

Consolidated Business Results & Forecasts

FY2021/03 Second Quarter Ended September 30, 2020

October 28, 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 fiscal year (FY) encompasses the period from April 1 to March 31 of the following calendar year.
(Ex. FY2021/03: April 1, 2020 - March 31, 2021)

Summary

Business results in 1H

- YoY: Although sales decreased due to the impact of COVID-19, the entire group OP increased due to the profitability improvement
- SPE earnings improvement: progress on schedule
- SPE 2Q orders: exceed expectations

FY2021/03

- Full-year forecast unchanged due to COVID-19 and the uncertainty of U.S.–China trade friction

Agenda

- **FY2021/03 1H Business Results**
- **FY2021/03 1H Business Situation**
- **Financial Situation**
- **FY2021/03 Business Forecast**
- **Appendix:** Recent News / Business Situation by Segment etc.

FY2021/03 1H Business Results

YoY

	FY2020/03						FY2021/03					Difference (YoY)	
	1Q	2Q	1H	3Q	4Q	Full	1Q	2Q	1H Forecast (July)	1H			
(Billions of JPY)													
Net sales	58.2	89.9	148.1	77.8	97.1	323.2	66.8	75.8	141.0	142.7	(5.4)	-3.7%	
Operating income (to net sales ratio)	(4.4) -7.6%	7.8 8.7%	3.4 2.3%	3.9 5.1%	5.1 5.3%	12.5 3.9%	1.8 2.8%	4.6 6.1%	3.5 2.5%	6.4 4.5%	3.0	88.6% 2.2pt	
Ordinary income	(4.2)	7.6	3.4	3.7	4.4	11.6	1.9	3.4	3.0	5.4	2.0	59.0%	
Profit attributable to owners of parent	(2.9)	5.3	2.3	2.3	0.2	5.0	1.9	1.3	2.5	3.3	0.9	41.5%	

FY2021/03 1H Business Results

By Segment

			FY2020/03			FY2021/03		
			1Q	2Q	1H	1Q	2Q	1H
(Billions of JPY)								
SPE	<ul style="list-style-type: none"> 1H (YoY): Sales increased due to growth in foundries, despite a decline in sales for logic and memory. OP increased due to the profitability improvement. 2Q (QoQ): Sales and profits increased slightly due to increases in foundries and memory (NAND), despite a decline in logic and imaging device 	Net sales	41.2	65.6	106.9	52.6	54.7	107.4
		OP	(0)	6.5	6.5	4.2	4.4	8.7
		(to net sales ratio)	-0.1%	10.0%	6.1%	8.1%	8.2%	8.1%
GA	<ul style="list-style-type: none"> 1H (YoY): Both Sales and profits decreased due to a decline in sales of equipment, affected by the macroeconomic downturn caused by COVID-19 2Q (QoQ): Despite the difficult market conditions, Sales and profits increased due to the strong performance of label printing (POD) and recurring business (RB) 	Net sales	9.8	12.9	22.7	7.9	9.0	16.9
		OP	(0.2)	1.1	0.9	(0.3)	0.1	(0.2)
		(to net sales ratio)	-2.3%	9.0%	4.1%	-5.0%	1.9%	-1.3%
FT	<ul style="list-style-type: none"> 1H (YoY): Sales for small- and medium-sized OLEDs increased, but sales for large-sized decreased (Some orders postponed into 2H). Profitability improved, and sales declined while profits increased 2Q (QoQ): Sales and profits increased despite the inclusion of some cancelled projects 	Net sales	4.8	8.0	12.8	3.6	8.9	12.6
		OP	(3.5)	0.5	(3.0)	(1.5)	0.4	(1.0)
		(to net sales ratio)	-74.0%	6.8%	-23.5%	-41.4%	5.2%	-8.4%
PE	<ul style="list-style-type: none"> 1H (YoY): sales decreased due to the influence of COVID-19 while profits increased due mainly to fixed cost controls. 2Q (QoQ): remains roughly flat 	Net sales	2.1	2.6	4.7	2.3	2.3	4.7
		OP	(0)	0	(0)	0.1	0.1	0.2
		(to net sales ratio)	-2.3%	0.5%	-0.7%	5.2%	6.2%	5.7%

FY2021/03 1H Business Results

YoY

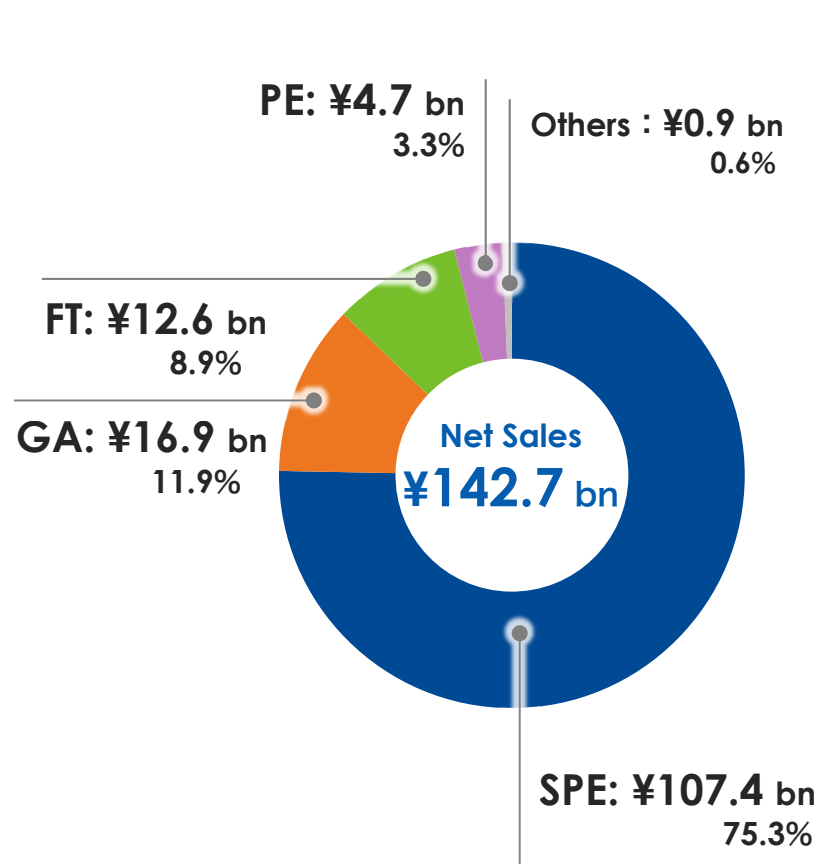
(Billions of JPY)	FY2020/03						FY2021/03				Difference (YoY)	
	1Q	2Q	1H	3Q	4Q	Full	1Q	2Q	1H			
Net sales	58.2	89.9	148.1	77.8	97.1	323.2	66.8	75.8	142.7	(5.4)	-3.7%	
SPE	41.2	65.6	106.9	51.5	72.0	230.5	52.6	54.7	107.4	0.5	0.5%	
GA	9.8	12.9	22.7	11.5	11.2	45.5	7.9	9.0	16.9	(5.8)	-25.6%	
FT	4.8	8.0	12.8	12.4	9.8	35.1	3.6	8.9	12.6	(0.2)	-1.6%	
PE	2.1	2.6	4.7	1.7	3.4	10.0	2.3	2.3	4.7	(0)	-0.5%	
Others	0.2	0.6	0.8	0.4	0.5	1.9	0.2	0.7	0.9	0	5.7%	
Operating income (to net sales ratio)	(4.4) -7.6%	7.8 8.7%	3.4 2.3%	3.9 5.1%	5.1 5.3%	12.5 3.9%	1.8 2.8%	4.6 6.1%	6.4 4.5%	3.0	88.6% 2.2pt	
SPE	(0)	6.5	6.5	4.2	5.3	16.1	4.2	4.4	8.7	2.2	34.0%	
GA	(0.2)	1.1	0.9	0	0.4	1.4	(0.3)	0.1	(0.2)	(1.1)	-	
FT	(3.5)	0.5	(3.0)	0.2	0.2	(2.5)	(1.5)	0.4	(1.0)	1.9	-	
PE	(0)	0	(0)	(0.1)	(0)	(0.2)	0.1	0.1	0.2	0.3	-	
Others	(0.5)	(0.4)	(0.9)	(0.4)	(0.7)	(2.1)	(0.6)	(0.6)	(1.2)	(0.2)	-	
Ordinary income	(4.2)	7.6	3.4	3.7	4.4	11.6	1.9	3.4	5.4	2.0	59.0%	
Profit attributable to owners of parent	(2.9)	5.3	2.3	2.3	0.2	5.0	1.9	1.3	3.3	0.9	41.5%	

