

To whom it may concern:

Company name	NEC Corporation
Name of Representative	Takayuki Morita President and CEO (Representative Executive Officer)
Securities Code	(TSE: 6701; Prime Market)
Inquiries	Corporate Communications Department (TEL +81-3-3798-6511)

**Notice Regarding the Absorption-type Merger (Simplified Merger and Short-form Merger)
of a Wholly-Owned Subsidiary**

NEC Corporation (“NEC”) announces today that it has determined to merge with a wholly-owned subsidiary, NEC Patent Service, Ltd. (“NEPAS”), by absorption, effective April 1, 2026 (the “Merger”).

1. Purpose of the Merger

NEC recognizes intellectual property as a crucial strategic asset that underpins both its business competitiveness and stability, and NEC has actively pursued revenue enhancement through the expansion of its intellectual property portfolio and initiatives centered on intellectual property licensing.

In order to further optimize its intellectual property resources and accelerate related initiatives, NEC has decided to merge with NEPAS, which functions as a specialized entity handling patent application, patent management, and the analysis of competitors' business trends and intellectual property developments. NEPAS will be integrated into NEC's Intellectual Property & Rule-Making Division.

2. Summary of the Merger

- (i) Date of determination by the Representative Executive Officer of NEC: October 21, 2025 (Tue)
- (ii) Date of signing of the merger agreement: October 21, 2025 (Tue)
- (iii) Effective date: April 1, 2026 (Wed) (scheduled)

(*) The Merger is a simplified absorption-type merger as stipulated in Article 796, Paragraph 2 of the Companies Act for NEC, and a short-form absorption-type merger as stipulated in Article 784, Paragraph 1 of the Companies Act for NEPAS. Therefore, approval by the general meeting of shareholders is not required for either NEC or NEPAS.

(2) Method of the Merger

This is an absorption-type merger in which NEC will be the surviving company and NEPAS will be dissolved.

(3) Details of allotment of shares

No shares or other consideration will be allotted upon the Merger.

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

Not applicable for the Merger.

3. Overview of the Parties Involved in the Merger

	Surviving Company in the Merger	Dissolving Company in the Merger
(1) Name	NEC Corporation	NEC Patent Service, Ltd.
(2) Location	7-1, Shiba 5-chome, Minato-ku, Tokyo	1753, Shimonumabe Nakahara-ku, Kawasaki, Kanagawa
(3) Name and Title of Representative	Takayuki Morita, President and CEO (Representative Executive Officer)	Minoru Tomobe, President and Representative Director
(4) Business	IT services business and social infrastructure	Intellectual property related services

	business	
(5) Stated Capital	JPY 427,831 million	JPY 30 million
(6) Date of Incorporation	July 17, 1899	June 8,1979
(7) Number of Issued Shares	1,364,249,315 shares	60,000 shares
(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 - TREATY 505234 (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 Merger	Fiscal year ended March 31, 2025 (consolidated, IFRS)	Fiscal year ended March 31, 2025 (standalone, JGAAP)
Total Equity or Net assets	JPY 2,071,511 million	JPY 242 million
Total Assets	JPY 4,315,368 million	JPY 1,020 million
Equity per share attributable to Owners of the Parent or Book value Per Share	JPY 1,464.71	JPY 4,040.52
Revenue or Sales	JPY 3,423,431 million	JPY 2,503 million
Operating Profit	JPY 256,497 million	JPY (49 million)
Net Profit Attributable to Owners of the Parent	JPY 175,183 million	—
Net Profit for the year	JPY 184,664 million	JPY (28 million)

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 surviving company in the Merger is the status as of the end of March 2025.

(*) The surviving company in the Merger 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. Status after the Merger

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 Merger.

5. Future Prospects

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

End