

To whom it may concern:

Company name	NEC Corporation
Name of Representative	Takayuki Morita President and CEO
Securities Code	(Securities code: 6701; Prime Market)
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**Notice Regarding the Corporate Split (Simplified Absorption-Type Corporate Split)  
with a Wholly-Owned Subsidiary**

NEC Corporation (“NEC”) announces today that it has determined to transfer its SME business (Note 1) to NEC Nexsolutions, Ltd., a wholly-owned subsidiary of NEC, by way of an absorption-type split (the “Corporate Split”).

A part of the disclosure items and content thereof is omitted because the Corporate Split is a simplified absorption-type split in which a wholly-owned subsidiary of NEC is the succeeding company.

(Note 1) SME business means any business for small- and medium-sized enterprises, business supporting employees in small and medium-sized municipalities, and business providing services for residents.

1. Purpose of the Corporate Split

In the “NEC Announces the Commencement of Tender Offer for Shares of NEC Networks & System Integration Corporation (Securities Code: 1973)” dated October 29, 2024, NEC announced its policy that it would (i) implement a series of procedures to take NEC Networks & System Integration Corporation, which was a listed subsidiary of NEC at that time, private, (ii) after taking NEC Networks & System Integration Corporation private, have NEC Nexsolutions, Ltd. succeed to the SME business operated by NEC, and NEC Networks & System Integration Corporation succeed to the fire and disaster prevention business operated by NEC, respectively, and further, (iii) transfer all of the shares of NEC Nexsolutions, Ltd. and all of the shares of NEC Networks & System Integration Corporation held by NEC to an intermediate holding company that NEC planed to establish as its wholly-owned subsidiary.

As a part of the above-mentioned business reorganization among NEC, NEC Nexsolutions, Ltd. and NEC Networks & System Integration Corporation, the Corporate Split will be implemented to have NEC Nexsolutions, Ltd., which is a wholly-owned subsidiary of NEC and responsible for the IT services business for SMEs in the NEC Group, succeed to the SME business operated by NEC in order to realize the strengthening of the business foundation in the DX domain and the social and public infrastructure domain in the domestic regions of the NEC Group.

NEC has determined to transfer its SME business to NEC Nexsolutions, Ltd for the purpose of strengthening its business and accelerating its decision-making.

2. Summary of the Corporate Split

(1) Schedule of the Corporate Split

- (i) Date of determination by Representative Executive Officer: April 22, 2025 (Tuesday)
- (ii) Date of execution of absorption-type split agreement: April 22, 2025 (Tuesday)
- (iii) Effective date: July 1, 2025 (Tuesday) (scheduled)

(\*) The Corporate Split is a simplified absorption-type split as stipulated in Article 784, Paragraph 2 of the Companies Act for NEC, and a short-form absorption-type split as stipulated in Article 796, Paragraph 1 of the Companies Act for NEC Nexsolutions, Ltd. and therefore, approval by the general meeting of shareholders is not required for either NEC or NEC Nexsolutions, Ltd.

(2) Method of the Corporate Split

This is an absorption-type split in which NEC is the splitting company and NEC Nexsolutions, Ltd. is the succeeding company.

(3) Details of allotment of shares

No shares or other consideration will be allotted upon the Corporate Split.

- (4) Treatment regarding stock acquisition rights and bonds with stock acquisition rights upon the Corporate Split  
Not applicable.
- (5) Increase or decrease in stated capital as a result of Corporate Split  
There will not be any increase or decrease in the stated capital as a result of the Corporate Split.
- (6) Rights and obligations to be assumed by the succeeding company  
As a result of the Corporate Split, NEC Nexsolutions, Ltd. will assume those assets, debts, contracts, and other ancillary rights and obligations related to the SME business of NEC as stipulated in the absorption-type split agreement.
- (7) Prospect of fulfillment of obligations  
NEC has determined that there will be no impediment to the fulfillment of obligations to be assumed by NEC and the succeeding company on or after the effective date.