■ SPE: Semiconductor Production Equipment Business
 ■ FT: Display Production Equipment and Coater Business

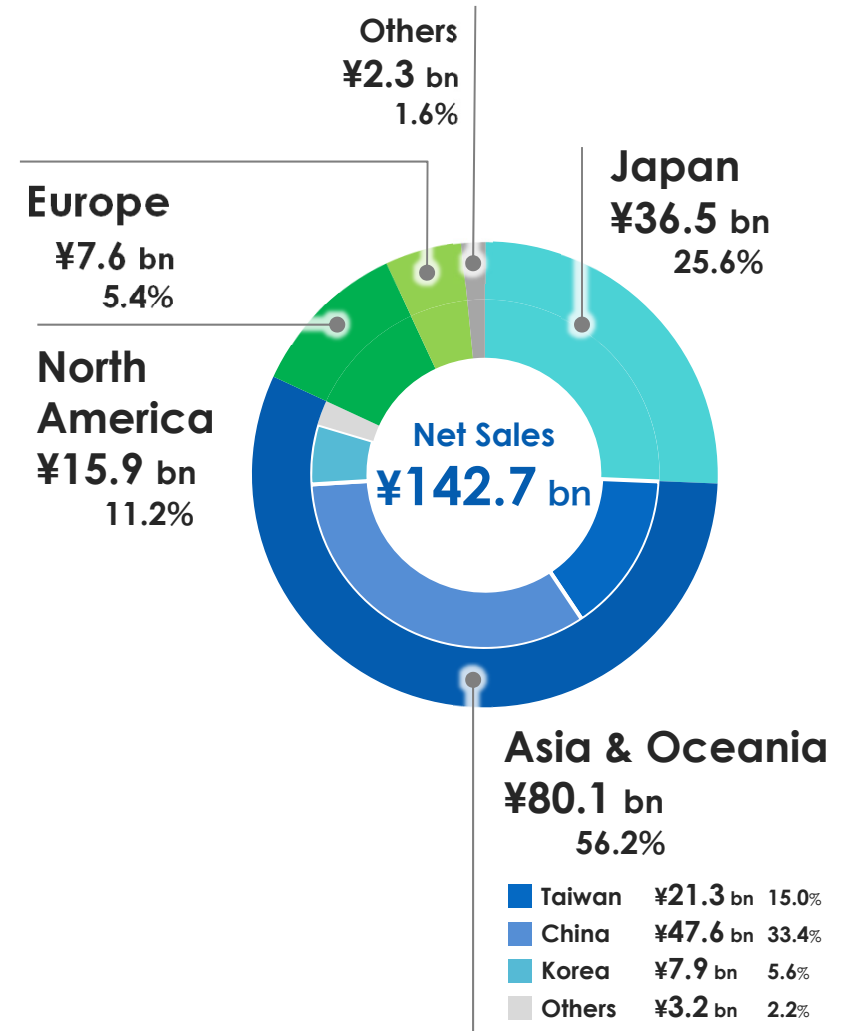
■ GA: Graphic Arts Equipment Business
 ■ PE: PCB-related Equipment Business

