

December 20, 2024

To whom it may concern:

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Securities Code	(Securities code: 6701; Prime Market)
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NEC Announces the Change in Terms of Tender Offer for Shares of NEC Networks & System Integration Corporation (Securities Code: 1973)

NEC Corporation (“NEC”) has commenced a tender offer (the “Tender Offer”) for the shares of common stock of NEC Networks & System Integration Corporation (Securities Code: 1973, the Prime Market of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”); “NESIC”) (the “NESIC Shares”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”) since October 30, 2024; at the meeting of its board of directors as of today, NEC decided to change the Tender Offer price from 3,250 yen to 3,300 yen and change the minimum number of shares to be acquired from 22,756,305 shares to 10,153,605 shares, and decided that the Tender Offer Price (JPY 3,300) after such change will be the final price, that the Tender Offer Price will not be changed in any way in the future and NEC will not voluntarily extend the Tender Offer Period again unless required by the Act. Further, as it became necessary to file the amendment to the tender offer registration statement for the Tender Offer upon such decision, NEC extended the Tender Offer Period from December 25, 2024 to January 10, 2025, which is 10 business days after December 20, 2024, the filing date of the amendment to the tender offer registration statement.

NEC hereby announces that, in response to this, it amended the “NEC Announces the Commencement of Tender Offer for Shares of NEC Networks & System Integration Corporation (Securities Code: 1973)” dated October 29, 2024 (including the amendments in the “NEC Announces the Extension of Tender Offer Period pertaining to Tender Offer for Shares of NEC Networks & System Integration Corporation (Securities Code: 1973)” dated December 11, 2024), as follows. Amended parts are underlined.

1. Purposes of Tender Offer

(1) Overview of Tender Offer
(Before Amendment)

<Omitted>

NEC sets the minimum number of shares to be acquired in the Tender Offer at 22,756,305 shares (Ownership Ratio: 15.27%). If the total number of the shares tendered in the Tender Offer (the “Tendered Shares”) is less than the minimum number of shares to be acquired (22,756,305 shares), NEC will not acquire any of the Tendered Shares. On the other hand, NEC has not set the maximum number of shares to be acquired in the Tender Offer because NEC aims to acquire all of the NESIC Shares and take the NESIC Shares private as described above. Therefore, if the total number of the Tendered Shares is equal to or more than the minimum number of shares to be acquired (22,756,305 shares), NEC will acquire all of the Tendered Shares. The minimum number of shares to be acquired (22,756,305 shares) is obtained by (a) deducting the number of the NESIC Shares beneficially owned by NEC (76,520,295 shares) and the number of the Restricted Stock (44,400 shares) (Note 2) from (b) the number of shares (99,321,000 shares) obtained by multiplying the number of voting rights (1,489,814 voting rights) on the Base Number of Shares (148,981,450 shares) (i) by two-thirds (2/3), rounded up to the nearest whole number and then (ii) by the number of shares constituting one unit of shares (100 shares). The above number of shares has been set so that NEC will beneficially hold two-thirds (2/3) or more of the total number of voting rights of all shareholders of NESIC after the Tender Offer in order for the Transaction to be surely implemented, given that (i) it is the purpose of NEC to take the NESIC Shares private and (ii) a special resolution at a shareholders’ meeting, as provided for in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”), is required for conducting proceedings for the share consolidation as described in “(4) Policy for organizational

restructuring after Tender Offer (matters relating to two-step acquisition)” below)

<Omitted>

NEC plans to borrow funds up to 236,000,000 thousand yen from Sumitomo Mitsui Banking Corporation by the business day preceding the commencement date of settlement for the Tender Offer subject to the completion of the Tender Offer and the certain other conditions in order to cover the funds required for the Transactions, including the Tender Offer (provided, however, that, depending on the status of its cash flow and other factors up to the business day preceding the commencement date of settlement for the Tender Offer, NEC may not execute borrowings of a portion of the above limit amount and instead appropriate its own funds).

<Omitted>

Thereafter, NEC has commenced the Tender Offer since October 30, 2024; after comprehensively considering the status of tenders by NESIC’s shareholders of their NESIC Shares in the Tender Offer and the prospects for tenders in response to the Tender Offer, etc., as of December 11, 2025, NEC decided to extend the Tender Offer Period to December 25, 2024, for a total of 40 business days, in order to provide NESIC’s shareholders with further opportunities to make decisions on whether to tender their shares in the Tender Offer (the “Extension of Tender Offer Period”). NEC believes that the Tender Offer Price (3,250 yen), which was agreed upon after multiple rounds of sincere discussions and negotiations among NEC and NESIC and the Special Committee (as defined in “(i) Background, Purpose, and Decision-making Process of Tender Offer” of “(2) Background, Purpose, and Decision-making Process of Tender Offer, and Management Policy after Tender Offer”), fully reflects the value of NESIC and provides the shareholders of NESIC with a reasonable opportunity to sell their NESIC Shares. Therefore, NEC has no plans to change the Tender Offer Price after the Extension of Tender Offer Period.

(After Amendment)

<Omitted>

NEC sets the minimum number of shares to be acquired in the Tender Offer at 10,153,605 shares (Ownership Ratio:6.82%). If the total number of the shares tendered in the Tender Offer (the “Tendered Shares”) is less than the minimum number of shares to be acquired (10,153,605 shares), NEC will not acquire any of the Tendered Shares. On the other hand, NEC has not set the maximum number of shares to be acquired in the Tender Offer because NEC aims to acquire all of the NESIC Shares and take the NESIC Shares private as described above. Therefore, if the total number of the Tendered Shares is equal to or more than the minimum number of shares to be acquired (10,153,605 shares), NEC will acquire all of the Tendered Shares. At the time of the commencement of the Tender Offer, NEC set the minimum number of shares to be acquired at 22,756,305 shares (Ownership Ratio: 15.27%), which was obtained by (a) deducting the number of the NESIC Shares beneficially owned by NEC (76,520,295 shares) and the number of the Restricted Stock (44,400 shares) (Note 2) from (b) the number of shares (99,321,000 shares) obtained by multiplying the number of voting rights (1,489,814 voting rights) on the Base Number of Shares (148,981,450 shares) (i) by two-thirds (2/3), rounded up to the nearest whole number and then (ii) by the number of shares constituting one unit of shares (100 shares). The above number of shares was set so that NEC will beneficially hold two-thirds (2/3) or more of the total number of voting rights of all shareholders of NESIC after the Tender Offer in order for the Transaction to be surely implemented, given that (i) it is the purpose of NEC to take the NESIC Shares private and (ii) a special resolution at a shareholders’ meeting, as provided for in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”), is required for conducting proceedings for the share consolidation as described in “(4) Policy for organizational restructuring after Tender Offer (matters relating to two-step acquisition)” below.

<Omitted>

NEC plans to borrow funds up to 240,000,000 thousand yen from Sumitomo Mitsui Banking Corporation by the business day preceding the commencement date of settlement for the Tender Offer subject to the completion of the Tender Offer and the certain other conditions in order to cover the funds required for the Transactions, including the Tender Offer (provided, however, that, depending on the status of its cash flow and other factors up to the business day preceding the commencement date of settlement for the Tender Offer, NEC may not execute borrowings of a portion of the above limit amount and instead appropriate its own funds).

<Omitted>

Thereafter, NEC has commenced the Tender Offer since October 30, 2024; after comprehensively considering the status of tenders by NESIC’s shareholders of their NESIC Shares in the Tender Offer and the prospects for tenders in response to the Tender Offer, etc., as of December 11, 2024, NEC decided to extend the Tender Offer Period to December 25, 2024, for a total of 40 business days, in order to provide NESIC’s shareholders with further opportunities to make decisions on whether to tender their shares in the Tender Offer (the “Extension of Tender Offer Period”). NEC believes that the Tender Offer Price (3,250 yen), which was agreed upon after multiple rounds of sincere discussions and negotiations among NEC and NESIC and the Special

Committee (as defined in “(i) Background, Purpose, and Decision-making Process of Tender Offer” of “(2) Background, Purpose, and Decision-making Process of Tender Offer, and Management Policy after Tender Offer”), fully reflects the value of NESIC and provides the shareholders of NESIC with a reasonable opportunity to sell their NESIC Shares. Therefore, NEC announced that it has no plans to change the Tender Offer Price after the Extension of Tender Offer Period.

In addition, in response to the fact that the market price of the NESIC Shares had been above the Tender Offer Price (3,250 yen) after the announcement of the Tender Offer, in the middle of November, NEC also considered the possibility of lowering the minimum number of shares to be acquired, with the aim of increasing the certainty of the completion of the Tender Offer, to the extent that it would not impede the privatization of the NESIC Shares.

