

# Consolidated Business Results & Forecasts

**FY2022/03 Ended March 31, 2022**

May 11, 2022

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## **SCREEN Holdings Co., Ltd.**

· **Financial Summary of FY2022/03**

**Yoichi Kondo, CFO, Senior Managing Director**

· **Business Environment and Forecast**

**Toshio Hiroe, CEO, President**

\* 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. FY2022/03: April 1, 2021 - March 31, 2022)

# Financial Summary of FY2022/03

May 11, 2022

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**SCREEN Holdings Co., Ltd.**

CFO, Senior Managing Director

**Yoichi Kondo**

# Financial Summary

## Business results in FY2022/03

- **Company-wide:**
  - **Steady overall, both sales and profits hit record highs**
  - **Increased in sales and profit YoY, operating profit increased by 2.5 times, and net profit tripled**
    - Focus on SCM at an early stage amid concerns about parts shortages and rising logistics costs
- **SPE:**
  - **Major driver of company-wide performance. Record highs in sales, operating profit and OP margin**
  - **4Q OP margin achieves 23.0% and orders received of ¥105.3 bn, both record highs**
- **Financial position has improved significantly; CF remained stable, net cash of ¥88.8 bn**
- **Cash dividends expected to increase to a record high of ¥293**

# FY2022/03 Business Results YoY

	FY2021/03					FY2022/03					Difference (YoY)	
	1Q	2Q	3Q	4Q	Full	1Q	2Q	3Q	4Q	Full		
(Billions of JPY)												
<b>Net sales</b>	66.8	75.8	73.7	103.8	320.3	82.8	104.3	103.9	<b>120.7</b>	<b>411.8</b>	<b>91.5</b>	<b>28.6%</b>
<b>Operating income (to net sales ratio)</b>	1.8 2.8%	4.6 6.1%	6.3 8.6%	11.6 11.3%	24.4 7.6%	8.6 10.5%	15.3 14.7%	16.0 15.5%	<b>21.1</b> <b>17.5%</b>	<b>61.2</b> <b>14.9%</b>	<b>36.7</b>	<b>150.2%</b> <b>7.3pt</b>
<b>Ordinary income</b>	1.9	3.4	5.8	11.4	22.7	8.6	15.1	16.1	<b>19.5</b>	<b>59.4</b>	<b>36.7</b>	<b>161.6%</b>
<b>Profit attributable to owners of parent</b>	1.9	1.3	4.5	7.2	15.1	6.0	11.5	12.0	<b>15.8</b>	<b>45.4</b>	<b>30.3</b>	<b>199.9%</b>

(Billions of JPY)	1H (FY2021/03 Result)	2H (FY2021/03 Result)	FY2022/03 (FY2021/03 Result)
<b>Depreciation and amortization</b>	<b>4.7</b> (4.7)	<b>4.7</b> (4.8)	<b>9.5</b> (9.6)
<b>Capital expenditures</b>	<b>4.1</b> (2.7)	<b>9.2</b> (5.0)	<b>13.4</b> (7.8)
<b>R&amp;D expenses</b>	<b>10.5</b> (10.2)	<b>13.5</b> (11.2)	<b>24.0</b> (21.5)

### >> Year end cash dividend

- Dividend increase based on upward revision of profit attributable to owners of parent from the January forecast (to be resolved at the General Meeting of Shareholders in June 2022)
- Returning profits to shareholders in line with the target of maintaining a total consolidated shareholder return ratio of 30% or above as set forth in the medium-term management plan

(JPY)	FY2022/03 e (FY2021/03 Result)
<b>Cash dividends per share</b>	<b>293</b> (90)

# FY2022/03 Business Results

YoY

(Billions of JPY)	FY2021/03					FY2022/03					Difference (YoY)	
	1Q	2Q	3Q	4Q	Full	1Q	2Q	3Q	4Q	Full		
<b>Net sales</b>	<b>66.8</b>	<b>75.8</b>	<b>73.7</b>	<b>103.8</b>	<b>320.3</b>	<b>82.8</b>	<b>104.3</b>	<b>103.9</b>	<b>120.7</b>	<b>411.8</b>	<b>91.5</b>	<b>28.6%</b>
SPE	52.6	54.7	54.5	73.5	235.5	59.7	81.6	84.6	93.2	319.3	83.8	35.6%
GA	7.9	9.0	9.3	11.1	37.4	9.6	11.2	9.9	12.3	43.3	5.9	15.8%
FT	3.6	8.9	7.1	14.9	34.7	10.2	7.2	5.5	10.1	33.2	(1.4)	-4.1%
PE	2.3	2.3	2.2	3.4	10.4	2.3	3.4	3.3	4.0	13.3	2.8	27.6%
Others	0.2	0.7	0.4	0.7	2.2	0.8	0.5	0.2	0.8	2.5	0.3	15.2%
<b>Operating income (to net sales ratio)</b>	<b>1.8</b> <b>2.8%</b>	<b>4.6</b> <b>6.1%</b>	<b>6.3</b> <b>8.6%</b>	<b>11.6</b> <b>11.3%</b>	<b>24.4</b> <b>7.6%</b>	<b>8.6</b> <b>10.5%</b>	<b>15.3</b> <b>14.7%</b>	<b>16.0</b> <b>15.5%</b>	<b>21.1</b> <b>17.5%</b>	<b>61.2</b> <b>14.9%</b>	<b>36.7</b>	<b>150.2%</b> <b>7.3pt</b>
SPE	4.2	4.4	6.4	10.7	25.9	8.8	15.4	17.1	21.4	62.8	36.8	141.7%
GA	(0.3)	0.1	0.1	0.5	0.5	0.2	0.4	0.4	0.5	1.6	1.1	205.5%
FT	(1.5)	0.4	0.1	1.3	0.4	0.2	(0)	(0.3)	0.7	0.5	0.1	35.0%
PE	0.1	0.1	0	0.4	0.7	0.2	0.7	0.6	0.5	2.0	1.3	168.3%
Others	(0.6)	(0.6)	(0.5)	(1.4)	(3.2)	(0.8)	(1.0)	(1.7)	(2.1)	(5.8)	(2.6)	-
<b>Ordinary income</b>	<b>1.9</b>	<b>3.4</b>	<b>5.8</b>	<b>11.4</b>	<b>22.7</b>	<b>8.6</b>	<b>15.1</b>	<b>16.1</b>	<b>19.5</b>	<b>59.4</b>	<b>36.7</b>	<b>161.6%</b>
<b>Profit attributable to owners of parent</b>	<b>1.9</b>	<b>1.3</b>	<b>4.5</b>	<b>7.2</b>	<b>15.1</b>	<b>6.0</b>	<b>11.5</b>	<b>12.0</b>	<b>15.8</b>	<b>45.4</b>	<b>30.3</b>	<b>199.9%</b>

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

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

# FY2022/03 Business Results

## By Segment

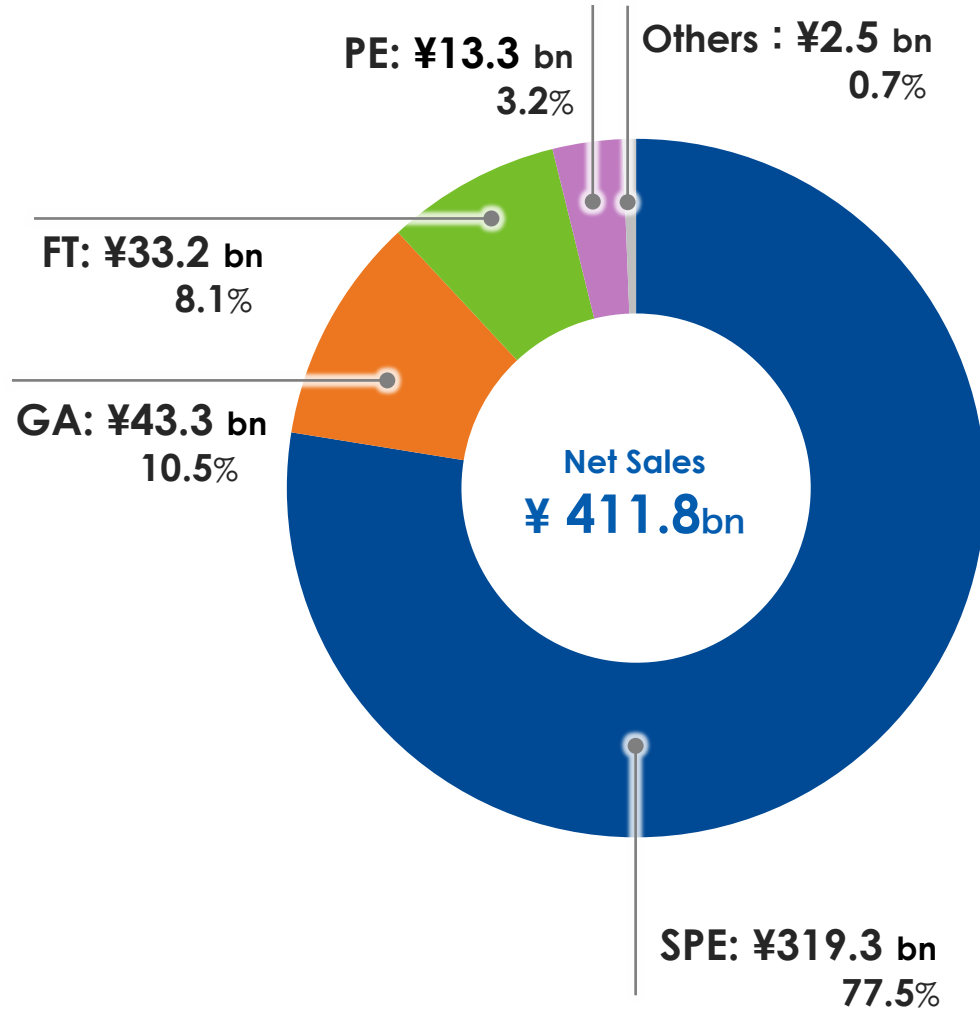
■ YoY □ QoQ

(Billions of JPY)

