

# CSR Report 2015



## Corporate Profile (as of March 31, 2015)

<b>Name</b>	NEC Networks & System Integration Corporation
<b>Head office</b>	Iidabashi First Tower 2-6-1 Koraku, Bunkyo-ku, Tokyo
<b>Established</b>	December 1, 1953 (Registered as a stock company on November 26, 1953)
<b>Capital</b>	¥13,1 billion
<b>Net sales</b>	¥292.2 billion (consolidated)
<b>Employees</b>	7,260 (consolidated)
<b>URL</b>	<a href="http://www.nesic.co.jp/">http://www.nesic.co.jp/</a>

### Subsidiaries in Japan

NEC Magnus Communications, Ltd.  
NICHIIWA Co.  
NEC Net Innovation, Ltd.  
Q&A Corporation  
NEC Networks & System Integration Services, Ltd.

### Overseas subsidiaries

NESIC BRASIL S/A  
NESIC (Thailand) Ltd.  
— Yangon branch  
NESIC PHILIPPINES, INC.  
NESIC (GUANGZHOU) CO., LTD./China  
Networks & System Integration Saudi Arabia Co.Ltd.

## CSR Report 2015

### Editorial Policy

Until the last fiscal year, NEC Networks & System Integration Corporation had issued the Environmental Report to report the environmental conservation-related activities its Group had been engaged in. At the same time, we also developed a structure to promote CSR activities while re-organizing and launching various CSR initiatives in line with our corporate slogan “Re-designing Your Communication,” which was established in celebration of our 60th anniversary in December 2013. Starting from this FY 2015, these initiatives are organized and disclosed in the form of a CSR Report.

This CSR Report 2015 features our initiatives of the “Empowered Office” and “Solar Power Generation Systems,” under the theme of seeking solutions to social issues through business activities. The CSR Activities Report section describes our activities according to six key themes: the environment, customers, local communities, employees, governance and compliance. The Stakeholder Dialogue, to which an external professional was invited to participate, reviews our CSR activities and clarifies the tasks to be addressed in the future.

The purpose of this CSR report is to clearly communicate our CSR activities to all our stakeholders. We would appreciate your opinions and comments as guidance for our future activities.

\* FY 20XX refers to the fiscal year started April 1, 20XX and ended March 31 the next year.

### Coverage of this Report

#### ● Organizations covered

NEC Networks & System Integration Corporation, and a part of its group companies in Japan and overseas

#### ● Period

April 2014 to March 2015  
(Some data outside of this period are included.)

#### ● Guidelines used as reference

GRI Sustainability Reporting Guidelines G3, G4  
Environmental Reporting Guidelines (2012 version) by the Ministry of the Environment  
ISO 26000 (Guidance on social responsibility)

#### ● Issued

October 2015

#### ● Contact

CSR Promotion & Corporate Communications  
Division, NEC Networks & System Integration  
Corporation  
TEL : 03-6699-7004  
URL : <http://www.nesic.co.jp/contact/>

# CSR Report 2015



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A man with glasses, wearing a dark pinstripe suit, white shirt, and a red and blue striped tie, is seated at a large wooden conference table. He has his hands clasped on the table and is looking towards the camera. In the background, a large screen displays the "EmpoweredOffice" logo, which features the word "Empowered" in white and "Office" in a larger white font, with a large red exclamation mark between them.

EmpoweredOffice

**In view of our future business direction and social expectations, we will take steady steps toward finding solutions to various social issues.**

### **Our basic CSR policy**

Since it was founded in 1953 as a company engaged in building and installing communications infrastructure, NEC Networks & Systems Integration Corporation has expanded its scope of business to cover the fields of system integration and maintenance of corporate networks, as well as related services such as operation and outsourcing.

Today, we are engaged in the development, operation and maintenance of many systems that support social infrastructure, such as telecommunications networks for mobile phones, etc., fire-fighting network systems/disaster-prevention radio systems, and mega solar systems, while proposing new styles of working in various workplaces based on our office innovation concept “EmpoweredOffice,” and providing solutions that help improve productivity or enable a better work-life balance. Further, aiming to become a network system integrator capable of comprehensively providing total support from consulting to installation and the operation of ICT systems, we are enhancing our service businesses while

expanding our infrastructure businesses.

We, in celebrating its 60th anniversary in December 2013, selected “Re-designing your communication” as its corporate slogan after inviting ideas from its employees. This slogan reflects our aim at a society where lively communications are ensured, as well as our willingness to help enhance the value of our customers and contribute to the realization of a prosperous society by “Re-designing Your Communications” from the customer’s perspective, while developing safe, secure and reliable networks.

For us, CSR means seeking solutions to various social issues in our overall business activities based on the spirit of this corporate slogan and contributing to the sustainable development of the world and society.





## ● Foundation of trust

Meanwhile, in fulfilling our contribution to society, it is crucial to establish a stable foundation to obtain the trust from all stakeholders, and therefore the entire Group places the highest priority on compliance in its business performance.

All our members, from the management to regular employees, are required to participate in several compliance-related training programs provided on a periodic basis each year. In these training programs, the contents of the NEC Networks & System Integration Group's code of conduct are confirmed, and my policy of "top priority on compliance in business performance" is repeatedly explained, to ensure they are thoroughly understood. Moreover, we conduct a groupwide survey on compliance every year as an opportunity for employees to check their own behavior and for each organization to discover its culture and enhance its risk management. Through these measures and by following the "PDCA cycle" to continuously enhance and review the relevant initiatives, we aim to have compliance deeply ingrained

in the behavior of all our employees and organizations.

## ● People and organizational culture

For NEC Networks & Systems Integration Corporation, a company operating as a system and service integrator, the most important management resource is people.

To allow each person who supports our business operation to be continuously involved in the attempt to create greater value, we have established various measures and systems to enhance the human resources development and health management of our employees, as well as to support them in childbirth, childcare, and nursing care so that they are able to remain employed.

I believe it is also important to create an organization where more female managers are appointed and many aged or foreign employees can play active roles, and to create an environment where members can work safely. Based on respect for human rights, we are committed to encouraging and raising the awareness of all members of our organizations, including the management, to promote the creation of such environments and workplaces.

## ● Launching various initiatives

Besides the initiatives described above, we are promoting a wide range of activities for diverse purposes, such as reducing burdens on the environment, contributing to local communities, supporting the development of youth, improving safety and quality, and ensuring information security.

We must also extend our Group's CSR initiatives to our overseas businesses, on which we are now placing particular emphasis. While paying attention to the situations unique to each country or region, we will launch measures to protect people and the environment.

In Japan, we must also pay attention to the entire supply chain and cooperate with all our business partners, so as to promote CSR initiatives from the same standpoint. By doing so, our activities will be continuously improved and the targets and improvement processes can be shared.

## ● In conclusion

To ensure these measures and activities meet the expectations of society, I think evaluation from a third party's viewpoint is important. Through promoting active communications both inside and outside the company including the release of information, we will gather opinions from outside the company and reflect them in various measures and activities.

And, in view of our future business direction and social expectations, we will identify the critical issues we must tackle and take steady steps toward finding solutions to such social issues.

Masao Wada

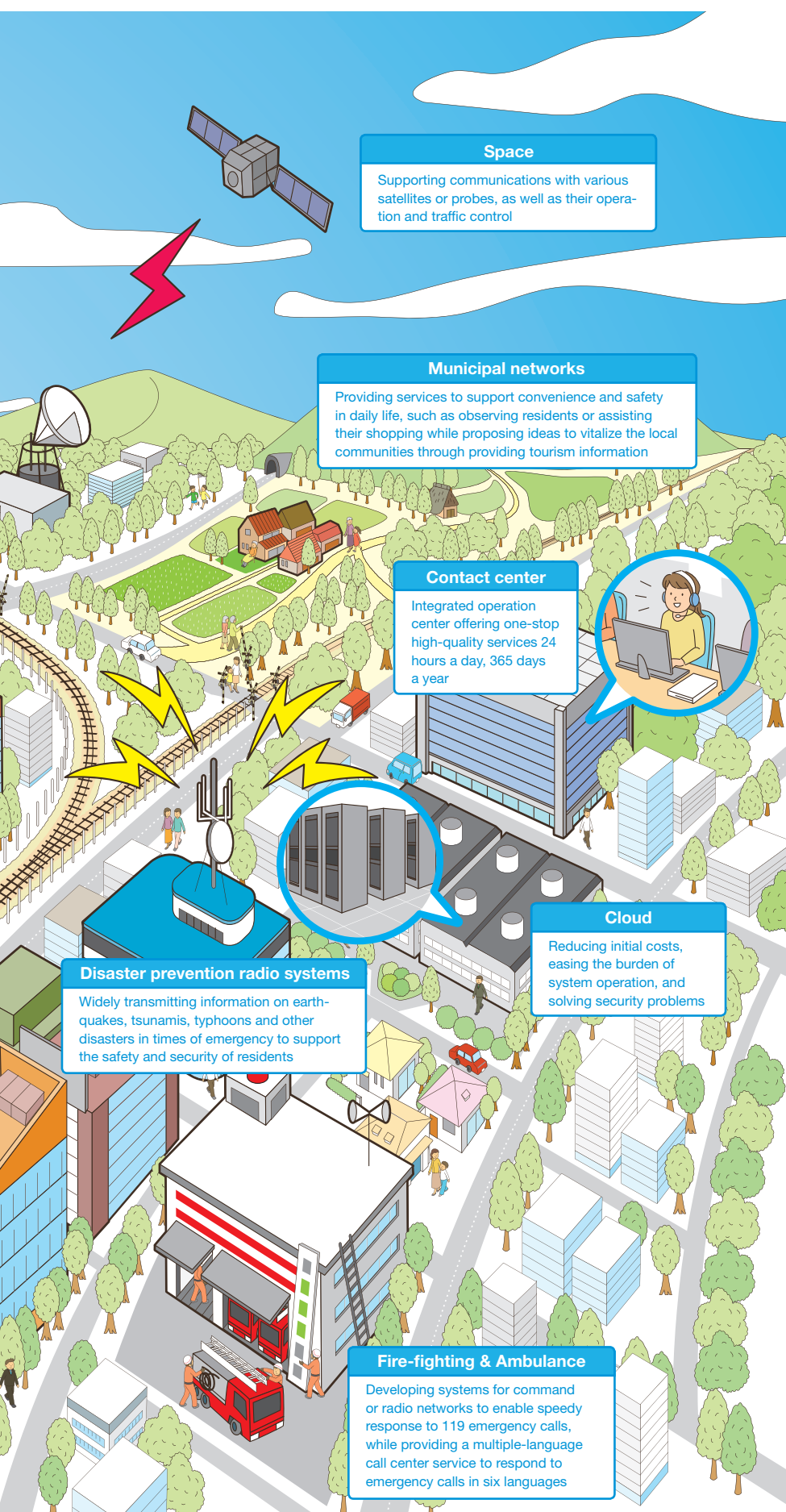
President  
NEC Networks & System  
Integration Corporation

# Business Outline

Taking advantage of the platforms it has established in the three key fields of construction, ICT, and support services, NEC Networks & System Integration Corporation offers comprehensive solutions that help its customers improve their business performance or solve their problems, in all stages from consulting to system integration, installation, operation and maintenance of systems, and even through BPO (business process outsourcing).







## Our Business Segment

### Enterprises Networks

We offer comprehensive ICT services, from developing networks and IT platforms, which constitute the infrastructure for the business activities of our customers, to enhancing security and internal control, and also designing the office environment, taking into consideration the work style of our customers. Also, through support services such as operation and maintenance and outsourcing services based on our data centers, we support customers in enhancing their management capabilities and expanding their businesses.

### Carrier Networks

We design networks (fixed and mobile) of telecommunications carriers, which require high reliability and efficient operation, and develop systems for the verification, etc., of networks, while providing operation and maintenance services using our nationwide support network. We also offer system integration services for ICT infrastructure for large-scale, broad carrier grade networks and data centers, as well as the operation and monitoring services thereof.

### Social Infrastructure

We offer a wide range of services from system integration to the installation, operation and monitoring of the ICT infrastructure of central and local governments and social infrastructure operators (broadcasting, electricity, transportation, etc.), such as official disaster prevention radio systems, local community networks, traffic information networks, and next-generation broadcasting systems.

### Support and service infrastructure

We have established structures to offer high-quality support services for customers, including operation centers in charge of integrated, seamless handling of help desk operations as well as management, monitoring and maintenance services, the comprehensive technical center equipped with logistics functions available 24 hours a day, 365 days a year, providing comprehensive technical services from technical evaluation and SI to maintenance and repair, and the data center serving as the foundation for outsourcing services.



# Integration of ICT with office space will enhance your corporate value.

## Solution to enhance corporate power

Since 2007, NEC Networks & System Integration Corporation has proposed the “EmpoweredOffice” concept as a solution that promotes innovation in office working style by integrating information and communications technology (ICT) with office space.

By effectively utilizing the three main elements relevant to office work (communication, information, and facilities), EmpoweredOffice brings reform in work processes and renewal of the office environment. While aiming at the empowerment of each employee to improve productivity and efficiency, it enables the establishment of an eco-office excellent in energy-saving, resource-saving performance, or enhancement of the business continuity plan (BCP). In the EmpoweredOffice business, we take care of all processes from consulting and office design to system development, construction and operation, with the aim of enhancing the corporate value of our customers.