As a result, NEC recognized that, as indicated in the “Fair M&A Guidelines” formulated by the Ministry of Economy, Trade and Industry on June 28, 2019, “the scale of passive index management funds has increased in recent years as a trend especially in the Japanese capital markets and some of such funds, in principle, refrain from tendering their shares in a tender offer, regardless of the appropriateness of transaction terms,” some of passive index management funds (meaning funds that aim to secure a return on par with market averages by managing the funds for the purpose of linking investment results with indices, such as stock price indices, that serve as benchmarks for the market for investment assets such as stocks; hereinafter the same shall apply), in principle, refrain from tendering their shares in a tender offer, regardless of the appropriateness of transaction terms, but vote in favor at the shareholders’ meeting for the subsequent squeeze-out procedures, and against this background, there have been several past cases conducted for privatization where the number of shares held by passive index management funds was deducted from the minimum number of shares to be acquired. Therefore, NEC reached the conclusion that, if the number of voting rights obtained by adding (a) the number of voting rights represented by the number of the NESIC Shares held by the passive index management funds to (b) the number of voting rights represented by the total of (x) the number of the NESIC Shares to be acquired through the Tender Offer and (y) the number of the NESIC Shares beneficially owned by NEC (76,520,295 shares) and the number of the Restricted Stock (44,400 shares) reaches two-thirds (2/3) or more of the total number of voting rights of all shareholders of NESIC, there is a high probability that the proposal regarding the Share Consolidation (as defined in “(ii) Consolidation of Shares” of “(4) Policy for organizational restructuring after Tender Offer (matters relating to two-step acquisition)” below; hereinafter the same shall apply) will be approved at the Extraordinary Shareholders’ Meeting (as defined in “(ii) Consolidation of Shares” of “(4) Policy for organizational restructuring after Tender Offer (matters relating to two-step acquisition)” below; hereinafter the same shall apply), and it would be possible to lower the minimum number of shares to be acquired, to the extent that the above requirement is met, without impeding the privatization of the NESIC Shares in this case as well.

In addition, NEC recognized that, although it is impossible to accurately ascertain or estimate the number of the NESIC Shares held by the passive index management funds in this case, based on the results of the shareholder identification survey conducted by NESIC concerning NESIC’s shareholders as of the end of March 2024 (Note 2-2), even if limited to domestic passive index management funds, a total of 12,602,700 NESIC Shares (Ownership Ratio: 8.46%) are held by the domestic passive index management funds as of the said point in time. Therefore, NEC was of the view that, by deducting, from the minimum number of shares to be acquired, the number of shares that are considered to be held by such domestic passive index management funds, it would be possible to increase the certainty of the completion of the Tender Offer and also to reasonably reduce the possibility of the non-approval of the proposal regarding the Share Consolidation at the Extraordinary Shareholders’ Meeting to be held after the completion of the Tender Offer. (Note 2-2) Shareholder identification survey is a process in which external specialists identify beneficial shareholders based on the information stated in the shareholder registry by using published data and the external specialists’ own database, and then conduct research and analysis on the shareholder composition, investor profile, and investment style, etc.

When considering the number of voting rights necessary for approval of the proposal regarding the Share Consolidation, NEC recognized that, in some cases, a certain voting ratio is set based on the ratio of voting rights exercised at past shareholders’ meetings of target companies, and the level obtained by multiplying such ratio of voting rights by two-thirds (2/3) of the total number of voting rights of all shareholders of the target company, which is the requirement for approval of a special resolution at shareholders’ meetings, is adopted (Note 2-3), and NEC was of the view that such measure is were to be considered reasonable; however, in order to guarantee the certainty of privatization of the NESIC Shares, NEC decided not to take such measure and determined that the minimum number of shares to be acquired after the lowering of the said minimum should be set at a level that would allow the proposal regarding the Share Consolidation to be approved, even if the ratio of voting rights to be exercised at the Extraordinary Shareholders’ Meeting is 100%.

(Note 2-3) According to the Annual Securities Report for the 92nd Fiscal Year filed by NESIC on June 24,

2024, the number of voting rights as of the record date of the 92nd ordinary general meeting of shareholders held in June 2024 was 1,488,465, and according to the Extraordinary Report dated June 27, 2024, the average of numbers of votes exercised for each of proposals was 1,311,547 (rounded to the nearest whole number), meaning that the voting rights exercised equated to approximately 88.11% (rounded to the two decimal places; hereinafter the same in the calculation of the ratio of voting rights exercised unless otherwise specified) of the total number of voting rights. If the calculations are made for the ratio of voting rights exercised in the same way for the past ordinary general meetings of shareholders, the ratio was approximately 90.58% for the 91st ordinary general meeting of shareholders, approximately 92.81% for the 90th ordinary general meeting of shareholders, approximately 90.77% for the 89th ordinary general meeting of shareholders, and approximately 93.22% for the 88th ordinary general meeting of shareholders; and the maximum ratio of voting rights exercised at the most recent five (5) ordinary general meetings shareholders of NESIC was approximately 93.22%. Therefore, assuming that the ratio of voting rights to be exercised at the Extraordinary Shareholders' Meeting is equivalent to the maximum ratio of voting rights exercised at the most recent five (5) ordinary general meetings shareholders of NESIC (approximately 93.22%), the level obtained by multiplying such ratio of voting rights exercised by two-thirds (2/3) of the total number of voting rights of all shareholders of NESIC, which is the requirement for approval of a special resolution at shareholders' meetings, is approximately 62.15%.

In addition, NEC confirmed that (a) it intended to take the NESIC Shares private even if the proposal regarding the Share Consolidation is not approved at the Extraordinary Shareholders' Meeting after the completion of the Tender Offer; (b) therefore, in consideration of the status of tenders of the NESIC Shares in the Tender Offer, the status of ownership and attributes of the shareholders of the NESIC Shares at that time and the trend of the market price of the NESIC Shares, NEC intended to acquire additional NESIC Shares by any method reasonably and practically available for NEC, including acquisitions in and outside the market, as soon as practicable until reaching a level where the proposal regarding the Share Consolidation can be practically approved at the shareholders' meeting of NESIC; and (c) with respect to the acquisition price for such additional acquisitions, it would not set a price that is higher than the Tender Offer Price (3,250 yen), but intended to set a reasonable price that would not be evaluated as economically disadvantageous, in comparison with the Tender Offer Price (3,250 yen), to the shareholders of the NESIC Shares who sell their shares in response to such additional acquisitions (and unless any event requiring an adjustment occurs, such as a share consolidation or a stock split by NESIC, the relevant acquisition price would be set at the same price as the Tender Offer Price (3,250 yen)).

After the above-mentioned considerations, on November 22, 2024, NEC proposed to NESIC, along with the results of the above-mentioned considerations, that the new minimum number of shares to be acquired be 10,153,605 shares (Ownership Ratio: 6.82%) obtained by deducting (x) 12,602,700 shares (Ownership Ratio: 8.46%), which is a conservative estimate of the number of the NESIC Shares held by the passive index investment funds, from (y) the initial minimum number of shares to be acquired, being 22,756,305 shares (Ownership Ratio: 15.27%).

In response, NESIC and the Special Committee expressed their intention not to accept such proposal, at least unless some measures, such as raising the Tender Offer Price, are taken to supplement the fairness, because it cannot be denied that such proposal may not sufficiently ensure the fairness given that the Tender Offer can be completed with tenders by a small number of general shareholders.

Therefore, NEC decided not to lower the minimum number of shares to be acquired and only to extend the Tender Offer Period, as of December 11, 2024. However, since NEC believed that it is also desirable for NESIC's general shareholders to increase the certainty of the completion of the Tender Offer, to the extent that it would not impede the privatization of the NESIC Shares, on December 12, 2024, NEC requested NESIC to consider lowering the minimum number of shares to be acquired again.

In response to this, NEC received a request from NESIC, on December 17, 2024, to raise the Tender Offer Price to 3,330 yen, which is higher than 3,325 yen, the highest closing price of the NESIC Shares for the period from the commencement date of the Tender Offer Period to December 17, 2024, on the ground that an increase of the Tender Offer Price is necessary for NESIC to agree to lower the minimum number of shares to be acquired. In response, while NEC believed that the Tender Offer Price (3,250 yen) is a fair and reasonable price that was agreed upon after multiple rounds of discussions and negotiations with NESIC and the Special Committee based on, among others, the results of the calculation of the share value of NESIC by Mitsubishi UFJ Morgan Stanley Securities, NEC reached the conclusion that, in order to increase the certainty of the completion of the Tender Offer, it would be necessary to provide NESIC's general shareholders with the opportunity to sell their shares at a price higher than the Tender Offer Price (3,250 yen) based on the fact that the market price of the NESIC Shares had been above the Tender Offer Price (3,250 yen) after the extension of Tender Offer Period and the prospects for tenders in response to the Tender Offer under such circumstance, etc. However, NEC considered that there is no necessity to raise the Tender Offer Price up to

3,330 yen, and, if the Tender Offer Price is raised to 3,300 yen, the purpose of increasing the certainty of the completion of the Tender Offer can be fully achieved in light of the movement in the market price of NESIC Share after the announcement of the Tender Offer, and that 3,300 yen is a price that is still considered reasonable from the perspective that NEC would be able to fulfil its accountability to shareholders of NEC, based on, among others, the results of the calculation of the share value of NESIC by Mitsubishi UFJ Morgan Stanley Securities. Therefore, on the same day, December 17, 2024, NEC informed NESIC that it would agree to raise the Tender Offer Price but wished to set the Tender Offer Price at 3,300 yen after raising the price. As a result, on the same day, NESIC expressed its intention to agree to lower the minimum number of shares to be acquired, on the condition that the Tender Offer Price would be raised to 3,300 yen.

