（Translation）

Corporate Governance Report

CORPORATE GOVERNANCE NEC Corporation

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NEC Corporation
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The corporate governance of NEC Corporation (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile, and Other Basic Information

1. Basic Views

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:

1. Assurance of transparent and sound management;
2. Realization of prompt decision making and business execution;
3. Clarification of accountability; and
4. Timely, appropriate and fair disclosure of information.

The Company has established the "NEC Corporate Governance Guidelines" (the "Guidelines") which set out the basic framework and policy of the corporate governance system of the Company. Please refer to the Company's website. (https://www.nec.com/en/global/about/pdf/nec_governance_guidelines.pdf)

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company fully complies with the principles of the Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code Updated

The following are the details of the items required to be disclosed under the principles of the Corporate Governance Code.

【Principle 1.4　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 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. The rationality of holdings is verified based on the following criteria.

- Qualitative verification
  To have necessity to hold shares based on its clear strategic positioning
- Quantitative verification
  To fulfill the following calculation formula

(Gross profit[Note 1] + Dividend income[Note 2]) / Market value of the stock held by the Company ≥ Weighted average cost of capital (WACC)

(Note 1) Gross profit for the most recent fiscal year for transactions between the issuer of the stock and the Company.
(Note 2) Dividends received by the Company based on the individual stock.

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. (Article 12 (4) of the Guidelines)
During the fiscal year ended March 31, 2026, the Company assessed the rationality of the above strategic shareholdings at the Board of Directors meeting held in January, 2026.

【Principle 1.7　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 12 (5) of the Guidelines)

【Principle 2.4　Ensuring Diversity, Including Active Participation of Female】

（Supplementary Principle 2.4.1）

(1) Basic policy

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 (I&D) initiatives are positioned as practice of "Respect for Human Rights" called for in the Principles. (Article 13 (3) of the Guidelines)

(2) Views on ensuring diversity

To achieve the Purpose of "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" set forth in the NEC Way, the NEC Group will accelerate diversity, which is a source of innovation, through active appointment and systematic development of diverse human resources, including female and non-Japanese employees.
In April 2025, the Company established the I&D Policy with the mission of "the NEC Group will continue creating social value by leveraging the power of diverse talent and technology based on its policy of equity and fairness." Accordingly, the Company has set up five pillars to realize this policy:

- An equitable environment empowering everyone
- Fair systems and rules
- Organizations where individuality flourishes
- Responsible execution and communication
- Creation of social value by tackling social issues

(3) Voluntary and measurable targets for ensuring diversity

The targets for ensuring diversity in the NEC Group are:

- Target to be achieved in the fiscal year ending March 31, 2027:
  Diversity score　55% [Note 1]
- Target to be achieved by the end of fiscal year ending March 31, 2031:
  Ratio of female to all managers of the Company and five major consolidated subsidiaries in Japan
  20% [Note 2]

(Note 1) Based on the results measured by the One NEC Survey of organizations related to respect for diversity (using the global survey conducted by Mercer Japan Ltd. Figures for the fiscal year ended March 31, 2026 are totals for the Company and 44 consolidated subsidiaries). From the fiscal year ending March 31, 2028, the Company plans to revise the KPI to be more focused on measuring inclusiveness.

(Note 2) Calculation for ratio of female to all managers is based on the provisions of the Act on Promotion of Female Participation and Career Advancement in the Workplace (Act No. 64 of 2015). Five major consolidated subsidiaries in Japan (including the Company) refer to NEC Corporation, NEC Solution Innovators, Ltd., NEC Platforms, Ltd., NEC Communication Systems, Ltd., and NEC Business Intelligence, Ltd. Targets for the fiscal year ending March 31, 2031 include personnel changes scheduled for April 1, 2031, which will be decided during the fiscal year ending March 31, 2031.

For ensuring diversity, the Company stipulates that the pool of candidates for manager and above level positions is comprised by a certain percentage of females, non-Japanese, or mid-career hires. The Company continues to increase the number of mid-career hires by proactively hiring mid-career employees, in addition to females and non-Japanese.

(4) Status of ensuring diversity

When the Company started its initiatives to ensure diversity (as of June 30, 2022), the ratio of female or non-Japanese to Directors and Officers(Note) was 9.4%, but as of July 1, 2026, it had improved to 21.1%. (12 female or non-Japanese out of 57 Directors and Officers)

(Note) Directors and Officers as of June 30, 2022 refers to Directors, Audit & Supervisory Board Members (*KANSAYAKU*) and Executive Officers (*SHIKKOYAKUIN*). In addition, Directors and Officers as of July 1, 2026, refers to Directors, Executive Officers (*SHIKKOYAKU)*, Corporate EVP and Corporate SVP (the scope of Directors and Officers has changed due to the transition to a Company with a Nominating Committee, etc. in June 2023)

Of the total number of employees recruited by the Company in the fiscal year ended March 31, 2026, approximately 43% is mid-career employees, and the ratio of female to these mid-career employees is 24.1%. In addition, the ratio of female to mid-career employees in managerial positions is 19.5%. With regard to the non-Japanese appointment and recruitment, the Company has established a system to reflect local voices by assigning many local people to the President and key positions at overseas Group companies and appointed the locally employed President as the Corporate SVP of the Company. In addition, the Company actively engages in appointment and recruitment of non-Japanese, including the acceptance of graduate students as long-term interns in order to recruit graduate students overseas for research positions.

(5) Policy for human resource development and policy for internal environment improvement to ensure diversity, and implementation status thereof

For female employees, the Company has been working to create opportunities to consider career development. Since the fiscal year ended March 31, 2025, the Company has set a target number or ratio of female manager for each fiscal year and has incorporated such number into the performance targets for officers and heads of divisions. Furthermore, the Company has prepared a list of candidates for manager and has provided a program to foster career awareness for the candidates themselves, and diversity management training by experts for their superiors. In the program for the candidates, all female officers at the Corporate SVP and above take part in the program and give the candidates strong messages which support the candidates' career development.

For mid-career hires, the Company provides support so that they find their feet and begin contributing soon after joining the Company, including distribution of manuals to departments to which mid-career hires are assigned and support for building a network of employees who joined the Company at the same time as well as provision of orientations at the time of joining the Company. In addition, to officers and heads of divisions, departments and groups, unconscious bias training aimed to strengthen the management ability with regard to diverse human resources has been provided since the fiscal year ended March 31, 2020. In the fiscal year ended March 31, 2026, the Grade 3 D&I Test(Note), which tests a wide range of knowledge about inclusion and diversity, was held as a training for heads of divisions and above. All 234 officers and heads of divisions who were eligible for the test received Grade 3.

(Note) Certification system operated and provided by JobRainbow Co., Ltd. You will be certified if you take the course via video teaching material and pass the test.

【Principle 2.6　Roles of Corporate Pension Funds as Asset Owners】

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. (Article 13 (4) of the Guidelines)

【Principle 3.1　Full Disclosure】

(1) Company objectives (e.g., business principles), business strategies and business plans

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 2 of the Guidelines)
For details, please refer to the Company's "Management Strategy and Policy" published on the Company's website. (https://group.nec/global/en/about/ir/corporate/management)

(2) Basic views and guidelines on corporate governance based on each of the principles of the Code

Please refer to "I.1.Basic Views" above.

(3) 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 7 of the Guidelines)

For details, please refer to "Remuneration for Directors and Executive Officers" of "II.1. Organizational Composition and Operation" below.

(4) Policies and procedures in the appointment and dismissal of Directors and Executive Officers

< Policies and procedures in the appointment and dismissal of Directors>

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. (Article 6 (i) of the Guidelines)

< Policies and procedures in the appointment and dismissal of Executive Officers>

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 6 (ii) of the Guidelines)

(5) Explanations with respect to appointments and nominations of individual Director candidates and Executive Officers

With respect to the nomination of individual Director candidates, the Company discloses the reasons for their selection and their brief biographies in the reference documents attached to the Notice of General Meeting of Shareholders. In addition, the Company also makes decisions regarding the appointment of Executive Officers based on their experience and insight in light of the policy described in (4) above, and discloses the brief biographies of individual Executive Officers in the Company's website (“Executive Officers” in “Management” of “Corporate Profile”).

The Notice of General Meeting of Shareholders
(https://group.nec/assets/global/en/about/ir/library/report/pdf/188/report188-01.pdf)
Company's website (“Executive Officers” in “Management” of “Corporate Profile”)
(https://group.nec/global/en/about/corporate/executives/)

（Supplementary Principle 3.1.3）

<Sustainability activities>

The NEC Group believes that sustainability issues are not only a risk to the sustainable development and the enhancement of corporate value of the NEC Group, but also an important factor in creating business opportunities. Based on the “NEC Way,” the NEC Group is promoting sustainability management with the following basic Principles: (i) Contribute to Solving Social Issues through Our Business, (ii) Strengthen Risk Management and Enforce Compliance, and (iii) Promote Communication with Stakeholders. In order to promote its Purpose management, the NEC Group has evaluated “impact on the environment and society” and “financial risks and opportunities” and identified management issues of high importance to be prioritized by the NEC Group as “Materiality.” The NEC Group aims to be continuously included in the main ESG indices by creating significant social, environmental, and economic values through the practice of the Materiality. The initiatives, their progress and results are disclosed on the Company’s website (Sustainability Site), ESG Databook, Integrated Report and Annual Securities Report.

Furthermore, the Company has endorsed the TCFD’s recommendations, and discloses results of analysis of effects of risks and profit-earning opportunities related to climate change on the NEC Group’s business activities, revenue and others on the Company’s website (Sustainability Site) and ESG Databook. In addition, the Company has participated as a Data Catalyst member in the framework development phase

of the Taskforce on Nature-related Financial Disclosures (TNFD) since August 2022, and issued the domestic IT industry's first TNFD Report in July 2023, followed by the second edition in June 2024 and the third edition in August 2025.
For details, please refer to "Implementation of Environmental Protection, CSR Activities, etc." of "III. 3. Measures to Ensure Due Respect for Stakeholders" below.

Sustainability Site
(https://www.nec.com/en/global/sustainability/index.html)
ESG Databook
(https://www.nec.com/en/global/sustainability/report/index.html)
Integrated Report
(https://group.nec/global/en/about/ir/library/annual)
Annual Securities Report (Japanese text only)
(https://group.nec/global/ja/about/ir/library/securities)
TNFD Report
(https://www.nec.com/en/global/sustainability/eco/index.html)

<Investment in human capital, and others>

Viewing people as its greatest management resource, the NEC Group has been investing in them by transforming systems and improving environments in ways that maximize the capabilities of its personnel and organization.
As measures for heightening employees' engagement, and improving productivity and generating innovation, the NEC Group actively appoints diverse human resources. In addition, in order to allow diverse talent to further achieve high productivity and demonstrate creativity, the NEC Group conducts systematic development measures for its employees, such as human resource discovery of next-generation leaders, development and implementation of training programs to train next-generation leaders, development and implementation of training programs to train personnel conversant with digital technologies needed for AI Utilization and Digital Transformation, and human rights promotion training.
As the expenses for these measures, approximately 11 billion yen was posted for the NEC Group for the fiscal year ended March 31, 2026.
The details are disclosed on the Company's website (Sustainability Site), Integrated Report and ESG Databook.

Sustainability Site
(https://www.nec.com/en/global/sustainability/index.html)
ESG Databook
(https://www.nec.com/en/global/sustainability/report/index.html)
Integrated Report
(https://group.nec/global/en/about/ir/library/annual)

<Investment in intellectual property, etc., and others>

The NEC Group is committed to developing technologies that advance its existing businesses, which serve as the foundation for creating social value, as well as creating and commercializing advanced technologies for future businesses that can deliver new value to society. R&D activities are the source of the NEC Group's competitiveness. It provides technological support for the NEC Group's transformation into an AI-native company and the expansion of the value-creation model "NEC BluStellar," which will lead customers into the future, while contributing to the sustainable growth of the NEC Group's IT Services Business and the Social Infrastructure Business.
To maintain and enhance technological capabilities from a medium- to long-term perspective, the NEC Group secures a certain level of R&D investment regardless of economic conditions and advances R&D focused on AI, security, and platform technologies areas in which the NEC Group has developed many world-class technologies.
In addition, the NEC Group regards intellectual property as an important management asset that supports its growth strategy, and utilizes it to strengthen business competitiveness, ensure stable business operations, increase intellectual property revenue, and expand co-creation with customers and partners. In response to "implementing AI throughout Society" (IT Services Business) and "implementing Comprehensive Security Technologies" (Social Infrastructure Business), which are growth drivers set forth in the "Mid-

term Management Plan 2030," the NEC Group is strategically allocating resources to priority technology areas such as AI, security, and platforms. As a result, the NEC Group is working to increase the share of patent filings and patents held in growth business technology areas, such as "NEC BluStellar." At the same time, the NEC Group is working to enhance the value of its intellectual property portfolio as a whole by strengthening its brands through the use of trademarks and enhancing trade secret management. Collaborative creation with diverse stakeholders is also important to promote the social implementation of proprietary technologies. The NEC Group is also focusing on licensing and assigning all forms of intellectual property, including patents and know-how, and promoting the use of the NEC Group's intellectual property across various opportunities, including technology transfer. Furthermore, the NEC Group is promoting AI transformation (AX) of its intellectual property business. Through these initiatives, the NEC Group maximizes the value of its intellectual property portfolio, enhances its corporate value through business growth and profitability improvement, and contributes to the creation of social value with a diverse range of stakeholders.

