

**NEC Solution Innovators, Ltd. Human Capital Report 2025** 

## **Corporate Profile**

Company Name NEC Solution Innovators, Ltd.

President Takao Iwai

Established September 9, 1975

\*NEC Solution Innovators was established on April 1, 2014

**Business Outline Systems Integration** 

Services

Platform Software Development Sales of System/Network Products

Shareholder **NEC Corporation** 

Subsidiaries FonesLife Corporation

Affiliates NEC Soft (Jinan) Co., Ltd.

NEC Advanced Software Technology (Beijing) Co., Ltd.

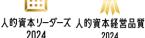
NEC Vietnam Co., Ltd.

**NEC Corporation India Private Limited** 











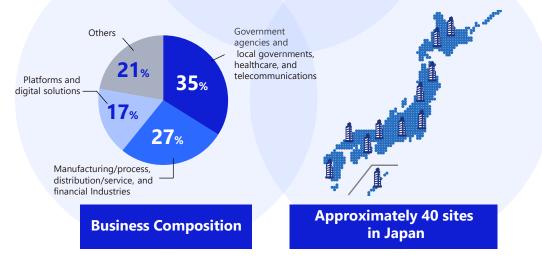




**Number of Employees** 12, 497 (As of Mar. 31, 2025)



One of Japan's largest teams of highly skilled system engineers Strong implementation capabilities across diverse industries and business scales



# Our greatest asset is our people. We Advance with "Professionalism & Teamwork"

We are pleased to announce the release of our third Human Capital Report. At NEC Solution Innovators, we consider our employees to be our most valuable asset and recognize their essential role in driving our growth. By strengthening our investment in people through human capital management, we are committed to enhancing customer value and social value.

An important focus of our human capital management is the promotion of well-being, which emphasizes valuing the happiness of every individual employee. Moving forward, we will continue to focus on the three areas of health, growth, and job satisfaction, working together with employees across all levels to further enhance well-being throughout our company.

In addition, this April we fully introduced a job-based human resource management system. With the aim of further enhancing the value we provide to our customers, we are committed to ensuring the effective implementation of this new framework and promoting a thorough understanding of it among all employees.

I believe it is essential for our diverse employees to work together as a team, each strengthening their expertise with a shared sense of purpose and demonstrating "professionalism and teamwork". My vision is for every member of our company—regardless of age, place of work, or role—to enjoy the "Sore Muscles" that come with development and to actively open the "Door to Growth" in a way that is authentic to themselves.

Building on these human capital management initiatives, we aim to become a company that "attracts and retains" employees, fostering a workplace where people feel truly engaged and attached.

> NEC Solution Innovators President

> > Takao Iwai



# Advancing human capital management to enhance customer value and drive solutions to social challenges

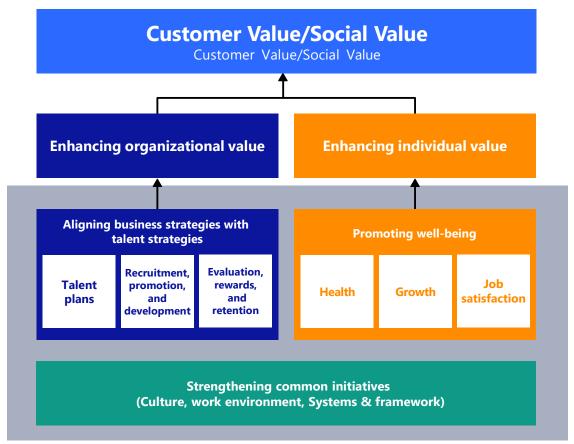
Our human capital management initiatives are built on two key pillars: **aligning our business strategy with our talent strategy, and promoting well-being**. These pillars are supported by efforts to strengthen our common initiatives. Through these efforts, we aim to enhance the value of our company and our people, ultimately increasing the value we deliver to customers and contributing to solutions for broader social challenges.

Aligning our business strategy with our talent strategy is aimed at enhancing the value of our company and organization. We develop talent plans that are integrated with our business strategy, and address gaps between our current position ("As is") and our goals ("To be") through targeted recruitment, promotion, and development. In addition, we strengthen employee retention by providing appropriate evaluation and rewards based on individual contributions

**Promoting well-being** is an initiative focused on enhancing **individual value**. We invest the profits generated by our business in key areas such as **employee health**, **growth**, **and job satisfaction**, striving to improve overall well-being. Instead of top-down initiatives, we develop concrete measures through company-wide working groups involving IT engineers and frontline employees.

