Corporate Governance Report

SCREEN Holdings Co., Ltd.

This corporate governance report has been prepared in line with the specifications of the Tokyo Stock Exchange.
The numbering of the principles and supplementary principles is based on Japan's Corporate Governance Code.

Last update: November 13, 2026

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The following describes corporate governance at SCREEN Holdings Co., Ltd. (hereinafter "SCREEN Holdings" or the "Company") and its consolidated subsidiaries (collectively, the "Group" or the "SCREEN Group").

I. Basic Approach to Corporate Governance, Capital Structure, Corporate Profile, and Other Fundamentals

1. Basic Approach

By striving to improve corporate governance in pursuit of enhanced transparency, soundness, and efficiency in business management, the SCREEN Group aims to ensure that shareholders and all other stakeholders benefit in line with its corporate philosophy, which lays out the corporate purpose. The Group recognizes that effective corporate governance is essential to the achievement of this goal. To this end, the Group has established a governance framework that separates management oversight from execution: the Board of Directors makes decisions on and approves fundamental policies, core strategies, and other material matters related to business execution, while also monitoring and supervising the execution of duties by the management team, including the CEO, in accordance with these policies.

Reasoning for Noncompliance with the Principles of the Corporate Governance Code Updated

Not applicable.

The Company complies with all principles of the revised Corporate Governance Code published on June 11, 2021. Regarding the implementation status of the principles of the Corporate Governance Code revised in 2026, the Company plans to disclose such information as soon as the necessary preparations have been completed.

Disclosure Based on the Principles of the Corporate Governance Code Updated

Principle 1.4: Cross-Shareholdings

Maintaining partnerships with a broad range of external corporations is essential to the Company's sustainable corporate development. Accordingly, the Company may retain cross-shareholdings as long as they are deemed strategically necessary to its pursuit of long-term corporate value improvement. To assess the necessity of such shareholdings, the Board of Directors engages in annual reviews aimed at comprehensively examining the status of transactions with investees, the impact of shareholdings on the Company's financial position, the quantitative

benefits of such shareholdings vis-à-vis capital cost, and whether the purposes of shareholdings have been met. If these reviews reveal that certain shareholdings are no longer necessary, the Company negotiates with the investees to ensure that the shareholdings in question can be smoothly divested. If the investees indicate their intention to divest shares or to take similar action, the Company will not prevent them from doing so by taking such actions as implying the possibility of reductions in transactions with them. As of the end of the most recent fiscal year, the Company had divested shares of 46 investees, totaling ¥13.7 billion, since the introduction of Japan's Corporate Governance Code, including partial disposals.

In addition, the Company exercises voting rights associated with its shareholdings in a way that respects the management policies of its investees while making voting judgments from the perspective of enhancing its own corporate value over the long term. It should be noted that if an investee is found to be involved in major misconduct or has submitted a proposal that is deemed potentially detrimental to shareholder value, the Company will take a particularly cautious approach when making its voting judgment, engaging in dialogue with the investee prior to voting as necessary.

Principle 1.7: Related Party Transactions
When a director intends to engage in a transaction deemed to be competing with any of the Company's businesses or that may result in a conflict of interest ("competition and conflicting interest transactions" as defined by law), the director is obliged to obtain the approval of the Board of Directors in accordance with the Company's Rules of the Board of Directors. Moreover, the Board reviews and approves reports on the content and value of such transactions on a quarterly basis. In addition, no current shareholder of SCREEN Holdings possesses a voting rights ratio of 10% or greater. However, if a major shareholder were to surpass this ownership threshold, the Company would ensure that any possible transaction with said shareholder be properly examined by the Board of Directors based on the aforementioned procedure before moving forward.

Supplementary Principle 2.4.1: Ensuring Diversity in Core Personnel Promotion
(i) Ensuring diversity
Based on the philosophy of supporting the performance of its diverse workforce set forth in the SCREEN Group CSR Charter and Code of Conduct, the Company actively recruits diverse human resources, including women, non-Japanese nationals, and mid-career professionals. The Company trains and promotes individuals to management positions based on their abilities, qualities, and aptitudes, regardless of such attributes as gender, national origin, or how they were hired. In addition, by continuously exchanging human resources between overseas group companies and the Group in Japan (the Company and its business operating and functional support companies), the Group endeavors to develop human resources with broad perspectives.

In addition, the Company strives to provide a working environment that allows all employees to demonstrate their abilities regardless of gender or changes in their various life stages. The Company will continue to emphasize the diversity of its human resources in order to improve the working environment and to ensure strong growth.

Promotion of Women to Management Positions
At the Company and its business operating and functional support companies, women work in a wide range of positions, including as general managers, section managers, and subsidiary executives. In order to encourage their growth, the Company offers career development opportunities oriented toward promotion to management positions according to their qualifications and aspirations, such as overseas assignments, dispatch to overseas MBA programs, and appointment as company-wide project leaders.

By the fiscal year ending March 31, 2031, the Company aims to raise the portion of management positions held by women to 6% or above and the percentage of women among all employees to at least 15%, or to a level that is appropriate for the changing business conditions. The Company is actively recruiting and developing women while working to create an environment that encourages them to play an active role, thereby increasing the number of women in core decision-making positions in the Group.

The number of women being hired is on the rise, and the Company aims to increase the percentage of women among new graduates hired to more than 20%.

	As of the most recent fiscal year-end	Fiscal year ending March 31, 2031
Management position held by women	5.1%	6% or above
Women among all employees	11.4%	15% or above

Promotion of Non-Japanese Nationals to Management Positions
As of March 31, 2026, the Company and the business operating and functional support companies employ 62 non-Japanese nationals, two of whom are in management positions. In overseas subsidiaries, about 50% of the 39 full-time executive positions are held by locally hired non-Japanese nationals, and international employees account for about 40% of overall group human resources. In addition, the Company exchanges human resources with overseas group companies on an ongoing basis by appointing them to general manager or higher positions in the Company and the business operating and functional support companies.

Promotion of Mid-Career Hires to Management Positions
The Group actively recruits mid-career professionals in line with changes in its core businesses and other factors. Mid-career hires account for about 40% of domestic group employees. In addition, mid-career hires account for about 50% of management positions, and promotions to such positions are made regardless of how employees were hired.

(ii) Ensuring diversity through human resource development policies, internal environment development, and other conditions

In order for each individual to maximize their abilities and enhance the performance of the Group, it is crucial to promote diversity by providing employees with opportunities for growth and a supportive environment, regardless of individual attributes that are not relevant to job performance. The Company will continue to implement hiring from diverse demographics and, while taking into account business conditions, strive to increase the total number of mid-career hires, women, and non-Japanese nationals to 50% or more of all group employees by the fiscal year ending March 31, 2031.

Principle 2.6: Roles of Corporate Pension Funds as Asset Owners
The Company wishes to provide its employees with opportunities for stable asset formation via the administration of corporate pension funds while staying vigilant to the impact of fund administration performance on its consolidated financial position. Accordingly, the Company has put in place the Pension Assets Management Committee consisting of individuals equipped with relevant experience and competencies. In this way, the Company monitors its asset managers and ensures that its pension funds are managed appropriately.

Principle 3.1: Full Disclosure
(i) Company mission (corporate philosophy, etc.), business strategies, and business plans
Our corporate philosophy, business strategies, and business plans are disclosed on the Company's website.
Please refer to the following pages:
Corporate Philosophy
https://www.screen.co.jp/en/about/Corporate-Philosophy
Medium-term Management Plan
https://www.screen.co.jp/en/ir/mplan

(ii) Basic views and guidelines on corporate governance based on each of the principles of Japan's Corporate Governance Code

As presented above in "1. Basic Approach."

