

Nominating Committee

Message from the Chair

Chairperson of Nominating Committee
Outside Director

Akira Murakoshi



The Nominating Committee selects Directors for shareholder approval at the Annual General Meeting and also recommends Executive Officers, including the Representative Executive Officer, to the Board of Directors. Regarding succession plans for Directors and Executive Officers, we work with the executives to understand the candidate pool of Executive Officers and internal candidates using a skills matrix for Executive Officers and internal candidates, and to develop them through job rotations and other means for necessary career development.

As we enter the second year of the Medium-term Management Plan “DRIVE NTN100” Final, uncertainty in the external environment continues to increase. To complete the company’s revitalization and gain the trust of shareholders and all stakeholders, it is necessary to take steps to achieve bold structural reform under strong leadership and improve profitability from a long-term perspective.

From this perspective, last year the Nominating Committee engaged in extensive discussions regarding our approach to board composition and the qualities and requirements expected of candidates for the next CEO. We have already completed discussions on the framework, and this fiscal year we will report to the Board of Directors and deepen our shared understanding with the executives.

The current Medium-term Management Plan sets out quite a long-term “vision” for 2035 as our goal and measures designed by backcasting. In an environment of rapid change, acceleration of structural reform is required. As the Nominating Committee, we intend to work together with the executives to grow the next generation of management, including potential CEO successors, utilizing the perspectives of Outside Directors.

Matters deliberated by the Nominating Committee

In fiscal year 2024, the Nominating Committee met five times and deliberated on the creation and consideration of the Company’s succession plan, the executive structure for fiscal year 2025, and the selection of candidates for CEO, Representative Executive Officer, executive officers and directors.

Standards for appointment of Directors

Candidate Directors, whether selected from inside or outside the Group, shall be decided upon careful deliberation by the Nominating Committee based on standards for selection of Directors as stipulated below, taking into account the diversity and balance of the Board (including gender and international experience).

- Must be in good condition both physically and mentally
- Must have a high sense of ethics and a law-abiding spirit.
- Must be able to engage in constructive discussion from an objective viewpoint.
- Must be highly motivated to improve their abilities.
- Must have excellent decision-making skills from a companywide and medium- to long-term perspective.
- Must have excellent foresight and insight regarding environmental and social change.
- Must have sufficient track record of performance and expertise in relevant fields (corporate manager or specialization).
- Regarding Outside Directors, (1) they must have sufficient time to accomplish their duties, (2) they must satisfy the standards regarding the independence of Outside Directors as stipulated under separate cover, (3) diversity must be ensured among the Outside Directors, and (4) they must have the requisite abilities to accomplish duties as a member of any of the three committees.

About Outside Directors

As of June 25, 2025, the Board of Directors consists of 12 members, including six Inside Directors and six Outside Directors, a ratio of Outside Directors of 50%. We will continue to strengthen the supervision of management and improve transparency and fairness. In order to ensure appropriate corporate governance, we have also established our own standards regarding the independence of Outside Directors, stipulating qualification and independence standards for their appointment. All Outside Directors are designated as Independent Directors as defined by the rules of the Tokyo Stock Exchange, and are reported to the Exchange as such.

In order to ensure a Board environment of vibrant discussion, we have established in principle monthly seminars for Outside Directors on the content of discussions in key meetings of executive departments. Moreover, we continuously provide the information necessary for Outside Directors to effectively fulfill their roles and responsibilities by creating opportunities to deepen their understanding of our business through in-person inspection of business sites and other means.

