastewater, and wastewater at this site is also appropriately treated at the industrial estate's treatment facility before being discharged. Based on these factors, we have determined that the biodiversity risk at this site is low.

Going forward, we will utilize the ISO 14001 environmental management system to promote the PDCA cycle of environmental management, and the NEC Eco Action Plan 2030 incorporates conducting water risk and biodiversity risk assessments in advance when constructing new sites. We have also confirmed through similar evaluations that risks are low at other sites. For details, please refer to the TNFD Report Third Edition.

NEC TNFD Report Third Edition

Flood countermeasures at the industrial estate (locations where flood barriers are installed and drainage pumps)

Environment

Nature Positive

1. Initiatives for Risk Reduction

Statement 3 of the NEC Environmental Policy clearly states that NEC will "strive to conserve energy, save resources, and prevent environmental pollution caused by chemical substances and waste throughout the entire supply chain." This includes preventing soil contamination.

1.1. Conformance to the Pollutant Release and Transfer Register (PRTR) System

We manage the inputs and outputs of chemical substances (Class I Designated Chemical Substances) used by the NEC Group that are subject to the PRTR System and disclose the results. For chemical substances released into the atmosphere and public water bodies (including discharges into sewage systems), NEC manages those substances in accordance with its own voluntary standards, which are more stringent than the levels required by law.

1.2. Preliminary Evaluation System GRI 306-1, 306-2

We conduct preliminary evaluations to examine potential environmental and safety concerns when a new facility is introduced or a chemical substance is used for the first time.

In the preliminary evaluations, we evaluate the environmental impact, hazards, and toxicity, the appropriateness of environmental and safety management, the conditions of use and management methods, and status of statutory compliance to determine whether or not the subject of the assessment can be introduced. Facilities and chemical substances that pass the screening shall be used under the specified conditions of use and management methods, and based on analytical measurements of exhaust gas, wastewater, and the like. In addition, we conduct a manufacturing method assessment as a preliminary evaluation of the environmental and safety aspects of the entire manufacturing process, including of the chemical substances, facilities, or other assessment subjects involved.

1.3. Strict Control of Equipment and Parts Containing PCBs

We have stored disposed-of devices (equipment and parts, including fluorescent light stabilizers) containing polychlorinated biphenyls (PCBs) under strict control and have proceeded with planned disposal.

The amount of PCBs held by NEC (as of March 31, 2026) is as follows.

High concentration: 0 kg Low concentration: 56,552 kg Scope: NEC Corporation

1.4. Initiatives in Response to the Act on Rational Use and Appropriate Management of Fluorocarbons

We have established internal regulations based on the Act on Rational Use and Appropriate Management of Fluorocarbons, and strive to properly manage Class 1 Specified Products (commercial air conditioners, refrigerators, and freezers) and track fluorocarbon leakage volumes.

In fiscal year 2026, the calculated amount of fluorocarbon leakage was under 1,000 t-CO_2, which is below the threshold requiring reporting to the competent minister.

NEC will continue working to prevent leaks—such as through reinforced inspections— and, during equipment upgrades, promote the use of non-fluorocarbon or low-GWP (Global Warming Potential) refrigerants to reduce fluorocarbon emissions.

1.5. Ozone-depleting Substances GRI 305-6

The use of all specific chlorofluorocarbons as a cleaning agent in manufacturing processes was discontinued in 1993. By the end of fiscal year 2011, efforts to totally discontinue the use of specific chlorofluorocarbons for refrigerant in air conditioners and specific halons used in fire extinguishers resulted in a reduction of 96%, almost completely eliminating their use.

1.6. Internal Water Pricing System

We calculate values for reductions in CO_2 emissions based on its approach to internal carbon pricing to inform decisions on whether to invest in equipment, and follow a similar methodology for water. When setting prices for water, we take into account future increases in the cost of water and assume the future unit price of water will be 2.5 times higher than it is now. We recalculate the cost impact on this basis when water consumption is projected to change by at least five cubic meters per day.

1.7. Example of Water Consumption Reduction Initiatives

We take on various initiatives to reduce water consumption at each business office and factory. Please see below for more details.

Reference: Water Risk Management and Effective Use of Water Resources

1.8. Certified as a "Water Cycle ACTIVE Company" that Directly Contributes to the Water Cycle in Terms of Water Volume and Water Quality

In the Cabinet Secretariat's Water Cycle Policy Headquarters Secretariat's fiscal year 2026 "Water Cycle Company Registration/Certification Program," our initiatives to reduce water consumption at the Sagamihara Plant were evaluated, and we were certified in the water volume/water quality category as a Water Cycle ACTIVE Company.

Risks (Upstream Supply Chain) GRI 101-5

Through the "Guidelines for Responsible Business Conduct in the Supply Chains," the Company requests existing and new suppliers located upstream in the value chain to undertake environmental conservation initiatives, including reducing greenhouse gas emissions, reducing water consumption, preventing air/water/soil pollution, and implementing noise countermeasures. We continuously confirm the status of compliance with the guidelines, including the status of implementation and the management framework for these environmental issues, through the "Survey on Decarbonization and Natural Capital Initiatives" conducted annually.

In this assessment, starting from the Company's representative products and referring to a general supply chain structure common to the industry, we organized the upstream tiers of the major upstream value chain, tracing back to the furthest upstream, as shown in the figure below.

Furthest upstream	Intermediate suppliers	Suppliers	NEC
Materials collection	Material generation	Manufacturing	
• Minerals / nonferrous metals • Crude oil	• Iron and steel smelting/ refining • Petroleum/chemical products • Crude oil distillation	• Communications equipment manufacturing • Semiconductor and electrical components / mechanical and chemical components manufacturing	

Because the ENCORE analysis results suggested dependencies and impacts on natural capital (water resources, mineral resources, biodiversity, etc.) at each layer, we evaluated dependencies and impacts by layer. Based on this, for risk assessment we adopted two different approaches for suppliers and for intermediate suppliers to the furthest upstream.

1. Response to Suppliers

For suppliers, we selected approximately 2,000 production sites that supply hardware components assumed to have particularly large environmental impacts as the subjects of risk assessment, and conducted evaluations using high-precision specialized tools, as with our own sites. As a result, the following regional tendencies were confirmed for sites located in areas requiring attention, as shown in the figure below.

- For water-related risks, there are relatively many sites in areas requiring attention in Asian countries and within Japan.
- For biodiversity risks, there are relatively many sites in areas requiring attention in Japan and Europe.

Asia	
• Water shortages risk	6%
• Flood risk	8%
• Storm surges risk	10%
• Biodiversity risk	6%

Europe	
• Water shortages risk	1%
• Biodiversity risk	12%

America	
• Water shortages risk	2%
• Flood risk	1%
• Biodiversity risk	4%

Japan	
• Water shortages risk	4%
• Flood risk	7%
• Storm surges risk	2%
• Biodiversity risk	19%

Environment
Nature Positive

In addition, using generative AI and agentic AI, we investigated information regarding water infrastructure and local risks for the 2,000 sites. Collecting local information for each site one by one and preparing materials to be used for dialogue with stakeholders is extremely difficult; however, through the use of generative AI and agentic AI this time, we were able to automate these tasks. This can be said to be automation equivalent to 80,000 hours of manual work.

Using these results, going forward we will grasp the actual status of dependencies and impacts on natural capital at each site located in areas requiring attention and evaluate the status of responses to potential risks. To grasp the status of initiatives at each site, we will refer to the results of the "Survey on Decarbonization and Natural Capital Initiatives." For sites determined to have large dependencies and impacts on natural capital, we will work to strengthen engagement through dialogue. The NEC Eco Action Plan 2030 incorporates conducting engagement.

• Identification of significant nature risks[2], etc. • Creation of a supplier priority map	• Selection of companies targeted (also taking into account procurement countries and the need to visualize Tier N) • Formulation of the survey plan	Initiation of supplier engagement	50% supplier engagement implementation	• 100% completion of targeted supplier engagement • Establishment of a continuous risk management process

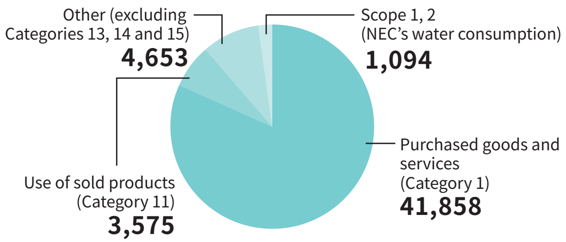
2. Evaluation from Intermediate Suppliers to the Furthest Upstream

Tracing back the vast number of suppliers upstream in the supply chain to grasp the overall picture of dependencies and impacts relationships on natural capital is extremely difficult. This time, with support from the National Institute of Advanced Industrial Science and Technology (AIST), we evaluated water stress across the entire supply chain based on the same concept as Scope 3, which calculates greenhouse gas emissions on an organizational basis. As a result, we found that water consumption induced by "Purchased goods and services," which corresponds to Scope 3 Category 1, is the largest. In addition, of the total water consumption induced by the NEC Group's value chain, when aggregating the amounts of water consumption that exceed the environmental carrying capacity of each watershed, it was found to correspond to 9.7% of the total (the Japanese industrial average is 11.2%).

This initiative was evaluated by the LCA Society of Japan, where stakeholders from industry, academia, and national/public research institutions related to Japan's life cycle assessment (LCA) gather, and received the "LCA Society of Japan Chairman's Award" at the 22nd LCA Society of Japan Awards.

Total Water Consumption Across the Supply Chain

(Unit: thousand m³)



Risks (Downstream Supply Chain)

The Company is involved in collecting used equipment. Please see "Initiatives to Reduce Risk" under "Circular Economy" for details. We also rigorously manage the chemical substances contained in our products. Please see "Managing Chemical Substances Contained in Products" under "Environmental Management" for details.

2. Water shortages, flooding, biodiversity/pollution, resources

Opportunities to Contribute Through ICT Solutions

1. Incorporating Environmental Information into Business Systems — Corporate Transformation Through Decision-making Support for Operations —

To realize nature-positive management, it is important to understand the relationship between business activities and natural capital, visualize dependencies and impacts on natural capital, and incorporate risks and opportunities into decision-making for product planning, design, procurement, manufacturing, logistics, sales, and the like.

To do so, mechanisms are required to link and utilize environmental information among functional departments within companies and among companies in the supply chain. The Company believes it can contribute to such corporate transformation through ICT solutions.

On the other hand, many companies face the issue that it is difficult to use environmental information in a cross-functional manner because data formats and management methods differ among functional departments. As a result, initiatives to reduce environmental burdens are not sufficiently visualized, making it difficult for them to be reflected as added value of products and services.

We show the basic framework and case examples of how ICT can help address these challenges.

	Design	Procurement	Manufacturing	Sales
Issue	Environmental data on materials and parts-components are not available in design phase	Environmental data of each supplier/part are not available when placing an order	In mixed flow production line, environmental impacts of each product cannot be understood	Environmental information is uncertain, so it cannot be used to appeal to customers, and costs cannot be passed on to prices
Risk	Lost opportunities due to inability to meet environmental requirements	Suppliers' efforts cannot be reflected	Inability to provide customers with product-specific environmental information	Promotion cannot be active due to concerns of greenwashing
Solutions (Draft)	Environmental impact simulation in CAD design Procurement system with environmental data	Infrastructure for intercompany data sharing: Materials, Components, Assembly, Sales, Disposal Environmental information is available when you need it: BOM/BOP (Standard - target management)	ERP/MES (Shop floor performance management)	Disclosure based on real-time data Value communication to target customers using design concepts and actual data

Management transformation
- Data-driven decision making
- Promoting an improvement cycle involving suppliers and customers
- Making sustainability a driver of growth

Through "NEC BluStellar," the Company supports customers in solving environmental management challenges and contributes to the transition toward a nature-positive society. NEC also engages in Thought Leadership activities, identifying key issues and proposing solutions to help shape policies and societal systems that facilitate corporate transformation.

2. Enhancing Risk/Opportunity Assessment and Disclosure Support Using AI

Leveraging the Company's in-house expertise held by the sustainability division, we provide accompaniment support services for corporate sustainability management in collaboration with the consulting division, ABeam Consulting Ltd., a Group company, and GX Concierge Inc., a joint venture with SUMITOMO CORPORATION.

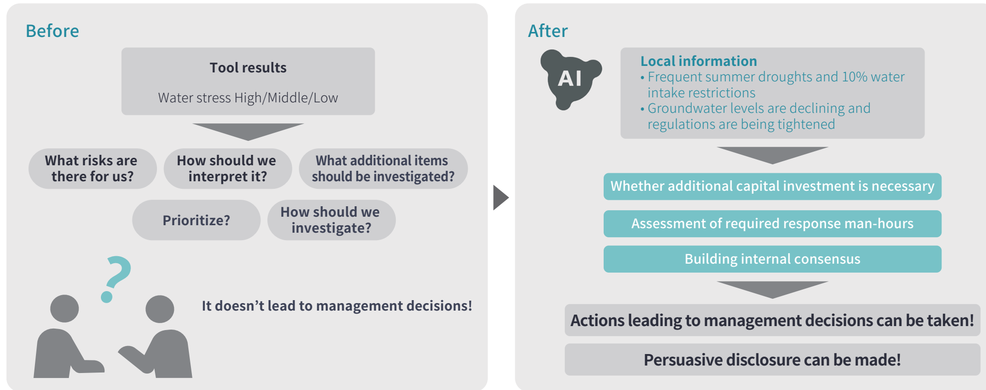
In preparing the Third Edition of the TNFD Report, by converting the expertise of personnel with specialized knowledge into explicit knowledge and utilizing generative AI and agentic AI, we significantly improved the comprehensiveness of covered sites and the depth of analysis. As shown below, we defined the tasks required for TNFD-related work and created multiple specialized AIs in order to improve AI accuracy. This is an AI solution made possible precisely because we are the Company that combines specialized knowledge of environmental management and facility management with expertise in cutting-edge AI. It can be said to be the first AI solution in and outside Japan that covers the entirety of TNFD-related work. Furthermore, we developed and evaluated agentic AI that autonomously operates these processes. We have begun using these AIs in accompaniment support services for customers.

Environment

Nature Positive

Advancing TNFD-related Tasks Using AI

	AI for TNFD	Value provided
Research tasks	Guidance research Best-practice research Research on other companies' trends	• Gap analysis between existing company disclosures and external trends • Enables determining editorial and research policies
Risk assessment tasks	AI for local nature risk research AI for analyzing tool results Nature scenario analysis Financial impact assessment	• Analysis of local risks not visible with general-purpose tools Examples: Trends in water resources, infrastructure, stakeholders, history and culture, etc. • Batch evaluation of numerous sites and automatic creation of explanatory materials • Create future scenarios from related information worldwide and specifically examine future physical and transition risks • Dialogue with local stakeholders based on on-the-ground realities
Opportunity assessment tasks	Opportunity analysis	• Identify business opportunities leveraging the Company's technological strengths in light of legal/regulatory trends and competitor trends in each country
Writing tasks	Report writing Document review	• Review from multifaceted perspectives based on various specialized knowledge • Efficient selection of expressions
PR tasks	Support for press release creation	



Research Tasks

We have had AI read guidance issued by various international organizations and initiatives, as well as by governments in each country. By interpreting dozens of specialized guidance documents totaling several thousand pages, we were able to conduct a gap analysis of our report and clarify areas for improvement. Work that would take at least six hours per guidance document when performed manually can now be completed in under 30 minutes.

Risk Assessment Tasks

While global general-purpose tools provide high coverage, it is difficult to obtain local risk information for each region where sites are located with a level of precision that is useful for decision-making. This time, through AI we made it possible to automatically extract information such as trends in regional water resources, infrastructure, stakeholders, and history and culture. By combining this with site information (production processes, prime mover facilities, etc.), we became able to conduct risk assessments for our own and supply chain sites. As a result, whereas previously we could only conduct in-depth surveys for about three sites per year, we were able to conduct surveys of approximately 2,000 sites. This is equivalent to 80,000 hours of work. By having AI ingest specialized knowledge, risk assessments that previously could only be performed by limited members can now be performed by anyone, and by using the man-hours created by this automation, we became able to visit sites and spend time engaging in dialogue with stakeholders. In addition, by referring to information from around the world, it has become easier to conduct financial impact assessments and future scenario analyses.

Opportunity Assessment Tasks

Until now, in corporate sustainability disclosures, the introduction of solutions that contribute to environmental issues has mainly consisted of case examples. On the other hand, investors and rating agencies are seeking explanations that those examples constitute business opportunities. This time, we had AI learn the knowledge of environmental laws and regulations of each country that we have obtained over many years through legal compliance management for sites and products, and identified business opportunities based on the strengths of our technologies, solutions, and partnerships.

Going forward, the Company will continue to use technologies such as AI not only for disclosure compliance, but also as tools to minimize risks and maximize opportunities.

Main Initiatives for Biodiversity Conservation

1. Biodiversity Policy GRI 101-1

Biodiversity is an important foundation for a sustainable society. The NEC Environmental Policy stipulates that individual employees should increase their environmental awareness and contribute to preserving biodiversity. In 2010, the International Year of Biodiversity, we formulated our Biodiversity Action Guidelines and are promoting activities in accordance with those guidelines.

2. NEC Paddy Making Project

Since 2004, in collaboration with the authorized NPO Asaza Fund, we have been conducting the NEC Paddy Making Project with the aim of restoring abandoned farmland and preserving biodiversity in the Lake Kasumigaura basin. The project is a nature-oriented program where participants can experience a series of rice-related jobs, from rice planting to harvesting, throughout the year. In 2023, the project's paddy in Ushiku City, Ibaraki Prefecture was certified as one of the Ministry of the Environment's Monitoring Sites 1000.

We are also using the rich natural environment of the rice fields in the area as testing grounds for ICT solutions. NEC Solution Innovators, Ltd. is currently conducting a species diversity survey using environmental DNA. We will continue to work toward the realization of a sustainable society through collaboration with a variety of stakeholders.

Reference: NEC Paddy Making Project

Reference: Monitoring Sites 1000 (Ministry of the Environment, Biodiversity Center of Japan website) (Japanese language only)

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Social

Respect for Human Rights

Governance

Framework for Respect for Human Rights GRI 2-24

NEC's President oversees initiatives based on the NEC Way and the NEC Group Human Rights Policy. Furthermore, the corporate officer in charge of sustainability promotion presents status reports on initiatives aligned with the United Nations Guiding Principles on Business and Human Rights (UNGPs) to the Board of Directors, which monitors their progress.

NEC identifies salient human rights issues by continuously assessing actual or potential adverse impacts across the entire value chain. For each identified issue, a responsible corporate officer and relevant departments are assigned to advance human rights due diligence.

In addition, NEC has established grievance mechanisms for a wide range of stakeholders: all employees of the NEC Group (including contract employees), business partners, customers, and local residents.

Reference: NEC Way

ESG Compliance (Whistleblowing System)

Thought Process

Our Approach to Respecting Human Rights GRI 2-23, 2-24

1. NEC Group Human Rights Policy

NEC established the NEC Group Human Rights Policy in 2015. Furthermore, in 2022, the policy was revised, and these revisions clearly show senior management's commitment to respect for human rights as well as its governance system, as required by the UNGPs. The revision was approved by its President and reported to the Board of Directors in the same year. After the revision, the President issued a message to all NEC Group corporate officers and employees regarding the update to the human rights policy. In formulating the revised version of the policy, NEC held talks with a wide range of internal and external stakeholders, including labor unions, experts from the International Labour Organization (ILO), international NPOs, investors, and lawyers specializing in business and human rights.

This policy, as well as our initiatives to promote respect for human rights based on it, will be reviewed annually and updated or revised as necessary. In response to growing global expectations, NEC published a revised version in July 2026 that updated, among other things, its approach to employee working hours and wages.

The NEC Group Human Rights Policy applies to all corporate officers and employees of the NEC Group, including contract employees. The NEC Group also encourages its suppliers, business partners, and customers to understand this policy and share our commitment to respect human rights. The policy elaborates the following principles:

- The NEC Group respects fundamental human rights in every aspect of its corporate activities and will not allow any act that may be prejudicial on the grounds of race, beliefs, age, social position, family origin, nationality, ethnicity, religion, gender and sexual orientation, gender identity, or disability, or any act that may offend the dignity of any individual, such as bullying, harassment, child labor, or forced labor.
- The NEC Group also recognizes its responsibility for the potential impacts that its corporate activities may have on human rights of all people, including vulnerable groups[1].
- The NEC Group, as an ICT provider, also strives to promote data protection and privacy, respect for freedom of expression, and the proper use of new technologies. Through the development and provision of products and services that take into consideration human rights issues such as invasion of privacy and discrimination, the NEC Group aims not only to prevent and mitigate adverse impacts on society but also to maximize the social value that the NEC Group provides.
- The NEC Group upholds international human rights standards relevant to the NEC Group's businesses and technologies, including those established in the following documents. Where national laws in the relevant jurisdiction conflict with internationally recognized human rights, the NEC Group will seek ways to respect the principles of internationally recognized human rights.
  - International Bill of Human Rights consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights
  - The International Labour Organization (ILO) Core Labour Standards that consist of ten fundamental conventions in five categories: freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, the elimination of discrimination in respect of employment and occupation, a safe and healthy working environment
  - United Nations Guiding Principles on Business and Human Rights (UNGPs)
  - The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct
  - International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

NEC Group Human Rights Policy

2. Respect for the Rights of Children

NEC strives to prevent and mitigate adverse impacts of its products and services on children based on its support of the United Nations Convention on the Rights of the Child and the Children's Rights and Business Principles[2], which mention the rights of vulnerable children, in addition to the international standards embedded in the NEC Group Human Rights Policy.

In accordance with the Guidelines for Responsible Business Conduct in Supply Chains, NEC endeavors to abolish child labour from its supply chains and promote business activities and corporate citizenship activities that are based on consideration for human rights—including the rights of children.

Reference: Guidelines for Responsible Business Conduct in Supply Chains

3. Responding to the Modern Slavery Act

With approval from the Board of Directors, since fiscal year 2019, NEC Corporation, NEC Europe including NEC (UK) Ltd., NEC Software Solutions UK Limited, and Netcracker Technology EMEA Limited have published statements to the effect that they will report on measures related to the United Kingdom's Modern Slavery Act 2015, which is aimed at preventing slave labour and human trafficking.

Reference: NEC Group Statement for Modern Slavery Acts

4. Procedures for Termination of Employment Contracts, Including Voluntary Retirement

If it becomes unavoidable to terminate an employment contract before its completion, NEC respects workers' rights by engaging in good-faith discussions with workers and providing a reasonable and appropriate notice period.

1. People in vulnerable positions refers to women, children, people with disabilities, sexual minorities, unemployed persons, indigenous peoples, ethnic minorities, migrant workers, refugees, and others who are particularly susceptible to poverty, discrimination, and prejudice, and more likely to be adversely affected by environmental changes such as climate change.
2. Established by UNICEF, the UNGC, and Save the Children in 2012

Social

Respect for Human Rights

Risk Management

Human Rights Due Diligence GRI 2-24

1. Human Rights Impact Assessment

NEC has been conducting human rights impact assessments since fiscal year 2019 in order to further improve the effectiveness of its human rights due diligence. Since fiscal year 2020, it has also been promoting initiatives focused on salient human rights issues.

1.1. Process for Identifying Salient Human Rights Issues

Based on the results of the human rights impact assessment conducted in fiscal year 2019, NEC identified "New Technology and Human Rights (AI and Human Rights)," "Labour in Supply Chains," and "Employee Safety and Health" as salient human rights issues in fiscal year 2020 through the use of human rights risk data from the international NPO Business for Social Responsibility (BSR) and dialogue with external experts. Furthermore, in fiscal year 2022, based on the results of a gap analysis against the UNGPs and other standards, NEC newly added "Human Rights Risks Related to Geopolitical Situations and Conflicts" as a salient human rights issue.

In fiscal year 2026, as part of the process of reassessing materiality for the Mid-term Management Plan 2030 period, NEC evaluated impacts on the environment and society (people) from the perspectives of the scale and scope of impacts, likelihood of occurrence, and remediability after risks materialize. In addition, NEC conducted a gap analysis between the requirements of the CSDDD and its own initiatives, identifying areas requiring further enhancement.

Please see the linked page for details of initiatives undertaken prior to fiscal year 2025.

Reference: ESG Databook HTML Version (Respect for Human Rights (Human Rights Impact Assessments))

For the four themes based on salient human rights issues below, initiatives are being promoted under the leadership of the respective corporate officers and relevant departments. Progress is reported to and discussed by the Risk Control and Compliance Committee as part of company-wide risk management. NEC engages in ongoing dialogue with stakeholders and discloses information in a timely and appropriate manner. Please refer to the linked pages for details on each initiative.

(1) AI and Human Rights

In executing its AI business, NEC has formulated company-wide regulations covering policies for the appropriate protection of basic human rights such as privacy, their structure, planning, implementation, inspection and revision. The Company is working to ensure the implementation and operation of these regulations.

ESG AI and Human Rights

ESG Personal Information Protection and Privacy

(2) Human Rights Risks Related to Geopolitical Situations and Conflicts

There is a risk that products and services could be used to violate human rights in conflict regions. For that reason, the Company identifies high-risk regions with respect to human rights based on the OECD States of Fragility 2025[3] list, and it screens information of customers in those regions with regard to human rights and corruption, as well as confirming the intended use of products and services prior to engaging in transactions. NEC also reviews sanctions lists, which include organizations and individuals that are subject to human rights-related sanctions, of the United Nations, the U.S. Department of the Treasury's Office of Foreign Assets Control, and other countries. The Company requires customers without a human rights policy to implement measures equivalent to the NEC Group Human Rights Policy through contracts or other means, thereby working to prevent human rights risks from arising.

(3) Human Rights in Supply Chains

NEC is promoting activities with a risk-based approach, in accordance with the steps set out in OECD Due Diligence Guidance for Responsible Business Conduct.

ESG Supply Chain Management

(4) Employee Safety and Health

The NEC Group, in line with international standards including the ILO Core Labour Standards, strives to ensure the safety and health of its employees, and to maintain and improve a comfortable and employee-friendly workplace. The NEC Group appropriately manages working hours, strives to reduce excessive overtime, and guarantees employees' rights to leave. In addition, the NEC Group complies with statutory minimum wages and endeavors to pay wages at a living wage level that exceeds such minimum standards. We will not tolerate any form of harassment including power harassment and sexual harassment and foster a culture of inclusion and diversity.

ESG Occupational Health and Safety

ESG Inclusion and Diversity

Stakeholder Engagement on Human Rights

1. Dialogue with Stakeholders GRI 2-24, 2-26, 2-29

Please see the linked pages for further details on dialogue.

1.1. NEC Sustainability Advisory Committee

Since fiscal year 2022, the Sustainability Advisory Committee has been held at NEC Corporation for the CFO and the corporate officers in charge of sustainability management promotion. It conducts regular discussions with external sustainability experts. At committee meetings, Ms. Asako Nagai from Business for Social Responsibility (BSR) shares the latest trends regarding responses to human rights-related risks, and each participant shares their awareness of various issues before discussing response measures.

Reference: 2nd meeting, May 2022: The Progress of Sustainability Promotion and Our Response to Human Rights Risks under Purpose-driven Management

Reference: 6th meeting, Jun. 2024: Sustainability Strategies That Contribute to Corporate Value Enhancement

Reference: 7th meeting, Mar. 2025: The Essence of Sustainability Management in an Era of Rapid Change

Reference: 8th meeting, Sep. 2025: Sustainability-related Risks and Opportunities in NEC's Sustainability Management

1.2. Engagement Related to AI and Human Rights

NEC has opportunities to engage with external experts at the NEC Digital Trust Advisory Council, whose members include lawyers and social sector representatives including international NPOs. The Company also maintains regular dialogue with the European Parliament and Japanese government agencies.

ESG AI and Human Rights

1.3. Supplier Engagement

NEC promotes human rights due diligence through collaboration and co-creation with suppliers, using document checks and third- and second-party audits. In addition, to support sustainability initiatives among suppliers, NEC provides opportunities for human rights-related training and conducts awareness-raising activities.

ESG Supply Chain Management

1.4. Engagement with Employees

To ensure health and safety and promote comfortable workplace environments, health and safety committee members selected by each division, labor union representatives, and employee representatives meet every month at health and safety committees to discuss new safety and health measures and health-related policies.

ESG Inclusion and Diversity

ESG Occupational Health and Safety

3. OECD States of Fragility 2025: The OECD evaluates each country's risk status and response capability across six dimensions: economic, environmental, political, security, societal, and human.

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Respect for Human Rights

2. Participation in Initiatives on Human Rights GRI 2-29

NEC participates in a variety of human rights initiatives. The Company uses the latest trends and case studies gained through these activities to improve and enhance its initiatives on global human rights issues.

- NEC Corporation and NEC Europe participate in the UN Global Compact Local Network Human Rights Due Diligence Working Group
- Joined The Valuable 500, an international initiative promoting the active participation of people with disabilities (2019–present)
- Member of BSR, which has extensive experience supporting global ICT companies in addressing human rights issues (2020–present)

ESG Inclusion and Diversity

3. Human Rights Training and Awareness-Raising GRI 2-24, 412-2

NEC provides awareness-raising activities including training for all corporate officers and employees responsible for respect for human rights, in order to deepen their awareness in terms of respect for human rights and to promote their understanding of global trends on human rights issues. Please see the linked pages for further details.

3.1. Training for Employees

(1) Promoting Awareness of the Human Rights Policy and Business and Human Rights

- Web-based training is provided on business and human rights
- NEC Europe provides Sustainable Procurement e-learning

ESG Occupational Health and Safety

(2) Inclusion and Diversity Awareness

- Development program for potential female managers
- Cross-industry networking events for women operated by four companies, including NEC
- Unconscious bias content provided in new employee training, mid-career hire training, new people manager training, and company-wide web-based training
- Web-based training on Inclusion and Diversity
- JobRainbow D&I Certification Level 3 as I&D training for seneior director-level employees and above
- One NEC Women's Career Forum 2025, a career event for female employees at the assistant manager and staff (non-managerial) levels across the NEC Group

ESG Inclusion and Diversity

3.2. Training for Suppliers

- Supplier Diversity Forum aimed at promoting diversity in the supply chain
- Information about seminars on "business and human rights" hosted by international organizations, governments, and industry associations provided through the supplier portal

ESG Supply Chain Management

Grievance Mechanism GRI 2-25, 2-26

In light of international human rights principles, including the UNGPs, NEC respects the right to remedy and works to correct issues through appropriate responses based on prompt and accurate investigations into the causes whenever human rights violations or risks of violations arise. The Company has whistleblowing systems that allow stakeholders to report information anonymously. It will keep the identity of any whistleblower and the content of any whistleblowing report confidential. The Company ensures that whistleblowers are protected against unfair treatment or retaliation in any form. Aside from NEC Group employees, these systems serve as contact points for a multitude of stakeholders, including business partners, customers, and local communities.

To further strengthen the grievance mechanism, NEC has participated in the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) since its planning stage, a cross-industry initiative launched by the Japan Electronics and Information Technology Industries Association (JEITA) and the Business and Human Rights Lawyers Network (BHRL), an association of lawyers.

1. NEC Compliance & Integrity Hotline

In October 2024, we launched the NEC Compliance & Integrity Hotline, a whistleblowing system using NAVEX's third-party reporting system, to accept reports from employees of NEC Corporation and its business partners.

The hotline consolidates multiple domestic and international reporting channels that previously existed in order to improve convenience for whistleblowers. Through centralized management of whistleblowing information, NEC is working to enhance Group governance and standardize the quality of responses to reports. During fiscal year 2026, the scope was expanded to cover all consolidated subsidiaries in and outside Japan and their business partners.

Measures to protect whistleblowers are in place, and anonymous reporting is also supported.

Please see below for more details.

ESG Compliance (Whistleblowing System)

ESG Supply Chain Management

2. Customer Communication Center for Customers and Local Residents

NEC collects human rights-related reports from customers and residents of local communities through the NEC Customer Communication Center.

Reference: NEC Customer Communication Center

ESG Customer Relationship Management

3. Whistleblowing Systems' Operational Status GRI 2-26, 406-1

In fiscal year 2026, a total of 325 cases were reported to the NEC Compliance & Integrity Hotline, including harassment, human relations, and work environment-related cases.

Relevant divisions work together to resolve the contents of consultations to the hotline, which are also reported to the Risk Control and Compliance Committee for the ongoing enhancement of awareness so as to prevent recurrence.

In fiscal year 2026, no reports related to forced labour or human trafficking were made to the NEC Compliance & Integrity Hotline, the Customer Communication Center, or through JaCER concerning human rights issues.

ESG Number of hotline consultations and reports (Data Collection)

Social
Respect for Human Rights

Metrics and Targets

FY2027 Goals

1. Review of the NEC Group Human Rights Policy in Line with the UNGPs

2. Promotion of Human Rights Due Diligence
- Establishment of human rights due diligence regulations
- Human rights risks associated with geopolitical conditions and the impact of conflict: Continue customer due diligence
- Periodic review of salient human rights issues

ESG Inclusion and Diversity
ESG Occupational Health and Safety
ESG AI and Human Rights
ESG Reference: Supply Chain Management

3. Increase Awareness of the NEC Compliance & Integrity Hotline

FY2026 Goals

1. Promotion of Employee Understanding of the Latest Developments in Global Human Rights
- For employees of NEC Corporation and its consolidated subsidiaries in Japan (including dispatched workers and contract employees): Continue to hold web-based training on business and human rights (Target completion rate: 96%)

2. Promotion of Human Rights Due Diligence
- Regular review of the NEC Group Human Rights Policy in line with the UNGPs and further penetration within the NEC Group (Target completion rate: 80%)
- Conduct in-house awareness events on the theme of human rights in conjunction with NEC Compliance Day
- Human rights risks associated with geopolitical conditions and the impact of conflict: Continue customer due diligence
- Periodic review of salient human rights issues

3. Increase Awareness of the NEC Compliance & Integrity Hotline

FY2026 Results

1. Promotion of Employee Understanding of the Latest Developments in Global Human Rights
- For employees of NEC Corporation and its consolidated subsidiaries in Japan (including dispatched workers and contract employees): Held web-based training on business and human rights with a completion rate of 90.9%

2. Promotion of Human Rights Due Diligence
- Regular review of the NEC Group Human Rights Policy in line with the UNGPs and further penetration within the Group (Completion rate: 90.9%)
- Human rights risks associated with geopolitical conditions and the impact of conflict: Continue customer due diligence
- Periodic review of salient human rights issues

3. Increase Awareness of the NEC Compliance & Integrity Hotline

Social
Inclusion and Diversity

Governance

Framework for Inclusion and Diversity

NEC's Inclusion and Diversity Group, a dedicated organization for promoting inclusion and diversity, works with related departments within NEC to promote various measures, such as 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). In addition, this group is engaged in measures related to smooth onboarding of non-Japanese employees working in Japan and mid-career hires. In this way, the Company is fostering an in-house culture that helps these diverse internal human resources make full use of their individuality and uniqueness, and to work and participate at their full potential.

We believe that fostering an inclusive culture is essential for creating an environment in which diverse talent can come together and continually generate sustainable innovation through "new combinations of knowledge." This is why we put "inclusion" before "diversity."

In April 2025, we established our I&D Policy, which is guided by the mission: "We will continue to create social value by leveraging diverse talent and technology, based on our policy of equity and fairness."

Female corporate officers have participated as speakers in career development programs for women, and officers other than those in charge of HR have been appointed as executive sponsors for promoting I&D, advancing these efforts with support from top management.

The NEC Group appoints many local talents to key leadership positions including the presidents of local subsidiaries.

Outstanding local leaders are appointed as corporate SVPs, to create a structure that reflects local voices.

Since 1997, the Company has used the Human Rights Promotion Committee to share and discuss the status of human rights awareness activities for all employees and the implementation of various measures under the Inclusion & Diversity Policy, with the aim of respecting human rights, including prohibiting discrimination and preventing harassment and overwork.

Reference: Management

Strategy

NEC believes that creating a culture where diverse talent can thrive and where a broad range of perspectives and ideas are respected is essential and strategic for driving innovation. To that end, the Company is advancing initiatives such as global talent utilization, expanding mid-career hiring, promoting women's advancement, encouraging the employment of people with disabilities, and fostering understanding and support for sexual minorities. Furthermore, the NEC Group established its I&D Policy in April 2025 to ensure workforce diversity.

The NEC Group's I&D Policy states: "We will continue to create social value by leveraging diverse talent and technology, based on our policy of equity and fairness." We have defined five pillars to realize this policy.

