

Last Update: April 1, 2026

NJS Co., Ltd.

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<https://www.njs.co.jp>

The corporate governance of NJS Co., Ltd. (the “Company”) is described below.

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

1. Basic Views

Based on the fundamental philosophy "a corporation is a public entity", we believe it is important to fulfill our accountability through dialogue with our shareholders, customers, and various other stakeholders. We are committed to conducting our business activities with a high level of transparency and acting with fairness and integrity in a timely manner, thereby further enhancing our corporate value.

To this end, we recognize corporate governance as an important foundation, and strive to build and strengthen an effective system for the entire NJS Group (the “Group”), based on a Board of Directors that makes decisions on important matters related to group-wide strategies and business execution, and supervises the execution of duties by directors, and a Board of Corporate Auditors that audits the execution of duties by directors. We are also striving to build and strengthen an effective system for the entire Group.

In addition, the following efforts are being made to enhance corporate governance.

1. Respect the rights of shareholders and ensure their equality
2. Work with stakeholders appropriately, recognizing that the provision of resources and contributions by employees, customers, business partners, local communities, and other stakeholders lead to the sustainable growth of the company.
3. Ensure transparency in corporate management through appropriate disclosure of corporate information.
4. Based on its fiduciary responsibility and accountability to shareholders, the Board of Directors shall provide the major direction in terms of strategy, create an environment that enables appropriate risk-taking, and provide highly effective supervision of management from an independent and objective standpoint.
5. The Board of Directors shall engage in constructive correspondence with shareholders to contribute to sustainable growth and medium- to long-term enhancement of corporate value.

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

The Company has not implemented a principle of the Corporate Governance Code, revised on June 11, 2021, as follows:

[Principle 1-2-2]

Due to the schedule of the Board of Directors' meetings, the provision and dispatch date of the written materials for the Annual General Meeting of Shareholders for the fiscal year ending December 31, 2025, was on the statutory deadline. Prior to this year, the materials were provided and sent out earlier, but the schedule for the current fiscal year was delayed due to the scheduling conflicts of directors and auditors.

From the fiscal year ending December 31, 2026, onward, we will take early action to ensure that shareholders have sufficient time to consider the general meeting proposals.

Disclosure Based on each Principle of the Corporate Governance Code

The Company's approach to corporate governance is described in this report, as well as in the Integrated Report, the Notice of the Annual General Meeting of Shareholders, and the Annual Securities Report.

The contents of disclosure items based on each principle of the Corporate Governance Code are as follows.

[Principle 1]

<Policy on Cross-sharing Stock>

The Company may hold policy stock holdings when it is deemed that such holdings will contribute to the enhancement of corporate value over the medium- long term, considering the risks and rewards. The rationale for cross-sharing stock is reviewed annually by the Board of Directors.

<Exercise of Voting Rights for Cross-sharing Stock >

We will exercise our voting rights appropriately, taking into consideration whether the shares we hold contribute to the enhancement of the corporate value of the company in question and to the sustainable growth and medium- to long-term enhancement of the corporate value of the Group.

<Details of Verification of Appropriateness, etc. of Cross-sharing Stock >

The Company does not currently hold any significant cross-sharing stocks. If we decide to hold such stocks, we will review the appropriateness and disclose the details.

[Principle 1-7]

The Company's policy on related party transactions is as follows.

1. In accordance with the Company's Board of Directors Regulations, competitive transactions and transactions involving conflicts of interest by directors require deliberation and resolution at a meeting of the Board of Directors. Transactions between the Company and its major shareholders must be approved in advance by the Board of Directors in the event of transactions of high importance. In addition, the existence of related-party transactions is checked at the end of each fiscal year, and any material facts are reported to the Board of Directors.

2. Related-party transactions are disclosed in accordance with the Companies Act, the Financial Instruments and Exchange Act, other applicable laws and regulations, and the rules established by the Tokyo Stock Exchange.

[Supplementary Principle 2-4 (i)]

The Company focuses on promoting innovation through collaboration with diverse fields, securing and developing diverse human resources, and allowing diverse work styles.

The Company's diversity management policy is described on pages 45-48 of our integrated report.

(1) Diversity Management Policy

- Respect human rights and prohibit discrimination based on race, gender, background, creed, or physical characteristics.
- Create a corporate culture that fosters innovation by securing and developing diverse human resources
- Establish a work environment that deepens communication and is considerate of others

(2) Promotion of Diverse Human Resources to Management Positions

In accordance with our diversity management policy, we are working to develop diverse human resources with skills, experience, knowledge, and qualifications, regardless of race, gender, or other personal attributes, and to actively promote them to management positions. In particular, the Group will strive to achieve the following goals for the promotion of women, foreign nationals, and mid-career-hired employees to management positions by 2030.

Ratio of female managers: 7% or more (current 2.4%) Ratio of foreign national managers: 20% or more; Ratio of mid-career-hired managers: 50% or more.

(3) Initiatives to promote diversity

We are working to develop a workplace environment in which diverse human resources can play an active role through human resource development by promoting the participation of diversity personnel in management training, securing external human resources by promoting the hiring of experienced personnel and developing overseas subsidiaries, and reforming work styles by encouraging employees to take childcare leave and promoting home and remote work.

