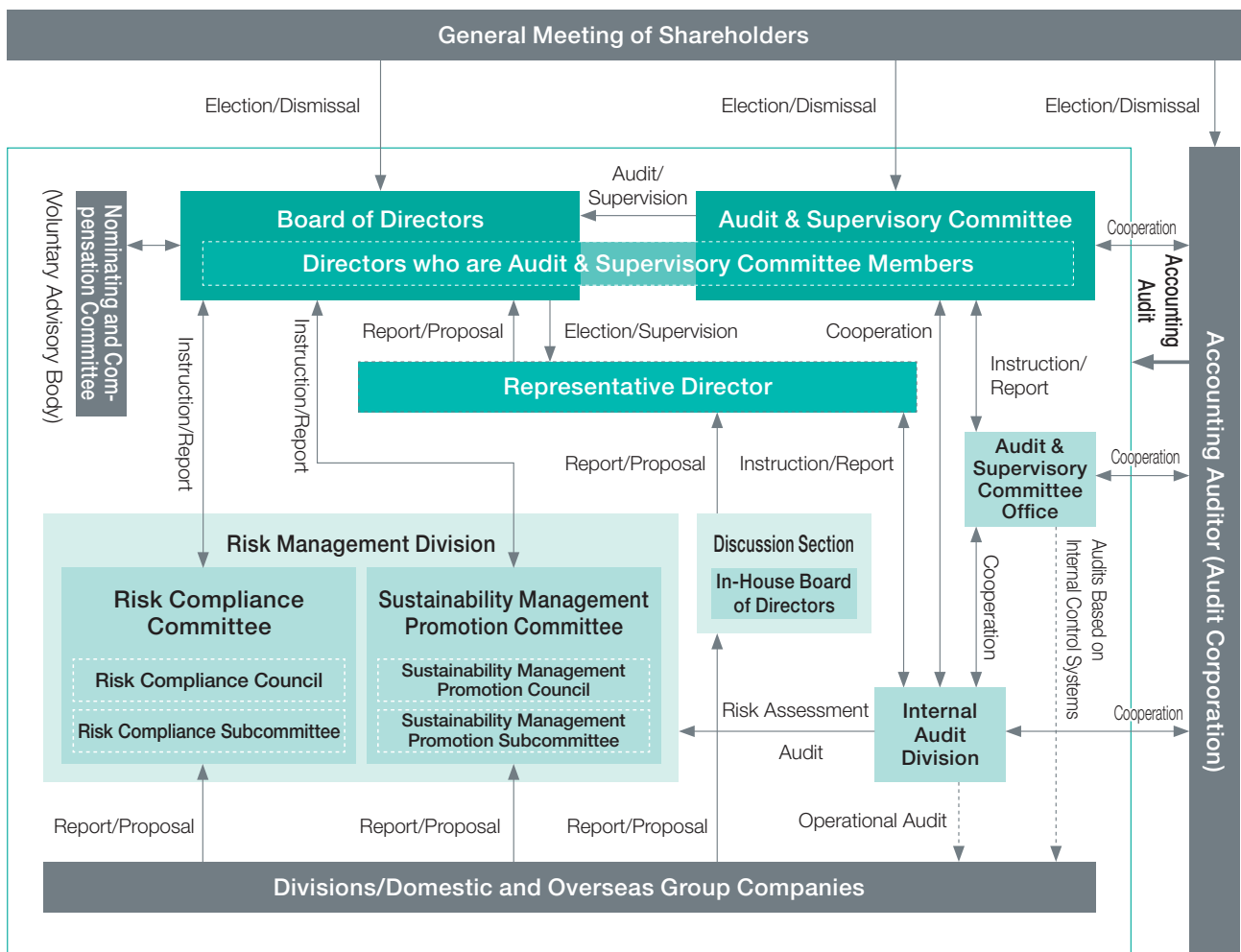


Strengthening Corporate Governance Structure

→ Policy

Nitori Group places top priority on sustainable growth and the medium-and long-term improvement of corporate value in its management. The Group believes that enhancing its corporate governance system is necessary for achieving these goals. To enhance corporate governance, the Group aims to build an organizational structure to respond promptly to any changes in the business environment, practice fair and transparent management as a listed company, and disclose accurate information to all stakeholders in a timely manner. Meanwhile, the Group will develop an internal system to establish its corporate social responsibility and corporate ethics.

