

Fiscal Year ending March 31, 2021

Medium-term Management Plan

“Value Up 2023”

Follow-up IR Meeting

Sep 29, 2020

SCREEN Holdings Co., Ltd.

President

Chief Executive Officer

Toshio Hiroe

* Cautionary statement with respect to these materials; The earnings forecasts contained in these materials and communicated verbally, are made in accordance with currently available information and rational assumptions. SCREEN Holdings does not promise that the forecasts or estimates will be accurate. Therefore, it should be noted that actual results could differ significantly due to a variety of factors.

* Figures have been rounded down to eliminate amounts less than 100 million JPY, except per share figures. A ratio has been rounded off.

* SCREEN's FY2021 (fiscal year 2021) encompasses the period from April 1, 2020 to March 31, 2021.

1. Enhance corporate value by creating innovation and a sustainable growth cycle

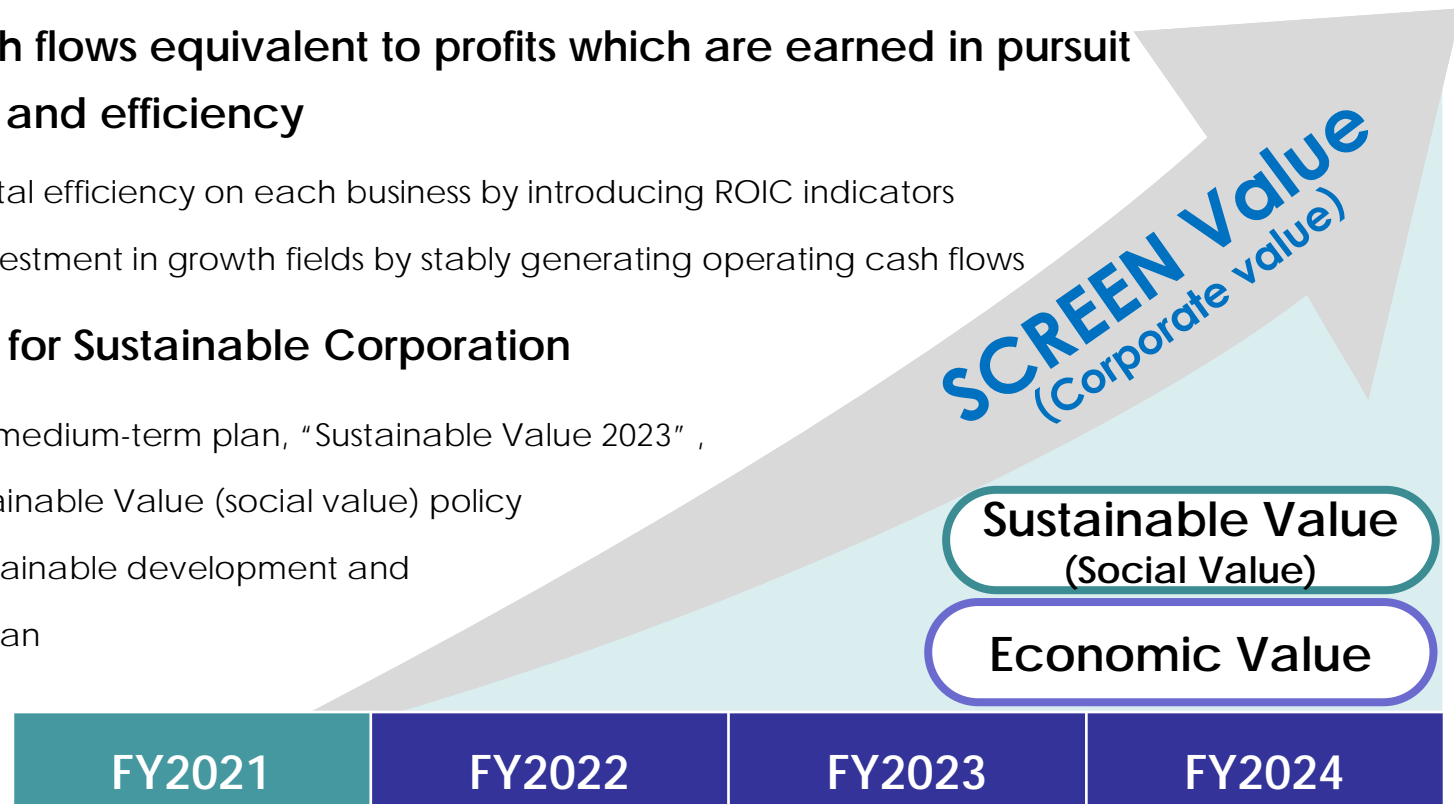
- ❑ Focus on strategic development investment and strengthen the business portfolio by promoting open innovation and M&A
- ❑ Endeavor to create new businesses (ex. life sciences, inspection & measurement, energy, and AI)

2. Generate cash flows equivalent to profits which are earned in pursuit of profitability and efficiency

- ❑ Enhance capital efficiency on each business by introducing ROIC indicators
- ❑ Strengthen investment in growth fields by stably generating operating cash flows

3. ESG initiatives for Sustainable Corporation

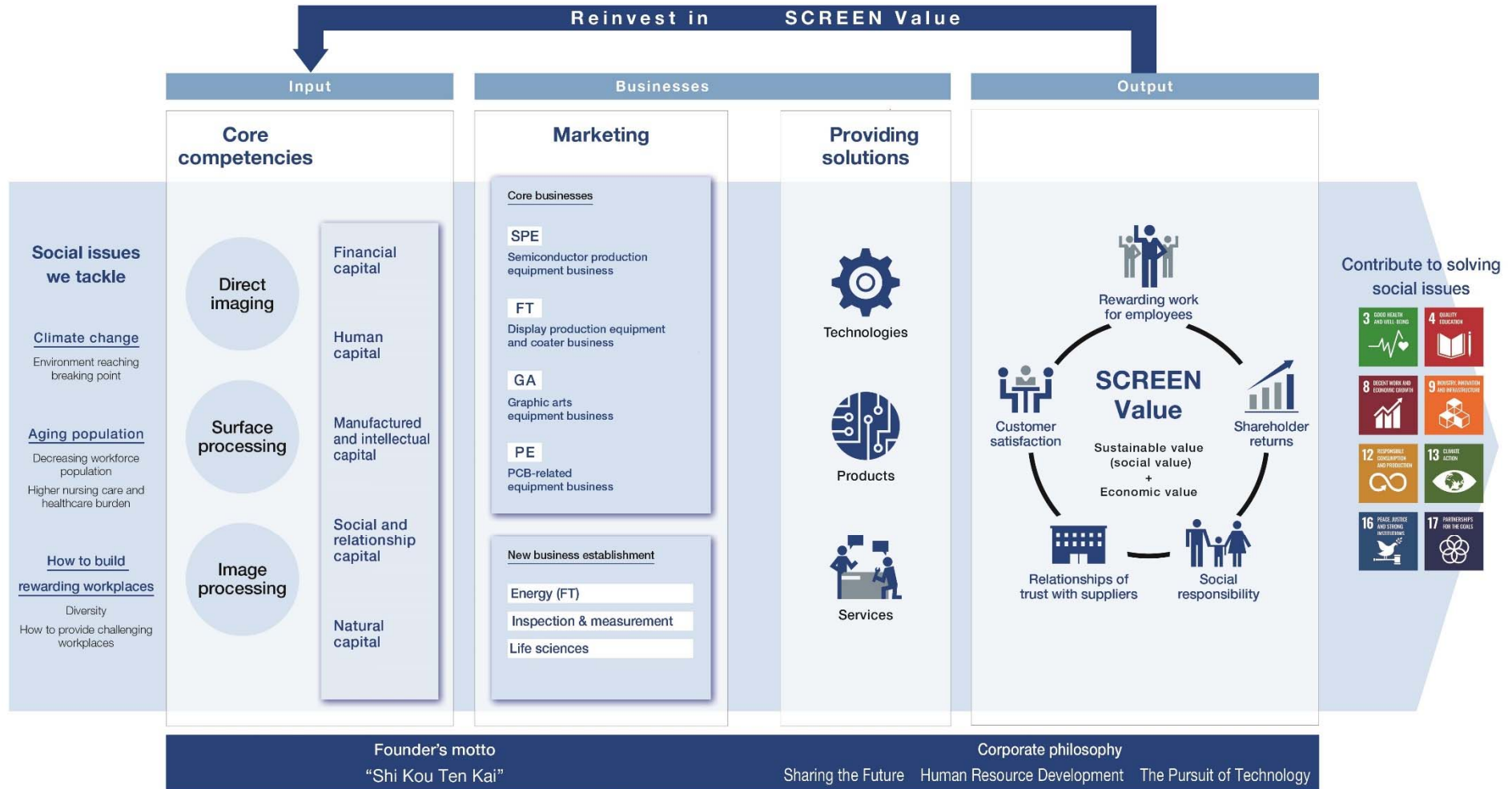
- ❑ Formulate the medium-term plan, "Sustainable Value 2023" , based on Sustainable Value (social value) policy for socially sustainable development and execute the plan



