

Governance



Corporate Governance

■ Basic approach to corporate governance

The Nichireki Group implements all its management plans based on its corporate philosophy. To align with our philosophy, we are pursuing sound, transparent and efficient management by establishing a corporate governance structure appropriate for the Nichireki Group's business and constantly checking the structure for further enhancement.

■ Responses to the Corporate Governance Code

Recognizing that the Corporate Governance Code established by Tokyo Stock Exchange, Inc. is what our society requests and expects us to be like, we intend to conduct our business by placing the code at the heart of business management in order to achieve sustainable growth of the Nichireki Group and increase its corporate value over the medium to long term. The Nichireki Group implements each principle of the Corporate Governance Code required for companies listed on the Prime Market, prepares and reviews corporate governance reports as appropriate, and submits them to the Tokyo Stock Exchange to disclose the information required by each principle.

■ Company with an Audit and Supervisory Committee

The Company has transitioned from a company with a board of auditors to a company with an Audit and Supervisory Committee by a resolution of its general meeting of shareholders held in June 2024. This allows the Board of Directors to delegate business execution decisions to executive directors, except for particularly important matters. We will leverage this reorganization to accelerate decision-making and business execution more than ever before. We will also enhance corporate governance more than ever before by strengthening supervision of the Board of Directors, with the aim of increasing corporate value.

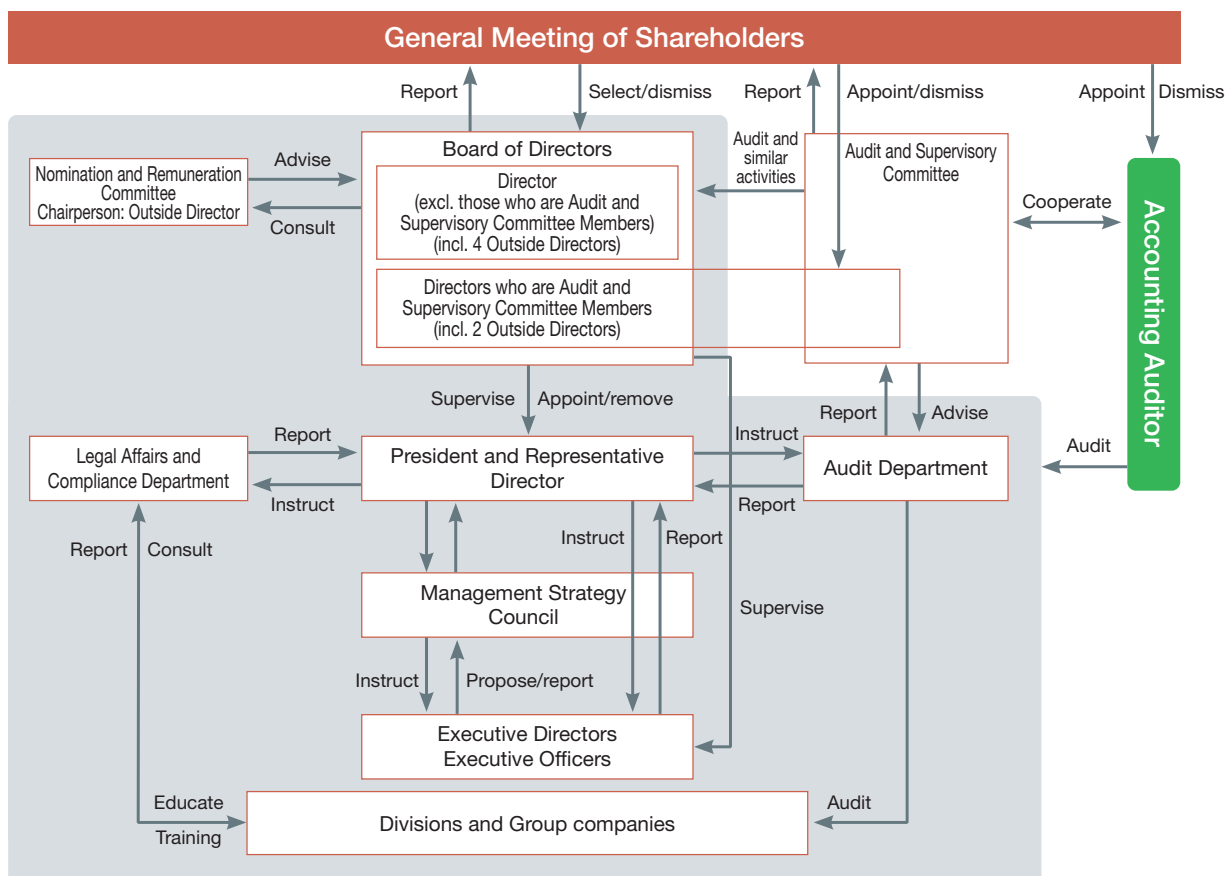
■ Corporate governance system

The Company intends to make swift and accurate decisions at the Board of Directors, which has strengthened its monitoring functions as a result of the transition to a company with an Audit and Supervisory Committee. We consider that such a corporate governance system will increase the soundness and efficiency of the Company's management and is effective for the Nichireki Group's sustainable growth and enhancement of corporate value over the medium to long term.

