

**NEC Announces Change in the Number of Shares per Share Unit,
Share Consolidation and Partial Amendment to Articles of Incorporation**

Tokyo, April 27, 2017 – NEC Corporation (“NEC”) resolved at the meeting of its board of directors held on April 27, 2017, to amend part of its Articles of Incorporation to change the number of shares per share unit, and to submit a proposal for the share consolidation to NEC’s Ordinary General Meeting of Shareholders to be held on June 22, 2017 (the “Ordinary General Meeting of Shareholders”) as described below.

1. Change in the number of shares per share unit

(1) Reasons for change

Based on the “Action Plan for Consolidating Trading Units,” the Japanese Stock Exchanges seek to standardize the trading units for common shares issued by all listed domestic corporations at 100 shares by October 1, 2018. As a corporation listed on Tokyo Stock Exchange, NEC respects the objective of this plan and will change its number of shares per share unit.

(2) Details of change

NEC will change the number of shares per share unit from 1,000 to 100.

(3) Effective date

October 1, 2017

(4) Conditions for change

This change is subject to approval of the proposal concerning the “2. Share Consolidation” in the following section at the Ordinary General Meeting of Shareholders as originally proposed.

2. Share Consolidation

(1) Purpose of consolidation

As discussed in “1. Change in the number of shares per share unit” above, in changing the number of shares per share unit from 1,000 shares to 100 shares, in order to maintain the price level of a trading unit and the number of voting rights of shareholders following the change, NEC decided to carry out a share consolidation of NEC shares under which every 10 shares will be consolidated into 1 share (the Share Consolidation”), and to submit a proposal for the Share Consolidation to the Ordinary General Meeting of Shareholders. NEC will reduce its total number of authorized shares from 7.5 billion shares

to 750 million shares at the same ratio as that of the Share Consolidation.

(2) Details of consolidation

(i) Class of shares to be consolidated: Common shares

(ii) Consolidation Ratio

Every ten (10) shares will be consolidated into one (1) share on October 1, 2017 based on the number of shares held by shareholders recorded in the latest Register of Shareholders as of the end of September 30, 2017.

(iii) Decrease in number of shares due to consolidation

Number of outstanding shares before share consolidation (as of March 31, 2017)	2,604,732,635
Decrease in number of shares due to share consolidation	2,344,259,372
Number of outstanding shares after share consolidation	260,473,263

Note: "Decrease in number of shares after share consolidation" and "Number of outstanding shares after share consolidation" are theoretical figures calculated based on the number of outstanding shares before share consolidation and the consolidation ratio.

(iv) Total number of authorized shares on the effective date

750,000,000 shares (Total number of authorized shares before change: 7,500,000,000 shares)

(3) Decrease in number of shareholders due to consolidation

The following is the composition of shareholders listed in the Register of Shareholders as of March 31, 2017.

	Number of Shareholders (%)	Number of Shares Held (%)
Less than 10	767 (0.38%)	1,906 (0.00%)
10 or more	199,385 (99.62%)	2,604,730,729 (100.00%)
Total	200,152 (100.00%)	2,604,732,635 (100.00%)

After the share consolidation, on the assumption of the above shareholder composition, 767 shareholders who hold less than ten (10) shares (the total number of shares held by those shareholders is 1,906 as of March 31, 2017) will lose their status as shareholders.

(4) Handling of fractional shares less than one (1) share

If a fraction of less than one (1) share is created due to the share consolidation, all such fractional shares will be sold together in accordance with the Companies Act, and the proceeds will be distributed to shareholders who held the fractional shares in proportion to the number of fractional shares they held.

(5) Conditions for consolidation

The share consolidation is subject to approval at the Ordinary General Meeting of Shareholders.

3. Partial amendment to the Company's Articles of Incorporation

The Company's Articles of Incorporation will be amended as follows on October 1, 2017, which is subject to the approval of the proposal regarding above "2. Share Consolidation" at the Ordinary General Meeting of Shareholders.

