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Securities Code 7735
June 2, 2023

To Those Shareholders with Voting Rights

Toshio Hiroe
Representative Director
President
Member of the Board
Chief Executive Officer
SCREEN Holdings Co., Ltd.
Tenjinkita-machi 1-1, Teranouchi-agaru
4-chome, Horikawa-dori, Kamigyo-ku,
Kyoto, Japan

NOTICE OF THE 82nd ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially notified of the 82nd Ordinary General Meeting of Shareholders of the Company. The Meeting will be held as described below.

If you are not attending the General Meeting of Shareholders, you may exercise your voting rights in writing or through electromagnetic devices (Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. (JST) on Thursday, June 22, 2023.

1. **Date and Time:** **Friday, June 23, 2023 at 10:00 a.m. (JST)**
2. **Place:** **5th Floor of the Head Office Building, SCREEN Holdings Co., Ltd.
Tenjinkita-machi 1-1, Teranouchi-agaru 4-chome, Horikawa-dori,
Kamigyo-ku, Kyoto, Japan**
3. **Agenda of the Meeting:**
 - Matters to be reported:** (1) The Business Report, the Consolidated Financial Statements, and results of each audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors for the 82nd fiscal term (from April 1, 2022 to March 31, 2023)
 - (2) The Non-consolidated Financial Statements for the 82nd fiscal term (from April 1, 2022 to March 31, 2023)

Proposals to be resolved:

 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Partial Amendments to the Articles of Incorporation
 - Proposal No. 3:** Election of Eight Directors
 - Proposal No. 4:** Election of One Corporate Auditor
 - Proposal No. 5:** Revision of Amounts of Compensation for Directors and Corporate Auditors

Notes on Measures for Electronic Provision

1. Measures for electronic provision of materials for general meetings of shareholders

In convening this General Meeting of Shareholders, measures for electronic provision have been taken for information contained in materials for general meetings of shareholders (matters to be provided electronically), and the information is posted as “NOTICE OF THE 82nd ORDINARY GENERAL MEETING OF SHAREHOLDERS” on the websites indicated below. Please access either website to find the information.

The Company’s website

<https://www.screen.co.jp/en/ir/shareholder-meetinginfo>

Tokyo Stock Exchange website (TSE Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

*On the TSE website, enter “SCREEN” in the “Issue name (company name)” field or the Company’s securities code “7735” in the “Code” field and click “Search,” select “Basic information,” then “Documents for public inspection/PR information,” and you can find the information.

2. Non-inclusion of certain matters in the paper copy to be delivered to shareholders

The documents sent to shareholders who have requested the paper copy do not include the matters listed below in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Company.

- 1) “Matters concerning Systems for Ensuring the Properness of Operations” of the Business Report
 - 2) “Consolidated Statements of Changes in Shareholders’ Equity” and “Notes to the Consolidated Financial Statements” of the Consolidated Financial Statements
 - 3) “Statements of Changes in Shareholders’ Equity” and “Notes to the Non-consolidated Financial Statements” of the Non-consolidated Financial Statements
- 1) above is included in the Business Report audited by Corporate Auditors during preparation of the Audit Report.
2) and 3) are included in the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor and Corporate Auditors during preparation of the Audit Reports.

3. In the event of modifications to the matters to be provided electronically

In the event that the matters to be provided electronically are modified, the Company will notify such fact and post such modification on the Company’s website and the TSE website indicated above.

4. Request for the paper copy for the next General Meeting of Shareholders

Shareholders who wish to receive the paper copy of materials for general meetings of shareholders are requested to contact the call center indicated below by the record date of the General Meeting of Shareholders (March 31, 2024) and follow the necessary procedures. Shareholders who have already followed the procedures for this General Meeting of Shareholders do not need to follow the procedures again.

<Contact> Sumitomo Mitsui Trust Bank – Dedicated Call Center (Tel: 0120-533-600)

Guidance for Shareholders

Live Streaming

Live streaming of this General Meeting of Shareholders on the Internet will be available.

Live streaming is for viewing the General Meeting of Shareholders, which does not constitute attendance under the Companies Act, and therefore you cannot exercise your voting rights or ask questions via live streaming. You are requested to exercise your voting rights in writing or via the Internet, etc., in advance.

Acceptance of Preliminary Questions

Prior to the holding of the General Meeting of Shareholders, the Company will accept questions sent to its website. On the day of the meeting, the Company intends to respond to questions on topics in which shareholders are highly interested from among those received in advance.

Management Status Briefing Session

The Management Status Briefing Session will be held at the same venue after the General Meeting of Shareholders.

Live streaming of the Management Status Briefing Session will also be available.

Response to COVID-19

Our response at this General Meeting of Shareholders is as follows.

- The venue will be well ventilated and chairs will be placed with space between them.
- In view of the government policy, we respect each shareholder's decision about the wearing of a facial mask.
- Shareholders who are unwell are requested to refrain from attending the meeting.

If there is any change to our response in view of future conditions, we will notify such change on the Company's website.

The Company's website

<https://www.screen.co.jp/en/ir/shareholder-meetinginfo>

Guidance on Exercise of Voting Rights

Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by the following methods.

Exercise of Voting Rights by Attending the Meeting on the Day

Attending the Meeting

Please bring and submit the enclosed Voting Rights Exercise Form at the reception on the day of the meeting.

Date and Time: 10:00 a.m. on Friday, June 23, 2023

Exercise of Voting Rights in Advance

Postal Mail

Please indicate your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by the following deadline.

Deadline for Exercise of Voting Rights: 5:00 p.m. on Thursday, June 22, 2023

Via the Internet, etc.

You can exercise your voting rights via the Internet, etc.

For details, refer to the next page.

Deadline for Exercise of Voting Rights: 5:00 p.m. on Thursday, June 22, 2023

- If a vote for or against a proposal is not indicated on the Voting Rights Exercise Form that the Company receives, it is treated as an indication of a vote for that proposal.
- If your voting rights are exercised in duplicate in writing (postal mail) and via the Internet, etc., the vote exercised via the Internet, etc., shall be the vote deemed valid.
- If you exercise your voting rights multiple times via the Internet, or exercise your voting rights in duplicate using a personal computer and smartphone, only the last vote exercised shall be deemed valid.
- Institutional investors may also exercise voting rights through electromagnetic means using the “Electronic Voting Rights Exercise Platform” operated by ICJ, Inc. for this Ordinary General Meeting of Shareholders.

Procedures for Exercising Voting Rights via the Internet, etc.

Scan the QR Code (Smart Exercise)

- 1) Scan the QR code at the bottom right of the Voting Rights Exercise Form.
- 2) Follow the instructions on the screen to indicate your vote for or against the proposals.

Exercise of voting rights by Smart Exercise is available only once.

To log in from the second time onward, please refer to the explanation below.

Enter the Voting Rights Exercise Code and Password

- 1) Access the Company's designated website for exercise of voting rights.

Website for exercise of voting rights (<https://www.web54.net>)

- 2) Enter the Voting Rights Exercise Code and Password stated on the enclosed Voting Rights Exercise Form.
- 3) Follow the instructions on the screen to indicate your vote for or against the proposals.

Notes 1: QR Code is a registered trademark of DENSO WAVE INCORPORATED.

2: Internet service provider and telecommunications carrier fees (connection fees, etc.) when using the Internet shall be borne by the shareholder.

Inquiries Concerning Exercise of Voting Rights via the Internet, etc.

Sumitomo Mitsui Trust Bank Stock – Transfer Agency web support (exclusive number)

Toll Free Number: 0120-652-031 (9:00 a.m. to 9:00 p.m. (JST))

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

The SCREEN Group works to secure the retained earnings necessary for growth investment and the sound maintenance of a financial base able to respond to future changes in the business environment. Considering this aim and other factors, the SCREEN Group's basic policy is to provide a total consolidated shareholder return ratio of 30% or above.

Based on the policy above, it is proposed that year-end dividends for the 82nd fiscal term be distributed as follows:

- (1) Distribution of dividend property to shareholders and the total amount thereof
365 yen per share of common stock of the Company, or 17,362,667,480 yen in total
- (2) Date on which the dividend of surplus becomes effective
Monday, June 26, 2023

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

In order to enhance opportunities for shareholder returns, besides the annual dividend, which is currently paid at the end of each fiscal year, the Company proposes that an addition be made to the Articles of Incorporation to enable the Company to pay an interim dividend, pursuant to the resolution of the Board of Directors, based on the provisions in Article 454, Paragraph 5 of the Companies Act.

2. Details of amendments

The details of the amendments are as follows.

(Changes underlined)

Current Articles of Incorporation	Proposed Amendments
<p>(Fiscal year) Article 39: The Company’s fiscal year shall be the period of one year extending from April 1 of each calendar year to March 31 of the subsequent year.</p>	<p>(Fiscal year) Article 39: < Not changed ></p>
<p>(Record date for fiscal year-end dividend) Article 40: The record date for the Company’s fiscal year-end dividend shall be March 31 of each year.</p>	<p>(Record date for fiscal year-end dividend) Article 40: < Not changed ></p>
<p><A new paragraph to be added></p>	<p><u>(Interim dividend)</u> <u>Article 41: The Company may pay an interim dividend, by the resolution of the Board of Directors, with September 30 of each year as the record date.</u></p>
<p>(Dividend limitation period) Article <u>41</u>: < Abbreviated ></p>	<p>(Dividend limitation period) Article <u>42</u>: < Not changed ></p>
<p>(Timing of exercising the conversion right) Article <u>42</u>: <u>The first dividend</u> for equity shares issued as a result of the conversion of convertible bonds shall be paid at the end of the fiscal year in which the conversion is requested, treating them as being converted <u>at the start of the fiscal year in question.</u></p>	<p>(Timing of exercising the conversion right) Article <u>43</u>: <u>The fiscal year-end dividend and interim dividend</u> for equity shares issued as a result of the conversion of convertible bonds shall be paid, treating them as being converted <u>on April 1 in case the conversion is requested in a period between April 1 and September 30, and on October 1 in case the conversion is requested in a period between October 1 and March 31 of the following year.</u></p>

Proposal No. 3: Election of Eight Directors

The terms of office of eight Directors, namely Messrs. Eiji Kakiuchi, Toshio Hiroe, Yoichi Kondo, Yoshihisa Ishikawa, Shigeru Saito, Makoto Yoda, Hidemi Takasu, and Ms. Hiroko Okudaira, will expire at the close of this Meeting. Accordingly, the Company proposes election of eight Directors.

The nominees for Directors are as follows:

No.	Name	Position and responsibility in the Company	Attendance at Meetings of the Board of Directors
1	Eiji Kakiuchi <u>Reelection</u>	Representative Director Chairman Member of the Board	100% (14/14 meetings)
2	Toshio Hiroe <u>Reelection</u>	Representative Director President Member of the Board Chief Executive Officer	100% (14/14 meetings)
3	Yoichi Kondo <u>Reelection</u>	Senior Managing Director Member of the Board Chief Financial Officer Chief Officer of IR & PR	100% (14/14 meetings)
4	Yoshihisa Ishikawa <u>Reelection</u>	Member of the Board Chief Officer of Corporate Strategy Chief Officer of General Affairs & Human Resources Strategy	100% (10/10 meetings)
5	Makoto Yoda <u>Reelection</u> <u>Outside</u> <u>Independent</u>	Director Member of the Board	100% (14/14 meetings)
6	Hidemi Takasu <u>Reelection</u> <u>Outside</u> <u>Independent</u>	Director Member of the Board	100% (14/14 meetings)
7	Hiroko Okudaira <u>Reelection</u> <u>Outside</u> <u>Independent</u>	Director Member of the Board	100% (14/14 meetings)
8	Seiji Narahara <u>New candidate</u> <u>Outside</u> <u>Independent</u>	-	-

Note: The attendance at meetings of the Board of Directors for Mr. Yoshihisa Ishikawa pertains to the meetings of the Board of Directors held following his assumption of office on June 24, 2022.