To support these two pillars and enhance their impact, we are also promoting **strengthening our common initiatives**. This includes advancing inclusion and diversity (I&D), fostering a positive company culture, and improving our working environment and systems.

Under this framework, we continuously advance our human capital management by applying the PDCA (Plan-Do-Check-Action) cycle, striving for ongoing improvement and greater sophistication.



# A company where every employee can open the door to their own growth in their own way

Through our human capital management, we strive to provide diverse opportunities for growth to all employees, creating an environment where individuals can value their own well-being and open those doors in a way that is true to themselves. Put simply, this means embracing the diverse values of our people and offering a wide range of options within our programs and initiatives, so that everyone can continue to grow in their own unique way.

In an era where people may live to be 100, we want to support our employees not only in their careers, but in enriching their lives as a whole, helping them experience happiness and fulfillment every day. To achieve this, we believe it is essential to create an environment where employees can grow anytime, anywhere, and with anyone.

Going forward, we will continue to strengthen our human capital management from these perspectives, enabling diverse talent to grow in their own way and driving sustainable enhancement of our corporate value.



# Grow Anytime Grow anywhere

### • We provide opportunities for employees to grow, regardless of age, tenure, or life stage.

- In fields where we are strengthening our talent base, young employees have increasingly excelled in recent years, and we will continue to support motivated team members as they take on new challenges.
- Through job-based talent management, we promote career autonomy and encourage advancement for employees of all ages.
- We create an environment where employees can gain a wide range of experience, regardless of where they work, supporting their growth no matter the region.
- Across both the Keihin area and other regions, our employees are equally active, with opportunities to take on diverse roles, including those at upstream stages of work, available everywhere.
- Moving forward, we will continue to provide an environment where employees can deepen their skills and expertise while prioritizing their own and their families' well-being, so they can keep growing wherever they are.

## Grow with anyone

- We aim to foster a feedback culture where employees openly share insights, regardless of position, helping themselves, others, and their teams to grow together.
- The foundation of this culture is psychological safety, supported by assertive communication tools.
- By practicing assertive communication every day, we strive to deliver Better Service for Customers.

## NEC Solution Innovators' HR system transformation

# Job-based human resource management

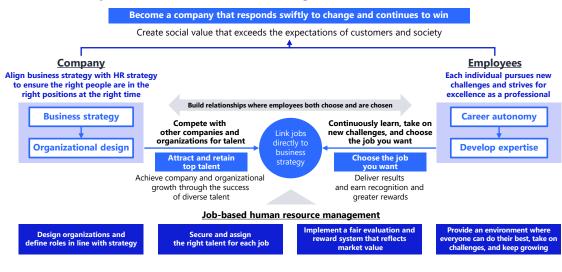
Following NEC, our company has also fully implemented a job-based human resource management approach starting in fiscal 2025. This approach is designed to help the NEC Group maintain its competitive edge by ensuring the right people are in the right positions at the right time, while also empowering employees to take ownership of their own career development. Through this, both the company and its employees can grow together, creating strong individuals and robust organizations.

As the business environment changes and uncertainty increases, we believe it is essential to transform our approach to human resource management to ensure the NEC Group continues to create social value and realize its purpose. By taking a job-based approach, the company can place the right people in the right positions at the right time to achieve its strategic goals, while employees can further develop their careers and expertise. In this way, together, we will drive business growth and build stronger individuals, organizations, and culture.

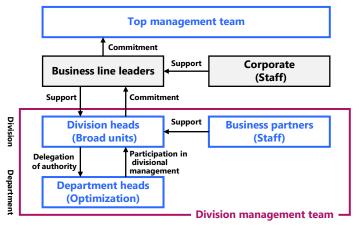
One of the key changes accompanying the adoption of a job-based human resource management approach is the introduction of a divisional structure. This will enable us to respond to changes in the market environment more flexibly and swiftly, while maximizing the value we provide to external stakeholders.

Specifically, we have reviewed our traditional organizational structure and, incorporating the principles of job-based human resource management, transitioned to a broad-based divisional system where management is conducted at the division level. This shift clarifies business units, allows for faster decision-making on the ground, and improves team performance. In addition, by standardizing and clarifying the rules for position design within each division, we will define roles and responsibilities more clearly, fostering an environment where each employee can proactively demonstrate their value.

#### ■ Goals of job-based human resource management



#### ■ Adoption of a divisional structure



# Company-wide cross-functional working group (WG) activities to promote well-being

In our approach to human capital management, we believe employee well-being is essential. By placing employee well-being at the center, we aim to be a company that continuously creates value for our customers and society.

