

Evaluation of the Effectiveness of the Board of Directors | FY2023 Archive

The Company has evaluated the effectiveness of the Board of Directors annually since fiscal 2015. In fiscal 2018 and fiscal 2021, the Company utilized external evaluation.

| Purpose, Method and Process of Evaluation of Effectiveness

The Company has evaluated the effectiveness of the Board of Directors with the aim of improving the effectiveness of the Board of Directors for enhancing corporate governance of the Company: specifically, recognizing any differences between the ideal status of the roles and duties, etc. of the Board of Directors of the Company that are set forth in [the Basic Policy on Corporate Governance](#) and the actual circumstances; regularly and repeatedly engaging in agenda-finding and improvement activities; and thereby continuously enhancing the functions of the Board of Directors. In fiscal 2023, the Company conducted a questionnaire to all the Directors and Audit & Supervisory Board Members from February to March 2024, and based on the analyzed results of answers thereto, opinions were exchanged at the meeting of the Board of Directors held in April 2024.

| Topics to Be Evaluated

The questionnaire (anonymous) is conducted to seek answers of quantitative evaluation on four scales for each topic and also opinions freely entered in comment boxes. The major topics of the questionnaire were as follows:

- ① Composition of the Board of Directors
- ② Roles and duties of the Board of Directors
- ③ Status of the operations of the Board of Directors
- ④ Functions of the Nomination and Compensation Committee
- ⑤ Support system for Outside Directors and Outside Audit & Supervisory Board Members
- ⑥ Roles and responsibilities of Independent Outside Directors
- ⑦ Roles and responsibilities of Audit & Supervisory Board Members/Response to what is pointed out by Audit & Supervisory Board Members at the meeting of the Board of Directors
- ⑧ Relationship with stakeholders/examination of issues of sustainability
- ⑨ Related party transactions

- ⑩ Review on strategic shareholdings
- ⑪ Provision of training
- ⑫ Efforts made for the agendas identified in the previous fiscal year

| Results of Evaluation

Based on the report of the quantitative analysis of answers to the questionnaire (including the comparative analysis with the numerical values of the evaluation results in the past) and all the opinions entered in the comment boxes, opinions were exchanged at the meeting of the Board of Directors in April 2024. As a result, it was confirmed that there is no major problem to be pointed out with respect to the operation of the Board of Directors in fiscal 2023 and the effectiveness of the Board of Directors of the Company has been ensured in general. In addition, it was agreed that, although sincere efforts were made, there was room for improvement for the major agendas of fiscal 2023 ((i) Effective supervision of execution of resolved matters, (ii) Constructive discussions regarding agendas to be addressed in the medium- to long- term, and (iii) Deepening of discussion regarding issues related to sustainability).

| Major Agendas to Be Addressed in fiscal 2024

The following agendas have been identified as major agendas to be addressed in fiscal 2024 as a result of the evaluation of the effectiveness of the Board of Directors for fiscal 2023.

- Enhancement of supervision of the group companies in North America
- Constructive discussions regarding agendas to be addressed in the medium- to long-term
- Deepening of discussion regarding human capital

The Board of Directors of the Company is determined to further enhance its functions, while addressing these agendas.