Nissha Sustainability Report 2026

English

Leaders
in Trusted
Technologies

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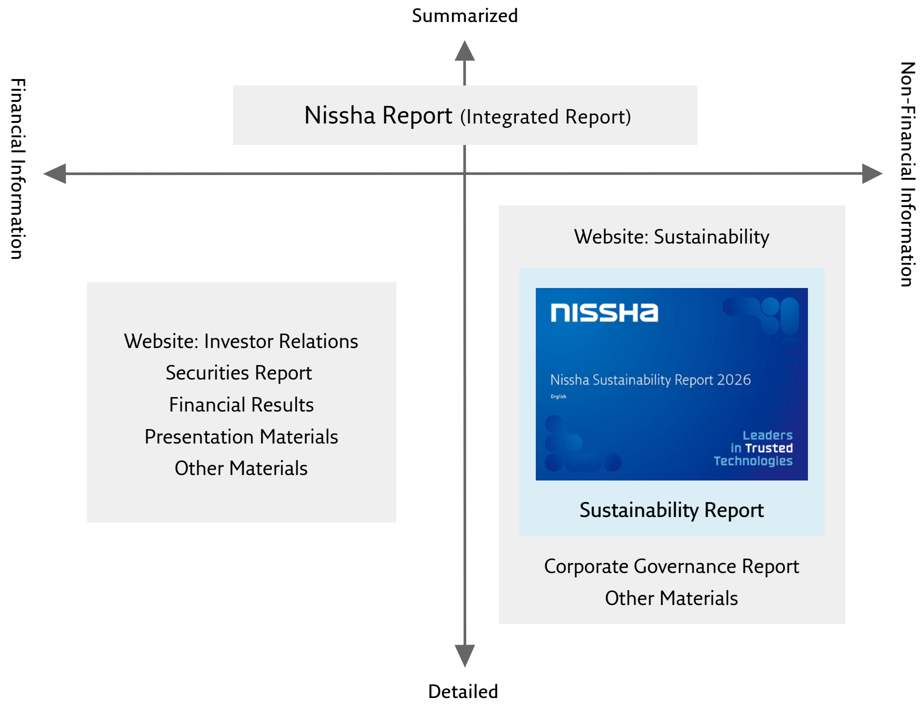
1. Editorial Policy

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

Sustainability Report 2026 covers our initiatives and performance in the fiscal year ended December 2025 (January–December 2025), following the editorial policy given below.

The Role of Nissha Sustainability Report



1-1 Guidelines Used as Reference

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

1-2 Period Covered

From January 2025 to December 2025

1-3 Publication Dates

Current issue: June 2026 for Japanese, August 2026 for English
Last issue: June 2025 for Japanese, August 2025 for English
Next issue: June 2027 for Japanese, August 2027 for English (planned)

1-4 Scope of Reporting

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

1-5 Major Group Companies and Segments

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

*The Company acquired shares of USM HEALTHCARE MEDICAL DEVICES FACTORY JOINT STOCK COMPANY, which engages in manufacturing and selling medical devices, and made it a subsidiary on May 20, 2026. However, it is not included in the reporting scope of this report.

1-6 Major Changes in Reporting Scope

No major changes.

1-7 Publishing Division and Contact for Inquiries

Nissha Co., Ltd.
ESG Promotion
Contact: Website Contact
TEL: +81 75 811 8111

2. CEO Message

The Mission of the Nissha Group is to enrich people's lives by creating and developing technology into economic and social value through the diverse capabilities, passion, and leadership of the global Nissha Group. Nissha Group is a forward thinking global company, primarily conducting businesses in Industrial Materials, Devices, and Medical. Through our proprietary processing technologies, we transform raw materials into high value-added parts and materials, contributing to our customers' manufacturing processes.

The Group views sustainability as initiatives for sustainable growth and development for both the company and society. Based on this view, we consider social issues to be business opportunities. We strive not only to leverage our strengths to provide products and services that help solve these issues on an ongoing basis, but also to strengthen the management foundation underpinning our business activities, reduce risks that could hamper business continuance, and promote governance to ensure these are all carried out appropriately.

If we hope for sustained, medium to long term growth, it is imperative that we continue to provide value to society through business with our customers. The driving force behind the Group's value creation is all the employees working around the world who share our Mission. In order to create value beyond conventional thinking amidst a drastically changing market environment, we are promoting diversity, encouraging collaboration across countries, businesses, and generations, and creating an organization in which diverse human resources can thrive. We will also strive to further heighten employee engagement by focusing on developing human resources and fostering a corporate culture that enables each and every employee to demonstrate his or her strengths with passion.

In addition, we have been working to reduce our total CO_2 emissions by 30% of their 2020 levels by 2030, with a view to achieving carbon neutrality by 2050. We reached our target in 2024, ahead of schedule, and have therefore set a new target of a 60% reduction by 2035, further accelerating our efforts.

We look forward to your continued guidance and encouragement.

June 2026
Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.

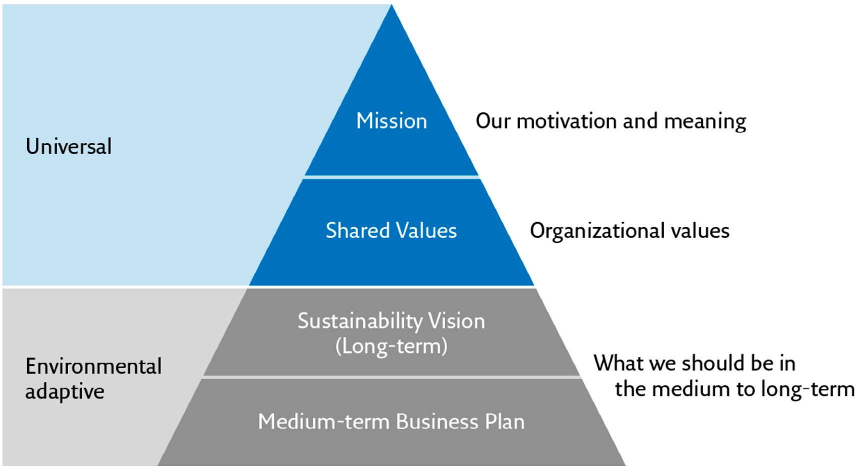
WE SUPPORT UN GLOBAL COMPACT

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

3. Nissha Group Sustainability

3-1 Nissha Philosophy

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



Mission

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

3-2 Sustainability Vision (Long-term Vision)

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

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

Based on these, we have established our Sustainability Vision (Long-term Vision) and aim to create economic and social value by contributing to solving global social issues related to medical, mobility, and the environment, with the integration and orchestration of the diverse talents of our people and our technologies.

3-3 Promotion Framework for Sustainability

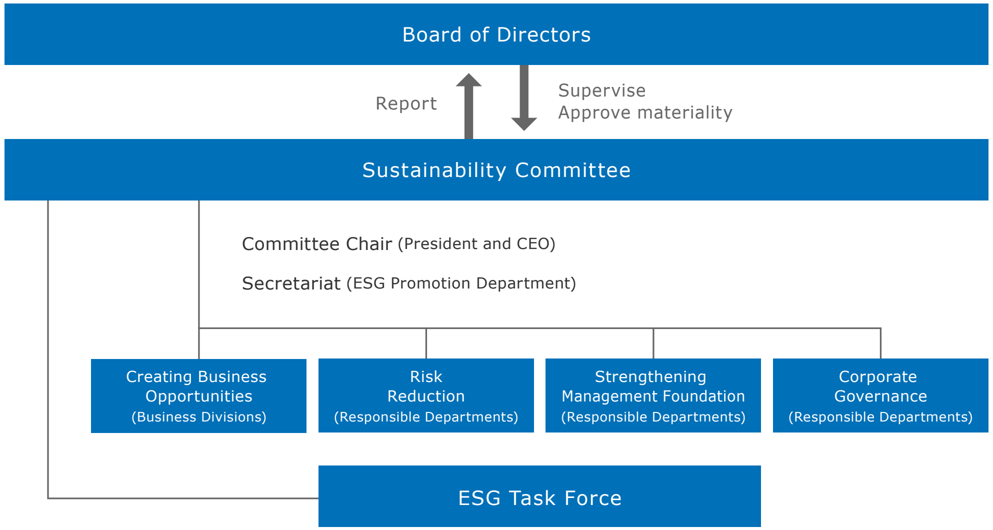
Nissha has established a Sustainability Committee chaired by the Chairman of the Board, President and CEO. This committee is composed of business divisions, departments, and the ESG task force related to the themes of Creating business opportunities, Risk reduction, Strengthening management foundation,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

The ESG task force was established to promote cross-division efforts to respond to climate change, which is seen as a key issue from the perspective of ESG, and works to accelerate our initiatives in that direction.

The Sustainability Committee holds a general assembly once per year, in which it authorizes the key performance indicators (KPIs) and action items set by the main related business divisions, departments, and the ESG task force based on the materialities determined through resolutions at the Board of Directors. In addition, during monthly business reviews and quarterly progress reports, we confirm whether or not the set KPIs and action items are progressing as planned. Each business division, department, and the ESG task force oversee the management of respective strategy items, KPIs, and action items. In the fiscal year ended December 2025, we held one Sustainability Committee General Assembly and provided three progress reports.

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

Structure

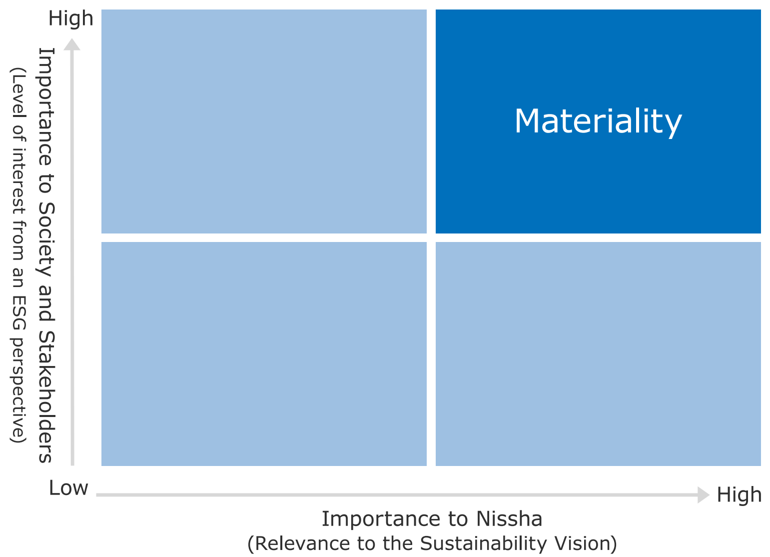


3-4 Materialities (Key Issues) and KPIs

3-4-1 Materiality Identification

To realize our Sustainability Vision, the Nissha Group identifies particularly important items as materialities. We also set and engage in specific strategy items, KPIs, and action items.

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



Materiality Identification Process

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

*1. Sustainable Development Goals: Adopted by the United Nations in September 2015
*2. Global Reporting Initiative Standards: Global guidelines for sustainability reporting
*3. Responsible Business Alliance: International code of conduct for labor, health and safety, environment, ethics, etc. for the electronics and other industries

Once every three years, to coincide with formulation of the Medium-term Business Plan, we carry out a comprehensive review of our materialities. We also check yearly to see if any revisions are needed. There were no revisions to any materialities in 2026.

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

The Group is considering environmental changes that can potentially impact our business activities. We identify particularly important items for the realization of the Nissha Group Sustainability Vision as materialities.

Creating Business Opportunities

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

Materialities	Scenario for Achieving Materialities (Strategy Items)	KPIs and Action Items (FY2026)	Related SDGs
Solve medical issues (Medical devices/ Pharmaceuticals)	Expansion of business for Medical market • Medical devices: Contribute to medical care through CDMO in minimally invasive surgery and acute care • Pharmaceuticals: Contribute to the stable supply of pharmaceuticals through formulation development and CDMO	• Net sales of Medical segment	3
Contribute to the safety and comfort of transportation and logistics, and the reduction of environmental impact (Mobility)	Expansion of business for Mobility market • Providing mobility products that contribute to safety, comfort, and reduction of environmental impact	• Net sales of Mobility segment	11 13
Promotion of circular economy (Sustainable Materials)	Expansion of business for Sustainable Materials market • Promotion of circular economy • Solving marine plastic pollution issues • Contribution to improving resource utilization efficiency • Biodiversity conservation considerations	• Net sales of Sustainable Materials segment	12 13 14

Risk Reduction

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

Materialities	Scenario for Achieving Materialities (Strategy Items)	KPIs and Action Items (FY2026)	Related SDGs
Responding to climate change	• Reduction of CO_2 emissions	• CO_2 emissions reduction rate: 50.5% reduction (compared to 2020)	13
Respect for human rights	• Reduction of labor and human rights risks	• Number of child labor and forced labor cases at primary suppliers*: 0	8
Providing responsible products and services	• Maintain and expand quality management system in accordance with business strategy • Improve quality with an emphasis on product safety and feasibility at the design stage • Fostering and improving the quality mindset • Monitoring of compliance with laws and regulations	• Number of serious quality incidents: 0	3
Sustainable procurement	• Reduction of information security risks for suppliers	• Construct a system to evaluate and manage information security based on the varying information security levels of the target overseas suppliers	12 13 17
Data security in response to increased use of generative AI	• Continuously enhance security systems to respond to increasingly sophisticated cyberattacks • Maintain and improve security literacy among all employees • Improve productivity through proactive use of generative AI	• Continuously implement phishing email training and educational systems throughout the entire Nissha Group • Develop governance related to generative AI and implement employee training throughout the entire Nissha Group	9 16

* Suppliers (related to human resources dispatching and logistics) in industries with high risks of labor and human rights; suppliers in areas (China, Southeast Asia, Central and South America, Africa) with high risks of labor and human rights.

Strengthening Management Foundation

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

Materialities	Scenario for Achieving Materialities (Strategy Items)	KPIs and Action Items (FY2026)	Related SDGs
Enhancing human capital	• Utilizing diverse human resources	• Female manager ratio Global consolidated: 23% Nissha non-consolidated: 12% • Secure and train global management personnel	
	• Enhancement of learning and growth opportunities and employee rotations	• Selection rate of leader candidates in selective training programs Nissha non-consolidated: 45% • Implement medical shift training based on the shift of human resources to priority markets	
Efficiency and productivity improvement	• Solve work issues through generative AI/DX tools • Shift to value-added work through reducing working hours	• Improve efficiency of target processes through the use of generative AI and DX (progress rate: 100%) • Numbers of cases adopting generative AI (Japan, overseas)	

Corporate Governance

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

Materialities	Scenario for Achieving Materialities (Strategy Items)	KPIs and Action Items (FY2026)	Related SDGs
Improving the effectiveness of the Board of Directors	• Upgrade systems related to corporate governance and group governance	• Implementation of actions based on the evaluation of the effectiveness of the Board of Directors	—
Advancement of global governance		• Implementation rate for plans to counter key risks through the use of the risk management coordinator	—

Boundaries of Materialities

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

3-4-3 FY2025 Initiatives and Progress

Creating Business Opportunities

Materialities	Scenario for Achieving Materialities (Strategy Items)	KPIs and Action Items (FY2025)	Achievement Status*
Solve medical issues (Medical devices/ Pharmaceuticals)	Expansion of business for Medical devices, Pharmaceuticals, and Healthcare markets • Medical devices: Contribute to medical care through CDMO in minimally invasive surgery and acute care • Pharmaceuticals: Contribute to the stable supply of pharmaceuticals through formulation development and CDMO	• Net sales of Medical Technologies business and Pharmaceuticals	○
Contribute to the safety and comfort of transportation and logistics, and the reduction of environmental impact (Mobility)	Expansion of business for Mobility market • Providing mobility products that contribute to safety, comfort, and reduction of environmental impact	• Net sales of Mobility segment	△
Promotion of circular economy (Sustainable Materials)	Expansion of business for Sustainable Materials market • Promotion of circular economy • Solving marine plastic pollution issues • Contribution to improving resource utilization efficiency • Biodiversity conservation considerations	• Net sales of Sustainable Materials segment	○

* This evaluates the level of achievement of net sales plans for each segment in FY2025.

Risk Reduction

Materialities	Scenario for Achieving Materialities (Strategy Items)	Progress in FY2025
Responding to climate change	• Reduction of CO_2 emissions	• Achieved a 51.1% reduction in CO_2 emissions in 2025, surpassing the 15% reduction target (compared to 2020) • Studied new CO_2 reduction targets (decision and publication in 2026) • Promoted switch to renewable electricity at domestic and overseas production bases and promote energy conservation measures • Implemented Scope 3 emissions tracking, obtained third party verification and considered reduction measures.
Respect for human rights	• Reduction of labor and human rights risks	• Number of child labor and forced labor cases at primary suppliers in areas* with high labor and human rights risks : 0 • Conducted the regular annual survey of target suppliers using the CSR survey form • Selected overseas suppliers and carried out on-site audits. Provided guidance on corrective and improvement actions for non-conformities and issues identified, and confirmed their effectiveness
Providing responsible products and services	• Maintain and expand quality management system in accordance with business strategy • Ensure quality with considerations for safety and feasibility at the design stage • Implement quality education • Monitoring of compliance with laws and regulations	• Number of serious quality incidents: 0 • Maintained quality management systems (ISO 9001, IATF 16949), ongoing improvements through internal audits • Implemented quality assessment for pharmaceuticals business • Held 13 lectures on quality training, attended by a total of 734 people
Sustainable procurement	• Reduction of information security risks for suppliers	• Carried out assessments based on information security levels for targeted suppliers (Japan), provided guidance on corrective and improvement actions for non-conformities and issues identified, and confirmed their effectiveness
Data security in response to increased use of generative AI	• Continuously enhance security systems • Maintain and improve security literacy among all employees • Improve productivity through proactive use of generative AI	• Carried out ongoing drills and training for phishing emails and reduced failure rate • Formulated a plan to introduce a system to improve data security, and verified it through trial operation

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

Strengthening Management Foundation

Materialities	Scenario for Achieving Materialities (Strategy Items)	Progress in FY2025
Enhancing human capital	• Activation of diverse human capital	• Female manager ratio Global consolidated: 25.2% Nissha non-consolidated: 10.1% • Dispatch of overseas trainees
	• Enhanced learning and growth opportunities and employee rotations	• Selection rate of leader candidates in selective training programs Nissha non-consolidated: 47.8% • Nissha Academy Business School beginner course and advanced course held
Efficiency and productivity improvement	• Improve efficiency and productivity by digitalization of value creation processes	• Achieved planned numbers for DX personnel training • Launched more than 5 DX projects per quarter • Released generative AI tools (multilingual translation, information searches, document creation/summaries) and expanded their use • Strengthened Nissha ChatGPT functions

Corporate Governance

Materialities	Scenario for Achieving Materialities (Strategy Items)	Progress in FY2025
Improving the effectiveness of the Board of Directors	• Upgrade systems related to corporate governance and group governance	• Determined key agendas (such as interim verification of the Sustainability Vision) for 2025 based on an evaluation of their effectiveness by the Board of Directors, and held discussions throughout the year • Launch of off-site meetings (Director *Bangaichi*)
Advancement of global governance		• Assigned risk management coordinators in the Americas, completing assignment in the three key regions of the Americas, Europe, and China

3-5 Initiatives in Which Nissha Participates and External Evaluations

3-5-1 Initiatives in Which Nissha Participates

United Nations Global Compact

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

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

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

The Ten Principles of the UN Global Compact

Human Rights

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

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

Labour

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

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

Principle 5: the effective abolition of child labour; and

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

Environment

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

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

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

Anti-Corruption

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

United Nations Global Compact

TCFD (Task Force on Climate-Related Financial Disclosures)

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

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

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

Japan Clean Ocean Material Alliance (CLOMA)

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

3-5-2 External Evaluation

■ CDP

In December 2025, we received an A score in the climate change survey from CDP, a global non-profit organization. The A score is the highest rating of the eight levels, and we have been selected for the first time as a CDP A List company.

■ FTSE JPX Blossom Japan Index

We have been selected as a constituent stock of the FTSE JPX Blossom Japan Index. The FTSE JPX Blossom Japan Index, created by the global index and data provider FTSE Russell, reflects the performance of Japanese companies with specific environmental, social, and governance (ESG) practices. The index is regarded as one of the leading benchmarks for sustainable investment, and is used as an ESG index by the Government Pension Investment Fund (GPIF), among others.

■ S&P/JPX Carbon Efficient Index

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

■ CDP Supplier Engagement Assessment

In February 2026, we were selected as a Supplier Engagement Leader, the highest rating in CDP's Supplier Engagement Assessment, for the second consecutive year. This rating evaluates how effectively companies engage with suppliers on climate issues, and recognizes those with outstanding performance.

■ FTSE JPX Blossom Japan Sector Relative Index

We have been selected as a constituent stock of the FTSE JPX Blossom Japan Sector Relative Index. This index developed by FTSE Russell is designed to reflect the performance of companies in Japan demonstrating specific environmental, social and governance (ESG) practices in each sector. The Government Pension Investment Fund (GPIF) uses this index as one of its ESG indices.

■ SOMPO Sustainability Index

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

Certified Health and Productivity Management Outstanding Organizations

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

Kurumin Certification

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

DX (Digital Transformation) Certification

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

3-6 Nissha Group Stakeholders

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

Nissha's Circle of Trust

Customer

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

Communication

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

■ Shareholder

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

Communication

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

■ Employee

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

Communication

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

■ Supplier

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

Communication

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

■ Society

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

Communication

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

4. Environmental Policy and Management Structures

4-1 Policy and Principles

Nissha Group has established an Environmental Policy. And together with Environment Principles that outlines specific conduct and regulations, we disseminate them to all employees. In response to changes in internal and external environments, we review our Environment Policy and the Environment Principles every three years in alignment with the period of the Medium-term Business Plan. In addition, the Nissha Group in Japan establishes the Nissha Group Environmental Objectives, and each business site and unit sets its own objectives and promotes initiatives based on corresponding action plans to achieve them. These goals are linked to the KPIs and action items of each business unit, ensuring they are directly connected to business activities.

Environment Policy

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

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

The Environment Principles

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

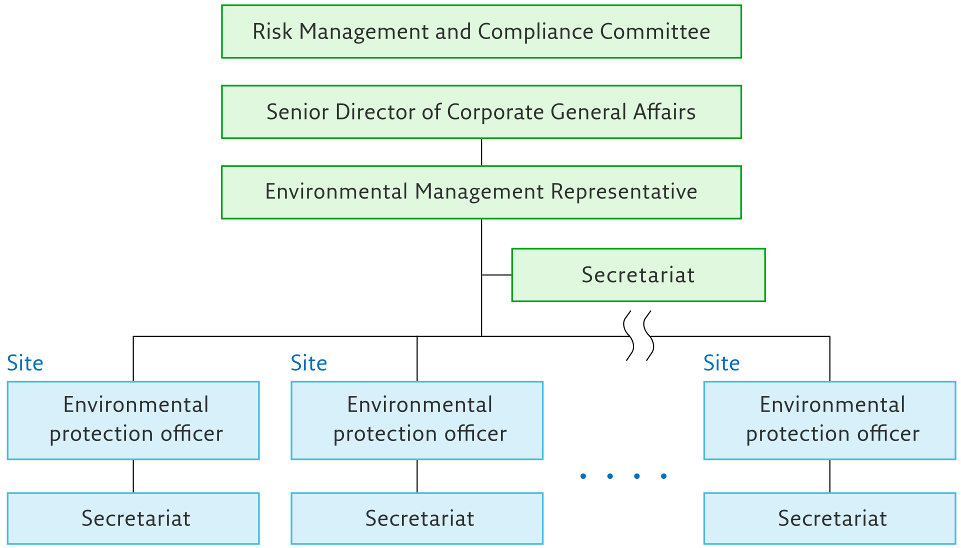
Satoshi Aoki
Senior Vice President, General Affairs
Nissha Co., Ltd.

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

4-2 Management Structures

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

At the Nissha Group in Japan, under the supervision of a senior director of Corporate General Affairs, the environmental management structure is established under the leadership of the Environmental Management Representative through the Risk Management and Compliance Committee, with the Corporate General Affairs at Global Headquarters serving as the secretariat. Furthermore, we also create, maintain, and constantly improve systems for compliance with environmental laws and regulations and the Responsible Business Alliance (RBA), which serves as a global code of conduct mainly for the electronics and automobile industries.



4-3 Environmental Management System (EMS)

The Nissha Group operates an environmental management system based on ISO 14001 that incorporates compliance requirements, including applicable laws and regulations as well as customer-specific requirements. We formulate action plans to achieve our targets, conduct regular internal audits and management reviews to assess performance, and implement a PDCA cycle to drive continuous improvement.

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

In our currently active 8th Medium-term Business Plan (2024 - 2026), we set medical, mobility, and sustainable materials as priority markets, and aim for growth via product lineups and services that contribute to solving social issues. As positive environmental contributions, our development and product technology divisions set development themes at the product design and development stage from the social issue resolution perspective of SDGs and ESG in addition to taking into consideration the reduction of environmental impact, develop and mass-produce products that contribute to reducing environmental impact, such as sustainable packaging materials.

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

5. Impact on the Environment out of Our Business Operations

In order to understand the environmental impact of our business activities, the Nissha Group manages the amount of major raw materials we use, the amount of waste we generate, the amounts of energy and water we use, and the amount of CO_2 we emit.

The table on the right shows the results in the fiscal year ended December 2025.

INPUT

Major raw materials (t)	Resins / Plastics	14,676
	Metals	3,607
	Chemical substances	10,095
	Paper	68,263
	Others	1,118
	Total	97,759

Energy	Electricity (MWh)	199,342
	Gas (m^3)	9,973,000
Water (m^3)	Tap water	1,021,000
	Underground water	94,000
	Industrial water	287,000

OUTPUT

Recyclable resources (t) (items sold for recycling)	Resin waste Metal waste Recyclable paper others	10,777
Recyclable resources (t) (industrial waste)	Waste plastic Waste ink, waste solvents Waste acid, waste alkali Water oil Sludge others	8,403
Non-recyclable waste (t)	Incineration / landfill	1,249
Total (t)		20,429

Emissions (t)	CO_2	60,721
	VOC*	662
Wastewater (m^3)		1,368,000

* Detoxified by direct combustion, catalyst deodorization, etc.

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

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

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

6-1 Governance

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

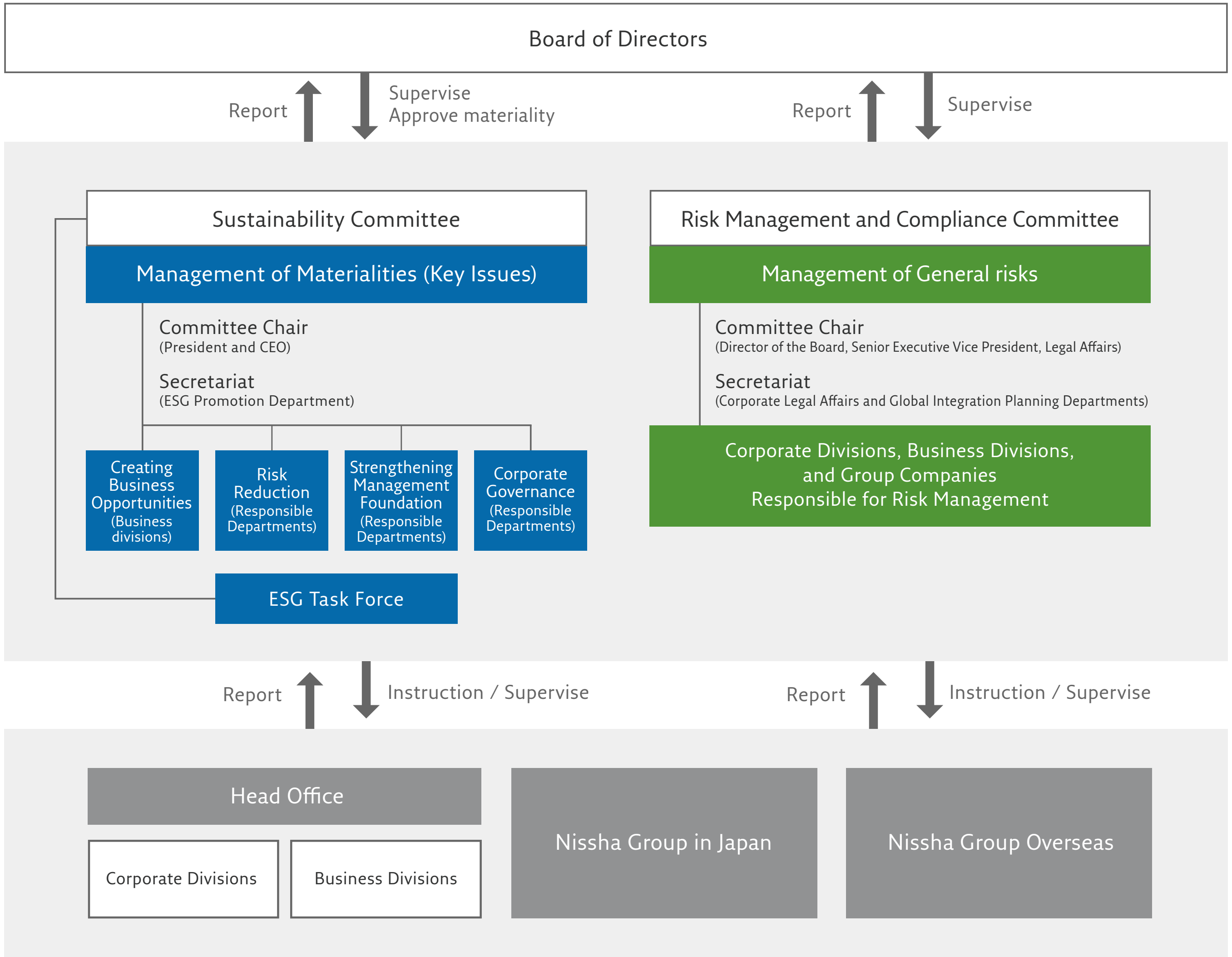
The governance and promotion structure for materialities and general risks are as shown below.

Materialities (Key Issues) Management	General Risks Management
• Materialities (key issues) are identified through deliberation and resolution by the Board of Directors meeting and managed by the Sustainability Committee which is chaired by the Chairman of the Board, President and CEO. • The Sustainability Committee manages the identified materialities. The ESG Task Force has been set up to promote the theme of Responding to Climate Change, which is considered particularly important from the ESG perspective. • In addition to setting KPIs and action items and reporting progress to the Sustainability Committee, the ESG Task Force discusses the company's responses to climate change with the Board (excluding independent outside directors, but including the President and CEO). • The Board of Directors supervises the activities of the Sustainability Committee. It deliberates on the contents of the Committee's report once a year, and gives instructions for improvements as necessary. • The President and CEO makes important strategic and financial decisions concerning our responses to climate change within the scope of his authority. To help him make decisions appropriately, the President and CEO learns about climate change through study sessions and training by outside experts. • Introduced stock-based compensation* as mid- to long-term performance-linked compensation for directors (excluding independent outside directors) and corporate officers. One of the indicators for the mid-term target is the degree of progress to the total CO_2 emissions reduction target.	• Risks related to smooth business operations are centrally managed by the Risk Management and Compliance Committee, which is chaired by the Senior Executive Vice President (in charge of legal affairs). • The Risk Management and Compliance Committee approves key risks identified by the relevant corporate divisions and overseas Group companies responsible for each risk, following a risk assessment. One of the key risks, Business Continuity (natural disasters such as earthquakes, typhoons, and floods) encompasses climate change-related risks, and the Business Continuity Management Subcommittee takes charge of moving ahead with this. • The Business Continuity Management Subcommittee sets KPIs and action items, and promotes measures for reducing risks. It formulates and updates response plans for preparing for or dealing with emergency situations in the event of a natural disaster, and reports on progress to the Risk Management and Compliance Committee. • The Board of Directors supervises the activities of the Risk Management and Compliance Committee, which manages key risks that include climate change-related risks. It deliberates on the contents of the Committee's report once a year, and gives instructions for improvements as necessary.

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

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

Management Structure



6-2 Strategy

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

We analyzed the potential impacts of future climate change on the business across our three main segments, using time horizons: 1 to 2 years for the short term, 3 to 5 years for the medium term, and 6 years or more for the long term. Based on this analysis, we considered measures to respond to these impacts.

In the fiscal year ending December 2026, we changed the target year for assessing financial impact from around 2030 to around 2035. This was because, in addition to being able to assess the medium- to long-term effects more appropriately, it matches better with the time axis used in external scenarios and with our own target year for reducing CO_2.

(1) Scenario analysis assumptions

- Scenario analysis target segment: Industrial Materials, Devices, Medical
- Scenario analysis time horizon: Study transition risks and physical risks and opportunities in the short term (1-2 years), medium term (3-5 years), and long term (6+ years)
- Assumed scenario: See IEA's Net Zero Emissions by 2050 (NZE)*1, Stated Policies Scenario (STEPS)*2, IPCC's RCP4.5*3 and RCP8.5*4, etc. scenarios

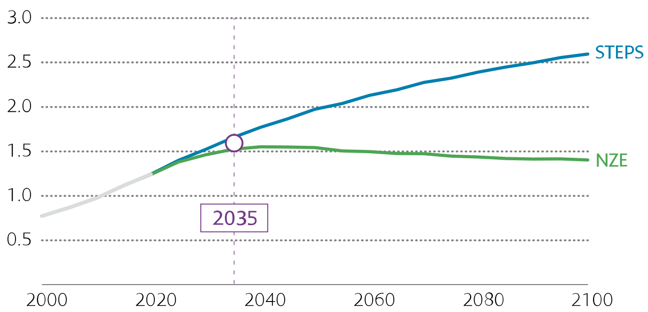
*1.NZE: a scenario in which the world decarbonizes and achieves virtually zero CO_2 emissions in 2050. It is called the 1.5 ℃ scenario because the average temperature increase as of 2100, compared to pre-industrial times, will be between 1.3 and 1.5℃.

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

*3.RCP4.5: a scenario in which CO_2 emissions peak in 2040 and stable economic development is achieved.

*4. RCP8.5: a scenario in which CO_2 emissions continuously increase and uneven economic development is achieved.

Temperature rise in 2100 under each scenario



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

Under the two scenarios referenced from the IEA, we believe that we can visualize many climate change-related risks and opportunities by using the 1.5° C scenario in which regulations are tightened and zero CO_2 emissions are achieved by 2050, and the 3° C scenario in which no additional policies are introduced and climate change measures do not progress.

(2) Scenario analysis process

Scenario analysis was conducted using the following process:

(i) Consider significant climate-related risks and opportunities for three main segments
(ii) Consider and create scenarios as preconditions for evaluation
(iii) Assess risks and opportunities based on the scenarios(Risks and opportunities are assessed by calculating and evaluating the Financial Impact as of 2035 using the parameters in each scenario, and the results are described below as the Risk Magnitude and the Opportunity Magnitude.)
(iv) Consider countermeasures (adaptation, mitigation)

(3) Results of risk analysis

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

In FY2026, we revised the financial impact of both transition and physical risks common to multiple segments.

