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 April 2026, 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.

Date	From February 17, 2026 to March 6, 2026
Subjects	10 in total: 7 Directors (including 3 Outside Directors) and 3 Audit & Supervisory Board Members (including 2 Outside Audit & Supervisory Board Members); 9 respondents
Method	Anonymous questionnaire
Summary of evaluation results	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. 1 **It was noted that materials were not provided sufficiently in advance to allow adequate time for review.** 2 **It was noted that there was insufficient discussion on the Company's sustainable growth and the creation of corporate value over the medium to long term.** 3 **It was noted that feedback from dialogue with shareholders was not being fully utilized.**

Initiatives to Enhance the Effectiveness of the Board of Directors

1 Operation of the Board of Directors

- Organizing the annual schedule and anticipated agenda items and sharing them with Board members
- Further enhancing the annual plan, including more clearly defining agenda items other than those related to financial results, has been identified as an area for improvement.

2 Provision of Materials and Prior Briefings

- Enhancing prior briefings by establishing clear deadlines for the submission of materials and holding briefing meetings
- Continuing to consider ways to enhance the provision of materials on financial performance

3 Discussion and Monitoring Functions

- Sharing progress on the management plan through briefing meetings
- Strengthening the ongoing monitoring framework, including follow-up on individual resolutions, has been identified as an area for improvement.

4 Risk Management

- Advancing discussions on business continuity management (BCM) and conducting a drill in March 2026
- Reporting plans and drill results to the Board of Directors to strengthen its risk management monitoring function

Nomination and Compensation Committee

We have established the voluntary Nomination and Compensation Advisory Committee with the aim of strengthening the independence, transparency, and objectivity of the Board of Directors' functions regarding the nomination of Directors and Audit & Supervisory Board Members and the remuneration of Directors, as well as further enhancing accountability and corporate governance. The Committee serves as an advisory body to the Board of Directors and deliberates on the nomination of candidates for Directors and Audit & Supervisory Board Members and the determination of Directors' remuneration before reporting the results of its deliberations to the Board of Directors, thereby helping to ensure fairness and transparency in these processes.

Chair

Koichi Ina
(Independent Outside Director)

Attendees

1 Internal Director
2 Independent Outside Directors
1 Independent Outside Audit & Supervisory Board Member (Observer)

Content of deliberations in FY2025

Officer appointments

- Proposal regarding the election of Directors submitted during the General Meeting of Shareholders
- Succession planning
- Director and Audit & Supervisory Board Member Candidates
- Personnel transfers at Sansha Electric Manufacturing and its subsidiaries

Remuneration for officers

- Basic Policy on Executive Compensation and Review of the Appropriateness of Executive Compensation Levels
- Executive Compensation Structure and Related Plans
- Performance-based Compensation and Individual Compensation for Directors