

1. This document is a partial translation of the official Japanese Notice of the Convocation of the Ordinary General Meeting of Shareholders for the 106<sup>th</sup> Business Term.
2. This translation is provided only as a reference to assist shareholders in their voting and does not constitute an official document.
3. In the event of any discrepancies between this translated document and the Japanese original, the original shall prevail.

(Securities code: 7915)

February 28, 2025

(Commencement date of the electronic provision measures: February 27, 2025)

To All Shareholders

3 Mibu Hanai-cho, Nakagyo-ku, Kyoto, Japan

Nissha Co., Ltd.

Junya Suzuki, Chairman of the Board and Group CEO

## Notice of Convocation of the Ordinary General Meeting of Shareholders for the 106<sup>th</sup> Business Term

We hereby notify that the Ordinary General Meeting of Shareholders for the 106<sup>th</sup> Business Term of Nissha Co., Ltd. (the “Company”) shall be held as described below.

In convening this meeting, the Company has taken electronic provision measures for the information contained in the Reference Materials for the General Meeting of Shareholders, etc. (matters subject to electronic provision measures) and posted such matters on the Company’s website on the Internet. You are kindly requested to access the Company’s website and read through the matters.

■ **NISSHA’s website:** <https://www.nissha.com/ir/stock/meeting.html>

(Reference: <https://www.nissha.com/english/ir/stock/meeting.html>)

The matters subject to electronic provision measures are also posted on the website of the Tokyo Stock Exchange (TSE), besides the aforementioned website. Please find the information by visiting the TSE’s website (Listed Company Search) linked below. On this page, you can search for the information by entering either the issue name “NISSHA” or the securities code “7915,” and then by selecting either “Basic information” or “Documents for public inspection/PR information” tab.

■ **TSE’s website (Listed Company Search):**

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

(Reference: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>)

Instead of attending on the day, you may exercise your voting rights by an electromagnetic method (via the Internet, etc.) or in writing. You are requested to exercise your voting rights by 6:00 p.m. on March 19, 2025 (Wed.) after examining the “Reference Materials for the General Meeting of Shareholders.”

## Ordinary General Meeting of Shareholders

1. **Date and time:** March 21, 2025 (Fri.), 10:00 a.m. (Reception for the meeting will start at 9:00 a.m.)
2. **Venue:** Company auditorium, 3 Mibu Hanai-cho, Nakagyo-ku, Kyoto, Japan  
(Please refer to the “Guide to the Venue for the General Meeting of Shareholders” of the Japanese original.)
3. **Agenda:**
  1. **Matters to be reported**
    1. Report on the Business Report, Consolidated Financial Statements for the 106<sup>th</sup> business term (from January 1, 2024 through December 31, 2024) and the Audit Results of the Accounting Auditor and the Audit and Supervisory Board
    2. Report on the Non-consolidated Financial Statements for the 106<sup>th</sup> business term (from January 1, 2024 through December 31, 2024)

### Proposals to be resolved

**Proposal 1:** Election of Nine (9) Directors of the Board

**Proposal 2:** Revision of Amounts of Compensation Paid to Directors of the Board and Audit and Supervisory Board Members

**Proposal 3:** Partial Revision of the Details of Stock Compensation Paid to Directors of the Board

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Any significant changes in the operation of the General Meeting of Shareholders will be notified through the Company’s website (<https://www.nissha.com/english/>).

## Guide to the Exercise of Voting Rights

Voting rights at a general meeting of shareholders are important rights of shareholders to participate in management of the Company. You are kindly requested to exercise your voting rights referring to the guide below.

<b>1 Exercise of voting rights via the Internet</b> You are kindly requested to either scan the QR Code printed on the enclosed Voting Rights Exercise Form or access the voting right exercise website ( <a href="https://soukai.mizuho-tb.co.jp/">https://soukai.mizuho-tb.co.jp/</a> ), and enter your approval or disapproval of the proposals in accordance with the instructions on the screen.
Deadline: accepted up to March 19, 2025 (Wed.), 6:00 p.m.
<b>2 Exercise of voting rights in writing</b> Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and send the form back to the Company.
Deadline: to be received by March 19, 2025 (Wed.), 6:00 p.m.
<b>3 Exercise of voting rights by attending the meeting in person</b> You are kindly requested to submit the enclosed Voting Rights Exercise Form to the reception desk at the meeting site.
Date and time: March 21, 2025 (Fri.), 10:00 a.m. (Reception for the meeting will start at 9:00 a.m.)

### Handling of voting rights

- If you do not indicate your approval or disapproval of a proposal on the Voting Rights Exercise Form you sent back to the Company:
    - Your vote shall be treated as an approval for the Company's proposal.
  - If you exercise your voting rights in duplicate in writing and via the Internet:
    - The voting rights exercised via the Internet shall be deemed valid.
  - If you exercise your voting rights multiple times via the Internet:
    - The last vote shall be deemed valid.
1. Of the matters subject to electronic provision measures, the following matters are not included in the documents to be delivered to those shareholders who have requested the delivery of documents in accordance with laws and regulations, and the provisions of the Articles of Incorporation of the Company. Audit and Supervisory Board Members and the Accounting Auditor have audited documents subject to audit, which include the following matters.
    - (1) Matters Regarding Accounting Auditors, Systems to Ensure the Properness of Operations and Overview of the State of Operations of the Systems, and Basic Policy Regarding the Control over the Company, all of which are contained in the Business Report
    - (2) Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements in the Consolidated Financial Statements
    - (3) Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements
  2. If the matters subject to electronic provision measures are corrected, a statement to that effect and the matters before and after the correction will be posted on the Company's website and the TSE's website.

## Reference Materials for the General Meeting of Shareholders

### Proposal 1: Election of Nine (9) Directors of the Board

The term of office of all nine (9) Directors of the Board shall expire at the close of this Ordinary General Meeting of Shareholders.

Therefore, the Company proposes the election of nine (9) Directors of the Board, including four (4) Independent Outside Directors of the Board.

Candidates for the position of Directors of the Board were determined based on a report of the Nomination and Compensation Committee chaired by an Independent Outside Director of the Board in accordance with the Company's standards for selecting candidates for the position of Directors of the Board. The candidates for the position of Independent Outside Directors of the Board satisfy the Company's "Standards for Independence of Independent Officers."

The candidates for the position of Directors of the Board are as follows:

No.	Name			Current positions and responsibilities at the Company	Period served as a Director of the Board	Attendance at meetings of the Board of Directors
1	Junya Suzuki	Male; Reappointment		Chairman of the Board Group CEO Chairman of Sustainability Committee Internal Control	25 years and 9 months	100% (17 out of 17)
2	Wataru Watanabe	Male; Reappointment		Director of the Board Senior Executive Vice President Chief Strategy Officer Senior Director of New Business Development Office Corporate Strategy Planning ESG Promotion	7 years	100% (17 out of 17)
3	Hisashi Iso	Male; Reappointment		Director of the Board Senior Executive Vice President General Manager of Industrial Materials Business Unit	4 years	100% (17 out of 17)
4	Daisuke Inoue	Male; Reappointment		Director of the Board Senior Executive Vice President General Manager of Devices Business Unit Legal Affairs Chairman of Risk Management and Compliance Committee	7 years	100% (17 out of 17)
5	Yutaka Nishimoto	Male; Reappointment		Director of the Board Senior Executive Vice President Chief Quality and Production Officer Corporate Procurement and Logistics Senior Director of Devices Business Unit (Quality, Production and Procurement)	4 years	100% (17 out of 17)
6	Kazuhito Osugi	Male; Reappointment Candidate for Independent Outside Director of the Board	Independent Officer	Director of the Board	8 years and 9 months	100% (17 out of 17)
7	Kazumichi Matsuki	Male; Reappointment Candidate for Independent Outside Director of the Board	Independent Officer	Director of the Board	6 years	100% (17 out of 17)
8	Juichi Takeuchi	Male; Reappointment Candidate for Independent Outside Director of the Board	Independent Officer	Director of the Board	3 years	100% (17 out of 17)
9	Yukiko Hashitera	Female; Reappointment Candidate for Independent Outside Director of the Board	Independent Officer	Director of the Board	1 year	100% (13 out of 13)

Note: Attendance at meetings of the Board of Directors of Ms. Yukiko Hashitera covers meetings of the Board of Directors held after she assumed office as Director of the Board of the Company.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities		Number of shares held
1	Junya Suzuki (December 8, 1964) Reappointment  (Period served as a Director of the Board) 25 years and 9 months as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2024.12) 17 out of 17 (100%)	April 1990	Entered The Dai-ichi Kangyo Bank, Limited (currently, Mizuho Financial Group, Inc.), Ginza Branch Office	605,531 shares
		April 1993	Industrial Research Office, Corporation Planning Division	
		March 1995	Acquired credits from the Doctoral Program, Graduate School of Business and Commerce, Keio University	
		March 1996	Los Angeles Branch Office, The Dai-ichi Kangyo Bank, Limited	
		March 1998	Entered the Company	
		June 1999	Director of the Board	
		June 2001	Executive Director of the Board	
		April 2003	Executive Director of the Board, General Manager of International Sales, Industrial Materials and Input Devices Business Unit	
		June 2003	Senior Executive Director of the Board	
		July 2005	Director of the Board, Corporate Vice President	
		April 2006	Director of the Board, Corporate Vice President, General Manager of Corporate Strategy	
		June 2007	Chairman of the Board and Group CEO (present post)	
		【Responsibilities】 Chief Executive Officer, Chairman of Sustainability Committee, Internal Control		

(Significant positions concurrently held)

Chairman of the Board, Nissha USA, Inc. / Chairman of the Board, Nissha Europe GmbH / Chairman of the Board, Nissha Metallizing Solutions N.V. / President and CEO, Representative Director, Suzuki Kosan Co., Ltd. / Chairman of the board of directors, Nissha Foundation

(Reasons for selecting the candidate for a Director of the Board)

Mr. Junya Suzuki has duly performed his duties as Chairman of the Board and Group CEO, such as decision-making on important managerial issues and the supervision of the execution of operations. He has also committed to management from medium- to long-term perspectives and has shown strong leadership and decisiveness toward the realization of the Nissha Group's Mission since he assumed office as Chairman of the Board and Group CEO in 2007. We ask for his election so that he may continuously serve as a Director of the Board, since we judge that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.

Notes:

1. No special interests exist between Mr. Junya Suzuki and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares held.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Junya Suzuki, he will continue to be insured under the insurance contract.  
Please refer to "4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract" of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares held	
2	Wataru Watanabe (December 11, 1971) Reappointment  (Period served as a Director of the Board) 7 years as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2024.12) 17 out of 17 (100%)	March 1996	Entered the Company	12,789 shares
		April 2010	Chief Executive Officer, Nissha USA, Inc.	
		September 2011	Completed MBA, Kellstadt Graduate School of Business, DePaul University	
		October 2011	Director of Corporate Strategy Planning	
		April 2014	Director of Corporate Strategy Planning and Director of Secretary's Office	
		April 2015	Vice President, Director of Corporate Strategy Planning and Director of Secretary's Office	
		January 2018	Senior Vice President, Director of Corporate Strategy Planning and Director of Secretary's Office	
		March 2018	Director of the Board, Senior Vice President, Director of Corporate Strategy Planning and Director of Secretary's Office	
		January 2019	Director of the Board, Senior Vice President, Director of Corporate Strategy Planning, Director of New Business Development, Director of Secretary's Office and Interim General Manager of Industrial Materials Business Unit	
		October 2019	Director of the Board, Senior Vice President, Director of Corporate Strategy Planning, Director of New Business Development and Director of Secretary's Office	
		January 2020	Director of the Board, Executive Vice President, Director of Corporate Strategy Planning and Director of New Business Development	
		January 2021	Director of the Board, Executive Vice President, Director of Corporate Strategy Planning and Senior Director of New Business Development Office	
		January 2023	Director of the Board, Executive Vice President, Director of Corporate Strategy Planning, Director of ESG Promotion and Senior Director of New Business Development Office	
		January 2024	Director of the Board, Senior Executive Vice President, Senior Director of New Business Development Office (present post)	
	<b>【Responsibilities】</b> Senior Executive Vice President, Chief Strategy Officer, Senior Director of New Business Development Office, Corporate Strategy Planning, ESG Promotion			

(Reasons for selecting the candidate for a Director of the Board)

Mr. Wataru Watanabe has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. As well as promoting and verifying the effectiveness of medium-term business plans as Senior Executive Vice President and Chief Strategy Officer, he shows strong leadership in accelerating the reorganization of the business portfolio of the Company and expanding business performance by creating new businesses as Senior Director of New Business Development Office. We ask for his election so that he may continuously serve as a Director of the Board, since we judge that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.

