

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 its fire and disaster prevention business for domestic prefectures (excluding Tokyo prefecture), municipalities and special wards (Note 1) excluding maintenance business, product development and manufacturing business, and service provision business (the “Business”) to NESIC Holdings, Ltd. by way of an absorption-type split (the “Corporate Split I”).

In addition, NESIC Holdings, Ltd. has determined to transfer the Business, which will be succeeded from NEC, to NEC Networks & System Integration Corporation by way of an absorption-type split (the “Corporate Split II”) (together with the Corporate Split I, the “Corporate Splits”) on the same date as the effective date of Company Split I on the condition that the Corporate Split I takes effect.

A part of the disclosure items and content thereof is omitted because the Corporate Split I is a simplified absorption-type split in which a wholly-owned subsidiary of NEC is the succeeding company. Additionally, the Corporate Split II does not meet the criteria for timely disclosure because it is an absorption-type split between the wholly-owned subsidiaries of NEC. However, NEC has determined that the information about the Corporate Split II is useful for understanding the purpose, etc. of the Corporate Split I, and thus NEC makes voluntary disclosure about it to the extent deemed necessary.

(Note 1) Fire and disaster prevention business for domestic prefectures (excluding Tokyo prefecture), municipalities and special wards means any business of providing systems that support the streamlining and upgrading of firefighting and disaster prevention operations by domestic prefectures (excluding Tokyo prefecture), municipalities and special wards.

1. Purpose of the Corporate Splits

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 Splits will be implemented to have NEC Networks & System Integration Corporation, which is a wholly-owned subsidiary of NEC and has been focusing on building social and public infrastructure in domestic regions with, among other things, its multi-vendor SI capabilities (Note 2), network technology capabilities, construction work implementation capabilities and nationwide responsiveness to a wide range of customer segments, including local governments nationwide, succeed to the Business operated by NEC in order to strengthen the business foundation in the DX domain and the social and public infrastructure domain in the domestic regions of the NEC Group.

(Note 2) Multi-vendor SI capabilities means capabilities to build optimal IT and network systems by combining products from multiple product vendors.

2. Summary of the Corporate Splits

(1) Schedule of the Corporate Splits

(Corporate Split I)

- (i) Date of determination by Representative Executive Officer: August 1, 2025 (Friday)

- (ii) Date of execution of absorption-type split agreement: August 1, 2025 (Friday)
- (iii) Effective date: October 1, 2025 (Wednesday) (scheduled)
- (*) The Corporate Split I 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.

(Corporate Split II)

- (i) Date of execution of absorption-type split agreement: August 1, 2025 (Friday)
- (ii) Effective date: October 1, 2025 (Wednesday) (scheduled)
- (*) The Corporate Split II shall take effect on the condition that the Corporate Split I takes effect.

(2) Method of the Corporate Splits

The Corporate Split I is an absorption-type split in which NEC is the splitting company and NESIC Holdings, Ltd. is the succeeding company.

The Corporate Split II is an absorption-type split in which NESIC Holdings, Ltd. is the splitting company and NEC Networks & System Integration Corporation is the succeeding company.

(3) Details of allotment of shares

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

(4) Treatment regarding stock acquisition rights and bonds with stock acquisition rights upon the Corporate Splits

Not applicable for either the Corporate Split I or the Corporate Split II.

(5) Increase or decrease in stated capital as a result of Corporate Splits

There will not be any increase or decrease in the stated capital of any of the parties to the Corporate Split I or the Corporate Split II as a result of the Corporate Splits.

(6) Rights and obligations to be assumed by the succeeding company

NESIC Holdings, Ltd. will assume those assets, debts, contracts, and other ancillary rights and obligations related to the Business of NEC as stipulated in the absorption-type split agreement by way of the Corporate Split I. NEC Networks & System Integration Corporation will then assume the same by way of the Corporate Split II.

(7) Prospect of fulfillment of obligations

NEC has determined that there will be no impediment to the fulfillment of obligations by any of NEC, NESIC Holdings, Ltd. and NEC Networks & System Integration Corporation on or after the effective date.