The NEC Group is committed to the "Relentless Pursuit of Innovation" as one of its Principles, and will continue to promote R&D and the acquisition and utilization of intellectual property resulting from that R&D.
The details are disclosed on the Company's website (Research & Development, Intellectual Property and Sustainability Site), Integrated Report and ESG Databook.

Research & Development
(https://www.nec.com/en/global/rd/index.html)
Intellectual Property
(https://www.nec.com/en/global/intellectual-property/index.html)
Sustainability Site
(https://www.nec.com/en/global/sustainability/index.html)
Integrated Report
(https://group.nec/global/en/about/ir/library/annual)
ESG Databook
(https://www.nec.com/en/global/sustainability/report/index.html)
Annual Securities Report (Japanese text only)
(https://group.nec/global/ja/about/ir/library/securities)

【Principle 4.1　Roles and Responsibilities of the Board (1)】
（Supplementary Principle 4.1.1）
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. (Article 5 (1)(i) of the Guidelines)
The Board of Directors makes decisions on matters that require a resolution of the Board of Directors in accordance with laws and regulations and the Articles of Incorporation, as well as on matters of particular importance considering the roles and responsibilities of the Board of Directors. On the other hand, regarding business execution, substantial authority is delegated to Executive Officers.

【Principle 4.9　Independence Standards and Qualification for Independence Directors】
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. (Article 5 (1) (iii) of the Guidelines)
For details, please refer to "Outside Directors" of "II.1. Organizational Composition and Operation" below.

【Principle 4.11　Preconditions for Board Effectiveness】
（Supplementary Principle 4.11.1）
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. (Article 5 (1) (ii) of the Guidelines)
The Company has formulated the career background and skills particularly expected of Directors and listed

the extensive experience and deep insight possessed by the respective Directors as the Career Skill Matrix. The Company regularly confirms the sufficiency level of the Board of Directors as a whole for the career background and skills particularly expected of Directors based on the Career Skill Matrix. Based on perspectives such as lacking career background and skills and diversity, the Company makes a list to identify a broad range of candidates for Director, which is used for deliberations for election of candidates.

（Career Background and Skills Particularly Expected of Directors)

(1) Corporate management
Practical knowledge on company management based on experience as chief executive officer of operating companies

(2) Global business
Experience as chief executive officer or department head in multinational companies or specialized knowledge on global markets

(3) Technology/Innovation
Business experience or specialized knowledge on technology related mainly to ICT and digital transformation, or experience or specialized knowledge on new business creation and market innovation

(4) Sustainability/ESG
Knowledge about diverse values on female, foreign nationality, disabilities, etc., leadership experience in ESG activities or specialized knowledge on ESG management

(5) Marketing
Experience as head in the marketing or brand strategy department or the sales department in operating companies, or specialized knowledge on business-to-business transactions and marketing

(6) Financial accounting/Investment
Experience as chief financial officer of operating companies, professional work experience in major accounting firms, investment companies, etc., or specialized knowledge on investments, finance and accounting, etc.

(7) Audit/Legal/Risk management
Risk management experience in accounting, legal affairs, technology, cybersecurity, etc. in operating companies, or experience as an audit committee member, Audit & Supervisory Board Member, or department head in auditing division, or specialized knowledge on international and domestic legal affairs or geopolitics

(8) Corporate Governance
Specialized knowledge on recent global corporate governance practices, or experience and practical knowledge of implementing governance reforms at operating companies

As for the “Career Skill Matrix”, please refer to the reference documents attached to the Notice of General Meeting of Shareholders. Some of Independent Outside Directors have management experience in other companies.
(https://group.nec/assets/global/en/about/ir/library/report/pdf/188/report188-01.pdf)

（Supplementary Principle 4.11.2）

In appointing Directors, when an appointee serves as a director or Audit & Supervisory Board Member (*KANSAYAKU*) of other listed companies, it is desirable that the number of concurrent positions does not exceed the numbers specified as follows:

- When an appointee serves as an executive of the Company or another company: only one company in addition to the company where such appointee serves as an executive.
- In cases other than the above: up to 4 companies in addition to the Company.

However, if an appointee serves in multiple positions concurrently at group companies of the Company or another listed company, the concurrent positions within the group companies shall be deemed as a single position in one company.
As for the important concurrent positions of Directors, please refer to the reference documents attached to the Notice of General Meeting of Shareholders.
Notice of General Meeting of Shareholders
(https://group.nec/assets/global/en/about/ir/library/report/pdf/188/report188-01.pdf)

（Supplementary Principle 4.11.3）

The Company conducts an evaluation and verification of the effectiveness of Board of Directors and each Committee every fiscal year in order to improve the effectiveness of the Board of Directors. The summary of the procedure and the results of the analysis and evaluation in the fiscal year ended March 31, 2026 and the policy for initiatives to be implemented for the fiscal year ending March 31, 2027 in light of these results are as follows.

<Procedure of analysis and evaluation >

A third-party evaluation organization was appointed to evaluate the effectiveness of the Board of Directors. The third-party evaluation organization conducted a pre-meeting with the chairperson of the Board of Directors and each secretariat to confirm the operation status, a questionnaire survey and interviews (approximately 60 to 90 minutes per person, including peer reviews (individual assessment)) with all Directors. In addition, at the Board of Directors off-site meeting in March 2026, discussions were held by all Directors based on the analysis results reported by the third-party evaluation organization.

The main questionnaire survey items are as follows.

- Roles of the Board of Directors
- Agenda setting of the Board of Directors (appropriateness of agenda setting, timing of submission, etc.)
- Composition of the Board of Directors (size, ratio, knowledge, experience, expertise, etc.)
- Deliberations at the Board of Directors (substantive discussion, appropriateness of explanation of agenda items and proceedings of meetings, quality and quantity of materials, etc.)
- Operation of the Board of Directors (frequency of meetings, time required, pre-briefing, advance distribution of materials, utilization of off-site meetings, etc.)
- Support system for Directors (functions and state of the secretariat, utilization of IT tools, etc.)
- Contributions of Directors (self-evaluation, contributions of other Directors, etc.)
- Each committee's roles, composition, content of deliberations, operation, and cooperation with the Board of Directors
- Executive management structure (governance on the execution side, risk management structure, etc.)

<Summary of evaluation results>

Continuing from the fiscal year ended March 31, 2025, further improvements in the effectiveness of the Board of Directors were recognized in the fiscal year ended March 31, 2026, as a result of prioritizing the following three items.

(1) Further sophistication of the operation of the Board of Directors

In addition to the ordinary meetings of the Board of Directors held six times a year, in the fiscal year ended March 31, 2026, the two-day intensive off-site meeting was held for the first time, with the participation of key Executive Officers, to deepen discussions on important management agendas for the formulation of the "Mid-term Management Plan 2030." Through open discussions at the off-site meeting, mutual understanding between Directors and Executive Officers deepened, leading to the deepening and enhancement of discussions at the Board of Directors.

Furthermore, it was also confirmed that operations and secretariat support functions have been improved and strengthened, including the establishment of process of pre-briefing to Outside Directors (the explanation in pre-briefings and the Board of Directors meetings is separated, and the information that will be the premise of the discussion on the day of the Board of Directors meeting will be explained in pre-briefings).

(2) Enhancement of committee functions

It was confirmed that the deliberation items and deliberation process have been improved aligning with the roles and policies of the committees.

In the Nominating Committee, there was an in-depth exchange of opinions and deliberations on the ideal Director structure and personnel selection for driving the implementation of the "Mid-term Management Plan 2030" and on CEO succession planning to support the development of the next CEO candidate.

In the Compensation Committee, in conjunction with the start of the "Mid-term Management Plan 2030," it repeatedly discussed a revision to a new remuneration system, which would provide a strong incentive to maximize corporate values through the achievement of the Mid-term Management Plan.

In the Audit Committee, under a system in which only independent Outside Directors are appointed as

Audit Committee Members and full-time Audit Committee Members are not established, it strengthened the organizational auditing system by strengthening the cooperation with the Internal Auditing Division, securing an auditing system that assists the Audit Committee in performing its duties, such as the Audit Committee Aide taking over part of the activities of the former full-time Audit Committee Members.
In addition, the strengthening of the cooperation between the Board of Directors and the Committees was confirmed by sharing the contents of the most recent Committee deliberations at each Board of Directors meeting.

(3) Fostering a board culture
The background of corporate governance reform in the Company and efforts made so far were shared among the Directors, and discussions were deepened on the future of corporate governance and the roles of the Board of Directors.
The deepening of mutual understanding and shared awareness was confirmed through expanded opportunities for communication between Directors including off-site meetings and site visits and between Directors and Executive Officers.

<Policy for future initiatives>
As a result of the effectiveness evaluation by a third-party evaluation organization, it was confirmed that the effectiveness of the Board of Directors of the Company is ensured at a high level. In the fiscal year ending March 31, 2027, the Company will focus on the following three areas to further improve effectiveness.

(1) Consideration of the ideal Director Composition
Based on the vision of the NEC Group, it will expand considerations and discussions on the ideal Board of Directors (Director composition, career skill matrix, etc.) in the mid- to long-term.

(2) Deepening of the Board of Directors discussions
In addition to the annual agenda plan of the Board of Directors meeting, it will organize the broad concepts behind agenda-setting during the period of "Mid-term Management Plan 2030" so that it can engage in continuous discussions from a long-term perspective. Further, by utilizing the intensive off-site meetings and other opportunities, it will expand discussions on long-term themes (such as what the future should be).

(3) Oversight and support for the development of next-generation management leaders
Because CEO succession plan is one of the most important factors in the continuous and fair appointment of CEOs who will lead the sustainable growth of corporate value, it will strengthen its support for efforts of the executive side to develop the next generation of management leaders, centered on the Nominating Committee.

【Principle 4.14　Directors Training】
（Supplementary Principle 4.14.2）
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 the business activities and tour the business sites and exhibitions of the Company and NEC Group companies. (Article 9(4) of the Guidelines)

【Principle 5.1　Policy for Constructive Dialogue with Shareholders】
Dialogues with shareholders (interviews) and identification of the Company's shareholder ownership structure are primarily conducted by 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" 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. (Article 12 (2) of the Guidelines)

[Implementation Status of Dialogue with Shareholders]

(1) Main respondents for dialogue with shareholders

The Company's attendees at each briefing and meeting are as follows:

(i) Financial-result briefings:
CEO, CFO

(ii) Theme-based briefings (business briefings (NEC IR Day), NEC Innovation Day, Briefing about human capital management):
Chief Officer responsible for each theme, those responsible for each business

(iii) Individual meetings

a. Management IR:
CEO, CFO

b. Dialogue through department responsible for IR (including dialogue relating to exercise of voting rights and ESG):
Department responsible for IR, related departments

(2) Overview of main shareholders involved in dialogue

Interviews were conducted with a diverse range of investors, primarily domestic and international active and passive investors. Interviews are conducted mainly with fund managers and analysts, but also with those responsible for exercising voting rights and ESG, depending on the theme.

(3) Main themes of dialogue and shareholder interest

The following are the main themes addressed in dialogue and matters of interest to shareholders that the Company has learned through said dialogue.

(i) Business performance-related and mid- to long-term management strategies
Improvement of business profitability and growth potential, improvement of capital efficiency, capital allocation and shareholder returns, the probability of realizing the Mid-term Management Plan by business segment, and new business development and technology monetization

(ii) ESG-related
Ideal composition of the Board of Directors, human capital management, including efforts to improve engagement score, and environmental management

(4) Status of feedback on shareholder opinions and concerns to management and the Board of Directors

In addition to reports after each briefing session, the activities by the department responsible for IR are regularly reported to the CEO, the CFO, Inside and Outside Directors, Executive Officers, and other relevant parties within the Company. The reports include the requests, comments, and concerns of shareholders and investors, analyst reports, as well as shareholder information, stock price conditions, and capital market trends.

(5) Matters incorporated based on dialogue and feedback

The following are some of the initiatives that have been incorporated based on dialogue and feedback.

(i) Introduction of Non-GAAP indicators
The Company began disclosing Non-GAAP operating profit and net profit starting in the fiscal year ended March 31, 2024 in order to disclose its intrinsic profitability excluding one-time gains and losses and to increase comparability with competitors in the global market.

(ii) Change in reportable segments
The Company changed its reportable segments from market/customer-based segments to business domain-based segments starting in the fiscal year ended March 31, 2024 in order to improve its disclosure to the capital markets in terms of the progress of the Mid-term Management Plan and comparability with competitors.

