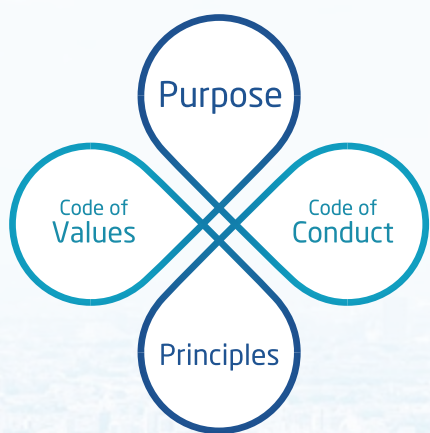


Orchestrating a brighter world

NEC creates the social values of safety, security, fairness and efficiency to promote a more sustainable world where everyone has the chance to reach their full potential.

NEC Way



The NEC Way is a common set of values that form the basis for how the entire NEC Group conducts itself.

Our Stance as a Company

Purpose

Orchestrating a brighter world

NEC creates the social values of safety, security, fairness and efficiency to promote a more sustainable world where everyone has the chance to reach their full potential.

Principles

The Founding Spirit of “Better Products, Better Services,” Uncompromising Integrity and Respect for Human Rights, and Relentless Pursuit of Innovation

Our Stance as Good Businesspeople

Code of Values

Code of Conduct

By putting the NEC Way into practice, we will create social value.

Since its founding, NEC has worked to provide social value by putting forth its own unique approach to each era.

We will pursue innovation and work to realize NEC’s Purpose, with the goal of living harmoniously with the earth and creating mutual understanding between people, no matter the era, no matter the conditions.

NEC 2030VISION

NEC aims to realize social value creation based on its Purpose. To accomplish this, we need to think deeply about how society can ensure that everyone will have the chance to reach their full potential. In our view, people find themselves in a three-layered domain, consisting of the Environment layer, the foundation for all activities; the Society layer, where national and local governments operate and economic activity takes place; and the Life layer, which covers our daily lives. Society is further subdivided into three scenarios: City, the setting for people's activities; Communication, which links people and things; and Business, which supports industry and society and provides people with a means to fulfill their purpose. Together with Environment and Life, this gives us five future visions of society to aspire to.

Life



Life

Bringing people together and filling each day with inspiration

Realizing exciting lifestyles in real and virtual worlds that meet the diverse values of consumers

- Fostering mental and physical well-being and long life
- Improving daily habits
- Free and open learning opportunities

Society



City

Nurturing prosperous cities with inclusive and harmonious societies

Achieving efficient operation of cities that support consumers and services optimized for individuals

- Democratizing the use of data in cities
- City without traffic congestion or accidents through dynamic mobility



Communication

Sharing hopes that transcend time, space, and generational boundaries

Fostering shared wisdom and empathy through rich communication that transcends time, space, language and generational barriers

- Free and equal communication services
- Safe and secure cyberspace
- Communication across linguistic frontiers



Business

Creating sustainable societies by shaping new industries and workstyles

Realization of a resilient environment that allows for creative self-realization through diverse workstyles and work objectives

- Social stability through data democratization
- Government services to meet consumer needs
- Closing the gap in employment opportunities

Environment



Environment

Living harmoniously with the earth to secure the future

Realizing a sustainable global environment by taking a holistic approach to tackle society's issues and challenges that promotes greater transparency and real behavioral change

- Realization of a decarbonized society
- Implementation of global warming countermeasures
- Guaranteeing food and water security



Please visit the following URL to watch a promotional video for the NEC 2030VISION.

<https://www.nec.com/en/global/onlinetv/en/2030VISION.html>

NEC Initiatives for Contributing to the Achievement of the SDGs


















In 2005, NEC became a signatory to the United Nations Global Compact, a global initiative aimed at sustainable growth for society and companies. We are now promoting corporate activities based on the Ten Principles of the UN Global Compact pertaining to the four fields of human rights, labour, the environment, and anti-corruption, which align with “uncompromising integrity and respect for human rights,” one of the Principles of the NEC Way. Moreover, each and every member of the NEC Group, from officers to employees, performs their day-to-day activities based on the NEC Group Code of Conduct.

Furthermore, based on the Ten Principles of the UN Global Compact, the SDGs pledge that “no one will be left behind” is aligned with the NEC Purpose, “to promote a more sustainable world where everyone has the chance to reach their full potential.”