<b>Work style innovation</b>	Improved productivity and efficiency
<b>Office streamlining</b>	Reduced floor space and cost
<b>Reduction of environmental burdens</b>	Energy-saving, resource-saving
<b>BCP enhancement</b>	Safe office capable of responding to disasters

## Showing the results of in-house

In October 2010, when it moved its head office to Iidabashi, NEC Networks & System Integration Corporation introduced the EmpoweredOffice to its entire head office to demonstrate office innovation by itself, and has promoted improved work efficiency and work style reform and verified the effects thereof. Starting from 2012, EmpoweredOffice has been introduced to its regional offices throughout Japan, where innovation has been promoted in view of the unique characteristics of each market or regional office. The

### Kyushu Regional Office

Its office innovation under the theme of “a quick decision-making office with empowered individuals” was awarded the Creative Prize in the 27th Kyushu and Okinawa New Office Awards.



## message

### From customers

Akihiko Chigono President, NHK Media Technology, Inc.



In 2014, when we celebrated our 30th anniversary, we renovated our head office, introducing the concept of EmpoweredOffice. The concept target was to do “better jobs,” by improving worker-friendliness, accumulating and sharing information and knowledge, and creating new values. Under this concept, various spaces were developed and created, such as the collaboration area and lounge where diverse people communicate and freely exchange ideas, and the reception area equipped with public relations functions suitable for an ICT media company. The wireless LAN for the utilization of mobile devices has contributed substantially to paperless and efficient operations. We will continue to verify and improve our EmpoweredOffice.





## Proposing office innovation for customers at demonstration-type showrooms

### practice

results of this office innovation are shown to visitors to each office, in the hope of being of some help to our customers' office innovation.

Besides making its EmpoweredOffice-introduced head office open to visitors, we have also set demonstration-type showrooms "EmpoweredOffice Center (EOC)", where customers can experience more advanced office spaces and have in-depth discussions about their own work style innovation. The EOC consists of the three areas of Office Area, Laboratory, and Theater, enabling us to discuss with each customer to find ideas for office innovation in the area most suitable for the customer's demands and problems.

#### Laboratory

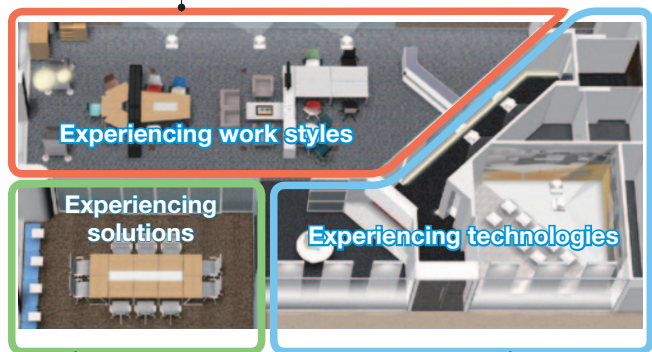
Enabling customers to find the work style necessary for their office innovation, and to experience the solution to realize it



#### Office Area

Presenting four work scenes in which the latest ICT and office equipment are utilized

#### EmpoweredOffice Center



#### Theater

Providing a realistic experience of future offices using projection mapping techniques, helping customers to find new ideas



### message

#### From expert

#### Dai Senoo

Associate Prof., Dept. of Industrial Engineering and Management, Graduate School of Decision Science and Technology, Tokyo Institute of Technology



I think NEC Networks & System Integration Corporation's EmpoweredOffice encourages individuals to work in a flexible manner based on (1) discretion (deciding the purpose and means of work by themselves), (2) searching (searching for new options), and (3) improvisation (composing impromptu activities using resources available at that time, at that place), and creates a space where innovative results can be easily achieved. Because the integration of ICT with office space makes the work of each individual visible, members become interested in the work of others, leading to the sharing of information and enhanced teamwork to take on challenges. These effects on groups can also be brought about by EmpoweredOffice.

# High-efficiency solar power generation system contributes to the utilization of natural energy.

In response to growing public concern about environmental issues in recent years, solar power generation has been attracting a lot of attention as a clean and renewable natural energy source.

NEC Networks & System Integration Corporation, by making full use of the facility engineering capabilities it has developed over a long time, offers optimal and highly efficient solar power generation systems that satisfy the needs of customers, contributing to the utilization of natural energy.

## Comprehensive service from consulting to operation and maintenance

Today, many companies have entered into the solar power business, and many mega solar power plants with a capacity of 1,000 kW or more have been built. NEC Networks & System Integration Corporation, based on its experience of installing many solar power systems on both small and large scales, offers comprehensive services from consulting for system introduction, design and construction, to operation, monitoring and maintenance after installation.



Junction box with a remote monitoring device

### Consulting for introduction

Estimating the power to be generated for 20 years after installation using computer simulation to give advice on income and expenditure

### Design, procurement, construction

Based on the techniques and know-how developed in building infrastructure, offering optimal design that satisfies diverse needs and high-quality construction

### Operation, monitoring, maintenance

The remote monitoring system identifies the location of faults in each solar panel, and maintenance is thoroughly performed using the nationwide maintenance network for communications systems.

## message

### From customers

Daisuke Yamanoi President, Taiko Co., Ltd.



Our company used to be engaged in quarrying, and our mega solar plant is built at a former quarry site. When we were thinking about the effective utilization of this former quarry, the building of a mega solar power plant was recommended by NEC Networks & System Integration Corporation. By combining our experience in the quarry business and your system development capabilities, we were able to smoothly complete the construction of the plant. Now, a year after installation, the plant is steadily generating electricity. We are glad to hear many visitors to our plant saying, "It's a beautiful solar power plant." I'm sure this success is largely due to your technological support.



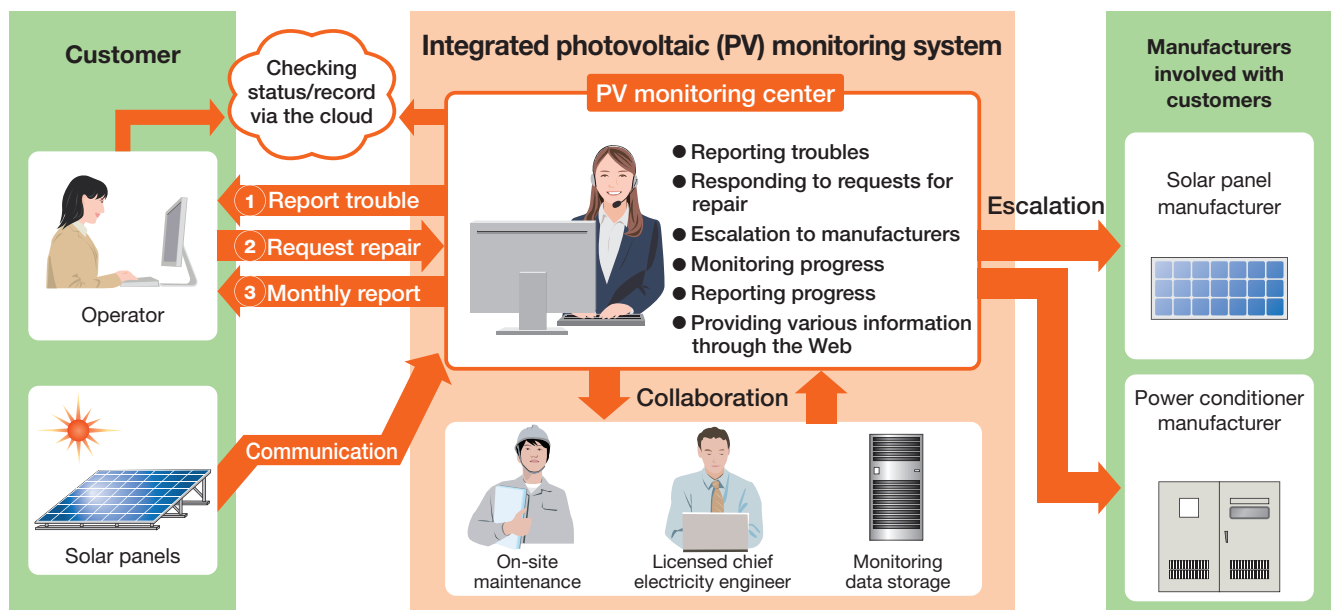


## Fault location identification and remote monitoring

NEC Networks & System Integration Corporation adopts the SOKODES pulse detection system of System JD Co., Ltd. to monitor its solar power generation system. This system has enabled detection of the location of faults in each panel, which had been difficult with the conventional monitoring system, and has also enabled remote-controlled monitoring.

Furthermore, by employing the integrated photovoltaic

(PV) monitoring system, which we offer in our application service provider (ASP) service, for monitoring the status of power generation and generation facilities, the amount of electricity generated and the status of operation of several power plants can be easily checked online, or with smartphones or tablets, and the accumulated data can be effectively used.



## Reliable maintenance system to ensure quality

With monitoring 24 hours a day, 365 days a year from “nTOC,”\* NEC Networks & System Integration Corporation’s network operation center for integrated network support, and on-site maintenance service available at 300 locations throughout Japan, we help our customers reduce their management costs and maintain the quality of their facilities over a long time.

\* nTOC is an integrated operation center offered by NEC Networks & System Integration Corporation.

Analysis of the status of each panel

Remote monitoring 24 hours a day, 365 days a year

Maintenance network covering all of Japan

Reduced management cost

Long-term facility quality maintained

# Environmental Management Systems

## Environmental Policy

### Basic Principle

As a system integrator for the information society, the NEC Networks & System Integration Corporation Group contributes to the realization of an affluent society while aiming to be a company in harmony with nature where all persons working at the Company participate in earth-friendly business activities.

### Action Guidelines

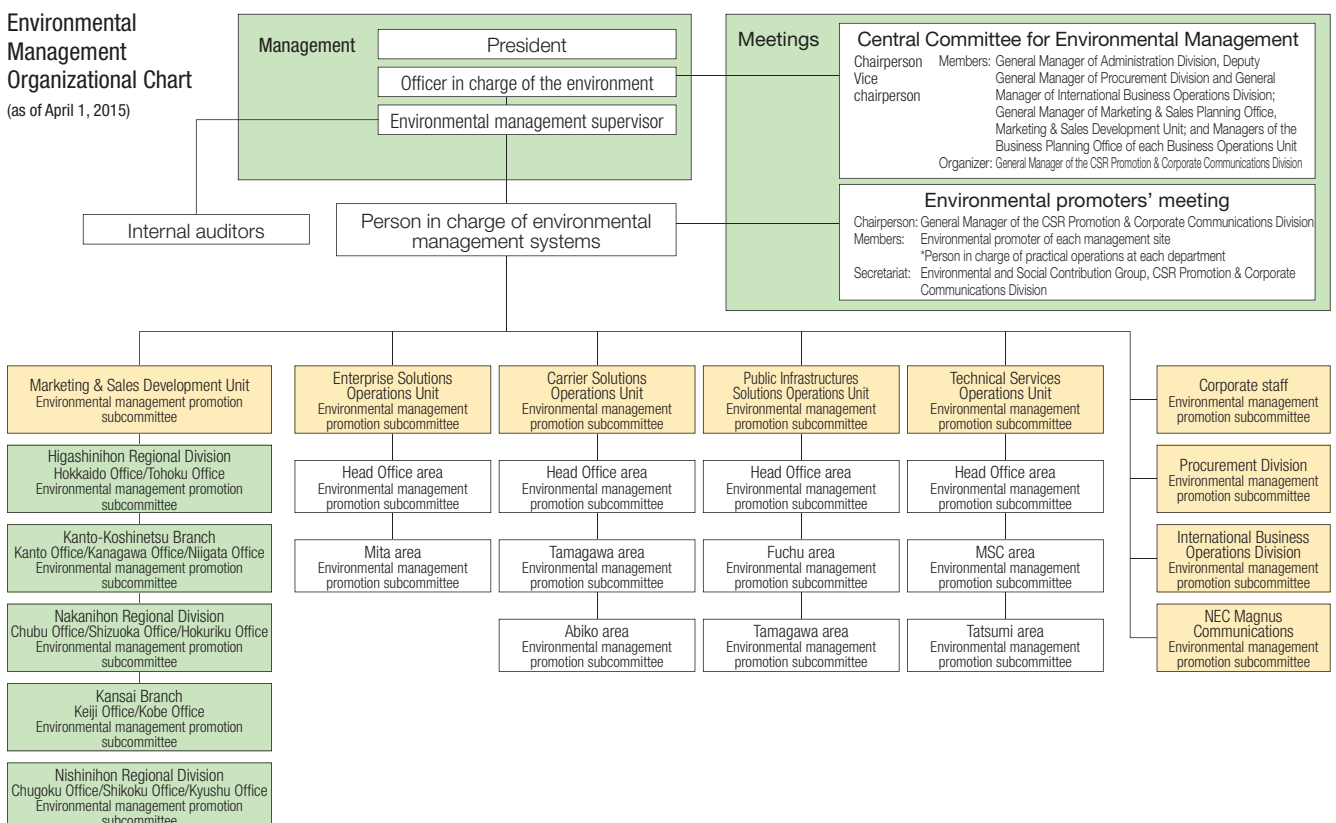
At the NEC Networks & System Integration Corporation Group, all persons working at the Company promote the following environmental conservation activities, upholding harmony with the environment as one of its key management issues.