As a result, in terms of the increase in production costs due to carbon taxation on CO_2 emissions, we revised our emissions assumptions from increases based on business growth to suppression in accordance with the Nissha Group's reduction goals. This reduced the financial impact, and so the risk assessment was lowered.

At the same time, in terms of the increase in the cost of procuring raw materials needed to produce products due to carbon taxes, improvements to the accuracy of recording supplier emissions have increased Scope 3 emissions and the financial impact, so the risk assessment was raised. In addition, in terms of the increase in electricity procurement costs due to switching to renewable energy sources for electricity and soaring levies, etc., improved precision of electricity usage and per-unit data has increased the financial impact, so the risk assessment was raised.

Results of risk analysis

Type		Changes in the external environment	Target segment	Time horizon	Risks to Nissha	Risk magnitude[*1,2] 3℃	Risk magnitude[*1,2] 1.5℃	Adaptation / Mitigation measures
Transition risk	Policies/laws and regulations	Introduction of a carbon tax	Industrial Materials Devices Medical	Medium to long-term	Increase in production costs due to carbon taxation on CO_2 emissions	Small	Small	– Mitigation Switch to renewable energy sources at production sites – Mitigation Introduce energy-saving production equipment – Mitigation Review productivity and efficiency in the production processes
					Increase in the cost of procuring raw materials needed to produce products due to the carbon taxes	Medium	Large	– Adaptation Research on technology trends in biomass plastics and recycled plastics as low-carbon materials and product development using these materials – Adaptation Improve purchasing power through global procurement – Mitigation Encourage suppliers to implement CO_2 emissions reduction measures and provide educational opportunities and tools
		Changes in national carbon emission targets and policies	Industrial Materials Devices Medical	Medium to long-term	Increase in electricity procurement costs due to switch to renewable energy sources for electricity and soaring levies, etc.	Small	Medium	– Mitigation Introduce energy-efficient production and air-conditioning equipment – Mitigation Reduce electricity consumption – Mitigation Consider the introduction of solar and wind power generation facilities
			Devices		Cost of reducing CO_2 emissions in logistics (procurement and shipping) increases	-	Small	– Adaptation Study trends in the logistics industry and consider shifting to transportation methods that emit less CO_2
		Introduction of CFC regulations	Devices	Medium to long-term	Restrictions on use of specified CFCs and their substitutes used at production bases increase capital investment costs	Small	Medium	– Adaptation Research technology trends to enable compliance with CFC regulations
	Industries and Markets	Fluctuations in raw material prices	Industrial Materials	Medium to long-term	Increase in petrochemical material costs due to changes in crude oil demand	Medium	-	– Adaptation Research on technology trends in biomass plastics and recycled plastics as low-carbon materials and product development using these materials – Adaptation Further promote the development of the ecosense molding brand of sustainable molded products oriented toward the elimination and reduction of plastic, and increase the sales ratio of sustainable materials
					Increase in raw material costs due to increased use of reprocessed plastic	-	Small	
		Fluctuations in EV sales	Industrial Materials	Short to long-term	Decrease in sales opportunities for EV-related products due to changes in market structure	Small	-	– Adaptation Promote product development and enhance production facilities in response to market trends for next-generation vehicles other than EVs
		Changes in customer behavior (increase in requests from customers to reduce CO_2 emissions)	Devices	Short to medium-term	Net sales decline due to lost business opportunities caused by insufficient responses to customer requests	Small	Medium	– Mitigation Conserve energy through improved productivity and reduce CO_2 emissions through switch to renewable energy
	Technologies	Transition to materials and technologies with lower environmental impact	Devices	Short to medium-term	Costs increase due to replacing product packaging materials	-	Small	– Adaptation Investigate alternative materials that can reduce costs while maintaining the quality of packaging materials
					Net sales decline due to substituting our products for low-carbon products made by other companies	Medium	Medium	– Adaptation Develop low-carbon products with lower environmental impact
					Net sales decline due to lost business opportunities resulting from delays in the development of low-carbon technologies	Medium	Medium	– Adaptation Promote the development of low-carbon technologies
	Reputation	Growing importance of ESG assessment in customers' supplier selection	Devices	Short to medium-term	ESG assessment declines due to delays in addressing climate-related issues, and we are not chosen as a supplier resulting in a decline in net sales	-	Small	– Adaptation Enhance climate change initiatives and disclose information appropriately
Physical risks[*3]	Acute	Intensification of extreme weather	Industrial Materials Devices	Short to long-term	– Decline in net sales due to production delays or suspensions resulting from damage to production bases, and incidence of repair costs due to damage to company assets such as buildings, facilities, and inventory – Decline in the company's net sales due to the impact of the suspension of the supply of raw materials and parts due to disasters at suppliers	Small	Small	– Adaptation Improve and strengthen BCP, and establish a system to support affected sites – Adaptation Build a supply chain for stable procurement, including multi-company purchasing and outsourced production of raw materials at multiple factories and lines

*1. Risk magnitude criteria: Annual decline in net sales Large: more than 20 billion yen, Medium: 5 to 20 billion yen, Small: less than 5 billion yen / Annual decline in profit Large: more than 3 billion yen, Medium: 1 to 3 billion yen, Small: less than 1 billion yen
*2. Scenarios in which no risks are incurred are indicated with a "-"
*3. For physical risks, hazard maps and AQUEDUCT were used to survey the key production bases of each segment (32 locations). The financial impact on bases where risks had been identified was evaluated by considering the frequency of occurrence.

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

[Transition risk]

(i) Increase in the cost of procuring raw materials needed to produce products due to the carbon taxes (1.5/3° C scenario)

(ii) Increase in electricity procurement costs due to switch to renewable energy sources for electricity and soaring levies, etc. (1.5° C scenario)

As a measure to address (i), in the Industrial Material business, we are researching technological trends in biomass PET and other biomass plastics and recycled plastics and developing products to reduce the use of virgin plastics. In addition, as a Group-wide measure, we are asking suppliers with high levels of CO_2 emissions to study reduction measures. We are collaborating with suppliers through providing training opportunities, tools, and so on, promoting emissions reductions throughout the entire supply chain.

As a measure to address (ii), the Group is working to reduce electricity consumption through initiatives such as upgrading facilities with energy-efficient equipment and adopting LED lighting. At overseas bases, Nissha (Kunshan) Precision IMD Mold Co., Ltd. (China), a production base for the Industrial Materials business, has been generating solar power, and Nissha Metallizing Solutions (Belgium) replaced part of its electricity with solar and wind power. Moreover, Nissha Advanced Technologies Europe GmbH (Germany) has brought in solar power generation. We will continue to promote our responses as we verify costs and effects.

[Physical risks]

No physical risks have been identified at this stage.

We have taken measures to address risks that we believe have a relatively large impact with respect to climate change in our three main segments, and we consider ourselves to have climate resilience.

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

(4) Results of opportunity analysis

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

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

Results of opportunity analysis

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

*1. Opportunity magnitude criteria: Annual increase in net sales Large: more than 20 billion yen, Medium: 5 to 20 billion yen, Small: less than 5 billion yen / Annual increase in profit Large: more than 3 billion yen, Medium: 1 to 3 billion yen, Small: less than 1 billion yen
*2. Scenarios in which no opportunities are incurred are indicated with a "-"

[Opportunities]

(i) Expansion of demand for products that contribute to GHG emission reductions (1.5/3° C scenario)

(ii) Increase in sales opportunities for EV-related products due to changes in market structure (1.5° C scenario)

As a measure to address (i), the Industrial Materials business aims to expand sales of existing decorative films and molded products for mobility and consumer electrical appliances. Our Group's decorative films and molded products add patterns and functions at the same time they are molded to eliminate the need for secondary decoration processes after molding. We also have built supply chains optimized for our customers through setting up seven molding sites globally. These efforts contribute to reducing and suppressing GHG emissions. In addition, through verification of recyclability, and understanding and assessing the carbon footprint (CFP) of each product individually, we are working to make our environmental impact visible, with the goal of creating more eco-friendly products.

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

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

The Industrial Materials business aims to expand sales of exterior decorative and functional products. For EVs that do not require engine cooling, there is a growing need to decorate the front as a vehicle face design to replace the front grille, as well as a need to add functions to ensure the proper operation of automatic driving radars in this area. In addition, there is a need for a heating function to melt snow sticking on headlights and front grilles. We shall draw on the strengths of our products and aim to expand net sales by developing new products that meet these EV needs to expand our product lineup.

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

6-3 Risk Management

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

In particular, for the risks associated with climate change, we conduct scenario analysis for each segment. We extract transition risks and physical risks, evaluate the timing of risk occurrence and the financial impact for each scenario, and consider risk adaptation and mitigation measures. (Refer to 6-2 Strategy)

■ Risk Management by the Sustainability Committee

The Group has established our Sustainability Vision (Long-term Vision) and aim to create economic and social value by contributing to solving global social issues related to medical, mobility, and the environment, with the integration and orchestration of the diverse talents of our people and our technologies. And to realize the Sustainability Vision, we have identified items of particular importance as materialities.

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

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

	Materiality	Related SDGs
Risk reduction	Responding to climate change	13 CLIMATE ACTION
Creating business opportunities	Contribute to the safety and comfort of transportation and logistics, and the reduction of environmental impact	11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION
	Promotion of circular economy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER

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

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

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

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

■ Risk Management by the Risk Management and Compliance Committee

In accordance with our Basic Policy on Risk Management, the Group centrally manages general risks (risks related to smooth business operations) based on the categories of business risks, financial risks, and cross-group risks. Of these, for the cross-group risks, the Risk Management and Compliance Committee selects key risks in line with the results of the risk assessment at the annual general meeting. The selected key risks are set key performance indicators (KPIs) by the corporate divisions responsible for managing those risks in Group companies in Japan and by each Group company overseas, and minimized through their activities. In addition, the status of these activities is reported quarterly, and the Committee confirms whether the set KPIs are progressing as planned and rotates the PDCA cycle.

■ Risk Assessments and Risk Management Methods

(1) Evaluation targets

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

(2) Target risks

- Cross-group risks (including compliance risks)

Refer to 28-4 Risk Assessment and Management

(3) Selection process for key risks

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

(i) For the above cross-group risks, the high-value risks calculated using the "probability of occurrence" and "impact when it occurs" horizons are considered the "inherent risks".

(ii) In addition, the "effectiveness of control activities" is evaluated, and risks with low "effectiveness of control activities" with respect to "inherent risks" are selected as key risks.

(4) Management method

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

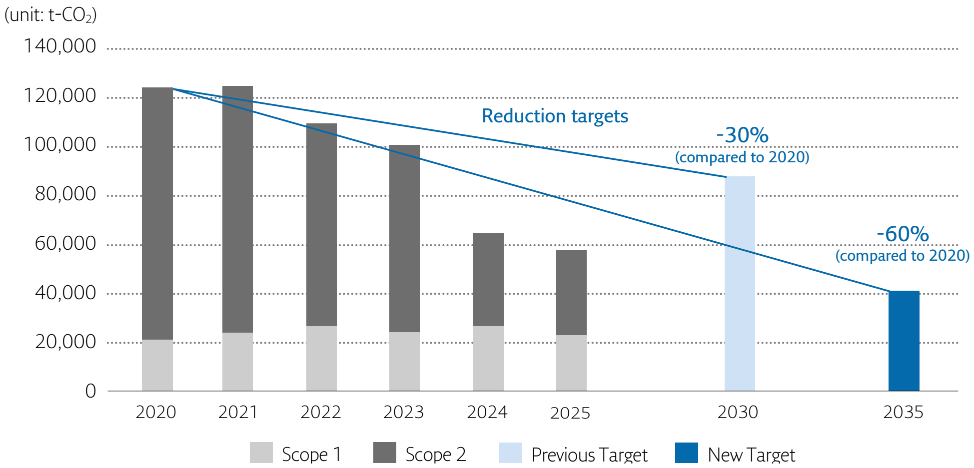
The Group has selected Business Continuity (natural disasters such as earthquakes, typhoons, and floods) as one of our key risks and includes climate change risk in this category.

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

6-4 Indicators and Targets

The Group has defined total CO_2 emissions as an indicator for assessing and managing risks related to climate change. We have set a target of a 30% reduction (compared to 2020) in total CO_2 emissions (Scope 1 and 2) by 2030, with a view to achieving carbon neutrality in 2050, and the Group as a whole is working on a range of initiatives towards this. As a result, our total CO_2 emission figures for FY2024 showed a drop of 48.4%, achieving our 2030 target ahead of schedule. In light of this, we revised our target in FY2025, setting a new target of a 60% reduction (compared to 2020) in total CO_2 emissions (Scope 1 and 2) by 2035.

The Nissha Group's CO_2 Emissions Reduction Target and Results (Scope 1 and 2)



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

In the Sustainability Vision (Long-term Vision), the Group defines Medical, Mobility, and Sustainable Materials as the key markets to solve social issues through business activities. Under this vision, we are pressing ahead with reorganizing our business portfolio, with a particular focus on expanding our business in the medical market.

As a result of analyzing the three main segments that our group develops, although the transition and physical risks associated with climate change within our group are important, we believe that their impact on our finances will be limited if sufficient measures are taken to address the risks we have identified through our analysis. We believe that contributing to solutions for climate change-related social issues will create business opportunities for the Group.

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

7. CO_2 Emissions and Reduction Efforts

7-1 CO_2 Emissions Reduction Target (Scope 1 and 2)

The Nissha Group has identified Responding to Climate Change as a materiality and has been working to reduce our total CO_2 emissions by 30% of their 2020 levels by 2030. As a result, we reached our target in 2024, ahead of schedule, and so set a new target of a 60% reduction by 2035 of their 2020 levels.

To promote specific activities towards this target, we have established a cross-functional ESG Task Force under the Sustainability Committee, which is chaired by the President and CEO, and addressed climate change. The ESG Task Force is promoting actions to reduce our Scope 1 and Scope 2* CO_2 emissions, and to identify relevant Scope 3* categories and calculate CO_2 emissions in our supply chain.

Going forward, we will steadily expand the use of renewable energy and implement energy-saving initiatives at our production bases in Japan and overseas. By carefully evaluating their costs and effectiveness, we will pursue impactful measures that contribute to the realization of a sustainable society.

* Scope: Scope of greenhouse gas (GHG) calculation. The following three are shown.
Scope 1: Direct GHG emissions from sources owned or controlled by the company.
Scope 2: Indirect GHG emissions through consumption of electricity, steam, or heat.
Scope 3: Indirect emissions other than those in Scope 2.

7-2 Coverage and Calculation Method of CO_2 Emission Calculation

The coverage and calculation method for CO_2 emissions are as follows.

* Calculations of CO_2 emissions are subject to inherent uncertainty due to, for example, incomplete scientific knowledge used to determine emission factors and numerical data.

Scope 1 and 2

Coverage	• Nissha Co., Ltd. • Nissha Industries, Inc. • Nissha Precision and Technologies, Inc. • Nissha Printing Communications, Inc. • Nissha FIS, Inc. • Nissha Business Service, Inc. • Nissha Zonnebodo Pharma Co., Ltd. • SHIGAKEN PHARM. IND. CO., LTD. • Nissha Eimo Technologies • Nissha PMX Technologies, S.A. de C.V. • Graphic Controls Acquisition Corp. • Lead-Lok, Inc. • CEA Global Dominicana, S.R.L. • CEA Medical Manufacturing, Inc. • Sequel Special Products, LLC • Nissha Medical Technologies (Ohio), Inc.	• Nissha Medical Technologies Ltd. • Nissha Medical Technologies SAS • Isometric Intermediate, LLC • Nissha Advanced Technologies Europe GmbH • Nissha Back Stickers International • Nissha Metallizing Solutions N.V. • Nissha Metallizing Solutions S.r.l. • Nissha Metallizing Solutions Ltd. • Nissha Metallizing Solutions Produtos Metalizados Ltda • Nissha Metallizing Solutions GmbH • Nissha (Kunshan) Precision IMD Mold Co., Ltd. • Guangzhou Nissha High Precision Plastics Co., Ltd. • Nissha Precision Technologies Malaysia Sdn. Bhd. • Nissha SB Poland Sp. z o.o. • Cathtek, LLC
Calculation method	Calculated based on Ministry of the Environment "Greenhouse Gas Emissions Calculation Report Manual (Ver.6.1)" (CO_2 emission factors) CO_2 emissions associated with the fuel use: Emission factor based on the Act on Promotion of Global Warming Countermeasures CO_2 emissions associated with power purchase: Emission factor based on the market-based method for domestic bases and the location-based method for overseas bases*	

* Nissha Metallizing Solutions (Belgium, Italy, Germany) has adopted market standards (Europe's Association of Issuing Bodies (AIB) standards).

Scope 3 (Scope of third-party verification)

Category 1. Purchased goods and services

Coverage	Major domestic / overseas suppliers at Nissha Group in Japan (28 companies) [*1]
Calculation method	Calculated by CO_2 emissions per product or supplier electricity and fuel consumption × emission factor × sales ratio

*1. Equivalent to 65% of the procurement spend of the Nissha Group companies in Japan.
* The verified value was calculated by allocating the emissions within the assurance boundary in proportion to the total procurement spend.

Refer to 21-4 Survey of the Supply Chain > CO_2 Emissions Survey (Scope 3 Category 1)

Category 4. Upstream transportation and distribution

Coverage	• Major domestic / overseas suppliers at Nissha Group in Japan (22 companies) [*1] • Logistics suppliers (43 companies)
Calculation method	Total CO_2 emissions of suppliers calculated using either the ton-kilometer method, fuel consumption Domestic transportation: based on the Fuel Economy Law (Joint Guidelines for Calculating CO_2 Emissions in the Logistics Sector) Ver.3.2 Overseas transportation: Sum up CO_2 emissions from Global Logistics Emissions Council (GLEC) Framework Ver.3.1 [*2]

*1. Equivalent to 53% of the procurement spend of the Nissha Group companies in Japan.
*2. A framework created by the Smart Freight Centre, an international non-profit organization working to reduce greenhouse gas emissions associated with cargo transport.

Category 6 and 7. Business travel / Employee commuting

Coverage	• Nissha Co., Ltd. • Nissha Industries, Inc. • Nissha Precision and Technologies, Inc. • Nissha Printing Communications, Inc. • Nissha FIS, Inc. • Nissha Business Service, Inc. • Nissha Zonnebodo Pharma Co., Ltd. (commuting only) • SHIGAKEN PHARM. IND. CO., LTD.
Calculation method	Calculated based on; Ministry of the Environment/Ministry of Economy, Trade and Industry "Basic Guidelines for Calculating Greenhouse Gas Emissions Through the Supply Chain (Ver.2.7)" Ministry of the Environment "Calculation intensity database for calculating greenhouse gas emissions of organizations through the supply chain (Ver.3.5)"

Category 11. Use of sold products

Coverage	Gas sensors provided by Nissha FIS, Inc. (21 types)
Calculation method	Calculated by electricity consumption × product life × annual sales × emission factor

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

7-3 Summary of Emission (Scope 1 and 2)

The total CO_2 emissions of the Nissha Group are shown below. The emissions in the fiscal year ended December 2025 decreased compared with the previous fiscal year, mainly due to lower energy consumption through factory consolidation at Nissha Precision and Technologies, Inc. Himeji and Kaga Factories.

	Reference year (FY2020)		FY2023		FY2024		FY2025			
	Emission ($t-CO_2$)	%	Emission ($t-CO_2$)	%	Emission ($t-CO_2$)	%	Emission ($t-CO_2$)	%	Year-on-year	vs. reference year
Scope 1	20,853	16.8	25,609	25.4	26,095	40.7	25,412	41.9	-2.6	+21.9
Scope 2	103,351	83.2	75,354	74.6	37,991	59.3	35,309	58.1	-7.1	-65.8
Total	124,204	-	100,963	-	64,086	-	60,721	-	-5.3	-51.1

The total CO_2 emissions of Scope 1 and 2 include the CO_2 emissions from the chemical reactions used at the Koka Factory of Nissha Industries, Inc. (NII) and at Nissha Metallizing Solutions GmbH (Germany), and Nissha Metallizing Solutions N.V. (Belgium).

CO_2 Emissions from Chemical Reactions

	FY2023	FY2024	FY2025	
	Emission ($t-CO_2$)	Emission ($t-CO_2$)	Emission ($t-CO_2$)	Year-on-year (%)
NII Koka Factory	341	362	370	+2.2
Nissha Metallizing Solutions GmbH (Germany)	163	209	244	+16.7
Nissha Metallizing Solutions N.V. (Belgium)	1,927	2,399	2,425	+1.1
Total	2,431	2,970	3,039	+2.3

7-4 Trends in CO_2 Emissions (Scope 1 and 2), Energy Consumption, and Basic Unit

The Nissha Group's CO_2 emissions and energy consumption are shown below. The totals obtained by multiplying the individual consumption of fuels such as electricity, gas, gasoline, diesel, and heavy oil with the specified factors are our energy consumption levels. The figures obtained by multiplying energy consumption by the CO_2 emission factors are the CO_2 emissions of the Group.

Nissha Group emits almost no energy-related greenhouse gases other than CO_2, and its impact is minimal.

About the following tables

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

CO_2 Emissions Volumes and Basic Unit

(unit: $t-CO_2$, excluding basic unit)

Company	Reference year (FY2020)	FY2023	FY2024	FY2025
Nissha and others	3,721	5,429	5,188	7,063
NII	11,507	6,437	5,006	4,901
NPT	69,572	48,661	7,953	4,957
NCI	770	862	868	818
Overseas production bases	38,634	39,575	45,072	42,982
Total	**124,204**	**100,963**	**64,086**	**60,721**
Basic Unit*	0.69	0.60	0.33	0.31

*CO_2 emissions ($t-CO_2$) / Net sales (Millions of JPY)

Energy Consumption and Basic Unit

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

Company	FY2023	FY2024	FY2025
Nissha and others	109	108	131
NII	181	157	155
NPT	950	552	372
NCI	17	18	17
Overseas production bases	775	836	849
Total	**2,032**	**1,671**	**1,524**
Basic Unit*	0.0121	0.0085	0.0078

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

Electricity Consumption

(unit: MWh, excluding renewable electricity ratio)

Company	FY2023	FY2024	FY2025
Nissha and others	11,447	11,238	13,713
NII	18,446	17,998	17,631
NPT	108,512	121,136	82,270
NCI	1,979	2,064	1,964
Overseas production bases	76,644	83,130	83,764
Total	**217,027**	**235,566**	**199,342**
Renewable Electricity	34,095	134,861	102,274
Non-renewable electricity	182,932	100,705	97,068
Renewable Electricity Ratio (%)	15.7	57.2	51.3

Gas Consumption

(unit: 1,000m^3)

Company	FY2023	FY2024	FY2025
Nissha and others	204	213	236
NII	2,303	1,790	1,795
NPT	1,807	1,591	1,065
NCI	0	0	0
Overseas production bases	5,714	6,827	6,877
Total	**10,029**	**10,422**	**9,973**

Gasoline, Diesel, and Heavy Oil Consumption

(unit: kl)

Company	FY2023	FY2024	FY2025
Nissha and others	43	51	62
NII	11	13	17
NPT	9	11	10
NCI	1	1	1
Overseas production bases	133	106	113
Total	**198**	**183**	**202**

7-5 Emissions Reduction Efforts (Scope 1 and 2)

As a measure to reduce CO_2 in the Nissha Group in Japan, NII Koka Factory, a production base for our Industrial Materials business, has been using 100% renewable electricity since FY2022. The factory is also working to reduce its gas consumption by replacing its old deodorizing equipment with a heat-storage type system in December 2023. NPT Himeji Factory and Kaga Factory, production bases for our Devices business, switched to 100% renewable electricity for the factories in December 2023. In addition, the factory consolidation associated with changes in business activities has contributed to the reduction of CO_2 emissions.

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

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

7-6 Basic Unit Management of Energy Consumed in Production and Its Issues (Nissha Group in Japan)

In addition to monitoring and managing energy consumption per corporate unit as required by the Act on the Rational Use of Energy, the Group's domestic production bases have been conducting basic unit management of energy consumed in production since the fiscal year ended March 2014, aiming to improve the efficiency of energy use. The actual basic unit for each production base in FY2024 was set at 1.00, and the target for FY2025 was set at 0.99 or less, based on this. The results were as follows. Of the four bases subject to the target, Nissha (Headquarters) achieved the target, whereas NII Koka Factory and NPT Himeji Factory and Kaga Factory did not achieve their targets due to reduction in production volumes.

Company	Basic unit (based on production volume etc.)			FY2025 Evaluation
	FY2024 Results	FY2025 Targets	FY2025 Results	
Nissha (Headquarters)	1.00	0.99 or less	0.98	○
NII Koka Factory	1.00	0.99 or less	1.11	×
NPT Himeji Factory	1.00	0.99 or less	7.81	×
NPT Kaga Factory	1.00	0.99 or less	1.44	×

7-7 Initiative in Scope 3 Management

The Nissha Group currently calculates our Scope 3 for nine of the fifteen categories. Categories 1, 4, 6, 7, and 11 are subject to third party verification by DNV Business Assurance Japan K.K.

(unit: t-CO_2)

Scope 3 Category		FY2024		FY2025	
		Domestic	Overseas	Domestic	Overseas
1	Purchased goods and services	**54,881**	91,850	**27,020**	Under investigation
2	Capital goods	21,041		Under investigation	
3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	6,831		Under investigation	
4	Upstream transportation and distribution	**10,257**	12,035	**9,454**	Under investigation
5	Waste generated in operations	5,211		Under investigation	
6	Business travel	**873**	—	**971**	—
7	Employee commuting	**2,003**	—	**2,175**	—
11	Use of sold products	**8,457**		**16,837**	
12	End of life treatment of sold products	434	2,608	Under investigation	Under investigation
Total		216,481		—	

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

Refer to 8. Third Party Verification

8. Third Party Verification

The Nissha Group has received a verification statement from DNV Business Assurance Japan K.K. on the accuracy of the CO_2 emissions data contained in this report in order to enhance the reliability of our environmental performance data.

DNV

VERIFICATION STATEMENT

Project ID: PRJN-1076108 *Page 1 of 2*

Nissha Co., Ltd.

< Verification Objectives >
DNV Business Assurance Japan K.K. (hereinafter, "DNV") has been commissioned by NISSHA Co., Ltd. (hereinafter, "the Organization") to conduct an independent verification of the calculation results for greenhouse gas emissions and energy consumption (hereinafter, "GHG emissions and others") for the FY2025 of the NISSHA Group. The objective of this verification is to confirm that the GHG emissions and others claimed by the Organization have been calculated and reported appropriately based on the calculation standards, and to express an independent opinion.

< Verification Scope >
The scope of this verification is Scope 1+ Scope 2 emissions and related energy consumption (locations in and outside Japan), and Category 1,4,6,7 (locations in Japan only) and 11 (all-group companies) of Scope 3 emissions for the Organization and its all-group companies, in FY 2025.

< Calculation and Verification criteria >
The criteria for calculating and reporting GHG emissions and others to be verified are the calculation and reporting procedures for environmental performance data established by the Organization, the Manual for Calculating and Ministry of the Environment, Japan "Reporting Greenhouse Gas Emissions (Ver.6.1)", and Ministry of the Environment, Ministry of Economy, Trade and Industry, Japan "Basic Guidelines for Calculating Greenhouse Gas Emissions through the Supply Chain (ver.2.7)." The criterion for verification is ISO 14064-3:2019.

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

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

Place and date: Kobe, Japan, 10 June 2026
DNV BUSINESS ASSURANCE JAPAN K.K.

Yasufumi Ueno	Koichiro Tanabe
Approved Verifier	Head of Section, Sustainability, Energy Systems, Japan

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

DNV

VERIFICATION STATEMENT

Project ID: PRJN-1076108 *Page 2 of 2*

< Period Covered by Calculation >
The period covered by GHG emissions and others verification is from 1 January 2025 through 31 December 2025.

< Organization Boundary of Verification >
☒ Management Control ☐ Equity Share ☐ Others

< Type of GHGs Verified >
☒ CO_2 ☒ CH_4 ☒ N_2O ☒ HFCs ☒ PFCs ☒ SF_6 ☒ NF_3

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

■ Total amount of Scope 1 & 2 emissions (locations in and outside Japan)	60,721 t-CO_2e
■ Amount of Scope 1 emissions	25,412 t-CO_2e
■ Amount of Scope 2 emissions	35,309 t-CO_2e
■ Scope 3 emissions※1	
■ Category 1 (Purchased Goods and Services)※2	27,020 t-CO_2e
■ Category 4 (Upstream Transportation and Distribution)	9,454 t-CO_2e
■ Category 6 (Business travel)	971 t-CO_2e
■ Category 7 (Employee commuting)	2,175 t-CO_2e
■ Category 11 (Use of Sold Products)	16,837 t-CO_2e

※1: Category 1,4,6,7 cover locations in Japan only, and Category 11 covers all-group companies.
※2: Calculated GHG emissions associated with products purchased based on survey results from major suppliers in Japan.

■ Total energy consumption (related to Scope 1+Scope 2, locations in and outside Japan)	1,524 (10^3GJ)
■ Electric power consumption	199,342 (MWh)
■ Gas consumption	9,973 (10^3m^3)
■ Gasoline, diesel, and heavy consumption	202 (kL)

< Verification Opinion >
☒ Unmodified Opinion
☐ Modified Opinion
☐ Adverse Opinion

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

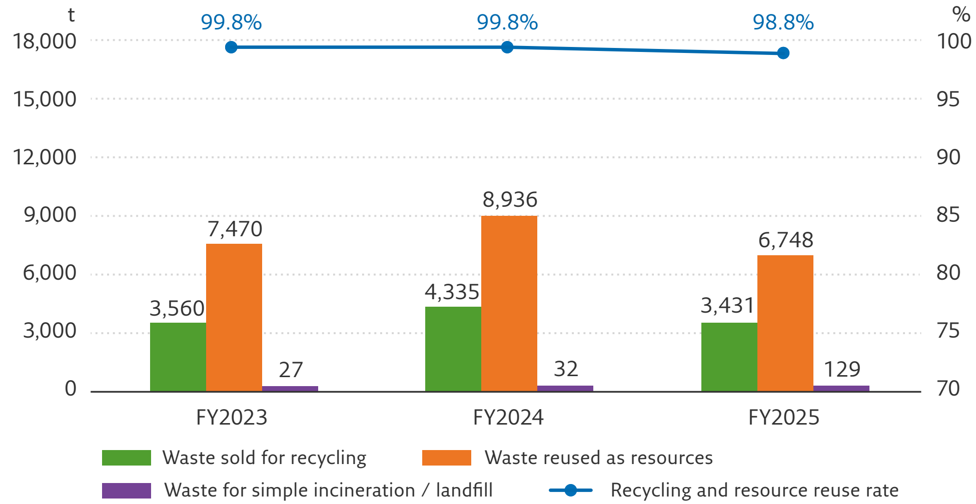
9. Waste Management

9-1 Total Amount of Waste

In the fiscal year ended December 2025, the Nissha Group generated a total of 20,429t of waste, including waste sold for recycling, waste reused as resources, and waste for simple incineration/landfill.

	FY2023	FY2024	FY2025	
	Emission (t)	Emission (t)	Emission (t)	Year-on-year
Nissha Group in Japan	11,057	13,303	10,307	-2,996t (-22.5%)
Nissha Group overseas	9,784	9,777	10,122	+345t (+3.53%)
Nissha Group (Total)	**20,841**	**23,080**	**20,429**	**-2,651t (-11.5%)**

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



Total waste emissions

The total waste generated by the Nissha Group in Japan in FY2025 was as follows. This is a decrease compared to the previous fiscal year, mainly due to lower production volumes at Nissha Industries, Inc. Koka Factory and Nissha Precision and Technologies, Inc. Himeji and Kaga Factories.

Efforts toward zero emissions

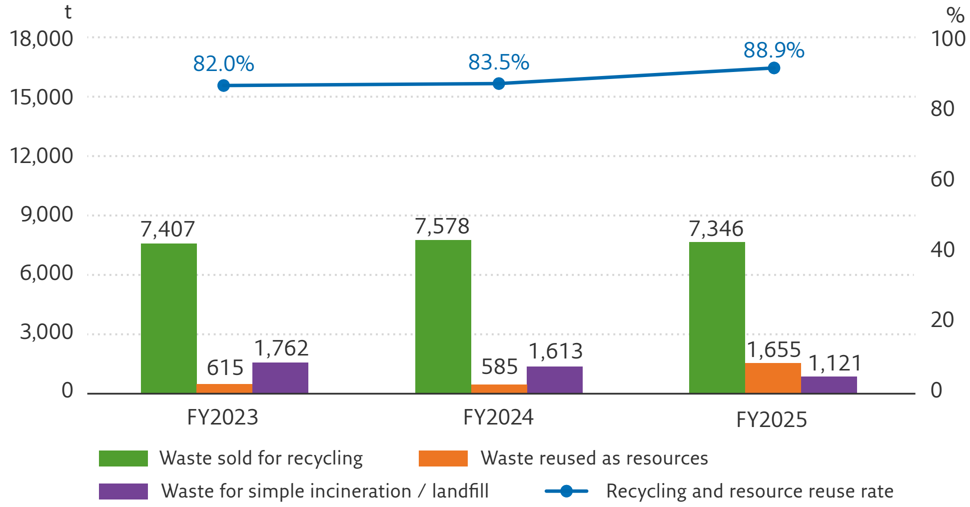
The recycling and resource reuse rate for the Nissha Group in Japan was 98.8%, meaning that we failed to meet our target of zero emissions (a recycling and resource reuse rate of 99.5% or above). The amount of incineration and landfill waste generated at SHIGAKEN PHARM. IND. CO., LTD., which became a member of the Nissha Group in FY2025, contributed to our failure to reach our target.

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

	FY2023	FY2024	FY2025	
	Emission (t)	Emission (t)	Emission (t)	Year-on-year
Hazardous waste (Industrial waste requiring special treatment)	1,504	1,675	578	-1,097t (-65.5%)
Non-hazardous waste (Waste sold for recycling, industrial waste, waste for simple incineration/ landfill)	9,553	11,628	9,729	-1,899t (-16.3%)
Waste emissions (Total)	**11,057**	**13,303**	**10,307**	**-2,996t (-22.5%)**

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

The total waste generated by the Nissha Group overseas in FY2025 was as follows. This is an increase compared to the previous fiscal year, and the added amount of total waste generated at Nissha Metallizing Solutions GmbH (Germany) contributed to this increase. At the same time, the recycling and resource reuse rate for the major production bases of the Nissha Group overseas is improving.