Notes:

1. No special interests exist between Mr. Wataru Watanabe and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares held.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Wataru Watanabe, he will continue to be insured under the insurance contract.  
Please refer to "4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract" of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares held	
3	Hisashi Iso (December 12, 1964) Reappointment  (Period served as a Director of the Board) 4 years as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2024.12) 17 out of 17 (100%)	April 1987	Entered the Company	11,308 shares
		April 2007	Director of PC Marketing and Sales, Industrial Materials and Input Devices Business Unit	
		April 2011	Director of Procurement and Sourcing, Devices Business Unit	
		October 2013	Senior Director of Devices Business Unit (Customer Relationship Management)	
		April 2015	Vice President, Senior Director of Devices Business Unit (Customer Relationship Management)	
		April 2017	Vice President, Senior Director of Devices Business Unit (Customer Relationship Management and Module Products)	
		January 2018	Vice President, Senior Director of Devices Business Unit (Customer Relationship Management and Procurement)	
		January 2019	Vice President, Senior Director of Devices Business Unit (Customer Relationship Management, Supply Chain Management and Procurement)	
		July 2019	Vice President, Senior Director of Industrial Materials Business Unit (Customer Relationship Management) and Senior Director of Devices Business Unit (Supply Chain Management and Procurement)	
		January 2020	Vice President, Senior Director of Industrial Materials Business Unit (Customer Relationship Management and Procurement)	
		June 2020	Senior Vice President, General Manager of Industrial Materials Business Unit	
		March 2021	Director of the Board, Senior Vice President, General Manager of Industrial Materials Business Unit	
		January 2022	Director of the Board, Executive Vice President, General Manager of Industrial Materials Business Unit	
January 2025	Director of the Board, Senior Executive Vice President, General Manager of Industrial Materials Business Unit (present post)			
		<b>【Responsibilities】</b> Senior Executive Vice President, General Manager of Industrial Materials Business Unit		

(Significant positions concurrently held)

Chairman of the Board and CEO, Taiwan Nissha Co., Ltd.

(Reasons for selecting the candidate for a Director of the Board)

Mr. Hisashi Iso has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. He assumes responsibility for business management as Senior Executive Vice President and General Manager of Industrial Materials Business Unit, showing strong leadership in establishing and implementing marketing-based strategies for winning new orders. We ask for his election so that he may continuously serve as a Director of the Board, since we judge that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.

Notes:

1. No special interests exist between Mr. Hisashi Iso and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares held.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Hisashi Iso, he will continue to be insured under the insurance contract. Please refer to “4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract” of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares held
4	Daisuke Inoue (February 1, 1966) Reappointment  (Period served as a Director of the Board) 7 years as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2024.12) 17 out of 17 (100%)	<p>April 1989 Entered The Sumitomo Bank, Limited (currently, Sumitomo Mitsui Banking Corporation)</p> <p>January 1997 Atlanta Branch</p> <p>January 1998 New York Branch</p> <p>April 1999 Head Office Marketing and Sales Division I</p> <p>January 2002 Hong Kong Branch</p> <p>April 2006 Entered the Company</p> <p>April 2007 Director of Strategies for Subsidiaries and Associates, Corporate Strategy</p> <p>April 2008 Director of Corporate Strategy Planning, Corporate Strategy</p> <p>April 2009 Deputy General Manager of Corporate Strategy</p> <p>March 2010 Completed MBA, Graduate School of Management, Ritsumeikan University</p> <p>April 2011 Vice President, Director of Corporate Strategy Planning</p> <p>September 2012 Vice President, Senior Director of Devices Business Unit</p> <p>April 2013 Senior Vice President, Senior Director of Devices Business Unit</p> <p>April 2015 Executive Vice President, General Manager of Devices Business Unit</p> <p>March 2018 Director of the Board, Executive Vice President, General Manager of Devices Business Unit</p> <p>January 2021 Director of the Board, Senior Executive Vice President, General Manager of Devices Business Unit (present post)</p> <p><b>【Responsibilities】</b> Senior Executive Vice President, General Manager of Devices Business Unit, Legal Affairs, Chairman of Risk Management and Compliance Committee</p>	14,897 shares

(Reasons for selecting the candidate for a Director of the Board)

Mr. Daisuke Inoue has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. In addition, he assumes responsibility for business management as Senior Executive Vice President and General Manager of Devices Business Unit, working to establish and implement marketing-based strategies for winning new orders while showing strong leadership from the perspective of the Nissha Group as a whole as an executive responsible for Legal Affairs. We ask for his election so that he may continuously serve as a Director of the Board, since we judge that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.

Notes:

1. No special interests exist between Mr. Daisuke Inoue and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares held.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Daisuke Inoue, he will continue to be insured under the insurance contract.  
Please refer to “4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract” of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.



Candidate number	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares held	
5	Yutaka Nishimoto (December 22, 1969) Reappointment  (Period served as a Director of the Board) 4 years as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2024.12) 17 out of 17 (100%)	March 1993	Entered the Company	13,631 shares
		April 2008	Director of Foil Printing Production, Kameoka Factory, Nitec Industries, Inc.* (currently, Nissha Industries, Inc.)	
		January 2011	Factory Manager, Kaga Factory, Nitec Precision, Inc.* (currently, Nissha Precision and Technologies, Inc.)	
		April 2012	Representative Director	
		April 2013	Director of the board and Factory Manager, Kaga Factory, Nitec Precision and Technologies, Inc.* (currently, Nissha Precision and Technologies, Inc.)	
		February 2014	Director of the board and Chief Operating Officer	
		April 2015	Vice President, Senior Director of Devices Business Unit (Production), the Company	
		April 2015	Representative Director and CEO, Nitec Precision and Technologies, Inc. (present post)	
		September 2015	Vice President, Senior Director of Devices Business Unit (Production and Procurement), the Company	
		January 2018	Senior Vice President, Senior Director of Devices Business Unit (Production)	
		January 2021	Executive Vice President, Senior Director of Devices Business Unit (Quality and Production)	
		March 2021	Director of the Board, Executive Vice President, Senior Director of Devices Business Unit (Quality and Production)	
		January 2022	Director of the Board, Executive Vice President, Senior Director of Devices Business Unit (Quality, Engineering and Production)	
		January 2024	Director of the Board, Executive Vice President, Senior Director of Digital Transformation Promotion Office and Senior Director of Devices Business Unit (Quality, Procurement and Production)	
January 2025	Director of the Board, Senior Executive Vice President, and Senior Director of Devices Business Unit (Quality, Production and Procurement) (present post)			
		<b>【Responsibilities】</b> Senior Executive Vice President, Chief Quality and Production Officer, Corporate Procurement and Logistics, Senior Director of Devices Business Unit (Quality, Production and Procurement)		

\* Wholly-owned subsidiaries of the Company

(Significant positions concurrently held)

Representative Director and CEO, Nissha Precision and Technologies, Inc. / Director, Company President, Nissha Vietnam Co., Ltd.

(Reasons for selecting the candidate for a Director of the Board)

Mr. Yutaka Nishimoto has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. As Senior Executive Vice President and Chief Quality and Production Officer, he is working to improve a comprehensive quality assurance system and to design and implement the optimum deployment and streamlining of production capacity in accordance with our business strategy from the perspective of the Nissha Group as a whole. At the same time, he shows strong leadership in putting in place an efficient and cost advantageous procurement and logistics systems from a global point of view as an executive responsible for Corporate Procurement and Logistics. We ask for his election so that he may continuously serve as a Director of the Board, since we judge that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.

Notes:

- 1.No special interests exist between Mr. Yutaka Nishimoto and the Company.
- 2.Shares held under the name of the shareholding association are included in the number of shares held.
- 3.The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Yutaka Nishimoto, he will continue to be insured under the insurance contract.

Please refer to “4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract” of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares held	
6	Kazuhiro Osugi (July 31, 1953) Reappointment Candidate for Independent Outside Director of the Board Independent Officer  (Period served as a Director of the Board) 8 years and 9 months as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2024.12) 17 out of 17 (100%)	April 1977	Entered the Bank of Japan	0 shares
		May 1984	Completed MBA, Graduate School of Business Administration, University of Michigan	
		November 1986	Economist, BIS (Bank for International Settlements)	
		June 1999	General Manager, the Bank of Japan Matsumoto Branch	
		May 2001	Deputy General Manager, the Bank of Japan Osaka Branch	
		May 2003	Senior Director, Industrial Revitalization Corporation of Japan	
		July 2005	Deputy Director- General, Head of Center for Advanced Financial Technology, the Bank of Japan Financial System and Bank Examination Department	
		May 2006	Director-General, the Bank of Japan Internal Auditors' Office	
		April 2007	Director-General, the Bank of Japan Secretariat of the Policy Board	
		April 2009	Guest professor, Ochanomizu University	
		September 2011	Auditor, the Bank of Japan	
		October 2015	Advisor of Security Transport Business Division, NIPPON EXPRESS CO., LTD.	
		June 2016	Independent Outside Director of the Board, the Company (present post)	
August 2018	Independent Outside Director of the Board, Frontier Management Inc.			
June 2021	Independent Outside Director of the Board, The Gunma Bank, Ltd. (present post)			
March 2024	Independent Outside Director of the Board (Audit and Supervisory Committee Member), Frontier Management Inc. (present post)			

(Significant positions concurrently held)

Independent Outside Director of the Board (Audit and Supervisory Committee Member), Frontier Management Inc. / Independent Outside Director of the Board, The Gunma Bank, Ltd.

(Reasons for selecting the candidate for an Independent Outside Director of the Board and outline of expected roles)

Mr. Kazuhito Osugi has given valuable advice and opinions across the whole range of the Company's management, making the most of the deep insight in the field of finance he has cultivated in the Bank of Japan over the years and broad experience fostered by participating in corporate management as an Independent Outside Director of the Board for the Company and other companies. Mr. Kazuhito Osugi has duly performed his duties, such as the supervision of the execution of operations. We ask for his election so that he may continuously serve as an Independent Outside Director of the Board since we expect that he will continue to give his valuable counsel and strive to enhance management supervisory functions from an independent point of view across the whole range of the Company's management.

Notes:

- No special interests exist between Mr. Kazuhito Osugi and the Company.
- Mr. Kazuhito Osugi is a candidate for Independent Outside Director of the Board as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- The Company has concluded a contract for limitation of liability with Mr. Kazuhito Osugi, and if we obtain approval for his reelection, we will continue the contract.  
The aforementioned contract limits liability for damages to the Company under Article 423, Paragraph 1 of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act, when the Director of the Board's duty is performed in good faith and with no gross negligence.
- The Company has transactional relations, including logistics services, with NIPPON EXPRESS CO., LTD., a company for which Mr. Kazuhito Osugi served as an Advisor until May 2021. The amount, however, meets the "Standards for Independence of Independent Officers" of the Company, with the amount of transactions in the most recent fiscal year being less than 1% of consolidated gross sales

of the Nissha Group and the NIPPON EXPRESS Group, and would not affect the independence of Mr. Kazuhito Osugi as an Independent Outside Director of the Board.

5. The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Kazuhito Osugi, he will continue to be insured under the insurance contract.

Please refer to “4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract” of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.

6. The Tokyo Stock Exchange has been notified of Mr. Kazuhito Osugi as an Independent Officer of the Company.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares held
7	Kazumichi Matsuki (August 17, 1951) Reappointment Candidate for Independent Outside Director of the Board Independent Officer  (Period served as a Director of the Board) 6 years as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2024.12) 17 out of 17 (100%)	<p>April 1976 Entered Mitsubishi Corporation</p> <p>June 1979 Harvard Law School, LL.M. (Master of Laws)</p> <p>January 2003 General Manager of Legal Dept., Mitsubishi Corporation</p> <p>April 2007 Senior Vice President</p> <p>May 2007 Chairman, The Association of Corporate Legal Departments</p> <p>April 2009 Senior Vice President, Senior Assistant to Corporate Functional Officer and General Manager of Compliance Dept., Mitsubishi Corporation</p> <p>October 2009 Temporary member of International Jurisdiction Legislation Subcommittee, Legislative Council of the Ministry of Justice</p> <p>April 2010 Visiting Professor, The University of Tokyo Graduate Schools for Law and Politics</p> <p>June 2011 Director, Hokuetsu Kishu Paper Co., Ltd. (currently, Hokuetsu Corporation)</p> <p>June 2011 Member of Special Committee on Criminal Justice System of New Age, Legislative Council of the Ministry of Justice</p> <p>June 2013 Managing Director, Hokuetsu Kishu Paper Co., Ltd.</p> <p>June 2016 Independent Outside Director of the Board (Audit and Supervisory Committee Member), Dream Incubator Inc.</p> <p>June 2016 Independent Audit and Supervisory Board Member, SANDEN HOLDINGS CORPORATION (currently, SANDEN CORPORATION)</p> <p>June 2017 Director, Japan Criminal Policy Society (present post)</p> <p>June 2018 Independent Outside Director of the Board, ANEST IWATA Corporation</p> <p>March 2019 Independent Outside Director of the Board, the Company (present post)</p> <p>June 2020 Independent Outside Director of the Board (Audit and Supervisory Committee Member), ANEST IWATA Corporation (present post)</p> <p>June 2023 Independent Outside Director of the Board, TOYO CONSTRUCTION CO., LTD. (present post)</p> <p>June 2024 Councilor, International Civil and Commercial Law Centre Foundation (present post)</p>	0 shares

(Significant positions concurrently held)

Independent Outside Director of the Board (Audit and Supervisory Committee Member), ANEST IWATA Corporation / Independent Outside Director of the Board, TOYO CONSTRUCTION CO., LTD. / Director, Japan Criminal Policy Society / Councilor, International Civil and Commercial Law Centre Foundation

(Reasons for selecting the candidate for an Independent Outside Director of the Board and outline of expected roles)

Mr. Kazumichi Matsuki has given valuable advice and opinions across the whole range of the Company's management, making the most of his hands-on experience in proactive and broad business development and deep insight concerning its governance as he assumed important posts regarding legal affairs and compliance at a company globally developing business while participating in corporate management at manufacturers. Mr. Kazumichi Matsuki has duly performed his duties, such as the supervision of the execution of operations. We ask for his election so that he may continuously serve as an Independent Outside Director of the Board since we expect that he will continue to give his valuable counsel and strive to enhance management supervisory functions from an independent point of view across the whole range of the Company's management.

