

News

Release

Orchestrating a brighter world **NEC**

Press Release - Media Contacts: [press@news.jp.nec.com](mailto:press@news.jp.nec.com)

\*\*\*\* For immediate use January 30, 2025

**Consolidated Financial Results**  
**for the Nine-month Period Ended**  
**December 31, 2024**

## Consolidated Financial Results for the Nine-month Period Ended December 31, 2024 [IFRS]

January 30, 2025

Listing: Tokyo Stock Exchange

Company name NEC Corporation

Securities code 6701 URL <https://www.nec.com/>

Representative Takayuki Morita, President and CEO

Contact Masahiro Urata, Senior Director of the Stakeholder Relations Department TEL +81-3-3798-2931

Scheduled date of dividend payments —

Supplementary materials for financial results Yes

Financial results briefing Yes (for institutional investors and analysts)

(Million JPY, rounded to the nearest million JPY)

### 1. Consolidated Financial Results for the Nine-month Period Ended December 31, 2024 (April 1, 2024 – December 31, 2024)

#### (1) Consolidated Operating Results

(Percentage indicate year-on-year changes.)

	Revenue		Operating profit		Profit before income taxes		Net profit		Net profit attributable to owners of the parent		Total comprehensive income	
	JPY (millions)	%	JPY (millions)	%	JPY (millions)	%	JPY (millions)	%	JPY (millions)	%	JPY (millions)	%
Nine-month period ended												
December 31, 2024	2,321,809	(3.0)	126,166	80.7	114,329	67.8	76,129	78.1	71,554	110.2	111,237	(9.9)
December 31, 2023	2,393,276	5.5	69,815	22.3	68,154	18.3	42,742	14.6	34,040	29.1	123,476	54.5

	Adjusted operating profit		Non-GAAP operating profit		Non-GAAP profit attributable to owners of the parent		Basic earnings per share	Diluted earnings per share	Non-GAAP earnings per share
	JPY (millions)	%	JPY (millions)	%	JPY (millions)	%	JPY	JPY	JPY
Nine-month period ended									
December 31, 2024	150,245	54.9	162,335	63.3	108,378	98.3	268.52	268.52	406.71
December 31, 2023	97,014	16.3	99,392	39.6	54,655	55.8	127.78	127.77	205.17

#### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	JPY (millions)	JPY (millions)	JPY (millions)	%
As of				
December 31, 2024	4,220,988	2,159,170	1,986,002	47.1
March 31, 2024	4,227,514	2,089,523	1,915,613	45.3

### 2. Dividends

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Total
Years ended	JPY	JPY	JPY	JPY	JPY
March 31, 2024	—	60.00	—	60.00	120.00
March 31, 2025	—	70.00	—	—	—
March 31, 2025 (forecast)	—	—	—	70.00	140.00

\*Note-Revision in the dividends forecast from latest announcement: None

### 3. Consolidated Financial Results Forecast for the Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(Percentage indicate year-on-year changes.)

	Revenue		Adjusted operating profit		Non-GAAP operating profit		Non-GAAP profit attributable to owners of the parent		Non-GAAP earnings per share
	JPY (millions)	%	JPY (millions)	%	JPY (millions)	%	JPY (millions)	%	JPY
Year ending									
March 31, 2025	3,410,000	(1.9)	260,000	16.3	280,000	23.0	182,000	2.3	683.04

\*Note-Revision in the consolidated financial results forecast from latest announcement: Yes

Details can be found in “Financial Results for Q3 Fiscal Year Ending March 31, 2025”, which is disclosed on the company website.

\*Notes

(1) Significant changes in consolidation scope during the period: None

Newly included : None

Excluded : None

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies required by IFRS : Yes

2) Changes in accounting policies other than 1) : None

3) Changes in accounting estimates : None

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of period (including treasury stock)	December 31, 2024	272,849,863 shares	March 31, 2024	272,849,863 shares
2) Number of treasury stock at the end of period	December 31, 2024	6,308,368 shares	March 31, 2024	6,395,064 shares
3) Average number of shares during the period	December 31, 2024	266,476,548 shares	December 31, 2023	266,390,331 shares

\*Review of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

\*Explanation concerning the appropriate use of the financial results forecast and other special matters

(Adjusted operating profit)

“Adjusted operating profit” is measured by deducting amortization of intangible assets recognized as a result of M&A and expenses for acquisition of companies (financial advisory fees and other fees) from operating profit.

