

Messages from Outside Director and Audit & Supervisory Board Member

Revitalize Our Board, Increase Our Corporate Value

Three years have passed since I assumed my post as an outside director. Since then, the Company's operating performance has improved steadily against the fast-changing business environment. I believe that it is the fruit of the orchestrated effort by the Board members in guiding the Company through structural reforms and realignment of business portfolio to implement "scrap and rebuild" of better organization. It is noteworthy that the board members have had intense discussions to determine how the NEC Group should contribute to better society for long into the future as an acclaimed corporate citizen.

Looking ahead, I believe that for NEC to accelerate its growth is by incorporating the proprietary technologies into new business models. For example, in the "Solutions for Society," we can offer solutions to a large number of social issues with the technologies that we already have and with new technologies we will develop. My visits to business sites have confided me that NEC and its technologies have vast possibilities in various fields, including ICT and energy. It is my role to use my perspective from outside the Company and assist NEC to turn these possibilities into real business. I am committed to offer my opinions proactively with respect to internal proposals, thereby further vitalizing the Board of Directors.

With the adoption of the Corporate Governance Code in June, the members of the Board are working to ensure that the framework properly functions and moreover, it is carried out with high conscience. I cannot emphasize enough the importance of having a governance system that is best suited for the company's future vision for itself. As a member of the Board, I will continue to work in attaining sustainable growth of the NEC corporate value.

Outside Director

Hitoshi Ogita



Compliance and Corporate Citizenship Form "the Arteries" of a Company



I was appointed to the post of outside Audit & Supervisory Board Member in June 2014. Since then, I have taken on the responsibility to guide the NEC Group in compliance with laws and regulations. I believe that establishing and maintaining strong compliance to regulations is of particular importance to NEC, with its advanced technologies and a global presence as a solution provider to both social infrastructure and systems utilized in risk management for society.

Often times, corporate scandals do not occur from a lack of understanding of complex laws and regulations. In many cases, corporate scandals are simply of illegal activities at a fundamental level that goes against common knowledge. It is my understanding that such activities occur when the reasoning and practices inside an organization drift away from the common knowledge and an organization loses its flexibility.

In the world of physics and mechanical engineering, the term "compliance" refers to the elasticity or flexibility of an object. For a company, the spirit of compliance and corporate citizenship is like "an artery" to a living organism. A living organism cannot survive if its arteries lose their flexibility and blood stops circulating. Likewise, an organization cannot live no matter how hard it works to improve its operating performance, if the spirit of compliance and corporate citizenship does not work as "the arteries" in the organization.

All employees of the NEC Group are serious, hard-working, and knowledgeable in their fields. While continuing to value and protect these strengths, I ask employees to possess a "flexible spirit" and sensitivities for the common knowledge.

At NEC, all Group companies are taking steps to enhance their compliance systems. As an outside Audit & Supervisory Board Member, I plan to voice my opinions based on my view from outside the Company. I am committed to contribute in fostering a healthier and supplier NEC culture.

Outside Audit & Supervisory Board Member (KANSAYAKU)

Kyoko Okumiya