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(Securities Code: 6197 TSE PRIME)

## The Summary of Board Effectiveness Evaluation

Solasto Corporation (TSE: 6197, “Solasto”) 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.

- (1) Evaluator: All of the Directors and Corporate Auditors  
(12 members)
- (2) Evaluation method: Web-based questionnaire survey  
(Anonymous form)
- (3) Survey execution period: January 2023
- (4) Answer method: 5-point scale and free comments
- (5) Outline of evaluation items:
  - (i) Composition of the Board of Directors
  - (ii) Operation of the Board of Directors
  - (iii) Board culture
  - (iv) Supervision and governance 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 as issues to be addressed to further improve the effectiveness of the Board of Directors.

- Further enhance discussions on risk management, as well as on long-term issues
- More active involvement of the Board of Directors in the development of the next generation of management personnel

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

Based on the results of the evaluation, 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.

#### (1) Strengthen risk management system

- Increase the number of meetings of the Risk and Compliance Committee and strengthen initiatives on priority issues
- Enhance monitoring and discussion at Board of Directors meetings (including reports from the above committees)

#### (2) Deepen discussions on long-term issues

#### (3) Cultivate next-generation management personnel

- Discussions on next-generation management personnel development and pipeline expansion
- Utilize various occasions to enable Outside Director to extend its advice on the development of next-generation management personnel

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

### 4. <References> Improvement measures implemented based on the previous evaluation results

The results of the previous evaluation (February 2022) and subsequent discussions recognized the need to "review agenda items in line with the company's growth" and the accompanying "implementation of discussions on important medium- and long-term themes". It was also recognized that the importance of continued discussion and supervision for "succession planning for the CEO", as well as that "promotion of gender diversity" require not only the appointment of female Directors, but also active promotion of women at the executive level and human resource development.

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

- As part of our efforts to promote gender diversity, we have implemented measures to support the careers of female employees.  
As of April 1, 2023, out of 9 Directors, 1 Director was female (up 1 from the previous year) and out of 13 executive officers, 2 executive officers were female (up 1 from the previous year)
- In June 2023, Solasto revised the criteria for submitting proposals to the Board of Directors and actively delegated authority from the Board of Directors to the business execution divisions. As a result, the number of items for resolution on the agenda for the Board of Directors meetings has been reduced, which enabled it to focus on exchanging opinions and discussing on business execution reports and the medium- to long-term issues.
- The Nomination, Evaluation, and Compensation Committee at its meeting held in January 2023 conducted deliberations regarding the succession planning for CEO and confirmed that it should continue its discussion in FY2023.

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