

Evaluation of the effectiveness of the Board of Directors

The Board of Directors conducts a self-evaluation of its own overall effectiveness every year. The effectiveness evaluation is focused on our Directors and Audit & Supervisory Board Members and based on the idea that the constant review and improvement of the effectiveness of the Board of Directors will help continuously increase the soundness of our management and our corporate value.

In February 2025, the Board of Directors analyzed, discussed and evaluated the state of its operations and the issues it faces at an ordinary meeting based on the results of the responses to the self-evaluation questionnaire. The following is information about the questionnaire and an outline of its results.

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| Subjects | A total of 10 people—all seven Directors and three Audit & Supervisory Board Members in FY2024 |
| Period | From December 27, 2024 to January 24, 2025 |
| Method | Anonymous questionnaire |
| Summary of evaluation results | <p>An analysis and evaluation of the effectiveness of the Board of Directors after the examination of the results of the questionnaire confirmed that the Board's effectiveness had been maintained on the whole. The issues listed below were also identified.</p> <ol style="list-style-type: none"> Issues regarding Board of Directors operations <ul style="list-style-type: none"> Scheduling of the deliberation of expected matters Early distribution of materials, etc. Issues regarding the discussion and monitoring functions of the Board of Directors <ul style="list-style-type: none"> Discussions of the progress of management plans, matters discussed, and other matters Discussions of sustainability Monitoring and other duties related to latent risks and crisis management for the Group as a whole |
| Measures for increasing the effectiveness | <p>We are implementing the following initiatives to handle individual issues to increase the effectiveness of the Board of Directors.</p> <ol style="list-style-type: none"> Regarding the issues with the operations of the Board of Directors, the administrative office of the Board of Directors will determine a schedule for discussing expected matters on an annual basis to support the earlier distribution of materials for these deliberations. Regarding issues with the discussion and monitoring functions of the Board of Directors, the administrative office of the Board of Directors includes discussions regarding progress reviews, sustainability and risk and crisis management into the aforementioned schedule to facilitate these discussions. |

Evaluation of effectiveness of the Audit & Supervisory Board

Our Audit & Supervisory Board has been conducting self-evaluations of effectiveness of the audits performed by its members every year since FY2021. This is based on the idea that the constant review and improvement of the effectiveness of these audits will help improve the soundness of our management and governance structure.

The goal of these self-evaluations is to objectively understand the Audit & Supervisory Board's performance of its functions and roles and improve as necessary. The results of the evaluation are shared and analyzed through discussion and the exchange of opinions during Audit & Supervisory Board meetings. We incorporate the issues identified by the evaluation and its findings into future audit activities and the revision of the system to increase the effectiveness of audits.

We will continue these initiatives to enhance the quality of audits and to help maintain the transparency and soundness of management of our corporation.

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| Subjects | All three Audit & Supervisory Board Members in FY2024 |
| Period | January 2025 |
| Method | Questionnaire |
| Summary of evaluation results | Based on the evaluation of the effectiveness of the Audit & Supervisory Board in the previous fiscal year, we took measures to increase the number of meetings with the Vice President and Outside Directors. These meetings were regularly held, but some commented that vulnerabilities and risks concerning internal control were not sufficiently discussed. |
| Measures for increasing the effectiveness | We will strive to continue to improve the quality of audits and our corporate governance structure by, for example, selecting vulnerabilities and risks in internal control as a specific subject for discussion to encourage a vigorous exchange of opinions. |