(iii) Board policies and procedures regarding the determination of remuneration for senior management and directors

The policy for the 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 from the Nomination and Compensation Advisory Committee, which is composed of outside directors and the chairman of the Board of Directors.

Compensation for directors is determined on the basis of individual roles and responsibilities as an incentive to live up to stakeholder expectations and enhance long-term corporate value. Specifically, compensation consists of three elements: (a) fixed basic remuneration (b) short-term performance-linked cash bonuses, and (c) share compensation linked with short- and long-term performance and corporate value or shareholder value. Outside directors receive only basic remuneration and performance-linked cash bonuses.

Responsibility for determining compensation for individual directors and related matters has been granted to the representative directors by the Board of Directors, with the understanding that such matters will be decided based upon the recommendations of the Nomination and Compensation Advisory Committee.

Compensation for executive officers is decided by representative directors after seeking the advice of the Nomination and Compensation Advisory Committee.

(iv) Board policies and procedures regarding the appointment/dismissal of senior management and the nomination of candidates for directors and Audit & Supervisory Board members.

Candidates for director and Audit & Supervisory Boad member positions are selected in accordance with the Company's internal criteria and approved by the Board of Directors after seeking the advice of the Nomination and Compensation Advisory Committee, which consists of outside directors (who hold a majority) and the chairman of the Board of Directors. The criteria for nominating the said candidates are as follows.

Criteria for Nominating Candidates for Directors

(1) Candidates must be equipped with sufficient business experience and robust expertise in the area of their specialty to be capable of living up to stakeholder expectations and contributing 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 impartial to any section and be equipped with risk management abilities.
(3) Candidates must be able to secure sufficient time and effort 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 be subject to any of the conditions disqualifying directors under Article 331-1 of the Companies Act.
(6) Candidates for outside director positions must fulfill the Company's internal criteria for independence of outside directors and outside Audit & Supervisory Board members.
(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 Nominating Candidates for Audit & Supervisory Board Members

(1) Candidates must be equipped with abundant experience and capable of conducting audits and oversight from a neutral and objective viewpoint impartial to any section.
(2) Candidates must be independent from those charged with business execution and well positioned to maintain a fair and impartial standing.
(3) Candidates must be able to secure sufficient time and effort 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 be subject to any of the conditions disqualifying directors under Article 331-1 of the Companies Act, which also apply to Audit & Supervisory Board members in accordance with Article 335-1 of said Act.

(6) Candidates for outside member positions must fulfill the Company's internal criteria for independence of outside directors and outside Audit & Supervisory Board members.
(7) Candidate selection must be undertaken with the intention of securing a balanced composition in terms of knowledge, experience and specialties. In addition, at least one member must be equipped with considerable expertise in finance and accounting.

Regarding the dismissal of directors, the Board of Directors may propose to dismiss an individual to whom one of the criteria for dismissing directors applies after seeking the advice of the Nomination and Compensation Advisory Committee. After a resolution by the Board, the dismissal is then finalized by resolution of the shareholders meeting.

Criteria for Dismissing Directors
1. A director obviously fails to fulfill the criteria for nominating candidates for directors
2. A director is or has been involved in improper conduct or a significant violation of laws, regulations, or internal rules, such as the Articles of Incorporation

(v) Explanations with respect to the individual appointments/dismissals and nominations based on (iv)
The details of individual candidates for directors and Audit & Supervisory Board member positions selected by the Board of Directors are disclosed via the Company's website. Please refer to the latest notice of the general meeting of shareholders, which includes descriptions of such candidates and is posted on said website.
https://www.screen.co.jp/en/ir/shareholder-meetinginfo

When the Company dismisses a director, it discloses the details of such dismissal via its website.

Supplementary Principle 3.1.3: Sustainability

Sustainability Initiatives Updated

The Company is committed to collaborating with a wide range of stakeholders, proactively disclosing information, and improving transparency. For more information about the Company's approach to sustainability and efforts to enhance social value, please refer to the Company's annual reports and website.
Annual reports: https://www.screen.co.jp/en/ir/annual
Corporate website: https://www.screen.co.jp/en/sustainability

In addition, the Company collects and analyzes the necessary data about the impact of climate change-related risks and opportunities on its business activities and earnings and discloses this information on its website and elsewhere in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework. For more details, please refer to the following link.
TCFD website: https://www.screen.co.jp/en/sustainability/environment/tcfd

Investment in Human Resources

The Company works to enhance its human resources with the aim of enabling both the Company as a whole and individual employees to become solution creators that address social issues and needs and support the sustainable development of society. Details of investments in human resources are disclosed in the Company's annual reports (integrated reports issued every September) and on its website.
Annual reports: https://www.screen.co.jp/en/ir/annual
Corporate website: https://www.screen.co.jp/en/sustainability/social/employee

Investment in Intellectual Property

From the perspective of enhancing its own corporate value over the long term, the Company actively promotes investment in intellectual property in coordination with its corporate, business, and R&D strategies, as well as in alignment with global business strategies and market conditions. The Company actively promotes the creation of intellectual property, protects it through appropriate rights acquisition, and makes strategic use of it to strengthen its competitive advantage. For more information on the Company's activities regarding intellectual property, please refer to the annual reports.
Annual reports: https://www.screen.co.jp/en/ir/annual

Supplementary Principle 4.1.1: Scope of Matters Delegated to Management

In addition to assuming its duties as defined by laws and regulations, the Articles of Incorporation, and the SCREEN Group responsibility and authority rules, the Board of Directors determines basic policies and strategies as well as other important matters associated with group operations. Based on the aforementioned policies and strategies, the Company's business is executed by directors in charge of particular operations as well as executive officers, business operating companies, and functional support companies. The Board of Directors supervises their business execution.

Supplementary Principle 4.1.3: Succession Plan for President and CEO

In principle, the succession plan for securing an ideal successor to the position of president and CEO and the criteria and procedures for appointing such an individual are determined by the Board of Directors after seeking advice from the Nomination and Compensation Advisory Committee, which consists of outside directors (who hold a majority) and the chairman of the Board of Directors.

Supplementary Principle 4.3.3: Procedures for Dismissing President and CEO

In cases where the Company's president and CEO meets the Company's prescribed criteria, the dismissal of such individual from their position is determined by the Board of Directors after seeking advice from the Nomination and Compensation Advisory Committee, which consists of outside directors (who hold a majority) and the Chairman of the Board of Directors.

Principle 4.8: Effective Use of Independent Directors

The Company appoints qualified and independent outside directors and Audit & Supervisory Board members in accordance with its criteria for independence of outside directors and outside Audit & Supervisory Board members. The rules of the Board of Directors mandate that at least one-third of directors be outside directors to

ensure a balanced perspective that allows the Board of Directors to operate with maximum efficiency and effectiveness while maintaining management oversight over the entire Group. Of the eight directors elected at the 85th Ordinary General Meeting of Shareholders held on June 26, 2026, four are outside directors, enabling Board of Directors discussions based on independent and objective viewpoints.

Principle 4.9: Independence Standards and Qualifications for Independent Directors
The Company has in place specific criteria for securing the independence from management of outside directors and outside Audit & Supervisory Board members. Currently, the Company has four outside directors, who bring to Board of Directors meetings their frank insights from a fair and neutral standpoint backed by extensive knowledge and experience in such fields as corporate management. These individuals contribute to active and constructive discussions at the Board, thereby fulfilling their roles and responsibilities as outside directors who are independent from management.

