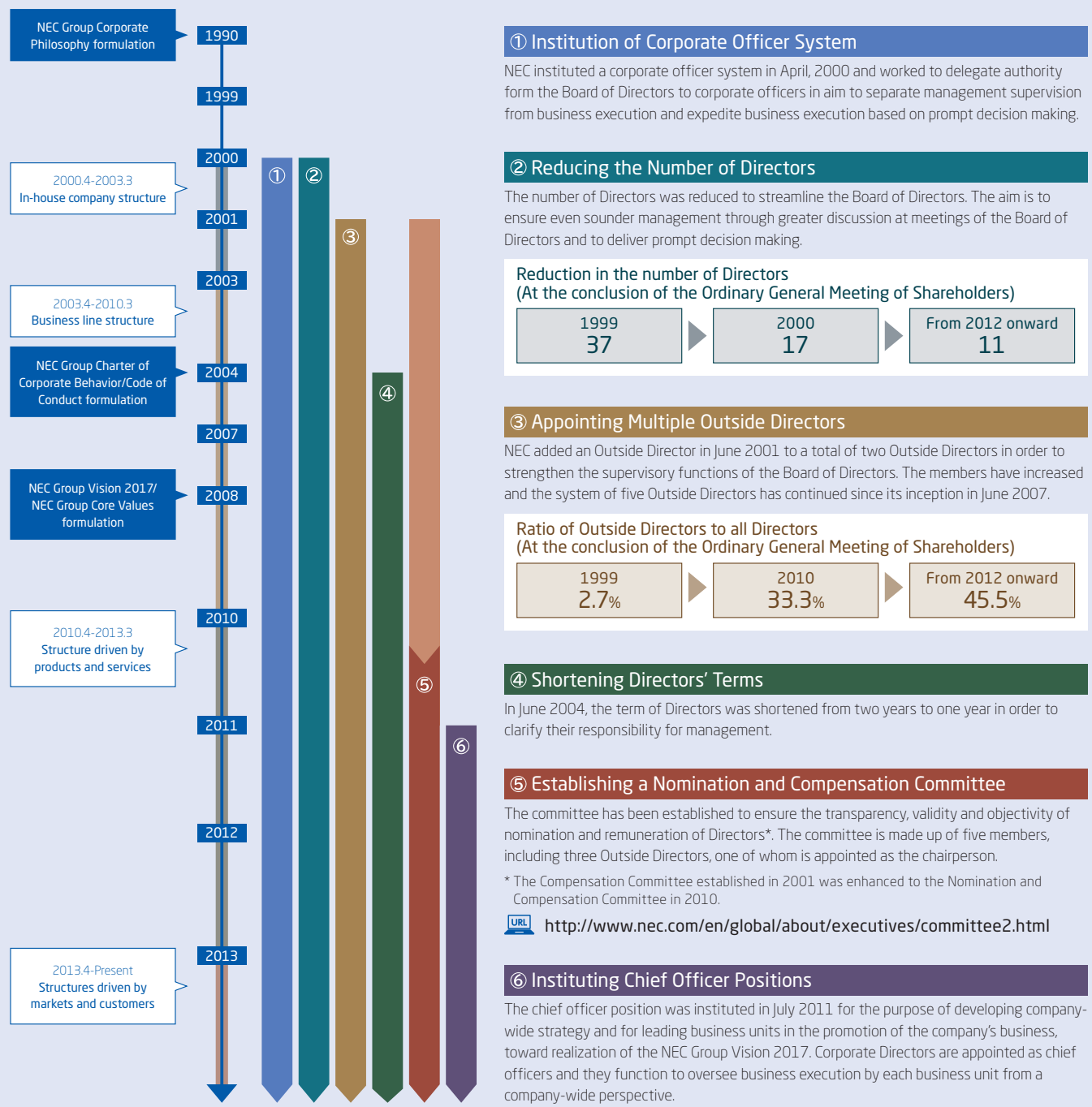


Basic Policy

In recognition of the fact that reliable corporate governance is essential to the continuous creation of social value and the maximization of corporate value, NEC is committed to strengthening its corporate governance practices through (1) assurance of transparent and sound management, (2) realization of prompt decision making and business execution, (3) clarification of accountability and (4) timely, appropriate and fair disclosure of information.