Our Board of Directors consists of 13 Directors, including three Directors who are Audit and Supervisory Committee Members. Of those 13 Directors, six are Outside Directors: two are Audit and Supervisory Committee Members, and four are not. Outside Directors are expected to serve as members of either the Audit and Supervisory Committee or voluntarily established Nomination and Compensation Committee. Specifically, the Audit and Supervisory Committee includes two outside Directors, making up a majority of the three committee members, and the Nomination and Compensation Committee includes four outside Directors who are not Audit and Supervisory Committee Members, making up a majority of the six committee members. In this way, the Company strives to enhance management transparency.

Our corporate governance system is as shown below.

■ Corporate governance system diagram



■ Board of Directors

As described above, the Company's Board of Directors consists of 13 Directors, including three Directors who are Audit and Supervisory Committee Members. Among the 10 Directors who are not Audit and Supervisory Committee Members, six are Executive Directors and four are Outside Directors who are not involved in business execution.

In principle, the Board of Directors meeting is convened once a month. As any material information pertaining to our management strategy must be reported to the Board of Directors adequately and in a timely manner, the Management Strategy Council consisting of six Executive Directors and six Corporate Executive Officers meets, in principle, twice a month in advance of the Board of Directors meetings to make necessary decisions and reports for business execution so that Board's meetings can be operated efficiently and effectively.

■ Audit and Supervisory Committee

The Audit and Supervisory Committee is composed of one Director who is well versed in the Nichireki Group's operations and two Outside Directors who have abundant experience and in-depth insights in their areas of expertise. The Audit and Supervisory Committee audits the status of business execution by Directors, Executive Officers and other officers as well as matters such as the status of the Company's assets, in cooperation with the Accounting Auditor (an auditing firm) and the Audit Department, a department in charge of internal audits.

■ Nomination and Remuneration Committee

The Company has established the Nomination and Remuneration Committee, a majority of the members (four out of six) of which are independent Outside Directors, as a voluntary advisory committee. The committee deliberates material matters regarding the nomination and remuneration in advance of resolution of the Board of Directors in order to ensure the independence and objectivity of its authority over such matters.

■ Outside Officers (independent officers)

As described above, the Company strives to enhance the transparency of its management by appointing six Outside Directors as independent outside officers: two who are Audit and Supervisory Committee Members and four who are not. Nichireki assesses the independence of its outside officers based on the independence standards prescribed by Tokyo Stock Exchange, Inc., taking into account their personal, capital, and business relationships and other interests with Nichireki.

■ Outside Officers (independent officers)

Title and name	Reasons for appointment	Attendance at meetings (FY2023)	Significant concurrent positions
Director Osamu Kobayashi	As a certified public accountant and a certified tax accountant, he has abundant experience, an extensive track record, and insight in corporate accounting and tax affairs.	Board of Directors meetings 14/14 (100%)	—
Director Haruko Shibumura	As an attorney-at-law, she has expertise, abundant experience, an extensive track record, and insight in corporate legal affairs including corporate compliance.	Board of Directors meetings 14/14 (100%)	Outside Director who is an Audit & Supervisory Committee Member of TAMURA CORPORATION Outside Director who is an Audit & Supervisory Committee Member of Yokogawa Bridge Holdings Corp.
Director Takuya Kidokoro	As an attorney-at-law, he has abundant experience and track records in corporate restructuring and corporate legal affairs, as well as considerable knowledge about corporate management.	Board of Directors meetings 14/14 (100%)	Executive Director and Lawyer of RISA Loan Servicing, Inc. Adviser (Administrative Law Judge) to Financial Services Agency
Director Mieko Fukuda	She has abundant experience and specialist knowledge gained through her engagement in corporate management and marketing-related divisions. In particular, as a management consultant, she possesses a high level of expertise in market research, analysis, and strategy development.	Board of Directors meetings 14/14 (100%)	—
Director who is an Audit and Supervisory Committee Member Tsutomu Kanitani	As a certified tax accountant, he has expertise and abundant experience in corporate management including tax affairs.	Board of Directors meetings 14/14 (100%) Board of Auditors meetings 19/19 (100%)	—
Director who is an Audit and Supervisory Committee Member Noriko Kawate	As a certified public accountant and a certified tax accountant, she has abundant experience, track records, and insight in corporate finance and accounting and is well versed in such services as consulting on business succession and advisory on corporate rehabilitation mainly in M&A and organizational restructuring.	Board of Directors meetings 14/14 (100%) Board of Auditors meetings 19/19 (100%)	Outside Director of Ichigo Inc. Outside Corporate Auditor of Sumitomo Bakelite Co., Ltd.

Internal Control and Compliance

Internal control

To ensure efficient execution of duties by directors, we have set the Board of Directors Rules to clarify the authority, responsibilities and operations of the Board of Directors. Minutes of the Board of Directors will be prepared to record information on matters to be resolved by and reported to the Board of Directors and kept in accordance with the Information Management Regulations and the Group's other internal rules. Meanwhile, the Company has built a system to ensure the swift and precise execution of matters decided by the Board of Directors in accordance with the Administrative Authority Regulations and the Group's other internal rules.