(1) An equitable environment empowering everyone

(2) Fair systems and rules

(3) Organizations where individuality flourishes

(4) Responsible execution and communication

(5) Creation of social values by tackling social issues

Inclusion and Diversity Risks and Opportunities

The principal risks and opportunities identified by NEC as the materiality during the Mid-term Management Plan 2030 period for this theme are as follows:

"Promoting the Creation and Delivery of New Value Through an Inclusive Culture (I&D)"

1. Impact on the Environment and Society

1.1. Negative Impact

- Due to unconscious bias, etc., vulnerable groups such as mid-career hires and women are not given opportunities, resulting in lost opportunities for talented individuals to thrive

1.2. Positive Impact

- Achieve an inclusive culture in which diverse talent thrives and every individual—not only women—can realize their full potential

2. Financial Risks and Opportunities

2.1. Risks

- Gender ratio imbalances adversely affect decision-making processes and quality in management
- A certain level of investment is required for initiatives such as enabling people with disabilities to thrive and measures to ensure retention of mid-career hires

2.2. Opportunities

- An inclusive culture contributes to the creation of innovation

Materiality during the Mid-term Management Plan 2025 period is as follows:

"Diverse Human Resource Development and Cultural Transformation"

1. Risks

- Difficulty in securing and developing human resources
- Long working hours
- Harassment

2. Opportunities

- Greater organizational strength through improved employee engagement

Social
Inclusion and Diversity

Inclusion and Diversity Strategy

NEC has established strategies and is implementing various initiatives related to the three targets of ensuring diversity among leadership, recruit and employ people with disabilities, and ensuring psychological safety and fostering an inclusive culture. Details of these initiatives are provided in "Details of Initiatives" below.

1. Promoting Women's Active Participation in the Workplace

As a global company, NEC believes it is desirable for more women to participate in management decision-making and leadership roles. Based on this belief, NEC implements initiatives to promote women's active participation, including education and awareness-raising activities, as well as enhancing their presence outside the Company.

2. Promoting Employment of People with Disabilities

Based on the belief that "We will continue to create social value by leveraging diverse talent and technology, based on our policy of equity and fairness," the NEC Group currently employs 844 employees with disabilities (as of June 1, 2026; total for NEC Corporation, NEC Friendly Staff, Ltd., NEC Business Intelligence, Ltd., and NEC Solution Innovators, Ltd.). As of June 2026, the four Group companies above have reached the statutory employment rate of 2.7%, but some have yet to do so. NEC will promote an increase in the overall Group's employment rate.

3. Promoting Global Talent Acquisition

To achieve global business expansion, NEC is hiring foreign nationals in its research, technology, sales, and administrative categories. We also promote diversity and enhance global competencies by welcoming employees from international subsidiaries.

4. Inclusion of Mid-career Hires

To realize "the right person at the right job and the right time," NEC has conducted a wide-ranging review of the way it utilizes human resources. We are promoting mid-career recruitment to enable immediate execution of our business strategy and accelerate job-based human resources management, including the use of external talent.

5. LGBTQ Initiatives

We believe the most effective way to ensure a safe and inclusive workplace where LGBTQ individuals can be themselves is to foster greater understanding of LGBTQ issues and to increase the number of "Allies"[1].

Risk Management

We regularly compile results on women-related indicators and monitor gaps between actual performance and our targets. We are taking the following measures to close these gaps.

- Conducting unconscious bias training for the director and senior director levels to ensure fair, unbiased evaluations

Metrics and Targets

FY2031 KPIs

(Scope: NEC Corporation unless otherwise specified, Period: April 2026 to March 2031)[2]

M: Indicates the main non-financial targets related to materiality.

M: NEC Corporation and four major consolidated subsidiaries in Japan Percentage of female managers: 20%

M: FY2027[3] Diversity Score: 55% (+2 points compared to FY2026)

FY2027 Goals

1. Ensure Diversity Among Leadership

- Incorporate targets related to building a pipeline to management positions into the evaluation metrics for division managing director-level employees and above, toward achieving a 20% ratio of female managers at NEC Corporation and four major consolidated subsidiaries in Japan by fiscal year 2031
- Increase the ratio of female mid-career hires

2. Recruit and Employ People with Disabilities

- Strengthen the promotion framework for employment of people with disabilities throughout the NEC Group
- Expand new fields of work using AI and other technologies, and internalize previously outsourced operations
- Roll out the Mirairo ID integration service across the NEC Group using a "Client Zero" approach, creating new social value

3. Fostering an Inclusive Culture

- Continue to provide opportunities to make people aware of unconscious bias
- New seneior director-level employees and above take JobRainbow Co., Ltd.'s D&I Certification Level 3 examination
- Incorporate the Diversity Score into the evaluation metrics for division managing director-level employees and above

1. Someone who understands the situation of, and strongly supports, LGBTQ individuals
2. Including cases where transfers effective April 2031 have been decided.
3. FY2027 will be measured using the current survey. From FY2028 onward, a new KPI to assess the degree of inclusiveness will be established.

Social
Inclusion and Diversity

FY2026 Goals and Results

1. FY2026 Goals

1.1. M: Ensure Diversity Among Leadership
- In order to achieve the 20% ratio of female managers set in Mid-term Management Plan 2025, set goals for number of female managers for fiscal year 2026 and set goals for seneior director roles or higher
- Set goals for the ratio of diverse human resources among new manager appointments for positions of seneior director and above
- Increase the ratio of female mid-career hires

1.2. Recruit and Employ People with Disabilities
- Strengthen the promotion framework for employment of people with disabilities throughout the NEC Group to meet the increase in the employment statutory rate in 2026 (2.7%)
- Expand job categories by identifying and reallocating tasks in business support areas and internalizing work that was previously outsourced
- Roll out the Mirairo ID integration service across the NEC Group using a "Client Zero" approach, creating new social value

1.3. Further Enhance I&D Literacy
- Continue to provide opportunities to make people aware of unconscious bias
- Make I&D training mandatory in web-based training for all employees
- Conduct I&D training for seneior directors and above

2. FY2026 Results

2.1. M: Ensure Diversity Among Leadership
- In order to achieve the 20% ratio of female managers set in Mid-term Management Plan 2025, set goals for the number of female managers for the fiscal year 2026 and set goals for seneior director roles or higher, with an achievement rate of 82.1%
- Set goals for the ratio of diverse human resources among new manager appointments for positions of seneior director and above, with an achievement rate of 52.0%
- The ratio of women among mid-career hires decreased 0.8 points year on year to 24.1%

2.2. Recruit and Employ People with Disabilities
- The combined employment rate for people with disabilities at NEC Corporation and three consolidated subsidiaries in Japan was 2.81% as of June 1, 2026, achieving the statutory employment rate; over 70% of major Group companies achieved the statutory employment rate; employment initiatives will continue to be promoted across the NEC Group
- Rolled out the Mirairo ID integration service to nine NEC Group companies using a "Client Zero" approach
- Expanded the services eligible for Challenge Points to include Mental Health Counseling and Self-growth Assistance, promoting employees' career ownership regardless of disability status

2.3. Further Enhance I&D Literacy
- Unconscious bias content provided in new employee training, mid-career hire training, new people manager training, and company-wide web-based training
- Inclusion and Diversity training was conducted as web-based training for all employees in August, with an attendance rate of 92.8% at NEC
- JobRainbow Co., Ltd.'s D&I Certification Level 3 examination was conducted as I&D training for seneior director-level employees and above, and all 234 eligible corporate officers and seneior directors obtained Level 3 certification

Initiatives for Inclusion and Diversity

More detailed information on these initiatives is provided below.

Reference: ESG Databook HTML Version (Inclusion and Diversity)
Reference: Inclusion and Diversity

1. Promoting Women's Active Participation in the Workplace GRI 405-1

On the following website, the Company publishes its results in connection with indicators relevant to its initiatives for women's active participation in the workplace.

Reference: Database of companies promoting women's active participation in the workplace (Ministry of Health, Labour, and Welfare website) (Japanese language only)

1.1 Initiatives to Enhance External Presence
- Appointment of NEC President Morita as Chair of the 30% Club Japan (May 2026) and signing of the Women's Empowerment Principles (WEPs)

1.2. Education, Awareness, and Promotion Activities in and Outside the Company
- Conducted a development program for potential female managers
- A total of 104 non-managerial employees (including 30 NEC employees), regardless of job type, voluntarily participated in cross-industry networking events for women operated by four companies, including NEC (held in person in fiscal year 2026). In addition, an exchange session with Eisai Co., Ltd. was held, attended by 38 participants.
- In October 2025, NEC held the One NEC Women's Career Forum 2025, a career event for female employees at the assistant manager and staff (non-managerial) levels across the NEC Group, attended by 30 participants.
- A lactation room was established at NEC Innovation Park, which opened at the NEC Tamagawa Office in April 2026, for employees returning to work shortly after childbirth.
- Operated diversity promotion initiatives led by female employees such as "Scarlet Elegance in NEC" (SELENE) and W-Canvas
- Conducted unconscious bias training

1.3. Initiatives to Reduce Gender Disparities

We are promoting paternity leave for men and working to reduce gender pay gaps.
- Addressing the social issue of "enhancing child-rearing support," we have set a management strategy goal of achieving a 100% paternity leave take-up rate among male employees in fiscal year 2026 to help normalize paternity leave and foster a corporate culture where this is standard practice.
- In order to increase the proportion of women in senior positions (management and above, decision-making levels), the Company has made improved female hiring and promotion a KPI for corporate officers and other leaders.
- In April 2024, the Company introduced a job-based compensation system that determines compensation based on position, eliminating the influence of personal attributes such as gender and years of service.

ESG Hiring, Retention, and Compensation

Social

Inclusion and Diversity

2. Promoting Employment of People with Disabilities GRI 405-1

2.1. Groupwide Committee for Promoting the Employment of People with Disabilities

The committee shares employment challenges and initiatives among NEC Corporation and its affiliates in Japan to enhance the expertise and organizational capabilities of those in charge of employing people with disabilities, while also planning and developing groupwide measures.

2.2 Signatory to The Valuable 500

NEC has agreed with and become a signatory to The Valuable 500 initiative for promoting active participation of people with disabilities in the workplace, which was launched at the World Economic Forum Annual Meeting in Davos in January 2019. In addition to continuously promoting initiatives to create environments that allow employees with disabilities to demonstrate their full potential, the Company will also strive to realize safety, security, fairness and efficiency to enable a rich range of social activities by promoting the active participation of people with disabilities through employment and contributing to society through support for para-sports.

Reference: NEC Joins The Valuable 500

2.3. Other Specific Initiatives

- As part of our efforts to promote inclusion through technology, we are enhancing the internal experience for employees by linking digital employee ID cards with Mirairo ID (a digital certificate for people with disabilities).
- In line with our initiatives in the employment liaison service for people with disabilities, we offer information accessibility measures during the hiring process (such as visualized audio, braille, and enlarged print for test questions), as well as tailored support after joining the Company.
- Introduced “Challenge Points” in the cafeteria-style benefits program “Will be” to better support employees with disabilities in maximizing their performance

3. Promoting Global Recruitment of Human Resources

The number of international graduates hired in fiscal year 2026 was 12. For details on human resource development, including for foreign nationals, please refer to the following.

ESG Human Resource Development

4. Inclusion of Mid-career Hires

Details about measures for mid-career hires are presented in the following sections.

ESG Hiring, Retention, and Compensation (Hiring)

5. LGBTQ Initiatives

5.1. Efforts to Increase Allies

- Corporate officer appointed as LGBTQ Ally Community Executive Sponsor
- Establishment of a visible Ally consultation desk within the Company to provide a direct consultation channel
- A volunteer Ally community (ERG) within the NEC Group actively works to increase the number of allies

5.2. Participation in DIVERSITY CAREER FORUM 2025 as a Sponsor

For the ninth consecutive year, NEC exhibited at the DIVERSITY CAREER FORUM to introduce its inclusion and diversity initiatives. University students and others with a strong interest in diversity came from all over Japan to participate in the event.

5.3. NEC Awarded “Gold” in PRIDE Index 2025

For the sixth consecutive year (since fiscal year 2021), NEC received the highest “Gold” rating in the PRIDE Index 2025, developed by the organization work with Pride, which evaluates initiatives for LGBTQ and other sexual minorities at companies and organizations in Japan. NEC met all the evaluation criteria for the five indicators: “declaration of conduct,” “community of concerned parties,” “awareness-raising activities,” “human resource systems and programs,” and “social contributions and liaison activities.”

5.4. Revision of Internal Regulations

In October 2019, the Company revised 14 internal regulations, such as adding “a person who is a de facto marriage partner or in a partner relationship” to the definition of “spouse” in order to give de facto marriage partners, including same-sex marriage partners, equal treatment to legally married couples.

5.5 Fair Recruitment Practices

The Company added the items regarding LGBTQ issues in interview manuals. Since then, it has been promoting awareness so that recruiters can carry out interviews appropriately. The Company also removed the gender field from the entry form.

ESG Hiring, Retention, and Compensation

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Social

Hiring, Retention, and Compensation

Governance

Framework for Hiring, Retention, and Compensation GRI 2-30

With reference to the various guidelines put forth by the International Labour Organization (ILO) and other bodies, the NEC Group Human Rights Policy acknowledges employees' three primary labour rights—the right to organize, the right to collective bargaining, and the right to collective action. In addition, the labour agreement that NEC has concluded with NEC labor unions guarantees the right of workers to bargain collectively and stipulates that management must consult with workers if any changes are to be made to important labour conditions, such as wages and work hours. As a forum for such discussions, a central labour and management council meeting is held biannually.

At NEC Corporation, the labour agreement states that all employees are labor union members, except for managers and certain general employees engaged in designated operations.

NEC's labor union is called the NEC Workers' Union, and is a member of the NEC Group Federation of Workers' Unions, which is a federation of workers unions of certain NEC Group companies (Approx. 45,000 union members as of March 2025).

Furthermore, the NEC Group Federation of Workers' Unions is a member of an umbrella organization, the Japanese Electrical, Electronic and Information Union. Labour-management relationships are stable, and there are no particular issues of note.

Approach

The NEC Group needs to acquire and retain talented employees in order to develop products, services and solutions that society accepts. In doing so, the Group potentially competes with multinational technology companies possessing extensive resources. Therefore, the NEC Group's Human Resources Division constantly strives to hire and retain the personnel required by the divisions that drive the NEC Group's businesses, including the growth areas of the Mid-term Management Plan. Given these efforts, hiring and labour costs may increase. In addition, as technology and industry trends evolve, there could be an increasing need to hire diverse, socially aware talent who have various values, abilities, backgrounds, and unconventional skills. Specifically, recent advancements in digitalization and automation have increased demand for personnel with skills in AI, machine learning, data science and statistical analysis. Competition to acquire such personnel is therefore expected to become more intense. To attract personnel with these skills it will be necessary to complement traditional recruiting methods with diverse methods such as referrals (employee introductions) and scouting.

Consequently, if a large number of talented employees leaves the Company, if the NEC Group is unable to hire new talented personnel, or if it is unable to ensure diversity in its workforce, it may be difficult for the Group to achieve its business objectives and it may fail as a Social Value Innovator to provide products, services and solutions that society accepts.

Initiatives Related to Recruitment and Retention

Hiring GRI 401-1

1. Initiatives to Hire New Graduates

NEC conducts initiatives to secure diverse human resources through job-matching hiring.

Starting with the new graduate hires who joined in April 2024, the Company has been implementing job-matching hiring consisting of division- and job-specific hiring[1] in which the division and job type to which a prospective employee will be assigned are determined at the time of employment offer, as well as open-division hiring in which only the job type is determined at the time of employment offer.

We are also expanding our Division-Based Internship Program, where various NEC divisions set themes and accept students by role or division. In fiscal year 2025 (combining summer and winter sessions), more than 1,000 students participated across approximately 150 themes.

NEC has taken harassment incidents very seriously during its new graduate recruitment activities for employees joining the Company in April 2026. We are working to prevent any recurrence and are striving to ensure greater transparency in our hiring practices.

To ensure that students can feel secure in their job-hunting process, all employees involved in new graduate hiring sign a pledge to follow our recruitment guidelines, and we are rigorously enforcing adherence to these rules. We have thoroughly communicated the rules for meetings between students and employees. When meeting with students, employees are required to submit prior notice and post-meeting reports to their direct supervisors and the HR recruitment team.

2. Initiatives for Mid-Career Hires

To realize "the right person at the right job and the right time," NEC has conducted a wide-ranging review of the way it utilizes human resources. We are promoting mid-career recruitment (544 hires in fiscal year 2026) to enable immediate execution of our business strategy and accelerate job-based human resources management, including the use of external talent.

- In fiscal year 2026, NEC Corporation hired 182 employees through direct sourcing methods, such as referral recruitment that leverages employee networks and direct scouting.

3. Inclusion of Mid-career Hires

In light of the increasing number of mid-career hires, the following initiatives are being implemented.

4. Support Provided to Supervisors of Departments Accepting Mid-career Hires

- Four-day orientation for mid-career hires
- Distribution of onboarding manuals to departments to which mid-career hires are assigned
- Collection of employee feedback via the Voice of Employees questionnaire after a fixed period upon joining NEC

Mid-career hires have diverse approaches and perspectives based on their experience working at other companies outside of NEC Corporation. These employees serve as the catalyst for cultural transformation by putting forth ideas to improve existing operations in their assigned places of work.

ESG Human Resource Development

1. About 50 job descriptions are published during recruitment, and students apply by selecting their preferred division/role combination. Successful applicants are guaranteed to be initially assigned to the division and role for which they applied. Division- and job-specific hiring accounts for approximately 70% of hiring.

Social
Hiring, Retention, and Compensation

Attrition

NEC's employee turnover rate is calculated by dividing the number of employee resignations by the number of employees at the end of the relevant fiscal year (employees who join or resign during the fiscal year each counted as one employee).

Resignations also include retirement at mandatory retirement age and transfers to affiliated companies.

ESG Turnover Data (Data Collection)

Employee Evaluations

1. Evaluations That Lead to Individual Growth

NEC has implemented an evaluation system which is based on dialogue between employees and their managers to promote individual growth. All employees hold one-on-one meetings with their managers to confirm whether their goals are aligned with the organizational strategy and their individual roles, and also to discuss plans for individual growth and career development. We encourage holding one-on-one meetings at least twice a month to discuss goals, their progress, and career development.

NEC is also implementing the following initiatives to promote individual growth.

- We evaluate performance, and also provide feedback and guidance on behavior in accordance with NEC Group's universal "Code of Values"
- We implement 360-degree feedback called "Feedback From Others" to encourage multi-perspective input
- We provide management enhancement training designed to empower managers to cultivate their team members' autonomy, creativity, motivation, and proactive behavior, thereby maximizing team performance
- When there is a business necessity, assignments such as changes in job roles might be carried out even if it is not the employee's intention. However, the assignment should be explained to the employee by the 10th of the month before the official announcement to allow time for preparation and transition

Supporting Diverse Workstyles for Employees with Many Years of Experience

1. Continued Employment

- Introduced a continued employment system for employees who wish to work beyond the age of 60. The system's maximum age for continued employment increased to 70 in fiscal year 2024.
- NEC has operated a recruiting system and flexible treatment based on the system for continued employment that matches the needs of individuals and hiring organizations, based on the type of work, job description, employment terms, and other conditions.
- From fiscal year 2025, we revised the evaluation system for continued employment and integrated it into the same annual evaluation process used for regular employees. By standardizing the processes from goal setting to performance evaluation and bonus decisions, we strengthened performance management for continued employment and ensured that evaluations are reflected in employee treatment.

2. Provide Support for Job Assignment and Placement Both Within and Outside the Company

Launched in fiscal year 2022, NEC Life Career, Ltd. provides a career consultation and matching service to boost employees' sense of career ownership through a lifelong career at NEC, creating opportunities for employees with many years of experience to make long-term contributions to society in ways suited to their lifestyles.

Compensation Initiatives

Compensation GRI 405-2

NEC aims to be an "Employer of Choice," striving for global business growth by establishing a mutual relationship where both the Company and employees choose each other. As a continued act of "investment in people," we aim to attract, engage, and retain highly marketable talent and strengthen our global competitiveness by implementing market-competitive compensation based on job-based human resources management and differentiated rewards aligned with each individual's expected role and contributions. Based on this approach, NEC will implement a wage increase of approximately 7% in fiscal year 2027, equivalent to fiscal year 2026, and continue investing in people. In addition, we will significantly raise total compensation, including stock-based incentives, for strategic positions.

Compensation for non-managerial personnel is determined based on consultations with the labor union and requests raised during the annual spring labour-management negotiations. In addition to bonuses, which are calculated based on the Company's performance and individual evaluations, both managerial and non-managerial employees are also eligible for overtime pay at premium rates.

1. Payment of Appropriate Wages

In determining compensation, NEC complies with applicable laws and regulations in each country and region. For example, in Japan, we comply with minimum wage requirements and conduct regular checks to confirm that there are no violations.

The starting salary for new graduate hires exceeds Tokyo's minimum wage as of October 2025 (1,226 yen/hour).

2. Wage Disparity Between Men and Women

The disparity between wages of male and female (female to male ratio) workers at the Company and at many consolidated subsidiaries is in the 70s percent. The different numbers of men and women in management positions, which have relatively high wages, is likely to have an impact on the overall disparity. The wage disparity by position of the Company is around the mid-90s percent, which is considered small.

ESG Details on the Wage Disparity Between Men and Women (Data Collection)

For initiatives to close the gender pay gap, please refer to the following.

ESG Inclusion and Diversity

Retirement Benefit System and Stock Compensation Program (NEC Value Shares)

In addition to offering a retirement benefit system for regular employees, we are introducing a new employee stock compensation program called "NEC Value Shares" starting in fiscal year 2026, including enhancements to the existing NEC Employee Stock Ownership Plan (ESOP). This system also applies to certain contract employees in line with the principle of "equal pay for equal work."

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Social
Hiring, Retention, and Compensation

1. Retirement Benefits System (Retirement Allowance System and Pension Plan)

NEC's retirement benefits system has two components: a retirement allowance system that accumulates funds during employment and pays them at retirement, and a corporate defined contribution pension (DC pension) plan. A fixed percentage of annual income is contributed monthly as a part of the retirement benefit to create a compensation-linked and market-competitive retirement benefit system. In light of workforce diversity, we have eliminated the traditional Japanese practice of basing retirement benefits on years of service or age.

We have built a DC pension governance framework through constructive collaboration between the workers union and management within the NEC Group. This has enabled us to create a competitive investment lineup, enhance ongoing investment education, offer free consultations with financial experts, and disclose DC pension utilization status to employees in comparison with competitors. These initiatives support employees' career ownership while strengthening the mutual relationship between NEC and its people as they choose each other.

2. Stock Compensation Program (NEC Value Shares)

As part of efforts to build a highly engaged workforce and continuously strengthen global competitiveness, we have introduced the NEC Value Shares stock compensation program for employees, starting in fiscal year 2026. Through this program, we aim to share NEC Group's core values with employees and enhance awareness of our business performance and stock value, thereby driving sustainable growth and corporate value over the medium to long term.

Beginning in fiscal year 2026, NEC started granting stock compensation to approximately 400 employees, primarily those in strategic positions such as seneior directors. The program will be expanded to include the Company and select NEC Group companies expected to make significant medium- to long-term contributions, with stock compensation awarded strategically. In addition, we have expanded our ESOP system, making approximately 74,000 NEC Group employees eligible to participate. During fiscal year 2027, NEC plans to introduce a mechanism under which employees participating in the stock ownership plan will receive Company shares free of charge.

The ESOP is open to employees of NEC and major Group companies in Japan. Employees may voluntarily join and purchase NEC shares by contributing a set amount from their monthly salary or bonuses. The ESOP encourages participation by offering a matching incentive based on the contribution amount. Setting aside a fixed amount each month enables asset formation for plan members over the medium to long term.

The ESOP fosters a greater sense of employee participation in company management. In addition, these initiatives help enhance corporate value, leading to increases in stock prices and asset formation for members.

Benefits and Welfare System

1. "Cafeteria-Style" System

The NEC Group has introduced a "cafeteria-style" system (Will be) that allows employees to select benefits according to their diverse individual needs and receive them as benefits.

Based on the employee benefits concept of "Growth & Well-being," NEC offers programs that support balancing work with childcare, nursing care, and household responsibilities; programs for self-development and health promotion; refreshment programs to maintain physical and mental well-being; and programs that support asset formation so that each employee can grow and work comfortably and energetically.

In particular, employees receive more generous support when using the program for self-development and health promotion than for other menu options, thereby encouraging utilization consistent with the employee benefits concept and promoting behavioral change.

Furthermore, in addition to basic earned points, the Company provides employees engaged in childcare and nursing care with special points that can be used for each activity to support work-life balance. In addition, the Company provides Challenge Points for employees with disabilities to support improvements in their daily lives and work efficiency.

2. Asset Formation Service "Shines" for Employees

NEC and major domestic Group companies have introduced "Shines." "Shines" is an asset formation service that combines the independent financial advisory (IFA) business of our Group company Japan Asset Management Co., Ltd. with NEC's digital finance technologies. Financial professionals provide optimal asset formation and investment advice to NEC Group employees, tailored to the Group's human resources, retirement benefits, and benefits and welfare systems. As of February 2026, a cumulative total of over 36,000 employees attended seminars, and nearly 5,000 used the consultation services. We are also expanding the service to clients based on our in-house success.

Please see below for more details.

Reference: "Shines": Asset Formation Service for Employees (Japanese language only)

Social

Human Resource Development

Governance

Framework for Human Resource Development

With a view to realizing our Human Resources (HR) Policy, we are rapidly responding to change and accelerating the establishment of systems that realize the "right person at the right job and the right time."

1. Human Resources for Driving Transformation

We are reorganizing the roles of the Human Resources Division, which spearheads the human resource strategies that support business strategies. We have prepared a human resource model and defined the roles and responsibilities of each human resources business partner (HRBP), shared service center (SSC), and center of excellence (CoE). The CoE is responsible for formulating talent development strategies, developing systems, and creating implementation solutions; the HRBP is responsible for identifying and addressing talent development needs to optimize the talent portfolio; and the SSC is responsible for deploying and implementing talent development and training initiatives to meet these needs. Through this framework, we promote talent development that helps solve business challenges.

2. Human Resource Foundations for One NEC

To realize the HR Policy, the NEC Group must unify its human resource foundations in-house, including those in and outside Japan. Since 2019, the Company has been conducting performance development at NEC Group companies as well as at NEC Corporation, thereby enabling it to unify its human resource evaluations. Performance development encourages growth and behavioral change. It provides feedback that uses a system of nine blocks based on performance and the Code of Values, goal management, and one-on-one meetings between supervisors and their team members.

Approach

To realize the transformation of the IT business in Japan outlined in Mid-term Management Plan 2025, NEC has set a target to secure 12,000 digital transformation (DX) professionals who will continuously create and implement social value, and is strengthening efforts to develop such talent. NEC is also accelerating the growth of promising next-generation leaders by offering them a variety of development opportunities such as tough assignments and training.

NEC offers a range of human resource development programs for employees, including contract employees and dispatched workers.

Our goal is to "foster professionals who align with the NEC Way and practice the Code of Values." To achieve this, we are developing training programs and environments focused on employees' career ownership and proactive learning, centered around the following four areas.

(1) Cultivating business leaders to compete in global markets

(2) Enhancing management talent to maximize organizational power

(3) Training professionals to realize business transformation

(4) Strengthening foundational skills and mindsets as the basis for NEC talent

Reference: NEC Way

Training Framework

Details of the training framework are provided below.

Training is provided to appropriate participants by domain and program, regardless of employment type.

Reference: ESG Databook HTML Version (Training Framework Diagram)

Metrics and Targets

FY2027 Goals

1. Visualize and Strengthen the Management Talent Pipeline and Realize Strategic Placement for Sustainable Enhancement of Corporate Value

- We will actively promote the optimal placement of management leaders by linking management-critical positions with succession plans. In addition, through decision-making processes involving senior management, we will accelerate the progression from identifying next-generation management leaders to their development and appointment.
- We will identify future management leaders at an early stage and implement systematic development programs for diverse talent, including younger employees. We will also strengthen the development framework for future management leaders by expanding our data and AI infrastructure.

FY2026 Goals and Results

1. FY2026 Goals

1.1. Cultivate Leadership and Strengthen Management Capabilities to Sustain a Successful Presence in the Global Market

- Establish a shared, business-aligned standard ("next-generation leadership profile") and link the processes of identification, development, and appointment.
- Strengthen selection and management of talent based on the next-generation leadership profile to enhance both quality and quantity of the talent pool.
- For selected members from the talent pool, have the individual, their manager, and HR jointly create Individual Development Plans (IDPs) for the member and provide tailored development support aligned with individual needs.
- Strengthen the linkage between the talent pool and succession plans, and maintain highly effective and feasible succession planning across the global Group.

2. FY2026 Results

2.1. Cultivate Leadership and Strengthen Management Capabilities to Sustain a Successful Presence in the Global Market

NEC established a next-generation leadership profile and strengthened the management leadership pipeline by linking the identification, development, and appointment processes to that profile. Through these efforts, we expanded both the quality and quantity of our next-generation management leader pool and built a foundation that enables diverse talent to thrive.

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Human Resource Development

NEC deployed Individual Development Plans (IDPs) and used discussions among employees, supervisors, and human resources personnel to formulate them, support career planning, and make assignment decisions. In fiscal year 2026 in particular, the One NEC Global Leadership Program in English was conducted for 23 participants, including employees from consolidated subsidiaries outside Japan, to develop internationally competitive leaders. Furthermore, the Global Foundation Program was conducted for 18 participants to support the acquisition of fundamental management knowledge and improvement of global business communication skills.

In addition, through dispatch-style training programs at academic institutions in Japan and overseas, we supported the acquisition of advanced expertise and management perspectives. By providing opportunities for dialogue with corporate officers, we also contributed to developing talent with global perspectives and broad viewpoints.

Through these initiatives, we have strengthened the international competitiveness of next-generation management leaders and established a foundation for the organization's sustainable growth.

- Number of digital transformation (DX) professionals as of March 31, 2026: 13,492
- Number of recommended DX certifications acquired in fiscal year 2026: 2,698

Initiatives for Human Resource Development

1. Human Resource Development Programs GRI 404-1, 404-2

The following five themes have been positioned as important themes for human resource development, and we are engaging in a variety of initiatives.

1.1. Cultivating Business Leaders to Compete in Global Markets (Next-Generation Leadership Development)

1.1.1. Talent Pool Management (Identifying Talent)

- To identify diverse talent who can become future management leaders regardless of age, nationality, or gender, approximately 1,000 diverse individuals were selected from across the NEC Group as next-generation management leaders, while also focusing on identifying younger talent.
- Of them, 111 particularly promising individuals, 25% of whom are women, were designated as "Top of Top," with all receiving Individual Development Plans (IDPs)
- This program is deployed globally, including Japan, and has been implemented at all seven key consolidated subsidiaries outside Japan
- In fiscal year 2026, NEC reinforced this process based on the next-generation leadership profile, aiming to enhance the quality and scale of its talent pool

1.1.2. Measures for Developing Next-Generation Leaders

- For selected talent pool members, the individual, their manager, and HR work together to create an Individual Development Plan (IDP) and provide tailored development support aligned with individual needs.
- The following development options are available to meet these diverse development needs:
- The One NEC Global Leadership Program (in English) is offered to next-generation leaders aiming to achieve continued success in the global marketplace.
- Participation in dispatch-style training programs at academic institutions in and outside Japan.
- Enhancement of perspectives and support for broadening and deepening viewpoints through dialogue with corporate officers.
- Acquisition of fundamental business knowledge through online training.
- Enhancement of business English skills as needed.
- Career interviews with HR based on IDPs.
- Formation of participant networks across organizational boundaries to support learning from peers.

1.2. Enhancing Management Talent to Maximize Organizational Power

1.2.1. Enhancing the Management Skills of People Managers

To make job-based human resources management effective in the workplace, People Managers play an important role in driving business growth aligned with organizational strategy while supporting each employee's autonomous growth.

In fiscal year 2026, NEC worked to strengthen the management capabilities of People Managers to further promote understanding of job-based human resources management in the workplace and translate that understanding into action.

- Conducted sessions to deepen understanding of the key principles of job-based human resources management and the role of People Managers and to facilitate the transition to action (approximately 2,200 participants)
- Conducted Feedback Training to maximize team performance under a job-based system (950 participants)
- Conducted the Member Career Ownership Support Workshop to acquire the mindset and skills needed to support members' career development (approximately 800 participants)
- Conducted Director's Cafe to facilitate exchanges among People Managers across departments and provide opportunities to gain insights through sharing issues and concerns
- Established and implemented NEC groupwide standardized programs for skills training required for the early success of newly appointed People Managers
- Leadership Program (approximately 850 participants across the NEC Group)
- Performance Management Training (approximately 1,000 participants across the NEC Group)
- Fundamentals of communication with team members (approximately 750 participants across the NEC Group)

1.3. Training Professionals to Realize Business Transformation

1.3.1. Professional Talent Development Through Job-Specific Human Resource Development Committees

In the six areas of marketing; sales and business design; services, SE, and consulting; technology development; SCM; and research and development, corporate officers of the Company representing each area serve as chairs of their respective committees. Through job-specific human resource development committees, where executives and experts selected from each organization collaborate with the human resources division, they lead the development of professional talent required for business growth. In fiscal year 2025, the first year of implementing the job-specific personnel system, we conducted a review of job roles to better align with business strategies while assessing the status of the system's introduction by job type. In addition, we focused on strengthening specialized training required for each job type and fostering talent capable of contributing to the business. These efforts were discussed and implemented in each committee. Based on the data from the skill assessment (participation rate: 95%) conducted with the new system, we identified job-specific challenges (such as cases where skill levels did not meet expectations) and developed countermeasures in collaboration with business leaders selected from the business divisions as committee members.

Social

Human Resource Development

1.4. Development of Personnel Conversant with DX

NEC incorporated its own unique elements into the Ministry of Economy, Trade and Industry's framework to develop and strengthen a shared DX development framework for NEC Corporation and its consolidated subsidiaries in Japan. Over 200 specialized DX talent development programs were created and implemented, targeting foundational DX literacy (basic knowledge, mindset and culture change) and tailored to the defined roles, requirements, and development goals for DX professionals. A total of 138,037 people participated in the basic DX literacy training, and 69,797 in the specialized DX training across the Company and 16 consolidated subsidiaries in Japan.

In fiscal year 2026, DX professionals totaled 13,492 people (as of March 31, 2026). Through the issuance of digital certificates (open badges), internal publication of certified individuals by name, and dashboards showing the status of professionals by organization, NEC has achieved development aligned with business growth and the continuous development of high-level DX professionals.

Having achieved the DX talent development target of Mid-term Management Plan 2025, NEC will, from fiscal year 2027, focus on setting new priority talent and skills aligned with business strategies and on building a development framework.

ESG Total human resources involved with DX (Data Collection)

1.5. Developing Talent in Key Focus Areas

NEC Corporation is actively engaged in training and acquiring human resources who can use its core technologies to create value.

1.5.1. Developing and Acquiring Top Researchers and Promotion of Diversity

- Introduced a job-specific personnel system to flexibly set compensation for researchers with advanced expertise
- In January 2023, established the NEC R&D Doctor's Pass program for industry-academia collaboration to support the careers and finances of doctoral students, with the aim of enhancing hiring of personnel with PhDs
- Boosted talent acquisition of researchers in AI, biometrics, security, and platform fields
- Talent development and acquisition of research personnel who can link core technologies to social value
- Training project leaders and solution architects utilizing personnel exchanges between business divisions and research divisions
- Expanded business developer training to include researchers
- To realize a global research and development framework that leverages the strengths of each region (approximately 40% of our R&D team is based abroad), NEC is actively hiring top talent at overseas laboratories and recruiting from leading overseas universities

1.5.2. Developing and Acquiring Talent for New Business Creation

- Established a talent development framework for business incubation professionals, defining the competencies, behaviors, skills, and knowledge expected of talent leading new business creation.
- Strengthened recruitment of domain experts with proven business development experience and deep expertise in specialized fields gained at external organizations.

1.5.3. Intellectual Property Specialists

- Strengthened talent acquisition of lawyers, globally capable patent attorneys, and talent to build business models that enhance IP utilization

1.6. Development of Information Security Professionals

1.6.1. Development of Specialists who Implement Security By Design

- NEC has been promoting a "Security By Design" (SBD) concept whereby security is taken into consideration for integration of products, systems, and services from the planning and design stages.
- Since fiscal year 2020, NEC has been training specialists to assist Security Managers[1] and implement SBD in each department. A total of 124 people had taken the program by fiscal year 2026.
- NEC offers an Assistant Training Course for staff who support Security Managers, and a Sales Course for sales personnel to lead practical security proposals, enabling acquisition of necessary implementation skills.