Supplementary Principle 4.10.1: Appropriate Involvement and Advice from Outside Directors through the Establishment of an Independent Nomination and Compensation Advisory Committee
The Company has established the Nomination and Compensation Advisory Committee, consisting of outside directors (who hold a majority) and the chairman of the Board of Directors, to strengthen the independence, objectivity, and accountability of the Board of Directors' functions related to nomination (including succession planning) and compensation.

The Committee deliberates and reports on the election of candidates for directors, Audit & Supervisory Board members, and executive officers, as well as the compensation (basic remuneration, performance-linked cash bonuses, and performance-linked share compensation) for directors and executive officers.

Supplementary Principle 4.11.1: Appointment of Directors
The Company's Rules of the Board of Directors include provisions aimed at maintaining an optimal number of directors in light of changes in the operating environment and the nature of duties to be assumed by individual directors. To this end, these provisions mandate that "the number of directors must not exceed 13, and at least one-third of the Board's membership must be accounted for by outside directors." These provisions are intended to secure diversity in terms of directors' experience and their areas of specialty and help maintain a balanced perspective that allows the Board of Directors to operate with maximum efficiency and effectiveness while maintaining management oversight over the entire Group.

Candidates for director positions are selected in accordance with SCREEN Holding's Criteria for Appointing Candidates for Directors and approved by the Board of Directors after seeking the advice of the Nomination and Compensation Advisory Committee, which consists of outside directors (who hold a majority) and the chairman of the Board of Directors.

Supplementary Principle 4.11.2: Status of Concurrent Positions Held by Outside Directors
The Company discloses significant concurrent positions held by its directors and Audit & Supervisory Board members via such media as the notice of the general meeting of shareholders and securities reports.

Supplementary Principle 4.11.3: Evaluation of the Board's Effectiveness
The Board of Directors undertakes an annual evaluation of its effectiveness and discloses a summary of the results, guided by an analysis and evaluation conducted by a third-party organization. Its goal is to ensure the effective functioning of corporate governance by determining how the Board contributes, identifying issues, and making improvements. For a summary of the latest evaluation results, please see the following document.
https://hdjp-corporateweb-files.screen.co.jp/8517/8061/8942/20260529_BME_E.pdf

Supplementary Principle 4.14.2: Training Policies for Directors and Audit & Supervisory Board Members
The Company provides newly appointed directors and Audit & Supervisory Board members (excluding outside directors/members) with opportunities to undergo external training programs at its own expense, thereby ensuring that these individuals fully understand the roles and responsibilities they are expected to fulfill in their new positions as well as the relevant laws and regulations. Outside directors and outside Audit & Supervisory Board members are given opportunities to learn the basics about the SCREEN Group's businesses, financial

condition, and organizational structure. They are also provided further opportunities to acquire knowledge necessary to fulfill their roles after taking office. Furthermore, the four major business operating companies provide business reports at the Board of Directors every quarter, keeping directors and Audit & Supervisory Board members informed of the latest technological, business, and industry trends.

Principle 5.1: Policy for Constructive Dialogue with Shareholders
The Company promotes constructive engagement with shareholders and investors in line with the Disclosure Policy posted at the link below.
https://www.screen.co.jp/en/sustainability/policy#policy06

Supplementary Principle 5.2.1: Formulation and Announcement of Management Strategies, Plans, and Business Portfolio
The Group has positioned business portfolio management as one of its key management strategies to achieve sustainable growth and enhance corporate value in a rapidly changing business environment. Specifically, the basic policy of the Board of Directors is to build an optimal business portfolio by using growth rate and ROIC as common indicators to understand the current status of each business, analyzing issues and periodically confirming the progress of necessary measures.

Action to Implement Management that is Conscious of Cost of Capital and Stock Price
The Company ascertains the cost of capital for the entire Group using the weighted average cost of capital (WACC). In addition, from the previous medium-term management plan, Value Up 2023, the Company has introduced ROIC as an indicator of profitability and efficiency and is promoting the adoption of ROIC management.

The Company has also set ROIC targets that exceed WACC in the medium-term management plan, Value Up Further 2026 (FY2025/03 to FY2027/03). In addition, the Company has disclosed ROIC targets in this medium-term management plan.

Status of Dialogue with Shareholders
The Company strives to give shareholders and investors a greater understanding of the SCREEN Group by communicating its management, business, and financial position in a clear, accurate, and timely manner. Feedback from shareholders and investors is shared with management as appropriate, including reports provided to the Board of Directors at least once per quarter, to maximize corporate value.

Dialogue-based IR activities (fiscal year ended March 31, 2026):
- Earnings presentations by the CEO and CFO, etc.: 4
- Meetings with institutional investors and analysts: Approximately 400
- IR roadshow: 4 (Europe, United States, Asia, Middle East)
- Overseas institutional investor conferences: 12 (includes 2 “tech tours”)
- Shareholder engagement targeted at voting representatives: 11
- Corporate briefings for individual shareholders in Japan: 0
- Facility tours for institutional investors and analysts: 3
- Facility tours for individual shareholders in Japan: 1
- IR day: 1

2. Capital Structure

Foreign shareholder shareholding ratio	30% or higher

Status of Major Shareholders Updated

Name	Shares held	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	34,839,934	18.32
Custody Bank of Japan, Ltd. (Trust Account)	17,125,970	9.01
Nippon Life Insurance Company	7,323,184	3.85
The Bank of Kyoto, Ltd.	5,384,644	2.83
SCREEN's Business Partners Shareholders' Association Synchronize	3,721,544	1.96
Resona Bank, Limited	3,650,240	1.92
STATE STREET BANK AND TRUST COMPANY 505301 (Standing proxy: Mizuho Bank, Ltd.)	3,294,290	1.73
MUFG Bank, Ltd.	3,138,856	1.65
The Shiga Bank, Ltd.	3,113,396	1.64
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)	3,033,375	1.60

Controlling shareholder (excluding parent company)	—
Parent company	None

Supplementary Explanation

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3. Corporate Profile

Listed stock market and market section	Prime Market, Tokyo Stock Exchange
Fiscal year-end	March 31
Type of business	Electric equipment
Number of employees (consolidated) as of the end of the previous fiscal year	1,000 or more
Net sales (consolidated) in the previous fiscal year	From ¥100 billion to less than ¥1 trillion
Number of consolidated subsidiaries as of the end of the previous fiscal year	From 50 to less than 100

4. Policy on Measures to Protect Minority Shareholders When Conducting Transactions with the Controlling Shareholder

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5. Other Special Circumstances That May Have a Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision Making, the Execution of Business, and Management Oversight

1. Organizational Composition and Operation

Structure	Company with an Audit & Supervisory Board

Directors

Maximum number of directors stipulated in the Articles of Incorporation	13
Term of office stipulated in the Articles of Incorporation	1 year
Chairperson of the Board of Directors	Chairman (excluding those concurrently serving as President and CEO)
Number of directors	8
Appointment of outside directors	Yes
Number of outside directors	4
Number of outside directors designated as independent directors pursuant to the securities listing regulations of the Tokyo Stock Exchange	4

Outside Directors' Relationships with the Company (1)