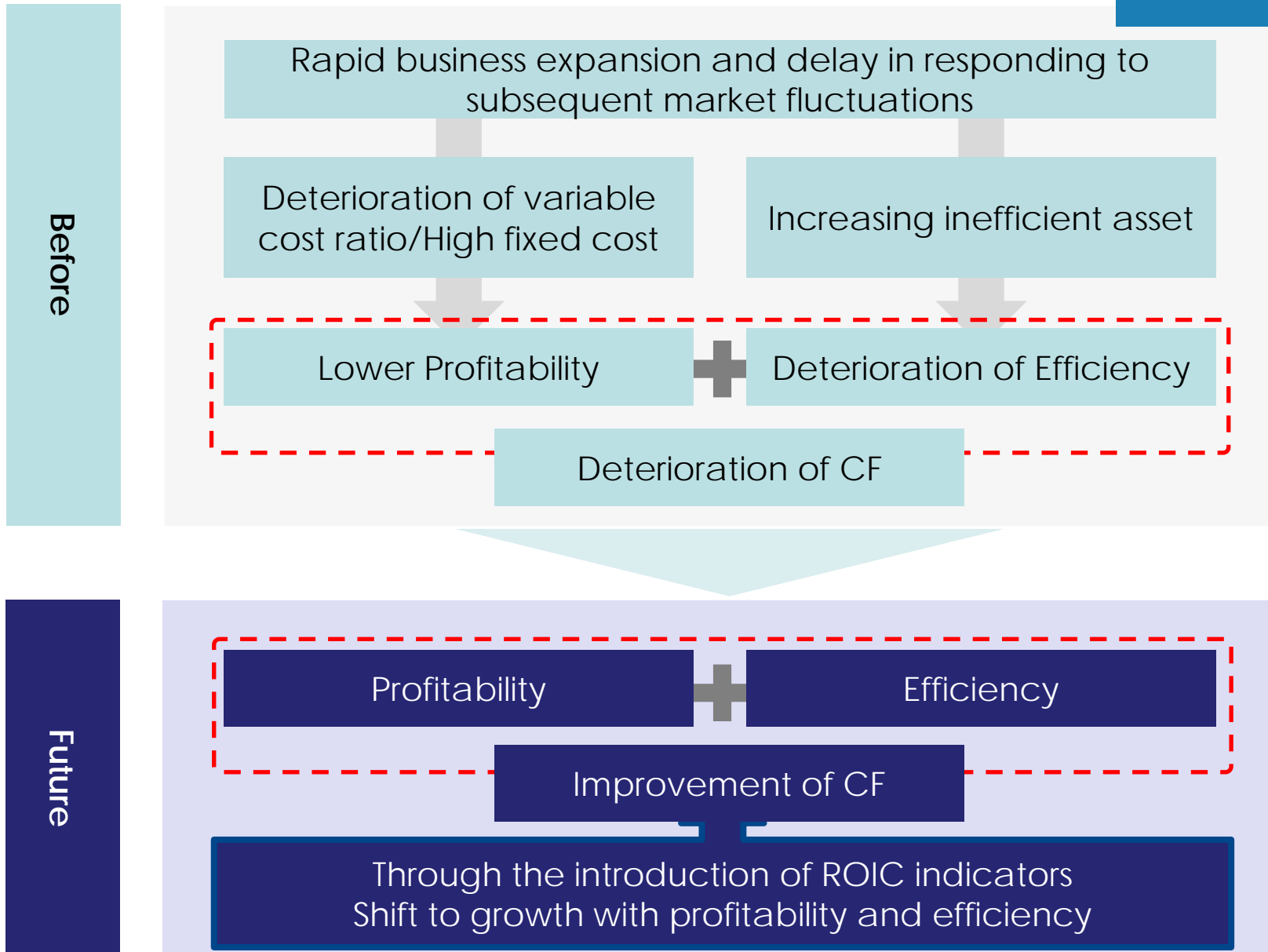
* Since uncertainty has been climbing in the market amid the COVID-19 pandemic in the first fiscal year, the term of medium-term management plan is extended to four years, not three years as usual.

Value Creation by the SCREEN Group

>>From Annual Report 2020

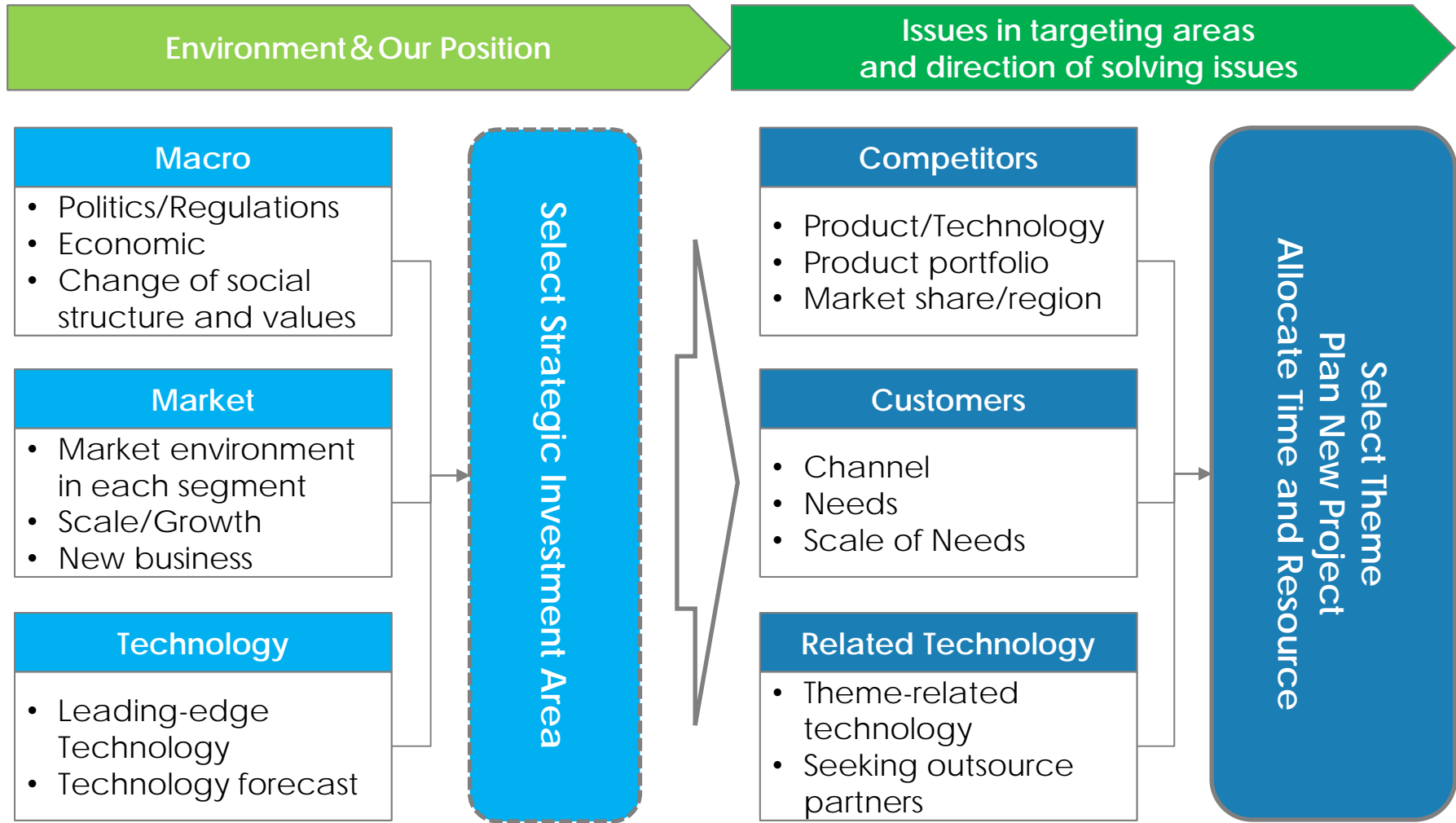


Shift to Management Focusing on Capital



Strengthen Marketing Functions

The newly established marketing department centrally controls market information and selects investment targets and business portfolios based on management policies such as the medium-term management plan.