Main Initiatives for Strengthening Corporate Governance



Continued Strengthening and Improvement of the System

NEC adopts the company with the Audit & Supervisory Board Members (KANSAYAKU) ("A&SBMs") to serve a double-check process: Board of Directors supervises the business execution and the Audit & Supervisory Board (KANSAYAKU-KAI) ("A&SB") audits the legitimacy and appropriateness of Director's decision-making or activities. We have established a hybrid structure by a combination of a corporate officer system, multiple Outside Directors, and a Nomination and Compensation Committee comprised of Outside Directors as majority. In this way, we separate management supervision from the business execution while striving to ensure management transparency and soundness.

NEC believes that its corporate governance is functioning adequately under the current system described above. However, NEC realizes the importance of further strengthening its corporate governance in order to focus on the "Solutions for Society" and strive to create social value and maximize corporate value.

NEC actively incorporated concrete measures to strengthen its governance ahead of Japan's "Corporate Governance Code" that entered into force in June 2015, and NEC is focusing its efforts on enhancements and improvements of this system in order to realize more effective corporate governance.

Independence Criteria for Outside Directors and Audit & Supervisory Board Members

NEC declares that an Outside Director and an Outside Audit & Supervisory Board Member (KANSAYAKU) who is not fallen under any of the following description is independent of NEC.

- (1) Presently or at any time within the past three years, any of his or her relative within the second degree of relationship holds or held a position equal to or higher than a general manager at NEC or a Group subsidiary
- (2) Presently or at any time within the past three years, the person is or was a person executing the operations ("executing person") of a major business partner*, or any of his or her relative within the second degree of relationship is or was an executing person at a major business partner* (if such a person holds or held a position equal to or higher than a position equivalent of a general manager at NEC)
- (3) In any one of the past three fiscal years, the person or any of his or her relative within the second degree of relationship has received financial compensation of ¥10 million or more (excluding remuneration for Directors or A&SBMs) from NEC
- (4) Presently or at any time within the past three years, the person or any of his or her relative within the second degree of relationship has belonged to Accounting Auditors of NEC
- (5) Presently or at any time within the past three years, the person or any of his or her relative within the second degree of relationship has been an executing person of an organization that has received a significant amount of donation from NEC*2

*1 **Major business partner:**
1) A business partner with the total amount of transactions with NEC (consideration for offering products/services and procurements) exceeding 2% of sales of NEC or such business partner; or, 2) A business partner from which NEC's annual average outstanding borrowings exceeding 2% of total assets of NEC in any one of the past three fiscal years

*2 **Organization that has received a significant amount of donation from NEC:**
An organization that has received from NEC a significant amount of donation exceeding the greater of ¥10 million, or 2% of the gross income of such organization, in any one of the past three fiscal years

Enhancing the Effectiveness of the Board of Directors

For Directors and A&SBMs to be able to appropriately fill their expected roles and responsibilities, NEC has stipulated a policy of implementing periodical training for Directors and A&SBMs so that they can acquire the necessary expertise and information regarding the roles and responsibilities of Directors and A&SBMs (including legal responsibilities), and the necessary expertise and information regarding the company's business. NEC takes steps for Outside Directors and A&SBMs to deepen understanding of the NEC Group, including tours of NEC and subsidiary business sites and exhibitions. We will continue to provide various kinds of support.



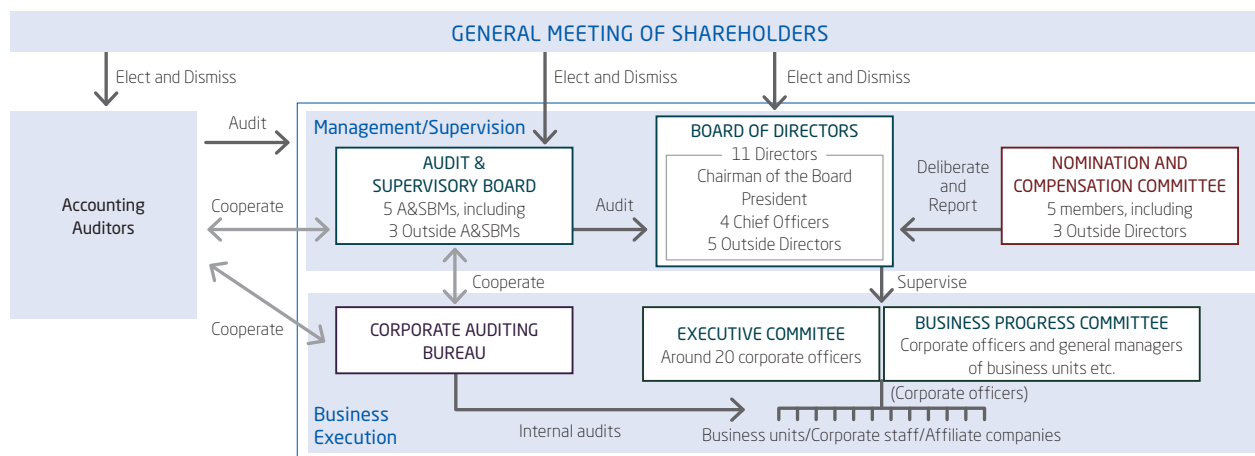
Outside Director and A&SBMs on tour at the OCC Corporation's Submarine System Plant in Kitakyushu City, Fukuoka Prefecture

