

Summary of Results of Evaluation of the Board of Directors' Effectiveness

SCREEN Holdings Co., Ltd.

The Board of Directors of SCREEN Holdings Co., Ltd. (hereinafter referred to as “the Company”) regularly conducts a self-analysis and evaluation of its effectiveness and publishes a summary of the results. Its goal is to determine how the Board contributes to the effective implementation of corporate governance and to identify and improve issues. The Company hereby discloses a summary of the results of the analysis and evaluation of the Board’s effectiveness for the fiscal year ended March 31, 2019. Advice from a third-party organization was incorporated into the current analysis and evaluation.

The Board intends to develop and implement remedies based on the analysis and evaluation results described below and to enhance the Board’s functionality toward helping the Company achieve continuous growth and increasing its corporate value over the medium and long term.

1. Method of Evaluation and Analysis
 - (1) Date conducted: March 2019
 - (2) Respondents: All Directors and Auditors (13 people in total, including outside Directors and Auditors)
 - (3) Procedure: Self-evaluation through response to a questionnaire/interview conducted by a third-party organization
 - 1) The third-party organization conducted an anonymous self-evaluation questionnaire and personal interviews.
 - 2) The third-party organization summarized questionnaire responses and combined them with interview findings to analyze the overall results.
 - 3) The Board examined and discussed a report received from the third-party organization.
 - (4) Outline of the questionnaire
 - 1) Your vision of the Board at the Company
 - 2) Structure of the Board
 - 3) Operation of the Board
 - 4) Support systems for Directors and Auditors

- 5) Communication with shareholders (investors)
- 6) Your efforts
- 7) Nomination and Compensation Advisory Committee
- 8) Summary

The respondents answered each question by performing self-evaluation on a scale of 1 to 5 as well as by providing descriptive answers based on their thoughts. Through the questionnaire and personal interviews, they directly reported their self-evaluations of the Board to the third-party organization.

2. Evaluation Results

The third-party organization reported the following analysis results:

- The analysis found that many of the respondents viewed the Board as effectively functioning in general.
- However, the questionnaire found that improvement opportunities were recognized in the areas of the supervision of internal control and of the implementation of the risk management system, the number of items on the agenda for Board meetings, and assurance of sufficient time for deliberation by the Board.
- The respondents also indicated strong interest in the issues of vision and challenges for the Board under the holding company system, diversity of the Board, major points of discussion on nomination and compensation, the role of outside Directors/Auditors, and communication with shareholders (investors).

Actions on issues recognized in last year's evaluation

The following issues were identified in last year's evaluation and have been addressed over the past year.

- 1) Discussion to ensure diversity of the Board
Keenly recognizing the importance of bringing diversity to the Board in such aspects as specialty, internationality, and gender, the Board has been implementing measures to lay the groundwork for better diversity, including expanding specialty and internationality at various levels of the SCREEN Group and promoting the empowerment of women. To facilitate continued efforts toward Board diversity, the Board will develop and implement further actions.
- 2) Increasing and improving information provided to outside Directors and Auditors
Efforts were made to increase opportunities to explain to outside Directors and Auditors the issues on the agenda ahead of Board meetings and thus to foster smooth progress of the meetings. This resulted in allowing the creation of sufficient time for

deliberation. The Board will offer wider information to outside Directors and Auditors by enhancing the opportunity for communication with them.

3. Next Step

Based on the third-party organization's evaluations and advice, the Board will step up efforts to address the issues concerning the establishment of policies for succession planning and development, mainly through deliberations by the Nomination and Compensation Advisory Committee, and will conduct deeper discussions on ways to enhance and establish risk identification/management systems and on medium- to long-term management strategy.

The Company's Board will strive to improve its functionality and enhance corporate governance through repeated evaluations of the Board's effectiveness and aim to expand the Company's corporate value continuously.

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