

Evaluation of the Effectiveness of the Board of Directors

Direct Marketing MiX Inc. conducts a questionnaire once a year to all members of the Board of Directors and implement a self-evaluation by them in order to improve the effectiveness of the Board. In addition, by means of individual interviews with each member of the Board of Directors, we identify matters requiring improvement and other issues, which are analyzed and evaluated in the Board. The summary of the process and results of evaluating the effectiveness of the Board of Directors implemented in fiscal 2022 are as follows:

1. Evaluation process

(1) Questionnaire

(i) Target: All 10 members of the Board of Directors (4 internal members of the Board of Directors, 6 outside members of the Board of Directors)

(ii) Method of reply: 5-step selection

(iii) Main evaluation points:

(a) Composition of the Board of Directors

(b) Operation of the Board of Directors

(c) Response to outside members of the Board of Directors

(d) Structure supporting the Board of Directors

(e) Risk management

(f) Training of members of the Board of Directors

(g) Transition to status of a company with Nominating and other Committees

(h) Sustainability initiatives

(i) Dialogue with stakeholders

(2) Interview

(i) Target: All members of the Board of Directors

(ii) Interviewer: Board of Directors Secretariat

(iii) Content of interview: Hearing of opinions through individual interviews with reference to questionnaire results

(3) Analysis and evaluation in the Board of Directors

The results of the evaluation of the Board of Directors show that the Board of Directors

is fulfilling its roles and responsibilities, etc., indicating that it is generally functioning properly and that its effectiveness has been ensured.

2. Evaluation results

(1) Initiatives in the light of last evaluation results

The following initiatives were undertaken in response to issues, etc. identified in the fiscal 2021 effectiveness evaluation:

(a) Ensuring the diversity of the Board of Directors

On the occasion of our transition to the status of a company with a Nominating and other Committees, we achieved such results as increasing the number of women on the Board by two persons and increasing the number of outside members of the Board of Directors to more than half of the board.

(b) Operation of the Board of Directors

By endeavoring to hold online meetings of the Board of Directors, utilize web systems for sharing materials, and expand qualitative information in reports on the state of work execution, we enhanced the quality of discussions and improved understanding of the matters discussed.

(c) Response to outside members of the Board of Directors

By increasing opportunities for outside members of the Board of Directors to participate in sales meetings and the Risk and Compliance Committee meetings as observers, we deepened their understanding of our business.

(d) Sustainability initiatives

We hold the Sustainability Committee meetings once a quarter and report the content of discussions, etc. to the Board of Directors. In fiscal 2022 we proceeded with formulation of the DmMiX Group's materiality (key issues) and other matters.

(e) Dialogue with stakeholders

We conducted feedback to the Board of Directors regarding the state of investor relations (IR) meetings with institutional investors, etc.

(2) Response to future issues

In the light of issues identified in the fiscal 2022 effectiveness evaluation, we decided to promote mainly the following initiatives in fiscal 2023:

(a) Vitalization of discussions relating to medium- to long-term management strategy

(b) Expansion of the supply of materials to the Board of Directors

- (c) Strengthening of the Nominating Committee's operational structure
- (d) Further enhancement of training for members of the Board of Directors

Through these initiatives, we will strive to improve the effectiveness of the Board of Directors and further strengthen corporate governance.