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

	FY2023	FY2024	FY2025	
	Emission (t)	Emission (t)	Emission (t)	Year-on-year
Hazardous waste (Waste acids, waste alkalis, waste inks, waste solvents)	119	170	320	+150t (+88.2%)
Non-hazardous waste (Valuable resources, waste plastic, sludge, waste oil, incineration/landfill waste, other)	9,665	9,607	9,802	+195t (+2.03%)
Waste emissions (Total)	**9,784**	**9,777**	**10,122**	**+345t (+3.53%)**

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

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

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

To reduce these risks, we manage waste in accordance with the Nissha Group Waste Management Regulations. These regulations are aimed at preventing accidents or environmental pollution caused by waste. They lay out the standards for selecting waste processors and for regular monitoring of treatment sites using checklists. In addition, we have in place standards for managing waste and waste converted into valuable resources that contain confidential information, and promote management in association with our information security management system (ISMS). Furthermore, we are monitoring the progress of waste disposal by strengthening the use of electronic manifests, and in preparation for delays, we are building a structure that allows us to respond quickly, such as by strengthening communication with contractors that have suspended disposal and reviewing waste disposal contractors.

In line with these regulations, each base has drawn up its own Waste Management Manual and makes efforts toward thorough waste separation and management. At the Nissha Group production bases in Japan, emergency response drills in the event of a leak are conducted once a year to prevent environmental pollution from liquid waste from the perspective of preventing accidents and disasters. Furthermore, even small quantities of chemicals and spray cans are thoroughly checked for waste properties and monitored to prevent spillages during transport and accidents at treatment facilities.

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

10. Management of Chemical Substances and Environmental Risks

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

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

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

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

10-2 Management of Chemical Substances Used in Products

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

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

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

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

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

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

10-2-2 Management System

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

- Warranty system based on cooperation with material suppliers
  Whenever the Nissha Control Criteria for Chemical Substance Management Standard for Purchased Product is revised, suppliers who provide us with materials for mass production are

requested to submit the following documents.
  - Certificates of conformity to the Nissha Control Criteria for Chemical Substances in Purchased Products
  - Reports on the inclusion of prohibited substances
  - Reports on the inclusion of chemical substances in products
  - Content information
  - Inductively Coupled Plasma (ICP) analysis data
  - Safety Data Sheet (SDS)
  - Written pledges

- Countermeasures in the production process
  - Enforcement of rules when accepting materials
  - Storage locations and labeling differentiation of input materials
  - Ensuring and maintaining traceability
  - Identifying and separating non-compliant substances

- Provision of information accompanying sales to customers
  - Provision of information on chemical substances used in products (IMDS (International Material Data System), SDS)
  - Registration in the customer's management system

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

In the fiscal year ended December 2025, there were no cases in which chemical substances used in our products caused recalls from the market or necessitated changes in materials for reshipment.

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

■ Efforts to comply with the RoHS Directive

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

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

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

Compliance with REACH Regulation

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

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

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

Compliance with other regulations

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

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

Contents of standards	List of target substances
Usage-prohibited substance*1	• Asbestos fibres • Dioxins • Ozone depleting substances • Fluorinated greenhouse gases • Bisphenol-A (with usage conditions) • Substances prohibited from being manufactured (Manufacture-prohibited substance) • Specific amine (with regulations on impurity content) • Azo-dyes which do not form specific amine (with regulations on impurity content concentration) • Arsenic and its compounds (with usage conditions)
Deliberate usage-prohibited substance*2	• Substances subject to RoHS directive • REACH SVHC (Substances of Very High Concern) • Nickel and its compounds (with usage conditions) • Polychlorinated biphenyls (PCBs) • Specific phthalates • Specific benzotriazol • Dimethylfumarate (DMF) • Perfluorooctane sulfonates (PFOS) • Perfluorooctanoate (PFOA) • Natural rubber • Class 1 Specific Chemical Substances of Law Concerning the Examination and Regulation of Manufacture, etc. of Chemical Substances • TSCA PBT substances • TSCA preferred substances • POPs Convention residual organic pollutants
Regulated substance*3	• Global Automotive Declarable Substance List • Conflict minerals • The Proposition 65 • Children's Safe Product Act (RCW 70.240.030) The Reporting List of Chemicals of High Concern to Children (CHCC)

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

*1. Use, either deliberately or not deliberately, is prohibited. Inclusion of impurities is also prohibited.
*2. Deliberate use is prohibited. There are regulations on the inclusion of impurities.
*3. Substance which requires a content report from suppliers to Nissha

10-3 Chemical Substances Used in Production Processes

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

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

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

10-3-2 Reduction of Chemical Substances in Use

The Environmental Objectives for Nissha Group in Japan include reducing usage rate of chemical substances at ISO14001-certified sites. In FY2025, NPT Kaga Factory achieved its target of reducing the amount of chemicals used in its wastewater treatment facilities. In the meantime, the Nissha Industries, Inc. (NII) Koka Factory increased the amount of chemicals it used due to changes in what it produced, meaning it failed to achieve its target.

Fiscal year	FY2023	FY2024	FY2025
Assessment	×	○	×

○ Objective achieved
× Objective not achieved

10-4 Management of Environmental Pollutants

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

In FY2025, there were transfers/emissions of 1 ton or more for ethylbenzene, xylene, toluene, water-soluble copper salts (excluding complex salts), diethylene glycol monobutyl ether, and ethylenediaminetetraacetic acid and its potassium and sodium salts.

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

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

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

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

- **Examples of initiatives for preventing pollution**

  Equipment of emergency cutoff devices

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

- **Leak response training**

  At our NPT Kaga Factory, we have stipulated a process to prevent contamination from spreading in the event of an accident resulting in a leak during waste liquid collection. Regular drills are also held, and the response process is revised as needed. Leak response drills are held both at our production bases and our Kyoto Global Headquarters.


In FY2025, there were no serious environmental accidents or violations of environmental regulations at the Nissha Group, and no penalties or fines were incurred.

10-6 Prevention of Air Pollution

10-6-1 NOx and Soot and Dust

Several production bases of the Nissha Group in Japan own and use gas boilers, which are subject to the Air Pollution Control Act, and emit NOx and soot and dust. The measurement results are shown in the table below.

Kyoto Headquarters

	Unit	FY2023	FY2024	FY2025
NOx	ppm	26	24	32
Soot and dust	g/m^3N	0.004	Less than 0.004	Less than 0.004

Nissha Industries, Inc. Koka Factory

	Unit	FY2023	FY2024	FY2025
NOx	ppm	43	35	30
Soot and dust	g/m^3N	Less than 0.01	Less than 0.01	Less than 0.01

Nissha Precision and Technologies, Inc. Himeji Factory

	Unit	FY2023	FY2024	FY2025
NOx	ppm	31	39	43
Soot and dust	g/m^3	Less than 0.001	Less than 0.001	Less than 0.001

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

10-6-2 VOC Emissions

NII Koka Factory uses organic solvents such as toluene and xylene in its production process. Volatile Organic Compounds (VOCs) generated by the use of organic solvents are detoxified and discharged through Regenerative Thermal Oxidizer. The VOC emissions for FY2025 were 662t.

11. Water Resources / Biodiversity

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

11-1 Water Resources

11-1-1 Basic Concept

We are working to reduce water consumption through appropriate use, water recycling (reuse), and more efficient water use. Approximately 90% of both water intake and wastewater discharge within the Group comes from activities at our production bases in Japan. The majority of this intake and discharge occurs at the Nissha Precision and Technologies, Inc. (NPT) Himeji Factory and Kaga Factory, which are the production bases for the Devices business. The production process for film touch sensors, the core product of the Devices business, requires good quality water to maintain product quality. We have established strict voluntary standards and conduct regular voluntary measurements to thoroughly control wastewater quality.

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

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

The bases covered are the NPT Himeji Factory and Kaga Factory and the Nissha Industries Inc. (NII) Koka Factory.

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

Target	FY2024		FY2025	
	Achievement	Evaluation	Achievement	Evaluation
Work to reduce the amount of water usage (compared to the previous fiscal year)	1 out of 3 bases	△	2 out of 3 bases	△

○ : Target achieved, △ : Target not achieved but good progress made, × : Target not achieved and poor progress made

In the fiscal year ended December 2025, at the NII Koka Factory, water consumption increased due to increased water usage for quality improvement, resulting in the target not being achieved. We will continue to reduce water consumption and save water for miscellaneous use by improving production efficiency at our factories.

11-1-3 Understanding Water Stress Areas

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

■ Production bases in Japan

The Overall Water Risk* at production bases in Japan was Low (0-1) or Low - Medium (1-2). The NPT Himeji Factory and Kaga Factory, both of which have relatively high levels of water consumption in our Group, fall into the Low-Medium (1-2) risk category. In terms of water intake and use, we do not have a significant impact on local water resources, but we will continue to work to reduce our impact on the environment by setting targets to reduce water use and devising an infrastructure.

■ Overseas production bases

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

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

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

All of the Group production bases in Japan use water supplied by a third-party (tap water and industrial water). In FY2025, there were no violations of regulations related to water intake and wastewater.

■ NPT Himeji Factory

The NPT Himeji Factory uses industrial water (for use in production) and tap water (for general use) supplied by Hyogo Prefecture. Wastewater is discharged to the Seto Inland Sea via a nearby river after being treated at the factory. The area where the factory is located is subject to the Law concerning Special Measures for Conservation of the Environment of the Seto Inland Sea, which is stricter than the Water Pollution Prevention Act. To comply with the law, the factory operates a wastewater treatment facility using activated carbon adsorption. In addition, we operate and manage water quality by establishing voluntary standard values for water quality control that are stricter than those set by laws and regulations.

■ NPT Kaga Factory

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

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

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

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

11-1-6 Water Data

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

Items		Unit	Boundary	FY2023	FY2024	FY2025
Water usage	Tap water	m^3	Production bases in Japan and overseas	912,000	1,069,000	1,021,000
	Underground water	m^3	Production bases in Japan and overseas	42,000	37,000	94,000
	Industrial water	m^3	Production bases in Japan and overseas	1,282,000	1,316,000	287,000
Water discharge		m^3	Production bases in Japan and overseas	2,002,000	2,216,000	1,368,000

11-2 Biodiversity

11-2-1 Basic Concept

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

11-2-2 Target and Progress

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

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

Target	FY2024	FY2025
(1) In order to prevent environmental risks from pollution, implement risk reduction measures for environmental risks that fall under the category of significant environmental aspects in the hazard assessment list*1, and gradually lower the hazard assessment by FY 2029 (Boundary: Nissha Group in Japan ISO14001 certification bases*2)	Achieved	Achieved
(2) Maintain zero environmental accidents*3	0	0

*1. A list to determine risk level based on identifying environmental risks and evaluating them based on two axes: likelihood of occurrence and severity when they occur
*2. Nissha (Headquarters), NII Koka Factory, NPT Himeji Factory / Kaga Factory / Tsu Factory, Nissha FIS, Inc., and Nissha Business Service, Inc.
*3. Accidents that affect areas outside the factory

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

11-2-3 Understanding Biodiversity Risk

The Nissha Group conducts analysis based on the LEAP Approach*1 propounded by the Taskforce on Nature-related Financial Disclosures (TNFD) as a way to identify risks and opportunities in biodiversity.

In FY2025, we focused our analysis mainly on evaluating our contact with nature and our dependence on and impact on nature. Specifically, we targeted our Group's core businesses, using ENCORE*2 to sort out our dependence on and impact on natural capital. We also carried out an analysis using the Biodiversity Risk Filter*3 provided by the World Wide Fund for Nature (WWF) for major bases allowing us to understand the risks to biodiversity at each of our businesses and bases.

Going forward, we will use the analysis results to integrate biodiversity risks based on the regional characteristics of each base and the dependence and impact on natural capital of each business, moving ahead with determining specific risks and opportunities assumed for the Group.

*1. An integrated approach to assessing nature-related issues. The name comes from Locate, Evaluate, Assess, and Prepare.
*2. A tool for understanding the size of a corporation's impact and dependence on nature. It was jointly developed by the Natural Capital Finance Alliance, the UNEP-World Conservation Monitoring Centre (WCMC), and others.
*3. This is a risk tool related to biodiversity published by the World Wide Fund for Nature.

Biodiversity initiative (Birds & Insect House)

At Nissha, we have established the Birds & Insect House at our Kyoto Global Headquarters site as part of our efforts to increase awareness of environmental protection and biodiversity.

Retaining its friendly design, almost like a face, the Birds & Insect House internal environment was renovated in spring 2026 into one that would attract even more birds and insects. Small holes were drilled into the logs set inside the Birds & Insect House, creating an environment that insects would want to live in. The habits of insects that make nests in holes in bamboo fences were also looked at, so a bamboo lattice was placed inside. Bamboo's hollow stems shelter insects from rain and wind, and help maintain stable humidity, which is why insects like the plant. We believe that each little change like this will help create places that wildlife find comfortable.

The Birds & Insect House might look like just a small hut at first, but the way it is connected to the broader natural world gives it the potential to have a much greater impact. It is our hope that Nissha's Birds & Insect House can spur all our stakeholders to feel closer to and think about biodiversity. We will work on creating environments mindful of coexisting with nature while reflecting each day on our trials and errors.


Before


After

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

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

Environmental Objectives

Period: FY2024 - FY2029

Scope: Nissha Group in Japan

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

Evaluation Criteria

○ Satisfactory: Objective achieved

△ Unsatisfactory: Objective not achieved but good progress made

× Poor: Objective not achieved and poor progress made

*Company names and abbreviations
NII: Nissha Industries, Inc.
NPT: Nissha Precision and Technologies, Inc.
FIS: Nissha FIS, Inc.
NCI: Nissha Printing Communications, Inc.
NBS: Nissha Business Service, Inc.

12-1 Initiatives and Achievements in FY2025

1. Compliance with laws and regulations / customer demands

Target	FY2025		Boundary
	Achievement	Evaluation	
(1) Violations of regulatory values in environmental laws, regulations and local ordinances: 0	0	○	Nissha Group in Japan
(2) Serious warnings related to the environment noted during audits of customer demands (Core Violation): 0	0	○	Nissha Group in Japan
(3) Violations of compliance with customer demands for chemical substances in products: 0	0	○	Nissha Group in Japan

(1) There were no violations found through compliance inspections of laws, regulations and local ordinances.

(2) There were no serious warnings related to the environment noted (Core Violation) during audits of customer demands.

(3) There were no reports of violations of compliance with customer demands for chemical substances in products.

2. Mitigation of climate change

Target	FY2025		Boundary
	Achievement	Evaluation	
(1) Reduce CO_2 emissions by 27% by FY2029 (Baseline: FY2020 actual value)	-51%	○	Nissha Group
(2) Reduce CO_2 emissions rate (basic unit)* by at least 1% compared to the previous fiscal year	Nissha (Headquarters)	×	(Bases subject to the Act on the Rational Use of Energy) Nissha (Headquarters) NII Koka Factory NPT Himeji / Kaga Factory

* CO_2 emissions rate (basic unit) = CO_2 emissions / Production volume (varies by base)

(1) Continuing 100% renewable electricity use at our NII Koka Factory and NPT Himeji Factory and Kaga Factory, combined with a range of other energy-saving measures throughout the Nissha Group in general, allowed us to reach our target.

(2) The energy basic unit targets and actual figures are shown in the table below. In order to reduce the CO_2 emission rate (basic unit) by at least 1% over the previous fiscal year, we set targets for each factory and worked on reducing energy input in conjunction with quality improvements. Of the four bases subject to the target, Nissha (Headquarters) achieved the target, whereas NII Koka Factory and NPT Himeji Factory and Kaga Factory did not achieve their targets.

	Basic unit (CO_2 emissions / Production volume)		Evaluation
	Target	Achievement	
Nissha (Headquarters)	0.1117	0.1110	○
NII Koka Factory	0.4556	0.5064	×
NPT Himeji Factory	0.0184	0.0271	×
NPT Kaga Factory	0.0287	0.0415	×

3. Reduction of environmental impact of our supply chain overall

Target	FY2025		Boundary
	Achievement	Evaluation	
(1) Engage in zero-emission (at least 99.5% recycling rate) maintenance and management	98.8%	×	Nissha Group in Japan
(2) Reduce waste generation rate (basic unit)* by 1% or more compared to the previous fiscal year	2 out of 4 bases	△	NII Koka Factory NPT Himeji / Kaga Factory NCI
(3) Work to reduce the amount of chemical substances usage (compared to the previous fiscal year)	1 out of 2 bases	△	NII Koka Factory NPT Kaga Factory
(4) Work to reduce the amount of water usage (compared to the previous fiscal year)	2 out of 3 bases	△	NII Koka Factory NPT Himeji / Kaga Factory
(5) Incorporate perspectives such as saving energy, saving resources, durability, resource circulation, recycling, and environmental impact reduction in the product design, development, and process design stages	Implement in Nissha (Headquarters) and FIS	○	Design and product division / Production engineering of the Nissha Group in Japan

* Waste generation rate (basic unit) = Waste generation / Production volume (varies by base)

(1) We had a recycling rate of 98.8%, meaning that we failed to meet our target of zero emissions.

(2) The waste generation rate (basic unit) targets and actual figures are shown in the table below. Each factory is working to improve its yield rate and efficiency through quality improvement activities and reducing the amount of wasted materials by improving production efficiency, working on turning waste into valuable resources, and so on. In FY2025, of the four bases subject to the target, NII Koka Factory and NPT Himeji Factory achieved the target, whereas NPT Kaga Factory and NCI did not achieve their targets.

	Basic unit (Waste generation / Production volume)		Evaluation
	Target	Achievement	
NII Koka Factory	11.40	11.00	○
NPT Himeji Factory	23.63	3.72	○
NPT Kaga Factory	626.14	677.28	×
NCI	9.86	12.51	×

(3) The NII Koka Factory increased the amount of chemicals it used due to changes in what it produced, meaning it failed to achieve its target. The NPT Kaga Factory was able to reduce the use of wastewater treatment chemicals through factory consolidation. We will continue to reduce our use of chemicals.

(4) The actual figures for water usage are shown in the table below. Reorganization of items produced at the NPT Himeji Factory and a reduction in production volume at the NPT Kaga Factory led to less water being used. We are continuing water-saving initiatives at the NII Koka Factory, but water usage for quality improvements meant the target was not achieved. We will continue to reduce water consumption and save water for miscellaneous use by improving production efficiency at our factories.

	Water usage (m^3)		Evaluation
	FY2024	FY2025	
NII Koka Factory	57,300	66,300	×
NPT Himeji Factory	1,267,700	246,800	○
NPT Kaga Factory	872,400	825,100	○

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

4. Prevention of pollution for the conservation of biodiversity

Target	FY2025		Boundary
	Achievement	Evaluation	
(1) In order to prevent environmental risks from pollution, implement risk reduction measures for environmental risks that fall under the category of significant environmental aspects in the hazard assessment list*1, and gradually lower the hazard assessment by FY 2029	—	○	(Bases covered by ISO14001 certification) Nissha (Headquarters) NII Koka Factory NPT Himeji / Kaga / Tsu Factory FIS NBS
(2) Maintain zero environmental accidents*2	0	○	NII Koka Factory NPT Himeji / Kaga Factory NCI

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

*2. Accidents that affect areas outside the factory

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

(2) There were zero cases of environmental accidents in FY2025. We will continue to strive to keep environmental accidents at zero.

13. Human Rights

13-1 Policy

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

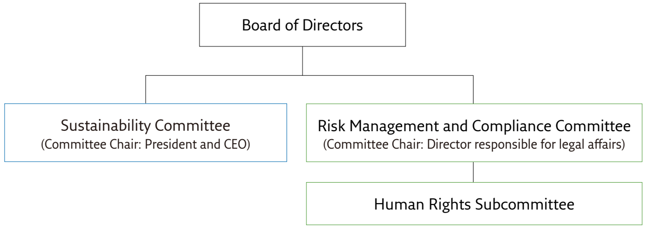
The revision of this Policy has been reported and deliberated by the Board of Directors and signed by the Chairman of the Board and Group CEO.

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

The 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.



Within the Sustainability Committee, the procurement and sourcing division is responsible for human rights in the supply chain. The human resources division of the Human Rights Subcommittee under the Risk Management and Compliance Committee is responsible for the human rights of employees.

13-3 Initiatives Related to Labor and Human Rights

In the fiscal year ended December 2025, we revised our Human Rights Policy, and held study sessions for officers and rolled out the Policy to overseas managerial staff. Additionally, in conjunction with spreading awareness on the company intranet through posting video messages by officers in charge, for example, we also took this up in corporate ethics and compliance training, working to ensure further penetration.

The revised Human Rights Policy clarifies the human rights issues that the Nissha Group considers key. Of these, with respect to Prohibition of Child Labor and Elimination of Forced Labor, we have confirmed through regular checking since FY2021 that no relevant cases have been found within the Group. Moreover, starting in FY2022, we have been working on initiatives to achieve zero child labor and forced labor in our supply chain through surveys of the Group's primary suppliers.

Refer to 21-4 Survey of the Supply Chain

We also carry out annual internal audits of our major production bases in Japan. In these audits, we check compliance with laws and regulations and the RBA's code of conduct* to see whether minimum wage standards are met, working hours are managed, wages are appropriately paid, and so on, irrespective of employment status. We also check that previous corrective actions were verified to remain effective. Internal audit findings are reported through the established reporting line, and the Human Rights Subcommittee provides support to production bases as necessary so that corrective actions can be taken. The results of the internal audit for FY2025 yielded positive outcomes, and no major findings were reported. In addition, all of the audits by our customers gave us good assessments, and no major findings have been reported.

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

Contribution of Specified Skilled Workers and Foreign Technical Interns

As of March 2026, there were 51 Specified Skilled Workers and Technical Interns of Vietnamese nationality working at the Nissha Group in Japan. To ensure they can work safely and with peace of mind, notices and materials are created in Vietnamese as well as Japanese, preventing uncertainties and misunderstandings due to differences in language and culture. These also make it easier to understand information about topics such as employment rules, health and safety, consultations, and so on.

In addition, we value daily communication, so are working to create environments where opinions and worries can be heard easily, to raise awareness so we can prevent harassment and unfair treatment, and to foster a workplace culture in which people respect each other.

For the new Employment for Skill Development system scheduled to be implemented in April 2027, we will continue collecting the latest information and working to develop an acceptance system that can respond appropriately to the system changes.

13-4 Harassment Prevention

The Group establishes 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 internal harassment consultation service and 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 these services are available 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 FY2025, there were 16 cases related to harassment filed at the consultation services, and all of these cases have been appropriately addressed.

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 FY2025, there were no significant violations of freedom of association or the right to collective bargaining.

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 2026 was 1,235 members.) The Nissha Crew Alliance aims to support all employees of the Nissha Group in Japan under its vision of realizing new happiness through three focus areas: new ways of working (workplace sphere), new lifestyles (social sphere), and new union activities (individual sphere). 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 information on the management of the Nissha Group. During FY2025, 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 FY2025, labor and management worked together to revise our related systems to reflect the amended Child Care and Family Care Leave Act. In addition, while there were no major revisions to systems, we worked to improve existing systems and, at the request of the labor union, streamlined the details of special leave and increased the amount of regional allowances.

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 FY2025, the Nissha Group including overseas bases 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 aligned.

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 (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

At Nissha Group in Japan, 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.

In our annual employee skills survey, we register the abilities, experiences, and knowledge of each employee. This information is made visible so it can be used in assigning personnel.

We are introducing a similar system at some of our overseas Group companies.

We will continue these sorts of initiatives to move ahead with databased talent management in the future.

14-4 Fair Evaluation and Treatment (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 2025, 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 Group makes no distinctions based on age, gender, or other factors.

The wage gap between male and female for FY2025 is shown below. The figures show a comparison of female with a male wage set at 100.

(Nissha Co., Ltd.)

	Male	Female (Year-on-year)
All workers	100	78.4 (+0.8)
Full-time workers	100	79.3 (+0.9)
Non-regular workers	100	66.2 (-2.1)

* 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 97.7 compared to 100 for male, which is not a significant difference. For full-time workers as a whole, the difference has narrowed by 0.9 percentage points compared with the previous year. 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 8 of the 18 major overseas Group companies.

Composition by region (Nissha Group, as of the end of FY2025)

Number of employees by region and gender

Unit: Number of employees

	Japan	North America	Central and South America	Asia	Europe
Male	1,478	860	140	266	504
Female	479	687	334	305	252
Total	1,957	1,547	474	571	756

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

Composition by employment status (Nissha Group, as of the end of FY2025)

Composition by employment status and gender

	Permanent		Temporary	
	Number	Composition (%)	Number	Composition (%)
Male	3,248	61.2	795	63.1
Female	2,057	38.8	465	36.9
Total	5,305	–	1,260	–

* 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 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
End of FY2025	Male	8	11	2	135	484	45.1	17.8
	Female	1	1	0	15	240	37.5	11.5

*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 FY2025)

Unit: Number of employees

Age	18-19	20-29	30-39	40-49	50-59	60-69
Male	1	33	89	199	160	2
Female	5	55	82	65	33	0
Total	6	88	171	264	193	2

Number of employees (Nissha Group)

Unit: Number of employees

	End of FY2021	End of FY2022	End of FY2023	End of FY2024	End of FY2025
Male	3,470	3,362	3,212	3,289	3,248
Female	1,939	1,963	2,009	2,108	2,057
Total	5,409	5,325	5,221	5,397	5,305

* Figures exclude temporary employees.

Of all permanent employees at Nissha Group companies in Japan, 2.73% left for personal reasons in the fiscal year ended December 2025. Note that as the starting point for calculating the turnover rate is January 1, 2025, this does not include SHIGAKEN PHARM. IND. CO., LTD., which became a subsidiary through share acquisition on January 8, 2025.

Three-Year Retention Rate of New Graduate Employees (Nissha Co., Ltd.)

Year of Joining	Number of New Employees	Number of Employees Still Employed After Three Years	Retention Rate (%)
FY2021	11	11	100.0
FY2022	12	11	91.7
FY2023	12	12	100.0

Composition of managerial staff (Nissha Group in Japan)

Fiscal Year		Male	Female	Total	Of which mid-career employees	Of which foreign employees
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
End of FY2024	Number	266	25	291	88	1
	Composition ratio (%)	91.4	8.6	–	30.2	0.3

* 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 FY2021	End of FY2022	End of FY2023	End of FY2024	End of FY2025
Employment rate of Nissha	2.12	2.07	2.67	2.20	2.11
Statutory employment rate	2.3	2.3	2.3	2.5	2.5

While there was an increase of two persons in FY2025, others left the Group, causing our employment ratio to drop. We are actively recruiting through participation in the Disabled Persons Joint Corporate Briefing Session held by the Kyoto Labor Bureau, as well as through holding an open day in March 2026. 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 Nissha Group in Japan, we hired one person in FY2023, one person in FY2024, and one person in FY2025.

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 experiences cultivated before leaving the company and new perspectives. In the Nissha Group in Japan, we hired two people in FY2023, one person in FY2024, and one person in 2025.

In addition, more than 60% of all employees of the 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	
		Total number	Foreign nationals	Total number	Foreign nationals
FY2023	51	12	0	39	2
FY2024	51	24	0	27	2
FY2025	33	24	0	9	0

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

15-4 Promotion of Women's Advancement

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

The Group has set the ratio of female managerial staff, one of the symbols of diversity, as a KPI, and aims to bring it closer to the ratio of female employees. We are working on promoting the advancement of women, setting targets of 23% globally consolidated and 12% for Nissha non-consolidated by 2026. The ratio of female managerial staff at Nissha non-consolidated basis exceeded 10% as of the end of FY2025, and is expected to continue increasing in FY2026.

Female managers ratio and Next-generation female managerial staff ratio

		End of FY2022	End of FY2023	End of FY2024	End of FY2025	Forecast at the end of FY2026
Female managers ratio	Nissha Group (%)	21.5	22.7	24.4	25.2	25.0-26.0
	NISSHA (%)	5.9	7.1	8.9	10.1	10.0-11.0
Next-generation female managerial staff ratio	NISSHA (%)	23.9	24.5	27.0	28.0	28.5-30.5

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. From 2025, we have been holding roundtables with our female Independent Outside Director of the Board aimed at the female managerial staff in the Nissha Group in Japan. These roundtables provide places for networking and communication with colleagues who can understand the worries and hopes of these female staff, and who can serve as role models and sources of encouragement.

Roundtables with our female Independent Outside Director of the Board

■ 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 Group, 6 companies, Nissha Co., Ltd., Nissha Industries, Inc., Nissha Precision and Technologies, Inc., Nissha Printing Communications, Inc., SHIGAKEN PHARM. IND. CO., LTD. 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

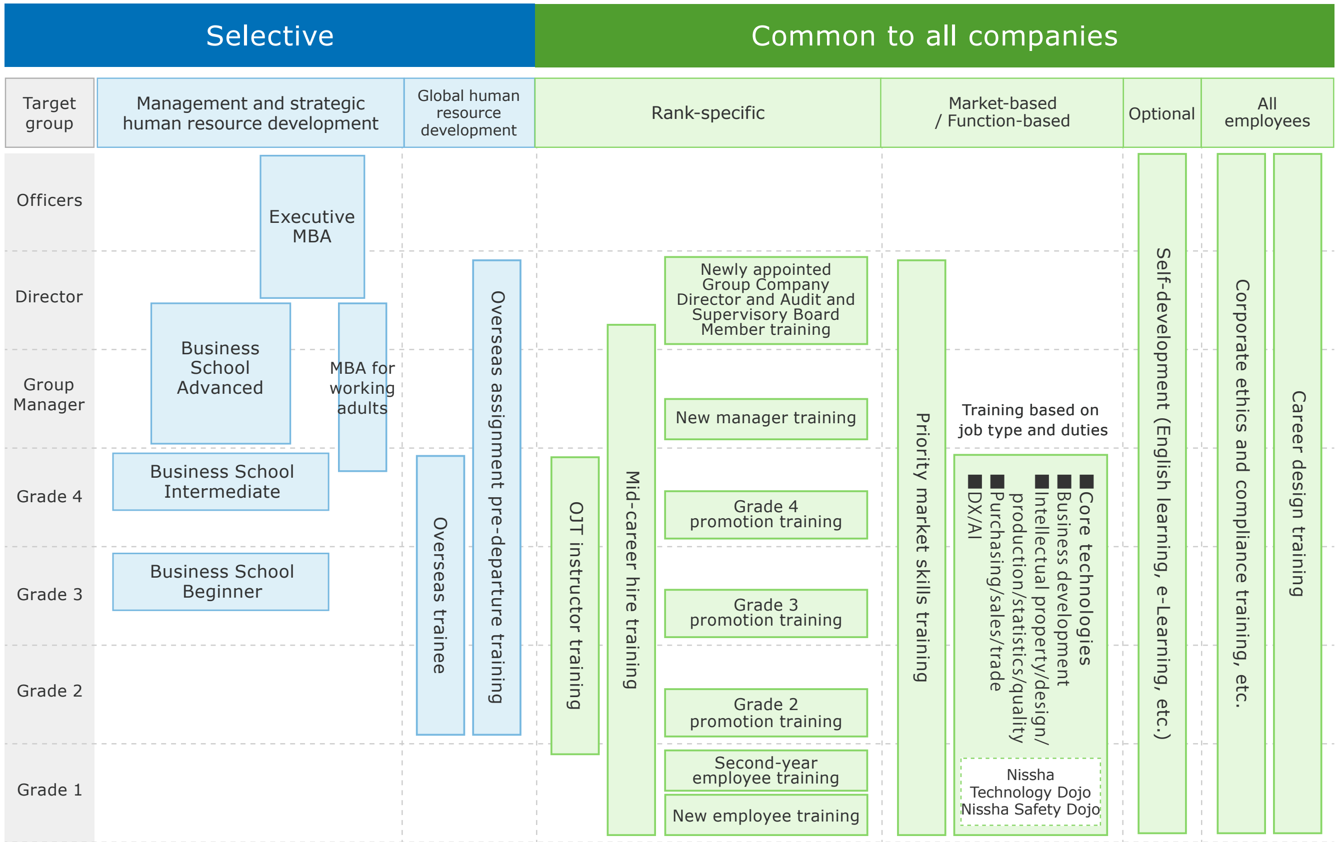
16-1 Basic Concept

The Nissha Group in Japan offers a wide range of training programs to realize our medium- to long-term growth strategy and to support each employee's medium- to long-term career development. These programs are run as our in-house training system, Nissha Academy.

Specifically, we have established selective training programs to develop candidates for the next generation of management and strategy, rank-specific training programs that match the employee's stage, market- and 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 (Overseas Version) banner, 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.

NISSHA ACADEMY



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. In the fiscal year ended December 2025, we offered the beginner and advanced courses, which were completed by 79 and 26 participants, respectively.

Executive MBA program and a graduate school program for working professionals

In addition to 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

The overseas trainee system is designed to develop young human resources who can flourish in global business settings, regardless of their academic background in the humanities or sciences, or 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

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 across the Nissha Group in Japan. For about two weeks, all trainees, regardless of which company they were hired by or their academic background, deepen their understanding of the Group's outline, businesses, and products. After that, they undergo business unit training or factory training, with each being deployed in stages in line with them and their workplaces. 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.

Mid-career hire training

We provide mid-career hires who have freshly joined the Nissha Group in Japan with training. To ensure they understand the Nissha Philosophy and to boost engagement, we hold lectures on Nissha's values, organize tours of the Group Products Gallery and the Nissha Technology Dojo, and facilitate networking between mid-career hires.

Promotion training

We provide promotion training for employees who get promoted to higher ranks in accordance with our human resources system. After studying the general skills and business literacy needed for their rank through e-learning, they attend group training to deepen their understanding of the Group as a whole and foster the mindset required for their rank.

■ Market-based / 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 2025, we focused on medical shift training: some 20 employees transferred from other units to the pharmaceutical business learned the fundamentals of the pharmaceutical industry and its strategic importance, and are now transitioning to on-the-job training. In 2026, we are holding programs for engineers and sales related to the medical devices business, which have been attended by about 20 employees who worked on enhancing their knowledge and skills.

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

At the Nissha Group in Japan, we provide employees with information on programs 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. In addition, we support proactive learning and skills development for our employees through programs that provide financial assistance to those who complete self-study courses and incentive payments for obtaining official certifications.

16-4 Career Planning Support

Since FY2019, 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 below 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	FY2023	FY2024	FY2025
Total training hours per year	Male	20,042	16,013	22,509
	Female	8,697	9,716	12,258
	Total	28,739	25,729	34,767
Training hours per employee	Male	12.2	10.0	14.0
	Female	17.7	19.2	22.1
	Average	13.4	12.2	16.1

* 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 inhouse 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.

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 Group carries out employee engagement surveys on a global basis every year. In 2025, to get more responses, we expanded the scope of employees covered, particularly at the Nissha Group overseas. This did increase the number of people covered, but the response rate was lower than the previous year. The ratio of positive responses to the four questions in the table to the right that we consider particularly important remained high. We continue working to raise employee engagement through initiatives for improvements on a company or workplace basis.

