

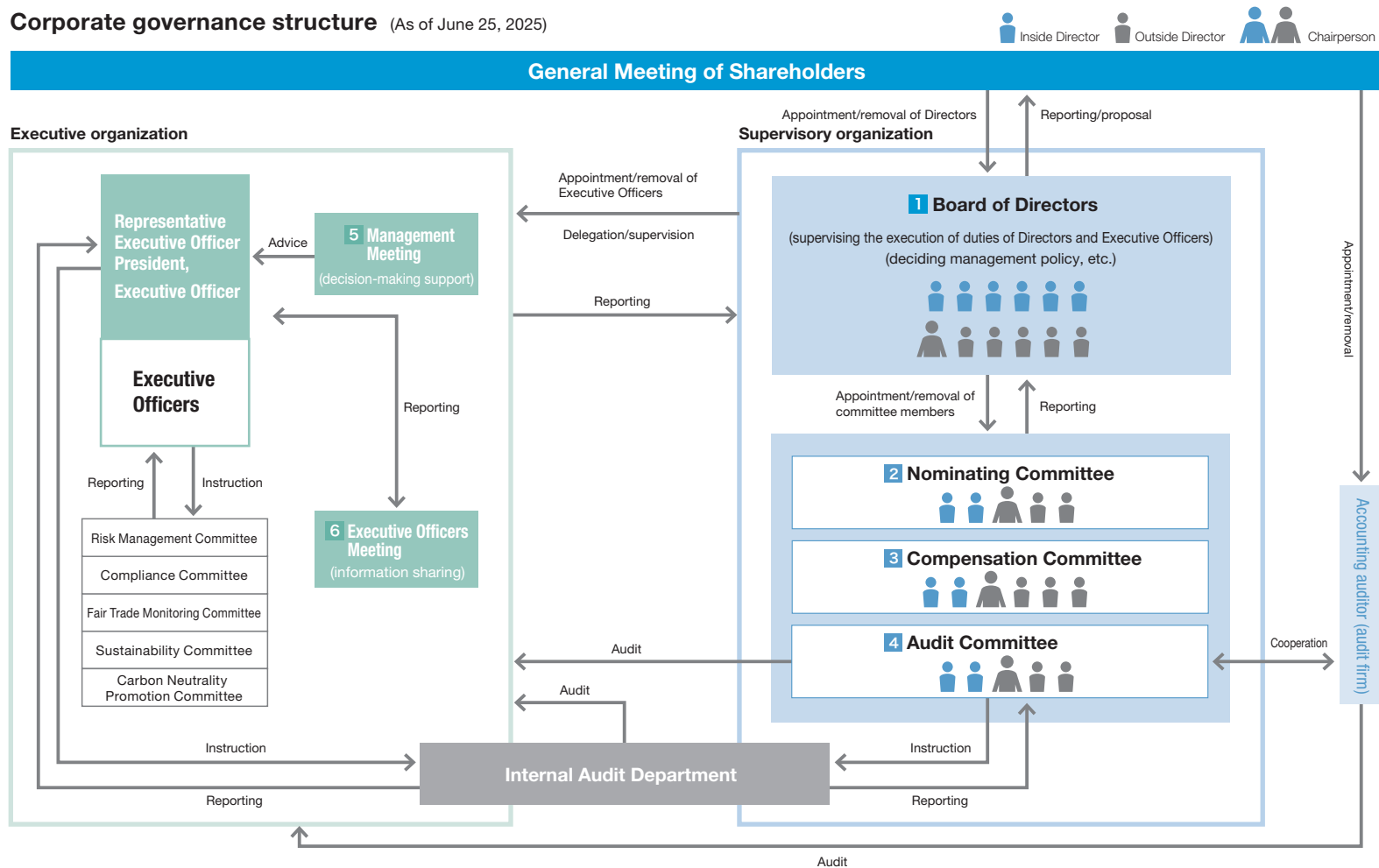
Governance Structure

Basic approach

NTN Group considers the strengthening and enhancement of corporate governance to be one of our top management priorities. While further improving the efficiency and soundness of our management, we are also striving to increase management transparency by rapidly disclosing accurate information to our shareholders and investors.

