

Notice on Partial Amendment to the Articles of Incorporation

Tokyo, May 11, 2023 - NEC Corporation (NEC; TSE: 6701) resolved at the meeting of its Board of Directors held on May 11, 2023, to propose partial amendments to the Articles of Incorporation at the 185th Ordinary General Meeting of Shareholders to be held on June 22, 2023.

1. Reasons for the amendments

As announced in the notice “NEC announces plans for transition to a Company with a Nominating Committee, etc. and implementation of organizational reforms” dated January 30, 2023, NEC plans to transition its structure from a Company with the Audit & Supervisory Board to a Company with a Nominating Committee, etc., subject to approval at the 185th Ordinary General Meeting of Shareholders. Accordingly, necessary amendments will be made, including the establishment of new provisions related to the Nominating Committee, Audit Committee, Compensation Committee and Executive Officers, as well as the removal of provisions related to Audit & Supervisory Board Members (KANSAYAKU) and the Audit & Supervisory Board (KANSAYAKU-KAI).

Furthermore, NEC will make amendments to reduce the maximum number of Directors stipulated in the Articles of Incorporation in light of the changes to the roles of the Board of Directors, etc. due to the transition to a Company with a Nominating Committee, etc. In addition, NEC will make amendments to enable the execution of the contracts limiting Directors’ liability as stipulated in Article 427 (1) of the Company Law, with Directors who are not Executive Directors etc., aiming to make it possible to recruit appropriate human resources and establish an environment where such Directors can fully fulfill their roles.

Of the proposed amendments to the Articles of Incorporation, NEC has already obtained the consent of each Audit & Supervisory Board Member (KANSAYAKU) with respect to the amendment of Article 24 of the current Articles of Incorporation.

In addition to the above, the renumbering of articles and other necessary changes will be made in accordance with the amendments stated above.

2. Contents of the amendments
Contents of the amendments are as follows:

(Underlines reflect the amendments)

Current Articles of Incorporation	Proposal of amendments to the Articles of Incorporation
Article 1. to Article 3. (Omitted)	Article 1. to Article 3. (Unchanged)
Article 4. (Corporate Organization) In addition to general meetings of shareholders and Directors, the Company shall have the Board of Directors, <u>Audit & Supervisory Board Members (KANSAYAKU)</u> , the <u>Audit & Supervisory Board (KANSAYAKU-KAI)</u> and Accounting Auditors.	Article 4. (Corporate Organization) <u>As a Company with a Nominating Committee, etc.,</u> in addition to general meetings of shareholders and Directors, the Company shall have the Board of Directors, <u>the Nominating Committee, Audit Committee, Compensation Committee, Executive Officers</u> and Accounting Auditors.
Article 5. to Article 9. (Omitted)	Article 5. to Article 9. (Unchanged)
Article 10. (Share Handling Regulations, etc.) 1. Requests and notices by shareholders pursuant to the relevant laws and regulations, and procedures relating to shares as well as fees therefor, shall be governed by the Share Handling Regulations established by the Board of Directors, as well as the relevant laws and regulations or these Articles of Incorporation. 2. The procedures for inspection and transcription of the Company's documents and delivery of a certified copy or an extract copy thereof as well as fees therefor shall be governed by handling regulations established by the Board of Directors.	Article 10. (Share Handling Regulations, etc.) 1. Requests and notices by shareholders pursuant to the relevant laws and regulations, and procedures relating to shares as well as fees therefor, shall be governed by the Share Handling Regulations established by the Board of Directors <u>or by the Executive Officer to whom the Board of Directors has delegated authority by resolution,</u> as well as the relevant laws and regulations or these Articles of Incorporation. 2. The procedures for inspection and transcription of the Company's documents and delivery of a certified copy or an extract copy thereof as well as fees therefor shall be governed by handling regulations established by the Board of Directors <u>or by the Executive Officer to whom the Board of Directors has delegated authority by resolution.</u>