### 3. Overview of the Parties Involved in the Corporate Split

	Splitting Company	Succeeding Company
(1) Name	NEC Corporation	NEC Nexsolutions, Ltd.
(2) Location	7-1, Shiba 5-chome, Minato-ku, Tokyo	23-1, Shiba 3-chome, Minato-ku, Tokyo
(3) Name and Title of Representative	Takayuki Morita, Director, Representative Executive Officer, President and CEO	Takahiko Kinoshita, President
(4) Business	IT services business and social infrastructure business	System integration business and software design, software development, software sales and software maintenance
(5) Stated Capital	JPY 427.8 billion	JPY 815 million
(6) Date of Incorporation	July 17, 1899	September 19, 1974
(7) Number of Issued Shares	1,364,249,315 shares	1,630,000 shares
(8) Fiscal Period	March 31	March 31
(9) Major Shareholders and Shareholding Ratio	The Master Trust Bank of Japan, Ltd. (Trust account) 16.47%	NEC Corporation 100%
	Custody Bank of Japan, Ltd. (Trust account) 7.94%	
	NIPPON TELEGRAPH AND TELEPHONE CORPORATION 4.88%	
	JP MORGAN CHASE BANK 385632 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.) 3.68%	
	STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.) 2.76%	
	STATE STREET BANK WEST CLIENT - TREATY505234 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.) 2.22%	

	SUMITOMO LIFE INSURANCE COMPANY	2.10%	
	STATE STREET BANK AND TRUST COMPANY 505025 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	1.62%	
	GOVERNMENT OF NORWAY (Standing Proxy: Citibank, N.A., Tokyo Branch)	1.52%	
	JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	1.36%	
(10)	Financial Conditions and Results of Operation for the Fiscal Year immediately before the Corporate Split	Fiscal year ended March 31, 2024 (consolidated)	Fiscal year ended March 31, 2024
	Total Equity /Net Assets	JPY 2,089.5 billion	JPY 12.55 billion
	Total Assets	JPY 4,227.5 billion	JPY 35.929 billion
	Equity per share attributable to owners of the parent /Net Assets per share	JPY 7,189.26	JPY 7,699.09
	Revenue	JPY 3,477.3 billion	JPY 74.07 billion
	Operating Profit	JPY 188 billion	JPY 5.622 billion
	Net Profit Attributable to Owners of Parent Company	JPY 149.5 billion	JPY 3.825 billion
	Net Profit	JPY 164.8 million	JPY 3.825 billion
	Basic earnings per share /Net Profit per share	JPY 561.25	JPY 2,346.44

(\*) The information of the major shareholders and shareholding ratio of the splitting company is the status as of the end of September 2024.

#### 4. Overview of the businesses to be split off

##### (1) Description of the businesses to be split off

SME business

##### (2) Results of operation for the businesses to be split off (for the fiscal year ended March 31, 2024)

Revenue: JPY 46.7 billion

##### (3) Items and amounts of assets and liabilities to be split off (for the fiscal year ended March 31, 2024)

Assets		Liabilities	
Items	Book Value	Items	Book Value
Current Assets	JPY 0 million	Current Liabilities	JPY 285 million
Non-current Assets	JPY 449 million	Non-current Liabilities	JPY 0 million
Total	JPY 449 million	Total	JPY 285 million

(\*) Although the above amounts will be fixed on the effective date of the Corporate Split, no significant changes are

expected to be made.

5. Status of NEC after the Corporate Split

There will be no change in the company name, location, name and title of the representative, business, stated capital, and fiscal period of NEC as a result of the Corporate Split. Further, there will be no change in the company name, location, name and title of the representative, business, stated capital, and fiscal period of NEC Nexsolutions, Ltd. as a result of the Corporate Split.

6. Future Prospects

The impact which the Corporate Split will have on the business performance of NEC will be negligible.

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