

Corporate Governance Report

Last Update: June 25, 2025

Niterra Co., Ltd.

President & COO Takeshi Kawai

Contact: Business Management Department

Securities Code: 5334

<https://www.niterragroup.com/english/>

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

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

1. Basic Views

Guided by our corporate philosophy under the slogan “With established trust and confidence inside and outside the company, we aim to contribute to the peoples of the world by creating and putting at their disposal new values for the future”, we have established, and are working to enhance, our corporate governance system to promote management aimed at increasing our corporate value over the medium to long term. Our basic view on corporate governance is to build relationships of trust with our shareholders, customers, business partners, employees, local communities, and other stakeholders through management that ensures fairness and a high degree of transparency, and to develop and operate management framework and internal control system to achieve sustainable growth through efficient and sound management.

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

The Company complies with all of the principles set forth in the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code] **Updated**

The definitions of terms used below are as follows:

- Management: executive directors and all corporate officers
- Senior Management: executive directors and executive officers

[Principle 1-4: Cross-Shareholdings]

1. Policy on Cross-Shareholdings

The Company holds shares that it has determined will lead to enhancement of the Company’s corporate value after verifying the medium- to long-term economic rationality based on maintaining and strengthening ongoing and stable business relationships with clients, suppliers, and other business partners as a fundamental principle. Each year, the Board of Directors verifies the effects of these holdings from the perspectives of their rationality and enhancement of corporate value based on comparisons of capital costs and medium- to long-term risks and returns for each holding, and in cases where a determination is made that continued holding of a particular stock is not suitable, the Company sells the stock while appropriately monitoring market trends.

2. Standards on the Exercise of Voting Rights

With regard to the exercise of voting rights regarding shares that it holds, the Company makes determinations whether to vote for or against each resolution from the perspective of whether the vote will contribute to raising the corporate value of the issuing company and the Company. In cases of resolutions for the election of officers, for appropriation of surplus, or that will have a substantial impact on shareholder value in particular, the Company exercises its voting rights in accordance with the Standards on the Exercise of Voting Rights.

[Principle 1-7: Procedures and Frameworks Regarding Transactions with Interested Parties]

To ensure that the common interests of the Company and its shareholders are not damaged by transactions with interested parties, such transactions require the approval of the Board of Directors under laws and regulations as well as internal rules and the results of such transactions must be reported to the Board of Directors.

[Supplementary Principle 2-4-1: Ensuring diversity in recruitment of core personnel, etc.]

In its Human Resources Policy, the Group “recognizes employees as its most important management resource and, by respecting the diversity and individuality of its employees, aims to develop self-leading and innovative persons and contribute to the growth of the Group”. Guided by this policy, the Group positions diversity, equity and inclusion as one of its most important management strategies.

In particular, the Group identifies “promotion of women, foreign nationals, and mid-career recruits” to be a priority issue, and has aimed to bring the ratio of women, foreign nationals, and mid-career recruits in managerial positions to 25% or higher of the total management by fiscal 2029, in order to have diverse values reflected in business management, respond to the rapidly changing market environment, and drive medium-to long-term growth of the Group. This target was achieved in fiscal 2024.

Status of our efforts regarding women, foreign nationals, and mid-career recruits, policy regarding human resources development, internal environment development, and other matters to ensure diversity are presented on the Company’s website.

Diversity, Equity & Inclusion

<https://ngkntk.disclosure.site/en/themes/197/>

Sustainability Data Book

<https://ngkntk.disclosure.site/en/themes/187/>

The Group's basic policy to diversity, equity and inclusion is to create a workplace in which diverse human resources can work enthusiastically, regardless of their gender, sexual orientation, age, disabilities, nationality, lifestyle, or personality, and to utilize new values and ideas that are created from this workplace. Based on this policy, we will continue to implement each measure.

[Principle 2-6: Function as a Corporate Pension Asset Owner]

The Company has a defined benefit pension system intended to stably build employee assets. The Company established the Pension Fund Committee to perform effective asset investment operations, including discussing and determining policies regarding general pension asset management and selecting and evaluating investment organizations in accordance with the Pension Fund regulations.

The Pension Fund Committee includes human resources with appropriate qualifications such as the heads of the accounting department and the human resource department as well as labor union executives as representatives of the beneficiaries. To supplement and enhance the degree of specialization as a corporate pension fund, investment consultants are hired as outside experts, and comprehensive monitoring of investment results and policies of asset managers, investment structures, investment processes, and so on is conducted at the pension fund asset investment performance report meetings held each quarter. The results are reported each year to Management Meeting.

[Principle 3-1: Full Disclosure]

1. Company Objectives (e.g. Business Principles), Business Strategies, and Business Plans

The Company’s Corporate Philosophy, Long-Term Management Plan and Medium-Term Management Plan are posted on the Company websites specified below and are explained through financial results briefings, investor relations activities, and other means.

Corporate Philosophy

<https://www.niterragroup.com/english/corporate/philosophy/>

Long-Term Management Plan

https://www.niterragroup.com/english/ir/management/long_term_management_plan.html

Medium-Term Management Plan

https://www.niterragroup.com/english/ir/management/management_plan.html

2. Basic Views and Guidelines on Corporate Governance Based on Each of the Principles of the Code
The Company's basic policy regarding corporate governance is set forth in this report under "1. Basic Views" in "Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information."

3. Board Policies and Procedures for Determining the Remuneration of the Senior Management and Directors
Remuneration of directors (excluding directors who are Audit and Supervisory Committee members and outside directors) and corporate officers comprises base remuneration paid in cash, bonuses linked to the degree of achievement of the Company's performance over the course of a single year and other factors, and performance-linked, stock-based remuneration that is determined according to rank and the degree of achievement of performance targets set forth in the medium-term management plan and so on. This structure is intended to raise awareness regarding the contribution to improving corporate performance and maximizing corporate value over the medium- to long-term and is based on a fundamental policy of directors and corporate officers sharing interests with shareholders through ownership of Company shares.
Remuneration of directors who are Audit and Supervisory Committee members and outside directors comprises only fixed remuneration.

Furthermore, based on the Board of Directors' request for opinions, the Remuneration Committee, in which a majority of the members are independent outside directors, deliberates on matters related to remuneration of directors (excluding directors who are Audit and Supervisory Committee members) and corporate officers, including the appropriateness of policies, procedures, and systems, as well as the appropriateness of the proposed remuneration of each director (excluding director who are Audit and Supervisory Committee members) and corporate officer, and delivers its opinions to the Board of Directors. This serves to ensure transparency and fairness of decisions and conduct efficient and fulfilling discussion regarding remuneration of directors and corporate officers.

4. Board Policies and Procedures in the Appointment and Dismissal of the Senior Management and the Nomination of Director Candidates

The Company believes that it is important for the Board of Directors to comprise diverse human resources with different backgrounds, including expertise and experience, in order to achieve sustainable growth and enhancement of corporate value over the medium to long term. Director candidates shall be individuals possessing extensive experience, high-level insight, and advanced expertise, with due attention to ensuring diversity of gender, nationality, work experience, age, and other aspects. In addition, the majority of the Board of Directors are independent outside directors to hold discussions from various perspectives and ensure transparency and objectivity of decision-making at the Board of Directors.

For the nomination of director candidates, the Nomination Committee, in which a majority of the members are independent outside directors, is established as an advisory body to the Board of Directors. To ensure rationality and transparency and conduct efficient and fulfilling discussion regarding nomination of director candidates, the Board of Directors adopts resolution on nominations following deliberation by the Nomination Committee, for submission to the General Meeting of Shareholders.

With regard to directors who are Audit and Supervisory Committee members, candidates shall be individuals possessing expertise and insights required for conducting audits and supervision, as well as extensive knowledge and experience in a wide range of fields, to ensure that they can perform the vital roles and responsibilities expected of them. Nomination of directors who are Audit and Supervisory Committee member candidates is made by resolution of the Board of Directors following deliberation by the Nomination Committee and with the consent of the Audit and Supervisory Committee, for submission to the General Meeting of Shareholders.

Senior management can be dismissed in cases of improper conduct or serious violation of laws and regulations or the Articles of Incorporation in the course of performing duties or in the case where a determination is otherwise made that it would be unfeasible for the relevant individual to properly perform his or her duties. Following deliberation by the Nomination Committee, dismissal of a senior manager is decided by resolution of the Board of Directors.

5. Explanations with respect to the individual appointments, dismissals, and nominations based on 4
Information regarding the reasons for selecting of each director candidates is described in notice of convocation of shareholders meeting which is posted on the Company website specified below.

Ordinary General Meeting of Shareholders

<https://www.niterragroup.com/english/ir/events/shareholders.html>

[Supplementary principle 3-1-3: Sustainability efforts, etc.]

1. Sustainability efforts

The Group's policy and implementation status of its sustainability efforts are disclosed on the Company's website, in the Integrated Report, etc. Regarding the priority issues (materialities) for each area of ESG, specific measures for achieving the targets are presented in the Long-term Management Plan and in the Medium-term Management Plan.

