



Nissha Sustainability Report 2025

English



Leaders
in Trusted
Technologies

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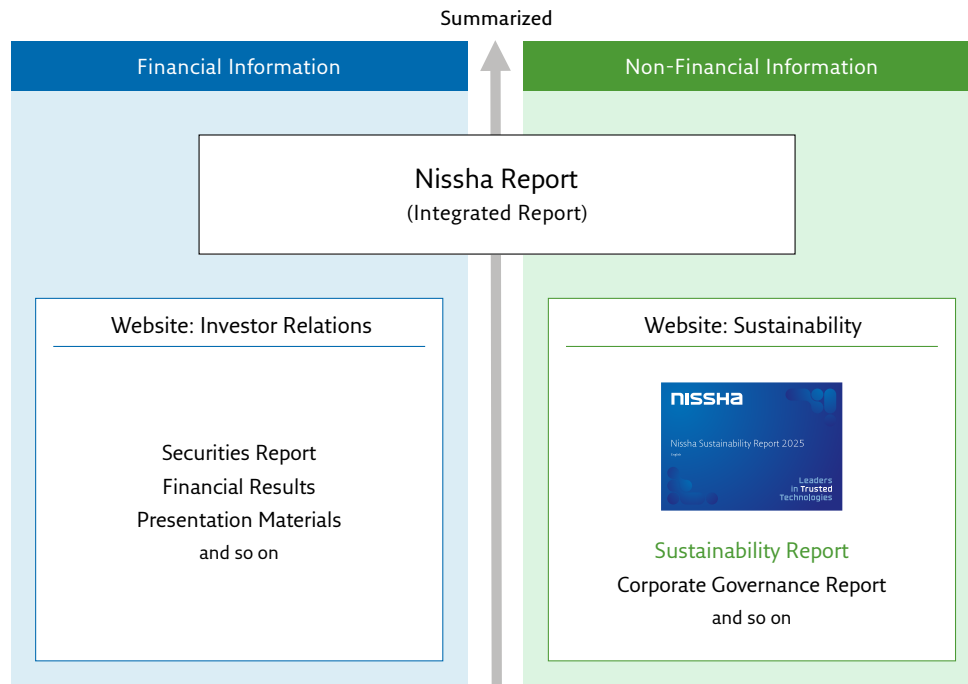
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1. Editorial Policy

The Nissha Group believes that appropriate information disclosure and communication with stakeholders are important. The Nissha Report, an integrated report, comprehensively provides financial and non-financial information to shareholders, investors, and other stakeholders, including the company's initiatives for sustainable corporate growth. The Nissha Sustainability Report (this report) is published once a year to provide comprehensive and detailed information on non-financial information.

Sustainability Report 2025 covers our initiatives and performance in the fiscal year ended December 2024 (January–December 2024), following the editorial policy given below.

The Role of Nissha Sustainability Report



1-1 Guidelines Used as Reference

- The GRI Sustainability Reporting Standards
- ISO26000
- Environmental Reporting Guidelines 2018, issued by the Japanese Ministry of the Environment

1-2 Period Covered

From January 2024 to December 2024

1-3 Publication Dates

Current issue: June 2025 for Japanese, August 2025 for English
 Last issue: July 2024 for Japanese, August 2024 for English
 Next issue: June 2026 for Japanese, August 2026 for English (planned)

1-4 Scope of Reporting

The information and data contained in this report focus mainly on activities conducted by the Nissha Group. Where information for the entire group is not available, the scope of reporting is indicated separately. "Nissha" or "the Company" refers to "Nissha Co., Ltd." while "Nissha Group" or "the Group" collectively refers to the Group overall, including Nissha Co., Ltd. "Headquarters" or "Kyoto Global Headquarters" refers to the headquarters and Group companies located within the headquarters premises. The major companies of each Nissha Group business are given below. Significant activities conducted by companies in our supply chain are also included in this report.

1-5 Major Group Companies and Businesses

| Companies | Major Businesses |
|--|-------------------------------|
| Nissha Industries, Inc. | Industrial Materials |
| Nissha Precision and Technologies, Inc. | Devices |
| Nissha FIS, Inc. | Devices |
| Nissha Printing Communications, Inc. | Others |
| Nissha Zonnebodo Pharma Co., Ltd.*1 | Others |
| Nissha Business Service, Inc. | Others |
| Nissha USA, Inc. | Industrial Materials, Devices |
| Nissha Eimo Technologies | Industrial Materials |
| Nissha PMX Technologies,S.A. de C.V. | Industrial Materials |
| Nissha Medical Technologies | Medical Technologies |
| Nissha Europe GmbH | Industrial Materials, Devices |
| Nissha Advanced Technologies Europe GmbH | Industrial Materials |
| Nissha Metallizing Solutions | Industrial Materials |
| Nissha Korea, Inc. | Industrial Materials, Devices |
| Nissha Industrial and Trading (Shenzhen) Co., Ltd. | Industrial Materials |
| Nissha (Kunshan) Precision IMD Mold Co., Ltd. | Industrial Materials |
| Guangzhou Nissha High Precision Plastics Co., Ltd. | Industrial Materials |
| Taiwan Nissha Co., Ltd. | Industrial Materials, Devices |
| Nissha Industrial and Trading Malaysia Sdn. Bhd. | Industrial Materials |
| Nissha Precision Technologies Malaysia Sdn. Bhd. | Industrial Materials |
| Nissha Vietnam Co., Ltd. | Devices |

*1. Zonnebodo Pharmaceutical Co., Ltd. changed its trade name to Nissha Zonnebodo Pharma Co., Ltd. on September 1, 2024.

*The Company acquired shares of SHIGAKEN PHARM. IND. CO., LTD. a manufacturing and marketing authorization holder of pharmaceuticals and quasi-drugs, and made it a subsidiary on January 8, 2025. However, it is not included in the reporting scope of this report.

1-6 Major Changes in Reporting Scope

No major changes.

1-7 Publishing Division and Contact for Inquiries

Nissha Co., Ltd.

ESG Promotion

Contact: [Website Contact](#)

TEL: +81 75 811 8111

2. CEO Message

The Mission of Nissha Group is to enrich people's lives by creating and developing technology into economic and social value through the diverse capabilities, passion, and leadership of the global Nissha Group. Nissha Group is a forward thinking global company, primarily conducting businesses in Industrial Materials, Devices, and Medical Technologies.

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 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. These activities will create the economic and social value stated in our Mission, allowing us to enrich people's lives.

The Nissha Group currently has set out where it wants to be by 2030 in the form of our Sustainability Vision (long-term vision). We are working to provide products and services that contribute to solving global social issues in the priority markets of Medical, Mobility, and Sustainable Materials with the integration and orchestration of the diverse talents of our people and our technologies, creating social value. In addition, we have set a target of reducing 30% of total CO₂ emissions by 2030 (compared to 2020), in view of carbon-neutral by 2050. However, we were able to achieve this goal six years early, in 2024.

To realize our Sustainability Vision, it is imperative that we continue to provide value to society through our businesses with our customers. Our employees around the world who share our Mission are our driving force. In order to create value beyond conventional thinking amidst a drastically changing market environment, we are promoting diversity in various aspects, cooperating across countries, businesses, and generations, and creating an inclusive organization in which diverse human resources can thrive. We will also strive to increase employee engagement by developing human resources and fostering a corporate culture that enables each and every employee to demonstrate their strengths with passion.

We look forward to your continued guidance and encouragement.

June, 2025
Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

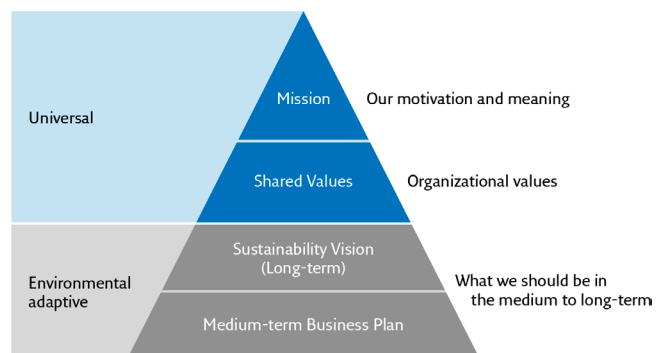


Nissha Co., Ltd. support the United Nations Global Compact since April 2012. We have in place various targets and work actively based on the 10 principles of the Global Compact in the area of human rights, labor, the environment, and anti-corruption.

3. Nissha Group Sustainability

3-1 Nissha Philosophy

Nissha has integrated its standards of thought, rules of conduct, and Mission—ideals held in high regard — into Nissha Philosophy that is greatly valued.



■ Mission

We realize the enrichment of people's lives by creating technology and developing it into economic and social value through the diverse capabilities, passion, and leadership of the global Nissha Group.

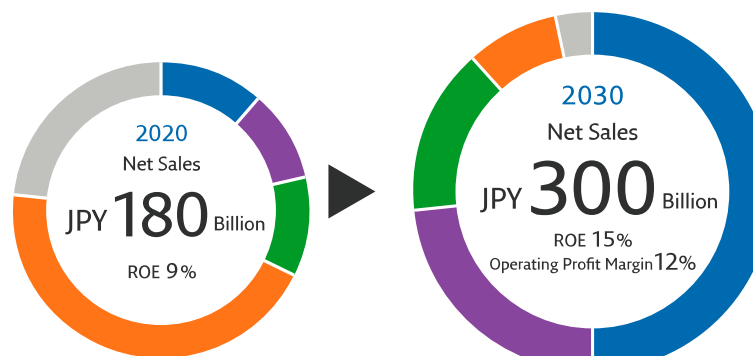
3-2 Sustainability Vision (long-term vision for 2030)

Nissha views sustainability as "initiatives for sustainable growth and development for both the company and society." We believe that solving social issues, which are primal needs, will support social development and lead to corporate growth.

Throughout our 90-plus year history, we have grown by evolving and expanding our core technologies and reorganizing our target markets. Under our Mission, we have analyzed the magnitude of social issues and the sustainability of market growth for the next 10 years, and relatively evaluated the added value that can be created through our core technologies. Based on this analysis, we have positioned Medical, Mobility, and Sustainable Materials as our growth areas.

Sustainability Vision (Long-term vision for 2030)

With integration and orchestration of the diverse capabilities of our people and our technologies, we will contribute to solving global social issues in the priority markets of medical, mobility, and sustainable materials, and realize the enrichment of people's lives.



■ Medical ■ Mobility ■ Sustainable Materials ■ IT Devices ■ Others

Social value

- Solve social issues through business activities
- Solve medical issues, realize safe and comfortable mobility, and contribute to a circular society
- Reduce CO₂ emissions, in view of carbon-neutral by 2050*

* We plan to set a new CO₂ emissions reduction target in 2025, as we achieved our original target in 2024 (a 30% reduction by 2030 compared to 2020).

Economic value

- Aim for JPY 300 billion of net sales (including JPY 150 billion in medical business)
- ROE 15%
- Operating Profit Margin 12%

3-3 Promotion Framework for Sustainability

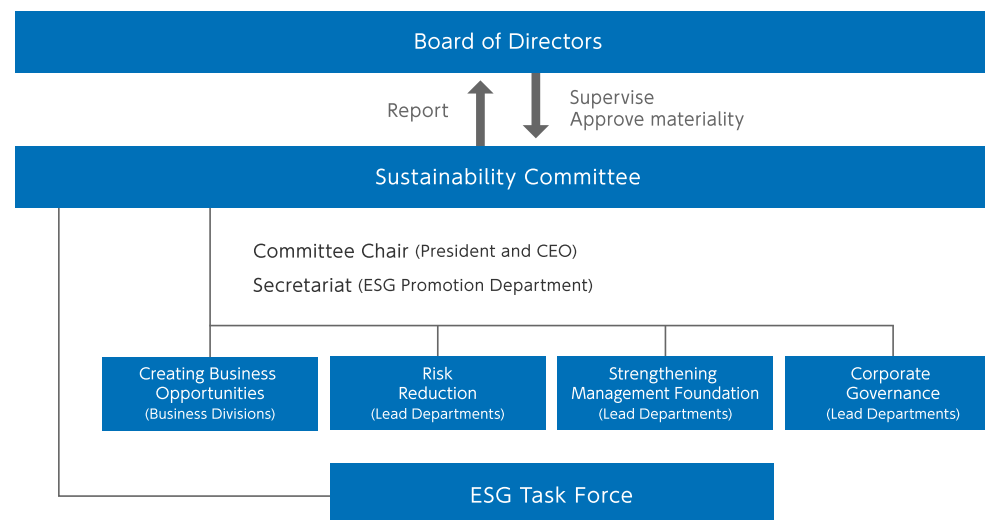
Nissha has established a Sustainability Committee chaired by the Chairman of the Board, President and CEO. This committee is composed of business divisions, departments, and the ESG task force related to the themes of Creating business opportunities, Risk reduction, Strengthening management foundation, and Corporate governance.

The ESG task force was 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.

The Sustainability Committee holds a general assembly once per year, in which it authorizes the key performance indicators (KPIs) and action items set by the main related business divisions, departments, and the ESG task force based on the materialities determined through resolutions at the Board of Directors. In addition, during monthly business reviews and quarterly progress confirmations, we confirm whether or not the set KPIs and action items are progressing as planned. Each business division, department, and the ESG task force oversee the management of respective strategy items, KPIs, and action items. In the fiscal year ended December 2024, we held one Sustainability Committee General Assembly and three Progress Review Meetings.

The Board supervises the activities of the Sustainability Committee, discussing reports from the Sustainability Committee and the ESG Task Force, and making necessary recommendations.

Structure

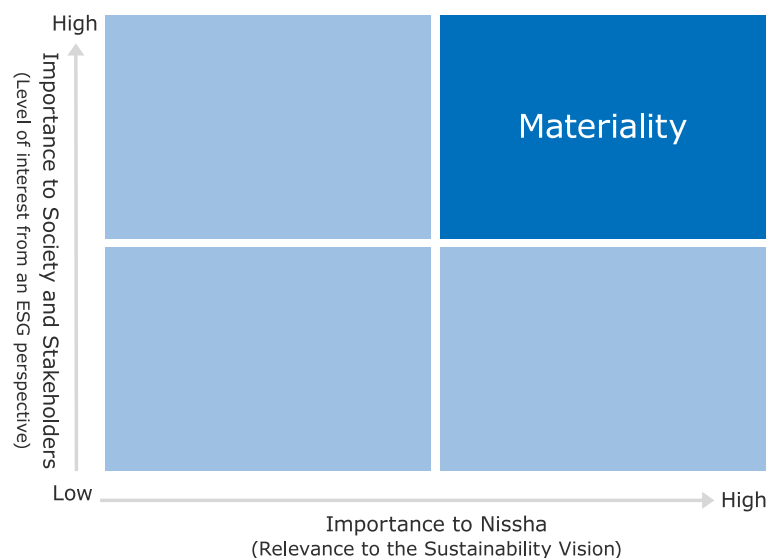


3-4 Materialities (Key Issues) and KPIs

3-4-1 Materiality Identification

To realize our Sustainability Vision, the Nissha Group identifies particularly important items as materialities. We also set and engage in specific strategy items, KPIs, and action items reverse-calculated to achieve 2030 goals.

Materialities are evaluated from the 4 perspectives of, Creating Business Opportunities, Risk Reduction, Strengthening Management Foundation, and Corporate Governance, using the two axes of importance to society and stakeholders, and importance to Nissha. In addition, we hold dialogues with stakeholders including customers, shareholders and investors, and include that insights in "importance to society and stakeholders". The identified issues and their positioning within the Group are discussed by the Sustainability Committee, and materialities are identified through deliberations and resolutions by the Board of Directors.



Materiality Identification Process

| | |
|---|---|
| STEP1 Identify related social issues | Identify social and management issues related to the realization of the Sustainability Vision by referencing SDGs* ¹ , GRI Standards* ² , RBA* ³ , etc. |
| STEP2 Prioritize | Incorporate knowledge gained through dialogue with customers, shareholders, investors, and other stakeholders regarding the social and management issues identified in Step 1, while analyzing and prioritizing on two axes: "importance to society and stakeholders" (considering SDGs, external evaluation, etc.) and "importance to Nissha". |
| STEP3 Verify validity | Examine the validity of the priorities via interviews conducted with business divisions involved in the Sustainability Committee, ESG task force and other organizations. |
| STEP4 Establish materialities, KPIs, and action items | Based on Steps 1 to 3, materialities are identified through deliberations and resolutions by the Board of Directors. In addition, business divisions, organizations, and the ESG task force incorporate strategy items, KPIs, and action items which are then approved by the Sustainability Committee. |

*1. Sustainable Development Goals: Adopted by the United Nations in September 2015

*2. Global Reporting Initiative Standards: Global guidelines for sustainability reporting







*3. Responsible Business Alliance: International code of conduct for labor, health and safety, environment, ethics, etc. for the electronics and other industries

3-4-2 Materialities of Nissha Group / KPIs and Action Items

The Nissha Group is considering environmental changes that can potentially impact our business activities. We identify particularly important items for the realization of the Nissha Group Sustainability Vision as material issues and review these items regularly.









■ Creating Business Opportunities

Identified based on important social issues (needs) in the priority markets as stipulated in Sustainability Vision

| Materialities | Scenario for Achieving Materialities (Strategy Items) | KPIs and Action Items (FY2026) | Related SDGs |
|--|--|--|--|
| Solve medical issues (Medical devices/ Pharmaceuticals) | Expansion of business for Medical devices, Pharmaceuticals, and Healthcare markets <ul style="list-style-type: none"> Medical devices: Contribute to medical care through CDMO in minimally invasive surgery and acute care Pharmaceuticals: Contribute to the stable supply of pharmaceuticals through formulation development and CDMO | <ul style="list-style-type: none"> Net sales of Medical Technologies business and Pharmaceuticals |  |
| Contribute to the safety and comfort of transportation and logistics, and the reduction of environmental impact (Mobility) | Expansion of business for Mobility market <ul style="list-style-type: none"> Providing mobility products that contribute to safety, comfort, and reduction of environmental impact | <ul style="list-style-type: none"> Net sales of Mobility segment |   |
| Promotion of circular economy (Sustainable Materials) | Expansion of business for Sustainable Materials market <ul style="list-style-type: none"> Promotion of circular economy Solving marine plastic pollution issues Contribution to improving resource utilization efficiency Biodiversity conservation considerations | <ul style="list-style-type: none"> Net sales of Sustainable Materials segment |    |

■ Risk Reduction

Evaluated and identified environmental and social risks that impede business continuity in aiming to achieve Sustainability Vision





| Materialities | Scenario for Achieving Materialities (Strategy Items) | KPIs and Action Items (FY2026) | Related SDGs |
|---|---|---|--|
| Responding to climate change | <ul style="list-style-type: none"> Reduction of CO₂ emissions | <ul style="list-style-type: none"> Reduction of CO₂ emissions*¹ |  |
| Respect for human rights | <ul style="list-style-type: none"> Reduction of labor and human rights risks | <ul style="list-style-type: none"> Number of child labor and forced labor cases at primary suppliers in areas*² with high labor and human rights risks : 0 |  |
| Providing responsible products and services | <ul style="list-style-type: none"> Maintain and expand quality management system in accordance with business strategy Improve quality with an emphasis on product safety and feasibility at the design stage Fostering and improving the quality mindset Monitoring of compliance with laws and regulations | <ul style="list-style-type: none"> Number of serious quality incidents: 0 |  |
| Sustainable procurement | <ul style="list-style-type: none"> Reduction of information security risks for suppliers | <ul style="list-style-type: none"> Construct a system to meet the security standards we demand, based on the varying information security levels of each supplier |    |
| Data security in response to increased use of generative AI | <ul style="list-style-type: none"> Continuously enhance security systems Maintain and improve security literacy among all employees Improve productivity through proactive use of generative AI | <ul style="list-style-type: none"> Timely deployment of security systems across the entire Nissha Group Company-wide implementation of phishing email training and educational systems Develop governance and provide education related to generative AI |   |

*1. We plan to set a new CO₂ emissions reduction target in 2025, as we achieved our original target in 2024 (a 30% reduction by 2030 compared to 2020).

*2. China, Southeast Asia, Central and South America, and Africa

■ Strengthening Management Foundation

Identified major management foundation elements in the quest for realizing our Sustainability Vision and accelerating business activities

| Materialities | Scenario for Achieving Materialities (Strategy Items) | KPIs and Action Items (FY2026) | Related SDGs |
|---|---|---|--|
| Enhancing human capital | <ul style="list-style-type: none"> Utilizing diverse human resources | <ul style="list-style-type: none"> Female manager ratio Global consolidated: 23% Nissha non-consolidated: 12% Dispatch of overseas trainees (Refer to 16-2 Training Systems) |    |
| | <ul style="list-style-type: none"> Enhancement of learning and growth opportunities and employee rotations | <ul style="list-style-type: none"> Selection rate of leader candidates in selective training programs Nissha non-consolidated: 45% Shift of human resources to priority markets | |
| Efficiency and productivity improvement | <ul style="list-style-type: none"> Improve efficiency and productivity by digitalization of value creation processes | <ul style="list-style-type: none"> Expand data-based decision-making mechanisms Reduce working hours through the introduction of productivity enhancement tools at overseas subsidiaries: 20,000 hours / year (compared to 2023) Reduce working hours for non-routine tasks by using generative AI |  |

■ Corporate Governance

Identified major corporate governance elements in the quest for realizing our Sustainability Vision and accelerating business activities

| Materialities | Scenario for Achieving Materialities (Strategy Items) | KPIs and Action Items (FY2026) | Related SDGs |
|---|--|---|--------------|
| Improving the effectiveness of the Board of Directors | <ul style="list-style-type: none"> Upgrade systems related to corporate governance and group governance | <ul style="list-style-type: none"> Improve the evaluation of the effectiveness of the Board of Directors | — |
| Advancement of global governance | | <ul style="list-style-type: none"> Complete the global risk management system development (regional risk management systems) | — |

■ Boundaries of Materialities

| Materialities | Boundaries | |
|---|---------------------|----------------------|
| | Inside Nissha Group | Outside Nissha Group |
| Responding to climate change | ● | ● |
| Respect for human rights | ● | ● |
| Providing responsible products and services | ● | ● |
| Sustainable procurement | ● | ● |
| Data security in response to increased use of generative AI | ● | |
| Enhancing human capital | ● | |
| Efficiency and productivity improvement | ● | |
| Improving the effectiveness of the Board of Directors | ● | |
| Advancement of global governance | ● | |

3-4-3 FY2024 Initiatives and Progress

■ Creating Business Opportunities

| Materialities | Scenario for Achieving Materialities (Strategy Items) | KPIs and Action Items (FY2024) | Achievement Status* |
|---|--|--|------------------------|
| Solve medical issues (Medical devices) | Expansion of business for Medical Devices / Healthcare market <ul style="list-style-type: none"> Contribution to medical care centered on minimally invasive (heart disease) and acute care fields | <ul style="list-style-type: none"> Net sales of Medical Technologies business | ○ |
| Contribute to the safety and comfort of transportation and logistics, and the reduction of environmental impact (Mobility) | Expansion of business for Mobility market <ul style="list-style-type: none"> Providing mobility products that contribute to safety, comfort, and reduction of environmental impact | <ul style="list-style-type: none"> Net sales of Mobility segment | △ |
| Promotion of circular economy (Sustainable Materials) | Expansion of business for Sustainable Materials market <ul style="list-style-type: none"> Promotion of circular economy Solving marine plastic pollution issues Contribution to improving resource utilization efficiency Biodiversity conservation considerations | <ul style="list-style-type: none"> Net sales of Sustainable Materials segment | △ |

* This evaluates the level of achievement of net sales plans for each segment in FY2024.

■ Risk Reduction

| Materialities | Scenario for Achieving Materialities (Strategy Items) | Progress in FY2024 |
|---|---|--|
| Responding to climate change | <ul style="list-style-type: none"> Reduction of CO₂ emissions | <ul style="list-style-type: none"> Achieved an 48.4% reduction in CO₂ emissions in 2024, surpassing the target reduction ratio of a 12% (compared to 2020) Promoted switch to renewable electricity at domestic and overseas production bases and promote energy conservation measures Implemented Scope 3 emissions tracking, and third party verification was obtained. |
| Respect for human rights | <ul style="list-style-type: none"> Reduction of labor and human rights risks | <ul style="list-style-type: none"> Number of child labor and forced labor cases at primary suppliers in areas* with high labor and human rights risks : 0 Conducted the regular annual survey of target suppliers using the CSR survey form, and all suppliers scored above the threshold and passed In addition to the above, site audits were carried out for some selected suppliers. Minor issues noted were given pointers on how to improve them, and the effectiveness was confirmed at a later date |
| Providing responsible products and services | <ul style="list-style-type: none"> Maintain and expand quality management system in accordance with business strategy Enhance quality at the design stage with a focus on product safety and feasibility Implement quality education | <ul style="list-style-type: none"> Number of serious quality incidents: 1 Maintained or obtained new quality management accreditation (ISO9001, IATF 16949) Visualizing per-product design screening, strengthening check functions Compliance with the Pharmaceuticals and Medical Devices Act, confirming work progress status Drafted and implemented training plans for each function |
| Sustainable procurement | <ul style="list-style-type: none"> Establishment and operationalization of stable procurement | <ul style="list-style-type: none"> Introduction of global sourcing Promotion of green procurement <ul style="list-style-type: none"> Incorporation of green procurement items in CSR Procurement Guidelines, posting same on the website, and spreading awareness Checking current status of suppliers through CSR survey |
| Data security in response to increased use of generative AI | <ul style="list-style-type: none"> Continuously enhance security systems Maintain and improve security literacy among all employees Improve productivity through proactive use of generative AI | <ul style="list-style-type: none"> Introduced and implemented company-wide phishing email training and educational systems |

* China, Southeast Asia, Central and South America, and Africa

■ Strengthening Management Foundation

| Materialities | Scenario for Achieving Materialities (Strategy Items) | Progress in FY2024 |
|---|--|---|
| Enhancing human capital | <ul style="list-style-type: none"> Promote opportunities for female employee | <ul style="list-style-type: none"> Female manager ratio Global consolidated: 24.4% Nissha non-consolidated: 8.9% Started calculating and disclosing the ratio of next-generation female managerial staff*. It has been maintaining a level close to the ratio of female employees. Heads of departments which had female employees in the grades before managerial staff met with HR to work on planned fostering and promoting based on the department's expectations and the person's own wishes |
| | <ul style="list-style-type: none"> Enhancement of trainings for management / strategic human resources, and employee rotation | <ul style="list-style-type: none"> Selection rate of leader candidates in selective training programs Nissha non-consolidated: 41.7% Nissha Academy Business School intermediate course held |
| Efficiency and productivity improvement | <ul style="list-style-type: none"> Improve efficiency and productivity by digitalization of value creation processes | <ul style="list-style-type: none"> Carried out trainings led by internal instructors and through e-Learning (approx. 298 attendees) in order to improve IT literacy as well as training human resources with expertise in both the business and digital fields Achieved the plan to reduce 25,568 hours/year in working hours through the use of efficiency tools and automation such as RPA |

* The ratio of next-generation female managerial staff, who are in leadership roles just below the managerial level

■ Corporate Governance

| Materialities | Scenario for Achieving Materialities (Strategy Items) | Progress in FY2024 |
|---|--|--|
| Improving the effectiveness of the Board of Directors | <ul style="list-style-type: none"> Upgrade systems related to corporate governance and group governance | <ul style="list-style-type: none"> Put into practice the Desirable Relationship between Internal Directors and Outside Directors Revised the skills matrix for the Board of Directors Conducted an evaluation of the effectiveness of the Board of Directors for fiscal year 2024 |
| Advancement of global governance | | <ul style="list-style-type: none"> Appointed risk management coordinators in Europe and China and commenced activities in order to enhance the global collaboration system and global risk management system |

3-5 Initiatives in Which Nissha Participate and External Evaluations

3-5-1 Initiatives in Which Nissha Participate

■ United Nations Global Compact

WE SUPPORT



Nissha Co., Ltd. support the United Nations Global Compact since April 2012.

The United Nations Global Compact (UNGC), the world's largest sustainability initiative, brings together the United Nations and the private sector (companies and organizations) to build a healthy global society. Its purpose is to have various companies and organizations show responsible and creative leadership, and thereby act voluntarily as good citizens to achieve sustainable growth. Companies and organizations that sign the UNGC are required to continue to work toward the realization of the 10 principles, which relate to the protection of human rights, the elimination of unfair labor practices, environmental responsibility, and the prevention of corruption, based on the commitment of the top management of the company.

At Nissha Group, we have in place various targets based

on the 10 principles of the Global Compact and work daily toward achieving them with an eye to meeting the needs of global society. We disclose information about our activities in sustainability reports, published on the Nissha Group website.

The Ten Principles of the UN Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

United Nations Global Compact

■ TCFD (Task Force on Climate-Related Financial Disclosures)



In January 2022, we expressed agreement with the recommendations from the TCFD (Task Force on Climate-related Financial Disclosures).

The TCFD, established by the Financial Stability Board (FSB), recommends that companies take measures to understand and address climate change-related risks and opportunities as a management issue.

In this Report, we have implemented information disclosure that employs the framework items recommended by the TCFD. And in addition to aiming for the continued enhancement of governance and strategy concerning climate change moving forward, we will also promote the expansion of information disclosure

■ Japan Clean Ocean Material Alliance (CLOMA)



In January 2019, we joined the "Japan Clean Ocean Material Alliance" (CLOMA), which aims to solve the marine plastic waste problem. CLOMA is an organization established by the public and private sectors to accelerate efforts across industries such as proper management of plastic waste, promotion of the 3Rs, and promotion of developing of alternative materials.

3-5-2 External Evaluation

■ CDP

In February 2025, we received a “A-” rating in the climate change survey conducted by the CDP, a global non-profit. The “A-” is the second rating of the eight levels from the top.



■ EcoVadis

We have received the Committed Badge in EcoVadis sustainability survey. EcoVadis is a global sustainability rating provider that aims to improve corporate environmental and social initiatives throughout the supply chain. They evaluate companies' activities in the areas of Environment, Labor Practices and Human Rights, Ethics, and Sustainable Procurement.

■ FTSE Blossom Japan Sector Relative Index

We have been selected as a constituent stock of the FTSE Blossom Japan Sector Relative Index. This index developed by FTSE Russell is designed to reflect the performance of companies in Japan demonstrating strong Environmental, Social and Governance (ESG) practices in each sector. The Government Pension Investment Fund (GPIF) is using it as their ESG index.



**FTSE Blossom
Japan Sector
Relative Index**

■ MSCI ESG Ratings

We have received an “AA” rating (the second highest rating) in MSCI ESG Ratings. MSCI Inc. calculates and publishes numerous stock indices, and provides a variety of tools for institutional investors globally to support their decision-making on investment. The MSCI ESG Ratings comprehensively evaluates the companies' activities for the environment, social, and governance of thousands of companies around the world and compares them by industry. MSCI evaluates and rates the companies in seven grades from the highest rank “AAA” to the lowest “CCC”. (*)



■ FTSE Blossom Japan Index

We have been selected as a constituent stock of the FTSE Blossom Japan Index. The FTSE Blossom Japan Index is an index developed by FTSE Russell that reflects the performance of Japanese companies with superior environmental, social and governance (ESG) performance. The Government Pension Investment Fund (GPIF) using it as their ESG index.



**FTSE Blossom
Japan Index**

■ MSCI Selection Indexes

We have been selected as a constituent stock of the MSCI Selection Indexes. This is a global index developed by US-based MSCI Inc. and formed by selecting top-rated ESG companies. (*)



■ MSCI Nihonkabu ESG Select Leaders Index

We have been selected as a constituent stock of the MSCI Nihonkabu ESG Select Leaders Index. This index uses the MSCI Japan Investable Market Index (IMI) developed by US-based MSCI Inc. as its parent, and formed by selecting top-rated ESG companies with the target of 50% of stocks in each industry. The Government Pension Investment Fund (GPIF) uses it as their ESG index. (*)

2025 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

■ S&P/JPX Carbon Efficient Index

We are included as a constituent stock of the S&P/JPX Carbon Efficient Index. The S&P/JPX Carbon Efficient Index is built by the S&P Dow Jones Index, one of the world's largest independent index companies, based on carbon emissions data from S&P Global Trucost. This index increases the investment weight of companies in the same industry with high carbon efficiency, and those that disclose information on their greenhouse gas emissions. The Government Pension Investment Fund (GPIF) is using it as their ESG index.



■ SOMPO Sustainability Index

We have been selected as a constituent stock of the SOMPO Sustainability Index, an index managed by Sompo Asset Management Co., Ltd. in succession since 2012. This index is a unique active index, which is composed of approximately 300 companies with outstanding ESG initiatives.



■ MSCI Japan ESG Select Leaders Index

We have been selected as a constituent stock of the MSCI Japan ESG Select Leaders Index. This index uses the MSCI Japan Investable Market Index (IMI) developed by US-based MSCI Inc. as its parent, and formed by selecting top-rated ESG companies with the target 50% of market capitalization in each industry. (*)

2025 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

■ Morningstar Japan ex-REIT Gender Diversity Tilt Index

We have been selected as a constituent stock of the Morningstar Japan ex-REIT Gender Diversity Tilt Index (hereinafter, GenDi J), which is adopted by the Government Pension Investment Fund (GPIF) as an ESG investment index. GenDi J is an index of the initiatives concerning corporate gender diversity provided by Morningstar, a leading investment research firm and mutual fund rating evaluator in the United States. We are currently in Group 2 (second highest out of 5 groups).

■ Certified Health and Productivity Management Outstanding Organizations

We have been recognized as a "Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category)" by the Ministry of Economy, Trade and Industry for the fourth year in a row. The certification is given to companies with especially excellent health management practices.



Kurumin Certification

We have received "Kurumin" certification for three consecutive terms since the fiscal year ended March 2010, and also certified with Platinum Kurumin in March 2019. Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, "Platinum Kurumin" is a certification of companies that have already obtained Kurumin certification in recognition of their measures to support employees with children and are carrying out initiatives at an even higher level.



DX (Digital Transformation) Certification

In August 2021, we have certified as a "DX-Certified Operator" based on the DX (Digital Transformation) certification system established by the Ministry of Economy, Trade and Industry (METI). It was evaluated that our DX efforts and appropriate information disclosure to stakeholders meet the standards required by METI.



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3-6 Nissha Group Stakeholders

We identify the stakeholders as our customers, shareholders, employees, suppliers, and society. Toward realizing our Mission, we aim to realize our respective visions while valuing a relationship with the stakeholders in which we affect each other.



Nissha's Circle of Trust

Customer

The Nissha Group operates three core businesses, Industrial Materials, Devices, and Medical Technologies. We provide a range of products and services that satisfy market needs and engage in business activities that help solve social issues. We also promote fair operating practices, efforts in labor and human rights, and the building of environment-conscious production systems so that our customers can feel safe about entrusting us with work.

Communication

- Sales activities in daily operations
- Products and services information provided on our website
- Providing information for sustainability survey
- Providing information about conflict minerals
- Supplier responsibility (SR) audits by customers

Shareholder

We have in place an Investor Relations (IR) division and a Shareholder Relations (SR) division to serve as contact points for our shareholders and investors, and to establish a system for promoting deeper communication with our shareholders and comprehensively providing financial and non-financial information. We also create opportunities to meet directly and exchange dialogue with our shareholders and investors through IR events and one-on-one briefings. Feedback and comments are reported regularly at Board of Directors meetings and to the management, and used for the enhancement of our corporate value.

Communication

- Shareholders' meetings and management briefings following shareholders' meetings
- Financial results presentations for institutional investors
- The Medium-term Business Plan presentations for institutional investors
- One-on-one briefings for institutional investors
- Response to individual inquiries
- IR information and sustainability information provided on our website
- Materials published for shareholders and investors (integrated report, business report, sustainability report, etc.)
- Providing information to investigation institutions for ESG investment

■ Employee

The Nissha Group recognizes that human resources are the driving force for improving corporate value. We view changes in the business environment as opportunities for growth, and aim to grow both the company and our employees by bringing together "diverse capabilities and passions." We respect our employees' human rights and diversity from a global perspective, promote the creation of safe, comfortable workplace environments, and offer support for diverse work styles so that our employees can live up to their full potential.

Communication

- Dialogue between labor and management
- Education and training
- Personnel evaluation and interviews
- Hotline
- Providing information via the company intranet and company newsletter
- Engagement survey and interviews

■ Supplier

We procure materials, equipment, and services necessary for production and a wide range of business activities from global suppliers. We work fairly and equally with all suppliers to promote sustainable procurement in order to share awareness of our social responsibility and enhance mutual corporate value.

Communication

- Procurement activities in daily operations
- CSR procurement briefings
- CSR survey (Self Assessment Questionnaire: SAQ) and audit
- In-house exhibitions and seminars themed around supplier products and technologies

■ Society

The Nissha Group comprises a network that spans across the globe, and in each region, we carry out business activities with respect for the local culture and climate. While promoting communication with local communities to fulfill our basic responsibilities as a corporation and to be a company that is needed by society, we also strive to be aware of global social issues and play a role in resolving them.

Communication

- Environmental initiatives
- Support and promotion of arts and culture
- Future generation support activities
- Exchange events with community people
- Factory and facility tours
- Cleanup activities in factory areas
- Employees' participation in volunteer activities

4. Environmental Policy and Management Structures

4-1 Policy and Principles

Nissha Group has established an "Environmental Policy". And together with a "Environment Principles" that outlines specific conduct and regulations, we disseminate them to all employees. We have also set out the Nissha Group Environmental Objectives within the Nissha Group in Japan. Each business site and division sets their own goals in an effort to achieve those objectives, and acts in accordance with their activity plans. These goals are linked with the Key Performance Indicators (KPI) for each business unit and are directly connected with our business activities. In January 2024, we set the environmental goals for a six-year period from the fiscal year ending December 2024 to the fiscal year ending December 2029.

Environment Policy

Nissha Group, as a member of the global society, aim for business development and the realization of a sustainable society through environmentally conscious corporate activities.

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

The Environment Principles

1. We shall honor environmental laws, agreements with local communities, and demands from our customers.
2. We shall promote the reduction of greenhouse gas emissions through working to improve energy efficiency, etc. in order to deal with climate change risks.
3. We shall aim to construct a recycling society through our business activities, from product development and production to sale, etc., reducing the environmental impact of our supply chain overall.
4. We shall construct a management system and promote continuous improvements to suit changes in the business environment.
5. We shall value biodiversity and prevent pollution while co-existing with nature.

Satoshi Aoki
Senior Vice President, General Affairs
Nissha Co., Ltd.

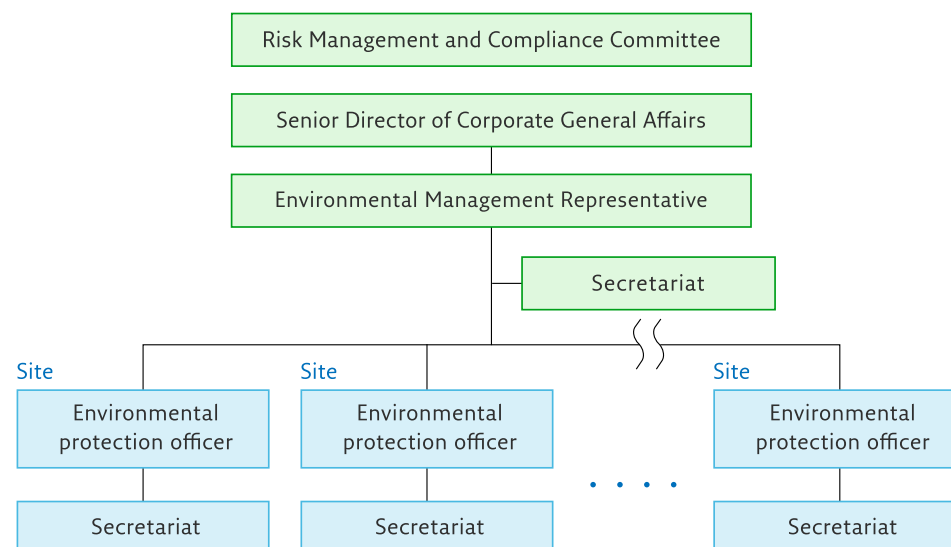
Established on April 1, 2012 / Revised on January 1, 2025

4-2 Management Structures

The Nissha Group deploys our environmental management system in all aspects of our business activities.

Under the Risk Management and Compliance Committee, at Nissha Group in Japan Environmental Management Representative take the core role in creating environmental management systems through the leadership of a senior director of Corporate General Affairs, and Corporate General Affairs of the Head Office serves as the secretariat. Furthermore, we also create, maintain, and constantly improve systems for compliance with environmental laws and regulations and the RBA (Responsible Business Alliance), which serves as a global code of conduct mainly for the electronics and automobile industries.

Environmental Management Structure



4-3 Environmental Management System (EMS)

The Nissha Group operates an environmental occupational health and safety management system that includes compliance with items required by customers and by laws and regulations, based on the ISO14001 Environmental Management System and the ISO45001 Occupational Health and Safety Management System. We formulated an action plan to achieve our targets, and in addition to repeating the PDCA cycle with an eye to sustained improvements, we are striving to implement and improve assessments through regular internal audits and management reviews.

Major business bases that have acquired ISO14001 certification implement environmental hazard evaluations (risk assessments). We evaluate the environmental risks that have been identified, set priorities, and reflect the assessment in concrete environmental risk reduction activities. In addition to setting KPI directly related to business activity, we also strive for environmental performance improvement that interlocks with quality targets, etc. Through these activities, we assess negative risks that impose an undesirable impact on the environment and business and engage in improvement, maintenance, and management aiming to reduce those risks.

In our currently active 8th Medium-term Business Plan (FY2024 - FY2026), we set medical, mobility, sustainable materials, etc. as priority markets, and aim for growth via product lineups and services that contribute to solving social issues. As positive environmental contributions, our development and product technology divisions set development themes at the product design and development stage from the social issue resolution perspective

of SDGs and ESG in addition to taking into consideration the reduction of environmental impact, develop and mass-produce products that contribute to reducing environmental impact, such as sustainable packaging materials.

Moreover, the EMS for the Nissha Group covers all our bases, not only major production bases, but also small production bases and sales bases with little impact on the environment. Domestic business locations are classified into ISO14001-certified bases and noncertified bases and set their priority management items as appropriate. The effectiveness of our EMS has ensured a high level of performance by engaging in confirmation, correction, and improvement through initiatives including once-a-year periodic internal auditing and support for legal and regulatory compliance and responding to law and regulation revisions. The biannual management review report meeting includes confirmation on the response to points stipulated by the director of Corporate General Affairs and environment management representatives and the sharing of major environmental risks and action examples that may be useful as a reference. As such, it links to continued improvement.

5. Impact on the Environment out of Our Business Operations

In order to understand the environmental impact of our business activities, the Nissha Group manages the amount of major raw materials we use, the amount of waste we generate, the amounts of energy and water we use, and the amount of CO₂ we emit. In the fiscal year ended December 2024, we saw a year-on-year increase in many of these areas due to an increase in our production volume.

(1) Total Input of Raw Materials

The amount of major raw materials used at the Nissha Group in FY2024 was 99,289t, an increase of approximately 16% from the 85,273t used in the previous fiscal year. Of this amount, 22,959t was used in our Group in Japan, an increase of approximately 39% from the 16,466t used in the previous fiscal year. 76,330t was used in our Group overseas, an increase of approximately 11% from 68,807t used in the previous fiscal year. The overseas Nissha Group companies account for approximately 77% of the total amount of major raw materials used.

(2) Energy Consumption

The amount of energy used by the Nissha Group was 235,566MWh of electricity, an increase of approximately 9% from the 217,027MWh used in the previous fiscal year, and 10,422,000m³ of gas, an increase of approximately 4% from the 10,029,000m³ used in the previous year.

(3) Total CO₂ Emissions

The total CO₂ emissions of the Nissha Group from energy during the fiscal year ended December 2024 were 64,086t-CO₂, a decrease of approximately 37% from the 100,963t-CO₂ of the previous fiscal year. The main reason for this decrease was the move by the Nissha Precision and Technologies, Inc. (NPT) Himeji Factory / Kaga Factory to 100% renewable energy sources for the power they use.

(4) Water Usage and Wastewater

The amount of water used by the Nissha Group was 2,422,000 m³, an increase of approximately 8% from the 2,236,000 m³ used the previous fiscal year. In addition, the amount of wastewater was 2,216,000 m³, an increase of approximately 11% from the 2,002,000 m³ in the previous fiscal year.

(5) Total Waste Emissions

The overall Nissha Group waste material gross emissions were 23,080t, an increase of approximately 11% from the 20,841t emitted in the previous fiscal year.

| | | FY2023 | FY2024 | Year-on-year |
|-----|--|------------|------------|---------------------|
| (1) | Total input of raw materials (t) | 85,273 | 99,289 | +14,016 (+ 16.4%) |
| | Nissha Group in Japan | 16,466 | 22,959 | +6,493 (+39.4%) |
| | Nissha Group overseas | 68,807 | 76,330 | +7,523 (+10.9%) |
| (2) | Energy consumption (electricity / MWh) | 217,027 | 235,566 | +18,539 (+8.5%) |
| | Energy consumption (gas / m ³) | 10,029,000 | 10,422,000 | +393,000 (+3.9%) |
| (3) | Total CO ₂ emissions (t-CO ₂) | 100,963 | 64,086 | - 36,877 (- 36.5%) |
| (4) | Water usage (m ³) | 2,236,000 | 2,422,000 | +186,000 (+8.3%) |
| | Wastewater (m ³) | 2,002,000 | 2,216,000 | +214,000 (+10.7%) |
| (5) | Total waste emissions (t) | 20,841 | 23,080 | +2,239 (+10.7%) |
| | Nissha Group in Japan | 11,057 | 13,303 | +2,246 (+20.3%) |
| | Nissha Group overseas | 9,784 | 9,777 | - 7 (- 0.1%) |

INPUT



OUTPUT

| Nissha Group in Japan | | |
|---------------------------------|---|---------|
| Industrial Materials | PET film | 719t |
| | Solvents | 730t |
| | Gravure ink | 596t |
| | Resin | 208t |
| | Chemical substances | 16t |
| | Aluminum | 2t |
| | Other metals | 18t |
| | Packaging materials | 52t |
| Devices | Materials used in product manufacturing processes | 10,721t |
| | Metallic materials | 2t |
| | Resin materials | 8t |
| | Half-finished goods | 17t |
| | Printed circuit board assembly | 6t |
| | Chemical substances | 5,831t |
| | Packaging materials | 423t |
| Medical Technologies | Product materials | 71t |
| | Resin materials | 33t |
| | PET film | 4t |
| | Aluminum | 7t |
| | Packing materials | 28t |
| Others | Paper | 3,404t |
| | Ink | 36t |
| | Packaging materials | 1t |
| | Others | 27t |
| Total for Nissha Group in Japan | | 22,959t |

| Nissha Group overseas | | |
|-----------------------|---------------------------------|---------|
| | Resin/plastic | 6,056t |
| | Film | 203t |
| | Molds and molding materials | 110t |
| | Ink | 82t |
| | Packing materials | 1,398t |
| | Paper | 62,787t |
| | Cardboards | 477t |
| | Aluminum | 890t |
| | Metal | 60t |
| | Chemical substances | 4,078t |
| | Others | 189t |
| | Total for Nissha Group overseas | 76,330t |

| | |
|------------------------|---------|
| Total for Nissha Group | 99,289t |
|------------------------|---------|

| Nissha Group | | |
|--------------|-------------------|--------------------------|
| Energy | Electricity | 235,566MWh |
| | Gas | 10,422,000m ³ |
| Water | Tap water | 1,069,000m ³ |
| | Underground water | 37,000m ³ |
| | Industrial water | 1,316,000m ³ |

| Nissha Group in Japan | | |
|---|---|---------|
| Recyclable resources (items sold for recycling) | Waste containing noble metals Metal waste Resin waste Paper waste | 4,335t |
| | Recyclable resources (industrial waste) | 8,936t |
| | Waste plastic Iron scrap, waste cans Waste solvents, waste ink, waste cloth Waste acid, alkali Sludge, others | |
| Waste for simple incineration/landfill | General business waste Others (industrial waste) | 32t |
| Total for Nissha Group in Japan | | 13,303t |

| Nissha Group overseas | | |
|---|--|--------|
| Recyclable resources (items sold for recycling) | Waste containing noble metals Metal waste Resin waste Paper waste Others | 7,578t |
| | Recyclable resources (industrial waste) | 585t |
| | Waste plastic Waste ink, waste solvents Others | |
| | Non-recyclable waste | 1,613t |
| Total for Nissha Group overseas | | 9,777t |

| | |
|------------------------|---------|
| Total for Nissha Group | 23,080t |
|------------------------|---------|

| Nissha Group | | |
|--------------|-------------------|-------------------------|
| Emissions | CO ₂ | 64,086t |
| | VOC ^{*1} | 667t |
| Wastewater | | 2,216,000m ³ |

*1. Detoxified by direct combustion, catalyst deodorization, etc.

6. Responding to Climate Change (Addressing the TCFD Recommendations)

Nissha Group publicly endorsed the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) in January 2022. Since then, we have been analyzing the financial impact of risks and opportunities related to climate change on our Group's businesses using the framework of the TCFD recommendations, and disclosing the results.



6-1 Governance

The Nissha Group manages its response to climate change by distinguishing between materialities (risks and opportunities related to the realization of our Sustainability Vision), which are material issues for the Group, and general risks (risks related to smooth business operations).

The governance and promotion structure for materialities and general risks are as shown below.

