

## Corporate Governance Report

CORPORATE GOVERNANCE

Nissha Co., Ltd.

**Last Update: December 25, 2025**

**Nissha Co., Ltd.**

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<https://www.nissha.com/english/index.html>

The corporate governance of Nissha Co., Ltd. (the “Company,” “we,” “our,” or “us”) is described below.

## I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

### 1. Basic Views

The Company, since its foundation, has been executing strategies that promptly address external challenges, under committed leadership. The Company believes that strengthening corporate governance, along with maintaining such leadership, will promote agile and decisive decision making, as well as ensuring management transparency and fairness.

Based on this recognition, the Company places corporate governance as one of the key management issues, strives to maintain and improve it, and seek out sustainable corporate growth and an increase in corporate value over the medium- to long-term.

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

The Company complies with and practices all the Principles of the Corporate Governance Code.

### Disclosure Based on each Principle of the Corporate Governance Code

The following has been updated.

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[The Status of Dialogue Implementation with Shareholders]

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The Company has established and implemented the "NISSHA CO., LTD. CORPORATE GOVERNANCE POLICY" (hereinafter referred to as the "Corporate Governance Policy") based on a resolution of the Board of Directors regarding our basic approach to corporate governance.

The Corporate Governance Policy is disclosed on the Company's website below.

<https://www.nissha.com/english/company/governance/index.html>

[Principle 1.4 Policy on Strategic Shareholdings and Standard for Exercise of Voting on Strategic Shareholdings]

- (1) The Company believes that building relationships of trust with a wide range of customers, suppliers, financial institutions, local communities and others is essential, and holds shares of stock of the enterprises determined necessary for the purpose

of increasing sustainable corporate value. In addition, a careful examination will be conducted on the profitability of each holding based on the Company's capital costs to validate the significance and rational of each holding from a medium-to long-term perspective, and a report on the significance and rational of its holdings will be provided to the Board of Directors annually. As a result of such examination, the shares of stock with diluted significance and rational will be gradually reduced while taking into consideration the effect on the market and other factors. A summary of the details of the examination will be disclosed.

As a result of the examination by the Board of Directors in 2024, it was confirmed that the Nissha Group will continue to hold shares for which the significance and rationality of holding is recognized from a medium- to long-term perspective. We held 37 strategic shareholdings (with a carrying value of JPY 6,356 million) at the end of December 2024.

- (2) A standard for the exercising of voting rights will be established from a perspective of increasing the medium-to long-term corporate value of the enterprise and the Company, and a determination on the exercise of voting rights related to strategic shareholdings in favor or against a proposal will be made by the Director of the Board in charge of financial affairs. This may result in a vote against a proposal. (The Corporate Governance Policy Section II. III)

[Principle 1.7 Ban on Transactions against the Interests of Shareholders]

The Company will confirm an investigation into the existence of any transactions between the Company and related parties such as the Directors of the Board and Audit and Supervisory Board Members, Corporate Officers, and their relatives, and if any material facts exist, they will be resolved by the Board of Directors, which will make a decision after duly deliberating the reasonableness of the transaction. In addition, the Company must obtain the approval of the Board of Directors when engaging in conflict of interest transactions as prescribed by laws and regulations with the Directors of the Board. (The Corporate Governance Policy Section V. II. V)

[Supplementary Principle 2.4.1 Ensuring Diversity in the Appointment, etc. of Core Human Resources]

The driving force behind the Company growth through change is diverse talents and passions, as stated in our Mission, which identifies our motivation and meaning. The Company has declared "Diversity and Inclusion" in a common value of the organization, Shared Values that diverse human resources are equally involved and enhance the execution ability of the organization. (The Corporate Governance Policy Section III. I)

The Group's human resources strategy reflecting this concept shall be disclosed in the Human Resources Policy and Overall Human Resources Strategy (Strategy Map).

Nissha Report: <https://www.nissha.com/english/ir/library/nisshareport.html>

Our approach and initiatives on diversity and inclusion, human resources development, and the development of the internal environment, including promotion of opportunities for female employees, are detailed in the Nissha Report (Integrated Report) and the Nissha Sustainability Report.

Nissha Report <https://www.nissha.com/english/ir/library/nisshareport.html>

Nissha Sustainability Report <https://www.nissha.com/english/sustainability/pdfdownload.html>

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

The Company abolished the defined benefit corporate pension plan in January 2024 and transitioned to a defined contribution

pension plan to support employees in asset building and to reduce the investment risk of corporate pensions. During the transition, we provided training on selecting investment institutions and products, as well as on asset management.

[Principle 3.1 Enhancement of Information Disclosure]

(1) Nissha Philosophy (corporate philosophy)

The details of the Nissha Philosophy are disclosed at the following website.

<https://www.nissha.com/english/company/philosophy.html>

(2) Management Plan (Long-term, Medium-term)

The Group presents Sustainability Vision as our long-term vision. We establish and operate a medium-term business plan and strategies to be achieved over three years by reflecting backwards from the Sustainability Vision.

The Management Plan (Long-term, Medium-term) <https://www.nissha.com/english/ir/managementplan.html>

(3) Basic Approach and Policy on Corporate Governance

The Corporate Governance Policy is disclosed at the following website.

<https://www.nissha.com/english/company/governance/index.html>

(4) Policies and Procedures for Determining Compensation of the Directors of the Board

This is detailed in II. 1 “Director Remuneration Policy on Determining Remuneration Amounts and Calculation Methods” of this report.

(5) Policies and Procedures for the Nomination and Appointment/Dismissal of the Directors of the Board and the Nomination and Appointment of Audit and Supervisory Board Members

The Board of Directors will identify the experience, knowledge and skills required for Directors of the Board in light of our management strategies and take into consideration its balance and diversity, in order to exert high effectiveness as a whole of the Board of Directors on important business judgements and the oversight of business execution of the Directors of the Board and Corporate Officers. Audit and Supervisory Board Members will be considered their knowledge and the like related to financial matters, accounting, legal issues and the like in their nomination and appointment. Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members will not only satisfy the requirements of independent outside director of the board and audit and supervisory board members prescribed in the Companies Act but also the Standards for Independence of Independent Officers prescribed by the Board of Directors.

In the event that a Director of the Board damages the trust or honor of the company, markedly diminishes our corporate value, or gives rise to grounds that he or she is unfit to perform his or her duties, the Board of Directors confirms the presence of a valid reason and makes the Director of the Board subject to a proposal for dismissal.

Having received reporting from the Nomination and Compensation Committee, based on the policy above, the Board of Directors will make decisions on proposals for the appointment/dismissal of the Directors of the Board deliberated at General Meeting of Shareholders. Having received reporting from the Nomination and Compensation Committee, and with prior approval of the Audit and Supervisory Board, based on the policy above, the Board of Directors will make decisions on proposals for the appointment of the Audit and Supervisory Board Members deliberated at General Meeting of Shareholders.

(The Corporate Governance Policy Section V. II. III and Section III. II. IV)

(6) Explanation of Individual Nomination and Appointment based on (5)

The reasons for the appointment of the candidates for Independent Outside Directors of the Board and Independent Audit

and Supervisory Board Members are stated in the materials for the General Meeting of Shareholders and in this report.

For candidates for Internal Directors and Internal Audit and Supervisory Board Members, the reasons for their appointment are stated in the materials for the General Meeting of Shareholders. (The Corporate Governance Policy Section V. II. III and Section V. III. II)

This is detailed in II. 1 “Outside Directors’ Relationship with the Company (2)” and “Outside Audit and Supervisory Board Members’ Relationship with the Company (2)” of this report.

[Supplementary Principle 3.1.3 Initiatives for Sustainability]

The Group views sustainability as “initiatives for sustainable growth and development for both the company and society.” Based on this view, we consider social issues to be business opportunities. We strive not only to leverage our strengths to provide products and services that help solve social issues on an ongoing basis, but also to strengthen the management foundation underpinning our business activities, reduce risks that could hamper business continuance, and promote governance to ensure these are all carried out appropriately. These activities will create the economic and social values stated in our Mission, allowing us to enrich people’s lives. (The Corporate Governance Policy Section III)

Details of the Group's sustainability vision, sustainability initiatives, and investments in human capital and intellectual property are described below on our website, in the Nissha Report (Integrated Report), and in the Nissha Sustainability Report.

In addition, in January 2022, Nissha expressed its support for the TCFD recommendations, and based on the TCFD recommendations, Nissha analyzed the financial impact of risks and opportunities related to climate change on its business, which is included in the Nissha Sustainability Report.

Sustainability Vision <https://www.nissha.com/english/ir/managementplan.html>

Initiatives for Sustainability <https://www.nissha.com/english/sustainability/index.html>

Nissha Report <https://www.nissha.com/english/ir/library/nisshareport.html>

Nissha Sustainability Report <https://www.nissha.com/english/sustainability/pdfdownload.html>

[Supplementary Principle 4.1.1 Summary of Scope of Delegation from the Board of Directors to Management]

In an effort to hasten and strengthen the business execution function, the Board of Directors is entitled to delegate decision making on the execution of business with the Directors of the Board or Corporate Officers in accordance with laws and regulations, articles of incorporation, and the Regulations of the Board of Directors. The scope and content of the matters delegated to the Directors of the Board or Corporate Officers will be specified by resolution of the Board of Directors. (The Corporate Governance Policy Section V. II. I)

[Supplementary Principle 4.1.3 Approach and Procedures for the Succession Plan for the President and CEO]

- (1) The Company believes that its President and CEO and other key management members should be people who will commit to management from a long-term view, respect the Company’s culture, are sensitive to changes in the business environment and demonstrate strong leadership in the realization of the targeted management vision in order that the Company is able to facilitate continued growth and to continue to improve corporate value over the medium- to long-term. Accordingly, a succession plan is slated to be drawn up by the President and CEO who has the responsibility to put the plan into practice.

