

This is a translation of the Notice of the 188th Ordinary General Meeting of Shareholders of NEC Corporation, and is provided for reference purposes only without any warranty as to its accuracy, completeness of the information, or otherwise. Please note that this translation does not include the translation of the information on exercising voting rights, Notes to Non-consolidated Financial Statements and some other information contained in the Japanese original. In the event of any discrepancy between the Japanese original and this translation, the original shall prevail.

NEC Corporation

Securities Code 6701

7-1, Shiba 5-chome,
Minato-ku, Tokyo

Takayuki Morita
President
(Representative Executive
Officer)

May 29, 2026

To Our Shareholders:

**NOTICE OF
THE 188TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

This is to inform you that the 188th Ordinary General Meeting of Shareholders (the “Meeting”) of NEC Corporation (the “Company”) will be held as follows:

1. **DATE:** June 19, 2026 (Friday) at 10:00 a.m. (Japan Standard Time)
(entry begins at 9:00 a.m. (Japan Standard Time))
2. **PLACE:** NEC Tamagawa Renaissance City Hall, Tamagawa Plant, NEC Corporation
at 1753 Shimonumabe, Nakahara-ku, Kawasaki, Kanagawa
3. **AGENDA OF THE MEETING:**

MATTERS TO BE REPORTED UPON:

Report on the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements of the 188th business period from April 1, 2025 to March 31, 2026 (“Business Period”), and report on the results of the audit on the Consolidated Financial Statements conducted by the Accounting Auditors and the Audit Committee.

MATTERS TO BE VOTED UPON:

Proposal No.1: Partial Amendment to the Articles of Incorporation

Proposal No.2: Election of Ten (10) Directors

- In the event that the Company finds any correction(s) that should be made in the reference documents for the Meeting, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements (including Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements), such correction(s) will be specified through the Company’s website, Tokyo Stock Exchange Website and Portal of Shareholders’ Meeting.

Notes 1: Company’s website (<https://www.nec.com/en/global/ir/events/stock/meeting.html>)

2: Tokyo Stock Exchange Website (Japanese only)

3: Portal of Shareholders’ Meeting (Japanese only)

REFERENCE DOCUMENTS FOR THE MEETING

Proposed Matters for Voting and Reference Matters thereof:

Proposal No1: Partial Amendment to the Articles of Incorporation

The Articles of Incorporation of the Company are proposed to be amended, in part, as follows:

1. Reasons for the amendment

With the enforcement of the “Act for Partially Amending the Act on Strengthening Industrial Competitiveness and Other Related Acts” (Act No. 70 of 2021), listed companies are allowed to hold a general meeting of shareholders without a designated location (a “virtual-only general meeting of shareholders”) by stipulating so in their articles of incorporation.

In light of the occurrence of large-scale disasters, including infectious diseases and natural disasters, as well as the progress of digitization of society, the Company believes that expanding the options for holding general meetings of shareholders and creating an environment in which more shareholders can easily attend general meetings of shareholders will benefit its shareholders. Therefore, the Company proposes to add Article 12, Paragraph 3, to the current Articles of Incorporation to allow general meetings of shareholders to be held without a designated location.

The Board of Directors will carefully consider the social conditions and the circumstances surrounding the Company and its shareholders, as well as securing the rights and interests of shareholders when deciding on the format of each general meeting of shareholders.

The Company has received confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice that the requirements specified by the Ordinance of the Ministry of Economy, Trade and Industry and the Ordinance of the Ministry of Justice regarding the amendment are met.

2. Contents of the amendment

The contents of the amendment are as follows.

(Underline reflects the amendment)

Current Articles of Incorporation	Proposed amendment
<p>Article 12. (Convocation)</p> <p>1. An ordinary general meeting of shareholders shall be convened in June of each year, and an extraordinary general meeting of shareholders shall be convened whenever necessary.</p> <p>2. A general meeting of shareholders shall be convened by a Director who is appointed by the Board of Directors pursuant to a resolution of the Board of Directors unless otherwise provided by the relevant laws and regulations, and, in cases where he/she is unable to act, the meeting shall be convened by another Director in accordance with an order previously determined by the Board of Directors.</p> <p>(Newly established)</p>	<p>Article 12. (Convocation)</p> <p>1. (Unchanged)</p> <p>2. (Unchanged)</p> <p>3. <u>A general meeting of shareholders of the Company may be held without a designated location.</u></p>

Proposal No.2 : Election of Ten (10) Directors

Upon the close of the Meeting, the terms of office as Director of all ten (10) Directors will expire. (Director Shiori Nagata resigned as a Director effective March 31, 2026.) Pursuant to the decision of the Nominating Committee, it is proposed that ten (10) Directors be elected, out of which seven (7) are Outside Directors and three (3) are inside Directors, whereby the Company aims to further strengthen the functions of the Board of Directors, establish a compact structure that will promote the “Mid-term Management Plan 2030” formulated in May 2026, and enhance insight into global environmental changes in the technology industry and promote diversity. The candidates for Director are listed below and further described from page 5 onward.

No.	Name	Position and Responsibility at the Company	Attendance at Meeting of the Board of Directors
1	Harufumi Mochizuki *Candidate for Outside Director	Member of the Board Chairperson of the Nominating Committee Audit Committee Member	8 out of 8 meetings
2	Yoshihito Yamada *Candidate for Outside Director	Member of the Board Nominating Committee Member	8 out of 8 meetings
3	Shinjiro Sato *Candidate for Outside Director	Member of the Board Compensation Committee Member Audit Committee Member	8 out of 8 meetings
4	Mika Nishimura *Candidate for Outside Director	Member of the Board Compensation Committee Member	6 out of 6 meetings
5	Tomomi Yatsu *Candidate for Outside Director	Member of the Board Audit Committee Member	6 out of 6 meetings
6	Elly Keinan *New Candidate *Candidate for Outside Director		
7	Joseph A. Kraft Jr. *New Candidate *Candidate for Outside Director		
8	Takashi Niino	Chairman of the Board Nominating Committee Member	8 out of 8 meetings
9	Takayuki Morita	President (Representative Executive Officer) and CEO (Chief Executive Officer) Member of the Board Compensation Committee Member	8 out of 8 meetings
10	Kunikazu Amemiya *New Candidate	Corporate Senior Executive Vice President and CFO (Chief Financial Officer) (Representative Executive Officer) In charge of Corporate	

Note 1. The attendance at meetings of the Board of Directors described above is based on the number of meetings held and attended by each candidate as Director during the term of his/her office in the previous fiscal year.

No.	Name	The attributes of the candidates for Directors			Particular area that the Company expects candidates for Directors to have expertise in								Planned appointments as members of committees		
		Independent director	Non-executive	Gender/ Nationality	Corporate management	Global business	Technology/ Innovation	Sustainability/ ESG	Marketing	Financial accounting/ Investment	Audit/ Legal/ Risk management	Corporate governance	Nominating Committee	Compensation Committee	Audit Committee
1	Harufumi Mochizuki	●	●		●	●					●	●	● (Chairperson)		●
2	Yoshihito Yamada	●	●		●	●	●		●			●	●	●	
3	Shinjiro Sato	●	●		●	●	●			●		●	●		● (Chairperson)
4	Mika Nishimura	●	●	● (Female, Nationality)		●	●	●	●			●		● (Chairperson)	
5	Tomomi Yatsu	●	●	● (Female)						●	●	●			●
6	Elly Keinan	●	●	● (Nationality)	●	●	●		●			●		●	
7	Joseph A. Kraft Jr.	●	●	● (Nationality)		●		●		●	●	●			●
8	Takashi Niino		●		●			●				●	●		
9	Takayuki Morita				●	●			●	●		●		●	
10	Kunikazu Amemiya						●		●	●					

Notes: 1. The particular areas marked with ● shown above indicate that the area in which the Company expects candidates for Directors to have extensive experience and deep insight, based on the Company's criteria for each career skill (please refer to "Policy and Process for Selecting Candidates for Director" described below). This Career Skill Matrix does not cover all the experience and insight possessed by the candidates for Director.

2. Appointments as members of the above committees are to be decided at the meeting of the Board of Directors to be held after the close of the Meeting.

Name (Date of Birth)	Brief Employment History		Number of the Company's Shares: (a) Held (b) to be Granted
1. Harufumi Mochizuki (July 26, 1949) *Candidate for Outside Director *Male	April 1973 July 2002 July 2003 July 2006 July 2008 July 2010 August 2010 October 2010 June 2012 June 2013 June 2014 June 2017 June 2018 June 2023 June 2023 June 2023 June 2023	Joined Ministry, International Trade and Industry of Japan Director-General for Commerce and Distribution Policy, Minister’s Secretariat, Ministry of Economy, Trade and Industry of Japan (“METI”) Commissioner, Small and Medium Enterprise Agency, METI Commissioner, Agency for Natural Resources and Energy, METI Vice-Minister of Economy, Trade and Industry of Japan Retired from METI Special Advisor to the Cabinet of Japan (until September 2011) Senior Advisor to the Board, Nippon Life Insurance Company (until April 2013) Outside Director, Hitachi, Ltd. President and CEO, Representative Director, Tokyo Small and Medium Business Investment & Consultation Co., Ltd. Outside Auditor, ITOCHU Corporation Outside Director, ITOCHU Corporation (until June 2021) Independent Director, Chairman of the Board, Hitachi, Ltd. (until June 2022) Senior Adviser, Tokyo Small and Medium Business Investment & Consultation Co., Ltd. (to present) President, Center for Information on Security Trade Control (to present) Outside Director, HAZAMA ANDO CORPORATION (to present) Member of the Board of the Company (to present)	(a) 12,300 (b) 1,400
	Important Concurrent Position(s): Senior Adviser, Tokyo Small and Medium Business Investment & Consultation Co., Ltd. Outside Director, HAZAMA ANDO CORPORATION		
	Reasons for Nomination of a Candidate and Outline of Expected Roles: The Company has nominated him as a candidate for Outside Director considering that he has superior character, insight and high ethical standards. In addition, he would empathize with the NEC Way and act with strong will to realize it, and he has extensive experience and deep insight, having served as a government official, management of a company and chairman of the board of directors at a listed company. The Company expects him to supervise the business execution and provide advice on management based on his extensive experience and		

Name (Date of Birth)	Brief Employment History		Number of the Company's Shares: (a) Held (b) to be Granted
	<p>deep insight especially relating to such areas as corporate management, global business, audit/legal/risk management and corporate governance.</p> <p>Notice relating to Independence of Candidate for Outside Director:</p> <ul style="list-style-type: none"> • The Company has reported him as an independent Director to the Tokyo Stock Exchange, on which the Company lists its shares. • The Company has no transactions in the past 3 fiscal years with Tokyo Small and Medium Business Investment & Consultation Co., Ltd., where Mr. Harufumi Mochizuki served as the President and CEO and Representative Director. <p>Attendance at Meeting of the Board of Directors: 8 out of 8 meetings Attendance rate: 100%</p> <p>Attendance at Meeting of the Nominating Committee: 6 out of 6 meetings Attendance rate: 100%</p> <p>Attendance at Meeting of the Audit Committee: 13 out of 13 meetings Attendance rate: 100%</p> <p>Year served as a Director 3 years</p>		
<p>2. Yoshihito Yamada (November 30, 1961)</p> <p>*Candidate for Outside Director *Male</p>	<p>April 1984</p> <p>June 2008</p> <p>March 2010</p> <p>June 2010</p> <p>June 2011</p> <p>June 2013</p> <p>April 2023</p> <p>June 2023</p> <p>June 2023</p>	<p>Joined OMRON Tateisi Electronics Co. (currently, OMRON Corporation)</p> <p>Executive Officer, OMRON Corporation and President and CEO, OMRON HEALTHCARE Co., Ltd.</p> <p>Senior General Manager of Corporate Strategic Planning H.Q., OMRON Corporation</p> <p>Managing Executive Officer, OMRON Corporation</p> <p>Representative Director, President, OMRON Corporation</p> <p>Representative Director, President and CEO, OMRON Corporation</p> <p>Representative Director, OMRON Corporation</p> <p>Chairman, Chair of the Board of Directors, OMRON Corporation (to present)</p> <p>Member of the Board of the Company (to present)</p>	<p>(a) 2,300</p> <p>(b) 1,400</p>
	<p>Important Concurrent Position(s): Chairman, Chair of the Board of Director, OMRON Corporation Outside Director, J. FRONT RETAILING Co.,Ltd.</p>		

Name (Date of Birth)	Brief Employment History	Number of the Company's Shares: (a) Held (b) to be Granted																				
	<p>Reasons for Nomination of a Candidate and Outline of Expected Roles: The Company has nominated him as a candidate for Outside Director considering that he has superior character, insight and high ethical standards. In addition, he would empathize with the NEC Way and act with strong will to realize it, and he has extensive experience and deep insight, having served as a management of a manufacturing company. The Company expects him to supervise the business execution and provide advice on management based on his extensive experience and deep insight especially relating to such areas as corporate management, global business, technology/innovation, marketing and corporate governance.</p> <p>Notice relating to Independence of Candidate for Outside Director:</p> <ul style="list-style-type: none"> • The Company has reported him as an independent Director to the Tokyo Stock Exchange, on which the Company lists its shares. • The Company has transactions in the past 3 fiscal years with OMRON Corporation, where Mr. Yoshihito Yamada served as the Representative Director, the total amount of which is less than 1% of the net sales of each party. <p>Attendance at Meeting of the Board of Directors: 8 out of 8 meetings Attendance rate: 100%</p> <p>Attendance at Meeting of the Nominating Committee: 6 out of 6 meetings Attendance rate: 100%</p> <p>Attendance at Meeting of the Compensation Committee: 1 out of 1 meetings Attendance rate: 100%</p> <p>Year served as a Director 3 years</p>																					
<p>3. Shinjiro Sato (July 19, 1960)</p> <p>*Candidate for Outside Director *Male</p>	<table border="0"> <tr> <td style="vertical-align: top;">April 1984</td> <td>Joined Toa Nenryo Kogyo K.K. (currently ENEOS Corporation)</td> </tr> <tr> <td style="vertical-align: top;">February 1999</td> <td>Joined Asahi Arthur Andersen Ltd. (currently PwC Japan Group)</td> </tr> <tr> <td style="vertical-align: top;">June 2004</td> <td>Joined Terumo Corporation</td> </tr> <tr> <td style="vertical-align: top;">June 2010</td> <td>Executive Officer, General Manager of Corporate Planning Dept., Terumo Corporation</td> </tr> <tr> <td style="vertical-align: top;">October 2011</td> <td>Executive Officer, Group President of Cardiac and Vascular Business Group, Terumo Corporation</td> </tr> <tr> <td style="vertical-align: top;">June 2012</td> <td>Senior Executive Officer, Terumo Corporation</td> </tr> <tr> <td style="vertical-align: top;">June 2014</td> <td>Director and Senior Executive Officer, Terumo Corporation</td> </tr> <tr> <td style="vertical-align: top;">April 2015</td> <td>Director and Managing Executive Officer, Terumo Corporation</td> </tr> <tr> <td style="vertical-align: top;">April 2017</td> <td>President and CEO, Terumo Corporation</td> </tr> <tr> <td style="vertical-align: top;">April 2024</td> <td>Director and Corporate Advisor, Terumo Corporation</td> </tr> </table>	April 1984	Joined Toa Nenryo Kogyo K.K. (currently ENEOS Corporation)	February 1999	Joined Asahi Arthur Andersen Ltd. (currently PwC Japan Group)	June 2004	Joined Terumo Corporation	June 2010	Executive Officer, General Manager of Corporate Planning Dept., Terumo Corporation	October 2011	Executive Officer, Group President of Cardiac and Vascular Business Group, Terumo Corporation	June 2012	Senior Executive Officer, Terumo Corporation	June 2014	Director and Senior Executive Officer, Terumo Corporation	April 2015	Director and Managing Executive Officer, Terumo Corporation	April 2017	President and CEO, Terumo Corporation	April 2024	Director and Corporate Advisor, Terumo Corporation	<p>(a) 7,300 (b) 1,400</p>
April 1984	Joined Toa Nenryo Kogyo K.K. (currently ENEOS Corporation)																					
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Name (Date of Birth)	Brief Employment History		Number of the Company's Shares: (a) Held (b) to be Granted
	June 2024 June 2024 October 2024	Corporate Advisor, Terumo Corporation (until June 2025) Member of the Board of the Company (to present) Chairman, The University of Nagano (to present)	
	Important Concurrent Position(s): Chairman, The University of Nagano		
	Reasons for Nomination of a Candidate and Outline of Expected Roles: The Company has nominated him as a candidate for Outside Director considering that he has superior character, insight and high ethical standards. In addition, he would empathize with the NEC Way and act with strong will to realize it, and he has extensive experience and deep insight as a strategy consultant and management of a manufacturing company. The Company expects him to supervise the business execution and provide advice on management based on his extensive experience and deep insight especially relating to such areas as corporate management, global business, technology/innovation, financial accounting/investment and corporate governance.		
	Notice relating to Independence of Candidate for Outside Director: <ul style="list-style-type: none"> • The Company has reported him as an independent Director to the Tokyo Stock Exchange, on which the Company lists its shares. • The Company has transactions in the past 3 fiscal years with Terumo Corporation, where Mr. Shinjiro Sato served as the President and CEO, the total amount of which is less than 1% of the net sales of each party. Furthermore, the Company has no transactions in the past 3 fiscal years with the University of Nagano, where Mr. Shinjiro Sato serves as the Chairman. 		
	Attendance at Meeting of the Board of Directors: 8 out of 8 meetings Attendance rate: 100%		
	Attendance at Meeting of the Compensation Committee: 7 out of 7 meetings Attendance rate: 100%		
	Attendance at Meeting of the Audit Committee: 13 out of 13 meetings Attendance rate: 100%		
	Year served as a Director 2 years		
4. Mika Nishimura (August 14, 1963) *Candidate for Outside Director *Female, Nationality	June 1985 August 1989 January 1992 September 1999 October 2002 January 2007	Joined BAIN & COMPANY Joined LEK PARTNERSHIP Director, Global Marketing, Guidant Corporation (until May 1999) Managing Partner, THE BLG GROUP (until September 2002) Vice President International Sales, Operations and Marketing, ev3 Inc. (until December 2006) Managing Partner, THE BLG GROUP (until April	(a) 2,300 (b) 1,400

Name (Date of Birth)	Brief Employment History		Number of the Company's Shares: (a) Held (b) to be Granted
	<p>January 2011</p> <p>April 2011</p> <p>November 2015</p> <p>June 2022</p> <p>June 2025</p>	<p>2011) Operational Partner, Gilde Healthcare Partners (to present)</p> <p>Vice President, Commercial Development, Auxogyn, Inc. (currently, Progyny, Inc.) (until July 2015)</p> <p>Vice President, Commercialization, nVision Medical Corporation (currently, Boston Scientific Corporation) (until April 2020)</p> <p>Outside Director, HOYA CORPORATION (to present)</p> <p>Member of the Board of the Company (to present)</p>	
	<p>Important Concurrent Position(s): Operational Partner, Gilde Healthcare Partners Independent Director, SI-BONE, Inc. Independent Director, Accuray Incorporated Outside Director, HOYA CORPORATION</p>		
	<p>Reasons for Nomination of a Candidate and Outline of Expected Roles: The Company has nominated her as a candidate for Outside Director considering that she has superior character, insight and high ethical standards. In addition, she would empathize with the NEC Way and act with strong will to realize it, and she has extensive experience and deep insight as a management of global healthcare businesses. The Company expects her to supervise the business execution and provide advice on management based on her extensive experience and deep insight especially relating to such areas as global business, technology/innovation, sustainability/ESG, marketing and corporate governance.</p>		
	<p>Notice relating to Independence of Candidate for Outside Director: • The Company has reported her as an independent Director to the Tokyo Stock Exchange, on which the Company lists its shares.</p>		
	<p>Attendance at Meeting of the Board of Directors: 6 out of 6 meetings Attendance rate: 100%</p>		
	<p>Attendance at Meeting of the Compensation Committee: 6 out of 6 meetings Attendance rate: 100%</p>		
	<p>Year served as a Director 1 year</p>		
<p>5. Tomomi Yatsu (May 30, 1960)</p> <p>*Candidate for Outside Director</p> <p>*Female</p>	<p>April 1983</p> <p>October 1986</p> <p>September 1990</p> <p>October 2001</p> <p>October 2001</p>	<p>Joined Tokyo Electron Ltd.</p> <p>Joined Tohmatsu Awoki & Sanwa (currently, Deloitte Touche Tohmatsu LLC)</p> <p>Registered as a Certified Public Accountant</p> <p>Registered with Tokyo Bar Association</p> <p>Joined New Tokyo International Law Office (later</p>	<p>(a) 2,300</p> <p>(b) 1,400</p>

