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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	Mid - late November, 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) Development of systems and initiatives to promote dialogue with institutional investors and other shareholders
- (2) Timely and accurate disclosure of not only financial statements but also non-financial information (monthly KPIs, etc.) and other information with high added value for users.
- (3) Overall balanced composition of the knowledge, experience, and competence of members of the Board of Directors.

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) Proactive involvement and supervision in the development and operation of succession plans of CEOs and others.

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 2020 - September 2021), 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
Establishing opportunities for continuous dialogue between internal and external officers	(1) Conducting meetings for exchange of opinions between external directors and the Board of Corporate Auditors. (2) Conducting meetings on a regular basis between external directors and business department managers.

4. Actions to be taken for future issues

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

- (1) Further collaboration and discussion between the Board of Directors and the Nomination and Compensation Committee.

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