Engagement survey results

KPI	Target	Result			
		FY2022	FY2023	FY2024	FY2025
Response rate (Nissha Group)	More than 80%	83.0%	94.2%	96.6%	90.8%

Positive response rate (Nissha Group)	FY2022	FY2023	FY2024	FY2025
Will to contribute to the organization I want to contribute to Nissha	95.6%	95.5%	95.4%	95.7%
Organizational Commitment I am proud to work for Nissha	87.8%	89.0%	88.9%	90.4%
Rewarding I find my work rewarding	82.3%	83.4%	83.9%	84.3%
Feeling of contributing to society I feel I contribute to society through my work	78.8%	80.6%	81.9%	83.3%

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 as a way to provide a flexible working style for employees so they can balance their home and work lives. Along with working to reduce the burden of commuting and improve work efficiency, we have a system that allows employees to perform the same level of work at home as they would at the office. In addition to its day-to-day use, this system functions to support business continuity during disasters or traffic disruptions.

17-4 Child-Rearing and Family Care Support (Nissha Group in Japan)

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 childrearing support exceed statutory guidelines.

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 (paid)	–
Childcare leave at birth (Postpartum paternity leave)	2 days: paid	Either paid or unpaid
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 over-time work (Overtime exemption)	Up to completion of elementary school	Up to start of elemen-tary 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	–

* Some details of the systems differ by company.

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.

Moreover, in March 2026 we held our first roundtable aimed at solving worries and issues regarding balancing work and child-rearing during a child's elementary school years. It is aimed at female employees with children around the age when they start school. This was done as a trial, but its popularity means that we are considering continuing them in the future.

Number of employees who used child-rearing Support

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 on the right. 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	FY2021	FY2022	FY2023	FY2024	FY2025
Child-rearing leave	Male	21	25	38	31	36
	Female	46	48	43	37	39
	Total	67	73	81	68	75
Shorter hours for child-rearing	Male	2	3	6	5	5
	Female	87	92	82	84	86
	Total	89	95	88	89	91
Days off for child nursing	Male	49	50	60	60	69
	Female	59	65	62	65	70
	Total	108	115	122	125	139

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

	Gender	FY2021	FY2022	FY2023	FY2024	FY2025
Reinstate-ment rate*1 (%)	Male	100.0	100.0	100.0	100.0	100.0
	Female	95.6	95.8	100.0	100.0	100.0
	Average	97.1	97.6	100.0	100.0	100.0
Retention rate*2 (one year) (%)	Male	83.3	87.5	95.0	91.4	100.0
	Female	91.3	100.0	88.6	95.2	100.0
	Average	88.5	94.7	90.6	92.9	100.0

*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

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

* Some details of the systems differ by company.

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, every January, we provide information to all employees aged 40 and over to encourage their interest in and deepen their understanding of family care leave and support systems for balancing work and family care. As a result, questions and consultations regarding family care have increased. Moreover, we provide opportunities for full-time employees reaching 50 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

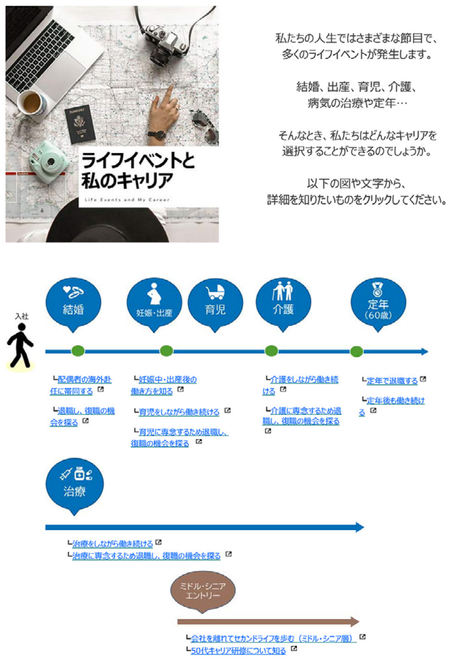
Unit: Number of employees

Support system	Gender	FY2021	FY2022	FY2023	FY2024	FY2025
Family care leave	Male	0	0	0	0	0
	Female	0	0	0	1	0
Shorter hours for family care	Male	0	0	0	0	0
	Female	0	0	1	1	1
Days off for family care	Male	5	6	8	10	15
	Female	1	6	7	11	20

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 since the fiscal year ended March 2010, 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 (Nissha Group in Japan)

We are continuing to create workplaces where taking annual paid leave is easy. By reducing working hours through promoting DX and increased work efficiency through the use of generative AI and RPA, we are preparing workplaces where people can take leave in a planned, unforced way. As a result, the majority of our employees took at least 10 days of annual paid leave, our internal target. The percentage of annual paid leave used has remained at or above 70% since 2023.

Average days and percentage of annual paid leave used

Fiscal Year	FY2021	FY2022	FY2023	FY2024	FY2025
Average days	11.5	12.9	14.1	14.8	14.4
Percentage of use	60.3	66.1	72.0	76.5	73.0

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 of the employee or a family member, as well as for various childcare-related circumstances such as children's school events and school or nursery closures, family care, and volunteer activities.

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 FY2025, 6 people used the system for a total of 9 days.

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

We introduce 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.

unit: Number of employees

Fiscal Year	FY2021	FY2022	FY2023	FY2024	FY2025
Male	3	5	5	13	14
Female	3	4	4	6	6
Total	6	9	9	19	20

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

The Nissha Group in Japan promote the reduction of working hours 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 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		FY2021	FY2022	FY2023	FY2024	FY2025
Number of job posting		15	31	14	20	13
Successful applicants (transfer-ees)	Male	6	2	0	0	1
	Female	1	0	1	0	1

17-12 Awarding System (Nissha Group)

The 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 FY2025, 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 perfor-mance	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	57
BU Head Award	For employees who have made significant contributions to business performance or strategy	57
Top Profit Contributor Award	For employees who have contributed to the improvement of profit margins through proactive actions within function-al organizations or specific projects	22
New Hope Award	For domestic employees who act proac-tively without fear of failure or change as workplace heroes	14

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 have introduced a Stock Benefit Trust (Employee Shareholding Purchase-type) as a system for returning to all employees and contract employees who join the employee stock ownership plan the benefits of increases in the stock price of the Company's shares over a certain period. After the program ended and was reintroduced, it continues to operate today.

As of the end of FY2025, 38.1% of the employees have joined, and together hold 1.1% of the Company's shares.

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

Year	FY2021	FY2022	FY2023	FY2024	FY2025
Number of eligible subscribers	2,081	2,011	2,033	2,030	2,101
Number of subscribers	573	553	579	594	800
Subscription rate	27.5	27.5	28.5	29.3	38.1

In addition, since FY2020, we have introduced a Stock Benefit Trust (J-ESOP) for managerial staff of the Company and some of Group companies in Japan.

17-14 Retirement Pay System

Nissha operates a retirement pay system based on role and ability as a mechanism linked to our human resources system, and is also responding to increasing employment fluidity through a defined contribution pension system that allows employees to carry their pension assets with them.

In addition, we carry out regular ongoing training for members of the defined contribution pension system, supporting 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

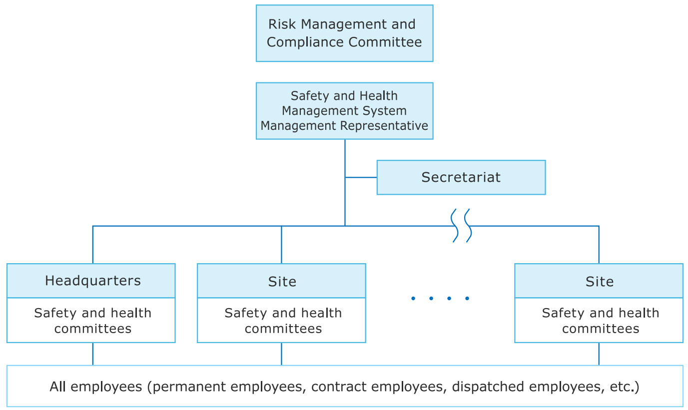
1. We shall strive to eliminate and reduce risks through increasing risk sensitivity and responding to changes for achieving "zero accidents".
2. We shall promote measures related to health and promote the maintenance and improvement of both physical and mental health.
3. We shall introduce appropriate 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 formulate action plans to achieve our targets, implement assessments through regular internal audits and management reviews, and promote continuous improvement through the PDCA cycle. 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.

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 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 at each workplace to continuously identify sources of hazards and assess risks. Based on the risk assessments, risk reduction measures are determined and implemented. 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, CREATE-SIMPLE* has been used since fiscal year 2025 to standardize chemical risk assessment methods and enhance the level of chemical substance management. We will continue to strengthen our autonomous management system with the aim of achieving zero health incidents caused by chemical substances.

* Chemical Risk Easy Assessment Tool, Edited for Service Industry and MultiPLE Workplaces (CREATE-SIMPLE): A chemical risk assessment support tool developed and provided by Japan's Ministry of Health, Labour and Welfare

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 responsible for equipment introduction takes the lead in designing and manufacturing equipment with safety as the highest priority, liaising with equipment manufacturers and the departments that use the equipment. In addition, safety screenings for newly-added equipment are carried out by members with specialist knowledge prior to their use, confirming that safety measures have been appropriately implemented. With this system, after screening, equipment certified as passing is issued a Use Authorization, and is officially allowed to be used. These efforts are aimed at ensuring safety and preventing accidents caused by equipment.

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

There were thirteen incidents of occupational accidents in the Nissha Group in Japan in FY2025, which are three more than the previous year. With the increase in accidents resulting in days of leave, the frequency rate of occupational accidents has also increased. There is a clear trend of accident type, with about half overall caused by motion reactions or forced movements. Most of these are due largely to human error, including carelessness and unsafe actions. 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.

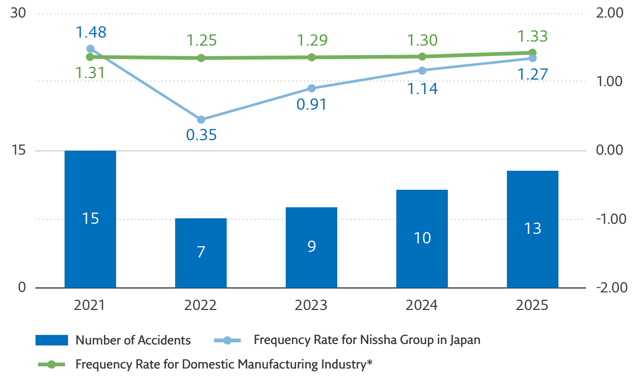
Occupational Accident Performance by Nissha Group in Japan

Item	FY2023	FY2024	FY2025
Number of occupational accidents	9	10	13
4 or more days of leave	5	5	4
Occupational accident frequency*1 (%)	0.91	1.14	1.27
Occupational accident severity*2 (%)	0.04	0.04	0.02
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"

Occupational Accident Performance by Major Overseas Production Base and Region

The numbers of occupational accidents at the Nissha Group major overseas production bases in FY2025 are given in the table below.

Region	North America	Central and South America	Europe	Asia
Number	21	0	18	1

* 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 with our major overseas production bases and provide educational programs on a global basis.

In FY2025, the recent increase in fall-related accidents led us to hold a Fall Prevention Event at the Kyoto Global Headquarters in order to raise awareness among employees of fall risks and prevent accidents. Along with deepening their understanding of the current situation and main causes of fall-related accidents, this was a chance for employees to reevaluate their own physical functions and daily actions through a hands-on program that included square step exercises and standing tests, as well as specialist lectures by an industrial physician.


Square Step Exercise


Standing Test

Training Participation

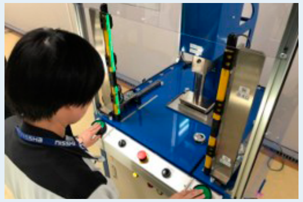
Category	Lesson / Session	Number of attendees in FY2025
General training	Training on intake	96
	Safety training at the time of assignment	45
	Health training (health education)	787
	Health training (prevention of heatstroke)	103
	Risk assessment training (safety and health / chemical substances)	174
	Risk assessment training for equipment introduction	69
Safety training	Foreman education	10
	Chemicals training (handling of chemicals / chemical emergencies)	34
	High-pressure gas training (handling of high-pressure gas / gas emergencies)	158
	Safety training (chemical substances / hazardous materials)	314
	Safety training (occupation accident prevention)	704
	Safety simulator training	188
	Fall prevention training	59
	Individual safety education	48
	General lifesaving training	64
	AED lessons / First aid team training	60
	Traffic safety education	2,220

Nissha Safety Dojo

Two Nissha Safety Dojos were established in the production bases in Japan in 2025. These are hands-on safety training facilities aimed at slashing the number of occupational accidents and instilling a safety culture. At these Safety Dojos, we use hazard simulation equipment that allows people to experience accidents that could happen at manufacturing sites. Through learning physically about risks such as getting caught, being trapped, or fires started through static electricity, trainees also learn that risks are something that could happen to them, an understanding that is hard to achieve through classroom lectures alone.

Large numbers of employees have already taken this training in the first year of its operation, and this has led to higher awareness of safety and retention of knowledge about safety measures. We will work to increase the number of people taking this training and expand its content still further, raising safety awareness throughout the entire Group as well as promoting the development of a sustainable safety culture.


V-Belt Entanglement Simulator


Press Pinch-Point Hazard Simulator


Rotating Equipment Entanglement Simulator

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 and promoted throughout the Group.

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

18-7 External Evaluation

The Nissha Group in Japan received the following awards related to safety and health in FY2025.

Award target	Award name	Awarding body
Nissha Co., Ltd.	Nakagyo Self-Defense Fire Brigade Training Competition Fire Extinguisher Operation and No. 2 Fire Hydrant Operation Fighting Spirit Award	Nakagyo Self-Defense Firefighting Liaison Council

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 for 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

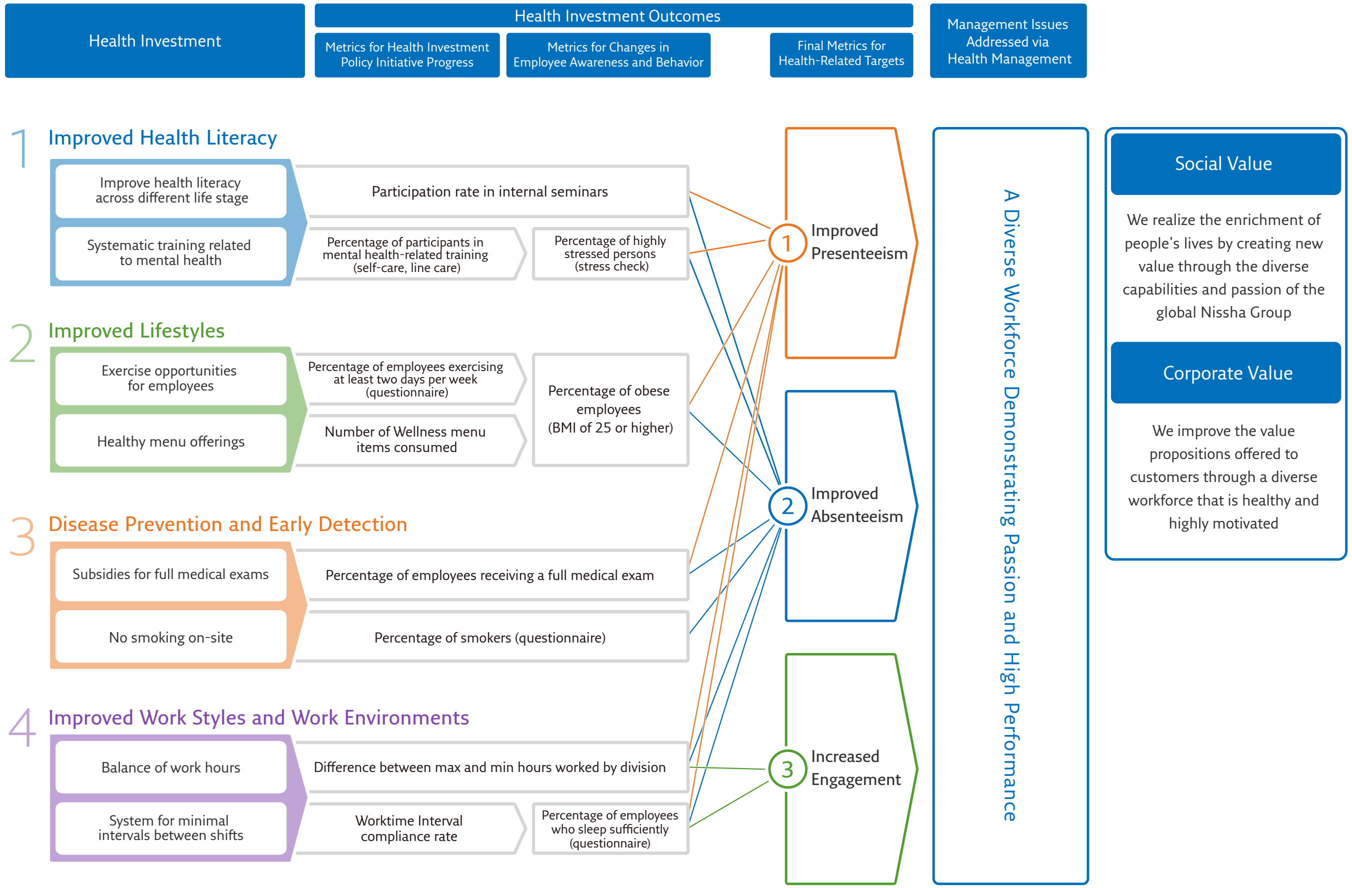
As part of our health and productivity management promotion structure, we have appointed Senior Vice President, Chief Human Resources Officer as the director responsible for health and productivity management.Under the Risk Management and Compliance Committee, the Health and Productivity Management Subcommittee,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

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 2023	FY 2024	FY 2025	Targets in FY2026
Presenteeism *Measurement started from the fiscal year ended December 2024 (Nissha Group in Japan)	• Average lost work time rate per employee in the survey, Wfun (A questionnaire developed by the University of Occupational and Environmental Health to measure the degree of work impairment due to health problems)	—	12.9%	12.5%	15% or less
	• Number of respondents	—	2,151	2,232	—
	• Response rate	—	100%	100%	—
Absenteeism (Nissha Group in Japan)	• Number of people on leave + number of long-term absences / total number of employees *Figures as of the end of each fiscal year	0.81%	0.96%	0.86%	0.72% or less
Engagement (Nissha Group in Japan)	• Positive response rate for the question "I find my work rewarding" in the engagement survey	62.1%	62.4%	65.3%	60% or more
	• Number of respondents	2,005	2,039	2,120	—
	• Response rate	97.0%	99.2%	99.5%	—



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	Results in FY2025	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%	27.0%	30% or more
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%	87.4%	70% or more
Supporting quitting smoking (Subsidies for clinics and aids to stop smoking; health guidance provided by inhouse health staff)	Smokers rate (Nissha Group in Japan)	25.7%	23.9%	22.3%	Less than 22%
Specific health guidance	Specific Health Guidance implementation rate (Nissha Group in Japan)	93.9%	94.8%	93.0%	90% or more
	Specific Health Guidance continuance rate (Nissha Group in Japan)	98.3%	99.0%	100%	
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%	13.0%	20% or more

19-5 Certified Health and Productivity Management Outstanding Organizations

We have been recognized as a Certified Health and Productivity Management Outstanding Organizations (Large Enterprise Category) by the Ministry of Economy, Trade and Industry for the fifth 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 safe development 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 Group.

■ Avoiding intellectual property risks

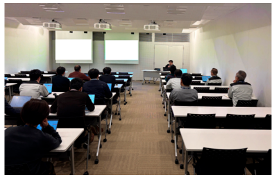
To prevent inadvertent use of the intellectual property of other companies or the unauthorized use of our intellectual property by third parties, we have established a SDI (Selective Dissemination of Information) system that constantly monitors whether the intellectual properties are being used appropriately.

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 enhances various training programs to ensure that each employee understands the acquisition of intellectual property rights, how to leverage them as a management tool, and the associated intellectual property risks, and can effectively apply this knowledge in their work.

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. To address the diverse challenges and needs of the Group companies and bases, we provide training programs both in Japan and overseas.



In the fiscal year ended December 2025, we held basic training on patents for employees in their first to third year at the company working in development and technology divisions at the Nissha Group in Japan (Participation rate: 100%). In addition, we hosted training for managerial staff in the development, technology, and business strategy divisions in the Nissha Group in Japan. This was aimed at fostering a strategic approach to leveraging intellectual property for business growth, as well as instilling ideas linking intellectual property in daily work to business value. (Participation rate: 80%)

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 Self Assessment Questionnaire (SAQ)

1. Labor and Human Rights
(1) Prohibition of Forced Labor
(2) Prohibition of Child Labor and Protection of Young Workers
(3) Working Hours
(4) Wages and Benefits
(5) Non-Discrimination, Harassment Prevention, and Humane Treatment
(6) Freedom of Association and Collective Bargaining

2. Health and Safety
(1) Occupational Health and Safety
(2) Emergency Preparedness
(3) Occupational Injury and Illness Management
(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) Compliance with Laws Regarding Personal and Confidential Information

*For further information, please follow the link below.

Sustainability > Social > Partnership with Our Suppliers
CSR Procurement Guidelines (PDF)

The Group revised our CSR Procurement Guidelines in September 2025 in light of the content of the Human Rights Policy we revised in June 2025. This revision was aimed at both getting all our suppliers to understand the Group's views on human rights, and getting our suppliers to extend the same requirements to their own business partners. In addition to this, the Guidelines were also updated to comply with the latest RBA requirements, an international standard.

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 changes was to establish regulations aimed at legal compliance for purchasing, in light of increased public demand regarding the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment ("SME Entrusted Transactions Fairness Act") and the Freelance Act. These regulations incorporate measures to prevent issues that have been of particular concern recently, such as unreasonably low prices or demands for unfair economic benefits in manufacturing outsourcing to small and medium-sized entrusted business operators. In addition, we have established our own rules for the Group in order to further promote fairness in transactions with small and medium-sized entrusted business operators and the protection of their interests, and related parties are being 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. From the fiscal year 2025 through the fiscal year 2026, we have been working jointly with our corporate procurement division and the Internal Audit Office to verify its operational status.

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.

パートナーシップ構築宣言

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.

■ Whistleblower Form for Suppliers

The Nissha Group is committed to building sound relationships with our suppliers and has established a consultation channel to proactively prevent inappropriate transactions. We respond appropriately to all inquiries and, when necessary, conduct internal reviews and improvements. Through these efforts, we aim to maintain a fair and transparent business environment and foster sustainable partnerships.

* For further information, please follow the link below.

Sustainability > Social > Partnership with Our Suppliers

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 SAQ so that we can ascertain the status of CSR initiatives among 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.

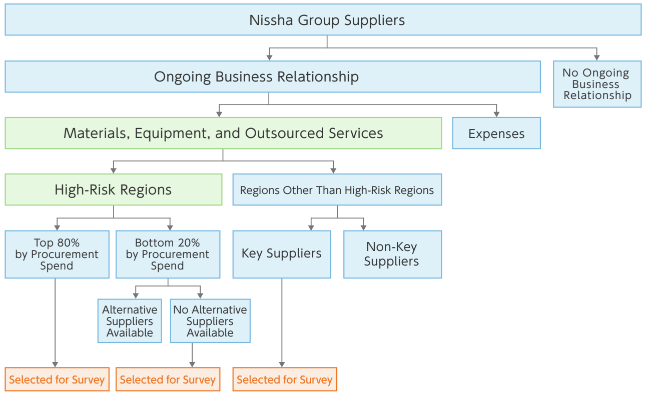
In FY2025, we selected and surveyed 148 companies in Asia, including Japan and China, Europe, and Central and South America, choosing from suppliers who have business transactions with our Industrial Materials Business Unit, Devices Business Unit, and overseas Group companies. The survey targeted suppliers that meet the following criteria.

(1) Suppliers located in regions with high labor and human rights risks (China, Southeast Asia, Latin America, Africa) that account for the top 80% of procurement spending, or suppliers who, while not falling into this top 80%, are difficult to replace.

(2) Key suppliers of our business units or domestic Group companies that are located in regions other than those described in (1).

As a result of the survey, we received a response rate of 100% from our suppliers, confirming 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.

Rules for Selecting Survey Targets



In addition, ten key suppliers from among those suppliers targeted for surveys are selected and onsite audits are carried out by Group employees with internal auditor qualifications to confirm the appropriateness of the survey results. These onsite audits have found some cases where there were discrepancies between the self-reported results from the suppliers and the reality on the ground, but corrective measures have been taken for all matters that did not meet our requirements. The countries and number of companies of the audited suppliers are as follows.

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

In FY2026, we will continue this survey and conduct on-site audits of suppliers that we deem particularly necessary in order to reduce risks.

Information Security Assessment

A new initiative for FY2025 was to carry out information security assessments for our suppliers. With the recent rise in information security risks throughout the supply chain, and to support sustainable procurement, we targeted suppliers who handle confidential information about our customers.

In this assessment, we laid out the information security requirements we need from our suppliers, and asked each for a self-assessment. Any who failed to meet our standards for the mandatory items were asked to take corrective measures to bring them into compliance. We then confirmed the suitability of these measures. This assessment was carried out for 56 suppliers who have business transactions with the Nissha Group in Japan, and all suppliers were confirmed to meet our standards.

In FY2026, we will carry out this assessment for suppliers for the Nissha Group overseas.

CO_2 Emissions Survey (Scope 3 Category 1)

In order to understand the CO_2 emissions from suppliers, we carry out CO_2 emissions surveys using questionnaires.

If the suppliers themselves can calculate their CO_2 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 CO_2 emissions calculated by entering the amount of energy they have used in the questionnaire. This allows us to understand our suppliers' CO_2 emissions as primary data.

Refer to 7-2 Coverage and Calculation Method of CO_2 Emission Calculation

Environmental Survey

To promote environmental initiatives, we revisited and revised the items related to the environment in our CSR Procurement Guidelines in FY2024. The revised CSR Procurement Guidelines are distributed to our key suppliers and are also posted on our website. Furthermore, we reflected items related to the environment required in the CSR Procurement Guidelines in the questionnaire, and confirmed our suppliers' compliance status in the survey for FY2025.

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 FY2008. To date, more than 1,300 employees have taken these courses.

In FY2025, we started a training program for transferees into the procurement and sourcing division. Employees transferred into the procurement and sourcing division were given training on procurement using e-Learning within two months after their transfer. Training was given to 23 people on topics such as the Purchasing Management Regulations and the Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors.

We carried out e-Learning training programs on basic procurement education for the procurement and sourcing division and technical and development departments within the Nissha Group in Japan. Training was also given to 384 people on the Group's new procurement rules, the CSR Procurement Guidelines revisions, and the Freelance Act. All training had a 100% participation rate. In anticipation of the 2026 revision changing the Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors into the SME Entrusted Transactions Fairness Act, we held briefings on the new Act for the procurement and sourcing division, and are taking steps to comply with the revised law, such as changing our payment terms.

We will carry out simultaneous company-wide training and training for the Nissha Group overseas, working to further improve their purchasing skills and minimize purchasing-related risks.

22. Along with Local Communities

22-1 Policy

The Nissha Group aims to realize our Mission of the enrichment of people's lives through our business activities and engages in social contribution by clarifying key activity areas. We seek to make broad contributions to society, focusing on the fields of the environment, medical and wellness, which are directly connected to our business activities, as well as the fields of the arts and culture that lead to enriching people's lives.

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 2025.

Environment / support for future generation

· Employees visited elementary schools to hold environmental workshops

Nissha has been holding environmental workshops, where our employees visit local elementary schools, since 2007. These are part of the Environmental Study Sessions for Elementary School Pupils organized by the Kyoto Chamber of Commerce. The program gives children the opportunity to think about environmental issues such as global warming and plastic waste, as well as about ethical consumption. It also uses our initiatives for reducing environmental impact and sustainable packaging materials as an example, and explains how the company is taking on social issues.

The following two schools were visited in FY2025.

Workshop at:

Fourth-Grade Students at Kyoto Municipal Suzaku Third Elementary School on September 17, 2025
Third-Grade Students at Kyoto Municipal Takagamine Elementary School on September 30, 2025

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 950 people to use in the Workshop Class hands-on study program for manufacturing that the Hall runs for elementary school children.

・Accepted 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 FY2025, we welcomed a total of 40 students from 4 schools to our Kyoto Global Headquarters. The program provided an opportunity to deepen interaction with the students through an introduction to our business, discussions with employees, and responses to questions from the students.

Elementary School Students Visit Headquarters and Participate in a Q&A Session with President

In November 2025, 44 pupils in the 5th grade at Kyoto Municipal Omuro Elementary School visited the Kyoto Global Headquarters. In addition to viewing our product display area, they visited departments such as Product Development, hearing from employees about their manufacturing work and their workplaces and asking questions of them, deepening their relationships.

There was also a Q&A session with President Junya Suzuki. The children asked questions like "What makes you glad to have this job?" or "How did you make the company grow?"

President Suzuki responded that "People always have the ability to improve. The desire to grow forms the driving force needed to continue working for the long term." It was a meaningful time for both sides.

Promotion and support of arts and culture

・Sponsorship of arts and crafts exhibitions

We sponsor exhibitions and art displays in Japan. In FY2025, we sponsored the following events.

- Special Exhibition Celebrating the Nara National Museum's 130th Anniversary: Oh! KOKUHO Resplendent Treasures of Devotion and Heritage (Nara National Museum)
- Special Exhibition Commemorating EXPO 2025 Osaka, Kansai: JAPAN AN ARTISTIC MELTING-POT (Kyoto National Museum)
- Special Exhibition: TSUTAYA JUZABURO: CREATIVE VISIONARY OF EDO (Tokyo National Museum)
- VAN GOGH's HOME: THE VAN GOGH Museum (Osaka City Museum of Fine Arts, Tokyo Metropolitan Art Museum, and Aichi Prefectural Museum of Art)
- TOVE JANSSON AND THE MOOMINS (Mori Arts Center Gallery and Hokkaido Museum of Modern Art)
- KYOTO GRAPHIE international photography festival 2025 (The Museum of Kyoto, the Kyoto Shimbun Building, and other venues)

The Nissha Group in Japan contributed 148,308 thousand yen in social contribution expenses in FY2025.

22-3 Membership in Community Organizations (Nissha Co., Ltd.)

Nissha participates in various activities in the region.

Organization / host	Position / membership status	Company registered
Kyoto Chamber of Commerce and Industry	Vice President	Nissha
Kyoto Association of Corporate Executives	Special secretary	Nissha
Kyoto Employers' Association	Councilor	Nissha
Kyoto Industrial Association	Director	Nissha
Kyoto Institute of Invention and Innovation	President	Nissha
Kyoto Institute of Technology	Joint management council member	Nissha
Kyoto City University of Arts	Management advisory board member	Nissha
Nissha Foundation	Chairman of the board of directors	Nissha
Nissha Future Foundation	Chairman of the board of directors	Nissha

23. Quality Management

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

At the Nissha Group, we have identified Providing Responsible Products and Services as a materiality, with a KPI of zero serious quality incidents. To reach these goals, we have set the following strategic items and action items, and are working on them. With the acquisition of SHIGAKEN PHARM. IND. CO., LTD. in 2025, we have conducted a quality assessment of our initiatives for legal compliance in our pharmaceuticals business, the effectiveness of fraud prevention measures, and the construction and operational status of our management system. We are working to sustain the efficiency and profitability of the business from a foundation of product safety.

Strategy Items	Action Items (FY2026)
• Maintain and expand quality management system in accordance with business strategy	• Maintenance and expansion of management systems for general quality (ISO9001), medical devices (ISO13485), and the automotive industry (IATF16949)
• Improve quality with an emphasis on product safety and feasibility at the design stage	• Design reviews to visualize and manage product quality risks
• Fostering and improving the quality mindset	• Implementation of fundamentals and per-function training for quality
• Monitoring of compliance with laws and regulations	• Confirmation of reports on compliance status at regular meetings • Confirmation of amended information laws and regulations • Confirmation of product safety through quality assessments

23-1 Policy / Nissha Quality Way

The Group has established a Quality Policy to serve as our most important ideas on quality, and has positioned the code of conduct and judgment standards shared by the entire Group as the Nissha Quality Way.

Our Quality Policy lays out the Group's principles and aspirations regarding quality, and the Nissha Quality Way presents our ideas on specifically implementing these within our daily work or decision-making.

These are our top-level policies for quality, and all Quality Management Systems (QMS) in the Group are currently based on these policies.

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 overseas 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

1. CUSTOMER FOCUS
   We continuously achieve customer-defined quality.
2. LEADERSHIP
   We are all committed to upholding and executing our Quality Policy – each and every one of us is a leader.
3. PROCESS APPROACH
   We work based on systematic approach and continue to improve.
4. QUALITY BY DESIGN
   We build quality into design, focusing on product safety and feasibility.
5. VALIDATED DECISION MAKING
   We are established in evidence-based and scientific approach.
6. QUALITY BY CONNECTED SUPPLY CHAIN
   Quality is at the core of our trusting relationship within our supply chain.
7. 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 quality improvement, it is essential to take actions with a strong awareness of customers. Across the entire 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 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).

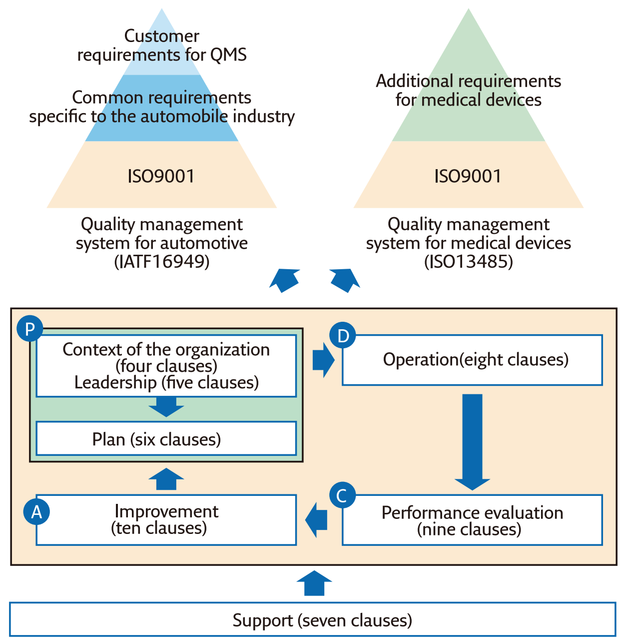
In our businesses aimed at the medical market, we handle medical devices, pharmaceuticals, quasi-drugs, and cosmetics.

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, 15 Nissha Group bases have obtained ISO13485, the international standard for quality management systems in the medical devices industry (as of January 2026).

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

In businesses targeting the mobility market, 8 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 January 2026).