Name (Date of Birth)	Brief Employment History		Number of the Company's Shares: (a) Held (b) to be Granted
	<p>June 2009</p> <p>June 2010</p> <p>March 2012</p> <p>March 2015</p> <p>April 2015</p> <p>June 2016</p> <p>June 2017</p> <p>March 2019</p> <p>March 2021</p> <p>April 2022</p> <p>June 2025</p>	<p>merged with Bingham Sakai Mimura Aizawa- Foreign Law Joint Enterprise)</p> <p>Outside Auditor, Calbee, Inc. (until June 2016)</p> <p>Outside Auditor, Taiko Pharmaceutical Co., Ltd. (until June 2012)</p> <p>Outside Auditor, KOKUYO Co., Ltd. (until March 2016)</p> <p>Outside Auditor, Yamaha Motor Co., Ltd. (until March 2019)</p> <p>Partner, TMI Associates (until March 2022)</p> <p>Outside Director, SMBC Nikko Securities Inc. (until June 2025)</p> <p>Outside Auditor, IHI Corporation (until June 2021)</p> <p>Outside Auditor, Kuraray Co., Ltd. (to present)</p> <p>Outside Auditor, Kyowa Kirin Co., Ltd. (until March 2025)</p> <p>Representative, Yatsu Law & Accounting Office (to present)</p> <p>Member of the Board of the Company (to present)</p>	
	<p>Important Concurrent Position(s):</p> <p>Certified Public Accountant</p> <p>Attorney at Law</p> <p>Outside Auditor, Kuraray Co., Ltd.</p>		
	<p>Reasons for Nomination of a Candidate and Outline of Expected Roles:</p> <p>The Company has nominated her as a candidate for Outside Director considering that she has superior character, insight and high ethical standards. In addition, she would empathize with the NEC Way and act with strong will to realize it, and she has extensive experience and deep insight as a director and auditor at numerous companies and as a certified public accountant and attorney at law. Although she has not been involved in the management of companies other than as an outside director or auditor in the past, the Company has judged that she will be able to appropriately perform her duties as an Outside Director for the above reasons. The Company expects her to supervise the business execution and provide advice on management based on her extensive experience and deep insight especially relating to such areas as financial accounting/investment, audit/legal/risk management and corporate governance.</p>		
	<p>Notice relating to Independence of Candidate for Outside Director:</p> <ul style="list-style-type: none"> • The Company has reported her as an independent Director to the Tokyo Stock Exchange, on which the Company lists its shares. • The Company has no transactions in the past 3 fiscal years with Yatsu Law & Accounting Office, where Ms. Tomomi Yatsu serves as the Representative. 		

Name (Date of Birth)	Brief Employment History		Number of the Company's Shares: (a) Held (b) to be Granted
	Attendance at Meeting of the Board of Directors: 6 out of 6 meetings Attendance rate: 100%		
	Attendance at Meeting of the Audit Committee: 8 out of 8 meetings Attendance rate: 100%		
	Year served as a Director 1 year		
6. Elly Keinan (September 23, 1964) *New Candidate *Candidate for Outside Director * Male, Nationality	July 1986 January 2009 April 2011 July 2013 January 2014 February 2016 April 2017 May 2019 April 2020 November 2021	Joined International Business Machines Corporation (IBM) General Manager, Growth Markets Systems, IBM General Manager, Latin America, IBM General Manager, Growth Markets Sales, IBM General Manager, North America, IBM General Manager, Global Markets Transformation, IBM President, IBM Japan, Ltd. Chairman, IBM Japan, Ltd. (until March 2020) and General Manager, North America, IBM Advisor, IBM (until June 2020) Group President, Kyndryl Holdings, Inc., (to present)	(a) 0 (b) 1,400
	Important Concurrent Position(s): Group President, Kyndryl Holdings, Inc.		
	Reasons for Nomination of a Candidate and Outline of Expected Roles: The Company has nominated him as a candidate for Outside Director considering that he has superior character, insight and high ethical standards. In addition, he would empathize with the NEC Way and act with strong will to realize it, and he has extensive experience and deep insight as a management of global IT service businesses. The Company expects him to supervise the business execution and provide advice on management based on his extensive experience and deep insight especially relating to such areas as corporate management, global business, technology/innovation, marketing and corporate governance.		
	Notice relating to Independence of Candidate for Outside Director: • The Company has reported him as an independent Director to the Tokyo Stock Exchange, on which the Company lists its shares. • The Company has no transactions in the past 3 fiscal years with Kyndryl Holdings, Inc., where Mr. Elly Keinan serves as the Group President.		
7. Joseph A. Kraft Jr. (May 12, 1964) *New Candidate	July 1986 January 2000 April 2007	Joined Morgan Stanley Inc. Managing Director, Morgan Stanley Inc. (until March 2007) Managing Director, Capital Markets Division,	(a) 0 (b) 1,400

Name (Date of Birth)	Brief Employment History		Number of the Company's Shares: (a) Held (b) to be Granted
<p>*Candidate for Outside Director * Male, Nationality</p>	<p>March 2010</p> <p>July 2015</p> <p>November 2024</p>	<p>Dresdner Kleinwort Japan (until December 2009) Deputy Branch Manager and Managing Director, Bank of America Merrill Lynch Japan (until July 2015) CEO, Rorschach Advisory Inc. (to present) Vice President, Tokyo International University (to present)</p> <p>Important Concurrent Position(s): CEO, Rorschach Advisory Inc. Outside Director, Sony Group Corporation Outside Director, Tokyo Electron Ltd.</p> <p>Reasons for Nomination of a Candidate and Outline of Expected Roles: The Company has nominated him as a candidate for Outside Director considering that he has superior character, insight and high ethical standards. In addition, he would empathize with the NEC Way and act with strong will to realize it, and he has extensive experience and deep insight as a management of a consulting company in the financial field and as a director at a listed company. The Company expects him to supervise the business execution and provide advice on management based on his extensive experience and deep insight especially relating to such areas as global business, sustainability/ESG, financial accounting/investment, audit/legal/risk management and corporate governance.</p> <p>Notice relating to Independence of Candidate for Outside Director:</p> <ul style="list-style-type: none"> • The Company has reported him as an independent Director to the Tokyo Stock Exchange, on which the Company lists its shares. • The Company has no transactions in the past 3 fiscal years with Rorschach Advisory Inc., where Mr. Joseph A. Kraft Jr. serves as the CEO. 	
<p>8. Takashi Niino (September 8, 1954)</p> <p>*Male</p>	<p>April 1977</p> <p>April 2004</p> <p>April 2005</p> <p>April 2006</p> <p>April 2008</p> <p>August 2008</p> <p>April 2010</p> <p>June 2011</p> <p>July 2011</p> <p>April 2012</p> <p>April 2016</p>	<p>Joined the Company</p> <p>Executive General Manager, 2nd Solutions Sales Operations Unit</p> <p>Senior General Manager, 3rd Solutions Operations Unit</p> <p>Executive General Manager, Financial Solutions Operations Unit</p> <p>Senior Vice President and Executive General Manager, Financial Solutions Operations Unit</p> <p>Senior Vice President</p> <p>Executive Vice President</p> <p>Executive Vice President and Member of the Board</p> <p>Executive Vice President, CSO (Chief Strategy Officer) and Member of the Board</p> <p>Senior Executive Vice President, CSO, CIO (Chief Information Officer) and Member of the Board (Representative Director)</p> <p>President (Representative Director) and CEO</p>	<p>(a) 114,300 (b) 67,320</p>

Name (Date of Birth)	Brief Employment History		Number of the Company's Shares: (a) Held (b) to be Granted
	<p>April 2021</p> <p>June 2022</p>	<p>(Chief Executive Officer) Vice Chairman of the Board (Representative Director)</p> <p>Chairman of the Board (to present)</p>	
	<p>Reasons for Nomination of a Candidate: He has extensive experience and sufficient performance records, having been engaged in the management of financial solutions business and NEC Group's management strategies as Senior Executive Vice President, CSO, CIO and Member of the Board (Representative Director), and afterwards, having been engaged in the management of the Company as President (Representative Director) since 2016 and as Vice Chairman of the Board (Representative Director) since April 2021, as well as in his position of Chairman of the Board since June 2022. The Company has nominated him as a candidate for Director in the determination that he is appropriate to supervise overall management and to contribute to the Company's sustainable growth and improvement of the Company's corporate value, and to strengthen the NEC Group's corporate governance.</p>		
	<p>Attendance at Meeting of the Board of Directors: 8 out of 8 meetings Attendance rate: 100%</p>		
	<p>Attendance at Meeting of the Nominating Committee: 6 out of 6 meetings Attendance rate: 100%</p>		
	<p>Year served as a Director 15 years</p>		
<p>9. Takayuki Morita (February 5, 1960)</p> <p>*Male</p>	<p>April 1983</p> <p>April 2002</p> <p>April 2006</p> <p>April 2008</p> <p>July 2011</p> <p>April 2016</p> <p>June 2016</p> <p>April 2018</p> <p>June 2018</p> <p>April 2021</p> <p>April 2023</p>	<p>Joined the Company</p> <p>General Manager, Business Development Division</p> <p>Senior Vice President and Executive General Manager, Corporate Business Development Unit</p> <p>Senior Vice President</p> <p>Executive Vice President</p> <p>Executive Vice President and CGO (Chief Global Officer)</p> <p>Executive Vice President, CGO and Member of the Board</p> <p>Senior Executive Vice President and Member of the Board (Representative Director)</p> <p>Senior Executive Vice President, CFO (Chief Financial Officer) and Member of the Board (Representative Director)</p> <p>President (Representative Director) and CEO (Chief Executive Officer)</p> <p>Chairman of the Board, ABeam Consulting Ltd. (to present)</p>	<p>(a) 67,900</p> <p>(b) 84,100</p>

Name (Date of Birth)	Brief Employment History		Number of the Company's Shares: (a) Held (b) to be Granted
	June 2023	President (Representative Executive Officer), CEO and Member of the Board (to present)	
	<p>Reasons for Nomination of a Candidate: He has extensive experience and sufficient performance records, having had been engaged in the management of NEC Group's global business, NEC Group's accounting and financial strategies, NEC Group's management strategies and M&A as Senior Executive Vice President, CFO and Member of the Board (Representative Director) and afterwards, having been engaged in the management of the Company as President (Representative Director) and CEO since April 2021 and currently as President (Representative Executive Officer), CEO and Member of the Board. The Company has nominated him as a candidate for Director in the determination that he is appropriate to supervise overall management and to contribute to the Company's sustainable growth and improvement of the Company's corporate value, and to lead the Company's transformation into social value innovator.</p>		
	<p>Attendance at Meeting of the Board of Directors: 8 out of 8 meetings Attendance rate: 100%</p>		
	<p>Attendance at Meeting of the Compensation Committee: 7 out of 7 meetings Attendance rate: 100%</p>		
	<p>Year served as a Director 10 years</p>		
<p>10. Kunikazu Amemiya (February 12, 1968)</p> <p>*New Candidate *Male</p>	<p>April 1991 April 2012 April 2013 April 2017 April 2018 April 2019 April 2021 April 2023 June 2023 April 2026</p>	<p>Joined the Company General Manager, 3rd Financial Solutions Division and General Manager, 3rd Financial Sales Division General Manager, 3rd Financial Solutions Division Vice President, Social and Public Business Unit Vice President, Social and Public Business Unit and Vice President, Business Innovation Unit Senior Vice President Executive Vice President Corporate Executive Vice President Corporate Executive Vice President (Executive Officer) Corporate Senior Executive Vice President and CFO (Representative Executive Officer) (to present)</p>	<p>(a) 23,000 (b) 19,400</p>
	<p>Reasons for Nomination of a Candidate: He has extensive experience and sufficient performance records, having been engaged in the financial solutions business, local governments and public business and healthcare business strategies and afterwards, having been in charge of the government agencies, local governments and public business and financial solutions business, etc. as Executive Vice President (President of Social and Public Business Unit) since April</p>		

Name (Date of Birth)	Brief Employment History	Number of the Company's Shares: (a) Held (b) to be Granted
	2021. Since April 2026, he has been in charge of the NEC Group's accounting and financial strategies, management strategies and M&As as Corporate Senior Executive Vice President and CFO (Representative Executive Officer). The Company has nominated him as a candidate for Director in the determination that he is appropriate to supervise overall management and to implement strategies to improve the Company's growth and performance.	

- Notes: 1. The 'Number of shares of the Company's shares to be granted' to candidates for Outside Directors indicates the number of shares of the Company's common stock to be granted in fiscal year 2026 under the restricted stock compensation plan not linked to performance. For candidates for Directors other than those for Outside Directors, the 'Number of shares of the Company's shares to be granted' indicates the standard number of shares of the Company's common stock to be granted in fiscal year 2026. However, the actual number of shares granted may increase or decrease depending on evaluation of the TSR etc. during the evaluation period.
2. The Company has entered into agreements stipulated in Article 427 (1) of the Companies Act (the "Liabilities Limitation Agreements") with 6 Outside Directors, namely Messrs. Harufumi Mochizuki, Yoshihito Yamada and Shinjiro Sato and Mss. Mika Nishimura and Tomomi Yatsu, and also with Mr. Takashi Niino, who is not an executive Director. The Company intends to extend the Liabilities Limitation Agreement with each when they are re-elected. In addition, the Company intends to conclude the similar agreements with both candidates of Outside Director, namely Messrs. Elly Keinan and Joseph A. Kraft Jr., when their election is approved. The Liabilities Limitation Agreement is to limit their liabilities as stipulated in Article 423 (1) of the Companies Act to the higher amount of 20 million yen or the amount provided in laws and regulations on the condition that they perform their duties as Directors in good faith and without gross negligence.
3. The Company has entered into indemnity agreements stipulated in Article 430-2 (1) of the Companies Act with 8 Directors, namely Messrs. Harufumi Mochizuki, Yoshihito Yamada, Shinjiro Sato, Takashi Niino and Takayuki Morita and Mss. Mika Nishimura and Tomomi Yatsu, and also with Executive Officer Kunikazu Amemiya. Under the indemnity agreement, the Company shall indemnify Directors and executive officers from the expenses set forth in Item 1 of such Paragraph and the losses set forth in Item 2 of Article 430-2 (1) of the Companies Act to the extent stipulated by laws and regulations. Furthermore, the Company intends to extend the agreement with each when the election of Kunikazu Amemiya and reelection of others are approved. In addition, the Company intends to conclude the indemnity agreements with both Messrs. Elly Keinan and Joseph A. Kraft Jr. when they are elected. The outline of the indemnity agreements is that in order to ensure that the appropriateness of the execution of duties by each Director is not impaired, the indemnification by the Company is not applied to certain cases where such indemnification is inappropriate, and the Company may demand return from a Director of all or part of the amount of the indemnification if, after payment, it is found that the indemnification was inappropriate.
4. The Company has entered into a D&O (directors, corporate auditors and officers) liability insurance contract stipulated in Article 430-3 (1) of the Companies Act with an insurance company, under which 8 candidates for Director, Messrs. Harufumi Mochizuki, Yoshihito Yamada, Shinjiro Sato, Takashi Niino, Takayuki Morita and Kunikazu Amemiya and Mss. Mika Nishimura and Tomomi Yatsu are the insured. If the election of Kunikazu Amemiya and the reelection of others are approved, each person will continue to be insured under the insurance contract. In addition, when the election of Messrs. Elly Keinan and Joseph A. Kraft Jr. as Directors of the Company is approved, they will also become the insured of the insurance contract. The outline of the insurance contract is as described in "2. (6) 'Outline of D&O Liability Insurance Contract'" in the Business Report. The Company plans to renew the insurance contract with

substantially the same content in October 2026.

5. SMBC Nikko Securities Inc., where Ms. Tomomi Yatsu served as an Outside Director, received an administrative disposition from the Financial Services Agent (FSA) under the Financial Instruments and Exchange Act in October 2022 and a conviction from the Tokyo District Court in February 2023 due to the violation of Article 159 (3) (Illegal Stabilizing Transactions) of the Act by its former officers and employees. In October 2022, SMBC Nikko Securities Inc. also received an administrative disposition from the FSA under the Financial Instruments and Exchange Act for exchanging non-public information with the officers and employees of Sumitomo Mitsui Banking Corporation. While she was not aware of each of these violations in advance, she regularly reminded the company of the importance of compliance. Moreover, following the discovery of each of these violations, she has taken necessary actions as an Outside Director of SMBC Nikko Securities Inc., including offering her opinions on the investigation of the causes and the formulation of effective recurrence prevention measures at the Board of Directors' meetings, confirming the status of their implementation, and making recommendations to further strengthen compliance with laws and regulations, and internal control systems.
6. The attendance at meeting of the Board of Directors and each committee meeting described above is based on the number of meetings held and attended by each candidate as Director during the term of his/her office in the previous fiscal year.

(Reference: "Independence Criteria for Outside Directors"):

The Company declares that an Outside Director who is not fallen under any of the following description is independent of the Company.

1. Presently or at any time within the past three years, any of his or her relative within the second degree of relationship was an important executing person at the Company or the Company's Group subsidiary.
2. Presently or at any time within the past three years, the person is or was a person executing the operations ("executing person") of a major business partner*1, or any of his or her relative within the second degree of relationship is or was an executing person at a major business partner (if such a person holds or held a position equal to an important executing person at the Company).
3. In any one of the past three fiscal years, the person or any of his or her relative within the second degree of relationship has received financial compensation of 10 million yen or more (excluding remuneration for Directors or Auditor) from the Company.
4. Presently or at any time within the past three years, the person or any of his or her relative within the second degree of relationship has belonged to the Accounting Auditors of the Company.
5. Presently or at any time within the past three years, the person or any of his or her relative within the second degree of relationship has been an executing person of an organization that has received a significant amount of donation from the Company.*2

*1 Major business partner:

1. A business partner with the total amount of transactions with the Company (consideration for offering products/services and procurements) exceeding 2% of sales of the Company or such business partner; or,
2. A business partner to whom the Company owes the average annual amount exceeding 2% of total assets of the Company.

*2 Organization that has received a significant amount of donation from the Company:

An organization that has received from the Company a significant amount of donation exceeding the greater of 10 million yen, or 2% of the gross income of such organization, in any one of the past three fiscal years.

(Reference: "Policy and Process for Selecting Candidates for Director"):

1. Policy for Selecting Candidates for Director

The Board of Directors is responsible for overseeing the execution of duties by executive officers as well as guiding the direction of management through deliberation of important matters related to the Company's basic management policy. In order to optimize and strengthen its functions, the number of inside Directors shall be kept to a minimum having primarily CEO as the representative of the execution side. Furthermore, the Board of Directors shall consider diversity factors such as career background, specialist field, internationality and gender, and from the viewpoint of ensuring independence, the majority of Directors shall consist of independent Outside Directors.

In particular, in order to promote the “Mid-term Management Plan 2030”, which was formulated in May 2026, the Company shall establish a structure that aims to enhance corporate value in order to strengthen its ability to respond to changes in the global environment of the technology industry as a result of accelerated global expansion.

The points the Company considers when selecting candidates for Director are as follows:

- The candidates for directors share an awareness of the direction that the Company's management is aiming for and are necessary for discussions of management policies and strategies over the medium to long term.
- The candidates for directors have the attributes of the candidates for directors expected by the Company and particular areas of extensive experience and deep insight that the Company expects the candidates for Director to have ("Career background and skills particularly expected of Directors").
- The candidates for directors empathize with the NEC Way and act with strong will to realize the Philosophy.
- The candidates for directors are satisfied requirement of a Director as specified by laws and regulation, and they have superior character, insight and high ethical standards.