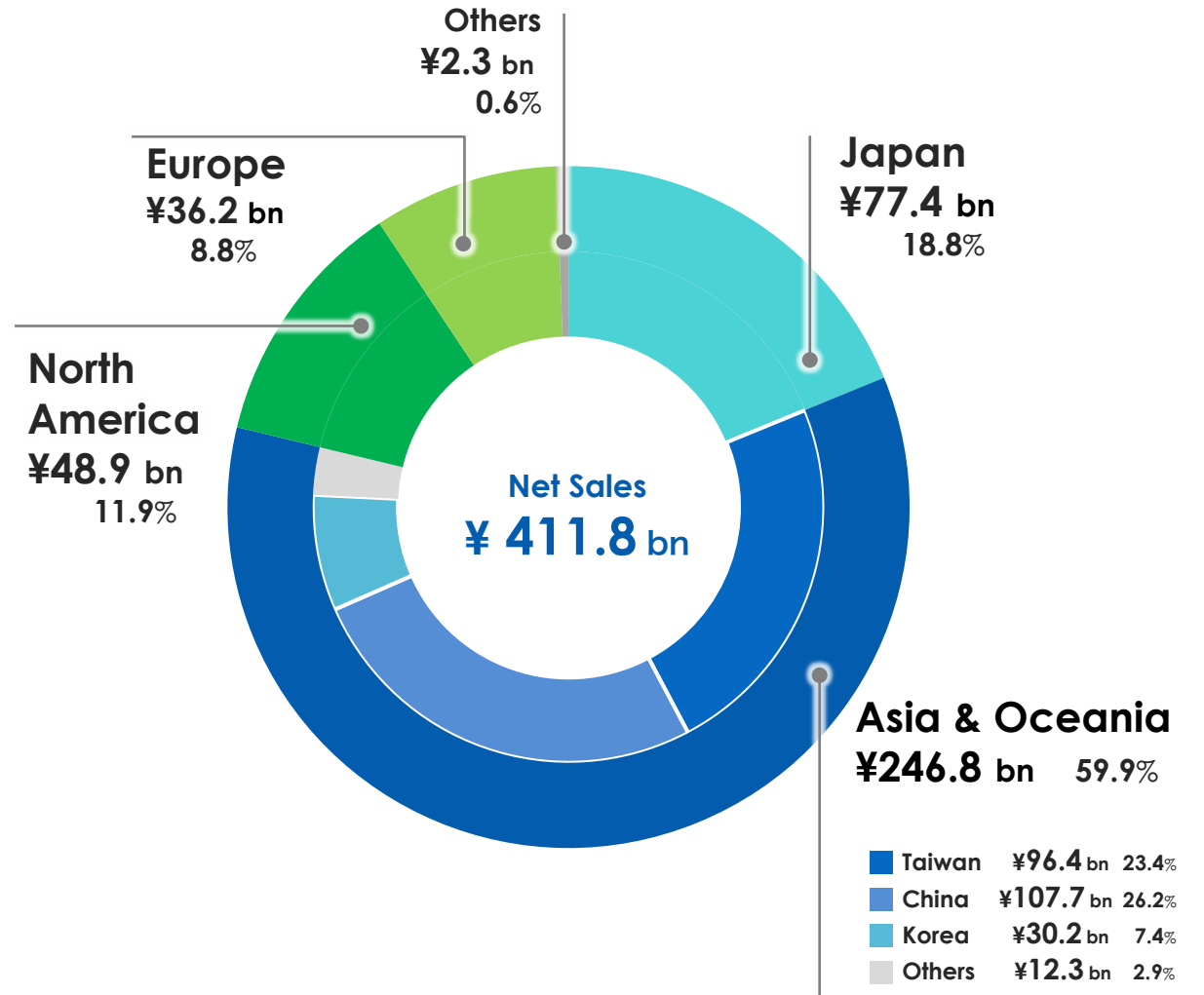
		FY2021/03					FY2022/03					
		1Q	2Q	3Q	4Q	Full	1Q	2Q	3Q	4Q	Full	
SPE	Foundry, DRAM and logic sales increased significantly Sales increased in each region mainly in Taiwan	Net sales	52.6	54.7	54.5	73.5	235.5	59.7	81.6	84.6	93.2	319.3
	Sales of foundry, DRAM and logic increased	OP (to net sales ratio)	4.2 8.1%	4.4 8.2%	6.4 11.9%	10.7 14.7%	25.9 11.0%	8.8 14.9%	15.4 18.9%	17.1 20.2%	21.4 23.0%	62.8 19.7%
GA	Sales of POD equipment and recurring business (RB) increased for a recovery in customers' capital expenditure appetite	Net sales	7.9	9.0	9.3	11.1	37.4	9.6	11.2	9.9	12.3	43.3
	Sales of RB remains steady	OP (to net sales ratio)	(0.3) -5.0%	0.1 1.9%	0.1 2.1%	0.5 5.0%	0.5 1.4%	0.2 2.7%	0.4 3.6%	0.4 4.3%	0.5 4.3%	1.6 3.8%
FT	Sales of OLEDs increased while sales LCD declined, resulting in lower sales Improved profitability by reforming our business structure	Net sales	3.6	8.9	7.1	14.9	34.7	10.2	7.2	5.5	10.1	33.2
	Recovered to a surplus. Hikone's production facilities and personnel are partly transferred to SPE. Demonstrate synergistic effects within the group	OP (to net sales ratio)	(1.5) -41.4%	0.4 5.2%	0.1 2.5%	1.3 8.8%	0.4 1.3%	0.2 2.2%	(0) -0.9%	(0.3) -5.5%	0.7 7.2%	0.5 1.8%
PE	Sales of direct imaging system increased, and profit increased significantly due to data center and 5G-related demand	Net sales	2.3	2.3	2.2	3.4	10.4	2.3	3.4	3.3	4.0	13.3
	Business performance remains steady Profit margin remains at a high level	OP (to net sales ratio)	0.1 5.2%	0.1 6.2%	0 1.4%	0.4 13.6%	0.7 7.4%	0.2 9.0%	0.7 21.0%	0.6 17.8%	0.5 12.9%	2.0 15.6%

# FY2022/03 Business Results

## Sales by Segment

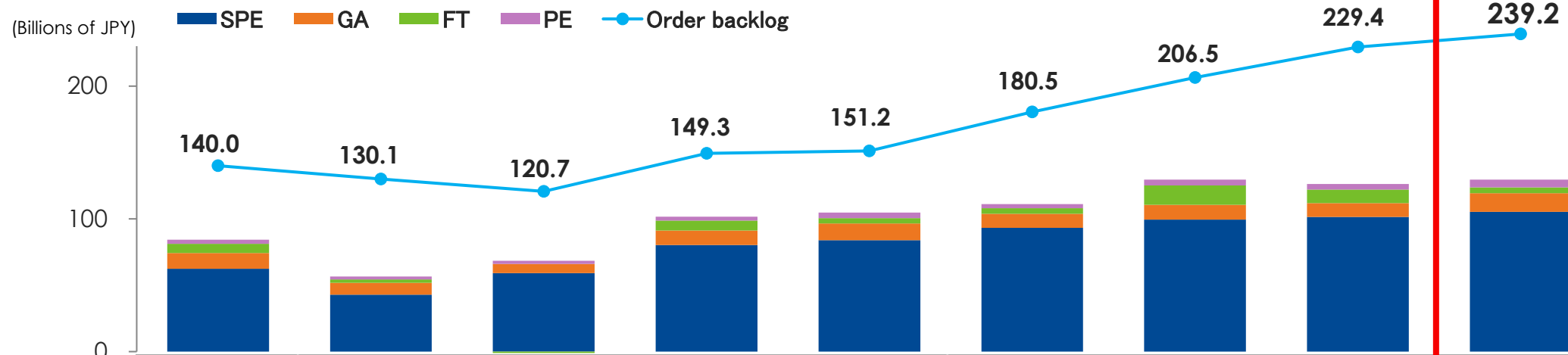


## Sales by Region





# Quarterly Orders Received and Order Backlog



	FY2020/03		FY2021/03				FY2022/03			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
<b>Orders received</b>	<b>84.6</b>	<b>56.7</b>	<b>65.7</b>	<b>101.8</b>	<b>104.9</b>	<b>111.3</b>	<b>129.7</b>	<b>126.5</b>	<b>129.6</b>	
SPE	62.4	43.0	59.1	80.3	83.9	93.3	99.4	101.5	<b>105.3</b>	
GA	12.0	8.9	7.0	11.0	12.7	10.5	11.2	10.3	<b>14.1</b>	
FT	6.9	2.5	(2.9)	7.4	3.9	4.2	14.6	10.3	<b>4.4</b>	
PE	3.1	2.2	2.4	3.0	4.3	3.1	4.3	4.2	<b>5.7</b>	
<b>Order backlog</b>	<b>140.0</b>	<b>130.1</b>	<b>120.7</b>	<b>149.3</b>	<b>151.2</b>	<b>180.5</b>	<b>206.5</b>	<b>229.4</b>	<b>239.2</b>	
SPE	84.1	74.4	78.8	104.6	115.0	148.6	166.4	183.3	<b>195.4</b>	
GA	5.3	6.4	4.4	6.1	7.8	8.6	8.6	9.0	<b>10.7</b>	
FT	49.1	48.0	36.1	36.3	25.4	19.4	26.8	31.6	<b>25.9</b>	
PE	1.3	1.2	1.3	2.1	3.0	3.7	4.6	5.4	<b>7.0</b>	

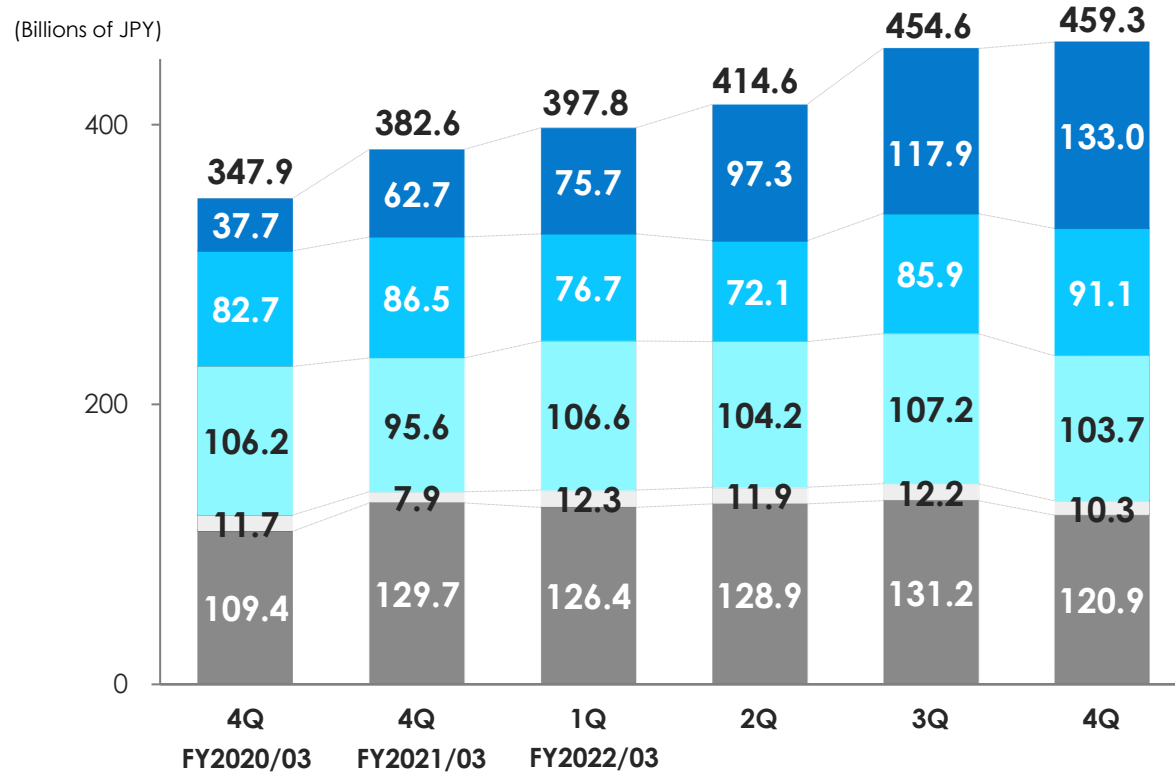
**A record high**

**A record high**

# Financial Situation: B/S

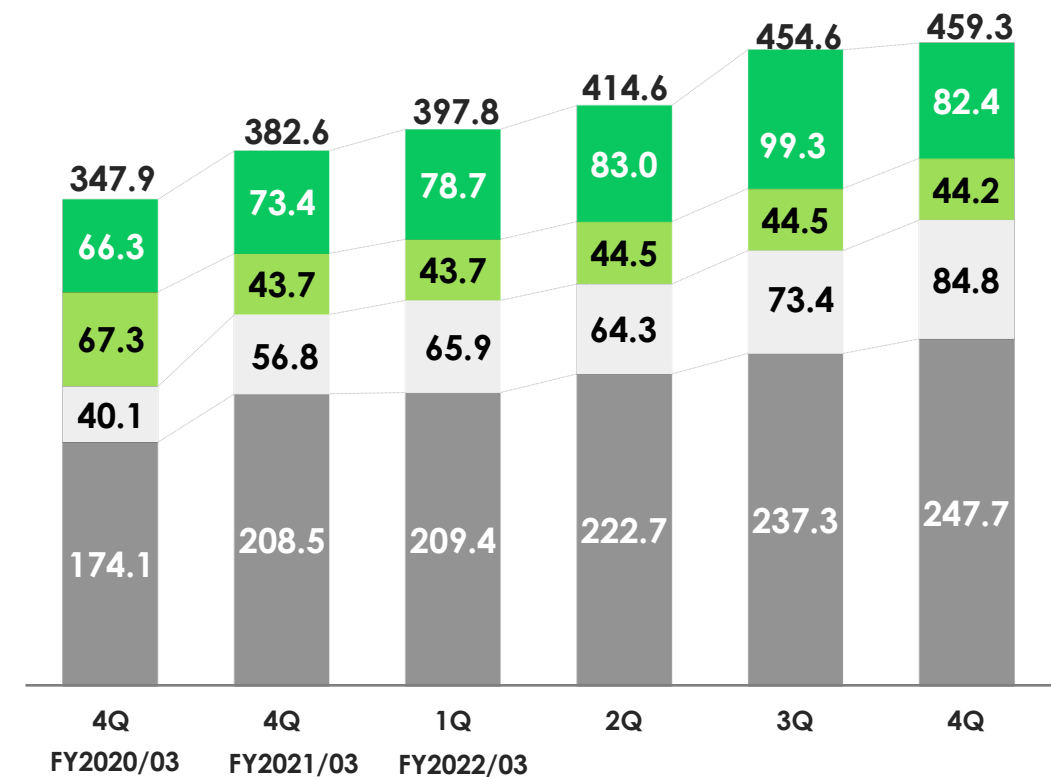
## Assets

■ Cash & time deposits  
 ■ Notes & accounts receivable  
 ■ Inventories  
■ Other current asset  
 ■ Non-current asset