(Underlines reflect the amendments)

Current Articles of Incorporation	Proposal of amendments to the Articles of Incorporation
<p>Article 6. (Total Number of Shares Authorized to Be Issued)</p> <p>The total number of shares authorized to be issued by the Company shall be <u>seven billion and five hundred million (7,500,000,000)</u>.</p>	<p>Article 6. (Total Number of Shares Authorized to Be Issued)</p> <p>The total number of shares authorized to be issued by the Company shall be <u>seven hundred fifty million (750,000,000)</u>.</p>
<p>Article 7. (Number of Shares Constituting One Unit of Shares)</p> <p>The number of shares constituting one unit of shares of the Company shall be <u>one thousand (1,000)</u>.</p>	<p>Article 7. (Number of Shares Constituting One Unit of Shares)</p> <p>The number of shares constituting one unit of shares of the Company shall be <u>one hundred (100)</u>.</p>

4. Schedule

April 27, 2017	Board of Directors meeting (resolution to change the number of shares per share unit and to convene an ordinary general meeting of shareholders)
June 22, 2017 (scheduled)	179th Ordinary General Meeting of Shareholders
October 1, 2017 (scheduled)	Effective date of change in the number of shares per share unit, share consolidation, and partial amendment to the Articles of Incorporation

(Note) As described above, while the effective date of the change in the number of shares per share unit and the share consolidation will be October 1, 2017, the trading unit will be changed from 1,000 shares to 100 shares at the Tokyo Stock Exchange on September 27, 2017 because of the book-entry procedure following trades of shares.

(Reference)

Q&A regarding Change in the Number of Shares per Share Unit and Share Consolidation

Q1. What is a change in the number of shares per share unit?

A1. A change in the number of shares per share unit means a change in the share units which are the basis for the number of voting rights at a general meeting of shareholders and the number of trading units on the stock exchanges. NEC will change the number of shares per share unit from 1,000 shares to 100 shares.

Q2. What is a share consolidation?

A2. A share consolidation means consolidating a number of shares to reduce the number of shares. NEC will consolidate ten (10) shares into one (1) share.

Q3. What is the purpose of the change in the number of shares per share unit and the share consolidation?

A3. The Japanese Stock Exchanges are promoting the “Action Plan for Consolidating Trading Units,” which aims to standardize the trading units (the number of shares per share unit) for common shares issued by all listed domestic corporations at 100 shares, with the transition period being set to expire on October 1, 2018. In light of the intent of this plan, NEC aims to change the number of shares per share unit from 1,000 shares to 100 shares as of October 1, 2017. In addition, in order to maintain the price level of a trading unit and the number of voting rights of shareholders following the change, NEC decided to carry out a share consolidation of NEC shares under which every ten (10) shares will be consolidated into one (1) share.

Q4. How will the number of shares and voting rights of shareholders be affected?

A4.

<Number of shares>

The number of shares held by each shareholder after the share consolidation will be the number of shares obtained by multiplying the number of shares recorded in the latest Register of Shareholders as of the end of the day on September 30, 2017 by one-tenth (rounded down to the nearest whole share).

<Number of voting rights>

The number of voting rights will be one (1) per 100 shares held after the share consolidation.

Specifically, the number of shares held and number of voting rights before and after the change in the number of shares per share unit and the share consolidation are as follows:

	Before Effective Date			After Effective Date		
	Number of Shares Held	Number of Voting Rights		Number of Shares Held	Number of Voting Rights	Fractional Shares
Example1	3,000	3	⇒	300	3	None
Example2	1,300	1		130	1	None
Example3	553	None		55	None	0.3
Example4	5	None		None	None	0.5

- In Example 2 and Example 3, the shareholder holds shares constituting less than one share unit (after the changes come into effect, 30 shares in Example 2 and 55 shares in Example 3), and may, at its request use the system for selling or purchasing shares constituting less than one share unit in the same way as before.
- In Example 3 and Example 4, NEC will sell fractional shares that arise (0.3 share in Example 3 and 0.5 share in Example 4), and pay the proceeds to shareholders whose shares become fractional shares in proportion to their respective fractional shares.
- In Example 4, the shareholder ceases to hold shares after the share consolidation, and therefore loses its status as a shareholder.

In the case where a shareholder has accounts open with multiple securities companies, in principle, the share consolidation procedures will be carried out with respect to the balance of the Company shares registered in the transfer account book of each securities company. Please inquire your securities company for details.

Q5. Is there any way to ensure there are no fractional shares?

A5. By requesting sale or purchase of shares constituting less than one share unit prior to the share consolidation coming into effect, it is possible to avoid having fractional shares. Your securities dealer will take requests for sale or purchase of shares constituting less than one share unit. For shareholders without an account with a securities company, please inquire with the administrator of the shareholder registry mentioned at the end of this document.

Q6. The number of shares held will decline after the share consolidation. Will this have any impact on asset value?