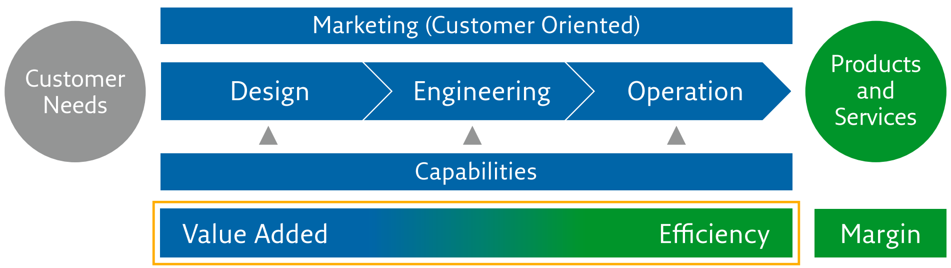
These quality management systems include quality performance management, confirmation of compliance in internal audits (promises to customers, standards and regulations, and company rules), and confirmation of QMS status in management reviews and instructions for improvement. Through these operations,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



Quality management system (ISO9001)

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

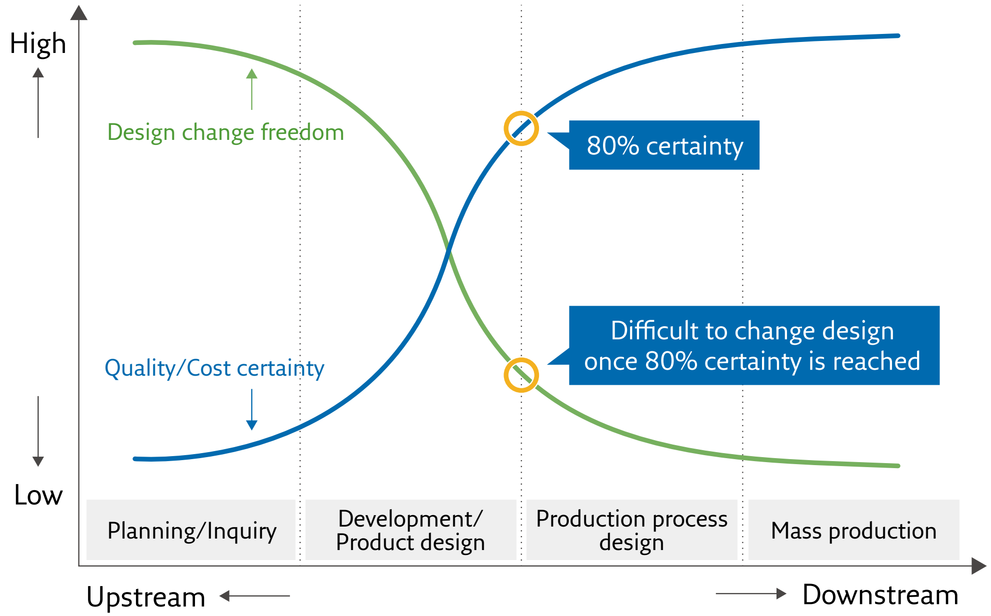
- Creation of quality and added value at the design and development stages
- Product safety: Raising awareness
- DX promotion: Optimization of process design

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 the entire Group 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 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 wisdom 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 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 Group indexes and manages quality performance with factors including quality defects and delivery failures communicated by customers as a customer satisfaction level index.

The 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.

Thanks to refining our quality management system, improving the design review process to visualize and manage product quality risks at the design stage, training in quality, quality assessments, and confirmation of compliance with laws and regulations, we achieved zero cases of serious quality incidents in FY2025.

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)
• Solve work issues through generative AI/DX tools • Shift to value-added work through reducing working hours	• Improve efficiency of target processes through the use of generative AI and DX (progress rate: 100%) • Enhance user literacy to support the broader adoption of generative AI • Numbers of cases adopting generative AI

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 to be the most important asset, so are focusing efforts on employee training.

24-2 Initiatives

Initiatives through FY2025

The 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.

- Improving production planning through the use of digital twins

  We sought optimal production planning through simulating product inputs in a virtual space utilizing digital twin technology, and discovering and eliminating irrational production planning rules through analyses of the differences between simulations and reality.

- Promoting data-driven management in the gas sensor business

  We analyzed trends in sales plan fluctuations on a customer and product basis and aggregated and visualized PSI* information, including planned data, to construct a system that enables sales, production, and purchasing personnel to make overall optimization decisions, and to internalize dashboard creation.

- Developing a data infrastructure that supports business decisions

  We developed a system to support flexible and accurate business decisions through building an infrastructure that supports planning simulations and predictive analyses, as well as streamlining aggregation tasks through consolidating performance data into a multi-dimensional database.

* Integrated management and optimization of Production, Sales, and Inventory

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 2025, more than 800 business processes have been automatized and streamlined.

Automation Mascot Character "RoBopy"

In addition, major strides were made in the use of generative AI in FY2025. The use of Microsoft Copilot services has expanded across the Group, driving operational efficiency through the sharing of best practices and use cases. Furthermore, the development of role-specific AI agents is advancing, supporting the broader integration of AI into business operations.

■ Initiatives for FY2026 and beyond

The Group will build on our results in DX training and infrastructure development that we completed in FY2025 to further improve white-collar productivity and put DX into practice with the key words of From Theory to Practice. Led by the IT department, we will work with each business unit to achieve operational transformation at the frontline level.

- Hands-on support for ensuring the practical implementation and success of DX personnel

The IT department provides hands-on support to each business division to help employees who completed DX training in FY2025 translate their learning into actual work improvements. This provides unified support from organizing work issues to the application of digital technology and verification of results, accelerating the training of DX personnel and improving their ability to apply these skills in practice.

- Operational transformation aimed at improving white-collar productivity

We hold regular workshops and study sessions about AI for bases in Japan and overseas to help improve users' literacy and support the adoption of AI in day-to-day operations. The aim is to promote the appropriate use of AI in business and raise the floor of AI integration levels company-wide, based on a correct understanding of the characteristics and points to be aware of regarding AI technology, including generative AI.

- Streamlined information searches and inquiry responses through the use of AI agents

We are pushing for automation that uses AI agents in order to reduce the time required by employees to search for information or respond to inquiries. We are developing an environment that allows employees to focus on higher-value-added work through improving the searchability of internal company information and automating the handling of routine inquiries.


Internal AI Agent

Through these initiatives, DX and AI will become rooted in actual work, leading to sustained improvements in efficiency and productivity through visualizing, streamlining, and improving the efficiency of work.

24-3 Training

Initiatives through FY2025

The Group has worked to improve skills directly connected with DX literacy and actual work by positioning the development of personnel who become the foundations for DX promotion as a key theme. To improve the DX literacy of employees, we have continually promoted re-skilling measures that utilize a diverse range of learning opportunities both in-house and externally, such as holding lectures on generative AI and BI (business intelligence) tools. In line with this, we also focus on educating highly specialized people in the field of data science through a range of training programs or sending them to graduate school through our link with Shiga University. Moreover, we have brought in a skills assessment tool that complies with digital skill standards and constructed a system for visualizing the skills of each employee. We are using these to move ahead with formulating study plans based on each person's mastery of the topic and the development of a platform for optimizing personnel allocation in DX projects.

In parallel to these improvements to basic literacy, we have focused on learning more practical IT skills as well. We have held experiential workshops based around RPA and generative AI at stages suited to employee levels, providing practical learning opportunities that connect to improved productivity and efficiency in daily work. The workshop contents are continually updated based on technological evolution and work needs. Moreover, in FY2025 we rolled out a program that combined online learning with problem-based learning (PBL), and started construction of a training cycle for learning the entire process from acquiring knowledge to putting it into actual practice. In addition, we held workshops for Microsoft Copilot aimed at officers and managerial staff to deepen understanding of generative AI. Moreover, we are working to create use cases that are effective in the field and expand their scope of applicability.

Through these initiatives, we have balanced expanding the base of people who can handle DX promotion in the Group with raising their skill levels, while moving ahead with strengthening DX infrastructure company-wide.

Initiatives for FY2026 and beyond

Building on the DX training infrastructure completed by FY2025, the Group will work from FY2026 onward to continuously develop personnel who can apply their learning outcomes in practice, and to further enhance this training. We are pushing training measures aimed at creating people who can lead operational transformation, rather than stopping with simple knowledge acquisition. Along with continuing training aimed at increasing productivity and efficiency in daily work, we will also work to gradually enhance the contents of our training in generative AI. We will hold workshops and study sessions on AI targeted at sites in Japan and overseas to allow AI technology, including generative AI, to be utilized at a company-wide level.

Through these initiatives, we will position DX and AI utilization at the core of our work to sustainably improve our productivity and strengthen our competitiveness through visualizing, streamlining, and improving the efficiency of work. In line with this, our employees are continuing to conduct research at Shiga University, and we are developing specialized human resources based on real-world issues in parallel.

25. Corporate Governance

25-1 Basic Approach to Corporate Governance

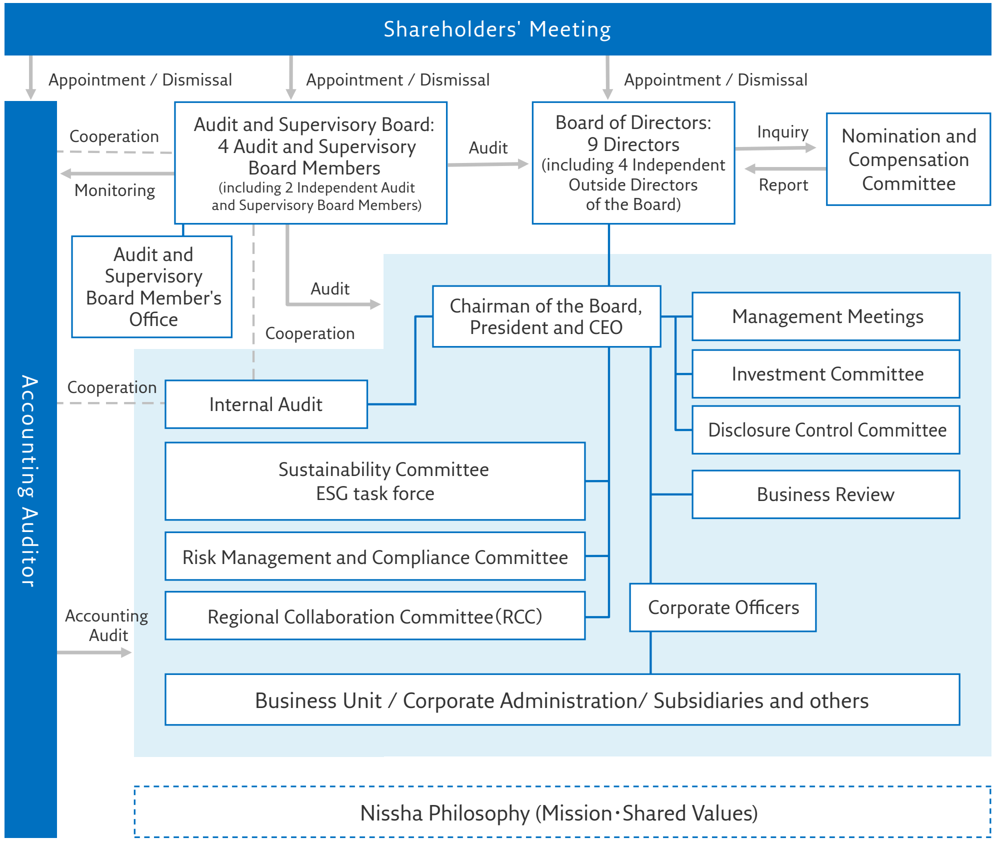
Nissha, since its foundation, has been executing strategies that promptly address external challenges, under committed leadership. The Company believes that strengthening corporate governance along with maintaining such leadership will promote agile and decisive decision making, as well as ensuring management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

Based on this recognition, the Company places corporate governance as one of the key management issues, strives to maintain and improve it, and seek out sustainable corporate growth and an increase in corporate value over the medium- to long-term. In an effort to clarify the Nissha Group's basic approach to and policy for implementing corporate governance, we have established a Corporate Governance Policy.

* For further information, please follow the link below.
About > Corporate Governance
Corporate Governance Policy (PDF)
Corporate Governance Report (PDF)

25-2 Overview of Corporate Governance

We have established a corporate governance structure as shown in the figure below (as of January 1, 2026).



We make major business judgments and oversee the execution of the duties of the Directors of the Board at meetings of the Board of Directors, and as a company with an Audit and Supervisory Board, will strive to maintain and improve the oversight and checking functions by Audit and Supervisory Board Members and an Audit and Supervisory Board which are independent from the Board of Directors. We adopt a corporate officer system in an effort to clarify the powers and authority in the speedy decision making and the implementation of decisions, under which the Board of Directors will be in charge of the formulation of strategies and business oversight, and the Corporate Officers will be in charge of the execution of business.

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

Management Meeting

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

Investment Committee

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

Business Review

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

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

Sustainability Committee

Chaired by the President. The Sustainability Committee is made up of business organizations and responsible departments, as well as the ESG Task Force. It collaborates to work on the themes of creating business opportunities, risk reduction, strengthening management foundation and corporate governance. The ESG task force was established to promote cross-division efforts to address climate change, which is recognized as an important issue from the perspective of ESG.

Risk Management and Compliance Committee

This committee is chaired by the Director of the Board, Senior Executive Vice President, Legal Affairs. The Risk Management and Compliance Committee centrally manages risks (business risks, financial risks, and the cross-group risks) related to smooth business operations. In collaboration with the relevant corporate divisions, business divisions, and Group companies responsible for each risk, the Committee prioritizes and appropriately controls these risks from a Group-wide perspective.

Disclosure Control Committee

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

Internal Audit Office

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

Regional Collaboration Committee (RCC)

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

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

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

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

The Board of Directors of Nissha is comprised of an appropriate number of Directors, up to twelve. The selection of Directors is done with respect to the diversity and balance of skills that the Board requires. In addition, Independent Outside Directors of the Board comprise at least one third of the Board, and these Independent Outside Directors are those who satisfy the Standards for Independence of Independent Officers set out by the Board of Directors.

In the event that a Director of the Board damages the trust or honor of the company, markedly diminishes our corporate value, or gives rise to grounds that he or she is unfit to perform his or her duties, the Board of Directors confirms the presence of a valid reason and makes the Director of the Board subject to a proposal for dismissal. To ensure clarity in management responsibilities for each fiscal year, the term of office of Directors of the Board is set at one year.

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

* For further information, please follow the link below.
About > Corporate Governance
Standards for Independence of Independent Officers (PDF)

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

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

We have set out Sustainability Vision (Long-term Vision). In addition, we have established a medium-term strategy reflecting our Sustainability Vision, and formulated strategies to take us there in the form of three-year medium-term business plans. To achieve these plans, the Company considers the skills (experience and knowledge) in the fields indicated on the right of particular importance for the Board of Directors.

The following skills matrix illustrates our approach to the values, experience, and skills required of all Directors, as well as the distribution of skills (experience and knowledge) necessary for the Board of Directors as a whole.

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

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

Skills Matrix (Board of Directors)

	Term	Age	Independence (Outside Directors)	Career at other companies (Internal Directors)	Areas of particular specialty for each Director					
					Corporate management	Experience in priority markets	Business development, M&A	Marketing	Production, Technology, Quality	Legal, Risk management
Junya Suzuki	26 years 9 months	60s	—	○	○	○	○	○		
Wataru Watanabe	8 years	50s	—		○	○	○	○		
Hisashi Iso	5 years	60s	—		○	○		○		
Yutaka Nishimoto	5 years	50s	—		○	○			○	
Daisuke Inoue	8 years	60s	—	○	○	○				○
Kazuhito Osugi	9 years 9 months	70s	○	—			○			○
Kazumichi Matsuki	7 years	70s	○	—	○		○			○
Juichi Takeuchi	4 years	60s	○	—	○	○	○	○		
Yukiko Hashitera	2 years	50s	○	—	○	○	○		○	

*Term and age are at the conclusion of the ordinary general meeting of shareholders on March 24, 2026

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

As of March 24, 2026, four of the Company's nine Directors of the Board are Independent Outside Directors and one is female. In addition, all four Independent Outside Directors of the Board have been designated as independent directors, based on the judgment that they meet the criteria for independence stipulated by the stock exchange and that there are no conflict of interest risks between them and general shareholders.

Role of the Board of Directors

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

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

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

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

Initiatives to Enhance Deliberations and Coordination System

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

To improve the quality of discussions among the Board of Directors, and to enhance its roles of strategy formation and supervision, we send the minutes and related materials for the Board of Directors meetings ahead of time. In addition, depending on the nature of the agenda and the stage of the discussions, we hold off-site meeting (Director *Bangaichi*) to share the background, strategic significance, and overall context of the matters under the discussions. Also, in order to ensure full discussion, key agenda items such as the medium-term business plan and corporate acquisitions above a certain size are discussed as reporting items before being put on the agenda for resolution. By allocating time for explanations and deliberation of agenda items based on their importance and nature, meetings can be conducted more thoroughly and efficiently.

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

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

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

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

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

For the Board of Directors meetings held in the fiscal year ended December 2025, we conducted a questionnaire on the evaluation of the effectiveness of the Board of Directors and third-party interviews in December 2025. Based on the results of the survey and interview analysis, we discussed the matter at the off-site meeting (Director *Bangaichi*) in February 2026 and at the board of directors meeting in March. An outline was disclosed in the Corporate Governance Report submitted to the Tokyo Stock Exchange at the end of March 2026.

We utilize questionnaires and individual third-party interviews to evaluate the effectiveness of the Board of Directors. In this evaluation, they confirm their expected roles and self-assessment of those roles, as well as the roles expected of other Directors and their performance. After confirming and discussing the results among all Internal Directors, the President communicates expectations to each Outside Director based on their individual expertise and experience, as well as their expected role and contributions on the Board based on their individual character. We hold these dialogues annually, and the dialogues include an annual review.

* For further information, please follow the link below.
About > Corporate Governance
Overview of the Evaluation Results on the Effectiveness of the Board of Directors for Fiscal Year 2025 (PDF)

Reasons for Appointment and Board of Directors Meeting Attendances in FY2025

Name	Reason for appointment	Attendance at meetings of the Board of Directors
Junya Suzuki	Mr. Junya Suzuki has duly performed his duties as Chairman of the Board and Group CEO, such as decision-making on important managerial issues and the supervision of the execution of operations. He has also committed to management from medium- to long-term perspectives and has shown strong leadership and decisiveness toward the realization of the Nissha Group's Mission by pursuing growth driven by continual change since he assumed office as Chairman of the Board and Group CEO in 2007. We appointed him as a Director of the Board because we believe that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.	100% (18/18 meetings)
Wataru Watanabe	Mr. Wataru Watanabe has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. As well as promoting and verifying the effectiveness of medium-term business plans as Senior Executive Vice President and Chief Strategy Officer, he shows strong leadership in accelerating the reorganization of the business portfolio of the Company and expanding business performance by creating new businesses as Senior Director of New Business Development Office. We appointed him as a Director of the Board because we believe that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.	100% (18/18 meetings)
Hisashi Iso	Mr. Hisashi Iso has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. He assumes responsibility for business management as Senior Excutive Vice President and General Manager of Industrial Materials Business Unit, showing strong leadership in establishing and implementing marketing-based strategies for winning new orders. We appointed him as a Director of the Board because we believe that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.	100% (18/18 meetings)
Yutaka Nishimoto	Mr. Yutaka Nishimoto has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. He assumes responsibility for business management as Senior Executive Vice President and General Manager of Device Business Unit. As Chief Quality and Production Officer, he also shows strong leadership in enhancing a comprehensive quality assurance system and designing and implementing the optimal deployment of production capacity in accordance with our business strategy from the perspective of the Nissha Group as a whole. We appointed him as a Director of the Board because we believe that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.	100% (18/18 meetings)
Daisuke Inoue	Mr. Daisuke Inoue has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. As Senior Executive Vice President, Chief Financial Officer, and an executive responsible for Legal Affairs and Pharmaceutical and Medical, he shows strong leadership from the perspective of the Nissha Group as a whole. In addition, he is working to establish an efficient and cost advantageous logistics system from a global point of view as an executive responsible for Corporate Procurement and Logistics Management. We appointed him as a Director of the Board because we believe that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.	100% (18/18 meetings)

Name	Reason for appointment	Attendance at meetings of the Board of Directors
Kazuhito Osugi	Mr. Kazuhito Osugi has given valuable advice and opinions across the whole range of the Company's management, making the most of the deep insight in the field of finance he has cultivated in the Bank of Japan over the years and broad experience fostered by participating in corporate management as an Independent Outside Director of the Board for the Company or other companies. Mr. Kazuhito Osugi has duly performed his duties, such as the supervision of the execution of operations. We appointed him as an Independent Outside Director of the Board because we expect that he will continue to give his valuable counsel and contribute to enhancing management supervisory functions from an independent point of view across the whole range of the Company's management.	94.4% (17/18 meetings)
Kazumichi Matsuki	Mr. Kazumichi Matsuki has given valuable advice and opinions across the whole range of the Company's management, making the most of his hands-on experience in proactive and broad business development and deep insight concerning its governance as he assumed important posts regarding legal affairs and compliance at a company globally developing business while participating in corporate management at manufacturers. Mr. Kazumichi Matsuki has duly performed his duties, such as the supervision of the execution of operations. We appointed him as an Independent Outside Director of the Board because we expect that he will continue to give his valuable counsel and contribute to enhancing management supervisory functions from an independent point of view across the whole range of the Company's management.	100% (18/18 meetings)
Juichi Takeuchi	Mr. Juichi Takeuchi has given valuable advice and opinions across the whole range of the Company's management, making the most of his broad hands-on experience and extensive knowledge in the medical market, a priority market of the Company, as he has been engaged in management strategies, alliances, sales and marketing in a medical devices company, where he led its global strategies and assumed responsibility for its overseas subsidiaries over the years. Mr. Juichi Takeuchi has duly performed his duties, such as the supervision of the execution of operations. We appointed him as an Independent Outside Director of the Board because we expect that he will give his valuable counsel and contribute to enhancing management supervisory functions from an independent point of view across the whole range of the Company's management.	100% (18/18 meetings)
Yukiko Hashitera	Ms. Yukiko Hashitera has given valuable advice and opinions across the whole range of the Company's management, making the most of her broad hands-on experience and extensive knowledge in corporate management, innovations, and human resources development cultivated through her career in the pharmaceutical industry in the medical market, a priority market of the Company, where, after engaging in research and development, she gained experience in leading an IPO and corporate management as Representative Director of a bio venture company, as well as in co-founding and serving as CEO of an incubator to create new businesses. Ms. Yukiko Hashitera has duly performed her duties, such as the supervision of the execution of operations. We appointed her as an Independent Outside Director of the Board because we expect that she will give her valuable counsel and contribute to enhancing management supervisory functions from an independent point of view across the whole range of the Company's management.	100% (18/18 meetings)

*As a result of changes in the responsibilities of Directors of the Board as of March 24, 2026, the above reasons for the appointments have partially changed from those stated in the Notice of Convocation of the 107th Ordinary General Meeting of Shareholders.

Major Items Discussed in the Board of Directors meeting in FY2025

Theme	Agenda
Management strategy	– Preliminary discussions and formulation of the 8th Medium-term Business Plan (2024 - 2026) Rolling Plan
Corporate	– Evaluation of the effectiveness of the Board of Directors – Verification of the significance and rationality of strategic shareholdings – Operational status of the internal control system, activity reports of the Sustainability Committee and the Risk Management and Compliance Committee – IR and SR reports – Shareholder returns
Investment projects and monitoring	– Preliminary deliberation and resolution on corporate acquisition cases and capital investment cases – Management reports by CEO of major overseas Group companies

25-4 Nomination and Compensation Committee

Purpose

We establish and operate a Nomination and Compensation Committee as an advisory panel for the Board of Directors in order to ensure the objectiveness and fairness of the appointment/dismissal of Directors of the Board and the appointment of Audit and Supervisory Board Members, and incorporate the knowledge of Independent Outside Directors of the Board, as well as the compensation of the Directors of the Board. The chair and the majority of the members are selected from Independent Outside Directors of the Board.

Role

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

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

Membership (as of March 24, 2026)

(1) Four independent members:
Kazuhito Osugi (Independent Outside Director of the Board and Committee Chair)
Kazumichi Matsuki (Independent Outside Director of the Board)
Juichi Takeuchi (Independent Outside Director of the Board)
Yukiko Hashitera (Independent Outside Director of the Board)

(2) Two internal members:
Junya Suzuki (Chairman of the Board, President and CEO)
Wataru Watanabe (Director of the Board and Senior Executive Vice President)

Nomination and Compensation Committee meetings held and attendance in FY2025

During FY2025, there were four meetings of the Committee, and the attendance status of each member is described below.

Name	Attendance	
Kazuhito Osugi	100%	4/4meetings
Kazumichi Matsuki	100%	4/4meetings
Juichi Takeuchi	100%	4/4meetings

Name	Attendance	
Yukiko Hashitera	100%	4/4meetings
Junya Suzuki	100%	4/4meetings
Wataru Watanabe	100%	4/4meetings

■ Major Items Discussed by the Nomination and Compensation Committee in FY2025

Theme	Agenda
Nomination Matters	• Candidates for Directors of the Board • Chairman of the Board, Titled Directors, and the CEO
Compensation Matters	• Amount of Directors' compensation (monthly compensation, bonuses) • Level of Directors' compensation (monetary compensation)

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

■ Policy and Procedure for Electing Auditors

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

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

Having received reporting from the Nomination and Compensation Committee, and with prior approval of the Audit and Supervisory Board, based on the policy above, the Board of Directors makes decisions on proposals for the appointment of Audit and Supervisory Board Members to be deliberated at the general meeting of shareholders.

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

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

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

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

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

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

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

We have established the Audit and Supervisory Board Member's Office to assist with the duties of Audit and Supervisory Board Members. It belongs to the Audit and Supervisory Board and is independent from Directors of the Board. With regard to matters regarding the personnel affairs of the employees of the Audit and Supervisory Board Member's Office, approval of the Audit and Supervisory Board is obtained through consultation.

Reasons for Appointment and Board of Directors/Audit and Supervisory Board Meeting Attendances in FY2025

Name	Reason for appointment	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit and Supervisory Board
Tetsuya Taniguchi	Mr. Tetsuya Taniguchi engaged in operations of corporate communications, investor relations and corporate social responsibility, after having been in charge of operations in the general affairs, and strived for transparency and clarity in disclosure for shareholders and investors. Also, he has extensive knowledge of the Nissha Group's business as a whole. Since he assumed the position in March 2020, Mr. Tetsuya Taniguchi has duly performed supervisory functions as a Full-time Audit and Supervisory Board Member of the Company, making the most of the broad experience and insight he has gained. We appointed him as an Audit and Supervisory Board Member since we judge that he will continue to execute his duties appropriately.	100% (18/18 meetings)	100% (14/14 meetings)
Kenji Imai	Mr. Kenji Imai is well-versed in the Group's businesses and has broad experience and deep insight cultivated through his long career of engaging in sales and business strategies in the Industrial Materials and Devices businesses of the Company by leading the formulation and implementation of performance and investment plans. Since he assumed the position in March 2022, Mr. Kenji Imai has duly performed supervisory functions as a Full-time Audit and Supervisory Board Member of the Company, making the most of the broad experience and insight he has gained. We appointed him as an Audit and Supervisory Board Member since we judge that he will continue to execute his duties appropriately.	100% (18/18 meetings)	100% (14/14 meetings)
Yusuke Nakano	Mr. Yusuke Nakano has deep knowledge of finance, accounting and management administration as a certified public accountant and profound wisdom in governing corporate management, and has been auditing the Company from his professional perspective. He also participates in corporate management as an independent outside director of the board of another company, an Independent Audit and Supervisory Board Member of the Company and an independent audit and supervisory board member of other companies. We appointed him as an Audit and Supervisory Board Member since we expect that he will continue to reflect his experience and deep insight in the audit of the Company from an independent point of view.	100% (18/18 meetings)	100% (14/14 meetings)
Yusaku Kurahashi	Mr. Yusaku Kurahashi has extensive insight in corporate governance, risk management, and corporate legal affairs cultivated through his hands-on experience as an attorney, as well as a global perspective gained though his experience abroad. He has also participated in corporate management as an Independent Outside Director of the Board (Audit and Supervisory Committee Member) and an Independent Audit and Supervisory Board Member of other companies. In light of such broad experience and deep insight, we appointed him as an Audit and Supervisory Board Member since we expect that he can appropriately execute his duties as an Independent Audit and Supervisory Board Member from an independent point of view.	100% (18/18 meetings)	100% (14/14 meetings)

Major Items Discussed in the Audit and Supervisory Board in FY2025

Category	Agenda
Resolutions	• Consent to the proposal for the appointment of Audit and Supervisory Board Members • Audit report by the Audit and Supervisory Board • Allocation of duties within the Audit and Supervisory Board, and compensation for Audit and Supervisory Board Members • Audit policy and audit plans • Reappointment of the accounting auditor, and consent to the amount of audit fees, etc.
Reports	• Routine audits, on-site audits • Financial statements and accounting • Matters related to the general meeting of shareholders

25-6 Compensation of Directors of the Board and Audit and Supervisory Board Members

Policy for determining the details of individual compensation for Directors of the Board (hereinafter, the “determination policy”)

Method of determining the determination policy

The Company resolved the determination policy at a meeting of the Board of Directors. The Company consulted the Nomination and Compensation Committee, chaired by an Independent Outside Director of the Board and composed of a majority of Independent Outside Directors of the Board, in advance regarding the details of the resolution made at the meeting of the Board of Directors and received its report.

Outline of the details of the determination policy

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

The basic policy on compensation for Directors of the Board who are responsible for business execution is to promote the sharing of value with shareholders and contribute to the improvement of corporate performance and corporate value. The compensation consists of a base salary (monetary compensation), which is fixed compensation, bonus (monetary compensation), which is short-term performance-linked compensation, and stock compensation, etc., which is medium- to long-term performance-linked compensation. The base salary (monetary compensation) is fixed monthly compensation and determined based on the importance of duties each Director of the Board is responsible for and their positions. The amount of the bonus (monetary compensation), which is short-term performance-linked compensation, is determined based on the attainment levels of consolidated net sales, consolidated operating profit, and consolidated ROE targets as well as individual evaluations to function as an incentive to achieve consolidated performance targets for each fiscal year and to encourage appropriate management. The bonus is paid at a fixed time each year. Stock compensation, etc., which is medium- to long-term performance-linked compensation (non-monetary compensation, etc.), was designed to function as an incentive to promote a sense of contribution to the sustainable growth of the Nissha Group and the improvement of corporate value over the medium to long term. Specifically, a Board Benefit Trust (BBT) is used. Under this system, the Company awards points to Directors of the Board, etc. according to their titles and the attainment levels of the consolidated performance targets and the Medium-term Business Plan targets for each fiscal year during a three-year period covered by the Medium-term Business Plan. On a fixed date in every final fiscal year of the Medium-term Business Plan, the Company grants or pays shares in the Company and cash equivalents of such shares at their market value through the trust according to the number of points awarded. As for indicators for awarding points, consolidated net sales and consolidated operating profit are used for the consolidated performance targets for each fiscal year, while the level of achievement of the consolidated ROE target (three-year average), one of our key business management indicators, in the final fiscal year of the Medium-term Business Plan and ESG metrics are used for the Medium-term Business Plan targets. The ESG metrics are a metric related to climate change (reduction of CO_2 emissions at the Nissha Group), a metric related to women’s empowerment at the Company (ratio of female managers and ratio of next-generation female managers), and a metric related to employee engagement at the Nissha Group (willingness to contribute to the organization and organizational commitment). The Company stipulates conditions under which stock compensation, etc. will not be paid in the event of wrongdoings or misconduct in order to encourage sound execution of duties by Directors of the Board.

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

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

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

Reasons for the Board of Directors' determination that the details of compensation for Directors of the Board for FY2025 are in line with the determination policy

The Nomination and Compensation Committee deliberated on the individual compensation for Directors of the Board for FY2025 from various viewpoints and confirmed that the details of compensation for Directors of the Board and the determination process are in line with the determination policy. With respect to the report from the Nomination and Compensation Committee, the Board of Directors determined that the details of compensation are in line with the determination policy.

■ Matters regarding compensation for Audit and Supervisory Board Members

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

■ Results of FY2025

Title	Total amount of compensation (Million yen)	Total amount of compensation by type (Million yen)			Number of officers
		Fixed compensation	Performance-linked compensation, etc.		
		Base salary	Bonuses	Stock compensation, etc. (Non-monetary compensation, etc.)*	
Directors of the Board (Excluding Independent Outside Directors of the Board)	473	255	151	66	5
Audit and Supervisory Board Members (Excluding Independent Audit and Supervisory Board Members)	33	33	—	—	2
Independent Outside Directors and Independent Audit and Supervisory Board Members	58	58	—	—	6

* The performance-linked stock compensation, etc. is stated at the amount of provision for management board benefit trust recorded for FY2025. The Company Shares will be actually granted on a fixed date after the end of the period covered by the 8th Medium-term Business Plan (2024-2026).

25-7 Corporate Officers

To respond flexibly to changes in the business environment, Nissha considers it important that the experiences, knowledge, abilities, ages, and so on of Corporate Officers be both the best and distributed without bias. The term of Corporate Officers is one year.

■ Diversity of Corporate Officers (as of January 1, 2026)

We have 17 Corporate Officers, of which three are foreign nationals and one is female.

Corporate Officers include persons with experience of working overseas or at other companies, as well as individuals with expertise, including those holding master's or doctoral degrees.

26. Initiatives of Internal Audit Office

26-1 Structure

In order to maintain independence and objectivity, the Internal Audit Office is independent of operating departments and is under the direct control of the Chairman of the Board, President and CEO.

Our internal audit regulations outline fundamental matters concerning internal audits. They set out our system for drafting and revising our medium-term audit plans and annual audit plans in light of changes in our Group's medium-term business plan, laws and regulations, or the social or economic environment, and then acquire the President's approval.

Audit targets are all tasks performed by the Nissha Group, and annual audit plans are set so as to cover all major sites over the three-year period of the medium-term business plan, with audits being carried out based on these.

After the audit, advice and recommendations are given to the departments subject to the audit, and after a certain period of time, follow-up audits are conducted to check the status of improvements in the areas identified. Audit results are reported and advice given at monthly meetings with the President.

Additionally, the Internal Audit Office hold one meeting per quarter with the Full-time Audit and Supervisory Board members in which they report on their activity status, exchange opinions, and ensure mutual collaboration with the Audit and Supervisory Board. Moreover, once per quarter, the three entities of the internal Directors, Full-time Audit and Supervisory Board members, and Internal Audit Office members hold a meeting (Triangle QBR). Therein, the Internal Audit reports on information and issue awareness it gained during the processes of auditing. This content is reported, together with the annual audit plan, once per half-year at the Board of Directors meeting. It contributes to the strengthening of our audit and supervisory functionality.