Corporate Governance Structure



Board of Directors

In order to facilitate constructive and open discussions at Board of Directors meetings in an efficient manner, Nitori has set the number of directors at 17 or less. In addition, by appointing several independent outside directors with a wealth of experience and high-level insight, the Company aims to invigorate the Board of Directors' discussions and strengthen its supervisory function for appropriate decision-making and business execution. In principle, our policy is to have at least one-third of the Board of Directors be independent outside directors.

Currently, we have 10 directors, five of whom are outside directors. By doing so, we aim to develop and strengthen the supervisory and restraining functions over management and business execution. In addition, we have established an internal board of directors to discuss important matters related to business execution in advance. Furthermore, in order to respond quickly and accurately to changes in the business environment, we have introduced an executive officer system to facilitate prompt decision making and business execution.

Audit & Supervisory Committee

The Audit & Supervisory Committee monitors management from a fair and independent standpoint in accordance with the Audit & Supervisory Committee Auditing Standards. Nitori has set the number of directors who are members of the Audit & Supervisory Committee at five or less.

Currently, the Audit & Supervisory Committee consists of four directors, three of whom are outside directors. The outside directors audit and supervise the directors' execution of duties by attending Board of Directors meetings and utilizing the internal control system. Full-time Audit & Supervisory Board Members audit and supervise business execution by attending Board of Directors meetings and internal executive board meetings, inspecting important approval documents, and receiving reports from the internal audit division and interviewing related parties.

In addition, the Board of Directors and the Audit & Supervisory Committee work closely with each other by hearing audit policies and audit plans from the accounting auditors and receiving reports on audit results as needed. Furthermore, the Audit & Supervisory Committee Office has been established to assist the Audit & Supervisory Committee.

Accounting Auditor

The Company has appointed Deloitte Touche Tohmatsu LLC as its accounting auditor and receives advice and guidance from a third-party perspective on the appropriateness and legality of its accounting and accounting-related internal controls.

Nominating and Compensation Committee

The Nominating and Compensation Committee is a voluntary advisory body to the Board of Directors to ensure objectivity and transparency in determining policies and procedures regarding the nomination of candidates for directors and their compensation, and to further enhance the corporate governance structure of the Company. The Nominating and Compensation Committee consists of three independent outside directors and two representative directors, and the majority of the committee members must be independent outside directors.

Internal Audit Division











The Company has established the Internal Control Office as its internal audit division. The Internal Control Office audits whether the operations of each divisions are properly and efficiently conducted in accordance with laws, the Articles of Incorporation, and internal regulations based on an annual audit plan, and reports audit findings and related information to the Audit & Supervisory Committee on a regular basis. In addition to the Audit & Supervisory Committee, the Internal Control Office reports to the Board of Directors and the accounting auditor when important matters arise, thereby maintaining organizational cooperation.

Risk Management Division

In order to minimize losses and disadvantages incurred by the Group, we have formulated Risk Management Regulations and a Business Continuity Plan (BCP) and have established a risk management system led by the Risk and Compliance Committee. Various drills are conducted based on the Business Continuity Plan (BCP). At the "Risk and Compliance Council," which is held monthly, subcommittee activities are promoted for important risks determined by the Board of Directors, and the risk prevention system is reviewed, the education system is strengthened, and measures are taken to address new issues. In this way, we are strengthening the Group's risk management system.

In addition, the Sustainability Management Promotion Committee discusses Group-wide sustainability matters and provides advice to the Board of Directors on the progress of initiatives. Through this process, the Nitori Group determines its direction and measures for sustainability.

Directors and Executive Officers

Directors (As of June 26, 2025)			Knowledge and Experience the Company Expects of Directors										
Name	Title												
		① Corporate Management	② Rejecting Status Quo	③ Product Development	④ Supply Chain Management	⑤ IT/DX	⑥ Global	⑦ HR Development	⑧ Legal Affairs Risk Management	⑨ Internal Control/Governance	⑩ Finance	⑪ Sustainability	
	Akio Nitori Representative Director & Chairperson (CEO) Nominating and Compensation Committee Member (Chairperson)	●	●	●	●		●	●					
	Toshiyuki Shirai Representative Director & President (COO) Nominating and Compensation Committee Member	●	●		●	●		●				●	
	Masanori Takeda Executive Vice President & Director, In Charge of Overseas Sales Business, and General Manager of Global Sales Promotion Office	●	●	●	●		●		●				
	Hiromi Abiko Director and General Manager of HR Education Division		●	●				●		●		●	
	Yoshihiko Miyauchi Director Independent Outside Director	●			●		●		●		●	●	
	Naoko Yoshizawa Director Independent Outside Director Nominating and Compensation Committee Member	●				●	●	●	●				
	Takao Kubo Director Full-time Audit & Supervisory Committee Member		●		●				●	●	●		
	Yoshiyuki Izawa Director Independent Outside Director Audit & Supervisory Committee Member (Chairperson) Nominating and Compensation Committee Member	●				●	●		●	●	●		
	Hisayoshi Ando Director Independent Outside Director Audit & Supervisory Committee Member Nominating and Compensation Committee Member					●	●		●	●	●	●	
	Masahito Kanetaka Director Independent Outside Director Audit & Supervisory Committee Member						●	●	●	●		●	