## Liabilities & Net Assets

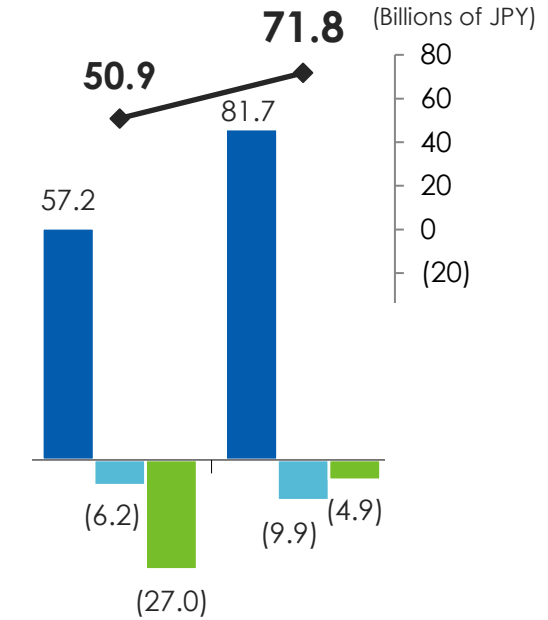
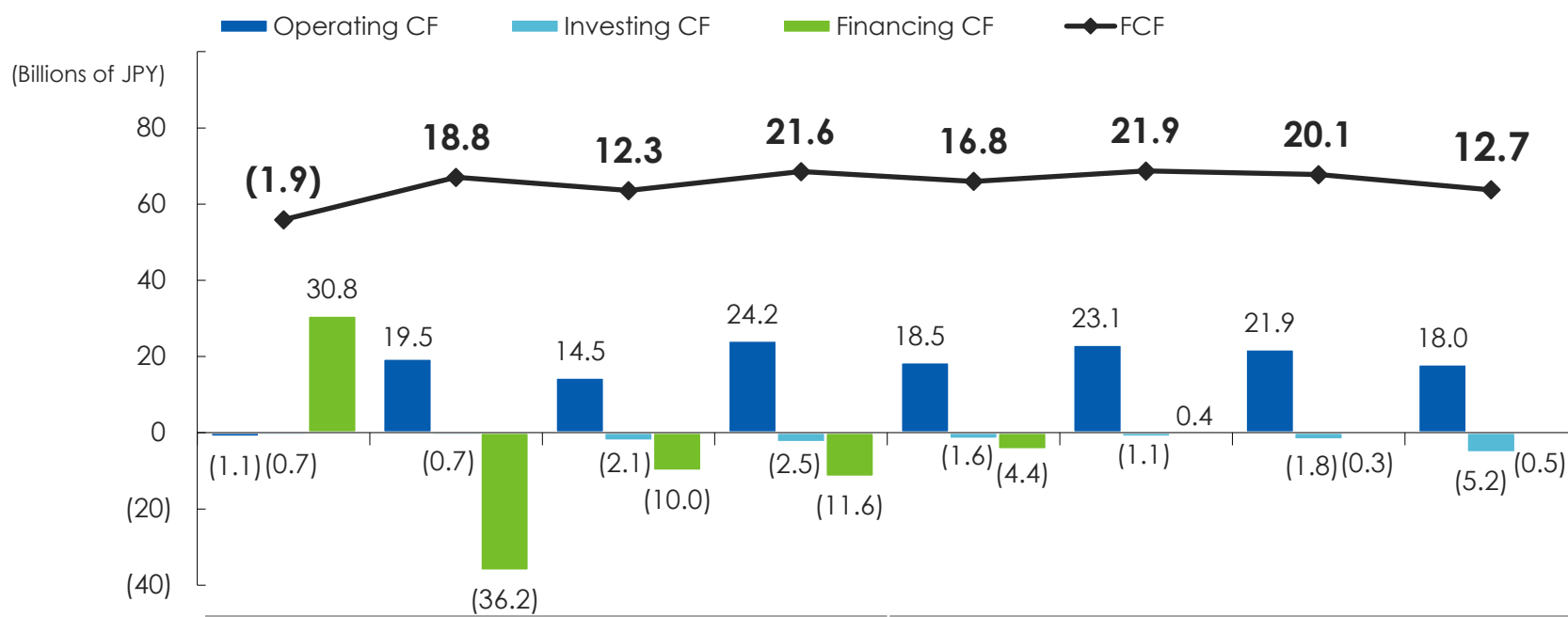
■ Notes & accounts payable  
 ■ Interest-bearing debt  
 ■ Other liabilities  
■ Net assets



■ Equity ratio: 53.9% (FY2022/03 4Q)

■ Cash flows remains stable although sales are increasing. Net cash of ¥88.8 bn

# Financial Situation: Cash Flows



	FY2021/03				FY2022/03			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating CF	(1.1)	19.5	14.5	24.2	18.5	23.1	21.9	<b>18.0</b>
Investing CF	(0.7)	(0.7)	(2.1)	(2.5)	(1.6)	(1.1)	(1.8)	<b>(5.2)</b>
FCF	(1.9)	18.8	12.3	21.6	16.8	21.9	20.1	<b>12.7</b>
Financing CF	30.8	(36.2)	(10.0)	(11.6)	(4.4)	0.4	(0.3)	<b>(0.5)</b>

	FY2021/03	FY2022/03
Full	57.2	<b>81.7</b>
	(6.2)	<b>(9.9)</b>
	50.9	<b>71.8</b>
	(27.0)	<b>(4.9)</b>

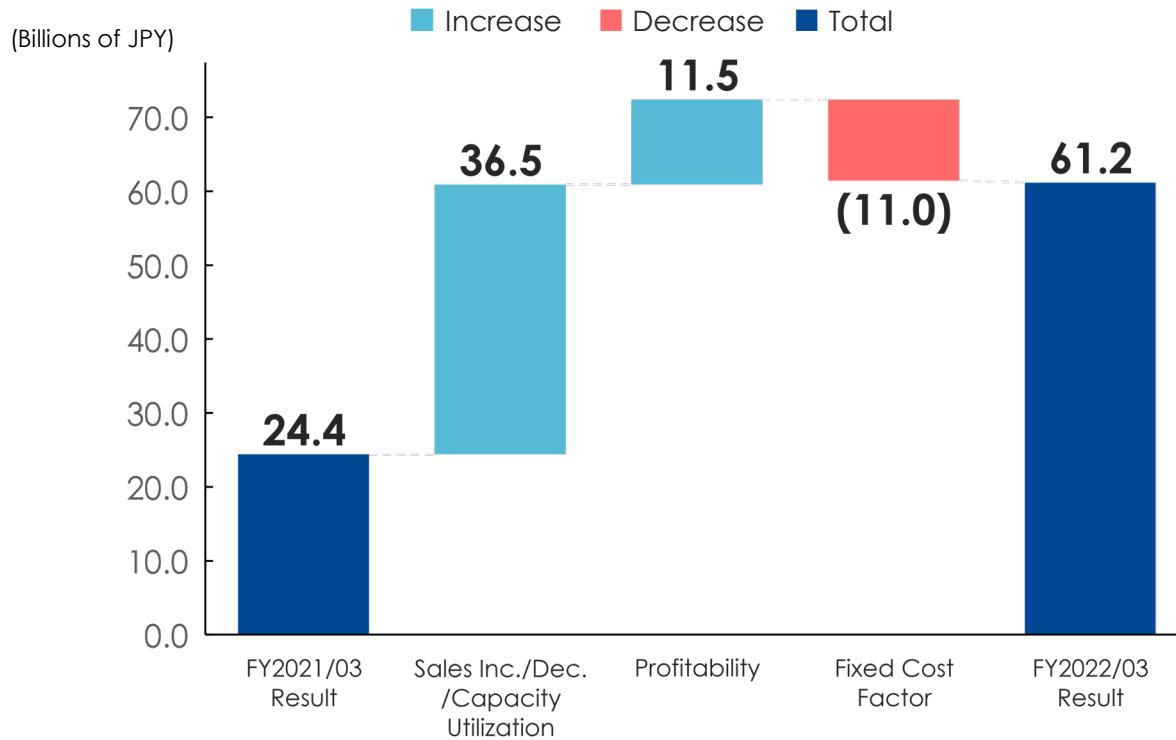
\* FCF: Free Cash Flow

■ Full year operating CF maintains a stable level higher than operating income

# Analysis of Comparison in Operating Income

## FY2022/03 Result

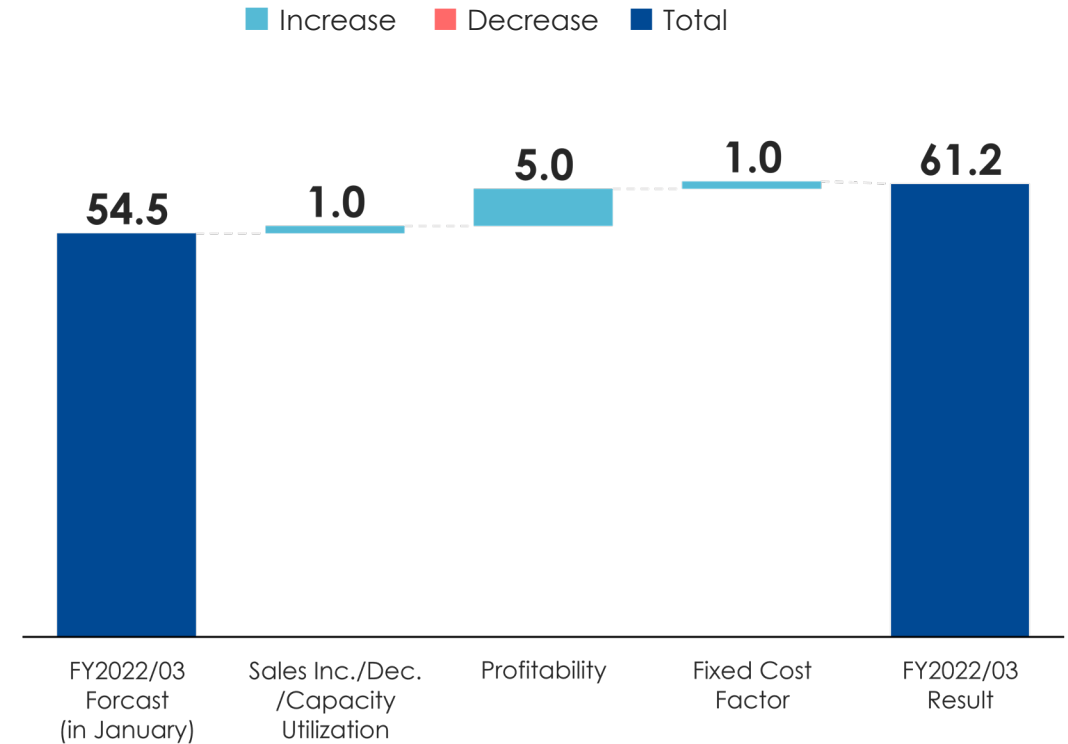
### - Comparison with FY2021/03 result



- >> The effect of increasing sales was mainly due to SPE. Profitability improved due mainly to SPE and FT
- >> Fixed costs increased due mainly to SPE and GA. Increase in performance-linked remuneration and R&D expenses, etc.
- >> Foreign exchange effects included in each factor are net to be ¥2.5 bn