No.
1

Eiji Kakiuchi ■ Profile, position, and responsibility in the Company

Reelection	April 1981	Joined the Company
Date of Birth	April 2005	Corporate Officer
April 3, 1954	April 2006	Corporate Officer (Senior)
	April 2007	Corporate Executive Officer
	April 2011	Chief Officer of IR, Security Export Control, GPS and Group G10
Number of shares of the Company held	June 2011	Director
24,976	April 2014	Representative Director
		President
Number of years in office as Director (at the close of this Meeting)	June 2019-present:	Representative Director, Chairman, Member of the Board
12 years		

Number of years in office as Director (at the close of this Meeting)

12 years

Attendance at Meetings of the Board of Directors

100% (14/14)

■ Significant concurrent positions

Outside Director, KYOCERA Corporation

■ Reasons for selection as a candidate for Director

Mr. Eiji Kakiuchi has a wealth of management experience and wide insights in domestic and overseas business divisions. Since joining the Company, he has been engaged in the marketing division of the printing business, served as the president of overseas subsidiaries in the U.S. and Europe as well as the president of an in-house company. He led business expansion of the semiconductor business as the company president. He promoted dialogue with Japanese and overseas investors as the Chief Officer of IR from 2011, and assumed the office of Representative Director and President of the Company in 2014. Currently, as Representative Director, Chairman, Member of the Board, he is responsible for the Group-wide corporate governance and is striving to strengthen the management foundation. He is also promoting industry-academia-public sector collaboration and regional collaboration as well as social contribution activities centering on Kyoto Prefecture and Shiga Prefecture.

The Company has judged that he can fulfill his responsibilities and duties as Director to further improve corporate value of the Company, and requests his continued election as Director.

- Notes:
1. There is no special interest between Mr. Eiji Kakiuchi and the Company.
 2. The Company has concluded a directors and officers liability insurance contract with an insurance company. The said insurance contract covers damage including compensation for damages and litigation expenses to be borne by the insured. If Mr. Eiji Kakiuchi's reelection is approved, he will be the insured under the said insurance contract. The Company intends to renew the said insurance contract with the same content at the time of the next renewal.

No.
2

Toshio Hiroe

■ Profile, position, and responsibility in the Company

Reelection

Date of Birth

May 5, 1959

Number of shares of the Company held

13,367

Number of years in office as Director (at the close of this Meeting)

4 years

Attendance at Meetings of the Board of Directors

100% (14/14)

April 1983

April 2006

April 2007

October 2009

April 2011

April 2014

August 2014

April 2019

June 2019-present:

Joined the Company

Vice President, Semiconductor Equipment Company

Corporate Officer

Deputy General Manager, R&D Center

Corporate Officer (Senior)

President, FPD Equipment Company

President, SCREEN Finetech Solutions Co., Ltd.

Chairman, SCREEN Finetech Solutions Co., Ltd.

Representative Director, President, Member of the Board, the Company

Chief Executive Officer (CEO)

■ Significant concurrent positions

Director, SCREEN Semiconductor Solutions Co., Ltd.

Director, SCREEN Graphic Solutions Co., Ltd.

Director, SCREEN Finetech Solutions Co., Ltd.

Director, SCREEN PE Solutions Co., Ltd.

Director, SCREEN Advanced System Solutions Co., Ltd.

■ Reasons for selection as a candidate for Director

Mr. Toshio Hiroe has a wealth of experience and achievements concerning technology through his engagement in technological development in the semiconductor business for many years. He has a wealth of management experience, including engagement in the management of a development company in the U.S. as the Deputy General Manager of the R&D Center and the display business as Representative Director and President of an in-house company. As Representative Director, President, Member of the Board, and Chief Executive Officer (CEO), he has led the revision of the corporate philosophy and is promoting completion of the "Value Up 2023" medium-term management plan. The Company has judged that he can fulfill his responsibilities and duties as Director to further improve corporate value of the Company, and requests his continued election as Director.

- Notes:
1. There is no special interest between Mr. Toshio Hiroe and the Company.
 2. The Company has concluded a directors and officers liability insurance contract with an insurance company. The said insurance contract covers damage including compensation for damages and litigation expenses to be borne by the insured. If Mr. Toshio Hiroe's reelection is approved, he will be the insured under the said insurance contract. The Company intends to renew the said insurance contract with the same content at the time of the next renewal.

No.
3

Yoichi Kondo

■ Profile, position, and responsibility in the Company

Reelection

Date of Birth

September 25, 1958

Number of shares of the Company held

4,954

Number of years in office as Director (at the close of this Meeting)

9 years

Attendance at Meetings of the Board of Directors

100% (14/14)

April 1982

June 2010

June 2013

April 2014

June 2014

June 2014-present:

April 2021-present:

Joined The Bank of Tokyo, Limited (Currently MUFG Bank, Ltd.)

Corporate Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Currently MUFG Bank, Ltd.)

Joined the Company

Corporate Officer (Senior)

General Manager, General Administration Division

Managing Director, Member of the Board

Chief Financial Officer (CFO)

Senior Managing Director, Member of the Board

Chief Officer of IR & PR

■ Significant concurrent positions

Director, SCREEN Semiconductor Solutions Co., Ltd.

■ Reasons for selection as a candidate for Director

Mr. Yoichi Kondo has a wealth of knowledge and sophisticated expertise regarding finance and accounting gained through his domestic and overseas experience in this field. He also has experience of engaging in constructive dialog with institutional investors as an officer responsible for IR & PR. Currently, as Senior Managing Director, Member of the Board, and Chief Financial Officer (CFO), he is promoting establishment of a robust financial position as the basis for investment for growth, through improvement of cash flows and capital efficiency as well as introduction and penetration of ROIC management. He is also promoting enhancement of transparency through appropriate information disclosure.

The Company has judged that he can fulfill his responsibilities and duties as Director of the Company, and requests his continued election as Director.

- Notes:
1. There is no special interest between Mr. Yoichi Kondo and the Company.
 2. The Company has concluded a directors and officers liability insurance contract with an insurance company. The said insurance contract covers damage including compensation for damages and litigation expenses to be borne by the insured. If Mr. Yoichi Kondo's reelection is approved, he will be the insured under the said insurance contract. The Company intends to renew the said insurance contract with the same content at the time of the next renewal.

No.
4

**Yoshihisa
Ishikawa**

■ **Profile, position, and responsibility in the Company**

Reelection

Date of Birth

August 7, 1962

**Number of shares of
the Company held**

4,431

**Number of years in
office as Director (at
the close of this
Meeting)**

1 year

**Attendance at
Meetings of the
Board of Directors**

100% (10/10)

April 1986 Joined the Company
April 2011 General Manager, IR Department
April 2014 General Manager, PR& IR Department
April 2015 General Manager, Corporate Planning Department
April 2016 Corporate Officer
April 2019 Corporate Officer (Senior)
April 2019-present: Chief Officer of Corporate Strategy
April 2021 Corporate Executive Officer
June 2022-present: Director, Member of the Board
 Chief Officer of General Affairs & Human Resources
 Strategy

■ **Significant concurrent positions**

Director, SCREEN Semiconductor Solutions Co., Ltd.
Director, SCREEN Graphic Solutions Co., Ltd.
Director, SCREEN Finetech Solutions Co., Ltd.
Director, SCREEN PE Solutions Co., Ltd.

■ **Reasons for selection as a candidate for Director**

Mr. Yoshihisa Ishikawa was engaged in international sales, marketing, and financial departments, and served as General Manager of the PR & IR Department. He has a variety of experience and wide insights. Currently, as Chief Officer of Corporate Strategy and Chief Officer of General Affairs & Human Resources Strategy, he is leading formulation of a management plan and has led the revision of the corporate philosophy. He is also promoting strengthening of risk management and human resources policy.
The Company has judged that he can fulfill his responsibilities and duties as Director of the Company, and requests his continued election as Director.

- Notes: 1. There is no special interest between Mr. Yoshihisa Ishikawa and the Company.
2. The Company has concluded a directors and officers liability insurance contract with an insurance company. The said insurance contract covers damage including compensation for damages and litigation expenses to be borne by the insured. If Mr. Yoshihisa Ishikawa's reelection is approved, he will be the insured under the said insurance contract. The Company intends to renew the said insurance contract with the same content at the time of the next renewal.

Makoto Yoda

■ Profile, position, and responsibility in the Company

Reelection Outside Independent	March 1972	Joined Japan Storage Battery Co., Ltd. (Currently GS Yuasa International Ltd.)
	June 2004	President, GS Yuasa Power Supply Co., Ltd. (Currently GS Yuasa International Ltd.)
Date of Birth	June 2006	President, GS Yuasa Corporation
January 24, 1950	October 2007	Chief Executive Officer (CEO), GS Yuasa Corporation
	May 2013	Chairman, BATTERY ASSOCIATION OF JAPAN
Number of shares of the Company held	June 2015	Chairman, GS Yuasa Corporation
1,400	May 2016	Chairman, GS Yuasa International Ltd.
	June 2017	Chairman, Kyoto Industrial Association, Inc.
	June 2018-present:	Advisor, GS Yuasa Corporation
Number of years in office as Director (at the close of this Meeting)		Director of the Company
5 years		Member of the Board

■ Reasons for selection as a candidate for Outside Director and overview of the expected role

Mr. Makoto Yoda has a wealth of knowledge as a manager for many years. This includes overseas sales at the company which develops, manufactures, and sells batteries and other products, and management experience at overseas subsidiaries including as a representative stationed in China. Moreover, he also gained a wide range of experience as the head of external organizations, such as the chairman of the BATTERY ASSOCIATION OF JAPAN and the chairman of the Kyoto Industrial Association. Currently, as Outside Director and Member of the Board of the Company, he has been providing useful proposals to the Board of Directors from various perspectives.

It is expected that he will continue to contribute to strengthening of the management supervision function and give advice from a wide range of management perspectives. Therefore, the Company requests his continued election as Outside Director.

- Notes:
1. Mr. Makoto Yoda is nominated as Outside Director. The Company has reported Mr. Makoto Yoda to Tokyo Stock Exchange, Inc. as an independent director/auditor. He will continuously serve as independent director/auditor if he is elected as proposed.
 2. There is no special interest between Mr. Makoto Yoda and the Company.
 3. The Company has concluded a Limitation of Liability Agreement with Mr. Makoto Yoda to limit his liability for damages as prescribed in the provision of Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the Companies Act. Under the agreement, his liability for damages shall be limited within the amount prescribed by laws and regulations. If Mr. Makoto Yoda is elected as proposed, the agreement will be renewed.
 4. The Company has concluded a directors and officers liability insurance contract with an insurance company. The said insurance contract covers damage including compensation for damages and litigation expenses to be borne by the insured. If Mr. Makoto Yoda's reelection is approved, he will be the insured under the said insurance contract. The Company intends to renew the said insurance contract with the same content at the time of the next renewal.

