Effective from June 1, 2016
Amended as of July 7, 2026
NEC Corporation

NEC Corporate Governance Guidelines

(English Translation for Reference Purposes Only)

Chapter 1 (General Provisions)

Article 1 (Purpose of these Guidelines)

These guidelines set out the basic framework and policy of the corporate governance system of NEC Corporation (the "**Company**") to help strengthen relationship with its stakeholders, thereby contributing to the NEC Group's sustainable growth and the increase of its corporate values. The Company will continuously examine the effectiveness of these guidelines and make amendments as necessary in order to realize more effective corporate governance.

Article 2 (Basic Management Policy and Management Strategies)

The NEC Group has defined the NEC Way as a common set of values that form the basis for how the entire NEC Group conducts itself. Within the NEC Way, the "Purpose" and "Principles" represents why and how as a company we conduct business, whilst the "Code of Values" and "Code of Conduct" embodies the values and behaviors that all members of the NEC Group must demonstrate. To fulfill the Company's Purpose, "NEC creates the social values of safety, security, fairness and efficiency to promote a more sustainable world where everyone has the chance to reach their full potential," the NEC Group aims to create social values continuously and to maximize its corporate values by implementing its middle and long term management strategy including its "Mid-term Management Plan" based on the Company's Principles ((i) The Founding Spirit of "Better Products, Better Services," (ii) Uncompromising Integrity and Respect for Human Rights, (iii) Relentless Pursuit of Innovation).

Article 3 (Basic Views on the Corporate Governance)

In recognition of the fact that reliable corporate governance is essential to the continuous creation of social values and the maximization of corporate values, the Company is committed to strengthening its corporate governance practices in terms of both oversight and execution through:

(i) Assurance of transparent and sound management;
(ii) Realization of prompt decision making and business execution;
(iii) Clarification of accountability; and
(iv) Timely, appropriate and fair disclosure of information.

Article 4 (Organizational Design)

The Company has adopted the structure of "a Company with a Nominating Committee, etc." under the Companies Act of Japan. By clearly separating the oversight and execution functions, the Board of Directors strengthens its oversight function, while delegating substantial authority to Executive Officers to accelerate decision-making and business execution. In line with this, the Company also promotes strengthening governance on the execution side.

Chapter 2 Corporate Governance System

Article 5 (Role and Composition of Board of Directors and Committees)

(1) Board of Directors

(i) The Board of Directors is responsible for overseeing the execution of duties by Executive Officers and Directors as well as guiding the direction of management through deliberation of important matters related to the Company's basic management policy.

(ii) The Board of Directors is comprised with consideration given to the balance between diversity, in such factors as career background, specialist field, nationality, country of origin or cultural background and gender, and appropriate size. In addition, from the perspective of ensuring independence, the majority of the Board of Directors is comprised of independent Outside Directors.

(iii) The Company judges Outside Directors' independency based on the standards defined by Tokyo Stock Exchange and the "Independence Criteria for Outside Directors" established by the Company (see the attachment for the criteria).

(2) Nominating Committee

(i) The Nominating Committee deliberates, from the perspective of objectivity, fairness and transparency, on matters concerning nomination of the Company's Officers (including the succession plan for the CEO), as well as on the contents of proposals to be submitted to the General Meeting of Shareholders concerning the election or dismissal of Directors.

(ii) The Nominating Committee shall consist of at least three Directors, the majority of whom shall be independent Outside Directors. Also, the Committee is chaired by an independent Outside Director.

(3) Compensation Committee

(i) The Compensation Committee deliberates, from the perspective of objectivity, fairness and transparency, on matters concerning the remuneration of the Company's Directors and Executive Officers, including the formulation of policies on remuneration, etc. for Directors and Executive Officers and the determination of the details of remuneration, etc. for each individual Director and Executive Officer.

(ii) The Compensation Committee shall consist of at least three Directors, the majority of whom shall be independent Outside Directors. Also, the Committee is chaired by an independent Outside Director.

(4) Audit Committee

(i) The Audit Committee audits the execution of duties by Executive Officers and Directors. The Audit Committee periodically reports the audit plan and audit results to the Board of Directors, and makes recommendations based on the audit results to the President.

(ii) The Audit Committee shall consist of at least three Directors who are not involved in the execution of business of the Company or its subsidiaries, the majority of whom shall be independent Outside Directors. Also, the Committee is chaired by an independent Outside Director.