To ensure the appropriateness of each Group company's operations, the Nichireki Group has established the Group Business Management Regulations and built a business management system based on its management philosophy. Under this business management system, we perform audits of Group companies and provide them with guidance on their business. At the same time, we have a policy to give approval for any material matter regarding Group companies after receiving and carefully examining the results of discussions and reports from them. While we have established the Group's internal rules as internal rules applicable to the entire Nichireki Group, Group companies have established their own internal rules following suit of our internal rules to promote unity within the Group.

We have established the Basic Policy for Establishing Internal Control System (system necessary to ensure the appropriateness of operations prescribed by the Companies Act) based on a resolution of the Board of Directors and reviews the policy as needed according to system modifications resulting from updates to laws and regulations, etc., or the status of operations.

Basic Policy for Establishing Internal Control System

1 System for ensuring compliance with laws, regulations and the Company's Articles of Incorporation in the execution of duties by directors and employees

The Company shall appoint a director in charge of compliance and set up the Legal Affairs and Compliance Department as the controlling department for the Group's compliance. The Company shall also set the Group's internal rules and prepare the Compliance Manual, thereby making sure everyone in all of our Group companies is aware of the compliance rules. The Company shall open a hotline on the Group network as a point of contact for reporting and consultation, which receives reports and provides consultation on compliance directly from and with the Group's employees. The hotline shall also accept their opinions and proposals on compliance. If a director finds any violation of laws and regulations or other important facts regarding compliance, the director shall immediately report to Directors who are Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee. If Directors who are Audit and Supervisory Committee Members receives a report and recognizes that there is a problem with the Group's compliance system, he or she may give his or her opinions to the Director in charge and requests the Director to formulate a remedial measure. For internal audits, the Company shall set up the Audit Department to assess the achievement of major objectives of all Group companies' internal management, including the effectiveness and efficiency of operations, the reliability of financial reporting, compliance with laws and regulations and other rules, and asset protection, in an objective and comprehensive manner, as well as to give advice, instructions, or corrective guidance to resolve issues. The Audit Department shall also exchange opinions and information with Directors who are Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee and the accounting auditor when necessary. The Company shall establish a system to receive professional advice on management-related legal issues from its corporate lawyer.

2 System for the storage and management of information related to the execution of duties by directors

Information related to the execution of duties by directors shall be appropriately stored and managed in accordance with the Information Management Regulations and the Group's other internal rules or the Company's internal rules.

3 Rules and other systems for the management of risk of loss

For the Group's risk of loss, the Company shall develop various regulations on risk management as part of the Group's business management. The Company shall also establish a system where its responsible departments set rules and guidelines, provide training, and prepare and hand out manuals as needed. In cases where it is necessary to address a new risk, the President shall immediately appoint a director to be responsible for addressing the risk and notify all Group companies of the matter. If the risk is likely to materialize and cause serious damage, the responsible director shall immediately report to the Board of Directors.

4 System for ensuring the efficient execution of duties by directors

The Company shall formulate a Group management plan and set and determine Group-wide management goals and targets and budget allocation for each fiscal year to promote the Group's cooperative framework and efficiently execute and manage business operations. As the basis of the system for ensuring the efficient execution of duties by directors, the Company shall, in principle, hold the Board of Directors meeting once a month and an extraordinary meeting when necessary. Material matters related to the Company's management policies and management strategy shall be discussed to determine their execution by the Management Strategy Council in advance of the Board of Directors meetings.

The Company shall precisely execute operations based on decisions made by the Board of Directors in a timely manner in accordance with the Administrative Authority Regulations and other internal rules of the Group and the Company.

5 System for ensuring the appropriate operations of the Corporate Group comprised of the Company and its subsidiaries

To ensure the appropriateness of operations, the Company shall establish the Group's management philosophy common to the Group companies and develop the Group's operation system, such as establishing the Group's internal rules, based on the philosophy. In addition, the Group companies shall set their own internal rules on matters not stipulated in the Group's internal rules in compliance with internal rules set out by the Company.

Group companies shall discuss with and report to the Company on material matters related to business execution. The Company shall build a Group business management system to perform audits of Group companies and provide them with guidance on their business.

If a Group company recognizes that the Company's business management or guidance on its business may be in violation of laws or regulations, or otherwise, there is a compliance issue, the Group company shall report to the Audit Department or the Legal Affairs and Compliance Department. The Audit Department or the Legal Affairs and Compliance Department shall then immediately report to Directors who are Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee. If Directors who are Audit and Supervisory Committee Members receives a report, they may give their opinions to and request directors (Board of Directors) to formulate improvement measures.

6 Matters related to employees assigned to assist the Audit and Supervisory Committee in its duties and the independence of such employees from directors (excluding those who are Audit and Supervisory Committee Members)

The Audit and Supervisory Committee may, when necessary, request the Board of Directors to assign employees to assist it in its duties.

