

13. Human Rights

13-1 Policy

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

Human Rights Policy

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

Scope of application

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

Commitment to respect for human rights

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

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

Human rights items considered important by Nissha Group

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

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

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

Governance

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

Human rights due diligence

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

Remediation

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

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

Stakeholder engagement/Disclosure

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

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

Dissemination and education

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

Policy formulation process and review

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

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

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.
Established on June 1, 2018 / Revised on June 1, 2025

13-2 Structures

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



13-3 Initiatives Related to Labor and Human Rights

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

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

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

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

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

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

Activities of Foreign Technical Interns

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



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

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

13-4 Harassment Prevention

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

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

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

13-5 Relationship with Labor Union

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

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

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

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

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

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

14. Human Resources Policy and System

14-1 Policy

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

Human Resources Policy

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

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

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

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

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

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

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

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

14-3 Talent Management System

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

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

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

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

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

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

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

14-5 Wage Management

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

(Nissha Co., Ltd.)

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

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

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

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

15. Respect for Diversity

15-1 Nissha Group Employee Composition

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

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

Number of employees by region and gender

Unit: Number of employees

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

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

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

Composition by employment status and gender

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

* Figures exclude directors by a delegation agreement.

■ Employee Composition (Nissha Co., Ltd.)

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

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

*2. Managerial staff exclude corporate officers.

*3. Employees exclude temporary employees.

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

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

Unit: Number of employees

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

■ Number of employees (Nissha Group)

Unit: Number of employees

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

* Figures exclude temporary employees.

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

■ Composition of managerial staff (Nissha Group in Japan)

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

* Managerial staff exclude temporary employees.

15-2 Employment of Persons with Disabilities

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

■ Legal employment rate and Nissha's employment rate

Unit: %

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

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

15-3 Diversification of Hiring

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

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

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

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

Unit: Number of employees

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

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

15-4 Promotion of Women's Advancement

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

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

Female managers ratio and Next-generation female managerial staff ratio

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

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

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

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

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

16. Human Resources Development

16-1 Basic Concept

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

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



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

16-2

Training Systems
 (Nissha Group in Japan)

Selective training

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

Business School

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

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

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

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

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

Executive MBA program and a graduate school program for working professionals

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

Overseas trainee system

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

Rank-specific training

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

New employee training

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



■ Function-based training

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

Priority market skills training

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

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

Common training for engineers

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



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

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

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

16-4 Career Planning Support

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

16-5 Training Records

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

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

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

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

16-6 In-House Training Programs

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

17. Employee Engagement

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

17-1 Engagement Survey

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

■ Engagement survey results

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

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

17-2 Flexible Work Hours

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

17-3 Telework System

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

17-4 Child-Rearing and Family Care Support

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

■ Major child-rearing support system

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

(As of April 2025)

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

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

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

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

Unit: Number of employees

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

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

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

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

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

■ Major family care support systems

(As of April 2025)

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

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

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

Unit: Number of employees

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

Communication with employees

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

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



Kurumin Certification



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

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

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

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

17-5 Promotion of the Use of Annual Paid Leave

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

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

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

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

17-6 Saved Expired Leave System

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

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

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

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

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

unit: Number of employees

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

17-9 Support for Reinstatement After Long-Term Leave

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

17-10 Management of Working Time

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

17-11 Internal Job Posting System

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

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

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

17-12 Awarding System (Nissha Group)

