

Summary of the Evaluation Results of the Effectiveness  
of the Board of Directors for the 9th Fiscal Year

TAUNS Laboratories, Inc. (hereinafter referred to as "TAUNS") periodically conducts an evaluation of the effectiveness of its Board of Directors in order to improve the function of the Board of Directors. The following is a summary of the evaluation results of the effectiveness of the Board of Directors for the 9th fiscal year (ending June 30, 2024).

1 . Evaluation Procedure

After the Nomination and Compensation Advisory Committee discussed the contents of the questionnaire for the evaluation of the effectiveness of the Board of Directors for the 9th fiscal year (ending June 30, 2024), a questionnaire was sent to five Directors and three Audit & Supervisory Board Members, with the evaluation categories (main categories) of (1) composition of the Board of Directors, (2) operation and deliberation of the Board of Directors, and (3) support system for the Board of Directors. Based on the results of the questionnaire, the Nomination and Compensation Advisory Committee and the Board of Directors deliberated several times and finalized the evaluation of the effectiveness of the Board of Directors at the Board of Directors meeting held on August 13, 2024.

2 . Summary of the Evaluation Results

The results of the questionnaire showed that each of the evaluation items was rated as "adequate and appropriate" or "generally adequate and appropriate" as a whole, and based on the individual opinions attached to the questionnaire, the effectiveness of the Board of Directors of TAUNS was evaluated as secured.

3 . Issues Identified and Actions for the Future

- i. There was a view that we need more opportunities to report and discuss medium and long-term strategies and management plans, and to adequately monitor the implementation and progress of each action. We will increase the opportunities for discussion on these agendas and enhance our discussions.
- ii. There was a view that there is a need for further discussion on risk management. We will seek to identify potential risks through increased engagement with the Audit & Supervisory Board and will work to enhance discussions on policies to manage identified risks.

TAUNS will continue our efforts to improve the function of the Board of Directors, based on the results of this evaluation of the Board's effectiveness.

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