2. Decision and Application of Career Background and Skills Particularly Expected of Directors (Process of Selecting Candidates for Director)

In order to ensure and improve the effectiveness of the Board of Directors, the Company has examined and formulated the career background and skills particularly expected of Directors. The Company has defined the following eight skills and clearly specified the details of each skill.

The Company regularly confirms the sufficiency level of the Board of Directors as a whole for the career background and skills particularly expected of Directors based on the Career Skill Matrix. Based on perspectives such as lacking career background and skills and diversity, the Company makes a list to identify a broad range of candidates for Director, which is used for deliberations for election of candidates.

3. Specific Details of Career Background and Skills Particularly Expected of Directors

Skills	Details
Corporate management	Practical knowledge on company management based on experience as chief executive officer of operating companies
Global business	Experience as chief executive officer or department head in multinational companies or specialized knowledge on global markets
Technology/Innovation	Business experience or specialized knowledge on technology related mainly to ICT and digital transformation, or experience or specialized knowledge on new business creation and market innovation
Sustainability/ESG	Knowledge about diverse values on female, foreign nationality, disabilities, etc., leadership experience in ESG activities or specialized knowledge on ESG management
Marketing	Experience as head in the marketing or brand strategy department or the sales department in operating companies, or specialized knowledge on business-to-business transactions and marketing
Financial accounting/Investment	Experience as chief financial officer of operating companies, professional work experience in major accounting firms, investment companies, etc., or specialized knowledge on investments, finance and accounting, etc.

Audit/Legal/Risk management	Risk management experience in accounting, legal affairs, technology, cybersecurity, etc. in operating companies, or experience as an audit committee member, audit & supervisory board member, or department head in auditing division, or specialized knowledge on international and domestic legal affairs or geopolitics
Corporate Governance	Specialized knowledge on recent global corporate governance practices, or experience and practical knowledge of implementing governance reforms at operating companies

BUSINESS REPORT

(For the period from April 1, 2025 to March 31, 2026)

1. Review of Operations

(1) Development and Results of Operations of the NEC Group

Overview

The NEC Group recorded consolidated revenue of 3,582.7 billion JPY for the fiscal year ended March 31, 2026, an increase of 159.3 billion JPY (4.7%) year-on-year. The consolidated revenue increased mainly due to increased revenue in all segments.

Regarding profitability, operating profit was 359.9 billion JPY, an increase of 103.4 billion JPY year-on-year, mainly due to increased revenue. Adjusted operating profit was 386.8 billion JPY, an increase of 99.7 billion JPY year-on-year, and Non-GAAP operating profit was 397.2 billion JPY, an increase of 85.9 billion JPY year-on-year.

Profit before income taxes was 398.2 billion JPY, an increase of 158.4 billion JPY year-on-year, due to the recording of a gain on sales of shares in Japan Aviation Electronics Industry, Limited as well as increased operating profit.

Net profit attributable to owners of the parent was 270.2 billion JPY, an increase of 95.0 billion JPY year-on-year, mainly due to increased profit before income taxes. Non-GAAP net profit attributable to owners of the parent was 279.8 billion JPY, an increase of 54.1 billion JPY year-on-year.

For this Business Period, the Company declared an annual dividend of 38 JPY per share of common stock (interim dividend of 16 JPY per share).

Throughout this Business Period, as the final year of the "Mid-term Management Plan 2025," which has been promoted since the fiscal year ended March 31, 2022, the NEC Group, under its management policy of integrating purpose, strategy and culture, continued to focus on its business activities on both the "IT Services Business" and "Social Infrastructure Business" segments and to implement various corporate reforms to accelerate these business activities.

●Business Strategy

In the "IT Services Business," against the backdrop of continuing strong demand for DX (Digital Transformation) in Japan, particularly for the modernization from traditional IT systems, the NEC Group achieved solid results in the two domains of public and enterprise. In the public domain, the NEC Group achieved solid growth due to stable orders mainly from the central government. At the same time, the NEC Group made progress with the introduction of "NEC BluStellar" to customers, a value creation model that leads to solving customers' issues. In the enterprise domain, the introduction of NEC BluStellar steadily expanded, particularly in the financial and manufacturing industries. These two domains together strongly drove the growth of the domestic business.

In the "Social Infrastructure Business," against the backdrop of growing importance of economic security, the NEC Group established a business structure to safeguard Japan's digital infrastructure by integrating the submarine cable system business into the aerospace and national security domain. Under this new structure, defense and other businesses performed well and made a significant contribution to raising the performance level of the segment as a whole. In the telecommunications services domain, the NEC Group restructured its business portfolio to achieve sustainable growth. First, the NEC Group winds down the conventional base stations business that were based on dedicated hardware, and focuses on vRAN (Virtualized Radio Access Network) related business. Furthermore, to expand the value-added software and services business, the NEC Group made a progress in acquiring CSG Systems International, Inc., a software company

for telecommunications and broadband operators in the United States, making an important step toward achieving growth through establishing a strong business foundation in the United States and global expansion.

●Human Resources Strategy

With regard to human resources strategy in the "Mid-term Management Plan 2025," the NEC Group has set the realization of "the right time, the right place and the right person" through flexible allocation of human resources as a main theme. To develop a foundation for this, the Company launched job-based human resource management in April 2024. During this Business Period, the scope of application was expanded, and as of April 2026, the number of the NEC Group companies that had introduced the system reached 10 (Note).

In addition, the NEC Group regards fostering an organizational culture in which employees take pride in their work and proactively take the initiative as an important management challenge and has been working to strengthen communication with employees in order to promote company-wide policies and strategies. As a result of various initiatives, the NEC Group's employee engagement score, an indicator of "Employer of Choice," improved by 6 points from the previous fiscal year to 48% in the fiscal year ended March 31, 2026, which is at the top level in Japan.

Note: NEC Solution Innovators, Ltd., NEC Platforms, Ltd., NEC Communication Systems, Ltd., NEC Nexsolutions, Ltd., NEC Business Intelligence, Ltd., NEC Network and Sensor Systems, Ltd., NEC Aerospace Systems, Ltd., NEC Space Technologies, Ltd., Institute for International Socio-Economic Studies, and NEC Life Career, Ltd.

Review of Operations by Segments and Major Business

The NEC Group's primary business consists of two segments: the "IT Services Business" and the "Social Infrastructure Business". The followings are a review of the financial results, business outline and major customers for each segment of the NEC Group for this Business Period.

Note: The Company has revised its reporting segments in accordance with the organizational restructuring implemented on April 1, 2025. The main change is the reclassification of NEC Networks & System Integration Corporation, which was previously included in the "Social Infrastructure Business" segment, into the "IT Services Business" segment. Figures for the previous fiscal year have been restated to conform with the new segments.

IT Services Business

Business Outline	
●	Systems Integration (Systems Implementation, Consulting), Maintenance and Support, Outsourcing / Cloud Services, System Equipment, Software Services
Major Customers	
●	Japan: Central and Local Governments, Finance, Manufacturing, Retail and Services, Fire and Disaster Prevention, Broadcasting, and others
●	Overseas: National and Local Governments, Finance, and others

In the IT Services Business, revenue was 2,508.9 billion JPY, an increase of 49.1 billion JPY (2.0%) year-on-year, mainly due to strong sales to the central government in Japan.

Adjusted operating profit was 336.7 billion JPY, an increase of 84.9 billion JPY year-on-year, mainly due to increased revenue and higher profitability particularly in NEC BluStellar.

Social Infrastructure Business

Business Outline
<ul style="list-style-type: none">• Telecommunications Services: Network Infrastructure (Core Network, Mobile Phone Base Stations, Optical Transmission Systems), Software and Services for Telecom Operators (OSS / BSS*)• Aerospace and National Security: System Equipment, Systems Integration (Systems Implementation, Consulting), Maintenance and Support in the Aerospace, Defense, and Submarine System Domains
*OSS: Operation Support System, BSS: Business Support System
Major Customers
<ul style="list-style-type: none">• Domestic and Overseas Telecom Carriers, Central Government, and Aerospace Businesses

In the Social Infrastructure Business, revenue was 935.3 billion JPY, an increase of 103.2 billion JPY (12.4%) year-on-year, mainly due to increased revenue in the aerospace and national security domain.

Adjusted operating profit was 74.3 billion JPY, an increase of 13.9 billion JPY year-on-year, mainly due to increased revenue.

(2) Fundamental management policy

(i) NEC Way

The NEC Group defines the “NEC Way” as a common set of values that form the basis for how the entire NEC Group conducts itself.

The NEC Way consists of the “Purpose” and “Principles” which represent why and how as a company we conduct business, and the “Code of Values” and “Code of Conduct” which embody the values and behaviors that all members of the NEC Group must demonstrate.

As a corporate group seeking to create social values, the NEC Group will aim to realize its Purpose by “Seize the Future Together” with society and customers.

(ii) Management for sustainability

Guided by the NEC Way, the NEC Group is advancing business activities so as to contribute to solving social issues in the aim of realizing a sustainable society where everyone has the chance to reach their full potential. In addition to ensuring rigorous compliance with laws and regulations and sound corporate ethics, the NEC Group is also proactively working to lower risks associated with its activities that may negatively affect society or the environment.

The NEC Group has identified materiality (priority issues) as particularly important for putting these initiatives into practice and is advancing focused responses.

Please refer to the following for further information on management for sustainability.

<https://jpn.nec.com/sustainability/ja/management/nec.html>

(3) Challenges to be Addressed by the NEC Group

The rapid evolution of AI has brought about a variety of innovations in society, and against the backdrop of the fluctuation of international cooperation, the importance of security has increased further. As the world is changing dramatically, the NEC Group has formulated the “Mid-term Management Plan 2030” to deliver its strengths as social value and achieve further growth. At the same time, the NEC Group has established a vision for creating social value called “Empower Humanity - Delivering innovation and peace of mind,” which redefines its role in society in the current era. This demonstrates the NEC Group’s unwavering will to deliver innovation and peace of mind through cutting-edge technology, including AI, and to shape the world where everyone can reach their full potential. The main initiatives to realize this vision are as follows.

In the IT Services Business, the value sought by customers is shifting significantly following the evolution of AI. What will be sought in the future is not the conventional system development, but upstream consulting that leads business transformation and downstream operations that are responsible for continuously creating results. The most important challenge of NEC Group in responding to these structural changes is to materialize value using IT, data, and AI and transform its business model into one which responsibly provides that value, consistently from the formulation of strategies to implementation, operation, and maintenance. To that end, the NEC Group will accumulate expertise by using cutting-edge technology internally as “Client Zero (the first customer)” and systematize proven value as a scenario of NEC BluStellar to be proposed to customers. In addition, under NESIC Holdings, Ltd., the NEC Group will develop and enhance the end-to-end structure for providing DX solutions and strongly promote DX throughout Japan.

In the overseas IT Services Business, the NEC Group will accelerate DX business expansion in the digital government and digital finance domains by further integrating the products, customers base, and expertise of the three European subsidiaries that were acquired in recent years and the existing overseas subsidiaries in the NEC Group. In addition, the services and software business aimed at telecommunications operators, which had been included in the Social Infrastructure Business segment, was transferred to the IT Services Business segment. Based on this new structure, CSG Systems International, Inc. and Netcracker Technology Corporation, a North American subsidiary of the Company, will conduct mutually complementary business integration with the aim of strengthening the software business for telecommunications and broadband operators in North America and expanding business globally.

In the Social Infrastructure Business, it is important to secure business opportunities in the economic security domain. Under a new structure that has strengthened the cooperation among aerospace and defense, submarine cable systems, and cybersecurity, the NEC Group will enhance solutions that provide seamless protection from physical space to cyberspace. In particular, the NEC Group aims to expand its market share in submarine cable systems, which are becoming increasingly important in digital infrastructure, by utilizing its track record of laying 400,000 km - enough to circle the Earth 10 times - over the past 60 years. In the defense domain in Japan, the NEC Group will steadily reinforce resources to respond to the increase in the defense budget and pursue technological superiority in priority areas through strengthening its own R&D and cooperating with start-up companies.

Another important management challenge is improving the quality of employee engagement. As a result of the initiatives taken during the “Mid-term Management Plan 2025” period, the employee engagement score, which was only 25% in the fiscal year ended March 31, 2021, reached 48% in the fiscal year ended March 31, 2026. Although this was slightly short of the target of 50%, the top level in Japan was reached. Among the three dimensions of the engagement score of “Say, Stay, Strive” (Note) measured by the NEC Group, the NEC Group recognizes that it needs to further improve “Say” and “Strive” scores. As measures in areas highly correlated to them, the NEC Group will promote fair personnel evaluation and promotions that support job-based human resource management, optimize the compensation system with high market competitiveness, further expand the stock compensation plan, and accelerate efforts to encourage employee awareness of company-wide policies and strategies and active in-house communication.

Note: Say: Speak positively about the company to others.

Stay: Strong desire to remain with the company.

Strive: Go above and beyond job expectations.

The NEC Group will implement strategies in both the IT Services Business and the Social Infrastructure Business, and promote the implementation of AI throughout society and of technologies for security of Japan. The NEC Group aims to achieve a Non-GAAP operating profit margin of 15% or more, a Non-GAAP operating

profit of 2 times (compared to the fiscal year ended March 31, 2026), and an average annual growth rate of Non-GAAP earnings per share (EPS) of 15% or more (Note) in the fiscal year ending March 31, 2031, thereby providing value to society and sustainably increasing corporate value. In addition, the NEC Group will focus on improving “Say” and “Strive,” and aim to achieve an engagement score equivalent to the top 25 percentile globally. The NEC Group will foster a corporate culture in which every employee embraces self-transformation and quickly contributes to organizational value creation.

Note: Average annual growth rate of Non-GAAP earnings per share (EPS) represents the average annual growth rate for five years (Mid-term Management Plan 2030 period: fiscal year ending March 31, 2027 to fiscal year ending March 31, 2031), based on results of the fiscal year ended March 31, 2026.

(4) Capital Expenditures of the NEC Group

The total capital expenditures of the NEC Group amounted to 61.4 billion yen during this Business Period. The breakdown of capital expenditure amounts and major capital expenditures by segment are as follows.

Segment	Amount (In billions of yen)	Major Capital Expenditures
IT Services	22.5	Equipment related to cloud services
Social Infrastructure	13.7	Equipment for development and production of defense systems and satellite systems, and equipment for production of submarine cables
Others	25.2	Construction of a new building at the Tamagawa Plant, etc.

(5) Research and Development of the NEC Group

The NEC Group is committed to developing technologies that advance its existing businesses, which serve as the foundation for creating social value, as well as creating and commercializing advanced technologies for future businesses that can deliver new value to society. The NEC Group’s research and development is the source of its competitiveness. It provides technological support for the NEC Group’s transformation into an AI-native company and the expansion of the value-creation model “NEC BluStellar,” which will lead customers into the future, while contributing to the sustainable growth of the NEC Group’s IT Services Business and the Social Infrastructure Business.

The main achievements in research and development of the NEC Group for this Business Period are as follows:

(i) Development and provision of AI agents that enhance and streamline security services

In recent years, cyberattacks have become increasingly complex and sophisticated, posing a serious threat to business continuity. Companies operating in Japan and overseas need security measures that can respond comprehensively and in real time to newly emerging cyber threats as well as vulnerabilities in their own IT systems. Given a limited number of security specialists, utilizing “NEC cotomi”, a generative AI developed by the Company, the Company has developed an AI agent to diagnose system security risks and another AI agent to support information security internal audit, thereby enhancing and streamlining security services for its customers who need such security measures.

The AI agent for diagnosing system security risks, which uses the Company’s proprietary technology for automatically assessing cyber risks, autonomously identifies cyber threats and vulnerabilities in internal systems, assesses system risks, proposes security measures, and generates reports including diagrams and images—at a level comparable to that of security experts. The AI agent to support information security

internal audit uses generative AI to review questionnaire responses required for internal audits, reduce inconsistencies in audit quality caused by differences in auditors' skill levels, support the preparation of reports for information security internal audit, and significantly shorten the time needed to produce those reports. Thereby, it supports organizational information security internal audit necessary for improving corporate governance.

Under the new "CyIOC" brand, which is the brand name of a next-generation cybersecurity service that combines the Company's proprietary intelligence and AI technologies, the NEC Group provides SaaS-based security services incorporating the AI agents that diagnose system security risks.

(ii) Development and provision of an AI agent that automatically extracts business know-how and automates digital operations

The Company has developed "NEC's task-automation agent technology" (Note), a business automation AI agent technology that has achieved a task success rate exceeding that of humans for the first time in the world. In January 2026, the Company began providing solutions that combine "NEC's task-automation agent technology" with software, consulting, and operation and maintenance services.

This solution uses the Company's proprietary technology to automatically extract business know-how from the daily browsing and operation history of each employee on Web browsers and stores it as data that can be used by the entire organization. The AI agent utilizing "NEC's task-automation agent technology" can accurately identify and use the necessary information from this stored data. This enables complex and highly specialized work to be performed accurately and autonomously that was difficult with conventional AI agents.

As a result, know-how accumulated through employees' daily work, which used to be difficult to share and standardize throughout the entire organization, can be automatically digitized by employees in the course of their usual work without requiring creation of an operations manual to share it, or designing procedures, data preparation, and rule definition required when using conventional AI agents. As a result, the digitized know-how can be used by the AI agents for learning and business execution.

This solution is intended to contribute to the improvement of productivity and business transformation of the entire organization by homogenizing and upgrading operations.

(Note) The AI agent utilizing "NEC's task-automation agent technology" has achieved a task success rate (80.4%) that exceeds that of humans (78.2%) in the international benchmark of Web agents, "WebArena."

(iii) Provision of an AI agent that automates procurement negotiations

The Company has developed "Automated Negotiation AI," the Company's proprietary AI technology that replaces various human-led coordination and negotiation tasks. This technology automatically derives essential and desirable conditions for adjustments and negotiations and automatically proposes the optimal conditions that are likely acceptable to both parties. In 2024, an NEC Group company conducted a proof of concept on this technology and succeeded in automation of delivery date and quantity adjustments with business partners in components procurement. In addition, this technology is designed not only for human-AI coordination and negotiations but also AI-to-AI interactions. In December 2025, the Company began offering the "NEC AI Agent Service for Procurement Negotiations," using this technology. Through this service, complicated delivery date and quantity adjustment negotiations in the procurement operations of the manufacturing industry can be automated, the enormous time required for the negotiation of procurement transactions can be reduced, and business efficiency can be expected to be greatly improved. In addition, the ability to respond quickly to changes in demand leads to the curbing of excess inventory, the prevention of stockout, and the avoidance of delays in delivery, contributing to the construction of a supply chain system that is resilient to changes in demand.

(6) Financing Activities of the NEC Group

In July, 2025, the Company issued unsecured sustainability-linked bonds in the aggregate notional

amount of 30 billion yen mainly for the purpose of funding the scheduled redemption of the outstanding straight bonds. The Company has identified “environmental action with a particular focus on climate change (decarbonization)” as one of the themes of the “Materiality,” which are management priorities from an ESG perspective. This financing will advance the Company’s sustainability management from a financial perspective.

(7) Material Reorganization, etc.

The NEC Group has been promoting its reorganization to maximize value proposition and strengthen market competitiveness. NESIC Holdings, Ltd. commenced operations as an intermediate holding company on July 1, 2025, and NEC Networks & System Integration Corporation and NEC Nexsolutions, Ltd. became subsidiaries of NESIC Holdings, Ltd. on the same date. NEC Fielding, Ltd. also became a subsidiary of NESIC Holdings, Ltd. as of April 1, 2026. In addition, some of the Company’s businesses were transferred to NEC Networks & System Integration Corporation and NEC Nexsolutions, Ltd. in order to consolidate dispersed business resources.

Going forward, by integrating the business operations of these subsidiaries under NESIC Holdings, Ltd., the NEC Group aims to establish a business framework to provide end-to-end DX (Digital Transformation) solutions that combine IT and networking capabilities, covering all phases from consulting through SI (System Integration), construction and maintenance. Through this integrated approach, the NEC Group seeks to expand its business with local governments and enterprises nationwide in response to growing demand for DX.

(8) Parent Company and Principal Subsidiaries

(i) Parent Company

The Company has no parent company.