FY2021/03 1H Business Results

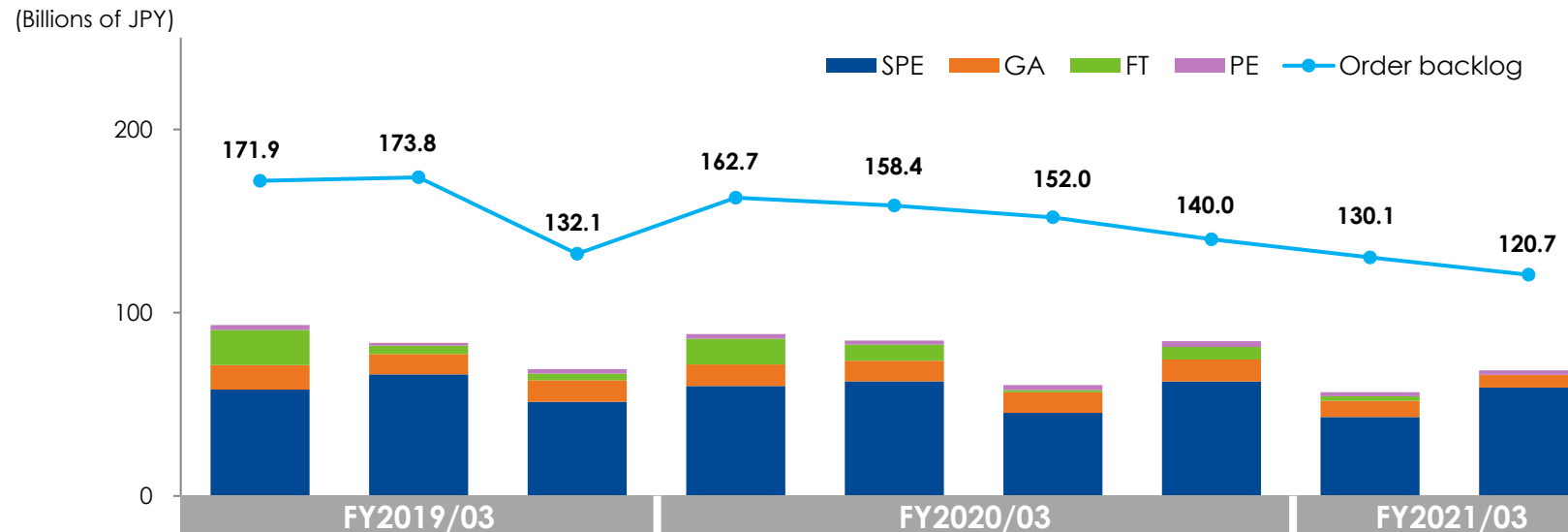
Sales by Segment



Sales by Region



Quarterly Orders Received and Order Backlog



		(Billions of JPY)								
		2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Orders received		93.4	83.7	69.4	88.5	85.0	70.9	84.6	56.7	65.7
	SPE	58.0	66.3	51.3	60.0	62.5	45.3	62.4	43.0	59.1
	GA	13.4	11.1	11.8	11.7	11.3	11.3	12.0	8.9	7.0
	FT	19.2	4.6	3.6	14.1	8.8	11.5	6.9	2.5	(2.9)
	PE	2.6	1.5	2.5	2.5	2.2	2.7	3.1	2.2	2.4
Order backlog		171.9	173.8	132.1	162.7	158.4	152.0	140.0	130.1	120.7
	SPE	106.1	114.3	84.3	103.1	100.0	93.7	84.1	74.4	78.8
	GA	5.6	5.3	4.3	6.2	4.7	4.5	5.3	6.4	4.4
	FT	58.2	52.8	42.7	52.1	52.9	52.0	49.1	48.0	36.1
	PE	1.8	1.3	0.7	1.2	0.7	1.7	1.3	1.2	1.3

Main Initiatives and Conditions Going Forward

Market Outlook etc.

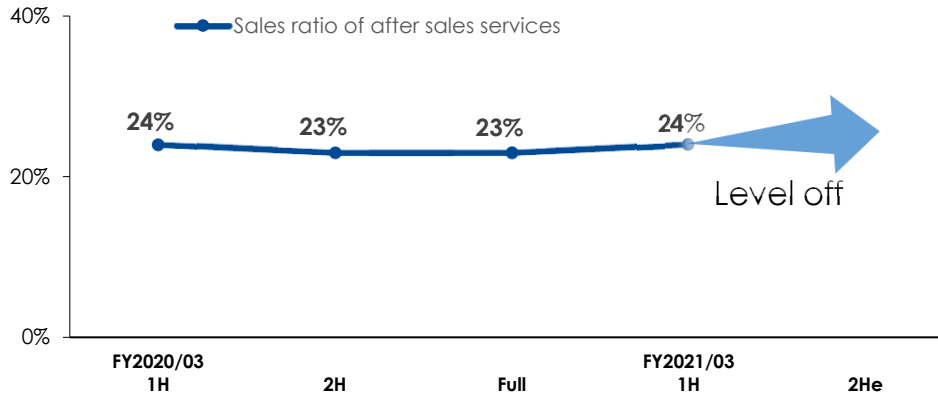
SPE

- **WFE:** Amid COVID-19, our outlook for medium- to long-term growth remains unchanged, supported by the rapidly increasing demand for remote work. We will continue to pay close attention to the trend of tightening semiconductor regulations from US to China. Currently, CY2020 is expected to exceed +7% and CY2021 is expected to grow by around +5 to 10%.
- **Foundry:** Continued investment in mass production and cutting-edge miniaturization
 - Proceed with the introduction of mass production equipment as planned
 - Speeding up the provision of solutions to new processes through joint evaluations with customers
- **Logic:** Continue mass production investment
 - Focus on timely response to customer requests based on forecast
- **Memory:** Uncertainty remains about the timing of the transition from generational changes to mass production investment
 - NAND: rebounding
 - DRAM: paying close attention to the movement toward the next fiscal year
- **Imaging Device:** The market seems to see how it goes due to the decrease in demand for smartphone cameras
 - Pay close attention to the timing of the next investment and continue to support the current line
- **Chinese market:** Inquiries are active, reflecting the impact of tightening semiconductor regulations by the U.S.
 - Focus on response in a timely manner for business meetings and delivery
- **Other:** Continued expectations for growth fields such as sensors, filters, automotive devices-relatives, and power semiconductors
 - Expand the product lineup for compound wafers and supporting a wide range of business negotiations

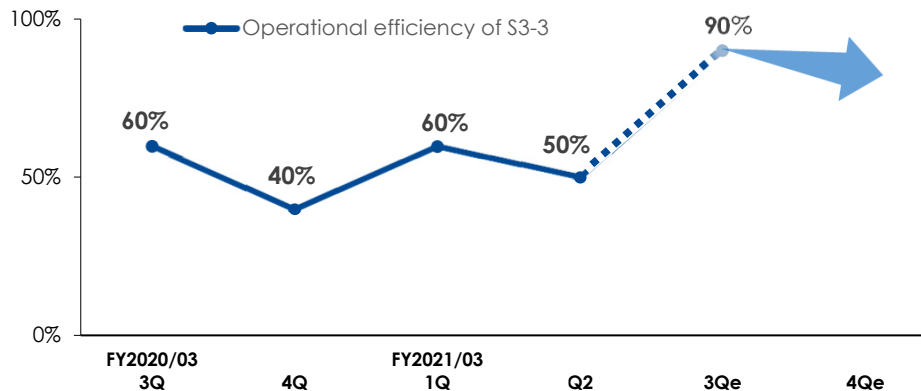
SPE

>>Orders Going Forward
 ¥120 bn level for the sum of 2Q and 3Q, assuming 3Q will be more than 2Q.
 (expectation remains unchanged)
 Memory, especially NAND, continues to perform well and pushes the whole orders up along with the foundry

