

Effectiveness Evaluation of the Board of Directors for Fiscal 2021

With the aim of increasing corporate value through enhancing the effectiveness and transparency of the board of directors, Inabata & Co., Ltd. (“the Company”) has implemented the evaluation of the board of directors for fiscal 2021. The Company hereby announces the summary and future measures. In this fiscal year, a self-evaluation (*1) was conducted.

1. Target: All current 9 directors and 4 audit & supervisory board members as of March 31, 2022
2. Evaluation methodology
 - ✓ Each item in the questionnaire was decided by the director in charge (*2) and a working group for the evaluation of the board of directors (*3) in collaboration with an outside consultant in charge of collection based on the questionnaire of fiscal 2020 (third-party evaluation) and the results of its evaluation and analysis.
 - ✓ The questionnaire (*4) determined in the above was distributed to directors and audit & supervisory board members, and responses were obtained from all of them.
 - ✓ After the outside consultant collected the responses, the working group for the evaluation of the board of directors carried out a simplified analysis and compilation, and the director in charge reported to the board of directors.
 - ✓ After sufficient verification by the board of directors of the content of the report, the direction of future measures was decided, as described in 4. below.

3. Results of the analysis and evaluation

The results of the analysis and evaluation indicated that the operations of the board of directors of the Company were deemed appropriate and highly rated overall for its open and lively discussions. The results also indicated that the Company was providing sufficient support to outside directors in general, who in turn were making significant contributions to board discussions; having audit and supervisory board members in place was contributing to enhancing the effectiveness of the board of directors; the Nominating and Remuneration Committee was being operated

appropriately; the status of dialogues with investors and shareholders was adequately being shared with the board of directors; and appropriate measures were being taken to address the issues identified in the previous board of directors evaluation. Based on these evaluation and analysis results, the Company confirmed that the board of directors was executing its functions appropriately in general while maintaining effectiveness.

The results also confirmed that the following improvements and developments had been made in resolving the issues identified in the previous third-party effectiveness evaluation.

- Promoted advance discussions on key medium- to long-term issues of the Company
Conducted free discussions outside of the board of directors on issues regarding the promotion of diversity and sustainability
- Strengthened company-wide, cross-sectional functions
Established a business planning office to serve as a cross-section of the Company and appointed a full-time personnel in charge
- Continued evaluating the composition of the board of directors
With the aims of further strengthening its supervisory functions as well as to establish a system that enables faster decision-making by the management, the Company has decided to make the transition from the current “company with audit and supervisory board” to a “company with audit and supervisory committee,” subject to approval at the 161st Ordinary General Meeting of Shareholders to be held in June 2022.

Meanwhile, the results confirmed that the following issues should be considered in the future.

- Further discussion on succession planning and sustainability
- Provision of sufficient information by the Nominating and Remuneration Committee to the board of directors
- Improvement in communication among outside directors which had been inadequate due to impact from the COVID-19 pandemic
- Further enrich communicating information to capital markets

4. Future measures

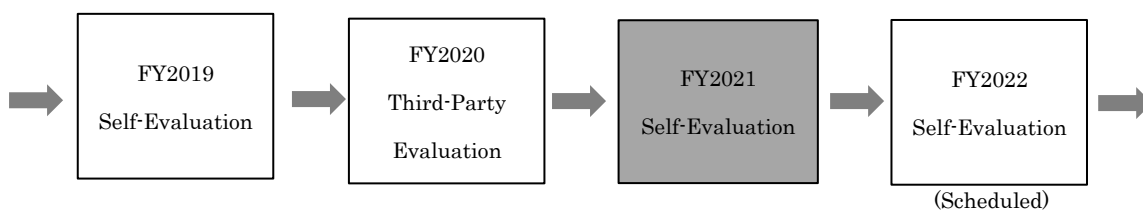
The Company will strive to further enhance the effectiveness of the board of directors by taking measures to address the issues identified from the result of the above

mentioned analysis and evaluation.

In fiscal 2022, an evaluation (self-evaluation) of the board of directors is scheduled to be implemented.

End

(*1) The Company has conducted self- and third-party evaluations as follows.



(*2) Director in charge of Financial Management and Investor Relations

(*3) Financial Management Office

(*4) Major items from the board of directors evaluation questionnaire

1. Operational status of the board of directors
2. Function and role of the board of directors
3. Composition of the board of directors
4. Composition and role of the Nominating and Remuneration Committee
5. Operational status of the Nominating and Remuneration Committee
6. Support system for outside directors
7. Role of and expectations toward audit & supervisory board members
8. Relationship with investors and shareholders