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To Whom It May Concern,

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Notice: The Evaluation of the Effectiveness of the Board of Directors

Insource Co., Ltd. (the “Company”) hereby announces that with the aim of enhancing the effectiveness of the Board of Directors and improving corporate value, the Company conducted a questionnaire on the effectiveness of the Board of Directors and received responses from all directors and corporate auditors, including external directors and external corporate auditors. Based on the responses, the Company conducted an analysis and evaluation of the effectiveness of the Board of Directors and discussed the results.

1. Method of the analysis and evaluation

Persons subject to evaluation	Total of 12: Directors (including external directors) and corporate auditors (including external corporate auditors)
Period	From mid Nov. to early Dec., 2022
Analysis method	Distribution and tabulation of questionnaires using the HR support system, “Leaf”
Evaluation method	5-Point rating scale and comments
Evaluation point	(1) Ensuring the rights and equality of shareholders (2) Appropriate collaboration with stakeholders other than shareholders (3) Ensuring appropriate information disclosure and transparency (4) Responsibilities of the Board of Directors, etc. (5) Dialogue with shareholders (6) Management of the Board of Directors (7) Size (number of employees) and members of the Board of Directors (8) System to support the Board of Directors (9) Communication among officers (directors and corporate auditors)

2. Results of the evaluation

The Board of Directors considered that the effectiveness of the Board of Directors is generally ensured for the following reasons.

Highly evaluated points

- (1) A system to obtain appropriate involvement and advice from the Nomination and Compensation Committee on key matters.
- (2) Timely and accurate disclosure of high value-added information to users, including not only financial statements but also non-financial information (monthly KPIs, etc.).
- (3) Responding to sustainability issues, including social and environmental issues.

On the other hand, we identified the following issue to be addressed to continuously enhance the effectiveness of the Board of Directors.

Issue to be addressed

- (1) Enhanced communication between internal and external executives.

3. Improvements in issues of last fiscal year

As a result of last fiscal year's evaluation of the effectiveness of the Board of Directors (Evaluation period: October 2021 - September 2022), we confirmed that improvements have been made with respect to priority issues, with a rating of adequate or almost adequate exceeding the previous year's rating.

Issues of last fiscal year	Improvements
Proactive involvement and supervision of CEOs and others in the development and operation of succession plans	The Board is required to consult with the Nomination and Compensation Committee, which advises and reports to the Board on matters related to executive management, such as succession planning. The Committee consists of at least three directors, elected by resolution of the Board, a majority of whom are independent non-executive directors. The Chairperson of the Committee shall be selected from among the members who are independent outside directors.

4. Actions to be taken for future issues

Based on the results of this evaluation, the Company will focus on the following points.

- (1) Management of board meetings and setting up opportunities to enhance communication between internal and external directors and officers.

The Company will continue to make efforts to further enhance the deliberations and effectiveness of the Board of Directors and to further strengthen corporate governance.

END