

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

This year was the second term of an 11-member board, with additional directors with expertise, experience, and capabilities, mainly in the fields of IT and finance.

- Since the structure of the Board Members is the same as last term and has maintained last term's high evaluation, the number of members and the quality and balance of the skill composition are also appropriate in light of management's direction and the business strategy for the medium to long term.
- As in the previous year, The Board of Directors is comprised of 42.8% 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.

2) Board of Directors management

- This year's meetings were again conducted through online meetings. As an improvement activity for last year, when meetings took longer than expected, the number of meetings, deliberation time, and selection of agenda items were reviewed, but the evaluation remained at the same level as last year. It can be said that the evaluation is that there is room for improvement in the operation.
- The quality of discussions will be further enhanced if more time is spent on explaining information that is particularly useful for Outside Directors in their deliberations (background of proposals, hidden issues, etc.), or if such information is included in the materials.

(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, assuming that the meetings will continue to be held both onsite and online, we will devise the allocation of time and other aspects of the proceedings

to allow for more active discussions.

- 2) 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.

In addition, we will examine the materials and explanations, including those necessary for the deliberation of matters, to enable higher quality discussions.

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>