

Last Update: December 9, 2025

**Noevir Holdings Co., Ltd**

Takashi Okura, President and CEO

Contact: 03-6731-2327

Securities code: 4928

<https://www.noevirholdings.co.jp/english/>

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

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

### 1. Basic Views

We position corporate governance as a critical management priority to continuously enhance corporate value and become a company trusted by all stakeholders, including our shareholders. We will strive to improve our management control systems and strengthen our audit functions, rigorously enforce compliance with laws, regulations, and our Articles of Incorporation, uphold corporate ethics, and enhance our internal control and risk management systems.

#### 〈Corporate Governance Policy〉

The Group works to further enhance its corporate value, while fulfilling its corporate social responsibilities for the five areas listed below. Further, the Group discloses to all stakeholders important business, financial, and other material information pertaining to the Group in a fair, timely, and appropriate manner.

1. Customers and business partners
2. Shareholders
3. Employees
4. Society
5. Environment

#### 〈Code of Conduct〉

The Group’s directors and employees are expected to act fairly in compliance with the laws and regulations and social rules, taking into consideration the Group’s corporate governance policies. Each individual is charged with being clearly aware that they represent the Group and taking responsibility for adhering to the Code of Conduct items listed below.

1. Comply with laws and regulations, etc.
2. Prevent conflicts of interest
3. Prevent insider trading
4. Protect personal information and confidential information
5. Exclude antisocial forces
6. Do not offer or accept socially inappropriate entertainment or gifts
7. Respect human rights
8. Protect privacy
9. Prohibit harassment
10. Do not engage in political or religious activities at the workplace

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

We implement all principles of the Corporate Governance Code.

### Disclosure Based on each Principle of the Corporate Governance Code

#### 【Principle 1-4】

Our basic policy regarding strategic shareholdings is to hold shares only when there are reasonable grounds for doing so. The determination of reasonableness shall be based on verifying the profitability of the holding, scrutinizing whether the benefits and risks associated with the holding are commensurate with the cost of capital, and considering the purpose of the holding, such as maintaining and strengthening business relationships. The exercise of voting rights is conducted based on a comprehensive assessment of alignment with the Company’s holding objectives and contribution to enhancing the corporate value of the issuing

company. Furthermore, the Board of Directors periodically reviews the rationality of holding strategic shares.

**【Principle 1-7】**

When conducting transactions with related parties, we require prior reporting of the transaction details to the Board of Directors for approval. Only after thorough deliberation by the Board of Directors, taking into account the opinions of independent outside directors, and confirming that the transaction does not harm the common interests of shareholders, will the transaction be approved.

**【Supplementary Principle 2-4①】**

We have established “Accelerating Diversity in Personnel and Organization” as one of our medium- to long-term strategic policies. As part of this, we disclose the status of our efforts to ensure diversity in the appointment of core personnel and other related initiatives on our website.

<https://www.noevirholdings.co.jp/english/csr/employees/index.htm>

**【Principle 2-6】**

The corporate pension system within the Group consists solely of a defined contribution pension plan. To support employees' asset formation, we provide thorough explanations upon enrollment and offer a variety of financial products.

**【Principle 3-1】**

(1) We disclose the Group's management policies and business plans.

(2) We have established and disclosed our fundamental approach to corporate governance, along with the Group's basic policy and code of conduct.

(3) We have established and disclosed our policy for determining executive compensation, along with the procedures involved. (See Supplementary Principle 4-10①)

In making these determinations, the Nomination and Compensation Advisory Committee conducts discussions, including on procedural transparency.

(4) At the Company, candidates for directors and Audit & Supervisory Board members are selected by the Representative Director in consultation with other directors, choosing individuals possessing the qualifications necessary to address management challenges.

The Nomination and Compensation Advisory Committee conducts discussions, including on procedural transparency. The Board of Directors receives the committee's recommendation, submits it as an agenda item to the General Meeting of Shareholders, where it is resolved.

Furthermore, regarding the dismissal of senior management, if circumstances arise that make it difficult to perform duties, the Board of Directors will disclose sufficient and objective information, conduct objective and transparent deliberations, make a comprehensive judgment, and decide on dismissal.

(5) The Company discloses the reasons for the appointment, dismissal, and nomination of each candidate for director and Audit & Supervisory Board member in the “Notice of Convocation of the General Meeting of Shareholders.”

**【Supplemental Principle 3-1③】**

The Company has formulated a medium-to-long-term strategy centered on “Realizing steady corporate growth by securing sustainability in every Group business segment” Details of this strategy, along with investments in human capital and environmental initiatives, are disclosed on our website and in our securities reports.

