Sustainably and Socially Literate Human Resources

NEC considers its officers and employees to be its greatest management resource. Based on the NEC Way, we are working to develop human resources and an organizational culture that are able to continuously create value for society, constantly acting from a customer-oriented perspective with a high sense of ethical value and a deep understanding of the essential issues faced by customers and society.

"Sustainably and socially literate human resources" are one aspect of NEC's "materiality"—priority management themes from an ESG perspective. We have implemented various measures organized by role and theme while making strategic investments.



Aiming to Be a Competitive Global Organization

As society continues to change, we need to identify clear goals and outline approaches that leverage our strengths: being agile, never missing an opportunity, and embracing risk even if it means failure.

This requires each individual to take ownership of their work and drive relentlessly towards their end goal, resolving challenges as they arise with passion and determination. In addition, to create a foundation for this kind of attitude, we believe it is important that we firmly establish an organizational style and culture where all employees can participate actively and grow based on this stance, helping one another to attain higher levels of achievement without being concerned over confrontations or status.

NEC has defined this ideal for human resources in its Code of Values of the NEC Way, aiming to create strong individuals and strong teams.

In addition, in November 2019 we formulated a new HR policy, "NEC, for those who seek challenge," aimed at clarifying our ideas on a string of measures for transforming our people and our organization so that they can continue to compete successfully in the global arena.



HR policy "NEC, for Those Who Seek Challenge."

Reforming Evaluation and Development to Strengthen Execution Capabilities

In working toward the Mid-term Management Plan 2020 theme of "strengthening execution capabilities," we are reforming the evaluation system in fiscal 2019.

To further fortify management's commitment to business performance, we introduced a system that links bonuses to the level of achievement of annual key performance indicators (KPIs) that are clearly defined for both the short and medium terms based on role and responsibility. In fiscal 2021, we will incorporate organizational and human resource development through practical implementation of the NEC Way into the job descriptions of all officers. We will also incorporate the implementation of materiality themes into the descriptions for in-house directors, aiming to strengthen our execution capabilities starting with our officers.

For employees, in fiscal 2019 we introduced a system of nine blocks and multifaceted evaluation to give a fair evaluation of both performance and behavior. We are also aiming to achieve better performance management and support for team member growth by ensuring one-on-one meetings between supervisors and their team members.

NEC Corporation has extended internal job postings, previously conducted periodically, to a year-round system, and in fiscal 2020, we introduced NEC Growth Careers (NGC) as an internal job posting system. By constantly presenting and providing positions within the Company to all employees, we provide timely opportunities for them to realize attractive in-house careers, while also promoting the right person for the right position, at the right time

Cultivating and Acquiring Professionals

NEC Corporation is systemizing skill maps by job category and position. By clearly showing employees which skills are required for each position, they can find positions close to their own envisaged careers, or check the role, responsibilities, and required skills of a position. By evaluating the status of their skills with a skill assessment, they can continuously develop their capabilities with the support of their supervisors.

NEC is also acquiring and developing top-level human resources. In 2015, we introduced the post of research fellow, which has no upper limit on compensation. In 2019, we introduced the Selective Compensation Program for Professional Researchers, with no upper limit on compensation for nonmanagerial employees.

In April 2020, certain personnel with high levels of expert knowledge and ability in certain fields outside of technology and research, and who contribute to the Company's business through their ability to make an impact in and outside the Company, were appointed to a new officer class professional position called "Corporate Executive."

We are also promoting the development of professional human resources outside the Company, and in April 2019 we opened the NEC Academy for Al. The academy is a place for learning and practice where we are developing professionals in the AI field who can solve social issues.

Developing the Next Generation of Leaders

The NFC School for Social Value Creation was established in fiscal 2017 as a training program for nurturing the next generation of leaders.

This executive-level program provides opportunities for participants to engage in dialogue with various stakeholders and gain practical experience at domestic and international sites. Based on this dialogue and experience, the participants create business ideas and business models for realizing social value. At training programs for frontline leaders, participants study and create business models for social value creation, then refine their models

by testing, examining and revising them at actual customer sites.

The Social Issue Experience Human Resource Development Program (SENSE) for all employees was launched in fiscal 2020 with the aim of developing human resources capable of guickly sensing latent social needs and issues and speedily providing solutions. Under SENSE, we conduct various training programs, including the "going abroad program," where participants are immersed deeply on the frontline of a particular social issue, including abroad, and work out solutions for the problem together with frontline team members.

Listening to the Next Generation of Leaders

I want to bridge the business divisions and research labs to create synergies.

I am currently in charge of the quantum computer project, while also working in the AI Analytics Division. My aim is to merge Al and quantum computing, and to start up a business.

In my first winter in this job, I spent a week at NEC Laboratories America, where I had discussions with researchers working at the cutting-edge of machine learning. I reflected the results of these discussions in our development work, so it was a very valuable experience. I began working concurrently in the research lab in my third year, and also joined the quantum computer project, which led to my involvement in various departments in NEC as well as ventures and meetings in Japan and abroad.