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure **Updated**	Disclosure of Initiatives (Update)
Availability of English Disclosure **Updated**	Available
Date of Disclosure Update **Updated**	July 7, 2026

Explanation of Actions

The Company is strengthening its initiatives to enhance corporate value by establishing KPIs that focus on capital efficiency in accordance with the characteristics of each business, including profit margin enhancement, and CCC (Cash Conversion Cycle) and ROIC (Return on Invested Capital) improvement.
In the “Mid-term Management Plan 2025,” the Company planned to achieve ROIC at a level equal to or higher than the WACC (weighted-average cost of capital) expected by the market. As a result, the ROIC for the fiscal year ended March 31, 2026 was 9.2%, exceeding our initial target.
In the “Mid-term Management Plan 2030” which was announced in May 2026, the Company has set the following financial targets: Double Non-GAAP operating profit in the fiscal year ending March 2031 compared to the fiscal year ended March 31, 2026, Non-GAAP operating profit margin of over 15% in the fiscal year ending March 2031, and Non-GAAP EPS Growth rate of CAGR +15%. By achieving these targets, the Company believes that ROE and ROIC will also meet the levels expected by the market. The Company's capital allocation policy is “Aiming to enhance corporate value by establishing a system that enables the implementation of competitiveness reinforcement and growth investments in the AI era.” The Company maintains its basic shareholder return policy of stable dividend growth and opportunistic share repurchases. By ensuring financial discipline by applying Cash ROIC in acquisition decisions and post-acquisition monitoring, the Company will continue to promote initiatives for further profit growth and enhancement of capital efficiency.
For information of “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” of the Company to date, please refer to the following materials.
NEC IR Day (held on November 30, 2023) presentations "Progress of Mid-Term Management Plan 2025 and Financial Strategy"
(https://group.nec/assets/global/en/about/ir/library/pdf/231130/plan2025-financial-strategy.pdf)
Integrated Reports
(https://group.nec/global/en/about/ir/library/annual)

2. Capital Structure

Foreign Shareholding Ratio	30% or more

Status of Major Shareholders **Updated**

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	204,138,500	15.37
Custody Bank of Japan, Ltd. (Trust Account)	104,115,050	7.84
NTT, Inc.	65,118,000	4.90
STATE STREET BANK AND TRUST COMPANY 505001 (standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	29,814,961	2.24
SUMITOMO LIFE INSURANCE COMPANY	28,734,600	2.16
THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT (standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	25,288,179	1.90

GOVERNMENT OF NORWAY (standing proxy: Direct Custody Clearing Operations of Citibank, N.A., Tokyo Branch)	21,214,570	1.60
JP MORGAN CHASE BANK 385781 (standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	18,602,580	1.40
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES (standing proxy: Securities Services Operations Department of Hongkong and Shanghai Corporation Limited, Tokyo Branch)	16,846,514	1.27
STATE STREET BANK AND TRUST COMPANY 505025 (standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	16,164,336	1.22

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	None
Name of Parent Company, if applicable	None

Supplementary Explanation **Updated**

(1) The above list of major shareholders is based on the shareholder registry as of March 31, 2026.
(2) The Company holds 35,750,949 shares of treasury stock but is excluded from the above list of major shareholders.
(3) On January 22, 2026, Capital Research and Management Company filed the Change Report pertaining to Report of Possession of Large Volume, which is open to public, stating that it held shares of the Company as follows, as of January 15, 2026. However, shares held by it were not included in the above list of major shareholders, since the Company has not confirmed the number of shares which it substantially owns.
- Capital Research and Management Company held 56,041 thousand shares of the Company (Percentage of shares held to the total number of outstanding shares is 4.11%)

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Business Sector	Electric Appliances
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	More than 1000
Net Sales (Consolidated) for the Previous Fiscal Year	More than JPY1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	100 or more and fewer than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have a Material Impact on Corporate Governance **Updated**

【Views and Policy on Group Management】
Based on the NEC Group Management Policy, which forms the basis for group management, the Company strives to maintain a uniform framework for the management of its subsidiaries while working to reinforce intergroup functions in order to optimize overall the management of the NEC Group and maximize the value of the NEC Group.

【Significance of Owning Publicly Listed Subsidiaries and Measures for Ensuring the Effectiveness of the Governance Systems of Those Subsidiaries】
As of the date of submission of this report, the Company owns no listed subsidiary, and the Company has no plan to list any subsidiaries on stock markets.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Three Committees (Nominating, Compensation and Audit)

Directors

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairperson of the Board (excluding those concurrently serving as President)
Number of Directors	10

Outside Directors

Number of Outside Directors	7
Number of Independent Directors	7

Outside Directors' Relationship with the Company (1) **Updated**

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Harufumi Mochizuki	From another company											
Yoshihito Yamada	From another company											
Shinjiro Sato	From another company											
Mika Nishimura	From another company											
Tomomi Yatsu	Lawyer											
Elly Keinan	From another company											
Joseph A. Kraft Jr.	From another company											

*Categories for "Relationship with the Company".
(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)
a. Person who executes business for the Company or its subsidiary
b. Person who executes business for or a non-executive director of the Company's parent company
c. Person who executes business for a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for said person/entity
e. Major client of the Company or a person who executes business for said client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ Audit and Supervisory Board Member
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the

corporation)

h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)

i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)

j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)

k. Other

Outside Directors' Relationship with the Company (2) **Updated**

Name	Membership of Committee			Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
	Nominating	Compensation	Audit			
Harufumi Mochizuki	○		○	○	He has not fallen under any category for "Relationship with the Company."	He has been appointed as an Outside Director considering that he has superior character, insight and high ethical standards. He empathizes with the NEC Way and will act with strong will to realize it, and he has extensive experience and deep insight as a government official, management of a company and chairperson of the board of directors at a listed company. Furthermore, he does not fall under any matters deemed to pose a conflict of interest with general shareholders by the Tokyo Stock Exchange, and thus possesses independence.
Yoshihito Yamada	○	○		○	The description for "Relationship with the Company" is omitted pursuant to "Immaterial Criteria for the judgement that the Relationship with the Company is unlikely to affect shareholders' decision concerning the exercise of voting rights" (see the "Other Matters Concerning Independent Directors" of "Matters Concerning Independent Directors" below).	He has been appointed as an Outside Director considering that he has superior character, insight and high ethical standards. He empathizes with the NEC Way and will act with strong will to realize it, and he has extensive experience and deep insight as a management of a manufacturing company. Furthermore, he does not fall under any matters deemed to pose a conflict of interest with general shareholders by the Tokyo Stock Exchange, and thus possesses independence.
Shinjiro Sato	○		○	○	The description for "Relationship with the Company" is omitted pursuant to "Immaterial Criteria for the judgement that the Relationship with the Company is unlikely to affect shareholders' decision concerning the exercise of voting rights" (see the "Other Matters Concerning Independent Directors" of "Matters Concerning Independent Directors" below).	He has been appointed as an Outside Director considering that he has superior character, insight and high ethical standards. He empathizes with the NEC Way and will act with strong will to realize it, and he has extensive experience and deep insight as a strategy consultant and management of a manufacturing company. Furthermore, he does not fall under any matters deemed to pose a conflict of interest with general shareholders by the Tokyo Stock Exchange, and thus possesses independence.
Mika Nishimura		○		○	She has not fallen under any category for "Relationship with the Company."	She has been appointed as an Outside Director considering that she has superior character, insight and high ethical standards. She empathizes with the NEC Way and will act with strong will to realize it, and she has extensive

						experience and deep insight as a management of global healthcare businesses. Furthermore, she does not fall under any matters deemed to pose a conflict of interest with general shareholders by the Tokyo Stock Exchange, and thus possesses independence.
Tomomi Yatsu			○	○	She has not fallen under any category for "Relationship with the Company."	She has been appointed as an Outside Director considering that she has superior character, insight and high ethical standards. She empathizes with the NEC Way and will act with strong will to realize it, and she has extensive experience and deep insight as a director and auditor at numerous companies and as a certified public accountant and attorney at law. Furthermore, she does not fall under any matters deemed to pose a conflict of interest with general shareholders by the Tokyo Stock Exchange, and thus possesses independence.
Elly Keinan		○		○	He has not fallen under any category for "Relationship with the Company."	He has been appointed as an Outside Director considering that he has superior character, insight and high ethical standards. He empathizes with the NEC Way and will act with strong will to realize it, and he has extensive experience and deep insight as a management of global IT service businesses. Furthermore, he does not fall under any matters deemed to pose a conflict of interest with general shareholders by the Tokyo Stock Exchange, and thus possesses independence.
Joseph A. Kraft Jr.			○	○	He has not fallen under any category for "Relationship with the Company."	He has been appointed as an Outside Director considering that he has superior character, insight and high ethical standards. He empathizes with the NEC Way and will act with strong will to realize it, and he has extensive experience and deep insight as a management of a consulting company in the financial field and as a director at listed companies. Furthermore, he does not fall under any matters deemed to pose a conflict of interest with general shareholders by the Tokyo Stock Exchange, and thus possesses independence.

Committees

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Nominating Committee	4	0	1	3	Outside Director
Compensation Committee	4	0	1	3	Outside Director
Audit Committee	4	0	0	4	Outside Director

Executive Officers

Number of Executive Officers	17

Status of Concurrent Duties **Updated**

Name	Representative Authority	Concurrent Duties as Director			Concurrent Duties as Employee
			Nominating Committee Member	Compensation Committee Member	
Takayuki Morita	Yes	Yes	No	Yes	No
Kunikazu Amemiya	Yes	Yes	No	No	No
Masakazu Yamashina	No	No	No	No	No
Shigehiro Tanaka	No	No	No	No	No
Osamu Fujikawa	No	No	No	No	No
Toshifumi Yoshizaki	No	No	No	No	No
Tomoki Kubo	No	No	No	No	No
Yushi Ushijima	No	No	No	No	No
Takao Iwai	No	No	No	No	No
Hiroyuki Nagano	No	No	No	No	No
Norihiko Kimura	No	No	No	No	No
Akio Yamada	No	No	No	No	No
Shiori Nagata	No	No	No	No	No
Hiroshi Kodama	No	No	No	No	No
Noboru Nakatani	No	No	No	No	No
Koji Tamefusa	No	No	No	No	No
Yasuko Matsumoto	No	No	No	No	No

Auditing Structure

Appointment of Directors and/or staff to Support the Audit Committee	Appointed

Matters Related to the Independence of such Directors and/or Staff from Executive Officer

The Company has established the Audit Committee Aide and the secretariat of the Audit Committee to assist the Audit Committee in performing their duties. The Audit Committee Aide and the secretariat of the Audit Committee perform their duties under the direction of the Audit Committee to ensure the effectiveness of the Audit Committee. The matters regarding the Audit Committee Aide and the secretariat of the Audit Committee, including but not limited to personnel changes, shall be agreed by the Audit Committee to ensure the independence.

Cooperation among Audit Committee, Accounting Auditors and Internal Auditing Division **Updated**

(1) 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.
(2) 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.
(3) 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 (1) above), respectively, as necessary. (Article 8 of the Guidelines)

Matters Concerning Independent Directors

Number of Independent Directors	7

Other Matters Concerning Independent Directors

The Company has designated all Outside Directors that qualify as Independent Outside Directors based on the Company's independency standards as Independent Directors.

The Company judges their independency from the standard defined by Tokyo Stock Exchange and the "Independence Criteria for Outside Directors" established by the Company.
With respect to categories "h" and "j" for "Relationship with the Company," in the event that "Immaterial Criteria for the judgement that the Relationship with the Company is unlikely to affect shareholders' decision concerning the exercise of voting rights" is satisfied, the description thereof is omitted.
"Independence Criteria for Outside Directors" and "Immaterial Criteria for the judgement that the Relationship with the Company is unlikely to affect shareholders' decision concerning the exercise of voting rights" established by the Company are as follows:

"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 3 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 3 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 (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 3 fiscal years, the person or any of his or her relative within the second degree of relationship has received financial compensation of 10 million yen or more (excluding remuneration for Directors or Auditor) from the Company

(4) Presently or at any time within the past 3 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 3 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 amount 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 10 million yen, or 2% of the gross income of such organization

"Immaterial Criteria for the judgement that the Relationship with the Company is unlikely to affect shareholders' decision concerning the exercise of voting rights"

With respect to categories "h" and "j" for "Relationship with the Company," the Company omits the description of "Relationship with the Company" in the event that an Outside Director is an Executing person that is fallen under the following categories.

(1) Executing person of a business partner with the total amount of transactions with the Company (sales or procurements of products/services) not exceeding 1% of the sales of the Company nor the sales of such business partner in the previous fiscal year

(2) Executing person of a business partner to whom the Company owes the average annual amount of the previous fiscal year not exceeding 1% of the total assets of the Company

(3) Executing person of an organization that has received from the Company a donation not exceeding 1% of the gross income of such organization in the previous fiscal year

All of 7 Outside Directors, out of 10 Directors, are Independent Directors.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors and/or Executive Officers	Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation for Applicable Items **Updated**

The Company has introduced performance-linked remuneration. For an overview of the system, please refer to "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" in "Remuneration for Directors and Executive Officers" of "II. 1. Organizational Composition and Operation" below.