Of the skills, etc. held by each Director, a maximum of six main skills are marked with ●. See the table below for a summary of the skills possessed by each director.

① Corporate Management	Has had experience in managing companies as a business owner.
② Rejecting Status Quo	Equipped with a mindset essential for Nitori Group's management team, which constantly rejects the status quo and repeatedly observes, analyzes, and judges in order to make improvements and reforms.
③ Product Development	Skilled in developing attractive products "Offering the Unexpected" to achieve total coordination.
④ Supply Chain Management	Skilled in evolving our unique business model that integrates Manufacturing-Logistics-IT-Retail Business, and in optimizing the structure from procurement to sales.
⑤ IT/DX	Skilled in driving company-wide business process improvements through IT utilization and DX.
⑥ Global	Skilled in driving overseas business with a macroeconomic perspective and knowledge of global business.
⑦ HR Development	Skilled in enhancing human capital, with extensive experience in human resource training and development.
⑧ Legal Affairs/Risk Management	Skilled in identifying and controlling potential risks to the business, with knowledge of legal affairs, compliance, etc.
⑨ Internal Control/Governance	Has experience in managing large organizations and knowledge of internal controls and has the skills to optimize the organization's management and oversight structure.
⑩ Finance	Skills to support corporate management from a financial perspective, with knowledge of accounting, finance, taxation, etc.
⑪ Sustainability	Equipped with a sustainability management perspective, which is essential for the sustainable development and growth of a company.

Executive Officers (As of July 1, 2025)

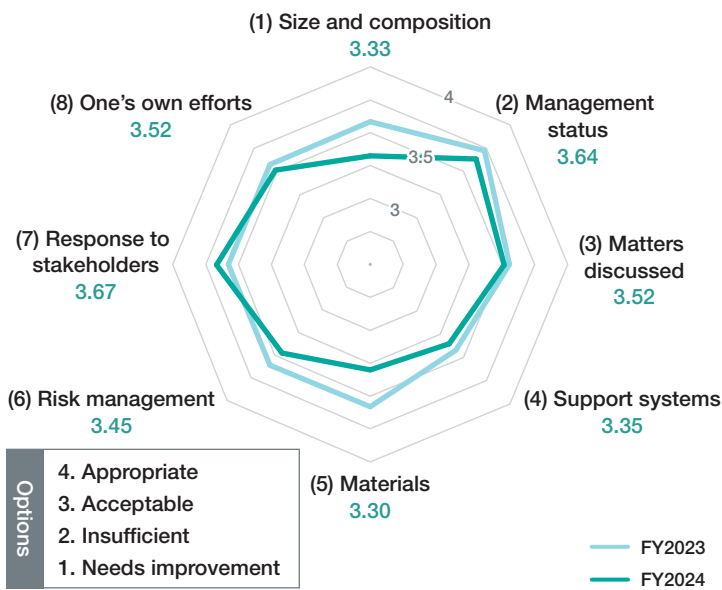
Executive Vice Presidents
Masanori Takeda

Managing Executive Officers
Naoshi Takei/Manabu Nakamura/
Hiroshi Nagai/Kazuyuki Hashimoto/
Junichi Yoshima/Tadashi Kudo

Senior Executive Officers
Hiroki Murabayashi/
Kenichiro Aoya/
Kazuya Tsukada/
Akihiro Kushida

Executive Officers
Ei Sugiura/Toshinori Arai/Masaomi Zenji/
Tetsuya Okuda/Takuya Ono/Tetsuo Yamamoto/
Masatoshi Sano/Yuichi Maruhashi/Hiroyuki Tajiri/
Noriaki Hase/Hideki Sasaki/Ryo Takahashi/
Katsunori Kobayashi/Fumihide Kimura