Enhance social value on “Sustainable Value 2023”

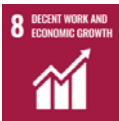


Medium-term Management Plan
Value Up 2023



E : Reduce environmental impact through business

- ❑ Strengthening the reduction of CO₂ emissions by reducing energy consumption in manufacturing activities
- ❑ Contributing to global energy conservation through eco friendly product manufacturing (Super Green Products)
- ❑ Effective use of sustainable resources (waste reduction, effective water use)



S : Shift to a sustainable new way of working

- ❑ Implementation of systems and measures that will enable us to experience growth
- ❑ Creating a new work environment where diverse HR can play an active role (recruiting diverse HR, supporting the active participation of female, etc.)
- ❑ Considering measures to increase flexibility in the work environment, such as a telecommuting system and satellite offices
- ❑ Promoting ICT such as paperless and electronic flow under the theme of "digitization of analog operations"



SPE

- ❑ Increase market share in cleaning equipment segment
- ❑ Continue to transform toward profitability
- ❑ Strengthen after-sales service
- ❑ Improve CCC* by strengthening SCM

*Cash Conversion Cycle

<Targets in the final year>

Net Sales ¥280bn - ¥300bn

Operating Income to Net Sales Ratio 18 - 20%

<Market Outlook> WFE market will grow at CAGR of 7%
to over \$65 bn in 2023

GA

- ❑ Expand inkjet products for the commercial printing market and the packaging market (flexible, corrugate etc.)
- ❑ Strengthen recurring business

<Targets in the final year>

Net Sales ¥45bn - ¥50bn

Operating Income to Net Sales Ratio 6 - 8% *COVID-19 impact is under scrutiny

<Market Outlook> Communication printing market will grow at CAGR of 8%,
Packaging market will grow at CAGR of 20% (Both POD markets, 2020-2026)

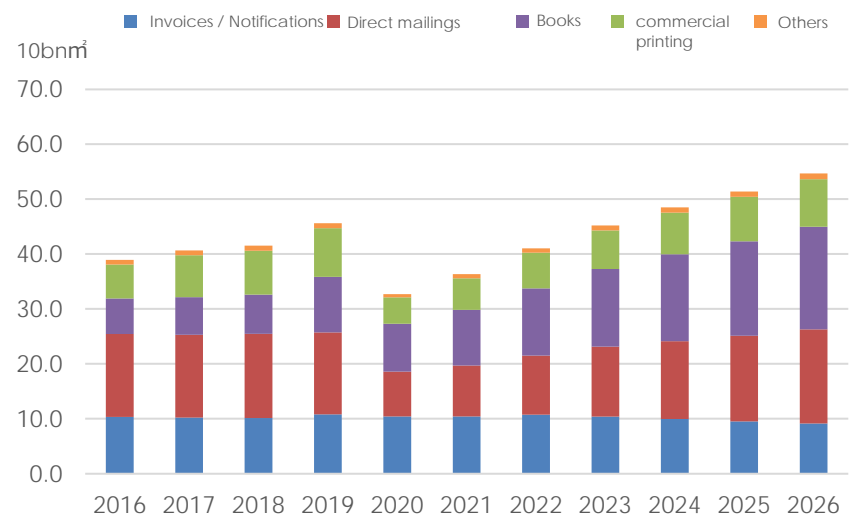
Targeting on Growth field

Communication printing POD (Digital Printing) Area	Compound annual growth rate* 8.9%	Package printing POD (Digital Printing) Area	Compound annual growth rate* 20.1%
--	---	--	--

* CY2020 - CY2026

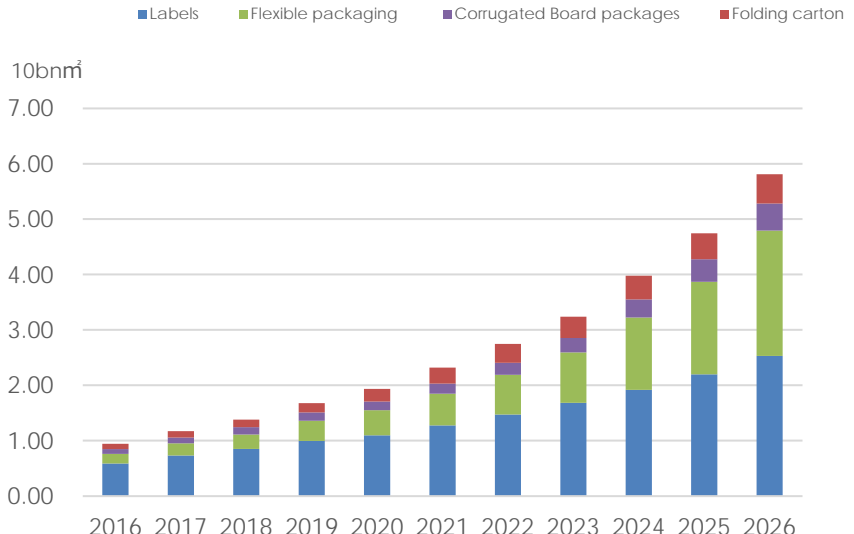
* CY2020 - CY2026

Shipment of communication printing system



Source : I.T. Strategies 2020

Shipment of package printing system



Source : I.T. Strategies 2020

Development of Transition to POD

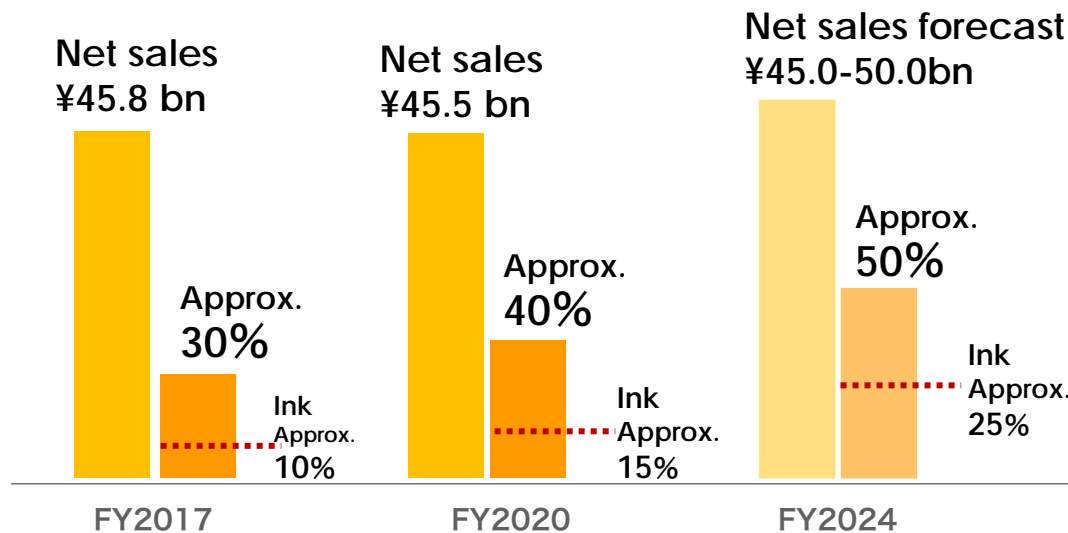
Support business changes and customers' needs from large-volume printing to high-mix, small-lot printing.