(ii) Principal Subsidiaries

Name of Subsidiary		Voting Ratio	Main Business
		(%)	
NEC Platforms, Ltd.		100	Development, manufacture, sale and maintenance of information and communications systems equipment etc., and provision of systems integration services etc.
NEC Fielding, Ltd.		100	Installation and maintenance of computers and network systems
NEC Solution Innovators, Ltd.		100	Provision of systems integration services etc., and development of software
ABeam Consulting Ltd.		100	Business consulting

Name of Subsidiary		Voting Ratio	Main Business
NESIC Holdings, Ltd.		100	Pure holding company Its principal subsidiaries are as follows: NEC Networks & System Integration Corporation whose principal business is design, construction and maintenance of information and communications systems and sale of related equipment NEC Nexsolutions, Ltd. whose principal business is provision of systems integration and outsourcing services, development of software, and sale of computers, etc.
NEC Corporation of America (U.S.A.)		100	Regional headquarters operations, sale of computers-related equipment and communications equipment, and provision of systems integration services etc.
NEC Europe Ltd. (U.K.)		100	Regional headquarters operations
NEC Asia Pacific Pte. Ltd. (Singapore)		100	Regional headquarters operations, sale of computers-related equipment and communications equipment, and provision of systems integration services etc.
NEC (China) Co., Ltd. (People's Republic of China)		100	Regional headquarters operations
NEC Latin America S.A. (Brazil)		100	Regional headquarters operations, sale of communications equipment, and provision of systems integration services etc.
NEC Australia Pty Ltd (Australia)		100	Design and construction of information and communications systems and provision of IT services
NEC Corporation India Private Limited (India)		100 (62.6)	Sale and maintenance of hardware and software products, provision of systems integration services etc., and development of software and provision of associated services
NetCracker Technology Corporation (U.S.A.)		100	Development and sale of software
Comet Holding B.V. (Netherlands)		86.3	Pure holding company Its principal subsidiary is Avaloq Group Ltd., which owns subsidiaries whose principal business is development of software and provision of IT services.
Garden Private Holdings Limited (U.K.)		100	Pure holding company Its principal subsidiary is NEC Software Solutions UK Limited, whose principal business is development of software and provision of IT services.

Name of Subsidiary		Voting Ratio	Main Business
Soleil ApS (Denmark)		85.5	Pure holding company Its principal subsidiary is KMD A/S, whose principal business is development of software and provision of IT services.

Notes: 1. As of July 1, 2025, NEC Networks & System Integration Corporation and NEC Nexsolutions, Ltd. became subsidiaries of NESIC Holdings, Ltd. In addition, as of April 1, 2026, NEC Fielding, Ltd. also became a subsidiary of NESIC Holdings, Ltd.

2. The figures in parentheses in the Voting Ratio in the table above indicate indirect ownership ratio and are included in the total.

2. Matters related to the Company's Stock (As of March 31, 2026)

- (1) **Total Number of Authorized Shares** 3,750,000,000 shares
- (2) **Total Number of Shares Issued** 1,364,249,315 shares
(including treasury stock of 35,750,949 shares)
- (3) **Number of Shareholders** 247,566

(4) Major Shareholders (Top 10)

(In thousands of shares)

Name of Shareholders	Number of Shares Held	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	204,138	15.37
Custody Bank of Japan, Ltd. (Trust Account)	104,115	7.84
NTT, Inc.	65,118	4.90
STATE STREET BANK AND TRUST COMPANY 505001	29,814	2.24
Sumitomo Life Insurance Company	28,734	2.16
THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT	25,288	1.90
GOVERNMENT OF NORWAY	21,214	1.60
JP MORGAN CHASE BANK 385781	18,602	1.40
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	16,846	1.27
STATE STREET BANK AND TRUST COMPANY 505025	16,164	1.22

Notes 1: The Company holds 35,750,949 shares of treasury stock but is excluded from the above list of major shareholders.

2: The shareholding ratio is calculated by excluding the number of treasury stock (35,750,949 shares).

(5) Classification of Shareholders

Classification of Shareholders	Shareholding Ratio (%)
Japanese government and local governments	0.00
Financial Institutions	27.98
Securities Companies	3.14

Other Companies	6.07
Foreign Investors	45.04
Japanese Individuals and Others	17.77
Total	100

(6) Stock granted to Directors and Executive Officers as Compensation for Performance of Duties during this Business Period

Details of stock granted to Directors and Executive Officers during this Business Period as stock compensation are as follows.

	Number of Shares	Number of people to whom stock granted
Directors (excluding Outside Directors) and Executive Officers	127,387	7
Outside Directors	18,400	8

(7) Other Important Matters related to the Company's Stock

- (i) At the Board of Directors meeting held on January 30, 2025, the Company resolved to conduct a share split at a ratio of five (5) shares for every one (1) common share, effective April 1, 2025, and the amendment to the Company's Articles of Incorporation with respect to the total number of authorized shares. As a result, the total number of authorized shares increased to 3,750,000,000 shares and the total number of shares issued increased to 1,364,249,315 shares, respectively.
- (ii) The Company approved, at the Board of Directors meeting held on February 9, 2026, the repurchase of shares of its own common stock, up to 6,800,000 shares or 30,000,000,000 yen in total, for the period from February 10, 2026 to March 31, 2026, and the Company repurchased 6,800,000 shares of its own common stock for an aggregate value of 27,292,828,300 yen during this Business Period.
- (iii) The Company has introduced a stock compensation plan using a share settlement trust for Directors (excluding Outside Directors), Executive Officers and certain employees. In addition, certain subsidiaries of the Company have also introduced a stock compensation plan for its Directors using the Company's shares. At the Board of Directors meeting held on June 20, 2025, the Company approved the disposition of treasury stock by way of third-party allotment in connection with the continuation of these stock compensation plans, and 762,600 shares of treasury stock were allotted to the share settlement trust, which had been established for these stock compensation plans, as of July 7, 2025.
- (iv) The Company has introduced a restricted stock remuneration plan for Outside Directors. At the Board of Directors meeting held on June 20, 2025, the Company approved the disposition of treasury stock as stock compensation based on this stock remuneration plan, and 18,400 shares of treasury stock were allotted to eight Outside Directors as of July 7, 2025.
- (v) As of March 31, 2026, a total of 2,148,500 of the Company's shares are held in a trust account related to a share settlement trust described in (iii) above.

2. Matters related to Directors and Executive Officers

(1) Name, Position at the Company, Responsibility and Important Concurrent Positions of Directors and Executive Officers

(i) Directors (as of March 31, 2026)

Name	Position at the Company	Responsibility and Important Concurrent Position
Masashi Oka	Outside Director	Chairperson of the Compensation Committee Nominating Committee Member
Harufumi Mochizuki	Outside Director	Chairperson of the Nominating Committee Audit Committee Member

		Senior Adviser, Tokyo Small and Medium Business Investment & Consultation Co., Ltd. Outside Director, HAZAMA ANDO CORPORATION
Joji Okada	Outside Director	Chairperson of the Audit Committee Outside Audit and Supervisory Board Member, Japan Airlines Co., Ltd.
Yoshihito Yamada	Outside Director	Nominating Committee Member Chairman, Chair of the Board of Directors, OMRON Corporation Outside Director, J . FRONT RETAILING Co.,Ltd.
Shinjiro Sato	Outside Director	Compensation Committee Member Audit Committee Member Chairman, The University of Nagano
Shiori Nagata	Outside Director	Audit Committee Member Outside Director, Idemitsu Kosan Co., Ltd.
Mika Nishimura	Outside Director	Compensation Committee Member Operational Partner, Gilde Healthcare Partners Independent Director, SI-BONE, Inc. Independent Director, Accuray Incorporated Outside Director, HOYA CORPORATION
Tomomi Yatsu	Outside Director	Audit Committee Member Certified Public Accountant Attorney at Law Outside Auditor, Kuraray Co., Ltd.
Takashi Niino	Chairman of the Board	Nominating Committee Member
Takayuki Morita	Director	Compensation Committee Member
Osamu Fujikawa	Director	

- Notes:1. At the 187th Ordinary General Meeting of Shareholders held on June 20, 2025, Mss. Mika Nishimura and Tomomi Yatsu were newly elected as Director of the Company.
2. There are no significant transactions or other special relationships between the Company and each company above where an Outside Director serves concurrently.
3. Ms. Shiori Nagata resigned as a Director effective March 31, 2026. Her Responsibility at the Company and Important Concurrent Position at the time of her resignation are as stated in the table above.

4. The Company has reported each of Messrs. Masashi Oka, Harufumi Mochizuki, Joji Okada, Yoshihito Yamada and Shinjiro Sato, and Mss. Mika Nishimura and Tomomi Yatsu as independent Directors to Tokyo Stock Exchange, on which the Company lists its shares. The Company had reported Ms. Shiori Nagata as an independent Director in accordance with the regulations of the Tokyo Stock Exchange; however, such designation was removed effective as of her retirement date.
5. As a company with a Nominating Committee, etc., the Company does not appoint full-time Audit Committee Members, as audits are conducted on an organized basis under the leadership of the Audit Committee in cooperation with the Internal Audit Division, the Accounting Auditor and other relevant functions. The Company has appointed a full-time Audit Committee Aide and established the office of the Audit Committee. They assist the Audit Committee by attending important meetings such as Executive Committee meetings, engaging in dialogue with staff divisions, etc. and receiving reports from auditors and others at subsidiaries. Through those activities, they monitor the establishment and operation of the internal control systems and report the information gathered to the Audit Committee Members.
6. Mr. Joji Okada has extensive experience and deep insight as CFO and Audit & Supervisory Board Member (Full-time) at a general trading company and as Chairperson of The Japan Audit & Supervisory Board Members Association. He also has considerable expertise in finance and accounting. Ms. Tomomi Yatsu has extensive experience and deep insight as a Certified Public Accountant. She also has considerable expertise in finance and accounting.
7. At the conclusion of the 187th Ordinary General Meeting of Shareholders held on June 20, 2025, Messrs. Hajime Matsukura and Shinobu Obata and Mss. Christina Ahmadjian and Kyoko Okada retired as Directors upon expiry of their terms of office.

(ii) Executive Officers (as of March 31, 2026)

Name	Position at the Company	Responsibility and Important Concurrent Position
Takayuki Morita	Representative Executive Officer, President	CEO (Chief Executive Officer)
Osamu Fujikawa	Representative Executive Officer, Corporate EVP	CFO (Chief Financial Officer)
Kazuhiro Sakai	Executive Officer Corporate SEVP	Co-COO (Co-Chief Operating Officer)
Masakazu Yamashina	Executive Officer Corporate SEVP	Co-COO (Co-Chief Operating Officer)
Shigehiro Tanaka	Executive Officer Corporate SEVP	CGAO (Chief Government Affairs Officer)
Toshifumi Yoshizaki	Executive Officer Corporate SEVP	CDO (Chief Digital Officer)
Tomoki Kubo	Executive Officer Corporate EVP	President of DGDF Business Unit President & CEO, NEC DGDF Headquarters AG
Yushi Ushijima	Executive Officer Corporate EVP	President, NESIC Holdings, Ltd.
Kunikazu Amemiya	Executive Officer Corporate EVP	President of Public Solutions Business Unit
Hiroshi Hashimoto	Executive Officer Corporate EVP	President of Enterprise Business Unit
Michio Kiuchi	Executive Officer Corporate EVP	President of Telecom Services Business Unit

Hiroyuki Nagano	Executive Officer Corporate EVP	President of Aerospace and National Security Business Unit
Takao Iwai	Executive Officer Corporate EVP	President of Digital Delivery Services Business Unit President, NEC Solution Innovators, Ltd.
Norihiko Kimura	Executive Officer Corporate EVP	President of Digital Platform Services Business Unit
Motoo Nishihara	Executive Officer Corporate EVP	CTO (Chief Technology Officer) President of Global Innovation Business Unit President, Institute for International Socio-Economic Studies, Ltd.
Daisuke Horikawa	Executive Officer Corporate EVP	CHRO (Chief Human Resources Officer) Managing Director, People and Culture Division
Hiroshi Kodama	Executive Officer Corporate EVP	CIO (Chief Information Officer)
Noboru Nakatani	Executive Officer Corporate EVP	CSO (Chief Security Officer) Managing Director, Cyber Security Division President, NEC Security, Ltd. President, United Cyber Force Inc.
Koji Tamefusa	Executive Officer Corporate SVP	CRCO (Chief Risk & Compliance Officer)
Yasuko Matsumoto	Executive Officer Corporate SVP	CAO (Chief Audit Officer) Managing Director, Group Internal Audit Division

(Reference: Executive Officers (as of April 1, 2026))

Name	Position at the Company	Responsibility and Important Concurrent Position
Takayuki Morita	Representative Executive Officer, President	CEO (Chief Executive Officer)
Kunikazu Amemiya	Representative Executive Officer, Corporate SEVP	CFO (Chief Financial Officer) In charge of Corporate
Masakazu Yamashina	Executive Officer Vice Chairperson	In charge of North American business
Shigehiro Tanaka	Executive Officer Corporate SEVP	CGAO (Chief Government Affairs Officer)
Osamu Fujikawa	Executive Officer Corporate SEVP	COO (Chief Operating Officer) In charge of IT Services Business and IT Services Related Divisions
Toshifumi Yoshizaki	Executive Officer Corporate SEVP	COO (Chief Operating Officer) In charge of Technology & Innovation
Tomoki Kubo	Executive Officer Corporate EVP	In charge of DGDF Related Divisions Managing Director, DGDF Strategy Planning Division Managing Director, DG Business Division Managing Director, DF Business Division President & CEO, NEC DGDF Headquarters AG
Yushi Ushijima	Executive Officer Corporate EVP	In charge of NESIC Holdings, Ltd. President, NESIC Holdings, Ltd.
Takao Iwai	Executive Officer Corporate EVP	In charge of IT Service Delivery Related Divisions President, NEC Solution Innovators, Ltd.

Hiroyuki Nagano	Executive Officer Corporate EVP	COO (Chief Operating Officer) In charge of Social Infrastructure Business and Social Infrastructure Related Divisions
Norihiko Kimura	Executive Officer Corporate EVP	In charge of Products & Services Related Divisions and NEC BluStellar Promotion
Akio Yamada	Executive Officer Corporate EVP	CAIO (Chief AI Officer) In charge of Research & Business Development Related Divisions Managing Director, AI Technology Services Division
Shiori Nagata	Executive Officer Corporate EVP	CHRO (Chief Human Resources Officer) Managing Director, People and Culture Division Outside Director, Idemitsu Kosan Co., Ltd.
Hiroshi Kodama	Executive Officer Corporate EVP	CAXO (Chief AI Transformation Officer)
Noboru Nakatani	Executive Officer Corporate EVP	CSO (Chief Security Officer) Managing Director, Cyber Security Division President, United Cyber Force Inc.
Koji Tamefusa	Executive Officer Corporate SVP	CRCO (Chief Risk & Compliance Officer)
Yasuko Matsumoto	Executive Officer Corporate SVP	CAO (Chief Audit Officer) Managing Director, Group Internal Audit Division

(2) Remuneration for Directors and Executive Officers

(i) Company Policy on Remuneration Determination

(a) Method for Determining Policy on Remuneration for Directors and Executive Officers

Since the Company has adopted the structure of a Company with a Nominating Committee, etc., the Company's Compensation Committee decides matters related to remuneration for Directors and Executive Officers.

In order to improve objectivity, fairness, and transparency of remuneration for Directors and Executive Officers, the Compensation Committee deliberates by utilizing, executive compensation survey data, etc. obtained from an outside third-party professional compensation consulting firm.

(b) Basic Policy on Remuneration for Directors and Executive Officers and Remuneration System

1) Basic Policy

The Company's basic policy on remuneration for Directors and Executive Officers is as follows:

- The remuneration system is highly objective and transparent, with content which leads to sustainable growth with the aim of maximizing corporate value, and which allows shareholders to confirm that management is linked to shareholder value.
- The remuneration system is linked to the Mid-term Management Plan target indicators and provide incentives for Executive Officers to achieve the management targets indicated in the Mid-term Management Plan.
- As a technology company with global operations, the remuneration system is competitive in the human resources market in terms of both remuneration structure and level.

2) Purpose

The purpose and approach of each remuneration based on the above basic policy are as follows:

Type of remuneration	Purpose/Approach
Basic remuneration	Fixed remuneration, the amount of which is determined based on market competitiveness in accordance with the role, authority and responsibility of each job title
Short-term incentive (bonuses)	Incentive remuneration, the amount of which is determined based on the degree of achievement of performance targets for each fiscal year linked to the indicators set forth in the Mid-term Management Plan
Mid- to long-term incentive (stock compensation)	Incentive remuneration that is conscious of shareholders' value and leads to sustainable growth of corporate value

3) Remuneration System and Level

Classification	
Directors (excluding Directors concurrently serving as Executive Officer)	<p>Remuneration for Directors consists of basic remuneration and mid- to long-term incentive (stock compensation).</p> <p>The level of remuneration shall be determined in accordance with the responsibilities of each Director, taking into consideration the level of remuneration at competing companies, etc.</p> <p>The approximate ratio of the amount of basic remuneration to the amount of stock compensation for Outside Directors is 3:1.</p> <p>The approximate ratio of the amount of basic remuneration to the amount of stock compensation for inside Directors is 2:1.</p>
Executive Officers	<p>Remuneration for Executive Officers consists of basic remuneration, short-term incentive (bonuses) and mid- to long-term incentive (stock compensation).</p> <p>Mid- to long-term incentive consists of performance-based stock compensation and non-performance-based stock compensation.</p> <p>For Directors who concurrently serve as Executive Officers, the remuneration system for Executive Officers shall apply.</p> <p>The level of remuneration and the composition ratio of each type of remuneration shall be determined in accordance with the responsibilities of each Executive Officer, taking into consideration the level and composition ratio of remuneration at competing companies, etc.</p> <p>The approximate ratio of the amount of each remuneration is as shown in the following table (Note).</p>

Note: The approximate ratio of each type of remuneration

Job title	Fixed	Variable (performance-linked)	
	Basic remuneration	Short-term incentive (bonuses)	Mid- to long-term incentive (stock compensation)
President (Executive Officer)	30%	30%	40%
Other Executive Officers (Average)	43%	28%	29%

Note: The ratios of short-term incentive (bonuses) and mid- to long-term incentive (stock compensation) are calculated based on the standard amount before reflecting performance.

As non-performance-based stock compensation is a fixed amount, its percentage of total remuneration varies depending on the job title, but is approximately 1% to 10% of the total remuneration.

(c) Policy on Details of Performance Indicators used for Performance-based Remuneration

1) Short-term incentive (bonuses)

Bonuses have two components: one linked to the degree of achieving targets of key performance indicators set in the Mid-term Management Plan of the NEC Group for each fiscal year (the “Group-wide Performance-based Component”), and the other linked to the degree of achieving targets of the departments for which each Executive Officer is responsible for each fiscal year (the “Department Performance-based Component”). The amount of bonus is set between 0% and 200% of the standard amount determined by the Compensation Committee for each job title, based on the achievement level of performance targets. (Hereinafter, the portion of the standard amount determined for each job title linked to Group-wide Performance-based Component is referred to as the “Group-wide standard amount,” and the portion linked to Department Performance-based Component is referred to as the “department standard amount.”)

a) Ratio of the Group-wide Performance-based Component and Department Performance-based Component

The ratio of the Group-wide Performance-based Component and the Department Performance-based Component in the standard amount determined for each job title is as follows:

Job title	Group-wide Performance-based Component	Department Performance-based Component	
		Portion linked to budget indicators	Portion linked to Mid-term Management Plan indicators
President (Executive Officer)	100%	-	-

Other Executive Officers (Average)	44%	28%	28%
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b) Indicators for the Group-wide Performance-based Component and Reason for Selection

For indicators for the Group-wide Performance-based Component, the following three indicators are set as key performance indicators in the Mid-term Management Plan 2025, taking into consideration their appropriateness in measuring the degree of achievement of the Mid-term Management Plan.

Indicator	Allocation ratio	Remarks
EBITDA (amount)	50%	Indicator responsible for the “Strategy” aspect of the Mid-term Management Plan 2025. The allocation ratio is weighted toward EBITDA (amount), in consideration of sustainable growth.
EBITDA (percentage to revenue)	30%	
Engagement score	20%	ESG indicator responsible for the “Culture” aspect of the Mid-term Management Plan 2025.

c) Indicators for the Department Performance-based Component and Reason for Selection

For indicators for the Department Performance-based Component, the following indicators are set, taking into consideration their appropriateness in measuring the degree of achievement of performance targets for each fiscal year in the responsible departments and the degree of progress toward the achievement of the Mid-term Management Plan.

