## Policy and Procedure for Determining Compensation for Directors and Executive Officers

1) Organization & Responsibilities for Determining Compensation

As a Company with a Nominating Committee, etc., the Company has established a Compensation Committee (the "Committee"). When matters concerning a Committee member's own compensation are discussed, such member shall not participate in or be involved in the decision-making process or any related deliberations.

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|---|---|
| Role | The Compensation Committee is responsible for determining the compensation policy for Directors and Executive Officers, as well as the individual compensation packages for each Director and Executive Officer. In addition, with respect to the policies and details of compensation for the Group's senior management other than Directors and Executive Officers, the Committee may, in accordance with the policy set forth in 3) below, provide recommendations or advice to the Representative Executive Officer, President and CEO. |
| Composition | ・Two Independent External Directors and one Director who concurrently serves as Representative Executive Officer<br>・Chaired by Shinji Asatsuma, Independent External Director |
| Secretariat | Company Secretary Department |
| Remuneration Expert | Human Resources Department |

2) Activities of the Committee in the Process of Determining Compensation

- During the fiscal year ended March 31 2026, the Committee met six times, with all members attending each meeting, resulting in an attendance rate of 100%. The Committee resolved individual basic salary amounts and, with respect to incentive plans (performance-linked compensation), the performance indicators, the methodology for determining payment amounts, and the actual payments based on achievement against the prior year's indicators. Furthermore, the Company has a policy to grant restricted shares as a retirement benefit for Executive Officers appointed under Japanese employment terms. Based on this policy, the Committee determined the number of restricted shares to be allotted to each eligible Executive Officer.
- The Committee granted final approval of the individual compensation packages for Directors and Executive Officers for the fiscal year ended March 31, 2026, after confirming consistency with the basic compensation policies detailed in 3) and 4) below.

3) Compensation Policy for Executive Officers

＜A＞Compensation System and Composition

Compensation packages for Executive Officers primarily consist of basic salary, Management Incentive Plan (annual bonus) and Long- term Incentive plan.

The Group operates a global grading structure across the organization, with management grades determined through job evaluation using the Group’s common scale based on the Korn Ferry/Hay management grade methodology, a globally recognised job evaluation system. Management grades set the maximum quantum levels for participants in both the annual and the Long-term Incentive Plan.

A) Compensation System

<table>
<tr><td>Objectives</td><td colspan="3">・To ensure that packages of employment terms and conditions are market competitive and designed in such a way as to attract, retain and motivate Executive Officers of the highest calibre on a worldwide basis in an international business.<br>・To ensure that each individuals basic salary and incentives are aligned with the performance of the Group and the interests of shareholders, as well as reflecting the commitment and achievements of the individuals concerned.</td></tr>
<tr><td rowspan="2">Composition and Details</td><td>Fixed salary</td><td>Basic salary</td><td>・Salaries are reviewed annually and are broadly aligned with market medians for a global business.<br>・In determining what are the appropriate market rates, account is taken of turnover, market capitalization and the complexity and breadth of internationalization.<br>・In reviewing salaries, account is also taken of the scope and responsibilities of the role, the performance of the individual, the progress the Company is making against its targets and plans and of salary increases planned for other managers.</td></tr>
<tr><td>Performance-related compensation</td><td>Management Incentive Plan (annual bonus)</td><td>・Assessed against the achievement of annual performance indicators which are mainly financial.<br>・Aligned to NSG Group’s Medium-Term Plan<br>・Payment Maximum levels: Ranging between 40% and 125% against each individual’s basic salary dependent upon the management grade<br>・Payment Level＝Maximum payment amount × Payment rate of Performance measures<br>・A Gate mechanism operates for the plan, which is based on a minimum level of Net Income that must be reached, as an affordability threshold before considering payment based on achievement against the different performance measures.</td></tr>
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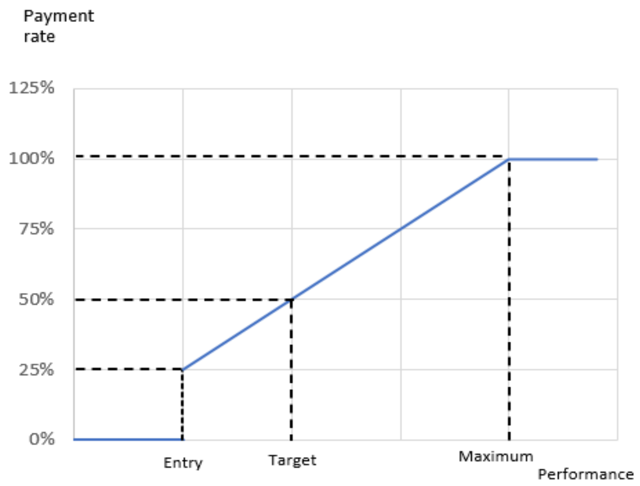
・For each performance measure, a scale is set consisting of a minimum performance level (“Entry”) for ensuring that the business is meeting the minimum standard of financial performance, “Target” and a maximum value for stipulating the upper limit of annual bonus payments “Max”, scales are based around the annual budget for the financial year.