To enhance deliberations at meetings of the Board of Directors, Outside Directors and Outside A&SBMs are provided documents in advance of meetings of the Board of Directors. They are also given briefings in advance on particularly important items to be included on the board's agenda. In addition, the Board of Directors receives from CFO for shareholders' opinions obtained through IR activities, and from CSO for issues or measures related to sustainability, and it has opportunities to share and discuss such matters. Looking ahead, we plan to conduct an analysis and assessment of the effectiveness of the Board of Directors with the objective of further enhancing their functions.

For further details on the corporate governance of NEC Corporation, please visit the following websites:

<http://jpn.nec.com/profile/en/governance.html>

Overview of the Corporate Governance Structure



Board of Directors

The Board of Directors holds regular meetings once a month, in principle and extraordinary meetings as necessary to determine important matters related to business execution, including business realignment, funding plans and financing and investment, as well as matters concerning business plans.

Status of Fiscal 2015

Chief officers provided activity reports and management plans and progress reports for each business segment. The Board of Directors actively discussed such reports as well as resolution agenda such as restructuring domestic production bases, operating efficiency and business reforms. A broad range of advice was given by Outside Directors, in particular, tapping into their own extensive experience in such roles as corporate management, and based on their deep insights.

Executive Committee

The Executive Committee discusses important NEC Group management issues such as policies and strategies. This committee extensively discusses matters of particular importance prior to putting them forward to the meetings of the Board of Directors for approval. In doing so, the committee enhances the deliberations and ensures appropriate decision making.

Business Progress Committee

The Business Progress Committee deliberates and reports on matters related to the status of the NEC Group's business execution, such as monitoring progress with respect to meeting budgets approved by the Board of Directors, with the aim of sharing management information and promoting execution efficiency.

Nomination and Compensation Committee

The Nomination and Compensation Committee deliberates on (i) nomination of Directors, Representative Directors and Audit & Supervisory Board Members (KANSAYAKU) ("A&SBMs"), the chairman of the Board, and the president and (ii) the structure and the level of remuneration for Directors, representative Directors and corporate officers from an objective perspective. The committee reports the results of its deliberations to the Board of Directors.

Audit & Supervisory Board (KANSAYAKU-KAI) ("A&SB")

A&SB holds regular meetings once a month and extraordinary meetings as necessary, decides on audit policies, standards, and other matters, and receives status reports on audits from each A&SBMs and on other matters.

Form of Organization		Company with the Audit & Supervisory Board Members (KANSAYAKU)
Chair of the Board of Directors		Chairman
Directors	No. of Directors	11 (of which Outside Directors: 5)
	Term	1 year
Audit & Supervisory Board Members (KANSAYAKU) ("A&SBMs")	No. of A&SBMs	5 (of which Outside A&SBMs: 3)
	Term	4 years
Independent Directors/Independent A&SBMs		No. of Independent Directors: 4, No. of Independent A&SBMs: 3
Policy regarding incentive payments to Directors		Remuneration and bonuses linked to business results ^{*1}
Remuneration^{*2} (For fiscal 2015)	Directors	Total amount in remuneration: ¥354 million for a headcount of 11 (of which, Outside Directors: 5, Total remuneration: ¥60 million)
		Total amount in bonus: ¥72 million for a headcount of 6
	A&SBMs	Total amount in remuneration: ¥96 million for a headcount of 7 (of which, Outside A&SBMs: 4, Total remuneration: ¥36 million) ^{*3}

^{*1} Director bonuses are linked to the NEC Group's performance to assure performance incentives. Bonuses are not paid to Outside Directors in order to help ensure their independence.

^{*2} NEC does not disclose remuneration per individual. For NEC's basic remuneration policies and systems, please refer to the Business Report in the notice of the 177th Ordinary General Meeting of Shareholders.

^{*3} The above headcounts include 2 A&SBMs who retired at the close of the 176th Ordinary General Meeting of Shareholders held on June 23, 2014.