

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.

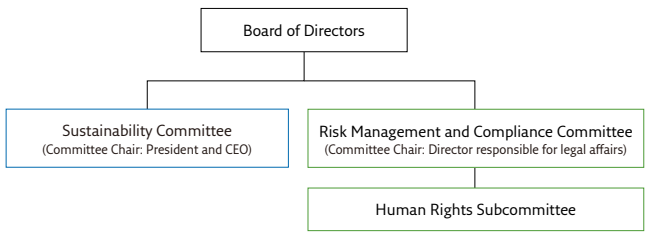
The revision of this Policy has been reported and deliberated by the Board of Directors and signed by the Chairman of the Board and Group CEO.

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.



Selective			Common to all companies			
Target group	Management and strategic human resource development	Global human resource development	Rank-specific	Market-based / Function-based	Optional	All employees
Officers	Executive MBA					
Director			Newly appointed Group Company Director and Audit and Supervisory Board Member training			
Group Manager	Business School Advanced	MBA for working adults	New manager training			
Grade 4	Business School Intermediate		Grade 4 promotion training			
Grade 3	Business School Beginner		Grade 3 promotion training			
Grade 2			Grade 2 promotion training			
Grade 1			Second-year employee training New employee training			
		Overseas assignment pre-departure training				
		Overseas trainee				
			OJT instructor training			
			Mid-career hire training			
				Priority market skills training		
				Training based on job type and duties		
				Core technologies Business development Intellectual property/design/ production/statistics/quality purchasing/sales/trade DX/AI		
					Self-development (English learning, e-Learning, etc.)	
					Corporate ethics and compliance training, etc.	
					Career design training	

16-2 Training Systems (Nissha Group in Japan)

■ Selective training

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

Business School

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

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

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

that combine MBA-based lectures by outside professors from graduate schools of management or Nissha staff who have graduated from schools of management with lectures based on practical case studies by in-house instructors. 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 elementary school
Days off for child nursing	1 child: 5 days 2 or more children: 10 days Up to start of elementary school: paid From elementary school enrollment to junior high school completion: unpaid	1 child: 5 days 2 or more children: 10 days Either paid or unpaid Up to the third grade of elementary school
Child-rearing support fund	Amount: 150,000 yen (for each occasion below) Period: • Birth • Start of elementary school • Start of junior high school • Start of senior high school • Start of technical college	—

* 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
Reinstatement 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

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 performance	n/a
CEO Award (Group Companies)	For employees whose sales and operating profit greatly exceed the previous year's level and plan, or who have contributed to the bold and dynamic execution of business strategies	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 functional organizations or specific projects	22
New Hope Award	For domestic employees who act proactively 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.

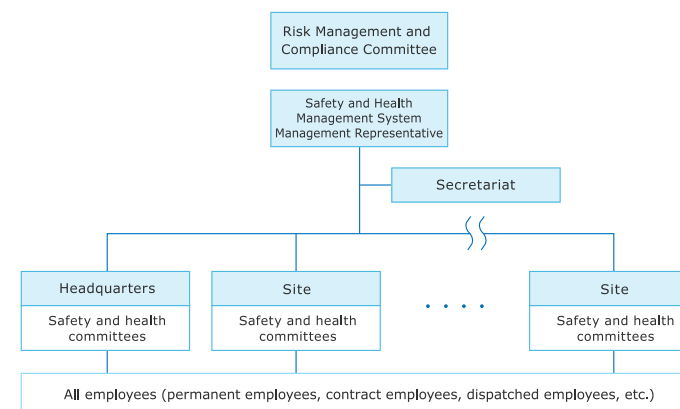
Satoshi Aoki
Senior Vice President, General Affairs
Nissha Co., Ltd.

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.