26-2 Audit Content

Audits by Internal Audit Office are broadly classified into "internal control audits" and "theme audits" based on the Financial Instruments and Exchange Act. Internal control audits are conducted jointly with accounting auditors by selecting the scope of evaluation from the perspectives of company-wide controls, financial reporting, business processes, and IT controls. This auditing is aimed at guaranteeing the reliability of financial reporting as a result of assessing the effectiveness and efficiency of our Group's business activities. The Internal Audit Office also audits the legal compliance status of business activities of the Nissha Group and the Risk Management and Compliance Committee activities. In this context, the assessments concerning key risks selected by the Risk Management and Compliance Committee include business ethics matters such as the prohibition of corruption. These assessments are audited to ensure they are being properly and effectively conducted in accordance with risk management and compliance regulations. Theme audits, on the other hand, use a risk-based approach to select themes at the beginning of each fiscal year to audit risks that cannot be covered by internal control audits.

26-3 Initiatives for FY2025

In FY2025, in addition to internal control audits, thematic audits were conducted to assess compliance with the Subcontract Act and with applicable laws and regulations across our pharmaceutical Group companies. In addition, audits were conducted for the overall business management of domestic and overseas Group companies selected on the basis of a risk analysis.

27. Internal Control System

Nissha has established an Internal Control Policy by a decision of the Board of Directors to provide a system to ensure the appropriateness of work as stipulated by the Companies Act. Nissha is working to improve our corporate value by constructing and operating an Internal Control System to guarantee that the work in each of the company's organizations is being done legally, appropriately, and efficiently. To ensure reliability of financial reporting, we submit the assessment results of our internal control system in the form of internal control reports to the Prime Minister of Japan and disclose the contents to our shareholders and investors.

* For further information, please follow the link below.
Website > Investors > IR Library > Securities Report (only in Japanese)

28. Risk Management and Compliance

Through our Risk Management and Compliance Committee, and based on our Risk Management Policy, the Nissha Group conducts centralized management over risks related to smooth business operations. Once a year, based on the business models for each company and the business organizations, we prioritize and appropriately control cross-group risks.

28-1 Policy

Risk Management Policy

Nissha Group strives to accurately identify the risks we face, avoid unexpected loss, and appropriately control risks, thereby ensuring business continuity and enhancing our corporate value toward realizing the enrichment of people's lives by creating technology and developing it into economic and social value.

1. We build and maintain a structure for responding to the various risks present in our business environment.
2. We promote risk management at the managerial level toward conducting organization-wide activities and preserving management resources.
3. In the event of an emergency, we work to minimize damage, resume business activities as quickly as possible, and prevent recurrence.
4. We conduct in-house training to enhance awareness of and the ability to respond to risks, and ensure that each employ takes responsible, swift, and appropriate action.
5. We periodically review our risk management structure, including this policy, and make improvements on a continuous basis to ensure effective risk management at all times.

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

Established on July 1, 2015 / Revised on January 1, 2022

28-2 Guidelines

The Group has set Act with Integrity (We act with integrity and maintain the trust placed in us) as one of the Shared Values that are principle of employee behavior. And we declared that each officer and employee should act in good faith and continue to be a trusted company. We established the Corporate Ethics and Compliance Guidelines, which sets out the basic ideas concerning corporate ethics and compliance that each officer and employee is expected to follow.

Corporate Ethics and Compliance Guidelines

Nissha Group acts according to the "Principles" in order to realize the enrichment of people's lives by always creating technology and developing it into economic and social value.

Principles

1. We value and hold on to high ethical standards, integrity in our actions, and act with good common sense through our responsible behavior.
2. We pursue the Co-existence with the Stakeholders including our customers, shareholders, suppliers, local communities and our employees.
3. We will comply with all laws and regulations, internal corporate regulations, and socially accepted rules and norms, also act according to "Corporate Ethics and Code of Conduct".
4. If we witness any actions contrary to the "Corporate Ethics and Code of Conduct" or are suspicious of certain behaviors or decisions, we should immediately report to and consult with our supervisors.

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

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

In addition, in order to make our Corporate Ethics and Compliance Guidelines more specific and easier for employees to understand, we have developed the Corporate Ethics and Code of Conduct, which is available in a total of 12 languages: Japanese, English, Chinese, Vietnamese, Dutch, German, Italian, Korean, Malay, Polish, Portuguese, and Spanish. We have also posted them on the company intranet so that all employees, including those in our overseas Group companies, can check them. In addition, having the entire company, including overseas Nissha Group companies, study it at the same time is designed to promote understanding and ensure awareness of the Code of Conduct along with the Corporate Ethics and Compliance Guidelines.

Items Specified in the Corporate Ethics and Code of Conduct

Protection of Information and Assets	Accountability of the Nissha Group
• Protection of Intellectual Property • Proper Management of Company Assets • Handling of Insider Information	• Prevention of Money Laundering • Proper Disclosure of Financial Status • Management of Conflict of Interest Transactions • Prevention of Accounting Fraud • Proper Management of Confidential and Personal Information • Responsible Public Relations Activities • Use of Social Media
Building a Circle of Trust with Customers and Suppliers	**Social Responsibility of the Nissha Group**
• Ensuring the Quality and Safety of Products and Services • Fair Competition • Fair Procurement • Prohibition of Corrupt Practices • Non-Use of Conflict Minerals • Compliance with Import and Export Regulations	• Consideration for the Environment • Consideration for Local Communities • Respect for Human Rights • Creating a Comfortable Work Environment and Promoting Mental and Physical Health • Ensuring the Safety of All Employees

28-3 Structure

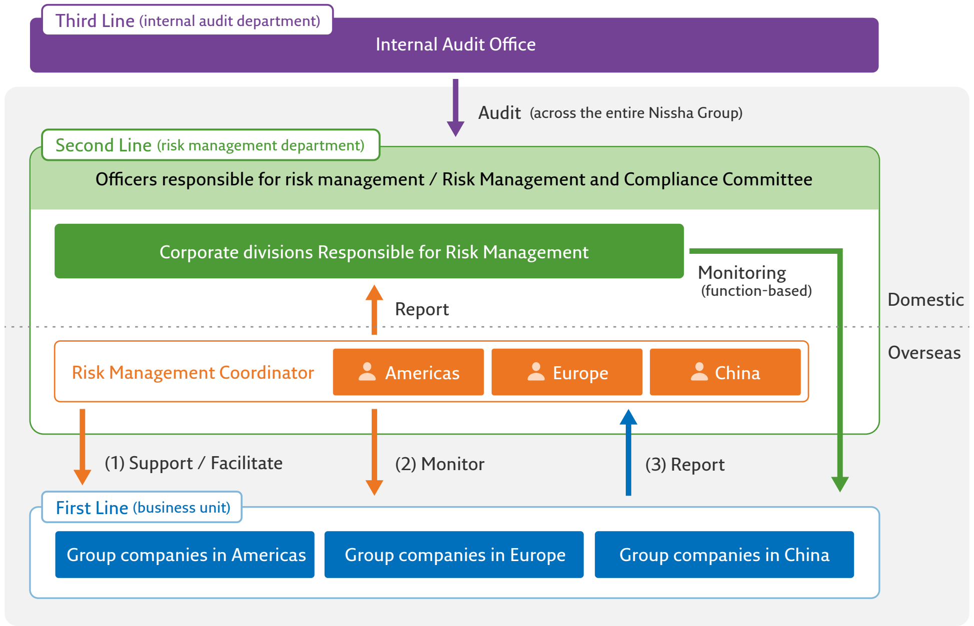
Nissha has established a Risk Management and Compliance Committee chaired by Director of the Board, Senior Executive Vice President (in charge of legal affairs) and composed of all internal Directors of the Board. The Risk Management and Compliance Committee holds a general meeting once a year, confirms progress on a quarterly basis, and reports to the Board of Directors each year on the status of activities. The Board of Directors oversees the activities of the Risk Management and Compliance Committee, discusses reports from the Committee, and gives improvement instructions as necessary.

The Risk Management and Compliance Committee centrally manages business risks, financial risks, and the cross-group risks of the Nissha Group on a global basis. Of these, for the cross-group risks, the Committee selects key risks in line with the results of the risk assessment at the annual general meeting. The selected key risks are set key performance indicators (KPIs) by the corporate divisions responsible for managing those risks in Group companies in Japan and by each Group company overseas, and minimized through their activities. In addition, the status of these activities is reported quarterly, and the Committee confirms whether the set KPIs are progressing as planned and rotates the PDCA cycle.

Business risks and financial risks are managed through Business Reviews by the business divisions and the finance division, as well as by the Investment Committee, and the status of such management is reported at the general meetings, where the Committee confirms the details.

In addition, if a major risk incident arises (including a serious report to the hotline), the Risk Management and Compliance Committee will convene an emergency meeting. The participants in this meeting are appointed by the chair on the basis of the contents and nature of the incident.

To encourage risk mitigation activities among our overseas Group companies, we have installed risk management coordinators in our key regions of the Americas, Europe, and China. The risk management coordinators support selecting key risks and setting KPIs and action items in the Group companies within their region as part of the functions of the departments for risk management in the Global Headquarters (second line). In addition, they study the appropriateness of these in concert with the corporate divisions responsible for risk management, and provide feedback to each company. Also, they attend the Risk Management and Compliance Committee meetings and report on the progress of the action items. If the Committee directs them to make improvements, they give feedback to the overseas Group companies that are affected. The risk management coordinators monitor the progress of action items in each company on an ongoing basis and provide corrective instruction as needed. Moreover, if an emergency arises in their region, they gather information and report on the response to the Committee.



28-4 Risk Assessment and Management

The Risk Management and Compliance Committee carries out risk assessments on cross-group risks (11 major categories and 42 subcategories listed below). The corporate divisions that manage the key risks selected through this risk assessment set KPIs and action items, and work to mitigate these risks through their activities.

To further reduce risk stemming from business activities, in addition to risk assessments within the corporate divisions responsible for risk, risk priority levels are considered at the business divisions and Group companies level as well. At overseas Group companies, high-priority risks are identified by each company, and the corporate divisions, business divisions, and risk management coordinators responsible for those risks review their priority and appropriateness. In all cases, the final step is to select key risks following the process of confirming their appropriateness by the General Manager from a business management perspective.

Risk Assessments and Risk Management Methods

(1) Evaluation targets

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

(2) Target risks

- Cross-group risks (including compliance risks)

(3) Selection process for key risks

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

(i) For the above cross-group risks, the high-value risks calculated using the "probability of occurrence" and "impact when it occurs" horizons are considered the "inherent risks".

(ii) In addition, the "effectiveness of control activities" is evaluated, and risks with low "effectiveness of control activities" with respect to "inherent risks" are selected as key risks.

(4) Management method

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

The Risk Assessment / Risk Management Process

	Domestic	Overseas
STEP 1 Identifying risks and considering priorities	• The key risks selected by the corporate divisions responsible for risk are presented to the business division and Group company. • The business division and Group company consider priorities using the presented risks as reference.	• An assessment is done at the Group company overseas, and the high-priority risks are presented. • The corporate division in charge of risk reviews the results of the assessment.
STEP 2 Confirming and approving risk selection appropriateness	• The General Manager confirms the appropriateness of the selection results for high-priority key risks, and determines the system for carrying out measures (led by either the corporate division, the business division, or the Group company responsible for risk). • Approval at the Risk Management and Compliance Committee	
STEP 3 Formulating and carrying out actions	• The division in charge formulates and carries out actions based on the system for carrying out measures.	• In accordance with instructions from the General Manager, the Group company overseas takes the lead in formulating and carrying out actions. • The corporate division responsible for risk and the risk management coordinator support these actions.
STEP 4 PDCA	• Action progress is reported at the Risk Management and Compliance Committee.	

Cross-Group Risks

1. **Fair business activities**
   Violation of competition laws (cartels, etc.), violation of unfair competition prevention laws (violation of trade secrets, etc.), money laundering, bribery/collusion with business partners, insider trading, public relations (dissemination of inaccurate/inappropriate information), violations of accounting/tax laws (non-compliance with accounting standards, window dressing, tax evasion, etc.)
2. **Labor and human rights**
   Labor-management relations (labor disputes and strikes), human rights violations (discrimination and harassment), violations of labor-related laws, health and mental health management, occupational safety and health
3. **Human capital**
   Absence of, or delay in implementing, succession plans for key positions; outflow of human resources
4. **Products and safety**
   Use of prohibited substances, product liability (PL), serious quality incidents
5. **Intellectual property rights**
   Infringement of intellectual property rights (trademarks, copyrights, patents, design rights, etc.), inappropriate use of trademarks (websites, advertisements, instruction manuals, etc.), contamination of confidential information
6. **Supply chain management**
   Compliance with laws and regulations and customer requirements related to environmental impact, supplier management (QCD, health and safety, environment, information security, compliance), child labor and forced labor, supplier bankruptcy, use of conflict minerals, rising transportation costs, business continuity in supply chain management
7. **Environmental protection**
   Lack of, or delay in responding to, climate change based on customer or legal requirements, waste management, environmental pollution (water, air, soil, etc.), friction with local communities

8. **Trade management**
   Security trade control / import-export control
9. **Information systems**
   Improper management, theft, or leakage of personal information; theft or leakage of confidential information due to improper management (including malware infection); information leakage from social media; risks from the use of generative AI; unexpected stoppages of information systems due to natural disasters or cyberattacks
10. **Asset management**
    Inappropriate management of company assets (misappropriation, theft, loss, etc.)
11. **Business continuity**
    Natural disasters (earthquakes, typhoons, floods, etc.), fires/accidents, terrorism/crime/political strife, pandemics

As a result of the risk assessment, the key initiatives common to the Nissha Group in the fiscal year ending December 2026 have been selected: business continuity, labor and human rights (occupational safety and health), information systems, labor and human rights (discrimination and harassment), infringement of intellectual property rights, and violation of competition laws (only for Group companies in Japan; risks related to the SME Entrusted Transactions Fairness Act).

28-5 Procedure for Reporting Major Incidents

We established the Procedure for Reporting Major Incidents (the "Procedure") applicable to the entire Group. The Procedure aims to prevent or minimize any event that could significantly disrupt or risk disrupting the management, or any event that could damage or risk damaging corporate value, reputation, or credibility of Nissha Group. It establishes reporting procedures for the Major Incidents to ensure the Risk Management and Compliance Committee and the corporate divisions responsible for risk management promptly and appropriately obtain information related to the Major Incident and respond to the Major Incident based on such information accordingly.

1. **Natural disasters and accidents**
   - Natural disasters (earthquakes, tsunamis, typhoons, tornadoes, torrential rains, volcanic eruptions, etc.)
   - Pandemics
   - Human-made disasters (war, terrorism, fires, explosions, etc.)
   - Environmental issues
2. **Occupational accidents (death or serious injury)**
3. **Incidents related to information security**
4. **Quality-related incidents, product accidents, and pharmaceutical incidents**
5. **Incidents related to legal and regulatory compliance**
   - Illegal acts
   - Fraudulent activities
   - Crimes by officers and employees
   - Sanctions by the government authorities and local governments
   - Report to the government authorities and local governments (excluding violations and pharmaceutical-related issues)
6. **Incidents related to trade management**
   - Illegal acts
   - Fraudulent activities
   - Sanctions by the government authorities
   - Report to the government authorities
7. **Incidents expected to be reported or have been reported by the media**
8. **Litigation and labor disputes**
9. **Other incidents deemed necessary to be reported**

28-6 Promotion of Corporate Ethics and Compliance

The Risk Management and Compliance Committee promotes corporate ethics and compliance activities throughout the entire Group. All Nissha Group bases in Japan and overseas appoint managers in charge of promoting corporate ethics and compliance. Concerning compliance with the Pharmaceutical and Medical Device Act, we have maintained a Medical Healthcare Consultation Desk.

■ Promotion Structure

The managers in charge of promoting corporate ethics and compliance not only implement initiatives to improve the awareness of corporate ethics and compliance in their respective divisions but also implement corporate ethics and compliance on a day-to-day basis through organizational management, serve as handy consultants for their workplace, and, should an incident arise, work with Corporate Legal Affairs to deal with it.

■ Awareness-raising activities

Corporate Legal Affairs also holds training sessions, etc., as a way to further boost awareness among these promotion managers and other employees. We not only carried out activities as needed for our departments and Group companies, but, starting in FY2025, we have posted video content regarding legal affairs and compliance on the company intranet. Employees can see a wide range of content that ranges from legal basics to specialist topics like insider trading and cartels. This has allowed frontline employees to undergo training whenever they like, as suited for their own work needs or level of understanding, and boost their compliance awareness further.

Overseas, we carried out compliance risk assessments regarding competition law, regulations about the handling of personal information, and regulations about prohibiting corruption. We have examined what specific risks exist in each field, based on the results of a questionnaire which all Group companies answered, and identified the areas that need improvement. From FY2026 we shall continue these assessments and support any necessary measures.

■ Company-wide Simultaneous Training, etc.

The Group designates every October and November as Corporate Ethics and Compliance Months, and provides groupwide training at all bases in Japan and overseas. This simultaneous training is provided not just for officers, full-time, contract, and temporary employees, but for managers of subcontractors and even part-timers.

As in the previous year, in FY2025 we provided an explanation of Corporate Ethics and Code of Conduct to all Group companies in Japan and overseas, thereby ensuring thorough awareness of it.

The ratio of those taking training during the FY2025 at domestic bases was 100% (2,632 people).

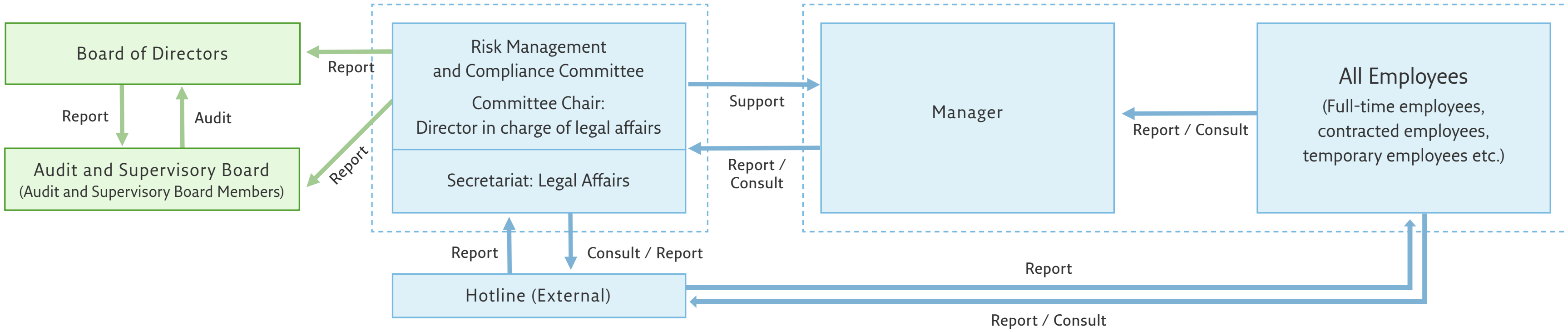
Questionnaires are sent out after each company-wide simultaneous training session to collect a wide range of information and opinions from all employees about concerns and actions that need to be improved in the workplace from the perspective of corporate ethics and compliance. Examples and results of improvements based on this information are reported to the Risk Management and Compliance Committee, along with reports on training implementation.

■ Officer Training, etc.

At the Group, in addition to company-wide simultaneous training, we also hold training by external instructors aimed at officers.

In March 2025 we held a study session on our Human Rights Policy, in April 2026 we held training on our Code of Conduct, and in May we held training on public relations for crisis management.

Corporate Ethics and Compliance Structure



28-7 Hotline

The Group has not only established an Internal Reporting Code in our company regulations based on the Whistleblower Protection Act domestically, but has also established a hotline consultation service which is available to all employees of the Nissha Group in Japan, as well as former employees who have left the company within the past year. We have also set up a hotline for consultations that job seekers and students (in Japan only), as well as suppliers to the Group (including freelancers), can use. These are for the purposes of quickly identifying the facts about illegal, unfair, or unethical conduct by an organization or individual, minimizing the risk of a crisis, promoting ethical and legal compliance, and ultimately enhancing our corporate value.

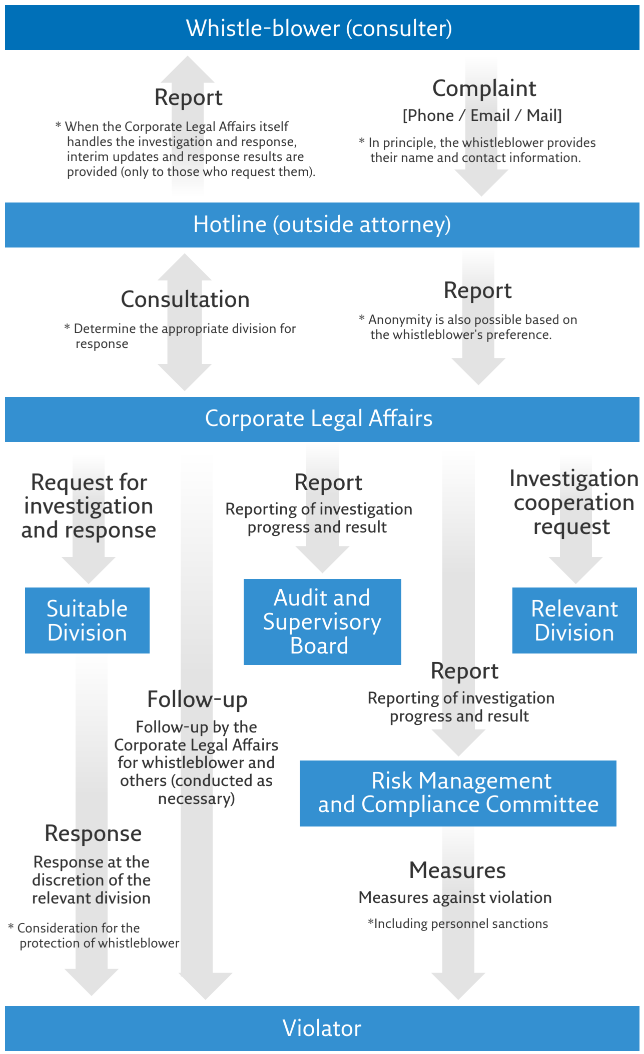
We are working to disseminate information about the hotline for employees through the Corporate Ethics and Code of Conduct distributed to all employees, the Labor and Human Rights Handbook, the company intranet, in-house training, and awareness posters.

The Internal Reporting Code contains the following.

- The whistleblower shall not be subjected to any disadvantageous treatment by the Company or other employees due to their report.
- Anonymous reporting is also possible.

In all cases, the contact points are an outside attorney, an independent and impartial third party, and reports and consultations can be accepted 24 hours a day, 365 days a year, by email or other means. All complaints received are relayed from the hotline (an outside attorney) to the Corporate Legal Affairs. The Corporate Legal Affairs liaises with the relevant departments after consulting with the outside attorney about the best way to investigate and confirm the issue. Said investigation and confirmation are then carried out with

Hotline Organizational Chart (Nissha Group)



consideration for the protection of the whistleblower. The content is reported to the Risk Management and Compliance Committee, where it is discussed as necessary, after which, measures are taken according to the results of the investigation and discussion.

Overseas, too, we have established consultation services for all Group companies, where employees can discuss matters either in English or in their native language 24 hours a day, 365 days a year, by email or other means.

The number and main content of consultations received during the FY2025 are shown below.

- Hotline Consultations (for employees): 24 cases (Including 8 from overseas bases)
- Supplier hotline: 1 case
  The contents mainly dealt with workplace relationships, harassment, conflicts of interest, labor law matters, and the SME Entrusted Transactions Fairness Act. Corrective measures were taken for all cases for which it was determined after investigation that such measures needed to be taken. An overview summary was disseminated via the company intranet, awareness was raised for everyone instead of just for the perpetrators, and measures were taken to prevent recurrence.

28-8 Dealing with Antisocial Forces

In accordance with our policy for dealing with antisocial forces and our regulations for dealing with antisocial forces, etc., Nissha has established that it will have no dealings whatsoever with antisocial forces. We confirm in advance as a rule through prescribed procedures that neither our existing nor new business partners fall under antisocial forces. This initiative eliminates all possibilities of involvement in money laundering, etc. by antisocial forces.

29. Information Security

29-1 Policy and Principles

The Nissha Group has created, and continues to operate, an Information Security Management System (ISMS) based in the ISO27001 that is applied to all Group companies, and that reflects our Information Security Policy and our principles outlining specific conduct and regulations known as the Information Security Principles. We prevent threats to the leak of important information received from our customers and suppliers and important information managed under tight control within the company, particularly highly confidential information assets such as new product information, advanced technological information, and personal information.

Information Security Policy

Nissha Group constructs a reliable and safe information security management system (ISMS) based on an understanding of the importance of information security in business activities and continually improve this in order to continue to be a company that provides economic and social value to our stakeholders.

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

Information Security Principles

1. We shall continually improve our information security management system by establishing, implementing, and reviewing the information security objectives so that the confidentiality, integrity, and availability of information assets can be maintained and improved.
2. We shall comply with laws, regulations, and contract stipulations related to information security.
3. We shall establish criteria for rationally evaluating risks related to information security and methods for risk assessment, and work to maintain and improve information security.
4. We shall work to prevent the occurrence of incidents or accidents related to information security, and, if an accident does occur, shall respond promptly and work to both minimize damage and prevent recurrence.
5. Nissha People shall understand the Information Security Policy and Basic Principles, and always act with an awareness of information security.

Shinichiro Kobayashi
Vice President, Chief Information Officer
Nissha Co., Ltd.

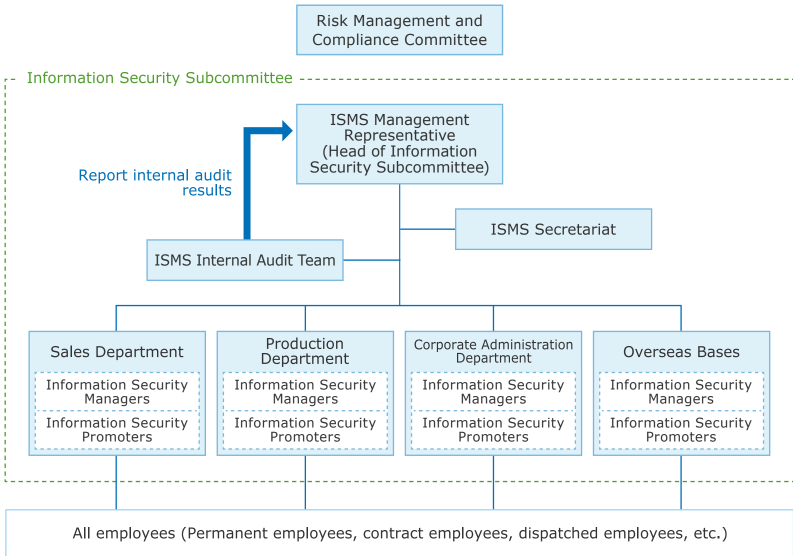
Established on July 1, 2013 / Revised on May 1, 2022

29-2 Management Structure

As an organization to promote information security within the Nissha Group, the Information Security Subcommittee was established under the Risk Management and Compliance Committee, and works on maintaining and improving the ISMS*.

Under the CIO (Chief Information Officer), the head of the Information Security Subcommittee is the ISMS management representative, and the ISMS secretariat has been established in the IT department to oversee all IT environments in the Group. The ISMS covers all bases within the entire Group, including overseas Group companies. For each company and department, an information security manager and an information security promoter are appointed, and ensures the system operates in each workplace. In addition, the ISMS secretariat plays a central role in conducting reviews for top management, internal audits of the ISMS, and regular ISO27001 audits by external examiners to provide opportunities for improvement.

* ISMS=Information security management system



Domestic	261 employees	Information Security Managers	88 employees
		Information Security Promoters	173 employees

Overseas	45 employees	Information Security Managers	16 employees
		Information Security Promoters	29 employees

29-3 Deployment of the Management System

The Nissha Group operates the ISMS across all its corporations, both in Japan and overseas.

In Japan, we have obtained ISO27001 certification, the international standard for ISMS. Overseas, we have been rolling out ISMS as a unified standard globally, including for corporations that have newly joined our Group as a result of M&A and so on. This rollout was completed in the fiscal year ended December 2019. At present, in addition to an annual ISMS internal audit, we are working to maintain and improve ISMS operations through the PDCA cycle.

29-4 Efforts for Risk Reduction

The Group maintains an Information System (confidential information, personal information, information security) as one risk area managed under the Risk Management and Compliance Committee. We have been working on installing local internal auditors at our overseas Group companies whose purpose is to strengthen the effectiveness of internal audits and improve training and awareness, as well as introducing MFA (multifactor authentication) to strengthen security systems throughout the Group. Information assets are important elements that differentiate us from our competitors and increase our competitiveness, so it is essential to reduce risks such as information leaks. Through ISMS internal audits, we strive to ensure the permeation of control methods corresponding to the level of importance, and particularly implement thorough and strict control concerning trade secrets.

In addition, with the rapid progress of IT and the diversification and spread of devices, we are strengthening information security management not only for company-supplied computers and mobile devices but also for BYOD (Bring Your Own Device) devices. We are also working on measures to reduce the risk of information leaks and damage to our corporate image and brand through social media postings.

29-5 Security Enhancement Strategy in the 8th Medium-Term Business Plan

The Group is aware that, with the recent rapid spread of generative AI, cyberattacks from outside are likely to become increasingly sophisticated, subtle, and frequent. To deal with this, in the 8th Medium-term Business Plan (2024-2026), we reclassified Data Security in Response to Increased Use of Generative AI as a risk specific to Nissha that should be addressed to achieve our Sustainability Vision and identified it as a materiality.

In the 8th Medium-term Business Plan, along with ongoing strengthening of our security systems globally, we are also working to maintain high security awareness and literacy through regular training targeted at all employees, thus improving information security from both sides. The Group is also promoting the active use of generative AI. The Nissha Group in Japan formulated regulations related to generative AI in FY2025, and used e-Learning to spread awareness of them widely. In future, we will expand these regulations to our overseas bases, working to increase efficiency of the work done using generative AI throughout the Group. In addition, we will push for the safe, planned use of generative AI with a thorough emphasis on rules compliance and risk management.

30. Trade Management

30-1 Policy and Principles

As a global corporation with a diverse range of companies, both in Japan and overseas, under its umbrella, the Nissha Group positions ensuring appropriate trade management as a key management issue from the perspective of business continuance. In light of this importance, we have formulated the Trade Management Policy (Policy), and the Trade Management Principles (Principles) which outline specific conduct and rules. These cover all Group companies. Based on these, we also formulated the Trade Management Basic Regulations (Basic Regulations), which serve as the operational foundation for trade management across the entire Group. In addition to these, we are working on continuous improvement of trade management in order to respond to internal and external changes in our environment through strengthening our management system and establishing the necessary rules and regulations required of us as an Authorized Economic Operator (AEO).

Trade Management Policy

Nissha Group fulfills its responsibilities as a company to its stakeholders by developing a trade management system and complying with laws and regulations related to trade management, such as security export control.

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

Trade Management Principles

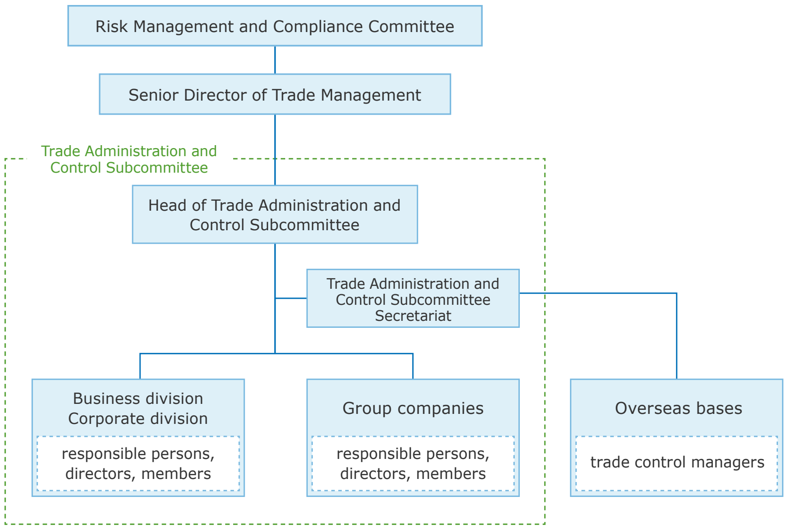
1. We comply with laws and regulations related to trade management in each country and region.
2. We shall appoint a person responsible for trade management in our bases, and in addition to developing the trade management system, this system shall be maintained and improved.
3. We shall cooperate with public agencies and logistics partners in each country to establish a sound trade management system.
4. Nissha People will undergo any training required for trade management, and each person shall carry out their work appropriately.

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

Established on October 1, 2016 / Revised on April 1, 2025

30-2 Structure

Nissha Group trade management is now consolidated in the Trade Administration and Control Subcommittee under the Risk Management and Compliance Committee. Across the entire Nissha Group, including overseas companies, we select a head of trade administration and control subcommittee and engage in trade management based on the Policy, Principles, and Basic Regulations.



At the Nissha Group in Japan, we place Trade Administration and Control Subcommittee members (responsible persons, directors, and members) in business divisions, corporate divisions, and Group companies to create a management system. In addition, we also formulate the various operational rules and regulations for trade-related work as required of us as an AEO. Based on these systems and regulations, each department is preparing work standards and manuals to ensure export and import operations are carried out appropriately. At the same time, taking into account the different laws, regulations, and business practices in each country and region, we assign a trade control manager to each overseas Group company. In addition, we work to ensure awareness of the Policy, Principles, as well as Basic Regulations, and are moving ahead with preparing management documents.

30-3 AEO Approval

Nissha obtained approval as an AEO Exporter in June 2014, and as an AEO Importer in June 2015. Their third postaudits were conducted in December 2024, and we maintain all approvals. As of January 5, 2026, 64 companies in Japan, including us, are approved as both AEO Importer and AEO Exporter. Being one of these companies with dual approval, we have in place a system for safe and smooth international logistics.

Nissha Precision Technologies Malaysia Sdn. Bhd., based in Malaysia, obtained approval as both an AEO Exporter and an AEO Importer in October 2014. Their postaudits were conducted in May 2022, and we maintain both approvals.

AEO Approval Form

Authorized Economic Operator (AEO) Program

The AEO program is designed to secure and facilitate global trade and to strengthen a country's international competitiveness by providing benefits such as reduced or simplified customs controls to operators with cargo security management and compliance structures. The September 11, 2001, terrorist attacks on the United States raised awareness of the necessity of an international framework for reinforcing anti-terrorism measures by ensuring both security and efficiency in the international movement of goods. In 2006, the World Customs Organization (WCO) adopted a set of AEO guidelines as a global standard and the basis on which countries enact laws and operate their respective AEO programs. Japan launched its AEO program in 2006, starting with exporters and expanding gradually into the current form.