■ After sales services



■ Operational efficiency of new factory S³-3

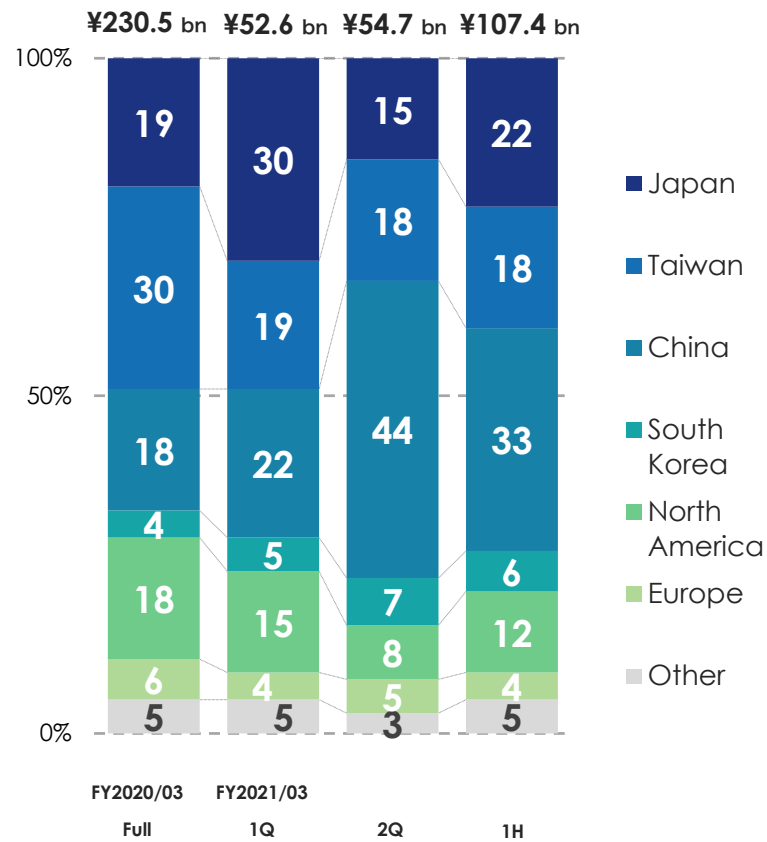


- Currently, it is still at a capacity of 60% of its full designed capacity. At the next stage of sales expansion, we plan to increase to full capacity-by installing jigs and equipment with an estimated investment of several hundred million yen

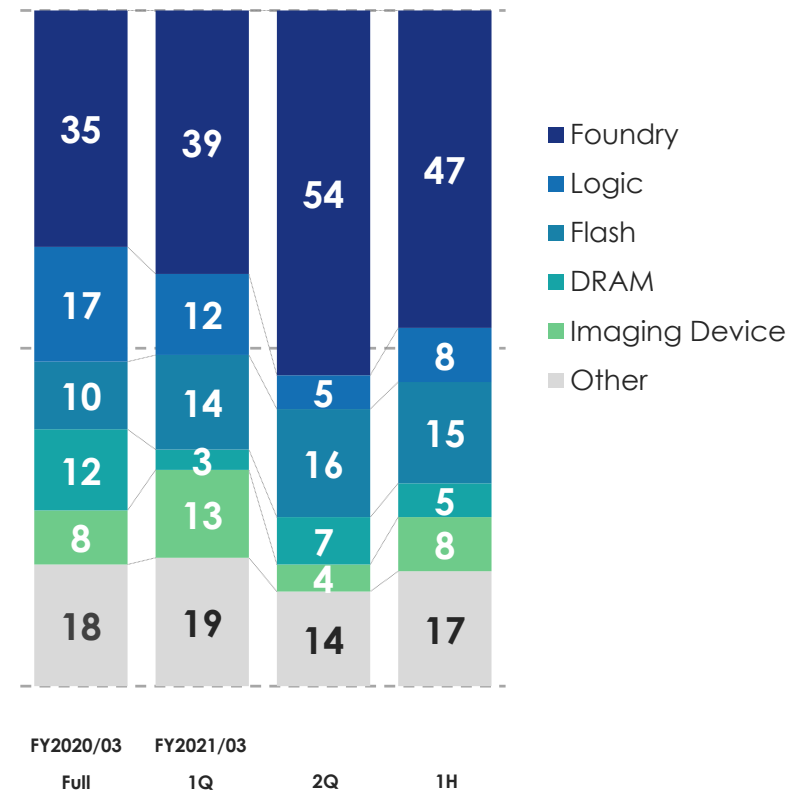
Composition of Sales

By Region (Consolidated) / By Application Device (Nonconsolidated)

By Region -destination-

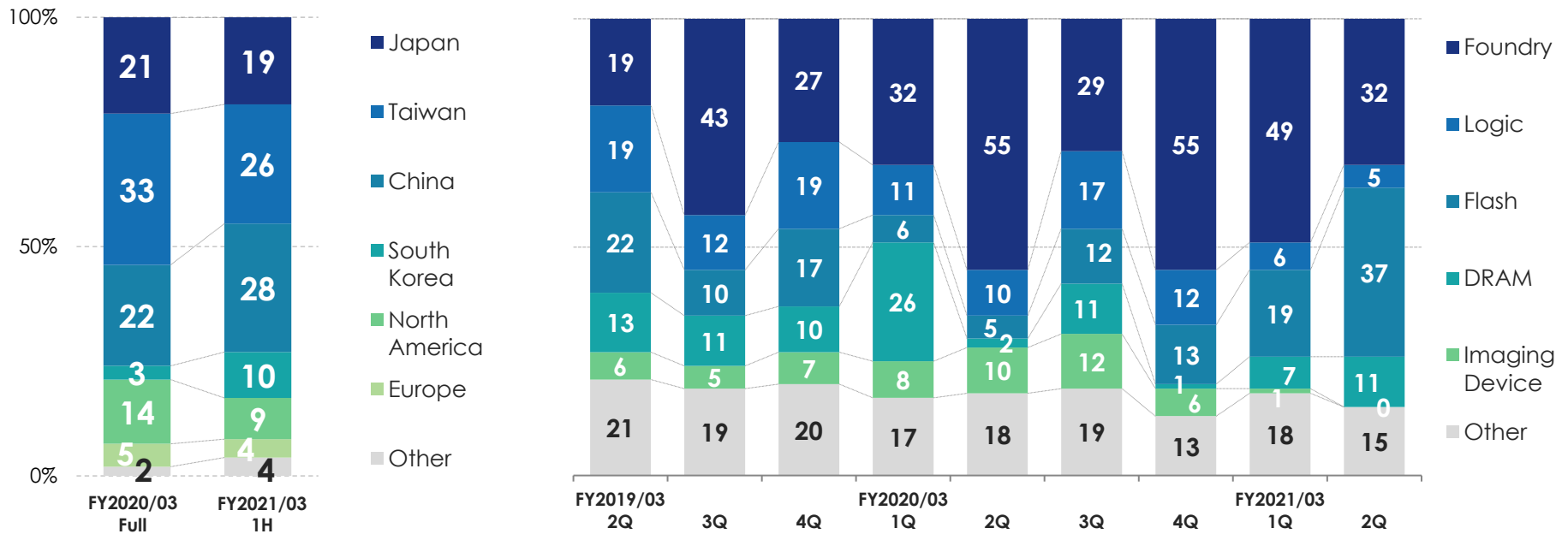


By Application Device



Orders Received Ratio (Nonconsolidated)