Notes:

1. No special interests exist between Mr. Kazumichi Matsuki and the Company.
2. Mr. Kazumichi Matsuki is a candidate for Independent Outside Director of the Board as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
3. The Company has concluded a contract for limitation of liability with Mr. Kazumichi Matsuki, and if we obtain approval for his reelection, we will continue the contract.

The aforementioned contract limits liability for damages to the Company under Article 423, Paragraph 1 of the Companies Act to the

minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act, when the Director of the Board's duty is performed in good faith and with no gross negligence.

4. The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Kazumichi Matsuki, he will continue to be insured under the insurance contract.

Please refer to "4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract" of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.

5. The Tokyo Stock Exchange has been notified of Mr. Kazumichi Matsuki as an Independent Officer of the Company.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities		Number of shares held
8	Juichi Takeuchi (October 14, 1959) Reappointment Candidate for Independent Outside Director of the Board Independent Officer  (Period served as a Director of the Board) 3 years as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2024.12) 17 out of 17 (100%)	April 1983	Entered Terumo Corporation	0 shares
		July 2006	VP & COO, Terumo Medical Corporation	
		April 2007	President & CEO	
		November 2010	President (Europe and the United States), D&D Group, General Hospital Company, Terumo Corporation, and President & CEO, Terumo Medical Corporation	
		June 2011	Executive Officer, Terumo Corporation	
		October 2014	Executive Officer, President, Terumo Pharmaceutical Solutions, and General Manager, Overseas Promotion Office, General Hospital Company	
		April 2015	Executive Officer, President and CEO, Terumo Americas Holding, Inc., and Regional Representative, Latin America	
		October 2016	Executive Officer, President and CEO, Terumo Americas Holding, Inc., Regional Representative, Latin America, and President, Terumo Latin America Corporation	
		April 2018	Senior Executive Officer, Terumo Corporation	
		April 2020	Senior Executive Advisor	
		March 2022	Independent Outside Director of the Board, the Company (present post)	

(Reasons for selecting the candidate for an Independent Outside Director of the Board and outline of expected roles)

Mr. Juichi Takeuchi has given valuable advice and opinions across the whole range of the Company's management, making the most of his broad hands-on experience and extensive knowledge in the medical market, a priority market of the Company, as he has been engaged in management strategies, alliances, sales and marketing in a medical devices company, where he led its global strategies and assumed responsibility for its overseas subsidiaries over the years. Mr. Juichi Takeuchi has duly performed his duties, such as the supervision of the execution of operations. We ask for his election so that he may continuously serve as an Independent Outside Director of the Board since we expect that he will continue to give his valuable counsel and strive to enhance management supervisory functions from an independent point of view across the whole range of the Company's management.

Notes:

- No special interests exist between Mr. Juichi Takeuchi and the Company.
- Mr. Juichi Takeuchi is a candidate for Independent Outside Director of the Board as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- The Company has concluded a contract for limitation of liability with Mr. Juichi Takeuchi, and if we obtain approval for his reelection, we will continue the contract.  
The aforementioned contract limits liability for damages to the Company under Article 423, Paragraph 1 of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act, when the Director of the Board's duty is performed in good faith and with no gross negligence.
- The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Juichi Takeuchi, he will continue to be insured under the insurance contract.  
Please refer to "4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract" of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.
- The Tokyo Stock Exchange has been notified of Mr. Juichi Takeuchi as an Independent Officer of the Company.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities		Number of shares held
9	Yukiko Hashitera (November 19, 1966) Reappointment Candidate for Independent Outside Director of the Board Independent Officer  (Period served as a Director of the Board) 1 year as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2024.12) 13 out of 13 (100%) (After she assumed office as Director of the Board of the Company)	April 1989	Entered UENO FINE CHEMICALS INDUSTRY, LTD.	0 shares
		April 2003	General Manager of Quality Assurance Office, R-TECH UENO, LTD.	
		August 2003	Director, General Manager of Business Management Department	
		June 2004	Representative and Executive Director, General Manager of Business Management Department	
		April 2006	Representative Director and President	
		March 2012	Completed MPH (Master of Public Health) program, Kyoto University School of Public Health	
		March 2013	Completed MBA, Graduate School of Management, Kyoto University	
		March 2018	CEO, Phoenixi Co., Ltd. (present post)	
		January 2023	Management Director, Cyn-K Bio, Inc. (present post)	
		March 2024	Independent Outside Director of the Board, the Company (present post)	
		June 2024	Independent Outside Director of the Board, Tosoh Corporation (present post)	

(Significant positions concurrently held)

CEO, Phoenixi Co., Ltd. / Management Director, Cyn-K Bio, Inc. / Independent Outside Director of the Board, Tosoh Corporation

(Reasons for selecting the candidate for an Independent Outside Director of the Board and outline of expected roles)

Ms. Yukiko Hashitera has given valuable advice and opinions across the whole range of the Company's management, making the most of her broad hands-on experience and extensive knowledge in corporate management, innovations, and human resources development cultivated through her career in the pharmaceutical industry in the medical market, a priority market of the Company, where, after engaging in research and development, she gained experience in leading an IPO and corporate management as Representative Director of a bio venture company, as well as in co-founding and serving as CEO of an incubator to create new businesses. Ms. Yukiko Hashitera has duly performed her duties, such as the supervision of the execution of operations. We ask for her election so that she may continuously serve as an Independent Outside Director of the Board since we expect that she will continue to give her valuable counsel and strive to enhance management supervisory functions from an independent point of view across the whole range of the Company's management.

Notes:

- No special interests exist between Ms. Yukiko Hashitera and the Company.
- Ms. Yukiko Hashitera is a candidate for Independent Outside Director of the Board as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- The Company has concluded a contract for limitation of liability with Ms. Yukiko Hashitera, and if we obtain approval for her reelection, we will continue the contract.  
The aforementioned contract limits liability for damages to the Company under Article 423, Paragraph 1 of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act, when the Director of the Board's duty is performed in good faith and with no gross negligence.
- The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Ms. Yukiko Hashitera, she will continue to be insured under the insurance contract.  
Please refer to "4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract" of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.
- The Tokyo Stock Exchange has been notified of Ms. Yukiko Hashitera as an Independent Officer of the Company.



(Reference) [Standards for Independence of Independent Officers]

Nissha Co., Ltd. (hereinafter, the “Company”) will determine that its Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members (hereinafter, collectively, “Independent Officers”) or candidates for Independent Officers are fully independent from the Company when they do not correspond to any of the criteria prescribed hereunder.

1. Persons who are or were executive persons (\*) of the Company and its affiliated companies (hereinafter, collectively, the “Group”). In addition, with Independent Audit and Supervisory Board Members, persons who were Directors of the Board that did not conduct Group business.  
(\* ) An executive person means the executive person prescribed in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act, and includes not only executive Directors of the Board but also employees, and does not include Audit and Supervisory Board Members.
2. Persons who are counterparties who have transactions principally with the Group, or are their executive persons. In addition, principal counterparties (\*) of the Group, or their executive persons.  
(\* ) A principal counterparty means a company or person whose payments or receipts for transactions with the Group in the current or any of the past three fiscal years represent 2% or more of the annual consolidated gross sales of the Group or the counterparty.
3. Major shareholders (\*) of the Group or their executive persons. In addition, executive persons of companies in which the Group is a major shareholder.  
(\* ) A major shareholder means a shareholder that holds votes representing 10% or more of total voting rights.
4. Attorneys, certified public accountants, consultants or the like who receive large amounts of cash or other assets (\*) other than officer compensation from the Group (if the entity receiving the assets is a corporation, partnership or other group, then persons belonging to that group).  
(\* ) A large amount of cash or other assets means the earning of cash or other property benefits in excess of JPY 10 million per year as an average of the past three fiscal years. In the case of a group, it means the payment of 2% or more of annual consolidated gross sales in each of the preceding three fiscal years inclusive of the most recent fiscal year.
5. Persons receiving large donations (\*) from the Group (if the entity receiving the property is a corporation, partnership or other group, the executive persons of that group).  
(\* ) A large donation means an annual donation of more than JPY 10 million in each of the preceding three fiscal years inclusive of the most recent fiscal year.
6. Executive persons of another company having a mutual appointment of Independent Officer (\*) relationships with the Group.  
(\* ) A mutual appointment of Independent Officers means the Company’s welcoming of Independent Officers from another company that have received Independent Officers, who are/were executive persons of the Group within the past 10 years, or from its parent or subsidiary companies.
7. Persons belonging to the auditing firm serving as the Group’s Accounting Auditor.
8. Persons who have corresponded to items 2 through 7 above within the past three years.
9. Spouses or relatives within two degrees of kinship of persons (limited to key personnel (\*)) corresponding to any of items 1 through 8 above.  
(\* ) Key personnel means (1) Directors of the Board, (excluding Independent Outside Directors of the Board), Corporate Officers, and employees holding a position of Senior Director or higher, (2) certified public accountants belonging to an auditing firm who are partners, and attorneys belonging to a law office, and (3) persons affiliated with incorporated foundations, incorporated associations, incorporated educational institutions and other corporations who are objectively and reasonably determined to be councilors, directors, auditors or other officers, or persons having equal importance.
10. Persons in circumstances which are otherwise objectively and reasonably found unsuitable for the duties of an Independent Officer.

## **Proposal 2: Revision of Amounts of Compensation Paid to Directors of the Board and Audit and Supervisory Board Members**

The amounts of compensation, etc. for Directors of the Board and Audit and Supervisory Board Members of the Company were approved at the Ordinary General Meeting of Shareholders for the 97<sup>th</sup> business term held on June 17, 2016 to be up to ¥430 million (including up to ¥40 million for Independent Outside Directors of the Board) per year and up to ¥60 million (including up to ¥20 million for Independent Audit and Supervisory Board Members) per year, respectively, both of which have remained unchanged to this day.

Since then, the Company has set the Sustainability Vision as its long-term vision for 2030 and rolled out its growth strategies through the large-scale reorganization of its business portfolio at a global level, aiming at sustainably enhancing its corporate value. To shift from businesses in the IT devices market, which have, to date, driven our business performance, and accelerate the development of our businesses in three markets of medical, mobility, and sustainable materials, where higher growth is expected, we have been building up track records of effective product development and strategic corporate acquisitions, among other achievements.

Under the recent rapidly-changing and unpredictable global business environment, the Company is facing an increasingly challenging situation for corporate management, and the roles and responsibilities expected of its Directors of the Board and Audit and Supervisory Board Members have become more significant in terms of corporate governance. Given these situations, the Company has decided to revise compensation for Directors of the Board and Audit and Supervisory Board Members to ensure that the level of their compensation will be market competitive.

In view of the aforementioned circumstances, the Company proposes the revision of the amounts of compensation, etc. for Directors of the Board, including bonuses, from up to ¥430 million (including up to ¥40 million for Independent Outside Directors of the Board) per year to up to ¥840 million (including up to ¥70 million for Independent Outside Directors of the Board) per year, and for Audit and Supervisory Board Members from up to ¥60 million (including up to ¥20 million for Independent Audit and Supervisory Board Members) per year to up to ¥70 million (including up to ¥25 million for Independent Audit and Supervisory Board Members) per year.

The amount of compensation, etc. for Directors of the Board shall include the Corporate Officer's portion of compensation for Directors of the Board who serve concurrently as Corporate Officers, as before.

Of this proposal, the details of compensation, etc. for Directors of the Board are in line with the "policy for determining the details of individual compensation for Directors of the Board" described in 4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members, (5) Compensation paid to Directors of the Board and Audit and Supervisory Board Members of the Business Report, and were determined by the Board of Directors after examining a report of the Nomination and Compensation Committee, which is chaired by an Independent Outside Directors of the Board and the majority of which consists of Independent Outside Directors of the Board, comprehensively taking into account a range of factors including the Company's business scale, compensation system and its payment level. Therefore, the Company believes that such details are appropriate.