## FY2022/03 Result

### - Comparison with FY2022/03 forecast in January



\* Operating Income Factor: approximate numbers per 0.5 bn

- >> The effect of increasing sales was mainly due to GA. Profitability improved due mainly to SPE
- >> Fixed costs decreased due to SPE
- >> Foreign exchange effects included in each factor are net to be ¥0.5 bn

# Business Environment and Forecast

May 11, 2022

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**SCREEN Holdings Co., Ltd.**

CEO, President

**Toshio Hiroe**

# Business Environment and Forecast

## Business Environment

- **SPE:**
  - Driven investments for both leading-edge and mass production nodes in each application
  - Demand for equipment, mainly in foundry and logic, is strengthening
  - 4Q Orders received was ¥105.3 bn, a record high for last four consecutive quarters  
We expect to receive quarterly orders at the ¥100.0 bn level in the future
- **GA and PE: Orders are high and strong**

## Full Year Business Forecast

- Both sales and profits are expected to reach record highs due to improvements in profitability and efficiency
- Capital expenditure, R&D expenses, and depreciation and amortization all reach record highs in order to achieve sustainable growth
- Expansion of the new plant S<sup>3</sup>-4 in Hikone to meet strong capital investment demand
- Expect to achieve numerical targets of economic value in the medium-term management plan one year ahead of schedule
- Cash dividends: record high of ¥322 planned

## Market Trend and Outlook

- **WFE:** Strong investment continues, particularly in foundries and logic. Investment in legacy node continues undiminished
  - Customers' projects to start operation in 2024 steadily progressing
  - Expect more than 15% YoY growth in CY2022, around \$105 bn

- **Trend by applications**

<b>Foundry</b>	Continued strong investment in all technology nodes, mainly at the leading-edge, through to legacy
<b>Logic</b>	Increased investment in development sites as well as in leading-edge mass production
<b>Memory</b>	Capital investment in DRAM for miniaturization and NAND for the shift toward multi-layered count and volume zone will continue this year
<b>Imaging Device</b>	Active investment not only in existing major customer but also in emerging manufacturers in China and other foundries
<b>Power</b>	The investment appetite of major European companies/customers remains undiminished. Investment also remains firm in Japan
<b>Chinese market</b>	There will be a wide variety of legacy node foundries, followed by memory and power device and others, including foreign capital
<b>Others</b>	Solid investments in analog, sensors, optics, etc. continue

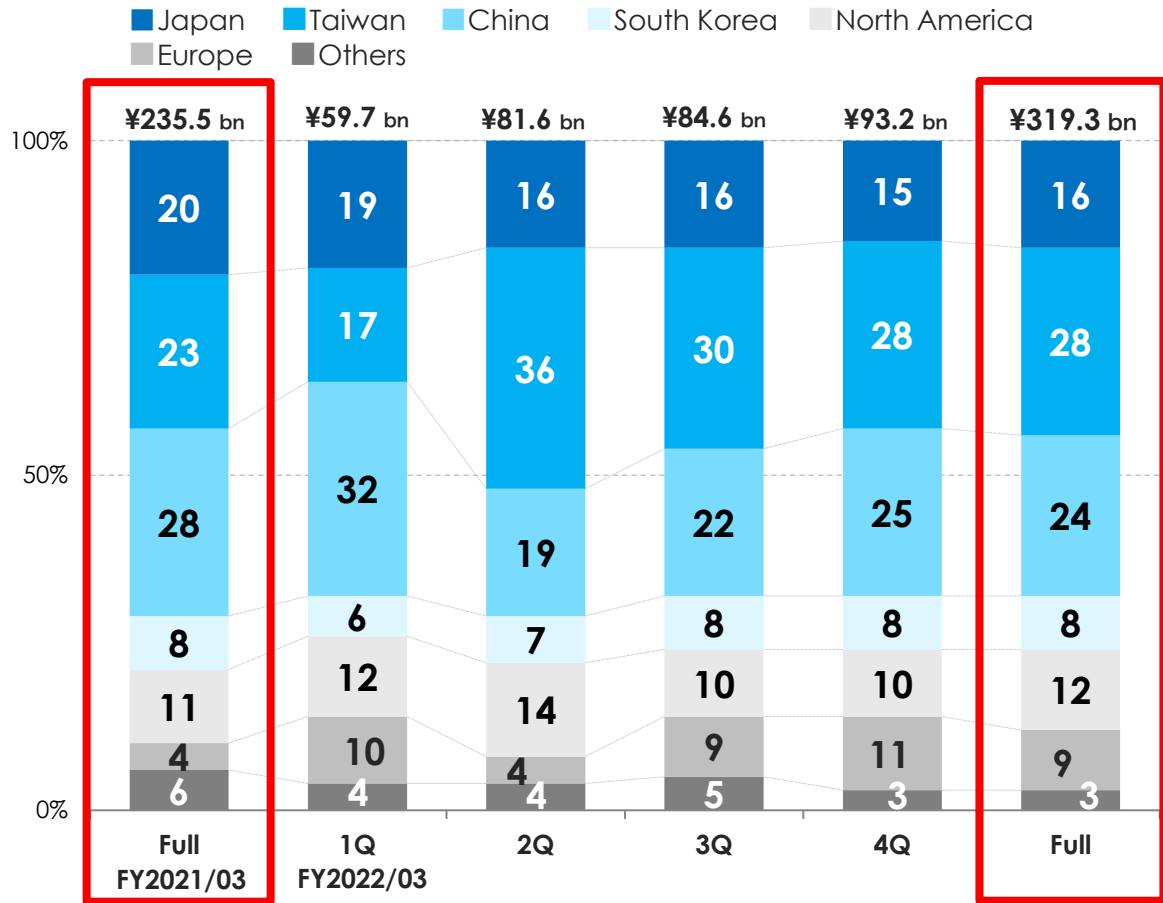
- ▶ **We focus on the pipeline to leading-edge nodes and aim to secure POR absolutely**
- ▶ **Providing a variety of solutions not only for leading-edge node where needs for cleaning increasing due to miniaturization but also for volume zones to mature nodes**
- >> **We will take solid development and production system to fulfill supplier's responsibility**

SPE

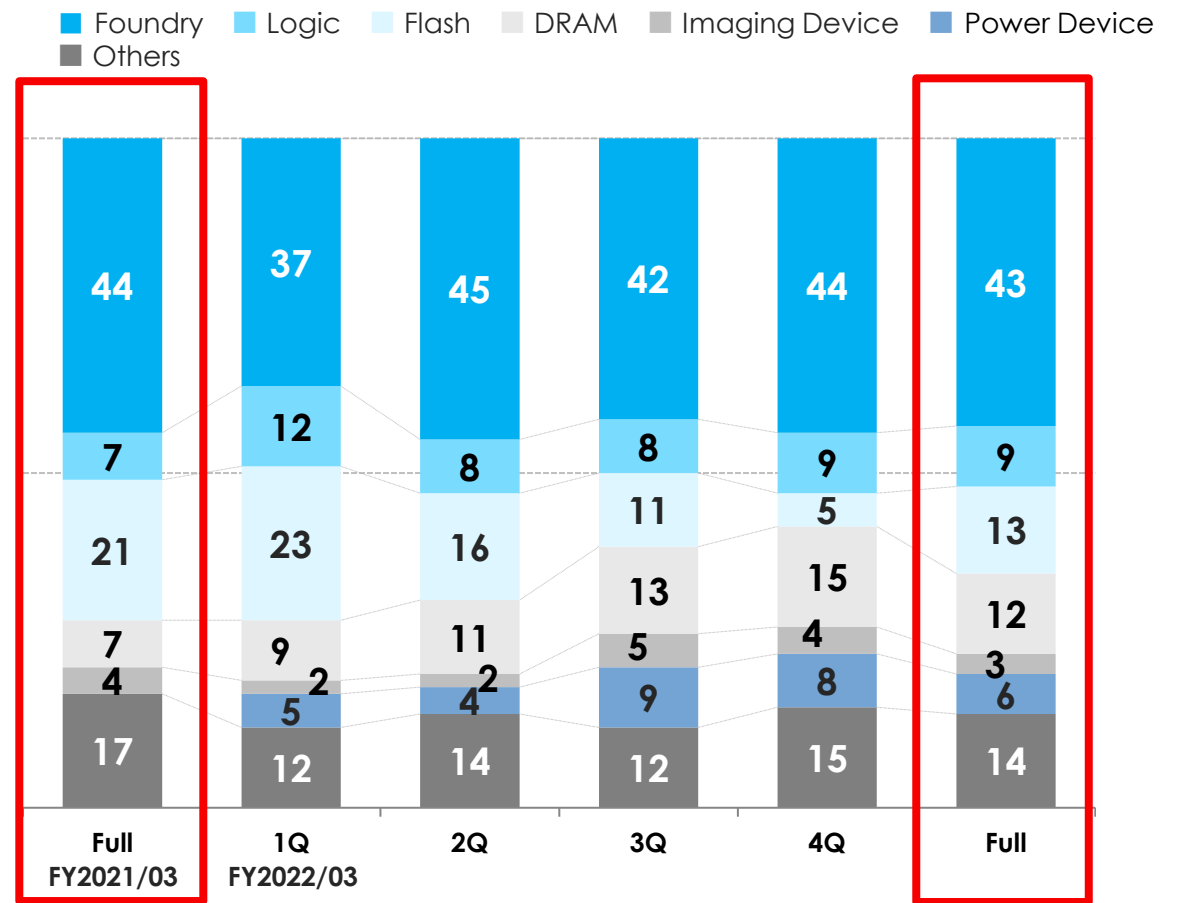
# Composition of Sales

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

## By Region -destination-



## By Application Device

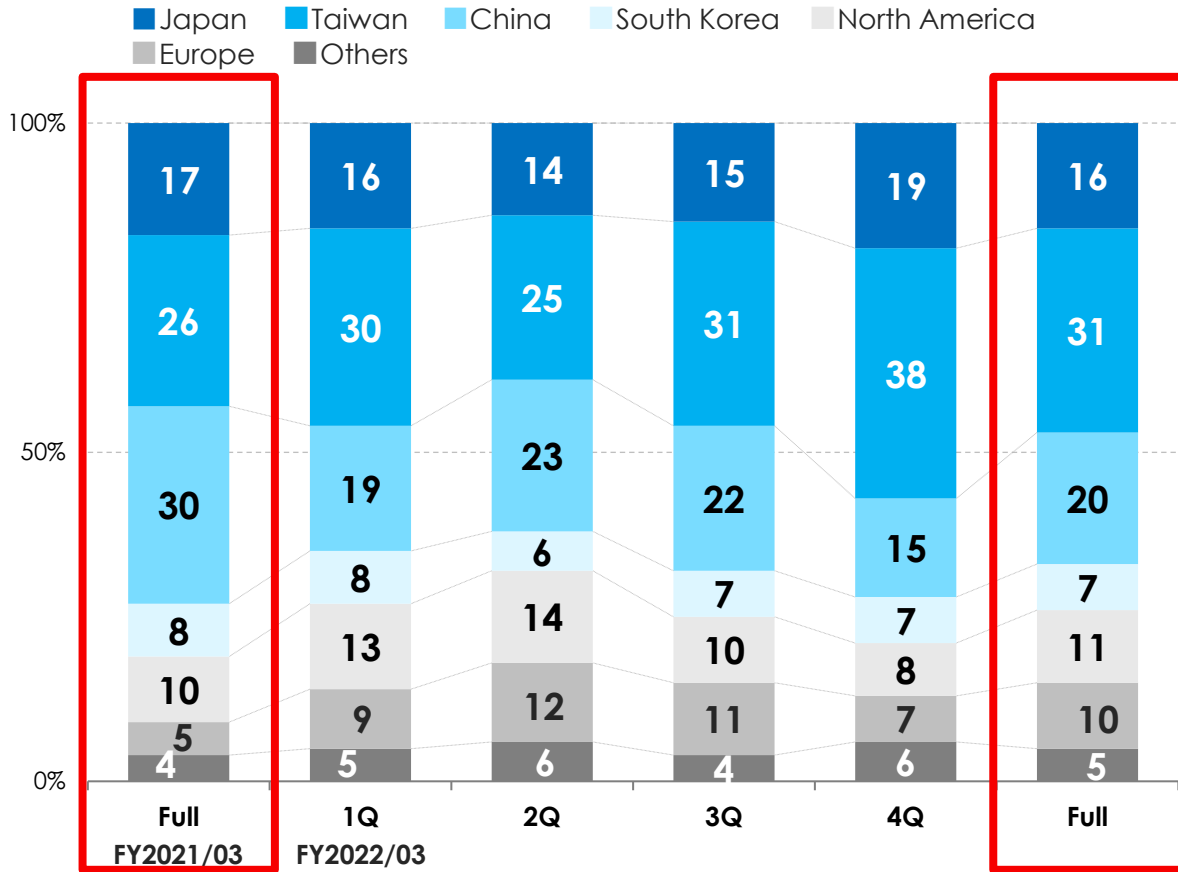


- By Region: In FY2022/03 (YoY), Sales increased significantly in each region, especially in Taiwan
- By Application Device: In FY2022/03 (YoY), foundry and logic were firm, and DRAM increased as well.