With the aim of creating a structure for rapid decision-making and execution, enhancing our business supervisory functions and improving the transparency and impartiality of our management, NTN Group transitioned from Company with Board of Company Auditors to Company with Nominating Committee, etc. in June 2019. Under this structure, we will work on further enhancement of corporate value over the medium- and long-term.

Corporate governance structure (As of June 25, 2025)



Governance Structure

1 Board of Directors

The Board of Directors decides on the basic management policies and supervises the execution of duties of Directors and Executive Officers. Apart from matters stipulated by laws and regulations or the Articles of Incorporation to be resolved by the Board of Directors, the Board delegates substantial authority to Executive Officers with the aim of strengthening the supervision of management and speeding up decision-making.

The Articles of Incorporation stipulate that the term of office of a Director shall be one year, and the number of Directors shall be 15 or fewer. The Board of Directors convenes once a month in principle, but also meets flexibly as needed.

As of June 25, 2025, there are 12 Directors, of which six are Outside Directors. The Board is chaired by an Outside Director.

2 Nominating Committee

The Nominating Committee decides on the content of the proposal regarding appointment or removal of Directors, which is submitted to the General Meeting of Shareholders. Five members sit on the committee as of June 25, 2025, three of whom are Outside Directors. The committee is chaired by an Outside Director.

3 Compensation Committee

The Compensation Committee decides on the policy for determining the compensation of Directors and Executive Officers, and determines compensation for individuals. Six members sit on the committee as of June 25, 2025, four of whom are Outside Directors. The committee is chaired by an Outside Director.

4 Audit Committee

The Audit Committee audits the execution of duties of Directors and Executive Officers, and decides on the content of a proposal regarding appointment/removal of the accounting auditor, which is submitted to the General Meeting of Shareholders. The duties of the Audit Committee are supported by the Internal Audit Department, and its concurrently assigned staff members serve as the Audit Committee secretariat and other functions. These staff members, who have the requisite skills and experience to support the Audit Committee, are appointed by the manager of the Internal Audit Department with the approval of the Audit Committee. Decisions on matters related to transfer, disciplinary action or evaluation of these staff members require the approval of the Audit Committee.

The committee has five members as of June 25, 2025, three of whom are Outside Directors. The committee is chaired by an Outside Director.

Members composing Board of Directors, Nominating Committee, Compensation Committee, and Audit Committee

FY2025 (As of June 25, 2025)			
Board of Directors	Nominating Committee	Compensation Committee	Audit Committee
Eiichi Ukai	○	○	
Masaaki Yamamoto		○	
Shumpei Kinoshita			
Koji Takahashi			
Masaki Egami			○
Etsu Harima	○		○
Ryo Kawakami ★	○		○
Yuriya Komatsu ★		○	
Akira Murakoshi ★	◎	○	
Yasuo Kitani ★	○		◎
Tatsuhiko Toshita ★		◎	○
Hiroimi Wada ★		○	

*Please note that persons with ★ are Outside Directors, persons with ◎ are Chairpersons of committees, and persons with ○ are members of committees.

5 Management Meeting

The Management Meeting discusses important matters relating to operational execution, as the supporting body for decision-making by the President, Executive Officer. The meeting is composed of the President, Executive Officer and other Executive Officers as designated by him and held twice a month in principle.

6 Executive Officers Meeting

The Executive Officers Meeting is convened by the President, Executive Officer and attended by all Executive Officers. Resolutions passed by the Board of Directors are communicated and each Executive Officer reports about the status of operational execution. This meeting is held once a month in principle, sharing information among Executive Officers to make operational execution more efficient and effective.

Executive Officers

Executive Officers are appointed by resolution of the Board of Directors. They decide on the execution of business delegated to them by the Board of Directors and execute the business. Their term of office is one year under the Articles of Incorporation. As of June 25, 2025 there are 12 Executive Officers.

