

Effectiveness Evaluation of the Board of Directors for Fiscal 2024 and Future Measures

With the aim of increasing corporate value through enhancing the effectiveness and transparency of the Board of Directors, Inabata & Co., Ltd. (“the Company”) conducted an evaluation of its Board of Directors for fiscal 2024. The Company hereby announces the summary of the evaluation and future measures. In fiscal 2024, a self-evaluation (*1) was conducted.

1. Target: All current 12 directors as of March 31, 2025
 - 7 directors who are not audit and supervisory committee members,
 - 5 directors who are audit and supervisory committee members
2. Evaluation methodology
 - ✓ Each item on 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 fiscal 2023 questionnaire (third-party evaluation) and the results of the said evaluation and analysis.
 - ✓ The questionnaire (*4) above was distributed to directors, and responses were collected 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 the content of the report was sufficiently verified by the Board of Directors, 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 appropriate and highly rated overall for its open and lively discussions, led by a chairperson who encourages open exchange of opinions. 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; the Nominating and Remuneration Committee as well as the Audit and Supervisory Committee were being operated properly; the status of dialogue with investors and shareholders was being shared with the Board of Directors adequately; 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 evaluation on effectiveness.

- Further discussion on medium-term strategies and management issues
- Further discussion on the CEO succession plan
- Provision of sufficient information by the Nominating and Remuneration Committee to the Board of Directors
- Reinforcement of the internal audit system
- Further improvements in distributing information to the capital market

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

- Further discussion on issues regarding succession plans
- Risk tolerance
- Adequate communication of the Company's long-term competitive strengths to the capital market

The Company identified as key risks it faces, especially those that are deemed particularly important, potential risks of overseas activities, risk related to business investment, and credit risks of clients.

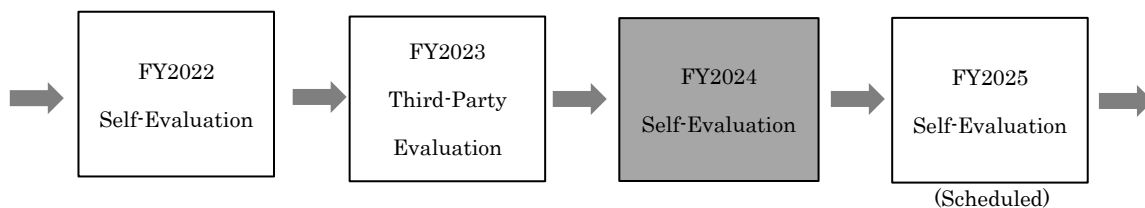
4. Future measures

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 analysis and evaluation.

In fiscal 2025, the Company plans to conduct a self-evaluation of the Board of Directors.

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. Composition and role of the Audit and Supervisory Committee
7. Operational status of the Audit and Supervisory Committee
8. Support system for outside directors
9. Relationship with investors and shareholders
10. The Company's governance structure and the effectiveness of the Board of Directors as a whole
11. Self-assessment of one's contributions and participation in Board discussions