Sustainability efforts

<https://ngkntk.disclosure.site/en/>

Integrated Report

https://www.niterragroup.com/english/ir/library/integration_report.html

Long-term Management Plan

https://www.niterragroup.com/english/ir/management/long_term_management_plan.html

Medium-term Management Plan

https://www.niterragroup.com/english/ir/management/management_plan.html

2. Investment in human capital, etc.

To achieve business portfolio optimization and realize sustained growth, the Group upholds "Change with Will!!" as the guiding principle in its Long-term Management Plan, based on which the Group will swiftly carry out reforms to transform its organizations and business structure, and evolve into a company that, working with its diverse and committed human resources, can coexist with the world and society.

To achieve the Long-Term Management Plan, we will work on the following priority measures after fiscal 2025 in accordance with our basic policy that seeks to enhance corporate value: "Each employee at Niterra Group grows through their work and continues to shine in society. That growth is the driving force behind the sustainable development of the Niterra Group".

(1) Building a human resources portfolio aligned with the Group's business portfolio

- With a view to optimizing our business portfolio, we will work globally on building a human resources portfolio that can provide support in a timely and appropriate manner and through assignment of the right people to the right positions.
- We will discuss the human resources portfolio during human resources meetings that will be held at the Headquarters and in each region. Based on these meetings, measures will be taken to put into action recruiting, development and promotion initiatives. In particular, we will work on enhancing our diverse talent pool to respond to changes in the environment.
- In addition, we will proceed with the development of human resources that are conducive to the key positions within the Group. This will involve initiatives such as the development of managerial human resources and programs to find and develop the next generation of human resources.

(2) Human resources development through self-disciplined career formation

- By clarifying internal job specifications and presenting career paths, we will "promote people by respecting individual aspirations", "provide fair opportunities", "ensure fairness in job assignments", support self-disciplined career formation, and develop human resources possessing both strong will and drive.

(3) Cultural reform

- In an effort to reform the workplace culture from its present state of being "stable and therefore not very conducive to personal growth" into one that "fosters human resources possessing both strong will and drive", we will push forward with cultural reform around "The Niterra Way", which encompasses the Group's shared values.
- We will promote activities to instill this culture by working on measures such as setting a unified standard for decisions on various initiatives, including personnel systems, human resources development, recruiting activities and an award system, thereby ensuring that The Niterra Way is always in mind when bringing diverse individuals together and combining knowledge. By having each and every employee of the Group act in accordance with The Niterra Way, we will encourage people to grow through work and aim for high employee engagement.

In addition to the foregoing, we continue to work on promoting work-style reform through use of remote working, digital tools, and other means to provide an environment for diverse working styles aimed at improving employee productivity, and on promoting diversity, equity and inclusion, which form the basis for employees with diverse qualities to create new values.

Further details on the Group's efforts in human resources investment, etc., along with related data, are disclosed on the Company's website and in the Sustainability Data Book.

Global Human Resource Management

<https://ngkntk.disclosure.site/en/themes/176/>

Sustainability Data Book

<https://ngkntk.disclosure.site/en/themes/187/>

3. Investment in intellectual property, etc.

Intellectual property, which is the fruit of R&D, is one of the Group's important management resources. The Group acquires and manages appropriately its intellectual property rights, which contribute to protection and growth of its business, and uses them effectively. Further, in consideration of the global expansion of its products, the Group has been active globally in acquiring intellectual property rights that are the fruit of its R&D activities with high technological value. At the same time, the Group respects and makes every effort not to infringe on the intellectual property rights of other parties.

Based on these policies, we have formulated and are working on the following measures, which are conducive to the achievement of the Long-term Management Plan.

(1) Create and maintain intellectual property to protect technologies and inventions from development to mass production.

(2) Contribute to speeding up business creation through the provision of intellectual property information (survey and analysis results).

(3) Implement hierarchical and purpose-based in-house educational activities regarding intellectual property.

(4) Detect and eliminate counterfeit goods in coordination with customs offices and government agencies around the world to protect our brands.

(5) Develop and operate intellectual property regulations and management rules which comply with laws and regulations of individual countries.

(6) Lay the groundwork for the promotion of efficient intellectual property activities.

(7) Hold intellectual property meetings to discuss and formulate intellectual property activities with a sense of speed tailored to the stage of achieving business strategies and development themes.

Information on the Group's R&D expenses, the number of newly published patent applications, and the situation of R&D activities in the most recent fiscal year is presented in the Integrated Report and the Annual Securities Report.

Integrated Report

https://www.niterragroup.com/english/ir/library/integration_report.html

Annual Securities Report

<https://www.niterragroup.com/english/ir/library/securities.html>

4. Information disclosure based on TCFD recommendations

In July 2020, the Group announced its support to the TCFD (Task Force on Climate-related Financial Disclosures) recommendations, in line with which material information relating to climate change is disclosed on the Company's website.

Information Disclosure Based on TCFD Recommendations

<https://ngkntk.disclosure.site/en/themes/168/>

[Supplementary Principle 4-1-1: Summary of the Scope of Delegation to Management]

In addition to those matters specified by laws and regulations and the Company's Articles of Incorporation, the Company's Board of Directors makes decisions on those matters specified as resolution matters in the Board of Directors Rules. Decisions regarding other matters of business execution are delegated to management on the president, corporate officers, and lower levels, and the details of such delegation are clearly set forth in basic policies, decision-making rules, and other internal rules.

[Principle 4-9: Independence Standards and Qualification for Independent Outside Directors]

In addition to the qualifications of outside directors specified in the Companies Act and the criteria on the independence of independent officers specified by financial instrument exchanges, the Company adopted its own Criteria for Election of Independent Officers and elects only persons who meet all of those criteria as independent outside directors.

The Criteria for Election of Independent Officers is set forth in this report “Matters relating to Independent Directors” under “1. Organizational Composition and Operation [Independent Directors]” in “Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management”.

The Company appoints independent outside directors from among persons who have integrity, possess high level of knowledge and competency, and wide-ranging knowledge and extensive experience in their area of specialization or expertise that will enable them to provide advice concerning management in general from an outside and objective perspective at Board of Directors meetings.

[Supplementary Principle 4-10-1: Authority and Duty, etc. of Nominating Committee and Remuneration Committee]

The Company has established a Nominating Committee and a Remuneration Committee as advisory bodies to the Board of Directors. Authority and duty of both Committees are set forth in this report “1. Organizational Composition and Operation [Voluntary Establishment of Nomination Committee or Remuneration Committee]” in “Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management”.

[Supplementary Principle 4-11-1: Views on Balance and Diversity of Knowledge, Experience, and Skills within and Size of the Board of Directors as a Whole]

The Company’s Board of Directors believes that it is important for the Board to comprise diverse human resources with different backgrounds, including specialized knowledge and experience, in order to achieve sustainable growth and increases in corporate value over the medium to long term. The Board is made up of human resources with extensive experience, high levels of knowledge, and advanced specialization, with consideration given to gender, nationality, work experience, and age, to achieve a good balance according to the business environment at a given time.

In addition, by making up the majority of the Board of Directors with outside directors who have experience and specialized knowledge gained under environments that differ from the Company, the Board can strengthen its supervisory function and engage in deliberations from various perspectives in an effort to ensure transparency and objectivity in decision making.

Director candidates are not excluded from consideration on the basis of their race, ethnicity, nationality, country of birth, cultural background, etc.

The Skills Matrix of the Board of Directors is disclosed on the Company’s website.

Corporate Governance

<https://ngkntk.disclosure.site/en/themes/182/>

[Supplementary Principle 4-11-2: Concurrent Assignments of Directors]

Information regarding the status of concurrent assignments of outside directors is set forth in this report under “1. Organizational Composition and Operation [Directors]” in “Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management”.

Information regarding the status of concurrent assignments of directors other than outside directors is also provided in notice of convocation of shareholders meeting.

[Supplementary Principle 4-11-3: Summary of Results of Analysis and Evaluation of the Effectiveness of the Board of Directors and Audit and Supervisory Committee]

1. Effectiveness of the Board of Directors

The Company conducted a questionnaire survey of Directors with evaluation items on the composition and operation of the Board of Directors, review of management strategies, etc., the status of supervision of the execution of business, and other topics relating to fiscal year 2024. Based on the survey results and other data, we evaluated the effectiveness of the Board of Directors. The Company entrusts an external agency with distribution and collection of questionnaire forms and compilation of survey results. As a result, we confirmed that the Company’s Board of Directors is sufficiently effective and that effective measures are implemented with respect to the following matters in particular

- The roles and functions of the Board of Directors are clearly defined, and the Board of Directors composition is appropriate in terms of knowledge, capabilities, experience, and diversity of background necessary to perform its roles and functions.
- The Board of Directors has confirmed that the management has an appropriate compliance system in place, including a whistleblowing system for employees of the Company and its Group companies to report issues related to corporate ethics. The Board supervises the status of operation of the system through activities of the Internal Audit Department, the Sustainability Committee, and the Compliance Committee, which is established under the Sustainability Committee.
- The roles and functions to be performed by the Remuneration Committee with respect to remuneration of the president, the management team, and the directors are clearly defined, and the Board of Directors has confirmed that the Remuneration Committee is fulfilling its roles and functions. The Board of Directors regards the design of the management team's remuneration scheme to be aligned with the company's management and business strategies, and regards short-term, long-term and non-financial performance targets to be well-balanced.
- The Board of Directors has confirmed that the management team is pushing forward with management that is conscious of cost of capital and stock price, and that it is making appropriate disclosure of the status of the relevant measures.
- The Board of Directors implements appropriate improvement measures regarding the key issues identified through evaluation of the effectiveness of the Board of Directors, and strives to enhance its effectiveness.

