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Press Release

Company name: Laox Co., LTD.  
Representative: Kensaku Iida, Representative of  
Board Director  
(Code number: 8202 TSE2)  
Contact: Manabu Sato, Vice Division  
Director of Corporate Division  
(Tel: 03-5405-8859)

## **Overview of Evaluation Results of Effectiveness of Our Board of Directors**

Laox Co., LTD. (the “Company”) conducted an analysis and evaluation of the effectiveness of its Board of Directors, which is required by Japan’s Corporate Governance Code.

### 1. Evaluation method

The Company distributed a questionnaire survey on the effectiveness of the Board of Directors to all directors and corporate auditors at a meeting of the Board of Directors at the end of the previous (45th) fiscal year and asked them to respond. The questionnaire surveys were collected, and the Board of Directors analyzed and evaluated the answers based on the aggregated results and exchanged opinions about current issues and future efforts.

### 2. Effectiveness evaluation items

The effectiveness of the operations of the Board of Directors meetings was evaluated in the questionnaire using a grade evaluation of the same 32 items used last year from the standpoint of the continuity of evaluation. In addition, we asked the directors and corporate auditors to freely write their own opinions by establishing a open response section in the evaluation form.

The following is an overview of the evaluation items in the questionnaire:

- (1) Structure of the Board of Directors  
(Number of members, diversity, ability of outside directors, etc.)
- (2) Operations of the Board of Directors meetings  
(Schedule, distributed materials, proceedings, etc.)
- (3) Agendas at the Board of Directors meetings  
(Selection of agenda items, approval of a medium-term management plan, deliberations on risks, etc.)
- (4) System of support for the Board of Directors  
(Provision of information, cooperation with the auditing department, the provision of training opportunities, etc.)

### 3. Overview of analysis and evaluation results

The overview of the analysis and evaluation results of the questionnaire was as follows.

#### (1) Structure of the Board of Directors

Regarding the structure of the Board of Directors, the evaluation showed that overall effectiveness was ensured by the number of members, their diversity and the structure and ability of outside directors. Reflecting a trend in corporate governance, an opinion shared was that the number of outside directors should be increased.

#### (2) Operations of the Board of Directors meetings

Regarding the operations of the Board of Directors meetings, the evaluation showed that the schedule, deliberation time and proceedings, etc. ensured the effectiveness of the Board of Directors.

#### (3) Agendas at the Board of Directors meetings

Regarding the agendas at the Board of Directors meetings, the evaluation showed that although overall effectiveness was ensured in the selection of agenda items and the deliberation of risks, discussions about executive remuneration were slightly insufficient.

#### (4) System of support for the Board of Directors

Regarding the system supporting the Board of Directors, the evaluation showed that although effectiveness was generally ensured, but not yet sufficiently effective in terms of holding meetings and exchanging information with a membership consisting solely of independent outsiders.

As described above, the evaluation showed that the overall effectiveness of the Board of Directors was ensured, but we recognize that there is room for improvement.

### 4. Future actions

In light of the results and analysis of the evaluation of the effectiveness of the Board of Directors, we will continue to work to increase the effectiveness of the Board of Directors and strengthen corporate governance.

End