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

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

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

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



17-13 Employee Stock Ownership Plan / J-ESOP

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

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

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

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

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

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

17-14 Retirement Pay System

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

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

18. Safety and Health

18-1 Policy and Principles

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

Occupational Safety and Health Policy

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

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

Occupational Safety and Health Principles

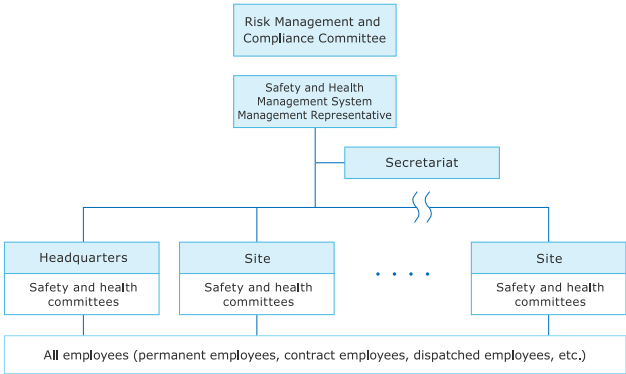
1. We shall strive to eliminate and reduce risks through increasing risk sensitivity and responding to changes for achieving "zero accidents".
2. We shall promote measures related to health and promote the maintenance and improvement of both physical and mental health.
3. We shall introduce appropriate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

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

18-2 Safety and Health Management System

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

Safety and Health Management Structure



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

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

18-3 Risk Mitigation Initiatives

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

Risk Assessment

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

Risk Mitigation Measures When Bringing in Equipment

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

Safety Patrols

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

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

18-4 Occurrence of Occupational Accidents

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

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

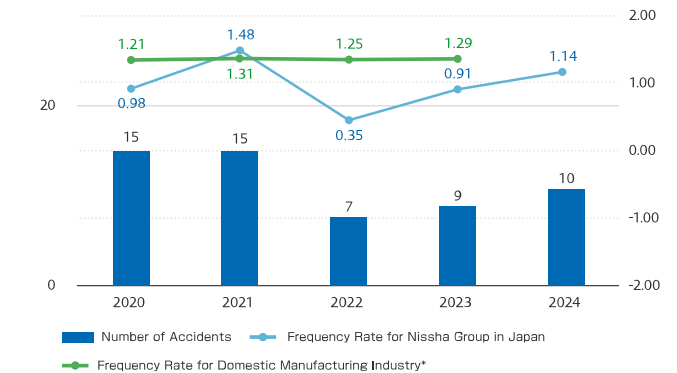
Occurrence of Occupational Accidents (Nissha Group in Japan)

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

* Figures include accidents involving temporary employees.

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

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



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

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

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

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

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

18-5 Safety and Health Education and Training

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



Sense Safety Training VR Experience



Foreman education

Training Participation

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

18-6 Safety Slogan

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

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

DISSHA

18-7 External Evaluation

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

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

19. Health and Productivity Management

19-1 Policy

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

Health and Productivity Management Policy

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

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

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

19-2 Structure

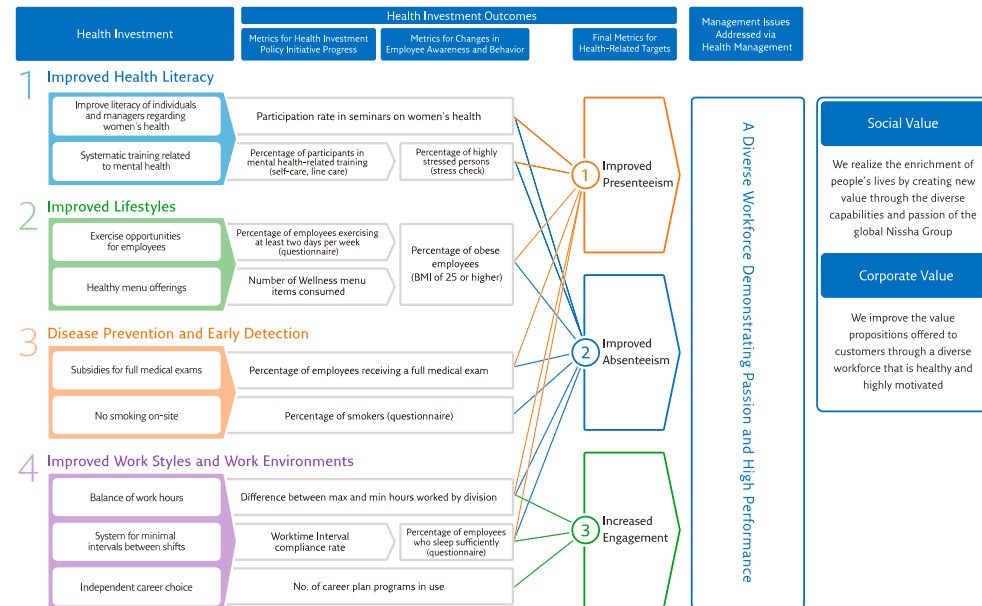
As part of our health and productivity management promotion structure, we have appointed Senior Vice President, Chief Human Resources Officer as the director responsible for health and productivity management.Under the Risk Management and Compliance Committee, the Health and Productivity Management Subcommittee,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