Classification	Indicator	Remarks
Budget indicators	Adjusted operating profit, ROIC, and cash flows, etc.	Evaluates the degree of achievement of targets in the department for which each Executive Officer is responsible during the fiscal year under evaluation.
Mid-term Management Plan indicators	Initiatives for the achievement of the Mid-term Management Plan	The President evaluates the degree of achievement of each initiative in the fiscal year under evaluation, using indicators established through interviews between each Executive Officer and the President.

2) Mid- to Long-term Incentive (Stock Compensation)

1) Outline

a) Restricted Stock Compensation (Outside Directors)

This is a non-performance-based stock compensation plan that aims to strengthen awareness of the sustainable growth of corporate value by sharing value with shareholders over the mid- to long term.

In principle, the restricted transfer period shall be from the date of delivery of the restricted shares to the date of retirement as a Director, and the transfer restrictions shall be terminated upon retirement. In addition to the termination of the transfer restrictions, the Company shall sell some of

such shares on the market in accordance with the rules established in advance by the Company for the payment of the tax withheld.

b) Share-Settlement Trust Stock Compensation (Inside Directors and Executive Officers)

This is a stock compensation plan using a share-settlement trust that aims to strengthen awareness of the sustainable growth of corporate value by sharing value with shareholders over the mid- to long-term, to contribute through business, and to secure talented human resources to take on the Company's management roles. It consists of performance-based stock compensation and non-performance-based stock compensation.

The target period is three consecutive fiscal years. In principle, rights are granted at the beginning of the target period, and shares are delivered three years after the beginning of the target period. Upon the delivery of shares, a certain percentage of shares shall be sold on the market and paid in cash in accordance with the rules established in advance by the Company for the payment of the tax withheld.

Note: In order to promote management that creates shareholder value, inside Directors and Executive Officers are encouraged to own shares of the Company.

2) Calculation Method of the Number of Shares to be Delivered or Granted

The number of shares to be delivered for restricted stock compensation and the number of shares granted for share-settlement trust stock compensation are calculated as follows based on the standard amount of stock compensation by job title.

The standard amount of stock compensation by job title (Note) / average value of closing price of the Company shares on the Tokyo Stock Exchange in the previous fiscal year

Note: The standard amount of stock compensation by job title shall be determined by the Compensation Committee in accordance with the job title of Directors and Officers.

3) Method for Determining Performance-Based Stock Compensation (Share-Settlement Trust Stock Compensation)

The number of shares to be delivered for performance-based stock compensation shall be determined within the range of 0% to 150% of the number of shares granted, based on the results of comparing the TSR (Total Shareholder Return) of the Company with indices such as the Tokyo Stock Price Index (TOPIX) and peer group companies, from the viewpoint of linkage with sustainable growth of corporate value and increase in shareholder values.

Classification	Allocation ratio	Evaluation method
Index comparison	50%	Valuation factor (payment rate) is determined based on the relative superiority of the Company's TSR over the TOPIX growth rate.
Peer group comparison	50%	Valuation factor (payment rate) is determined based on the Company's TSR ranking in the peer group (i.e., competition in the Company's industry, business model, and in the

		human resources market, etc.).
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(d) Certain Restrictions of Remuneration (Return of Remuneration, etc.)

The Company has established certain restrictions that allow acquisition of shares without compensation prior to the termination of the transfer restrictions or for forfeiture (malus) or return (clawback) of beneficial interests in remuneration in the event of the discovery of compliance violations or improper accounting treatment by Directors and Executive Officers, or damage to the value of the Company caused by retroactive restatement of financial statements. Such restrictions are set for bonuses and stock compensation, and triggering conditions are set for events attributable to the individual and the Company, respectively. Triggering requires deliberation by the Board of Directors and a resolution by the Compensation Committee.

(ii) Amount of Remuneration for this Business Period

Total Amount of remuneration for this Business Period is as follows:

	Basic remuneration		Bonus		Stock compensation	
	Headcount	Total amount (In millions of yen)	Headcount	Cost posting relating to the bonus (In millions of yen)	Headcount	Cost posting relating to the stock compensation (In millions of yen)
Directors (of which Outside Directors)	13 (10)	322 (170)	- -	- -	11 (8)	205 (59)
Executive Officers	20	733	20	610	20	979

Notes: 1. The figures above for Directors do not include two Directors who concurrently serve as Executive Officers. Executive Officers who concurrently serve as Directors are paid remuneration as Executive Officers, and this remuneration is listed in the classification of Executive Officers.

2. Since the basic remuneration is determined after deliberation by the Compensation Committee based on the remuneration system established by the Compensation Committee, the Company's Compensation Committee determines that the amount is in line with the basic policy described in "(i) Company Policy on Remuneration Determination" above. In addition, since the amount of bonuses and stock compensation has yet to be determined, the amount provided in the table above represents cost posting relating to the bonuses or stock compensation for this Business Period.

(iii) Results of Performance Indicators used to Calculate Performance-based Remuneration (Bonuses and Stock Compensation)

(a) Bonuses

The targets and results of the indicators related to the Group-wide Performance-based Component of

bonuses for this Business Period are as follows:

Indicator	Target	Results	Target achievement rates	Ratio to Group-wide Performance-based Component
EBITDA (amount)	445.0 billion yen	530.2 billion yen	119.1%	50%
EBITDA (percentage to revenue)	13.2%	14.8%	111.7%	30%
Engagement score	50%	48%	96.0%	20%

Note: The above results are rounded off to the nearest 100 million yen, and the target achievement rate is calculated using the results before rounding off to the nearest 100 million yen, and then rounded off to the first decimal place.

(b) Stock Compensation

The Company's performance-based stock compensation plan is to deliver the number of the Company's common shares calculated according to the TSR (Total Shareholder Return) for three consecutive fiscal years. At the time of preparation of this business report, the results of the evaluation of performance indicators related to stock compensation starting in the fiscal year ended March 31, 2024 and the number of shares to be delivered have not yet been determined (once determined, they will be disclosed in the Annual Securities Report, etc.).

(iv) Outline of Non-monetary Compensation

Stock compensation is granted as non-monetary compensation. The purpose of the introduction and the details thereof are as described in “(i) Company Policy on Remuneration Determination” above.

Furthermore, separate from the stock compensation described above, shares were delivered in this Business Period pursuant to the performance-based stock compensation plan and the fixed stock compensation plan, under which shares corresponding to certain monetary amounts are granted, both of which were introduced by the resolution of the 181st Ordinary General Meeting of Shareholders held on June 24, 2019.

Details of stock granted during this Business Period as such stock compensations are as follows:

	Number of Shares	Number of people to whom shares granted
Directors (excluding Outside Directors) and Executive Officers	127,387	7
Outside Directors	18,400	8

(3) Major Activities of Outside Directors

Name	Attendance	Major Activities
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Masashi Oka	<p>8 out of 8 meetings of the Board of Directors</p> <p>6 out of 6 meetings of the Nominating Committee</p> <p>7 out of 7 meetings of the Compensation Committee</p>	<p>Attending meetings of the Board of Directors, Nominating Committee and Compensation Committee, as well as serving as Chairperson of the Compensation Committee, Mr. Masashi Oka made remarks, including questions and opinions as appropriate, particularly based on his extensive experience and deep insight in the areas of corporate management, global business, financial accounting/investment, audit/legal/risk management, and corporate governance, thereby fulfilling his role expected by the Company.</p>
Harufumi Mochizuki	<p>8 out of 8 meetings of the Board of Directors</p> <p>6 out of 6 meetings of the Nominating Committee</p> <p>13 out of 13 meetings of the Audit Committee</p>	<p>Attending meetings of the Board of Directors, Nominating Committee and Audit Committee, as well as serving as Chairperson of the Nominating Committee, Mr. Harufumi Mochizuki made remarks, including questions and opinions as appropriate, particularly based on his extensive experience and deep insight in the areas of corporate management, global business, audit/legal/risk management, and corporate governance, thereby fulfilling his role expected by the Company.</p>
Joji Okada	<p>8 out of 8 meetings of the Board of Directors</p> <p>13 out of 13 meetings of the Audit Committee</p>	<p>Attending meetings of the Board of Directors and Audit Committee, as well as serving as Chairperson of the Audit Committee, Mr. Joji Okada made remarks, including questions and opinions as appropriate, particularly based on his extensive experience and deep insight in the areas of global business, financial accounting/investment, audit/legal/risk management, and corporate governance, thereby fulfilling his role expected by the Company.</p>
Yoshihito Yamada	<p>8 out of 8 meetings of the Board of Directors</p> <p>6 out of 6 meetings of the Nominating Committee</p> <p>1 out of 1 meeting of the Compensation Committee</p>	<p>Attending meetings of the Board of Directors and Nominating Committee, Mr. Yoshihito Yamada made remarks, including questions and opinions as appropriate, particularly based on his extensive experience and deep insight in the areas of corporate management, global business, technology/innovation, marketing, and corporate governance, thereby fulfilling his role expected by the Company.</p>
Shinjiro Sato	<p>8 out of 8 meetings of the Board of Directors</p> <p>7 out of 7 meetings of the Compensation Committee</p> <p>13 out of 13 meetings of the Audit Committee</p>	<p>Attending meetings of the Board of Directors, Compensation Committee and Audit Committee, Mr. Shinjiro Sato made remarks, including questions and opinions as appropriate, particularly based on his extensive experience and deep insight in the areas of corporate management, global business, technology/innovation, financial accounting/investment and corporate governance, thereby fulfilling his role expected by the Company.</p>

Shiori Nagata	8 out of 8 meetings of the Board of Directors 13 out of 13 meetings of the Audit Committee	Attending meetings of the Board of Directors and Audit Committee, Ms. Shiori Nagata made remarks, including questions and opinions as appropriate, particularly based on her extensive experience and deep insight in the areas of global business, sustainability/ESG, marketing and financial accounting/investment, thereby fulfilling her role expected by the Company.
Mika Nishimura	6 out of 6 meetings of the Board of Directors 6 out of 6 meetings of the Compensation Committee	Attending meetings of the Board of Directors and Compensation Committee, Ms. Mika Nishimura made remarks, including questions and opinions as appropriate, particularly based on her extensive experience and deep insight in the areas of global business, technology/innovation, sustainability/ESG, marketing and corporate governance, thereby fulfilling her role expected by the Company.
Tomomi Yatsu	6 out of 6 meetings of the Board of Directors 8 out of 8 meetings of the Audit Committee	Attending meetings of the Board of Directors and Audit Committee, Ms. Tomomi Yatsu made remarks, including questions and opinions as appropriate, particularly based on her extensive experience and deep insight in the areas of financial accounting/investment, audit/legal/risk management and corporate governance, thereby fulfilling her role expected by the Company.

Notes: 1. Mr. Yoshihito Yamada's attendance at the meetings of the Compensation Committee described above is based on the meetings held during his term of office as a committee member until June 20, 2025.

2. Ms. Mika Nishimura's attendance at the meetings of the Board of Directors and Compensation Committee and Ms. Tomomi Yatsu's attendance at the meetings of the Board of Directors and Audit Committee described above are based on the meetings held after their appointment as Directors and committee members on June 20, 2025.

(4) Outline of Liabilities Limitation Agreements

The Company has entered into agreements stipulated in Article 427 (1) of the Companies Act (the "Liabilities Limitation Agreement") with each of Outside Directors, and Mr. Takashi Niino, who is not executive director. The Liabilities Limitation Agreements is to limit their liabilities as stipulated in Article 423 (1) of the Companies Act to the higher amount of 20 million yen or the amount provided in laws and regulations on the condition that they perform their duties as Directors in good faith and without gross negligence.

(5) Outline of Indemnity Agreements

The Company has entered into indemnity agreements stipulated in Article 430-2 (1) of the Companies Act with 11 Directors, namely Messrs. Masashi Oka, Harufumi Mochizuki, Joji Okada, Yoshihito Yamada, Shinjiro Sato, Takashi Niino, Takayuki Morita and Osamu Fujikawa, and Mss. Shiori Nagata, Mika Nishimura and Tomomi Yatsu, as well as 18 Executive Officers, namely Messrs. Kazuhiro Sakai, Masakazu Yamashina, Shigehiro Tanaka, Toshifumi Yoshizaki, Tomoki Kubo, Yushi Ushijima, Kunikazu Amemiya, Hiroshi Hashimoto, Michio Kiuchi, Hiroyuki Nagano, Takao Iwai, Norihiko Kimura, Motoo Nishihara, Daisuke Horikawa, Hiroshi Kodama, Noboru Nakatani and Koji Tamefusa, and Ms. Yasuko Matsumoto. Under the indemnity agreement, the Company shall indemnify the expenses set forth in Item 1 of Article 430-2 (1) and the losses set forth in Item 2 of Article 430-2 (1) to the extent stipulated by laws and regulations. Upon retirement or resignation, the term of the indemnity agreement will be terminated. Under the indemnity agreement, in order to ensure that the appropriateness of the execution of duties by each Director and Executive

Officer is not impaired, the indemnification by the Company is not applied to certain cases where such indemnification is inappropriate, and the Company may demand return from a Director or an Executive Officer of all or part of the amount of the indemnification if, after payment, it is found that the indemnification was inappropriate.

(6) Outline of D&O Liability Insurance Contract

The Company has entered into a D&O (directors, corporate auditors and officers) liability insurance contract stipulated in Article 430-3 (1) of the Companies Act with an insurance company. Those insured by the insurance contract are Directors, Executive Officers, Auditors and Corporate Officers, etc. of the Company and its subsidiaries as well as persons who are executives or employees of the Company or subsidiaries in a position of Directors, Executive Officers, Auditors and Corporate Officers, etc. of a company other than the Company and its subsidiaries by direction of the Company or its subsidiaries. The insurance contract will reimburse the payment for the legal damages and defense costs of the insured arising from any claim(s) made against the insured for their performance in their respective capacities and damages incurred by the company arising from said company's compensation (company compensation) of damages incurred by the insured arising from any claim(s) made against the insured.

4. Policy on the determination of distribution of surplus dividends

The Company believes that execution of business operations with an emphasis on capital efficiency and making proactive investments in growth areas based on a strong financial base will lead to the creation of long-term corporate value. In shareholder returns, the Company aims to deliver stable dividend increases and makes flexible decisions on share repurchases, based on factors such as the profit status and financial needs in each period.

For this Business Period, mainly considering that the operating profit, which is the profit from the main business, exceeded the amount announced at the beginning of the Business Period, the Company declared an annual dividend of 38 yen per share of common stock (interim dividend of 16 yen per share), an increase of 6 yen per share from the amount announced at the beginning of the Business Period.

In addition, the Company stipulates in its Articles of Incorporation that it may determine distribution of surplus dividends flexibly through resolutions of the Board of Directors, and that record dates of distribution of surplus dividends shall be March 31 and September 30 of each year.

Note: The following information described below in items “Changes in the Results of Operations and the Financial Position” through “Policy on the Control over the Company”, “Consolidated Statement of Changes in Equity” through “Notes to Consolidated Financial Statements” and “Statement of Changes in Net Assets” is provided only on the Company’s website and not delivered in writing.

Changes in the Results of Operations and the Financial Position

(i) Changes in the Results of Operations and the Financial Position (Consolidated)

(IFRS) (In billions of yen except per share figures)

Fiscal Year Indices	Fiscal Year ended March 31, 2023 (185th Business Period)	Fiscal Year ended March 31, 2024 (186th Business Period)	Fiscal Year ended March 31, 2025 (187th Business Period)	Fiscal Year ended March 31, 2026 (188th Business Period)
Revenue	3,313.0	3,477.3	3,423.4	3,582.7
Operating profit	170.4	188.0	256.5	359.9
Adjusted operating profit	205.5	223.6	287.2	386.8
Income before income taxes	167.7	185.0	239.8	398.2
Net profit attributable to owners of the parent	114.5	149.5	175.2	270.2
Non-GAAP operating profit	197.0	227.6	311.3	397.2
Non-GAAP profit attributable to owners of the parent	132.8	177.8	225.7	279.8
Basic earnings per share (yen)	84.90	112.25	131.50	202.95
Non-GAAP earnings per share (yen)	98.48	133.51	169.40	210.11
Total assets	3,984.1	4,227.5	4,315.4	4,466.8
Equity attributable to owners of the parent	1,623.8	1,915.6	1,952.0	2,196.6

Notes: 1. “Basic earnings per share” is adopted *International Accounting Standard (IAS) 33 regarding “Earnings per Share”* and calculated based on the weighted-average number of shares outstanding during each period.

2. The Company conducted a share split at a ratio of five (5) shares for every one (1) common share, effective April 1, 2025. “Basic earnings per share” and “Non-GAAP earnings per share” have been calculated assuming that the share split had occurred at the beginning of the fiscal year ended March 31, 2023 (185th Business Period).

(ii) Changes in the Results of Operations and the Financial Position (Non-consolidated)

(In billions of yen except per share figures)

Fiscal Year Indices	Fiscal Year ended March 31, 2023 (185th Business Period)	Fiscal Year ended March 31, 2024 (186th Business Period)	Fiscal Year ended March 31, 2025 (187th Business Period)	Fiscal Year ended March 31, 2026 (188th Business Period)
Net sales	1,775.6	1,838.0	1,981.2	2,094.5
Ordinary income	71.2	158.3	253.3	258.6
Net income	102.1	220.8	233.7	250.9
Net income per share (yen)	75.71	165.73	175.39	188.33

Total assets	2,431.8	2,745.2	3,069.6	3,075.6
Net assets	1,017.1	1,210.2	1,415.8	1,317.3

Notes:1. “Net income per share” is calculated based on the weighted-average number of shares outstanding during each period.

2. The Company conducted a share split at a ratio of five (5) shares for every one (1) common share, effective April 1, 2025. “Net income per share” has been calculated assuming that the share split had occurred at the beginning of the fiscal year ended March 31, 2023 (185th Business Period).

Principal Offices of the NEC Group, etc.

Head Office	Minato-ku, Tokyo
Branch Divisions	Hokkaido Branch Division (Sapporo) Tohoku Branch Division (Sendai) Tokai Branch Division (Nagoya) Hokuriku Branch Division (Kanazawa) Kansai Branch Division (Osaka) Chugoku Branch Division (Hiroshima) Shikoku Branch Division (Takamatsu) Kyushu Branch Division (Fukuoka)
Plants	Tamagawa Plant (Kawasaki) Fuchu Plant (Fuchu, Tokyo) Sagamihara Plant (Sagamihara) Abiko Plant (Abiko)
Domestic Manufacturing Center	NEC Platforms, Ltd. (Kakegawa, etc.) OCC Corporation (Kitakyushu, etc.) NEC Network and Sensor Systems, Ltd. (Hidaka, etc.)
Overseas Subsidiaries	NEC Corporation of America (U.S.A.) NEC Europe Ltd. (U.K.) NEC Asia Pacific Pte. Ltd. (Singapore) NEC (China) Co., Ltd. (People's Republic of China) NEC Latin America S.A. (Brazil) NEC Australia Pty Ltd (Australia) NEC Corporation India Private Limited (India)

Employees

(i) Employees of the NEC Group

Segment	Number of Employees
IT Services	57,400
Social Infrastructure	16,830
Others	27,570
Total	101,800

(ii) Employees of the Company

Number of Employees	Increase (Decrease) from March 31, 2025	Average Age	Average Years of Employment
21,934	(337)	43.1	17.3

Major Borrowings

(In millions of yen)

Creditors	Balance of Borrowings
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Syndicated Loan *	40,000
Sumitomo Mitsui Banking Corporation	17,523
MUFG Bank, Ltd.	6,952
Sumitomo Mitsui Trust Bank, Limited	6,778
Mizuho Bank, Ltd.	5,628

Note: Syndicated Loan * is syndicated loan arranged by Sumitomo Mitsui Banking Corporation.

