



To Whom It May Concern

June 13, 2025

Company name	TOA CORPORATION
Representative	Takeshi Hayakawa, President and Representative Director (Securities code: 1885; TSE Prime Market and SSE)
Contact:	Masayoshi Nakao, General Manager, Administration Dept., Corporate Management General Headquarters
(Telephone:	+81-3-6757-3800)

Overview of the Evaluation Results on the Effectiveness of the Board of Directors

TOA CORPORATION (hereinafter, the “Company”) recognizes that strengthening corporate governance is essential to achieving the sustainable growth of the Group, enhancing corporate value, and continuously creating social value. In our Corporate Governance Guidelines, we have defined the roles and responsibilities of the Board of Directors, which include supervising overall management, ensuring fairness and transparency in corporate operations, selecting, evaluating, and determining the remuneration of senior management, and assessing major risks and formulating appropriate countermeasures, as well as making decisions on important business execution. To ensure the effectiveness of the Board of Directors in fulfilling these roles, we conduct regular evaluations and analyses based on surveys and other feedback collected from individual Directors. The summarized results of these evaluations are disclosed accordingly.

We recently conducted an evaluation of the effectiveness of the Board of Directors for fiscal 2024. The evaluation results were reported to and discussed by the Board of Directors, and we hereby disclose the overview of the findings as outlined below.

To enhance transparency in the evaluation process and to incorporate an external perspective as part of ongoing efforts to improve the effectiveness of the Board of Directors, this year’s evaluation was carried out with the support of an independent third-party organization and external experts.

1. Evaluation overview

Scope of evaluation: Board of Directors meetings (16 in total) and the Nomination & Remuneration Committee meetings (4 in total) held from April 2024 to March 2025

Evaluators: All Directors (12 in total, as of the end of March) (including 5 Independent Outside Directors, of whom 3 are Directors who are Audit & Supervisory Committee Members)

Methodology: The evaluation was conducted using a five-point scale and free-response questionnaire, followed by interviews based on the survey results, as well as discussions informed by a report prepared by an independent third-party organization and external experts

Evaluation items: Composition and operation of the Board
Management strategy and business planning
Risk management
Nomination and remuneration
Dialogue with shareholders and other stakeholders
Individual contributions of each Director

*Evaluation items included matters related to the Nomination & Remuneration Committee

2. Overview of analysis and evaluation results

(1) Conclusion

The Company’s Board of Directors and the operation of the Nomination & Remuneration Committee were generally deemed appropriate. It was concluded that the Board of Directors is functioning effectively and its effectiveness is being properly maintained. Communication with shareholders and investors was also evaluated positively on the whole. At the same time, while discussions within the Board were recognized as open and constructive, some Directors expressed the view that further improvements should be considered regarding how meetings are conducted and how discussions are facilitated.

The key issues identified and the corresponding actions to be taken are as follows:

(2) Key issues identified

Item	Issues and actions based on the current evaluation
Number, composition, and roles of the Board of Directors	<p>Issue</p> <ul style="list-style-type: none"> - The majority of the Board is composed of internal Directors, making it difficult to fully demonstrate the Board’s independence and oversight functions. <p>Action</p> <ul style="list-style-type: none"> - The Company plans to transition to a Board structure in which a majority of Directors are Outside Directors following the Ordinary General Meeting of Shareholders in June 2025. All Directors will take this intent into account and work to ensure effective and strategic operation of the Board as an oversight body.
Deliberation matters at the Board of Directors	<p>Issues</p> <ul style="list-style-type: none"> - The Board of Directors currently dedicates considerable time to deliberating numerous individual matters with relatively low-risk profiles. There is a recognized need to allocate greater time and focus to discussions of medium- to long-term strategic direction and management strategy. - An information gap exists between Outside Directors who are Audit & Supervisory Committee Members and Outside Directors who are not Audit & Supervisory Committee Members. <p>Actions</p> <ul style="list-style-type: none"> - The Company will raise the monetary thresholds for matters requiring Board approval and promote greater delegation of authority to the Management Council. - The Company will establish planned forums, including Board meetings and dedicated discussion sessions, to facilitate comprehensive deliberations on medium- to long-term management policies in preparation for the development of the next Medium-Term Management Plan. - The Company will institute pre-meeting briefing sessions and information sharing opportunities specifically for Outside Directors who are not Audit & Supervisory Committee Members to ensure equitable access to Board agenda materials and relevant information.

Supervision of risk management system	<p>Issues</p> <ul style="list-style-type: none"> - The Board has not sufficiently conducted systematic explanations or discussions that provide a comprehensive view of the Company's overall business risks. Furthermore, on the executive side, risk management has not been implemented in a sufficiently systematic manner. <p>Actions</p> <ul style="list-style-type: none"> - The Company will enhance its risk management framework centered on the ESG Committee and, in cooperation with both the Board of Directors and the executive side, conduct cross-organizational and company-wide deliberations on key risks to improve the effectiveness of responses.
Matters related to nomination and remuneration	<p>Issues</p> <ul style="list-style-type: none"> - Discussions regarding the succession plan for senior management, including the President, have not been sufficient or systematized. - The content of discussions held by the Nomination & Remuneration Committee has not been adequately reported to the Board of Directors. <p>Actions</p> <ul style="list-style-type: none"> - The Board of Directors will set up regular opportunities for discussion on executive development and aim to establish a structured succession plan. - The content of discussions by the Nomination & Remuneration Committee will be thoroughly reported to the Board to enhance deliberations on nomination and remuneration matters.

Previous evaluation results on the effectiveness of the Board of Directors and actions taken in the previous fiscal year

Issues identified in the previous evaluation	Specific examples of improvements
<ul style="list-style-type: none"> - Responding to increased agenda items, ensuring opportunities for discussion, and deepening discussion through selection of agenda items based on importance 	<ul style="list-style-type: none"> - To expand delegation to Management Council meetings, appropriately transfer authority, and accelerate decision-making, the Board of Directors Regulations were revised (effective April 1, 2025). - Provisions in the Articles of Incorporation were established to allow an Independent Outside Director to serve as Chairperson of the Board of Directors (an amendment to the Articles of Incorporation is planned to be submitted at the Ordinary General Meeting of Shareholders in June 2025).
<ul style="list-style-type: none"> - Enriching discussion on skills, enhancing Directors' knowledge and skills - Continuous review of new skills such as environment, work style reform, digital transformation, and gender - Discussions within the Nomination & Remuneration Committee aimed at enhancing corporate value 	<ul style="list-style-type: none"> - Executive Officers specializing in new skills such as ESG, carbon neutrality, and digital transformation were appointed, establishing a system for discussion at the Board of Directors. - The Nomination & Remuneration Committee, as an advisory body to the Board of Directors, conducted discussions regarding the review of the Board's composition.

<ul style="list-style-type: none"> - Continuous execution of the PDCA cycle - Enrichment of opportunities for discussion regarding management strategy, group strategy, and engagement - Strengthening effective group governance 	<ul style="list-style-type: none"> - Reports and issue proposals regarding the progress of deliberations at Management Council meetings were made without delay. - As a measure to strengthen effective group governance, reflecting on last year’s subsidiary misconduct, compliance awareness surveys and hearings were conducted with subsidiaries. - The Whistleblower Protection Regulations were revised to apply to our group companies (effective April 1, 2025).
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3. Future initiatives

Based on the results of this effectiveness evaluation, we will implement measures to address the issues outlined above. We are committed to further enhancing the effectiveness of the Board of Directors, including enriching deliberations and fostering constructive discussions.