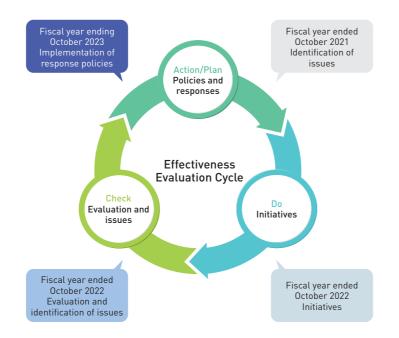
Evaluating the Effectiveness of the Board of Directors

We evaluate the effectiveness of the Board of Directors through a combination of questionnaire surveys of all directors and an interview with all directors conducted by a third-party organization. The results are collated and analyzed before being reported to the Board of Directors, which checks progress on responses to issues identified in the previous fiscal year and formulates new policies to address any issues identified in the current fiscal year. The purpose of these effectiveness evaluations of the Board of Directors is to continuously strengthen our corporate governance through the formulation and implementation of specific measures.

October 2021

Issues



Summary of evaluations for the fiscal year ended October 2022

A third-party organization carried out questionnaire surveys and individual interviews with all nine members of the Board of Directors.

Summary of survey questions

VI Other

- I Questions related to the overall agenda items for Board of Directors' meetings.
- II Questions related to the composition of the Board of Directors.
- III Questions related to the operational management of the Board of Directors.
- IV Questions related to holding discussions at Board of Directors' meetings.
- V Questions related to the execution of duties and the support services provided for directors.

business operations.

The Board of Directors was operating properly and functioning effectively, and therefore achieved a high level of effectiveness.

Medium- to long-term policies Approach to governance Succession planning **International business** Engage in intensive discussions, especially Fiscal year ending October 2023 Create and conduct discussion opportunities during the business plan review period. Continue to report and discuss operations as outside of director training and official meetings. Continue deliberations on measures for specific individual agenda items. · Use a wide variety of study sessions and other Response Clarify the selection process for outside directors promotion. Implement overseas inspections. methods to ensure that policy implementation is policies as part of their succession plan. linked to management strategies. Expand discussions about forward-looking Consider the functions and roles of the Board of [Evaluation] Policies/requirements decided through topics, such as medium- to long-term policies Directors, including whether or not the Board [Evaluation] Individual reports have allowed for better discussions and strategies. Fiscal year ended October 2022 should transition to a Monitoring Board and organization and information sharing than before. [Issue] Lack of specific system designs. specific functions. Improve the sustainability knowledge of Board [Issue] Due to a lack of information in comparison to [Issue] Consideration of a skills matrix based on the **Evaluation** members Examine the succession process for outside Japan, there is a need to continue to create future role of the Board of Directors. and issues opportunities for discussions and overseas directors, including the need for selection rules, Expand discussions on human resources [Issue] Individual training plans are needed for the strategies, including the recruitment, training, and and the need for feedback on expected roles of inspections. talent pool. retention of talent. outside directors Change the monthly report to a separate agenda item format, rather than being handled together with other Task the Nomination and Compensation Committee Fiscal year ended agenda items. with drafting a plan for discussions by the Board of October 2022 Directors on the appointment and nurturing of At the outside directors' meeting, create opportunities Initiatives management team successors, and related initiatives. for dialogue with the CEOs of international Group companies and staff on overseas assignments. Fiscal year ended Appointing the management team and nurturing Active discussions of the state of international

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SUCCESSORS.