June 25, 2026
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", the Company conducts evaluations of the Board of Directors and discloses the results of such evaluations.

Each year, the Board of Directors conducts an evaluation of its overall effectiveness with the purpose of reviewing how the Board has contributed to the Company, identifying areas for improvement, and enhancing its performance. We are pleased to disclose our assessment of the effectiveness of our Board of Directors for the fiscal year 2025 as follows.

1. Evaluation method

We conducted a questionnaire of all Directors (including Directors serving as Audit and Supervisory Committee members) regarding matters such as the composition and operation of the Board of Directors, management and business strategies, corporate ethics and risk management, evaluation and compensation of senior management, and dialogue with shareholders and other stakeholders, and compiled and analyzed the results. In addition to quantitative assessments, the questionnaire requested comments and suggestions through open-ended responses for each major category, and individual interviews were conducted as necessary. To enhance the objectivity and transparency of the evaluation process, an independent external organization assisted with the design of the questionnaire, the aggregation of responses, and the analysis of the results, and the findings were shared with and discussed by the Board of Directors.

2. Evaluation results and analysis

Based on the results of the questionnaire, the overall average score was 4.0, and the Board of Directors concluded that it is functioning effectively as a whole. In particular, relatively high evaluations were received for corporate ethics and risk management, as well as dialogue with shareholders and other stakeholders. On the other hand, the Board recognized that there remains room for further improvement in discussions concerning management and business strategies aimed at enhancing corporate value on a sustainable basis, deeper involvement of Outside Directors in management strategy, and discussions regarding business growth and operational reform through the utilization of DX, AI, and other technologies.

3. Progress in addressing issues identified in the previous year's evaluation

With respect to the issues identified in the previous year's evaluation, including the enhancement of Board of Directors materials, securing sufficient time for discussion, and strengthening information sharing with Outside Directors, the Company implemented measures such as earlier distribution of meeting materials, the provision of advance briefings, and an increase in reporting opportunities on important topics. While these initiatives resulted in a certain degree of improvement, the Board recognizes that further enhancement of discussions on medium- to long-term topics, including management strategy and the utilization of DX and AI, remains necessary.

4. Future measures based on the evaluation results

Based on the results of this evaluation, the Company will work to further enhance the effectiveness of the Board of Directors through the following initiatives. In particular, the Company will systematically incorporate important topics, including progress on its long-term vision, DX, AI and other technologies, human capital, and risk management, into the Board's annual agenda, while ensuring sufficient time for discussion and enhancing the organization of key discussion points.

・Expected discussions by the Board of Directors

To further enhance the quality of discussions expected of the Board of Directors, the Company will strengthen the advance sharing of information with Outside Directors and enhance materials that clearly identify key discussion points for important agenda items. In addition, the Company will establish an environment in which Directors can engage in discussions based on sufficient information through measures such as allowing observer participation in preliminary review meetings, sharing recordings and minutes of meetings, and revising the format of Board materials to clearly present issues and discussion points. Furthermore, the Company will increase opportunities for exchanges of views between Outside Directors and Internal Directors in order to deepen constructive discussions at Board meetings.

・Involvement of Outside Directors in management strategy

To enable Outside Directors to become more deeply involved in management strategy, the Company will provide regular reports to the Board of Directors on the progress of management discussions and key issues relating to updates to the long-term vision. In addition, by creating opportunities to incorporate the views of Outside Directors at an early stage, the Company will further enhance strategic discussions that contribute to the sustainable enhancement of corporate value over the medium to long term.

・Discussions on DX, AI, and technology

With respect to DX, AI, data utilization, and other technologies, the Company will expand opportunities for discussion by the Board of Directors and continue deliberations from the perspective of leveraging these technologies not only to improve operational efficiency, but also to create growth opportunities, strengthen customer engagement, and enhance the value of its IP.

5. Description of questionnaire items and results

Major items and number of questions
(1) Composition and operation of the Board of Directors (9 questions)
(2) Management and business strategies (7 questions)
(3) Corporate ethics and risk management (6 questions)
(4) Management evaluation and compensation (4 questions)
(5) Dialogue with shareholders, etc. (2 questions)

Response Method: 5-point scale
5: Effective and appropriate
4: Somewhat effective, appropriate
3: Can't say either way

2: Some room for improvement
1: Needs improvement, inappropriate

We requested comments and suggestions for each major item. Additionally, we asked for comments and suggestions regarding the effectiveness and composition of the Board of Directors. The average score represents the simple average of responses to each question and has been evaluated comprehensively, taking into account qualitative comments as well as discussions by the Board of Directors.

Major topics:	Number of Questions	Average Score
1. Composition and operation of the Board of Directors	9 questions	4.0
2. Management and business strategies	7 questions	3.8
3. Corporate ethics and risk management	6 questions	4.2
4. Management evaluation and compensation	4 questions	4.1
5. Dialogue with shareholders	2 questions	4.2
Total	28 questions	4.0

6. Measures to further enhance effectiveness
The Company will continue to review whether the composition of the Board of Directors remains appropriately balanced and whether the expertise and experience of each Director are being fully utilized, while striving to achieve an optimal Board composition. In addition, the Company will consider succession planning for senior management and the development of more appropriate director nomination processes. The Company will also continue to advance governance across the Group and enhance the management framework for its subsidiaries, while continuously deliberating on measures to strengthen the Group’s overall management oversight and risk management systems.

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