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<tr><td></td><td></td><td>Long- term incentive plan</td><td>

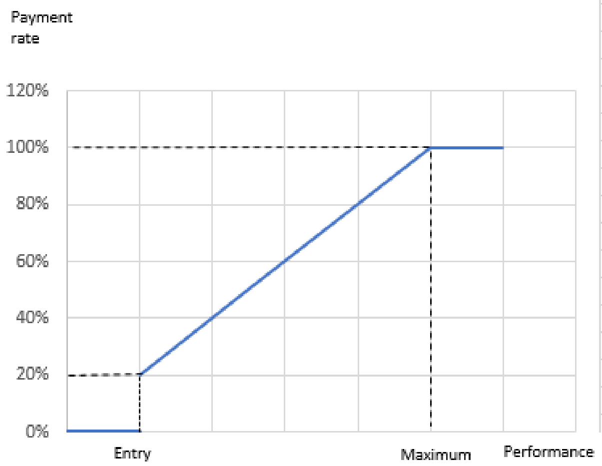
・Assessed against the achievement of long-term performance indicators over a three-year period

・Issued annually

・Payment Maximum levels: Ranging between 50% and 150% against each individual’s basic salary dependent upon the management grade

・LTIP Payment ＝Maximum payment amount×Payment rate of Performance measures × Share price movement rate

・For each measure, ”Entry” is set in such a way to ensure that the business is meeting the minimum required performance level and the “Maximum” point on the scale has appropriate stretch.

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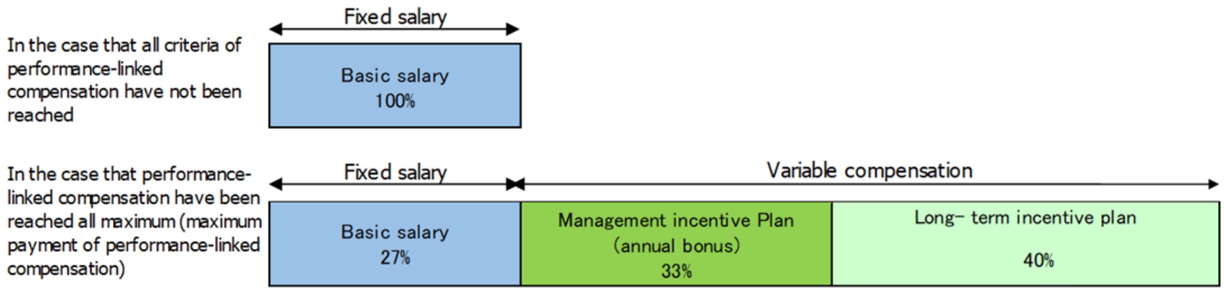
| | | | |
|---|---|---|---|
| | | | ・Plans contain Malus (ability for the value of award to be reduced after it has been granted but before it has vested) and Clawback clauses (ability for the Group to require the participants to repay the value they received after the award has vested). The Group can exercise these provisions if one of a list of trigger events occurs. Trigger events include the Misstatement of results, an error that causes an award to be paid at too high a level, a serious illegal act, or a material breach of the Group Code of Ethics. |
| | Stock Compensation | | ・ Restricted shares are issued annually to some Executive Officers under Japanese employment terms as a retirement saving plan. |

B) Compensation ratio

The ratio of basic salary and incentives is, rather than specifically and equally applied, set according to individuals' management grades.

(CEO's compensation ratio)




Note: For clarification, the above diagram includes only base salary plus annual and Long-term incentive plan compensation, no additional benefits are included. In addition, the impact of the share price movement element of the Long-term incentive plan is not taken into account.