(Non-GAAP profit)

“Non-GAAP operating profit” is an indicator for measuring underlying profitability. It is measured by deducting amortization of intangible assets recognized as a result of M&A, expenses for acquisition of companies (financial advisory fees and other fees), structural reform expenses, impairment losses, stock compensation and other one-time profits (losses) from operating profit. Also, “Non-GAAP net profit attributable to owners of the parent” is an indicator for measuring underlying profitability attributable to owners of the parent. It is measured by deducting adjustment items of profit before income taxes and corresponding amounts of tax and non-controlling interests from net profit attributable to owners of the parent.

(Cautionary statement with respect to forward-looking statements)

The forward-looking statements such as operating results forecast contained in this statements summary are based on the information currently available to NEC Corporation (“the Company”) and certain assumptions considered reasonable. Actual operating results may differ significantly from these forecasts due to various factors. For details, please refer to “3. Cautionary Statement with Respect to Forward-Looking Statements” on page 19.

(How to obtain supplementary financial materials and information on the financial results briefing)

On January 30, 2025, the Company will hold a financial results briefing for the institutional investors and analysts. Presentation materials will be posted on the company website after the release of financial results, and the presentation video and Q&A summary will be posted on the company website promptly after the financial results briefing.

In addition to the above, the Company periodically holds briefings on business and operating results for the individual investors. Presentation materials and Q&A summary will be posted on the company website promptly after the briefing. For the schedule and details, please check the company website.

## Table of Contents of Attachment

1. Overview of Business Results.....	4
2. Condensed Interim Consolidated Financial Statements and Notes to Condensed Interim Consolidated Financial Statements .....	5
(1) Condensed Interim Consolidated Statements of Financial Position .....	5
(2) Condensed Interim Consolidated Statements of Profit or Loss and Comprehensive Income .....	7
(3) Condensed Interim Consolidated Statements of Changes in Equity .....	9
(4) Condensed Interim Consolidated Statements of Cash Flows .....	10
(5) Notes to Condensed Interim Consolidated Financial Statements .....	12
3. Cautionary Statement with Respect to Forward-Looking Statements .....	19

## **1. Overview of Business Results**

The information regarding overview of business results can be found in “Financial Results for Q3 Fiscal Year Ending March 31, 2025”, which is disclosed on the company website.

## 2. Condensed Interim Consolidated Financial Statements and Notes to Condensed Interim Consolidated Financial Statements

### *(1) Condensed Interim Consolidated Statements of Financial Position*

JPY (millions)

	Notes	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		476,490	480,905
Trade and other receivables		829,497	560,950
Contract assets		411,715	527,797
Inventories		242,634	296,623
Other financial assets		15,729	12,344
Other current assets		165,719	180,842
Subtotal		2,141,784	2,059,461
Assets held for sale		—	10,831
<b>Total current assets</b>		2,141,784	2,070,292
<b>Non-current assets</b>			
Property, plant and equipment, net		510,970	564,792
Goodwill		392,290	404,225
Intangible assets, net		371,762	364,327
Investments accounted for using the equity method		107,925	68,805
Other financial assets		203,099	227,744
Deferred tax assets		156,888	168,920
Other non-current assets		342,796	351,883
<b>Total non-current assets</b>		2,085,730	2,150,696
<b>Total assets</b>		4,227,514	4,220,988

Condensed Interim Consolidated Statements of Financial Position (Continued)

JPY (millions)

	Notes	As of March 31, 2024	As of December 31, 2024
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		519,762	434,671
Contract liabilities		389,908	363,487
Bonds and borrowings		84,665	208,989
Accruals		252,713	203,072
Lease liabilities		52,579	55,243
Other financial liabilities		20,185	17,116
Accrued income taxes		22,494	33,119
Provisions		57,642	25,903
Other current liabilities		69,405	55,520
Subtotal		1,469,353	1,397,120
Liabilities directly associated with assets held for sale		—	6,876
<b>Total current liabilities</b>		1,469,353	1,403,996
<b>Non-current liabilities</b>			
Bonds and borrowings		298,279	258,466
Lease liabilities		113,121	162,066
Other financial liabilities		28,838	24,405
Net defined benefit liabilities		157,646	143,298
Provisions		23,960	25,934
Other non-current liabilities		46,794	43,653
<b>Total non-current liabilities</b>		668,638	657,822
<b>Total liabilities</b>		2,137,991	2,061,818
<b>Equity</b>			
Share capital		427,831	427,831
Share premium		167,451	167,878
Retained earnings		883,453	920,316
Treasury shares		(31,097)	(30,702)
Other components of equity		467,975	500,679
<b>Total equity attributable to owners of the parent</b>		1,915,613	1,986,002
Non-controlling interests		173,910	173,168
<b>Total equity</b>		2,089,523	2,159,170
<b>Total liabilities and equity</b>		4,227,514	4,220,988