- (1) Through a whole range of business activities, products, and services, based on awareness of their environmental impact, we work to improve the environment as far as possible both technologically and economically.
- (2) Along with the prevention of environmental pollution, we aim for continuous improvement.
- (3) We manage activities, products and services that may affect the environment with strict observance of environment-related laws and regulations, agreements, and other relevant requirements.
- (4) In deploying management activities based on environmental policies, we set annual goals and targets, promoting resource and energy saving at all stages of our activities, products, and services, along with the reduction of waste products and biodiversity conservation, among other things. We also execute and improve the measures to achieve them as part of our environmental management program.
- (5) Along with documenting environmental policies to keep all persons working at the Company apprised, we implement and maintain environmental management systems.
- (6) Along with broadly disclosing our environmental policies, we contribute to our local communities.

## Environmental management structure

Seeing environmental management as one of its most important issues, NEC Networks & System Integration Corporation has been strengthening its mechanisms and structure to promote environmental management. Specifically, through the Central Committee for Environmental Management (Chairperson: Officer in charge of the environment), we discuss and determine the environmental strategies and policies for the entire company and follow up on major issues. Furthermore, as a subordinate organization, we also hold environmental promoters' meetings every two months, chaired by the General Manager of the CSR Promotion & Corporate Communications Division (person in charge of environmental management systems), for the purpose of promoting environmental management activities.

**Environmental Management Organizational Chart**  
(as of April 1, 2015)



## ISO 14001 certification status

NEC Networks & System Integration Corporation obtained ISO 14001 certification for its environmental management system on July 28, 1999. In FY 2014, the company, including NEC Magnus Communications., Ltd., underwent an extended audit for ISO 14001 renewal between October 21 and October 30, and its environmental management system was judged as continuing to be effective based on the ISO 14001:2004 Standard, resulting in acquisition of the certification for the entire NEC Networks & System Integration Corporation Group.



ISO 14001 registration certificate (Japanese)

## Internal audits

In FY 2014, NEC Networks & System Integration Corporation implemented internal audits on 28 management sites from July 25 to September 15. The results are shown below. The results of the internal audits were reported to the environmental management supervisor and used to improve the management system.

	Satisfactory cases	Minor non-compliance cases	Improvement opportunities
Number of audited management sites 28	51 cases	0 cases	7 cases

## Compliance

Placing the highest priority on compliance in its management, NEC Networks & System Integration Corporation has developed in-house systems to ensure compliance with corporate ethics and has implemented awareness-raising activities.

In FY 2014, we held two educational seminars on industrial waste disposal regulations. For one of these seminars, we invited an external specialist to give a lecture on the points to be noted regarding industrial waste disposal at the time of contract, with the aim of enhancing our awareness of compliance. We also conducted systematic industrial waste management activities, including manifest management, administrative reporting, and on-site checking of industrial waste disposal operators.

As a result of all these activities, we recorded no incidents or accidents that could seriously affect the environment around our offices, and no environmental law violations or administrative guidance.

## Human resources development and environmental awareness raising

As part of our environmental education program for employees, NEC Networks & System Integration Corporation use the company intranet to provide various educational contents such as general environmental education and education on industrial waste disposal regulations. In particular, for general environmental education, we have achieved a 100% participation rate using our proprietary education system, NEC Networks & System Integration Learning Management (NLM). We also organize the internal auditor training program and education program for environmental promoters, with the aim of maintaining and improving the environmental management systems. Moreover, we encourage employees, especially those who work in the core offices, to acquire Eco Test certification to enhance their ability to propose practical solutions to customers at the customer's site.

	FY ended March	2011	2012	2013	2014	2015
Number of employees who have acquired Eco Test certification each year		135	77	77	50	37
Cumulative total of employees who have acquired Eco Test certification		244	321	398	448	485

## Employee's voice (environmental promoter)

Since April 2013, I have been promoting environmental improvement activities as the environmental promoter of Enterprise Solutions Operations Unit.

Since being appointed the promoter, I have received the ISO 14001 internal auditor training program, education on industrial waste disposal regulations, and other programs to deepen my environmental knowledge. In promoting environmental activities as a promoter, I keep in mind to communicate to the members of our Operations Unit not only quantitative factors, such as the reduction of carbon dioxide expressed in terms of kilograms, but also environmental perspectives relating to safety, quality, efficiency and other matters we usually pay attention to in our daily work operations. In environment improvement activities, it is usually difficult to clearly imagine the impact of quantitative reduction on society. But if we think about how our businesses

can contribute to the environment, environmental issues become more familiar, which may consequently result in numerical reduction. For example, a teleconference system enables us to have meetings without moving to a specific place, and therefore to reduce not only the time and cost for travel but also the energy generated for means of transportation, such as trains or buses. Such attitude of eliminating waste is useful in setting targets for the environmental improvement activities of our Operations Unit.

My goal now is to play an active role in many aspects as the promoter, thereby making the members of our Operations Unit feel that their daily, casual actions support the environment improvement activities.



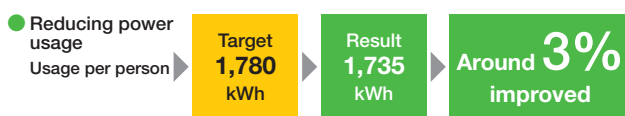
**Koichi Kubodera** Manager, Quality Control Department, Business Planning Office, Enterprise Solutions Operations Unit



## Approach to Mitigation of Global Warming

### Reducing power usage

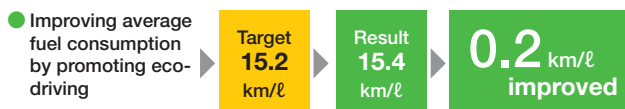
Along with the expansion of NEC Networks & System Integration Corporation's business and staff, our power usage has been increasing. By introducing EmpoweredOffice at branch offices, our power usage per unit (per person) was improved by 3% compared with the target value. We will continue to promote EmpoweredOffice to the entire Company to further reduce our power usage.



### Improving the fuel economy of company-owned vehicles

NEC Networks & System Integration Corporation started introducing hybrid cars in FY 2008, and by March 2014 we had changed 97 vehicles to hybrid cars, including fully electric cars. This is 64% of our entire motor vehicle inventory (excluding vans).

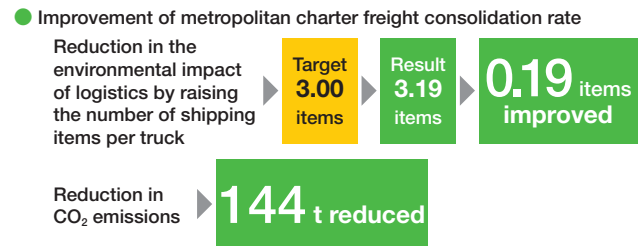
Moreover, we encourage employees who are registered as drivers of company-owned vehicles to practice eco-driving, and also encourage all employees to be fully aware of eco-driving when they drive in order to achieve the CO<sub>2</sub> emissions reduction target set by the Kyoto Protocol. We have also installed in-vehicle voice guidance systems to support eco-driving as well as to promote safe driving. As a result of these new systems, we are maintaining our average fuel consumption at 15.4 km/L, above the target.



### Reducing the environmental impact of logistics

The Energy Conservation Act requires all cargo owners to take voluntary energy-saving measures. NEC Networks &

System Integration Corporation has improved the operational efficiency of the vehicles that we use to transport goods from our materials storage center, with a cargo consolidation rate improvement of 0.19 items compared to the target, and a reduction in CO<sub>2</sub> emissions of approximately 144 tons.



### Using Tradable Green Certificates

NEC Networks & System Integration Corporation uses "Tradable Green Certificates," which allow us to cover some of the power used in the showroom on the 33rd floor of the head office (27,000 kWh) by generated "green" solar power. This equates to an annual CO<sub>2</sub> reduction of approximately 14 tons. Moreover, we were able to cover the power used to host our "Customer's Fair 2015" held in February 2015 at the exhibition center in the Tokyo International Forum entirely by green power.



### Implementing carbon offset measures

By using the J-VER Credit\* scheme, NEC Networks & System Integration Corporation was able to reduce CO<sub>2</sub> emissions in the staff canteen kitchen by 10 tons, and also the CO<sub>2</sub> emissions due to creating our "Ecology through EmpoweredOffice" leaflet and Environmental Report by 2 tons.

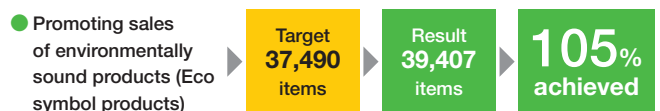
\* The J-VER Credit Scheme is a scheme established by the Ministry of the Environment in which the reduction/removal of greenhouse gases generated by reduction projects in Japan is certified as credits.



## Promoting Environmental and Energy-saving Solutions

### Environmental/Energy-saving solutions

NEC Networks & System Integration Corporation proposes a range of environmental and energy-saving solutions including the "EmpoweredOffice" office innovation solution. Through these solutions, we can help reduce CO<sub>2</sub> emissions, alleviate the environmental impact of our customers, and improve the global environment.



## Effective Utilization of Resources

### Improving the recycling rate of industrial waste

NEC Networks & System Integration Corporation recycles 89% of our industrial waste by employing thermal recycling.



### Collection and recycling of NEC information and communications equipment

Certified for wide-area industrial waste product processing by the Minister of the Environment, NEC Networks & System Integration Corporation collects and recycles NEC information and communications equipment (PCs,

computers, communications equipment, etc.).

### Promoting paperless offices by using ICT solutions

The digitization of printed information through the use of digital multifunction machines and the promotion of paperless meetings have led to a significant reduction in paper use, and NEC Networks & System Integration Corporation was able to achieve the reduction target for FY 2014.

(Copier use per person per day reduced by 40% compared with FY 2008)



## Ecosystem and Biodiversity Conservation Activities

### NEC Networks & System Integration Corporation's Rice Paddy Cultivation Project

In FY 2012, NEC Networks & System Integration Corporation launched the Rice Paddy Cultivation Project as part of its ecosystem and biodiversity conservation activities. The Rice Paddy Cultivation Project aims to rejuvenate life and recover the ecosystem of fallow rice fields in Higashitanaka, Ishioka City, in Ibaraki Prefecture.

This project was designed for NEC Networks & System Integration Corporation Group employees and their families as a year-round hands-on nature program. The participants carry out activities from planting to threshing and ecosystem research under the supervision of local experts. (Participants in FY 2014: 481 people)



### From a local supporter

The site of NEC Networks & System Integration Corporation's Rice Paddy Cultivation Project used to be an abandoned, fallow rice field with poor biodiversity. Now, rice paddies have been restored by human hands, with many living organisms recovered, including some of the endangered species designated by the Ministry of the Environment. The number of species found and the frequency of their appearance have both been steadily increasing since 2012, when this project was launched.

Because no pesticide and no chemical fertilizers are used in the cultivation of rice paddies, habitats for the organisms positioned at the base of the ecological pyramid have been established, resulting in an increase in the frequency of appearance of hawks and other animals that eat such organisms. At the same time, the water source for

this area, which used to suffer contamination from fertilizers, has been purified as the rice paddies were cultivated through which water began to flow. Various events held by NEC Networks & System Integration Corporation on a regular basis contribute to the revitalization of the local community.

In the future, we hope to conduct research on the ecosystem of the area by introducing water quality and temperature measuring functions, in addition to the image processing function, for the rice paddy monitoring system based on your IT technologies.



