

Company name: Meiko Network Japan Co., Ltd.
Representative: Kazuhito Yamashita,
President & Representative Director
Stock code: 4668 (TSE First Section)
Contact: Kouyuki Sakamoto, Executive
Officer, General Manager of
Corporate Planning Department
Tel. +81-3-5860-2111

Overview of the Effectiveness Evaluation of the Board of Directors

Meiko Network Japan Co., Ltd. (the “Company”) hereby announces that it conducted an evaluation of the effectiveness of its Board of Directors to build an even more enhanced corporate governance structure and to further improve corporate value. An overview of these results is given below.

1. Method of Evaluation

The Company distributed a questionnaire to all its Directors and Corporate Auditors. The questionnaire consisted of a total of 12 items including those on the composition of the Board of Directors, the situation of deliberations and the operation structure as indicators to measure the effectiveness of the Board of Directors based on the issues in the effectiveness evaluation of the Board of Directors in the previous fiscal year (FY2020). The Company then confirmed the status of improvement by making a comparison with the effectiveness evaluation of the Board of Directors in the previous fiscal year based on opinions obtained from the responses of all the members.

2. Issues in the Effectiveness Evaluation of the Board of Directors in the Previous Fiscal Year (FY2020)

- (1) Evaluations of the results of each Director
- (2) Business improvement utilizing items identified by the Internal Audit Department

3. Overview of the Evaluation Results

The results of the above evaluation show that the Board of Directors of the Company continues to have a composition and number of members suitable for the size of its business. The Board of Directors was found to be actively discussing management policies to achieve continuous growth and measures to solve management issues. In addition, the Company has introduced a performance-linked stock compensation plan for Directors in regards to evaluating the results of each Director. The Company has clarified the evaluation of results with this compensation plan in which the stock compensation of each Director is determined according to the improvement in performance of the Company.

The Internal Audit Department gives multiple briefings to each Director in regards to business improvement by further utilizing items identified by the Internal Audit Department. The Board of Directors shares and discusses information because it is now possible to link the items identified by the Internal Audit Department to business improvement.

Accordingly, the composition of the Board of Directors, the situation of deliberations and the operation structure were recognized as generally being appropriate and effective. In addition, it was acknowledged that

certain improvements have also been made on the issues from the previous fiscal year.

Nevertheless, the Company recognized that the following issues exist.

- (1) Enhancement of discussions on mid- to long-term management issues and policies
- (2) Further discussions on the evaluations of the results of each Director

4. Future Response

The Board of Directors of the Company will aim to further improve its effectiveness. This will be achieved by the Board of Directors continuing to make efforts toward resolving issues based on the results of this evaluation.