Among the issues identified in the fiscal 2023 evaluation of the effectiveness, the issue of “enhancing the content of deliberations and improving the efficiency of the operation of Board meetings through improvement of briefing materials and their content” was addressed by making improvements to the format of the briefing materials as well as the reporting method. Additionally, in order to provide sufficient information and secure adequate deliberation time, multiple offsite meetings in addition to the Board meetings were organized to discuss important agenda items, as in the previous year. With respect to the “need for opportunities to periodically report and discuss the overall picture of and progress in succession planning”, measures were taken to provide the Nomination Committee with continuous updates on the formulation and operation of succession planning. These measures aimed to improve objectivity and transparency of succession planning for the president, and to have advice from outside directors reflected in the planning process as appropriate, in addition to such other measures as arranging involvement by outside directors who are members of the Nomination Committee in managerial human resources development programs. Furthermore, with respect to the issue of “deeper discussions concerning investment in and strategies on human capital”, discussions were held on an ongoing basis at Board of Directors meetings and off-site meetings where the subject of investment in and strategies on human capital was taken up as a priority challenge in considering the new medium-term management plan.

Based on the results of the current effectiveness evaluation, items that are identified as being desirable for further improvement of the effectiveness of the Board of Directors include improving the efficiency of Board meeting operation, thereby further facilitating discussions in view of the increase in deliberation time at the Board meetings. Another issue is strengthening of the Board's monitoring of responses to changes in the business environment and deeper discussions on business strategies. Going forward, the Company will continue to maintain and enhance the effectiveness of the Board of Directors by addressing these issues.

2. Effectiveness of the Audit and Supervisory Committee

In previous years, the Audit and Supervisory Committee conducted a review of its audit activities at the end of each business year. However, in order to make audits more effective, an overall evaluation, including organizational structure and operation, was started in a self-evaluation format. In fiscal 2024, a questionnaire survey of the Audit and Supervisory Committee members was conducted. This covered the operation of the Audit and Supervisory Committee (number of meetings held and agenda setting, priority audit items, provision of information to outside Audit and Supervisory Committee members) and audit activities (meetings and interviews, on-site audits of business offices, audit results). An evaluation of the effectiveness of the Audit and Supervisory Committee was conducted based on the results of the questionnaire survey and other information.

As a result of the effectiveness evaluation, we confirmed that the Audit and Supervisory Committee is sufficiently effective and that effective measures have been implemented for auditing the directors' execution of their duties with respect to the following matters in particular.

- At the Audit and Supervisory Committee, information relating to the Management Meetings, which are important meetings for the executive team, is provided to outside Audit and Supervisory Committee members through accurate reporting by full-time Audit and Supervisory Committee members. In terms of meetings and interviews by the Committee members, opportunities are provided for extensive dialogue with internal directors who are not Audit and Supervisory Committee members, corporate officers and department heads, through which the Committee is able to gain a comprehensive understanding of the executive team's views and the internal situation. Both of these have proven useful for the Committee in expressing its opinions during audits, Board of Directors meetings, and other occasions.
- The Audit and Supervisory Committee strives to work in close collaboration with outside directors who are not Audit and Supervisory Committee members by sharing information and having frank exchanges of views during periodic individual meetings and group meetings.

At the same time, the effectiveness evaluation at this time has identified the following two items as being desirable for further improvement of the effectiveness of the Audit and Supervisory Committee. The Company will work to address these issues.

- Priority audit items
Audit progress reports tended to be concentrated at the end of the business year, making it difficult to have in-depth discussions. Accordingly, opportunities for reporting and deliberations will be regularly organized to speed up actions related to audit subject matters.
- On-site audits of business offices
Although the Committee has been performing its work of checking the status of business offices and Group companies in collaboration with the independent auditor and Internal Audit Department, as well as through interviews at internal meeting bodies, it is necessary to allocate sufficient time for on-site audits to have Audit and Supervisory Committee members conduct in-person interviews. The Company will work on enhancing on-site audits relating to priority audit items.

[Principle 5-1: Policy for Constructive Dialogue with Shareholders]

1. Policy

The Company takes advantage of general shareholders meetings and various other opportunities to engage in constructive dialogue with shareholders in order to contribute to continuous growth and enhancement of corporate value over the medium- to long-term. Through such dialogues, the Company seeks to pay appropriate attention to the views of shareholders, clearly explain management policies to shareholders, and gain their understanding. The specific policy is as set forth below.

- (1)The representative director oversees dialogues with shareholders in general and strives to conduct constructive dialogue with shareholders.
- (2)The department in charge of finance & accounting and investor relations work with other related organizations such as the departments in charge of corporate strategy, accounting and legal affairs and business departments to support dialogue by management with shareholders under the direction of the officer responsible for the department in charge of finance & accounting and investor relations.
- (3)In addition to individual discussions with shareholders and institutional investors, briefings for investors and analysts and conference calls are conducted. The Company also actively participates in briefings for individual investors held by securities companies and others and works to enhance means of engaging in dialogue with shareholders and investors.
- (4)Information and documents relating to investor briefings and so on are posted on the Company's website and information is disclosed.
- (5)The details of dialogue with shareholders are reported to all directors, and the opinions and concerns of shareholders ascertained through such dialogue are considered and appropriate responses are investigated or such opinions and concerns are reflected in business operations.
- (6)With regard to the management of insider information during such dialogues, the Company's relevant internal rules are followed and compliance is maintained by obtaining verification regarding information disclosures from outside attorneys.

2. Status of dialogue with shareholders and investors

Regular full-year and interim financial results briefings, as well as other briefings such as on businesses, specific themes, and ESG, are led by the president and other senior members of management according to the themes of the dialogue.

- Activities during fiscal 2024 (from April 1, 2024, to March 31, 2025)
Financial results briefings for institutional investors and securities analysts: twice
Financial results conference calls with institutional investors and analysts: 4 times

Online briefings for individual investors: once
Individual meetings with institutional investors and securities analysts: 281 times*

* Details of individual meetings

[Breakdown by stakeholder and other outside participant (total: 281times)]

Securities analysts: 52 times,

Domestic institutional investors: 118 times

Overseas institutional investors: 111 times

[Breakdown by attendee from the Company side (total for each of the main attendees)
(total: 281 times)]

President: 22 times

Corporate officer (other than the president): 15 times

Sustainability department: once

IR department: 243 times

[Action to Implement Management That Is Conscious of Cost of Capital and Stock Price]**Updated**

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	15/5/2025

Explanation of Actions

[Action to implement management that is conscious of cost of capital and stock price]

The Company has indicated in its management plan the aim to generate revenue exceeding cost of shareholders' equity. As one of the KPIs set forth in the Medium-term Management Plan that started in April 2021 and ended in March 2025, the Company aimed to achieve an ROE of 13% and the actual result was 14.1% in the fiscal year ending March 31, 2025. Meanwhile, ROIC management is also pursued. To fully set in place improvement of investment efficiency in the operation of each in-house company, we have established KPIs for each company incorporating the priority measures, to achieve an ROIC target of 10% for all companies and the actual result was 10.9%. Specific measures and activities in the Medium-term Management Plan that started in April 2021 and ended in March 2025 are described in the Integrated Report and Medium-term Management Plan or Financial Results Briefings Material posted on the Company's website.

Integrated Report

https://www.niterragroup.com/english/ir/library/integration_report.html

Medium-term Management Plan

https://www.niterragroup.com/english/ir/management/management_plan.html

The Company is currently in the process of developing a new medium-term management plan for the period from April 2025 to March 2030. Although specific measures for implementation during this period will be announced at a later date, an analysis of the current status of corporate value and initiatives to be implemented for improving PBR are disclosed in the Financial Results Briefings Material for the fiscal year ended March 31, 2025.