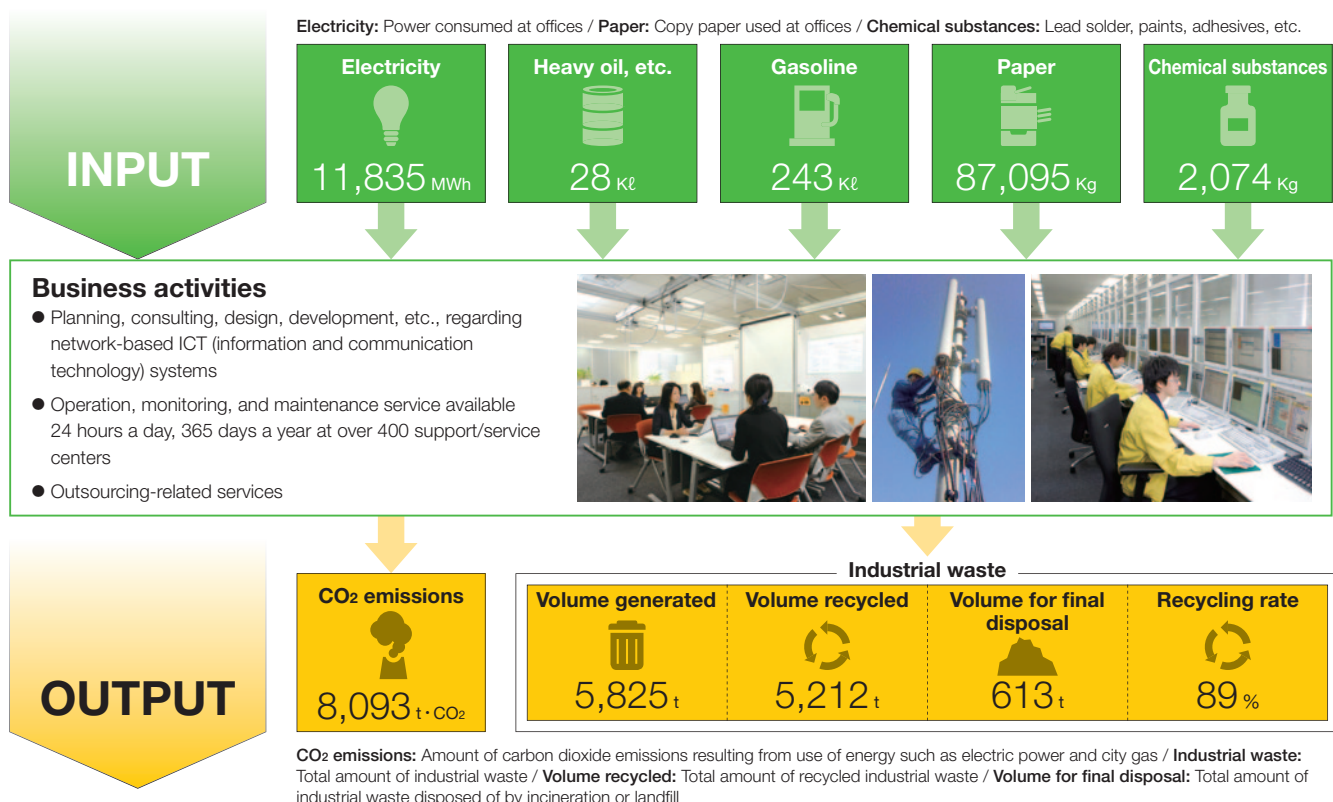
**Tokuya Yano** Representative of Geo Art Laboratory

## Environmental Accounting (Results for FY 2014)

Large classification	Middle classification	Small classification	Investments (thousand yen)	Costs (thousand yen)	Economic effect* (thousand yen)
Costs within business area	Prevention of global warming	Prevention of global warming	140,763	2,604	54,012
	Effective utilization of resources	Effective utilization of resources	0	0	33,022
	Recycling of resources	Recycling of resources	—	5,742	—
		Costs of waste disposal	—	100,562	—
	Risk management	Pollution prevention measures	—	0	—
		Compliance	—	200	—
		Management of chemical substances/waste	—	0	—
Upstream & downstream costs	Design of environmentally sound products	Green purchasing of products	—	300	—
		Environmentally sound products	—	0	—
Management activities costs	Management activities	Personnel costs related to environmental activities	—	51,645	—
		Maintenance of ISO certification, environmental audits	—	6,420	—
		Human resources development	—	13,755	—
Research & development costs	Research & development	Research & development	—	0	—
Social activities costs	Social activities	Nature conservation	—	0	—
		Contribution to society	—	44,840	—
		Information disclosure	—	2,130	—
Costs of environmental damage, etc.	Other	Other	—	8	—
<b>Total</b>			<b>140,763</b>	<b>228,206</b>	<b>87,034</b>

\* Economic effect: potential economic effect obtained by converting the amount of environmental impact reduced into monetary value

## Environmental Impact (Material Balance)





# Environmentally Sound Solutions

## Examples of improvements achieved at NEC Networks & System Integration Corporation by introducing EmpoweredOffice

Received the 24th Nikkei New Office Award  
**NEC Networks & System Integration Corporation Head Office**  
 Number of people: Approx. 3,000  
 Head office relocated to Iidabashi in October 2010

Volume of CO<sub>2</sub> emissions reduced **150t**  
 Office costs reduced **20%**

An office environment with various features to maximize the effects of energy-saving, resources-saving (paperless), and space saving is achieved. Regional operation bases throughout Japan have also created their offices, making effective use of their regional and business characteristics, thereby implementing their workstyle innovation.



Iidabashi Head Office Live Office



Paperless working

### Reductions achieved

Office floor area		36% reduced
Power consumption		28% reduced
Copy paper purchased		25% reduced
Copy paper purchased (for internal use)		60% reduced
Number of copiers		59% reduced
Number of shredders installed		55% reduced
Travel expenses		20% reduced

- The figures are comparisons between the second half of 2009 before relocation and that of 2010 after relocation of the head office.
- The amount of CO<sub>2</sub> emissions reduction is a converted value based on the power consumption and amount of purchased copy paper.
- The amount of CO<sub>2</sub> emissions reduction is the cumulative amount for six months.
- The reduction effect varies depending on the office environment, and the above reductions are not always guaranteed.

## Solar power generation system (MSC Center Building)

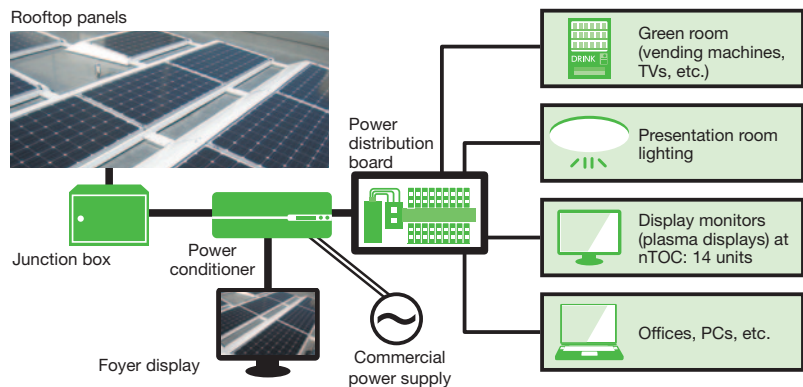
**Expected reduction 7.1 t-CO<sub>2</sub> per year**

(Using the Tokyo Electric Power Company actual emissions factor, announced by the Ministry of the Environment on December 9, 2013)

NEC Networks & System Integration Corporation covers part of the power used by the nTOC\* with renewable energy generated by a solar energy generation system. Furthermore, with nTOC being a first action base in the case of a large-scale disaster, it uses the power generated by that system as an emergency power supply.

\* nTOC (network Total Operation Center) is an integrated operation center of NEC Networks & System Integration Corporation.

### Solar power generation system diagram

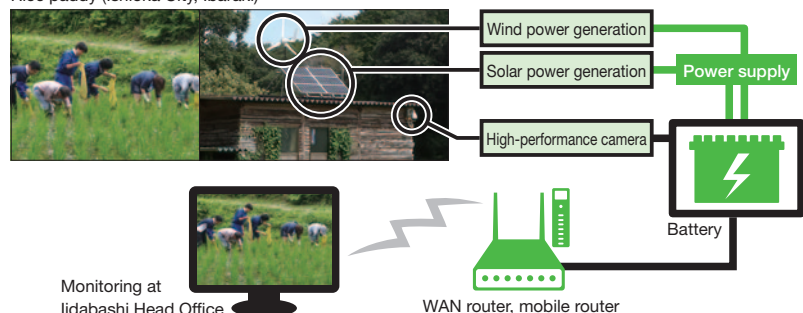


## Green remote observation system

By connecting via a mobile line the head office (Bunkyo-ku, Tokyo) and Higashitanaka, Ishioka City in Ibaraki Prefecture, which is where the NEC Networks & System Integration Corporation's Rice Paddy Cultivation Project is taking place, this system allows monitoring of the rice growing progress through remote operation of a 360-degree, 72x zoom camera in real time. Moreover, this system makes use of renewable energy through solar power and wind power generation systems.

### System overview

Rice paddy (Ishioka City, Ibaraki)



## To Improve Customer Satisfaction

### Policy and structure for CS promotion activities

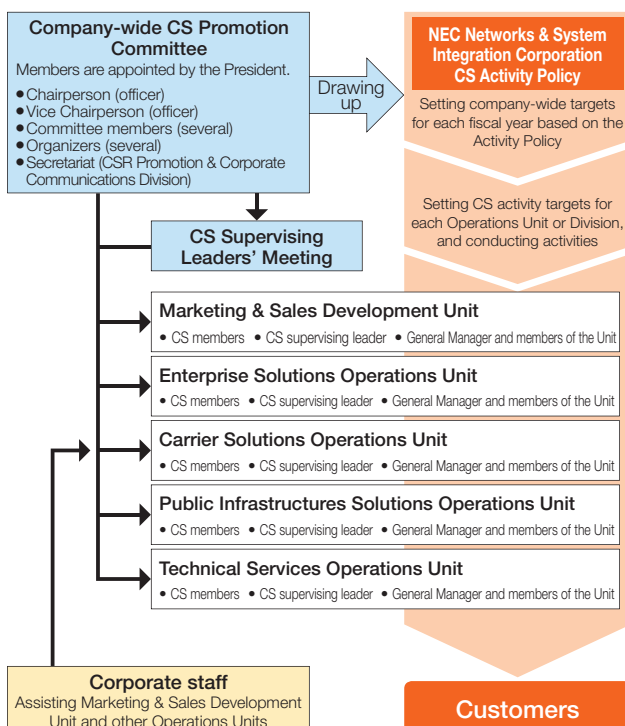
To become a company that is trusted and chosen by customers through offering valuable products and services for customers, NEC Networks & System Integration Corporation aims to create a corporate culture in which all employees can grasp, and think and act based on, customer expectations. To this end, upholding “obtaining customer trust” as the key policy, we promote various activities to improve customer satisfaction, which are implemented at each internal organization under specific themes.

To cultivate a CS-focused atmosphere and ensure the continuation of CS promotion activities, as well as to improve various services related to our proposal, system integration, maintenance, operation and other activities from a CS-based perspective, we have formed the Company-wide CS Promotion Committee to discuss, develop, and promote relevant measures.

Matters decided at the Company-wide CS Promotion Committee are communicated throughout the company via the CS promotion committee members appointed for each organization, so as to be reflected in specific themes for their CS improvement activities.

### CS promotion structure

(as of April 2015)



### Conducting customer surveys

With the aim of providing customers with higher-quality solutions and becoming the reliable, best partner for them, NEC Networks & System Integration Corporation conducts questionnaire surveys of customers, and promotes activities to improve customer satisfaction based on the opinions obtained.

#### ● Nationwide customer survey (once a year)

Evaluations and opinions of customers regarding NEC Networks & System Integration Corporation's overall business activities are gathered, based on which we hold company-wide discussions to identify problems and develop measures for improvement, thereby enhancing our management structure and competitiveness.

#### ● Questionnaire survey on business operations

Evaluations of customers on the quality of NEC Networks & System Integration Corporation's business operations, including its products and services, are gathered, based on which we address the problems pointed out, and also reflect them in developing measures to solve the problems of customers. We conduct this survey at the time of completion of a project or renewal of a contract.

### CS seminars

To enhance the CS awareness and customer-oriented mind (CS mind) of our employees, internal training programs and seminars, as well as lecture meetings inviting external lecturers, are held on a periodic basis.



#### “Process Quality Determines Customer Satisfaction”

Lecturer: Masaki Yamamoto, LTS, Inc.

(February 2014)

Mr. Yamamoto spoke on process quality, taking system development as an example, from the perspective of “service science,” which scientifically analyzes invisible services for the purpose of improving operational efficiency and gaining customer satisfaction.

## Education for employees to improve CS

NEC Networks & System Integration Corporation provides various educational programs for its employees to help them understand diversifying customer needs and to propose to them optimal solutions.

To enhance employees' customer-oriented mind (CS mind), we provides Web-based education using cartoons for new employees, and group discussion-based education using the actual customer voice to find problems and discuss solutions to them for mid-career employees. These educational programs are aimed at developing employees' ability to think and act from the customers' standpoint.

At the same time, under the belief that the basis of CS improvement is the capability to offer system services of excellent quality that can be used by customers with ease, we have established the Isehara Technical Center, a specialized facility for education, training and system evaluation, where training programs using advanced devices and equipment, as well as many educational courses related to quality and safety, are operated.

## Awards for CS initiatives

NEC Networks & System Integration Corporation has a system to award excellent projects, etc., chosen from among those highly evaluated by our customers. In FY 2014, the award was given to a project that was highly appreciated by a customer for having supported the customer in successfully relocating its head office by satisfying its needs for enhancing business efficiency, market competitiveness, and business continuity, and by keeping close communications with the customer.

## CS skills contest

Since 1996, NEC Networks & System Integration Corporation had held the Skills Contest for Service Engineers every year for the purpose of enhancing capabilities in services targeting mainly private enterprises. In FY 2013, the contest was expanded to a company-wide scale as the CS Skills Contest, aimed at enhancing the technical capabilities necessary for each of our three key platforms of construction, ICT, and support/services, thereby improving customer satisfaction in services for all customers, including not only private companies but also telecommunications carriers, government agencies, and social infrastructure operators.