Persons Eligible for Stock Options	-

Supplementary Explanation for Applicable Items

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Remuneration for Directors and Executive Officers

Status of Disclosure of Individual Director's Remuneration	Disclosure for Selected Directors
Status of Disclosure of Individual Executive Officers' Remuneration	Disclosure for Selected Executive Officers

Supplementary Explanation for Applicable Items **Updated**

Total amount of the remuneration of Inside Directors, Outside Directors and Executive Officers are separately disclosed in the Business Report, the Annual Securities Reports and the Integrated Report.
The total amount of the remuneration exceeding 100 million yen in the fiscal year ended March 31, 2026 has been disclosed in the Annual Securities Reports in accordance with the "Cabinet Office Order on Disclosure of Corporate Affairs" as follows:

- Total amount of the remuneration of Takashi Niino (Director) was 286 million yen (basic remuneration of 133 million yen and stock compensation of 153 million yen);
- Total amount of the remuneration of Takayuki Morita (Executive Officer) was 485 million yen (basic remuneration of 104 million yen, bonuses of 130 million yen and stock compensation of 251 million yen);
- Total amount of the remuneration of Masakazu Yamashina (Executive Officer) was 157 million yen (basic remuneration of 53 million yen, bonuses of 38 million yen and stock compensation of 66 million yen);
- Total amount of the remuneration of Kazuhiro Sakai (Executive Officer) was 155 million yen (basic remuneration of 50 million yen, bonuses of 39 million yen and stock compensation of 66 million yen);
- Total amount of the remuneration of Toshifumi Yoshizaki (Executive Officer) was 150 million yen (basic remuneration of 50 million yen, bonuses of 40 million yen and stock compensation of 60 million yen);
- Total amount of the remuneration of Shigehiro Tanaka (Executive Officer) was 145 million yen (basic remuneration of 41 million yen, bonuses of 38 million yen and stock compensation of 66 million yen);
- Total amount of the remuneration of Motoo Nishihara (Executive Officer) was 118 million yen (basic remuneration of 44 million yen, bonuses of 27 million yen and stock compensation of 47 million yen);
- Total amount of the remuneration of Osamu Fujikawa (Executive Officer) was 114 million yen (basic remuneration of 39 million yen, bonuses of 28 million yen and stock compensation of 47 million yen);
- Total amount of the remuneration of Kunikazu Amemiya (Executive Officer) was 114 million yen (basic remuneration of 38 million yen, bonuses of 28 million yen and stock compensation of 47 million yen);
- Total amount of the remuneration of Hiroshi Kodama (Executive Officer) was 111 million yen (basic remuneration of 36 million yen, bonuses of 28 million yen and stock compensation of 47 million yen);
- Total amount of the remuneration of Daisuke Horikawa (Executive Officer) was 108 million yen (basic remuneration of 35 million yen, bonuses of 26 million yen and stock compensation of 47 million yen);
- Total amount of the remuneration of Hiroshi Hashimoto (Executive Officer) was 106 million yen (basic remuneration of 35 million yen, bonuses of 25 million yen and stock compensation of 47 million yen);
- Total amount of the remuneration of Michio Kiuchi (Executive Officer) was 106 million yen (basic remuneration of 35 million yen, bonuses of 24 million yen and stock compensation of 47 million yen); and
- Total amount of the remuneration of Hiroyuki Nagano (Executive Officer) was 105 million yen (basic remuneration of 35 million yen, bonuses of 30 million yen and stock compensation of 41 million yen).

The Business Report, the Annual Securities Reports (Japanese text only) and the Integrated Report are posted on the Company's website. (https://group.nec/global/en/about/ir/)

(Note) The total amount indicates the sum rounded off to the nearest million yen of basic remuneration, bonuses and stock compensation before rounding off. In addition, the amounts of basic remuneration, bonuses and stock compensation are each rounded off to the nearest million yen.

Policy on Determining Remuneration Amounts and Calculation Methods **Updated**	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

(1) Methods on Determining and Basic Policy on the Remuneration for Directors and Executive Officers

The Company's Compensation Committee decides matters related to the amount of remuneration for Directors and Executive Officers or the policies concerning the method of calculation thereof. In order to improve objectivity, fairness, and transparency of remuneration for Directors and Executive Officers, the Compensation Committee deliberates by utilizing, executive compensation survey data, etc., obtained from an outside third-party professional compensation consulting firm.

The Company's basic policy on remuneration for Directors and Executive Officers is as follows:

- 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;
- 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; and
- 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.

The objectives and views of each remuneration based on the above basic policy are as follows.

(i) Basic Remuneration

Fixed remuneration with the amount paid determined based on market competitiveness in accordance with the role, authority and responsibility of each job title.

(ii) Short-term Incentive (Bonuses)

Variable incentive remuneration where the payment amount is determined by the degree of achievement of performance targets for each fiscal year linked to the indicators set forth in the Mid-term Management Plan.

(iii) Mid- to Long-term Incentive (Stock Compensation)

Incentive remuneration for the sustainable growth of corporate value with an awareness of shareholder value.

(2) Policy on Ratio to Remuneration Amounts of Individual Directors and Executive Officers

The remuneration system and levels for Directors and Executive Officers, and the approximate ratio of each type of remuneration, to the amounts of remuneration for individual Directors and Executive Officers are as follows:

(i) Directors (excluding Directors concurrently serving as Executive Officer)

Remuneration for Directors consists of basic remuneration and mid- to long-term incentive (stock compensation). The level of remuneration shall be determined in accordance with the responsibilities of each Director, taking into consideration the level of remuneration at competing companies, etc. The approximate ratio of the amount of basic remuneration and stock compensation for Outside Directors is 3:1. In addition, the approximate ratio of the amount of basic remuneration and stock compensation for Inside Directors is 3:2.

(ii) Executive Officers

Remuneration for Executive Officers consists of basic remuneration, short-term incentive (bonuses) and mid- to long-term incentive (stock compensation). The mid- to long-term incentive consists of performance-linked stock compensation and non-performance-linked stock compensation. For Directors who concurrently serve as Executive Officers, the remuneration system for Executive Officers shall apply. The level of remuneration and the composition ratio of each type of remuneration shall be determined in accordance with the responsibilities of each Executive Officer, taking into

consideration the level and composition ratio of remuneration at competing companies, etc.
The approximate ratio of the amount of each remuneration is as follows:

President (Executive Officer)
- Basic remuneration: 16%
- Short-term incentive (Bonuses): 20%
- Mid- to long-term incentive (Stock compensation): 64%

Other Executive Officers
- Basic remuneration: 29~45%
- Short-term incentive (Bonuses): 27~30%
- Mid- to long-term incentive (Stock compensation): 23~45%

(Note)
The ratios of short-term incentive (bonuses) and mid- to long-term incentive (stock compensation) are calculated based on the standard amount before reflecting performance. "Other Executive Officers" indicates the minimum and maximum percentage of the ratio of the amount of each remuneration for Vice Chairperson (Executive Officer), Corporate SEVP (Executive Officer), Corporate EVP (Executive Officer) and Corporate SVP (Executive Officer).

(3) Indicators Used for Performance-based Remuneration, Reason for Selection thereof and Method for Determining the Amount of Performance-based Remuneration

(i) Short-term Incentive (Bonuses)

Bonuses have two components: one is linked to the degree of achieving targets of key performance indicators set in the Mid-term Management Plan of the NEC Group for each fiscal year (the "Group-wide Performance-based Component"), and the other is linked to the degree of achieving targets of the departments for which each Executive Officer is responsible for each fiscal year (the "Department Performance-based Component.")

The ratios of the Group-wide Performance-based Component and the Department Performance-based Component in the standard amount determined for each job title is as follows:

President (Executive Officer)
- Group-wide Performance-based Component: 100%
- Department Performance-based Component: 0%

Other Executive Officers
- Group-wide Performance-based Component: 30~50%
- Department Performance-based Component: 50~70%
  (portion linked to budget indicators: 25~35%, portion linked to Mid-term Management Plan indicators: 25~35%)

(Note)
"Other Executive Officers" indicates the minimum and maximum percentage of the ratio of the amount of each remuneration for Vice Chairperson (Executive Officer), Corporate SEVP (Executive Officer), Corporate EVP (Executive Officer) and Corporate SVP (Executive Officer).

Indicators for the Group-wide Performance-based Component and the Department Performance-based Component, reason for selection thereof and method for determining the amount of Bonuses are as follows:

1) Indicators for the Group-wide Performance-based Component and Reason for Selection
For indicators for the Group-wide Performance-based Component, the following three indicators are set as key performance indicators in the "Mid-term Management Plan 2030," taking into consideration their appropriateness in measuring the degree of achievement of the Mid-term Management Plan.
- Non-GAAP operating profit (amount) (50%):
  Indicator responsible for the "Strategy" aspect of the "Mid-term Management Plan 2030"
  The allocation ratio between Non-GAAP operating profit (amount) and Non-GAAP operating profit (percentage to revenue) is weighted toward Non-GAAP operating profit (amount), in consideration of sustainable growth.
- Non-GAAP operating profit (percentage to revenue) (30%):

Same as above

- Engagement score (20%):
  ESG indicator responsible for the "Culture" aspect of the "Mid-term Management Plan 2030"

2) Indicators for the Department Performance-based Component and Reason for Selection

For indicators for the Department Performance-based Component, the following indicators are established through interviews between each Executive Officer and the President, taking into consideration their appropriateness in measuring the degree of achievement of performance targets for each fiscal year in the responsible departments and the degree of progress toward the achievement of the Mid-term Management Plan.

- Budget indicators:
  The President evaluates the degree of achievement of targets in the department for which each Executive Officer is responsible during the fiscal year under evaluation, using indicators such as Non-GAAP operating profit, ROIC, and cash flows, etc.
- Mid-term Management Plan indicators:
  The President evaluates the degree of achievement of each initiative in the fiscal year under evaluation, using indicators set in each division to achieve the Mid-term Management Plan.

3) Determination Method of Bonus Amounts

The amount of bonus is set between 0% and 200% of the standard amount determined by the Compensation Committee for each job title, based on the achievement level of performance targets. (Hereinafter, the portion of the standard amount determined for each job title linked to Group-wide Performance-based Component is referred to as the "Group-wide Standard Amount," and the portion linked to Department Performance-based Component is referred to as the "Department Standard Amount.")

<Calculation formula>
Group-wide Performance-based Component (Group-wide Standard Amount x Group-wide evaluation) + Department Performance-based Component (Department Standard Amount x Department evaluation)

(ii) Mid- to Long-term Incentive (Stock Compensation)

1) Restricted Stock Compensation (Outside Directors)

Non-performance-linked, restricted stock compensation plan aiming to strengthen awareness of the sustainable growth of corporate value by sharing value with shareholders over the mid- to-long term. In principle, the restricted transfer period shall be from the date of delivery of the restricted shares through the date of retirement as a Director, and the transfer restrictions shall be terminated upon retirement. In addition to the termination of the transfer restrictions, the Company will sell some of such shares on the market in accordance with the rules established in advance by the Company for the payment of the tax withheld.

2) Stock-Granting Trust Stock Compensation (Inside Directors and Executive Officers)

Stock compensation plan using a stock-granting trust, combining performance-linked stock compensation and non-performance-linked stock compensation. The plan aims to strengthen awareness of the sustainable growth of corporate value by sharing value with shareholders over the mid- to long-term, to contribute through business, and to secure talented human resources to take on the Company's management roles. The target period is three continuous fiscal years. In principle, rights are granted at the beginning of the target period, and shares are delivered three years after the beginning of the target period. Upon the delivery of shares, a certain percentage of shares will be sold on the market and paid in cash in accordance with the rules established in advance by the Company for the payment of the tax withheld.

3) Method of Determining the Number of Shares to be Delivered

(a) Method of Calculating the Number of Shares to be Delivered or Granted

The number of shares to be delivered as restricted stock compensation and the number of shares to be granted as stock-granting trust stock compensation shall be calculated as follows based on the standard amount of stock compensation by job title:

The standard amount of stock compensation by job title(Note) / average value of the closing price of the Company share on the Tokyo Stock Exchange in the previous fiscal year

(Note) The standard amount of stock compensation by job title shall be determined by the Compensation Committee in accordance with the job title of Directors and Executive Officers.

(b) Determination Method of Performance-linked Stock Compensation (Stock-Granting Trust Stock Compensation)

The number of shares to be delivered as performance-linked stock compensation shall be determined within the range of 0% to 200% of the number of shares granted, based on the results of comparing the TSR (Total Shareholder Return) of the Company with indices such as the Tokyo Stock Price Index (TOPIX) and peer group companies, from the viewpoint of linkage with sustainable growth of corporate value and increase in shareholder values.

－Index comparison (50%):

Valuation factor (payment rate) is determined based on the relative superiority of the Company's TSR over the TOPIX growth rate.

－Peer group comparison (50%):

Valuation factor (payment rate) is determined based on the Company's TSR %ile (Percentile) Rank in the peer group (i.e., competition in the Company's industry, business model, and in the human resources market, etc.).