Financial Results Briefings Material (fiscal year ended March 31, 2025) page 30

<https://contents.xj-storage.jp/xcontents/AS06537/9309246f/4509/4296/a745/4bcc70166fc5/20250515085822955s.pdf>

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%
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[Status of Major Shareholders] **Updated**

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	25,920,500	13.03
Meiji Yasuda Life Insurance Company	16,794,569	8.44
The Dai-ichi Life Insurance Company, Limited	16,752,850	8.42
Custody Bank of Japan, Ltd.(Trust Account)	12,079,200	6.07
National Mutual Insurance Federation of Agricultural Cooperatives	4,209,100	2.11
Nippon Life Insurance Company	3,563,938	1.79
NTK Business Partners Shareholding Association	2,778,019	1.39
TOTO LTD.	2,756,463	1.38
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2,604,100	1.30
JP MORGAN CHASE BANK 385781	2,517,089	1.26

Controlling Shareholder (except for Parent Company)	-
Parent Company	None

Supplementary Explanation **Updated**

1. The status of major shareholders is based on the register of shareholders as of March 31, 2025.
2. The percentage is calculated after deducting treasury stock (328,269 shares).

3. Corporate Attributes

Listed Stock Market and Market Section	Prime Market of the Tokyo Stock Exchange Premier Market of the Nagoya Stock Exchange
Fiscal Year-End	March
Type of Business	Glass & Ceramics Products
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 50 to less than 100

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 Material Impact on Corporate Governance

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

1. Organizational Composition and Operation

Organization Form	Company with Audit and Supervisory Committee
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	18
Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board	Chairman (excluding the case where the person concurrently serves as President)
Number of Directors	11
Appointment of Outside Directors	Appointed
Number of Outside Directors	7
Number of Independent Directors	7

Outside Directors' Relationship with the Company (1) **Updated**

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Miwako Doi	From another company								△			
Chiharu Takakura	From another company											
Takayoshi Mimura	From another company											
Hisanori Makaya	From another company								△			
Fumiko Nagatomi	Lawyer											
Christina L. Ahmadjian	Scholar											
Hideyo Uchiyama	CPA								△			

* Categories for "Relationship with the Company"

* "○" 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;

"▲" when a close relative of the director fell under the category in the past

- a. Executive of the Company or its subsidiaries
- b. Non-executive director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary company of the Company
- d. A party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the listed company or an executive thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/Audit & Supervisory Board member
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company outside directors/Audit & Supervisory Board members are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

Outside Directors' Relationship with the Company (2) **Updated**

Name	Audit and Supervisory Committee Member	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons of Appointment
Miwako Doi		○	The Company has a mutual business relationship with Tohoku University, for which Ms. Doi served as Vice President until March 2025, primarily in the consigning of research. However, the value of that business is extremely small at less than 0.1% of the Group's sales revenue and university's total operating revenue. For the reasons above, independence is adequately insured.	Ms. Doi has abundant experience and an outstanding track record as a researcher in the information and communication fields. In addition, her involvement in the launch of new businesses at operating companies has giving her considerable insight on business development. Based on her experience and insight, she has overseen business execution by the Company's management team and provided advice to the team as an Outside Director. She has been playing a key role in strengthening the Company's corporate governance by actively speaking out at the Company's Board of Directors' Meetings in order to enhance transparency in decision-making. The Company has appointed Ms. Doi as an outside director with the expectation that she will continue to oversee business execution by the Company's management team and provide advice to the team based on the experience and insight described above. In addition, as the criteria for determining independence prescribed by the securities exchange is not being violated, and the Criteria for Election of Independent Officers prescribed by the Company is satisfied, it has been determined that she is able to perform his role of protecting the interests of regular shareholders, and she has been

				notified as an Independent Officer accordingly.
Chiharu Takakura		○	-	<p>After obtaining her MBA at Georgetown University (U.S.A), Ms. Takakura worked as a consultant in organization building and human resources development following which she was engaged in the promotion of human capital management and organizational reform at many global companies, including international pharmaceuticals companies. As such, she has a wealth of experience and considerable insight concerning organizational development and human resources development. Based on her experience and insight, she has overseen business execution by the Company's management team and provided advice to the team as an Outside Director. She has been playing a key role in strengthening the Company's corporate governance by actively speaking out at the Company's Board of Directors' Meetings in order to enhance transparency in decision-making. The Company has appointed Ms. Takakura as an Outside Director with the expectation that she will continue to oversee business execution by the Company's management team and provide advice to the team based on the experience and insight described above.</p> <p>In addition, as the criteria for determining independence prescribed by the securities exchange is not being violated, and the Criteria for Election of Independent Officers prescribed by the Company is satisfied, it has been determined that she is able to perform his role of protecting the interests of regular shareholders, and she has been notified as an Independent Officer accordingly.</p>
Takayoshi Mimura		○	-	<p>Mr. Mimura has been engaged in corporate management from the viewpoint of business execution and supervision over many years, including successively holding positions as an officer responsible for the business operation and Chairman of the Board in operating companies. As such, he has great insight into business management and corporate governance. He also has a wealth of experience in global business, business development, and M&A from his involvement in areas such as business expansion through the development of</p>

				<p>overseas markets and M&A. At the Company, based on his experience and insight, he has overseen business execution by the Company's management team and provided advice to the team as an Outside Director. He also has been playing a key role in strengthening the Company's corporate governance by actively speaking out at the Company's Board of Directors' Meetings in order to enhance transparency in decision-making. The Company has appointed Mr. Mimura as an Outside Director with the expectation that he will continue to oversee business execution by the Company's management team and provide advice to the team based on the experience and insight described above.</p> <p>In addition, as the criteria for determining independence prescribed by the securities exchange is not being violated, and the Criteria for Election of Independent Officers prescribed by the Company is satisfied, it has been determined that he is able to perform his role of protecting the interests of regular shareholders, and he has been notified as an Independent Officer accordingly.</p>
Hisanori Makaya		○	<p>Mr. Hisanori Makaya served as Chairman of the Board of Directors of FUJIFILM Business Innovation Corp until June 2024. The Company has a business relationship with FUJIFILM Business Innovation Corp. and its subsidiaries, primarily involving multifunction devices and software. However, in both transactions, the value is extremely small at less than 0.1% of each company's net sales. For this reason, we deem that Mr. Makaya's independence is sufficiently assured.</p>	<p>Mr. Makaya has been engaged in business portfolio reform through organizational reform, new business creation, and M&A in the corporate planning division of operating companies for many years. He has also been engaged in global business operation as an executive officer in business divisions and operating subsidiaries. As such, he has extensive experience and considerable insight concerning corporate management, business development, M&A, and global business. At the Company, based on his experience and insight, he has overseen business execution by the Company's management team and provided advice to the team as an Outside Director. He also has been playing a key role in strengthening the Company's corporate governance by actively speaking out at the Company's Board of Directors' Meetings in order to enhance transparency in decision-making. Given the foregoing, the Company has appointed Mr. Makaya as an Outside Director with the expectation that, after his appointment,</p>

				<p>he will be able to oversee business execution by the Company's management team and provide advice to the team based on the experience and insight described above.</p> <p>In addition, as the criteria for determining independence prescribed by the securities exchange is not being violated, and the Criteria for Election of Independent Officers prescribed by the Company is satisfied, it has been determined that he is able to perform his role of protecting the interests of regular shareholders, and he has been notified as an Independent Officer accordingly.</p>
Fumiko Nagatomi	○	○	-	<p>Ms. Fumiko Nagatomi has expert knowledge and experience accumulated over many years as a lawyer. As an Outside Director who is an Audit and Supervisory Committee Member, she has been engaged in audit and supervision of the Company's overall management using her expert knowledge. Ms. Nagatomi has been playing a key role in strengthening the Company's corporate governance by providing advice appropriately on overall management. Given the foregoing, the Company has appointed Ms. Nagatomi as an Outside Director who is an Audit and Supervisory Committee Member, with the expectation that she will continue to serve in supervisory and auditing functions for the Company's overall management based on the knowledge and experience as described above.</p> <p>In addition, as the criteria for determining independence prescribed by the securities exchange is not being violated, and the Criteria for Election of Independent Officers prescribed by the Company is satisfied, it has been determined that she is able to perform her role of protecting the interests of regular shareholders, and she has been notified as an Independent Officer accordingly.</p>
Christina L. Ahmadjian	○	○	-	<p>Ms. Christina L. Ahmadjian has extensive experience and deep insight as a researcher of corporate management, corporate governance, and organizational culture. She has been involved in management as an Outside Director in many companies. As an Outside Director who is an Audit and Supervisory Committee Member, she has also been playing a key role in strengthening the Company's corporate</p>

