

The Evaluation of the Effectiveness of the Board of Directors

We conduct an effectiveness evaluation of the Board of Directors once a year to verify whether it is being operated effectively and improving its corporate value.

Summary of the Results of the Effectiveness evaluation of the Board of Directors in Fiscal Year 2023 is reported as follows,

1. Method of the Evaluation

Subject of Evaluation	Board of Directors of our company held from April 2023 to March 2024 (all 12 that were held)
Evaluators	11 Directors and 3 Auditors of our company
Method of Evaluation	<p>February to March 2024 All Directors and Auditors have responded to the self-evaluation questionnaire on the effectiveness of the BOD, prepared by the Board secretariat.</p> <p style="text-align: center;">▼</p> <p>March to April 2024 The responses were analyzed and evaluated with the chairman of the BOD and the Board secretariat.</p> <p style="text-align: center;">▼</p> <p>May 2024 The evaluation results including identified issues and suggested action plans were reported to the BOD.</p> <p style="text-align: center;">▼</p> <p>The BOD operates in accordance with those recommendations and discuss further improvement measures at the BOD.</p>
Evaluation Items	<p>We conducted a questionnaire comprising multi-choice questions and free-comment sections for each of the following items:</p> <ol style="list-style-type: none"> 1. Roles and Functions of the Board of Directors 2. Size and Composition of the Board of Directors 3. Operations of the Board of Directors* 4. Providing information and collaboration with External Directors 5. Relationship with Investors and Shareholders 6. Improvement Status from the Previous Year 7. Overall Evaluation <p>* Responses from External Directors only</p>

2. Summary of Evaluation Results

While the overall BOD was assessed as "generally appropriate", but some items were pointed out to require improvement to increase effectiveness of the BOD. We will continue to improve those issues to enhance the effectiveness of the BOD.

3. Identified issues and Measures for Improvements

Identified issues	Measures for Improvement
Ongoing discussions taking consideration of the mid- to long-term goals	<ul style="list-style-type: none"> ● In order to strengthen the supervisory function of the BOD and achieve the medium- to long-term goals, we will enhance discussions regarding group governance system. <ul style="list-style-type: none"> • Discussion on the role that Holding company should play. • Discussion on business portfolio management, management resources allocation, and material business risks. ● Enhance discussions on Sustainability, Diversity and Inclusion. ● Increase opportunities for communication between executive management and outside directors.
Size and Composition of the Board of Directors	<ul style="list-style-type: none"> ● In order to improve effectiveness, we will continuously review the number and composition of the BOD.
Scope of matters to be submitted to the BOD, and deliberation time	<ul style="list-style-type: none"> ● Review the criteria for matters to be submitted to the BOD meetings to improve the quality of discussions. ● Promote initiatives for efficient operation of the BOD. <ul style="list-style-type: none"> • Explain regular topics briefly and deliberate important topics with sufficient time. • Improve the efficiency of the BOD meetings by utilizing any digital tools and services.
Transparent and active discussion	<ul style="list-style-type: none"> ● Provide ongoing opportunities for board members to improve their knowledge necessary to fulfill the expected roles and responsibilities.
Relationship with Investors	<ul style="list-style-type: none"> ● Provide appropriate feedback to the BOD on the opinions and requests from investors in a timely manner.