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Securities Code: 7735  
May 31, 2024

## To Shareholders with Voting Rights

Toshio Hiroe  
Representative Director and 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 83rd Ordinary General Meeting of Shareholders

You are cordially notified of the 83rd 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 electronically. Please see the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. (JST) on Thursday, June 20, 2024.

1. **Date and Time:** Friday, June 21, 2024 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 audit of the Consolidated Financial Statements by the accounting auditor and the Board of Corporate Auditors for the 83rd fiscal term (from April 1, 2023 to March 31, 2024)
  - (2) The Non-consolidated Financial Statements for the 83rd fiscal term (from April 1, 2023 to March 31, 2024)

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of surplus  
**Proposal No. 2:** Election of eight directors  
**Proposal No. 3:** Election of four corporate auditors  
**Proposal No. 4:** Election of one substitute corporate auditor

## **Notes on the provision of electronic documents**

### **1. Provision of electronic documents for general meetings of shareholders**

In convening this General Meeting of Shareholders, information in the documents prepared for the event has been made electronically available, and is posted as “Notice of the 83rd 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” and then “Documents for public inspection/PR information.”

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

The paper copies of the documents sent to shareholders upon request 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 the accounting auditor” and “Matters concerning systems for ensuring the properness of operations” of the Business Report
- 2) “Consolidated statement of changes in shareholders’ equity” and “Notes to the consolidated financial statements” of the Consolidated Financial Statements
- 3) “Balance sheet,” “Statement of income,” “Statement of changes in shareholders’ equity” and “Notes to the non-consolidated financial Statements” of the Non-consolidated Financial Statements
- 4) “Audit report by the accounting auditor” of the Audit Reports

Notes:

- 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 Report.

### **3. In the event of modifications to the documents provided electronically**

In the event that the documents 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.

## **Guidance for shareholders**

### **Live streaming**

Live streaming of this General Meeting of Shareholders will be available online.

Since it does not constitute attendance under the Companies Act, you cannot exercise your voting rights or ask questions via live streaming. You are requested to exercise your voting rights in writing or electronically in advance.

### **Acceptance of preliminary questions**

Prior to the General Meeting of Shareholders, the Company will accept questions on 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.

### **Financial briefing**

Financial briefing will take place at the same venue after the General Meeting of Shareholders.

Live streaming of the briefing session will also be available.

### **Notice of resolution**

Please note that the results of the resolution will be posted on the Company's website below.

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

They will not be sent via mail.

### **Barrier-free measures**

If you need assistance at the venue, please contact us by Friday, June 14, 2024 to give us sufficient time for preparation.

Contact:

IR Section, Corporate Communications Department

SCREEN Holdings, Co., Ltd.

Tel: +81-75-414-7233

Online form: <https://www.screen.co.jp/contact/ir>

## **Guidance on Exercise of Voting Rights**

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

### **Exercise of voting rights by attendance**

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 21, 2024

### **Exercise of voting rights in advance**

#### **1. Postal mail**

Please indicate your approval or disapproval for each of the proposals on the enclosed Voting Rights Exercise Form and return it to the sender by the following deadline.

Deadline: 5:00 p.m. on Thursday, June 20, 2024

#### **2. Online**

You can exercise your voting rights online. For details, refer to the next page.

Deadline: 5:00 p.m. on Thursday, June 20, 2024

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

## **Procedures for Exercising Voting Rights Online**

### **By scanning 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 approval or disapproval of the proposals.

Exercising of voting rights by Smart Exercise is available only once.  
From the second time onward, please refer to the explanation below.

### **By entering the voting rights exercise code and password**

- 1) Access the Company's designated website for exercise of voting rights (<https://www.web54.net>).
- 2) Enter the code and password specified on the enclosed Voting Rights Exercise Form.
- 3) Follow the instructions on the screen to indicate your approval or disapproval of 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.) for exercise of voting rights online shall be borne by the shareholder.

### **Inquiries concerning exercise of voting rights online**

Sumitomo Mitsui Trust Bank Stock Transfer Agency website 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 maintenance of a sound financial base for responding 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 83rd fiscal term be distributed as follows:

- (1) Distribution of dividends to shareholders and the total amount thereof  
¥140 per share of common stock of the Company, or ¥13,629,707,560 in total
- (2) Date on which the dividend of surplus becomes effective  
Monday, June 24, 2024

- Notes:
1. The Company implemented a share split of common stock in the ratio of 2 for 1 on October 1, 2023. The Company paid ¥83.50 per share on a post-split basis as interim dividend, and therefore, annual dividends will be ¥223.50 per share.
  2. Based on the targets set in the Value Up 2023 medium-term management plan, the Company has revised the target consolidated total return ratio to 30% or more in the 81st fiscal term (fiscal term ended March 31, 2022).

**Proposal No. 2:** Election of eight directors

The terms of office of eight directors, namely Messrs. Eiji Kakiuchi, Toshio Hiroe, Yoichi Kondo, Yoshihisa Ishikawa, Makoto Yoda, Hidemi Takasu, Ms. Hiroko Okudaira, and Mr. Seiji Narahara, 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>	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>	Representative Director Senior Managing Director Member of the Board Chief Financial Officer	100% (14/14 meetings)
4	Yoshihisa Ishikawa <u>Reelection</u>	Director Member of the Board	100% (14/14 meetings)
5	Hidemi Takasu <u>Reelection</u> <u>Outside</u> <u>Independent</u>	Director Member of the Board	100% (14/14 meetings)
6	Hiroko Okudaira <u>Reelection</u> <u>Outside</u> <u>Independent</u>	Director Member of the Board	100% (14/14 meetings)
7	Seiji Narahara <u>Reelection</u> <u>Outside</u> <u>Independent</u>	Director Member of the Board	100% (10/10 meetings)
8	Fumikazu Sato <u>New candidate</u> <u>Outside</u> <u>Independent</u>	-	-

Note: The attendance at meetings of the Board of Directors for Mr. Seiji Narahara pertains to the meetings of the Board of Directors held following his assumption of office on June 23, 2023.

No.  
1

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

<b>Reelection</b>	April 1981	Joined the Company
<b>Date of Birth</b>	April 2005	Corporate Officer
April 3, 1954	April 2007	President, Media Technology Company
		Corporate Executive Officer
		President, Semiconductor Equipment Company
<b>Number of shares of the Company held</b>	April 2011	Chief Officer of IR, Security Export Control, GPS and Group G10
49,952	June 2011	Director, Member of the Board
	April 2014	Representative Director, President, Member of the Board
	June 2019	Representative Director, Chairman, Member of the Board
<b>Number of years in office as Director (at the close of this Meeting)</b>	June 2023–present:	Chairman, Member of the Board
13 years		

■ **Significant concurrent position**  
Outside Director, KYOCERA Corporation

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

Mr. Eiji Kakiuchi has diverse management experience. He worked in the marketing division of the printing business, served as the president of subsidiaries in the U.S. and Europe, and also served as the president of an in-house company. He led business expansion of the semiconductor business as the company president. He promoted dialogue with capital markets and shareholders as the Chief Officer of IR and then as President of the Company. Currently, as Chairman and Member of the Board, he is responsible for internal audit and corporate governance of the Group. He is also promoting industry-academia-public sector collaboration and regional collaboration as well as social contribution activities. The Company has judged that he can fulfill his responsibilities and duties and requests his continued election as director.