1.6.2. Training in Practical Security Measures

- NEC has provided training for all employees involved in customer systems, covering skills such as risk assessment and appropriate communication related to security.
- We use a virtual environment that simulates an e-commerce website, thereby providing a practical training environment where sales personnel and system engineers can practice security measures and acquire hardening techniques at the system construction stage.
- NEC has established a remote training environment, and in fiscal year 2026, more than 1,500 cumulative participants, mainly sales personnel and system engineers, completed the training.

1.6.3. Developing Highly Skilled Cybersecurity Personnel

To strengthen top-tier security professionals, NEC offers a six-month intensive program (NEC Cyber Security Analyst) targeting personnel with knowledge of security technology, enabling them to acquire practical technical skills required for advanced security services such as Computer Security Incident Response Team (CSIRT) operations and risk hunting. By fiscal year 2026, a cumulative total of 98 people had completed the program, producing personnel engaged in the practical delivery of professional services.

1.6.4. Broadening the Base of Security Talent

- All employees involved in customer-facing proposals and implementation processes took a survey to assess their understanding of what they should do according to their respective roles under the cybersecurity management rules enacted in October 2023. Education was provided according to each individual's understanding level.
- Since fiscal year 2016, NEC has held the NEC Security Skill Challenge, an in-house event for all employees aimed at building and reinforcing security skills that employees can use in their work. Through fiscal year 2026, a total of over 10,000 employees have participated voluntarily in this event.
- We strongly encourage employees to acquire recognized security qualifications, such as the internationally recognized Certified Information Systems Security Professional (CISSP) qualification and the Registered Information Security Specialist national qualification. As of the end of fiscal year 2026, approximately 670 employees had earned CISSP certification, ranking NEC among the top Japanese companies.
- In fiscal year 2025, NEC formed a strategic partnership with ISACA to strengthen development of professionals versed in risk management and IT governance, capable of implementing information security management across broader scopes. NEC launched certification training programs for Certified Information Systems Auditor (CISA) and Certified Information Security Manager (CISM) for NEC Group employees. By fiscal year 2026, the cumulative number of NEC Group employees holding ISACA certifications exceeded 100, expanding the talent pool capable of handling both auditing and management.

Reference: ESG Databook HTML Version (Information Security and Cybersecurity)

Reference: Cybersecurity Management Report

1.7. Development of Generative AI Personnel

- In order to quickly train generative AI personnel amid rapid market changes, we launched the Generative AI SkillUP STUDIO in June 2024. The program is designed to train generative AI personnel who will support the entire DX lifecycle for our customers, from business acquisition to consulting and delivery. A total of 5,455 people had participated by the end of fiscal year 2026.
- In October 2025, NEC began rolling out common AI literacy education across the NEC Group in anticipation of the rapid evolution of generative AI. As of February 2026, 47,561 people had participated in the relevant training at the Company and 22 consolidated subsidiaries in Japan.

1. Individuals responsible for providing information, project support, and incident response related to cybersecurity within the department.

Social

Human Resource Development

2. Strengthening Foundational Skills and Mindsets as the Basis for NEC Talent GRI 404-2

2.1. Training for New Graduates and Young Employees

A roadmap of learning and growth opportunities for young employees has been organized to help them cultivate habits of initiating change early in their careers. Programs range from voluntary to mandatory, encouraging mutual inspiration and continuous development for both individuals and the organization.

One example is the voluntary "reverse mentoring session," in which 79 new graduate hires tackled executive-level challenges using DX, and even developed apps as part of the process. In addition, NEC held the Enhance Your Value Program, a voluntary training program for second-year new graduate hires, in which participants learn self-leadership and then set and work on additional initiatives independently; 317 people participated.

2.2. Digital Transition Program for Employees

At NEC, we provide a variety of training programs and manuals to ensure that all employees can use digital tools safely and efficiently in their work. We also offer training on the use of emerging technologies, including AI.

2.3. Support for Employees' Proactive Career Development

NEC emphasizes that each employee should take ownership of their career and develop it proactively. To support employees' challenges and growth, we provide diverse opportunities and environments for them to reflect on, learn about, and take new steps in their careers.

Specifically, we have established mechanisms that promote autonomous learning, support and encourage employees to take on desired positions, provide systematic career design workshops, and offer individual career consultations with professional career advisors, thereby supporting employees as they think about and create their own careers. NEC Life Career, Ltd., which specializes in career development, is responsible for some of these career development support measures.

(1) Thinking about one's own career

To support employees' proactive career development, NEC provides programs according to career stage and age group.

Career Design Workshop: NEC systematically deploys this training program to support employees' autonomous career development, and more than 28,000 NEC Group employees have participated to date.

Career Consultation: Career advisors with professional qualifications provide individual consultations on career direction, career development, career-related concerns, and other matters. More than 15,000 people have used this service to date.

AI Career Talk: NEC has introduced an AI-based career consulting tool to give employees an easy way to reflect on their careers at any time. Through dialogue, employees can organize their thoughts and clarify options for their next actions.

(2) Broadening career perspectives and gaining new insights

Job Shadowing: This is a program in which employees accompany other employees at other workplaces for half a day to a day to experience the work. The program aims to promote autonomous career development by broadening employees' perspectives through experiences across different environments and prompting them to reconsider their own work.

(3) Choosing and taking on one's own career

NEC Growth Careers (internal NEC Group job posting): We are strengthening our Group's internal job posting system to provide an environment and opportunities for all employees to map out their careers, take on new challenges, and grow to become who they want to be. Since the system was launched in fiscal year 2020, more than 2,000 employees have used it to take on new career challenges. This system operates year-round on a common platform shared by NEC and six NEC Group companies, enabling employees to apply for a variety of positions within the Group. We also regularly hold NGC meetup! events, a live-streamed internal program in which recruiting departments introduce the appeal of their organizations and positions, actively promoting opportunities for employees to take on new challenges.

3. Programs for Employee Skill Improvement and Transition Assistance GRI 404-2

As businesses and strategies change and organization functions change accordingly, we work vigorously to provide reskilling programs to organizations that require new functions, in addition to initiatives to increase organizational strength. We have also established systems to support greater challenges according to employees' life stages and career plans.

3.1. Career Challenge System

The system supports employees aged 45 or older with at least five years of service who proactively take on career development challenges. Options include Professional Development Leave (up to one year), which allows employees to focus on preparing for the next step in their careers, such as acquiring qualifications or entering graduate school, and Career Preparation Support Funds, which help employees take on challenges outside the Company.

3.2. Career Design Leave

This system grants consecutive leave (5 to 10 days) to employees reaching career milestones at ages 31, 41, and 51.

It provides employees with an opportunity to step away from daily work and carefully consider the current state and future direction of their careers.

4. Investing in Human Resource Development GRI 404-1

Number of training days per employee (including contract employees) and training cost are as follows.

ESG Training Days and Training Costs (Data Collection)

4.1. Measuring the Effects of Human Resource Development

Human capital return on investment is as follows.

ESG Human capital return on investment (Data Collection)

4.2. Initiative Outcomes Revealed by the One NEC Survey

Our annual One NEC Survey, targeting employees of the NEC Group, showed a 5% increase at NEC Corporation and a 7% increase at consolidated subsidiaries in Japan in the rate of positive responses to questions about career and self-development, compared with fiscal year 2025.

Social
Occupational Health and Safety

Governance

Occupational Health and Safety Framework GRI 403-4

Our General Affairs Department formulates Occupational Health & Safety (OH&S) Policy Action Guidelines, annual targets, and key initiatives for the NEC Group. In promoting these initiatives and with the goal of realizing these targets and measures, NEC Corporation develops and implements specific measures at each business site and consolidated subsidiaries in Japan and manages progress through internal audits and management reviews. In addition, health and safety committees or health committees (hereinafter, "health and safety committees, etc.") meet each month in line with laws and regulations to ensure health and safety and maintain safe, healthy, and supportive workplaces. Committee members include health and safety committee representatives, labor union representatives, employee representatives, occupational health professionals, and registered nurses. They share information on the status of labour accidents and the targets for each fiscal year. They also discuss new health and safety countermeasures and health-related measures, among other matters.

In promoting anti-harassment measures for NEC Group employees, a dedicated team within the Employee Relations Department is working with the Corporate Legal Department and other departments to foster an organizational culture of ethical standards, and is striving for early detection, early resolution, and the development of measures to prevent recurrence, as well as working to prevent problems from occurring in the first place. The status of initiatives is reported to the Risk Control and Compliance Committee chaired by the CRCO for discussion.

Strategy

The Company is working to secure, maintain, and improve a working environment where people can work safely and healthily as a foundation for realizing its Purpose. To promote these efforts, we have established the NEC Group Safety and Health Policy. This policy, which was formulated based on dialogue with the labor union and approved by the Chief Human Resources Officer (CHRO), the executive officer in charge, applies not only to NEC Group corporate officers and employees, but also to business partners and any other parties whose health and safety should be considered, in an effort to foster a culture of safe and healthy work. In addition, the action guidelines under this policy stipulate that the company and employees shall actively consult with each other and that employees' opinions shall be heard for the smooth operation of the business and improvement of the employees' lives.

Reference: NEC Group Safety and Health Policy and Action Guidelines

Furthermore, we have established the Occupational Health & Safety Management Regulations with the aim of enhancing the quality of our health and safety activities, and have established the NEC Group Occupational Health and Safety Management System. We also conduct related risk assessment and monitoring, as well as preventive measures and countermeasures. In the wider NEC Group, NEC Solutions (China) Co., Ltd., NEC (UK) Ltd., NEC Australia Pty Ltd, NEC Iberica S.L., NEC Nederland B.V., Networks & System Integration Saudi Arabia Co. Ltd., and PT NEC Indonesia have acquired ISO 45001 certification.

In addition, in 2023, the Company established the Harassment and Discrimination Prevention Regulations, which define prohibited harassment and discrimination and clarify its policy of taking strict action against violators. Furthermore, we strive to prevent harassment and discrimination by making these regulations known to all employees and taking necessary measures and actions. Information regarding ensuring the soundness of construction projects is provided below.

ESG Quality and Safety (Construction Work Project Management)

Risks and Opportunities in Occupational Health and Safety

Based on the results of a corporate-level employee-related impact assessment conducted by BSR in fiscal year 2026, NEC identified the key risks and opportunities associated with occupational health and safety during the period covered by the Mid-term Management Plan 2030.

"Ensuring Employee Safety and Health Promotion (Employee Safety and Health)"

1. Impact on the Environment and Society

1.1. Negative Impact

- Illness and workplace accidents caused by long working hours of employees, including dispatched workers
- Resignations due to harassment and declining workplace morale

2. Financial Risks and Opportunities

2.1. Risks

We have been addressing this as a priority risk since the Mid-term Management Plan 2025 period, and while the likelihood of large-scale risk occurrence is low, reputational risk can be assumed if human rights violations are caused.

Materiality during the Mid-term Management Plan 2025 period is as follows:

"Diverse Human Resource Development and Cultural Transformation"

1. Risks

- Long working hours
- Harassment

2. Opportunities

- Greater organizational strength through improved employee engagement

Risk Management GRI 403-1, 403-2, 403-8

Evaluation and Identification of Occupational Health and Safety Risks

Every year, the Company evaluates the risks of our facilities and equipment based on the NEC Group Occupational Health and Safety Management System. In addition, every month, industrial physicians and the labor union conduct workplace patrols, exchange opinions with workplace representatives, and gather information through listening to opinions to identify risks. Also, important matters such as a major disaster or pandemic are handled by the Business Continuity and Disaster Recovery Headquarters attended by executives, such as NEC's President or directors. The headquarters decides on important themes each year, reviews the flow for countermeasures, and conducts drills. (See our response to the pandemic in the section on "Risk Management (Crisis Management and Business Continuity)".)

ESG Risk Management (Crisis Management / Business Continuity)

Risk Management in Occupational Health and Safety

NEC's General Affairs Department oversees risk management for NEC Corporation as a whole, while the Regional Affairs Department oversees risk management for each region. The General Affairs Department's internal organization, the Regional Affairs Department, serves as the coordinating office for day-to-day occupational health and safety operations and initiatives. Specifically, the Regional Affairs Department holds health and safety committee meetings, etc. in each region and communicates details of their discussions and deliberations internally. It also receives inquiries from a wide range of employees and organizations as the internal contact desk, leading to improvements.

We provide a channel for exchanging information with subsidiaries outside Japan to share safety confirmation information during disasters.

Occupational Health and Safety

Initiatives to Optimize Working Hours

The Company aims to maximize team performance and enhance the ability to execute strategies by creating a work environment where each employee can work in good mental and physical condition and be healthy and energetic. Therefore, we have positioned the constant long working hours as an important risk theme and are overseeing risk management to optimize working hours.

- Improving work literacy by issuing Work Style Guidelines and a Work Rule Hand Book that outlines the duties and rules that the company and employees must fulfill in order to properly manage work and health, as well as by conducting web-based training
- Labour management training for people managers
- Promoting proper understanding of working hours through visualization of PC operation status and linkage with work management systems
- Supporting the practice of appropriate management by visualizing workload status through an attendance-status dashboard
- Sending out alert emails and displaying PC pop-up messages reminding workers of overtime and holiday work
- Establishing and operating a monitoring process for organizations and individuals who are found to be working long hours in order to understand the causes of high workloads and implement measures to eliminate them

Status of and Measures for Labour Accidents and Disasters GRI 403-9, 403-10

Labour accidents at NEC Corporation and its consolidated subsidiaries in Japan are mostly minor, such as tripping on stairs at train stations or falling on the street during business trips or sales calls. When a labour accident occurs, the person responsible for monitoring labour accidents checks on the status of the person or persons affected by the accident, determines the cause, and implements measures to prevent a recurrence as needed, as laid out in the Company's escalation rules. Furthermore, even for minor labour accidents such as tripping or falling, the details and countermeasures are shared throughout the Company via health and safety committees, the intranet, and other means. We strive to prevent labour accidents that could be caused by natural disasters, for example, calling on employees to remain at home or to return home early if a typhoon or heavy snowfall is forecast.

In fiscal year 2026, we have not identified any instances of serious labour accidents or serious violations of laws and regulations from related organizations.

ESG Indicators for Occupational Health and Safety (Data Collection)

Reference: Trends in Frequency Rate and Severity Rate (Graph)

Training and Awareness-Raising for Occupational Health and Safety GRI 403-5

Occupational health and safety trainings and training completion rates are as follows.

ESG Training and Awareness-Raising for Occupational Health and Safety (Data Collection)

Risk Management Related to Human Rights GRI 412-1, 412-2

1. Evaluation, Identification, Training and Awareness-Raising of Harassment Risks

The Company uses a questionnaire from a web-based training program conducted for all employees on the topics of compliance and business and human rights to identify risks of harassment in the workplace. Workplaces considered to be of high risk are reported to the CHRO and CRCO, and follow-up measures to prevent recurrence are conducted through face-to-face training to stop harassment from occurring in the first place.

Trainings on harassment are as follows.

Target	Name of training	Purpose
Newly appointed managers	Labour Management Training for New Management (Web-based training)	Correctly understanding the roles and responsibilities of management regarding harassment and how to deal with it
Managers and above	Labour Management Training (Instructor-led training)	Correctly understanding the duty of care, and correctly understanding the roles and responsibilities of management regarding harassment and how to deal with it
New employees	Orientation for new employees	Correctly understanding the need to respect human rights and the impact of harassment on oneself and the Company

In addition, NEC uses internal digital signage to clearly communicate appropriate and inappropriate behaviors related to harassment prevention, helping to raise employee awareness and foster a healthy and respectful workplace culture.

ESG Implementation rate of human rights assessments (Data Collection)

2. Conducting Human Rights Due Diligence Across NEC Group companies

The NEC Group has identified "employee safety and health" as one of its salient human rights issues based on the human rights impact assessment with reference to the United Nations Guiding Principles on Business and Human Rights, and the CHRO is responsible for addressing this issue. Recognizing that employees are also stakeholders in the value chain, we conduct periodic annual written surveys of labour practices and the status of health and safety initiatives at our sub-subsidiaries in Japan and overseas. Survey items are developed with reference to JEITA's Responsible Business Conduct Guidelines and the Responsible Business Alliance (RBA) Code of Conduct. In the fiscal year 2026 survey, we have confirmed that there are no significant risks across all companies surveyed, including confirmation that there is no child labour, that workers are at least 18 years old when hired, and that even if workers under 18 years old are hired, they are not involved in abuse or hazardous work.

- Number of companies surveyed: 48 in Japan and 49 overseas
- Employee coverage rate through document survey: Approx. 74.9%

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Social

Occupational Health and Safety

3. Implementation of Business and Human Rights Training

We provide web-based Business and Human Rights training in both Japanese and English to promote awareness of human rights in business activities and strengthen efforts to prevent harassment.

In the post-training questionnaire for fiscal year 2025, 35.2% of the respondents answered that they were aware of the NEC Group Human Rights Policy but had never read it, so we improved the training content to ensure the policy is known to all employees in fiscal year 2026.

Target	Name of training	Completion rate
NEC Corporation and 23 consolidated subsidiaries in Japan	Business and Human Rights Web-based Training	90.9%

4. Participation in Initiatives on Occupational Safety and Human Rights

- NEC Corporation has continuously participated in the Human Rights Due Diligence (HRDD) Working Group and the Supply Chain Working Group organized by the Global Compact Network Japan since fiscal year 2015.
- Participated in the "Professional Development Program for In-house Specialists on Respect for International Human Rights and Labour Standards" jointly organized by the United Nations Global Compact Network Japan and the ILO in fiscal year 2025.

Employee Engagement

1. One NEC Survey

To realize our Purpose, we are promoting the transformation into strong individuals and organizations that continue to evolve, in which each employee continues to take on the challenge of self-transformation and the organization rapidly creates value. Under Mid-term Management Plan 2025, we promoted initiatives with a target engagement score of 50%. Looking ahead to 2030, we aim to enhance corporate value through employee growth and ambition, and have set a goal of achieving a high level of engagement at the Global Top Tier (top 25th percentile). As part of this effort, we conduct the global One NEC Survey once a year for all employees both in and outside Japan.

The survey includes items on Strive (employees' desire to contribute proactively), employees' sense of accomplishment through work, their connection to the Company's Purpose and goals, and well-being-related and work-related stress items. Through this survey, we quantitatively assess the organization's state and work to improve it based on employees' feedback.

ESG Employee engagement index (Data Collection)

Response to Serious Global Health and Safety Issues

1. Infection Countermeasures

At the Company and our 24 consolidated subsidiaries in Japan, we have set up a consultation desk for health issues (including infectious diseases) at the Wellness Promotion Center. In addition, we provide notifications regarding infection prevention on the intranet and education and awareness through web-based training on health and safety and working styles, and provide financial assistance for seasonal influenza vaccinations and various other types of vaccination as part of infection prevention measures.

When employees are sent on assignment outside Japan, we make them aware of the need to be mindful of and receive vaccinations for infectious diseases that are common in the local area, such as tuberculosis and malaria, which must be reported. In addition, we pay careful attention to employees' health management during transit and after their return to Japan.

Metrics and Targets

FY2031 KPIs

(Scope: NEC Corporation unless otherwise specified, Period: April 2026 to March 2031)

M: Indicates the main non-financial targets related to materiality.

M: Target engagement score for FY2027: 50%

FY2027 Goals

- Implementation rate of health assurance measures for employees who worked long hours: 100%
- Follow-up rate for individuals with health concerns based on periodic health checkups and stress check results: 100%

FY2026 Goals and Results

1. FY2026 Goals

1.1. Maintain Occupational Health and Safety Levels in a Diverse Work Environment

- Enhance understanding of training on workstyle rules and health and safety (90% or more)
- Continue to conduct self-assessment checks of working practices and health and safety for NEC Group employees.
- Continue to monitor (once a year) and follow up on the Group's global health and safety activity status
- Strengthen measures to combat excessive work for employees of NEC Corporation and its consolidated subsidiaries in Japan
- Strengthen governance by activating communication with Group companies
- Promote the NEC Group Occupational Health and Safety Management System

2. FY2026 Results

2.1. Maintain Occupational Health and Safety Levels in a Diverse Work Environment

- Enhanced understanding of training on workstyle rules and health and safety: 99.6%. Conducted a self-check on working style within training
- Based on RBA standards, conducted a written survey on labour practices and health and safety of the NEC Group: 48 in Japan and 49 overseas
- Monitored employees with long working hours who pose health-risk concerns, considered improvement measures to eliminate long working hours, and followed up accordingly.
- For combined factors of long working hours, high health risk, and harassment, strengthened collaboration with relevant organizations and promoted risk elimination activities
- Held semiannual meetings (September and February) for consolidated subsidiaries in Japan to promote the NEC Group Occupational Health and Safety Management System and also conducted exchanges of opinions with occupational safety and health personnel, etc., of each company. In addition, newly built a shared portal site for occupational safety and health personnel and health managers/health promoters, improving communication infrastructure across the Group.
- Incorporated ISO 45001 elements into the NEC Group Occupational Health and Safety Management System and applied it to NEC Corporation and consolidated subsidiaries in Japan (application will begin in FY2027)

Social
Health and Productivity Management

Governance

Health and Productivity Management Framework

At the Company, under the direction of the President, the CHRO oversees activities related to occupational health and safety company-wide, including risk management, and reports on these activities to the Board of Directors and other organizations. The health management promotion team is composed of the Employee Relations Department, the NEC Health Insurance Association, and NEC Business Intelligence, Ltd., and promotes efforts in cooperation with related departments. We assign medical professionals of the Wellness Promotion Center to each site to hear about local conditions, create opportunities to share information with labor unions as well, and hold discussions regarding employee health and working styles. We also deploy health and productivity management to consolidated subsidiaries in Japan and undertake groupwide initiatives while accumulating and utilizing data, insights, and know-how held by each company.

Reference: The NEC Group's Health and Productivity Management Implementation Framework

Approach

In order to realize our Purpose, the Company is focusing on "achieving an optimal talent portfolio to increase our strategy execution capabilities" and "transforming people and culture to draw out the maximum potential of employees" based on job-based human resources management from the perspective of human capital management. Underlying this is the mental and physical health of our employees and their families, and we believe that only when each individual is in good mental and physical condition can we maximize our organizational performance and enhance our ability to execute strategies. Rather than simply focusing on the prevention of illness, the NEC Group Health Declaration established in fiscal year 2020 calls for efforts to improve the health of employees so that they can work with mental and physical vitality and achieve self-actualization. In this way, the Group aims to create even more social value.

Reference: NEC Group Health Declaration

We carry out a variety of health promotion activities driven by the slogan "Better Condition, Better Life." Based on three policies—Literacy, Practice, and Technology—we seek to reform health awareness, make behavioral change, and help people maintain healthier behavior. In recognition of these initiatives, NEC has been certified as an Outstanding Organization of KENKO Investment for Health (White 500) for six consecutive years under the certification program implemented by the Ministry of Economy, Trade and Industry, and was further selected for the 2022 KENKO Investment for Health Stock Selection and 2026 KENKO Investment for Health Stock Selection.

Metrics and Targets

FY2027 KPIs

(Scope: NEC Corporation unless otherwise specified, Period: April 2026 to March 2027)

M: Indicates the main non-financial targets related to materiality.

M: Engagement score: 50%

FY2027 Goals

- Integrally manage and visualize health-related data such as health checkups, stress checks, and medical consultation status, and reduce risks through early intervention for high health-risk individuals. Furthermore, promptly identify priority issues through AI analysis and accelerate effectiveness verification (PDCA).
- Through "Client Zero" in the healthcare domain, promote employee health, verify the effectiveness of initiatives, and develop case studies.

FY2026 Goals and Results

1. FY2026 Goals

- While strategically utilizing health data, clarify organizational issues and implement countermeasures, raise employees' health literacy, and increase the number of employees in good mental and physical condition. To this end, reduce health risks for individuals and organizations and improve performance for individuals and organizations. Build an evaluation cycle aimed at more efficient initiatives.
- Verify the effectiveness of "Client Zero" and develop case studies.

2. FY2026 Results

- As activities to reduce health risks for individuals and organizations, strengthened interviews for employees with high health risks identified through health checkups and stress checks. (Post-checkup interview rate: 94.4% / high-stress individual interview implementation rate: 94.5%) As an organizational approach, medical professionals and HR conducted interviews with executives of organizations with high risk identified by stress checks and provided support tailored to organizational issues. (Intervention rate: 100%)
- As "Client Zero," promoted the use of our health point service app, WoLN, and promoted health improvement (9,628 app installations in FY2026). The positive response rate for mental and physical condition in the survey has shown an improving trend, increasing from 43% in September 2024 to 44% in June 2025 and 48% in September 2025.

Initiatives for Health and Productivity Management

The Company conducts periodic health checkups, stress checks, monitoring of working hours, etc., and identifies and manages employee health risks. Industrial physicians and HR work together to intervene for high-risk employees and address disease prevention and prevention of progression to severe conditions. In addition, from the perspectives of business sustainability and crisis management, we also deploy initiatives and know-how to external partner companies and strive to promote health and productivity management.

1. Mental Health Measures

Since fiscal year 2024, the number of employees taking leave of absence due to mental health reasons has been increasing. We position mental health care as an important theme and are strengthening our response through both population and high-risk approaches.

- As a population approach, we provide training to all employees to raise awareness of self-care and line care. While also confirming the level of understanding and satisfaction with the training, we are making repeated improvements so that the content will be meaningful for employees. (FY2026 self-care training attendance rate: 95.7%, understanding level: 98.3%, line care training attendance rate: 92.1%, usefulness level: 92.2%)
- As a high-risk approach, we have increased the number of times we encourage employees who are judged to have high stress in stress checks to take interviews, thereby increasing the interview implementation rate and leading to support for eligible individuals. Because background factors of high stress involve working styles and relationships with supervisors, medical professionals and HR intervene in high-risk organizations and have developed a support framework for resolving organizational issues.

ESG Reference: Mental health-related leave of absence rate (Data Collection)

In addition, through the provision of an AI chatbot tool based on cognitive behavioral therapy, establishment of various consultation desks, creation of return-to-work programs, etc., we are creating an environment in which employees can work with peace of mind.

Social

Health and Productivity Management

2. Implementation of Health Checkups

At the Company, we consider ensuring and improving physical health as a major issue and are committed to promoting health. We provide blood tests for all employees of NEC Corporation and 24 affiliated companies in Japan, including all items covered in the regular health examination, in order to detect and manage lifestyle diseases at an early stage. In addition, in cooperation with the NEC Health Insurance Association, we have established a system to provide free health checkups and cancer screenings. We have also rolled out our NEC Health Checkup Results Prediction Simulation service to all employees to encourage behavioral changes after health checkups.

3. Initiatives for Promoting Health GRI 403-6

It is people who support further growth towards realizing the NEC Group's Purpose. To enable employees to maintain their physical and mental health and maximize their potential, we offer a variety of health promotion programs, including individual consultations, support with quitting smoking, and the provision of health information.

In addition, as part of our efforts to support the health of NEC Group employees, we introduced our own health point service app WoLN in October 2024. We conduct walking events and similar activities using app features to promote health improvement. Please see below for details on our health promotion initiatives.

Reference: Results and Mid-term Goals for Health Management Initiatives (as of March 31, 2026)

Social

Work-Life Balance

Governance

Work-Life Balance Framework

In order to enhance the implementation of management strategies, the Company is promoting initiatives to improve employee productivity and job satisfaction by designing work systems that include support for balancing work with childcare and nursing care, creating mechanisms and systems to encourage employees to make behavioral changes, setting and monitoring KPIs, and providing training, etc., in consultation with the labor union.

Approach

Based on the NEC Way, NEC Corporation and its consolidated subsidiaries in Japan have established the work systems necessary to enable employees to balance their work and personal lives and to perform at their best, even when under certain constraints, and are promoting educational and awareness-raising activities to make the most of these systems. In addition, regarding paid leave, the employee regulations provide for up to 22 days of paid leave, exceeding the statutory requirement, as well as one year of carryover.

Metrics and Targets

FY2027 Goals

1. Realization of Work–Life Balance Support That Enables Diverse Talent to Realize Their Full Potential

- Reorganize the approach to work–life balance support
- Improve literacy regarding work–life balance support programs
- Promote annual paid leave utilization

FY2026 Goals and Results

1. FY2026 Goals

1.1. Utilize Health Data Strategically to Clarify Organizational Issues and Implement Countermeasures, and Build an Evaluation Cycle

- Utilize health data, as well as data on employee engagement and workstyles, to stimulate communication within organizations and teams, create a healthier work environment, and promote improved productivity

1.2. Establish Conditions That Provide the Optimal Place and the Optimal Time in Striving to Elicit Optimum Performance

- Provide workplaces that address societal and business changes

2. FY2026 Results

2.1. Utilize Health Data Strategically to Clarify Organizational Issues and Implement Countermeasures, and Build an Evaluation Cycle

- Released a dashboard that enables centralized understanding of engagement and working-style conditions within organizations

Initiatives for Work–Life Balance

Since fiscal year 2021, the number of employees working reduced hours to fulfill their childcare responsibilities has decreased. We believe that this is because the spread of telework and Super Flex Time has led to an increase in the number of employees who are able to balance work with childcare without having to work reduced hours. In addition, as a result of encouraging male employees to take childcare leave, the number of employees doing so has increased.

ESG Number of Users Taking Parental Leave and Nursing Care Leave (Data Collection)

1. Childcare Support GRI 401-3

NEC Corporation supports employees who are balancing work with childcare with benefits such as leave before and after a spouse gives birth, childcare leave for general childcare purposes, childcare leave of absence, and a system of reduced working hours for childcare. In particular, we have established programs that exceed those stipulated under the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members for the period from pregnancy through the child-rearing period (e.g., leave for medical appointments during pregnancy (partially paid) and paternity leave (paid)).

In addition, the following initiatives are being implemented.

- In the “Will be” cafeteria-style benefits and welfare system, employees with children of elementary school age or younger are awarded additional childcare points.
- In addition to the postpartum parental fund (a payment of 550,000 yen to employees who have a new baby), a pre-natal parental fund (a payment of 100,000 yen to employees who submit a childcare leave plan sheet at least three months before the expected date of birth) was established.
- To increase the number of employees taking childcare leave, we created a system that promotes communication within the family and improves understanding by people managers (partners enter comments on the childcare leave plan sheet, and people managers meet with employees before the plan is submitted).

NEC Corporation acquired the “Kurumin” Next-generation Support Certification Mark from Japan’s Ministry of Health, Labour and Welfare in 2007, 2012, and 2015 in recognition of the Company’s initiatives for childcare. We implemented a series of measures, including measures that are not incorporated in the action plan, and further improved the work-life balance of our employees. As a result of these measures, NEC Corporation acquired “Platinum Kurumin” certification in 2018.

The Company is encouraging greater understanding and utilization of childcare leave among male employees by issuing a Guide for Childcare Leave for Men in line with post-natal paternity leave (childcare leave at the time of childbirth) under the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (revised in October 2022) and by publishing stories about the experiences of men who have taken childcare leave.

ESG Third-party Assurance / External Ratings and Evaluations

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Social
Work-Life Balance

2. Nursing Care Support

To support employees' efforts to balance work and nursing care, we have established systems such as nursing care leave, reduced working hours, and a work and care working system (shorter workdays).

In addition, a nursing care plan has been set up within "Will be," the cafeteria-style benefits and welfare system, and employees with family members who require care are given additional nursing care points, to provide employees with a variety of support to meet their needs as they balance nursing care and work.

In FY2026, in addition to introducing a nursing care consultation desk staffed by external specialists (Nursing Care Concierge Desk), we held nursing care seminars and also worked to improve nursing care literacy, emphasizing the importance of advance preparation and other key points.

3. Promotion of Updating Workstyle

The Company is evolving into a purpose-driven organization that strives to realize its Purpose by maximizing team performance based on the health and integrity of each employee. Since fiscal year 2025, we have introduced a new policy to make face-to-face communication at least 40% of the time (two days a week), in order to improve the quality of communication while strengthening our ability to execute strategies.

- As a result of promoting activities to establish work rules through dialogue within teams based on the Work Style Guidelines, the implementation rate was 99%. (As of June 2025)
- We confirmed results showing that organizations that have formulated and practiced working-style team rules have, on average, engagement survey scores that are 4 points higher than organizations that have not practiced them. Formulating and implementing workstyle rules contributes to improving team engagement.
- We have continued to promote diverse workstyles and collaboration by utilizing a Communication Hub and Innovation Hub as workplaces that foster team connections and co-creation.

4. Establishing a Paid Leave System and Encouraging Employees to Take Vacation

At the Company, paid leave is granted up to a maximum of 22 days per year, and carryover for one year is permitted. In addition, we also provide five days of family-friendly leave per year (which can be accumulated to a maximum of 20 days) that can be taken for reasons such as childcare, children's school events, caring for family members, personal medical treatment, volunteer activities, and self-improvement. We also provide paternity leave (10 days), career design leave (up to 10 days according to age and number of years of service), and other leave to promote work-life balance for employees. In addition, since fiscal year 2025, we have set recommended days for taking paid leave, and are working to create an environment in which it is easier for employees to take leave.

Average monthly overtime work hours and number of paid leaves taken per employee are presented below.

ESG Reference: Indicators for Work-Life Balance (Data Collection)

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Social
AI and Human Rights

Governance

Implementation Framework for AI and Human Rights

NEC has formulated the NEC Group AI and Human Rights Principles (the "Company-wide Principles") in line with the NEC Group Human Rights Policy to guide employees in recognizing respect for human rights as the highest priority in its business operations in relation to social implementation of AI and utilization of biometrics and other data ("AI utilization").

NEC Group Human Rights Policy

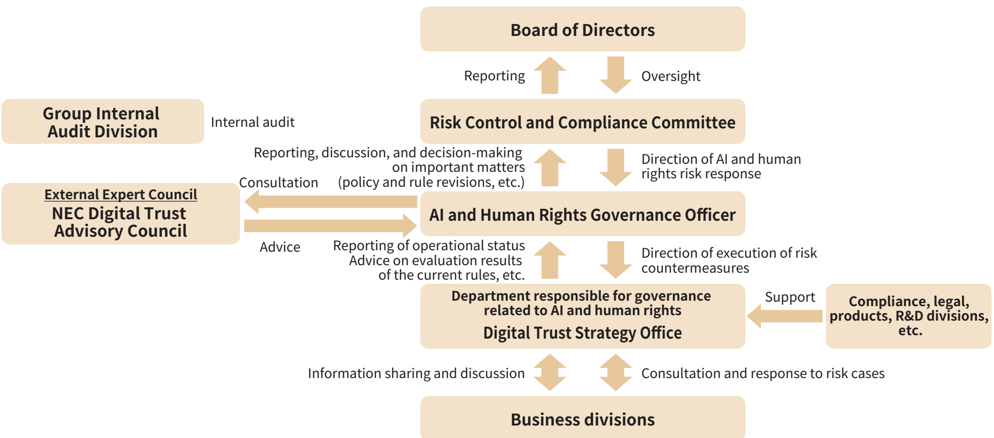
NEC Group AI and Human Rights Principles

NEC incorporates initiatives based on the Company-wide Principles into corporate governance, and under the direction of the Risk Control and Compliance Committee overseen by the Board of Directors, it has established a governance framework centered on the AI and Human Rights Governance Officer and the Digital Trust Strategy Office.

As the department responsible for governance related to AI and human rights, the Digital Trust Strategy Office oversees an internal system that sets out the basic matters that corporate officers and employees must comply with to ensure respect for human rights in business activities related to AI utilization.

The Company has also established the NEC Digital Trust Advisory Council composed of external experts as an advisory framework for themes related to human rights and new technologies such as AI.

Implementation Framework



Strategy

In addition to facilitating compliance with relevant laws and regulations of each country and region, the Company-wide Principles guide employees in recognizing respect for human rights as the highest priority in each and every stage of business operations in relation to AI utilization, and enable them to take action accordingly.

In accordance with the Company-wide Principles, the Company is committed to the following three initiatives:

- Ensure that AI is utilized appropriately by NEC Group employees, customers, and partners
- Continue to develop advanced technology and talent to further promote AI utilization with respect for human rights as the highest priority
- Engage with a range of stakeholders to build partnerships and to collaborate with closely in relation to AI utilization

Risks and Opportunities Related to AI and Human Rights

The principal risks and opportunities identified by NEC as the materiality during the Mid-term Management Plan 2030 period for this theme are as follows: In addition, NEC positions this theme as one of the salient human rights issues.

"Implementing AI in society with the utmost respect for human rights (AI and Human Rights)"

1. Impact on the Environment and Society

1.1. Negative Impact

AI is unintentionally used by a third party (direct/indirect customers for the NEC Group) for surveillance, infringing citizens' human rights.

