Board Effectiveness Evaluation(FY2026)

[Initiatives for the Priority Implementation Items for the fiscal 2026 (Review)]
As for the Priority Implementation Items for the fiscal 2026, we believe that certain progress has been made through various initiatives and discussions at Board, Directors offline meetings*, each Committee, etc.

FY2026/3 Priority Implementation Items	Initiatives Undertaken
Initiatives to have the BOD Charter embedded further ・ Effective leadership by the BOD Chairperson and review among Independent External Directors. ・ Share the BOD Charter with new Directors thoroughly in terms of its significance and background.	・ The status of oversight functions by the BOD Chairperson and each Director was reviewed in light of the BOD Charter through questionnaires and interviews conducted in the Board Effectiveness Evaluation. ・ The BOD Charter was shared with newly appointed Directors prior to the commencement of their term of office and was explained thoroughly in the onboarding program.
Initiatives for monitoring and enhancing discussion on the "key management issues" ・ Demonstrate appropriate initiatives and set KPIs/milestones that are monitorable. ・ Clarification of Executive ownership of the key management issues. ・ Establish effective agenda for the BOD meetings.	・ Independent External Directors identified "FY26 key management issues". ・ The President and CEO presented key measures and milestones for these "FY26 key management issues" to the BOD. ・ Based on the annual agenda, the EOs in charge reported on the progress of the key measures to the BOD and the BOD has conducted monitoring accordingly.
Discussion on the Company's BOD composition/diversity ・ Discussion on the Company's composition/diversity in light of business structure and current state, including the terms of Independent External Directors.	・ The BOD composition/diversity and the director succession plan, considering the term of office of Independent External Directors, were reviewed and discussed at the NC.
Enhancing the functions of the Secretariat to contribute to facilitating more effective BOD meetings ・ Improve the quality of BOD materials and presentation. ・ Study and implement more effective ways of prior briefing to Directors.	・ Setting agendas that reflect the respective objectives of the Board regular meetings and informal offline meetings. ・ Continued to improve meeting facilitation, prior briefings, and presentations to ensure sufficient time for Q&A and the exchange of opinions.
More effective discussions on the appointment/dismissal of EOs, succession plan, and compensation. ・ Provide more detailed information on EOs (candidates) from HR Function including their performance appraisal. ・ Continued discussions aiming to enhance the EO selection process.	・ Held discussions aimed at enhancing the appointment/dismissal process of EOs at the NC. ・ Continued to provide enhanced personnel information on EOs to the NC and the CC.

* Offline meeting that is distinguished from a formal Board meeting.

The "Board of Directors Charter" was developed and adopted by the Board of Directors in May 2024, setting forth the basic stance and expectations which are necessary for the Board of Directors to address to the current situation of the Group, with the aim that each Director will exercise his/her supervisory function based on a common understanding.

Please refer to Board of Directors Charter.

[Effectiveness Review Process in the fiscal 2026]
For the annual evaluation for the fiscal 2026, all Directors were evaluated through Questionnaire survey (four-grade evaluation and open-ended questions) and Individual follow-up interviews conducted by the Board of Directors Secretariat. The evaluation covered topics such as the composition of the Board of

Directors and its Committees, meeting operations, agenda setting, the status of deliberations, the execution of oversight functions by the Board, individual Directors, and fellow Directors in alignment with the Board of Directors Charter, communication with the Executive team, and key issues requiring further in-depth deliberation. Based on the responses and feedback from each Director, the Independent External Directors held discussions, and the Board evaluated the effectiveness of the Board of Directors and its committee.

[Board Priority Issues and Board Priority Implementation Items in the fiscal 2027]

Based on the above process, the Board of Directors have confirmed the following Board Priority Issues and Board Priority Implementation Items in the fiscal 2027.

FY2027/3 Board Priority Issues	FY2027/3 Board Priority Implementation Items
Based on the Board Charter, to promote shared understanding among Directors and enhance communication between the BOD and Executive team, thereby further improving and strengthening the BOD's monitoring and deliberation.	The transformation efforts toward the New NSG Group, ・ To align the BOD's understanding in its monitoring. ・ To support Executive's initiatives through the BOD's engagement and exchange of views with the Executive team.
To further enhance the effectiveness of Executive's initiatives in addressing Key Management Issues	"Key Management Issues" identified for achieving the FY27 budget, ・ To clarify commitments based on fundamental issues and corresponding improvement measures. ・ To appropriately set the BOD agenda and conduct monitoring and deliberations.

Through these efforts, the NSG Group will continue to strive to further improve the effectiveness of the Board of Directors.