



May 12, 2025

To whom it may concern:

Company Name: Solasto Corporation  
Representative: Toru Noda  
President and Representative  
Director, CEO  
(Securities Code: 6197 TSE PRIME)

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

Solasto Corporation (TSE: 6197, "Solasto") has evaluated the effectiveness of its Board of Directors. The following is a summary of this evaluation.

### **1. Methods used to evaluate the effectiveness of the Board of Directors**

A questionnaire on the effectiveness of the Board of Directors was distributed to and completed by all of the Directors and Corporate Auditors. Based on the results of this questionnaire, the Corporate Governance Committee ("CG Committee") and the Board of Directors analyzed and verified the effectiveness of the Board of Directors and constructively discussed issues to be addressed in the future.

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|---------------------------------|--|
| (1) Evaluator                   | All of the Directors and Corporate Auditors (10 members)   |
| (2) Evaluation method           | Web-based questionnaire survey (Anonymous form)  |
| (3) Survey period               | January 2025   |
| (4) Answer method               | 5-point scale and open-ended comment fields  |
| (5) Outline of evaluation items | (i) Composition of the Board of Directors<br>(ii) Operation of the Board of Directors<br>(iii) Culture the Board of Directors<br>(iv) Supervision and governance by the Board of Directors<br>(v) Discussion of management strategy/other topics |

### **2. Summary of the evaluation of the effectiveness of the Board of Directors**

The Board of Directors confirmed that, in terms of its composition and operations, an adequate system has been established for making important management decisions and supervising the execution of business operations. In addition, the Board confirmed that active discussions take place, including discussions with Outside Directors with diverse experience and expertise.

Meanwhile, given recommendations toward further improving the effectiveness of the Board of Directors,

the CG Committee and the Board of Directors discussed the ideal corporate governance of the Group and confirmed that the following initiatives should be taken.

Key issues toward further improvements in effectiveness	Future initiatives
Development of the next generation of managers with an eye toward medium- to long-term growth strategies	Redefine the skill sets required of Directors and Corporate Officers and continuously train the next generation of management candidates
Necessity to further enhance discussions conducted by the Board of Directors for the optimization of business portfolios	Increase the number of opportunities for discussions conducted by the Board of Directors for the purpose of optimizing business portfolios

By promoting these initiatives along with other measures, Solasto will continue to improve the effectiveness of the Board of Directors and strengthen corporate governance.

### **3. References: Improvement measures implemented based on the results of the previous evaluation**

Due to the results of the previous evaluation (January 2024) and subsequent discussions, the need to strengthen the risk management system, deepen discussions of long-term issues and cultivate the next generation of management personnel were identified.

Based on the results of this assessment, Solasto has taken the following actions.

- Enhancement of reporting to the Board of Directors regarding the execution of business
  - By increasing the supply of information on business risks and opportunities in the reporting of the execution of each business, we have refined discussions by the Board of Directors on the strategies of each business.
  - By reporting details, including the progress of discussions toward decision-making, as the status of discussions made at management meetings that function as an executive meeting structure, we have strengthened the monitoring of business execution conducted by the Board of Directors.
- Deepening of the process for developing the next generation of managers and implementation of evaluation by the Board of Directors
  - In addition to the provision of objective evaluations through interviews between Outside Directors and general managers, among other means, we have improved the effectiveness of the training process for general managers by offering management seminars to enable them to cultivate management perspectives and by holding new meetings aimed at discussing management issues.

- The CG Committee has confirmed the execution status and reasonableness of the training process from an objective perspective.

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