In FY 2014, the contest was further expanded to accept the participation of all employees, including, besides those in engineering, staff members in the sales and administrative sections. At the final of the 2nd CS Skills Contest in August 2014, an audience of over 1,100 gathered to see the thrilling matches between the contestants who had won the preliminary rounds.



## Employee's voice (NEC Networks & System Integration Corporation 2014 CS Award winner)

Our project for the transfer of a customer's head office won the FY 2014 NEC Networks & System Integration Corporation CS Award. This project had to be completed within a period of just five months, with the customer worried about the first transfer of its head office. Therefore, to satisfy the expectations of the customer (for security and safety, observance of the deadline and budget limit, and implementation of the CRE strategy), all the project members made concerted efforts to promote the project in all stages from proposal to construction and completion, paying careful attention to the following points:

- Security (providing explanatory materials, process charts, etc., to alleviate the worries of the customer and give the customer a feeling of success)
- Safety (explaining the construction procedures and methods repeatedly until the customer fully understands)
- Self-awareness (knowing that we are entrusted with the customer's precious money to carry out the project)
- Courtesy (appropriate behavior as a member of society: manners, dress, language, punctuality)
- Trust (communication through reporting and discussion. Disclosing all information faithfully)

Although the period allowed for the project was very short, we carefully did what we are normally required to do, such as ensuring safety, assuring quality, and observing work rules. As a result, we were able to turn the customer's worries into expectations and appreciation with a feeling of being in the same boat as us. I was happy to hear the customer say, "the success of this project is precisely due to the support of NEC Networks & System Integration Corporation." This experience reminded me of the importance of thinking and acting from the customer's standpoint.



**Kenichi Aizawa** Manager, System Section, Facilities Network Department, Facilities Engineering & Services Division, Technical Services Operations Unit



## Support for Disaster-affected Areas

### Reconstruction activities in affected areas by new recruits

Since 2012, as part of its continued initiative to support reconstruction of the affected areas, NEC Networks & System Integration Corporation has sent its new recruits to the affected areas as a training program, which serves as an opportunity for new recruits to think how a company should contribute to society and learn the basic attitudes (care for safety, the go-and-see principle, pragmatic thinking, etc.) required of our employees.

In this two-night program, new recruits visit two areas stricken by the Great East Japan Earthquake; Minamisanriku Town in Miyagi Prefecture, and Rikuzentakata City in Iwate Prefecture, where they remove rubble, clear land, and conduct other activities in groups, while listening to talks by the affected people and municipal leaders. Moreover, after interacting with the staff members stationed at Himawari (sunflower) House, a co-working space we established in Rikuzentakata City, participants hold a group discussion on what they can do toward the reconstruction of the area at the end of the program.

In FY 2014, 125 new re-



cruits, including those from Group affiliates, participated in the program.

This initiative was selected as an excellent practice at the Japan Management Association (JMA)'s KAIKA Awards 2014, an awarding system to praise and make known initiatives to develop sustainable management, organizations, and human resources that create social values.

### Himawari (sunflower) House

Himawari House is a log-house co-working space opened in November 2012 in Rikuzentakata City, Iwate Prefecture for the purpose of supporting the reconstruction of the affected area, furnished with various ICT equipment.

With three staff members stationed and the ICT environment available, this facility is used for sharing and exchanging information among local residents, companies, organizations, universities, etc., seeking partnerships with NEC Networks & System Integration Group to create new businesses, and matchmaking among organizations or companies, thereby supporting the reconstruction of the area.

Himawari House has been used by a total of over 6,000 people, and is greatly appreciated by the local communities.



### From local partner

Since 2012, I have served as the coordinator of NEC Networks & System Integration Corporation's reconstruction activities by new recruits, communicating local needs and proposing/planning activities for them.

Now that four years have passed since the Great Earthquake and the rubble left by the earthquake has been mostly removed, the work of town building has finally started. While the housing provided for the affected people has begun to accept residents, many new houses have been built in a rush. In contrast to such positive trends, the local communities are suffering depopulation and workforce shortage. In the hope of being of some help to improving this situation, I organized a program for NEC Networks & System Integration Corporation's new recruits in fiscal 2014, in which they participated in environmental cleaning and fishing assistance that would contribute to the reconstruction of local communities. In the fishing assistance, the

participating new recruits struggling with fishing operations were supported by local fishermen. I guess it was a refreshing experience for the local fishermen, who have few opportunities to meet consumers.

It is my pleasure to see new recruits grow from students to members of society through these activities. These activities cannot be done by a single person, but require teamwork. Because lack of teamwork may result in injuries, the team leaders and sub-leaders have shown remarkable growth.

I hope NEC Networks & System Integration Corporation will continue this program of supporting the disaster-stricken area by new recruits, by listening to the voices of local residents and responding to the reconstruction progress of the area.



Katsuyoshi Kuriya President, I-Local Co., Ltd.

## Supporting Youth Development

### Charity concert

Starting in FY 2014, NEC Networks & System Integration Corporation hosts a charity concert as a cooperative event for the Bright Green Ribbon Fund, a non-profit corporation. Donations collected at this concert are used to financially support the senior

high school students who were affected by the Great East Japan Earthquake and became unable to continue going to school.



### Local food fair

As an activity available in Tokyo to support the areas affected by the Great East Japan Earthquake, NEC Networks & System Integration Corporation hosts the Tohoku Local Food Fair for Iwate, Miyagi and Fukushima Prefectures at our Iida-bashi Head Office building. This event was recognized as an initiative in line with the "Support by Eating" campaign promoted by the Ministry of Agriculture, Forestry and Fisheries, and received a certificate of appreciation on March 4, 2015.



### "South Pole Club," a traveling class for elementary schools

NEC Networks & System Integration Corporation is involved in operations related to Antarctic communication networks. Every year, one of our employees is dispatched to the National Institute of Polar Research, acting as a member of the Japanese Antarctic Research Expedition. These employees visit elementary schools etc. in Tokyo to give fun classes, in which they present life in the Antarctica using movies, based on their one-year experience of living on that continent, while also allowing children to touch ice from Antarctica and try on the actual cold weather gear used there.



### Employee's voice (South Pole Club teacher)

I served as a member of the 51st Japanese Antarctic Research Expedition from November 2009 to March 2011 to maintain and operate satellite receivers. Using this experience, I visit elementary schools as a teacher for the South Pole Club, an initiative of NEC Networks & System Integration Corporation to support youth development, besides my ordinary work operations.

In the South Pole Club classes, by talking about the Antarctic environment based on my experience, an environment totally different from Japan, I try to tell children that the world is a big place and has aspects that are totally unfamiliar to them and different from the world they know, and that I want them to be interested in many things. Since topics of interest vary depending on the ages of the children, I plan my classes by imagining what the children would be interested in. Besides

lectures, I provide children with opportunities to try on the cold weather gear or perform experiments using Antarctic ice. I can't forget how the children's eyes lit up when they saw the ice for the first time. Children's impressions of the class are usually presented at the end of each class, which is a great encouragement for me in teaching for the South Pole Club.

Through living in Antarctica I have learned the importance of making preparations and conducting operations from the standpoint of others. Now, through the South Pole Club activities, I have reminded myself of the importance of thinking about others.

I will continue to be involved in the South Pole Club, to provide children with an opportunity to become interested in many things.





## Contributions to Local Communities

### Selling “Yamadori” bread

NEC Networks & System Integration Corporation Head Office building’s staff canteen periodically allows “Yamadori,” a welfare association for the person with disability, to sell bread to our employees during lunchtime.



### Activities at regional operation sites

NEC Networks & System Integration Corporation’s regional operation sites actively conduct various environmental or social contribution activities.

#### ● Kansai Regional Division

Once a month, branch members clean the area around the NEC Kansai Building under the Clean Town Campaign.



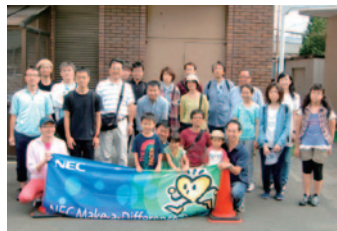
#### ● Niigata Regional Office

As a community cleaning activity, office members picked up litter and fallen leaves on the streets and in shrubbery in the neighborhood.



#### ● Hokkaido Regional Office

Office members picked up litter as a voluntary activity to contribute to the local community.



#### ● Shizuoka Regional Office

Office members cleaned the Abekawa River banks.



#### ● Chubu Regional Office

The office holds the “Sawayaka Eco Club” community cleaning activity once every month.



#### ● Kyushu Regional Office

Office members participated in the “Love Earth Cleanup” campaign hosted by Fukuoka City and cleaned Uminonakamichi Seaside Park.



### Employee’s voice (environmental promoter)



Cleaning in Uminonakamichi Seaside Park



In recent years, the number of foreigners visiting Fukuoka for business or sightseeing has been rapidly increasing. If these visitors feel unhappy to see the town or sea of Fukuoka, it may undermine their impression of Japan as a whole.

To help avoid such a situation, NEC Networks & System Integration Corporation Kyushu Office participates in the Love Earth Cleanup campaign to clean Uminonakamichi Seaside Park every June as part of our environmental conservation initiative.

This activity makes us feel that we, as individuals and a company, are playing a certain role, however small, in not only offering hospitality to visitors to Fukuoka but also as part of Japan’s international contribution.

All members of the Kyushu Office will continue to work for the development of the area and the happiness of the local people, which I believe is the value of our presence here. Wishing that this beautiful Earth will continue to shine forever, I wish to continue this activity.

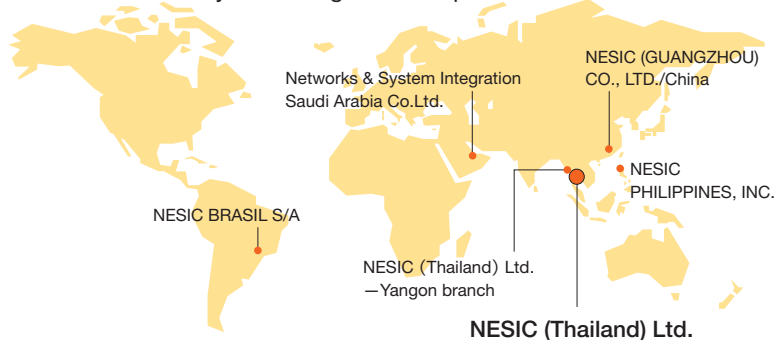


**Minoru Sugimoto** Assistant Manager, Nishinohon Systems Division, Public Infrastructures Solutions Operations Unit



## Initiatives Overseas

NEC Networks & System Integration Corporation's overseas subsidiaries



Installing optical cables in Thailand

### Contributing to communications infrastructure in Thailand

In Thailand, third-generation (3G) mobile communications have begun to spread widely, attracting active investment by telecommunications carriers. NESIC (Thailand) Ltd., NEC Networks & System Integration Corporation's subsidiary in Thailand, was founded in 1991 to undertake the installation of large switching equipment, etc., for local telecommunications carriers, and in early 2000s began to engage in developing mobile communication networks, while having established good relationships with customers over long periods of time. The high appreciation that these experiences and capabilities received resulted in a contract from AIS (Advanced Info Service Plc), the top communications carrier in Thailand, for the construction of communications infrastructure. Now, with a view to contributing to the development of communications in Thailand, NESIC (Thailand) and NEC Networks & System Integration Corporation are jointly engaged in installing some 26,000 km in total of optical cables to enable smooth 3G communications in the country.

### Expanding overseas operations rooted in local market

NEC Networks & System Integration Corporation established a branch office of NESIC (Thailand) in Yangon, to make a full-fledged commitment to developing infrastructure in the Republic of the Union of Myanmar, which is anticipated as a large potential market. In Myanmar, where the development of basic infrastructure is urgently needed as the foundation for future economic growth, there are many high-potential fields relevant to NEC Networks & System Integration Corporation's business operations, such as communications systems for transporta-

tion infrastructure and public communication networks. NESIC (Thailand) has already been involved in a joint project with Sumitomo Corporation, etc., for establishing airport and aviation security infrastructure for the Department of Aviation, Ministry of Transport of Myanmar. Thus, the establishment of the Yangon branch office has further enabled operations deeply rooted in local market.

### Participating in a project to electrify rural villages — Myanmar Solar Power Project —

The development of electricity supply systems in Myanmar lies far behind that of other ASEAN nations. As of 2013, around 70% (approx. 45,000) of all villages (approx. 62,000) in Myanmar were not electrified. The Japanese government announced in 2014 a plan to electrify rural villages in Myanmar as an ODA (Official Development Assistance) project. The goal of this project is to improve the living environment of the residents of villages with no electricity supply by introducing small-scale hydroelectric power generation and solar power generation systems to promote electrification of the area. NESIC (Thailand) participates in this project and has installed solar panels in Chin State and Shan State, areas that are seriously unelectrified, thus contributing to the supply of electricity to local residents.