After the above considerations and discussions, NEC decided at a meeting of its board of directors as of December 20, 2024 to change the Tender Offer Price from 3,250 yen to 3,300 yen (the “Change in the Tender Offer Price”), and change the minimum number of shares to be acquired from 22,756,305 shares (Ownership Ratio:15.27%) to 10,153,605 shares (Ownership Ratio: 6.82%) (the “Change in the Minimum Number of Shares to Be Acquired) (the Change in the Tender Offer Price and the “Change in the Minimum Number of Shares to Be Acquired are collectively hereinafter referred to as the “Change in Terms of Tender Offer”). In addition, although NEC had set the Tender Offer Period to be from Wednesday, October 30, 2024 to Wednesday, December 25, 2024 (40 business days), as the amendment to the tender offer registration statement for the Tender Offer would be required to be filed upon the decision in respect of the Change in Terms of Tender Offer, NEC extended the Tender Offer Period, in accordance with the relevant laws and regulations, to January 10, 2025, which is 10 business days after the filing date of the amendment to tender offer registration statement, being December 20, 2024. As stated above, NEC believed that the Tender Offer Price before the Change in Terms of Tender Offer (3,250 yen) is a fair and reasonable price, and since the Tender Offer Price after the Change in Terms of Tender Offer (3,300 yen) is higher than that price, NEC has decided, at the aforementioned meeting of its board of directors, that the Tender Offer Price after the Change in Terms of Tender Offer (3,300 yen) will be the final price, that the Tender Offer Price will not be changed in any way in the future, and that NEC will not voluntarily extend the Tender Offer Period again unless required by the Act.

Since the minimum number of shares to be acquired in the Tender Offer is set at 10,153,605 shares (Ownership Ratio: 6.82%), the number of voting rights represented by the NESIC Shares beneficially owned by NEC after the completion of the Tender Offer may be less than two-thirds (2/3) of the total number of voting rights of all shareholders of NESIC. In such case, the proposal regarding the Share Consolidation may not be approved at the Extraordinary Shareholders’ Meeting. However, as stated above, NEC intends to take the NESIC Shares private even in such case, and therefore, in consideration of the status of the tenders of the NESIC Shares in the Tender Offer, the status of ownership and attributes of the shareholders of the NESIC Shares at that time and the trend of the market price of the NESIC Shares, NEC intends to acquire additional NESIC Shares by any method reasonably and practically available for NEC, including acquisitions in and outside the market, as soon as practicable until reaching a level where the proposal regarding the Share Consolidation can be practically approved at the shareholders’ meeting of NESIC. With respect to the acquisition price for such additional acquisitions, NEC will not set a price that is higher than the Tender Offer Price after the Change in Terms of Tender Offer (3,300 yen), but intends to set a reasonable price that will not be evaluated as economically disadvantageous, in comparison with the Tender Offer Price after the Change in Terms of Tender Offer (3,300 yen), to the shareholders of the NESIC Shares who sell their shares in response to such additional acquisitions (and unless any event requiring an adjustment occurs, such as a share consolidation or a stock split by NESIC, the relevant acquisition price will be set at the same price as the Tender Offer Price after the Change in Terms of Tender Offer (3,300 yen)). For the avoidance of doubt, no specific decision has been made with respect to the additional acquisitions. With respect to the period required for the approval of the proposal regarding the Share Consolidation at the shareholders’ meeting of NESIC after the additional acquisitions, although it is difficult at present to specify a definitive time because it will be affected by the trend of the market price of the NESIC Shares and other factors, NEC will make an announcement when the specific time is determined.

While NEC had obtained a loan certificate dated October 29, 2024 from Sumitomo Mitsui Banking Corporation to support the borrowing with respect to the funds required for the Transactions, including the Tender Offer, in conjunction with the Change in Terms of Tender Offer, NEC communicated its intention to have the terms and conditions of the loan for such borrowing reflect the Change in Terms of Tender Offer and Sumitomo Mitsui Banking Corporation gave its approval. Accordingly, NEC obtained another loan certificate dated December 20, 2024 from Sumitomo Mitsui Banking Corporation.

According to the Target Company’s press release dated December 20, 2024, (Amendment) Partial Amendment to “Announcement of Opinion in Support of the Tender Offer by NEC Corporation, the Parent

of NESIC, for the Common Stock of NESIC and Recommendation to Tender” (the “Amended NESIC’s Announcement”), NESIC resolved at the meeting of its board of directors held on December 20, 2024, to maintain its opinion supporting the Tender Offer and the recommendation that the shareholders of NESIC tender their shares in the Tender Offer. For details on decision-making process of NESIC’s board of directors, please refer to the Amended NESIC’s Announcement, and “(c) Decision-Making Process Leading to and Reasons for NESIC’s Support of the Tender Offer” of “(i) Background, Purpose, and Decision-making Process of Tender Offer” of “(2) Background, Purpose, and Decision-making Process of Tender Offer, and Management Policy after Tender Offer” below and “(VIII) Approval of all directors without an interest in NESIC and opinion stating there is no objection from corporate auditors without an interest in NESIC” of “(Measures to Ensure Fairness of Tender Offer Including Those to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest)” of “(ii) Process of Calculation” of “(4) Basis of Calculation of Tender Offer Price” of “2. Outline of Tender Offer” below.

- (2) Background, Purpose, and Decision-making Process of Tender Offer, and Management Policy after Tender Offer
- (i) Background, Purpose, and Decision-making Process of Tender Offer
- (b) Decision-making Process and Purpose of Tender Offer
(Before Amendment)

<Omitted>

After the above discussions and negotiations, NEC and NESIC agreed to set the Tender Offer Price at 3,250 yen on the assumption that NESIC will not pay year-end dividends for the fiscal year ending March 31, 2025. Therefore, NEC resolved to implement the Tender Offer as part of the Transaction at the meeting of its board of directors held today.

(After Amendment)

<Omitted>

After the above discussions and negotiations, NEC and NESIC agreed to set the Tender Offer Price at 3,250 yen on the assumption that NESIC will not pay year-end dividends for the fiscal year ending March 31, 2025. Therefore, NEC resolved to implement the Tender Offer as part of the Transaction at the meeting of its board of directors held on October 29, 2024.

Thereafter, as stated in “(1) Overview of Tender Offer,” NEC received a request from NESIC on December 17, 2024 to raise the Tender Offer Price to 3,330 yen, which is higher than 3,325 yen, the highest closing price of the NESIC Shares for the period from the commencement date of the Tender Offer Period to December 17, 2024, on the ground that an increase of the Tender Offer Price is necessary for NESIC to agree to lower the minimum number of shares to be acquired. In response, while NEC believed that the Tender Offer Price (3,250 yen) is a fair and reasonable price that was agreed upon after multiple rounds of discussions and negotiations with NESIC and the Special Committee based on, among others, the results of the calculation of the share value of NESIC by Mitsubishi UFJ Morgan Stanley Securities, NEC reached the conclusion that, in order to increase the certainty of the completion of the Tender Offer, it would be necessary to provide NESIC’s general shareholders with the opportunity to sell their shares at a price higher than the Tender Offer Price (3,250 yen) based on the fact that the market price of the NESIC Shares had been above the Tender Offer Price (3,250 yen) after the extension of Tender Offer Period and the prospects for tenders in response to the Tender Offer under such circumstance, etc. However, NEC considered that there is no necessity to raise the Tender Offer Price up to 3,330 yen, and, if the Tender Offer Price is raised to 3,300 yen, the purpose of increasing the certainty of the completion of the Tender Offer can be fully achieved in light of the movement in the market price of NESIC Share after the announcement of the Tender Offer, and that 3,300 yen is a price that is still considered reasonable from the perspective that NEC would be able to fulfil its accountability to shareholders of NEC, based on, among others, the results of the calculation of the share value of NESIC by Mitsubishi UFJ Morgan Stanley Securities. Therefore, on the same day, December 17, 2024, NEC informed NESIC that it would agree to raise the Tender Offer Price but wished to set the Tender Offer Price at 3,300 yen after raising the price. As a result, on the same day, NESIC expressed its intention to agree to lower the minimum number of shares to be acquired, on the condition that the Tender Offer Price would be raised to 3,300 yen.

After the above considerations and discussions, NEC decided at the meeting of its board of directors as of December 20, 2024 to change the Tender Offer Price from 3,250 yen to 3,300 yen, and change the minimum number of shares to be acquired from 22,756,305 shares (Ownership Ratio:15.27%) to 10,153,605 shares (Ownership Ratio: 6.82%).

- (c) Decision-Making Process Leading to and Reasons for NESIC’s Support of the Tender Offer

(Before Amendment)

<Omitted>

Based on the foregoing, NESIC determined that the Transaction will contribute to the improvement of NESIC's corporate value and that the terms of the Transaction, including the Tender Offer Price, are appropriate, and accordingly resolved at a meeting of board of directors of NESIC held today to express its opinion in support of the Tender Offer and recommend that the holders of the NESIC Shares tender their shares in the Tender Offer.

For information on the manner in which the resolution was adopted at the board of directors meeting, please refer to "(VIII) Approval of all directors without an interest in NESIC and opinion stating there is no objection from corporate auditors without an interest in NESIC" of "(Measures to Ensure Fairness of Tender Offer Including Those to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest)" of "(ii) Process of Calculation" of "(4) Basis of Calculation of Tender Offer Price" of "2. Outline of Tender Offer" below.

(After Amendment)

<Omitted>

Based on the foregoing, NESIC determined that the Transaction will contribute to the improvement of NESIC's corporate value and that the terms of the Transaction, including the Tender Offer Price, are appropriate, and accordingly resolved at a meeting of board of directors of NESIC held on October 29, 2024 to express its opinion in support of the Tender Offer and recommend that the holders of the NESIC Shares tender their shares in the Tender Offer.