Information and communications technology (ICT) has the potential for responding to a variety of issues. Therefore, we believe that we can contribute significantly to all of the targets set out in the SDGs by drawing on our leading-edge technologies in such fields as AI (biometrics, etc.) and 5G, as well as our competence in R&D and implementation as we engage in dialogue and co-creation with a range of stakeholders.

NEC 2030VISION and Areas of Contribution (Fiscal 2022 and Onward)

We believe that by working to fulfill the NEC 2030VISION, we can contribute to the achievement of the following SDGs in particular. We take hints from the SDGs to point out the issues and challenges facing society and use the SDGs as a guide when setting targets for creating social value—which we aim to do through our business—and also for managing progress.

	 1 POVERTY	 2 ZERO HUNGER	 3 GOOD HEALTH AND WELL-BEING	 4 QUALITY EDUCATION	 5 GENDER EQUALITY	 6 CLEAN WATER AND SANITATION	 7 AFFORDABLE AND CLEAN ENERGY	 8 DECENT WORK AND ECONOMIC GROWTH	 9 INDUSTRIAL INNOVATION AND INFRASTRUCTURE	 10 REDUCED INEQUALITIES	 11 SUSTAINABLE CITIES AND COMMUNITIES	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	 13 CLIMATE ACTION	 14 LIFE BELOW WATER	 15 LIFE ON LAND	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	 17 PARTNERSHIPS FOR THE GOALS
Living harmoniously with the earth to secure the future	●	●				●	●		●			●	●				●
Nurturing prosperous cities with inclusive and harmonious societies									●		●		●				●
Creating sustainable societies by shaping new industries and workstyles								●	●	●	●					●	●
Sharing hopes that transcend time, space, and generational boundaries								●	●	●			●				●
Bringing people together and filling each day with inspiration			●	●					●							●	●

Cover Story

NEC’s Past, Present, and Future

- 6 Message from the President
- 14 NEC’s Value Creation Journey
- 16 What is NEC

NEC’s Business Model

- 18 Value Creation Process
- 20 Mid-term Management Plan 2025
- 32 Employee Roundtable: Creating New Social Value through KMD Digitalization
- 36 CFO Message
- 40 Innovation: R&D and Business Development
- 46 NEC, for Those Who Seek Challenge
 - 46 Human Resources Strategy
 - 52 Messages from Employees
- 54 Living Harmoniously with the Earth to Secure the Future

Editorial Policy

NEC has published annual reports containing both financial and non-financial information since 2013. Starting in 2018, upon having defined its “materiality,” NEC changed the name of its annual report to “Integrated Report.”

Integrated Report 2022 comprises initiatives for achieving the NEC 2030VISION and the Mid-term Management Plan 2025, which are based on NEC’s “Purpose.” NEC has also compiled a section on extremely high-profile human resources as well as NEC’s culture.

The “Message from the President” explains the philosophy behind the NEC Way and the NEC 2030VISION, and the Mid-term Management Plan 2025 explains the strategic and cultural aspects. Furthermore, this report focuses on people, who are the driving force behind management’s implementation of NEC’s “Purpose,” and features a roundtable discussion with employees from one of NEC’s Group companies, Denmark-based KMD Holding A/S, and messages from our employees who are at the forefront of creating value. The report also summarizes the management that supports the creation of corporate value, focusing on “materiality”—management priority themes from an ESG perspective.

NEC will keep endeavoring to provide increasingly transparent and continuous information while incorporating feedback from various stakeholders.

Management That Supports Corporate Value Creation

- 60 Respecting Human Rights
- 62 Supply Chain Sustainability
- 64 Dialogue with Outside Directors
- 66 Corporate Governance
- 72 Risks and Opportunities
- 74 Directors and Audit & Supervisory Board Members
- 76 Cross-company Corporate Strategy Promotion Framework

Corporate Data

- 78 At a Glance
- 80 Financial and Non-financial Highlights
- 82 Corporate Overview

Reporting Period

April 1, 2021 to March 31, 2022 (hereinafter referred to as “fiscal 2022”; all other fiscal years are referred to similarly). This report also includes information obtained after this reporting period.

Scope of Report

NEC Corporation and its consolidated subsidiaries

Reference Guidelines

- ISO 26000
- GRI Standards
- United Nations Global Compact
- International Financial Reporting Standards (IFRS) Foundation’s “International Integrated Reporting Framework”
- Japan’s Ministry of Economy, Trade and Industry’s “Guidance for Collaborative Value Creation”

Other Related Information

- Earnings Releases / Annual Securities Report
- Corporate Governance Report
- Sustainability Report
- Information Security Report



NEC is a signatory to the United Nations Global Compact.