Starting April 2024, we introduced a childcare leave support allowance to encourage employees to take childcare leave, especially male employees. This allowance provides other members of the team who take childcare leave with an allowance of 10,000 yen as a token of appreciation for their business support during the leave. Through these efforts, we have achieved a 100% childcare leave take-up rate.

In response to the lack of diversity in the composition of the Board of Directors, at the Annual General Meeting of Shareholders held on March 25, 2025, the Company appointed a director with a foreign nationality to strengthen management from the perspective of the global environment.

[Principle 2-6]

The Company has introduced a defined benefit corporate pension plan. "Investment Management Rules" have been established for asset management of the pension plan's reserve fund. The Company is working to develop skills related to the management of pension plan assets, given that the management of corporate pension plan reserves affects not only the stable asset formation of employees but also the Company's financial position. Specifically, we are working to develop human resources through participation in various training programs and encouraging employees to acquire qualifications.

In addition, the management of pension assets is regularly monitored by skilled personnel and disclosed to members in a timely manner.

[Principle 3-1]

1. The Company's management philosophy and corporate vision are disclosed on our website under "Philosophy" (<https://www.njs.co.jp/ja/company/philosophy.html>) and in the integrated report on pages 3-4 "NJS Vision" and pages 7-11 "Top Message."

2. The basis of corporate governance is to maintain the soundness of corporate management through fair, transparent, and prompt deliberation and operation of the Board of Directors, strong monitoring function of the Board of Corporate Auditors, and effective checks and balances through the division of duties among internal organizations, while establishing a management system that responds swiftly and efficiently to management transformation in the new era. We believe that by enhancing this, we can increase corporate value and shareholder value.

3. The amount of remuneration for the Company's directors is determined by the Board of Directors after deliberation by the voluntary Remuneration and Nomination Advisory Committee, comprehensively evaluating the Company's performance, duties, contribution to performance, etc., within the limit of remuneration resolved at the general meeting of shareholders.

Remuneration for executive officers is determined by resolution of the Board of Directors after deliberation by the voluntary Remuneration and Nomination Advisory Committee, taking into consideration the Company's performance and management content, director remuneration, and employee salaries.

4. The appointment and dismissal of management is deliberated by the Remuneration and Nomination Advisory Committee and determined by the Board of Directors. Director candidates are selected based on internal regulations as persons recognized as capable of fulfilling their duties, deliberated by the voluntary Remuneration and Nomination Advisory Committee, and determined by the Board of Directors.

Recommendation of corporate auditor candidates to the general meeting of shareholders is subject to the consent of the Board of Corporate Auditors, and the mutual election of standing corporate auditors is conducted by the Board of Corporate Auditors.

The appointment of executive officers is based on internal regulations, selecting persons recognized as capable of fulfilling their duties, deliberated by the voluntary Remuneration and Nomination Advisory Committee, and determined by the Board of Directors.

5. The individual reasons for the appointment and dismissal of senior management and the nomination of director and corporate auditor candidates are disclosed in the notice of convocation of the general meeting of shareholders.

[Supplementary Principle 3-1-3]

1. Sustainability Initiatives

The Company's sustainability initiatives are disclosed in the securities report (<https://data.swcms.net/file/njs/dam/jcr:2d4f6742-d18f-4dba-b6a6-03b614cd8bf4/S100XV5A.pdf>) on pages 13-19 [Views and Initiatives on Sustainability].

The Company's main business is providing comprehensive consulting services related to water supply and sewage infrastructure, which is essential to daily life. To contribute to solving water and environmental challenges, we provide solutions such as asset management utilizing DX to address aging water infrastructure, intensifying disasters, and population decline, disaster prevention and mitigation through various simulations, and customer services that enable constructive dialogue with citizens. We are also working on promoting carbon neutrality in water and sewerage systems and reducing environmental impact through optimization of facility renewal and maintenance.

The Corporate Sustainability Committee plays a central role in sustainability improvement initiatives, determining policies,

implementing measures, and monitoring their effectiveness. These results are reported to the Board of Directors for deliberation.

2. Investments in human capital and intellectual property

As a company that provides technical services, our greatest management resources are our professional human resources and accumulated technologies. To maintain and further develop these management resources, we are actively investing in human capital and intellectual property. Details are described in the Integrated Report “Human Capital Strategy” on pages 71-74.

Regarding investment in intellectual property, we are actively making development investments from the perspective of contributing to the improvement of sustainability of water and environmental infrastructure. Water and sewerage systems were rapidly developed during the period of high economic growth, and these facilities are now approaching the end of their useful life. Furthermore, as population decline continues, it is becoming difficult to perform timely maintenance and renewal of these aging facilities due to declining fee revenues and staff shortages. To solve these challenges, we have positioned business efficiency and optimization utilizing digital technology as key development priorities, and are focusing on the development of: (1) software technology such as cloud-based infrastructure management systems, (2) inspection utilizing drone technology, (3) customer services that improve engagement of local residents who are users of water and sewerage systems, and (4) PPP management technology to promote new businesses through public-private partnerships.

3. Impact of climate change risks on opportunities for business activities

Our business activities mainly consist of consulting, and we believe that the impact of climate change on NJS's business capital and supply chain is limited. On the other hand, with water and environmental sustainability as our corporate mission, we are working through our business activities to respond to intensifying disasters due to climate change, reduce greenhouse gas emissions, and build a circular society through regional and energy development.

