

## 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 eleven 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 three 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 43% 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.
- This year, directors were added, mostly with expertise in the fields of IT and finance. In light of management's direction and the business strategy for the medium to long term, this improved the quality and balance of skills needed for the Board of Directors members.

##### 2) Board of Directors management

- Since holding online meetings required more time than anticipated, the processes of selecting discussion topics, allocating time, and moving proceedings forward must be arranged for quicker decision-making.
- The atmosphere is good because there is an emphasis on lively discussion that actively includes the opinions of outside directors.

##### (2) Issues identified through an 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) Issues concerning Board of Directors management

- Holding online meetings required more time than anticipated. This affected the lower evaluation concerning the frequency of Board of Directors meetings, meeting duration, and the understandability and quantity of materials and explanations.
- With regard to matters brought up in Board of Directors meetings, to further improve the quality of deliberations by the Board of Directors and make quicker decisions, we will continue to evaluate the

content and nature of motions as we consider the topics of matters brought up, their type, and their allocation, while also seeking quality discussion on matters.

### **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.

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