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Corporate Governance Report

CORPORATE GOVERNANCE

NISSIN CORPORATION

Last Update: June 27, 2024

NISSIN CORPORATION

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<https://www.nissin-tw.com/english/>

The corporate governance of Nissin Corporation (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

The Company strives to implement a thorough corporate governance system building on improving business transparency and efficiency in order to contribute to society and meet the expectations of stakeholders by enhancing corporate value. Furthermore, to ensure that corporate governance functions effectively, the Company has also established the Nissin Charter of Corporate Behavior, which sets out specific guidelines for complying with the laws of Japan and other countries and acting in accordance with corporate ethics. The Company carries out compliance activities stated in the charter.

Reasons for Non-compliance with the Principles of the Corporate Governance Code Updated

The Company complies with all the Principles of the Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code Updated

[Principle 1.4: Cross-Shareholdings] (Policy on cross-shareholdings and criteria for the exercise of voting rights)

1. Policy on cross-shareholdings

The Company holds shares as cross-shareholdings after thorough consideration and from the perspective of maintaining and strengthening relationships with business partners in the Group’s business, and expanding transactions with them, among factors. It is our policy to withhold new acquisition of cross-shareholdings, unless there is reasonable significance. The Company periodically assesses whether or not to hold each individual cross-shareholdings, by examining the holding purpose and benefits, and in light of capital efficiency, etc. As a result, the Company plans to further cut down cross-shareholdings by approximately 12.0 billion yen by FY2026, in addition to approximately 8.0 billion yen that the Company has already reduced during FY2023. The proceeds from the sales will be used for growth investment and shareholder returns.

2. Criteria for the exercise of voting rights

We exercise the voting rights associated with cross-shareholdings with respect for the management policy and strategy of investee companies, on consideration of factors such as whether they risk damaging corporate value.

[Principle 1.7: Related Party Transactions]

Transactions between the Company and Directors of the Company and other conflicting interest transactions as defined in the Companies Act require resolution of the Board of Directors in accordance with the Board of Directors Regulations of the Company. The existence and status of any related party transactions are also regularly reported and checked.

[Supplementary Principle 2.4.1: Ensuring Diversity in the Promotion of Core Human Resources]

The Company group (the “Group”) endeavors to maintain diversity while also responding to the recent increase in workforce volatility by continuously hiring diverse human resources without regard to factors such as gender, nationality, employment status.

1. Promoting women’s empowerment

The Company has endeavored to enhance internal programs to create comfortable workplace environments that enable each and every female employee to play an active part, making the most of her abilities. In our general employer action plan established pursuant to the Act on the Promotion of Women’s Active Engagement in Professional Life, we have set a target of raising the ratio of women employees in management positions to 10% or more by FY2024. In January 2022, the Company has been recognized with the highest rank (three stars) of the “Eruboshi” certification, which is awarded to companies undertaking excellent initiatives based on the Act on the Promotion of Women’s Active Engagement in Professional Life. We will endeavor to maintain diversity by continuing to recruit women and appoint them to management positions.

The ratio of women employees in management positions for the past three fiscal years is shown below:

8.5% in FY2021, 8.3% in FY2022 and 9.2% in FY2023

(1) Enhancement of various internal programs

(i) Provision of paid leave before and after giving birth

(ii) Childcare leave program (childcare leave can be taken up to the end of the month when the child turns two years old)

(iii) Shortened working-hour program for childcare (employees can adjust their working hours from five to seven hours per day in 30-minute increments)

(iv) Reemployment program for employees who have resigned due to marriage, childbirth, childcare, or the relocation of their spouse for work (eligible for up to ten years from resignation)

(2) Provision of career-building support for female employees and training in diversity management, etc.

2. Appointment of mid-career recruits to management positions

The Company continues to recruit human resources with different experience and technical expertise so that mid-career recruits play the leading roles and our business activities are revitalized. We also actively foster an organizational culture where mid-career recruits can play the leading roles. We will continue with our efforts to enhance mid-career recruitment and their promotion to management positions and maintain diversity in our workforce.

The ratio of mid-career recruits in management positions for the past three fiscal years is shown below:

20.8% in FY2021, 21.0% in FY2022 and 17.9% in FY2023

3. Appointment of foreign nationals to management positions

The Group employs approximately 3,000 foreign nationals in its overseas sites, spanning 36 entities across 24 countries/regions. Foreign employees already play the leading roles in these countries and regions, and we will continue to enhance diversity by promoting the recruitment of foreign nationals and their appointment to management positions in this global business environment.

4. Human resources development policy and policy on the improvement of workplace environments for ensuring diversity

The Group respects the individuality of diverse human resources and endeavors to create a workplace environment where each employee can keep working safely in peace while aiming high.

Please refer to pages 37–38 of our FY2023 integrated report for information on specific initiatives.

FY2023 integrated report (in Japanese): <https://www.nissin-tw.com/english/ir/data/report.html>

[Principle 2.6: Roles of the Company as an Asset Owner of the Corporate Pension Fund]

We appoint and allocate personnel with extensive experience from human resources and accounting sections and endeavor to continue to raise their expertise to ensure the appropriate management of the corporate pension fund. The Asset Management Committee coordinates with external asset managers to ensure appropriate fund management. Fund management is further monitored by a conference of representatives composed of employers and employees. These measures are aimed at appropriately managing any conflicts of interest that may arise between beneficiaries of the corporate pension fund and the Company.

[Principle 3.1: Full Disclosure]

1. Corporate philosophy and business plans

Please refer to the Company’s website for details of the basic business policy.

We have also established the Seventh Medium-Term Business Plan, which is posted on the Company’s website.

2. Basic views and policy on corporate governance

As presented under I. 1. Basic Views, above.

3. Policy and procedures for the Board of Directors to determine compensation for Directors

(1) Basic policy

Compensation for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members; hereinafter referred to as “Directors”) is composed of a basic salary as fixed compensation, bonuses as variable compensation designed to boost their incentive to contribute to improving performance, and restricted stock compensation.

The target standard ratio of basic salary to bonuses to restricted stock compensation is around 7:2:1. Compensation for Outside Directors consists only of a basic salary in view of their roles and independence.

Compensation for Audit and Supervisory Committee Members consists only of a basic salary from the perspective of ensuring the appropriate performance of auditing, supervision over the execution of business, and other duties. The amount of compensation is decided through consultation among the Audit and Supervisory Committee Members based on a consideration of the specific roles and duties of each Audit and Supervisory Committee Member, within the limits for monetary compensation established by resolution of the General Meeting of Shareholders.