For information on the manner in which the resolution was adopted at the board of directors meeting, please refer to "(VIII) Approval of all directors without an interest in NESIC and opinion stating there is no objection from corporate auditors without an interest in NESIC" of "(Measures to Ensure Fairness of Tender Offer Including Those to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest)" of "(ii) Process of Calculation" of "(4) Basis of Calculation of Tender Offer Price" of "2. Outline of Tender Offer" below.

Subsequently, NESIC discussed the Change in Terms of Tender Offer with NEC, and at the meeting of its board of directors held on December 20, 2024, the Change in Terms of Tender Offer was carefully discussed and considered. The Special Committee's opinion concerning the Change in Terms of Tender Offer was taken into account, and NESIC decided, for the reasons set forth below, that despite the Change in Terms of Tender Offer, it would maintain its opinion supporting the Tender Offer and continue to recommend that the shareholders of NESIC tender their shares in the Tender Offer.

- (a) The Change in Terms of Tender Offer will have no impact on the purpose of the Transaction, and since October 28, 2024, no circumstances have arisen that would have a material impact on the judgment of whether the Transaction will contribute to the enhancement of NESIC's corporate value. Therefore, even after the Change in Terms of Tender Offer, it is believed that the Transaction will contribute to the enhancement of NESIC's corporate value, the purpose of the Change in Terms of Tender Offer is reasonable, and the Change in Terms of Tender Offer will be carried out with the legitimate objective of increasing the likelihood of the successful completion of the Transaction.
- (b) The Change in Terms of Tender Offer will not change the type of consideration for the purchase or fundamentally change the method of the Transaction, and it is believed that the method of the Transaction and the type of consideration for the purchase will remain appropriate, even after the Change in Terms of Tender Offer.
- (c) Since October 28, 2024, there has been no change to NESIC's business plan, which NESIC prepared, and which was the basis for the share valuation calculations. The Share Valuation Report (Plutus Consulting), the Fairness Opinion, and the Share Valuation Report (Daiwa Securities) remain valid, and because there have been no material changes to conditions that would have an impact on NESIC's corporate value since October 28, 2024, it is believed that there has been no change to the intrinsic value of NESIC, even after the announcement of the Transaction. Accordingly, it is believed that the Tender Offer Price of 3,250 yen remains fair and appropriate, but from the perspective of implementing the Transaction under the most favorable conditions possible for the general shareholders of NESIC, negotiations were held with NEC with the goal of increasing the Tender Offer Price to 3,330 yen, an amount exceeding 3,325 yen, the highest closing price for NESIC Shares during the commencement of the Tender Offer Period to December 17, 2024, and as a result of these negotiations, the Tender Offer Price was increased.
- (d) It is planned that, with the Change in Minimum Number of Shares to Be Acquired, the minimum number of shares to be acquired will be decreased. This is not contrary to the purport of the Ministry of Economy, Trade and Industry's "Fair M&A Guidelines: Enhancing Corporate Value and Securing Shareholders' Interests", dated June 28, 2019. Even if there is a possibility that the level of fairness falls compared to a case where a minimum of two-thirds was maintained with the Change in

Minimum Number of Shares to Be Acquired, fairness will be complemented by implementing the Change in the Tender Offer Price together with the Change in Minimum Number of Shares to Be Acquired, and NESIC has also implemented sufficient measures to ensure the fairness of the Transaction. Therefore, it is believed that fairness will not be impaired.

(e) Even after the Change in Minimum Number of Shares to Be Acquired, no scheme will be adopted that fails to secure the right for shareholders who do not tender their shares in the Tender Offer to demand the purchase of shares, or to petition for the determination of share price. It is believed that the likelihood of NESIC not going private, if the Tender Offer is successfully completed, is substantially low, and detailed disclosures to the shareholders of NESIC are planned. Given the foregoing, it is believed that even after the Change in Minimum Number of Shares to Be Acquired, coercion has been eliminated.

(4) Policy for organizational restructuring after Tender Offer (matters relating to two-step acquisition)
(Before Amendment)

As described in “(1) Overview of Tender Offer” above, if NEC does not acquire all of the NESIC Shares through the Tender Offer, NEC plans to implement, after the completion of the Tender Offer, the Squeeze-Out Procedures, which are intended to make NEC the only shareholder of NESIC, in the following manner.

<Omitted>

(ii) Consolidation of Shares

If the total number of voting rights represented by NESIC Shares held by NEC and the trustee of the NEC’s Employee Retirement Benefit Trust is less than 90% of the total number of voting rights of all shareholders of NESIC after the completion of the Tender Offer, NEC, promptly after the settlement for the Tender Offer, intends to request NESIC to hold an extraordinary shareholders’ meeting (the “Extraordinary Shareholders’ Meeting”) for which agenda items include the following proposals: (i) to conduct a consolidation of the NESIC Shares (the “Share Consolidation”) pursuant to Article 180 of the Companies Act, and (ii) to make a partial amendment to the NESIC’s Articles of Incorporation that would abolish the provision regarding the number of shares constituting one unit of shares subject to the Share Consolidation taking effect. According to the NESIC’s Announcement, as of today, NESIC plans to hold the Extraordinary Shareholders’ Meeting in response to the request by NEC and the Extraordinary Shareholders’ Meeting is scheduled to be held in early March 2025. NEC and (in the event that the delivery without compensation of the NESIC Shares contributed to the NEC’s Employee Retirement Benefit Trust to NEC has not been completed by the record date of the Extraordinary Shareholders’ Meeting) the trustee of the NEC’s Employee Retirement Benefit Trust, for which NEC has the right to give voting instructions, intends to approve each of said proposals at the Extraordinary Shareholders’ Meeting.

<Omitted>

(After Amendment)

As described in “(1) Overview of Tender Offer” above, if NEC does not acquire all of the NESIC Shares through the Tender Offer, NEC plans to implement, after the completion of the Tender Offer, the Squeeze-Out Procedures, which are intended to make NEC the only shareholder of NESIC, in the following manner.

As stated in “(1) Overview of Tender Offer” above, NEC believes that there is a high probability that, even if the number of voting rights represented by the NESIC Shares beneficially owned by NEC after the completion of the Tender Offer is less than two-thirds (2/3) of the total number of voting rights of all shareholders of NESIC, the proposal regarding the Share Consolidation will be approved at the Extraordinary Shareholders’ Meeting, and therefore, NEC plans to request that NESIC hold the Extraordinary Shareholders’ Meeting even in such a case.

In addition, NEC intends to take the NESIC Shares private even if the proposal regarding the Share Consolidation is not approved at the Extraordinary Shareholders’ Meeting after the completion of the Tender Offer, and therefore, in consideration of the status of the tenders of the NESIC Shares in the Tender Offer, the status of ownership and attributes of the shareholders of the NESIC Shares at that time and the trend of the market price of the NESIC Shares, NEC intends to acquire additional NESIC Shares, as soon as practicable, by any method reasonably and practically available for NEC, including acquisitions in and outside the market, until NEC reaches a level where the proposal regarding the Share Consolidation can be practically approved at the shareholders’ meeting of NESIC. With respect to the acquisition price for such additional acquisitions, NEC will not set a price that is higher than the Tender Offer Price after the Change in Terms of Tender Offer (3,300 yen), but intends to set a reasonable price that will not be evaluated as economically disadvantageous, in comparison with the Tender Offer Price after the Change in Terms of Tender Offer (3,300 yen), to the shareholders of the NESIC Shares who sell their shares in response to such additional acquisitions (unless any event requiring an adjustment occurs, such as a share consolidation or a stock split by NEC, the relevant acquisition price will be set at the same price as the Tender Offer Price after the Change in Terms of Tender Offer (3,300 yen)). If NEC determines that the approval of the proposal regarding the Share Consolidation is

reasonably foreseeable as a result of such additional acquisitions (and NEC will make such determination taking into consideration, among others, the number of voting rights against the proposal regarding the Share Consolidation at the Extraordinary Shareholders' Meeting), NEC will again request NESIC to hold an extraordinary shareholders' meeting for which agenda items include the following proposals: (i) to conduct the Share Consolidation and (ii) to make a partial amendment to NESIC's Articles of Incorporation that would abolish the provision regarding the number of shares constituting one unit of shares, subject to the Share Consolidation taking effect (depending on the timing, there is a possibility that these proposals will be the proposals for the ordinary general meeting of shareholders of NESIC to be held in 2025).

<Omitted>

(ii) Consolidation of Shares

If the total number of voting rights represented by NESIC Shares held by NEC and the trustee of the NEC's Employee Retirement Benefit Trust is less than 90% of the total number of voting rights of all shareholders of NESIC after the completion of the Tender Offer, NEC, promptly after the settlement for the Tender Offer, intends to request NESIC to hold an extraordinary shareholders' meeting (the "Extraordinary Shareholders' Meeting") for which agenda items include the following proposals: (i) to conduct a consolidation of the NESIC Shares (the "Share Consolidation") pursuant to Article 180 of the Companies Act, and (ii) to make a partial amendment to the NESIC's Articles of Incorporation that would abolish the provision regarding the number of shares constituting one unit of shares subject to the Share Consolidation taking effect. According to the NESIC's Announcement, as of today, NESIC plans to hold the Extraordinary Shareholders' Meeting in response to the request by NEC and the Extraordinary Shareholders' Meeting is scheduled to be held in the middle of March 2025. NEC and (in the event that the delivery without compensation of the NESIC Shares contributed to the NEC's Employee Retirement Benefit Trust to NEC has not been completed by the record date of the Extraordinary Shareholders' Meeting) the trustee of the NEC's Employee Retirement Benefit Trust, for which NEC has the right to give voting instructions, intends to approve each of said proposals at the Extraordinary Shareholders' Meeting.