Hidemi Takasu ■ Profile, position, and responsibility in the Company

Reelection Outside Independent	March 1971	Joined Toyo Electronics Industry Corporation (Currently ROHM Co., Ltd.)
Date of Birth	June 1997	Director and Deputy General Manager, ULSI Research & Development Headquarters, ROHM Co., Ltd.
January 5, 1948	June 2009	Managing Director and General Manager, LSI General Headquarters, in charge of Research & Development Headquarters, ROHM Co., Ltd.
Number of shares of the Company held	October 2009	Managing Director and General Manager, Research & Development Headquarters, ROHM Co., Ltd.
1,500	May 2013	Managing Director in charge of Quality and General Manager, Research & Development Headquarters, ROHM Co., Ltd.
Number of years in office as Director (at the close of this Meeting)	July 2013	Managing Director in charge of Business Creation and Quality, ROHM Co., Ltd.
4 years	August 2017	Advisor, Samco Inc.
	October 2018	Substitute Corporate Auditor, Samco Inc.
	June 2019-present:	Director of the Company Member of the Board
Attendance at Meetings of the Board of Directors	October 2020-present:	Outside Director, Samco Inc.
100% (14/14)		

■ Significant concurrent position
Outside Director, Samco Inc.

■ Reasons for selection as a candidate for Outside Director and overview of the expected role

Mr. Hidemi Takasu has profound management experience, including overseas business, and expertise as an officer in charge of technological development of semiconductor devices at a semiconductor-related company. He concurrently serves as a director of another company. He has close relationships with universities in Japan and overseas. Currently, as Outside Director and Member of the Board of the Company, he has been providing useful proposals to the Board of Directors from various perspectives.

It is expected that he will continue to contribute to strengthening of the management supervision function and give advice from a wide range of technological development perspectives. Therefore, the Company requests his continued election as Outside Director.

- Notes:
1. Mr. Hidemi Takasu is nominated as Outside Director. The Company has reported Mr. Hidemi Takasu to Tokyo Stock Exchange, Inc. as an independent director/auditor. He will continuously serve as independent director/auditor if he is elected as proposed.
 2. There is no special interest between Mr. Hidemi Takasu and the Company.
 3. The Company has concluded a Limitation of Liability Agreement with Mr. Hidemi Takasu to limit his liability for damages as prescribed in the provision of Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the Companies Act. Under the agreement, his liability for damages shall be limited within the amount prescribed by laws and regulations. If Mr. Hidemi Takasu is elected as proposed, the agreement will be renewed.
 4. The Company has concluded a directors and officers liability insurance contract with an insurance company. The said insurance contract covers damage including compensation for damages and litigation expenses to be borne by the insured. If Mr. Hidemi Takasu's reelection is approved, he will be the insured under the said insurance contract. The Company intends to renew the said insurance contract with the same content at the time of the next renewal.

No.
7

**Hiroko
Okudaira**

■ Profile, position, and responsibility in the Company

Reelection

Outside

Independent

Date of Birth

July 18, 1980

**Number of shares of
the Company held**

400

**Number of years in
office as Director (at
the close of this
Meeting)**

2 years

**Attendance at
Meetings of the
Board of Directors**

100% (14/14)

March 2009

Completed Ph.D. Program, Graduate School of Economics,
Osaka University

April 2009

Associate Professor, Graduate School of Humanities and
Social Sciences, Okayama University

January 2015

Senior Research Associate at University College London as
a JSPS Fellow

April 2018-present:

Associate Professor, Doshisha Business School, Doshisha
University

June 2021-present:

Director of the Company
Member of the Board

■ Significant concurrent position

Associate Professor, Doshisha Business School, Doshisha University

■ Reasons for selection as a candidate for Outside Director and overview of the expected role

As Associate Professor (labor economics, applied microeconometrics, etc.) of Doshisha Business School, Doshisha University, Ms. Hiroko Okudaira has a wealth of knowledge and has outstanding research achievements on wide-ranging themes concerning the social structure, such as empowerment of women and work-style reforms including work-from-home policy. Although she has no experience of direct involvement in corporate management, she has a wealth of knowledge, including practical empirical research of companies conducted in academia. Currently, as Outside Director and Member of the Board of the Company, she has been providing useful proposals to the Board of Directors from various perspectives, including on new workstyles, compliance, and diversity. It is expected that she will continue to contribute to strengthening of the management supervision function and give advice from a wide-ranging and objective perspective. Therefore, the Company requests her continued election as Outside Director.

- Notes: 1. Ms. Hiroko Okudaira is nominated as Outside Director. The Company has reported Ms. Hiroko Okudaira to Tokyo Stock Exchange, Inc. as an independent director/auditor. She will continuously serve as independent director/auditor if she is elected as proposed.
2. There is no special interest between Ms. Hiroko Okudaira and the Company.
3. The Company has concluded a Limitation of Liability Agreement with Ms. Hiroko Okudaira to limit her liability for damages as prescribed in the provision of Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the Companies Act. Under the agreement, her liability for damages shall be limited within the amount prescribed by laws and regulations. If Ms. Hiroko Okudaira is elected as proposed, the agreement will be renewed.
4. The Company has concluded a directors and officers liability insurance contract with an insurance company. The said insurance contract covers damage including compensation for damages and litigation expenses to be borne by the insured. If Ms. Hiroko Okudaira's reelection is approved, she will be the insured under the said insurance contract. The Company intends to renew the said insurance contract with the same content at the time of the next renewal.
5. The name of Ms. Hiroko Okudaira in the domiciliary register is Hiroko Kimura.

Seiji Narahara ■ Profile, position, and responsibility in the Company

New candidate	January 1988	Joined Toyobo Co., Ltd.
Outside	April 2010	Executive Officer, Toyobo Co., Ltd.
Independent	June 2011	Director and Executive Officer, Toyobo Co., Ltd.
Date of Birth	April 2014	Representative Director, President and Chief Operating Officer, Toyobo Co., Ltd.
October 17, 1956	June 2016	Chairman, Japan Spinners' Association
	July 2017	Chairman, Japan Chemical Fibers Association
Number of shares of the Company held	April 2021-present:	Chair of the Board & Director, Toyobo Co., Ltd.
200	■ Significant concurrent position Chair of the Board & Director, Toyobo Co., Ltd.	

Number of years in office as Director (at the close of this Meeting)	■ Reasons for selection as a candidate for Outside Director and overview of the expected role
-	Mr. Seiji Narahara served as Representative Director and President of a materials company for many years after serving as an officer of its overseas group companies and in managerial roles for business administration and financial management, and has a wealth of knowledge as a manager. He also has experience of serving as a head of external organizations, such as Chairman of the Japan Chemical Fibers Association.
Attendance at Meetings of the Board of Directors	It is expected that, based on his wealth of knowledge and expertise, he will contribute to strengthening of the management supervision function by providing opinions from various perspectives and give advice from a wide range of management perspectives. Therefore, the Company requests his election as Outside Director.
-	

- Notes:
1. Mr. Seiji Narahara is nominated as Outside Director. If Mr. Seiji Narahara is elected as proposed, the Company intends to report him to Tokyo Stock Exchange, Inc. as an independent director/auditor.
 2. There is no special interest between Mr. Seiji Narahara and the Company.
 3. If Mr. Seiji Narahara is elected as proposed, the Company intends to conclude a Limitation of Liability Agreement with him to limit his liability for damages as prescribed in the provision of Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the Companies Act. Under the agreement, his liability for damages shall be limited within the amount prescribed by laws and regulations.
 4. The Company has concluded a directors and officers liability insurance contract with an insurance company. The said insurance contract covers damage including compensation for damages and litigation expenses to be borne by the insured. If Mr. Seiji Narahara is elected as proposed, he will be the insured under the said insurance contract. The Company intends to renew the said insurance contract with the same content at the time of the next renewal.
 5. At Toyobo Co., Ltd., where Mr. Seiji Narahara served as Representative Director and President, discrepancy of the chemical composition and performance of certain products from the data registered with a certification organization was discovered during the period from October 2020 to March 2021. After the issue was detected, Underwriters Laboratories (UL) certification from a third-party U.S. certification organization for the product line in question was rescinded and ISO 9001 certification granted to certain organizations of Toyobo Co., Ltd. was cancelled or temporarily suspended. The start of the occurrence of this issue predated his assumption of office as Director and he was unaware of the fact until the detection of the issue. From his assumption of office as Representative Director and President in 2014, he aimed to establish a company earning the trust of society, emphasizing CSR and compliance, and promoted the pursuit of such values. Since the detection of the issue, he has led efforts to clarify the cause and formulated and implemented effective measures for preventing recurrence, including strengthening of quality assurance departments and enhancement of compliance training.

Proposal No. 4: Election of One Corporate Auditor

The term of office of Corporate Auditor Mr. Akio Umeda will expire at the close of this Meeting. Accordingly, the Company requests the election of one Corporate Auditor.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

The nominee for Corporate Auditor is as follows:

Akio Umeda	■ Profile	
Reelection	April 1985 October 2003	Joined The Daiwa Bank, Ltd. (Currently Resona Bank, Ltd.) General Manager, IR Office, Planning Division, Resona Holdings, Inc.
Date of Birth August 31, 1961	October 2005	General Manager, Corporate Communications Division, Resona Holdings, Inc.
Number of shares of the Company held 1,879	October 2009 April 2014 April 2015	General Manager, Osaka Public Affairs Division, Resona Bank, Ltd. Manager, Human Resources Division, Resona Bank, Ltd. Joined the Company Assistant to Chief Officer of General Affairs & Human Resources
Number of years in office as Corporate Auditor (at the close of this Meeting) 8 years	June 2015-present	Corporate Auditor
Attendance at Meetings of the Board of Directors 100% (14/14)	■ Reasons for selection as a candidate for Corporate Auditor	Mr. Akio Umeda currently serves as Corporate Auditor and has a wealth of experience at other companies in Japan and overseas and has knowledge cultivated through his engagement in planning and IR. Based on such experience and expertise, the Company has judged that he can appropriately fulfill his duties and responsibilities as Corporate Auditor, and requests his continued election.
Attendance at Meetings of the Board of Corporate Auditors 100% (18/18)		

- Notes:
1. There is no special interest between Mr. Akio Umeda and the Company.
 2. The Company has concluded a directors and officers liability insurance contract with an insurance company. The said insurance contract covers damage including compensation for damages and litigation expenses to be borne by the insured. If Mr. Akio Umeda's reelection is approved, he will be the insured under the said insurance contract.

Proposal No. 5: Revision of Amounts of Compensation for Directors and Corporate Auditors

At the 64th Ordinary General Meeting of Shareholders held on June 28, 2005, it was resolved that the amount of compensation for Directors should be no more than 480 million yen annually and the amount of compensation for Corporate Auditors should be no more than 60 million yen annually, which has remained the case to date.

While business management becomes increasingly complex against the backdrop of the recent international situation and significantly changed economic conditions, Directors and Corporate Auditors have greater roles and responsibilities. The Company launched the “Value Up 2023” medium-term management plan in July 2020 with the aim of enhancing the Group’s performance and corporate value, which is the combination of Sustainable Value (social value) and economic value. While implementing measures to generate more sustainable profit and increase returns to shareholders, the Company is pursuing further growth and strengthening of governance of the entire Group.

In view of these circumstances, and taking into consideration further enhancement of performance and other factors, the Company proposes that the amount of compensation for Directors be revised to “no more than 800 million yen annually (and no more than 100 million yen for Outside Directors)” and the amount of compensation for Corporate Auditors to “no more than 100 million yen.”