(2) Determination of compensation for Directors

(i) Basic salary is paid as fixed monthly compensation. A proposal, prepared with reference to factors such as the position of each Director and compensation data provided by external research agencies, is deliberated by the Nominating and Compensation Committee, where Outside Directors form a majority of the members, and an Outside Director serves as chair. The committee then reports its recommendations to the Board of Directors, which gives the recommendations due regard when determining basic salary within the limits for monetary compensation established by resolution of the General Meeting of Shareholders.

(ii) Bonuses are paid at a certain time of each year. The amounts of bonuses vary within a range of 0 to 10 times the basic monthly salary in line with the degree of achievement of performance targets, based on payment criteria for predetermined consolidated performance indicators. The calculated total amount of bonuses and the proposed allocation of this amount to each Director is deliberated by the Nominating and Compensation Committee. The committee then reports its recommendations to the Board of Directors, which gives the recommendations due regard when determining bonuses within the limits for monetary compensation established by resolution of the General Meeting of Shareholders.

(iii) Non-monetary compensation is paid as stock compensation. The Company has introduced a stock compensation plan for the purposes of providing Directors with a medium- to long-term incentive to strive for the Company’s sustainable growth and promote further value-sharing with shareholders. Stock compensation is paid annually through the delivery of restricted shares of the Company’s common stock to eligible Directors. The transfer restrictions on these shares are lifted at the time of retirement of the relevant Director, in principle. The specific timing of payment and allocation to each eligible Director is deliberated by the Nominating and Compensation Committee. The committee then reports its recommendations to the Board of Directors, which gives the recommendations due regard when determining bonuses within the limits for stock compensation established by resolution of the General Meeting of Shareholders.

(3) Determination of compensation for individual Directors

President and Representative Director, President and Executive Officer Masahiro Tsutsui determines the specific details of compensation for individual Directors (excluding Directors who are Audit and Supervisory Committee Members) based on a resolution on the delegation of authority by the Board of Directors. This authority includes the amount of basic salary for each Director and the allocation of bonuses to each Director. This authority was delegated because the Board of Directors receives recommendations of the Nominating and Compensation Committee on compensation proposals and measures are in place to ensure that the President and Representative Director determines compensation with due regard for these recommendations, thus ensuring that the President and Representative Director appropriately exercises this authority.

(4) Remuneration limits

Monetary compensation limit

(set by resolution of the 106th Annual General Meeting of Shareholders held on June 24, 2015)

The upper limit of compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members): 360 million yen per annum (10 Directors were in office at the time of the resolution.)

Stock compensation limit

(set by resolution of the 112th Annual General Meeting of Shareholders held on June 23, 2021)

The upper limit of compensation for Directors (excluding Outside Directors and Directors who are Audit and

Supervisory Committee Members): 50 million yen per annum and 50,000 shares per annum (6 Directors were in office at the time of the resolution.)

4. Policy and procedures for the Board of Directors to nominate candidates for the offices of Director and Audit and Supervisory Committee Member

(1) Basic policy

The Company's policy is to nominate candidates for Director (excluding Director who is an Audit and Supervisory Committee Member; hereinafter referred to as "Director") who possess a good overall balance of knowledge, experience, and abilities, irrespective of age, gender, or nationality, with due consideration for the diversity of the Board of Directors.

The Company's policy is to nominate candidates for Outside Director who satisfy the independence criteria for Outside Directors established by the Company, in addition to the policy for nominating candidates for Director, described above. Any proposal for the dismissal of Directors who are deemed unfit for service as a director due to actions that violate public order and morality, negligence in the performance of duties resulting in significant damage to corporate value, or equivalent cause, will be decided by the Board of Directors.

Draft proposals for the nomination of candidates for Audit and Supervisory Committee Member are prepared by the Representative Director, with the consent of the Audit and Supervisory Committee, from a comprehensive perspective encompassing experience and knowledge related to finance, accounting, corporate management, international logistics, etc., as well as character and insight. The content of proposals for the nomination of Audit and Supervisory Committee Members are resolved by the Board of Directors.

The maximum number of Directors is ten, and that of Audit and Supervisory Committee Members is four.

The nomination of candidates for Director is referred to the Nominating and Compensation Committee and decided by resolution of the Board of Directors with due regard for the committee's recommendations.

5. Explanations given regarding individual appointment and nomination when the Board of Directors nominated candidates for the offices of Director and Audit and Supervisory Committee Member based on 4. above

The reasons for the appointment of each Director are as follows.

- (1) Mr. Masahiro Tsutsui promotes the globalization of the Group as Representative Director, President. He has been elected Director to draw on his experience and achievements as Chief Operating Officer gained through his career for the sustainable improvement of the Group's corporate value.
- (2) Mr. Junichiro Watanabe has been engaged in management as a manager of sales, planning, and administrative divisions, and is striving to enhance the Group's profitability as Assistant to the President and General Manager of the Sales Division. He has been elected Director to maximize the effect of his expertise in the financial industry and his achievements as General Manager of the Sales Division gained through his career.
- (3) Mr. Masataka Tsutsui is striving to respond to globalization in customs operations and ensure personnel development, with abundant experience and knowledge centered on the customs and personnel divisions. He has been elected Director to draw on his experience in the administration and sales divisions gained through his career and his insight into customs operations for further strengthening of business foundations.
- (4) Mr. Satoshi Kuwahara is striving to respond to strengthening management foundations as General Manager of Administration Headquarters, with abundant experience and knowledge centered on the corporate planning and administration divisions. He has been elected Director to draw on his previous experience and insight for the further strengthening of management foundations.
- (5) Mr. Tetsuo Sakurai has been engaged in expanding business, with abundant achievements gained through his working abroad as well as abundant experience and knowledge in international logistics operations of the Company centered on the air freight and marine operation divisions. He has been elected Director to draw on his previous experience in and insight into international logistics operations for further business expansion.
- (6) Mr. Shigeki Mine is striving to enhance profitability and operational efficiency, with abundant experience and knowledge in frontline operation divisions centered on marine and port operation and warehousing. He has been elected Director to draw on his previous experience and insight for the strengthening of business foundations.
- (7) Mr. Susumu Fujimoto possesses abundant experience and knowledge gained through his long career as a government official and as a corporate manager. From his independent standpoint, he expresses useful opinions at meetings of the Board of Directors based on his experience and insight. He has therefore been elected Outside Director.