<Omitted>

2. Outline of Tender Offer

(2) Schedule

(ii) Tender Offer Period as of Filing Date
(Before Amendment)

From October 30, 2024 (Wednesday) through December 25, 2024 (Wednesday) (40 business days)

(After Amendment)

From October 30, 2024 (Wednesday) through January 10, 2025 (Friday) (47 business days)

(3) Tender Offer Price

(Before Amendment)

JPY 3,250 per common stock

(After Amendment)

JPY 3,300 per common stock

(4) Basis of Calculation of Tender Offer Price

(i) Basis of Calculation

(Before Amendment)

<Omitted>

NEC comprehensively considered, in addition to the results of the calculation in the NEC Share Valuation Report, the results of the due diligence conducted on NESIC Group, the possibility of the NESIC's board of directors' approval or disapproval of the Tender Offer and recommendation to tender, the market trend of the share price of the NESIC Shares and the prospects for tenders in response to the Tender Offer, etc., and, taking into account the results of consultations and negotiations with NESIC and the Special Committee, NEC resolved at the meeting of its board of directors held on October 29, 2024, to set the Tender Offer Price at 3,250 yen.

The Tender Offer Price (3,250 yen) represents (a) a premium of 21.50% on 2,675 yen, which is the closing price of the NESIC Shares on the Prime Market of the Tokyo Stock Exchange on October 28, 2024, the business day immediately preceding the date of announcement by NEC regarding the Tender Offer; (b) a premium of 19.88% on 2,711 yen, which is the simple average of the closing prices for the latest one (1)-month period (from September 30, 2024 to October 28, 2024); (c) a premium of 22.23% on 2,659 yen, which is the simple average of the closing prices for the latest three (3)-month period (from July 29, 2024 to October 28, 2024); and (d) a premium of 28.97% on 2,520 yen, which is the simple average of the closing prices for

the latest six (6)-month period (from April 30, 2024 to October 28, 2024).

<Omitted>

(After Amendment)

<Omitted>

NEC comprehensively considered, in addition to the results of the calculation in the NEC Share Valuation Report, the results of the due diligence conducted on NESIC Group, the possibility of the NESIC's board of directors' approval or disapproval of the Tender Offer and recommendation to tender, the market trend of the share price of the NESIC Shares and the prospects for tenders in response to the Tender Offer, etc., and, taking into account the results of consultations and negotiations with NESIC and the Special Committee, NEC resolved at the meeting of its board of directors held on October 29, 2024, to set the Tender Offer Price at 3,250 yen.

The Tender Offer Price before the Change in Terms of Tender Offer (3,250 yen) represents (a) a premium of 21.50% on 2,675 yen, which is the closing price of the NESIC Shares on the Prime Market of the Tokyo Stock Exchange on October 28, 2024, the business day immediately preceding the date of announcement by NEC regarding the Tender Offer; (b) a premium of 19.88% on 2,711 yen, which is the simple average of the closing prices for the latest one (1)-month period (from September 30, 2024 to October 28, 2024); (c) a premium of 22.23% on 2,659 yen, which is the simple average of the closing prices for the latest three (3)-month period (from July 29, 2024 to October 28, 2024); and (d) a premium of 28.97% on 2,520 yen, which is the simple average of the closing prices for the latest six (6)-month period (from April 30, 2024 to October 28, 2024).

Thereafter, as described in (1) Overview of Tender Offer" in "1. Purposes of Tender Offer" above, NEC decided at the meeting of its board of directors as of December 20, 2024 to change the Tender Offer Price from 3,250 yen to 3,300 yen.

The Tender Offer Price after the Change in Terms of Tender Offer (3,300 yen) represents (a) a premium of 23.36% on 2,675 yen, which is the closing price of the NESIC Shares on the Prime Market of the Tokyo Stock Exchange on October 28, 2024, the business day immediately preceding the date of announcement by NEC regarding the Tender Offer; (b) a premium of 21.73% on 2,711 yen, which is the simple average of the closing prices for the latest one (1)-month period (from September 30, 2024 to October 28, 2024); (c) a premium of 24.11% on 2,659 yen, which is the simple average of the closing prices for the latest three (3)-month period (from July 29, 2024 to October 28, 2024); (d) a premium of 30.95% on 2,520 yen, which is the simple average of the closing prices for the latest six (6)-month period (from April 30, 2024 to October 28, 2024); and (e) a premium of 10.00% on 3,000 yen, which is the closing price of the NESIC Shares on the Prime Market of the Tokyo Stock Exchange on October 29, 2024, the date of announcement of the Tender Offer.

<Omitted>

(ii) Process of Calculation

(Before Amendment)

(Decision-making Process Concerning Tender Offer Price)

<Omitted>

After the above discussions and negotiations, on the assumption that NESIC will not pay year-end dividends for the fiscal year ending March 31, 2025, NEC and NESIC agreed to set the Tender Offer Price at 3,250 yen. Therefore, NEC resolved to implement the Tender Offer as part of the Transaction at the meeting of its board of directors held today.

(Measures to Ensure Fairness of Tender Offer Including Those to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest)

<Omitted>

(III) Establishment of a Special Committee independent of NESIC and procurement of report from Special Committee

<Omitted>

- e. As described in subsection i above, the Transaction contributes to enhancing the corporate value of NESIC and the purpose of the Transaction is reasonable; as described in subsection ii above, the reasonableness of the Tender Offer Price and other terms and conditions for the Transaction has been ensured, and as described in subsection iii above, the Transaction procedures are fair from the perspective of promoting the interests of general shareholders; thus, it is appropriate for the board of directors to express an opinion supporting the Tender Offer and recommending NESIC's shareholders tender their shares in the Tender Offer, and if after the successful completion of the Tender Offer, the board of directors decides to implement the Squeeze-Out Procedures Offer in order to make NEC the sole shareholder of NESIC, this will not be detrimental to the general shareholders of NESIC.

<Omitted>

- (VIII) Approval of all directors without an interest in NESIC and opinion stating there is no objection from corporate auditors without an interest in NESIC

<Omitted>

As a result, as discussed above in “(c) Decision-Making Process Leading to and Reasons for NESIC’s Support of the Tender Offer” of “(i) Background, Purpose, and Decision-making Process of Tender Offer” of “(2) Background, Purpose, and Decision-making Process of Tender Offer, and Management Policy after Tender Offer” of “1. Purposes of Tender Offer”, NESIC determined that the Transaction would contribute to enhancing NESIC’s corporate value and that the Tender Offer Price and other transaction conditions were reasonable, and at the board of directors meeting held today, all NESIC directors participating in the deliberations and resolutions unanimously adopted a resolution to express an opinion in support of the Tender Offer and to recommend that all shareholders of NESIC tender their shares in the Tender Offer.

At the above board of directors meeting held on this day, the six directors other than Mr. Hiroto Sugawara, Ms. Noriko Ito, and Mr. Junji Ashida passed the above resolution unanimously. Mr. Sugawara and Ms. Ito are concurrently employees of NEC and Mr. Ashida used to work at NEC in the past; in light of this, from the perspective of eliminating the danger of any impact on deliberations and resolutions at the board of directors from the issue of the structural conflicts of interest inherent in the Transaction and the issue of information asymmetry, these three have not participated in any board of directors deliberations or resolutions regarding the Transaction, including the board of directors meeting held today, and have not participated on behalf of NESIC in any discussions and negotiations with the NEC. While Mr. Ashida did participate in the board of directors meeting concerning the establishment of the Special Committee, in light of the deliberations at the Special Committee and from the perspective of taking a more conservative approach, he has not participated in any of the deliberations or resolutions regarding the Transaction at board of directors meetings held since the meeting regarding establishment of the Special Committee (including the above board of directors meeting held today) and has not participated on behalf of NESIC in any discussions and negotiations with NEC.

Further, at the above board of directors meeting held today, all three corporate auditors other than Mr. Yohei Otani expressed their opinion that they had no objection to the above resolution. While Mr. Otani did participate in the board of directors meeting concerning the establishment of the Special Committee, in light of the fact that until seven years ago he worked at NEC, the deliberations at the Special Committee and from the perspective of taking a more conservative approach, he has not participated in any of the deliberations or resolutions regarding the Transaction at board of directors meetings held since the meeting regarding establishment of the Special Committee (including the above board of directors meeting held today) and he has not expressed an opinion during these board of directors resolutions.