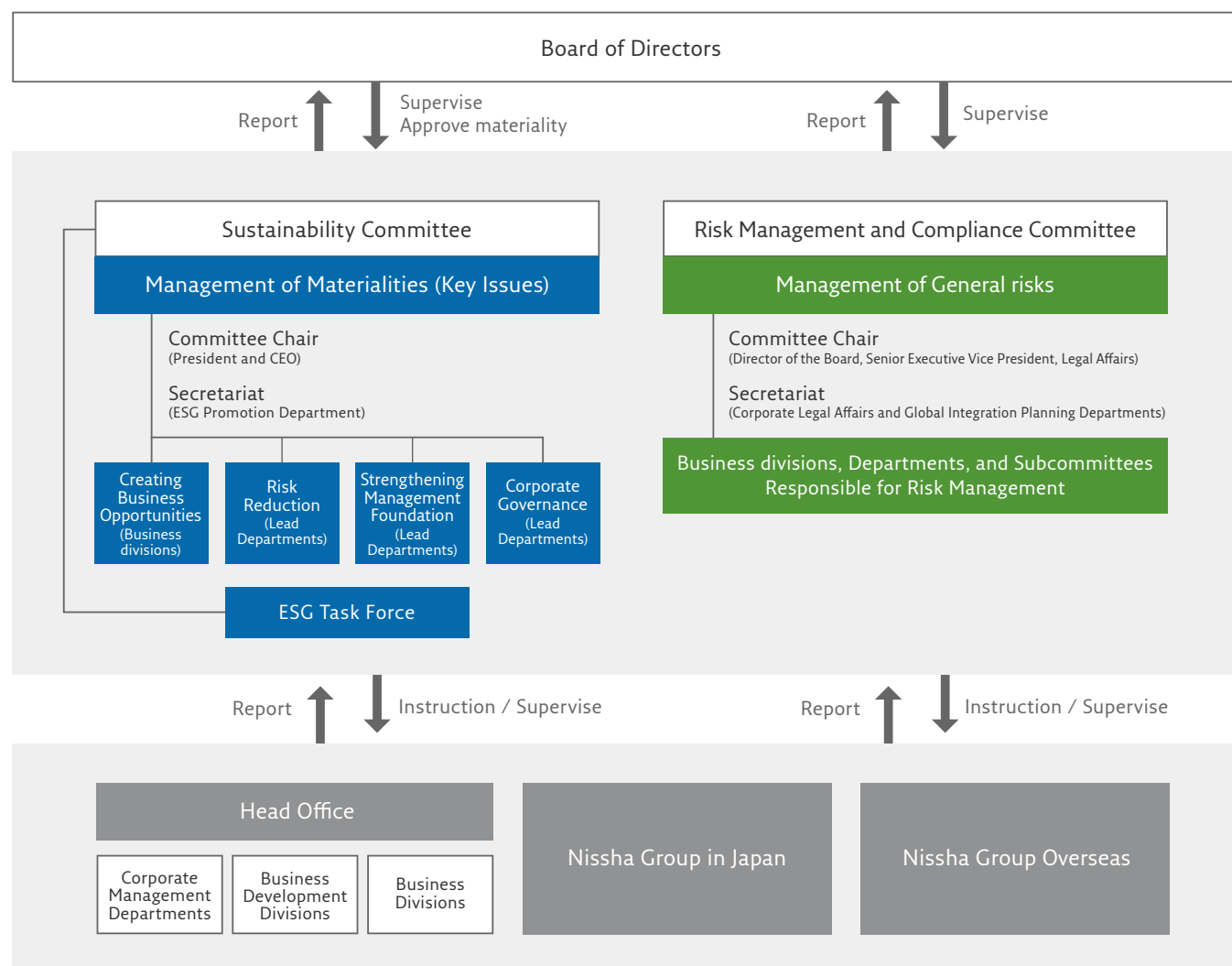
| Materialities (Key Issues) Management | General Risks Management |
|--|---|
| <ul style="list-style-type: none"> Materialities (key issues) are identified through deliberation and resolution by the Board of Directors meeting and managed by the Sustainability Committee which is chaired by the Chairman of the Board, President and CEO. The Sustainability Committee manages the identified materialities. The ESG Task Force has been set up to promote the theme of "responding to climate change," which is considered particularly important from the ESG perspective. In addition to setting KPIs and action items and reporting progress to the Sustainability Committee, the ESG Task Force discusses the company's responses to climate change with the Board (excluding independent outside directors, but including the President and CEO). The Board of Directors supervises the activities of the Sustainability Committee. It deliberates on the contents of the Committee's report once a year, and gives instructions for improvements as necessary. The President and CEO makes important strategic and financial decisions concerning our responses to climate change within the scope of his authority. To help him make decisions appropriately, the President and CEO learns about climate change through study sessions and training by outside experts. Introduced stock-based compensation* as mid- to long-term performance-linked compensation for directors (excluding independent outside directors) and corporate officers. One of the indicators for the mid-term target is the degree of progress to the total CO₂ emissions reduction target. | <ul style="list-style-type: none"> Risks that would hinder smooth business operations are centrally managed by the Risk Management and Compliance Committee, which is chaired by the Senior Executive Vice President (in charge of legal affairs). The Risk Management and Compliance Committee approves the "key risks" identified by the departments responsible for risk management and overseas Group companies after conducting a risk assessment. One of the key risks, Business Continuity (natural disasters such as earthquakes, typhoons, and floods) encompasses climate change-related risks, and the Business Continuity Management Subcommittee takes charge of moving ahead with this. The Business Continuity Management Subcommittee sets KPIs and action items, and promotes measures for reducing risks. It formulates and updates response plans for preparing for or dealing with emergency situations in the event of a natural disaster, and reports on progress to the Risk Management and Compliance Committee. The Board of Directors supervises the activities of the Risk Management and Compliance Committee, which manages key risks that include climate change-related risks. It deliberates on the contents of the Committee's report once a year, and gives instructions for improvements as necessary. |

*About stock-based compensation

- Points are awarded based on the degree of achievement of mid-term targets and the consolidated performance target for each fiscal year over the three-year period of Nissha's medium-term business plans.
- On a set date in the final fiscal year of each medium-term business plan, points are confirmed, and Nissha shares and money equivalent to Nissha shares converted at the market price are granted.

In the Nissha Group, the departments responsible for promoting materialities in the Sustainability Committee (business divisions, lead departments, ESG Task Force) and the departments responsible for risk management in the Risk Management and Compliance Committee (business divisions, lead departments, subcommittees) work with the various departments (corporate management departments, business development divisions, business divisions) at the Head Office and with Group companies in Japan and overseas on formulating measures, thus working on reducing general risks and achieving the materialities, including climate change.

Management Structure



6-2 Strategy

We have conducted a scenario analysis of the impact of future climate change on our business operations, using a range of scenarios of projected environmental change, based on the framework recommended by the TCFD.

We analyzed the impact of future climate change on our three main businesses over different time horizons: 1 to 2 years for the short term, 3 to 5 years for the medium term, and 6 to 10 years for the long term, including the Sustainability Vision. Based on this analysis, we considered measures to respond to these impacts.

(1) Scenario analysis assumptions

- Scenario analysis target business^{*1}: Three main businesses of the Nissha Group (Industrial Materials, Devices, Medical Technologies)
- Scenario analysis time horizon: Study transition risks and physical risks and opportunities in the short term (1-2 years), medium term (3-5 years), and long term (6-10 years)
- Assumed scenario: See IEA's Net Zero Emissions by 2050 (NZE)^{*2}, Stated Policies Scenario (STEPS)^{*3}, IPCC's RCP4.5^{*4} and RCP8.5^{*5}, etc. scenarios

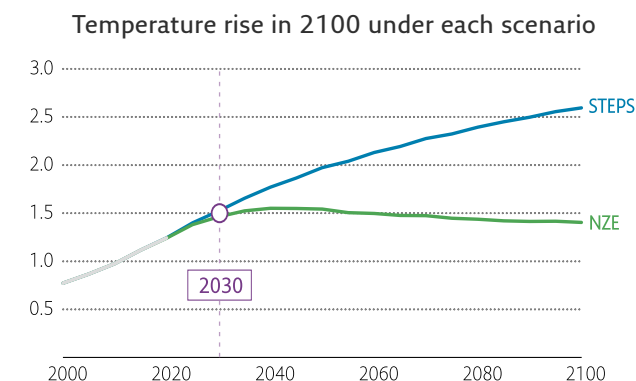
^{*1}Target Businesses: Other businesses (Information and Communication, Pharmaceuticals and Cosmetics) are not included.

^{*2}NZE: a scenario in which the world decarbonizes and achieves virtually zero CO₂ emissions in 2050. It is called the "1.5 °C scenario" because the average temperature increase as of 2100, compared to pre-industrial times, will be between 1.3 and 1.5°C.

^{*3}STEPS: a scenario in which countries implement their stated current specific policies on decarbonization and no additional decarbonization-related policies are introduced. It is called the "3°C scenario" because the average temperature increase as of 2100, compared to pre-industrial times, will be between 2.4 and 2.8°C.

^{*4}RCP4.5: a scenario in which CO₂ emissions peak in 2040 and stable economic development is achieved.

^{*5}RCP8.5: a scenario in which CO₂ emissions continuously increase and uneven economic development is achieved.



Source: created internally based on the IEA World Energy Outlook, 2021

Under the two scenarios referenced from the IEA, we believe that we can visualize many climate change-related risks and opportunities by using the 1.5 °C scenario in which regulations are tightened and zero CO₂ emissions are achieved by 2050, and the 3° C scenario in which no additional policies are introduced and climate change measures do not progress.

(2) Scenario analysis process

Scenario analysis was conducted using the following process:

- Consider significant climate-related risks and opportunities for three main businesses
- Consider and create scenarios as preconditions for evaluation
- Assess risks and opportunities based on the scenarios (Risks and opportunities are assessed by calculating and evaluating the "financial impact" as of 2030 using the parameters in each scenario, and the results are described below as "magnitude of risk" and "magnitude of the opportunity.")

(iv) Consider countermeasures (adaptation, mitigation)

(3) Results of risk analysis

Our transition and physical risks related to climate change, and the magnitude of the risks in each scenario, as well as our response to these risks are analyzed and considered as shown in the table below for the set time horizon.

Results of risk analysis

| Type | Changes in the external environment | Target business | Time horizon | Risks to Nissha | Risk magnitude ^{*1,2} | | Adaption / Mitigation measures |
|------------------------------|--|---|----------------------|---|--------------------------------|--------|---|
| | | | | | 3°C | 1.5°C | |
| Transition risk | Policies/laws and regulations | Industrial Materials Devices Medical Technologies | Medium to long-term | Increase in production and countermeasure costs due to carbon taxation on CO ₂ emissions | Small | Medium | <ul style="list-style-type: none"> – Mitigation Switch to renewable energy sources at production sites – Mitigation Introduce energy-saving production equipment – Mitigation Review productivity and efficiency in the production processes |
| | | | | Increase in the cost of procuring raw materials needed to produce products due to the carbon taxes | - | Medium | <ul style="list-style-type: none"> – Adaptation Study the use of biomass plastic and recycled plastic as low-carbon materials, research technological trends and develop products – Adaptation Improve purchasing power through global procurement |
| | | Industrial Materials Devices Medical Technologies | Medium to long-term | Increase in electricity procurement costs due to switch to renewable energy sources for electricity and soaring levies, etc. | Small | Small | <ul style="list-style-type: none"> – Mitigation Introduce energy-saving production equipment – Mitigation Reduce electricity consumption – Mitigation Consider the introduction of solar and wind power generation facilities |
| | | | | Cost of reducing CO ₂ emissions in logistics (procurement and shipping) increases | - | Small | <ul style="list-style-type: none"> – Adaptation Study trends in the logistics industry and consider shifting to transportation methods that emit less CO₂ |
| | | Industrial Materials | Medium to long-term | Increase in the cost of procuring raw materials needed to produce products due to the progression of plastics-related regulations | - | Small | <ul style="list-style-type: none"> – Adaptation Study the use of biomass plastic and recycled plastic as low-carbon materials, research technological trends and develop products – Adaptation Further promote the development of the ecosense molding brand of sustainable molded products oriented toward the elimination and reduction of plastic, and increase the sales ratio of sustainable materials |
| | Introduction of CFC regulations | Devices | Medium to long-term | Restrictions on use of specified CFCs and their substitutes used at production bases increase capital investment costs | Small | Medium | <ul style="list-style-type: none"> – Adaptation Research technology trends to enable compliance with CFC regulations |
| | Industries and Markets | Industrial Materials | Medium to long-term | Increase in petrochemical material costs due to changes in crude oil demand | Medium | - | <ul style="list-style-type: none"> – Adaptation Study the use of biomass plastic and recycled plastic as low-carbon materials, research technological trends and develop products |
| | | | | Increase in raw material costs due to increased use of reprocessed plastic | - | Small | <ul style="list-style-type: none"> – Adaptation Further promote the development of the ecosense molding brand of sustainable molded products oriented toward the elimination and reduction of plastic, and increase the sales ratio of sustainable materials |
| | | Industrial Materials | Short to long-term | Decrease in sales opportunities for EV-related products due to changes in market structure | Small | - | <ul style="list-style-type: none"> – Adaptation Promote product development and enhance production facilities in response to market trends for next-generation vehicles other than Evs |
| | Changes in customer behavior (increase in requests from customers to reduce CO ₂ emissions) | Devices | Short to medium-term | Net sales decline due to lost business opportunities caused by insufficient responses to customer requests | Small | Medium | <ul style="list-style-type: none"> – Mitigation Conserve energy through improved productivity and reduce CO₂ emissions through switch to renewable energy |
| | Technologies | Devices | Short to medium-term | Costs increase due to replacing product packaging materials | - | Small | <ul style="list-style-type: none"> – Adaptation Investigate alternative materials that can reduce costs while maintaining the quality of packaging materials |
| | | | | Net sales decline due to substituting our products for low-carbon products made by other companies | Medium | Medium | <ul style="list-style-type: none"> – Adaptation Develop low-carbon products with lower environmental impact |
| | | | | Net sales decline due to lost business opportunities resulting from delays in the development of low-carbon technologies | Medium | Medium | <ul style="list-style-type: none"> – Adaptation Promote the development of low-carbon technologies |
| Physical risks ^{*3} | Growing importance of ESG assessment in customers' supplier selection | Devices | Short to medium-term | ESG assessment declines due to delays in addressing climate-related issues, and we are not chosen as a supplier resulting in a decline in net sales | - | Small | <ul style="list-style-type: none"> – Adaptation Enhance climate change initiatives and disclose information appropriately |
| | Intensification of extreme weather | Industrial Materials Devices | Short to long-term | <ul style="list-style-type: none"> – Decline in net sales due to production delays or suspensions resulting from damage to production bases, and incidence of repair costs due to damage to company assets such as buildings, facilities, and inventory – Decline in the company's net sales due to the impact of the suspension of the supply of raw materials and parts due to disasters at suppliers | Small | Small | <ul style="list-style-type: none"> – Adaptation Improve and strengthen BCP, and establish a system to support affected sites – Adaptation Build a supply chain for stable procurement, including multi-company purchasing and outsourced production of raw materials at multiple factories and lines |

*1. Risk magnitude evaluation horizon: Changes in net sales Large: 20 billion yen or more, medium: 5 to 20 billion yen, small: less than 5 billion yen / Operating profit/loss: Large: 3 billion yen or more, medium: 1 to 3 billion yen, small: less than 1 billion yen

*2. Scenarios in which no risks are incurred are indicated with a "-"

*3. For physical risks, hazard maps and AQUEDUCT were used to survey the key production bases of each business (30 locations). The financial impact on bases where risks had been identified was evaluated by considering the frequency of occurrence.

Based on the above analysis, no significant and hard-to-handle risks associated with climate change were identified at this stage in our three main businesses. The following risks associated with climate change are applicable to multiple businesses and will have a relatively large impact on our business.

[Transition risk]

- (i) Increase in production and countermeasure costs due to carbon taxation on CO₂ emissions (1.5° C scenario)
- (ii) Increase in the cost of procuring raw materials needed to produce products due to the carbon taxes (1.5° C scenario)

As a measure to address (i), we are promoting the switch to renewable energy at our production bases. Our main production bases in Japan, Nissha Industries, Inc. Koka Factory and Nissha Precision and Technologies, Inc. Himeji Factory and Kaga Factory, have completed the switch to 100% renewable electricity. At overseas bases, Nissha (Kunshan) Precision IMD Mold Co., Ltd. (China), a production base for the Industrial Materials business, has been generating solar power, and Nissha Metallizing Solutions (Belgium) replaced part of its electricity with solar and wind power. Moreover, Nissha Advanced Technologies Europe GmbH (Germany) has brought in solar power generation. In addition, we are switching to LED lighting and upgrading aging facilities with energy-efficient equipment to contain electricity consumption. We will continue to promote our responses as we verify

costs and effects.

As a measure to address (ii), in the Industrial Materials business, we are investigating technological trends, examining the use of biomass PET and other biomass plastics and recycled plastics, and developing products to reduce the use of virgin plastics.

[Physical risks]

No physical risks have been identified at this stage.

The Nissha Group has taken measures to address risks that we believe have a relatively large impact with respect to climate change in our three main businesses, and we consider ourselves to have climate resilience.

We will continue to monitor trends in the business environment under the 1.5° C and 3° C scenarios and develop our business strategically.

(4) Results of opportunity analysis

Based on our awareness that solving social issues related to climate change will create our business opportunities, we have analyzed and examined the magnitude of the opportunities in each scenario and our response to these opportunities in the time horizon we have set, as shown in the table below.

Results of opportunity analysis

| Type | Changes into the external environment | Target business | Time horizon | Opportunities to Nissha | Opportunity magnitude ^{*1,2} | | Countermeasures |
|-----------------------|--|------------------------------|---------------------|--|---------------------------------------|--------|--|
| | | | | | 3°C | 1.5°C | |
| Products and Services | Carbon price Changes in national carbon emission targets and policies | Industrial Materials Devices | Medium to long-term | Expansion of demand for products that contribute to GHG emission reductions | Medium | Medium | - Develop and expand sales of products that contribute to GHG emission reductions (highly recyclable decorative film moldings, gas sensor modules for refrigerant detection, etc.) |
| | | Industrial Materials | Medium to long-term | Increase in sales opportunities for plant-derived sustainable molded products due to the progression of plastics-related regulations | - | Small | - Further promote the development of the ecosense molding brand of sustainable molded products oriented toward the elimination and reduction of plastic, and increase the sales ratio of sustainable materials |
| | Increase in EV sales | Industrial Materials Devices | Short to long-term | Increase in sales opportunities for EV-related products due to changes in market structure | Small | Small | - Develop and expand sales of new products for EVs (decorative film molded products and functional products for exteriors, touch sensors, etc.) |
| | Fluctuations in raw material prices | Industrial Materials | Medium to long-term | Increase in sales opportunities due to increased demand for sustainable molded products as a result of the lower costs of plant-derived plastics | - | Small | - Further promote the development of the ecosense molding brand of sustainable molded products oriented toward the elimination and reduction of plastic, and increase the sales ratio of sustainable materials |
| | Arrival of a hydrogen-based society | Devices | Medium-term | Demand for Fuel Cell Vehicles (FCVs) expands | Small | Small | - Develop and expand sales of products for the mobility market (such as hydrogen detectors) that contribute to reducing our environmental impact |

*1. Opportunity magnitude evaluation horizon: Changes in net sales Large: 20 billion yen or more, medium: 5 to 20 billion yen, small: less than 5 billion yen / Operating profit/loss: Large: 3 billion yen or more, medium: 1 to 3 billion yen, small: less than 1 billion yen

*2. Scenarios in which no opportunities are incurred are indicated with a "-".

The following climate change opportunities are applicable to multiple businesses and have a relatively large impact on our business.

[Opportunities]

- (i) Expansion of demand for products that contribute to GHG emission reductions (1.5/3° C scenario)
- (ii) Increase in sales opportunities for EV-related products due to changes in market structure (1.5° C scenario)

As a measure to address (i), the Industrial Materials business aims to expand sales of existing decorative films and molded products for mobility and consumer electrical appliances. The Nissha Group's decorative films and molded products contribute to the reduction and control of GHG emissions by adding patterns and functions at the same time they are molded to eliminate the need for secondary decoration processes after molding, as well as by building an optimal supply chain for customers from seven molding bases located around the world. We also aim to create products with even lower environmental impact by undertaking recyclability studies and conducting Life Cycle Assessments (LCA) for each product to quantitatively evaluate the environmental impact.

In the Devices business, we are aiming to expand sales of gas sensor modules that can detect next-generation refrigerants produced by Nissha FIS, Inc. Although the next-generation refrigerants used in air conditioning and refrigeration units today have low ozone depletion potential, leak detection is necessary as they are mildly flammable and have an extremely high greenhouse effect. We believe that our Group's gas sensors can contribute to both safety and the prevention of global warming, and we aim to increase our net sales by expanding our sales region to include North America and other overseas markets.

As a measure to address (ii), we have identified the expansion of products targeting the mobility market as one of the priority markets for achieving our Sustainability Vision, and we are working to enhance EV-related products as a measure to address climate change.

The Industrial Materials business aims to expand sales of exterior decorative and functional products. For EVs that do not require engine cooling, there is a growing need to decorate the front as a vehicle face design to replace the front grille, as well as a need to add functions to ensure the proper operation of automatic driving radars in this area. In addition, there is a need for a heating function to melt snowing sticking on headlights and front grilles.

The Devices business aims to expand sales of touch sensors for curved surfaces and large displays. The Nissha Group's touch sensors use a film-based material which provides high visibility and a narrow frame while being thin, light, hard to break, and bendable. Next-generation automobiles, including electric vehicles, have a wide variety of needs that require high design levels.

We shall draw on the strengths of our products and aim to expand net sales by developing new products that meet these EV needs to expand our product lineup.

We reflect our scenario analysis results in our business strategy, such as the growing demand for products that contribute to reducing GHG emissions and the expanding EV market.

6-3 Risk Management

The Nissha Group manages its climate change risks by distinguishing between materialities (risks and opportunities related to the realization of our Sustainability Vision, which are material issues for the Group, and general risks (risks related to smooth business operations) and by the Sustainability Committee and the Risk Management and Compliance Committee assessing and managing each of these risks in accordance with the following process.

In particular, for the risks associated with climate change, we conduct scenario analysis for each business. We extract transition risks and physical risks, evaluate the timing of risk occurrence and the impact on finances for each scenario, and consider risk adaptation and mitigation measures.

Refer to 6-2 Strategy







■ Risk Management by the Sustainability Committee

The Group has set out where it wants to be in terms of management by 2030 in the form of our Sustainability Vision (long-term vision). We are aiming to create social value by providing products and services that contribute to solving social issues, and to achieve a 30% reduction in total CO₂ emissions in 2030 (compared to 2020)*1 with a view to carbon-neutral by 2050. And to realize the Sustainability Vision, we have identified items of particular importance as materialities.

The Nissha Group evaluates social issues from the perspectives of Creating Business Opportunities, Risk Reduction, Strengthening Management Foundation, and Corporate Governance using the two axes of "importance to society and stakeholders", and "importance to Nissha (i.e. importance for achieving our Sustainability Vision)". The identified social issues are prioritized by the Sustainability Committee, and materialities are identified through deliberations and resolutions by the Board of Directors.

We have identified the following material issues relating to climate change from the perspectives of Creating Business Opportunities and Risk Reduction.

*1. We plan to set a new CO₂ emissions reduction target in 2025, as we achieved our original target in 2024 (a 30% reduction by 2030 compared to 2020).

| | Materiality | Related SDGs |
|---------------------------------|---|--|
| Risk reduction | Responding to climate change |  |
| Creating business opportunities | Contribute to the safety and comfort of transportation and logistics, and the reduction of environmental impact |   |
| | Promotion of circular economy |    |

The ESG Task Force promotes activities related to risk reduction. The ESG Task Force works based on KPIs and action items approved by the Sustainability Committee. In addition, it reports on its progress quarterly to inside directors, including the President and CEO.

Activities related to creating business opportunities are handled by the business divisions. The business divisions report to the Chairman of the Board, President and CEO at monthly meetings (business reviews), at which the Chairman of the Board, President and CEO confirms the progress of business strategies based on KPIs and gives instructions on necessary action.

The Sustainability Committee reports its activities annually to the Board of Directors, and the Board of Directors utilizes the contents of the report to formulate the Medium-term Business Plan and Rolling Plan.

Refer to 3-3 Promotion Framework for Sustainability / 3-4 Materialities (Key Issues) and KPIs

■ Risk Management by the Risk Management and Compliance Committee

In accordance with our Basic Policy on Risk Management, the Nissha Group centrally manages general risks (risks related to smooth business operations) based on the categories of cross-Group risks, business risks and financial risks. Of these, the Risk Management and Compliance Committee selects important risks for the Headquarters and each Group company both in Japan and overseas after conducting an annual risk assessment of cross-Group risks. To further reduce the risks arising from business activities, it selects important risks following a process of the department or subcommittee

responsible for the risk, or the business organization, confirming the priority and appropriateness.

■ Risk Assessments and Risk Management Methods

(1) Evaluation targets

- All Group companies in Japan
- 55 Group companies overseas (Including when major overseas subsidiaries and their own subsidiaries have been evaluated)

(2) Target risks

- Cross-group risks (including compliance risks)
Refer to 28-4 Risk Assessment and Management

(3) Selection process for key risks

The following process is used by the Risk Management and Compliance Committee to select key risks.

- For the above cross-group risks, the high-value risks calculated using the "probability of occurrence" and "impact when it occurs" horizons are considered the "inherent risks".
- In addition, the "effectiveness of control activities" is evaluated, and risks with low "effectiveness of control activities" with respect to "inherent risks" are selected as key risks.

(4) Management method

- Key risks (low "effectiveness of control activities" with respect to "inherent risks"): The departments responsible for risk management or Group companies overseas set the Key Performance Indicators and action items to mitigate risks. The progress of these activities is monitored by the Risk Management and Compliance Committee.
- High "effectiveness of control activities" with respect to "inherent risks": Subject to monitoring, and the Risk Management and Compliance Committee confirms the status of maintenance and operation by the departments responsible for risk management or Group companies overseas.
- Cross-group risks other than "inherent risks": Managed by the business divisions, departments, and Group companies overseas and reported at the Monthly Business Review (MBR).

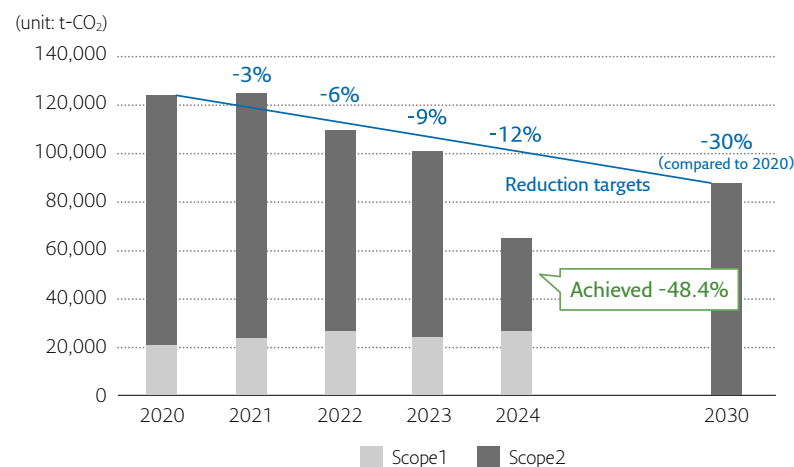
The company has selected Business Continuity (natural disasters such as earthquakes, typhoons, and floods) as one of our key risks and includes climate change risk in this category.

As a measure to address risks, a "Business Continuity Plan" has been formulated to prepare for and respond to natural disasters and emergencies should they occur, and the plan is promoted by the Business Continuity Management Subcommittee under the Risk Management and Compliance Committee. The Business Continuity Management Subcommittee, which manages such risks, works to mitigate risks based on KPIs and action items approved by the Risk Management and Compliance Committee, and reports the state of its activities to the Risk Management and Compliance Committee.

6-4 Indicators and Targets

The Nissha Group has defined total CO₂ emissions as an indicator for assessing and managing risks related to climate change. In our Sustainability Vision, we have set a target of a 30% reduction in total CO₂ emissions (compared to 2020) by 2030, with a view to carbon-neutral by 2050, and the Group as a whole is working on a range of initiatives towards this.

The Nissha Group's CO₂ Emissions Reduction Target and Results (Scope1 and 2)



Our target for the fiscal year ended December 2024 was a 12% reduction compared to 2020, but our CO₂ emissions were 64,086t-CO₂, a reduction rate of 48.4%, significantly exceeding the target. The use of 100% renewable energy year-round at our major production bases in Japan contributed significantly to this. We shall consider a new target for the fiscal year ending December 2025, and expect to announce it once it has been determined.

The Nissha Group views sustainability as an initiative toward the achievement of sustainable growth and development for both the company and society. In other words, we consider social issues to be business opportunities. We consider it important not only to leverage our strengths to provide products and services that help resolve these on an ongoing basis, but also to strengthen the management foundation underpinning our business activities, reduce risks that could hamper business continuity, and promote governance to ensure these are all carried out appropriately.

In the Sustainability Vision that presents our vision for ourselves in 2030, the Nissha Group defines Medical, Mobility, and Sustainable Materials as the key markets to solve social issues through business activities. In addition, we have expressed our aim to reach 150 billion yen in products related to the medical market, out of our consolidated sales of 300 billion, and are pressing ahead with reorganizing our business portfolio.

As a result of analyzing the three main businesses that our group develops, although the transition and physical risks associated with climate change within our group are important, we believe that their impact on our finances will be limited if sufficient measures are taken to address the risks we have identified through our analysis.

Additionally, we have confirmed that the risks associated with climate change and its financial impact will be small for the Medical Technologies business compared to other businesses. This means that our growth strategy of business expansion in the medical market, which the Nissha Group is engaging in with a view to our Sustainability Vision, is seen as something that can also contribute to reducing climate change risks for the Group.

7. CO₂ Emissions and Reduction Efforts

7-1 CO₂ Emissions Reduction Target

The global movement towards a decarbonized society by reducing greenhouse gases in response to the Paris Agreement is progressing. The Nissha Group regards addressing climate change as one of its most important management issues and our Sustainability Vision (long-term vision) aims for a 30% reduction in CO₂ emissions by 2030 (compared to 2020).

To promote specific activities towards this vision, we have established an ESG Task Force under the Sustainability Committee, which is chaired by the President and CEO, and addressed climate change. The ESG Task Force is promoting actions to reduce our Scope 1 and Scope 2* CO₂ emissions, and to identify relevant Scope 3* categories and calculate CO₂ emissions in our supply chain.

Our target for the fiscal year ended December 2024 was a 12% reduction compared to 2020, but a reduction rate was 48.4%, significantly exceeding the target. The use of 100% renewable energy year-round at our major production bases in Japan contributed significantly to this. Refer to 7-3 Summary of Emission

In the fiscal year ending December 2025, we shall set a new target while continuing to advance domestic energy-saving measures and renewable energy initiatives at overseas production sites. We will continue to promote our responses as we verify costs and effects. Refer to 7-5 Emissions Reduction Efforts

* Scope: Scope of greenhouse gas (GHG) calculation. The following three are shown.

Scope 1: Direct GHG emissions from sources owned or controlled by the company.

Scope 2: Indirect GHG emissions through consumption of electricity, steam, or heat.

Scope 3: Indirect emissions other than those in Scope 2.

7-2 Coverage and Calculation Method of CO₂ Emission Calculation

The coverage and calculation method for CO₂ emissions are as follows.

* Calculations of CO₂ emissions are subject to inherent uncertainty due to, for example, incomplete scientific knowledge used to determine emission factors and numerical data.

■ Scope 1, 2

| | | |
|--------------------|--|--|
| Coverage | <ul style="list-style-type: none"> • Nissha Co., Ltd. • Nissha Industries, Inc. • Nissha Precision and Technologies, Inc. • Nissha Printing Communications, Inc. • Nissha FIS, Inc. • Nissha Business Service, Inc. • Nissha Zonnebodo Pharma Co., Ltd. • Nissha Eimo Technologies • Nissha PMX Technologies, S.A. de C.V. • Nissha Medical Technologies • Lead-Lok, Inc. • CEA Global Dominicana, S.R.L. • CEA Medical Manufacturing, Inc. • Nissha Medical Technologies Ltd. | <ul style="list-style-type: none"> • Nissha Medical Technologies SAS • Isometric Intermediate, LLC • Nissha Advanced Technologies Europe GmbH • Nissha Back Stickers International • Nissha Metallizing Solutions N.V. • Nissha Metallizing Solutions S.r.l. • Nissha Metallizing Solutions Ltd. • Nissha Metallizing Solutions Produtos Metalizados Ltda • Nissha Metallizing Solutions GmbH • Nissha (Kunshan) Precision IMD Mold Co., Ltd. • Guangzhou Nissha High Precision Plastics Co., Ltd. • Nissha Precision Technologies Malaysia Sdn. Bhd. • Nissha SB Poland Sp. z o.o. |
| Calculation method | <p>Calculated based on Ministry of the Environment "Greenhouse Gas Emissions Calculation Report Manual (Ver.6.0)" (CO₂ emission factors)</p> <p>CO₂ emissions associated with the fuel use: Emission factor based on the Act on Promotion of Global Warming Countermeasures</p> <p>CO₂ emissions associated with power purchase: Emission factor based on the market-based method for domestic bases and the location-based method for overseas bases*</p> | |

* As of the fiscal year ended December 2024, Nissha Metallizing Solutions (Belgium, Italy, Germany) has adopted market standards (Europe's Association of Issuing Bodies (AIB) standards).

■ Scope 3 (Scope of third-party verification)

Category1. Purchased goods and services

| | |
|--------------------|--|
| Coverage | Major domestic / overseas suppliers at Nissha Group in Japan (31 companies) |
| Calculation method | Calculated by CO ₂ emissions per product or supplier electricity and fuel consumption x emission factor x sales ratio |

* Verified values were calculated based on the emissions of 31 major suppliers of the Nissha Group in Japan (purchase amount ratio: 71.1%) apportioned to the total purchase amount.

Refer to 21-4 Survey of the Supply Chain > CO₂ Emissions Survey (Scope3 Category1)

Category4. Upstream transportation and distribution

| | |
|--------------------|---|
| Coverage | <ul style="list-style-type: none"> Major domestic / overseas suppliers at Nissha Group in Japan (19 companies) Logistics suppliers (43 companies) |
| Calculation method | <p>Total CO₂ emissions of suppliers calculated using either the ton-kilometer method, fuel consumption</p> <p>Domestic transportation: based on the Fuel Economy Law (Joint Guidelines for Calculating CO₂ Emissions in the Logistics Sector) Ver.3.2</p> <p>Overseas transportation: Sum up CO₂ emissions from Global Logistics Emissions Council (GLEC) Framework Ver.3.0*</p> |

* A framework created by the Smart Freight Centre, an international non-profit organization working to reduce greenhouse gas emissions associated with cargo transport.

Category 6, 7. Business travel / Employee commuting

| | |
|--------------------|--|
| Coverage | <ul style="list-style-type: none"> Nissha Co., Ltd. Nissha Industries, Inc. Nissha Precision and Technologies, Inc. Nissha Printing Communications, Inc. Nissha F8, Inc. Nissha FIS, Inc. Nissha Business Service, Inc. Nissha Zonnebodo Pharma Co., Ltd. (commuting only) |
| Calculation method | <p>Calculated based on;</p> <p>Ministry of the Environment/Ministry of Economy, Trade and Industry "Basic Guidelines for Calculating Greenhouse Gas Emissions Through the Supply Chain (Ver.2.7)"</p> <p>Ministry of the Environment "Calculation intensity database for calculating greenhouse gas emissions of organizations through the supply chain (Ver.3.5)"</p> |

Category 11. Use of sold products

| | |
|--------------------|--|
| Coverage | Gas sensors provided by Nissha FIS, Inc. (18 types) |
| Calculation method | Calculated by CO ₂ emissions per product or supplier electricity and fuel consumption x emission factor x sales ratio |

* Verified values cover all the products produced (or sold) by the Nissha Group. Among the Group's products, the gas sensor range, which are active devices, fall under Category 11, while other products do not fall under this category. As a result, the emissions from the gas sensor range are subject of the calculation and verification by a third party.

7-3 Summary of Emission

The total CO₂ emissions of the Nissha Group during the fiscal year ended December 2024 were 64,086 t-CO₂, a decrease of 36.5% compared to the previous year's 100,963 t-CO₂. The proportions are 40.7% for Scope 1 and 59.3% for Scope 2. The main reason for this decrease was the move by the Himeji Factory and Kaga Factory run by Nissha Precision and Technologies, Inc. (NPT) to 100% renewable energy sources for the power they use.

| | Reference year (FY2020) | | FY2022 | | FY2023 | | FY2024 | | | |
|---------|----------------------------------|------|----------------------------------|------|----------------------------------|------|----------------------------------|------|------------------|-----------------------|
| | Emission (t-CO ₂) | % | Emission (t-CO ₂) | % | Emission (t-CO ₂) | % | Emission (t-CO ₂) | % | Year-on- year | vs. reference year |
| Scope 1 | 20,853 | 16.8 | 28,435 | 24.8 | 25,609 | 25.4 | 26,095 | 40.7 | +1.9 | +25.1 |
| Scope 2 | 103,351 | 83.2 | 86,255 | 75.2 | 75,354 | 74.6 | 37,991 | 59.3 | -49.6 | -63.2 |
| Total | 124,204 | | 114,691 | | 100,963 | | 64,086 | | -36.5 | -48.4 |

The 64,086t-CO₂ total CO₂ emissions for the fiscal year ended December 2024 shown above includes 2,970t-CO₂ from the chemical reactions used at the Koka Factory of Nissha Industries, Inc. (NII) and at Nissha Metallizing Solutions GmbH (Germany) and Nissha Metallizing Solutions N.V. (Belgium). This represents a 22.2% increase compared to the previous fiscal year's emissions of 2,431t-CO₂. The main reason is due to an increase in our production volume.

| | FY2022 | FY2023 | FY2024 | |
|---|----------------------------------|----------------------------------|----------------------------------|---------------------|
| | Emission (t-CO ₂) | Emission (t-CO ₂) | Emission (t-CO ₂) | Year-on-year (%) |
| NII Koka Factory | 481 | 341 | 362 | +6.2 |
| Nissha Metallizing Solutions GmbH (Germany) | 273 | 163 | 209 | +28.2 |
| Nissha Metallizing Solutions N.V. (Belgium) | 3,367 | 1,927 | 2,399 | +24.5 |
| Total | 4,121 | 2,431 | 2,970 | +22.2 |

7-4 Trends in CO₂ Emissions and Energy Consumption, etc.

The Nissha Group's CO₂ emissions and energy consumption are shown below. The totals obtained by multiplying the individual consumption of fuels such as electricity, gas, gasoline, diesel, and heavy oil with the specified factors are our energy consumption levels. The figures obtained by multiplying energy consumption by the CO₂ emission factors are the CO₂ emissions of the Group.

Nissha Group emits almost no energy-related greenhouse gases other than CO₂, and its impact is minimal.

About the following tables

- We have adopted market standards for the electricity emissions factor in Japan and use location standards for each country as overseas electricity emissions factors.
*As of the fiscal year ended December 2024, Nissha Metallizing Solutions (Belgium, Italy, Germany) has adopted market standards (Europe's Association of Issuing Bodies (AIB) standards).
- The company names listed in the tables are as follows.
Nissha and others: Nissha Co., Ltd. and Nissha Group in Japan except the following three companies
NII: Nissha Industries, Inc.
NPT: Nissha Precision and Technologies, Inc.
NCI: Nissha Printing Communications, Inc.

CO₂ Emissions Volumes and Basic Unit

(unit: t-CO₂, excluding basic unit)

| Company | FY2020 | FY2022 | FY2023 | FY2024 |
|---------------------------|----------------|----------------|----------------|---------------|
| Nissha and others | 3,721 | 4,249 | 5,429 | 5,188 |
| NII | 11,507 | 6,835 | 6,437 | 5,006 |
| NPT | 69,572 | 53,056 | 48,661 | 7,953 |
| NCI | 770 | 666 | 862 | 868 |
| Overseas production bases | 38,634 | 49,885 | 39,575 | 45,072 |
| Total | 124,204 | 114,691 | 100,963 | 64,086 |
| Basic Unit* | 0.69 | 0.59 | 0.60 | 0.33 |

*CO₂ emissions / Net sales (Millions of JPY)

■ Energy Consumption and Basic Unit

(unit: 1,000GJ, excluding basic unit)

| Company | FY2022 | FY2023 | FY2024 |
|---------------------------|--------------|--------------|--------------|
| Nissha and others | 124 | 109 | 108 |
| NII | 134 | 181 | 157 |
| NPT | 1,327 | 950 | 552 |
| NCI | 21 | 17 | 18 |
| Overseas production bases | 1,055 | 775 | 836 |
| Total | 2,662 | 2,032 | 1,671 |
| Basic Unit* | 0.0137 | 0.0121 | 0.0085 |

*Energy consumption (1,000GJ) / Net sales (Millions of JPY)

■ Electricity Consumption

(unit: MWh, excluding renewable electricity ratio)

| Company | FY2022 | FY2023 | FY2024 |
|---------------------------------|----------------|----------------|----------------|
| Nissha and others | 11,590 | 11,447 | 11,238 |
| NII | 18,559 | 18,446 | 17,998 |
| NPT | 126,056 | 108,512 | 121,136 |
| NCI | 2,130 | 1,979 | 2,064 |
| Overseas production bases | 92,397 | 76,644 | 83,130 |
| Total | 250,732 | 217,027 | 235,566 |
| Renewable Electricity | 20,709 | 34,095 | 134,861 |
| Non-renewable electricity | 230,023 | 182,932 | 100,705 |
| Renewable Electricity Ratio (%) | 8.3 | 15.7 | 57.2 |

■ Gas Consumption

(unit: 1,000m³)

| Company | FY2022 | FY2023 | FY2024 |
|---------------------------|---------------|---------------|---------------|
| Nissha and others | 195 | 204 | 213 |
| NII | 2,571 | 2,303 | 1,790 |
| NPT | 2,015 | 1,807 | 1,591 |
| NCI | 0 | 0 | 0 |
| Overseas production bases | 5,703 | 5,714 | 6,827 |
| Total | 10,485 | 10,029 | 10,422 |

■ Gasoline, Diesel, and Heavy Oil Consumption

(unit: kl)

| Company | FY2022 | FY2023 | FY2024 |
|---------------------------|------------|------------|------------|
| Nissha and others | 39 | 43 | 51 |
| NII | 10 | 11 | 13 |
| NPT | 10 | 9 | 11 |
| NCI | 2 | 1 | 1 |
| Overseas production bases | 147 | 133 | 106 |
| Total | 207 | 198 | 183 |

7-5 Emissions Reduction Efforts

As a measure to reduce CO₂ in the Nissha Group in Japan, NII Koka Factory, a production base for our Industrial Materials business, 100% renewable electricity has been used continuously since FY2022, and is also working on reducing its gas consumption, having updated the old-style deodorizing equipment with a heat storage type as of December 2023. NPT Himeji Factory and Kaga Factory, production bases for our Devices business, switched to 100% renewable electricity for the factories in December 2023.

Within the Nissha Group overseas, Nissha (Kunshan) Precision IMD Mold Co., Ltd. (China), a production base for the Industrial Materials business, has been generating solar power since 2018, and Nissha Metallizing Solutions N.V. (Belgium) replaced part of its electricity with solar and wind power in 2023. Nissha Metallizing Solutions S.r.l. (Italy) introduced solar power generation in 2022 and a cogeneration system in 2023, and is generating electricity through gas combustion and effectively using the waste heat generated to produce hot and cold water. Moreover, Nissha Advanced Technologies Europe GmbH (Germany) has brought in solar power generation as of 2024.

In addition, we are switching to LED lighting and upgrading aging facilities with energy-efficient equipment to contain electricity consumption. The ESG Task Force will continue serving as a driving force to promote our responses as we verify costs and effects.

7-6 Basic Unit Management of Energy Consumed in Production

In addition to monitoring and managing energy consumption per corporate unit as required by the Act on the Rational Use of Energy, the Group's domestic production bases have been conducting basic unit management of energy consumed in production since the fiscal year ended March 2014, aiming to improve the efficiency of energy use. The actual basic unit for each production base in the fiscal year ended December 2023 was set at 1.00, and the target for 2024 was set at 0.99 or less, based on this. The results were as follows. At NPT's Kaga Factory, initiatives to reduce the amount of electricity used through consolidating plants meant that it achieved 0.99 or less compared to its performance in the previous fiscal year. All four bases, the Nissha Headquarters, NII Koka Factory, NPT Himeji Factory, and NPT Kaga Factory, reached their targets.

| Company | Basic unit (based on production volume etc.) | | | FY2024 evaluation |
|--------------------------|---|------------------|-------------------|----------------------|
| | FY2023 results | FY2024 target | FY2024 results | |
| Nissha (Headquarters) | 1.00 | 0.99 or less | 0.92 | ○ |
| NII Koka Factory | 1.00 | 0.99 or less | 0.72 | ○ |
| NPT Himeji Factory | 1.00 | 0.99 or less | 0.20 | ○ |
| NPT Kaga Factory | 1.00 | 0.99 or less | 0.01 | ○ |

7-7 Initiative in Scope 3 Management

The ESG Task Force and others checked whether or not each category falls under Scope 3 and found that nine of fifteen categories in the Nissha Group do. Our Scope 3 is expected to exceed 40% of the total of Scopes 1, 2, and 3. Categories 1, 4, 6, 7, and 11 were subjected to third party verification by DNV Business Assurance Japan K.K.

(unit: t-CO₂)

| Scope 3 Category | | FY2023 Coverage | | FY2024 Coverage | |
|------------------|--|--------------------|----------|----------------------------|---------------------|
| | | Domestic | Overseas | Domestic | Overseas |
| 1 | Purchased goods and services | 38,891 | 72,818 | 54,881 | Under investigation |
| 2 | Capital goods | 13,910 | | Under investigation | |
| 3 | Fuel and energy-related activities (not included in Scope 1, 2) | 12,476 | | Under investigation | |
| 4 | Upstream transportation and distribution of purchased products*1 | 4,368 | 2,773 | 10,257 ³ | Under investigation |
| | Upstream transportation and distribution of shipments*2 | 6,561 | 14,038 | | Under investigation |
| 5 | Waste generated in operations | 4,031 | | Under investigation | |
| 6 | Business travel | 638 | — | 873 | — |
| 7 | Employee commuting | 2,038 | — | 2,003 | — |
| 11 | Use of sold products | 10,370 | | 8,457 | |
| 12 | End of life treatment of sold products | 417 | 2,913 | Under investigation | Under investigation |
| Total | | 186,242 | | — | |

*Figures in **bold** have been certified by a third party

Refer to 8. Third Party Verification

*1. Emissions arising from the transport and delivery of raw materials purchased from major material suppliers.

*2. Emissions arising from the transport and delivery of products manufactured by the Nissha Group.

*3. Third-party verification for the total figures has been used since the fiscal year ended December 2024.

8. Third Party Verification

The Nissha Group has received a verification statement from DNV Business Assurance Japan K.K. on the accuracy of the CO₂ emissions data contained in this report in order to improve the reliability of our environmental performance data.



VERIFICATION STATEMENT

Project ID: PRJN-874497

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Nissha Co., Ltd.

< Verification Objectives >

DNV Business Assurance Japan K.K. (hereinafter, "DNV") has been commissioned by NISSHA Co., Ltd. (hereinafter, "the Organization") to conduct an independent verification of the calculation results for greenhouse gas emissions and energy consumption (hereinafter, "GHG emissions and others") for the FY2024 of the NISSHA Group. The objective of this verification is to confirm that the GHG emissions and others claimed by the Organization have been calculated and reported appropriately based on the calculation standards, and to express an independent opinion.

< Verification Scope >

The scope of this verification is Scope 1+ Scope 2 emissions and related energy consumption (locations in and outside Japan), and Category 1,4,6,7 (locations in Japan only) and 11 (all-group companies) of Scope 3 emissions for the Organization and its all-group companies, in FY 2024.

< Calculation and Verification criteria >

The criteria for calculating and reporting GHG emissions and others to be verified are the calculation and reporting procedures for environmental performance data established by the Organization, the Manual for Calculating and Ministry of the Environment, Japan "Reporting Greenhouse Gas Emissions (Ver.4.9)", and Ministry of the Environment, Ministry of Economy, Trade and Industry, Japan "Basic Guidelines for Calculating Greenhouse Gas Emissions through the Supply Chain (ver.2.5)." The criterion for verification is ISO 14064-3:2019.

< Verification Process and Methodology >

The reviews of the GHG emissions and others calculation results, relevant documentation and records, and subsequent follow-up interviews have provided DNV with sufficient evidence to determine the fulfillment of stated criteria.

< Verification Statement >

It is DNV's opinion that with a limited level of assurance, nothing has come to our attention which causes us to believe that the claims of the GHG emissions and others of the organization are not accurately reflected in the calculation results, in accordance with the verification criteria identified as stated above. In addition, as an independent third party, DNV has no financial dependencies on the Organization at the group level, not limited to this verification work.

Place and date: Kobe, Japan, 20 June 2025
DNV BUSINESS ASSURANCE JAPAN K.K.

Sahori Murasawa
Project Manager / Technical Reviewer

Naoki Maeda
Representative Director / SCPA
Senior Vice President

This Verification Statement is based on the information made available to us and the engagement conditions detailed above. Hence, DNV cannot guarantee the accuracy or correctness of the information. DNV cannot be held liable by any party relaying or acting upon this Verification Statement.
DNV Business Assurance Japan K.K. Sannomiya Bldg. South 11th Floor, 7-1-15, Goko-dori, Chuo-ku, Kobe 651-0087



VERIFICATION STATEMENT

Project ID: PRJN-874497

Page 2 of 2

< Period Covered by Calculation >

The period covered by GHG emissions and others verification is from 1 January 2024 through 31 December 2024.

< Organization Boundary of Verification >

☒ Management Control ☐ Equity Share ☐ Others

< Type of GHGs Verified >

☒ CO₂ ☒ CH₄ ☒ N₂O ☒ HFCs ☒ PFCs ☒ SF₆ ☒ NF₃

< Amount of GHG emissions and others Verified >

DNV's opinion is that GHG emissions and others are real, transparent, and measurable. The reported values below are fully covered by the verification.

| | |
|---|--|
| ■ Total amount of Scope 1 & 2 emissions (locations in and outside Japan) | 64,086 t-CO ₂ e |
| ■ Amount of Scope 1 emissions | 26,095 t-CO ₂ e |
| ■ Amount of Scope 2 emissions | 37,991 t-CO ₂ e |
| ■ Scope 3 emissions ¹⁾ | |
| ■ Category 1 (Purchased Goods and Services) ²⁾ | 54,881 t-CO ₂ e |
| ■ Category 4 (Upstream Transportation and Distribution) | 10,257 t-CO ₂ e |
| ■ Category 6 (Business travel) | 873 t-CO ₂ e |
| ■ Category 7 (Employee commuting) | 2,003 t-CO ₂ e |
| ■ Category 11 (Use of Sold Products) | 8,457 t-CO ₂ e |
| <small>1) 1: Category 1,4,6,7 cover locations in Japan only, and Category 11 covers all-group companies. 2) 2: Calculated GHG emissions associated with products purchased based on survey results from major suppliers in Japan.</small> | |
| ■ Total energy consumption (related to Scope 1+Scope 2, locations in and outside Japan) | 1,671 (10 ⁶ GJ) |
| ■ Electric power consumption | 235,566 (MWh) |
| ■ Gas consumption | 10,422 (10 ³ m ³) |
| ■ Gasoline, diesel, and heavy consumption | 183 (kL) |

< Verification Opinion >

☒ Unmodified Opinion
☐ Modified Opinion
☐ Adverse Opinion

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DNV Business Assurance Japan K.K. Sannomiya Bldg. South 11th Floor, 7-1-15, Goko-dori, Chuo-ku, Kobe 651-0087

9. Waste Management

9-1 Total Amount of Waste

In the fiscal year ended December 2024, the Nissha Group generated a total of 23,080t of waste, including waste sold for recycling, waste reused as resources, and waste for simple incineration/landfill.

| | FY2022 | FY2023 | FY2024 | |
|-----------------------------|---------------|---------------|---------------|-------------------------|
| | Emission (t) | Emission (t) | Emission (t) | Year-on-year |
| Nissha Group in Japan | 13,606 | 11,057 | 13,303 | +2,246t (+20.3%) |
| Nissha Group overseas | 13,601 | 9,784 | 9,777 | -7t (-0.1%) |
| Nissha Group (Total) | 27,206 | 20,841 | 23,080 | +2,239t (+10.7%) |

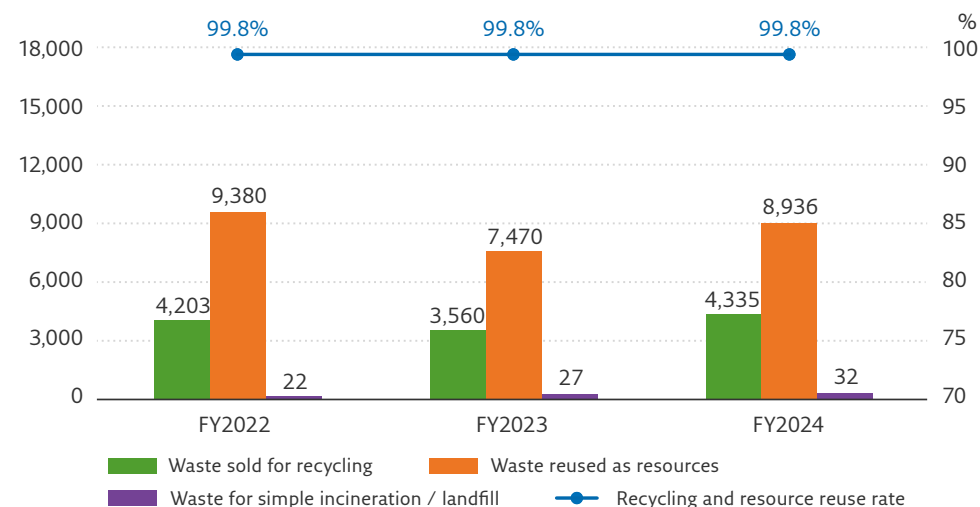
■ Total amount of waste generated and recycling and resource reuse rate (Nissha Group in Japan)

Total waste emissions

The total amount of waste generated by the Nissha Group in Japan in the fiscal year ended December 2024 was 13,303t, an increase of approximately 20% compared to the 11,057t in the fiscal year ended December 2023. The main reason is due to an increase in our production volume at the Nissha Precision and Technologies, Inc. Kaga Factory.