(iii) The Audit Committee may appoint a full-time Audit Committee member when it deems it necessary.

(iv) Members of the Audit Committee are appointed from among Directors who have knowledge and experience in finance, accounting, legal affairs, and other areas necessary for auditing.

Article 6 (Policies and Procedures in Election and Dismissal of Directors and Executive Officers)

(i) The candidates for Directors are determined with consideration given to the following attributes, in addition to satisfaction of the requirements of a Director as specified by laws and regulations:

-they have superior character, insight and high ethical standards;

-they empathize with the NEC Way and act with strong will to realize it; and

-they have extensive experience and deep insight related to the career background and skills that the Company particularly expects from Directors.

The Nominating Committee determines the contents of proposals to be submitted to the General Meeting of Shareholders concerning the election or dismissal of Directors based on these policies.

(ii) Executive Officers shall be elected by a resolution of the Board of Directors. Executive Officers have the following attributes, in addition to satisfaction of the requirements of an Executive Officer as specified by laws and regulations:

-they have superior character, insight and high ethical standards; and

-they are capable of fulfilling their responsibilities with strong will to realize the NEC Way.

In addition, the Board of Directors may dismiss an Executive Officer at any time if the Executive Officer is found to be in violation of laws and regulations or otherwise unqualified to serve as an Executive Officer, or if the Executive Officer is found not to be fulfilling his or her responsibilities appropriately.

Article 7 (Policies and Procedures in Remuneration for Directors and Executive Officers)

The basic policy on the remuneration for the Company's Directors and Executive Officers, which is determined by the Compensation Committee, is as follows. The Compensation Committee also determines the details of remuneration, etc. for each individual Director and Executive Officer in accordance with said basic policy.

(i) The remuneration system is highly objective and transparent, with content which leads to sustainable growth with the aim of maximizing corporate value, and which allows shareholders to confirm that management is linked to shareholder value.

(ii) The remuneration system is linked to the Mid-term Management Plan target indicators and provide incentives for Executive Officers to achieve the management targets indicated in the Mid-term Management Plan.

(iii) As a technology company with global operations, the remuneration system is competitive in the human resources market in terms of both remuneration structure and level.

Article 8 (Cooperation Among Audit Committee, Internal Auditing Division and Accounting Auditors)

(i) The Audit Committee periodically (or whenever necessary) receives reports on the status of internal audits (including the results of internal audits) from the Internal Auditing Division , and it exchanges opinions with the Internal Auditing Division. In addition, the Audit Committee may provide guidance to the Internal Auditing Division through cooperation and give instructions as necessary.

(ii) The Audit Committee receives reports from the Accounting Auditors on the audit plan, status of implementation, etc., as well as on internal control audits based on the Financial Instruments and Exchange Act of Japan, and exchanges opinions with the Accounting Auditors.

(iii) The Internal Auditing Division periodically reports audit results to the Accounting Auditors and exchanges opinions with them. In addition, in order to ensure the effectiveness of internal audits, the Internal Auditing Division reports the status of internal audits, etc. to the President, the Board of Directors, and the Audit Committee (as stipulated in (i) above), respectively, as necessary.

Article 9 (Efforts to Improve the Effectiveness of the Board of Directors)

(1) Operation of Board of Directors

In operating the Board of Directors, based on the role of the Board of Directors as stipulated in Article 5.1, important matters related to the Company's basic management policy and matters necessary for overseeing the execution of duties by Executive Officers are brought up for discussion based on the annual agenda plan in an organized way. In addition, the Company has a system in place which allows for the timely and appropriate submission of agenda items other than those scheduled in the annual agenda plan, as necessary. The annual schedule of Board of Directors meetings is determined in advance in coordination with each Director, and Directors are expected

to ensure a certain level of attendance at Board of Directors meetings, unless there are special circumstances.

(2) Active Board Deliberations

In order to enhance the deliberations of the Board of Directors, the Company implements the matters set forth below and continuously reviews them:

(i) Materials for Board meetings are distributed to the Directors by three business days prior to the meetings as a general rule;

(ii) Depending on the subject matter of the agenda item, briefings are provided to Outside Directors on important agenda to be discussed at the meetings of the Board of Directors; and

(iii) Sufficient time for deliberations on each agenda items to be discussed by the Board of Directors is secured.