				<p>governance, having engaged in audit and supervision of the Company's overall management based on her insight and experience as described above and providing pertinent advice appropriately on overall management. Given the foregoing, the Company has appointed Ms. Ahmadjian as an Outside Director who is an Audit and Supervisory Committee Member, with the expectation that she will continue to serve in supervisory and auditing functions for the Company's overall management based on the knowledge and experience as described above. In addition, as the criteria for determining independence prescribed by the securities exchange is not being violated, and the Criteria for Election of Independent Officers prescribed by the Company is satisfied, it has been determined that she is able to perform her role of protecting the interests of regular shareholders, and she has been notified as an Independent Officer accordingly.</p>
Hideyo Uchiyama	○	○	<p>Mr. Uchiyama has an employment background with KPMG AZSA LLC, the Company's auditing firm. However, he was not involved in the Company's accounting audits during the period of his service, and it has been ten (10) years since his retirement from the aforementioned auditing firm. Moreover, that auditing firm conducts accounting audits of the Company from an independent standpoint, as stipulated by law; furthermore, the payments by the Company to the auditing firm account for an extremely small percentage of the total remuneration of the auditing firm (less than 0.1%). In addition, at present</p>	<p>Mr. Uchiyama has expert knowledge and experience accumulated over many years as a certified public accountant. In addition, he possesses extensive experience as an executive at audit corporations and global consulting firms. Given the foregoing, the Company has appointed Mr. Uchiyama as an Outside Director who is an Audit and Supervisory Committee Member, with the expectation that he will continue to serve as a supervisory and auditing function for the Company's overall management based on the knowledge and experience described above. In addition, as the criteria for determining independence prescribed by the securities exchange is not being violated, and the Criteria for Election of Independent Officers prescribed by the Company is satisfied, it has been determined that he is able to perform his role of protecting the interests of regular shareholders, and he has been notified as an Independent Officer accordingly.</p>

			there is no business relationship between the Company and ASAHI Tax Corporation for which Mr. Uchiyama serves as Executive Advisor. For the reasons above, independence is adequately insured.	
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[Audit and Supervisory Committee]

Committee's Composition and Attributes of Chairperson

	Audit and Supervisory Committee
Committee Members	4
Full-time Members	1
Inside Directors	1
Outside Directors	3
Chairperson	Inside Director

Appointment of Directors and/or Staff to Support Audit and Supervisory Committee	Appointed
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Matters Related to the Independence of Such Directors and/or Staff from Executive Director **Updated**

To support the execution of duties by the Audit and Supervisory Committee, the Audit and Supervisory Committee Office was established, and six (6) employees were assigned to the office full-time. These employees work under the supervision and direction of the Audit and Supervisory Committee and their independence in relation to supervision and direction from directors (excluding directors who are also Audit and Supervisory Committee members), corporate officers and employees is ensured. In addition, transfers, personnel evaluations, etc. require the prior consent of an Audit and Supervisory Committee.

Cooperation among Audit and Supervisory Committee, Independent Auditor and Internal Audit Departments

The Company strives to improve the effectiveness of audits by having the Audit and Supervisory Committee, independent auditor, and Internal Audit Department meet regularly and as necessary to exchange information on audit policies, audit plans, audit implementation status, accounting system revisions, etc. and to work in close collaboration with one another.

The Audit and Supervisory Committee and Internal Audit Department meet regularly and as necessary to provide direct reports and exchange information on audit policies, audit plans, audit implementation status, and other matters and to work in close collaboration with one another.

In addition, Audit and Supervisory Committee members attend audits conducted by the Internal Audit Department when necessary, and the Internal Audit Department conducts investigations and makes reports as requested by the Audit and Supervisory Committee, improving the quality of audits by both bodies.

[Voluntary Establishment of Nomination Committee or Remuneration Committee]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination Committee	Remuneration Committee
All Committee Members	7	7
Full-time Members	0	0
Inside Directors	3	3
Outside Directors	4	4
Outside Experts	0	0
Other	0	0
Chairperson	Inside Director	Inside Director

Supplementary Explanation Updated

To ensure rationality and transparency and conduct efficient and fulfilling discussion with regard to director and corporate officer nomination and determination of remuneration, a Nomination Committee and a Remuneration Committee were established as advisory bodies to the Board of Directors. To ensure their independence, the majority of the members of the two committees are independent outside directors, both committees comprising directors who are appointed by the Board of Directors. In addition, directors who are Audit and Supervisory Committee members also attend both committees as observers. Based on the Board of Directors' request for opinion, the Nomination Committee deliberates on matters including proposals on the appointment of directors to be submitted to the General Meeting of Shareholders, the appointment and dismissal of corporate officers, appointment and dismissal of representative directors and directors with a concurrent position, and then delivers its opinions to the Board of Directors. Based on the Board of Directors' request for opinions, the Remuneration Committee deliberates on matters related to remuneration of directors (excluding directors who are Audit and Supervisory Committee members) and corporate officers (excluding employment-type corporate officers), including the appropriateness of policies, procedures, and systems, as well as the appropriateness of the proposed remuneration of each director (excluding directors who are Audit and Supervisory Committee members) and each corporate officer (excluding employment-type corporate officers), and delivers its opinions to the Board of Directors.

<Members of Nomination Committee and Remuneration Committee>

Representative Director, Chairman of the Board: Shinichi Odo

Representative Director, President: Takeshi Kawai

Director, Executive Officer: Keiji Suzuki

Outside Director: Miwako Doi, Chiharu Takakura, Takayoshi Mimura, Hisanori Makaya

Audit and Supervisory Committee Member (observer): Kenji Isobe, Fumiko Nagatomi,
Christina L. Ahmadjian, Hideyo Uchiyama

<Status of activities of the Nomination Committee and the Remuneration Committee in fiscal 2024>

In fiscal 2024, the Nomination Committee convened five times and, based on requests from the Board of Directors, deliberated and reported on matters concerning primarily composition of the Board of Directors, details of proposal related to election of the Board of Directors for submission to the General Meeting of Shareholders, election of representative directors and directors with a concurrent position, appointment and dismissal of corporate officers, the succession plans and the revision of the skills matrix. The Remuneration Committee convened three times and, based on requests from the Board of Directors, deliberated and reported on matters concerning primarily evaluation of the Company's and individual performance, details of individual remuneration of directors (excluding directors who are Audit and Supervisory Committee members) and corporate officers (excluding employment-type corporate officers) based on evaluation thereof, and revision of remuneration program for directors (excluding directors who are Audit and Supervisory Committee members) and corporate officers and policy on determining details of remuneration, etc. of directors (excluding directors who are Audit and Supervisory Committee members).

[Independent Directors]

Number of Independent Directors	7
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Matters relating to Independent Directors

In addition to the qualifications of outside directors specified in the Companies Act and the criteria on the independence of independent officers specified by financial instrument exchanges, the Company adopted its own Criteria for Election of Independent Officers* set forth below and elects only persons who meet all of those criteria as Independent Officers.

1. Persons who in the preceding three (3) years have not served as a director, Audit & Supervisory Board member, executive, manager, or other employee (including Corporate Officers but excluding outside directors and outside Audit & Supervisory Board members; referred to as "Directors etc.") of a trading partner with which transactions accounted for 2% or more of the Group consolidated net sales or the trading partner's consolidated net sales in any of the preceding three (3) years.

2. Persons who are not currently principal shareholders of the Group or Directors etc. of a company that is a principal shareholder of the Group (a principal shareholder holds 10% or more of voting rights).

3. Persons who have not been employed by a principal lender of the Group in the preceding three (3) years (a principal lender is a financial institution or other financial creditor that is essential for the procurement of capital by the Group and on which the Group relies to a degree that it is irreplaceable).

4. Persons who are not attorneys, certified public accountants, consultants, or providers of other professional services who currently receive remuneration from the Group.

5. Persons who have not received donations of ¥10 million or more from the Group in any of the preceding three (3) years.**

6. Persons who are not directors of companies to which Directors etc. have been seconded by the Group or subsidiaries of such companies.

7. Persons who are not relatives within two (2) degrees of consanguinity of a current or former Director etc. of the Group.

8. Persons who are not likely to give rise to substantive conflicts of interest with the Group on a regular basis.

Notes

*However, in cases where there are grounds for a clear explanation of independence that can be provided to third parties against a backdrop of corporate merger or other unintended circumstances, even in the cases specified above, approval may be given after giving consideration to the opinions of Independent Officers.

****However, even in cases where a donation of ¥10 million or more is made, if the donation was made to a different professor in the same research lab or a different research lab at the same university with which the candidate Independent Officer is affiliated and there are grounds for a clear explanation of the lack of impact resulting from such donation on the independence of determinations by the candidate Independent Officer that can be made to third parties, approval may be given after giving consideration to the opinions of Independent Officers.**

[Incentives]

Incentive Policies for Directors	Performance-linked Remuneration
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Supplementary Explanation

Directors (excluding directors who are Audit and Supervisory Committee members and outside directors) and corporate officers remuneration comprises fixed remuneration paid in cash, bonuses linked to the degree of achievement of the Company's performance over the course of a single year and other factors, and performance-linked, stock-based remuneration that is determined according to rank and the degree of achievement of performance targets set forth in the Medium-Term Management Plan and so on. This structure is intended to raise awareness regarding the contribution to improving corporate performance and maximizing corporate value over the medium- to long-term and is based on a fundamental policy of officers sharing interests with shareholders through ownership of Company shares.
Remuneration of directors who are Audit and Supervisory Committee members and outside directors comprises only fixed remuneration.