Employees who are to assist the Audit and Supervisory Committee in its duties shall follow the Committee's directions and orders exclusively on operations subject to instructions given by the Committee. The director in charge shall consult with the Audit and Supervisory Committee in advance regarding the personnel matters of employees who are to assist the Audit and Supervisory Committee in its duties.

7 System for reporting from directors and/or employees of the Company and its subsidiaries to the Audit and Supervisory Committee, and system for other reporting to the Audit and Supervisory Committee, and system for ensuring that a person who has made a report will not receive unfavorable treatment for reason of having made such report

Directors, Audit and Supervisory Committee Members, Executive Officers, and employees ("Officers and Employees") of the Group companies shall report to the Directors who are Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee on material matters that may affect operations and financial results of each Group company and legal violations and other compliance issues through the Company's responsible department or by whistleblowing or other means. Directors who are Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee may request a report from Officers and Employees of each Group company whenever necessary.

If Directors who are Audit and Supervisory Committee Members receive a report, they shall report the contents of the report to the Audit and Supervisory Committee.

The Company shall prohibit unfavorable treatment of each of the Officers and Employees of the Group companies who has made a report to Directors who are Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee for the reason of having made such report and make sure all Officers and Employees of the Group companies are aware of the matter.

When the Audit and Supervisory Committee or Directors who are Audit and Supervisory Committee Members request the advanced payment of expenses to be incurred in the course of executing their duties, the Company's responsible department shall deliberate on the matter and process the request immediately, unless the expenses or obligations are deemed not necessary for the execution of the Audit and Supervisory Committee's duties.

8 Other system for ensuring that audits by the Audit and Supervisory Committee are conducted effectively

Directors who are Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee shall have opportunities to exchange information with Directors who execute operations, the Audit Department, and the Accounting Auditor, as well as participate in key meetings of the Company or Group companies to understand significant decisions and the status of business execution, and request explanations from the Officers and Employees as necessary.

The Audit Department shall collaborate with the Audit and Supervisory Committee Members, including reporting audit results and other relevant information to the Committee as needed.

9 System for ensuring the reliability of financial reporting

To ensure the reliability of financial reporting and file the internal control report effectively and appropriately in accordance with the provisions of the Financial Instruments and Exchange Act, the Company shall build an internal control system and develop and operate the system appropriately.

10 System for eliminating anti-social forces

The Company shall respond to unreasonable demands from anti-social forces with a resolute attitude and develop a system necessary to eradicate all business and other relationships with anti-social forces throughout the Group.

Compliance

The Company places emphasis on complying with not only laws and regulations but also things that are not legally binding such as common sense and good sense as a member of economic society. Regarding compliance as a much broader concept than mere legal compliance, we believe that our concept of compliance also includes fully meeting social expectations.

(1) Basic approach

- ① All officers and employees of the Nichireki Group shall act in accordance with the Nichireki Group's Corporate Philosophy and the Code of Individual Conduct to promote compliance.
- ② The Head of Compliance, who is appointed from among the Company's directors, shall promote compliance throughout the Nichireki Group.
- ③ The Head of Compliance shall direct and take overall control of compliance officers assigned at each base of the Nichireki Group through the Legal Affairs and Compliance Department and strive to enhance the Nichireki Group's compliance system.

(2) Compliance promotion system

For the Nichireki Group's compliance system, the President and Representative Director of the Company appoints a responsible director as the Head of Compliance and sets up the Legal Affairs and Compliance Department as a responsible department. The President and Representative Director also appoints General Managers of the Company's departments, offices, and branches as well as presidents of Group companies as compliance officers to put in place a system where the Group as a whole works together to promote compliance.

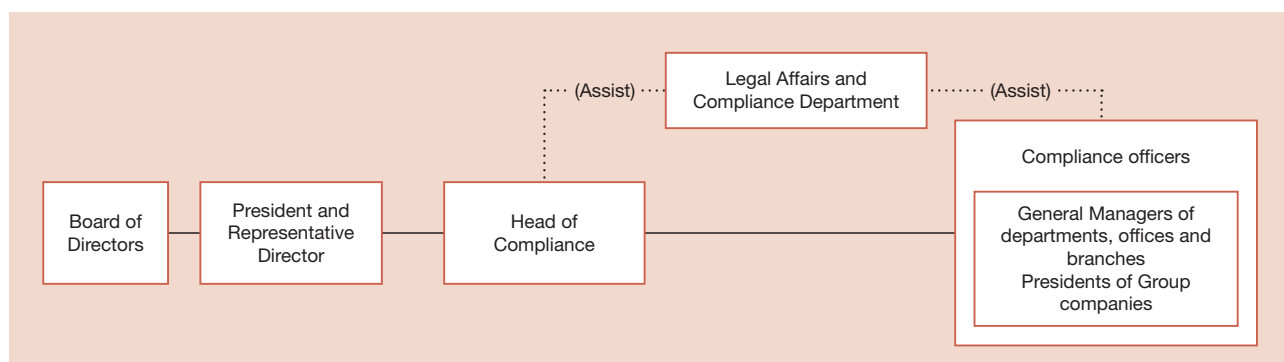
Under the direction of the Head of Compliance, the Legal Affairs and Compliance Department is responsible for work to promote compliance across the Nichireki Group. Specifically, the Legal Affairs and Compliance Department is responsible for planning and providing compliance training for the Nichireki Group's officers and employees, performing compliance audits of sales offices and other bases, and establishing, revising and abolishing the Group's internal rules and other systems, in addition to responding to compliance incidents that occur in daily operations.