(2) Condensed Interim Consolidated Statements of Profit or Loss and Comprehensive Income

Condensed Interim Consolidated Statements of Profit or Loss

JPY (millions)

Nine-month period ended December 31	Notes	2023	2024
Revenue	3	2,393,276	2,321,809
Cost of sales		1,722,423	1,619,926
<b>Gross profit</b>		670,853	701,883
Selling, general and administrative expenses		597,502	566,613
Other operating income (expenses)		(3,536)	(9,104)
<b>Operating profit</b>	3	69,815	126,166
Finance income	3,4	6,834	9,396
Finance costs	3,4	12,674	9,796
Share of profit (loss) of entities accounted for using the equity method	3,5	4,179	(11,437)
<b>Profit before income taxes</b>	3	68,154	114,329
Income taxes		25,412	38,200
<b>Net profit</b>		42,742	76,129
<b>Net profit attributable to</b>			
Owners of the parent		34,040	71,554
Non-controlling interests		8,702	4,575
<b>Total</b>		42,742	76,129
<b>Earnings per share attributable to owners of the parent</b>			
Basic earnings per share (JPY)	6	127.78	268.52
Diluted earnings per share (JPY)	6	127.77	268.52

Condensed Interim Consolidated Statements of Comprehensive Income

JPY (millions)

Nine-month period ended December 31	Notes	2023	2024
<b>Net profit</b>		42,742	76,129
<b>Other comprehensive income, net of tax</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Equity instruments designated as measured at fair value through other comprehensive income		7,548	3,010
Remeasurements of defined benefit plans		—	3,248
Share of other comprehensive income of entities accounted for using the equity method		92	(205)
Total items that will not be reclassified to profit or loss		7,640	6,053
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translating foreign operations		73,519	30,510
Cash flow hedges		(1,289)	(376)
Share of other comprehensive income of entities accounted for using the equity method		864	(1,079)
Total items that may be reclassified subsequently to profit or loss		73,094	29,055
<b>Total other comprehensive income, net of tax</b>		80,734	35,108
<b>Total comprehensive income</b>		123,476	111,237
<b>Total comprehensive income attributable to</b>			
Owners of the parent		105,841	104,258
Non-controlling interests		17,635	6,979
<b>Total</b>		123,476	111,237

*(3) Condensed Interim Consolidated Statements of Changes in Equity*

(Nine-month period ended December 31, 2023)

JPY (millions)

Notes	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		
<b>As of April 1, 2023</b>	427,831	165,034	764,604	(31,588)	297,936	1,623,817	288,907	1,912,724
Net profit	—	—	34,040	—	—	34,040	8,702	42,742
Other comprehensive income	—	—	—	—	71,801	71,801	8,933	80,734
<b>Comprehensive income</b>	—	—	34,040	—	71,801	105,841	17,635	123,476
Purchase of treasury shares	—	—	—	(1,128)	—	(1,128)	—	(1,128)
Disposal of treasury shares	—	288	—	1,357	—	1,645	—	1,645
Cash dividends	—	—	(30,673)	—	—	(30,673)	(8,647)	(39,320)
Changes in interests in subsidiaries	—	(920)	—	—	—	(920)	308	(612)
<b>Total transactions with owners</b>	—	(632)	(30,673)	229	—	(31,076)	(8,339)	(39,415)
<b>As of December 31, 2023</b>	427,831	164,402	767,971	(31,359)	369,737	1,698,582	298,203	1,996,785

(Nine-month period ended December 31, 2024)

JPY (millions)