We also disclose information on our greenhouse gas emissions based on TCFD in the “Corporate Sustainability” section of the Integrated Report and in the “Sustainability” and “Environmental Aspects” sections of our website (<https://www.njs.co.jp/ja/company/sustainability/environment.html>).

[Supplemental Principle 4-1-1.]

In addition to the provisions of the Articles of Incorporation and laws and regulations, the Company's Board of Directors stipulates matters to be resolved at the Board of Directors meetings in the "Regulations of the Board of Directors". For decisions on the execution of other major business operations, the Company has established Job Regulations, which stipulate the necessary and appropriate responsibilities and authority of the executive officers in accordance with their duties.

[Principle 4-9]

The Company has established criteria for determining the independence of outside directors based on the independence standards established by the Tokyo Stock Exchange. In accordance with the provisions of the Companies Act and other laws and regulations, as well as internal rules, the Board of Directors appoints candidates for outside directors who are recognized as having a high degree of insight and extensive experience in the areas of corporate management, financial accounting, law, administration, and education, regardless of gender, nationality, background, age, or other personal attributes.

At the general shareholders' meeting held on March 25, 2025, one new outside independent director was appointed, and the ratio of independent officers exceeded half at 55.5% (5 out of 9).

[Supplementary Principle 4-10-1]

To improve management transparency and strengthen the management oversight function, the Company has established a Compensation and Nomination Advisory Committee consisting of four independent outside directors and one internal director. The Compensation & Nomination Advisory Committee examines and deliberates the appropriateness of the selection of candidates for directors, executive officers, and other important employees and the determination of their compensation in accordance with the "Rules of the Compensation & Nomination Advisory Committee.

[Supplementary Principle 4-11-1]

The Company's Board of Directors has set the number of directors at 10 or less, taking into consideration the speedy and appropriate decision-making and the scope of responsibilities of the Board of Directors. In order to ensure that the Board of Directors functions effectively and efficiently, the Company selects candidates for the Board of Directors who possess diverse knowledge, experience, and abilities based on the criteria for selecting candidates for the Board of Directors in the internal regulations, and the Compensation and Nomination Advisory Committee, a voluntary committee, considers the candidates before the Board of Directors makes a decision. A skills matrix showing the areas of expertise and experience of each director is disclosed in the Integrated Report "Directors and Officers" on page 63.

[Supplemental Principle 4-11-2]

In cases which directors and corporate auditors of the Company concurrently serve as directors or corporate auditors of other companies, efforts are made to limit the scope of such positions to a reasonable extent that enables them to appropriately fulfill their roles and responsibilities in the Company. The status of concurrent positions held by directors and corporate auditors is described in the relevant sections of the Business Report and the Reference Documents for the General Meeting of Shareholders.

[Supplementary Principle 4-11-3]

Once a year, the Company conducts a questionnaire survey of all directors and corporate auditors to analyze and evaluate the effectiveness of the Board of Directors and discloses the results in the "Notices" section of the Company's website. The most recent survey was conducted in January 2025, and although the results were generally evaluated as appropriate, the Company reaffirmed the need to ensure diversity in terms of gender and internationality regarding the composition of the Board of Directors and recognized the need to further enhance deliberations in relation to management risks. In response, at the Annual General Meeting of Shareholders held on March 25, 2025, the Company appointed a director of foreign nationality to strengthen the diversity of its management team.

We will continue to receive opinions of outside directors and investors and strive to further enhance corporate value by improving the effectiveness of the Board of Directors by ensuring its independence, promoting diversity, and deepening discussions of its composition.

[Supplementary Principle 4-14-2]

The Company's basic training policy is for directors and corporate auditors to constantly and actively collect necessary information and study to fulfill their roles and responsibilities.

1. The Company provides opportunities for directors and corporate auditors, including outside directors and outside corporate auditors, to acquire knowledge of the Company's business, finances and organization, at the time of or after their appointment as necessary.
2. The Company will provide and arrange training opportunities tailored to the needs of individual directors and corporate auditors and will provide financial support for the training.

[Principle 5-1]

To achieve sustainable growth and enhance corporate value over the medium to long term, the Company has established the following policies regarding the development of systems and initiatives to promote constructive dialogue with shareholders and other stakeholders.

1. Basic Policy on Stakeholder Engagement

- (1) Stakeholders with whom we promote engagement shall be our customers, employees, shareholders/investors, partners, and local communities.
- (2) We will strive to understand the situation and needs of our stakeholders. To this end, we will promote regular information provision, dialogue, surveys, complaint handling, and the development of a reporting system.
- (3) We will place importance on communication with our stakeholders.
- (4) We will formulate and systematically promote engagement strategies for our stakeholders, including customers, employees, shareholders/investors, partners, and local communities.

2. Initiatives for Constructive Dialogue with Shareholders

- (1) Company IR activities shall be supervised by the Director of Information Management, with the Planning & Public Relations Department of the Administration Division playing a central role and shall be handled appropriately in cooperation with related divisions and departments.
- (2) For shareholders and investors, the Company strives to enhance its IR activities in addition to individual interviews by holding regular financial results briefings, publishing integrated reports and business reports, and releasing timely and appropriate information on its business and management. In addition, to disseminate information widely and equally, we provide various types of information through our website.
- (3) The Director of Information Management reports the summary of opinions and requests received from shareholders and investors to the Board of Directors as appropriate, to share the information.
- (4) In accordance with the "Information Management Regulations" and the "Regulations for Prevention of Insider Trading," we will ensure thorough information management and strive to prevent the leakage of insider information.