In fiscal year 2024, we launched the company-wide cross-functional Kiranesu Project,\* based on the idea that each employee is a 'shining star.' The Kiranesu Project has established working groups in three key areas: "Health," "Growth," and "Job Satisfaction." Members assigned from various business lines come together to discuss the desired vision for each area, set key initiatives to realize these goals, and define KPIs to measure progress.

Furthermore, because this is an employee-driven initiative, we recognized the importance of internal communication and engagement. To support this, members specializing in public relations and marketing joined the project team. Together, they created the Kiranesu logo and developed internal platforms such as a dedicated website and email newsletter to promote and support the initiative throughout the company.



<sup>\*</sup> The project name "Kiranesu" expresses our vision of NEC Solution Innovators shining brightly through human capital management.

#### ■ Key initiatives and achievement targets

	Health	Growth	Job satisfaction	
Targeted	Employees are able to work energetically and with peace of mind, maintaining both physical and mental health. Each individual actively pursues their own well-being.	Employees of all generations have a strong desire to grow. They proactively pursue their career goals and personal fulfillment, taking on new challenges and experiencing a sense of growth.	Employees find meaning, satisfaction, and fulfillment in their work, experiencing enjoyment and happiness in their everyday tasks.	
	Integrated Well-being Survey Indicator/2026  Employees feel they are working in a healthy and safe environment, both physically and mentally (2024 score: 3.46)	Integrated Well-being Survey Indicator/2026  Employees feel they are experiencing personal growth through work  Score of 4.0 points or higher (2024 score 3.51)	Integrated Well-being Survey Indicator/2026  Employees find meaning, satisfaction, and fulfillment in their work (2024 score: 3.3' (2024 score: 3.3')	
	(===:==================================	(2024 SCOIE, 5.51)	(2024 score: 3.35	
	Achieve White 500 top player status	Foster greater career autonomy	Increase job satisfaction	
	Achieve White 500	Foster greater career	, , , , , , ,	

Nikkei Integrated Well-being Survey (Ito Well-being Score): This is an index developed to measure employee well-being, with questions carefully examined by the Well-being Initiative Management Committee under the supervision of Professor Kunio Ito, Director of the Hitotsubashi University CFO Education and Research Center. The survey consists of 56 questions across five categories. Each category is rated on a 5-point scale, and achieving a score of 4.0 or higher in certain indicators is set as a target.

## Results of the FY2024 Nikkei Integrated Well-being Survey

To promote well-being within the company, we first needed an accurate understanding of our current situation. Therefore, we conducted the Nikkei Integrated Well-Being Survey, as outlined below. More than 10,000 employees participated in the survey, and we believe the results accurately reflect the reality of our organization. Although the survey was conducted partway through the fiscal year, we have used these findings to make adjustments to some of the initiatives we had initially planned for the beginning of the year and are proceeding accordingly.

We intend to use the results of the 2024 survey as the starting point for our initiatives, and are aiming to achieve scores of 4.0 points or higher in the three target indicators by fiscal year 2026.

#### ■ Overview of FY2024 survey

Survey period: Monday, June 24, 2024, to Friday, July 5, 2024

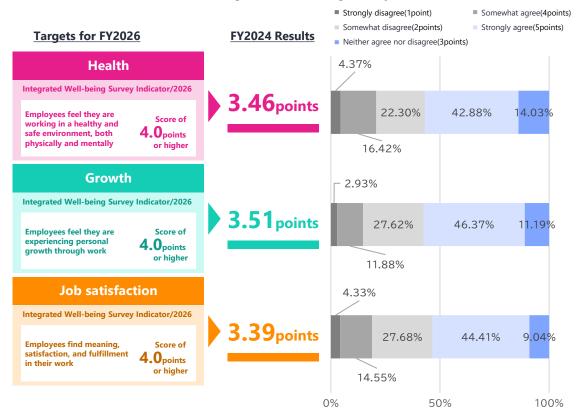
Survey method: Online internal questionnaire

Survey organizer: Nikkei, Inc.

Survey implementation and analysis: NEC Solution Innovators, Ltd.

Number of respondents: 10,260

■ Results of the FY2024 Nikkei Integrated Well-being Survey



Note: The results represent the average points (pt) from all survey responses.