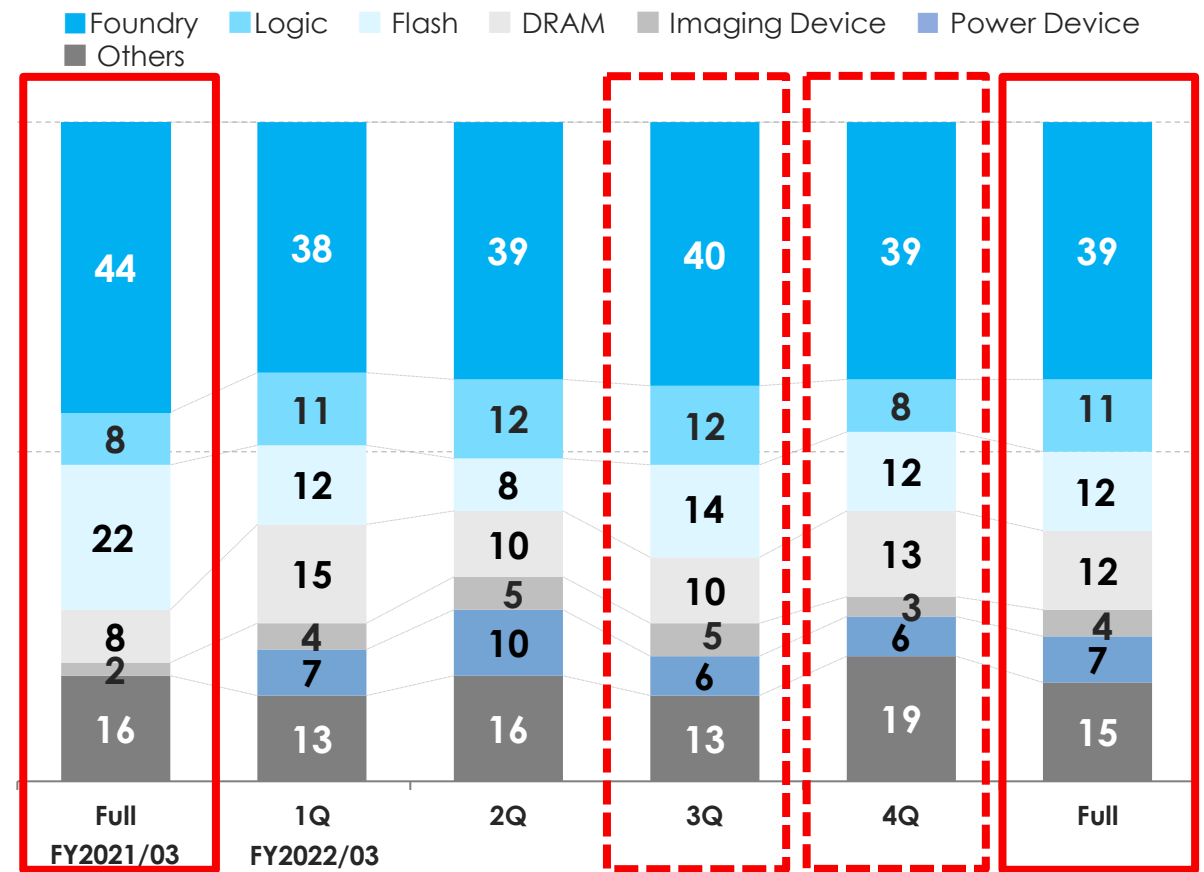


# Orders Received Ratio (Nonconsolidated)

## By Region -destination-

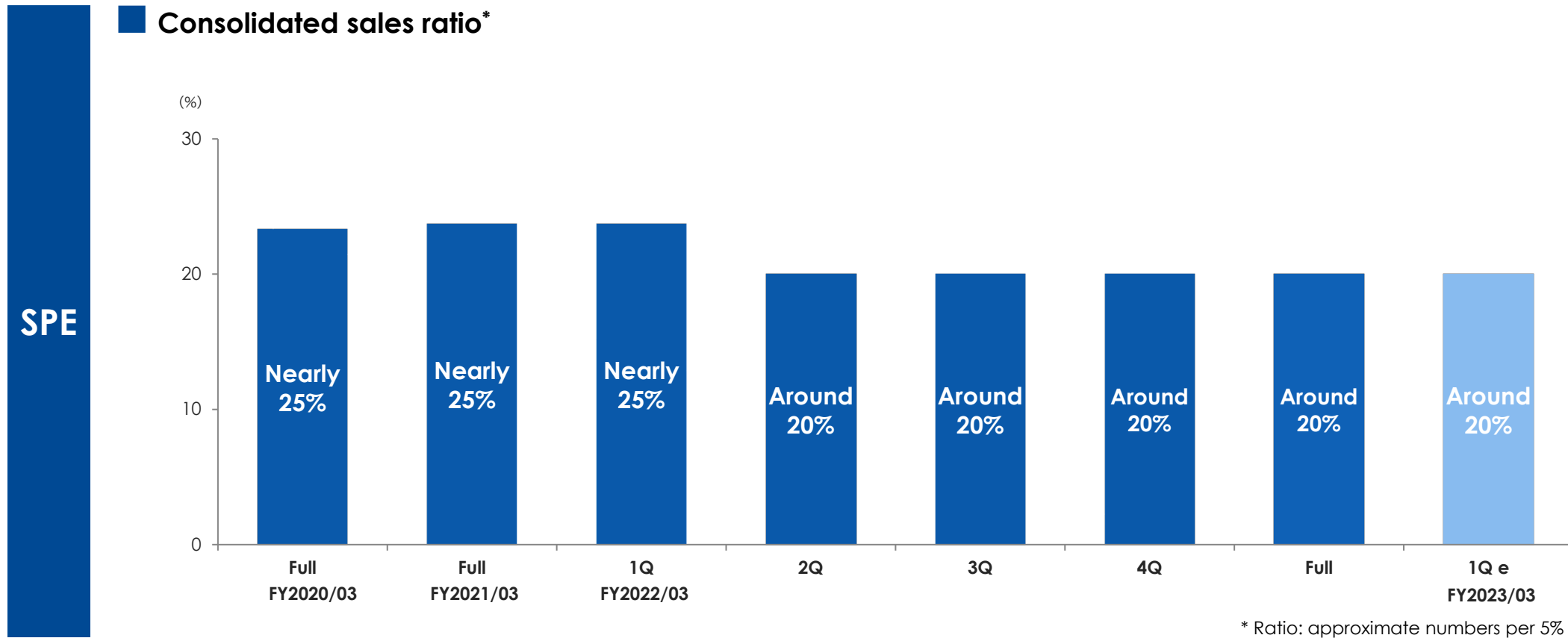


## Quarterly by Application Device



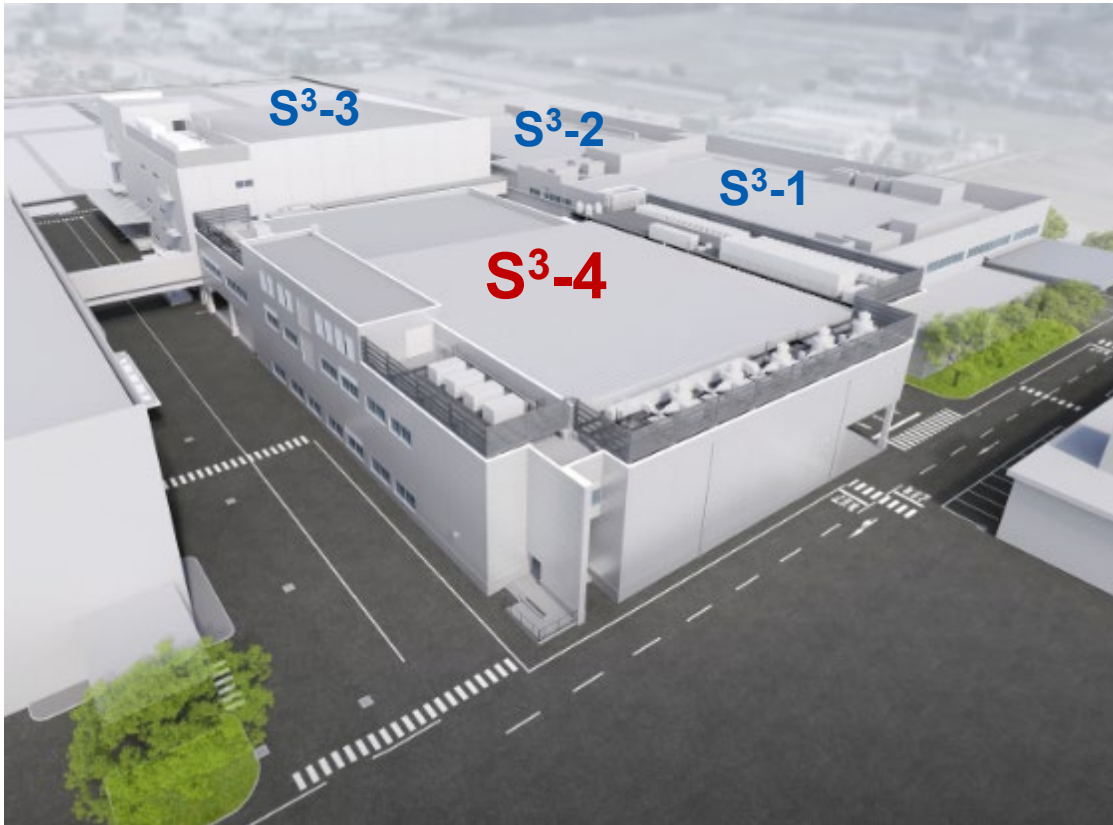
- By Region: In FY2022/03 (YoY), orders received increased in all regions, mainly in Taiwan. In 4Q (QoQ), Taiwan increased significantly, Japan also increased
- By Application Device: In FY2022/03 (YoY), logic, DRAM increased. In 4Q (QoQ), foundry remains firm, and DRAM increased
- Future orders: Expected to remain a level of ¥100.0 bn

## After sales services



- 4Q: QoQ sales increased steadily
- 1Q: Expected to be the same level of ratios as 4Q
- Going forward: Expect to contribute to further improvement in OP margins from increased maintenance and modification needs from newly delivered equipment