Regarding the performance-linked share compensation system for Directors (excluding Outside Directors) resolved at the 80th Ordinary General Meeting of Shareholders held on June 24, 2021, which is separate from the above-stated compensation limit for Directors, compensation under this system will not be included in the amount of compensation for the Company’s Directors after the revision based on this proposal.

This proposal takes into consideration in a comprehensive manner the Company’s scale of business, the management compensation system, the compensation payment level, the current numbers of Directors and Corporate Auditors, and the future trend, and is consistent with the policy on determination of the details of the Company’s individual Directors’ compensation, etc., described in the Business Report. Therefore, the Company believes that this proposal is appropriate.

As before, the amount of compensation for Directors will not include the employee salary portion for Directors concurrently serving as employees.

The Company currently has eight Directors (including four Outside Directors) and four Corporate Auditors. If Proposal No. 3 and Proposal No. 4 are approved as proposed, the Company will have eight Directors (including four Outside Directors) and four Corporate Auditors.

[Reference] Policies and Procedures Regarding the Nomination of Director and Corporate Auditor Candidates

Regarding the nomination of candidates for Director and Corporate Auditor positions, candidates are selected in accordance with SCREEN Holdings' "Criteria for Appointing Candidates for Directors and Corporate Auditors" and approved by the Board of Directors after seeking the advice of the Nomination and Compensation Advisory Committee, which is comprised of Outside Directors and the Chairman of the Board of Directors (with the Outside Directors accounting for the majority of its members). Criteria for appointing candidates for Directors and Corporate Auditors are as follows.

Criteria for Appointing Candidates for Directors

1. Candidates must be equipped with sufficient business experience and robust expertise in the area of their specialty and be capable of living up to stakeholder expectations and contributing to medium- to long-term growth in the SCREEN Group's corporate value.
2. Candidates must be capable of making fair judgment based on a neutral viewpoint without sectional partiality and be equipped with risk management abilities.
3. Candidates must be able to secure sufficient time and resources to appropriately fulfill their roles and responsibilities as directors.
4. Candidates must be knowledgeable individuals with integrity and high moral bearing.
5. Candidates must not fulfill any of the conditions disqualifying directors under Article 331-1 of the Companies Act.
6. Candidates for outside director positions must fulfill SCREEN Holding's "Criteria for Independence of Outside Directors and Outside Corporate Auditors."
7. Candidate selection must be undertaken with the intention of securing diversity in experience and specialty, thereby maximizing the Board of Directors' functional efficiency and effectiveness and maintaining a balanced composition that helps SCREEN Holdings exercise management oversight covering all business units.

Criteria for Appointing Candidates for Corporate Auditors

1. Candidates must be equipped with abundant auditing experience and capable of conducting audits from a neutral and objective viewpoint without sectional partiality.
2. Candidates must be independent from those charged with business execution and well-positioned to maintain fair and impartial standing.
3. Candidates must be able to secure sufficient time and resources to appropriately fulfill their roles and responsibilities during their term of office.
4. Candidates must be knowledgeable individuals with integrity and high moral bearing.
5. Candidates must not fulfill any of the conditions disqualifying directors under Article 331-1 of the Companies Act, which also apply to corporate auditors in accordance with Article 335-1 of said Act.
6. Candidates for outside corporate auditor positions must fulfill SCREEN Holding's "Criteria for Independence of Outside Directors and Outside Corporate Auditors."
7. Candidates selection must be undertaken with the intention of securing a balanced composition in terms of knowledge, experience and specialties. In addition, at least one corporate auditor must be equipped with considerable expertise in finance and accounting.

Note: The above is an excerpt of policies and procedure regarding the nomination of Director and Corporate Auditor candidates from "Corporate Governance Report (updated on December 14, 2022)," which is posted on the Company's website.

[Reference] Skills Matrix of Directors and Corporate Auditors (including nominees)

Major expertise and experience of Director and Corporate Auditors (including nominees) are listed below.

		Skills and Experience					
		Management	Global	Sales/ Marketing	Finance/ Accounting/ M&A	R&D/ Technology/ Production	Sustainability
Criteria	Has about 3 years of experience in one or more of the fields to the right, whether being engaged in operations or in an executive role (without regard to industry)	Experience in running a business or corporation (including SCREEN Group companies) other than the current SCREEN Holdings	Experience in working outside Japan	Experience in sales and/or marketing	Experience in finance, accounting, and/or M&A	Experience in R&D, technology, and/or production	Experience in environmental management, risk management, legal affairs, human resources, and/or IT
Directors							
Directors (Internal)	Eiji Kakiuchi	•	•	•			
	Toshio Hiroe	•	•	•		•	
	Yoichi Kondo	•	•		•		•
	Yoshihisa Ishikawa				•		•
Directors (Outside)	Makoto Yoda	•	•	•			•
	Hidemi Takasu	•	•			•	
	Hiroko Okudaira		•				•*
	Seiji Narahara	•	•		•		
Corporate Auditors							
Corporate Auditors (Internal)	Hirofumi Ota				•		
	Akio Umeda		•	•	•		
Corporate Auditors (Outside)	Tetsuo Kikkawa	•					•
	Seiji Yokoyama		•		•		•

Note: The above table does not list all of the expertise and experience of the director nominees and corporate auditors.

* Includes research in academia

[Reference] Criteria for Independence of Outside Directors and Outside Corporate Auditors

SCREEN Holdings Co., Ltd. (hereinafter referred to as the “Company”) considers outside directors, outside corporate auditors, and candidates for them to be independent when they do not fall under any of the following items as a result of reasonably possible investigation by the Company.

- (1) A person who has been a director (excluding an outside director), a corporate auditor (excluding an outside corporate auditor), or a corporate officer (hereinafter collectively referred to as “Executive”) or employees of the SCREEN Group in the past 10 years before assuming the office of an outside director or a corporate auditor.
- (2) A person who is/has been an Executive or an employee of a legal entity that is a major shareholder* of the SCREEN Group, or a legal entity for which the SCREEN Group is a major shareholder, currently or in any fiscal year of the past five years.
*A “major shareholder” means a company that is entitled to 10% or more of the total voting rights of a company.
- (3) A person who is an Executive or an employee of major business partners* of the SCREEN Group.
*A “major business partner” means a customer or a supplier of the SCREEN Group, and whose payments to the SCREEN Group or payments received from the SCREEN Group in the current fiscal year or any of the previous three fiscal years represent approximately 2% or more of the consolidated net sales of either the SCREEN Group or the customer/supplier company (this also includes its parent company).
- (4) A person who is/has been an Executive or an employee of a financial institution, currently or in the past three years, wherein such an institution is indispensable for the Company to raise funds and that the Company depends on to the extent that it is irreplaceable.
- (5) An Executive or an employee of any legal entity or organization that receives a large amount of donations* from the SCREEN Group.
*A “large amount of donations” means donations in excess of either 10 million yen per year on average or 30% of annual expenses of the recipient entity on average for the past three fiscal years, whichever is greater.
- (6) An Executive of a company which accepts a director or corporate auditor from the SCREEN Group (whether full-time or part-time).
- (7) A person who is/has been a representative, an employee, a partner or other staff member of an accounting auditor for the SCREEN Group currently or in any fiscal year of the past three years.
- (8) An attorney, certified public accountant, consultant or other agent who receives a large amount of monetary consideration* and/or other property from the SCREEN Group, besides the compensation for directors and corporate auditors.
*A “large amount of monetary consideration” means an annual payment amounting to 10 million yen or more for individuals, and in the case of an organization, an annual payment that represents more than 2% of the consolidated net sales of the relevant organization, on average for the past three fiscal years.
- (9) A spouse, a relative within two degrees of kinship, or a relative living together with any of the following individuals:
 - An Executive or a core employee* of the SCREEN Group currently or in any of the past five fiscal years
 - An individual who is not qualified for outside directors or outside corporate auditors in the aforementioned items from (2) to (8)
- *A “core employee” means an employee holding the position of senior general manager or higher
- (10) A person who is deemed to have specific reasons that may cause a conflict of interest with the Company besides the above items.

(Appendix)

Business Report

(April 1, 2022 - March 31, 2023)

1. Matters Regarding the Current Status of the Corporate Group

(1) Business Progress and Results

Business Performance of the Group in the Fiscal Year Ended March 31, 2023

During the fiscal year ended March 31, 2023, although there were signs of a gradual recovery of the global economy, the pace of economic recovery has slowed recently, due to supply constraints such as shortages of components, as well as soaring raw material prices and global monetary tightening in line with rising inflationary pressure and other factors.

With regard to the business conditions affecting the SCREEN Group, capital investment in the electronics industry showed signs of contraction in some respects due to a decline in demand for smartphones, PCs, and other products in the aftermath of the extraordinary demand caused by the COVID-19 pandemic. Meanwhile, we saw steady growth of capital investment in the fields of miniaturization, power semiconductors, and packaging technology in line with the progress in IoT technologies and digital transformation driven by the growing use of 5G and AI, as well as green transformation. On the other hand, concerns over tensions between the U.S. and China and the impact on national security issues have increased further. In addition, display manufacturers have been rethinking their capital investment plans mainly due to falling panel prices.

Under these circumstances, for the fiscal year ended March 31, 2023, the SCREEN Group posted consolidated net sales of 460,834 million yen, an increase of 48,968 million yen (11.9%) from the previous fiscal year. On the earnings front, as a result of an increase in net sales and other factors, operating income totaled 76,452 million yen, up 15,179 million yen (24.8%) year on year. Ordinary income amounted to 77,393 million yen, up 17,954 million yen (30.2%) year on year. In addition, as a result of gains in extraordinary income for the sales of shares of subsidiaries and associates and other factors, profit attributable to owners of parent was 57,491 million yen, up 12,009 million yen (26.4%) compared with the previous fiscal year.

Performance by reportable segment is explained below.

In the Semiconductor Production Equipment (SPE) business, foundry and logic sales increased year on year, despite a decline in memory sales. By region, sales to China fell, while sales to Taiwan and Europe grew. As a result, net sales in this segment amounted to 370,934 million yen, up 16.1% year on year. On the earnings front, operating income in this segment came to 76,950 million yen, up 22.5% year on year, mainly reflecting the increase in sales.

In the Graphic Arts Equipment (GA) business, net sales in this segment amounted to 45,609 million yen, up 5.3% year on year, due to increased sales of equipment and recurring business, mainly ink. On the earnings front, operating income was 3,397 million yen, up 107.6% year on year due mainly to an increase in sales.

In the Display Production Equipment and Coater (FT) business, sales of production equipment declined due to the sluggish capital investment by display manufacturers. As a result, net sales in this segment amounted to 26,189 million yen, down 21.3% year on year. On the earnings front, operating loss came to 1,840 million yen, compared with operating income of 587 million yen in the previous fiscal year, mainly reflecting the decrease in net sales.

In the PCB-Related Equipment (PE) business, sales of direct imaging systems rose due to such factors as increasing data center demand. As a result, net sales in this segment amounted to 16,835 million yen, up 26.5% year on year. On the earnings front, operating income in this segment came to 3,358 million yen, up 61.9% year on year, due mainly to an increase in sales.

(2) Status of Financing

The Group self-funded its activities in the fiscal year ended March 31, 2023. To ensure stable financing in the future, the Group has entered into commitment line agreements totaling 60.0 billion

yen with multiple financial institutions.

(3) Status of Capital Expenditures

Capital expenditures totaled 29,015 million yen in the fiscal year ended March 31, 2023. The main components of the expenditures were new factory construction at Hikone Plant and the expansion of R&D facilities for the SPE business.