<https://www.noevirholdings.co.jp/english/ir/management/plan/index.htm>

<https://www.noevirholdings.co.jp/english/csr/employees/index.htm>

<https://recruit.noevirholdings.co.jp/>

<https://www.noevirholdings.co.jp/english/csr/environment/index.htm>

<https://www.noevirholdings.co.jp/ir/library/security-reports/index.htm>

Our intellectual property strategy and policy are embedded within the “enhancement of brand value” pillar of our mid-to-long-term strategy. We focus on patents, trademarks, and other intellectual property that protect and nurture our brand characteristics and core products.

Furthermore, we have established an Environmental Committee and are implementing initiatives to reduce environmental impact, including measures addressing climate change.

**【Supplementary Principle 4-1①】**

The Company establishes matters to be decided by the Board of Directors through the Board of Directors Regulations and other rules. Furthermore, regarding the execution of business operations based on policies decided by the Board of Directors, the Company delegates the authority to execute such operations to management in accordance with the provisions of the Authority Delegation Regulations and other rules.

**【Principle 4-9】**

The Company selects candidates for independent outside directors who meet the independence standards set by the Tokyo Stock Exchange and are judged by the Company's Board of Directors to possess a high degree of independence.

Furthermore, the Company selects individuals who are expected to contribute to frank, active, and constructive deliberations within the Board of Directors.

**【Supplemental Principle 4-10①】**

Currently, seven of our 13 directors are independent outside directors, constituting a majority. Furthermore, when nominating directors and Audit & Supervisory Board members and determining director compensation, we utilize the Nomination and Compensation Advisory Committee. This committee, chaired by an outside director and composed of a majority of outside directors, ensures independence from the Board of Directors. By deliberating through this committee, we leverage the expertise and advice of outside directors while ensuring the objectivity and transparency of the decision-making process. The committee then submits its recommendations to the Board of Directors.

**【Supplementary Principle 4-11①】**

The Company currently has 13 directors. Internal directors consist of the Representative Director, individuals overseeing management functions including group management and heads of major subsidiaries. Outside directors are selected for their expertise necessary to ensure governance and compliance oversight. This composition balances the knowledge, experience, and capabilities of the Board as a whole. The Board also gives due consideration to gender and age diversity, maintaining a balanced composition.

The skill matrix for directors is detailed in the “Notice of Convocation of the General Meeting of Shareholders.”

Candidates for directorship are selected by the Representative Director in consultation with other directors, based on their qualifications to address management challenges. The Nomination and Compensation Advisory Committee reviews these candidates and reports its findings to the Board of Directors. The Board then submits the candidates as agenda items for the General Meeting of Shareholders, where they are resolved.

**【Supplemental Principle 4-11②】**

The Company discloses the concurrent positions held by outside directors and their attendance at Board of Directors meetings. Furthermore, such concurrent positions are limited to a scope that does not reasonably impede the performance of their duties.

**【Supplementary Principle 4-11③】**

The Company analyzes and evaluates the overall effectiveness of the Board of Directors annually. This process involves self-assessments by each director and Audit & Supervisory Board member, supplemented by input from outside directors. The summary of the evaluation results is as follows:

All directors, including independent directors, and all Audit & Supervisory Board members attend Board meetings. Active participation and sufficient deliberation time ensure appropriate decision-making on important matters and key management issues based on internal regulations.

Independent directors also actively express opinions from their specialized perspectives, which are fully reflected in the Company's management decision-making process.

Furthermore, we will strive to further enhance and streamline deliberations at the Board of Directors and to utilize the expertise of outside directors more effectively.

**【Supplementary Principle 4-14②】**

The Company appoints directors and Audit & Supervisory Board members who possess sufficient expertise to fulfill their expected roles and responsibilities, confirming these qualifications upon their appointment. Regarding post-appointment training, we provide opportunities for updating knowledge and skills, such as external training programs, in response to changes in the surrounding environment including market trends, economic conditions, and legal revisions, and we provide support for the associated costs.

**【Principle 5-1】**

To contribute to sustainable growth and enhance medium- to long-term corporate value, the Company engages in dialogue with investors, including shareholders, by responding to their requests and conducting individual meetings within a reasonable scope. Meetings are attended by the Executive Officer in charge of Management Strategy, Public & Investors Relations. This officer also coordinates collaboration among relevant departments. In addition to individual meetings, the Company holds briefings for analysts and institutional investors as opportunities arise.