1.2. Positive Impact

In addition to improving and enhancing operational efficiency through AI, provide safety and security to society through the use of biometrics technology.

2. Financial Risks and Opportunities

2.1. Risks

If a significant human rights violation is caused, the impact will be large.

2.2. Opportunities

As an AI Native Company, AI is a driver of growth.

Materiality during the Mid-term Management Plan 2025 period is as follows:

"Provision and Utilization of Technologies such as AI with Respect for Human Rights as the Highest Priority (AI and Human Rights)"

1. Risks

- Privacy violations accompanying new technologies
- Risks of human rights violations in the value chain

2. Opportunities

- Strengthening competitiveness

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Social

AI and Human Rights

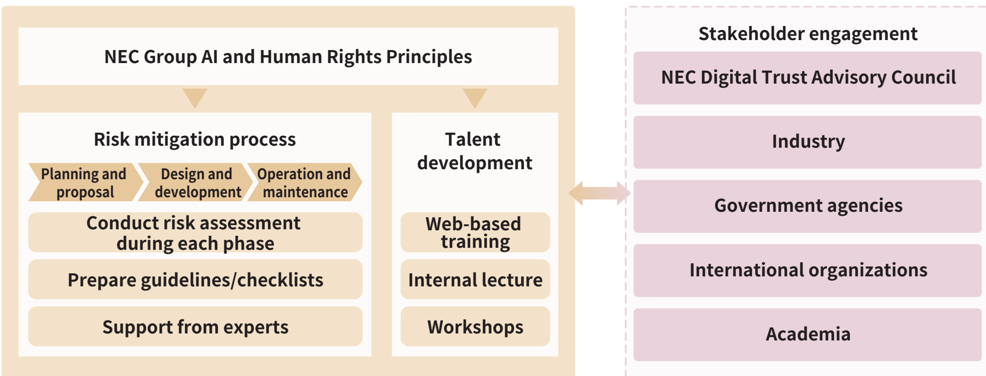
Risk Management

Risk Mitigation Initiatives

The Company understands that the social implementation of AI and the utilization of biometrics and other data can enrich people's lives, but also recognizes that it may give rise to human rights issues such as privacy violations and discrimination depending on how it is used or if used unintentionally. Furthermore, while the expansion of AI utilization is expected to lead to business growth, there is also a possibility that it will damage the Company's reputation or result in a decline in sales if privacy violations occur. In line with the Company-wide Principles, in the execution of business, NEC is working on a risk mitigation process, which involves identifying risks and implementing countermeasures, talent development to improve employees' risk literacy, and stakeholder engagement to incorporate diverse external opinions into Company activities.

The Company is implementing these initiatives in accordance with Japanese and international laws, regulations, and guidelines. In particular, the Company is flexibly reviewing its internal rules and operations in response to changes in the external environment in accordance with the agile governance approach set out in the Governance Guidelines for Implementation of AI Principles announced by the Ministry of Economy, Trade and Industry in July 2021, and the AI Guidelines for Business announced by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry in April 2024 as the successor to these. Specifically, the Company is conducting risk assessments and reviewing measures based on an understanding of trends in AI-related laws, regulations, and guidelines in Japan, the United States, Europe, and other countries, along with other issues including consumer acceptance of the use of AI.

Overview of Risk Mitigation Initiatives



1. Risk Mitigation Process

NEC identifies significant human rights risks arising from AI and biometric authentication technologies and concerns in the use of AI and biometric authentication technologies, and establishes company-wide rules that stipulate the governance framework and fundamental compliance issues. The Company also prepares guidelines, manuals, and risk checklists that stipulate countermeasures and operational flows. During each phase from planning to operation, the Digital Trust Strategy Office collaborates with relevant departments to implement measures according to the severity of the human rights risks posed by AI utilization. Documents and operational processes for risk responses are continuously revised to reflect the expanding use of generative AI and biometric authentication, as well as changes in relevant laws and regulations in Japan and abroad. In addition, NEC aims to promote the appropriate use of AI throughout society by providing practical know-how and insights gained through our risk mitigation initiatives to our customers and partners. These efforts include offering consulting on the development of risk mitigation processes, providing design samples for disclosing the purposes of AI use, and organizing educational workshops for customers and partners.

2. Talent Development

NEC has created definitions outlining work related to AI and human rights and clarified the required skills and proficiencies.

Furthermore, the following training is conducted for corporate officers and employees of NEC Corporation and affiliated companies in and outside Japan so that they can act appropriately with respect for human rights in business operations, in accordance with the Company-wide Principles.

ESG Completion rate for training on AI and human rights (Data Collection)

2.1. Web-based Training

NEC provides web-based training once a year for employees, including fixed-term contract employees and temporary employees, covering basic matters including the importance of AI technology and AI ethics, trends in related laws and regulations, human rights and privacy considerations associated with AI utilization, and the Company-wide Principles and operations. (Completion rate in fiscal year 2026: 95.6%)

2.2. Internal lectures

NEC invites external experts to give lectures for persons in the Company involved in promoting the AI business. At these lectures, examples that have given rise to social criticism and other case studies are shared, and participants can learn more about points to keep in mind when providing services, and how to address them.

Materials and videos related to web-based training and internal lectures are published on the internal website, allowing employees to access the content at any time and deepen their understanding.

3. Stakeholder Engagement

NEC is collaborating and cooperating with various stakeholders to address social trends such as legal regulations and social acceptability.

3.1. NEC Digital Trust Advisory Council (External Expert Council)

To strengthen the NEC Group's response to emerging challenges associated with AI utilization, the AI and Human Rights Governance Officer convenes the NEC Digital Trust Advisory Council. This Council engages external experts with specialized knowledge in legal systems, human rights, privacy, and ethics to provide guidance on the NEC Group's initiatives. Since 2019, the Council has met annually, fostering continuous dialogue with its members to advance and enhance NEC's efforts in responsible governance related to AI and human rights.

At the Council meeting in March 2026, using human-centered design and "Human-in-the-Loop," one of the approaches for its implementation and operation, as examples, NEC sought advice on the future direction for organizing key discussion points regarding the roles and responsibilities of humans and AI. Council members shared the following insights and recommendations.

- As one of the approaches for implementing and operating human-centered design, in addition to Human-in-the-Loop, in which humans review individual AI outputs on a case-by-case basis, in certain domains it may also be considered an option to adopt an approach in which humans monitor system-wide risks and performance from an overarching and holistic perspective.
- In selecting the appropriate approaches, it is important to organize by each AI utilization domain, taking into account perspectives such as the extent to which humans can accept the AI outcomes and the necessity of qualitative and moral judgment, and to examine the appropriate form of human involvement.
- While the question of what it means to be human-centered in the era of AI agents does not lend itself to an easy answer, it is important for NEC itself to continually revisit this question and engage in ongoing discussion.

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AI and Human Rights

Based on the insights and recommendations obtained through the Council meeting in March 2026, NEC will continue dialogue and discussion with internal and external stakeholders as NEC rethinks what it means to be human-centered in the era of AI agents.

Reference: Advisory Council Members (Japanese language only)

Reference: Implementation Report (Japanese language only)

4. Collaboration with Various Stakeholders in Japan and Abroad

4.1. Knowledge Sharing on AI, Human Rights, and Privacy

Since July 2024, NEC has joined the Keio University Global Research Institute X Dignity Center as a corporate supporter. The Center was established to explore the evolving meaning and value of "dignity" in the age of AI and to share insights with the global community. NEC continues to advance collaborative research through this partnership. In fiscal year 2026, in order to clarify the roles and responsibilities of governments and companies in AI utilization and to explore appropriate approaches to establishing rules, regulations and other governance measures depending on the nature and impact of the issues involved, NEC gained insights from external experts in various fields and engaged in discussions.

4.2. Contribution to the Formulation and Revision of the AI Guidelines for Business

NEC participated as a member of the Ministry of Internal Affairs and Communications' Conference toward AI Network Society and its affiliated AI Governance Review Committee, and has continued to actively contribute to the formulation and subsequent revisions of the AI Guidelines for Business. These guidelines were jointly published by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry in April 2024, with updates released in November 2024 (Version 1.01), March 2025 (Version 1.1) and March 2026 (Version 1.2).

4.3. Active Engagement in Knowledge Exchange and Collaborative Problem Solving Through Industry Associations

NEC actively engages in the activities of industry associations such as the Data Society Alliance and the AI Governance Association, contributing to cross-company knowledge exchange and collaborative discussions aimed at addressing issues related to AI risks and governance. In addition, NEC supports the development of policy proposals concerning the future direction of AI-related regulations and systems.

5. Grievance Mechanism

The NEC Customer Communication Center (CCC) has been established as a comprehensive contact point in Japan for receiving inquiries from customers regarding the Company's products, systems, and services.

ESG Customer Relationship Management

Metrics and Targets

FY2031 KPIs

(Scope: NEC Corporation unless otherwise specified, Period: April 2026 to March 2031)

M: Indicates the main non-financial targets related to materiality.

M: Continuous strengthening of risk management capabilities

M: Evaluation of the effectiveness of training for implementing the "NEC Group AI and Human Rights Principles"

M: Zero serious incidents

FY2027 Goals

1.1. Continuous Strengthening of Risk Management Capabilities for Emerging Risks Driven by Technological Advancement

1.2. Continued Training for Implementing the "NEC Group AI and Human Rights Principles"

1.3. Zero Serious Incidents

FY2026 Goals and Results

1. FY2026 Goals

1.1. Continue Strengthening Governance in Response to Evolving Legal and Regulatory Trends in Japan and Abroad

1.2. Continue Engaging in Dialogue with a Diverse Range of Stakeholders

1.3. Enhance Responsiveness to Emerging Risks Driven by Technological Advancement

2. FY2026 Results

2.1. Continue Strengthening Governance in Response to Evolving Legal and Regulatory Trends in Japan and Abroad

- Analyzed trends in laws, regulations, and guidelines in Japan, the United States, and Europe, shared insights with relevant internal stakeholders, and incorporated them into operations
- Provided explanations on the latest legal and regulatory trends through web-based training and internal lectures
- Analyzed trends in international laws and regulations, and based on the concept of a risk-based approach, reviewed operational processes and updated internal rules so as to enable risk responses commensurate with the risk level of each AI project

2.2. Continue Engaging in Dialogue with a Diverse Range of Stakeholders

- Continued to gain insights from experts through the NEC Digital Trust Advisory Council and incorporated them into initiatives
- Gained insights through joint research with the Keio University Global Research Institute X Dignity Center
- Contributed to knowledge exchange and collaborative problem solving through industry associations such as the Data Society Alliance and the AI Governance Association
- Leveraged the Company's expertise to offer input and recommendations during the formulation of laws, regulations, and guidelines in Japan and abroad
- Introduced the Company's initiatives to customers and external stakeholders

2.3. Enhance Responsiveness to Emerging Risks Driven by Technological Advancement

- Assessed potential human rights risks posed by AI agents and explored appropriate response measures
- Revised and expanded documents to address risks arising from the growing use of generative AI and biometric authentication

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Personal Information Protection and Privacy

Governance

Implementation Framework for Personal Information Protection and Privacy

NEC has appointed a Chief Legal Officer (CLO) as the corporate officer in charge of personal information protection, and has established the position of Personal Information Protection Administrator as well as the Personal Information Protection Promotion Office to promote personal information protection at the corporate level.

As the person in charge of implementing the personal information protection management system, the head of the department responsible for protecting personal information serves as the Personal Information Protection Administrator. This person is also responsible for protecting specific personal information related to the Numbers to identify a specific individual in administrative procedures (Individual Number which is called My Number).

The Corporate Legal Department plays a central role in promoting the protection of personal information within the NEC Group under the leadership of the Personal Information Protection Promotion Office Manager appointed by the Personal Information Protection Administrator, and reports the status of operations related to the protection of personal information to the Board of Directors at least once a year.

In the Group Internal Audit Division, this is handled by the Chief Personal Information Protection Auditor, who conducts regular internal audits of personal information protection in conformance with Japanese Industrial Standard JIS Q 15001 (Personal information protection management systems—Requirements).

The managing directors of each department are responsible for directing personal information protection in their respective departments. Each managing director appoints a Personal Information Protection Administrator, who is responsible for carrying out personal information protection management for the department, and a Personal Information Protection Professional, who provides specialized expertise in personal information protection. The personal information protection management system operates based on each division's inspection of the status of personal information handling to identify risks, including human rights and privacy issues, and improvement in handling rules based on the inspection results.

The person responsible for each project ensures that persons who handle personal information undertake thorough personal information protection measures.

Reference: Implementation Framework for Personal Information Protection

1. Privacy Mark

In October 2005, NEC Corporation received Privacy Mark certification, recognizing it as a business operator with systems in place to ensure appropriate protection measures for personal information in conformance with JIS Q 15001.

2. Consolidated Subsidiary Management Framework

Our consolidated subsidiaries in Japan have built systems to comply with the Act on the Protection of Personal Information and the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (also known as the My Number Act). In addition, just as NEC Corporation does, they promote personal information protection by building a personal information protection management system to conform with JIS Q 15001. As of the end of March 2026, 28 NEC Group companies (in Japan) have obtained Privacy Mark certification.

At our consolidated subsidiaries outside Japan, we have appointed a Personal Information Protection Administrator at each major subsidiary to promote the protection of personal information. In addition, we have established common personal information protection guidelines and introduced personal information protection rules that comply with the laws and regulations of each country and region applicable to each company, such as personal information protection laws.

Strategy

Risks and Opportunities Related to Privacy

The principal risks and opportunities identified by NEC for this theme are as follows:

"Responsible Privacy Protection to Ensure Appropriate Data Value Creation"

1. Impact on the Environment and Society

1.1. Negative Impact

Leakage of personal data collected from cloud-based services, etc.

1.2. Positive Impact

Enable people to enjoy the benefits of new solutions utilizing personal data.

2. Financial Risks and Opportunities

2.1. Risks

If a significant personal information leak incident is caused, the impact will be large.

2.2. Opportunities

Provide new services that generate revenue by using customers' information for innovation.

Risk Management

Policy on Personal Information Protection and Privacy

The NEC Group Code of Conduct stipulates respect for human rights and privacy and the management of personal information, and NEC has positioned "Provision and Utilization of AI with Respect for Human Rights as the Highest Priority (AI and Human Rights)," including personal information protection initiatives, as a priority management theme from an ESG perspective—materiality. From this perspective, we are tackling prevention of any privacy-related issues stemming from the handling of personal information, in addition to undertaking other personal information protection measures.

The NEC Privacy Policy stipulates that personal information must be handled in accordance with JIS Q 15001.

Consolidated subsidiaries in Japan set their personal information protection policies using NEC Corporation's Privacy Policy as the standard.

Consolidated subsidiaries outside Japan set their policies to conform with the applicable local laws of their respective countries, and those policies are then checked by the Company.

Reference: NEC Privacy Policy

Personal Information Protection and Management Initiatives GRI 418-1

1. Internal Initiatives

1.1. Personal Information Protection Management System

We operate a personal information protection management system based on documented standard procedures at NEC Corporation and its consolidated subsidiaries in Japan. As necessary, operational rules are created at the individual company and department level and by type of personal information, and strict adherence is enforced.

Personal Information Protection and Privacy

In addition, the personal information management manual for our personal information protection management system stipulates the following:

- When handling personal information, specify the purpose of use as concretely as possible.
- When obtaining personal information from sources including documents, email, and websites, the person to whom the information pertains must be notified in advance in writing and the person's consent must be obtained in writing.
- Use for purposes other than the specified purpose (use for other purposes) is prohibited.
- When providing personal information, the consent of the person to whom the information pertains must be obtained, except in cases required by law.
- Security control measures of personal information must be taken.
- Secondary use of personal information without the prior consent of the person to whom the information pertains is prohibited.
- The rights of the person to whom the information pertains, including the rights to access, amend and delete their personal information, must be respected.

In addition, we also enter into agreements with third parties with whom we share or to whom we entrust the handling of data, stipulating that the above rules must be observed. We have established escalation rules and emergency response procedures in the event of a leak or inappropriate handling of personal information.

1.2. Management of Personal Information

NEC Corporation runs the Personal Identifiable Information Control System, a ledger-based system to manage personal information and make its management more transparent.

We create personal information management ledgers at each consolidated subsidiary outside Japan to gain an understanding of the content of personal information being handled and the risks involved. We also work to ensure that the procedures to manage these contents and risks, as well as common security control measures that need to be observed, are thoroughly disseminated.

1.3. Initiatives to Address Cross-border Transfers of Personal Information

We require consolidated subsidiaries outside Japan to obtain individual consent based on the laws and regulations in each country or region to facilitate any cross-border transfer of personal information for employees or otherwise enter into any required data transfer contracts to enable cross-border transfer and processing of personal information between Group companies in and outside Japan.

2. Initiatives for Customers and Business Partners

When outsourcing the handling of personal information, NEC Corporation and its consolidated subsidiaries in Japan establish security control measures for contractors according to the risk involved, stipulate in agreements with contractors with which data is shared that they must comply with these measures, requiring privacy management equivalent to that of the NEC Group.

We request the contractors engaged in work for NEC Corporation or its consolidated subsidiaries in Japan submit a pledge on the Basic Rules for Customer-Related Work to help ensure rigorous management of personal information throughout the supply chain.

We require that Numbers to identify a specific individual in administrative procedures (Individual Number which is called My Number) be handled with the utmost care and be managed with strict security measures, as it is classed as Specific Personal Information in compliance with personal information protection laws in Japan. We deploy technical measures such as controlling access, blocking unauthorized external access, and preventing information leaks, while moving forward with initiatives to maintain sufficient privacy protection levels in each system.

ESG Reference: Information Security and Cybersecurity

3. Monitoring and Improvement

NEC Corporation appropriately manages personal information by executing plan–do–check–act (PDCA) cycles on an autonomous basis through various inspection activities.

Also, NEC Corporation and its consolidated subsidiaries in Japan conduct regular internal audits based on internal audit check items stipulated in JIS Q 15001. Furthermore, for operations related to the handling of Numbers to identify a specific individual in administrative procedures (Individual Number which is called My Number), we use security control measure checklists prepared based on Japan's guidelines for the My Number Act and self-checklists for re-entrustment in order to monitor the divisions and subcontractors that handle My Number information.

3.1. Verification of the Operation of Information Security Control Measures

The implementation status of information security control measures carried out by all employees is verified once a year. If there are cases of non-compliance, improvement plans are formulated and carried out at the organization level.

3.2. Verification of the Status of Personal Information Management

Control forms registered in the Personal Identifiable Information Control System are reviewed at least once a year to confirm the status of personal information management.

The managing director of each division confirms the management status of their division through an annual management review, and if new risks become clear, addresses them and maintains appropriate management conditions.

3.3. Verification of Operations During Emergencies

In the event of an incident involving the loss, outflow or leak, etc., of personal information, operation of the above information security control measures is thoroughly reviewed as needed. In addition, depending on the case, we deploy response measures to each division and Group company and work to prevent incidents and accidents across the entire Group.

4. Details of Personal Information Protection-related Incidents, Accidents, or Complaints, and Measures Taken

In fiscal year 2026, there were no incidents involving the loss, outflow or leak, etc., of personal information at NEC that would significantly impede our business operations, and no incidents involving secondary use of personal information without prior consent of the person to whom the information pertains.

There were no external complaints regarding personal information in fiscal year 2026.

We have not received any claims or complaints regarding invasion of the privacy of customers from any third-party organizations, including the Ministry of Economy, Trade and Industry, which is the competent government agency, and the Personal Information Protection Commission of Japan.

5. Response to Requests from National Governments for Personal Information Provision

If NEC Corporation's departments are requested by a government or law enforcement agency of a country to provide personal information that the Company holds, the seneior director of the department that receives the request reports to and consults with the Personal Information Protection Administrator as necessary. In such cases, the Personal Information Protection Administrator reports to and consults with the corporate officer in charge of personal information protection. Premised upon respect for the human rights of the person to whom the information pertains, the Company will then determine the necessity of providing such information and undertake the appropriate procedures and measures pursuant to the applicable laws and regulations. There were no requests from government or law enforcement agencies for personal information held by NEC in fiscal year 2026.

Privacy in Business Activities

Privacy protection laws and regulations such as the General Data Protection Regulation (GDPR), which came into effect in the European Economic Area in 2018, are being established in many countries and regions, and the roles and responsibilities required of companies to protect privacy are increasing as enforcement of these laws and regulations becomes more stringent.

NEC Corporation aims to maximize social value and minimize the adverse impact on society by developing and providing products and services with consideration for privacy issues, which may be perceived differently depending on the country, region or culture, and also with consideration for discrimination and other human rights issues that could be exacerbated by AI utilization. To clarify our stance, the NEC Group Code of Conduct and the NEC Group AI and Human Rights Principles (the Company-wide Principles) stipulate that business activities aimed at resolving social issues using ICT must not give rise to human rights issues, including invasion of privacy.

As stated in the description of management systems of consolidated subsidiaries, NEC Corporation and its 28 Group companies in Japan have acquired Privacy Mark certification.

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Personal Information Protection and Privacy

In principle, without the prior consent of the person to whom the information pertains, we forbid the acquisition of information that could have an economic impact such as bank account or credit card numbers, sensitive information such as one's birthplace, or highly private information such as mobile telephone numbers.

ESG Respect for Human Rights
ESG AI and Human Rights
NEC Group AI and Human Rights Principles

Response in an Emergency Such as Leakage of Personal Information

The Company maintains systems that enable it to respond swiftly and disclose information if an incident occurs involving the loss, outflow or leak, etc., of personal information. If an incident should occur, the response is coordinated quickly and systematically based on standardized procedures.

If an incident occurs related to personal information or an event takes place for which the occurrence of such an incident is a possibility, the discoverer or the employee involved in the incident contacts the manager of each division and the NEC Group contact desk for information security incidents.

The person at the contact desk who received the report then takes actions in coordination with the Personal Information Protection Promotion Office and relevant divisions, in accordance with applicable laws, ordinances, ministry guidelines, and other regulations, while considering the risk of infringing on the rights and interests of the people involved. These responses may include promptly notifying the people involved, making a public announcement, and taking corrective measures appropriate to the incident.

Personal Information Protection Training and Awareness-Raising

To raise awareness of personal information protection and information security in general among employees, the Basic Rules for Handling Customer-Related Work and Trade Secrets have been established, and NEC Corporation rigorously disseminates these rules.

Various training is also provided to all employees.

1. Training for All Corporate Officers and Employees Including Dispatched Workers (NEC Corporation)

The Company conducts web-based information security training including personal information protection once a year. The completion rate of company-wide training was 97.1% in fiscal year 2026.

ESG Completion rate for information security training, including personal information protection (Data Collection)

2. Education for Personal Information Protection Professionals (NEC Corporation, All Departments)

The following education is provided for Personal Information Protection Professionals.

- Textbooks, multiple-choice comprehension tests, and descriptive assignments have been prepared on risk management in the handling of personal information, in addition to education through 15 lectures
- Courses aimed at acquiring personal information protection qualifications
- Conducted improvement training (9 sessions) on issues extracted from actual case examples

3. Training for Graduates and Mid-career Hires (NEC Corporation and Its Consolidated Subsidiaries in Japan)

In fiscal year 2026, we created a PDF booklet on personal information protection as introductory training material, and distributed it.

When a request is received from a department, or when it is otherwise deemed necessary by the Personal Information Protection Promotion Office, awareness training is conducted at individual departments or consolidated subsidiaries in Japan.

Metrics and Targets

FY2031 KPIs

(Scope: NEC Corporation unless otherwise specified, Period: April 2026 to March 2031)

M: Indicates the main non-financial targets related to materiality.

M: Appropriate operation (including annual employee training and the oversight of contractors) and improvement of our Personal Information Protection Management System

M: Zero incidents of serious personal information leaks

FY2027 Goals

1.1. Strengthen Governance in the Fields of Data Privacy and Compliance

- Continue to implement monitoring of personal information protection at consolidated subsidiaries in and outside Japan
- Continue to provide training for all employees including those of consolidated subsidiaries in and outside Japan
- Ensure that the operation of management systems equivalent to ours by appointing Personal Information Protection Administrators and Personal Information Protection Professionals at consolidated subsidiaries in Japan becomes established
- Promote visualization and risk reduction of personal information protection risks by organization (each department and consolidated subsidiaries in and outside Japan)

1.2. Deepen Risk Management Pertaining to the Handling of Personal Information, Based on the Risk Ownership of Managing Director

- Continue the training and education of Personal Information Protection Administrators and Personal Information Protection Professionals assigned to all departments
- Continue to implement training for Personal Information Protection Promotion Office staff at consolidated subsidiaries in Japan and staff in charge of personal information protection at consolidated subsidiaries outside Japan

FY2026 Goals and Results

1. FY2026 Goals

1.1. Strengthen Governance in the Fields of Data Privacy and Compliance

- Continue to implement monitoring of personal information protection at consolidated subsidiaries in and outside Japan
- Continue to provide training for all employees including those of consolidated subsidiaries in and outside Japan
- Continue to establish management systems equivalent to ours by appointing Personal Information Protection Administrators and Personal Information Protection Professionals at all consolidated subsidiaries in Japan

1.2. Deepen Risk Management Pertaining to the Handling of Personal Information, Based on the Risk Ownership of Managing Director

- Continue the training and education of Personal Information Protection Administrators and Personal Information Protection Professionals assigned to all departments
- Implement training for staff in charge of personal information protection at consolidated subsidiaries in and outside Japan

2. FY2026 Results

2.1. Strengthen Governance in the Fields of Data Privacy and Compliance

- Implemented monitoring of personal information protection at consolidated subsidiaries in and outside Japan
- Provided training for all employees including those of consolidated subsidiaries in and outside Japan
- Newly introduced management systems equivalent to ours in consolidated subsidiaries in Japan (2 subsidiaries and 1 sub-subsidiary)

2.2. Deepen Risk Management Pertaining to the Handling of Personal Information, Based on the Risk Ownership of Managing Directors

- Provided education for Personal Information Protection Administrators and Personal Information Protection Professionals
- Provided information on topics and practical tools related to the protection of personal information for Personal Information Protection Administrators and Personal Information Protection Professionals

Social

Information Security and Cybersecurity

With respect to this theme, more detailed information is also posted in the Cybersecurity Management Report; please refer to that as well.

Reference: Cybersecurity Management Report

Governance

Information Security and Cybersecurity Implementation Framework

The NEC Group's information security implementation framework comprises the Information Security Strategy Committee, its subordinate organizations, and related organizations.

Chaired by the Chief Security Officer (CSO) of NEC Corporation, the Information Security Strategy Committee discusses, evaluates, and improves information security measures, investigates the causes of incidents, sets the direction of recurrence prevention measures, and discusses how to apply the results of its activities in the information security business. The committee also regularly briefs
the President of NEC Corporation on the operation status of measures adopted by the committee to obtain approval. In addition, we conduct annual penetration tests via a third-party organization to assess vulnerability risks. We also conduct audits of all external servers four times a year. These actions ensure that vulnerabilities are dealt with in a timely manner.

The CSO and Chief Information Security Officer (CISO) oversees the Cybersecurity Division, which promotes information security measures, and the Computer Security Incident Response Team (CSIRT), which monitors for cyberattacks and resolves incidents quickly whenever they occur. The Information Security Promotion Committee and Working Groups discuss and coordinate measures, ensure that all implementation items are followed, and manage the progress, among other things, based on the security promotion plan.

Managing directors at NEC Corporation have responsibility as information security managers for ensuring information security for the relevant organizations, including the Group companies under their supervision. They work to ensure that rules are understood within their organizations, introduce and deploy measures, while continuously checking and reviewing the implementation progress to improve the situation.

In fiscal year 2025, CSIRT's Cyber Threat Intelligence (CTI) team gathered and analyzed over 46,000 items of data (IP addresses, file hashes, web addresses and domain names) related to cyber threats within NEC Group to generate threat intelligence. Furthermore, by using CTI to hunt threats, the CTI team is proactively reducing risks.

We have introduced the cybersecurity risk assessments (CRA) framework carried out by the "Red Team,"[1] and are enhancing our capabilities as an organization by building greater organizational resilience to cyberattacks and strengthening accountability for security management. We have designed attack scenarios based on threats to the NEC Group, ICT usage conditions, incident status and levels of information handled, for which the Red Team conducts surveillance and controlled attacks to assess resilience and risks.

Strategy

NEC evaluates risks from various perspectives including the need for countermeasures as well as possible impacts both on corporate management and on society, and selects Priority Risks that it has evaluated as having major impacts and that need to be addressed. With these risks in mind, we are deploying measures to counter cyberattacks that are becoming increasingly sophisticated, while complying with the U.S. National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) 2.0 and Cybersecurity Management Guidelines Ver. 3.0 by Japan's Ministry of Economy, Trade and Industry.

ESG Risk Management

At NEC, we leverage the insights and know-how gained from in-house initiatives to create opportunities, providing expertise in security measures to help strengthen customer security strategies.

As a specific example, together with NEC Security, Ltd., NEC offers services that visualize vulnerabilities in externally exposed IT assets at high risk of attacks, as well as authentication information such as IDs and passwords that may have been leaked to the dark web[2], all without altering customer IT environments. These services help reduce risks and enhance security.

Security Risks and Opportunities

The principal risks and opportunities identified by NEC for this theme are as follows:

"Providing Security to Protect the Digital Society from Cyberattacks and Other Threats"

1. Impact on the Environment and Society

1.1. Negative Impact

System shutdown due to cyberattacks, or leakage of customers' system personal information, etc.

1.2. Positive Impact

Provide system security at the national and societal level to prevent public services from being disrupted.

2. Financial Risks and Opportunities

2.1. Risks

If a significant security incident is caused, the impact will be large.

2.2. Opportunities

Security is a key technology and solution for protecting digital infrastructure.

1. A team that conducts simulated cyberattacks mimicking real-world threats against companies and organizations, assesses the organization's resilience to attacks and risk levels, and recommends improvements and additional countermeasures.
2. Websites that are not displayed by general search engines, and require special tools or browsers.

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Information Security and Cybersecurity

Risk Management

Information Security Management

To embed information security initiatives across the NEC Group, we have established an information security management system and security policy, both of which we continuously work to maintain and improve.

1. Information Security Risk Assessments

The NEC Group conducts risk assessments and implements countermeasures by analyzing deviations from baseline criteria and carrying out detailed risk analysis, with both methods conducted separately. First, we ensure that security is implemented in line with criteria that serve as a baseline, and when more advanced management is necessary, we conduct a detailed risk analysis and implement finely tuned countermeasures.

2. Risk Management for Information Security Incidents

Information security incidents are subject to mandatory reporting. The contents of these reports are analyzed, and the results are put through a PDCA cycle for risk management assessment. Incident information is centrally managed for the entire NEC Group, and changes in the number of incidents, trends by organization and type of incident, and other data are analyzed. NEC then reflects this analysis in groupwide measures while also measuring the effectiveness of these measures.

3. Critical Information Management

Based on the Three Lines Model, the NEC Group establishes a framework to manage critical information by clarifying the roles of the three lines.

The NEC Group has a framework to classify and manage the confidential information it handles based on the security level. Each organization checks details of all the information it handles, and clearly identifies its security level to ensure that all necessary information is properly managed. We also have rules for handling, storing and managing critical information according to importance, as well as thorough measures to prevent information leakage.

4. AI Security (Security for AI)

Within the NEC Group, we protect AI through three pillars: governance, management, and foundation. In governance, we establish policies, rules, and structures for using AI; in management, we establish processes and guidelines regarding AI usage; and in the foundation, we build systems for managing AI and mitigating AI-related risks.

Addressing Security Risks Arising from Increasing Geopolitical Risks

As the geopolitical situation changes and digital transformation advances rapidly, private companies are also becoming targets of national cyberattacks, and companies that possess critical information such as advanced technological information are facing increasing security risks. The rapidly increasing sophistication and complexity of cyberattacks, along with external factors such as geopolitical risk, may hamper timely mitigation of security risks. These are treated as emerging risks.

In the event that personal or confidential information held by NEC or contained in its products, services, or systems is leaked or exposed through unauthorized access or cyberattacks and used fraudulently, NEC may be subject to disciplinary action by regulatory authorities due to its position of legal responsibility. As a result, NEC may not only lose the trust of its customers as a Social Value Innovator, but its business performance may also be adversely affected. The risk of unauthorized access and cyberattacks exists not only for NEC's own products, services and systems, but also for those of its customers, contractors, suppliers, business partners, and other third parties.

As a mitigation measure, we are implementing robust and flexible measures throughout the Group based on the US Cybersecurity & Infrastructure Security Agency (CISA) Zero Trust Maturity Model. Based on Cybersecurity Management Guidelines Ver. 3.0 formulated by the Ministry of Economy, Trade and Industry and the NIST Cybersecurity Framework (Version 2.0), we are strengthening intelligence (proactive defense) and resilience (ability to recover from attacks) against cyberattacks. In addition, presenting security risks to all employees on a cybersecurity dashboard as part of our data-driven transformation is supporting quick management decisions and autonomous front-line actions. Thus, we are transforming the expertise and countermeasure doctrines developed through our front-line experience into solutions that we offer to our customers. Furthermore, based on Security by Design, which considers security from the design stage, we are enhancing measures that include our supply chain in order to provide safe, high-quality services.

Establishment of Information Security Rules

NEC has released the NEC Group Information Security Statement and established and streamlined a variety of rules, including overall information security rules, rules for managing corporate secrets, and IT security rules.

Information Security Education and Awareness Training

For all NEC Group employees (including dispatched workers, contractors, and workers with a de facto mandate), in addition to a web-based training course on information security, NEC holds quarterly micro-theme talks. In these sessions, participants watch original videos and discuss the topics in small groups, in an effort to increase information security knowledge and skills. The content of the training is updated every year to reflect trends in security threats, including information management, external security measures, and subcontractor management. In addition, NEC conducts information security surveys to measure awareness of information security in a questionnaire format for all NEC Group employees (including dispatched workers, contractors, and workers with a de facto mandate) to foster a high level of information security culture.

Enhancing Information Security Management at Suppliers

Please see below for more details.

ESG Supply Chain Management

Information Security Certification

The NEC Group has aligned its overall information security rules with the international standard ISO/IEC 27001 (main standard and control measures) and manages information security in accordance with these rules. It has also acquired ISMS certification (ISO 27001) for almost all of its medical, financial, cloud and government and public business units, for which information security is critical.

Social
Information Security and Cybersecurity

Providing Secure Products, Systems, and Services

The Company has structured a security proposal implementation framework for secure development and operation of the products, systems and services it provides to customers. This framework involves the Cybersecurity Strategy Department and information security managers in each business division at NEC, and is stipulated in the Cybersecurity Management Rules, alongside security implementation processes. The NEC Group is also promoting the establishment of a security implementation framework and the formulation of Cybersecurity Management Rules similar to those of the Company.

The Company implements security spanning from the planning and proposal phase to the operation and maintenance phase based on the concept of "security by design" (SBD) to ensure security. In the development of products, systems, and services, we create and utilize checklists to confirm that security tasks are being implemented in each phase. Based on these checklists, operational projects are managed and the status of security measures is efficiently inspected and monitored through the Cybersecurity Checklist Management Security Implementation Assessment System developed to centrally manage and visualize the implementation status of security. In the operation and maintenance phase, we ensure security by collecting and distributing information on vulnerability in a centralized manner and by providing it to business divisions and customers.

Furthermore, as a measure to address security vulnerabilities, we have established the Product Security Incident Response Team (PSIRT) to collect and handle information on vulnerability related to NEC Group products. We appropriately handle such undisclosed vulnerability information regarding our products by publishing a vulnerability disclosure policy and having a point of contact for external inquiries. In addition, in order to facilitate information sharing including the NEC Group engaged in manufacturing, we have established the NEC Group PSIRT Community and are working to ensure that PSIRT activities function across the entire NEC Group.

The Company has also established a cloud-based software development platform as our standard internal environment for system development. This platform utilizes security vulnerability testing tools and other tools that streamline and automate security implementation to improve the productivity, quality, and security of system development. In addition, by consolidating the development environments of our supply chain, including operational projects and subcontractors, into this platform, we have centralized security management for those development environments to address risks such as information leaks during development and copyright issues arising when using generative AI.

Measures Against Cyberattacks

As cyberattacks grow increasingly complex and sophisticated, the NEC Group focuses on protecting information assets entrusted by customers and business partners, as well as its own. To this end, the Group has implemented comprehensive cybersecurity management by implementing uniform, advanced measures worldwide based on cybersecurity risk analysis and has established an incident response framework with CSIRT.

