

[Supplementary principle 4.11.3 Preconditions for Board and Kansayaku Board Effectiveness]

The NSG Group has made it an internal practice to implement an annual effectiveness review of the Board and three Committees, namely, the Nomination, Audit, and Compensation Committees to continuously enhance the level of their functionality and effectiveness. The purpose of this is prescribed in Article 23 of the CG Guidelines, which are disclosed on our website.

NSG Group Corporate Governance Guidelines

[BOD Effectiveness Evaluation]

Article 23

The Board and each of the Nomination Committee, Audit Committee and Compensation Committee shall, in principle, conduct an annual evaluation of their performance under the leadership of Independent External Directors, and disclose a summary of the results, together with an action plan for ensuring and enhancing its effectiveness and an outline of its implementation status. In conducting such evaluation, the support of an external facilitator shall be utilized regularly to realize a more objective and effective process. These exercises shall facilitate verification and discussion as to whether each meeting is conducted effectively in alignment with the Group's strategies and objectives.