(3) Support System for Directors

(i) The Company has established a support system for Directors to ensure that each Director can properly fulfill his or her oversight function. In particular, the Corporate Governance Office, which serves as the secretariat for the Board of Directors, Nominating Committee, Compensation Committee, and Audit Committee, plays a central role in communicating and coordinating with Outside Directors, and has established a support system for Outside Directors by providing them with information they need in a timely manner.

(ii) In addition to the above, the Company promotes sharing information and strengthening cooperation among Directors and between Directors and Executive Officers through various meetings, such as meetings for exchange of opinions among Outside Directors only, meetings for exchange of opinions between Outside Directors and the Chairperson of the Board or the President, and meetings for exchange of opinions between Outside Directors and Executive Officers.

(4) Training

The Company periodically conducts training for Directors, including training on the roles and responsibilities (including legal liabilities) expected of Directors. In addition, in order to deepen their understanding of the NEC Group, Outside Directors attend briefings on its business activities and tour the business sites and exhibitions of the Company and NEC Group companies.

(5) Evaluation of Effectiveness of the Board of Directors

The Company conducts an analysis and evaluation on the effectiveness of the Board of Directors once a year and improves the function of the Board of Directors. The Company discloses a summary of the results of such analysis and evaluation. Also, if necessary, the Company utilizes a third-party evaluation organization in assessing the effectiveness of the Board of Directors.

Article 10 (Execution of Business by Executive Officers)

(i) The Company promotes accelerated decision-making and business execution by delegating substantial authority to Executive Officers, and in line with this, it promotes strengthening governance on the execution side.

(ii) The Company has introduced Chief Officers to implement Group-wide strategies. Under the direction of the President, each Chief Officer is working to establish and operate the optimal management infrastructure for the NEC Group in the key Group-wide functional areas for which he or she is responsible.

(iii) The Company has established the Executive Committee, which is the highest level deliberative body on the execution side, as well as other committees which work in tandem with the Executive Committee in order to ensure high-quality decision-making in terms of both opportunities and risks. The Executive Committee, consisting of Executive Officers, deliberates on important matters related to the management of the NEC Group, such as management policies and strategies, and examines important business execution matters. Other committees which work in tandem with the Executive Committee conduct preliminary deliberations, etc., on their respective responsibilities in accordance with their roles and authorities.

(iv) The Company has established the company-wide risk management system centered on the Risk Control and Compliance Committee, in order to accurately recognize and respond to internal and external risks related to the NEC Group's business. The Risk Control and Compliance Committee deliberates fully on such matters of importance from a perspective of risk management, such as the strategy to control significant management risk, and the matters of particular importance are reported to the Executive Committee Members and the Board of Directors.

Article 11 (Whistleblowing System)

(i) The Company has established a whistleblowing system to accept reports concerning any act in actual or suspected violation of laws and regulations, the NEC Group Code of Conduct, or internal company rules, etc. and stipulated rules to secure the confidentiality of the information provider and those who have cooperated in an investigation, and prohibit any disadvantageous treatment of them.

(ii) The Board of Directors and the Audit Committee periodically (or whenever necessary) receive reports on the operational status of the whistleblowing system from the division which operates it.

(iii) The Company has established “Audit Committee Hotline” in the Audit Committee, which is operated independently from the Officers, and which allows to report misconduct, etc. related to the Company's Executive Officers and Directors.

Chapter 3 Relationship with Stakeholders

Article 12 (Relationship with Shareholders)

(1) General Meeting of Shareholders

The Company takes appropriate measures to ensure the exercise of shareholder rights at the General Meeting of Shareholders as follows:

(i) The Company determines the date of the General Meeting of Shareholders avoiding the peak day. The Company also strives for early disclosure of the notice of the ordinary General Meeting of Shareholders.

(ii) The Company provides electronic voting platform and English translation of the notice of the General Meeting of Shareholders, taking into consideration the number of institutional and non-Japanese shareholders.

(iii) The Company provides or discloses information to shareholders as necessary to facilitate their appropriate decision-making at the General Meeting of Shareholders through disclosure under timely disclosure rules, filing of statutory disclosure documents, taking questions at the General Meeting of Shareholders and its IR activities.

(iv) When a considerable number of votes have been cast against a proposal by the Company at the General Meeting of Shareholders, the Company analyzes the reasons and causes for the dissenting votes and takes necessary steps based on the result of the analysis.