Each compliance officer is responsible for work to promote compliance at the department, office, or branch he/she heads. Specifically, they monitor and manage the status of compliance within their own organizations and work to keep everyone informed about compliance information provided by the Legal Affairs and Compliance Department.

The Nichireki Group has also set the Group's internal rules and prepared the Compliance Manual, thereby making sure everyone in all of our Group companies is aware of the compliance rules.

These Group's internal rules include the Compliance Regulations, which stipulate such matters as compliance system, Regulations on Whistleblowing, Harassment Prevention Regulations, and Regulations on Compliance with the Antimonopoly Act. Given the importance of these regulations, they are established, revised, and abolished based on a resolution of the Board of Directors. In the case of any law amendment or incident that has become a social concern, the Legal Affairs and Compliance Department shall immediately examine the draft of regulations and seek a decision of the Board of Directors. For example, in response to the enforcement of the Amendments to the Whistleblower Protection Act in June 2022, the Board of Directors completely revamped the Regulations on Whistleblowing.

Compliance promotion system diagram



(3) Whistleblowing system

In accordance with the Regulations on Whistleblowing, the Nichireki Group has opened a hotline on the Nichireki Group network to receive reports and provide consultation on compliance directly from and with officers and employees of Group companies as well as to accept their opinions and proposals on compliance, in addition to consultation and reports made in writing or orally. The Nichireki Group seeks to early detect and correct any misconduct by establishing a whistleblowing system, placing the hotline at its core, thereby practicing compliance management that responds to stakeholders' expectations.


The whistleblowing system, including the hotline, is available for all officers and employees including not only regular employees but also part-time workers and temporary workers. The whistleblowing system is also available for retirees, regardless of the period of time since their retirement. In order to protect whistleblowers, we receive anonymous reports and prohibit the unfavorable treatment of whistleblowers and persons who cooperate in investigations, such as search for and reprisal against them. We also impose confidentiality obligations on officers and employees engaged in the reception of whistleblowing.

To make the whistleblowing system more accessible to the Group's officers and employees, the Company is working to further improve the system by, for example, entrusting an external expert subject to confidentiality obligations to serve as a point of contact from August 2023.

(4) Compliance training

At the Nichireki Group, the Legal Affairs and Compliance Department plans and provides hands-on compliance training, which also introduces actual cases, for employees on a regular basis. For example, in consideration of the complete revision of the Harassment Prevention Regulations, which had been carried out to enable the Group as a whole to respond to the recently amended and enforced harassment-related acts (the Labor Measures Comprehensive Promotion Act, the Equal Employment Opportunity Act, and the Child Care and Family Care Leave Act), we provided harassment prevention training mainly for employees in managerial positions. Also, in order to develop a sense of fairness, which is important in business transactions, we hold a training workshop on the Antimonopoly Act lectured by lawyers and other external experts and provide training on such themes as intellectual property right and insider trading regulations, thereby striving to raise the awareness of compliance among the Nichireki Group's employees.

■ Medium- to long-term targets

Item	FY2021 results	FY2022 results	FY2023 results	FY2025	FY2043	SDGs mapping
Number of internal compliance training workshops held	2	2	2	2	2	

Risk Management

■ Risk management

We consider it necessary to be aware that risk management is one of our key managerial challenges; to constantly update material risks; and to review on a daily basis whether our countermeasures and control measures against various types of risks are appropriate. We therefore decide on which department takes charge of each of the risks in the context of their nature, etc., and conduct risk management as part of our daily operations.

(1) Basic policy for risk management

For the Nichireki Group's risk of loss, we have developed various regulations on risk management as part of the Group's business management. We have also established a system where the departments responsible for risk management (e.g., the General Affairs Department, the Legal Affairs and Compliance Department, and the Safety, Quality and Environment Management Department) set rules and guidelines, provide training, and prepare and distribute manuals as needed. In cases where it is necessary to address a new risk, the President and Representative Director shall immediately appoint a director to be responsible for addressing the risk and notify all Group companies of the matter. If the risk is likely to materialize and cause serious damage, the responsible director shall immediately report to the Board of Directors.

(2) Management system

For financial and legal risks and those of disasters and other events, the status of risk management is reported to the President and Representative Director and the Board of Directors by departments in charge of these issues in accordance with relevant regulations (e.g., the Finance and Accounting Department for financial risks, the Legal Affairs and Compliance Department for legal risks, and the General Affairs Department and the Safety, Quality and Environment Management Department for risks of disasters).

To strengthen the management system that addresses various types of risks the Nichireki Group may face, we set up a Business Risk Management Committee based on a resolution of the Board of Directors meeting held in March 2023.