Solar power generation system installed in Shan State



Children in Myanmar

### Employee's voice (expatriate at a subsidiary)

Now NESIC (Thailand)'s business focus is on communications infrastructure in Thailand, the EmpoweredOffice applications for Japanese companies, and communications infrastructure in Myanmar. As investments in Thailand and its surrounding countries are becoming active, how we propose and offer appropriate solutions in a timely manner will determine whether we can

successfully continue our business operations in Southeast Asia. To this end, it is crucial to ensure that all the experience, knowledge and skills are shared among the Japanese and local employees. Thus, all employees of NESIC (Thailand) will work in unity for the expansion of our overseas businesses.



Hiroaki Kaneko NESIC (Thailand) Ltd.

## Creating Worker-friendly Workplaces

### Respect for human rights

The NEC Networks & System Integration Corporation Group declares in its Charter of Corporate Behavior that it will “respect human rights in all aspects of its corporate activities, and never allow any discriminatory treatment, child labor, or forced labor,” and also states in its Code of Conduct, “We respect the fundamental human rights of all people in all aspects of our corporate activities. We will never engage in any discrimination based on race, belief, gender, age, social status, family origin, nationality, ethnicity, religion, or disability, or any act that may undermine the dignity of any individual.” Based on these principles, we are engaged in activities to:

1. promote human rights enlightenment,
2. promote employment of the person with disability,
3. promote employment of the aged,
4. ensure equal employment opportunities for men and women,
5. support the balancing of work and family life, and
6. realize an environment that allows employees to fully exercise their abilities and work actively.

### Supporting diverse work styles

Based on the understanding that ensuring a good work-life balance is crucial to enable each of its diverse employees to fully exercise his/her abilities, NEC Networks & System Integration Corporation has established support systems paying attention to various aspects of the employees' life, such as work and family life, childcare, nursing care, volunteer activities, and investment in career building.

### Balancing work and childcare

To enable employees with children to feel easy about balancing work and childcare, NEC Networks & System Integration Corporation has developed and enhanced systems and measures to support them. Having received high recognition for its efforts to establish a working system that allows diverse working styles of employees, enhances systems to support childcare, and creates an environment in which members feel easy



Name: Kurumin

“Kurumin” is a symbol of the certification granted to companies that have established an action plan in accordance with the Act on the Advancement of Measures to Support the Raising of Next-Generation Children, and have achieved the targets thereof.

about taking childcare leave and returning to work, we have obtained “Kurumin” certification under the Act on the Advancement of Measures to Support the Raising of Next-Generation Children.

#### Number of users of the childcare leave system

FY ended March	2011	2012	2013	2014	2015
Number of users	17	20	26	29	24

### Balancing work and nursing care

NEC Networks & System Integration Corporation has developed and enhanced systems to support employees balancing work and nursing care, and communicates the systems to employees via the intranet while hosting relevant seminars for employees.



Name: Tomonin

“Tomonin” is a logo that companies committed to developing a workplace environment ensuring the balancing of work and nursing care are allowed to use.

### Encouraging employees to take paid holidays

NEC Networks & System Integration Corporation encourages employees to take many paid holidays during the period from July to September as their summer vacation, and also sets company-wide paid holidays in August in accordance with the collective labor agreement.

We also designate the second and third weeks of June and October as “Ajisai (hydrangea) vacation” and “Momiji (colored leaves) vacation,” respectively, and encourage employees to take paid holidays during these periods. Information on these paid vacation promotion campaigns is transmitted via the portal website of the Company to all employees.

#### Paid holidays taken

FY ended March	2011	2012	2013	2014	2015
Average number of holidays granted	21.1	21.4	21.2	21.2	21.1
Average number of holidays taken	14.6	15.1	14.3	13.1	14.0
Average acquisition rate	68.8%	70.5%	67.4%	61.8%	66.4%

### Voluntary career development

NEC Networks & System Integration Corporation offers opportunities for employees to develop their careers based on their voluntary will, or to think about their own careers.

System	Internal name	Outline
Internal job posting system	Job posting system	Allows employees to apply based on their free will for positions generated along with the Company's entry into new business fields, or for the purpose of enhancing core businesses, etc.
Internal free-agent system	Job Try system	Supports employees who are willing to develop their abilities and careers and are eager to try new jobs (segments).
	Position Entry system	Allows employees to apply for the positions they want.
Self-reporting system	Career review	Allows employees to report their own interests and competences regarding their work, as well as transfer requests. The information reported is used by their managers for career development and human resources development.

## Promoting diversity in management

NEC Networks & System Integration Corporation proactively promotes diversity as one of its management strategies, and has established a policy of diversity promotion as follows:

“NEC Networks & System Integration Corporation believes that allowing employees with diverse personalities to fully exercise their abilities will lead to the further enhancement of its corporate competitiveness. With the aim of responding to the diverse needs of customers and continuing to grow as a company by adopting diverse perspectives, each of our employees will promote diversity.”

In April 2010, we set up an organization for diversity promotion, focusing our efforts on promoting the development of a workplace environment that allows female workers to exercise their abilities, ensuring work-life balance, and continued awareness-raising activities for the effective utilization of diversity in business.

Moreover, every year since FY 2010, the Company has held seminars and workshops for the management, to which external intellectuals have been invited. Managers who participate in these seminars are expected to deepen their understanding of diversity promotion and reflect it in their daily management activities. A total of five seminars have been held so far, each attended by over 200 participants.

### ● Promoting the roles of women and their career development

To enhance the effects of diversity in businesses, NEC Networks & System Integration Corporation set “promoting women’s roles” as one of the pillars of its medium-term management plan, and is working to raise the percentage of women in management, expand the recruitment of women,

and promote their career development.

We also offer a training program aimed at supporting female employees’ voluntary career development efforts, in which participants design their own career development, starting with thinking about what they want themselves to be like in order to live a satisfying work life, through deepening their understanding of themselves and discussing with other employees around them. A total of 110 women have participated in this program, which was launched in 2011.

### Proportion of male and female employees in FY 2014

<b>Female</b> 15.3 %	<b>Male</b> 84.7%
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### Percentage of women in management

FY ended March	2011	2012	2013	2014	2015
<b>Percentage (%)</b>	1.0	1.2	1.5	1.8	2.3

### ● Employment of persons with disabilities

Based on the belief that supporting the independence of people with disabilities is one of the social obligations of a company, NEC Networks & System Integration Corporation actively hires persons with disabilities.

As of March 31, 2015, we have 80 employees with disabilities, accounting for 2.07% of all employees, which is above the statutory employment rate.

### Approach to raising employee satisfaction

Every year, NEC Networks & System Integration Corporation conducts an employee awareness survey to discover their motivation status, which also aims to have employees confirm by themselves what their highest priority is, from among company, work, growth, treatment/compensation, personal relations, and quality of life.

## Employee’s voice (having taken childcare leave)

I took childcare leave for about three and a half months, from the birth of my son in September 2014 to December of the same year. Because I had always wanted to be involved in childraising, I was happy to be given the opportunity to do so by taking the leave. Thanks to the understanding and support of my boss and colleagues, I was able to take the leave without mishap.

During the leave period, I enjoyed taking care of my son in cooperation with my wife. Although the sense of responsibility for the life of my child made me more nervous than I had expected and I faced several difficulties, I felt really happy to be able to see my baby son grow day by day.

After returning to work, I am still trying to take part in childcare as much

as possible. Because I’m in charge of bathing my son on weekdays and therefore cannot work overtime, I pay greater attention to my priorities at work and schedule management than before, so as to complete the work within a limited period of time.

This experience of using the childcare leave system has improved my family life as well as my work life. I am hugely thankful to the company for making such a system available. Children grow up so fast! I hope many other employees will enjoy spending their precious time with their children.



**Shinya Yoshikawa** Assistant Manager, System Development Dept., New Solutions Promotion Division, Enterprise Solutions Operations Unit



## Creating Worker-friendly Workplaces

### Initiatives to promote health

#### ● Prevention of health impairment due to overwork

For employees who have worked long hours, the NEC Group has them check their own health using a Web-based interview sheet or have an interview with an industrial physician, based on “the Comprehensive Program for the Prevention of Health Impairment Due to Overwork” by the Ministry of Health, Labour and Welfare.

Also, we select employees for compulsory follow-up on the basis of the working hours (long hours) and health check (regular checkup and metabolic syndrome examination) data, and have them consult with an industrial physician/health professional, as well as restricting work hours among other measures.

#### ● Mental health care initiatives

NEC Networks & System Integration Corporation has switched the focus of its mental health care measures from treatment to prevention, and is working accordingly to create healthy workplaces through maintaining the mental health of its employees.

In the early stage of mental disorders, industrial physicians, public health nurses and nurses provide consultation as initial support.

For employees returning to work after a long leave due to a mental disorder, a “return-to-work support team” is formed by an industrial physician, a health nurse, a nurse, a worksite supervisor and the personnel department, to provide support in cooperation with their attending doctor.

### Employee's voice (workplace counselor)

I have been working as a workplace counselor since April 2011. The workplace counseling room is a place where employees are allowed to talk freely about not only their problems at their workplaces but all kinds of worries such as health problems and family problems. We listen to delicate issues that a worker cannot tell his/her boss or even co-workers from a neutral standpoint.

Consulters often forget about their strengths and positive aspects. As a counselor, I always try to respect the personality of each consuler and be at his or her side, while listening to them talk. The happiest moment for me is when I see my consuler, having overcome his or her problem and regained confidence, working actively, full of smiles, with his or her co-workers.

I will continue to make efforts to make this counseling room an oasis for employees.

**Satoru Morishima** Workplace Counseling Room



## Developing Human Resources

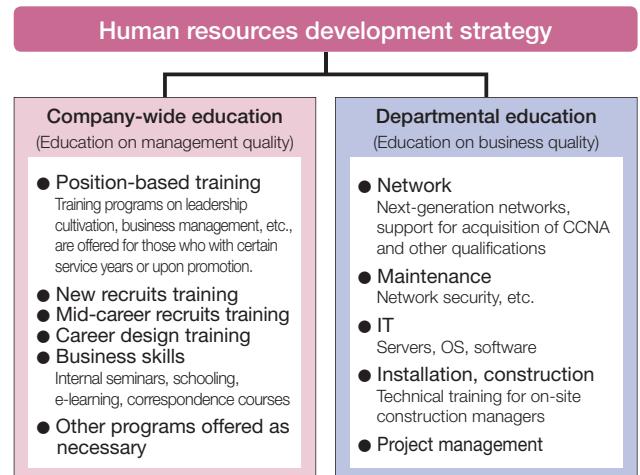
### Basic approach to human resources

Human resources development principle

**We develop human resources capable of contributing to the growth of the Company, with whom each of our customers and employees can be satisfied.**

### Education and training systems

NEC Networks & System Integration Corporation offers its employees places and tools for human resources development, and the employees voluntarily and independently utilize them.



### Safety and quality education for new recruits

All new recruits of NEC Networks & System Integration Corporation are required to receive education on safety and quality. The field training at a simulated “worksite” in the Isehara Technical Center, our education and training facility, is positioned as an important educational opportunity for us, which place emphasis on “actual place, actual things, and actual situation” as our basic stance.



## Support for acquisition of external qualifications

To support the development of human resources necessary for the healthy performance and growth of its businesses, NEC Networks & System Integration Corporation financially assists employees who intend to acquire or have acquired external qualifications approved by the Company, with the aim of enhancing the skills and knowledge of the workforce.

### Employee's voice (training organizer)

The ICT Education and Training Group, Personnel Relations Division organizes educational programs on techniques that support practical business operations in various fields, such as networks, servers, VoIP, and wireless communications, and we are constantly improving these programs to make them truly useful to the trainees. Specifically, we keep in mind to have our activities for planning and implementing training programs include the following:

- Survey on the needs and motivation of target trainees (Relating personal interviews to the training contents)
- Clear indication of learning targets and evaluation (Setting motivating targets and measuring achievements by skill check)
- Encouraging participation and raising the degree of understanding through interactive teaching (Diverse ways of asking questions, group discussions, presentations, etc.)
- Providing streaming materials and exercises for preparation and review (Utilizing learning systems available for smartphones)
- Survey on requests for improvement (immediately upon completion of each training)

Through these activities, we are working to improve the quality of training programs, and at the same time, we are planning to create more flexible programs that will not be affected by work styles.



During training



Training rooms

**Noriaki Harada** Manager in charge, Personnel Relations Division

## Safety & Quality Promotion Center

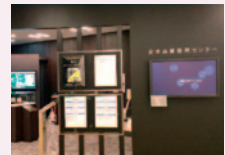
NEC Networks & System Integration Corporation has undertaken many projects of building network systems and installing communications infrastructure that serves as the foundation thereof. However, we have not yet achieved the complete elimination of safety/quality-related accidents at construction sites. To ensure that we will not forget the lessons we have learned from serious accidents in the past, the Safety & Quality Promotion Center has been established, aimed at eliminating accidents.

By having every employee visit the Center to remember past lessons and learn what each of them should do, we are committed to eliminating safety/quality-related accidents and enhancing the trust and confidence of its customers.

### Four learning themes

#### 1. Purpose and overview of the Safety & Quality Promotion Center

- Common understanding of the purpose of establishing the Center, safety & health policies, quality policies
- Recent occurrence status of accidents presented in graphs
- News and information on events, etc. Information on safety and quality is provided in "Safety News" on a monthly basis.



