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Notice Regarding Summary of Self-Evaluation Results Concerning the Effectiveness of the Board of Directors

Since the fiscal year ended June 20, 2019, JOYFUL HONDA CO., LTD. (the “Company”) has been conducting a self-evaluation concerning the effectiveness of the Company’s Board of Directors. The aim is to improve the functions of the Board of Directors through an ongoing process of verifying whether the Board of Directors is functioning appropriately and taking the necessary measures to resolve any identified issues. We have completed our analysis and evaluation for the fiscal year ended June 20, 2025, and hereby announce a summary of the results as below.

1. Evaluation process

- (1) Target: All directors (five) and all statutory auditors (three)
- (2) Response method: Questionnaire with names (conducted in June 2025)
- (3) Questionnaire items
 - 1) Composition of the Board of Directors
 - (a) Number of members of the Board of Directors and number and percentage of external directors
 - (b) Knowledge, experience, and competence of external directors with regards to corporate management
 - (c) Diversity of the members of the Board of Directors (including statutory auditors)
 - 2) Operation of the Board of Directors
 - (a) Frequency of meetings, annual schedule, and advance determination of agenda items
 - (b) Scope and volume of agenda items, content and volume of material to be submitted
 - (c) Securing time for preliminary consideration
 - (d) Time allocated for deliberation of each agenda item, course of proceedings, and liveliness of discussion
 - 3) Agenda of the Board of Directors meeting
 - (a) Deliberation of agenda items that indicate the general direction of corporate strategy
 - (b) Selection of agenda items and timing of proposals
 - (c) Atmosphere supporting risk-taking proposals
 - (d) Development and operation of compliance, internal control and risk management systems
 - (e) Major risks affecting business
 - (f) Human resources strategy and items related to human capital
 - (g) Management of conflicts of interest

- 4) Support system for the Board of Directors
 - (a) Ensuring opportunities for directors, including external directors, to collect information
 - (b) Ensuring statutory auditors' authority to investigate and opportunities to collect information
- 5) Functionality of the Nominating Committee and Compensation Committee (both voluntary organizations)
- 6) Adequacy of communication between executive directors and external directors
- 7) Adequacy of communication between external directors and statutory auditors

2. Issues addressed during the fiscal year ended June 20, 2025, based on the results of the previous questionnaire

Since the start of the questionnaire in the fiscal year ended June 20, 2019, the evaluation has improved year by year, and in the fiscal year ended June 20, 2024, the effectiveness of the Company's Board of Directors received generally high marks from both internal and external directors as well as statutory auditors. Against this backdrop, in the fiscal year ended June 20, 2025, the Company implemented the following measures to further improve effectiveness.

- (1) The department manager and members in charge of drafting attend the meetings of the Board of Directors and respond directly to questions, enabling swift action to be taken for any items that need to be revised or pointed out
- (2) Continue to provide advance notice of the agenda for the next meeting, thoroughly distribute meeting materials in advance, simplify the summary explanations given at the meetings, and share the contents of prior discussions at Management Councils in order to further deepen discussions
- (3) With regard to matters to be resolved that involve disclosure, opinions are sought in advance from each director on the draft of the disclosure document, etc., and necessary amendments are made before the resolution is made to ensure smooth disclosure operations
- (4) Hold intensive discussions at off-site meetings regarding the formulation of the next medium-term management plan (scheduled to be released in August 2025)

3. Summary of evaluation results concerning the effectiveness of the Board of Directors for the fiscal year ended June 20, 2025

According to the results of the questionnaire, all items, including the composition of the Board of Directors, the operation of the Board of Directors, the agenda of the Board of Directors, and the support system for the Board of Directors, received high evaluations, as was the case in the previous questionnaire. The Company believes that this is the result of the Company's efforts to address the issues mentioned above, and improvements have been made particularly in the following areas.

- The department manager and members in charge of drafting attended the meetings of the Board of Directors and engaged in direct question and answer sessions, enabling revisions and comments to be communicated directly, which led to speedy execution of tasks.
- Three off-site meetings were held separately from the Board of Directors meetings in the fiscal year ended June 20, 2025, to discuss the formulation of the next medium-term management plan.

4. Issues to be addressed in the fiscal year ending June 20, 2026

Summarizing the above, the Board of Directors of the Company has determined that the effectiveness of the Board of Directors for the fiscal year ended June 20, 2025 was appropriately secured. However, in order to further enhance effectiveness, the Company has identified the following items as challenges and will continue to address them on an ongoing basis.

- Utilize off-site meetings to focus on discussions regarding medium- to long-term management issues, risks, and human capital

- Persons drafting shall attend the Board of Directors meetings and respond directly to questions and comments regarding the questionnaire in order to respond promptly and accurately to any revisions or comments
- Continue to distribute meeting materials in advance and simplify summary explanations at the meetings, and share the contents of prior discussions at Management Councils with the Board of Directors to make discussions more substantive and in-depth

The Company's Board of Directors will continue to work to improve its effectiveness and further strengthen corporate governance through the implementation of these initiatives.