(3) Major business risks

Shown below are major business risks that may affect the Nichireki Group's operating results and financial position, and responses to the risks. By identifying and analyzing major business risks and having an in-depth review of responses to the risks, the Nichireki Group seeks to minimize the risks and curb the effects of them on its management and finance.

■ Major business risks and responses

1 Raw material prices and supply trends

The Nichireki Group seeks to minimize the effects of procurement risks of raw materials. Specifically, we have a system in place where the Production Department occasionally monitors such risks and reports each month the procurement trends of raw materials to the Management Strategy Council comprised of Executive Directors, and the council decides on the direction of how to respond to the trends so as to early promote purchase measures and the addition of increased costs to the selling prices of products.

2 Trends of public works

To scale back the effects of the financial conditions of the central and local governments on its business performance, the Nichireki Group seeks to perform a detailed analysis of the infrastructure improvement issues faced by the central and local governments, promotes its design and sales activities to receive orders for products and construction methods that contribute to the longer life and higher performance of paved roads and the reduction of environmental load, stimulates demand in the domains of airports, harbors, railways, parks and other facilities in addition to roads as its focus domain, and expands its business markets.

3 Trends of price competition

The Nichireki Group works at reducing its manufacturing and construction costs and seeks to minimize the effects of lower prices on its business performance while striving to mitigate the impact of price competition by developing high value-added products and construction methods.

4 Credit risks

The Nichireki Group thoroughly manages credit and receivables when entering into transactions and seeks to mitigate credit risks by, for example, using a credit research agency and holding credit monitoring meetings.

5 Country risks

In the Nichireki Group, the Overseas Business Department, the Chinese Business Department and the Legal Affairs and Compliance Department have discussions to take appropriate measures to avoid risks for each project. These departments also share information with each other about the progress of overseas business, the existence of any troubles, the social landscapes of the markets that we plan to enter or have recently entered, amendments to laws and regulations, and other matters, and take necessary measures.

6 Information security

As measures to prevent information leaks, the Nichireki Group limits access to confidential data, limits the use of media that employees can take out of their workplaces, and provides employees with information security education. To brace ourselves for information security incidents, we have also set up a system centered around the System Engineering Department to immediately restore our data and systems, and take out a cyber insurance that covers all of our Group companies.

Please see the information management system diagram on the next page for the Nichireki Group's information security system.

7 Risks of natural disasters, infectious diseases, etc.

To brace itself for natural disasters, such as earthquakes and typhoons, and infectious disease outbreaks, the Nichireki Group has its internal regulations in place set mainly by the General Affairs Department, which include the BCP Management Regulations (regulations for the management of business continuity plan) and the Disaster Prevention Regulations, and has introduced a safety confirmation system to confirm the safety of employees in times of natural disasters.


In case of a disaster, the Head of the Business Risk Management Committee compiles information, and depending on the situation, we set up a disaster response office led by the President to take action.

8 Risks associated with legal regulations, etc.

In the Nichireki Group, the Legal Affairs and Compliance Department and the Safety, Quality and Environment Management Department create opportunities to provide education about compliance as well as health and safety, and make sure that all officers and employees of the Group are aware of such important matters, thereby mitigating the risks of receiving administrative sanctions and penalties by legal regulations.

Information security

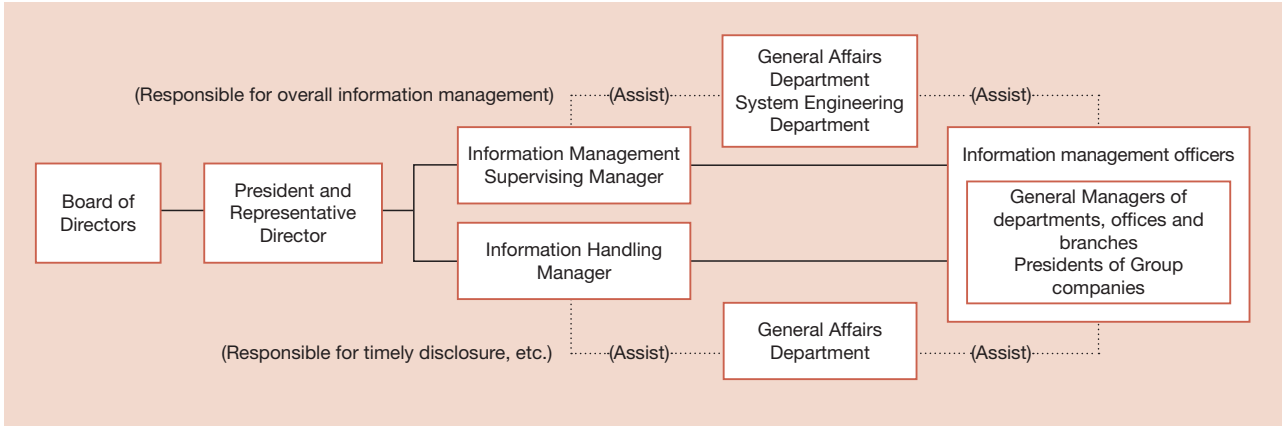
The Practical Guidelines for Corporate Governance Systems (CGS Guidelines) revised by the Ministry of Economy, Trade and Industry on July 19, 2022 state that "it is pointed out that having discussions about corporate governance based on the use of digital solutions and tools is becoming important." As described, using information and communications technology has become indispensable not only for improving convenience and efficiency in operations and gaining a stronger competitive advantage but also for improving corporate governance.