(4) Issues to Be Addressed

As a “solution creator*,” the Group will provide customers around the world with technologies, products, and services that help solve social issues and address needs, and contribute to the development of society, in order to enhance the SCREEN Value (corporate value), which comprises the Sustainable Value (social value) and the economic value, and promote sustainable profit generation and shareholder returns.

* A “solution creator” refers to a corporate entity that enhances its corporate value by providing customers around the world with technologies, products and services that help solve social issues and address needs, and thereby contributing to the development of society.

[Results for the Fiscal Year Ended March 31, 2023]

In the fiscal year ended March 31, 2023, the third year of the Medium-term Management Plan, “Value Up 2023,” for the fiscal years from April 1, 2020 through March 31, 2024, net sales amounted to 460.8 billion yen and the operating income to net sales ratio was 16.6%, thereby achieving all the initial economic value targets a year ahead of the schedule, and the Company’s long-term issuer rating by Japan Credit Rating Agency, Ltd. (JCR) was upgraded to A (Stable). Initiatives under the medium-term plan, “Sustainable Value 2023,” included declaration of the Group’s carbon neutrality goal for 2050 and TCFD-compliant risk scenario analysis and information disclosure on a continuous basis. Moreover, the Company enhanced the effectiveness of risk management by strengthening collaboration with business operating companies. The Company was recognized as a 2023 Certified Health & Productivity Management Outstanding Organization.

[Plan for the Fiscal Year Ending March 31, 2024]

The fiscal year ending March 31, 2024 will be the final year of the Medium-term Management Plan. We will tackle the following business challenges, aiming to advance to the next level as a corporate entity by achieving the final-year targets for Sustainable Value (social value) and those for economic value, which we revised upward in July 2022.

Business challenges:

- 1) Redefining the corporate philosophy and ensuring the thorough understanding thereof
- 2) Strengthening market competitiveness of our business
- 3) Setting Gemba KPIs* linked with ROIC and tailored to each workplace
- 4) Enhancing the effectiveness of portfolio management and innovation management
- 5) Reviewing the recruiting strategy in the area of human resources and strengthening solution creator initiatives
- 6) Addressing the unachieved items of “Sustainable Value 2023”
- 7) Enhancing the effectiveness of risk management

*Gemba KPIs are internal indicators set by breaking down ROIC into relevant KPIs for each workplace.

[Progress with the Medium-term Management Plan, “Value Up 2023”]

Described below are an outline of “Value Up 2023,” the Medium-term Management Plan for the fiscal years from April 1, 2020 through March 31, 2024, and the progress during the third year.

1. Basic Concept

Establishing a presence in the industry as a solution creator

2. Main Initiatives and Progress

- 1) Enhancing corporate value by creating a cycle of innovation and sustainable growth
 - Emphasized initiatives to strengthen the market competitiveness of the SPE business
 - Concluded a joint development agreement with Imec (headquartered in Belgium) to accelerate

technological development

- Concluded a joint development agreement with IBM for next-generation cleaning processes
 - Released SU-3400, a single-wafer cleaner offering top-tier world-leading productivity and high processing performance
 - Enhanced the production system for semiconductor production equipment
 - Started operation of S³-4, a new factory on the Hikone Plant
 - Started construction of S³-5 and investment to enhance capacity of three Group companies in Japan
 - Endeavored to create new businesses (e.g., life sciences, energy, and AI)
 - Made AFI Corporation a subsidiary in order to strengthen the life science business
 - Decided to establish a hydrogen-related business department to strengthen the hydrogen energy business (established on April 1, 2023)
 - Additional investment in Laboro.AI Inc. with the aim of enhancing overall manufacturing processes by using AI technology
- 2) Generating cash flows commensurate with profits earned in pursuit of profitability and efficiency
- Further promoted ROIC management through continuous analysis of profitability and efficiency of each business and through improvement activities, while visualizing performance indicators aided by digital transformation
 - Applied business portfolio management based on growth rates for net sales and ROIC throughout the Company to promote sustainable growth
 - Operating cash flow (cumulative total for the three years) amounted to 212.8 billion yen, which exceeded cumulative total of operating income, as a result of improvement of profitability and efficiency, and net cash also increased significantly
- 3) ESG initiatives to be a sustainable corporation
- Promoting “Sustainable Value 2023,” a medium-term plan focused on the creation of a sustainable society and the improvement of social value

E (Environment): Climate change initiatives and environmental management

S (Social): Realizing rewarding workplaces and creating social value

G (Governance): Building risk-resilient governance systems and organizations

3. Numerical Targets of Economic Value and Results

Shown below are numerical targets of economic value in the Medium-term Management Plan, “Value Up 2023,” and the results for the fiscal year ended March 31, 2023.

	Targets (at the launch of the plan)	Results (FY2023)	Targets (after upward revision as of July, 2022)
Net sales	400 billion yen or above in the final year	460.8 billion yen	500 billion yen or above in the final year
Operating income ratio	15% or above in the final year	16.6%	17% or above in the final year
ROE	15% or above in the final year	21.0%	20% or above in the final year
Operating cash flow	Cumulative total of 120 billion yen in 4 years	73.9 billion yen (Cumulative total of 212.8 billion yen in 3 years)	Cumulative total of 240 billion yen in 4 years
Shareholder returns	Consolidated total return ratio of 30% or above from FY2022	Dividend of 365 yen (30.2%)	Consolidated total return ratio of 30% or above from FY2022

*The above figures are predicated on organic growth.

4. Initiatives to Enhance Social Value

Please see “Promotion of ESG-Focused Sustainable Management” in the following pages on how we have been tackling the enhancement of social value set out in Medium-term Management Plan, “Value Up 2023.”

Promoting Sustainability Management with an Emphasis on ESG

The SCREEN Group is constantly working to improve its Sustainable Value (social value) so that we can better contribute to the sustainable development of society. Based on this guiding principle, we have formulated “Sustainable Value 2023,” a medium-term management plan that we are utilizing as a road map to implement various initiatives. Through these activities, we seek to fulfill our corporate social responsibilities by meeting the expectations and earning the trust of diverse stakeholders. As a solution creator, we strive to enhance our corporate value by proactively implementing initiatives that emphasize the environment, society, and governance (ESG), in such matters as responding to climate change and addressing social issues.

E (Environment): Climate change initiatives and environmental management

S (Social): Realizing rewarding workplaces and creating social value

G (Governance): Building risk-resilient governance systems and organizations

From among the 17 Sustainable Development Goals (SDGs) defined by the United Nations, the SCREEN Group has identified eight goals that are especially relevant to our corporate philosophy. The SCREEN Group has signed the UN Global Compact and has been participating in international climate change initiatives, such as SBTi and TCFD. To contribute to realization of a sustainable society, we are addressing specific ESG themes in the “Sustainable Value 2023” medium-term management plan aimed at enhancing social value.

E (Environment): Climate Change Initiatives and Environmental Management

Climate change and environmental initiatives

- Continued the efforts to reduce CO₂ emissions in line with the SBT framework. Declared the Group's carbon neutrality goal for 2050.
- Promoted TCFD-compliant risk scenario analysis and information disclosure on a continuous basis
- Joined the Semiconductor Climate Consortium
- Selected as a cooperative operator for the Supply Chain Decarbonization Support Project run by Kyoto Prefecture
- Strengthened the recycling system by converting waste plastics, including PFAS, into items with value

Biodiversity-related activities

- Resumed SCREEN Forest activities for forest and Satochi-satoyama conservation, which were suspended due to the COVID-19 pandemic
- Developed a game-based educational material for children on the theme of biodiversity jointly with Shiga Prefectural Lake Biwa Museum and Seian University of Art and Design

SCREEN Forest activities

(Forest conservation and "SCREEN Rice" cultivation)

Children learn about biodiversity through a game in classes given by the Company's employees at schools

Other major initiatives (from the Company's website)

- Began commercial mass production of MEA, a material for fuel cells, with a view to decarbonization and the hydrogen economy
- Received the FY2021 Shiga Prefecture Biodiversity Certification System 3-star rating, the highest rating
- Selected as one of the 200 Asia-Pacific Climate Leaders
- Became the first company in the semiconductor production equipment industry to introduce the cloud service for profiling CO₂ emissions

S (Social): Realizing Rewarding Workplaces and Creating Social Value

Initiatives related to strengthening human capital

- Conducted an employee engagement survey to promote employees' personal growth and enhance their satisfaction with the organization
- Held a next-generation executive development program featuring lecturers with experience in corporate management
- Held a career development program for female employees to further promote women's empowerment
- Opened the "Digitra-dan" work support website to enhance employees' IT literacy and operational improvement

Implementing a health management program and enhancing efforts to increase employee health

- Certified as a Health & Productivity Management Outstanding Organization
- Organized a health promotion seminar to enhance employees' health literacy

Promotion of activities based on industry-academia-government collaborations

- Offered internships in collaboration with Doshisha University's Graduate Schools and Kyoto University of Advanced Science
- Cooperated with KYOTO Entrepreneur Challenge in accordance with the partnership agreement with Kyoto Prefecture

Other major initiatives (from the Company's website)

- Donated a storage facility for disaster prevention in Kamigyo-ku, Kyoto City
- Placed a monument on the Company's site in Mashiki-machi, Kamimashiki-gun, Kumamoto Prefecture, where temporary housing for those affected by the 2016 Kumamoto earthquake stood, to commemorate the recovery of the community
- Donated harvested rice to eight residential childcare institutions in Kyoto Prefecture

G (Governance): Building Risk-resilient Governance Systems and Organizations

Enhancement of the effectiveness of Group risk management

- Enhanced the effectiveness of risk management of all Group companies through the Group Risk Management Committee
- Identified material risks for the fiscal year based on the Group risk list and implemented risk mitigation measures

Ongoing initiatives to improve the effectiveness of SCREEN's Board of Directors

- Conducted evaluation and analysis of the Board's effectiveness based on advice from a third-party organization and published the results on the Company's website
- Released a skills matrix showing the expertise and experience of the Company's Directors and Corporate Auditors

Long-term issuer rating by Japan Credit Rating Agency, Ltd. raised to A (stable)

- Raised from the previous rating of A- (positive outlook) on March 17, 2023

Establishment of a resilient BCP to withstand increasingly severe natural disasters and pandemics

- Conducted a Group Emergency Headquarters comprehensive drill to ensure preparedness in the event of a large-scale disaster, anticipating a Nankai megathrust earthquake
- Conducted a survey of flood risk of the Group's sites based on regional flood hazard maps

The BCP drill included confirmation of coordination among sites

Strengthening of information security measures to combat cyberattacks

- Conducted a drill of the Company's Computer Security Incident Response Team (CSIRT), which is a response team to combat cyberattacks
- Established a new information security organization to ensure compliance with NIST SP800-171 U.S. security standards

Further enhancement of compliance systems

- Strengthened global whistleblowing systems for internal reporting and consultation
- Enriched compliance education for executives and employees in Japan and overseas

Other major initiatives (from the Company's website)

- Hikone Plant (including Taga Plant) recognized as Gold by RBA Validated Assessment Program (VAP) audit

[Reference] The SCREEN Group's social contribution activities

Manufacturing Workshop at the Kyoto Manufacturing Hall of Fame

We sponsored this program for elementary schools in Kyoto City and dispatched our young employees as staff.

Sponsorship of CO₂ Zero Challenge

We sponsored CO₂ Zero Challenge organized by Kyoto Prefecture, a program intended to encourage elementary school children to think about global warming mitigation.

