

June 14, 2023
Secretariat of the Board of Directors

To the Board of Directors

Evaluation of the Board of Directors

As outlined in the Company's "Approach to the Corporate Governance Code" submitted on November 16, 2021, the Company will evaluate the Board of Directors and disclose the evaluation results.

We are pleased to inform you that we have conducted the following board evaluation.

1. Evaluation method

On May 9, each director was asked to complete a questionnaire, and the results were tabulated and analyzed. The questions were almost the same as last year, and the evaluation points are shown at the end of this report.

2. Evaluation results and analysis

Each director was asked to provide his/her opinion in the questionnaire. Overall, the numerical results tended to be slightly higher than the previous year. The main items that fell short of the previous year's results included the "method of operation regarding the nomination of directors," "number of directors," and "internal control system."

3. Application of evaluation results

We will seek measures to deepen substantive discussions and enhance the effectiveness of the Board of Directors.

4. Description of questionnaire items and results

(The questionnaire has 20 items in total, and the average score is calculated as follows: 4 points for "adequate," 3 points for "mostly adequate," 2 points for "undecided," 1 point for "inadequate," and zero for "totally inadequate". Previous evaluations will be posted on the website at the same time.)

No.	Questions	Score
1	Do you believe that management principles and other relevant information are clear enough to aid in appropriate decision-making?	3.37
2	Do you think that appropriate policies and standards have been established and are being applied such as for the nomination of directors?	3.37
3	Do you believe that the size and composition of the Nominating and Compensation Advisory Committee ensures an appropriate balance for neutral, fair, and substantive discussions?	3.62
4	Are adequate arrangements in place to mediate and assist with the cost of necessary training opportunities for individual directors or auditors?	2.62

5	Do you believe the board overall has the necessary skills, experience, and knowledge?	3.25
6	Do you think the number of directors and the ratio of outside directors (currently 3 out of 9 directors are outside directors) is appropriate?	3.37
7	Do you think the number of outside directors is sufficient to fulfill the skills, experience, and knowledge required of outside directors?	3.37
8	Do you believe the timing, frequency, and duration of board meetings are appropriate?	3.75
9	Do you believe that the matters being resolved and reported by the Board of Directors are appropriate?	3.37
1 0	Do you believe that each director and independent auditor has access to sufficient information in advance for discussion at board meetings?	3.50
1 1	Do you think the Board of Directors appropriately reports results and other information on matters discussed at Board of Directors meetings?	3.37
1 2	Do you think that the Board of Directors conducts its business in such a way that open and active discussions take place at board meetings?	3.75
1 3	Do you express yourself at board meetings enough (a sufficient number of times) with appropriate content?	3.37
1 4	Has the Board of Directors confirmed the establishment of a framework for the Board of Auditors to fulfill its expected role, as well as frameworks for its operation and liaison with the Board of Directors?	2.87
1 5	Has the Board of Directors established an appropriate internal management system, including internal controls, and does it supervise the operation of these?	3.00
1 6	Do you think that the necessary arrangements are in place to ensure sufficient cooperation between outside directors and each audit entity?	2.50
1 7	Do you think that appropriate opportunities are provided for outside directors to fully utilize their expertise?	3.12
1 8	Do you think that appropriate opportunities (e.g., opportunities for discussion with senior management, etc.) are provided for outside directors to fully exercise their supervisory functions outside of board meetings?	2.50
1 9	Do you believe that sufficient opportunities are provided for outside directors to understand the company as needed? (e.g. participation in company events, etc.)	3.25
2 0	Has a system been established to promote constructive dialogue with shareholders and is it operating effectively?	3.00

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