Accounting Auditors

(1) **Name of the Accounting Auditors** KPMG AZSA LLC

(2) **The Amount of Compensation to the Accounting Auditors**

Classification	Amount (In millions of yen)
(i) The total fees paid to the Accounting Auditors by the Company as compensation for their duties under the Companies Act	668
(ii) Total amount of money and other property benefit paid to the Accounting Auditors by the Company and its subsidiaries	1,473

Notes: 1. The fees set forth in column (i) above include the fees for audit under the Financial Instruments and Exchange Law and other laws as there are no separation in the audit contract with the Accounting Auditors the fees for audit under the Companies Act and the fees for audit under the Financial Instruments and Exchange Law and other laws, and it is impracticable to distinguish between these two types of fees.

2. The Audit Committee has received necessary information and reports from CFO (Chief Financial Officer), relevant divisions and the Accounting Auditors, and has evaluated the adequacy of the audit plans, the calculation basis of the estimated fees for audit and other conditions including the audit result of the Accounting Auditors for the previous fiscal year. As a result, the Audit Committee has made the agreement stipulated in Article 399(1) of the Companies Act regarding the remuneration to the Accounting Auditors.

3. Of the Company's subsidiaries listed in "1.(8)(ii) Principal Subsidiaries" above, those subject to audit by certified public accountants or audit firm other than the Accounting Auditors are as follows:

Name of Subsidiary	Audit Firm
NEC Corporation of America	KPMG LLP
NEC Europe Ltd.	KPMG LLP
NEC Asia Pacific Pte. Ltd.	KPMG LLP
NEC (China) Co., Ltd.	KPMG Huazhen LLP
NEC Latin America S.A.	KPMG Auditores Independentes Ltda.
NEC Australia Pty Ltd	KPMG Australia Pty Ltd
NEC Corporation India Private Limited	BSR & Co. LLP
NetCracker Technology Corporation	KPMG LLP
Garden Private Holdings Limited	KPMG LLP
Soleil ApS	KPMG P/S

(3) **Non-audit services rendered by the Accounting Auditors**

Other than those stipulated in Article 2(1) of the Certified Public Accountants Law, the Company, during this Business Period, engaged the Accounting Auditors mainly for services in relation to the audit procedures regarding control risk of subcontracted services, and paid fees for such services.

(4) **Company Policy regarding dismissal or decision not to reappoint the Accounting Auditors**

If the Accounting Auditors are found to correspond to any of the items of Article 340(1) of the

Companies Act, the Audit Committee shall be entitled to dismiss the Accounting Auditors subject to the consent of all Audit Committee Members, in which case the Audit Committee Member appointed by the Audit Committee reports on the fact that said Accounting Auditors have been dismissed and the reason for dismissal, at the first shareholders meeting held after such dismissal. The Audit Committee will determine the contents of a proposal for a dismissal or disapproval of the reappointment of the Accounting Auditors to be submitted to the shareholders meeting when the situation arises where the Accounting Auditors are no longer able to execute their duties in a proper manner and the Audit Committee decides that it is appropriate to change the Accounting Auditors, or the Audit Committee decides that it is appropriate to change the Accounting Auditors in order to improve properness or efficiency of the audit by the Accounting Auditors.

System to ensure the properness of operations and outline of the status of the implementation of such system

(System to ensure the properness of operations)

The Company has established and implemented its internal control system based on the basic policy for maintenance of the system of the Company to ensure the properness of operations as provided in Article 416-1-1 (b) and (e) of the Companies Act adopted by resolution of the Board of Directors (the "Policy"). English translation of the Policy is provided through the Company's website (Note) and the summary of which is described below.

Note: <https://www.nec.com/en/global/about/internalcontrol.html>

The Company shall endeavor to establish and implement its internal control system even more effectively, through continuous evaluation of the status of the establishment and implementation of its internal control system under the Policy as well as taking measures necessary for its improvement, and conducting consistent reviews of the Policy responding to changes in the business environment.

(i) In order to ensure the compliance with the laws and regulations and the Company's Articles of Incorporation in the performance of duties by Directors, Executive Officers and employees, Directors and Executive Officers shall take the lead in practicing the NEC Group Code of Conduct that was adopted to establish business ethics standards for the NEC Group and to ensure compliance with laws and regulations, the Articles of Incorporation and its internal rules, and promote thorough understanding thereon within the NEC Group. If any material violation of laws, regulations, the Articles of Incorporation or internal rules is found, the Company shall investigate the cause of such violation and formulate and implement preventative measures. In addition, the compliance-promotion division shall prompt the use of the Company's internal reporting system.

(ii) The Company shall properly retain and manage information in accordance with applicable laws and regulations and the Company's internal rules.

(iii) The Company shall implement risk management systems effectively and comprehensively under the consistent policy throughout the NEC Group in accordance with the Company's internal rules. The officer responsible for corporate risk management shall organize the corporate risk management system, centered on the Risk Control and Compliance Committee, and supervise the NEC Group's risk management as well as conducting risk factor analysis and implementing measures. Business divisions shall properly conduct business risk management and corporate staff divisions shall give guidance and support to such business divisions' activities. The Risk Control and Compliance Committee shall deliberate fully on such matters of importance from a perspective of risk management, such as the policy for responding significant management risks, and the matters of particular importance shall be reported to the Executive Committee and the Board of Directors.

(iv) In order to ensure the efficient performance of duties by Directors and Executive Officers, the Board of Directors shall delegate its significant authorities to Executive Officers and promote timely decision-making and effective performance of duties. Executive Officers shall, in accordance with the mid-term corporate management plan determined by the Board of Directors, timely make decisions and efficiently perform duties.

(v) The Company shall, through the NEC Group Management Policy, give instructions and assistance to the subsidiaries for the establishment of the systems ensuring compliance with laws and regulations and properness of the operation of business. In order to improve soundness and efficiency of management systems in the NEC Group, the Company shall dispatch directors and auditors where necessary and decide on a division in charge of supervising each of the subsidiaries, and such division in charge shall receive reports from such subsidiary regarding matters of importance on business operations, and give instructions and assistance to the subsidiary so that it shall properly conduct risk controls. Corporate staff departments shall stipulate and operate effective controls for their responsible area to ensure proper operations of the NEC Group. The internal auditing division shall conduct audits of the subsidiaries' proper operations.

(vi) From the perspective of proper and efficient operations of the NEC Group, the Company shall endeavor to conduct improvement and standardization of business processes, and further strengthen its internal control by utilizing information systems.

(vii) Internal control over financial reporting of the NEC Group shall be evaluated, maintained and improved in accordance with applicable laws and regulations.

(viii) The Company shall assign personnel who assists the Audit Committee ("Audit Committee Aide") and establish the office of the Audit Committee to assist the Audit Committee in the performance of its duties. Those who assist the Audit Committee shall perform their duties under the direction of the Audit Committee to ensure the effectiveness of the Audit Committee, and their personnel change etc. shall be subject to the consent of the Audit Committee to ensure the maintenance of independence.

(ix) Directors, Executive Officers and employees shall report to the Audit Committee on the status of the performance of their duties on a periodic basis or as required. The Company shall give instructions to the subsidiaries so that directors, auditors, officers and employees of the subsidiaries shall report to the Audit Committee of the Company on the status of the performance of their duties or other topics, as required by the Company's Audit Committee.

(x) The head of the compliance-promotion division shall periodically report to the Audit Committee on the status of operation of the whistleblowing system. Furthermore, The Company shall not make detrimental treatment to Directors, Executive Officers and employees of the NEC Group on the ground of reporting through whistleblowing system, and/or reporting to the Audit Committee on the status of the performance of duties or other relevant topics.

(xi) In order to ensure the effective audit, the Audit Committee shall periodically receive reports from the Accounting Auditors and the internal auditing division for audits conducted by them and exchange opinions with them. Furthermore, the Audit Committee shall collaborate with the internal auditing division and provide them guidance, give them instructions when deemed necessary, and audit the performance of duties by Directors and Executive Officers. In addition, Audit Committee Members appointed by the Audit Committee and the Audit Committee Aide (collectively "Appointed Audit Members, etc.") shall attend the meetings of the Executive Committee and such other important meetings as they deem necessary. The Company shall bear the reasonable expenses for the performance of duties by the Appointed Audit Members, etc., as required by them.

(Outline of the status of the implementation of system to ensure the properness of operations)

The Company assessed the status of the establishment and implementation of its internal control system for this Business Period and confirmed that it has established and implemented its internal control system properly based on the Policy. The main initiatives conducted in this Business Period are as follows:

(i) Compliance,

The NEC Group has established a compliance promotion system centered on the Risk Control and Compliance Committee and CRCO (Chief Risk & Compliance Officer) .

The Company has established the Risk Control and Compliance Committee, which deliberates on the promotion of compliance, including responses to fraud cases, and reports to the Board of Directors as necessary.

• “NEC Compliance Day”

The “NEC Compliance Day” was established in 2017 as a day for all NEC Group employees to reaffirm the importance of compliance, in light of the adjudication of a violation of the Antimonopoly Act in Japan in fiscal year ended March 31, 2017. Also in this Business Period, the Company promoted compliance awareness by sending out messages on the importance of ethics and thorough compliance in business activities from the Company’s management and presidents of its subsidiaries.

• Training

The Company conducts training on compliance every year. In education on the NEC Group Code of Conduct, each employee of the Company declared that they would act in accordance with the NEC Group Code of Conduct and that they would act with integrity in a way that is trusted by customers, society and colleagues.

• Response to misconduct

The risk control and compliance committee etc. of each NEC Group company deliberates on cases of misconduct that occur at its own organization and reports them to the Company. The Risk Control and Compliance Committee deliberates on the causes of misconduct incidents that have occurred at the NEC Group and measures to prevent recurrence. The Company publishes an overview of the incident and key points for the NEC Group every six months to prevent the recurrence of the incident.

• The whistleblowing system

The Company has established a whistleblowing hotline to enable early detection and resolution of misconduct and other irregularities. Since October 2024, the NEC Group’s multiple whistleblowing hotlines, which were established depending on the nature of reports and consultations, have been consolidated and reestablished as the “NEC Compliance & Integrity Hotline”. The number of reports and consultations to the hotline was 478 during this Business Period. The internal auditing division and other relevant divisions in the Company investigated these internal reports and consultations and took necessary measures in response, in accordance with the contents reported or consulted. The Company also conducts training and other publicity activities to promote the use of the whistleblowing system.

(ii) Risk Management

The NEC Group has a company-wide cross-sectional risk management system centered on the Risk Control and Compliance Committee and CRCO to accurately comprehend and to respond appropriately to both internal and external risks related to NEC Group’s businesses.

The Risk Control and Compliance Committee deliberates a risk management policy, policies with regard to selection of and response to “Priority Risks” that requires countermeasures across the NEC Group, as well as measures to address risks that require company-wide management due to fluctuations in risk environment during the fiscal year, and other important matters related to company-wide risk management, then reports them to the Business Strategy Committee and the Board of Directors on a regular basis.

Further, the Company has established CRCO to monitor and address company-wide risks centrally and cross-functionally and strengthen its structure to manage possibilities to make losses. CRCO takes a lead the company-wide risk management by detecting and analyzing various and complicated risks in social and business environment changing day by day, and evaluating impacts, while prioritizing countermeasures and closely collaborating with other chief officers managing each risk.

CRCO creates a risk map that visualizes priorities in accordance with a five level impact assessment and a three level urgency assessment, by engaging in dialogue with the other chief officers managing each risk and conducting risk assessments based upon the exhaustive list containing risks that the NEC Group should be aware of. The risk map is updated quarterly after deliberation by the Risk Control and Compliance Committee, and is regularly reported to the Business Strategy Committee and the Board of Directors.

(iii) Group Management

The Company makes efforts to integrate a framework for the management of its subsidiaries for total optimization of group companies and maximization of the value of group companies based on the NEC Group Management Policy, which sets out the NEC Group's group management. As part of this approach, chief officers in charge of key cross-group functions promote the establishment of a framework to manage the performance of duties at overseas subsidiaries within their authority so that the NEC Group's common policies, business processes, and infrastructure can be introduced immediately to overseas subsidiaries.

(iv) Audits by the Audit Committee

The Audit Committee conducts effective organizational audits in accordance with the basic policies for audits for this Business Period. These policies are: (i) checking the status of the establishment and operation of the internal control system; (ii) strengthening cooperation with the internal auditing division; and (iii) ensuring an auditing system in which the Audit Committee Aide takes over part of the activities of the former full-time Audit Committee Members and assists the Audit Committee in the performance of its duties

- The Audit Committee receives direct reports from CEO as well as main Executive Officers and chief officers in charge of corporate functions. As for other Executive Officers, their performance of duties is confirmed mainly through audits by the internal audit division.

- In principle, audits of the Company's organizations and subsidiaries are based on the results of audits by the internal auditing division and the information is closely shared with the said division. Specifically, the Audit Committee confirms the effectiveness of the internal control system through the internal auditing division's audit plans and reports on audit results, and gives instructions to the said division as necessary.

- The Company has the Audit Committee Aide and the office of the Audit Committee to assist the Audit Committee in the performance of its duties. These personnel who assist the Audit Committee perform their duties under the direction of the Audit Committee to ensure the effectiveness of the Audit Committee.

- The Audit Committee Aide and the office of the Audit Committee check the status of the establishment and operation of the internal control system by attending important meetings such as Executive Committee, engaging in dialogue with corporate staff divisions, etc., and receiving reports from auditors, etc. of subsidiaries, and report the collected information to the Audit Committee Members.

- The Audit Committee works closely with the Accounting Auditor and the internal audit division, including exchanging information regularly, and operates the "Audit Committee Hotline," which is independent of management and serves as a point of contact for reporting misconduct involving the Company's Executive Officers and Directors.

Policy on the Control over the Company

The Company believes that the ultimate decision as to the person who should control the financial and business policy of the Company shall be made by the shareholders of the Company. However, in the event that a person or entity (the "Proposer") proposes to purchase the substantial number of the shares of the Company with an intent to control the Company or proposes the takeover of the Company, the Company believes it is the responsibilities of the Board of Directors (i) to request the Proposer to provide appropriate information on the reasonableness of the consideration and other conditions of the proposal and the influence such action may have on the management policy and business plan of the Company, (ii) to sincerely evaluate the information provided and consider whether such proposal has merit in promoting the corporate value of the Company and the common interests of the shareholders, and (iii) to promptly express the opinion of the Company, thereby assisting the shareholders to make decisions whether or not to accept the proposal. In addition, the Company believes that, in the particular circumstances, it may be required to negotiate with the Proposer or to present alternative proposals to the shareholders.

Currently, the Company has not adopted a response policy that will apply when a proposal is

made by a Proposer. It is the Company's intention, however, that if (i) the sufficient information is not provided by the Proposer, (ii) the shareholders are not afforded the time sufficient to consider the proposal, or (iii) the Company determines that the proposal would have an adverse effect on the corporate value of the Company or the common interests of the shareholders, the Company will decide and implement reasonable countermeasures, in a manner based on necessity and proportionality, that are practicable as of then and acceptable to the shareholders.

Consolidated Statement of Financial Position

(As of March 31, 2026)

JPY (millions)

Account	Amount
Assets	
Current Assets	
Cash and cash equivalents	659,034
Trade and other receivables	994,066
Contract assets	420,278
Inventories	171,181
Other financial assets	28,461
Other current assets	186,073
Total current assets	2,459,093
Non-current assets	
Property, plant and equipment, net	564,064
Goodwill	450,501
Intangible assets, net	368,945
Investments accounted for using the equity method	48,129
Other financial assets	228,929
Deferred tax assets	186,670
Other non-current assets	160,453
Total non-current assets	2,007,691
Total assets	4,466,784

JPY (millions)

Account	Amount
Liabilities and equity	
Liabilities	
Current liabilities	
Trade and other payables	476,503
Contract liabilities	463,393
Bonds and borrowings	54,966
Accruals	255,022
Lease liabilities	51,412
Other financial liabilities	6,472
Accrued income taxes	107,506
Provisions	58,857
Other current liabilities	89,846
Total current liabilities	1,563,977
Non-current liabilities	
Bonds and borrowings	272,107
Lease liabilities	110,730
Other financial liabilities	30,008
Net defined benefit liabilities	123,162
Provisions	36,609
Other non-current liabilities	48,304
Total non-current liabilities	620,920
Total liabilities	2,184,897
Equity	
Share capital	427,831
Retained earnings	1,216,327
Treasury shares	(57,584)
Other components of equity	610,004
Total equity attributable to owners of the parent	2,196,578
Non-controlling interests	85,309
Total equity	2,281,887
Total liabilities and equity	4,466,784

Consolidated Statement of Profit or Loss

(For the fiscal year ended March 31, 2026)

JPY (millions)

Account	Amount
Revenue	3,582,733
Cost of sales	2,401,437
Gross profit	1,181,296
Selling, general and administrative expenses	805,555
Other operating income (expenses)	(15,828)
Operating profit	359,913
Finance income	52,949
Finance costs	18,168
Share of profit of entities accounted for using the equity method	3,481
Profit before income taxes	398,175
Income taxes	124,851
Net profit	273,324
Net profit attributable to	
Owners of the parent	270,228
Non-controlling interests	3,096
Total	273,324
Earnings per share attributable to owners of the parent	
Basic earnings per share (JPY)	202.95
Diluted earnings per share (JPY)	202.95

Consolidated Statement of Changes in Equity

(For the fiscal year ended March 31, 2026)

JPY (millions)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Treasury shares	Other components of equity	Total		
As of April 1, 2025	427,831	46,704	1,023,945	(30,725)	484,263	1,952,018	119,493	2,071,511
Net profit	—	—	270,228	—	—	270,228	3,096	273,324
Other comprehensive income	—	—	—	—	124,751	124,751	10,335	135,086
Comprehensive income	—	—	270,228	—	124,751	394,979	13,431	408,410
Purchase of treasury shares	—	—	—	(27,329)	—	(27,329)	—	(27,329)
Disposal of treasury shares	—	27	—	470	—	497	—	497
Share-based payment transactions	—	1,212	—	—	—	1,212	—	1,212
Cash dividends	—	—	(40,048)	—	—	(40,048)	(1,674)	(41,722)
Put option, written over shares held by a non-controlling interest shareholder	—	50	—	—	—	50	—	50
Transfer of negative balance of other capital surplus	—	37,798	(37,798)	—	—	—	—	—
Changes in interests in subsidiaries	—	(85,791)	—	—	990	(84,801)	(45,941)	(130,742)
Total transactions with owners	—	(46,704)	(77,846)	(26,859)	990	(150,419)	(47,615)	(198,034)
As of March 31, 2026	427,831	—	1,216,327	(57,584)	610,004	2,196,578	85,309	2,281,887

<Reference>

Consolidated Statement of Other Comprehensive Income (Unaudited)

(For the fiscal year ended March 31, 2026)

JPY (millions)

Account	Amount
Net profit	273,324
Other comprehensive income, net of tax	
Items that will not be reclassified to profit or loss	
Equity instruments designated as measured at fair value through other comprehensive income	8,909
Remeasurements of defined benefit plans	21,780
Share of other comprehensive income of entities accounted for using the equity method	551
Total items that will not be reclassified to profit or loss	31,240
Items that may be reclassified subsequently to profit or loss	
Exchange differences on translating foreign operations	99,009
Cash flow hedges	4,918
Share of other comprehensive income of entities accounted for using the equity method	(81)
Total items that may be reclassified subsequently to profit or loss	103,846
Total other comprehensive income, net of tax	135,086
Total comprehensive income	408,410
Total comprehensive income attributable to	
Owners of the parent	394,979
Non-controlling interests	13,431
Total	408,410

<Reference>

Consolidated Statement of Cash Flows (Unaudited)

(For the fiscal year ended March 31, 2026)

JPY (millions)

Account	Amount
Cash flows from operating activities	
Profit before income taxes	398,175
Depreciation and amortization	154,502
Impairment loss	7,642
Increase (decrease) in provisions	17,834
Finance income	(52,949)
Finance costs	18,168
Share of profit of entities accounted for using the equity method	(3,481)
(Increase) decrease in trade and other receivables	(101,432)
(Increase) decrease in contract assets	(43,129)
(Increase) decrease in inventories	14,729
Increase (decrease) in trade and other payables	(8,919)
Increase (decrease) in contract liabilities	44,351
Increase or decrease in net defined benefit liabilities or net defined benefit assets	131,937
Others, net	(34,131)
Subtotal	543,297
Interest received	5,887
Dividends received	3,212
Interest paid	(9,713)
Income taxes paid	(104,220)
Net cash provided by (used in) operating activities	438,463
Cash flows from investing activities	
Purchases of property, plant and equipment	(70,325)
Proceeds from sales of property, plant and equipment	31,947
Acquisitions of intangible assets	(21,231)
Purchase of equity instruments designated as measured at fair value through other comprehensive income	(2,021)
Proceeds from sales of equity instruments designated as measured at fair value through other comprehensive income	16,686
Purchases of shares of newly consolidated subsidiaries	(11,987)
Proceeds from sales of shares of subsidiaries	13,821
Disbursement for sales of shares of subsidiaries	(789)
Purchases of investments in associates or joint ventures	(683)
Proceeds from sales of investments in associates or joint ventures	83,003
Others, net	(4,735)
Net cash provided by (used in) investing activities	33,686

		JPY (millions)
Account		Amount
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings		(147,629)
Proceeds from long-term borrowings		27,508
Repayments of long-term borrowings		(49,903)
Proceeds from issuance of bonds		30,000
Redemption of bonds		(25,000)
Payments of lease liabilities		(54,890)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(129,832)
Dividends paid		(40,043)
Dividends paid to non-controlling interests		(1,685)
Purchase of treasury shares		(27,329)
Others, net		853
Net cash provided by (used in) financing activities		(417,950)
Effect of exchange rate changes on cash and cash equivalents		20,220
Net increase (decrease) in cash and cash equivalents		74,419
Cash and cash equivalents, at the beginning of the year		584,615
Cash and cash equivalents, at the end of the year		659,034

Notes to Consolidated Financial Statements

I Notes to Significant Items for Presenting Consolidated Financial Statements

1. NEC Corporation (“the Company”) prepares its consolidated financial statements in accordance with the provisions of the second sentence of Article 120-1 of the Ordinance on Company Accounting that allows the Company to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards (“IFRS”).