<Omitted>

- (X) Measures to ensure that the shareholders of NESIC have the opportunity to make appropriate decisions on whether or not to tender their shares in the Tender Offer

As described in “(4) Policy for organizational restructuring after Tender Offer (matters relating to two-step acquisition)” in “1. Purposes of Tender Offer” above, (A) NEC intends to, promptly after the completion of the settlement of the Tender Offer, depending on the number of shares to be acquired by NEC through completion of the Tender Offer, make a Request for Share Transfers for all of the NESIC Shares, or request NESIC to hold the Extraordinary Shareholders’ Meeting for which agenda items include the following proposals: (i) to conduct the Share Consolidation, and (ii) to make a partial amendment to the NESIC’s Articles of Incorporation that would abolish the provision regarding the number of shares constituting one unit of shares subject to the Share Consolidation taking effect. NEC will not adopt a method that does not secure the right to request the purchase of shares or the right to petition for the determination of price of the shares for the shareholders of NESIC; and (B) NEC has made it clear that, in the event of the Request for Share Transfers or the Share Consolidation, the amount of money to be delivered to the shareholders of NESIC as consideration will be calculated to be equal to the Tender Offer Price multiplied by the number of the NESIC shares held by each such shareholder (excluding NEC). As such, NEC is ensuring that the shareholders of NESIC have the opportunity to make an appropriate decision as to whether or not to tender their shares in the Tender Offer, and is taking care to ensure that no coercion is involved.

In addition, NEC set the Tender Offer Period to 40 business days, while the minimum period required for a tender offer under the relevant laws is 20 business days. By setting the Tender Offer Period longer than the shortest period under the relevant laws, NEC ensured opportunities for the shareholders of NESIC to make proper decisions whether to tender their shares. At the same time,

NEC intended to ensure the fairness of the Tender Offer Price by ensuring opportunities for bidders other than NEC to conduct counter offers in respect of the NESIC Shares.

(After Amendment)

(Decision-making Process Concerning Tender Offer Price)

<Omitted>

After the above discussions and negotiations, on the assumption that NESIC will not pay year-end dividends for the fiscal year ending March 31, 2025, NEC and NESIC agreed to set the Tender Offer Price at 3,250 yen. Therefore, NEC resolved to implement the Tender Offer as part of the Transaction at the meeting of its board of directors held on October 29, 2024.

Thereafter, as described in (1) Overview of Tender Offer” of “1. Purposes of Tender Offer” above, NEC received a request from NESIC on December 17, 2024 to raise the Tender Offer Price to 3,330 yen, which is higher than 3,325 yen, the highest closing price of the NESIC Shares for the period from the commencement date of the Tender Offer Period to December 17, 2024, on the ground that an increase of the Tender Offer Price is necessary for NESIC to agree to lower the minimum number of shares to be acquired. In response, while NEC believed that the Tender Offer Price (3,250 yen) is a fair and reasonable price that was agreed upon after multiple rounds of discussions and negotiations with NESIC and the Special Committee based on, among others, the results of the calculation of the share value of NESIC by Mitsubishi UFJ Morgan Stanley Securities, NEC reached the conclusion that, in order to increase the certainty of the completion of the Tender Offer, it would be necessary to provide NESIC’s general shareholders with the opportunity to sell their shares at a price higher than the Tender Offer Price (3,250 yen) based on the fact that the market price of the NESIC Shares had been above the Tender Offer Price (3,250 yen) after the extension of Tender Offer Period and the prospects for tenders in response to the Tender Offer under such circumstance, etc. However, NEC considered that there is no necessity to raise the Tender Offer Price up to 3,330 yen, and, if the Tender Offer Price is raised to 3,300 yen, the purpose of increasing the certainty of the completion of the Tender Offer can be fully achieved in light of the movement in the market price of NESIC Share after the announcement of the Tender Offer, and that 3,300 yen is a price that is still considered reasonable from the perspective that NEC would be able to fulfil its accountability to shareholders of NEC, based on, among others, the results of the calculation of the share value of NESIC by Mitsubishi UFJ Morgan Stanley Securities. Therefore, on the same day, December 17, 2024, NEC informed NESIC that it would agree to raise the Tender Offer Price but wished to set the Tender Offer Price at 3,300 yen after raising the price. As a result, on the same day, NESIC expressed its intention to agree to lower the minimum number of shares to be acquired, on the condition that the Tender Offer Price would be raised to 3,300 yen.

After the above considerations and discussions, NEC decided at the meeting of its board of directors as of December 20, 2024 to change the Tender Offer Price from 3,250 yen to 3,300 yen, and change the minimum number of shares to be acquired from 22,756,305 shares (Ownership Ratio: 15.27%) to 10,153,605 shares (Ownership Ratio: 6.82%).

(Measures to Ensure Fairness of Tender Offer Including Those to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest)

<Omitted>

(III) Establishment of a Special Committee independent of NESIC and procurement of report from Special Committee

<Omitted>

- e. As described in subsection i above, the Transaction contributes to enhancing the corporate value of NESIC and the purpose of the Transaction is reasonable; as described in subsection ii above, the reasonableness of the Tender Offer Price and other terms and conditions for the Transaction has been ensured, and as described in subsection iii above, the Transaction procedures are fair from the perspective of promoting the interests of general shareholders; thus, it is appropriate for the board of directors to express an opinion supporting the Tender Offer and recommending NESIC’s shareholders tender their shares in the Tender Offer, and if after the successful completion of the Tender Offer, the board of directors decides to implement the Squeeze-Out Procedures Offer in order to make NEC the sole shareholder of NESIC, this will not be detrimental to the general shareholders of NESIC.

Subsequently, NESIC received from NEC a proposal of Change in Minimum Number of Shares to Be Acquired, and on December 16, 2024, inquired of the Special Committee whether, even on the assumption of the Change in Minimum Number of Shares to Be Acquired, the content of the above report could be maintained; the Special Committee met on December 16 and 19, 2024, and then, on December 19, submitted an additional report that concluded that in light of the fact that the Change

in the Tender Offer Price would be implemented together with the Change in Minimum Number of Shares to Be Acquired, the content of the above report could be maintained even on the assumption of the Change in Minimum Number of Shares to Be Acquired. The content of such additional report is as follows.

- i The Change in Terms of Tender Offer will have no impact on the purpose of the Transaction, and since October 28, 2024, no circumstances have arisen that would have a material impact on the judgment of whether the Transaction will contribute to the enhancement of NESIC's corporate value. Therefore, even after the Change in Terms of Tender Offer, it is believed that the Transaction will contribute to the enhancement of NESIC's corporate value, the purpose of the Change in Terms of Tender Offer is reasonable, and the Change in Terms of Tender Offer will be carried out with the legitimate objective of increasing the likelihood of the successful completion of the Transaction.
- ii For the following reasons, the transaction conditions for the Transaction are thought to remain fair and appropriate, even after the Change in Terms of Tender Offer.
 - The Change in Terms of Tender Offer will not change the type of consideration for the purchase or fundamentally change the method of the Transaction. It is believed that the method of the Transaction and the type of consideration for the purchase will remain appropriate, even after the Change in Terms of Tender Offer.
 - Since October 28, 2024, there has been no change to NESIC's business plan, which NESIC prepared, and which was the basis for the share valuation calculations. The Share Valuation Report (Plutus Consulting), the Fairness Opinion, and the Share Valuation Report (Daiwa Securities) remain valid.
 - Because there have been no material changes to conditions that would have an impact on NESIC's corporate value since October 28, 2024, it is believed that there has been no change to the intrinsic value of NESIC, even after the announcement of the Transaction.
 - Accordingly, it is believed that the Tender Offer Price of 3,250 yen remains fair and appropriate, but from the perspective of implementing the Transaction under the most favorable conditions possible for the general shareholders of NESIC, negotiations were held with NEC with the goal of increasing the Tender Offer Price to 3,330 yen, an amount exceeding 3,325 yen, the highest closing price for NESIC Shares during the commencement of the Tender Offer Period to December 17, 2024, and as a result of these negotiations, the Tender Offer Price was increased.
- iii For the following reasons, even though, in the Transaction following the Change in Terms of Tender Offer, there will continue to be no majority-of-minority conditions set, sufficient other measures to ensure fairness have been implemented, and thus it is considered that procedures are being implemented that are fair from the perspective of protecting the interests of general shareholders.
 - It is found that in the consideration of the Change in Terms of Tender Offer, the independent Special Committee functioned effectively.
 - It is found that the Special Committee and NESIC have obtained the expert advice of outside experts in their consideration of the Change in Terms of Tender Offer.
 - It is found that the share valuation reports etc. obtained from expert independent third-party valuation organizations remain valid in the consideration of transaction conditions for the Transaction following the Change in Terms of Tender Offer.
 - It is found that NESIC excluded directors etc. having interests to the extent possible from the consideration and negotiation processes regarding the Change in Terms of Tender Offer, and that a framework has been maintained that enables consideration and negotiations etc. to take place from a position independent from the NEC Group other than NESIC Group.
 - It is found that even after the Change in Terms of Tender Offer an indirect market check will continue to function in the form of the implementation of an M&A transaction where facts relating to the M&A transaction are publicly announced and an environment is built where after such announcement, other potential acquirers can make competing acquisition offers.
 - It is planned that, with the Change in Minimum Number of Shares to Be Acquired, the minimum number of shares to be acquired will be decreased. This is not contrary to the purport of the Ministry of Economy, Trade and Industry's "Fair M&A Guidelines: Enhancing Corporate Value and Securing Shareholders' Interests", dated June 28, 2019. Even if there is a possibility that the level of fairness falls compared to a case where a minimum of two-thirds was maintained with the Change in Minimum Number of Shares to

Be Acquired, fairness will be complemented by implementing the Change in the Tender Offer Price together with the Change in Minimum Number of Shares to Be Acquired, and NESIC has also implemented sufficient measures to ensure the fairness of the Transaction. Therefore, it is believed that fairness will not be impaired.