- (2) The President and CEO will provide an explanation of a succession plan encompassing the requirements for the President and CEO, the selection of successor candidates, and the selection process of the President and CEO to the Nomination and Compensation Committee which is comprised of a majority and chaired by Independent Outside Directors of the Board, and the Independent Outside Directors of the Board will provide advice as needed. In the selection of a successor, the President and CEO will nominate a candidate who will be reported to the Board of Directors after deliberation by the Nomination and Compensation Committee, and the Board of Directors will make a decision on the successor after receiving this report. The involvement of the Independent Outside Directors of the Board in this process will heighten the effectiveness of this plan and will ensure objectiveness and fairness in the selection of a successor.
- (3) Furthermore, in preparation for the occurrence of unforeseen events, the Company will establish an order for acting conveners and chairpersons at its General Meeting of Shareholders and meetings of the Board of Directors, and this acting order will be finalized each year at the meeting of the Board of Directors following the General Meeting of Shareholders.
- (The Corporate Governance Policy Section V. II. II)

[Supplementary Principle 4.8.2 Establishment of a System for Communication and Coordination between Independent Outside Directors of the Board and the President and CEO]

The Company selects Mr. Kazuhito Osugi as the Lead Independent Outside Director of the Board through mutual election by the Independent Outside Directors of the Board. The Lead Independent Outside Director of the Board will lead discussions and share awareness among the Independent Outside Directors of the Board, as well as coordinate communication with the President and CEO. (The Corporate Governance Policy Section V. II. IV)

[Principle 4.9 Independence Standards for Independent Directors]

This is detailed in II. 1 “Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members” of this report.

[Supplementary Principle 4.10.1 Use of Optional Approach]

This is detailed in II. 1 “Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson” of this report.

[Supplementary Principle 4.11.1 Approach to the Balance of Knowledge, Experience, and Skill, Diversity, and Size of the Board of Directors as a Whole]

The Board of Directors of Nissha is comprised of an appropriate number of Directors, up to twelve. To ensure that the Board of Directors makes important management decisions and exercises high levels of effectiveness in supervising the execution of duties by Directors and Executive Officers, we identify the experiences, knowledge, and skills required of Directors in light of our management strategy. The selection of Directors is also done with respect to the diversity and balance of skills that the Board requires.

Independent Outside Directors of the Board comprise at least one third of the Board, and these Independent Outside Directors are those who satisfy not only the Companies Act but also the "Standards for Independence of Independent Officers" set out by the Board of Directors. (The Corporate Governance Policy Section V. II. III)

We have developed and disclosed the skills matrix that outlines our approach to the values, experience, and skills required of all Directors, as well as the distribution of skills (experience and knowledge) necessary for the Board of Directors as a whole. Some of the Independent Outside Directors of the Board have management experience at other companies.

Skills Matrix <https://www.nissha.com/english/company/governance/index.html>

[Supplementary Principle 4.11.2 Concurrent Positions of Directors and Audit and Supervisory Board Members]

The status of significant concurrent positions held by Directors and Audit and Supervisory Board Members is included in the materials for the General Meeting of Shareholders. (The Corporate Governance Policy Section V. II. III, V. III. II.)

General Meeting of Shareholders Materials <https://www.nissha.com/english/ir/stock/meeting.html>

[Supplementary Principle 4.11.3 Analysis and Evaluation of the Effectiveness of the Board of Directors]

In accordance with the "Corporate Governance Policy" the Company evaluates the effectiveness of the Board of Directors once a year. We have evaluated the effectiveness for fiscal year 2024 and hereby disclose an overview of the results.

#### 1. Evaluation Method

To evaluate the effectiveness of the Board of Directors, we conducted a survey to all Directors (5 internal and 4 outside) and Audit and Supervisory Members (2 internal and 2 outside) and individual interviews with Outside Directors and Audit and Supervisory Members. For this tenth effectiveness evaluation, we ensured objectivity by utilizing an external advisor, a third party, in the design of the survey, the individual interviews, and the analysis of the results.

The questions included the composition, roles, and operations of the Board of Directors, as well as the implementation of the "Desirable Relationship between Internal Directors and Outside Directors" (hereinafter "Desirable Relationship"), which was formalized in 2022 after considerable time spent by both Internal and Outside Directors on defining the collaboration framework. In the interviews, we reviewed the operation of the Board of Directors based on the Desirable Relationship.

Questions:

- (1) Composition, role, and operation of the Board of Directors
- (2) Information sharing and the support system for Outside Directors and Outside Audit and Supervisory Board Members
- (3) Dialogue with shareholders and investors
- (4) Review of the year based on the implementation of the Desirable Relationship (issues identified in the previous year 2023)

Interview Theme:

Review of the operation of the Board of Directors based on the Desirable Relationship

#### 2. Overview of Analysis Results and Assessment

The analysis results of the survey and the outcomes of the interviews were presented as a report item at the meeting of Board of Directors in February and March 2025, where constructive discussions were held to further enhance the

effectiveness of the Board. Based on these discussions, it was concluded that our Board of Directors is functioning appropriately, and its effectiveness is ensured.

■ Overall Assessment

- In the survey, over 90% of the respondents replied “appropriate / adequate” or “generally appropriate / adequate.” Additionally, through interviews we were able to confirm that the establishment and implementation of “Desirable Relationship” has contributed to the improvement of the Board of Directors’ effectiveness. Based on these findings, the general view is that the Board of Directors is appropriately performing its function at the Company, and has secured its effectiveness.

■ Composition, Role and Operation of the Board of Directors, etc.

- (Composition) The Board of Directors, in response to changes in the business environment, has reviewed its composition from a perspective of knowledge, experience and expertise, and has aligned the skill matrix for the Board of Directors with the direction of company-wide strategies. The number of directors and the ratio of inside and independent outside directors are optimal at the Company’s current size, and there is no need to have a majority of independent outside directors.
- (Role) The Board of Directors regularly takes up and actively discusses “medium- and long-term strategies and management issues.”
- (Atmosphere) One of the Company’s strengths is that the Board of Directors operates in an informal manner that allows its members to openly state and discuss their opinions.
- (Distinguishing between the position of the Chairman of the Board and the position of the President) The positions of Chairman and President are carefully distinguished, and at present this poses no issue with regard to the management of meetings. In addition to engaging in communications in a manner that is appropriate for the level of understanding of the audience, additional questions are asked of those providing explanations, even if the Chairman and President is already familiar with the content, in order to enhance understanding by independent outside directors, and the Board of Directors otherwise advances its proceedings while conscious of its effectiveness. Given the current size of the Company, it is optimal, from the perspective of the enhancement of corporate value and management efficiency, for the same person to concurrently serve as both the Chairman of the Board and the President.
- (Dialogues with Shareholders / Investors) The Company places importance on dialogues with shareholders and investors, and has developed investor relation and shareholder relation activities centered around the President and other executives. In addition, the opinions gained through these dialogues with shareholders and investors are appropriately reported to the Board of Directors, and reflected in our management as needed.

■ Implementation of “Desirable Relationship” (Undertakings in the 2023 and 2024 Fiscal Years)

- Inside directors and independent outside directors are engaging in open discussions on a more equal footing, and the effects of the formalization of “Desirable Relationship” are steadily becoming apparent. Specifically, now more than ever, the Chairman is confirming the intent and context of questions from independent outside directors, and making statements that trigger deeper two-way discussions. Opportunities for inside directors to have their voices heard have also significantly increased compared to the past. With this, the remarks and questions from independent outside directors have become even more pertinent, leading to constructive

discussions. Moreover, independent outside directors are encouraging executives to take risks, and the development of a relationship of trust between the inside directors and the independent outside directors is otherwise progressing.

- There is a pervasive sense that directors, both inside and independent outside directors, do not merely express their opinions, rather that are also sharing responsibility for the results. Discussions now always bear in mind the enhancement of corporate value.

### 3. Key Agenda and Operating Policy for the Board of Directors in Fiscal Year 2025

Though the Board of Directors established an appropriate agenda for fiscal year 2024, this ultimately failed to lead to an improvement of the price-to-book ratio (PBR), and because of this and other factors, the Board of Directors recognizes that there is a need for greater in-depth discussions in fiscal year 2025.

#### ■ Key Agenda

- Interim verification of Sustainability Vision (Long Vision).
- Optimization of business and product portfolios and the allocation of these resources.

#### ■ Operating Policy

Inside directors and independent outside directors will continue to implement “Desirable Relationship,” and will work together to develop and deepen discussions. Without limitation to the boardroom, discussions will take place off-site, and flexible venues for discussions will be established in line with the nature of the agenda and the stage of the discussions.

In addition to the matters addressed above, our plan is to have independent outside directors and independent Audit and Supervisory Board members engage in on-site visits, and to put other measures in place to enhance opportunities for the independent outside directors to interact with executive officers.