Efforts toward zero emissions

Our recycling and resource reuse rate for the Nissha Group in Japan was 99.8%, allowing us to successfully meet our target of zero emissions (a recycling and resource reuse rate of 99.5% or above). As one of initiatives, Nissha Industries, Inc. (NII), Nissha Co., Ltd. Head Office, and Nissha Business Service, Inc. (NBS) as well as our suppliers have been working together to form a system for creating value from transfer films since July 2023.

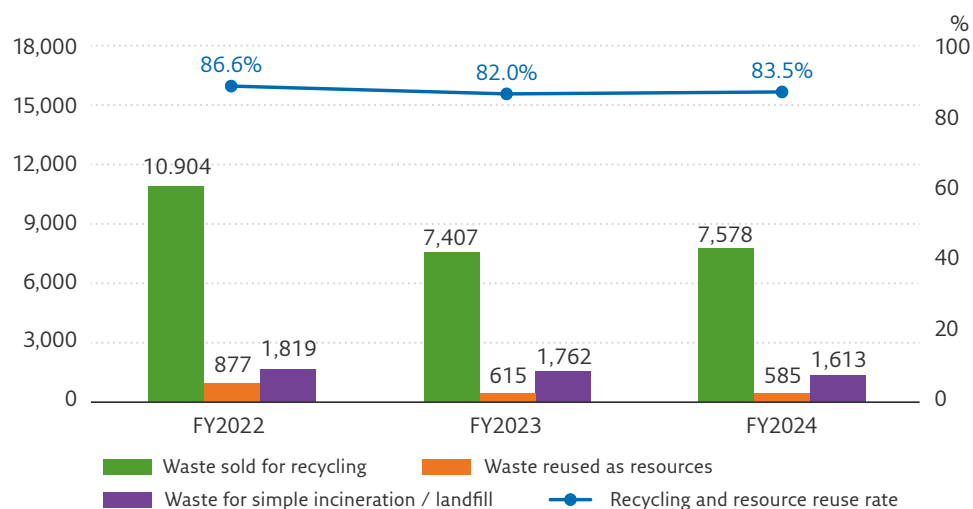


The hazardous and non-hazardous waste of the Nissha Group in Japan is as follows.

| | FY2022 | FY2023 | FY2024 | |
|---|---------------|---------------|---------------|-------------------------|
| | Emission (t) | Emission (t) | Emission (t) | Year-on-year |
| Hazardous waste (Industrial waste requiring special treatment) | 1,646 | 1,504 | 1,675 | +171t (+11.4%) |
| Non-hazardous waste (Waste sold for recycling, industrial waste, waste for simple incineration/landfill) | 11,960 | 9,553 | 11,628 | +2,075t (+21.7%) |
| Waste emissions (total) | 13,606 | 11,057 | 13,303 | +2,246t (+20.3%) |

■ Total amount of waste generated and recycling and resource reuse rate (Nissha Group overseas)

The total amount of waste generated by the Nissha Group overseas in the fiscal year ended December 2024 was 9,777t, remaining nearly unchanged compared to the 9,784t in the fiscal year ended December 2023. The recycling and resource reuse rate for major overseas Nissha Group production bases was 83.5%, an increase of 1.5 points from 82.0% in the fiscal year ended December 2023.



The hazardous and non-hazardous waste of the overseas Nissha Group is as follows.

| | FY2022 | FY2023 | FY2024 | |
|---|---------------|--------------|--------------|--------------------|
| | Emission (t) | Emission (t) | Emission (t) | Year-on-year |
| Hazardous waste (Waste acids, waste alkalis, waste inks, waste solvents) | 114 | 119 | 170 | +51t (+42.9%) |
| Non-hazardous waste (Valuable resources, waste plastic, sludge, waste oil, incineration/landfill waste, other) | 13,487 | 9,665 | 9,607 | -58t (-0.6%) |
| Waste emissions (total) | 13,601 | 9,784 | 9,777 | -7t (-0.1%) |

9-2 Risk Management Related to Waste and Waste Converted in Valuable Resources (Nissha Group in Japan)

At Nissha Group in Japan, we recognize that waste and waste converted into valuable resources have the following five main risks.

- Accidents and disasters caused by waste and waste converted into valuable resources (including at treatment contractors)
- Environmental pollution and violation of laws caused by inappropriate waste treatment
- Leakage of confidential information from waste and waste converted into valuable resources
- Refusal by waste disposal company to pick up waste
- Revocation of waste disposal company licenses

To alleviate these risks, we are working on safety management of waste in accordance with the Nissha Group Waste Management Regulations. In line with these regulations, each base has drawn up its own Waste Management Manual and makes efforts toward thorough waste separation and management. At the Nissha Group production bases in Japan, emergency response drills in the event of a leak are conducted once a year to prevent environmental pollution from liquid waste from the perspective of preventing accidents and disasters. Furthermore, even small quantities of chemicals and

spray cans are thoroughly checked for waste properties and monitored to prevent spillages during transport and accidents at treatment facilities.

The Nissha Group Waste Management Regulations, which serve as rules to prevent waste material related accidents and environmental contamination, employ standards for selecting outside contractors to process waste material. The regulations also proscribe and implement standards for periodic processing site inspections that make use of checklists. In addition, we have in place standards for managing waste and waste converted into valuable resources that contain confidential information, and promote management in association with our information security management system (ISMS).

Furthermore, we are monitoring the progress of waste disposal by strengthening the use of electronic manifests, and in preparation for delays, we are building a structure that allows us to respond quickly, such as by strengthening communication with contractors that have suspended disposal and reviewing waste disposal contractors.

In addition, at the Kyoto Global Headquarters, there is a need to address waste risks associated with business changes, such as changes in the content of waste materials generated as research and development by the business development division progress. In particular, before handing over chemical waste, we strictly manage the discharge of chemicals by preparing waste material lists and thoroughly checking Safety Data Sheet (SDS), and we have been in even closer communication with industrial waste disposal contractors to ensure waste is disposed of safely.

10. Management of Chemical Substances and Environmental Risks

10-1 Approach to Chemical Substances Used in Products and Their Production Processes

The majority of the Nissha Group's products are incorporated into our customers' final products, and since the specifications differ for each product, there is no equivalent of a general-purpose product. In addition, many of the materials used in our products are specified by customers. They correspond to "Material" of the 4M (Man, Machine, Material, Method), which are the four elements for proper quality control. As this is a customer-approved matter, the chemical substances used (contained) in materials are also the customers' confidential information. For this reason, we cannot disclose the chemical substances used in our products together with the product name on, for example, our website. Such information is generally disclosed by our customers through their own products, while we disclose information on chemical substances used in our products by providing Safety Data Sheets^{*1} (SDS) and other information to our customers.

^{*10-1 and 10-2 describe the state of management of chemical substances used in products manufactured by our Industrial Materials business (excluding Metallized paper) and Devices business mainly in Japan which are then shipped overseas, including to Europe.}

^{*1. A document containing information on the properties and handling of the chemical concerned}

10-2 Management of Chemical Substances Used in Products

10-2-1 Establishment and Operation of the Nissha Control Criteria for Chemical Substances in Purchased Products

We use our Nissha Control Criteria for Chemical Substances in Purchased Products as our standards to control chemical substances used in our products and their production processes.

These standards reflect the laws and regulations of relevant countries and regions, as well as standards for customers' use of chemical substances based on industry norms and standards such as the GADSL (Global Automotive Declarable Substance List), which is a list of environmentally hazardous substances common to the automotive industry, and provide comprehensive management of all chemical substances used in our products. Whenever new candidate substances for regulation are added, such as substances of very high concern under the REACH Regulation, or whenever the relevant laws or regulations are amended, or our customers' chemical substances criteria change, we identify the differences from our criteria in order to adapt to these changes.

The Nissha Control Criteria for Chemical Substances in Purchased Products are revised on an annual basis, taking these differences into account, and explanatory meetings are held when major revisions are made to inform the relevant departments. The details of the control criteria indicated in these standards are as follows.

1. Usage-prohibited substance: Substances for which we prohibit either deliberate or not deliberate use. Inclusion of impurities is also prohibited.
2. Deliberate usage-prohibited substance: Substances for which we prohibit deliberate use. There are restrictions on the inclusion of impurities.
3. Regulated substance: Substance which requires a content report from suppliers to Nissha.

The Nissha Group considers the entire life cycle of the products we provide to our customers. In addition, in promoting the reduction of environmental impact and consideration for human health, we intend to place importance on transactions with suppliers who work on products with low environmental impact, biodiversity, and consideration for the environment. In order to comply with laws and regulations concerning chemical substances, we have established a management promotion system and are working to investigate and control chemical substances used in our products.

10-2-2 Management System

The points required to comply with the Nissha Control Criteria for Chemical Substances in Purchased Products are listed below. We are putting measures into place at each stage of the process, building a comprehensive countermeasures system.

- Warranty system based on cooperation with material suppliers
The following documents are submitted once a year by suppliers who provide us with materials for mass production.
 - Certificates of conformity to the Nissha Control Criteria

- for Chemical Substances in Purchased Products
 - Reports on the inclusion of prohibited substances
 - Reports on the inclusion of chemical substances in products
 - Content information
 - Inductively Coupled Plasma (ICP) analysis data
 - Safety Data Sheet (SDS)
 - Written pledges
- Countermeasures in the production process
 - Enforcement of rules when accepting materials
 - Storage locations and labeling differentiation of input materials
 - Ensuring and maintaining traceability
 - Identifying and separating non-compliant substances
- Provision of information accompanying sales to customers
 - Provision of information on chemical substances used in products (IMDS (International Material Data System), SDS)
 - Registration in the customer's management system

To promote management of the chemical substances used in our products, the environmental and safety management department at the Head Office functions as the secretariat and works with the product design and development, quality assurance, and procurement and sourcing divisions at each business unit to inspect the state of management of chemical substances, including differences with the Nissha Control Criteria for Chemical Substances in Purchased Products. In addition to new products, when selecting new materials or changing materials in the design and development stages, we conduct design reviews (DR) and assess compliance with the Nissha Control Criteria for Chemical Substances in Purchased Products while considering the impact on human health and the environment. This system then ensures strict control of chemical substances, from the design

stage to the final product, responding to changes in the needs of society and the demands of our customers for the use and management of chemical substances.

In the fiscal year ended December 2024, there were no cases in which chemical substances used in our products caused recalls from the market or necessitated changes in materials for reshipment.

10-2-3 Comprehensive Response to Chemical Substances of Concern

■ Efforts to comply with the RoHS Directive

Nissha complies with environmental regulations in Europe mainly through the Nissha Control Criteria for Chemical Substances in Purchased Products, our voluntary regulations on chemical substances. Our products comply with the RoHS Directive*, which regulates the use of certain substances in electrical and electronic equipment.

*This refers to the European "Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (2011/65/EU)" and its amendments. The Directive prohibits the inclusion in products of lead, mercury, cadmium, hexavalent chromium, PBB, PBDE, bis(2-ethylhexyl) phthalate, butyl benzyl phthalate, dibutyl phthalate, and diisobutyl phthalate in excess of the maximum permissible amount, except for exempted applications.

Nissha has been working on either not using or using fewer hazardous chemical substances used in our products since the first edition of the Nissha Control Criteria for Environmentally Controlled Substances was established in 2007, leading up to the current Nissha Control Criteria for Chemical Substances in Purchased Products. Substances regulated by the RoHS Directive have been subject to control as environmentally controlled substances since the first edition by complying with customer requests in accordance with the directive. Although Annex III (exemption list) was amended by a European Commission Decision (effective January 2013), none of the relevant chemical substances are used in our products.

■ Compliance with REACH Regulation

The REACH Regulation (EC 1907/2006) are a European law on the registration, evaluation, authorization and restriction of chemical substances. REACH came into force in 2007 with the aim of protecting human health and the environment.

We have a system in place to comply with the REACH Regulation through the management of chemical substances used in our products.

Many of the products listed on our website fall under the category of "articles" as defined by the REACH Regulation. The REACH Regulation requires the communication of information within Europe when "articles" contain a Substance of Very High Concern (SVHC) as specified by the supervisory authority (European Chemicals Agency: ECHA). The Nissha Control Criteria for Chemical Substances in Purchased Products defines SVHCs as substances prohibited for intentional use, and based on information and data obtained from our material suppliers, we have confirmed that we do not currently use SVHCs in our products (articles). This is also stated in the SDS and other documents that we provide in response to customer requests.

■ Compliance with other regulations

As stated above, Nissha operates in compliance with the RoHS and REACH directives, as well as a wide range of other regulations including TSCA (U.S. Toxic Substances Control Act), California Proposition 65 and GADSL. To comply with the U.S. TSCA PBT regulations, we are addressing the prohibition of the manufacture, processing, and commercial distribution of five types of PBT substances (decaBDE, PIP (3:1), 2,4,6-TTBT, PCTP, and HCBT) and parts and products containing such substances.

Content of the Nissha Control Criteria for Chemical Substances in Purchased Products and List of Target Substances (partial excerpt)

| Contexts of standards | List of target substances |
|---|---|
| Usage-prohibited substance ^{*1} | <ul style="list-style-type: none"> • Asbestos fibres • Dioxins • Ozone depleting substances • Fluorinated greenhouse gases • Bisphenol-A (with usage conditions) • Substances prohibited from being manufactured (Manufacture-prohibited substance) • Specific amine (with regulations on impurity content) • Azo-dyes which do not form specific amine (with regulations on impurity content concentration) • Arsenic and its compounds (with usage conditions) |
| Deliberate usage-prohibited substance ^{*2} | <ul style="list-style-type: none"> • Substances subject to RoHS directive • REACH SVHC (Substances of Very High Concern) • Nickel and its compounds (with usage conditions) • Polychlorinated biphenyls (PCBs) • Specific phthalates • Specific benzotriazole • Dimethylfumarate (DMF) • Perfluorooctane sulfonates (PFOS) • Perfluorooctanoate (PFOA) • Natural rubber • Class 1 Specific Chemical Substances of Law Concerning the Examination and Regulation of Manufacture, etc. of Chemical Substances • TSCA PBT substances • TSCA preferred substances • POPs Convention residual organic pollutants |
| Regulated substance ^{*3} | <ul style="list-style-type: none"> • Global Automotive Declarable Substance List • Conflict minerals • The Proposition 65 • Children's Safe Product Act (RCW 70.240.030) The Reporting List of Chemicals of High Concern to Children (CHCC) |

^{*1}The above list shows regulated substances that apply to purchased products (Nissha product raw materials, chemicals used in the production process for materials, etc.)

^{*1}. Use, either deliberately or not deliberately, is prohibited. Inclusion of impurities is also prohibited.

^{*2}. Deliberate use is prohibited. There are regulations on the inclusion of impurities.

^{*3}. Substance which requires a content report from suppliers to Nissha

10-3 Chemical Substances Used in Production Processes

10-3-1 Operation of the Nissha Control Criteria for Chemical Substances in Purchased Products

In addition to the chemical substances used in our products, we also regulate the chemical substances used in our production processes in accordance with the Nissha Control Criteria for Chemical Substances in Purchased Products. These include the substances prohibited for manufacturing under the Enforcement Order of the Industrial Safety and Health Law and the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act).

When Nissha Precision and Technologies, Inc. (NPT) uses chemical substances, we examine the substances based on prescribed procedures and uses chemical substances in consideration of the environment, health and safety.

10-3-2 Reduction of Chemical Substances in Use

The Environmental Objectives for Nissha Group in Japan include reducing usage rate of chemical substances at ISO14001-certified sites. In the fiscal year ended December 2024, the Nissha Precision and Technologies, Inc. (NPT) Kaga Factory achieved its target of reducing the amount of chemicals used in its wastewater treatment facilities.

| Fiscal year | FY2022 | FY2023 | FY2024 |
|-------------|--------|--------|--------|
| Assessment | △ | × | ○ |

○ Satisfactory: Objective achieved

△ Unsatisfactory: Objective not achieved but good progress made

× Poor: Objective not achieved and poor progress made

10-4 Management of Environmental Pollutants

The Nissha Group in Japan constructed a system to understand and manage how environmental pollutants are used at each business site. We use this system even for the calculation of emission and transfer amounts which the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act) requires reporting on.

In the fiscal year ended December 2024, there were transfers/emissions of 1 ton or more for ethylbenzene, xylene, toluene, water-soluble copper salts (excluding complex salts), and diethylene glycol monobutyl ether.

We take great care with management when handling chemical substances, such as establishing our own voluntary standards. In addition to displaying GHS* labels on containers to warn people, we carry out measures to prevent environmental pollution such as installing spillover containers to ensure safety if the main container develops a leak, and ensure that all related personnel are familiar with these measures. Through an internal audit, we check the status of chemical substance management.

*GHS (Globally Harmonized System of Classification and Labelling of Chemicals): Provides internationally-standardized rules to harmonize the contents of safety data sheets and standards of classification per hazard for chemical products.

10-5 Response to Environmental Risks (Preventing Environmental Accidents or Pollution)

The Nissha Group in Japan realizes that pollution from chemical substances is a serious environmental risk, and works to manage it. To prevent environmental accidents from happening during storage or transportation of chemical substances within a factory, we lay out management procedures that consider the scale and frequency of accidents. In addition, we have set emergency response procedures and carry out training on an ongoing basis to minimize the influences in event of a leak, and revise and improve our methods as required.

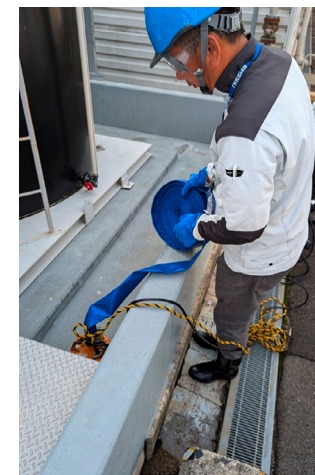
• Examples of initiatives for preventing pollution

Equipment of emergency cutoff devices

Factories for deliveries of liquid chemicals via tanker truck or waste liquid collection are equipped with emergency cutoff devices to prevent any substances from leaking outside the site if an accident occurs.

• Leak response training

At our Kyoto Global Headquarters, we have stipulated a process to prevent contamination from spreading in the event of an accident resulting in a leak from the wastewater processing equipment installed there. Regular drills are held and the response process is revised as needed. In addition to our Kyoto Global Headquarters, we also carry out emergency drills on our production bases.



In the fiscal year ended December 2024, there were no serious environmental accidents or violations of environmental regulations at the Nissha Group, and no penalties or fines were incurred.

10-6 Prevention of Water Pollution

We have set our own strict standards and regularly conduct voluntary surveys of wastewater quality to prevent water pollution.

The table on the right shows the results of measurement of wastewater quality at our core production bases.

*1. Water Pollution Control Act

*2. Law Concerning Special Measures for Conservation of the Environment of the Seto Inland Sea

■ Nissha Precision and Technologies, Inc. (NPT) Himeji Factory

| Items measured | Regulatory value*1 | Agreement value*2 | Voluntary standard | Unit | FY2022 | | FY2023 | | FY2024 | |
|-----------------------------|-----------------------------------|-------------------|--------------------|----------------|----------------|------------|----------------|------------|----------------|------------|
| | | | | | Analysis value | Evaluation | Analysis value | Evaluation | Analysis value | Evaluation |
| Discharged water | 5,200 | 5,000 | 5,000 | m ³ | 3,854 | ○ | 3,160 | ○ | 3,369 | ○ |
| pH | 5.8 ~ | 5.8 ~ | 6.5 ~ | | 6.8 | ○ | 7.1 | ○ | 7.1 | ○ |
| | ~ 8.6 | ~ 8.6 | ~ 8 | | 7.4 | ○ | 7.2 | ○ | 7.2 | ○ |
| BOD | 120 | 10 | 9 | mg/l | 2.6 | ○ | 1.1 | ○ | 2.7 | ○ |
| COD | 120 | 10 | 9 | mg/l | 4.8 | ○ | 2.9 | ○ | 3.2 | ○ |
| SS | 150 | 5 | 4.5 | mg/l | 1.1 | ○ | 0.9 | ○ | 1.9 | ○ |
| n-hexane derived substances | Mineral oil 5 Vegetable oil 30 | 1 | 0.9 | mg/l | <0.5 | ○ | <0.5 | ○ | <0.5 | ○ |
| Phenol | 5 | 0.1 | 0.08 | mg/l | <0.005 | ○ | <0.005 | ○ | <0.005 | ○ |
| Copper | 3 | 0.5 | 0.4 | mg/l | 0.01 | ○ | 0.01 | ○ | <0.01 | ○ |
| Zinc | 2 | 1.5 | 1.2 | mg/l | <0.01 | ○ | <0.01 | ○ | <0.01 | ○ |
| Soluble iron | 10 | 0.15 | 0.08 | mg/l | 0.03 | ○ | 0.01 | ○ | 0.02 | ○ |
| Soluble manganese | 10 | 0.15 | 0.045 | mg/l | 0.02 | ○ | 0.02 | ○ | 0.03 | ○ |
| Chromium | 2 | 0.02 | 0.02 | mg/l | <0.02 | ○ | <0.02 | ○ | <0.02 | ○ |
| Nitrogen | 60 | 10 | 9 | mg/l | 4.3 | ○ | 3.7 | ○ | 3.2 | ○ |
| Phosphorus | 8 | 1 | 0.45 | mg/l | 0.02 | ○ | 0.03 | ○ | 0.03 | ○ |

■ Nissha Precision and Technologies, Inc. (NPT) Kaga Factory

| Items measured | Regulatory value (Prefecture) | Voluntary standard | Unit | FY2022 | | FY2023 | | FY2024 | |
|-----------------------------|-------------------------------|--------------------|------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | | | Final effluent (Average) | Final effluent (Maximum) | Final effluent (Average) | Final effluent (Maximum) | Final effluent (Average) | Final effluent (Maximum) |
| pH | 5.8 ~ 8.6 | 6.2 ~ 8.2 | | 7.6 | ○ | 7.7 | ○ | 7.6 | ○ |
| BOD | 160 or less | 40 or less | mg/l | 17.4 | ○ | 24.0 | ○ | 13.9 | ○ |
| COD | 160 or less | 80 or less | mg/l | 25.8 | ○ | 36.0 | ○ | 18.4 | ○ |
| SS | 200 or less | 20 or less | mg/l | 7.7 | ○ | 21.0 | ○ | 7.2 | ○ |
| n-hexane derived substances | 30 or less | 15 or less | mg/l | 0.5 | ○ | 0.5 | ○ | 0.5 | ○ |

10-7 List of PRTR-Designated Chemical Substances

In the past three years, the substances subject to notification under the PRTR Act are as shown in the table below.

■ Nissha Industries, Inc. (NII) Koka Factory

Unit: kg

| PRTR No. | Name of chemical substance | FY2022 | | | FY2023 | | | FY2024 | | |
|----------|-------------------------------|--------------------------------------|---|-----------------------------------|--------------------------------------|---|-----------------------------------|--------------------------------------|---|-----------------------------------|
| | | Discharge volume into the atmosphere | Volume transferred to industrial waste processing companies | Reporting required / not required | Discharge volume into the atmosphere | Volume transferred to industrial waste processing companies | Reporting required / not required | Discharge volume into the atmosphere | Volume transferred to industrial waste processing companies | Reporting required / not required |
| 53 | Ethylbenzene | 1,211 | 494 | ○ | 894 | 364 | ○ | 1,408 | 575 | ○ |
| 80 | Xylene | 12,022 | 4,910 | ○ | 6,262 | 2,557 | ○ | 13,092 | 5,347 | ○ |
| 88 | Hexavalent chromium compounds | 0.1 | 0 | ○ | 0.1 | 0 | ○ | 0.1 | 0 | ○ |
| 296 | 1,2,4-Trimethylbenzend | 1 | 0.3 | — | 1 | 0.3 | — | 2.9 | 1.2 | — |
| 300 | Toluene | 57,728 | 23,579 | ○ | 30,868 | 10,289 | ○ | 40,569 | 16,570 | ○ |
| 392 | N-hexane | 0 | 0 | ○ | 127 | 52 | ○ | 358 | 146 | ○ |

■ Nissha Precision and Technologies, Inc. (NPT) Himeji Factory

Unit: kg

| PRTR No. | Name of chemical substance | FY2022 | | | FY2023 | | | FY2024 | | |
|----------|---|--------------------------------------|---|-----------------------------------|--------------------------------------|---|-----------------------------------|--------------------------------------|---|-----------------------------------|
| | | Discharge volume into the atmosphere | Volume transferred to industrial waste processing companies | Reporting required / not required | Discharge volume into the atmosphere | Volume transferred to industrial waste processing companies | Reporting required / not required | Discharge volume into the atmosphere | Volume transferred to industrial waste processing companies | Reporting required / not required |
| 71 | Ferric chloride*1 | 0.0 | 0.0 | — | — | — | — | — | — | — |
| 272 | Water-soluble copper salts (excluding complex salt) | 0.0 | 2,491.4 | ○ | 0.0 | 2,588.8 | ○ | 0.0 | 2,055.7 | ○ |
| 453 | Molybdenum and its compounds | 0.0 | 0.0 | ○ | 0.0 | 0.0 | — | 0.0 | 0.0 | — |
| 170 | Diethylene glycol monobutyl ether*2 | — | — | — | 0.0 | 13,568.0 | ○ | 0.0 | 7,296.0 | ○ |

*1. Not subject to notification from FY2023. *2. Subject to notification from FY2023.

■ Nissha Precision and Technologies, Inc. (NPT) Kaga Factory

Unit: kg

| PRTR No. | Name of chemical substance | FY2022 | | | FY2023 | | | FY2024 | | |
|----------|---|--------------------------------------|---|-----------------------------------|--------------------------------------|---|-----------------------------------|--------------------------------------|---|-----------------------------------|
| | | Discharge volume into the atmosphere | Volume transferred to industrial waste processing companies | Reporting required / not required | Discharge volume into the atmosphere | Volume transferred to industrial waste processing companies | Reporting required / not required | Discharge volume into the atmosphere | Volume transferred to industrial waste processing companies | Reporting required / not required |
| 71 | Ferric chloride*1 | 0.0 | 0.0 | ○ | 0.0 | 4,665.0 | — | — | — | — |
| 272 | Water-soluble copper salts (excluding complex salt) | 0.0 | 0.0 | ○ | 0.0 | 0.0 | ○ | 0.0 | 0.0 | ○ |
| 170 | Diethylene glycol monobutyl ether*2 | — | — | — | 0.0 | 14,405.0 | ○ | 0.0 | 11,984.0 | ○ |

*1. Not subject to notification from FY2023. In FY2023, unnecessary materials due to factory consolidation were disposed. *2. Subject to notification from FY2023.

10-8 Prevention of Air Pollution

10-8-1 Soot and Dust and NOx Emissions

Several production bases of the Nissha Group in Japan own and use gas boilers, which are subject to the Air Pollution Control Act, and emit soot and dust and NOx. The measured values and compliance status for the fiscal year 2024 are as shown in the table on the right.

10-8-2 VOC Emissions

The Nissha Industries, Inc. Koka Factory uses organic solvents such as toluene and xylene in its production process. Volatile Organic Compounds (VOCs) generated by the use of organic solvents are detoxified and discharged through Regenerative Thermal Oxidizer.

■ Kyoto Headquarters

| | Unit | FY2022 | FY2023 | FY2024 |
|-----------------|--------------------|-----------------|--------|-----------------|
| NOx | ppm | 27 | 26 | 24 |
| Soot and dust | g/m ³ N | Less than 0.001 | 0.004 | Less than 0.004 |
| Sulfur dioxide | ppm | n/a | n/a | n/a |
| Carbon monoxide | ppm | n/a | n/a | n/a |

*Not calculated

■ Nissha Industries, Inc. Koka Factory

| | Unit | FY2022 | FY2023 | FY2024 |
|-----------------|--------------------|----------------|----------------|----------------|
| NOx | ppm | 29 | 43 | 35 |
| Soot and dust | g/m ³ N | Less than 0.01 | Less than 0.01 | Less than 0.01 |
| Sulfur dioxide | ppm | n/a | n/a | n/a |
| Carbon monoxide | ppm | n/a | n/a | n/a |

■ Nissha Precision and Technologies, Inc. Himeji Factory

| | Unit | FY2022 | FY2023 | FY2024 |
|-----------------|------------------|-----------------|-----------------|-----------------|
| NOx | ppm | 31 | 31 | 39 |
| Soot and dust | g/m ³ | Less than 0.001 | Less than 0.001 | Less than 0.001 |
| Sulfur dioxide | ppm | n/a | n/a | n/a |
| Carbon monoxide | ppm | n/a | n/a | n/a |

*The Air Pollution Control Act requires that soot and dust and NOx be measured and monitored in terms of soot concentration rather than the total amount.

*We use gas-fired boilers that do not emit SOx (sulfur oxides).

11. Water Resources / Biodiversity

The Nissha Group's Environmental Policy is to aim for business development and the realization of a sustainable society through environmentally conscious corporate activities. In addition, the Environment Principles declare that we shall aim to construct a recycling society and that we shall value biodiversity and prevent pollution while co-existing with nature, thereby indicating our stance towards the Nissha Group's business activities.

11-1 Basic Concept

11-1-1 Basic Concept

We are working to reduce water consumption through appropriate use, water recycling (reuse), and more efficient water use. Approximately 95% of both water intake and wastewater discharge within the Nissha Group comes from activities at our domestic production bases. The majority of this intake and discharge occurs at the Nissha Precision and Technologies, Inc. (NPT) Himeji Factory / Kaga Factory, which are the production bases for the Devices business. The production process for film touch sensors, the core product of the Devices business, requires good quality water to maintain product quality. We have established strict voluntary standards and conduct regular voluntary measurements to thoroughly control wastewater quality.

11-1-2 Target and Progress (Nissha Group in Japan)

The Nissha Group in Japan has set the following target for water use and conduct annual evaluations.

Refer to 12. Environmental Objectives and Status of Achievement (Nissha Group in Japan)

| Target | FY2024 | |
|--|------------------|------------|
| | Achievement | Evaluation |
| Work to reduce the amount of water usage | 1 out of 3 bases | △ |

At the NPT Himeji Factory / Kaga Factory, we worked on saving water, but the total amount used has increased due to increased production. At the NII Koka Factory, we were able to reduce the amount of water we used through water-saving initiatives. We will continue to reduce water consumption and save water for miscellaneous use by improving production efficiency at our factories.

11-1-3 Understanding Water Stress Areas

We use Aqueduct, a global tool for water risk assessment developed by the World Resources Institute (WRI), to assess water risk at our production bases.

■ Production bases in Japan

In 2024, the Overall Water Risk* at production bases in Japan was Low (0-1) or Low - Medium (1-2). The NPT Himeji Factory

/ Kaga Factory, both of which have relatively high levels of water consumption in our Group, fall into the Low-Medium (1-2) risk category. In terms of water intake and use, we do not have a significant impact on local water resources, but we will continue to work to reduce our impact on the environment by setting targets to reduce water use and devising an infrastructure.

■ Overseas production bases

Of our overseas production bases, the three in North America, Latin America, and China fall under the High (3-4) Overall Water Risk*. We will consider measures to counter this water risk at each of these bases based on these assessment results.

*The "Physical Risk (Quantity)," "Physical Risk (Quality)," and "Reputation Risk" items are scored, and the risk level is evaluated on a 5-point scale: Low (0-1), Low-Medium (1-2), Medium-High (2-3), High (3-4), and Extremely-High (4-5).

11-1-4 Management of Water Intake and Wastewater (Nissha Group in Japan)

All of the Nissha Group production bases in Japan use water supplied by a third-party (tap water and industrial water). In FY2024, there were no violations of regulations related to water intake and wastewater.

■ NPT Himeji Factory

The NPT Himeji Factory uses industrial water (for use in production) and tap water (for general use) supplied by Hyogo Prefecture. Wastewater is discharged to the Seto Inland Sea via a nearby river after being treated at the factory. The area where the factory is located is subject to the Law concerning Special Mea-

asures for Conservation of the Environment of the Seto Inland Sea, which is stricter than the Water Pollution Prevention Act. To comply with the law, the factory operates a wastewater treatment facility using activated carbon adsorption. In addition, we operate and manage water quality by establishing voluntary standard values for water quality control that are stricter than those set by laws and regulations.

■ NPT Kaga Factory

The NPT Kaga Factory uses tap water supplied by Ishikawa Prefecture. Wastewater is purified to a level that meets effluent standards at the factory's wastewater treatment facility before being discharged into the Sea of Japan via a nearby river. As at the Himeji Factory, we operate and manage water quality by establishing voluntary standard values for water quality control that are stricter than those set by laws and regulations.

11-1-5 Initiatives for Appropriate Water Use (Nissha Group in Japan)

Our company effectively utilizes water resources and engages in environmentally conscious corporate activities.

During the production process, products are washed using purified water to ensure that no impurities remain on the products. While a single rinse tank requires a large amount of water, increasing the number of rinse tanks by making tanks multi-level can reduce the amount of purified water usage. This method is known as multistage countercurrent washing or cascade rinsing. The NPT Kaga Factory uses this method to wash products with a small amount of water by removing impurities in stages which results in significant water savings. In addition, the filter cloth in the sludge dewatering press (filter machine) is washed periodically to prevent clogging. When washing the cloth, we reuse purified wastewater from the factory as cleaning water to reduce water consumption.

11-1-6 Water Data

The amount of water usage and water discharge by our production bases in Japan and overseas are shown in the table below.

| Items | | Unit | Boundary | FY2022 | FY2023 | FY2024 |
|-----------------|-------------------|----------------|--|-----------|-----------|-----------|
| Water usage | Tap water | m ³ | Production bases in Japan and overseas | 993,000 | 912,000 | 1,069,000 |
| | Underground water | m ³ | Production bases in Japan and overseas | 49,000 | 42,000 | 37,000 |
| | Industrial water | m ³ | Production bases in Japan and overseas | 1,549,000 | 1,282,000 | 1,316,000 |
| Water discharge | | m ³ | Production bases in Japan and overseas | 2,342,000 | 2,002,000 | 2,216,000 |

11-2 Biodiversity

11-2-1 Basic Concept

We are working on risk reduction through preventing pollution as a way to preserve biodiversity.

11-2-2 Target and Progress

The Nissha Group in Japan has set the following target for prevention to conserve biodiversity and conduct annual evaluations.

Refer to 1.2. Environmental Objectives and Status of Achievement (Nissha Group in Japan)

| Target | FY2024 |
|---|--------------|
| (1) In order to prevent environmental risks from pollution, implement risk reduction measures for environmental risks that fall under the category of significant environmental aspects in the hazard assessment list ^{*1} , and gradually lower the hazard assessment by FY 2029 (Scope: Nissha Group in Japan ISO14001 certification sites ^{*2}) | Satisfaction |
| (2) Maintain zero environmental accident ^{*3} | 0 |

^{*1}. A list to determine risk level based on identifying environmental risks and evaluating them based on two axes: likelihood of occurrence and severity when they occur

^{*2}. Nissha (Headquarters), NII Koka Factory, NPT Himeji Factory / Kaga Factory / Tsu (production base), FIS, and NBS

^{*3}. Accidents that affect areas outside the factory

We have created hazard assessment lists at each base and carried out drills for how to deal with liquid chemical spills as part of our efforts to reduce environmental risks. Through these initiatives, we are improving the risk assessment figures for our factories. We shall continue to strive to reduce environmental risks and to strive to keep environmental accidents at zero.

11-2-3 Understanding Biodiversity Risk

To grasp the effects of our Group's business activities on biodiversity, we have carried out a risk assessment of our Group's main bases using the Biodiversity Risk Filter (BRF)^{*} developed by the World Wide Fund for Nature (WWF). The results show that at bases related to "Paper & Forest Product Production" the risk tended to be relatively higher compared to other bases. In the future, we shall analyze the assessment results further, identifying risks and opportunities, and study measures.

^{*}This is a risk tool related to biodiversity published by the World Wide Fund for Nature.

Biodiversity initiative (Birds & Insect House)

At Nissha, we have established the Birds & Insect House at our Kyoto Global Headquarters site as part of our efforts to increase awareness of environmental protection and biodiversity. The House has been built to be an environmentally-friendly home for insects, using recycled materials such as waste timber and plant scraps. The Birds & Insect House serves as a place for insects to spend the winter, and in spring ladybugs and other insects gather here, eating harmful insects and helping protect plants within the site. In addition, protecting insects leads to protecting the birds and other wildlife that feed on them, helping ensure stable ecosystem cycles. We first carried out this initiative at the France base of Nissha Medical Technologies, and are working on ways to increase awareness of biodiversity. The Nissha Group is studying expanding the number of places this is used.

The Birds & Insect House at Kyoto Global Headquarters is designed to look appealing, almost like a face. As it can be seen from outside the site, it is also visible to people who do not work for Nissha.

We at the Nissha Group would like this Birds & Insect House to serve as a chance for our stakeholders to think about biodiversity, and will work on protecting the natural environment from a range of different angles.



Kyoto Global Headquarters



Nissha Medical Technologies SAS
(France)

12. Environmental Objectives and Status of Achievement (Nissha Group in Japan)

The Nissha Group in Japan has formulated the Nissha Group Environmental Objectives for a period of six years from the fiscal year ended December 2024 for those bases that have obtained ISO14001 certification. Based on these objectives, each base and department sets its own environmental targets, and aggregates and assesses the results each fiscal year in order to manage progress.

Note that our environmental targets and achievements from the fiscal year ended December 2018 to the fiscal year ended December 2023 are disclosed in previous Sustainability Reports.

* For further information, please follow the link below.

[Website > Sustainability > Nissha Sustainability Report](#)

Environmental Objectives

Period: FY2024 - FY2029

Scope: Nissha Group in Japan

1. Compliance with laws and regulations / customer demands
2. Mitigation of climate change
3. Reduction of environmental impact of our supply chain overall
4. Prevention of pollution for the conservation of biodiversity

Evaluation Criteria

○ Satisfactory: Objective achieved

△ Unsatisfactory: Objective not achieved but good progress made

× Poor: Objective not achieved and poor progress made

*Company names and abbreviations

NII: Nissha Industries, Inc.

NPT: Nissha Precision and Technologies, Inc.

FIS: Nissha FIS, Inc.

NCI: Nissha Printing Communications, Inc.

NBS: Nissha Business Service, Inc.

12-1 Initiatives and Achievements in FY2024

1. Compliance with laws and regulations / customer demands

| Target | FY2024 | |
|---|-------------|------------|
| | Achievement | Evaluation |
| (1) Violations of regulatory values in environmental laws, regulations and local ordinances: 0 | 0 | ○ |
| (2) Serious warnings related to the environment noted during audits of customer demands (Core Violation): 0 | 0 | ○ |
| (3) Violations of compliance with customer demands for chemical substances in products: 0 | 0 | ○ |

- (1) There were no violations found through compliance inspections of laws, regulations and local ordinances in FY 2024.
- (2) There were no serious warnings related to the environment noted (Core Violation) during audits of customer demands.
- (3) There were no reports of violations of compliance with customer demands for chemical substances in products.

2. Mitigation of climate change

| Target | FY2024 | | Boundary |
|---|-------------|------------|--|
| | Achievement | Evaluation | |
| (1) Reduce CO ₂ emissions by 27% by FY2029 (Baseline: FY2020 actual value) | -48.4% | ○ | Nissha Group |
| (2) Reduce CO ₂ emissions rate (basic unit)* ¹ by at least 1% compared to the previous fiscal year (Sites subject to the Act on the Rational Use of Energy) | All sites | ○ | Nissha (Headquarters) NII Koka Factory NPT Himeji / Kaga Factory |

*1. CO₂ emissions rate (basic unit) = CO₂ emissions / Production volume (depend on the bases)

(1) For our targets for FY2024, moving to 100% renewable electricity use at our NII Koka Factory, NPT Himeji Factory / Kaga Factory, combined with a range of other energy-saving measures allowed us to reach our target.

(2) The energy basic unit targets and actual figures are shown in the table below. In order to reduce the CO₂ emission rate (basic unit) by at least 1% over the previous fiscal year, we set targets for each factory and worked on reducing energy input in conjunction with quality improvements. All four bases, the Nissha Headquarters, NII Koka Factory, NPT Himeji Factory / Kaga Factory, reached their targets.

| | Basic unit (CO ₂ emissions / Production volume) | | Evaluation |
|-----------------------|--|-------------|------------|
| | Target | Achievement | |
| Nissha (Headquarters) | 0.1231 | 0.1128 | ○ |
| NII Koka Factory | 0.6334 | 0.4559 | ○ |
| NPT Himeji Factory | 0.0173 | 0.0035 | ○ |
| NPT Kaga Factory | 2.689 | 0.0287 | ○ |

3. Reduction of environmental impact of our supply chain overall

| Target | FY2024 | |
|---|---|------------|
| | Achievement | Evaluation |
| (1) Engage in zero-emission (at least 99.5% recycling rate) maintenance and management | 99.8% | ○ |
| (2) Reduce waste generation rate (basic unit)* ¹ by 1% or more compared to the previous fiscal year. | 3 out of 4 bases | △ |
| (3) Work to reduce the amount of chemical substances usage | Reduction of chemicals used in wastewater treatment | ○ |
| (4) Work to reduce the amount of water usage | 1 out of 3 bases | △ |
| (5) Incorporate perspectives such as saving energy, saving resources, durability, resource circulation, recycling, and environmental impact reduction in the product design, development, and process design stages | Implement in Nissha (Headquarters) and FIS | ○ |

*1. Waste generation rate (basic unit) = Waste generation / Production volume (depend on the bases)

(1) We have a recycling rate of 99.8%, and continued to achieve zero emissions.

(2) The waste generation rate (basic unit) targets and actual figures are shown in the table below. Each factory is working to improve its yield rate and efficiency through quality improvement activities and reducing the amount of wasted materials by improving production efficiency, working on turning waste into valuable resources, and so on. In FY2024, all four bases, the NII Koka Factory, NPT Himeji Factory / Kaga Factory, and NCI reached their targets.

| | Basic unit (Waste generation / Production volume) | | Evaluation |
|--------------------|---|-------------|------------|
| | Target | Achievement | |
| NII Koka Factory | 166.43 | 156.08 | ○ |
| NPT Himeji Factory | 4.617 | 4.367 | ○ |
| NPT Kaga Factory | 692.76 | 632.46 | ○ |
| NCI | 10.54 | 9.96 | ○ |

(3) The NPT Kaga Factory achieved its target for reducing the use of wastewater treatment chemicals through consolidating factories. We shall continue to reduce our use of chemicals.

(4) The actual figures for water usage are shown in the table below. At the NPT Himeji Factory / Kaga Factory, we worked on saving water, but the total amount used has increased due to increased production. At the NII Koka Factory, we were able to reduce the amount of water we used through water-saving initiatives. We will continue to reduce water consumption and save water for miscellaneous use by improving production efficiency at our factories.

| | Water usage (m ³) | | Evaluation |
|--------------------|-------------------------------|-----------|------------|
| | FY2023 | FY2024 | |
| NII Koka Factory | 59,200 | 57,300 | ○ |
| NPT Himeji Factory | 1,214,500 | 1,267,700 | × |
| NPT Kaga Factory | 694,100 | 872,400 | × |

(5) Through the mass production of sustainable molded products and the development of exterior parts for automobiles in the development department at the Nissha Headquarters, studying production automation for coolant gas sensors in FIS, and so on, we worked on ways to reduce our environmental impact at the design and development stage, and at the process design stage.

4. Prevention of pollution for the conservation of biodiversity

| Target | FY2024 | |
|---|-------------|------------|
| | Achievement | Evaluation |
| (1) In order to prevent environmental risks from pollution, implement risk reduction measures for environmental risks that fall under the category of significant environmental aspects in the hazard assessment list ^{*1} , and gradually lower the hazard assessment by FY 2029 (Scope: Nissha Group in Japan ISO14001 certification sites ^{*2}) | — | ○ |
| (2) Maintain zero environmental accident ^{*3} | 0 | ○ |

*1. A list to determine risk level based on identifying environmental risks and evaluating them based on two axes: likelihood of occurrence and severity when they occur

*2. Nissha (Headquarters), NII Koka Factory, NPT Himeji Factory / Kaga Factory / Tsu (production base), FIS, and NBS

*3. Accidents that affect areas outside the factory

(1) We have created hazard assessment lists at each base and carried out drills for how to deal with liquid chemical spills as part of our efforts to reduce environmental risks. Through these initiatives, we are improving the risk assessment figures for our factories. We shall continue to strive to reduce environmental risks.

(2) There were zero cases of environmental accidents in FY2024. We shall continue to strive to keep environmental accidents at zero.

13. Human Rights

13-1 Policy

The Nissha Group revised our Human Rights Policy in June 2025. Our revised Human Rights Policy both expands its scope to all employees of our Group, and also requests the understanding and cooperation of all our suppliers.

Human Rights Policy

Nissha Group's Mission is to "realize the enrichment of people's lives by creating technology and developing it into economic and social value through the diverse capabilities, passion, and leadership of the global Nissha Group." To achieve this, we consider it our fundamental responsibility to respect human rights, which is universally expected regardless of national and cultural differences. We have revised our Basic Policy on Human Rights (hereinafter referred to as "Policy") to serve as the highest guiding principle in our efforts to respect human rights.

Scope of application

This Policy applies to all officers, full-time employees, contract employees, and temporary employees (hereinafter referred to as "Employees") working for Nissha Co., Ltd. and its consolidated subsidiaries (hereinafter referred to as "Nissha Group"). We also expect our business partners, such as suppliers that constitute an important part of Nissha Group's value chain, to understand and support the contents of this Policy, and we will continue to work to ensure that it is respected.

Commitment to respect for human rights

Nissha Group is committed to upholding internationally recognized codes and principles, including the United Nations Guiding Principles on Business and Human Rights, and the International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), which are referenced in the Guiding Principles. We also support the Ten Principles of the United Nations Global Compact, which Nissha Co., Ltd. signed in April 2012.

We comply with all applicable laws and regulations in the countries and regions in which we operate. In the event that the laws and regulations of the relevant country or region differ from or conflict with internationally recognized human rights principles, we will seek ways to honor internationally recognized human rights principles.

Human rights items considered important by Nissha Group

As of this revision, Nissha Group considers the following human rights items to be particularly important.

1. Prohibition of child labor: We prohibit child labor and take measures to remedy it.
2. Elimination of forced labor: We eliminate all forms of forced labor, including bonded labor.
3. Health and safety: We ensure the health and safety of the Employees and provide a hygienic working environment.
4. Freedom of association and the right to collective bargaining: We guarantee the right to organize and engage in collective bargaining.
5. Humane treatment: We prohibit all forms of inhumane treatment, including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public humiliation, or verbal abuse.
6. Elimination of discrimination and harassment: We do not tolerate discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity or expression, ethnicity, nationality, disability, pregnancy, religion, political affiliation, union membership, veteran status, genetic information, or marital status. This applies to all employment practices, including recruitment, compensation, promotion, benefits, and access to training and development opportunities. We also do not tolerate complicity in such behavior.
7. Working hours: We comply with all applicable laws, regulations, and collective bargaining agreements regarding working hours, rest breaks, and holidays.
8. Payment of Fair wages: We comply with applicable laws and regulations to ensure the payment of fair wages.
9. Protection of personal information and privacy: We comply with laws and regulations regarding the protection of personal information and information security.

These items may be reviewed, as appropriate, based on the results of the human rights impact assessment conducted on an ongoing basis as part of human rights due diligence, in accordance with this Policy.

Governance

Nissha Group's Sustainability Committee (chaired by the Chairman of the Board and Group CEO) and the Risk Management and Compliance Committee (chaired by the Director responsible for legal affairs) are responsible for ensuring that this Policy is appropriately embedded in our business activities and for conducting regular monitoring.

Human rights due diligence

Nissha Group establishes and implements a human rights due diligence process in accordance with the United Nations Guiding Principles on Business and Human Rights, as well as the Code of Conduct and the standards and the procedures of the Responsible Business Alliance (RBA), an international CSR standard. First, we identify and assess any adverse human rights impacts that may occur in our value chain as a result of our business decisions and operations, and take measures to prevent or mitigate them. Next, we continuously evaluate the effectiveness of these efforts. We also continuously strive to influence the efforts of business partners over whom Nissha Group does not have direct control, to ensure that this Policy is respected and that they do not contribute to human rights abuses.

Remediation

Nissha Group enhances consultation channels established in Japan and overseas as appropriate, to identify concerns including adverse impacts on human rights at an early stage and to facilitate their resolution. Nissha Group thoroughly protects those who seek consultations, not only by ensuring the anonymity of those who seek consultations and the content of consultations, but also by prohibiting any unfavorable treatment, including retaliation.

In the event that our business activities, products, or services have an adverse impact on the human rights of our internal or external stakeholders, Nissha Group will provide remediation through appropriate procedures. Furthermore, if Nissha Group's business partners have an adverse impact on the human rights of stakeholders in relation to Nissha Group's business activities, products, or services, we will strive to provide remediation by continuously exercising our influence over the business partners.

Stakeholder engagement/Disclosure

To enhance our efforts to respect human rights, Nissha Group endeavors to engage in dialogue and consultation with stakeholders, including people and groups adversely affected in terms of human rights. We also refer to the opinions of external experts.

Nissha Group regularly disclose the progress of our efforts to respect human rights.

Dissemination and education

Nissha Group provides appropriate education and training to all Employees to ensure that this Policy permeates throughout Nissha Group. In addition, we strive to ensure that our business partners are fully aware of and comply with this Policy.

Policy formulation process and review

Nissha Group periodically reviews this Policy taking into account changes in the external and internal environment, including social trends and the business environment, as well as dialogue and discussions with stakeholders, and also referring to the opinions of external experts, in order to enhance its efforts to respect human rights.

The revision of this Policy has been reported and deliberated by the Board of Directors and signed by the Chairman of the Board and Group CEO.

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

Established on June 1, 2018 / Revised on June 1, 2025

13-2 Structures

Our Group both encourages the Human Rights Policy to be incorporated into business activities and carries out regular monitoring with the Sustainability Committee (chaired by the President and CEO) and the Risk Management and Compliance Committee (chaired by the Director responsible for legal affairs). The activities of both these committees are reported regularly at the meetings of the Board of Directors.



13-3 Initiatives Related to Labor and Human Rights

In the fiscal year ended December 2024, the ESG Taskforce (enhancement of human capital, respect for human rights) within the Sustainability Committee and the Labor and Human Rights Subcommittee in the Risk Management and Compliance Committee both promoted initiatives for labor and human rights.

The ESG Task Force has as its strategy “reduction of labor and human rights risks” for the “respect for human rights” materiality. In the fiscal year ended December 2021, we used a questionnaire

targeted at the Group companies to confirm that there were no cases of child labor or forced labor. Starting in the fiscal year ended December 2022, we have been engaged in achieving zero levels of child labor or forced labor among our Group’s primary suppliers. Refer to 21-4 Survey of the Supply Chain

The Labor and Human Rights Subcommittee operates a management system, and its key performance indicators/action items include items related to materiality issues, and risk assessments conducted both at the Company-wide level, and specific to Group companies.

Furthermore, we conduct internal audits once a year at major Nissha Group production bases in Japan to check compliance with laws and regulations and the RBA’s code of conduct*, etc. Specifically, in addition to checking, for example, whether the salary standards paid irrespective of employment styles such as full-time, contract, or temporary employees, etc. meet the minimum wages set by the prefectural governments, and whether working hours including overtime are correctly reflected in wages in compliance with laws and regulations and the RBA, we also check, for example, whether items which have been noted and corrected in previous audits continue to be complied with. Internal audit findings are reported through the report line, and the Labor and Human Rights Subcommittee provides support to production bases as necessary so that corrective action can be taken. The results of the internal audit conducted in the fiscal year ended December 2024 showed no major issues.