Given that the NEC Group creates and provides social solutions for countries worldwide, an information security incident caused by a cyberattack or any other factor could diminish the social credibility of the entire NEC Group and significantly impact its business management. For this reason, the Group considers a comprehensive and global approach to cybersecurity risks to be essential for business continuity.

The NEC Group is strengthening its global measures against increasingly sophisticated cyberattacks while using generative AI and other technologies based on a multilayered defense approach.

1. Cyber Risk Assessments by the "Red Team"

- Regular cyber risk assessments are conducted by the Red Team with the aim of improving the NEC Group's cyber resilience and accountability.
- A global assessment consisting of three investigations on 1) the management status of critical information, 2) risks that include public server vulnerabilities and data leakage, and 3) internal and external security breaches from an attacker's point of view, is conducted to identify security risks that have been overlooked in security measures and operations, and actions are taken to implement improvements based on these.
- Audit organizations and security specialists are employed to conduct third-party attack diagnoses.

2. Generating and Utilizing Threat Intelligence

- The NEC Group's cyber threat intelligence (CTI) team consists of specialists who possess an understanding of the threats facing NEC, detects their early signs, and implements advanced proactive defense measures.
- The CTI team leverages the endpoint detection and response (EDR) tools deployed at all NEC Group companies, the network detection and response (NDR) that CSIRT independently developed, and a log analysis platform to hunt for unknown threats.
- The team has also created a research environment to enhance its ability to generate unique CTI proactively, and analyzes threats in detail. Organizational security resilience is enhanced.

3. Enhancing Organizational Security Resilience

- We have developed a manual to ensure rapid responses to ransomware attacks.
- Management, relevant departments and specialists hold training exercises for security incidents at least once every six months.

4. Advanced Cybersecurity Measures Using AI

- We promote the use of AI, including generative AI, and also achieve automation, efficiency, and sophistication in a wide range of fields, including cyber risk assessment diagnostics, threat intelligence generation and utilization, NDR detection, incident investigation, and targeted attack email training.

5. Cybersecurity Dashboard Drives Culture Change

- In order to improve the security awareness of employees, we have made available our cybersecurity dashboard, which visualizes the status of cyberattacks on the NEC Group, threat intelligence information, and the security risk status of each company and division.
- The cybersecurity dashboard is utilized at meetings attended by executives and by all subsidiaries outside Japan to help enable swift management decisions and help security personnel manage more effectively.

Social
Information Security and Cybersecurity

Metrics and Targets

FY2031 KPIs

(Scope: NEC Corporation unless otherwise specified, Period: April 2026 to March 2031)
M: Indicates the main non-financial targets related to materiality.
M: Major incidents at NEC Corp. and its consolidated subsidiaries: 0

FY2027 Goals

1.1. Drive Digital Security Transformation (DSX)

- DX security
  - Reinforce AI agent security
  - Reinforce global security platforms
  - Prevent leaks of important information through data loss prevention (DLP)
- Cybersecurity
  - Enhance intelligence through utilization of CyIOC
  - Generate intelligence through deception
  - Automate diagnostics through attack diagnostic AI agents
- Rules and governance
  - Optimize security rules in and outside Japan (risk assessment, rules for overseas subsidiaries, etc.)
  - Assessments for overseas operating subsidiaries
  - Respond to security clearance systems (responses for facilities, people and organizations)

1.2. Establishing, Practicing and Enhancing Governance for Security Proposal Implementation

- Establishment of security implementation rules for systems incorporating AI
- Promotion of PSIRT operations in coordination with Group companies in Japan
- Optimization of the cyber intelligence structure

FY2026 Goals and Results

1. FY2026 Goals

1.1. Drive Digital Security Transformation (DSX)

- DX security
  - Reinforce global security platforms
  - Reinforce AI security (Security for AI)
  - Prevent leaks of important information through AI labeling and data loss prevention (DLP)
- Cybersecurity
  - Enhance global SOC/CSIRT
  - Generate intelligence through deception
  - Automate diagnostics through attack diagnostic AI agents
- Rules and governance
  - Optimize security rules in and outside Japan (risk assessment, rules for overseas subsidiaries, etc.)
  - Enhance internal fraud prevention measures
  - Respond to security clearance systems (responses for facilities, people and organizations)

1.2. Establishing, Practicing and Enhancing Governance for Security Proposal Implementation

- Creation of a PSIRT system in coordination with Group companies in Japan
- Establishment of a security implementation framework and processes at Group companies outside Japan
- Mobility of security personnel and reskilling of personnel responsible for security

2. FY2026 Results

2.1. Drive Digital Security Transformation (DSX)

- DX security
  - Reinforced global security platforms
  - Established systems, revisions, and mechanisms for utilizing AI
  - Implemented measures to detect information leakage risk behaviors using DLP
- Cybersecurity
  - Release of the next-generation cybersecurity service CyIOC
  - Strengthened CTI generation through the building of deception
  - Implemented efficient security operations through utilization of generative AI
- Rules and governance
  - Optimized security rules in and outside Japan (risk assessment, rules for overseas subsidiaries, etc.)
  - Strengthened measures against internal fraud through visualization of information leakage routes
  - Implemented response to security clearance systems
- Received “Two Stars” (highest rating) in the Cyber Index Corporate Assessment 2025

2.2. Establishing, Practicing and Enhancing Governance for Security Proposal Implementation

- Established the NEC Group PSIRT Community in order to facilitate information sharing including the NEC Group engaged in manufacturing
- Completed rollout to seven Group companies outside Japan as model cases for application of security rules to Group companies outside Japan
- As mobility of security personnel, participation (through secondments, etc.) in security-related practical work at external organizations such as government agencies

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Social

Customer Relationship Management

Governance

Customer Relationship Management System

NEC continuously seeks customer feedback from various points of contact and promptly reflects it in business management. As part of these efforts, we conduct the biannual NEC Customer Survey.

The results of each survey are analyzed from the perspective of customers and are reported to top management. We also share the findings with businesses' operating divisions/units in related fields and proceed through PDCA cycles aimed at improving customer engagement. In addition, the CRM Promotion Divisions at major Group companies share information with one another on a regular basis in an effort to improve activities across the entire Group.

Thought Process

The significance of NEC's existence can be measured by its continued provision of value to society through its business activities. The NEC Group is determined to serve as a company that is embraced by and essential to society. By having each employee listen to the opinions of customers and the voices of society, the Company can strengthen its ability to create value while working towards solving social issues.

The value that customers and society seek and expect from NEC Corporation is constantly changing. To enable a continued response to customer expectations, the Company feels it is critical to build and maintain a relationship of trust with customers by understanding the essential issues faced by customers and society.

Reference: NEC's Customer Satisfaction Enhancement Activities

Metrics and Targets

FY2031 KPIs

1.1. Continue to engage in activities to improve customer engagement based on the VoC and in keeping with the characteristics of each business

1.2. Sustainably maintain and improve a high level for the indicator on relationships with customers in the results of NEC's Customer Relationship Survey (NEC Customer Survey)

FY2027 Goals

1.1. Continue to engage in activities to improve customer engagement based on the VoC and in keeping with the characteristics of each business

1.2. Maintain the previous fiscal year's level for the indicator on relationships with customers in the results of NEC's Customer Relationship Survey (NEC Customer Survey)

FY2026 Goals and Results

1. FY2026 Goals

1.1. Continue to engage in activities to improve customer engagement based on the VoC and in keeping with the characteristics of each business

1.2. Maintain the previous fiscal year's level for the indicator on relationships with customers in the results of NEC's Customer Relationship Survey (NEC Customer Survey)

2. FY2026 Results

2.1. Continued to engage in activities to improve customer engagement based on the VoC and in keeping with the characteristics of each business

2.2. Maintained the previous fiscal year's high level of 90% for responses of "a reliable partner" or "a preferred partner" in the indicator on relationships with customers in the results of NEC's Customer Relationship Survey (NEC Customer Survey)

Violations in Advertising and PR Activities

If there is a violation or potential violation in our advertising and PR activities, we deal with it appropriately according to the guidance of the relevant government agency.

In fiscal year 2026, there were no incidents of non-compliance concerning marketing and communications.

Initiatives for Customer Relationship Management

Customer Relationship Management

1. Advancing Activities Based on Customer Feedback

Seeking to clarify customer expectations for NEC's products and services and to help us respond appropriately, in fiscal year 2026 we asked customers open-ended questions on themes and areas of interest to them in the biannual NEC Customer Survey, and then used generative AI to analyze the results and apply them to related business areas such as sales and product divisions, where they were then utilized to drive improvements in those divisions.

In addition, we conducted the NEC Customer Survey with the same questions for customers outside Japan as well, and confirmed the status of customer engagement globally.

2. Remaining the First Choice of Customers

To create lasting relationships with our existing customers, in fiscal year 2026 we continued building systems that will enable effective use of in-house knowledge aligned with our customers' expectations. We conducted a survey of all employees regarding NEC's latest DX brand to meet the expectations of customers by increasing our proposal capabilities in the DX field, where we saw particularly strong interest from customers. We have upgraded and expanded our range of knowledge to enable follow-up aligned with customer expectations based on responses to the open-ended questions included in the NEC Customer Survey.

3. Branding and Messaging

In our branding, advertising, and promotional activities, we regard every touchpoint as an opportunity to strengthen the NEC brand. Through cohesive design, messaging, and content, we consistently communicate NEC's purpose and the expectations stakeholders have of NEC, while working to establish trust with the market and our customers. We strictly adhere to laws, regulations, and internal policies, and maintain consistent communication by following established guidelines such as the "NEC Brand Management Rules," "NEC Visual Identity Guidelines," "Advertising, Video, and Catalog Production Guidelines," and "Website Guidelines."

4. NEC Group Social Media Policy

We are making an effort to employ fair and appropriate language and expressions in the communication of information, and we began disseminating our Social Media Policy externally well before the spread of social media.

Reference: NEC Group Social Media Policy

Response to Customer Complaints and Feedback

To facilitate communication with customers, various types of contact desks have been provided for individual and corporate customers and for each type of product. Through these, we consult with customers and listen to their feedback and requests. Moreover, the NEC Customer Communication Center (CCC) has been established as a general contact desk in Japan to provide consultation on NEC Group products, systems and services.

We provide an inquiry form on the NEC global website to enable customers outside Japan to consult with us by email.

Reference: Contact Us

Social
Quality and Safety

Governance

Quality and Safety Framework GRI 403-7

1. Quality and Safety Implementation Framework and Quality and Safety Risk Management Framework

The NEC Group positions ensuring the quality and safety of its products, systems, and services, as well as preparing for the potential risks as one of the key management issues.

NEC's CBXO is responsible for managing the NEC Group's quality and safety. Furthermore, we are working to clarify our system of activities by defining company-wide rules and standard operating procedures, and to improve quality and safety. This effort is headed by the Business Process Transformation Division, the quality promotion organizations established at the relevant departments in each business area and at consolidated subsidiaries, and the quality/safety management officers appointed in each department and at consolidated subsidiaries.

To manage risks related to quality and safety, we have built a company-wide framework and ensure that it is thoroughly implemented. If a customer's system or a system with significant social impact were to experience a serious issue, or a major product incident or infringement of technology laws and regulations were to occur, the matter would be promptly escalated to management. The relevant department and specialist staff would confer and reach a swift decision on the response policy such as responses to the customer, the relevant local/regional authority, and public relations measures.

2. Ensuring the Soundness of Construction Work

As a Social Value Innovator, NEC garners trust and contributes to realizing a better society by ensuring the health and safety of workers through safe construction initiatives that comply with relevant laws and regulations, such as safely installing NEC-developed products and systems.

With the mindset that health and safety are the highest priorities in all work, including health management for all NEC employees and workers involved in construction work, we contribute to building an extremely safe society that provides peace of mind, and work to ensure the safety of our installation procedures in compliance with relevant laws and regulations and the soundness of construction work.

Reference: System for Compliance and OH&S in Construction Work (in Japan)

Thought Process

To realize "Better Products, Better Services," which is one of the Principles in our founding philosophy, we have implemented a steady stream of initiatives aimed at improving quality. These include the introduction of quality controls that broke new ground in Japan, ZD Activities[1], the quality-operation strategy[2], and Software Quality Control (SWQC).

As a Social Value Innovator, we hope that all employees will continue to improve the quality of their own work, the products they create and the services they provide, and that we will be a valued company, recognized as the provider of trusted "NEC Quality."

Specifically, we have set up the Quality and Safety Action Policy, and we are conducting activities such as complying with product and service quality and safety laws and regulations, improving safety and reliability technologies, strengthening project management, sharing expertise learned from past failures and taking steps to prevent defects and their recurrence.

Reference: Quality and Safety Philosophy and Action Guidelines

Construction work at NEC is strictly managed to ensure compliance with the Construction Industry Act, the Industrial Safety and Health Act and other laws in order to ensure that we provide customers with social value. In addition, our philosophy is to advance OH&S by establishing an OH&S culture among employees. With this in mind, we have set out the following code of conduct.

Reference: Code of Conduct for Health and Safety in Construction

Initiatives Related to Quality and Safety

Quality Management System

At the NEC Group, we have created quality management systems that we implement to create social value in the form of safety, security, fairness and efficiency and realize high-quality products and services that satisfy customers' demands and expectations. In addition, we aim to build quality into the process phase, and make continuous improvements to management systems to make our processes even better.

We have obtained both ISO 9001 and ISO 20000 certification in all business areas where customers require it.

1. Quality Audits

Based on an approach to internal controls with three lines of defense, business divisions are the first line, management divisions are the second line, and internal audit divisions are the third line. As part of the second line, the SCM Strategy Division regularly audits each business unit to ensure that it is operating its quality management system properly, and works to make improvements.

2. Pre-order Screening

Before embarking upon a new project, we conduct a pre-order screening, and the person in charge and specialized staff in each department identify the risks involved in executing it and check that sufficient countermeasures are in place. The screening is multifaceted, covering aspects such as technological risks and safety risks related to quality as well as the development scale and timeframe and the project framework.

3. Quality Assurance Guidelines for Machine Learning-based Artificial Intelligence

In 2019, the NEC Group formulated Guidelines for Quality Assurance of Machine Learning-based Artificial Intelligence to ensure the quality of AI systems that cannot be handled using conventional software quality assurance alone. We have applied these guidelines to the development of important AI systems. We make updates to the guidelines on a regular basis, and aim for increased sophistication with improvements to checklists related to generative AI.

1. ZD (Zero Defects) Activities: Designed to stimulate each employee's autonomy and passion to eliminate defects from their work through creative thinking, cost reductions, and improvements in quality and service
2. An initiative to achieve company-wide improvement in the 7 Qs denoting quality in 1) management, 2) products and services, 3) human behavior, 4) workplace environment, 5) relationships with the local community, 6) business results, and 7) corporate image

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Social
Quality and Safety

Initiatives in Medical and Healthcare Fields

1. NEC Ethical Review Committee for the Life Sciences

We conduct research and development in the field of life sciences with the goal of commercialization.

When conducting proof of concept or research involving human subjects or information and data related to people, we follow guidelines issued by organizations including Japan's Ministry of Education, Culture, Sports, Science and Technology and the NEC Ethical Review Committee for the Life Sciences, which includes external experts, deliberates on the ethical validity of the research, including the purpose of the research and consideration for the human rights and dignity of the subjects.

2. Initiatives to Ensure Transparency in Relationships with Medical Institutions

We are working to ensure the transparency and soundness of our relationships with medical institutions, with a view to gaining a broader understanding of the medical device industry's contribution to the development of life sciences, as well as the high ethical standards that companies in that industry adhere to in conducting their corporate activities.

3. Initiatives in the Medical and Healthcare Fields

We have established a management framework and are advancing Quality Management System activities and regulatory compliance to establish and expand commercial businesses in the medical and healthcare fields.

Reference: ESG Databook HTML Version (Details of Initiatives in the Medical and Healthcare Fields)

Thorough Compliance for Quality and Safety

1. Compliance with Relevant Laws and Regulations

The NEC Group leverages an internal generative AI system specifically designed to support the learning of technical laws and regulations that each product should comply with. Through this initiative, we strive to comply with laws and regulations in Japan, including the Electrical Appliances and Materials Safety Act, Radio Act and Telecommunications Business Act, and with laws and regulations in various other countries related to our products for international markets.

NEC is also enforcing compliance with applicable laws, regulations and internal rules for labeling and instructions related to the quality and safety of its products and services. If violations are found or suspected, NEC will properly address the problem by following the direction of the relevant ministries and agencies. We also keep up-to-date knowledge of technical laws and regulations in advanced technology and new business domains, and check on the status of implementation of quality management systems through quality audits.

2. Ensuring Product Safety

The NEC Group complies with the product safety standards IEC 62368-1 (JIS C 62368-1), and we have also established our own Group safety standards adding unique safety measures. In addition, we also perform risk assessments to ensure product safety.

If product safety issues arise, we immediately take action in accordance with laws and regulations, and provide information on the NEC website and swiftly notify our customers.

Reference: Important Notices from NEC (Japanese language only)

Training and Awareness Related to Quality and Safety

At the NEC Group, we believe that developing personnel and improving their skills are extremely important measures for improving the quality and safety of our products, and therefore, we are implementing the following initiatives.

1. Employee Training and Development of Specialists

- NEC conducts training programs for specific jobs and fields of specialization with the aims of improving practical design and construction skills and providing basic and specialized knowledge of quality and safety management standards as well as technical standards.
- We provide rigorous education on technology laws and regulations, such as the Radio Act and the Telecommunications Business Act, which are needed for operating telecommunications businesses, and develop engineers by fostering a correct understanding of laws and regulations and a safety-oriented mindset.
- Web-based training on NEC's approach to quality, safety, and technology laws and regulations is conducted annually for employees of the Company and consolidated subsidiaries in Japan.

2. Project Management Award

- The Project Management Award provides awards and other commendations to raise awareness of the importance of project risk management among employees of the NEC Group, and to demonstrate the significance of challenging high-risk projects, accomplishment and recovering from setbacks.
- NEC holds an annual presentation of outstanding cases and presents a Project Management Award to the organization or group that demonstrated the most beneficial project support, or the project team that tackled a difficult project and achieved a particularly outstanding result.
- NEC also recognizes that increasing awareness of award-winning cases throughout the Group helps to prevent risks from materializing in new projects through the horizontal spread of risk management best practice.

3. Increasing Awareness of Quality Through "Quality Month" Activities

- In November, which we have designated "Quality Month," members of senior management and experts from inside and outside the Company conduct seminars and dialogues aimed at ensuring that employees are always highly conscious of quality and safety as they work.
- In fiscal year 2026, talks were held in each workplace using video materials on the topic of quality fraud and inappropriate behavior to raise awareness of creating an open and communicative work environment.

Construction Work Project Management

We strive to prevent occupational injuries and to improve health and safety standards through our Occupational Health and Safety Management System. In particular, using our construction work project management system, we have achieved 100% implementation of risk assessments and fixed-term Industrial Accident Compensation Insurance. There were no serious occupational accidents in fiscal year 2026.

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Social

Corporate Citizenship Activities

Governance

Corporate Citizenship Activity Framework

NEC Group's corporate citizenship activities are conducted under the following three main implementation frameworks:

- Social contribution programs planned and executed under the initiative of the NEC Corporate Communications Department and the department in charge of promoting corporate citizenship activities of the NEC Group;
- Activities for contributing to local communities participated in by NEC Group employees around the world; and
- Various grants from foundations

Thought Process

In our Purpose, The NEC Group has committed itself to creation of 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.

Guided by this concept, each member of The NEC Group, from corporate officers to employees, acts as a good corporate citizen by carrying out NEC Make-a-Difference Drive corporate citizenship activities aimed at resolving social issues over the medium to long term.

Through NEC Make-a-Difference Drive, we work with local communities, NPOs and NGOs, local governments and universities, among other entities, to promote "Life," "Society," and the "Environment," the three layers of the NEC Group's vision for an ideal society, laid out in the NEC 2030VISION. The NEC Group believes that local communities are responsible for, or otherwise play a leading role in, solving social issues, and that sustainable local communities enable business activities to be carried out in those areas. As members of communities, we want to proactively support them in achieving the necessary solutions.

This thinking is also connected to "coexistence with local communities" in the NEC Group Code of Conduct.

In addition, NEC has positioned the NEC Make-a-Difference Drive as one of the foundations of its efforts to promote diverse human resource development, which is one of the Company's priority management themes from an ESG perspective—materiality. Through NEC Make-a-Difference Drive activities, corporate officers and employees engage in dialogue and co-creation with various stakeholders, such as local communities and the social sector. This provides them with opportunities to experience social issues that merit NEC's attention as a Social Value Innovator.

The NEC Group believes that through these activities, employees can acquire a mindset for volunteerism and co-creation, enabling them as highly socially literate personnel to sensitively grasp the true nature of issues facing customers and society so that they can play a leading role in creating businesses inspired by social issues.

The social contribution programs and collaborating NPOs under the NEC Make-a-Difference Drive are selected based on the following policies and guidelines.

Furthermore, we have established an evaluation system for social contribution programs, and we regularly confirm their social impact and promote program improvements and revisions.

Reference: Basic Policy on Corporate Citizenship Activities

- Basic Policy of Social Contribution Program Creation
- Guidelines for Coordination with NPOs
- Social Contribution Program Assessment System

Metrics and Targets

FY2031 KPIs

Contribute to the creation of markets and trust in AI through corporate citizenship that is uniquely NEC to achieve a digital world that leaves no one behind in the era of AI.

FY2027 Goals

Aim to evolve our corporate citizenship activities so that they align with the direction of the NEC Group and contribute to business growth and the enhancement of corporate value. In fiscal year 2027, create deeper value for existing activities (contribute to business and strengthen communication of activities at our overseas sites) while pursuing future-oriented evolution (redefine our policy and review our portfolio).

FY2026 Goals and Results

1. FY2026 Goals

1.1. Expand Range of Corporate Citizenship

- Increase the number of employee participants (compared to the previous fiscal year)

1.2. Utilize Corporate Citizenship as a Launching Point for New Business Creation, Support Business Activities and Forge Relationships with Local Communities (Reach Comprehensive Cooperation Agreements, etc.)

2. FY2026 Results

2.1. Expand Range of Corporate Citizenship

- Number of employee participants — fiscal year 2025: 17,000 → fiscal year 2026: 21,000 (an increase of 4,000 from the previous fiscal year)

2.2. Utilize Corporate Citizenship as a Launching Point for New Business Creation, Support Business Activities and Forge Relationships with Local Communities (Reach Comprehensive Cooperation Agreements, etc.)

- Conducted a variety of activities for recovery and for solving local issues under the comprehensive cooperation agreement with Fukushima Prefecture
- Built and operated the Ishikawa Prefecture Relational Population Creation System
- Utilizing pro bono activities, entered into a memorandum of understanding (MOU) with the United Nations International Organization for Migration (IOM) on employment support for returnees to Ethiopia

Social Contribution Activity Expenses

In fiscal year 2026, total corporate citizenship activity expenses for the entire NEC Group were approximately 800 million yen. We promoted activities in a variety of fields, including "Academia, Research, and Education" and "Arts, Culture, and Sports."

ESG Social contribution activity expenses (Data Collection)

Measuring the Effectiveness of Our Corporate Citizenship Activities

Please see below for more details.

ESG Output of corporate citizenship activity (Data Collection)

Social
Corporate Citizenship Activities

Initiatives for Corporate Citizenship Activities

The NEC Group conducts a variety of corporate citizenship activities. Please see below for more details on each of the initiatives.

Reference: Corporate Citizen Activities

1. Disaster and Recovery Support

1.1. Noto Peninsula Disaster and Recovery Support

The NEC Group implemented various initiatives to support disaster relief and recovery efforts on the Noto Peninsula.

In addition, in September 2025, NEC newly joined Probo Noto, a pro bono support platform for the recovery of the Noto Peninsula jointly operated by LY Corporation and the Noto Public-Private Partnership Recovery Center, strengthening and advancing its efforts for Noto's recovery. Furthermore, we took on the construction and operation (from November 2025) of the Ishikawa Prefecture Relational Population Creation System, which supports the recovery of Noto, and also began linking it with our pro bono activities, which bring expertise in regional revitalization, recovery support, and fostering the next generation.

1.2. Fukushima Recovery Support

NEC has conducted a variety of initiatives in collaboration with Fukushima Prefecture based on the "Comprehensive Cooperation Agreement to Promote Digital Transformation (DX) and Local Products" entered into with Fukushima Prefecture in February 2024.

2. NEC Social Entrepreneurship School

In fiscal year 2003, we began the NEC Social Entrepreneurship School, a project for nurturing young social entrepreneurs that we launched in cooperation with the NPO ETIC. As of fiscal year 2026, 78 groups have graduated from the school. The project has been called a gateway for the success of social innovators because of the large number of celebrated young social innovators that it has produced.

In fiscal year 2026, under the theme that NEC sets out in its Purpose, namely "to create 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," we supported four organizations: (1) tomoiku Inc., which provides childcare support using its own psychological analysis technology and AI; (2) Rooting Our Own Tomorrows, which works on wildlife conservation using the power of media; (3) Glocal Solutions from Classroom, which aims to correct regional disparities in educational opportunities; and (4) matsuli Inc., which builds community using its own social media platform. We are holding discussions aimed at creating businesses that solve social issues through collaboration between these organizations and NEC's DX.

Reference: NEC Social Entrepreneurship School

3. NEC Pro Bono Initiative

In fiscal year 2011, NEC Group introduced the NEC Pro Bono Initiative, a program that helps NPOs and social entrepreneurs address their target issues with assistance from the professional skills of NEC employees. In doing so, NEC became the first Japanese company to start pro bono activities. In fiscal year 2026, 621 employees participated in joint activities with Kawasaki City, Fukushima Prefecture, Ishikawa Prefecture, educational institutions, and social entrepreneurs who have graduated from the NEC Social Entrepreneurship School as pro bono partners.

In its collaboration with Kawasaki City, a team of NEC employees from the NEC Pro Bono Club (a pro bono community made up of volunteer employees of the NEC Group) worked in collaboration with Kawasaki City and more to raise awareness and promote understanding of the SDGs and pro bono activities in Kawasaki City. They planned and ran a variety of initiatives, such as the Kawasaki SDGs Partner Festival and the Kawasaki Pro Bono Summit. In addition, based on issues identified through the pro bono work, we collaborated with the Kawasaki Council of Social Welfare to conduct a demonstration experiment of Machikurumi, a regional revitalization app aimed at solving local issues.

In collaboration with social entrepreneurs, a team of employees from the NEC Pro Bono Club has assisted BANSO-CO Inc., a venture company originating from the Institute of Science Tokyo, formed by a graduate of the NEC Social Entrepreneurship School that engages in online mental healthcare projects, in conducting sales, marketing and PR activities since fiscal year 2024. With this support, sales in the company's B2B business have doubled most recently. In addition, the NEC Pro Bono Club has supported the business collaboration between the healthcare service NEC Body Care, which began in 2022, and BANSO-CO Inc., through pro bono activities.

In addition, utilizing NEC's pro bono activities, we concluded a memorandum of understanding (MOU) with the United Nations International Organization for Migration (IOM) on employment support for returnees to Ethiopia from abroad. The activities are scheduled to begin in fiscal year 2027.

Reference: NEC Pro Bono Initiative

3.1. STEAM Education at a Community Kitchen for Children

In fiscal year 2025, the NEC Group partnered with Minato Kodomo Shokudo, a nonprofit organization providing a community kitchen for children based in Minato-ku, Tokyo, and, as part of Minato Kodomo Shokudo's educational support initiatives, began STEAM education (such as programming classes) for elementary school students who use the community kitchen through pro bono activities. In fiscal year 2026, NEC provided education using the metaverse for 11 students in elementary school grades 4 to 6.

4. Girls Meet STEM

Since its launch in 2024, NEC has participated continuously in "Girls Meet STEM", a hands-on STEM (science) program for junior and senior high school girls hosted by the Yamada Shintaro D&I Foundation.

Through interaction with women who work at NEC in ways that are true to who they are, the program gives junior and senior high school girls an opportunity to envision their future paths and careers in a positive light. It was held twice in fiscal year 2026, with 81 students and 10 NEC employees participating.

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5. Promoting Employees' Volunteer Activities

The NEC Group promotes volunteer activities by employees through its benefits and welfare system.

- Under the cafeteria-style benefits and welfare system, "Will be," provided "support volunteer activity expenses" and "donate to volunteer groups and areas affected by disasters"
- Through the NEC Group's intranet site and internal social media, a range of volunteering opportunities, including online, were introduced to promote active participation in volunteer activities by employees
- In December and January of each year, as an activity that is easy for employees to participate in, we promote collection activities for items—including Bellmark symbols from sponsored products, used books and spoiled postcards—that lead to donations and recycling in support of developing countries and disaster recovery
- Each year, a cumulative total of approximately 100 NEC Group employees take part as operational volunteers in different para-sports competitions, including the Tokyo Sports Tournament for the Disabled, which is organized by the Tokyo Sports Association for Persons with Disabilities, of which NEC is a regular member.

Reference: Tokyo Sports Association for Persons with Disabilities

6. Initiatives in Local Communities Worldwide

Through its corporate citizenship activities, the NEC Group works on community support activities worldwide to help solve local issues.

6.1. Initiatives in Japan

6.1.1. e-Net Caravan

- NEC has implemented the Ministry of Internal Affairs and Communications' e-Net Caravan, which offers awareness-raising activities and guidance for elementary school students (third and fourth grade) through to high school students, as well as for guardians and educational professionals, to teach them how to use the internet safely and securely (target: 150 sessions per year). This initiative is meant to address the rights of children set out in the Children's Rights and Business Principles developed by Save the Children (NGO), the UN Global Compact, and UNICEF.
- Nationwide, 324 of our employees currently participate in this initiative as certified instructors.

6.2. Global Initiatives

6.2.1. Para-sports Initiatives

The NEC Group has continued its support for wheelchair tennis, in collaboration with the International Tennis Federation (ITF), for over 30 years. For many years, NEC has contributed to the promotion of wheelchair tennis through activities such as supporting tournaments, including the wheelchair tennis world championship, the NEC Wheelchair Singles Masters, as well as the donation of wheelchairs used in competitions through sports organizations.

Reference: Wheelchair Tennis Sponsorship

6.2.2. NEC Corporation of America's Initiatives

We work with elementary schools and non-profit organizations in Texas to provide educational support for students and living assistance for the homeless.

- Supporting STEAM education in collaboration with FC Dallas Foundation
- Supporting the learning of the next generation in collaboration with NPO Catch-Up and Read
- Supporting the learning of the next generation in collaboration with Dallas Education Foundation
- Supporting the breast cancer awareness campaign in collaboration with Susan G. Komen
- Activities supporting girls' education in collaboration with the Young Women's Preparatory Network
- Co-creation activities utilizing digital technology to support the homeless in collaboration with Haven for Hope

6.2.3. NEC Corporation India's Initiatives

NEC Corporation India Private Limited conducts support activities for children in rural areas, elderly people with financial difficulties, and women who have lost their husbands. In 2021, NEC Corporation India received the India CSR Leadership Award in recognition of a series of related humanitarian initiatives.

- Gift the Warmth Drive (activities to give cold-weather goods and other items to children in financially difficult circumstances)
- Radhakund Ashram (health support activities for women who have lost their husbands)
- Activities supporting girls' education in collaboration with the NGO Krish
- Support for establishment of Shiksha Pratham Center and education for underprivileged children in collaboration with the center
- Comprehensive support for higher education, including technical assistance, for female students with visual impairments, in collaboration with the Blind Welfare Society

6.2.4. NEC Platforms Thai's Initiatives

- Kathin activities to protect Thai culture and Buddhism
- Environmental awareness activities through exchanges with children, in collaboration with local elementary schools in communities near our factories

6.2.5. Initiatives at NEC Telecom Software Philippines, Inc.

- Blood donation activities in collaboration with the Philippine Red Cross
- Fundraising activities to support victims of the 2025 earthquake off the coast of Cebu

6.2.6. NEC Europe's Initiatives

- Activities supporting Cancer Research UK through participation in charity runs
- Activities supporting Thames Hospice through participation in the SantaDash charity event
- Support activities in collaboration with Hillingdon Foodbank, such as organizing inventory and preparing items for packing and distributing food packages

6.2.7. NEC XON's Initiatives

- Grants for ICT-related projects of the National Institute for the Deaf (NID), including education and training for people with hearing impairments
- Grants to Care for Education, which runs educational initiatives in South Africa such as the World Robot Olympiad

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1. Respect for Human Rights

		FY2023	FY2024	FY2025	FY2026
Number (percentage) of employees who completed business and human rights training	NEC Corporation	20,993	22,555 (92.0%)	22,354 (90.8%)	19,707 (83.5%)
	Consolidated subsidiaries in Japan	—	19,923 (97.5%)	41,824 (95.5%)	39,322 (95.1%)

			FY2026
Implementation rate of human rights assessments	NEC Corporation (Based on percentage of employees)	Implementation rate	87.0%
		Ratio of risks identified	19.4%
		Implementation rate of mitigation measures	100%
	Suppliers (Based on the total consolidated procurement amount)[1]	Implementation rate	69.9%
		Ratio of risks identified	2.9%
		Implementation rate of mitigation measures	99.0%

2. Inclusion and Diversity

			2023	2024	2025	2026
Number of managers[2]	Non-consolidated (ratio)[3] (As of April 1 of each year)	Total	9,162	9,223	9,269	9,273
		Male	8,345	8,278	8,185	8,065
		Female	817 (8.9%)	945 (10.2%)	1,084 (11.7%)	1,208 (13.0%)
	Consolidated (ratio)[3] (As of March 31 of each year)	Female	2,805 (10.3%)	3,162 (11.1%)	3,533 (12.8%)	3,428 (13.3%)
Number of female department heads or higher (Ratio to all personnel in positions of department head or higher) (As of April 1 of each year)		Total	3,234	3,368	3,461	3,520
		Male	3,016	3,130	3,196	3,224
		Female	218 (6.7%)	238 (7.1%)	265 (7.7%)	296 (8.4%)
Ratio of female managers in first level of management (Ratio to all managers in first level of management) (As of April 1 of each year)			10.1%	12.1%	14.1%	15.9%
Ratio of female managers in revenue generating function (Ratio to all managers in revenue generating function) (As of April 1 of each year)			6.4%	8.4%	9.2%	11.8%
Ratio of female employees in STEM-related positions (Ratio to all employees in STEM-related positions) (As of April 1 of each year)			12.8%	12.6%	13.5%	14.8%

1. Based on the total consolidated procurement amount: The total procurement amount for FY2025 from suppliers that underwent assessment during the three-year period from FY2024 to FY2026, divided by the consolidated procurement amount.
2. The number of managers of non-consolidated excludes corporate officers (2022), executive officers (from 2023), temporary employees, advisors, and those seconded from other companies to NEC, and includes those seconded from NEC to other companies.
The number of managers of consolidated for 2023 to 2025 excludes corporate officers under the corporate law contract employees, and those seconded from NEC to other companies, and includes those seconded from other companies to NEC.
The number of managers of consolidated for 2026 excludes corporate officers under the corporate law, contract employees, and those seconded from other companies to NEC, and includes those seconded from NEC to other companies.
3. Number and ratio of female managers for NEC Corporation and consolidated subsidiaries in Japan since 2023 have been calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). In addition, the figures have been assured by KPMG AZSA Sustainability Co., Ltd. as an independent third party.