**〈Status of Shareholder Engagement〉**

Based on the above framework and policies, we conduct numerous meetings and discussions annually, primarily with analysts and institutional investors. We also hold earnings briefings for analysts and institutional investors twice a year. Details of our IR activities, including earnings briefings, are described in the section “IR Activities” of this report.

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

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	12/09/2025

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## Explanation of Actions

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Our ROE at the end of the fiscal year ended September 2025 was 15.0%. Our PBR stands at 2.84 times, and we will continue to be mindful of these figures.

## 2. Capital Structure

Foreign Shareholding Ratio	Less than 10%
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### Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
NII Co., Ltd.	12,382,200	36.25
Takashi Okura	3,700,000	10.83
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,095,900	6.14
Hiroshi Okura	1,000,000	2.93
Sumitomo Mitsui Banking Corporation	900,000	2.63
Custody Bank of Japan, Ltd. (Trust Account)	637,300	1.87
Custody Bank of Japan, Ltd. (Trust Account 4)	381,200	1.12
Noevir Holdings Employees Shareholdings Scheme	370,500	1.08
TOA Inc.	310,000	0.91
Sumitomo Life Insurance Company	300,000	0.88

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	Takashi Okura
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Name of Parent Company, if applicable	None
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## Supplementary Explanation

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The above major shareholder information is as of September 30, 2025.

### 3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange Prime Market
Fiscal Year-End	September
Business Sector	Chemicals
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥ 10 billion or more but less than ¥ 100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

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

Takashi Okura, President and CEO, holds a majority of the total issued shares of the Company, including those held by his close relatives and companies in which his close relatives hold a majority of the voting rights, and is therefore the controlling shareholder.

When transactions with the controlling shareholder occur, our basic policy is to ensure they are conducted under appropriate terms and conditions equivalent to those of other general transactions. The Board of Directors will review the details and terms of such transactions to determine whether to proceed, taking appropriate measures to ensure that the interests of the company and its minority shareholders are not harmed.

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

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

### 1. Organizational Composition and Operation

Corporate Governance System

Company with Audit & Supervisory Board\*

#### Directors

Number of Directors Stipulated in Articles of Incorporation	15
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	13
Election of Outside Directors	Elected
Number of Outside Directors	7
Number of Independent Directors	7

#### Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Ryo Tsuchida	Attorney											
Maho Kinami	Attorney											
Emima Abe	Attorney											
Mari Ishimitsu	Attorney											
Haruhi Kuroda	Attorney											
Emi Kanagasaki	Attorney											
Mari Tomita	Attorney											

\*Categories for "Relationship with the Company".

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

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

#### Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Ryo Tsuchida	○	He serves as an outside director of UPR Corporation and as a professor at Sophia Law School, and is affiliated with Frontier Law Firm. However, he has no special interest relationship with the Company in any of these capacities.	Based on his extensive experience and broad expertise as an attorney, university professor, and outside director at other companies, he has been appointed as an outside director and maintains a fair and neutral stance toward the Company's

			management. Furthermore, regarding independence, we determined that there is no risk of a conflict of interest with general shareholders and designated him as an independent director.
Maho Kinami	○	She serves as Representative of Kinami Law Office, Outside Auditor of Sourcenext Corporation and KAWADEN CORPORATION, and Outside Director (Audit & Supervisory Committee Member) of Poppins Corporation. However, she has no special interest relationship with the Company in any of these capacities.	Based on her extensive experience and broad expertise as an attorney and outside director and auditor at other companies, she has been appointed as an outside director and maintains an impartial and neutral stance toward the Company's management. Furthermore, regarding independence, we determined that there is no risk of a conflict of interest with general shareholders and designated her as an independent director.
Emima Abe	○	She serves as an outside director of B-R 31 Ice Cream Co., Ltd., an outside director (Audit Committee Member) of Lifenet Insurance Company, and an outside auditor of Intermestic Inc. and is affiliated with Miyamasuzaka the Firm Law & Accounting Office. However, she has no special interests in relation to the Company in any of these positions.	Based on her extensive experience and broad expertise as an attorney and outside director and auditor at other companies, she has been appointed as an outside director and maintains an impartial and neutral stance toward the Company's management. Furthermore, regarding independence, we determined that there is no risk of a conflict of interest with general shareholders and designated her as an independent director.
Mari Ishimitsu	○	She is a co-founder of Mikan Law Office and serves as a Committee member of Ehime Asahi Television Inc. However, she has no special interest relationship with the Company in either capacity.	Based on her extensive experience and specialized expertise as an attorney, she has been appointed as an outside director and maintains an impartial and neutral stance regarding the Company's management. Furthermore, regarding independence, we determined that there is no risk of a conflict of interest with general shareholders and designated her as an independent director.
Haruhi Kuroda	○	She serves as an outside director of Saison Technology Co., Ltd. and is affiliated with Homma & Partners. However, she has no special interest relationship with the Company in either capacity.	Based on her extensive experience and broad expertise as an attorney and outside director at other companies, she has been appointed as an outside director and maintains an impartial and neutral stance toward the Company's management. Furthermore, regarding independence, we determined that there is no risk of a conflict of interest with general shareholders and designated her as an independent director.
Emi Kanagasaki	○	She serves as the representative of Jujo Oji Law Office. However, she has no special interest relationship with the Company in this capacity.	Based on her extensive experience and specialized expertise as an attorney, she has been appointed as an outside director and maintains an impartial and neutral stance regarding the Company's management. Furthermore, regarding independence, we determined that there is no risk of a conflict of interest with general shareholders and designated her as an independent director.
Mari Tomita	○	She is affiliated with Shiroyama-Tower Law Office. However, she has	Based on her extensive experience and specialized expertise as an