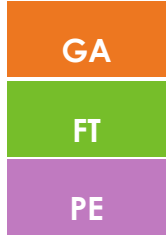
By Region -destination- Quarterly by Application Device



- By Region (compared with FY2020/03): Increased in China and South Korea, however, decreased in Taiwan and North America
- 2Q Consolidated Orders: Landed at ¥59.1 bn, while ¥43.0 bn in 1Q, exceeding expectations due to active market conditions
- By Application Device: Ratio of memory, especially NAND, increased more than 40%. Foundry was higher than expected as well

Business Situation

Main Initiatives and Conditions Going Forward



Market Outlook etc.

GA

- Focus on solid package printing field
- Focus on expanding the recurring business (RB), especially in ink
- Impacts of COVID-19 continues in 2H

FT

- Currently, investment in small- and medium-sized OLEDs continues
- OLED orders are expected to recover in 2H of the fiscal year (3Q will be in the latter half of double-digit billion yen)

PE

- Expectations for 5G mobile market expansion
- New products will be launched to increase market share (launch in January 2021)



Imaging system for PCBs
- high-production direct imaging system “Ledia Twin”

The latest addition to the Ledia series
and the industry’s de facto standard for solder resist applications, with its ability to perform pattern exposure of apertures with a diameter of 60 μm in solder masks

Consolidated sales ratio*

	FY2020/03		FY2021/03	
	Full	1Q	2Q	Full Forecast
RB (%)	40	45	45	45
Ink Within RB	15	20	20	20

* Ratio: approximate numbers per 5%

Consolidated sales ratio*1

	FY2020/03		FY2021/03	
	Full	1Q	2Q	Full Forecast
OLED (%)	20	55	45	65
New business*2	15	5	30	15

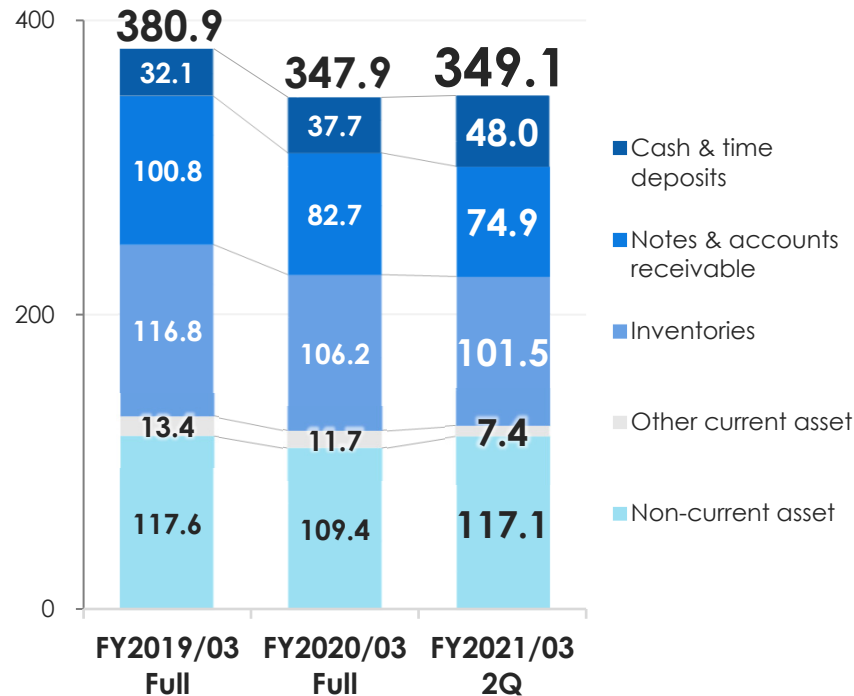
*1 Ratio: approximate numbers per 5%

*2 New business includes some OLEDs

Financial Situation: Trend in B/S

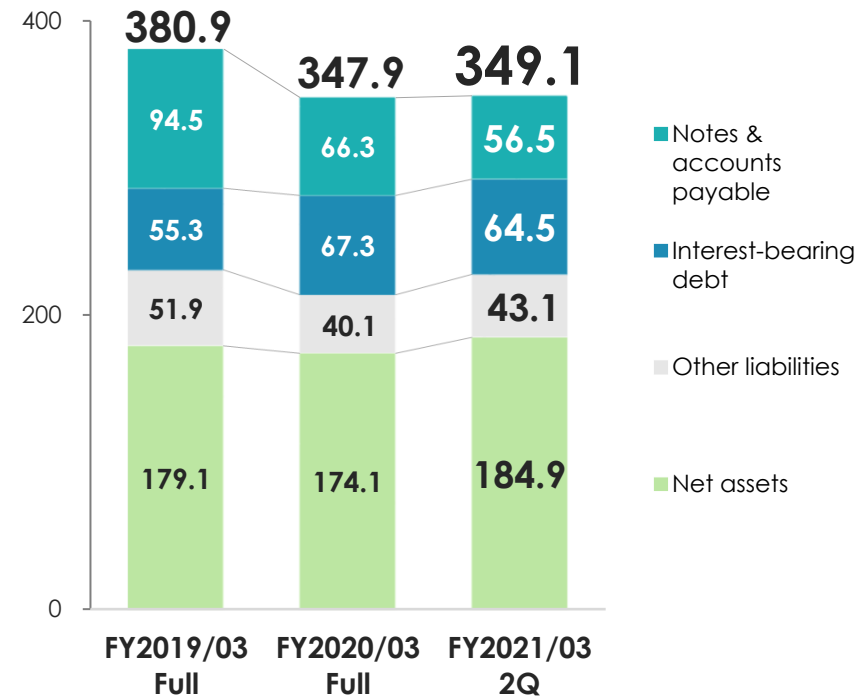
Assets

(Billions of JPY)



