

Materiality Matrix

The matrix chart below classifies and systemizes the relationship between our business, ESG, and the SDGs with respect to the six materiality issues.







NESIC has been working to resolve a number of social issues through its core businesses, such as building safe and secure social infrastructure, providing workstyle innovation solutions, promoting the global use of ICT, and creating partnerships through communications.

In an effort to further our contributions to society through our core businesses, we have numbered the 169 targets of the SDGs in relation to our materiality, visualizing their relationship with our core business strategies and initiatives and the basic strategies of the medium-term management plan.

Notes:
• This table has been prepared under the guidance of Mr. Hidemitsu Sasaya, an ESG/SDGs consultant and a professor at the Chiba University of Commerce.
• Please be aware that changes in a variety of factors may lead to differences in results from the content provided above. Furthermore, we have revised the definitions and numerical targets from when we announced our medium-term management plan.

*1 We are bringing forward and revising targets for reducing Scope 1 and 2 CO₂ emissions to further accelerate our contribution to climate issues and fulfill our responsibility as a company. The rate of reduction in the fiscal year ended March 31, 2023 is based on calculations from before implementing third-party verification. These are subject to change following the results of verification.

*2 We have revised definitions and targets set during the announcement of the medium-term management plan to include additional criteria, such as skill level acquired from qualifications and training.