* Responsible Business Alliance: International code of conduct for labor, health and safety, environment, ethics, etc. for the electronics and other industries

Activities of Foreign Technical Interns

At workplaces where technical interns from Vietnam work, we are striving to provide communication and information they can easily understand in order to protect their human rights and create employee-friendly workplaces. At some workplaces, technical interns take on leadership responsibilities, which helps improve their motivation.



In the fiscal year ended December 2024, four trainees finished their training and returned to their home countries. We will continue to provide support so that many young people can acquire skills and grow as world-class human resources while experiencing different cultures.

Note that we are collecting the latest information about the Employment for Skill Development system that is scheduled to be implemented in April 2027, and are working to prepare our responses.

13-4 Harassment Prevention

We at the Nissha Group establish a set of Harassment Prevention Regulations, which prescribe measures to prevent various forms of harassment in the workplace, with the aim of realizing sound workplace environments in which all employees can live up to their full potential.

As a structure for promoting harassment prevention, we designate chief promoters of harassment prevention at each base and we have established an external hotline consultation service (Refer to 28-7 Hotline). The contact information is provided through the company intranet and e-Learning, and we are working to ensure that employees understand that the system is set up so they can discuss issues with confidence by assuring them that their privacy will be fully respected and that they will not be treated unfairly or be disadvantaged for making use of these services. In the fiscal year ended December 2024, there were nine cases related to harassment filed at hotline consultation service, but these cases have already been handled.

We also provide annual corporate ethics and compliance training utilizing e-Learning to all employees to prevent harassment, in addition to providing training for chief promoters of harassment prevention to solve problems and prevent harassment, and discuss and implement measures for further improvement.

13-5 Relationship with Labor Union

Our Human Rights Policy contains the provision, "Freedom of association and the right to collective bargaining." In Japan, the labor contract concluded between company and labor union confirms, "the Company and the Union shall respect each other's position and maintain a peaceful relationship between labor and management as well as strive for the maintenance and improvement of labor conditions and the growth of the Company." In the fiscal year ended December 2024, there were no significant violations of freedom of association.

We have the Nissha Crew Alliance as the only labor union in the Nissha Group in Japan. This is based around employees in the four companies of Nissha Co., Ltd. plus the domestic Group companies Nissha Industries, Inc., Nissha Precision and Technologies, Inc., and Nissha Printing Communications, Inc. (Total union membership as of January 2025 was 1,258 members.) The vision of the Nissha Crew Alliance is "realizing new happiness" through "new ways of working (workplace sphere)", "new lifestyles (social sphere)", and "new union activities (individual sphere)". It aims to support all employees of the Nissha Group in Japan. The Nissha Crew Alliance engages in regular negotiations and discussions based on this concept to build stable labor-management relations while resolving common issues in the Nissha Group in Japan.

The Management Council, whose members are mainly directors and corporate officers of Nissha Co., Ltd., holds regular meetings with the Nissha Crew Alliance. In addition to negotiating and discussing employee working conditions, the Council shares in-

formation on the management of the Nissha Group. During the fiscal year ended December 2024, the Management Council met eight times, including regular bi-monthly meetings and ad-hoc meetings. In addition, the labor and management offices strive to prevent labor problems by sharing employees' opinions on the working environment and the working hours situation once a month. Furthermore, when changing important labor conditions of the Nissha Group in Japan, the company engages in communication with the union in addition to regular consultations, with the aim of reaching an agreement satisfactory to both parties. In the fiscal year ended December 2024, there were no major revisions to systems, but we have exchanged opinions and worked together on measures to improve existing systems before the Child Care and Family Care Leave Act is revised in 2025. Also, our revisions have taken into consideration the actual way we handle overseas trainees, who are growing rapidly in number recently, and have brought in a new secondary work system.

Nissha Industries, Inc. and Nissha Printing Communications, Inc. have also established labor management liaison meetings at the company and office level to provide forums for labor and management to exchange opinions. Moreover, Nissha Precision and Technologies, Inc. has established the Workplace Improvement Committee, with members from both labor and management, to work on promoting improvements in the workplace environment and in welfare benefits.

In the fiscal year ended December 2024, the Nissha Group in Japan had no report either of a strike or lockout. We will continue to respect the mutual positions of both company and union, and build a sound relationship between labor and management.

14. Human Resources Policy and System

14-1 Policy

The Human Resources Policy upon which the Nissha Group base our human resources strategy is taken directly from our Mission, which reflects growth both for the company and employees through diverse capabilities and passion. The Nissha Group continues to grow by seeing changes in the market environment as business opportunities and by improving our value proposition to customers, driven by the diversification of our human resource capabilities and core technologies. Since growth through such change is at the core of our management strategy, our Human Resources Policy states clearly that management strategy and human resource strategy should be in lock-step.

Human Resources Policy

Nissha Group aims for growth both for the company and employees through diverse capabilities and passion, seeing changes in the business environment as opportunities for growth.

1. We shall develop employees who embody Nissha Philosophy and contribute to society through our business activities.
2. We shall respect diversity of employees and utilize their individuality and strengths.
3. We shall emphasize global teamwork to achieve results.
4. We shall encourage proactive actions and unconventional innovation.
5. We shall provide rich training programs and challenging growth opportunities.
6. We shall create a workplace full of energy where employees feel safe to work.

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

Established on January 1, 2021 / Revised on May 1, 2022

14-2 Human Resources System (Scope: Nissha Group in Japan)

Based on the idea that company growth leads to employee growth, and employee growth to company growth, the Group operates a human resources system focused on roles and abilities.

In this system, the required skills are clearly stated, and employees demonstrating the skills required by the company will be given a fair chance to be promoted, regardless of age or length of service. In the human resources system for general employees, we not only take extra care of those employees who have key posts, but use a multiple-track personnel promotion system based on expected roles. The actions expected of the managers who direct these employees have been clarified as managerial competencies consisting of the ability to change (leadership) and the ability to execute (management). In addition, we make allowance payments to employees who contribute to their company or business using advanced, specialized skills, regardless of whether they are managerial staff or ordinary employees.

Each employee carries out their duties with an awareness of the abilities required based on their position, and receives feedback from their supervisor on the gaps with the abilities actually demonstrated in the semi-annual performance review. This encourages the growth of each employee, which in turn leads to further growth for the company.

14-3 Talent Management System

We have introduced a talent management system to grasp the abilities of each employee and make the most of their individuality and strengths. The talent management system records employee backgrounds, evaluations, and results of engagement surveys and self-assessment. This data is then used to develop and implement various measures.

This has become a useful tool for management. For example, by using the same system as for implementing personnel evaluations, we can not only grasp the status of progress in real time but the past personnel evaluations for those who have been transferred can be referenced by their superiors at their new place of work. The employee skills survey, which registers each employee's abilities, experience, and knowledge in the system, was launched in the fiscal year ended December 2023 and continued in the fiscal year ended December 2024. We are now promoting the collection and visualization of this data. We will continue these sorts of initiatives to move ahead with data-based talent management in the future.

14-4 Fair Evaluation and Treatment (Scope: Nissha Group in Japan)

The Nissha Group considers rewarding employees for their achievements to be the foundation of our human resources system. Personnel evaluations are based on the target management system, and focus on the two axes of performance evaluations, which assess achievement of KPIs tied to the mission of the organization an employee belongs to and the management strategy of the company, and demonstrated skills

evaluations, which assess whether actions appropriate to the role have been done. In addition to these two, some general employees working on production lines or in routine work are evaluated based on the held skills evaluations, which assess whether they have the necessary skills and knowledge for their job.

Bonuses and salary increases for general employees are based on all three of performance evaluations, demonstrated skills evaluations, and held skills evaluations, while promotions are based on demonstrated skills evaluations and held skills evaluations. Bonuses and salary increases for managerial staff, from whom greater commitment to outcomes is required, are based on performance evaluations only, while promotions are based on demonstrated skills evaluations.

We carry out training related to personnel evaluation for newly-appointed managerial staff in order to ensure fair evaluations. In addition, we also discuss topics related to personnel evaluation in training aimed at managerial staff held twice a year, and in the fiscal year ended December 2024, we once more stressed the importance of feedback to people who are evaluated.

14-5 Wage Management

Wages and other compensation for labor are appropriately stipulated in the wage rules of each Group company and in individual contracts in accordance with the laws and regulations of each country. The Nissha Group makes no distinctions based on age, gender, or other factors. The wage gap between male and female in the fiscal year ended December 2024 is shown below. The figures show a comparison of female with a male wage set at 100.

(Nissha Co., Ltd.)

| | Male | Female |
|---------------------|------|--------|
| All workers | 100 | 77.6 |
| Full-time workers | 100 | 78.4 |
| Non-regular workers | 100 | 68.3 |

* Calculated based on the regulations in the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015).

The human resources system used for full-time workers at Nissha applies equally to male and female, and they are both treated the same. Differences between male and female arise from differences in rank or age composition. There is a smaller ratio of female in managerial positions or higher ranks, which have relatively higher salaries, and this affects the differences over all positions. When limited to managerial staff, the difference between male and female is 95.9 compared to 100 for male, which is not a significant difference. We are considering further promotion of initiatives for the advancement of women which should lead to improvements in the overall difference.

In addition, non-regular workers include employees who are treated differently, such as contract employees who are rehired after mandatory retirement and employees working under individual labor contracts. As noted above, a larger proportion of the post-retirement reemployment system employees who continue to be employed as non-regular workers in managerial staff are male, which affects the difference between male and female among non-regular workers.

15. Respect for Diversity

15-1 Nissha Group Employee Composition

The diversity of the Nissha Group shows in our employee composition, and a variety of employees of different nationalities, genders, and ages are active. With the expansion of our activities across the globe, about 60% of permanent employees work at Nissha Group companies outside Japan. Nissha Group overseas bases are continuing to hire local employees and locally hired employees have been appointed to upper management positions, such as CEO, at eight of the 18 major overseas Group companies.

■ Composition by region (Nissha Group, as of the end of December 2024)

Number of employees by region and gender

Unit: Number of employees

| | Japan | North America | Central and South America | Asia | Europe |
|--------|-------|---------------|---------------------------|------|--------|
| Male | 1,459 | 917 | 164 | 257 | 492 |
| Female | 451 | 720 | 401 | 296 | 240 |
| Total | 1,910 | 1,637 | 565 | 553 | 732 |

* Figures exclude temporary employees and directors by a delegation agreement.

■ Composition by employment status (Nissha Group, as of the end of December 2024)

Composition by employment status and gender

| | Permanent | | Temporary | |
|--------|-----------|-----------------|-----------|-----------------|
| | Number | Composition (%) | Number | Composition (%) |
| Male | 3,289 | 60.9 | 750 | 60.6 |
| Female | 2,108 | 39.1 | 487 | 39.4 |
| Total | 5,397 | — | 1,237 | — |

* Figures exclude directors by a delegation agreement.

■ Employee Composition (Nissha Co., Ltd.)

| Fiscal Year | Gender | Directors of the Board* ¹ | Corporate officers* ¹ | Nissha fellows | Managerial staff* ² | Total employees* ³ | Average age* ⁴ | Average years of employment* ⁴ |
|---------------|--------|--------------------------------------|----------------------------------|----------------|--------------------------------|-------------------------------|---------------------------|---|
| End of FY2020 | Male | 8 | 11 | 2 | 145 | 531 | 43.0 | 15.4 |
| | Female | 1 | 0 | 0 | 8 | 189 | 37.3 | 11.5 |
| End of FY2021 | Male | 8 | 12 | 2 | 157 | 534 | 43.8 | 15.6 |
| | Female | 1 | 0 | 0 | 9 | 197 | 37.8 | 10.8 |
| End of FY2022 | Male | 8 | 12 | 1 | 153 | 513 | 44.7 | 17.2 |
| | Female | 1 | 0 | 0 | 10 | 197 | 38.2 | 11.8 |
| End of FY2023 | Male | 8 | 11 | 1 | 152 | 514 | 44.8 | 17.2 |
| | Female | 1 | 0 | 0 | 12 | 206 | 38.1 | 11.6 |
| End of FY2024 | Male | 8 | 13 | 1 | 144 | 524 | 45.1 | 17.6 |
| | Female | 1 | 1 | 0 | 14 | 234 | 37.7 | 11.3 |

*1. Directors include Independent Outside Directors of the Board. Directors of the Board who concurrently serve as corporate officers are not included in the figures for corporate officers.

*2. Managerial staff exclude corporate officers.

*3. Employees exclude temporary employees.

*4. Average age and average years of employment indicate the average number of employees included in total employees.

■ Composition by age (Nissha Co., Ltd., as of the end of December 2024)

Unit: Number of employees

| Age | 18-19 | 20-29 | 30-39 | 40-49 | 50-59 | 60-69 |
|--------|-------|-------|-------|-------|-------|-------|
| Male | 0 | 34 | 103 | 217 | 165 | 5 |
| Female | 7 | 47 | 83 | 63 | 32 | 2 |

■ Number of employees (Nissha Group)

Unit: Number of employees

| | End of FY2020 | End of FY2021 | End of FY2022 | End of FY2023 | End of FY2024 |
|--------|---------------|---------------|---------------|---------------|---------------|
| Male | 3,432 | 3,470 | 3,362 | 3,212 | 3,289 |
| Female | 1,958 | 1,939 | 1,963 | 2,009 | 2,108 |
| Total | 5,390 | 5,409 | 5,325 | 5,221 | 5,397 |

* Figures exclude temporary employees.

Of all permanent employees who left Nissha Group companies in Japan in the fiscal year ended December 2024, 1.86% left for personal reasons.

■ Composition of managerial staff (Nissha Group in Japan)

| Fiscal Year | | Male | Female | Total | Of which mid-carrier employees | Of which foreign employees |
|---------------|-----------------------|------|--------|-------|--------------------------------|----------------------------|
| End of FY2022 | Number | 269 | 15 | 284 | 91 | 1 |
| | Composition ratio (%) | 94.7 | 5.3 | — | 32.0 | 0.4 |
| End of FY2023 | Number | 261 | 17 | 278 | 89 | 1 |
| | Composition ratio (%) | 93.9 | 6.1 | — | 32.0 | 0.4 |
| End of FY2024 | Number | 257 | 21 | 278 | 92 | 1 |
| | Composition ratio (%) | 92.4 | 7.6 | — | 33.1 | 0.4 |

* Managerial staff exclude temporary employees.

15-2 Employment of Persons with Disabilities

We are working to achieve a percentage that is above the statutory rate of persons with disabilities employed at Nissha Group in Japan which are targeted by government's employment ratio system for persons with disabilities. To ensure that employees with disabilities can work with peace of mind, we provide support from outside specialists, help them develop their skills, and hold regular interviews with Human Resources. The following shows the changes in the employment rate of persons with disabilities in our company.

■ Legal employment rate and Nissha's employment rate

Unit: %

| | End of FY2020 | End of FY2021 | End of FY2022 | End of FY2023 | End of FY2024 |
|---------------------------|---------------|---------------|---------------|---------------|---------------|
| Employment rate of Nissha | 2.11 | 2.12 | 2.07 | 2.67 | 2.20 |
| Statutory employment rate | 2.2 | 2.3 | 2.3 | 2.3 | 2.5 |

The fiscal year ended December 2024 saw us unable to hire new people despite actively recruiting through participation in the Disabled Persons Joint Corporate Briefing Session held by the Kyoto Labor Bureau, and in fact our employment ratio dropped due to people leaving. We shall continue to strengthen links with external organizations such as Hello Work, create places that are easy to work in, and promote understanding of workplaces for the disabled. Through these actions, we aim to both create opportunities to hire and employ persons with disabilities and at the same time, achieve "Diversity and Inclusion" (We welcome diverse capabilities interacting as equals and enhancing our organizational performance) part of our Shared Values.

15-3 Diversification of Hiring

The Nissha Group is promoting diversity in hiring in order to allow a range of different people to participate in our Group. In Japan, we ensure a given number of core personnel each year through hiring new graduates, and ensure specialist personnel who have the knowledge and experience we lack internally through mid-career hiring. Moreover, we use a variety of hiring methods, including referrals (employee introduction system) and a career resumption program. Referral hiring functions as a method to ensure top-quality human resources that match our corporate culture by having employees themselves introduce their acquaintances. In the fiscal year ended December 2023, we hired one person, and in the fiscal year ended December 2024, we hired one person.

On the other hand, the career resumption program is designed to support employees who left once returning to the company, and allows us to welcome human resources who combine past experiences and new perspectives. In the fiscal year ended December 2023, we hired one person.

More than 60% of all employees of the Nissha Group, where people of all backgrounds work, are not Japanese nationals, and there is an increasing number of foreign nationals working in the Nissha Group in Japan.

The total number of new graduates and mid-career hires and the number of newly hired foreign employees at Nissha Co., Ltd. is shown below.

Unit: Number of employees

| | Total number of hires | New graduates | | Mid-career | | Country |
|--------|-----------------------|---------------|-------------------|--------------|-------------------|---------------------------|
| | | Total number | Foreign nationals | Total number | Foreign nationals | |
| FY2022 | 27 | 12 | 1 | 15 | 0 | Republic of Korea |
| FY2023 | 51 | 12 | 0 | 39 | 2 | Republic of Korea, Brazil |
| FY2024 | 51 | 24 | 0 | 27 | 2 | Taiwan |

* The number of mid-career hires includes employees who were promoted from temporary to permanent employment.

15-4 Promotion of Women's Advancement

The Nissha Group aims to be a company where all employees, regardless of nationality, gender, age, and more, can exercise their abilities to the full.

The Nissha Group has set the ratio of female managerial staff, one of the symbols of diversity, as a KPI. We are working on promoting the advancement of women, setting targets of 23% globally consolidated and 12% for Nissha non-consolidated by 2026. In the fiscal year ending December 2025, several women will be appointed as managerial staff, and Nissha expects the percentage to increase to more than 9% on a non-consolidated basis.

Female managers ratio and Next-generation female managerial staff ratio

| | | End of FY2021 | End of FY2022 | End of FY2023 | End of FY2024 | Forecast at the end of FY2025 |
|---|------------------|---------------|---------------|---------------|---------------|-------------------------------|
| Female managers ratio | Nissha Group (%) | 20.0 | 21.5 | 22.7 | 24.4 | 24.0~25.0 |
| | NISSHA (%) | 5.4 | 5.9 | 7.1 | 8.9 | 9.0~10.0 |
| Next-generation female managerial staff ratio | NISSHA (%) | 22.3 | 23.9 | 24.5 | 27.0 | 27.5~28.5 |

The Nissha Group in Japan opened a career counseling office in 2021, where women can get support for career planning that accommodates their life events. In addition, we are providing challenging growth opportunities for female employees by enhancing selective training and company-wide common training items for each grade, and systematically developing next-generation managerial staff through personnel rotation. Through these initiatives, we shall steadily increase the ratio of next-generation female managerial staff, who are in leadership roles just below the managerial level.

■ Action Plan for the Japanese Act on Promotion of Women's Participation and Advancement in the Workplace

The Japanese Act on Promotion of Women's Participation and Advancement in the Workplace requires companies with 101 or more employees to draft an action plan for promoting women's participation in business. In the Nissha Group, five companies, Nissha Co., Ltd., Nissha Industries, Inc., Nissha Precision and Technologies, Inc., Nissha Printing Communications, Inc. and Nissha Business Service, Inc. have formulated action plans that specify quantitative targets and the details of their initiatives.

In line with the action plans based on the Women's Participation Act, moving forward, we will continue to upgrade our initiatives so that all female employees can live up to their full potential.

16. Human Resources Development

16-1 Basic Concept

The Nissha Group in Japan offers a wide range of training programs to realize our medium- to long-term growth strategy and to support employees' medium- to long-term career development and promote their growth. These programs have been organized into an in-house university, Nissha Academy.

Specifically, we have established selective training programs to develop management and strategic human resources, rank-specific training programs that match the employee's stage, function-based training programs to provide specialized knowledge according to job type and duties, and career design training programs tailored to employees' life stage. The Nissha Group overseas is also developing various training programs under the Nissha Academy flag, based on the actual situation in each country and region. Through such human resources development initiatives, the Group aims to see the company and our employees grow together.



| Selective | | | Common to all companies | | | |
|---------------|---|-----------------------------------|---------------------------------|--|---|--|
| Target group | Management and strategic human resource development | Global human resource development | Rank-specific | Function-based | Optional | All employees |
| Officers | Executive MBA | | | | | |
| Director | | | Upper managerial staff training | | | |
| Group Manager | Business School Advanced | | New manager training | | | |
| Grade 4 | Business School Intermediate | | Manager candidate training | | | |
| Grade 3 | Business School Beginner | | Grade 4 promotion training | | | |
| Grade 2 | | | Grade 3 promotion training | | | |
| Grade 1 | | | New employee training | | | |
| | | Overseas trainee | Career entry-level training | Priority market skills training | Training based on job type and duties | |
| | | | | Common training for engineers (Core technologies/ intellectual property/ design/cost) | Self-development (English learning, e-Learning, etc.) | Corporate ethics and compliance training, etc. |
| | | | | Purchasing/ sales/trade | | |
| | | | | Quality, production, statistics, DX, AI | | Career design training |

16-2 Training Systems (Nissha Group in Japan)

■ Selective training

We carry out selective training with the object of systematically training the human resources necessary to achieve our medium-to long-term growth strategy, including training candidates for the next generation of management/strategy personnel or global personnel.

Business School

This training program is designed to systematically develop human resources to lead the management of the entire company and its businesses.

It covers the knowledge and skills involved in developing and implementing business strategies. Participants who complete the training program will be actively provided with opportunities to put what they have learned into practice, including participating in projects and formulating medium-term business plans.

The Business School offers three courses: a beginner course for those aiming to gain the skills and knowledge needed to become assistants to managerial staff, an intermediate course for those aiming to gain the skills and knowledge required of entry-level managerial staff, and an advanced course for those aiming to gain the skills and knowledge required for upper-level managerial staff. The beginner course is taught by in-house officers and managerial staff who have completed programs at the Business School, and covers basic business literacy and the Nissha Group's corporate philosophy system (Nissha Philosophy). The intermediate and advanced courses are original programs that combine MBA-based lectures by outside professors from

graduate schools of management or Nissha staff who have graduated from schools of management with lectures based on practical case studies by in-house instructors.

We have set the attendance rate of the beginner and intermediate courses targeted at workplace leaders and assistant managerial staff as the KPI for "selection rate of leadership candidates." We aim to have half of the general employees at Nissha (on a non-consolidated-basis) take the beginner or intermediate courses by 2030 (selection rate of 50%). The intermediate course was given in the fiscal year ended December 2024, and attended by 60 people.

Executive MBA program and a graduate school program for working professionals

As a higher level training program of the Business School, we also offer opportunities to attend an external executive MBA course, or graduate schools in the fields of business management or data science as an adult student. These programs are mainly used to acquire new skill sets in anticipation of a change in position that involves a major change in perspective or viewpoint.

Overseas trainee system

We have an overseas trainee system for developing young human resources (from both liberal arts and science backgrounds) who can flourish in global business settings regardless of their job type. Employees who have been with the company for at least three years can apply, and, following an internal selection process, will be dispatched as trainees for about a year. By working at overseas Group companies in Europe, America, or Asia, they can improve their specialized skills, language abilities, and intercultural adaptability with the goal of becoming global leaders, including candidates for overseas postings, in the future.

■ Rank-specific training

Rank-specific training is provided at milestones such as when entering the company, promoted, and appointed to certain positions.

New employee training

At the Nissha Group, the first three years after new graduates enter the company are positioned as the initial training period. At the start of this period, group training is conducted with all employees who have joined domestic Group companies. For about a month, regardless of hiring company or academic history, they will learn the outline of the Nissha Group as a whole as well as its businesses and products through lectures and field trips to factories. After that, students undergo business unit training or factory training as appropriate for their positions. After being assigned positions, they expand their experiences broadly while utilizing rotations across job types and departments, in consideration of development from a long-term perspective, supporting new employees to grow in stages.



■ Function-based training

Training is provided to employees to allow them to acquire the knowledge and skills required for their job type and duties, such as engineering, production, purchasing, etc.

Priority market skills training

In accordance with our portfolio strategy, Nissha is working on shifting from the IT devices market to non-IT device markets, such as medical and mobility. Priority market skills training backs up our portfolio strategy from the education and training aspects. It is our unique training program for improving the quality of our value proposals to customers in non-IT device markets.

In FY2024, multiple subjects were offered with a focus on the medical and mobility markets, and a total of 69 people took these trainings.

Common training for engineers

The technical knowledge required to meet the needs of global customers is taught from the dual aspects of the “core technologies” that are our strengths, and the science-based “common engineering” knowledge (quality, statistics, intellectual property, etc.) that all engineers, regardless of where they work, should be aware of. Employees are taught all this, from introductory to applied fields, in line with their individual experience and knowledge levels.



In order for us to continue to grow while changing our target markets and products, we train engineers who can create products that come with “Nissha’s unique strengths” beyond the boundaries of business units.

16-3 Support for Employees' Voluntary Desires to Learn and Grow

We support self-study for the purpose of encouraging employees to voluntarily seek opportunities for study, and to enhance their education or gain knowledge about the Company's business, by providing information on programs that encourage study and by providing a system that subsidizes half of the cost for those employees who complete self-study.

16-4 Career Planning Support

Since the fiscal year ended December 2019, we have been providing career design training annually for full-time employees in their 50s. Almost all full-time employees over the age of 50 have completed this training, which is designed to help them understand changes in the external environment, company systems, and their own values and strengths, and choose their own careers.

16-5 Training Records

The table on the right shows the total training hours per year of employees (full-time and contract) who participated in major training programs offered by the Nissha Group in Japan and the training hours per employee, obtained by dividing the total number of hours by the number of employees.

Some training sessions are held every two or three years. While the number of programs and students have both fluctuated from year to year, we carry out training based on careful study of the targets and required times so that the necessary education can be given to the necessary people. In addition, we are also working on increasing efficiency through ways such as compressing time for group training by combining pre- and post-study to meet the needs of diverse working styles and reduced work hours.

| | Gender | FY2022 | FY2023 | FY2024 |
|-------------------------------|---------|--------|--------|--------|
| Total training hours per year | Male | 23,252 | 20,042 | 16,013 |
| | Female | 7,361 | 8,697 | 9,716 |
| | Total | 30,613 | 28,739 | 25,729 |
| Training hours per employee | Male | 14.2 | 12.2 | 10.0 |
| | Female | 15.3 | 17.7 | 19.2 |
| | Average | 14.4 | 13.4 | 12.2 |

* Training hours per employee are calculated based on the number of full-time employees and contract employees of the Nissha Group in Japan.

16-6 In-House Training Programs

The Nissha Group values an organizational culture in which senior employees train junior employees and encourages in-house training programs. In most training, the instructors are executives and managerial staff, who share their experience and knowledge with other employees. In addition to expanding personal connections among employees, through this initiative more employees are rediscovering Nissha's strengths and attractiveness, and our organizational strength and sense of unity are improving. We sometimes get external instructors to come in for training in areas in which we lack in-house expertise, but as we accumulate knowledge in these areas we are gradually moving to in-house training. This ratio varies from year to year, but we are aiming to achieve a 50% in-house training ratio.

17. Employee Engagement

The Nissha Group has established Diversity and Inclusion as one of the Shared Values, which is the principle of employee behavior, and is working to create a workplace where human resources with diverse values and diverse backgrounds can maximize their abilities. At Nissha Group in Japan, we are implementing work style reforms with the aim of improving productivity, along with enhancing various support systems and promoting the creation of a workplace that supports diverse and flexible work styles. These are some of the ways we provide support to help our employees achieve a work-life balance.

17-1 Engagement Survey

The Nissha Group has been carrying out employee engagement surveys on a global basis since 2022. As shown in the following table, the response rates and positive response rates (percentage of positive responses) to engagement questions remain high. To continue to maintain this level, and to improve it, we feed back the results on a Group company or workplace basis, and consider and implement initiatives that lead to improvements tailored to each workplace's situation.

■ Engagement survey results

| KPI | Target | Result | | |
|---|---------------|--------|--------|--------|
| | | FY2022 | FY2023 | FY2024 |
| Response rate Global consolidated | More than 80% | 83.0% | 94.2% | 96.6% |

| Positive response rate Global consolidated | FY2022 | FY2023 | FY2024 |
|---|--------|--------|--------|
| Will to contribute to the organization I want to contribute to Nissha | 95.6% | 95.5% | 95.4% |
| Organizational Commitment I am proud to work for Nissha | 87.8% | 89.0% | 88.9% |
| Rewarding I find my work rewarding | 82.3% | 83.4% | 83.9% |
| Feeling of contributing to society I feel I contribute to society through my work | 78.8% | 80.6% | 81.9% |

17-2 Flexible Work Hours

We have introduced a flextime system to promote work-life balance, as well as to accommodate the time difference between Japan and overseas, enabling flexible working styles that meet both the needs of our customers and variations in business demands. Employees manage their time in a planned and autonomous manner, without setting a core time. A wide range of employees, from the sales departments to the development, engineering, and management departments take advantage of this system.

17-3 Telework System

A telework system has been introduced to promote effective and flexible working styles for employees, as well as helping them balance their home and work lives. In the fiscal year ended December 2020, by expanding its scope from employees with child-rearing and family care responsibilities to any employee who can perform the same level of work at home as at the office, the system is now also an indispensable part in the event of transportation disruptions or disasters.

17-4 Child-Rearing and Family Care Support

We are enhancing the support system for child-rearing and family care for the flexible working styles of employees at various life stages.

■ Major child-rearing support system

By drafting an action plan and executing a range of measures based on the Act on Advancement of Measures to Support Raising Next-generation Children, many of our efforts in child-rearing support exceed statutory guidelines.

(As of April 2025)

| Support system | Nissha Group in Japan | Statutory coverage |
|---|---|---|
| Shorter hours during pregnancy | During pregnancy (up to maternity leave before childbirth) Up to 3 hours per day | — |
| Days off for spouse's childbirth | 3 days at the time of spouse's childbirth (Special paid leave) | — |
| Shorter hours for child-rearing | Up to completion of elementary school Up to 3 hours per day | Up to 3 years old By effort: Start of elementary school |
| Restrictions on overtime work (Overtime exemption) | Up to completion of elementary school | Up to start of elementary school |
| Days off for child nursing | 1 child: 5 days 2 or more children: 10 days Up to start of elementary school: paid From elementary school enrollment to junior high school completion: unpaid | 1 child: 5 days 2 or more children: 10 days Either paid or unpaid Up to the third grade of elementary school |
| Child-rearing support fund | Amount: 150,000 yen (for each occasion below) Period: • Birth • Start of elementary school • Start of junior high school • Start of senior high school • Start of technical college | — |

In addition to the above, in order to support female employees who wish to return to work early after childcare leave, we have introduced a system to provide financial support to employees who return to work by the end of the month in which their child turns six months old and who meet certain requirements, and a system to cover part of the expenses of private day care. We provide a government program by which babysitters can be hired at a discount.

■ Number of employees who used child-rearing Support (Nissha Group in Japan)

The number of employees who used child-rearing leave, worked shorter hours for child-rearing, and took days off for child nursing are as the table below. In order to help employees make effective use of our support systems, we notify both the employee and his or her manager of the various child-rearing systems upon pregnancy notification to the company and immediately after birth registration is filed. In addition, we also have a place to explain these systems to anyone who wants to know more. The number of male employees using child-rearing systems is increasing year after year.

Unit: Number of employees

| Support system | Gender | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--------|--------|--------|--------|--------|--------|
| Child-rearing leave | Male | 19 | 21 | 25 | 38 | 31 |
| | Female | 50 | 46 | 48 | 43 | 37 |
| | Total | 69 | 67 | 73 | 81 | 68 |
| Shorter hours for child-rearing | Male | 2 | 2 | 3 | 6 | 5 |
| | Female | 93 | 87 | 92 | 82 | 84 |
| | Total | 95 | 89 | 95 | 88 | 89 |
| Days off for child nursing | Male | 56 | 49 | 50 | 60 | 60 |
| | Female | 64 | 59 | 65 | 62 | 65 |
| | Total | 120 | 108 | 115 | 122 | 125 |

The reinstatement rate and retention rate (1 year) after child-rearing leave are given below. Many employees are reinstated after taking leave and continue to work in the Nissha Group.

| | Gender | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---------|--------|--------|--------|--------|--------|
| Reinstatement rate^{*1} (%) | Male | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | Female | 100.0 | 95.6 | 95.8 | 100.0 | 100.0 |
| | Average | 100.0 | 97.1 | 97.6 | 100.0 | 100.0 |
| Retention rate^{*2} (one year) (%) | Male | 92.0 | 83.3 | 87.5 | 95.0 | 91.4 |
| | Female | 88.6 | 91.3 | 100.0 | 88.6 | 95.2 |
| | Average | 90.0 | 88.5 | 94.7 | 90.6 | 92.9 |

*1. Number of employees reinstated after child-rearing leave in the current fiscal year ÷ Number of employees expected to be reinstated after child-rearing leave in the current fiscal year x 100

*2. Number of employees remaining at the end of December in the current fiscal year after being reinstated after child-rearing leave in the previous fiscal year ÷ Number of employees reinstated after child-rearing leave in the previous fiscal year x 100

■ Major family care support systems

(As of April 2025)

| Support system | Nissha Group in Japan | Statutory coverage |
|--------------------------------------|--|---|
| Family care leave | Total 240 working days | Total 93 days |
| Shorter hours for family care | Until the reason for home care has passed 3 hours per day | At least 3 years from start of use |
| Days off for family care | 1 family member: 5 days 2 or more family members: 10 days Paid | 1 family member: 5 days 2 or more family members: 10 days Either paid or unpaid |

In order to appropriately respond to inquiries and offer consultation about certification of needed long-term care and long-term care insurance, we have established a help desk that connects to an external specialist. In addition, with the revisions to the Child Care and Family Care Leave Law in April 2025, we have provided information to deepen understanding and encourage interest in long-term care leave and long-term care balance support systems among all employees over forty. Moreover, we provide opportunities for full-time employees reaching fifty to think about their future career plans (Refer to 16-4 Career Planning Support), including long-term care, via briefings held during their career design training.

■ Number of employees who used family care leave (Nissha Group in Japan)

Unit: Number of employees

| Support system | Gender | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|-------------------------------|--------|--------|--------|--------|--------|--------|
| Family care leave | Male | 1 | 0 | 0 | 0 | 0 |
| | Female | 0 | 0 | 0 | 0 | 1 |
| Shorter hours for family care | Male | 0 | 0 | 0 | 0 | 0 |
| | Female | 0 | 0 | 0 | 1 | 1 |
| Days off for family care | Male | 8 | 5 | 6 | 8 | 10 |
| | Female | 7 | 1 | 6 | 7 | 11 |

■ Communication with employees

A dedicated "Thinking about Careers" website is available on the company intranet to introduce various systems and personal experiences to help employees think independently about the career options available when life events such as marriage, childbirth, childcare, nursing care, treatment for illness, and retirement occur.

In addition, we established a system that is easy for employees to understand by consolidating contact to the Work and Career Consultation Desk and referring employees to the appropriate person in charge according to the content when they have questions or concerns about life and career plans in general, not just in relation to childcare or nursing care.

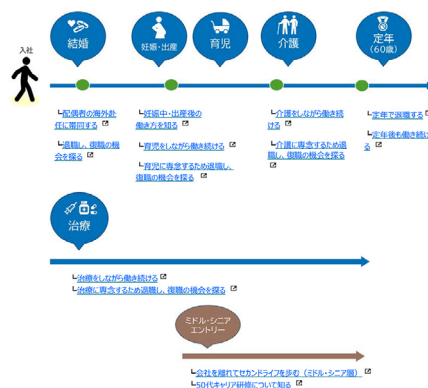


私たちの人生ではさまざまな節目で、多くのライフイベントが発生します。

結婚、出産、育児、介護、病気の治療や定年...

そんなとき、私たちはどんなキャリアを選択することができるのでしょうか。

以下の図や文字から、詳細を知りたいものをクリックしてください。



■ Kurumin Certification



Nissha has received "Kurumin" certification for three consecutive terms since the fiscal year ended March 2010, for a total of 11 years, and in March 2019 we were certified with Platinum Kurumin.

Based on the Act on Advancement of Measures to Support Raising Nextgeneration Children, "Platinum Kurumin" is a system to certify companies that have already obtained Kurumin certification in recognition of their measures to support employees with children and are carrying out initiatives at an even higher level. This certification was in recognition of our introduction of systems to support a balance between work and childrearing for both men and women, our initiatives to reduce overtime work, our ongoing seminars on topics related to the promotion of women in the workplace, and so on.

Within the Nissha Group, Nissha Business Service Co., Ltd. and Nitec Precision and Technologies, Inc. (currently, Nissha Precision and Technologies, Inc.) received Kurumin certification in 2016.

We shall continue aiming to create a workplace where each employee can work energetically, enjoying a rich life where work and child-rearing are balanced.

17-5 Promotion of the Use of Annual Paid Leave

We are continuing efforts such as disseminating information internally via the company intranet, registering annual paid leave plans for the year in advance in the attendance management system, and distributing the results of leave taken to department managers. Five days a year have become standard as required leave, so we changed our target to 10 days as of 2024, and many employees were able to achieve. As a result, the average usage rate in FY2024 was 76.5%, a further improvement over last year's rate. We continue to promote the use of annual paid leave with a target of 10 days per year.

In October 2019, we introduced annual paid leave by the hour as a system for facilitating more flexible use of annual paid leave. This system is widely used by employees.

■ Average days and percentage of annual paid leave used (Nissha Group in Japan)

| Fiscal Year | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|-------------------|--------|--------|--------|--------|--------|
| Average days | 11.4 | 11.5 | 12.9 | 14.1 | 14.8 |
| Percentage of use | 61.4 | 60.3 | 66.1 | 72.0 | 76.5 |

17-6 Saved Expired Leave System

The Nissha Group in Japan has introduced a paid leave accumulation system that allows employees to save up to 30 days of expired annual paid leave to be used in unforeseen circumstances or to facilitate the performance of social roles. This system is used in the event of illness either of the employee or a family member, childcare and family care, school events and holidays, and volunteer activities including registering as a donor with the bone marrow bank.

17-7 Volunteer Leave System (Nissha Group in Japan)

The paid leave accumulation system can be used when participating in volunteer activities such as registering as a donor with the bone marrow bank, assisting at welfare facilities managed by local governments, and activities related to reconstruction assistance following natural disasters. In the fiscal year ended December 2024, five people used the system for a total of nine days.

17-8 Outpatient Sick Leave System (Nissha Group in Japan)

In fiscal year ended March 2016, we introduced an outpatient sick leave system with the aim of supporting employees who require long-term outpatient treatment to continue working. The system enables employees with specified disorders to take 12 days off per year for treatment. In addition, when further support is required due to currently undergoing treatment, up to 24 days can be taken. 19 employees used the system in the fiscal year ended December 2024.

unit: Number of employees

| Fiscal Year | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|-------------|--------|--------|--------|--------|--------|
| Male | 2 | 3 | 5 | 5 | 13 |
| Female | 2 | 3 | 4 | 4 | 6 |
| Total | 4 | 6 | 9 | 9 | 19 |

17-9 Support for Reinstatement After Long-Term Leave

For employees reinstated at work after long-term leave due to illness or injury, we have introduced rehabilitation work to prevent recurrence and support a smooth return to work. After returning to work, we ask employees to submit periodic reports to check on their status, and they also have interviews with our industrial physicians to check on anything that requires special allowances in employment. For employees to whom paid leave was not granted during long-term leave, three days of paid leave are granted when the employee's attendance at work is at least 95% for a period of three months after reinstatement.

17-10 Management of Working Time

Nissha Group in Japan promote the reduction of overtime work to realize employee health and work-life balance. In addition to improving productivity, we have been steadily decreasing overtime hours over the years through ongoing activities including employee training aimed at optimizing working hours and sending out individual alert e-mails to employees who are likely to work long hours.

17-11 Internal Job Posting System

The Nissha Group introduced an internal job posting system with the aim of providing employees with the opportunity to choose their own career path as well as appointing employees to positions that reflect their aptitude and thereby enhancing our organizational strength. Under this system, we first recruit the human resources needed for divisions and operations that we focus on, such as priority markets and new businesses with high commercialization potential, from the perspective of management strategies such as medium-term business plan. Employees who meet the requirements apply on their own initiative and those that pass the selection are transferred to the relevant division. Employees transferred through internal recruitment are playing active roles in their divisions.

■ Implementation status of internal job posting system (Nissha Group in Japan)

| Fiscal Year | | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--------------------------------------|--------|-------------|--------|--------|--------|--------|
| Number of job posting | | No offering | 15 | 31 | 14 | 20 |
| Successful applicants (transfer-ees) | Male | - | 6 | 2 | 0 | 0 |
| | Female | - | 1 | 0 | 1 | 0 |

17-12 Awarding System (Nissha Group)

Nissha Group established various awarding systems for employees. These systems aim to praise the recipients of the awards and motivate the company and organizations as a whole by clarifying the requirements that the company should praise and by widely disseminating facts that correspond to such requirements through the company and organizations.

The results of the four main group-wide awards in the fiscal year ended December 2024, namely the Nissha CEO Award, the BU Head Award, the Top Profit Contributor Award, and the New Hope Award, are as follows. These award winners include employees at overseas bases.

| Type | Content | Number of winners |
|--|--|-------------------|
| Nissha CEO Award (Company-wide) | For employees who have made significant contributions to the consolidated performance | n/a |
| CEO Award (Group Companies) | For employees whose sales and operating profit greatly exceed the previous year's level and plan, or who have contributed to the bold and dynamic execution of business strategies | n/a |
| BU Head Award | For employees who have made significant contributions to business performance or strategy | 24 |
| Top Profit Contributor Award | For employees who have contributed to the improvement of profit margins through proactive actions within functional organizations or specific projects | 43 |
| New Hope Award | For domestic employees who act proactively without fear of failure or change as workplace heroes | 11 |

In addition to the group-wide awards mentioned above, the Group also operates an award system for Group companies, including the Group Company Representative Award, which recognizes employees who have performed outstandingly well. The Group has established the global tagline "Performance Champion", which is meant to recognize employees who have achieved results, and all of these awards are operated under a unified concept and visual.



17-13 Employee Stock Ownership Plan / J-ESOP

As part of our efforts to provide employees with incentives to increase the corporate value of the Group and to support medium- to long-term asset formation, we operate an employee stock ownership plan for full-time and contract employees of the Nissha Group in Japan.

In addition, we introduced a Stock Benefit Trust (Employee Shareholding Purchase-type) in November 2019 as a system that allows all employees and contract employees who join the employee stock ownership plan to receive the benefits of the rise in the stock price of the Company's shares for three years. This program ended in January 2023 and was reintroduced in March 2023.

As of the end of December 2024, 29.3% of the employees have joined, and together hold 0.9% of the Company's shares.

■ Subscription Status of Employee Stock Ownership Plan (Nissha Group in Japan)

| Year | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------------------|-------|-------|-------|-------|-------|
| Number of eligible subscribers | 2,089 | 2,081 | 2,011 | 2,033 | 2,030 |
| Number of subscribers | 543 | 573 | 553 | 579 | 594 |
| Subscription rate | 26.0 | 27.5 | 27.5 | 28.5 | 29.3 |

In addition, in the fiscal year ended December 2020, we introduced a Stock Benefit Trust (J-ESOP) for managerial staff of the Company and some of Group companies.

17-14 Retirement Pay System

Nissha has revamped our retirement pay system to one based around role and ability from the fiscal year ended December 2024 in order to ensure consistency with our human resources system, and additionally we are responding to increasing employment fluidity by expanding our existing defined contribution pension system, which allows employees to carry their pension assets with them.

In addition, we carry out regular ongoing training using e-Learning for all member employees, providing support for employees' asset creation.

18. Safety and Health

18-1 Policy and Principles

The Nissha Group has established a Policy for Occupational Safety and Health and Principles for Occupational Safety and Health which outlines specific actions and disciplines, and has informed all employees of their content, aiming to ensure the safety and health of all people involved in our business activities.

Occupational Safety and Health Policy

Nissha Group places safety first in its business activities and continues to actively work on areas such as improving the working environments and health of Nissha People, remaining a company where Nissha People can remain healthy in both physical and mental.

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

Occupational Safety and Health Principles

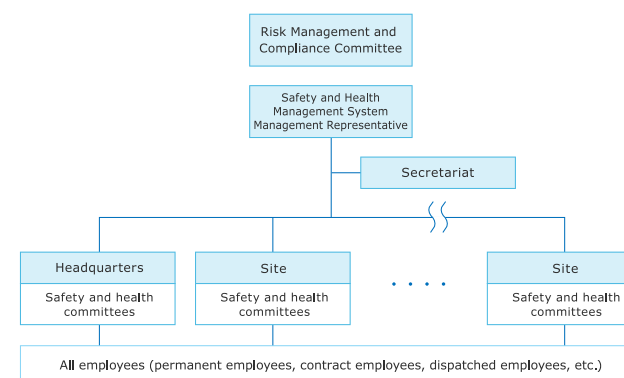
1. We shall strive to eliminate and reduce risks through increasing risk sensitivity and responding to changes for achieving "zero accidents".
2. We shall promote measures related to health and promote the maintenance and improvement of both physical and mental health.
3. We shall introduce appropriate management resources to ensure the safety and promote the health of Nissha People, and work to improve their effectiveness.
4. We shall ensure the safety of Nissha People by having them mutually interact and act with discipline.
5. We shall construct a management system and promote continuous improvements to suit changes in the business environment.
6. We shall comply with relevant laws and regulations, act with integrity, and create a safe culture.

Satoshi Aoki
Senior Vice President, General Affairs
Nissha Co., Ltd.
Established on April 1, 2007 / Revised on January 1, 2025

18-2 Safety and Health Management System

Under the Risk Management and Compliance Committee, the Nissha Group in Japan operates an environmental occupational safety and health management system that includes compliance with items required by customers and by laws and regulations, based on the ISO14001 Environmental Management System and the ISO45001 Occupational Health and Safety Management System. We formulated an action plan to achieve our targets, and in addition to repeating the PDCA cycle with an eye to sustained improvements, we are striving to implement assessments through regular internal audits and management reviews. The Safety and Health Committees established at each base are formed from representatives from the bases, such as the safety manager and the health manager, along with employee representative members selected from the Nissha Crew Alliance (labor union) and workplaces. The Committee is responsible for responding to occupational accidents and implementing corrective measures, as well as bringing about safe and comfortable workplaces.

Safety and Health Management Structure



The Nissha Group in Japan manages the progress of safety and health objectives, conducts safety and health risk assessments at workplaces, takes measures to prevent the recurrence of occupational accidents through near-miss activities, monitors the number of accidents and the results of working environment measurements, and conducts internal audits and takes corrective action. The progress of

these activities is reported at management review report meetings that all bases participate in. At the end of the fiscal year, a review is held on whether the management system is functioning effectively and to link it to activities for the next fiscal year as part of the PDCA cycle.

18-3 Risk Mitigation Initiatives

The Nissha Group in Japan has set safety and health targets in line with our Occupational Safety and Health Policy and Occupational Safety and Health Principles, and are developing a range of occupational accident prevention activities with the goal of zero occupational accidents over the three-year period linked with the medium-term business plan.

Risk Assessment

We conduct risk assessments to reduce occupational safety and health risks in the workplace in accordance with our internal regulations. Risk assessments are conducted regularly on a workplace basis to continuously identify sources of hazards, conduct risk assessments, and determine and implement risk reduction measures based on the risk assessments. When an injury accident occurs, we conduct a risk assessment for that work, and take risk reduction measures. Chemical substance risk assessments are conducted at workplaces that use chemical substances, such as technical development departments and production facilities. A major revision to the laws concerning chemical substance management in 2023 meant a substantial shift from the existing legal compliance focus to autonomous management. In the Nissha Group in Japan, we aim for zero health effects from chemical substances, and are moving ahead with the responses needed for autonomous management.

Risk Mitigation Measures When Bringing in Equipment

In accordance with our internal regulations, we carry out risk assessments and risk mitigation measures when bringing in new equipment, or when relocating or improving equipment. The department bringing in the equipment acts as the primary agent, liaising with the equipment manufacturer and the department that will use this equipment, allowing us to design and manufacture with safety first. Moreover, when equipment is brought in, safety screenings are carried out by members with specialist knowledge, and only that equipment which passes can be used.

Safety Patrols

A team led by the safety manager, health manager and industrial physician conducts safety patrols of workplaces. In addition to checking for potential hazards and unsafe work practices in the workplace, and whether chemical substances are being managed appropriately, the patrols also try to raise workplace safety awareness by incorporating the perspective of customer requirements.

We honor workplaces that have worked diligently on these safety and health activities and have achieved zero accidents during the year. We also present an annual safety and health award, the Annual Zero Accident Award, in an effort to further foster a culture of safety.

18-4 Occurrence of Occupational Accidents

The following table shows the occurrence of occupational accidents in the Nissha Group in Japan. There were ten incidents of occupational accidents in FY2024, which is one more than the previous year. The increase in accidents resulting in days of leave has increased the frequency rate of occupational accidents. In particular, we are seeing a strong trend for more cases of

toppling. When any occupational accident occurs, we always identify the true cause and carry out improvement measures and risk assessments based on the analysis results. In addition, examples of occupational accidents are shared horizontally within the Nissha Group, helping prevent both the recurrence of those accidents and the occurrence of similar ones.

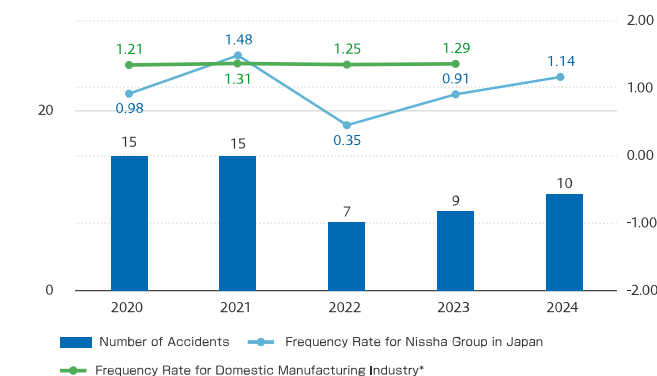
Occurrence of Occupational Accidents (Nissha Group in Japan)

| Item | FY2022 | FY2023 | FY2024 |
|---|--------|--------|--------|
| Number of occupational accidents | 7 | 9 | 10 |
| 4 or more days of leave | 0 | 5 | 5 |
| Occupational accident frequency* ¹ (%) | 0.35 | 0.91 | 1.14 |
| Occupational accident severity* ² (%) | 0 | 0.04 | 0.04 |
| Fatal accidents | 0 | 0 | 0 |

* Figures include accidents involving temporary employees.

*1. Refers to the number of injuries and casualties resulting from occupational accidents (one or more days of leave) per one million working hours.

*2. Refers to the severity of occupational accidents in terms of the number of working days lost per one thousand working hours.



* Source: Ministry of Health, Labour and Welfare of Japan "Survey on Industrial Accident Trends"

Occurrence of Occupational Accidents by Region (Nissha Group major overseas production bases)

The numbers of occupational accidents at the Nissha Group major overseas production bases in the fiscal year ended December 2024 are given in the table below.

| Region | North America | Central and South America | Europe | Asia |
|--------|---------------|---------------------------|--------|------|
| Number | 15 | 1 | 12 | 0 |

* Work-related accidents requiring absence from work. The count for the number of accidents is based on the standard in each region.

18-5 Safety and Health Education and Training

In accordance with our Safety and Health Education and Management Regulations, we are focusing on education and training to raise safety awareness and foster a culture of safety, using remote education and e-Learning. We also share information and develop educational programs at our major overseas production bases. In FY2024, we held the Sense Safety Training VR Experience in order to foster sensibilities towards risk among each employee, who were able to reconfirm the importance of safety.



