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Securities identification code: 1973
February 17, 2025

To our shareholders:

Yushi Ushijima
Chairman of the Board, Representative Director and
Chief Executive Officer (CEO)
NEC Networks & System Integration Corporation
3-9-14, Shibaura, Minato-ku, Tokyo

NOTICE OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

You are cordially invited to attend the Extraordinary Shareholders' Meeting of NEC Networks & System Integration Corporation (the "Company"), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet or by postal mail. Please check the attached Reference Documents for the Shareholders' Meeting and exercise your voting rights by 5:15 p.m., Monday, March 3, 2025 (Japan Standard Time) in accordance with the "Guidance of Exercising of Your Voting Rights."

Meeting Outline

1. Date and Time: Tuesday, March 4, 2025 at 10:00 a.m. (Japan Standard Time)
(Reception will begin at 9:00 a.m.)

2. Venue: 8F Hall, NEC Networks & System Integration Corporation Head Office Building
3-9-14, Shibaura, Minato-ku, Tokyo

3. Agenda:

Items to be resolved:

Proposal 1: Consolidation of Shares

Proposal 2: Partial Amendment to the Articles of Incorporation

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- If you are attending the meeting in person, please bring the Exercise Voting Rights Form that you will receive with Japanese original version of this notice of convocation and submit it at the reception of the venue.
 - If you exercise your voting rights by a proxy attending the meeting, please name one shareholder who holds voting rights of the Company to act as a proxy, and submit documentation which certifies the proxy rights before the start of the meeting.
 - Any revisions that should be made to this document will be posted on the Company's website (<https://www.nesic.co.jp/ir/kabu/soukai.html>).

Guidance of Exercising of Your Voting Rights

The right to vote at the Shareholders' Meeting is an important right of shareholders. There are three methods for exercising your voting rights.

1. Instructions on exercise of voting rights by attending the meeting

Please bring the Exercise Voting Rights Form that you will receive with Japanese original version of this notice of convocation and submit it at the reception of the venue.

<Date and Time>

Tuesday, March 4, 2025 at 10:00 a.m. (Japan Standard Time)

2. Instructions on exercise of voting rights via the Internet

Please register your approval or disapproval to each of the proposals by accessing the following voting website or by scanning the QR Code on the Exercise Voting Rights Form.

<The voting website>

<https://www.web54.net> (This website is available in Japanese only.)

<Voting deadline>

Please be sure to register your approval or disapproval to each of the proposals by 5:15 p.m. on Monday, March 3, 2025 (Japan Standard Time).

3. Instructions on exercise of voting rights in writing (by postal mail)

Please indicate your approval or disapproval to each of the proposals on the Exercise Voting Rights Form that you will receive with Japanese original version of this notice of convocation and return it to the Company's shareholder registry administrator (Sumitomo Mitsui Trust Bank, Limited).

<Voting deadline>

Your vote must be arrived at the Company's shareholder registry administrator no later than 5:15 p.m. on Monday, March 3, 2025 (Japan Standard Time).

Institutional investors may use the Electronic Voting Platform for institutional investors operated by ICJ, Inc.

- If you send the Exercise Voting Rights Form by postal mail without indicating your approval or disapproval of the proposals, we will treat it as an indication of approval of the proposals.
- If you exercise your voting rights multiple times via the Internet, the last one shall be deemed valid.
- If you exercise your voting rights both via the Internet and in writing (by postal mail), the one exercised via the Internet shall be deemed valid.

Reference Documents for the Shareholders' Meeting

Proposal 1: Consolidation of Shares

In response to the results of the tender offer (the "Tender Offer") for the Company's common stock (the "Company Shares") by NEC Corporation (the "Tender Offeror"), the Company's controlling shareholder (parent company), this proposal requests approval for conducting a consolidation of the Company Shares (the "Share Consolidation"), whereby 49,000,000 shares of the Company Shares will be consolidated into one share, with the effective date of March 25, 2025, in order to make the Tender Offeror the sole shareholder of the Company.

1. Reasons for Share Consolidation

As announced in "Announcement of Opinion in Support of the Tender Offer by NEC Corporation, the Parent of NESIC for the Common Stock of NESIC and Recommendation to Tender" released by the Company on October 29, 2024, "(Amendment) Partial Amendment to 'Announcement of Opinion in Support of the Tender Offer by NEC Corporation, the Parent of NESIC for the Common Stock of NESIC and Recommendation to Tender'" released on December 11, 2024, and "(Amendment) Partial Amendment to 'Announcement of Opinion in Support of the Tender Offer by NEC Corporation, the Parent of NESIC, for the Common Stock of NESIC and Recommendation to Tender'" released on December 20, 2024 (collectively, the "Press Releases Expressing the Company's Opinion"), as part of the Tender Offer and the series of procedures for the purpose of taking the Company Shares private thereafter and delisting the Company Shares (collectively, the "Transaction"), the Tender Offeror conducted the Tender Offer for all of the Company Shares (excluding the Company's restricted stock granted to each of the Company's directors as the restricted stock compensation and the treasury stock held by the Company; hereinafter the same shall apply) from October 30, 2024 to January 10, 2025 (the "Tender Offer Period").

As announced in the "Announcement of Results of the Tender Offer by NEC, the Parent Company of NESIC, for the Common Stock of NESIC" released by the Company on January 11, 2025, as a result of the Tender Offer, the Tender Offeror acquired 33,576,254 shares of the Company Shares that were tendered in the Tender Offer as of January 20, 2025, which is the commencement date for settlement of the Tender Offer. As a result, the number of voting rights represented by the shares held by the Tender Offeror (Note 1) has become 1,100,965 voting rights (Ownership Ratio of share (Note 2): 73.90%).

(Note 1) "Number of voting rights represented by shares held by the Tender Offeror" indicates the total number of voting rights (i.e., 908,965) represented by the total number of shares (i.e., 90,896,549 shares), which is obtained by adding the number of shares to be acquired (i.e., 33,576,254 shares) to the number of shares held by the Tender Offeror as of October 30, 2024 (i.e., 57,320,295 shares), and the number of voting rights (i.e., 192,000) represented by the shares contributed to the Tender Offeror's Employee Retirement Benefit Trust, which shall be deemed as the shares held by the Tender Offeror pursuant to Article 7, Paragraph 1, Item 3 of the Enforcement Order (i.e., 19,200,000 shares). The Tender Offeror received a return of the share held that had been contributed to the relevant Employee Retirement Benefit Trust on January 20, 2025.

(Note 2) In calculating the "Ownership Ratio of share," the number of voting rights (i.e., 1,489,814) represented by the number of the Company's shares (i.e., 148,981,450 shares) obtained by deducting the number of treasury stock held by the Company as of September 30, 2024 (i.e., 339,971 shares) from the total number of issued shares of the Company as of September 30, 2024 (i.e., 149,321,421 shares), as set forth in the Semi-Annual Securities Report for the 93rd Fiscal Year filed by the Company on November 1, 2024, is used as the denominator (rounded to two decimal places).

The details of the purpose and background of the Transaction were announced in the Press Releases Expressing the Company's Opinion, but we will provide an overview of them again below. The descriptions of the Tender Offeror in the following statements are based on the explanations received from the Tender Offeror.

(i) Process of the establishment of a structure for evaluation

The Company received notice from the Tender Offeror on July 25, 2024 to the effect that the Tender Offeror had commenced consideration of execution of the Transaction. In response to this, in preparation for consideration of the Transaction and discussions and negotiations with the Tender Offeror regarding the Transaction, considering that the Tender Offeror holds a 51.36% stake in the Company (including the Company Shares contributed to the Tender Offeror's Employee Retirement Benefit Trust) and is a controlling shareholder of the Company (parent company) and that the Transaction including the Tender Offer constitutes a material transaction with a controlling shareholder and the Transaction is of a kind in which structural conflicts of interest and asymmetry of information problems are typically present, the Company appointed Daiwa Securities Co. Ltd. ("Daiwa Securities") as our financial advisor and third-party valuation agency independent of the NEC Group (refers collectively to the Tender Offeror and its consolidated subsidiaries and affiliated companies accounted for by the equity method) and the Company Group (refers collectively to the Company and its consolidated subsidiaries and affiliated companies accounted for by the equity method), and appointed Nishimura & Asahi (Gaikokuho Kyodo Jigyo) ("Nishimura & Asahi") as our legal advisor in early August 2024 to address these issues and ensure the fairness of the Transaction. Subsequently, the Company received a letter of intent from the Tender Offeror on August 6, 2024 regarding the Transaction. In response to this proposal and to ensure the fairness of the Transaction, the Company, with advice from Nishimura & Asahi, immediately began establishing a structure to consider, negotiate, and make decisions concerning the transaction from a position independent of the Tender Offeror with the objective of enhancing the Company's corporate value and protecting the interests of its general shareholders (which has the meaning of "minority shareholders" as referred to Article 441-2 of the Securities Listing Regulations of the Tokyo Stock Exchange; the same shall apply hereafter). Specifically, as described below in "[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee," "(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest," "3. Matters concerning the reasonableness of the provisions regarding the ratio of the consolidation (matters concerning the reasonableness of the provisions regarding the matters listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act)," the Company commenced preparations for the establishment of a special committee, and pursuant to a resolution of the Board of Directors at a meeting held on August 8, 2024, immediately after receipt of the letter of intent from the Tender Offeror on August 6, 2024, the Company established a special committee (the "Special Committee") comprising three members: Michiko Ashizawa (independent outside director of the Company), Mamoru Yoshida (independent outside director of the Company), and Mikiko Morimoto (independent outside director of the Company) (for the circumstances of the consideration process and the decisions of the Special Committee, refer to "[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee," "(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest," "3. Matters concerning the reasonableness of the provisions regarding the ratio of the consolidation (matters concerning the reasonableness of the provisions regarding the matters listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act)" below). The Company consulted with the Special Committee on the following matters: (1) The reasonableness of the purpose of the Transaction (including whether the Transaction contributes to enhancing the Company's corporate value), (2) the fairness and appropriateness of the terms and conditions of the Transaction, (3) the fairness of the Transaction procedures, (4) whether it is appropriate for the Board of Directors to express an opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer, and (5) whether the Transaction is detrimental to the interests of the Company's general shareholders (collectively, the "Consultation Matters"). In addition, when establishing the Special Committee, the Board of Directors adopted a resolution to the effect that (i) it will give maximum consideration to the opinions of the Special Committee when making decisions concerning the Transaction and (ii) if the Special Committee determines that execution of the Transaction or the terms and conditions of the Transaction are not appropriate, the Board of Directors will not agree to the Transaction. The Board of Directors further resolved that (i) the Special Committee shall be able to participate substantively in the negotiation process concerning the terms and conditions of the Transaction by confirming in advance policies on negotiations regarding the terms and conditions, receiving timely reports on the status of the negotiations, and expressing opinions on material matters, (ii) if the Special Committee deems it necessary when considering the Consultation Matters, the Special Committee may, at the Company's expense, engage advisors and the like, and (iii) the Special Committee shall have the authority to gather and request from the Company or the Company's advisors and the like any and all information necessary for providing its report (for information on the manner in which the Board of Directors adopted these resolutions, refer to "[3] Establishment of a special committee independent of the Company and procurement of a report from

the Special Committee,” “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” “3. Matters concerning the reasonableness of the provisions regarding the ratio of the consolidation (matters concerning the reasonableness of the provisions regarding the matters listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act)” below).

As discussed below in “[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee,” “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” “3. Matters concerning the reasonableness of the provisions regarding the ratio of the consolidation (matters concerning the reasonableness of the provisions regarding the matters listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act),” on August 23, 2024, the Special Committee, pursuant to the authorization specified above, retained Plutus Consulting Co., Ltd. (“Plutus Consulting”) as its financial advisor and third-party valuation agency independent of the NEC Group and the Company Group and retained Nakamura, Tsunoda & Matsumoto as its independent legal advisor.

Furthermore, as discussed below in “[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee,” “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” “3. Matters concerning the reasonableness of the provisions regarding the ratio of the consolidation (matters concerning the reasonableness of the provisions regarding the matters listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act),” the Company obtained the Special Committee’s approval for the Company’s retention of Daiwa Securities as its financial advisor and third-party valuation agency and of Nishimura & Asahi as its legal advisor, following confirmation that there are no issues regarding Daiwa Securities’ and Nishimura & Asahi’s independence from the NEC Group and the Company Group or their expertise, track record, and so on.

Moreover, as described below in “[7] Construction of a framework for independent consideration by the Company,” “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” “3. Matters concerning the reasonableness of the provisions regarding the ratio of the consolidation (matters concerning the reasonableness of the provisions regarding the matters listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act),” the Company built an internal framework to consider, negotiate, and make decisions concerning the Transaction (including the scope of the Company’s officers and employees that will be involved in the consideration, negotiation, and decision-making concerning the Transaction and their roles) independent of the Tender Offeror and obtained the Special Committee’s acknowledgement that there are no issues with such framework for consideration in terms of its independence and fairness.

(ii) Process of consideration and negotiations

The Company received from Daiwa Securities a report on the results of its valuation of the Company Shares, advice relating to strategies for negotiating with the Tender Offeror, and other advice from a financial perspective and received from Nishimura & Asahi advice on measures to ensure the fairness of procedures in the Transaction and other legal advice. Based on such report and advice, the Company conducted careful consideration and discussion of the merits of the Transaction and the appropriateness of its terms and conditions while giving maximum consideration to the opinions of the Special Committee.

Also, following receipt of the letter of intent concerning the Transaction from the Tender Offeror on August 6, 2024, the Company continuously held discussions and negotiations with the Tender Offeror regarding the terms and conditions of the Transaction, including the purchase price in the Tender Offer (the “Tender Offer Price”).

Specifically, in light of the receipt of the letter of intent regarding the Transaction on August 6, 2024, the Company and the Special Committee conducted internal consideration and discussions, and on August 13, 2024, the Company submitted written questions to the Tender Offeror regarding the significance and objectives of the Transaction and received a written response to these questions from the Tender Offeror on August 20, 2024 and August 22, 2024. Furthermore, based on this response, the Special Committee submitted additional written questions on September 3 and September 5, 2024 and received written responses to those questions from the Tender Offeror on September 11, 2024. At a meeting of the Special Committee held on September 12, 2024, explanations of the Tender Offeror’s responses to the questions and of the significance and objectives of the Transaction were received from the Tender Offeror, a question-and-answer session was conducted, and discussions were held on the significance and objectives of the Transaction. Later, the Special Committee submitted further written questions on September 26, 2024 and received written responses to those questions from the Tender Offeror on October 10, 2024.