The reasons for the appointment of each Audit and Supervisory Committee Member are presented in "II. 1. Outside Directors' Relationship with the Company (2)."

[Supplementary Principle 3.1.3: Sustainability Initiatives]

The Nissin Group has established its Basic Sustainability Policy for the purpose of enhancing medium- to long-term corporate value.

The Sustainability Committee, chaired by the President and Representative Director, has been established to promote the fulfillment of the Group's responsibility to help achieve a sustainable society in line with the Basic Sustainability Policy. Promoting ESG management has also been identified as a priority measure under the Seventh Medium-Term Business Plan "Nissin Next 7th," and we are pushing ahead with related initiatives. In addition, the ESG office, under the Sustainability Committee, plays a central part in promoting Group-wide initiatives based on the four materiality issues (important issues) we have identified.

1. Investment in human capital and intellectual property

The Group perceives securing highly specialized human resources and investing in intellectual property as key management issues. In terms of investing in human capital, we will engage in strengthening our talent recruitment based on the themes of respect for individual employees and the revitalization of the organization, while creating safe and rewarding workplaces. We will also endeavor to maximize the abilities of each individual through human resources development and reskilling and maximize the strength of the whole organization through optimal placement of personnel. In terms of investing in intellectual property, we have designated the promotion of DX as one of the priority measures under our Seventh Medium-Term Business Plan. We are engaged in various initiatives principally through the DX Promotion Department, including the development of digital forwarding, a system that allows for comprehensive management of international logistics using IoT technology for handling arrangements, tracking, and managing of CO₂ emissions and other aspects, as well as investing in a blockchain technology-based system for coordinating trade information, among others.

2. Impact of the risks and revenue opportunities associated with climate change on the Company's business activities, revenue, etc.

We have identified "realizing a decarbonized society and contribute to an environmentally conscious, circulating society" as one of the Group's materiality issues (important issues). We perceive responding to climate change as an especially important management issue, and we have hitherto engaged in sustainability activities aimed at reducing environmental impact, such as transitioning to renewable energy, introducing environmentally friendly equipment and vehicles, and promoting modal shift.

In addition to declaring our support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), we disclose information across four areas based on the framework set forth in the TCFD recommendations: governance, strategy, risk management, and metrics and targets. In this way, we will continue to promote and strengthen activities through our businesses. Please refer to the Company's website below for further details.

https://www.nissin-tw.com/assets/tcfdf_001.pdf (Disclosure based on the TCFD recommendation; in Japanese)

[Principle 4.1: Roles and Responsibilities of the Board of Directors]

The Company has established the Board of Directors Regulations, stipulating the content to be deliberated by the Board of Directors in accordance with laws and regulations. The Approving Authority Regulations have also been established, based on a resolution of the Board of Directors, clarifying the scope of execution permitted to the management team.

[Principle 4.9: Independence Criteria and Qualifications for Independent Outside Directors]

We select candidates for independent director based on the independence criteria established by the Company, referring to the independence criteria for independent directors established by the Tokyo Stock Exchange.

[Supplementary Principle 4.10.1: Views on the Independence of the Composition of the Nominating and Compensation Committee and Its Authority, Role, etc.]

The Company's Board of Directors is composed of ten Directors in total, of whom four are independent Outside Directors. The Nominating and Compensation Committee has been established as an advisory body to the Board of Directors. Four of the seven members of the Nominating and Compensation Committee are independent Outside Directors, representing a majority. It is chaired by one of the independent Outside Directors. The Nominating and Compensation Committee mainly deliberates and reports as appropriate to the Board of Directors on matters related to the nomination (including succession planning) and compensation of members of the management team and Directors, referred to it by the Board of Directors, to strengthen the independence, objectivity, and accountability of the function of the Board of Directors.

[Supplementary Principle 4.11.1: Policies and Procedures Related to the Appointment of Directors and Audit and Supervisory Committee Members]

As described under Principle 3.1: Full Disclosure 4.

Please refer to Figure 2 for a skill matrix listing the knowledge, experience, abilities, and other attributes of each Director.

[Supplementary Principle 4.11.2: Concurrent Positions Held by Directors and Audit and Supervisory Committee Members]

Any concurrent positions held by Directors and Audit and Supervisory Committee Members as officers of other listed companies are shown under Significant Concurrent Positions in the Business Report.

[Supplementary Principle 4.11.3: Analysis, Evaluation, and Disclosure of the Effectiveness of the Board of Directors]

The Company engages in annual self-evaluation through interview surveys of each Director regarding the function of the Board of Directors, its operating method, etc. to confirm that the effectiveness of the Board of Directors is adequately ensured.

The Board of Directors engages in discussions regarding issues and how to address them based on the results of these surveys, using them to further enhance the effectiveness of the Board of Directors.

[Supplementary Principle 4.14.2: Training for Directors and Audit and Supervisory Committee Members]

Regular lectures by external experts are held for Directors and Audit and Supervisory Committee Members on the Companies Act and other topics appropriate to the conditions of the times. Opportunities are also created for Directors and Audit and Supervisory Committee Members to participate in external lectures. In this way, the Company endeavors to assist them to acquire the knowledge required of corporate directors and gain an understanding of their roles and responsibilities.

Opportunities are provided for Outside Directors to acquire the necessary knowledge of the Group's businesses, finances, organization, etc., both at the time of their appointment and on a continuing basis, to enable them to fulfill their functions. These opportunities are tailored to each Outside Director.

[Principle 5.1: Policy on Constructive Dialogue with Shareholders]

The Company believes that it is vital to engage in constructive dialogue with shareholders and investors to enhance corporate value and shareholder value over the medium and long term.

To this end, the Company holds financial results briefings for analysts, institutional investors, and the media every six months, presented by the President and other members of the management team. The Corporate Planning Department, which is responsible for investor relations, acts as the contact point and coordinates with the relevant divisions to respond to specific media inquiries. The management team promptly shares the opinions and comments received from shareholders and investors through this dialogue. At the same time, the Company prevents the leakage of any insider information during dialogue.

Please refer to the Company's website below for the status of this dialogue.