Notes	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		
<b>As of April 1, 2024</b>	427,831	167,451	883,453	(31,097)	467,975	1,915,613	173,910	2,089,523
Net profit	—	—	71,554	—	—	71,554	4,575	76,129
Other comprehensive income	—	—	—	—	32,704	32,704	2,404	35,108
<b>Comprehensive income</b>	—	—	71,554	—	32,704	104,258	6,979	111,237
Purchase of treasury shares	—	—	—	(75)	—	(75)	—	(75)
Disposal of treasury shares	—	10	—	470	—	480	—	480
Share-based payment transactions	—	291	—	—	—	291	—	291
Cash dividends	—	—	(34,691)	—	—	(34,691)	(7,011)	(41,702)
Changes in interests in subsidiaries	—	126	—	—	—	126	(710)	(584)
<b>Total transactions with owners</b>	—	427	(34,691)	395	—	(33,869)	(7,721)	(41,590)
<b>As of December 31, 2024</b>	427,831	167,878	920,316	(30,702)	500,679	1,986,002	173,168	2,159,170

(4) Condensed Interim Consolidated Statements of Cash Flows

JPY (millions)

Nine-month period ended December 31	Notes	2023	2024
<b>Cash flows from operating activities</b>			
Profit before income taxes		68,154	114,329
Depreciation and amortization		141,381	119,196
Impairment loss		1,329	2,210
Increase (decrease) in provisions		(7,727)	(30,542)
Finance income	4	(6,834)	(9,396)
Finance costs	4	12,674	9,796
Share of profit (loss) of entities accounted for using the equity method	5	(4,179)	11,437
(Increase) decrease in trade and other receivables		244,001	266,819
(Increase) decrease in inventories		(103,599)	(57,544)
Increase (decrease) in trade and other payables		(42,469)	(74,310)
Others, net		(227,513)	(255,865)
Subtotal		75,218	96,130
Interest received		4,516	3,811
Dividends received		3,178	3,013
Interest paid		(6,803)	(6,665)
Income taxes paid		(48,325)	(44,493)
<b>Net cash provided by (used in) operating activities</b>		27,784	51,796
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(51,478)	(49,816)
Proceeds from sales of property, plant and equipment		5,465	7,048
Acquisitions of intangible assets		(16,070)	(17,847)
Purchase of equity instruments designated as measured at fair value through other comprehensive income		(333)	(5,781)
Proceeds from sales of equity instruments designated as measured at fair value through other comprehensive income		14,466	2,748
Purchase of shares of newly consolidated subsidiaries		(811)	(878)
Proceeds from sales of subsidiaries		1,892	—
Disbursement for sales of shares of subsidiaries		—	(490)
Purchases of investments in associates or joint ventures		(80)	(5,440)
Proceeds from sales of investments in associates or joint ventures		209	15,874
Others, net		(73)	1,194
<b>Net cash provided by (used in) investing activities</b>		(46,813)	(53,388)

Condensed Interim Consolidated Statements of Cash Flows (Continued)

Nine-month period ended December 31	Notes	JPY (millions)	
		2023	2024
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term borrowings		86,503	106,101
Proceeds from long-term borrowings		—	1,675
Repayments of long-term borrowings		(42,226)	(30,293)
Proceeds from issuance of bonds		40,000	30,000
Redemption of bonds		(40,000)	(25,000)
Payments of lease liabilities		(47,823)	(42,068)
Dividends paid		(30,563)	(34,598)
Dividends paid to non-controlling interests		(8,692)	(7,005)
Proceeds from disposal of treasury shares		1,645	470
Proceeds from issuance of preference shares with put/call options		15,797	—
Others, net		(1,898)	(276)
<b>Net cash provided by (used in) financing activities</b>		<b>(27,257)</b>	<b>(994)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>9,796</b>	<b>7,001</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(36,490)</b>	<b>4,415</b>
<b>Cash and cash equivalents, at the beginning of period</b>		<b>419,462</b>	<b>476,490</b>
<b>Cash and cash equivalents, at the end of period</b>		<b>382,972</b>	<b>480,905</b>

(5) Notes to Condensed Interim Consolidated Financial Statements

**1. Going Concern Assumptions**

Not applicable.

**2. Material accounting policies**

Material accounting policies adopted for the nine-month period ended December 31, 2024 are consistent from those applied for the previous fiscal year, except for the following item.