#### [Supplementary Principle 4.14.2 Training Policy for Directors and Audit and Supervisory Board Members]

The Company establishes the following opportunities as needed to facilitate the appropriate performance of the roles and responsibilities required for each Director of the Board and Audit and Supervisory Board Members:

1. Provide training opportunities suitable to each Director of the Board and Audit and Supervisory Board Member, and bear the associated expenses;
2. Upon new appointment, provide Directors of the Board and Audit and Supervisory Board Members with the training and information to learn the knowledge required to perform their duties. Even after one’s appointment, provide training as needed concerning revised laws and business issues;
3. Provide inspection opportunities of key locations to Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members;
4. Provide Directors of the Board and Audit and Supervisory Board Members with regular explanations of the Group’s business, financial and organizational status. (The Corporate Governance Policy Section VII. I)

#### [Principle 5.1 Policy concerning Improvement of Systems and Measures for Promoting Constructive Dialogue with Shareholders]

The Company strives to contribute to its sustainable growth and increase corporate value over the medium-to long-term through constructive dialogue with shareholders. In addition, as an IR policy, the Company establishes and discloses policies concerning the organizational structures and measures aimed at promoting constructive dialogue with shareholders. (The Corporate Governance Policy Section II. IV)

IR Policy <https://www.nissha.com/english/ir/disclosure.html>

[The Status of Dialogue Implementation with Shareholders]

Under our IR policy, we strive to communicate management, business, and financial information to our shareholders and investors in a timely, accurate, and easily understandable manner, aiming for deeper understanding. We report the opinions and suggestions we receive through dialogue with our shareholders and investors to the Board of Directors on a regular basis. The Board of Directors discusses issues raised through dialogue and incorporates these matters in management policies and measures, leading to enhanced corporate value and sustainable growth.

For more details, please refer to the Nissha Report 2025 (pages 95-96) and Section III “2. Status of IR-related Activities” of this report.

Nissha Report <https://www.nissha.com/english/ir/library/nisshareport.html>

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## Measures to Realize Management That Is Aware of Capital Cost and Share Price

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	February 13, 2025

### Explanation of Actions

The Company has been currently operating the 8th Medium-term Business Plan (3 years) since 2024, aiming at fulfilling our Sustainability Vision for 2030. In the 8th Medium-term Business Plan, we will boost profitability and stability through strengthening our business portfolio, placing great importance on achieving stable growth and enhancing capital efficiency.

To strengthen our business portfolio, we set and evaluate KPIs appropriate for each business's growth stage (such as ROIC, operating profit margin, and Net sales CAGR), and optimize the allocation of resources to enhance the capital efficiency of the entire. In the 8th Medium-term Business Plan, we have set a target for the shareholder capital cost, aiming for an ROE of 9.0% or higher by fiscal year 2026. We will continue to manage our business with a focus on capital costs and stock prices.

The details of the 8th Medium-term Business Plan are disclosed at the following website.

Presentation Material of the Medium-term Business Plan Presentation

<https://www.nissha.com/english/ir/library/had98i0000001mjt-att/presentation20240228en.pdf>

Nissha Report <https://www.nissha.com/english/ir/library/nisshareport.html>

In addition, the latest target values and progress of initiatives under the 8th Medium-term Business Plan are disclosed in the financial results briefing materials for the fiscal year ending December 2024, which were published on February 13, 2025 (pages 9-27).

Presentation Material of Financial Results for FY2024.12

<https://www.nissha.com/english/ir/library/had98i0000001mjt-att/presentation20250213en.pdf>

## 2. Capital Structure

Foreign Shareholding Ratio	20% or more but less than 30%
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### Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,631,700	9.70
Custody Bank of Japan, Ltd. (Trust Account)	3,373,200	7.06
Suzuki Kosan Co., Ltd.	2,563,017	5.37
Meiji Yasuda Life Insurance Company	2,107,445	4.41
Mizuho Bank, Ltd.	2,076,000	4.34
The Bank of Kyoto, Ltd.	1,442,238	3.02
STATE STREET BANK AND TRUST COMPANY 505227	1,148,200	2.40
JPMorgan Securities Japan Co., Ltd.	1,136,698	2.38
Nissha Kyoeikai	1,116,855	2.34
Oji Holdings Corporation	894,321	1.87

Name of Controlling Shareholder, if applicable  
(excluding Parent Companies)

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Name of Parent Company, if applicable

None

### Supplementary Explanation

Major Shareholders (as of June 30, 2025)

- The Company holds 3,129,856 treasury shares (representing 6.15% of the total number of outstanding shares) and is excluded from the list of major shareholders.
- The shares held by Mizuho Bank, Ltd., mentioned above, are trust assets of a retirement benefit trust contributed by the bank (the name in the register of shareholders is Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust Mizuho Bank Account Retruster Custody Bank of Japan, Ltd.).
- Nissha Kyoeikai is the shareholders' association of our business partners.
- Although Taiyo Pacific Partners L.P. is listed as owning the following shares as of May 14, 2025, in the large shareholding report made available for public inspection as of May 21, 2025, we are unable to confirm the actual number of shares as of the end of the interim accounting period. Therefore, they are not included in the "Status of Major Shareholders" above. The contents of the report on substantial shareholdings are as follows.

[Name/Number of Share Certificates and Other Securities Held/Percentage of Share Certificates and Other Securities Held]

Taiyo Pacific Partners L.P./2,125 thousand shares/4.18%

### 3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	December
Business Sector	Other Products
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100 billion or more but less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	50 or more but fewer than 100

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

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### 5. Other Special Circumstances which May have a Material Impact on Corporate Governance

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

### 1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Board
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#### Directors

Number of Directors Stipulated in Articles of Incorporation	12
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	9
Election of Outside Directors	Elected
Number of Outside Directors	4
Number of Independent Directors	4

#### Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Kazuhito Osugi	From another company								△			
Kazumichi Matsuki	From another company											
Juichi Takeuchi	From another company											
Yukiko Hashitera	From another company											

\*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for or a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/Audit and Supervisory Board Member
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

#### Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Kazuhito Osugi	○	<p>[Significant positions concurrently held]</p> <p>Independent Outside Director of the Board, Frontier Management Inc.</p> <p>Independent Outside Director of the Board, The Gunma Bank, Ltd.</p> <p>The Company has transactional relations, including logistics services, with NIPPON EXPRESS CO., LTD., a company for which Mr. Kazuhito Osugi served as an Advisor until May 2021. Since the amount, however, meets the “Standards for Independence of Independent Officers” of the Company, with the insignificance criteria, and would not affect the independence of Mr. Kazuhito Osugi as an Independent Outside Director of the Board, the Company has omitted the details.</p>	<p>[Reasons for appointment and outline of expected roles of an Independent Outside Director of the Board]</p> <p>Mr. Kazuhito Osugi has given valuable advice and opinions across the whole range of the Company’s management, making the most of the deep insight in the field of finance he has cultivated in the Bank of Japan over the years and broad experience fostered by participating in corporate management as an Independent Outside Director of the Board for the Company or other companies. Mr. Kazuhito Osugi has duly performed his duties, such as the supervision of the execution of operations. We appointed him because we expect that he will continue to give his valuable counsel and strive to enhance management supervisory functions from an independent point of view across the whole range of the Company’s management.</p> <p>[Status of compliance with independence criteria and reasons for designation]</p> <p>Mr. Kazuhito Osugi has been designated as an independent officer, as he meets the “Standards for Independence of Independent Officers” of the Company and the standards of independence established by the stock exchange, and are judged not to have a conflict of interest with general shareholders.</p>
Kazumichi Matsuki	○	<p>[Significant positions concurrently held]</p> <p>Independent Outside Director of the Board (Audit and Supervisory Committee Member), ANEST IWATA Corporation</p> <p>Independent Outside Director of</p>	<p>[Reasons for appointment and outline of expected roles of an Independent Outside Director of the Board]</p> <p>Mr. Kazumichi Matsuki has given valuable advice and opinions across the whole range of the Company’s management, making the most of his hands-on experience in proactive and broad business development and deep insight concerning its</p>

		<p>the Board, TOYO CONSTRUCTION CO., LTD.  Director, Japan Criminal Policy Society  Councilor, International Civil and Commercial Law Centre Foundation</p>	<p>governance as he assumed important posts regarding legal affairs and compliance at a company globally developing business while participating in corporate management at manufacturers. Mr. Kazumichi Matsuki has duly performed his duties, such as the supervision of the execution of operations. We appointed him because we expect that he will continue to give his valuable counsel and strive to enhance management supervisory functions from an independent point of view across the whole range of the Company's management.</p> <p>[Status of compliance with independence criteria and reasons for designation]</p> <p>Mr. Kazumichi Matsuki has been designated as an independent officer, as he meets the "Standards for Independence of Independent Officers" of the Company and the standards of independence established by the stock exchange, and are judged not to have a conflict of interest with general shareholders.</p>
<p>Juichi Takeuchi</p>	○	—	<p>[Reasons for appointment and outline of expected roles of an Independent Outside Director of the Board]</p> <p>Mr. Juichi Takeuchi has given valuable advice and opinions across the whole range of the Company's management, making the most of his broad hands-on experience and extensive knowledge in the medical market, a priority market of the Company, as he has been engaged in management strategies, alliances, sales and marketing in a medical devices company, where he led its global strategies and assumed responsibility for its overseas subsidiaries over the years. Mr. Juichi Takeuchi has duly performed his duties, such as the supervision of the execution of operations. We appointed him because we expect that he will give his valuable counsel and strive to enhance management supervisory functions from an</p>