<https://www.nissin-tw.com/ir/policy/dialogue/html> (status of dialogue; in Japanese)

[Principle 5.2: Formulation and Announcement of Management Strategies and Management Plans]

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

In March 2022, the Group announced the Seventh Medium-Term Business Plan "Nissin Next 7th" (NN7), spanning a period of five years. For FY2027, the final fiscal year of the plan, we have established financial targets including net sales of 220.0 billion yen, operating income of 11.0 billion yen, and ROE of around 10.0%. To achieve these targets, we will engage in management with a focus on capital efficiency, aiming for a price/book ratio (P/B ratio) of over 1.0. This includes initiatives such as investment in growth areas through our business portfolio strategy, raising profitability above the cost of capital, improving capital efficiency by reducing cross-shareholdings by approximately 20.0 billion yen, and enhancing shareholder returns through the establishment of a guiding target for dividends with a DOE of at least 4.0% and flexible share repurchases of approximately 16.0 billion yen.

Our basic policy, management strategies, and specific measures under NN7 are disclosed on the Company's website, and we also disclose our progress on these strategies and measures as appropriate through financial results briefings and various investor relations materials.

Please access the URLs provided below for related documents.

<In Japanese>

•Medium-Term Management Plan/「Nissin Next 7th」(NN7):

<https://www.nissin-tw.com/ir/policy/plan.html>

•Financial results briefing materials:

<https://www.nissin-tw.com/ir/>

•Integrated Report:

<https://www.nissin-tw.com/company/csr/report.html>

<In English>

•Financial results briefing materials:

https://www.nissin-tw.com/english/company/biz_report.html

[Supplementary Principle 5.2.1: Business Portfolio Strategy]

Please refer to the Company's website below for further details of the business portfolio strategy.

<https://www.nissin-tw.com/ir/index.html> (results briefing materials, etc.; in Japanese))

2. Capital Structure

Foreign Shareholding Ratio	10% or more but less than 20%
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Status of Major Shareholders Updated

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	1,806,200	9.47
The Bank of Yokohama, Ltd.	978,175	5.13
Nissin Shoji Co., Ltd.	920,200	4.67
MUFG Bank, Ltd.	890,200	4.56
Nissin Employee Stock Ownership Association	861,288	4.51
Custody Bank of Japan, Ltd. (trust account)	794,700	4.16
Nippon Life Insurance Company	735,252	3.85
Sumitomo Mitsui Banking Corporation	649,770	3.40
Nissin Kyoekai	574,600	3.01
Sompo Japan Insurance Inc.	423,284	2.22

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	—
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Name of Parent Company, if applicable	None
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Supplementary Explanation Updated

The Company holds 1,213 thousand shares of treasury stock, which are not included in the table above.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	March
Business Sector	Warehousing & Harbor Transportation Services
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100.0 billion or more but less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	50 or more but fewer than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

5. Other Special Circumstances which may have a Material Impact on Corporate Governance

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Committee
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Directors

Number of Directors Stipulated in Articles of Incorporation	14
Directors' Term of Office Stipulated in Articles of Incorporation	1 Year
Chairperson of the Board	President
Number of Directors	10
Election of Outside Directors	Elected
Number of Outside Directors	4
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Susumu Fujimoto	From another company									△			
Shinya Yamada	From another company					△							
Junko Kogayu	CPA												
Kazuhiro Suzuki	From another company												

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

Outside Directors' Relationship with the Company (2) Updated

Name	Membership of Audit and Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Susumu Fujimoto	○	○	<p>Mr. Fujimoto served as a Director of MS&AD Insurance Group Holdings until June 2016. Although the Company has transactions concerning marine insurance, etc. with MS&AD Insurance Group and its subsidiaries, the transaction amount accounts for less than 0.3% of the Company's annual consolidated net sales.</p> <p>Mr. Fujimoto served as Director and Chairman of Tokai Tokyo Research Institute Co., Ltd. until February 2024. On March 1, 2024, Tokai Tokyo Research Institute Co., Ltd. and Tokai Tokyo Academy Co., Ltd. underwent a merger pursuant to which Tokai Tokyo Research Institute Co., Ltd., the surviving company, changed its name to Tokai Tokyo Intelligence Laboratory Co., Ltd. Mr. Fujimoto served as Director of this company until March 2024. There is no special relationship between Tokai Tokyo Research Institute Co., Ltd. or Tokai Tokyo Intelligence Laboratory Co., Ltd., and the Company. There are no other material facts to report.</p>	<p>Mr. Fujimoto has been elected Outside Director as he possesses abundant experience and knowledge gained through his long career as a government official and as a corporate manager. From his independent standpoint, he expresses objective opinions as necessary based on his experience and insight.</p> <p>He also satisfies the independence criteria for Outside Directors established by the Company and has been designated as an independent director, there is no risk of a conflict of interests with general shareholders. The Company, therefore designated him as an independent director.</p>
Shinya Yamada	○	○	<p>Mr. Yamada served as Full-time Audit and Supervisory Board Member of The Bank of Yokohama, Ltd. from June 2019 to June 2023. He also served as an operator of The Bank of Yokohama, Ltd. until March 2015. Although The Bank of Yokohama, Ltd. is a main bank and shareholder of the Company, Mr. Yamada has no special interests with the Company, as a considerable period of time has passed since he retired from an executive position at the bank. There are no other material facts to report.</p>	<p>Mr. Yamada has been elected Outside Director as he possesses abundant experience and knowledge in finance, risk control and business management which he gained mainly in the banking industry. We expect him to provide opinions and advice from an independent standpoint by sharing his experience and insight.</p> <p>He also satisfies the independence criteria for Outside Directors established by the Company and has been designated as an independent director, there is no risk of a conflict of interests with general shareholders. The Company, therefore designated him as an independent director.</p>

Name	Membership of Audit and Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Junko Kogayu	○	○	Ms. Kogayu previously worked at Chuo Shinko Audit Corporation and PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Japan LLC), but the Company has no business with either of these audit firms, and Ms. Kogayu has no special interests with the Company. There are no other material facts to report.	Although Ms. Kogayu has never been involved in corporate management other than as an outside director, she has been elected Outside Director as she possesses a thorough knowledge of corporate accounting and tax matters as a certified public accountant and a tax accountant. In addition, she possesses abundant experience and knowledge in finance and accounting. She also satisfies the independence criteria for Outside Directors established by the Company and has been designated as an independent director, there is no risk of a conflict of interests with general shareholders. The Company, therefore designated her as an independent director.
Kazuhiro Suzuki	○	○	Mr. Suzuki served as President and Representative Director of Yokohama Bayside Marina Co., Ltd. until June 2023, but the Company has no business relationship with said company, and Mr. Suzuki has no special interests with the Company. There are no other material facts to report.	Mr. Suzuki has been elected Outside Director as he has engaged in services related to administrative finance over many years and possesses abundant experience and knowledge in finance and management. He also satisfies the independence criteria for Outside Directors established by the Company and has been designated as an independent director, there is no risk of a conflict of interests with general shareholders. The Company, therefore designated him as an independent director.