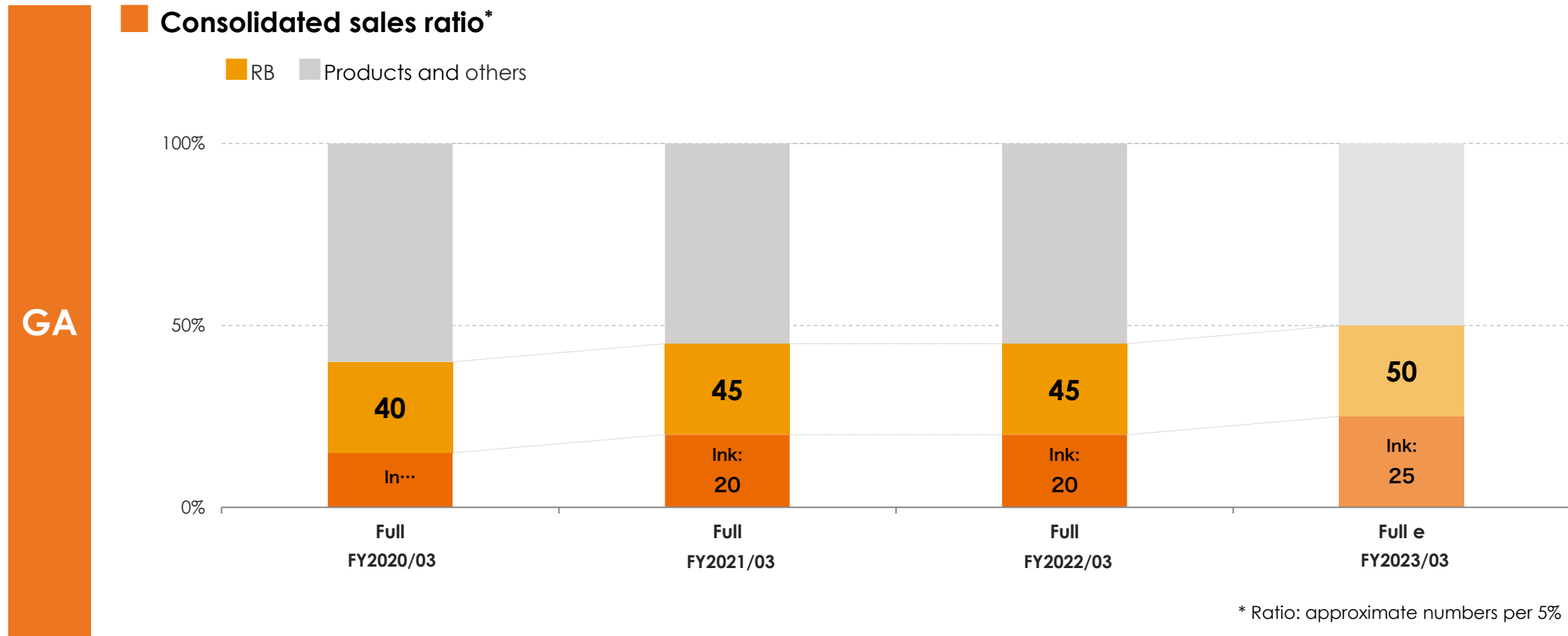
## ■ A new factory for semiconductor production equipment named S<sup>3</sup>-4 (S-Cube 4)



Conceptual drawing at completion  
(scheduled to start operations in January 2023)

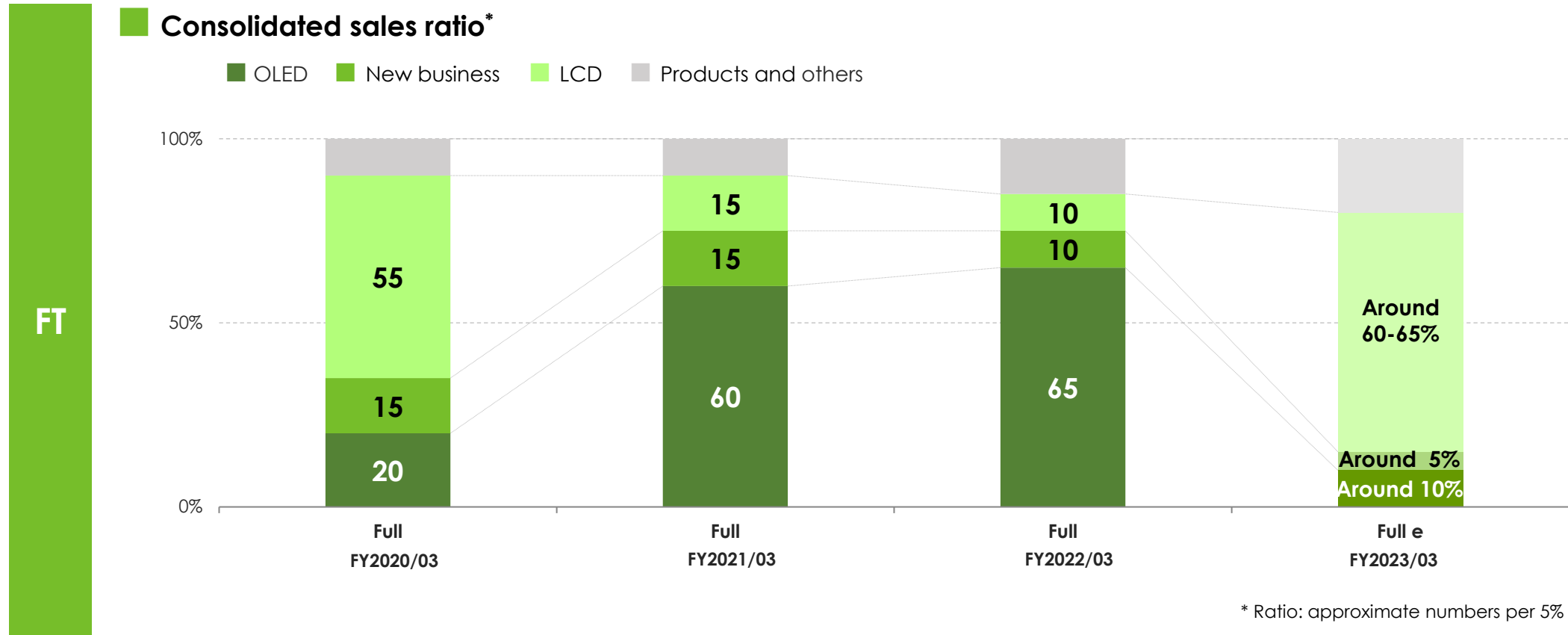
- >> The operation of S<sup>3</sup>-4, which is linked to the main factory S<sup>3</sup>-3, will increase SPE production capacity by 20%
  - Reorganize the production process of the entire Hikone Plant site. Increase production efficiency and contribute to higher profitability
- >> In Hikone Plant and Taga Plant, dedicate to achieving SBT\* through the adoption of renewable energy. Promote energy-saving investments, such as the renewal of air conditioning facilities
  - \* SBT: Science Based Targets represent an international initiative to prevent global warming by setting CO2 reduction targets that are based on scientifically sound principles
- >> Further production expansion is being discussed internally in a boosted market environment for semiconductors

## Recurring business is level off



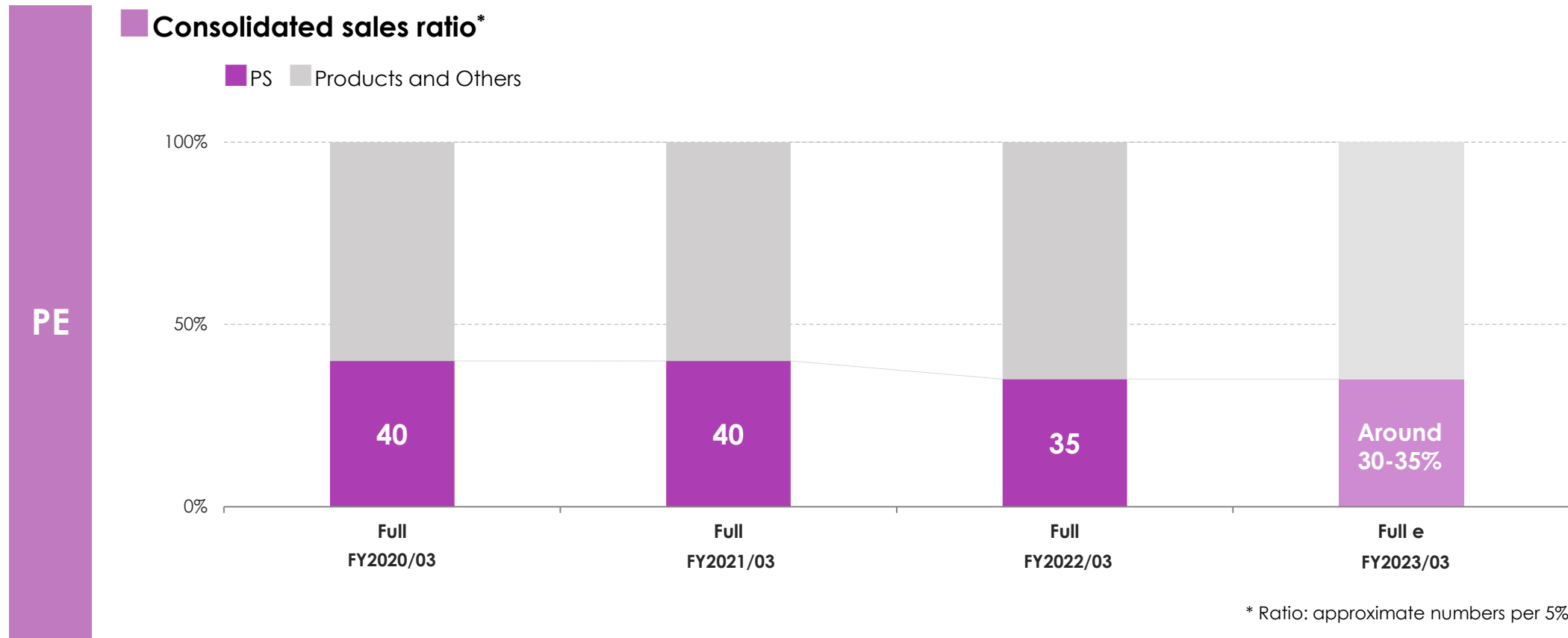
- Recurring business (RB), especially ink sales, remains firm
- Focus on growing demand for POD in North America and Europe, while controlling costs for parts shortages and transportation
- Recovered to an operating margin of 5% or more through improved profitability

## High resolution LCD sales will increase in FY2023/03



- Consolidated orders are ¥4.4 bn due mainly to LCD in 4Q, and expect 1Q orders also mainly from LCD
- Shifting production facilities and other resources to SPE, as well as structural reforms have been implemented in the previous fiscal year. These created synergies within the Group
- In 1Q, uncertain environment envisaged, including delays in deliveries due to the impact of the Shanghai lockdown

## After sales services is level off



- Demand is still robust for data centers, 5G and packages
- New products, such as Ledia Twin and Ledia7, have achieved steady customer penetration
- Strengthen new product development for growth in the next fiscal year and beyond

# FY2023/03 Business Forecast (as of May 11, 2022)

\*    is a record high

(Billions of JPY)		FY2022/03 Result			FY2023/03 Forecast		
		1H	2H	Full	1H	2H	Full
<b>Net sales</b>		<b>187.2</b>	<b>224.6</b>	<b>411.8</b>	<b>219.5</b>	<b>240.5</b>	<b>460.0</b>
	<b>SPE</b>	141.4	177.9	319.3	<b>182.0</b>	<b>190.0</b>	<b>372.0</b>
	<b>GA</b>	20.9	22.3	43.3	<b>19.5</b>	<b>19.5</b>	<b>39.0</b>
	<b>FT</b>	17.5	15.7	33.2	<b>11.0</b>	<b>21.5</b>	<b>32.5</b>
	<b>PE</b>	5.8	7.4	13.3	<b>6.0</b>	<b>8.0</b>	<b>14.0</b>
	<b>Others</b>	1.4	1.1	2.5	<b>1.0</b>	<b>1.5</b>	<b>2.5</b>
<b>Operating income (to net sales ratio)</b>		<b>24.0</b> <b>12.9%</b>	<b>37.1</b> <b>16.6%</b>	<b>61.2</b> <b>14.9%</b>	<b>32.0</b> <b>14.6%</b>	<b>42.5</b> <b>17.7%</b>	<b>74.5</b> <b>16.2%</b>
	<b>SPE</b>	24.3	38.5	62.8	<b>35.5*</b>	<b>42.5*</b>	<b>78.0*</b>
	<b>GA</b>	0.6	0.9	1.6	<b>1.0*</b>	<b>1.0*</b>	<b>2.0*</b>
	<b>FT</b>	0.1	0.4	0.5	<b>(1.0)*</b>	<b>1.5*</b>	<b>0.5*</b>
	<b>PE</b>	0.9	1.1	2.0	<b>0.5*</b>	<b>1.5*</b>	<b>2.0*</b>
	<b>Others</b>	(1.9)	(3.8)	(5.8)	<b>(4.0)*</b>	<b>(4.0)*</b>	<b>(8.0)*</b>
<b>Ordinary Income</b>		<b>23.7</b>	<b>35.6</b>	<b>59.4</b>	<b>31.0</b>	<b>42.0</b>	<b>73.0</b>
<b>Profit attributable to owners of Parent</b>		<b>17.6</b>	<b>27.8</b>	<b>45.4</b>	<b>22.0</b>	<b>28.0</b>	<b>50.0</b>