Liabilities & Net Assets

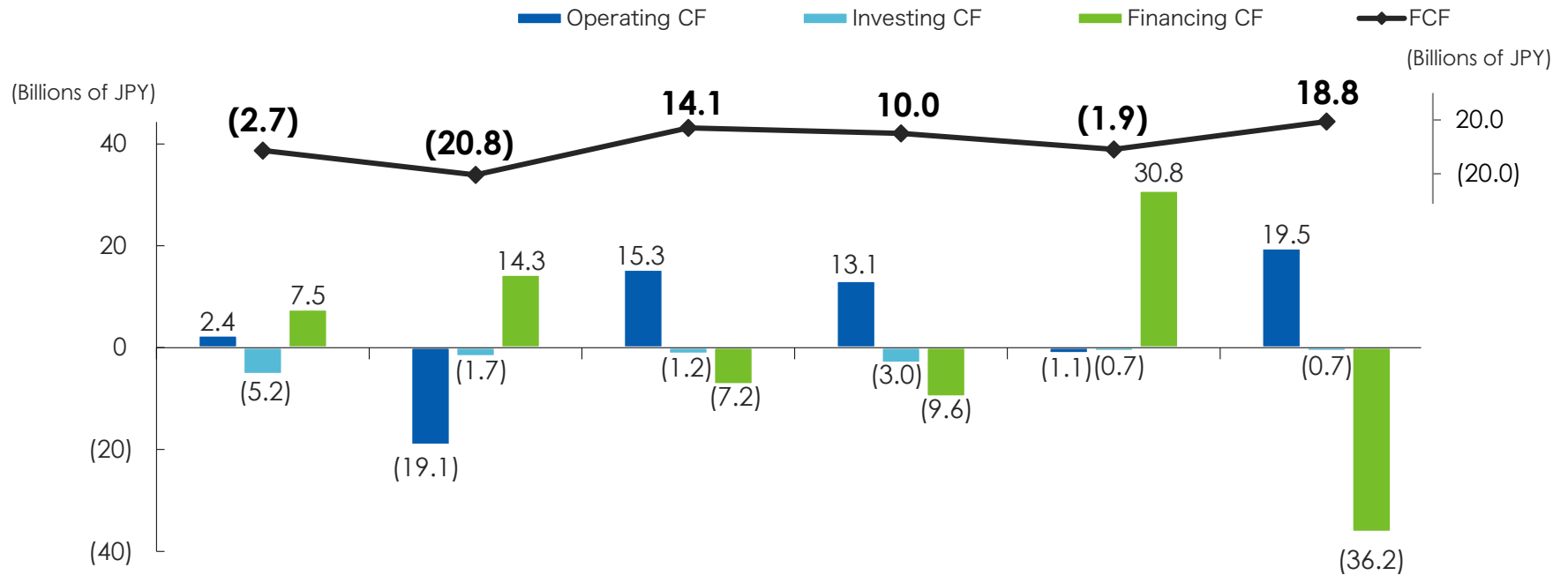
(Billions of JPY)



Equity Ratio **50.0%** (FY2020/03 4Q) ▶ **52.9%**

>>Total assets increased of ¥1.2 bn compared with the end of FY2020. This was largely due to an increase in cash and time deposits, and investment securities as a result of a rise in the market value of stock held, despite a decrease in notes and accounts receivable including electronically recorded monetary claims and inventories

Financial Situation: Cash Flows



	FY2020/03				FY2021/03	
	1Q	2Q	3Q	4Q	1Q	2Q
Operating CF	2.4	(19.1)	15.3	13.1	(1.1)	19.5
Investing CF	(5.2)	(1.7)	(1.2)	(3.0)	(0.7)	(0.7)
FCF	(2.7)	(20.8)	14.1	10.0	(1.9)	18.8
Financing CF	7.5	14.3	(7.2)	(9.6)	30.8	(36.2)

* FCF: Free Cash Flow

FCF improved significantly both YoY and QoQ due to improved working capital and lower fixed asset acquisitions

- In preparation for the prolongation of COVID-19, the cash on hand that was temporarily thickened in 1Q by short-term loans payable was adjusted in 2Q

FY2021/03 Business Forecast (as of October 28, 2020)

	FY2020/03 Result	FY2021/03 Forecast						
		Full	1H		2H		Full	
			July	October Result	July	October	July	October
(Billions of JPY)								
Net sales	323.2	141.0	142.7	175.0	170.8	316.0	313.5	
SPE	230.5	106.0	107.4	125.5	124.1	231.5	231.5	
GA	45.5	16.0	16.9	21.5	18.1	37.5	35.0	
FT	35.1	13.5	12.6	21.0	21.9	34.5	34.5	
PE	10.0	4.5	4.7	6.0	5.7	10.5	10.5	
Others	1.9	1.0	0.9	1.0	1.0	2.0	2.0	
Operating income (to net sales ratio)	12.5 3.9%	3.5 2.5%	6.4 4.5%	14.5 8.3%	11.5 6.7%	18.0 5.7%	18.0 5.7%	
SPE	16.1	8.5*	8.7	14.5*	14.5*	23.0*	23.0*	
GA	1.4	(1.0) *	(0.2)	1.0*	(0.5) *	0*	(0.5) *	
FT	(2.5)	(2.0) *	(1.0)	1.0*	0*	(1.0) *	(1.0) *	
PE	(0.2)	0*	0.2	0*	0*	0*	0.5*	
Others	(2.1)	(2.0) *	(1.2)	(2.0) *	(2.5) *	(4.0) *	(4.0) *	
Ordinary Income	11.6	3.0	5.4	12.0	9.6	15.0	15.0	
Profit attributable to owners of Parent	5.0	2.5	3.3	8.5	7.6	11.0	11.0	

Notes: Assumed Exchange Rate in FY2021/03 >> USD1 = ¥105, EUR1 = ¥120 * Forecast operating income by segment: approximate numbers per ¥0.5 bn

Forecast of annual cash dividends for FY2021/03 >> JPY 60.00 per share (year-end cash dividend)

Assumed exchange rate sensitivity in FY2021/03 (Operating income base) >> To USD: ¥70 million, To EUR: ¥20 million

Business Forecast for FY2021/03

Others

(Billions of JPY)	1H Result	2H Forecast	Full Forecast
Depreciation and amortization	4.7	5.3	10.0
Capital expenditures	2.7	8.3	11.0
R&D expenses	10.2	11.8	22.0

