

## **Outline of Results of Effectiveness Evaluation of the Board of Directors in Fiscal 2024**

We aim to achieve sustainable growth and increase corporate value over the medium to long term. To achieve this, we recognize that it is necessary to improve the effectiveness of the Board of Directors and further substantiate corporate governance.

The effectiveness of the Board of Directors is evaluated annually. An overview of the evaluation of effectiveness for the fiscal year ended December 31, 2024 is as follows.

### 1. Outline of the Effectiveness Evaluation Method

#### (1) Evaluation method

Questionnaire system in which directors freely describe each question in the questionnaire

#### (2) Personnel who conduct the evaluation

Two directors and four directors who are members of the audit and supervisory committee

#### (3) Implementation of the evaluation

① In January 2024, a questionnaire survey was conducted among the evaluators.

② At a Board of Directors meeting held in March 2025, after exchanging opinions on the results of a questionnaire survey, the results of a survey of the effectiveness of the Board of Directors for the fiscal year ended December 2024 were finalized.

### 2. Summary of the Results of the Evaluation of Effectiveness

#### (1) Effective supervision of directors and management (executive officers, etc.)

The Board of Directors received a positive evaluation. The evaluation indicated that the Board of Directors (i) conducts necessary and sufficient discussions on management strategy, management planning, and key issues; (ii) appropriately builds internal control and risk-management systems based on changes in organizational designs and management systems, including representatives, and effectively supervises directors and management (executive officers, etc.); and (iii) sufficiently cooperates with the Institution and Supervisory Committee and the Internal Audit Division.

On the other hand, there were the following opinions.

- This is the first year of the transition from a company with a board of auditors to a company with an audit and supervisory committee, and there is room for improvement in operations.

#### (2) Securing human resources

The Board of Directors received a positive evaluation, stating that (i) the nomination and compensation system for directors and management (executive officers, etc.) is appropriately

designed for the Board of Directors to supervise directors and management in order to increase our corporate value, (ii) the nomination and compensation system for directors and management (executive officers, etc.) is appropriately designed to secure human resources for us, and (iii) the Nomination and Compensation Advisory Committee functions appropriately to secure human resources for directors and management (executive officers, etc.). The Nomination and Compensation Advisory Committee functions appropriately to secure human resources for directors and management (executive officers, etc.).

### (3) Sustainability Initiatives

The Board of Directors was positively evaluated as follows: (i) discussing sustainability initiatives (basic policies, materiality, promotion systems, etc.), (ii) discussing long-term strategies that we should tackle in order to realize the sustainable growth and development of our group, and (iii) discussing long-term strategies that we should tackle in order to contribute to an affluent global environment and a sustainable society.

On the other hand, there were the following opinions.

- In fiscal 2025, sustainability management issues should be addressed while improving performance.

### (4) Other

There was a positive opinion that the ability of directors to speak freely and independently at meetings of the Board of Directors and the ease of access to executive officers and others with the support of the secretariat have been maintained even after the institution design has been changed.

On the other hand, there were the following opinions.

- Governance as a company with an Audit and Supervisory Committee needs to be continuously examined and developed.

## 3. Initiatives to Improve the Effectiveness of the Board of Directors

Based on the issues recognized through the "Fiscal 2024 Evaluation of the Effectiveness of our Board of Directors," we will deliberate on matters to be implemented and decide on the policies for fiscal 2025 in order to further improve the effectiveness of our Board of Directors.