Starting on October 2, 2024, the Company conducted repeated negotiations over multiple rounds with the Tender Offeror regarding the Tender Offer Price. Specifically, based on comprehensive consideration of the information obtained through due diligence conducted by the Tender Offeror on the Company Group, the initial valuation analysis of the Company Shares premised on that information performed by Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (“MUMSS”), a financial advisor, etc., on October 2, 2024, the Company received from the Tender Offeror a proposal regarding the Transaction that included a Tender Offer Price in the Tender Offer of 2,815 yen (which represented a premium of 1.00% (rounded to two decimal places; hereinafter the same applies for each calculation of the premium rate) over the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange of 2,787 yen on October 1, the business day before the day the proposal was made, a premium of 4.72% over the simple average closing price during the past one month up to such date of 2,688 yen (rounded to the nearest whole number; hereinafter the same applies for each calculation of the simple average closing price), a premium of 8.52% over the simple average closing price during the past three months up to such date of 2,594 yen, and a premium of 12.83% over the simple average closing price during the past six months up to such date of 2,495 yen). However, in response to this, on October 7, 2024, the Company and the Special Committee requested that the Tender Offeror consider raising the price, on the grounds that the Tender Offer Price was significantly below the intrinsic value of the Company and was inadequate when compared with recent share price levels and the premium levels of similar deals in the past. On October 9, 2024, the Company and the Special Committee received from the Tender Offeror a proposal regarding the Transaction that included a Tender Offer Price of 3,000 yen (which represented a premium of 9.05% over the closing price per share of the Company Shares on the Prime Market of the Tokyo Stock Exchange of 2,751 yen on October 8, the business day before the day the proposal was made, a premium of 10.78% over the simple average closing price during the past one month up to such date of 2,708 yen, a premium of 14.68% over the simple average closing price during the past three months up to such date of 2,616 yen, and a premium of 19.71% over the simple average closing price during the past six months up to such date of 2,506 yen). However, in response to this, on October 10, 2024, the Company and the Special Committee again requested that the Tender Offeror consider raising the price, as the Tender Offer Price was still significantly below the intrinsic value of the Company and could not be called an amount that sufficiently took into account the interests of the Company’s general shareholders. On October 15, 2024, the Company and the Special Committee received from the Tender Offeror a proposal regarding the Transaction that included a Tender Offer Price of 3,100 yen (which represented a premium of 13.22% over the closing price per share of the Company Shares on the Prime Market of the Tokyo Stock Exchange of 2,738 yen on October 11, the business day before the day the proposal was made, a premium of 13.76% over the simple average closing price during the past one month up to such date of 2,725 yen, a premium of 17.83% over the simple average closing price during the past three months up to such date of 2,631 yen, and a premium of 23.46% over the simple average closing price during the past six months up to such date of 2,511 yen). However, in response to this, on October 16, 2024, the Company and the Special Committee again requested that the Tender Offeror consider raising the price, as the Tender Offer Price did not reflect the intrinsic value of the Company and could not be called an amount that sufficiently took into account the interests of the Company’s general shareholders. On October 22, 2024, the Company and the Special Committee received from the Tender Offeror a proposal regarding the Transaction that included a Tender Offer Price in the Tender Offer of 3,180 yen (which represented a premium of 18.52% over the closing price per share of the Company Shares on the Prime Market of the Tokyo Stock Exchange of 2,683 yen on October 21, the business day before the day the proposal was made, a premium of 16.23% over the simple average closing price during the past month up to such date of 2,736 yen, a premium of 20.09% over the simple average closing price during the past three months up to such date of 2,648 yen, and a premium of 26.44% over the simple average closing price during the past six months up to such date of 2,515 yen). However, in response to this, on October 22, 2024, the Company and the Special Committee again requested that the Tender Offeror consider raising the price, as the Tender Offer Price did not reflect the intrinsic value of the Company and could not be called an amount that sufficiently took into account the interests of general shareholders. On October 24, 2024, the Company and the Special Committee received from the Tender Offeror a proposal regarding the Transaction that included a Tender Offer Price in the Tender Offer of 3,200 yen (which represented a premium of 21.95% over the closing price per share of the Company Shares on the Prime Market of the Tokyo Stock Exchange of 2,624 yen on October 23, the business day before the day the proposal was made, a premium of 17.39% over the simple average closing price during the past month up to such date of 2,726 yen, a premium of 20.66% over the simple average closing price during the past three months up to such date of 2,652 yen, and a premium of 27.14% over the simple average closing price during the past six months up to such date of 2,517 yen). However, on October 25, 2024, the Company and the Special Committee again requested that

the Tender Offeror consider raising the price, as it was still lower than the premium levels in past deals similar to the Transaction. On October 25, 2024, the Company and the Special Committee received a proposal from the Tender Offeror stating that the Tender Offeror could not accept the request for a further price increase and that the Tender Offeror would like the Company to positively consider the Tender Offer Price (3,200 yen) presented in the previous proposal. In response to this, on October 26, 2024, the Company and the Special Committee submitted a proposal that included a Tender Offer Price in the Tender Offer of 3,250 yen (which represented a premium of 22.64% over the closing price per share of the Company Shares on the Prime Market of the Tokyo Stock Exchange of 2,650 yen on October 25, the business day before the day the proposal was made, a premium of 19.44% over the simple average closing price during the past month up to such date of 2,721 yen, a premium of 22.36% over the simple average closing price during the past three months up to such date of 2,656 yen, and a premium of 29.02% over the simple average closing price during the past six months up to such date of 2,519 yen) to recommend its shareholders tender their shares, taking into account recent share price levels, the Company's business plan, the premium levels in past deals similar to the Transaction (deals in which the share price was relatively high immediately before the announcement), the content of the proposal from the Tender Offeror, etc. In response to this, the Company and the Special Committee received notice from the Tender Offeror on October 28, 2024, that the Tender Offeror accepted the Tender Offer Price of 3,250 yen.

In the consideration and negotiation process described above, when engaging in discussions and negotiations with the Tender Offeror concerning the Tender Offer Price, the Company conducted investigations while taking into consideration the opinions received from the Special Committee as well as the advice received from Daiwa Securities and Nishimura & Asahi, and the Special Committee received advice from time to time from Plutus Consulting and Nakamura, Tsunoda & Matsumoto, the Special Committee's advisors, exchanged opinions with the Company and the Company's advisors, and made confirmations and issued approvals as appropriate. Specifically, the Company first confirmed in advance with the Special Committee and obtained the Special Committee's approval regarding the reasonableness of the details, material assumed conditions, preparation process, and so on concerning the Company's business plan that was presented to the Tender Offeror and that served as the basis for the valuation calculation of the Company Shares performed by Daiwa Securities and Plutus Consulting. Also, when negotiating with the Tender Offeror, Daiwa Securities, which is the Company's financial advisor, responded in accordance with the negotiating policy determined through discussions conducted in advance by the Special Committee, and whenever a proposal concerning the Tender Offer Price was received from the Tender Offeror, a report was immediately made to the Special Committee and a response was made in accordance with opinions, instructions, requests, and so on concerning the policy on negotiations with Tender Offer received from the Special Committee.

Furthermore, on October 28, 2024, the Company received from the Special Committee a report (the "Report") to the effect that the Special Committee believes that (i) it would be appropriate for the Board of Directors to adopt a resolution expressing an opinion in support of the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer, and (ii) the decision by the Company's Board of Directors concerning the Transaction (i.e., (A) the decision to express an opinion in support of the Tender Offer and to recommend to the Company's shareholders that they tender their shares in the Tender Offer and (B) the decision regarding procedures to take the Company Shares private by means of the Request for Share Transfers to be implemented after the Tender Offer as a part of the Transaction or the Share Consolidation) are not detrimental to the Company's general shareholders (refer to "[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee," "(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest," "3. Matters concerning the reasonableness of the provisions regarding the ratio of the consolidation (matters concerning the reasonableness of the provisions regarding the matters listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act)" below for a summary of the Report). Along with the Report, on October 28, 2024, the Company received from the Special Committee a share valuation report regarding a valuation of the Company Shares (the "Share Valuation Report (Plutus Consulting)") and a fairness opinion (the "Fairness Opinion") stating that the Tender Offer Price of 3,250 yen per share, which was the Tender Offer Price before the Change in Terms of Tender Offer (as defined below), is a fair price for general shareholders from a financial perspective that the Special Committee received from Plutus Consulting (for summaries of the Share Valuation Report (Plutus Consulting) and the Fairness Opinion, refer to "[4] Procurement by the Special

Committee of share valuation report and fairness opinion from independent third-party valuation agency,” “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” “3. Matters concerning the reasonableness of the provisions regarding the ratio of the consolidation (matters concerning the reasonableness of the provisions regarding the matters listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act).”

After that, on November 22, 2024, the Company received a proposal from the Tender Offeror that the new minimum number of shares to be acquired be 10,153,605 shares (Ownership Ratio: 6.82%), obtained by deducting 12,602,700 shares (Ownership Ratio: 8.46%), which is a conservative estimate of the number of the Company Shares held by the passive index investment funds, from the initial minimum number of shares to be acquired, being 22,756,305 shares (Ownership Ratio: 15.27%).

In response, the Company and the Special Committee expressed their intention not to accept such proposal, at least unless some measures, such as raising the Tender Offer Price, are taken to supplement the fairness, because it cannot be denied that such proposal may not sufficiently ensure fairness given that the Tender Offer can be completed with tenders by a small number of general shareholders. After that, the Company received a notice from the Tender Offeror that the Tender Offeror decided not to lower the minimum number of shares to be acquired and only to extend the Tender Offer Period to December 25, 2024, making the Tender Offer Period a total of 40 business days, as of December 11, 2024, in order to provide the Company’s shareholders with further opportunities to decide whether to tender their shares in the Tender Offer. However, on December 12, 2024, the Company received a request from the Tender Offeror to consider lowering the minimum number of shares to be acquired again. In response, on December 17, 2024, the Company requested the Tender Offeror to raise the Tender Offer Price to 3,330 yen, which is higher than 3,325 yen, the highest closing price of the Company Shares for the period from the commencement date of the Tender Offer Period to December 17, 2024, on the grounds that an increase of the Tender Offer Price is necessary for the Company to agree to lower the minimum number of shares to be acquired. On December 17, 2024, the Company received a notice from the Tender Offeror that it would agree to raise the Tender Offer Price, but wished to set the Tender Offer Price at 3,300 yen after raising the price. As a result, on the same day, the Company expressed its intention to agree to lower the minimum number of shares to be acquired, on the condition that the Tender Offer Price would be raised to 3,300 yen.

After the above considerations and discussions, the Company received a notice from the Tender Offeror that the Tender Offeror decided at a meeting of its Board of Directors as of December 20, 2024 to change the Tender Offer Price from 3,250 yen to 3,300 yen (the “Change in the Tender Offer Price”), and change the minimum number of shares to be acquired from 22,756,305 shares (Ownership Ratio: 15.27%) to 10,153,605 shares (Ownership Ratio: 6.82%) (the “Change in the Minimum Number of Shares to Be Acquired”) (the “Change in the Tender Offer Price” and the “Change in the Minimum Number of Shares to Be Acquired” are collectively hereinafter referred to as the “Change in Terms of Tender Offer”). The Company also received a notice from the Tender Offeror that although the Tender Offeror had set the Tender Offer Period to be from October 30, 2024 to December 25, 2024 (40 business days), as the amendment to the tender offer registration statement for the Tender Offer would be required to be filed upon the decision in respect of the Change in Terms of Tender Offer, the Tender Offeror extended the Tender Offer Period, in accordance with the relevant laws and regulations, to January 10, 2025, which is 10 business days after the filing date of the amendment to the tender offer registration statement, being December 20, 2024. Refer to “(iii) Details of the decision” below for an overview of the additional report by the Special Committee in light of the Change in Terms of Tender Offer, the content of the Fairness Opinion, and the fact that the Share Valuation Report (Plutus Consulting) and the Fairness Opinion are considered to remain valid.

(iii) Details of the decision

The Company carefully discussed and considered at a meeting of the Board of Directors held on October 29, 2024 whether the Transaction including the Tender Offer will contribute to enhancing the Company’s corporate value and whether the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate, taking into consideration legal advice received from Nishimura & Asahi, advice received from Daiwa Securities from a financial perspective, the content of the share valuation report dated October 28, 2024 regarding the Company Shares received from Daiwa Securities (the “Share Valuation Report (Daiwa Securities)”), as well as the Share Valuation Report (Plutus Consulting) and the Fairness Opinion received

through the Special Committee, and giving maximum consideration to the determinations of the Special Committee presented in the Report.

As a result, the Company also concluded that taking the Company Shares private through the Transaction including the Tender Offer by the Tender Offeror would contribute to improving the Company's corporate value.

The Company Group's business domain is communications, and the Company Group has expanded business from communications infrastructure construction to solutions and services, such as corporate network system integration and work style innovation, and has contributed to meeting the needs of a wide range of customers, including companies, telecommunications carriers, government agencies, municipalities, and social infrastructure operators, and to solving social issues.

The Company Group's business environment is changing at a rapid pace, including labor shortages in conjunction with the declining birthrate and aging population in Japan and preparing for natural disasters, as well as penetration of various work styles precipitated by the COVID-19 pandemic and the advancement of a borderless society. At the same time, changes relating to technological aspects are also accelerating, including the advancement of digital technologies, higher speed and more advanced network technologies, and cloud computing.

In this way, the Company Group's business environment is undergoing major structural changes, and the business environment is expected to continue changing into the future. Responding accurately to these long-term changes in the business environment and increasing the Company's corporate value even further will require leveraging the technologies, know-how, and resources of the NEC Group, increasing the value provided to customers, and increasing management efficiency through optimal allocation of the NEC Group's resources to pursue sustainable growth.

Within the current capital relationship between the Tender Offeror and the Company, even if the Tender Offeror provided the Company with management resources that would enhance the Company's corporate value, since a portion of the profits gained from the management resources introduced by the Tender Offeror into the Company Group would flow to the Company's general shareholders, there was a possibility that circumstances would arise where it would be difficult for the Tender Offeror to find it economically reasonable to provide such management resources; thus, the Tender Offeror explained, under the current capital relationship, that there were limits in terms of executing flexible and pro-active strategies and maximizing the corporate value of the NEC Group, including the Company. In addition, the Company believes that, with the possibility that measures to protect the interests of the Company's general shareholders will become more difficult, maintaining a capital relationship in a state where conflicts of interest will arise between the Tender Offeror and the general shareholders of the Company may impose certain constraints when moving ahead with the transactional relationship of the two companies, including the mutual utilization of management resources.

In light of the Company's Group's business environment described above, the Company reached the conclusion that by taking the Company Shares private through the Transaction, eliminating the structural conflicts of interest between the Tender Offeror and the Company's general shareholders, and enabling the Tender Offeror to invest additional management resources into the Company Group, the dynamic and steady execution of management measures and the synergy effects described below are expected, contributing to further improvement in the Company's corporate value.

