

# 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.

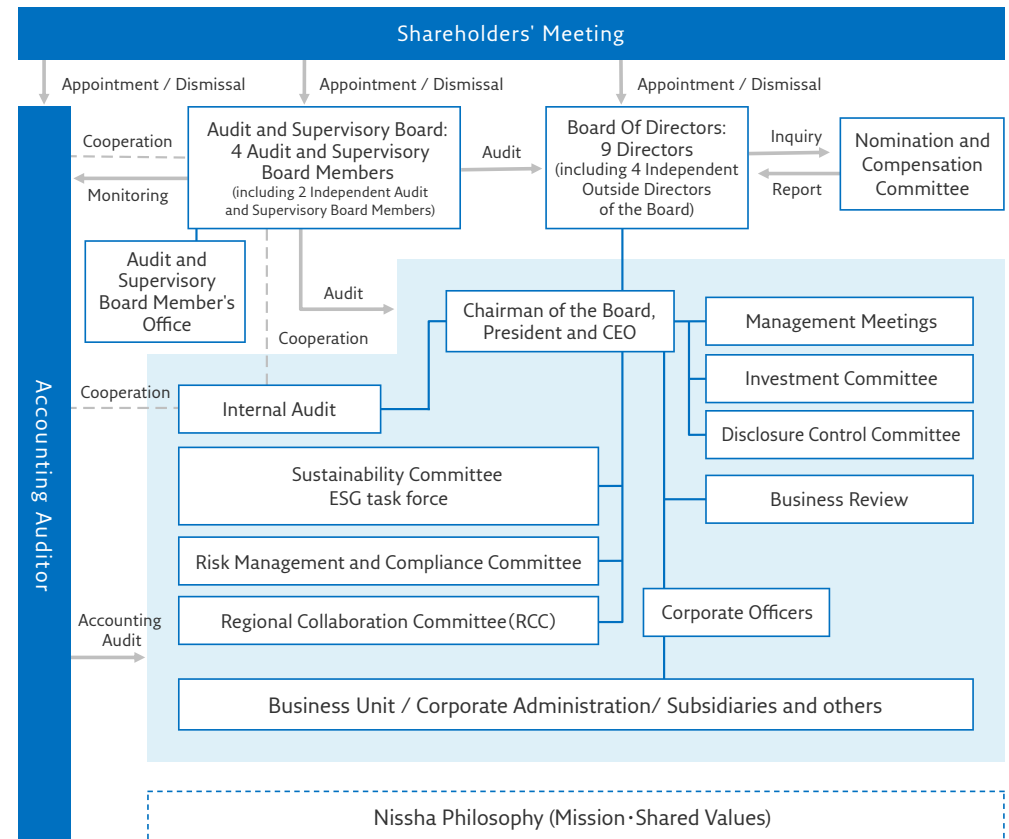
[About > Corporate Governance](#)

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

## 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 <sup>*1</sup>	100%	1/1meetings
Kazumichi Matsuki	100%	10/10meetings
Juichi Takeuchi	100%	10/10meetings

Name	Attendance	
Yukiko Hashitera <sup>*2</sup>	100%	9/9meetings
Junya Suzuki	100%	10/10meetings
Wataru Watanabe	100%	10/10meetings

<sup>\*1</sup> The attendance is documented up until her resignation on March 22, 2024.

<sup>\*2</sup> 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"> <li>• Candidates for Directors of the Board</li> <li>• Chairman of the Board, Titled Directors, and the CEO</li> <li>• Succession Plan for the President and CEO</li> <li>• Lead Independent Outside Director of the Board</li> </ul>
Compensation Matters	<ul style="list-style-type: none"> <li>• Policy for determining individual compensation for Directors of the Board</li> <li>• Design and amount of Directors' compensation (monthly compensation, bonuses, stock compensation, etc.)</li> </ul>