NEC gives meaningful work assignments to young workers, and there is an atmosphere of wanting to change the current state of things. I think that another strength of NEC is its approach of thoroughly studying issues on site then coordinating with research labs to enhance its technologies.

I hope that the integration of AI and quantum computers contributes to the realization of social values such as safety, security, fairness and efficiency that NEC seeks to provide.



Natsuko Yoshida Al Platform Division **NEC Corporation**



Promoting Inclusion and Diversity

To promote the cultivation of "socially literate human resources," it is important to create a culture in which employees can understand, respect, and empathize with diverse values and perspectives.

NEC Corporation is promoting inclusion and diversity (I&D) from various perspectives, including promotion of global recruitment of human resources, promotion of women's career advancement and active participation in the workplace, promotion of employment of people with disabilities, and promotion of understanding of LGBT (lesbian, gay, bisexual, and transgender) people.

Promotion of Global Recruitment of Human Resources

To achieve global business expansion, we are working to recruit various non-Japanese individuals in our research, technology, sales, and corporate administration departments. Through these efforts, we strive to increase the quality of our workforce and promote diversity in each department. We are also working proactively to recruit employees of subsidiaries outside of Japan to work at NEC Headquarters and to facilitate interactions with these personnel and develop high-level

Proyer Room

The prayer room at NEC Head Office building

human resources.

We also make efforts to create a comfortable working environment for employees who need to make religious observances. For example, in March 2020, we opened a prayer room in the Head Office building.

Goals of I&D

To transform the organization structure and culture into one that transforms individual differences into strengths, responds with agility to change, and continues to compete strongly and win.



For further information, please refer to Sustainability Report 2020

Promoting Women's Career Advancement and Active Participation in the Workplace

We have been working to increase women's career awareness through various measures. These include a seminar for employees returning from childcare leave and discussions and study sessions hosted by the voluntary association of female members of NEC's management.

In fiscal 2020, we selected promising female employees from a wide range of ranks to begin career development through training assignments at other companies, assessments and coaching from in-house career coaches, group mentoring, and female networking, among other activities.

Promoting Employment of People with Disabilities Promotion of Understanding of LGBT People

Guided by the principle of "do what you can do on your own, and help each other for things you cannot," we have been proactively developing skills and improving conditions for people with disabilities.

In January 2020, NEC 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. By supporting people with disabilities through employment and contributing to society through support for parasports, we will provide safety, security,



fairness, and efficiency. In doing so, we aim to enable people with disabilities to enjoy a rich range of social activities.

In fiscal 2020, sessions were held for all officers, including the President, designed to foster understanding of LGBT, with lectures provided by the people involved. In addition, a group of members primarily from the People and Organization Development Division started activities as LGBT allies* with a public face, who provide direct responses to inquiries and consultation requests from LGBT people.

In October 2019, we revised internal regulations to make provision for LGBT employees. We added "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.

* Ally: A supporter who understands the situation of LGBT individuals

Autonomous Design of Working Time and Location

From October 2019, NEC Corporation abolished core time and introduced a flex time system without core time (super flex), aiming to transition to a style of working that is devised by the members of each team in line with the business and the situation of the members, rather than following a uniform style presented by the Company. By combining this system with telework, we encourage individual employees to design their work hours and locations autonomously, aiming to enable individuals and teams to achieve better productivity.

Furthermore, in July 2020 we published the *Work Style Design Book* to serve as a reference for individuals and teams when thinking about their future careers as they continue to adopt these new workstyles going forward.

NEC aims to continue growing as a company that is the preferred choice of society, and as an attractive company where every employee can palpably feel a sense of personal growth and happiness from working there.



BASE Tamagawa – a co-working space that opened in the Tamagawa Office in July 2020

Response to the COVID-19 Pandemic

As the impact of the COVID-19 pandemic becomes prolonged, causing significant changes in social activity, NEC considers its top priority to be ensuring the personal safety and security of its employees and their families. NEC Corporation and its consolidated subsidiaries in Japan and abroad have implemented countermeasures to prevent infection. These include rigorously implementing temperature checks of all employees each morning, enforcing handwashing and mouth rinsing, staggering shifts and encouraging teleworking, utilizing web conferencing, and ensuring that people do not come to work when feeling unwell. We are also promoting telework even further by encouraging work at home whenever possible.

At NEC Corporation, we have been promoting telework since 2018 by creating work systems and environments that enable all employees to work from home. Therefore, we have been able to continue our operations without major disruption even under the current circumstances.

At the front lines of research and development, it was common for researchers to go abroad to engage in face-to-face discussion. Now, the use of common communication tools has enabled many researchers in related fields to participate in simultaneous, dynamic discussions. Moreover, the new research style is helping to accelerate the development of solutions through efficient sharing of daily research results and rapid progress through discussion and analysis, enabling them to reach agreement more quickly.



A face recognition access control system that can be used even with masked people (employee gate of NEC Head Office building)



Image analysis technology can conduct visualization even in crowded situations such as cafeterias and elevators, enabling users to check crowding status in real time from their own workstation PCs and so forth.