			<p>independent point of view across the whole range of the Company's management.</p> <p>[Status of compliance with independence criteria and reasons for designation]</p> <p>Mr. Juichi Takeuchi has been designated as an independent officer, as he meets the "Standards for Independence of Independent Officers" of the Company and the standards of independence established by the stock exchange, and are judged not to have a conflict of interest with general shareholders.</p>
Yukiko Hashitera	○	<p>[Significant positions concurrently held]</p> <p>CEO, Phoenixi Co., Ltd.</p> <p>Management Director, Cyn-K Bio, Inc.</p> <p>Independent Outside Director of the Board, Tosoh Corporation</p>	<p>[Reasons for appointment and outline of expected roles of an Independent Outside Director of the Board]</p> <p>Ms. Yukiko Hashitera has given valuable advice and opinions across the whole range of the Company's management, making the most of her broad hands-on experience and extensive knowledge in corporate management, innovations, and human resources development cultivated through her career in the pharmaceutical industry in the medical market, a priority market of the Company, where, after engaging in research and development, she gained experience in leading an IPO and corporate management as Representative Director of a bio venture company, as well as in co-founding and serving as CEO of an incubator to create new businesses. We appointed her because we expect that she will give her valuable counsel and strive to enhance management supervisory functions from an independent point of view across the whole range of the Company's management.</p> <p>[Status of compliance with independence criteria and reasons for designation]</p> <p>Ms. Yukiko Hashitera has been designated as an independent officer, as she meets the "Standards for</p>

			Independence of Independent Officers” of the Company and the standards of independence established by the stock exchange, and are judged not to have a conflict of interest with general shareholders.
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Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee

Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Compensation Committee	6	0	2	4	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Compensation Committee	6	0	2	4	0	0	Outside Director

Supplementary Explanation

The Company establishes a Nomination and Compensation Committee as an advisory panel for the Board of Directors in order to ensure the objectiveness and fairness of the appointment/dismissal of Directors of the Board and the appointment of Audit & Supervisory Board Members, as well as the compensation of the Directors of the Board.

The Nomination and Compensation Committee is composed of a majority of Outside Directors in order to ensure its independence, and the chairperson is an Independent Outside Directors of the Board.

With consultation from the Board of Directors, the Nomination and Compensation Committee deliberates on and provides a response regarding the following matters.

- (1) The appointment/dismissal standards for Directors of the Board and the appointment standards for Audit and Supervisory Board Members
- (2) Proposals for potential candidates for Directors of the Board and Audit and Supervisory Board Members and proposals for dismissal of Directors of the Board
- (3) Proposals for the appointment/dismissal of the Chairman of the Board, Titled Directors, and the CEO
- (4) Matters related to the succession plan for the Chairman of the Board and others
- (5) Policy on compensation of Directors of the Board
- (6) Compensation of Directors of the Board

The chairperson and members of the Nomination and Compensation Committee, as well as the status of activities, are detailed in the materials of Shareholders' Meeting. <https://www.nissha.com/english/ir/stock/meeting.html>

### Audit and Supervisory Board Member

Establishment of Audit and Supervisory Board	Established
Maximum Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	4
Number of Audit and Supervisory Board Members	4

#### Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

[Status of cooperation between Audit and Supervisory Board Members and Accounting Auditors]

The Audit and Supervisory Board Members regularly exchange information with the Accounting Auditors regarding audit results and attend the Accounting Auditors' audits, thereby enhancing cooperation.

[Status of cooperation between Audit and Supervisory Board Members and Internal Audit Office]

The Audit and Supervisory Board Members regularly hold meetings and exchange information with the Internal Audit Office and attend internal audits, thereby enhancing cooperation.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	2
Number of Independent Audit and Supervisory Board Members	2

#### Outside Audit and Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Yusuke Nakano	CPA													
Yusaku Kurahashi	Lawyer										△			

\*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Executive of the Company or its subsidiary
- A non-executive director or an accounting advisor of the Company or its subsidiaries
- Person who executes business for or a non-executive director of the Company's parent company
- An Audit and Supervisory Board Member of a parent company of the Company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client

- h. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ Audit and Supervisory Board Member
- i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)
- k. Executive of a company, between which the Company's external directors/Audit and Supervisory Board Member are mutually appointed (the director/auditor him/herself only)
- l. Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
- m. Other

#### Outside Audit and Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Yusuke Nakano	○	<p>[Significant positions concurrently held]</p> <p>Senior Partner, SEIYU AUDIT CORPORATION</p> <p>Senior Partner, SEIYU TAX CORPORATION</p> <p>General Manager, NAKANO C.P.A. OFFICE</p> <p>Independent Outside Director of the Board (Audit and Supervisory Committee Member), SK-Electronics Co., Ltd.</p> <p>Independent Audit and Supervisory Board Member, Sanyo Chemical Industries, Ltd.</p>	<p>[Reasons for appointment and outline of expected roles of an Independent Audit and Supervisory Board Member]</p> <p>Mr. Yusuke Nakano has deep knowledge of finance, accounting and management administration as a certified public accountant and profound wisdom in governing corporate management, and has been auditing the Company from his professional perspective. He also participates in corporate management as an independent Outside Director of the Board of another company, an Independent Audit and Supervisory Board Member of the Company and an Independent Audit and Supervisory Board Member of other companies. We appointed him because we believe that he will continue to reflect his experience and deep insight into the audit of the Company from an independent point of view.</p> <p>[Status of compliance with independence criteria and reasons for designation]</p> <p>Mr. Yusuke Nakano has been designated as an independent officer, as he meets the "Standards for Independence of Independent Officers" of the Company and the standards of independence established by the stock exchange, and are judged not to have a conflict of interest with general shareholders.</p>

<p>Yusaku Kurahashi</p>	<p>○</p>	<p>[Significant positions concurrently held]</p> <p>Representative Partner, Kurahashi Law Office</p> <p>Independent Audit and Supervisory Board Member, KANEMATSU CORPORATION</p> <p>Independent Outside Director of the Board (Audit and Supervisory Committee Member), UNITED ARROWS LTD.</p> <p>Independent Audit and Supervisory Board Member, Mitsubishi Logistics Corporation</p> <p>The Company has received necessary legal advice from, and paid remuneration to Nakamura, Tsunoda &amp; Matsumoto, a law office to which he used to belong until March 2023. Since the amount, however, meets the “Standards for Independence of Independent Officers” of the Company, with the insignificance criteria, and would not affect the independence of Mr. Yusaku Kurahashi as an Independent Audit and Supervisory Board Member, the Company has omitted the details. The Company received necessary legal advice from, and paid remuneration to Kurahashi Law Office, a law office to which he belongs, however there are currently no ongoing transactions.</p>	<p>[Reasons for appointment and outline of expected roles of an Independent Audit and Supervisory Board Member]</p> <p>Mr. Yusaku Kurahashi has extensive insight into corporate governance, risk management, and corporate legal affairs cultivated through his hands-on experience as a lawyer, as well as a global perspective gained through his experience abroad. He has also participated in corporate management as an Independent Outside Director of the Board (Audit and Supervisory Committee Member) and an Independent Audit and Supervisory Board Member of other companies. In light of such broad experience and deep insight, we appointed him because we judge that he can appropriately execute his duties as an Independent Audit and Supervisory Board Member from an independent point of view.</p> <p>[Status of compliance with independence criteria and reasons for designation]</p> <p>Mr. Yusaku Kurahashi has been designated as an independent officer, as he meets the “Standards for Independence of Independent Officers” of the Company and the standards of independence established by the stock exchange, and are judged not to have a conflict of interest with general shareholders.</p>
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## Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent  
Audit and Supervisory Board Members

6

### Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

The Company designates all individuals who satisfy the qualifications for independent officers as independent officers. Additionally, we have established the following standards for Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members.

[Standards for Independence of Independent Officers]

Nissha Co., Ltd. (hereinafter, the “Company”) will determine that its Independent Outside Directors of the Board and Independent Audit & Supervisory Board Members (hereinafter, collectively, “Independent Officers”) or candidates for Independent Officers are fully independent from the Company when they do not correspond to any of the criteria prescribed hereunder.

1. Persons who are or were executive persons (\*) of the Company and its affiliated companies (hereinafter, collectively, the “Group”). In addition, with Independent Audit & Supervisory Board Members, persons who were directors that did not conduct Group business.

(\*) An executive person means the executive person prescribed in Article 2, Paragraph 3 (6) of the Companies Act Enforcement Regulations, and includes not only executive directors but also employees, and does not include audit & supervisory board members.

2. Persons who are counterparties which have transactions principally with the Group, or are their executive persons. In addition, principal counterparties of the Group, or their executive persons.

(\*) A principal counterparty means a company or person whose payments or receipts for transactions with the Group in the current or any of the past three fiscal years represents 2% or more of the annual consolidated gross sales of the Group or the counterparty.

3. Principal shareholder (\*) of the Group or their executive persons. In addition, executive persons of companies in which the Group is a principal shareholder.

(\*) A principal shareholder means a shareholder that holds votes representing 10% or more of total voting rights.

4. Attorneys, certified public accountants, consultants or the like who receive large amounts of cash or other assets (\*) other than officer remuneration from the Group (if the entity receiving the assets is a corporation, partnership or other group, then persons belonging to that group).

(\*) A large amount of cash or other assets means the earning of cash or other property benefits in excess of JPY 10 million per year as an average of the past three fiscal years. In the case of a group, it means the payment of 2% or more of annual consolidated gross sales in each of the preceding three fiscal years inclusive of the most recent fiscal year.

5. Persons receiving large donations (\*) from the Group (if the entity receiving the property is a corporation, partnership or other group, the executive persons of that group).