## 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 Borad 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 though 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"> <li>Consent to the proposal for the appointment of Audit and Supervisory Board Members</li> <li>Audit report by the Audit and Supervisory Board</li> <li>Allocation of duties within the Audit and Supervisory Board, and compensation for Audit and Supervisory Board Members</li> <li>Audit policy and audit plans</li> <li>Reappointment of the accounting auditor, and consent to the amount of audit fees, etc.</li> </ul>
Reports	<ul style="list-style-type: none"> <li>Routine audits, on-site audits</li> <li>Financial statements and accounting</li> <li>Matters related to the general meeting of shareholders</li> </ul>

## 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 CO<sub>2</sub> 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 compensation, etc. (Non-monetary compensation, etc.)*1	
Directors of the Board (Excluding Independent Outside Directors of the Board)	441	216	150	74	5
Audit and Supervisory Board Members (Excluding Independent Audit and Supervisory 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"> <li>Protection of Intellectual Property</li> <li>Proper Management of Company Assets</li> <li>Handling of Insider Information</li> </ul>	<ul style="list-style-type: none"> <li>Prevention of Money Laundering</li> <li>Proper Disclosure of Financial Status</li> <li>Management of Conflict of Interest Transactions</li> <li>Prevention of Accounting Fraud</li> <li>Proper Management of Confidential and Personal Information</li> <li>Responsible Public Relations Activities</li> <li>Use of Social Media</li> </ul>
Building a Circle of Trust with Customers and Suppliers	Social Responsibility of the Nissha Group
<ul style="list-style-type: none"> <li>Ensuring the Quality and Safety of Products and Services</li> <li>Fair Competition</li> <li>Fair Procurement</li> <li>Prohibition of Corrupt Practices</li> <li>Non-Use of Conflict Minerals</li> <li>Compliance with Import and Export Regulations</li> </ul>	<ul style="list-style-type: none"> <li>Consideration for the Environment</li> <li>Consideration for Local Communities</li> <li>Respect for Human Rights</li> <li>Creating a Comfortable Work Environment and Promoting Mental and Physical Health</li> <li>Ensuring the Safety of All Employees</li> </ul>

### 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.

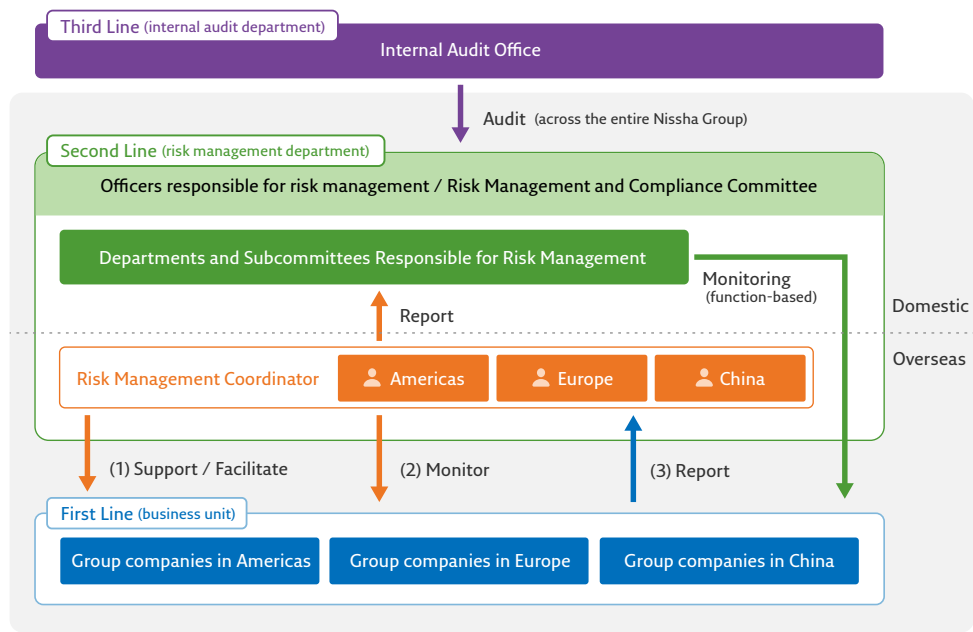
The Risk Management and Compliance Committee centrally manages the cross-company risks, business risks, and financial risks of the Nissha Group on a global basis. Of these, for the cross-company risks, the Committee selects key risks in line with the results of the risk assessment at the annual general 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 oversea (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.