(2) Policy for Constructive Dialogue with Shareholders

Dialogues with shareholders (interviews) and identification of the Company's shareholder ownership structure are primarily conducted by the Stakeholder Relations Department. The CEO and the CFO also meet with key shareholders. In addition, when it is deemed necessary, Directors including Outside Directors also meet with shareholders. Before members of senior management meet with the shareholders, they coordinate with the relevant divisions in accordance with the Company's "Disclosure Policy" (see Chapter 4) to prevent the disclosure of what could be considered material information, including insider information.

In addition to individual meetings, the CEO and the CFO hold management briefings and quarterly financial-result briefings for the media, securities analysts, and institutional investors (including shareholders). Also, executives responsible for individual businesses have briefings on their businesses. Shareholders' opinions and the ideas gained through these IR activities are provided as feedback to Executive Officers, etc. on a periodic basis and reported to the Board of Directors.

(3) Capital Policy and Fundamental Policy on Shareholder Return

The Company believes that execution of business operations with an emphasis on capital efficiency and making proactive investments in growth areas based on a strong financial base will lead to the creation of long-term corporate value. In shareholder returns, the Company aims to make stable dividend growth and opportunistic share repurchases, based on factors such as the profit status and financial needs in each period.

(4) Policy regarding Strategic Shareholdings

The Company does not hold shares of other listed companies for the purpose of strategic shareholdings in principle. But the Company exceptionally holds shares of other company as strategic shareholding if the Company judges that it is necessary for business cooperation with other company and business relationship with investee. The Board of the Directors assesses the rationale of each individual strategic shareholding based on certain criteria from a comprehensive perspective every year, taking into consideration the necessity to hold shares and the returns from such strategic shareholdings based on the Company's cost of capital, and the Company sells such individual strategic shareholding which the rationality to hold is not confirmed as the result of the assessment.

When exercising voting rights, the Company examines various factors, such as whether it will contribute to enhancement of the mid- to long-term corporate values of issuers, as well as whether it will be in the interest of the NEC Group.

In addition, if a company which holds the Company's shares as strategic shareholdings informs the Company of its plan to sell the Company's shares, the Company will take no action to prevent such a sale by, for example, suggesting a reduction in transactions with said company or other restrictions on transactions with said company.

(5) Related Party Transactions

In order to protect the interests of shareholders, the Company stipulates in the Rules of the Board of Directors that approval of the Board of Directors is required when a member of the Board of Directors or an Executive Officer engages in transactions that may have conflict of interests with the Company. The Board of Directors monitors such transactions in accordance with laws and regulations.

Article 13 (Relationship with other stakeholders)

(1) Code of Conduct

The Company has adopted the "NEC Group Code of Conduct" as the Principles shared by the NEC Group in the NEC Way, and implemented it. In addition to maintaining fair relationships with stakeholders, the NEC Group Code of Conduct stipulates "information disclosure to, communication and joint creation with stakeholders" as one of the NEC Group's business activities with integrity. Further, the Company has established the internal rules embodying the NEC Group Code of Conduct and ensures compliance of those rules by its employees, as well as monitoring the status of operation of those rules on an annual basis as part of its internal control. The Company's subsidiaries have adopted and implement the "NEC Group Code of Conducts" as well.

(2) Sustainability

To maintain and strengthen trust with diverse stakeholders and maximize long-term profit and corporate value through the creation of social value, the NEC Group adopts the following three items based on the NEC Way as basic policies of sustainability management: "contribute to

solving social issues through our business activities," "strengthen risk management and enforce compliance," and "promote communication with stakeholders." The NEC Group believes that issues related to sustainability, including consideration of global environmental issues such as climate change, respect for human rights, consideration of the health and working environment of employees, fair and appropriate treatment of employees, fair and appropriate dealings with suppliers, and crisis management in response to natural disasters and other disasters, are not only risks to the sustainable development and improvement of the corporate values of the NEC Group, but also important factors which can lead to creation of business opportunities. The NEC Group has evaluated "impact on the environment and society" as well as "financial risks and opportunities," identified management issues of high importance to be prioritized by the NEC Group as "Materiality," and promotes initiatives to address them. The Board of Directors receives reports on these issues and initiatives faced by the NEC Group, oversees the status of risk management, and deepens discussions about dealing with issues related to sustainability including the perspective of creating business opportunities.