<p>Article 11. (Administrator of Shareholders' Register)</p> <ol style="list-style-type: none"> (Omitted) The Administrator of Shareholders' Register and its office shall be designated by a resolution of the Board of Directors, and a public notice shall be given with regard thereto. (Omitted) 	<p>Article 11. (Administrator of Shareholders' Register)</p> <ol style="list-style-type: none"> (Unchanged) The Administrator of Shareholders' Register and its office shall be designated by a resolution of the Board of Directors <u>or by a decision of the Executive Officer to whom the Board of Directors has delegated authority by resolution</u>, and a public notice shall be given with regard thereto. (Unchanged)
Article 12. to Article 15. (Omitted)	Article 12. to Article 15. (Unchanged)
<p>Article 16. (Requirements for Resolution)</p> <ol style="list-style-type: none"> The ordinary resolutions of general meetings of shareholders shall be adopted by a majority of votes of shareholders present. (Omitted) 	<p>Article 16. (Requirements for Resolution)</p> <ol style="list-style-type: none"> The ordinary resolutions of general meetings of shareholders shall be adopted by a majority of votes of shareholders present <u>who are entitled to exercise their voting rights</u>. (Unchanged)
<p>Article 17. (Exercise of Voting Rights by Proxy)</p> <p>A shareholder may exercise his/her voting rights by one proxy, who shall be a shareholder of the Company with the right to vote, provided that such proxy must file with the Company a document establishing his/her power of representation in each case <u>and in advance of the relevant general meeting of shareholders</u>.</p>	<p>Article 17. (Exercise of Voting Rights by Proxy)</p> <p>A shareholder may exercise his/her voting rights by one proxy, who shall be a shareholder of the Company with the right to vote, provided that such proxy must file with the Company a document establishing his/her power of representation in each case.</p>
CHAPTER IV DIRECTORS <u>AND</u> BOARD OF DIRECTORS	CHAPTER IV DIRECTORS, <u>BOARD OF DIRECTORS AND COMMITTEES</u>
<p>Article 18. (Number)</p> <p>The Company shall have Directors not exceeding <u>twenty</u> in number.</p>	<p>Article 18. (Number)</p> <p>The Company shall have Directors not exceeding <u>fifteen</u> in number.</p>
Article 19. to Article 20. (Omitted)	Article 19. to Article 20. (Unchanged)

<p><u>Article 21. (Representative Director)</u> <u>The Director(s) who represent the Company shall be nominated by a resolution of the Board of Directors.</u></p>	<p>(Deleted)</p>
<p><u>Article 22. (Board of Directors)</u></p> <ol style="list-style-type: none"> 1. <u>The Board of Directors shall make decision on the management of the affairs of the Company in accordance with the relevant laws and regulations and these Articles of Incorporation.</u> 2. In addition to the provisions of the relevant laws and regulations and of these Articles of Incorporation, the Rules of the Board of Directors established by the Board of Directors shall apply to matters relating to the Board of Directors. 3. In convening a meeting of the Board of Directors, notice shall be issued to each Director <u>and each Audit & Supervisory Board Member (KANSAYAKU)</u> at least three days before the meeting date. Provided, however, in case of an urgency, this period may be shortened. 4. In cases where a Director proposes a matter to be resolved by the Board of Directors, it shall be deemed that such matter is adopted by a resolution of the Board of Directors if all Directors who may participate in such resolution express their consent to such matter in writing or by electronic means <u>and no Audit & Supervisory Board Members (KANSAYAKU) express objections thereto.</u> 	<p><u>Article 21. (Board of Directors)</u> (Deleted)</p> <ol style="list-style-type: none"> 1. In addition to the provisions of the relevant laws and regulations and of these Articles of Incorporation, the Rules of the Board of Directors established by the Board of Directors shall apply to matters relating to the Board of Directors. 2. In convening a meeting of the Board of Directors, notice shall be issued to each Director at least three days before the meeting date. Provided, however, in case of an urgency, this period may be shortened. 3. In cases where a Director proposes a matter to be resolved by the Board of Directors, it shall be deemed that such matter is adopted by a resolution of the Board of Directors if all Directors who may participate in such resolution express their consent to such matter in writing or by electronic means.
<p><u>Article 23. (Remuneration, Etc.)</u> <u>Remuneration, bonuses and other financial benefits given by the Company in consideration of the performance of duties (hereinafter referred to as the "Remuneration, Etc.") to Directors shall be fixed by a resolution of a general meeting of shareholders.</u></p>	<p>(Deleted)</p>

