Board Discussions on the Formulation of Mid-term Management Plan 2030

To enrich discussions at Board meetings, NEC holds off-site meetings to promote mutual understanding among Directors and build a shared understanding of key issues. In formulating Mid-term Management Plan 2030, the Board engaged in ongoing discussions on important themes beginning in 2024 and repeatedly examined measures to enhance corporate value over the medium to long term. During the execution phase of the plan, NEC will continue striving to maintain a highly effective Board of Directors and leverage external perspectives in management.

Key Discussions on the Formulation of Mid-term Management Plan 2030



Message



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Independent Director

Refining NEC BluStellar Through Board Deliberations

Looking back on the process of formulating Mid-term Management Plan 2030, what stands out most to me is how the Board of Directors functioned not merely as a decision-making body, but as a forum for candid dialogue with management on strategic direction and NEC's future growth.

To be frank, when I first heard about NEC BluStellar, I did not fully understand what NEC was trying to change or how it differed from the Company's previous approach. Management continued to bring the topic before the Board and off-site meetings, however, and through repeated discussions in which Independent Directors openly raised questions and shared their perspectives, our understanding deepened. I believe there was real value in that process itself, as the discussions evolved and matured through Board deliberations. The concept of becoming an AI-native company followed a similar path. In response to the rapid changes taking place in the AI landscape, the Board engaged in extensive discussions, ultimately positioning AI as a core theme of Mid-term Management Plan 2030 based on a shared determination to seize these changes as opportunities. I believe these ongoing dialogues have also strengthened NEC's ability to communicate its strategy clearly to external stakeholders.

Challenging NEC to Aim Higher from an Outside Perspective

When formulating a mid-term management plan, there is a natural tendency to set targets that are an extension of a company's current trajectory, and that take the prevailing business environment and achievability into account. At the time of formulating this plan, however, NEC's share price had been rising, and market expectations for the Company were rising accordingly. I sensed a gap between those expectations and the ambitions reflected in the plan. I felt it was important to communicate this candidly and encouraged management to articulate goals and a vision from a higher vantage point. Ultimately, NEC presented a long-term aspiration that includes achieving an overseas profit ratio of 50% and establishing itself as a global top-tier company. In doing so, NEC made clear its determination not only to succeed in Japan but also to become a technology company with a strong presence on the global stage.

Key Priorities for Realizing Mid-term Management Plan 2030

I have high expectations for NEC going forward, but the first priority is establishing a solid foundation for growth in its global operations. The Company will need to strengthen, one by one, the businesses and operational platforms that are beginning to gain traction overseas and translate them into the next stage of growth. In addition, I believe the strategic use of M&A will be key if NEC is to establish itself as a technology leader. It is equally important not only to attract diverse talent but also to create an environment in which that talent can thrive. Above all, however, is NEC's transformation into an AI-native company. It is an attractive concept, but the real challenge lies ahead. Whether NEC can truly transform itself remains to be seen. Precisely because we live in an era of heightened uncertainty, I hope NEC will continue to view change as an opportunity and remain a company that constantly renews and reinvents itself.