**Message to shareholders**

I was elected Representative Director and President in 2014 and Chairman, Member of the Board in 2019. Over the years, I have worked to enhance our corporate value to meet the expectations of our shareholders. I am committed to executing supervision in ensuring flexible management in the ever-changing business environment and to enhancing the quality of governance of the entire Group. I will work to invigorate the Board of Directors by maintaining a moderate distance from the executive side from a non-executive standpoint, in order for the Group to grow its global operations.



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**

26,734

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

5 years

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

100% (14/14)

April 1983

Joined the Company

April 2006

Vice President, Semiconductor Equipment Company

April 2007

Corporate Officer

October 2009

Deputy General Manager, R&D Center

August 2014

President, SCREEN Finetech Solutions Co., Ltd.

June 2019–present:

Representative Director, President, Member of the Board, 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 in engineering through his engagement in technological development in the semiconductor business for many years. He has profound management experience, including the management of a R&D company in the U.S. as the Deputy General Manager of the R&D Center and the display business as the in-house company president. As Representative Director, President, Member of the Board, and Chief Executive Officer (CEO) of the Company, he has been promoting long-term enhancement of corporate value based on the Management Grand Design and has led the Company to the achievement of record-high performance for three consecutive years.

The Company has judged that he can fulfill his responsibilities and duties and requests his continued election as director.

### Message to shareholders

Taking the opportunity of its 80th anniversary in 2023, the Company redefined its corporate philosophy. We also discussed our 10-year vision to be defined in the Management Grand Design and reaffirmed our commitment to long-term growth to external parties. I believe that the Management Grand Design, which is a long-term management plan, maps out how we can create value in alignment with our corporate philosophy. In the current fiscal term, we have formulated a new medium-term management plan for the next three years. Convinced that continuously delivering solutions that impact society will lead to continued enhancement of corporate value, I will do my utmost to achieve the plan.

**Yoichi Kondo**

■ Profile, position, and responsibility in the Company

<b>Reelection</b>	April 1982	Joined The Bank of Tokyo, Limited*
<b>Date of Birth</b>	June 2010	Corporate Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd.* *Currently MUFG Bank, Ltd.
September 25, 1958	June 2013	Joined the Company Corporate Officer (Senior)
<b>Number of shares of the Company held</b>	April 2014	General Manager, General Administration Division
9,908	June 2014	Managing Director, Member of the Board
	June 2014–present:	Chief Financial Officer (CFO)
	April 2021	Senior Managing Director, Member of the Board Chief Officer of IR & PR
<b>Number of years in office as Director (at the close of this Meeting)</b>	June 2023–present:	Representative Director, Senior Managing Director, Member of the Board
10 years		
	■ Significant concurrent position	
	Director, SCREEN Semiconductor Solutions Co., Ltd.	
<b>Attendance at Meetings of the Board of Directors</b>	■ Reasons for selection as a candidate for director	
100% (14/14)	Mr. Yoichi Kondo has a wealth of knowledge and a high level of expertise in finance, accounting, and risk management gained through his experience in these fields in and outside Japan. He also has experience of engaging in constructive dialog with institutional investors. Currently, as Representative Director, Senior Managing Director, Member of the Board, and Chief Financial Officer (CFO) of the Company, he has been promoting the establishment of a robust financial position as the basis for investment for growth, with focus on cash flows and ROIC. He is also working to enhance transparency through appropriate information disclosure.	
	The Company has judged that he can fulfill his responsibilities and duties and requests his continued election as director.	

**Message to shareholders**

Under the previous medium-term management plan, we worked to establish a robust financial position to enable flexible responses to changes in market conditions. We strove to improve our ability to withstand economic downturns by shortening payment tenor and aimed to achieve a balanced net cash position by improving cash conversion cycle. The Company’s long-term issuer rating by Japan Credit Rating Agency, Ltd. was raised to A (stable), the highest ever. In addition, we implemented a share split and introduced interim dividends from the viewpoint of optimizing the investment unit and expanding opportunities for shareholder returns. We will continue to promote investment for further growth and shareholder returns in line with the Management Grand Design, while maintaining financial discipline.

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**

8,862

**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)

April 1986	Joined the Company
April 2016	Corporate Officer
April 2019	Corporate Officer (Senior) Chief Officer of Corporate Strategy
April 2021	Corporate Executive Officer
June 2022–present:	Director, Member of the Board
June 2022	Chief Officer of General Affairs & Human Resources Strategy

■ **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 Director and Member of the Board responsible for human resources strategy, he is leading employee engagement centered on the corporate philosophy. He is also driving human resources initiatives aimed at organizational motivation and personal growth of employees.

The Company has judged that he can fulfill his responsibilities and duties and requests his continued election as director.

**Message to shareholders**

In the previous fiscal term, I worked on the formulation of the new medium-term management plan as the Chief Officer of Corporate Strategy, and in the current fiscal term I am in charge of human resources strategy, which is a key issue in the plan. We are implementing measures for acquisition, development, and retention of talents to build our human resources portfolio based on the management strategy. At the same time, we will work to enhance employee engagement to achieve continuous enhancement of corporate value through organizational motivation and personal growth.

No.  
5

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

<b>Reelection Outside Independent</b>	March 1971	Joined Toyo Electronics Industry Corporation (Currently ROHM Co., Ltd.)
<b>Date of Birth</b>	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.
<b>Number of shares of the Company held</b>	October 2009	Managing Director and General Manager, Research & Development Headquarters, ROHM Co., Ltd.
3,100	May 2013	Managing Director in charge of Quality and General Manager, Research & Development Headquarters, ROHM Co., Ltd.
<b>Number of years in office as Director (at the close of this Meeting)</b>	July 2013	Managing Director in charge of Business Creation and Quality, ROHM Co., Ltd.
5 years	August 2017	Advisor, Samco Inc.
	October 2018	Substitute Corporate Auditor, Samco Inc.
	June 2019–present:	Director and Member of the Board of the Company
	October 2020–present:	Outside Director, Samco Inc.

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

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 advice 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.

**Message to shareholders**

Semiconductors are a focus of attention worldwide. While the semiconductor industry is recognized as important because semiconductors are incorporated into all kinds of products necessary for contemporary lifestyles, semiconductors are also strategic products. Technological innovation in the semiconductor business is therefore crucial. I would like to contribute to addressing various issues facing society and meet the expectations of our stakeholders by utilizing not only the expertise I have cultivated as an officer in charge of technological development at a semiconductor company, but also the management experience I have gained overseas and in new businesses as well as insights gained from many exchanges with universities and research institutions in Japan and abroad.

No.  
6

**Hiroko  
Okudaira**

**Reelection  
Outside  
Independent**

**Date of Birth**

July 18, 1980

**Number of shares of  
the Company held**

1,100

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

3 years

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

100% (14/14)

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

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, Graduate School of Business, Doshisha University
June 2021–present:	Director and Member of the Board of the Company

**■ Significant concurrent position**

Associate Professor, Graduate School of Business, 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 Graduate School of Business, 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 the increase in elderly workers and how companies adjust their behavior. Currently, as Outside Director and Member of the Board of the Company, she has been providing useful advice to the Board of Directors from various perspectives, including on new workstyles, empowerment of women, compliance, and diversity. Although she has no experience of direct involvement in corporate management, 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.

**Message to shareholders**

Over the years, I have worked on a variety of studies, including in the field of labor economics. I believe that my role is to apply the findings and insights gained through my experience as an academic researcher to corporate management. I believe that there are many instances where I can contribute to corporate management from an independent standpoint, such as the employment of highly specialized human resources and ESG initiatives. I am committed to enhancing corporate management and governance from a broad perspective so as to contribute to improving our corporate value.