I. Accelerate growth strategies and strengthen competitiveness by leveraging and coordinating the NEC Group's management resources

The Company is focusing on shifting to a new business model to achieve spiral growth (Note 3) centered on digital transformation integrated with next-generation networks that leverages its know-how gained through self-implementation and its deep familiarity with customer sites, which are its strengths, to provide consultations from the customer's perspective and work closely with customers. In a time of rapid evolution of technology and diversification of customer needs, however, the Company believes that it will be even more difficult in the future to organically (Note 4) reinforce and expand business assets including the human resources that will be necessary to keep up with these changes and continue to provide services that exceed customer expectations. The Company has long engaged in collaboration with the NEC Group as necessary,

but believes that through the Transaction, it will be possible to closely and flexibly use the NEC Group's business assets, including cutting-edge technologies in areas such as AI and intellectual property, know-how, and consulting capabilities as well as its abundant technological resources, and to reinforce collaboration, and that this will further accelerate the realization of the Company's growth strategies, thereby leading to stronger competitiveness and enhanced corporate value.

(Note 3) "Spiral growth" from working closely with customers refers to a circulating, spiral-type growth that begins with "consultations," moving forward with sustainable improvement proposals for challenges existing customers are facing and with the development of new clients for those customers, and through a greater accumulation of experience and data, further heightening the ability to create social and customer value, and that in turn leads to the attainment of customer success and sustainability.

(Note 4) "Organic" growth refers to the method of organically tying together and utilizing the personnel, products, technology, and other management resources that a company has accumulated so that a company through its own efforts helps itself to grow and develop.

II. Reinforce overall capabilities and business foundations

[1] Reinforce overall capabilities, including the ICT platform, industry and business IT, and software fields

As a system integrator with strengths in multi-vendor systems integration capabilities, network technology capabilities, construction execution capabilities, nationwide responsiveness, and more, the Company provides diverse ICT systems and services to a wide range of customers in Japan and overseas. Through the NEC Group Reorganization (Note 5) being implemented at this time, which involves a business integration with NEC Nexsolutions, Ltd. ("NEC Nexsolutions"), which has strengths in the industry and business IT and software fields, and with the small and medium-sized enterprises (SME) business that will be assumed by NEC Nexsolutions from the Tender Offeror, it will be possible to develop business with a full stack and full lineup of services ranging from ICT platforms to industry and business IT and software, and the Company believes that this will further reinforce its overall capabilities. The Company believes that in a business environment where digitalization and the integration of IT and networks are accelerating, this will enable it to provide solutions from all angles to address the issues of customers, including businesses, government offices, and local governments, substantially strengthening its competitive advantage over other companies.

(Note 5) The NEC Group Reorganization refers to the transfer of the Tender Offeror's fire and disaster preparedness and response business to the Company, and the Tender Offeror's SME business to NEC Nexsolutions, a wholly-owned subsidiary of the Tender Offeror and responsible for the IT services business for SMEs within the NEC Group, and the transfer of all of shares of NEC Nexsolutions held by the Tender Offeror and all of the Company's shares to be held by the Tender Offeror after the completion of the Transaction to an intermediate holding company to be established by the Tender Offeror as a wholly-owned subsidiary (the "Intermediate Holding Company") in the future.

[2] Reinforce business foundations in the social and public infrastructures field

In the social and public domain, the introduction of more resilient (Note 6) and efficient systems and the integration of IT and networks are advancing with the objective of achieving a resilient, safe, and secure society. As the Company bolsters its business ability to respond to these needs, securing human resources to comply with the Construction Business Act, including managing engineers, has become an issue. As a result of the NEC Group Reorganization, fire and disaster preparedness and response business will be assumed by and consolidated within the Company, and the Company believes this will enable it to reinforce structures for the seamless provision of services ranging from marketing business strategies to system integration and operation, and to further strengthen business foundations. As a result, the Company will be able to provide services with higher added value to customers, maximize profits through higher business efficiency, and reinforce competitiveness. Also, by strengthening collaboration with the NEC Group in the social and public domain, including the fire and disaster preparedness and response business, the Company will be able to expand its business to other social infrastructure domains and reinforce its mission-critical (Note 7) system integration capabilities, one of the Company's features.

(Note 6) “Resilience,” when referring to systems, means having high resistance to disasters, etc. and being able to maintain stable functions or to possess the function, through system redundancy, etc., of minimizing impact from system breakdowns.

(Note 7) “Mission critical” means the extremely high reliability, technology, and quality essential for a system having a strong public nature where, for example, a delay in operations would inflict damage on society or corporations.

[3] Enhanced presence and position in the industry through business consolidation and management integration to achieve scale and capture market share

As a result of the Transaction and the NEC Group Reorganization, the Company projects that net sales of the Intermediate Holding Company Group, including the Company, will surpass 500 billion yen, the number of employees will exceed 10,000, and the number of transacting customers will reach 20,000 or more, making the Company Group one of the largest business groups in the system integrator industry. In a competitive environment that includes global companies, startups, and others entering the market in succession, achieving a certain corporate scale and enhancing its position have become important management strategy issues, and the Company believes that the acquisition of scale through the Transaction will be beneficial for the Company Group from the perspective of increasing competitiveness. The Company further believes that reorganization through the establishment of the Intermediate Holding Company will be an effective system for accurately and flexibly utilizing the management resources of each company and maximizing the value provided as a group at a stage when human resource systems, corporate cultures, and so on differ. Implementation of the Transaction will have no direct impact on the Company’s sales, number of employees, or number of transacting customers, but the Company is aware that implementation of the Transaction is essential for the NEC Group Reorganization.

III. Increasing management efficiency through business alignment and consolidation of functions with the NEC Group

Through the Transaction, the Company and the NEC Group will further strengthen their collaboration and quickly establish a system that enables flexible mutual use of management resources, such as research and development resources, to expand the Company’s integrated and high-value-added service provision functions, including consulting capabilities and advanced industry solutions, enabling the Company to achieve rapid and effective collaboration with customers. The Company believes that this will strengthen business foundations and increase profitability. In addition, the Company expects that the delisting of the Company’s shares will reduce costs associated with maintaining its listing (including expenses for continuous information disclosures, such as for financial statements, costs for the operation of general shareholders meetings, and expenses necessary for outsourcing operations to a shareholder registry management agent) and costs arising from the risks of being a listed company. The Company further believes that delisting will increase the efficiency of administrative operations, IT platforms, and the like.

The Company believes that increasing management efficiency through business alignment and the consolidation of functions with the NEC Group will contribute to enhancing the Company’s corporate value.

The Company has carefully considered the possibility of impact on business partners and other stakeholders in conjunction with the decline in brand strength as a listed company, as well as lower employee motivation resulting from delisting the Company Shares through the Transaction. However, as described in “[3] Policy of Restructuring, etc. After the Tender Offer,” “(2) Basis and Reasons for the Opinion Regarding the Tender Offer,” “3. Details, Basis and Reasons for the Opinion Regarding the Tender Offer” in the Press Releases Expressing the Company’s Opinion, even after the execution of the Transaction, the NEC Group plans to continue discussions between the Tender Offeror and the Company regarding the composition of the Company’s management structure with the objective of establishing appropriate governance that respects the Company’s uniqueness and creating a structure that can maximize synergy effects with the NEC Group, including the Company. At this time, no decisions have been made concerning changes to the Company’s policy on the continued employment of employees, their treatment, or transfers to other NEC Group Companies after the execution of the Transaction (however, if in the future it is determined that changes are strategically and reasonably necessary, following discussions with the Company, changes to policies or treatment and transfers may be implemented). Furthermore, as the growth and structural changes advance in the domestic IT market and securing engineering resources becomes a key issue, the NEC Group’s policy is to carefully consider measures that will enhance the Company’s branding while taking its intentions into

account, in order to maintain the motivation of its employees. In light of these factors, the Company believes that delisting the Company Shares through the Transaction will be accepted by the Company Group's business partners, employees, and other stakeholders.

Furthermore, for the reasons stated in "(3) Matters concerning the amount of money expected to be delivered to shareholders as a result of fractional processing and the appropriateness of such amount" in "3. Matters concerning the reasonableness of the provisions regarding the ratio of the consolidation (matters concerning the reasonableness of the provisions regarding the matters listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act)" below, the Company has determined that the Tender Offer Price and the other terms and conditions relating to the Tender Offer are appropriate, and that the Tender Offer provides the Company's shareholders with an opportunity to sell the Company Shares with a reasonable premium and under reasonable terms and conditions.

Based on the foregoing, the Company determined that the Transaction will contribute to the improvement of the Company's corporate value and that the terms of the Transaction, including the Tender Offer Price, are appropriate, and accordingly resolved at a meeting of Board of Directors of the Company held on October 29, 2024 to express its opinion in support of the Tender Offer and recommend that the holders of the Company Shares tender their shares in the Tender Offer.

Subsequently, the Company discussed the Change in Terms of Tender Offer with the Tender Offeror, and at the meeting of its Board of Directors held on December 20, 2024, the Change in Terms of Tender Offer was carefully discussed and considered. The Special Committee's opinion concerning the Change in Terms of Tender Offer was taken into account, and the Company decided that despite the Change in Terms of Tender Offer, it would maintain its opinion supporting the Tender Offer and continue to recommend that the shareholders of the Company tender their shares in the Tender Offer.

For details of the method of resolution at these Board of Directors meetings, refer to "[8] Approval of all Directors without an interest in the Company and opinion stating that there are no objections from all Corporate Auditors without an interest in the Company," "(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest," "3. Matters concerning the reasonableness of the provisions regarding the ratio of the consolidation (matters concerning the reasonableness of the provisions regarding the matters listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act)" below.

Subsequently, as stated above, the Tender Offer was completed, but as the Tender Offeror did not acquire all of the Company Shares through the Tender Offer, the Company, at the request of the Tender Offeror, resolved at a meeting of the Board of Directors held on January 30, 2025, to conduct the Share Consolidation, subject to obtaining the approval of the shareholders at this Extraordinary Shareholders' Meeting, in order to make the Tender Offeror the sole shareholder of the Company, and to submit a proposal concerning the Share Consolidation to this Extraordinary Shareholders' Meeting.

As a result of the Share Consolidation, the number of shares of the Company Shares held by shareholders other than the Tender Offeror is expected to be less than one (1) share.

2. Details of consolidation of shares (Details of the matters listed in each Item of Article 180, Paragraph 2 of the Companies Act)

(1) Ratio of the Share Consolidation

49,000,000 Company Shares are to be consolidated into one (1) share.

(2) Date on which the Share Consolidation becomes effective (effective date)

March 25, 2025

(3) Total number of authorized shares on the effective date

Three (3) shares

3. Matters concerning the reasonableness of the provisions regarding the ratio of the consolidation (matters concerning the reasonableness of the provisions regarding the matters listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act)

The ratio of consolidation of the Share Consolidation is to consolidate 49,000,000 Company Shares into one (1) share. The Company deems that the ratio of consolidation of the Share Consolidation is appropriate considering the Share Consolidation is to be conducted to make the Tender Offeror the sole shareholder of the Company as described in “1. Reasons for Share Consolidation” above, the Tender Offer conducted as a part of the Transaction through the processes described in “1. Reasons for Share Consolidation” was completed, and each matter listed below.

- (1) Matters that were considered to not harm interest of shareholders other than parent company, etc. if there is such parent company, etc.

While the Share Consolidation is to be conducted as part of a series of procedures (the “Squeeze-Out Procedures”) to make the Tender Offeror the sole shareholder of the Company after the Tender Offer is completed, considering that the Company is a subsidiary of the Tender Offeror, the Transaction falls under material transactions, etc. with controlling shareholders, and the Transaction falls under the category of a transaction in which issues with respect to structural conflicts of interest and information asymmetries typically exist between the Tender Offeror and the general shareholders of the Company, the Tender Offeror and the Company have taken the measures described in “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest” below in order to address these issues and ensure the fairness of the Tender Offer.

- (2) Matters concerning the method of handling fractional shares (fractional processing) in cases where it is expected that fractions of less than one share will be handled
 - (i) Whether the treatment under Article 235, Paragraph 1 of the Companies Act or the treatment under Article 234, Paragraph 2 of the said Act as applied *mutatis mutandis* pursuant to Article 235, Paragraph 2 of the said Act is planned, and the reasons therefor

As described in “1. Reasons for Share Consolidation” above, by the Share Consolidation, the number of the Company Shares owned by the shareholders other than the Tender Offeror is scheduled to become fractional shares less than one (1) share.

With respect to the fractional shares less than one (1) share occurring as a result of the Share Consolidation, the shares of a number equivalent to the total number thereof (if there are fractional shares less than one share in the total number thereof, such fractional shares shall be disregarded in accordance with the provisions of Article 235, Paragraph 1 of the Companies Act (Act No. 86 of 2005, including subsequent revisions; hereinafter the same shall apply)) shall be sold in accordance with the provisions of Article 235 of the Companies Act and other related laws and regulations, and the proceeds from the sale shall be delivered to the shareholders who hold fractional shares depending on the fractions of shares held. With regard to the sale in question, the Company plans to sell to the Tender Offeror the number of the Company Shares equivalent to the total number of such fractions with the permission of the court, in accordance with the provisions of Article 234, Paragraph 2 of the Companies Act, as applied *mutatis mutandis* pursuant to Article 235, Paragraph 2 of the said Act, considering that the Share Consolidation is intended to make the Tender Offeror the sole shareholder of the Company as part of the Transaction, and that the Company Shares are scheduled to be delisted on March 21, 2025 and will become shares without a market price, it is considered that a purchaser is unlikely to appear through an auction.

If the necessary permission of the court is obtained as scheduled, the sales amount in such case is scheduled to be set at a price that will result in the delivery of money equivalent to the amount obtained from multiplying 3,300 yen, which is the same amount as the Tender Offer Price, by the number of the Company Shares owned by the shareholders described or recorded in the Company’s final shareholder registry as of March 24, 2025, which is the day before the effective date of the Share Consolidation. However, in cases where permission from the court cannot be obtained or where it is necessary to adjust for fractions, the actual amount delivered may differ from the amount above.

- (ii) Name of person expected to purchase shares subject to sale

NEC Corporation

- (iii) Method by which the person expected to purchase shares subject to sale secures funds to pay the sale price, and the reasonableness of the method

The Tender Offeror is scheduled to provide for the funds required for the acquisition of the Company Shares equivalent to the total number of fractional shares resulting from the Share Consolidation by its own funds in principle, but it also secures the ability to provide part of the necessary funds through borrowings from Sumitomo Mitsui Banking Corporation (“SMBC”) based on the status of cash flow until the payment date for the funds.