<Calculation formula>

Number of shares granted x TSR growth rate (index comparison + peer group comparison)

4) Shareholding Guidelines

The Company established shareholding guidelines on April 1, 2026 for Directors and Executive Officers of the Company to align their interests with shareholders and clarify their commitment to mid- to long-term enhancement of the corporate value, etc. by holding a certain level of the Company shares. Directors and Executive Officers of the Company shall hold shares of the Company at a level equal to or higher than the holding level set forth below within five years from the date of appointment of their respective posts, and shall strive to continue to hold shares at a level equal to or higher than the holding level during their stay in the term of office even after the meeting of the holding level.

-President (Executive Officer):

three times the basic remuneration (annual amount, however, various allowances are excluded)

-Other Directors and Vice Chairperson (Executive Officer), Corporate SEVP (Executive Officer), Corporate EVP (Executive Officer) and Corporate SVP (Executive Officer):

0.5 to 1 time the basic remuneration (annual amount, however, various allowances are excluded)

5) Certain Restrictions of Remuneration (Return of Remuneration, etc.)

The Company has established certain restrictions that allow acquisition of shares without compensation prior to the termination of the transfer restrictions or for forfeiture (malus) or return (clawback) of beneficial interests in remuneration in the event of the discovery of compliance violations or improper accounting treatment by Directors and Executive Officers, or damage to the value of the Company caused as a result of retroactive restatement of financial statements. Such restrictions are set for bonuses and stock compensation, and triggering conditions are set for events attributable to the individual and the Company, respectively. Triggering requires deliberation by the Board of Directors and a resolution by the Compensation Committee.

Support System for Outside Directors

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.
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. (Article 9(3) of the Guidelines)

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date of Retirement from President etc.	Term
Nobuhiro Endo	Executive Advisor	Business support relating to external affairs, including external association's activities, etc. (non participation in management)	Full time With Compensation	June 22, 2022	Determined

Number of Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) After Retiring as Representative Director and President, etc.	1

Other Related Matters

The Company abolished a counselor (*Sodanyaku*) system in June 2003 and its honorary advisor system in May 2021. Individuals who formerly served as Chairperson of the Board, President, etc. may be appointed as Executive Advisors and engage sales support activities, including activities to reinforce the relationship with important customers of the NEC Group, and support activities relating to external affairs, including activities as a member of an outside organization.
The Company pays remuneration to Executive Advisors according to their duties such as outward-facing roles which are important for the NEC Group.
Executive Advisors have no involvement in the Company's management-related decision making and do not receive regular reports or similar information from the management of the Company. Considering the above situations, the Company considers that its appointment of Executive Advisors have no adverse effect on the Company's governance.
The "Date of Retirement from President etc." in the above table is the date of retirement from the Chairperson of the Board.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) Updated

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 strengthens governance on the

execution side, such as strengthening the company-wide risk management system, improving decision-making quality, and strengthening the internal audit function.

(1) Oversight function

(i) Board of Directors

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

* Deliberation of important matters related to the basic management policy
  1 Mid- to long-term strategies / Mid-term management plan policies
  2 Governance system / decision-making process policies
  3 Capital policy
  4 Business portfolio policy
  5 Large-scale M&A and large-scale investment
  6 Measures to increase corporate value based on the NEC Way

The frequency of meetings of the Board of Directors is, in principle, six (6) times a year (extraordinary meetings of the Board of Directors are held as necessary). This is achieved by enhancing discussions on management agendas aimed at increasing med- to long-term corporate value, with a focus on important agenda items, as well as improving operational efficiency by submitting proposals based on annual deliberation plans in an organized way. In addition, off-site meetings (including all-day and two-day off-site meetings) are held as an intensive discussion forum separate from the Board of Directors meetings. The meeting aims to deepen discussions on each item on the agenda at the Board of Directors meetings by holding wide-ranging and open discussions on important agendas such as the mid- to long-term strategy and strengthening governance.
As of the date of submission of this report, there are 10 Directors (including 7 Outside Directors) as follows.

(Title)	(Name)
Outside Director	Harufumi Mochizuki
Outside Director	Yoshihito Yamada
Outside Director	Shinjiro Sato
Outside Director	Mika Nishimura
Outside Director	Tomomi Yatsu
Outside Director	Elly Keinan
Outside Director	Joseph A. Kraft Jr.
Director (Chairperson of the Board of Directors)	Takashi Niino
Director	Takayuki Morita
Director	Kunikazu Amemiya

(Status of Activities of the Board of Directors during the fiscal year ended March 31, 2026)

The number of meetings of the Board of Directors held during the fiscal year ended March 31, 2026 was 8 (six regular meetings and two extraordinary meetings).

(a) Attendance at the Board of Directors Meetings

(Title)	(Name)	(Attendance (Rate))
Outside Director	Christina Ahmadjian	2 out of 2 (100%)
Outside Director	Masashi Oka	8 out of 8 (100%)
Outside Director	Kyoko Okada	2 out of 2 (100%)
Outside Director	Harufumi Mochizuki	8 out of 8 (100%)
Outside Director	Joji Okada	8 out of 8 (100%)

Outside Director	Yoshihito Yamada	8 out of 8 (100%)
Outside Director	Shinjiro Sato	8 out of 8 (100%)
Outside Director	Shiori Nagata	8 out of 8 (100%)
Outside Director	Mika Nishimura	6 out of 6 (100%)
Outside Director	Tomomi Yatsu	6 out of 6 (100%)
Director (Chairperson of the Board of Directors)	Takashi Niino	8 out of 8 (100%)
Director	Takayuki Morita	8 out of 8 (100%)
Director	Osamu Fujikawa	8 out of 8 (100%)
Director	Hajime Matsukura	2 out of 2 (100%)
Director	Shinobu Obata	2 out of 2 (100%)

(Note1) Attendance of Christina Ahmadjian, Kyoko Okada, Hajime Matsukura and Shinobu Obata at the Board of Directors meetings covers the Board of Directors meetings held prior to their retirement as Directors on June 20, 2025.

(Note2) Attendance of Mika Nishimura and Tomomi Yatsu at the Board of Directors meetings covers the Board of Directors meetings held after their appointment as Directors on June 20, 2025.

(Note3) Shiori Nagata resigned as an Outside Director on March 31, 2026 upon her appointment as an Executive Officer which became effective April 1, 2026.

(b) Main Agenda Items and Discussion Details

As stated above, the Board of Directors works to enhance discussions on the deliberation of important matters related to the basic management policy and receives reports on matters related to the oversight of the performance of duties by Executive Officers and Directors. The main agenda items and discussion details for the fiscal year ended March 31, 2026, are as follows.

<Deliberation of important matters related to the basic management policy >

- Formulation of the “Mid-term Management Plan 2030” (including the following agenda)
  - The Company's aspirations and future vision in the AI native era
  - Policies for the business portfolio (M&A strategies and large-scale M&As)
  - Policy for strengthening global group governance
  - Capital allocation (growth investment and policy of shareholder returns)
  - Direction of human resource portfolio in the AI era and policies for developing next-generation management leaders
  - Key performance indicators (finance and non-finance indicators)
- Corporate governance reform (future direction, evaluation of the Board of Directors effectiveness, etc.)

<Matters related to the oversight of the execution of duties>

- Progress of the “Mid-term Management Plan 2025” and budget
- Internal audit plan, audit results,
- Status of establishment and implementation of internal control system
- Status of activities of the Nominating Committee, the Compensation Committee, and the Audit Committee

(ii) Nominating Committee

The Nominating Committee deliberates, from the perspective of objectivity, fairness and transparency, on matters concerning nomination of the Company’s Officers and the succession planning for the CEO including managerial talent development, as well as on the contents of proposals to be submitted to the General Meeting of Shareholders concerning the election or dismissal of Directors.

As of the date of submission of this report, the Nominating Committee has the following four members.

(Title)	(Name)
Chairperson (Outside Director)	Harufumi Mochizuki
Member (Outside Director)	Yoshihito Yamada
Member (Outside Director)	Shinjiro Sato
Member (Director)	Takashi Niino

(Status of Activities of the Nominating Committee during the fiscal year ended March 31, 2026)

The Nominating Committee held six meetings during the fiscal year ended March 31, 2026.

(a) Attendance at the Nominating Committee Meetings

(Title)	(Name)	(Attendance (Rate))
Chairperson (Outside Director)	Harufumi Mochizuki	6 out of 6 (100%)
Member (Outside Director)	Masashi Oka	6 out of 6 (100%)
Member (Outside Director)	Yoshihito Yamada	6 out of 6 (100%)
Member (Director)	Takashi Niino	6 out of 6 (100%)

(b) Main Agenda Items and Discussion Details

With regard to the selection of Directors, first of all, the Nominating Committee examined the Director structure that should be able to respond flexibly to changes in the global environment to promote the "Mid-term Management Plan 2030." As a result, from the fiscal year ending March 31, 2027, the Nominating Committee has carefully selected candidates who match the changes in the Director structure after broadly listing candidates for Outside Directors to strengthen the Company's insight into the global environmental changes in the technology industry and diversity.

As for CEO succession planning, the Nominating Committee continued to hold interviews with candidates for the next CEO in the fiscal year ended March 31, 2026. The results of these interviews were used not only to share evaluations with the CEO but also to exchange in-depth opinions on tough assignments and development points that will be necessary in the future, which will be reflected in future development on the execution side. In addition, the Nominating Committee supported the "development of next-generation management personnel" on the execution side by holding "management training" with Outside Directors as a lecturer.

Furthermore, the Nominating Committee conducted an evaluation review of the CEO to determine whether the CEO should be continued or replaced in the next fiscal year. As a result of in-depth discussion based on the CEO's intention, the evaluation of results of business performance, etc., and the direction of management, the decision is made to continue with the CEO for the fiscal year ending March 31, 2027. At the same time, the Chairperson of the Nominating Committee requested the CEO to make a quick start for the "Mid-term Management Plan 2030" and to develop and strengthen candidates for the next CEO.

At the Nominating Committee, deliberations are conducted based on the following policies.

1) Board structure aimed at further strengthening the monitoring function of the Board of Directors

While ensuring that each Director has diverse career background, specialist field, nationality, country of origin or cultural background and gender, etc., the Company will establish a compact structure for the Board of Directors that is necessary and sufficient for discussions of the management strategy, etc.

The following points will be taken into consideration when selecting Outside Directors:

- Share an awareness of the direction of the Company's management, and the candidate is necessary for discussions on management policies and strategies over the mid- to long term.
- Possess extensive experience and deep insight related to the career background and skills that the Company particularly expects from Directors.
- Be able to identify with the NEC Way and act with a strong will to realize it.
- In addition to meeting the requirements of legal eligibility, the candidate must be of good character, good insight, and have high ethical standards.

In addition, the reappointment or retirement of Outside Directors will be determined based on the results of the peer review conducted as part of the effectiveness evaluation of the Board of Directors and each committee. However, the number of reappointments will not exceed eight times.

Due to the shift to a Board of Directors' monitoring model, the number of inside Directors will be set at minimum mainly having the CEO.

2) Operation of the CEO succession planning

To ensure the continued and fair appointment of a CEO who will lead the sustainable growth of the Company's value globally, the Nominating Committee and the CEO will work together to implement a CEO succession plan while ensuring objectivity and clarity.

<Roles of the Nominating Committee and CEO>

The roles of the Nominating Committee and the CEO are as follows:

- The Nominating Committee will determine the appropriate timing for the replacement of the CEO and identify candidates for the next CEO. At the same time, the CEO will support the development of the next generation of managerial talent.
- The CEO develops candidates for the next CEO and proposes candidates for the next CEO to the Nominating Committee.

<Term of office and appointment / dismissal process of CEO>

Because the Nominating Committee determines the appropriate timing for the replacement of the CEO and identifies candidates for the next CEO, there is no term of office for the CEO. Instead, an evaluation review of the CEO is conducted every year, and the Nominating Committee decides on the reappointment or retirement of the CEO based on the following items.

- The CEO's intentions (expressed by the CEO during the evaluation review)
- Business performance
- A 360-degree evaluation of the CEO
- Status of development of candidates for the next CEO

<Requirements for the next CEO>

The Nominating Committee will select the next CEO in consideration of the Mid-term Management Plan, management policies and business environment by assessing the qualities and character of the candidate for the next CEO proposed by the CEO from the following perspectives.

- Transformational leadership
- Vision and communication skills
- Sense of responsibility and determination
- Development and formation of an optimal management team
- Ability to continue learning
- Ethics

(iii) Compensation Committee

To improve the Company's mid- to long-term corporate value, 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.

As of the date of submission of this report, the Compensation Committee has the following four members.

(Title)	(Name)
Chairperson (Outside Director)	Mika Nishimura
Member (Outside Director)	Yoshihito Yamada
Member (Outside Director)	Elly Keinan
Member (Director)	Takayuki Morita

(Status of Activities of the Compensation Committee during the fiscal year ended March 31, 2026)

The Compensation Committee held seven meetings during the fiscal year ended March 31, 2026.