In addition, to deepen stakeholders' understanding of our business and promote dialogue, we explain the materiality of our business and its selection process in the Integrated Report, on pages 19-20.

2. Capital Structure

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

Name or Company Name	Number of Shares Owned	Percentage (%)
Nippon Hume Corporation	3,420,000	35.76
NOMURA PB NOMINEES LIMITED OMNIBUS-M AGAIN (CASHPB)	600,000	6.27%
Custody Bank of Japan, Ltd. (Trust Account)	596,000	6.23%
The Master Trust Bank of Japan, Ltd. (Trust Account)	407,900	4.27%
USB AG SG-05460017	265,800	2.78%
Blue Bloom Capital Co., Ltd.	251,400	2.63%
MA Platform Co., Ltd.	251,300	2.63%
NJS Employee Stock-Holding Association	202,400	2.12%
Shigeta	140,900	1.47%
Eiko Osako	102,400	1.07%

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	-
Name of Parent Company, if applicable	No applicable

Supplementary Explanation

1. In addition to the above, there are 484,602 treasury shares held by the Company. Note that these treasury shares do not include 48,400 shares of the Company held by the Board Benefit Trust (BBT)..

2. The Company is unable to confirm the number of shares actually held by Simplex Asset Management, Co., Ltd. as of March 28, 2018, although the Large Shareholding Report (Change Report), which is available for public inspection as of April 4, 2018, states that Simplex Asset Management holds the following shares as of March 28, 2018, However, since the Company is unable to confirm the number of shares actually held by the Company, they are not included in the above list of major shareholders.

The contents of the Large-Scale Shareholding Report (Change Report) are as follows.

Holder: Simplex Asset Management Co., Ltd.

Address: 5-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo

Number of Shares Held: 1,132,200 shares

Shareholding Ratio: 11.27

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	December
Business Sector	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	¥10 billion or more but less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

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

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

No applicable.

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 Board*
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*Referred to as "Company with *Kansayaku* Board" in the Corporate Governance Code reference translation

Directors

Number of Directors Stipulated in Articles of Incorporation	10
Directors' Term of Office Stipulated in Articles of Incorporation	2 years
Chairperson of the Board	President & CEO
Number of Directors	9
Election of Outside Directors	Elected
Number of Outside Directors	5
Number of Independent Directors	5

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Hiroaki Sakurai	From another company							o				
Masao Yamada	Academic											
Yasuo Obata	From another company											
Misao Konishi	From another company											
Suano Murata	From another company											

*Categories for "Relationship with the Company".

(Use "o" 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 or 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/Audit and Supervisory Board Member
- 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)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Hiroaki Sakurai	○	He is a Director and Senior Managing Executive Officer of Nippon Hume Corporation, a major shareholder of the Company. Nippon Hume Corporation is a major shareholder owning 35.8% of the Company's voting rights, but there are no significant transactions between the Company and Nippon Hume Corporation.	Based on many years of experience in infrastructure-related businesses, he possesses specialized knowledge regarding water and sewerage facility products, construction methods, and management, and was therefore judged to be suitable as an outside director. Although he is a person who executes business of a major shareholder of the Company, the transactions between the Company and that company are not significant in scale or nature and do not affect the Company's management.
Masao Yamada	○	—	He has extensive experience in the City of Nagoya, as a university professor, and in other roles, and possesses broad knowledge. We believe he can provide beneficial advice to the Company's management from an independent standpoint, and judged him to be suitable as an outside director. Furthermore, as no conflicts of interest with general shareholders are expected to arise in the future, he has been designated as an independent director.
Yasuo Obata	○	—	He has extensive business execution experience at listed companies and broad knowledge. We believe he can provide beneficial advice to the Company's management from an independent standpoint, and judged him to be suitable as an outside director. Furthermore, as no conflicts of interest with general shareholders are expected to arise in the future, he has been designated as an independent director.
Misao Konishi	○	—	She has served as a management member of Amazon's Japanese subsidiary and possesses extensive business experience and broad knowledge in public relations, IR, corporate branding, crisis management, and other areas, and was therefore judged to be suitable as an outside director. Furthermore, as no conflicts of interest with general shareholders are expected to arise in the future, she has been designated as an independent director.
Sunao Murata	○	—	He has extensive business experience as a person responsible for software, IT/AI, cybersecurity, and other areas at a major precision equipment manufacturer, and possesses broad knowledge regarding the utilization of digital technology necessary for management. We believe she can provide beneficial advice to the Company's management from an independent standpoint, and judged him to be suitable as an outside director. Furthermore, as no conflicts of interest with general shareholders are expected to arise in the future, he has been designated as an independent director.

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		5	0	1	4	0	0	Inside Director
Voluntarily Established Committee Equivalent to Remuneration Committee		5	0	1	4	0	0	Inside Director

Supplementary Explanation

To ensure transparency in the process of determining the compensation of directors, executive officers and other important employees and of selecting candidates, the Company has established the Compensation and Nomination Advisory Committee, most of whose members are independent outside directors.

Committee members are determined by the Board of Directors. The committee examines the structure of remuneration for directors and executive officers and the appropriateness of the determining factors, as well as the appropriateness of the evaluation results, and submits its opinions to the Board of Directors and the President & CEO.