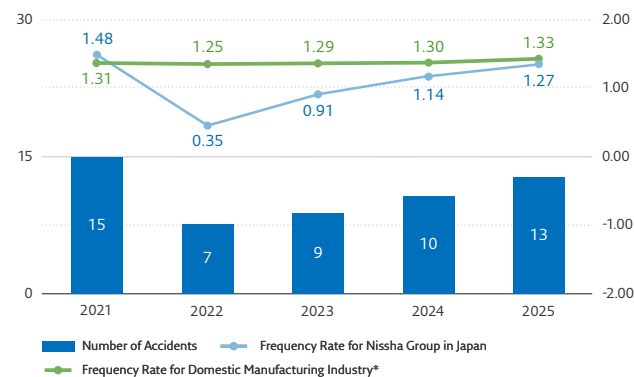
Occupational Accident Performance by Nissha Group in Japan

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

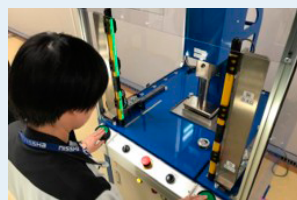
Nissha Safety Dojo

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

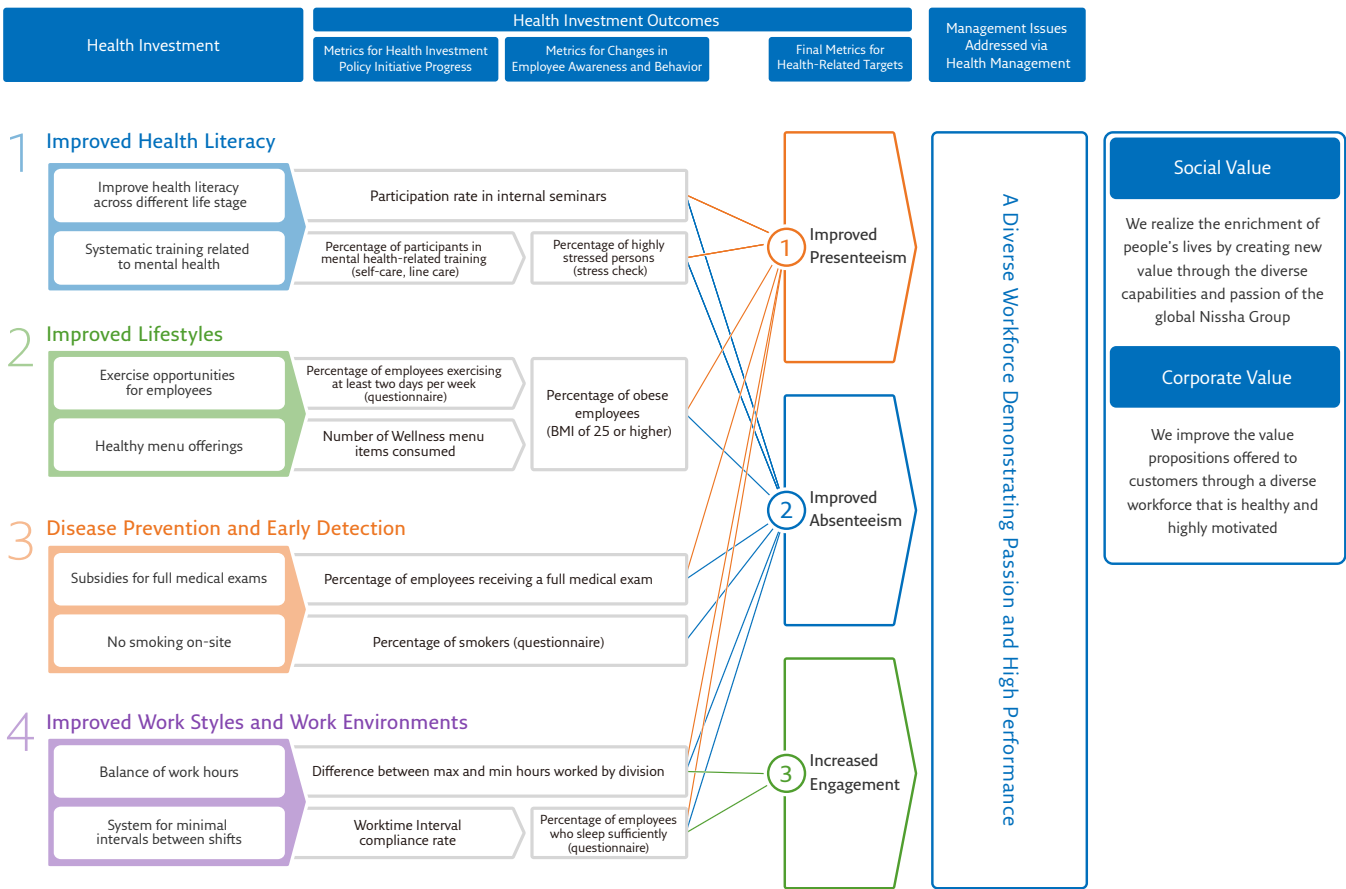
As part of our health and productivity management promotion structure, we have appointed Senior Vice President, Chief Human Resources Officer as the director responsible for health and productivity management.Under the Risk Management and Compliance Committee, the Health and Productivity Management Subcommittee, 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.