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		2023	2024	2025	2026
Number of employees with disabilities (ratio)[4]	NEC Corporation, NEC Friendly Staff, Ltd., NEC Business Intelligence, Ltd. (The 2026 figures represent the above three companies and NEC Solution Innovators, Ltd. combined.) (As of June 1 of each year)	411 (2.40%)	451 (2.54%)	477 (2.57%)	844 (2.81%)
	Consolidated Group in Japan (The above three companies and consolidated subsidiaries in Japan[5]) (As of June 1 of each year)	1,063 (2.39%)	1,169 (2.58%)	1,333 (2.63%)	1,078 (2.79%)

		FY2023	FY2024	FY2025	FY2026
Number of employees with non-Japanese citizenship	Total	239	246	266	270
	Male	127	130	143	146
	Female	112	116	123	124

			FY2023	FY2024	FY2025	FY2026
Consolidated number of employees by region (ratio)[6]	Total		118,527 (100%)	105,276 (100%)	104,194 (100.0%)	101,800 (100.0%)
	Japan		77,424 (65.3%)	74,751 (71.0%)	75,382 (72.3%)	74,748 (73.4%)
	Asia Pacific		17,825 (15.0%)	12,112 (11.5%)	12,504 (12.0%)	11,116 (10.9%)
	China/East Asia		4,936 (4.2%)	3,424 (3.3%)	3,194 (3.1%)	2,730 (2.7%)
	EMEA		12,365 (10.4%)	12,468 (11.8%)	10,701 (10.3%)	10,464 (10.3%)
	North America		2,344 (2.0%)	1,262 (1.2%)	1,088 (1.0%)	1,630 (1.6%)
	Central and South America		3,633 (3.1%)	1,259 (1.2%)	1,325 (1.3%)	1,112 (1.1%)
Number of employees by employment type	Non-consolidated	Regular	22,036	22,210	22,271	21,934
		Temporary	44	41	1	0
	Consolidated	Regular	118,527	105,276	104,194	101,800
		Temporary	6,408	5,508	4,750	4,388
Number of employees by gender (ratio)	Total		22,036	22,210	22,271	21,934
	Male		17,391	17,408	17,571	17,070
	Female		4,645 (21.1%)	4,802 (21.6%)	4,700 (21.1%)	4,864 (22.2%)
Consolidated number of employees by gender (ratio)	Total		118,527	105,276	104,194	101,800
	Male		86,117	79,012	77,689	75,440
	Female		32,410 (27.3%)	26,264 (24.9%)	26,505 (25.4%)	26,360 (25.9%)
Number of employees by age group	Total		22,036	22,210	22,271	21,934
	0–17		0	0	0	0
	18–29		3,065	3,278	3,637	3,947
	30–49		9,757	9,802	9,798	9,547
	50–59		8,141	7,782	7,204	6,611
	60–69		1,066	1,341	1,623	1,819
	70 and over		7	7	9	10
Average age of employees[7]	Overall		43.5	43.3	42.6	43.1
	Male		44.2	44.0	43.6	43.9
	Female		41.2	40.9	39.4	41.0

4. The calculation is based on the Act for Promotion of Employment of Persons with Disabilities. In addition, the calculation is based on the number of employees including those seconded from NEC to other companies but excluding those seconded from other companies to NEC. Ratios for 2023 through 2025 have been assured by KPMG AZSA Sustainability Co., Ltd. as an independent third party.
5. The number of wholly-owned subsidiaries in Japan, excluding application to subsidiaries and affiliates defined under the Act for Promotion of Employment of Persons with Disabilities applies, was 12 in 2023, 12 in 2024, 13 in 2025, and 7 in 2026. The number of employees of NEC Corporation and consolidated subsidiaries based in Japan was approximately 64,000 in 2023, approximately 65,000 in 2024, approximately 70,900 in 2025, and approximately 53,000 in 2026 (as of June 1 for each year).
6. Excludes directors, corporate officers (through fiscal year 2023), executive officers (from fiscal year 2024), contract employees and those seconded from NEC to other companies, but includes those seconded from other companies to NEC.
7. For fiscal years 2023 through 2025, neither employees seconded from NEC to other companies nor employees seconded from other companies to NEC were included. For fiscal year 2026, calculations are based on the number of employees including those seconded from NEC to other companies, but excluding those seconded from other companies to NEC. The totals since fiscal year 2023 have been assured by KPMG AZSA Sustainability Co., Ltd. as an independent third party.

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3. Hiring, Retention, and Compensation

		FY2023	FY2024	FY2025	FY2026
Turnover rate[8]	Overall	3.6%	3.4%	3.9%	4.3%
	Male	—	—	—	4.5%
	Female	—	—	—	3.6%
Voluntary employee turnover rate[8]		3.1%	2.8%	2.9%	3.0%

		FY2023	FY2024	FY2025	FY2026	FY2027
Number of new employees	Total	1,256	1,243	1,348	1,339	
	New graduate hires (Employees who joined the Company on April 1 of each year, including those who joined through year-round recruitment of the previous year)	660	600	686	795	726
	Mid-career hires	596	643	662	544	
Number of new employees by gender (ratio)	Total	1,256	1,243	1,348	1,339	
	Male	912	887	925	919	
	Female	344 (27.4%)	356 (28.6%)	423 (31.4%)	420 (31.4%)	
Number of new employees who are new graduates with non-Japanese citizenship		4	8	11	11	

		FY2023	FY2024	FY2025	FY2026
Three-year retention rate of new graduate hires[9]	Total	94.9%	91.8%	94.5%	96.5%
	Male	93.1%	90.8%	94.3%	96.2%
	Female	98.6%	93.6%	95.0%	96.9%
Average length of employment (years)[10]	Overall	18.1	17.5	16.6	17.3
	Male	18.5	18.0	17.3	17.6
	Female	16.8	16.2	14.3	16.2

		FY2023	FY2024	FY2025	FY2026
Average annual salary (million yen)[11]	Total	8.43	8.80	9.63	9.94
	Male	8.92	9.33	10.17	10.43
	Female	6.61	7.02	7.79	8.27

		FY2023	FY2024	FY2025	FY2026
Wage disparity between men and women (female to male ratio)[12]	All workers	73.7%	75.3%	75.9%	76.2%
	Of which, regular workers	73.0%	74.6%	74.8%	75.0%
	Of which, part-time and limited-term workers	87.2%	80.7%	82.9%	80.1%

		2023	2024	2025	2026
Starting monthly salary (yen) New graduate hires in April	Doctoral program graduates	314,500	361,300	379,400	379,400
	Master's degree graduates	261,000	299,400	314,400	320,800
	Bachelor's degree graduates	237,000	280,000	294,000	300,000

8. The number of employees used to calculate the turnover rate and voluntary turnover rate does not include corporate officers (through fiscal year 2023), executive officers (from fiscal year 2024), contract employees, employees seconded from NEC to other companies and employees seconded from other companies to NEC.
The turnover rate and voluntary turnover rate are calculated by dividing the number of employee resignations by the number of employees at the end of the relevant fiscal year (employees who join or resign during the fiscal year each counted as one employee).
Turnover rate includes retirement at mandatory retirement age and transfers to affiliated companies.
Voluntary turnover rate does not include retirement at mandatory retirement age or transfers to affiliated companies.
9. Fiscal year 2026 figures are the percentages of new graduates hired on April 1, 2023, who were still employed by the Company three years later (April 1, 2026). Figures for fiscal year 2023–fiscal year 2025 have been calculated in the same manner.
10. For fiscal years 2023 through 2025, neither employees seconded from NEC to other companies nor employees seconded from other companies to NEC were included. For fiscal year 2026, calculations are based on the number of employees including those seconded from NEC to other companies, but excluding those seconded from other companies to NEC. The totals since fiscal year 2023 have been assured by KPMG AZSA Sustainability Co., Ltd. as an independent third party.
11. Calculations are based on the number of employees including those seconded from NEC to other companies, but excluding those seconded from other companies to NEC.
Through fiscal year 2025, figures were calculated based on salaries, overtime pay, and bonuses paid during the fiscal year. From fiscal year 2026, figures are calculated based on salaries and overtime pay paid during the fiscal year, the amount of bonuses expensed for which the fiscal year is the evaluation period, and the amount of stock compensation expensed for the fiscal year.
12. Calculations are based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). Figures since fiscal 2024 have been assured by KPMG AZSA Sustainability Co., Ltd. as an independent third party.

Reference: Annual Securities Report (Japanese language only)

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4. Human Resource Development

		FY2023	FY2024	FY2025	FY2026
Total human resources involved with DX	NEC Corporation and consolidated subsidiaries in Japan	7,609	10,376	11,935	13,492
Number of training days per employee	NEC Corporation	8.0	6.8	7.0	8.2
	NEC Corporation and consolidated subsidiaries in Japan	4.4	5.1	5.4	5.1
	NEC Group	2.9	3.6	3.9	3.8
Training cost per full-time employee (yen)[13]	NEC Corporation	161,282	150,428	182,614	223,352
	NEC Corporation and consolidated subsidiaries in Japan	109,850	112,373	123,358	143,669
	NEC Group	74,371	83,466	95,284	109,666
Human capital return on investment[14]	NEC Group	—	18%	26%	35%

		FY2023	FY2024	FY2025	FY2026
Employee survey response rate (number of companies targeted)	NEC Corporation and consolidated subsidiaries in Japan	85% (15 companies)	85% (16 companies)	84% (16 companies)	83% (16 companies)
	Consolidated subsidiaries outside Japan	82% (23 companies)	84% (28 companies)	87% (28 companies)	88% (28 companies)
	NEC Group	85%	85%	84%	84%
Employee engagement index	NEC Group	36%	39%	42%	48%
Positive response rate to questions regarding the management team in a survey by global human resources consulting firm Mercer Japan		31%	34%	38%	46%

5. Occupational Health and Safety

			2022	2023	2024	2025
Labour accidents and disasters[15]	Frequency rate	NEC Corporation	0.0600	0.1700	0.0600	0.1100
		Consolidated subsidiaries in Japan	0.1600	0.1004	0.0700	0.1902
	Severity rate	NEC Corporation	0.0002	0.0001	0.0003	0.0006
		Consolidated subsidiaries in Japan	0.0000	0.0011	0.0010	0.0036

	FY2023	FY2024	FY2025	FY2026
Company-wide occupational health and safety training participants (ratio)	18,516 (85.3%)	20,719 (91.0%)	20,061 (88.4%)	19,342 (82.4%)
Employees completing the Basic Lifesaving Workshop	251	289	316	308
Completion rate for web-based mental health training (Number of companies targeted)	96.2% (16 companies)	97.4% (12 companies)	96.6% (16 companies)	96.9% (18 companies)

6. Health and Productivity Management

	FY2023	FY2024	FY2025	FY2026
Absenteeism (absenteeism rate) Index of days lost to absence per year (fiscal year 2020 = 100)	107.5%	102.9%	104.9%	116.2%
Presenteeism Average score of responses to the question “Work performance in the last 4 weeks (out of 100)” in the online training survey	69.9	70.7	69.8	73.5

	FY2023	FY2024	FY2025	FY2026
Mental health-related leave of absence rate[16]	1.05%	1.00%	1.14%	1.15%

13. Includes fees for facility usage and transportation associated with training, as well as fees associated with acquiring qualifications needed for the organization’s business strategy
14. Calculated as (Revenue – Total operating expenses + Personnel expenses) / Personnel expenses.
    Due to a change in the calculation formula beginning with fiscal year 2026, figures for previous fiscal years have been revised.
15. The calculation methodology for indicators related to labour accidents and disasters is as follows.
    Data collection period: From January 1 to December 31 each year
    1) Frequency rate: Lost time injury frequency rate = (Number of lost time injuries / Total number of work hours) × 1,000,000
       Total number of work hours is based on actual work hours.
    2) Severity rate: Labour accident and disaster severity rate = (Number of lost work days / Total number of work hours) × 1,000
       Number of lost work days: In the case of death or serious injury = 7,500 days. In the case of temporary disability = The number of calendar days taken off work × 300/365
       The figures of NEC Corporation since 2022 have been assured by KPMG AZSA Sustainability Co., Ltd. as an independent third party.
16. The figure for FY2025 has been revised.

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7. Work-Life Balance

		FY2023	FY2024	FY2025	FY2026
Number of employees taking childcare leave[17]	Total	204	292	328	504
	Male (ratio)	99	176 (40.6%)	215 (50.6%)	368 (85.6%)
	Female	105	116	113	136
Childcare leave return rate		98.6%	99.6%	99.1%	99.8%
Number of employees working shorter hours for childcare	Total	421	361	318	282
	Male	8	11	12	14
	Female	413	350	306	268
Number of employees taking nursing care leave[18]	Total	17	17	13	10
	Male	7	9	7	7
	Female	10	8	6	3
Number of employees working shorter hours for nursing care	Total	10	13	11	22
	Male	3	5	4	8
	Female	7	8	7	14
Average monthly overtime work hours per employee		22.1	23.1	23.7	23.8
Number of days of annual paid leave (Average for all employees, excluding carryover)		21.5	21.5	21.5	21.5
Annual paid leave utilization ratio		62.5%	62.7%	63.1%	65.1%
Number of family-friendly leave days (Average for all employees, excluding carryover)		5	5	5	5
Family-friendly leave utilization ratio		33.9%	33.8%	32.9%	34.6%

8. AI and Human Rights

		FY2023	FY2024	FY2025	FY2026
Completion rate for training on AI and human rights	NEC Corporation and consolidated subsidiaries in Japan	92%	95%	97%	96%

9. Personal Information Protection and Privacy

	FY2023	FY2024	FY2025	FY2026
Completion rate for information security training, including personal information protection	98.0%	98.6%	94.3%	97.1%

10. Information Security and Cybersecurity

		FY2023	FY2024	FY2025	FY2026
Number of employees taking CISSP	NEC Group	Approx. 300	Approx. 450	Approx. 560	Approx. 670

17. Number of employees who started childcare leave in the relevant fiscal year, excludes corporate officers (fiscal year 2023), executive officers (from fiscal year 2024), temporary employees, advisors and those seconded from other companies to NEC, and includes those seconded from NEC to other companies.
Based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991), the percentage of employees taking childcare leave, etc. was calculated under Article 71-6, Paragraph 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labour Ordinance No. 25 of 1991). Therefore, paternity leave has not been included.
The totals of number of employees taking childcare leave since fiscal year 2023 and the ratio of male employees taking childcare leave since fiscal year 2024 have been assured by KPMG AZSA Sustainability Co., Ltd. as an independent third party.
18. Number of employees who took nursing care leave in the relevant fiscal year, excludes corporate officers (fiscal year 2023), executive officers (from fiscal year 2024), temporary employees, advisors and those seconded from other companies to NEC, and includes those seconded from NEC to other companies.
The totals of number of employees taking nursing care leave since fiscal year 2023 have been assured by KPMG AZSA Sustainability Co., Ltd. as an independent third party.

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13. Corporate Citizenship Activities

		FY2023	FY2024	FY2025	FY2026
Social contribution activity expenses[19] (Percentage by activity type)	Total	100%	100%	100%	100%
	Academia, research and education	70.3%	32%	32%	40%
	Arts, culture and sports	13.0%	52%	53%	13%
	Disaster/Humanitarian Relief	1.9%	2%	2%	1%
	Social welfare	5.6%	5%	2%	6%
	Environment	2.1%	2%	2%	3%
	Other	7.1%	7%	9%	37%
Social contribution activity expenses (million yen) (By expenditure type)	Total	697	828	886	800
	Cash contributions including political donations	685	810	864	744
	Use of Company premises/ Contributions of products and equipment	3	6	6	34
	Volunteer hours and others	9	12	16	22

			FY2024	FY2025	FY2026
Output of corporate citizenship activity	NEC Social Entrepreneurship School (Cumulative total)	Number of NEC Social Entrepreneurship School graduates (cumulative total)	72 organizations	74 organizations	78 organizations
		Business continuation rate among graduates	81%	81%	82%
		Average growth rate of business scale	Approx. 300%	Approx. 300%	Approx. 300%
		Number of organizations that have had an impact on national or local government policy and businesses (among the 50 organizations who had graduated by fiscal 2020)	17 organizations (at the national level) 31 organizations (at the local government level)	17 organizations (at the national level) 31 organizations (at the local government level)	17 organizations (at the national level) 31 organizations (at the local government level)
		Ratio of organizations with experience in transferring their know-how and business model to other regions and organizations (among the 50 organizations who had graduated by fiscal year 2020)	45%	45%	45%
		Number of organizations that have used this project as a role model to develop similar initiatives in other organizations	4 organizations (companies) 1 organization (local government)	4 organizations (companies) 1 organization (local government)	4 organizations (companies) 1 organization (local government)
	NEC Pro Bono Initiative	Number of participating employees (cumulative total)	1,769	2,013	2,634
		Number of beneficiaries[20] (cumulative)	6,103	7,323	6,029
	e-Net Caravan	Number of lessons conducted at elementary and junior high schools, etc. nationwide (cumulative total)	772	959	1,134

19. The fields of activity in the expenses breakdown above correspond to the fields of activity in surveys of social contribution activities conducted by the Japan Business Federation.
In addition, expenses for social contribution activities include the following:
1) financial assistance,
2) charitable donations of products quoted on a unit price basis, and
3) public use of NEC facilities (converted into monetary amounts based on the unit price of using equivalent external facilities to quantify the cost of using NEC facilities for socially beneficial purposes).
20. Number of general attendees and participants (including online) in courses and awareness-raising events supported by the NEC Pro Bono Initiative; for business plan development support, the number of people associated with the supported organization, etc.

Governance

Corporate Governance

Governance

Corporate Governance System GRI 2-9, 2-10, 2-11, 405-1

NEC Corporation has adopted the structure of a "company with a Nominating Committee, etc." By clearly separating the oversight and execution functions, the Board of Directors strengthens its oversight function, while delegating substantial authority to executive officers to accelerate decision-making and business execution. In line with this, the Company is also strengthening governance on the execution side. Details are available in the Company's Corporate Governance Report.

Corporate Governance Report

Reference: Corporate Governance System

NEC promotes management for sustainability under a corporate governance framework that clearly separates oversight and execution.

1. Board of Directors (Oversight)

The Board of Directors is responsible for overseeing the execution of duties by executive officers and directors as well as guiding the direction of management through deliberation of important matters related to the Company's basic management policy.

2. Executive Officers (Execution)

Executive officers execute Company business delegated to them by the Board of Directors.

ESG Details of the Corporate Governance System (Data Collection)

Thought Process

Basic Views on Corporate Governance

In recognition of the fact that reliable corporate governance is essential to the continuous creation of social value and the maximization of corporate value, the Company is committed to strengthening its corporate governance practices in terms of both oversight and execution through the following four basic policies:

1. Assurance of transparent and sound management
2. Realization of prompt decision-making and business execution
3. Clarification of accountability
4. Timely, appropriate and fair disclosure of information

NEC Corporate Governance Guidelines

Independence of the Board of Directors

From the perspective of ensuring independence, the majority of the Board of Directors is composed of independent outside directors.

Reference: Independence Criteria for Outside Directors

Reference: Reasons for Nomination of Outside Directors, etc.

Effectiveness of the Board of Directors

The Company conducts an analysis and evaluation on the effectiveness of the Board of Directors once a year, and improves the function of the Board of Directors. The Company discloses a summary of the results of such analysis and evaluation. Also, if necessary, the Company utilizes a third-party evaluation organization to assess the effectiveness of the Board of Directors. The Company discloses a summary of the results of such evaluations along with meeting attendance in the Corporate Governance Report.

Corporate Governance Report

Evaluation of the Effectiveness of the Board of Directors

Reference: Meeting Attendance

Remuneration for Directors

Reference: Remuneration for Directors and Corporate Officers

The ratio of the total amount of remuneration of the Company president to the average yearly employee salary is 48.8:1.

Governance

Risk Management

Governance

Risk Management Framework GRI 2-16

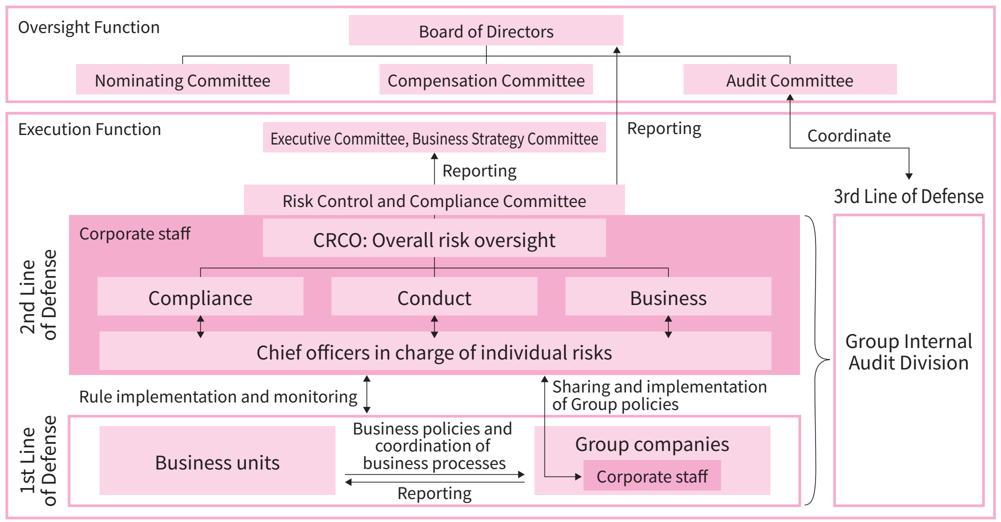
The NEC Group has a company-wide cross-sectional risk management system centered on the Risk Control and Compliance Committee and the CRCO to accurately comprehend and to respond appropriately to both internal and external risks related to NEC Group's businesses. An overview of this system is shown below.

In NEC Corporation, important matters related to company-wide risk management, including a risk management policy and selection of and response policies to "Priority Risks" that requires countermeasures across the NEC Group, as well as measures to address risks that require company-wide management in response to changes in risk environment during the fiscal year, are discussed at the Risk Control and Compliance Committee and then reported to the Business Strategy Committee and the Board of Directors on a regular basis.

The Company has the CRCO to monitor and address company-wide risks centrally and cross-functionally and to manage possibilities to make losses. The CRCO takes a lead in the company-wide risk management by detecting and analyzing risks that are diversifying and becoming more complex in constantly changing social and business environment, and evaluating impacts, while prioritizing countermeasures and closely collaborating with other chief officers in charge of each risk.

At NEC, we promote management for sustainability under a corporate governance framework that clearly separates oversight and execution.

Risk Management Framework

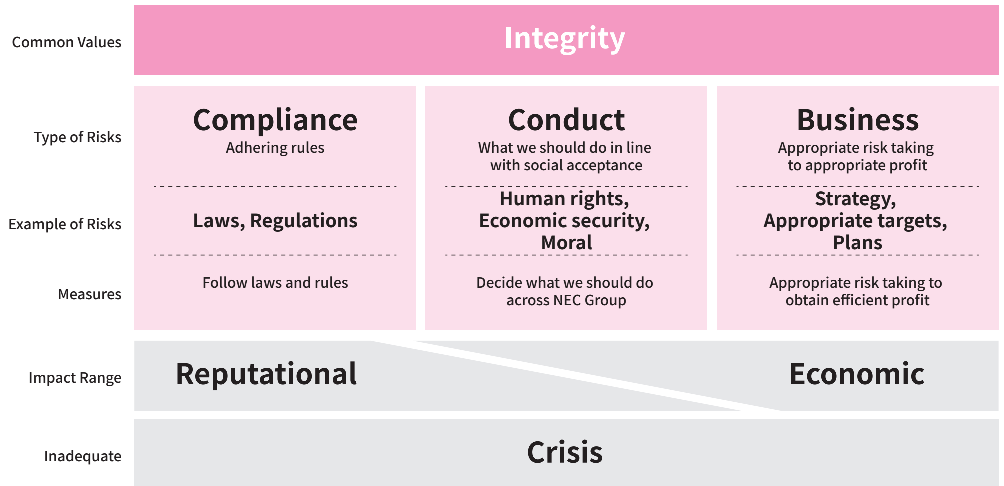


Identification and Description of Risks

Policy for Risk Identification

The NEC Group refers to the Enterprise Risk Management - Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and ISO 31000 which is a standard that provides principles and guidelines for risk management. On this basis, the NEC Group, in order to pursue returns through appropriate risk management, has categorized the risks associated with the NEC Group's businesses into a Risk Total Picture and has decided on responsible divisions and response policies for each risk. In the Risk Total Picture, integrity is recognized as the foundation of all risk management activities and risks are classified into three categories according to their nature. The Company has developed a response flow in case such risk should materialize, especially in the event of a crisis that threatens the existence of the Company.

Risk Total Picture

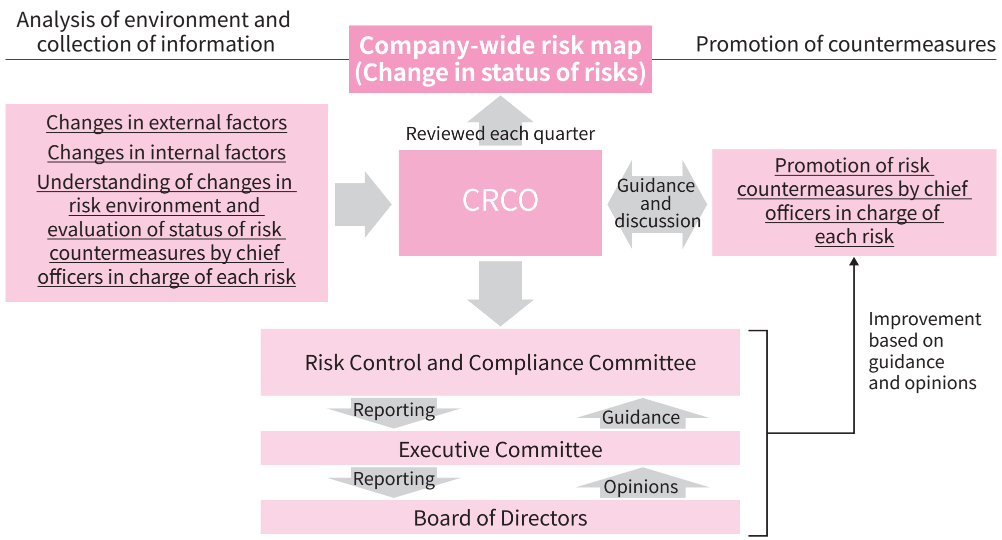


Governance
Risk Management

Risk Identification Process and Status GRI 2-16

Based on a comprehensive list of risks that the NEC Group should be aware of, the CRCO engages in dialogue with the other chief officers in charge of managing each risk and conducts risk assessments. The CRCO creates a risk map that visualizes risk priorities by evaluating impact on a five levels and urgency on three levels taking into consideration changes in the external and internal environment and the status of each risk countermeasure.

Visualization of Risk Management



Priority Risks and Material Risks

1. Priority Risk

1.1. Provision of Proper Products and Services

The NEC Group offers a wide variety of products, systems, and services, and conducts business in Japan and abroad with a global supply chain. Accordingly, ensuring quality and safety and appropriately managing contracted projects are essential for maintaining customer trust and market competitiveness. Major incidents arising from quality issues or deficiencies in project management, whether within the NEC Group or throughout the supply chain, may affect customers' business continuity and socially important systems.

Should such incidents occur, product or service recalls, customer compensation, responses to regulatory authorities, and external communications may become necessary. Such incidents could also result in a loss of stakeholder trust and significantly impact corporate value. The operation of systems related to quality, safety, and project management is closely linked to the NEC Group's business continuity and social reputation. Failure to manage these systems appropriately may therefore constitute a management risk.

2. Significant Risk

2.1. Cybersecurity

As the world becomes increasingly interconnected, cyberattacks are becoming more sophisticated amid the growing use of AI technologies and cloud services across the NEC Group's business environment. Risks such as information leakage, business disruption, and service delivery interruptions continue to increase due to factors including the commercialization of cyberattacks, such as ransomware, and the growing number of attacks targeting cloud configuration vulnerabilities.

If serious issues arise in the products, systems, or services provided by the NEC Group, they may significantly impact customers' business continuity and social infrastructure. Furthermore, inadequate responses in areas that require strict information management for economic security may lead directly to administrative action or loss of credibility.

NEC believes that these events could undermine trust in the NEC Group and materially impact corporate value.

ESG Information Security and Cybersecurity (Risk Management)

2.2. Respect for Human Rights

By continuously assessing the actual or potential adverse impacts across the value chain, the NEC Group identifies "New Technology and Human Rights (AI and Human Rights)," "Human Rights Risks Related to Geopolitical Situations and Conflicts," "Labour in Supply Chains," and "Employee Health and Safety," which it considers to have a particularly high impact, as salient human rights issues. In particular, if NEC is considered to be responding inadequately to these salient human rights issues, this could not only result in social criticism but also significantly impact the NEC Group's social and corporate value through transaction suspensions and reputational damage.

ESG Respect for Human Rights
NEC Group Human Rights Policy

Long-term Risk

ESG Environmental Management

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Governance
Risk Management

Risks Related to Business Continuity and Responses

The Board of Directors is responsible for overseeing the execution of duties by executive officers and directors as well as guiding the direction of management through deliberation of important matters related to the Company's basic management policy.

The NEC Group has prepared a business continuity plan (BCP) and is promoting business continuity management so that the Company can fulfill its social responsibilities based on the continued stable supply of products and services even when risks materialize in the form of earthquakes, typhoons, or other natural disasters; global pandemics; wars; or terrorist attacks.

Our goal is to be able to continue NEC Corporation's business to the greatest extent possible, and to restore operations quickly if they are interrupted.

Reference: Basic Disaster Response Policies

1. Business Continuity Management Framework

We will continue to conduct business proactively and flexibly through the following three functions. The status of activity will be reported regularly to the Board of Directors.

(1) Business Continuity and Disaster Recovery Headquarters

This function is headed by the president and comprises corporate divisions. The headquarters maintains senior management's decision-making function and prepares an environment that will facilitate the recovery of operations.

(2) Related Division BCP Teams

These teams are formed in each related division. They confirm the safety of NEC Group employees and conduct activities for recovery of business (customer response, gathering information of damage to operations, recovery, logistics, and securing materials, etc.).

(3) Workplace BCP Teams (Bases)

These teams are formed at the workplace and base level. They ensure the safety of workplaces and bases, quickly restore infrastructure, support employees' lives, assist those who wish to return home, and coordinate with the community.

In addition, outside Japan we have formulated BCPs in response to each country's risk profile under the Regional Headquarters (RHQ), along with information escalation rules in the case of emergencies.

2. Education, Exercises and Training on Disaster Prevention and Business Continuity

2.1. Education and Web-based Training

NEC and affiliated companies in Japan conduct the following training and drills every year to prepare for large-scale natural disasters with the aim of minimizing damage and resuming operations as quickly as possible.

- Conduct training to review disaster response procedures tailored to different work styles.
- Hold web-based training and workplace discussions to think about how to act during a natural disaster, what can be done beforehand, and the necessary preparations for dealing with a large-scale earthquake.

2.2. Enhancing the Degree of Completion of BCPs

- NEC visualizes the business continuity status for each company and division by using indices such as "organizational state in regular times and at the time of disaster," "leadership," "disaster preparedness and business continuity plan," "support status," "effective operation," and "evaluation and improvement."
- We will evaluate and refine our initiatives to instill a business continuity mindset and disaster preparedness and continue making improvements across the entire NEC Group to enable each division and employee to think and act autonomously during disasters.

3. Response to Large-scale Disasters, Incidents and Accidents, and Infectious Diseases

3.1. Addressing Natural Disaster Risks such as Earthquakes and Storm and Flood Damage

We have constructed a system in which the Company's internal disaster information sharing system automatically receives disaster information from the Japan Meteorological Agency. This allows us to understand at a glance information regarding the suppliers and other stakeholders located within that range.

Furthermore, we use the latest hazard maps to evaluate risk. Based on these evaluations, we implement countermeasures with due consideration of the balance between the impact of a disaster and cost.

3.2. ISO 22301:2019 Certification Acquisition

We have acquired ISO 22301:2019 certification, mainly in our system maintenance divisions and datacenter operations divisions.

ISO 22301:2019 is an international standard for Business Continuity Management Systems (BCMS).

Moreover, divisions that have not acquired ISO 22301 certification are complying with the international standard as far as possible and have put in place efficient and effective countermeasures to prepare for potential threats to business continuity, including earthquakes, floods, typhoons, and other natural disasters; system faults; pandemics; power outages; and fires.

ISO 22301:2019 Certification

Risk Management Initiatives

Initiatives to Foster a Risk Culture GRI 2-26

1. Internal Feedback Process for Latent Risks

The Risk Control and Compliance Committee and officers exchange and discuss information about latent and emerging risks to enhance the Company's ability to address risks. We also continuously improve our risk management methodology.

2. Risk Management Evaluation Indicators and Monetary Incentives

NEC Corporation's Employee Disciplinary Regulations stipulate that employees who cause damage to the Company intentionally or through negligence will be liable for damages in addition to being subject to disciplinary action.

3. Risk Management Training and Education

Each year, NEC conducts training for all employees as part of its risk management training, covering topics such as compliance, the environment, human rights, and information security.

In addition, training is provided for management to enhance awareness and understanding of risk management.

As part of the onboarding process for new outside directors, we conduct training under the theme of our risk management.

4. Confirmation and Reporting of Latent Risks by Employees

ESG Compliance (Whistleblowing System)

We also strive to detect potential risks at an early stage by conducting annual risk assessments that capture insights and concerns at the operational level.

Governance
Compliance

Governance

Compliance Implementation Framework GRI 2-16

1. NEC Group Compliance

The Company has established the NEC Group Compliance Policy, under which the CRCO takes a comprehensive view of all compliance issues and, through the Risk Control and Compliance Committee, deliberates on and promotes specific measures to address these issues.

In addition, the Company formulates and implements various initiatives designed to enforce compliance, including instilling knowledge of the NEC Group Code of Conduct. Furthermore, the Company provides the necessary support, coordination, and guidance to ensure that risk management in the business and corporate staff departments is implemented systematically and effectively.

2. Group Internal Audit Division

Members of the Group Internal Audit Division include experts in internal audits. The division conducts audits to ensure that the NEC Group is operating lawfully, properly, and efficiently. It also points out problems and proposes improvements.

3. Compliance Promotion at Consolidated Subsidiaries

- The presidents of our consolidated subsidiaries take ownership of planning and implementing compliance measures with guidance and support from the Corporate Legal Department, corporate departments, and relevant departments.
- In regard to consolidated subsidiaries outside Japan, the Regional Headquarters (RHQ) around the world further strengthen compliance, including among local subsidiaries.
- NEC has also established channels for reporting compliance-related issues regularly, and as the need arises, from the consolidated subsidiaries in and outside Japan to the Headquarters in Japan.

Reference: Basic Policy on Internal Control Systems

Strategy

Risks and Opportunities in Compliance

The principal risks and opportunities identified by NEC for this theme are as follows:

Thorough Compliance Rooted in Uncompromising Integrity

1. Impact on the Environment and Society

1.1. Negative Impact

The occurrence of violations of competition laws, bribery, etc. causes major losses to the NEC Group's reputation over a long period

1.2. Positive Impact

Avoid undermining trust with zero compliance incidents

2. Financial Risks and Opportunities

2.1. Risk

The occurrence of violations of competition laws, bribery, etc. leads to major losses.

There are adverse effects over the medium to long term, such as being subject to debarment measures

2.2. Opportunity

Avoid losing business opportunities with zero compliance incidents

Response to Risks and Opportunities

To address the identified risks and opportunities, NEC is implementing the following initiatives.

Competition Law Compliance

Eliminating serious compliance violations is part of the "strengthening of the non-financial foundation that supports the sustainable growth of the Company and society," one of the initiatives under Mid-term Management Plan 2025. To this end, we are working to prevent cartels, bid-rigging, and other violations of competition laws. Furthermore, in the NEC Group Code of Conduct the Company has stipulated guidelines for fair competition and strives to thoroughly prevent violations of competition laws.

1. Competition Policy

The Company has established the NEC Group Competition Policy, formulating basic considerations on compliance with competition laws in and outside Japan to reduce the risk of violations, and broadly disseminates information about this policy within NEC Group companies around the world.

Reference: Competition Policy

2. Training for Consolidated Subsidiaries Outside Japan

In fiscal year 2026, we conducted training focused on compliance with competition laws in multiple languages, primarily for employees of subsidiaries outside Japan operating in the EMEA region. This training promoted understanding of the risks of violating competition law and the measures required for compliance.

Preventing Bribery and Corruption GRI 2-15, 205-1

The NEC Group Code of Conduct covers prevention of bribery and corruption; response to entertainment, gifts, donations, and political activities; prohibition against involvement in antisocial acts; prohibition on insider trading; and prohibition of any act contrary to the Company's interests. In this way, NEC strives to prevent all forms of bribery and corruption.

1. Anti-Bribery Guideline

The Legal and Compliance Division has formulated the Anti-Bribery Policy and the Anti-Bribery Guideline and disseminates/shares them throughout the Company. The guidelines stipulate the roles of managing directors and specific methods for preventing bribery. These roles and methods include bribery risk assessments regarding a division's business and operations, including procedures if risk is deemed to be high, and internal approval procedures that include anti-bribery due diligence regarding retained parties[1] or partners employed in the Company's business activities.

1. Our anti-bribery policy follows a risk-based approach. It defines third parties engaged to provide sales promotion, order acquisition support, or licensing and permit acquisition services, which are assumed to have a relatively high risk of bribery, as "retained parties."

Governance

Compliance

2. Establishment and Operation of Various Guidelines

Furthermore, as nations around the world work on strengthening their anti-bribery laws, NEC has also developed a "Guideline for Provision of Gifts, Hospitality, Travel Expenses and Donations," and provides guidance, support, instructions and the like to relevant internal divisions and consolidated subsidiaries in and outside Japan.