The committee also examines the criteria for the selection and dismissal of candidates for directors and the appropriateness of specific proposals for their appointment or dismissal.

Currently, the Compensation and Nomination Advisory Committee consists of a total of five members: one internal director (the President & CEO) and four independent outside directors.

Audit and Supervisory Board Member*

*Referred to as "*kansayaku*" in Corporate Governance Code reference translation

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	4 or less
Number of Audit and Supervisory Board Members	3

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

The Company's corporate auditors and accounting auditors discuss the audit plan and audit system at the beginning of each fiscal year and confirm and discuss the status of implementation of audits and reviews on a quarterly basis.

Furthermore, corporate auditors accompany internal audits by the Internal Audit Department and on-site visits by auditing firms to confirm the status of compliance at each division, office, and subsidiary, and conduct rigorous and appropriate audits.

In addition, meetings are held regularly to exchange opinions between corporate auditors and the President & CEO, related directors, and the audit firm.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	2
Number of Independent Audit and Supervisory Board Members	2

Outside Audit and Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Satoshi Tanaka	From another company										○			
Sunao Kato	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
- A non-executive director or an accounting advisor of the Company or its subsidiaries
- Person who executes business for or a non-executive director of the Company's parent company
- An Audit and Supervisory Board Member of a parent company of the 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/ Audit and Supervisory Board Member
- 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 f, g, or h above) (applies to the auditor him/herself only)

- k. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the director/auditor him/herself only)
- l. Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
- m. Other

Outside Audit and Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Satoshi Tanaka	○	Mr. Satoshi Tanaka is a Director and Managing Executive Officer of Nippon Hume Corporation, one of the Company's major shareholders holding 35.8% of the Company's voting rights, but there are no material transactions between the Company and Nippon Hume Corporation.	Through business experience at infrastructure industry, he has broad knowledge in infrastructure development, R&D into material for construction and other areas, and was therefore judged to be suitable as an outside auditor. Although he is a person who executes business of a major shareholder of the Company, the transactions between the Company and that company are not significant in scale or nature and do not affect the Company's management.
Sunao Kato	○	Mr. Sunao kato is an executive officer of Nippon Hume Corporation, one of the Company's major shareholders holding 35.8% of the Company's voting rights, but there are no material transactions between the Company and Nippon Hume Corporation.	Through business experience at financial institutions and listed companies, he possesses knowledge in corporate planning, financial management, human resource management, and other areas, and was therefore judged to be suitable as an outside auditor. Although he is a person who executes business of a major shareholder of the Company, the transactions between the Company and that company are not significant in scale or nature and do not affect the Company's management.

Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent Audit and Supervisory Board Members	7
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Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

The Company has established criteria for designating independent directors and auditors in accordance with its internal rules and has designated all people who meet the criteria as independent directors and auditors in accordance with such criteria.

The Company's criteria for determining independence are as follows

Among outside directors, those who are designated as independent directors as stipulated by the Tokyo Stock Exchange shall be those who are not likely to cause conflicts of interest with general shareholders and who meet the following requirements.

- (1) The person must not conflict with the criteria for independence stipulated by the Tokyo Stock Exchange.
- (2) The person is not a business partner or an executive of a business partner whose transactions with the Group exceed 3% of consolidated net sales or 5% of consolidated total assets in the most recent financial statements of the Group.
- (3) The person is not a relative within the second degree of kinship of a director, executive officer or department manager of the Group.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors

Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation for Applicable Items

In accordance with internal regulations, the Company has introduced a performance-linked compensation system, whereby compensation is paid based on a decision by the Board of Directors after deliberation by the Compensation and Nomination Advisory Committee, which considers the Company's performance and other indicators and the degree to which individual performance and targets have been achieved. In addition, the Company has introduced a stock compensation plan using a stock benefit trust for a portion of directors' compensation.

Persons Eligible for Stock Options

Supplementary Explanation for Applicable Items

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Director Remuneration

Status of Disclosure of Individual Director's Remuneration	No Disclosure for any Directors
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Supplementary Explanation for Applicable Items

Compensation paid to the directors and corporate auditors of the Company for the fiscal year ended December 2025 was as follows.

1. Directors (excluding outside directors): ¥161,129 thousand (of which fixed compensation ¥113,421 thousand, performance-based compensation ¥37,440 thousand, stock compensation ¥10,267 thousand)
2. Auditors (excluding outside auditors): ¥18,000 thousand
3. Outside officers: ¥57,300 thousand

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The policy for determining director compensation is described on pages 27-29 of the Notice of Convocation of the Ordinary General Meeting of Shareholders and pages 47-48 of the Annual Securities Report.

(<https://www.njs.co.jp/ja/investors/event/shareholders-meeting/main/0/teaserItems1/00/tableContents/01/multiFileUpload20/link/76th.pdf>)

Support System for Outside Directors (and/or Outside Audit and Supervisory Board Members)

The Company has established the Corporate Auditors' Office (2 members) to support the Board of Corporate Auditors, including outside Corporate Auditors. The Corporate Auditors' Office assists the Corporate Auditors in their auditing duties.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
-	-	-	-	-	-

Number of Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.)
After Retiring as Representative Director and President, etc.

0

Other Related Matters

If a former representative director, etc. assumes the position of advisor, counsel, executive advisor, etc., the president consults with the board of directors and decides in accordance with internal rules.