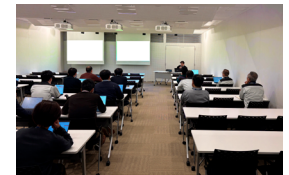
To prevent problems related to intellectual property, the Intellectual Property Management Department examines contracts related to intellectual property, such as joint research and joint development.

■ 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	2. Health and Safety	3. Environment
(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	(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	(1) Environmental Permits and Reporting (2) Pollution Prevention and Resource Conservation (3) Hazardous Substances (4) Solid Waste (5) Air Emissions (6) Materials Restrictions (7) Water Management (8) Energy Consumption and Greenhouse Gas Emissions (9) Environmental Management System
4. Ethics	5. Information Security	
(1) Business Integrity (2) No Improper Advantage (3) Elimination of Terrorist Activities, Weapons Manufacturing, and Money Laundering in the Supply Chain (4) Disclosure of Information (5) Intellectual Property (6) Fair Business, Advertising and Competition (7) Protection of Identity and Non-Retaliation (8) Responsible Sourcing of Minerals	(1) Information Security Management System (2) Information Security Threats (3) 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.



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

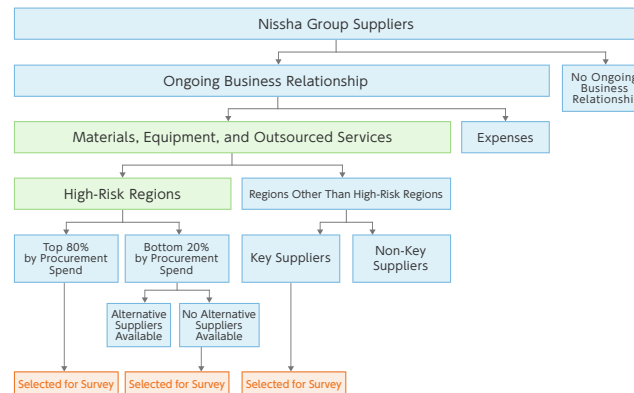
While accepting CSR audits from customers, the Nissha Group carries out annual inspections using our own unique SAQ so that we can ascertain the status of CSR initiatives among suppliers as we build a safe, reliable supply chain. The CSR survey and the SAQ are based on the CSR Procurement Guidelines (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.

■ CO₂ Emissions Survey (Scope 3 Category 1)

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

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

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

■ Environmental Survey

To promote environmental initiatives, 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

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

Yutaka Nishimoto
Director of the Board, Senior Executive Vice President, Chief Quality and Production Officer
Nissha Co., Ltd.
Established on April 1, 2011 / Revised on April 1, 2022

23-2 Quality Slogan

For 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.

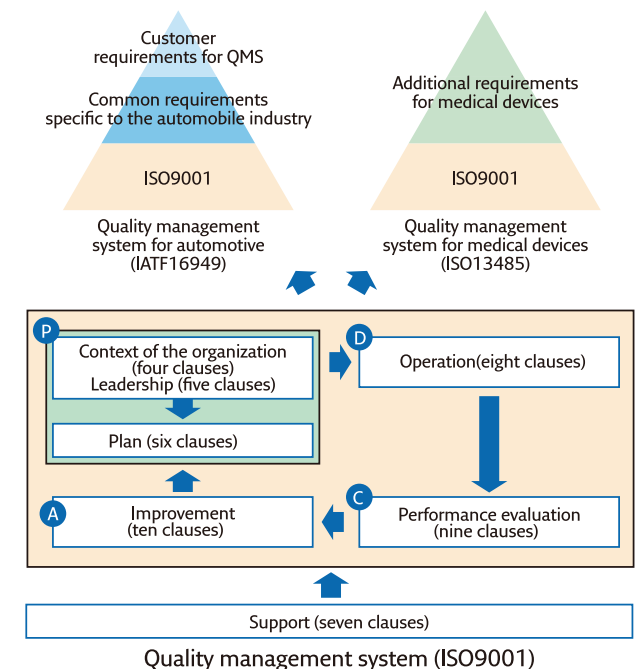
For medical devices, we have obtained a first-class marketing license for medical devices, the required authorization for manufacturing and sales. Nissha Co., Ltd. and Nissha Precision and Technologies, Inc., a Group company, are registered as manufacturing businesses. Moreover, 15 Nissha Group bases 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,