(\*) A large donation means an annual donation of more than JPY 10 million in each of the preceding three fiscal years inclusive of the most recent fiscal year.

6. Executive persons of another company having mutual appointment of Independent Officer (\*) relationships with the Group.

(\*) A mutual appointment of Independent Officers means the Company's welcoming of Independent Officers from another company that have received Independent Officers, who are/were executive persons of the Group within the past 10 years, or from its parent or subsidiary companies.

7. Persons belonging to the auditing firm serving as the Group's Accounting Auditor.

8. Persons who have corresponded to items 2 through 7 above within the past three years.

9. Spouses or relatives within two degrees of kinship of persons (limited to key personnel (\*\*)) corresponding to any of items 1 through 8 above.

(\*\*) Key personnel means (1) directors, (excluding Independent Outside Directors of the Board), executive officers, and employees holding a position of senior director or higher, (2) certified public accountants belonging to an auditing firm who are partners, and attorneys belonging to a law office, and (3) persons affiliated with incorporated foundations, incorporated associations, incorporated educational institutions and other corporations who are objectively and reasonably determined to be councilors, directors, auditors or other officers, or persons having equal importance.

10. Persons in circumstances which are otherwise objectively and reasonably found unsuitable for the duties of an Independent Officer.

## Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme
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### Supplementary Explanation for Applicable Items

The Company is set to introduce a stock compensation plan called the Board Benefit Trust (BBT) for directors excluding independent directors. The resolution was approved at the Ordinary General Meeting of Shareholders for the 97<sup>th</sup> Business Term, held on June 17, 2016.

The BBT is a system linked to business results in which our shares are acquired through a trust using funds contributed by us, and these shares are paid to directors through the trust in accordance with a Policy on Directors' Stock Compensation established by the Board of Directors. The system has been in operation since September 2016.

Persons Eligible for Stock Options	—
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Supplementary Explanation for Applicable Items
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## Director Remuneration

Status of Disclosure of Individual Director's Remuneration
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Disclosure for Selected Directors
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Supplementary Explanation for Applicable Items
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The Annual Securities Report from January 1, 2024 to December 31, 2024 includes the following statements.

[Details of Compensation for Directors of the Board]

Total compensation for 5 Directors of the Board (excluding Independent Outside Directors of the Board): 441 million yen, of which fixed compensation is 216 million yen, bonus is 150 million yen, and stock compensation is 74 million yen.

Total compensation for 2 Audit and Supervisory Board Members (excluding Independent Outside Audit and Supervisory Board Members): 33 million yen, of which fixed compensation is 33 million yen.

Total compensation for 8 Independent Outside Directors and Independent Audit and Supervisory Board Members: 54 million yen, of which fixed compensation is 54 million yen.

The amount of compensation, etc. for directors whose compensation is 100 million yen or more is disclosed in the annual securities report from January 1, 2024 to December 31, 2024.

Policy on Determining Remuneration Amounts and Calculation Methods
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Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods
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(1) Directors of the Board

The Company's compensation plan for Directors of the Board was designed to lead to the sustainable growth of the Nissha Group and the improvement of corporate value over the medium to long term and to ensure that their respective duties are duly performed. The compensation level was designed to be market-competitive in achieving growth as a global company.

The basic policy on compensation for Directors of the Board who are responsible for business execution is to promote the sharing of value with shareholders and contribute to the improvement of corporate performance and corporate value. The compensation consists of a base salary (monetary compensation), which is fixed compensation, bonus (monetary compensation), which is short-term performance-linked compensation, and stock compensation, etc., which is medium- to long-term performance-linked compensation. The base salary (monetary compensation) is fixed monthly compensation and determined based on the importance of duties each Director of the Board is responsible for and their positions. The amount of the bonus (monetary compensation), which is short-term performance-linked compensation, is determined based on the attainment levels of consolidated net sales, consolidated operating profit, and consolidated ROE targets as well as individual evaluations to function as an incentive to achieve

consolidated performance targets for each fiscal year and to encourage appropriate management. The bonus is paid at a fixed time each year. Stock compensation, etc., which is medium- to long term performance-linked compensation (non-monetary compensation, etc.), was designed to function as an incentive to promote a sense of contribution to the sustainable growth of the Nissha Group and the improvement of corporate value over the medium to long term. Specifically, a Board Benefit Trust (BBT) is used. Under this system, the Company awards points to Directors of the Board, etc. according to their titles and the attainment levels of the consolidated performance targets and the Medium-term Business Plan targets for each fiscal year during a three-year period covered by the Medium-term Business Plan. On a fixed date in every final fiscal year of the Medium-term Business Plan, the Company grants or pays shares in the Company and cash equivalents of such shares at their market value through the trust according to the number of points awarded. As for indicators for awarding points, consolidated net sales and consolidated operating profit are used for the consolidated performance targets for each fiscal year, while the level of achievement of the consolidated ROE target (three-year average), one of our key business management indicators, in the final fiscal year of the Medium-term Business Plan and ESG metrics are used for the Medium-term Business Plan targets. The ESG metrics are a metric related to climate change (reduction of CO2 emissions at the Nissha Group), a metric related to women's empowerment at the Company (ratio of female managers and ratio of next-generation female managers), and a metric related to employee engagement at the Nissha Group (willingness to contribute to the organization and organizational commitment). The Company stipulates conditions under which stock compensation, etc. will not be paid in the event of wrongdoings or misconduct in order to encourage sound execution of duties by Directors of the Board.

The ratios of compensation by type are determined based on the compensation level of companies of a similar scale to the Company and global companies in related industries and general trends.

Compensation for Independent Outside Directors of the Board does not include performance-linked compensation as they supervise management from a standpoint independent from business execution. It consists solely of a base salary, which is fixed compensation, and is determined by considering the career and responsibilities of the relevant Independent Outside Director of the Board.

The Company has established a Nomination and Compensation Committee as an advisory panel for the Board of Directors of the Company. The Nomination and Compensation Committee is chaired by an Independent Outside Director of the Board and the majority of its members are Independent Outside Directors of the Board. The Chairman of the Board, President and CEO prepares proposed compensation amounts for Directors of the Board in accordance with predetermined calculation methods within the range of compensation limits determined at General Meetings of Shareholders. Upon consultation by the Board of Directors, the Nomination and Compensation Committee deliberates the details of the proposed compensation amounts and submits a report to the Board of Directors. The Board of Directors then determines the compensation amounts based on the report.

## (2) Audit and Supervisory Board Members

Compensation for Audit and Supervisory Board Members is determined through discussions among Audit and Supervisory Board Members within the range of a compensation limit determined at a General Meeting of Shareholders. It consists solely of a fixed base salary as Audit and Supervisory Board Members are responsible for auditing the entire Nissha Group from an independent standpoint.

## **Support System for Outside Directors (and/or Outside Audit and Supervisory Board Members)**

The Corporate Strategy Planning Department, which serves as the secretariat for the Board of Directors, distributes materials related to the agenda and proposals to Directors and Audit and Supervisory Board Members in advance of meetings of the Board of Directors. Additionally, important agenda items are explained in advance to Outside Directors and Outside Audit and Supervisory Board Members. The Director of Audit and Supervisory Board Member's Office, which reports directly to the Audit and Supervisory Board, handles the distribution of meeting notices and related documents, and conducts investigations and analyses of directives.

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

### Information on Persons Holding Advisory Positions after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
—	—	—	—	—	—

Number of Persons Holding Advisory Positions After Retiring as  
Representative Director and President, etc.

0

### Other Related Matters

The Company has implemented an Advisor System for former Directors, Audit and Supervisory Board Members, and Corporate Officers. The Advisor Regulations outline the duties, selection criteria, selection process, term of office, and treatment of advisors. According to the regulations, advisors do not have decision-making authority or command authority within the organization. Their role is to offer insights based on their extensive experience and expertise, provide valuable advice, and engage in external business community activities to contribute to the company's development and improvement.

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

### [Overview of Current System]

Details of the corporate governance system are described in the “Corporate Governance Policy”.

### [Status of Execution of Operations]

The Board of Directors convenes for regular meetings once a month and for extraordinary meetings as needed to receive reports on the execution of operations and make required decisions. To respond flexibly to changes in the business environment and clarify management responsibilities for each fiscal year, the term of Directors of the Board is one year.

The Board of Directors consists of nine members, four of whom are Independent Outside Directors (44.4% Independent Outside Directors), including one female. By proactively appointing Independent Outside Directors and ensuring diversity, we aim to ensure management transparency and fairness. Leveraging the insights of Independent Outside Directors, we strengthen the formulation of strategies and the management monitoring function of the Board.

The Company adopts a corporate officer system in an effort to clarify the powers and authority in the speedy decision making and the implementation of decisions, under which the Board of Directors will be in charge of the formulation of strategies and business oversight, and the Corporate Officers will be in charge of the execution of business. We require the Corporate Officers to report on the status of business execution and have established monthly and quarterly meetings (business review) to monitor whether their business execution is progressing as planned. This system allows us to quickly respond to changes in the business environment and ensures the proper and efficient operation of each business division.

### [Initiatives to Enhance the Functions of Audit and Supervisory Board Members]

In accordance with the auditing policies and plans based on the audit standards set by the Audit and Supervisory Board, the Audit and Supervisory Board Members attend meetings of the Board of Directors and other important meetings. They review approval documents and other important documents, perform visiting audits at major offices and affiliated companies, and regularly exchange views with the President and CEO, Directors of the Board, and General Managers. The Audit and Supervisory Board Members hold regular meetings and coordinate closely with the Accounting Auditor, Internal Audit, and corporate divisions. Independent Audit and Supervisory Board Members have profound wisdom in finance and accounting or legal affairs, such as certified public accountants and attorneys, ensuring the objectivity and effectiveness of audits. We have established the Director of Audit and Supervisory Board Member's Office, staffed with dedicated employees, to support their duties and allow audit operations to be conducted smoothly.