Expand products to meet customers' needs (Increase of sales units of POD)

- Communication printing: Transaction (bill , notification) commercial printing (catalogs, booklets)
- Package printing: Labels (Labels for Food) , Flexible packages (such as packages for food)



Recurring business ratio to net sales



FT

- ❑ Commercialize inkjet equipment business for large-size OLED TVs
- ❑ Commercialize energy-related business

<Targets in the final year>

Net Sales ¥45bn - ¥50bn

Operating Income to Net Sales Ratio 8 -10%

<Market Outlook> Display manufacturing equipment market will grow at CAGR of 1% (2020-2022)

PE

- ❑ Increase market share of existing equipment
- ❑ Work on new product development and launch on the market

<Targets in the final year>

Net Sales ¥12bn - ¥14bn

Operating Income to Net Sales Ratio 8 -10%

<Market Outlook> PCB market will grow at CAGR of 6 - 7% (2020-2024)

New Business

- ❑ Inspection & measurement: Become profitable by solution business
- ❑ Life sciences : Become profitable in tablet printing and cell fields
- ❑ Launch new project in growing market by strengthening marketing

Diversification of products for **OLED displays** & **energy-related business** expansion and development

Displays

Leveraging No. 1 global share equipment technology

For G6 OLED

- Coater/developers for arrays
- Coater/developers for TSP
- PI Coater

For G8 < TV (around from FY2023)

- Inkjet-related equipment
- Coater/developers for arrays

Energy

Battery-related business

- LiBs (negative and positive terminals) production equipment
- Components production equipment for fuel cells
- Other, fuel cells-related production equipment

New business areas

Targets in the final year
Expecting Sales ratio

30 - 40%

PE

Scheduled to introduce new products compatible with fine wiring

- ❑ Increase market share of existing equipment
- ❑ Work on new product development and launch on the market

<Targets in the final year>

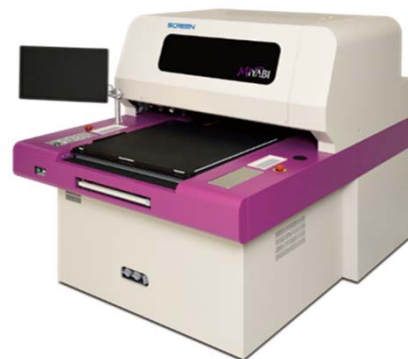
Net Sales ¥12bn - ¥14bn

Operating Income to Net Sales Ratio 8 -10%

<Market Outlook> PCB market will grow
at CAGR of 6 - 7% (2020 - 2024)



Direct Imaging System Ledia
6/6H



Automatic Optical Inspection
System MIYABI 7



Automatic Final Visual Inspection
System FP-9200

New Business

Turn profitable during the period of the medium-term plan

- ❑ Inspection & measurement: Become profitable by solution business
- ❑ Life sciences : Become profitable in tablet printing and cell fields

Lulimo H



Automated Visual Inspection System for Metal Components

CELL3 IMAGER ESTIER



Optical Coherence tomography System

OMNITO



UV Inkjet Printing System for Aluminum Rolls

Launched a new PJ in April 2020, aiming for early commercialization

- ❑ Launch new project in growing market by strengthening marketing

Numerical Targets of Economic Value

Medium-term Management Plan
Value Up 2023

Net sales	Achieve net sales of ¥400bn or above in the final year
Operating Income to Net Sales Ratio	Achieve 15% or above in the final year
ROE	Achieve 15% or above in the final year
Operating Cash Flow	Cumulative total of ¥120 bn in 4 years >> Achieve a net cash position
Shareholder Returns	Achieve a consolidated total return ratio of 30% or above from FY2022 (Continue 25% or above in FY2021)

*The above figures are predicated on organic growth.

SPE Group IR Meeting

September 29th, 2020

SCREEN Semiconductor Solutions Co., Ltd.

Representative Director, President **Masato Goto**

I. Market conditions

- WFE market forecast
- COVID-19 and U.S.-China trade tensions

II. SPE Group Medium-term Management Plan

- Numerical Targets
- Main measures
 1. Increase market share in cleaning equipment segment
 2. Continue to transform toward profitability
 3. Strengthen after-sales service



I. Market conditions

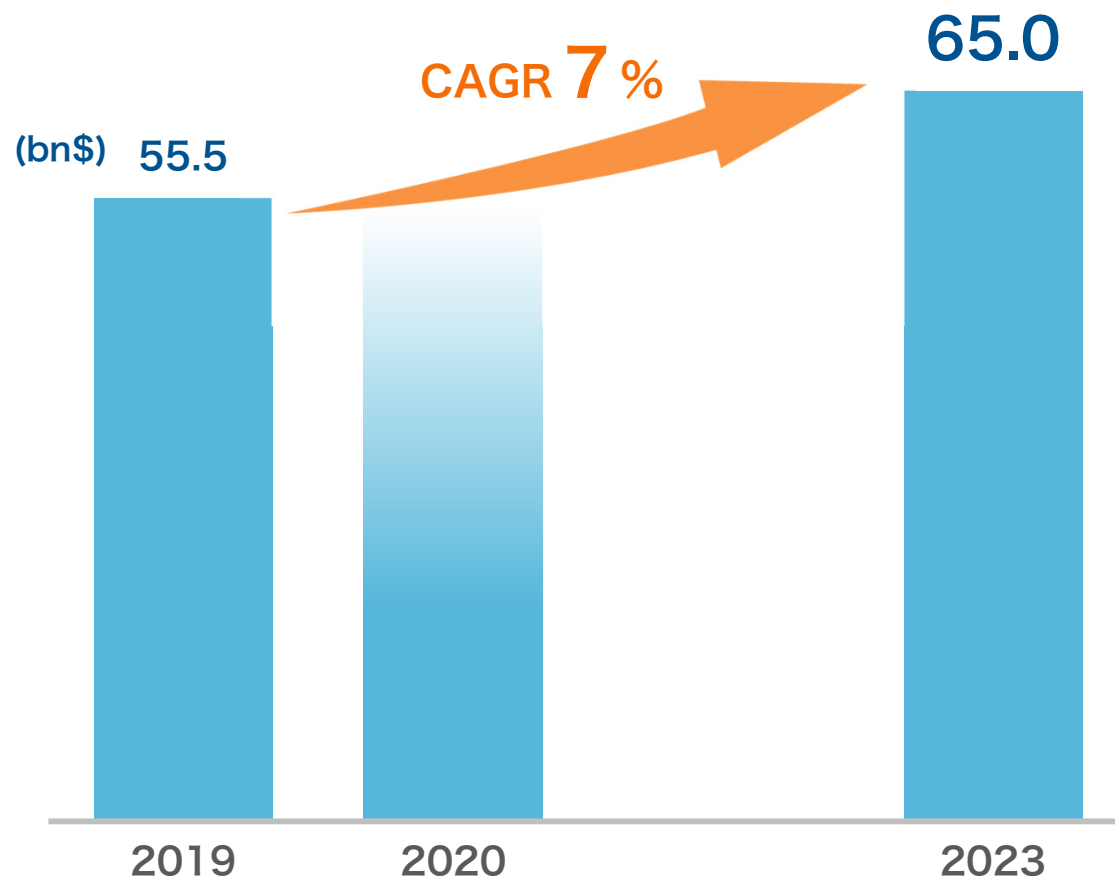


WFE market forecast



COVID-19 and U.S.-China trade tensions

I. Market conditions / WFE forecast



※SCREEN SPE forecast from various data sources

Market outlook by SCREEN

WFE CAGR

+7%

WFE market in 2023

65.0 bn\$



Increasing demand for infrastructure/device which supports

New Normal

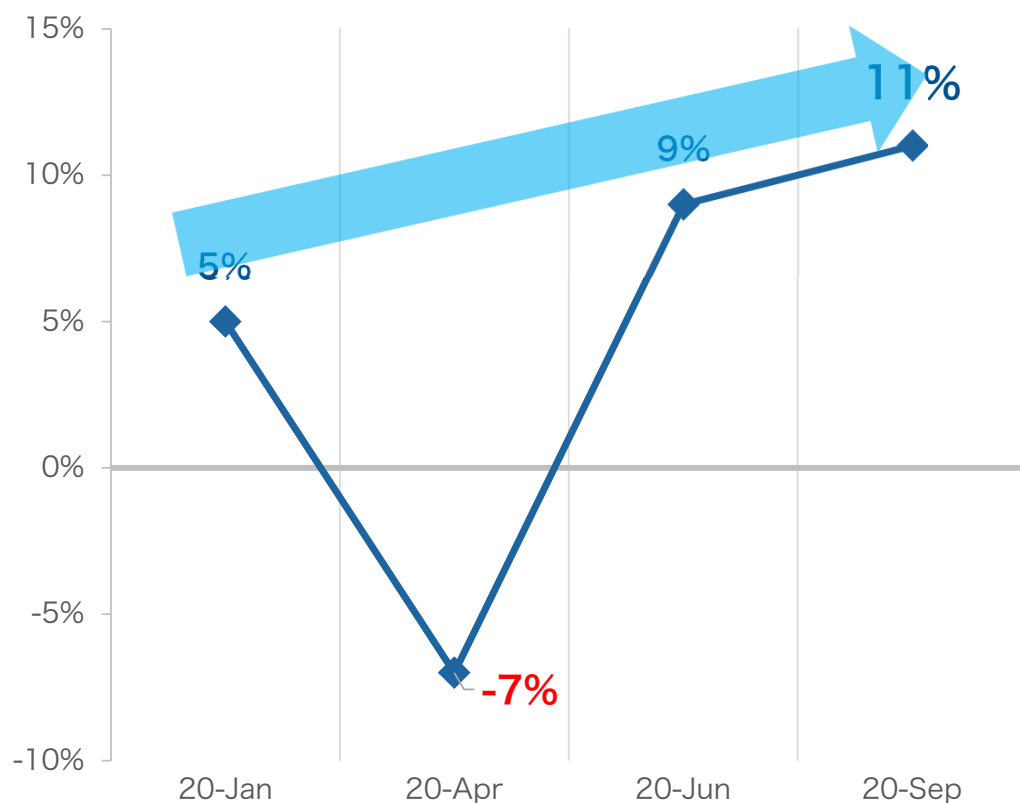
represented by accelerated digitalization

as countermeasures against or responses to COVID-19



I. Market conditions

Transition of CY2020 WFE forecast



A market research company has recently revised their outlooks upward.