If Proposal 1 is approved as proposed, the Company will have nine Directors of the Board (including four Independent Outside Directors of the Board) and four Audit and Supervisory Board Members (including two Independent Outside Audit and Supervisory Board Members).

### **Proposal 3: Partial Revision of the Details of Stock Compensation Paid to Directors of the Board**

#### **1. Reasons for Proposal and Reasons Why Said Compensation is Deemed Appropriate**

Compensation for Directors of the Board of the Company (excluding Independent Outside Directors of the Board) consists of a base salary, short-term performance-linked compensation (bonuses), and stock compensation, etc., which is medium- to long-term performance-linked compensation.

Of these, a plan for a medium- to long-term performance-linked stock compensation, etc. called the “Board Benefit Trust (BBT)” (hereinafter, the “Compensation Plan”) was introduced, after a proposal submitted at the Ordinary General Meeting of Shareholders for the 97<sup>th</sup> business term held on June 17, 2016, for the purpose of having the Company’s management team adopt the same perspective as our shareholders and increasing their awareness of contributing to the sustainable growth of the Company and to the enhancement of its corporate value. Subsequently, the percentage of performance-linked compensation paid in the form of shares, etc. was raised in stages, and most recently, the partial revision of the Compensation Plan was approved at the Ordinary General Meeting of Shareholders for the 102<sup>nd</sup> business term held on March 19, 2021 (hereinafter, the resolution of the Ordinary General Meeting of Shareholders for the 102<sup>nd</sup> business term is referred to as the “Original Resolution”), which has remained unchanged to this day. Meanwhile, to make the Compensation Plan more aware of the relative interest of our shareholders, it is necessary to give consideration to the dilutive effect of the Compensation Plan on the value of the Company’s stock. In view of these circumstances, this time, the Company proposes the review of the Compensation Plan.

In addition to the above, the Company believes that the details of this proposal are, as was the case with the Original Resolution, appropriate for the following reasons: (i) the details are in line with the “policy for determining the details of individual compensation for Directors of the Board” described in 4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members, (5) Compensation paid to Directors of the Board and Audit and Supervisory Board Members of the Business Report; (ii) the dilution ratio is insignificant as the number of shares (686,000 shares) equivalent to the maximum number of points to be awarded to Directors of the Board, etc. (as defined in 3. (2) below) in each Applicable Period (three fiscal years as defined in 3. (5) below) accounts for approximately 1.42% (when averaged out per fiscal year, such ratio is approximately 0.47%) of the total number of common shares issued (48,151,567 shares as of December 31, 2024; after excluding treasury shares); and (iii) the details were determined by the Board of Directors after examining a report of the Nomination and Compensation Committee, which is chaired by an Independent Outside Directors of the Board and the majority of which consists of Independent Outside Directors of the Board, comprehensively taking into account a range of factors including the Company’s business scale, compensation system and its payment level.

Shareholders are also requested to entrust the Board of Directors with deciding the details of the Compensation Plan, following the partial revision contained in this proposal, within the scope set out in 3. below.

Should the shareholders give their approval to Proposal 1, the number of Directors of the Board to whom the Compensation Plan is applicable shall be five (excluding Independent Outside Directors of the Board).

The amount of stock compensation, etc. to be revised in this proposal will be resolved in separate framework from the total yearly limit of compensation, etc. to be paid to Directors of the Board, for which the Company requests approval in Proposal 2.

#### **2. Details of the Revision**

The Company acquires a number of shares in the Company that is reasonably estimated as required for making an award of Company Shares (as defined in 3. (1) below) through the trust (hereinafter, the trust established under the Compensation Plan is referred to as the “Trust”) in each Applicable Period (the period covering every three fiscal years as defined in 3. (5) below). Under the current plan, the maximum amount of funds contributed by the Company is set at ¥486 million (including ¥226 million for the Company’s Directors of the Board) and the maximum total number of points to be awarded to the Directors of the Board, etc. (as defined in 3. (2) below) in each Applicable Period is set at 884,000 points (including 411,000 points for the Company’s Directors of the Board). This time, it is proposed that only the maximum total number of points to be awarded to the Directors of the Board, etc. in each Applicable Period be set, and be revised to 686,000 points (including 275,000 points for the Company’s Directors of the Board), without setting the maximum amount of cash to be contributed by the Company to the Trust. Starting from points to be awarded for performance-linked stock compensation for the fiscal year ended December 31, 2024, the Company intends to award points within the newly set maximum total number of points for performance-linked stock compensation.

### 3. Details following the Revision of the Compensation Plan

#### (1) Overview

The Compensation Plan is a performance-linked stock compensation plan whereby shares in the Company are acquired through the Trust using cash contributed by the Company as funds, and shares in the Company and cash equivalents of such shares at their market value (hereinafter together, “Company Shares”) are paid through the Trust to the Directors of the Board, etc. (as defined in (2) below) pursuant to the Policy on Directors’ Stock Compensation (hereinafter, the “Policy”) established by the Company. The timing for the Directors of the Board, etc. to receive an award of Company Shares shall be set out in the Policy. The Directors of the Board, etc. shall, in principle, acquire the right to receive an award of Company Shares on the point award date immediately following the final year of the Medium-term Business Plan (scheduled for the end of February each year) or on the retirement date of officers (hereinafter, the “Vesting Date”), and, based on said right, the Directors of the Board, etc. shall receive an award of Company Shares by the last day of the month following the month containing the Vesting Date.

#### (2) Persons to whom Compensation Plan is Applicable

Directors of the Board and Corporate Officers of the Company (excluding Independent Outside Directors of the Board; hereinafter, the “Directors of the Board, etc.”).

#### (3) Calculation Method of and Limit on Number of Company Shares Awarded to Directors of the Board, etc.

Points shall be awarded to the Directors of the Board, etc. for each fiscal year at a number determined based on the Policy and in consideration of their title, performance attainment level, etc.

The total number of points to be awarded to the Directors of the Board, etc. in each Applicable Period shall be a total of no more than 686,000 points, consisting of up to 275,000 points for the Company’s Directors of the Board and up to 411,000 points for the Company’s Corporate Officers.

The points to be awarded to the Directors of the Board, etc. shall, upon award of Company Shares mentioned in (6) below, be exchanged into the Company’s common shares at a rate of one share per point (however, where, after approval has been obtained for this proposal, a share split, gratis share allotment, share consolidation, etc. takes place concerning such shares, the Company shall perform a reasonable adjustment to the limit on the number of points and the number of points already awarded or the exchange ratio to reflect such change).

The number of points belonging to the Directors of the Board, etc. on which the award of Company Shares mentioned in (6) below is based shall be fixed by the Vesting Date by totaling the number of points awarded to the Directors of the Board, etc. up until that time (hereinafter, such points are referred to as “Fixed Points”).

#### (4) Method of Acquiring Company’s Shares

The Trust shall use funds contributed as mentioned in (5) below to acquire shares in the Company through the stock markets or through disposal of the Company’s treasury shares.

The details of the acquisition method, etc. of such shares in the Company by the Trust shall be disclosed in a timely and appropriate manner.

#### (5) Amount of Trust Funds

The Company shall, subject to the approval of this proposal and pursuant to the provisions of (3) above and (6) below, contribute additional funds to the Trust required to preliminarily acquire a number of shares for a specified period which is reasonably estimated as required for making awards of Company Shares. The Trust, as mentioned in (4) above, shall acquire shares in the Company using funds additionally contributed by the Company.

Note that the Company has contributed funds to the Trust required for the three fiscal years from the fiscal year ended December 31, 2024 to the fiscal year ending December 31, 2026 (hereinafter, the periods of said three fiscal years and every three fiscal years starting after the lapse of the said three fiscal years are both referred to as “Applicable Period,” respectively) in cash at a total amount of ¥304 million and acquired 156,000 shares in the Company.

After the Applicable Period has passed and until the Compensation Plan comes to an end, the Company shall, in principle, reasonably estimate the number of shares required to make awards to the Directors of the Board, etc. in each Applicable Period and make an additional contribution of funds required by the Trust to preliminarily acquire such shares every three fiscal years to the Trust. However, when making these additional contributions, if the Trust’s assets still contain any shares in the Company (excluding shares equivalent to the

number of points awarded to the Directors of the Board, etc. and not yet granted) or cash (hereinafter together, the “Remaining Shares”) immediately before the commencement of each Applicable Period during which such additional contribution is to be made, the Remaining Shares shall be used as funds for making awards under the Compensation Plan in each Applicable Period thereafter, and the amount of an additional contribution shall be calculated taking into account the Remaining Shares. When the Company decides to make any additional contribution, it shall disclose the fact in a timely and appropriate manner.

(6) Award of Company Shares

The Directors of the Board, etc. may, in principle, acquire the right to receive an award of shares in the Company from the Trust according to the number of Fixed Points they have, by carrying out the prescribed procedures by the Vesting Date and, based on that right, will receive an award of shares in the Company by the last day of the month following the month containing the Vesting Date. However, where the requirements set out separately in the Policy are fulfilled, the Directors of the Board, etc. shall, instead of such award of shares in the Company, receive a cash award in respect of a specific share of the points awarded to them, which is equivalent to the market value of such shares on the Vesting Date.

The Trust may sell shares in the Company when making such cash awards. In addition, in the event that a person to whom the Compensation Plan is applicable is dismissed by resolution of a General Meeting of Shareholders, or in the event that said person retires during his or her term of office due to wrongdoings, or in the event that said person engages in inappropriate behavior during his or her term of office that could cause damages to the Company, said person shall not be able to acquire the right to receive an award of Company Shares.

(Reference)

(1) Persons eligible to receive an award of Company Shares subject to the Compensation Plan	Directors of the Board and Corporate Officers of the Company (excluding Independent Outside Directors of the Board)
(2) Maximum total number of points awarded by the Company every three fiscal years thereafter	686,000 points, including 275,000 points for Directors of the Board
(3) Impact of the number of shares subject to the Compensation Plan every three fiscal years on the total number of common shares issued	The ratio of the number of shares when the number of points in (2) above are converted to shares (686,000 shares; 1 point = 1 share of the Company’s common shares) to the total number of common shares issued (as of December 31, 2024; after excluding treasury shares) is approximately 1.42%. When averaged out per fiscal year, such ratio is approximately 0.47%.
(4) Timing of awarding Company Shares to the Directors of the Board, etc.	In principle, the last day of the month following the month containing the Vesting Date every three fiscal years linked to the Medium-term Business Plan

## Attachments

# Business Report

(from January 1, 2024 through December 31, 2024)

## 1. Current status of the Nissha Group

### (1) Progress and results of operations

During the fiscal year ended December 31, 2024, the global economy trended toward recovery. In the United States, the economy expanded as consumer spending and other factors remained firm. In Europe, the economy came to a temporary standstill as production activities slowed down due to sluggish foreign demand, etc. In China, a weak economy continued against a backdrop of the real estate slump and other factors. Meanwhile, the Japanese economy recovered moderately due to firm capital investments, among other factors.

Under these conditions, during the fiscal year ended December 31, 2024, product demand in the field of decorations in the Industrial Materials segment remained firm, and we saw a recovery in demand for products, such as sustainable materials in the Industrial Materials segment and products for tablets and handheld terminals (logistics related) in the Devices segment, which had been sluggish in the previous fiscal year. In the Medical Technologies segment, the acquisition of companies has begun to contribute to earnings, while product demand remained firm.

As a result, regarding the financial results for the fiscal year ended December 31, 2024, net sales were ¥195,598 million (an increase of 16.6% as compared to the previous year). Operating profit was ¥5,486 million (operating loss of ¥3,817 million in the previous year). Profit attributable to owners of parent was ¥3,862 million (loss attributable to owners of parent of ¥2,988 million in the previous year).

### Industrial Materials

In the Industrial Materials segment, we mainly offer proprietary technologies that enable to create added value on the surfaces of various materials. IMD, IML, and IME, which facilitate simultaneous in-mold decoration, design and function adding of plastic products, are extensively used in mobility components and home appliances in global markets. Also, the metallized paper, which unites the properties of metallic luster and printing friendliness, has the largest market share in the industry as sustainable materials for beverages and foods on a global basis.

During the fiscal year ended December 31, 2024, demand for mobility components and home appliances in the field of decorations remained firm. And product demand for metallized paper in the field of sustainable materials steadily recovered from the weak levels in the previous fiscal year. In addition to these demand trends, the effects of the foreign exchange rate and other factors helped increase net sales year on year. On top of the increase in net sales, operating profit also increased year on year, backed by the Company's efforts to improve productivity and efficiency.

As a result, segment sales for the fiscal year ended December 31, 2024 were ¥74,090 million (an increase of 7.7% as compared to the previous year). Segment profit (operating profit) was ¥4,900 million (an increase of 5,131.3% as compared to the previous year).