The accounting audits under the Companies Act and the Financial Instruments and Exchange Act are appropriately conducted by Deloitte Touche Tohmatsu LLC in accordance with relevant laws and regulations. There are no special interests between the firm, its engagement partners involved in the audits, and the Company.

[Overview of a Contract for Limitation of Liability]

The Company has concluded the contracts for limitation of liability with all Independent Outside Directors and Independent Audit and Supervisory Board Members. The aforementioned contracts limit liability for damages to the Company under Article 423, Paragraph 1 of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act, when the Director of the Board's duty is performed in good faith and with no gross negligence.

### **3. Reasons for Adoption of Current Corporate Governance System**

Details are described in the "Overview of Current Corporate Governance System" above.

The Company, as a company with Audit and Supervisory Board, ensures promptness and flexibility in management. By appointing Independent Outside Directors to more than one third of the Board, we enhance management transparency and strengthen the formulation of strategies and the management monitoring function of the Board. In addition, by establishing the Nomination and Compensation Committee, we ensure objectivity and fairness. Accordingly, the judgment of the Company is that its current corporate governance system is the most suitable for the corporate management of the Company.

Independent Outside Directors of the Board leverage their broad experience and insights to provide specialized, objective, and valuable feedback and opinions on our overall management from an independent standpoint. Independent Outside Audit and Supervisory Board Members, who include certified public accountants and attorneys, contribute their advanced expertise to our audits, thereby maintaining and enhancing our corporate governance.

### III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company sends the Convocation Notice three weeks before the date of the General Meeting of Shareholders after electronic provision measures, so that shareholders can secure a sufficient review period for proposals for the meeting.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The Company has been avoiding peak days for holding its annual general meeting since the Ordinary General Meeting of Shareholders in 2009.
Electronic Exercise of Voting Rights	The Company has been adopting a system for exercising voting rights via the Internet since the Ordinary General Meeting of Shareholders in 2008.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company has been adopting a platform for exercising voting rights for institutional investors operated by ICJ, Inc. since the Ordinary General Meeting of Shareholders in 2008.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The Company translates the Convocation Notice into English and discloses on the Company's website at the same time as the Japanese version.
Other	<p>After the General Meeting, the Company holds a brief management session to deepen understanding of our business activities and medium- to long-term strategies. In addition, we exhibit products and panels to introduce our products and technologies, and provide tours of the facility that display the history of printing.</p> <p>Starting with the Ordinary General Meeting of Shareholders in 2021, the Company has provided live streaming for shareholders who are not able to attend the General Meeting at the venue. The Company has also accepted questions in advance through the Internet since the Ordinary General Meeting of Shareholders in 2022.</p>

#### 2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	<p>The Company has established and disclosed the IR Policy that includes our information disclosure policy (standards, methods, internal structure for timely disclosure, period, and scope of provision).</p> <p>Japanese:  <a href="https://www.nissha.com/ir/disclosure.html">https://www.nissha.com/ir/disclosure.html</a> </p>	

	English: <a href="https://www.nissha.com/english/ir/disclosure.html">https://www.nissha.com/english/ir/disclosure.html</a>	
Regular Investor Briefings held for Individual Investors	After the General Meeting, the Company holds an annual session for the management objectives and strategies. The Chairman of the Board, President and CEO serves as the spokesperson. In addition, company briefings for individual investors were held in December 2024 and March 2025.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds briefing sessions on the same day as the announcement of full-year and quarterly financial results. In fiscal year 2024, the Company conducted the sessions online each quarter. The Chairman of the Board, President and CEO serves as the spokesperson for all the sessions. In addition, the Company held the 8th Medium-term Business Plan presentation and Medical Technologies small meeting, where the Chairman of the Board, President and CEO and General Manager of Business Unit serve as the presenters.	Held
Regular Investor Briefings held for Overseas Investors	The Company conducts meetings with overseas investors, where the Chairman of the Board, President and CEO serves as the spokesperson. The Company also participates in conferences and other events hosted by securities companies.	Held
Online Disclosure of IR Information	The Company publishes summaries of financial results, disclosure materials, annual securities reports, presentation materials of financial results sessions, medium-term business plan presentations, and business information sessions, Q&A overviews of the presentation, the integrated report (Nissha Report), and materials for the general meeting of shareholders.  Japanese: <a href="https://www.nissha.com/ir/index.html">https://www.nissha.com/ir/index.html</a>  English: <a href="https://www.nissha.com/english/ir/index.html">https://www.nissha.com/english/ir/index.html</a>	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Company has Investor Relations Group, Corporate Communications Department, under the control of the President and CEO.	
Other	The Company conducts an annual survey to the	

shareholders to gather their opinions and provide feedback to the management.

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

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	<p>The Company identifies the stakeholders as our customers, shareholders, employees, suppliers, and society. We aim to realize our respective visions while valuing a relationship with the stakeholders in which we affect each other. We have integrated its standards of thought and rules of conduct into Nissha Philosophy.</p>
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>The Company views sustainability as “initiatives for sustainable growth and development for both the company and society.” Based on this view, we consider social issues to be business opportunities. We strive not only to leverage our strengths to provide products and services that help solve these issues on an ongoing basis, but also to strengthen the management foundation underpinning our business activities, reduce risks that could hamper business continuance, and promote governance to ensure these are all carried out appropriately.</p> <p>The Company has established a Sustainability Committee, chaired by the President and CEO. This committee is composed of business organizations, divisions, and the ESG task force related to the themes of Creating business opportunities, Risk reduction, Strengthening management foundation, and Corporate governance, and which all work in concert with each other. The ESG task force has been established to promote cross-division efforts to respond to climate change, which is seen as a key issue from the perspective of ESG, and works to accelerate our initiatives in that direction.</p> <p>To realize our Sustainability Vision, the Company identifies particularly important items as materialities. Materialities are discussed by the Sustainability Committee, and identified through deliberations and resolutions by the Board of Directors.</p> <p>Each business organization, division, and the ESG task force responsible for materialities oversee the management of respective strategy items, KPIs, and action items, and report their progress to the Sustainability Committee on a monthly or quarterly basis. The Sustainability Committee reports its activities annually to the Board of Directors.</p>

	<p>Furthermore, the Company has established a Risk Management and Compliance Committee, which centrally identifies and assesses risks that could hinder smooth business operations of the Group. The committee selects and reviews significant risks, and through monitoring, works to avoid and mitigate these risks. Each subcommittee and division responsible for overseeing the risks promotes initiatives to minimize them. The committee confirms the progress on a quarterly basis and reports its activities annually to the Board of Directors.</p> <p>Regarding these initiatives, the Company annually publish and disclose the Nissha Sustainability Report which includes non-financial information on the environment, social, and governance.</p> <p>Japanese:  <a href="https://www.nissha.com/sustainability/index.html">https://www.nissha.com/sustainability/index.html</a></p> <p>English:  <a href="https://www.nissha.com/english/sustainability/index.html">https://www.nissha.com/english/sustainability/index.html</a></p>
Formulation of Policies, etc. on Provision of Information to Stakeholders	<p>The Disclosure Control Committee has been established to discuss the necessity of timely disclosure of corporate information and the contents of disclosure. The Company discloses corporate information in accordance with the standards and methods outlined in our IR Policy.</p>

## IV. Matters Concerning the Internal Control System

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

The Company has established an Internal Control Policy to provide a system to ensure the appropriateness of work as stipulated by the Companies Act.

[Internal Control Policy]

Pursuant to the Companies Act and the Ordinance for Enforcement of the Companies Act, the Company shall establish systems to ensure the properness of operations (hereinafter, “Internal Control”) of the group consisting of the Company and its subsidiaries (hereinafter, the “Nissha Group”) as follows, and strive to continuously improve and enhance Internal Control upon confirming the status of its operations.