		no special interest relationship with the Company in this capacity.	attorney, she has been appointed as an outside director and maintains an impartial and neutral stance regarding the Company's management. Furthermore, regarding independence, we determined that there is no risk of a conflict of interest with general shareholders and designated her as an independent director.
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Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Compensation Advisory Committee	4	0	1	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Compensation Advisory Committee	4	0	1	3	0	0	Outside Director

Supplementary Explanation

### Audit and Supervisory Board Member\*

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

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

<Cooperation Status>

The three Audit & Supervisory Board members attend board meetings to express their opinions and oversee overall management. Meetings of the Audit & Supervisory Board is attended by the accounting auditor and the Internal Audit as needed, facilitating information sharing and mutual cooperation to achieve effective three-pronged auditing.

<Information on the Accounting Auditor>

The accounting auditor is Deloitte Touche Tohmatsu LLC.

The Internal Audit conducts audits covering all business activities based on the annual audit plan. Audit results are reported to the President and CEO and the Audit & Supervisory Board.

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



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

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Kazuya Sugimoto	CPA											
Kayo Sato	Attorney											

\*Categories for "Relationship with the Company".

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

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

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

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Kazuya Sugimoto	○	He concurrently serves as the representative of Sugimoto CPA Office. However, he has no special interest relationship with the Company in this capacity.	Based on his extensive experience and broad expertise as a certified public accountant and tax accountant, as well as his wide-ranging knowledge of finance and accounting, he has been appointed as an outside Audit & Supervisory Board member and maintains an impartial and neutral stance toward the Company's management. Furthermore, regarding independence, we determined that there is no risk of a conflict of interest arising with general shareholders and designated him as an independent Audit & Supervisory Board member.
Kayo Sato	○	She serves as Representative of LAW OFFICE TAITO, Outside Director (Audit Committee Member) of Advanced Media Inc. and ISB Corporation, and Part-time Faculty Member at Chuo University's Faculty of Letters. However, she has no special interest relationship with the Company in any of these capacities.	Based on her extensive experience and broad expertise as an attorney and outside director at other companies, she has been appointed as an outside Audit & Supervisory Board member and maintains an impartial and neutral stance toward the Company's management. Furthermore, regarding independence, we determined that there is no risk of a conflict of interest with general shareholders and designated her as an independent Audit & Supervisory Board member.

## Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent Audit and Supervisory Board Members	9
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Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members
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## Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Other
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Supplementary Explanation for Applicable Items
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The remuneration amount for our directors is determined based on their individual contributions to the company's performance during each fiscal year. This compensation aims at “Realizing steady corporate growth by securing sustainability in every Group business segment” as set out in the concept underlying our medium- to long-term strategy, thereby maximizing corporate value and enhancing profitability.

Persons Eligible for Stock Options	
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Supplementary Explanation for Applicable Items
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## Director Remuneration

Status of Disclosure of Individual Director's Remuneration	Disclosure for Selected Directors
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Supplementary Explanation for Applicable Items
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Disclosures are made in accordance with the provisions of the Companies Act, the Financial Instruments and Exchange Act, Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc., and other relevant laws and regulations.

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

The compensation for our directors is determined based on their individual contributions to the company's performance during each fiscal year, aimed at “Realizing steady corporate growth by securing sustainability in every Group business segment” as set out in our medium- to long-term strategy, thereby maximizing corporate value and enhancing profitability. It is set within the total amount approved at the General Meeting of Shareholders. To ensure fairness, transparency, and objectivity in the decision-making process, the Nomination and Compensation Advisory Committee, composed of a majority of outside directors, deliberates on the matter and submits its findings to the Board of Directors. The Board of Directors respects this opinion, deliberates, and determines the structure and amount of compensation through a Board resolution.