Cross-Group Risks

- 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.)
- 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
- Human capital**  
Absence of, or delay in implementing, succession plans for key positions; outflow of human resources
- Products and safety**  
Use of prohibited substances, product liability (PL), serious quality incidents
- 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
- 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
- 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).

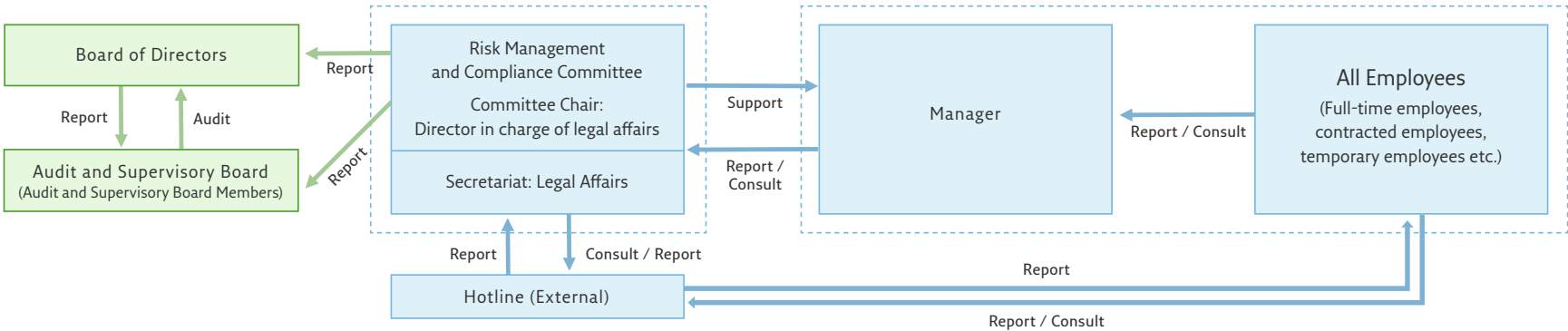
Questionnaires are sent out after each company-wide simultaneous training session to collect a wide range of information and opinions from all employees about concerns and actions that need to be improved in the workplace from the perspective of corporate ethics and compliance. Examples and results of 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.

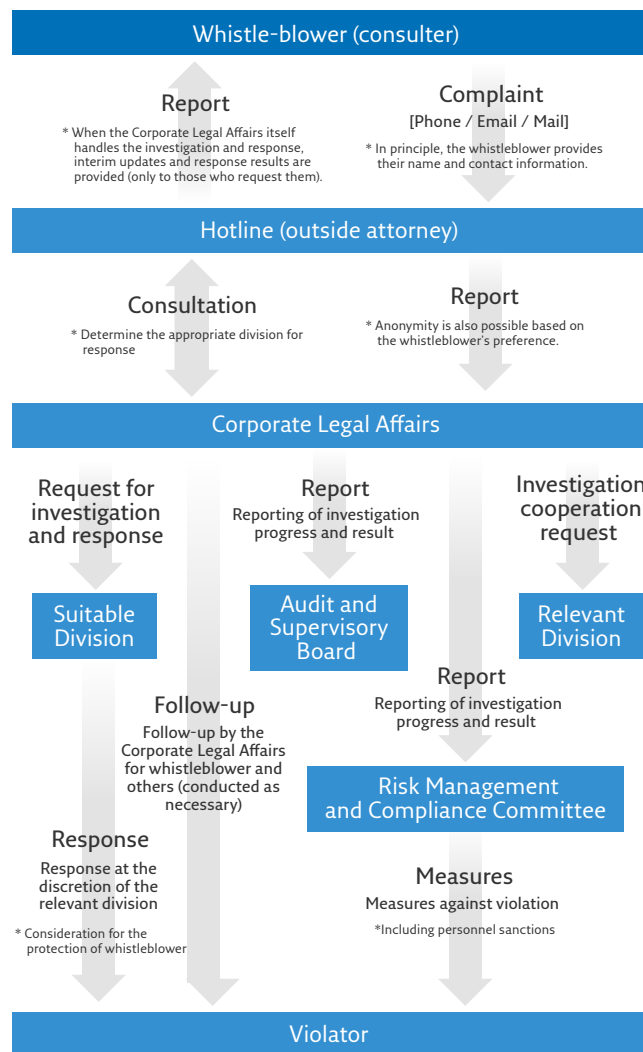
The Internal Reporting Code contains the following.