19-3 Health and Productivity Management Strategy Map

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

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

		FY 2022	FY 2023	FY 2024	Targets in FY2026
Presenteeis *Measurement started from the fiscal year ended December 2024 (Nissha Group in Japan)	<ul style="list-style-type: none"> Average lost work time rate per employee in the survey, Wfun (A questionnaire developed by the University of Occupational and Environmental Health to measure the degree of work impairment due to health problems) 	—	—	12.9%	15% or less
	<ul style="list-style-type: none"> Number of respondents 	—	—	2,151	—
	<ul style="list-style-type: none"> Response rate 	—	—	100%	—
Absenteeis (Nissha Group in Japan)	<ul style="list-style-type: none"> Number of people on leave + number of long-term absences / total number of employees *Figures as of the end of December each year	0.72%	0.81%	0.96%	0.72% or less
Engagement *Measurement started from the fiscal year ended December 2023 (Nissha Group in Japan)	<ul style="list-style-type: none"> Positive response rate for the question “I find my work rewarding” in the engagement survey 	—	62.1%	62.4%	60% or more
	<ul style="list-style-type: none"> Number of respondents 	—	2,005	2,039	—
	<ul style="list-style-type: none"> Response rate 	—	97.0%	99.2%	—



19-4 Specific Initiatives and Indices for Measuring Results

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

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

19-5 Certified Health and Productivity Management Outstanding Organizations

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



20. Intellectual Property

20-1 Basic Concept

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

20-2 Initiatives

■ Building an intellectual property portfolio

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

■ Avoiding intellectual property risks

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

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

■ Training

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

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



21. Partnership with Our Suppliers

21-1 Principles

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

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

Purchasing Principles

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

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

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

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

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

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

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

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

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

1. Labor and human rights

- (1) Prohibition of forced labor
- (2) Young workers
- (3) Working hours
- (4) Wages and benefits
- (5) Humane treatment
- (6) Non-discrimination
- (7) Freedom of association

2. Health and safety

- (1) Occupational health and safety
- (2) Emergency preparedness
- (3) Occupational injury and illness
- (4) Industrial hygiene
- (5) Physically demanding work
- (6) Machine safeguarding
- (7) Sanitation, food, and housing
- (8) Health and safety communication

3. Environment

- (1) Environmental permits and reporting
- (2) Pollution prevention and resource conservation
- (3) Hazardous substances
- (4) Solid waste
- (5) Air emissions
- (6) Materials restrictions
- (7) Water management
- (8) Energy consumption and greenhouse gas emissions
- (9) Environmental management system

4. Ethics

- (1) Business integrity
- (2) No improper advantage
- (3) Elimination of terrorist activities, weapons manufacturing, and money laundering in the supply chain
- (4) Disclosure of information
- (5) Intellectual property
- (6) Fair business, advertising and competition
- (7) Protection of identity and non-retaliation
- (8) Responsible sourcing of minerals

5. Information Security

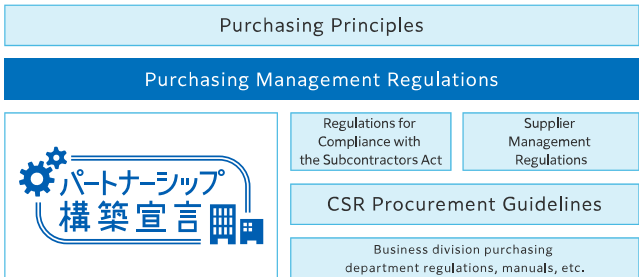
- (1) Information security management system
- (2) Information security threats
- (3) Personal and confidential information

