

Summary of Board of Director Effectiveness Evaluation

To enhance the effectiveness of its Board of Directors and further strengthen its functioning, the Company has been evaluating the overall effectiveness of the Board since fiscal 2016. The following summarizes the results of the fiscal 2023 evaluation.

1. Evaluation method

A questionnaire on the effectiveness of the Board of Directors was distributed to all Directors (including Audit and Supervisory Committee Members), and each of them responded anonymously. Based on the responses, the Board then analyzed and evaluated its effectiveness.

Subjects:	All 10 Directors
Respondents:	All 10 Directors (including 4 External Directors)
Evaluation term:	April – May, 2024
Questionnaire items:	Main questionnaire items are as follows. (1) Composition of the Board of Directors (2) Operation of the Board of Directors (3) Agenda of the Board of Directors (4) System for supporting the Board of Directors (5) Response to shareholders and stakeholders
Other:	We reviewed the implementation status of the measures to address the issues based on the opinions of each Officer in the effectiveness evaluation conducted last year. In June 2018, the Company changed its organization structure to a company with audit and supervisory committee. Accordingly, the effectiveness of the Audit and Supervisory Committee was also evaluated.

2. Results of the analysis and evaluation of the effectiveness of the Board of Directors

For the fiscal year 2023, we evaluated the effectiveness from the perspective of whether our Board of Directors is well organized as a company listed on the Tokyo Stock Exchange Prime Market. While we could not make a significant improvement for “the agenda of the Board of Directors” which we set as a challenge for the fiscal year 2023, most of the other items remained at the same level of the effectiveness as previous year.

As a result of discussions based on the analysis of these self-evaluation results, the Board of Directors of the Company concluded that “the effectiveness of the Board of Directors is functioning effectively” overall.

3. Future actions based on the evaluation results concerning the effectiveness of the Board of Directors

In our board meeting, opinions regarding the identification of challenges and future initiatives for improving effectiveness were expressed, and based on the opinion regarding the area of improvements received from the members of the Board of Directors, we have developed the following improvement plans to work on and further enhance the effectiveness of the Board of Directors of the Company, as well as to build a more extensive corporate governance system.

Item which we set as a challenge	Fiscal 2023 Initiatives	Results for Fiscal 2023	Fiscal 2024 Initiatives
Agenda of the board of directors	<ul style="list-style-type: none"> - Increase the allocated time for resolution items through the selection of important agenda items to facilitate effective discussions - Further utilize "key themes" to promote in-depth discussions 	<ul style="list-style-type: none"> - There are few opportunities for deliberation on new business strategies and succession plans - The designated forum for discussing key themes is not being utilized as expected 	<ul style="list-style-type: none"> - Address important agenda items (such as "new business development strategies") as "key themes" and allocate more time for thorough discussions