Audit Committee

Deliberations of the Audit Committee

Major agenda items of the Audit Committee include the formulation of audit policies and plans, evaluation of the audit plans of accounting auditors, assessment of the appointment of accounting auditors, and the assessment of the status of development and operation of the Internal Control System.

Audit Status

The Audit Committee members attend meetings of the Board of Directors and other major meetings in accordance with auditing standards, policies, and plans determined by the Audit Committee. The Audit Committee receives reports or hears from Directors, Executive Officers, employees, etc. on the status of the execution of their duties, and audits the execution of duties by Directors and Executive Officers. In addition to the Board of Directors and Executive Officers Meetings, members of the Audit Committee attend and monitor other committees which operate the internal control system – the Sustainability Committee, the Risk Management Committee, the Compliance Committee and the Fair Trade Monitoring Committee.

Enhancing Internal Controls

We regard risk management and compliance as one of the most important management issues, and have established a basic approach to the internal control system (Internal Control Policy). Based on this basic policy, we maintain and operate the Group's internal control system, and are working to improve the soundness and efficiency of our management by constantly reviewing our internal control system in response to changes in the business environment.

The Internal Control Department supervises the evaluation of internal controls based on the Financial Instruments and Exchange Act (the Internal Control Reporting System), and promotes the enhancement of the internal control system under the Companies Act. Regarding internal control challenges identified through audits, it examines the design and operational status of rules, procedures and systems from a Group-wide perspective, and carries out remediation and improvement activities in collaboration with the relevant departments. Through these initiatives, we are working to strengthen internal controls at each business site and ensure their stable operation.

Internal Audit Activities

NTN Group's Internal Audit Department, under the direct oversight of the President, Executive Officer, undertakes internal audits independently of the department under audit. The internal audits are conducted into the status of business execution by Group executive organizations from the perspective of propriety and compliance with laws, regulations and internal regulations, as well as from the viewpoint of the effectiveness and efficiency of business activities.

Internal audits involve auditing each executive organization separately (operational audit) and auditing horizontally across organizations by risk and business function (thematic audit). Based on the results, advice and suggestions are provided to the department concerned. Follow-up audits are conducted to verify the implementation of improvements until they are complete.

The results of internal audits are reported to the President, Executive Officer, the Board of Directors and the Audit Committee, as well as being shared with all Executive Officers. In addition, the Internal Audit Department holds regular meetings with the Audit Committee, the Accounting Auditor, and auditors of subsidiary companies to exchange information and opinions about audit policies, plans and results in order to improve the efficiency and effectiveness of audits.

Overseas, we have established an Administration & Internal Control Department within the General Managers' Offices which supervise each region. The Internal Audit Department and the Administration & Internal Control Departments work together while taking into account the circumstances and characteristics of the region concerned.

Attendance Rate of Each Committee

Nominating Committee		(from April 1, 2025 to March 31, 2026)	
Name	Title	Attendance Rate	Number of Meetings Attended
Akira Murakoshi	Chairperson, Outside Director	100%	7 times/7 times
Ryo Kawakami	Outside Director	100%	7 times/7 times
Yasuo Kitani	Outside Director	100%	7 times/7 times
Eiichi Ukai	Director	100%	7 times/7 times
Etsu Harima	Director	100%	7 times/7 times

Compensation Committee		(from April 1, 2025 to March 31, 2026)	
Name	Title	Attendance Rate	Number of Meetings Attended
Tatsuhiko Toshita	Chairperson, Outside Director	100%	6 times/6 times
Yuriya Komatsu	Outside Director	100%	6 times/6 times
Akira Murakoshi	Outside Director	100%	6 times/6 times
Hiromi Wada*	Outside Director	100%	5 times/5 times
Eiichi Ukai	Director	100%	6 times/6 times
Masaaki Yamamoto	Director	100%	6 times/6 times

*The number of attendances is recorded from the time the member joined the Committee.

Audit Committee		(from April 1, 2025 to March 31, 2026)	
Name	Title	Attendance Rate	Number of Meetings Attended
Yasuo Kitani	Chairperson, Outside Director	100%	13 times/13 times
Ryo Kawakami	Outside Director	92%	12 times/13 times
Tatsuhiko Toshita*	Outside Director	100%	10 times/10 times
Masaki Egami	Director	100%	13 times/13 times
Etsu Harima*	Director	100%	10 times/10 times

*The number of attendances is recorded from the time the member joined the Committee.