The Company has confirmed that the Tender Offeror is able to secure the funds required to acquire the Company Shares equivalent to the total number of fractional shares resulting from the Share Consolidation, by confirming the balance of cash and cash equivalents as of September 30, 2024, as set forth in the Semi-Annual Securities Report for the 187th fiscal year filed by the Tender Offeror on October 30, 2024, and the loan certificate dated December 20, 2024, issued by SMBC to the Tender Offeror, which states that SMBC is prepared to provide a loan of up to 240 billion yen, subject to the completion of the Tender Offer, etc. Also, according to the Tender Offeror, after September 30, 2024, there have been no events that would have a significant impact on the Tender Offeror’s financial condition, or any other events that would obstruct the payment of the sales price for the Company Shares equivalent to the total number of fractional shares of less than one share resulting from the Share Consolidation, and the Tender Offeror is not aware of any possibility of such events occurring in the future.

Accordingly, the Company has determined that the method of securing funds to pay for the sale of the Company Shares equivalent to the total number of fractional shares of less than one share resulting from the Share Consolidation by the Tender Offeror is appropriate.

- (iv) Expected timing of sale and expected timing of payment of sales proceeds to shareholders

After the effective date of the Share Consolidation, the Company plans to file a petition for permission with the court to sell to the Tender Offeror the Company Shares equivalent to the total number of fractional shares less than one share that will be created as a result of the Share Consolidation, in accordance with the provisions of Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the said Act, by early April 2025. While the timing of obtaining such permission may change depending upon such matters as the circumstances of the court, the Company plans to obtain the permission of the court and sell the Company Shares to the Tender Offeror from late April to late May 2025, and thereafter, upon making preparations required to deliver the proceeds obtained by such sale to the shareholders, to sequentially deliver the proceeds to the shareholders from middle to late June 2025.

Taking into consideration the time period required for the series of procedures from the effective date of the Share Consolidation till the sale, as described above, the Company has determined that the sale of the Company Shares equivalent to the total number of fractional shares less than one share occurring as a result of the Share Consolidation is prospected to be made, and delivery of the proceeds obtained by such sale is prospected to be made to the shareholders, at the respective timings.

- (3) Matters concerning the amount of money expected to be delivered to shareholders as a result of fractional processing and the appropriateness of such amount

As described in “(i) Whether the treatment under Article 235, Paragraph 1 of the Companies Act or the treatment under Article 234, Paragraph 2 of the said Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the said Act is planned, and the reasons therefor” of “(2) Matters concerning the method of handling fractional shares (fractional processing) in cases where it is expected that fractions of less than one share will be handled” above, the amount of money expected to be delivered to shareholders as a result of fractional processing is scheduled to be an amount multiplying 3,300 yen,

which is the same amount as the Tender Offer Price, by the number of the Company Shares owned by the shareholders.

Furthermore, based on the following points and other factors, the Company has determined that the Tender Offer Price (3,300 yen) and the other terms and conditions relating to the Tender Offer are appropriate and that the Tender Offer provides the Company's shareholders with an opportunity to sell the Company Shares with a reasonable premium and under reasonable terms and conditions.

- (a) The results of the share calculation relating to the Company Shares performed by Daiwa Securities described below in “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest” are above the upper limit of the calculation results based on the market share price method and comparable companies method, and within the range of the valuation results based on the discounted cash flow method (the “DCF Method”).
- (b) As discussed below in “[4] Procurement by the Special Committee of share valuation report and fairness opinion from independent third-party valuation agency” under “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” the calculation results of the value of the Company Shares by Plutus Consulting is considered to be above the upper limit of the calculation results based on the market share price method and comparable companies method, and within the range of the valuation results based on the DCF Method. In addition, the Special Committee obtained the Fairness Opinion from Plutus Consulting, which states that the Tender Offer Price of 3,250 yen per share before the Change in Terms of Tender Offer is fair to the Company's general shareholders from a financial perspective, and it is recognized that the Fairness Opinion remains valid even after the Change in Terms of Tender Offer.
- (c) The Tender Offer Price represents a premium of 23.36% over the closing price of 2,675 yen for the Company Shares on the Tokyo Stock Exchange Prime Market on October 28, 2024, the business day preceding the announcement of the Tender Offer; a premium of 21.73% over the simple average closing price of 2,711 yen during the preceding month (from September 30, 2024 to October 28, 2024); a premium of 24.11% over the simple average closing price of 2,659 yen during the preceding three months (from July 29, 2024 to October 28, 2024); and a premium of 30.95% over the simple average closing price of 2,520 yen during the preceding six months (from April 30, 2024 to October 28, 2024). In addition, the Tender Offer Price represents a premium of 10.00% over the closing price of 3,000 yen for the Company Shares on the Tokyo Stock Exchange Prime Market on October 29, 2024, the day of the announcement of the Tender Offer. Generally, when issues have high price-to-book value ratios (PBR), this indicates that their corporate value is highly valued on the stock market; therefore, in tender offers and M&A transactions, there is a tendency for premiums over market prices to be lower; as of September 30, 2024, the Company's PBR was approximately 2.6. Of the 16 tender offer and MBO deals for listed subsidiaries undertaken for the purpose of delisting, for which a tender offer was successfully completed in the period from June 28, 2019, when the Ministry of Economy, Trade and Industry released the “Fair M&A Guidelines,” until July 31, 2024, where the PBR of the target company was greater than 2, the most common premium level over the past one-month share price average was between 20 and 30% with five such deals; the most common premium level over the past three-month share price average was between 20 and 30% with five such deals; and the most common premium level over the past six-month share price average was between 20 and 30% with five such deals. In light of these factors, the Company believes that the Tender Offer Price is at a level where a commensurate premium is provided over the past one-month, past three-month, and past six-month share prices.
- (d) In light of the long-term movement of the Company's share price, the Tender Offer Price exceeds the highest closing price for the Company Shares in the past 20 years of 2,804 yen (closing price on October 9, 2024).
- (e) Measures to ensure the fairness of the Tender Offer described below in “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest” have been taken, and it is acknowledged that the interests of general shareholders have been protected.
- (f) Following such measures, the Tender Offer Price was increased from the Tender Offeror's initial proposed price of 2,815 yen, after repeated negotiations with the Tender Offeror with substantive

involvement by the Special Committee, which is independent of the Company Group and the NEC Group.

- (g) As set forth below in “[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee” under “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” the Report received from the Special Committee, which is independent from the Company, determined that the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate.

In addition, the Company has confirmed that there have been no significant changes to the various conditions that form the basis for the calculation of the Tender Offer Price from the time of the Board of Directors’ resolutions on October 29, 2024 and December 20, 2024, which expressed an opinion supporting the Tender Offer and recommended to the Company’s shareholders that they tender their shares in the Tender Offer, to the time of the Board of Directors’ resolution on January 30, 2025, which resolved to convene the Extraordinary Shareholders’ Meeting.

Based on the above, the Company has determined that the amount of money expected to be delivered to the shareholders as a result of fractional processing is appropriate.

(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest

While the Share Consolidation is to be conducted as the Squeeze-Out Procedures after the Tender Offer is completed, considering that the Company is a subsidiary of the Tender Offeror, the Transaction falls under material transactions, etc. with controlling shareholders, and the Transaction falls under the category of a transaction in which issues with respect to structural conflicts of interest and information asymmetries typically exist between the Tender Offeror and the general shareholders of the Company, the Tender Offeror and the Company have taken the following measures in order to address these issues and ensure the fairness of the Tender Offer.

Further, as described in “[1] Overview of Tender Offer,” “[2] Basis and Reasons for the Opinion Regarding the Tender Offer,” “[3] Details, Basis and Reasons for the Opinion Regarding the Tender Offer” in the Press Releases Expressing the Company’s Opinion, as of October 29, 2024, the Tender Offeror owns 57,320,295 Company Shares (Ownership Ratio: 38.47%) and, together with the 19,200,000 Company Shares contributed to the Tender Offeror’s Employee Retirement Benefit Trust (Ownership Ratio: 12.89%), the Tender Offeror beneficially owns 76,520,295 Company Shares (Ownership Ratio: 51.36%), so the Tender Offeror believes that, if a minimum number of shares to be purchased in the Tender Offer constituting the so-called “Majority of Minority” is set, it would make a successful completion of the Tender Offer uncertain, and, as a result, would not contribute to the interests of general shareholders of the Company who wish to tender their shares in the Tender Offer. Therefore, the Tender Offeror has not set a minimum number of shares to be purchased in the Tender Offer constituting the Majority of Minority. However, the Tender Offeror and the Company believe that since the following measures have been taken as measures to ensure the fairness of the Tender Offer Price and to avoid the conflicts of interest, the interests of general shareholders of the Company have been fully considered. The Special Committee has concluded in the Report that, in light of the fact that other measures to ensure fairness are considered to be sufficiently in place, the Special Committee considered that just because the Majority of Minority condition has not been set, it should not be regarded as a failure to take appropriate measures to ensure fairness, and the Company has made the same judgment.

The descriptions of the following measures that have been taken by the Tender Offeror are based on the Tender Offeror’s explanations.

[1] Procurement by the Tender Offeror of share valuation report from independent third-party valuation agency

- (i) Name of the valuation agency and its relationship with the Company and the Tender Offeror

Upon determining the Tender Offer Price, the Tender Offeror requested MUMSS, which is a third-party valuation agency independent from the NEC Group and the Company Group and is also a

financial advisor of the Tender Offeror, to evaluate the value of the Company Shares. MUMSS is not a related party to the Tender Offeror or the Company, and has no material interest in the Tender Offer.

(ii) Summary of valuation

As a result of consideration of the calculation methods for the Tender Offer, MUMSS analyzed the value of the Company Shares using the methods of (i) market price analysis, (ii) comparable companies analysis and (iii) discounted cash flow analysis (the “DCF analysis”), and the Tender Offeror obtained a share valuation report from MUMSS on October 28, 2024 (the “Tender Offeror Share Valuation Report”) (Note 8). The Tender Offeror has not obtained an opinion concerning the fairness of the Tender Offer Price (a fairness opinion) from MUMSS.

The results of the evaluation by MUMSS of the value per share of the Company Shares are as follows:

Market price analysis:	2,520 yen to 2,711 yen
Comparable companies analysis:	1,813 yen to 2,526 yen
DCF analysis:	2,750 yen to 3,373 yen

The market price analysis, with the reference date of October 28, 2024, resulted in a value per share of the Company Shares ranging from 2,520 yen to 2,711 yen, based on the following prices of the Company Shares on the Prime Market of the Tokyo Stock Exchange: the closing price on the reference date (2,675 yen); the simple average of closing prices for the latest one month period (from September 30, 2024 to October 28, 2024) (2,711 yen); the simple average of closing prices for the latest three months period (from July 29, 2024 to October 28, 2024) (2,659 yen); and the simple average of closing prices for the latest six months period (from April 30, 2024 to October 28, 2024) (2,520 yen).

The comparable companies analysis resulted in a value per share of the Company Shares ranging from 1,813 yen to 2,526 yen, by analysis of value of the Company Shares through comparing market share prices and financial indicators such as earnings of listed companies engaged in businesses relatively similar to those of the Company.

For the DCF Analysis, the value of the Company Shares was evaluated by discounting the amount of free cash flow that the Company is expected to generate in the future to the present value at a certain discount rate, based on the forecasts in respect of the Company’s future earnings and the investment plan for the period after the Third Quarter ended December 31, 2024, which were made by the Tender Offeror taking into consideration various factors, such as the Company’s business plan covering the fiscal years from the fiscal year ending March 31, 2025 through the fiscal year ending March 31, 2029, the results of due diligence conducted on the Company, the latest business performance and publicly available information. This analysis resulted in a value per share of the Company Shares ranging from 2,750 yen to 3,373 yen. The financial forecasts of the Company that MUMSS used for the calculation of the DCF Analysis do not include fiscal years in which significant increases or decreases of profit and significant increases or decreases of free cash flow are expected. In addition, the expected synergies to be realized through the Transaction are not reflected in the relevant financial forecasts, because it was difficult to make specific numerical estimations of such expected synergies at present.

The Tender Offeror comprehensively considered, in addition to the results of the calculation in the Tender Offeror Share Valuation Report, the results of the due diligence conducted on the Company Group, the possibility of the Company’s Board of Directors’ approval or disapproval of the Tender Offer and recommendation to tender, the market trends for the share price of the Company Shares and the prospects for tenders in response to the Tender Offer, etc., and, taking into account the results of consultations and negotiations with the Company and the Special Committee, the Tender Offeror resolved at the meeting of its Board of Directors held on October 29, 2024, to set the Tender Offer Price at 3,250 yen.

The Tender Offer Price (3,250 yen) before the Change in Terms of Tender Offer represents a premium of 21.50% on 2,675 yen, which is the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on October 28, 2024, the business day immediately preceding the date of announcement by the Tender Offeror regarding the Tender Offer; a premium of 19.88% on 2,711 yen, which is the simple average of the closing prices for the latest one month period (from September 30, 2024 to October 28, 2024); a premium of 22.23% on 2,659 yen, which is the simple average of the closing prices for the latest three months period (from July 29, 2024 to October 28, 2024); and a premium of 28.97% on 2,520 yen, which is the simple average of the closing prices for the latest six months period (from April 30, 2024 to October 28, 2024).

Thereafter, as described in “1. Reasons for Share Consolidation” above, the Tender Offeror decided at the meeting of its Board of Directors as of December 20, 2024 to change the Tender Offer Price from 3,250 yen to 3,300 yen.

The Tender Offer Price after the Change in Terms of Tender Offer (3,300 yen) represents a premium of 23.36% on 2,675 yen, which is the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on October 28, 2024, the business day immediately preceding the date of announcement by the Tender Offeror regarding the Tender Offer; a premium of 21.73% on 2,711 yen, which is the simple average of the closing prices for the latest one month period (from September 30, 2024 to October 28, 2024); a premium of 24.11% on 2,659 yen, which is the simple average of the closing prices for the latest three months period (from July 29, 2024 to October 28, 2024); a premium of 30.95% on 2,520 yen, which is the simple average of the closing prices for the latest six months period (from April 30, 2024 to October 28, 2024); and a premium of 10.00% on 3,000 yen, which is the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on October 29, 2024, the date of announcement of the Tender Offer.

(Note 8) In evaluating the value of the Company Shares, in principle, MUMSS adopted, without any change, the information provided from the Tender Offeror and the Company, publicly available information and other relevant materials, and, assuming that all of such information and materials were accurate and complete, did not independently verify the accuracy and completeness of such information and materials. With respect to the assets and liabilities (including off-balance-sheet assets and liabilities, and other contingent liabilities) of the Company and its affiliated companies, MUMSS did not independently conduct an evaluation or assessment of such assets or liabilities, nor did it make any request to a third-party institution for appraisal or assessment of such assets and liabilities. In addition, MUMSS assumed that the information related to the financial forecasts of the Company was reasonably prepared by the Tender Offeror and the Company, based on best forecasts and judgments available to them as of October 28, 2024. The evaluation by MUMSS reflects the afore-mentioned information up to October 28, 2024.