#### Principal products

In-mold decoration (IMD), in-mold labeling (IML), in-mold electronics (IME),\* transfer foil, metallized paper and sustainable molded parts

\*IMD, IML and IME are registered trademarks of Nissha Co., Ltd.

## Devices

In the Devices segment, we produce components and module products that pursue precision and functionality. Our main products, film-based Touch Sensors are widely adopted mainly in tablets, handheld terminals (logistics related), mobility components, and gaming devices in global markets. In addition, we offer gas sensors that can detect gas conditions, along with other products.

During the fiscal year ended December 31, 2024, product demand for tablets and handheld terminals, which had been sluggish in the previous fiscal year, recovered. In line with these demand trends, net sales increased year on year while operating profit turned to the black.

As a result, segment sales for the fiscal year ended December 31, 2024 were ¥67,542 million (an increase of 23.1% as compared to the previous year). Segment profit (operating profit) was ¥1,798 million (segment loss (operating loss) of ¥1,580 million in the previous year).

### Principal products

Film-based Touch Sensor, gas sensor and force sensor

## Medical Technologies

The Medical Technologies segment is a business segment that offers high-quality and value-added products in medical devices and other related markets to contribute to healthy and affluent life. The segment currently provides contract design/development manufacturing services for major medical device manufacturers, especially for those in North America and Europe, with products such as surgical instruments for minimally invasive medical treatments and medical wearable sensors used for a wide range of therapeutic areas. In addition to these, the segment manufactures and sells its own brand products to medical institutions.

During the fiscal year ended December 31, 2024, both net sales and operating profit increased year on year, driven by steady product demand for our mainstay contract design/development and manufacturing organization (CDMO) for medical devices and the contribution to earnings from acquired companies, coupled with the effects of the foreign exchange rate.

As a result, segment sales for the fiscal year ended December 31, 2024 were ¥45,622 million (an increase of 26.7% as compared to the previous year). Segment profit (operating profit) was ¥2,388 million (an increase of 60.0% as compared to the previous year).

### Principal products

Minimally invasive surgical devices\*, medical wearable sensors\* and disposable electrocardiogram (ECG) electrodes

\*Products are not produced or sold in Japan (as of December 31, 2024).

**(2) Status of fund procurement, etc.**

1) Status of fund procurement

The Company issued the Second Series Unsecured Bonds of ¥6,700 million and the Third Series Unsecured Bonds of ¥2,300 million on December 9, 2024.

2) Status of capital investment

The Group's Mission is to use the diverse capabilities of its people and core technologies as an engine for growth to create highly competitive, feature-rich products and services that realize customer value and contribute to better lives for all.

Guided by this Mission, we established our Sustainability Vision as our long-term vision for 2030, and aim to create social and economic value by contributing to solving global social issues related to medical, mobility, and environment, with the integration and orchestration of the diverse talents of our people and our technologies.

To this end, during the current fiscal year, we renewed and expanded production facilities at domestic, North American, and European bases in the Industrial Materials business segment. We also completed the asset acquisition of a medical chart paper business and expanded production facilities at a North American base in the Medical Technologies business segment.

As a result, capital investment amounted to ¥5,441 million in the Industrial Materials business segment, ¥1,485 million in the Devices business segment, ¥1,824 million in the Medical Technologies business segment, and ¥859 million in other and common corporate divisions (R&D and Administration divisions). The overall capital investment of the Nissha Group stood at ¥9,611 million (an increase of 27.1% as compared to the previous year).

The details of our major capital investment are as follows:

Segments	Breakdown of major capital investment
Industrial Materials	Renewal and expansion of production facilities at domestic, North American, and European bases
Devices	Renewal of domestic production facilities
Medical Technologies	Asset acquisition of a medical chart paper business and expansion of production facilities at a North American base
Other and common corporate divisions (R&D and Administration divisions)	Introduction of research and development equipment, etc.



### (3) Status of consolidated assets and profit and loss

(Millions of Yen)

Items	FY2021.12 [the 103 <sup>rd</sup> business term]	FY2022.12 [the 104 <sup>th</sup> business term]	FY2023.12 [the 105 <sup>th</sup> business term]	FY2024.12 (current term) [the 106 <sup>th</sup> business term]
Net sales	189,285	193,963	167,726	195,598
Operating profit (loss)	17,363	9,520	(3,817)	5,486
Profit (loss) before tax	19,499	12,373	(2,762)	6,213
Profit (loss) attributable to owners of parent	15,859	10,140	(2,988)	3,862
Basic earnings (loss) per share (Yen)	318.35	203.65	(61.13)	80.15
Total assets	209,274	230,212	217,853	250,780
Total equity	98,264	111,518	110,852	115,521

- Notes:
1. Effective from FY2020.12 (the 102<sup>nd</sup> business term), the Group began preparing consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).
  2. Basic earnings (loss) per share are calculated based on the average number of shares outstanding during the fiscal year (after deducting the average number of treasury shares).
  3. The Company has introduced the Board Benefit Trust (BBT) from FY2017.3 (the 98<sup>th</sup> business term), and the Stock Benefit Trust (J-ESOP) and Stock Benefit Trust (Employee Shareholding Association Purchase-type) from FY2019.12 (the 101<sup>st</sup> business term). When calculating basic earnings (loss) per share, the Company shares that remain in the trust recorded as treasury shares under shareholders' equity are included in treasury shares to be deducted in the calculation of the average number of shares outstanding during the fiscal year.
  4. (Reference) The audits for the fiscal years prior to FY2023.12 (the 105<sup>th</sup> business term) have been completed in each of the past fiscal years; therefore, they are not subject to the audit in FY2024.12 (the 106<sup>th</sup> business term).

#### **(4) Issues to be addressed**

The Group's Mission is to use the diverse capabilities of its people and core technologies as an engine for growth to create highly competitive, feature-rich products and services that realize customer value and contribute to better lives for all.

Guided by this Mission, we established our Sustainability Vision as our long-term vision for 2030, and reflecting backward, formulated a strategy as set forth in our 8th Medium-term Business Plan to achieve our medium-term vision for 2026.

In the Sustainability Vision, we are aiming to create social and economic value by providing products and services that contribute to solving social issues in our priority markets of medical, mobility, and sustainable materials, and to achieve a 30% reduction in total CO<sub>2</sub> emissions in 2030 (versus 2020) in order to become carbon-neutral by 2050.

In addition, to realize our Sustainability Vision, we have identified "Creating Business Opportunities," "Risk Reduction," "Strengthening Management Foundation," and "Corporate Governance" as materialities. Backcasting from the Sustainability Vision as the starting point, specific strategy items and KPIs are set and worked on.

#### **Materialities of Nissha Group**

##### **• Creating Business Opportunities**

- Solve medical issues
- Contribute to the safety and comfort of transportation and logistics, and the reduction of environmental impact
- Promotion of circular economy

##### **• Risk Reduction**

- Respect for human rights
- Responding to climate change
- Providing responsible products and services
- Sustainable procurement
- Data security in response to the increased use of generative AI

##### **• Strengthening Management Foundation**

- Enhancing human capital
- Efficiency and productivity improvement

##### **• Corporate Governance**

- Improving the effectiveness of the Board of Directors
- Advancement of global governance

#### **The 8th Medium-term Business Plan and forecast for the fiscal year ending December 31, 2025**

The Group has been implementing the three-year 8th Medium-term Business Plan since 2024 to realize the Sustainability Vision, which is its long-term vision for 2030. The 8th Medium-term Business Plan aims to achieve stable growth and capital efficiency improvement. Accordingly, we will improve and stabilize profitability through strengthening the business portfolio we have built up to date.

During the fiscal year ended December 31, 2024, the first fiscal year of the 8th Medium-term Business Plan, we made efforts to expand business in our priority markets such as medical, mobility, and sustainable materials. In the medical market, we expanded business performance on the back of steady demand for our contract design/development and manufacturing organization (CDMO) for medical devices and acquired Isometric Holdings, Inc., a micro molding company for medical devices, and Cathtek, LLC, an injection molding and assembly company for medical devices, to strengthen and expand our business bases. In the mobility market, we accelerated product development and made capital investment to establish a mass production structure in preparation for the start of production of new products for exterior components in Germany in the next fiscal year. In the sustainable materials market, we steadily grew business performance on the back of a cyclical recovery in demand. By expanding our business in these priority markets, we will structure our business portfolio that is expected to grow steadily. Concurrently, we will continue our efforts to improve and stabilize profitability by raising product prices and implementing digital transformation and other measures that will help increase productivity and efficiency.

As for the operating results for the fiscal year ending December 31, 2025, the Industrial Materials segment plans to respond to firm product demand in the existing fields, while starting to supply new products for mobility exterior components. In addition, we project a steady rise in demand for our main field of CDMO for medical devices in the Medical Technologies segment, and a contribution to our financial results from the company that we decided to acquire in the fiscal year ended December 31, 2024 in Other segment. Meanwhile, we expect product demand for tablets in the Devices segment to decline due to changes in the product mix, etc. Therefore, we will pursue higher productivity and efficiency by reviewing our production structure in this segment.

(5) Principal bases, etc. of the Nissha Group (as of December 31, 2024)

1) Principal offices and factories

(i) The Company

Headquarters	Kyoto
Division Headquarters	Tokyo (Shinagawa-ku, Tokyo)

(ii) Subsidiaries

Nissha Industries, Inc.	Headquarters/Factory (Koka, Shiga Pref.)
	Kameoka Factory (Kameoka, Kyoto Pref.)
Nissha Precision and Technologies, Inc.	Headquarters/Factory (Himeji, Hyogo Pref.)
	Kaga Factory (Kaga, Ishikawa Pref.)
	Tsu Factory (Tsu, Mie Pref.)
	Kyoto Factory (Kyoto)
Nissha FIS, Inc.	Headquarters/Factory (Osaka)
Nissha Printing Communications, Inc.	Headquarters (Kyoto)
	Osaka Sales Office (Osaka)
	Tokyo Sales Office (Shinagawa-ku, Tokyo)
	Kameoka Factory (Kameoka, Kyoto Pref.)
Nissha Zonnebodo Pharma Co., Ltd.	Headquarters/Factory (Hachioji, Tokyo)
Nissha Business Service, Inc.	Headquarters (Kyoto)
Nissha USA, Inc.	Head Office (U.S.A.)
Eimo Technologies, Inc.	Head Office/Factory (U.S.A.)
Nissha PMX Technologies, S.A. de C.V.	Head Office/Factory (Mexico)
Nissha Medical International, Inc.	Head Office (U.S.A.)
Graphic Controls Holdings, Inc.	Head Office (U.S.A.)
Graphic Controls Acquisition Corp.	Head Office (U.S.A.)
Nissha Medical Technologies Ltd.	Head Office/Factory (U.K.)
Nissha Europe GmbH	Head Office (Germany)
Nissha Advanced Technologies Europe GmbH	Head Office/Factory (Germany)
Nissha Metallizing Solutions N.V.	Head Office/Factory (Belgium)
Nissha Metallizing Solutions Produtos Metalizados Ltda.	Head Office/Factory (Brazil)
Nissha Korea Inc.	Head Office (Korea)
Nissha Industrial and Trading (Shenzhen) Co., Ltd.	Head Office (China)
Nissha (Kunshan) Precision IMD Mold Co., Ltd.	Head Office/Factory (China)
Guangzhou Nissha High Precision Plastics Co., Ltd.	Head Office/Factory (China)
Taiwan Nissha Co., Ltd.	Head Office (Taiwan)
Nissha Industrial and Trading Malaysia Sdn. Bhd.	Head Office (Malaysia)
Nissha Precision Technologies Malaysia Sdn. Bhd.	Head Office/Factory (Malaysia)
Nissha Vietnam Co., Ltd.	Head Office (Vietnam)

Notes: 1. Zonnebodo Pharmaceutical Co., Ltd. changed its trade name to Nissha Zonnebodo Pharma Co., Ltd. on September 1, 2024.

2. The Company acquired shares of SHIGAKEN PHARM. IND. CO., LTD., a manufacturing and marketing authorization holder of pharmaceuticals and quasi-drugs, and made it a subsidiary on January 8, 2025.

2) Status of employees

(i) Status of employees of the Nissha Group

Segments	Number of employees	Increase (Decrease) from the previous fiscal year-end
Industrial Materials	2,459	-2
Devices	859	-53
Medical Technologies	1,473	+210
Other and common corporate divisions (R&D and Administration divisions)	606	+21
Total	5,397	+176

Note: "Number of employees" indicates the number of employees actually working.

(ii) Status of employees of the Company

Number of employees		Increase (Decrease) from the previous fiscal year-end	Average age	Average length of service
Male	524	+10	45.1 years	17.6 years
Female	234	+28	37.7 years	11.3 years
Total or average	758	+38	42.8 years	15.6 years

Note: "Number of employees" indicates the number of employees actually working.

**(6) Status of important parent company and subsidiaries (as of December 31, 2024)**

## 1) Status of the parent company

Not applicable.