The Nichireki Group seeks to streamline its operations by expanding and improving its information systems. We also expand our services that use ICT to serve our customers. For example, we manage construction in a new way with ICT embedded road stabilizers using cloud computing, and use GLOCAL-EYEZ  P.31, a road inspection system using a smartphone.

The more we depend on ICT, the more we have ICT-specific risks. We consider that information security management in particular is one of key managerial challenges for many companies. Given this situation, the Company has established a Basic Policy for Information Security and strives to advance its information security management across the entire Group. Based on the Basic Policy for Information Security, the Nichireki Group has improved its system for the centralized management of information security by appointing a Director of the Company as Information Management Supervising Manager and appointing General Managers of departments, offices and branches and presidents of Group companies as information management officers. Another Director of the Company is appointed as Information Handling Manager to mainly work on information disclosure, especially timely disclosure.

The Nichireki Group has its internal regulations and rules in place, such as the Information Management Regulations, and makes sure that all of its officers and employees are aware of information security by providing an employee training session, an explanatory session, and other learning opportunities.

Information management system diagram



Basic Policy for Information Security

- 1 Subject**

Information assets subject to this policy shall be all the information obtained in the course of business activities and held by the Nichireki Group.
- 2 Scope**

This policy shall be applicable to all officers and employees of the Nichireki Group, and they shall strive to conduct safe operations and to protect information assets.
- 3 Information management system**

A director shall be appointed as Information Management Supervising Manager under the Board of Directors, and an information management system shall be established covering all departments, offices and branches.
- 4 Group's internal regulations and rules in place**

The Nichireki Group shall have its internal regulations and rules in place that stipulate information handling, information system operations standards, standards for developing and introducing information systems, physical security measures, and outsourcing standards among others to implement and manage information security practices.
- 5 Internal audit**

Internal audit shall be regularly performed to verify if the Group's internal regulations and rules successfully work and are appropriately adhered to by its officers and employees.
- 6 Improving security literacy**

The Nichireki Group shall provide its officers and employees with education and training on an ongoing basis to maintain and improve their security literacy.
- 7 Adapting to changes in the business climate**

The Nichireki Group shall flexibly adapt to changes in its business domains, information assets being handled and the ICT (information and communications technology) landscape, and review its information security management rules and systems.

Directors (As of June 27, 2024)

Directors



Manabu Obata

President and Representative Director

- April 1982 Joined the Company
- May 2007 Executive Officer and Tokyo Area Manager of the Company
President and Representative Director of Nichireki Tokushu Koji K.K.
- June 2011 Senior Executive Officer and Vice General Manager, Business Division of the Company
- June 2013 Managing Director and General Manager, Business Division of the Company
- June 2015 President and Representative Director of the Company
- June 2020 President and Representative Director of the Company (to present)



Yuji Kawaguchi

Executive Vice President and Representative Director

- April 1980 Joined the Company
- June 2011 Director, Senior Executive Officer, and Kanto Area Manager of the Company
President and Representative Director of NICHIREKI ROAD CO., LTD.
- June 2013 Managing Director and Kanto Area Manager of the Company
President and Representative Director of NICHIREKI ROAD CO., LTD.
- April 2018 Managing Director and Tokyo/Kanto Supervising Manager of the Company
- June 2018 Senior Managing Director and Tokyo/Kanto Supervising Manager of the Company
- June 2020 Senior Managing Director, Tokyo/Kanto Supervising Manager, and Tokyo Area Manager of the Company
- April 2021 Senior Managing Director and East Japan Supervising Manager of the Company
- June 2022 Executive Vice President and Representative Director of the Company (to present)



Akiyoshi Hanyu

Senior Managing Director
General Manager, Technology Development Division

- April 1982 Joined the Company
- June 2011 Executive Officer and General Manager, Technical Research Center of the Company
- June 2013 Director, Senior Executive Officer, and General Manager, Technical Research Center of the Company
- June 2015 Managing Director and General Manager, Engineering and Manufacturing Division of the Company
- April 2020 Managing Director, General Manager, Technology Development Division, and General Manager, Technical Department of the Company
- June 2020 Managing Director, General Manager, Technology Development Division, and General Manager, Technical Department of the Company
- April 2024 Managing Director and General Manager, Technology Development Division of the Company
- June 2024 Senior Managing Director and General Manager, Technology Development Division of the Company (to present)



