Corporate Profile

- Profile
- Organizational Structure
- Financial information
- ESG Initiatives
- External Evaluation
# Profile

**Parent Company**

NEC Corporation

**Head Office**

7-1, Shiba 5-chome
Minato-ku, Tokyo 108-8001
Japan
Phone: +81-3-3454-1111

**Established**

July 17, 1899

**Representative Directors**

Vice Chairman of the Board Takashi Niino
President and CEO Takayuki Morita

**Consolidated Revenue**

¥3,095.2 billion (Fiscal year ended Mar. 31, 2020)

**Major Operations**


**Number of employees**

112,638 (As of Mar. 31, 2020)

**Number of Consolidated Subsidiaries**

300 (As of Mar. 31, 2020)
NEC at a Glance

Establishment

Longstanding relationships of trust with customers

1899

Revenue

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Solutions Business</td>
<td>15%</td>
</tr>
<tr>
<td>Public Infrastructure Business</td>
<td>22%</td>
</tr>
<tr>
<td>Enterprise Business</td>
<td>18%</td>
</tr>
<tr>
<td>Network Services Business</td>
<td>16%</td>
</tr>
<tr>
<td>Global Business</td>
<td>16%</td>
</tr>
<tr>
<td>Others</td>
<td>13%</td>
</tr>
</tbody>
</table>

3,095.2 billion yen

Number of patents

Approximately 47,000

Ratio of male and female hires

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>73.3%</td>
</tr>
<tr>
<td>Female</td>
<td>26.7%</td>
</tr>
</tbody>
</table>

Ratio of female managers

7.8%

Ratio of employees returning after childcare leave

1.4%

Ratio of employees with disabilities

2.38%

Number of employees

Approximately 110,000

Profile

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Inclusion in the CDP Climate Change and Water A List</th>
<th>Rate of contribution to CO2 emission reductions across the whole supply chain</th>
<th>Number of cases of serious involvement with cartels and/or bid-rigging</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A List</td>
<td>Approximately 5.2 times</td>
<td>0 cases</td>
</tr>
</tbody>
</table>

*1 For NEC Corporation on a standalone basis
*2 Actual results for the fiscal year ended March 31, 2020
*3 As of March 31, 2020
*4 Ratio of employees returning to work who started childcare leave in fiscal 2018
*5 Based on the Act on Employment Promotion etc. of Persons with Disabilities as of June 1, 2020
*6 Ranked 1st five times in benchmark testing held by the U.S. National Institute of Standards and Technology (NIST)
*7 Ranked 1st eight times in benchmark testing sponsored by NIST
*8 Ranked 1st in benchmark testing sponsored by NIST

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NEC Corporation Organization Chart

President

Cross-Industry Unit

Global Business Unit

RHQ

Public Solutions Business Unit

Branch Offices

Public Infrastructure Business Unit

Enterprise Business Unit

Network Services Business Unit

Digital Services & Engineering Unit

Digital Business Platform Unit

System Platform Business Unit

Global Innovation Unit

Corporate Staff

Board
Global Network

Our 300 group companies do business in more than 50 countries

(As of March 31, 2020)
NEC Laboratories

NEC has R&D bases in 7 locations across the world.

Europe
R&D through EU projects and standardization activities

America
Development of cutting-edge core technologies

Israel
Promote marketing-type research.

India
Create core technologies to address the challenges of emerging countries

China
Development of core technologies in AI and Network

Central Research Laboratories (Japan)
Takes the Central role in NEC R&D, focusing on AI (recognition, analysis), Security, ICT platform, and other cutting-edge technologies, such as Quantum computing.

Singapore
Co-creation of innovative solutions with customers and partners, mainly for developed countries.
Figures for revenue, adjusted operating profit (loss), and composition of revenue for the fiscal year ended March 31, 2020 are restated to conform with the new segments, which have not been audited by the accounting auditors.

**Revenue**

- **3,095.2 billion yen**
  - 16% Global Business
  - 16% Network Services Business
  - 13% Others
  - 15% Public Solution Business
  - 22% Public Infrastructure Business

**Adjusted operating profit**

- **145.8 billion yen**
  - 16% Global Business
  - 18% Network Services Business
  - 15% Others
  - 22% Public Solution Business
  - 30% Public Infrastructure Business

**Financial Results by Segment**

- **Global Business**
  - Revenue: 493.1 billion yen
  - Adjusted operating profit: -3.2 billion yen

- **Network Services Business**
  - Revenue: 482.7 billion yen
  - Adjusted operating profit: 30.6 billion yen

- **Others**
  - Revenue: 412.6 billion yen
  - Adjusted operating profit: 24.4 billion yen

- **Public Solution Business**
  - Revenue: 478.4 billion yen
  - Adjusted operating profit: 34.2 billion yen

- **Public Infrastructure Business**
  - Revenue: 678.8 billion yen
  - Adjusted operating profit: 64.2 billion yen

- **Enterprise Business**
  - Revenue: 549.8 billion yen
  - Adjusted operating profit: 52.1 billion yen
Revenue, based on the location of customers, are classified by country or region.

