

June 13, 2022  
Benesse Holdings, Inc.

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

We recently conducted an 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. Based on these responses, the Board of Directors analyzed and carried out self-evaluation of its effectiveness, and then discussed the results.

(1) Survey participants: A total of 12 Directors and members of the Audit & Supervisory Board

(2) Method and content

Survey Period: End of March-early 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
- ⑥ Dialogue with shareholders and investors

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

The results of the questionnaire confirm that the effectiveness of the Board of Directors remains at a high level and that substantial discussions are held. With regard to the role of the company's Board of Directors, it has been determined that the overall effectiveness of the Board remains at a high level, based on the following points.

- By means of practices such as various types of briefing and the holding of executive

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.

- Group strategy and group performance are actively discussed for the purpose of increasing corporate value.

At the same time, as it is essential to continue working to raise the effectiveness of the Board of Directors and corporate value, it was confirmed that the following measures should be implemented:

- Ongoing discussion regarding the state of the business portfolio and the allocation of management resources
- Discussion regarding ESG and sustainability initiatives
- Discussion regarding improving diversity and inclusion
- Provision of opportunities to understand each business to ensure discussions are based on practical settings

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

In light of the results of the questionnaire, it was determined from discussions among all the directors and members of the Audit & Supervisory Board that the following important initiatives regarding the Group's optimal governance should be implemented in FY2022.

- ① Organize the necessary information to continue deepening discussions on the state of the Group's entire business portfolio and the allocation of management resources through executive study sessions and offsite meetings, as and when required.
- ② Deepen the Board of Director discussions on ESG and sustainability based on the Sustainability and ESG Promotion Committee study results
- ③ Report and discuss the content of the Nomination and Compensation Committee's discussions on diversity and inclusion to the Board of Directors
- ④ Promote understanding of the businesses through various methods including online participation in internal events, resuming onsite visits, and holding meet-and-greet sessions with onsite personnel.

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**

After analysis and discussion by the Board of Directors on the results of the FY2021 survey and interview, the following points were identified as important measures to enable an increase in the quality of Board discussions and a rise in its effectiveness.

- ① Monitoring of the medium-term management plan
  - Ongoing discussion regarding the state of the business portfolio and the allocation of management resources
- ② Discussion regarding nominations and compensation
  - Criteria for the appointment and dismissal of representative directors and evaluation methods (short-term objectives, medium-term objectives)
  - Succession planning for representative directors, executive training and compensation
- ③ Discussion regarding ESG and sustainability initiatives
- ④ Discussion regarding improving diversity and inclusion
- ⑤ Enhanced dialogue with shareholders and investors and improved feedback to management
- ⑥ Increase discussion time in order to facilitate the above-mentioned discussions by carefully selecting board meeting proposals.

Promote free and open discussion by increasing opportunities for dialogue among members of the Board of Directors through participation in various events including preliminary briefings and executive study sessions.

As a result of these efforts, the Board of Directors achieved high-quality discussions. It will continue to conduct such discussions in order to further increase corporate value.