Sense Safety Training VR Experience



Foreman education

Training Participation

| Category | Lesson / Session | Number of attendees in FY2024 |
|------------------|--|-------------------------------|
| General training | Training on intake | 483 |
| | Safety training at the time of assignment | 7 |
| | Training when installing new equipment | 105 |
| | Health training (health education) | 43 |
| | Health training (prevention of heatstroke) | 81 |
| | Risk assessment training (safety and health / chemical substances) | 421 |
| Safety training | Foreman education | 16 |
| | Chemicals training (handling of chemicals / chemical emergencies) | 113 |
| | High-pressure gas training (handling of high-pressure gas / gas emergencies) | 142 |
| | Safety training (chemical substances) | 1,036 |
| | Sense Safety Training (VR Experience) | 205 |
| | Individual safety education | 81 |
| | General lifesaving training | 43 |
| | AED lessons / First aid team training | 44 |
| | Traffic safety education | 942 |

18-6 Safety Slogan

We created a safety slogan to raise awareness of safety with the aim of eradicating occupational accidents. This slogan is displayed at all of our production bases in Japan and overseas.

“Safety”
Not because I have to,
But because I *want* to.
NISSHA

18-7 External Evaluation

The Nissha Group in Japan received the following awards related to health and safety in the fiscal year ended December 2024.

| Award target | Award name | Awarding body |
|---|---|---|
| Nissha Co., Ltd. | Firefighting Drill Competition Fire Extinguisher Operation Course A Excellence Award | Kameoka Self-Defense Fire Brigade Liaison Council |
| Nissha Precision and Technologies, Inc. | *Challenge 100* accident-free, violation-free movement | Automobile Safe Driving Center |
| Nissha Business Service, Inc. | Excellent Safe Driving Management Office | Kyoto Prefecture Traffic Safety Association |

19. Health and Productivity Management

19-1 Policy

Nissha Group sees its Mission, "We realize the enrichment of people's lives by creating technology and developing it into economic and social value through the diverse capabilities, passion, and leadership of the global Nissha Group." To achieve this, we have formulated a Health and Productivity Management Policy based on the belief that it is important for the realization of our Mission that each and every employee to be healthy in mind and body and to be highly motivated in their work, as this will lead to improvements in company performance.

Health and Productivity Management Policy

Nissha Group aims to create new values through our diverse capabilities and passion. We consider the maintenance and improvement of mental and physical health to allow employees to fully exercise their abilities to be an important management issue, and promote a range of measures to that end.

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

Established on September 3, 2018 / Revised on July 1, 2021

19-2 Structure

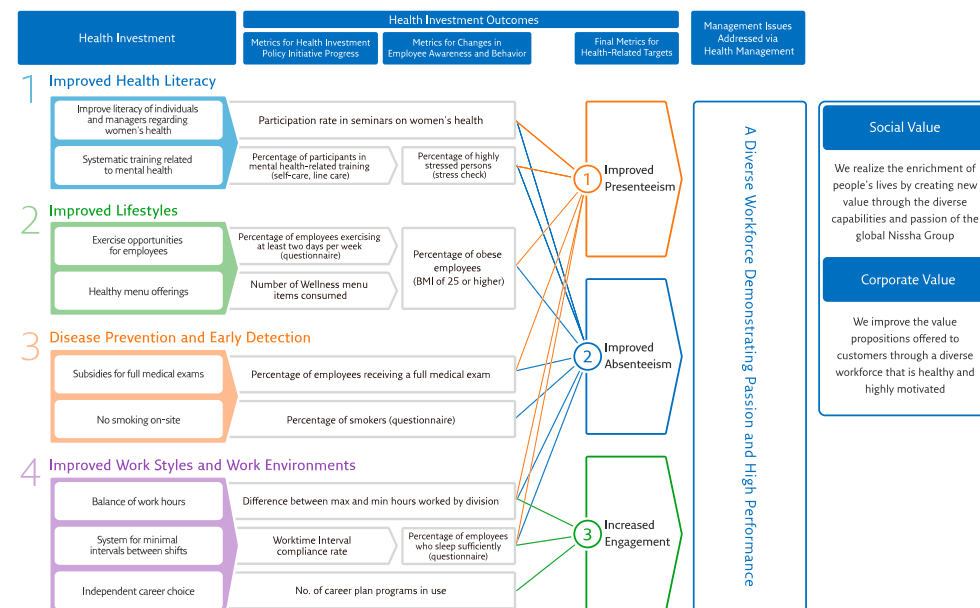
As part of our health and productivity management promotion structure, we have appointed Senior Vice President, Chief Human Resources Officer as the director responsible for health and productivity management. Under the Risk Management and Compliance Committee, the Health and Productivity Management Subcommittee, led by the director of the committee, drafts and promotes plans in conjunction with related departments for the Group's health measures. As of 2025, a chief industrial physician has now been appointed to participate in the health and productivity management promotion structure.

19-3 Health and Productivity Management Strategy Map

The Health and Productivity Management Strategy Map is a visualization by corporations engaged in health and productivity management of the problems they face and their initiatives to solve them.

In our Group, we include “A diverse workforce demonstrating passion and high performance” as one of the management issues addressed via health management, and have set three KPIs (presenteeism, absenteeism, and engagement). We are moving ahead with concrete actions in four categories to make these improvements.

| | | FY 2022 | FY 2023 | FY 2024 | Targets in FY2026 |
|--|---|---------|---------|---------|-------------------|
| Presenteeism *Measurement started from the fiscal year ended December 2024 (Nissha Group in Japan) | • Average lost work time rate per employee in the survey, Wfun (A questionnaire developed by the University of Occupational and Environmental Health to measure the degree of work impairment due to health problems) | — | — | 12.9% | 15% or less |
| | • Number of respondents | — | — | 2,151 | — |
| | • Response rate | — | — | 100% | — |
| Absenteeism (Nissha Group in Japan) | • Number of people on leave + number of long-term absences / total number of employees *Figures as of the end of December each year | 0.72% | 0.81% | 0.96% | 0.72% or less |
| Engagement *Measurement started from the fiscal year ended December 2023 (Nissha Group in Japan) | • Positive response rate for the question “I find my work rewarding” in the engagement survey | — | 62.1% | 62.4% | 60% or more |
| | • Number of respondents | — | 2,005 | 2,039 | — |
| | • Response rate | — | 97.0% | 99.2% | — |



19-4 Specific Initiatives and Indices for Measuring Results

The Health and Productivity Management Subcommittee, which includes occupational health staff, plays a central role in promoting health management through specific initiatives based on the Strategy Map.

| Specific Initiatives | Indices for Measuring Results | Results in FY2023 | Results in FY2024 | Targets in FY2026 |
|---|---|-------------------|-------------------|---------------------|
| Wellness Plates (Providing Wellness Plates (healthy plate menus) at our in-house cafeterias) | Number of Wellness Plates consumed *Started in FY2024 (Headquarters) | — | 26.3% | 30% |
| Boost the rate of detailed medical checkups (Expenses covered by the company; counted as working hours) | Detailed medical checkups rate (Nissha Group in Japan) | 75.3% | 75.5% | 70% or more |
| Supporting quitting smoking (Subsidies for clinics and aids to stop smoking; health guidance provided by in-house health staff) | Smokers rate (Nissha Group in Japan) | 25.7% | 23.9% | Under consideration |
| Specific health guidance | Specific Health Guidance implementation rate (Nissha Group in Japan) | 93.9% | 94.8% | 90% or more |
| | Specific Health Guidance continuance rate (Nissha Group in Japan) | 98.3% | 99.0% | |
| Carrying out health literacy training (seminars on female health and mental health) | Health literacy training attendance rate (Nissha Group in Japan) | 5.6% | 7.8% | 20% |

19-5 Certified Health and Productivity Management Outstanding Organizations

We have been recognized as a "Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category)" by the Ministry of Economy, Trade and Industry for the fourth year in a row. The certification is given to companies with especially excellent health management practices.



20. Intellectual Property

20-1 Basic Concept

The use of intellectual property is essential for the Nissha Group to appropriately protect and provide customers with products obtained as a result of our R&D and business activities. In order to contribute to our business performance and conduct effective and safety R&D and business activities, the Group emphasizes "building an intellectual property portfolio" and "avoiding intellectual property risks" under the leadership of the Intellectual Property Management Department.

20-2 Initiatives

■ Building an intellectual property portfolio

We use the intellectual property system to properly safeguard the results of our research and development. Right acquisition is not limited to patents, but covers a wide range of other rights, including designs, trademarks, and copyrights. As the Group's products are sold globally, we are working to obtain rights in other countries as well as Japan. In addition, we offer global support, such as accepting consultations from overseas Group companies regarding patent applications, rights acquisitions, and patent countermeasures against other companies. The Intellectual Property Management Department coherently manages, from application to rights expiration, and intellectual property rights we have obtained are utilized strategically throughout the entire Nissha Group.

■ Avoiding intellectual property risks

To prevent inadvertent use of the intellectual property of other companies or the unauthorized use of our intellectual property by third parties, we have established a SDI (Selective Dissemination of Information) system that constantly monitors whether the intellectual properties are being used appropriately.

To prevent problems related to intellectual property, the Intellectual Property Management Department examines contracts related to intellectual property, such as joint research and joint development.

■ Training

The Nissha Group is enhancing its various training programs so that each and every employee works with an understanding of intellectual property right acquisition and usage and the risk associated with intellectual property.

We offer a wide range of training for all employees taught by Intellectual Property department staff, from fundamental curriculum such as explanations on how to read patent publications and the process of patent acquisition to on-the-job curriculum such as techniques for surveying patents from other companies. We hold training overseas as well in Japan in response to requests or issues related to each site. In FY2024, we invited an outside expert to provide training to our sales department in the China base on "Intellectual Property and its Protection." A total of 146 people from the domestic Nissha Group and 48 people from the overseas Nissha Group took part in training in FY2024, including the above.



21. Partnership with Our Suppliers

21-1 Principles

The Nissha Group procures the materials, equipment, and services necessary for production and a wide range of business activities from suppliers around the world. We work fairly and equally with all suppliers to promote sustainable procurement based on our Purchasing Principles, aiming to share an awareness of social responsibility and enhance mutual enterprise value.

Our Purchasing Principles apply to all business operations throughout the Nissha Group. Based on these principles and the Purchasing Management Regulations as a management framework outline, we operate a system for each business.

Purchasing Principles

Nissha Group achieves sustainable procurement by building relationships of trust with our suppliers through mutually fair purchasing.

Nissha Group evaluates our suppliers in terms of fairness, impartiality, and comprehensively based on the following criteria.

1. Stable business foundation and reliable management principles
2. Excellent technology development and the abilities to propose products or services that consider environmental impacts
3. Provision of stable, high-quality products or services
4. Price competitiveness
5. Stable production capacity and lead times
6. Effective business continuity management plans

Nissha Group achieves sustainable procurement by working with our suppliers in the following areas.

1. Labor and human rights
2. Health and safety
3. Environment
4. Ethics
5. Information security

Daisuke Inoue
Director of the Board, Senior Executive Vice President
Corporate Procurement and Logistics
Nissha Co., Ltd.

Established on April 2, 2009 / Revised on April 1, 2025

We request all of our suppliers to comply with the Purchasing Principles and the CSR Procurement Guidelines. These Guidelines are based on the Responsible Business Alliance (RBA), a code of conduct mainly for the electronics and automotive industries, and on other codes of conduct that our customers request we follow. The items are listed below.

Items of CSR Procurement Guidelines and SAQ (Self Assessment Questionnaire)

| 1. Labor and human rights | 2. Health and safety | 3. Environment |
|---|--|---|
| (1) Prohibition of forced labor (2) Young workers (3) Working hours (4) Wages and benefits (5) Humane treatment (6) Non-discrimination (7) Freedom of association | (1) Occupational health and safety (2) Emergency preparedness (3) Occupational injury and illness (4) Industrial hygiene (5) Physically demanding work (6) Machine safeguarding (7) Sanitation, food, and housing (8) Health and safety communication | (1) Environmental permits and reporting (2) Pollution prevention and resource conservation (3) Hazardous substances (4) Solid waste (5) Air emissions (6) Materials restrictions (7) Water management (8) Energy consumption and greenhouse gas emissions (9) Environmental management system |
| 4. Ethics | 5. Information Security | |
| (1) Business integrity (2) No improper advantage (3) Elimination of terrorist activities, weapons manufacturing, and money laundering in the supply chain (4) Disclosure of information (5) Intellectual property (6) Fair business, advertising and competition (7) Protection of identity and non-retaliation (8) Responsible sourcing of minerals | (1) Information security management system (2) Information security threats (3) Personal and confidential information | |

CSR Procurement Guidelines (PDF)

21-2 Maintaining Purchasing Related Regulations

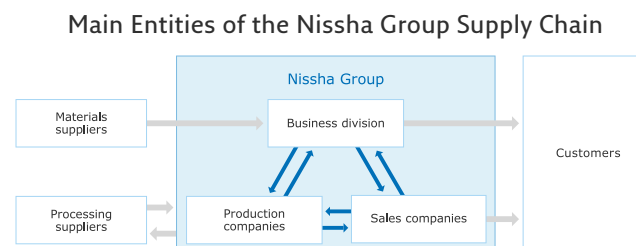
We fully overhauled our Purchasing Management Regulations in 2021, and partially revised them in 2024. In the 2024 revisions, we revised the contents and added necessary rules to ensure that risks in purchasing could be grasped accurately and purchasing could be done sustainably and with minimum risk. In addition, we also established new regulations related to purchasing. One of these was the establishment of our Regulations for Compliance with the Subcontractors Act, as there is an increased awareness of the Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors. This regulation incorporates prevention measures for issues that are considered particularly serious these days, such as undercutting subcontractors and unfair demands for economic benefits. Also, we have established our own rules for the Group in order to further promote fairness of subcontracting and protection of benefits for subcontractors, as we expect content such as this will be required in the future. Other related parties are informed of these rules as well. Moreover, to ensure the content of these new regulations and rules are understood and put into practice, we hold briefing sessions targeted at the entire Nissha Group in Japan, carry out e-Learning training, and hold comprehension tests. In FY2025, we intend to confirm the status of operation jointly with our corporate procurement division and the Internal Audit Office.

In September 2020, we established and announced our Declaration of Partnership Building as promoted by government agencies such as the Cabinet Office, and are promoting activities designed to build trust relationships with all of our suppliers and enhance mutual enterprise value.



21-3 Nissha Group Supply Chain

We at the Nissha Group collaborate with various suppliers through our business activities, and our supply chain is expanding globally. The global supply chain has been severely affected by the pandemic, regional conflicts, the sharp rise in raw material and fuel prices due to dramatic foreign exchange shifts, supply shortages and price hikes due to labor shortages, as well as natural disasters. However, thanks to the cooperation of our suppliers, the Nissha Group is continuing sound business activities.



21-4 Survey of the Supply Chain

■ CSR Survey

While accepting CSR audits from customers, the Nissha Group carries out annual inspections using our own unique Self Assessment Questionnaire (SAQ) so that we can ascertain the status of suppliers as we build a safe, reliable supply chain. The CSR survey and the SAQ are based on the CSR Procurement Guidelines (21-1), and assess the five key areas of labor and human rights, health and safety, environment, ethics, and information security.

In FY2024, we selected and surveyed 157 companies in Asia, including Japan and China, Europe, and Central and South America, choosing from suppliers who have business transactions with our Industrial Materials Business Unit, Devices Business Unit, and overseas Group companies. We received a response rate of 100% from our suppliers, and confirmed that all companies were exceeding our standards. This survey included some suppliers we had only just started dealing with, but we found no issues of concern. We shall continue to carry out surveys.

If any concerns are identified in the SAQ responses, Nissha employees qualified as internal auditors will act in accordance with the procedures such as visiting suppliers and conducting on-site audits.

■ Labor and Human Rights Risk Survey

CSR surveys include questions about labor and human rights. The survey targeted suppliers that meet the following two criteria.

- (1) Located in areas of high labor and human rights risk (China, Southeast Asia, Central and South America, Africa).
- (2) Falling within the top 80% of purchasing amounts for each of our business divisions or domestic and overseas Group companies, or for which there are no alternative procurement sources.

Surveys were conducted for all 108 companies that these included, and we received a 100% response rate. The contents were checked and we confirmed that there were no issues. Of these suppliers, we conducted on-site audits of 10 companies selected from the key suppliers, and completed corrective actions for identified issues at all suppliers. The countries and number of targeted companies of the selected suppliers are as follows.

- China, 4 companies
- Malaysia, 2 companies
- Mexico, 2 companies
- Brazil, 2 companies

In the fiscal year ending December 2025, we will continue this survey and conduct on-site audits of suppliers that we deem particularly necessary in order to reduce labor and human rights risks.

■ CO₂ Emissions Survey (Scope3 Category1)

In order to understand the CO₂ emissions from suppliers, we carry out CO₂ emissions surveys using questionnaires.

If the suppliers themselves can calculate their CO₂ emissions, we ask them to provide those emission values in the questionnaire. If they cannot calculate it themselves, we make it possible for them to have their CO₂ emissions calculated by entering the amount of energy they have used in the questionnaire. This allows us to understand our suppliers' CO₂ emissions as primary data.

Refer to 7-2 Coverage and Calculation Method of CO₂ Emission Calculation

■ Environmental Survey

To promote environmental initiatives in FY2024, we revisited and revised the items related to the environment in our CSR Procurement Guidelines. The revised CSR Procurement Guidelines are distributed to our key suppliers and are also posted on our website. Furthermore, we have reflected items related to the environment required in the CSR Procurement Guidelines in the CSR questionnaire, and intend to confirm our suppliers' compliance status in the survey for FY2025. The number of items related to the environment in the CSR survey has increased from five to nine.

21-5 Development of Procurement Personnel

Focusing its efforts on training procurement personnel, the Nissha Group has continued to provide the basic procurement education and procurement training by external instructors since the fiscal year ended March 2009. To date, more than 1,200 employees have taken these courses.

In FY2024, we carried out two training programs, using e-Learning, on basic procurement education and the Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors for the procurement division and technical and development departments within the Nissha Group in Japan. In the basic procurement education, 397 people were given training in the Nissha Group's purchasing rules, especially the revisions to the Purchasing Management Regulations, and in the newly-added regulations regarding compliance with the Subcontractors Act. Both of these had a 100% attendance rate.

Along with further enhancing training for the Nissha Group overseas, we will carry out timely purchasing training for employees who have been transferred to the procurement division, in order to quickly improve their purchasing skills and minimize risk.

22. Along with Local Communities

22-1 Policy

Along with aiming to "realize the enrichment of people's lives" our Mission calls for through our business activities, the Nissha Group engages in social contribution by clarifying key activity areas. We aim to contribute broadly to society, especially the arts and culture as they lead to richer lives for people, as well as the fields of the environment, medicine, and health that are directly connected to our business activities.

Social Contribution Policy

Nissha and Nissha People contribute widely to society to realize the enrichment of people's lives professed in our Mission by resolving social issues through our businesses and supporting the fields listed below.

Main fields of our support:

- Environment
- Arts and Culture
- Medical and wellness

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

Established on March 6, 2009 / Revised on June 1, 2022

22-2 Initiatives

The Nissha Group are expanding our business globally. We promote activities that meet the needs of our stakeholders through communication with them in each region. As a company with its headquarters in Kyoto, Nissha Co., Ltd., engaged in the following activities in the fiscal year ended December 2024.

Environment / support for future generation

- Participated in the activities for environmental workshops at elementary schools organized by the Kyoto Chamber of Commerce

Employees visited elementary schools in Kyoto City to carry out environmental workshops. The workshops gave children the opportunity to think about environmental issues such as global warming and plastic waste, introduced our efforts to reduce environmental impact and examples of our sustainable materials products and services, and explained how the company is addressing social issues.



Workshop at: Kyoto Municipal Suzaku Third Elementary School on September 17, 2024

Kyoto Municipal Mukaijima Fujinoki Elementary School on November 26, 2024

Support for future generation

- Participated in Children's Monodzukuri Project run by the Kyoto City Board of Education

Exhibited a corporate booth at the Kyoto Monodzukuri Hall of Fame, Kyoto City Inquiry Learning Center for Career Education (Kamigyo-ku, Kyoto) held by the BOE. In addition, we provided teaching materials for about 1,000 people to use in the Workshop Class hands-on study program for manufacturing that the Hall runs for elementary school children.

- Accepting middle school company visits and workplace experiences

As part of the career education promoted by the Kyoto City Board of Education, we host public middle schools in the city on visits to the company and experiencing our workplaces. In FY2024, we welcomed a total of 14 people from three schools to our Kyoto Global Headquarters. In addition to presenting our businesses and discussions with employees, we offered a chance for the students to experience and learn about a part of our business activities and the various tasks that support them.

Nissha's President serves as a teacher for high school classes

In October 2024, President Junya Suzuki visited Kyoto Prefectural Higashi Uji Senior High School, and gave a lecture to forty second-year students in their English Exploration Course. Starting with his own experiences and ideas to this point, he talked about our global business expansion and growth strategies, as well as the importance of continuing to tackle challenges in business, leaving a message for the youth who will be responsible for our futures. He also answered questions from students, and everyone enjoyed this time of meaningful exchanges.



Promotion and support of arts and culture

- Sponsorship of arts and crafts exhibitions

We sponsor exhibitions and art displays in Japan. In the fiscal year ended December 2024, we sponsored the following events.

- Abeno Harukas Art Museum 10th Anniversary - Enku (Abeno Harukas Art Museum)
- Special Exhibition: THE LEGEND OF SESSHŪ - Birth of a Master Painter - (Kyoto National Museum)

- Special Exhibition Celebrating the 1,250th Anniversary of Priest Kūkai's Birth KŪKAI - The Worlds of Mandalas and the Transcultural Origins of Esoteric Buddhism (Nara National Museum)
- Special Exhibition: HŌNEN AND PURE LAND BUDDHISM (Tokyo National Museum)
- Giorgio De Chirico: Metaphysical Journey (Tokyo Metropolitan Art Museum)
- Abeno Harukas Art Museum 10th Anniversary - Hiroshige (Abeno Harukas Art Museum)
- Ryuichi Sakamoto | seeing sound, hearing time (Museum of Contemporary Art Tokyo)
- KYOTO GRAPHIE international photography festival 2024 (The Museum of Kyoto and other venues in Kyoto City)

- Participation as a museum partner

Kyoto National Museum (Higashiyama-ku, Kyoto)

Humanitarian Assistance

- Support for the areas and people affected by the 2024 Noto Peninsula Earthquake

In January 2024, we donated 10 million yen (5 million yen each from Nissha Co., Ltd. and Nissha Precision and Technologies, Inc.) to support the victims of the Noto Peninsula Earthquake and to help with reconstruction in the affected areas.

Donation made through: Japan Platform*, a non-profit organization

*Emergency humanitarian assistance framework established in 2000 as an intermediary support organization to support the activities of NGOs. Japan Platforms works to deliver aid from Japan quickly and effectively to victims of natural disasters in Japan and abroad, refugees and internally displaced persons due to conflicts.

The Nissha Group in Japan contributed 209,950 thousand yen in social contribution expenses in FY2024.

22-3 Membership in Community Organizations (Nissha)

Nissha participate in various activities in the region.

| Organization / host | Position / membership status | Company registered |
|---|-------------------------------------|--------------------|
| Kyoto Association of Corporate Executives | Special secretary | Nissha |
| Kyoto Chamber of Commerce and Industry | Permanent member | Nissha |
| Kyoto Employers' Association | Councilor | Nissha |
| Kyoto Industrial Association | Director | Nissha |
| Kyoto Institute of Technology | Joint management council member | Nissha |
| Kyoto City University of Arts | Management advisory board member | Nissha |
| Ritsumeikan University Business School | Education Curriculum Council Member | Nissha |
| Kyoto Institute of Invention and Innovation | President | Nissha |
| NISSHA FOUNDATION | Representative Director | Nissha |

23. Quality Management

We need to expand the provision of products and services aimed at the medical and mobility markets, priority markets for us, to achieve our Sustainability Vision. The quality of these products and services has a high likelihood of influencing the life and health of people, so require sophisticated quality management. To achieve this, it is essential that we not only operate systems that can be applied globally in line with the various target markets, but develop human resources with the mindsets, knowledge, and skills that can adapt to these.

At the Nissha Group, we have identified “Providing responsible products and services” as a materiality, with a KPI of zero serious quality incidents. To reach these goals, we have set the following strategic items and action items, and are working on them. In 2025, we added actions related to complying with laws and regulations as part of the acquisition of SHIGAKEN PHARM. IND. CO., LTD.

| Strategy Items | Action Items (FY2025) |
|--|---|
| <ul style="list-style-type: none"> Maintain and expand quality management system in accordance with business strategy | <ul style="list-style-type: none"> Maintenance and expansion of management systems for general quality (ISO9001), medical devices (ISO13485), and the automotive industry (IATF16949) |
| <ul style="list-style-type: none"> Improve quality with an emphasis on product safety and feasibility at the design stage | <ul style="list-style-type: none"> Operation and leveling up design reviews on a per-product basis |
| <ul style="list-style-type: none"> Fostering and improving the quality mindset | <ul style="list-style-type: none"> Implementation of fundamentals and per-function training for quality |
| <ul style="list-style-type: none"> Monitoring of compliance with laws and regulations | <ul style="list-style-type: none"> Implementation of quality assessments for production bases Confirmation of reports on compliance status at regular meetings Confirmation of amended information in laws and regulations |

23-1 Policy / Nissha Quality Way

In April 2022, along with a revision of our Quality Policy, we established the Nissha Quality Way as a code and standard of conduct necessary to actualize the Quality Policy. These are our fundamental philosophies for quality in the Nissha Group and the upper level policies for all the quality policies currently featured in the Quality Management System (QMS).

The Chief Quality and Production Officer (CQPO) carries out plant assessments for all our production bases in Japan and major overseas production bases. Additionally, he uses an array of opportunities to spread and percolate our Quality Policy and the Nissha Quality Way, including training at foreign bases, training targeting new employees and promoted employees, and inclusion in internal company publications (published in Japanese, English, and Chinese).

Quality Policy

Nissha Group’s products and services enhance value for customers and society through the establishment and operation of quality management system that is designed to ensure quality, cost, robust supply chains, and compliance with relevant laws and regulations.

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

Nissha Quality Way

- CUSTOMER FOCUS**
We continuously achieve customer-defined quality.
- LEADERSHIP**
We are all committed to upholding and executing our Quality Policy – each and every one of us is a leader.
- PROCESS APPROACH**
We work based on systematic approach and continue to improve.
- QUALITY BY DESIGN**
We build quality into design, focusing on product safety and feasibility.
- VALIDATED DECISION MAKING**
We are established in evidence-based and scientific approach.
- QUALITY BY CONNECTED SUPPLY CHAIN**
Quality is at the core of our trusting relationship within our supply chain.
- BAD NEWS FIRST**
We quickly address challenges through rapid response and escalation process.

Yutaka Nishimoto
Director of the Board, Senior Executive Vice President, Chief Quality and Production Officer
Nissha Co., Ltd.

Established on April 1, 2011 / Revised on April 1, 2022

23-2 Quality Slogan

For the quality improvement, it is essential to take actions with a strong awareness of customers. Across the entire the Nissha Group, every single employee is required to be responsible for their daily work and to constantly improve quality. To actualize that, it is necessary for each employee to work with “passion” and to consolidate the “wisdom” and ingenuity” of all employees.

Following our Quality Policy revision and the establishment of the Nissha Quality Way, we revised our quality slogan in April 2022. The slogan shows that the protagonist who creates quality is “me”, that is, all employees working in our group. Just as in our Quality Policy and the Nissha Quality Way, we are spreading and permeating this slogan throughout all Nissha Group companies both in and outside Japan.

“Quality”
Quality by Everyone, Everyday,
with Passion

23-3 Quality Management System (QMS)

Out of our belief that the systematization of work is important, the Nissha Group constructs our quality management systems to align with their target markets. We also create quality targets that conform with quality policies as well as planning to meet those targets. This is employed in the process of cycling through PDCA and in our quest to actualize target performance.

In addition to creating, implementing, and continually improving quality control systems based in the international ISO9001 (2015 version), we are steadily constructing quality assurance systems individually aligned with medical, mobility, and sustainable materials designated as the priority markets in our Sustainability Vision (long-term vision) for where we want to be in 2030.

In our businesses aimed at the medical market, we handle medical devices, pharmaceuticals, quasi-drugs, and cosmetics.

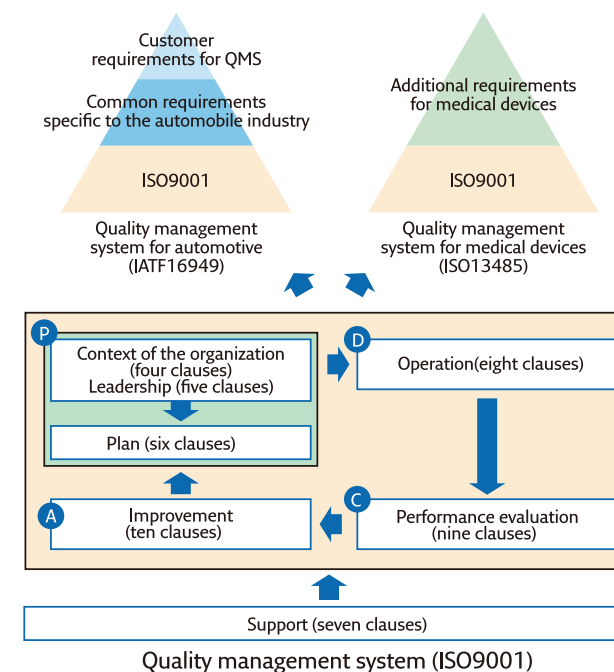
For medical devices, we have obtained a first-class marketing license for medical devices, the required authorization for manufacturing and sales. Nissha Co., Ltd. and Nissha Precision and Technologies, Inc., a Group company, are registered as manufacturing businesses. Moreover, fourteen Nissha Group bases have obtained ISO13485, the international standard for quality management systems in the medical devices industry (as of March 2025).

For pharmaceuticals, quasi-drugs, and cosmetics, Nissha, as well as Group companies Nissha Zonnebodo Pharma Co., Ltd., SHI-GAKEN PHARM. IND. CO., LTD., and N Medical Cosmetics Inc. have each obtained the required authorization for manufacturing and sale, or manufacturing.

In businesses targeting the mobility market, eight Nissha Group factories and support sites, including Nissha Precision and Technologies, Inc. Himeji Factory, which manufactures touch sensor modules, have obtained IATF16949 certification for quality

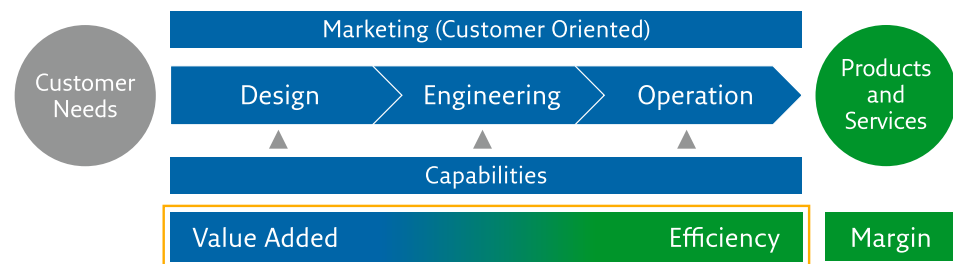
management systems in the automotive industry (as of March 2025).

These quality management systems include quality performance management, confirmation of compliance in internal audits (promises to customers, standards and regulations, and company rules), and confirmation of QMS status in management reviews and instructions for improvement. Through these operations, we are continuously improving the structure and performance of our quality management systems.



23-4 Two Strategies in the 8th Medium-term Business Plan

In the quality and production strategy, part of the 8th Medium-term Business Plan (2024-2026), we are working on maximizing profit margins throughout the entire value chain through quality and added value creation at the design and development stages, and the pursuit of lean operation at the mass production stage.



Transform Business Process from Upstream

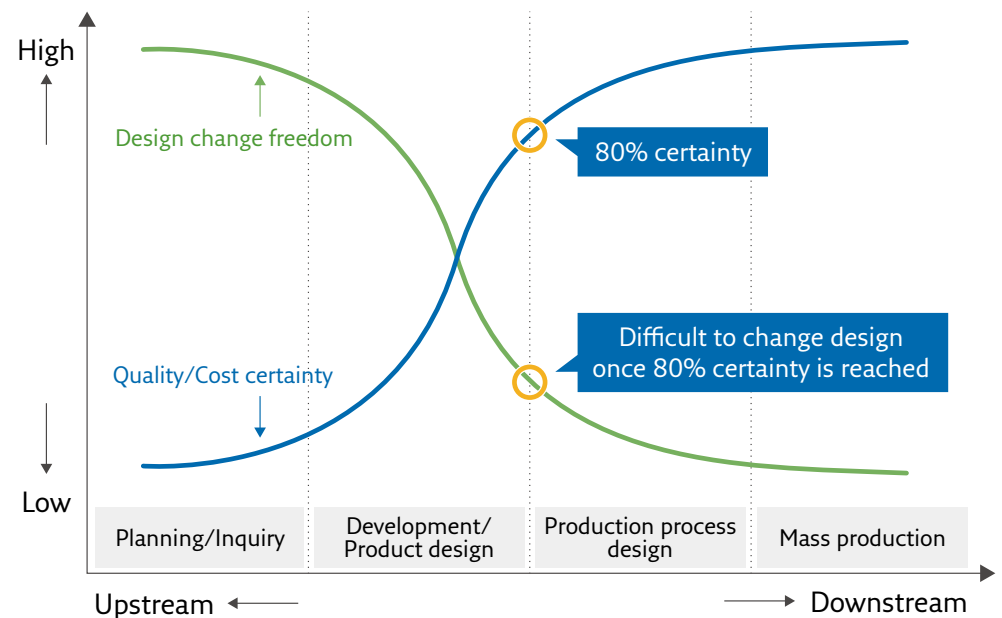
- Creation of quality and added value at the design and development stages
- Product safety: Raising awareness
- DX promotion: Optimization of process design

Pursuit of Lean Operation

- Global deployment of best practices (Operational Excellence Forum 2025)
- Occupational and machinery safety: Nissha Safety Dojo
- DX promotion: Automation of indirect operations and processes

Quality and Added Value Creation at the Design and Development Stages (Nissha Quality Way)

This shows how it is important to build in quality at the design stage rather than at the prototyping and production stages.



■ The Pursuit of Lean Operation at the Mass Production Stage (Nissha Operational Excellence)

Nissha Operational Excellence is a principle to maximize profit margin. It expresses our commitment to evolve globally by raising our capability / quality and will to maximize profit margin to a higher level, learning from sharing best practices among bases in addition to sustained continuous improvements at each base. Nissha Operational Excellence is universal to all our bases, departments, and functions regardless of location, and all teams within whole Nissha to embrace and practice it. The idea is never about pushing the Global Headquarters or Japanese way of operations to other bases. We use all bases that yield excellent results as role models.



| | |
|---------|---|
| Safety | There's a shield that symbolizes our strong focus on Safety. Nissha Group saying, "Not because I have to, but because I want to," reflects our dedication to safety and keeping our employees healthy. |
| 5S | The logo features five gears that represent, which stand for sort, straighten, shine, standardize and sustain. Each gear signifies one of these principles, showing how they all work together to make the whole system run smoothly. |
| TARGETS | The logo stands for our main targets: Quality, Cost, and Delivery. |
| KAIZEN | The logo represents KAIZEN, the concept of continuous improvement. We used moving arrows to show our dedication to always making processes better. |

*The Corporate Marketing and Communications team of Nissha Medical Technologies proposed Nissha Operational Excellence in order to present the Plant Management Overview in an easy-to-understand way and to spread awareness of this.

23-5 Overall Optimization and Continuous Improvement

The Nissha Group sees linkages between departments and between company functions as process linkages. As such, we promote the accurate identification of "input" and "output". We are aiming for overall optimization by being aware of process connections and thoroughly implementing the importance of division of roles within the company, and by having all employees stand from the customer's perspective. We believe that basic concepts like this and the sorting out of functions will build the foundation as a manufacturing company.

The accumulation of bits of insight and ingenuity from all employees is the source of great improvements in work processes. This approach forms the foundation of Nissha Group's "small-group activities" and "improvement proposal system". We believe this is extremely important as a manufacturing company, and we are deepening this approach across the entire Nissha Group. Moreover, based on the idea that employees are our most important management resource, we are actively engaging in the development of human resources, such as through the continuous planning and implementation of a range of education. Through these activities, we are implanting the concepts of (1) always interweaving ingenuity into your work, (2) judging based on data (facts), and (3) using the PDCA (Plan, Do, Check, Act) Cycle to continuously improve, so that we can further improve our customers' satisfaction. As specified in the "VALIDATED DECISION MAKING" in the Nissha Quality Way, we are constantly pursuing improvement from a fact based, scientific approach.

Training

- ① General quality training (for new employees, promoted employees, new managerial staff, managers, and overseas assignees)
- ② Management system training (ISO9001, IATF16949, core tools, internal quality auditor)
- ③ Quality control training (QC Exam levels 3 and 4, QC Seven Tools, New QC Seven Tools, basic statistics)
- ④ Quality methodology training (statistical methods, experimental design, quality and reliability engineering, etc.)

Practical education

- ① Support for small-group activities
- ② Support for digital transformation activities

Information sharing

- ① Company-wide performance of small-group activities
- ② Performance of digital transformation activities
- ③ Utilize the company intranet to inform all Nissha Group employees of improvement content including small-group activities, improvement proposals, digital transformation activities, and automatization examples

23-6 Quality and Safety of Products

Information on product handling and safety is clearly stated in the delivery specifications, etc. to customers. In the unlikely event that an incident involving a defect in our products or services leads to a violation of laws and regulations or a serious accident related to quality assurance, we will respond in accordance with our Regulations for Responding to Serious Quality Incidents and work to resolve the situation as soon as possible. In addition to providing appropriate reports to government agencies in accordance with the law, we have a system in place to inform customers of any necessary information as quickly as possible. Employees are made aware of the importance of ensuring product quality and safety through corporate ethics and compliance training and other programs. As stated in "BAD NEWS FIRST" in the Nissha Quality Way, we think that when a problem occurs, prompt escalation and early response is an opportunity to strengthen trust from all of our stakeholders, including customers.

The evaluation of our product quality is determined by our customers. The Nissha Group indexes and manages quality performance with factors including quality defects and delivery disappointments communicated by customers as a "customer satisfaction level" index.

The Nissha Group defines quality incidents that could develop into major accidents, violations of laws and regulations, and so on as "serious quality incidents," and in addition to stipulating how to handle them in our Regulations for Responding to Serious Quality Incidents, we have a KPI target of zero such incidents.

In the fiscal year ended December 2024, while there were no serious incidents as laid out in the regulations, there was one incident which was determined to be a serious quality incident in terms of its effect on costs. Immediately after the incident, the Total Quality Management Office and the Quality Assurance Department in our business units, in accordance with the regulations, completed handling the matter, including a prompt customer response, product disposal, investigation into the cause, implementation of corrective measures and audits to confirm their effectiveness, as well as expansion to similar locations and bases. As a result, we were able to avoid effects on our customers' production, and also confirmed the appropriateness of our response system.

We shall continue striving to reach zero serious quality incidents through the initiatives described above.

24. Efficiency and Productivity Improvement

24-1 Basic Approach

The Nissha Group has identified "Efficiency and productivity improvement" as a materiality. By enhancing these through the use of digital technologies, we can not only strengthen our own competitiveness, but provide value to our customers and contribute to solving social issues. Initiatives to improve efficiency and productivity are a vital part of our Mission: "creating technology and developing it into economic and social value" We aim to create sustained growth and social value through the use of digital technologies.

| Strategy Items | KPIs and Action Items (FY2026) |
|---|--|
| Improve efficiency and productivity by digitalization of value creation processes | <ul style="list-style-type: none"> Expand data-based decision-making mechanisms Reduce working hours through the introduction of productivity enhancement tools at overseas subsidiaries: 20,000 hours / year (compared to 2023)* Reduce working hours for non-routine tasks by using generative AI |

* Working hours before introducing automatization and efficiency tools (A) - Working hours after introducing tools (B) = Hours reduction per task (C)
(C) × Annual work frequency = Annual hours reduction

We are gradually moving ahead with DX in the following three steps, and working to develop the environment and human resources to support it. In particular, Step 1, Cost reduction, and Step 2, Added value increase, are linked with improving efficiency and productivity.

| | Objective | Goals and Measures |
|-------|-----------------------------------|--|
| STEP1 | Cost (input) reduction | Increase productivity through the digitization of internal business processes. Resources secured through this to be reinvested into high-value-added operations. |
| STEP2 | Added value (output) increase | Extend digitization to the entire organization to increase the added value we provide to our customers by leveraging accumulated data. |
| STEP3 | New added value (output) creation | Contribute to the creation of new added value and the resolution of social issues by utilizing accumulated data and know-how and digital technology. |

Currently, society is experiencing unprecedented and rapid changes thanks to digital technology. DX is not just digitalization; it requires transforming internal processes as well. We are reforming not just production but all internal processes through going digital. To move ahead with these changes and reforms, we consider human resources are the most important thing, so are focusing efforts on employee training.

24-2 Initiatives

Initiatives through FY2024

The Nissha Group is actively working on improving work efficiency and productivity through our project to promote DX (DX Projects), and has seen impressive results. Our main initiatives are as follows.

- We are using digital twin technology to give us precise virtual simulations for plant layout and personnel allocations, allowing us to find more efficient personnel allocations and reducing the number of people we need.
- We have added the calculation of greenhouse gas emissions, viewing past problems, and displaying risks and countermeasure proposals as new functions to the automated estimates system we have developed and use in-house, enhancing design support through AI.

- We are constructing a system platform that can concentrate performance data in our multidimensional database to increase the efficiency of what used to be the complex work of collecting statistics in order to handle forecast analysis and planning simulations. Through this, we have developed a system that supports both flexible and accurate management decisions.

Through these initiatives, we have constructed a platform to improve the quality of decision-making and work processes on-site, and to ensure sustained efficiency increases and labor-saving.

As a method of productivity improvement in desk work arenas, we have continued to expand the automation and streamlining of tasks using RPA (Robotic Process Automation) and other tools. Since its full scale implementation in 2019 to the end of 2024, approximately 90,000 hours of work time per year have been automatized and streamlined.

In addition, major strides were made in the use of generative AI in the fiscal year ended December 2024. The use of ChatGPT in-house, which was brought in at the end of the fiscal year ended December 2023, has expanded both in Japan and overseas. Moreover, we have implemented trial use of Microsoft's Copilot service in Japan and overseas, and usage cases are being shared among the workplaces, creating an impact.

■ Initiatives for FY2025 and beyond

The Nissha Group is engaged in "data utilization" and "improved accuracy of decision-making through simulations" as key themes with a focus on continuing and creating our DX Projects.

- Making data visible and ensuring a data-driven culture takes root
We use a business intelligence tool (BI tool) to make key work-related information visible to all employees and to share it with them, turning data-based decision-making into a habit.
- Production optimization based on accurate simulations
We aim to achieve a lean production system through line design or production design proposals based on simulations, PSI* implementation plan proposals and so on.
- Correction of gaps in DX promotion between business units
We have constructed a system to support proposals for DX strategies in each business unit, carrying out DX assessments for each department and making DX progress along the value chain visible.
- Expansion and training support for business units
For business units where DX is lagging, we start up projects through workshops to identify issues, and the Digital Transformation Promotion team provides support for implementation.

Through these activities, we are working to raise the floor for DX throughout the company, improving our efficiency and productivity on an ongoing basis.

In addition to the above DX initiatives, we are continuing to work on automation and streamlining that uses tools like RPA for routine tasks. On the other hand, for non-routine tasks that are hard to make routine, we are working on automation and streamlining using generative AI. Specifically, we released an accurate multi-language translation application in January 2025 so that we could communicate smoothly and promptly globally. Furthermore, we intend to move ahead with initiatives for increased productivity and efficiency by using generative AI, especially in areas such as information searching and use, document creation, and text correction.

* This refers to integrated management and optimization of production, sales, and inventory.

24-3 Training

■ Initiatives through FY2024

At the Nissha Group, we utilize learning opportunities and encourage reskilling both in-house and externally, such as holding classes on generative AI and BI tools, in order to improve DX literacy. We also focus on educating people in data science through training and dispatching them to graduate school through our links with Shiga University. Moreover, we have brought in an assessment tool that complies with digital skill standards, have visualized employee skills, and have constructed a platform aimed at staffing optimization.

In parallel with the above DX literacy initiatives, we have also focused on improving IT literacy and skills in more practical ways. We have held hands-on workshops for RPA and generative AI at each level, and provided opportunities for many employees to learn about improved productivity and efficiency. We shall continue to offer these while updating the contents to reflect the evolution of technology.

■ Initiatives for FY2025 and beyond

The Nissha Group is further strengthening employees' DX skills through online training. By linking with practical opportunities through PBL (Problem-Based Learning), we are constructing a cycle that ensures knowledge is retained and boosts adaptability. We also use skill assessment tools to visualize each person's proficiency and create optimal learning plans and project staffing. Additionally, we will actively promote reskilling and accelerate the development of human resources to promote DX. The research of our employees enrolled at Shiga University is also continuing, and we are developing highly-skilled human resources based on real-world issues in parallel.

We continue to work on training related to improved productivity and efficiency for day-to-day tasks. In the fiscal year ending December 2025, we will hold workshops for Microsoft Copilot aimed at Corporate Officers and managerial staff. Through these workshops, we aim to deepen understanding of generative AI among senior management and workplace leaders, create more effective use cases, and expand their scope of applicability.

25. Corporate Governance

25-1 Basic Approach to Corporate Governance

Nissha, 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. In an effort to clarify the Nissha Group's basic approach to and policy for implementing corporate governance, we have established a Corporate Governance Policy.

* For further information, please follow the link below.

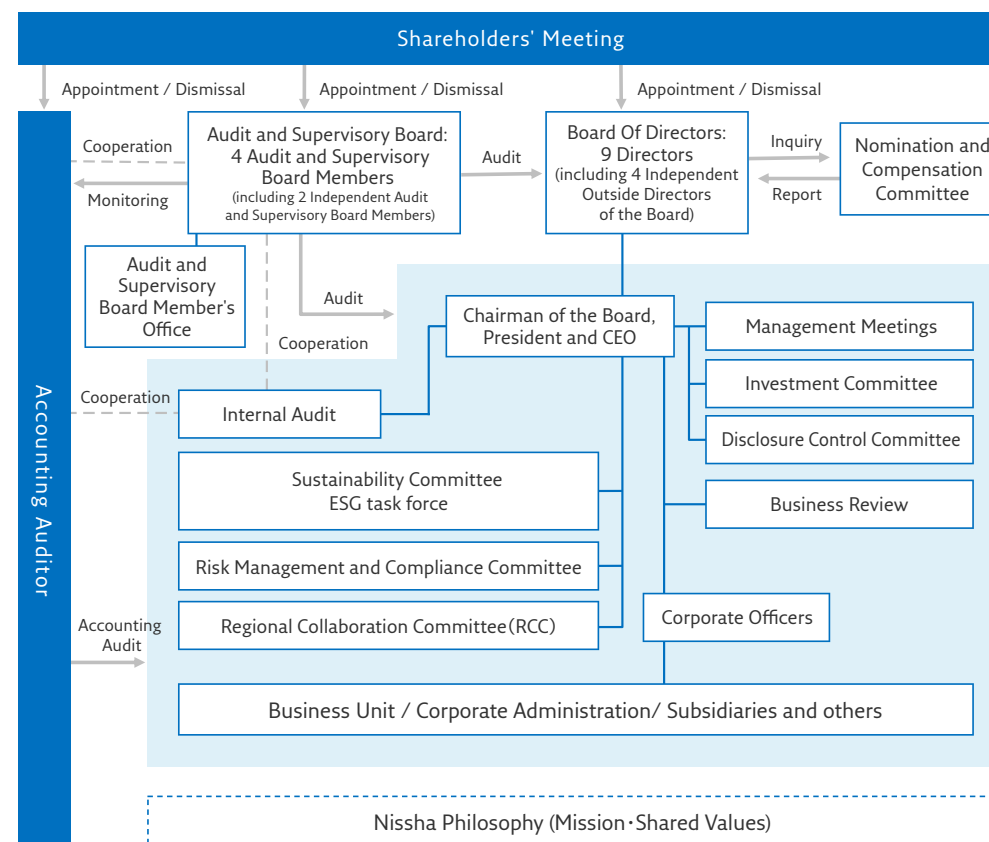
[About > Corporate Governance](#)

[Corporate Governance Policy \(PDF\)](#)

[Corporate Governance Report \(PDF\)](#)

25-2 Overview of Corporate Governance

We have established a corporate governance structure as shown in the figure below (as of January 1, 2025).



We make major business judgments and oversees the execution of the duties of the Directors of the Board at meetings of the Board of Directors, and as a company with an Audit and Supervisory Board, will strive to maintain and improve the oversight and checking functions by Audit and Supervisory Board Members and an Audit and Supervisory Board which are independent from the Board of Directors. We adopt 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.

The President chairs the following meetings toward appropriate and efficient business execution.

Management Meeting

Comprises Inside Directors of the Board as core members. Deliberates on matters relating to the direction of important managerial issues within the scope of the President's authority.

Investment Committee

Ensures discipline in investment decisions by discussing the strategic rationale for investments and the appropriateness of investment recovery plans prior to submitting particularly important investment matters to the Board of Directors, and by monitoring investments after they are made once every quarter.

Business Review

A committee for each business division made up of Internal Directors and management from the business division (such as Corporate Officers). It checks business strategies every month or every quarter based on the KPIs and considers the actions to take in the short term. Along with monitoring work execution by the Corporate Officers, it is designed to respond quickly to changes in the business environment.

We also have in place the following organizations in order to enhance the management monitoring function, ensure that business execution complies with laws and regulations as well as our Articles of Incorporation, and to manage risks.

Sustainability Committee

Chaired by the President and CEO. The Sustainability Committee is made up of business organizations and responsible departments, as well as the ESG Task Force. Based on the Sustainability Vision, it collaborates to work on the themes of creating business opportunities, risk reduction, strengthening management foundation and corporate governance. The ESG task force was established to promote cross-division efforts to respond to climate change, which is seen as a key issue from the perspective of ESG within the materialities.

Risk Management and Compliance Committee

This committee is chaired by the Director of the Board, Senior Executive Vice President, Legal Affairs. The Risk Management and Compliance Committee centrally manages risks (the cross-company risks, business risks, and financial risks) that would hamper business activity continuance. It liaises with committees and departments that manage risks to prioritize them from a Group-wide, cross-cutting perspective and control them appropriately.

Disclosure Control Committee

Chaired by the President. Discusses the necessity of timely disclosure of corporate information and the contents of disclosure.

Internal Audit Office

Under the direct control of the President, audits the internal control systems of the Nissha Group, analyzes and evaluates their status of establishment and operation, and offers suggestions for improvement.

Regional Collaboration Committee (RCC)

The Regional Collaboration Committee is an organization we established in the Americas, Europe and China. This committee aims to equalize and homogenize the capabilities of Group companies located in these regions in terms of matters related to the Nissha Group strategy and administration. To do so, the committee cooperates with each region to exercise their respective capabilities. Based on our globally applicable basic guidelines, activities are planned and implemented by function-specific councils whose members are selected from the executives and employees of overseas Group companies in

order to take into account the specific characteristics of each region. We also aim to share good practices within the region and create synergies.

The activities of the RCC are reported to the President and CEO on a regular basis.

