

## Results of the Effectiveness Evaluation for the Board of Directors and Measures for Implementation

At its meeting held on February 7, 2025, the Board of Directors of Hokkan Holdings Limited (hereinafter, the “Company”) carried out an evaluation of its effectiveness in FY2024. The information below outlines the results and measures being implemented based thereon.

### 1. Method of the Effectiveness Evaluation

A questionnaire was administered to the respondents and an evaluation was conducted by the Board of Directors based on the results of the analysis.

#### <<Outline of the Questionnaire>>

Respondents: Hokkan Holdings’ nine (9) Directors and four (4) Audit & Supervisory Board Members (13 in total)

Method of Implementation: Self-evaluation using the questionnaire and interviews with Outside Directors

The questionnaire used a five-point descending scale from 5 (“Doing well”) to 1 (“Not doing well at all”), in addition to 0 (“Not sure”).

The questionnaire, interviews, and analyses thereof were outsourced to a third party.

Implementation period: November 25, 2024 to December 20, 2024

#### <<Questionnaire Topics and Questions>>

Topics	Questions (Outline)	Topics	Questions (Outline)
Framework and mechanism of governance	1. Delegation of authority 2. Internal Audit Department 3. Group-wide control	Operation of the Board	17. Response to priority agenda 18. Response to unexpected issues 19. Quantity and quality of reference materials
Roles and responsibilities of the Board	4. Awareness of roles and responsibilities 5. Discussions on the general directions 6. Discussions on the future impact 7. Discussions on sustainability strategy 8. Response to environmental changes 9. How to establish capital cost- and share price-minded business management	Activation of deliberation at Board meetings	20. Proceedings, statements, and remarks 21. Decision making
	10. Officers’ roles and responsibilities 11. Officer training 12. Information sharing	Oversight of management and relationship with the management	22. Oversight of management by the Board 23. Management plan and important issues 24. Remuneration policy, determination process, and operation of the Remuneration Committee 25. Policy of electing/dismissing Board members and candidate screening process
		Risk identification	26. Verification of strategic shareholdings 27. Risk awareness 28. Risk management system 29. Reporting on risk management
Composition of the Board	13. Size		
Composition of the Board	14. Composition and diversity	Relationships with stakeholders	30. Constructive dialogue with shareholders 31. Improvement of stakeholder value
Operation of the Board	15. Board meeting frequency and scope of agenda 16. Agenda themes		

<<Specific Themes (Free Description)>>

- (1) How the Board should be
- (2) How to enhance group governance
- (3) Overall status of the Board
- (4) Evaluation of the Board

2. Results of the Effectiveness Evaluation (Summary)

- (1) Most of the topics were rated high, as the average ratings ranged from 3.7 to 4.2 points, and the overall rating stood at 3.9 points. With respect to the specific questions, the ratings fell within the range from 3.1 to 4.2 points. Given the above, we evaluate that the Company's Board of Directors as a whole is mostly operating effectively, despite points to be noted concerning some of the items.
- (2) Looking at each question, "Delegation of authority to the management" (Question 1), "Officer training" (Question 11), "Response to unexpected issues" (Question 18), "Proceedings, statements, and remarks" (Question 20), "Decision making" (Question 21), "Oversight of management by the Board" (Question 22), and "Verification of strategic shareholdings" (Question 26) were rated high.  
As issues to address, the respondents chose "Discussions on the general directions" (Question 5) and "How to establish capital cost- and share price-minded business management" (Question 9), among other issues. Internal officers chose "Policy of electing/dismissing Board members and candidate screening process" (Question 25), while outside officers chose "Improvement of stakeholder value" (Question 31), as issues that need to be addressed.
- (3) Regarding the matters that had been identified as issues to address last year, the score improved for "Officer training" (Question 11), but it moved sideways or fell for other items ("Information sharing" (Question 12), "Discussions on the general directions" (Question 5), "Risk awareness" (Question 27), and "Risk management system" (Question 28).

3. Issues to Be Addressed

Based on the results of the questionnaire and the Board deliberation that took into consideration the interviews with Outside Directors, the following issues were defined as priorities we need to address. We are committed to implementing measures focusing on them.

#	Topics	Tasks to Be Done and Measures to Be Taken
1	Discussions on the general directions, and how to establish capital cost- and share price-minded business management	<ul style="list-style-type: none"><li>• Selection of agenda items and examination of Board meeting operation methods to discuss medium- to long-term management strategy and capital cost- and share price-minded business management; examination of possibilities for having discussions outside the Board</li><li>• Continuation of knowledge sharing and follow-ups through officer training</li></ul>
2	Group governance	<ul style="list-style-type: none"><li>• Examination of structures to ensure appropriate involvement and information sharing between the Company and its group companies</li><li>• Examination of the organization to align it with the desired style of group management and the growth strategy of the entire group</li></ul>

3	Sharing of risk information, etc., risk awareness, risk management system	<ul style="list-style-type: none"> <li>• Further enhancement to risk analysis and examination of potential risks</li> </ul>
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