**Composition of revenue by region**

- **International Revenue** 752.0 billion yen
  - Europe, Middle East, and Africa: 234.1 billion yen (8%)
  - China, East Asia, and Asia Pacific: 353.8 billion yen (11%)
  - North America and Latin America: 164.1 billion yen (5%)
- **Japan** 2,343.2 billion yen

**Total Revenue** 3,095.2 billion yen

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For the fiscal year ended March 31, 2020 (IFRS)

Revenue, based on the location of customers, are classified by country or region.
Performance Highlights for last 5 years

**Revenue**
- 2016: 28,248 (Billions of yen)
- 2017: 26,650
- 2018: 28,444
- 2019: 29,134
- 2020: 30,952

**Operating profit**
- 2016: 914 (Billions of yen)
- 2017: 418
- 2018: 639
- 2019: 585
- 2020: 1,276

**Operating profit ratio**
- 2016: 3.2%
- 2017: 1.6%
- 2018: 2.2%
- 2019: 2.0%
- 2020: 4.1%
ESG Initiatives

By incorporating environmental, social and governance (ESG) perspectives into our management, we will contribute to the achievement of the SDGs.

**Environment**
- Reducing environmental impacts in business activities
- Reducing the environmental impacts of society as a whole through products and services

**Social**
- Respect for Human Rights
- Personal information protection and privacy
- AI and human rights
- Information security and cyber security
- Inclusion and diversity
- Diverse work styles
- Health and safety
- Ensuring quality and safety
- Customer satisfaction initiative
- Cooperation with the local communities

**Governance**
- Corporate governance
- Compliance and risk management
- Tax matters
- Fair commercial transactions (Competition Law compliance, prevention of corruption)
- Business continuity
- Supply chain management
- Innovation management
Changes in NEC’s Environmental Activities

**Expanding Scope of Environmental Activities**

- **Pollution Prevention**
  - Resource Recycling (1969)
  - Environmental department established (1970)
  - Environmental audit (1973)

- **Environment Conservation**
  - Zero waste activities (1985)
  - Environment month established

- **Building an Effective System**
  - NEC Environmental Charter formulated (1991)
  - Adopted ISO 14001 (1996)

- **Environmental Management**
  - Minimization of environmental impacts/risk
  - All products become eco-friendly
  - Greater contribution through business activities

- **Addressing Climate Change**
  - Through ICT solutions
    - Enhanced climate change countermeasures (2014)
    - Announced Course of Action for Climate Change Towards 2050 (2017)
    - Acquired SBT designation (2018)
    - Revised environmental policy (2019)

- **Social Value Creation**
Course of Action for Climate Change Towards 2050

Under this Course of Action, NEC is strengthening its efforts to realize a sustainable management foundation towards 2050 and demonstrating how NEC collaborates with stakeholders in co-creating a sustainable society.

In line with the Course of Action, We have set a target of reducing CO₂ emissions linked to our business operations (Scope 1, Scope 2*) to “effectively zero” by 2050.

I. Building a sustainable management foundation

II. Achieving a sustainable society by collaboration

3. Realizing low carbon society as the global target
(Keeping global average temperature rise between 1.5 and less than 2 degrees)

4. Safe and secure society that is resilient to climate change risks

1. Aiming for zero CO₂ emissions from supply chains

2. Strict measures against climate change risks in supply chains

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“Mitigation" of climate change

“Adaptation" of climate change

* Scope 1: Direct greenhouse gas emissions from sources that are owned or controlled by NEC
Scope 2: Indirect greenhouse gas emissions from consumption of purchased electricity, heat or steam
Build a culture where diverse people perform the best

<table>
<thead>
<tr>
<th>Employees</th>
<th>2019</th>
<th>2020~2022</th>
<th>2020~2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Know differences</td>
<td>Accept differences</td>
<td>Collaborate and generate innovation</td>
<td></td>
</tr>
<tr>
<td>Mixed organization with</td>
<td>Culture included with any different</td>
<td>Agile and winning organization</td>
<td></td>
</tr>
<tr>
<td>differentiated people</td>
<td>perspectives as well as personalities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Culture to be

- Gender
- LGBT
- Disability
- New Comer
- Multi Culture
NEC’s Initiatives for New Work Styles
Rebuilding our work platform, fusing the real world and the online world, to realize improved productivity and employee well-being

Co-working space “BASE” designed to enable Group employees to demonstrate their full abilities

Remote-working environment that offers diverse work style options

Health Checkup Forecast Simulation based on AI technologies
# NEC Group AI and Human Rights Principles

Even greater prioritization of privacy and human rights in relation to AI and biometrics data

<table>
<thead>
<tr>
<th>1. Fairness</th>
<th>2. Privacy</th>
<th>3. Transparency</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Fairness Image]</td>
<td>![Privacy Image]</td>
<td>![Transparency Image]</td>
</tr>
</tbody>
</table>

|-----------------------------|----------------------|-----------------------------|-------------------------------------|
External Ratings and Evaluation

NEC is included in world-renowned Environmental, Social, and Governance (ESG) indexes.

FTSE4Good Index Series

NEC has been included in this index continuously since 2002.

MSCI ESG Leaders Indexes

NEC has been included in this index continuously since 2015. (The name of the indexes was changed from MSCI Global Sustainability Indexes in 2017.)

CDP (Climate Change, Water Security and Supplier Engagement)

NEC has been included in "A List" for both Climate Change and Water Security in 2019 and 2020 consecutively. Furthermore, NEC has been listed in the “Leaderboard” of the Supplier Engagement Rating on climate issues in 2020.

Dow Jones Sustainability Indices (DJSI)

Sustainability Indices World Index (DJSI World) and the Dow Jones Sustainability Indices Asia Pacific Index in 2020.