Checking on routine operations is an important part of preventing corruption, and therefore guidelines and rules have been established by the General Affairs Department for hospitality, gifts, and donations, such as political donations; the planning divisions of each business division for marketing expenses; and the Management & Supply Chain DX Development Department for procurement expenses. At the same time, expenditures requested by Company divisions are checked to ensure there are no problems.

In addition, to thoroughly enforce the prohibition of any act intended for personal benefit or third-party interests contrary to the legitimate interests of the Company, NEC and its consolidated subsidiaries in and outside Japan have established and operate necessary procedures, such as guidelines for required procedures in the event of conflicts of interest.

3. Training for Consolidated Subsidiaries Outside Japan

In fiscal year 2026, we conducted training focused on anti-bribery and anti-corruption in multiple languages, primarily for employees of subsidiaries outside Japan operating in the EMEA region. This training promoted understanding of the risks of bribery and corruption and how to address them.

Compliance Training and Education GRI 205-2

1. Compliance Training

NEC and its consolidated subsidiaries in and outside Japan conduct annual compliance training for all corporate officers, employees (including fixed-term contract, contract, and part-time employees), and dispatched workers.

Compliance training was conducted through fiscal year 2026 web-based training programs. Completion rates were as follows:

- NEC Corporation: 96.1%
- Consolidated subsidiaries in Japan: 95%
- Consolidated subsidiaries outside Japan: 96%

Annually, when participating in this training, each corporate officer and employee pledges to consistently maintain unwavering integrity based on the Principles and act in accordance with the NEC Group Code of Conduct. They also declare the actions they will take to make compliance part of the corporate culture. Furthermore, NEC uses training for new employees and trainings for each management layer for new officers and new division managing directors as opportunities to emphasize the importance of conduct that complies with the NEC Group Code of Conduct.

2. Compliance Education

In July 2016, NEC was notified by the Japan Fair Trade Commission of violations of the Antimonopoly Act related to business transactions with Tokyo Electric Power Co., Ltd. (now Tokyo Electric Power Company Holdings, Inc.) involving electric power security communications equipment. NEC was notified again of similar violations in February 2017 involving wireless digital emergency firefighting equipment, and also for business transactions with Chubu Electric Power Co., Ltd. involving electric power security communications equipment. In order to keep these three events fresh in mind and to use them as a basis for reflection, we established November 18, the date on which we received an on-site inspection by the Japan Fair Trade Commission regarding the transaction involving wireless digital emergency firefighting equipment, as NEC Compliance Day, and will conduct activities to foster compliance and integrity.

2.1. Messages from Senior Management

Based on the belief that the attitude of executives is fundamental to practicing compliance and integrity, NEC's president, corporate officers, division managing directors, and the presidents of consolidated subsidiaries in and outside Japan communicate messages on occasions such as NEC Compliance Day to underscore the importance of compliance to all employees. This includes adherence to the NEC Group Code of Conduct. NEC also ensures the passing down of lessons learned from past incidents by distributing video interviews with corporate officers.

Risk Management

Compliance Policy

In its Principles, the NEC Group subscribes to "Uncompromising Integrity and Respect for Human Rights," and conducts continuous company-wide activities involving everyone from corporate officers to employees with management firmly based on compliance. In addition, annual compliance training is provided to all corporate officers, employees (including fixed-term contract, contract, and part-time employees), and dispatched workers.

We aim to establish compliance within our corporate culture by ensuring that each corporate officer and employee acts with integrity (judgment and behavior) in accordance with the NEC Group Code of Conduct. The Code is available in Japanese, English, Chinese, Portuguese, and Spanish. By deploying it to consolidated subsidiaries outside Japan and publishing it on the Company intranet and external websites (Japanese and English), we are promoting a corporate culture in Japan and overseas that places the highest priority on compliance. The necessity of revising the Code is reviewed annually, and when revisions are deemed necessary, they are made following approval by the Board of Directors. If a violation is found, the person or persons associated with the violation will be dealt with according to employee regulations, and consideration will be given to reflecting the violation in the performance evaluation of the relevant division.

To implement effective compliance measures, the managing directors of each division take the initiative and assume responsibility for considering and implementing the optimal measures for their divisions, with support from the corporate divisions.

Governance
Compliance

Monitoring

1. Internal Audit

The Group Internal Audit Division conducts organization-specific audits across the NEC Group on a cycle that generally covers all organizations approximately once every three years. Through document reviews, face-to-face interviews, and other methods, the division confirms compliance with applicable requirements, including adherence to the NEC Group Code of Conduct.

2. Anti-Bribery Due Diligence for Retained Parties or Partners

When engaging retained parties or collaborating with partners, NEC evaluates bribery risks by reviewing corruption levels in the countries where operations are conducted and collecting information through compliance databases and other sources. Approval levels, including those involving relevant corporate staff divisions, are established based on the level of bribery risk and the transaction value. Because bribery risks may change over time, NEC also emphasizes the importance of continuous monitoring and the periodic re-performance of anti-bribery due diligence. Additionally, NEC requires the execution of contracts containing anti-bribery provisions or the submission of written pledges prohibiting bribery.

3. Monitoring of Competition Law Violations

In addition, we monitor email to detect signs of competition law violations at an early stage.

Furthermore, we confirm the competition law risk status of the NEC Group, and according to the risks relevant to each company, we adopt regulations and implement measures necessary for preventing violations of competition laws.

Whistleblowing System GRI 2-16, 2-26

1. NEC Compliance & Integrity Hotline (Whistleblowing System for Employees and Business Partners)

The NEC Group maintains a whistleblowing system covering compliance matters, including the prevention of corruption. The reporting channel under this system, the NEC Compliance & Integrity Hotline, was created by integrating multiple previous hotlines (the Compliance Hotline, HR Hotline, and reporting channels at consolidated subsidiaries outside Japan) to improve user convenience. The integrated hotline continues to support early response to a wide range of risks by using a third-party service provider capable of handling reports in multiple languages as a contact point, and it accepts reports not only from NEC employees but also from its consolidated subsidiaries inside and outside Japan and business partners. The identity of whistleblowers who contact the hotline and the nature of their reports are guaranteed confidentiality by the personnel in charge. In addition, whistleblowers may choose to report anonymously, and they will never suffer retaliation for having made a report. In the unlikely event that such retaliation takes place and is confirmed, necessary corrective measures will be taken.

Reports received are investigated by the compliance department in cooperation with the relevant divisions and, where necessary, with assistance from external experts, while ensuring the thorough protection of whistleblowers.

If a problem is confirmed as a result of the investigation, NEC implements corrective actions in accordance with Company regulations, including taking appropriate measures against the parties involved and developing and implementing measures to prevent recurrence. Feedback is also provided to the whistleblower in accordance with applicable laws and regulations. The status of internal reports is also regularly reported to the Board of Directors and the Audit Committee.

In fiscal year 2026, the number of reported cases was 478. The reported cases included ethical behavior violations, violations of the NEC Group Code of Conduct or Company rules and fraud. All cases have been appropriately handled.

In addition, we have established the "Audit Committee Hotline," a whistleblowing system that allows whistleblowers to report fraudulent corporate officer activities to the Audit Committee. NEC and its consolidated subsidiaries in Japan have taken steps to ensure the protection of confidentiality and the prevention of retaliation by establishing internal rules regarding the whistleblowing system and promote employee awareness through training programs and other means.

The status of enhancement and operation of the NEC Compliance & Integrity Hotline (including the whistleblowing systems of NEC Corporation subsidiaries) is regularly reported by the Group Internal Audit Division to the Board of Directors and the Audit Committee.

Internal Evaluation

1. Survey on Compliance Promotion Initiatives

We conduct a survey of all corporate officers and employees in conjunction with compliance training in order to evaluate the status of initiatives on compliance promotion and awareness of compliance. The results of the questionnaire surveys are posted as feedback on the intranet portal and are useful for proposing and implementing measures to further enforce compliance.

Furthermore at NEC, we provide the basic structure of corporate taxation and other related matters on our intranet. When new tax laws and regulations or rules are announced, we promptly notify the relevant departments and conduct training sessions as necessary.

Metrics and Targets

FY2031 KPIs

(Scope: NEC Corporation unless otherwise specified, Period: April 2026 to March 2031)

M: Indicates the main non-financial targets related to materiality.

M: Number of serious cartel and bid-rigging incidents: 0

M: Number of serious bribery incidents: 0

FY2027 Goals

M: Eliminate serious compliance violations (number of serious violations: 0)

- Implement compliance training for all employees
- Increase awareness of the whistleblowing system

FY2026 Goals and Results

1. FY2026 Goals

M: Eliminate serious compliance violations (number of serious violations: 0)

- Implement compliance training for all employees
- Increase awareness of the whistleblowing system

2. FY2026 Results

- Number of serious cartel and bid-rigging incidents: 0
- Number of serious bribery incidents: 0

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Governance
Compliance

Number of, Details on and Measures for Handling Compliance Violations GRI 2-27, 205-3, 206-1

Compliance violations in fiscal year 2026 were as follows:
- There were zero cases of serious involvement with cartels and/or bid-rigging.
- There were zero major issues regarding bribery or competition law violations requiring public disclosure. NEC incurred no fines or convictions related to bribery or competition law violations.
- There were zero criminal penalties imposed on the Company due to accusations of insider trading from the Securities and Exchange Surveillance Commission.
- There were zero major conflicts of interest requiring public disclosure.

Compliance Initiatives

Tax Policy and Tax Governance GRI 207-1, 207-2, 207-3

1. Tax Policy

Under the NEC Group Code of Conduct, NEC Corporation is committed to ensuring that all corporate officers and employees comply with the following principles:
- Act with integrity by understanding the cultures and customs of each country and region and by upholding high ethical standards and social norms, in addition to complying with international rules, relevant laws and regulations, and internal policies including this code of conduct; and
- Maintain accurate and fair records in all areas, including finance and accounting, and strictly refrain from any fraudulent accounting practices or any other conduct that could harm the company.

We apply the same principles to tax matters and seek to optimize our tax position from a medium- to long-term perspective while ensuring full compliance with applicable tax laws and regulations.

2. Tax Governance

To provide a common framework for managing tax risk and tax policies, NEC has established the NEC Group Tax Governance Policy, which defines the principles of tax governance applicable throughout the Group. We do not undertake tax planning solely for the purpose of tax avoidance without any business purpose or business substance. Likewise, we do not engage in profit-shifting practices designed to avoid taxation through the use of tax havens.

The CFO of NEC Corporation is responsible for tax governance across the NEC Group. The CFO, who is a member of the Board of Directors, reports any changes to the NEC Group Tax Governance Policy and any significant tax risks to the Audit Committee.

The results of our tax filings and tax audits are reported to the CFO as appropriate, and we take necessary actions to address tax-related issues and are committed to the ongoing prevention of misconduct and non-compliance.

NEC Group Tax Governance Policy

Reference: Regional Taxation and Related Items GRI207-4

3. Intercompany Transactions

To ensure appropriate management of tax risk in a global business environment, the NEC Group applies the arm's length principle to intercompany transactions, in line with the OECD[2] Transfer Pricing Guidelines. We seek to comply with the spirit as well as the letter of internationally recognized tax principles and guidance, including the OECD BEPS[3] Action Plan, and make timely and appropriate tax payments in accordance with applicable tax laws, regulations, and tax treaties in the jurisdictions in which we operate. We do not undertake any transactions or tax planning arrangements intended to facilitate improper tax avoidance.

4. Relationship with Tax Authorities

NEC endeavors to minimize tax uncertainties by maintaining a transparent and cooperative relationship with tax authorities, including engaging in advance consultation and providing relevant information in a timely manner upon request.

Transparency of Financial Information

NEC complies with the Financial Instruments and Exchange Act and all applicable laws and regulations in preparing and disclosing its Annual Securities Report. Tax-related disclosures required by applicable laws and regulations are also included in the Annual Securities Report.

Starting from fiscal year 2017, NEC has disclosed its consolidated financial results in accordance with International Financial Reporting Standards (IFRS). By adopting IFRS, NEC aims to enhance the international comparability of financial information in capital markets and further improve the transparency of its financial disclosures.

Periodic Rotation and Re-engagement of the Accounting Auditor

To prevent accounting fraud, NEC operates in accordance with the regulations such as those that are based on the Certified Public Accountants Act, as outlined below.
- Engagement partners may not be engaged for more than seven accounting periods in duties that entail conducting audits of the Company. Lead engagement partners may not be engaged for more than five accounting periods in duties that entail conducting audits of the Company.
- For two accounting periods after being replaced, engagement partners may not be engaged in duties that entail conducting audits of the Company. For five accounting periods after being replaced, lead engagement partners may not be engaged in duties that entail conducting audits of the Company.

Response to Political Activities GRI 415-1

Please see below for more details.

ESG Major Contributions to Political Organizations (Data Collection)

2. Organization for Economic Co-operation and Development
3. Base Erosion and Profit Shifting

Governance

Supply Chain Management

Approach to Supply Chain Management

In the course of doing business, the NEC Group endeavors to work not only internally, but also through collaboration and co-creation with suppliers while paying careful attention to its impacts on the environment and society as a whole, with the intention of gaining the trust of society and helping to create sustainable social value.

Governance

Supply Chain Management Framework

Within the NEC Group, NEC's CBXO is responsible for sustainable procurement, and decisions are made by a committee chaired by the head of procurement in the Business Process Transformation Division.

At NEC and its major consolidated subsidiaries in Japan, individuals appointed as compliance promoters for purchasing-related laws and regulations ensure strict compliance within their respective companies and divisions.

In addition, meetings are held quarterly with procurement managers of major consolidated subsidiaries in Japan, during which participants share information regarding responses to changes in the sustainable procurement landscape, training programs for procurement personnel, and web-based training materials.

For consolidated subsidiaries outside Japan, NEC works with procurement managers at regional headquarters in Central and South America, Europe, and ASEAN and major local subsidiaries directly controlled by NEC Corporation to conduct periodic operational reviews in line with their annual activity policies and plans, and to promote sustainable procurement in accordance with the culture and business practices of each country, as well as with the basic policies and guidelines mandated by NEC Corporation.

In addition, NEC endeavors to enhance governance both in and outside Japan based on reports at these meetings.

Strategy

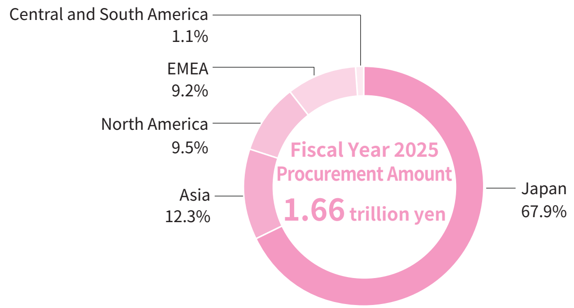
As part of its supply chain management strategy, NEC Group is addressing priority risks through collaboration and co-creation with suppliers.

Supply Chain Status

1. Critical Suppliers

The NEC Group designates suppliers that account for a high total value in procurement transactions, suppliers of rare products and suppliers that cannot be easily replaced as critical suppliers, and focuses on engaging in sustainable procurement measures. We are strengthening initiatives to address the sustainability risks we have identified across each region, sector, and procurement category.

2. Procurement Amount by Region



* Based on location of suppliers' headquarters

Supply Chain Management Policy

The NEC Group formulated the NEC Group Procurement Policy based on its concept of management for sustainability and on the ISO 26000 and ISO 20400 international guidance standards for social responsibility and sustainable procurement. We are developing a policy for internal control pertaining to sustainable procurement, and rolling it out among suppliers. Additionally, regarding internal controls such as purchasing ethics, NEC has established the Basic Rules for Procurement and ensures that all employees comply with these rules. Furthermore, to strengthen internal controls, NEC has also devised concrete operational rules for its procurement processes and conducts regular training to ensure that the rules are disseminated among procurement-related personnel.

At the NEC Group, we promote activities in close collaboration with our suppliers, in accordance with procurement and security policies and guidelines, including consideration of human rights and the environment, while working to deepen mutual understanding. In addition to evaluating suppliers based on quality, cost and delivery (QCD), we also assess them from a sustainability perspective in an integrated manner, continuously striving to build stronger long-term partnerships.

(1) Human Rights

The NEC Group Procurement Policy clearly rejects slavery and human trafficking, and the Guidelines for Responsible Business Conduct in Supply Chains prohibit forced labour and child labour, while respecting workers' right to organize. The policy and guidelines also require appropriate wages and management of work hours. Moreover, we perform human rights due diligence in accordance with OECD's guidance process, identify and evaluate risks, and take steps to mitigate risks.

(2) The Environment

Our Guidelines for Responsible Business Conduct in Supply Chains call for a combined effort between the NEC Group and its suppliers to realize environmental management. At the same time, we have also set out the Environmental Specifications Pertaining to Procurement Restrictions for the Inclusion of Chemical Substances in Products, which require compliance with regulations on chemical substances in products in and outside Japan.

(3) Information Security

The NEC Group sets out security measures to be observed by workers we outsource to in Basic Rules for Customer-Related Work. We ensure thorough implementation by requiring these workers to formally pledge to abide by these requirements.

NEC intends to further strengthen initiatives that support customers' procurement activities by leveraging these supply chain management activities as Client Zero. For details, please refer to Risk Management (Supplier Portal to Create Business Opportunities Using In-House Supply Chain Operations as Client Zero).

Reference: NEC Group Procurement Policy

Guidelines for Responsible Business Conduct in Supply Chains

ESG Environmental Management (Development of Environmentally Friendly Products and Services)

Environmental Specifications Pertaining to Procurement Restrictions for the Inclusion of Chemical Substances in Products

ESG Information Security and Cybersecurity

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Priority Risks in Supply Chain Management

The NEC Group Procurement Policy and the Guidelines for Responsible Business Conduct in Supply Chains identify the following six priority risks: **human rights and labour, occupational health and safety, environment, product quality and safety, information security, and fair trade and ethics.** We require NEC Group suppliers, including Tier 2 suppliers and further upstream, to implement responsible business conduct.

Furthermore, we have identified "Promoting respect for human rights throughout the supply chain (Human Rights in Supply Chains)" as a materiality initiative for the period of NEC Group's new Mid-term Management Plan, with regard to the human rights and labour risks listed above. The impact on the environment and society and the financial risks and opportunities are as follows.

Promoting respect for human rights throughout the supply chain (Human rights in the supply chain)

1. Impact on the Environment and Society

This includes human rights risks to workers in manufacturing processes at plants of suppliers outside Japan (including outsourced production), risk of long working hours in software development, and occupational health and safety risks during construction, maintenance and inspection.

2. Financial Risks and Opportunities

We are working in collaboration with suppliers, and while the likelihood of risk occurrence is low, reputational risk can be assumed if human rights violations are caused.

For information on our efforts related to the materiality "Visualizing and reducing the environmental negative impact of the value chain (Climate Change)," which addresses environmental risks in the supply chain, please see "Environmental Management (Supplier Engagement)."

ESG Environmental Management (Supplier Engagement)

Risk Management

Risk Management Process in Supply Chain Management

With regard to priority risks in supply chain management, we conduct assessments based on document checks, internal analyses, and external research findings, map the relevant suppliers, and then carry out audits, corrective action requests, and follow-up on the status of improvements for high-risk suppliers. By running the PDCA cycle for these activities, we continue to engage in dialogue with our suppliers while working to ensure appropriate management across the supply chain.

Plan	Identify priority risks (materiality) and formulate management policies, response plans, and targets (materiality KPIs)
Do	Conduct inspections, audits, and engagement with suppliers
Check	Continuously monitor the results of inspections and audits as well as the status of corrective actions
Action	Continuously implement corrective measures and improvements to management methods

1. Supply Chain Risk Assessment Results and Corrective Action GRI 205-2, 414-2

1.1. Document Checks

We continuously conduct document checks to assess the sustainability initiatives of NEC Group suppliers. In fiscal year 2026, we conducted the following checks.

Name of document checks	Description	Number of responding companies in FY2026
Sustainable Procurement Self-assessment	Assessment of risks related to human rights, occupational health and safety, environment, fair trade, and other factors	656 (total for Tier 1 and Tier 2)
Survey on Decarbonization and Natural Capital Initiatives	Annual review of environmental initiatives by suppliers identified as having significant environmental impact	944
Information Security Check Sheet	Assessment of how contractors handling critical information (including personal data) manage information security	1,736

(1) Sustainable Procurement Self-assessment

We re-evaluate the progress of suppliers that scored low in past assessments, focusing on higher-risk areas. The suppliers assessed from fiscal year 2024 through fiscal year 2026 account for 70% of our consolidated procurement value. The assessment also covers details on the acceptance of foreign technical intern trainees and the handling of human rights issues by Tier 2 suppliers and further upstream.

In the fiscal year 2026 review, we received responses from 645 out of 734 Tier 1 suppliers approached. Each supplier's efforts were evaluated on a five-point scale (A, B, C, D, Z) for each inspection theme—human rights, occupational health and safety, environment, fair trade, and other—based on their "score rate" and "critical points"[1] evaluation criteria.

We issued feedback sheets to all suppliers that provided responses, indicating their score for each inspection theme and comparison to the average score for each procurement category, and shared the evaluation results with them. In the fiscal year 2026 survey, seven suppliers received a Z rating, indicating the existence of potential risks. Through supplier engagement, such as our understanding of the conditions and providing corrective action guidance, we will support suppliers that received the Z rating, with the aim of completing the correction of identified issues during the first half of fiscal year 2027.

For suppliers identified with high-risk items for correction in the fiscal year 2025 surveys, we provided corrective guidance and follow-up until correction was completed. Records are also kept of corrective plans and reports upon completion of corrective actions, which are used to improve our activities. No risks related to forced labour or child labour were identified in fiscal year 2025 either.

Evaluation categories	Criteria	Description
A	Score rate more than 80% and up to 100%	Implemented outstanding initiatives
B	Score rate more than 60% and up to 80%	Implemented standard initiatives
C	Score rate more than 50% and up to 60%	Implemented initiatives but some issues were identified
D	Score rate of 50% or below	Initiatives themselves were insufficient
Z	Unable to meet standards for critical points	Potential risks identified

Furthermore, we carried out inspections of 11 Tier 2 suppliers with the cooperation of eight Tier 1 suppliers to enhance our ability to address upstream supply chain risks.

Regional headquarters and key local subsidiaries outside Japan conducted inspections of 21 suppliers on the themes of "human rights" and "occupational health and safety."

1. Critical points are questions that NEC has identified as potential risks, in light of the Guidelines for Responsible Business Conduct in Supply Chains, issued by NEC, and other regulations, if initiatives remain unaddressed.

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(2) Survey on Decarbonization and Natural Capital Initiatives

For suppliers identified as having a significant environmental impact within the NEC Group's supply chain, we confirm annual progress on CO_2 reduction and efforts related to natural capital. The survey results are used to strengthen support and collaborative initiatives with suppliers on environmental issues, including decarbonization, as part of our efforts to reduce the negative environmental impact of the NEC Group's businesses.

(3) Information Security Check Sheet

We implemented document checks for 1,736 companies through a dedicated inspection system. Information security is essential for the NEC Group, which is responsible for building information systems that are the foundation of society. In our supplier relationships, we place importance not only on technical capabilities but also on whether suppliers meet the Group's standards for information security. Therefore, we have adopted a system in which we classify the information security levels of suppliers according to the status of their information security measures based on the results of the document checks, and select and entrust work to appropriate suppliers in line with NEC Group's standards.

ESG Information Security and Cybersecurity

ESG Number of Suppliers That Responded to Document Checks/Number of Companies Targeted (Data Collection)

1.2 On-site Assessment

In the field of information security, we select suppliers for on-site assessments not only based on transaction volume, but also by comprehensively evaluating the importance and confidentiality of the information handled and the results of document checks. In fiscal year 2026, we conducted on-site assessments or remote inspections of 220 suppliers engaged in contracted development work. During these inspections, we verified that supplier employees comply with NEC's information security instructions and requests through interviews, reviews of internal rules and procedures, and on-site observations, in order to prevent information security incidents. Although no major deficiencies were found, corrective guidance was provided to suppliers where minor improvements were deemed necessary in areas such as subcontractor management, labeling of confidential information, disposal and return of confidential materials, and countermeasures against cyberattacks. We share items that require improvement with our suppliers and follow up until improvement measures are implemented.

ESG Number of Suppliers Whose Information Security Measures Were Inspected (Data Collection)

2. Supplier Engagement

2.1 Dissemination

NEC Group presents the NEC Group Procurement Policy, the Guidelines for Responsible Business Conduct in Supply Chains, and various other guidelines to its suppliers. We also hold various briefing sessions to explain the latest measures directly to suppliers and ensure their thorough dissemination.

(1) Environment

In July 2025, we held a decarbonization briefing session for suppliers to explain social trends, the decarbonization policy of NEC Group, and the requirements we place on suppliers.

ESG Environmental Management (Supplier Engagement)

(2) Information Security

In fiscal year 2026, we held special briefing sessions for executives and study sessions for staff members in addition to our regular information security briefing sessions to ensure thorough dissemination of our information security measures in light of the current cybersecurity landscape.

2.2 Signing of Declarations by Suppliers

NEC requires suppliers to enter into master contracts and to sign declarations stating their commitment to the Guidelines for Responsible Business Conduct in Supply Chains. As an indicator for the materiality item "supply chain sustainability" during the period of the Mid-term Management Plan 2025, we worked toward a target of having suppliers who have signed declarations account for 75% of our total procurement amount by the end of fiscal year 2026. We also require all prospective suppliers to submit a declaration prior to commencing any business transactions.

As of the end of fiscal year 2026, we have obtained declarations from approximately 14,000 suppliers in and out of Japan, covering 88% of our consolidated procurement value.

2.3 Supplier Education and Awareness Training Activities GRI 205-2

To support sustainability initiatives among its suppliers, NEC Group provides training opportunities and conducts awareness-raising activities on key topics such as human rights, labour, occupational health and safety, the environment, and information security.

(1) Human Rights

In fiscal year 2026, we held a Supplier Diversity Forum for key suppliers of NEC and its consolidated subsidiaries in Japan. This event was held with the aim of promoting diversity in the supply chain. A total of 148 supplier companies participated in this event, where our corporate officers presented on NEC's Inclusion & Diversity initiatives. In the participant survey, 98% of respondents reported satisfaction with the session content, and 96% indicated they wished to apply the learnings to their own company's initiatives.

NEC also provides information about seminars on "business and human rights" hosted by international organizations, government bodies, and industry associations on the supplier portal for NEC and its consolidated subsidiaries in Japan.

(2) Occupational Health and Safety

NEC and its consolidated subsidiaries in Japan are advancing health management initiatives in collaboration with our suppliers.

(3) Environment

NEC continues to hold briefing sessions and provide information related to climate change measures, and also offers educational materials that suppliers can use to train their employees on environmental topics.

ESG Environmental Management (Supplier Engagement)

(4) Information Security

We hold Information Security Sessions for our suppliers, where we share the latest trends in information security and personal information protection, along with key considerations for business operations. These sessions also include continuous training on cybersecurity measures and awareness activities to prevent information security incidents.

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2.4 Enhancing Information Security Management for Suppliers

The NEC Group requires suppliers to implement information security measures classified into seven categories: 1) contract management, 2) subcontracting management, 3) staff management, 4) information management, 5) implementation of technical safeguards, 6) security implementation, and 7) the execution of assessments. Especially regarding subcontracting management, the basic contract stipulates that suppliers may not subcontract to third parties without prior written approval from NEC.

In addition, the Group has clarified the framework for each project by obligating business partners to submit subcontractor confirmation documents. If subcontracting is unavoidable, the Group requires the same level of security for subcontractors that it requires for business partners in order to reduce the risk of information security incidents.

Since 2022, NEC Group has revised its information security standards based on NIST SP800-171, which requires the establishment of incident response capabilities, in order to strengthen its cybersecurity measures. Suppliers are required to prepare system security plans to confirm their compliance with NEC's information security standards.

For aspects that are difficult for suppliers to handle alone, NEC hosts cybersecurity training sessions and discloses third-party evaluation results to critical suppliers with the aim of reducing attack risks and improving security levels to support their efforts in reducing risks.

Reference: Cybersecurity Management Report

3. Engagement with Employees

NEC and its consolidated subsidiaries conduct regular training programs for procurement personnel in accordance with internal procurement regulations. In addition, targeted training sessions on specific topics are held as needed to address new regulations or emerging risks, helping maintain proper operational execution.

3.1 Training for All Employees of NEC and Consolidated Subsidiaries

To raise awareness of sustainable procurement, NEC conducts web-based training on "business and human rights" and "environmental education" that informs employees about human rights and environmental risks in the supply chain and NEC Group's sustainable procurement initiatives.

ESG Respect for Human Rights (Human Rights Training and Awareness-Raising)

ESG Environmental Management (Environmental Education and Awareness)

3.2 Training for Consolidated Subsidiaries Outside Japan

NEC provided web-based training on sustainable procurement to employees at key local subsidiaries outside Japan, with 212 participants completing the training. The web-based training focused on human rights (including the prohibition of modern slavery, child labour, and forced labour) and environmental impact, covering ESG concepts relevant to procurement, key due diligence requirements, and sustainability risks.

4. Participation in Stakeholder Engagement Initiatives

4.1 Participation in Activities with Other Companies

As a member of the Supply Chain Peer Learning Group of United Nations Global Compact Network Japan, we frequently discuss the ideal form of sustainable procurement with various members such as companies in different industries and NGOs, to define best practices in sustainable procurement and improve the quality of related initiatives. In fiscal year 2026, we helped lead the creation of the second edition of "Practical Manual on Human Rights Due Diligence — Responsible Business Conduct in the Human Rights Field," a practical manual that offers support for corporate human rights due diligence, an achievement of the Supply Chain Peer Learning Group's activities.

NEC is also a lead company in the task force under the JEITA CSR Committee, working to launch the Sustainable Procurement Partnership (SPP), which promotes responsible corporate behavior across the electrical and electronics industries. In fiscal year 2026, we held a Human Rights Due Diligence Practice Workshop and a Grievance Mechanism Development Practice Workshop for small and medium-sized enterprises as a small-scale trial called the SPP Trial to offer support to participating companies in establishing and implementing human rights due diligence frameworks and grievance mechanisms.

5. Supply Chain Due Diligence

We are advancing human rights and environmental due diligence in relation to NEC Group procurement transactions.

5.1 Due Diligence Steps in a Risk-based Approach

(1) Risk-based Approach

The Japanese government published the Guidelines on Respect for Human Rights in Responsible Supply Chains, and legal frameworks for preventing human rights abuses in supply chains have been updated abroad. With labour in supply chains being identified as a salient human rights issue, NEC Group has improved its efforts in human rights due diligence.

(2) Supply Chain Due Diligence

NEC is taking the following steps in accordance with OECD Due Diligence Guidance for Responsible Business Conduct.

Step 1

Collect and evaluate information on each risk from the perspectives of the ICT sector, region, and business characteristics, based on the ICT Sector Guide on Implementing the UN Guiding Principles on Business and Human Rights, the International Trade Union Confederation (ITUC)'s 2020 ITUC GLOBAL RIGHTS INDEX, other external research reports, and internal analysis of the NEC Group's procurement structure.

Step 2

Combining the insights from Step 1 with the results of a human rights impact assessment conducted by BSR, an international NPO, we identify high-priority risks within key business domains. Examples include human rights risks to workers in manufacturing processes at plants of suppliers outside Japan (including outsourced production), human rights risks to foreign technical intern trainees in manufacturing processes at plants of suppliers in Japan, risk of long working hours in software development, and occupational health and safety risks during construction, maintenance and inspection.

Step 3

Map suppliers related to the above risks, evaluate the nature and scope of potential impacts, and conduct third-party audits by an external auditing firm, as well as second-party audits conducted by NEC, for selected suppliers (34 companies from fiscal year 2022 through fiscal year 2026). Incidents of nonconformance identified in these audits are evaluated and ranked according to the following four categories from the viewpoints of Japanese law and global standards. We provide feedback to suppliers and request corrective action.

Minor	1. Response not required
↓	2. Items for improvement
↓	3. Items for improvement (high priority)
Major	4. Items for correction

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Audits related to human rights and occupational health and safety also include gender-related items, such as policies on sexual harassment, the presence of discrimination based on gender or dismissal on grounds of pregnancy, as well as appropriate health and safety measures for workers who are pregnant, postpartum, or breastfeeding. We require that high-risk corrective action items identified in audits generally be completed within six months. The results of on-site assessments are documented as formal audit records and used to follow up on the status of corrective actions and improvements.

In fiscal year 2026, we conducted third-party audits covering not only human rights and occupational health and safety risks but also environmental risks for certain suppliers. Nonconformances identified included failure to thoroughly communicate emergency response procedures for major earthquakes and similar events as well as deficiencies in labeling of liquid waste disposal areas. No nonconformances related to forced labour or child labour were identified.

For suppliers identified with high-risk items for correction in the fiscal year 2025 audit, we provided corrective guidance and follow-up until correction was completed.

ESG Environmental Management (Environmental Due Diligence)

Reference: NEC Stories (Supply Chain Sustainability)

Initiatives for Responsible Mineral Procurement

NEC Group seeks the understanding and cooperation of its suppliers for responsible mineral procurement based on its Responsible Mineral Procurement Policy. Using the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT),[3] NEC conducts surveys of its suppliers to collect information on suppliers' use of tin, tantalum, tungsten, gold (3TG), cobalt and mica, as well as the smelters in their supply chains. In fiscal year 2026, CMRT and EMRT surveys were conducted at suppliers representing approximately 60% of consolidated procurement amount. Based on the survey results, we are urging suppliers for which the use of smelters with high sustainability risks, such as those that contribute to conflict or involve forced labour or child labour, has been identified in the upstream supply chain to switch to alternative smelters.

NEC continues to participate in industry cooperation initiatives as a member of the Responsible Mineral Trade Working Group led by JEITA, including participation in the working group's Education and PR Team, to help promote supplier understanding of responsible minerals sourcing.

NEC Group Responsible Mineral Procurement Policy

Reference: Responsible Procurement Management (Responsible Mineral Procurement)

Evaluation Prior to the Start of Procurement

Prior to initiating procurement, we assess the prospective company's financial health, product and service quality and pricing, delivery timelines, and technical capabilities, as well as sustainability-related risks such as environmental impact and issues related to human rights, labour, and occupational health and safety. We also confirm the company's intention to comply with the contents of the Guidelines for Responsible Business Conduct in Supply Chains and to sign the declaration form. Based on these factors, we make a comprehensive decision on whether to proceed with the new transaction.

External Ratings and Evaluations

1. Initiatives for the Environment

NEC has been recognized as a Supplier Engagement Leader, CDP's highest Supplier Engagement Rating,[3] for the sixth consecutive year. We believe this recognition reflects CDP's positive evaluation of our various initiatives aimed at reducing CO_2 emissions from our supply chain to achieve net zero.

ESG Third-party Assurance, External Ratings and Evaluations

Grievance Mechanism

NEC has established a multilingual whistleblowing system that suppliers can use to consult not only on compliance issues, but also on matters related to responsible procurement by the NEC Group more broadly, including human rights, labour, and occupational health and safety. To protect the privacy of whistleblowers, NEC allows anonymous reporting and has developed a system for responding to complaints and inquiries related to transactions. Additionally, every year, NEC sends a written Request for Cooperation toward Thorough Compliance and Responsible Procurement to our suppliers to request their cooperation in reporting potential compliance violations by NEC Group employees so that violations can be detected early and corrected, and to let them know NEC Group has a whistleblowing system available to provide consultation on responsible procurement in general.

In fiscal year 2026, a total of 20 reports regarding procurement issues were accepted via the NEC whistleblowing system. After verifying the relevant facts, all reports were dealt with appropriately. No reports related to forced labour or child labour were received.

From fiscal year 2023, NEC has been participating in an industry-wide initiative for a collective grievance mechanism (JaCER) and working to improve the effectiveness of the system in accordance with UNGP requirements.

ESG Respect for Human Rights

Reference: Consultation of Procurement Compliance Issues for Social Responsibilities

Supplier Portal to Create Business Opportunities Using In-House Supply Chain Operations as Client Zero

We have launched a proof-of-concept for our Supplier Portal, which aims to improve sustainability across the supply chain and create corporate value. This was developed using AI, digital transformation (DX), and world-class expertise in sustainability management, with our own risk management process serving as Client Zero, in order to address such challenges as inefficient information flows between buyers and suppliers and the costs of managing complex questionnaires, and is being used to create new business opportunities. The portal integrates the management of self-assessment questionnaires (SAQs) for document checks related to sustainability, which were previously handled via email and Excel, into an online system, helping reduce man-hours for survey responses and data aggregation/analysis, as well as streamline and standardize operations. We aim to commercialize Supplier Portal during fiscal year 2027, then leverage NEC Group's advanced security technologies and AI/DX expertise to build a supplier data distribution infrastructure that promotes secure data linkage and utilization between suppliers and companies, thereby enhancing the value of the entire supply chain.