#### 2. Learning from past serious accidents

To learn from past accidents that must never be forgotten and renew our determination not to cause an accident, the actual remnants of accidents are exhibited and prevention measures are presented.



#### 3. Initiatives to eliminate accidents

Learning contents designed to encourage self-awareness are made available to everyone. Presentations of the images of accidents or near-miss accidents are also available via slides or animation.



##### [Learning contents]

- Diagnosis of human errors that you are likely to make
- Self-check of unsafe actions
- Skills check, stress check, cognition function check
- Safe driving attitudes/awareness check
- Test on understanding of related laws and regulations

#### 4. Commitment to yourself

To demonstrate your determination not to cause an accident, you write your "no accident" declaration and post it on the wall, thereby raising your safety and quality awareness.



Safety and quality declaration

## Corporate Governance

### Corporate governance system

NEC Networks & System Integration Corporation believes that the cornerstone of corporate governance, for sustainable improvement of its corporate value, is ensuring management soundness and transparency by establishing a management system that enables quick decision-making to respond promptly to changes in the operating environment, and by practicing timely, appropriate disclosure.

To that end, we have adopted an Audit & Supervisory Board system and have established a corporate governance system in which the Board of Directors and the Audit & Supervisory Board play key roles. We have also adopted an executive officer system to clearly demarcate the supervisory function and the business execution function. To enhance management transparency, we have outside directors and outside members of the Audit & Supervisory Board and seek to achieve sound management by encouraging cooperation among the Audit & Supervisory Board members, the Corporate Auditing Division, and accounting auditors.

### Board of Directors and Audit & Supervisory Board

The Board of Directors is composed of 10 directors (nine men and one woman), including two outside directors. In addition to maintaining the number of directors at an optimum level for quick decision making, NEC Networks & System Integration Corporation has reduced the terms of directors to one year in order to clarify the management responsibilities of the directors, thereby strengthening its management structure.

The Audit & Supervisory Board consists of five corporate auditors, including three outside auditors. It decides audit policies, and reports on the status of audits performed by each auditor. Members of the Audit & Supervisory Board attend Board of Directors' meetings and other important meetings, examine significant documents related to final decisions, and listen to directors and employees on the performance of their duties, thus contributing to a system for sufficiently scrutinizing directors' performance of their duties.

\* As of June 23, 2015

\* Two outside directors and two outside members of the Audit & Supervisory Board are notified to the Tokyo Stock Exchange as independent officers.

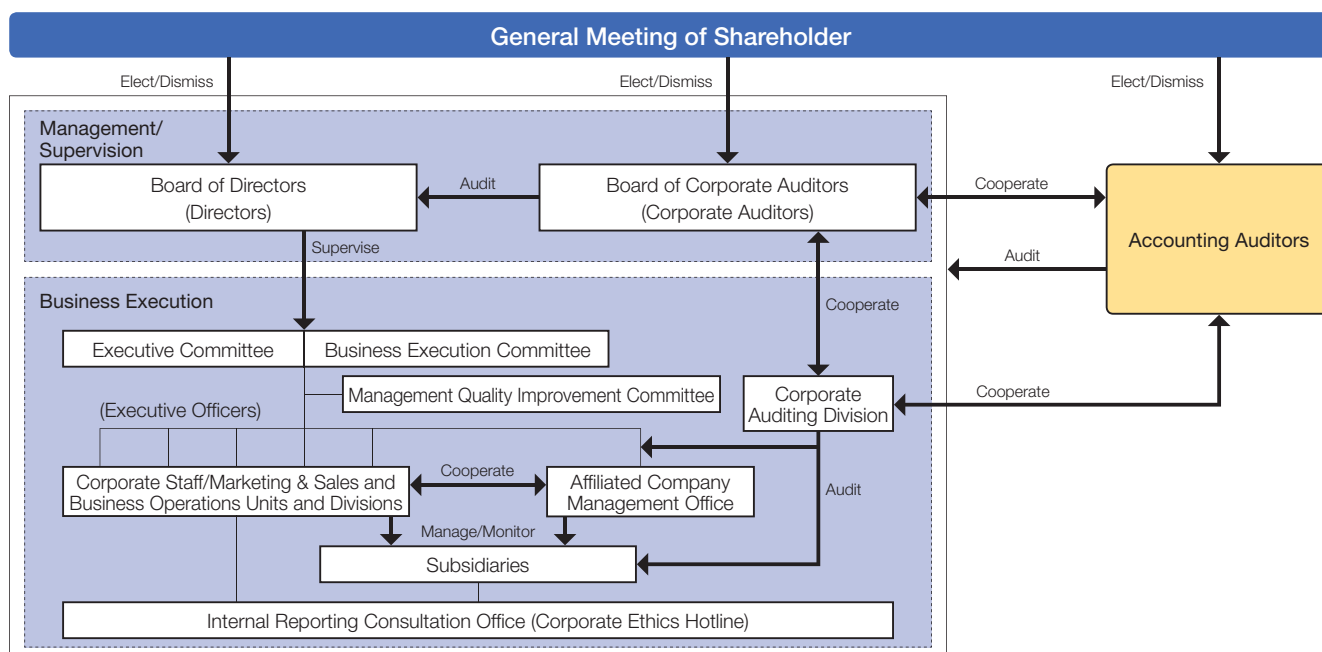
### Executive Committee, and Business Execution Committee

Based on the executive officer system, NEC Networks & System Integration Corporation formed the Executive Committee consisting of mainly executive officers at the senior vice president level and higher and Audit & Supervisory Board members, to discuss key management and operating issues, and also set up the Business Execution Committee, to monitor the progress of business execution and report on significant matters, thereby enhancing its management functions.

### Corporate Auditing Division

The Corporate Auditing Division has been established as an internal audit unit independent from the business execution divisions. It examines through internal audits whether business execution is being conducted legally and properly according to the relevant laws, regulations and Company rules.

### Corporate Governance System





# Compliance

## Basic concept

Ensuring compliance constitutes the basis of a company's existence, and thus implementing compliance-based management is the foundation for the advancement of the NEC Networks & System Integration Corporation Group. The Group's Charter of Corporate Behavior clearly presents the issues that we should proactively address as a corporate group, in order to not only ensure compliance with related laws and regulations but also respond to the expectations of our stakeholders and fulfill our social responsibilities. The Code of Conduct has also been established to help each employee always make decisions and act responsibly in accordance with the Charter of Corporate Behavior.

## NEC Networks & System Integration Corporation Group's Charter of Corporate Behavior (excerpt)

### 1. Customer Satisfaction

The NEC Networks & System Integration Corporation Group earns customer satisfaction and confidence by developing and offering systems and services that meet diversifying customer needs and that are socially beneficial and reliable, and by paying careful attention to safety.

### 2. Developing New Solutions

The NEC Networks & System Integration Corporation Group strives to develop creative solutions and always works actively as a solution provider in the network and IT fields to create new and high values for customers, while contributing to the future prosperity of society.

### 3. Fair Corporate Activities

The NEC Networks & System Integration Corporation Group promotes fair, transparent, and free competition and maintains healthy and normal relationships with government agencies and political bodies.

### 4. Disclosing Information

The NEC Networks & System Integration Corporation Group delivers accurate and sufficient corporate information in a timely, clear, and appropriate manner while enhancing the transparency of its corporate activities.

### 5. Contributing to Preservation of the Global Environment

The NEC Networks & System Integration Corporation Group reduces the impact on the global environment and contributes to building a sustainable society.

### 6. Maintaining Good Relations with the Community

The NEC Networks & System Integration Corporation Group respects the cultures and customs of all regions and countries and manages its activities in a way that contributes to community development.

### 7. No Relationship with Antisocial Forces

The NEC Networks & System Integration Corporation Group will have no relationship with any antisocial force or group that may threaten the order or safety of civil society, and will resolutely reject any unreasonable requests from such forces or groups.

### 8. Social Contribution Activities

The NEC Networks & System Integration Corporation Group fully recognizes that it is a member of society, and actively engages in social contribution activities as a good corporate citizen.

### 9. Respecting Human Rights

The NEC Networks & System Integration Corporation Group respects human rights in all its corporate activities, never accepting any discriminatory practices, child labor or forced labor.

### 10. Respecting Employees

The NEC Networks & System Integration Corporation Group respects each employee's individuality. It provides active support for the employees to enable them to balance their work and family life, while creating work environments where all its employees can fully demonstrate their abilities and carry out their jobs with enthusiasm.

### 11. Management of Intellectual Property, Customer Information, and Personal Information

The NEC Networks & System Integration Corporation Group recognizes the importance and value of intellectual property, customer information and personal information, and properly manages them.

## Ensuring compliance

To ensure that its employees place the highest priority on compliance, NEC Networks & System Integration Corporation delivers the "Case Sheet" to have the employees think about corporate ethics based on some familiar cases, thereby raising their compliance awareness. We also have each division prepare the "NEC Networks & System Integration Corporation Action Standards" cards contained in a folder and deliver the folder to each employee. Using this folder, which contains cards with various titles, such as "Compliance Card," "Policy for Compliance with Competition Law," and "Ten Articles for Protection of Private



Action Standards folder

Information," employees check their own behavior and decisions in their daily operations.

## Compliance education

Placing the highest priority on compliance in its business performance, the NEC Networks & System Integration Corporation Group has held a face-to-face educational program called "business personnel education" every year since FY 2003, to help each employee have a concrete understanding of and implement the compliance-based operations in each workplace or operation site.

Moreover, to ensure that our Code of Conduct is thoroughly observed, we also offer meeting-type programs for new recruits or those who have been promoted to chief or management positions, as well as online education programs targeting all employees. Furthermore, many education programs on specific themes, such as the Subcontract Act, the Construction Industry Act, the Worker Dispatching Act, and fair trade, are also provided.

## Status of participation in "business personnel education"

FY ended March	2011	2012	2013	2014	2015
<b>Number of participants</b>	4,113	4,178	4,290	4,510	4,754

\* Non-consolidated NEC Networks & System Integration Corporation

## Corporate Ethics Hotline

The NEC Networks & System Integration Corporation Group has set up the Corporate Ethics Hotline, for the purpose of discovering compliance-related problems in corporate activities at an early stage and preventing conduct against corporate ethics or compliance with laws. This is the Group's internal reporting office, which accepts reporting or consultation from employees when they are unable to judge whether their work performance complies with laws, internal regulations or other social rules, or when they cannot consult with their supervisors or related division for some reason.

## Risk Management

### Comprehensive risk management

To ensure the continued growth of the NEC Networks & System Integration Corporation Group, a risk management system has been established to implement effective and comprehensive risk management based on the PDCA cycle, under the leadership of the Management Quality Improvement Committee.

The Management Quality Improvement Committee, which was formed in January 2008, examines and discusses the policies and specific measures for risks that may have a particularly large impact on the achievement of our business objectives or profit/loss targets, and that require the taking of company-wide prioritized measures. The Management Quality Improvement Committee meets once every three months to check the progress on priority issues, and if any improvement is deemed necessary, instructs the relevant divisions to develop measures for improvement.

Meanwhile, each internal division and affiliated company organizes their own management quality improvement activities, thereby ensuring company-wide policies and measures are implemented within the division or affiliate while promoting risk management appropriate to the business characteristics of each organization.

### Measures against business risks

Each of the group companies and organizations of the NEC Networks & System Integration Corporation Group, in view of the Group-wide priority risks, selects the risks in their business performance based on their business characteristics, and manages the implementation of measures against such risks. The progress of these activities is controlled through periodic monitoring of the status of smaller organizations at meetings, etc., of each company or organization. These systematic activities are called affiliate management quality improvement activities and division management quality improvement activities.

### Initiatives to ensure information security

Believing that it is our responsibility to protect the information assets NEC Networks & System Integration Corporation has received from our customers in relation to our building of network systems, maintenance/operation services, outsourcing services, and other operations, and to provide customers with a secure information environment. We position information security as one of our important management issues that should be addressed with particular emphasis.

We have therefore established a system to ensure information security through organizing the Information Security Committee consisting of representatives of the relevant internal divisions, and, in accordance with the "Basic Policy for Information Security," have formulated the "Basic Regulations for Information Security" along with the relevant rules and manuals necessary to maintain and improve information security. The Information Security Committee monitors the status of operation of these regulations, and revises or strengthens the management system as necessary.

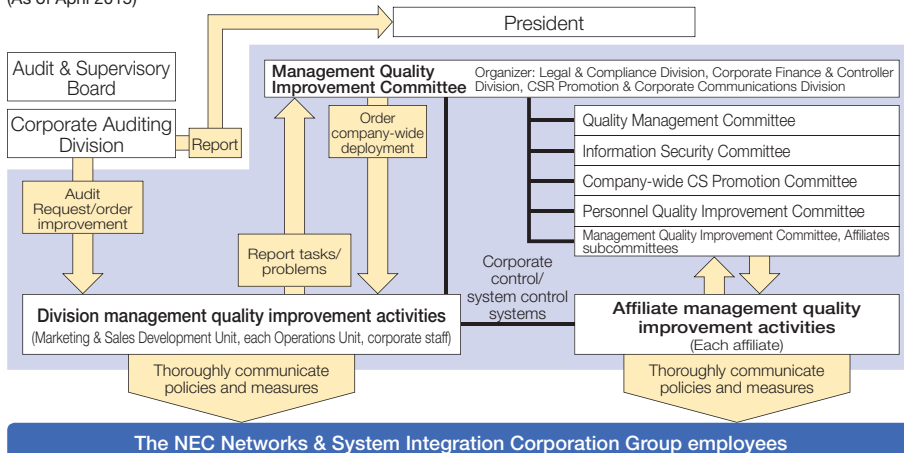
### Raising employees' information security awareness

NEC Networks & System Integration Corporation actively promotes educational activities, such as information security education programs targeting the entire NEC Networks & System Integration Corporation Group, including temporary staff members, aimed at raising their awareness of daily information security.