2. Scope of consolidation

Number of consolidated subsidiaries 252 companies

Major consolidated subsidiaries

NEC Platforms, Ltd., NEC Fielding, Ltd., NEC Solution Innovators, Ltd., ABeam Consulting Ltd., NESIC Holdings, Ltd., NEC Corporation of America, NEC Europe Ltd., NEC Asia Pacific Pte. Ltd., NEC (China) Co., Ltd., NEC Latin America S.A., NEC Australia Pty Ltd, NEC Corporation India Private Limited, Netcracker Technology Corporation, Comet Holding B.V., Garden Private Holdings Limited, Soleil ApS.

Change in the scope of consolidation includes additions of 18 and exclusions of 15 subsidiaries. Significant changes were as follows:

Consolidated subsidiaries included in the consolidation scope as a result of acquisitions and incorporation:

18 subsidiaries

Consolidated subsidiaries excluded from the consolidation scope as a result of sales and liquidation:

11 subsidiaries

Consolidated subsidiaries excluded from the consolidation scope as a result of merger:

4 subsidiaries

3. Items related to application of equity method

Number of companies accounted for using the equity method

Number of affiliated companies accounted for using the equity method 51 companies

Major company

Lenovo NEC Holdings, B.V.

3 affiliated companies were newly accounted for using the equity method.

4 affiliated companies were excluded from the affiliated companies accounted for using the equity method.

4. Significant accounting policies

(1) Valuation standards and methods for assets

(a) Financial assets

Classification of financial assets

The NEC Group classifies non-derivative financial assets into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, or financial assets measured at fair value through profit or loss. In principle, financial assets are classified into the categories on the basis of the business model for managing financial assets and the contractual cash flow characteristics of financial assets.

(i) Non-derivative financial assets

Financial assets measured at amortized cost

Financial assets held by the NEC Group are measured at amortized cost when both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are initially measured at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at their transaction price.

After initial recognition, the carrying amounts of financial assets measured at amortized cost are recognized using the effective interest method less impairment loss. Amortization using the effective interest method and gains and losses on derecognition are recognized in profit or loss for the period.

Equity instruments designated as measured at fair value through other comprehensive income

The NEC Group has in principle elected to present subsequent changes in fair value of certain equity instruments in other comprehensive income except for those in the form of venture capital investments.

These equity instruments are initially measured at fair value, plus any directly attributable transaction costs and measured at fair value in subsequent periods. Changes in fair value are included in other comprehensive income and never reclassifies to profit or loss and the NEC Group never reclassifies accumulated other comprehensive income to retained earnings subsequently. Dividends from equity instruments designated as measured at fair value through other comprehensive income are recognized as finance income in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

Financial assets measured at fair value through profit or loss

Financial assets other than financial assets measured at amortized cost or equity instruments designated as measured at fair value through other comprehensive income are classified as financial instruments measured at fair value through profit or loss.

These financial assets are measured at fair value after initial recognition, and changes in their fair value are recognized in profit or loss. Gains and losses on financial instruments measured at fair value through profit or loss are recognized in profit or loss.

(ii) Derivative financial instruments

The NEC Group holds derivative financial instruments, such as forward exchange contracts, interest rate swaps, and currency options, to hedge foreign currency exposure and interest rate exposures. Derivatives are measured at fair value at the inception and subsequent periods.

Derivatives that are not designated as hedging instruments

For derivatives that are not designated as hedging instruments, any changes in the fair value of the derivative are recognized in profit or loss.

Derivatives that are designated as hedging instruments

Cash flow hedges

The effective portion of changes in the fair value of derivatives is recognized in other comprehensive income and

any ineffective portion of changes in the fair value is immediately recognized in profit or loss. The amount accumulated in other components of equity is reclassified to profit or loss in the same period during which the cash flows of the hedged item affect profit or loss. Hedge accounting is discontinued prospectively when the hedging instrument expires, is sold, terminated, exercised, when no longer meets the criteria for hedge accounting, a forecast transaction is no longer highly probable, or the designation is revoked. In addition, the NEC Group has selected the option to continue to apply hedge accounting of International Accounting Standards ("IAS") 39.

Impairment of financial assets

As for impairments on financial assets measured at amortized costs, the NEC Group recognizes allowances for expected credit losses by assessing whether the credit risk on the financial assets has increased significantly at each reporting date since initial recognition.

Allowances are measured based on the estimated credit loss arising from the possible defaults during the 12 months after the reporting date (12-month expected credit loss) when the credit risk associated with the financial assets has not significantly increased since initial recognition. When the credit risk associated with the financial assets has significantly increased since initial recognition or the financial assets are credit-impaired, an allowance for expected credit loss is calculated based on the estimated credit loss arising from all possible defaults over the estimated remaining period of the financial instruments (life-time expected credit loss). Notwithstanding the above, an allowance for expected credit loss on trade receivables and contract assets is always calculated based on the estimated credit loss over the entire period.

Significant increase in credit risk is determined based on changes in risks of a default occurring and the changes in such risks are determined considering significant financial difficulty, breach of contract, or increase in probability where the borrower will enter bankruptcy or other financial reorganization. Changes in allowances are recognized in profit and loss.

(b) Non-financial assets

(i) Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories that are interchangeable is determined principally by using the first-in first-out method or the periodic average method, whereas the cost of inventories of items that are not interchangeable is determined by using the specific identification of their individual cost.

Cost of inventories comprises all costs of purchase, costs of production, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Costs of finished goods and work in process include an allocation of production overheads that are based on the normal capacity of the production facilities.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenses directly attributable to acquisition of the asset, costs of dismantling and removing the assets, costs of restoring the site, and borrowing costs to be capitalized. When significant components of property, plant and equipment have different useful lives, they are accounted for as separate items (by major components) of property, plant and equipment. Gains or losses on disposals of property, plant and equipment are recognized in profit or loss.

(iii) Intangible assets

Goodwill

An asset representing the future economic benefits arising together with other assets through the acquisition of a subsidiary that are not individually identifiable is recognized as Goodwill. Goodwill is not amortized, but is tested for impairment at least annually or more frequently whenever there is any indication of impairment for a cash-generating unit (“CGU”) to which goodwill is allocated. The NEC Group initially measures goodwill at the acquisition date as the excess of the aggregate of consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity, less the net recognized amount of the identifiable assets acquired and liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase gain.

Software and other intangible assets

Development expenditures on software for sale and software for internal use are recognized as intangible assets, if all of the following criteria of capitalization are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Other intangible assets, such as patents and licenses, are recognized at cost when acquired. Intangible assets acquired in business combinations and recognized separately from goodwill, including acquired capitalized development costs, are recognized at fair value at the acquisition date.

Amortization methods, useful lives, and residual values of intangible assets with definite useful lives are reviewed at the end of each reporting period and revised as necessary.

(iv) Impairment of non-financial assets

Non-financial assets other than inventories, deferred tax assets, assets held for sale, assets arising from employee benefits and contract assets and assets recognized from costs to obtain a contract with a customer are assessed for indications of impairment at the end of each reporting period. This assessment is performed for an asset or a CGU, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. An impairment loss is recognized in profit or loss and the carrying amount is reduced to the recoverable amount. The recoverable amount is determined for an individual asset, or a CGU when the individual asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The NEC Group’s corporate assets do not generate independent cash inflows. If there is any indication that corporate assets may be impaired, the recoverable amount is estimated for the CGU to which the corporate assets belong. Corporate assets are assets other than goodwill that contribute to the future cash flows of both the CGU to which the corporate assets belong and other CGUs, and include land or buildings held by administrative departments.

The recoverable amount is the higher of the fair value of an asset or a CGU, less costs of disposal and its value in use. Value in use is calculated as the present value of the estimated future cash flows associated with the asset or CGU. In assessing value in use, the estimated future cash flows are estimated by using the growth rate which is determined by considering the status of the respective country and industry that the CGU belongs, and are

discounted to the present value using a pre-tax discount rate, which reflects current market assessments of the time value of money and any risks specific to the asset or the CGU.

For goodwill and intangible assets with indefinite useful lives, the recoverable amount is estimated at the same time each year for the level of a CGU to which goodwill and intangible assets with indefinite lives have been allocated, and they are also tested for impairment whenever there is any indication of impairment.

(2) Depreciation method for assets

(a) Property, plant and equipment

Depreciation is recognized in profit or loss mainly on a straight-line basis over the estimated useful lives as described below.

Useful lives of major property, plant and equipment are as follows:

Buildings and structures	7-60 years
Machinery and equipment	2-22 years
Tools, furniture and fixtures	2-20 years

The right-of-use assets are depreciated from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term.

(b) Intangible assets

Software for sale is amortized based on the expected sales volume over the expected effective period (mainly one to ten years) unless such the amortization method does not reflect the pattern of consumption of the expected future benefits from the asset. In such cases, software for sales is amortized on a straight-line basis over the remaining useful life.

Software for internal use is amortized on a straight-line basis over the estimated useful lives (mainly three to five years).

Other intangible assets are amortized from the date when the asset is available for use over the estimated useful lives, such as a contract period, using the method that reflects the pattern of consumption of the future economic benefits by the NEC Group.

(3) Recognition criteria for provisions

Provisions are recognized when the NEC Group has present legal or constructive obligations as a result of past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations and reliable estimates can be made of the amount of the obligations.

(4) Revenue recognition criteria for revenue and obligation

In accordance with IFRS 15, the following five-step approach is applied to recognize revenue, except for interest and dividend income within the scope of IFRS 9 and lease payments within the scope of IFRS 16.

Step 1: Identify the contract with a customer

Step 2: Identify performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to each performance obligation in the contract

Step 5: Recognize revenue when (or as) each performance obligation is satisfied

The NEC Group recognizes revenue from contracts with customers for contracts for hardware and packaged software deployments, for services to customers (including outsourcing and maintenance) and for system integrations and equipment constructions. The NEC Group identifies distinct promised goods or services (i.e., performance obligations) within these contracts and accounts for revenue in accordance with their performance obligations.

Related to contracts for hardware and packaged software deployments, the NEC Group recognizes revenue when control over goods is transferred to customers. Revenue on Hardware requiring significant services, including installation, is in principle recognized upon the customer's acceptance. Revenue on standard Hardware is recognized in principle upon delivery, where the control of the Hardware is transferred to the customer.

Related to contracts for services to customers (including outsourcing and maintenance) and system integrations and equipment constructions, the NEC Group recognizes revenue when or as the NEC Group satisfies a performance obligation over time. If the progress toward complete satisfaction of the performance obligation can be reasonably measured, revenue from a service is recognized by measuring the progress. If the progress cannot be reasonably measured, revenue from a service is recognized only to the extent of the costs incurred until such time that the outcome of the performance obligation can be reasonably measured.

Revenue on ongoing service contracts is recognized by measuring the progress based on the period of services already provided over the entire service period. Where outsourcing services are charged on a per unit basis, such as data usage, revenue is recognized when the service is provided. Where services are charged on a time period basis, revenue is recognized evenly over the period of the service contract. For maintenance, in principle revenue is recognized over the period in which the services are provided; however, where the contracts are charged on a time basis, revenue is recognized on a time and materials basis.

Related to contracts for system integrations and equipment constructions, the NEC Group recognizes revenue in principle by the method of measuring the progress based on the costs incurred to date as a percentage of the total estimated project costs.

Where changes occur in the initial estimates of revenues, measure of progress, and costs incurred for a contract, the cumulative impact arising from a change of estimates is recognized in profit or loss in the period in which the changes become certain and possible to be estimated.

Related to contracts with multiple performance obligations, where one contract that consists of several types of goods or services, such as supply of hardware and related services or supply of software sales and support services, goods or services promised to a customer are identified as a distinct performance obligation if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e., the good or service is capable of being distinct); and the NEC Group's promise to transfer the goods or service to the customer is separately identifiable from other promises in the contract (i.e., the promise to transfer the good or service is distinct within the context of the contract). The transaction price is allocated to each performance obligation on a relative stand-alone selling price basis.

(5) Leases

At inception of a contract, the NEC Group assesses whether the contract is, or contains, a lease. The NEC Group determines a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In addition, the NEC Group elected not to recognize right-of-use assets and lease liabilities for either short-term leases with a lease term of 12 months or less or leases for which the underlying assets are of low value. The NEC Group recognizes the lease payments associated with those leases as an expense on a straight-line basis over their lease term.

As a lessee

At the commencement date of a lease, the NEC Group recognizes right-of-use assets that represent the right to use an underlying asset and a lease liability that represents its obligation to make lease payments. The lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if it is readily determinable, or otherwise, the lessee's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the NEC Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the NEC Group is reasonably certain not to terminate the lease early.

The lease liability is subsequently measured at amortized cost using the effective interest method, and is remeasured under certain circumstances, such as when there is a change in future lease payments arising from a change in an index or a rate, if there is a change in the NEC Group's estimate of the amount expected to be payable under a residual value guarantee, or if the NEC Group changes its assessment of whether it will exercise a purchase, extension or termination option.

The vast majority of the building lease contracts contain extension options exercisable at the discretion of the NEC Group, and only lease payments for the duration of the lease term that is a period covered by the options which the NEC Group is reasonably certain to exercise are included in measuring the lease liability.

The right-of-use assets are initially measured at the initial measurement amount of the lease liabilities adjusted for any prepaid lease payments before the commencement date and certain other items, and are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term. The estimated useful lives of the underlying assets are determined on the same basis as those of property, plant and equipment. In addition, after the commencement date, the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for remeasurements of the lease liability. The right-of-use assets are presented as part of property, plant, and equipment, net.

(6) Other significant principles for the preparation of consolidated financial statements

(a) Defined benefit plans

The NEC Group's defined benefit plans consist of defined benefit pension plans and lump-sum severance payment plans. For defined benefit plans, the present value of defined benefit obligations, less the fair value of plan assets is recognized as either liability or asset. Defined benefit obligations are measured separately for each plan by discounting estimated amount of future benefits employees have earned in return for their services in the current and prior periods to its present value. The discount rate is the yield at the reporting date on high-quality corporate bonds that is consistent with the currency and estimated terms of the NEC Group's post-employment benefit obligations. Remeasurement of net defined benefit plans is recognized in full as other comprehensive income and not reclassified to retained earnings in subsequent periods.

If a defined benefit plan is overfunded, the net value of the defined benefit assets is measured at the lower of the overfunded amount of the plan or the asset ceiling.

(b) Defined contribution plans

Contributions to defined contribution pension plans are recognized as expense in profit or loss when the employees render related services.

(c) Application of Japanese group relief system

The Company files its tax return under the Japanese group relief system.

II Notes to Accounting Estimates

Accounting estimates generate reasonable amounts based on information available at the time of preparation of consolidated financial statements. The following amounts based on accounting estimates recorded in the consolidated financial statements for the consolidated fiscal year ended March 31, 2026 involve the risk that may have significant impact on the consolidated financial statements for the consolidated fiscal year ending March 31, 2027:

1. Revenue recognition

(1) Amount recorded in the consolidated financial statements for the consolidated fiscal year ended March 31, 2026

Revenue of 3,582,733 million JPY are recorded in the consolidated statement of profit or loss for the consolidated fiscal year ended March 31, 2026, of which 1,458,650 million JPY is disaggregated into contracts for system integrations and equipment constructions.

(2) Other information that contributes to the understanding of the consolidated financial statements users about the contents of accounting estimates

Related to contracts for system integrations and equipment constructions, the NEC Group recognizes revenue in principle by the method of measuring the progress based on the costs incurred to date as a percentage of the total estimated project costs.

The total estimated project costs, which are the basis for measuring the progress, are estimated based on the specifications, work period, and risks associated with contracts of each project. However, if there is a discrepancy between the estimates and actual results, it may significantly impact the amount of revenue in the consolidated financial statements for the consolidated fiscal year ending March 31, 2027.

2. Recognition and measurement of provisions

(1) Amount recorded in the consolidated financial statements for the consolidated fiscal year ended March 31, 2026

Provisions of 95,466 million JPY are recorded in the consolidated statement of financial position for the consolidated fiscal year ended March 31, 2026, of which 41,335 million JPY is provision for loss on construction contracts and others.

(2) Other information that contributes to the understanding of the consolidated financial statements users about the contents of accounting estimates

Provision for loss on construction contracts and others

The estimated future loss is recognized as provision for contracts for system integrations and equipment constructions and others for which the NEC Group is fulfilling its performance obligations, if the total estimated project costs probably exceed the total revenue at the end of the reporting period, and if the estimated future loss can be reasonably estimated. The timing of cash outflows depends on the progress of the project in the future.

The total estimated project costs are estimated based on the specifications, work period, and risks associated with contracts of each project. However, if there is a discrepancy between the estimates and actual results, it may significantly impact the amount of provision for loss on construction contracts and others in the consolidated financial statements for the consolidated fiscal year ending March 31, 2027.

Provisions other than provision for loss on construction contracts and others are described as below:

I Notes to Significant Items for Presenting Consolidated Financial Statements

4. Significant accounting policies (3) Recognition criteria for provisions

3. Assessment for recoverability of deferred tax assets

(1) Amount recorded in the consolidated financial statements for the consolidated fiscal year ended March 31, 2026

Deferred tax assets of 186,670 million JPY are recorded in the consolidated statement of financial position for the consolidated fiscal year ended March 31, 2026

(2) Other information that contributes to the understanding of the consolidated financial statements users about the contents of accounting estimates

A deferred tax asset is recognized for the carryforward of unused tax losses, and deductible temporary differences to the extent that it is probable that future taxable income will be available against which they can be utilized.

Due to market conditions and other environmental deterioration, and if the estimates of future taxable income are less than forecasted, the amount of recoverable deferred tax assets may be reduced.