30-4 Daily Management and Operation

The Group has prepared a management process to confirm transaction risks and legal regulations related to import/export from the perspective of security trade control, and based on the Policy and Principles; this is used for daily management/operation of import/export work. We are working to ensure each department carries out appropriate import/export work by incorporating the confirmation processes required for trade management into their workflows, including determination of applicability, transaction reviews, and verification of export/import declaration details. In addition, in light of legal revisions and changes in our business operations, we are working to maintain and improve management standards through communication and training to the relevant departments as well as reviewing related regulations and procedures.

30-5 Initiatives for FY2025

Amid growing uncertainty in the international environment in recent years, countries are strengthening their import/export regulations and enhancing their systems. The importance of accuracy and governance in trade management is greater than ever before. In light of these facts, Nissha has positioned strengthening import management as one of our key themes in FY2025, and we are moving ahead with revising operations related to import procedures, as well as the strengthening of our management systems, with a focus on the process of verifying compliance with laws and regulations and checking necessary documents during import. In addition, we are aware of issues in the operation of our import/export work, and are revising our work processes, confirmation system, how we share information and so on with a view to preventing recurrence and improving our work. We shall continue to work on improvements as needed by environmental changes or changes in business operations.

30-6 Internal Audit

The Nissha Group carries out regular internal audits of our trade management to verify its effectiveness and appropriateness in the daily management and operation of import/export-related tasks.

With these internal audits, we check the operational status of import/export management and cargo management, feeding the results back to the relevant departments to help bring about corrections and improvements. Through these initiatives, we are working to heighten the effectiveness of our trade management system and continually improve it.

30-7 Training

Starting in FY2020, the Nissha Group has set themes necessary for import/export operations, and has been providing ongoing training for those workers. In FY2025, we provided training to 129 workers involved in domestic trading operations, regardless of department within the Nissha Group in Japan.

■ Training Themes

- Security trade controls
- Determining relevance and screening transactions
- Incoterms and HS codes
- Internal import/export steps

31. Anti-corruption

31-1 Principles

The Nissha Group regards corrupt practices, such as bribery, collusion with business partners, violations of the Competition Law and the Unfair Competition Prevention Act to be one of the major risks managed by the Risk Management and Compliance Committee.

The increasing concern in international society in recent years about preventing corruption, and the importance of sustainable corporate management, have led us to establish the Nissha Anti-Corruption Principles and aim to further strengthen a consistent anti-corruption framework across our entire Group, both in Japan and overseas.

Nissha Anti-Corruption Principles

Nissha Group clearly states that all officers and employees are prohibited from presenting or giving gifts or entertainment that may constitute corrupt practices to any person, including customers, suppliers, and government officials, either directly or indirectly, and complies with regulations in each country and region regarding anti-corruption to prevent corrupt practices.

1. We neither present to nor accept offers of unfair advantage from anyone.
2. We neither present nor accept gifts or entertainment that exceed the limits permitted by internal standards, laws, and regulations from anyone.
3. We strive to understand the circumstances of Nissha Group overall, and periodically review our initiatives.
4. We respond with sincerity by taking necessary measures such as providing information and conducting investigations if there are any reports of violations or concerns.

Daisuke Inoue
Director of the Board, Senior Executive Vice President, Legal Affairs
Nissha Co., Ltd.

Established on April 1, 2017 / Revised on January 1, 2025

31-2 Dissemination and Training / Monitoring System

The Nissha Group informs our employees of the Nissha Anti-Corruption Principles and any related internal regulations via the company intranet. In addition, training is provided for all operations of the Group to ensure compliance with the relevant laws, regulations, and customs of each country. We have also clarified the contents related to preventing corruption in the Corporate Ethics & Code of Conduct, which applies to employees at all our bases both in Japan and overseas, with the contents thoroughly disseminated through simultaneous company-wide training.

Additionally, the Risk Management and Compliance Committee carries out regular monitoring that includes the prevention of corrupt practices as a risk item. We set specific items to monitor for corruption prevention in FY2025, and carried out risk assessments at each Group base. We shall establish any necessary measures based on the assessment results and continue to carry out regular monitoring.

The Group has not identified any cases of corruption in the fiscal year ended December 2025.

32. Business Continuity

32-1 Policy and Principles

We at the Nissha Group establish the Business Continuity Plans Policy, which the Business Continuity Management (BCM) Subcommittee under the Risk Management and Compliance Committee plays a central role in promoting in preparing for and responding to emergencies such as a natural disaster or pandemic.

Business Continuity Plans Policy

Nissha Group formulates business continuity plans to minimize damage and work towards prompt business recovery, while ensuring the safety of human life first, in the event of a major natural disaster, fire, power cut, epidemic, or other major event that interrupts business. In addition, we carry out regular revisions and drills to ensure the effectiveness of these plans, and promote business continuance management.

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

Business Continuity Plans Principles

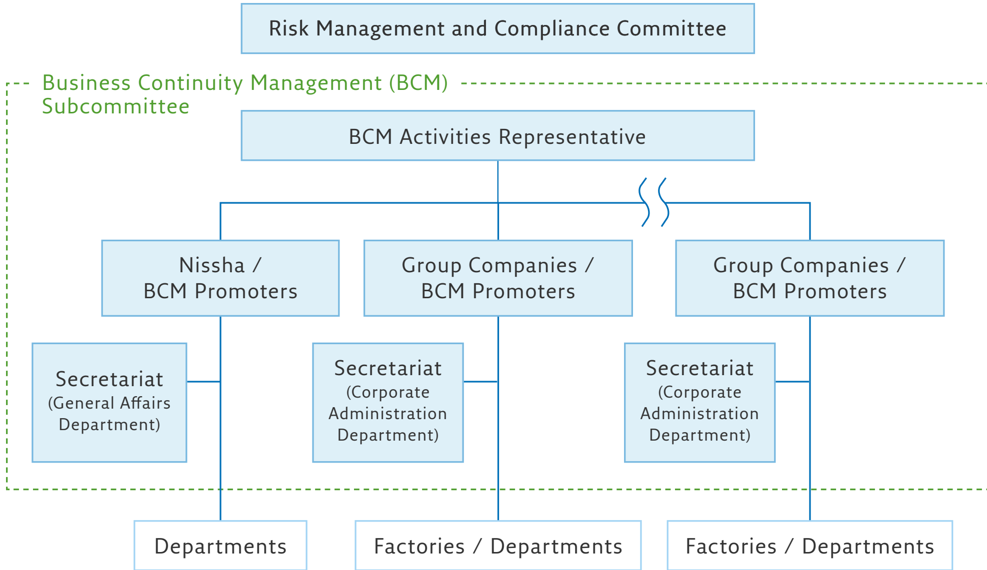
1. In the event of a major interruption of our business, we shall ensure the safety of human life as our top priority while preventing secondary disasters.
2. We shall define buildings, equipment, information systems, human resources, and suppliers as key management resources/ stakeholders, and formulate business continuity plans. In addition, we shall consider changes in the business environment and regularly revise these plans.
3. We shall clarify which businesses are to be prioritized for continuance/ recovery, and achieve this recovery within the target timeframe.
4. We shall regularly conduct training and drills related to business continuance, and work to improve our organizational capacity to respond to risks.
5. We shall contribute to society through working with local communities to support recovery and rebuilding.
6. We shall comply with laws, policies in Japan and overseas, and other norms with regards to business continuance.

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

Established on September 28, 2006 / Revised on January 1, 2025

32-2 Structure

The BCM Subcommittee has been set up under the Risk Management and Compliance Committee as a system for operating BCM in the Nissha Group. The President and CEO serves as the person responsible for BCM activities, and BCM Promoters have been appointed at the Nissha Head Office and each Group company. The secretarial office holds BCM Subcommittee meetings on a regular basis. These are used to confirm initiatives and the status of improvement of BCM measures for the Nissha Group overall, training persons in charge, and planning and carrying out BCM drills.



32-3 Initiatives

Nissha Group in Japan has in place a set of Emergency Response Regulations that defines emergencies and stipulates the action and structure required between initial response to a disaster and business recovery. In the event of a serious interruption of business due to emergency over a certain level, such as a natural disaster or pandemic, we set up a response task force headed by the President. In addition to habitually stockpiling supplies at major bases in Japan in preparation for emergencies, we also distribute survival cards listing information about what to do when an earthquake strikes, educate employees using an e-Learning, and conduct emergency training to promote thorough awareness about the general rules for action and response in an emergency.

Our Basic Plan for Business Continuity Management (BCM) stipulates in detail the steps to be taken in order to promote early recovery of key business bases. In efforts to verify the effectiveness of these steps, we organize business continuity planning (BCP) drills annually for employees including the management. We respond quickly to changes in management environment and reorganization, such as managing the latest editions of relevant documents.

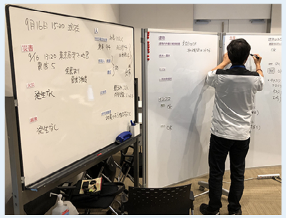
Nissha Group overseas is also promoting BCM activities in cooperation with the Head Office. In FY2025, BCP education was conducted at our Malaysia base, and relevant documents were developed to strengthen the BCM system.

Implementation of management BCP training

We hold BCP drills annually in accordance with the BCP Subcommittee Action Plan. These drills are simulations to check that BCP functions adequately in the event of an incident such as an earthquake. In FY2025, the drill was conducted for Nissha Zonnebodo Pharma Co., Ltd. in Hachioji, Tokyo. The site and the Nissha Head Office were connected online, and carried out drills simulating an earthquake centered on the Hakonegasaki Fault in Nishitama District, Tokyo. This drill started with setting up a base headquarters, then participants rapidly responded within their own scope of responsibility, working to ensure employee safety and minimize business risk.

We consider the construction and operation of BCP/BCM important for improving the company's competitiveness and also leading to improved corporate value, and we continue to conduct a diverse range of situation-based drills each year.



Risk Surveys

The Nissha Group carries out annual risk surveys at the Group companies in Japan and overseas. These surveys draw on the expertise of specialists in risk consulting. For FY2025, the surveys covered the Nissha Head Office and Nissha Industries Inc. Koka Factory. The risk of fire or explosion was assessed in terms of fire management, building and utility, use and process, fire-fighting equipment, and fire hazards, while for natural hazards, disaster prevention measures for lightning, earthquakes, flooding and so on were also confirmed. Overall, the evaluation was positive, but we will continue to implement the PDCA cycle to make further improvements.

33. Tax Principle

Nissha Group will comply with tax laws and regulations in each country and each region based on Tax Principle, in order to fulfill our corporate social responsibilities (CSR).

Tax Principle

Basic Principle

Nissha Group will strive to minimize tax risks, enhance our corporate value by complying with tax laws and regulations in each country and each region.

Nissha Group will pay close attention to the trends in the international tax framework such as Base Erosion Profit Shifting (BEPS) project and make properly responses to such changes as a global company.

1. Nissha Group's approach to tax planning

Nissha Group will enter into transactions with a business purpose and a business activity and in case we approach to tax planning, we will implement it properly and efficiently in compliance with tax laws and regulations.

Our group will consider taxes as an essential factor in our business planning and make use of available tax incentives within the scope of normal business activities. However, we will not engage in transactions for the primary purpose of tax avoidance and transactions without any actual business activities.

2. The level of risk to taxation that Nissha Group is prepared to accept

Nissha Group's Tax Principle is to minimize tax risks wherever possible when undertaking tax matters.
We will work to identify, evaluate, and manage tax risks in each country and region to reduce such risks, and where there is significant uncertainty or complexity in relation to tax risks, we will ask for advice from third parties.

3. The approach of Nissha Group towards its dealings with Tax authorities in each country and region

Nissha Group believe that we can build and maintain good relationship with tax authorities in each country and region corresponding with them and disclosing necessary information in a sincere and appropriate manner.

Therefore, We will strive to provide necessary information appropriately and cooperatively in response to requests from tax authorities in each country and region while issuing tax returns properly and paying appropriate amount of tax according to tax laws and regulations in each country and region.

If tax authorities inform us of tax adjustments, we will immediately take appropriate measures to prevent similar issues happen unless we file a petition of objection against their action or interpretation.

4. The approach of Nissha Group to risk management and governance arrangements in relation to taxation in each country and region

Nissha Group's tax policy is reviewed and controlled by our group's Chief Financial Officer who is responsible for our group's tax strategy and policies, and the status is reported to Board of Directors on an on-going basis through our group's Chief Financial Officer.

Where there is significant uncertainty or complexity in relation to application or interpretation of tax laws, we will take appropriate measures after seeking external advices.

This principle describes the Nissha Group's tax principle.

In addition, it complies with paragraphs 19(2) and 22(2) of Schedule 19 to the Finance Act 2016.

Daisuke Inoue
Director of the Board, Senior Executive Vice President
Chief Financial Officer
Nissha Co., Ltd.

Established on December 25, 2017
Revised on May 1, 2026

34. Responsible Mineral Procurement

34-1 Policy

Nissha's policy on mineral sourcing is outlined in our Basic Approach to Responsible Mineral Procurement. In addition to our position that we shall not use materials made from minerals that may be connected with conflicts or human rights abuses in our Group products, this clearly states our commitment to working in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals.

Basic Approach to Responsible Mineral Procurement

The Nissha Group is deeply concerned that minerals mined and traded in conflict-affected and high-risk areas may contribute to human rights abuses such as looting, assault, and forced labor, or provide funding to armed groups.

In April 2012, Nissha became a signatory to the Global Compact advocated by the United Nations. We consider the Ten Principles stated in the Global Compact as a cornerstone of our Corporate Mission, and hold the position that we shall not use materials made from minerals that may be connected with conflicts or human rights abuses in our products. In addition, should any such use be discovered, we will take the appropriate corrective measures.

Nissha carries out appropriate ongoing management of mineral procurement based on a risk-based approach, in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals.

1. We will construct a system for the responsible management of mineral procurement and continue its operation.
2. We will promptly provide customers with information related to mineral procurement such as smelters.
3. We will publish the status of our initiatives in our Sustainability Report.

Nissha will continue to make sincere efforts for the responsible procurement of minerals in conjunction with our suppliers through appropriate information provision and corrective measures.

Junya Suzuki
Chairman of the Board and Group CEO
Nissha Co., Ltd.
Established on March 12, 2014
Revised on May 1, 2026

34-2 Initiatives

3TG Usage Status

The 3TG (tin, tantalum, tungsten, and gold) used in Nissha Group's products are shown in the table below.

Segment	Applicable product group	3TG in use
Industrial Materials	Only a small portion of Decoration (Mobility) and Decoration (Home appliances and others)	Tin
Devices	For Tablet devices, Smartphones, Industrial equipment (logistics related), Mobility, Portable game, Gas sensors and others	Tin, tantalum, tungsten, and gold
Medical	Only a small portion of Medical devices (CDMO)	Tin, tungsten, and gold

* The names of the segments and product lineups are in line with "25. Net sales (2) Disaggregation of revenue" in the Notes to Consolidated Financial Statements in our Annual Securities Report from January 1, 2025 to December 31, 2025. The proportion of net sales of products using 3TG accounted for approximately 50% in the fiscal year ended December 2025.

Survey Requests to Suppliers

The Nissha Group, mainly through its related business units, requests suppliers to conduct a survey of 3TG used mainly in materials for mass-produced products using the latest CMRT (Conflict Minerals Reporting Template), generally once a year. Then, based on the CMRTs submitted by suppliers, we prepare our CMRTs and submit them to our customers.

We review the content of CMRTs submitted by suppliers, and if a refinery, etc. is no longer in business or has changed its name, we ask suppliers to resurvey.

In recent years, there has been an increase in customer inquiries regarding minerals other than 3TG, cobalt, and mica. Consequently, we are conducting surveys with suppliers and reporting to customers using not only the CMRT but also the EMRT (Extended Minerals Reporting Template) and AMRT (Additional Minerals Reporting Template). In the survey, in addition to addressing refineries that were removed from the Responsible Minerals Assurance Process (RMAP) compliance list and refineries that our customers requested not to be used, we encouraged our suppliers to procure minerals from Conformant Smelters & Refiners. This activity enables the traceability of minerals back to their origins. We intend to continue these efforts in the future.

■ Developing and Implementing Strategies to Address Identified Risks

In some cases, we may ask suppliers to utilize the RMAP audit program if non-certified refineries are included in the refinery information they have submitted in the CMRT. Additionally, concerning 3TG, if it becomes clear that a relationship exists with a refinery upstream in the supply chain that is involved in armed forces or human rights abuses, we will consider taking strict measures in line with our customer's requests. However, there were no such cases in FY2025.

■ 3TG Survey Results

The CMRT provided by the Responsible Minerals Initiative (RMI) is designed so that the scope of declaration during responding can be selected from (1) company level, (2) product level, and (3) user-defined level. However, we ask suppliers to respond at the product level in order to ensure that the smelters of minerals used in the parts and materials for Nissha Group products can be definitively identified. We believe that this type of surveying will enable us to identify targets for risk reduction, such as non-certified smelters and refineries, and will lead to effective due diligence.

In our 3TG survey for FY2025, we received responses from 100% of our suppliers for almost all product lineups. As a result of analyzing the responses from suppliers, in cases that included smelters that were not accredited by RMI, we took steps to reduce risk by changing suppliers and asking suppliers to utilize the RMAP audit program.

By undertaking due diligence not only for 3TG but also for cobalt, mica, and other minerals, we are advancing our efforts to address environmental protection in addition to human rights violations as outlined in our Basic Approach to Responsible Mineral Procurement, which is currently in operation.

35. Management System and Other Certification Acquisitions

The Nissha Group's management system and other certification status are as follows. (as of January 2026)

Quality

Quality / ISO9001
Nissha Co., Ltd. *1
Nissha Precision and Technologies, Inc. *2
Nissha Industries, Inc.
Nissha Printing Communications, Inc.
Nissha Business Service, Inc.
Nissha FIS, Inc.
Nissha Metallizing Solutions N.V.
Nissha Metallizing Solutions S.r.l.
Nissha Metallizing Solutions GmbH
Nissha Metallizing Solutions Ltd.
Nissha Metallizing Solutions Produtos Metalizados Ltda
Nissha Advanced Technologies Europe GmbH
Nissha Back Stickers International
Nissha SB Poland Sp.zo.o.
Nissha (Kunshan) Precision IMD Mold Co., Ltd.
Guangzhou Nissha High Precision Plastics Co., Ltd.
Nissha Precision Technologies Malaysia Sdn. Bhd.

*1. Obtained at sales, purchasing, design and development, production and logistics departments of Industrial Materials Business Unit and Devices Business Unit in Global Headquarters, Tokyo Division Headquarters and Kameoka Factory.

*2. Excluding Tsu (production base)

Quality

Medical devices / ISO13485
Nissha Co., Ltd.
Nissha Precision and Technologies, Inc.
Cathtek, LLC
Graphic Controls Acquisition Corp.
Lead-Lok, Inc.
CEA Medical Manufacturing, Inc.
Sequel Special Products, LLC
Nissha Medical Technologies (Ohio), Inc.
Nissha Medical Technologies SAS
Nissha Medical Technologies Ltd.
CEA Global Dominicana, S.R.L.
Isometric Micro Molding, LLC
Nissha (Kunshan) Precision IMD Mold Co., Ltd.
Guangzhou Nissha High Precision Plastics Co., Ltd.
Nissha Precision Technologies Malaysia Sdn. Bhd.

Quality

Cosmetics / ISO22716
Nissha Co., Ltd. *3

*3. Obtained for cosmetic manufacturing in Pharmaceutical Business Unit of the New Business Development Office at the Global Headquarters.

Quality

Automotive / IATF16949
Nissha Co., Ltd. *4
Nissha Precision and Technologies, Inc. *5
Nissha Eimo Technologies
Nissha PMX Technologies, S.A. de C.V.
Nissha Advanced Technologies Europe GmbH
Nissha (Kunshan) Precision IMD Mold Co., Ltd.
Guangzhou Nissha High Precision Plastics Co., Ltd.
Nissha Precision Technologies Malaysia Sdn. Bhd.

*4. For the support department related to the touch sensor module for automotive at the Global Headquarters.
*5. Obtained at the Himeji Factory.

Environment

Environment / ISO14001
Nissha Co., Ltd. *6 Global Headquarters
Nissha Industries, Inc. Koka Factory
Nissha Precision and Technologies, Inc. Himeji Factory
Kaga Factory
Tsu (production base)
Nissha FIS, Inc.
Nissha Business Service, Inc.
Nissha PMX Technologies, S.A. de C.V.
Nissha Metallizing Solutions S.r.l.
Nissha Metallizing Solutions GmbH
Nissha Metallizing Solutions Produtos Metalizados Ltda
Nissha Advanced Technologies Europe GmbH
Nissha (Kunshan) Precision IMD Mold Co., Ltd.
Guangzhou Nissha High Precision Plastics Co., Ltd.
Nissha Precision Technologies Malaysia Sdn. Bhd.

*6. Obtained at administration departments and design and product development departments.

Energy

Energy / ISO50001
Nissha Metallizing Solutions S.r.l.
Nissha Metallizing Solutions GmbH

Occupational health and safety

Occupational health and safety / ISO45001
Nissha Metallizing Solutions S.r.l.
Nissha Metallizing Solutions GmbH
Nissha Metallizing Solutions Produtos Metalizados Ltda

Information security

Information security / ISO27001
Nissha Co., Ltd. Global Headquarters
Tokyo Division Headquarters
Nagoya Sales Office
Kameoka Factory
Nissha Industries, Inc. Koka Factory
Kameoka Factory *7
Nissha Precision and Technologies, Inc. Himeji Factory
Kaga Factory
Tsu (production base)
Kyoto (production base)
Nissha FIS, Inc.
Nissha Printing Communications, Inc. Headquarters
Osaka Sales Offie
Tokyo Sales Office
Kameoka Factory *7
Nissha Business Service, Inc.

*7. Certification is included in the Kameoka Factory of Nissha Co., Ltd.

Others

FSC COC
Nissha Printing Communications, Inc. Headquarters
Osaka Sales Offie
Tokyo Sales Office
Kameoka Factory
Nissha Metallizing Solutions N.V.
Nissha Metallizing Solutions S.r.l.
Nissha Metallizing Solutions GmbH
Nissha Metallizing Solutions Ltd.
Nissha Metallizing Solutions Produtos Metalizados Ltda

Others

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

Others

EN15593
Nissha Metallizing Solutions GmbH

36. GRI Standards Content Index

Nissha Sustainability Report 2026 refers to GRI Sustainability Reporting Standards. The relationship between the standards and the content of our report is as shown in the table below. Unless otherwise specified, the location indicates the pages of Nissha Sustainability Report 2026.

GRI Standards		Disclosure Item	Location of Nissha Information Posted	Pages on PDF
General Disclosures				
1. The organization and its reporting practices				
GRI 2: General Disclosures 2021	2-1	Organizational details	Website About > Company Outline Website About > Nissha Group	-
	2-2	Entities included in the organization's sustainability reporting	1-4 Scope of Reporting	1-1
			1-5 Major Group Companies and Segments	1-2
			1-6 Major Changes in Reporting Scope	1-2
			Website > Investors > IR Library > Securities Report (only in Japanese)	
	2-3	Reporting period, frequency and contact point	1-3 Publication Dates	1-1
			1-7 Publishing Division and Contact for Inquiries	1-2
	2-4	Restatements of information	-	-
	2-5	External assurance	8. Third Party Verification	8
2. Activities and workers				
	2-6	Activities, value chain and other business relationships	1. Editorial Policy	1-1
			21. Partnership with Our Suppliers	21-1
			Website About > Company Outline Website About > Nissha's Business Website Business > Nissha's Target Markets	
	2-7	Employees	15-1 Nissha Group Employee Composition	15-1
	2-8	Workers who are not employees	-	-
3. Governance				
	2-9	Governance structure and composition	3-3 Promotion Framework for Sustainability	3-2
			25-2 Overview of Corporate Governance	25-1
	2-10	Nomination and selection of the highest governance body	25-3 Directors of the Board and the Board of Directors, 25-4 Nomination and Compensation Committee	25-2
	2-11	Chair of the highest governance body	25-3 Directors of the Board and the Board of Directors > Role of the Board of Directors	25-4
	2-12	Role of the highest governance body in overseeing the management of impacts	3-1 Nissha Philosophy, 3-2 Sustainability Vision (Long-term Vision), 3-3 Promotion Framework for Sustainability, 3-4 Materialities (Key Issues) and KPIs	3-1
			13-5 Relationship with Labor Union	13-4
			27. Internal Control System	26, 27
	2-13	Delegation of responsibility for managing impacts	3-3 Promotion Framework for Sustainability	3-2
			25-2 Overview of Corporate Governance	25-1
	2-14	Role of the highest governance body in sustainability reporting	3-3 Promotion Framework for Sustainability	3-2
	2-15	Conflicts of interest	25-3 Directors of the Board and the Board of Directors > Role of the Board of Directors	25-4
			Website > Investors > IR Library > Securities Report (only in Japanese)	
	2-16	Communication of critical concerns	3-3 Promotion Framework for Sustainability	3-2
			27. Internal Control System	26, 27
			28-6 Promotion of Corporate Ethics and Compliance	28-6
	2-17	Collective knowledge of the highest governance body	25-3 Directors of the Board and the Board of Directors > The skill set necessary for the Board of Directors, and the values, experiences, and skills in common required for all Directors	25-3
	2-18	Evaluation of the performance of the highest governance body	25-3 Directors of the Board and the Board of Directors > Policy and Procedures for Appointment/Dismissal of Directors of the Board, Evaluation of Effectiveness of the Board of Directors and Expected Roles of Outside Directors, Reasons for Appointment and Board of Directors Meeting Attendances in FY2025	25-2
	2-19	Remuneration policies	25-6 Compensation of Directors of the Board and Audit and Supervisory Board Members	25-9
			Website > Investors > IR Library > Securities Report (only in Japanese)	
	2-20	Process to determine remuneration	25-6 Compensation of Directors of the Board and Audit and Supervisory Board Members	25-9
			Website > Investors > IR Library > Securities Report (only in Japanese)	
	2-21	Annual total compensation ratio	-	-

GRI Standards		Disclosure Item	Location of Nissha Information Posted	Pages on PDF
4. Strategy, policies and practices				
	2-22	Statement on sustainable development strategy	2. CEO Message	2
	2-23	Policy commitments	3-1 Nissha Philosophy	3-1
			4. Environmental Policy and Management Structures	4-1
			13-1 Policy	13-1
			27. Internal Control System	26, 27
			28-2 Guidelines	28-1
	2-24	Embedding policy commitments	7. CO_2 Emissions and Reduction Efforts	7-1
			13-3 Initiatives Related to Labor and Human Rights	13-3
			27. Internal Control System	26, 27
			28-6 Promotion of Corporate Ethics and Compliance	28-6
	2-25	Processes to remediate negative impacts	28-7 Hotline	28-7
	2-26	Mechanisms for seeking advice and raising concerns	13-4 Harassment Prevention	13-4
			28-7 Hotline	28-7
	2-27	Compliance with laws and regulations	10. Management of Chemical Substances and Environmental Risks	10-1
			12. Environmental Objectives and Status of Achievement (Nissha Group in Japan)	12-1
			21-4 Survey of the Supply Chain	21-3
			31. Anti-corruption	31
	2-28	Membership associations	3-5-1 Initiatives in Which Nissha Participates and External Evaluations	3-8
			22-3 Membership in Community Organizations (Nissha Co., Ltd.)	22-2
5. Stakeholder engagement				
	2-29	Approach to stakeholder engagement	3-6 Nissha Group Stakeholders	3-10
	2-30	Collective bargaining agreements	13-5 Relationship with Labor Union	13-4

GRI Standards		Disclosure Item	Location of Nissha Information Posted	Pages on PDF
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	3-4-1 Materiality Identification	3-3
	3-2	List of material topics	3-4 Materialities (Key Issues) and KPIs	3-3
	3-3	Management of material topics	3-4-1 Materiality Identification 4. Environmental Policy and Management Structures 6. Responding to Climate Change (Addressing the TCFD Recommendations) 12. Environmental Objectives and Status of Achievement (Nissha Group in Japan) 13-1 Policy, 13-2 Structures, 13-3 Initiatives Related to Labor and Human Rights 14-1 Policy, 14-2 Human Resources System (Nissha Group in Japan), 14-3 Talent Management System 16-2 Training Systems (Nissha Group in Japan), 16-3 Support for Employees' Voluntary Desires to Learn and Grow, 16-4 Career Planning Support, 16-6 In-House Training Programs 18-1 Policy and Principles, 18-2 Safety and Health Management System 21-1 Principles > CSR Procurement Guidelines 23-1 Policy / Nissha Quality Way 27. Internal Control System 28. Risk Management and Compliance 29. Information Security 30. Trade Management 32. Business Continuity 33. Tax Principle	3-3 4-1 6-1 12-1 13-1 14-1 16-2 18-1 21-1 23-1 26, 27 28-1 29-1 30-1 32-1 33
Economic				
Economic performance				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Website > Investors > IR Library > Securities Report (only in Japanese)	-
	201-2	Financial implications and other risks and opportunities due to climate change	4-3 Environmental Management System (EMS)	4-2
			6. Responding to Climate Change (Addressing the TCFD Recommendations)	6-1
			28. Risk Management and Compliance	28-1
			Website > Investors > IR Library > Securities Report (only in Japanese)	

GRI Standards	Disclosure Item		Location of Nissha Information Posted	Pages on PDF
	201-3	Defined benefit plan obligations and other retirement plans	17-14 Retirement Pay System Website > Investors > IR Library > Securities Report (only in Japanese)	17-6
	201-4	Financial assistance received from government	-	-
Market presence				
GRI 202 : Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	-
	202-2	Proportion of senior management hired from the local community	15-1 Nissha Group Employee Composition	15-1
Indirect economic impacts				
GRI 203 : Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	-	-
	203-2	Significant indirect economic impacts	-	-
Procurement practices				
GRI 204 : Procurement Practices 2016	204-1	Proportion of spending on local suppliers	-	-
Anti-corruption				
GRI 205 : Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	-	-
	205-2	Communication and training about anti-corruption policies and procedures	28. Risk Management and Compliance 31. Anti-corruption	28-1 31
	205-3	Confirmed incidents of corruption and actions taken	31. Anti-corruption	31
Anti-competitive behavior				
GRI 206 : Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	n/a	-
Tax				
GRI 207: Tax 2019	207-1	Approach to tax	33. Tax Principle	33

GRI Standards	Disclosure Item		Location of Nissha Information Posted	Pages on PDF
	207-2	Tax governance, control, and risk management	33. Tax Principle	33
	207-3	Stakeholder engagement and management of concerns related to tax	33. Tax Principle	33
	207-4	Country-by-country reporting	-	-
Environmental				
Materials				
GRI 301 : Materials 2016	301-1	Materials used by weight or volume	5. Impact on the Environment out of Our Business Operations	5
	301-2	Recycled input materials used	-	-
	301-3	Reclaimed products and their packaging materials	-	-
Energy				
GRI 302 : Energy 2016	302-1	Energy consumption within the organization	5. Impact on the Environment out of Our Business Operations 7. CO_2 Emissions and Reduction Efforts	5 7-1
	302-2	Energy consumption outside of the organization	7-7 Initiative in Scope 3 Management	7-5
	302-3	Energy intensity	7. CO_2 Emissions and Reduction Efforts	7-1
	302-4	Reduction of energy consumption	5. Impact on the Environment out of Our Business Operations 7. CO_2 Emissions and Reduction Efforts	5 7-1
	302-5	Reductions in energy requirements of products and services	-	-
Water and effluents				
GRI 303 : Water and Effluents 2018	303-1	Interactions with water as a shared resource	11-1-3 Understanding Water Stress Areas, 11-1-4 Management of Water Intake and Wastewater (Nissha Group in Japan), 11-1-5 Initiatives for Appropriate Water Use (Nissha Group in Japan) , 11-1-6 Water Data	11-1
	303-2	Management of water discharge-related impacts	11-1-1 Basic Concept, 11-1-3 Understanding Water Stress Areas, 11-1-4 Management of Water Intake and Wastewater (Nissha Group in Japan)	11-1
	303-3	Water withdrawal	5. Impact on the Environment out of Our Business Operations 11-1-6 Water Data	5 11-2

GRI Standards	Disclosure Item		Location of Nissha Information Posted	Pages on PDF
	303-4	Water discharge	5. Impact on the Environment out of Our Business Operations	5
			11-1-6 Water Data	11-2
	303-5	Water consumption	-	-
Biodiversity				
GRI 101: Biodiversity 2024	101-1	Policies to halt and reverse biodiversity loss	-	-
	101-2	Management of biodiversity impacts	-	-
	101-3	Access and benefit-sharing	-	-
	101-4	Identification of biodiversity impacts	-	-
	101-5	Locations with biodiversity impacts	-	-
	101-6	Direct drivers of biodiversity loss	-	-
	101-7	Changes to the state of biodiversity	-	-
	101-8	Ecosystem services	-	-
Emissions				
GRI 305 : Emissions 2016	305-1	Direct (Scope 1) GHG emissions	5. Impact on the Environment out of Our Business Operations	5
			7. CO_2 Emissions and Reduction Efforts	7-1
	305-2	Energy indirect (Scope 2) GHG emissions	5. Impact on the Environment out of Our Business Operations	5
			7. CO_2 Emissions and Reduction Efforts	7-1
	305-3	Other indirect (Scope 3) GHG emissions	5. Impact on the Environment out of Our Business Operations	5
			7. CO_2 Emissions and Reduction Efforts	7-1
	305-4	GHG emissions intensity	5. Impact on the Environment out of Our Business Operations	5
			7. CO_2 Emissions and Reduction Efforts	7-1
	305-5	Reduction of GHG emissions	5. Impact on the Environment out of Our Business Operations	5
			7. CO_2 Emissions and Reduction Efforts	7-1
	305-6	Emissions of ozone-depleting substances (ODS)	-	-

GRI Standards	Disclosure Item		Location of Nissha Information Posted	Pages on PDF
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5. Impact on the Environment out of Our Business Operations	5
			7-4 Trends in CO_2 Emissions (Scope 1 and 2), Energy Consumption, and Basic Unit	7-3
			10-6 Prevention of Air Pollution	10-5
Waste				
GRI 306 : Waste 2020	306-1	Waste generation and significant waste-related impacts	9-2 Risk Management Related to Waste and Waste Converted into Valuable Resources (Nissha Group in Japan)	9-2
	306-2	Management of significant waste-related impacts	9-2 Risk Management Related to Waste and Waste Converted into Valuable Resources (Nissha Group in Japan)	9-2
	306-3	Waste generated	5. Impact on the Environment out of Our Business Operations	5
			9-1 Total Amount of Waste	9-1
	306-4	Waste diverted from disposal	5. Impact on the Environment out of Our Business Operations	5
			9-1 Total Amount of Waste	9-1
	306-5	Waste directed to disposal	5. Impact on the Environment out of Our Business Operations	5
			9-1 Total Amount of Waste	9-1
Environmental compliance				
GRI 307 : Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	10. Management of Chemical Substances and Environmental Risks	10-1
			12. Environmental Objectives and Status of Achievement (Nissha Group in Japan)	12-1
			21-4 Survey of the Supply Chain	21-3
Supplier environmental assessment				
GRI 308 : Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	-	-
	308-2	Negative environmental impacts in the supply chain and actions taken	12. Environmental Objectives and Status of Achievement (Nissha Group in Japan)	12-1
			21-1 Principles, 21-2 Maintaining Purchasing Related Regulations, 21-3 Nissha Group Supply Chain, 21-4 Survey of the Supply Chain	21-1

