

June 11, 2021

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, 2021. The analysis and evaluation were conducted with the advice of a third-party organization, and the results are compared with third-party evaluations of other companies.

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 sustainable growth and increasing its corporate value over the medium and long term.

1. Method of Evaluation and Analysis

- (1) Date conducted: March 15 to 26, 2021
- (2) Respondents: All Directors and Auditors (12 people in total, including outside Directors and Corporate Auditors)
- (3) Procedure: Self-evaluation through response to a questionnaire conducted by a third-party organization
 - 1) The third-party organization conducted an anonymous self-evaluation questionnaire.
 - 2) The third-party organization summarized questionnaire responses to analyze the overall results.
 - 3) The Board examined and discussed a report received from the third-party organization.
- (4) Outline of the questionnaire (40 questions)
 - 1) Structure of the Board
 - 2) Operation of the Board
 - 3) Deliberation by the Board
 - 4) Monitoring function of the Board
 - 5) Support systems for Directors and Auditors
 - 6) Training
 - 7) Nomination and Compensation Advisory Committee

- 8) Communication with shareholders (investors)
- 9) Performance of inside Directors
- 10) Performance of outside Directors
- 11) Your efforts
- 12) Summary

The respondents answered each question by performing a self-evaluation on a scale of 1 to 5 as well as by freely describing their views on issues such as what is needed to further enhance the effectiveness of the Board. They directly reported their self-evaluations of the Board to the third-party organization.

2. Evaluation Results

The results show that the Board of Directors is generally fulfilling its roles and functions appropriately. Evaluations improved compared with the previous fiscal year in the following areas: the number of items put up for discussion is more appropriate; more time is allocated for pre-meeting deliberation; management strategies and plans are discussed sufficiently with an awareness of profitability and capital efficiency; and sufficient information is provided on the management, finance, and risk management of the Company and the Group in addition to data on the industry, management challenges, and compliance issues.

However, as in the previous fiscal year, there remains room for improvement in the discussion of potential risks in management strategies and plans, the manner in which updates and revisions are discussed, and the training opportunities available for directors

Actions on issues recognized in last year's evaluation

(1) Evaluation of potential risks, updates and revisions to management systems

As part of the corporate governance structure, the Group Risk Committee is responsible for understanding the status, location, and impact of risks for the entire Group, confirming and instructing response policies according to their level of importance, and reporting to the Board of Directors. Based on the reports, the Board of Directors recognizes and discusses potential and apparent risk items and their importance.

(2) Provision of training opportunities available for directors

During the fiscal year under review, Board members were unable to visit business and production sites due to the ongoing COVID-19 pandemic; however, the executive officers were able to provide detailed explanations and background information in the form of briefings prior to meetings on matters to be discussed by the Board of Directors.

In addition, we provide opportunities to understand the situation of the Company by periodically furnishing reports prepared by the CEO, Chairman of the Board, and presidents of major subsidiaries.

3. Next steps

Based on these evaluations and cause analyses, the Company's Board and relevant internal sections will work to ensure lively and diverse discussions and improve the quality of deliberations at the Board of Directors with regard to issues such as risk management and the provision of training opportunities by sharing questions at internal meetings and deepening understanding of business management through site visits.

The Board will strive to improve its functions and expand the Company's corporate value continuously through strengthened corporate governance.