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May 8, 2025

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Representative: Kazuhisa Uemura

President and COO

(Code: 5991 Tokyo Stock Exchange; Prime Market)

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### **Notice Concerning the Opinion of NHK SPRING's Board of Directors on the Shareholder Proposal**

NHK SPRING CO., LTD. (Head office: Yokohama, Japan; President & COO Kazuhisa Uemura) hereby announces that it has received a written document ("the Shareholder Proposal Document") which outlines a shareholder proposal ("the Shareholder Proposal") regarding an agenda item at the 105th Annual General Meeting of Shareholders scheduled for June 25, 2025, but at the Board of Directors meeting held on May 8, it resolved to oppose the Shareholder Proposal as explained below.

#### 1. Proposing Shareholder

Shareholder Name: LONGCHAMP SICAV

#### 2. Details of the Shareholder Proposal

##### (1) Agenda Item

Amendment to the Articles of Incorporation Concerning the Composition of External Directors

##### (2) Details of the Agenda Item

As indicated in "Details of Shareholder Proposal" in the appendix.

It should be noted that "Details of Shareholder Proposal" in the appendix presents the original text of the Shareholder Proposal Document as submitted by the proposing shareholder.

#### 3. Opinion of NHK SPRING's Board of Directors on the Shareholder Proposal

(1) Opinion of NHK Spring's Board of Directors

NHK Spring's Board of Directors opposes the Shareholder Proposal.

(2) Reason for Opposition

NHK SPRING has established a Nomination and Compensation Committee, a majority of the members of which are independent External Directors, as a voluntary advisory body to the Board of Directors to ensure objectivity and transparency in the nomination of Directors and in decisions regarding their remuneration.

Regarding the appointment of Director Candidates, based on deliberations and recommendations from the Nomination and Compensation Committee, and in light of NHK SPRING's business strategy, the Board of Directors has decided to seek out individuals who possess deep insight into our business, act in accordance with our corporate philosophy, have the ability to collaborate with other officers and solve problems, and maintain a strong awareness of compliance with laws and corporate ethics, by comprehensively considering these and other factors to ensure that Director Candidates contribute to enhancing corporate value. The Director Candidates proposed at this General Meeting of Shareholders have been selected through this decision-making process.

Based on the above, NHK SPRING has defined the necessary skills for Directors and Audit & Supervisory Board Members to achieve the FY2026 Medium-Term Management Plan and to contribute to the realization of a sustainable society by providing "indispensable key components." These skills are defined as: Corporate Management, Technology/Research and Development/Manufacturing, Finance/Accounting, Sales/Marketing, Overseas Experience/Internationality, Global Environment, Human Resources/Labor/Human Rights, Corporate Governance, Risk Management/Compliance/Legal, and IT/DX. As demonstrated in the skills matrix to be provided later, the Director Candidates proposed by NHK SPRING at this General Meeting of Shareholders comprehensively cover these skills. Under our Board of Directors structured based on this philosophy, NHK SPRING has consistently engaged in discussions aimed at sustainably growing corporate value while leveraging the supervisory function of our independent External Directors.

Furthermore, within the same Medium-Term Management Plan, NHK SPRING has set a target of achieving a consolidated ROE of 10% or higher and is implementing various financial measures aimed at achieving this target. In addition to continuously increasing dividends since the fiscal year ended March 2022 (with a forecast of 63 yen per share for the fiscal year ending March 2025, representing a 21-yen year-over-year increase), we are steadily implementing proactive shareholder returns, such as ongoing treasury share repurchases (cumulative share repurchases of 18,288,000 shares expected for the fiscal year ending March 2025). We believe that we have established a governance system that contributes to our sustainable growth and enhancement of our corporate value over the medium to long term.

If the proposal for the appointment of Directors (including External Directors) submitted by NHK SPRING at this General Meeting of Shareholders is approved, the Board of Directors will consist of nine members, of whom four will be independent External Directors, resulting in an independent External Director ratio of 44.4%. This fulfills the requirement under the Corporate Governance Code for companies listed on the Prime

Market to have independent External Directors comprise at least one-third of their board members. Furthermore, as three of the independent External Directors are female, the ratio of female directors will be 33.3%.

NHK SPRING's Board of Directors is composed of Internal Directors who are highly knowledgeable about its business and possess extensive experience and expertise, as well as External Directors with diverse professional knowledge, including experienced business executives, attorneys at law, certified public accountants, and individuals with organizational management experience in government institutions. We believe that the Board of Directors is of an appropriate size and composition to ensure a balance of skills and diversity, fostering frank and active discussions from objective perspectives.

As described above, the Board of Directors, if composed of the Director Candidates proposed by NHK SPRING, will have sufficient independence and diversity necessary to oversee the execution of management, and we believe this will benefit our shareholders through the sustainable enhancement of our corporate value.

On the other hand, we believe that establishing a provision in the Articles of Incorporation as proposed in this Shareholder Proposal could instead limit the range of Director Candidates and potentially hinder NHK SPRING's ability to evaluate and structure the Board of Directors optimally and to improve its effectiveness as needed in the future.

The Board of Directors, therefore, opposes the Shareholder Proposal regarding the "Amendment to the Articles of Incorporation Concerning the Composition of External Directors."

(Appendix: “Details of Shareholder Proposal”)

\* This presents the original text of the Shareholder Proposal Document as submitted by the proposing shareholder.

1. Proposed Agenda Item

Amendment to the Articles of Incorporation Concerning the Composition of External Directors

2. Outline of Agenda Item and Reason for Proposal

(1) Outline of Agenda Item

Article 19 of NHK SPRING’s Articles of Incorporation shall be amended as follows in order to make External Directors the majority of Directors.