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

<Assistant for Outside Directors and Outside Audit & Supervisory Board Members>

A designated staff member has been assigned to the A designated staff member has been assigned to the General Affairs and Legal Department, which serves as the section responsible for assisting outside directors and Audit & Supervisory Board members. This staff member handles attendance confirmation for board meetings and serves as the contact point for necessary administrative communications.

<Outline of System for Providing Information to Outside Directors and Outside Audit & Supervisory Board Members>

Outside directors and Audit & Supervisory Board members are provided with advance notice of agenda items and materials for Board of Directors' and Audit & Supervisory Board meetings. Furthermore, outside Audit & Supervisory Board members are provided with necessary information by the full-time Audit & Supervisory Board member.

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

The Board of Directors of the Company strives to build an effective internal control system and establish a system to comply with laws and regulations and its articles of incorporation as a whole from the viewpoint of further strengthening corporate governance to execute business appropriately and soundly overall.

The Board of Directors consists of 13 members, including seven outside directors. Board of Directors' meetings are held monthly on a regular basis, with extraordinary meetings convened as necessary. The Board of Directors decides on matters prescribed by laws and regulations and on important management matters, while supervising the execution of business operations. The Company utilizes an executive officer system to bolster the supervisory and decision-making functions of the Board of Directors, facilitate swiftness of execution of duties, clarify responsibilities, and strengthen corporate governance. Executive officers appointed by the Board of Directors execute the Company's business operations in accordance with business policies determined by the Board of Directors. The Group Management Executive Committee, primarily composed of directors involved in management execution and the full-time Audit & Supervisory Board member, meets regularly. Based on management policies decided by the Board of Directors, it deliberates on specific policies for business execution and other important matters, thereby ensuring proper and efficient business execution.

The Company has established an Audit and Supervisory Board consisting of one full-time Audit & Supervisory Board member and two part-time Audit & Supervisory Board members. The two part-time Audit & Supervisory Board members are outside Audit & Supervisory Board members. The Company also retains multiple law firms as advisors and receives legal advice. The Company has established an Internal Audit Department as an organization that is independent from departments that execute business. The Internal Audit Department conducts audits of all business operations, including those of subsidiaries, based on an annual audit plan. The Department also responds as needed for other matters requiring urgency. To provide effective guidance for improvements, the results of audits are reported to President and CEO and the Audit & Supervisory Board and regular reporting meetings are also held with the auditors of subsidiaries.

The three Audit & Supervisory Board members attend Board of Directors' meetings, state their opinions and supervise overall management.

Audit & Supervisory Board members and members of the Internal Audit Department attend the Audit & Supervisory Board meetings whenever necessary, sharing information, facilitating mutual cooperation and striving to achieve an effective three-way audit control system.

We have entered into an audit agreement with Deloitte Touche Tohmatsu LLC and receive accounting audits based on the Companies Act and the Financial Instruments and Exchange Act.

Names of Certified Public Accountants who performed the work and the name of the audit firm to which they belong

Designated Limited Liability Partner, Executive Partner: Hirokazu Miura, Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner, Executive Partner: Hiroyuki Fukuoka, Deloitte Touche Tohmatsu LLC

Composition of assistants involved in the audit work

Certified Public Accountants: 10

Others: 16

### **3. Reasons for Adoption of Current Corporate Governance System**

We have adopted the current corporate governance structure to ensure that the Board of Directors oversees important decision-making and the execution of business by executive officers, while the Audit & Supervisory Board, responsible for auditing the legality and appropriateness of operations, provides sufficient oversight of the Board of Directors. To strengthen the supervision of business execution and oversight of the Board of Directors from a fair and neutral standpoint, we have appointed seven outside directors and two outside Audit & Supervisory Board members. Furthermore, we have established a Nomination and Compensation Advisory Committee as a voluntary body, with a majority of its members being outside directors. To ensure procedural fairness, transparency, and objectivity in determining director compensation and executive appointments, this committee submits its recommendations to the Board of Directors.