(3) Inclusion and Diversity

The NEC Group considers that it is necessary for creation of innovation and is an important management strategy to foster an environment that promotes the success of a diverse array of human resources who can incorporate multiple perspectives and ideas. As part of measures to achieve this, the NEC Group is working to promote global recruitment of human resources, female participation and career advancement in the workplace, active appointment of mid-career workers, employment of people with disabilities, and provision of support and encouragement of understanding for sexual minorities. In addition, such inclusion and diversity initiatives are positioned as practice of "Respect for Human Rights" called for in the Principles.

(4) Corporate Pension Funds

The Company uses both defined contribution pension (the "DC") plans and defined benefit corporate pension (the "DB") plans as corporate pensions. In order to strengthen the relationship between the company and employees that select each other, the Company is enhancing its DC plans to support employees' autonomous asset building. In the DC plans, the Company has established a governance system by the labor and management representatives of participating companies, and through constructive labor-management consultations, it provides competitive investment products and ongoing investment education. The Company also provides free consultation opportunities with financial experts and discloses to employees how the plan is being utilized compared to competitors. Regarding the DB plans, new enrollments and contributions have been suspended, and the assets have been transferred to the DC plans, except for pensioners and certain pension subscribers. The Pension Fund of NEC Corporation (the "Fund") manages the assets of the remaining DB plans. The Company's accounting and finance divisions appropriately allocate personnel to the Fund, and the Board of Representatives of the Fund decides all important

matters on the Fund. By having an equal number of members elected from among the pension subscribers and those elected by the Company, the Fund is managed under a system that can appropriately deal with conflicts of interest that may arise between the corporate pension beneficiaries and the Company. The Fund has endorsed and accepted the Asset Owner Principles with the aim of establishing asset management and governance systems that consider the best interests of the beneficiaries.

Chapter 4 Disclosure

Article 14 (Basic Policy)

The Company recognizes the importance of providing timely, proper and fair disclosure to obtain a fair evaluation of its corporate values from the capital markets and stipulates "Disclosure Policy." The Company manages and discloses its information, such as information regarding business management and operation, in accordance with applicable laws and regulations, including the listing regulations of Tokyo Stock Exchange and fair disclosure rules under Financial Instruments and Exchange Act. The Company ensures the accuracy of the information to be disclosed and make sure that the disclosures are made in a timely, appropriate and fair manner.

Article 15 (Information Disclosure Structure)

In order to ensure timely, appropriate and fair disclosure, the Company has established a communication structure for reporting material information among relevant divisions and subsidiaries.

In addition to establishing the Company's website targeted for individual investors and holding briefings for individual investors periodically, the Company makes efforts to enhance disclosure of corporate information on financial information, such as financial standing and operating results, and non-financial information, such as business strategies and business issues, risk, and governance on the Company's website, posting specific and clear corporate information on the Company's website (such as presentation materials used at briefings both in Japanese and English and video streaming) and strengthening global IR activities (including interviews with major overseas investors).

Chapter 5 (Miscellaneous)

Article 16 (Amendments)

Amendments or abolishment of these guidelines (except for minor revisions of these guidelines) will require a resolution of the Board of Directors.

- End -

Attachment

Independence Criteria for Outside Directors

The Company declares that an Outside Director who is not fallen under any of the following description is independent of the Company.

(1) Presently or at any time within the past three years, any of his or her relative within the second degree of relationship was an important executing person at the Company or its subsidiary

(2) Presently or at any time within the past three years, the person is or was executing person of a major business partner*1, or any of his or her relative within the second degree of relationship is or was an executing person at a major business partner*1 (if such a person holds or held a position equal to an important executing person at the Company)

(3) In any one of the past three fiscal years, the person or any of his or her relative within the second degree of relationship has received financial compensation of JPY10 million or more (excluding remuneration for Directors or Audit &Supervisory Board Members) from the Company

(4) Presently or at any time within the past three years, the person or any of his or her relative within the second degree of relationship has belonged to the Accounting Auditors of the Company

(5) Presently or at any time within the past three years, the person or any of his or her relative within the second degree of relationship has been an executing person of an organization that has received a significant amount of donation from the Company*2

*1 Major business partner:

(1) A business partner with the total amount of transactions with the Company (consideration for offering products/services and procurements) exceeding 2% of sales of the Company or such business partner; or,

(2) A business partner to whom the Company owes the average annual account exceeding 2% of total assets of the Company

*2 Organization that has received a significant amount of donation from the Company:

An organization that has received from the Company a significant amount of donation exceeding the greater of JPY 10 million, or 2% of the gross income of such organization