Name	Status	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Hiroko Okudaira	Academic										○	
Seiji Narahara	Appointed from another company											
Fumikazu Sato	Academic											
Nobuo Kawahashi	Appointed from another company								△			

* The nature of the individual's relationship with the Company is indicated using the following symbols:

○: The situation described below applies at present or in the recent past

△: The situation described below applied in the past

●: The situation described below applies to a close family member of the individual at present or in the recent past

▲: The situation described below applied to a close family member of the individual in the past

a. Engages in business execution at the Company or its subsidiary

b. Engages in business execution or serves as a non-executive director at the Company's parent company

c. Engages in business execution at a fellow subsidiary of the Company

d. Engages in business transactions with the Company as their main business partner or engages in business execution at a company that engages in such transactions

e. Acts as a main business partner of the Company or engages in business execution at a company that acts as a main business partner of the Company

f. Serves as a consultant, accounting specialist, or attorney-at-law for the Company and receives considerable remuneration or compensation other than executive remuneration

g. Holds considerable equity in the Company or engages in business execution at a company that holds such equity

h. Engages in business execution at a company that has business transactions with the Company (excluding the above "d," "e" or "f"; this clause does not apply to family members of outside directors)

i. Engages in business execution at a company that has cross-appointments of directors or Audit & Supervisory Board members with the Company (this clause does not apply to family members of outside directors)
j. Engages in business execution at a company that is a beneficiary of donations from the Company (this clause does not apply to family members of outside directors)
k. Other

Outside Directors' Relationships with the Company (2) **Updated**

Name	Designation as independent director	Supplementary explanation of the relationship	Reasons for appointment
Hiroko Okudaira	○	Ms. Hiroko Okudaira serves as associate professor of Graduate School of Business, Doshisha University, which has a business relationship with SCREEN Holdings regarding a project for strengthening education through academic-industrial collaboration. However, SCREEN's donation amounted to less than 0.1% of the total costs of the university (in FY2026/03).	*Reasons for appointment as an outside director* As associate professor (labor economics, applied microeconometrics, etc.) of the Graduate School of Business, Doshisha University, Ms. Hiroko Okudaira has a wealth of knowledge and outstanding research achievements on wide-ranging themes concerning the social structure, such as the increase in elderly workers and how companies adjust. Currently, as outside director and member of the Board of the Company, she is providing useful advice to the Board of Directors from diverse perspectives, including on new work styles, the empowerment of women, compliance, and diversity. It is expected that she will continue to contribute to strengthening management supervision and give advice from a wide-ranging and objective perspective. *Reasons for designation as an independent director* Since she is independent from management members engaging in business execution, she was deemed capable of fulfilling the role of outside director without causing a conflict of interest with general shareholders.
Seiji Narahara	○	Mr. Seiji Narahara serves as chair of the board and director at Toyobo Co., Ltd., a company that has no business relationship with SCREEN Holdings.	*Reasons for appointment as an outside director* 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. In addition to a wealth of knowledge in management, he has experience serving as the head of external organizations, such as chairman of the Japan Chemical Fibers Association. Currently, as outside director and member of the Board of the Company, he is providing useful advice to the Board of Directors based on his wealth of knowledge and expertise from diverse perspectives. It is expected that he will

			continue to contribute to strengthening management supervision and give advice from a wide range of management perspectives. *Reasons for designation as an independent director* Since he is independent from management members engaging in business execution, he was deemed capable of fulfilling the role of outside director without causing a conflict of interest with general shareholders.
Fumikazu Sato	○	Mr. Fumikazu Sato serves as Vice President and professor at the Institute of Mathematics for Industry, Kyushu University, and specially appointed professor and Tokyo Office leader of Tohoku University. Both universities have no business relationship with SCREEN Holdings.	*Reasons for appointment as an outside director* Mr. Fumikazu Sato has a wide range of knowledge on AI, quantum technology, standardization, etc., mainly in the field of mathematics, as a professor at the Institute of Mathematics for Industry, Kyushu University. Having served as an officer of Japan Alcohol Group, he also has experience in management. Currently, as outside director and member of the Board of the Company, based on his wealth of knowledge and expertise as well as his track record of promoting innovation in government offices, he is providing useful advice to the Board from diverse perspectives. It is expected that he will continue to contribute to strengthening management supervision and give advice leveraging a wide range of insights on technological development. *Reasons for designation as an independent director* Since he is independent from management members engaging in business execution, he was deemed capable of fulfilling the role of outside director without causing a conflict of interest with general shareholders.
Nobuo Kawahashi	○	Mr. Nobuo Kawahashi has a background with JSR Corporation, with which our Company maintains business relationships. However, the transaction value for the fiscal year ended March 31, 2025 was negligible, accounting for less than 0.1% of JSR Corporation's revenues and less than 0.1% of our Group's consolidated revenues. Furthermore, there have been no transactions between the	*Reasons for appointment as an outside director* Mr. Nobuo Kawahashi has a wealth of knowledge as a manager, having worked for many years in technological development and business management at a semiconductor-related company and served as representative of an overseas subsidiary before managing a larger organization as representative director and president. He also serves as outside director at another company. It is expected that, based on his experience and expertise, he will contribute to strengthening management supervision and long-term corporate value enhancement by providing opinions from diverse perspectives.

		two companies in the fiscal year ended March 31, 2026.	*Reasons for designation as an independent director* Since he is independent from management members engaging in business execution, he was deemed capable of fulfilling the role of outside director without causing a conflict of interest with general shareholders.

Voluntary establishment of committee(s) corresponding to a nomination committee or remuneration committee	Yes

Status of Non-Mandatory Committees, Their Composition, and Their Chairpersons

	Name of committee	Total members	Standing members	Directors	Outside directors	External specialists	Others	Chair
Committee corresponding to a nominating committee	Nomination and Compensation Advisory Committee	5	0	1	4	0	0	None
Committee corresponding to a compensation committee	Nomination and Compensation Advisory Committee	5	0	1	4	0	0	None

Supplementary Explanation

Candidates for director and Audit & Supervisory Board member positions are selected in accordance with the Company's internal criteria and approved by the Board of Directors after seeking the advice of the Nomination and Compensation Advisory Committee, which consists of outside directors (who hold a majority) and the chairman of the Board of Directors.

Regarding the dismissal of directors, the Board of Directors may propose to dismiss an individual to whom one of the criteria for dismissing directors applies after seeking the advice of the Nomination and Compensation Advisory Committee. After a resolution by the Board, the dismissal is then finalized by resolution of the shareholders meeting.

Responsibility for determining compensation for individual directors and related matters has been granted to the representative directors by the Board of Directors, with the understanding that such matters will be decided based on the recommendations of the Nomination and Compensation Advisory Committee.

Audit & Supervisory Board Members

Establishment of an Audit & Supervisory Board	Yes
Maximum number of Audit & Supervisory Board members stipulated in the Articles of Incorporation	4
Number of Audit & Supervisory Board members	4

Cooperation among the Audit & Supervisory Board Members, the Accounting Auditor, and the Internal Audit Departments

To enhance the effectiveness of the oversight by the Audit & Supervisory Board, its members strive to improve coordination with the internal audit departments and the group company auditors. They regularly receive reports of the status and results of audits and oversight conducted by each and hold discussions with them. In addition, they work with the accounting auditors by mutually sharing audit plans, confirming the accounting auditors' framework and exchanging opinions at the accounting auditors' review briefing.

