NEC's History: Our Value Creation Journey

Since its founding in 1899, Nippon Electric Company, Ltd. (NEC) has continued to grow by contributing to the realization of a prosperous society and by supporting social infrastructure and mission-critical systems through information and communications technology (ICT). NEC will continue to rise to the challenge of creating new value as a company that brings about change in society through technology, in keeping with its founding spirit of "Better Products, Better Services."

To learn more about NEC's history, please visit the website below. https://www.nec.com/en/global/about/history.html

1899 1977 2013 Our First Establishment Our Second Establishment Our Third Establishment **Computers and Communications Vision** "Better Products, Better Services" Transformation into a Social Value **Announced Integration of Computers Innovator** and Communications Social Infrastructure 1964 1899 1928 1970 1987 2007 2010 2016 2018 2019 2020 2023 Nippon Electric Company, Transmitted scenes of International satellite Japan's first satellite, Started manufactur-Ultra-compact radio Asteroid explorer Submarine cable Asteroid explorer Began shipping Contributed to Successfully achieved Ltd. established TV broadcasts of the HAYABUSA installation reached HAYABUSA 2 long-distance trans-Imperial Accession Ceremony Osumi, launched ing optical submarine communications system base stations for the remarkable of Emperor Hirohito Tokyo Olympics relay equipment PASOLINK secured top successfully over 250,000 km, reached the 5G networks achievement of mission at a worldglobal market share returned to Earth enough to encircle asteroid Ryugu completing the leading 800 Gbps the Earth six times HAYABUSA 2 using an optical mission submarine cable Founder: Kunihiko Iwadare **IT Services** 1954 1958 1960 1971 1974 1982 1984 2002 2004 2009 2015 2016 2019 2020 2023 Began research Developed the first Fully automated postal The PC-9801 personal Received an order in the Ranked No. 1 Ranked No. 1 Biometrics solutions Developed and domestically produced sorting system deployed United States for finger in fingerprint in face launched cotomi, a into computers computer appounced adopted in 70 countries fully transistorized NEACprint matching services authentication1 recognition2 generative AI service for the Japanese market The Earth Simulator, the world's Contributed to implementation of Started quantum fastest supercomputer system for Japan's Individual Number System computing application resolving global environmental services problems, completed Entered the drug discovery business, specializing in advanced Started development of optical character The ACOS Series 77 mainframe immunotherapy using AI recognition (OCR) computer family announced

Note: NIST testing results do not constitute an endorsement by the U.S. government of any particular system, product, service, or company.

¹ Ranked No. 1 eight times in task assessment, sponsored by the U.S. National Institute of Standards and Technology (NIST)

² Ranked No. 1 multiple times in face recognition benchmark testing held by the U.S. NIST

NEC's History: The One Thing that Will Never Change is Our Commitment to Change

For NEC to continue to create value in the future, it must consistently transform at a speed that keeps pace with a rapidly changing society.

Since declaring our transformation into a company that creates social value, we have accelerated the review of our business portfolio and have been working on organizational and cultural reforms to enhance profitability and strengthen our ability to execute strategies. We will remain fully committed to advancing transformation.

Review of Business Portfolio Organizational and Cultural Change for Improving Profitability and Strengthening Business Execution Mid-term Management Plan 2020 **Mid-term Management Plan 2025** Main Business Acquisitions Reorganization of profit structure to Establishment of goals for both strategy and culture to achieve Northgate Public Services Limited (now 2018 Avalog Group AG (Switzerland) 2020 **NEC Software Solutions UK Limited)** sustainably achieve operating profit NEC's Purpose ratio of 5% **NEC Networks & System Integration** Strategy: EBITDA growth rate: 9% annual average 2019 KMD Holding A/S (Denmark) 2025 Corporation (wholly owned subsidiary) (focus on growth businesses and review of Reform of profit structure low-profit businesses) Achievement of growth Culture: Employee engagement score of 50% or higher Restructuring of execution Main Sales and Withdrawals¹ capabilities Semiconductor business Display business 2020 2010 Initiatives Aimed at Organizational and Cultural Transformation PC business 2011 **Energy business** 2021 Special career transition support Workstyle reform 2023 Internet service business (Biglobe) 2014 **PASOLINK** business measures Monthly CEO town hall meetings Revision and promotion of the • Job-based human resource management system Mobile phone business 2016 Japan Aviation Electronics Industry, Ltd. 2024 **NEC Way** Ongoing reinforcement of corporate governance Introduction of mandate con-1 Main businesses that have been deconsolidated tracts for executive officers Appointment of external human resources Revenue and operating profit² (Billions of yen) (Billions of ven) 2013: Declared commitment to being 4,000 400