At the same time, rules for ensuring the security of systems, networks, customer information and corporate secrets, as well as for compliance with relevant laws and regulations, are specified as "matters to be complied with in treating customers and handling corporate secrets" and are reviewed every year. These are also compiled as a leaflet, pledging that all employees of the NEC Networks & System Integration Corporation Group and its affiliates comply with them.

### Risk Management System

(As of April 2015)



### The NEC Networks & System Integration Corporation Group priority risks

- Safety or quality-related accidents
- Information security-related accidents
- Illegal transactions or improper accounting
- Project-related risks
- Compliance-related risks (Target areas are specified by each division)

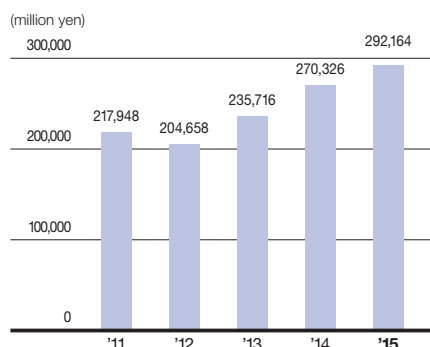
# Financial Highlights

Years ended March 31

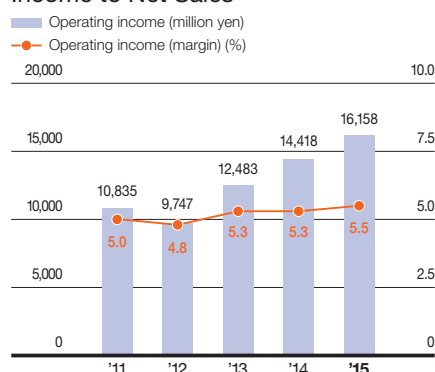
	2011	2012	2013	2014	2015
<b>For the year</b> (million yen):					
Orders received .....	212,277	215,373	241,271	280,071	299,097
Sales .....	217,948	204,658	235,716	270,326	292,164
Gross profit .....	33,132	32,079	37,182	44,690	48,110
Selling and general administrative expenses ..	22,297	22,332	24,699	30,271	31,951
Operating income .....	10,835	9,747	12,483	14,418	16,158
Net income .....	4,660	4,474	7,246	8,257	7,791
<b>At year-end</b> (million yen):					
Total assets .....	149,464	149,130	167,472	189,059	201,964
Net assets .....	77,005	80,074	85,974	89,166	94,173
Equity capital .....	76,445	79,503	85,266	87,514	92,559
<b>Cash flows</b> (million yen):					
Cash flows from operating activities .....	-1,595	18,595	-1,723	23,313	2,460
Cash flows from investing activities .....	-1,904	-2,648	-3,429	-5,504	-3,929
Free cash flows .....	-3,499	15,946	-5,152	17,809	-1,469
Cash flows from financing activities .....	-337	-3,979	-2,066	-3,824	-4,127
<b>Ratios and return indicators</b> (%):					
Operating income margin .....	5.0	4.8	5.3	5.3	5.5
Net income margin .....	2.1	2.2	3.1	3.1	2.7
Owner's equity ratio .....	51.1	53.3	50.9	46.3	45.8
Return on equity (ROE) <sup>*1</sup> .....	6.2	5.7	8.8	9.6	8.7
Return on assets (ROA) <sup>*2</sup> .....	7.3	6.3	7.7	8.2	8.3
<b>Per share of common stock</b> (yen):					
Net income .....	93.72	89.98	145.73	166.06	156.72
Net assets .....	1,537.19	1,598.77	1,714.74	1,760.06	1,864.61
Annual dividend .....	26.00	28.00	45.00	60.00	64.00

\*1: ROE = Net income / Average equity capital for the year (average of equity capital at the beginning of the year and equity capital at the end of the year) × 100  
 \*2: ROA = Ordinary income / Average total assets for the year (average of total assets at the beginning of the year and total assets at the end of the year) × 100

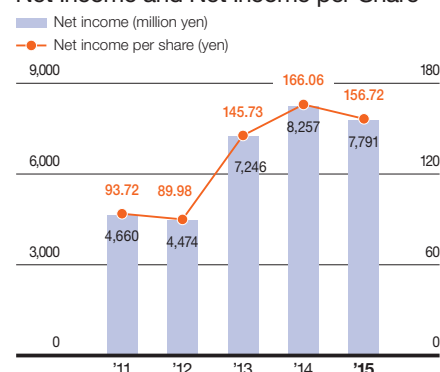
## Net Sales



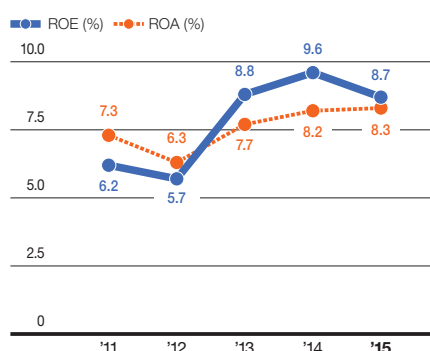
## Operating Income and Operating Income to Net Sales



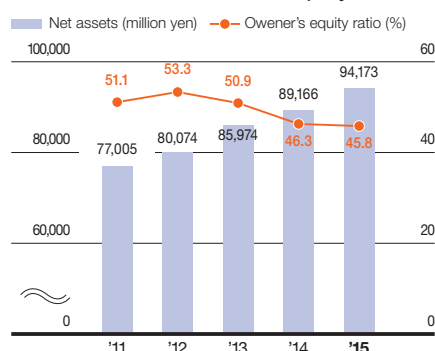
## Net Income and Net Income per Share



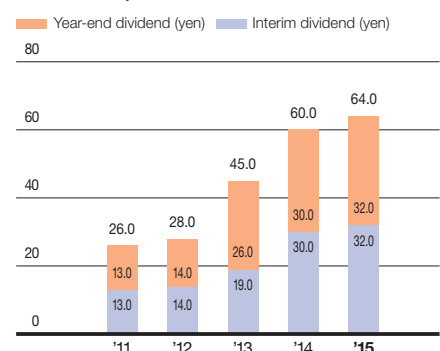
## ROE and ROA



## Net Assets and Owner's Equity Ratio



## Dividends per Share



\*Figures are for each fiscal year ended March 31 or at the end of each fiscal year.



## We will continuously enhance our corporate value, as well as the value of our personnel working for the company, thereby contributing to the sustainable development of the world and society.

Inviting Mr. Hideto Kawakita, CEO of IIHOE (International Institute for Human, Organization, and the Earth), our executive officer Komei Sakanashi and representatives of the CSR Promotion & Corporate Communications Division held a dialogue (stakeholder dialogue) on our business activities and related CSR activities.

### Dialogue outline

- Date: July 24, 2015 (Fri.)
- Place: NEC Networks & System Integration Corporation Iidabashi Head Office
- Participants
  - External expert: **Mr. Hideto Kawakita**  
CEO of IIHOE (International Institute for Human, Organization, and the Earth)
  - Participants from NEC Networks & System Integration Corporation:
    - Komei Sakanashi**  
Executive Officer in charge of CSR promotion
    - Seiichi Inaba**  
General Manager, CSR Promotion & Corporate Communications Division
    - Seiichiro Yamamoto**  
Group Manager, CSR Promotion & Corporate Communications Division
    - Takami Nakajo**  
Manager, CSR Promotion & Corporate Communications Division



### ■ Dialogue summary

**Mr. Kawakita:** Hearing your CSR initiatives, I felt the key points are to make it easier for employees to keep on working and to promote CSR procurement.

To make it easier for employees to keep on working, it is important to identify the factors that inhibit them from doing so and take appropriate countermeasures. Specifically, measures to reduce health problems, including mental health problems, and to support employees' caring for their family members, which is becoming one of the inevitable reasons for their leaving their work, would be useful. Moreover, if the length of service years varies between men and women, what should be done to reduce the gap? Or how can the length of service, in addition to the employment rate, of persons with disabilities be increased? Initiatives from these perspectives are also needed.

**Sakanashi:** NEC Networks & System Integration Corporation appoints workplace counselors whom employees can feel free to consult on various matters. We also set the Health Management Office to support both the physical and mental health of our employees, while enhancing the program to support the return to work of employees who have taken leave for childcare or for other reasons. Last fiscal year, we held a seminar on nursing care for the first time, which was participated in by more employees than expected, reminding us of the high needs in this field. Based on the points you have pointed out today, we will reorganize and promote our initiatives aimed at making it easier for employees to keep on working.

**Mr. Kawakita:** As to CSR procurement, preparations toward the issuance of ISO 20400 have been advancing. It is increasingly important to reflect the perspective of CSR promotion in evaluating or monitoring your suppliers. You need to check whether their attitudes toward the environment, human rights, and industrial safety and health are appropriate, and ask for improvement or corrections if necessary.

Many of the companies for which I provide third party opinion evaluate their suppliers based not only on quality, cost, and delivery period, but also on their attitudes toward the environment or society.



It is necessary to look over the entire supply chain, assess and select the risks to be addressed with high priority, and take necessary measures in cooperation with the suppliers.

**Sakanashi:** Since 2006, we have required a procedure to check whether a supplier has an environmental management system before starting transactions with them, and have monitored on a periodic basis the safety-related quality and information security, which are associated with large risks due to the nature of our business. In response to your opinions, we will further enhance the processes for policy-sharing with our suppliers and improvement from the perspective of CSR procurement.

**Mr. Kawakita:** Making it easier to keep on working and promoting CSR procurement are defensive CSR approaches. In terms of “aggressive CSR,” creating customer values, in the form of the improved customer productivity, and communicating the appeals thereof, are important. In Japan, where the productive population will decline at an accelerated pace along with the further advancement of aging, improving productivity is an important task that affects not only companies but also the entire society. As a company that provides ICT solutions, you should clearly understand this role of providing value to this end, and transmit information on the effects and achievements thereof.

**Sakanashi:** The EmpoweredOffice, our office innovation concept, having pursued reduction of the impact on the environment, is aimed at realizing innovation in working styles and contributing to the improved productivity of our customers. In our overall businesses, we will promote providing values and communicating the appeals thereof with a view to improving the productivity of our customers.



**Komei Sakanashi**  
Executive officer in charge of CSR promotion

Mr. Kawakita pointed out, in view of the challenges facing Japanese society, that NEC Networks & System Integration Corporation should pay strong attention to the importance of making it easier for employees to keep on working and promoting CSR procurement as “defensive CSR” approaches, and providing the value of the improved customer productivity as an “aggressive CSR” approach. It was very useful advice, which showed us the themes out of many issues that we should address with high priority.

Based on his advice, we will enhance the measures taken in each field, and contribute to the sustainable development of the world and society, placing the primary focus on the two actions below:

- In identifying the tasks of high importance to us, to reorganize the values that we are able to provide for society and utilize them to solve social issues
- Regarding personnel, our largest management resource, to incorporate diversity in our organizations while implementing measures to continuously enhance the values thereof



**Mr. Hideto Kawakita**  
IIHOE  
(International Institute for Human,  
Organization, and the Earth)  
CEO and publisher of Socio  
Management



As I said in the dialogue, for a company in the ICT field, besides internal initiatives to reduce environmental burdens and contribute to society, the most important tasks are to make it easier for employees to keep on working, promote CSR-based actions at suppliers, and improve the productivity of users.

Social responsibility should be borne not by the controlling departments of the Head Office but by the staff members and employees in charge of marketing, services or maintenance, who have direct contact with society represented by users and their customers, on a daily and proactive basis. I want you to remind yourself that not only ensuring the safety of information, but also reducing environmental burdens and respecting human rights constitute part of the quality assurance for users and their customers.

Since it is sure that users and their customers will further expand overseas, diversity in personnel should be further promoted, and not only Japanese women and people with disabilities but also people with diverse cultural backgrounds and values should propose ideas and actions to the management. In view of the 2020s, the strategies to determine in which regions, and how many people with what skills, should be secured and developed are also crucial. Instead of following the changes of society, I want you to implement steady initiatives based on the strategies to keep yourself prepared, with a clear outlook and strong motivation.

川北 秀人



## Re-designing Your Communication

NEC Networks & System Integration Corporation will be committed to increasing customer value by redesigning future communications from the user's perspective. We are aiming to build a society that enjoys active communication. We will not merely create highly reliable networks that provide security and reassurance but will redesign future communications from customer perspectives to add value for customers and advance society.