## 2) Status of subsidiaries

Company name	Capital	Equity stake of the Company	Major businesses
Nissha Industries, Inc.	¥12 million	100%	Production of decorative films and molded parts
Nissha Precision and Technologies, Inc.	¥20 million	100%	Production of film-based Touch Sensors, etc.
Eimo Technologies, Inc.	USD 0	100%*	Production and sales of plastic injection molded parts
Graphic Controls Acquisition Corp.	USD 0	100%*	Production and sales of medical devices, consumable medical products, etc.
Nissha PMX Technologies, S.A. de C.V.	Mexico Peso 901 million	100%*	Production and sales of plastic molded parts
Nissha Metallizing Solutions N.V.	EUR 9,000 thousand	100%	Production and sales of metallized papers

- Notes:
1. The figure ending with an \* includes the ratio of indirect equity participation.
  2. Important subsidiaries are selected according to the criteria of capital, net assets, net sales, etc.
  3. The “Capital” column of Eimo Technologies, Inc. is stated at the amount of common shares. The total paid-in capital of Eimo Technologies, Inc. (an amount consisting of common shares and additional paid-in capital) is USD 9,590 thousand.
  4. The “Capital” column of Graphic Controls Acquisition Corp. is stated at the amount of common shares. The total paid-in capital of Graphic Controls Acquisition Corp. (an amount consisting of common shares and additional paid-in capital) is USD 140,672 thousand.
  5. Nissha PMX Technologies, S.A. de C.V. has recorded an increase in capital.

**(7) Principal creditors and amount of borrowings (as of December 31, 2024)**

(Millions of Yen)

Creditors	Amount of borrowings
Mizuho Bank, Ltd.	10,000
The Bank of Kyoto, Ltd.	5,500
Development Bank of Japan Inc.	5,000
MUFG Bank, Ltd.	4,500

**2. Matters Regarding Shares of the Company (as of December 31, 2024)**

- (1) Total number of shares authorized 180,000,000 shares
- (2) Total number of common shares issued 50,855,638 shares  
(including 2,704,071 treasury shares)
- (3) Number of shareholders 9,114
- (4) Major shareholders (Top 10)

Name	No. of Shares Held (thousand shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,458	9.25
Custody Bank of Japan, Ltd. (Trust Account)	3,203	6.65
Suzuki Kosan Co., Ltd.	2,563	5.32
Meiji Yasuda Life Insurance Company	2,107	4.37
Mizuho Bank, Ltd.	2,076	4.31
The Bank of Kyoto, Ltd.	1,442	2.99
STATE STREET BANK AND TRUST COMPANY 505227	1,386	2.87
TAIYO FUND, L.P.	1,352	2.80
TAIYO HANEI FUND, L.P.	1,271	2.63
Nissha Kyoeikai	1,096	2.27

- Notes: 1. The Company holds 2,704 thousand treasury shares, the number of which is excluded from the above list of major shareholders.
2. The shareholding ratio was computed after excluding treasury shares from the total number of common shares issued.
3. The Company introduced a performance-linked stock compensation plan, the Board Benefit Trust (BBT), as well as the Stock Benefit Trust (J-ESOP) and Stock Benefit Trust (Employee Shareholding Association Purchase-type), and Custody Bank of Japan, Ltd. (Trust E Account) (hereinafter, the "Trust E Account") holds 408 thousand shares of the Company's stock. The shares of the Company's stock held by the Trust E Account are not included in treasury shares.
4. The shares held by Mizuho Bank, Ltd., mentioned above, are trust assets of a retirement benefit trust contributed by the bank (the name in the register of shareholders is Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust Mizuho Bank Account Trustee Custody Bank of Japan, Ltd.).
5. Nissha Kyoeikai is a shareholding association for business partners of the Company.

**(5) Shares granted to Directors of the Board of the Company as compensation for execution of duties during the current fiscal year**

Title	Number of shares	Number of recipients
Directors of the Board (excluding Independent Outside Directors of the Board)	45,400 shares	5

Note: The Company has introduced a performance-linked stock compensation plan. An outline of the plan is described in “4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members, (5) Compensation paid to Directors of the Board and Audit and Supervisory Board Members, 1) Policy for determining the details of individual compensation for Directors of the Board.” Independent Outside Directors of the Board and Audit and Supervisory Board Members are not eligible for this plan.

**(6) Other important matters regarding the shares of the Company**

1) Acquisition of treasury shares

(i) Treasury shares acquired by a resolution at the meeting of the Board of Directors held on August 6, 2024

The Company resolved to acquire treasury shares at the meeting of the Board of Directors held on August 6, 2024 in accordance with the provisions of Article 156 of the Companies Act, as applied by replacing the terms and phrases pursuant to the provisions of Article 165, Paragraph 3 of the same act as follows:

Class of shares acquired	Common share
Total number of shares acquired	Up to 600,000 shares
Total acquisition price of shares	Up to ¥1,000,000,000
Acquisition period	From August 7, 2024 to November 30, 2024
Acquisition method	Market purchase on the Tokyo Stock Exchange

Based on the above resolution of the Board of Directors, the Company acquired 501,900 shares at a total amount of ¥999,939,700 until September 19, 2024.

(ii) Treasury shares acquired by a resolution at the meeting of the Board of Directors held on November 8, 2024

The Company resolved to acquire treasury shares at the meeting of the Board of Directors held on November 8, 2024 in accordance with the provisions of Article 156 of the Companies Act, as applied by replacing the terms and phrases pursuant to the provisions of Article 165, Paragraph 3 of the same act as follows:

Class of shares acquired	Common share
Total number of shares acquired	Up to 600,000 shares
Total acquisition price of shares	Up to ¥1,000,000,000
Acquisition period	From November 11, 2024 to March 31, 2025
Acquisition method	Market purchase on the Tokyo Stock Exchange

Based on the above resolution of the Board of Directors, the Company acquired 289,900 shares at a total amount of ¥465,263,100 until January 31, 2025.

2) Disposal of treasury shares

The Company disposed of treasury shares through a third-party allocation based on a resolution at the meeting of the Board of Directors held on November 8, 2024 as detailed below.

Class of shares disposed of	Common share
Number of shares disposed of	156,000 shares
Total disposition price	¥304,824,000
Subscriber	Custody Bank of Japan, Ltd. (Trust E Account)
Date of disposition	November 25, 2024

**3. Matters Regarding Stock Acquisition Rights**

Not applicable.



**4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (as of December 31, 2024)**

**(1) Status of Directors of the Board and Audit and Supervisory Board Members of the Company**

Position	Name	Responsibilities	Significant positions concurrently held
Chairman of the Board and Group CEO	Junya Suzuki	Chief Executive Officer Chairman of Sustainability Committee Internal Control	Chairman of the Board, Nissha USA, Inc. Chairman of the Board, Nissha Europe GmbH Chairman of the Board, Nissha Metallizing Solutions N.V. President and CEO, Representative Director, Suzuki Kosan Co., Ltd. Chairman of the board of directors, Nissha Foundation
Director of the Board	Daisuke Inoue	Senior Executive Vice President General Manager of Devices Business Unit General Affairs and Legal Affairs Chairman of Risk Management and Compliance Committee Director of Tokyo Division Headquarters	
Director of the Board	Wataru Watanabe	Senior Executive Vice President Chief Strategy Officer Senior Director of New Business Development Office Corporate Strategy Planning ESG Promotion	
Director of the Board	Yutaka Nishimoto	Executive Vice President Chief Quality and Production Officer Senior Director of Digital Transformation Promotion Office Corporate Logistics Senior Director of Devices Business Unit (Quality, Procurement and Production)	Representative Director and CEO, Nissha Precision and Technologies, Inc. Director, Company President, Nissha Vietnam Co., Ltd.
Director of the Board	Hisashi Iso	Executive Vice President General Manager of Industrial Materials Business Unit Corporate Supply Chain	Representative Director and CEO, Nissha Korea Inc. Chairman of the Board and CEO, Taiwan Nissha Co., Ltd.
Director of the Board	Kazuhito Osugi		Independent Outside Director of the Board (Audit and Supervisory Committee Member), Frontier Management Inc. Independent Outside Director of the Board, The Gunma Bank, Ltd.
Director of the Board	Kazumichi Matsuki		Independent Outside Director of the Board (Audit and Supervisory Committee Member), ANEST IWATA Corporation Independent Outside Director of the Board, TOYO CONSTRUCTION CO., LTD. Director, Japan Criminal Policy Society Councilor, International Civil and Commercial Law Centre Foundation

Position	Name	Responsibilities	Significant positions concurrently held
Director of the Board	Juichi Takeuchi		
Director of the Board	Yukiko Hashitera		CEO, Phoenixi Co., Ltd. Management Director, Cyn-K Bio, Inc. Independent Outside Director of the Board, Tosoh Corporation
Full-time Audit and Supervisory Board Member	Tetsuya Taniguchi		
Full-time Audit and Supervisory Board Member	Kenji Imai		
Audit and Supervisory Board Member	Yusuke Nakano		Senior Partner, SEIYU AUDIT CORPORATION Senior Partner, SEIYU TAX CORPORATION General Manager, NAKANO C.P.A. OFFICE Independent Outside Director of the Board (Audit and Supervisory Committee Member), SK-Electronics Co., Ltd. Independent Audit and Supervisory Board Member, Sanyo Chemical Industries, Ltd.
Audit and Supervisory Board Member	Yusaku Kurahashi		Representative Partner, Kurahashi Law Office Independent Audit and Supervisory Board Member, KANEMATSU CORPORATION Independent Outside Director of the Board (Audit and Supervisory Committee Member), UNITED ARROWS LTD. Independent Audit and Supervisory Board Member, Mitsubishi Logistics Corporation

- Notes: 1. Mr. Kazuhito Osugi, Mr. Kazumichi Matsuki, Mr. Juichi Takeuchi, and Ms. Yukiko Hashitera are all Independent Outside Directors of the Board as stipulated in Article 2, Item 15 of the Companies Act.
2. Both Mr. Yusuke Nakano and Mr. Yusaku Kurahashi are Independent Audit and Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.
3. Mr. Yusuke Nakano, Audit and Supervisory Board Member, has a qualification as certified public accountant and possesses considerable knowledge with regard to finance and accounting.
4. Mr. Yusaku Kurahashi, Audit and Supervisory Board Member, has a qualification as attorney-at-law and possesses considerable knowledge with regard to overall legal affairs.
5. Changes in Directors of the Board and Audit and Supervisory Board Members during the current fiscal year are as follows:
- (1) At the Ordinary General Meeting of Shareholders for the 105<sup>th</sup> Business Term, held on March 22, 2024, Ms. Yukiko Hashitera and Mr. Yusaku Kurahashi were newly elected as Director of the Board and Audit and Supervisory Board Member of the Company, respectively, and assumed their offices on such date.
  - (2) Ms. Asli M. Colpan, Director of the Board, and Mr. Shigeaki Momo-o, Audit and Supervisory Board Member, retired upon the expiration of the term of their offices as of March 22, 2024.
  - (3) Mr. Daisuke Inoue, Director of the Board, resigned from office as Representative Director and CEO of Nissha FIS, Inc. as of April 1, 2024.
  - (4) Mr. Kazuhito Osugi, Director of the Board, assumed office as Independent Outside Director of the Board (Audit and Supervisory Committee Member) of Frontier Management Inc. as of March 27, 2024.
  - (5) Mr. Kazumichi Matsuki, Director of the Board, assumed office as Councilor of International Civil and Commercial Law Centre Foundation as of June 17, 2024.
  - (6) Ms. Yukiko Hashitera, Director of the Board, assumed office as Independent Outside Director of the Board of Tosoh Corporation as of June 21, 2024.
  - (7) Mr. Yusaku Kurahashi, Audit and Supervisory Board Member, assumed office as Independent Audit and Supervisory Board Member of Mitsubishi Logistics Corporation as of June 27, 2024.