Audit and Supervisory Committee

Composition of Audit and Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Audit and Supervisory Committee	3	1	0	3	Outside Director

Appointment of Directors and/or Staff to Support the Audit and Supervisory Committee

Appointed

Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

Members of the Audit Department, which is the Company's internal auditing division, also assist with the duties of the Audit and Supervisory Committee. The duties of employees of the Audit Department are set forth under the regulations that establish the division of duties for the organization and organizational units and a framework is in place to ensure that they follow the instructions of the Audit and Supervisory Committee.

The treatment of those employees, including their appointment and personnel changes, is only decided after consultation with the Audit and Supervisory Committee.

Cooperation among the Audit and Supervisory Committee, Accounting Auditor and Internal Auditing Division

The Audit and Supervisory Committee meets with the Accounting Auditor regularly and as necessary to receive reports on matters such as the plans and results of accounting audits and exchange information and opinions.

The Audit and Supervisory Committee also meets with the Audit Department, which conducts internal audits, at regular intervals and as necessary to receive reports on matters such as the policies, plans and results of internal audits and exchange information and opinions.

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nominating and Compensation Committee	7	0	3	4	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nominating and Compensation Committee	7	0	3	4	0	0	Outside Director

Supplementary Explanation

The Nominating and Compensation Committee was established on October 19, 2020, as a non-statutory advisory body to the Board of Directors. Its purpose is to further strengthen the Group's corporate governance structure by enhancing the independence, objectivity, and accountability of the function of the Board of Directors by ensuring transparent and objective evaluation and decision processes, mainly concerning the nomination and compensation of Directors (excluding Directors who are Audit and Supervisory Committee Members).

Upon consultation by the Board of Directors, the Nominating and Compensation Committee deliberates on matters such as those related to succession planning for the management team and Directors, the appointment and dismissal of Directors (excluding Directors who are Audit and Supervisory Committee Members), the promotion and demotion of Executive Officers, independence criteria for Outside Directors, and compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members). The committee then reports its recommendations back to the Board of Directors.

Matters Concerning Independent Directors

Number of Independent Directors	4
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Other Matters Concerning Independent Directors

All Outside Directors who qualify for independent directors are designated as such.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors

Introduction of Performance-linked Remuneration Scheme, Other

Supplementary Explanation for Applicable Items

[Introduction of a restricted stock compensation plan]

The Company has introduced a restricted stock compensation plan for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) for the purposes of providing an incentive to strive for the sustainable enhancement of the Company's corporate value and further promoting values sharing with shareholders.

[Policies concerning the determination of the proportions of performance-linked compensation and non-performance-linked compensation]

As described under "Disclosure Based on each Principle of the Corporate Governance Code [Principle 3.1: Full Disclosure] 3 Policy and procedures for the Board of Directors to determine compensation for Directors."

[Indicators associated with performance-linked compensation, reason for the selection of performance-linked compensation, and method used to determine the amounts of performance-linked compensation]

Bonuses are paid to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) as performance-linked compensation to raise their awareness of improving the Company's business performance each fiscal year.

EBITDA, calculated from the Company's consolidated operating income, has been selected as the performance indicator used as the basis for calculating the amounts of bonuses.

EBITDA was selected as the performance indicator because it can be used to ascertain the level of earnings and cash flow generated by the Company's business activities, independent of factors such as accounting standards and the amount of capital investment.

The amounts of bonuses paid are calculated using EBITDA based on the financial results from previous periods as a reference value. Bonuses are calculated based on the percentage achievement of the previous fiscal year's EBITDA relative to this reference value and paid at a certain time each year.

Persons Eligible for Stock Options

Supplementary Explanation for Applicable Items

Director Remuneration

Status of Disclosure of Individual Director's Remuneration

No Disclosure for any Directors

Supplementary Explanation for Applicable Items Updated

Amounts of Directors' compensation presented in the Business Report for the fiscal year ended March 31, 2024:

8 Directors (excluding Directors who are Audit and Supervisory Committee Members): Basic salary 174 million yen;
Performance-linked compensation 89 million yen; Non-monetary compensation 25 million yen
(Of whom, 1 Outside Director: Basic salary 8 million yen)

5 Directors (Audit and Supervisory Committee Members): Basic salary 37 million yen
(Of whom, 5 Outside Directors: Basic salary 37 million yen)

Policy on Determining Remuneration Amounts and Calculation Methods

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

As described under “Disclosure Based on each Principle of the Corporate Governance Code [Principle 3.1: Full Disclosure] 3 Policy and procedures for the Board of Directors to determine compensation for Directors.”

Support System for Outside Directors

The General Affairs Department, which functions as the secretariat of the Board of Directors, distributes materials to the Outside Directors and conducts briefings on agenda items, as necessary, before each meeting of the Board of Directors.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) Updated

1. Directors and the Board of Directors

The Company has 7 Directors (excluding Directors who are Audit and Supervisory Committee Members) and 3 Audit and Supervisory Committee Members as of the date of submission of the annual securities report. The Board of Directors holds ordinary meetings once per month and extraordinary meetings as necessary to decide on important matters of business execution, which are the matters stipulated by law and regulation and those based on the agenda standards established in the Board of Directors Regulations. The Board of Directors passes resolutions on medium-term business plans and budgets for each fiscal year, decides on specific measures to govern each division and frameworks to efficiently execute business, manages progress towards the achievement of targets, and receives regular reports on the status of progress from each division.

2. Audit and Supervisory Committee Members and the Audit and Supervisory Committee

The Company's Audit and Supervisory Committee is composed of three Outside Directors: Mr. Shinya Yamada, Ms. Junko Kogayu, and Mr. Kazuhiro Suzuki. It is chaired by Mr. Shinya Yamada. The Audit and Supervisory Committee Members attend meetings of the Board of Directors, the Executive Committee, and other important meetings, view decision and approval documents, and receive business reports from Directors and employees. They audit and supervise decision-making and business execution.