Income taxes for the nine-month period ended December 31, 2024 are calculated using reasonably estimated annual effective tax rate.

Amendments of IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures”.

The NEC Group applied amendments of IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures”, effective from the nine-month period ended December 31, 2024. These amendments require disclosures to enhance the transparency of supplier finance agreements. As a result of amendments, there are no impact on the disclosure of the condensed interim consolidated financial statements.

### 3. Segment Information

(1) Information about revenue, profit or loss by reportable segments

(Nine-month period ended December 31, 2023)

JPY (millions)

	Reportable Segments			Others	Reconciling Items (Note 2)	Consolidated Total
	IT Services	Social Infrastructure	Total			
Revenue						
External customers	1,313,836	730,700	2,044,536	348,740	—	2,393,276
Intersegment	32,406	3,916	36,322	4,534	(40,856)	—
Total	1,346,242	734,616	2,080,858	353,274	(40,856)	2,393,276
Segment profit (loss)	88,807	16,758	105,565	5,715	(14,266)	97,014
Acquisition-related amortization of intangible assets						(26,852)
Expenses for M&A						(347)
Operating profit						69,815
Finance income						6,834
Finance costs						(12,674)
Share of profit of entities accounted for using the equity method						4,179
Profit before income taxes						68,154

(Nine-month period ended December 31, 2024)

JPY (millions)

	Reportable Segments			Others	Reconciling Items (Note 2)	Consolidated Total
	IT Services	Social Infrastructure	Total			
Revenue						
External customers	1,374,558	772,902	2,147,460	174,349	—	2,321,809
Intersegment	39,183	4,196	43,379	4,176	(47,555)	—
Total	1,413,741	777,098	2,190,839	178,525	(47,555)	2,321,809
Segment profit (loss)	110,538	53,291	163,829	(6,737)	(6,847)	150,245
Acquisition-related amortization of intangible assets						(24,078)
Expenses for M&A						(1)
Operating profit						126,166
Finance income						9,396
Finance costs						(9,796)
Share of loss of entities accounted for using the equity method						(11,437)
Profit before income taxes						114,329

Notes:

1. Segment profit (loss) is measured by deducting amortization of intangible assets recognized as a result of M&A and expenses for acquisition of companies (financial advisory fees and other fees) from operating profit (loss).
2. "Reconciling Items" in segment profit (loss) includes amounts not allocated to each reportable segment that consist principally of corporate expenses of 10,422 million JPY and 4,691 million JPY for the nine-month period ended December 31, 2023 and 2024, respectively. Corporate expenses are mainly research and development expenses for advanced technology.

(2) Information about revising segments

From the nine-month period ended December 31, 2024, the Company has revised a part of its method for calculating the financial performance of business segments to present the performance of the earnings capacity of each segment more appropriately. Under the former basis of measurement, corporate-wide non-business expenses were included in Reconciling Items. From the “Principle of Benefit and Burden” perspective, corporate expenses, and business development and intellectual property related expenses, both of which are components of corporate-wide non-business expenses, are allocated to reportable segments and included in Others, respectively. Additionally, intellectual property related revenue and expenses, which were included in reportable segments, are included in Others. Segment information for the nine-month period ended December 31, 2023 is reclassified to conform to the presentation of the revised segments for the nine-month period ended December 31, 2024.

(3) Information about geographic areas

Revenue from external customers

	JPY (millions)	
	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2024
Japan	1,734,936	1,806,499
North America and Latin America	107,591	86,541
Europe, Middle East, and Africa	259,507	249,552
China, East Asia, and Asia Pacific	291,242	179,217
Total	2,393,276	2,321,809

#### 4. Finance Income and Finance Costs

Components of finance income and finance costs for the nine-month period ended December 31, 2023 and 2024, are as follows:

	JPY (millions)	
	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2024
Finance income		
Interest income	4,173	4,096
Dividend income	2,563	2,804
Foreign exchange gains, net	—	2,262
Other	98	234
Total	6,834	9,396

	JPY (millions)	
	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2024
Finance costs		
Interest expenses	7,472	7,249
Foreign exchange losses, net	3,144	—
Other	2,058	2,547
Total	12,674	9,796

Interest income arises from financial assets measured at amortized cost. Dividend income arises from equity instruments designated as measured at fair value through other comprehensive income. In addition, interest expenses arise from financial liabilities measured at amortized cost and lease liabilities.