A6. Although the number of shares held by a shareholder will be one-tenth after the share consolidation, NEC's assets and capital will remain unchanged after the share consolidation. This means, aside from share market trends and other factors, in theory, there will be no change to the asset value of shareholders'

shares. This is because, after the share consolidation, there will be a tenfold increase in the amount of net assets per share.

Q7. The number of shares held will decline after the share consolidation. Will this affect dividends?

A7. Although the number of shares held by shareholders will be one-tenth after the share consolidation, we will set dividend per share taking the 1-for-10 ratio into account after the effective date of the share consolidation. Thus, aside from a change in performance results or other factors, total dividends of each shareholder after the share consolidation will not be affected. However, dividends will not be paid on the fractional shares resulting from the share consolidation.

Q8. Are there any procedures that shareholders must take?

A8. No special procedures are necessary.

Q9. What is the specific schedule going forward?

The summary (planned) schedule for the change in the number of shares per share unit and the share consolidation is as follows:

Thursday, June 22, 2017	179th Ordinary General Meeting of Shareholders
Wednesday, September 27, 2017*	First day of trading using 100 share unit
Sunday, October 1, 2017*	Effective date of the change in the number of shares per share unit and the share consolidation
Late October, 2017*	Share consolidation allotment notices sent to shareholders
Late November, 2017*	Beginning of payment of proceeds from sale of fractional shares

*These events are scheduled to take place if the proposal for the share consolidation is approved in the Ordinary General Meeting of Shareholders scheduled to be held on June 22, 2017.

Contact information for Inquiries

If you have any inquiries about the change in the number of shares per share unit and the share consolidation, please contact your securities companies or the following administrator of the shareholder registry.

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Business Planning Department 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063 Tel: 0120-782-031 (toll free for domestic phone calls only) Reception hours: 9:00 a.m. to 5:00 p.m. (Excluding weekends and holidays) (Tokyo time)
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Cautionary Statement with Respect to Forward-Looking Statements

This material contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of the NEC Group (the "forward-looking statements"). The forward-looking statements are made based on information currently available to NEC and certain assumptions considered reasonable as of the date of this material. These determinations and assumptions are inherently subjective and uncertain. These forward-looking statements are not guarantees of future performance, and actual operating results may differ substantially due to a number of factors.

The factors that may influence the operating results include, but are not limited to, the following:

- Effects of economic conditions, volatility in the markets generally, and fluctuations in foreign currency exchange and interest rate

- Trends and factors beyond the NEC Group's control and fluctuations in financial conditions and profits of the NEC Group that are caused by external factors

- Risks arising from acquisitions, business combinations and reorganizations, including the possibility that the expected benefits cannot be realized or that the transactions may result in unanticipated adverse consequences

- Developments in the NEC Group's alliances with strategic partners

- Effects of expanding the NEC Group's global business

- Risk that the NEC Group may fail to keep pace with rapid technological developments and changes in customer preferences

- Risk that the NEC Group may lose sales due to problems with the production process or due to its failure to adapt to demand fluctuations

- Defects in products and services

- Shortcomings in material procurement and increases in delivery cost

- Acquisition and protection of intellectual property rights necessary for the operation of business

- Risk that intellectual property licenses owned by third parties cannot be obtained and/or are discontinued

- Risk that the NEC Group may be exposed to unfavorable pricing environment due to intensified competition

- Risk that a major customer changes investment targets, reduces capital investment and/or reduces the value of transactions with the NEC Group

- Risk that the NEC Group may be unable to provide or facilitate payment arrangements (such as vendor financing) to its customers on terms acceptable to them or at all, or risk that the NEC Group's customers are unable to make payments on time, due to the customers' financial difficulties or otherwise

- Risk that the NEC Group may experience a substantial loss of, or an inability to attract, talented

personnel

Risk that the NEC Group's ability to access the commercial paper market or other debt markets are adversely affected due to a downgrade in its credit rating

Risk that the NEC Group may incur large costs and/or liabilities in relation to internal control, legal proceedings, laws and governmental policies, environmental laws and regulations, tax practice, information management, and human rights and working environment

Consequences of natural and fire disasters

Changes in methods, estimates and judgments that the NEC Group uses in applying its accounting policies

Risk that the NEC Group may incur liabilities and losses in relation to its retirement benefit obligations

The forward-looking statements contained in this material are based on information that NEC possesses as of the date hereof. New risks and uncertainties come up from time to time, and it is impossible for NEC to predict these events or how they may affect the NEC Group. NEC does not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