No.  
7

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

<b>Reelection</b>	January 1988	Joined Toyobo Co., Ltd.
<b>Outside</b>	April 2010	Executive Officer, Toyobo Co., Ltd.
<b>Independent</b>	June 2011	Director and Executive Officer, Toyobo Co., Ltd.
<b>Date of Birth</b>	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
<b>Number of shares of the Company held</b>	April 2021–present:	Chair of the Board & Director, Toyobo Co., Ltd.
400	June 2023–present:	Director and Member of the Board of the Company

■ **Significant concurrent position**

Chair of the Board & Director, Toyobo Co., Ltd.

**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)

■ **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. In addition to a wealth of knowledge in management, he has experience of serving as a 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 has been providing useful advice to the Board of Directors based on his wealth of knowledge and expertise 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.

**Message to shareholders**

At Toyobo Co., Ltd., I have supported portfolio restructuring and have been involved in various decision-making processes. In a rapidly changing, fast-paced, discontinuous, and complex corporate management environment, I would like to support the portfolio management that SCREEN Holdings is pursuing by making the most of my experience and knowledge as a corporate manager. I will make every effort to contribute to enhancement of corporate value in terms of both growth and governance, thereby positively serve all stakeholders, including contributing to the resolution of issues.

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

<b>New candidate</b>	April 1988	Joined the Ministry of International Trade and Industry
<b>Outside</b>	July 1999	First Secretary, Japanese Mission to the European Union, Ministry of Foreign Affairs (Belgium)
<b>Independent</b>	May 2008	Vice-governor of Akita Prefectural Government
<b>Date of Birth</b>	July 2015	Director, Minister's Secretariat, Ministry of Economy, Trade and Industry
	October 12, 1962	
	July 2016	Deputy Director-General, Minister's Secretariat, Ministry of Economy, Trade and Industry
<b>Number of shares of the Company held</b>	July 2018	Deputy Director-General for Science, Technology and Innovation, Cabinet Secretariat, Cabinet Office
	0	
	July 2019	Councillor, Cabinet Secretariat, Cabinet Office
	October 2021	General Manager, Secretarial Office, Japan Alcohol Trading Co., Ltd.
<b>Number of years in office as Director (at the close of this Meeting)</b>	April 2024–present:	Professor, Institute of Mathematics for Industry, Kyushu University Specially Appointed Professor, Center for Co-Creation Strategy, Tohoku University
	-	
<b>Attendance at Meetings of the Board of Directors</b>		
	-	

## ■ Significant concurrent position

Professor, Institute of Mathematics for Industry, Kyushu University  
Specially Appointed Professor, Center for Co-Creation Strategy, Tohoku University

## ■ Reasons for selection as a candidate for outside director and overview of the expected role

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. It is expected that, based on his wealth of knowledge and expertise as well as his track record of promoting innovation in government offices, he will contribute to strengthening of the management supervision function by providing opinions from various perspectives and give advice leveraging a wide range of insights on technological development. Therefore, the Company requests his election as outside director.

**Message to shareholders**

Semiconductors are key devices for the realization of Society 5.0, which aims to resolve social issues through the convergence of reality and digital technology, and the government has launched a series of large-scale related initiatives. In recent years, we have seen the emergence of new cutting-edge technologies such as optical devices and quantum technology, and collaboration between industry, academia, and government has become essential. I would like to contribute to enhancement of SCREEN Holdings' corporate value based on my experience in central government, local government, and the private sector, as well as experience of working overseas for many years, in addition to my technical background.

- Notes: 1. Mr. Hidemi Takasu, Ms. Hiroko Okudaira, Mr. Seiji Narahara, and Mr. Fumikazu Sato are nominated as outside directors. The Company has reported Mr. Hidemi Takasu, Ms. Hiroko Okudaira, and Mr. Seiji Narahara to Tokyo Stock Exchange, Inc. as independent directors. They will continuously serve as independent directors if they are elected as proposed. If Mr. Fumikazu Sato is elected as proposed, the Company intends to report him to Tokyo Stock Exchange, Inc. as an independent director.
2. There is no special interest between the director nominees and the Company.
3. Limitation of liability agreement  
The Company has concluded limitation of liability agreements with Mr. Hidemi Takasu, Ms. Hiroko Okudaira, and Mr. Seiji Narahara 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 agreements, their liability for damages shall be limited within the amount prescribed by laws and regulations. If Mr. Hidemi Takasu, Ms. Hiroko Okudaira, and Mr. Seiji Narahara are elected as proposed, the agreements will be renewed. If Mr. Fumikazu Sato is elected as proposed, the Company intends to conclude a limitation of liability agreement with him.

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 the nominees are elected as proposed, they 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.
6. 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 trusted by 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. 3: Election of four corporate auditors**

The terms of office of corporate auditors Mr. Hirofumi Ota, Mr. Tetsuo Kikkawa, and Mr. Seiji Yokoyama will expire and Mr. Akio Umeda will resign as a corporate auditor at the close of this Meeting. Accordingly, the Company requests the election of four corporate auditors.

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

The nominees for corporate auditors are as follows:

No. 1	<b>Hirofumi Ota</b>	<b>■ Profile</b>	
	<b>Reelection</b>	April 1981 April 2005	Joined the Company General Manager, Finance & Accounting Department, Accounting Company
	<b>Date of Birth</b> June 17, 1957	April 2012	General Manager, Finance & Accounting Group, Business Service Center
	<b>Number of shares of the Company held</b> 4,000	April 2014 October 2014 April 2016 June 2019–present:	General Manager, Finance & Accounting Group, General Administration Division General Manager, Finance & Accounting Department Corporate Officer Senior Corporate Auditor (Full-time)
	<b>Number of years in office as Corporate Auditor (at the close of this Meeting)</b> 5 years	<b>■ Reasons for selection as a candidate for corporate auditor</b>	Mr. Hirofumi Ota has experienced the accounting operations of the Company for many years and has professional knowledge regarding finance and accounting. Based on his wealth of experience and expertise, the Company has judged that he can appropriately fulfill his duties and responsibilities as corporate auditor and requests his continued election.
	<b>Attendance at Meetings of the Board of Directors</b> 100% (14/14)		
	<b>Attendance at Meetings of the Board of Corporate Auditors</b> 100% (17/17)		

No.  
2

**Masao  
Tomonaga**

**New candidate**

**Date of Birth**

July 16, 1960

**Number of shares of  
the Company held**

1,626

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

-

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

-

**Attendance at  
Meetings of the  
Board of Corporate  
Auditors**

-

**■ Profile**

April 1984

April 2006

February 2013

April 2015

April 2020

April 2022–present:

April 2022

Joined the Company

General Manager, Business Promotion Department, Business Management Division, Media Technology Company

General Manager, Business Management Division, Media and Precision Technology Company

General Manager, Secretariat Office

Corporate Officer

in charge of Secretariat Office and Sustainability Management

Senior Executive Officer

in charge of Sustainability Management

in charge of Legal, IP and Compliance

**■ Reasons for selection as a candidate for corporate auditor**

Mr. Masao Tomonaga has many years of experience and knowledge in the graphic arts equipment business, including management experience at overseas subsidiaries. Since assuming the position of Corporate Officer of the Company, he has been involved in the formulation and execution of the Group's strategy as a person in charge of sustainable management. Based on his extensive business experience and broad insight, the Company has judged that he can appropriately fulfill his duties and responsibilities as corporate auditor and requests his election.