Recipients of Stock Options	-
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Supplementary Explanation

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[Director Remuneration]

Disclosure of Individual Directors' Remuneration	No Individual Disclosure
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Supplementary Explanation Updated
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Officer remuneration, etc., for the 125th fiscal year (from April 1, 2024 to March 31, 2025) was as indicated below.

Total director (except directors who are Audit and Supervisory Committee members) remuneration:
¥494 million (of which ¥62million is outside director remuneration)

Total directors who are Audit and Supervisory Committee members remuneration:
¥87 million (of which ¥46 million is outside director remuneration)

*Total remuneration paid to persons receiving total remuneration of ¥100 million or more:
¥162 million paid to Representative Director and Chairman of the Board, Shinichi Odo
¥162 million paid to Representative Director and President, Takeshi Kawai
¥108 million paid to Representative Director and Executive Vice President, Toru Matsui

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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<Policy on Determining remuneration for individual directors who are not Audit and Supervisory Committee members >

1. Basic Policy

Directors (excluding directors who are Audit and Supervisory Committee members) remuneration comprises fixed remuneration paid in cash, bonuses linked to the degree of achievement of the Company's performance over the course of a single year and other factors, and performance-linked, stock-based remuneration that is determined according to rank and the degree of achievement of performance targets set forth in the Medium-Term Management Plan and so on. This structure is intended to raise awareness regarding the contribution to improving corporate performance and maximizing corporate value over the medium- to long-term and is based on a fundamental policy of directors sharing interests with shareholders through ownership of Company shares. Remuneration for outside directors who are not Audit and Supervisory Committee members comprises only fixed remuneration.

2. Fixed Remuneration

Fixed remuneration is determined through a comprehensive evaluation based on rank and responsibilities, taking into consideration the remuneration levels at other companies, the Company's financial performance, and levels of employee remuneration. Fixed remuneration is paid in cash on a monthly basis.

3. Policy on determining the methods of calculating bonus amount (performance-linked remuneration)

Bonuses are determined by multiplying the base amount for each position by coefficients corresponding to (i) the consolidated single-year degree of achievement of the targets set for each performance indicator that reflect the results of sales activities and (ii) the degree of achievement of non-financial indicators that reflect the results of efforts aimed at achieving sustainable growth and improving corporate value. Bonuses are paid at a specified time every year. The base amount for each position, the performance indicators used for evaluation of the degree of achievement of targets, and the target values for each indicator are determined by the Board of Directors, with due respect for the recommendations of the Remuneration Committee, at the time of formulation of the medium-term management plan in order to ensure consistency with the said plan, and are appropriately reviewed in response to environmental changes.

4. Performance-Linked Stock-Based Remuneration

Non-monetary remuneration is paid under a performance-linked stock-based remuneration program. This is a system of officer remuneration that is closely linked to the Company's financial performance and is highly transparent and objective. The objective is to raise awareness on the part of directors concerning their contributions to enhancing Company performance over the medium to long term and increasing corporate value.

Under this program, an officer remuneration Board Incentive Plan (BIP) trust is used, and points are awarded according to rank, degree of achievement of the Medium-Term Management Plan, and other factors in accordance with a calculation method specified in the Share Delivery Rules established by the Board of Directors following deliberation with the Remuneration Committee. Following expiration of the subject period of this program, directors will be delivered or granted Company shares or monies equivalent to the conversion value of those shares based on the total number of points awarded.

The degree of achievement of performance targets, etc. is set based on medium-term performance indicators, shareholder value indicators, and non-financial indicators. The medium-term performance indicators are consolidated revenue and profit attributable to owners of the parent which are the targets of the Medium-Term Management Plan. The shareholder value indicator is based on relative TSR (total shareholder return), which is calculated based on the results of comparison between the Company's TSR during the period of the Medium-Term Management Plan and the TSR of the peer group for the same period to strengthen awareness of the need to increase shareholder value. The non-financial performance indicator uses employee engagement to evaluate achievements of human capital management initiatives aimed at sustainable growth of the Group. The various indicators used such as to evaluate the degree of achievement of performance targets are determined by the Board of Directors, ensuring that they are set in alignment with the Medium-Term Management Plan and by giving due respect to the reports of the Remuneration Committee. As an element of the performance-linked stock-based remuneration, etc., the indicators are proposed at the general meeting of shareholders for resolution.

5. Remuneration Ratios

The remuneration ratios by remuneration type for directors (excluding directors who are Audit and Supervisory Committee members and outside directors) are set by the Remuneration Committee after investigating appropriateness based on rank and responsibilities and taking into consideration the composition of remuneration at other companies and other factors. The target ratios for each type of remuneration are 50:30:20 for fixed remuneration, bonuses, and performance-linked stock-based remuneration, respectively (in the case of 100% achievement of key performance indicators (KPI)).

6. Malus and clawback system

With regard to bonuses and performance-linked stock remuneration, a malus and clawback system will be established which retracts the right to the payment or granting of shares or requires the reduction or return of remuneration when certain conditions apply, including serious misconduct, violation of laws or regulations, etc., significant accounting errors or fraud, or resignation for personal reasons.

7. Method of Determining Remuneration of Individual Directors

Determination of the specific particulars of remuneration and so on of individual directors (excluding directors who are Audit and Supervisory Committee members) is entrusted to the Representative Director Chairman of the Board and President pursuant to a resolution of the Board of Directors. The Representative Director Chairman of the Board and President have the authority to determine remuneration amounts within the maximum amount set by resolution of the General Meeting of Shareholders, taking into consideration the responsibilities and performance of each director under the business environment and the Company's performance. The Board of Directors submits a proposal to the Remuneration Committee and receives a report so that the Representative Director Chairman of the Board and President can appropriately exercise this authority, and the Representative Director Chairman of the Board and President entrusted as described above must make determinations of the specific particulars of remuneration of individual directors in compliance with the details of that report. In the case of performance-linked stock-based remuneration, points granted to individual directors are determined in accordance with the calculation method specified in the Share Delivery Rules established by the Board of Directors.

<Remuneration, etc. for individual directors who are Audit and Supervisory Committee members>

Remuneration, etc. for directors who are Audit and Supervisory Committee members shall be fixed remuneration only. The amount of remuneration for individual directors who are Audit and Supervisory Committee members is determined through discussion among the directors who are Audit and Supervisory Committee members.

[Supporting System for Outside Directors] **Updated**

(Outside Directors)

Board of Directors Department and the Office of the President are responsible for support operations for outside directors such as functioning as liaisons and conducting internal coordination. When Board of Directors meetings are held, meeting materials are distributed to the outside directors in advance, and directors and the responsible personnel from the relevant divisions provide prior explanations of meeting agenda items as necessary. In addition, outside directors are provided information regarding key decision-making and other investigation processes through the provision of access to Management Meeting materials, minutes, and other information.

(Outside Directors who are Audit and Supervisory Committee members)

With regard to outside directors who are Audit and Supervisory Committee members, the Audit and Supervisory Committee Office was established as a support operations of the Audit and Supervisory Committee and five full-time employees were assigned to support the operations. In addition, voluntary reporting meetings attended by all Audit and Supervisory Committee members are held, and at these meetings full-time Audit and Supervisory Committee members and Audit and Supervisory Committee Office personnel share information with outside Audit and Supervisory Committee members regarding deliberations at internal meetings and committees and on the status of implementation of internal control systems.

[Retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)]

Information on retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)
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Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term
-	-	-	-	-	-

Number of retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

0

Others

The Company has a system for advisory positions (sodanyaku, komon, etc.), but currently, no advisory positions are filled.
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2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) **Updated**

The Board of Directors comprises 11 members (of which seven are outside directors). In principle, the Board meets once each month and at other times as necessary. The Board deliberates on and makes decisions concerning matters specified in laws, regulations, and the Articles of Incorporation as well as significant matters specified in the Board of Directors Rules. Certain matters are delegated to the Representative Director and President, and the Board receives reports from the President and Representative Director and other executive directors and supervises the status of business execution. To reinforce the supervisory functions of the Board of Directors and ensure the transparency of management, a majority of the Board is made up of independent outside directors.

The Nomination Committee and Remuneration Committee have been established as advisory bodies to the Board of Directors, and are composed of directors selected by the Board of Directors (excluding directors who are Audit and Supervisory Committee members), with the majority of their members being independent outside directors. This is to ensure rationality and transparency in determining the nomination and remuneration of directors and corporate officers. The Nomination Committee deliberates on matters including proposals on election of directors to be submitted to the General Meeting of Shareholders, election and dismissal of representative directors and directors with a concurrent position, and appointment and dismissal of corporate officers, while the Remuneration Committee deliberates on matters including appropriateness of policy, procedures, and systems relating to the remuneration of directors (excluding directors who are Audit and Supervisory Committee members) and corporate officers (excluding employment-type corporate officers), and appropriateness of the proposed remuneration of each director (excluding directors who are Audit and Supervisory Committee members) and each corporate officer (excluding employment-type corporate officers). Both committees deliver their respective opinions to the Board of Directors.