Appointment of outside Audit & Supervisory Board members	Yes
Number of outside Audit & Supervisory Board members	2
Number of Audit & Supervisory Board members designated as independent pursuant to the securities listing regulations of the Tokyo Stock Exchange	2

Outside Audit & Supervisory Board Members' Relationships with the Company (1)

Name	Status	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	l	m
Tetsuo Kikkawa	Lawyer													
Seiji Yokoyama	Certified public accountant										△			

* The nature of the individual's relationship with the Company is indicated using the following symbols:

○: The situation described below applies at present or in the recent past

△: The situation described below applied in the past

●: The situation described below applies to a close family member of the individual at present or in the recent past

▲: The situation described below applied to a close family member of the individual in the past

a. Engages in business execution at the Company or its subsidiary

b. Serves as a non-executive director or an accounting advisor at the Company or its subsidiary

c. Engages in business execution or serves as a non-executive director at the Company's parent company

d. Serves as an Audit & Supervisory Board member at the Company's parent company

e. Engages in business execution at a fellow subsidiary of the Company

f. Engages in business transactions with the Company as their main business partner or engages in business execution at a company that engages in such transactions

g. Acts as a main business partner of the Company or engages in business execution at a company that acts as a main business partner of the Company

h. Serves as a consultant, accounting specialist, or attorney-at-law for the Company and receives considerable remuneration or compensation other than executive remuneration

i. Holds considerable equity in the Company or engages in business execution at a company that holds such equity

j. Engages in business execution at a company that has business transactions with the Company (excluding the above "f," "g" or "h"; this clause does not apply to family members of outside Audit & Supervisory Board members)

k. Engages in business execution at a company that has cross-appointments of directors or Audit & Supervisory Board members with the Company (this clause does not apply to family members of outside Audit & Supervisory Board members)

l. Engages in business execution at a company that is a beneficiary of donations from the Company (this clause does not apply to family members of outside Audit & Supervisory Board members)

m. Other

Outside Corporate Auditors' Relationships with the Company (2)

Name	Designation as independent member	Supplementary explanation	Reasons for appointment
Tetsuo Kikkawa	○	Mr. Tetsuo Kikkawa serves as president and attorney-at-law of Kyoto Mirai Law Office, but there is no business relationship between the Company and the office.	*Reasons for appointment as an outside Audit & Supervisory Board member* Mr. Tetsuo Kikkawa has a wealth of knowledge and experience accumulated over many years working as an attorney-at-law. The Company has judged that he has high standards of ethics and can conduct fair and unbiased audits. *Reasons for designation as an independent Audit & Supervisory Board member* Since he is independent from management members engaging in business execution, he was deemed capable of fulfilling the role of outside Audit & Supervisory Board member without causing a conflict of interest with general shareholders.
Seiji Yokoyama	○	Mr. Seiji Yokoyama serves as a certified accountant at Yokoyama-Seiji Certified Accountant Office, but there is no business relationship between the Company and the office. Also, he previously served in Deloitte Touche Tohmatsu LLC, which has a business relationship with the Company. However, the annual amount of transactions between the two entities amounted to less than 0.1% of the annual income of either entity (in FY2026/03).	*Reasons for appointment as an outside Audit & Supervisory Board member* As a certified public accountant, Mr. Seiji Yokoyama has a profound insight into finance and accounting. The Company has judged that he can conduct audits from a fair and neutral position based on his audit experience of many companies in and outside Japan at an audit firm. *Reasons for designation as an independent Audit & Supervisory Board member* Since he is independent from management members engaging in business execution, he was deemed capable of fulfilling the role of outside Audit & Supervisory Board member without causing a conflict of interest with general shareholders.

Independent Directors and Independent Audit & Supervisory Board Members

Number of individuals designated as independent directors or independent Audit & Supervisory Board members	6

Other Matters Related to Independent Directors and Independent Audit & Supervisory Board Members

All outside directors and outside Audit & Supervisory Board members are qualified as independent

directors/members in accordance with the securities listing regulations of the Tokyo Stock Exchange and are designated accordingly.

Incentives

Incentive policies for directors	Performance-based compensation system, etc.

Supplementary Explanation

In 2005, the Company adopted a system of stock allowances aimed at encouraging recipients to stay conscious of SCREEN's long-term corporate performance and share price. Moreover, the 76th Ordinary General Meeting of Shareholders held on June 27, 2017 approved the introduction of performance-linked share compensation, which replaced stock allowances and has been in place since August 2017.

The Company's basic policy is to maintain a remuneration structure that reflects the roles and responsibilities of individual directors and provides incentives to meet stakeholder expectations and enhance the Group's medium- to long-term corporate value. Accordingly, compensation for directors consists of three elements: (a) fixed basic remuneration, (b) short-term performance-linked cash bonuses, and (c) performance-linked share compensation linked to short-, medium-, and long-term performance and corporate value (shareholder value). This balanced compensation structure is intended to promote sustainable growth and long-term enhancement of shareholder value by aligning directors' interests with those of shareholders and other stakeholders. Outside directors receive only basic remuneration and performance-linked cash bonuses.

The policy on determining the portion of total compensation paid to each director is as follows.

- Basic remuneration is paid relative to the director's responsibility in terms of the size of the business that they are engaged in managing.
- Performance-linked cash bonuses are capped at 50% of basic remuneration.
- Performance-linked share compensation is capped at approximately 40% of basic remuneration. This is approximate because its value may change with fluctuations in share price.

With an eye toward reinforcing the Group's business foundations, performance is measured using such indicators as the operating margin and ROIC, as well as environment and safety indicators to reflect social value enhancement. The amount of performance-linked cash bonuses is determined based on scoring of achievement for each indicator.

Recipients of stock options	—

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Supplementary Explanation

Remuneration for Directors

Disclosure of individual director remuneration	Disclosing a portion of individual director remuneration

Supplementary Explanation

The Company discloses the sum of annual remuneration paid to all directors. In addition, the Company discloses the amount of remuneration paid to any director who receives an annual total of ¥100 million or more in its securities report.

Establishment of policy on determining remuneration amounts and calculation methods	Yes

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Responsibility for determining compensation for individual directors and related matters has been granted to the representative directors by the Board of Directors with the understanding that such matters will be decided based on the recommendations of the Nomination and Compensation Advisory Committee, which consists of outside directors (who hold a majority) and the chairman of the Board of Directors.

Support System for Outside Directors and Outside Audit & Supervisory Board Members

The Corporate Secretariat and the Audit & Supervisory Board Secretariat provide outside directors and outside Audit & Supervisory Board members, respectively, with support staff. Prior to Board of Directors meetings, outside directors/members are briefed as necessary on matters of particular importance that will be discussed.

Status of Persons Who Have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon,* etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and conditions of employment (standing/non-standing, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Eiji Kakiuchi	Executive Advisor	External affairs (networking within business circles and communities) and sitting as outside director of other companies. He is not involved in the Company's management.	Standing, with remuneration	June 25, 2019	Until March 31, 2027

Number of persons holding Advisory positions (*Sodanyaku*, *Komon*, etc.) after retiring as representative director and president, etc.	1

Other Related Matters

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2. Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of the Current Corporate Governance System)

(1) Overview of the Corporate Governance System and Reasons for Adopting Said System

SCREEN Holdings takes the form of a company with an Audit & Supervisory Board. At present, its Board of Directors comprises eight directors (including four outside directors), and its Audit & Supervisory Board comprises four members (including two outside members). The Company also retains an accounting auditor. The Group has adopted a holding company structure with four main business areas,[1] each under a separate business operating company, to enable agile and bold business execution. The holding company determines the basic policies and strategies for group management as well as the optimal allocation of management resources. In addition, it provides management oversight of the business execution of each group company, ensuring the functional segregation of business execution and oversight.

