

## **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 to 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 of results**

The results of the survey showed evaluation of the operations of the Board of Directors remained at a high level, the Board of Directors achieved substantial discussions and of all other items were confirmed to be at the same level as last year. 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 remains at a high level 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 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.
- In cooperation with the Nomination and Compensation Committee, which is entirely staffed by outside directors and chaired by an external director, there is a common view and ongoing discussion regarding the planning and training of management successors.

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:

- Further increased discussion about areas such as capital policy
- Expanded monitoring of both financial and non-financial information.

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

In light of the results of the survey, the Board of Directors decided through discussion that the following important initiatives should be implemented from FY2020 onward:

- Ongoing discussions about management strategy and capital policy from medium- and long-term perspectives
- Increased sharing of and discussion about non-financial information and sustainability
- Ongoing precautionary discussions about risks that could impact the group as a whole.

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 of the results of the FY2019 survey, the following points were identified as important measures to enable an increase in the quality of Board discussions and a rise in its effectiveness

- Monitoring of the medium-term management plan
- Increased discussions about management strategy and capital policy from medium- and long-term perspectives.

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.