4. Other accounting estimates

The details of accounting estimates other than the revenue recognition, recognition and measurement of provisions, and the assessment for recoverability of deferred tax assets are described as below:

(1) Fair value of financial instruments

V Notes to Financial Instruments

(2) Recoverable amount in impairment test of non-financial assets

I Notes to Significant Items for Presenting Consolidated Financial Statements

4. Significant accounting policies (1) Valuation standards and methods for asset

(3) Actuarial assumptions of post-retirement benefits

I Notes to Significant Items for Presenting Consolidated Financial Statements

4. Significant accounting policies (6) Other significant principles for the preparation of consolidated financial statements

(4) Identification of lease and determination of lease term

I Notes to Significant Items for Presenting Consolidated Financial Statements

4. Significant accounting policies (5) Leases

III Notes to Consolidated Statement of Financial Position

1. Assets measured at net of provision for impairment of assets

The amount of provision for impairment recognized as a deduction from the gross carrying amount of assets consisted of the following:

		JPY (millions)
Items	Amount	
Current assets		13,721
Non-current assets		4,803
Total		18,524

2. Accumulated depreciation of property, plant and equipment is as follows:

		JPY (millions)
Items	Amount	
Accumulated depreciation of property, plant and equipment		1,003,072

IV Notes to Consolidated Statement of Changes in Equity

1. Stocks issued

Ordinary shares 1,364,249,315 shares

2. Dividends

(1) Payment of dividends

Resolution	Type of shares	Total dividends JPY (millions)	Dividends per share (yen)	Record date	Effective date
May 12, 2025 Board of Directors	Ordinary shares	18,683	70	March 31, 2025	June 2, 2025

Note: The Company conducted a share split at a ratio of five (5) shares for one (1) share of its common share, effective April 1, 2025. The dividends are stated at the actual amounts prior to the share split.

Resolution	Type of shares	Total dividends JPY (millions)	Dividends per share (yen)	Record date	Effective date
October 29, 2025 Board of Directors	Ordinary shares	21,365	16	September 30, 2025	December 1, 2025

(2) Dividend for which the record date is in the fiscal year ended March 31, 2026, and the effective date is in the following fiscal year

Resolution	Type of shares	Resource of dividends	Total dividends JPY (millions)	Dividends per share (yen)	Record date	Effective date
May 12, 2026 Board of Directors	Ordinary shares	Retained earnings	29,227	22	March 31, 2026	June 1, 2026

V Notes to Financial Instruments

1. Summary of financial instruments

(1) Capital management

The NEC Group focuses on the business operation for emphasizing capital efficiency, invests to growth sectors, and enhances capital base to create long-term corporate value of the NEC Group. The NEC Group manages net debt-equity ratio for enhancing capital base.

(2) Financial risk management

The NEC Group operates its business in various countries and jurisdictions, and as such, it has exposure to credit risk, liquidity risk, and market risk (mainly represented by interest rate risk and currency risk). The NEC Group conducts appropriate risk management activities to minimize the effect of these financial risks on its financial position and performance.

a. Credit risk

Credit risk is a risk of financial loss to the NEC Group if a customer or a counterparty to a financial instrument fails to meet its obligations and arises principally from the NEC Group's receivables from customers.

The NEC Group is monitoring the financial position and past due balances of customers in order to minimize the risk of default resulting from deterioration of customers' financial position. Further, if necessary, preventative measures are taken by holding collateral or through other means.

Financial institutions with high credit capabilities are selected as counterparties while dealing in derivative transactions, deposit transactions, and the purchase of financial assets for short-term investments in order to reduce the counterparty risk.

The maximum exposure to credit risk, without taking into account of any collateral held at the end of the reporting period, is represented by the total amount of financial guarantee and carrying amount of the financial instruments which is exposed to credit risk in the consolidated statement of financial position.

Credit risk exposure relating to trade and other receivables and contract assets

The trade and other receivables are mainly from Japanese customers. An allowance for expected credit losses for trade and other receivables and contract assets is measured at an amount equal to the lifetime expected credit losses. The assets are grouped by each asset with similar characteristics of credit risks and expected credit losses are calculated based on historical default rates, concerning the current conditions and future economic environment. Expected credit losses for credit-impaired financial assets are calculated by each asset.

b. Liquidity risk

Liquidity risk is the risk that the NEC Group encounters difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The NEC Group's approach of managing liquidity is to ensure that it has sufficient liquidity to meet its liabilities when they are due.

The NEC Group periodically updates forecasts of its future cash flows aiming to maintain the level of its cash and cash equivalents and the unused balance of commitment line of credit at an amount in excess of expected cash outflows on financial liabilities required for conducting its business.

c. Market risk

(i) Interest rate risk

Interest bearing debts with floating interest rates, including long-term borrowings, are exposed to interest rate risk. The NEC Group may use interest rate swaps as hedges of the variability in cash flows attributable to interest-rate risk.

(ii) Foreign currency risk

The NEC Group operates its business globally, and is exposed to the risk of fluctuation in foreign exchange rates. The NEC Group mitigates foreign currency risk exposures to an extent possible by offsetting trade receivables and payables denominated in the same foreign currencies and conducting hedge transactions mainly on the remaining net exposures and net forecast transaction exposures using forward exchange contracts.

(iii) Equity price risk

The NEC Group holds listed equity instruments of parties with which the NEC Group has a business relationship, and therefore, is exposed to the risk of fluctuation in prices of equity instruments. The equity instruments are held for if the NEC Group determines that it will contribute to the increase of the mid- to long-term corporate value of the NEC Group after comprehensive consideration of its management strategy, the relationships with business partners and other circumstances.

2. Fair value of financial instruments

(1) Fair value hierarchy

Hierarchy and classification used for the fair value measurement for financial assets and liabilities measured at fair value are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices classified into Level 1 that are observable for the financial asset or liability, either directly or indirectly

Level 3: Unobservable inputs that are not based on observable market data

The NEC Group recognizes transfers between levels of the fair value hierarchy when a triggering event of the change has occurred.

Fair value measurements of financial assets and liabilities classified into Level 3 are reviewed and approved by the personnel responsible in the accounting department based on relating internal regulations.

(2) Basis of the fair value measurement

For cash and cash equivalents, trade and other receivables, trade and other payables, and accruals, the fair value is determined as equal or close to the carrying amount since they are to be settled in a short term.

The fair value of loans is measured by discounting estimated future cash flows to the present value based on an interest rate that takes into account the remaining period to the maturity date and credit risk.

Of equity instruments designated as measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss, the fair value of listed equity instruments is determined using a quoted market price at an exchange.

For derivative assets and liabilities, the fair value of forward exchange contracts is calculated based on the quoted forward exchange rates at the end of the fiscal year, while the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on the interest rate at the end of the reporting period.

The fair values of short-term borrowings and long-term borrowings (current portion) are determined as the carrying amount, as the carrying amount is a reasonable estimate of fair value due to the relatively short period of maturity of these instruments. The fair value of long-term borrowings (excluding the current portion) is calculated as the present value of the estimated future cash flows, based on the expected interest rate at which a similar new borrowing was made.

The fair value of bonds is determined based on the quoted market price in a non-active market.

The fair value of preference shares with put/call options, which are classified as financial liabilities, is measured by discounting the estimated future cash flows, which are based on the expected timing of the exercise of the put/call options, at the interest rate that takes into account the period to the date of exercise and the credit risk.

(3) Financial assets and liabilities measured at amortized cost

The carrying amounts and the fair values of financial assets and liabilities measured at amortized cost are as follows:

	JPY (millions)	
	Carrying amount	Fair value
Financial liabilities measured at amortized cost		
Bonds	244,411	233,930
Long-term borrowings	27,696	27,376
Preference shares with put/call options *	21,014	22,014

* Preference shares with put/call options issued by a subsidiary of the Company are included in “Other financial liabilities” in the consolidated statement of financial position.

Regarding the fair value hierarchy of assets and liabilities presented in the table above, bonds are categorized as Level 2 and long-term borrowings and preference shares with put/call options are categorized as Level 3. The financial instruments whose fair value is determined to be close or equal to the carrying amount are excluded from the table above.

(4) Financial assets and liabilities measured at fair value

Financial assets and liabilities measured at fair value on a recurring basis by fair value category are as follows:

	JPY (millions)			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss	-	24,530	22,653	47,183
Equity instruments designated as measured at fair value through other comprehensive income	47,718	-	105,968	153,686
Financial liabilities measured at fair value through profit or loss	-	1,894	662	2,556

The carrying amounts and the fair values of financial assets and liabilities presented in the table above are the same. Financial assets classified into Level 3 mainly consist of unquoted equity instruments. The fair value of significant unquoted equity instruments is measured by using comparable company valuation multiples and other appropriate

valuation techniques.

The NEC Group designates long-term stock holdings for the purpose of maintaining and strengthening relationship with its business partners and expanding its revenue base as equity instruments measured at fair value through other comprehensive income.

VI Notes to Revenue Recognition

1. Disaggregation of revenue

Revenue consists of the following three categories: “Contracts for hardware and packaged software deployments”, “Contracts for services to customers (including outsourcing and maintenance)”, and “Contracts for system integrations and equipment constructions”. The revenue in three categories for the fiscal years ended March 31, 2026 are 712,463 million JPY, 1,411,620 million JPY, and 1,458,650 million JPY, respectively.

2. Basic information for understanding revenue recognition

Basic information for understanding revenue recognition is described in “I Notes to Significant Items for Presenting Consolidated Financial Statements, 4 Significant Accounting Policies, (4) Revenue Recognition Criteria for Revenue and Obligation.”

3. Information for understanding the revenue amounts in the fiscal year and subsequent fiscal years

The revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of March 31, 2026, is 3,020,180 million JPY. The figure includes the estimated revenue recognition amount for more than one year. The figure does not include the remaining performance obligations that have original expected durations of one year or less.

VII Notes to Per Share Data

Equity attributable to owners of the parent per share	1,656.11 JPY
Basic earnings per share	202.95 JPY
Diluted earnings per share	202.95 JPY

VIII Notes to Subsequent Events

There are no significant subsequent events.

IX Notes: Others

Finance Income

A gain on sales of associates of 20,226 million JPY from the sale of shares of Japan Aviation Electronics Industry, Limited is included in “Finance income” in the consolidated statements of profit or loss.

Balance Sheet
(Non-consolidated: Japanese GAAP)
(As of March 31, 2026)

JPY (millions)

Account	Amount
Assets	
<u>Current assets</u>	1,640,518
Cash and deposits	368,722
Notes receivable-trade	4,282
Accounts receivable-trade	607,817
Contract assets	293,913
Lease investment assets	4,736
Merchandise and finished goods	60,244
Work in process	18,099
Raw materials and supplies	9,405
Advance payments-trade	98,961
Prepaid expenses	39,611
Accounts receivable-other	89,591
Other	47,143
Allowance for doubtful accounts	(2,007)
<u>Non-current assets</u>	1,435,038
Property, plant and equipment	318,556
Buildings, net	172,878
Structures, net	4,398
Machinery and equipment, net	5,760
Vehicles, net	138
Tools, furniture and fixtures, net	43,860
Land	73,627
Construction in progress	17,896
Intangible assets	79,658
Patent right	618
Right of using facilities	128
Software	78,796
Other	116
Investments and other assets	1,036,824
Investment securities	102,731
Stocks of subsidiaries and affiliates	767,909
Investments in capital	196
Long-term loans receivable	5
Long-term loans receivable from subsidiaries and affiliates	19,246
Deferred tax assets	91,383
Prepaid pension cost	19,764
Other	45,662
Allowance for doubtful accounts	(10,071)
Total assets	3,075,556

JPY (millions)

Account	Amount
Liabilities	
<u>Current liabilities</u>	1,434,719
Accounts payable-trade	410,432
Current portion of long-term borrowings	40,000
Lease obligations	123
Accounts payable-other	56,711
Accrued expenses	79,502
Income taxes payable	85,074
Contract liabilities	306,566
Deposits received	384,143
Provision for product warranties	5,007
Provision for directors' bonuses	610
Provision for loss on construction contracts and others	21,099
Provision for contingent loss	8,547
Provision for share-based payments	1,375
Other	35,532
<u>Non-current liabilities</u>	323,575
Bonds payable	245,000
Long-term loans payable	25,000
Lease obligations	187
Provision for product warranties	3,639
Provision for loss on guarantees	21,217
Provision for contingent loss	7,889
Provision for share-based payments	2,248
Asset retirement obligations	14,731
Other	3,663
Total liabilities	1,758,294
Net Assets	
<u>Shareholders' equity</u>	1,287,489
Capital stock	427,831
Capital surplus	92,318
Legal capital surplus	89,892
Other capital surplus	2,426
Retained earnings	828,598
Legal retained earnings	17,066
Other retained earnings	811,532
Reserve for promoting open innovation	250
Retained earnings brought forward	811,282
Treasury stock	(61,258)
<u>Valuation and translation adjustments</u>	29,773
Valuation difference on available-for-sale securities	29,815
Deferred gains or losses on hedges	(42)
Total net assets	1,317,262
Total liabilities and net assets	3,075,556

Statement of Profit or Loss
(Non-consolidated: Japanese GAAP)
(For the fiscal year ended March 31, 2026)

JPY (millions)

Account	Amount
Net sales	2,094,473
Cost of sales	1,463,597
Gross profit	630,877
Selling, general and administrative expenses	399,503
Operating profit	231,374
Non-operating income	52,328
Interest income	1,886
Dividends income	28,656
Foreign exchange gains	15,405
Other	6,381
Non-operating expenses	25,115
Interest expenses	7,023
Loss on disposal of non-current assets	6,703
Provision for contingent loss	6,401
Other	4,988
Ordinary profit	258,587
Extraordinary income	111,970
Gain on return of retirement benefit trust	52,700
Gain on sales of subsidiaries and affiliates' stocks	44,395
Gain on sale of investment securities	11,356
Reversal of provision for loss on guarantees	2,893
Reversal of allowance for doubtful accounts for subsidiaries and affiliates	626
Extraordinary loss	19,676
Loss on valuation of stocks of subsidiaries and affiliates	6,136
Loss on sale of non-current assets	6,133
Provision for loss on guarantees	3,793
Loss on sale of investment securities	1,384
Impairment loss	1,285
Loss on valuation of investment securities	659
Provision of allowance for doubtful accounts for subsidiaries and associates	213
Loss on sale of shares of subsidiaries and associates	74
Profit before income taxes	350,881
Income taxes	100,019
Income taxes – current	104,433
Income taxes – deferred	(4,415)
Net profit	250,863

Statement of Changes in Net Assets
(Non-consolidated: Japanese GAAP)
(For the fiscal year ended March 31, 2026)

JPY (Millions)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					Reserve for promoting open innovation	Retained earnings brought forward		
Balance at the beginning of current period	427,831	89,892	48,063	137,955	17,066	250	839,037	856,353
Changes of items during the period								
Dividends from surplus							(40,048)	(40,048)
Net profit							250,863	250,863
Purchase of treasury stock								
Disposal of treasury stock			2,436	2,436				
Share-based payment transactions			59	59				
Decrease by corporate division			(48,132)	(48,132)			(238,569)	(238,569)
Total changes of items other than shareholders' equity								
Total changes of items during the period	—	—	(45,637)	(45,637)	—	—	(27,755)	(27,755)
Balance at the end of current period	427,831	89,892	2,426	92,318	17,066	250	811,282	828,598

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	(31,990)	1,390,149	30,578	(4,956)	25,623	1,415,772
Changes of items during the period						
Dividends from surplus		(40,048)				(40,048)
Net profit		250,863				250,863
Purchase of treasury stock	(30,498)	(30,498)				(30,498)
Disposal of treasury stock	1,230	3,666				3,666
Share-based payment transactions		59				59
Decrease by corporate division		(286,702)				(286,702)
Total changes of items other than shareholders' equity			(763)	4,913	4,150	4,150
Total changes of items during the period	(29,268)	(102,660)	(763)	4,913	4,150	(98,510)
Balance at the end of current period	(61,258)	1,287,489	29,815	(42)	29,773	1,317,262

Independent Auditor's Report

May 8, 2026

To the Board of Directors of NEC Corporation:

KPMG AZSA LLC
Tokyo Office, Japan

Kyoko Shiga (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Tsutomu Ogawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shuhei Toyama (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Profit or Loss, the Consolidated Statement of Changes in Equity and the related notes of NEC Corporation (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”), as at March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the second sentence of Article 120-1 of the Ordinance on Companies Accounting that allows the Company to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements in Japan (including those that are relevant to our audit of the consolidated financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is

responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the executive officers' and the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that allows the Company to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that allows the Company to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the executive officers' and the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that allows the Company to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Independent Auditor's Report

May 8, 2026

To the Board of Directors of NEC Corporation:

KPMG AZSA LLC
Tokyo Office, Japan

Kyoko Shiga (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Tsutomu Ogawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shuhei Toyama (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the Balance Sheet, the Statement of Profit or Loss, the Statement of Change in Net Assets and the related notes, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of NEC Corporation ("the Company") as at March 31, 2025 and for the 187th year from April 1, 2024 to March 31, 2025 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements in Japan (including those that are relevant to our audit of the financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the executive officers' and the directors' performance of their duties with

regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers' and the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

AUDIT REPORT

The Audit Committee audited the performance of duties of Executive Officers and Directors in the 187th business period from April 1, 2025 to March 31, 2026. The method and result of the audit is reported below.

1. Audit method and details thereof

The Audit Committee received periodic reports from Executive Officers and Directors, etc., regarding the content of resolutions of the Board of Directors concerning the matters stipulated in Article 416-1-1 (b) and (e) of the Companies Act as well as the structure and operation status of the system established in accordance with the resolutions (internal control system). The Audit Committee requested explanations when necessary and expressed its opinion, as well as conducting audits by the method described below.

- (i) Pursuant to the Code of Audit Committee Auditing Standards and in accordance with the auditing policies and allocation of duties determined by the Audit Committee, we, in coordination with the Company's internal auditing division (including hearing their reports regarding the results of examining important authorization documents and associated information), attended important meetings, received reports from Executive Officers and Directors, etc. regarding their performance of duties, requested explanations when necessary, and investigated the Company's operations and financial condition. As for the subsidiaries, we received reports on the status of audits of subsidiaries from the Company's internal auditing division, received reports from the subsidiaries with regard to their business when necessary, and ensured to communicate with the subsidiaries' auditors (KANSAYAKU) and other personnel and to exchange information with them;
- (ii) With regard to "Policy on the Control over the Company" stated in the business report, each member of the Audit Committee has verified the statement of the said policy; and
- (iii) each member of the Audit Committee has monitored and verified whether the Accounting Auditors were maintaining their independence and properly performing audits, received reports from the Accounting Auditors on the performance of their duties, and, when necessary, requested them to provide explanations. We also received from the Accounting Auditors a notice confirming that "the systems for ensuring proper performance of duties of the Accounting Auditors" (matters stipulated in each item of Article 131 of the Regulations on Corporate Accounting) was properly implemented pursuant to the "Quality Control Standards for Audit" (Business Accounting Deliberation Council) and others, and, when necessary, requested them to provide explanations.

Based on the aforementioned methods, we have examined the business report and its supplementary schedules, the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity and notes to consolidated financial statements) as well as the non-consolidated financial statements (balance sheet, statement of operations, statement of changes in net assets and notes to non-consolidated financial statements) and its supplementary schedules.

2. Results of audit

- (1) Audit results concerning the business reports, etc.
 - (i) We confirm that the business report and the supplementary schedules fairly present the conditions of the Company in conformity with applicable laws and regulations and the Articles of Incorporation.
 - (ii) We have found no improper acts by Executive Officers and Directors in the performance of their duties or any material facts in connection with the performance by Executive Officers and Directors of their duties that constitute any violation of applicable laws and regulations or the Articles of Incorporation.
 - (iii) We confirm that the contents of the resolution of the Board of Directors on the internal control system of the Company are fair and appropriate. Moreover, we have found no matters that must be pointed out with regard to the content in the business report regarding the Company's internal control system or the performance of duties by Executive Officers and Directors.
 - (iv) We have found no matters that must be pointed out with regards to "Policy on the Control over the Company" stated in the business report.
- (2) Audit results concerning consolidated financial statements
We confirm that the methods and results of the audit conducted by KPMG AZSA LLC the Accounting Auditors are fair and appropriate.
- (3) Audit results concerning non-consolidated financial statements and supplementary schedules

We confirm that the methods and results of the audit conducted by KPMG AZSA LLC the Accounting Auditors are fair and appropriate.

May 12, 2026

Audit Committee
NEC Corporation

Member of the Audit Committee
Member of the Audit Committee
Member of the Audit Committee
Member of the Audit Committee

Joji Okada (Seal)
Harufumi Mochizuki (Seal)
Shinjiro Sato (Seal)
Tomomi Yatsu (Seal)

(Note) The Audit Committee Members are all Outside Directors as defined in Article 2-15 of the Companies Act.