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## Notice Regarding the Results of the Evaluation of the Effectiveness of the Board of Directors of the Company

In accordance with the Corporate Governance Code stipulated by the Tokyo Stock Exchange, UT Group Co., Ltd. conducted an analysis and evaluation of the effectiveness of the Board of Directors in order to improve its functions. The results are summarized below.

### 1. Method of analysis and evaluation

This is the third time to do the analysis and evaluation of the effectiveness of the Board of Directors following the first one in FY3/2022.

- (1) Evaluation period: February – March 2024
- (2) Subjects of evaluation: All directors and all audit & supervisory board members, 6 in total
- (3) Method of evaluation: Self-evaluation through a Web questionnaire, and the compilation and analysis of evaluation results by an external organization
- (4) Evaluation Items: 5 major items (29 questions in total)
  - 1) Organization and management of the Board of Directors
  - 2) Management strategy and business strategy
  - 3) Corporate ethics and risk management
  - 4) Performance monitoring, and evaluation and compensation of management
  - 5) Dialogue with shareholders, etc.
- (5) Answer method: 5-level evaluation and free comments and requests for each major item

### 2. Summary of the results of the analysis and evaluation

In the above questionnaire, we confirmed that the evaluation average for all five major items was 4.38, which is a further increase from the previous score of 4.16, that the Board of Directors is functioning appropriately based on the evaluation contents of each item listed below, and that the effectiveness of the Board of Directors is generally ensured. Even in the free comments, nothing pointed out any significant deficiencies.

### (1) Management and organization of the Board of Directors

The highest evaluation was given to the fact that the roles and functions of the Board of Directors and the management team responsible for business execution have been clearly identified, and so have been the roles and functions of outside directors in the Board of Directors.

In addition, improvements have been made to the method of explaining agenda items necessary and sufficient to deepen substantive discussions, which had been an issue raised at the time of the previous evaluation, and due consideration has been given to the advance distribution of materials and the timing of explanations, which has led to realize discussion of appropriate coverage and contents based on comprehensive understanding of necessary information. Higher evaluation was given to these points. However, it was also confirmed that the way of reporting and proceeding matters resolved by the Management Council at the Board of Directors meetings needs to become more efficient.

Regarding communication between management and outside directors, while outside directors and some executive officers have opportunities for dialogue and share necessary information at the Audit and Supervisory Committee, some expressed the view that the creation of opportunities for further enhancement of mutual communication should be considered.

### (2) Management strategy and business strategies

The Board of Directors received the highest evaluation for its efforts to realize higher sustainable corporate value in light of changes in the external environment, such as growing uncertainty in the business environment and rising social demand for sustainability.

At the same time, it was confirmed that the roles of the Board of Directors should be clarified in formulating medium- to long-term business plans, investing in human capital, and formulating and executing human resource strategies to realize the long-term management vision, and that efforts should be made to set the agenda of the Board of Directors based on these roles and to deepen discussions.

Regarding the realization of management that uses cost of capital as a base, while there is no particular problem in the discussion of investment and return in M&A activities and IT investments, it was pointed out that efforts such as appropriate allocation of management resources for sustainable growth and review of business portfolios should be promoted.

### (3) Corporate ethics and risk management

Factors such as "the supervision of the construction and operation of the internal control system," "the appropriate functions of the internal audit department," and "establishment of a risk assessment process" were highly evaluated. It was confirmed that the Board's risk management and assessment are appropriate, while the Board is sufficiently cooperating with the Internal Audit Division and other departments. Although the evaluation of the question items was generally high, some expressed the view that it would be desirable for the Board of Directors to confirm the

establishment of a risk management system throughout the value chain, including business partners, and the status of efforts to improve productivity.

(4) Performance monitoring, and evaluation and compensation of management

In March 2024, UT Group has decided to change the management system to have two representative directors. The objective is to accelerate decision-making and strengthen business execution functions by clarifying the roles of the two Representative Directors in realizing the Rolling Plan of the Fourth Medium-Term Business Plan. At the time of the previous evaluation, the formulation and operation of a successor plan for the CEO, etc. was identified as an issue, and had been continuously discussed.

Going forward, with regard to the development of the next generation of management personnel, it was confirmed that the Board of Directors and the Nomination and Compensation Committee should work to share their understanding concerning roles played by the Board of Directors and the Committee and that, based on this shared understanding, the Nomination and Compensation Committee should share information with the Board of Directors on the current status of discussions.

(5) Dialogue with shareholders, etc.

The Board of Directors received the highest evaluation for its efforts to utilize dialogue with shareholders to enhance corporate value, such as by reviewing strategies, KPIs, and governance based on the opinions obtained from shareholders and investors through dialogue. Some expressed the view that discussions from the perspectives of corporate value enhancement and share price have become deeper than before. In addition, as mentioned above in (2) Management strategy and business strategy, there was an opinion that efforts should be considered to realize management with an awareness of capital cost and share price.

**3. Future responses based on the results of analysis and evaluation**

Based on the results, the Board of Directors will focus on addressing the above-mentioned issues, continuously strive to ensure the effectiveness of the Board of Directors, and aim to further enhance corporate governance and continuously raise corporate value.

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