No.  
3

**Tetsuo  
Kikkawa**

**Reelection**  
**Outside**  
**Independent**

**Date of Birth**  
July 28, 1947

**Number of shares of  
the Company held**  
0

**Number of years in  
office as Corporate  
Auditor (at the close  
of this Meeting)**  
4 years

**Attendance at  
Meetings of the  
Board of Directors**  
100% (14/14)

**Attendance at  
Meetings of the  
Board of Corporate  
Auditors**  
100% (17/17)

■ **Profile**

April 1982 Registered with Osaka Bar Association  
Joined Miyake Joint Partnership Law Office (Currently  
Miyake & Partners)

April 1986 Registered with Kyoto Bar Association  
Established Masukawa & Kikkawa Joint Partnership Law  
Firm

April 1995 Vice-chairman, Kyoto Bar Association  
October 2002 Established Kyoto Mirai Law Firm  
October 2002–present: President and Attorney-at-Law, Kyoto Mirai Law Firm  
March 2010–present: Outside Corporate Auditor, Kosei Kensetsu Co., Ltd.  
April 2012 Chairman, Kyoto Bar Association  
June 2020–present: Corporate Auditor of the Company

■ **Significant concurrent positions**

President and Attorney-at-Law, Kyoto Mirai Law Firm  
Outside Corporate Auditor, Kosei Kensetsu Co., Ltd.

■ **Reasons for selection as a candidate for outside corporate auditor**

Mr. Tetsuo Kikkawa has a wealth of knowledge and experience accumulated over many years working as an attorney-at-law, and based on this, the Company has judged that he is a person who has high ethics and can conduct fair and unbiased audits, and requests his continued election as outside corporate auditor. Although Mr. Kikkawa does not have any experience in being involved in corporate management, the Company believes that he can properly carry out his duties as outside corporate auditor for the reasons stated above.

**Seiji Yokoyama ■ Profile**

<b>Reelection</b> <b>Outside</b> <b>Independent</b>	April 1983 October 1985	Joined Toray Industries, Inc. Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)
<b>Date of Birth</b> July 10, 1960	March 1989 July 2001 June 2020–present:	Registered as Certified Public Accountant Partner, Deloitte Touche Tohmatsu LLC Established Yokoyama-Seiji Certified Accountant Office, Managing Director Corporate Auditor of the Company

**Number of shares of the Company held**  
0

**■ Significant concurrent position**  
Managing Director, Yokoyama-Seiji Certified Accountant Office

**Number of years in office as Corporate Auditor (at the close of this Meeting)**  
4 years

**■ Reasons for selection as a candidate for outside corporate auditor**  
As a certified public accountant, Mr. Seiji Yokoyama has a profound insight into finance and accounting. The Company has judged that he is a person who can conduct audits from a fair and neutral position based on the audit experience of many companies in and outside Japan at an audit firm and requests his continued election as outside corporate auditor. Although Mr. Yokoyama does not have any experience in being directly involved in corporate management, the Company believes that he can properly carry out his duties as outside corporate auditor for the reasons stated above.

**Attendance at Meetings of the Board of Directors**  
100% (14/14)

**Attendance at Meetings of the Board of Corporate Auditors**  
100% (17/17)

- Notes:
1. Mr. Tetsuo Kikkawa and Mr. Seiji Yokoyama are nominated as outside corporate auditors. The Company has reported Mr. Tetsuo Kikkawa and Mr. Seiji Yokoyama to Tokyo Stock Exchange, Inc. as independent auditors. They will continuously serve as independent auditors if they are elected as proposed.
  2. There is no special interest between the corporate auditor nominees and the Company.
  3. Of two corporate auditor nominees, Mr. Hirofumi Ota has experienced the accounting operations of the Company for many years, and Mr. Seiji Yokoyama is a certified public accountant. They both have extensive knowledge in finance and accounting.
  4. **Limitation of liability agreement with outside corporate auditors**  
The Company has concluded limitation of liability agreements with Messrs. Tetsuo Kikkawa and Seiji Yokoyama 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 agreements, their liability for damages shall be limited within the amount prescribed by laws and regulations. If they are elected as proposed, the agreements will be renewed.
  5. 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 the nominees are elected as proposed, they 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.

**Proposal No. 4:** Election of one substitute corporate auditor

The effective term of office of Mr. Tomoyuki Ito as a substitute corporate auditor will expire at the commencement of this Meeting. Accordingly, the Company requests the election of one substitute corporate auditor to prepare for a contingency in which the Company does not have the number of corporate auditors required by laws and regulations.

The candidate for substitute corporate auditor is expected to substitute an outside corporate auditor, and consents to assuming the office of corporate auditor in the event that an outside corporate auditor retires during the term of office and the Company does not have the number of corporate auditors required by laws and regulations.

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

The nominee for substitute corporate auditor is as follows:

<b>Tomoyuki Ito</b>	<b>■ Profile</b>
	April 1989                      Appointed as Judge, Osaka District Court
	April 1991                      Assigned to Kanazawa District Court
	April 1994                      Registered with Kyoto Bar Association
<b>Outside Independent</b>	April 1994–present:      Attorney-at-Law, Ashida Law Office
<b>Date of Birth</b>	<b>■ Significant concurrent position</b>
June 25, 1959	Attorney-at-Law, Ashida Law Office
<b>Number of shares of the Company held</b>	<b>■ Reasons for selection as a candidate for substitute corporate auditor</b>
0	As an attorney-at-law, Mr. Tomoyuki Ito has a high-level of specialized knowledge and a wealth of experience cultivated through practical work. The Company has judged that he is a person who can conduct audits from a fair and neutral position and requests his election as substitute outside corporate auditor. Although Mr. Ito does not have any experience in being directly involved in corporate management, the Company believes that he can properly carry out his duties as outside corporate auditor for the reasons stated above.

- Notes:
1. Mr. Tomoyuki Ito is nominated as substitute outside corporate auditor. If he is elected as proposed and assumes the office of outside corporate auditor, the Company intends to report him to Tokyo Stock Exchange, Inc. as an independent auditor.
  2. There is no special interest between the nominee for substitute corporate auditor and the Company.
  3. If Mr. Tomoyuki Ito assumes the office of outside corporate auditor, 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. Tomoyuki Ito assumes the office of outside corporate auditor, he will be the insured under the said insurance contract.

## **Reference: Policies and procedures regarding the nomination of director and corporate auditor candidates**

Candidates for director and corporate auditor 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 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 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 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 be subject to 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 the Company's internal criteria for independence of outside directors and outside corporate auditors.
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 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 the Corporate Governance Report (updated on January 30, 2024), which is posted on the Company's website.

## Reference: Skills matrix of nominees for directors and corporate auditors (1)

Based on our redefined corporate purpose, the Group has hammered out its 10-year vision in the Management Grand Design and is implementing the medium-term management plan as a milestone to achieve the 10-year goals included in the said vision. In order to achieve these goals as well as the targets set out in the medium-term management plan and continuously enhance our corporate value, the Company's directors play the following important roles:

- (1) Decisions on important management matters
- (2) Decisions on management strategy and management plans
- (3) Execution and mutual supervision of directors

The Group has selected the following skills required for these roles.

