

## **Summary of Results of Evaluation of the Effectiveness of the Board of Directors**

We recently conducted evaluation of the effectiveness of our Board of Directors. A summary of the results of this evaluation is provided below.

### **1. Evaluation method**

A questionnaire on the effectiveness of the Board of Directors was distributed to all directors and all members of the Audit & Supervisory Board. The Board of Directors analyzed the responses, carried out self-evaluation of its effectiveness, and then discussed the results.

Survey participants: A total of 14 Directors (including Outside Directors) and members of the Audit & Supervisory Board (including Outside Auditors)

Survey Period: End of March-middle of April

Response Format: Five-stage evaluation + free comment/Named forms

Evaluation items

- ① Overall evaluation of the Board of Directors
- ② The composition of the Board of Directors
- ③ The operations of the Board of Directors
- ④ The quality of Board discussions
- ⑤ Information provision and training

### **2. Summary of analysis and evaluation results**

The results of the survey showed a large improvement from last year in evaluation of “Information provision and training”, and evaluation at the same level as last year for all other items. In addition, with regard to the role of the company’s Board of Directors, it was adjudged that the effectiveness of the Board of Directors as a whole has increased further and corporate governance has been strengthened based on the following points:

- The Board of Directors has attained an appropriate composition, including half of its members being outside directors with diverse experience and expertise, and the Chairman of the Board himself being an outside director.
- By means of practices such as various types of briefing, advance distribution of briefing-session documents, and the holding of officer study sessions, thorough support

is given to outside directors and to members of the Audit & Supervisory Board. As a result, directors and Audit & Supervisory Board members are able to put their experience and expertise to work, rendering the discussions of the Board of Directors free, open, and constructive.

At the same time, there is an awareness that it is essential to continue working to raise the effectiveness of the Board of Directors with a view to achieving the goals of the new medium-term management plan, “Transform and Grow Benesse 2022”, which began in FY2018. To that end, it was confirmed that the following measures should be implemented:

- Further increased discussion about areas such as capital policy.

### **3. Future action in response to the results of the survey**

In light of the results of the FY2018 survey, the Board of Directors decided through discussion that in addition to continuing the operating improvement measures begun last year, the following important initiatives should be implemented from FY2019 onward:

- Monitoring of the medium-term management plan
- Further expansion of discussions about capital policy and other matters from medium- and long-term perspectives.

Through the aforementioned measures, Benesse Holdings, Inc. will continue working to improve the effectiveness of its Board of Directors and strengthen corporate governance.

### **Reference : Action taken in response to the results of the previous survey**

Based on the results of the FY2017 survey, the following points were identified as important measures for FY2018 onward to enable an increase in the quality of Board discussions and a rise in its effectiveness:

- In cooperation with the Nomination and Compensation Committee, carrying out review of the attainment of greater diversity in Board composition and training of management successors
- Expansion of discussions about capital policy and business evaluation indices from medium- and long-term perspectives
- Provision of opportunities for outside directors and members of the Audit & Supervisory Board to inspect the Group’s products and services onsite and to interact with employees on a regular basis.

To address these points, the company held officer study sessions and provided opportunities to participate in briefings on successful business examples hosted by each business division.



This produced a significant improvement in evaluation of provision of opportunities for outside directors and members of the Audit & Supervisory Board to inspect the Group's products and services onsite and to interact with employees on a regular basis in the FY2018 survey.