#### 5. Share of profit (loss) of entities accounted for using the equity method

An impairment loss of 14,335 million JPY on the investment in NEC Capital Solutions Limited is included in “Share of profit (loss) of entities accounted for using the equity method” in the condensed interim consolidated statements of profit or loss for the nine-month period ended December 31, 2024.

## 6. Earnings Per Share

The calculation of basic earnings per share (“EPS”) and diluted EPS has been based on the following profit attributable to ordinary shareholders of the parent company for the nine-month period ended December 31, 2023 and 2024:

	JPY (millions)	
	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2024
Net profit attributable to owners of the parent	34,040	71,554
Net profit attributable to ordinary shareholders of the parent to calculate basic EPS	34,040	71,554
Net profit attributable to ordinary shareholders of the parent after adjustment for the effects of dilutive potential ordinary shares	34,038	71,554
Weighted-average number of ordinary shares to calculate basic EPS (in thousands of shares)	266,390	266,477
Weighted-average number of ordinary shares (diluted) (in thousands of shares)	266,390	266,477
Basic EPS (JPY)	127.78	268.52
Diluted EPS (JPY)	127.77	268.52

Note: Net profit attributable to ordinary shareholders of the parent after adjustment for the effects of dilutive potential ordinary shares includes the effect of share options issued by associates accounted for using the equity method.

## 7. Subsequent Events

### (1) Tender Offer for Shares of NEC Networks & System Integration Corporation

The Company resolved, at the meeting of its board of directors held on October 29, 2024, to conduct a tender offer (the "Tender Offer") under the Financial Instruments and Exchange Act. as a part of a transaction in which the Company will acquire all of the issued shares of common stock of a consolidated subsidiary of the Company, NEC Networks & System Integration Corporation ("NESIC") (the "NESIC Shares") (including the restricted stock of NESIC granted to each director of NESIC as the restricted stock compensation but excluding the NESIC Shares held by the Company and the treasury stock held by NESIC) and take the NESIC Shares private.

As a result of the Tender Offer conducted from October 30, 2024 through January 10, 2025, the total number of the shares tendered in the Tender Offer was not less than the minimum number of shares to be purchased by the end of the Tender Offer period, and the Tender Offer was completed.

Following the completion of the Tender Offer, all of the NESIC Shares contributed to the Company's Employee Retirement Benefit Trust were returned (granted without charge) to the Company on January 20, 2025. As a result, ownership ratio of NESIC Shares by the Company (the shares less than one unit were included in the denominator) has increased to 73.90%.

In addition, following the results of the Tender Offer, the Company plans to implement a series of procedures to make the Company the only shareholder of NESIC. As of today, the NESIC Shares are listed on the Prime Market of the Tokyo Stock Exchange. However, in the case where such procedures have been implemented, the NESIC Shares will be delisted through the prescribed procedures in accordance with the Tokyo Stock Exchange's delisting criteria.

#### (i) Results of the Tender Offer

Tender Offer Period:	From October 30, 2024 through January 10, 2025
Tender Offer Price:	3,300 JPY per common stock
Number of purchased shares:	33,576,254 shares
Purchase Price:	110,802 million JPY
Commencement Date of Settlement:	January 20, 2025

#### (ii) Return of NESIC Shares Contributed to the Company's Employee Retirement Benefit Trust

Returned date:	January 20, 2025
Number of returned shares:	19,200,000 shares

#### (iii) Funding for the Tender Offer

Fund purpose:	Necessary funds for the offer, funds to pay for various associated business expenses, etc.
Lender:	Sumitomo Mitsui Banking Corporation
Loan amount:	110,000 million JPY
Loan interest:	Standard interest + a spread
Loan execution date:	January 17, 2025
Loan period:	Within one year
Collateral situation:	No collateral

### (2) Share Split and Partial Amendments to the Articles of Incorporation Accompanying the Share Split

The Company resolved, at the meeting of its board of directors held on January 30, 2025, to conduct a share split and partial amendments to the Articles of Incorporation accompanying the share split.

#### (i) Share Split

##### (a) Purpose of Share Split

The purpose is to improve the liquidity of the Company's shares and further expand its investor base by reducing the investment unit.