Skills/experience	Definition (The nominee must have about 3 years of experience in an executive role in any of the following categories)	Reasons for selection
Management	Experience in management as a representative in a company/corporation, etc. (including the Company's group companies)	To achieve continued enhancement of corporate value through strategy development, decision-making, and organizational leadership from a comprehensive, medium-to 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
Sales/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/Technology/ Production/ Innovation	Experience in R&D, technology, production, new business creation, and 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
Finance	Experience in finance, accounting and/or M&A	To achieve continued enhancement of 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

## Reference: Skills matrix of nominees for directors and corporate auditors (2)

Major expertise and experience of director and corporate auditors (including nominees) are listed below.

		Skills and Experience					
		Management	Global	Sales/ Marketing	R&D/ Technology/ Production/ Innovation	Finance/ Accounting/ M&A	Sustainability
<b>Directors</b>							
Directors (Internal)	Eiji Kakiuchi	•	•	•			
	Toshio Hiroe	•	•	•	•		
	Yoichi Kondo	•	•			•	•
	Yoshihisa Ishikawa					•	•
Directors (Outside)	Hidemi Takasu		•		•		
	Hiroko Okudaira		•*				•*
	Seiji Narahara	•	•			•	
	Fumikazu Sato		•		•		•
<b>Corporate auditors</b>							
Corporate Auditors (Internal)	Hirofumi Ota					•	
	Masao Tomonaga	•	•	•			•
Corporate Auditors (Outside)	Tetsuo Kikkawa	•					•
	Seiji Yokoyama		•			•	•

Note: The above table is not intended as an exhaustive list 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”) judges 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 investigation conducted by the Company to a reasonably possible extent.

- (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 client 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 client/supplier company (including 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 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 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.

# Business Report

(April 1, 2023–March 31, 2024)

## 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, 2024

During the fiscal year ended March 31, 2024, the global economy showed a gradual recovery mainly in the U.S., despite continued uncertainties such as rising geopolitical risks. On the other hand, the recovery has been sluggish in some regions such as Europe and China, due to price hikes, the impact of global monetary tightening in line with rising inflationary pressures, as well as the effects of the stagnant real estate market in China and other factors.

Regarding the business conditions surrounding the SCREEN Group, capital investments by memory manufacturers and others continued to be limited due to shrinking demand for consumer electronics such as PCs and smartphones, which had benefited from remote working demand. Meanwhile, we saw steady growth of capital investments in the fields of miniaturization, power semiconductors, and packaging technology thanks to decarbonization efforts, expanded use of generated AI and progress in DX and so on. Moreover, due to the impact of the global shift to a block economy against the backdrop of trade friction between the U.S. and China, semiconductors were recognized as a strategic commodity, and there were moves toward supply chain restructuring in all regions. In addition to active investment in China for mature nodes, large-scale projects were implemented in the U.S. and in Japan. On the other hand, display manufacturers continue to face a challenging situation, although there are signs of a turnaround in the supply-demand balance for TV use panel.

Under these circumstances, for the fiscal year ended March 31, 2024, the SCREEN Group posted consolidated net sales of ¥504,916 million, an increase of ¥44,082 million (9.6%) from the previous fiscal year. On the earnings front, as the result of an increase in net sales and an improvement in profitability, although fixed costs increased, operating income totaled ¥94,164 million, an increase of ¥17,712 million (23.2%) from the previous fiscal year. In addition, ordinary income amounted to ¥94,279 million, an increase of ¥16,885 million (21.8%) and profit attributable to owners of parent totaled ¥70,579 million, up ¥13,088 million (22.8%), compared with the previous fiscal year.

Performance by reportable segment is explained below.

In the Semiconductor Production Equipment (SPE) business, foundry sales increased year on year, despite a decline in sales to memory application. By region, sales to China and North America rose, while sales to Taiwan and Europe declined. As a result, net sales in this segment amounted to ¥417,677 million, up 12.6% year on year. On the earnings front, operating income in this segment came to ¥97,048 million, up 26.1% year on year, mainly reflecting the increase in sales and an improvement in profitability, despite the increased fixed costs.

In the Graphic Arts Equipment (GA) business, net sales in this segment amounted to ¥47,739 million, up 4.7% year on year, due to increased sales of equipment and recurring business, mainly ink, buoyed by weaker JPY. On the earnings front, operating income was ¥4,295 million, up 26.4% year on year due mainly to an increase in sales.

In the Display Production Equipment and Coater (FT) business, sales of display production equipment declined due to the sluggish capital investment by display manufacturers. As a result, net sales in this segment amounted to ¥23,247 million, down 11.2% year on year. On the earnings front, operating loss came to ¥425 million, compared with operating loss of ¥1,840 million in the previous fiscal year, mainly reflecting the decrease in net sales, despite our efforts to control fixed costs.

In the PCB-Related Equipment (PE) business, sales of direct patterning system went down in spite of weaker JPY. As a result, net sales in this segment amounted to ¥14,672 million, down 12.8% year on year. On the earnings front, operating income in this segment came to ¥1,861 million, down 44.6% year on year, due mainly to a decrease in sales and an increase of fixed costs.

## (2) Status of financing

The Group self-funded its activities in the fiscal year ended March 31, 2024. To ensure stable financing in the future, the Group has entered into commitment line agreements totaling ¥60.0 billion with multiple financial institutions.

## (3) Status of capital expenditures

Capital expenditures totaled ¥39,812 million in the fiscal year ended March 31, 2024. The main expenditures were new factory construction to increase production capacity and the expansion of R&D facilities for the SPE business.

## (4) Issues to be addressed

As a “solution creator\*,” the Group will continue creating social value (CSV) that helps solve social issues and realize both social value and economic value in order to further enhance the SCREEN Value (corporate 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.

## **Status of achievement of 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 achievement status in the final year.

### 1. Basic concept

Establishing a presence in the industry as a solution creator

### 2. Main initiatives and achievement

#### 1) Enhancing corporate value by creating a cycle of innovation and sustainable growth

In response to the increase in demand in the semiconductor market, we vigorously worked to increase production capacity, and implemented growth investments (capital expenditures and R&D) of ¥187.3 billion, exceeding the target of ¥150.6 billion. As a result, consolidated net sales of the Group increased significantly, ROIC improved, and corporate value increased significantly.

On the other hand, there remain issues to be addressed concerning the full-scale creation of new technologies, products, and new businesses in existing businesses, and we will focus on those issues in the next medium-term management plan.

#### 2) Generating cash flows commensurate with profits earned in pursuit of profitability and efficiency

Profitability has improved significantly due to the increase in net sales, as we have pursued efficiency and promoted ROIC management. As a result, thanks to the introduction and dissemination of Gemba KPIs\*, profitability and efficiency have improved in each business. In addition, we promoted business transformation focusing on our business portfolio using ROIC as an indicator. As a result, we generated cash commensurate with profits. Cumulative operating cash flow amounted to ¥309.1 billion over four years, compared to cumulative operating income of ¥256.3 billion during the same period.

Moreover, the Company’s long-term issuer rating by Japan Credit Rating Agency, Ltd. (JCR) was upgraded from BBB+ (Outlook: Stable) at the start of the Medium-Term Management Plan (April 2020) to A (Outlook: Stable) on March 17, 2023, and has maintained A (Outlook: Stable) as of the end of March 2024.

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

#### 3) ESG initiatives to be a sustainable corporation

We promoted 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. Quantitative targets of economic value and results

Shown below are quantitative targets of economic value in the medium-term management plan, Value Up 2023, and the results for the fiscal year ended March 31, 2024.