Hiroyuki Totsuka

Managing Director
General Manager, Business Division

- April 1985 Joined the Company
- April 2013 General Manager, Tohoku Branch of the Company
- April 2014 Executive Officer, Tohoku Area Manager, and General Manager, Tohoku Branch of the Company
- April 2017 Senior Executive Officer, Tohoku Area Manager, and General Manager, Tohoku Branch of the Company
- April 2018 Senior Executive Officer, Tohoku/Hokkaido Supervising Manager, Tohoku Area Manager, and General Manager, Tohoku Branch of the Company
- April 2021 Senior Executive Officer, North Japan Supervising Manager, Tohoku Area Manager, and General Manager, Tohoku Branch of the Company
- April 2023 Senior Executive Officer and Vice General Manager, Business Division of the Company
- June 2023 Managing Director, General Manager, Business Division, and General Manager, Overseas Business Department of the Company (to present)



Jun Yamamoto

Director
General Manager, Administration Division

- March 2020 Joined the Company
General Manager, Legal Affairs Office and General Manager, Compliance Office of the Company
- April 2020 Senior Executive Officer and General Manager, Legal Affairs and Compliance Department of the Company
- April 2021 Senior Executive Officer, General Manager, Legal Affairs and Compliance Department, and General Manager, Investment Strategy Office of the Company
- June 2021 Director, General Manager, Administration Division, General Manager, Legal Affairs and Compliance Department, and General Manager, Investment Strategy Office of the Company (to present)



Tatsuya Ito

Director
General Manager, Planning Division

- April 1986 Joined the Company
- April 2013 General Manager, Technical Department of the Company
- April 2015 Executive Officer and General Manager, Technical Department of the Company
- April 2016 Executive Officer, General Manager, Corporate Planning Department, and General Manager, Human Resources Department of the Company
- April 2020 Senior Executive Officer, General Manager, Corporate Planning Department, and General Manager, Human Resources Department of the Company
- June 2021 Senior Executive Officer, Vice General Manager, Planning Division, General Manager, Corporate Planning Department, and General Manager, Human Resources Planning Department of the Company
- April 2022 Senior Executive Officer, Vice General Manager, Planning Division, and General Manager, Human Resources Planning Department of the Company
- June 2022 Director, General Manager, Planning Division, and General Manager, Human Resources Planning Department of the Company (to present)

Directors who are Audit and Supervisory Committee Members



Masaaki Nohara

Chair of the Audit and Supervisory Committee

- April 1985 Joined the Company
- April 2013 General Manager, Corporate Planning Department of the Company
- April 2014 General Manager, General Affairs Department of the Company
- April 2018 Executive Officer and Vice General Manager, Administration Division of the Company
- June 2019 Full-time Auditor of the Company
- June 2024 Chair of the Audit and Supervisory Committee of the Company (to present)



Outside

Tsutomu Kanitani

Outside Director

- August 1996 Joined Akira Nakamura Tax Accountant Office
- May 2000 Registered as a certified tax accountant
Director of Tsutomu Kanitani Tax Accountant Office (to present)
- June 2015 Outside Auditor of the Company
- June 2024 Outside Director (Audit and Supervisory Committee Member) of the Company (to present)



Outside

Osamu Kobayashi

Outside Director

March 1983 Registered as a certified public accountant
 June 1983 Registered as a certified tax accountant
 August 1996 Director of Kobayashi Accounting Office (to present)
 June 2004 Outside Auditor of the Company
 June 2015 Outside Director of the Company (to present)



Outside

Haruko Shibumura

Outside Director

April 1994 Registered as an attorney-at-law (Daini Tokyo Bar Association)
 Joined Law Offices of Homma & Komatsu (currently, Homma & Partners)
 April 1999 Partner Attorney, Homma & Partners (to present)
 June 2015 Outside Auditor of the Company
 June 2019 Outside Director of the Company (to present)

Significant concurrent positions:
 Outside Director who is an Audit & Supervisory Committee Member of TAMURA CORPORATION
 Outside Director who is an Audit & Supervisory Committee Member of Yokogawa Bridge Holdings Corp.



Outside

Takuya Kidokoro

Outside Director

October 2001 Registered as an attorney-at-law (Tokyo Bar Association)
 Joined Okuno & Partners
 April 2011 Partner, Okuno & Partners (to present)
 June 2019 Outside Auditor of the Company
 June 2021 Outside Director of the Company (to present)

Significant concurrent positions:
 Executive Director and Lawyer of RiSA Loan Servicing, Inc.
 Adviser (Administrative Law Judge) to Financial Services Agency



Outside

Mieko Fukuda

Outside Director

April 2001 Registered as a small and medium enterprise management consultant (a member of Chuo Chapter, Tokyo Small and Medium Enterprise Management Consultant Association)
 April 2021 Representative, Fukumoku Research Office (to present)
 June 2021 Outside Director of the Company (to present)



Outside

Noriko Kawate

Outside Director

July 2001 Registered as a certified public accountant
 November 2004 Registered as a certified tax accountant
 February 2008 Representative Director of Clea Consulting Co., Ltd. (to present)

November 2011 Registered as a U.S. certified public accountant
 February 2015 Partner, Cast Global Group (to present)
 June 2021 Outside Auditor of the Company
 June 2024 Outside Director (Audit and Supervisory Committee Member) of the Company (to present)

Significant concurrent positions:
 Outside Director of Ichigo Inc.
 Outside Corporate Auditor of Sumitomo Bakelite Co., Ltd.