- 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 anti-social 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

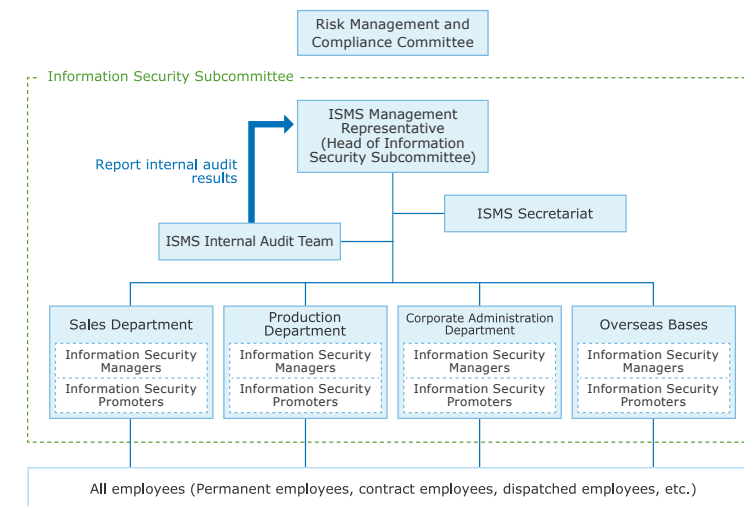
## 29-2 Management Structure

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.

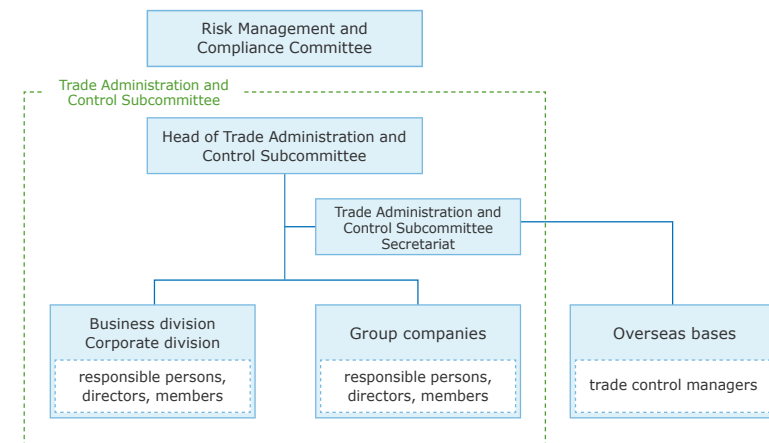
Daisuke Inoue  
Director of the Board, Senior Executive Vice President  
Corporate Procurement and Logistics  
Nissha Co., Ltd.