### III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	We send out the convocation notice as early as possible within the scope where we can ensure the accuracy of the information contained therein, and we electronically disclose it via TDnet and our website prior to mailing the convocation notice.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	We have introduced electronic voting for the General Meeting of Shareholders.
Electronic Exercise of Voting Rights	We participate in the electronic voting platform operated by ICJ Co., Ltd.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	We have disclosed the English translation of the notice of convocation on our website.
Other	<p>&lt;Stance on the General Meeting of Shareholders&gt;</p> <p>The General Meeting of Shareholders is a company's body for decision-making by shareholders. Therefore, we believe it is essential that the proceedings are conducted in such a way that ensures appropriate explanations are provided for shareholders' questions to directors and Audit &amp; Supervisory Board members. At the same time, it is essential to organize the proceedings so as to ensure lawful and reasonable deliberation.</p>

#### 2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Regular Investor Briefings held for Analysts and Institutional Investors	Interim (May) and year-end (November)	Not Held
Online Disclosure of IR Information	Various information for investors is available (some content also available in English) IR News, Management Information, Financial Information, Financial Results/Presentation Materials, Securities Reports, Business Reports, Annual Reports, General Meeting of Shareholders information, Stock Information, IR Calendar, etc.	
Establishment of Department and/or Placement of a Manager in Charge of IR	Establishment of a dedicated department called the "Public Relations and Investor Relations"	

### 3. Status of Measures to Ensure Due Respect for Stakeholders

Supplementary Explanation	
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>We have established an Environmental Committee which is implementing initiatives to reduce environmental impact, including measures to address climate change.</p> <p>Additionally, within the Group, each operating company engages in environmental conservation activities and CSR activities. Key activities include the following:</p> <ul style="list-style-type: none"> <li>· Donations to the “Build Schools in the Himalaya’s Project” and the “Build Forests in the Himalaya’s Project” linked to product sales</li> <li>· Promoting recycling of used containers and resource and energy conservation activities</li> <li>· Disaster helicopter support agreement with Shiga Prefecture</li> <li>· Promoting environmental conservation activities such as water quality preservation and waste reduction</li> </ul> <p>Furthermore, we established the Noevir Green Foundation in March 2013, which was certified as a public interest incorporated foundation in December 2013. Through projects related to the environment, sports, and the healthy development of children and young people, we are contributing to society.</p>
Formulation of Policies, etc. on Provision of Information to Stakeholders	<p>The Corporate Governance Policy stipulates that we will disclose important information about the Group (including management-related information and financial information) to all stakeholders in a fair, timely, and appropriate manner.</p>

## IV. Matters Concerning the Internal Control System

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

<Basic Views on Internal Control System and Status of Development>

The basic policies on the Group's internal control system are as follows:

#### **1. Ensuring the Group's directors and employees execute their duties in accordance with the laws and regulations and the Company's articles of incorporation**

1. To ensure sound, appropriate corporate operations, the Board of Directors works to bolster corporate governance by establishing effective internal controls and frameworks so that the organization as a whole complies with the laws and regulations and the Group's articles of incorporation.
2. The Corporate Governance Policy and the Code of Conduct form the foundation of the compliance system. They serve to prohibit improper and antisocial actions, and the Group strives to ingrain their principles throughout the organization.
3. The Group strengthens its Legal Affairs Department and enhances its compliance system.
4. Regarding internal reporting systems, the Group has in place frameworks for maintaining transparency and appropriately responding to issues while protecting whistleblowers in accordance with the Whistleblower Regulations.
5. The Internal Audit Department has a system of multiple specialist members periodically conducting internal audits of all divisions.
6. The Group utilizes outside specialists as necessary to prevent violations of the laws and regulations or the Company's articles of incorporation.

#### **2. Managing and retaining information related to directors' execution of duties**

Board of Directors' meeting minutes, proposals, and other information pertaining to the execution of their duties are managed and retained in accordance with internal policies including the Document Retention and Disposal Regulations and the Basic Regulations on Information Systems.

#### **3. Managing the risk of loss to the Group**

1. The Company clarifies risk management systems to recognize risks pertaining to the Group's business activities and respond to risks that arise in accordance with the Risk Management Regulations.
2. In the case of unforeseen events, the Company establishes a risk management committee headed by the President and CEO and takes steps to prevent and minimize damage.
3. The Company appropriately manages and protects confidential and personal information in accordance with such regulations as Confidentiality Regulations and the Personal Information Protection Regulations.