(a) Attendance at the Compensation Committee Meetings

(Title)	(Name)	(Attendance (Rate))
Chairperson (Outside Director)	Masashi Oka	7 out of 7 (100%)
Member (Outside Director)	Yoshihito Yamada	1 out of 1 (100%)
Member (Outside Director)	Shinjiro Sato	7 out of 7 (100%)
Member (Outside Director)	Mika Nishimura	6 out of 6 (100%)

Member (Director)	Takayuki Morita	7 out of 7 (100%)

(Note1) Attendance of Yoshihito Yamada at the Compensation Committee meetings covers Compensation Committee meetings held prior to his retirement from the Committee on June 20, 2025.

(Note2) Attendance of Mika Nishimura at the Compensation Committee meetings covers Compensation Committee meetings held after her appointment to the Committee on June 20, 2025.

(b) Main Agenda Items and Discussion Details

With the aim of changing to a remuneration system that provides a strong incentive for maximizing corporate value through the achievement of the "Mid-term Management Plan 2030," and also attracts talented internal and external personnel, the Compensation Committee held four revision deliberations out of seven committee meetings and resolved to revise remuneration system as of April 1, 2026. The Committee also decided on the individual remuneration amount for Directors and Executive Officers and managed the stock compensation system.

(iv) Audit Committee

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.

As of the date of submission of this report, the Audit Committee has the following four members.

(Title)	(Name)
Chairperson (Outside Director)	Shinjiro Sato
Member (Outside Director)	Harufumi Mochizuki
Member (Outside Director)	Tomomi Yatsu
Member (Outside Director)	Joseph A. Kraft Jr.

Tomomi Yatsu has abundant experience and deep insight as a certified public accountant and falls under the category of "person with considerable knowledge of finance and accounting."

The Company has established the personnel who assists the Audit Committee (the "Audit Committee Aide") and the secretariat of the Audit Committee to assist the Audit Committee in the execution of its duties. Those who assist the Audit Committee perform its duties under the direction of the Audit Committee to ensure the effectiveness of the Audit Committee. The matters regarding them, including but not limited to personnel changes, shall be agreed by the Audit Committee to ensure the independence of the staff.

(Status of Activities of the Audit Committee during the fiscal ended March 31, 2026)

The status of auditing activities by the Audit Committee in the fiscal year ended March 31, 2026 is as follows.

(a) Basic Audit Policy for the fiscal year ended March 31, 2026

The Audit Committee has established the following basic policies for audits in the fiscal year ended March 31, 2026: (i) confirm the status of development and operation of the internal control system; (ii) strengthen the cooperation with the Internal Auditing Division; and (iii) ensure that the Audit Committee Aide takes over part of the activities of the former full-time Audit Committee Members and establishes an auditing system to assist the Audit Committee in the execution of its duties.

(b) Status of the Audit Committee Meetings

The Audit Committee holds ordinary meetings and extraordinary meetings as necessary. In the fiscal year ended March 31, 2026, the Company has the structure in which an Independent Outside Director serves as the Chairperson of the Audit Committee in order to further utilize the knowledge and checks and balances of Outside Audit Committee Members. The Audit Committee received reports from major Executive Officers and Chief Officers in charge of corporate functions on key issues and initiatives related to their areas of responsibility, in order to confirm the status of development and operation of the internal control system in particular in addition to statutory resolutions.

The Audit Committee held 13 meetings during the fiscal year ended March 31, 2026.

(Title)	(Name)	(Attendance (Rate))
Chairperson (Outside Director)	Joji Okada	13 out of 13 (100%)
Member (Outside Director)	Kyoko Okada	5 out of 5 (100%)
Member (Outside Director)	Harufumi Mochizuki	13 out of 13 (100%)
Member (Outside Director)	Shinjiro Sato	13 out of 13 (100%)
Member (Outside Director)	Shiori Nagata	13 out of 13 (100%)
Member (Outside Director)	Tomomi Yatsu	8 out of 8 (100%)
Member (Full-time)	Shinobu Obata	5 out of 5 (100%)

(Note1) Attendance of Kyoko Okada and Shinobu Obata at the Audit Committee meetings covers Audit Committee meetings held prior to their retirement from the Committee on June 20, 2025.

(Note2) Attendance of Tomomi Yatsu at the Audit Committee meetings covers Audit Committee meetings held after her appointment to the Committee on June 20, 2025.

(c) Main Activities of the Audit Committee

(i) Confirm the status of development and operation of the internal control system

Details are shown in the Appendix.

(ii) Strengthen the cooperation with the internal auditing division

Details are shown in the Appendix.

(iii) Ensure that the Audit Committee Aide takes over part of the activities of the former full-time Audit Committee Members and establishes an auditing system to assist the Audit Committee in the execution of its duties.

Details are shown in the Appendix.

As part of organizational auditing, the Audit Committee, Internal Auditing Divisions, and the Accounting Auditors hold regular three-way audit meetings to share information and promote mutual cooperation. The status of collaboration with the Accounting Auditors, including the three-way audits, is shown in the Appendix.

(2) Execution function

(i) Executive Officers

Executive Officers are delegated by the Board of Directors to execute the Company's business operation. The Company promotes accelerated decision-making and business execution by delegating substantial authority to Executive Officers. 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. 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. The Committees working in tandem with the Executive Committee conduct deliberations, etc., on their respective responsibilities in accordance with their roles and authorities as follows.

(Name of deliberative body)	(Summary of the respective responsibilities)
Budget Progress Committee	Progress management regarding the annual budget
Financial Strategy Committee	Multifaceted review of financial strategies
Business Strategy Committee	Discussion of business strategies and sharing of important matters

Investment Committee	Multifaceted review of investments and loans
Critical Contract Risk Assessment Council	Multifaceted review of important business contracts, etc. in order to reduce risk
Risk Control and Compliance Committee	Multifaceted review of company-wide risk management and compliance

As of the date of submission of this report, the Company has 17 Executive Officers, and for the names of Executive Officers, please refer to "Executive Officers" in "II. 1. Organizational Composition and Operation" above.

(ii) Group Internal Audit Division (Internal Auditing Division)

The Company has established the Group Internal Audit Division to conduct internal audits of the Company and its Group companies. The Group Internal Audit Division conducts audits to ensure legal, appropriate, and efficient business execution in the NEC Group, identifies problem areas, and makes recommendations for improvement. In addition, the Group Internal Audit Division cooperates with some subsidiaries that have their own internal auditing divisions by exchanging information to enhance the audits. The Group Internal Audit Division has approximately120 staff members.

(iii) Corporate Legal Department (Compliance Division and Company-wide Risk Management Division)

The Company has established the Corporate Legal Department as the Compliance Division and the Company-wide Risk Management Division. The Corporate Legal Department has approximately 70 staff members, including those responsible for compliance promotion, and company-wide risk management, etc.

(3) Accounting Auditors

In the fiscal year ended March 31, 2025, the independent audit of the Company was performed by three certified public accountants of KPMG AZSA LLC: Kyoko Shiga, Tsutomu Ogawa and Shuhei Toyama. The independent audit was assisted by 52 certified public accountants, 23 assistants who passed the CPA examination and 102 other individuals.

3. Reasons for Adoption of Current Corporate Governance System

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. (Article 4 of the Guidelines)

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights Updated

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company sends out its convocation notice for the General Meeting of Shareholders approximately 3 weeks prior to the meeting. In addition, this information is posted on the Company's website before it is sent out. (https://group.nec/assets/global/en/about/ir/library/report/pdf/188/report188-01.pdf)
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The Company has been making its effort to avoid the peak day in scheduling the meeting. The 188th Ordinary General Meeting of Shareholders was held on June 19, 2026.
Electronic Exercise of Voting Rights	The Company provides for voting via the Internet. In addition, the Company provides electronic voting platform operated by ICJ Co., Ltd. for institutional investors.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company has participated in an electronic voting platform operated by ICJ Co., Ltd.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The Company posts English translation of the convocation notice (including Business Report) on its website. (https://group.nec/assets/global/en/about/ir/library/report/pdf/188/report188-01.pdf)
Other	The Company broadcasts the Ordinary General Meeting of Shareholders live to shareholders. The Company provides following information related to the 188th Ordinary General Meeting of Shareholders on the Company's website until October 25, 2026. − Video streaming of the Business Report presentation given by the President at the General Meeting of Shareholders and its reference materials. − Answers to the main questions regarding the 188th Ordinary General Meeting of Shareholders from shareholders which asked in advance. (The answers will be posted after preparation completion.) The Company also posts on its website the results of the exercise of voting rights at the General Meeting of the Shareholders (including the numbers of votes on each proposal) and English translation thereof. (https://group.nec/global/en/about/ir/events/stock)

2. Status of IR-related Activities Updated

	Supplementary Explanation	Explanation by a representative
Formulation and Publication of Disclosure Policies	The Company has established and published its "Disclosure Policy" on its website. The Company has stipulated in the "Disclosure Policy" that 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, and 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. (https://group.nec/global/en/about/ir/corporate/disclosure)	-

Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds briefings on ESG and businesses (including NEC IR Day) by those who are responsible for the corresponding areas, as well as quarterly financial-result briefings for securities analysts and institutional investors. In addition, the Company quarterly conducts individual interviews with major institutional investors.	Yes
Regular Investor Briefings held for Overseas Investors	The Company regularly conducts individual interviews with major overseas institutional investors to brief its financial results and business strategy.	Yes
Online Disclosure of IR Information	IR materials are provided both in Japanese and English on the Company's website upon releases of them. (https://group.nec/global/en/about/ir/library/) The Company also provides information which strengthen better understanding of the Company on its website. (https://group.nec/global/en/about/ir/)	-
Establishment of Department and/or Placement of a Manager in Charge of IR	The Company has established Stakeholder Relations Department as a department responsible for investor relations.	-

3. Status of Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	Since dialogue and co-creation with stakeholders, such as customers, shareholders, investors, suppliers, international organizations, national and local governments, NPOs/NGOs, civil society and employees, is an essential process for understanding the fundamental issues faced by customers and society, and their expectations for the NEC Group, and building relationships of trust with various stakeholders, the Company has set "Promotion of Stakeholder Communication" as one of its basic principles for sustainability. The NEC Group Code of Conduct defines “Fair relationship with stakeholders” as one of the basic positions that NEC Group officers and employees should comply with.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The NEC Group has identified “Visualizing and reducing the environmental negative impact of the value chain (climate change)” as one of the Materiality themes for which the impact on the environment and society is high and is engaged in a variety of activities to both reduce risks in its businesses and contribute to society through its businesses. In addition, as part of its strategy on climate change, the NEC Group conducts mid- to long-term scenario analyses for the entire supply chain, based on publicly available information from the Intergovernmental Panel on Climate Change (IPCC) and other organizations, as well as ICT trends and social conditions, and is examining possible future societies under multiple scenarios and is considering countermeasures in order to enhance its ability to cope with an uncertain future. The details are disclosed on the Company’s website (Sustainability Site), ESG Databook, Integrated Report, and Annual Securities Report. The Company also presents the results of an assessment regarding the Company and its value chain of their dependence on and impact on nature, as well as technologies and solutions that help visualize and sustainably use natural capital, in the TNFD Report. Sustainability Site (https://www.nec.com/en/global/sustainability/index.html) ESG Databook (https://www.nec.com/en/global/sustainability/report/index.html) Integrated Report (https://group.nec/global/en/about/ir/library/annual) Annual Securities Report (Japanese text only) (https://group.nec/global/ja/about/ir/library/securities) TNFD Report (https://www.nec.com/en/global/sustainability/eco/index.html)
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company emphasizes “timely, appropriate, and fair disclosure of information” in its basic policies for corporate governance. The NEC Group Code of Conduct defines “Information disclosure to, communication and joint creation with stakeholders” as one of the business activities with integrity that NEC Group officers and employees should comply with. Moreover, the Company emphasizes “promoting communications with stakeholders” as part of its measures for sustainability basic policy. Under such policies, the Company endeavors to build relationships of trust with stakeholders and enhance its corporate value by ensuring full accountability through the active disclosure of information on the results and challenges of its sustainability activities through the Sustainability Report etc.
Other	<Promoting Inclusion and Diversity within the NEC Group> As stated in “Principle 2.4 Ensuring Diversity, Including Active Participation of Female” (Supplementary Principle 2.4.1) above, the NEC Group considers it 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, and has various measures for inclusion and diversity. The Company actively discloses information regarding the progress and achievement of such measures on the Company’s website (Sustainability Site) and ESG Databook. Sustainability Site (https://www.nec.com/en/global/sustainability/index.html) ESG Databook (https://www.nec.com/en/global/sustainability/report/index.html) Inclusion and Diversity within the Sustainability Site (https://www.nec.com/en/global/sustainability/social/diversity.html)

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development Updated

<Status of the establishment of Internal Control System>

The Company has established and implemented its internal control system based on the basic policy for maintenance of the system of the Company to ensure the properness of operations as provided in Article 416-1-1 (b) and (e) of the Companies Act adopted by resolution of the Board of Directors (the "Policy"). English translation of the Policy is provided through the Company's website (Note) and the summary of which is described below.