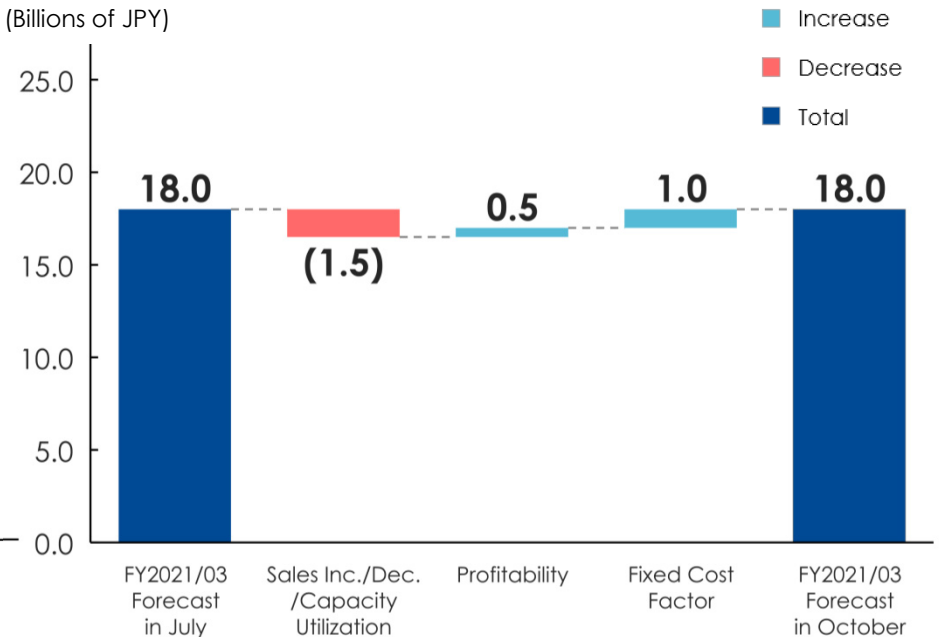
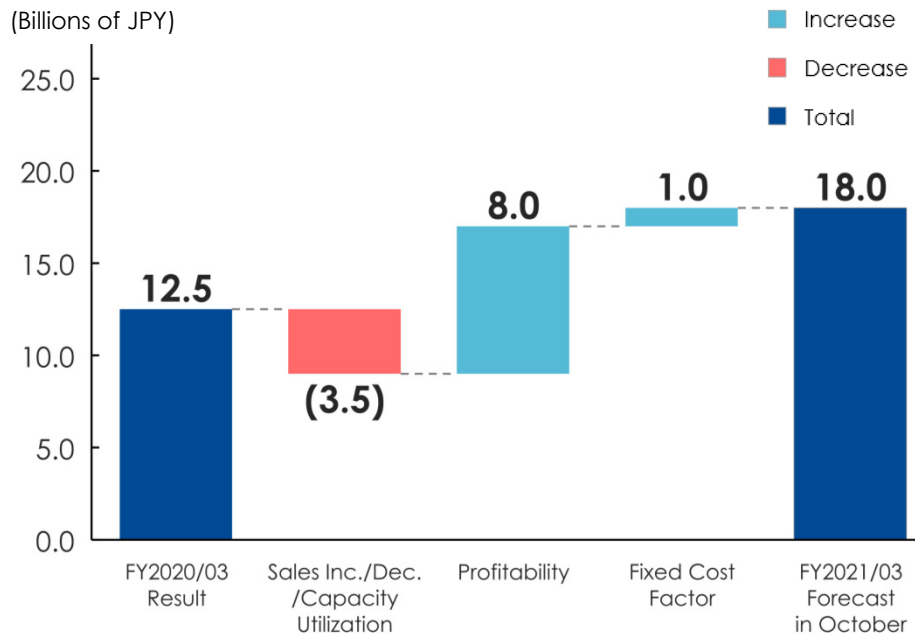
>>In 1H, capital investment and R&D expenses were held back in response to COVID-19, but it is scheduled to be implemented in 2H

Analysis of Comparison in Operating Income

FY2021/03

FY2021/03 Forecast in October - Comparison with FY2020/03 result

FY2021/03 Forecast in October - Comparison with FY2021/03 forecast in July



* Operating Income Factor: approximate numbers per 0.5 bn

>>In FY2021/03, expect significant improvement in profitability, especially in SPE

>>Profitability and fixed cost cover the negative factors caused by the decrease in sales of GA due to COVID-19

ESG-Related Initiatives



The SCREEN Group recognizes significant similarities between its corporate philosophy and the UN's Sustainable Development Goals (SDGs). For enhancing social value, Sustainable Value, the Group places emphasis on and is proactively taking on the initiatives particular 8 High-Materiality Tasks listed below among 17 goals. Furthermore, We have set specific themes for each field, "E (environment)", "S (social)" and "G (governance)" and are working on these as a sustainable management medium-term plan, Sustainable Value 2023.

8 High-Materiality Tasks



G(governance)



- We strengthen shareholders relations (engagement) activity based on ESG
 - Enhancement of disclosure of non-financial information
 - Annual Report 2020 (Integrated Report) was released in mid-October, including contents such as "History of the SCREEN group", "Value creation by the SCREEN group", "Message from the president" and so on. At the same time, Fact Book and Sustainability Data Book were also released
 - Continuously strengthening shareholders relations / ESG engagement
 - Conducted dialogue with voting representatives and ESG investment representatives globally

Appendix>> Recent News (July 30 to Oct 28, 2020)

HD

- Collaborating with the local community to rice cultivation through the Kyoto model forest activity
 - Donated rice harvested to orphanage in Kyoto Prefecture under a comprehensive regional vitalization partnership agreement with Kyoto Prefecture
- Regarding donations for areas affected by heavy rains in July 2020
- Received the top prize at the 64th Kyoto Inventor Awards
 - Invented a photoresist removal method and photoresist removal device

GA

- Horizon and SCREEN Agree to Jointly Develop AI Solution for Smart Factory

PE

- Developed high-spec direct imaging system for PCBs
 - Expanded Ledia Series lineup targets new market needs

Appendix>> Business Situation

SPE

Comparison (YoY)