## **FY2024 Activities and reflections**

Over the course of the year, we reported once to the Board of Directors and three times to meetings of executive officers at senior vice president level and above. With guidance from top management, each working group—focused on "Health," "Growth," and "Job Satisfaction"—proactively advanced their initiatives. The planned activities were carried out as scheduled. Regarding KPIs, about half were achieved, while the others fell short; however, even for those not achieved, there was improvement compared to the previous year's results.

#### **■** FY2024 Initiative overview and results

Area	КРІ	Initiative name	Activity overview	Activity results (Year-on-year comparison)
Health	Increase the average number of paid leave days taken by at least 1 day compared to FY2023	Promoting work-life balance through time management and encouraging leave utilization	<ul> <li>Issued notifications recommending the use of annual paid leave during year-end/New Year holidays plus one additional day, as well as the working days between public holidays (February 10 and March 21)</li> <li>Shared these recommendations via company email newsletter</li> </ul>	• Average number of paid leave days taken in FY2024: 14.62 days (+0.43 days)
	Achieve a score of 4.0 points or higher in psychological safety on the Nikkei Integrated Well-being Survey	Introduction of assertive communication	<ul> <li>Defined and promoted the practice of the assertive communication cycle</li> <li>Held lectures</li> </ul>	Awaiting results from the July 2025 survey
	Exercise habit rate of 24% or higher	Enhancing self-conditioning skills	<ul> <li>Conducted the Health Challenge campaign</li> <li>Implemented a smoking cessation (quit smoking) program</li> </ul>	• Exercise habit rate: 21.9% (+0.5 points)
Growth	Achieve a career ownership plan formulation and discussion rate of 80% or higher	Formulation of career ownership plans	<ul> <li>Implemented various promotional activities in conjunction with the career review period</li> <li>Provided web-based training on career development</li> </ul>	<ul> <li>Plan formulation and discussion rate: 90% (+25 points)</li> </ul>
	Achieve an average manager score of 60% or higher on the One NEC Survey	Strengthening career support by managers	<ul> <li>Conducted coaching training for managers</li> <li>Organized workshops on career autonomy support for managers</li> </ul>	• Average score: 56% (+12 points)
	Promotion of career map publication and utilization	Clarification of position roles	<ul> <li>Published standard job descriptions for managers</li> <li>Published training map</li> <li>Published talent label map, expertise map, and talent label scoring</li> </ul>	Published the career map and promoted its use
Job satisfaction	Achieve My Way 1-on-1 implementation rate of 80% or higher	Support for formulating "My Way"	<ul> <li>Implemented planning and various promotional activities linked to the formulation of career ownership plans</li> <li>(Step 1: Formulation of "My Way"; Step 2: Implementation of My Way 1-on-1 sessions)</li> </ul>	(No year-on-year comparison, as this is a newly introduced initiative from FY2024)  Implementation rate: 83.5%
	Increase in internal job application numbers compared to previous fiscal year	Providing opportunities for challenge	<ul> <li>Held a resume writing webinar to invigorate internal job applications</li> <li>Expanded opportunities for challenge by incorporating career recruitment job postings</li> </ul>	• Number of applications: 140 (+22)

# Dialogue with stakeholders following the publication of the Human Capital Report

## **Enhancing human capital management through open dialogue with employees**

Our company published its first Human Capital Report in 2023, and this marks our third edition. Following each publication, we have engaged in dialogue with various stakeholders. In addition to employees and new graduates who have received job offers, we have also discussed our Human Capital Report with customers, business partners, and external experts. Through these conversations, we have received a wide range of opinions and feedback.

With regard to dialogue with employees, we implemented a variety of approaches, including company-wide online broadcasts featuring frank discussions between the CHRO and frontline employees, face-to-face meetings between the CHRO and specific departments, as well as dialogues between HR members and regional employees.

For example, in response to feedback such as "While we have many systems and initiatives in place, it is important to create a workplace environment where employees can comfortably approach their managers to make full use of these resources," we have been working to enhance our human capital management by strengthening coaching skills among middle management and promoting assertive communication throughout the company.

Additionally, at the event for new hires held on October 1, 2024, a dialogue session was conducted between the prospective employees, the CHRO, and the Kiranesu Working Group Leader. The new hires were asked to review the Human Capital Report in advance, which led to a lively and active Q&A session.

■ Company-wide online broadcast featuring CHRO and frontline employees





■ Dialogue session at the new hire event



■ Case study of health management initiatives with partner companies



## **Dialogue: Realizing our vision of Better Service for Customers**

NEC Solution Innovators believes that people are our greatest asset, and we are committed to human capital management from multiple perspectives. Among these, ensuring the genuine well-being of each individual is viewed as essential to realizing our vision of Better Service for Customers, which we aim to achieve through our human capital management initiatives.