[CSR Procurement Guidelines \(PDF\)](#)

21-2 Maintaining Purchasing Related Regulations

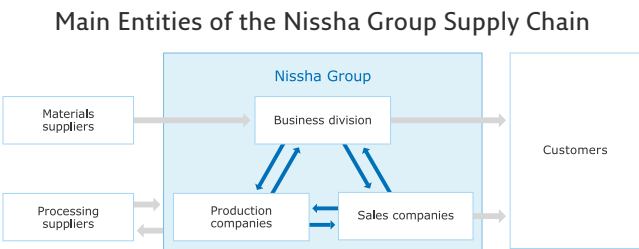
We fully overhauled our Purchasing Management Regulations in 2021, and partially revised them in 2024. In the 2024 revisions, we revised the contents and added necessary rules to ensure that risks in purchasing could be grasped accurately and purchasing could be done sustainably and with minimum risk.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

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



21-3 Nissha Group Supply Chain

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



21-4 Survey of the Supply Chain

■ CSR Survey

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

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

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

■ Labor and Human Rights Risk Survey

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

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

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

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

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

■ CO₂ Emissions Survey (Scope3 Category1)

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

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

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

■ Environmental Survey

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

21-5 Development of Procurement Personnel

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

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

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

22. Along with Local Communities

22-1 Policy

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

Social Contribution Policy

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

Main fields of our support:

- Environment
- Arts and Culture
- Medical and wellness

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

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

22-2 Initiatives

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

Environment / support for future generation

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

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



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

Kyoto Municipal Mukaijima Fujinoki Elementary School on November 26, 2024

Support for future generation

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

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

- Accepting middle school company visits and workplace experiences

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

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

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



Promotion and support of arts and culture

- Sponsorship of arts and crafts exhibitions

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

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

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

- Participation as a museum partner

Kyoto National Museum (Higashiyama-ku, Kyoto)

Humanitarian Assistance

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

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

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

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

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

22-3 Membership in Community Organizations (Nissha)

Nissha participate in various activities in the region.

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

23. Quality Management

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

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

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

23-1 Policy / Nissha Quality Way

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

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

Quality Policy

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

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

Nissha Quality Way

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

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

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

23-2 Quality Slogan

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

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

“Quality”
Quality by Everyone, Everyday,
with Passion

23-3 Quality Management System (QMS)

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

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

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

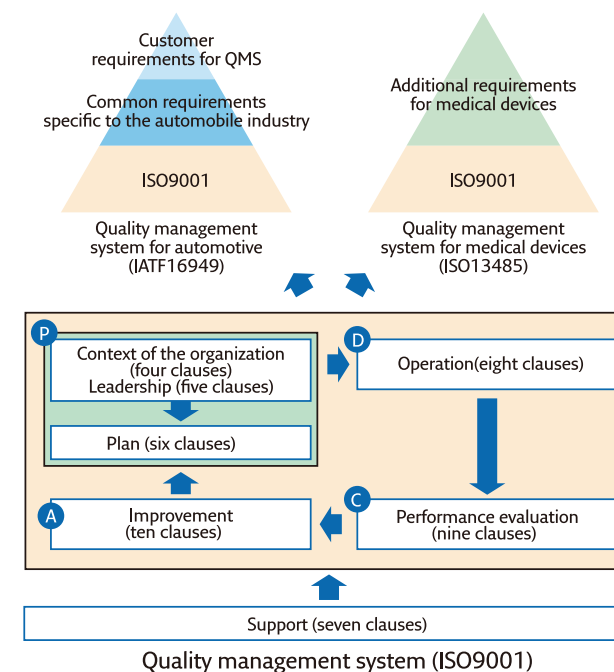
For medical devices, we have obtained a first-class marketing license for medical devices, the required authorization for manufacturing and sales. Nissha Co., Ltd. and Nissha Precision and Technologies, Inc., a Group company, are registered as manufacturing businesses. Moreover, fourteen Nissha Group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