(Note) https://www.nec.com/en/global/about/internalcontrol.html.

The Company shall endeavor to establish and implement its internal control system even more effectively, through continuous evaluation of the status of the establishment and implementation of its internal control system under the Policy as well as taking measures necessary for its improvement, and conducting consistent reviews of the Policy responding to changes in the business environment.

(1) In order to ensure the compliance with the laws, and regulations and the Company's Articles of Incorporation in the performance of duties by Directors, Executive Officers and employees, Directors and Executive Officers shall take the lead in practicing the NEC Group Code of Conduct that was adopted to establish business ethics standards for the NEC Group and to ensure compliance with laws, and regulations, the Articles of Incorporation and its internal rules, and promote thorough understanding thereon within the NEC Group. If any material violation of laws, regulations, the Articles of Incorporation or internal rules is found, the Company shall investigate the cause of such violation and formulate and implement preventative measures. In addition, the compliance-promotion division shall prompt the use of the Company's internal reporting system.

(2) The Company shall properly retain and manage information in accordance with applicable laws, and regulations and the Company's internal rules.

(3) The Company shall implement risk management systems effectively and comprehensively under the consistent policy throughout the NEC Group in accordance with the Company's internal rules. The officer responsible for corporate risk management shall organize the corporate risk management system, centered on the Risk Control and Compliance Committee, and supervise the NEC Group's risk management as well as conducting risk factor analysis and implementing measures. Business divisions shall properly conduct business risk management and corporate staff divisions shall give guidance and support to such business divisions' activities. The Risk Control and Compliance Committee shall deliberate fully on such matters of importance from a perspective of risk management, such as the policy for responding significant management risks, and the matters of particular importance shall be reported to the Executive Committee and the Board of Directors.

(4) In order to ensure the efficient performance of duties by Directors and Executive Officers, the Board of Directors shall delegate its significant authorities to Executive Officers and promote timely decision-making and effective performance of duties. Executive Officers shall, in accordance with the mid-term corporate management plan determined by the Board of Directors, timely make decisions and efficiently perform duties.

(5) The Company shall, through the NEC Group Management Policy, give instructions and assistance to the subsidiaries for the establishment of the systems ensuring compliance with laws, and regulations and properness of the operation of business. In order to improve soundness and efficiency of management systems in the NEC Group, the Company shall dispatch directors and auditors where necessary and decide on a division in charge of supervising each of the subsidiaries, and such division in charge shall receive reports from such subsidiary regarding matters of importance on business operations, and give instructions and assistance to the subsidiary so that it shall properly conduct risk controls. Corporate staff division shall stipulate and operate effective controls for their responsible area to ensure proper operations of the NEC Group. The internal auditing division shall conduct audits of the subsidiaries' proper operations.

(6) From the perspective of proper and efficient operations of the NEC Group, the Company shall endeavor to conduct improvement and standardization of business processes, and further strengthen its internal control by utilizing information systems.

(7) Internal control over financial reporting of the NEC Group shall be evaluated, maintained and improved in accordance with applicable laws and regulations.

(8) The Company shall assign the Audit Committee Aide and establish the secretariat of the Audit Committee to assist the Audit Committee in the performance of its duties. Those who assist the Audit Committee shall perform their duties under the direction of the Audit Committee to ensure the effectiveness of the Audit Committee, and their personnel change etc. shall be subject to the consent of the Audit Committee to ensure independence.

(9) Directors, Executive Officers and employees shall report to the Audit Committee on the status of the performance of their duties on a periodic basis or as required. The Company shall give instructions to the subsidiaries so that directors, auditors, officers and employees of the subsidiaries shall report to the Audit Committee of the Company on the status of the performance of their duties or other topics, as required by the Company's Audit Committee.

(10) The head of the compliance-promotion division shall periodically report to the Audit Committee on the status of operation of the whistleblowing system. Furthermore, The Company shall not make detrimental treatment to Directors, Executive Officers and employees of the NEC Group on the ground of reporting through whistleblowing system, and/or reporting to the Audit Committee on the status of the performance of duties or other relevant topics.

(11) In order to ensure the effective audit, the Audit Committee shall periodically receive reports from the Accounting Auditors and the internal auditing division for audits conducted by them and exchange opinions with them. Furthermore, the Audit Committee shall collaborate with the internal auditing division and provide them guidance, give them instructions when deemed necessary, and audit the performance of duties by Directors and Executive Officers. In addition, Audit Committee Members selected by the Audit Committee (the "Selected Audit Members") and the Audit Committee Aide (collectively the "Selected Audit Members, etc.") shall attend the meetings of the Executive Committee and such other important meetings as they deem necessary. The Company shall bear the reasonable expenses for the performance of duties by the Appointed Audit Members, etc., as required by them.

<Status of the implementation of Internal Control System>

The Company assessed the status of the establishment and implementation of its internal control system for the fiscal year ended March 31, 2026 and confirmed that it has established and implemented its internal control system properly based on the Policy. The main initiatives conducted in the fiscal year ended March 31, 2026 are as follows:

(i) Compliance

The NEC Group has established a compliance promotion system centered on the Risk Control and Compliance Committee and CRCO (Chief Risk & Compliance Officer). The Company has established the Risk Control and Compliance Committee, which deliberates on the promotion of compliance, including responses to fraud cases, and reports to the Board of Directors as necessary.

・"NEC Compliance Day"

The "NEC Compliance Day" was established in 2017 as a day for all NEC Group employees to reaffirm the importance of compliance, in light of the adjudication of a violation of the Antimonopoly Act in Japan in fiscal year ended March 31, 2017. Also in the fiscal year ended March 31, 2026, the Company promoted compliance awareness by sending out messages on the importance of ethics and thorough compliance in business activities from the Company's management and presidents of its subsidiaries.

・Training

The Company conducts training on compliance every year. In education on the NEC Group Code of Conduct, each employee of the Company declared that they would act in accordance with the NEC Group Code of Conduct and that they would act with integrity in a way that is trusted by customers, society and colleagues.

・Response to misconduct

The risk control and compliance committee etc. of each NEC Group company deliberates on cases of misconduct that occur at its own organization and reports them to the Company. The Risk Control and Compliance Committee deliberates on the causes of misconduct incidents that have occurred at the NEC Group and measures to prevent recurrence. The Company publishes an overview of the incident and key points for the NEC Group every six months to prevent the recurrence of the incident.

・The whistleblowing system

The Company has established a whistleblowing hotline to enable early detection and resolution of

misconduct and other irregularities. Since October 2024, the NEC Group's multiple whistleblowing hotlines, which were established depending on the nature of reports and consultations, have been consolidated and reestablished as the "NEC Compliance & Integrity Hotline". The number of reports and consultations to the hotline was 478 during the fiscal year ended March 31, 2026. The internal auditing division and other relevant divisions in the Company investigated these internal reports and consultations and took necessary measures in response, in accordance with the contents reported or consulted. The Company also conducts training and other publicity activities to promote the use of the whistleblowing system.

(ii) Risk Management

The NEC Group has a company-wide cross-sectional risk management system, centered on the Risk Control and Compliance Committee and CRCO, to accurately comprehend and to respond appropriately to both internal and external risks related to NEC Group's businesses. The Risk Control and Compliance Committee deliberates a risk management policy, policies with regard to selection of and response to "Priority Risks" that requires countermeasures across the NEC Group, as well as measures to address risks that require company-wide management due to fluctuations in risk environment during the fiscal year, and other important matters related to company-wide risk management, then reports them to the Business Strategy Committee and the Board of Directors on a regular basis.

Further, the Company has established CRCO to monitor and address company-wide risks centrally and cross-functionally and strengthen its structure to manage possibilities to make losses. CRCO takes a lead the company-wide risk management by detecting and analyzing various and complicated risks in social and business environment changing day by day, and evaluating impacts, while prioritizing countermeasures and closely collaborating with other Chief Officers managing each risk.

CRCO creates a risk map that visualizes priorities in accordance with a five level impact assessment and a three level urgency assessment, by engaging in dialogue with the other chief officers managing each risk and conducting risk assessments based upon the exhaustive list containing risks that the NEC Group should be aware of. The risk map is updated quarterly after deliberation by the Risk Control and Compliance Committee, and is regularly reported to the Business Strategy Committee and the Board of Directors.

(iii) Group Management

The Company makes efforts to integrate a framework for the management of its subsidiaries for total optimization of group companies and maximization of the value of group companies based on the NEC Group Management Policy, which sets out the NEC Group's group management. As part of this approach, chief officers in charge of key cross-group functions promote the establishment of a framework to manage the performance of duties at overseas subsidiaries within their authority so that the NEC Group's common policies, business processes, and infrastructure can be introduced immediately to overseas subsidiaries.

(iv) Audits by the Audit Committee

The Audit Committee conducts effective organizational audits in accordance with the basic policies for audits for the fiscal year ended March 31, 2026. These policies are: (i) checking the status of the establishment and operation of the internal control system; (ii) strengthening cooperation with the internal auditing division; and (iii) ensuring an auditing system in which the Audit Committee Aide takes over part of the activities of the former full-time Audit Committee Members and assists the Audit Committee in the performance of its duties.

- The Audit Committee receives direct reports from CEO as well as major Executive Officers and Chief Officers in charge of corporate functions. As for other Executive Officers, their performance of duties is confirmed mainly through audits by the internal auditing division.
- In principle, audits of the Company's organizations and subsidiaries are based on the results of audits by the internal auditing division and the information is closely shared with the said division. Specifically, the Audit Committee confirms the effectiveness of the internal control system through the internal auditing division's audit plans and reports on audit results, and gives instructions to the said division as necessary.
- The Company has the Audit Committee Aide and the secretariat of the Audit Committee to assist the Audit Committee in the performance of its duties. Those who assist the Audit Committee perform their duties under the direction of the Audit Committee to ensure the effectiveness of the Audit Committee.
- The Audit Committee Aide and the secretariat of the Audit Committee check the status of the establishment and implementation of the internal control system by attending important meetings such as Executive

Committee, engaging in dialogue with corporate staff divisions, etc., and receiving reports from auditors of subsidiaries, and report the collected information to the Audit Committee Members.

・ The Audit Committee works closely with the Accounting Auditor and the internal auditing division, including exchanging information regularly, and operates the "Audit Committee Hotline," which is independent of management and serves as a point of contact for reporting misconduct involving the Company's Executive Officers and Directors.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

<Basic Views on Eliminating Anti-Social Forces>

The Company has stipulated in the Policy (Basic Policy on Internal Control Systems) that it will interdict any and all relationship with Anti-Social Forces which threaten the order and safety of the civil society, and respond to them in a corporate-wide and uncompromising manner, while cooperating closely with outside professionals such as the police.

<The progress of development of the Company's system for Eliminating Anti-Social Forces>

(1) Internal Rules

The NEC Group has stipulated in the "NEC Group Code of Conduct" that all officers and employees of the NEC Group will take determined action against Anti-Social Forces that threaten public order and safety, and will not have any relationship with them s and will not involve itself in any acts that would promote the activities of Anti-Social Forces.

(2) Other systems

(a) The Company's General Affairs Department centrally collects and manages information related to Anti-Social Forces. In addition, the Company has appointed person responsible for thwarting unreasonable demands to address issues related to Anti-Social Forces.

(b) The Company cooperates closely on an ongoing basis with third party experts, such as the police, attorneys at law, the National Center for Removal of Criminal Organizations and *Tokushu Boryoku Boshi Taisaku Rengo-kai*, which is a public interest incorporated association within the Tokyo Metropolitan Police Department for preventing special violence.

(c) The Company has established guidelines on how to manage issues related to Anti-Social Forces and updates them as necessary.