GRI Standards		Disclosure Item	Location of Nissha Information Posted	Pages on PDF
Social				
Employment				
GRI 401 : Employment 2016	401-1	New employee hires and employee turnover	15-1 Nissha Group Employee Composition	15-1
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-	-
	401-3	Parental leave	17-4 Child-Rearing and Family Care Support (Nissha Group in Japan)	17-2
Labor/management relations				
GRI 402 : Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	13-5 Relationship with Labor Union	13-4
Occupational health and safety				
GRI 403 : Occupational Health and Safety 2018	403-1	Occupational health and safety management system	18-1 Policy and Principles, 18-2 Safety and Health Management System	18-1
	403-2	Hazard identification, risk assessment, and incident investigation	18-1 Policy and Principles, 18-2 Safety and Health Management System, 18-3 Risk Mitigation Initiatives	18-1
	403-3	Occupational health services	18-1 Policy and Principles, 18-2 Safety and Health Management System, 18-3 Risk Mitigation Initiatives	18-1
	403-4	Worker participation, consultation, and communication on occupational health and safety	18-1 Policy and Principles, 18-2 Safety and Health Management System, 18-3 Risk Mitigation Initiatives	18-1
	403-5	Worker training on occupational health and safety	18-5 Safety and Health Education and Training	18-3
	403-6	Promotion of worker health	19. Health and Productivity Management	19-1
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	18-1 Policy and Principles, 18-2 Safety and Health Management System, 18-3 Risk Mitigation Initiatives	18-1
	403-8	Workers covered by an occupational health and safety management system	18-1 Policy and Principles, 18-2 Safety and Health Management System	18-1
	403-9	Work-related injuries	18-4 Occurrence of Occupational Accidents	18-2
	403-10	Work-related ill health	18-4 Occurrence of Occupational Accidents	18-2

GRI Standards		Disclosure Item	Location of Nissha Information Posted	Pages on PDF
Training and education				
GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	16-5 Training Records	16-3
	404-2	Programs for upgrading employee skills and transition assistance programs	14-3 Talent Management System	14-2
			15-4 Promotion of Women's Advancement	15-3
			16. Human Resources Development	16-1
			17-11 Internal Job Posting System, 17-12 Awarding system (Nissha Group)	17-5
			20-2 Initiatives > Training	20
			21-5 Development of Procurement Personnel	21-4
			29-5 Security Enhancement Strategy in the 8th Medium-Term Business Plan	29-2
			30-7 Training	30-3
	404-3	Percentage of employees receiving regular performance and career development reviews	14-4 Fair Evaluation and Treatment (Nissha Group in Japan)	14-2
Diversity and equal opportunity				
GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	15-1 Nissha Group Employee Composition	15-1
			25-3 Directors of the Board and the Board of Directors > The skill set necessary for the Board of Directors, and the values, experiences, and skills in common required for all Directors, 25-7 Corporate Officers > Diversity of Corporate Officers	25-3
	405-2	Ratio of basic salary and remuneration of women to men	14-5 Wage Management	14-2
Non-discrimination				
GRI 406 : Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	-	-
Freedom of association and collective bargaining				
GRI 407 : Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	13-5 Relationship with Labor Union	13-4
			21-1 Principles, 21-2 Maintaining Purchasing Related Regulations, 21-3 Nissha Group Supply Chain, 21-4 Survey of the Supply Chain	21-1

GRI Standards		Disclosure Item	Location of Nissha Information Posted	Pages on PDF
Child labor				
GRI 408 : Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	13-1 Policy, 13-3 Initiatives Related to Labor and Human Rights 21-1 Principles, 21-2 Maintaining Purchasing Related Regulations, 21-3 Nissha Group Supply Chain, 21-4 Survey of the Supply Chain	13-1 21-1
Forced or compulsory labor				
GRI 409 : Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	13-1 Policy, 13-3 Initiatives Related to Labor and Human Rights 21-1 Principles, 21-2 Maintaining Purchasing Related Regulations, 21-3 Nissha Group Supply Chain, 21-4 Survey of the Supply Chain	13-1 21-1
Security practices				
GRI 410 : Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	-	-
Rights of indigenous peoples				
GRI 411 : Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	-	-
Human rights assessment				
GRI 412 : Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	13-3 Initiatives Related to Labor and Human Rights 21-4 Survey of the Supply Chain	13-3 21-3
	412-2	Employee training on human rights policies or procedures	-	-
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-	-
Local communities				
GRI 413 : Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	-	-
	413-2	Operations with significant actual and potential negative impacts on local communities	-	-

GRI Standards		Disclosure Item	Location of Nissha Information Posted	Pages on PDF
Supplier social assessment				
GRI 414 : Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	-	-
	414-2	Negative social impacts in the supply chain and actions taken	21-1 Principles, 21-2 Maintaining Purchasing Related Regulations, 21-3 Nissha Group Supply Chain, 21-4 Survey of the Supply Chain 34. Responsible Mineral Procurement	21-1 34-1
Public policy				
GRI 415 : Public Policy 2016	415-1	Political contributions	-	-
Customer health and safety				
GRI 416 : Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	-	-
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	23-6 Quality and Safety of Products	23-5
Marketing and labeling				
GRI 417 : Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	-	-
	417-2	Incidents of non-compliance concerning product and service information and labeling	-	-
	417-3	Incidents of non-compliance concerning marketing communications	-	-
Customer privacy				
GRI 418 : Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	-
Socioeconomic compliance				
GRI 419 : Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	-	-

37. ESG Data

The ESG Data is a compilation of quantitative information shown in Nissha Sustainability Report and some additional information. The data for the five years from FY2021 to FY2025 are collected for each theme. In addition, a list of policies and principles is posted at the end of this document.

* In the boundary, Nissha Co., Ltd. is described as "Nissha" and the entire Group companies including Nissha Co., Ltd. is described as "Nissha Group". In addition, domestic companies within the "Nissha Group" are referred to as "Nissha Group in Japan". Individual company names are abbreviated as below.
- NII: Nissha Industries, Inc.
- NPT: Nissha Precision and Technologies, Inc.

Environment

Items		Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
5. Impact on the Environment out of Our Business Operations								
Total input of raw materials		t	Nissha Group	127,430	123,982	85,273	99,008	97,759
Energy	Electricity	MWh	Nissha Group	264,973	250,732	217,027	235,566	199,342
	Gas	Thousand m^3	Nissha Group	10,558	10,485	10,029	10,422	9,973
Water	Tap water	Thousand m^3	Nissha Group	1,249	993	912	1,069	1,021
	Underground water	Thousand m^3	Nissha Group	46	49	42	37	94
	Industrial water	Thousand m^3	Nissha Group	1,670	1,549	1,282	1,316	287
VOC		t	Nissha Group	826	752	681	667	662
Wastewater		Thousand m^3	Nissha Group	2,594	2,342	2,002	2,216	1,368
7. CO_2 Emissions and Reduction Efforts								
Scope 1, CO_2 emissions		t-CO_2	Nissha Group	24,196	28,435	25,609	26,095	25,412
Scope 2, CO_2 emissions		t-CO_2	Nissha Group	101,048	86,255	75,354	37,991	35,309
CO_2 emissions (Scope 1 and 2)	Total	t-CO_2	Nissha Group	125,244	114,691	100,963	64,086	60,721
	Nissha Group in Japan	t-CO_2	-	83,652	64,806	61,388	19,014	17,739
	Nissha Group overseas	t-CO_2	-	41,592	49,885	39,575	45,072*1	42,982*1

Items	Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
CO_2 emissions basic unit of net sales	t-CO_2/ Million yen	Nissha Group	0.66	0.59	0.60	0.33	0.31

* We have adopted market standards for the electricity emissions factor in Japan and use location standards for each country as overseas electricity emissions factors.
*1. From FY2024, Nissha Metallizing Solutions (Belgium, Italy, Germany) has adopted market standards (Europe's Association of Issuing Bodies (AIB) standards).

Items			Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
Scope 3, CO_2 emissions	Purchased goods and services		t-CO_2	Domestic	18,603	50,616*1	38,891*1	54,881*1	27,020*1
			t-CO_2	Overseas	n/a	97,144	72,818	91,850	Under investigation
	Capital goods		t-CO_2	-	n/a	17,126	13,910	21,041	Under investigation
	Fuel and energy-related activities (not included in Scope 1 or Scope 2)		t-CO_2	-	n/a	15,684	12,476	6,831	Under investigation
	Upstream transportation and distribution		t-CO_2	Domestic	17,766	-	-	10,257*1	9,454*1
			t-CO_2	Overseas	n/a	-	-	12,035	Under investigation
		Purchased products*2	t-CO_2	Domestic	-	4,272*1	4,368*1	-*4	-*4
			t-CO_2	Overseas		10,341	2,773		
		Shipments*3	t-CO_2	Domestic	-	7,398*1	6,561*1	-*4	-*4
			t-CO_2	Overseas		19,296	14,038		
	Waste generated in operations		t-CO_2	-	n/a	4,462	4,031	5,211	Under investigation
	Business travel		t-CO_2	Domestic	281	579*1	638*1	873*1	971*1
	Employee commuting		t-CO_2	Domestic	2,204	2,261*1	2,038*1	2,003*1	2,175*1
	Use of sold products		t-CO_2	-	n/a	7,739*1	10,370*1	8,457*1	16,837*1
	End of life treatment of sold products		t-CO_2	Domestic	n/a	535	417	434	Under investigation
			t-CO_2	Overseas	n/a	4,091	2,913	2,608	Under investigation
	Total		t-CO_2	-	n/a	241,544	186,242	216,481	Under investigation

*1. Figures have been certified by a third party.
*2. Emissions arising from the transport and delivery of raw materials purchased from major material suppliers.
*3. Emissions arising from the transport and delivery of products manufactured by the Nissha Group.
*4. Since FY2025, we have undergone third party verification for the total figures as upstream transportation and distribution.

Items		Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
Energy consumption	Total	Thousand GJ	Nissha Group	3,124	2,662	2,032	1,671	1,524
	Nissha Group in Japan	Thousand GJ	-	2,040	1,607	1,256	835	675
	Nissha Group overseas	Thousand GJ	-	1,084	1,055	775	836	849
Energy consumption basic unit of net sales		Thousand GJ/ Million yen	Nissha Group	0.0165	0.0137	0.0121	0.0085	0.0078
Electricity consumption	Total	MWh	Nissha Group	264,973	250,732	217,027	235,566	199,342
	Nissha Group in Japan	MWh	-	182,488	158,335	140,384	152,436	115,578
	Nissha Group overseas	MWh	-	82,485	92,397	76,644	83,130	83,764
Gas consumption	Total	Thousand m^3	Nissha Group	10,558	10,485	10,029	10,422	9,973
	Nissha Group in Japan	Thousand m^3	-	4,865	4,782	4,314	3,595	3,096
	Nissha Group overseas	Thousand m^3	-	5,694	5,703	5,714	6,827	6,877
Gasoline, diesel, and heavy oil consumption	Total	kl	Nissha Group	220	207	198	183	202
	Nissha Group in Japan	kl	-	70	60	64	76	90
	Nissha Group overseas	kl	-	151	147	133	106	113
9. Waste Management								
Total waste emissions		t	Nissha Group	30,587	27,206	20,841	23,080	20,429
Waste emissions (Nissha Group in Japan)		t	-	17,465	13,606	11,057	13,303	10,307
Recyclable resources (items sold for recycling)		t	-	5,743	4,203	3,560	4,335	3,431
Recyclable resources (waste reused as resources)		t	-	11,697	9,380	7,470	8,936	6,748
Waste for incineration/landfill		t	-	25	22	27	32	129
Waste emissions (Nissha Group overseas)		t	-	13,121	13,601	9,784	9,777	10,122
Recyclable resources (items sold for recycling)		t	-	9,838	10,904	7,407	7,578	7,346
Recyclable resources (waste reused as resources)		t	-	1,335	877	615	585	1,655
Waste for incineration/landfill		t	-	1,948	1,819	1,762	1,613	1,121

Items	Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
Recycling and resource reuse rate	%	Nissha Group in Japan	99.9	99.8	99.8	99.8	98.8
	%	Nissha Group overseas	85.2	86.6	82.0	83.5	88.9
10. Management of Chemical Substances and Environmental Risks							
Kyoto Global Headquarters							
NOx	ppm	Headquarters	25	27	26	24	32
Soot and dust	g/m^3N	Headquarters	0.002	<0.001	0.004	<0.004	<0.004
NII Koka Factory							
NOx	ppm	NII Koka Factory	32	29	43	35	30
Soot and dust	g/m^3N	NII Koka Factory	<0.01	<0.01	<0.01	<0.01	<0.01
NPT Himeji Factory							
NOx	ppm	NPT Himeji Factory	34	31	31	39	43
Soot and dust	g/m^3	NPT Himeji Factory	<0.001	<0.001	<0.001	<0.001	<0.001
12. Environmental Objectives and Status of Achievement (Nissha Group in Japan)							
Environmental accidents	Number	Nissha Group in Japan	1[*1]	1[*2]	0	0	0

*1. In FY2021, there was one chemical leak accident at the NII Koka Factory, but it did not have a significant environmental impact.
*2. In FY2022, a delivery company's truck experienced a fuel leak at Nissha FIS, Inc., but it did not have a significant environmental impact.

Human Rights

Items	Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
13. Human Rights							
Internal Harassment Help Desk number of consult	Number	Nissha Group	12	-[*1]	-[*1]	-[*1]	0[*2]
Membership of Labor Union	Number	Nissha Group in Japan	1,106	1,051	1,253	1,258	1,235
Number of reports on strike or lockout	Number	Nissha Group	0	0	0	0	0

*1. As the Harassment Help Desk and the Hotline shared the same contact point from July 2022 to September 2025, the information has been consolidated and presented as the number of cases reported to the Hotline.
*2. In October 2025, we began operating an internal harassment consultation service.

Human Resources

Items		Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
14. Human Resources Policy and System								
Gap between male and female in terms of wages								
All workers	Male	-	Nissha	n/a	100	100	100	100
	Female	-	Nissha	n/a	76.3	75.9	77.6	78.4
Full-time workers	Male	-	Nissha	n/a	100	100	100	100
	Female	-	Nissha	n/a	77.7	78.1	78.4	79.3
Non-regular workers	Male	-	Nissha	n/a	100	100	100	100
	Female	-	Nissha	n/a	56.2	60.0	68.3	66.2

* FY2022 and thereafter are shown due to a change in the aggregation method from FY2022.
* The figures show a comparison of female with a male wages set at 100.
* 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 applies equally to male and female, and they are both treated the same. Differences arise from differences in rank or age composition. There is a smaller ratio of female in managerial positions or higher ranks, which have relatively higher salaries, and this affects the differences over all positions.
* Non-regular workers include employees who are treated differently, such as contract employees who are rehired after mandatory retirement and employees working under individual labor contracts. A larger proportion of the post-retirement reemployment system employees who continue to be employed as non-regular workers in managerial staff are male, which affects the difference between male and female among non-regular workers.

Items		Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
15. Respect for Diversity								
Number of locally hired CEO		Number	Nissha Group	8	8	8	8	8
Number of employees by area (Japan)	Total	Number	-	1,990	1,915	1,922	1,910	1,957
	Male	Number	-	1,574	1,500	1,489	1,459	1,478
	Female	Number	-	416	415	433	451	479
Number of employees by area (Asia)	Total	Number	-	661	633	582	553	571
	Male	Number	-	312	319	281	257	266
	Female	Number	-	349	314	301	296	305
Number of employees by area (Europe)	Total	Number	-	698	693	744	732	756
	Male	Number	-	505	488	501	492	504
	Female	Number	-	193	205	243	240	252
Number of employees by area (North America)	Total	Number	-	1,539	1,151	1,367	1,637	1,547
	Male	Number	-	873	690	750	917	860
	Female	Number	-	666	461	617	720	687
Number of employees by area (Central and South America)	Total	Number	-	521	933	606	565	474
	Male	Number	-	206	365	191	164	140
	Female	Number	-	315	568	415	401	334
Composition by employment status (Permanent)	Total	Number	Nissha Group	5,409	5,325	5,221	5,397	5,305
	Male	Number	Nissha Group	3,470	3,362	3,212	3,289	3,248
	Female	Number	Nissha Group	1,939	1,963	2,009	2,108	2,057
Composition by employment status (Temporary)	Total	Number	Nissha Group	1,443	1,438	1,368	1,237	1,260
	Male	Number	Nissha Group	866	865	894	750	795
	Female	Number	Nissha Group	577	573	474	487	465
Composition of Directors of the Board	Total	Number	Nissha	9	9	9	9	9
	Male	Number	Nissha	8	8	8	8	8
	Female	Number	Nissha	1	1	1	1	1
Composition of corporate officers, excluding concurrently serving as Directors of the Board	Total	Number	Nissha	12	12	11	14	12
	Male	Number	Nissha	12	12	11	13	11
	Female	Number	Nissha	0	0	0	1	1
Composition of Nissha fellows	Total	Number	Nissha	2	1	1	1	2
	Male	Number	Nissha	2	1	1	1	2
	Female	Number	Nissha	0	0	0	0	0
Composition of managerial staff	Total	Number	Nissha	166	163	164	158	150
	Male	Number	Nissha	157	153	152	144	135
	Female	Number	Nissha	9	10	12	14	15
Composition of employees	Total	Number	Nissha	731	710	720	758	724
	Male	Number	Nissha	534	513	514	524	484
	Female	Number	Nissha	197	197	206	234	240

Items		Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
Average age	Average	Age	Nissha	42.2	42.9	42.9	42.8	42.6
	Male	Age	Nissha	43.8	44.7	44.8	45.1	45.1
	Female	Age	Nissha	37.8	38.2	38.1	37.7	37.5
Average years of employment	Average	Year	Nissha	14.3	15.7	15.6	15.6	15.7
	Male	Year	Nissha	15.6	17.2	17.2	17.6	17.8
	Female	Year	Nissha	10.8	11.8	11.6	11.3	11.5
Composition by age (18-19)	Total	Number	Nissha	2	2	4	7	6
	Male	Number	Nissha	0	0	0	0	1
	Female	Number	Nissha	2	2	4	7	5
Composition by age (20-29)	Total	Number	Nissha	82	72	81	81	88
	Male	Number	Nissha	42	33	36	34	33
	Female	Number	Nissha	40	39	45	47	55
Composition by age (30-39)	Total	Number	Nissha	217	193	172	186	171
	Male	Number	Nissha	135	117	106	103	89
	Female	Number	Nissha	82	76	66	83	82
Composition by age (40-49)	Total	Number	Nissha	269	261	276	280	264
	Male	Number	Nissha	218	205	213	217	199
	Female	Number	Nissha	51	56	63	63	65
Composition by age (50-59)	Total	Number	Nissha	155	175	179	197	193
	Male	Number	Nissha	134	152	152	165	160
	Female	Number	Nissha	21	23	27	32	33
Composition by age (over 60)	Total	Number	Nissha	6	7	8	7	2
	Male	Number	Nissha	5	6	7	5	2
	Female	Number	Nissha	1	1	1	2	0
Number of employees	Total	Number	Nissha Group	5,409	5,325	5,221	5,397	5,305
	Male	Number	Nissha Group	3,470	3,362	3,212	3,289	3,248
	Female	Number	Nissha Group	1,939	1,963	2,009	2,108	2,057

Items		Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
Composition of managerial staff	Male	Number	Nissha Group in Japan	281	269	261	257	266
	Female	Number	Nissha Group in Japan	14	15	17	21	25
	Total	Number	Nissha Group in Japan	295	284	278	278	291
	Of which mid-career employees	Number	Nissha Group in Japan	94	91	89	92	88
	Of which foreign employees	Number	Nissha Group in Japan	2	1	1	1	1
Percentage of persons with disabilities employed		%	Nissha	2.12	2.07	2.67	2.20	2.11
Female manager ratio		%	Nissha Group	20.0	21.5	22.7	24.4	25.2
		%	Nissha	5.4	5.9	7.1	8.9	10.1
Next-generation female managerial staff ratio		%	Nissha	22.3	23.9	24.5	27.0	28.0
16. Human Resources Development								
Annual training hours	Total	Hours	Nissha Group in Japan	42,426	30,613	28,739	25,729	34,767
	Male	Hours	Nissha Group in Japan	28,928	23,252	20,042	16,013	22,509
	Female	Hours	Nissha Group in Japan	13,498	7,361	8,697	9,716	12,258
Training hours per employee	Average	Hours	Nissha Group in Japan	18.2	14.4	13.4	12.2	16.1
	Male	Hours	Nissha Group in Japan	16.4	14.2	12.2	10.0	14.0
	Female	Hours	Nissha Group in Japan	24.0	15.3	17.7	19.2	22.1
17. Employee Engagement								
Engagement Survey								
Response rate		%	Nissha Group	n/a	83.0	94.2	96.6	90.8
Will to contribute to the organization	Percentage of Positive Responses	%	Nissha Group	n/a	95.6	95.5	95.4	95.7
Organizational Commitment	Percentage of Positive Responses	%	Nissha Group	n/a	87.8	89.0	88.9	90.4
Rewarding	Percentage of Positive Responses	%	Nissha Group	n/a	82.3	83.4	83.9	84.3
Feeling of contributing to society	Percentage of Positive Responses	%	Nissha Group	n/a	78.8	80.6	81.9	83.3
* We started engagement surveys in FY2022.								
Average days of annual paid leave used		Days	Nissha Group in Japan	11.5	12.9	14.1	14.8	14.4

Items		Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
Average percentage of annual paid leave used		%	Nissha Group in Japan	60.3	66.1	72.0	76.5	73.0
Number of employees who used child-rearing leave	Total	Number	Nissha Group in Japan	67	73	81	68	75
	Male	Number	Nissha Group in Japan	21	25	38	31	36
	Female	Number	Nissha Group in Japan	46	48	43	37	39
Number of employees who worked shorter hours for child-rearing	Total	Number	Nissha Group in Japan	89	95	88	89	91
	Male	Number	Nissha Group in Japan	2	3	6	5	5
	Female	Number	Nissha Group in Japan	87	92	82	84	86
Number of employees who took days off for child nursing	Total	Number	Nissha Group in Japan	108	115	122	125	139
	Male	Number	Nissha Group in Japan	49	50	60	60	69
	Female	Number	Nissha Group in Japan	59	65	62	65	70
Reinstatement rate after child-rearing leave	Average	%	Nissha Group in Japan	97.1	97.6	100	100	100
	Male	%	Nissha Group in Japan	100	100	100	100	100
	Female	%	Nissha Group in Japan	95.6	95.8	100	100	100
Retention rate after child-rearing leave (1 year)	Average	%	Nissha Group in Japan	88.5	94.7	90.6	92.9	100
	Male	%	Nissha Group in Japan	83.3	87.5	95.0	91.4	100
	Female	%	Nissha Group in Japan	91.3	100	88.6	95.2	100
Number of employees who used family care leave	Total	Number	Nissha Group in Japan	0	0	0	1	0
	Male	Number	Nissha Group in Japan	0	0	0	0	0
	Female	Number	Nissha Group in Japan	0	0	0	1	0
Number of employees who used shorter hours for family care	Total	Number	Nissha Group in Japan	0	0	1	1	1
	Male	Number	Nissha Group in Japan	0	0	0	0	0
	Female	Number	Nissha Group in Japan	0	0	1	1	1
Number of employees who used days off for family care	Total	Number	Nissha Group in Japan	6	12	15	21	35
	Male	Number	Nissha Group in Japan	5	6	8	10	15
	Female	Number	Nissha Group in Japan	1	6	7	11	20
Number of employees who used outpatient sick leave system	Total	Number	Nissha Group in Japan	6	9	9	19	20
	Male	Number	Nissha Group in Japan	3	5	5	13	14
	Female	Number	Nissha Group in Japan	3	4	4	6	6
Number of internal job posting		Number	Nissha Group in Japan	15	31	14	20	13

Items		Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
Successful applicants (transferees)	Total	Number	Nissha Group in Japan	7	2	1	0	2
	Male	Number	Nissha Group in Japan	6	2	0	0	1
	Female	Number	Nissha Group in Japan	1	0	1	0	1
Number of award winners	Nissha CEO Award (Company-wide)	Number	Nissha Group	0	0	0	0	0
	CEO Award (Group Companies)	Number	Nissha Group	10	0	11	0	57
	BU Head Award	Number	Nissha Group	35*1	21	41	24	57
	Synergy Award	Number	Nissha Group	32	79	57	n/a	n/a
	Top Profit Contributor Award	Number	Nissha Group	n/a	n/a	n/a	43	22
	New Hope Award	Number	Nissha Group	13	8	15	11	14

* In FY2024, the award system was revised and the Synergy Award was abolished, while the Top Profit Contributor Award was newly established.
*1. Includes the number of winners of the Director's Special Award, which corresponds to the BU Head Award.

Items	Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
Subscription rate in employee stock ownership plan	%	Nissha Group in Japan	27.5	27.5	28.5	29.3	38.1
18. Safety and Health							
Frequency of work-related accidents	-	Nissha Group in Japan	1.48	0.35	0.91	1.14	1.27
Severity of work-related accidents	-	Nissha Group in Japan	0.05	0.00	0.04	0.04	0.02
Fatal accidents (employee fatalities due to accidents at work)	Number	Nissha Group in Japan	0	0	0	0	0
Number of work-related accidents	Number	Nissha Group	53	60	39	38	53
Number of work-related accidents (Japan)	Number	-	15	7	9	10	13
four or more days of leave	Number	-	7	0	5	5	4
Number of work-related accidents (North America)	Number	-	14	19	14	15	21
Number of work-related accidents (Central and South America)	Number	-	2	2	2	1	0
Number of work-related accidents (Europe)	Number	-	17	30	13	12	18
Number of work-related accidents (Asia)	Number	-	5	2	1	0	1

Items	Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
19. Health and Productivity Management							
Regular health checkup rate	%	Nissha Group in Japan	99.7	100	100	100	100
Detailed checkup rate after regular health checkup	%	Nissha Group in Japan	51.7	60.3	75.3	75.5	87.4
Lung cancer screening rate	%	Nissha Group in Japan	100	100	100	100	100
Stomach cancer screening rate	%	Nissha Group in Japan	94.0	93.0	92.9	94.4	96.6
Colorectal cancer screening rate	%	Nissha Group in Japan	96.8	96.2	97.3	99.2	99.6
Uterus cancer screening rate	%	Nissha Group in Japan (held on a biennial basis)	66.7	66.7	92.7	85.8	95.7
Breast cancer screening rate	%	Nissha Group in Japan (held on a biennial basis)	74.2	74.7	90.2	81.3	93.2
Smoking rate	%	Nissha Group in Japan	28.5	25.6	25.7	23.9	22.3
Obesity rate	%	Nissha Group in Japan	29.7	24.8	25.7	27.3	28.0
Percentage of individuals maintaining appropriate weight	%	Nissha Group in Japan	69.7	68.4	66.7	65.5	64.5
Percentage of individuals with regular exercise habits	%	Nissha Group in Japan	21.2	24.0	24.5	26.0	25.8
Percentage of individuals with abnormal findings	%	Nissha Group in Japan	73.5	78.2	78.2	76.6	75.4
Percentage of individuals at risk for high blood pressure	%	Nissha Group in Japan	0.0	0.2	0.2	0.3	0.2
Percentage of individuals at risk for blood sugar issues	%	Nissha Group in Japan	0.2	0.3	0.3	0.2	0.4
Specific health guidance implementation rate (Implemented / Targeted)	%	Nissha Group in Japan	99.0	99.9	93.9	94.8	93.0
Specific health guidance continuation rate (Completed / Initial interview participants)	%	Nissha Group in Japan	99.0	99.0	98.3	99.0	100
Stress check implementation rate	%	Nissha Group in Japan	100	99.9	100	100	100
Percentage of individuals experiencing high stress	%	Nissha Group in Japan	10.0	9.8	9.1	9.6	8.5
Presenteeism	%	Nissha Group in Japan	n/a	n/a	n/a	12.9	12.5
Absenteeism	%	Nissha Group in Japan	n/a	0.72	0.81	0.96	0.86
Engagement	%	Nissha Group in Japan	n/a	n/a	62.1	62.4	65.3

Fair Operating Practices / Local Communities

Items	Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
22. Along with Local Communities							
Social contribution expenses	Million yen	Nissha Group in Japan	111	153	105	209	148

Quality Management /Efficiency and Productivity Improvement

Items	Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
23. Quality Management							
Number of serious quality incidents	Number	Nissha Group	0	0	0	1*	0
Fines due to serious quality incidents	Japanese Yen	Nissha Group	0	0	0	0	0

* In FY2024, while there were no serious incidents as laid out in our Regulations for Responding to Serious Quality Incidents, there was one incident which was determined to be a serious quality incident in terms of its effect on costs. Immediately after the incident, the Total Quality Management Office and the Quality Assurance Department in our business units, in accordance with the regulations, completed handling the matter, including a prompt customer response, product disposal, investigation into the cause, implementation of corrective measures and audits to confirm their effectiveness, as well as expansion to similar locations and bases. As a result, we were able to avoid effects on our customers' production, and also confirmed the appropriateness of our response system.

Governance

Items	Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
25. Corporate Governance							
Directors of the Board	Number	Nissha	9	9	9	9	9
Independent Outside Director of the Board	Number	Nissha	4	4	4	4	4
Female Directors of the Board	Number	Nissha	1	1	1	1	1
Foreign national Directors of the Board	Number	Nissha	1	1	0	0	0
Audit and Supervisory Board Members	Number	Nissha	4	4	4	4	4
Independent Audit and Supervisory Board Member	Number	Nissha	2	2	2	2	2
Female Audit and Supervisory Board Members	Number	Nissha	0	0	0	0	0

Items		Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
Corporate Officers, excluding concurrently serving as Directors of the Board		Number	Nissha	12	12	14	13	13
Female Corporate Officers		Number	Nissha	0	0	1	1	1
Foreign national Corporate Officers		Number	Nissha	2	2	2	2	3
* The number of Directors of the Board, Audit and Supervisory Board Members, and Corporate Officers is as of the conclusion of the Ordinary General Meeting of Shareholders for the relevant fiscal year.								
Total compensation	Directors of the Board (Excluding Independent Outside Directors of the Board)	Million yen	Nissha	328	318	257	441	473
	Audit and Supervisory Board Members (Excluding Independent Audit and Supervisory Board Members)	Million yen	Nissha	28	32	33	33	33
	Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members	Million yen	Nissha	53	54	54	54	58
Compensation by category (Base salary)	Directors of the Board (Excluding Independent Outside Directors of the Board)	Million yen	Nissha	169	171	171	216	255
	Audit and Supervisory Board Members (Excluding Independent Audit and Supervisory Board Members)	Million yen	Nissha	28	32	33	33	33
	Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members	Million yen	Nissha	53	54	54	54	58
Compensation by category (Bonuses)	Directors of the Board (Excluding Independent Outside Directors of the Board)	Million yen	Nissha	113	89	45	150	151
	Audit and Supervisory Board Members (Excluding Independent Audit and Supervisory Board Members)	Million yen	Nissha	-	-	-	-	-
	Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members	Million yen	Nissha	-	-	-	-	-
Compensation by category (Stock compensation, etc.)	Directors of the Board (Excluding Independent Outside Directors of the Board)	Million yen	Nissha	45	57	40	74	66
	Audit and Supervisory Board Members (Excluding Independent Audit and Supervisory Board Members)	Million yen	Nissha	-	-	-	-	-
	Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members	Million yen	Nissha	-	-	-	-	-

Items		Unit	Boundary	FY2021	FY2022	FY2023	FY2024	FY2025
Number of members subject to aggregation of compensation and etc.	Directors of the Board (Excluding Independent Outside Directors of the Board)	Number	Nissha	7	5	5	5	5
	Audit and Supervisory Board Members (Excluding Independent Audit and Supervisory Board Members)	Number	Nissha	2	3	2	2	2
	Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members	Number	Nissha	6	7	6	8	6
28. Risk Management and Compliance								
Hotline number of reports		Number	Nissha Group	7	4	8	24	24
* The Hotline is a whistle-blowing and other consultation service for inappropriate, illegal or unethical behavior by organizations or individuals, and is not limited to harassment consultation.								
35. Management System and Other Certification Acquisitions								
ISO9001 acquisition site		Number of sites	Nissha Group	25	19	18	17	17
ISO13485 acquisition site		Number of sites	Nissha Group	10	12	14	14	15
ISO22716 acquisition site		Number of sites	Nissha Group	1	1	1	1	1
IATF16949 acquisition site		Number of sites	Nissha Group	10	8	8	8	8
ISO14001 acquisition site		Number of sites	Nissha Group	17	18	17	17	15
ISO50001 acquisition site		Number of sites	Nissha Group	4	4	3	3	2
OHSAS18001 / ISO45001 acquisition site		Number of sites	Nissha Group	1	2	2	3	3
ISO27001 acquisition site		Number of sites	Nissha Group	18	18	18	16	16
FSC COC acquisition site		Number of sites	Nissha Group	10	10	10	10	9
PEFC COC acquisition site		Number of sites	Nissha Group	2	2	2	2	2
EN15593 acquisition site		Number of sites	Nissha Group	1	1	1	1	1

List of Policies and Principles

Title	Sustainability Report 2026・Web site	Pages on PDF
Enviroment Policy and Principles	4. Environmental Policy and Management Structures	4-1
Human Rights Policy	13. Human Rights	13-1
Human Resources Policy	14. Human Resources Policy and System	14-1
Occupational Safety and Health Policy and Principles	18. Safety and Health	18-1
Health and Productivity Management Policy	19. Health and Productivity Management	19-1
Purchasing Principles	21. Partnership with Our Suppliers	21-1
Social Contribution Policy	22. Along with Local Communities	22-1
Quality Policy / Nissha Quality Way	23. Quality Management	23-1
Corporate Governance Policy	Website About > Corporate Governance	-
Risk Management Policy	28. Risk Management and Compliance	28-1
Corporate Ethics and Compliance Guidelines and Principles	28. Risk Management and Compliance	28-1
Information Security Policy and Principles	29. Information Security	29-1
Trade Management Policy and Principles	30. Trade Management	30-1
Nissha Anti-Corruption Principles	31. Anti-corruption	31-1
Business Continuity Plans Policy and Principles	32. Business Continuity	32-1
Tax Principles	33. Tax Principles	33
Basic Approach to Responsible Mineral Procurement	34. Responsible Mineral Procurement	34-1