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Representative Director
(Securities code: 3391, Tokyo Stock
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Notice of Summary of the Evaluation Results Regarding the Effectiveness of Our Board of Directors

In line with the Corporate Governance Code, our company recognizes the importance of continuously improving the functions and effectiveness of the Board of Directors. As part of this initiative, we conducted an analysis and evaluation of the Board's effectiveness. We are pleased to share a summary of the results below.

1. Evaluation Method for Effectiveness

To analyze and evaluate the effectiveness of the Board of Directors, we conducted a self-evaluation using the "Board Effectiveness Evaluation Questionnaire" completed by all board members. The results were then discussed in board meetings, and the evaluation was based on this feedback. For the fiscal year 2024, to enhance objectivity and transparency, the evaluation was conducted with the assistance of a third-party organization.

Evaluation Items:

- (1) Composition of the Board
- (2) Operation and Discussion of the Board
- (3) Monitoring Function of the Board
- (4) Support System for the Board
- (5) Dialogue with Shareholders (Investors)

2. Analysis and Evaluation Results of Board Effectiveness

The analysis of the aforementioned questionnaire revealed that most responses were generally positive, indicating that the effectiveness of the Board of Directors, as required by the Corporate Governance Code, is largely ensured. However, we identified areas for improvement and will focus on addressing these as a company and board.

3. Issues and Future Considerations

- (1) Addressing Issues Identified in Previous Effectiveness Evaluations:
 - 1) To address the issue of succession planning for senior management, the Nomination and Compensation Committee has developed and implemented a concrete succession plan schedule.
 - 2) Meetings composed solely of independent outside directors were held, and active exchange of opinions was conducted
 - 3) Training for directors focused on key management topics, with external experts invited to conduct seminars.
 - 4) Regarding executive compensation, discussions are held in the Board of Directors on the design of a compensation system that appropriately sets the ratio of performance-linked compensation for medium- to long-term performance and the ratio of cash to stock-based compensation, following the review process in the Nomination and Compensation Committee.

- (2) Future Considerations Based on the Current Board Effectiveness Evaluation:
 - 1) Enhancing Discussion and Monitoring Functions of the Board In light of the rapidly changing business environment and market demands, we will further discuss and review the progress of the medium-term management plan, management conscious of capital costs and stock prices, and the supervision of group internal controls at board meetings.

In operating our Board of Directors, we will continue to strive for improved effectiveness, taking into account the evaluation results and addressing identified issues.