25-3 Directors of the Board and the Board of Directors

■ Policy and Procedures for Appointment / Dismissal of Directors of the Board

The Board of Directors of Nissha is comprised of an appropriate number of Directors, up to twelve. The selection of Directors is done with respect to the diversity and balance of skills that the Board requires. In addition, Independent Outside Directors of the Board comprise at least one third of the Board, and these Independent Outside Directors are those who satisfy the "Standards for Independence of Independent Officers" set out 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. To ensure clarity in management responsibilities for each fiscal year, the term of office of Directors of the Board is set at one year.

Having received reporting from the Nomination and Compensation Committee, based on the policy above, the Board of Directors makes decisions on proposals for the appointment/dismissal of a Director of the Board to be deliberated at the general meeting of shareholders.

* For further information, please follow the link below.

[About > Corporate Governance](#)

[Standards for Independence of Independent Officers \(PDF\)](#)

■ The skill set necessary for the Board of Directors, and the values, experiences, and skills in common required for all Directors

We require all Directors to share certain values, experiences, and skills to make important management decisions, exercise high levels of effectiveness in supervising the execution of the Company's business, and contribute to the enhancement of our corporate value. Moreover, we consider the optimal and balanced distribution of skills (experience and knowledge) among the Board of Directors in those fields that are necessary based on our management strategy to be key for the Board. In addition, those fields will change as the business environment changes.

Where we want to be by 2030 is presented in the form of our Sustainability Vision (long-term vision for 2030). In addition, we have established a medium-term strategy reflecting our Sustainability Vision for 2030, and formulated strategies to take us there in the form of three-year medium-term business plans. To achieve these plans, the Company considers the skills (experience and knowledge) in the fields indicated on the right of particular importance for the Board of Directors.

The following skills matrix illustrates 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.

Skills Matrix (Board of Directors)

| | Term | Age | Independence (Outside Directors) | Career at other companies (Inside Directors) | Areas of particular specialty for each Director | | | | | |
|-------------------|-------------------|-----|-------------------------------------|--|---|-----------------------------------|------------------------------|-----------|------------------------------------|---------------------------|
| | | | | | Corporate management | Experience in priority markets | Business development, M&A | Marketing | Production, Technology, Quality | Legal, Risk management |
| Junya Suzuki | 25 years 9 months | 60s | — | ○ | ○ | ○ | ○ | ○ | | |
| Wataru Watanabe | 7 years | 50s | — | | ○ | ○ | ○ | ○ | | |
| Hisashi Iso | 4 years | 60s | — | | ○ | ○ | | ○ | | |
| Yutaka Nishimoto | 4 years | 50s | — | | ○ | ○ | | ○ | ○ | |
| Daisuke Inoue | 7 years | 50s | — | ○ | ○ | ○ | | | | ○ |
| Kazuhito Osugi | 8 years 9months | 70s | ○ | — | | | ○ | | | ○ |
| Kazumichi Matsuki | 6 years | 70s | ○ | — | ○ | | ○ | | | ○ |
| Juichi Takeuchi | 3 years | 60s | ○ | — | ○ | ○ | ○ | ○ | | |
| Yukiko Hashitera | 1 year | 50s | ○ | — | ○ | ○ | ○ | | ○ | |

*Term and age are at the conclusion of the ordinary general meeting of shareholders in March 21, 2025

*The above fields are those where Directors can particularly exercise their specialties based on the experiences, etc., of each member of the Board. It does not show all the experiences, knowledge, or skills possessed by each Director.

Our Approach to the Values, Experiences, and Skills (Shares Among Directors)

| | |
|----------------------------------|--|
| Global | Directors must have experience in overseas management or other experience and knowledge to recognize management issues from a broad perspective to accelerate global business development |
| Finance | Directors must have experience and knowledge in finance to improve the profitability and capital efficiency of the business as well as to secure a stable financial base to increase corporate value over the medium to long term |
| Changes and Discontinuous Growth | Directors must be able to take appropriate risks and branch out into new areas without being bound by preconceived notions to adaptively cope with changes in the business environment and ensure the survival and development of the business |
| Long-Term Strategic Orientation | Directors must have the ability to develop long-term visions and backcasts to formulate strategies aimed at growth through the reorganization of our business portfolio |
| Communication Skills | Directors must have the ability to ensure mutual understanding and respect through communication to build trust with stakeholders |

As of March 21, 2025, four of the Company's nine Directors of the Board are Independent Outside Directors and one is a female. In addition, all four Independent Outside Directors of the Board have been designated as independent directors, based on the judgment that they meet the criteria for independence stipulated by the stock exchange and that there are no conflict of interest risks between them and general shareholders.

■ Role of the Board of Directors

Our Board of Directors convenes for regular meetings once a month and for extraordinary meetings as needed. The meetings are chaired by the President.

The Board of Directors is responsible for formulating strategies and supervising. Along with making decisions in accordance with the Board of Directors Regulations regarding matters requiring a decision by the Board of Directors in accordance with the provisions of laws, regulations, and articles of incorporation, and on key matters for business management, it also supervises the work of Directors and Corporate Officers.

In order to ensure flexibility and expertise in business judgments, we have in place a system in which matters to be resolved at the general meeting of shareholders, such as distribution of surpluses and acquisition of treasury stock, can be decided by the Board of Directors.

We 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, we 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.

■ Initiatives to Enhance Deliberations and Coordination System

Our Board of Directors meetings involve brisk, substantive discussions. Independent Outside Directors of the Board draw on deep insight into their respective fields of specialty to provide accurate advice and opinions, contributing to the enhancement of both management transparency and the Board's oversight functions.

To improve the quality of discussions among the Board of Directors, and to enhance its roles of strategy formation and supervision, Nissha sends the minutes and related materials for the Board of Directors meetings ahead of time, and in addition, holds preliminary briefings focused on key agenda items for Independent Outside Directors of the Board and Independent Outside Audit and Supervisory Board Members. Also, in order to ensure full discussion, key agenda items such as the medium-term business plan and corporate acquisitions above a certain size are discussed multiple times as reporting items before being put on the agenda for resolution. By allocating time for explanations and deliberation of agenda items based on their importance and nature, meetings can be conducted more thoroughly and efficiently.

Furthermore, in order to further improve the monitoring function of the Board of Directors, local managers who also serve as Corporate Officers at the headquarters report the management status of acquired corporations above a certain size directly at the Board of Directors. The Board of Directors meeting confirms the details and makes any necessary points regarding them.

We regularly establish meetings exclusively for Independent Outside Directors of the Board, and meeting between the President and CEO and the Independent Outside Directors of the Board, in an effort to exchange information and share awareness. We also select a Lead Independent Outside Director of the Board through mutual election by them. The Lead Independent Outside Director of the Board lead discussions and share awareness among them,

as well as coordinate communication with the President and CEO.

To secure attendance by Directors of the Board and Audit and Supervisory Board Members, the secretariat of the Board of Directors creates an annual schedule of board meetings and notifies members in advance.

■ Evaluation of Effectiveness of the Board of Directors and Expected Roles of Outside Directors

Since April 2016, our Board of Directors has been working on continuous improvements to enhance the effectiveness of corporate governance by conducting an annual analysis and evaluation of the composition, roles, and operation of the Board of Directors in the previous year.

For the Board of Directors meetings held in the fiscal year ended December 2024, we conducted a questionnaire on the evaluation of the effectiveness of the Board of Directors and third-party interviews from December 2024 to January 2025, and the Board of Directors analyzed and evaluated the results at its meeting in February and March 2025. An outline was disclosed in the Corporate Governance Report submitted to the Tokyo Stock Exchange at the end of March 2025.

We utilize questionnaires and individual third-party interviews with Outside Directors and Outside Audit and Supervisory Board Members to evaluate the effectiveness of the Board of Directors. In this evaluation, they confirm their expected roles and self-assessment of those roles, as well as the roles expected of other Directors and their performance. Based on these evaluations, the President and CEO informs each individual Outside Director of their expected roles annually.

* For further information, please follow the link below.

[About > Corporate Governance](#)

Overview of the Evaluation Results on the Effectiveness of the Board of Directors for Fiscal Year 2024 (PDF)

Reasons for Appointment and Board of Directors Meeting Attendances in FY2024

| Name | Reason for appointment | Attendance at meetings of the Board of Directors |
|------------------|--|--|
| Junya Suzuki | Mr. Junya Suzuki has duly performed his duties as Chairman of the Board and Group CEO, such as decision-making on important managerial issues and the supervision of the execution of operations. He has also committed to management from medium- to long-term perspectives and has shown strong leadership and decisiveness toward the realization of the Nissha Group's Mission since he assumed office as Chairman of the Board, President and CEO in 2007. We appointed him as a Director of the Board because we believe that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations. | 100% (17/17 meetings) |
| Wataru Watanabe | Mr. Wataru Watanabe has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. As well as promoting and verifying the effectiveness of medium-term business plans as Senior Executive Vice President and Chief Strategy Officer, he shows strong leadership in accelerating the reorganization of the business portfolio of the Company and expanding business performance by creating new businesses as Senior Director of New Business Development Office. We appointed him as a Director of the Board because we believe that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations. | 100% (17/17 meetings) |
| Hisashi Iso | Mr. Hisashi Iso has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. He assumes responsibility for business management as Senior Executive Vice President and General Manager of Industrial Materials Business Unit, showing strong leadership in establishing and implementing marketing-based strategies for winning new orders. We appointed him as a Director of the Board because we believe that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations. | 100% (17/17 meetings) |
| Yutaka Nishimoto | Mr. Yutaka Nishimoto has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. He assumes responsibility for business management as Senior Executive Vice President and General Manager of Device Business Unit. As Chief Quality and Production Officer, he also shows strong leadership in enhancing a comprehensive quality assurance system and designing and implementing the optimal deployment of production capacity in accordance with our business strategy from the perspective of the Nissha Group as a whole. We appointed him as a Director of the Board because we believe that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations. | 100% (17/17 meetings) |
| Daisuke Inoue | Mr. Daisuke Inoue has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. As Senior Executive Vice President and an executive responsible for Legal Affairs and Pharmaceutical and Medical, he shows strong leadership from the perspective of the Nissha Group as a whole. In addition, he is working to establish an efficient and cost advantageous logistics system from a global point of view as an executive responsible for Corporate Procurement and Logistics Management. We appointed him as a Director of the Board because we believe that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations. | 100% (17/17 meetings) |

*As a result of changes in the responsibilities of Directors of the Board as of April 1, 2025, the above reasons for the appointments have partially changed from those stated in the Notice of Convocation of the 106th Ordinary General Meeting of Shareholders.

| Name | Reason for appointment | Attendance at meetings of the Board of Directors |
|-------------------|--|--|
| Kazuhito Osugi | 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 as an Independent Outside Director of the Board 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. | 100% (17/17 meetings) |
| Kazumichi Matsuki | 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 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 as an Independent Outside Director of the Board 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. | 100% (17/17 meetings) |
| Juichi Takeuchi | 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 as an Independent Outside Director of the Board because we expect that he will 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. | 100% (17/17 meetings) |
| Yukiko Hashitera | 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. Ms. Yukiko Hashitera has duly performed her duties, such as the supervision of the execution of operations. We appointed her as an Independent Outside Director of the Board 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. | 100% (13/13 meetings) * After she assumed office as Director of the Board of the Company |

■ Major Items Discussed in the Board of Directors meeting in FY2024

| Theme | Agenda |
|------------------------------------|---|
| Management strategy | <ul style="list-style-type: none"> Preliminary discussions and formulation of the 8th Medium-term Business Plan (FY2024 - FY2026) Rolling Plan |
| Corporate | <ul style="list-style-type: none"> Evaluation of the effectiveness of the Board of Directors Revision of monthly compensation and bonuses for Directors Verification of the significance and rationality of strategic shareholdings Operational status of the internal control system, activity reports of the Sustainability Committee and the Risk Management and Compliance Committee IR and SR reports |
| Investment projects and monitoring | <ul style="list-style-type: none"> Preliminary deliberation and resolution on corporate acquisition cases Management reports by CEO of major overseas Group companies |

25-4 Nomination and Compensation Committee

■ Purpose

We establish and operate 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 and Supervisory Board Members, and incorporate the knowledge of Independent Outside Directors of the Board, as well as the compensation of the Directors of the Board. The chair and the majority of the members are selected from Independent Outside Directors of the Board.

■ Role

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 stan-

- dards for Audit and Supervisory Board Members
- (2) Proposals for 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 President
- (5) Policy on compensation of Directors of the Board
- (6) Compensation of Directors of the Board

■ Membership (as of March 21, 2025)

- (1) Four independent members:
 - Kazuhito Osugi (Independent Outside Director of the Board and Committee Chair)
 - Kazumichi Matsuki (Independent Outside Director of the Board)
 - Juichi Takeuchi (Independent Outside Director of the Board)
 - Yukiko Hashitera (Independent Outside Director of the Board)
- (2) Two inside members:
 - Junya Suzuki (Chairman of the Board, President and CEO)
 - Wataru Watanabe (Director of the Board and Senior Executive Vice President)

■ Nomination and Compensation Committee meetings held and attendance in FY2024

During the fiscal year ended December 2024, there were ten meetings of the Committee, and the attendance status of each member is described below.

| Name | Attendance | |
|------------------------------|------------|---------------|
| Kazuhito Osugi | 100% | 10/10meetings |
| Asli M. Colpan ^{*1} | 100% | 1/1meetings |
| Kazumichi Matsuki | 100% | 10/10meetings |
| Juichi Takeuchi | 100% | 10/10meetings |

| Name | Attendance | |
|--------------------------------|------------|---------------|
| Yukiko Hashitera ^{*2} | 100% | 9/9meetings |
| Junya Suzuki | 100% | 10/10meetings |
| Wataru Watanabe | 100% | 10/10meetings |

^{*1}1. The attendance is documented up until her resignation on March 22, 2024.

^{*2}2. The attendance is documented from her appointment on March 22, 2024, onward.

■ Major Items Discussed by the Nomination and Compensation Committee in FY2024

| Theme | Agenda |
|----------------------|--|
| Nomination Matters | <ul style="list-style-type: none"> • Candidates for Directors of the Board • Chairman of the Board, Titled Directors, and the CEO • Succession Plan for the President and CEO • Lead Independent Outside Director of the Board |
| Compensation Matters | <ul style="list-style-type: none"> • Policy for determining individual compensation for Directors of the Board • Design and amount of Directors' compensation (monthly compensation, bonuses, stock compensation, etc.) |

25-5 Audit and Supervisory Board Members and the Audit and Supervisory Board

■ Policy and Procedure for Electing Auditors

Our Audit and Supervisory Board comprises an appropriate number of four or fewer members.

Inside Audit and Supervisory Board Members are elected for the wealth of experience required in auditing. Independent Audit and Supervisory Board Members are elected from certified public accountants and attorneys with a focus on specialized knowledge in financial matters, accounting, and legal affairs, who satisfy the requirements of not only the Companies Act but also the standards for independence of independent officers, established by our Board of Directors.

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 makes decisions on proposals for the appointment of Audit and Supervisory Board Members to be deliberated at the general meeting of shareholders.

At present, our Board consists of four members, of which two are Full-time Audit and Supervisory Board Members and two are Independent Audit and Supervisory Board Members. All two Independent Audit and Supervisory Board Members have been designated as independent officers, as they meet the standards of independence established by the stock exchange and are judged not to have

a conflict of interest with general shareholders.

■ Role of Audit and Supervisory Board Members and the Audit and Supervisory Board

Our Audit and Supervisory Board Members and Audit and Supervisory Board audit the execution of duties by Directors, Members of the Board and Corporate Officers as stipulated by laws and regulations, our Articles of Incorporation, and internal regulations, and make appropriate decisions from an independent, objective standpoint on electing and dismissing accounting auditors and exercising their authority relating to audit fees, etc. Independent Audit and Supervisory Board Members draw on their highly specialized knowledge as certified public accountants and attorneys to contribute to the maintenance and improvement of our corporate governance structure.

Our Audit and Supervisory Board, chaired by a Full-time Audit and Supervisory Board Member, convenes for regular meetings once a month on the same day as the meeting of the Board of Directors and for extraordinary meetings as needed.

Our Audit and Supervisory Board determines the duties of Audit and Supervisory Board Members, the audit structure, and the audit standards that describe the evaluation basis for audits and the action guidelines. In accordance with these, the Board develops auditing policies and Nissha Group's Corporate Governance auditing plans.

In compliance with the above, Audit and Supervisory Board Members attend Board of Directors' meetings and other important meetings, review approval documents and other important documents, perform visiting audits at major offices and Group companies, and regularly exchange views with the President and CEO, Directors of the Board, and General Managers. In order to increase the effectiveness of audits, Audit and Supervisory Board Members hold regular meetings and coordinate closely with the Accounting Auditor, Internal Audit, and corporate divisions such as Corporate Finance and Corporate Legal Affairs.

Full-time Audit and Supervisory Board Members regularly hold the Group board of auditors' meetings with the Audit and Supervisory Board Members of the Nissha Group companies in Japan, at which they share information and exchange opinions, as well as work to strengthen and enhance auditing in the Group companies, such as by jointly conducting visiting audits.

We have established the Audit and Supervisory Board Member's Office to assist with the duties of Audit and Supervisory Board Members. It belongs to the Audit and Supervisory Board and is 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 is obtained through consultation.

Reasons for Appointment and Board of Directors/Audit and Supervisory Board Meeting Attendances in FY2024

| Name | Reason for appointment | Attendance at meetings of the Board of Directors | Attendance at meetings of the Audit and Supervisory Board |
|-------------------|--|--|---|
| Tetsuya Taniguchi | Mr. Tetsuya Taniguchi engaged in operations of corporate communications, investor relations and corporate social responsibility, after having been in charge of operations in the general affairs, and strived for transparency and clarity in disclose for shareholders and investors. Also, he has extensive knowledge of the Nissha Group's business as a whole. Since he assumed the position in March 2020, Mr. Tetsuya Taniguchi has duly performed supervisory functions as a Full-time Audit and Supervisory Board Member of the Company, making the most of the broad experience and insight he has gained. We appointed him as an Audit and Supervisory Board Member since we believe that he will continue to execute his duties appropriately. | 100% (17/17 meetings) | 100% (14/14 meetings) |
| Kenji Imai | Mr. Kenji Imai is well-versed in the Group's businesses and has broad experience and deep insight cultivated through his long career of engaging in sales and business strategies in the Industrial Materials and Devices businesses of the Company by leading the formulation and implementation of performance and investment plans. Since he assumed the position in March 2022, Mr. Kenji Imai has duly performed supervisory functions as a Full-time Audit and Supervisory Board Member of the Company, making the most of the broad experience and insight he has gained. We appointed him as an Audit and Supervisory Board Member since we believe that he will continue to execute his duties appropriately. | 100% (17/17 meetings) | 100% (14/14 meetings) |

| | | | |
|------------------|---|--|--|
| Yusuke Nakano | 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 as an Audit and Supervisory Board Member since we believe that he will continue to reflect his experience and deep insight in the audit of the Company from an independent point of view. | 100% (17/17 meetings) | 100% (14/14 meetings) |
| Yusaku Kurahashi | Mr. Yusaku Kurahashi has extensive insight in corporate governance, risk management, and corporate legal affairs cultivated through his hands-on experience as an attorney, 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 as an Audit and Supervisory Board Member since we judge that he can appropriately execute his duties as an Independent Audit and Supervisory Board Member from an independent point of view. | 100% (13/13 meetings) * After he assumed office as Audit and Supervisory Board Member of the Company | 100% (11/11 meetings) * After he assumed office as Audit and Supervisory Board Member of the Company |

■ Major Items Discussed in the Audit and Supervisory Board in FY2024

| Category | Agenda |
|-------------|--|
| Resolutions | <ul style="list-style-type: none"> • Consent to the proposal for the appointment of Audit and Supervisory Board Members • Audit report by the Audit and Supervisory Board • Allocation of duties within the Audit and Supervisory Board, and compensation for Audit and Supervisory Board Members • Audit policy and audit plans • Reappointment of the accounting auditor, and consent to the amount of audit fees, etc. |
| Reports | <ul style="list-style-type: none"> • Routine audits, on-site audits • Financial statements and accounting • Matters related to the general meeting of shareholders |

25-6 Compensation of Directors of the Board and Audit and Supervisory Board Members

■ Policy for determining the details of individual compensation for Directors of the Board (hereinafter, the “determination policy”)

Method of determining the determination policy

The Company resolved the determination policy at a meeting of the Board of Directors. The Company consulted the Nomination and Compensation Committee, chaired by an Independent Outside Director of the Board and composed of a majority of Independent Outside Directors of the Board, in advance regarding the details of the resolution made at the meeting of the Board of Directors and received its report.

Outline of the details of the determination policy

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.

Reasons for the Board of Directors' determination that the details of compensation for Directors of the Board for the fiscal year ended December 2024 are in line with the determination policy

The Nomination and Compensation Committee deliberated on the individual compensation for Directors of the Board for the fiscal year ended December 2024 from various viewpoints and confirmed that the details of compensation for Directors of the Board and the determination process are in line with the determination policy. With respect to the report from the Nomination and Compensation Committee, the Board of Directors determined that the details of compensation are in line with the determination policy.

■ Matters regarding compensation for 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.

■ Results of FY2024

| Title | Total amount of compensation (Million yen) | Total amount of compensation by type (Million yen) | | | Number of officers |
|--|---|---|--|--|-----------------------|
| | | Fixed compensation | Performance-linked compensation, etc. | | |
| | | Base salary | Bonuses | Stock compensa- tion, etc. (Non-monetary compensation, etc.)*1 | |
| Directors of the Board (Ex- cluding Independent Outside Directors of the Board) | 441 | 216 | 150 | 74 | 5 |
| Audit and Supervisory Board Members (Excluding Inde- pendent Audit and Supervi- sory Board Members) | 33 | 33 | — | — | 2 |
| Independent Outside Directors and Independent Audit and Supervisory Board Members | 54 | 54 | — | — | 8 |

* The above figures include compensation for one Director of the Board and one Audit and Supervisory Board Member, who retired at the close of the Ordinary General Meeting of Shareholders for the 105th Business Term, held on March 22, 2024.

*1. The performance-linked stock compensation, etc. is stated at the amount of provision for management board benefit trust recorded for FY2024. 12. The Company Shares will be actually granted on a fixed date after the end of the period covered by the 8th Medium-term Business Plan (from January 1, 2024 through December 31, 2026).

25-7 Corporate Officers

To respond flexibly to changes in the business environment, Nissha considers it important that the experiences, knowledge, abilities, ages, and so on of Corporate Officers be both the best and distributed without bias. The term of Corporate Officers is one year.

■ Diversity of Corporate Officers (as of April 18, 2025)

At present, we have 16 Corporate Officers, of which two are foreign nationals and one is female.

Corporate Officers include persons with experience of working overseas or at other companies, as well as those with expertise such as those with master's or doctoral degrees.

26. Initiatives of Internal Audit Office

26-1 Structure

In order to maintain independence and objectivity, the Internal Audit Office is independent of operating departments and is under the direct control of the Chairman of the Board, President and CEO.

Our internal audit regulations outline fundamental matters concerning internal audits. They set out our system for drafting and revising our medium-term audit plans and annual audit plans in light of changes in our Group's medium-term business plan, laws and regulations, or the social or economic environment, and then acquire the President's approval.

Audit targets are all tasks performed by the Nissha Group, and annual audit plans are set so as to cover all major sites over the three-year period of the medium-term business plan, with audits being carried out based on these.

After the audit, advice and recommendations are given to the departments subject to the audit, and after a certain period of time, follow-up audits are conducted to check the status of improvements in the areas identified. Audit results are reported and advice given at monthly meetings with the President.

Additionally, the Internal Audit Office hold one meeting per quarter with the Full-time Audit and Supervisory Board members in which they report on their activity status, exchange opinions, and ensure mutual collaboration with the Audit and Supervisory Board. Moreover, once per quarter, the three entities of the inside Directors, Full-time Audit and Supervisory Board members, and Internal Audit Office members hold a meeting (Triangle QBR). Therein, the Internal Audit reports on information and issue awareness it gained during the processes of auditing. This content is reported, together with the annual audit plan, once per half-year at the Board of Directors meeting. It contributes to the strengthening of our audit and supervisory functionality.

26-2 Audit Content

Audits by Internal Audit Office are broadly classified into "internal control audits" and "theme audits" based on the Financial Instruments and Exchange Act. Internal control audits are conducted jointly with accounting auditors by selecting the scope of evaluation from the perspectives of company-wide controls, financial reporting, business processes, and IT controls. This auditing is aimed at guaranteeing the reliability of financial reporting as a result of assessing the effectiveness and efficiency of our Group's business activities. The Internal Audit Office also audits the legal compliance status of business activities of the Nissha Group and the Risk Management and Compliance Committee activities. In this context, the assessments concerning important risks selected by the Risk Management and Compliance Committee include business ethics matters such as the prohibition of corruption. These assessments are audited to ensure they are being properly and effectively conducted in accordance with risk management and compliance regulations. Theme audits, on the other hand, use a risk-based approach to select themes at the beginning of each fiscal year to audit risks that cannot be covered by internal control audits.

26-3 Initiatives for FY2024

In FY2024, along with carrying out internal control audits, theme audits were used to check the legal compliance status regarding the invoice system and Electronic Books Maintenance Act, as well as the management regulations for Group companies. In addition, audits were conducted for the overall business management of domestic and overseas Group companies selected on the basis of a risk analysis.

27. Internal Control System

Nissha has established an Internal Control Policy by a decision of the Board of Directors to provide a system to ensure the appropriateness of work as stipulated by the Companies Act. Nissha is working to improve our corporate value by constructing and operating an Internal Control System to guarantee that the work in each of the company's organizations is being done legally, appropriately, and efficiently. To ensure reliability of financial reporting, we submit the assessment results of our internal control system in the form of internal control reports to the Prime Minister of Japan and disclose the contents to our shareholders and investors.

* For further information, please follow the link below.

[Website > Investors > IR Library > Securities Report \(only in Japanese\)](#)

28. Risk Management and Compliance

Through our Risk Management and Compliance Committee, and based on our Risk Management Policy, the Nissha Group conducts centralized management over risks that hinder business operations. Once a year, based on the business models for each company and the business organizations, we prioritize and appropriately control risks that could hinder the continuity of business activities for all companies.

28-1 Policy

Risk Management Policy

Nissha Group strives to accurately identify the risks we face, avoid unexpected loss, and appropriately control risks, thereby ensuring business continuity and enhancing our corporate value toward realizing the enrichment of people's lives by creating technology and developing it into economic and social value.

1. We build and maintain a structure for responding to the various risks present in our business environment.
2. We promote risk management at the managerial level toward conducting organization-wide activities and preserving management resources.
3. In the event of an emergency, we work to minimize damage, resume business activities as quickly as possible, and prevent recurrence.
4. We conduct in-house training to enhance awareness of and the ability to respond to risks, and ensure that each employ takes responsible, swift, and appropriate action.
5. We periodically review our risk management structure, including this policy, and make improvements on a continuous basis to ensure effective risk management at all times.

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

Established on July 1, 2015 / Revised on January 1, 2022

28-2 Guidelines

The Group has set "Act with Integrity" (we act with integrity and maintain the trust placed in us) as one of the Shared Values that are principle of employee behavior. And we declared that each officer and employee should act in good faith and continue to be a trusted company. We established the Corporate Ethics and Compliance Guidelines, which sets out the basic ideas concerning corporate ethics and compliance that each officer and employee is expected to follow.

Corporate Ethics and Compliance Guidelines

Nissha Group acts according to the "Principles" in order to realize the enrichment of people's lives by always creating technology and developing it into economic and social value.

Principles

1. We value and hold on to high ethical standards, integrity in our actions, and act with good common sense through our responsible behavior.
2. We pursue the Co-existence with the Stakeholders including our customers, shareholders, suppliers, local communities and our employees.
3. We will comply with all laws and regulations, internal corporate regulations, and socially accepted rules and norms, also act according to "Corporate Ethics and Code of Conduct".
4. If we witness any actions contrary to the "Corporate Ethics and Code of Conduct" or are suspicious of certain behaviors or decisions, we should immediately report to and consult with our supervisors.

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

Established on April 1, 2012 / Revised on January 1, 2025

In addition, in order to make our Corporate Ethics and Compliance Guidelines more specific and easier to understand by employees, the Nissha Group is working to ensure that all employees, including those in our overseas Group companies, can check our Corporate Ethics and Code of Conduct on the company intranet. This Code of Conduct is revised regularly, with the most recent revision effective as of January 1, 2025. When this revision was made, in addition to Japanese, English, Chinese and Vietnamese, in an effort to better familiarize local employees the Code of Conduct has now been made available in a total of twelve languages by adding Dutch, German, Italian, Korean, Malay, Polish, Portuguese and Spanish. In addition, having the entire company study it at the same time is designed to promote understanding and ensure awareness of the Code of Conduct along with the Corporate Ethics and Compliance Guidelines.

Items Specified in the Corporate Ethics and Code of Conduct

| Protection of Information and Assets | Accountability of the Nissha Group |
|---|--|
| <ul style="list-style-type: none"> Protection of Intellectual Property Proper Management of Company Assets Handling of Insider Information | <ul style="list-style-type: none"> Prevention of Money Laundering Proper Disclosure of Financial Status Management of Conflict of Interest Transactions Prevention of Accounting Fraud Proper Management of Confidential and Personal Information Responsible Public Relations Activities Use of Social Media |
| Building a Circle of Trust with Customers and Suppliers | Social Responsibility of the Nissha Group |
| <ul style="list-style-type: none"> Ensuring the Quality and Safety of Products and Services Fair Competition Fair Procurement Prohibition of Corrupt Practices Non-Use of Conflict Minerals Compliance with Import and Export Regulations | <ul style="list-style-type: none"> Consideration for the Environment Consideration for Local Communities Respect for Human Rights Creating a Comfortable Work Environment and Promoting Mental and Physical Health Ensuring the Safety of All Employees |

28-3 Structure

Nissha has established a Risk Management and Compliance Committee chaired by Director of the Board, Senior Executive Vice President (in charge of legal affairs) and composed of all inside Directors of the Board. The Risk Management and Compliance Committee holds a general meeting once a year, confirms progress on a quarterly basis, and reports to the Board of Directors each year on the status of activities. The Board of Directors oversees the activities of the Risk Management and Compliance Committee, discusses reports from the Committee, and gives improvement instructions as necessary.

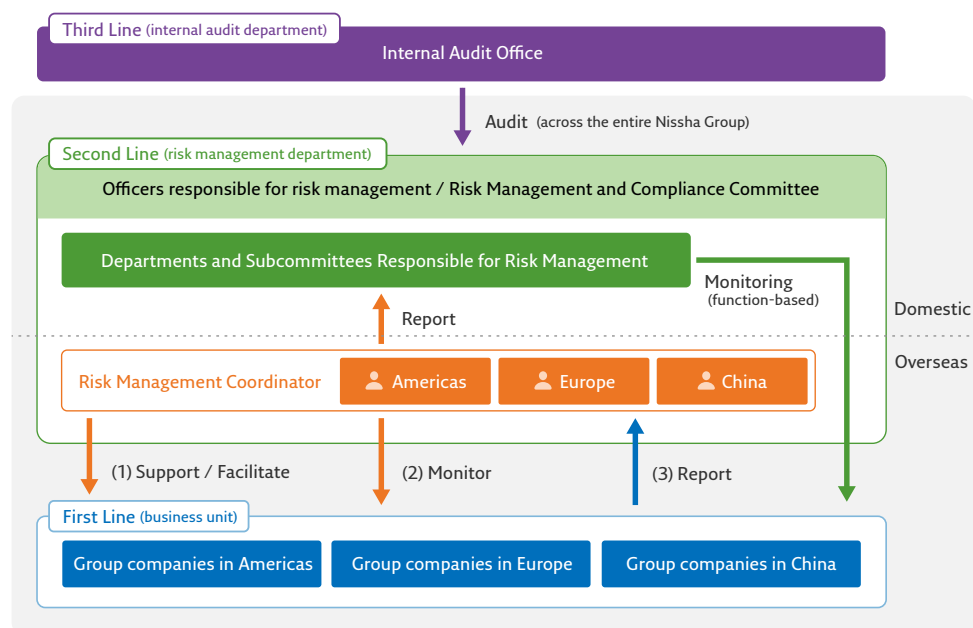
The Risk Management and Compliance Committee centrally manages the cross-company risks, business risks, and financial risks of the Nissha Group on a global basis. Of these, for the cross-company risks, the Committee selects key risks in line with the results of the risk assessment at the annual general meeting. The selected key risks are set key performance indicators (KPIs) by the departments responsible for risk in Group companies in Japan and by each Group company overseas, and minimized through their activities. In addition, the status of these activities is reported in the progress meetings, and the Committee confirms whether the set KPIs are progressing as planned, and rotates the PDCA cycle (the Sustainability Committee manages the progress of materiality risk items).

Business risks and financial risks are managed by the Investment Committee or the Business Review for each business division and department responsible for risk management.

In addition, if a major risk incident arises (including a serious report to the hotline), the Risk Management and Compliance Committee will establish and convene an emergency subcommittee. The members of this subcommittee are appointed by the chair on the basis of the contents and nature of the incident.



To encourage risk mitigation activities among our overseas Group companies, we have installed risk management coordinators in our key regions of the Americas, Europe, and China as of 2024. The risk management coordinators support selecting key risks and setting KPIs and action items in the Group companies within their region as part of the functions of the departments for risk management (second line) in the Global Headquarters. In addition, they study the appropriateness of these in concert with the departments responsible for risk management, and provide feedback to each company. Also, they attend the Risk Management and Compliance Committee meetings and report on the progress of the action items. If the Committee directs them to make improvements, they give feedback to the overseas Group companies that are affected. The risk management coordinators monitor the progress of action items in each company on an ongoing basis and provide corrective instruction as needed. Moreover, if an emergency arises in their region, they gather information and report on the response to the Committee.



28-4 Risk Assessment and Management

The Risk Management and Compliance Committee carries out risk assessments on cross-group risks (11 major categories and 42 subcategories listed below). The departments that manage the key risks selected through this risk assessment set KPIs and action items, and work to mitigate these risks through their activities.

We aim to conduct risk reduction that is even more in line with business activities, so, in addition to risk assessment at the departments responsible for risk, risk priority levels are considered at the business divisions (business units and Group companies) level as well. General Managers select important risks, after the process of confirming appropriateness from a business management perspective. Furthermore, Group companies overseas study the priorities and appropriateness of high-priority risks as selected by each company within their departments or business units responsible for risk, as well as by their risk management coordinators, and select key risks.

Risk Assessments and Risk Management Methods

(1) Evaluation targets

- All Group companies in Japan
- 55 Group companies overseas (Including when major overseas subsidiaries and their own subsidiaries have been evaluated.)

(2) Target risks

- Cross-group risks (including compliance risks)

(3) Selection process for key risks

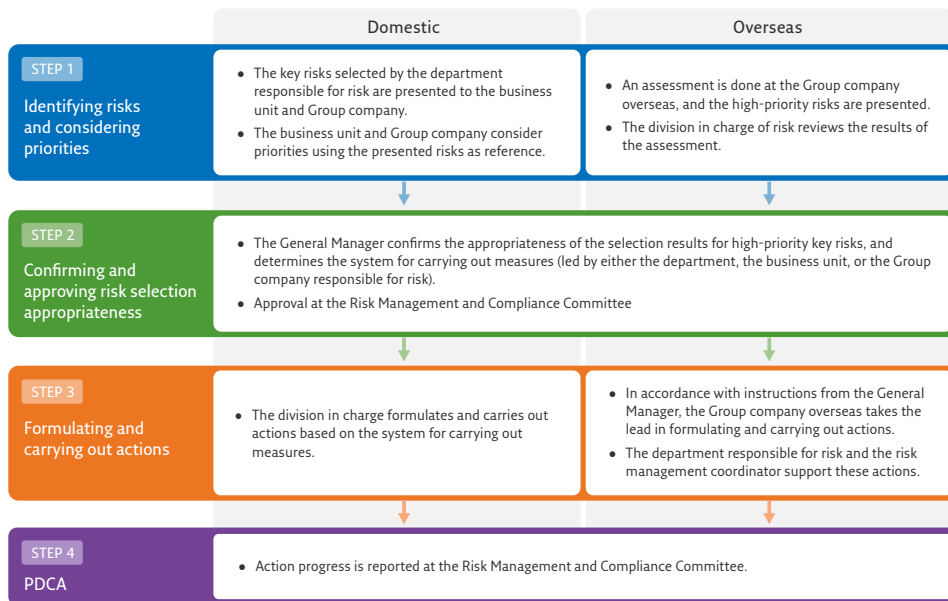
The following process is used by the Risk Management and Compliance Committee to select key risks.

- For the above cross-group risks, the high-value risks calculated using the "probability of occurrence" and "impact when it occurs" horizons are considered the "inherent risks".
- In addition, the "effectiveness of control activities" is evaluated, and risks with low "effectiveness of control activities" with respect to "inherent risks" are selected as key risks.

(4) Management method

| | |
|---|---|
| Key risks Low "effectiveness of control activities" with respect to "inherent risks" | The departments responsible for risk management or Group companies overseas set the Key Performance Indicators and action items to mitigate risks. The progress of these activities is monitored by the Risk Management and Compliance Committee. (Business risks are spearheaded by the business divisions, which check via business reviews, etc.) |
| High "effectiveness of control activities" with respect to "inherent risks" | Subject to monitoring, and the Risk Management and Compliance Committee confirms the status of maintenance and operation by the departments responsible for risk management or Group companies overseas. |
| Cross-group risks other than "inherent risks" | Managed by the business divisions, departments, and Group companies overseas and reported at the Monthly Business Review. |

The Risk Assessment / Risk Management Process



Cross-Group Risks

1. Fair business activities

Violation of competition laws (cartels, etc.), violation of unfair competition prevention laws (violation of trade secrets, etc.), money laundering, bribery/collusion with business partners, insider trading, public relations (dissemination of inaccurate/inappropriate information), violations of accounting/tax laws (non-compliance with accounting standards, window dressing, tax evasion, etc.)

2. Labor and human rights

Labor-management relations (labor disputes and strikes), human rights violations (discrimination and harassment), violations of labor-related laws, health and mental health management, occupational safety and health

3. Human capital

Absence of, or delay in implementing, succession plans for key positions; outflow of human resources

4. Products and safety

Use of prohibited substances, product liability (PL), serious quality incidents

5. Intellectual property rights

Infringement of intellectual property rights (trademarks, copyrights, patents, design rights, etc.), inappropriate use of trademarks (websites, advertisements, instruction manuals, etc.), contamination of confidential information

6. Supply chain management

Compliance with laws and regulations and customer requirements related to environmental impact, supplier management (QCD, health and safety, environment, information security, compliance), child labor and forced labor, supplier bankruptcy, use of conflict minerals, rising transportation costs, business continuity in supply chain management

7. Environmental protection

Lack of, or delay in responding to, climate change based on customer or legal requirements, waste management, environmental pollution (water, air, soil, etc.), friction with local communities

8. Trade management

Security trade control / import-export control

9. Information systems

Improper management, theft, or leakage of personal information; theft or leakage of confidential information due to improper management (including malware infection); information leakage from social media; risks from the use of generative AI; unexpected stoppages of information systems due to natural disasters or cyberattacks

10. Asset management

Inappropriate management of company assets (misappropriation, theft, loss, etc.)

11. Business continuity

Natural disasters (earthquakes, typhoons, floods, etc.), fires/accidents, terrorism/crime/political strife, pandemics

As a result of the risk assessment, the key initiatives common to the Nissha Group in the fiscal year ending December 2025 have been selected: business continuity, labor and human rights (occupational safety and health), information systems, trade management, and intellectual property rights.

28-5 Procedure for Reporting Major Incidents

In 2024, we established the Procedure for Reporting Major Incidents (the "Procedure") applicable to the entire Nissha Group. The Procedure aims to prevent or minimize any event that could significantly disrupt or risk disrupting the management, or any event that could damage or risk damaging corporate value, reputation, or credibility of Nissha Group. It establishes reporting procedures for the Major Incidents to ensure the Risk Management and Compliance Committee and the departments responsible for risk management promptly and appropriately obtains information related to the Major Incident and responds to the Major Incident based on such information accordingly.

1. Natural disasters and accidents

- Natural disasters (earthquakes, tsunamis, typhoons, tornadoes, torrential rains, volcanic eruptions, etc.)
- Pandemics
- Human-made disasters (war, terrorism, fires, explosions, etc.)
- Environmental issues

2. Occupational accidents (death or serious injury)**3. Incidents related to information security****4. Quality-related incidents, product accidents, and pharmaceutical incidents****5. Incidents related to legal and regulatory compliance**

- Illegal acts
- Fraudulent activities
- Crimes by officers and employees
- Sanctions by the government authorities and local governments
- Report to the government authorities and local governments (excluding violations and pharmaceutical-related issues)

6. Incidents expected to be reported or have been reported by the media**7. Litigation and labor disputes**

28-6 Promotion of Corporate Ethics and Compliance

The Risk Management and Compliance Committee promotes corporate ethics and compliance activities throughout the entire Nissha Group. All Nissha Group bases in Japan and overseas appoint managers in charge of promoting corporate ethics and compliance. Concerning compliance with the Pharmaceutical and Medical Device Act, we have maintained a Medical Healthcare Consultation Desk since the fiscal year ended December 2021.

Promotion Structure

The managers in charge of promoting corporate ethics and compliance not only implement initiatives to improve the awareness of corporate ethics and compliance in their respective divisions but also implement corporate ethics and compliance on a day-to-day basis through organizational management, serve as handy consultants for their workplace, and, should an incident arise, work with Corporate Legal Affairs to deal with it.

Awareness-raising activities

Corporate Legal Affairs also holds training sessions, etc., as a way to further boost awareness among these promotion managers and other employees. In the fiscal year ended December 2024, training was carried out with themes such as fair transactions with customers, harassment, and handling confidential and personal information on an as-required basis for each department and Group company. Carrying out training that is relevant to the work of trainees has further improved onsite employee awareness of compliance.

And overseas, our bases in the Americas, Europe, and China are identifying and reducing compliance risks in accordance with each region's characteristics. In the fiscal year ended December 2024, we carried out activities for reducing risks based on regulations regarding the handling of personal data and on anti-corruption regulations.

Company-wide Simultaneous Training, etc.

The Group designates every October and November as Corporate Ethics and Compliance Months, and provides groupwide training at all bases in Japan and overseas. This simultaneous training is provided not just for full-time, contract, and temporary employees, but for managers of subcontractors and even part-timers.

In the fiscal year ended December 2024, we provided an explanation of "Corporate Ethics and Code of Conduct" revised in January 2025. The same training was carried out at our overseas bases in addition to our domestic ones in order to ensure awareness of our new Code of Conduct. The ratio of those taking training during the fiscal year ended December 2024 at domestic bases was 100% (2,888 people).

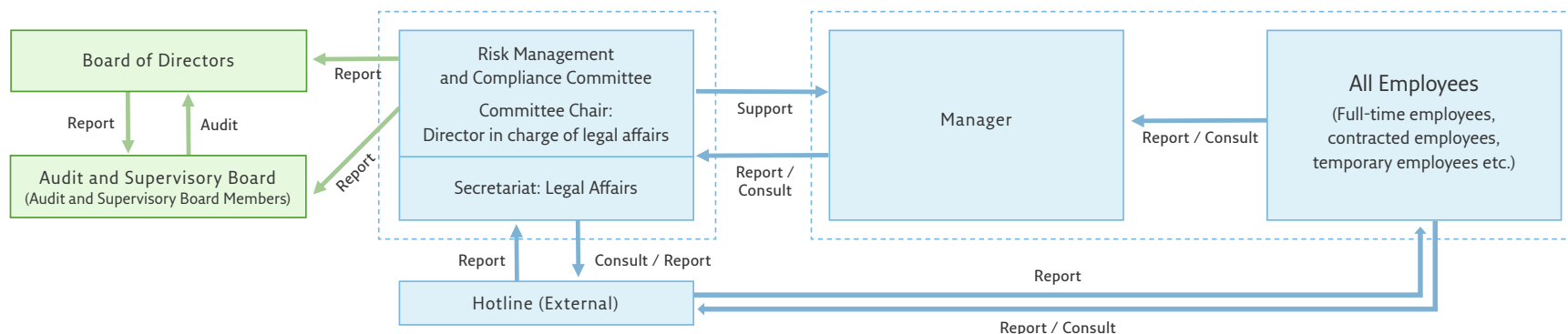
Questionnaires are sent out after each company-wide simultaneous training session to collect a wide range of information and opinions from all employees about concerns and actions that need to be improved in the workplace from the perspective of corporate ethics and compliance. Examples and results of improvements based on this information are reported to the Risk Management and Compliance Committee, along with reports on training implementation.

Officer Training, etc.

At the Nissha Group, in addition to company-wide simultaneous training, we also hold compliance training designed for officers.

We brought in an external instructor in March 2025 to conduct training in preparation for revisions to our Human Rights Policy, another external instructor (a lawyer) in April to provide training on handling information, and in May we provided training on the Pharmaceuticals and Medical Devices Act with an in-house instructor.

Corporate Ethics and Compliance Structure



28-7 Hotline

The Nissha Group has not only established an Internal Reporting Code in our company regulations based on the Whistleblower Protection Act domestically, but has also established a hotline consultation service which is available to all employees of the Nissha Group in Japan, as well as former employees who have left the company within the past year. This is for the purposes of quickly identifying the facts about illegal, unfair, or unethical conduct by an organization or individual, minimizing the risk of a crisis, promoting ethical and legal compliance, and ultimately enhancing our corporate value.

We are working to disseminate information about the hotline through the Corporate Ethics and Code of Conduct distributed to all employees, the Labor and Human Rights Handbook, the company intranet, in-house training, and awareness posters.

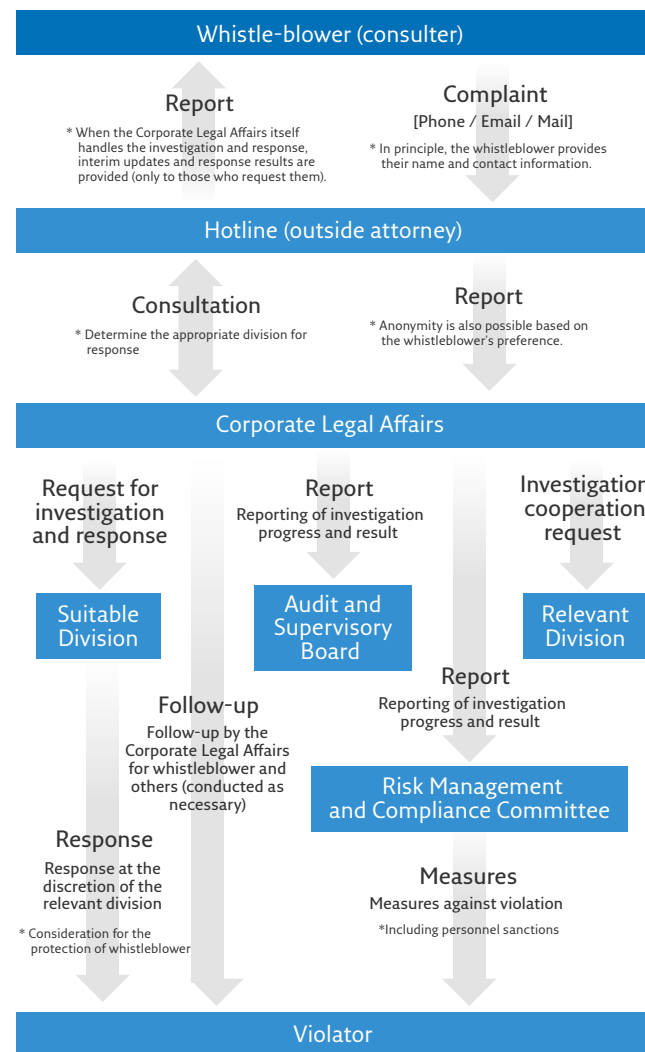
The Internal Reporting Code contains the following.

- The whistleblower shall not be subjected to any disadvantageous treatment by the Company or other employees due to their report.
- Anonymous reporting is also possible.

In addition, we set up a contact point for some of our domestic suppliers in the fiscal year ended December 2019, which was then expanded in April 2025 to cover all the domestic suppliers that the Nissha Group in Japan has dealings with.

In all cases, the contact points are an outside attorney, an independent and impartial third party. All complaints received are relayed from the hotline (an outside attorney) to the Corporate Legal Affairs. The Corporate Legal Affairs liaises with the relevant departments after consulting with the outside attorney about

Hotline Organizational Chart (Nissha Group)



the best way to investigate and confirm the issue. Said investigation and confirmation are then carried out with consideration for the protection of the whistleblower. The content is reported to the Risk Management and Compliance Committee, where it is discussed as necessary, after which, measures are taken according to the results of the investigation and discussion.

Overseas, too, we have consultation services for all Group companies, where employees can discuss matters either in English or in their native language.

The number and main content of consultations received during the fiscal year ended December 2024 are shown below.

- Hotline Consultations (for employees): 24 cases (Including 2 from overseas bases)
The contents mainly dealt with human relations in the workplace and harassment. In all cases, warnings and guidance were given and the workplace environment improved, correcting the issues. An overview summary was disseminated via the company intranet, awareness was raised for everyone instead of just for the perpetrators, and measures were taken to prevent recurrence.
- Supplier hotline: 0 cases

28-8 Dealing with Antisocial Forces

In accordance with our policy for dealing with antisocial forces and our regulations for dealing with antisocial forces, etc., Nissha has established that it will have no dealings whatsoever with antisocial forces. We confirm in advance as a rule through prescribed procedures that neither our existing nor new business partners fall under antisocial forces. This initiative eliminates all possibilities of involvement in money laundering, etc. by antisocial forces.

29. Information Security

29-1 Policy and Principles

The Nissha Group has created, and continues to operate, an Information Security Management System (ISMS) based in the ISO27001 that is applied to all Group companies, and that reflects our Information Security Policy and our principles outlining specific conduct and regulations known as the Information Security Principles. We prevent threats to the leak of important information received from our customers and suppliers and important information managed under tight control within the company, particularly highly confidential information assets such as new product information, advanced technological information, and personal information.

Information Security Policy

Nissha Group constructs a reliable and safe information security management system (ISMS) based on an understanding of the importance of information security in business activities and continually improve this in order to continue to be a company that provides economic and social value to our stakeholders.

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

Information Security Principles

1. We shall continually improve our information security management system by establishing, implementing, and reviewing the information security objectives so that the confidentiality, integrity, and availability of information assets can be maintained and improved.
2. We shall comply with laws, regulations, and contract stipulations related to information security.
3. We shall establish criteria for rationally evaluating risks related to information security and methods for risk assessment, and work to maintain and improve information security.
4. We shall work to prevent the occurrence of incidents or accidents related to information security, and, if an accident does occur, shall respond promptly and work to both minimize damage and prevent recurrence.
5. Nissha People shall understand the Information Security Policy and Basic Principles, and always act with an awareness of information security.

Shinichiro Kobayashi
Vice President, Chief Information Officer
Nissha Co., Ltd.

Established on July 1, 2013 / Revised on May 1, 2022

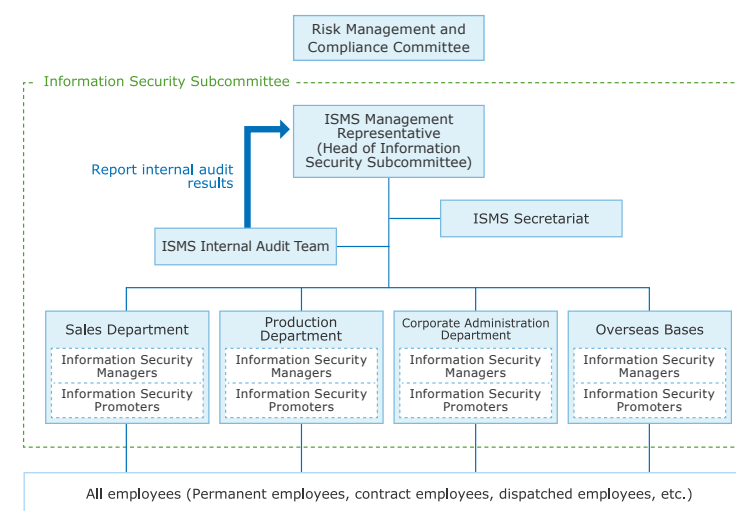
29-2 Management Structure

As an organization to promote information security within the Nissha Group, the Information Security Subcommittee was established under the Risk Management and Compliance Committee, and works on maintaining and improving the ISMS*.