	Targets for FY2024/03 (Initial plan)	Targets for FY2024/03 (Revised in July 2022)	Results (FY2024/03)
Net sales	¥400 billion or more	¥500 billion or more	¥504.9 billion
Operating income ratio	15% or above	17% or above	18.6%
ROE	15% or above	20% or above	21.0%
Operating cash flow	¥120 billion (Four-year cumulative)	¥240 billion (Four-year cumulative)	¥96.2 billion ( ¥309.1 billion for four-year cumulative)
Shareholder returns	Consolidated total shareholder return ratio of 30% or above from FY2022	Consolidated total shareholder return ratio of 30% or above from FY2022	Consolidated total shareholder return ratio of 30.6%

\*The above figures are predicated on organic growth.

### 4. Initiatives to enhance social value

In the fiscal year ended March 31, 2024, the Company received renewed approval from the Science Based Targets initiative (SBTi) regarding its updated targets for reducing greenhouse gas (GHG) emissions by the fiscal year ending March 31, 2030 to a level required to keep the global temperature rise to 1.5°C.

Moreover, the Company was selected as a 2024 Health & Productivity Stock for the first time in recognition of workstyle reforms, strengthening human resources, creating safe and healthy workplaces, including the supply chain, and developing systems to maintain and improve performance in all these areas.

For details, please see “Promoting Sustainability Management with an Emphasis on ESG” in the next section (page 30 onward).

### **Medium-term management plan, Value Up Further 2026**

Described below are an outline of Value Up Further 2026, the medium-term management plan for the fiscal years from April 1, 2024 through March 31, 2027.

#### 1. Basic concept

Further enhancing the presence as a solution creator through personal growth of individuals and strengthening of competitiveness

#### 2. Outline

For the next three fiscal years covered by the new medium-term management plan, Value Up Further 2026, our focus will be on building a foundation that can sustain long-term growth, while maintaining the high level of growth and profitability achieved under the previous medium-term management plan, Value Up 2023. We aim to further improve SCREEN Value through the combination of business growth strategy and business foundation strategy.

#### Basic strategies

1) For business growth  
 Portfolio management:

Combining business and product portfolio management

Business growth strategy: Increasing the presence in the industries we serve to raise our corporate value further  
 Innovation management: Introducing new technologies and products to the markets and launching new businesses with net sales of ¥10 billion scale  
 Intellectual property (IP): Building an IP portfolio aligned with our business and R&D strategies

2) For business foundation

Human resource strategy: Creating a vibrant corporate culture and encouraging individual growth  
 Financial strategy: Building a risk-resilient financial foundation that can support business growth  
 Digital strategy: Enhancing cybersecurity and promoting digital transformation (DX) to drive productivity  
 Facility strategy: Developing facilities to support business growth and R&D

3) For both business growth and business foundation

Sustainability strategy: Pursuing ESG (environmental, social and governance) activity across the value chain  
 Brand strategy: Establishing a presence as a global brand

3. Financial/non-financial targets

1) Financial targets

Net sales: ¥1.8 trillion or more in total over three years  
 Operating income ratio: 19% or above in average over three years  
 ROIC: 15% or above  
 Shareholder return policy: Consolidated dividend payout ratio of 30% or above\*

\*We will decide share buybacks in a flexible manner, depending on the progress of growth investment.

Note: The above figures are predicated on organic growth.

2) Non-financial targets

Employee engagement score\*: Rate of positive response to be 70% or above

\*Employee surveys to ascertain the degree to which employees understand and empathize with the Company's vision and direction, and voluntarily contribute to achieving them

GHG emissions from the company's business activities (Scope 1 & 2):

70% or more reduction\* compared to the fiscal year ended March 31, 2019

\*Total emissions volume

GHG emissions from the use of sold products (Scope 3):

48% or more reduction\* compared to the fiscal year ended March 31, 2019

\*Per unit of gross profit

## **Promoting sustainability management to achieve the ESG targets**

The SCREEN Group promotes sustainable management that leads to higher social value by connecting business activities to the resolution of environmental, social, and governance (ESG) issues. In addition to supporting the United Nations Global Compact and continuing to participate in international initiatives on climate change, we addressed eight of the 17 Sustainable Development Goals (SDGs) as priority issues.

In the fiscal year ended March 31, 2024, we conducted various activities to achieve the targets for the final year of Sustainable Value 2023.

For details of the initiatives, please refer below.

### ***Sustainable Value 2026 formulated***

Under the new medium-term management plan Value Up Further 2026, which was launched to realize the 10-year vision stated in the Management Grand Design, we have formulated Sustainable Value 2026 with the aim of continuing to be a company that creates new value for society and people and contributing to a sustainable society by providing solutions to solve social issues.

At the same time, we expanded the scope of the SDGs to be addressed from 8 to 15 items. We will envision an ideal image of the future society and the future ideal image of the Company, and make a group-wide effort to create value to realize these goals.

## **E (Environment): Climate change initiatives and environmental management**

### **Climate change and environmental initiatives**

- Achieved the SBTi-based indicators for reduction of GHG emissions from business activities (Scope 1 & 2)
- Received renewed approval from SBTi for the GHG emissions reduction targets for the fiscal year ending March 2030 to a level required to keep the global temperature rise to 1.5°C
- Conducted TCFD-compliant risk scenario analysis and information disclosure on a continuous basis
- Joined the Semiconductor Climate Consortium
- Concluded an agreement on decarbonization to help enhance sustainability with Shiga Prefecture and The Shiga Bank, Ltd.

### **Reduction of environmental impact of products**

- Introduced a “water management application” that visualizes water management to accelerate sustainability development
- Operating the Company’s unique “Super Green Product” certification system for products with excellent energy-saving performance (more than 40% reduction in energy consumption per unit processing area compared to products sold in the fiscal year ended March 31, 2019).

### **Conservation of biodiversity contributing to being nature positive**

The Group has joined the Kyoto Model Forest Initiative and is supporting forest maintenance work.

Since 2018, we have been maintaining an approximately 53 hectare block of forest in the Miyagawa district of Miyazaki Town, Kameoka City.

Certified as part of the Kyoto Life and Culture Collaborative Rejuvenation Project, we have been growing more than 10 rare species of plants, including near-threatened species such as *Eupatorium japonicum* (Fujibakama), in green spaces on the head office premises. In May 2023, the *Asarum caulescens* Maxim. (Futabaoi) we grew here were presented as offerings to the Kamigamo Shrine in Kyoto.

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

### **Initiatives related to strengthening human capital**

- Held town hall meetings (dialogues between management and employees) with the aim of enhancing understanding of the Group's corporate philosophy and CSV
- Formulated five actions required of a "solution creator" to realize the Management Grand Design
- Reviewed the HR scheme for specialists so that diverse professionals can demonstrate their best abilities
- Continued to conduct an employee engagement survey to promote employees' personal growth and enhance their satisfaction with the organization
- Extensively renovated the cafeteria at the head office based on the concept of "a wonderful lively space where people gather and connect throughout the day" as a place for exchanges among people
- Implemented a wage increase to encourage employees to take on challenges and contribute to a virtuous economic cycle

### **Creating safe healthy workplaces and realizing diverse new workstyles**

- Announced the SCREEN Group Health Declaration to promote the mental and physical health of employees
- Participated in the Health and Productivity Management Alliance with the aim of realizing a healthy society
- Selected as a 2024 Health & Productivity Stock for the first time as a company that is practicing particularly outstanding initiatives from among the companies listed on the Prime Market
- Certified as a 2024 Health & Productivity Management Outstanding Organization for the second consecutive year. Our health and productivity management measures were highly evaluated

### **Ensuring fair business activities in compliance with various social norms**

- Announced the Declaration of Partnership Building to promote the construction of sustainable relationships to achieve mutual growth, such as improving the productivity of the entire supply chain