At present, there are no former president and representative directors, advisors, executive advisors, etc. who fall under this category.

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

[Business Execution]

The Company has introduced an Executive Officer System to improve management efficiency and strengthen internal controls. This system streamlines the Board of Directors and allows directors to focus on company-wide management, while executive officers are positioned as divisional management executives of business divisions and branches, thereby speeding up decision-making and improving management efficiency.

The separation of corporate management (directors) from divisional management (executive officers) at business divisions and branches strengthens the supervisory function of the Board of Directors, clarifies authority and responsibility, and promotes the strengthening of internal control.

[Audit and Supervision]

The Company has appointed five outside directors who are academics or are experienced in corporate management, branding, or DX management promotion, and they attend the Board of Directors meetings to express their opinions, thereby establishing a system for management with a sense of urgency.

In addition, the Company is a company with a Board of Auditors, and the Board of Auditors consists of one full-time auditor and two part-time outside auditors. Corporate auditors attend important meetings such as the Board of Directors and the Management Committee among others, inspect important documents such as approval documents to confirm the status of business execution by representative directors, and conduct strict and appropriate audits by checking the status of compliance at each department, office, and subsidiary by themselves or by accompanying internal audits or audit firms on their visits. The Company conducts rigorous and appropriate audits.

Meetings are held regularly to exchange opinions between corporate auditors, the President & CEO, related directors, and the audit firm.

Internal audits are conducted regularly and systematically by members of the Internal Audit Department and by temporary staff members appointed by the General Manager of the Internal Audit Department with the approval of the President & CEO. The purpose of this review is to prevent the occurrence of fraud and errors in the execution of business operations and to safeguard the company's assets.

The Company has entered an audit contract with Toyo & Co. as its accounting auditor and receives regular accounting audits and advice on management and organizational issues as appropriate.

[Nomination]

Nominees for directors are determined by a resolution by the Board of Directors after the Compensation and Nomination Advisory Committee, a voluntary committee, which considers candidates who can fulfill the responsibilities of the office in accordance with the director's nomination criteria stipulated in the Company's internal regulations.

Recommendation of candidates for corporate auditor to the General Meeting of Shareholders is subject to the consent of the Board of Corporate Auditors, and full-time corporate auditors are elected by the Board of Corporate Auditors.

The Board of Directors determines the appointment of executive officers by resolution of the Board of Directors, after deliberation by the Compensation and Nomination Advisory Committee, who are deemed capable of fulfilling the responsibilities of their

respective positions.

[Remuneration Decision]

Remuneration for the Company's directors consists of fixed monthly compensation, variable compensation and performance-linked compensation also introduced as part of the compensation. Monthly remuneration is a fixed amount commensurate with roles and responsibilities. Variable compensation consists of performance-linked bonuses and stock-based compensation. Bonuses are paid based on performance and in accordance with the compensation ratio for each position. Stock-based compensation is granted through a stock grant trust in accordance with the "Regulations on Stock Grant to Directors and Corporate Auditors," based on performance and in proportion to the compensation ratio for each position.

The compensation system and specific compensation amounts are deliberated by the Compensation and Nomination Advisory Committee, and the Board of Directors delegates the decision to the President & CEO, in an objective and transparent procedure.

3. Reasons for Adoption of Current Corporate Governance System

The Company has a management structure that allows for improved management efficiency and accurate and strategic management decisions through the Board of Directors' functions of making management decisions and supervising the execution of business by the executive officers.

In terms of monitoring and supervising the Company's management, outside directors and outside corporate auditors attend Board of Directors meetings and express their opinions, thereby establishing a system for management with a sense of urgency.

Through these measures, the Company has established sufficient corporate governance.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Posting of Notice of the Annual General Meeting of Shareholders	To allow shareholders sufficient time to consider the contents of the agenda, both the provision of the written notice of convocation and the dispatch of the printed version are conducted earlier than the legally stipulated deadline. For the Annual General Meeting of Shareholders for the fiscal year ending December 31, 2025, the documents were provided and sent out on the day of the statutory deadline, but for the prior years, the documents were released earlier. We plan to continue to provide documents early in the future.
Scheduling of the Annual General Meeting of Shareholders on a Non-Peak Day	To allow as many shareholders as possible to participate, we have set the date to avoid the popular dates for General Meetings of Shareholders in Japan.
Electronic Exercise of Voting Rights	The electronic exercise of voting rights was introduced in the 71st Annual General Meeting of Shareholders, held on March 26, 2021.
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 has participated in the voting platform since the 72nd Annual General Meeting of Shareholders, held on March 25, 2022.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	An English translation of the Notice of the Annual General Meeting of Shareholders is available on the Company's website since the Company's 72nd Annual General Meeting of Shareholders, held on March 25, 2022.
Other Notes	The Company is working to revitalize shareholders' meetings and facilitate the exercise of voting rights by (1) providing additional explanations of medium-term management plans and other information at shareholders' meetings, (2) enhancing shareholder returns and raising awareness and interest through a shareholder benefit program, and (3) conducting shareholder surveys and improving IR based on the feedback.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	A Disclosure Policy has been prepared and posted on the Company's website.	
Regular Investor Briefings held for Individual Investors	The Company holds a briefing on financial results for analysts and investors twice a year, once in the second quarter and once at the end of the fiscal year.	Held
Regular Investor Briefings held for Analysts	The Company holds financial results briefings for analysts	Held