(The underlined portion indicates a change.)

Before Amendment	After Amendment
(Number of members) Article 19 The Company shall have twelve (12) or fewer Directors. <u>2. (Newly established)</u>	(Number of members) Article 19 The Company shall have twelve (12) or fewer Directors. <u>2. As long as the Company remains a listed company, a majority of the Company’s Directors shall be External Directors as defined in Article 2, Paragraph 1, Item 15 of the Companies Act.</u>

(2) Reason for Proposal

Our company believes that a board of directors’ diversity and independence are indispensable in today’s management of a listed company. A diverse board of directors refers to a board capable of making management decisions from a wide range of perspectives, including skills, experience, age, nationality, and gender. An independent board of directors refers to a board where a majority of the members are independent external directors.

Principle 4-8 of the Corporate Governance Code states that “Independent external directors should fulfill their roles and responsibilities so as to contribute to the sustainable growth of the company and the enhancement of its corporate value over the medium to long term. Prime market listed companies should appoint at least one-third or more independent external directors with sufficient such qualities. (two for listed companies on other market segments) Notwithstanding the above, Prime Market listed companies that consider it necessary to appoint a majority of independent external directors by comprehensively taking into account the industry, size, business characteristics, institutional design, and environment surrounding the company should appoint a sufficient number of independent external directors.

In addition, Principle 4-7 of the Corporate Governance Code states that one of the roles and responsibilities of independent external directors is to “appropriately reflect the opinions of minority shareholders and other

stakeholders in the Board of Directors from a standpoint that is independent of management and controlling shareholders.”

Although NHK SPRING currently has four External Directors out of nine Directors in total, which satisfies the requirements of the Corporate Governance Code principles, we believe that being more proactive and making external directors the majority of the Board will enable us to further improve capital efficiency, enhance shareholder returns, and establish a governance structure that contributes to our sustainable growth and corporate value enhancement over the medium to long term.

In addition to the number of External Directors, we believe that the qualifications of External Directors should be such that they can contribute to NHK SPRING’s sustainable growth and medium- to long-term improvement of corporate value, and in this regard, NHK SPRING should consider appointing individuals, such as women and analysts, with deep experience and skills.

The appointment of “highly experienced and skilled equity analysts” will bring the perspective of outside investors and shareholders to the Board of Directors, and at the same time, we believe it is an effective means of contributing to the enhancement of corporate value through sound risk-taking. Although the Boards of Directors of listed companies and investors/shareholders share the same goal of increasing corporate value over the long term, unfortunately in Japan, the two are often viewed as adversaries. We believe that having 10 directors with the experience and skills mentioned above participate in Board discussions and decision-making will help to make the relationship between the Board and the stock market more constructive through sound risk-taking and capital allocation, as well as better communication with the market. It is often explained that bankers and accountants are responsible for the finance portion of the Board’s skill matrix, but from the perspective of promoting “sound risk-taking,” we believe that expertise in accounting and debt markets alone is not sufficient, and that is where the appointment of equity market professionals is significant.

(Reference) Skill matrix

The following shows the officer structure if the Director Candidates proposed by NHK SPRING at this General Meeting of Shareholders are approved.

The skills and experience that our Director and Audit & Supervisory Board Member candidates possess, which are necessary for achieving our FY2026 Medium-Term Management Plan and contributing to the realization of a sustainable society by providing “indispensable key components,” are as follows:

	Position	Qualifications	Expected Skill										
			Corporate Management	Technology/ Research and Development/ Manufacturing	Finance/ Accounting	Sales/ Marketing	Overseas Experience/ Internationality	Global Environment	Human Resources/ Labor/ Human Rights	Corporate Governance	Risk Management/ Compliance/ Legal	IT/ DX	
Takashi Kayamoto	Chairman & Representative Member of the Board, CEO		◎	◎		◎	○	○			◎		○
Kazuhisa Uemura	Representative Member of the Board President & COO		◎		○	◎	◎			○	◎	○	
Noritoshi Takamura	Representative Member of the Board, Corporate Officer Executive Vice President & CQO/CTO		◎	◎			○	○		◎			○
Masayuki Horie	Representative Member of the Board, Executive Vice President and President of Procurement Division		◎		○	◎	○				◎	○	
Shunsuke Sasaki	Member of the Board, Senior Corporate Officer and President of Sales Division		○		○	◎	◎						
Keiichiro Sue	Member of the Board (External)	Attorney at law New York State Attorney at law					◎			◎	○	◎	○
Katsuko Tanaka	Member of the Board (External)	Doctor					○	○		◎			
Hiromi Tamakoshi	Member of the Board (External)	Attorney at law Certified public accountant			◎					○	○	◎	
Reiko Furukawa	Member of the Board (External)		○							◎	○		◎
Masakazu Toyoda	Audit & Supervisory Board Member		○		◎		◎				○	◎	
Naoya Mizutani	Audit & Supervisory Board Member				◎						◎	○	
Ichiro Ebihara	Audit & Supervisory Board Member (External)	Certified public accountant	○		◎						◎	○	
Yuko Yamada	Audit & Supervisory Board Member (External)	Certified internal auditor U.S. certified public accountant			◎		◎				○	○	

(Note) The above list does not represent the entirety of the knowledge possessed by the Directors and Audit & Supervisory Board Members.

In the above list of expected skills, a “○” indicates skills possessed by a candidate, while a “◎” indicates areas in which candidates can particularly demonstrate their expertise.

The skills expected of Directors and Audit & Supervisory Board Members will be reviewed in response to changes in the business environment and modifications to NHK SPRING’s management policy.