The Board of Directors determines and approves basic policies and strategies for group management and important matters in business execution and exercises supervision over business execution, holding regular monthly meetings and additional meetings as necessary. By maintaining at least one-third outside directors, the

Company seeks to enhance management oversight and maintain management objectivity. Outside directors are selected in accordance with the Company's internal criteria for independence of outside directors and outside Audit & Supervisory Board members, formulated with reference to standards prescribed by the Tokyo Stock Exchange. The term of office of director is set at one year to clarify the responsibilities of directors and secure a management structure capable of quickly adapting to changes in the operating environment.

The Company has voluntarily chosen to establish the Nomination and Compensation Advisory Committee, which consists of outside directors (who hold a majority) and the chairman of the Board of Directors. Candidates for director and Audit & Supervisory Board member positions are determined by the Board of Directors after seeking advice from the said committee. Compensation for each director is determined by the representative directors based on authority granted by the Board of Directors after seeking the advice of the said committee. The Nomination and Compensation Advisory Committee thus helps the Board of Directors make fair and objective decisions with regard to these matters.

The Company also maintains the Management Committee. This body comprises the standing directors, presidents of business operating companies[2] and functional support companies,[3] and executive officers whom the Chairman of the Committee appoints. The committee meets at least once a month to deliberate matters related to management and facilitate the decision making of the Board of Directors and representative directors.

The Company's Audit & Supervisory Board holds one regular meeting per month, with additional meetings as necessary. In line with the audit/oversight policies and plans formulated by the said Board, its members are responsible for auditing the legality of the official acts of the directors and ensuring their propriety through ongoing auditing and oversight. The Company has set up the Audit & Supervisory Board Secretariat staffed with dedicated employees to support the said members' duties.

Reference: Skills matrix of directors and Audit & Supervisory Board members

Based on the purpose redefined in the corporate philosophy, the Group has charted a 10-year vision as part of the Management Grand Design and is implementing the medium-term management plan as a step toward the goals of said vision. The Company's board members play the following important roles in achieving the targets set out in the Management Grand Design and medium-term management plan and in continuously enhancing corporate value.

(1) Deciding important management matters

(2) Deciding management strategy and management plans

(3) Executing business and the mutual supervision of directors

The Group has designated the following skill categories as required for these roles.

Skills and experience	Definition*	Reasons for designation
Management	Experience in management as a representative in a company, etc. (including SCREEN group companies)	To sustainably enhance corporate value through strategy development, decision making, and organizational leadership from a comprehensive, long-term perspective
Global	Overseas management experience	To achieve sustainable growth through the pursuit of optimal solutions from a global perspective based on an understanding of international affairs and diverse values and cultures
Semiconductors	Experience in semiconductors	To achieve the sustained growth of the Company's mainstay semiconductor production equipment business by applying specialized knowledge of the semiconductor industry
Sales and marketing	Experience in sales and/or marketing	To accurately grasp market trends and customer needs and to continuously enhance relationships of trust with clients through sales and marketing, including branding
R&D and innovation	Experience in R&D, technology, production, new business creation, and/or business transformation	To create and add value to technologies, services, and products through R&D and manufacturing based on in-depth understanding of technological trends and client needs
Production and supply chain	Experience in manufacturing, production technology, and supply chain management	To achieve sustained corporate value enhancement by rapidly responding to market changes and pursuing production efficiency while advancing environmentally friendly manufacturing of high-quality products
Finance	Experience in finance, accounting, and/or M&A	To sustainably enhance corporate value through the formulation and implementation of capital policies and execution of M&A, using a high level of expertise in finance and accounting
Sustainability	Experience in environmental management, risk management, legal affairs, human resources, and/or IT	To strengthen the management foundation that supports sustainable growth through appropriate risk management and human resources strategies in addition to reducing environmental impact and ensuring legal compliance

* The candidate must have approximately three years of experience in an executive or equivalent role in their specialized field, including research in academia.

Major skills and experience of directors and Audit & Supervisory Board members are listed below.

				Skills and experience					
		Management	Global	Semiconductors	Sales and marketing	R&D and innovation	Production and supply chain	Finance	Sustainability
Directors									
Internal	Toshio Hiroe	●	●	●	●	●	●		
	Masato Goto	●	●	●			●		
	Yoichi Kondo	●	●					●	●
	Yoshihisa Ishikawa							●	●
Outside	Hiroko Okudaira		●*						●*
	Seiji Narahara	●	●					●	
	Fumikazu Sato		●	●		●			●
	Nobuo Kawahashi	●	●	●	●	●			
Audit & Supervisory Board members									
Internal	Masao Tomonaga	●	●		●				●
	Akihiko Miyagawa		●					●	
Outside	Tetsuo Kikkawa	●							●
	Seiji Yokoyama		●					●	●

Note: The above table is not intended as an exhaustive list of the skills and experience of the directors and Audit & Supervisory Board members.

* Includes research in academia

(2) Status of Internal Audits, Audit & Supervisory Board Members' Oversights, and Efforts to Develop their Faculty

The Company maintains the Group Audit Department, which comprises 11 specialized staff members who mainly handle internal audits and internal control assessments. The department performs internal audits for the Group in line with the annual audit plans and assessments of internal control over financial reporting. The department reports the detailed results of internal audits and internal control assessments to the representative directors and the standing Audit & Supervisory Board members. The department also makes a summary report thereof to the Board of Directors, the Audit & Supervisory Board, and the Management Committee. The Group Audit Department acts in close collaboration with the Audit & Supervisory Board members, the group company auditors, the accounting auditors, and the internal control departments and divisions by sharing information and opinions in an effort to enhance the effectiveness and efficiency of internal audits and oversights.

The Audit & Supervisory Board consists of two standing internal members and two non-standing outside members. Internal member Akihiko Miyagawa, who has many years of experience in accounting at the Company, and outside member Seiji Yokoyama, who is a certified public accountant, are both equipped with considerable knowledge about finance and accounting. The Audit & Supervisory Board members execute their duty in line with the audit/oversight policies and plans formulated by the said Board. They attend the meetings of the Board of Directors to oversee the meeting proceedings and decisions, contributing their opinions as

needed. They also meet periodically with the representative directors, outside directors, and presidents of business operating companies to confirm the status of their execution of business and exchange views. The Audit & Supervisory Board members work with the accounting auditors by mutually sharing audit/oversight plans, confirming the accounting auditors' framework, and exchanging opinions at the accounting auditors' review briefing. In addition, the internal Audit & Supervisory Board members oversee the directors' execution of their duties by attending important meetings, such as those of the Management Committee; holding periodic interviews with the standing directors, executive officers, and key employees; reviewing important documents to be approved; and conducting on-site audit of key business sites operated by the Company and the other group companies in Japan and overseas. Furthermore, the Audit & Supervisory Board members receive reports with regard to the establishment and operating status of the internal control systems and the internal reporting system from the directors and employees in charge, and also attend the meetings of the Group Risk Management Committee and the Sustainability Committee to assess the progress of initiatives to strengthen risk management and promote sustainability management, providing the committees with their insights as necessary. To enhance the effectiveness of its oversights, the Audit & Supervisory Board strives to improve coordination with the Internal Audit Department, the group company auditors, and the accounting auditors; regularly receives reports of the status and results of audits conducted by each; and holds discussions with them.