Materiality			Concrete Image of Materiality Issues Being Realized	ESG	SDGs targets that are strongly interlinked with NESIC's materiality issues						Medium-term management plan ("22–'24)				Initiatives and Specific Targets	Target figures (Numerical targets for initiatives without a specified fiscal year are based on FY2025/3)	Results and result indicators Results from FY2023/3
											Basic Strategy 1	Basic Strategy 2		Basic Strategy 3			
					Affordable and clean energy	Decent work and economic growth	Industry, innovation, infrastructure	Sustainable cities and communities	Climate action	Partnerships for the goals	Accelerating Original Value Creation	Advancing Solution Capabilities	Transform All Businesses to Ensure They Address Climate Change	Evolve into DX-Native Company			
Initiatives to Provide Value to Society	Create work environments in which everyone can take initiative	• Participation of a wide range of individuals from different generations and backgrounds in society and diverse workstyles • A work environment in which employees can demonstrate their full potential • A work environment conducive to the creation of even greater value through innovation • Well-being workstyles that fulfill both work and life	E / S		8.1 8.2 8.3 8.5 8.8 8.10	9.5		13.1	17.16 17.17	○		○		• Expand businesses under themes including workstyle DX, data analysis and utilization, and digital twins* ^a	Net sales ¥50 billion (total of A, B, and C)	¥24.9 billion (total of A, B, and C)	
														• External sales and monetization of DX human resource development function (College Concept)		Hold local 5G implementation training through co-creation with Mobile Computing Promotion Consortium	
														• Accelerate original value creation through Symphonict		→ P34	
	Develop pleasant and plentiful communities with cutting-edge technologies	• A community in which a diverse group of people can naturally and enjoyably communicate and co-create • A living environment where regional disparities do not exist and necessary information and services are available regardless of location • A comfortable and convenient community where people want to continue to live • A community where visitors can discover and fully enjoy the attractions and that residents can take pride in • Share the enthusiasm, excitement, and emotion of sports, entertainment, and other activities in a variety of venues	E / S		8.1 8.2 8.9 8.10	9.1	11.2 11.3 11.7	13.1	17.16 17.17	○	○	○		• Expand businesses under the theme of local government DX* ^b	Net sales ¥50 billion (total of A, B, and C)	¥24.9 billion (total of A, B, and C)	
														• Promote community development business	Net sales ¥20 billion	¥5.0 billion	
														• Accelerate original value creation through Symphonict		→ P34	
														• Expand businesses related to telecommunications carriers* ^d (provide local 5G and various other network services and develop secure infrastructure)	Net sales ¥62 billion (total of telecommunication carrier-related businesses, including D and E)	Reference: ¥79.2 billion (total from telecommunications carrier-related businesses and social infrastructure businesses)	
														• Increase sales from social infrastructure business* ^f (expand solutions businesses utilizing satellite images and AI)	Net sales ¥35 billion (total of social infrastructure businesses, including F and G)	Reference: ¥79.2 billion (total from telecommunications carrier-related businesses and social infrastructure businesses)	
	Provide robust services that underpin safety and security in evolving society	• Highly secure communication infrastructure that supports economic activities • Energy and other social infrastructures that are optimized to facilitate the realization of a carbon-free society • A sustainable social infrastructure realized through efficient development, maintenance, and management • A society resilient against increasing and intensifying natural disasters • A society that protects its abundance of land and sea and that ensures consistent supplies of food • A safe and secure society conducive to the prevention and early detection of accidents and criminal acts	E / S	7.2 7.3 7.a 7.b	8.1 8.4	9.1 9.4	11.2 11.3 11.5 11.6 11.7 11.b	13.1 13.2	17.2 17.7 17.16 17.17		○	○		• Expand businesses under theme of next-generation network security* ^c	Net sales ¥50 billion (total of A, B, and C)	¥24.9 billion (total of A, B, and C)	
														• Expand businesses related to telecommunications carriers* ^e (data operations business through automation and AI prediction using infrastructure operations data)	Net sales ¥62 billion (total of telecommunication carrier-related businesses, including D and E)	Reference: ¥79.2 billion (total from telecommunications carrier-related businesses and social infrastructure businesses)	
														• Increase sales from social infrastructure business* ^g (provide resilient social infrastructure services through the use of observation data obtained from satellites and ocean floors)	Net sales ¥35 billion (total of social infrastructure businesses, including F and G)	Reference: ¥79.2 billion (total from telecommunications carrier-related businesses and social infrastructure businesses)	
														• Increase sales by strengthening measures toward the realization of a decarbonized society	Net sales ¥20 billion	¥3.0 billion	
														• Expand energy businesses through co-creation		→ P35	
														• Launch and expand onshore fish farming business	Net sales ¥30 billion (FY2030/3: includes franchises)	Begin construction of Fuji-Katsuragawa Factory in December 2022	
														• Reduce CO ₂ emissions from business activities (Scope 1, 2)	Reduce CO ₂ emissions by 40% in FY2023/3 over FY2020/3, reduce by 89% in FY2025/3 over FY2020/3, and realize net zero* ¹ emissions by FY2031/3	24% reduction (compared to FY2020/3)	
														• Set targets for supply chain CO ₂ emissions (Scope 3) up to fiscal year ending March 31, 2024			
Initiatives for Growth at NESIC	Sound and highly transparent management	• Strengthen governance through dialogue with all stakeholders • Promote compliance in response to increasing diversity	G		8.5 8.8			13.1 13.3	17.16 17.17				○	• Increase ratio of directors who are women	30% (FY2031/3)	22.2%	
														• Expand shareholder returns based on stable dividends	Maintain dividend on equity (DOE) of 5.0%	5.0% (16th consecutive year of increasing dividends)	
														• Conduct investor relations (IR) activities focusing on individual business field		Implementation in May and June 2022	
	Strengthen innovation capabilities to create new value	• Embrace a culture that encourages change and the pursuit of challenges • Step up the pace of co-creation and self-implementation practices that underscore the view of customers	S		8.2	9.5			17.16 17.17	○			○	• Training of highly skilled professionals and human resource investment (¥5 billion; on a cost basis)	190 consulting personnel, 1,190 advanced DX professionals, 1,580 Beyond 5G professionals* ²	39 consulting personnel, 444 advanced DX professionals, 1,216 Beyond 5G professionals	
														• Conduct business investments (¥17 billion; on a cost basis) and M&As and other growth investments (¥38 billion; on a cash basis)		Implement capital and business alliances in the local 5G and energy domains	
														• IT investment (¥8 billion; on a cost basis) (including cost of relocating headquarters)		Implement relocation of NESIC headquarters	
														• Continue to hold NESIC's pitch competition for new businesses		Continue implementation Number of ideas 183 (40% increase from previous fiscal year)	
	Create a culture where employees can take initiative	• Enhance employee well-being • Encourage frank and open discussions, and enhance corporate culture as a facilitator of self-growth	S		8.2 8.5 8.8	9.5		13.3					○	• Enhance employee engagement score (researched by Kincentric) (This score generally corresponds to the world's top 25%, and accordingly the Tier 1 level.)	50% (Tier 1 level) (FY2025/3)	32%	
														• Increase ratio of women in management positions	10% (FY2027/3)	5.9%	
														• Increase ratio of paid leave taken	100% (FY2027/3)	65%	
														• Promote participation in the Japan Master of Health Literacy Test		Number of people with qualifications approximately 1,800	
														• Hold psychological safety workshops throughout NESIC		Complete implementation from executives to department managers	