Volunteers for kimchi making in Korea

In collaboration with a local residential home for the elderly, HDKR and TRIVIS (SCREEN Group's subsidiaries in Korea) made kimchi and donated it.

Volunteering at Kyoto Marathon

Our employees participated in the Kyoto Marathon, held for the first time in three years, as volunteer staff and provided support to the runners.

Clean-up campaign with Ritsumeikan University Boat Club on Lake Biwa Day

The Group supports Ritsumeikan University Boat Club. We participated in the clean-up campaign held on July 1, Lake Biwa Day, together with Boat Club members.

Support for Genius Art Kyoto

The Group supports Genius Art Kyoto (research organization for the promotion of art for the challenged) based on an agreement. As part of the project, an open-air museum is currently being held at the former site of Kakuchi Elementary School in Kyoto.

(5) Trends in the Status of Assets and Income

(Rounded down to the nearest million yen)

	FY2020/03	FY2021/03	FY2022/03	FY2023/03 (Fiscal year under review)
Net sales	323,249	320,322	411,865	460,834
Operating income	12,561	24,492	61,273	76,452
Ordinary income	11,636	22,720	59,438	77,393
Profit attributable to owners of parent	5,010	15,164	45,481	57,491
Basic earnings per share (yen)	107.37	325.21	976.55	1,216.33
Total assets	347,964	382,632	459,305	562,816
Net assets	174,142	208,548	247,788	299,926

Note: The Company has adopted the “Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020),” etc., from the fiscal year ended March 31, 2022. In the status of assets and income for the fiscal year ended March 31, 2022 and thereafter, the figures presented are those after the adoption of the above accounting standard, etc.

(6) Status of Material Subsidiaries

1) Status of Material Subsidiaries

Company name	Capital	Voting rights ratio	Principal business
SCREEN Semiconductor Solutions Co., Ltd.	310 million yen	100.0%	Development, manufacturing, and sales of semiconductor production equipment
SCREEN Graphic Solutions Co., Ltd.	100 million yen	100.0%	Development, manufacturing, and sales of graphic arts equipment
SCREEN Finetech Solutions Co., Ltd.	100 million yen	100.0%	Development, manufacturing, and sales of display production equipment and coater equipment
SCREEN PE Solutions Co., Ltd.	100 million yen	100.0%	Development, manufacturing, and sales of PCB-related equipment
SCREEN SPE Tech Co., Ltd.	480 million yen	100.0%	Development and manufacturing of semiconductor production equipment
SCREEN GP Japan Co., Ltd.	300 million yen	100.0%	Sales of graphic arts and PCB-related equipment
SCREEN SPE USA, LLC	18,876 thousand dollars	100.0%	Sales support and maintenance services of semiconductor production equipment

2) Progress and Results of Business Combination

During the fiscal year under review, Inca Digital Printers Ltd. and SCREEN GP IJC Ltd. were excluded from the scope of consolidation because the Company sold all its equity stakes in them. The SCREEN Group consists of SCREEN Holdings Co., Ltd., 55 consolidated subsidiaries, four non-consolidated subsidiaries, and one affiliated company.

Results for the fiscal year under review are described in “(1) Business Progress and Results.”

(7) Principal Business

Category	Principal business
Semiconductor Production Equipment Business	Development, manufacturing, sales, and maintenance services of semiconductor production equipment
Graphic Arts Equipment Business	Development, manufacturing, sales, and maintenance services of graphic arts equipment
Display Production Equipment and Coater Business	Development, manufacturing, sales, and maintenance services of display production equipment and coater equipment
PCB-Related Equipment Business	Development, manufacturing, sales, and maintenance services of PCB-related equipment
Other	Development, manufacturing, and sales of equipment in the life science business, software development, planning and production of printed matter, and other businesses

(8) Principal Business Locations, etc., of the Corporate Group

Company Head Office Tenjinkita-machi 1-1, Teranouchi-agaru 4-chome, Horikawa-dori, Kamigyo-ku, Kyoto

Site or company name		Principal function	Location
Domestic locations	Rakusai Site	Development, manufacturing, and sales	Fushimi-ku, Kyoto
	Kumiyama Plant	Development and manufacturing	Kumiyama-cho, Kyoto
	Yasu Plant	Development and manufacturing	Yasu, Shiga
	Hikone Plant	Development and manufacturing	Hikone, Shiga
	Taga Plant	Manufacturing	Taga-cho, Shiga
	Monzennakacho Site	Sales	Koto-ku, Tokyo
Overseas locations	SCREEN SPE USA, LLC	Sales support and maintenance services	U.S.A.
	SCREEN GP Americas, LLC	Sales and maintenance services	U.S.A.
	SCREEN SPE Germany GmbH	Sales support and maintenance services	Germany
	SCREEN GP Europe B.V.	Sales and maintenance services	The Netherlands
	SCREEN SPE Korea Co., Ltd.	Sales support and maintenance services	Korea
	SCREEN Electronics Shanghai Co., Ltd.	Sales support and maintenance services	China
	SCREEN SPE Taiwan Co., Ltd.	Sales support and maintenance services	Taiwan

(9) Status of Employees of the Corporate Group

Number of employees (Change from the end of the previous fiscal year)
5,987 (Increased by 44)

Note: The number of employees excludes the number of secondees from the Company or its consolidated subsidiaries to outside organizations and includes the number of secondees from outside organizations to the Company or its consolidated subsidiaries.

(10) Principal Lenders and Amount of Borrowings

(Rounded down to the nearest million yen)

Lender	Amount of borrowings
MUFG Bank, Ltd.	2,500
Resona Bank, Limited.	1,800
The Bank of Kyoto, Ltd.	1,400
The Shiga Bank, Ltd.	1,200
Development Bank of Japan Inc.	1,000
Mizuho Bank, Ltd.	700
Sumitomo Mitsui Banking Corporation	700
Sumitomo Mitsui Trust Bank, Limited	700
Nippon Life Insurance Company	400

2. Matters Regarding Shares of the Company

- (1) Total number of shares authorized to be issued 180,000,000 shares
- (2) Total number of shares issued 50,794,866 shares
(including 3,225,914 shares in treasury stock)
- (3) Number of shareholders 22,075
- (4) Major shareholders (Top 10)

Shareholder name	Number of shares	Shareholding ratio
	Thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,990	18.89
Custody Bank of Japan, Ltd. (Trust Account)	5,453	11.46
Nippon Life Insurance Company	1,830	3.84
The Bank of Kyoto, Ltd.	1,346	2.82
SCREEN's Business Partners Shareholders' Association Synchronize	993	2.08
Resona Bank, Limited	912	1.91
The Shiga Bank, Ltd.	848	1.78
STATE STREET BANK AND TRUST COMPANY 505001	802	1.68
MUFG Bank, Ltd.	784	1.64
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	704	1.48

- Notes: 1. While SCREEN Holdings Co., Ltd. holds 3,225,914 shares in treasury stock, this is not included in the above list of major shareholders.
2. Treasury stock has been excluded from the calculation of the shareholding ratio.
3. Treasury stock does not include the 159,100 shares of the Company owned by Custody Bank of Japan, Ltd. (Trust Account), which is the trust account for the performance-linked share compensation system for Directors, etc.

(5) Status of Shares Granted to Company Officers During the Fiscal Year in Consideration of Performance of Duties

Shares Granted to Directors by Category

Category	Number of shares	Number of eligible persons
Director (excluding Outside Director)	4,200	1

Note: Details of the Company's share compensation are described in "4. (4) Compensation for Directors and Corporate Auditors."

(6) Other Important Matters regarding Shares

At the Board of Directors meeting held on May 10, 2023, the Company resolved to implement a share split with a record date of September 30, 2023 and an effective date of October 1, 2023. The shares of common stock of the Company owned by shareholders stated or recorded in the final shareholder register on the record day will be split in the ratio of 2 for 1.

3. Matters Regarding Share Acquisition Rights, etc., of the Company

Overview of share acquisition rights attached to the bonds with share acquisition rights issued in accordance with a resolution of the Board of Directors meeting held on May 24, 2018

	Euro/Yen denominated bonds with convertible bond type share acquisition rights subject to call due 2025 (Issued on June 11, 2018)
Number of share acquisition rights	1,500
Number and type of shares to which share acquisition rights apply	1,231,082 shares of common stock
Amount of cash payment for share acquisition rights	No cash payment is required in exchange for share acquisition rights
Exercise period for share acquisition rights	From June 25, 2018 to May 28, 2025
Conversion price	12,184.4 yen
Condition for exercising share acquisition rights	Partial exercise of the share acquisition rights is not allowed
Balance of bonds with share acquisition rights	15,000 million yen

- Notes: 1. The redemption period expired on June 10, 2022 for the Euro/Yen denominated bonds with convertible bond type share acquisition rights subject to call due 2022 issued in accordance with the resolution of the Board of Directors meeting held on May 24, 2018.
2. In line with the approval of the proposal for appropriation of surplus (payment of year-end dividends of 293 yen per share) at the 81st Ordinary General Meeting of Shareholders held on June 24, 2022, the conversion price was adjusted to 12,184.4 yen in accordance with the conversion price adjustment clause. The impact of such adjustment of the conversion price is reflected in the number of shares to which share acquisition rights apply indicated.

4. Matters Regarding Company Officers

(1) Names and other information of Directors and Corporate Auditors

(As of March 31, 2023)

Name	Position and Responsibility	Significant Concurrent Positions
Eiji Kakiuchi	Representative Director Chairman Member of the Board	Outside Director, KYOCERA Corporation
Toshio Hiroe	Representative Director President Member of the Board Chief Executive Officer	Director, SCREEN Semiconductor Solutions Co., Ltd. Director, SCREEN Graphic Solutions Co., Ltd. Director, SCREEN Finetech Solutions Co., Ltd. Director, SCREEN PE Solutions Co., Ltd. Director, SCREEN Advanced System Solutions Co., Ltd.
Yoichi Kondo	Senior Managing Director Member of the Board Chief Financial Officer Chief Officer of IR & PR	Director, SCREEN Semiconductor Solutions Co., Ltd.
Yoshihisa Ishikawa	Director Member of the Board Chief Officer of Corporate Strategy Chief Officer of General Affairs & Human Resources Strategy	Director, SCREEN Semiconductor Solutions Co., Ltd. Director, SCREEN Graphic Solutions Co., Ltd. Director, SCREEN Finetech Solutions Co., Ltd. Director, SCREEN PE Solutions Co., Ltd.
Shigeru Saito	Director Member of the Board	Chairman and CEO, TOSE CO., LTD. Outside Director, Wacoal Holdings Corp.
Makoto Yoda	Director Member of the Board	
Hidemi Takasu	Director Member of the Board	Outside Director, Samco Inc.
Hiroko Okudaira	Director Member of the Board	Associate Professor, Doshisha Business School, Doshisha University
Hirofumi Ota	Senior Corporate Auditor (Full-time)	
Akio Umeda	Corporate Auditor (Full-time)	
Tetsuo Kikkawa	Corporate Auditor	President and Attorney-at-Law, Kyoto Mirai Law Firm Outside Corporate Auditor, Kosei Kensetsu Co., Ltd.
Seiji Yokoyama	Corporate Auditor	Director, Seiji Yokoyama Public Certified Accountant Office

- Notes:
1. Directors Mr. Shigeru Saito, Mr. Makoto Yoda, Mr. Hidemi Takasu, and Ms. Hiroko Okudaira are Outside Directors. The Company has reported them to Tokyo Stock Exchange, Inc. as independent directors/auditors.
 2. Corporate Auditors Mr. Tetsuo Kikkawa and Mr. Seiji Yokoyama are Outside Corporate Auditors. The Company has reported them to Tokyo Stock Exchange, Inc. as independent directors/auditors.
 3. Corporate Auditor Mr. Hirofumi Ota has been involved in the accounting operations of the Company for many years, and Corporate Auditor, Mr. Seiji Yokoyama is a licensed Certified Public Accountant. They both have substantial knowledge of finance and accounting.