Under the CIO (Chief Information Officer), the head of the Information Security Subcommittee is the ISMS management representative, and the ISMS secretariat has been established in the IT department to oversee all IT environments in the Group. The ISMS covers all bases within the entire Nissha Group, including overseas Group companies. For each company and department, an information security manager and an information security promoter are appointed, and ensures the system operates in each workplace. In addition, the ISMS secretariat plays a central role in conducting reviews for top management, internal audits of the ISMS, and regular ISO27001 audits by external examiners to provide opportunities for improvement.

* ISMS=Information security management system

Management Structure



| | | | |
|----------|---------------|--------------------------------|---------------|
| Domestic | 264 employees | Information Security Managers | 79 employees |
| | | Information Security Promoters | 185 employees |
| Overseas | 52 employees | Information Security Managers | 16 employees |
| | | Information Security Promoters | 36 employees |

29-3 Deployment of the Management System

The Nissha Group operates the ISMS across all its corporations, both in Japan and overseas.

In Japan, we have obtained ISO27001 certification, the international standard for ISMS. Overseas, we have been rolling out ISMS as a unified standard globally, including for corporations that have newly joined our Group as a result of M&A and so on. This rollout was completed in the fiscal year ended December 2019. At present, in addition to an annual ISMS internal audit, we are working to maintain and improve ISMS operations through the PDCA cycle.



29-4 Efforts for Risk Reduction

The Nissha Group maintains an Information System (confidential information, personal information, information security) as one risk area managed under the Risk Management and Compliance Committee. We have been working on installing local internal auditors at our overseas Group companies whose purpose is to strengthen the effectiveness of internal audits and improve training and awareness, as well as introducing MFA (multifactor authentication) to strengthen security systems throughout the Group. Information assets are important elements that differentiate us from our competitors and increase our competitiveness, so it is essential to reduce risks such as information leaks. Through ISMS internal audits, we strive to ensure the permeation of control methods corresponding to the level of importance, and particularly implement thorough and strict control concerning trade secrets.

In addition, with the rapid progress of IT and the diversification and spread of devices, we are strengthening information security management not only for company-supplied computers and mobile devices but also for BYOD (Bring Your Own Device) devices. We are also working on measures to reduce the risk of information leaks and damage to our corporate image and brand through social media postings.

29-5 Security Enhancement Strategy in the 8th Medium-Term Business Plan

The Nissha Group is aware that, with the recent rapid spread of generative AI, cyberattacks from outside are likely to become increasingly sophisticated, subtle, and frequent. To deal with this, with the start of our 8th Medium-term Business Plan, we have reorganized "Data security in response to increased use of generative AI" as a uniquely Nissha risk that we need to engage with in the long term in order to achieve our Sustainability Vision, and have identified it as a new materiality.

In the 8th Medium-term Business Plan, along with ongoing strengthening of our security systems globally, we are also working to maintain high security awareness and literacy through regular training targeted at all employees, thus improving information security from both sides. In FY2024, we brought in a system for phishing e-mail drills and training, and through regular drills and training, we have been able to improve security awareness and literacy among our employees. In FY2025, we are planning to bring in systems that will lead to enhanced data security at all our companies.

30. Trade Management

30-1 Policy and Principles

The Nissha Group's ratio of overseas sales is 89.2% in the fiscal year ended December 2024. As the Group's businesses expand globally, disciplined trade management is an essential issue from the perspective of business continuity.

Targeting all Group companies, we maintain "Trade Management Policy" and "Trade Management Principles" outlining specific conduct, compulsory conduct, and regulations. As an Authorized Economic Operator (AEO), we also establish necessary rules and regulations, and strengthen a structure toward continuous improvement of trade management in order to respond to various internal and external changes in the environment.

Trade Management Policy

Nissha Group fulfills its responsibilities as a company to its stakeholders by developing a trade management system and complying with laws and regulations related to trade management, such as security export control.

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

Trade Management Principles

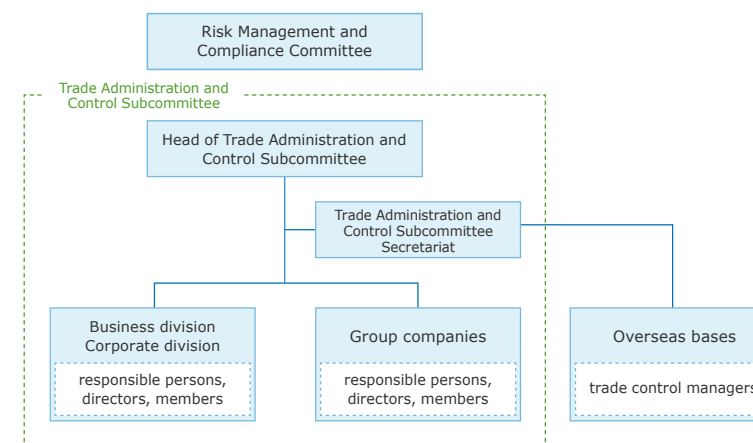
1. We comply with laws and regulations related to trade management in each country and region.
2. We shall appoint a person responsible for trade management in our bases, and in addition to developing the trade management system, this system shall be maintained and improved.
3. We shall cooperate with public agencies and logistics partners in each country to establish a sound trade management system.
4. Nissha People will undergo any training required for trade management, and each person shall carry out their work appropriately.

Daisuke Inoue
Director of the Board, Senior Executive Vice President
Corporate Procurement and Logistics
Nissha Co., Ltd.
Established on October 1, 2016 / Revised on April 1, 2025

30-2 Structure

Nissha Group trade management is now consolidated in the Trade Management Subcommittee under the Risk Management and Compliance Committee. Across the entire Nissha Group, including overseas companies, we select trade management supervisors and engage in trade management based on the Trade Management Policy, Trade Management Principles, and Trade Management Basic Regulations.

At Nissha Group in Japan, we place Trade Management Subcommittee members (responsible persons, directors, and members) in business divisions, corporate management departments, and Group companies to create a management system. At the same time, since overseas Nissha Group companies have different laws, regulations, and business practices in each country or region, we assign a trade control manager to each base to manage.



At Nissha Group in Japan, a range of operational regulations and rules for trade-related operations required of AEO businesses have been established, while each department is preparing work standards and manuals to ensure export and import operations are carried out appropriately. At Nissha Group bases overseas, we are working on permeation of the Trade Management Policy, Trade Management Principles, and Trade Management Basic Regulations as well as preparing management documents.

30-3 AEO Approval

Nissha Co., Ltd. obtained approval as an AEO Exporter in June 2014, and as an AEO Importer in June 2015. Their third postaudits were conducted in December 2024, and we maintain all approvals. As of April 1, 2025, 63 companies in Japan are approved as both AEO Importer and AEO Exporter. Being one of these companies with dual approval, we have in place a system for safe and smooth international logistics.

Nissha Precision Technologies Malaysia Sdn. Bhd., based in Malaysia, obtained approval as both an AEO Exporter and an AEO Importer in October 2014. Their post-audits were conducted in May 2022, and we maintain both approvals.

AEO Approval Form



Authorized Economic Operator (AEO) Program

The AEO program is designed to secure and facilitate global trade and to strengthen a country's international competitiveness by providing benefits such as reduced or simplified customs controls to operators with cargo security management and compliance structures. The September 11, 2001, terrorist attacks on the United States raised awareness of the necessity of an international framework for reinforcing anti-terrorism measures by ensuring both security and efficiency in the international movement of goods. In 2006, the World Customs Organization (WCO) adopted a set of AEO guidelines as a global standard and the basis on which countries enact laws and operate their respective AEO programs. Japan launched its AEO program in 2006, starting with exporters and expanding gradually into the current form.

30-4 Initiatives for FY2024

With the increasing international tension in recent years, there is a growing sense of risk about leaks of advanced technology held by advanced nations. This is why Nissha aims to strengthen our service management in FY2024, and has been engaged in the following.

- Establishment and implementation of operational rules for each business division: Based on guidelines established in 2023, we have established and begun implementing operational rules tailored to the characteristics of each business division. We are establishing a system for understanding tech-

nological information upstream and that allows us to respond flexibly to changes in existing technologies. Although we do not currently have any technical information that falls under legal or other regulations, we will continually adapt to this rapidly changing environment.

30-5 Training

Starting in FY2020, the Nissha Group has set themes necessary for import/export operations, and has been providing ongoing training for those workers. In FY2024, we provided training to 165 workers involved in domestic trading operations, regardless of department within the Nissha Group in Japan.

Themes

- Security trade controls
- Determining relevance and screening transactions
- Incoterms and HS codes
- Internal import/export steps

31. Anti-corruption

31-1 Principles

The Nissha Group regards corrupt practices, such as bribery, collusion with business partners, violations of the Competition Law and the Unfair Competition Prevention Act to be one of the major risks managed by the Risk Management and Compliance Committee. We have established the Nissha Anti-Corruption Principles and made them known to our bases both in Japan and overseas.

The increasing concern in international society in recent years about preventing corruption, and the importance of sustainable corporate management, have led us to revise the Anti-Corruption Guidelines to the Anti-Corruption Principles. This was done in conjunction with revision of the standards at our bases in Japan and overseas, and raised the level from “guidelines” to “principles” with the aim of further strengthening the Nissha Group’s unified corruption prevention system both in Japan and overseas.

Nissha Anti-Corruption Principles

Nissha Group clearly states that all officers and employees are prohibited from presenting or giving gifts or entertainment that may constitute corrupt practices to any person, including customers, suppliers, and government officials, either directly or indirectly, and complies with regulations in each country and region regarding anti-corruption to prevent corrupt practices.

1. We neither present to nor accept offers of unfair advantage from anyone.
2. We neither present nor accept gifts or entertainment that exceed the limits permitted by internal standards, laws, and regulations from anyone.
3. We strive to understand the circumstances of Nissha Group overall, and periodically review our initiatives.
4. We respond with sincerity by taking necessary measures such as providing information and conducting investigations if there are any reports of violations or concerns.

Daisuke Inoue
Director of the Board, Senior Executive Vice President, Legal Affairs
Nissha Co., Ltd.

Established on April 1, 2017 / Revised on January 1, 2025

31-2 Dissemination and Training / Monitoring System

The Nissha Group informs our employees of the Nissha Anti-Corruption Principles and any related internal regulations via the company intranet. In addition, training is provided for all operations of the Group to ensure compliance with the relevant laws, regulations, and customs of each country. In FY2024, the existing regulations on corporate ethics and compliance code of conduct were changed to the Corporate Ethics and Code of Conduct, organizing items based on employee behavior and making the content simpler and easier to follow. This clearly lays out our anti-corruption measures, and we ensured they were thoroughly disseminated through simultaneous company-wide training, including overseas.

Additionally, as in some countries or regions, bribery has become rooted in custom, the Risk Management and Compliance Committee carries out regular monitoring, including risk items, to ensure the prevention of corrupt actions. At present, we are preparing to set specific monitoring targets, and intend to carry out assessments and responses based on these new targets.

The Group has not identified any cases of corruption in the fiscal year ended December 2024.

32. Business Continuity

32-1 Policy and Principles

We at the Nissha Group establish the Business Continuity Plans Policy, which the Business Continuity Management (BCM) Subcommittee under the Risk Management and Compliance Committee plays a central role in promoting in preparing for and responding to emergencies such as a natural disaster or pandemic.

Business Continuity Plans Policy

Nissha Group formulates business continuity plans to minimize damage and work towards prompt business recovery, while ensuring the safety of human life first, in the event of a major natural disaster, fire, power cut, epidemic, or other major event that interrupts business. In addition, we carry out regular revisions and drills to ensure the effectiveness of these plans, and promote business continuance management.

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

Business Continuity Plans Principles

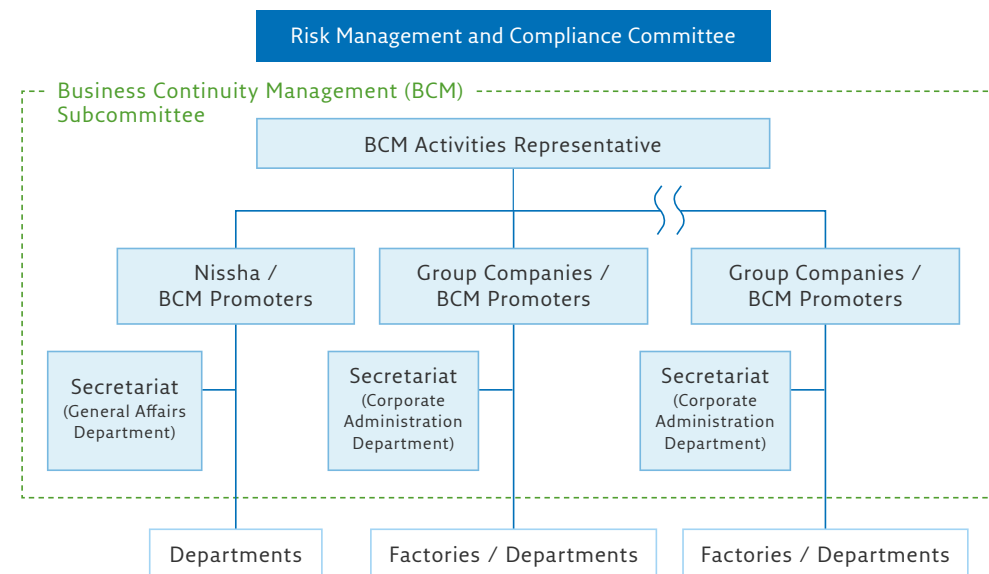
1. In the event of a major interruption of our business, we shall ensure the safety of human life as our top priority while preventing secondary disasters.
2. We shall define buildings, equipment, information systems, human resources, and suppliers as key management resources/ stakeholders, and formulate business continuity plans. In addition, we shall consider changes in the business environment and regularly revise these plans.
3. We shall clarify which businesses are to be prioritized for continuance/ recovery, and achieve this recovery within the target timeframe.
4. We shall regularly conduct training and drills related to business continuance, and work to improve our organizational capacity to respond to risks.
5. We shall contribute to society through working with local communities to support recovery and rebuilding.
6. We shall comply with laws, policies in Japan and overseas, and other norms with regards to business continuance.

Satoshi Aoki
Senior Vice President, General Affairs
Nissha Co., Ltd.

Established on September 28, 2006 / Revised on January 1, 2025

32-2 Structure

The BCM Subcommittee has been set up under the Risk Management and Compliance Committee as a system for operating BCM in the Nissha Group. The President and CEO serves as the person responsible for BCM activities, and BCM Promoters have been appointed at the Nissha Head Office and each Group company. The secretarial office holds BCM Subcommittee meetings on a regular basis. These are used to confirm initiatives and the status of improvement of BCM measures for the Nissha Group overall, training persons in charge, and planning and carrying out BCM drills.



32-3 Initiatives

Nissha Group in Japan has in place a set of Emergency Response Regulations that defines “emergency” and stipulates the action and structure required between initial response to a disaster and business recovery. In the event of a serious interruption of business due to emergency over a certain level, such as a natural disaster or pandemic, we set up a response task force headed by the President. In addition to habitually stockpiling supplies at major bases in Japan in preparation for emergencies, we also distribute “survival cards” listing information about what to do when an earthquake strikes, educate employees using an e-Learning, and conduct emergency training to promote thorough awareness about the general rules for action and response in an emergency.

Our Basic Plan for Business Continuity Management (BCM) stipulates in detail the steps to be taken in order to promote early recovery of key business bases. In efforts to verify the effectiveness of these steps, we organize business continuity planning (BCP) exercises on a regular basis for employees including the management. We respond quickly to changes in management environment and reorganization, such as managing the latest editions of relevant documents.

In FY2024, we verified the contents of BCP documents for major Group companies overseas for businesses related to the priority markets set out in our medium-term business plan, and confirmed the effectiveness of their operation.

Nissha Group overseas is also promoting BCM activities in cooperation with the Head Office. In FY2024, we conducted BCP education at our Chinese bases and conducted BCP training including for management.

Operation of a safety confirmation system

We have introduced a system under which employees register their safety information so that we can smoothly and quickly confirm their safety status in the event of a major natural disaster such as an earthquake or typhoon, a pandemic or other emergency. As part of our safety confirmation drill during our biannual disaster drills, we send an e-mail to all employees simultaneously, and managers confirm the safety of the members of the company based on employees’ responses to the e-mail. This system allowed us to smoothly confirm employee safety after the 2024 Noto Peninsula Earthquake.



Implementation of management BCP training

We hold BCP drills annually in accordance with the BCP Subcommittee Action Plan. These drills are simulations to check that BCP functions adequately in the event of an incident such as an earthquake. During the fiscal year ended December 2024, targeted at the multiple business divisions at Kameoka Base, Nissha Industries Inc. Kameoka Factory, Nissha Printing Communications Inc. Kameoka Factory, Nissha Co., Ltd. RB Business and Product Development, and the Nissha Head Office were linked online, and carried out drills simulating an earthquake with the Mikata-Hanaore fault as its epicenter. This drill started with setting up a base headquarters, then participants rapidly responded within their own scope of responsibility, working to ensure employee safety and minimize business risk.

We consider the construction and operation of BCP/BCM important for improving the company’s competitiveness and also leading to improved corporate value, and we continue to conduct a diverse range of situation-based drills each year.



33. Tax Principle

Nissha Group will compliance with tax laws and regulations in each country and each region based on Tax Principle, in order to fulfill our corporate social responsibilities (CSR).

Tax Principle

Basic Principle

Nissha Group will strive to minimize tax risks, enhance our corporate value by complying with tax laws and regulations in each country and each region.

Nissha Group will pay close attention to the trends in the international tax framework such as Base Erosion Profit Shifting (BEPS) project and make properly responses to such changes as a global company.

1. Nissha Group's approach to tax planning

Nissha Group will enter into transactions with a business purpose and a business activity and in case we approach to tax planning, we will implement it properly and efficiently in compliance with tax laws and regulations.

Our group will consider taxes as an essential factor in our business planning and make use of available tax incentives within the scope of normal business activities. However, we will not engage in transactions for the primary purpose of tax avoidance and transactions without any actual business activities.

2. The level of risk to taxation that Nissha Group is prepared to accept

Nissha Group's Tax Principle is to minimize tax risks wherever possible when undertaking tax matters.

We will work to identify, evaluate, and manage tax risks in each country and region to reduce such risks, and where there is significant uncertainty or complexity in relation to tax risks, we will ask for advice from third parties.

3. The approach of Nissha Group towards its dealings with Tax authorities in each country and region

Nissha Group believe that we can build and maintain good relationship with tax authorities in each country and region corresponding with them and disclosing necessary information in a sincere and appropriate manner.

Therefore, We will strive to provide necessary information appropriately and cooperatively in response to requests from tax authorities in each country and region while issuing tax returns properly and paying appropriate amount of tax according to tax laws and regulations in each country and region.

If tax authorities inform us of tax adjustments, we will immediately take appropriate measures to prevent similar issues happen unless we file a petition of objection against their action or interpretation.

4. The approach of Nissha Group to risk management and governance arrangements in relation to taxation in each country and region

Nissha Group's tax policy is reviewed and controlled by our group's Chief Financial Officer who is responsible for our group's tax strategy and policies, and the status is reported to Board of Directors on an on-going basis through our group's Chief Financial Officer.

Where there is significant uncertainty or complexity in relation to application or interpretation of tax laws, we will take appropriate measures after seeking external advices.

Daisuke Inoue
Director of the Board, Senior Executive Vice President
Interim Chief Financial Officer
Nissha Co., Ltd.

Established on December 25, 2017
Revised on May 1, 2022

34. Responsible Mineral Procurement

34-1 Policy

Nissha's policy on conflict minerals is outlined in our Basic Approach to Responsible Mineral Procurement. We clearly state our belief that Nissha Group products do not use materials made from conflict minerals, which are used to finance armed groups involved in human rights abuses such as looting, assault, and forced labor, and we follow the OECD's conflict minerals due diligence guidance.

Basic Approach to Responsible Mineral Procurement

The Nissha Group is deeply concerned that a portion of the conflict minerals extracted by the Democratic Republic of the Congo and its neighboring countries are being used as a source of funding for militia that through acts of looting, violence and forced labor are infringing on fundamental human rights.

In April 2012, Nissha became a signatory to the "Global Compact" as advocated by the United Nations. We at Nissha Group have fully embraced the Ten Principles stated in the Global Compact as a cornerstone of our Corporate Mission. Based upon our recognition of the importance of these principles and aiming for co-existence with our stakeholders, we are committed to non-use of these conflict minerals, as raw materials in our products as they result in an infringement of basic human rights. Accordingly where our company becomes aware of the use of any conflict minerals, we will immediately implement all measures required regarding that use.

1. Nissha Group is presently implementing ongoing control systems for conflict minerals which we maintain continuously.
2. Nissha Group will promptly provide to its customers conflict minerals information including its smelters, etc.
3. Nissha Group in respect of this issue will publish the relevant information in its sustainability reports.

We will continue to make sincere efforts for the responsible procurement of related minerals in order to fulfill our corporate social responsibilities.

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

Established on March 12, 2014 / Revised on January 1, 2018

34-2 Initiatives

34-2-1 3TG Usage Status

The 3TG (tin, tantalum, tungsten, and gold) used in Nissha Group's products are shown in the table below.

| Segment | Applicable product group | 3TG in use |
|----------------------|--|-----------------------------------|
| Industrial Materials | Only a small portion of Decoration (Mobility) and Decoration (Home appliances and others) | Tin |
| Devices | For Tablet devices, Smartphones, Portable game players, Industrial equipment (logistics related), Mobility, Gas sensors and others | Tin, tantalum, tungsten, and gold |
| Medical Technologies | Only a small portion of Medical devices (CDMO) | Tin, tungsten, and gold |

* The names of the segments and product lineups are in line with "25. Net sales (2) Disaggregation of revenue" in our Annual Securities Report from January 1, 2024 to December 31, 2024. The proportion of net sales of products using 3TG accounted for approximately 50% in the fiscal year ended December 2024.

34-2-2 Survey Requests to Suppliers

The Nissha Group, mainly through its related business units, requests suppliers to conduct a survey of 3TG used mainly in materials for mass-produced products using the latest CMRT (Conflict Minerals Reporting Template), generally once a year. Then, based on the CMRTs submitted by suppliers, we prepare our CMRTs and submit them to our customers.

We review the content of CMRTs submitted by suppliers, and if a refinery, etc. is no longer in business or has changed its name, we ask suppliers to resurvey.

In recent years, there has been an increase in customer inquiries regarding minerals other than 3TG,

| | | Environment | | | Social | | | Governance | |
|--|--|-------------|--|--|--------|--|--|------------|--|
| | | | | | | | | | |

cobalt, and mica. Consequently, we are conducting surveys with suppliers and reporting to customers not only using the CMRT but also the EMRT (Extended Minerals Reporting Template) and AMRT (Additional Minerals Reporting Template). In the survey, in addition to addressing refineries that were removed from the Responsible Minerals Assurance Process (RMAP) compliance list and refineries that our customers requested not to be used, we encouraged our suppliers to procure minerals from Conformant Smelters & Refiners. This activity enables the traceability of minerals back to their origins. We intend to continue these efforts in the future.

34-2-3 Developing and Implementing Strategies to Address Identified Risks

In some cases, we may ask suppliers to utilize the RMAP audit program if non-certified refineries are included in the refinery information they have submitted in the CMRT. Additionally, concerning 3TG, if it becomes clear that a relationship exists with a refinery upstream in the supply chain that is involved in armed forces or human rights abuses, we will consider taking strict measures in line with our customer’s requests. However, there were no such cases in the fiscal year ended December 2024.

34-2-4 3TG Survey Results

The CMRT provided by the Responsible Minerals Initiative (RMI) is designed so that the scope of declaration during responding can be selected from (1) company level, (2) product level, and (3) user-defined level. However, we ask suppliers to respond at the product level in order to ensure that the smelters of minerals used in the parts and materials for Nissha Group products can be definitively identified. We believe that this type of surveying will enable us to identify targets for risk reduction, such as non-certified smelters and refineries, and will lead to effective due diligence.

In our 3TG survey for the fiscal year ended December 2024, we received responses from 100% of our suppliers for almost all product lineups. As a result of analyzing the responses from suppliers, in cases that included smelters that were not accredited by RMI, we took steps to reduce risk by changing suppliers and asking suppliers to utilize the RMAP audit program.

By undertaking due diligence not only for 3TG but also for cobalt, mica, and other minerals, we are advancing our efforts to address environmental protection in addition to human rights violations as outlined in our "Basic Approach to Responsible Mineral Procurement," which is currently in operation.

35. Management System and Other Certification Acquisitions

The Nissha Group's management system and other certification status are as follows. (as of the end of February 2025)

■ Quality

| Quality / ISO9001 |
|--|
| Nissha Co., Ltd. ^{*1} |
| Nissha Precision and Technologies, Inc. ^{*2} |
| Nissha Industries, Inc. |
| Nissha Printing Communications, Inc. ^{*3} |
| Nissha Business Service, Inc. |
| Nissha FIS, Inc. |
| Nissha Metallizing Solutions N.V. |
| Nissha Metallizing Solutions S.r.l. |
| Nissha Metallizing Solutions GmbH |
| Nissha Metallizing Solutions Ltd. |
| Nissha Metallizing Solutions Produtos Metalizados Ltda |
| Nissha Advanced Technologies Europe GmbH |
| Nissha Back Stickers International |
| Nissha SB Poland Sp.zo.o. |
| Nissha (Kunshan) Precision IMD Mold Co., Ltd. |
| Guangzhou Nissha High Precision Plastics Co., Ltd. |
| Nissha Precision Technologies Malaysia Sdn. Bhd. |

^{*1}. Only obtained at sales, purchasing, design and development, production and logistics departments of Industrial Materials Business Unit, Devices Business Unit and RB Business and Product Development in Global Headquarters, Tokyo Division Headquarters and Kameoka Factory.

^{*2}. Obtained at the Himeji Factory and Kyoto (production base).

^{*3}. Absorbed and merged with Nissha F8, Inc. on January 1, 2025.

■ Quality

| Medical devices / ISO13485 |
|---|
| Nissha Co., Ltd. ^{*4} |
| Nissha Precision and Technologies, Inc. ^{*5} |
| Graphic Controls Acquisition Corp. |
| Lead-Lok, Inc. |
| CEA Medical Manufacturing, Inc. |
| Sequel Special Products, LLC |
| Nissha Medical Technologies (Ohio), Inc. |
| Nissha Medical Technologies SAS |
| Nissha Medical Technologies Ltd. |
| CEA Global Dominicana, S.R.L. |
| Isometric Micro Molding, Inc. |
| Nissha (Kunshan) Precision IMD Mold Co., Ltd. |
| Guangzhou Nissha High Precision Plastics Co., Ltd. |
| Nissha Precision Technologies Malaysia Sdn. Bhd. |

^{*4}. For departments related to BS Probe Holder EX in Global Headquarters.

^{*5}. For departments related to BS Probe Holder EX products at Kyoto (production base).

■ Quality

| Cosmetics / ISO22716 |
|--------------------------------|
| Nissha Co., Ltd. ^{*6} |

^{*6}. Obtained for the production of microneedle patch for cosmetics in the PCBU Production department of the New Business Development Office at the Global Headquarters.

■ Quality

| Automotive / IATF16949 |
|---|
| Nissha Co., Ltd. ^{*7} |
| Nissha Precision and Technologies, Inc. ^{*8} |
| Nissha Eimo Technologies |
| Nissha PMX Technologies, S.A. de C.V. |
| Nissha Advanced Technologies Europe GmbH |
| Nissha (Kunshan) Precision IMD Mold Co., Ltd. |
| Guangzhou Nissha High Precision Plastics Co., Ltd. |
| Nissha Precision Technologies Malaysia Sdn. Bhd. |

^{*7}. For the support department related to the touch sensor module for automotive in Kyoto Global Headquarters.

^{*8}. Obtained at the Himeji Factory.

■ Environment

| Environment / ISO14001 |
|--|
| Nissha Co., Ltd. ^{*9} Global Headquarters |
| Nissha Industries, Inc. Headquarters / Koka Factory |
| Nissha Precision and Technologies, Inc. Headquarters / Himeji Factory |
| Kaga Factory |
| Tsu (production base) |
| Kyoto (production base) |
| Nissha FIS, Inc. |
| Nissha Business Service, Inc. |
| Nissha PMX Technologies, S.A. de C.V. |
| Nissha Metallizing Solutions S.r.l. |
| Nissha Metallizing Solutions GmbH |
| Nissha Metallizing Solutions Produtos Metalizados Ltda |
| Nissha Medical Technologies SAS |
| Nissha Advanced Technologies Europe GmbH |
| Nissha (Kunshan) Precision IMD Mold Co., Ltd. |
| Guangzhou Nissha High Precision Plastics Co., Ltd. |
| Nissha Precision Technologies Malaysia Sdn. Bhd. |

^{*9}. Obtained at administration departments and design and product development departments.

■ Energy

| Energy / ISO50001 |
|--|
| Nissha Metallizing Solutions S.r.l. |
| Nissha Metallizing Solutions GmbH |
| Nissha Advanced Technologies Europe GmbH |

■ Occupational health and safety

| Occupational health and safety / ISO45001 |
|--|
| Nissha Metallizing Solutions S.r.l. |
| Nissha Metallizing Solutions GmbH |
| Nissha Metallizing Solutions Produtos Metalizados Ltda |

Information security

| Information security / ISO27001 |
|---|
| Nissha Co., Ltd. |
| Global Headquarters |
| Tokyo Division Headquarters |
| Nagoya Sales Office |
| Kameoka Factory |
| Nissha Industries, Inc. |
| Headquarters / Koka Factory |
| Kameoka Factory ^{*10} |
| Nissha Precision and Technologies, Inc. |
| Headquarters / Himeji Factory |
| Kaga Factory |
| Tsu (production base) |
| Kyoto (production base) |
| Nissha FIS, Inc. |
| Nissha Printing Communications, Inc. ^{*11} |
| Headquarters |
| Osaka Sales Office |
| Tokyo Sales Office |
| Kameoka Factory ^{*10} |
| Nissha Business Service, Inc. |

*10. Certification is included in the Kameoka Factory of Nissha Co., Ltd.

*11. Absorbed and merged with Nissha F8, Inc. on January 1, 2025.

Others

| FSC COC |
|--|
| Nissha Co., Ltd. ^{*12} |
| Nissha Printing Communications, Inc. |
| Headquarters |
| Osaka Sales Office |
| Tokyo Sales Office |
| Kameoka Factory |
| Nissha Metallizing Solutions N.V. |
| Nissha Metallizing Solutions S.r.l. |
| Nissha Metallizing Solutions GmbH |
| Nissha Metallizing Solutions Ltd. |
| Nissha Metallizing Solutions Produtos Metalizados Ltda |

*12. For paper purchasing departments.

Others

| PEFC |
|-------------------------------------|
| Nissha Metallizing Solutions S.r.l. |
| Nissha Metallizing Solutions GmbH |

Others

| EN15593 |
|-----------------------------------|
| Nissha Metallizing Solutions GmbH |

36. GRI Standards Content Index

Nissha Sustainability Report 2025 refers to GRI Sustainability Reporting Standards. The relationship between the standards and the content of our report are as shown in the table below. Unless otherwise specified, the location indicate the pages of Nissha Sustainability Report 2025.

| GRI Standards | Disclosure Item | Location of Nissha Information Posted | Pages on PDF |
|---|-----------------|--|--|
| General Disclosures | | | |
| 1. The organization and its reporting practices | | | |
| GRI 2: General Disclosures 2021 | 2-1 | Organizational details | Website About > Company Outline Website About > Nissha Group |
| | 2-2 | Entities included in the organization's sustainability reporting | 1-4 Scope of Reporting |
| | | | 1-5 Major Group Companies and Businesses |
| | | | 1-6 Major Changes in Reporting Scope |
| | 2-3 | Reporting period, frequency and contact point | 1-3 Publication Dates |
| | | | 1-7 Publishing Division and Contact for Inquiries |
| | 2-4 | Restatements of information | - |
| | 2-5 | External assurance | 8. Third Party Verification |
| 2. Activities and workers | | | |
| | 2-6 | Activities, value chain and other business relationships | 1. Editorial Policy |
| | | | 21. Partnership with Our Suppliers |
| | | | Website About > Company Outline Website About > Nissha's Business Website Business > By Industry |
| | 2-7 | Employees | 15-1 Nissha Group Employee Composition |
| | 2-8 | Workers who are not employees | - |
| 3. Governance | | | |
| | 2-9 | Governance structure and composition | 3-3 Promotion Framework for Sustainability |
| | | | 25-2 Overview of Corporate Governance |
| | 2-10 | Nomination and selection of the highest governance body | 25-3 Directors of the Board and the Board of Directors, 25-4 Nomination and Compensation Committee |

| GRI Standards | Disclosure Item | Location of Nissha Information Posted | Pages on PDF |
|---------------|-----------------|---|---|
| | 2-11 | Chair of the highest governance body | 25-3 Directors of the Board and the Board of Directors > Role of the Board of Directors |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | 3-1 Nissha Philosophy, 3-2 Sustainability Vision (long-term vision for 2030), 3-3 Promotion Framework for Sustainability, 3-4 Materialities (Key Issues) and KPIs |
| | | | 13-5 Relationship with Labor Union |
| | | | 27. Internal Control System |
| | 2-13 | Delegation of responsibility for managing impacts | 3-3 Promotion Framework for Sustainability |
| | 2-14 | Role of the highest governance body in sustainability reporting | 25-2 Overview of Corporate Governance |
| | | | 25-1 |
| | 2-15 | Conflicts of interest | 3-3 Promotion Framework for Sustainability |
| | | | 3-2 |
| | 2-16 | Communication of critical concerns | 25-3 Directors of the Board and the Board of Directors > Role of the Board of Directors |
| | | | Website > Investors > IR Library > Securities Report (only in Japanese) |
| | | | 25-4 |
| | 2-17 | Collective knowledge of the highest governance body | 3-3 Promotion Framework for Sustainability |
| | | | 27. Internal Control System |
| | | | 28-6 Promotion of Corporate Ethics and Compliance |
| | 2-18 | Evaluation of the performance of the highest governance body | 25-3 |
| | | | 25-2 |
| | 2-19 | Remuneration policies | 25-3 Directors of the Board and the Board of Directors > The skill set necessary for the Board of Directors, and the values, experiences, and skills in common required for all Directors |
| | | | 25-9 |
| | 2-20 | Process to determine remuneration | 25-6 Compensation of Directors of the Board and Audit and Supervisory Board Members |
| | | | Website > Investors > IR Library > Securities Report (only in Japanese) |

| GRI Standards | | Disclosure Item | Location of Nissha Information Posted | Pages on PDF |
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| | 2-21 | Annual total compensation ratio | - | |
| 4. Strategy, policies and practices | | | | |
| | 2-22 | Statement on sustainable development strategy | 2. CEO Message | 2 |
| | 2-23 | Policy commitments | 3-1 Nissha Philosophy | 3-1 |
| | | | 4. Environmental Policy and Management Structures | 4-1 |
| | | | 13-1 Policy | 13-1 |
| | | | 27. Internal Control System | 26, 27 |
| | | | 28-2 Guidelines | 28-1 |
| | 2-24 | Embedding policy commitments | 7. CO ₂ Emissions and Reduction Efforts | 7-1 |
| | | | 13-3 Initiatives Related to Labor and Human Rights | 13-3 |
| | | | 27. Internal Control System | 26, 27 |
| | | | 28-6 Promotion of Corporate Ethics and Compliance | 28-6 |
| | 2-25 | Processes to remediate negative impacts | 28-7 Hotline | 28-7 |
| | 2-26 | Mechanisms for seeking advice and raising concerns | 13-4 Harassment Prevention | 13-4 |
| | | | 28-7 Hotline | 28-7 |
| | 2-27 | Compliance with laws and regulations | 10. Management of Chemical Substances and Environmental Risks | 10-1 |
| 12. Environmental Objectives and Status of Achievement (Nissha Group in Japan) | | | 12-1 | |
| 21-4 Survey of the Supply Chain | | | 21-2 | |
| 31. Anti-corruption | | | 31 | |
| 2-28 | Membership associations | 3-5-1 Initiatives in Which Nissha Participate | 3-8 | |
| | | 22-3 Membership in Community Organizations (Nissha) | 22-3 | |
| 5. Stakeholder engagement | | | | |
| | 2-29 | Approach to stakeholder engagement | 3-6 Nissha Group Stakeholders | 3-11 |
| | 2-30 | Collective bargaining agreements | 13-5 Relationship with Labor Union | 13-4 |

| GRI Standards | Disclosure Item | | Location of Nissha Information Posted | Pages on PDF |
|------------------------------------|-----------------|--|--|---|
| Material Topics | | | | |
| GRI 3: Material Topics 2021 | 3-1 | Process to determine material topics | 3-4-1 Materiality Identification | 3-3 |
| | 3-2 | List of material topics | 3-4 Materialities (Key Issues) and KPIs | 3-3 |
| | 3-3 | Management of material topics | 3-4-1 Materiality Identification 4. Environmental Policy and Management Structures 6. Responding to Climate Change (Addressing the TCFD Recommendations) 12. Environmental Objectives and Status of Achievement (Nissha Group in Japan) 13-1 Policy, 13-2 Structures, 13-3 Initiatives Related to Labor and Human Rights 14-1 Policy, 14-2 Human Resources System (Scope: Nissha Group in Japan), 14-3 Talent Management System 16-2 Training Systems (Nissha Group in Japan), 16-3 Support for Employees' Voluntary Desires to Learn and Grow, 16-4 Career Planning Support, 16-6 In-House Training Programs 18-1 Policy and Principles, 18-2 Safety and Health Management System 21-1 Principles > CSR Procurement Guidelines 23-1 Policy / Nissha Quality Way 27. Internal Control System 28. Risk Management and Compliance 29. Information Security 30. Trade Management 32. Business Continuity 33. Tax Principle | 3-3 4-1 6-1 12-1 13-1 14-1 16-2 18-1 21-1 23-1 26, 27 28-1 29-1 30-1 32-1 33 |
| Economic | | | | |
| Economic performance | | | | |
| GRI 201: Economic Performance 2016 | 201-1 | Direct economic value generated and distributed | Website > Investors > IR Library > Securities Report (only in Japanese) | |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | 4-3 Environmental Management System (EMS) 6. Responding to Climate Change (Addressing the TCFD Recommendations) 28. Risk Management and Compliance Website > Investors > IR Library > Securities Report (only in Japanese) | 4-2 6-1 28-1 |

| GRI Standards | Disclosure Item | | Location of Nissha Information Posted | Pages on PDF |
|--|-----------------|---|--|--------------|
| | 201-3 | Defined benefit plan obligations and other retirement plans | 17-14 Retirement Pay System Website > Investors > IR Library > Securities Report (only in Japanese) | 17-6 |
| | 201-4 | Financial assistance received from government | - | |
| Market presence | | | | |
| GRI 202 : Market Presence 2016 | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | - | |
| | 202-2 | Proportion of senior management hired from the local community | 15-1 Nissha Group Employee Composition | 15-1 |
| Indirect economic impacts | | | | |
| GRI 203 : Indirect Economic Impacts 2016 | 203-1 | Infrastructure investments and services supported | - | |
| | 203-2 | Significant indirect economic impacts | - | |
| Procurement practices | | | | |
| GRI 204 : Procurement Practices 2016 | 204-1 | Proportion of spending on local suppliers | - | |
| Anti-corruption | | | | |
| GRI 205 : Anti-corruption 2016 | 205-1 | Operations assessed for risks related to corruption | - | |
| | 205-2 | Communication and training about anti-corruption policies and procedures | 28. Risk Management and Compliance 31. Anti-corruption | 28-1 31 |
| | 205-3 | Confirmed incidents of corruption and actions taken | 31. Anti-corruption | 31 |
| Anti-competitive behavior | | | | |
| GRI 206 : Anti-competitive Behavior 2016 | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | n/a | |
| Tax | | | | |
| GRI 207: Tax 2019 | 207-1 | Approach to tax | 33. Tax Principle | 33 |

| GRI Standards | Disclosure Item | | Location of Nissha Information Posted | Pages on PDF |
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| | 207-2 | Tax governance, control, and risk management | 33. Tax Principle | 33 |
| | 207-3 | Stakeholder engagement and management of concerns related to tax | 33. Tax Principle | 33 |
| | 207-4 | Country-by-country reporting | - | |
| Environmental | | | | |
| Materials | | | | |
| GRI 301 : Materials 2016 | 301-1 | Materials used by weight or volume | 5. Impact on the Environment out of Our Business Operations | 5-1 |
| | 301-2 | Recycled input materials used | - | |
| | 301-3 | Reclaimed products and their packaging materials | - | |
| Energy | | | | |
| GRI 302 : Energy 2016 | 302-1 | Energy consumption within the organization | 5. Impact on the Environment out of Our Business Operations | 5-1 |
| | | | 7. CO ₂ Emissions and Reduction Efforts | 7-1 |
| | 302-2 | Energy consumption outside of the organization | 7-7 Initiative in Scope 3 Management | 7-5 |
| | 302-3 | Energy intensity | 7. CO ₂ Emissions and Reduction Efforts | 7-1 |
| | 302-4 | Reduction of energy consumption | 5. Impact on the Environment out of Our Business Operations | 5-1 |
| | | | 7. CO ₂ Emissions and Reduction Efforts | 7-1 |
| | 302-5 | Reductions in energy requirements of products and services | - | |
| Water and effluents | | | | |
| GRI 303 : Water and Effluents 2018 | 303-1 | Interactions with water as a shared resource | 11-1-3 Understanding Water Stress Areas, 11-1-4 Management of Water Intake and Wastewater (Nissha Group in Japan), 11-1-5 Initiatives for Appropriate Water Use (Nissha Group in Japan) , 11-1-6 Water Data | 11-1 |
| | 303-2 | Management of water discharge-related impacts | 10-6 Prevention of Water Pollution | 10-5 |
| | | | 11-1-1 Basic Concept, 11-1-3 Understanding Water Stress Areas, 11-1-4 Management of Water Intake and Wastewater (Nissha Group in Japan) | 11-1 |
| | 303-3 | Water withdrawal | 5. Impact on the Environment out of Our Business Operations 11-1-6 Water Data | 5-1 11-2 |

| GRI Standards | Disclosure Item | | Location of Nissha Information Posted | Pages on PDF |
|-----------------------------|-----------------|---|--|---------------------|
| | 303-4 | Water discharge | 5. Impact on the Environment out of Our Business Operations 10-6 Prevention of Water Pollution 11-1-6 Water Data | 5-1 10-5 11-2 |
| | 303-5 | Water consumption | - | |
| Biodiversity | | | | |
| GRI 304 : Biodiversity 2016 | 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | - | |
| | 304-2 | Significant impacts of activities, products and services on biodiversity | - | |
| | 304-3 | Habitats protected or restored | - | |
| | 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | - | |
| | | | | |
| Emissions | | | | |
| GRI 305 : Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | 5. Impact on the Environment out of Our Business Operations 7. CO ₂ Emissions and Reduction Efforts | 5-1 7-1 |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | 5. Impact on the Environment out of Our Business Operations 7. CO ₂ Emissions and Reduction Efforts | 5-1 7-1 |
| | 305-3 | Other indirect (Scope 3) GHG emissions | 5. Impact on the Environment out of Our Business Operations 7. CO ₂ Emissions and Reduction Efforts | 5-1 7-1 |
| | 305-4 | GHG emissions intensity | 5. Impact on the Environment out of Our Business Operations 7. CO ₂ Emissions and Reduction Efforts | 5-1 7-1 |
| | 305-5 | Reduction of GHG emissions | 5. Impact on the Environment out of Our Business Operations 7. CO ₂ Emissions and Reduction Efforts | 5-1 7-1 |
| | 305-6 | Emissions of ozone-depleting substances (ODS) | - | |

| GRI Standards | Disclosure Item | | Location of Nissha Information Posted | Pages on PDF |
|--|-----------------|---|---|----------------------|
| | 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 5. Impact on the Environment out of Our Business Operations 7-4 Trends in CO ₂ Emissions and Energy Consumption, etc. 10-8 Prevention of Air Pollution | 5-1 7-3 10-7 |
| Waste | | | | |
| GRI 306 : Waste 2020 | 306-1 | Waste generation and significant waste-related impacts | 9-2 Risk Management Related to Waste and Waste Converted in Valuable Resources (Nissha Group in Japan) | 9-2 |
| | 306-2 | Management of significant waste-related impacts | 9-2 Risk Management Related to Waste and Waste Converted in Valuable Resources (Nissha Group in Japan) | 9-2 |
| | 306-3 | Waste generated | 5. Impact on the Environment out of Our Business Operations 9-1 Total Amount of Waste Generated by Nissha Group | 5-1 9-1 |
| | 306-4 | Waste diverted from disposal | 5. Impact on the Environment out of Our Business Operations 9-1 Total Amount of Waste Generated by Nissha Group | 5-1 9-1 |
| | 306-5 | Waste directed to disposal | 5. Impact on the Environment out of Our Business Operations 9-1 Total Amount of Waste Generated by Nissha Group | 5-1 9-1 |
| | | | | |
| Environmental compliance | | | | |
| GRI 307 : Environmental Compliance 2016 | 307-1 | Non-compliance with environmental laws and regulations | 10. Management of Chemical Substances and Environmental Risks 12. Environmental Objectives and Status of Achievement (Nissha Group in Japan) 21-4 Survey of the Supply Chain | 10-1 12-1 21-2 |
| | | | | |
| | | | | |
| Supplier environmental assessment | | | | |
| GRI 308 : Supplier Environmental Assessment 2016 | 308-1 | New suppliers that were screened using environmental criteria | - | |
| | 308-2 | Negative environmental impacts in the supply chain and actions taken | 12. Environmental Objectives and Status of Achievement (Nissha Group in Japan) 21-1 Principles, 21-2 Maintaining Purchasing Related Regulations, 21-3 Nissha Group Supply Chain, 21-4 Survey of the Supply Chain | 12-1 21-1 |

| GRI Standards | Disclosure Item | | Location of Nissha Information Posted | Pages on PDF |
|---|-----------------|---|--|--------------|
| Social | | | | |
| Employment | | | | |
| GRI 401 : Employment 2016 | 401-1 | New employee hires and employee turnover | 15-1 Nissha Group Employee Composition | 15-1 |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | - | |
| | 401-3 | Parental leave | 17-4 Child-Rearing and Family Care Support | 17-2 |
| Labor/management relations | | | | |
| GRI 402 : Labor/ Management Relations 2016 | 402-1 | Minimum notice periods regarding operational changes | 13-5 Relationship with Labor Union | 13-4 |
| Occupational health and safety | | | | |
| GRI 403 : Occupational Health and Safety 2018 | 403-1 | Occupational health and safety management system | 18-1 Policy and Principles, 18-2 Safety and Health Management System | 18-1 |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | 18-1 Policy and Principles, 18-2 Safety and Health Management System, 18-3 Risk Mitigation Initiatives | 18-1 |
| | 403-3 | Occupational health services | 18-1 Policy and Principles, 18-2 Safety and Health Management System, 18-3 Risk Mitigation Initiatives | 18-1 |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | 18-1 Policy and Principles, 18-2 Safety and Health Management System, 18-3 Risk Mitigation Initiatives | 18-1 |
| | 403-5 | Worker training on occupational health and safety | 18-5 Safety and Health Education and Training | 18-3 |
| | 403-6 | Promotion of worker health | 19. Health and Productivity Management | 19-1 |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 18-1 Policy and Principles, 18-2 Safety and Health Management System, 18-3 Risk Mitigation Initiatives | 18-1 |
| | 403-8 | Workers covered by an occupational health and safety management system | 18-1 Policy and Principles, 18-2 Safety and Health Management System | 18-1 |
| | 403-9 | Work-related injuries | 18-4 Occurrence of Occupational Accidents | 18-2 |
| | 403-10 | Work-related ill health | 18-4 Occurrence of Occupational Accidents | 18-2 |

| GRI Standards | Disclosure Item | | Location of Nissha Information Posted | Pages on PDF |
|---|--|--|--|--------------|
| Training and education | | | | |
| GRI 404 : Training and Education 2016 | 404-1 | Average hours of training per year per employee | 16-5 Training Records | 16-3 |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | 14-3 Talent Management System | 14-2 |
| | | | 15-4 Promotion of Women's Advancement | 15-3 |
| | | | 16. Human Resources Development | 16-1 |
| | | | 17-11 Internal Job Posting System, 17-12 Awarding system (Nissha Group) | 17-5 |
| | | | 20-2 Initiatives > Training | 20 |
| | | | 21-5 Development of Procurement Personnel | 21-3 |
| | | | 29-5 Security Enhancement Strategy in the 8th Medium-Term Business Plan | 29-2 |
| | | | 30-5 Training | 30-2 |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | 14-4 Fair Evaluation and Treatment (Scope: Nissha Group in Japan) | 14-2 | |
| Diversity and equal opportunity | | | | |
| GRI 405 : Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | 15-1 Nissha Group Employee Composition | 15-1 |
| | | | 25-3 Directors of the Board and the Board of Directors > The skill set necessary for the Board of Directors, and the values, experiences, and skills in common required for all Directors, 25-7 Corporate Officers > Diversity of Corporate Officers | 25-3 |
| | 405-2 | Ratio of basic salary and remuneration of women to men | 14-5 Wage Management | 14-2 |
| Non-discrimination | | | | |
| GRI 406 : Non-discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | - | |
| Freedom of association and collective bargaining | | | | |
| GRI 407 : Freedom of Association and Collective Bargaining 2016 | 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 13-5 Relationship with Labor Union | 13-4 |
| | | | 21-1 Principles, 21-2 Maintaining Purchasing Related Regulations, 21-3 Nissha Group Supply Chain, 21-4 Survey of the Supply Chain | 21-1 |

| GRI Standards | Disclosure Item | | Location of Nissha Information Posted | Pages on PDF |
|---|-----------------|--|--|------------------|
| Child labor | | | | |
| GRI 408 : Child Labor 2016 | 408-1 | Operations and suppliers at significant risk for incidents of child labor | 13-1 Policy, 13-3 Initiatives Related to Labor and Human Rights 21-1 Principles, 21-2 Maintaining Purchasing Related Regulations, 21-3 Nissha Group Supply Chain, 21-4 Survey of the Supply Chain | 13-1 21-1 |
| Forced or compulsory labor | | | | |
| GRI 409 : Forced or Compulsory Labor 2016 | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 13-1 Policy, 13-3 Initiatives Related to Labor and Human Rights 21-1 Principles, 21-2 Maintaining Purchasing Related Regulations, 21-3 Nissha Group Supply Chain, 21-4 Survey of the Supply Chain | 13-1 21-1 |
| Security practices | | | | |
| GRI 410 : Security Practices 2016 | 410-1 | Security personnel trained in human rights policies or procedures | - | |
| Rights of indigenous peoples | | | | |
| GRI 411 : Rights of Indigenous Peoples 2016 | 411-1 | Incidents of violations involving rights of indigenous peoples | - | |
| Human rights assessment | | | | |
| GRI 412 : Human Rights Assessment 2016 | 412-1 | Operations that have been subject to human rights reviews or impact assessments | 13-3 Initiatives Related to Labor and Human Rights 21-4 Survey of the Supply Chain | 13-3 21-2 |
| | 412-2 | Employee training on human rights policies or procedures | - | |
| | 412-3 | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | - | |
| Local communities | | | | |
| GRI 413 : Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments, and development programs | - | |
| | 413-2 | Operations with significant actual and potential negative impacts on local communities | - | |

| GRI Standards | Disclosure Item | Location of Nissha Information Posted | Pages on PDF |
|---|-----------------|---|--|
| Supplier social assessment | | | |
| GRI 414 : Supplier Social Assessment 2016 | 414-1 | New suppliers that were screened using social criteria | - |
| | 414-2 | Negative social impacts in the supply chain and actions taken | 21-1 Principles, 21-2 Maintaining Purchasing Related Regulations, 21-3 Nissha Group Supply Chain, 21-4 Survey of the Supply Chain 34. Responsible Mineral Procurement |
| Public policy | | | |
| GRI 415 : Public Policy 2016 | 415-1 | Political contributions | - |
| Customer health and safety | | | |
| GRI 416 : Customer Health and Safety 2016 | 416-1 | Assessment of the health and safety impacts of product and service categories | - |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | 23-6 Quality and Safety of Products |
| Marketing and labeling | | | |
| GRI 417 : Marketing and Labeling 2016 | 417-1 | Requirements for product and service information and labeling | - |
| | 417-2 | Incidents of non-compliance concerning product and service information and labeling | - |
| | 417-3 | Incidents of non-compliance concerning marketing communications | - |
| Customer privacy | | | |
| GRI 418 : Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | - |
| Socioeconomic compliance | | | |
| GRI 419 : Socioeconomic Compliance 2016 | 419-1 | Non-compliance with laws and regulations in the social and economic area | - |

37. ESG Data

The ESG Data is a compilation of quantitative information shown in Nissha Sustainability Report and some additional information. The data for the five years from FY2020 to FY2024 are collected for each theme. In addition, a list of policies and principles is posted at the end of this document.