Corporate data

Organizational design	Company with Nominating Committee, etc.
No. of Directors	12
of which 6 independent Outside Directors	
Director's term of office	1 year
No. of Executive Officers	12
of which 2 have representative rights	
No. of Executive Officers who are also Directors	4
System to assist the work of the Audit Committee	yes (Internal Audit Department)
Accounting auditor	Ernst & Young ShinNihon LLC

Governance Structure

Governance structure timeline

2006	<ul style="list-style-type: none"> CSR Committee is established
2008	<ul style="list-style-type: none"> Risk Management Committee is established An Outside Director is appointed for the first time
2011	<ul style="list-style-type: none"> The number of Outside Directors increases (from 1 to 2)
2012	<ul style="list-style-type: none"> Fair Trade Monitoring Committee is established
2015	<ul style="list-style-type: none"> Compliance Committee is established The effectiveness of the Board of Directors is assessed
2016	<ul style="list-style-type: none"> Compensation Advisory Committee is established
2018	<ul style="list-style-type: none"> New corporate philosophy system is established
2019	<ul style="list-style-type: none"> Transition to Company with Nominating Committee The number of Outside Directors increases (from 2 to 5) Sustainability Committee is established
2020	<ul style="list-style-type: none"> First woman appointed as a Director (Outside)
2021	<ul style="list-style-type: none"> Executive Officer hierarchy flattened
2022	<ul style="list-style-type: none"> ESG incorporated in the Executive Officer evaluation system Female Outside Director appointed as the chair of the Board of Directors
2023	<ul style="list-style-type: none"> Important meeting briefing held for Outside Directors Carbon Neutrality Promotion Committee is established
2024	<ul style="list-style-type: none"> Change to the performance-linked compensation ratio for Executive Officers (increased from 40% to 50% of total compensation)

Board of Directors

Activities of the Board

In FY2024, NTN's Board of Directors met 15 times and deliberated primarily on the business plan for the current year and the progress of the Medium-term Management Plan, current conditions and issues

faced by business and region, occupational health and safety, quality control, compliance, risk management and sustainability.

The Board, which consists of both Inside and Outside Directors, is selected from a wide range of fields with consideration for diversity and balance. As of June 25, 2025, there were two female Directors (Outside Directors) on the Board, and one of whom serves as Chairperson. Through the oversight of management by the Directors, diverse values are integrated in our efforts to achieve sustained enhancement of corporate value.

Assessing the effectiveness of the Board

The effectiveness of the Board of Directors is evaluated annually to ensure it is fit for purpose. In FY2024, self-evaluation was conducted by each Director using a questionnaire asking about aspects such as the role, composition and operation of the Board and the operation of committees. The anonymized questionnaire has a four-point grading system, with a blank section provided for each question to elicit individual opinions from the respondent.

In FY2024, the third-party evaluation, which is implemented once every three years, took place. An external organization lent its support in designing the questionnaire and reviewed the results. Overall, the opinion was generally positive, indicating that initiatives to ensure the effectiveness of the Board are being implemented. However, there was a view that it may be necessary to further enhance the methods for information-sharing from the Nominating Committee to the Board of Directors regarding CEO succession planning and other matters, and we decided that the Nominating Committee would consider this going forward. NTN will continue to regularly analyze and evaluate the effectiveness of the Board of Directors and strive for improvement and enhancement.

Executive Officers

Appointment of Executive Officers

The appointment of Executive Officers shall be determined after careful deliberation by the Board of Directors, taking into overall account whether they possess the appropriate character, insight, capabilities, experience and track record to fulfil their duties. In addition, if it becomes clear that an Executive Officer lacks the required qualifications, they shall be promptly dismissed by the Board of Directors.

Flattening of the hierarchy and compensation structure

On June 25, 2021, NTN Group removed the Managing Executive Officers and eliminated hierarchical relationships among Executive Officers to create one team. This was also done in order to re-activate discussions among Executive Officers, respond to issues quickly and to further enhance corporate value.

In line with the flattening of the structure, the existing system of position-specific Directors' remuneration was abolished in April 2022 and transitioned to a compensation system adapted to the responsibilities held by each Director in their field.

Adoption of ESG evaluation

Since April 2022, ESG factors have been set as key individual target measures for Executive Officers involved in the calculation of annual incentives (bonuses). The degree of achievement of these ESG factors is one of the evaluation indicators. Incorporating ESG factors into the evaluation system promotes active engagement by Executive Officers on ESG.

📖 P.70 Compensation Committee