

To whom it may concern:

Company name	NEC Corporation
Name of Representative	Takayuki Morita President and CEO
Securities Code	(TSE: 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 all of the shares of NEC Nexsolutions, Ltd. and all of the shares of NEC Networks & System Integration Corporation held by NEC to NESIC Holdings, Ltd. 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.

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 planned 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 NESIC Holdings, Ltd., established as a wholly-owned subsidiary of NEC, succeed to all of the shares of NEC Nexsolutions, Ltd. and all of the shares of NEC Networks & System Integration Corporation held by NEC in order to strengthen competitiveness and improve management efficiency through the mutual utilization of management resources, establish a rapid decision-making system, and implement medium to long term investments and business reforms.

2. Summary of the Corporate Split

(1) Schedule of the Corporate Split

- (i) Date of determination by Representative Executive Officer: May 15, 2025 (Thursday)
- (ii) Date of execution of absorption-type split agreement: May 15, 2025 (Thursday)
- (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 NESIC Holdings, Ltd. and therefore, approval by the general meeting of shareholders is not required for either NEC or NESIC Holdings, Ltd.

(*) The Corporate Split shall take effect on the condition that the absorption-type split, in which NEC’s SME business (business for small- and medium-sized enterprises, business supporting employees in small- and medium-sized municipalities, and business providing services for residents) is transferred to NEC Nexsolutions, Ltd., as announced by “Notice Regarding the Corporate Split (Simplified Absorption-Type Corporate Split) with a Wholly-Owned Subsidiary” dated April 22, 2025, takes effect.

(2) Method of the Corporate Split

This is an absorption-type split in which NEC is the splitting company and NESIC Holdings, 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, NESIC Holdings, Ltd. will assume all of the shares of NEC Nexsolutions, Ltd. and all of the shares of NEC Networks & System Integration Corporation held by NEC at the time when the Corporate Split takes effect.

(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	NESIC Holdings, Ltd.
(2) Location	7-1, Shiba 5-chome, Minato-ku, Tokyo	9-14, Shibaura 3-chome, Minato-ku, Tokyo
(3) Name and Title of Representative	Takayuki Morita, Director, Representative Executive Officer, President and CEO	Satoshi Ohkubo, President and CEO
(4) Business	IT services business and social infrastructure business	(i) Business management, financial management, personnel and human resources management, and guidance on public relations, legal and intellectual property management and general affairs for its subsidiaries, and (ii) planning and consideration of undertaking related administrative work
(5) Stated Capital	JPY 427.8 billion	JPY 10million
(6) Date of Incorporation	July 17, 1899	May 14, 2025
(7) Number of Issued Shares	1,364,249,315 shares	1,000shares
(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 & 2.76%	

	Clearing Services Department of Mizuho Bank, Ltd.)	
	STATE STREET BANK WEST CLIENT - TREATY505234 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	
	SUMITOMO LIFE INSURANCE COMPANY	
	STATE STREET BANK AND TRUST COMPANY 505025 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	
	GOVERNMENT OF NORWAY (Standing Proxy: Citibank, N.A., Tokyo Branch)	
	JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	
(10) Financial Conditions and Results of Operation for the Fiscal Year immediately before the Corporate Split	Fiscal year ended March 31, 2025 (consolidated)	As the succeeding company is a company newly established on May 14, 2025, it does not have a last fiscal year for which its financial conditions and results of operation have been determined.
Total Equity	JPY 2,071.5 billion	
Total Assets	JPY 4,315.4 billion	
Equity per share attributable to Owners of the Parent	JPY 1,464.71	
Revenue	JPY3,423.4 billion	
Operating Profit	JPY 256.5 billion	
Net Profit Attributable to Owners of the Parent	JPY 175.2 billion	
Net Profit for the year	JPY 184.7 billion	
Earnings per share attributable to Owners of the Parent	JPY 131.50	

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

(*) NEC conducted a share split at a ratio of five (5) shares for one (1) share of its common share, effective April 1, 2025. "Equity per share attributable to Owners of the Parent" and "Earnings per share attributable to Owners of the Parent" have been calculated assuming that the share split had occurred at the beginning of the fiscal year ended March 2025.

4. Overview of the businesses to be split off

(1) Description of the businesses to be split off

The Corporate Split is for the purpose of transferring all of the shares of NEC Nexsolutions, Ltd. and all of the shares of NEC Networks & System Integration Corporation held by NEC, and there will be no transfer of businesses.

(2) Results of operation for the businesses to be split off

Not applicable.

(3) Items and amounts of assets and liabilities to be split off

The assets to be split off are limited to all of the shares of NEC Nexsolutions, Ltd. and all of the shares of NEC Networks & System Integration Corporation held by NEC, and no liabilities will be split off.

5. Status 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.

NESIC Holdings, Ltd. plans to change the President and CEO by the effective date of the Corporate Split. Other than that, there will be no change in the company name, location, business, stated capital, and fiscal period of NESIC Holdings, 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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