The Audit and Supervisory Committee comprises four members (of which three are outside members) and as an independent body entrusted by the shareholders, audits and supervises the execution of business by the directors. Full-time Audit and Supervisory Committee members are selected from the perspective of maintaining the audit environment, gathering information from within the Company, and monitoring and verifying the establishment and operation of internal control systems on a daily basis and share such information with other members to ensure the effectiveness of organizational audits. The Audit and Supervisory Committee also confirms the appropriateness and suitability of the nominations and remuneration of directors (excluding directors who are Audit and Supervisory Committee members) by attending Nomination Committee and Remuneration Committee meetings and receiving explanations from the representative directors and forms opinions on these matters.

KPMG AZSA LLC has been appointed as an independent auditor. Neither KPMG AZSA LLC nor any of its executive members has any special interests in the Company. Further, KPMG AZSA LLC is voluntarily taking measures to ensure that involvement by any executive member does not exceed a certain period.

The Company strives to enhance the effectiveness of audits also through collaboration among the Audit and Supervisory Committee, the independent auditor and members of Internal Audit Department, by means of periodic and ad hoc meetings by the three parties in order to exchange information on such matters as audit policies, audit plans, the status of audit implementation and revisions to accounting systems, in order to promote close collaboration.

The Company adopts the Corporate Officer framework, the objective of which is to expedite execution of business operations based on policies determined by the Board of Directors and clarify responsibilities for the results. The twenty-eight (28) corporate officers (of which two also serve as directors) are elected by the Board of Directors, and meet monthly at Corporate Officers and Company Presidents Meeting to report on the status of business execution for cross-divisional sharing and exchange of information. Directors who are not corporate officers may also attend Corporate Officers and Company Presidents Meeting as needed, to provide supervision and advice on business execution.

The Management Meeting, comprising representative directors and some corporate officers, was established to make decisions on and supervise important matters relating to business execution in accordance with the basic management policies determined by the Board of Directors, to discuss and understand in advance management issues to be addressed and risks that the Group is facing, and to promptly respond to changes in the management environment. The Management Meeting addresses management strategy and other important matters relating to overall management and also focuses its deliberations on important human resource strategies and measures relating to the assignment and development of human resources as well as significant investments including capital expenditures, equity contributions, acquisitions, and capital tie-ups.

Each business execution section plans an annual budget under the direction of corporate officers in line with the medium-term management plan formulated by the Board of Directors, creates an action plan and manages operations to achieve the goals. In addition, the Company adopts an internal company system as the business execution system. In this system, an internal company is established for each organization such as business domain, business support domain and corporate domain, and certain authority regarding business execution is delegated to clarify authority and responsibility, and to make flexible decisions and visualize profitability.

Guided by our corporate philosophy, we strive to promote CSR and sustainability awareness throughout our organization by establishing a “CSR and Sustainability Charter” to express the Company’s commitment to contributing to the realization of a sustainable society. We have also developed a company-wide cross-divisional structure by creating CSR and Sustainability Committee as an advisory body of the Board of Directors and specialized committees with internal control functions are established for business execution, including Risk Management Committee and Compliance Committee.

3. Reasons for Adoption of Current Corporate Governance System

The Company’s slogan is “With established trust and confidence inside and outside the company, we aim to contribute to the peoples of the world by creating and putting at their disposal new value for the future.” Based on this slogan, we have established corporate governance systems and are working to enhance them so that we can carry out management in pursuit of the enhancement of corporate value over the medium to long term. Based on this approach, the Company has adopted the structure of a company with an Audit and Supervisory Committee, and individual bodies are established within that framework with the objectives of enhancing deliberation on management policies and strategies at Board of Directors meetings, strengthening supervisory functions, and further accelerating management decision-making and execution.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights **Updated**

	Supplementary Explanations
Early Notification of General Shareholder Meeting	For the Ordinary General Meeting of Shareholders held in June 2025, measures for electronic provision of the Notice of Convocation of Ordinary General Meeting of Shareholders were started seven (7) days prior to the statutory deadline. Dispatch of the convocation notice was done six (6) days prior to the statutory deadline.
Scheduling AGMs Avoiding the Peak Day	The date for the Ordinary General Meeting of Shareholders held in June 2025 was set to two (2) business days prior to the peak day.
Allowing Electronic Exercise of Voting Rights	Electronic exercise of voting rights was made possible as of the ordinary general meeting of shareholders held in June 2014.
Participation in Electronic Voting Platform	Starting with the Ordinary General Meeting of Shareholders held in June 2016, an electronic voting platform is being used.
Providing Convocation Notice in English	Summaries of notices of convocation and reference documents are translated into English and posted on the Tokyo Stock Exchange website and the Company's website at the same time as the Japanese documents.
Other	To make notices of convocation easy to read, they are printed in a large typeface and a universal design font is used.

2. IR Activities **Updated**

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	The information is posted on the Company's website. https://www.niterragroup.com/english/ir/management/disclosure_policy.html
Regular Investor Briefings for Individual Investors	Briefings were held in the form of recorded distribution at online IR events for individual investors from April 1, 2024 to March 31, 2025.
Regular Investor Briefings for Analysts and Institutional Investors	Briefings for analysts and institutional investors are conducted twice annually (following the second-quarter and fourth-quarter financial settlements).
Regular Investor Briefings for Overseas Investors	In the 125th fiscal year (April 1, 2024 to March 31, 2025), the Company has visited to overseas investors in Europe and North America. In the 126th fiscal year (April 1, 2025 to March 31, 2026), the Company is visiting to overseas investors and is arranging meetings using both remote and in-person formats.
Posting of IR Materials on Website	The Company posts financial information, financial reports, news releases, information on the corporate philosophy, and other information regarding the status of Company undertakings on the following website. https://www.niterragroup.com/english/index.html
Other	Business Management Department serves as the contact for investor relations.

3. Measures to Ensure Due Respect for Stakeholders **Updated**

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company's position is set forth in the Corporate Code of Conduct. https://www.niterragroup.com/english/corporate/philosophy/conduct.html
Implementation of Environmental Activities, CSR Activities etc.	The Company issued a report titled "Environmental and Social Report" in 2000 to report on the Company's environmental initiatives as well as its corporate social programs. Since then, the Company has issued the reports (titled "Integrated Report" and "Sustainability Data Book") annually to provide information on these initiatives and programs. In addition, the details of our activities are posted on our website. https://ngkntk.disclosure.site/en/
Formulation of Policies, etc. on Provision of	The information is posted on the Company's website.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development **Updated**

To realize the corporate philosophy under the slogan of "With established trust and confidence inside and outside the company, we aim to contribute to the peoples of the world by creating and putting at their disposal new values for the future," we have established a basic policy for the system to ensure the appropriateness of business operations of the corporate group consisting of the Company and its subsidiaries, as detailed below:

1. Systems for Ensuring Compliance with Laws and Regulations and the Company's Articles of Incorporation in the Execution of Duties by Directors

(1) The Company establishes the Corporate Code of Conduct and CSR Basic Policy including the Compliance Policy, and the directors maintain corporate governance by complying with these policies and setting an example through their own conduct.

(2) The Board of Directors meets on a regular basis and holds ad hoc meetings as necessary to make decisions on and supervise matters specified in laws, regulations, and the Articles of Incorporation and establishes cross-divisional bodies including the Management Meeting and other organizations.

(3) Outside directors constitute a majority of the Board of Directors to reinforce the business execution supervisory functions of the Board and ensure transparency of decision-making.

2. Systems for storing and managing information relating to the execution of duties by directors

(1) With regard to information relating to the execution of duties, the Company appropriately stores and manages the minutes of important bodies, including the Board of Directors and other important meetings, and records of internal decisions in accordance with internal regulations, and all directors have access to such information at all times.

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

(1) Risk management is pursued by establishing the Risk Management Rules to address natural disaster, geopolitical, information security, and various other types of risks faced by the Group as a whole, and assigning the Representative Director and President as the chief officer responsible for risk management. The Risk Management Committee is also established to regularly monitor the improvement activities and operation of risk management systems.

(2) The Company works to prevent losses by periodically assessing risks that are present under normal circumstances and monitoring the status of implementation of risk response plans. In the event that the risk of loss materializes, company-wide and cross-divisional measures will be immediately taken to minimize the losses and bring the situation promptly under control. We will also endeavor to prevent recurrence of crises that have been resolved.

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

(1) The Company assigns corporate officers, who were appointed by resolution of the Board of Directors, to be responsible for the execution of the Company's business operations. In addition, the Company clarifies the authority and responsibilities of corporate officers and employees to regulations, such as the Regulations on Authority of Corporate Officers, Regulations on the Division of Duties, Organization Management Regulations, and Regulations on Decision-Making, as well as clarifying targets and improving management efficiency through the formulation of Medium-Term Management Plan and implementation of budget systems.

