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Press Release

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## **Outline of the Results of the Effectiveness Assessment of the Board of Directors of the Company**

The Board of Directors of Laox Co., Ltd. (the “Company”) analyzed and assessed its effectiveness as requested in the Corporate Governance Code. The Board of Directors hereby reports the outline of the analysis and assessment as follows.

### 1. Assessment method

The Board of Directors of the Company (the “Board of Directors”) distributed a questionnaire on its effectiveness to all directors and corporate auditors and asked them to answer the questionnaire at its meeting held at the end of the previous fiscal year (42nd Term).

Subsequently, the Board of Directors collected the questionnaire, performed analysis and assessment based on totaled results for answers given in the questionnaire, and exchanged opinions regarding existing problems and future approaches.

### 2. Assessment items

The Board of Directors carried out a questionnaire to assess its effectiveness on a total of 32 points. In the survey, the Board of Directors performed self-assessment based on a scale assessment by respective directors and corporate auditors, and asked the respondents to supply comments freely.

An outline of the questionnaire conducted is as follows.

- (1) Composition of the Board of Directors  
(Number of Board members, their diversity, the capacities of outside directors, etc.)
- (2) Administration of the Board of Directors  
(Schedule, materials distributed, the progress of proceedings, etc.)
- (3) Topics for discussion by the Board of Directors  
(Selection of topics for discussion, the approval of medium-term management plans, risk discussions, etc.)
- (4) Systems supporting the Board of Directors  
(Information provision, cooperation with the audit division, provision of training opportunities, etc.)

### 3. Outline of analysis and assessment results

The survey respondents assessed that effectiveness was secured overall regarding the composition of the Board of Directors, including the number of Board members, their diversity, and the makeup and capacities of outside directors.

With respect to the administration of the Board of Directors, the survey respondents assessed that effectiveness was also secured regarding discussions by the Board of Directors, including schedules, deliberation periods and the progress of proceedings. However, the respondents pointed out that the volume of materials related to agenda items and the timing of their provision to directors were insufficient to some degree.

Regarding topics for discussion by the Board of Directors, the survey respondents pointed out that “emergency responses occur from time to time” in connection with periods for proposing the topics. The respondents assessed that matters, including the plan for succession of the representative director, had not been discussed sufficiently yet.

In the meantime, as in the previous survey, the respondents pointed out that opportunities for directors and corporate auditors to obtain advice from external experts and receive training had not been provided sufficiently with regard to systems supporting the Board of Directors.

Finally, the survey respondents assessed that the effectiveness of the Board of Directors was secured overall. However, the respondents also assessed that significant room for improvement remained in areas pointed out every year.

### 4. Policy for future examination

The Board of Directors will make greater efforts to secure its effectiveness, taking the results of the latest effectiveness assessment and their analysis into consideration.

End.