Mr. Shinya Yamada has been appointed full-time Audit and Supervisory Committee Member for the purpose of enhancing the effectiveness of auditing by the Audit and Supervisory Committee and strengthening cooperation with the internal auditing division on information collection and other matters.

3. Nominating and Compensation Committee

The Company's Nominating and Compensation Committee is composed of 3 internal Directors and 4 Outside Directors. Upon consultation by the Board of Directors, the committee deliberates on matters such as those related to the appointment and dismissal of Directors (excluding Directors who are Audit and Supervisory Committee Members), the promotion and demotion of Executive Officers, independence criteria for Outside Directors, compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members), succession planning for the management team and Directors, and the basic policies and procedures required to pass resolutions on these matters. The committee then reports its recommendations back to the Board of Directors.

4. Executive Committee

The Executive Committee is composed of Directors with representative authority and Executive Officers with special titles. It meets weekly to deliberate on important matters to be submitted to the Board of Directors and resolve important issues for which a resolution of the Board of Directors is not required.

5. Compliance Committee

The Compliance Committee, chaired by the President, holds meetings as necessary to promote companywide legal and regulatory compliance and prevent any violations.

6. Internal Controls Evaluation Committee

The Internal Controls Evaluation Committee, chaired by the President and composed of Directors with representative authority and Executive Officers with special titles, met five times in FY2023 to deliberate on important matters related to the internal controls reporting system. A framework is in place so that, if the Internal Controls Evaluation Committee discovers a fault in internal controls, it reports to the Board of Directors regarding correctional measures and other important matters related to internal controls.

7. Sustainability Committee

The Sustainability Committee is an advisory body to the Executive Committee. Chaired by the President and composed of members nominated by the chair, it establishes targets aimed at resolving issues, manages progress against these targets, and reports recommendations to the Executive Committee regarding important sustainability issues.

3. Reasons for Adoption of Current Corporate Governance System

The Company has selected the form of a company with an audit and supervisory committee in order to enhance medium- and long-term corporate value by utilizing the function of Outside Directors not directly involved in the execution of business,

from the perspective of further strengthening corporate governance through a stronger supervisory function for the Board of Directors.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights Updated

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The notice of the 115th Annual General Meeting of Shareholders held in 2024 was dispatched on Friday, June 7, 18 days before the day preceding the meeting.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The 115th Annual General Meeting of Shareholders was held on Wednesday, June 26, 2024.
Electronic Exercise of Voting Rights	Shareholders can exercise their voting rights via the Internet, etc.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company participates in the Electronic Voting System Platform, a system for institutional investors operated by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The Company prepares English translations of the Notice of the Annual General Meeting of Shareholders and the Reference Documents for the General Meeting of Shareholders. These are posted on the Company's website, the website of the Tokyo Stock Exchange, and the Electronic Voting System Platform for institutional investors.
Other	The Company live streamed the 115th Annual General Meeting of Shareholders held in 2024 on the Internet.

2. Status of IR-related Activities Updated

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds financial results briefings for analysts and institutional investors twice a year, May and November, where the President and Representative Director explains the results and answers questions. The briefings in November 2023 and May 2024, held online, were each attended by 36 and 49 participants, respectively.	Held
Online Disclosure of IR Information	Consolidated financial results, annual and quarterly securities reports, business reports, supplementary materials on financial results, and archived videos are available online. https://www.nissin-tw.com/english/company/biz_report.html	
Establishment of Department and/or Placement of a Manager in Charge of IR	PR & IR Section, Corporate Planning Department General Affairs Section, General Affairs Department	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>The Company has established its Environmental Policy and engages in activities to reduce environmental impact.</p> <p>https://www.nissin-tw.com/company/csr/environment.html (Japanese only)</p> <p>The Company also publishes the CSR Report, summarizing its CSR-related initiatives.</p> <p>https://www.nissin-tw.com/english/company/biz_report.html</p>
Formulation of Policies, etc. on Provision of Information to Stakeholders	<p>Under the Nissin Charter of Corporate Behavior, the Company declares that it will disclose information to customers, business partners, shareholders, employees, and other stakeholders in an active and fair manner.</p> <p>https://www.nissin-tw.com/english/company/charter.html</p>
Other	<p>The Company has appointed one female Outside Director.</p> <p>The Company has also established and announced an action plan based on the Act on the Promotion of Women's Active Engagement in Professional Life.</p>

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development Updated

The Company has set forth the following basic policy on the establishment and improvement of systems of internal controls to ensure the proper execution of duties by corporate officers and employees and appropriate corporate business activities.

1. Systems to ensure that the execution of duties by Directors and employees conforms with laws, regulations and the Articles of Incorporation

Directors and employees comply with the Nissin Charter of Corporate Behavior and the regulations related to compliance that set forth the Group's basic policy and specific measures to promote fair business activities. The Group also conducts awareness-raising and educational activities on compliance through training and internal notifications.

The Compliance Committee, chaired by the President, also promotes the practice of compliance activities and endeavors to enhance the whistleblowing system to enable the prompt discovery and correction of fraudulent activity, reinforcing compliance management.

The Nissin Charter of Corporate Behavior stipulates that the Company shall take decisive action against anti-social forces and groups that threaten the order and safety of civil society, while the Compliance Manual makes the Group's policy of eliminating all relations with them known to all Directors and employees. We also cooperate with attorneys, the police, and other authorities, to respond firmly to those forces and groups.

The Audit Department implements audits of the status of compliance and the execution of duties based on the basic plan for internal auditing. It reports the results of audits to the President, the Board of Directors, and the Audit and Supervisory Committee.

The Internal Controls Evaluation Committee has been established to ensure the reliability of financial reporting. The committee evaluates the effectiveness and ascertains the status of the establishment and operation of the internal controls associated with financial reporting.

2. Systems for the storage and management of information associated with the execution of duties by Directors

Decision and approval documents and the minutes of meetings concerning important matters related to the execution of duties by Directors are prepared based on the Documentary Decision and Approval Regulations, the Board of Directors Regulations, and other relevant rules. These documents are appropriately stored and managed based on the Document Handling Regulations.

3. Regulations and other systems for managing the risk of losses

The Risk Management Committee has been established based on the Risk Management Regulations to construct and operate risk management systems for the purposes of identifying and appropriately responding to risks that may have a material impact on the Group's management, such as compliance-related risk, credit and legal risk, operational risk, and risks related to the environment and quality, from a companywide perspective.