They also projected an improvement compared to "Before COVID-19"

Graph has been created by SCREEN Semiconductor Solutions based on VLSI research.

Increasing uncertainty of China-US relationship

How will it affect SPE makers?



Expansion of investment of our major customers in the mid- to long- term, growing demand for semiconductors in the future

*However, export controls might be further tightened.
Keep paying close attention to the situation*



II. SPE Group Midium-term Management Plan



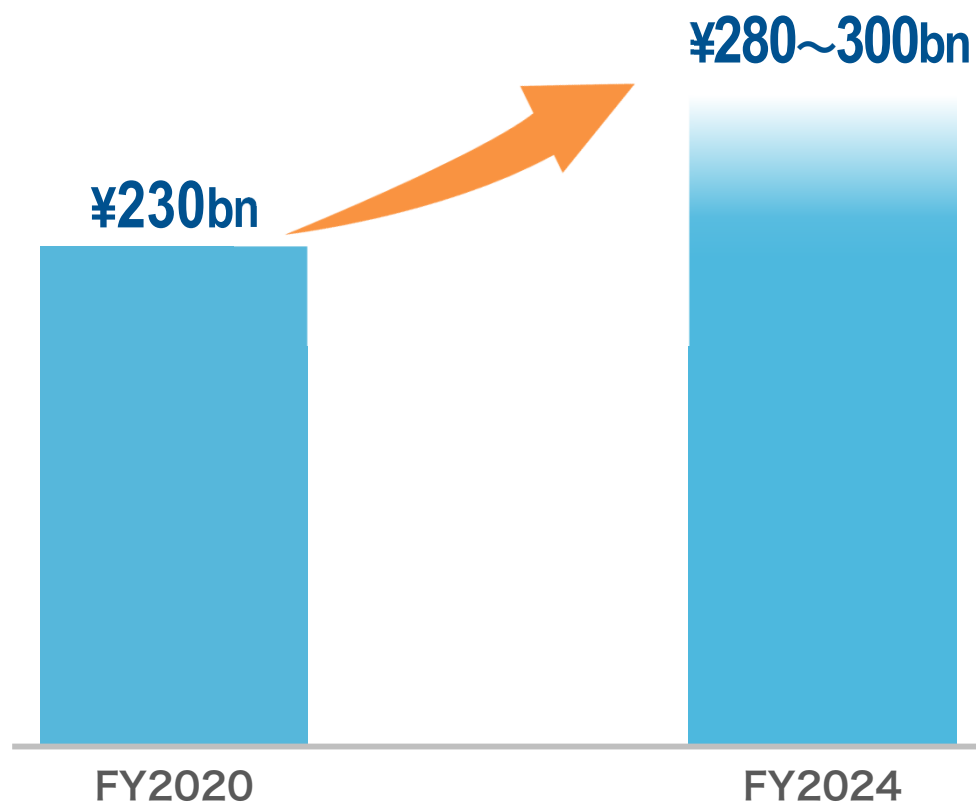
Numerical Targets



Main measures

II. SPE Group Midium-term Management Plan

Numerical Targets



FY2024 Net Sales

¥280_{bn} ~ ¥300_{bn}

Operating Income to Net Sales Ratio

18%~20%



II. SPE Group Midium-term Management Plan

Main measures



Increase market share in cleaning equipment segment



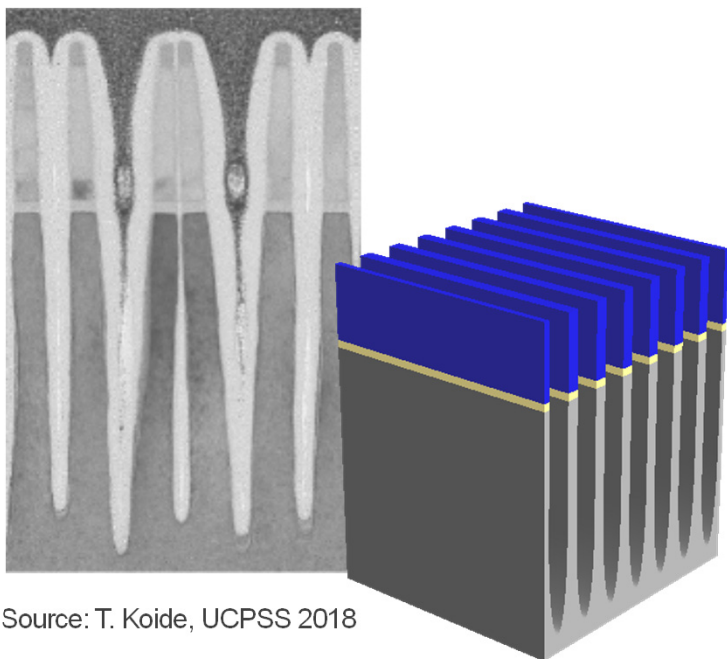
Continue to transform toward profitability



Strengthen after-sales service

II. 1. Increase market share in cleaning equipment segment

Our Strength in cleaning equipment segment



Source: T. Koide, UCPSS 2018

- ✓ Working as an effective and efficient consortium
- ✓ Proactive technological development through collaboration with makers developing cutting-edge device
- ✓ Technical know-how accumulated over many years

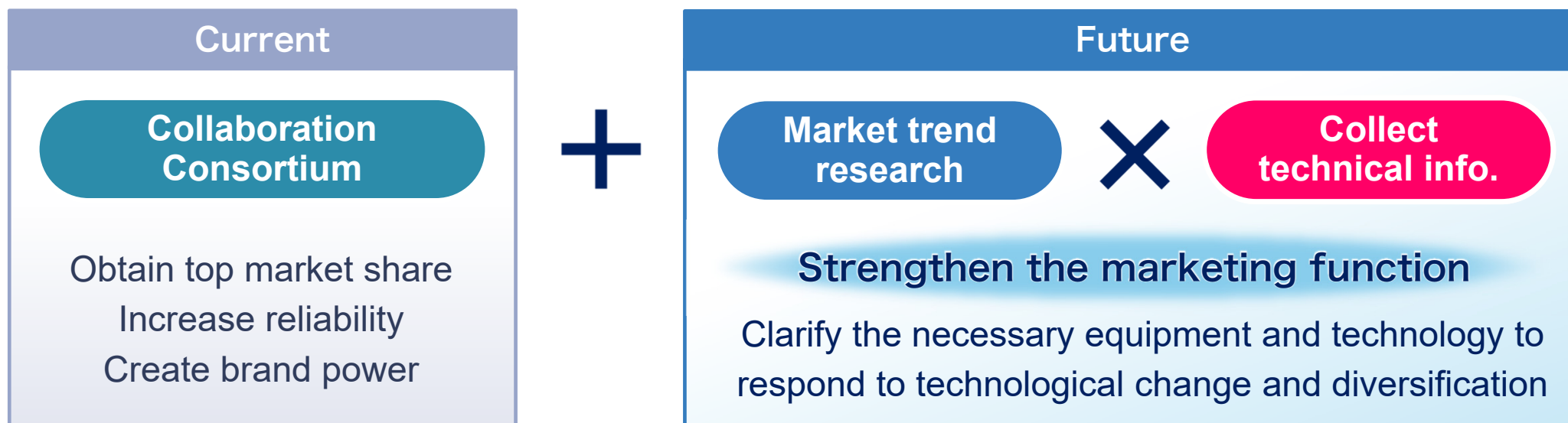
Therefore, we have obtained

Top market share



II. 1. Increase market share in cleaning equipment segment

Strengthen the marketing function



Determine development policy and plans
Develop business with highly profitable equipment



II. 1. Increase market share in cleaning equipment segment

Target areas and technologies

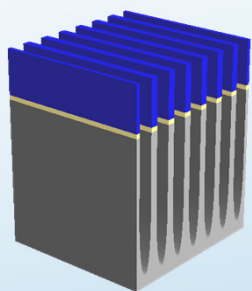
- ✓ **Capture new PORs**
BEOL, MOL
- ✓ **Maintain POR and create an entry barrier by new technologies**
Sublimation drying
Nanolift
...etc

The technical term "Nanolift" is physical cleaning technology name used by SCREEN Semiconductor Solutions Co.,Ltd.