[2] Procurement by the Company of share valuation report from independent third-party valuation agency

(i) Name of the valuation agency and its relationship with the Company and the Tender Offeror

In announcing the Company’s opinion on the Tender Offer Price, to ensure fairness in decision-making regarding the Tender Offer Price presented by the Tender Offeror, the Company asked Daiwa Securities, a financial advisor and third-party valuation agency independent from the NEC Group and the Company Group, to calculate the value of the Company Shares, and obtained the Share Valuation Report (Daiwa Securities) dated October 28, 2024. The Company did not obtain Daiwa Securities’ opinion on the fairness of the Tender Offer Price (a fairness opinion).

Daiwa Securities is not a related party of the Company or the Tender Offeror and does not have a material interest in the Transaction, including the Tender Offer. The compensation to be paid to Daiwa Securities in relation to the Transaction includes fees to be paid contingent upon the consummation, etc. of the Transaction. The Company gave consideration to general business customs in similar transactions as well as the advisability of a fee structure where, if the Transaction is not consummated, the Company will have a commensurate financial burden, and in light of Daiwa Securities’ track record of giving advice in similar transactions and its social reputation, the Company, determining that including a fee to be paid contingent upon the consummation of the Transaction

would not jeopardize the independence of Daiwa Securities, appointed Daiwa Securities as its financial advisor and third-party valuation agency, under the above fee structure.

(ii) Summary of valuation of the Company Shares

Daiwa Securities adopted the thinking that, for the Tender Offer, it is appropriate to consider the valuation methods to be used in valuing the Company Shares from among several valuation methods, and value the Company Shares from multiple perspectives with the assumption that the Company is a going concern; based on this philosophy, Daiwa Securities used the following valuation methods and performed a valuation of the Company Shares: the market price method, as the Company Shares are listed on the Tokyo Stock Exchange Prime Market; the comparable companies method, as multiple public companies are comparable to the Company and it is possible to infer the value of the Company Shares through such comparison; and the DCF Method, in order to reflect the Company's future business activities in the valuation. The Company obtained the Share Valuation Report (Daiwa Securities) dated October 28, 2024.

According to the Share Valuation Report (Daiwa Securities), the range of the per-share value of the Company Shares calculated using each of the methods above is as follows.

Market Price Method:	2,520 yen to 2,711 yen
Comparable Companies Method:	2,143 yen to 2,668 yen
DCF Method:	3,073 yen to 4,688 yen

For the valuation using the market price method, October 28, 2024 was set as the base date, and based on the Company Shares' closing price of 2,675 yen on the Tokyo Stock Exchange Prime Market on the base date, the simple average closing price of 2,711 yen during the preceding month (from September 30, 2024 to October 28, 2024), the simple average closing price of 2,659 yen during the preceding three months (from July 29, 2024 to October 28, 2024), and the simple average closing price of 2,520 yen during the preceding six months (from April 30, 2024 to October 28, 2024), the per-share value of the Company Shares was calculated to be in the range between 2,520 yen and 2,711 yen.

For the valuation using the comparable companies method, Daiwa Securities selected TIS Inc., SCSK Corporation, BIPROGY Inc., NS Solutions Corporation, Internet Initiative Japan Inc., Net One Systems Co., Ltd., EXEO Group, Inc., COMSYS Holdings Corporation, and MIRAIT ONE Corporation, as listed companies, whose businesses are considered relatively similar to that of the Company. Then, Daiwa Securities calculated the per-share value range of the Company Shares to be between 2,143 yen and 2,668 yen by employing the multiples of EBITDA against the corporate value of those companies.

For the valuation using the DCF Method, based on the business forecast prepared by the Company and taking into account factors such as the earnings forecast and investment plans set out in the business forecast for 5 fiscal years (from the fiscal year ending March 2025 to fiscal year ending March 2029) as well as publicly available information, Daiwa Securities analyzed the Company's enterprise value and share value by discounting the free cash flow the Company is expected to generate during and after the third quarter of the fiscal year ending March 2025 to the present value, at a certain discount rate and making certain financial adjustments, including the addition of the value of all cash equivalents the Company holds. This calculation led to a range of between 3,073 yen and 4,688 yen as the per-share value of the Company Shares. In evaluating the per-share value of the Company Shares, Daiwa Securities applied the discount rate of 5.48% to 7.26%, and used the perpetual growth rate model with a perpetual growth rate of 0.0% to 1.0% for calculation of the terminal value.

The business forecast prepared by the Company that was used by Daiwa Securities for valuation using the DCF Method does not include information relating to a fiscal year for which a significant increase or decrease in profit and a significant increase or decrease in free cash flow are projected. Further, the financial forecast below does not take into account the anticipated synergy effects from

the implementation of the Transaction due to the difficulty of forecasting specific effects at this point in time.

The financial forecast used as the basis for the analysis under the DCF Method is as follows.

(Billions of yen)

	FY ending March 2025 (six months)	FY ending March 2026	FY ending March 2027	FY ending March 2028	FY ending March 2029
Revenue	193.0	380.6	400.9	425.2	452.4
Operating Profit	21.2	32.6	37.9	43.5	49.3
EBITDA	22.8	36.2	41.5	46.9	52.7
Free Cash Flow	(4.0)	19.1	21.9	24.2	27.2

[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee

(i) Circumstances leading to the establishment of the Special Committee, etc.

As described in “1. Reasons for Share Consolidation” above, the Company formed the Special Committee, pursuant to a resolution at the meeting of the Board of Directors held on August 8, 2024. However, prior to forming the Special Committee, in order to construct a framework for the consideration, negotiations, and determinations regarding the Transaction from the perspective of enhancing the Company’s corporate value and protecting the interests of the Company’s general shareholders, the Company, with the advice from Nishimura & Asahi, provided all the then-incumbent officers, including independent outside directors of the Company with the explanation that the Company had received an initial opinion regarding the Transaction and the NEC Group Reorganization and that it was necessary to implement sufficient measures to ensure the fairness of the terms pertaining to the Transaction, such as the formation of the Special Committee, given that the Transaction is of a kind in which issues of structural conflicts of interest and information asymmetry are typically present. At the same time, and with advice from Nishimura & Asahi, the Company confirmed the independence, qualifications, etc. of the Company’s independent outside directors, who would become candidates for the member of the Special Committee. After confirming they were independent of the NEC Group and the Company Group (the Company has confirmed that none of Ms. Michiko Ashizawa, Mr. Mamoru Yoshida or Ms. Mikiko Morimoto have any material interest in the Tender Offeror or the Company) and that they did not have material interest in the consummation of the Transaction that was not aligned with the interests of general shareholders, the Company selected, with advice from Nishimura & Asahi, three individuals, Ms. Michiko Ashizawa (Independent Outside Director of the Company, Associate Professor at Graduate School of Business Administration, Keio University), who has abundant experience such as work as a certified public accountant at an audit firm and experience in revitalization projects of big corporations at the Industrial Revitalization Corporation of Japan; Mr. Mamoru Yoshida (Independent Outside Director of the Company, former full-time corporate auditor of Panasonic Corporation), who served as an officer at a major electronics manufacturer, has strong management skills and strategy formulation ability, and has wide knowledge and experience regarding technology management and governance in corporate management etc.; and Ms. Mikiko Morimoto (Independent Outside Director of the Company, CEO of karna ltd.), who established a consulting firm that comprehensively supports sustainability management and serves as its CEO, as candidates to be the Special Committee members, to ensure there is a balance of knowledge, experience and ability within the Special Committee and to ensure that the Special Committee has the appropriate size (the membership of the Special Committee has not changed since its formation).

On top of this, the Company, as described in “1. Reasons for Share Consolidation” above, formed the Special Committee pursuant to a resolution of the Board of Directors at a meeting held on August 8, 2024, and consulted with the Special Committee on the Consultation Matters. Additionally, in forming the Special Committee, the Board of Directors resolved that the Special Committee would be positioned as a body independent of the Board of Directors, and when making decisions regarding the Transaction, the Board of Directors would respect to the maximum extent possible the opinion of the Special Committee, and if the Special Committee decides that the implementation of Transaction

or the terms of the Transaction is not appropriate, the Board of Directors should resolve to express an opinion not supporting the Transaction; that with respect to negotiations regarding the terms of the Transaction, the Special Committee would confirm policy in advance, receive reports on the situation in a timely manner, state its opinion, give instructions, and make requests at important junctures, and would otherwise be substantially involved in the negotiation process regarding the terms of the Transaction; that the Special Committee be entitled to retain, if the Special Committee deems it necessary when considering etc. the Consultation Matters, advisors etc. at the Company's expense; and that the Special Committee be entitled to ask the Company or its advisors etc. to collect any information necessary for it to make its report.

Regardless of the content of the Report, a fixed amount is to be paid to the members of the Special Committee as consideration for their work.

(ii) Consideration process

The Special Committee convened a total of 18 times between August 8, 2024, and October 28, 2024, totaling approximately 28 hours. The Special Committee also carried out its duties in connection with the Consultation Matters decisions between meetings, as needed, by way of sharing reports and information through email and online meetings and deliberating and decision-making.

Specifically, the Special Committee, after first examining the firm's independence expertise and experience, on August 23, 2024, decided to appoint Nakamura, Tsunoda & Matsumoto as its legal advisor, independent from the NEC Group and the Company Group, and Plutus Consulting as its own financial advisor and third-party valuation agency, independent from the NEC Group and the Company Group.

In addition, the Special Committee approved the Company's appointment of Daiwa Securities as its financial advisor and third-party valuation agency and of Nishimura & Asahi as its legal advisor, after confirming their independence expertise and experience.

Further, the Special Committee confirmed that there were no problems from the perspective of independence and fairness of the internal framework that the Company built for considering the Transaction (including the scope of the Company officers and employees involved in the consideration of, negotiations for, and determinations regarding the Transaction, and their duties), and gave its approval.

Based on the above, the Special Committee considered measures to ensure fairness in the Transaction process while taking into consideration opinions and legal advice from Nakamura, Tsunoda & Matsumoto and opinions received from Nishimura & Asahi.

The Special Committee submitted written questions to the Tender Offeror regarding synergy and dyssynergy, the state of its consideration of the Transaction, its envisioned Transaction structure and operation of the Intermediate Holding Company after the Transaction, the management policy of the Intermediate Holding Company by the Tender Offeror after the Transaction and the NEC Group Reorganization, treatment of employees, and other terms and conditions etc. of the Tender Offer, and received written responses to these matters, received direct explanations by the Tender Offeror, and conducted a question-and-answer session at a meeting of the Special Committee. Further, the Special Committee considered the results etc. of the written responses and the question-and-answer session, submitted written questions to the Tender Offeror regarding the profitability and assets for succession of the business successions, the specifics of any synergy effects, the management systems and management resources of the Intermediate Holding Company, de-listing method, etc., and received written responses to these matters.

The Special Committee received explanations from the Company's executive officers regarding the background, purpose and synergy of the Transaction, and conducted question-and-answer sessions.

In addition, the Special Committee received explanations from the Company regarding the details of the Company's business plan that served as the basis for the valuation of the Company Shares performed by Daiwa Securities and Plutus Consulting, and important preconditions and drafting history, and following a question-and-answer session, confirmed the reasonableness of the foregoing and gave its approval. Moreover, as described above in "[2] Procurement by the Company of share

valuation report from independent third-party valuation agency” and below in “[4] Procurement by the Special Committee of share valuation report and fairness opinion from independent third-party valuation agency,” Daiwa Securities and Plutus Consulting performed valuation calculations of the Company Shares on the assumption of the Company’s business plan, and the Special Committee received explanations from Daiwa Securities and Plutus Consulting regarding the calculation methods used in the valuation calculation of the Company Shares, the reasons for adopting these calculation methods, and details of the calculation and important preconditions according to each calculation method, and conducted a question-and-answer session, and confirmed their reasonableness.

Further, as described in “[4] Procurement by the Special Committee of share valuation report and fairness opinion from independent third-party valuation agency,” the Special Committee received from Plutus Consulting the Fairness Opinion and the Special Committee received explanations from Plutus Consulting regarding the issuance procedures etc. of the Fairness Opinion and conducted a question-and-answer session.

Following receipt of an initial proposal of tender offer price from the Tender Offeror on October 2, 2024, whenever the Company received a proposal concerning the Tender Offer Price from the Tender Offeror, the Special Committee would receive a report on its details, the progress of negotiations, etc. from Daiwa Securities, the Company’s financial advisor, deliberate and consider its details while taking into consideration the advice received from Plutus Consulting as well as the opinions received from Daiwa Securities, receive explanations in advance from Daiwa Securities regarding the policy proposal on negotiations with the Tender Offeror and response proposals to the Tender Offeror, state opinions as needed, issue approvals after conducting a question-and-answer session, and give instructions and make requests to Daiwa Securities, which is in charge of negotiations with the Tender Offeror.

The Special Committee, with advice from Nakamura, Tsunoda & Matsumoto, the Special Committee’s legal advisor, received explanations on the draft of Press Releases Expressing the Company’s Opinion etc. from Daiwa Securities, the Company’s financial advisor, conducted question-and-answer sessions, and confirmed that sufficient information disclosure was planned.