3. Overview of the Parties Involved in the Corporate Splits

	Splitting Company in the Corporate Split I	Succeeding Company in the Corporate Split I / Splitting Company in the Corporate Split II
(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	Ushijima Yushi, President and Representative Director
(4) Business	IT services business and social infrastructure business	(i) Management of subsidiaries and affiliates engaged in businesses such as building information and communication systems and business systems, and providing IT services, and (ii) businesses incidental or related to the above
(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) 17.78%	NEC Corporation 100%
		Custody Bank of Japan, Ltd. (Trust account) 8.69%	
		NIPPON TELEGRAPH AND TELEPHONE CORPORATION 4.88%	
		JP MORGAN CHASE BANK 385632 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.) 3.17%	
		STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.) 2.94%	
		SUMITOMO LIFE INSURANCE COMPANY 2.10%	
		STATE STREET BANK WEST CLIENT - TREATY505234 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.) 2.04%	
		STATE STREET BANK AND TRUST COMPANY 505025 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.) 1.58%	
		BNYM AS AGT/CLTS NON TREATY JASDEC (Standing Proxy: MUFG Bank, Ltd.) 1.46%	
		JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.) 1.32%	
(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	
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(*) The information of the major shareholders and shareholding ratio of the splitting company in the Corporate Split I is the status as of the end of March 2025.

(*) The splitting company in the Corporate Split I 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.

	(Reference) Succeeding Company in the Corporate Split II
(1) Name	NEC Networks & System Integration Corporation
(2) Location	9-14, Shibaura 3-chome, Minato-ku, Tokyo
(3) Name and Title of Representative	Michitaka Ono, President, Representative Director, CEO and Chief Engineering Officer (CENO)
(4) Business	Provision of planning, consulting, design and construction services related to ICT systems, focused mainly on the field of communications, and maintenance, operation, monitoring and outsourcing services that are available for 24 hours - 365 days through support service bases throughout Japan.
(5) Stated Capital	JPY 13.1 billion
(6) Date of Incorporation	November 26, 1953
(7) Number of Issued Shares	3 shares
(8) Fiscal Period	March 31
(9) Major Shareholders and Shareholding Ratio	NEC Corporation 100%
(10) Financial Conditions and Results of Operation for the Fiscal Year immediately before the Corporate Split	Fiscal year ended March 31, 2025 (non-consolidated)
Net Assets	JPY 150.4 billion
Total Assets	JPY 274.2 billion
Net Assets per share	JPY 50,129,439,061.67
Net Sales	JPY 321.1 billion
Operating Profit	JPY 25.4 billion
Income before income taxes	JPY 24.9 billion
Net Profit	JPY 19.0 billion
Net Profit per share	JPY 6,343,519,537.67

4. Overview of the businesses to be split off

(1) Description of the businesses to be split off

The fire and disaster prevention business for domestic prefectures (excluding Tokyo prefecture), municipalities and special wards excluding maintenance business, product development and manufacturing business, and service provision business

(2) Results of operation for the businesses to be split off (Fiscal year ended March 31, 2025)

Revenue: JPY 39.1 billion

(3) Items and amounts of assets and liabilities to be split off (Fiscal year ended March 31, 2025)

Assets		Liabilities	
Items	Book Value	Items	Book Value
Current Assets	JPY 3 million	Current Liabilities	JPY 0 million
Non-current Assets	JPY 65 million	Non-current Liabilities	JPY 0 million
Total	JPY 68million	Total	JPY 0 million

(*) Although the above amounts will be fixed on the effective date of the Corporate Splits, no significant changes are expected to be made.

5. Status after the Corporate Splits

There will be no change in the company name, location, name and title of the representative, business, stated capital, and fiscal period of NEC, NESIC Holdings, Ltd. or NEC Networks & System Integration Corporation as a result of the Corporate Splits.

6. Future Prospects

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

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