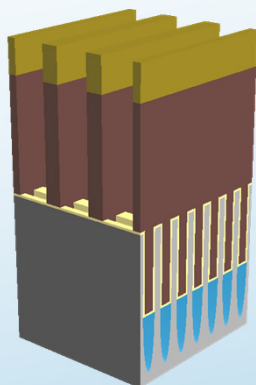


Fragile structures in various cutting-edge devices

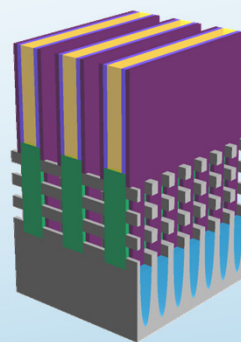
Logic



Post STI etch

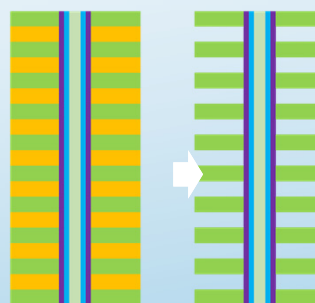


Post Poly etch

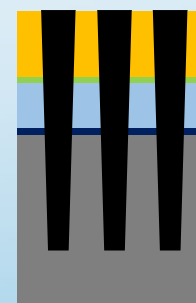


NS release

NAND

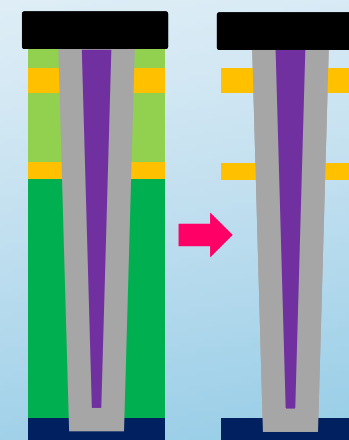


SiN pull back

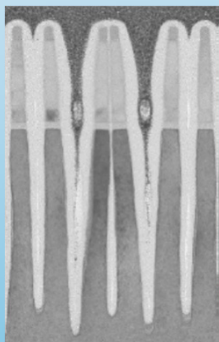


Post STI etch

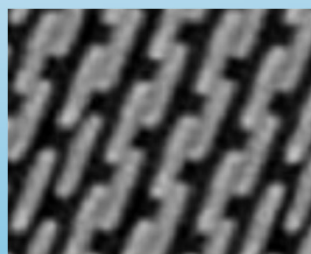
DRAM



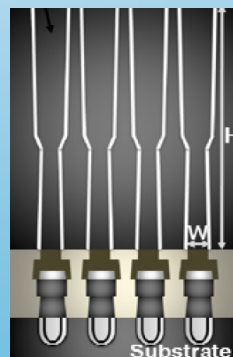
Capacitor



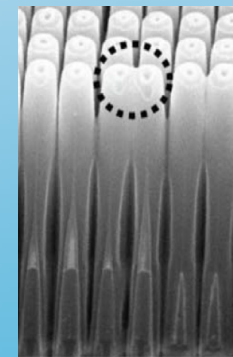
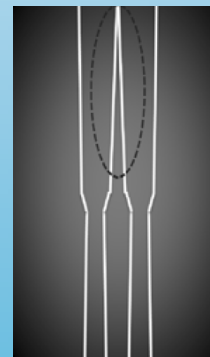
Source: T. Koide, UCPSS 2018