(iii) Details of the Decision

In accordance with the process described above, the Special Committee carefully, on multiple occasions, discussed and considered the Consultation Matters, while taking into consideration the legal advice from Nakamura, Tsunoda & Matsumoto and advice from Plutus Consulting from a financial perspective, as well as the Share Valuation Report (Plutus Consulting) and the Fairness Opinion it received on October 28, 2024, and on the same day, submitted to the Company’s Board of Directors, based on unanimous consent, the Report, the content of which is summarized below.

a) Content of the Report

- i. The Transaction contributes to enhancing the corporate value of the Company and the purpose of the Transaction is reasonable.
- ii. The terms and conditions of the Transaction are fair and appropriate.
- iii. The Transaction procedures are fair.
- iv. It is appropriate for the Board of Directors of the Company to express an opinion in support of the Tender Offer and recommend that the Company’s shareholders tender their shares in the Tender Offer.
- v. The decision on the Transaction (the decision to express an opinion supporting the Tender Offer and recommend that the Company’s shareholders tender their shares in the Tender Offer, as well as the decision to implement the Squeeze-Out Procedures) is not detrimental to the interests of the Company’s general shareholders.

b) Reasons for the Report

- i. For the following reasons, the Transaction contributes to enhancing the corporate value of the Company and the purpose of the Transaction is reasonable.
 - Responding accurately to the long-term changes in the business environment and increasing the Company's corporate value even further will require leveraging the technologies, know-how and resources of the NEC Group, increasing the value provided to customers, and increasing management efficiency through optimal allocation of the NEC Group resources to pursue sustainable growth. Within the existing capital relationship between the Tender Offeror and the Company, however, structural conflicts of interest arise between the Tender Offeror and the Company's general shareholders, and the Tender Offeror has explained to the Company that there are certain limits to the extent which the corporate value of the NEC Group, including the Company, can be maximized by implementing flexible and proactive measures. Additionally, the Company also believes that maintaining the existing capital relationships would place certain restrictions on promoting business relationships, including mutual utilization of management resources between the Tender Offeror and the Company. For this reason, by delisting the Company Shares through the Transaction, eliminating the structural conflict of interest with the Company's general shareholders and enabling the Tender Offeror to invest additional management resources into the Company Group, the synergy effects described below can be generated through the dynamic and steady execution of managerial measures, contributing to further enhancement of the Company's corporate value.
 - (i) Accelerate growth strategies and strengthen competitiveness by leveraging and coordinating the NEC Group's management resources
 - (ii) Reinforce overall capabilities and business foundations (reinforce overall capabilities including ICT platform to industry and business IT and software fields; reinforce business foundations in the social and public infrastructures field; and enhanced presence and position in the industry through business consolidation and management integration to achieve scale and capture market share)
 - (iii) Increasing management efficiency through business collaboration with, and consolidation of functions within, the NEC Group
 - It is expected that with the delisting of shares through the Transaction, there is the possibility of impact on business partners and other stakeholders through the loss in brand strength and loss of motivation of the part of employees. However, even after execution of the Transaction, the NEC Group plans to continue discussions between the Tender Offeror and the Company regarding the Company's management systems with the objective of establishing an appropriate governance system that respects the Company's distinctiveness and creating a framework for maximizing synergy effects within the NEC Group, including the Company. At this time, no decisions have been made concerning changes to the Company's policy on the continued employment of employees or their treatment, or transfers to other NEC Group Companies after execution of the Transaction (however, if in the future it is determined that changes are strategically and reasonably necessary, following discussions with the Company, changes to policies or treatment and transfers may be implemented). Furthermore, as the domestic IT market undergoes growth and structural changes, and securing engineering resources becomes a key issue, the NEC Group's policy is to carefully consider measures that will enhance the Company's branding, while taking the Company's intentions into account, in order to maintain the motivation of its employees. In light of these factors, it is expected that the delisting of shares through the Transaction will be accepted by the Company's business partners, employees and other stakeholders.
- ii. For the reasons given below, the terms and conditions of the Transaction are fair and appropriate.
 - Regarding the acquisition method of the Transaction, a squeeze-out method in which the Tender Offer is implemented as a first step and the Request for Share Transfers or Share Consolidation is implemented as a second step is one of the methods commonly adopted in transactions such as the Transaction, where a company is made an unlisted subsidiary.

Regarding types of consideration, given that the Tender Offeror and the Company have different description of business etc. and some shareholders of the Company may not want to acquire the Tender Offeror shares, it is reasonable to adopt a method of delivering money as consideration.

- In the Company's business plan that served as the basis for the calculation using the DCF Method in the Share Valuation Report (Daiwa Securities) and Share Valuation Report (Plutus Consulting), the level of CAGR will exceed the levels of CAGR from the fiscal year ended March 2020 to the fiscal year ended March 2024, and profitability will improve through changes in sales composition. Nothing unreasonable is recognized in its formulation procedures and details.
 - Nothing unreasonable is recognized in the calculation methods and details (including the selection of the comparable companies in the comparable companies method and calculation of the discount rate and terminal value using the DCF Method) in the Share Valuation Report (Plutus Consulting) and it is considered to be reliable, and the Tender Offer Price is considered to be above the upper limit of the calculation results by Plutus Consulting based on the market share price method and comparable companies method and within the range of the valuation results based on the DCF Method.
 - Nothing unreasonable is recognized in the calculation methods and details (including the selection of the comparable companies in the comparable companies method and calculation of the discount rate and terminal value using the DCF Method) in the Share Valuation Report (Daiwa Securities) and it is considered to be reliable, and the Tender Offer Price is considered to be above the upper limit of the calculation results by Daiwa Securities based on the market price method and comparable companies method and within the range of the valuation results based on the DCF Method.
 - The Tender Offer Price is recognized to include a commensurate premium when compared to past cases similar to this case (16 tender offer and MBO deals for listed subsidiaries undertaken for the purpose of privatization, for which a tender offer was successfully completed in the period from June 28, 2019, where the Ministry of Economy, Trade and Industry released the "Fair M&A Guidelines," until July 31, 2024, where the PBR of the target company was greater than 2).
 - The Special Committee has been substantially involved in the process of discussions and negotiations between the Company and the Tender Offeror regarding the terms and conditions of the Transaction, such as the Tender Offer Price, and it is found that it was first ensured that there were circumstances where reasonable efforts could be made to carry out the Transaction under transaction terms and conditions that are advantageous for general shareholders to the extent possible, that is, circumstances that can be considered the same as an arm's-length transaction, and after that earnest negotiations were conducted.
 - The Special Committee obtained the Fairness Opinion from Plutus Consulting, which states that the Tender Offer Price is a fair price for general shareholders from a financial perspective. Nothing unreasonable is recognized in the procedures and details in the Fairness Opinion, which also supports the reasonableness of the Tender Offer Price.
 - Based on the reasons above, the Tender Offer Price is fair and reasonable. Also, in the Transaction, as described in subsection iii below, given that fair procedures were conducted from the perspective of promoting the interests of general shareholders, that the consideration that will be delivered to the Company's shareholders in the Squeeze-Out Procedures, which is to be based on the same per-share amount as the Tender Offer Price, is also fair and reasonable.
- iii. Based on the reasons below, the Transaction procedures are fair from the perspective of promoting the interests of general shareholders.
- In the Company, the Special Committee has been independent of the NEC Group and the Company Group and is found to have functioned effectively.
 - The Special Committee received expert advice from Nakamura, Tsunoda & Matsumoto as its own legal advisor and Plutus Consulting as its own financial advisor and third-party valuation agency after confirming their independence, expertise and experience, etc.

- The Company received expert advice from Nishimura & Asahi, which was approved as its legal advisor by the Special Committee, and Daiwa Securities, which was approved as financial advisor and third-party valuation agency by the Special Committee after confirmation of their independence, expertise and experience, etc.
 - The Special Committee obtained the Share Valuation Report (Plutus Consulting) and Fairness Opinion from Plutus Consulting, its third-party valuation agency.
 - The Company obtained the Share Valuation Report (Daiwa Securities) from Daiwa Securities, its third-party valuation agency.
 - The Company built an internal framework to consider, negotiate etc. concerning the Transaction, independent of the NEC Group other than the Company Group and obtained confirmation and approval by the Special Committee. Also, directors Mr. Hiroto Sugahara and Ms. Noriko Ito, who are concurrently employees of the Tender Offeror, and director Mr. Junji Ashida, who worked at the Tender Offeror in the past, have not participated in any Board of Directors deliberations or resolutions regarding the Transaction (as for Mr. Ashida, excluding the Board of Directors meeting concerning the establishment of the Special Committee) and have not participated on behalf of the Company in any discussions or negotiations with the Tender Offeror. Further, corporate auditor Mr. Yohei Otani, who worked at the Tender Offeror until seven years ago, has not participated in any of the deliberations or resolutions regarding the Transaction at Board of Directors meetings held since the meeting regarding establishment of the Special Committee and he has not expressed an opinion during these Board of Directors resolutions.
 - In the Transaction, the Tender Offer Period of the Tender Offer is set at 30 business days, which is longer than the statutory minimum, and because the Company has not made agreements, etc. with the Tender Offeror restricting the Company from contacting competing offerors, etc., an opportunity for a competing offer by other offerors is ensured.
 - In the Tender Offer, no majority of minority condition is planned to be set, but because the Tender Offeror owns a majority of the Company Shares, if a majority of minority condition is set in the Transaction, this would enable a shareholder to impede the successful conclusion of the Tender Offer with a relatively small number of shares and make the successful completion of the Tender Offer uncertain and, rather, may not be in the interests of general shareholders who wish to tender their shares in the Tender Offer, and the Company has put in place sufficient other measures to ensure the fairness of the Transaction; thus, not setting a majority of minority condition does not impair the fairness of the Tender Offer procedures.
 - It is found that under the Tender Offer, it is planned to ensure that general shareholders have an opportunity to make an appropriate decision on the Tender Offer based on sufficient information.
 - In the Transaction, during the Squeeze-Out Procedures, no scheme will be employed under which the right to request the purchase of shares or right to file a petition for determination of the price of shares for shareholders who do not tender their shares is not ensured; the Squeeze-Out Procedure will be implemented promptly after the completion of the Tender Offer, and, further, it is expected that in the Squeeze-Out Procedures, the amount of money to be delivered to shareholders who do not tender shares in the Tender Offer will be determined based on a per-share price that is the same as the Tender Offer Price; and it is planned to make disclosure to that effect. For these reasons, it is found that practical measures that are desirable for the purpose of eliminating coercion have been implemented and coercion has been eliminated.
- iv. As described in subsection i above, the Transaction contributes to enhancing the corporate value of the Company and the purpose of the Transaction is reasonable; as described in subsection ii above, the reasonableness of the Tender Offer Price and other terms and conditions for the Transaction has been ensured; and as described in subsection iii above, the Transaction procedures are fair from the perspective of promoting the interests of general shareholders; thus, it is appropriate for the Board of Directors to express an opinion supporting the Tender Offer and recommending the Company's shareholders tender their shares in the Tender Offer.

- v. As described in subsection i above, the Transaction contributes to enhancing the corporate value of the Company and the purpose of the Transaction is reasonable; as described in subsection ii above, the reasonableness of the Tender Offer Price and other terms and conditions for the Transaction has been ensured, and as described in subsection iii above, the Transaction procedures are fair from the perspective of promoting the interests of general shareholders; thus, it is appropriate for the Board of Directors to express an opinion supporting the Tender Offer and recommending the Company's shareholders tender their shares in the Tender Offer, and if after the successful completion of the Tender Offer, the Board of Directors decides to implement the Squeeze-Out Procedures Offer in order to make the Tender Offeror the sole shareholder of the Company, this will not be detrimental to the general shareholders of the Company.

Subsequently, the Company received from the Tender Offeror a proposal of the Change in the Minimum Number of Shares to Be Acquired, and on December 16, 2024, inquired of the Special Committee whether, even on the assumption of the Change in the Minimum Number of Shares to Be Acquired, the content of the above report could be maintained; the Special Committee met on December 16 and 19, 2024, and then, on December 19, submitted an additional report that concluded that in light of the fact that the Change in the Tender Offer Price would be implemented together with the Change in the Minimum Number of Shares to Be Acquired, the content of the above report could be maintained even on the assumption of the Change in the Minimum Number of Shares to Be Acquired. The content of such additional report is as follows.

- i. The Change in Terms of Tender Offer will have no impact on the purpose of the Transaction, and since October 28, 2024, no circumstances have arisen that would have a material impact on the judgment of whether the Transaction will contribute to the enhancement of the Company's corporate value. Therefore, even after the Change in Terms of Tender Offer, it is believed that the Transaction will contribute to the enhancement of the Company's corporate value, the purpose of the Change in Terms of Tender Offer is reasonable, and the Change in Terms of Tender Offer will be carried out with the legitimate objective of increasing the likelihood of the successful completion of the Transaction.
- ii. For the following reasons, the transaction conditions for the Transaction are thought to remain fair and appropriate, even after the Change in Terms of Tender Offer.
 - The Change in Terms of Tender Offer will not change the type of consideration for the purchase or fundamentally change the method of the Transaction. It is believed that the method of the Transaction and the type of consideration for the purchase will remain appropriate even after the Change in Terms of Tender Offer.
 - Since October 28, 2024, there has been no change to the Company's business plan which the Company prepared, and which was the basis for the share valuation calculations. The Share Valuation Report (Plutus Consulting), the Fairness Opinion and the Share Valuation Report (Daiwa Securities) remain valid.
 - Because there have been no material changes to conditions that would have an impact on the Company's corporate value since October 28, 2024, it is believed that there has been no change to the intrinsic value of the Company even after the announcement of the Transaction.
 - Accordingly, it is believed that the Tender Offer Price of 3,250 yen remains fair and appropriate, but from the perspective of implementing the Transaction under the most favorable conditions possible for the general shareholders of the Company, negotiations were held with the Tender Offeror with the goal of increasing the Tender Offer Price to 3,330 yen, an amount exceeding 3,325 yen, the highest closing price for the Company Shares during the commencement of the Tender Offer Period to December 17, 2024, and as a result of these negotiations, the Tender Offer Price was increased.
- iii. For the following reasons, even though, in the Transaction following the Change in Terms of Tender Offer, there will continue to be no majority of minority conditions set, sufficient other measures to ensure fairness have been implemented, and thus it is considered that procedures

are being implemented that are fair from the perspective of protecting the interests of general shareholders.

- It is found that in the consideration of the Change in Terms of Tender Offer, the independent Special Committee functioned effectively.
 - It is found that the Special Committee and the Company have obtained the expert advice of outside experts in their consideration of the Change in Terms of Tender Offer.
 - It is found that the share valuation reports etc. obtained from expert independent third-party valuation organizations remain valid in the consideration of transaction conditions for the Transaction following the Change in Terms of Tender Offer.
 - It is found that the Company excluded directors etc. having interests to the extent possible from the consideration and negotiation processes regarding the Change in Terms of Tender Offer, and that a framework has been maintained that enables consideration and negotiations etc. to take place from a position independent from the NEC Group other than the Company Group.
 - It is found that even after the Change in Terms of Tender Offer, an indirect market check will continue to function in the form of the implementation of an M&A transaction where facts relating to the M&A transaction are publicly announced and an environment is built where after such announcement other potential acquirers can make competing acquisition offers.
 - It is planned that, with the Change in the Minimum Number of Shares to Be Acquired, the minimum number of shares to be acquired will be decreased. This is not contrary to the purport of the Ministry of Economy, Trade and Industry's "Fair M&A Guidelines: Enhancing Corporate Value and Securing Shareholders' Interests" dated June 28, 2019. Even if there is a possibility that the level of fairness falls compared to a case where a minimum of two thirds was maintained with the Change in the Minimum Number of Shares to Be Acquired, fairness will be complemented by implementing the Change in the Tender Offer Price together with the Change in the Minimum Number of Shares to Be Acquired, and the Company has also implemented sufficient measures to ensure the fairness of the Transaction. Therefore, it is believed that fairness will not be impaired.
 - It is found that according to drafts of the Press Releases Expressing the Company's Opinion etc., it is planned to ensure that in regards to the Transaction, general shareholders continue to have the opportunity to make appropriate judgments based on sufficient information.
 - Even after the Change in the Minimum Number of Shares to Be Acquired, no scheme will be adopted that fails to secure the right for shareholders who do not tender their shares in the Tender Offer to demand the purchase of shares or to petition for the determination of share price. It is believed that the likelihood of the Company not going private if the Tender Offer is successfully completed is substantially low, and detailed disclosures to the shareholders of the Company are planned. Given the foregoing, it is believed that even after the Change in the Minimum Number of Shares to Be Acquired, coercion has been eliminated.
- iv. As discussed in i above, the purpose of the Transaction is considered to remain reasonable even after the Change in Terms of Tender Offer; as discussed in ii above, the Tender Offer Price and other transaction conditions for the Transaction following the Change in Terms of Tender Offer are considered to be fair and appropriate even after the Change in Terms of Tender Offer; as discussed in iii above, it is considered that even after the Change in Terms of Tender Offer procedures will be implemented that are fair from the perspective of protecting the interests of general shareholders; for these reasons, it is considered to be appropriate for the Company's Board of Directors to support the Tender Offer and to recommend to shareholders of the Company that they tender their shares in the Tender Offer.
- v. As discussed in i above, the purpose of the Transaction is considered to remain reasonable even after the Change in Terms of Tender Offer; as discussed in ii above, the tender offer price and other transaction conditions for the Transaction following the Change in Terms of Tender Offer are considered to be fair and appropriate even after the Change in Terms of Tender Offer; as discussed in iii above, it is considered that even after the Change in Terms of Tender Offer procedures will be implemented that are fair from the perspective of protecting the interests

of general shareholders; for these reasons, it is considered that it would not be detrimental to general shareholders of the Company if the Company's Board of Directors supported the Tender Offer and recommended to shareholders of the Company that they tender their shares in the Tender Offer. Further, if after the Tender Offer is completed, the Company's Board of Directors decides to implement the Squeeze-Out Procedures so that the Tender Offeror becomes the sole shareholder of the Company, this would not be detrimental to general shareholders of the Company. It should be noted that in a case where the specifics of the method of Additional Acquisition (Note 9) are decided and such method constitutes a material transaction with a controlling shareholder or where otherwise necessary, the Special Committee will meet again to consider the matter.

