Cover Story

NEC's

NEC's Value Creation Process

Under the Mid-term Management Plan 2025, NEC aims to connect its Purpose with strategy and culture based on the Company's unique tangible and intangible assets, and to realize value creation through corporate action by putting its materiality into practice. By prioritizing material issues that contribute to the sustainable growth of the Company and greater society, NEC will provide value to various stakeholders and realize the NEC 2030VISION while contributing to the achievement of the Sustainable Development Goals (SDGs).

For more details on the NEC 2030VISION, please follow the link below. https://www.nec.com/en/global/about/vision/index.html

Capital

Financial

Operating cash flow: ¥1.3 trillion*

* For the fiscal years ended/ending March 31, 2022 to 2026

Manufacturing

Business process / IT establishment

Intellectual

R&D expenditure: Approximately 3.7% of revenue

Human

Consolidated number of employees: 118,527 (as of March 31, 2023)

Social and relationship

Maintain and develop deep domain knowledge based on long-term customer relationships

Generate global synergies through M&As

Natural

Expand renewable energy installations Purchase renewable power

Strategy and Culture

Strategy

- NEC's Growth Model
- "Maximizing long-term profit" and "Optimizing short-term profit"
- Non-financial measurement methodologies to underpin sustainable growth

Culture

- Transformation of people and culture
- Establishment of business infrastructure
- Creation of shared vision for a brighter future with customers

Materiality

Growth Materiality

- A Society That Enables Well-being through the Digitalization of Government and Financial Institutions
- Stress-free Communication with Low **Environmental Impact**
- Transforming Society and Industry with the Power of Digital Technology
- Living Freely in Our New Era of Healthcare and Life Science
- Driving Carbon Neutrality for Our Customers and Society

Fundamental Materiality

- Environmental Action with a Particular Focus on Climate Change (Decarbonization)
- Security to Maximize ICT Possibilities
- Provision and Utilization of AI with Respect for Human Rights as the Highest Priority (Al and Human Rights)
- Diverse Human Resource Development and **Cultural Transformation**
- Corporate Governance
- Supply Chain Sustainability
- Compliance

Value Creation

Investors

Balance business growth and improve financial soundness

Customers

Provide safe & secure social infrastructure and services by leveraging strengths in technology

Suppliers

Create sustainable social value through collaboration and co-creation with suppliers

Employees

Transform into a company that pursues innovation and brings together diverse human resources: "Employer of Choice"

Society / Environment

Contribute to climate change measures (Decarbonization)

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 2030VISION

Life

Society

Environment