4) Compensation Policy for Independent External Directors

| | |
|---|---|
| Objectives | ・To ensure that independent external directors can adequately and effectively fulfill their supervisory roles<br>・To ensure that they have the capability and experience required to fulfill this role |
| Compensation level | ・ Set at the appropriate level based on comparisons with other companies using benchmark data provided by specialist external advisers. |

| | |
|---|---|
| Compensation Structure | ・Only Basic salary<br>・Not eligible for Management incentive plans (annual bonuses) and Long-term incentive plans<br>・Independent External Directors receive additional reward if they act as Chair at either the Board or any of the Committees. |

5) Targets of performance measures for performance-linked compensation

A. FY2027 Management Incentive Plan (annual bonus)

A) Performance measures and weight

| Element | CEO, CFO and CHRO | Executive Officers other than CEO, CFO and CHRO, who are mainly responsible for specific Global SBUs | Executive Officers other than CEO, CFO and CHRO, who are mainly responsible for specific group functions |
|---|---|---|---|
| Group EBITDA | 50% | 35% | 35% |
| Group Free Cash Flow | 50% | 35% | 35% |
| Global SBU EBITDA | — | In relation to the results of specific SBUs they are responsible for, constituting 15% in total | In relation to the results for every of SBU of the Group, constituting 15% in total |
| Global SBU Cash Flow from Operations | — | In relation to the results of specific SBUs they are responsible for, constituting 15% in total | In relation to the results for every SBU of the Group, constituting 15% in total |

＊Note: SBU means each "Strategic Business Unit" of the Group

B) Reasons for selected the measures

| Measures | Reasons |
|---|---|
| Group EBITDA | Ensure alignment with delivery of the target numbers assigned to Group operating profit and cash flow which are the financial performance indicators specifically important to the annual budget |
| Group Free Cash Flow | |
| Global SBU EBITDA | For Executive Officers who are mainly responsible for specific SBU or group function, ensure working together to achieve the targets numbers of the entire group as an Executive and also exercising the leadership within each SBU/Function to deliver annual target numbers of each SBU |
| Global SBU Cash Flow from Operations | |

C) Determination of Management Incentive Plan (annual bonus) Payment Level

・ Payment Level＝Maximum payment amount × Payment rate of Performance measures

・ Payment rate of performance measures

(i) CEO, CFO and CHRO

payment rate of performance measures = Payment rate of Group EBITDA measure x 50% + Payment rate of Group Free Cash Flow measure x 50%

(ii) EO other than CEO, CFO and CHRO

payment rate of performance measures = Payment rate of Group EBITDA measure x 35% + Payment rate of Group Free Cash Flow measure x 35% + Payment rate of Global SBU EBITDA measure x 15% + Payment rate of Global SBU Cash Flow from Operations measure x 15%

・If the Gate is met, payment is made based on payment rate against the performance measures. Even if the Gate is not met, if the Entry level of the Global SBU's EBITDA is achieved, 50% of the payment rate achieved is paid only for the Global SBU EBITDA and the Global SBU Cash Flow from Operations

B. Long-term incentive plan

A) Performance measures, weight and reasons for selected the measures of plans currently in operation

(i) The Plan commencing in FY2025 (Target period : FY2025, FY2026 and FY2027)

(ⅱ) The Plan commencing in FY2026 (Target period : FY2026, FY2027 and FY2028)

| Performance Measures | Ratio | Reasons for selected the measures |
|---|---|---|
| EPS | 60% | Two performance measures ensure clear link with the Medium-Term Plan, incentivising executives to improve restoration of financial stability and enhance shareholder value. |
| Free Cash Flow | 40% | |

B) Determination of LTIP Payment Level

・ LTIP Payment ＝Maximum payment amount×Payment rate of Performance measures× Share price movement rate

・Payment rate of performance measures

= Payment rate* of "EPS measure" x 60% + Payment rate of "Free Cash Flow" measure x 40%

* Incorporating the degree of achievement of the targets to be achieved in the first and the second years to achieve the performance target for the three years

・The share price movement rate is a coefficient that is linked to the price movements of the Company's share price for the three-year period covered by each plan, and is adjusted based on the price movement of the monthly average share price in the month before the start of the plan and the monthly average share price of the last month of the plan. The share price movement rate is subject to an upper and lower limit of 20%.