

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, 2022. 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: January 28 to March 2, 2022
- (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 and one-on-one interviews conducted by a third-party organization
 - 1) The third-party organization conducted an anonymous self-evaluation questionnaire and one-on-one interviews.
 - 2) The third-party organization summarized questionnaire responses to analyze the overall results in conjunction with interview content.
 - 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: diversity within the Board of Directors; provision of sufficient deliberation time; free, active, and constructive discussions and opinion exchanges; sufficient oversight and monitoring of the construction and operation of Group-wide internal control systems; and sufficient pre-meeting briefings furnished to outside directors.

However, there remains room for improvement in the discussion of management and portfolio strategies at Board Meetings as well as collaboration between corporate auditors and relevant departments, such as the internal audit department.

Issues recognized in the evaluation of the fiscal year ended March 31, 2021 and subsequent actions

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

The Group Risk Management Committee, which added the presidents of business operating companies as new members (as part of a risk management system), worked to further enhance Group-wide risk assessment and discussion. To this end, the committee acts systematically in a way that more comprehensively identifies risks across the Group and directly presents and reports key risks to the Board of Directors.

(2) Provision of training opportunities available for directors

We have worked to provide opportunities to understand the situation of the Company by holding lectures on governance-related laws, business briefings, and factory tours.

In addition, the CEO, Chairman of the Board, and presidents of major subsidiaries regularly report the business situation to the Board of Directors. Executive officers continued to provide detailed explanations and background information in the form of briefings prior to meetings on matters to be discussed by the Board.

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. To this end, they will conduct sufficient studies, enhance current measures, and further strengthen collaboration with relevant departments with regard to discussions at Board meetings and the provision of support for Directors and auditors.