(Note 9) "Additional Acquisition" refers to the additional acquisition of the Company Shares by the Tender Offeror in order to take the Company Shares private by any method reasonably and practically available for the Tender Offeror, including acquisitions in and outside the market, as soon as practicable until reaching a level where the proposal regarding the Share Consolidation can be practically approved at the shareholders' meeting of the Company, in the case that the number of voting rights for the Company Shares effectively owned by the Tender Offeror falls below two thirds (2/3) of the total number of voting rights held by all shareholders of the Company after the completion of the Tender Offer.

[4] Procurement by the Special Committee of share valuation report and fairness opinion from independent third-party valuation agency

(i) Name of the valuation agency and its relationship with the Company and the Tender Offeror

As the Special Committee prepared to examine the Consultation Matters, to ensure the fairness of the conditions of the Transaction, including the Tender Offer Price, the Special Committee asked Plutus Consulting, a financial advisor and third-party valuation agency independent from the NEC Group and the Company Group, to calculate the value of the Company Shares, perform an accompanying analysis of finances, and express an opinion on the fairness of the Tender Offer Price (Fairness Opinion), and obtained the Share Valuation Report (Plutus Consulting) dated October 28, 2024.

As set forth in "1. Reasons for Share Consolidation" above when the Company's Board of Directors received the Report from the Special Committee on October 28, 2024, it also received the Share Valuation Report (Plutus Consulting) and the Fairness Opinion, and the content of the foregoing was taken into consideration when the Board of Directors passed the resolution as set forth below in "[8] Approval of all Directors without an interest in the Company and opinion stating that there are no objections from all Corporate Auditors without an interest in the Company."

Plutus Consulting is not a related party of the Tender Offeror or the Company and does not have a material interest in the Transaction, including the Tender Offer. As discussed in "[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee" above, the Special Committee examined the independence, expertise, and experience, etc. of multiple candidates to serve as its financial advisor and third-party valuation agency before appointing Plutus Consulting as its own financial advisor and third-party valuation agency. Further, the compensation to be paid to Plutus Consulting in relation to the Transaction is a flat fee that will be paid regardless of whether the Transaction is consummated, and does not include a contingent fee.

(ii) Summary of valuation of the Company Shares

Plutus Consulting adopted the thinking that, for the Tender Offer, it is appropriate to consider valuation methods to be used in valuing the Company Shares from among several valuation methods, and value the Company Shares from multiple perspectives with the assumption that the Company is a going concern; based on this philosophy, Plutus Consulting used the following as its valuation methods: the market price method, as the Company Shares Common Stock is listed on the Tokyo Stock Exchange Prime Market; the comparable companies method, as there are multiple public companies comparable to the Company and it is possible to infer the value of the Company Shares

through such comparison; and the DCF Method, in order to reflect the Company's future business activities in the valuation.

According to the Share Valuation Report (Plutus Consulting), the range of the per-share value of the Company Shares calculated using each of the methods above is as follows.

Market Price Method:	2,520 yen to 2,711 yen
Comparable Companies Method:	2,252 yen to 3,060 yen
DCF Method:	2,540 yen to 4,297 yen

For the valuation using the market price method, October 28, 2024 was set as the base date, and based on the Company Shares' closing price of 2,675 yen on the Tokyo Stock Exchange Prime Market on the base date, the simple average closing price of 2,711 yen during the preceding month (from September 30, 2024 to October 28, 2024), the simple average closing price of 2,659 yen during the preceding three months (from July 29, 2024 to October 28, 2024), and the simple average closing price of 2,520 yen during the preceding six months (from April 30, 2024 to October 28, 2024), the per-share value of the Company Shares was calculated to be in the range between 2,520 yen and 2,711 yen.

For the valuation using the comparable companies method, Plutus Consulting selected EXIO Group, Inc., COMSYS Holdings Corporation, MIRAIT ONE Corporation, SCSK Corporation, BIPROGY Inc., NS Solutions Corporation, and Net One Systems Co., Ltd., as listed companies, whose businesses are considered relatively similar to that of the Company. Then, Plutus Consulting calculated the per-share value range of the Company Shares to be between 2,252 yen and 3,060 yen by employing the multiples of EBIT and EBITDA against the corporate value of those companies.

For the valuation using the DCF Method, based on the business forecast prepared by the Company and taking into account factors such as the earnings forecast and investment plans set out in the business plan for 5 fiscal years (from the fiscal year ending March 2025 to the fiscal year ending March 2029), as well as publicly available information, Plutus Consulting analyzed the Company's enterprise value and share value by discounting the free cash flow the Company is expected to generate during and after the third quarter of the fiscal year ending March 2025 to present value at a certain discount rate; this calculation led to a range between 2,540 yen and 4,297 yen as the per-share value of the Company Shares. Plutus Consulting applied a discount rate of 6.72% to 9.44% and used the perpetual growth rate model and the multiple models for calculation of the terminal value. The perpetual growth rate was set at 0%, the multiple rates are EBIT and EBITDA and each of the multiple rates used to value the Company Shares were 11.4x to 13.7x and 8.5x to 10.3x.

The financial forecast used as the basis for the analysis under the DCF Method is as set forth below, and no significant increase or decrease in profit or significant increase or decrease in free cash flow is projected. Further, the financial forecast below does not take into account the anticipated synergy effects from the implementation of the Transaction, other than the effect of reducing costs associated with maintaining its listing, due to the difficulty of forecasting specific effects at this point in time.

The figures for the Company's financial forecasts that were the basis for calculation under the DCF Method are as follows.

(Billions of yen)

	FY ending March 2025 (six months)	FY ending March 2026	FY ending March 2027	FY ending March 2028	FY ending March 2029
Revenue	193.0	380.6	400.9	425.2	452.4
Operating Profit	21.2	32.6	37.9	43.5	49.3
EBITDA	22.8	36.3	41.5	47.0	52.8
Free Cash Flow	(3.6)	19.7	22.0	24.9	28.2

When calculating the value of the Company Shares, Plutus Consulting, as a rule, used the information provided by the Company and publicly available information, etc. as is, assuming all such materials and information, etc. to be accurate and complete, and did not make an independent verification of their accuracy or completeness. Further, Plutus Consulting did not independently evaluate or assess the Company's assets or liabilities (including off-balance sheet assets and liabilities and other contingent liabilities) or request that a third-party agency appraise or assess such assets or liabilities. In addition, Plutus Consulting assumes that the information relating to the Company's financial forecasts were reasonably prepared based on the best estimates and judgments available to the Company's management team as of the time of calculation. However, regarding the Company's business plan, which forms the basis for the calculation, Plutus Consulting has analyzed and studied the content of such plan through multiple interview sessions with the Company. Further, as described above in "[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee," the Special Committee has verified the reasonableness of its content, the material assumptions, and the drafting process.

(iii) Summary of the Fairness Opinion

The Special Committee received from Plutus Consulting on October 28, 2024 a Fairness Opinion to the effect that the Tender Offer Price of 3,250 yen per share is fair to the holders of the Company Shares (other than the Tender Offeror) from a financial perspective (Note 10). The Fairness Opinion thus expresses that, in light of the valuation, etc. of the Company Shares based on the business plan prepared by the Company, the Tender Offer Price of 3,250 yen per share is fair to the Company's general shareholders from a financial perspective. Plutus Consulting issued the Fairness Opinion following valuation of the Company Shares after the Company disclosed and explained to Plutus Consulting the current status of the Company Group's businesses and the business forecast, etc. and after undergoing a process consisting of question-and-answer sessions with the Company regarding the overview, background, and purpose of the Tender Offer, analysis of the Company Group's business environment, and the economic, market and financial situation to the extent it deemed necessary, and a review by an examination board at Plutus Consulting independent of the engagement team.

(Note 10) In preparing and submitting the Fairness Opinion and performing the share valuation underlying it, Plutus Consulting relied on information and basic materials provided by or discussed with the Company, as well as publicly available materials, on the assumption that they were accurate and complete and that any and all facts that could materially affect the analysis and evaluation of the value of the Company Shares were disclosed to Plutus Consulting. Plutus Consulting did not independently investigate or verify the information and materials, nor is it obligated to do so.

Plutus Consulting assumed that the Company's business forecast and other materials used as the basis for the Fairness Opinion had been reasonably prepared by the Company's management based on the best estimates and judgments available as of such point in time, and Plutus Consulting does not guarantee their feasibility. Further, Plutus Consulting expresses no view on the analysis or forecasts on which its preparation is based, or the premises that served as the grounds therefor.

Plutus Consulting did not independently evaluate or assess the Company and its affiliated companies' assets or liabilities (including off-balance sheet assets and liabilities and other contingent liabilities) or request that a third-party agency appraise or assess such assets or liabilities. Therefore, Plutus Consulting makes no evaluation of the payment ability of the Company and its related companies.

Plutus Consulting is not a professional agency for law, accounting, or tax matters. Therefore, Plutus Consulting states no opinion regarding any issues of law, accounting, or tax, and bears no duty to do so.

The Fairness Opinion was prepared for the purpose of consideration by the Special Committee when making a report regarding the matters commissioned by the Company, and it expresses an opinion from a financial perspective regarding the fairness of the Tender Offer Price. Therefore, the Fairness Opinion states no opinion regarding the superiority or inferiority of the Tender Offer to alternative options, any benefits the Tender Offer might bring about, or the advisability of executing the Tender Offer.

The Fairness Opinion expresses Plutus Consulting's opinion as of the preparation date as to whether the Tender Offer Price is fair to the Company's general shareholders from a financial point of view, based on financial and capital markets, economic conditions, and other circumstances as of the preparation date, as well as the information available to Plutus Consulting up to the preparation date; and even if the content of the Fairness Opinion may be affected by any subsequent changes in these conditions, Plutus Consulting has no obligation to amend, change, or supplement the Fairness Opinion. Moreover, the Fairness Opinion does not suggest or imply any opinion other than the matters expressly stated therein, or with respect to any matter on or after the date of submission of the Fairness Opinion.

Plutus Consulting makes no solicitation for investment, etc. in the Company, nor is it authorized to do so. The Fairness Opinion merely expresses the opinion that the Tender Offer Price is fair, and not disadvantageous, to the Company's general shareholders from a financial point of view, and does not express any opinion or make recommendations regarding the propriety of implementation of the Tender Offer or the tendering or other actions with respect to the Tender Offer, nor state any opinion to the holders of the Company's securities, creditors or other related parties. Therefore, Plutus Consulting owes no liability to any shareholder or third party that may rely on this Fairness Opinion.

The Fairness Opinion was provided by Plutus Consulting to be used as a basis for decisions to be made by the Company's Board of Directors and the Special Committee regarding the Tender Offer Price, and is not to be relied upon by any other party.

[5] Procurement by the Special Committee of advice from an independent legal advisor

As discussed above in "[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee," the Special Committee retained Nakamura, Tsunoda & Matsumoto as its legal advisor independent of the NEC Group and the Company Group, and received legal advice on such matters as measures to ensure fairness in the Transaction processes and on the deliberation methods and processes, etc. for the Special Committee on the Transaction.

Nakamura, Tsunoda & Matsumoto is not a related party of the Tender Offeror or the Company and has no material interest in the Transaction, including the Tender Offer. Please refer to "(ii) Consideration process" under "[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee" above for further information on Nakamura, Tsunoda & Matsumoto's independence.

[6] Procurement by the Company of advice from an independent legal advisor

As discussed above in "1. Reasons for Share Consolidation," the Company retained Nishimura & Asahi as its legal advisor independent of the NEC Group and the Company Group, and received legal advice on such matters as the measures to ensure fairness in the Transaction process, the various processes relating to the Transaction, and the method and process of decision-making by the Company in regards to the Transaction.

Nishimura & Asahi is not a related party of the Tender Offeror or the Company and has no material interest in the Transaction, including the Tender Offer.

[7] Construction of a framework for independent consideration by the Company

As discussed above in "1. Reasons for Share Consolidation," the Company constructed an internal framework for considering, negotiating, and making determinations regarding the Transaction independently of the NEC Group other than the Company Group. Since the time the Company received from the Tender Offeror an initial opinion regarding the Transaction and the NEC group Reorganization on July 25, 2024, except for the involvement of two secondees from the Tender Offeror and three individuals who used to work at the Tender Offeror (including Mr. Junji Ashida, a director) (limited to those who worked at the Tender Offeror within the past ten years; hereinafter the same), the Company has excluded both Company officers and employees who now concurrently hold a position as officer or employee of a company in the NEC Group other than the Company Group, as well as any who held such

a position any time in the past 10 years held, from the process of negotiating the terms of the Transaction between the Company and the Tender Offeror, including the Tender Offer Price, and the process of drafting the business plan, which is used as a basis for the valuation of the Company Shares, in order to eliminate any structural conflicts of interest.

Specifically, Yushi Ushijima, the Company's Chairman of the Board and CEO, was made project leader, and under his leadership, two internal working groups were formed: a working group for considering the significance of implementing the Transaction, the method of implementation, the Tender Offer Price and other transaction conditions and for considering the negotiation stance vis-à-vis the Tender Offeror ("Capital Policy Working Group"), and a working group for considering business expansion utilizing NEC Group assets in the event the Transaction is executed and qualitative synergies anticipated from the Transaction, as well as both internal and external announcements ("Vision Consideration Working Group"); and under this framework the Company has considered the Transaction.