and Institutional Investors	and investors twice a year, once in the second quarter and once at the end of the fiscal year.	
Regular Investor Briefings held for Overseas Investors		Not Held
Online Disclosure of IR Information	Timely disclosure materials other than financial results information, annual securities reports and financial statements are promptly and accurately posted on the Company's website.	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Corporate Planning & PR Division of the Administration Division oversees IR activities.	
Other	<p>We issue an integrated report to proactively disclose non-financial information such as our business model and the details of our efforts to increase corporate value.</p> <p>In addition, we publish Shareholder Report twice a year to introduce our management philosophy, management plans, development of new technologies, and other recent topics to promote stakeholder understanding.</p>	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	<p>The Company has established Group-wide rules for all for directors and employees, the "NJS Code of Ethics," the "NJS Corporate Ethics Code of Conduct," and the "Compliance Rules" to ensure compliance with laws, regulations, internal rules, corporate ethics and other rules, and to act with social good sense so that the Company is regarded as a good corporate citizen.</p>
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>With "handing down healthy water and the environment to the next generation" as our Company purpose, we are contributing to environmental conservation and improving the sustainability of society in all aspects of our business activities. We are developing environment-related technologies in the fields of infrastructure consulting, management, inspection, and software. In the promotion of our global business, we are also working to create new value under the theme of the environment. Furthermore, we have acquired ISO 14001 certification, an international standard for environmental protection, at our head office to reduce the environmental impact of our business activities.</p> <p>In terms of CSR activities, we have established a Corporate Sustainability Committee to promote environmental, social, and governance (ESG) initiatives. The committee determines materiality, sustainability management policies, and various measures such as global warming countermeasures, water environment conservation, respect for human rights, and securing of biotopes. In addition, the committee monitors ESG activities at each business site and discloses information to stakeholders in an appropriate manner.</p>
Formulation of Policies, etc. on Provision of Information to Stakeholders	<p>The Company has established "Information Management Regulations" for the purpose of preventing insider trading and contributing to proper information management by disclosing internal corporate information on the Company and its subsidiaries in a timely and appropriate manner as corporate information.</p> <p>The Company discloses information on "EDINET" (an electronic disclosure system for disclosure documents such as securities reports based on the Financial Instruments and Exchange Act) provided by the Financial Services Agency or "TDnet" (a timely disclosure information transmission system) operated by the Tokyo Stock Exchange, which promptly posts the disclosed information on both the Stock Exchange's and the Company's website.</p> <p>We will also proactively disclose information that is not subject to disclosure requirements, but that is relevant to our business operations and deemed to have an impact on the investment decisions of shareholders and investors, as well as information that helps promote a better understanding of our company</p>

IV. Matters Concerning the Internal Control System

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

1. To ensure that all officers and employees share the corporate philosophy and the spirit of compliance management, we have established the "Basic Policy on the Development of Internal Control Systems," which serves as the fundamental principles of governance. In accordance with this basic policy, we are working to strengthen corporate governance through the development of organizations, systems, and regulations, human resource development, internal audits, and management of group companies.

1) System to ensure that the execution of duties by directors and employees complies with laws, regulations, and the Articles of Incorporation

Directors and employees, etc. shall comply with laws and regulations, the Articles of Incorporation, and internal rules such as the "NJS Code of Ethics," "NJS Corporate Ethics Code of Conduct," and "Compliance Rules.

The Compliance Office shall formulate and implement various compliance-related policies, plan, implement, and provide guidance on education and training, and the Internal Audit Department shall audit the status of compliance throughout the Company.

In accordance with the "Whistleblower Protection Regulations," the Compliance Office will establish an internal whistleblower contact point and a law firm will establish an external whistleblower contact point to complement and strengthen internal controls.

Violations of laws, regulations, the Articles of Incorporation, and other rules by directors and employees shall be strictly punished in accordance with the "Regulations of the Board of Directors" and the "Regulations of Awards and Penalties".

2) System for information keeping related to the execution of duties by directors

Information related to the execution of duties by directors shall be recorded in documents or electromagnetic media, stored in accordance with the "Document Management Regulations," and made available for Directors and Corporate Auditors.

3) Regulations and other systems concerning management of risk of loss

Under the "Risk Management Regulations," a system is established to prevent and eliminate risks and to respond to unforeseen circumstances by the person in charge of risk management, who is a director of the Company.

The Internal Audit Department shall review the status of company-wide risk management and report the results to the President & CEO and Corporate Auditors.

4) System to ensure the efficient execution of duties by directors

The Company shall establish the division of duties and authority of directors and employees in accordance with the "Regulations of the Board of Directors," "Regulations of Officers," "Regulations of Positions," and other regulations of directors' separate duties assigned by the Board of Directors.

5) System to ensure the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries

To ensure proper and smooth management of the corporate group centering on the Company, the Company shall establish the basic policy for group management in the "NJS Vision," share information on group companies, and manage, guide, and foster

subsidiaries in accordance with the following management rules.

Subsidiaries shall report to the Company important matters and significant changes in corporate management in accordance with the Company's "Affiliate Company Management Rules."