4. The following changes were made to Directors during the fiscal year ended March 31, 2023.

(1) Assumed office on June 24, 2022

Director

Member of the Board

Chief Officer of Corporate Strategy Yoshihisa Ishikawa

Chief Officer of General Affairs &

Human Resources Strategy

(2) Left office on June 24, 2022

Managing Director

Member of the Board

Chief Officer of General Affairs & Kimito Ando

Human Resources Strategy

Tokyo Representative

(2) Overview of Agreement on Limitation of Liability

The Company has concluded a Limitation of Liability Agreement with its Outside Directors and Outside Corporate Auditors to limit their liability for damages as prescribed in the provision of Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the Companies Act. Under the agreement, their liability for damages shall be limited within the amount prescribed by laws and regulations.

(3) Overview of Directors and Officers Liability Insurance Contract

The Company has concluded a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The said insurance contract covers damage including compensation for damages and litigation expenses to be borne by the insured.

The insured parties of the said insurance contract are all officers (Directors, Corporate Auditors, Corporate Officers, and other important employees under the Companies Act) of the Company and its subsidiaries. The entire premium is distributed proportionally among and borne by the Company and its subsidiaries.

Exemptions for insurance coverage under the said insurance contract include damage caused as a result of criminal acts or actions taken with the knowledge that they were in violation of laws and regulations.

(4) Compensation for Directors and Corporate Auditors

1) Matters Regarding the Policy for Determination of the Details of Compensation for Each Director

The Policy for Determination of the Details of Compensation for Each Director (hereinafter the "Policy") was set by a resolution of the Board of Directors meeting held on February 26, 2021. This was in response to the proposal of the Nomination and Compensation Advisory Committee composed of Outside Directors and the Chairman of the Board of Directors.

Compensation as an incentive for Directors is determined on the basis of individual roles and responsibilities in order to live up to the stakeholders' expectations and enhance medium- to long-term corporate value. Specifically, compensation for Directors and Corporate Officers now consists of three elements: (a) basic compensation as fixed cash payment, (b) a short-term performance-linked cash bonus, and (c) share compensation linked with the short- and medium- to long-term performance, and corporate value (shareholders' value). Outside Directors' compensation does not include performance-linked share compensation.

After seeking the advice of the Nomination and Compensation Advisory Committee, compensation for each Director is now determined by the Representative Directors under authorization from the Board of Directors.

2) Matters Regarding Resolution of the General Meeting of Shareholders on Compensation for Directors and Corporate Auditors

The amount of monetary compensation for Directors, capped at 480 million yen annually, was set by a resolution of the 64th Ordinary General Meeting of Shareholders held on June 28, 2005. The number of Directors was nine at the close of the said Ordinary General Meeting of Shareholders. At the 80th Ordinary General Meeting of Shareholders held on June 24, 2021, it was resolved that

performance-linked share compensation be provided separately from the above, with a four-year trust period and an upper limit of 1,000 million yen. The number of Directors was eight at the close of the said Ordinary General Meeting of Shareholders and the number of Directors subject to the system, which excludes Outside Directors, is four.

The amount of monetary compensation for Corporate Auditors, to be kept within the range of 60 million yen annually, was set by a resolution of the 64th Ordinary General Meeting of Shareholders held on June 28, 2005. The number of Corporate Auditors was four at the close of the said Ordinary General Meeting of Shareholders.

3) Matters Regarding the Determination of the Details of Compensation for Each Director

By resolution of the Board of Directors and in the light of the proposal of the Nomination and Compensation Advisory Committee, the Company has delegated the authority to determine the compensation for each Director to Mr. Toshio Hiroe, Representative Director, President, Member of the Board, and Chief Executive Officer (hereinafter to be referred to as the “CEO”). Since the compensation for each Director is determined after the aforementioned measures are taken, the Company considers the details of compensation to be in line with the Policy.

The Company delegated the authority because the CEO was considered suitable for keeping track of the Company’s overall performance and evaluating each Director’s roles and responsibilities.

4) Total Amount of Compensation for Directors and Corporate Auditors

(Rounded down to the nearest million)

Officer category	Total amount of compensation	Total amount of compensation by type (million yen)			Number of eligible officers (persons)
		Basic compensation	Performance-linked compensation	Performance-linked share compensation	
Directors (of whom Outside Directors)	450 (69)	216 (37)	170 (32)	63 (—)	9 (4)
Corporate Auditors (of whom Outside Corporate Auditors)	59 (12)	59 (12)	—	—	4 (2)

Note: The number of Directors and the amount of compensation include one Director who left the position on June 24, 2022.

5) Performance-linked Compensation

Performance-linked compensation is paid according to the position and performance. Indicators for performance measurement include operating income ratio and ROE to strengthen the management base, as well as environmental and safety indicators to enhance social value. The level of achievement of each indicator is converted to scores to determine the amount of performance-linked compensation, which is less than approximately half of basic compensation.

The following table shows the criteria for the level of achievement of each indicator and the actual performance for the fiscal year ended March 31, 2023.

Performance indicator	Criteria for the level of achievement	Actual performance
Operating income ratio	12.5%–above 17.5%	16.6%
ROE	10%–above 20%	21.0%
Environmental and safety indicators	Reduction of CO ₂ emissions in business activities • Reduction of 10% from the fiscal year ended March 31, 2019	Reduction of 52.5% (preliminary figure)

6) Performance-linked Share Compensation

Our performance-linked share compensation system (hereinafter the “System”) is a share compensation system where a trust, which the Company established by contributing funds (hereinafter the “Trust”), acquires the Company’s shares, and Directors (excluding Outside Directors) receive the shares on the basis of the points granted to each Director by the Company. In principle, the shares are received by Directors at the time of their retirement.

The maximum total number of points to be granted to Directors by the Company is 25,000 points for each fiscal year. The points are granted according to the position and performance. The system is designed to grant points equivalent to up to approximately 40% of basic compensation. The monetary value of the points fluctuates in accordance with the share price.

The System employs the same performance indicators as those shown in the above 5). The level of achievement of each indicator is converted to a score to determine the number of points to be granted.

(5) Matters Regarding Outside Officers

1) Main Activities in the Fiscal Year Ended March 31, 2023

Category	Name	Main activities
Director	Shigeru Saito	He attended all of 14 Board of Directors meetings held in the fiscal year ended March 31, 2023. With a wealth of experience in corporate management and other fields, he expressed his views from various perspectives and fulfilled expected roles, such as contributing to the strengthening of the management supervision function.
Director	Makoto Yoda	He attended all of 14 Board of Directors meetings held in the fiscal year ended March 31, 2023. With a high level of knowledge as a corporate manager and a wealth of experience at public interest entities and other organizations, he expressed his views from various perspectives and fulfilled expected roles, such as contributing to the strengthening of the management supervision function.

Category	Name	Main activities
Director	Hidemi Takasu	He attended all of 14 Board of Directors meetings held in the fiscal year ended March 31, 2023. Taking advantage of a wealth of knowledge and expertise cultivated as an officer in charge of technology at other company, he expressed his views from various perspectives and fulfilled expected roles, such as contributing to the strengthening of the management supervision function.
Director	Hiroko Okudaira	She attended all of 14 Board of Directors meetings held in the fiscal year ended March 31, 2023. With a wealth of knowledge, including that gained in the research of companies conducted in academia, she expressed her views from an objective perspective and fulfilled expected roles, such as contributing to the strengthening of the management supervision function.
Corporate Auditor	Tetsuo Kikkawa	He attended all of 14 Board of Directors meetings and all of 18 Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2023. With a wealth of experience as an attorney-at-law, he expressed his views from a neutral and objective perspective.
Corporate Auditor	Seiji Yokoyama	He attended all of 14 Board of Directors meetings and all of 18 Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2023. With a wealth of experience as a certified public accountant, he expressed his views from a neutral and objective perspective.

2) Significant Concurrent Positions and Relationship with the Company

Category	Name	Significant concurrent positions	Relationship with the Company
Director	Shigeru Saito	Chairman and CEO, TOSE CO., LTD.	There is no special relationship
		Outside Director, Wacoal Holdings Corp.	There is no special relationship
Director	Hidemi Takasu	Outside Director, Samco Inc.	There is no special relationship
Director	Hiroko Okudaira	Associate Professor, Doshisha Business School, Doshisha University	There is no special relationship
Corporate Auditor	Tetsuo Kikkawa	President and Attorney-at-Law, Kyoto Mirai Law Firm	There is no special relationship
		Outside Corporate Auditor, Kosei Kensetsu Co., Ltd.	There is no special relationship
Corporate Auditor	Seiji Yokoyama	Director, Seiji Yokoyama Public Certified Accountant Office	There is no special relationship

5. Matters Regarding Accounting Auditor

(1) Accounting Auditor's Name
KPMG AZSA LLC

(2) Amount of Compensation

1) Amount of compensation, for the fiscal year ended March 31, 2023
77 million yen

2) Total amount of money or other property benefits to be paid by the Company and its subsidiaries to the Accounting Auditor

97 million yen

- Notes:
1. Reasons for the Board of Corporate Auditors' consent to the amount of compensation: The Board of Corporate Auditors gave consent to the amount of compensation for the Accounting Auditor after reviewing the details of the Accounting Auditor's audit plan, the performance of accounting audit duties, and the basis for calculation of estimated compensation, and finding them reasonable.
 2. In the contract with the Accounting Auditor, the Company does not, and in practice cannot, draw a clear line between the amount of compensation for the Accounting Auditor's audits under the Companies Act and the amount of compensation for audits under the Financial Instruments and Exchange Act. Shown above is therefore the total amount of compensation for these audits.

(3) Policies for Determination of Dismissal or Refusal of Reappointment of Accounting Auditor

If deemed necessary, such as in the event that the Accounting Auditor is unable to fulfill its responsibilities, the Board of Corporate Auditors will draft a proposal to dismiss or refuse to reappoint the Accounting Auditor, which will be submitted to the General Meeting of Shareholders.

In addition, in the event that the Accounting Auditor is deemed to fall under any of the items listed in Article 340, Paragraph 1 of the Companies Act, the Board of Corporate Auditors will, if necessary, dismiss the Accounting Auditor with the unanimous consent of all Corporate Auditors. In this case, a Corporate Auditor selected by the Board of Corporate Auditors will report, at the first General Meeting of Shareholders convened after the dismissal, on the dismissal of the Accounting Auditor and the reasons for the dismissal.

6. Matters concerning Systems for Ensuring the Properness of Operations

The Company has resolved to establish internal control systems and determined the following matters related to the development of systems to ensure that duties executed by Directors comply with laws, regulations and the Articles of Incorporation, as well as the development of other systems prescribed by the Ministry of Justice Order to ensure the proper business activities undertaken by a group of enterprises consisting of a stock company and its subsidiaries.