(3) Status of Accounting Audits

The Company has formed an audit contract with KPMG AZSA LLC with regard to accounting audits pursuant to Japan's Companies Act and the Financial Instruments and Exchange Act.

Notes:

1. Four main business areas: Semiconductor production equipment business, graphic arts equipment business, display production equipment and coater business, and PCB-related equipment business
2. Business operating companies: SCREEN Semiconductor Solutions Co., Ltd., SCREEN Graphic Solutions Co., Ltd., SCREEN Finetech Solutions Co., Ltd., SCREEN PE Solutions Co., Ltd., and SCREEN Advanced System Solutions Co., Ltd.
3. Functional support companies: SCREEN IP Solutions Co., Ltd.

3. Reasons for Adopting the Current Corporate Governance System

The Company believes that the corporate governance system described above positions the Company to enhance the transparency, soundness, and efficiency of its business management and help secure the overall interests of stakeholders, including shareholders. In addition, the Company has appointed four outside directors, all of whom are equipped with abundant experience in such fields as corporate management, with the aim of strengthening management oversight and incorporating objective viewpoints into management decision making.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Promote Active Dialogue at the General Meeting of Shareholders and the Smooth Exercise of Voting Rights

	Supplementary explanation
Early notification of the ordinary general meeting of shareholders	The notice of the 85th Ordinary General Meeting of Shareholders, which was held on June 26, 2026, was sent on June 5, 2026. Prior to sending the notice, it had been posted on the Company's website and the Tokyo Stock Exchange website since May 29, 2026.
Scheduling the ordinary general meeting of shareholders to avoid the peak day	We strive to avoid holding the Ordinary General Meeting of Shareholders on peak days.
Allowing the electronic exercise of voting rights	To enhance shareholders' convenience regarding the exercise of voting rights, the electronic exercise of voting rights has been implemented since the 66th Ordinary General Meeting of Shareholders held in June 2007. The exercise of voting rights by smartphone has also been available since the 77th Ordinary General Meeting of Shareholders held in June 2018.
Participation in the electronic voting platform and other initiatives aimed at providing institutional investors with access to systems that ensure the smoother exercise of their voting rights	The Company participates in the electronic voting platform for institutional investors.
Provision of a convocation notice in English	A summarized English version of the notice of the ordinary general meeting of shareholders is distributed via the Company's website and the Tokyo Stock Exchange website prior to the hardcopy Japanese version being sent to shareholders.
Other	The Company provides a live stream of the general meeting of shareholders, which can be viewed on smartphones and other devices. After the general meeting of shareholders, the Company posts the results of the voting and other information on its website. Video of the general meeting of shareholders is also made available for a certain period of time after the meeting.

2. IR Activities

	Supplementary explanation	Explanation by a representative director
Preparation and publication of a disclosure policy	The Company's disclosure policy is posted on the "Sustainability policies" section of the Company's website. Note: The name of the document was changed in April 2025. https://www.screen.co.jp/en/sustainability/policy#policy06	
Periodic briefings for non-institutional investors	The Company holds briefings (with support for online participation) for non-institutional investors on an ad-hoc basis.	Yes
Periodic briefings for analysts and institutional investors	The Company holds briefings (with support for online participation) for analysts and institutional investors after each quarterly earnings announcement, followed by small group meetings for institutional investors. The Company also holds IR Day and other briefing sessions.	Yes
Periodic briefings for overseas investors	The Company regularly holds small group meetings specially for overseas institutional investors, in addition to conference calls, to accommodate their needs. The Company also actively participates in conferences organized by securities firms.	Yes
Posting of IR materials on the corporate website	In addition to securities reports and other mandatory disclosure materials, quarterly financial summaries and reports, IR Day presentation materials, non-financial information subject to timely disclosure rules, annual reports (integrated reports issued every September), fact books (issued every September), earnings presentation materials, and other relevant materials are posted on the Company's website.	
Establishment of a department in charge of IR and/or appointment of staff in charge of IR	The Company has a dedicated Investor Relations Department, under the Communication Strategy Division	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary explanation
Stipulation of internal rules for respecting the position of stakeholders	The Company has established the CSR Charter and Code of Conduct, laying out principles of action and standards for all officers and employees based on the corporate philosophy. The Company aims to be highly valued by its shareholders, customers, and other stakeholders and to contribute to the sustainable development of society.
Implementation of environmental activities, CSR activities, etc.	The Company believes that by putting into action its corporate philosophy, the cornerstone of which is the corporate purpose, "Innovation for a Sustainable World," it can fulfill its corporate social responsibility (CSR). To this end, the Company strives to act responsibly as a good corporate citizen and has established priority environmental, social, and governance (ESG) issues in line with the Sustainability Development Goals (SDGs), which it works to address by implementing sustainability activities. Please refer to the Company's website for details on specific activities. https://www.screen.co.jp/en/sustainability
Development of policies on the provision of information for stakeholders	The CSR Charter specifies that, in addition to actively communicating with stakeholders, the SCREEN Group will disclose information relating to the Group in a timely and appropriate manner. The Company also discloses in annual reports and on its website financial information and non-financial information, such as social and environmental management information, with reference to the GRI Standards for international sustainability reporting.

IV. Matters Related to Internal Control Systems

1. Basic Approach to Internal Control Systems and the Progress of System Development

By resolution of the Board of Directors, the Company has determined the following matters related to the development of internal control 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 orders to ensure the proper business activities undertaken by a group of enterprises consisting of a company and its subsidiaries.

Basic Approach

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 corporate purpose and the founder's motto. Under these, 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 policies described above, the Company aims to develop its internal control systems in the following manner.

Status of Internal Control Systems

Systems for ensuring the properness of operations undertaken by the corporate group consisting of the Company and its subsidiaries

- 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.
- From the perspective of consolidated business management, the Company aims to secure the functional separation of business execution and supervision and to this end focuses on strategic planning for the entire Group, optimally allocating management resources and exercising management of and supervision over operations undertaken by each group company.
- The Company develops and appropriately maintains systems for securing the propriety and reliability of its financial reporting in line with the group internal control policy for financial reporting.
- The Company constantly assesses the Group's financial position and ensures appropriate financial and tax reporting by handling these affairs in accordance with the group accounting and financial policy and accounting standards.
- In line with the group human resource management policy, the Company strives to nurture and better utilize diverse talent 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 diverse backgrounds.
- The Company develops and maintains the systems necessary to properly operate and manage IT infrastructure for the Group in accordance with the group IT management rules.
- The Company develops and maintains systems for ensuring the timely and accurate disclosure of information on the Group's corporate activities in a manner that conforms with its basic disclosure policy.
- The Company holds Group Executive Conference meetings attended by its directors, Audit & Supervisory Board members, and executive 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.
- The Company dispatches directors, executive officers, and its own employees or those of managing group companies to other group companies, where they assume positions as directors or Audit & Supervisory Board members in order to manage and/or supervise operations undertaken by these group companies.
- The Company receives periodic 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.

- 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.

Systems for ensuring the efficient execution of directors' duties

- The Company's Board of Directors meets monthly, holding additional special meetings as necessary, and is charged with making swift decisions on important matters in addition to supervising directors' execution of duties.
- 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 and mandates that other group companies follow similar practices.
- Based on the internal responsibility and authority rules, the Company clearly defines the responsibilities to be borne by and the authority to be delegated to its directors, executive officers, and employees in the course of their duties and mandates that other group companies follow similar practices.
- The Company maintains the Management Committee, which comprises the standing directors, presidents of business operating and functional support companies, as well as executive officers appointed by the chairman of the committee. The Committee meets at least once a month to deliberate matters related to management and facilitate the decision making of the Board of Directors and representative directors.