Source: C. Kim, UCPSS 2012



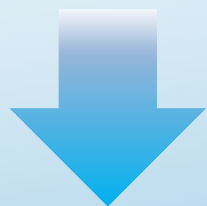
Source: K. Kim, WCECS 2012



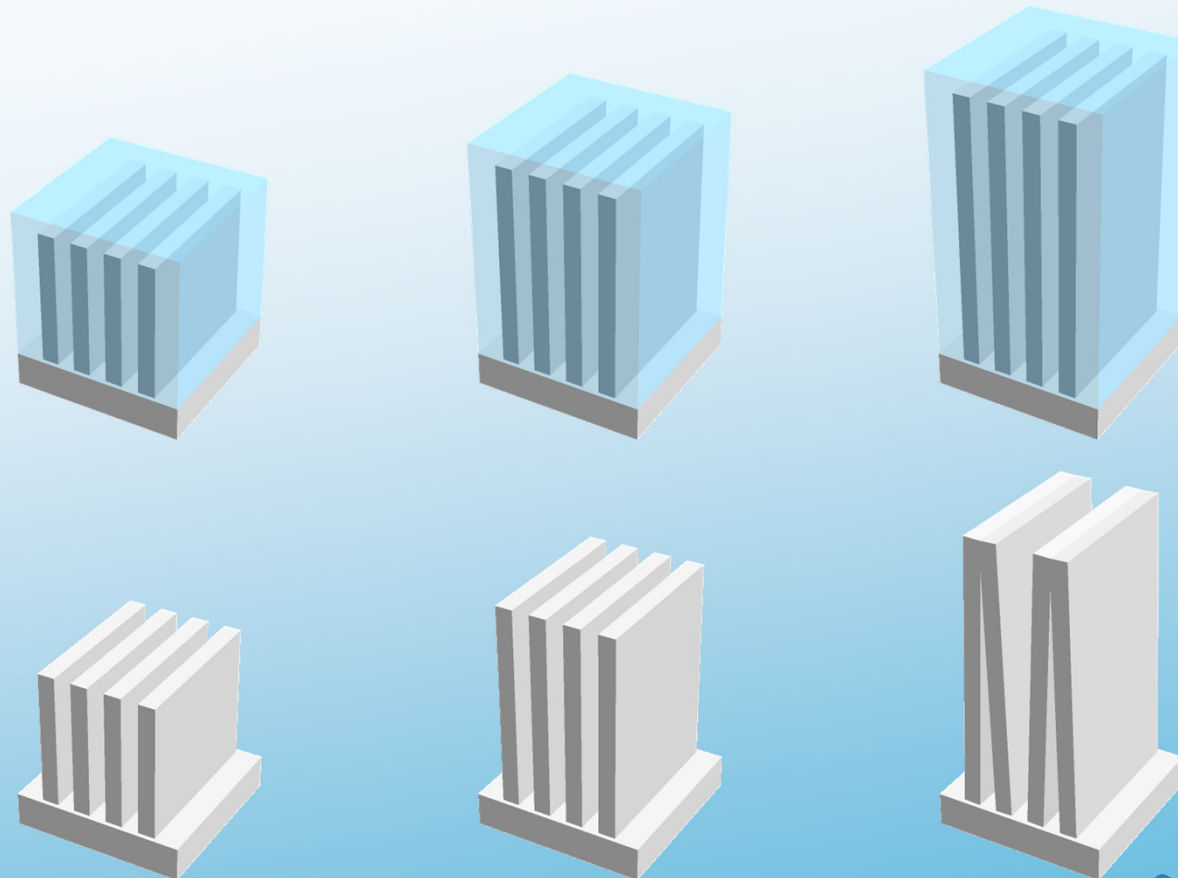


Pattern collapse free drying

In Cleaning

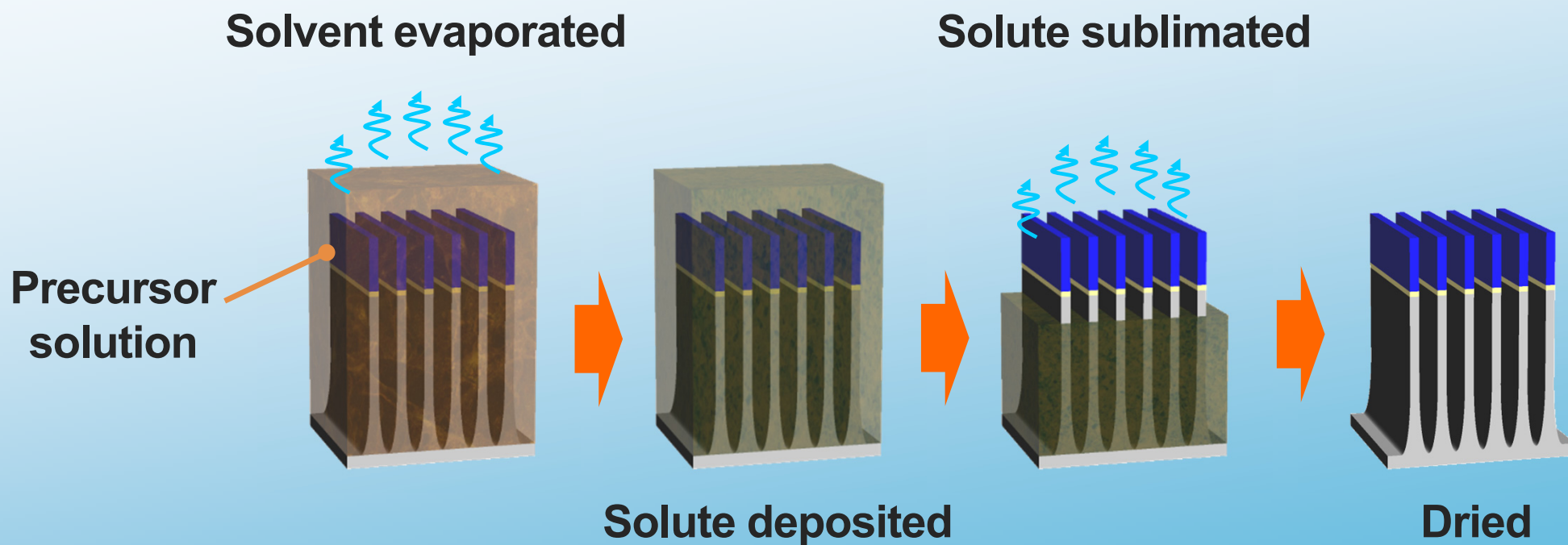


Dried



Pattern collapse

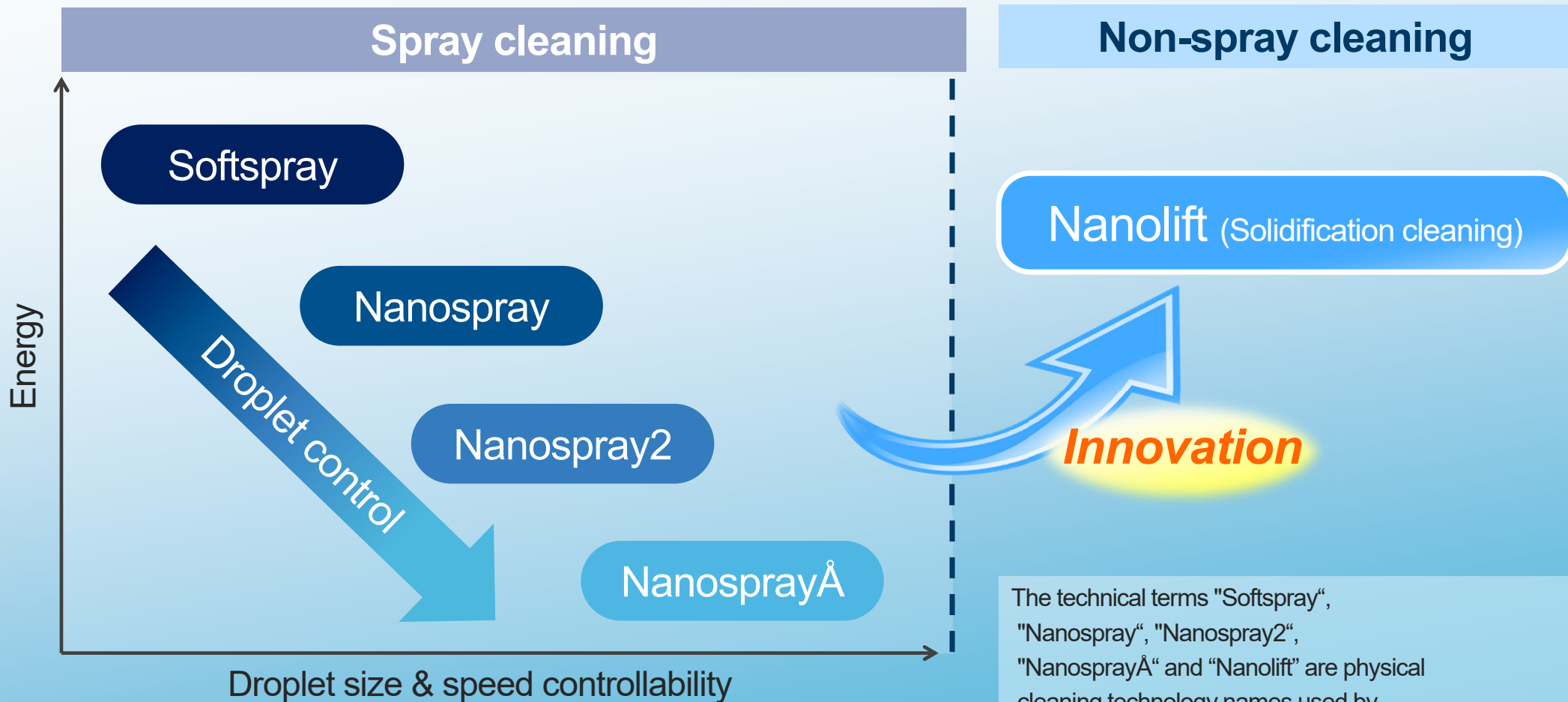
**High aspect
Ratio Scaling**



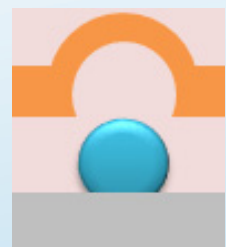
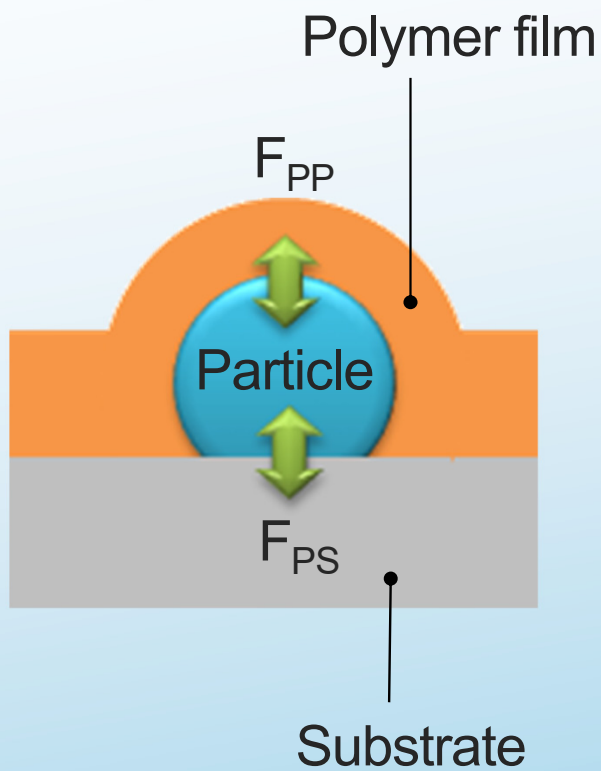


SCREEN Physical Cleaning Roadmap

SCREEN



The technical terms "Softspray", "Nanospray", "Nanospray2", "NanosprayÅ" and "Nanolift" are physical cleaning technology names used by SCREEN Semiconductor Solutions Co., Ltd.



$F_{PP} < F_{PS}$
 → Unremovable



$F_{PP} > F_{PS}$
 → Removable



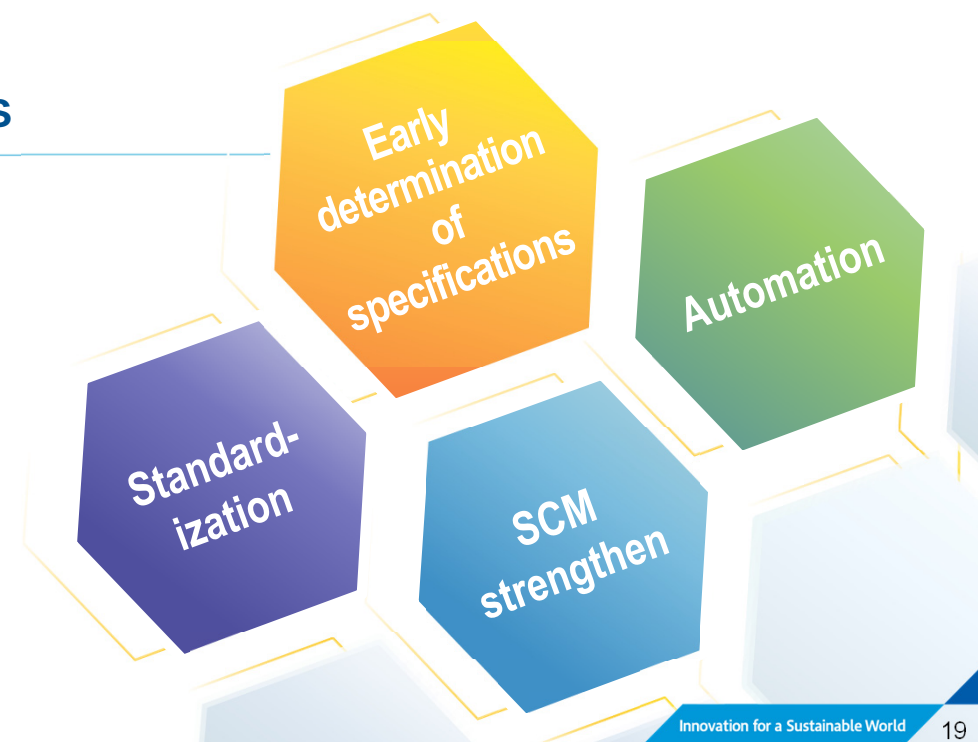
II. 2. Continue to transform toward profitability