6. As a result of changes in the responsibilities of Directors of the Board as of January 1, 2025, the current responsibilities of Directors of the Board are as follows:

Position	Name	Responsibilities	Significant positions concurrently held
Chairman of the Board and Group CEO	Junya Suzuki	Chief Executive Officer Chairman of Sustainability Committee Internal Control	Chairman of the Board, Nissha USA, Inc. Chairman of the Board, Nissha Europe GmbH Chairman of the Board, Nissha Metallizing Solutions N.V. President and CEO, Representative Director, Suzuki Kosan Co., Ltd. Chairman of the board of directors, Nissha Foundation
Director of the Board	Wataru Watanabe	Senior Executive Vice President Chief Strategy Officer Senior Director of New Business Development Office Corporate Strategy Planning ESG Promotion	
Director of the Board	Hisashi Iso	Senior Executive Vice President General Manager of Industrial Materials Business Unit	Chairman of the Board and CEO, Taiwan Nissha Co., Ltd.
Director of the Board	Daisuke Inoue	Senior Executive Vice President General Manager of Devices Business Unit Legal Affairs Chairman of Risk Management and Compliance Committee	
Director of the Board	Yutaka Nishimoto	Senior Executive Vice President Chief Quality and Production Officer Corporate Procurement and Logistics Senior Director of Devices Business Unit (Quality, Production and Procurement)	Representative Director and CEO, Nissha Precision and Technologies, Inc. Director, Company President, Nissha Vietnam Co., Ltd.
Director of the Board	Kazuhito Osugi		Independent Outside Director of the Board (Audit and Supervisory Committee Member), Frontier Management Inc. Independent Outside Director of the Board, The Gunma Bank, Ltd.
Director of the Board	Kazumichi Matsuki		Independent Outside Director of the Board (Audit and Supervisory Committee Member), ANEST IWATA Corporation Independent Outside Director of the Board, TOYO CONSTRUCTION CO., LTD. Director, Japan Criminal Policy Society Councilor, International Civil and Commercial Law Centre Foundation
Director of the Board	Juichi Takeuchi		
Director of the Board	Yukiko Hashitera		CEO, Phoenixi Co., Ltd. Management Director, Cyn-K Bio, Inc. Independent Outside Director of the Board, Tosoh Corporation

- The Company has introduced a Corporate Officer System to enhance corporate governance. The 17 Corporate Officers including four Corporate Officers who concurrently serve as Directors of the Board were appointed to Corporate Officers on January 1, 2025.
- Mr. Kazuhito Osugi, Mr. Kazumichi Matsuki, Mr. Juichi Takeuchi, and Ms. Yukiko Hashitera, Directors of the Board, and Mr. Yusuke Nakano and Mr. Yusaku Kurahashi, Audit and Supervisory Board Members, are registered as Independent Officers of the Company with the Tokyo Stock Exchange.

**(2) Outline of the details of contracts for limitation of liability**

The Company has concluded contracts for limitation of liability with all Independent Outside Directors of the Board and all Independent Audit and Supervisory Board Members to limit liability for damages to the Company under Article 423, Paragraph 1 of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act, when the Director of the Board's or Audit and Supervisory Board Member's duty is performed in good faith and with no gross negligence.

**(3) Outline of the details of indemnity agreements**

Not applicable.

**(4) Outline of the contents of the directors and officers liability insurance contract**

The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance covers damages to be borne by the insureds due to claims for damages arising from business activities, litigation costs, and other damages. However, the Company has taken measures to ensure that the appropriateness of the execution of duties by Directors of the Board and other officers is not impaired by excluding compensation for criminal acts such as bribery and damages caused by Directors of the Board and other officers themselves who intentionally commit illegal acts.

The insureds of the insurance contract are Directors of the Board, Audit and Supervisory Board Members, and Corporate Officers, etc. of the Company. The insurance premiums are fully borne by the Company for all the insureds.

**(5) Compensation paid to Directors of the Board and Audit and Supervisory Board Members**

**1) Policy for determining the details of individual compensation for Directors of the Board (hereinafter, the "determination policy")**

**(i) Method of determining the determination policy**

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

**(ii) Outline of the details of the determination policy**

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

The basic policy on compensation for Directors of the Board who are responsible for business execution is to promote the sharing of value with shareholders and contribute to the improvement of corporate performance and corporate value. The compensation consists of a base salary (monetary compensation), which is fixed compensation, bonus (monetary compensation), which is short-term performance-linked compensation, and stock compensation, etc., which is medium- to long-term performance-linked compensation. The base salary (monetary compensation) is fixed monthly compensation and determined based on the importance of duties each Director of the Board is responsible for and their positions. The amount of the bonus (monetary compensation), which is short-term performance-linked compensation, is determined based on the attainment levels of consolidated net sales, consolidated operating profit, and consolidated ROE targets as well as individual evaluations to function as an incentive to achieve consolidated performance targets for each fiscal year and to encourage appropriate management. The bonus is paid at a fixed time each year. Stock compensation, etc., which is medium- to long-term performance-linked compensation (non-monetary compensation, etc.), was designed to function as an incentive to promote a sense of contribution to the sustainable growth of the Nissha Group and the improvement of corporate value over the medium to long term. Specifically, a Board Benefit Trust (BBT) is used. Under this system, the Company awards points to Directors

of the Board, etc. according to their titles and the attainment levels of the consolidated performance targets and the Medium-term Business Plan targets for each fiscal year during a three-year period covered by the Medium-term Business Plan. On a fixed date in every final fiscal year of the Medium-term Business Plan, the Company grants or pays shares in the Company and cash equivalents of such shares at their market value through the trust according to the number of points awarded. As for indicators for awarding points, consolidated net sales and consolidated operating profit are used for the consolidated performance targets for each fiscal year, while the level of achievement of the consolidated ROE target (three-year average), one of our key business management indicators, in the final fiscal year of the Medium-term Business Plan and ESG metrics are used for the Medium-term Business Plan targets. The ESG metrics are a metric related to climate change (reduction of CO<sub>2</sub> emissions at the Nissha Group), a metric related to women's empowerment at the Company (ratio of female managers and ratio of next-generation female managers), and a metric related to employee engagement at the Nissha Group (willingness to contribute to the organization and organizational commitment). The Company stipulates conditions under which stock compensation, etc. will not be paid in the event of wrongdoings or misconduct in order to encourage sound execution of duties by Directors of the Board.

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

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

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

- (iii) Reasons for the Board of Directors' determination that the details of compensation for Directors of the Board for the current fiscal year are in line with the determination policy

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

## 2) **Matters regarding compensation for Audit and Supervisory Board Members**

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

3) **Total amount of compensation paid to Directors of the Board and Audit and Supervisory Board Members**

Title	Number of officers	Total amount of compensation	Total amount of compensation by type		
			Fixed compensation	Performance-linked compensation, etc.	
			Base salary	Bonus	Stock compensation, etc. (Non-monetary compensation, etc.)
Directors of the Board (Independent Outside Directors of the Board)	10 (5)	¥477 million (¥36 million)	¥252 million (¥36 million)	¥150 million (–)	¥74 million (–)
Audit and Supervisory Board Members (Independent Audit and Supervisory Board Members)	5 (3)	¥51 million (¥18 million)	¥51 million (¥18 million)	–	–

- Notes: 1. The above figures include compensation for one Director of the Board and one Audit and Supervisory Board Member, who retired at the close of the Ordinary General Meeting of Shareholders for the 105<sup>th</sup> Business Term, held on March 22, 2024.
2. It was resolved at the Ordinary General Meeting of Shareholders for the 97<sup>th</sup> Business Term, held on June 17, 2016, that the amount of compensation, excluding stock compensation, etc., to be paid to Directors of the Board in total per year shall not exceed ¥430 million (of which, the amount of compensation to be paid to Independent Outside Directors of the Board shall not exceed ¥40 million). The number of Directors of the Board at the close of the Ordinary General Meeting of Shareholders was eight (including four Independent Outside Directors of the Board). In addition to the total amount of compensation for Directors of the Board mentioned above, it was resolved at the Ordinary General Meeting of Shareholders for the 102<sup>nd</sup> Business Term, held on March 19, 2021 that, under a performance-linked stock compensation plan, the maximum amount of contributions to be made to acquire shares of the Company every three fiscal years shall be ¥226 million and the maximum number of Company Shares to be provided every three fiscal years shall be equivalent to 411,000 shares. At the close of the Ordinary General Meeting of Shareholders, the number of Directors of the Board was nine, and the number of Directors of the Board eligible for this plan was five (excluding Independent Outside Directors of the Board).
3. The performance-linked stock compensation, etc. is stated at the amount of provision for management board benefit trust recorded for the current fiscal year. The Company Shares will be actually granted on a fixed date after the end of the period covered by the 8th Medium-term Business Plan (from January 1, 2024 through December 31, 2026).
4. Please refer to “(1) Policy for determining the details of individual compensation for Directors of the Board” above for the details of performance indicators selected as the basis for calculation of performance-linked compensation, etc., reasons for the selection, and calculation methods. The results of the performance indicators for the current fiscal year were ¥195,598 million in consolidated net sales, ¥5,486 million in consolidated operating profit, and 3.4% of ROE.
5. It was resolved at the Ordinary General Meeting of Shareholders for the 97<sup>th</sup> Business Term, held on June 17, 2016, that the amount of compensation to be paid to Audit and Supervisory Board Members in total per year shall not exceed ¥60 million (of which, the amount of compensation to be paid to Independent Audit and Supervisory Board Members shall not exceed ¥20 million). The number of Audit and Supervisory Board Members at the close of the Ordinary General Meeting of Shareholders was four (including two Independent Audit and Supervisory Board Members).

**(6) Matters Regarding Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members**

**1) Major activities of Independent Outside Directors of the Board**

Name	Attendance at meetings of the Board of Directors	Attendance at meetings of the Nomination and Compensation Committee	Major activities and outline of duties performed concerning expected duties
Kazuhito Osugi	100% (17 out of 17)	100% (10 out of 10)	<p>At meetings of the Board of Directors, he gave advice and opinions concerning the management of the Company based on his deep insight into the field of finance and duly performed his duties, such as the supervision of the management.</p> <p>He also served as the Chairman of the Nomination and Compensation Committee and played an important role in ensuring objectivity and fairness in the appointment of Directors of the Board and Audit and Supervisory Board Members and treatment of Directors of the Board.</p>
Kazumichi Matsuki	100% (17 out of 17)	100% (10 out of 10)	<p>At meetings of the Board of Directors, he gave advice and opinions concerning the management of the Company based on his deep insight into legal affairs and compliance cultivated at a trading company and in the manufacturing industry as well as his broad experience in corporate management and duly performed his duties, such as the supervision of the management.</p> <p>He also served as a member of the Nomination and Compensation Committee and played an important role in ensuring objectivity and fairness in the appointment of Directors of the Board and Audit and Supervisory Board Members and treatment of Directors of the Board.</p>
Juichi Takeuchi	100% (17 out of 17)	100% (10 out of 10)	<p>At meetings of the Board of Directors, he gave advice and opinions concerning the management of the Company based on his broad experience and extensive knowledge of leading global strategies in a medical devices company for many years and duly performed his duties, such as the supervision of the management.</p> <p>He also served as a member of the Nomination and Compensation Committee and played an important role in ensuring objectivity and fairness in the appointment of Directors of the Board and Audit and Supervisory Board Members and treatment of Directors of the Board.</p>
Yukiko Hashitera	100% (13 out of 13) (After she assumed office as Director of the Board of the Company)	100% (9 out of 9) (After she assumed office as Director of the Board of the Company)	<p>At meetings of the Board of Directors, she gave advice and opinions concerning the management of the Company based on her broad experience of corporate management and her deep insight into the pharmaceutical industry and duly performed her duties, such as the supervision of the management.</p> <p>She also served as a member of the Nomination and Compensation Committee and played an important role in ensuring objectivity and fairness in the appointment of Directors of the Board and Audit and Supervisory Board Members and treatment of Directors of the Board.</p>

**2) Major activities of Independent Audit and Supervisory Board Members**

Name	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit and Supervisory Board	Major activities
Yusuke Nakano	100% (17 out of 17)	100% (14 out of 14)	At meetings of the Board of Directors and the Audit and Supervisory Board, he gave advice and opinions mainly from a professional standpoint as a certified public accountant.
Yusaku Kurahashi	100% (13 out of 13) (After he assumed office as Audit and Supervisory Board Member of the Company)	100% (11 out of 11) (After he assumed office as Audit and Supervisory Board Member of the Company)	At meetings of the Board of Directors and the Audit and Supervisory Board, he gave advice and opinions mainly from a professional standpoint as a lawyer.

**3) Total amount of compensation of Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members received from subsidiaries of the Company**

Not applicable.

**5. Policy regarding the decision of distribution of the dividends of surplus, etc.**

The Company, while giving consideration to financial safety, uses cash flows generated by operating activities, etc. mainly for growth investments, including M&As, capital investment, and research and development, which will contribute to the improvement of the corporate value over a medium- to long term. Our basic policy is to provide stable ongoing dividends to our shareholders. In determining distributions of profits to shareholders, the Company implements the basic policy of consistent dividends by taking into account a full range of factors including its business results, payout ratios, financial soundness, and other factors. The Company will consider, as appropriate, special dividends reflecting its business results in the current fiscal year and acquisition of treasury shares as a way of improving capital efficiency.

The Company decided to pay a year-end dividend of ¥25 per share for the current fiscal year, totaling ¥50 per share for the annual dividend with an interim dividend of ¥25 per share.

In order to flexibly implement distribution of the dividends of surplus, etc., it is provided for in the Company's Articles of Incorporation that the Company may decide dividends of surplus, etc. by resolution of the Board of Directors.