- It is found that according to drafts of the Amended NESIC's Announcement etc., it is planned to ensure that in regards to the Transaction, general shareholders continue to have the opportunity to make appropriate judgments based on sufficient information.
 - Even after the Change in Minimum Number of Shares to Be Acquired, no scheme will be adopted that fails to secure the right for shareholders who do not tender their shares in the Tender Offer to demand the purchase of shares, or to petition for the determination of share price. It is believed that the likelihood of NESIC not going private, if the Tender Offer is successfully completed, is substantially low, and detailed disclosures to the shareholders of NESIC are planned. Given the foregoing, it is believed that even after the Change in Minimum Number of Shares to Be Acquired, coercion has been eliminated.
- iv As discussed in i above, the purpose of the Transaction is considered to remain reasonable even after the Change in Terms of Tender Offer; as discussed in ii above, the Tender Offer Price and other transaction conditions for the Transaction following the Change in Terms of Tender Offer are considered to be fair and appropriate even after the Change in Terms of Tender Offer; as discussed in iii above, it is considered that even after the Change in Terms of Tender Offer procedures will be implemented that are fair from the perspective of protecting the interests of general shareholders; for these reasons, it is considered to be appropriate for NESIC's board of directors to support the Tender Offer and to recommend to shareholders of NESIC that they tender their shares in the Tender Offer.
- v As discussed in i above, the purpose of the Transaction is considered to remain reasonable even after the Change in Terms of Tender Offer; as discussed in ii above, the tender offer price and other transaction conditions for the Transaction following the Change in Terms of Tender Offer are considered to be fair and appropriate even after the Change in Terms of Tender Offer; as discussed in iii above, it is considered that even after the Change in Terms of Tender Offer procedures will be implemented that are fair from the perspective of protecting the interests of general shareholders; for these reasons, it is considered that it would not be detrimental to general shareholders of NESIC if NESIC's board of directors supported the Tender Offer and recommended to shareholders of NESIC that they tender their shares in the Tender Offer. Further, if after the Tender Offer is completed, NESIC's board of directors decides to implement the Squeeze-out Procedures so that NEC becomes the sole shareholder of NESIC, this would not be detrimental to general shareholders of NESIC. It should be noted that in a case where the specifics of the method of Additional Acquisition are decided and such method constitutes a material transaction with a controlling shareholder or where otherwise necessary, the Special Committee will meet again to consider the matter.

<Omitted>

(VIII) Approval of all directors without an interest in NESIC and opinion stating there is no objection from corporate auditors without an interest in NESIC

<Omitted>

As a result, as discussed above in “(c) Decision-Making Process Leading to and Reasons for NESIC’s Support of the Tender Offer” of “(i) Background, Purpose, and Decision-making Process of Tender Offer” of “(2) Background, Purpose, and Decision-making Process of Tender Offer, and Management Policy after Tender Offer” of “1. Purposes of Tender Offer”, NESIC determined that the Transaction would contribute to enhancing NESIC’s corporate value and that the Tender Offer Price and other transaction conditions were reasonable, and at the board of directors meeting held on October 29, 2024, all NESIC directors participating in the deliberations and resolutions unanimously adopted a resolution to express an opinion in support of the Tender Offer and to recommend that all shareholders of NESIC tender their shares in the Tender Offer.

Subsequently, as discussed above in “(c) Decision-Making Process Leading to and Reasons for NESIC’s Support of the Tender Offer” of “(i) Background, Purpose, and Decision-making Process of Tender Offer” of “(2) Background, Purpose, and Decision-making Process of Tender Offer, and Management Policy after Tender Offer” of “1. Purposes of Tender Offer,” in response to the decision by NEC to implement the Change in Terms of Tender Offer, NESIC, at its board of directors meeting held on December 20, 2024, decided, in a unanimous vote by all NESIC directors participating in the deliberations and resolutions, to maintain its opinion supporting the Tender Offer and its opinion recommending to the shareholders of NESIC that they tender their shares in the Tender Offer, even

in light of the Change in Terms of Tender Offer.

At the above board of directors meetings held on October 29, 2024 and December 20, 2024, the six directors other than Mr. Hiroto Sugawara, Ms. Noriko Ito, and Mr. Junji Ashida passed the above resolution unanimously. Mr. Sugawara and Ms. Ito are concurrently employees of NEC and Mr. Ashida used to work at NEC in the past; in light of this, from the perspective of eliminating the danger of any impact on deliberations and resolutions at the board of directors from the issue of the structural conflicts of interest inherent in the Transaction and the issue of information asymmetry, these three have not participated in any board of directors deliberations or resolutions regarding the Transaction, including the board of directors meetings held on October 29, 2024 and December 20, 2024, and have not participated on behalf of NESIC in any discussions and negotiations with the NEC. While Mr. Ashida did participate in the board of directors meeting concerning the establishment of the Special Committee, in light of the deliberations at the Special Committee and from the perspective of taking a more conservative approach, he has not participated in any of the deliberations or resolutions regarding the Transaction at board of directors meetings held since the meeting regarding establishment of the Special Committee (including the above board of directors meetings held on October 29, 2024 and December 20, 2024) and has not participated on behalf of NESIC in any discussions and negotiations with NEC.

Further, at the above board of directors meetings held on October 29, 2024 and December 20, 2024, all three corporate auditors other than Mr. Yohei Otani expressed their opinion that they had no objection to the above resolution. While Mr. Otani did participate in the board of directors meeting concerning the establishment of the Special Committee, in light of the fact that until seven years ago he worked at NEC, the deliberations at the Special Committee and from the perspective of taking a more conservative approach, he has not participated in any of the deliberations or resolutions regarding the Transaction at board of directors meetings held since the meeting regarding establishment of the Special Committee (including the above board of directors meetings held on October 29, 2024 and December 20, 2024) and he has not expressed an opinion during these board of directors resolutions.

<Omitted>

- (X) Measures to ensure that the shareholders of NESIC have the opportunity to make appropriate decisions on whether or not to tender their shares in the Tender Offer

As described in “(4) Policy for organizational restructuring after Tender Offer (matters relating to two-step acquisition)” in “1. Purposes of Tender Offer” above, (A) NEC intends to, promptly after the completion of the settlement of the Tender Offer, depending on the number of shares to be acquired by NEC through completion of the Tender Offer, make a Request for Share Transfers for all of the NESIC Shares, or request NESIC to hold the Extraordinary Shareholders’ Meeting for which agenda items include the following proposals: (i) to conduct the Share Consolidation, and (ii) to make a partial amendment to the NESIC’s Articles of Incorporation that would abolish the provision regarding the number of shares constituting one unit of shares subject to the Share Consolidation taking effect. NEC will not adopt a method that does not secure the right to request the purchase of shares or the right to petition for the determination of price of the shares for the shareholders of NESIC; and (B) NEC has made it clear that, in the event of the Request for Share Transfers or the Share Consolidation, the amount of money to be delivered to the shareholders of NESIC as consideration will be calculated to be equal to the Tender Offer Price multiplied by the number of the NESIC shares held by each such shareholder (excluding NEC). As such, NEC is ensuring that the shareholders of NESIC have the opportunity to make an appropriate decision as to whether or not to tender their shares in the Tender Offer, and is taking care to ensure that no coercion is involved.

In addition, NEC set the Tender Offer Period to 47 business days, while the minimum period required for a tender offer under the relevant laws is 20 business days. By setting the Tender Offer Period longer than the shortest period under the relevant laws, NEC ensured opportunities for the shareholders of NESIC to make proper decisions whether to tender their shares. At the same time, NEC intended to ensure the fairness of the Tender Offer Price by ensuring opportunities for bidders other than NEC to conduct counter offers in respect of the NESIC Shares.

- (5) Number of Shares to Be Acquired
(Before Amendment)

Class of Shares	Number of Shares to Be Acquired	Minimum Number of Shares to Be Acquired	Maximum Number of Shares to Be Acquired
Common stock	72,461,155 (shares)	<u>22,756,305</u> (shares)	- (shares)
Total	72,461,155 (shares)	<u>22,756,305</u> (shares)	- (shares)

(Note 1) If the total number of the Tendered Shares is less than the minimum number of shares to

be acquired (22,756,305 shares), NEC will not acquire any of the Tendered Shares. If the total number of the Tendered Shares is not less than the minimum number of shares to be acquired (22,756,305 shares), NEC will acquire all of the Tendered Shares.

<Omitted>

(After Amendment)

Class of Shares	Number of Shares to Be Acquired	Minimum Number of Shares to Be Acquired	Maximum Number of Shares to Be Acquired
Common stock	72,461,155 (shares)	<u>10,153,605</u> (shares)	- (shares)
Total	72,461,155 (shares)	<u>10,153,605</u> (shares)	- (shares)

(Note 1) If the total number of the Tendered Shares is less than the minimum number of shares to be acquired (10,153,605 shares), NEC will not acquire any of the Tendered Shares. If the total number of the Tendered Shares is not less than the minimum number of shares to be acquired (10,153,605 shares), NEC will acquire all of the Tendered Shares.

<Omitted>

(7) Purchase Price

(Before Amendment)

235,498,753,750 yen

(Note) “Purchase Price” is the amount calculated by multiplying the number of shares to be acquired through the Tender Offer (72,461,155 shares) by the Tender Offer Price (3,250 yen).