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

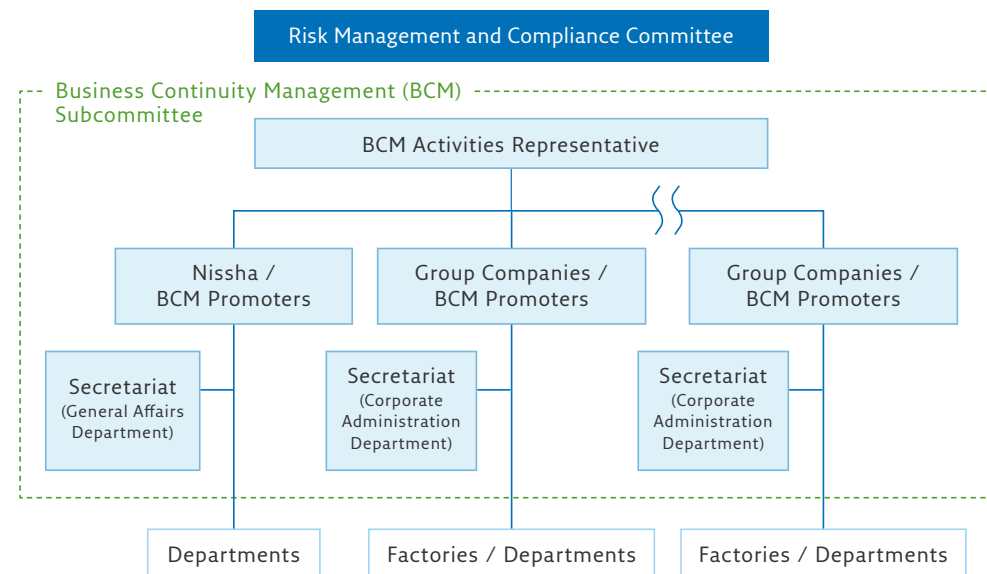
1. In the event of a major interruption of our business, we shall ensure the safety of human life as our top priority while preventing secondary disasters.
2. We shall define buildings, equipment, information systems, human resources, and suppliers as key management resources/ stakeholders, and formulate 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,

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. <sup>*1</sup>
Nissha Precision and Technologies, Inc. <sup>*2</sup>
Nissha Industries, Inc.
Nissha Printing Communications, Inc. <sup>*3</sup>
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.

<sup>\*1</sup>. 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.

<sup>\*2</sup>. Obtained at the Himeji Factory and Kyoto (production base).

<sup>\*3</sup>. Absorbed and merged with Nissha F8, Inc. on January 1, 2025.

## ■ Quality

Medical devices / ISO13485
Nissha Co., Ltd. <sup>*4</sup>
Nissha Precision and Technologies, Inc. <sup>*5</sup>
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.

<sup>\*4</sup>. For departments related to BS Probe Holder EX in Global Headquarters.

<sup>\*5</sup>. For departments related to BS Probe Holder EX products at Kyoto (production base).

## ■ Quality

Cosmetics / ISO22716
Nissha Co., Ltd. <sup>*6</sup>

<sup>\*6</sup>. 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. <sup>*7</sup>
Nissha Precision and Technologies, Inc. <sup>*8</sup>
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.

<sup>\*7</sup>. For the support department related to the touch sensor module for automotive in Kyoto Global Headquarters.

<sup>\*8</sup>. Obtained at the Himeji Factory.

## ■ Environment

Environment / ISO14001
Nissha Co., Ltd. <sup>*9</sup> 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.

<sup>\*9</sup>. 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 <sup>*10</sup>
Nissha Precision and Technologies, Inc.
Headquarters / Himeji Factory
Kaga Factory
Tsu (production base)
Kyoto (production base)
Nissha FIS, Inc.
Nissha Printing Communications, Inc. <sup>*11</sup>
Headquarters
Osaka Sales Office
Tokyo Sales Office
Kameoka Factory <sup>*10</sup>
Nissha Business Service, Inc.

<sup>\*10</sup> Certification is included in the Kameoka Factory of Nissha Co., Ltd.

<sup>\*11</sup> Absorbed and merged with Nissha F8, Inc. on January 1, 2025.

Others

FSC COC
Nissha Co., Ltd. <sup>*12</sup>
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

<sup>\*12</sup> For paper purchasing departments.

Others

PEFC
Nissha Metallizing Solutions S.r.l.
Nissha Metallizing Solutions GmbH

Others

EN15593
Nissha Metallizing Solutions GmbH