<Details of the Resolution>

SCREEN Holdings, along with other Group companies, has established the SCREEN Group CSR Charter and Code of Conduct, a set of fundamental precepts formulated to ensure that all Group activities uphold the corporate philosophy, which consists of the “Purpose” and the “Founder’s Motto.” Under this charter/code of conduct, all Group members are committed to maintaining strict legal compliance, high ethical standards, and transparent business dealings and to living up to stakeholder expectations and thereby contributing to the sustainable development of society.

In line with the views described above, the Company aims to develop its internal control systems in the following manner.

(1) Systems for Ensuring the Properness of Operations Undertaken by a Corporate Group Consisting of the Company and Its Subsidiaries

- 1) As the holding company overseeing the affairs of the SCREEN Group, the Company develops and maintains a Group management structure that clearly defines basic policies for the Group’s operations as well as roles and responsibilities assigned to each Group company in line with the SCREEN Group Code of Management.
- 2) From the perspective of consolidated business management, the Company aims to secure the functional separation of business execution and oversight, and to this end focuses on strategic planning for the entire Group, optimally allocating management resources and exercising management and supervision over the status of operations undertaken by each Group company.
- 3) The Company develops and maintains systems for securing the propriety and reliability of its financial reporting in line with the SCREEN Group Internal Control Design Principles for Financial Reporting.
- 4) The Company constantly assesses the Group’s financial position and ensures meticulous financial and tax reporting by handling these affairs in accordance with the SCREEN Group Accounting Financial Policy as well as the SCREEN Group Accounting Standards.
- 5) In line with the SCREEN Group Code of Human Resources Management, the Company strives to nurture and better utilize diverse workers capable of achieving success on the global stage. To this end, the Company maintains a personnel system focused on clearly defining the roles of individual employees and accurately assessing their accomplishments while providing skill development programs and other assistance to help employees achieve personal growth in a way that respects their diversity.
- 6) The Company strives to develop and maintain the systems necessary to properly operate and manage IT infrastructure for the Group in accordance with the SCREEN Group Rules for IT Management.
- 7) The Company develops and maintains systems for ensuring the timely and accurate disclosure of information with regard to the Group’s corporate activities in a manner that conforms with its Basic Disclosure Policy.
- 8) The Company holds Consolidated Management Committee meetings attended by its Directors, Corporate Auditors, and Corporate Officers as well as presidents of Group companies in an effort to ensure that all Group members firmly embrace its management strategies and operational policies while sharing a sense of unity that transcends organizational boundaries and helps them work as one.
- 9) The Company dispatches Directors, Corporate Officers, and its own employees or those of managing Group companies to other Group companies where they assume positions as Directors or Corporate Auditors in order to manage and/or supervise operations undertaken by these Group companies.
- 10) Periodically, the Company receives reports on the status of Group companies’ marketing, financial

position, and other operational conditions either directly from said companies or via their managing Group companies.

- 11) Internal audit departments audit the status of internal control systems the Company and other Group companies have put in place while ensuring that departments subject to auditing make improvements based on audit findings in the pursuit of even more robust internal control systems.

(2) Systems for Ensuring the Efficient Execution of Directors' Duties

- 1) The Company's Board of Directors meets monthly while holding special meetings as necessary and is charged with making swift decisions with regard to important matters in addition to supervising Directors' execution of duties.
- 2) To ensure its Directors possess the authority necessary to efficiently execute their duties, the Company defines tasks to be delegated to each Director based on a resolution passed by its Board of Directors while mandating other Group companies to follow similar practices.
- 3) Based on the SCREEN Group Responsibility and Authority Rules, the Company clarifies the responsibilities to be borne by and the authority to be delegated to its Directors, Corporate Officers, and employees in the course of their duties while mandating that other Group companies follow similar practices.
- 4) The Company maintains the Management Committee, which comprises of the full-time Directors, presidents of business operating and functional support companies, as well as officers appointed by the Chairman of the Committee. The Committee meets more than once a month to deliberate matters related to management and facilitate the decision-making of the Board of Directors and Representative Directors.

(3) Systems for Ensuring That Duties Executed by Directors, Corporate Officers, and Employees Comply with Laws, Regulations, and the Articles of Incorporation

- 1) Under the SCREEN Group CSR Charter and Code of Conduct, the Company ingrains a code of conduct into the hearts and minds of Directors, Corporate Officers, and all employees so that it can operate in a fair and transparent manner.
- 2) The Company maintains officers and departments in charge of legal affairs to confirm the status of various contracts and transactions affecting the Group in terms of compliance with laws, regulations, and the Articles of Incorporation.
- 3) The Company maintains the membership of Outside Directors in the Board of Directors to ensure the legal compliance and the rationality of management decisions of Directors in the execution of their duties and to strengthen the Board's oversight functions.
- 4) The Company develops and maintains a whistleblowing system for the entire SCREEN Group, with the aim of preventing and detecting the occurrence of violations of laws and regulations, fraudulent activities, and other corporate misconduct at the earliest stages. The Company and other Group companies tolerate no detrimental treatment of whistleblowers due to their actions in reporting on the violation of laws or other corporate misconduct.
- 5) The Company is determined to sever any relationships with anti-social forces and reject illicit demands from such forces and, to this end, takes a firm stand against them by acting in collaboration with external lawyers and police agencies. The Company also complies with prefectural and other local ordinances aimed at eliminating organized crime groups and in no way provides anti-social forces with any benefits that may facilitate or contribute to their activities and operations. Moreover, the Company mandates other Group companies to follow similar practices.

(4) Systems and Rules for the Management of Risk and Losses

- 1) To minimize risks that may affect the Group's operations, the Company mandates all business units within the Group to develop and maintain risk management systems in conformity with the SCREEN Group Risk Management Guidelines and relevant operational rules while performing the periodic monitoring of the status of such systems.

- 2) In the event that a critical risk materializes, the Company sets up a disaster response headquarters led by the President to implement countermeasures for emergencies and restore operations in line with the Business Continuity Management Regulations.

(5) Systems for Storing and Managing Information Related to the Execution of Directors' Duties

- 1) In accordance with laws, regulations, and its in-house rules, the Company engages in the swift preparation, storage, and management of minutes of meetings and other important documents containing information related to duties executed by Directors and Corporate Officers, while ensuring that these documents are always accessible to Directors and Corporate Auditors.
- 2) The Company maintains a strict approach to information management and, to this end, abides by the SCREEN Group Rules for IT Management as well as its Rules for the Management of Securing Confidential Information and Trade Secrets.

(6) Systems for Securing the Effectiveness of Auditing by Corporate Auditors

- 1) Corporate Auditors are authorized to attend Board of Directors, Consolidated Management Committee, Management Committee, and other important group meetings and freely voice their opinions.
- 2) The Company bears expenses incurred by Corporate Auditors in the course of executing their duties.

(7) Systems for Supporting Reporting to Corporate Auditors

- 1) SCREEN Holdings' Directors, Corporate Officers, and employees are obliged to report the status of operations, finance, compliance, risk management, and internal audits to Corporate Auditors and to report any incidents constituting a significant violation of laws or in-house rules or potentially leading to critical damage to the Company in the course of their duties as soon as such incidents are recognized.
- 2) All Directors, Corporate Auditors, Corporate Officers, and other employees serving Group companies are obliged to provide the Company's Corporate Auditors with reports on any incidents constituting the significant violation of laws or in-house rules or potentially leading to critical damage to the Company in the course of their duties as soon as such incidents are recognized.
- 3) Departments in charge of compliance are obliged to provide Corporate Auditors with periodic reporting on the status of the SCREEN Group's whistleblowing system and other important matters.
- 4) The Company and other Group companies tolerate no detrimental treatment of whistleblowers due to their actions in reporting on the violation of laws or other corporate misconduct to Corporate Auditors.

(8) Matters Related to Individuals Charged with Assisting Corporate Auditors in Their Duties

The Company maintains a specialized department that assists Corporate Auditors with the execution of their duties while allocating to them a dedicated staff equipped with sufficient knowledge and competencies. This staff operates directly under the Corporate Auditors, and personnel transfer, performance evaluation, and other matters associated with the management of these individuals are not determined without the consent of Corporate Auditors.

<Overview of the Implementation Status>

Striving to ensure that internal control systems are appropriately in place, SCREEN Holdings periodically inspects the status of internal control implemented by Group companies, including business operating companies and functional support companies. Described below are important or notable matters regarding the implementation of internal control in the fiscal year under review.

(1) Management of Group Operations

- 1) SCREEN Holdings systematically manages the operations of Group companies based on their business segment in accordance with the roles and responsibilities assigned to each member as stipulated by the SCREEN Group Code of Management.
- 2) Operational status at each Group company is managed and supervised by such means as dispatching Directors, Corporate Officers or employees from the Managing Group company to serve as Directors and Corporate Auditors of Group companies.
- 3) Internal auditing departments are responsible for conducting internal audits covering business units

across the Group based on internal audit implementation plans.

- 4) In accordance with in-house rules regarding organizational responsibilities and authority, important business decisions made by a Group company require the prior approval of SCREEN Holdings or other relevant business operating companies or functional support companies. In addition, the SCREEN Group has introduced a system that enables approvals of specific business decisions within the Group companies.
- 5) The Chief Officer of Corporate Strategy is appointed for the Company and an officer in charge of CSR is appointed for each business operating company and functional support company for implementation of internal control.

(2) Compliance

- 1) In line with the SCREEN Group CSR Charter, the Group has established its Code of Conduct. With the aim of ensuring that all employees understand this Code of Conduct, the Group implements in-house staff education at each Group company in Japan and overseas. The Group also provides compliance education on specific themes or targeting specific types of staff.
- 2) Regarding the Group's Corporate Ethics Help Line, the Group has introduced Navex Global, a global web reporting system accommodating multiple languages, in order to detect any domestic or international misconduct at the earliest stages and to ensure that improvement measures are properly in place.

(3) Risk Management

- 1) In accordance with the SCREEN Group Code of Risk Management and other relevant in-house rules, each Group company is engaged in initiatives aimed at identifying and mitigating business risk associated with each Group company. SCREEN Holdings implements risk mitigation measures centering on the key Group risks, which are selected for each fiscal year through the Group Risk Management Committee (held twice a year), which is responsible for assessing the status of risk management for the entire group. Moreover, collaboration among SCREEN Holdings' administrative and engineering departments and business operating companies has been strengthened to enhance effectiveness of risk management.
- 2) SCREEN Holdings has emergency procedures in place in accordance with the Business Continuity Management (BCM) Regulations. In the fiscal year under review, the Group carried out a large-scale BCP drill involving several business sites, anticipating the eventuality of a major earthquake. Moreover, in response to the COVID-19 pandemic, we are maintaining a pandemic BCP that includes overseas group companies.

(4) Duties of Directors

- 1) The Board of Directors met 14 times during the fiscal year in order to make important decisions and to supervise the execution of duties by the Directors.
- 2) The Company's Board of Directors consists of eight members, of whom four are Outside Directors. To ensure the legality of the execution of duties and strengthen the supervisory function, the Board of Directors Regulations stipulate that at least one-third of the Directors must be Outside Directors.
- 3) The Company's Management Committee met 13 times during the fiscal year for review of management execution and provision of assistance to the Board of Directors and the Representative Directors in making decisions.

(5) Effectiveness of Audits by Corporate Auditors

- 1) Corporate Auditors attend important meetings such as Board of Directors and Management Committee meetings in order to provide advice and receive reports from departments in charge of internal auditing, internal control, and compliance.
- 2) SCREEN Holdings has established a department specializing in supporting the duties of Corporate Auditors, with dedicated staff members operating under instructions from the Corporate Auditors.