(After Amendment)

239,121,811,500 yen

(Note) “Purchase Price” is the amount calculated by multiplying the number of shares to be acquired through the Tender Offer (72,461,155 shares) by the Tender Offer Price (3,300 yen).

(8) Method of Settlement

(ii) Commencement Date of Settlement

(Before Amendment)

January 8, 2025 (Wednesday)

(After Amendment)

January 20, 2025 (Monday)

(9) Other Conditions and Methods of Tender Offer

(i) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act

(Before Amendment)

If the total number of the Tendered Shares is less than the minimum number of shares to be acquired (22,756,305 shares), NEC will not acquire any of the Tendered Shares. If the total number of the Tendered Shares is not less than the minimum number of shares to be acquired (22,756,305 shares), NEC will acquire all of the Tendered Shares.

(After Amendment)

If the total number of the Tendered Shares is less than the minimum number of shares to be acquired (10,153,605 shares), NEC will not acquire any of the Tendered Shares. If the total number of the Tendered Shares is not less than the minimum number of shares to be acquired (10,153,605 shares), NEC will acquire all of the Tendered Shares.

4. Others

(1) Agreements Between Tender Offeror and Target or Its Officers; Terms Thereof

(i) Agreements Between Tender Offeror and Target and Terms Thereof

(Before Amendment)

According to NESIC’s Announcement, NESIC has resolved at the meeting of its board of directors held today to express its opinion supporting the Tender Offer and to recommend that the shareholders of NESIC tender their shares in the Tender Offer.

For details of the resolution at the meeting of the board of directors of NESIC, please refer to NESIC’s Announcement and “(VIII) Approval of all directors without an interest in NESIC and opinion stating there is no objection from corporate auditors without an interest in NESIC ” of “(Measures to Ensure Fairness of

Tender Offer Including Those to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest)” of “(ii) Process of Calculation” of “(4) Basis of Calculation of Tender Offer Price ” of “2. Outline of Tender Offer” above.

(After Amendment)

According to NESIC’s Announcement, NESIC has resolved at the meeting of its board of directors held on October 29, 2024 to express its opinion supporting the Tender Offer and to recommend that the shareholders of NESIC tender their shares in the Tender Offer.

In addition, according to the Amended NESIC’s Announcement, NESIC resolved at the meeting of its board of directors held on December 20, 2024, to maintain its opinion supporting the Tender Offer and the recommendation that the shareholders of NESIC tender their shares in the Tender Offer.

For details of the resolution at each of the meeting of the board of directors of NESIC held on October 29, 2024 and December 20, 2024, please refer to NESIC’s Announcement, the Amended NESIC’s Announcement and “(VIII) Approval of all directors without an interest in NESIC and opinion stating there is no objection from corporate auditors without an interest in NESIC ” of “(Measures to Ensure Fairness of Tender Offer Including Those to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest)” of “(ii) Process of Calculation” of “(4) Basis of Calculation of Tender Offer Price ” of “2. Outline of Tender Offer” above.

End of Announcement

Soliciting Regulations

This material is a statement to announce the Tender Offer to the public and were not prepared for the purpose of soliciting an offer to sell the NESIC shares. If shareholders wish to make an offer to sell their NESIC shares, they should first read the Tender Offer Explanation Statement for the Tender Offer and offer their NESIC shares for sale at their own discretion. This material shall neither be, nor constitute a part of, an offer to sell or purchase any securities, or solicitation of such sale or purchase thereof, and neither this material (or any parts thereof) nor the distribution thereof shall be interpreted to be the basis of any agreement in relation to the Tender Offer, and may not be relied on at the time of entering into any such agreement.

Regulations related to the U.S.

The Tender Offer targets the shares of the common stock of NESIC, which is a company established in Japan. The Tender Offer shall be implemented in accordance with the procedures and information disclosure standards prescribed under Japanese law, and such procedures and standards may not be the same as comparable procedures and information disclosure standards found in the United States. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934, as amended (hereinafter the same shall apply), as well as the regulations thereunder, do not apply to the Tender Offer, and the Tender Offer will not be conducted in accordance with the procedures and standards prescribed thereby. The financial information contained in this material and documents incorporated by reference herein is based on Japanese accounting standards or International Financial Reporting Standards, which may significantly differ from generally accepted accounting principles in the United States and other countries. In addition, since NEC is a corporation incorporated outside the United States and all or some of its directors and officers are not residents of the United States, it may be difficult to exercise any rights or claims that can be asserted on the basis of U.S. securities-related laws. In addition, it may not be possible to commence legal proceedings against a non-U.S. corporation as well as its directors and officers in a non-U.S. court on the basis of a violation of the U.S. securities-related laws. Furthermore, U.S. courts may not assert jurisdiction over a non-U.S. corporation and its affiliates. Unless otherwise specified, all procedures relating to the Tender Offer will be conducted in Japanese. All or a portion of the documents relating to the Tender Offer will be prepared in English, but in the case of any discrepancy between a document in English and that in Japanese, the Japanese document shall prevail. During the Tender Offer Period, NEC, the financial advisors of each of NEC and NESIC and the tender offer agent (including their affiliates), in the ordinary course of their business or otherwise to the extent permitted by Japanese regulations related to financial instruments transactions and other applicable laws and regulations, as well as in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, may acquire NESIC Shares and stock acquisition rights by means other than the Tender Offer, or conduct acts towards such acquisitions, for their own account or the account of their clients. Such acquisitions may be made at market prices through market transactions or at prices determined through off-market negotiations. If information regarding such acquisitions is disclosed in Japan, that information will also be disclosed in the English language on the websites (or other method of disclosure) of the persons that conducted such purchases.

Other Countries

The announcement, issuance, or distribution of this material may be legally restricted in some countries or territories. In such case, shareholders should be aware of and comply with such restriction. The announcement, issuance, or distribution of this material shall be interpreted not to be a solicitation of an offer to purchase or sell the NESIC shares with respect to the Tender Offer, but simply to be a distribution of information.

Forward-Looking Statements

This material and documents incorporated by reference herein contain forward-looking statements pertaining to the strategies, financial targets, technology, products and services and business performance of the NEC Group consisting of NEC and its subsidiaries and affiliated companies. Written forward-looking statements may appear in other documents that NEC files with stock exchanges or regulatory authorities, such as the Director of the Kanto Local Finance Bureau, and in reports to shareholders and other communications. Forward-looking statements necessarily depend on currently available assumptions, data, or methods that may be incorrect or imprecise and NEC may not be able to realize the results expected by them. You should not place undue reliance on forward-looking statements, which reflect NEC's analysis and expectations only. Forward-looking statements are not guarantees of future performance and involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. Among the factors that could cause actual results to differ materially from such statements include (i) adverse economic conditions, foreign currency exchange and interest rate risks, and changes in the markets in which the NEC Group operates, (ii) impact from the outbreak of infections, (iii) potential inability to achieve the goals in the NEC Group's medium-term management plan, (iv) fluctuations in the NEC Group's revenue and

profitability from period to period, (v) difficulty achieving the benefits expected from acquisitions, business combinations, reorganizations and business withdrawals, (vi) potential deterioration in the NEC Group's relationships with strategic partners or problems relating to their products or services, (vii) difficulty achieving the NEC Group's growth strategies outside Japan, (viii) potential inability to keep pace with rapid technological advancements in the NEC Group's industry and to commercialize new technologies, (ix) intense competition in the markets in which the NEC Group operates, (x) risks relating to the NEC Group's concentrated customer base, (xi) difficulties with respect to new businesses, (xii) potential failures in the products and services the NEC Group provides, (xiii) potential failure to procure components, equipment or other supplies, as well as potential increases in procurement costs, (xiv) difficulties protecting the NEC Group's intellectual property rights, (xv) potential inability to obtain certain intellectual property licenses, (xvi) the NEC Group's customers may encounter financial difficulties, (xvii) difficulty attracting, hiring and retaining skilled personnel, (xviii) difficulty obtaining additional financing to meet the NEC Group's funding needs, (xix) potential failure of internal controls, potentially costly and time-consuming legal proceedings, risks related to regulatory change and uncertainty, risks related to environmental laws and regulations, and information security and data protection concerns and restrictions, (xx) potential changes in effective tax rates or deferred tax assets, or adverse tax examinations, (xxi) risks related to corporate governance and social responsibility requirements, (xxii) risks related to natural disasters, public health issues, armed hostilities and terrorism, (xxiii), risks related to the NEC Group's pension assets and defined benefit obligations, (xxiv) risks related to impairment losses with regard to goodwill, (xxv) the possibility that the transactions contemplated in this material are not successfully completed, and (xxvi) the possibility that the expected benefits from the transactions in this material may not be realized. New risks and uncertainties come up from time to time, and it is impossible for NEC to predict these events or how they may affect the NEC Group. Furthermore, the forward-looking statements in this material were prepared based on the information held by NEC as of today and unless required by law, NEC does not undertake any obligation to update or revise any of the forward-looking statements to reflect any future events or circumstances.

The management targets of NEC included in this material and documents incorporated by reference herein are not projections, and do not represent management's current estimates of future performance. Rather, they represent targets that management will strive to achieve through the successful implementation of NEC's business strategies. NEC cautions you that the statements made in this material and documents incorporated by reference herein are not an offer of securities for sale. Securities may not be offered or sold in any jurisdiction in which any required registration has not been conducted or an exemption from registration under the applicable securities laws is not unavailable.