(d) To manage issues related to Anti-Social Forces effectively, the Company shares relevant information with general managers of general affairs divisions of the Company's subsidiaries which are responsible for dealing with such issues at those subsidiaries. In addition, the Company provides training programs on Anti-Social Forces for new directors and auditors of the NEC Group and managing directors and other senior employees of the Company.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

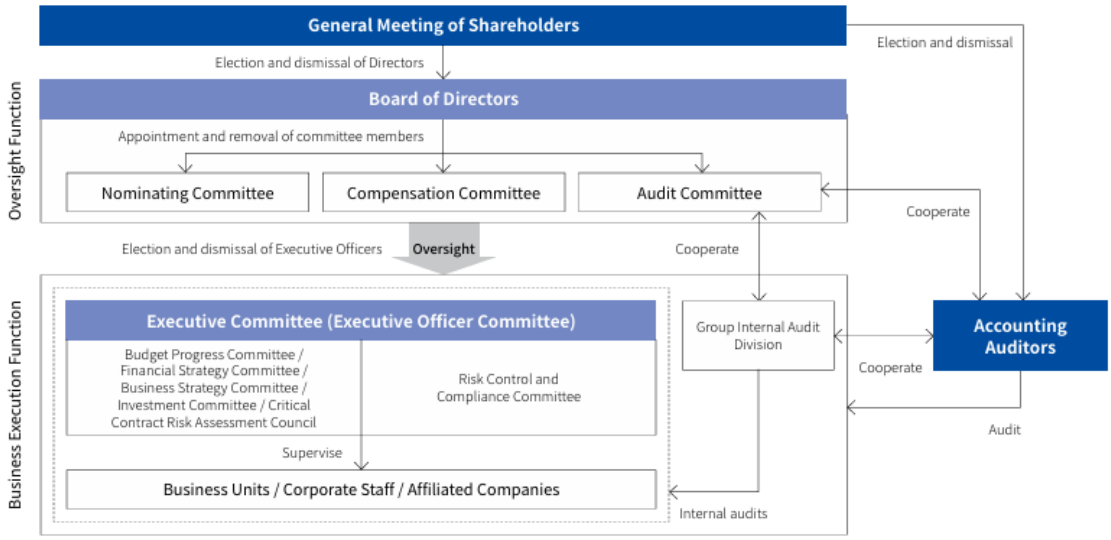
Supplementary Explanation for Applicable Items

The Company believes that the ultimate decision as to the person who should control the financial and business policy of the Company shall be made by the shareholders of the Company. However, in the event that a person or entity (the "Proposer") proposes to purchase the substantial number of the shares of the Company with an intent to control the Company or proposes the takeover of the Company, the Company believes it is the responsibilities of the Board of Directors (i) to request the Proposer to provide appropriate information on the reasonableness of the consideration and other conditions of the proposal and the influence such action may have on the management policy and business plan of the Company, (ii) to sincerely evaluate the information provided and consider whether such proposal has merit in promoting the corporate value of the Company and the common interests of the shareholders, and (iii) to promptly express the opinion of the Company, thereby assisting the shareholders to make decisions whether or not to accept the proposal. In addition, the Company believes that, in the particular circumstances, it may be required to negotiate with the Proposer or to present

alternative proposals to the shareholders.

Currently, the Company has not adopted a response policy that will apply when a proposal is made by a Proposer. It is the Company's intention, however, that if (i) the sufficient information is not provided by the Proposer, (ii) the shareholders are not afforded the time sufficient to consider the proposal or (iii) the Company determines that the proposal would have an adverse effect on the corporate value of the Company or the common interests of the shareholders, the Company will decide and implement reasonable countermeasures, in a manner based on necessity and proportionality, that are practicable as of then and acceptable to the shareholders.

2. Other Matters Concerning the Corporate Governance System Updated



<Summary of Information Disclosure Structure>

(1) Basic Policy

The Company recognizes the importance of providing timely, appropriate and fair disclosure to obtain a fair evaluation of its corporate value from the capital markets and stipulates "Disclosure Policy," which is provided through the Company's website.
(https://group.nec/global/en/about/ir/corporate/disclosure)
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.

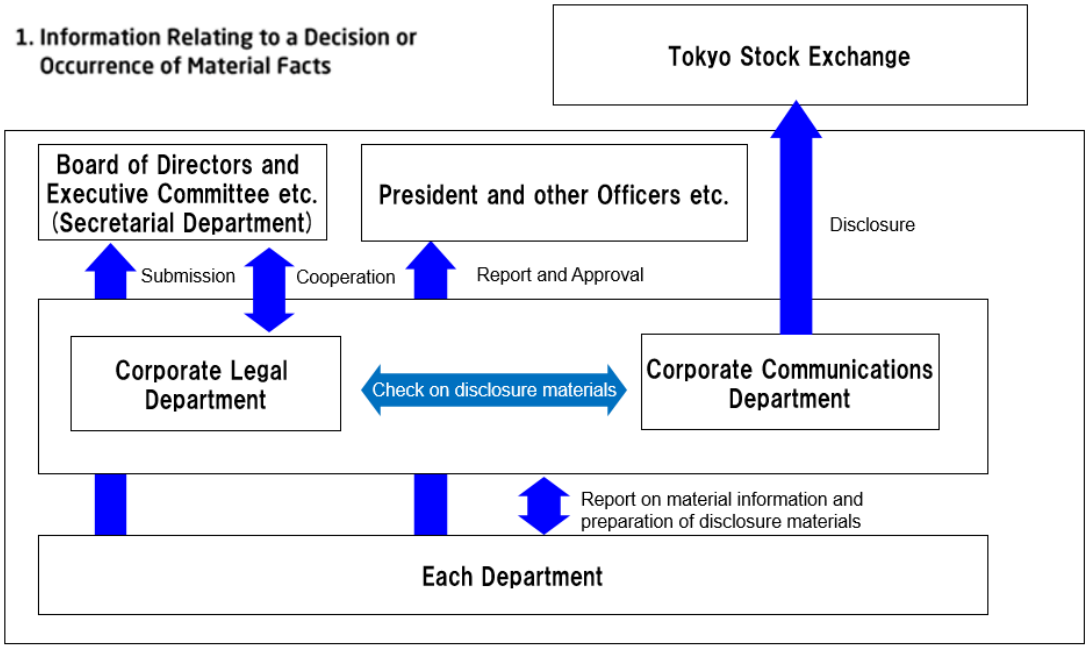
(2) Information Disclosure Structure

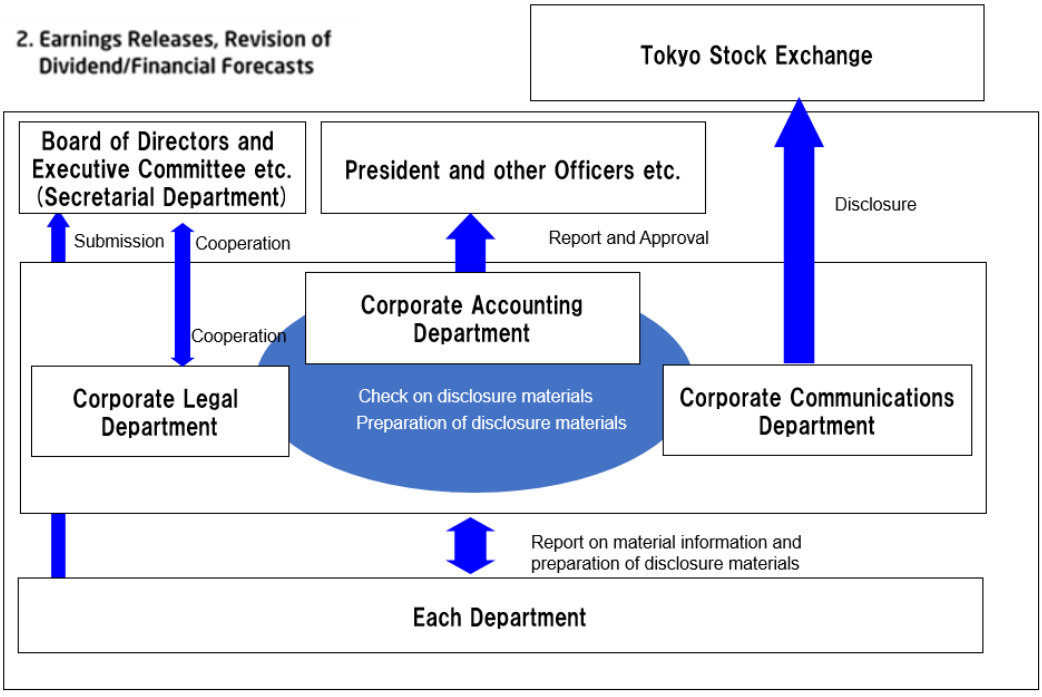
In order to ensure timely, appropriate and fair disclosure of corporate information, the Company has established a framework for communication between relevant divisions and subsidiaries as detailed below.

Each relevant division reports to Corporate Legal Department and Corporate Communications Department on material information related to the Company or the subsidiaries which the Company may be required to disclose under timely disclosure rules. Corporate Legal Department and Corporate Communications Department consider whether or not the Company is required to disclose such information. If timely disclosure is required, the Company promptly discloses the information in a proper manner. Further, the Company discloses the information on its decisions and financial results immediately after necessary internal approval is obtained.

The framework for the Company's information disclosure structure is illustrated in the charts below:

Internal Structure for Timely Disclosure





Appendix

(c) Main Activities of the Audit Committee

(i) Confirmation of the status of the establishment and implementation of the internal control system

Items	Summary
Audits of the execution of duties by Executive Officers and Directors	As described in "IV. Matters Related to the Internal Control System 1. Basic Views on Internal Control System and the Progress of System Development <Status of the implementation of Internal Control System> (iv) Audits by the Audit Committee" above, receive direct reports from the CEO as well as major Executive Officers and Chief Officers in charge of corporate functions. As for other Executive Officers, their performance of duties is confirmed mainly through audits by the internal auditing division
Confirmation of the operational status of important meetings	Attend important meetings (Executive Committee, Budget Progress Committee, Business Strategy Committee, Investment Committee, Critical Contract Risk Assessment Council, Risk Control and Compliance Committee, etc.) to confirm their operational status and to collect information (Note 1)
Collect risk information	As a general rule, quarterly reports are made in the Audit Committee meeting by the CRCO (Chief Risk and Compliance Officer) on the status of responses to issues and risks of the risk management system, and guidance and advice are provided to the CRCO
	Receive reports and attend important meetings (Note 1)
	Establish a system for simultaneously notifying information on accidents and other emergencies (all types) to the Audit Committee
Cooperation with corporate staff divisions	Receive reports on key internal control issues and initiatives from corporate staff divisions such as accounting, legal affairs and compliance-promotion division (including receiving reports from the compliance-promotion division on the operational status of the whistleblowing system of the NEC Group and provision of guidance and advice to the division) (Note 1)
Cooperation with Accounting Auditors	Information exchange on a periodic basis or as needed (Note 2)
	Collect information and exchange opinions on the governance of subsidiaries by utilizing the global networks of the Accounting Auditor as appropriate.
	Respond to non-assurance services based on the International Ethics Standards Board for Accountants (IESBA)/the Japanese Institute of Certified Public Accountants (JICPA) Code of Ethics (monthly) (Note 1)
Receive reports from auditors of subsidiaries	Regularly receive reports on the status of audits, etc., from full-time auditors of subsidiaries and dedicated auditors (concurrently serving as non-full-time auditors of several subsidiaries) (Note 1)

Audit Committee Hotline	The Audit Committee has established and operates an internal reporting system (Audit Committee Hotline) that is independent of the Company's management to facilitate the reporting of misconduct, etc. involving the Company's Executive Officers and Directors (Note 2)

(Notes 1) The Audit Committee Aide and the secretariat of the Audit Committee receive reports and reports to Audit Committee Members.

(Notes 2) The Chairperson of the Audit Committee, the Audit Committee Aide and the head of the secretariat of the Audit Committee play a central role and report to other Audit Committee Members.

(ii) Strengthening the cooperation with the internal auditing division

Items	Summary
Coordination of audit plans	Coordination with the Audit Committee audit plan (As the internal auditing division formulated an audit plan based on risk analyses, the Audit Committee audit plan was formulated with a view to the said audit plan)
Strengthen cooperation with the internal auditing division	The Audit Committee receives periodic reports from the internal auditing division on the results of the inspection of important approval documents, etc., and provides guidance and advice to the division.
	The Auditing Committee receives periodic reports from the internal auditing division on the status and results of internal audits, and provides guidance and advice to the division.
Audits of the Company's business divisions and departments and subsidiaries	In principle, audits of the Company's business divisions and departments and subsidiaries shall rely on the internal auditing division's audits. However, audits of organizations and subsidiaries deemed necessary by the Audit Committee shall be conducted by the Audit Committee.
Authority of the Audit Committee over the internal auditing division	The Audit Committee has the authority to approve the appointment, dismissal, and performance evaluation of the head of the internal auditing division.
	Guidance by the Audit Committee in cooperation with the internal auditing division, as well as instructions as necessary.

(iii) Ensure that the Audit Committee Aide takes over part of the activities of the former full-time Audit Committee Member and establishes an auditing system designed to assist the Audit Committee in the execution of its duties

Items	Summary
The Audit Committee Aide assisting the Audit Committee in the execution of its duties	The Audit Committee Aide attends important meetings such as Executive Committee, dialogues with corporate staff divisions, confirms the status of the establishment and implementation of the internal control system through reports from subsidiaries auditors, and reports the content of the collected information to Audit Committee Members (For details, please refer to (i) above "Confirmation of the status of the establishment and implementation of the internal control system")

As part of organizational auditing, the Audit Committee, the internal auditing division, and the Accounting Auditors hold periodic three-way audits meetings to share information and promote mutual cooperation. The status of collaboration with the Accounting Auditors, including the three-way audits, is as follows.

Summary	2025									2026		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Explanation of audit and interim review plan			●									
Report on interim review results							●					
Report on audit results under the Companies Act (including progress reports on internal control audits)		●										
Report on audit results under the Financial Instruments and Exchange Act			●									
Provision of information and exchange of opinions regarding audit considerations (including major audit considerations) (Note)	●	●	●	●		●	●		●	●	●	●
Receiving reports on the quality control system of the Accounting Auditors				●			●			●		

(Note) In the course of this information provision and exchange of opinions, information was provided by the Accounting Auditors on the disclosure of sustainability-related indicators and digital audit activities.

END