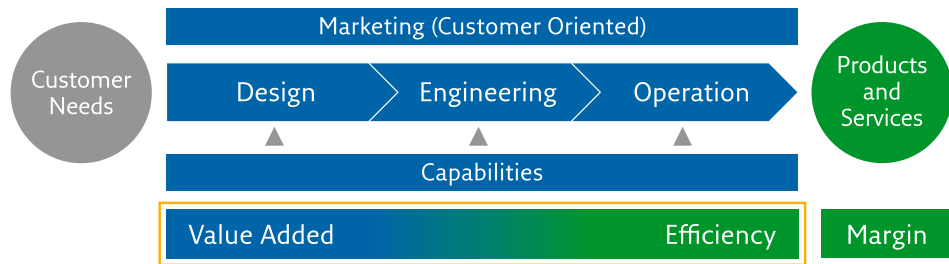
have obtained IATF16949 certification for quality management systems in the automotive industry (as of January 2026).

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.



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

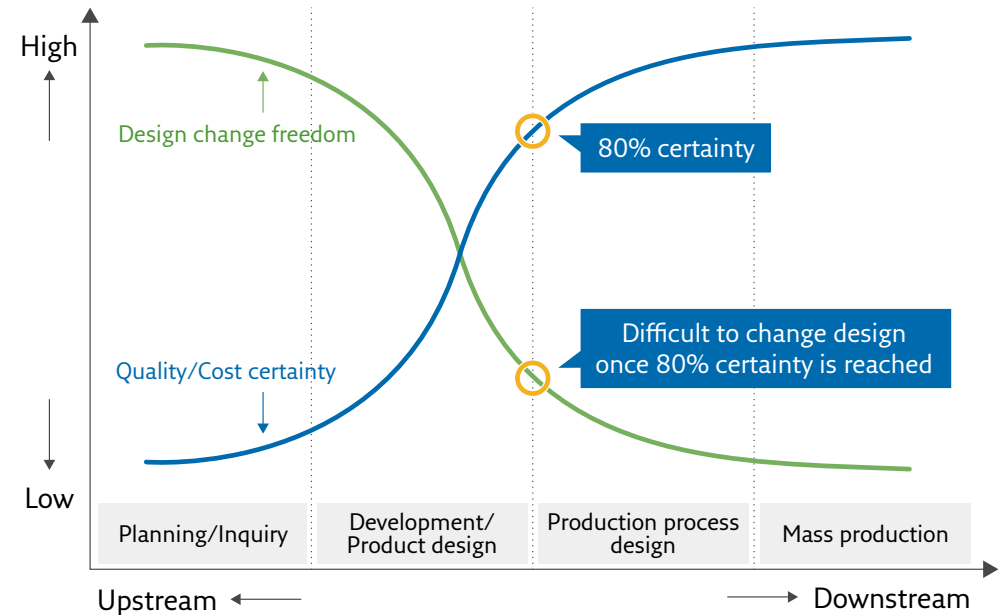
- Creation of quality and added value at the design and development stages
- Product safety: Raising awareness
- DX promotion: Optimization of process design

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 - General quality training (for new employees, promoted employees, new managerial staff, managers, and overseas assignees) - Management system training (ISO9001, IATF16949, core tools, internal quality auditor) - Quality control training (QC Exam levels 3 and 4, QC Seven Tools, New QC Seven Tools, basic statistics) - Quality methodology training (statistical methods, experimental design, quality and reliability engineering, etc.)	Practical education - Support for small-group activities - Support for digital transformation activities Information sharing - Company-wide performance of small-group activities - Performance of digital transformation activities - 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
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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.



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.



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.