<p>Article <u>24</u>. (Liability Limitation Contract with Outside Directors)</p> <p>The Company may enter into a contract with its <u>outside Directors</u> to limit their liabilities to the Company for the damages referred to in Article 423, Paragraph 1 of the Company Law to the higher of either (i) the amount to be fixed which is not less than twenty million yen (20,000,000 yen) or (ii) the amount stipulated by the relevant laws and regulations, provided that they shall act in good faith and without gross negligence.</p>	<p>Article <u>22</u>. (Liability Limitation Contract with Directors)</p> <p>The Company may enter into a contract with its <u>Directors (excluding those who are Executive Directors etc.)</u> to limit their liabilities to the Company for the damages referred to in Article 423, Paragraph 1 of the Company Law to the higher of either (i) the amount to be fixed which is not less than twenty million yen (20,000,000 yen) or (ii) the amount stipulated by the relevant laws and regulations, provided that they shall act in good faith and without gross negligence.</p>
(New Article)	<p><u>Article 23. (Committee Members)</u></p> <p><u>The members of the Nominating Committee, Audit Committee and Compensation Committee of the Company shall be selected by resolution of the Board of Directors from among Directors.</u></p>
<p>CHAPTER V</p> <p><u>AUDIT & SUPERVISORY BOARD MEMBERS (KANSAYAKU) AND</u></p> <p><u>THE AUDIT & SUPERVISORY BOARD (KANSAYAKU-KAI)</u></p>	(Deleted)
Article <u>25. to Article 31. (Omitted)</u>	(Deleted)
(New Article)	<p><u>CHAPTER V</u></p> <p><u>EXECUTIVE OFFICERS</u></p>
(New Article)	<p><u>Article 24. (Election)</u></p> <p><u>Executive Officers shall be elected by resolution of the Board of Directors.</u></p>
(New Article)	<p><u>Article 25. (Term of Office)</u></p> <p><u>The term of office of an Executive Officer shall expire at the end of the business year ending within one year following his/her election.</u></p>
(New Article)	<p><u>Article 26. (Representative Executive Officer)</u></p> <p><u>The Company shall select a Representative Executive Officer from among Executive Officers by resolution of the Board of Directors.</u></p>
Article <u>32. to Article 35. (Omitted)</u>	Article <u>27. to Article 30. (Unchanged)</u>

3. Schedule

June 22, 2023	The 185th Ordinary General Meeting of Shareholders
June 22, 2023	Effective date of partial amendment to the Articles of Incorporation

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:

- adverse economic conditions in Japan or internationally;
- foreign currency exchange and interest rate risks;
- changes in the markets in which we operate;
- the recent outbreak of the novel coronavirus;
- potential inability to achieve the goals in our medium-term management plan;
- fluctuations in our revenue and profitability from period to period;
- difficulty achieving the benefits expected from acquisitions, business combinations and reorganizations and business withdrawals;
- potential deterioration in our relationships with strategic partners or problems relating to their products or services;
- difficulty achieving our growth strategies outside Japan;
- potential inability to keep pace with rapid technological advancements in our industry and to commercialize new technologies;
- intense competition in the markets in which we operate;
- risks relating to our concentrated customer base;
- difficulties with respect to new businesses;
- potential failures in the products and services we provide;
- potential failure to procure components, equipment or other supplies;
- difficulties protecting our intellectual property rights;
- potential inability to obtain certain intellectual property licenses;
- our customers may encounter financial difficulties;
- difficulty attracting, hiring and retaining skilled personnel;
- difficulty obtaining additional financing to meet our 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 our 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 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.