For this edition, we held a dialogue between Dr. Yoshikuni Edagawa, from Ritsumeikan University's Graduate School of Technology Management (advisor to this report), and our Chairman of the Board, Ishii (owner of the Kiranesu Project, an initiative focused on promoting individual well-being). The discussion explored the ideal approaches toward realizing our vision, incorporating perspectives from both academia and business.

#### ■ The future of people and organizations envisioned by NEC Solution Innovators

**Ishii**: Our company was established in 1975, and this year marks our 50th anniversary. We are the largest subsidiary within the NEC Group, with approximately 12,000 employees. The NEC Group embodies the spirit of Better Products, Better Services, which emphasizes "Better" rather than "Best." This phrase expresses our commitment to continuous growth—always striving to be better today than yesterday, and even better tomorrow.

As a company that does not own physical products or factories, our business is centered around intangible assets, making "people" the true driving force behind our growth. That is why human capital management is extremely important to us. Our approach, which we call the "Value Creation Cycle," is to generate profits through business activities, invest those profits in our people, raise the value of each individual, and thereby create social value.

Furthermore, companies as economic entities and organizations as communities are both supported by people—the living entities. We believe that helping each individual at our company to realize and develop their potential is our mission as both an economic entity and a community. Through this trinity approach to management, we aim to continuously create value that contributes to society.

 The Kiranesu Project and perspectives from neuroscience on health, growth, and job satisfaction

**Ishii**: The Kiranesu Project aims to enhance the well-being of each individual employee by working closely with frontline teams on three key themes: health, growth, and job satisfaction. We believe that job satisfaction arises from a strong foundation of both health and growth.

Edagawa: My original area of expertise is in the medical field, but I am currently researching how brain function relates to human performance, including management and organizational activities. From this perspective as well, I believe that health, growth, and job satisfaction are closely interconnected. Health greatly influences how the brain functions. In the workplace, there are always some people who are physically present but not able to perform at their best—what is known as "presenteeism." This is often the result of daily lifestyle and work habits, and can also be caused by spending our brain's limited resources on worries and anxieties unrelated to work.

RITSUMEIKAN University Graduate School Of Technology Management Yoshikuni Edagawa Dr. Yoshikuni Edagawa earned a Ph.D. in Pharmaceutical Sciences from the University of Tokyo Graduate School and an MBA from the Waseda University Business School. His research fields include neuroscience, human-centered organizational management, and marketing.

That is why it is so important for each individual to truly experience well-being. Furthermore, recent research on presenteeism has also revealed the significant effect that sleep has on performance.

**Ishii**: Our company has also conducted its own analysis and reached the same conclusion: sleep has a significant impact on performance. It's reassuring to hear that this is indeed the case.

**Edagawa**: When it comes to growth, the key is whether individuals are truly aware of and feel their own development. People inevitably grow in some way while working, but what's most important is whether they have a real sense of that growth. Communication plays a crucial role in supporting this.

**Ishii**: As a corporation, economic rationality is important to us as an economic entity, but at the same time, we believe that empathy as a community is also indispensable. When this empathy reaches each individual, I believe it transforms into job satisfaction and passion. We see communication as the key to activating this empathy, and by enhancing the quality of our communication, we hope to create an environment where feelings such as job satisfaction and passion naturally arise.

NEC Solution Innovators, Ltd. Chairman of the Board



#### Communication that appeals to emotion and the power of empathy

**Edagawa**: I understand that your company has more than 10,000 system engineers (SEs), and I feel that SEs tend to approach their work very rationally. But in reality, people have both a rational and an emotional side. How we deal with emotion is crucial, and I believe it's important to foster situations where people truly accept and internalize things through communication that appeals to their emotions.

When people don't fully accept something on an emotional level, their brains can't form a meaningful connection between themselves and the matter at hand, making it difficult for them to take action. In one experiment, when unreasonable conditions were presented, whether or not the part of the brain responsible for emotion was activated made a significant difference in how the participants accepted those conditions. This just goes to show that messages and conversations which appeal to emotion are especially important—perhaps now more than ever—as text-based communication becomes increasingly dominant.

**Ishii**: That's true. When I think back to my younger days, there were good-natured neighbors who would always look out for us. We may not have been wealthy in economic terms, but I feel we were much richer emotionally. When I reflect on what's different now, I believe it's closely connected to empathy. That's why I want to further enhance both empathy and the quality of communication within our community.

