

## Concerning the Summary of Results of Board of Directors Efficacy Evaluation

The following is a summary of the results of our Board of Directors Efficacy Evaluation conducted based on the efficacy evaluation for the Board of Directors outlined in the Tokyo Individualized Educational Institute Basic Policy on Corporate Governance (\*).

### Description

#### 1. Method of evaluation

The nine Directors and Audit and Supervisory Board Members conducted anonymous self-evaluations, through which they each applied a rating scale of 1 through 5 to evaluate various categories, including the structure and management of the Board of Directors, and information provision to Outside Directors. We also included a column for respondents to include their opinions. After a board of independent Outside Directors consisting of two Outside Directors and two Outside Audit and Supervisory Board Members summarized the results of the self-evaluation, the Board of Directors conducted an analysis and evaluation of its efficacy.

#### 2. Analysis and evaluation results

##### (1) Summary of analysis and evaluation results

Based on the following, our Board of Directors has assessed that it is functioning effectively.

##### 1) Structure of the Board of Directors

-The Board of Directors is comprised of 40% outside directors who have a diverse range of experience and expertise. At each Board of Directors meeting, outside directors engage in open and spirited deliberations.

-We will continue to ensure the diversity of the Board of Directors members and, in particular, work to secure Board of Directors members with expertise in the fields of IT and finance.

##### 2) Board of Directors management

-There is no problem with the frequency of Board of Directors meetings, the scope of motions deliberated, or materials provided for said motions. However, there is a problem with securing time to allow for the prior evaluation of said materials.

-We continue to score high marks for the management of "matters for deliberation" related to important motions and will continue to maintain this high standard.

##### (2) Issues identified through analysis and evaluation results

The following matters were identified as issues to be addressed in order to further increase the efficacy of the Board of Directors.

- 1) At present, the structure of the Board of Directors is appropriate but, depending on environmental changes or company growth, we will continue to deliberate member structure and the roles via the Nomination & Compensation Committee, our discretionary advisory committee.
- 2) To improve the quality of deliberations by the Board of Directors, in addition to evaluating the content and nature of motions presented to the Board, we will evaluate ways to secure more time for the prior evaluation of materials related to matters presented to the Board as well as establish sufficient opportunities for the deliberation of motions.

### **3. Future response**

We will apply the above analysis and evaluation towards further improving Board efficacy and work to improve identified issues.

Furthermore, we will consider improvements to evaluation methods and processes in order to further strengthen our governance structure.

(\*) URL: <https://www.tkg-jp.com/en/about/governance.html>