No Company officers who currently concurrently serve as an officer of an NEC Group Company other than the Company Group is involved in either working group, and except for one person in the Capital Policy Working Group who left the Tender Offeror seven years ago and whose involvement was necessary from the perspective of drafting a business plan, no person who in the past 10 years was an officer of an NEC Group Company other than the Company Group is involved in either working group.

Meanwhile, Junji Ashida, a director of the Company, is involved in the Vision Consideration Working Group. Mr. Ashida worked at the Tender Offeror in the past, but given that (i) he is not currently an officer or employee of the Tender Offeror and is not in a position to take instructions from the Tender Offeror; (ii) he has no plans to return to the Tender Offeror and otherwise has no interests in the Tender Offeror that would cause suspicions regarding his independence from the Tender Offeror; (iii) he is essential and irreplaceable for the consideration of the business expansion utilizing NEC Group assets and qualitative synergies anticipated from the Transaction; and (iv) the matters that the Vision Consideration Working Group is charged with considering are matters where, given their nature, the issue of structural conflicts of interests is less likely to impact the interests of general shareholders, it was decided that Mr. Ashida would not be involved in the negotiation process concerning transactional terms of the Transaction, but would be involved in the Vision Consideration Working Group.

Further, the two secondees from the Tender Offeror and one person who used to work at the Tender Offeror are not involved in the Capital Policy Working Group or the Vision Consideration Working Group, but, as instructed by the relevant groups, assist to the minimum extent necessary. None of them are involved with negotiations relating to the terms of the Transaction and drafting of the business plan.

The internal framework that the Company built for considering the Transaction (including the scope of the Company officers and employees involved in consideration of, negotiations for, and determinations regarding the Transaction, and their duties), including the handling described above, was built on the advice of Nishimura & Asahi, and the Special Committee has given its approval that there are no problems from the perspective of independence and fairness.

[8] Approval of all Directors without an interest in the Company and opinion stating that there are no objections from all Corporate Auditors without an interest in the Company

As discussed above in "1. Reasons for Share Consolidation," the Company's Board of Directors, taking into account the legal advice received from Nishimura & Asahi, the advice from a financial perspective received from Daiwa Securities and the Share Valuation Report (Daiwa Securities), as well as the Share Valuation Report (Plutus Consulting) and Fairness Opinion, submitted through the Special Committee, and respecting to the maximum extent possible the judgment of the Special Committee indicated in the Report, seriously deliberated and considered whether the Transaction, including the Tender Offer, would contribute to the enhancement of the Company's corporate value and whether the Tender Offer Price and the transactional terms of the Transaction were reasonable.

As a result, as discussed above in "1. Reasons for Share Consolidation," the Company determined that the Transaction would contribute to enhancing the Company's corporate value and that the Tender Offer Price and other transaction conditions were reasonable, and at the meeting of the Board of Directors of the Company held on October 29, 2024, all of the Company directors participating in the deliberations

and resolutions unanimously adopted a resolution to express an opinion in support of the Tender Offer and to recommend that all shareholders of the Company tender their shares in the Tender Offer.

Subsequently, as discussed above in “1. Reasons for Share Consolidation,” in response to the Tender Offeror’s decision of the Change in Terms of Tender Offer, at the meeting of the Board of Directors of the Company held on December 20, 2024, all of the Company directors participating in the deliberations and resolutions unanimously adopted a resolution to maintain its opinion in support of the Tender Offer and to continue to recommend that all shareholders of the Company tender their shares in the Tender Offer, despite the Change in Terms of Tender Offer.

At the above meetings of the Board of Directors of the Company held on October 29, 2024 and December 20, 2024, the six directors other than Mr. Hiroto Sugahara, Ms. Noriko Ito, and Mr. Junji Ashida passed the above resolution unanimously. Mr. Sugahara and Ms. Ito are concurrently employees of the Tender Offeror and Mr. Ashida used to work at the Tender Offeror in the past; in light of this, from the perspective of eliminating the danger of any impact on deliberations and resolutions at the Board of Directors from the issue of the structural conflicts of interest inherent in the Transaction and the issue of information asymmetry, these three have not participated in any Board of Directors deliberations or resolutions regarding the Transaction, including the above Board of Directors meetings held on October 29, 2024 and December 20, 2024, and have not participated on behalf of the Company in any discussions or negotiations with the Tender Offeror. While Mr. Ashida did participate in the Board of Directors meeting concerning the establishment of the Special Committee, in light of the deliberations at the Special Committee and from the perspective of taking a more conservative approach, he has not participated in any of the deliberations or resolutions regarding the Transaction at Board of Directors meetings held since the meeting regarding establishment of the Special Committee (including the above Board of Directors meetings held on October 29, 2024 and December 20, 2024) and has not participated on behalf of the Company in any discussions and negotiations with the Tender Offeror.

Further, at the above Board of Directors meeting held on October 29, 2024 and December 20, 2024, all three corporate auditors other than Mr. Yohei Otani expressed their opinion that they had no objection to the above resolution. While Mr. Otani did participate in the Board of Directors meeting concerning the establishment of the Special Committee, in light of the fact that he worked at the Tender Offeror until seven years ago, the deliberations at the Special Committee and from the perspective of taking a more conservative approach, he has not participated in any of the deliberations or resolutions regarding the Transaction at Board of Directors meetings held since the meeting regarding establishment of the Special Committee (including the above Board of Directors meetings held on October 29, 2024 and December 20, 2024), and he has not expressed an opinion during these Board of Director resolutions.

[9] Non-existence of deal protection provisions

The Company and the Tender Offeror have entered into no agreements to restrict bidders other than the Tender Offeror (the “Competing Bidders”) from contacting the Company, such as deal protection provisions prohibiting the Company from contacting the Competing Bidders, and the Tender Offeror and the Company have been mindful of not preventing any opportunities for a competing offer, and as such, considered ensuring the fairness of the Tender Offer.

[10] Measures to ensure that the shareholders of the Company have the opportunity to make appropriate decisions on whether or not to tender their shares in the Tender Offer

As described in “(5) Policy for organizational restructuring after Tender Offer (matters relating to two-step acquisition)” under “3. Details, Basis and Reasons for the Opinion Regarding the Tender Offer” in the Press Releases Expressing the Company’s Opinion, (A) The Tender Offeror intends to, promptly after the completion of the settlement of the Tender Offer, depending on the number of shares to be acquired by the Tender Offeror through completion of the Tender Offer, make a Request for Share Transfers for all of the Company Shares, or request the Company to hold the Extraordinary Shareholders’ Meeting for which agenda items include the following proposals: (i) to conduct the Share Consolidation, and (ii) to make a partial amendment to the Company’s Articles of Incorporation that would abolish the provision regarding the number of shares constituting one unit of shares subject to the Share Consolidation taking effect. The Tender Offeror will not adopt a method that does not secure the right to request the purchase

of shares or the right to petition for the determination of price of the shares for the shareholders of the Company; and (B) The Tender Offeror has made it clear that, in the event of the Request for Share Transfers or the Share Consolidation, the amount of money to be delivered to the shareholders of the Company as consideration will be calculated to be equal to the Tender Offer Price multiplied by the number of the Company Shares held by each such shareholder (excluding the Tender Offeror). As such, the Tender Offeror is ensuring that the shareholders of the Company have the opportunity to make an appropriate decision as to whether or not to tender their shares in the Tender Offer, and is taking care to ensure that no coercion is involved.

In addition, the Tender Offeror set the Tender Offer Period to 47 business days, while the minimum period required for a tender offer under the relevant laws is 20 business days. By setting the Tender Offer Period longer than the shortest period under the relevant laws, the Tender Offeror ensured opportunities for the shareholders of the Company to make proper decisions whether to tender their shares. At the same time, the Tender Offeror intended to ensure the fairness of the Tender Offer Price by ensuring opportunities for bidders other than the Tender Offeror to conduct counter offers in respect of the Company Shares.

4. Disposition of material assets, assumption of material liabilities and other events significantly affecting the status of company's assets that occurred to the Company after the end of the final business year

(1) The Tender Offer

As discussed above in "1. Reasons for Share Consolidation," the Tender Offeror conducted the Tender Offer from October 30, 2024 to January 10, 2025, and as a result, the Tender Offeror has come to own 1,100,965 voting rights (Ownership Ratio: 73.90%) represented by shares held by the Company as of January 20, 2025 (the commencement date of settlement of the Tender Offer).

(2) No dividends from surpluses

As announced in the "Notice of Revision of Forecast for Year-End Dividends for the Fiscal Year Ending March 2025 (No Dividends)" dated October 29, 2024, the Company resolved at a meeting of the Board of Directors held on the same day to not pay any year-end dividends for the fiscal year ending March 31, 2025. For details, please refer to the contents of the relevant announcement.

(3) Cancellation of treasury stock

The Company resolved at a meeting of the Board of Directors held on January 30, 2025 to cancel all treasury stock held by the Company as of March 24, 2025 (including 3,750 shares of restricted stock allocated to four (4) directors of the Company as restricted stock compensation, which the Company plans to acquire without consideration on the same date). In addition, the number of treasury stock held by the Company as of January 20, 2025 was 343,211 shares. The cancellation of treasury stock is subject to approval of the proposal for the Share Consolidation as originally proposed at this Extraordinary Shareholders' Meeting.

Proposal 2: Partial Amendment to the Articles of Incorporation

1. Reasons for proposal

- (1) If Proposal 1 is approved and passed as originally proposed and the Share Consolidation takes effect, the total number of authorized shares of the Company’s common stock will be reduced to three (3) shares in accordance with Article 182, Paragraph 2 of the Companies Act. In order to clarify this point, the Company proposes that Article 6 (Total Number of Shares Authorized to Be Issued) of the Articles of Incorporation shall be amended, subject to the Share Consolidation coming into effect.
- (2) If Proposal 1 is approved and passed as originally proposed and the Share Consolidation takes effect, the total number of issued shares of the Company will be three (3) shares, and there will be no need to determine the share unit. Therefore, the Company proposes that subject to the Share Consolidation coming into effect, in order to abolish the provisions concerning the share unit of the Company’s common stock, which is currently 100 shares per unit, the entire text of Article 7 (Number of Shares Constituting One Trading Unit of Shares), Article 8 (Rights for Shares Constituting Less Than One Trading Unit) and Article 9 (Request by a Shareholder for Sale of Shares Constituting Less Than One Trading Unit) of the Articles of Incorporation shall be deleted, and the article numbers shall be renumbered accordingly.
- (3) If Proposal 1 is approved and passed as originally proposed and the Share Consolidation takes effect, the common stock of the Company will be delisted. Therefore, the provisions regarding the general meeting of shareholders without a designated location (so-called virtual-only general meeting of shareholders) based on the Act for Partially Amending the Act on Strengthening Industrial Competitiveness and Other Related Laws and Regulations (Act No. 70 of 2021) will no longer be necessary. Accordingly, the Company proposes that Article 12 (Convocation), Paragraph 3 of the Articles of Incorporation shall be deleted, subject to the Share Consolidation coming into effect.
- (4) If Proposal 1 is approved and passed as originally proposed and the Share Consolidation takes effect, the Company’s common stock will be delisted and only the Tender Offeror will hold one or more shares of the Company’s common stock. Therefore, the provisions concerning the system for providing reference documents for the general meeting of shareholders in electronic format will no longer be necessary. Accordingly, the Company proposes that the entire text of Article 15 (Measures, etc. for Providing Information in Electronic Format) of the Articles of Incorporation shall be deleted, and the article numbers shall be renumbered accordingly, subject to the Share Consolidation coming into effect.

2. Details of amendment

Details of the amendment are as follows. The amendment to the Articles of Incorporation pertaining to this proposal will take effect on March 25, 2025, the effective date of the Share Consolidation, provided that Proposal 1 is approved and passed as originally proposed at this Extraordinary Shareholders’ Meeting and the Share Consolidation takes effect.

(Underline indicates amendment)

Current Articles of Incorporation	Proposed amendments
<p>(Total Number of Shares Authorized to Be Issued) Article 6 The total number of shares authorized to be issued by the Company shall be <u>three hundred million (300,000,000)</u>.</p>	<p>(Total Number of Shares Authorized to Be Issued) Article 6 The total number of shares authorized to be issued by the Company shall be <u>three (3)</u>.</p>
<p><u>(Number of Shares Constituting One Trading Unit of Shares)</u> Article 7 <u>The number of shares constituting one trading unit of shares of the Company shall be one hundred (100)</u>.</p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
<p><u>(Rights for Shares Constituting Less Than One Trading Unit)</u> <u>Article 8</u> A shareholder of the Company may not exercise any rights, except for the following rights, with respect to shares constituting less than one trading unit held by that shareholder: (1) The rights provided for in each item of Article 189, Paragraph 2 of the Corporation Law; (2) The right to claim as provided for in Article 166, Paragraph 1 of the Corporation Law; (3) The right to receive an allotment of offered shares and offered stock acquisition rights in proportion to the number of shares held; and (4) The right to make a request as provided for in the next following Article.</p>	(Deleted)
<p><u>(Request by a Shareholder for Sale of Shares Constituting Less Than One Trading Unit)</u> <u>Article 9</u> A shareholder of the Company may, pursuant to the provisions of the Share Handling Regulations of the Company, request the Company sell to that shareholder such number of shares as, together with the shares constituting less than one trading unit held by that shareholder, would constitute one trading unit of shares.</p>	(Deleted)
<p>Article <u>10</u> - Article <u>11</u> (Omitted)</p>	<p>Article <u>7</u> - Article <u>8</u> (Unchanged)</p>
<p>(Convocation) Article <u>12</u></p> <ol style="list-style-type: none"> 1. An ordinary general meeting of shareholders shall be convened in June of each year and an extraordinary general meeting of shareholders shall be convened whenever necessary. 2. A general meeting of shareholders shall be convened by the Representative Director elected by the Board of Directors pursuant to a resolution of the Board of Directors unless otherwise provided by relevant laws and regulations and in cases where the Representative Director is unable to act, the meeting shall be convened by another Director in accordance with the order previously determined by the Board of Directors. <u>3. The Company may hold a general meeting of shareholders without a designated location for the meeting.</u> 	<p>(Convocation) Article <u>9</u></p> <ol style="list-style-type: none"> 1. (Unchanged) 2. (Unchanged) <p>(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
<p>Article <u>13</u> - Article <u>14</u> (Omitted)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>Article15</u></p> <ol style="list-style-type: none"> 1. <u>In convening a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> 2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u> <p>Article <u>16</u> - Article <u>36</u> (Omitted)</p>	<p>Article <u>10</u> - Article <u>11</u> (Unchanged)</p> <p>(Deleted)</p> <p>Article <u>12</u> - Article <u>32</u> (Unchanged)</p>