Systems for ensuring that duties executed by directors, executive officers, and employees comply with laws, regulations, and the Articles of Incorporation

- The Company ingrains the CSR Charter and Code of Conduct into the hearts and minds of directors, executive officers, and all employees so that it can operate in a fair and transparent manner.
- The Company maintains officers and departments in charge of legal affairs to confirm the status of various significant contracts and transactions affecting the Group in terms of compliance with laws, regulations, and the Articles of Incorporation.
- The Company maintains the membership of outside directors in the Board of Directors to ensure the legal compliance of the execution of directors' duties and the rationality of directors' management decisions and to strengthen the Board's supervisory functions.
- 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 disadvantageous treatment of whistleblowers due to their actions in reporting on the violation of laws or other corporate misconduct.
- 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 that other group companies follow similar practices.

Systems and rules for the management of risk and losses

- To minimize risks that may affect the Group's operations, the Company mandates that all business units within the Group develop and maintain risk management systems in conformity with the group risk management guidelines and relevant operational rules while periodically monitoring the status of such systems.
- In the event that a critical risk materializes, the Company sets up an emergency headquarters led by the CEO to implement countermeasures and restore operations in line with the business continuity management (BCM) regulations.

Systems for storing and managing information related to the execution of directors' duties

- In accordance with laws, regulations, and its internal rules, the Company swiftly prepares, stores, and manages minutes of meetings and other important documents containing information related to duties executed by directors and executive officers while ensuring that these documents are always accessible to its directors and Audit & Supervisory Board members.
- The Company maintains a strict approach to information management and, to this end, abides by the

group IT management rules as well as internal rules for securing confidential information and trade secrets.

Systems for securing the effectiveness of auditing and oversight by the Audit & Supervisory Board members

- The Audit & Supervisory Board members are authorized to attend and freely voice their opinions at Board of Directors, Group Executive Conference, Management Committee, and other important group meetings.
- The Company bears expenses incurred by its Audit & Supervisory Board members in the course of executing their duties.

Systems pertaining to reporting to the Audit & Supervisory Board members

- SCREEN Holdings' directors, executive officers, and employees are obliged to report the status of operations, finance, compliance, risk management, and internal audits to the Audit & Supervisory Board members and to report any incidents constituting a significant violation of laws or internal rules or potentially leading to significant damage to the Company in the course of their duties as soon as such incidents are recognized.
- All directors, auditors, executive officers, and other employees serving group companies are obliged to provide the Company's Audit & Supervisory Board members with reports on any incidents constituting the significant violation of laws or internal rules or potentially leading to significant damage to the Company in the course of their duties as soon as such incidents are recognized.
- Departments in charge of compliance are obliged to provide the Company's Audit & Supervisory Board members with periodic reporting on the status of the SCREEN Group's whistleblowing system and other important matters.
- The Company and other group companies tolerate no disadvantageous treatment of whistleblowers due to their actions in reporting on the violation of laws or other corporate misconduct to the Audit & Supervisory Board members.

Matters related to individuals charged with assisting the Audit & Supervisory Board members in their duties

- The Company maintains a specialized department that assists the Audit & Supervisory Board members with the execution of their duties while allocating to them a dedicated staff equipped with sufficient knowledge and competencies to provide such assistance. This staff operates directly under the Audit & Supervisory Board members, and personnel transfer, performance evaluation, and other matters associated with the management of these individuals are not determined without the consent of the said Board members.

2. Basic Approach to the Elimination of Anti-social Forces and the Status of Systems Serving This Purpose

Basic Approach to Eliminating Anti-social Forces

The SCREEN Group takes a firm stand against any groups or individuals (hereinafter "anti-social forces") that may disrupt social order or sound corporate activities and, therefore, absolutely rejects any demand from anti-social forces. In the course of forming contracts with suppliers, the Group confirms that none of the signatories are associated with anti-social forces. In addition, such contracts include provisions allowing the Group to terminate the contractual relationship immediately if any association with anti-social forces is identified.

Status of Systems for Eliminating Anti-social Forces

Individuals Responsible for Preventing Illegal Demands

The Company has appointed managers in charge of preventing illegal demands in the Head Office's general affairs department. Also, staff at general affairs departments of the Company's other business sites and subsidiaries are tasked with dealing with any illegal demands in collaboration with their colleagues at the Head Office.

Collaboration with External Specialist Bodies

The SCREEN Group acts in collaboration with external specialist bodies to counter the influence of anti-social forces by, for example, reporting to police agencies and consulting with lawyers as necessary.

Collection and Management of Information Related to Anti-social Forces
The Head Office's general affairs department collects information related to anti-social forces and relays it to group companies as necessary.

Development of Response Manuals
The CSR Charter and Code of Conduct includes an action principle guiding the Group's stance against anti-social forces. The Company has published the CSR Charter and Code of Conduct on its website to ensure that all group members are well aware of this principle. Moreover, the Company has developed manuals to be used by staff appointed at each business site when responding to anti-social forces.

Training
Mandatory training programs on the CSR Charter and Code of Conduct include sessions addressing the Company's stance against anti-social forces.

V. Other

1. Adoption of Anti-takeover Measures

Adoption of anti-takeover measures	No

Supplementary Explanation

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2. Other Matters Concerning the Corporate Governance System

The status of the Company's systems associated with the disclosure of corporate information is as follows.

(1) Overview of Systems for Maintaining Timely Disclosure

The Company maintains the Timely Disclosure Committee to ensure that material corporate information associated with the Company and the Group is promptly and appropriately released in a manner that conforms with the Financial Instruments and Exchange Act and related laws and regulations as well as rules stipulated by financial instruments exchanges.

The Timely Disclosure Committee consists of the executive officers and general managers of the Financial Strategy Division and involved departments. The committee is charged with analyzing internal information registered as potentially constituting material facts as well as information submitted to the Management Committee. The committee discusses such matters as whether or not such information requires disclosure and the methods of such disclosure.

(2) Status of Systems for Maintaining Timely Disclosure

Information Collection

In each department, managers in charge of controlling internal information are obliged to register any information that may constitute a material fact in connection with their respective departments or group companies managed under their respective departments. As soon as they are aware of the emergence of such information, these managers must register it as such, including an outline of the information in question and the timing of its emergence.

Analysis and Discussions on Disclosure or Non-disclosure

Based on requests from the chief officer in charge of information handling, the Timely Disclosure Committee analyzes the content and materiality of registered information and its impact on profit, then communicates its judgement about whether or not such information requires disclosure and the appropriate methods of such disclosure to this manager.

Reporting to and Approval by the Board of Directors

The chief officer in charge of information handling asks the Management Committee to deliberate on information deemed to require disclosure by the Timely Disclosure Committee, then reports the matter to and obtains the approval of the Board of Directors or representative directors.

Disclosure

Once the disclosure is approved by the Board of Directors or representative directors, the departments in charge of disclosure swiftly disclose the information via the Tokyo Stock Exchange and, as necessary, hold press conferences.

(3) Development of Robust Systems for Maintaining Timely Disclosure

The Company believes that its current systems are capable of ensuring timely disclosure and remains committed to enhancing its timely disclosure practices.

Corporate Governance Structure