- (1) Systems necessary to ensure that the execution of duties by Directors of the Board and employees of the Nissha Group complies with laws and regulations and the Company’s Articles of Incorporation
  - 1) The Company shall establish “Corporate Ethics and Code of Conduct” based on its “Nissha Philosophy,” which specifies the basis of mission and thought common to the entire Group and rules of conduct, so as to comply with laws and social ethics from a global point of view.
  - 2) The Company shall establish a Risk Management and Compliance Committee under the Risk Management and Compliance Committee Regulations to carry out monitoring and educational activities to ensure compliance with laws and regulations, the Company’s Articles of Incorporation, and social norms. In addition, the Company shall appoint a Manager and Leader in charge of promotion in each business unit of the Nissha Group to establish a structure for promoting Corporate Ethics and Compliance. An “in-house reporting system” shall be established at law offices outside the Company and operated, through which employees may provide information directly to the Company, while due measures are taken for the protection of whistleblowers.
  - 3) The Company shall appoint Independent Outside Directors of the Board so that they make up at least one-third of the Board of Directors to maintain and enhance the function of supervising the execution of duties by Directors of the Board. In addition, the Company shall establish a Nomination and Compensation Committee as an advisory panel for the Board of Directors of the Company in order to ensure the objectiveness and fairness of the nomination of Directors of the Board and Audit and Supervisory Board Members as well as the compensation of the Directors of the Board. The Nomination and Compensation Committee shall be chaired by an Independent Outside Director of the Board and the majority of its members shall be Independent Outside Directors of the Board.
  - 4) The Internal Audit Office, which is under the direct control of the Chairman of the Board, President and CEO, shall analyze and evaluate the state of the establishment and operations of an Internal Control system, propose an improvement plan, and enrich the system.
  - 5) The Company shall set a basic policy to counter antisocial forces, shall not have any relationship with antisocial forces, and shall not respond to any unreasonable demands with a resolute attitude in compliance with the Regulations regarding Antisocial Forces, and the Nissha Group shall strive for thorough implementation of such measures.
- (2) Systems regarding the retention and management of information relating to the execution of duties by Directors of the Board

- 1) The Company shall retain and manage information regarding execution of duties by Directors of the Board, including the minutes of the General Meetings of Shareholders, the minutes of the meetings of the Board of Directors and the requests for managerial decision, properly and with certainty pursuant to the laws and regulations and internal regulations on information management, and the information shall be maintained in a condition which can be inspected.
  - 2) The Company shall prevent unauthorized use, disclosure or leakage of corporate information and properly handle confidential and personal information pursuant to internal regulations on information management, and the Nissha Group shall strive for thorough implementation of such measures.
  - 3) The Company shall disclose important information on the Nissha Group timely and properly by establishing a Disclosure Control Committee which shall discuss the necessity of timely disclosure of corporate information and the contents of disclosure.
- (3) Rules and other systems for risk management of the Nissha Group
- The Company shall establish a Risk Management and Compliance Committee under the Basic Policy for Risk Management to avoid and reduce risks by identifying and assessing risks that impede the business operations of the Nissha Group in an integrated manner, selecting and reviewing material risks, and monitoring them. The subcommittees and business units responsible for each risk shall push forward with initiatives to minimize the risk. The Risk Management and Compliance Committee shall report the details of its activities to the Board of Directors once a year.
- (4) Systems necessary to ensure the efficient execution of the duties by Directors of the Board of the Nissha Group
- 1) Through the introduction of the Corporate Officer System, the Company shall establish functional segregation between strategy development and management monitoring functions to be undertaken by the Board of Directors and business execution functions to be undertaken by the Corporate Officers.
  - 2) The Board of Directors of the Company shall approve Medium-term Business Plans, and the Directors of the Board and employees shall execute operations based on such strategic and performance plans.
  - 3) The Chairman of the Board, President and CEO shall request the Corporate Officers to report the status of their execution of business and confirm whether or not the business is executed according to the plans at monthly and quarterly meetings (business reviews).
  - 4) The Company shall share the status of execution of business by the Corporate Officers and the strategy implementation items to be undertaken by its organizations through the use of IT to improve business efficiency.
- (5) Systems necessary to ensure the proper business operation of the Nissha Group
- 1) The Company shall formulate the Affiliated Company Management Regulations to set a basic administration policy for the management of each company of the Nissha Group. In addition, the Company shall manage the performance of important operations of each company of the Nissha Group by designating matters requiring approval of and reporting to the Company with regard to the execution of those operations in the Regulations on Requests for Managerial Decisions.
  - 2) The Company shall, as necessary, appoint its officers or employees to become Directors of the Board and Audit and Supervisory Board Members of each company of the Nissha Group in order to ensure the proper execution of operations.
  - 3) The corporate division shall manage the proper execution of operations at each company of the Nissha Group and lead and counsel it, as necessary.

- 4) The Company shall periodically convene the Group Audit and Supervisory Board meeting for the exchange of information among the Audit and Supervisory Board Members of the Nissha Group and strive to improve and strengthen the audits for each company of the Nissha Group.
- (6) Matters regarding employees assisting the duties of Audit and Supervisory Board Members, when Audit and Supervisory Board Members ask for appointment of such employees, and matters regarding the independence of such employees from Directors of the Board
  - 1) The Company shall establish an Audit and Supervisory Board Member's Office to assist the duties of Audit and Supervisory Board Members, and shall arrange for employees to be exclusively assigned to the Office.
  - 2) The Audit and Supervisory Board Member's Office shall belong to the Audit and Supervisory Board and be independent from Directors of the Board. With regard to matters regarding the personnel affairs of the employees of the Audit and Supervisory Board Member's Office, approval of the Audit and Supervisory Board shall be obtained through consultation.
- (7) Systems for reporting to Audit and Supervisory Board Members by Directors of the Board and employees of the Nissha Group and other systems regarding reporting to Audit and Supervisory Board Members

Directors of the Board and employees of the Company, and Directors of the Board, Audit and Supervisory Board Members and employees of the Nissha Group shall quickly report to the Audit and Supervisory Board items that will potentially have a serious influence on the Nissha Group, the status of risk management, the results of internal audits, the status of internal reports, and the details of such reports, etc. The Audit and Supervisory Board Members of the Company shall request the Directors of the Board and employees of the Company, and Directors of the Board, Audit and Supervisory Board Members and employees of the Nissha Group to report such matters as necessary. In addition, whistleblowers shall not be treated disadvantageously in any way whatsoever as a consequence of such reporting.
- (8) Other systems necessary to ensure the effective audit by Audit and Supervisory Board Members
  - 1) The regular meetings for exchanges of opinions between the Chairman of the Board, President and CEO, Directors of the Board and the Audit and Supervisory Board shall be held. The Audit and Supervisory Board Members shall also set up regular meetings with the Accounting Auditor, Internal Audit Office and corporate division to cooperate with them closely.
  - 2) The Audit and Supervisory Board Members shall attend not only the meetings of the Board of Directors but also other important meetings, and express their opinions as necessary. In addition, they shall also examine the requests for managerial decision and other important documents.
  - 3) The Company shall ensure objectivity and effectiveness of audits through Independent Audit and Supervisory Board Members, including those who have considerable knowledge concerning finance and accounting or legal affairs, such as a certified public accountant or an attorney, etc.
  - 4) The Company shall bear expenses necessary for the execution of duties by the Audit and Supervisory Board Members. If an Audit and Supervisory Board Member requests the Company to make an advance payment of such expenses pursuant to laws and regulations, the Company shall promptly comply with the request upon confirmation.

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

### **(1) Basic Policy**

Based on the Internal Control Policy, the Company has established the Corporate Ethics and Compliance Guidelines. Our basic policy is to have no relationship with anti-social forces that pose a threat to the safe and orderly functioning of society and to take a firm stand against such forces and groups.

### **(2) Status of Preparations**

In order to implement our basic policy, the Company has established regulations related to dealing with anti-social forces. The Company distributes manuals and other information regarding corporate ethics and compliance at various internal training programs, as well as conducting dedicated training programs on a systematic and ongoing basis.

The Corporate General Affairs oversees the implementation of initiatives to deal with anti-social forces. Through information exchange and cooperation with law enforcement authorities, corporate lawyers, and relevant committees the department works to reduce risks and prevent potential damage to the company caused by anti-social forces.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation for Applicable Items	
<p>[Basic Policy Regarding the Control over the Company]</p> <p>An overview of the details of the resolution passed by the Board of Directors concerning the above policy is as follows:</p> <p>1. Contents of basic policy</p> <p>As the Company is a publicly listed company and its shares may be traded freely, the Company believes that a decision on whether to accept or reject any proposal for a large-scale purchase of shares or any acts similar thereto involving the transfer of control of the Company must ultimately be based on the will of its shareholders. Consequently, the Company will not reject outright even proposals for a large-scale purchase of shares if they contribute to the Company's corporate value and the common interests of its shareholders.</p> <p>The Company believes that in order to protect and enhance its corporate value and the common interests of its shareholders, it is essential that the Company contributes to society by continually providing valuable products and services, based on the Nissha Philosophy as a forward-looking company. More specifically, the Company believes that continuously improving its core technologies by combining the diverse capabilities and passion spread around the world through the leadership of the global Nissha Group, providing high value-added products and services through manufacturing that other companies cannot provide, by grasping the needs of the market on a global basis, and realizing the enrichment of people's lives will lead to ensuring and improving the Company's corporate value and the common interests of its shareholders.</p> <p>The Company believes that parties who hold control over the determination of the Company's financial matters and business policies must fully understand the said basic views described above, and secure and enhance the corporate value of the Company and the common interests of shareholders with medium- to long-term points of view.</p> <p>Therefore, the Company believes that any party that, without adequately understanding the basic views described above, proposes any inappropriate large-scale purchase of shares or any acts similar thereto that do not benefit the corporate value or the common interests of shareholders, should be considered inappropriate to have control over the determination of the Company's financial matters and business policies.</p> <p>2. Special initiatives contributing to the implementation of basic policy</p> <p>The Group's Mission is to use the diverse capabilities of its people and core technologies as an engine for growth to create highly competitive, feature-rich products and services that realize customer value and contribute to better lives for all.</p> <p>Guided by this Mission, we established our Sustainability Vision as our long-term vision for 2030, and aim to create social and economic value by contributing to solving global social issues related to medical, mobility, and environment, with the integration and orchestration of the diverse talents of our people and our technologies.</p> <p>The 8th Medium-term Business Plan, which has been implemented since January 2024, aims to achieve stable growth and capital efficiency improvement. Accordingly, we will improve and stabilize profitability through strengthening the business portfolio we have built up to date.</p>	

#### Supplementary Explanation for Applicable Items

[Basic Policy Regarding the Control over the Company]

An overview of the details of the resolution passed by the Board of Directors concerning the above policy is as follows:

#### 1. Contents of basic policy

As the Company is a publicly listed company and its shares may be traded freely, the Company believes that a decision on whether to accept or reject any proposal for a large-scale purchase of shares or any acts similar thereto involving the transfer of control of the Company must ultimately be based on the will of its shareholders. Consequently, the Company will not reject outright even proposals for a large-scale purchase of shares if they contribute to the Company's corporate value and the common interests of its shareholders.