#### **4. Ensuring efficient execution of duties by Group directors**

1. As a fundamental step to ensure directors' duties are effectively carried out, regular Board of Directors' meeting are held monthly, with additional meetings as necessary. The meetings provide a forum for making decisions about important management issues and matters as prescribed by laws and regulations, as well as overseeing the execution of duties.
2. The Company has in place a framework to ensure efficient, proper execution of duties via administrative authority and decision-making rules based on the Board of Directors Regulations, Administrative Authority Regulations, and Proposal Regulations.
3. Directors execute their duties with an eye to achieving key business goals for the Group overall in accordance with the medium- to long-term strategy.
4. The Company utilizes an executive officer system to bolster the supervisory and decision-making functions of the Board of Directors, facilitate swiftness of execution of duties and clarify responsibilities and strengthen corporate governance. Executive officers appointed by the Board of Directors perform corporate operations in accordance with business policies determined by the Board of Directors.  
The Group Management Executive Committee, primarily composed of directors involved in management execution and full-time auditors, meets regularly. Based on management policies decided by the Board of Directors, it deliberates on specific policies for business execution and other important matters, thereby ensuring proper and efficient business execution.

#### **5. Ensuring appropriate operations throughout the Group**

1. The Group strives to create an environment where operations are properly executed in accordance with the Corporate Governance Policy and the Code of Conduct. To fulfil the Group's corporate social responsibilities, this aims to ensure that actions are fair and comply with the laws and regulations and the Company's articles of incorporation as well as social rules.
2. Regarding the operations of subsidiaries, the Company collaborates closely with subsidiaries while respecting their autonomy. To ensure smooth operations with an eye toward comprehensive business development, subsidiaries periodically provide updates on operations and consult before making important decisions in accordance with the Group Company Regulations.
3. Each subsidiary has a director from the parent Company assigned to it to provide comprehensive oversight of operations.
4. The Company's internal audits also apply to subsidiaries.

#### **6. Providing staff to assist Audit & Supervisory Board members with their duties as required and securing the staff's**

**independence from directors**

Audit & Supervisory Board members may have staff assigned to help them perform their duties as necessary. Such staff members are determined by the Board of Directors with the agreement of the Audit & Supervisory Board, and their independence from directors is secured. Furthermore, a staff member assisting an Audit & Supervisory Board member executes business based on instructions and orders given by that member, and prioritizes executing duties to ensure the Audit & Supervisory Board member's instructions are effective.

**7. Group director and employee reporting to Audit & Supervisory Board members, and other matters related to reports to Audit & Supervisory Board members**

The Group's directors and employees are to promptly report to an Audit & Supervisory Board member or the Audit & Supervisory Board any violations of the laws and regulations or the Company's articles of incorporation related to the execution of duties, any misconduct, any matters that may cause material damage to the Group, and any decisions that significantly affect operations or the organization. Furthermore, reports are periodically made on subsidiaries' business performance, financial conditions, and other important information, and any requests from Audit & Supervisory Board members for information pertaining to the execution of duties are to be promptly met.

**8. Ensuring those making reports pursuant to item 7 above are not treated unfairly due to the said reports**

The Company prohibits unfair treatment of Group directors and employees reporting information to Audit & Supervisory Board members due to those reports, and makes that known to Group directors and employees.

**9. Ensuring other Audit & Supervisory Board members' audits are effectively executed**

1. Audit & Supervisory Board members meet with representative directors to the extent possible to exchange opinions pertaining to business operations, apart from business reports, as well as otherwise foster communication.
2. Audit & Supervisory Board members periodically exchange opinions with independent auditors and the Internal Audit Department.
3. When Audit & Supervisory Board members issue requests for advance payments or reimbursement of expenses connected with the execution of their duties, the requests are promptly processed and granted unless those expenses are deemed unnecessary in regard to the Audit & Supervisory Board members' performance of duties.

**10. Ensuring the reliability of financial reports**

To ensure the reliability of financial reports, the Company has established internal controls pertaining to financial reporting and operates the controls properly. In addition, the Company continually evaluates their effectiveness and makes improvements as necessary.

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

The Group's policy is to have no relationships whatsoever with antisocial forces and resolutely refuse any unjustified demands. The Group clarifies its commitment to excluding antisocial forces in the Code of Conduct, Employee Work Regulations, and Risk Management Regulations, and makes this policy known thoroughly among employees. In addition, the Group has the following internal system in place. Organizational responsibility for the exclusion of antisocial forces is assigned to Corporate and Legal Affairs, which strengthens ties with outside specialists such as the police and lawyers.

