

February 13, 2024

For immediate release

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Overview of the Results of an Evaluation of the Effectiveness of the Board of Directors and Past Improvement Initiatives

Hioki has carried out an evaluation and analysis of the effectiveness of its Board of Directors during the fiscal year ended December 31, 2023. An overview of the results follows.

1. Evaluation method

(1) Schedule

December 2023: The Board finalized the general parameters of the evaluation of its effectiveness along with a questionnaire for self-evaluation. The questionnaire was administered to respondents.

January 2024: The Board discussed issues and how to address them based on the questionnaire results and members' free responses.

February 2024: The Board made a final determination concerning the evaluation of its effectiveness based on the results of the discussion.

(2) Respondents: 8 directors and 4 auditors

(3) Question subjects

The questionnaire consisted of a total of 12 questions addressing subjects such as the following:

- Roles and responsibilities of directors (and the Board)
- Review of topics discussed by the Board
- Number of Board meetings and time spent on deliberations
- Materials submitted to the Board
- Institutional design and structure of the Board and other bodies

·Procedural leadership by the chairman

2. Overview of evaluation results

Based on the results of past evaluations of its effectiveness, the Board moved ahead with improvements such as increasing opportunities for free discussion of management strategy during the fiscal year ended December 31, 2023, and it found those changes to be effective. The body also identified the appropriate provision of education and training needed by directors and auditors as a strength.

At the same time, the evaluation found a number of issues that need to be addressed so that the Board can function even more effectively, including the manner in which potential resolutions are discussed by the Board, the provision of materials in a timely manner, and the allocation of time for deliberations.

3. Future measures

Based on the above evaluation results and discussions by the Board in response, the Board's secretariat will standardize the format used for resolutions in an effort to ensure members can receive comprehensive information, and the Board will take steps to put in place an environment that's conducive to more meaningful discussions within the limited amount of time available, for example by working on an ongoing basis to provide materials to members more quickly.

In addition, the Board will move to facilitate lively discussions that help improve Hioki's corporate value, for example by scheduling several opportunities each year for discussions that are not constrained by time considerations and by planning off-site meetings. Furthermore, the Board will continue to take steps to ensure directors and auditors receive education and training, an area that has been identified as one of Hioki's strengths.

Fiscal year ended December 31, 2023

Issue/strength	Planned improvements to be implemented during the fiscal year ending December 31, 2024
Putting in place an environment conducive to more meaningful discussions within the limited amount of time available	(1) Improve the quantity and quality of information, for example by standardizing the format used for resolutions to better articulate proposed provisions and provide comprehensive information. (2) Continue to work to provide materials to members more quickly.
Adding opportunities for free discussion in ways that help improve corporate value	(1) Schedule opportunities for members to discuss topics including medium- and long-term issues outside regular Board of Directors meetings. (2) Plan off-site meetings.

Providing opportunities for education and training to directors and auditors	(1) Offer education and training that make use of online seminars and other types of content.
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4. Overview of the results of past Board of Directors evaluations and initiatives to improve effectiveness
Following is an overview of the results of evaluations of the effectiveness of the Board during the fiscal years ended December 31, 2021, and December 31, 2022, as well as subsequent steps taken to address issued found.

(1) Fiscal year ended December 31, 2021

Issue	Improvements implemented during the fiscal year ended December 31, 2022
Allocating time for reports and discussion of management strategy	(1) The Board held broad discussions of management strategy based on an analysis of the company's performance. Example topics included the following: ·Basic Policy on Sustainability and specific measures ·Pricing changes in Japan and overseas and associated results ·Reports on digital transformation (DX) policies and subsequent strategies ·Strategies concerning overseas sales subsidiaries ·Internal controls and risk management
Identifying issues to be deliberated by the Board and related improvements	(1) The Board reviewed its rules of administrative authority and reclassified some matters that had previously required resolutions so that they only require reports to secure more time for deliberation.
Providing materials more quickly	(1) The Board took steps to ensure materials would be provided to members in a more timely manner, for example by imposing deadlines.

(2) Fiscal year ended December 31, 2022

Issue	Improvements implemented during the fiscal year ended December 31, 2023
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Ensuring sufficient time to discuss the formulation of management principles and management strategy, which together provide the basis for improving corporate value over the medium and long term, and using the results to shape internal deliberations	(1) In addition to scheduling multiple discussions of management strategy and the Medium-term Business Plan, the Board held several free discussions concerning growth strategies. (2) The Board held new discussions about its approach to complying with the Corporate Governance Code and resolved to better incorporate awareness of capital costs and share price into its management. (3) Based on the results of a meeting of outside officers (attended by four outside directors and two outside auditors), the Board held meetings with the president outside regularly scheduled Board of Directors meetings.
Streamlining administration of the Board of Directors	(1) The Board added several discussions about management strategy and the Medium-term Business Plan into its annual plan and held those discussions as planned. (2) The Board took steps to allow input concerning time-sensitive decisions in a timely manner by adding relevant topics to deliberations in advance and leveraged those changes to reduce the amount of time spent dealing with resolutions. (3) The company developed an environment allowing timely inquiries and information exchanges online.
Enhancing management statistics	(1) The company developed indicators for assessing the extent of sales subsidiaries' contributions to the Group and began monitoring them.
Providing materials more quickly	(1) The Board determined to provide deliberation materials via a cloud server at least two days prior to scheduled meetings. (2) The Board provided opportunities for outside directors to attend important meetings of bodies such as the Operations Committee as observers by informing them of sessions in advance.

Hioki will continue to work to improve the effectiveness of the Board of Directors based on the results of this evaluation and the various suggestions provided by directors and auditors.