

**Comments from the Chairman of the Board of Directors and the Chairman of each Advisory
Committee on Evaluation of the Effectiveness of Board of Directors**

**Masami Iijima, Chairman of the Board of Directors and Chairman of the Governance
Committee**

In our company, the Chairman of the Board presides over the meetings and business of the Board of the Directors. The Principles of Corporate Governance and Internal Control states that the Chairman shall be primarily responsible for management supervision and shall not be involved in the execution of daily operations, rather than concurrently serving as an executive officer. In light of this position as Chairman, as an experienced ex-President and Chief Executive Officer, I am committed to managing the agenda of the Board, respecting the views and statements of external directors and external Audit & Supervisory Board members, who are independent positions from the standpoint of understanding the company, and I am aware that the way of this management style of the Board as its Chairman has been appreciated in the effectiveness evaluation questionnaire this time. Each year, the Board of Directors meets with sufficient time to evaluate the effectiveness of the Board of Directors. The Board of Directors discusses the effectiveness of the Board of Directors and the Governance Committee through questionnaire and responses, including free descriptions, and free discussions at external members' meetings. As the responsibilities and roles expected of the Board of Directors changes in response to developments in the business environment and other factors, it is necessary to continuously identify issues through the evaluation of effectiveness and repeat the process of addressing such issues.

As Chairman of the Board of Directors and Chairman of the Governance Committee, I intend to continue to evaluate the effectiveness of the Board of Directors and disclose its results as a tool to help our stakeholders better understand the status of our governance, and to resolve any issues that the Board of Directors should address.

Independent External director, Toshiro Muto (Chairman of the Remuneration Committee)

Our Board of Directors, which has a variety of external directors, including those with business experience, foreigners, and women, is openly and actively engaged in continuous discussions. In this fiscal year, a free discussion camp session was held at our training center, which included our external directors and audit & supervisory board, and the Company's direction and business strategy were actively discussed. When discussing major themes in depth such as business strategy, it takes a certain amount of time to adequately summarize them. Therefore, it is very meaningful to hold a free discussion camp session, and I appreciate that a free discussion camp session is meaningful to enhance and supplement the functions of the Board of Directors.

As Chairman of the Remuneration Committee and a member of the Governance Committee,

I have been involved in our governance system. With regard to the activities of the remuneration committee for the current year, the Corporate Governance Code was revised, and it was stated that the remuneration system should be designed, and the specific amount of remuneration should be determined, in accordance with objective and transparent procedures. Based on this statement, the details of the remuneration system, including the amount of individual remuneration, were again reported to the Board of Directors. Although the remuneration system may not be changed frequently, it needs to be reviewed regularly, taking into account trends in other companies' management environments and executive remuneration, as well as the public interest. We will continue to discuss the content of the remuneration system, which serves as a sound incentive for our sustainable growth, during the next fiscal year.

Independent External Director, Kobayashi Izumi (Chairman of the Nomination Committee)

Since the introduction of the Corporate Governance Code in Japan, our board's discussions have become even more active, and I feel that the voices of our external directors have become a major influence on management. In our board deliberations, external directors are encouraged to reflect the opinions and perspectives of various stakeholders from a broader and diversified perspective, in our management decision-making process, in addition to the opinions that make use of their expertise. We believe that our board's discussions are deepening.

In addition to the Board of Directors, improvements have also been witnessed in the advisory committees. For example, this fiscal year, the Nomination Committee included the formulation of a succession plan for the CEO and deliberations on the dismissal of directors and operating officers, including the CEO, as well as the addition of two internal directors who could be candidates for the CEO in terms of the composition of the committee, and the inclusion of a chairman and a majority of external directors, which resulted in substantial discussions among the Board. In the past, reporting of the results of deliberations by the Nomination Committee to the Board of Directors was mainly based on the results of evaluations of important personnel matters, centering on the draft of the Board of Directors. Although there were limited opportunities to report on the contents of discussions, this fiscal year we reported the details of the discussions to the Board of Directors. Next fiscal year, we will thoroughly manage the succession plan, such as training executives, and hold continued discussions to convey the composition and balance of our board of directors in an easy-to-understand manner.