**Edagawa**: I agree—organizations with empathy are strong. When you're working at a company and face various challenges, it's that sense of "let's work together" or "I want to make this company, my place, better" that truly makes a difference.

#### ■ The dynamics of a three-layered structure: Economic entity, community, and living entity

**Edagawa**: In organizational theory, it's said that the mechanisms influencing people's actions can be divided into three layers: the individual, the group, and the organization. Referring to your terminology, these would be living entity, community, and economic entity. Given how large your company is, it might be more effective to encourage empathy-driven communication within smaller groups.

From the perspective of brain structure, humans can build relationships based on empathy with about 150 people. There's a song children sing in elementary school called "Can I Make 100 Friends?"—and it turns out that, scientifically speaking, the idea behind that song actually makes sense.

#### Psychological safety and intrinsic motivation

**Ishii**: Up until now, we've been discussing the themes of empathy and communication, but in order to build a stronger organization, I believe that alongside psychological safety, each individual's intrinsic motivation is also important. However, it's not easy to inspire this intrinsic motivation.

**Edagawa:** When it comes to building a strong organization, simply ensuring psychological safety isn't enough. According to Edmondson's research, team performance improves when psychological safety is combined with "learning behaviors." In this context, "learning behaviors" refers to intrinsically enhancing one's motivation to learn and actively sharing individual knowledge and experiences within the group.

**Ishii**: Strengthening an organization through continuous learning—this is exactly what "learning from each other" means. As someone who played rugby in my student days, I often refer to the example of Teikyo University's rugby team. At that time, many teams simply focused on playing, with little attention paid to theory. But Teikyo's team had a different approach: whenever things didn't go well during a game, they would stop and spend about three minutes discussing possible reasons and forming hypotheses about what went wrong. After resuming play, they would test those hypotheses in real time. I believe that this process is what led them to win consecutive championships.

What's crucial is that the team fostered psychological safety to the point where even first-year players felt comfortable speaking honestly with senior members. And they didn't just stop at psychological safety—they connected it directly to meaningful learning and hypothesis testing. I think the same applies to our workplace. Right now, there aren't many teams in our company operating at this level, and it's quite a challenge to spread this approach throughout the organization.

Edagawa: In his book, The Fifth Discipline, Peter Senge points out that the key to building a sustainable culture is to start with small pilot teams made up of people who are able to have meaningful discussions, and then gradually expand these practices to wider groups. What's important is that the company doesn't reject or discourage the habit of regularly pausing to discuss things in the midst of business activities. Additionally, when it comes to fostering intrinsic motivation, it's important to set appropriate challenges and ensure that communication encourages people when they successfully overcome them. A sense of fulfillment and growth within the organization is built through this kind of ongoing accumulation.

#### ■ Building a culture of mutual learning and growth

**Ishii**: Currently, as a practical approach to ensuring psychological safety across the company, we are actively promoting assertive communication. By creating a culture where feedback from subordinates to their managers is the norm, we hope to achieve Better Me (my growth) + Better You (your growth) = Better Us (everyone's growth). As we build a stronger organization, I believe we will also be able to deliver "Better Service for Customers."

Edagawa: When assertive communication is coupled with intrinsic motivation, it can lead to deeper team engagement—such as a genuine desire to make the team better and to continue learning for that purpose. One pitfall of psychological safety is that if you focus solely on increasing it, the organization may just become a comfortable place where little progress is made. That's why it's important to always pair psychological safety with specific actions—such as information sharing—to achieve real behavioral change.

#### ■ In closing

**Ishii**: Reflecting on our conversation, I'm once again reminded of the importance of strengthening the connections between rationality as an economic entity, empathy as a community, and humanity as a living entity. Through these connections, we can truly unlock the power of people.

**Edagawa**: People are emotional beings, and those emotions translate into passion. That's why the foundation for health, growth, and job satisfaction is found in the bonds between people and communication that carries empathy. If we build psychological safety as a base and promote learning driven by intrinsic motivation, I believe a culture of mutual learning and growth will naturally develop.

**Ishii**: That's the sentiment behind the concept of Better Me + Better You = Better Us that I mentioned earlier. When individuals grow, it leads to the growth of those around them, their teams, and the entire organization, and ultimately allows us to give even greater value back to society. I hope to accelerate this positive cycle through our efforts in human capital management.





NEC Solution Innovators, Ltd.