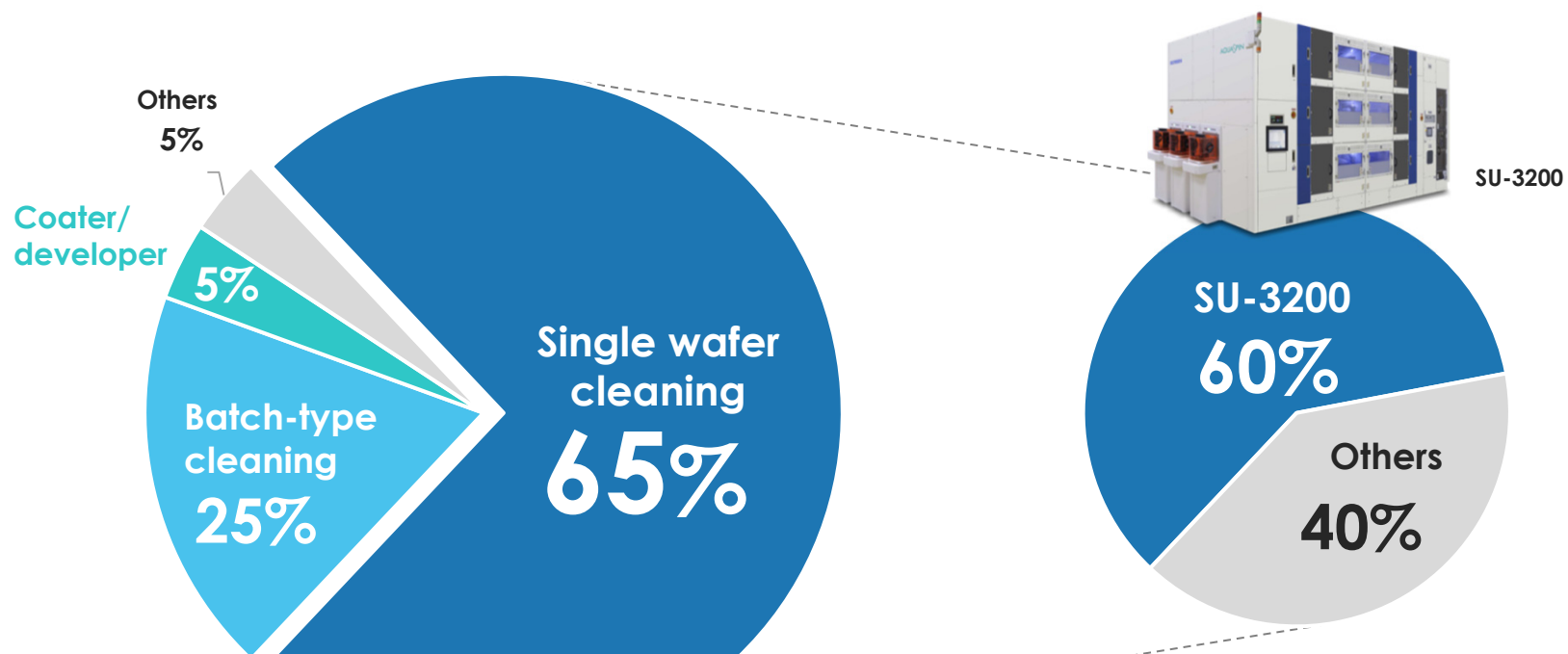
	FY2020/03	FY2021/03	Difference	
	1H	1H		
(Billions of JPY)				
Net sales	106.9	107.4	0.5	0.5%
Operating income (to net sales ratio)	6.5 6.1%	8.7 8.1%	2.2	34.0% 2.0pt

Comparison (QoQ)

	FY2021/03	FY2021/03	Difference	
	1Q	2Q		
(Billions of JPY)				
Net sales	52.6	54.7	2.0	3.9%
Operating income (to net sales ratio)	4.2 8.1%	4.4 8.2%	0.1	4.4% 0.0pt

Appendix>> Composition of Sales (Nonconsolidated)

Total Sales Ratio of Cleaning Equipment by Product in FY2021/03 1H



	FY2018/03	FY2019/03	FY2020/03	FY2021/03 1H
unit: %				
Single wafer cleaning	65	65	65	65
Batch-type cleaning	30	20	25	25
Coater/developer	5	10	5	5
Other	0	5	5	5

* Ratio: approximate numbers per 5%

Appendix>> Business Situation

GA

Comparison (YoY)

	(Billions of JPY)		Difference	
	FY2020/03 1H	FY2021/03 1H		
Net sales	22.7	16.9	(5.8)	-25.6%
Operating income (to net sales ratio)	0.9 4.1%	(0.2) -1.3%	(1.1)	- -5.5pt

Comparison (QoQ)

	(Billions of JPY)		Difference	
	FY2021/03 1Q	FY2021/03 2Q		
Net sales	7.9	9.0	1.0	13.6%
Operating income (to net sales ratio)	(0.3) -5.0%	0.1 1.9%	0.5	- 6.9pt

Appendix>> Business Situation

Comparison (YoY)

(Billions of JPY)	FY2020/03	FY2021/03	Difference	
	1H	1H		
Net sales	12.8	12.6	(0.2)	-1.6%
Operating income (to net sales ratio)	(3.0) -23.5%	(1.0) -8.4%	1.9	- 15.1pt

Comparison (QoQ)

(Billions of JPY)	FY2021/03	FY2021/03	Difference	
	1Q	2Q		
Net sales	3.6	8.9	5.3	144.5%
Operating income (to net sales ratio)	(1.5) -41.4%	0.4 5.2%	1.9	- 46.6pt

Appendix>> Business Situation

Comparison (YoY)

(Billions of JPY)	FY2020/03	FY2021/03	Difference	
	1H	1H		
Net sales	4.7	4.7	(0)	-0.5%
Operating income (to net sales ratio)	(0) -0.7%	0.2 5.7%	0.3	- 6.4pt

Comparison (QoQ)

(Billions of JPY)	FY2021/03	FY2021/03	Difference	
	1Q	2Q		
Net sales	2.3	2.3	0	1.3%
Operating income (to net sales ratio)	0.1 5.2%	0.1 6.2%	0	19.3% 0.9pt

Appendix>> Changes in Main Index

(Billions of JPY)	FY2017/03	FY2018/03	FY2019/03	FY2020/03	FY2021/03 Forecast (July)	FY2021/03 Forecast (October)
Net sales	300.2	339.3	364.2	323.2	316.0	313.5
Operating income	33.7	42.7	29.6	12.5	18.0	18.0
Operating income ratio (%)	11.2	12.6	8.1	3.9	5.7	5.7
Total assets	300.6	365.8	380.9	347.9	-	-
Equity	142.8	170.8	179.1	173.9	-	-
Equity ratio (%)	47.5	46.7	47.0	50.0	-	-
ROE (%)	18.4	18.2	10.3	2.8	-	-
Depreciation and amortization	5.3	5.7	6.8	8.8	10.0	10.0
Capital expenditures	8.2	14.4	24.0	7.9	11.0	11.0
R&D expenses	17.7	20.8	22.8	21.5	22.0	22.0
EPS (JPY)	511.96	608.62	387.10	107.37	235.70	235.68
Cash Dividends (JPY)	87	110	97	30	60	60



Innovation for a Sustainable World