A business continuity plan (BCP) has also been formulated, based on the Crisis Management Regulations, with the aim of ensuring safety, securing customer goods, minimizing damage to corporate property, and promptly resuming business activities in the event of a large-scale natural disaster, worldwide infectious disease pandemic, or other emergency.

4. Systems to ensure the efficient execution of duties by Directors

Regulations have been established regarding the division of duties, responsibilities, and authority among corporate officers for the purpose of ensuring organized and efficient business operations. The regulations that set forth the division of business between organizations and organizational units not only clarify the Group's management organization and organizational units but also establish the jurisdiction and division of responsibilities between each organizational unit. In addition to requiring prior documentary approval under the Approving Authority Regulations, important matters are deliberated by the Executive Committee before submission to the Board of Directors to enhance the efficiency of the execution of duties by Directors.

The Board of Directors holds meetings once per month, in principle, to decide on important matters of business execution based on the agenda standards established in the Board of Directors Regulations. The Board of Directors passes resolutions on medium-term business plans and budgets for each fiscal year, decides on specific measures to govern each division and frameworks to efficiently execute business, manages progress towards the achievement of targets, and receives regular reports on the status of progress from each division.

A dedicated section has been established to guide operations to strengthen internal controls and improve the quality of business operations. A framework is in place to support improvement initiatives that include Group companies.

5. Systems to ensure proper business operations within the corporate group composed of the Company and its subsidiaries

- (1) Framework for reporting to the Company on the execution of duties by directors and other officers of subsidiaries
Advance consultation and reporting to the Company is required of its subsidiaries regarding material information on the execution of business, financial condition, and other matters, based on the Subsidiaries and Affiliates Management Regulations and the Nissin Group Accounting Policy.
 - (2) Regulations and other systems for managing the risk of losses at subsidiaries
The Company requires its subsidiaries to submit risk reports detailing their risks each fiscal year. In addition to engaging in risk management through the establishment of a risk management framework based on the Risk Management Regulations, the Company endeavors to share information with subsidiaries through consultation and reporting based on the Subsidiaries and Affiliates Management Regulations and the Compliance Manual. The Crisis Management Regulations set forth measures for cooperation and response with subsidiaries in the event of an emergency.
 - (3) Systems to ensure the efficient execution of duties by directors and other officers of subsidiaries
Under the Subsidiaries and Affiliates Management Regulations, the Company has established rules for responsibilities and authority to ensure the efficient execution of business at subsidiaries. The Company also regularly reports to the Board of Directors the implementation status of approved business plans, including annual budgets, of subsidiaries.
 - (4) Systems to ensure that the execution of duties by directors and other officers and employees of subsidiaries conforms with laws, regulations and the Articles of Incorporation
The Company endeavors to raise compliance awareness by requiring subsidiaries to make the Charter of Corporate Behavior known among officers and employees and establish a Compliance Manual. The Company also conducts internal audits of its subsidiaries. Subsidiaries are notified of the results of these audits and a summary of the results is also reported regularly to the Board of Directors.
6. Employees allocated to assist the Audit and Supervisory Committee in its duties
Members of the Audit Department, established as the internal auditing division, are also responsible for assisting the Audit and Supervisory Committee in its duties.
 7. Independence of the employees in 6., above, from Directors
The appointment of employees in the Audit Department and their treatment, including personnel changes, is decided after consultation with the Audit and Supervisory Committee.
 8. Ensuring the effectiveness of directions given to the employees in 6., above
The duties of employees of the Audit Department are set forth under the regulations that establish the division of duties for the organization and organizational units and a framework is in place to ensure that they follow the instructions of the Audit and Supervisory Committee.
 9. Systems for reporting to the Audit and Supervisory Committee
 - (1) Systems for Directors and employees to report to the Audit and Supervisory Committee
Directors and employees must promptly report on business-related matters to the Audit and Supervisory Committee if they are requested by the committee to do so. They must also report immediately to the Audit and Supervisory Committee on the discovery of any fact that may significantly damage the Company.
Any material reports or consultations concerning legal, regulatory, or other violations received by the internal or external help desks or other contact points are also reported to the Audit and Supervisory Committee. The Audit Department regularly reports information on its internal audits to the Audit and Supervisory Committee.
 - (2) Systems for directors, auditors, and employees of subsidiaries of the Company, and persons who have received reports from any of the above, to report to the Audit and Supervisory Committee
Any material reports or consultations concerning legal, regulatory, or other violations received by the internal or external help desks or other contact points of subsidiaries or affiliates are reported to the Audit and Supervisory Committee. The Audit Department reports the results of its internal audits of subsidiaries to the Audit and Supervisory Committee.
 10. Systems to ensure that persons who convey reports under 9. above are not treated disadvantageously for such reports
The Company shall prohibit any disadvantageous treatment of the Director, Audit and Supervisory Committee Member, or employee who made such report to the Audit and Supervisory Committee because of the report, and shall stipulate this in the regulations including the whistleblowing handling rules.
 11. Policy on the treatment of expenses and reimbursements arising from the execution of duties by Audit and Supervisory Committee Members, including processes for prepaying or reimbursing such expenses
The Company bears all expenses incurred by the Audit and Supervisory Committee Members in the execution of their

duties, except in cases where it considers that such expenses were unnecessary for the execution of duties by the Audit and Supervisory Committee Member.

12. Systems to ensure effective audit by the Audit and Supervisory Committee

The Audit and Supervisory Committee receives regular reports on the status of audits by the Accounting Auditor. The Company ensures systems for effective audit using information on internal audits, with the Audit Department maintaining close cooperation with the Audit and Supervisory Committee.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

The Nissin Charter of Corporate Behavior establishes the premise of adopting steadfast action against anti-social forces and groups that threaten the order and safety of civil society, while the Compliance Manual makes the Group's policy of eliminating all relations with them known to all Directors and employees.

We also cooperate with attorneys, the police, and other authorities, to respond firmly to those forces and groups.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures

Not Adopted

Supplementary Explanation for Applicable Items

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2. Other Matters Concerning the Corporate Governance System

Overview of the timely disclosure system

1. Organs related to timely disclosure

The Company's Board of Directors is composed of 10 Directors and holds ordinary meetings once per month. In addition, the Executive Committee, composed of Executive Officers with titles, meets weekly. In this way, we endeavor to achieve swifter management decision-making and the timely execution of business.

