

## Summary Results of the Evaluation on the Board of Directors

[Supplementary Principle 4.11.3]

Each year the board should analyze and evaluate its effectiveness as a whole, taking into consideration the relevant matters, including the self-evaluations of each director. A summary of the results should be disclosed.

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The Company analyzes and evaluates the Board of Directors as a whole by means of questionnaire-based self-evaluations by each director as well as evaluations by the Audit & Supervisory Board and the Board of Directors itself.

In 2018, the company continually prepared a questionnaire with the cooperation of an outside organization. Answers were given directly to the said organization, maintaining anonymity. Based on a report on the summarized results from the outside organization, the composition of the board of directors, decision-making process, management of corporate performance, level of support provided to outside directors, and performance of duties by directors were verified. The evaluation showed that the effectiveness of the board of directors is fully satisfactory.

At the same time, regarding the composition of the board of directors, the necessity was reaffirmed of achieving an appropriately balanced diversity in terms of knowledge and experience, area of specialization, gender, and international experience among other factors, in order to facilitate the further development of the Company.

Unanimous agreement was also reached on certain issues to be addressed, such as the necessity for directors to acquire the knowledge needed to deal with an ever-changing operating environment.

The Company will strive to increase the effectiveness of the Board of Directors and to enhance its management system in order to obtain sustainable growth and better corporate value over the medium to long term.

(Board of Directors Evaluation)

1. Each year, the Board of Directors analyzes and evaluates its effectiveness as a whole, taking into consideration the relevant matters, including the self-evaluations of each Director. A summary of the results is disclosed.
2. The chairman (CEO) is responsible for conducting Board of Directors evaluations, which is performed by the head of Management Administration.

### **Information Disclosure in accordance to the Corporate Governance Code**

3. Each year, the Audit & Supervisory Board analyzes, evaluates and provides its opinion on the effectiveness of the overall Board of Directors with regard to its monitoring of functions and business execution function, including aspects related to business, governance and risk management. When performing this evaluation, the Audit & Supervisory Board conducts hearings of outside Directors and offers constructive opinions about the status of the Board of Directors.

(Corporate Governance Guidelines Article 17)