【Supplementary principle 4.11.(3) Analysis and evaluation of the overall effectiveness of the board of directors】

In order to further ensure its effectiveness and to improve its functions, the Company's board of directors analyzes and evaluates the effectiveness of the board of directors every year. With the support of an independent organization, the Company's board of directors has been carrying out evaluations of the effectiveness of the board of directors continuously once each year since 2018.

A summary of the method and results of the evaluation of the effectiveness of the Company's board of directors for FY2022 are as follows.

■Evaluation process

(1) Subjects of evaluation: Five internal directors, five external directors, and four audit & supervisory board members

(2) Method of evaluation: Questionnaire-based survey (in a signed form) and/or interview

(3) Evaluation period: From January 2023 to June 2023

(4) Evaluation process

The effectiveness evaluation for FY2022 was carried out as follows.

- December 2022: Review of the key points of the evaluation and the items to be included in the questionnaire, based on advice from the independent organization
- January 2023: Individual interview to Chairperson of the Board of Directors (President) (conducted by the independent organization)
- February 2023: Distribution of the questionnaire to target audience and their collection (compiled and analyzed by the independent organization)
- February to March 2023: Individual interviews to external directors and external audit & supervisory board members based on the results of the analysis of the questionnaire (conducted by the independent organization)
- March to May 2023: Discussions at the Company's board of directors on the issues to be addressed and the strategic direction for

improvement, based on an identification of such issues and associated recommendations presentedby the independent organization

- June 2023: Decision at the board of directors on the issues to be addressed and the strategic direction for improvement identified as a result of the evaluation of the effectiveness of the board of directors for FY2022

■Question items

The major question items in the questionnaire for FY2022 are as follows. Each question is rated on a 5-point scale, with a free comment box provided for each item.

1. Strategies and implementation thereof
2. Risk and crisis management
3. Corporate ethics
4. Business restructuring (mergers, acquisitions, divestitures or business alliances)
5. Group governance
6. Management evaluation, remuneration, and succession planning
7. Dialogue with stakeholders
8. Structure and operation of the board of directors

■Overview of the results of the evaluation of the effectiveness of the board of directors for FY2022

Overview of the results of the effectiveness evaluation: As a result of the effectiveness evaluation for the current fiscal year (FY2022), it was confirmed that the board of directors of the Company has been making improvements every year toward the corporate governance that the Company aims to achieve, and that a high level of effectiveness has been ensured as a whole.

In the course of the effectiveness evaluation for the current fiscal year, the status of the responses to the issues raised in previous fiscal years was also confirmed.

<Status of responses to the issues of previous fiscal years>

(1) Efforts were made to increase opportunities for discussion on medium- and long-term strategies

(2) The board of directors strengthened its monitoring of the Group's risk management by ensuring the prompt reporting of important risk information that takes into account the business characteristics of each Group company.
(3) The system for protecting the interests of minority shareholders was strengthened by having the special committee discuss and review important transactions that may cause conflicts of interest between of controlling shareholder and minority shareholders.

<Priority issues to be addressed going forward>

The board of directors confirmed the following items as priority issues to be addressed in the future to further ensure the effectiveness and strengthen the functions of the board of directors.

1. Deepen discussion on medium- to long-term strategies further
   Strengthen the process of theme setting and discussion at the board of directors meetings on the following priority issues
   (1) Business portfolio strategy
   Eliminate duplicated businesses under the Group and clarify priority businesses for growth Strengthen business portfolio strategy through post evaluation of investments
   (2) Financial strategy
   Develop a financial strategy to achieve optimal capital structure consistent with the above business portfolio strategy
   (3) Human resources strategy
   Develop and promote core human resources based on the medium- to long-term strategies

2. Strengthen monitoring related to the Group's governance and risk management systems
   Systematically organize potential risks associated with future group reorganization and strengthen the monitoring system for such risks

3. Utilize the knowledge of external directors
   Further utilize the knowledge of external directors in setting the agenda in order to strengthen the functions of the board of directors

The Company's board of directors will remain engaged in initiatives to enhance its effectiveness, in view of

the aforementioned issues, the strategic direction of the Company and the business environment it faces.