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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, 2026 and hereby announce a summary of the results as follows.

1. Evaluation process

(1) Respondents: All Directors (five) and all Statutory Auditors (three)
(2) Response method: Questionnaire with names (conducted in June 2026)
(3) Questionnaire items

1) Board of Directors composition
- (a) Are the size and composition of the Board of Directors appropriate to provide effective oversight in light of the scale and characteristics of the Company's business?
- (b) Are the number and proportion of External Directors appropriate to ensure independent oversight and checks on management?
- (c) Are the External Directors able to take advantage of their expertise in management, finance, the Company's industry, and other fields to provide advice and express opinions that serve to enhance the quality of management decision-making?
- (d) Does the Board of Directors as a whole ensure diversity in knowledge, experience, gender, background, and other personal attributes?

2) Board of Directors operation and information provided
- (a) Are the frequency of Board of Directors meetings and the annual schedule sufficient to provide appropriate oversight of key management decisions?
- (b) Are agenda items submitted to the Board of Directors appropriately limited to matters of material management importance?
- (c) Do materials prepared for the Board of Directors present the information necessary for decision-making and oversight, including options, risks, and underlying assumptions, in a well-organized manner?
- (d) Is sufficient time provided to review and consider materials prepared for the Board of Directors in advance?
- (e) Do the meeting procedures of the Board of Directors, including the chair's facilitation and opportunities for members to speak, encourage external officers to raise issues and ask questions?

(f) Does the Board of Directors engage in substantive, two-way discussions rather than merely receiving formal reports?

3) Involvement in strategy and management oversight

(a) Is the Board of Directors sufficiently involved from the planning stage of the Medium-Term Management Plan and other key growth strategies?

(b) Does the Board of Directors deliberate and oversee major investments, new store openings, M&A, business restructuring, capital policy, and similar matters in an appropriate manner from a risk-and-return perspective?

(c) Does the Board of Directors engage in constructive discussions and provide the necessary support for proposals from management that involve appropriate risk-taking?

(d) Does the Board of Directors continuously oversee compliance, internal controls, and the risk management framework from the standpoint of effectiveness?

(e) Does the Board of Directors discuss and oversee human capital and talent strategies, including talent development, succession planning, and management evaluation, from a medium- to long-term perspective?

(f) Does the Board of Directors discuss and oversee sustainability, ESG, and the Company's response to societal issues in a manner that links them to enhancing corporate value?

4) Operating environment for committees and external officers

(a) Do external officers enjoy the benefit of an environment in which they can easily request additional information from management or the secretariat regarding unclear matters or concerns?

(b) Can Statutory Auditors access the information they need from an independent standpoint?

(c) Do the Nominating Committee and Compensation Committee function effectively while maintaining their independence?

(d) Is sufficient communication maintained among the external officers and between the external officers and Executive Directors, on both a formal and an informal basis?

5) Issues that should receive priority for improvement in order to further enhance the effectiveness of the Board of Directors

6) Strengths and characteristics of the Company's Board of Directors from the perspective of the external officers

2. Issues addressed during the fiscal year ended June 20, 2026 based on the results of the previous survey

Since launching the survey for the fiscal year ended June 20, 2019, the evaluation has improved year by year, and the survey for the fiscal year ended June 20, 2025 also received generally high ratings from both internal and external Directors and Statutory Auditors. Against this backdrop, during the fiscal year ended June 20, 2026, the Company implemented the following initiatives to further enhance effectiveness.

(1) The department manager and staff from the proposing departments attended the meetings of the Board of Directors and responded directly to questions, enabling swift action on revisions and issues raised

(2) The Company continued providing advance notice of the next meeting agenda, distributing meeting materials in advance, and streamlining overview presentations during meetings while sharing the content of prior discussions at Management Council meetings to promote deeper discussion.

(3) Off-site meetings were held to focus on discussions regarding medium- to long-term management issues, risks, and human capital.

3. Summary of evaluation results concerning the effectiveness of the Board of Directors for the fiscal year ended June 20, 2026

According to the survey results, the Board of Directors again received high evaluations consistent with the previous survey in all categories, including Board composition, Board operation and information provided, involvement in strategy and management oversight, and the operating environment for committees and external officers. 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.

- By having department managers and staff from the proposing departments attend Board of Directors meetings and respond directly to questions, the Company ensured that requested revisions and issues raised were communicated directly, thereby contributing to the development of executive personnel and the faster execution of operations.
- By continuing to provide advance notice of the next meeting agenda, distribute meeting materials in advance, and streamline overview presentations during meetings, the Board established a discussion-focused meeting style based on advance review of materials, resulting in more substantive deliberations.
- By making use of off-site meetings, the Board secured opportunities for focused discussions on the future business environment, the long-term direction of management to enhance corporate value, key growth strategies, and medium- to long-term management issues, resulting in more substantive strategic discussions at Board of Directors meetings.

4. Issues to be addressed in the fiscal year ending June 20, 2027

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, 2026, 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.

- Strengthen initiatives related to human capital management and the development of the next generation of management talent to further enhance the Board's oversight function with a view to increasing corporate value over the medium to long term.
- Further deepen strategic discussions on the Company's medium- to long-term management vision, growth strategies, and future risks.
- Enhance follow-up on issues raised by the Board of Directors and improve the information provided to further increase the effectiveness of Board operations.

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.