

CELSYS, Inc.

Kei Narushima, President

(Securities code: 3663, Tokyo Stock Exchange,
Prime Market)

Contact: Ken Ito, Director

Telephone: +81-3-6258-2904

Overview of Evaluation Results of Effectiveness of the Board of Directors

The Board of Directors of CELSYS, Inc. (the “Company”) has conducted an evaluation of the effectiveness of the Board of Directors in accordance with the Corporate Governance Code set forth by Tokyo Stock Exchange, Inc. with an aim to establish an even more extensive corporate governance system and enhance corporate value in the medium to long term. The Company hereby announces an overview of the results of this evaluation as described below.

1. Method of evaluation of effectiveness of the Board of Directors

A questionnaire regarding the effectiveness of the Board of Directors was distributed to the Company’s Directors (including Directors serving as Audit and Supervisory Committee Members), to which the Directors provided responses in turn. The questionnaire also requested that each Director freely express any opinions or suggestions they may maintain that should be considered on behalf of the improvement of the Company’s Board of Directors. A total of 26 items were listed on the questionnaire, with the main questions revolving around topics including the composition and operation of the Board of Directors, management and business strategies, monitoring of financial results, and the appointment, dismissal, and compensation of Directors.

2. Overview of evaluation results of effectiveness of the Board of Directors

As a result of the above evaluation, the Company found that the Board of Directors maintains a composition and number of members that is appropriate for the scale of the Company’s business, presents increased opportunities for in-depth discussions from the perspective of business strategy and discussions on the enhancement of business profitability, and actively engages in discussions, etc. involving multilateral reviews and improvement measures in relation to progress on plans, analysis of current conditions, and unresolved matters. In addition, the Company found that the Board of Directors functions appropriately in general in terms of aspects including the operation of the Board of Directors (agenda setting, content and quantity of materials, time for deliberation, etc.) and provision of information to outside officers, and that the effectiveness of the Board of Directors is ensured.

However, the Company confirmed that, in order to further increase the effectiveness of the Board of Directors, securing time in advance to examine materials to be submitted to Board of Directors meetings and conducting more in-depth discussions on Director nomination aimed at making the organization of the Board of Directors sustainable will be issues to be addressed in the future.

3. Future initiatives

Based on the context provided by these evaluation results and the recommendations and opinions received from each Director, in addition to conducting more in-depth discussions on the direction of management strategies, etc. and other issues, the Company's Board of Directors will also engage in initiatives such as organizing separate opportunities for sharing information to promote understanding of agenda items in order to further increase the effectiveness of the Board of Directors, aiming to establish an even more extensive corporate governance system and further enhance corporate value.