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# Notice Concerning the Summary of Evaluation Results on the Effectiveness of Duskin's Board of Directors

Duskin Co., Ltd. (the "Company") hereby announces that it has analyzed and evaluated the effectiveness of its Board of Directors as a whole in order to achieve sustainable growth and stronger corporate value over the medium- to long-term. A summary of the results of this evaluation is provided below.

## I. Method of analysis and evaluation

A. After explaining the purpose of conducting an analysis and evaluation of the effectiveness of the Board of Directors as a whole to all Board Directors and Audit and Supervisory Board Members and gaining their understanding, a questionnaire survey was conducted by an expert third party.

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| Survey period | December 23, 2022-January 13, 2023 |
| Period under evaluation | The Board of Directors meetings held between April and December 2022 (13 times in total) |
| Main items in the questionnaire | How the Board of Directors should desirably be, its composition, operation, deliberations and monitoring functions, support system for Board Directors and Audit and Supervisory Board Members, training, dialogue with shareholders (investors), each individual's initiatives, the operation of the Directors Evaluation Committee and others |

B. An expert third party collected the answers from the questionnaire and, based on these results, the Outside Directors and Audit and Supervisory Board Members Council (consisting of all three Outside Directors and all three Outside Audit and Supervisory Board Members, who are designated as independent directors) analyzed and evaluated from multiple perspectives the Board of Directors' commitment during the period under evaluation. Finally, the Council provided their overall comments on FY2022 performance and made recommendations to the Board regarding the initiatives to be undertaken in FY2023.

C. The Board of Directors examined the recommendations of the Outside Directors and Audit and Supervisory Board Members Council to further improve effectiveness.

## II. Summary of the evaluation results

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| Analysis and evaluation period | February 9, 2023-March 22, 2023 |
| Regarding the effectiveness of the Board of Directors | • Matters of major importance to the management of the Group resolved at the Board of Directors meetings are supported by thorough deliberations.<br>• In addition to making important decisions, the Board discusses management issues. The time spent on such discussions has increased over the previous |

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| | fiscal year.<br>• Business Strategy Meetings held to define the Company's management strategy for the medium and long term enjoy full attendance from their members, including Outside Directors and Ouside Audit and Supervisory Board Members, and constructive discussions take place at these meetings. Furthermore, Outside Directors participate as observers in important meetings on business execution such as the Operating Officers' Board and Budget Meetings, and actively express their opinions as necessary. It is in ways such as these that the Board carries out its monitoring and supervisory functions effectively.<br>• All committees and meeting bodies serving as advisory panels to the Board of Directors are transparent and objective, and are functioning properly.<br>• Every year, an evaluation of the previous fiscal year is conducted to identify challenges. As such, initiatives and measures to further improve the Board of Directors' effectiveness are being implemented with much dedication. |

A. Status of initiatives addressing challenges in the previous fiscal year

Challenges: To improve corporate value, the Board of Directors will strengthen business supervision by monitoring measures in line with strategies and also by promptly and accurately analyzing, making judgments, and giving instructions.

Summary of results:
1. Improvements have been made in pointing out problems and promptly conducting reviews in case of any significant changes in the financial figures and timing for executing annual plans.
2. M&A deals were closed following a series of discussions aimed at creating new value for core businesses.
3. The decision was taken to expand as well as optimize overseas operations.

| Initiatives | Progress during FY2022 |
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| Reorganize the performance assessment units, which have hitherto been spread over a wide range of businesses, into business group units based on profit models, competitive environments and the value chain. The aim is to facilitate the PDCA cycle so as to ensure a return to growth. | Although performance assessment business units have not yet been reorganized, a project to reform the management accounting system was launched and discussions were held to further this reorganization. |
| Establish KPIs in line with management strategies, and enhance monitoring and discussion. | Established KPIs in line with strategies under the Medium-Term Management Policy 2022, monitored progress at monthly Budget Meetings, and advanced discussions in important meetings, such as Business Strategy Meetings, based on the KPIs. |

B. FY2023 initiatives

The Company's Board of Directors will continue to broaden discussions aimed at further enhancing the Board's overall effectiveness. For the fiscal year ending March 31, 2024 (FY2023), the Company will focus on the following initiatives:

1. Deepen the discussions on business portfolios to raise corporate value
   a. With capital costs in mind, examine each business and discuss selection and concentration
   b. Necessary deliberation process and accelerate decision-making
   c. Cross-organizational digital strategies aimed at lifting productivity and efficiency

2. With a focus on solving the Company's management issues and also on commitment of each employee, consider the human resource and evaluation systems

a. As a priority issue, periodically review and verify the evaluation system for management personnel (including Operating Officers)
b. Share information and challenges regarding the Directors Evaluation Committee

3. Advance discussions on how to improve capital markets' understanding of the Company

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