A contact office for whistleblowers outside the Company for domestic subsidiaries is set up in the Compliance Office of the Company in accordance with the "Whistleblower Protection Regulations" of each subsidiary. Furthermore, in accordance with the "Crisis Management Regulations" of the subsidiaries, when directors or employees of a subsidiary obtain risk-related information, they shall promptly communicate such information to the president of the subsidiary. The president of the subsidiary who receives such information shall report the contents of the information to the auditors of the subsidiary and the Company. The Company shall report information on the risks of subsidiaries to the Board of Corporate Auditors in accordance with the "Risk Management Regulations."

The subsidiaries shall obtain the approval of the Board of Directors of the Company approved under the "Regulations for Affiliated Company Management" of the Company.

The Internal Audit Department shall conduct internal audits of the Company's corporate group.

6) System to ensure the appropriateness of financial reporting

The enhancement of internal control contributes to the improvement of business performance through the optimization and efficiency of operations and reliable financial reporting based on proper accounting procedures contributes to the maintenance and improvement of public trust in the Company. Therefore, the President & CEO shall establish and maintain an appropriate system for "internal control over financial reporting" as stipulated in the Financial Instruments and Exchange Law and shall always ensure appropriate financial reporting.

7) Matters concerning employees who are requested by corporate auditors for assistance

Two or more employees shall be assigned to the Corporate Auditors' Office to assist the corporate auditors in their audit duties.

8) Matters related to the independence of the employees mentioned in the preceding item from directors and matters related to ensuring the effectiveness of instructions given to such employees

The opinions of the Board of Corporate Auditors regarding the selection of assistants shall be respected, and assistants who receive orders from the corporate auditors for auditing work shall not be subject to the direction and orders of directors with respect to such orders.

Assistants shall give priority to work related to corporate auditors.

9) System for Reporting to Corporate Auditors

Directors and employees shall report to corporate auditors not only statutory matters but also matters that may have a significant impact on the Company's corporate group, the status of internal audits, the occurrence of crises and countermeasures in accordance with the "Risk Management Regulations," and the results of investigations of reports in accordance with the "Whistleblower Protection Regulations" and shall submit materials concerning free provision of benefits.

In addition, in accordance with the "Compliance Regulations" employees and others may directly report to the auditors when they become aware of facts in violation of the Regulations.

In accordance with the "Crisis Management Regulations" for subsidiaries, when a director or employee of a subsidiary obtains risk-related information, they shall promptly communicate such information to the president of the subsidiary. The president of the subsidiary who receives such information shall report the contents of the information to the auditors of the subsidiary and the Company. The Company shall report information on the risks of subsidiaries to the Board of Corporate Auditors in accordance with the "Crisis Management Regulations."

10) System to ensure that a person who makes a report as described in the preceding item will not be disadvantaged
In accordance with the "Whistleblower Protection Regulations," the Company shall not dismiss or otherwise treat the whistleblower disadvantageously by reason of the fact that they consulted or reported the matter. Furthermore, the Company shall take appropriate measures to ensure that the whistleblower's work environment will not deteriorate because they consulted or reported the matter. In addition, if any person (including the whistleblower's supervisor, co-workers) gives disadvantageous treatment to or harasses the whistleblower, the perpetrator shall be punished strictly in accordance with the Rules of the Board of Directors and the "Award and Penalty Rules."

11) Matters concerning procedures for advance payment or reimbursement of expenses incurred in the performance of duties by corporate auditors and other policies concerning the treatment of expenses or liabilities incurred in the performance of duties
The Company shall promptly dispose of expenses incurred by corporate auditors in the ordinary course of their audits upon request. In addition to ordinary audit expenses, the corporate auditors shall give prior notice to the officer in charge of any urgent audit expenses or new investigation expenses using specialists.

12) Other systems to ensure the effective implementation of audits by corporate auditors
Corporate auditors may, at any time, request business reports from directors and employees and investigate the status of business and assets. They shall always be requested to participate in internal audits and visits to departments and subsidiaries by auditing firms.
In addition, meetings for exchange of opinions between corporate auditors and the President & CEO, related directors and the audit firm shall be held regularly.

13) Matters concerning antisocial forces
In accordance with the "Regulations for Dealing with Antisocial Forces," the Company shall sever all relations with antisocial forces that threaten the order and safety of civil society, and shall deal with such antisocial forces in a resolute, company-wide manner in close cooperation with the police and other external specialized agencies.

2. Status of Risk Management System Status of Risk Management System

To establish a system for risk management, the Company has established "Crisis Management Regulations" and appointed a director as the person in charge of crisis management to prevent and eliminate crises and to respond to unforeseen situations. In addition, the Internal Audit Department reviews the status of company-wide risk management based on the "NJS Code of Ethics," "NJS Corporate Ethics Code of Conduct," "Compliance Rules," and "Whistleblower Protection Rules," and reports the results to the President & CEO, Board of Directors, and Corporate Auditors.

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

In accordance with the "NJS Code of Ethics" and the "Regulations for Dealing with Antisocial Forces," the Company shall not have any relationship with antisocial forces that threaten the order of civil society, and shall take a firm company-wide stance against such forces in cooperation with the police and other external specialized agencies.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation for Applicable Items

The Company's basic policy is to continuously increase corporate value through sustainable development by creating new demand using new technologies by long-term investments in technological development and expanding our business domain on a global scale, and to prepare for hostile takeovers by increasing shareholder value through stable, long-term profit returns. We do not plan to introduce any defense measures against hostile takeovers using special stock acquisition rights or class shares.

2. Other Matters Concerning the Corporate Governance System

No applicable.

END