Notes: Assumed Exchange Rate in FY2023/03 >> USD1 = ¥120, EUR1 = ¥132

\* Forecast operating income by segment: approximate numbers per ¥0.5 bn

Assumed exchange rate sensitivity in FY2023/03 (Full year Operating income base) >> To USD: ¥160 million, To EUR: ¥40 million

(Billions of JPY)	1H e (FY2022/03 Result)	2H e (FY2022/03 Result)	FY2023/03 e (FY2022/03 Result)
<b>Depreciation and amortization</b>	<b>4.9</b> (4.7)	<b>5.3</b> (4.7)	<b>10.2</b> (9.5)
<b>Capital expenditures</b>	<b>12.0</b> (4.1)	<b>14.0</b> (9.2)	<b>26.0</b> (13.4)
<b>R&amp;D expenses</b>	<b>14.5</b> (10.5)	<b>14.5</b> (13.5)	<b>29.0</b> (24.0)

- Strengthen HD development and aim to develop new products in the LS, AI, ADPKG, and hydrogen-related fields

### >> Cash dividend (Forecast)

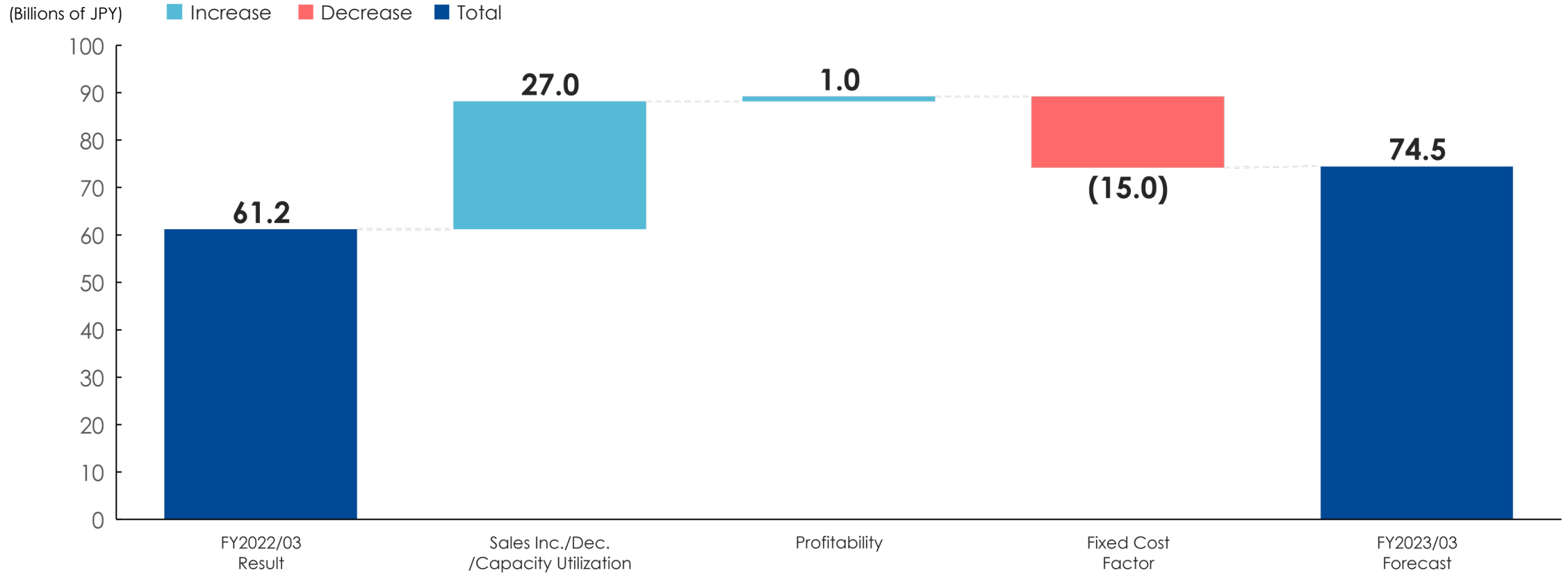
- Dividends will rise due to a significant increase in profit attributable to owners of parent
- Returning profits to shareholders in line with the target of maintaining a total consolidated shareholder return ratio of 30% or above as set forth in the medium-term management plan

(JPY)	FY2023/03 e (FY2022/03 Forecast)
<b>Cash dividends per share</b>	<b>322</b> (293)



# Analysis of Comparison in Operating Income

## FY2023/03 Forecast - Comparison with FY2022/03 result



\* Operating Income Factor: approximate numbers per 0.5 bn

- >> We plan to invest in growth centered on SPE this fiscal year, while expecting increased profit due to higher sales and improved profitability, mostly affected by SPE
- >> Fixed costs increased mainly due to SPE. We expect higher capital expenditures, R&D expenses and personnel expenses due to increased headcount, etc. in preparation for further growth

	Numerical Targets of Economic Value	FY2021/03 Result	FY2022/03 Result	FY2023/03 Forecast
Net sales	¥400.0 bn or above	¥320.3 bn	¥411.8 bn	¥460.0 bn
OPM	15% or above	7.6%	14.9%	16.2%
ROE	15% or above	7.9%	19.9%	20% or above
Operating CF	Cumulative total of ¥120.0 bn in 4 years	¥57.2 bn	¥138.9 bn (Two-year cumulative)	¥170.0 bn-¥190.0 bn (Three-year cumulative)
Shareholder Returns	Total consolidated shareholder return ratio of 30% or above	27.7%	30.1%	30.0% or above

\*The above figures are predicated on organic growth

\*The shaded background of FY2022/03 Result shows the items achieved

HD: Pursuing profitability and efficiency through the penetration of ROIC management

- Internal awareness changes due to the introduction of Gemba KPIs

SPE: Strengthen the competitiveness of cleaning equipment by miniaturization and development for leading-edge technologies

- To achieve an OP margin of 20% or above, structural reforms in unprofitable fields and continued improvements in production efficiency S<sup>3-4</sup>, new factory scheduled to start operations in January 2023, will contribute

GA: Strengthen POD strategy and stabilize recurring business

FT: Profitability improved in existing display businesses and growth investment made for energy business

PE: Focus on new product development and increase market share with new models introduced in the previous fiscal year

## Recent Group News (Excerpt from our website: January 29, 2022 to May 11, 2022)

HD

- Chosen as a Clarivate Top 100 Global Innovator for 2022
- Received New Credit Rating from BBB+ positive to A- positive
- Donation from SCREEN for Humanitarian Relief Activities in Ukraine
- Donated an emergency preparedness shed to Kamigyo Ward in Kyoto City
- Got a three-star rating, the highest, in the FY2021 Shiga Prefecture Biodiversity Initiative Certification Program
- Erected a stone memorial to commemorate the provision of a temporary emergency housing area for earthquake victims “the Temporary Technopark Area” on Company grounds in Mashiki Town, Kumamoto Prefecture
- Awarded the top prize at the 66th Kyoto Inventor Awards for inventing a circuit board processing device
- Transfer of Shares of Subsidiaries and Related Service Business
- SCREEN concluded an agreement with the NPO Tensai Art Kyoto to support the art creation activities of people with disabilities

GA

- Won EDP 2021 “Best label printer” award for its Truepress Jet L350UV SAI S

FT

- Began a mass production business for a fuel cell part membrane electrode assembly (MEA) to help realize a decarbonized, hydrogen-based economy

# ESG-Related Initiatives

## ■ E (Environmental): Realizing environmental management and initiatives to address climate change

- TCFD initiatives
  - SCREEN will conduct scenario analyses for its SPE business and disclose the results online (scheduled for late May 2022)
- Switching to renewable energy (installed at main SPE bases in Hikone and Taga)
  - Combined with continual efforts, such as equipment upgrades, SCREEN reduced emissions around 15% in the fiscal year ended March 31, 2022 compared with the fiscal year ended March 31, 2019 (Reference: Targets for Scope 1, 2 emissions based on SBT: 10% reduction by the fiscal year ended March 31, 2024; 30% reduction by the fiscal year ended March 31, 2030)

## ■ S (Social): Realizing decent work\* and creating social value

\*humane, satisfying working conditions

- SCREEN reduced regular working hours as a part of efforts to promote workstyle reforms
- SCREEN is practicing health and productivity management and boosting employee health
  - The Company is administering a third round of workplace COVID-19 vaccinations at its Head Office and in Hikone
  - SCREEN was certified as a Health & Productivity Management Outstanding Organization in 2022

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

- Evaluating the effectiveness of the Board of Directors
  - A survey was conducted by a third-party organization. Results of the evaluation are scheduled for online disclosure in the near future
- SCREEN's long-term issuer rating from the Japan Credit Rating Agency (JCR) was changed to A- (forecast: positive) on March 18, 2022
  - Note: Prior rating was BBB+ (positive)
- Enhancing Group risk management
  - SCREEN integrated its domestic and overseas reporting hotlines, upgrading to an online reporting system from March 1, 2022



## Chosen as a Clarivate Top 100 Global Innovator for 2022

SCREEN Holdings Co., Ltd. has been selected as one of the Top 100 Global Innovators for 2022 by Clarivate. Based on Clarivate's analysis of patent data, SCREEN has been recognized as one of the world's most innovative companies or institutions.

- Clarivate creates its list of the top 100 global innovators from patent data it possesses as one of the world's leading information services companies. To compile this list, it analyzes and evaluates trends in intellectual property for companies and institutions in every country and region
- The evaluation process itself employs a two-step approach
  - The first uses the basic volume of patents as its criteria
  - The second takes into account the candidates' influence, success and globalization as well as the range of technology fields in which they operate

Top 100  
Global  
Innovator  
2022

Clarivate™

- >> Going forward, continue undertaking research and development designed to foster innovation and further strengthening the creation of intellectual property to support these activities
- >> Established strategic planning department in HD aim to strengthen IP strategy and integrate it with management strategy

## Received New Credit Rating, as a New Long-term Issuer

Released by Japan Credit Rating Agency, Ltd. on March 18, 2022

	Rating	Outlook
Before change	BBB+	Positive
After change	A-	Positive

## Agreement signed to transfer shares of subsidiaries and related service businesses on April 19, 2022

A share transfer agreement between SCREEN Holdings Group company SCREEN Graphic Solutions Co., Ltd. and Belgium-based Agfa-Gevaert N.V. has been signed, under which all shares of SCREEN Graphic Solutions Co., Ltd.'s wholly owned subsidiaries Inca Digital Printers Ltd. (UK) and SCREEN GP IJC Ltd. (UK), as well as its Inca Digital Printers Ltd.-related services business in the US will be transferred to Agfa-Gevaert N.V. Planned completion of transfer at the end of May 2022

### Share transfer

Trade Name	Business description
Inca Digital Printers Ltd.	Develops, manufactures, and maintenance industrial inkjet printers for wide formats
SCREEN GP IJC Ltd.	Development and manufacture of print engine for BHS Corrugated Maschinen- und Anlagenbau GmbH's inline corrugator

### Business transfer

Inca Digital Printers Ltd.-related services business in the US under the control of SCREEN GP AMERICAS, LLC

## ■ Began a mass production business for a fuel cell part membrane electrode assembly (MEA) to help realize a decarbonized, hydrogen-based economy

SCREEN Finetech Solutions Co., Ltd., in partnership with Mitsubishi Corporation R+M Japan Ltd., has begun the mass production of membrane electrode assemblies (MEAs),<sup>1</sup> an important component of fuel cells.