* In the boundary, Nissha Co., Ltd. is described as "Nissha" and the entire Group companies including Nissha Co., Ltd. is described as "Nissha Group". In addition, domestic companies within the "Nissha Group" are referred to as "Nissha Group in Japan". Individual company names are abbreviated as below, and the grouping of production bases in Japan or overseas are stated accordingly.

- NII: Nissha Industries, Inc.
- NPT: Nissha Precision and Technologies, Inc.

Environment

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|----------------------|------|-----------------------|---------|---------|---------|--------|--------|
| 5. Impact on the Environment out of Our Business Operations | | | | | | | | |
| Total input | | t | Nissha Group | 114,036 | 127,430 | 123,982 | 85,273 | 99,008 |
| Total input (Nissha Group in Japan) | | t | Nissha Group in Japan | 20,482 | 22,981 | 19,114 | 16,466 | 22,959 |
| PET film | Industrial Materials | t | Nissha Group in Japan | 978 | 1,165 | 1,057 | 805 | 719 |
| Solvents | Industrial Materials | t | Nissha Group in Japan | 686 | 843 | 748 | 735 | 730 |
| Ink | Industrial Materials | t | Nissha Group in Japan | 671 | 742 | 705 | 616 | 596 |
| Resin | Industrial Materials | t | Nissha Group in Japan | n/a | 117 | 160 | 219 | 208 |
| Materials used in manufacturing processes | Devices | t | Nissha Group in Japan | 12,103 | 13,729 | 11,244 | 4,801 | 10,721 |
| Chemical substances | Devices | t | Nissha Group in Japan | n/a | n/a | n/a | 4,823 | 5,831 |
| Packing materials | Devices | t | Nissha Group in Japan | n/a | n/a | n/a | 553 | 423 |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|------------------------------------|-------------------------|-----------------------|---------|---------|---------|---------|---------|
| Others | Devices | t | Nissha Group in Japan | 1,849 | 1,589 | 900 | n/a | n/a |
| Product materials | Medical Technologies ^{*1} | t | Nissha Group in Japan | n/a | 55 | 73 | 71 | 71 |
| Paper | Others ^{*2} | t | Nissha Group in Japan | 3,958 | 4,424 | 3,764 | 3,513 | 3,404 |
| Ink | Others ^{*2} | t | Nissha Group in Japan | 42 | 47 | 40 | 38 | 36 |
| *1. Starting in the fiscal year ended December 2021, we added input data from the domestic Japanese Medical Technologies business. | | | | | | | | |
| *2. Posted as "Information and Communication" until Nissha Sustainability Report 2021. | | | | | | | | |
| Total input (Nissha Group overseas) | | t | Nissha Group overseas | 93,553 | 104,449 | 104,868 | 68,807 | 76,049 |
| Resin | | t | Nissha Group overseas | 1,290 | 4,506 | 6,075 | 5,887 | 5,925 |
| Molds and their materials | | t | Nissha Group overseas | 90 | 120 | 113 | 115 | 110 |
| Paper | | t | Nissha Group overseas | 78,391 | 88,131 | 88,318 | 55,185 | 62,787 |
| Cardboards | | t | Nissha Group overseas | 1,752 | 1,073 | 123 | 1,263 | 477 |
| Aluminum | | t | Nissha Group overseas | 2,594 | 2,218 | 1,991 | 1,163 | 890 |
| Chemical substances | | t | Nissha Group overseas | 6,560 | 6,105 | 6,551 | 3,368 | 4,078 |
| Others | | t | Nissha Group overseas | 1,031 | 568 | 1,438 | 104 | 43 |
| Energy | Electricity | MWh | Nissha Group | 257,464 | 264,973 | 250,732 | 217,027 | 235,566 |
| | Gas | Thousand m ³ | Nissha Group | 9,085 | 10,558 | 10,485 | 10,029 | 10,422 |
| Water | Tap water | Thousand m ³ | Nissha Group | 1,287 | 1,249 | 993 | 912 | 1,069 |
| | Underground water | Thousand m ³ | Nissha Group | 40 | 46 | 49 | 42 | 37 |
| | Industrial water | Thousand m ³ | Nissha Group | 1,725 | 1,670 | 1,549 | 1,282 | 1,316 |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|---------------------------|--------------------------------|--|---------|---------|---------|---------|----------------------|
| Total output (Nissha Group in Japan) | | t | Nissha Group in Japan | 18,538 | 17,465 | 13,606 | 11,057 | 13,303 |
| Recyclable resources (items sold for recycling) | | t | Nissha Group in Japan | 6,406 | 5,743 | 4,203 | 3,560 | 4,335 |
| Recyclable resources (industrial waste) | | t | Nissha Group in Japan | 12,105 | 11,697 | 9,380 | 7,470 | 8,936 |
| Waste for simple incineration/landfill | | t | Nissha Group in Japan | 27 | 25 | 22 | 27 | 32 |
| Total output (Nissha Group overseas) | | t | Nissha Group overseas | 11,397 | 13,121 | 13,601 | 9,784 | 9,777 |
| Recyclable resources (items sold for recycling) | | t | Nissha Group overseas | 8,433 | 9,838 | 10,904 | 7,407 | 7,578 |
| Recyclable resources (industrial waste) | | t | Nissha Group overseas | 1,369 | 1,335 | 877 | 615 | 585 |
| Non-recyclable waste | | t | Nissha Group overseas | 1,595 | 1,948 | 1,819 | 1,762 | 1,613 |
| VOC | | t | Nissha Group | 700 | 826 | 752 | 681 | 667 |
| Wastewater | | Thousand m ³ | Nissha Group | 3,033 | 2,594 | 2,342 | 2,002 | 2,216 |
| 7. CO ₂ Emissions and Reduction Efforts | | | | | | | | |
| Scope 1, CO ₂ emissions | | t-CO ₂ | Production bases in Japan and overseas | 20,853 | 24,196 | 28,435 | 25,609 | 26,095 |
| Scope 2, CO ₂ emissions | | t-CO ₂ | Production bases in Japan and overseas | 103,351 | 101,048 | 86,255 | 75,354 | 37,991 |
| CO ₂ emissions | Total | t-CO ₂ | Production bases in Japan and overseas | 124,204 | 125,244 | 114,691 | 100,963 | 64,086 |
| | Production bases in Japan | t-CO ₂ | Production bases in Japan | 85,570 | 83,652 | 64,806 | 61,388 | 19,014 |
| | Overseas production bases | t-CO ₂ | Overseas production bases | 38,634 | 41,592 | 49,885 | 39,575 | 45,072 ^{*1} |
| CO ₂ emissions basic unit of net sales | | t-CO ₂ /Million yen | Production bases in Japan and overseas | 0.69 | 0.66 | 0.59 | 0.60 | 0.33 |
| * We have adopted market standards for the electricity emissions factor in Japan and use location standards for each country as overseas electricity emissions factors. | | | | | | | | |
| *1. As of the fiscal year ended December 2024, Nissha Metallizing Solutions (Belgium, Italy, Germany) has adopted market standards (Europe's Association of Issuing Bodies (AIB) standards). | | | | | | | | |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|---|-------------------|--|--------|--------|----------------------|----------------------|----------------------|
| Scope 3, CO ₂ emissions | Purchased goods and services | t-CO ₂ | Domestic | 45,646 | 18,603 | 50,616 ^{*1} | 38,891 ^{*1} | 54,881 ^{*1} |
| | | t-CO ₂ | Overseas | n/a | n/a | 97,144 | 72,818 | Under investigation |
| | Capital goods | t-CO ₂ | - | n/a | n/a | 17,126 | 13,910 | Under investigation |
| | Fuel and energy-related activities (not included in Scope 1, 2) | t-CO ₂ | - | n/a | n/a | 15,684 | 12,476 | Under investigation |
| | Upstream transportation and distribution | t-CO ₂ | Domestic | 19,720 | 17,766 | - | - | 10,257 ^{*1} |
| | | t-CO ₂ | Overseas | n/a | n/a | - | - | Under investigation |
| | Purchased products ^{*2} | t-CO ₂ | Domestic | - | - | 4,272 ^{*1} | 4,368 ^{*1} | - ^{*4} |
| | | t-CO ₂ | Overseas | | | 10,341 | 2,773 | |
| | Shipments ^{*3} | t-CO ₂ | Domestic | - | - | 7,398 ^{*1} | 6,561 ^{*1} | - ^{*4} |
| | | t-CO ₂ | Overseas | | | 19,296 | 14,038 | |
| | Waste generated in operations | t-CO ₂ | - | n/a | n/a | 4,462 | 4,031 | Under investigation |
| | Business travel | t-CO ₂ | Domestic | 293 | 281 | 579 ^{*1} | 638 ^{*1} | 873 ^{*1} |
| | Employee commuting | t-CO ₂ | Domestic | 2,244 | 2,204 | 2,261 ^{*1} | 2,038 ^{*1} | 2,003 ^{*1} |
| | Use of sold products | t-CO ₂ | - | n/a | n/a | 7,739 ^{*1} | 10,370 ^{*1} | 8,457 ^{*1} |
| | End of life treatment of sold products | t-CO ₂ | Domestic | n/a | n/a | 535 | 417 | Under investigation |
| | | t-CO ₂ | Overseas | n/a | n/a | 4,091 | 2,913 | Under investigation |
| | Total | t-CO ₂ | - | n/a | n/a | 241,544 | 186,242 | Under investigation |
| *1. Figures have been certified by a third party. | | | | | | | | |
| *2. Emissions arising from the transport and delivery of raw materials purchased from major material suppliers. | | | | | | | | |
| *3. Emissions arising from the transport and delivery of products manufactured by the Nissha Group. | | | | | | | | |
| *4. Since the fiscal year ended December 2024, we have undergone third party verification for the total figures as upstream transportation and distribution. | | | | | | | | |
| Energy consumption | Total | Thousand GJ | Production bases in Japan and overseas | 2,966 | 3,124 | 2,662 | 2,032 | 1,671 |
| | Production bases in Japan | Thousand GJ | Production bases in Japan | 1,999 | 2,040 | 1,607 | 1,256 | 835 |
| | Overseas production bases | Thousand GJ | Overseas production bases | 967 | 1,084 | 1,055 | 775 | 836 |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---------------------------|-----------------------------|--|-----------|-----------|-----------|-----------|-----------|
| Energy consumption basic unit of net sales | | Thousand GJ/ Million yen | Production bases in Japan and overseas | 0.0165 | 0.0165 | 0.0137 | 0.0121 | 0.0085 |
| Electricity consumption | Total | MWh | Production bases in Japan and overseas | 257,464 | 264,973 | 250,732 | 217,027 | 235,566 |
| | Production bases in Japan | MWh | Production bases in Japan | 183,200 | 182,488 | 158,335 | 140,384 | 152,436 |
| | Overseas production bases | MWh | Overseas production bases | 74,264 | 82,485 | 92,397 | 76,644 | 83,130 |
| Gas consumption | Total | Thousand m ³ | Production bases in Japan and overseas | 9,085 | 10,558 | 10,485 | 10,029 | 10,422 |
| | Production bases in Japan | Thousand m ³ | Production bases in Japan | 4,166 | 4,865 | 4,782 | 4,314 | 3,595 |
| | Overseas production bases | Thousand m ³ | Overseas production bases | 4,919 | 5,694 | 5,703 | 5,714 | 6,827 |
| Gasoline, diesel, and heavy oil consumption | Total | kl | Production bases in Japan and overseas | 205 | 220 | 207 | 198 | 183 |
| | Production bases in Japan | kl | Production bases in Japan | 72 | 70 | 60 | 64 | 76 |
| | Overseas production bases | kl | Overseas production bases | 133 | 151 | 147 | 133 | 106 |
| 9. Waste Management | | | | | | | | |
| Recycling and resource reuse rate | | % | Nissha Group in Japan | 99.9 | 99.9 | 99.8 | 99.8 | 99.8 |
| | | % | Nissha Group overseas | n/a | 85.2 | 86.6 | 82.0 | 83.5 |
| 10. Management of Chemical Substances and Environmental Risks | | | | | | | | |
| Measurements of Wastewater Quality, NPT Himeji Factory | | | | | | | | |
| Discharged water | | m ³ | NPT Himeji Factory | 4,156 | 4,150 | 3,854 | 3,160 | 3,369 |
| pH | | - | NPT Himeji Factory | 6.8 / 7.5 | 6.9 / 7.5 | 6.8 / 7.4 | 7.1 / 7.2 | 7.1 / 7.2 |
| BOD | | mg/l | NPT Himeji Factory | 4.0 | 3.7 | 2.6 | 1.1 | 2.7 |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--------------------------|------|--------------------|--------|--------|--------|--------|--------|
| COD | | mg/l | NPT Himeji Factory | 5.2 | 4.4 | 4.8 | 2.9 | 3.2 |
| SS | | mg/l | NPT Himeji Factory | 1.9 | 2.6 | 1.1 | 0.9 | 1.9 |
| N-hexane | | mg/l | NPT Himeji Factory | <0.5 | <0.5 | <0.5 | <0.5 | <0.5 |
| Phenol | | mg/l | NPT Himeji Factory | <0.005 | <0.005 | <0.005 | <0.005 | <0.005 |
| Copper | | mg/l | NPT Himeji Factory | 0.05 | 0.02 | 0.01 | 0.01 | <0.01 |
| Zinc | | mg/l | NPT Himeji Factory | <0.01 | <0.01 | <0.01 | <0.01 | <0.01 |
| Soluble iron | | mg/l | NPT Himeji Factory | 0.03 | 0.03 | 0.03 | 0.01 | 0.02 |
| Soluble manganese | | mg/l | NPT Himeji Factory | 0.04 | 0.04 | 0.02 | 0.02 | 0.03 |
| Chromium | | mg/l | NPT Himeji Factory | <0.02 | <0.02 | <0.02 | <0.02 | <0.02 |
| Nitrogen | | mg/l | NPT Himeji Factory | 4.2 | 4.5 | 4.3 | 3.7 | 3.2 |
| Phosphorus | | mg/l | NPT Himeji Factory | 0.02 | 0.03 | 0.02 | 0.03 | 0.03 |
| Measurements of Wastewater Quality, NPT Kaga Factory | | | | | | | | |
| pH | Final effluent (Average) | - | NPT Kaga Factory | 7.5 | 7.4 | 7.6 | 7.5 | 7.6 |
| | Final effluent (Maximum) | - | NPT Kaga Factory | 7.7 | 7.7 | 7.7 | 7.7 | 7.8 |
| BOD | Final effluent (Average) | mg/l | NPT Kaga Factory | 23.4 | 23.3 | 17.4 | 17.3 | 13.9 |
| | Final effluent (Maximum) | mg/l | NPT Kaga Factory | 40.0 | 35.0 | 24.0 | 27.0 | 21.0 |
| COD | Final effluent (Average) | mg/l | NPT Kaga Factory | 33.5 | 37.7 | 25.8 | 22.1 | 18.4 |
| | Final effluent (Maximum) | mg/l | NPT Kaga Factory | 47.0 | 44.0 | 36.0 | 29.0 | 24.0 |
| SS | Final effluent (Average) | mg/l | NPT Kaga Factory | 6.3 | 6.0 | 7.7 | 5.7 | 7.2 |
| | Final effluent (Maximum) | mg/l | NPT Kaga Factory | 23.0 | 10.0 | 21.0 | 11.0 | 22.0 |
| N-hexane | Final effluent (Average) | mg/l | NPT Kaga Factory | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 |
| | Final effluent (Maximum) | mg/l | NPT Kaga Factory | 0.9 | 0.5 | 0.5 | 0.5 | 0.8 |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--|------|--------------------|---------|---------|---------|---------|---------|
| PRTR-designated chemical substances, NII Koka Factory | | | | | | | | |
| 53 Ethylbenzene | Discharge into the atmosphere | kg | NII Koka Factory | 710 | 2,273 | 1,211 | 894 | 1,408 |
| | Transferred to industrial waste processing companies | kg | NII Koka Factory | 286 | 928 | 494 | 364 | 575 |
| 80 Xylene | Discharge into the atmosphere | kg | NII Koka Factory | 15,745 | 10,524 | 12,022 | 6,262 | 13,092 |
| | Transferred to industrial waste processing companies | kg | NII Koka Factory | 6,431 | 4,298 | 4,910 | 2,557 | 5,347 |
| 88 Hexavalent chromium compounds | Discharge into the atmosphere | kg | NII Koka Factory | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| | Transferred to industrial waste processing companies | kg | NII Koka Factory | 0 | 850* | 0 | 0 | 0 |
| 296 1,2,4-Trimethylbenz- end | Discharge into the atmosphere | kg | NII Koka Factory | 25 | 59 | 1 | 1 | 2.9 |
| | Transferred to industrial waste processing companies | kg | NII Koka Factory | 10 | 24 | 0.3 | 0.3 | 1.2 |
| 300 Toluene | Discharge into the atmosphere | kg | NII Koka Factory | 61,535 | 106,873 | 57,728 | 30,868 | 40,569 |
| | Transferred to industrial waste processing companies | kg | NII Koka Factory | 25,134 | 43,652 | 23,579 | 10,289 | 16,570 |
| 392 N-hexane | Discharge into the atmosphere | kg | NII Koka Factory | 601 | 258 | 0 | 127 | 358 |
| | Transferred to industrial waste processing companies | kg | NII Koka Factory | 245 | 105 | 0 | 52 | 146 |
| * The increase in the transfer amount of hexavalent chromium compounds in FY2021 was due to the disposal of materials no longer needed as a result of the renewal of factory facilities. | | | | | | | | |
| PRTR-designated chemical substances, NPT Himeji Factory | | | | | | | | |
| 71 Ferric chloride ^{*1} | Discharge into the atmosphere | kg | NPT Himeji Factory | 0 | 0 | n/a | n/a | n/a |
| | Transferred to industrial waste processing companies | kg | NPT Himeji Factory | 0 | 0 | n/a | n/a | n/a |
| 272 Water-soluble copper salts (excluding complex salt) | Discharge into the atmosphere | kg | NPT Himeji Factory | 0 | 0 | 0 | 0 | 0 |
| | Transferred to industrial waste processing companies | kg | NPT Himeji Factory | 1,820.2 | 2,677.4 | 2,491.4 | 2,588.8 | 2,055.7 |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--|--------|-----------------------|--------|-----------------|-----------------|----------|----------|
| 453 Molybdenum and its compounds | Discharge into the atmosphere | kg | NPT Himeji Factory | 0 | 0 | 0 | 0 | 0 |
| | Transferred to industrial waste processing companies | kg | NPT Himeji Factory | 0 | 0 | 0 | 0 | 0 |
| 170 Diethylene glycol monobutyl ether ^{*2} | Discharge into the atmosphere | kg | NPT Himeji Factory | n/a | n/a | n/a | 0 | 0 |
| | Transferred to industrial waste processing companies | kg | NPT Himeji Factory | n/a | n/a | n/a | 13,568.0 | 7296.0 |
| *1. Not subject to notification from FY2023. *2. Subject to notification from FY2023. | | | | | | | | |
| PRTR-designated chemical substances, NPT Kaga Factory | | | | | | | | |
| 71 Ferric chloride ^{*1} | Discharge into the atmosphere | kg | NPT Kaga Factory | 0 | 0 | 0 | 0 | n/a |
| | Transferred to industrial waste processing companies | kg | NPT Kaga Factory | 0 | 0 | 0 | 4,665.0 | n/a |
| 272 Water-soluble copper salts (excluding complex salt) | Discharge into the atmosphere | kg | NPT Kaga Factory | 0 | 0 | 0 | 0 | 0 |
| | Transferred to industrial waste processing companies | kg | NPT Kaga Factory | 0 | 0 | 0 | 0 | 0 |
| 170 Diethylene glycol monobutyl ether ^{*2} | Discharge into the atmosphere | kg | NPT Kaga Factory | n/a | n/a | n/a | 0 | 0 |
| | Transferred to industrial waste processing companies | kg | NPT Kaga Factory | n/a | n/a | n/a | 14,405.0 | 11,984.0 |
| *1. Not subject to notification from FY2023. In FY2023, unnecessary materials due to factory consolidation were disposed. *2. Subject to notification from FY2023. | | | | | | | | |
| 12. Environmental Objectives and Status of Achievement (Nissha Group in Japan) | | | | | | | | |
| Environmental accidents | | Number | Nissha Group in Japan | 0 | 1 ^{*1} | 1 ^{*2} | 0 | 0 |
| *1. In FY2021, there was one chemical leak accident at the NII Koka Factory, but it did not have a significant environmental impact. *2. In FY2022, a delivery company's truck experienced a fuel leak at Nissha FIS, Inc., but it did not have a significant environmental impact. | | | | | | | | |

Human Rights

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--|--------|-----------------------|-----------------|------------------|-----------------|-----------------|-----------------|
| 13. Human Rights | | | | | | | | |
| Harassment Help Desk number of consultations | | Number | Nissha Group | 8 ^{*1} | 12 ^{*1} | - ^{*2} | - ^{*2} | - ^{*2} |
| <p>*1. As the Harassment Help Desk (outside the company) and the Hotline have been shared since January 2020, only the number of cases handled by the internal consultation service is shown in the number of cases handled by the Harassment Help Desk in the FY2020 and FY2021.</p> <p>*2. As the Harassment Help Desk (internal consultation service) and the Hotline have been shared since July 2022, the information has been consolidated into the number of cases reported to the Hotline.</p> | | | | | | | | |
| Membership of Labor Union | Total | Number | Nissha Group in Japan | 1,133 | 1,106 | 1,051 | 1,253 | 1,258 |
| | The Nissha Labor Union | Number | Nissha Group in Japan | 649 | - | - | - | - |
| | The Nitec Industries Labor Union | Number | Nissha Group in Japan | 354 | - | - | - | - |
| | The Nissha Printing Communications Labor Union | Number | Nissha Group in Japan | 130 | - | - | - | - |
| <p>* In January 2021, the Nissha Crew Alliance was organized as the single labor union of the Nissha Group in Japan, led by employees of Nissha Co., Ltd., Nitec Industries, Inc. (currently, Nissha Industries, Inc.) and Nissha Printing Communications, Inc., From April 2023, employees of Nissha Precision and Technologies, Inc. will also be able to join.</p> | | | | | | | | |
| Number of reports on strike or lockout | | Number | Nissha Group in Japan | 0 | 0 | 0 | 0 | 0 |

Human Resources

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--------|--------|--------------|--------|--------|--------|--------|--------|
| 14. Human Resources Policy and System | | | | | | | | |
| Gap between male and female in terms of wages | | | | | | | | |
| All workers | Male | - | Nissha | n/a | n/a | 100 | 100 | 100 |
| | Female | - | Nissha | n/a | n/a | 76.3 | 75.9 | 77.6 |
| Full-time workers | Male | - | Nissha | n/a | n/a | 100 | 100 | 100 |
| | Female | - | Nissha | n/a | n/a | 77.7 | 78.1 | 78.4 |
| Non-regular workers | Male | - | Nissha | n/a | n/a | 100 | 100 | 100 |
| | Female | - | Nissha | n/a | n/a | 56.2 | 60.0 | 68.3 |
| <p>* FY2022 and thereafter are shown due to a change in the aggregation method from the fiscal year ended December 2022.</p> <p>* The figures show a comparison of female with a male wages set at 100.</p> <p>* Calculated based on the regulations in the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015).</p> <p>* The human resources system used for full-time workers applies equally to male and female, and they are both treated the same. Differences arise from differences in rank or age composition. There is a smaller ratio of female in managerial positions or higher ranks, which have relatively higher salaries, and this affects the differences over all positions.</p> <p>* Non-regular workers include employees who are treated differently, such as contract employees who are rehired after mandatory retirement and employees working under individual labor contracts. A larger proportion of the post-retirement reemployment system employees who continue to be employed as non-regular workers in managerial staff are male, which affects the difference between male and female among non-regular workers.</p> | | | | | | | | |
| 15. Respect for Diversity | | | | | | | | |
| Number of locally hired CEO | | Number | Nissha Group | 8 | 8 | 8 | 8 | 8 |
| Number of employees by area (Japan) | Total | Number | - | 1,988 | 1,990 | 1,915 | 1,922 | 1,910 |
| | Male | Number | - | 1,587 | 1,574 | 1,500 | 1,489 | 1,459 |
| | Female | Number | - | 401 | 416 | 415 | 433 | 451 |
| Number of employees by area (Asia) | Total | Number | - | 674 | 661 | 633 | 582 | 553 |
| | Male | Number | - | 310 | 312 | 319 | 281 | 257 |
| | Female | Number | - | 364 | 349 | 314 | 301 | 296 |
| Number of employees by area (Europe) | Total | Number | - | 680 | 698 | 693 | 744 | 732 |
| | Male | Number | - | 478 | 505 | 488 | 501 | 492 |
| | Female | Number | - | 202 | 193 | 205 | 243 | 240 |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|--------|--------|--------------|--------|--------|--------|--------|--------|
| Number of employees by area (North America) | Total | Number | - | 1,509 | 1,539 | 1,151 | 1,367 | 1,637 |
| | Male | Number | - | 841 | 873 | 690 | 750 | 917 |
| | Female | Number | - | 668 | 666 | 461 | 617 | 720 |
| Number of employees by area (Central and South America) | Total | Number | - | 539 | 521 | 933 | 606 | 565 |
| | Male | Number | - | 216 | 206 | 365 | 191 | 164 |
| | Female | Number | - | 323 | 315 | 568 | 415 | 401 |
| Composition by employment status (Permanent) | Total | Number | Nissha Group | 5,390 | 5,409 | 5,325 | 5,221 | 5,397 |
| | Male | Number | Nissha Group | 3,432 | 3,470 | 3,362 | 3,212 | 3,289 |
| | Female | Number | Nissha Group | 1,958 | 1,939 | 1,963 | 2,009 | 2,108 |
| Composition by employment status (Temporary) | Total | Number | Nissha Group | 2,012 | 1,443 | 1,438 | 1,368 | 1,237 |
| | Male | Number | Nissha Group | 1,429 | 866 | 865 | 894 | 750 |
| | Female | Number | Nissha Group | 583 | 577 | 573 | 474 | 487 |
| Composition of Directors of the Board | Total | Number | Nissha | 9 | 9 | 9 | 9 | 9 |
| | Male | Number | Nissha | 8 | 8 | 8 | 8 | 8 |
| | Female | Number | Nissha | 1 | 1 | 1 | 1 | 1 |
| Composition of corporate officers, excluding concurrently serving as Directors of the Board | Total | Number | Nissha | 11 | 12 | 12 | 11 | 14 |
| | Male | Number | Nissha | 11 | 12 | 12 | 11 | 13 |
| | Female | Number | Nissha | 0 | 0 | 0 | 0 | 1 |
| Composition of Nissha fellows | Total | Number | Nissha | 2 | 2 | 1 | 1 | 1 |
| | Male | Number | Nissha | 2 | 2 | 1 | 1 | 1 |
| | Female | Number | Nissha | 0 | 0 | 0 | 0 | 0 |
| Composition of managerial staff | Total | Number | Nissha | 153 | 166 | 163 | 164 | 158 |
| | Male | Number | Nissha | 145 | 157 | 153 | 152 | 144 |
| | Female | Number | Nissha | 8 | 9 | 10 | 12 | 14 |
| Composition of employees | Total | Number | Nissha | 720 | 731 | 710 | 720 | 758 |
| | Male | Number | Nissha | 531 | 534 | 513 | 514 | 524 |
| | Female | Number | Nissha | 189 | 197 | 197 | 206 | 234 |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|------------------------------|---------|--------|--------------|--------|--------|--------|--------|--------|
| Average age | Average | Age | Nissha | 41.5 | 42.2 | 42.9 | 42.9 | 42.8 |
| | Male | Age | Nissha | 43.0 | 43.8 | 44.7 | 44.8 | 45.1 |
| | Female | Age | Nissha | 37.3 | 37.8 | 38.2 | 38.1 | 37.7 |
| Average years of employment | Average | Year | Nissha | 14.4 | 14.3 | 15.7 | 15.6 | 15.6 |
| | Male | Year | Nissha | 15.4 | 15.6 | 17.2 | 17.2 | 17.6 |
| | Female | Year | Nissha | 11.5 | 10.8 | 11.8 | 11.6 | 11.3 |
| Composition by age (18-19) | Total | Number | Nissha | 0 | 2 | 2 | 4 | 7 |
| | Male | Number | Nissha | 0 | 0 | 0 | 0 | 0 |
| | Female | Number | Nissha | 0 | 2 | 2 | 4 | 7 |
| Composition by age (20-29) | Total | Number | Nissha | 94 | 82 | 72 | 81 | 81 |
| | Male | Number | Nissha | 54 | 42 | 33 | 36 | 34 |
| | Female | Number | Nissha | 40 | 40 | 39 | 45 | 47 |
| Composition by age (30-39) | Total | Number | Nissha | 217 | 217 | 193 | 172 | 186 |
| | Male | Number | Nissha | 133 | 135 | 117 | 106 | 103 |
| | Female | Number | Nissha | 84 | 82 | 76 | 66 | 83 |
| Composition by age (40-49) | Total | Number | Nissha | 262 | 269 | 261 | 276 | 280 |
| | Male | Number | Nissha | 214 | 218 | 205 | 213 | 217 |
| | Female | Number | Nissha | 48 | 51 | 56 | 63 | 63 |
| Composition by age (50-59) | Total | Number | Nissha | 145 | 155 | 175 | 179 | 197 |
| | Male | Number | Nissha | 129 | 134 | 152 | 152 | 165 |
| | Female | Number | Nissha | 16 | 21 | 23 | 27 | 32 |
| Composition by age (over 60) | Total | Number | Nissha | 2 | 6 | 7 | 8 | 7 |
| | Male | Number | Nissha | 1 | 5 | 6 | 7 | 5 |
| | Female | Number | Nissha | 1 | 1 | 1 | 1 | 2 |
| Number of employees | Total | Number | Nissha Group | 5,390 | 5,409 | 5,325 | 5,221 | 5,397 |
| | Male | Number | Nissha Group | 3,432 | 3,470 | 3,362 | 3,212 | 3,289 |
| | Female | Number | Nissha Group | 1,958 | 1,939 | 1,963 | 2,009 | 2,108 |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|----------------------------------|--------|-----------------------|--------|--------|--------|--------|--------|
| Composition of managerial staff | Male | Number | Nissha Group in Japan | 273 | 281 | 269 | 261 | 257 |
| | Female | Number | Nissha Group in Japan | 13 | 14 | 15 | 17 | 21 |
| | Total | Number | Nissha Group in Japan | 286 | 295 | 284 | 278 | 278 |
| | Of which mid-carrier employees | Number | Nissha Group in Japan | 86 | 94 | 91 | 89 | 92 |
| | Of which foreign employees | Number | Nissha Group in Japan | 2 | 2 | 1 | 1 | 1 |
| Percentage of persons with disabilities employed | | % | Nissha | 2.11 | 2.12 | 2.07 | 2.67 | 2.20 |
| Female manager ratio | | % | Nissha Group | 19.4 | 20.0 | 21.5 | 22.7 | 24.4 |
| | | % | Nissha | 5.0 | 5.4 | 5.9 | 7.1 | 8.9 |
| Next-generation female managerial staff ratio | | % | Nissha | n/a | 22.3 | 23.9 | 24.5 | 27.0 |
| 16. Human Resources Development | | | | | | | | |
| Annual training hours | Total | Hours | Nissha Group in Japan | 26,337 | 42,426 | 30,613 | 28,739 | 25,729 |
| | Male | Hours | Nissha Group in Japan | 19,092 | 28,928 | 23,252 | 20,042 | 16,013 |
| | Female | Hours | Nissha Group in Japan | 7,245 | 13,498 | 7,361 | 8,697 | 9,716 |
| Training hours per employee | Average | Hours | Nissha Group in Japan | 13.1 | 18.2 | 14.4 | 13.4 | 12.2 |
| | Male | Hours | Nissha Group in Japan | 11.8 | 16.4 | 14.2 | 12.2 | 10.0 |
| | Female | Hours | Nissha Group in Japan | 17.9 | 24.0 | 15.3 | 17.7 | 19.2 |
| 17. Employee Engagement | | | | | | | | |
| Engagement Survey | | | | | | | | |
| Response rate | | % | Nissha Group | n/a | n/a | 83.0 | 94.2 | 96.6 |
| Will to contribute to the organization | Percentage of Positive Responses | % | Nissha Group | n/a | n/a | 95.6 | 95.5 | 95.4 |
| Organizational Commitment | Percentage of Positive Responses | % | Nissha Group | n/a | n/a | 87.8 | 89.0 | 88.9 |
| Rewarding | Percentage of Positive Responses | % | Nissha Group | n/a | n/a | 82.3 | 83.4 | 83.9 |
| Feeling of contributing to society | Percentage of Positive Responses | % | Nissha Group | n/a | n/a | 78.8 | 80.6 | 81.9 |
| * We started engagement surveys in FY2022. | | | | | | | | |
| Average days of annual paid leave used | | Days | Nissha Group in Japan | 11.4 | 11.5 | 12.9 | 14.1 | 14.8 |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|---------|--------|-----------------------|--------|--------|--------|--------|--------|
| Average percentage of annual paid leave used | | % | Nissha Group in Japan | 61.4 | 60.3 | 66.1 | 72.0 | 76.5 |
| Number of employees who used child-rearing leave | Total | Number | Nissha Group in Japan | 69 | 67 | 73 | 81 | 68 |
| | Male | Number | Nissha Group in Japan | 19 | 21 | 25 | 38 | 31 |
| | Female | Number | Nissha Group in Japan | 50 | 46 | 48 | 43 | 37 |
| Number of employees who worked shorter hours for child-rearing | Total | Number | Nissha Group in Japan | 95 | 89 | 95 | 88 | 89 |
| | Male | Number | Nissha Group in Japan | 2 | 2 | 3 | 6 | 5 |
| | Female | Number | Nissha Group in Japan | 93 | 87 | 92 | 82 | 84 |
| Number of employees who took days off for child nursing | Total | Number | Nissha Group in Japan | 120 | 108 | 115 | 122 | 125 |
| | Male | Number | Nissha Group in Japan | 56 | 49 | 50 | 60 | 60 |
| | Female | Number | Nissha Group in Japan | 64 | 59 | 65 | 62 | 65 |
| Reinstatement rate after child-rearing leave | Average | % | Nissha Group in Japan | 100 | 97.1 | 97.6 | 100 | 100 |
| | Male | % | Nissha Group in Japan | 100 | 100 | 100 | 100 | 100 |
| | Female | % | Nissha Group in Japan | 100 | 95.6 | 95.8 | 100 | 100 |
| Retention rate after child-rearing leave (1 year) | Average | % | Nissha Group in Japan | 90.0 | 88.5 | 94.7 | 90.6 | 92.9 |
| | Male | % | Nissha Group in Japan | 92.0 | 83.3 | 87.5 | 95.0 | 91.4 |
| | Female | % | Nissha Group in Japan | 88.6 | 91.3 | 100 | 88.6 | 95.2 |
| Number of employees who used family care leave | Total | Number | Nissha Group in Japan | 1 | 0 | 0 | 0 | 1 |
| | Male | Number | Nissha Group in Japan | 1 | 0 | 0 | 0 | 0 |
| | Female | Number | Nissha Group in Japan | 0 | 0 | 0 | 0 | 1 |
| Number of employees who used shorter hours for family care | Total | Number | Nissha Group in Japan | 0 | 0 | 0 | 1 | 1 |
| | Male | Number | Nissha Group in Japan | 0 | 0 | 0 | 0 | 0 |
| | Female | Number | Nissha Group in Japan | 0 | 0 | 0 | 1 | 1 |
| Number of employees who used days off for family care | Total | Number | Nissha Group in Japan | 15 | 6 | 12 | 15 | 21 |
| | Male | Number | Nissha Group in Japan | 8 | 5 | 6 | 8 | 10 |
| | Female | Number | Nissha Group in Japan | 7 | 1 | 6 | 7 | 11 |
| Number of employees who used outpatient sick leave system | Total | Number | Nissha Group in Japan | 4 | 6 | 9 | 9 | 19 |
| | Male | Number | Nissha Group in Japan | 2 | 3 | 5 | 5 | 13 |
| | Female | Number | Nissha Group in Japan | 2 | 3 | 4 | 4 | 6 |
| Number of internal job posting | | Number | Nissha Group in Japan | 0 | 15 | 31 | 14 | 20 |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--|--------|-----------------------|--------|------------------|--------|--------|--------|
| Successful applicants (transferees) | Total | Number | Nissha Group in Japan | n/a | 7 | 2 | 1 | 0 |
| | Male | Number | Nissha Group in Japan | n/a | 6 | 2 | 0 | 0 |
| | Female | Number | Nissha Group in Japan | n/a | 1 | 0 | 1 | 0 |
| Number of award winners | Nissha CEO Award (Company-wide) | Number | Nissha Group | n/a | 0 | 0 | 0 | 0 |
| | CEO Award (Group Companies) | Number | Nissha Group | n/a | 10 | 0 | 11 | 0 |
| | BU Head Award | Number | Nissha Group | n/a | 35 ^{*1} | 21 | 41 | 24 |
| | Synergy Award | Number | Nissha Group | n/a | 32 | 79 | 57 | n/a |
| | Top Profit Contributor Award | Number | Nissha Group | n/a | n/a | n/a | n/a | 43 |
| | New Hope Award | Number | Nissha Group | n/a | 13 | 8 | 15 | 11 |
| | Nissha People Award | Number | Nissha Group | 111 | n/a | n/a | n/a | n/a |
| | * In FY2021, the award system was revised and the Nissha People Award was abolished, while the CEO Award, the BU Head Award, the Synergy Award and the New Hope Award were newly established. * In FY2024, the award system was revised and the Synergy Award was abolished, while the Top Profit Contributor Award was newly established. *1. Includes the number of winners of the Director's Special Award, which corresponds to the BU Head Award. | | | | | | | |
| Subscription rate in employee stock ownership plan | | % | Nissha Group in Japan | 26.0 | 27.5 | 27.5 | 28.5 | 29.3 |
| 18. Safety and Health | | | | | | | | |
| Frequency of work-related accidents | | - | Nissha Group in Japan | 0.98 | 1.48 | 0.35 | 0.91 | 1.14 |
| Severity of work-related accidents | | - | Nissha Group in Japan | 0.01 | 0.05 | 0.00 | 0.04 | 0.04 |
| Fatal accidents (employee fatalities due to accidents at work) | | Number | Nissha Group in Japan | 0 | 0 | 0 | 0 | 0 |
| Number of work-related accidents | | Number | Nissha Group | 48 | 53 | 60 | 39 | 38 |
| Number of work-related accidents (Japan) | | Number | - | 15 | 15 | 7 | 9 | 10 |
| four or more days of leave | | Number | - | 3 | 7 | 0 | 5 | 5 |
| Number of work-related accidents (North America) | | Number | - | 10 | 14 | 19 | 14 | 15 |
| Number of work-related accidents (Central and South America) | | Number | - | 2 | 2 | 2 | 2 | 1 |
| Number of work-related accidents (Europe) | | Number | - | 19 | 17 | 30 | 13 | 12 |
| Number of work-related accidents (Asia) | | Number | - | 2 | 5 | 2 | 1 | 0 |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|--|------|--|--------|--------|--------|--------|--------|
| 19. Health and Productivity Management | | | | | | | | |
| Regular health checkup rate | | % | Nissha Group in Japan | 98.8 | 99.7 | 100 | 100 | 100 |
| Detailed checkup rate after regular health checkup | | % | Nissha Group in Japan | 34.7 | 51.7 | 60.3 | 75.3 | 75.5 |
| Lung cancer screening rate | | % | Nissha Group in Japan | 99.4 | 100 | 100 | 100 | 100 |
| Stomach cancer screening rate | | % | Nissha Group in Japan | 92.4 | 94.0 | 93.0 | 92.9 | 94.4 |
| Colorectal cancer screening rate | | % | Nissha Group in Japan | 96.8 | 96.8 | 96.2 | 97.3 | 99.2 |
| Uterus cancer screening rate | | % | Nissha Group in Japan (held on a biennial basis) | 60.3 | 66.7 | 66.7 | 92.7 | 85.8 |
| Breast cancer screening rate | | % | Nissha Group in Japan (held on a biennial basis) | 81.1 | 74.2 | 74.7 | 90.2 | 81.3 |
| Smoking rate* | | % | Nissha Group in Japan | 27.8 | 28.5 | 25.6 | 25.7 | 23.9 |
| Obesity rate* | | % | Nissha Group in Japan | 23.7 | 29.7 | 24.8 | 25.7 | 27.3 |
| Percentage of individuals maintaining appropriate weight | | % | Nissha Group in Japan | 68.4 | 69.7 | 68.4 | 66.7 | 65.5 |
| Percentage of individuals with regular exercise habits | | % | Nissha Group in Japan | 23.8 | 21.2 | 24.0 | 24.5 | 26.0 |
| Percentage of individuals with abnormal findings | | % | Nissha Group in Japan | 75.4 | 73.5 | 78.2 | 78.2 | 76.6 |
| Percentage of individuals at risk for high blood pressure | | % | Nissha Group in Japan | 0.1 | 0.0 | 0.2 | 0.2 | 0.3 |
| Percentage of individuals at risk for blood sugar issues | | % | Nissha Group in Japan | 0.3 | 0.2 | 0.3 | 0.3 | 0.2 |
| Specific health guidance implementation rate (Implemented / Targeted) | | % | Nissha Group in Japan | 96.2 | 99.0 | 99.9 | 93.9 | 94.8 |
| Specific health guidance continuation rate (Completed / Initial interview participants) | | % | Nissha Group in Japan | 96.2 | 99.0 | 99.0 | 98.3 | 99.0 |
| Stress check implementation rate | | % | Nissha Group in Japan | 100 | 100 | 99.9 | 100 | 100 |
| Percentage of individuals experiencing high stress | | % | Nissha Group in Japan | 8.3 | 10.0 | 9.8 | 9.1 | 9.6 |
| Presenteeism | | % | Nissha Group in Japan | n/a | n/a | n/a | n/a | 12.9 |
| Absenteeism | | % | Nissha Group in Japan | n/a | n/a | 0.72 | 0.81 | 0.96 |
| Engagement | | % | Nissha Group in Japan | n/a | n/a | n/a | 62.1 | 62.4 |
| * Excluding Kaga Factory and Tokyo Division Headquarters in FY2020. | | | | | | | | |

Fair Operating Practices / Local Communities

| Items | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|----------------------------------|-------------|-----------------------|--------|--------|--------|--------|--------|
| 22. Along with Local Communities | | | | | | | |
| Social contribution expenses | Million yen | Nissha Group in Japan | 99 | 111 | 153 | 105 | 209 |

Quality Management /Efficiency and Productivity Improvement

| Items | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--------------|--------------|--------|--------|--------|--------|--------|
| 23. Quality Management | | | | | | | |
| Number of serious quality incidents | Number | Nissha Group | 0 | 0 | 0 | 0 | 1* |
| Fines due to serious quality incidents | Japanese Yen | Nissha Group | 0 | 0 | 0 | 0 | 0 |

* In the fiscal year ended December 2024, while there were no serious incidents as laid out in our Regulations for Responding to Serious Quality Incidents, there was one incident which was determined to be a serious quality incident in terms of its effect on costs. Immediately after the incident, the Total Quality Management Office and the Quality Assurance Department in our business units, in accordance with the regulations, completed handling the matter, including a prompt customer response, product disposal, investigation into the cause, implementation of corrective measures and audits to confirm their effectiveness, as well as expansion to similar locations and bases. As a result, we were able to avoid effects on our customers' production, and also confirmed the appropriateness of our response system.

Governance

| Items | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--------|----------|--------|--------|--------|--------|--------|
| 25. Corporate Governance | | | | | | | |
| Directors of the Board | Number | Nissha | 9 | 9 | 9 | 9 | 9 |
| Independent Outside Director of the Board | Number | Nissha | 4 | 4 | 4 | 4 | 4 |
| Female Directors of the Board | Number | Nissha | 1 | 1 | 1 | 1 | 1 |
| Foreign national Directors of the Board | Number | Nissha | 1 | 1 | 1 | 0 | 0 |
| Audit and Supervisory Board Members | Number | Nissha | 4 | 4 | 4 | 4 | 4 |
| Independent Audit and Supervisory Board Member | Number | Nissha | 2 | 2 | 2 | 2 | 2 |
| Female Audit and Supervisory Board Members | Number | Nissha | 0 | 0 | 0 | 0 | 0 |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|-------------|----------|--------|--------|--------|--------|--------|
| Corporate Officers, excluding concurrently serving as Directors of the Board | | Number | Nissha | 12 | 12 | 12 | 14 | 13 |
| Female Corporate Officers | | Number | Nissha | 0 | 0 | 0 | 1 | 1 |
| Foreign national Corporate Officers | | Number | Nissha | 2 | 2 | 2 | 2 | 2 |
| * The number of Directors of the Board, Audit and Supervisory Board Members, and Corporate Officers is as of the conclusion of the Ordinary General Meeting of Shareholders for the relevant fiscal year. | | | | | | | | |
| Total compensation | Directors of the Board (Excluding Independent Outside Directors of the Board) | Million yen | Nissha | 226 | 328 | 318 | 257 | 441 |
| | Audit and Supervisory Board Members (Excluding Independent Audit and Supervisory Board Members) | Million yen | Nissha | 26 | 28 | 32 | 33 | 33 |
| | Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members | Million yen | Nissha | 46 | 53 | 54 | 54 | 54 |
| Compensation by category (Base salary) | Directors of the Board (Excluding Independent Outside Directors of the Board) | Million yen | Nissha | 151 | 169 | 171 | 171 | 216 |
| | Audit and Supervisory Board Members (Excluding Independent Audit and Supervisory Board Members) | Million yen | Nissha | 26 | 28 | 32 | 33 | 33 |
| | Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members | Million yen | Nissha | 46 | 53 | 54 | 54 | 54 |
| Compensation by category (Bonuses) | Directors of the Board (Excluding Independent Outside Directors of the Board) | Million yen | Nissha | 52 | 113 | 89 | 45 | 150 |
| | Audit and Supervisory Board Members (Excluding Independent Audit and Supervisory Board Members) | Million yen | Nissha | - | - | - | - | - |
| | Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members | Million yen | Nissha | - | - | - | - | - |
| Compensation by category (Stock compensation, etc.) | Directors of the Board (Excluding Independent Outside Directors of the Board) | Million yen | Nissha | 22 | 45 | 57 | 40 | 74 |
| | Audit and Supervisory Board Members (Excluding Independent Audit and Supervisory Board Members) | Million yen | Nissha | - | - | - | - | - |
| | Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members | Million yen | Nissha | - | - | - | - | - |

| Items | | Unit | Boundary | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|---|-----------------|--------------|--------|--------|--------|--------|--------|
| Number of members subject to aggregation of compensation and etc. | Directors of the Board (Excluding Independent Outside Directors of the Board) | Number | Nissha | 5 | 7 | 5 | 5 | 5 |
| | Audit and Supervisory Board Members (Excluding Independent Audit and Supervisory Board Members) | Number | Nissha | 3 | 2 | 3 | 2 | 2 |
| | Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members | Number | Nissha | 6 | 6 | 7 | 6 | 8 |
| 28. Risk Management and Compliance | | | | | | | | |
| Hotline number of reports | | | Nissha Group | 12 | 7 | 4 | 8 | 24 |
| * The Hotline is a whistle-blowing and other consultation service for inappropriate, illegal or unethical behavior by organizations or individuals, and is not limited to harassment consultation. | | | | | | | | |
| 35. Management System and Other Certification Acquisitions | | | | | | | | |
| ISO9001 acquisition site | | Number of sites | Nissha Group | 29 | 25 | 19 | 18 | 17 |
| ISO13485 acquisition site | | Number of sites | Nissha Group | 10 | 10 | 12 | 14 | 14 |
| ISO22716 acquisition site | | Number of sites | Nissha Group | 1 | 1 | 1 | 1 | 1 |
| IATF16949 acquisition site | | Number of sites | Nissha Group | 9 | 10 | 8 | 8 | 8 |
| ISO14001 acquisition site | | Number of sites | Nissha Group | 17 | 17 | 18 | 17 | 17 |
| ISO50001 acquisition site | | Number of sites | Nissha Group | 5 | 4 | 4 | 3 | 3 |
| OHSAS18001 / ISO45001 acquisition site | | Number of sites | Nissha Group | 3 | 1 | 2 | 2 | 3 |
| ISO27001 acquisition site | | Number of sites | Nissha Group | 17 | 18 | 18 | 18 | 16 |
| FSC COC acquisition site | | Number of sites | Nissha Group | 5 | 10 | 10 | 10 | 10 |
| PEFC acquisition site | | Number of sites | Nissha Group | n/a | 2 | 2 | 2 | 2 |
| EN15593 acquisition site | | Number of sites | Nissha Group | 1 | 1 | 1 | 1 | 1 |

List of policies and principles

| Title | Sustainability Report 2025 · Web site | Pages on PDF |
|---|---|--------------|
| Environment Policy and Principles | 4. Environmental Policy and Management Structures | 4-1 |
| Human Rights Policy | 13. Human Rights | 13-1 |
| Human Resources Policy | 14. Human Resources Policy and System | 14-1 |
| Occupational Safety and Health Policy and Principles | 18. Safety and Health | 18-1 |
| Health and Productivity Management Policy | 19. Health and Productivity Management | 19-1 |
| Purchasing Principles | 21. Partnership with Our Suppliers | 21-1 |
| Social Contribution Policy | 22. Along with Local Communities | 22-1 |
| Quality Policy / Nissha Quality Way | 23. Quality Management | 23-1 |
| Corporate Governance Policy | Website About > Corporate Governance | - |
| Risk Management Policy | 28. Risk Management and Compliance | 28-1 |
| Corporate Ethics and Compliance Guidelines and Principles | 28. Risk Management and Compliance | 28-1 |
| Information Security Policy and Principles | 29. Information Security | 29-1 |
| Trade Management Policy and Principles | 30. Trade Management | 30-1 |
| Nissha Anti-Corruption Principles | 31. Anti-corruption | 31-1 |
| Business Continuity Plans Policy and Principles | 32. Business Continuity | 32-1 |
| Tax Principles | 33. Tax Principles | 33 |
| Basic Approach to Responsible Mineral Procurement | 34. Responsible Mineral Procurement | 34-1 |