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(Securities Code: 6197 TSE PRIME)

## Notice Concerning the Summary of Board Effectiveness Evaluation

Solasto Corporation (TSE: 6197, “the Company”) has conducted an evaluation of the effectiveness of its Board of Directors. We hereby announce a summary of the evaluation.

### 1. Methods of evaluation of the effectiveness

A questionnaire on the effectiveness of the Board of Directors was distributed to and answered by all Directors and Corporate Auditors.

Based on the results, the Corporate Governance Committee ('CG Committee') and the Board of Directors analyzed and verified the effectiveness of the Board of Directors and had constructive discussions on future issues.

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|-----------------------------------|---|
| (1) Evaluator:                    | All of the Directors and Corporate Auditors<br>(11 members) |
| (2) Evaluation method:            | Web-based questionnaire survey<br>(Anonymous form)          |
| (3) Survey Execution period:      | February 2022   |
| (4) Answer method:                | 5-point scale and free comments                             |
| (5) Outline of evaluation points: |   |
|                                   | (i) Composition and governance of the Board of Directors    |
|                                   | (ii) Operation of the Board of Directors                    |
|                                   | (iii) Board culture   |
|                                   | (iv) Supervision by the Board of Directors                  |
|                                   | (v) Discussion on management strategy/others                |

### 2. Summary of evaluation of the effectiveness

The Board of Directors confirmed that, in terms of its composition and operation, an adequate system has been established to make important management decisions and to supervise the execution of business operations.

In addition, the Board confirmed that active discussions take place, including with Outside Directors with diverse experience and expertise.

On the other hand, the following comments were raised with a view to further improving the effectiveness of the Board of Directors

- Discussions on important medium- and long-term themes
- Discussion and supervision of the CEO's succession plan

Other opinions expressed included 'review of agenda items in Board Meetings in line with company's growth' and 'promotion of gender diversity'. With regard to 'reviewing agenda items in Board Meetings in line with the company's growth', the CG Committee meeting held in FY2021 clarified the orientation of the Board of Directors to be more monitoring-oriented. As part of these efforts, a resolution was passed in April 2022 to revise the criteria for submissions to the Board of Directors, and active delegation of authority from the Board of Directors to the business execution divisions was implemented. With regard to the 'promotion of gender diversity', the Company not only appoints female directors, but also actively promotes women at the executive level and promotes initiatives to develop human resources for this purpose, recognizing this as an important issue.

### 3. Improvements based on the evaluation of the effectiveness

Based on the results of the survey, the CG Committee and the Board of Directors discussed the ideal corporate governance of the Group and confirmed that the following initiatives should be promoted.

- Increased number of opportunities to exchange opinions and discuss medium- and long-term issues
- Consideration and training of successors to the CEO (Nomination, Evaluation and Remuneration Committee)

As stated in section '2' above, the Company resolved to revise the criteria for submitting proposals to the Board of Directors in April 2022. The Board of Directors of the Company, having established fairness and integrity, aims to achieve aggressive governance in order to fulfil the long-term enhancement of the Company's corporate value. To this end, the Board confirmed the importance of further enhancing the following items in line with this revision.

- Formation of diverse discussions within the executive divisions to which authority has been delegated.
- Reinforcing monitoring effectiveness of the Board.
- Enhancement of strategic discussions at Board meetings.

By promoting these initiatives along with other measures, the Company will continue to improve the effectiveness of the Board of Directors and strengthen corporate governance.

### 4. <References> Improvements based on the previous evaluation of the effectiveness

The results of the previous questionnaire survey (November-December 2020) and subsequent discussions recognized the need for further discussion on 'management

strategies and management plans from a medium- to long-term perspective', although appropriate plans were being formulated. In addition, the importance of continuing discussions on 'selection of successor personnel' was recognized, with a view to developing the required personnel requirements and nomination and training policies to a high level.

Based on the results of this assessment, the Company has taken the following actions.

- Set up a framework for discussions on each business and theme in the agenda of the Board of Directors' meetings. (Implemented five times in FY2021).
- Expanded discussions on 'selection of successors' at the Nomination, Evaluation and Remuneration Committee.

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