2. CMRT and EMRT: Survey and reporting templates of the Responsible Minerals Initiative
3. The Supplier Engagement Rating is given by CDP based on an examination of a company's initiatives for climate change and reduction of greenhouse gas emissions across the entire supply chain.

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Supply Chain Management

Metrics and Targets

FY2031 KPIs

(Period: April 2026–March 2031)

M: Indicates the main non-financial targets related to materiality.

M: 100% completion rate for corrective actions regarding high-risk suppliers[4]

FY2027 Goals

- 100% completion rate for corrective actions regarding high-risk suppliers in fiscal year 2026
- Strengthen security measures to address sophisticated cyberattacks

FY2026 Goals and Results

1. FY2026 Goals

1.1. M: Suppliers Agreeing to Procurement Guidelines: Maintain at Least 75% (Materiality During the Mid-term Management Plan 2025 Period)

1.2. Eliminate Security-related Incidents Caused by Partner Companies Through Standard Inspections and Enhanced Cybersecurity Measures

(1) Strengthening cybersecurity measures
- Strengthen activities for compliance with information security standards based on NIST SP 800-171
- Visualize supply chain risk through expanded BitSight-based monitoring
- Improve the efficiency of cybersecurity measures using AI

(2) Strengthening information security for overseas suppliers
- Fully transition to the new information security standards for key suppliers in China

2. FY2026 Results

2.1. M: Percentage of Suppliers Agreeing to Procurement Guidelines: 88% (as of the end of fiscal year 2026)

2.2. Eliminate Security-related Incidents Caused by Partner Companies Through Standard Inspections and Enhanced Cybersecurity Measures

(1) Strengthening cybersecurity measures
- Fully transitioned to information security standards based on NIST SP 800-171
- Expanded BitSight-based monitoring to 1,800 companies

(2) Strengthening information security for overseas suppliers
- Conducted inspections of key suppliers in China based on the new information security standards and confirmed that countermeasures had been implemented

4. Since our corrective action efforts are a year-long process, the FY2031 KPI is the completion rate of corrective actions by the end of FY2031 for suppliers to whom we requested corrective actions in FY2030.

Governance
Innovation Management

Governance

Innovation Management Framework

We established the Research & Business Development Related Divisions and the Products & Services Related Divisions in April 2026 as an organizational framework aimed at promoting market value creation through technology and innovation. The Research & Business Development Related Divisions are responsible for research and development, business development, and the utilization of intellectual property, while the Products & Services Related Divisions are responsible for the delivery of products and services, formulation of marketing strategies, business process reform, and the promotion of BluStellar, a value creation model that leads our customers into the future. By operating these divisions in an integrated manner, NEC aims to swiftly capture changes in society and industry driven by technological advances, develop products and services that meet market needs using its cutting-edge technologies, and deliver them to customers promptly.

Additionally, NEC X, Inc., established in Silicon Valley in 2018, promotes open innovation by leveraging NEC's talent and technologies in collaboration with the local ecosystem, aiming to create impactful new businesses. We are also accelerating value creation and new business development through initiatives such as the joint venture BIRD INITIATIVE, Inc., a co-creative R&D project with seven companies from different industries, our Corporate Venture Capital (CVC) function, business contests, and a newly launched startup studio in Japan.

1. R&D Bases Tasked with Creating Social Value Globally

The NEC Group has established R&D bases not only in Japan but also in North America, Europe, and other regions to create research outcomes that leverage global insights.

Reference: NEC's R&D Bases

Thought Process

Innovation Management Policy

We apply our most advanced technologies to our Client Zero initiatives, using them internally with ourselves as the first customer to accumulate insights. The empirical insights gained through these initiatives are incorporated into the products and services within BluStellar, a value creation model that leads our customers to the future, thereby creating new value for society and our customers. The NEC Group's research and development is the source of its competitiveness. It provides technological support for the NEC Group's transformation into an AI-native company and the expansion of the value-creation model "NEC BluStellar," while contributing to the sustainable growth of the NEC Group's IT Services Business and the Social Infrastructure Business.

Technology Development Strategy

The NEC Group 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. To realize this vision, the NEC Group is committed to developing technologies that advance its existing businesses, which serve as the foundation for creating social value, as well as creating advanced technologies for future businesses that can deliver new value to society and accelerating their commercialization, thereby supporting the NEC Group's sustainable growth.

In research and development, we are working to strengthen the fields of AI and security, as well as platform technologies that support them. Specifically, in the field of AI, while advancing the development of AI Agents that enable more autonomous and sophisticated business operations, we are also establishing advanced governance technologies to ensure the reliability, safety, and ethical integrity of AI, thereby promoting a society in which humans and AI can work collaboratively. In the field of security, we are leveraging AI to analyze threat intelligence based on attack trends targeting specific industries and systems, and are advancing technology development aimed at systematizing insights that lead to responses according to the urgency of threats. Through these efforts, we will support highly effective security operations tailored to the distinct risk characteristics of each industry. We will also contribute to ensuring trust in the digital society and to the sound development of information infrastructure through the development of technologies to mitigate risks from advanced information manipulation. In the field of platform technologies, we will work to build and maintain more reliable and secure social infrastructure by using submarine optical cable system technologies, whose importance is also increasing from the perspective of economic security, as well as secure network technologies such as quantum cryptographic communications.

Integrated Report Innovation: R&D and Business Development

Reference: Research and Development (R&D)

Reference: NEC BluStellar – Empowering you with innovative technology and expertise

Reference: Accelerate Transformation with Responsible AI

Reference: Biometric Authentication

Governance

Innovation Management

New Business Development Strategy

Since its founding, NEC has pursued sustainable growth by placing innovation at its core and generating social value. In 2013, we established a dedicated division for new business development and have since been working to create multifaceted value starting from social issues.

To accelerate these efforts, in February 2025, we systematized our open innovation functions and activities under the name "NEC Open Innovation." Positioned as a growth engine, our open innovation strategy operates on two fronts: the inbound model of incorporating external technologies and ideas, and the outbound model of sharing our technologies and expertise with others. Through co-creation with startups and partner companies, these approaches are driving the development of new businesses and creating social value.

Reference: NEC Open Innovation

Innovation Initiatives

Examples of Major Research Achievements Contributing to Increased Corporate Value

Reference: Make Japan Cyber Secure: Shifting from reactive to proactive measures

Reference: From using know-how to taking action. Autonomous agents that understand your business and execute tasks on your behalf

Reference: NEC Launches AI Agent Service in Japan to Automate Procurement Negotiations Using AI

Reference: JFCR and NEC Confirm Research Results for Developing Individualized Neoantigen Cancer Vaccines Using Whole-Genome Data

Open Innovation

To balance social and corporate value, we are advancing open innovation efforts known as NEC Open Innovation.

This is a core framework that connects internal and external knowledge, technologies, and talent to continuously generate new businesses that address a range of social issues.

1. Key Functions of NEC Open Innovation

- Startup investment (e.g., NEC Orchestrating Future Fund):
  Strategic investments into startups to co-create new business opportunities and social value
- NEC Innovation Challenge:
  An accelerator program for global startup companies that creates opportunities for co-developing innovative ideas
- NEC X, Inc.:
  Offers support for early-stage startups and entrepreneurs by combining NEC's latest technologies with the Silicon Valley ecosystem.
  From December 2025, we launched a studio for Japan, NEC X - JAPAN Edition -.
- Advanced Technology Consulting:
  Researchers support companies with digital transformation and advanced technology implementation, helping to realize social application of technology

NEC leverages these comprehensive open innovation capabilities to promote flexible and multifaceted co-creation both in and out of Japan. Backed by broad technological and business domains and a systematic knowledge and support framework, we aim to create new businesses that address pressing social issues.

Reference: NEC Launches "BestMove," a Marketing Strategy Planning Solution Leveraging Generative AI and Consumer Purchasing Data

Reference: NEC's Open Innovation Initiative "NEC Open Innovation" Wins 2025 Good Design Award

Reference: Sumitomo Rubber Industries and NEC Build Globally Competitive R&D Infrastructure

Reference: NEC Orchestrating Future Fund Invests in PopID, Inc. to Accelerate Global Expansion of Biometric Payment Solutions and Launch a Strategic Collaboration

Reference: NEC Launches the Africa Corporate Innovation Program to Accelerate Business Through Co-Creation with African Startups

Reference: NEC Ranks 5th in Keidanren's 4th Startup Friendly Scoring! Top 10 for Two Consecutive Years (Japanese language only)

R&D Expenses

Investment in research and development is concentrated in key business areas, along with investments in collaborations with external research institutions. R&D expenses for fiscal year 2026 totaled 105.2 billion yen.

Intellectual Property Initiatives

1. Intellectual Property Management and Rule Making/Standardization Division: Strengthening NEC's Intellectual Property Capabilities

NEC's Intellectual Property Management and Rule Making/Standardization Division has established a structure for advancing the Company's intellectual property strategy by collaborating with IP officers in relevant divisions and Group companies. Through this structure, the division supports the development and utilization of a global IP portfolio.

Additionally, to expand business opportunities, the division also promotes licensing activities that make effective use of a wide range of intellectual property assets, actively utilizes AI, and engages in rulemaking and policy recommendations aimed at the strategic use of standards.

2. Intellectual Property Strategy

NEC is placing a particular focus on expanding its intellectual property in technology areas which will drive current growth and create the next pillars of growth. The Company regards IP as a vital management resource that supports business competitiveness, stability, and promotes co-creation. NEC is working to apply IP in sales activities, strengthen its licensing activities, and expand and utilize design and trademark rights that support the NEC brand. Through the use of IP, NEC promotes innovation and contributes to enhancing corporate value. The Company is also reinforcing its global governance framework to manage IP risks across the entire NEC Group.

Governance
Innovation Management

2.1 Digital Transformation of Intellectual Property

NEC actively utilizes generative AI and RAG (Retrieval-Augmented Generation) technologies in its intellectual property operations, advancing the sophistication and efficiency of a range of IP processes, including prior art searches, specification drafting support, and patent filing and prosecution decisions. Based on insights, tools, and operational know-how accumulated internally, the Company has also begun providing IP DX solutions to external companies and is working to create new business value centered on intellectual property. By utilizing its own practical experience in IP DX, NEC will help reduce the operational burden on the IP departments of client companies and enable faster decision-making, thereby contributing to enhancing the intellectual property competitiveness of Japanese companies.

Reference: NEC's IP DX Business

3. Standardization Strategy

NEC strategically promotes standardization activities that enhance the social acceptance and spread of advanced technologies, thereby expanding business opportunities. In key technology fields such as AI, biometric authentication, information and communications, and quantum computing, NEC takes on key leadership roles in the industry, including chairing standardization committees and leading both Japanese and international standardization initiatives. The Company is also working to increase and utilize standard-related patents to further strengthen its business.

3.1 Examples of Initiatives to Promote Standardization Activities

In January 2026, at the Public-Private High-Level Forum on International Standards established by the Cabinet Office and Keidanren, Nobuhiro Endo, Executive Advisor of NEC Corporation (Chair of the Committee on Intellectual Property and International Standardization Strategy), co-chaired the forum alongside Kimi Onoda, Minister of State for Intellectual Property Strategy, Cabinet Office. Mr. Endo also delivered the "Action Declaration on International Standards and Rules" (provisional translation) at the inaugural general meeting. NEC is contributing to the strategic and proactive promotion of international standardization through unified public and private sector efforts.

Several NEC members serve in various government-related IP positions, contributing to the advancement of Japan's intellectual property policies.

- Nobuhiro Endo, Executive Advisor: Committee Member of the Planning Committee of the Cabinet Office, Chair of the International Standards Strategy Subcommittee, Co-chair of the Public-Private High-Level Forum on International Standards, and Chair of both the Japanese Industrial Standards Committee (JISC) and the Information and Communications Council
- Shigeki Wada, Corporate SVP: Committee Member of the Intellectual Property Subcommittee of the Industrial Structure Council and Member of the JPO Policy Promotion Roundtable
- Fumio Imoto, Senior Executive Professional of the Intellectual Property Management and Rule Making/ Standardization Division: Committee Member of the Patent System Subcommittee under the Intellectual Property Subcommittee of the Industrial Structure Council

4. Results and Achievements Related to Intellectual Property Activities

- NEC received the Top 100 Global Innovator Award from Clarivate Analytics for the 15th consecutive year (only 16 companies worldwide have achieved this feat).
- NEC was named among the 2025 Asia IP Elite by Intellectual Asset Management (IAM), an intellectual property media platform operated by Law Business Research Limited
- At the Intellectual Property and Intangible Asset Governance Awards (FY2025) presented by the Intellectual Property & Intangible Assets Governance Promotion Association (IPIAGPA), NEC received the Excellence Award in recognition of its efforts to integrate financial and non-financial elements, design all corporate activities, and rebrand itself.
- As part of its support for startups taking on social issues, NEC has transferred patents to a cumulative total of six companies through Piece Future's IP Hatch program. Through patent transfers to innovative startups in areas such as environmental value visualization solutions, NEC is contributing to the resolution of social issues and the creation of new value.

Reference: Empowering Climate Solutions Through Co-Creation: NEC Transfers Patent to Singaporean Startup

For more information on NEC's intellectual property activities, please see below.

Reference: Intellectual Property at NEC

Number of Patents Held

NEC is working to enhance the value of its entire patent portfolio by increasing the ratio of high-quality patents, acquiring new patents, and conducting periodic portfolio reviews. These efforts help ensure that the appropriate number of patents in the appropriate jurisdictions are maintained in line with the Company's utilization policy. The NEC Group held approximately 40,000 patents as of fiscal year 2026.

1. Emphasis on Focus Areas (Proportion in Focus Areas)

- Applications[1]: 45% of all applications (end of FY2018) → 81% (end of FY2026)
- Holdings[2]: 44% of all holdings (end of FY2018) → 68% (end of FY2026)

- Number of patents registered in Japan (by field)[3]: Computer technology - 588 (Ranked 1st)
- Number of patents registered in Japan (by field)[3]: Business methods - 362 (Ranked 1st)
- Number of patents registered in Japan (by field)[3]: Controls - 256 (Ranked 2nd)
- Number of patents registered in Japan (by field)[3]: Digital communications - 279 (Ranked 4th)
- Number of patents registered in Japan (by field)[3]: Telecommunications - 90 (Ranked 4th)

ESG Number of Patents Held (Data Collection)

1. Includes NEC Group's applications in Japan and direct PCT applications
2. Includes all patents held by the NEC Group
3. Number of patents registered in 2024. Source: 2025 Annual Report on Patent Administration. Fields are defined by the Japan Patent Office.

Governance
Data Collection

1. Corporate Governance

		2023	2024	2025	2026
Number of directors[1] (Of whom, executing persons[2]) (As of July 1, 2023, and as of June 30 for each year)	Total	12 (3)	13 (3)	11 (2)	10 (2)
	Male	10 (3)	10 (3)	8 (2)	8 (2)
	Female	2 (0)	3 (0)	3 (0)	2 (0)
Number of independent outside directors (Ratio[3]) (As of July 1, 2023, and as of June 30 for each year)		7 (58.3%)	8 (61.5%)	8 (72.7%)	7 (70.0%)
Number of non-Japanese directors[4] (Ratio[3]) (As of July 1, 2023, and as of June 30 for each year)	Total	1 (8.3%)	1 (7.7%)	1 (9.1%)	3 (30.0%)
	Male	0	0	0	2
	Female	1	1	1	1
Number of executive officers (As of July 1, 2023, and as of June 30 for each year)	Total	21	20	19	17
	Male	19	18	18	15
	Female	2	2	1	2

		2023		2024		2025		2026	
			As of July 1		As of June 30		As of June 30		As of June 30
Number of officers who are corporate SVPs or above[5] (Of whom, non-Japanese officers) (As of April 1 of each year, unless otherwise noted)	Total	50 (2)	50 (2)	47 (2)	50 (2)	47 (4)	47 (4)	49 (4)	49 (4)
	Male	46 (2)	45 (2)	42 (2)	45 (2)	41 (3)	41 (3)	44 (3)	44 (3)
	Female	4 (0)	5 (0)	5 (0)	5 (0)	6 (1)	6 (1)	5 (1)	5 (1)

	2023		2024		2025		2026	
		As of July 1		As of June 30		As of June 30		As of June 30
Ratio of female and non-Japanese to all corporate officers[6] (As of April 1 of each year, unless otherwise noted)	14.8%	15.3%	15.8%	16.9%	20.0%	20.7%	17.5%	21.1%

1. Numbers through 2024 are the same as for April 1 of the following year, as there were no appointments or dismissals during the term of office.
2. Number of executive officers from 2023. (As a result of the transition to a company with a Nominating Committee, etc. in June 2023, corporate officer positions were abolished and executive officer positions were newly established.)
3. Ratio to total directors.
4. The figure for the number of non-Japanese directors in 2025 has been revised.
5. As of April 1, 2023, the number of executive directors, corporate SEVPs, corporate EVPs and corporate SVPs.
   From July 1, 2023, the number of executive officers, corporate SEVPs, corporate EVPs and corporate SVPs.
   From April 1, 2026, the number of executive officers, corporate EVPs and corporate SVPs.
6. As of April 1, 2023, directors, Audit & Supervisory Board members (KANSAYAKU), corporate officers, corporate SEVPs, corporate EVPs and corporate SVPs.
   From July 1, 2023, directors, executive officers, corporate SEVPs, corporate EVPs and corporate SVPs.
   From April 1, 2026, directors, executive officers, corporate EVPs and corporate SVPs.
   From 2023, figures for April 1 have been assured by KPMG AZSA Sustainability Co., Ltd. as an independent third party.

Governance
Data Collection

3. Compliance

		FY2023	FY2024	FY2025	FY2026
Compliance training completion rate	NEC Corporation	98.4%	99.1%	99.3%	96.1%
	Consolidated subsidiaries in Japan	97.6%	97.4%	96.9%	95.0%
	Consolidated subsidiaries outside Japan	—	96.1%	94.2%	96.0%

		FY2023	FY2024
Number of Compliance Hotline consultations	NEC Corporation	109	58
Number of HR Hotline consultations and reports[7]	NEC Corporation and consolidated subsidiaries in Japan	109	184
Human rights (discrimination and harassment) Total		—	109
Violation of laws or company regulations		—	20
Severe warning		—	9
Disciplinary action[8]		—	11
No violation and other		—	89
Labour and other[9] Total		—	75
Violation of laws or company regulations		—	8
Severe warning		—	6
Disciplinary action		—	2
No violation and other		—	67

		FY2025	FY2026
Number of hotline consultations and reports[10]	NEC Corporation and consolidated subsidiaries in Japan, and their business partners	230	478
Compliance Total		27	96
Violation of laws or company regulations		2	3
Severe warning		2	3
Disciplinary action		0	0
No violation and other		25	93
Human rights (discrimination and harassment) Total		150	325
Violation of laws or company regulations		43	69
Severe warning		34	63
Disciplinary action		9	6
No violation and other		107	256
Labour and other Total		53	57
Violation of laws or company regulations		6	8
Severe warning		4	6
Disciplinary action		2	2
No violation and other		47	49

			FY2026
Political donations and other expenditures[11] (million yen)	Expenditures by category	Major contributions to political organizations (People's Political Association)	18.0
		Trade associations or tax-exempt groups (e.g. think tanks)	149.8
	Expenditures by sustainability-related issue	Proposal to industrial policies such as IT: The Company advocates for industrial policies related to IT and other fields through participation in various committees and study groups organized by industry associations in the electronics, electrical, and information communication sectors, including the Japan Electronics and Information Technology Industries Association (JEITA).	87.1
		Sustainable development on a global scale: The Company participates in organizations such as BSR and the UN Global Compact, which promote the sustainable development of industry and humanity.	62.7

4. Supply Chain Management

		FY2023	FY2024	FY2025	FY2026
Number of suppliers that responded to document check/ Number of companies targeted[12]	Number of responding companies	1,009	1,194	1,501	1,167
	Number of companies targeted	1,081	1,294	1,686	1,307
Number of suppliers whose information security measures were inspected	On-site assessment[13]	202	330	350	220
	Document check	1,785	1,766	1,838	1,736
Number of suppliers that attended the Sustainability/Information Security Sessions		1,777	1,770	1,839	1,734
Percentage of suppliers agreeing to procurement guidelines[14]		83%	86%	87%	88%
Number of Compliance Hotline consultations related to procurement issues		7	6	6	20

5. Innovation Management

		FY2023	FY2024	FY2025	FY2026
R&D expenses (billion yen)	NEC Group	121.4	115.8	99.2	105.2
Number of patents held	NEC Group	Approx. 42,000	Approx. 41,000	Approx. 43,000	Approx. 40,000

7. Through FY2023, this was the Human Rights Hotline. Cases involving both human rights and labour and other matters are tabulated according to the matter of greater severity.
8. Disciplinary action: Includes reprimands, suspension, demotion, and dismissal; includes cases in which enforcement will take place in the following fiscal year or later.
9. Labour and other: Includes long working hours, workplace accidents, and attendance management.
10. Number of hotline consultations and reports: Total for Compliance Hotline, HR Hotline and NEC Compliance & Integrity Hotline. Cases involving a combination of compliance, human rights, and labour and other matters are tabulated according to the matter of greater severity.
11. NEC makes donations to political organizations, giving due consideration to necessity and appropriateness, as well as complying with relevant laws and ensuring transparency.
In addition, major contributions to sustainability-related organizations include 40,000 US dollars to BSR and 1.55 million yen to the UNGC.
12. Total number of companies that were requested to and responded to at least one of the following: Sustainable Procurement Self-assessment or Survey on Decarbonization and Natural Capital Initiatives.
13. Some assessments were conducted online.
14. Percentage based on the total consolidated procurement amount.

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Appendices and Data

Third-party Assurance, External Ratings and Evaluations

Third-party Assurance GRI 2-5

The environmental and social data presented on the NEC ESG Databook 2026 web page (https://www.nec.com/en/global/sustainability/guidelines/data.html) has received third-party assurance.

Reference: Third-party Certificate of Assurance

External Ratings and Evaluations

We are included in world-renowned Environmental, Social, and Governance (ESG) indices. We have also received recognition from various ministries and organizations for its ESG initiatives (as of July 2026).

Reference: External Ratings and Evaluations

1. External Recognition for ESG Initiatives

- **Dow Jones Best-in-Class Indices: World, Asia Pacific**
- **The Sustainability Yearbook 2026: Top 10%**
- **ISS ESG Corporate Rating: Prime**
- **Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)***
- **CDP (Climate Change, Water Security, and Supplier Engagement)**

Climate Change and Water Security: A
Supplier Engagement: Supplier Engagement Leader

- **FTSE4Good Index Series***
- **EcoVadis: Gold**
- **MSCI ESG Selection Indexes**

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2. External Recognition for the Workplace Environment

- **KENKO Investment for Health**
- **“L-boshi” Certification: 3-star**
- **PRIDE Index 2025: Gold**
- **Outstanding Organizations of KENKO Investment for Health: White 500**
- **Next-generation Support Certification Mark “Platinum Kurumin”**

3. Other External Evaluations

Reference: Main Awards and Accreditation for Corporate Citizenship Activities
Environmental Ratings by External Organizations (Latest Rating/Ranking)

* ESG indices selected by the Government Pension Investment Fund (GPIF).

Appendices and Data
Comparison Table

Comparison Table: GRI Standards

We have reported the information listed in this GRI Content Index for the period from April 1, 2025, to March 31, 2026, with reference to the GRI Standards.
GRI=Global Reporting Initiative (https://www.globalreporting.org/)

	ID	Required reporting item	Corresponding data
Common Standards			
GRI 1: Foundation 2021 (GRI 1 does not include disclosures)			
GRI 2: General Disclosures 2021	1. Organizational profile		
	2-1	Organizational details	About NEC > Corporate Profile > Profile
	2-2	Entities included in the organization's sustainable reporting	Annual Securities Report (Japanese language only) About NEC > Corporate Profile > NEC Worldwide
	2-3	Reporting period, frequency and contact point	About NEC > Sustainability > Information Disclosure Policy
	2-4	Restatements of information	No change from previous report
	2-5	External assurance	Third-party Assurance
	2. Activities and workers		
	2-6	Activities, value chain and other business relationships	Management for Sustainability
	2-7	Employees	Data Collection (Social)
	2-8	Workers who are not employees	-
	3. Governance		
	2-9	Governance structure and composition	Corporate Governance
	2-10	Nomination and selection of the highest governance body	Corporate Governance
	2-11	Chair of the highest governance body	Corporate Governance About NEC > Corporate Profile >Management
	2-12	Role of the highest governance body in overseeing the management of impacts	Management for Sustainability
	2-13	Delegation of responsibility for managing impacts	Management for Sustainability
	2-14	Role of the highest governance body in sustainability reporting	Management for Sustainability
	2-15	Conflicts of interest	Compliance Corporate Governance Report
	2-16	Communication of critical concerns	Risk Management Compliance
	2-17	Collective knowledge of the highest governance body	Management for Sustainability
	2-18	Evaluation of the performance of the highest governance body	Management for Sustainability Corporate Governance Report
	2-19	Remuneration policies	About NEC > Corporate Profile > Corporate Governance > Management > Remuneration for Directors and Executive Officers
	2-20	Process to determine remuneration	About NEC > Corporate Profile > Corporate Governance > Management > Remuneration for Directors and Executive Officers
	2-21	Annual total compensation ratio	-

	ID	Required reporting item	Corresponding data
GRI 2: General Disclosures 2021	4. Strategy, policies and practices		
	2-22	Statement on sustainable development strategy	About NEC > Sustainability > Message from the President and CEO Management for Sustainability
	2-23	Policy commitments	NEC Group Human Rights Policy Respect for Human Rights
	2-24	Embedding policy commitments	Respect for Human Rights
	2-25	Processes to remediate negative impacts	Respect for Human Rights
	2-26	Mechanisms for seeking advice and raising concerns	Respect for Human Rights Risk Management Compliance
	2-27	Compliance with laws and regulations	Compliance
	2-28	Membership associations	Management for Sustainability
	5. Stakeholder engagement		
	2-29	Approach to stakeholder engagement	Management for Sustainability Respect for Human Rights
	2-30	Collective bargaining agreements	Annual Securities Report (Japanese language only) Hiring, Retention, and Compensation
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Management for Sustainability
	3-2	List of material topics	Management for Sustainability
	3-3	Management of material topics	Management for Sustainability
Standards by Item			
GRI 101: Biodiversity 2024	101-1	Policies to halt and reverse biodiversity loss	Nature Positive
	101-2	Management of biodiversity impacts	Nature Positive
	101-3	Access and benefit-sharing	-
	101-4	Identification of biodiversity impacts	Nature Positive
	101-5	Locations with biodiversity impacts	Nature Positive
	101-6	Direct drivers of biodiversity loss	-
	101-7	Changes to the state of biodiversity	-
	101-8	Ecosystem services	-
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Investor Relations > Financial Documents
	201-2	Financial implications and other risks and opportunities due to climate change	Carbon Neutrality
	201-3	Defined benefit plan obligations and other retirement plans	Annual Securities Report (Japanese language only)
	201-4	Financial assistance received from government	-

Appendices and Data
Comparison Table

Comparison Table: GRI Standards

	ID	Required reporting item	Corresponding data
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-
	202-2	Proportion of senior management hired from the local community	-
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Corporate Citizenship Activities
	203-2	Significant indirect economic impacts	NEC actions to achieve SDGs
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	-
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Compliance
	205-2	Communication and training about anticorruption policies and procedures	Compliance Supply Chain Management
	205-3	Confirmed incidents of corruption and actions taken	Compliance
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance
GRI 207: Tax 2019	207-1	Approach to tax	Compliance
	207-2	Tax governance, control and risk management	Compliance
	207-3	Stakeholder engagement and management concerns related to tax	Compliance
	207-4	Country-by-country reporting	Compliance
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Overview of Environmental Impact
	301-2	Recycled input materials used	Overview of Environmental Impact
	301-3	Reclaimed products and their packaging materials	Overview of Environmental Impact
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Overview of Environmental Impact Environmental Data
	302-2	Energy consumption outside of the organization	Overview of Environmental Impact Environmental Data
	302-3	Energy intensity	-
	302-4	Reduction of energy consumption	Environmental Management Overview of Environmental Impact Environmental Data
	302-5	Reductions in energy requirements of products and services	-
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Environmental Management
	303-2	Management of water discharge-related impacts	Environmental Management
	303-3	Water withdrawal	Overview of Environmental Impact Environmental Data
	303-4	Water discharge	Overview of Environmental Impact Environmental Data
	303-5	Water consumption	Overview of Environmental Impact Environmental Data

	ID	Required reporting item	Corresponding data
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environmental Management Overview of Environmental Impact Environmental Data Carbon Neutrality
	305-2	Indirect (Scope 2) GHG emissions	Environmental Management Overview of Environmental Impact Environmental Data Carbon Neutrality
	305-3	Other indirect (Scope 3) GHG emissions	Environmental Management Overview of Environmental Impact Environmental Data Carbon Neutrality
	305-4	GHG emissions intensity	-
	305-5	Reduction of GHG emissions	Environmental Management Overview of Environmental Impact Environmental Data
	305-6	Emissions of ozone-depleting substances (ODS)	Nature Positive
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Management
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Environmental Management Nature Positive
	306-2	Management of significant waste-related impacts	Circular Economy Nature Positive
	306-3	Waste generated	Overview of Environmental Impact Environmental Data
	306-4	Waste diverted from disposal	-
	306-5	Waste directed to disposal	Overview of Environmental Impact Environmental Data
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	-
	308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Hiring, Retention, and Compensation
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-
	401-3	Parental leave	Work-Life Balance
GRI 402: Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	-

Appendices and Data
Comparison Table

Comparison Table: GRI Standards

	ID	Required reporting item	Corresponding data
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3	Occupational health services	-
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
	403-5	Worker training on occupational health and safety	Occupational Health and Safety
	403-6	Promotion of worker health	Health and Productivity Management
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Quality and Safety
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9	Work-related injuries	Occupational Health and Safety
	403-10	Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Human Resource Development
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Resource Development
	404-3	Percentage of employees receiving regular performance and career development reviews	-
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Inclusion and Diversity Corporate Governance
	405-2	Ratio of basic salary and remuneration of women to men	Hiring, Retention, and Compensation
GRI 406: Nondiscrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Respect for Human Rights
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	-
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	NEC Group Modern Slavery and Human Trafficking Statement
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Excluded – not a materiality
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Excluded – not a materiality
GRI 412: Human Rights Assessments 2016	412-1	Business locations that have been subject to human rights reviews or impact assessments	Occupational health and safety
	412-2	Employee training on human rights policies and procedures	Respect for Human Rights Occupational health and safety
	412-3	Significant investment agreements and contracts that include human rights clauses or have undergone human rights screening	-

	ID	Required reporting item	Corresponding data
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Excluded – not a materiality
	413-2	Operations with significant actual and potential negative impacts on local communities	Excluded – not a materiality
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	-
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management
GRI 415: Public Policy 2016	415-1	Political contributions	Compliance
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Excluded – not a materiality
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Excluded – not a materiality
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Excluded – not a materiality
	417-2	Incidents of non-compliance concerning product and service information and labeling	Excluded – not a materiality
	417-3	Incidents of non-compliance concerning marketing communications	Excluded – not a materiality
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches	Personal Information Protection and Privacy

Appendices and Data
Comparison Table

Comparison Table: UN Global Compact

UN Global Compact Principles			Corresponding data
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Respect for Human Rights AI and Human Rights Supply Chain Management
	Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Respect for Human Rights Hiring, Retention, and Compensation
	Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	
	Principle 5	Businesses should uphold the effective abolition of child labour.	
	Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges.	Environmental Management
	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	
	Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	
Anticorruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Risk Management Compliance

Comparison Table: SASB Standards

The table below compares the SASB sustainability disclosure topics, accounting metrics and activity metrics with our sustainability initiatives.

Disclosure topic	Accounting metric	Code	Corresponding data
Environmental evaluation indicators for hardware infrastructure	(1) Total energy consumed (2) Percentage of grid electricity (3) Percentage of renewable energy	TC-SI-130a.1	Overview of Environmental Impact Environmental Data
	(1) Total water withdrawn (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	TC-SI-130a.2	Overview of Environmental Impact Environmental Data
	Discussion of the integration of environmental considerations into strategic planning for data center needs	TC-SI-130a.3	Carbon Neutrality
Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	TC-SI-220a.1	Personal Information Protection and Privacy Customer Relationship Management
	Number of users whose information is used for secondary purposes	TC-SI-220a.2	Personal Information Protection and Privacy
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-SI-220a.3	Personal Information Protection and Privacy
	(1) Number of law enforcement requests for user information (2) Number of users whose information was requested (3) Percentage resulting in disclosure	TC-SI-220a.4	Personal Information Protection and Privacy
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	TC-SI-220a.5	-
Data Security	(1) Number of data breaches (2) Percentage involving personally identifiable information (PII) (3) Number of users affected	TC-SI-230a.1	Personal Information Protection and Privacy
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-SI-230a.2	Information Security and Cybersecurity Cybersecurity Management Report
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	TC-SI-330a.1	Data Collection (Social)
	Employee engagement as a percentage	TC-SI-330a.2	Data Collection (Social)
	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-SI-330a.3	Data Collection (Social)
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	TC-SI-520a.1	Compliance
Managing Systemic Risks from Technology Disruptions	Number of (1) performance issues, (2) service disruptions, and (3) total customer downtime	TC-SI-550a.1	-
	Description of business continuity risks related to disruptions of operations	TC-SI-550a.2	Risk Management

Activity Metrics

Activity metric	Code	Corresponding data
(1) Number of licenses or subscriptions (2) Percentage of cloud-based	TC-SI-000.A	-
(1) Data processing capacity (2) Percentage of outsourced	TC-SI-000.B	-
(1) Amount of data storage (2) Percentage of outsourced	TC-SI-000.C	-

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Appendices and Data
Comparison Table

Comparison Table: ISO 26000

At NEC, departments that carry out functions related to each sustainability issue are in charge of promoting initiatives related to those issues.

While referencing the core subjects of ISO 26000 (organizational governance, human rights, labour practices, the environment, fair operating practices, consumer issues and community involvement and development), the Company works to evaluate the importance of its own sustainability issues and make improvements.

Core subject	Issue	Corresponding data
Organizational Governance	1. Organizational Governance	Management for Sustainability
Human Rights	1. Due diligence 2. Human rights risk situations 3. Avoidance of complicity 4. Resolving grievances 5. Discrimination and vulnerable groups 6. Civil and political rights 7. Economic, social and cultural rights 8. Fundamental principles and rights at work	Respect for Human Rights Inclusion and Diversity Hiring, Retention, and Compensation AI and Human Rights Supply Chain Management
Labour Practices	1. Employment and employment relationships 2. Conditions of work and social protection 3. Social dialogue 4. Health and safety at work 5. Human development and training in the workplace	Inclusion and Diversity Hiring, Retention, and Compensation Human Resource Development Occupational Health and Safety
Environment	1. Prevention of pollution 2. Sustainable resource use 3. Climate change mitigation and adaptation 4. Protection of the environment, biodiversity and restoration of natural habitats	Environmental Management Carbon Neutrality Circular Economy Nature Positive

Core subject	Issue	Corresponding data
Fair Operating Practices	1. Anti-corruption 2. Responsible political involvement 3. Fair competition 4. Promoting social responsibility in the value chain 5. Respect for property rights	Risk Management Compliance Supply Chain Management Innovation Management
Consumer Issues	1. Fair marketing, factual and unbiased information and fair contractual practices 2. Protecting consumers' health and safety 3. Sustainable consumption 4. Consumer service, support, and complaint and dispute resolution 5. Consumer data protection and privacy 6. Access to essential services 7. Education and awareness	Respect for Human Rights AI and Human Rights Personal Information Protection and Privacy Customer Relationship Management Quality and Safety
Community Involvement and Development	1. Community involvement 2. Education and culture 3. Employment creation and skills development 4. Technology development and access 5. Wealth and income creation 6. Health 7. Social investment	Dialogue and Co-creation with Our Stakeholders Occupational Health and Safety Health and Productivity Management Work-Life Balance Corporate Citizenship Activities

\Orchestrating a brighter world

NEC Corporation

Sustainability Strategy Planning Office
Stakeholder Relations Department
Corporate Strategy and Sustainability Promotion Division

7-1, Shiba 5-chome, Minato-ku, Tokyo 108-8001, Japan
Email: nec_sus@dmsig.jp.nec.com

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