(b) Method of Share Split

The Company will conduct a share split on the record date of March 31, 2025, at a ratio of five (5) shares for one (1) share of its common share held by shareholders listed or recorded on the final shareholder register as of that date.

(c) Number of Shares to Be Increased by Share Split

Total number of shares issued before the share split:	272,849,863 shares
Number of shares to be increased by this share split:	1,091,399,452 shares
Total number of shares issued after the share split:	1,364,249,315 shares
Total number of shares authorized to be issued after the share split:	3,750,000,000 shares

(d) Schedule of Share Split

Date of public notice of the record date:	March 14, 2025 (Fri.) (scheduled)
Record date:	March 31, 2025 (Mon.)
Effective date:	April 1, 2025 (Tue.)

(ii) Partial Amendments to the Articles of Incorporation

(a) Reason for the Amendments to the Articles of Incorporation

In connection with the share split, the Company's Articles of Incorporation will be partially amended effective April 1, 2025 by a resolution of the board of directors in accordance with the provisions of Article 184, Paragraph 2 of the Companies Act.

(b) Contents of the Amendments to the Articles of Incorporation

Contents of the amendments are as follows:

(Underlines reflect the amendments)

Current Articles of Incorporation	Amendments to the Articles of Incorporation
Article 6. (Total Number of Shares Authorized to Be Issued) The total number of shares authorized to be issued by the Company shall be <u>seven hundred and fifty million (750,000,000)</u> .	Article 6. (Total Number of Shares Authorized to Be Issued) The total number of shares authorized to be issued by the Company shall be <u>three billion, seven hundred and fifty million (3,750,000,000)</u> .

(c) Schedule of the Amendments to the Articles of Incorporation

Date of resolution by the board of directors:	January 30, 2025 (Thu.)
Effective date:	April 1, 2025 (Tue.)

(iii) Others

(a) Impact on Per Share Information

Per share information assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2023, would be as follows:

	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2024
Basic earnings per share (JPY)	25.56	53.70
Diluted earnings per share (JPY)	25.55	53.70

(b) Year-end Dividend for the Fiscal Year Ending March 31, 2025

Since this share split will take effect on April 1, 2025, the year-end dividend for the fiscal year ending March 31, 2025, with a record date of March 31, 2025, will be paid on the shares before the share split. There is no change in the dividend forecast for the fiscal year ending March 31, 2025, and the year-end dividend per share is expected to be 70 JPY as previously announced.

(c) Changes in the Amount of Stated Capital

There will be no change in the amount of stated capital in connection with this share split.

### 3. 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 the Company 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:

- adverse economic conditions in Japan or internationally;
- foreign currency exchange and interest rate risks;
- changes in the markets in which the NEC Group operates;
- impact from the outbreak of infections;
- potential inability to achieve the goals in the NEC Group's medium-term management plan;
- fluctuations in the NEC Group's revenue and profitability from period to period;
- difficulty achieving the benefits expected from acquisitions, business combinations, reorganizations and business withdrawals;
- potential deterioration in the NEC Group's relationships with strategic partners or problems relating to their products or services;
- difficulty achieving the NEC Group's growth strategies outside Japan;
- potential inability to keep pace with rapid technological advancements in the NEC Group's industry and to commercialize new technologies;
- intense competition in the markets in which the NEC Group operates;
- risks relating to the NEC Group's concentrated customer base;
- difficulties with respect to new businesses;
- potential failures in the products and services the NEC Group provides;
- potential failure to procure components, equipment or other supplies;
- difficulties protecting the NEC Group's intellectual property rights;
- potential inability to obtain certain intellectual property licenses;
- the NEC Group's customers may encounter financial difficulties;
- difficulty attracting, hiring and retaining skilled personnel;
- difficulty obtaining additional financing to meet the NEC Group's funding needs;
- potential failure of internal controls;
- potentially costly and time-consuming legal proceedings;
- risks related to regulatory change and uncertainty;
- risks related to environmental laws and regulations;
- information security and data protection concerns and restrictions;
- potential changes in effective tax rates or deferred tax assets, or adverse tax examinations;
- risks related to corporate governance and social responsibility requirements;
- risks related to natural disasters, public health issues, armed hostilities and terrorism;
- risks related to the NEC Group's pension assets and defined benefit obligations; and
- risks related to impairment losses with regard to goodwill.

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

\*\*\*