(2) In principle, the Company's Board of Directors meets monthly and as needed. In addition, the Management Meeting and various other cross-organizational and committee meetings are held to discuss and report on important matters affecting the Group and to ensure prompt decision-making and information sharing.

5. Systems to ensure that the execution of duties by employees complies with laws and regulations and the Articles of Incorporation

(1) In order to promote compliance with laws and regulations, international rules, social norms, and internal rules and regulations and to raise awareness of ethics among all employees of the Group, the Company established implementation systems and rules and disseminates the Basic CSR Policy including the Corporate Code of Conduct and Compliance Policy through the distribution of manuals and internal training programs.

(2) The Company will formulate compliance rules and establish Compliance Committee to be chaired by a representative director. The Compliance Committee will monitor and provide guidance on activities to prevent compliance violations, actions taken to deal with violations should they occur, and other responses. If a compliance violation is detected, the Company will take corrective and preventive measures, and will take disciplinary actions in accordance with the relevant internal rules and regulations.

(3) The Company established a corporate ethics helpline as a whistleblowing system that accepts reports from inside and outside the company. The helpline receives information on conduct that violates or may violate compliance, etc. as well as risks, threats, and concerns that may affect employees so that it can detect such risks at an early stage, prevent misconduct, and ensure transparency of our corporate activities. We do not subject any user of the corporate ethics helpline to disadvantage on the grounds of reporting to or consulting with the helpline.

6. Systems for ensuring the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries

(1) In order to ensure the appropriate and effective operation of all Group companies in accordance with Group policies and laws and regulations, the Company established internal rules on the management policies and management organizations of Group companies, provides guidance and performance management, and strives to develop and operate related systems in an integrated manner. In addition, regulations provide that important matters relating to Group companies must be reported to the Company and that matters that meet certain criteria must be approved by the Company.

(2) The Company has established a system for efficient cooperation with Group companies by providing opportunities for reporting and exchanging information, such as by holding various meetings and establishing committees across the Group. We also dispatch auditors to Group companies, and the Company's internal audit department conducts internal audits. We monitor the proper execution of business by Group companies and provide advice and recommendations as necessary. The corporate ethics helpline is also available for use by officers and employees of Group companies.

7. Matters concerning employees who assist with the performance of duties by the Audit and Supervisory Committee, matters concerning the independence of such employees from directors (excluding directors who are Audit and Supervisory Committee members), and matters for ensuring the effectiveness of instructions to such employees

(1) In accordance with a request from the Audit and Supervisory Committee, the Company has appointed full-time employees to support the performance of duties by the Audit and Supervisory Committee (referred to as "Support Personnel").

(2) The Company ensures the independence of Support Personnel from directors (excluding directors who are Audit and Supervisory Committee members), corporate officers, and other employees regarding instructions and orders and requires the prior consent of the Audit and Supervisory Committee when transferring and evaluating Support Personnel.

8. Systems for directors and employees of the Company and subsidiaries to report to the Audit and Supervisory Committee

(1) Directors, corporate officers, and employees of the Company provide the Audit and Supervisory Committee with access to important approval documents, appropriately report on the status of operations and assets as well as matters requested by the Audit and Supervisory Committee, and immediately report to the Audit and Supervisory Committee any facts that may cause significant harm to the Group. Directors, corporate auditors, corporate officers, and employees of subsidiaries or persons who receive reports from them similarly

report to the Audit and Supervisory Committee as appropriate. In addition, Audit and Supervisory Committee members attend meetings of the Board of Directors and other important meetings and committees and receive reports from Support Personnel who attend such meetings and committees in order to understand important decisions in their processes and the status of execution of those decisions and receive explanations regarding the operation of various meetings and committees as necessary.

(2) The Company periodically reports to the Audit and Supervisory Committee on operation of the corporate ethics helpline.

(3) The Company shall not subject any person to disadvantageous treatment because such person made a report to the Audit and Supervisory Committee.

9. Other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively

(1) The Company ensures that the Audit and Supervisory Committee has regular opportunities to receive reports on audit results, etc. from the Internal Audit Department and that the Audit and Supervisory Committee is able to give instructions and the like to the Internal Audit Department as necessary.

(2) The Company ensures that the Audit and Supervisory Committee has opportunities to exchange information with directors (excluding directors who are Audit and Supervisory Committee members) who are not Audit and Supervisory Committee members, the Internal Audit Department, and the accounting auditors.

(3) When an Audit and Supervisory Committee member requests funds necessary for the performance of his or her duties, the Company pays the expenses in accordance with such request.

2. Basic Views on Eliminating Anti-Social Forces

The Company responds firmly to anti-social forces and organizations that threaten the order and safety of civil society. The Company works to remain in close cooperation with the police and other outside specialized organizations, seeks guidance regarding responses to anti-social forces, and has established mechanisms for eliminating anti-social forces such as distributing within the company collections of examples of responses to anti-social forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

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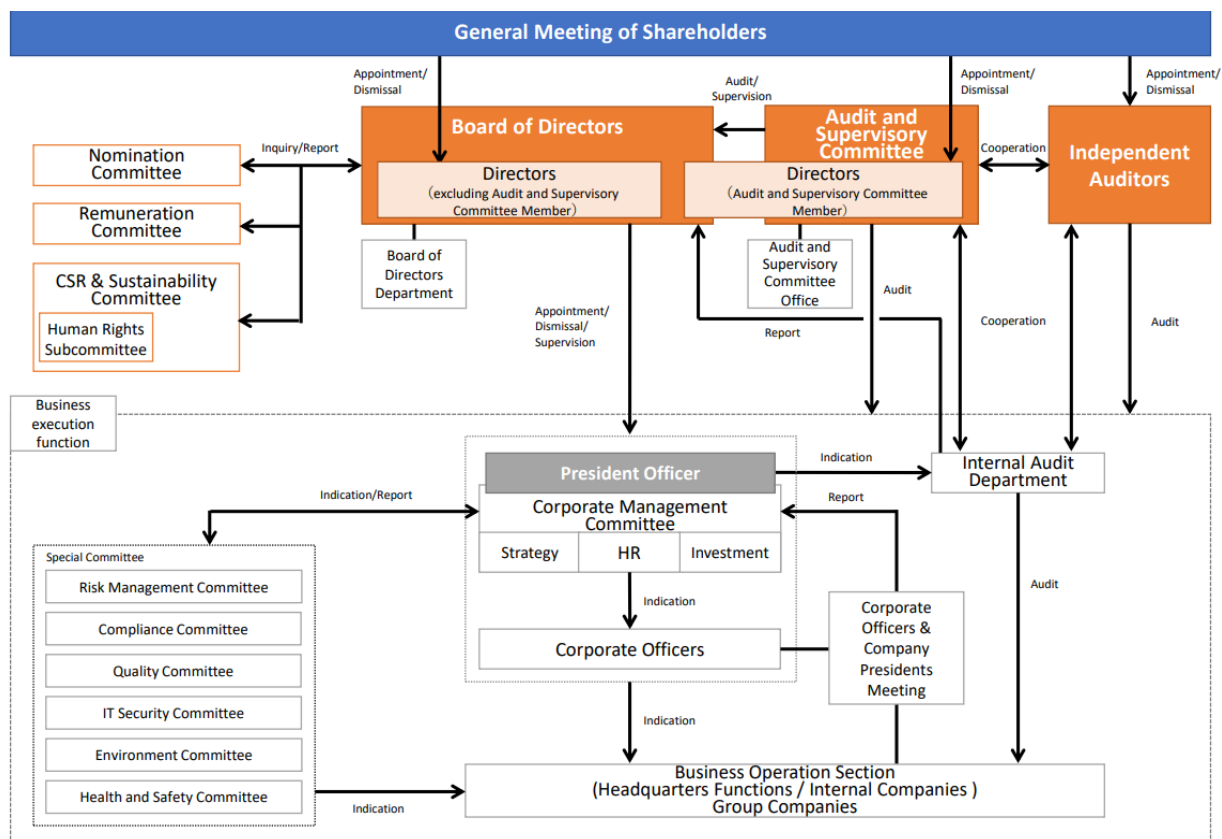
2. Other Matters Concerning to Corporate Governance System **Updated**

[Overview of system for timely disclosure]

We are fully cognizant that the timely and appropriate provision of company information to investors is the foundation of a sound securities market, and we strive to enhance information management and internal control functions by taking measures such as defining the disclosure periods and persons responsible for disclosure in our Internal Information Management Rules so that we can make prompt, accurate, and fair disclosures.

In principle, we promptly disclose matters to be disclosed after decision or occurrence. The Board of directors, Management Meeting or a representative director makes a determination concerning the timing and method of disclosure and disclosure is performed by a representative director or the officer responsible for Business Management Department appointed by the representative director.

[System Diagram of Corporate Governance]



[System Diagram of Timely Disclosure]