Selection and concentration of management resources

- Allocate research funds, labor costs and other expenses according to sales scale and growth of each business segment

Early determination of equipment specifications

- Strengthen standardization activities
- Improve CCC by strengthening SCM
- Promote automation and resource efficiency by utilizing S³-3

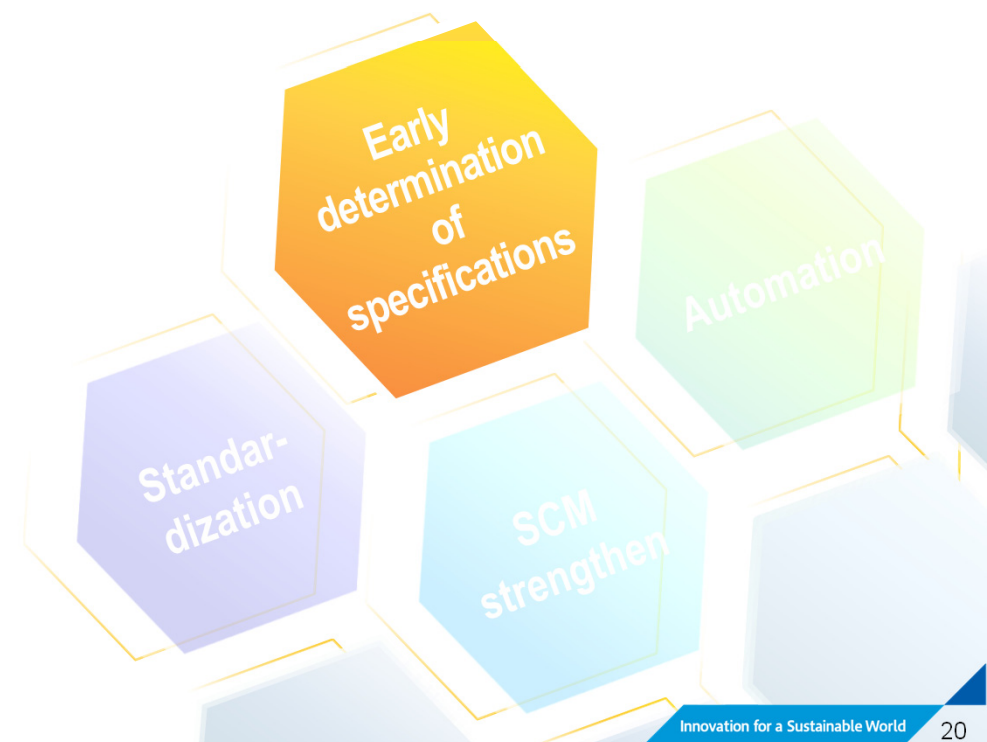




II. 2. Continue to transform toward profitability

Early determination of equipment specifications

Proposal of optimal equipment specifications for both customers and SCREEN

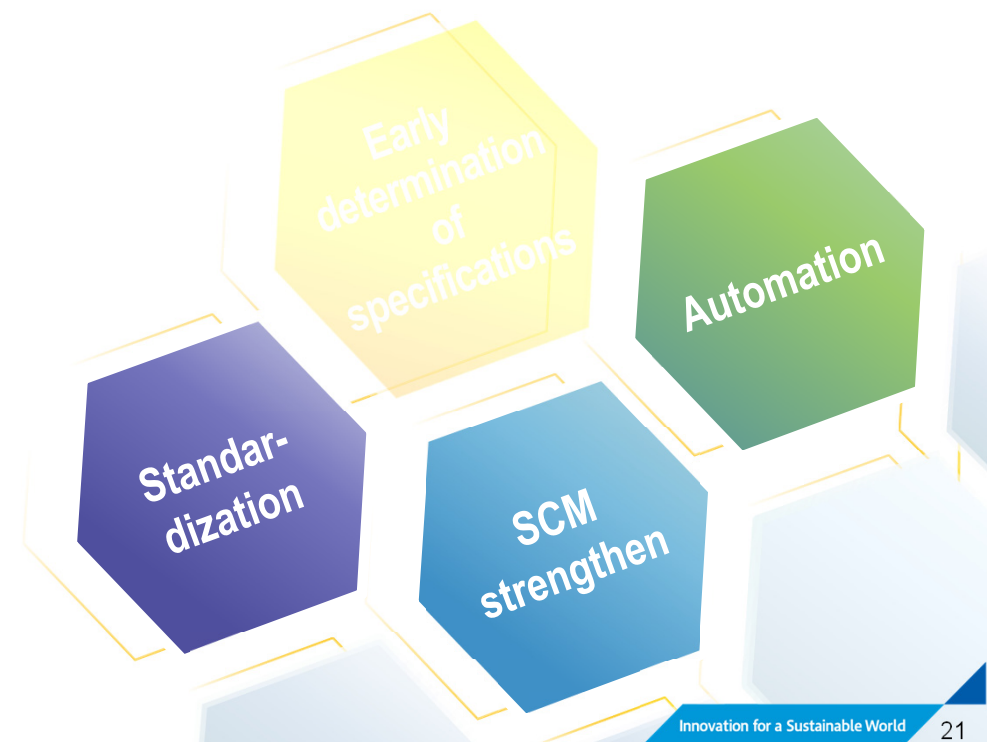




II. 2. Continue to transform toward profitability

Early determination of equipment specifications

- ✓ Strengthen standardization activities
- ✓ Improve CCC by strengthening SCM
- ✓ Promote automation and resource efficiency by utilizing S³-3



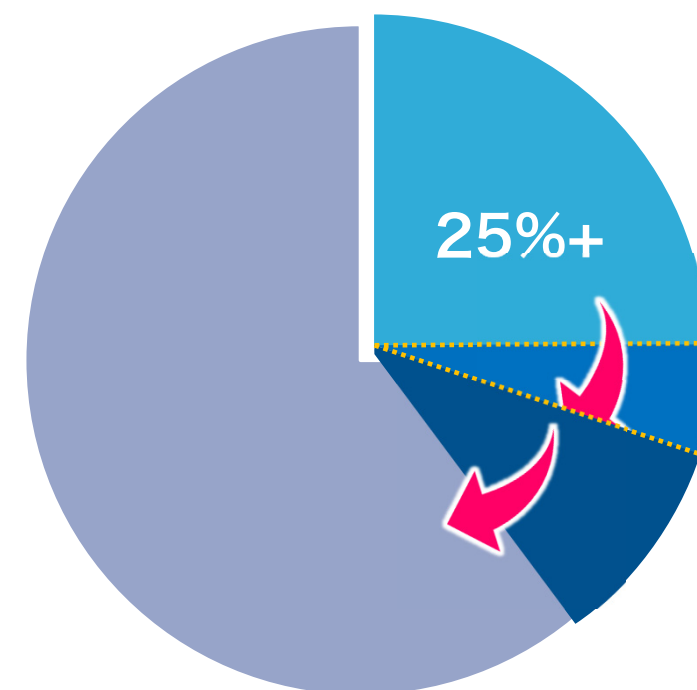


II. 3. Strengthen after-sales service

Measures to achieve 25%+ of total sales

1. Strengthen cooperation between manufacturing leaders and local after-sales service teams
2. Establishment of a sales promotion team and organization
3. Enhance sales of refurbish business

Ratio of After-sales service in FY2023





Conclusion

SCREEN

1. Increase market share in cleaning equipment segment

+10%

2. Continue to transform toward profitability

OPM 18-20%

3. Strengthen after-sales service

+25%

We will achieve our goals through these three measures



Innovation for a Sustainable World