2. Ascertainment and management of material facts and timely disclosure of corporate information

The General Affairs Department, the Corporate Planning Department, and the Accounting Department play central roles in ascertaining and managing material facts and engaging in the timely disclosure of corporate information. Information concerning decisions is disclosed promptly, based on the disclosure rules of the securities exchange, after the decision is made in 1. above at a meeting attended by General Manager of the General Affairs Department, the person responsible for information handling, as the secretariat for the Board of Directors. Information concerning events is reported to the officer responsible for the administrative division and disclosed promptly, based on said disclosure rules, after a notification is submitted by the relevant department(s) to the General Manager of the General Affairs Department based on internal regulations.

3. Information on subsidiaries and affiliates

Information on any material decisions or events at a subsidiary or affiliate is swiftly conveyed through the Sales Planning Department and promptly disclosed based on said disclosure rules.

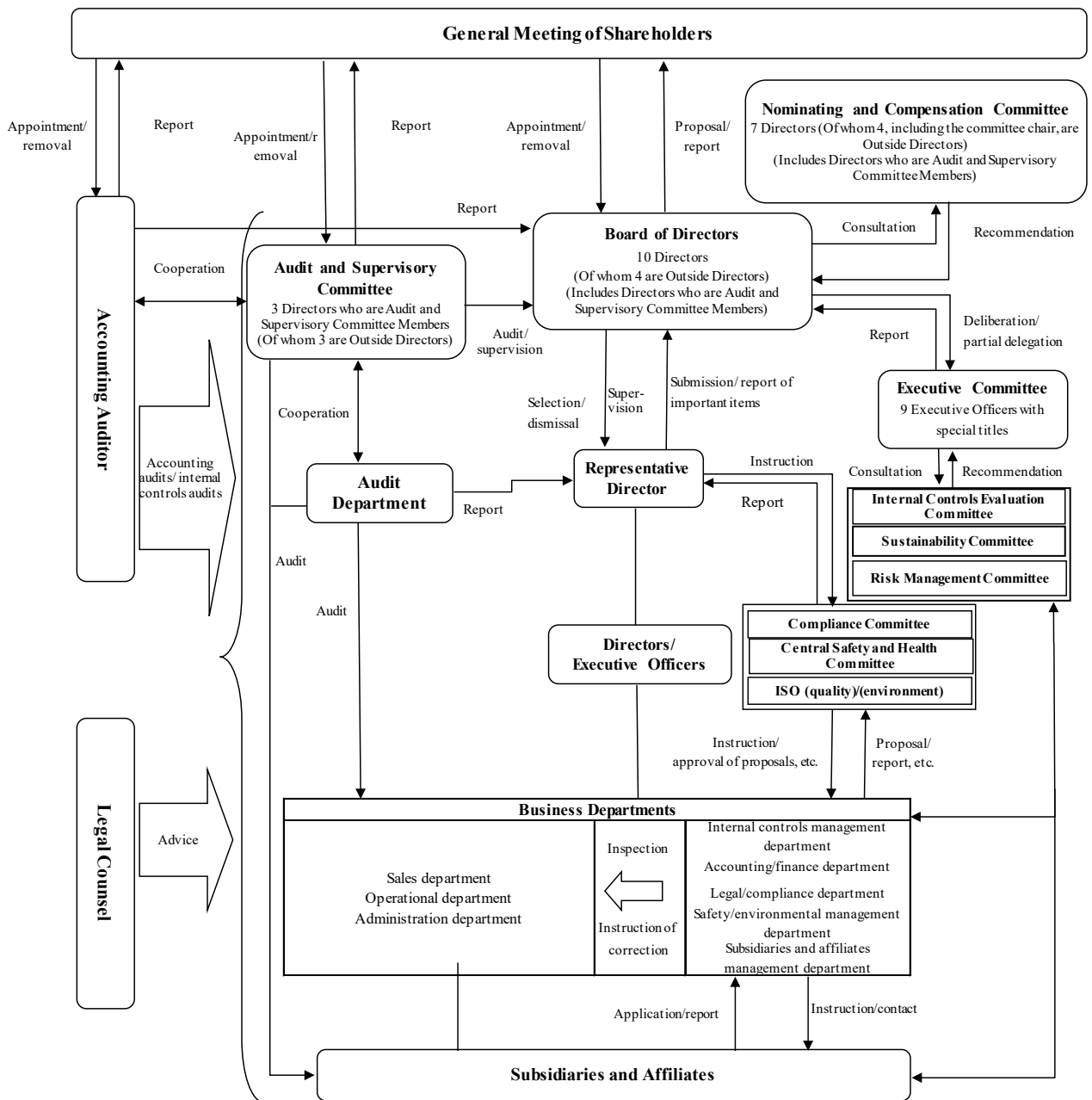


Figure 1: Skill Matrix of Directors

The Company's Board of Directors is composed of internal Directors and Outside Directors. Taking diversity into consideration, the Company has appointed internal Directors who have a good overall balance of knowledge, experience, and abilities and Outside Directors who have such a balance and satisfy the Company's independence criteria. The main areas of experience and expertise of the Directors and their roles are shown in the matrix below.

[Composition of the Board of Directors (Skill Matrix)]

Name	Position	Attribute	Expertise, knowledge and experience									
			Corporate management	Sales planning	Financial accounting and finance	Frontline operations	Global operations	Administration and research institute	Personnel affairs, labor and human resource development	Legal affairs and compliance	DX-IT	ESG
Masahiro Tsutsui	President and Representative Director President and Executive Officer	—	•	•			•		•	•		•
Junichiro Watanabe	Representative Director and Senior Managing Executive Officer	—	•	•	•		•				•	
Masataka Tsutsui	Director and Senior Managing Executive Officer	—				•			•			
Satoshi Kuwahara	Director and Managing Executive Officer	—	•		•		•		•	•	•	•
Tetsuo Sakurai	Director and Managing Executive Officer	—		•			•					
Shigeki Mine	Director and Managing Executive Officer	—				•						
Susumu Fujimoto	Director	[Outside] [Independent]	•				•	•				
Shinya Yamada	Director (Audit and Supervisory Committee Member)	[Outside] [Independent]	•		•					•	•	
Junko Kogyu	Director (Audit and Supervisory Committee Member)	[Outside] [Independent]			•		•	•		•		•
Kazuhiro Suzuki	Director (Audit and Supervisory Committee Member)	[Outside] [Independent]	•		•			•		•		

*The above list does not necessarily reflect all the knowledge and experience of the respective Directors.