### **Resolving social issues through industry-academia-government collaborations**

- Concluded a comprehensive partnership agreement with Shiga Prefecture for the purpose of further revitalizing the region



## **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 (Reference: [https://www.screen.co.jp/en/about/governance\\_structure](https://www.screen.co.jp/en/about/governance_structure))
- 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 (since 2021)

### **Third-party assurance for sustainability disclosure**

- Obtained third-party assurance from KPMG Azsa Sustainability Co., Ltd. for sustainability and ESG reporting in order to improve the reliability of information disclosure

### **Establishment of a resilient BCP to withstand increasingly severe natural disasters**

- Gained ISO 22301 (Business Continuity) certification and developed an effective BCP

### **Strengthening of information security measures to combat cyberattacks**

- Promoted preparations for ensuring compliance with NIST SP800-171 U.S. security standards

### **Further enhancement of compliance systems**

- Strengthened global whistleblowing systems (NAVEX Global, the harassment hotline in Japan, and several contact points in Japan and overseas) for internal reporting and consultation
- Held a workshop on the EU Cyber Resilience Act (CRA)

## **Reference: The SCREEN Group's sustainability activities**

### **Introduction of a matching gift scheme to support refugees**

The Company introduced a matching gift scheme to protect and support refugees through united efforts of the Company and employees and made donation to the United Nations High Commissioner for Refugees (UNHCR).

### **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. The works of artists who are members of Genius Art Kyoto are displayed at the head office and other sites of the Group.

### **Hosting high-school students participating in Japan Super Science Fair 2023 from Japan and overseas**

The Japan Super Science Fair (JSSF) is organized by Ritsumeikan Senior High School as an opportunity for young people to expand their horizons through international networking and global cooperation with science as a medium for exchange of research, dreams, and friendships. A total of 40 high-school students and teachers participating in JSSF 2023 visited the Company's head office.

### **Top uniform partnership agreement with Kyoto Hannaryz**

Endorsing the principles and activities of the Kyoto Hannaryz, a basketball team in the First Division of B. League (professional men's basketball league in Japan), the Company concluded a five-year top uniform partnership agreement. In cooperation with the team, we will work for regional vitalization through basketball and social contribution activities to realize a sustainable, affluent society.

## (5) Trends in the status of assets and income

(Rounded down to the nearest million JPY)

	FY2021/03	FY2022/03	FY2023/03	FY2024/03 (Fiscal year under review)
Net sales	320,322	411,865	460,834	504,916
Operating income	24,492	61,273	76,452	94,164
Ordinary income	22,720	59,438	77,393	94,279
Profit attributable to owners of parent	15,164	45,481	57,491	70,579
Basic earnings per share (JPY)	162.60	488.27	608.16	742.10
Total assets	382,632	459,305	562,816	676,808
Net assets	208,548	247,788	299,926	371,911

- Notes: 1. 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. The figures presented thereafter are based on the said accounting standards.
2. The Company implemented a share split of common stock in the ratio of 2 for 1 on October 1, 2023. Basic earnings per share have been calculated on the presumption that the share split was conducted at the beginning of the fiscal year ended March 31, 2021.

## (6) Status of material subsidiaries

## 1) Status of material subsidiaries

Company name	Capitalization	Voting rights ratio	Principal business
SCREEN Semiconductor Solutions Co., Ltd.	¥310 million	100.0%	Development, manufacturing, and sales of semiconductor production equipment
SCREEN Graphic Solutions Co., Ltd.	¥100 million	100.0%	Development, manufacturing, and sales of graphic arts equipment
SCREEN Finetech Solutions Co., Ltd.	¥100 million	100.0%	Development, manufacturing, and sales of display production equipment and coater equipment
SCREEN PE Solutions Co., Ltd.	¥100 million	100.0%	Development, manufacturing, and sales of PCB-related equipment
SCREEN SPE Tech Co., Ltd.	¥480 million	100.0%	Development and manufacturing of semiconductor production equipment
SCREEN GP Japan Co., Ltd.	¥300 million	100.0%	Sales of graphic arts and PCB-related equipment
SCREEN SPE Taiwan Co., Ltd.	215,000 thousand Taiwanese dollars	100.0%	Sales support and maintenance services of semiconductor production equipment

## 2) Progress and results of business combination

The SCREEN Group consists of SCREEN Holdings Co., Ltd., 52 consolidated subsidiaries, six non-consolidated subsidiaries, and two affiliated companies.

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, planning and production of documents, development and sales of software, and other businesses

## (8) Principal business locations

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

Number of employees: 6,264 (+227 from March 31, 2023)

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 JPY)

Lender	Amount of borrowings
Development Bank of Japan Inc.	1,000
Nippon Life Insurance Company	1,000

## 2. Matters regarding shares of the company

- (1) Total number of shares authorized to be issued            360,000,000 shares
- (2) Total number of shares issued                                    101,589,732 shares  
(including 4,234,678 shares in treasury stock)
- (3) Number of shareholders    44,711
- (4) Major shareholders (Top 10)

Shareholder name	Number of shares	Shareholding ratio
	Thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,731	17.18
Custody Bank of Japan, Ltd. (Trust Account)	8,834	9.07
Nippon Life Insurance Company	3,661	3.76
The Bank of Kyoto, Ltd.	2,692	2.76
SCREEN's Business Partners Shareholders' Association Synchronize	1,855	1.90
Resona Bank, Limited	1,825	1.87
The Shiga Bank, Ltd.	1,696	1.74
JPMorgan Chase & Co.	1,642	1.68
MUFG Bank, Ltd.	1,569	1.61
STATE STREET BANK AND TRUST COMPANY 505001	1,523	1.56

- Notes:
1. While SCREEN Holdings Co., Ltd. holds 4,234,678 shares in treasury stock, this is not included in the above list of major shareholders.
  2. Numbers of shares are rounded down to the nearest thousand shares.
  3. Treasury stock has been excluded from the calculation of the shareholding ratio.
  4. Treasury stock does not include the 289,800 shares of the Company owned by Custody Bank of Japan, Ltd., 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

Not applicable

(6) Other important matters regarding shares

The Company implemented a share split of common stock in the ratio of 2 for 1 with a record date of September 30, 2023 and an effective date of October 1, 2023.

### 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

	EUR/JPY denominated bonds with convertible bond type share acquisition rights subject to call due 2025 (Issued on June 11, 2018)
Number of share acquisition rights	177
Number and type of shares to which share acquisition rights apply	296,915 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	¥5,961.3
Condition for exercising share acquisition rights	Partial exercise of the share acquisition rights is not allowed. Prior to March 11, 2025, share acquisition rights may be exercised from the first day to the last day of the following quarter only if the closing price of the Company's share of common stock exceeds 130% of the applicable conversion price on the last trading day of the quarter on 20 consecutive trading days ending on the last trading day of the quarter.
Balance of bonds with share acquisition rights	¥1,770 million

Note: In line with the approval of the proposal for appropriation of surplus (payment of year-end dividends of ¥365 per share) at the 82nd Ordinary General Meeting of Shareholders held on June 23, 2023, the conversion price from April 1, 2023 onward was adjusted to ¥11,936.4 in accordance with the conversion price adjustment clause. Moreover, in line with the share split of common stock in the ratio of 2 for 1 with a record date of September 30, 2023 and the decision of the Board of Directors meeting held on October 31, 2023 on dividend of surplus (interim dividend) of ¥167 per share, the conversion price from October 1, 2023 onward was adjusted to ¥5,961.3 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, 2024)

Name	Position and responsibility	Significant concurrent positions
Eiji Kakiuchi	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	Representative Director 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.
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, Graduate School of Business, Doshisha University
Seiji Narahara	Director Member of the Board	Chair of the Board & Director, Toyobo Co., Ltd.
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. Makoto Yoda, Mr. Hidemi Takasu, Ms. Hiroko Okudaira, and Mr. Seiji Narahara are outside directors. The Company has reported them to Tokyo Stock Exchange, Inc. as independent directors.
  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 auditors.
  3. Of two corporate auditors, Mr. Hirofumi Ota has been involved in the accounting operations of the Company for many years, and 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, 2024.

