

Sustainability

We are working to practice CSV management in which our management strategy is directly linked to the Company's sustainability. Establishing our Group Vision with a goal of 2030, we aim to contribute to the achievement of the SDGs by making efforts to enhance social value through our business. This Integrated Report focuses on the "promotion of decarbonized society and circular economy," "investment in human capital," and "pursuit of corporate governance that supports improved corporate value," which have been identified as material issues. Please refer to our website for more details on other sustainability topics.

Basic policy

Our Group Vision, "Be a solution company leading the next-generation circular economy," verbalizes the image of each employee contributing to society through the Company. We have formulated "Principles (action guidelines)" that clarify the actions that will lead to the realization of the Group Vision, and each and every employee is practicing CSV management in their daily work.

In April 2023, in conjunction with the formulation of the Group Vision 2030, we revised our material issues by evolving issues to be addressed through our business activities and our existing CSV management, which are tied to our growth strategy aimed at realizing the Vision. The new material issues have been incorporated into the Medium-term Plan 2025, non-financial indicators have been set, and they have been linked to department targets, etc., with progress being checked monthly.

Our material issues	
Business activities	Promotion of decarbonized society and circular economy
	Promotion of establishment of social and ICT infrastructure
	Creation of new services and businesses to resolve social issues
Management foundation	Investment in human capital
	Pursuit of corporate governance that supports improved corporate value

Non-Financial indicators	
Environmental and social issues	CO ₂ reductions to achieve carbon neutrality
	Establishment of social infrastructure
	Promotion of cyclical use following expansion of ICT business
	Promotion of response to climate change
Human capital	Promotion of activities contributing to society with natural capital in mind
	Improve employee engagement
	Promotion of diversity

See **P.14** for progress on non-financial indicators for the fiscal year ended March 31, 2024.

The process of identifying material issues

We closely examined existing issues, evaluated both the "priority for the Company" and the "priority for stakeholders," and further verified the mapping, including reflecting discussions with internal and external stakeholders.

We consolidated five top-priority issues based on their impact on growth strategies, deepening CSV management towards a next-generation circular economy, taking on challenges to create new value, and strengthening the foundation of corporate value. Furthermore, we identified material issues based on our initiatives in the areas such as sustainability and ESG,

which were decided on by the Management Conference and the Board of Directors after deliberations by the Sustainability Committee.

We will continue to exchange opinions with stakeholders on each theme, conduct periodic reviews in conjunction with the Group Vision and the Medium-term Plan while also considering contributions to the SDGs, changes in social conditions, market trends, and more, and make necessary adjustments as appropriate.

Revising material issues
<https://www.necap.co.jp/csv/material.html>
 (available in Japanese only)



Sustainability implementation system

We established the Sustainability Committee, an organization to discuss sustainability within the Group. This committee is chaired by the president and consists of full-time directors, executive officers in charge of relevant departments, and general managers.

In principle, the Sustainability Committee holds two meetings per year. It discusses the development of policies and plans relating to sustainability as well as the state of the implementation of the PDCA cycle.

The results of committee discussions are deliberated by the Management Conference, and reported to the Board of Directors each time, and important matters are resolved by the Board of Directors and reflected in Medium-term

Plan and business strategies as appropriate. The following is a diagram of the implementation system.