The Company believes that in order to protect and enhance its corporate value and the common interests of its shareholders, it is essential that the Company contributes to society by continually providing valuable products and services, based on the Nissha Philosophy as a forward-looking company. More specifically, the Company believes that continuously improving its core technologies by combining the diverse capabilities and passion spread around the world through the leadership of the global Nissha Group, providing high value-added products and services through manufacturing that other companies cannot provide, by grasping the needs of the market on a global basis, and realizing the enrichment of people's lives will lead to ensuring and improving the Company's corporate value and the common interests of its shareholders.

The Company believes that parties who hold control over the determination of the Company's financial matters and business policies must fully understand the said basic views described above, and secure and enhance the corporate value of the Company and the common interests of shareholders with medium- to long-term points of view.

Therefore, the Company believes that any party that, without adequately understanding the basic views described above, proposes any inappropriate large-scale purchase of shares or any acts similar thereto that do not benefit the corporate value or the common interests of shareholders, should be considered inappropriate to have control over the determination of the Company's financial matters and business policies.

#### 2. Special initiatives contributing to the implementation of basic policy

The Group's Mission is to use the diverse capabilities of its people and core technologies as an engine for growth to create highly competitive, feature-rich products and services that realize customer value and contribute to better lives for all.

Guided by this Mission, we established our Sustainability Vision as our long-term vision for 2030, and aim to create social and economic value by contributing to solving global social issues related to medical, mobility, and environment, with the integration and orchestration of the diverse talents of our people and our technologies.

The 8th Medium-term Business Plan, which has been implemented since January 2024, aims to achieve stable growth and capital efficiency improvement. Accordingly, we will improve and stabilize profitability through strengthening the business portfolio we have built up to date.

Since its foundation, the Company has been executing strategies that promptly address external challenges, under engaged management leadership. The Company believes that strengthening corporate governance along with such leadership will promote agile and decisive decision making, as well as ensuring management transparency and fairness, and is aware that corporate governance is a key management issue.

Since the introduction of the Corporate Officer System, we have segregated the strategy development and management oversight functions to be undertaken by the Board of Directors from the business execution function to be undertaken by the Corporate Officers. In addition, we promote diversity in the Board of Directors. The current Board of Directors consists of nine Directors of the Board, including four Independent Outside Directors of the Board who meet strict independence criteria (44.4% of the Directors of the Board are Independent Outside Directors and 11.1% are women). Independent Outside Directors of the Board provide beneficial advice and opinions by taking advantage of their experiences and insights, which lead to active discussion at the meetings of the Board of Directors. Furthermore, in October 2015, the Company established a Corporate Governance Policy. Based on the policy, the Company has established a Nomination and Compensation Committee, at least half of whose members are Independent Outside Directors of the Board and whose chairman is selected from among the Independent Outside Directors of the Board. The Company made use of knowledge of Independent Outside Directors of the Board to ensure objectivity and fairness in appointing officers and setting compensation, and also evaluated the effectiveness of the Board of Directors once a year in order to help the Board of Directors function better.

The Company believes it can protect and enhance the Company's corporate value and the common interests of its shareholders by continuing to implement the aforementioned measures.

3. Initiatives in light of basic policy to prevent the control over the determination of the Company's financial matters and business policies by an inappropriate party

The Company abolished the "Countermeasures Against a Large-scale Purchase of Shares of Nissha Printing Co., Ltd." at the close of the 100th Ordinary General Meeting of Shareholders held on March 22, 2019. However, in the event of a party seeking to perform a large-scale purchase of shares of the Company, the Company will take proper measures pursuant to the Financial Instruments and Exchange Act, the Companies Act and other applicable laws and regulations, including asking the party to provide necessary and sufficient information, disclosure of opinions, etc. of the Board of Directors of the Company and ensuring of sufficient time and information so that the shareholders may properly determine whether the large-scale purchase is acceptable.

4. Judgment of the Board of Directors on aforementioned initiatives

The Board of Directors believes that the initiatives described in aforementioned 2 and 3 are in line with the basic policy and contribute to the protection and enhancement of the corporate value of the Company and the common interests of shareholders, and that they are not aimed at maintaining the status of Directors of the Board and Audit and Supervisory Board Members of the Company.

## 2. Other Matters Concerning the Corporate Governance System

### Overview of Structure for Timely Disclosure

#### 1. Basic Stance on Timely Disclosure

To promote understanding of the Company by our stakeholders and to seek fair valuation by our shareholders and investors, the

Company discloses corporate information in accordance with the standards and methods outlined in our IR Policy. The Company discloses information promptly and in a timely manner, and with consideration for accuracy, fairness, and consistency. The Company strives to communicate corporate information fairly and prevent leakage of important undisclosed matters by establishing a period of silence and defining the scope of provision.

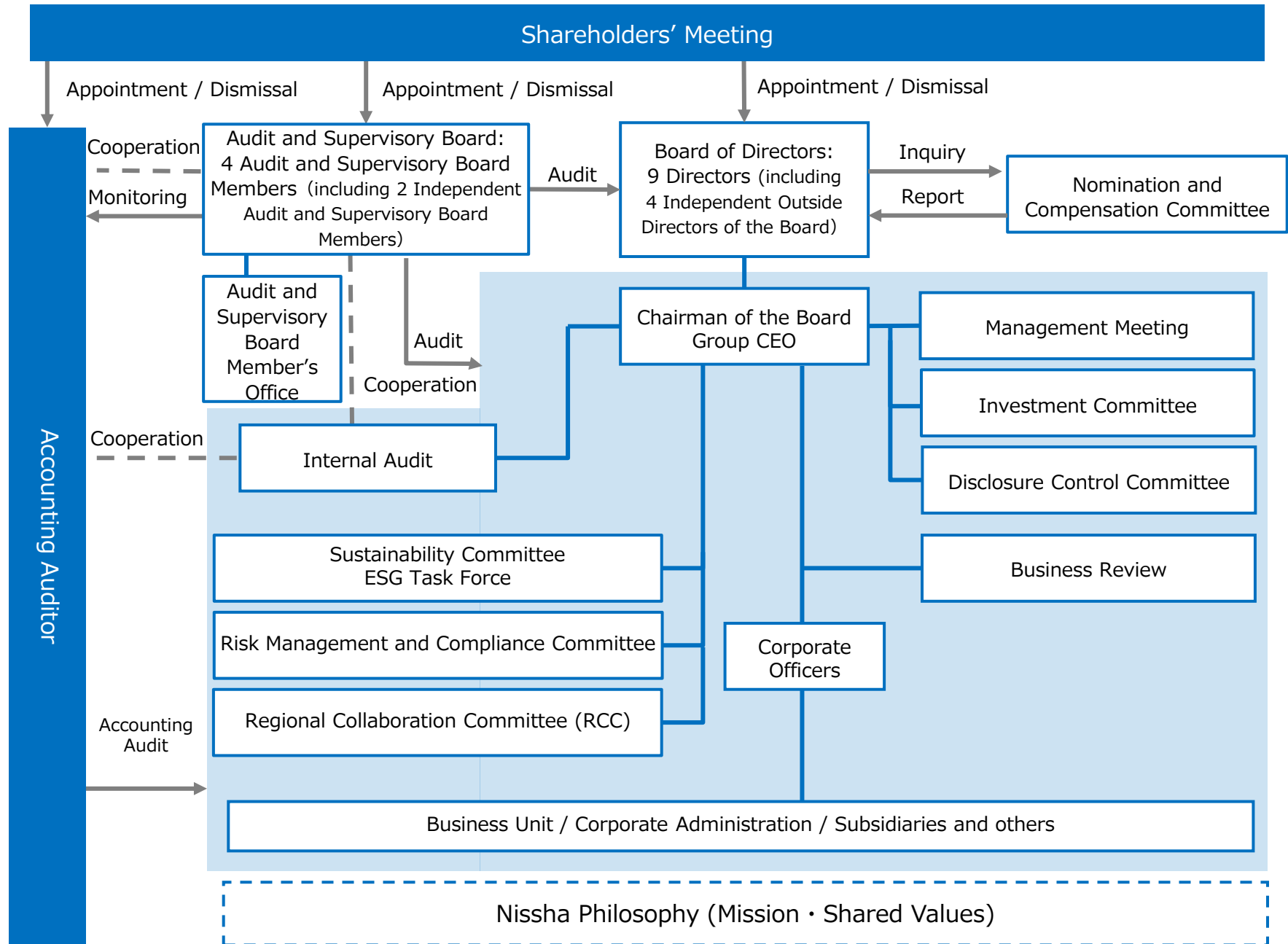
## 2. Internal Structure for Timely Disclosure

The Company has established a Disclosure Control Committee chaired by the president and made up of directors and managers of the Business, Corporate, and other divisions. This Committee constructs and operates our internal structure for disclosure, and determines the importance and suitability of information to be disclosed.

When disclosure is deemed necessary, the information is presented to the Board of Directors for approval if the contents warrant it, and then promptly disclosed.

END

# Corporate Governance Structure \*as of January 1, 2025



# Internal Structure for Timely Disclosure