- SCREEN Finetech Solutions started development of fuel cell MEA mass production technology in 2013 and successfully developed technologies for the direct coating/drying of electrode catalysts on electrolyte films.<sup>2</sup> Using Group expertise, we have created an entire manufacturing process for the mass production of high-quality fuel cell MEAs.
- In 2021, the size of the fuel cell market was ¥370.0 bn. This market is expected to grow to ¥5 tn by 2030, of which the market for MEAs is forecast to be ¥700.0 bn.
- SCREEN Finetech Solutions Co., Ltd. was selected as one of the Companies Taking on the Zero-Emission Challenge<sup>3</sup> by the Ministry of Economy, Trade and Industry for its development of technologies for utilizing fuel cells across a broader range of applications.

1. Membrane electrode assembly (MEA): An important component that affects the durability and performance of polymer electrolyte fuel cells. It is composed of an ion exchange membrane, catalyst membranes and gas diffusion layers.

2. Achieved with sponsorship from the New Energy and Industrial Technology Development Organization (NEDO).

3. A selection by the Ministry of Economy, Trade and Industry of companies that are boldly taking on innovation aimed at realizing a decarbonized society.

>> Going forward, we aim to build up our track record in the mass production of fuel cell MEAs and become a global leader in MEA manufacturing.

>> We will advance initiatives aimed at reducing environmental burden and realizing a sustainable society

## Won EDP 2021 “Best label printer” award for its Truepress Jet L350UV SAI S

SCREEN Graphic Solutions Co., Ltd. has won an award for its Truepress Jet L350UV SAI S, the 3rd prize awarded to the Japanese leader in digital inkjet technology by the European Digital Press Association (EDP)\*. The jury voted the Truepress Jet L350UV SAI S “Best label printer” for its ease-of-use thanks to its excellent software, as well as for its improved quality and speed.

- Compared to the previous model, the Truepress Jet L350UV+, various features have been updated, including improved productivity, an extended colour gamut with 7-color configuration and reduced the amount of ink. It has also been evaluated for its ease-of-use thanks to in-house developed software
- In 2014, the company won the award for the first Truepress Jet L350UV, and in 2018, it was also awarded the next-generation Truepress Jet L350UV+LM. The third time this model was awarded

\* Founded in 2006, EDP is an industry association consisting of 21 printing magazines focused on the digital printing process. The European Digital Press Association (EDP) Award celebrates innovative technologies that have had a significant impact on the digital printing industry in terms of productivity, cost, usability, functionality and environmental response.



>> Truepress Jet L350UV series is highly regarded worldwide, particularly in Europe where market demand is high  
>> Continue to contribute to the development of the label printing industry by providing solutions that meet the diverse needs of the industry and increase the value of its products

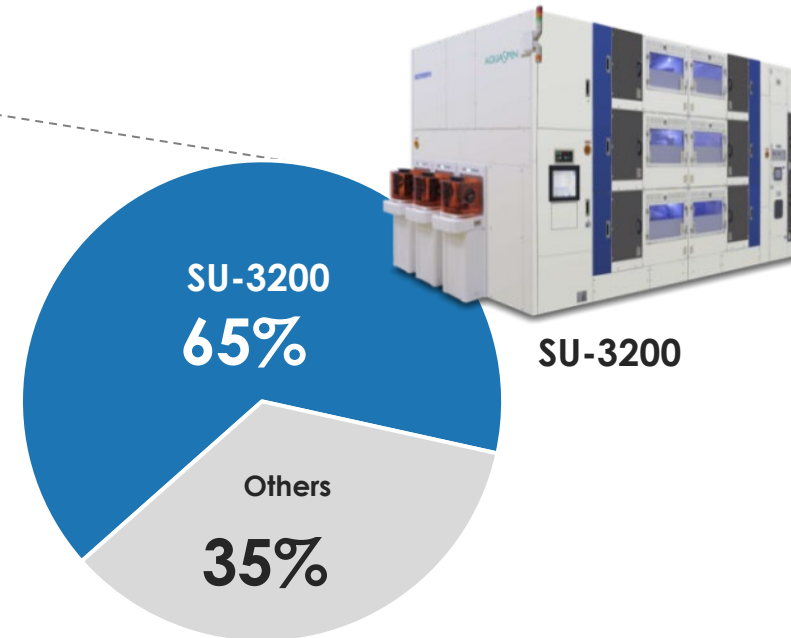
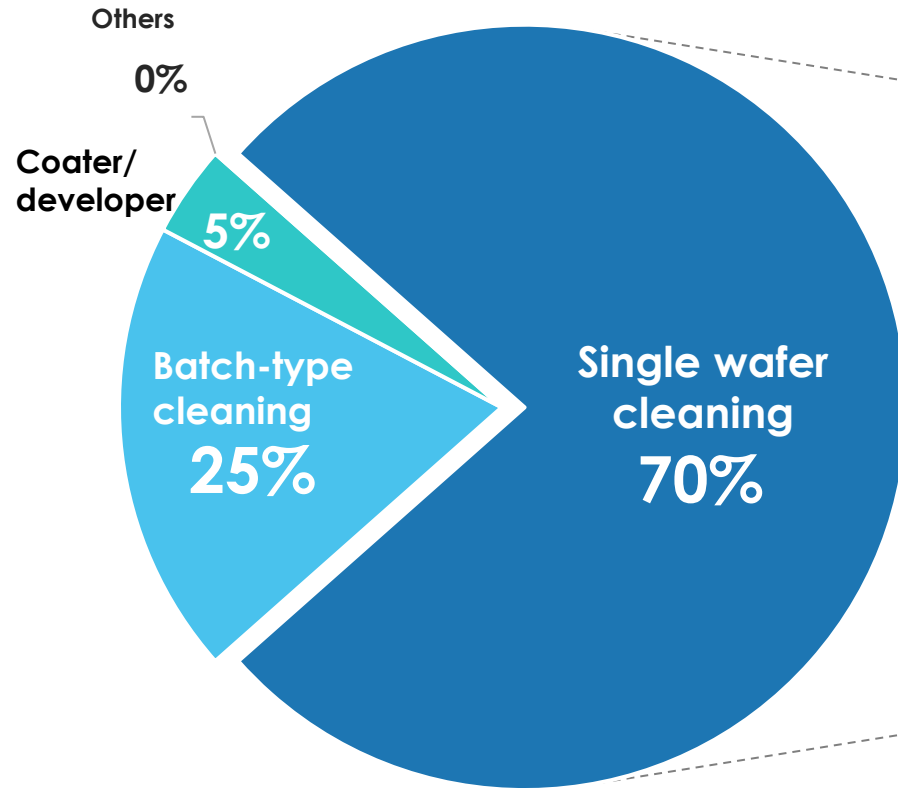


Comparison (YoY)	FY2021/03	FY2022/03	Difference	
	Full	Full		
(Billions of JPY)				
<b>Net sales</b>	235.5	<b>319.3</b>	<b>83.8</b>	<b>35.6%</b>
<b>Operating income (to net sales ratio)</b>	25.9 11.0%	<b>62.8</b> 19.7%	<b>36.8</b>	<b>141.7%</b> 8.6pt

Comparison (QoQ)	FY2022/03	FY2022/03	Difference	
	3Q	4Q		
(Billions of JPY)				
<b>Net sales</b>	84.6	<b>93.2</b>	<b>8.5</b>	<b>10.1%</b>
<b>Operating income (to net sales ratio)</b>	17.1 20.2%	<b>21.4</b> 23.0%	<b>4.3</b>	<b>25.3%</b> 2.8pt

# Appendix>> Composition of Sales (Nonconsolidated)

## ▀ Total Sales Ratio of Equipment by Product in FY2022/03



unit: %	FY2019/03	FY2020/03	FY2021/03	FY2022/03
Single wafer cleaning	65	65	70	<b>70</b>
Batch-type cleaning	20	25	25	<b>25</b>
Coater/developer	10	5	5	<b>5</b>
Others	5	5	0	<b>0</b>

\* Ratio: approximate numbers per 5%

## Comparison (YoY)

	FY2021/03	FY2022/03	Difference	
	Full	Full		
(Billions of JPY)				
<b>Net sales</b>	37.4	<b>43.3</b>	<b>5.9</b>	<b>15.8%</b>
<b>Operating income (to net sales ratio)</b>	0.5 1.4%	<b>1.6</b> <b>3.8%</b>	<b>1.1</b>	<b>205.5%</b> 2.3pt

## Comparison (QoQ)

	FY2022/03	FY2022/03	Difference	
	3Q	4Q		
(Billions of JPY)				
<b>Net sales</b>	9.9	<b>12.3</b>	<b>2.3</b>	<b>23.9%</b>
<b>Operating income (to net sales ratio)</b>	0.4 4.3%	<b>0.5</b> <b>4.3%</b>	<b>0</b>	<b>22.9%</b> 0pt

## Comparison (YoY)

	FY2021/03	FY2022/03	Difference	
	Full	Full		
(Billions of JPY)				
<b>Net sales</b>	34.7	<b>33.2</b>	<b>(1.4)</b>	<b>-4.1%</b>
<b>Operating income (to net sales ratio)</b>	0.4 1.3%	<b>0.5</b> 1.8%	<b>0.1</b>	<b>35.0%</b> 0.5pt

## Comparison (QoQ)

	FY2022/03	FY2022/03	Difference	
	3Q	4Q		
(Billions of JPY)				
<b>Net sales</b>	5.5	<b>10.1</b>	<b>4.6</b>	<b>83.7%</b>
<b>Operating income (to net sales ratio)</b>	(0.3) -5.5%	<b>0.7</b> 7.2%	<b>1.0</b>	<b>-</b> 12.7pt

# Appendix>> Business Situation

## Comparison (YoY)

	FY2021/03	FY2022/03	Difference	
	Full	Full		
(Billions of JPY)				
Net sales	10.4	13.3	2.8	27.6%
Operating income (to net sales ratio)	0.7 7.4%	2.0 15.6%	1.3	168.3% 8.2pt

## Comparison (QoQ)

	FY2022/03	FY2022/03	Difference	
	3Q	4Q		
(Billions of JPY)				
Net sales	3.3	4.0	0.6	20.2%
Operating income (to net sales ratio)	0.6 17.8%	0.5 12.9%	(0)	-12.4% -4.8pt

# Appendix>> Changes in Main Index

(Billions of JPY)	FY2018/03	FY2019/03	FY2020/03	FY2021/03	FY2022/03	FY2023/03 Forecast
<b>Net sales</b>	339.3	364.2	323.2	320.3	<b>411.8</b>	<b>460.0</b>
<b>Operating income</b>	42.7	29.6	12.5	24.4	<b>61.2</b>	<b>74.5</b>
<b>Operating income ratio (%)</b>	12.6	8.1	3.9	7.6	<b>14.9</b>	<b>16.2</b>
<b>Total assets</b>	365.8	380.9	347.9	382.6	<b>459.3</b>	-
<b>Equity</b>	170.8	179.1	173.9	208.3	<b>247.7</b>	-
<b>Equity ratio (%)</b>	46.7	47.0	50.0	54.5	<b>53.9</b>	-
<b>ROE (%)</b>	18.2	10.3	2.8	7.9	<b>19.9</b>	-
<b>Depreciation and amortization</b>	5.7	6.8	8.8	9.6	<b>9.5</b>	<b>10.2</b>
<b>Capital expenditures</b>	14.4	24.0	7.9	7.8	<b>13.4</b>	<b>26.0</b>
<b>R&amp;D expenses</b>	20.8	22.8	21.5	21.5	<b>24.0</b>	<b>29.0</b>
<b>EPS (JPY)</b>	608.62	387.10	107.37	325.21	<b>976.55</b>	<b>1,073.47</b>
<b>Cash Dividends (JPY)</b>	110	97	30	90	<b>293</b>	<b>322</b>



**Innovation for a Sustainable World**