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## Summary of the Results of the Evaluation of the Effectiveness of KITO's Board of Directors

Kito Corporation ("the Company") announces that it has conducted an evaluation of the effectiveness of the Board of Directors for the fiscal year ended March 31, 2020, with the aim of confirming and continuously improving the effectiveness of the decision-making and management oversight functions of the Board of Directors.

### 1. Method of evaluation

A questionnaire was sent to all seven Directors and three Corporate Auditors to obtain their opinions on the following items, with a five-point scale for each item and a column for free entry of opinions. The evaluation items for fiscal 2020 year are the same as the evaluation items for fiscal 2019 (based on the TSE Corporate Governance Code revised in June 2018).

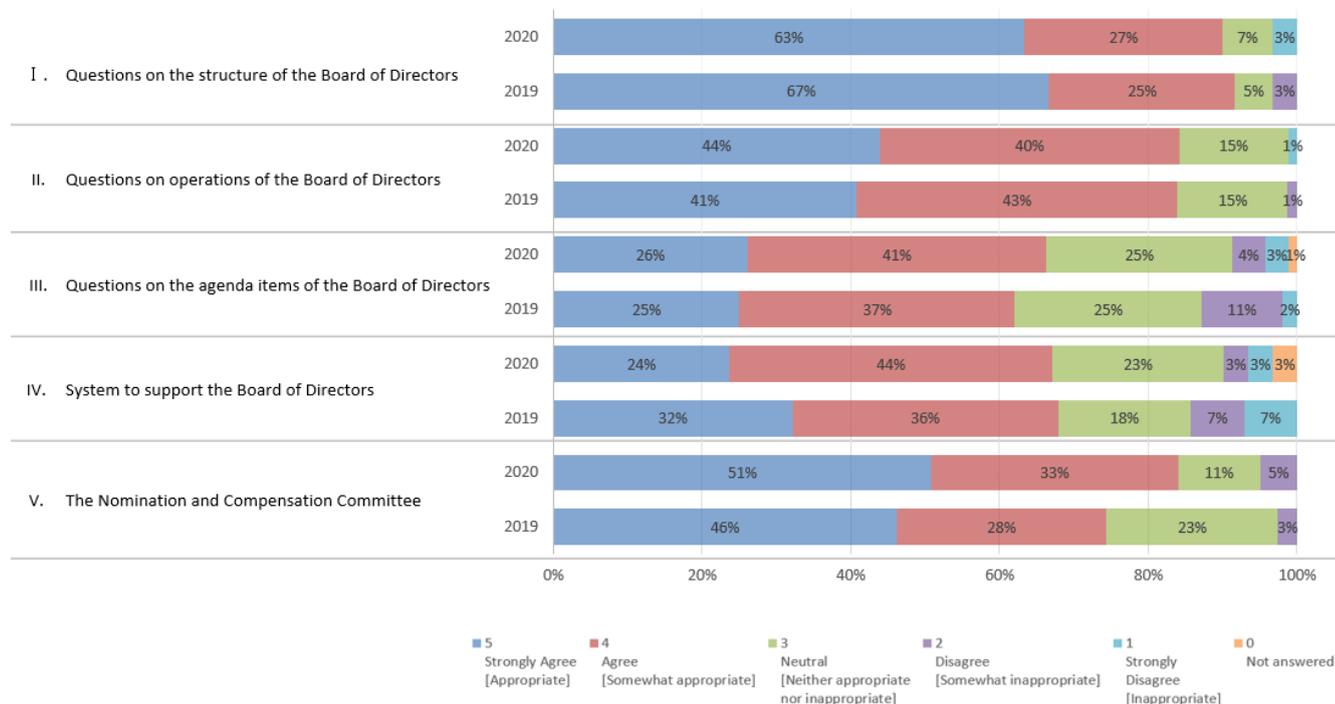
#### [Questionnaire items]

- (1) Composition of the Board of Directors (including composition, number and ratio of outside directors, diversity, term of office)
- (2) Method of operation of the Board of Directors (including role of the Board of Directors, contents of materials, delegation of authority, and level of active discussion)
- (3) Selection of agenda items (including status of discussions on remuneration, election and dismissal, and compliance, and status of responses to previous issues)
- (4) Systems supporting the Board of Directors (including opportunities and frequency of information exchange, status of cooperation with related departments, and access to information)
- (5) Questions on voluntary committees (including composition, status of discussions on remuneration, election and dismissal, and succession planning)

### 2. Evaluation results (summary)

As a result of the evaluation, the effectiveness of the Board of Directors as a whole was assessed to be adequately ensured. In particular, at the Board of Directors meeting where the evaluation results were reported, it was reconfirmed that each Director and Corporate Auditor can freely and openly engage in constructive discussions and opinions, and that any meeting has become a forum for transparent, fair, prompt and decisive decision-making. On the other hand, positive evaluations of "(3) Selection of agenda items" and "(4) System to support the Board of Directors" remained at around 70% this year. This is because the three issues recognized as a result of the effectiveness evaluation in fiscal 2018 and 2019 have not yet been resolved in fiscal 2020, although it was unavoidable due to the Covid-19 outbreak, and we have reached a common understanding that they will continue to be addressed in fiscal 2021.

## Set a total of 35 evaluation items



### 3. Issues to be addressed

As explained in "2. Evaluation Results (Summary)" above, based on the results of this evaluation, the Board of Directors has come to the conclusion that the three issues identified as a result of the effectiveness evaluation for fiscal 2018 and fiscal 2019 need to be continued to be addressed. In fiscal 2021, the Company will continue to address and improve the issues identified in order to further enhance the effectiveness of the Board of Directors as it formulates the next medium-term management plan.

The three issues identified as a result of the effectiveness assessment and the policy for addressing them are as follows:

Issues	Response Policy
Deepen discussions on medium- and long-term strategies, product strategies, and regional strategies	Discussions started in FY2020, but still halfway through due to the Covid-19 outbreak; quality of discussions will be improved in FY2021 and discussions will be deepened in conjunction with the formulation of the next medium-term management plan (scheduled to start in FY2022).
Increase the frequency of risk discussions and conduct regular reviews	Based on what we experienced in the Covid-19 outbreak, we will share the risks of our business and conduct sufficient analysis and consideration.
Specifically discuss management's succession plan	While progress has been made in the development of management succession, we will continue to discuss and advance a succession plan for the President and Representative Director.