

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, 2023. 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: February 24 to March 10, 2023
- (2) Respondents: All Directors and Corporate 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 and one-on-one interviews.
 - 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) Performance of inside Directors
- 6) Performance of outside Directors
- 7) Support systems for Directors and Corporate Auditors
- 8) Training
- 9) Nomination and Compensation Advisory Committee
- 10) Communication with shareholders (investors)
- 11) Your efforts
- 12) Summary

The respondents answered each question by evaluating the Board on a scale of 1 to 5 as well as freely describing their views on such issues as what is needed to further enhance its effectiveness. They directly reported their results 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 overall compared with the previous fiscal year. Areas that showed particular improvement included: the quality of discussion of Group-wide latent risks and relevant countermeasures in management strategies and management plans as well as the provision of relevant information by inside directors and the sharing of central discussion topics with all directors prior to Board Meetings.

However, there remains room for improvement in the collaboration between directors, corporate auditors and relevant departments, such as the internal audit department.

Issues recognized in the evaluation of the fiscal year ended March 31, 2022 and subsequent actions

- (1) Discussion related mainly to management strategies and portfolio strategies at Board Meetings

The Board enhances pre-meeting briefings of Board Meeting agenda items for external directors and external corporate auditors and creates a structure that ensures the content of Q&As is shared at pre-meeting briefings and internal meetings before being put before the Board Meeting for resolution. As a result, we saw improvements in ensuring sufficient deliberation time at Board Meetings and in the fostering of deeper and livelier discussion.

- (2) Collaboration between directors, corporate auditors and relevant departments, such as the internal audit department

We have continuously reported the results of regular internal audits at Board Meetings. We held opinion exchanges among directors and corporate auditors as well as opinion exchanges led by external directors and external corporate auditors in an effort to increase the sharing of information.

3. Next steps

The evaluation of the Board of Directors' effectiveness revealed improvement in the collaboration structure encompassing directors and corporate auditors as well as relevant departments, such as the internal audit department, which had been an issue in the previous fiscal year. It also showed that there is still room for improvement in the collaboration structure with regard to outside directors. Based on these evaluations and cause analyses, the Company's Board and relevant internal sections will work to enhance the effectiveness of the Board in part through stronger cooperation with relevant departments and the further enhancement of current initiatives after sufficiently considering specific measures to address issues.