- (1) Assumed office on June 23, 2023
 

Director	Seiji Narahara
Member of the Board	
- (2) Left office on June 23, 2023
 

Director	Shigeru Saito
Member of the Board	
- (3) Changes in the positions of directors on June 23, 2023
 

Chairman	Eiji Kakiuchi
Member of the Board	
Representative Director	
Senior Managing Director	Yoichi Kondo
Member of the Board	

5. The following changes were made to directors' responsibilities and significant concurrent positions on April 1, 2024.

Representative Director		Director, SCREEN
Senior Managing Director	Yoichi Kondo	Semiconductor Solutions Co.,
Member of the Board		Ltd.
Chief Financial Officer (CFO)		
Director	Yoshihisa Ishikawa	

## (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, in principle.

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 ¥800 million annually, was set by a resolution of the 82nd Ordinary General Meeting of Shareholders held on June 23, 2023. The number of directors was eight 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 shall be provided separately from the above, with the initial four-year trust period and an upper limit of ¥1,000 million. Moreover, it was decided that, by the decision of the Company's Board of Directors, the applicable period may be further extended, by specifying a period, ranging from three fiscal years to five fiscal years, for every extension. Furthermore, it was decided that the Company shall make an additional contribution of funds whose maximum amount is the amount calculated by multiplying the number of extended fiscal years of the applicable period by ¥250 million. 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 ¥100 million annually, was set by a resolution of the 82nd Ordinary General Meeting of Shareholders held on June 23, 2023. 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 said 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 JPY)			Number of eligible officers (persons)
		Basic compensation	Performance-linked compensation	Performance-linked share compensation	
Directors (of whom outside directors)	492 (61)	236 (40)	169 (20)	87 (—)	9 (5)
Corporate auditors (of whom outside corporate auditors)	63 (12)	63 (12)	—	—	4 (2)

Note: The number of directors and the amount of compensation include one director who left the position on June 23, 2023.

#### 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 in the context of strengthening the management base, as well as environmental and safety indicators in the context of enhancing 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. For the fiscal year ended March 31, 2024, the payment was made in accordance with the achievement status of the medium-term management plan.

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, 2024.

Performance indicator	Criteria for the level of achievement	Actual performance
Operating income ratio	14.0%–above 19.25%	18.6%
ROE	16.0%–above 22.0%	21.0%
Environmental and safety indicators	Reduction of CO <sub>2</sub> emissions in business activities • Reduction of 10% from the fiscal year ended March 31, 2019	Reduction of 45.3% (preliminary figure)

#### 6) Performance-linked share compensation

Our performance-linked share compensation system (hereinafter the “System”) is a share compensation system where a trust established by the Company 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 directors and corporate auditors

1) Main activities in the fiscal year ended March 31, 2024

Category	Name	Main activities
Director	Makoto Yoda	He attended all of 14 Board of Directors meetings held in the fiscal year ended March 31, 2024. 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 enhancement of the management supervision function.
Director	Hidemi Takasu	He attended all of 14 Board of Directors meetings held in the fiscal year ended March 31, 2024. 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 enhancement 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, 2024. With a wealth of knowledge, including that gained in the microeconomic research conducted in academia, she expressed her views from an objective perspective and fulfilled expected roles, such as contributing to the enhancement of the management supervision function.
Director	Seiji Narahara	He attended all 10 Board of Directors meetings held in the fiscal year ended March 31, 2024, after his assumption of office on June 23, 2023. With a wealth of knowledge and expertise as a manager and a head of external organizations, he expressed his views from various perspectives and fulfilled expected roles, such as contributing to the enhancement of the management supervision function.
Corporate Auditor	Tetsuo Kikkawa	He attended all of 14 Board of Directors meetings and all of 17 Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2024. 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 17 Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2024. 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	Hidemi Takasu	Outside Director, Samco Inc.	There is no special relationship
Director	Hiroko Okudaira	Associate Professor, Graduate School of Business, Doshisha University	There is no special relationship
Director	Seiji Narahara	Chair of the Board & Director, Toyobo Co., Ltd.	There is no special relationship

Category	Name	Significant concurrent positions	Relationship with the Company
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 the 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, 2024  
¥79 million

2) Total amount of monetary or other benefits to be paid by the Company and its subsidiaries to the accounting auditor

¥99 million

- Notes:
1. 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, accepting them as 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. Among the Company's important subsidiaries, SCREEN SPE Taiwan Co., Ltd. is audited by a certified public accountant (or auditing firm) other than the Company's accounting auditor.

(3) Policies for deciding dismissal or non-reappointment of the 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 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 Order to ensure the proper business activities undertaken by a group of enterprises consisting of a company and its subsidiaries.

### ***Details of the resolution***

SCREEN Holdings, along with other group companies, has established the SCREEN Group CSR Charter and the 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 them, 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.

### **(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 group management policy.
- 2) 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 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 group internal control policy 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 group accounting and financial policy and accounting standards.
- 5) In line with the group human resource management policy, the Company strives to nurture and better utilize diverse talents 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.
- 6) 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.
- 7) 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.
- 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 on 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, mandating other group companies to follow similar practices.
- 3) Based on the internal 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, 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 the 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 supervisory 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 group risk management guidelines and relevant operational rules while periodically monitoring the status of such systems.

- 2) In the event that a critical risk materializes, the Company sets up an emergency headquarters led by CEO to implement countermeasures and restore operations in line with the business continuity management (BCM) regulations.

#### **(5) Systems for storing and managing information related to the execution of directors' duties**

- 1) In accordance with laws, regulations, and its internal 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 group IT management rules as well as internal rules for 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 internal 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 internal 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***

In ensuring 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 group management policy.

- 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 plans.
- 4) In accordance with the internal responsibility and authority rules, 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 in a cross-organizational manner within the Group.
- 5) The Chief Officer of Corporate Strategy appointed for the Company and an officer in charge of CSR appointed for each business operating company and functional support company are charged with the implementation of internal control.

## **(2) Compliance**

- 1) The Group has established the SCREEN Group CSR Charter and the Code of Conduct. With the aim of ensuring that all employees understand them, the Group implements 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 compliance hotline, the Group has introduced NAVEX Global, a global online reporting system accommodating multiple languages, in order to detect any domestic or international misconduct at the earliest stages and to ensure that corrective measures are swiftly taken.

## **(3) Risk management**

- 1) In accordance with the group risk management guidelines and other relevant internal 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 by the Group Risk Management Committee (meeting 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 BCM regulations. In the fiscal year under review, we worked on developing the said regulations and BCPs for holdings and operating subsidiaries in Japan and overseas. In addition, we reinforced the base of emergency response capabilities of the entire SCREEN Group by reconfirming the operation methods of local response headquarters and the procedures for communication among the Group's emergency headquarters and the organization in charge.

## **(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.