Ensuring the Effectiveness of the Board of Directors



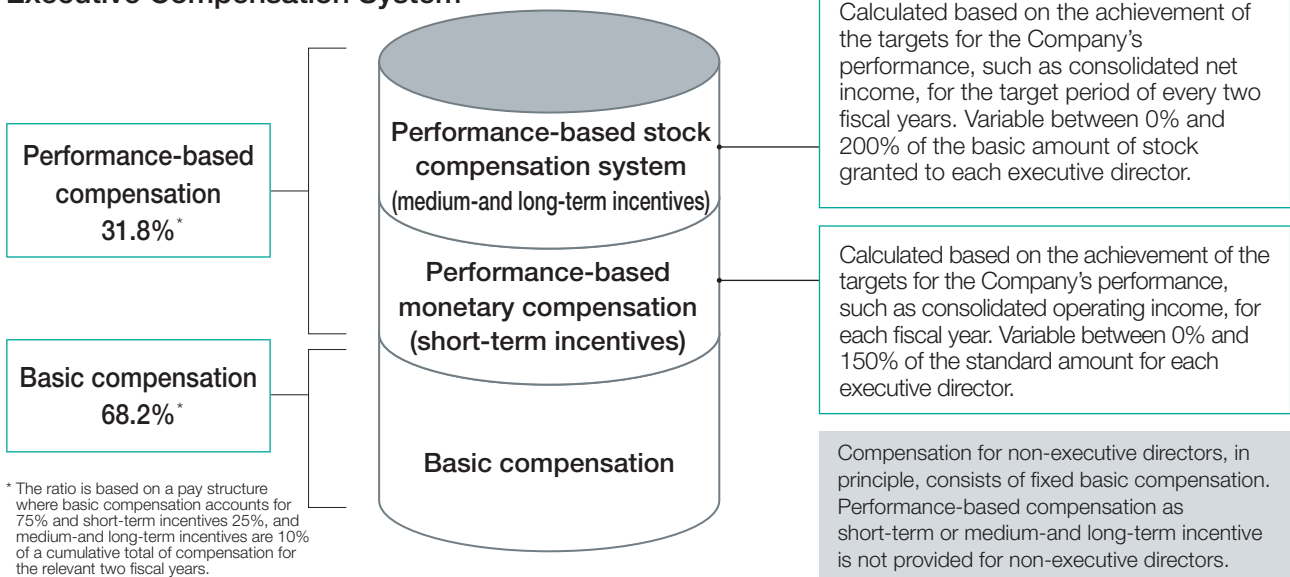
In analyzing and evaluating the effectiveness of the Board of Directors in FY2024, our Board of Directors reviewed the issues identified in the effectiveness evaluation conducted in FY2023, using a questionnaire to determine the status of improvement and progress.

Evaluation Categories of the Questionnaire

- (1) Size and composition of the Board of Directors
- (2) Management status of the Board of Directors
- (3) Matters discussed by the Board of Directors
- (4) Support systems for the Board of Directors
- (5) Materials for the Board of Directors meetings
- (6) Risk management
- (7) Response to stakeholders
- (8) One's own efforts

Based on the issues identified through the evaluation of the effectiveness of the Board of Directors and the open and honest opinions of each director freely responded to the questionnaire, our Board of Directors has decided that the most important issue is “deepening discussions on the Nitori Group’s growth strategy.” In addition, we decided to continue our efforts from the previous year to “ensure appropriate deliberation time for important proposals” and “promote smooth communication among directors.” Moreover, we have decided to further enhance functions and effectiveness of the Board of Directors by taking on a new initiative to “strengthen discussions on group risk management.”

Executive Compensation System



Performance Share Unit

To strengthen the link between the compensation structure and medium-and long-term increase in corporate value, the Company has adopted a **performance-based compensation system (Performance Share Unit)** in which compensation is provided in accordance with the achievement of consolidated performance targets for every two fiscal years.

Restrictions on Transfer After Delivery

To promote medium-and long-term profit sharing with shareholders, the Company’s shareholding guidelines set forth that a three-year restriction shall be imposed on the transfer of stock granted as performance-based stock compensation.

Clawback Provisions

The Company’s shareholding guidelines set forth that the Company may request an eligible director to **return the incentives (clawback)** if misconduct or illegal conduct causes a material breach regarding financial reports.