## Consolidated Statements of Financial Position

(As of December 31, 2024)

(Millions of Yen)

Items	Amount	Items	Amount
<b>(ASSETS)</b>		<b>(LIABILITIES)</b>	
<b>Current assets</b>	<b>128,627</b>	<b>Current liabilities</b>	<b>63,982</b>
Cash and cash equivalents	50,970	Trade and other payables	32,129
Trade and other receivables	37,588	Borrowings	16,958
Inventories	35,730	Other financial liabilities	2,700
Other financial assets	178	Lease liabilities	1,910
Other current assets	4,159	Income taxes payable, etc.	2,638
		Provisions	56
		Other current liabilities	7,588
<b>Non-current assets</b>	<b>122,153</b>	<b>Non-current liabilities</b>	<b>71,276</b>
Property, plant and equipment	46,475	Bonds and borrowings	45,338
Goodwill	33,732	Other financial liabilities	5,647
Intangible assets	18,081	Lease liabilities	8,577
Right-of-use assets	9,408	Retirement benefit liability	5,267
Investments accounted for using equity method	5,136	Provisions	60
Other financial assets	8,132	Deferred tax liabilities	5,995
Retirement benefit asset	80	Other non-current liabilities	388
Deferred tax assets	747		
Other non-current assets	357	<b>Total liabilities</b>	<b>135,258</b>
		<b>(EQUITY)</b>	
		<b>Equity attributable to owners of parent</b>	<b>114,167</b>
		Share capital	12,119
		Capital surplus	10,531
		Retained earnings	76,831
		Treasury shares	(5,553)
		Other components of equity	20,238
		<b>Non-controlling interests</b>	<b>1,353</b>
		<b>Total equity</b>	<b>115,521</b>
<b>Total assets</b>	<b>250,780</b>	<b>Total liabilities and equity</b>	<b>250,780</b>

(Note) Amounts are rounded down to the nearest million yen.

## Consolidated Statements of Profit or Loss

(From January 1, 2024 to December 31, 2024)

(Millions of Yen)

Items	Amount
Net sales	195,598
Cost of sales	(151,800)
Gross profit	43,798
Selling, general and administrative expenses	(37,126)
Other income	439
Other expenses	(1,293)
Share of profit (loss) of investments accounted for using equity method	(331)
Operating profit	5,486
Finance income	2,539
Finance costs	(1,812)
Profit before tax	6,213
Income tax expense	(2,185)
Profit	4,027
Profit attributable to:	
Owners of parent	3,862
Non-controlling interests	165
Profit	4,027

(Note) Amounts are rounded down to the nearest million yen.

## Non-consolidated Balance Sheet

(As of December 31, 2024)

(Millions of Yen)

Items	Amount	Items	Amount
<b>(ASSETS)</b>		<b>(LIABILITIES)</b>	
<b>Current assets</b>	<b>67,848</b>	<b>Current liabilities</b>	<b>40,966</b>
Cash and deposits	30,371	Accounts payable-trade	16,982
Notes receivable-trade	292	Electronically recorded obligations	1,775
Accounts receivable-trade	16,758	Short-term borrowings	10,000
Short-term loans receivable	5,155	Accrued expenses	2,196
Merchandise and finished goods	9,082	Income taxes payable	1,597
Work in process	941	Provision for bonuses	924
Raw materials and supplies	1,501	Provision for directors' bonuses	149
Accounts receivable-other	1,034	Other	7,340
Consumption taxes receivable	1,215		
Other	1,497	<b>Long-term liabilities</b>	<b>39,324</b>
Allowance for doubtful accounts	(1)	Bonds payables	19,000
		Long-term borrowings	15,119
<b>Non-current assets</b>	<b>93,580</b>	Deferred tax liabilities	1,792
<b>Property, plant and equipment</b>	<b>18,981</b>	Provision for management board benefit trust	132
Buildings	11,208	Provision for stock benefit trust	70
Structures	235	Net defined benefit liability	2,637
Machinery and equipment	237	Other	572
Vehicles	0		
Tools, furniture and fixtures	1,281	<b>Total liabilities</b>	<b>80,290</b>
Land	5,888	<b>(NET ASSETS)</b>	
Lease assets	12	<b>Shareholders' equity</b>	<b>77,655</b>
Construction in progress	115	<b>Share capital</b>	<b>12,119</b>
<b>Intangible assets</b>	<b>511</b>	<b>Capital surplus</b>	<b>15,206</b>
Software	431	Legal capital surplus	13,550
Other	80	Other capital surplus	1,656
<b>Investments and other assets</b>	<b>74,088</b>	<b>Retained earnings</b>	<b>55,779</b>
Investment securities	6,417	Legal retained earnings	1,230
Shares of subsidiaries and associates	52,206	Other retained earnings	54,549
Investments in capital of subsidiaries and associates	5,946	Reserve for open innovation promotion	34
Long-term loans receivable	10,679	General reserve	28,766
Claims provable in bankruptcy, claims provable in rehabilitation and other	224	Retained earnings brought forward	25,748
Prepaid pension cost	99		
Other	1,117	<b>Treasury shares</b>	<b>(5,450)</b>
Allowance for doubtful accounts	(2,603)		
		<b>Valuation and translation adjustments</b>	<b>3,483</b>
		Valuation difference on available-for-sale securities	3,483
		<b>Total net assets</b>	<b>81,138</b>
<b>Total assets</b>	<b>161,429</b>	<b>Total liabilities and net assets</b>	<b>161,429</b>

(Note) Amounts are rounded down to the nearest million yen.

## Non-consolidated Statement of Income

(From January 1, 2024 to December 31, 2024)

(Millions of Yen)

Items	Amount	
<b>Net sales</b>		<b>84,907</b>
<b>Cost of sales</b>		<b>71,610</b>
<b>Gross profit</b>		<b>13,296</b>
<b>Selling, general and administrative expenses</b>		<b>16,117</b>
<b>Operating loss</b>		<b>2,821</b>
<b>Non-operating income</b>		
Interest and dividend income	1,824	
Non-current assets rent	1,209	
Foreign exchange gain	1,490	
Other	272	
		<b>4,796</b>
<b>Non-operating loss</b>		
Interest expenses	163	
Interest on bonds	53	
Expenses for non-current asset loaned	286	
Idle asset expenses	441	
Other	61	
		<b>1,006</b>
<b>Ordinary profit</b>		<b>968</b>
<b>Extraordinary income</b>		
Gain on extinguishment of tie-in shares	16	
Gain on sale of non-current assets	39	
State subsidy	44	
Gain on sale of investment securities	8,169	
Reversal of allowance for doubtful accounts for subsidiaries and associates	259	
		<b>8,529</b>
<b>Extraordinary losses</b>		
Loss on sale and retirement of non-current assets	69	
Loss on valuation of investment securities	97	
Loss on valuation of shares of subsidiaries and associates	3	
		<b>171</b>
<b>Profit before income taxes</b>		<b>9,326</b>
Income taxes - current	1,728	
Income taxes - deferred	1,090	
		<b>2,818</b>
<b>Profit</b>		<b>6,507</b>

(Note) Amounts are rounded down to the nearest million yen.

(TRANSLATION)

## INDEPENDENT AUDITOR'S REPORT

February 14, 2025

To the Board of Directors of  
Nissha Co., Ltd.:

Deloitte Touche Tohmatsu LLC  
Kyoto office

Designated Engagement Partner,  
Certified Public Accountant:

Akiyo Shimoida

Designated Engagement Partner,  
Certified Public Accountant:

Tomomi Tsuji

### Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Nissha Co., Ltd. and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from January 1, 2024 to December 31, 2024, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance for the year then ended in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards .

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do

not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards , and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards .

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards , as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. The other information in “the accompanying supplemental schedules” referred to in the “Other Information” section of this English translation is not translated.

(TRANSLATION)

## INDEPENDENT AUDITOR'S REPORT

February 14, 2025

To the Board of Directors of  
Nissha Co., Ltd.:

Deloitte Touche Tohmatsu LLC  
Kyoto office

Designated Engagement Partner,  
Certified Public Accountant:

Akiyo Shimoida

Designated Engagement Partner,  
Certified Public Accountant:

Tomomi Tsuji

### Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of Nissha Co., Ltd. (the "Company"), namely, the nonconsolidated balance sheet as of December 31, 2024, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 106th fiscal year from January 1, 2024 to December 31, 2024, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board

regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in the "Opinion" section of this English translation are not included in the attached financial documents. The other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

(TRANSLATION)

## AUDIT REPORT

The Audit and Supervisory Board, upon deliberation, has prepared this Audit Report based on the audit reports prepared by each Audit and Supervisory Board Member regarding the execution by the Directors of the Board of their duties during the 106<sup>th</sup> business term from January 1, 2024 through December 31, 2024, and hereby reports as follows:

1. Auditing Methods Employed by the Audit and Supervisory Board Members and the Audit and Supervisory Board, and Details Thereof
  - (1) The Audit and Supervisory Board established the auditing policy, auditing plans and other guidelines, received reports from each Audit and Supervisory Board Member on the execution of audits and results thereof, and in addition, received reports from Directors of the Board, etc. and the Accounting Auditor on the execution of their duties, and when necessary, requested explanations regarding such reports.
  - (2) In accordance with the auditing standards for the Audit and Supervisory Board Members, established by the Audit and Supervisory Board, and the auditing policy, auditing plans and other guidelines, each Audit and Supervisory Board Member maintained ensured clear communications with Directors of the Board, the internal audit division, other employees, etc., and collected information and improved the auditing environment. We thereupon conducted an audit by the following methods.
    - 1) We attended meetings of the Board of Directors and other meetings deemed important, received reports on the execution of their duties from Directors of the Board, employees, etc. and, when necessary, requested explanations, inspected documents on the basis of which important decisions were made, and examined status of business and assets at the head office and principal offices. We also maintained ensured clear communications and exchanged information with directors of the board, audit and supervisory board members and others of subsidiaries of the Company and, as necessary, received from the subsidiaries reports on their business conditions.
    - 2) We regularly received reports from Directors of the Board and employees, etc., requested explanations regarding such reports when necessary and expressed our opinions regarding the status of construction and management of details of resolutions made by the Board of Directors concerning the establishment of systems necessary to ensure that the execution of the duties by Directors of the Board complies with laws, regulations and the Company's Articles of Incorporation, which is listed in business report, and systems defined under Paragraph 1 and Paragraph 3 of Article 100 of the Ordinance for Enforcement of the Companies Act as what is other systems necessary to ensure the properness of operations of the company group, which consists of a joint stock company and its consolidated subsidiaries, and systems established on the basis of the said resolution (internal control systems).
    - 3) With regard to the basic policy defined under Item 3(a) of Article 118 of the Ordinance for Enforcement of the Companies Act, which is stated in the business report, and various activities defined under Item 3(b) of Article 118 of the same Act, we reviewed details based on the deliberations of the Board of Directors, etc.
    - 4) We also monitored and verified whether the Accounting Auditor maintains independence and properly conducts audits, received from the Accounting Auditor reports on the execution of duties and, when necessary, requested explanations. We received a report from the Accounting Auditor that "systems for ensuring proper execution of duties" (listed in each item of Article 131 of the Ordinance for Corporate Accounting) have been established in accordance with the "Standards for Quality Control of Audit Practices" (Business Accounting Council), etc. and, when necessary, requested explanations from the Accounting Auditor.

Based on the methods mentioned above, we reviewed the business report for the said business term and their supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity and notes to non-consolidated financial statements), their supplementary schedules and the consolidated financial statements (consolidated statements of financial position, consolidated statements of profit or loss, consolidated statement of changes in equity and notes to consolidated financial statements).

## 2. Results of Audit

### (1) Results of audit of the business report, etc.

- 1) The business report and its supplementary schedules are found to correctly present the status of the Company in conformity with laws, regulations, and the Company's Articles of Incorporation.
- 2) With respect to the execution of duties by Directors of the Board, no misconduct or material fact in violation of laws, regulations or the Company's Articles of Incorporation is found to exist.
- 3) The details of resolutions passed by the Board of Directors concerning internal control systems are found to be appropriate. In addition, there is nothing to be reported on the contents of the business report and the execution of duties by Directors of the Board regarding the relevant internal control systems.
- 4) There is nothing to be reported on the basic policy regarding parties who hold control over the determination of the Company's financial matter and business policies, which is stated in the business report. Various activities defined under Item 3(b) of Article 118 of the Ordinance for Enforcement of the Companies Act comply with the relevant basic policy and are found neither to damage the common interests of shareholders of the Company nor to have the purpose of maintaining the positions of Directors of the Board and Audit and Supervisory Board Members of the Company.

### (2) Results of audit of non-consolidated financial statements and their supplementary schedules

The methods and results of the audit conducted by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are found to be appropriate.

### (3) Results of audit of consolidated financial statements

The methods and results of the audit conducted by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are found to be appropriate.

February 14, 2025

Audit and Supervisory Board of Nissha Co., Ltd.

Full-time Audit and Supervisory Board Member Tetsuya Taniguchi (Seal)

Full-time Audit and Supervisory Board Member Kenji Imai (Seal)

Independent Audit and Supervisory Board Member Yusuke Nakano (Seal)

Independent Audit and Supervisory Board Member Yusaku Kurahashi (Seal)

END