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

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

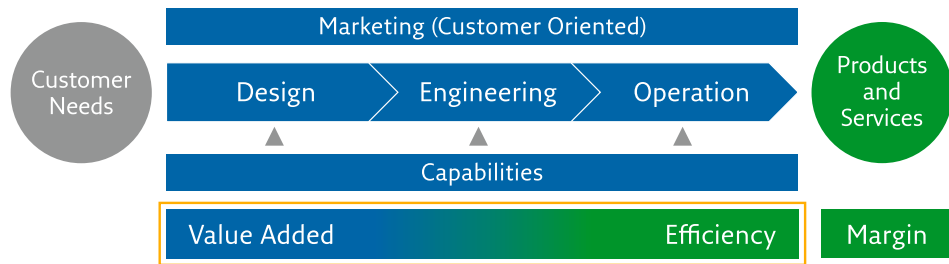
management systems in the automotive industry (as of March 2025).

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



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

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



Transform Business Process from Upstream

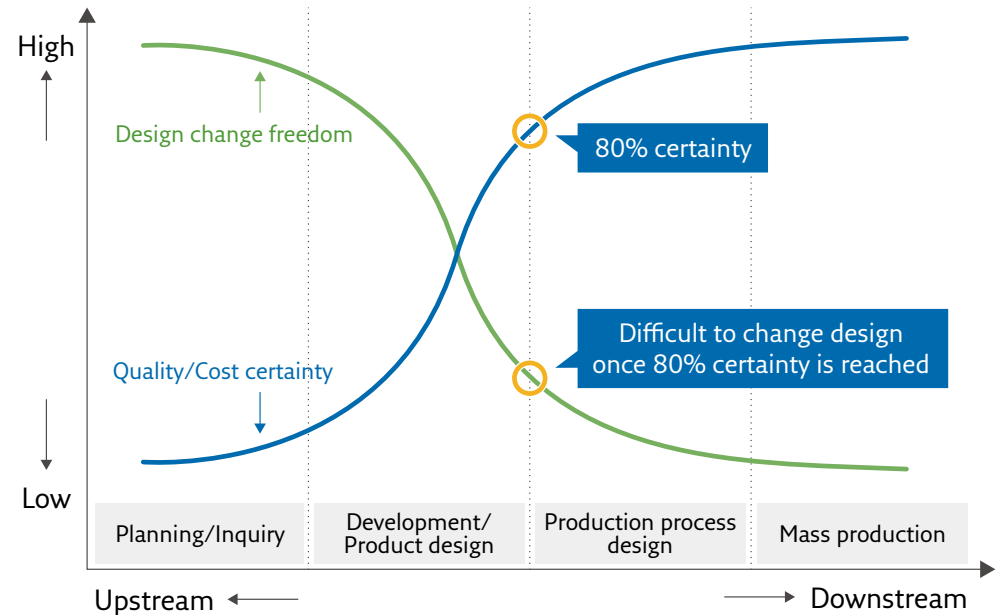
- Creation of quality and added value at the design and development stages
- Product safety: Raising awareness
- DX promotion: Optimization of process design

Pursuit of Lean Operation

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

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

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



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

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



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

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

23-5 Overall Optimization and Continuous Improvement

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

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

Training

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

Practical education

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

Information sharing

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

23-6 Quality and Safety of Products

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

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

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

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

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

24. Efficiency and Productivity Improvement

24-1 Basic Approach

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

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

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

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

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

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

24-2 Initiatives

Initiatives through FY2024

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

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

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

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

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

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

■ Initiatives for FY2025 and beyond

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

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

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

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

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

24-3 Training

■ Initiatives through FY2024

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

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

■ Initiatives for FY2025 and beyond

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

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