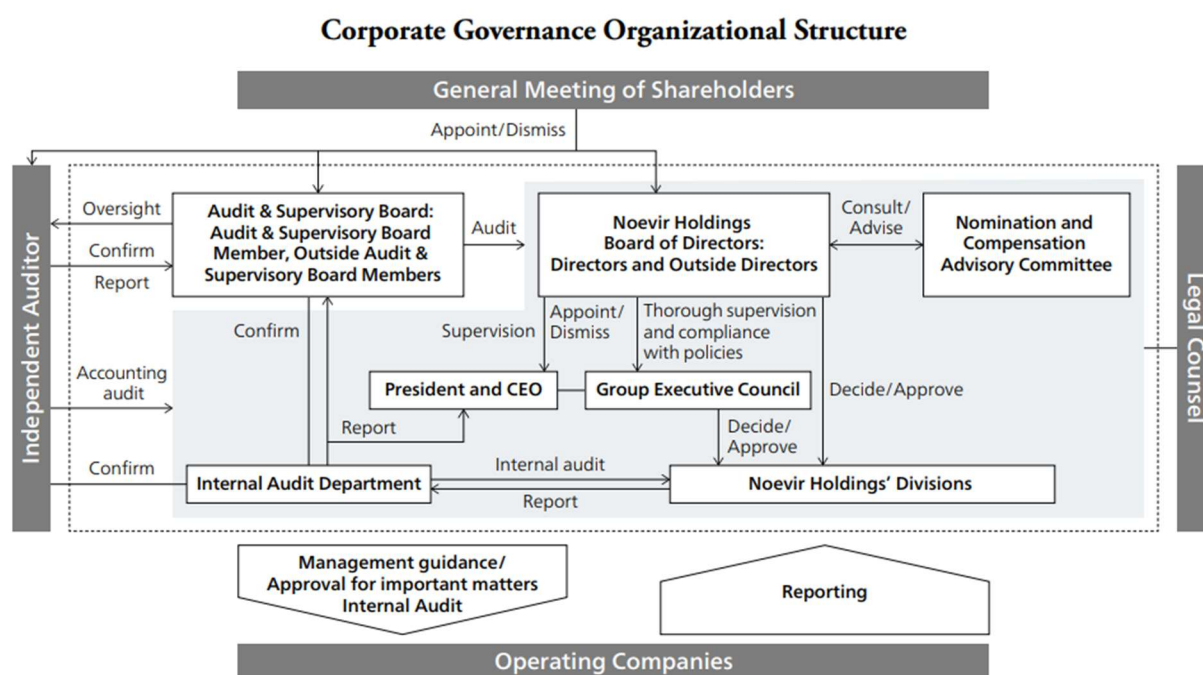


## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation for Applicable Items	
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### 2. Other Matters Concerning the Corporate Governance System



## Overview of Timely Disclosure System [Basic Policy on Timely Disclosure]

Our basic policy regarding information disclosure is to ensure fair, equitable, timely, and appropriate disclosure of important information in accordance with the timely disclosure rules established by the stock exchange. This aims to deepen all stakeholders' understanding of our company and secure proper evaluation. We will actively pursue this based on the following fundamental principles

- Timely and Appropriate Disclosure
- Accurate and Fair Disclosure
- Voluntary and Continuous Disclosure

Furthermore, regarding the handling of inside information, we have established Insider Trading Management Regulations to ensure thorough information management.

### 1. Information Regarding Occurred Facts

Information regarding occurred facts required for disclosure under the Timely Disclosure Rules is consolidated by the Information Management Departments (General Affairs & Legal, Accounting, Management Planning, Public Relations & Investor Relations, Human Resources) from the Information Management Officers (Heads of each department and Presidents of each Group company). This information is reported to the Executive Officers in charge of each department and the Directors in charge of each department. The Directors in charge then report to the Representative Director, who subsequently discloses the information in a timely manner. This information is reported to the Executive Officers and Directors responsible for each department. The Directors responsible for each department then report to the Representative Director, who decides whether timely disclosure is necessary. The Information Management Officers (Executive Officers in charge of the General Affairs and Legal and the Accounting) then disclose the information. Matters requiring Board of Directors approval will be disclosed without delay after approval. However, to ensure promptness and timeliness, timely disclosure may be made upon approval by the Representative Director (with subsequent approval or reporting to the Board of Directors at a separate meeting).

### 2. Information Regarding Decisions Made

Information regarding decisions made and reported at Board of Directors meetings shall be disclosed by the Information Management Officers (Executive Officers in charge of the General Affairs & Legal and the Accounting), after the Director responsible for the relevant department determines whether timely disclosure is necessary.

### 3. Information Regarding Financial Results

Information regarding financial results required for disclosure under the Timely Disclosure Rules shall be disclosed by the Information Management Officer (Executive Officer in charge of the Accounting) after obtaining approval from the Board of Directors.

### 4. Utilization of External Experts

Should any doubts arise within the Company regarding timely disclosure, we have established a system to promptly

consult with external experts possessing specialized knowledge, such as attorneys or audit firms.

【Internal System for Timely Disclosure】(Including Group Companies)

